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CENTR[AL]
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COMMERCE

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

BOMBAY, 7th JULY 1956 — PRICE Rs. 1/8

DETAILS of the C[entral] programme for the [year] have been announced. Whi[le] the programme has been in ac[cord]ance with the terms of it[s] announcement of surprise. It [was] weeks ago that, altho[ugh]

MARK[ET] & [COM]MERCE
A REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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TARGETS FOR AGRICULTURE

EVER since Mr. Nehru mentioned the need and the scope for raising the second Plan's target for food production by 40 per cent., a new sense of urgency for agriculture has dawned upon the country. If Mr. Nehru's statement had done nothing more than stimulate thought, it would still be reckoned as a national blessing. For there was a possibility that the country, in its legitimate enthusiasm for industry, might fall into a mood of complacency so far as agriculture was concerned. The emphasis in the second Plan, according to the popular view of the Plan, is all on industry, the implied assumption being that the battle on the agricultural front has been won for ever. What could be a more attractive thought than to pride oneself that this country has attained self-sufficiency in food and most of the agricultural raw materials and could therefore enter upon the relatively more fascinating adventure of industrial progress? But few people realise that even industrial prosperity must have a strong agricultural base and that the country can never afford wholly to relax its efforts on the farm front.

Perhaps, the illusion that the country had won its battle on the agricultural front arose from the fact that the publicists for the second Plan frequently choose to emphasise only its industrial aspects. It is true that the financial provision for agriculture in the second Plan is less than on industry. But it is not true that agriculture has been neglected. It is, of course, a different matter whether the investment now proposed matches the country's needs. The point is that agriculture and irrigation still account for Rs. 1,083 crores (22.5 per cent. of the total outlay), as against Rs. 658 crores (34.4 per cent. of the total outlay) in the first Plan. It is the fact that industry and mining absorb Rs. 890 crores (18.5 per cent. of the total outlay) in the second Plan as against a mere Rs. 179 crores (7.6 per cent.) in the first Plan that has given rise to the wrong impression that the second Plan is mainly an industrial Plan even as the first was chiefly agricultural. But those who suffer from this illusion overlook the fact that the outlay on several schemes, allied to agriculture, has been stepped up in the second Plan. To take only one such item of allocation, flood control; it absorbs Rs. 105 crores, as against a mere Rs. 17 crores in the first Plan. A more correct view of the second Plan is that, without in any way sacrificing agriculture, it devotes a somewhat larger attention to industrial development. No one need quarrel with this system of priority.

Although the targets provided for agriculture in the second Plan are by no means so impressive as they are for industry, they do imply a not inconsiderable increase over the existing level of output. The targets, set by the Planners to be reached in 1960-61, with figures in brackets representing the existing levels of output, are: Foodgrains 75 million tons (65 million tons); oilseeds 7 million tons (5.5 million tons); sugarcane 7.1 million tons (5.8 million tons); cotton 5.5 million bales (4.2 million bales); jute 5.0 million bales (4.0 million bales); coconut oil 210,000 tons (130,000 tons); arecanut 2.7 million maunds (2.2 million maunds); pepper 32,000 tons (26,000 tons); cashewnuts 80,000 tons (60,000 tons) and tea 700 million lbs. (644 million lbs.). A factor which has prevented the fixation of more impressive targets than what these figures suggest is that the scope for extending the area under cultivation is strictly limited. Even so, it will be seen that the targets provided in respect of the chief crops represent an increase in output of 15 per cent. in foodgrains, 27 per cent. in oilseeds, 22 per cent. in sugarcane, 31 per cent. in cotton, 25 per cent. in jute and 9 per cent. in tea.

More recently, however, a few considerations have prompted the authorities to think in terms of higher targets. In the first place, the target for foodgrains, when it is reached, will just provide for 18.3 ounces per adult. This level of consumption, though it is more than the present level, could become insufficient if living standards rise faster than now anticipated. It cannot be too often emphasised that in an underdeveloped economy any rise in incomes will be primarily absorbed by food and cloth. Secondly, there is the ever-present threat of inflation through deficit financing. War-time experience has shown that what people resent most is the shortage of foodgrains and cloth. Thirdly, there is the consideration that a higher level of agricultural output might conceivably leave a surplus for export and thereby turn out to be a valuable ally in the battle for foreign exchange. And India, with so much to import in the second Plan period, should strain itself to the utmost to export as much as it could.

It is against this background that one must assess the deliberations of the recent State Agriculture Ministers' Conference at Mussoorie. Considering the national importance of the discussions which took place there, it is certainly deplorable that no official version of either the speeches made or the conclusions arrived at has been made available to the public. This is a sad commentary on the way the Government is setting about its task of enlisting public co-operation for the Plan. Here was a Conference which was intended to consider ways and means of raising the target for production of an article of vital public concern—foodgrains. And yet the Ministry for Information and Broadcasting has not deemed it necessary to tell the public anything about it. The result is that the press has had to pick up what information it can from confused reports and contradictory accounts in which misplaced decimals have no little havoc.

Be that as it may, what is the Conference? A working group appointed by the Conference, [see] page 642. Most an increase in the foodgrain target million tons to 81.5 million tons—16.5 million tons over the present of 65 million tons, as against the increase provided in the Plan. The other crops were raised thus: 5.5 million bales to 5.86 million bales, 4.95 million bales to 5.54 million cane from 7.1 million tons to 7.8 million tons, oilseeds from 7.0 million tons to 7.6 million tons, black pepper from 32,000 tons to 36,000 tons, cashewnuts from 80,000 tons to 106,000 tons and recommended no change in the target for production of coconut, arecanut and tobacco. It is not clear whether all the new targets were accepted by the Conference. But it would appear that the Conference generally agreed to the increase in foodgrain output by 16.5 million tons as recommended by the Working Group and that, in partial response to the plea from the Commerce and Industry Ministry, it raised the target for cotton to 6.1 million bales as against 6.6 million bales suggested by this Ministry.

The new foodgrain target (81.5 million tons) now accepted by the Conference, represents an increase of 25 per cent. over the existing level of output, namely, 65 million tons, and of 6.5 million tons over the target of 75 million tons set in the second Plan. This increase is, of course, much less than the 40 per cent. rise desired by Mr. Nehru. But a consideration of all relevant factors will go to show that the increase in output envisaged at Mussoorie is more realistic, though less ambitious, than what was considered desirable by some members of

the Planning Commission as an afterthought. The Prime Minister was inclined to pitch his target high on the ground that large increments in yields have been achieved in the model farms. But conditions in rural areas are far different from what they are in model farms. These farms are meant to be models and, if conditions there could be reproduced in the fields in their entirety, they would cease to be model farms. The fact is that ideal farming conditions, such as assured water-supply, availability of manure of the right kind, supply of credit and knowledge of advanced farming practices, do not exist in Indian agriculture. After all, even in the National Extension Service regions and Community Project areas, where probably the highest level of agricultural practices are now being followed, the increase in farm output has been only of the order of 20 to 25 per cent. To expect a higher level of output in the rest of the country is certainly to court grievous disappointment. The Union Minister for Food and Agriculture, Mr. A. P. Jain, who argued a very convincing case for the modest increase of 16.5 million tons in foodgrain output, said: "We have to put our targets at the minimum, because, once we fix them, I shall feel ashamed if we are not able to achieve them." It is certainly no use fixing targets on paper which cannot be hit with reasonable effort.

Indeed, even the Mussoorie target, realistic as it is, cannot be accomplished without great effort. All that could be said in its favour is that it is not impracticable. But it would not be practicable in the absence of modern agricultural practices, rural credit and transport. Above all, it must be remembered that the monsoon is still an uncertain factor. If the monsoon fails in a year, or continuously for two or three years, the deficit may be too large to be made up by an increase in output in areas of comparatively assured water-supply. Not all the agricultural talent available in the country can prevail against a bad monsoon. Further, it would be folly to overlook the fact that even the achievement of the Mussoorie target implies a larger allocation of financial resources to agriculture. The Conference, it is stated, asked for an additional allotment of Rs. 111 crores to agriculture in order to enable the country to reach the new target. The Minister for Planning, Mr. Gulzarilal Nanda, was, however, disinclined to increase the allocation to agriculture. The Conference, on its part, felt that, if fresh allocations were not possible at this stage, the funds needed for the implementation of the agricultural programme could be drawn upon during [illegible] first three years of the Plan and that, at the [illegible] of the period, the position could be reviewed [illegible] additional allocations made. It is not clear [illegible] this could be done, especially because such [illegible] has been made by other ministries, [illegible] particularly, the Transport Ministry. Such [illegible] if conceded, would reduce the Plan [illegible]800-crore three-year Plan. Never[illegible]ld be possible, if production out[illegible]anticipations or if some shortfall [illegible]outlay on certain other schemes, [illegible]stments, including upward re[illegible]allocations for specific agricultural [illegible]of proved efficiency and certain [illegible]herefore, well for the Government [illegible]find that the first legitimate heirs [illegible]falls are the Agriculture and Trans[illegible]es.

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[illegible]oblem of increasing agricultural pro[illegible]has both administrative and financial [illegible]On the administrative side, it means a [illegible]land reform policy and dissemination [illegible]rmation on modern agricultural practices. [illegible]present land reform policy is not conducive [illegible]efficient farming. It tends towards further [illegible]gmentation of holdings, foments discord between landlord and tenant. Further, it increases the number of law suits and till they are settled neither party to the suit has any interest in the cultivation of the land. Again, if the Government is unable to provide all the credit that is needed for improving the land, it could at least adopt such measures as would induce the rich urban citizens to take to farming or to finance it. But the present land reform laws serve only to drive the well-to-do landlord from the village to the towns. So far as dissemination of agricultural information is concerned, the farmer is no doubt becoming more manure-minded. Even so, he needs more help than he now receives. It may be mentioned here that, in the U.K. which has achieved some notable progress in recent years in the sphere of agriculture, the Ministry of Agriculture and Food operates an array of field services which employ 10,000 persons to cater to the needs of the country's 360,000 farmers; despite the need for utmost economy as part of its anti-inflationary battle, the Government has refused to cut the present £10-million budget for these services. India will need a far more extensive agricultural service than what it has today, if the farmers are to be taught the benefits of modern science.

The financial aspect of the agricultural problem embraces a wide range of issues. Primarily, it means, of course, the supply of adequate credit. But it means much more than the provision of loans. What the farmer needs is an assurance of at least a minimum income. This means a price support scheme for agriculture. The Government of India cannot long delay the consideration of this demand. Little has been done to help the farmer maintain, let alone improve, his income. This is in strange contrast with the very generous schemes of social security made available to the industrial worker. And yet, when one comes to consider the question, the Indian farmer needs, thanks to the vagaries of the monsoon and the consequent fluctuations in his fortunes, such security far more than the industrial worker or his counterpart in modern economies which operate price support schemes.

Although no attempt has been made to evolve a comprehensive price support scheme, the question of agricultural prices did come up for discussion at the Mussoorie Conference. Some State representatives were of the view that prices for wheat and rice should be linked with the current issue prices for these grains, namely, Rs. 14 per maund and Rs. 16 per maund respectively. Others felt that minimum prices should be fixed for cash crops also. These are vague suggestions but they are sufficient to suggest that there is a large section of public opinion in favour of a price support scheme for agricultural crops.

The question of optimum level of prices for agricultural commodities which would ensure a fair deal to consumers and producers alike and keep the living costs and production costs at competitive levels was also discussed at the Conference. The Planning Commission, it is stated, has suggested a 20 per cent. reduction in these prices. Mr. Jain was opposed to this suggestion. But it is not known whether the Commission meant a decline from the present price levels or from the uncomfortably high levels touched in recent months. Surely, the latter cannot be taken as reasonable ones. But this does not mean that the low levels witnessed in the 1954-55 marketing season were reasonable either. An optimum level would be between these two extremes. And it should be the endeavour of the authorities to maintain that level through suitable open market operations.

Any scheme designed to stabilise prices should, of course, ensure that the free market is not unduly disturbed. It is, therefore, gratifying to note that Mr. Jain is strongly opposed to rationing and controls. He said:

"We have enough experience of the evil effects of food controls and we are in no mood to undertake them easily. After considerable thinking I and my Ministry have reached the conclusion that we shall maintain sufficient buffer stocks and control prices through them. We have decided to build reserves of one million tons of rice and one million tons of wheat. Part of these reserves will be built during the current year and we hope to fully build them up next year. Besides, there are monetary and fiscal measures including mopping up and immobilisation of currency which can be effective in checking the vagaries and speculative activities of the market. The Government of India will not hesitate to make use of them when the situation arises. I am confident that we shall be able to maintain a free market and reasonable prices in foodgrains without resorting to rationing and procurement. At the same time, we must continue to wage an unrelenting war against shortage and match our supplies with the demands."

This extract shows that the Kidwai spirit still animates the Food and Agriculture Ministry. This is an encouraging sign. Food control and rationing will not be consistent with democratic planning. They were abolished only through the statesmanship and intuitive courage of Rajaji and the late Mr. Kidwai, who will be long remembered as the father of freedom in foodgrain markets. Never again should those obnoxious restrictions be allowed to return, making the farmer hoard like a thief the grain he has laboured to grow and the consumer supplement his allotted share by means other than those that are strictly legal.

AUTOM[illegible]

THE Tariff Comm[illegible] mobile indus[illegible] prices of vehicles[illegible] promises to be o[illegible] kind and also, p[illegible] versial. There is[illegible] a strong case for[illegible] cars. There has b[illegible] materials and comp[illegible] facturing costs, whil[illegible] pite the recent increa[illegible] itself a factor which[illegible] tion cost per unit. F[illegible] a large amount of cap[illegible] city. This could be[illegible] is profitable. At the[illegible] try performs a vital ser[illegible] so that any large incr[illegible] products will have seri[illegible] Commission will naturally hav[illegible] relevant considerations before it[illegible] question of automobile prices. At all[illegible] inquiry ought not to end in a mere exercise in cost accounting and the fixation of fair average profit.

The industry now consists of six units of which two produce cars and trucks, two produce trucks alone, one produces cars and one produces jeeps. The total annual assembly capacity of all the units is 50,100 vehicles on the basis of single-shift working. The demand for automobiles, as would be seen from the figures quoted by the Chairman of the Commission, Mr. K. R. Damle, has been steadily moving up. The following table shows the offtake of vehicles of different types in 1953, 1954, 1955 and the first quarter of 1956:

Type	1953	1954	1955	1956 (first quarter)
Small cars	40	969	3,443	1,165
Light and medium cars	1,947	2,846	4,546	1,327
Big cars	526	953	2,028	683
Jeeps	396	1,395	2,272	1,107
Diesel medium truck (3 to 5 ton)	..	71	1,756	872
Diesel heavy truck (above 5 ton)	159	303	684	217
Petrol light trucks	1,146	558	2,313	452
Petrol medium trucks	1,523	2,994	2,908	781
Diesel buses	93	373	1,840	780
Total	5,830	10,467	21,790	7,384

It is certainly gratifying to note that the demand for vehicles has been going up. Indeed, Mr. Damle said that it is possible that "we may apprehend a shortage in supply compared to estimated demand." This is certainly a happier state of affairs than having a supply that is in excess of demand. But it also means that the country must know how best any shortage that might develop could be met. From the industry's point of view, it is, perhaps, fortunate that it has felt the need for higher prices at a time when the demand for vehicles has been rising. The manufacturers should, however, realise that higher prices could well reverse the present encouraging trend in demand. The dilemma could be resolved only through a more thorough-going search for a remedy which will further increase the demand for vehicles, thereby enabling the manufacturers to increase their production and turnover and thus reduce production costs. This will, of course, involve a study of a wide range of problems such as the tax burden on the industry and the vehicle-owner, the freight on vehicles and supply and availability of spare parts.

But it is to be feared that the Commission's inquiry will not be so far-reaching as to include these questions. Nevertheless, the enquiry is bound to prove valuable, in that it will deal with several immediately urgent issues. These, as stated by Mr. Damle, will include: (1) estimate of demand for vehicles, (2) relative preference for diesel and petrol vehicles, (3) level of demand essential for undertaking economical manufacture, (4) provision of after-sales service and (5) system of distribution of vehicles and spare parts, including "dealer's discount." The Commission has done well to include within the scope of the inquiry the examination of methods for investigating complaints about the quality of vehicles manufactured by the Indian industry. After all, a protected industry, as Mr. Damle rightly pointed out, has a special responsibility for maintaining the quality of its product. The automobile industry cannot afford to overlook this vital obligation to its customers.

CENTRE'S BORROWING PROGRAMME ANNOUNCED

Interest Structure Unchanged—Bombay Should Be The Capital Of Insurance

THURSDAY, 6 P.M.

DETAILS of the Central Government's borrowing programme for the 1956-57 fiscal year have just been announced. While the timing of the programme has been in accordance with market expectations, the terms of it are not without a large element of surprise. It was fairly clear even three weeks ago that, although the stringency in the money market was unlikely to ease to any appreciable extent, the monetary authorities might wait only up to the first week of this month for launching the programme. It was also evident that the new loan would be a medium-dated *cash-cum*-conversion one. But it was not widely believed that the programme would contain three types of loans as it has now turned out to be. From the open market operations of the Reserve Bank, the maturity pattern of existing loans, and the preferences of institutional investors for loans of certain duration, one could anticipate fairly correctly the terms of the new loan. Thus, the general expectation was that the new issue would be 3½ per cent. 1967 at Rs. 98-8 or Rs. 98-4. This has proved correct. None, however, could foresee or assert with such accuracy that this issue would be clubbed with two choices for investors.

MARKET GOSSIP

The particulars of the borrowing programme are:

Three new loans are being offered to investors. First, there is a short-medium-dated loan, repayable after six years, that is, on 16th July 1962. Interest on this will be at 3½ per cent. The issue price is at Rs. 98 per cent. and the loan will be redeemed at par. This issue was totally unexpected.

The second is a long-medium-dated loan, repayable after 11 years, that is on 16th July 1967. It carries interest at 3½ per cent. The issue price is at Rs. 98-8 per cent., redeemable at par. This is in accordance with expectations. There was, of course, a doubt whether the issue price will be Rs. 98-4 or Rs. 98-8, but market circles knew that, if the Reserve Bank were to succeed in pushing up the rate for the 3½ per cent. 1965 loan to about Rs. 99, the issue price would be Rs. 98-8. By last week, the Bank had raised the market value for the said loan to about Rs. 99, though it is now standing at Rs. 98-12 *ex-voucher*.

The third loan is a long-dated issue of 18 years' duration. Redeemable at par on 16th July 1974, it is being issued at the same price as the second loan, that is, at Rs. 98-8 per cent. but carries a higher rate of interest, namely, 3¾ per cent. This issue, too, was not expected. It is true that there was a suggestion that a long-dated loan yielding a return of 4 per cent. should be issued. On the basis of this suggestion, some anticipated a second issue of 2¾ per cent. 1976 at Rs. 82-8. What has, however, materialised is vastly different from this anticipation. The yield on it is well below 4 per cent. and the capital profit is only Re. 1-8 and not Rs. 17-8. It was pointed out in these columns that the present socialist Government would never consent to permit such a large capital gain on a Gilt-edged security.

Interest on all the three loans is subject to income-tax and will be paid half-yearly (on 16th January and 16th July).

The list for all loans opens on the 16th inst. and will remain open for three days. It may, however, be closed earlier without notice, if the subscriptions exceed the amount invited.

The total amount of all the three loans put together is Rs. 150 crores. The Government reserves the right to retain subscriptions received up to 10 per cent. in excess of the sum of Rs. 150 crores. No specific amount has been fixed for each loan.

Applications may be made in cash as well as in 3 per cent. 1957 loan which will be accepted at Rs. 99-13 per cent. Interest on this loan will be paid up to the 15th inst. The rate of Rs. 99-13 for conversion is the same as the current market rate for this loan. Thus, no special concession is being made to holders of this loan to induce them to convert it into any of the three new loans.

The total amount of the Central Government's borrowings is also a surprise. Since the Finance Minister had stated in his budget speech that for this year he would borrow Rs. 100 crores, the sum of Rs. 150 crores now announced has exceeded expectations. Surprising though the amount is, there is an explanation for it. As the authorities have decided to make a conversion offer to holders of an issue maturing only a year hence, the target has been raised. It may be noted here that the outstandings of 3 per cent. 1957 are as much as Rs. 114.07 crores.

The terms of all the three new issues are in line with the current redemption yields available on the existing comparable loans, as will be seen from the following table:

	Current price Rs. a.	*Yield* Per cent.
2¾ per cent. 1962	93 15	3.83
3½ per cent. 1962 (New) ...	98 0	3.62
3½ per cent. 1965	98 12	3.67
3 per cent. 1966-68	93 4	3.69
		3.79*
3½ per cent. 1967 (New) ...	98 8	3.67
2¾ per cent. 1976	82 13	4.00
3 per cent. 1970-75	90 6	3.71
		3.90*
3¾ per cent. 1974 (New) ...	98 8	3.87

* Later redemption.

In the case of 3½ per cent. 1962 and 3¾ per cent. 1974, the yields are slightly lower than those on the existing comparable loans. But this does not reduce the attractiveness of the new issues *vis-a-vis* the old ones, for the new loans offer a considerably higher running yield. Institutional investors, it may be noted here, are not attracted so much by prospects of a capital profit as by the running yield, inasmuch as they are treated as dealers for tax purposes and their entire income, including capital gains, is taxed. Even individuals (who are not treated as dealers by the tax authorities) investing in Government securities care more for running yield than for capital gains—to realise which in full they will have to wait for several years—because they want as large an income as possible. This will be clear from the following two instances, taken from the existing loans:

	Current market price Rs. a.	*Running yield* Per cent.	*Redemption yield* Per cent.
2½ per cent. 1961	93 9	2.67	3.91
3½ per cent. 1961	99 9	3.52	3.60
3 per cent. 1964	95 0	3.16	3.73
3½ per cent. 1964	98 12	3.54	3.68

The maturity of the two loans in either set of instances mentioned above is the same, whereas the rates of interest on them differ. In the case of loans carrying higher rates of interest, the redemption yields are lower than those on loans entitled to lower rates of interest. It is precisely this pattern which the authorities have followed in the case of new loans.

Although for the first time after 1938 the Government of India is now floating a new loan at the high rate of 3¾ per cent., one need not interpret this development to mean a fresh move towards higher interest rates, for the current yields on long-dated loans have been at about 4 per cent. for a fairly long period now.

Conditions in the money market are by no means comfortable to borrowers. It is true that stringency now is perceptibly less than that three or four weeks ago, when it was very acute. Nevertheless, the supply of funds is not plentiful and borrowers are over. Both inter-bank call money and house money still fetch as much as 3½ per cent., as against 1¾ per cent. this time last year. The following statistics relating to Scheduled banks in India will provide a rough picture of the state of the money market:

(In crores of rupees)

	22-6-56	11-5-56*	25-6-55
Advances and bills	759.77	769.19	609.81
Investments†	348.08	355.20	346.56
Borrowings from Reserve Bank ...	56.33	73.46	17.22
of which against usance bills only ...	41.91	52.08	16.71
Cash balances ...	107.14	103.85	86.72
Deposits	1,072.66	1,053.96	982.94
Ratio of advances to deposits ...	70.8%	73%	63.07%

*Peak of busy season.
†In Government securities.

The foregoing data reveal that, though the Scheduled banks' position is slightly better as compared with that in the second week of May last, the banks are not flushed with funds. They are still having good demand for credit from trade and industry, with 70 per cent. of its deposits locked up in commercial loans. This state of affairs may seem to be not quite conducive to the success of new loans. But enquiries made in market circles reveal that all institutional investors, who usually participate in Central loans, have earmarked some funds for the new issues and that cash subscriptions, excluding those of the Reserve Bank but including those of the life insurance funds, will aggregate not less than Rs. 50 crores. In any case, the monetary authorities seem to be quite confident of making the loans a success. This is obvious from the fact that they are keeping the list open only for three days, as against six days last year, even though the sum invited is 50 per cent. higher. Their optimism is note unjustified. In the past one year, they have sold out quite a big part of their holdings of Government loans, so that they can take up a substantial part of the new loans and release it later to the market as and when demand arises. Further, they must be holding a large slice of 3 per cent. 1957 loan which they can readily use for closing the list in good time.

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Now that the Life Insurance Corporation Act has come into force with effect from the 1st inst. and the Corporation itself is to be formed in a month or two, the question as to where the Head Office of the Corporation should be located has become an urgent issue, requiring an early decision. Luckily for the Government, the claim is only from two centres, Calcutta and Bombay, because others have not cared to put in their claims. Purely on merits, there is no cause for a controversy at all, because there is only one centre that has them, and that is Bombay. But Calcutta has other considerations for advancing its claim and, in these days, when merits alone are not sufficient and when sentiment and politics play a large part in influencing the decisions of the authorities, Bombay City should be more on the alert than it seems to be at present. Calcutta's case is being strongly backed by the West Bengal Government, headed by the highly influential Congress leader, Dr. B. C. Roy. With the future of Bombay City in the melting pot, there is no political backing for the city's undoubtedly strong case for having the Head Office of the Corporation in its midst. There is no indication that the Bombay Government, or its equally influential Chief Minister, Mr. Morarji Desai, is interested in this controversy. There is thus every danger of this city's case going by default for want of political support. It would seem that, at one time, Mr. S. K. Patil and Mr. M. C. Shah took some interest in the issue. It is, however, not known whether they are still at it or have given it up entirely.

Calcutta's demand for getting the Central Office of the Corporation is based roughly on the following arguments:

(1) Bombay has already the Head Offices of the Reserve Bank and the State Bank. It will lead to excessive concentration of economic power in Bombay, if the Life Insurance Corporation also chooses to locate its Head Office in that centre. Such a development will be contrary to the declared policy of dispersal of enterprises and economic activity. Since power goes with finance, more and more enterprises will come to be established in the western area than in the eastern area.

(2) Calcutta feels that it has been neglected for long by the Government of India. It will not be in the larger interests of the country to let this feeling gain momentum.

(3) If New Delhi had been chosen as the Headquarters of the Corporation, there would have been no room at all for controversy. Since the main consideration is that it should be in a commercial centre, Calcutta is as good a centre as Bombay, if not better. Having already situated the head offices of the Reserve Bank and the State Bank in Bombay, to favour the latter with the Head Office of the Life Insurance Corporation also would tantamount to showing excessive favouritism to the Western city at the expense of Calcutta.

(4) The Eastern city is faced with the huge problem of finding employment for the refugees coming from East Bengal. The location of the Headquarters of the Corporation there will help ease the pressure of unemployment.

(5) If the Corporation does not have its Headquarters in Calcutta, the major industries of Eastern India such as coal, tea, jute and engineering will not get their legitimate share of industrial finance from the life funds.

A reference to this controversy was made in our issue of 7th April 1956, *vide* page 642. Most of the points mentioned above were replied to. It was shown that the last mentioned argument had no substance. As was pointed out by us then, investment is no matter of favour. The Corporation, so long as it is run on businesslike principles, will be in search of attractive investments consistent with safety. Subject to this general consideration, it will also have in mind the needs of regional development. It cannot afford to neglect this consideration, for the State Governments will not keep quiet if they do not get the support of life funds.

After advancing this argument, we added:

"If the fear is that, in the event of investment being channelled through Bombay, it is only the brokers in the city that will get the benefit of brokerage, it could at any time be set at rest by evolving a system under which approved brokers working in all the leading Stock Exchanges will get the Corporation's business in the investments quoted on their respective Exchanges. Even in regard to Government securities, a scheme could be devised whereby the Corporation's orders could be carried out partly in Bombay and partly in Calcutta. It is to be hoped that the Corporation will, in fact, evolve a suitable system for this, if only to avoid giving the impression that only brokers in any one centre are being favoured by it."

The other reasons put forward in favour of Calcutta are partly sentimental and partly political. There can be no effective and logical reply to them. Nevertheless, it is difficult to resist the temptation of remarking that the establishment of the Head Office of the Corporation at Calcutta cannot be much of a solution to the refugee problem.

It will not be right to decide a fundamentally business issue on sentimental or political grounds. The main consideration should be whether a particular centre would be suitable for the efficient discharge of the functions of the central office of the Life Insurance Corporation. What are these functions? Investment of funds, development planning for the whole country, research and quick decisions on policy questions—these, in brief, are the main functions. In the following paragraphs,

(*Continued on page 55*)

EQUITIES QUIETLY STEADY

SUGAR SHARES RULE FIRM

From Our Own Correspondents

BOMBAY, *5th July*

THE share market lacked drive and energy during the week under review. Although equities moved somewhat erratically within a small range, the market as a whole remained quietly steady. After an early depression which was only an extension of last week's weakness, there was a modest rally, thanks to the new import policy which favoured industries. The liberalisation of imports of machinery, spare parts and raw materials to step up the pace of industrial development was well received. The improvement, however, proved short-lived, as selling pressure emerged at higher levels. Under the bearish influence of a number of factors, such as the none-too-cordial welcome to the new cloth policy by the textile industry, because of the strings attached to it, the slackness in domestic demand for cloth at present and rumours of a possible increase in excise duty on coarse and medium cloth, the market sagged and quotations of a number of popular counters closed a shade lower. The miscellaneous section, however, proved an exception in that some modest rally was noted in a number of shares.

An important development of the week was the extension of the time for receipt of applications for the new shares of the Tata Iron and Steel Co., Ltd. The Company had made a call of Rs. 35 per share (including a premium of Rs. 10 per share), being made payable on or before 2nd July. The Company has now extended the date up to 16th July. In view of this, the Stock Exchange authorities also permitted the resumption of transactions on the Stock Exchange in Tata Steel Rights on 2nd July (official business had originally closed on 23rd June) and the official business in these issues will continue up to 7th July.

In the steel section, Tata Ordinaries gave way early in the week from Rs. 199-12 to Rs. 196-4. After recovering to Rs. 201, they once again receded to Rs. 197-12 before finishing today at Rs. 200-4. Indian Irons moved between Rs. 36-3 and Rs. 35-4 and closed As. 10 lower at Rs. 35-15. Tata Rights rose sharply by Rs. 3 to Rs. 67-8.

Textile shares presented a mixed pattern. Bombay Dyeings came down from Rs. 641-14 to Rs. 630, but closed at Rs. 632-8. Centurys dropped from Rs. 567 to Rs. 555 before finishing at Rs. 561-8. Kohinoors provided a firm feature in the earlier half of the week, advancing from Rs. 371-8 to Rs. 378, but sharply reacted to Rs. 372-8 at the close. Central Indias were maintained on balance at Rs. 156. Finlays shed Re. 1 to Rs. 339, while Gokaks hardened by Rs. 2 to Rs. 235-8. Indu Ordinaries declined by As. 3¼ to Rs. 13-8¼. Lakshmis were lower by Rs. 5 at Rs. 580, while New Kaiser-I-Hinds stood Rs. 2-8 higher at Rs. 125. Podars rose by Rs. 3-2 to Rs. 188-12. The Company has declared a final dividend of Rs. 5 per share and a bonus of Rs. 2, making in all Rs. 12 per share of Rs. 100 for the year 1955, as against Rs. 10 for 1954. Shree Niwas stood unchanged at Rs. 213-12, while Simplex were steady at Rs. 218. Standards moved down by Rs. 3-4 to Rs. 438-12. Svadeshis were fairly steady at Rs. 250-8 and Tata Mills at Rs. 56-12.

A sharp rise of Rs. 2-4 to Rs. 163 in Bank of Indias was a feature among bank shares which generally received some support, on expectations of better earnings by banks for the first half of the year. Barodas rose by As. 12 to Rs. 98-4, Centrals by As. 8 to Rs. 51-8 and Punjab Nationals by As. 12 to Rs. 58. United Commercials held ground at Rs. 51-8.

There was a revival of enquiries for insurance shares, but business was selective. New Indias were in the limelight with a sharp rise from Rs. 46-8 *cum-div.* to Rs. 50 *ex-div.* British India Generals improved by As. 10 to Rs. 14-2 and Indian Mercantiles by As. 8 to Rs. 44-8. Vulcans also rose by As. 8 to Rs. 15-8.

In refreshing contrast to the depressing trend noted in the previous weeks, there was a marking up in values of electricity shares this week, on replacement buying. Ahmedabad Electrics gained As. 5 to Rs. 96-9. Bombay Suburbans rose sharply by Rs. 2-8 to Rs. 114-6. Tata Hydros, however, fell by Rs. 3 to Rs. 125-8. Tata Powers improved by Rs. 15 to Rs. 1,285 and Andhra Valleys by Rs. 20 to Rs 1,200.

In the miscellaneous section, sugar shares ruled firm with a sharp rise in prices. Belapurs advanced from Rs. 235-8 to Rs. 242-8, Bhopals by Rs. 2-8 to Rs. 17-12, Phaltans by Rs. 2-8 to Rs. 158 and Walchandnagars by Rs. 3-12 to Rs. 258-12. In the cement group, Associated Cements dropped by Rs. 3-12 to Rs. 187-4, while Digvijays gained Re. 1 to Rs. 195. Among engineering and mining shares, Alcocks were steady around Rs. 347-8. Tata Locos were marked up by Rs. 3 to Rs. 148-8. Premier Constructions put on Rs. 2-8 to Rs. 194 and Larsen and Toubros As. 4 to Rs. 15-10. Shivrajpurs hardened by Rs. 2-8 to Rs. 99. Indian Coppers were steady at Rs. 7-2½, and B.B. Petrols at Rs. 4-5½.

Among shipping and transport shares, Scindias advanced from Rs. 18-13 to Rs. 19-2½, before reacting to Rs. 18-13½. Great Eastern Shippings were unchanged at Rs. 19-4. Premier Automobiles staged a sharp rise of Rs. 3 to Rs. 98. Hindustan Motors fared well with a rise of As. 6 to Rs. 10-2. Among other industrials, Bombay Burmahs receded from Rs. 645-10 to Rs. 634-6, but regained to Rs. 637-8. British India Corporations rose sharply by As. 9½ to Rs. 11-6½. Killick Industries were again a feature with an advance from Rs. 161-8 to Rs. 170. National Rayons moved up from Rs. 232-12 to Rs. 234, but softened at the close at Rs. 232. Tata Chemicals were quiet at Rs. 18-12½, while Tata Oils advanced by Rs. 2 to Rs. 58-8, in anticipation of a dividend of Rs. 3. Wimcos were quiet at Rs. 185.

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Calcutta Stock Exchange

CALCUTTA, *4th July*

Depressed conditions prevailed on the Calcutta Stock Exchange during the week under review. Lack of support affected sentiment considerably and more sellers appeared on the scene. Speculative counters led the decline. Poor advices from Bombay, the difficulties facing the jute industry, and the heavy burden imposed on the coal industry as a result of the recent Tribunal award were factors which kept out buying interest, although some recovery was noted in the miscellaneous industrial group during yesterday's session. Had it not been for the general dullness, the import policy for the July-December period, which places further restrictions on the import of goods manufactured within the country and which liberalises imports of industrial requirements, would have had a favourable effect on trading. Profit-taking pushed down many a quotation, but, considering the increasing tempo of industrial activity in the country, the present lethargy should prove purely temporary and, when once some of the present uncertainties are removed, activity on the Exchange should again get momentum. The present increase in prices of essential goods may be regarded as a sign of inflation, but the fear whether it would result in demands for increased wages was restrained in bulls.

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Madras Stock Exchange

MADRAS, *3rd July*

The Madras Stock Exchange presented a rather dull appearance during the week under review, with the exception of textiles which continued to rule firm. In the absence of incentives, operators did not evince much interest in fresh business. Despite encouraging dividend news, the planting section was easy; for want of support, coffee, tea and rubber shares all tended to move down. Insurance, electric and sugar shares failed to evoke much attention. Activity in the miscellaneous section was also restricted. Textiles, however, continued their firm tendency, thanks to renewed expectation of better corporate results, following the expansion of cloth production now allowed by the Government. Mining shares were somewhat favoured well on hopes of a higher compensation value arising from nationalisation.

The week under review was notable for the following dividend announcements:

	Year ended	*Dividend per cent.* Latest	Previous
Standard Motors	31-12-55	6	6
Vanguard Fire ...	,,	6	6
Sarada Mills ...	,,	10	6
Indian Steel Rollings	,,	7½	7½
Devashola Tea ...	,,	15f*	40
Midland Rubber	31-3-56	20	25

f—Final. * Making a total of 25 per cent.

Gnanambikai's provided the brightest spot in the textile section, with their quotation forging ahead by Rs. 18 to Rs. 156 *ex-div.* Vasantas jumped up by Rs. 12-8 to Rs. 320. Coimbatore Pioneers rallied Rs. 10-8 to Rs. 317-8 and Ashers Rs. 10 to Rs. 190. Rajapalayams advanced by Rs. 6 to Rs. 161. Pankajas strengthened by Rs. 5-8 to Rs. 90. Radhakrishnas and Vijayalakshmis registered a rise of Rs. 5 each to Rs. 310 and Rs. 140, respectively. Radhakrishna 'B's improved by Rs. 3 to Rs. 155. Anglo-Frenchs gathered Rs. 2-8 to Rs. 102-8. Coimbatore Cottons gathered a like amount to Rs. 372-8. Vijayamohinis put on Rs. 2 to Rs. 95. Lakshmi 'A's Re. 1-12 to Rs. 110-12 *cum-div.* and Rayalaseemas Re. 1 to Rs. 140. Bangalore Woollens, however, receded by Rs. 4-8 to Rs. 567-8 for want of follow-up support.

In the planting section, tea shares suffered losses. United Nilgiris dropped As. 10 to Rs. 24-10. Twyfords declined by As. 8 to Rs. 23-8 *cum-div.* Nilgiris Teas fell by As. 4 to Rs. 14-6 and Talayars by As. 3 to Rs. 13-6. Haileyburias and Highlands lost As. 2 each to Rs. 27-14 *cum-div.* and Rs. 18-14 *cum-div.*, respectively. But Emerald Valleys firmed up by As. 12 to Rs. 9 *cum-div.*, on account of good buying support induced by the report that the Company had received the Government's sanction for the issue of bonus shares. The annual meeting of the Company will be held on the 31st inst. At this meeting, a special resolution for raising the capital to Rs. 5 lakhs (divided into 100,000 ordinary shares of Rs. 5) and for issuing bonus shares at one new share for every share held will be considered.

Among rubber shares, Midlands staged a retreat from Rs. 22 *ex-div.* to Rs. 21-14 *cum-div.* Travancore Rubbers dropped As. 6 to Rs. 24-10. Rajagiris and Teekoys finished each As. 4 lower, the former at Rs. 24-12 and the latter at Rs. 11-6. Pullangodes eased by As. 3 to Rs. 4-7 *cum-div.* Malankaras were quiet at Rs. 32-8, as also Be Bes at Rs. 4-14.

Deals in coffee scrips were put through lower at Rs. 24-1, as against Rs. 24-7. Consolidated Coffees slipped by As. 3 to Rs. 20-8. Anandams were unchanged at Rs. 24-4, Balmadies at Rs. 4-10 and Mysores at Rs. 2-12. Amalgamated Coffees, however, evoked special enquiries and hardened by As. 4 to Rs. 12-8. Kadurs were favoured an anna higher at Rs. 2-15.

In the miscellaneous section, Rallis were subjected to heavy selling and moved down by Rs. 4-8 to Rs. 41. India Cements decreased by Re. 1-12 to Rs. 34-2. Aluminium Industries receded by As. 6 to Rs. 20-4. Bruntons lost As. 3 to Rs. 7-9. F.A.C.Ts eased by As. 2 to Rs. 6-10. Madras Safes, on the other hand, had good buyers and the quotation advanced by Rs. 6 to Rs. 56. Textools picked up Rs. 2-8 to Rs. 185. Champion Reefs were better by As. 3 at Rs. 4-12. Mysore Golds gathered As. 2 to Rs. 2-12.

GOVERNMENT OF INDIA

3¼ PER CENT. BONDS 1962

ISSUE PRICE Rs. 98 PER Rs. 100 (NOMINAL)

Repayable on the 16th of July 1962

3½ PER CENT. NATIONAL PLAN BONDS—THIRD SERIES (3½ PER CENT. 1967)

ISSUE PRICE Rs. 98-8 PER Rs. 100 (NOMINAL)

Repayable on the 16th of July 1967

3¾ PER CENT. LOAN 1974

ISSUE PRICE Rs. 98-8 PER Rs. 100 (NOMINAL)

Repayable on the 16th of July 1974

Subscriptions to the above bonds and loan will be received simultaneously and will be limited to a total of Rs. 150 crores (approximately). Subscriptions may be in the form of (i) Cash/Cheque or (ii) Securities of the 3 per cent. Victory Loan 1957 which will be accepted at Rs. 99-13 for every Rs. 100 (Nominal) tendered for conversion. Interest will be paid on the 3 per cent. Victory Loan 1957 tendered for conversion upto the 15th of July 1956 inclusive.

Interest on the new bonds and loan will be payable half-yearly on the 16th of January and the 16th of July.

Subscription lists will open on the 16th of July 1956 and close on the 18th of July 1956 or earlier without notice.

Applications for the bonds and loan will be received at

(1) Public Debt Offices of the Reserve Bank of India at Bombay, Calcutta, Delhi, Madras and Bangalore ;

(2) Branches of the State Bank of India except in the States of Hyderabad and Mysore ;

(3) Branches of the Hyderabad State Bank in Hyderabad State ; and

(4) Branches of the Bank of Mysore Ltd., in Mysore State.

For full particulars apply to any of these offices or branches, or treasuries

NEWS IN BRIEF

THE opening of an office of the Imports and Exports Controller at the Visakhapatnam Port is under the active consideration of the Government of India. A controller will be in charge of this office, when established.

The Travancore-Cochin Banking Inquiry Committee has completed its survey of the problems of banks operating in that State. The Committee's recommendations will determine the future of 118 banks, commanding a total deposit of Rs. 26 crores.

The Government of India has decided to continue free licensing of exports of cottonseed oil within an overall ceiling for the licensing period from 1st July onwards upto the end of December 1956, or till the ceiling is reached, whichever is earlier.

The Central Government is investigating the possibilities of establishing a Rs. 10-crore aluminium plant in Salem district, Madras. The annual output of the plant is expected to be of the order of about 10,000 tons. The Hirakud private aluminium factory will expand its capacity by about 10,000 tons.

A contract of the total value of £1.25 million, —the biggest so far placed by India with a single manufacturer—for the supply and erection of five water turbines and alternators has been placed with a British firm, the English Electric Company. These sets, each developing 77,000 h.p., are for a new power station to be built as part of the Rihand project in U.P.

Sixteen agreements were signed last week between the Government of India and the U.S. Technical Co-operation Mission. The aid that will be provided by the U.S. under these agreements for various projects amounts to more than $2.4 million. In addition to this, the U.S. will provide technicians and professional experts in various fields as well as training facilities abroad for selected Indian personnel.

The Tariff Commission's recommendation that protection should be granted to the calcium carbide industry till 31st December 1958, has been accepted by the Government of India. The Government has not, however, seen any special reason to reduce the protective duty from the current rate of revenue duty on calcium carbide, that is, from 50 per cent. *ad valorem*, to 45 per cent. as recommended by the Tariff Commission.

The minimum rates of wages fixed under the Minimum Wages Act for the various classes of employees employed in the printing industry in Bombay State have been brought into force from 1st July 1956. The Government has, however, decided that certain classes of employees of the printing industry be exempted from the provisions of the Minimum Wages Act for a period of three years with effect from 1st July 1956.

Work in connection with the installation of a fourth unit at Bokaro thermal power station has already been started by the Damodar Valley Corporation. The D.V.C. is also taking up work on the construction of a thermal power station at Durgapur. With the installation of a new station and an additional unit at Bokaro, the D.V.C. will be in a position to meet the enhanced power requirements in the Valley during the second Five-year Plan.

The agreement entered into between the Government of India and the U.K. on 3rd April 1956 for the purpose of avoiding double taxation with respect to estate duty came into force on 30th June. The main principle behind the agreement is that the country of *situs*, i.e., where the property is situated, retains the tax, while that of domicile grants the relief, so that ultimately an assessee pays duty only once.

The Fifth Session of the International Rice Commission, established under the auspices of the F.A.O., will meet in Calcutta between 12th and 17th November 1956. A large number of technical papers on important subjects such as improvement of rice through breeding, better fertilising practices, problems of soil, water and plant relationship in the production of rice, storage and processing of rice, etc., will be discussed at the session.

Nearly 20 per cent. of the population of Travancore-Cochin came under the co-operative movement by 1955, according to statistics published by the State Co-operative Department. At the end of the financial year 1954-55, there were 3,121 co-operative societies in the State undertaking such activities as land cultivation, irrigation, distribution of manure, dairy farming, production of handloom cloth, etc.

The efforts made by the Ministry of Commerce and Industry to achieve the aim of "licence across the counters," have now almost become a reality. Only the minimum time is taken for the scrutiny of papers. All export licences are issued across the counter. In the half-year ended 30th June 1955, out of a total intake of more than a lakh applications, all, except 600, were disposed of by the end of the period. During the present half-year, out of a total intake of one and a half lakhs, only 199 are pending.

Work in connection with the erection of a 200-ton crane in Calcutta Port has already begun. Most of the structural and machinery parts has already arrived from Germany. The crane, costing about Rs. 19 lakhs, when complete, is expected to accelerate the loading and unloading of heavy cargo. Installation work is to be expedited, in view of the fact that Calcutta is to be the port of entry for nearly all heavy lift packages intended for different development projects undertaken by the Government in the eastern regions under the Second Plan.

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From Abroad

Indonesia has raised the export premium on tea from 10 per cent. to 20 per cent.

The International Tin Agreement has come into force from the 1st inst. Korea and Israel have applied for permission to join the agreement.

The Cement Makers' Federation of Britain has raised the price of cement by 3*s.* per ton with effect from 1st July 1956. It has also promised to freeze the price for a year, unless something quite unexpected and exceptional happens.

The F.A.O. has decided to set up a cocoa study group, on the pattern of the existing Rubber Study Group. The group will study cocoa production, consumption and trade, particularly supply and demand, and probable development.

Eighty-seven nations will be invited to meet at the United Nations' headquarters in New York City on 20th September to take final action on the draft statute on formal establishment of the International Atomic Energy Agency. The meeting will conclude before 24th October.

The income of American families during 1955 set a new record high, according to a U.S. Commerce Department report. The national average income, before Federal taxes, was $5,520 in 1955, a 3 per cent. increase over 1954. The average family income-tax paid by families in 1955 was $540.

The British Chancellor of the Exchequer has announced a cut of £76 million—the first slice of the proposed saving of £100 million—in published estimates of expenditure for the current year. Of this cut, defence expenditure will account for £50.5 million and estimates of civil ministries for £25.5 million.

Sweden's industrial wages, in relation to internal purchasing power, are the highest in Europe, according to a report by the International Labour Organisation. Sweden is closely followed by Denmark and Britain, but there is only a slight difference between these three countries. In the world, as a whole, the lead is taken by the United States, Canada and Australia.

The International Co-operation Administration (I.C.A.) announced last week that the full amount (about $5 million) of U.S. economic aid to Ceylon for the fiscal year 1956, has now been allotted. The purchase of 15 diesel locomotives, supply of vital equipment for irrigation projects, aid to the University of Ceylon, and supplies for agricultural research are provided for under the arrangement.

An one-year trade agreement has been signed between Pakistan and the U.S.S.R.—the first bilateral trade agreement between the two countries—under which Pakistan has extended "most-favoured-nation treatment," to the Soviet Union. The agreement is renewable at the end of the period. Under the pact, Russia will supply machinery of all types, and will buy in return raw jute, jute manufactures, cotton, tea and various other commodities.

The Australian Bureau of Agricultural Economics, considers the outlook for wool during 1956-57 as sound. The average prices, it says, should be about the same as in the season just closing. There is a possibility of a record clip in 1956-57 and this, coupled with the large quantity of current season's unsold wool expected to be carried forward to next season, may result in an exceptional amount being available. However, the present rising trend in consumption in the main consuming countries is expected to continue.

It has been decided by the Pakistan Government to float two new loans, a 3 per cent. 1961 (second issue) loan and a 3½ per cent loan (1967), on the 16th inst., with a view to financing the industrial and agricultural development schemes sponsored by the Central and Provincial Governments. The 3 per cent. loan will be issued at Rs. 99-14 for every Rs. 100 of the loan applied for and will be open to subscription for a day only on the 16th inst. The 3½ per cent. loan will be issued at par and will be open to subscription until further notice.

The United States will help Afghanistan expand its domestic airlines service, build new airports, rehabilitate existing airports, and develop an international airport at Kandahar, according to an announcement by the International Co-operation Administration (I.C.A.). Under an agreement negotiated with the Afghan Government, the I.C.A. will provide up to $14.56 million for the programme. Of this amount, $5 million will be in the form of a loan and the remainder as grant. The aforesaid aid brings the total U.S. aid to Afghanistan to more than $25 million since it was begun in 1952. It is in addition to $39.5 million in loans from the Export-Import Bank to help finance the Helmand Valley land reclamation and hydro-electric project.

PERSONAL

MR. Ing. Jiri Nosek has been appointed as Ambassador Extraordinary and Plenipotentiary of Czechoslovakia to India.

Mr. T. K. Desai, Deputy General Manager, New India Assurance Co., Ltd., has been selected for the post of General Manager of the proposed Reinsurance Corporation of India.

Dr. John Matthai, Chairman of the State Bank of India, has decided to relinquish the chairmanship of the Bank. He will hand over charge on 31st August 1956.

Mr. R. Narayanaswami, Joint Secretary, Union Ministry of Finance, Mr. S. Jagannathan, Joint Secretary, Ministry of Production, Mr. K. B. Lall, Joint Secretary, Ministry of Commerce and Industry, and Mr. P. R. Subramaniam, Senior Deputy Director-General of Shipping, have been appointed Directors of the Western Shipping Corporation (Private) Ltd. established by the Government of India on 22nd June last. Dr. Nagendra Singh, Director-General of Shipping, as already announced, is the Chairman and Managing Director of the Corporation.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *4th July*

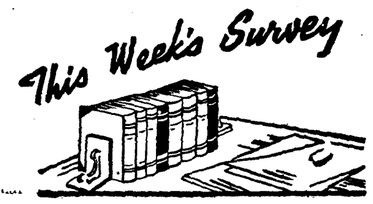
Unemployment Insurance

The Labour Government has decided not to accept the recommendations of the Royal Commission on Unemployment Insurance in Great Britain. In a statement made in the House of Commons last week, Miss Margaret Bondfield, Minister for Labour, declared that, while the Macdonald Government was always opposed to place an increased burden on industry, it was likewise opposed to oppress the workers by reducing the existing benefits of unemployment insurance. She announced that Government would not accept the recommendations of the Commission. But in order to remedy the "dole abuses" and save £5,000,000 annually the Government has introduced a Bill, with a view to disqualifying certain claimants from the benefit of unemployment insurance, particularly workers who receive substantial wages for two or three days per week and married women who have ceased to be employed industrially. It is interesting to recall that the Royal Commission on Unemployment Insurance was appointed by His Majesty's Government six months ago, with Mr. Justice Holman Gregory as the President. He and four of the six other members have made recommendations which, if put into effect as estimated, will produce an annual saving of £31,800,000 on the working of the insurance scheme and £10,100,000 on "transitional benefit," that is, benefit commonly called dole, drawn by insured workers who have exhausted their statutory rights.

The St. Erik's Fair in Stockholm, Scandinavia's largest international trade fair, is to be held for the fourteenth time from 1st to 16th September 1956. There will be exhibitors from 28 countries, no less than 15 nations organising officially sponsored pavilions. This year's event will feature a considerably extended range of Swedish products, including a wide range of semi-finished products in the steel and chemical fields. The General Export Association of Sweden will give visitors a comprehensive picture of the country's export potential.

A Paisley (Scotland) engineering firm, which recently completed a £1,000,000 order for machinery for sugar factories in the Punjab, has received a further order from India. The new machinery is for mills in the Madras area, and will be capable of crushing 1,000 tons of sugarcane in a day. The value of this new order is estimated at £500,000. The two Punjab factories also have a crushing capacity of 1,000 tons daily, and the firm has previously manufactured machinery for sugar mills in India, the Philippines, and South America. Since 1840, the manufacture of sugarmaking plant has centred round Glasgow and Paisley. There are six firms in the district engaged in this work. The sugar-machinery industry employs some 4,000 people in the area.

Plans for the construction of an ethylene glycol plant in Puerto Rico at a cost of about $28.5 million have been announced by Morse G. Dial, President of Union Carbide and Carbon Corporation. It is contemplated that the new plant will be constructed, owned, and operated by Union Carbide Caribe Inc., a wholly-owned subsidiary of Union Carbide. An application for tax exemption under Puerto Rico's Industrial Incentive Act has been filed by Union Carbide Caribe Inc. Completion of the plant is scheduled to be in about two years after the grant of tax exemption. A long-term contract between Union Carbide Caribe and Commonwealth Oil has been signed under which Union Carbide-Caribe would purchase by-product refinery gas from Commonwealth Oil, thus assuring the new plant adequate supplies of raw materials on a long-term basis. Part of the new plant's production will be destined for international markets in the Western Hemisphere and Europe, while the balance is expected to be sold in the United States.



PENCIL INDUSTRY

IF language is the vehicle of understanding, the pencil is a vital tool for its communication. The pencil industry may, therefore, well claim that it is pre-eminently an educational industry. Its position is especially unique now, since India is on the threshold of a new era of economic and social development. If such development is to make its full contribution to the well-being of the masses, programmes for spreading education should be accorded a high priority. The Planning Commission has, indeed, done well in recognising this aspect fully; it has stepped up the outlay on education from Rs. 169 crores in the first Plan to Rs. 307 crores in the second Plan. With the importance attached to education thus, the development of the pencil industry assumes utmost significance. This aspect was ably stressed by Mr. R. P. Gooptu, President of the Indian Pencil Manufacturers Association, when he addressed its second annual general meeting held at Calcutta on Thursday last week. Mr. Gooptu said: "One of the criteria to judge the progress of a country is to find the percentage of its literates in the population, and all the advanced countries of the world today have near cent per cent literacy in its population. The directive principles of the Indian Constitution also enjoins upon our Government to accomplish cent per cent literacy by 1970. At that time, we shall possibly have to increase our (pencil industry's) installed capacity by about five to six times and also work more shifts to meet the internal requirements."

While this is a long-range problem, the immediate one relates to the utilisation of the huge surplus idle capacity, amounting to as much as 82 per cent. The output of pencils is now running at an annual rate of not more than 200,000 gross, which represents a bare 18 per cent. of the installed capacity of 1.1 million gross (on single-shift basis). Even as compared with the aggregate annual requirements of 600,000 gross, the idle capacity will be fairly large, being 45 per cent. The demand for pencils will, of course, rise in the coming years; taking the annual rate of rise as 10 per cent., the total demand at the end of the Plan period will work out to 900,000 gross. Even then, there will be an idle capacity to the extent of 18 per cent. It is the existence of a huge idle capacity in the pencil industry, it will be recalled, that influenced the Tariff Commission to recommend withdrawal of protection to the industry in 1953.

The chief problem before the pencil industry is, therefore, the maximum utilisation of installed capacity. There is said to be a severe handicap in the way of such utilisation, namely, market resistance. Drawing attention to this handicap, Mr. Gooptu observed:

"The greatest difficulty in selling our pencils at the present moment is being offered by competition from foreign pencils. We all know to our bitter disadvantage that there is a consumer preference for foreign pencils even when the latter are sold at a higher price. This cannot be counteracted by any amount of publicity or price-cutting by us. What is needed, therefore, is a ban on the importation of foreign pencils. When importation is stopped, we shall have to increase our production not only to stop the gap caused by stoppage of import but also to tap the unexplored market within the country."

The plea for a closed market for pencils is not justified. The consumer preference for foreign pencils, notwithstanding high prices, stems from quality considerations. How else can one explain the continued large imports of pencils? During 1955-56, India imported 200,211 gross pencils (valued at Rs. 25.57 lakhs), as against 107,128 gross (Rs. 17.91 lakhs) in 1954-55. The quality of the pencils manufactured in India, though it has registered some improvement in recent years, still does not generally compare favourably with that of pencils made in countries like Germany and the U.K. If monopoly conditions are created by a total ban on imports, there is the possibility of the quality suffering a setback. A complete ban on imports, it is needless to add, will take away even the little incentive which the domestic manufacturers may have to produce high quality pencils at competitive prices.

As Mr. Gooptu himself rightly remarked, the two chief factors in expanding sales of pencils are price and quality. So far as price is concerned, the industry, we are told, is not able substantially to reduce the prices which are already much lower than those of imported pencils. Attention should, therefore, be directed to the improvement in quality. There is also the need for taking a few other steps. These, according to Mr. Gooptu, are: (1) a joint enterprise for undertaking the production of as many raw materials as possible within the country itself; barring graphite, the rest of the raw materials—woodslats, clay and waxes—are being imported at present; (2) prevention of cut-throat competition among the units producing pencils; (3) sustained publicity campaign and more intensive marketing. While commending these suggestions to the manufacturers, we would like to reiterate that their prosperity ultimately lies in improving the quality of the industry's product. With this end in view, some of the manufacturers will do well to secure the assistance of foreign manufacturers who have a reputation for producing high quality pencils. Incidentally, this may also prove to be a satisfactory solution to the problem of overcoming consumer prejudice.

NEW IMPORT POLICY

The import policy for the current half-year, namely, July-December 1956, announced during last week-end, reveals no marked changes as compared with that for the first half of this year. Changes, if any, are mainly designed to meet the requirements of the second Plan. Since the Plan lays stress on the establishment of heavy machinery industries, the need for imports of machinery, spare parts, and industrial raw materials is great. Accordingly, imports of these have been liberalised. Domestic industries in both the public and private sectors should, therefore, be satisfied with the policy. What must be even more gratifying to them are the restrictions imposed on the imports of a variety of goods which are being or can be produced in adequate quantities in the country. Although this is welcome, it may sometimes result in hardship to the consumer. For, if the domestic producers fail to produce goods of quality to the extent needed, it may lead to scarcity and high prices. In this connection, the reactions of Mr. Shantilal M. Shah, President, All-India Importers Association, Bombay, to the new import policy are worth noting. In the course of a statement to the Press, he says: "The most distressing feature of it is that restrictions have been imposed not only on the basis of actual indigenous production but on the basis of envisaged production. This will create shortage of important goods in the country, will inflate prices and will adversely affect the growth of industries consuming such restricted goods." These apprehensions are genuine, being based on past experience and, therefore, call for vigilance on the part of the authorities, so that they may take timely action to curb inflationary tendencies, if and when they begin to manifest.

In order to gear the import policy to the requirements of industrialisation as also to the need for conserving foreign exchange, several adjustments have been effected in the quotas as well as in the licences for imports. Thus, in certain cases such as ball-bearings, files, and so on, import quotas have been enhanced. In certain other cases, even additional *ad hoc* licences have been granted as in the case of marine engines, fuel injection equipment, etc. A number of items has been removed from the purview of the liberal licensing schemes, while in respect of others import quotas have been reduced. Adjustments have also been made in respect of face values of a number of items. Besides, the basic period has been extended to 1954-55 for 168 items and to 1955-56 for another 58 items, though licensing procedures for the issue of licences to newcomers and special avocations have been tightened in order to prevent abuses. Provision has been made for certain types of newcomers to become established importers.

The growing tendency to channel imports through the State-sponsored bodies, such as the State Trading Corporation, is viewed with concern in some business circles. Mr. Murarji J. Vaidya, President, Indian Merchants' Chamber, commenting on the import policy, for instance, observes: "It is, however, a little disconcerting to note that the policy of canalisation of imports through Government-approved or Government-sponsored bodies in respect of certain industrial raw materials like raw silk, caustic soda, etc., has been continued during the current licensing period." Again, Mr. Shah of the All-India Importers' Association also points out that the entry of the State Trading Corporation in the field of foreign trade is a new factor to be reckoned with. He does not, however, criticise the Government for making this State agency to participate directly in foreign trade, though he is fully aware of the danger of such State encroachment upon the sphere of private trade. On the contrary, he has advised the trade fully to co-operate with the Corporation and continue to play its role in the development of India's trade. By this gesture of co-operation, the spokesman of the importers has displayed a commendable sense of realism. It is to be hoped that the gesture will be reciprocated by the authorities.

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U.S. STEEL STRIKE

Much concern is expressed in the U.S. over the labour strike in the steel industry which commenced on Sunday this week, following breakdown in negotiations between the 1.25 million workers' union and the 12 major steel producers for settling the primary demands of the former. The demands fall into five categories—substantial wage increase; supplemental unemployment pay; improvements in health insurance and pensions; additional paid holidays and greater vacation benefits; premium pay for work on Saturday and Sunday. The demands have been put forward on the ground that the steel industry has been having its biggest boom in history, working at 99 per cent. capacity, its profits amounting to $312 million during the first quarter of 1956. The workers have asked for a higher share in these profits. Incidentally, it may be noted that the U.S. steel industry accounts for over 40 per cent. of the world's steel; its daily output exceeds 300,000 tons and the daily wage bill is about $10 million. The U.S. steel worker is one of the world's highest paid industrial workers, earning, on an average, $2.46 cents an hour in wages and benefits.

In each of the above categories of steel workers' demands, the producers have made offers—spread over a five-year period—which, they estimate, will add 17.2/3 cents an hour to their labour costs in the first year, reaching a cumulative total of 65 cents an hour four years later. The workers, however, regard this estimate as a highly exaggerated one. A number of the proposed benefits, the workers point out, will not become effective before some years and, in some cases, only a minority of workers will be affected by them.

The breakdown in negotiations is attributed chiefly to divergent views over two important issues, namely, contract provision and basic wage rate. The steel producers made an offer for a five-year contract—later reduced to 4½ years—in the interest of ensuring stability in the industry. The offer was turned down by the workers' union on the ground that the period was "too long a time to commit its members to a frozen pattern of working conditions." Attention was drawn to the fact that the previous contract which expired on 30th June last was for a two-year period only. In respect of the basic wage rate, the producers offered direct wage increases averaging 17.2/3 cents for each year of the contract, together with an escalator clause providing for compensatory increases in the event of a rise in living costs. But the Union considered the offer as inadequate. For the offer, it said, was "far less than the employees are entitled to on the basis of the industry's record-breaking profits and the employees' record-breaking productivity." Last year, the steel workers won an average wage rise of 15 cents an hour, bringing their average earnings to $2.47 an hour.

There was also lack of agreement over the fringe benefits offered by steel producers. These included (1) a 52-week unemployment benefit plan for workers with three or more years of service; (2) a seventh paid holiday (effective in 1957); (3) increased vacation benefits for senior employees (effective in 1958); (4) premium pay for Sunday work equal to night shift premiums (effective in 1959); and (5) a plan for increasing health and welfare benefits but retaining the feature of employee contributions which was opposed by workers. These benefits, the workers contended, contained conditions which robbed them of their value; the benefits derived by workers, it was said, would be so little that, even by 1st July 1961, they would be far below the level of benefits generally prevailing in the American industry at the moment.

The great concern caused by the aforesaid strike is only as it should be. Almost all the industries are dependent on steel, so that a prolonged strike in the steel industry will have a serious effect on the entire economy. Within two weeks from the commencement of the strike, the construction, railway, oil and gas industries will, it is said, have to cease operations and, within four weeks, all other steel users will have to shut their shops. The consequences of the steel strike will be all the more severe, considering that the industry has launched plant expansion plans involving a capital outlay of over $1,000 million annually and a rise of 15 million tons in the annual capacity in the next three years. A rise of even one cent in the wages of a steel worker, it is computed, will raise the price of steel by 40 cents a ton. "It is likely," to quote one report, "that the steel price will go up by about $10 a ton as a result of the strike." Indeed, it is feared that this will result in prices going up in every manufacturing industry, setting in motion inflationary pressures and also curtailing the consumers' purchasing power. In view of the distressing consequences of the steel dispute, it is to be hoped that both workers and producers will resume negotiations at an early date and reach a compromise settlement.

UNEMPLOYMENT IN BIHAR

The interim recommendations of the Bihar Unemployment Committee (Chairman: Dr. A. N. Sinha, Finance Minister), submitted to the State Government recently, are, to say the least, highly ideological. In its anxiety to revitalise the small-scale and cottage industries, the Committee has completely overlooked certain basic economic considerations. How else can one explain, for instance, the Committee's suggestion for reserving the production of certain specific varieties of commodities to cottage industries, on the one hand, and for imposing restrictions on further production of these varieties by large-scale industries, on the other? True, the cottage industries play a very vital role in the economy of India which is predominantly rural in character, inasmuch as they provide employment—direct and indirect—to a fairly large section of people. But employment is not the only consideration to be taken into account; it must be matched against the no less vital consideration, namely, the price the consumer is called upon to pay for his requirements of essential items of consumption such as rice, oil and cloth. The importance of price aspect is all the greater in the present context of rapidly rising demand as a result of increase in income, following the implementation of the series of development schemes under the second Five-year Plan.

It is scarcely necessary to point out that the very structure of cottage and small-scale industries is such that there is hardly any scope for the attainment of a high level of efficiency and reduction in cost of production. The scope will be restricted still further, if markets are reserved for these industries by taking recourse to the negative remedy of curtailing the operations of the more efficient large-scale industries. It is a pity that the members of the Bihar Unemployment Committee should not have given due weight to these considerations. Considering the rapid rate at which population is rising and the standard of living is improving, any undue reliance on the low efficiency and high cost cottage industries for meeting the consumption requirements of the people is, indeed, beset with dangerous consequences.

(Continued on page 55)

AMERICAN LETTER

ADMINISTRATION MAY NOT INTERVENE TO SETTLE STEEL STRIKE

CONFIDENCE IN FUTURE STILL ABOUNDS

From Our Special Correspondent

NEW YORK, 28th June

THE largest United States steel companies' furnaces have been banked, because of the very uncertain outlook in the wage negotiations. An interruption of production of whatever duration, therefore, has become an actuality. Steel inventories have been built up in recent weeks and months by fabricators and consumers in anticipation of what is happening now. Thus, industries depending on steel will be able to continue operating for some time. A prolonged steel strike, however, would have serious repercussions.

It would mean a large increase in unemployment, a decline of industrial activity throughout the country and almost certainly a drop in loans to business and industry by commercial banks. There is no certainty at this time how long the interruption in production will last.

Despatches from Washington make it clear that the present Administration has no intention of interfering with current labour-management negotiations as previous regimes have done. A strict hands-off policy has been adopted and it is expected to be maintained, unless a national emergency should arise.

In the meantime, President Eisenhower is progressing satisfactorily. He is now beginning a period of recuperation on his farm in Virginia. There is much public regret that the visit of Prime Minister Nehru of India had to be postponed because of Mr. Eisenhower's recent operation.

The meeting will, however, still be held somewhat later and, indeed, might be more fruitful after the Indian Prime Minister has had a chance to digest his impressions from the Commonwealth Ministers meeting at London. Many problems, particularly those of the Eastern part of the world, are of as much importance to India as they are to the United States.

There is suppressed apprehension here that the level of business will go down in the United States in the second half of this year. So far in 1956, retail sales throughout the U.S. have been 3.9 per cent. higher as an average than in the same period last year.

There is, therefore, no immediate cause for worry, except for the economic effect of prolonged labour disturbances. Steel wage negotiations always set the pace for other industries and if substantial labour gains are made in one field, they usually serve as a pattern for demands in other industries.

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CORRESPONDENTS ALL OVER THE WORLD

The trend of consumer buying later this year should be of fundamental importance. If many people are out of work for reasons of their own choosing, it is possible that a slight slump in this area may occur.

There have been predictions that public buying will pick up as the new automobile models become available in the fall. In my opinion, this is no foregone conclusion, particularly because next year's models will vary very little from the autos which are in the showrooms this year. But, then, America is the country of automobiles and many families are prone to cut down on their food budget rather than not surprise their neighbours with a new car in front of their home.

With incomes curtailed by possible extended strikes, it is difficult to visualise that a great increase in buying could be supported by an expansion in consumer credit which has already reached lofty levels. But, with sufficient confidence in the future, it is quite possible that families may draw on their very substantial savings to satisfy their requirements.

Savings are still going up in all categories, although the rate of gain has been lower in 1956, as compared with 1955. From perusing stock market statistics, there is no evidence that investors take a dim view of the future. If the United States could not afford the economic wastefulness of strikes, they would not occur. Besides, if they do happen, they invariably create an inflationary pent-up demand for goods which may or may not be bemoaned.

For the first half of the year, despite some declines in certain parts of the economy, business as a whole has been little affected. National income and employment are still at record levels. This is primarily due to capital expenditures.

Innumerable new factories are being built and States, cities, municipalities and villages are issuing an avalanche of capital issues to finance sewage systems, water reservoirs, roads, schools, hospitals, airports and so on. These capital expenditures have been a very important sustaining factor in the American economy and the calendar looks as though there is no early let-up in sight.

For the year as a whole, satisfactory business conditions are foreseen with the reservation of the abovementioned conditions. Confidence still abounds. One factor underlying this feeling of buoyancy is the probability of an easing in credit. If the business picture turns cloudy, this is a certainty.

Easing of credit can be achieved in many ways by the Federal Reserve banks and has been accomplished in the past. At present, because of wage and price increases, there are still certain inflationary dangers.

Politically, the U.S. is being conditioned, at the present time, to the forthcoming conventions of Republican and Democratic parties. The final news who will be the Presidential candidates for either side will have to await the final verdict of the two gatherings.

President Eisenhower's influence will be a powerful one, as will that of Adlai Stevenson in the Democratic camp. The major issues are still foreign aid, defence expenditures and civil liberties for heretofore underprivileged groups. The present Administration, with the exception of a few unguarded comments by Cabinet members, has steered a pretty clear course, depending on local options and the opinions and the voice of the populace as a whole.

The major attack by the Democrats is directed against the policy which they regard as favouring big business against the little man. All Democratic candidates follow the same line. It was also the policy of the late Franklin Delano Roosevelt.

The only difference is that, when President Roosevelt took over, it was in the midst of a severe depression and now everyone is relatively happy and satisfied and has no particular reason to change the leadership of the country out of dissatisfaction.—All Rights Reserved.

CONTRIBUTION OF AGRICULTURE TO EXPORT TRADE

IMPORTANCE OF OILSEEDS

From A Special Correspondent

NEW DELHI, *3rd July*

DELHI LETTER

IT is fairly certain that the Government of India's trade and production policies will be closely interlinked in the coming months if the observations of some Ministers and high dignitaries of the Government are any indication. This is, of course, already being followed while determining the import policy from time to time. In cases where the industries have been able to report higher production and the quality of goods manufactured is satisfactory, Government has been restricting the quantum of imports, so that the indigenous industry could reasonably be assured of a steady internal market. In the case of exports of agricultural produce and industrial raw materials, the Government is expected to concentrate its attention on a policy of expansion by linking production of commercial crops and other products to that of exports.

At the three-day Conference of State Ministers of Agriculture held at Mussoorie this week, Mr. Ajit Prasad Jain, Minister for Food and Agriculture, made certain interesting remarks about the possibilities of exporting some important commercial crops. He stated: "For the success of the Plan, which will, to a great degree, depend upon the quantities of capital goods that we are able to acquire, we must export larger quantities of cash crops like oilseeds, cotton, tobacco and plantation products." The Minister did not disclose the export targets for these goods, but was disinclined to agree with the views expressed recently by the Finance Minister, Mr. C. D. Deshmukh, and the Prime Minister, that India should be able to export about two million tons of foodgrains annually, in order to enable the country to earn the much needed foreign exchange for the imports of machinery, iron and steel and other industrial raw materials. He informed the States Ministers for Agriculture that proposals had been worked out by his Ministry to step up the targets for the increased production of raw cotton from 31 per cent. now envisaged to 37 per cent., raw jute, sugarcane and oilseeds from 25 per cent., 22 per cent. and 27 per cent. to about 37.5 per cent., 31 per cent. and 36.4 per cent., respectively.

Among the new targets fixed for agricultural production, the most important from the export point of view is oilseeds. During the first Plan period, production of oilseeds did not record any impressive rise, the figure moving up from 5.1 million tons in 1950-51 to no more than 5.5 million tons in 1955-56. In the second Plan, the target has been raised to 7 million tons. According to the latest revision of the targets, the Agriculture Ministry desires that production of oilseeds should be improved to about 9.6 million tons. In other words, there should be a definite increase of about four million tons from the current level during the next few years. Since groundnut happens to be the major item among oilseeds, its output has to be increased to about 6.0 million tons from the present level of about 3.5 million tons.

It is now being realised by Government that high priority should be given to the production of such commodities and raw materials as are in greater demand in the export markets of the world. The authorities feel that, if India's capacity to produce more groundnut were to rise appreciably, it will not only help the Government to maintain a reasonable level of prices in the internal market for vegetable oils and oilseeds, but will also enable the Government to earn more foreign exchange during the coming years.

Only a few weeks ago, the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, remarked that exports of oilseeds and vegetable oils at Rs. 45 crores during 1955-56, as against Rs. 24 crores in the preceding year, must be considered as a flash in the pan. Export earnings from this source might have been higher still but for Government's restrictive policy in regard to exports of groundnut oil after November last. The Agriculture Ministry would now appear to be of the view that the export policy in regard to vegetable oils and oilseeds should not be subject to fits and starts by linking it to the vagaries of production but should be a steady one in the coming years. But it is not known as to how this could be done. The frequent changes in the export policy of vegetable oils, particularly in respect of groundnut oil, is largely due to the small margin available for export after meeting the internal requirements. Since the production of oilseeds is entirely dependent on the course of the monsoon, failure of the rains in the important producing areas adversely affects the trend of production to an appreciable extent.

If the Agriculture Ministry were able to achieve the increased target of about 9.6 million tons in respect of oilseeds, India could easily more than double the quantum of exports of oil and seeds. It may be noted that, in 1955-56, the total quantum of exports of groundnut, linseed and castor oils came to about 2.45 lakh tons, and, after taking into account the other kinds of vegetable oils and oilseeds exported during the last fiscal year, total exports in terms of oil may be computed at about 2.80 lakh tons. In case the Agriculture Ministry succeeds in achieving the revised targets of production for oilseeds, it should be possible for Government to have an export target of one million tons or slightly more, in terms of oil.

This higher target must be considered essential for augmenting the exchange resources of the country. Since the potential demand for vegetable oils, especially groundnut oil, in the Western European countries is considerably greater, efforts on the part of India to export more vegetable oils will be welcomed by these countries. Apart from West Germany, France, Belgium and the Scandinavian countries, more enquiries will be forthcoming from Soviet Russia and other East European countries also.

For another reason also a higher export target for groundnut and other vegetable oils is necessary. During the post-war period, India has been consistently incurring a sharp deficit on trade account with many West European countries, largely as a result of the considerable fall, and in some cases, practically *nil*, in the exports of vegetable oilseeds, short-staple cotton, raw jute, etc. Since West Germany has now become an important supplier of machinery and other capital goods to India in recent years, imports from that country have been rising steeply. In 1955-56, for instance, India imported Rs. 60.20 crores worth of merchandise from that country, as against Rs. 40.68 crores in the preceding year. India's exports to West Germany were, however, more or less static, the figure standing around Rs. 15 crores. With other West European countries also, India has been running an adverse trade balance. Since all these countries are capable of absorbing more vegetable oils, particularly groundnut oil, it is in India's interest to step up the production of vegetable oilseeds and oils with the object of exporting them to this part of the world.

In recent months, India's trade with Soviet Russia and East European countries has been showing signs of expansion. Soviet Russia is interested in the purchase of tea, jute goods, raw wool, castor oil, etc. There are reports that India will try to send woollen manufactures also to that country. Since large-scale imports of machinery, steel, oil drilling equipment, etc., are coming from that country, India should endeavour to supply it with sizable quantities of industrial raw materials. Import of 1.5 million tons of steel alone during the current year will cost about Rs. 120 crores. Machinery imports are likely to touch the Rs. 200-crore mark this year. It is, therefore, imperative that India should step up its exports by producing and exporting such goods and agricultural commodities as are in good demand in overseas countries. Since vegetable oilseeds and oils are one of them, the Agriculture Ministry must give top priority to augmentation of their output. Production of other cash crops such as raw cotton, sugarcane, raw jute, etc., is also extremely necessary to maintain the industrial tempo of the country, but special efforts have to be taken to increase the quantum of supply of many exportable crops too.

COMMONWEALTH CONFERENCE

THE PROSPECTS

From Our Own Correspondent

LONDON, *30th June*

THE day the Premiers of the Commonwealth met in London this week, *The Times* began its leading article with the words "The Commonwealth has often been likened to leaven, enriching and lightening the whole loaf of the world. It is not a bad description. The only trouble is that the leaven finally disappears and is lost in the loaf. Is that to happen to the Commonwealth?" The now defunct idea of the Commonwealth was a group of equal sister nations under one monarchy. The Republic of India accepts the monarchy only for Commonwealth and not for internal affairs; South Africa is going the same way, but more than this—the British Association of Nations "has no common judiciary or administration, no constitution, no joint system of defence. Its legal systems and political institutions are varied and often contradictory. Its ethical unity is shattered, since not all its members subscribe to the basic doctrine of racial equality." So comments the London *New Statesman*.

LONDON LETTER

What then is left? An exchange of views? But an exchange of views ungoverned by common interests is unlikely to be a practical force. At present the Commonwealth has real ties based on Imperial Preference and the common use of sterling. But the G.A.T.T. has made it impractical to develop further the system of preferences and they have since the war diminished in importance. Suppose that dollars became freely convertible with sterling, what then would happen to the sterling bloc? And, without preferences and the advantage which the use of a common currency brings, what would be left of the Commonwealth, except the English *lingua franca* in which all its members are able to confer?

But the implication of these thoughts is that, as the world becomes closer knit together as an economic unit, so the groupings of units within the world have less importance. At first sight, the Commonwealth is a less cohesive body than the Communist bloc. But the Communist bloc also has its anomalies, its Yugoslavia linked with East and West; just as Eire is able to be outside the Commonwealth and even diverge violently on matters of defence policy and yet enjoy all the benefits of Commonwealth membership and the right of Eire Nationals to bi-nationality, to seek employment and go about their affairs in this country as if they were U.K. citizens, a right which members of no Commonwealth country enjoy. To come back to the comparison with the Communist bloc, their trade and currency arrangements depend fundamentally on barter and indeed the bloc takes its strength from trade and investment support which the Soviet Union can give. Without that support the Communist bloc would be merely a political grouping.

But, in the Commonwealth, the significance of a political grouping is weakened by the fact that acute political problems and not only those of nationality have arisen and have not been helped to solution by membership of the bloc. Indeed, Commonwealth political problems get transferred to the arena of the United Nations. We are, therefore, being driven to the conclusion that the significance of the Commonwealth as a cohesive group must depend upon the significance to its members of the advantages they derive from mutual economic interests, and here again there is a note of warning—that the sterling area may be of less advantage to some members of the Commonwealth than it is to the U.K. What can the U.K. offer to continue to be looked to as the hub and centre of this community of Nations? It is a great market for Commonwealth produce but it must be more than that, it must give out as well as receive; finance and organise the flow of capital to the less developed areas; not only provide ideas, such as the Colombo plan, but the means, the men as well as the material, to carry them through. Community of objective, community of ideas and community of *economic interest* must be the links that survive if the Commonwealth is to remain after this Conference more than a name.—*All Rights Reserved.*

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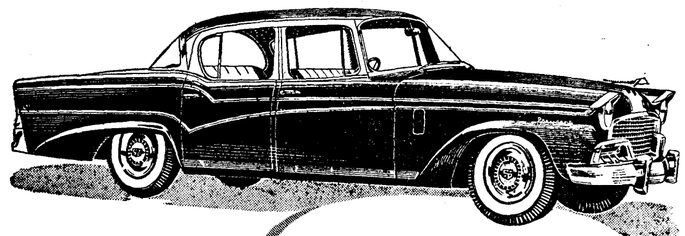

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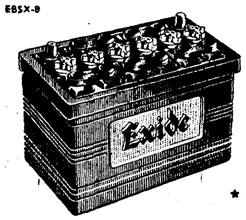

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WORLD BANK COMPLETES TEN YEARS OF VALUABLE SERVICE

UNDERDEVELOPED AREAS GREATLY BENEFITED

THE International Bank for Reconstruction and Development, popularly known as the World Bank, celebrated its tenth anniversary on 25th June last. Although the charter was drawn up at Bretton Woods twelve years ago, the Bank commenced its operations only on 25th June 1946. Its original membership of 41 nations on that date has now climbed up to 58, with 43 of them participating in loans (amounting to $2,750 million) given.

Few U.N. institutions can claim with pride a successful career similar to that of the World Bank in its first decade, the completion of which is marked by its activity at the highest pitch. The tenth year which ended on 30th June last is expected to establish records in several spheres of its activity. The Bank must have approved before the completion of the fiscal year 28 new loans amounting to $429 million, exceeding the previous record of $410 million established in 1954-55. Again, earnings of the Bank are expected to reach a new peak of $29 million and so also reserves at $225 million. The year witnessed the grant of $80 million loan for Kariba development in Rhodesia, the Bank's largest loan so far for a single project. Moreover, negotiations for an additional $180 million of loans are, it is stated, to be completed by September next and this is expected to raise the Bank's total lending to the equivalent of nearly $3,000 million—a record which is really creditable to an institution of only 10 years. In the matter of repayment of loans by the Bank's borrowers, too, its experience has been happy. Thus, without interruption, every instalment of principal and interest has been received on the due date; indeed, in some cases, loans have been repaid in advance. Of the loans made so far, $250 million plus interest have been received by the Bank.

The success of the World Bank may be traced to a number of factors. The most important has been the unprecedented rate of world economic growth in the first post-war decade. It took four years after the war for world poductive capacity to regain its pre-war level. Thereafter, there was a great surge forward, greater than in any previous period. The Bank took advantage of this favourable economic climate, but its success lay in enlarging its financial operations on sound banking principles.

More Loans to Backward Areas

The Bank's first loans were for reconstruction from war damage and were, therefore, granted to war-affected countries of Europe. The attention paid to backward countries in the earlier years of the Bank was relatively insignificant. This was due to lack of knowledge and unfamiliarity with the conditions prevailing in these countries and to the urgency of making European countries stage a rapid recovery from the ravages of war. But, when once the reconstruction was completed, the Bank began devoting more attention to underdeveloped countries. In this work, the European economies, which had regained their productive capacity, also extended a helping hand to the Bank, with the result that not only were more funds available but also more capital goods needed by the underdeveloped countries. At present loans are made for the development of electric power, irrigation, industry and transportation.

In the initial stages, the Bank's resources, consisting mainly of subscriptions from members, were limited and, therefore, insufficient to meet all its needs for lending over a long period. It had to supplement them by other means, especially by borrowing from the capital markets. Unfortunately, at the time when the Bank began its operations ten years ago, the climate in the international capital markets was far from congenial. Investors' faith in foreign investments was at a low ebb. The resort to moratorium by a number of countries in the inter-war period and the depression of the thirties had caused most of the large financial institutions to exclude overseas investments from their portfolios. This tendency was in full evidence in the U.S. where foreign investments were confined to direct investments made by American corporations through their subsidiaries overseas. This attitude of investors had to be changed if the World Bank was to have the capital it needed. In order to bring about the change, it had, on the one hand, to ensure that the loans granted to underdeveloped countries were productive and contributed to a healthy and enduring economic progress of the countries and, on the other, to show to the investors in the financial centres of the world that the operations of the Bank could be conducted with commercial success and that international investment was not necessarily a bad risk. This meant setting rigorous standards of investigation of projects put forward for the Bank's assistance and wherever necessary to suggest improvements in the projects. In addition, in order to ensure regular repayment of both the principal and interest, the guarantee of the Governments of borrowing countries was also obtained.

Bank's Bonds Popular

The business-like manner in which the Bank conducted its affairs did not take long to demonstrate to the private investor that international investment can be a sound business proposition. The Bank's bond issues gradually gained popularity. Today, more than half of the funds disbursed by the Bank has been raised from the investment market mainly in the form of bond issues. Besides, the Bank has been able to augment its resources by the sale of part of its loans to the market. In the U.S., commercial banks, pension funds, and insurance companies are today showing increasing interest in portfolio investment in overseas development. This growing interest of the financial institutions in the Bank's operators has been another important factor which has contributed to its progress.

Another notable feature of the Bank's progress has been its successful endeavour to maintain its international character in both lending and borrowing operations. During the last five or six years, it has issued bonds in London, Switzerland and the Netherlands. The total value of bonds issued so far in these countries is equivalent to $129.5 million. Besides, Central Banks in Europe have purchased parts of loans from the Bank's portfolio. In 1955, 40 per cent. of the outside capital made available to the Bank came from European financial centres. Their share in the World Bank loans amounted to $260 million during the five-year period ended 30th June 1956. The international character of the Bank is maintained in the policy of its disbursements also. It allows the borrowing countries to spend the Bank's loans to them in any country where they get the best value for their money. In the earlier years, the U.S. was the only country with the industrial capacity to fill large orders for capital goods from the Bank's borrowing countries. But, in recent years, European producers have been able to compete with the U.S. and secure an increasing share of these orders. In the course of an article contributed to a London daily, Mr. Eugene R. Black, President of the World Bank, observes that European producers have more and more come back into the picture and that their effective competition for orders under Bank loans has been reflected in the figures with the Bank. Thus, in the fiscal year 1954-55, 48 per cent. of the Bank's disbursements went to European manufacturers and this proportion has, it is stated, increased in the past twelve months.

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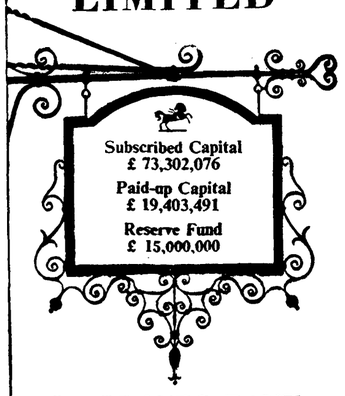

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WORLD'S BIGGEST BANK

Two decades ago, Britain could lay claim to possessing the world's biggest banks, judged by the size of their total assets. In 1937, the Midland Bank topped the list, followed by the "Big Five" group of London clearing banks occupying four of the next half dozen places. Today American banks occupy the first three ranks, while the London clearing banks occupy the next three places.

The biggest American banks are now very much larger than their nearest British rivals. The world's largest bank, the Bank of America, has a balance-sheet total equivalent to some £3,450 million. The next in the list is the Chase Manhatten Bank, with a total of £2,700 million, followed by the First National City Bank of New York with £2,500 million. Britain's largest bank, the Midland, accounts for a figure far below at £1.450 million. Barclays and Lloyds come next in order with £1,350 million and £1,150 million.

The causes for the lead gained by American banks make interesting reading. One of them is the devaluation of sterling. Conversion of American bank resources into sterling values is now made at about $2.80 per £, whereas the average quotation in 1937 was at about $5 per £. Another cause for the American banks to move higher up in the ladder has been the extension of bank mergers in the U.S. Lastly, the credit policies in Britain have restricted the growth of British banks' resources, whereas American banks have been only moderately affected by such policies.

Judged in terms of branch strength, the U.K. banks still hold the lead. The first three American banks have each about 300 branches. But Britain's three largest banks each have some 2,000 branches.

RENEWAL OF E.P.U.

The life of the European Payments Union has been extended by another year. A proposal renewing its life was signed at Paris on 29th June last by representatives of the member-countries of the Organisation for European Economic Co-operation. It provides for bilateral repayments and amortisation agreements similar to those in operation since June 1954. The agreements cover a total of $207 million, involving part payments in gold or agreed currency immediately and the balance in annual instalments.

Under the agreements, the U.K. is to pay $60 million—$20 million each—to Belgium, Holland and Switzerland. The first two will receive $24 million in cash and the third $2 million. Similarly, Italy has agreed to pay $90 million, of which Germany is to get $35 million, Holland $30 million, Belgium $15 million and Switzerland $10 million. In addition, Italy has agreed to pay voluntarily $12 million to the E.P.U., following the example of France which made such payments amounting to $80 million and $50 million in January and December 1955, respectively. The Union will use this money to repay its creditors in proportion to their claims. Thus, Germany gets $7 million, Belgium $2.2 million, Holland $1.8 million and Switzerland $1 million.

Under the new proposal, Norway has to pay $57½ million. Of this sum, Germany will get $38 million, Holland $12½ million and Belgium $7 million. In all, Germany will receive under these agreements $73 million, Holland $62½ million, Belgium $42 million and Switzerland $30 million, the total payable in cash being $39 million.

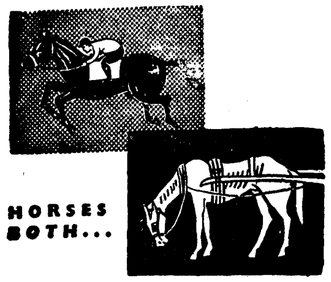
AMENDMENT TO RESERVE BANK OF INDIA ACT

Apropos our two leading articles on the communication of the Federation of Indian Chambers of Commerce and Industry to the Government of India on the Bill seeking to amend the Reserve Bank of India Act, now pending before Parliament —*vide* pages 1130 and 1178 of *Commerce* dated 16th and 23rd June, 1956—the Secretary of the Federation writes as under:

"It is appreciated that our communication has evoked interest enough to persuade you to analyse it in two successive issues of your valuable weekly dated 16th and 23rd June. I submit, however, that your comments do not do justice to the basic and reasonable stand of the Federation apropos the role of managed currency in the affairs of the nation. You have charged the Federation as suffering from not only 'orthodoxy' but also ignorance. Often 'orthodoxy' is in advance of current fashions; those who pause and query are not necessarily ignorant.

"At the very outset, I should like to mention that the argument of the Federation is directed

(*Continued on page 55*)



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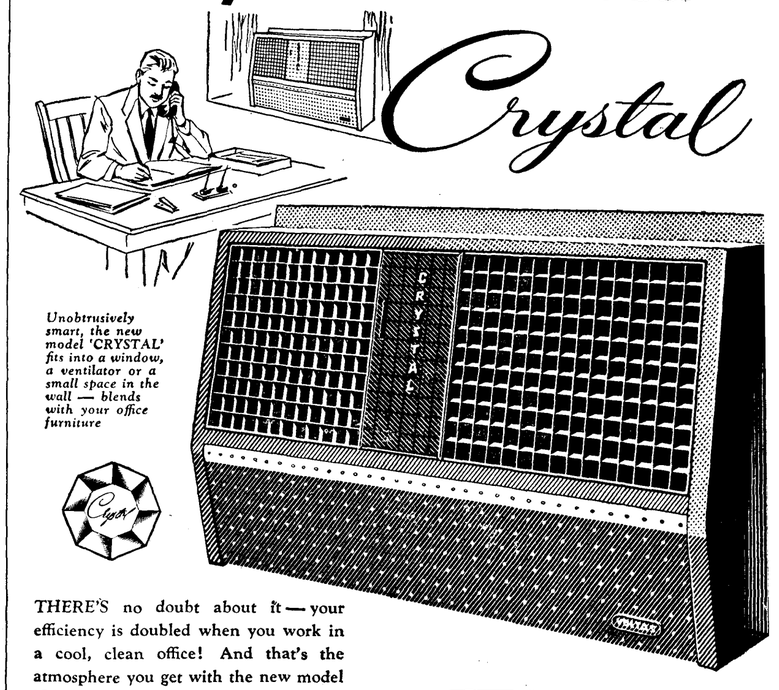

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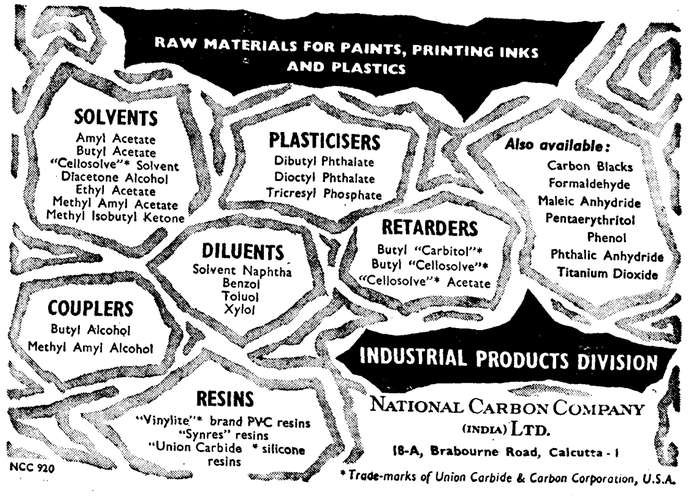

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WOOL UNDER SECOND FIVE-YEAR PLAN

IS EXPANSION OF MANUFACTURING CAPACITY NECESSARY?

IT is very difficult to say what considerations actually weighed with the Planning Commission when it drew up the development programme for the woollen textile industry. Although the present installed capacity of the industry is more than adequate to meet the estimated requirements at the end of the second Plan period, the Commission has provided for a further expansion. Thus, the capacity target for the industry in 1960-61 is fixed at 45 million lbs. for woollen and worsted yarn, as against the capacity of 38 million lbs. as on 31st March 1956 and the anticipated demand of 27 million lbs. Similarly, the target for woollen cloth is fixed higher at 50 million yards, as compared with the existing capacity of 48 million yards and the estimated requirements of 20 million yards. In other words, the surplus capacity of the woollen textile industry (in relation to requirements) at the end of the Plan period will be as large as 40 per cent. in respect of woollen and worsted yarn and 60 per cent. in respect of woollen cloth. One, therefore, wonders whether capital, which is scarce, should be expended on the expansion envisaged by the Commission and whether it will not be advisable to divert such capital to other industries which badly require an increase in their capacity.

The expansion programme for the woollen textile industry in the private sector and under the National Industrial Development Corporation (N.I.D.C.) during the second Plan period is tabulated below:

	Wool tops (Mil. lbs.)	Woollen and worsted yarn (Mil. lbs.)	Woollen cloth (Mil. yds.)
Annual capacity as on 31st March 1956*	Nil	38.0	48.0
Production in 1955-56*	Nil	21.6	14.9
Requirements in 1960-61*	18.0	27.0	20.0
Targets for 1960-61:			
Annual capacity	9.0	45.0	50.0
Production	9.0	27.0	20.0
Fixed capital investment during 1956-61 (Rs. crores)	2.35	..	..

* Estimated.

The statement above shows that, during the five years ending 1960-61, the output of woollen and worsted yarn is expected to go up by 5.4 million lbs. and that of woollen cloth by 5.1 million yards. The programme includes a scheme for the production of wool tops, at a cost of Rs. 2.35 crores. The capacity and production targets are both put at 9 million lbs. Even then, they fall short of the estimated requirements by as much as 50 per cent. The gap will naturally have to be covered by imports from abroad. Taking the average imported price of wool tops at Rs. 6 per lb. (on the basis of the imports during the financial year 1955-56), the total cost of importing 9 million lbs. of wool tops in 1960-61 will work out to Rs. 5.4 crores. During 1955-56, India imported 12.63 million lbs. of wool tops valued at Rs. 7.46 crores.

Reduction of Prices Imperative

The aggregate requirements of woollen cloth in 1960-61 are estimated, as already stated, at 20 million yards. This estimate seems to be based on two important factors. First, the population of India is rising at an annual rate of about 4.8 million, the estimate for 1960-61 being placed at 408 million. Secondly, as a result of the implementation of the series of development schemes, the purchasing power of the people will register an improvement; the national income is expected to rise during the Plan period by 25 per cent. to Rs. 13,480 crores (1952-53 prices). Notwithstanding the rise in demand for woollen cloth, the *per capita* consumption will still be as low as 0.05 yard. If the consumption of woollen goods is to be stepped up, it is necessary that the present high level of prices should be reduced. Such a reduction will be possible only if the prices of raw wool, now quite high, are lowered. Otherwise, there are no prospects of expansion beyond what could be necessitated by an increase in population.

Viewed thus, it will be seen that the Planning Commission has done well to give due importance to wool development. The second Plan provides Rs. 1.5 crores for this purpose. It is proposed to establish 396 sheep and wool extension centres in the different regions of the country and three new sheep breeding farms—one each in Himachal Pradesh, Madhya Bharat and Saurashtra. The farms are intended to produce rams of good quality for both pure breeding and cross-breeding. At each of these farms, a fleece testing laboratory and a wool utilisation centre will be set up.

Raising Wool Yields

It is estimated that there are about 38 million sheep in India, producing 60 million lbs. of wool annually. Out of this quantity, about 24 million lbs. are utilised in the country, the balance being exported. Finer varieties of wool are imported to the extent of nearly 11 million lbs. per annum. The average yield of wool from indigenous sheep is put at 2 lbs. per head. Improved varieties of sheep are said to yield about 6 lbs., so that there is considerable scope for development. The demand for wool comes from five sources, namely, cottage industries, carpets and floor rugs, blankets, clothing material and knitting yarns in mills, and manufacture of shawls, tweeds, etc. Imported wool is used mainly by mills.

Over many years, studies have been undertaken in the cross-breeding of local types with merino type sheep in Kashmir, Mysore and the Deccan, in the selective breeding of Bikaneri, Deccani and Bellary types, and in the grading up of local inferior sheep with the Bikaneri. The studies have led to the adoption of a long-term plan which covers (1) selective breeding of indigenous breeds in the plains and at places where definite breeds exist; (2) upgrading of nondescript breeds with Bikaneri; and (3) cross-breeding with foreign breeds in selected hilly areas. Cross-breeding with foreign sheep, it is stated, has given valuable results in respect of not only the quantity but also the quality of wool produced. Encouraging results are also said to have been obtained from selective breeding and from grading of local inferior sheep. As against the average yield of the Kashmiri breed of 16 ozs. (fleece), the yield of the half-breed variety is about 37 ozs. and, in certain cases, as much as 56 ozs. There is thus considerable scope for improving the present yields of wool.

TEXTILE INDUSTRY IN JAPAN

The downward trend of cotton textile production and exports noted in Japan during 1955 would appear to have abated in the current calendar year. During the first quarter of 1956, Japan produced 221.16 million lbs. of yarn and 733.74 million square yards of cloth, as against 215.82 million lbs. and 710.78 million square yards, respectively, in the corresponding quarter of 1955. The improvement in production has been accompanied by a similar rise in exports. The total quantity of yarn sent out of Japan during the quarter under review was 9.54 million lbs., which compares very favourably with 5.21 million lbs. a year before. Likewise, the shipments of cloth were higher at 363 million square yards, as against 252 million square yards a year before. The following table indicates the trend of Japanese cotton textile production and exports:

(Yarn in million lbs.; cloth in million square yards)

	1st quarter		1955	1954
	1955	1954		
Production:				
Yarn	221.2	215.8	826.9	929.6
Cloth	733.7	710.8	2,814.9	3,045.8
Exports:				
Yarn	9.5	5.2	26.2	29.5
Cloth	363.0	252.0	1,139.0	1,278.0

SOVIET TEXTILE INDUSTRY

The sixth Five-year Plan of Soviet Russia envisages a substantial rise of 160 per cent. in textile production in the Ukraine. Under the Plan, steps are being taken to promote the widest application of new machinery, to rationalise the use of existing equipment and to broaden the assortment of goods. These steps are expected to raise the output of cotton fabrics (as compared with the 1955 volume) by 850 per cent., of silks by 300 per cent. and of woollens by 100 per cent. A marked expansion of rayon output is also to be effected.

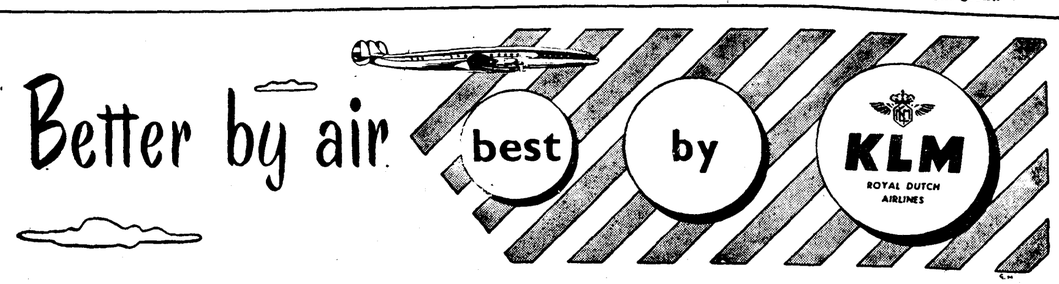
An extension of production facilities is considered essential for a further increase in the output of textiles. Since the beginning of this year, the cotton mills of Kherson have received an additional 20,000 spindles and 300 automatic looms. Preparations are under way for commissioning new dyeing and finishing mills. Output is due to rise by 350 per cent. as compared with last year. The cotton spinning mill at Poltava has received, since the beginning of this year, an addition of 26 spiral spinning machines of continuous action. Antiquated machines will be completely replaced at the Lvov cotton spinning mill; as a result of this, the production capacity of the mill is expected to rise by 25 per cent. Equipment is to be modernised at the textile mills in Chernovtsy, Korostyshev, Steblev and elsewhere. A highly efficient unit for finishing pure wool fabrics has been installed at the woollen mills in Kharkov. The woollen mill at Voroshilovgrad will receive a substantial addition to its automatic looms. A weaving mill will be commissioned this year at the Darnitsa silk mills. It will have 1,220 looms for the production of silks and tapestry.

Considerable funds are allocated in the new quinquennium for financing the construction of textile mills. New woollen mills will go into operation at Chernigov, the second section will be started at the Kherson cotton mills, and the cocoon processing mill will go into operation at Zaporozhye. It is planned to build rayon mills at Chernigov and Cherkassy, mills for the production of draperies at Chernovtsy, and cotton and linen mills at Zhitomir.

CONVERTING HANDLOOMS INTO POWERLOOMS

The new textile policy of the Government of India, announced by Mr. T. T. Krishnamachari on 18th June 1956, is being implemented in right earnest. While several representatives of the mill sector have already been consulted with regard to the installation of 14,600 automatic looms in mills, the State Governments have been asked to draw up schemes for the introduction of 35,000 powerlooms in the handloom sector. In a communication addressed to the State Governments, the Union Ministry of Commerce and Industry is reported to have urged the switch-over, by the existing or future co-operative societies, from handloom weaving to the more economic method of powerloom production.

It is, of course, pointed out that such conversion need not mean that the existing handlooms should go out of commission. In fact, arrangements are contemplated for keeping the handlooms going even where the present weavers are allotted powerlooms. Ordinarily, a weaver will be allotted only one powerloom, but, in cases where a person owns three or more handlooms, two powerlooms may be allotted. The financial assistance to be given by the Centre, it is understood, will cover the cost of powerlooms which will be approximately Rs. 1,000 each, working capital, amounting to Rs. 500 per loom, and 80 per cent. of the share capital of a co-operative society. All this money will be given as a loan. But the cost of training the weavers in the use of powerloom will be borne by the Centre as an outright grant.



DECLINE IN EARNINGS FROM EXPORTS

TEXTILE CONCERNS PLAN MOVES TO EXPAND ACTIVITIES IN OTHER WAYS

From A Special Correspondent

MANCHESTER, *26th June*

THE International Federation of Cotton and Allied Textile Industries, in its latest trade review, is not optimistic about the outlook for the Lancashire textile industry.

MANCHESTER LETTER

Surveying the situation in the spinning section of the industry during the first quarter of the year, the Federation says yarn production was 11 per cent. lower than in the corresponding period of 1955 and there was a further decline of 2.7 per cent. in the number of workers compared with the final quarter of 1955.

Sales of yarn were at a "relatively high level" in January and February, but fell away substantially in March, and the total volume of business booked was less than in the final quarter of 1955. The general trend was for order books to shorten slightly. During the quarter exports of cotton yarn showed a light increase.

"Future prospects are inclined to be less encouraging, as buyers to an increasing extent have been disposed to act with extreme caution and have only done business to meet urgent requirements," adds the review.

Still Slipping

Succeeding months bring no encouragement to the hard-pressed British exporter of cotton goods. Value as well as volume is now well below last year's levels and, to the end of May, earnings from cotton goods accounted for £37,672,511 as against £45,172,724 a year ago.

For the first five months of 1956, average shipments of cotton cloth have failed to reach 40 million square yards a month, the end-of-May total being 199,190,000 square yards as against 256,774,000 yards in 1955. The value has fallen from £32,760,346 to £25,896,599.

Australia continues to head the list of receiving countries, having so far taken 32,960,000 square yards against 47,628,000 yards last year. Shipments to South Africa are practically unchanged at 24,430,000 square yards, but trade with Nigeria has been halved at 12,021,000 yards. New Zealand has taken 13,008,000 square yards against 17,749,000 yards.

Nor can any consolation be obtained from the volume of rayon and synthetic fibre piecegoods exported this year. To the end of May, they amounted to 53,034,000 square yards as against 61,897,000 square yards, the value declining from £9,892,504 to £7,861,026. In this instance the feature of trading has been the larger purchases made by Rhodesia and Nyasaland, which account for 8,678,000 square yards as against 6,199,000 square yards. Shipments to Australia have fallen from 10,956,000 yards to 7,530,000 yards and those to New Zealand from 7,407,000 yards to 5,566,000 yards.

The fall in overseas trade can be mainly attributed to the smaller quantities of woven fabrics sent to foreign markets. Shipments of yarn have shown little change, the volume of cotton yarn exports being 16,009,172 lbs. for the five months, as compared with 16,603,923 lbs. Rayon and synthetic fibre yarns have moved off in slightly larger quantities, the total being 14,256,860 lbs. against 12,924,692 lbs. In both instances India has absorbed larger quantities.

Larger Imports

During May, the position was reached when for every 100 yards of cotton and rayon cloth exported from this country nearly 75 yards of foreign cloth arrived from overseas. Imports of cotton goods in the grey state were the largest since early 1955, the volume being 28,701,000 square yards, which exceeded the comparable total in May last year.

For the first five months of the current year, arrivals of cotton grey cloth amounted to 115,828,000 square yards, against 130,674,000 yards in the same period last year. A sharp increase in arrivals last month brought the total of Indian cloth imported this year to 61,449,000 yards as against 65,072,000 yards. Supplies from Hong Kong amounted to 21,392,000 yards as against 23,548,000 yards, but Japanese mills have so far only sent 15,413,000 square yards as compared with 38,207,000 yards.

Slightly larger quantities of finished cotton goods are still reaching this country from abroad, the latest total being 16,842,000 square yards as against 13,836,000 yards in the first five months last year. Supplies of cloth woven from rayon and synthetic fibres in foreign mills have also risen, total imports to the end of May being 35,659,000 square yards as against 25,138,000 yards a year ago.

When the larger groups of textile companies in Lancashire issue their financial results their earning power inevitably attracts attention, whereas similar results in ratio by smaller concerns pass without undue comment. Some of the latest announcements by the bigger groups, however, have given further indications of the contractions in production in the industry.

In line with the lower earning capacity of several mill combines, the figures issued by the Fine Spinners and Doublers did not cause much surprise. A fall in the group profit of nearly £750,000 to £1,540,000, accompanied by a reduction in the annual dividend from 12½ per cent. to 10 per cent. was largely in line with market anticipations. Equally so, the drop of over £160,000 in the group profits earned by the Bleachers' Association was not entirely unexpected. In this case, the dividend of 12½ per cent. was maintained, partly as a result of a credit of £75,000 from tax previously overprovided.

A result which has caused very considerable comment, however, has been the initial statement from Fothergill and Harvey, Ltd., which has reported a loss of £118,000 as against a profit of £51,000 a year ago. Reasons for this swift reversal of fortunes are awaited, and speculation must await a statement by the Chairman. Another company which has been suffering adverse conditions for some time past is Thomas Hoghton Ltd., the Oswaldtwistle weaving firm. The mills are now weaving out, having incurred a loss of some £65,000 last year, while stockholders have received an offer of 3*d.* per unit from a firm of Manchester warehousemen.

Evidence of a persistent reduction in the amount of machinery turning out textile products is forthcoming almost from week to week. Some concerns based primarily on the textile trade are, however, not perturbed and are planning moves to expand their activities in other ways. The British Cotton and Wool Dyers' Association, for example, has obtained power to branch out into numerous other trades—from the electrical industry to cabinet-making or wholesale and retail trade in any goods "which can conveniently be dealt with by the company." It is not suggested that all such projects are under immediate consideration but the opportunity is available to the Directors if suitable openings occur.

Another venture, not so far from the textile field, is being undertaken by the Bradford Dyers' Association the interest of which in a new company has just been announced. This firm, with works near Halifax, is to start making nonwoven fabrics of fibres bonded by chemical and physical means to produce material without using spindles or looms. The first of these specialised products is said to be a "novel interlining material."

Holiday Season

The curtain has now gone up on the 1956 Wakes season in the North-West textile belt—and by land, sea and air 250,000 workers and their families began the journey to holiday resorts in this country and on the Continent.

Mills and workshops in nine towns and districts closed down for two weeks, including Oldham, Middleton and Macclesfield. Between now and mid-August they will be followed by more than 90 other towns taking their fortnight's holidays in rotation.

Extra trains put on by British railways include nearly 50 from Oldham. On the road hundreds of extra coaches have been reserved.—*All Rights Reserved.*

During the first quarter of 1956, cloth exports from the U.K., according to the latest statistical review of the Cotton Board, aggregated 120 million sq. yards as compared with 129 million in the final quarter of the last year. The review states that the British cotton textile industry suffered a more severe reduction in output in the first quarter of 1956 than that of any other important cotton manufacturing country. In a world-wide review of the cotton textile activity, the Board said the greatest rate of expansion, compared with the first quarter last year, appeared to have been achieved by Germany and the young cotton industries of Pakistan, Hong Kong and Egypt. In France, Italy, Switzerland, and Portugal cotton yarn production in the quarter was "appreciably lower." The most impressive export performance during the quarter—during which world trade in cotton piecegoods showed a slight decline—was that of Japan, which again set up a new post-war record.

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COTTON TARGET RAISED

IS IT ADEQUATE?

IN recent months, the question about the target for cloth production in the second Five-year Plan has attracted considerable notice and become the subject of discussion in official and non-official circles. This is as it should be, in view of the fact that any shortage of this essential consumer article in the period of the Plan will mean great hardship to the people which, in its turn, will rob the people of their enthusiasm for the Plan. But the allied question of the target for cotton, the chief raw material for the textile industry, has not received the same notice. The fixing of an adequate target for cotton and the adoption of measures that will be needed to reach it are important questions which must continually receive the attention of the authorities. From this point of view, it is gratifying to note that, at the recent conference of Agriculture Ministers at Mussoorie, the target for cotton production figured in the agenda and it was raised from 5.5 million bales mentioned in the Plan to 5.86 million bales. This target is to be reached by 1960-61.

In the first Five-year Plan, the target for cotton was set at 4.2 million bales to be reached by 1955-56, as against a mere 2.9 million bales (official estimate) in the base year of the Plan (1950-51). This target was exceeded in 1954-55 alone when production reached a total of 5.46 million bales. For the current season, namely, 1955-56, the output of cotton has been placed at 4.57 million bales. But this decline in output is somewhat exceptional, as it is the result of very adverse climatic conditions which prevailed in the cotton-growing areas.

Target for Cotton

The target for cotton in the second Plan must be viewed in the light of the textile targets and the foreign exchange needs. The second Plan envisages a target of 8,400 million yards of cloth or 1,950 million lbs. of yarn to be reached before the end of 1960-61. The Plan originally provided that, in order to fulfil these targets, the production of cotton should be raised to 5.5 million bales in 1960-61. Referring to the administrative measures that will be necessary for raising the output of cotton, the Planning Commission said:

"Programmes for the cotton development will continue the measures undertaken during the first Five-year Plan such as provision of hybrid seed, multiplication and distribution of improved seed, grant of loans to cultivators for the purchase of seed and fertiliser and extension and propaganda among the cotton cultivators. An important feature of development under the second Plan will be the emphasis on increasing the production of long-staple varieties, particularly in the areas brought under major irrigation projects. The achievements made so far in increasing the production of long-staple varieties have been significant and the proportion of these varieties had gone up from 17.5 per cent. in 1948-49 to about 37 per cent. in 1954-55."

The target for cotton, as stated at the outset, has been raised to 5.86 million bales. In discussing the adequacy of this target, one must, of course, take into account at least three factors, namely, the target for cotton textiles, the need for maintaining a certain level of cotton stocks and exports in order to earn badly needed foreign exchange. The target for cotton manufactures in terms of yarn is 1,950 million lbs. In 1955, the Indian mills produced about 1,625 million lbs. and the consumption of cotton was 4.88 million bales, of which Indian cotton accounted for 4.3 million bales and foreign cotton for 580,000 bales. On this basis, mills will require about 5.85 million bales of cotton in order to produce 1,950 million lbs. of yarn. Assuming (without questioning its desirability) that the consumption of foreign cotton will continue to form the same proportion of the total consumption of cotton as now—that is, about one-eighth of the total consumption—the mills will require about 5.12 million bales of Indian cotton and about 730,000 bales of foreign cotton. But as India would need to conserve foreign exchange and as more land is being brought under irrigation in the cotton belts of India, the aim should be to reduce the import of foreign cotton to no more than 400,000 bales. This means that requirements of Indian cotton will stand raised to 5.45 million bales.

Mills' Requirements

Thus, the mills' requirements of Indian cotton may be placed at 5.45 million bales. To this must be added a figure that will leave sufficient stocks of cotton within the country. A reasonably adequate level of stocks would be one that would equal the mills' consumption in six months. This means that stocks of about 2.7 million bales will have to be maintained. And exports may be placed at 800,000 bales, if not more. Thus, the overall supply in the final year of the Plan should be of the order of 8.95 million bales. As against this requirement, the production target, as envisaged at the Mussoorie Conference is 5.86 million bales. Since stocks of cotton at the end of August next are expected to be no more than 1.6 million bales, the gap between the supply on the basis of a target of 5.86 million bales and the supply as calculated above, namely, 8.95 million bales, is 1.49 million bales. This will give an idea of the extent to which the production target will have to be stepped up.

Some Considerations

At this stage, it is necessary to refer to certain other vital considerations. In the first place, the present target for cloth is based upon a *per capita* consumption of 18.5 yards. If living standards rise, the first impact of the rise will be felt by foodgrains and cloth. The Government itself has recognised that the position will have to be reviewed in a year or so in the light of consumption trends. If consumption goes up beyond 18.5 yards (as some sections of opinion think it will), then a higher target of cloth will be necessary. It is well to remember that it will not be possible to bring about an increase in cloth production if the supply of cotton is insufficient. Nor can cotton be produced at short notice. Secondly, the present target involves the production of 300 million yards of cloth from Ambar charkha yarn. Assuming that the Ambar charkhas will be able to produce the necessary yarn, it is not clear whether this method of production will not involve a certain wastage of cotton.

Thirdly, in arriving at a target for cotton output, one must take into account the need for cutting down the imports of foreign cotton to the barest minimum. Fourthly, it is well to plan for as large a level of exports of cotton as possible. It is true that the country should primarily aim at exporting cloth instead of cotton. But its foreign exchange requirements are heavy and exports of cloth are bound to become increasingly difficult. Exports of cotton could, therefore, be relied upon as an effective second line of defence. Further, India grows certain varieties of cotton which enjoy a ready market. It would be folly not to produce and export those varieties at a time when the country needs all the foreign exchange it can earn. Finally, India is still a land where the level of agricultural output, including the output of cotton, is determined by the monsoon. The completion of irrigation projects would, of course, improve the position, but could hardly alter it so effectively as to eliminate the "monsoon" factor altogether. These considerations point to the necessity for fixing as high a target for cotton as possible.

Per-acre Yields

In planning for a higher cotton target, one must of course take into consideration both the quantitative and the qualitative aspect of the problem. A consideration of the quantitative aspect immediately brings up the problem of per-acre yields. These are low at about 100 lbs. per are, as compared with the free world average of 236 lbs. It should be possible to increase the per-acre yield when the proportion of irrigated land under cotton (now about 9 per cent. of the total acreage) goes up as a result of the completion of the irrigation projects which are under construction and which are contemplated in the second Plan. It is believed that the projects recently completed will bring about 250,000 acres under cotton and those under construction will bring about 1.15 million acres. When this additional land is brought under imported cotton, it may add about 700,000 bales to the present level of output. The Government must assess more accurately the possibilities of growing cotton in the project areas and also take the necessary measures to make the cultivation of cotton popular in these regions.

As regards the qualitative aspect of the problem, much good work has no doubt been done. The proportion of long-staple cotton (⅞" and above) has now gone up from 17 per cent. in the 1940-45 period and the 1945-50 period to about 35 per cent. India has been able to grow even 1⅛" staple cotton, though it may take some time before these varieties are stabilised under Indian conditions. Some botanical miracles have been achieved through crossing the American and Asiatic varieties which do not take kindly to each other. The evolution of the varieties 170 C02 and 134 C02 M is a piece of admirable research work. All these and similar efforts need to be encouraged, so that India could augment its production of long-staple varieties and thereby reduce its dependence on foreign cotton.

DOLLAR-CREDIT FOR JAPAN

The U.S. Government has agreed to the request of the Japanese cotton interests to postpone the last date for imports of American cotton under the U.S. 60-million dollar credit scheme in order to facilitate Japanese imports of American cotton.

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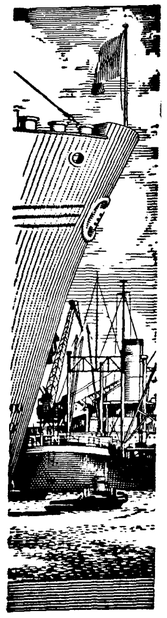

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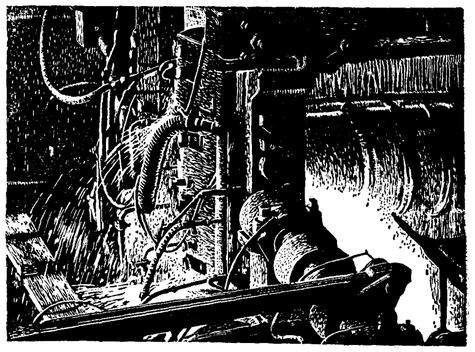

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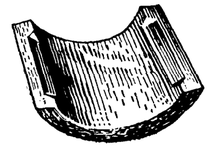

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PRODUCTION TARGET FOR SUGARCANE TO BE STEPPED UP

STRESS ON INTENSIVE CULTIVATION

SUGARCANE is one of the important cash crops for which the production target envisaged in the second Five-year Plan is proposed to be stepped up. Inaugurating the three-day conference of State Ministers of Agriculture held at Mussoorie last week, Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, revealed that the new target proposed for sugarcane was a production rise of 35 per cent., as against 22 per cent. fixed by the Planning Commission. Accordingly, the aggregate output of cane at the end of the Plan period (1960-61) is estimated at 78 million tons, which compares favourably with 58 million tons for 1955-56; the Planning Commission's target is 71 million tons. It was for the State Governments to consider, Mr. Jain declared, as to what extent the higher target could be achieved by (1) schemes as included at present, (2) readjustment of schemes within the existing financial allocation, and (3) taking up additional schemes. The third category, according to him, would involve allocation of more funds. He further emphasised that the creation of a proper atmosphere which might stimulate the farmer into greater activity was also essential.

The Food and Agricultural Minister did well to stress that the increase of 20 million tons in the output of sugarcane (as also of other agricultural commodities) was to be achieved primarily through the intensification of agricultural measures already contemplated. Among these, mention may be made of provision of irrigation facilities, establishment of seed nurseries, distribution of disease-free and improved varieties of seeds, supply of manures and fertilisers, control of pests and diseases, and organisation of demonstrations and crop competitions. Utmost stress will be rightly laid on augmenting the sucrose content of sugarcane.

Need for Intensifying Cultivation

The need for intensifying cultivation of sugarcane cannot be emphasised too strongly. For the scope for enlarging the area devoted to cane is limited. Such increase as may take place in the area under cultivation is likely to raise the production mainly of sugarcane with low recovery per cent. As the cane-crushing capacity of the sugar industry expands and as modernisation of equipment in mills gathers momentum, there will be a distinct tendency for the demand for sugarcane to shift from the inferior variety of sugarcane to cane with rich sucrose content. What is more, the present high proportion of sugarcane costs in the cost of manufacture of sugar—sugarcane accounts for as much as 60 per cent. of the cost of sugar manufacture—can be reduced only by improving the per-acre yield of cane with rich sucrose-content. It is needless to add that, notwithstanding the repeated stress laid on sugarcane development all these years, the conditions actually obtaining in the agricultural sector of the sugar industry continue to be backward *vis-a-vis* other sugar-producing countries, as the following statement shows:

	Yield per acre (In tons)	Sucrose content (Percentage)
India	18.00	9.85
Hawaii	62.05	10.46
Java	56.20	11.49
Peru	41.14	12.33
Egypt	30.42	9.97
Formosa	28.27	12.93
Philippines	27.08	8.45
Cuba	17.12	12.25
Puerto Rico	24.16	22.23
Mauritius	19.63	12.08
South Africa	22.36	10.90
Australia	21.34	14.33

Figures relating to India are all-India averages based on the final estimate of sugarcane crop for 1955-56.

It will be seen from the foregoing figures that the per-acre yield of cane is the lowest in India. The recovery per cent. of sugar in cane is also the lowest, barring the Philippines. Incidentally, it may be noted that the 1955-56 sugarcane season has witnessed a distinct setback to the crop. Thus, according to the all-India final estimate, while the area sown to cane was substantially higher by 11.3 per cent. at 4.45 million acres, as against 3.99 million acres in 1954-55 (partially revised estimate), the aggregate production was higher by only 1.5 per cent. at 57.75 million tons, as against 56.92 million tons. In other words, the yield of cane per acre suffered a fall, from over 14 tons in 1954-55 to 13 tons during the season under review. Similarly, the quality of the cane grown slightly deteriorated, the all-India average percentage recovery for 1955-56 being 9.85, which compares unfavourably with 9.90 for the previous year.

If conditions in the Indian sugar economy are to be stabilised, it is of the utmost importance to see that the progress in the agricultural sector should keep pace with that in the manufacturing sector. The scope for augmenting per-acre yields of superior quality sugarcane through intensive cultivation is not only ample but almost unlimited. Basing himself on the experience of the success of the Japanese method of cultivation, Dr. Punjabrao Deshmukh, Union Minister for Agriculture, in a talk broadcast from the Delhi station of the All India Radio the other day, said:

"We can confidently assert that the following are the fundamentals of better cultivation and, if we can persuade a sufficiently large number of farmers to practise them even on a small fraction of their lands, our tasks and targets can be very easily not only accomplished but exceeded:

"(1) Proper tillage of seed beds and the lands; (2) minimum possible seed-rate; (3) sowing of crop in lines to facilitate inter-culture operations; (4) adequate but scientific spacing between plants and rows; (5) use of manures and fertilisers in liberal quantities; (6) use of irrigation; (7) weeding at intervals, and (8) control of pests and diseases."

In the light of these broad principles, it should be possible to make very definite recommendations in regard to seed-rate, spacing, kind and quantity of fertilisers, time and method of application, etc., on the basis of results of research and experimental evidence available with the State Governments for sugarcane. And, when such recommendations are implemented, it should be possible to raise not only the per-acre yield of sugarcane but also its quality.

ALL-INDIA FINAL ESTIMATE OF SUGARCANE

The all-India final estimate of sugarcane for 1955-56 puts the current year's area and production at 4,446,000 acres and 57,749,000 tons, as against the partially revised estimate of 3,994,000 acres and 56,923,000 tons, respectively, for 1954-55. This shows an increase of 452,000 acres or 11.3 per cent. in area and 826,000 tons of cane or 1.5 per cent. in production over last year. Expressed in terms of *gur*, current year's production is placed at 5,859,000 tons, as against 5,760,000 tons for 1954-55.

The increase in acreage during the current year has been shared by almost all the sugarcane-growing States, especially the States of Uttar Pradesh, Bihar and Punjab; it is attributed mainly to better climatic conditions at the sowing time during the current year, as compared with last year. Rise in production has also been reported by almost all the sugarcane-growing States, especially the Punjab, Bihar, Madhya Bharat, Mysore and Assam; it is due partly to increase in acreage and partly to favourable seasonal conditions during the growing period. The improvement in production would have been more marked but for the setback to sugarcane crop in Andhra, Bombay, Madras and P.E.P.S.U. In Bombay, the crop was damaged by rain, heavy winds, and sporadic attack of pyrilla pest and stem-borers.

The estimate includes, for the first time, information in respect of Travancore-Cochin State which accounts for 17,000 acres of area and 305,000 tons of cane (or 31,000 tons of *gur*) production during 1955-56. The production estimates for 1954-55 and 1955-56 in respect of Andhra and West Bengal (excepting Darjeeling district) are based on the results of random sample crop cutting surveys.

The Bombay Molasses (Control) Bill, 1956, has received the assent of the President. The Bill seeks to control the supply and distribution of molasses, so as to ensure its availability at fair prices. Molasses is one of the main by-products of the sugar industry which is used as a raw material in the manufacture of power and industrial alcohol. There are several industries using alcohol and, in order to encourage the development of these industries, it is necessary that alcohol should be made available at an economic price. With this object in view, the Government of Bombay drew up the aforesaid Bill which, as stated at the outset, has received the assent of the President.

With effect from the 1st inst., the provisions of the Payment of Wages Act, 1936, have been extended to the sugarcane farms in Bombay State. The provisions now apply to all those persons employed on any farm on which 25 or more persons are employed and which is maintained for the purpose of growing sugarcane and attached to a factory established or maintained for the production of sugar. The power to extend the Act to such sugar farms was recently taken by the Government of Bombay by amending the Act suitably.

The U.P. Government is convening a tripartite conference shortly to consider the question of payment of bonus to labour in the sugar industry in the State. Sugar labour has demanded that bonus should be linked to production, but the industry maintains that this system would affect production adversely.

LABOUR IN COAL MINES

CONTRACT WORKERS FORM 16 PER CENT. OF TOTAL

RECENTLY, a survey was conducted by the Department of Mines, Dhanbad, to estimate the extent of contract labour employed in coal mines of India. The object of the survey was to facilitate consideration of the ways and means of eliminating the contract system of labour in coal mines. The survey covered all the coalfields in India, except Assam, and statistics were collected from 545 collieries out of the total of 850 in the country. In States other than Bihar and West Bengal, almost all the mines were covered by the survey, while in Bihar and Bengal, the information was gathered from 473 (or 62 per cent.) of the total of 765 collieries. The reporting mines account for an average daily employment of about 300,000 out of a total of 340,000 employed in all the collieries. In other words, the survey covered more than 88 per cent. of the total labour employed. In effect, however, the necessary information was collected from almost all mines in which labour is engaged through contractors. Those mines which have not been covered are small ones in which labour is not usually employed through contractors.

The total number of persons employed through contractors in the coalfields covered by the survey is 51,811. On the basis of a previous survey, the number of workers so employed in Assam (which, as already stated, is not covered by the latest survey) is about 2,000; this brings the total number of persons employed through contractors in all coalfields to about 54,000 or about 16 per cent. of the total labour employed. The latest survey disclosed that, in Bengal and Bihar, the labour employed through contractors aggregated 38,491, or 16.2 per cent. of the total labour in reporting mines and 14.1 per cent. of the total labour in all mines. The two ratios are considered as the upper and lower limits between which the real figure is expected to lie. It may, however, be noted that the two sets of percentages in the coalfields of these two States are reasonably close to each other. In other States, the number of workers employed through contractors is 13,320. In these States, the two ratios are identical, because nearly all the labour employed are through contractors.

An area-wise analysis shows that Karanpura and Hyderabad top the list with about 35 per cent. total labour being employed through contractors. Madhya Pradesh and Bokara come next with 20 to 22 per cent. It is about 15 to 17 per cent. in Raniganj and 12 to 13 per cent. in Jharia. The majority of the workers so employed through contractors are engaged in coal cutting and loading, wagon loading and truck loading. Over 45 per cent. of them are, however, employed on other miscellaneous jobs, such as building, stone-cutting, smithy, sand-raising, earth-cutting, soft coke manufacturing, shale-removing, etc.

Some interesting details about the systems of contract, method of payment, etc., are also disclosed by the survey. There are three main categories of contractors, namely, raising contractors, commission contractors, and managing contractors, the number of workers employed under each being 17,946 (or 34.6 per cent.), 14,179 (27.4 per cent.), and 1,872 (3.6 per cent.). The rest, forming about 34.4 per cent., are engaged through miscellaneous categories, such as petty contractors, building contractors, etc. This group also includes workers employed in collieries having more than one type of contract. As regards payment, about 26 per cent. of the labour employed through contractors are paid directly by the companies' management and 63.3 per cent. by the contractors under the companies' supervision. Only 10.7 per cent. are paid independently by the contractors.

In the course of the survey, the collieries were asked to report whether contractors' workers were entitled to provident fund, leave with pay, maternity benefits and overtime rates and whether there was any difference between direct labour and contract labour so far as these benefits were concerned. In most cases, it was found that there was no difference. In many cases, the jobs performed by contract labour are different from those done by direct labour. In some cases, no comparison is possible between the conditions of work of contract and direct labour on the same job. Broadly speaking, however, it is found that contract labour employed in mining operations are generally entitled to all the benefits given to direct labour, while those employed on special jobs, such as building on the

(Continued on page 18)

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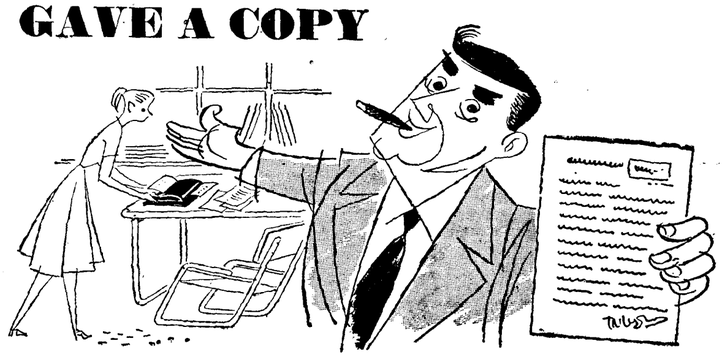
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RESEALING OF JUTE LOOMS

I.J.M.A. ANNOUNCEMENT

THE Indian Jute Mills Association, Calcutta, has, after considerable deliberation, decided to reseal 2½ per cent. of the looms of member-mills. This decision, taken on the 25th ultimo, will come into force on the 16th inst. From that date onwards, the proportion of sealed looms will be 7½ per cent. of the total, instead of 5 per cent. as at present. It may be mentioned here that 12½ per cent. of the looms remained sealed since 1949. However, early this year, the mills unsealed twice a portion of these looms, once on 10th January to the extent of 2½ per cent. and, again, on 20th February, a further 5 per cent., thus leaving only 5 per cent. of the looms to remain idle since then. These relaxations were made in order to prevent scarcity of jute goods developing in the country, as the stocks with mills had dwindled considerably by then.

During the past few months, however, stocks of jute goods with mills continued to accumulate, as the pace of offtake of these goods lagged behind that of their production. During May, the total stocks rose by 11,200 tons over the previous month's figure to 119,000 tons. Consequently, there arose a need for adjusting the industry's output to the current world demand, so that the industry may prevent a glut in jute manufactures. The Government of India, which became alive to the situation, thought that the solution to the difficulty lay in fixing a minimum export price for jute goods. It forwarded this proposal to the I.J.M.A. for its consideration. It was then wholly averse to limiting production. The jute industry, for its part, felt that fixation of a minimum export price was no panacea for its present ills, as it feared adverse reactions from the American market. As an alternative, it seems to have suggested to the Government to permit resealing of looms and the Government would appear to have accepted the proposal. While announcing the present resealing of 2½ per cent. of the looms, the Association said that the decision had been taken after "a very careful examination" of the present market situation and after "full consultation with the Government of India." The Association further pointed out that the resealing of looms amounted to a readjustment of output after a temporary phase of high production and was one aspect of a "flexible policy designed to relate production to demand and to preserve the industry's stability." The Union Government's accord to the I.J.M.A.'s suggestion may be taken as an indication that the Government has changed its approach to the problem facing the jute industry. This demonstrates its anxiety to see the industry through its present difficulty.

Present Position

It will be appropriate, in this context, to refer to the picture of the present position of the industry drawn by the Chairman of the I.J.M.A., Mr. D. P. Goenka, at a reception given in his honour at Calcutta by the Gunny Trades Association of that city. Speaking on the occasion, Mr. Goenka stated that the difficulties facing the industry had been created by record production and consistently low prices. While it was an excellent thing for jute goods to be cheap, jute mills now found themselves, he said, in a situation where there was a lack of parity between prices of manufactures and cost of raw materials. This unfortunate situation had been receiving the anxious consideration of the I.J.M.A. and every possibility of securing some relief for the industry had been investigated. He was glad that the Union Government also had a thorough appreciation of the industry's difficulties and was doing everything in its power to assist the industry.

Mr. Goenka referred to the work that is being done by the I.J.M.A. for the development of overseas markets. He mentioned that the Association maintained offices in the U.K. and America for this purpose. The American office which cost Rs. 9 lakhs a year, had already done valuable work in re-establishing the reputation of burlap, as an unsurpassed multipurpose packaging material. It never ceased conveying the message of burlap's cheapness and abundant availability. In the ultimate resort, however, the trade depended on contacts with individual overseas buyers. The task of preserving and extending markets was one which could not be performed, he said, solely by the I.J.M.A. but which fell equally to the lot of the individual trader and shipper. He emphasised, in this connection, the need for wholehearted co-operation of the entire trade.

Outlook

The prospects for the industry was examined by Mr. M. P. Birla, ex-Chairman of the I.J.M.A., who was also the guest of honour along with Mr. Goenka. Mr. Birla thought that, although the industry had its problems, there was no need to be unduly pessimistic about the future. Jute goods had proved their efficiency and for heavy packaging purposes, they were unsurpassed. Moreover, the industry was not at a standstill. Almost every unit of it was either engaged in or contemplating ambitious and large-scale modernisation programmes. In the overseas market, a vigorous sales campaign was being conducted to re-establish jute as the premier packaging material and to increase its consumption. Nevertheless, it would be folly, Mr. Birla cautioned, to ignore the fierce competition with which jute had to contend. Not only were there the old threats from substitute materials and bulk handling methods, but, in recent years, there had been the growth and expansion of jute manufacturing industries in other countries, particularly Pakistan. He concluded by observing that the jute industry had a hard upward struggle in front of it, but he believed that its battles could be waged in the confident knowledge of ultimate victory.

Mr. Viswanath More, President of the Gunny Trades Association, welcoming the guests, stated that the gunny bazar was the organic limb of the industry. It prospered or suffered with the jute mills. A strong bazar was an asset to the industry, as it acted as a buffer between mills and shippers and its existence was essential for the continuous life of the mills. Gunny merchants would be satisfied, Mr. More averred, if they got their normal share of business from the mills which should increasingly withdraw their interest from broking, and exporting firms. He pointed out that the new Companies Act made it easy for jute mills to adapt themselves to this age-old market tradition.

WEST BENGAL TO GROW MORE JUTE

The Government of West Bengal has undertaken a programme of intensive cultivation of jute to increase its annual production by 829 000 bales, during the second Five-year Plan period.

The total jute yield in West Bengal during 1950-51 was 1,496,000 bales, and according to the new target, the yield will come up to 2,321,000 bales. This increase in the total yield has to be obtained not so much by expanding the acreage under jute as by intensive cultivation, through distribution of better seeds, replacement of the broadcast sowing method by sowing in lines with seed drills, plant protection measures, increased application of fertilisers, and the introduction of double cropping, wherever possible, by raising an earlier *capsularies* variety of jute in *aman* paddy lands.

The maximum acreage which is intended to be covered by jute during this period will not exceed the largest area sown with jute in any year during the period 1950-51 to 1955-56. This area was 876,000 acres in 1951-52. The acreage under jute in 1955-56 was 780,000 and the total yield was 1,958,000 bales. The additional yield at the end of the second Five-year Plan period is estimated to be 21,500 bales on account of improved seeds, 30,000 bales on account of the line-sowing of jute, 12,500 bales on account of plant protection measures, 162,000 bales on account of wider distribution of fertilisers, and 625,000 bales on account of double-cropping.

Thus at the end of the second Plan period, the total yield will be nearly 26,000 bales more than the target set for the second Five-year Plan.



TEA IN U.S. LAST YEAR

CONSUMPTION DECLINES

THE United States of America is neither a producer nor a large consumer of tea; its *per capita* consumption of tea is the lowest among the tea-drinking countries, being only 0.64 lb. It has, therefore, not much stake in the world tea trade. But this need not necessarily be so for all times. While there is hardly any prospect of that country becoming a tea producer, it may turn out to be a major consumer in the not distant future. The fact that a country with the largest *per capita* income has the lowest *per capita* consumption of tea gives one an idea of the immense scope that exists for raising the U.S. intake of tea, the King of Beverages. Man is after all an animal of habits. Accordingly, if constant effort is made to spread and sustain the tea habit in a manner that will appeal to U.S. citizens, it cannot but succeed in yielding satisfactory results in course of time. It may be noted here that the Tea Council of the U.S.A., formed by the joint efforts of the U.S., Ceylon, India and Indonesia, has been sparing no pains to make Americans more tea-conscious. The latest annual report of the Council, that is, the one covering the year 1955, gives an interesting account of the effects of the world tea market on the tea trade in the U.S. and the lessons drawn from its experience during the year under review.

The past year was the second best in U.S. tea history, 1954 being the best. However, the report adds, it was not a good year for tea, for the year witnessed a setback in tea sales, thereby reversing the upward trend noted in the previous three years. When the tea campaign got under way in the U.S. market, the Council's objective was to halt the downward trend and it has more than succeeded in this respect.

After six years of continuous campaign, it may be noted here, the tide turned in favour of the industry in 1952 and, during the subsequent two years, marketing of tea rose by 6.4 per cent. In 1954, particularly, when one might have reasonably expected a setback, sales of tea in the U.S. experienced an improvement, on account of two factors, namely, (1) the sharp rise in coffee prices and (2) the rising trend in tea price itself. It may seem strange to some that sales were bigger during a year of higher prices. But this was so, because, as the Tea Council's Chairman explains, "it is a phenomenon of business that buyers continue to buy in a rising market, up to a point, to protect themselves in anticipation of further price increases." In 1955, however, the tide again turned and there was a decline in sales. The *per capita* consumption in the U.S. during 1955 was 0.64 lb. (provisional estimate), having declined from 0.69 lb. in 1954, to which level it had risen from 0.63 lb. in the three years 1950, 1951 and 1952.

Imports

Imports of tea by the U.S. during 1955 amounted to 105.5 million lbs., as against 115.7 million lbs. in 1954 and 105 million lbs. in 1953. Sales of tea also were marked down from 112 million lbs. to 106.6 million lbs. Over the past four years, however, the marketing of tea recorded a rise of 10.7 per cent., a heartening achievement, in view of the cautious predictions by most partners of the Council that the first five years of its operation would probably be needed merely to halt the downward trend. The achievement of the Council during these years, therefore, has exceeded the most optimistic expectations.

The Tea Council uses several indices to measure periodically throughout the year the position of tea in the U.S. The general picture revealed by these indices during the year under review was one of "serious trouble" early in the first half of the year and a recovery in the second half. At the end of the year, the U.S. tea industry's mood was "aggressive and optimistic." The past year was expected to be so. The industry "fought a good fight and feels, with cautious optimism, that the future is good."

In summing up the Council's experience in 1955, the Chairman Mr. Robert B. Smallwood, draws the following conclusions: (1) Sharply fluctuating tea prices in any year work a hardship on producer and distributor alike; (2) tea's fortune in any one year is extremely sensitive to the pressures of competition, the level of prices and the effectiveness of consumer advertising and merchandising efforts; and (3) the sales campaign needs to be sharpened and strengthened in the future, in order to produce a new

(*Continued on next page*)

U.K. HELPS OTHER COUNTRIES TO PRODUCE MORE STEEL

SUPPLY OF PLANT AND EQUIPMENT

By W. Andrews

THE capacity of the British steel industry has expanded by about 6½ per cent. since the end of the war. This has naturally been accompanied by greatly increased activity on the part of the manufacturers of steel-making plant and equipment. Because of the enormous growth in demand, firms which have always specialised in this class of work have extended their scope, by the development or acquisition of new designs, and some companies have turned to the supply of particular types of plant and machinery stimulated by the technical advances which have been made in the past 10 or 15 years.

One of the latest advances in which the industry in Britain has taken a leading part is the provision of extensive instrumentation and the availability of such items as immersion pyrometers for regulating casting temperatures, flow-meters and recorders of all kinds for measuring the volumes of gases and liquids consumed, electronically operated automatic controls for different processes and similar accessories which both guarantee high quality production and make possible the maximum output from a specific type of plant.

The heavy metallurgical industry throughout the world tends towards the construction of integrated iron and steel works where the whole process of production, from the receipt of the iron ore to the despatch of the finished material, is carried out on one site, organised to ensure the maximum economy and efficiency of operation throughout.

For the customer it is obviously more convenient to contract with a single company for the complete plant rather than with the individual manufacturers of the different sections, and in recognition of the advantages to be gained in this way from joint representation, a number of prominent British companies formed, in 1945, the Metallurgical Equipment Export Co., Ltd. (M.E.E.Co.). This consortium is an engineering, co-ordinating and sales group of British firms capable of supplying and erecting a complete iron and steel works. Among the important oversea contracts which the consortium has arranged in recent years are the supply of Bessemer steel-making plant to the Swedish concern Norbotten Jarnverk, and the provision of iron and steel-making and rolling mill plant for the Empresa Nacional Siderurgioa S.A. at Aviles in Spain. Firms associated in this way continue, of course, to accept individual contracts.

Building For India

An even larger consortium, conceived by the Directors of the Metallurgical Equipment Export Co., Ltd., is that known as the Indian Steelworks Construction Co., Ltd. which recently concluded a preliminary agreement with the Government of India for the construction at Durgapur, West Bengal, of an integrated plant with a capacity in excess of a million tons of ingots a year. Of the total contract value of £80 million, some £50 million will be required to cover the cost of supplies from the United Kingdom, the balance, which represents rupee expenditure, will relate to civil engineering work on site, local manufacture and purchases.

Prominent manufacturers of plant for every phase of iron and steel production have many orders in hand for oversea customers. Simon-Carves Ltd., for example, is building additional coke oven batteries for the Tata Iron and Steel Co., Ltd. and the Indian Iron and Steel Co., Ltd. at Burnpur. The latter plant, which will be complete with a by-product plant and coal and coke handling equipment, will raise the capacity of the existing plant to 6,300 tons per day and make it the biggest carbonising plant in the Commonwealth. Ashmore Benson Peace and Co., Ltd., too, is engaged on the construction of two large blast furnaces, both with hearth diameters of 25 feet and rated outputs of 1,200 tons a day, for the Indian Iron and Steel Company's plant at Burnpur.

A coke oven plant valued at £1,750,000 is being built by the Woodall-Duckham Construction Company for the South African Iron and Steel Industrial Corporation's Pretoria plant. Birlec Ltd. recently supplied four arc melting furnaces to the Tata Locomotive and Engineering Co., Ltd., with, in addition, a coreless, mains frequency induction melting and super heating furnace for foundry work. Equipment made for countries of the Commonwealth by the Adamson-Alliance Co., Ltd. includes a 400-ton ladle crane, believed to be the largest in the world outside the United States.

Head Wrightson and Co., Ltd. recently booked an order for scale cars for a Spanish blast furnace plant, as well as Indian and Italian orders for heavy forging manipulators. Electric Furnace Co., Ltd. has manufactured for Switzerland a 1,000-kilowatt induction heating plant for forging and has undertaken the design and supply of equipment for the ordnance factory of Pakistan including arc, high and low frequency and heat treatment furnaces.

The Wellman Smith Owen Engineering Corporation Ltd. has provided a complete tube-making plant for Brazil, the Shell forging plant for Pakistan and a complete open-hearth steel plant for Israel.

For Norway

Davy and United Engineering Company, Ltd., recently completed plant for the Norwegian national steel works at Moi Rana, of which the principal items were a 42-inch by 108-inch high-lift, reversing blooming and slabbing mill with 900-ton electric bloom shear, roller table and auxiliary equipment, a 32-inch two-high reversing, three-stand structural mill for producing sections up to 18-inch beams, with electric billet shear, electric sliding frame hot saw, cooling banks and a complete 19-stand Morgan combination merchant bar, wire-rod and strip plant capable of finishing speeds up to 5,000 feet a minute. The total value of the material supplied by British firms for this Norwegian works was of the order of £2,000,000.

Other orders on which this company is engaged include the construction of a 60-inch four-high reversing hot strip mill for the Swedish firm Surahammars A.B. It is to produce alloy steel strip and the order is valued at £300,000. Among valuable orders for works in the Commonwealth is a new 18-inch 14-stand, Morgan continuous skelp and strip mill for the Newcastle (N.S.W.) works of the Broken Hill Proprietary Company, Australia, at an estimated cost of £500,000. This 14-stand rolling installation is intended to produce principally the special strip, known as skelp, which is processed into steel tubes.

Another British company which has supplied much plant abroad is the Brightside Foundry and Engineering Co., Ltd. One of its most interesting recent contracts has been a 34-inch two-high reversible slabbing and blooming mill for the Karabuk Iron and Steel Works in Turkey. Supplied to the order of the Sumerbank General Directorate, the mill is intended to roll ingots of up to three tons weight, with a maximum dimension of 10½-inch square section, to make blooms of 35-inch by 12-inch for the production of slabs.

The full plant comprises approach, working and run-out tables, 34-inch mill and drive, with sideguard manipulators, ingot weighing and turning device, hot cropping and dividing shears, slab pusher and transfer bed and tables and transfer gear for feeding blooms either direct or by way of a wash heating furnace to an existing 28-inch structural mill. The whole forms an excellent example of the manner in which new machinery can be designed to fulfil the user's requirements for integration with plant already in service. The company is also to make a bar and continuous rod mill for the production of precision alloy steel bars in straight lengths and coils, also to roll strip, for a French firm, the Societe Metallurgique d'Imphy.

A continuous medium strip for the Iloa Altifoni e Acciaierie D'Italia at Genoa is one of several orders received by the Loewy Engineering Company Ltd. which, in addition, has recently completed an important order for the Swedish firm, Avesta, for hydraulic forging presses and has manufactured rolling and forging plant of all kinds for steel works all over the world including Russia.

Mention has already been made of the high degree of instrumentation characteristic of British iron and steel making. Other phases of the industry to which reference should be made are the presintering of iron ore before smelting, the many modern designs of furnaces, including oil and gas fired smelting, soaking and heat treatment furnaces, the progress made in electric furnace design, particularly arc melting units for which some of the largest models installed outside of the United States have been supplied, and the advances made in gas producer practice. The British electrical equipment manufacturers have also participated to a major extent in these contracts, supplying the main and auxiliary driving motors, control gear and equipment.—*Exclusive to "Commerce."*

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period of dynamic growth for tea in the U.S.A. There is no doubt that the sponsors of the Council will bear these lessons in mind and take suitable action in good time. Accordingly, there is convincing ground for hoping that the tea habit will spread to every nook and corner of the U.S. and bring in return a tidy sum of dollars to tea-producing countries, the vast majority of which belong to underdeveloped Asia.

ARGENTINA TO EXPORT TEA

Argentina bids fair to become, in the near future, a competitor in the world tea market as one of the leading tea exporting countries. It is now an importer of tea with an annual intake of 5 million lbs.

According to official statistics, the area under tea in Argentina increased between 1950 and 1955 from 1,406 hectares to 32,437 hectares, and the number of bushes from 5,723,700 to 146,286,000. But, as tea plants cannot be commercially exploited until they are three years old, only 8.5 million bushes are now in production. This means that three years hence the production of tea in Argentina will increase 16-fold to 16,000 tons. It is estimated that a surplus of 13,000 tons (about 30 million lbs.) will be available for export after meeting the internal demand.

Brazil, Peru and Paraguay are also hard on Argentina's heels to expand tea production for export, and competition is keen to capture the Central and South American markets. Possible importers include Chile, Uruguay, Venezuela and the Caribbean countries, as well as the U.S.A., which will provide much needed dollars to those countries.

The fall in imports by Latin American countries from 18.5 million lbs. in 1952 to 10.5 million lbs. and 9.5 million lbs. in the following two years is attributed to the improved local supplies.

AREA UNDER RUBBER

The Rubber Board is reported to have put forward a proposal for the consideration of the Government of India for extending the area under rubber cultivation by 100,000 acres under a ten-year plan. This is in addition to the Board's earlier proposal for re-plantation of 70,000 acres in a ten-year period which has already been accepted by the Government. The Board has also recommended that assistance be given to growers for new planting in the form of loans at Rs. 750 per acre, instead of direct subsidies offered in other countries, like Malaya and Ceylon.

The Government of India has fixed the price of tea, for the purpose of determining the export duty, at Rs. 2-13-11 per lb., as against Rs. 3-5-0 per lb. in force from 1st June 1956. There is no change in the existing rate of duty of annas six per lb.

The Government of India has decided that imports of raw rubber will henceforth be made by the Rubber Board.

The Indonesian Government has reduced the export duty on rubber for the third quarter of this year to 3.4 rupiah cents per kilo from 18.6 cents for the second quarter. In the first quarter, the duty was 65.4 cents.

COAL

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surface, etc., are in some cases not entitled to the usual benefits.

Of the 204 reporting collieries, in about 170 provident fund, leave with pay and maternity benefits are applicable to either all or certain sections of the contract labour. In about 150 collieries, contract workers are eligible to higher overtime rates like direct labour, while, in a few others, contract workers are not required to do overtime work. In some cases, however, the management of collieries have no control over the contract labour and in such cases, therefore, it is not known whether the contract workers are entitled to the above benefits.

ENCOURAGEMENT TO SMALL-SCALE MINING OPERATORS

GOVERNMENT'S POLICY ANNOUNCED

WELCOMING the assurance given by the Union Minister for Natural Resources, Mr. K. D. Malaviya, at the recent meeting of the Mineral Advisory Board, that the Government would seek to maintain, in the sphere of mining, a "healthy balance between the private and the public sector," we observed that the value of the assurance would lie in the way it was implemented. It is gratifying to note that, so soon after the meeting of the Board, the Ministry has moved in the direction of a liberal policy for mining leases. A Press note, issued by the Ministry, has clarified certain issues relating to leases and also made it clear that it will, in certain cases, grant mining leases to applicants who intend taking up mining operations in the minerals which fall under the "public sector" in the Industrial Policy Resolution. It must, however, be noted that such concession will apply only to small-scale mining.

Schedule A

Under the Industrial Policy Resolution, the mining of coal, manganese and chrome ores, iron ore, gypsum, sulphur and mining and processing of copper, zinc, lead, tin, molybdenum and wolfram are listed in Schedule 'A' which defines the industries falling within the purview of public enterprises. The Union Ministry has now requested the State Governments to dispose of applications for mineral rights relating to minerals in Schedule 'A', where the applicants have prospected the area under a prospecting licence in accordance with Mineral Concession Rules, 1949. It is pointed out that as the holders of prospecting licences are entitled to mining leases under the Rules, there is no need for any delay in the disposal of such applications. The official Press note adds:

"It was also stated at the conference that the Central Government would be prepared to consider requests for a prospecting licence recommended specially by the State Government for consideration on the ground of exceptional circumstances under which delay in forwarding the application prior to the Resolution was attributable to the State Government. No right, however, is recognised whether to a prospecting licence or a mining lease on the mere ground that an application was made prior to the release of the Policy Resolution. All such cases of applications, whether for prospecting licences or for mining leases, in respect of minerals listed in schedule 'A' are now included in schedule 'IV' of the Mineral Concession Rules, 1949, and, consequently, require the prior approval of the Central Government. It has, further, been decided that State Governments may forward applications for prospecting licence or mining lease under the Mineral Concession Rules, 1949, in respect of areas which, in the opinion of the State Government, it would not be appropriate in the public interest to reserve for exploitation by the State; in considering such cases, the State Governments will take into account such factors as the location of the mineral, its occurrence, its extent and nature, which may suggest that it is best worked as a small-scale mine and which it would be uneconomical for the State to exploit. The cases recommended should generally be susceptible of classification under small-scale mines referred to in para 12 of the Policy Resolution. These considerations may also be taken into account by the State Governments in relation to the disposal of areas already held under lease which stand to be thrown open on the expiry of the lease under Rule 67 of the Mineral Concession Rules, 1949."

While the Government's policy which is designed to encourage private mining of minerals, normally reserved for the State sector, is welcome, the restriction of this concession only to small-scale mining may defeat the very purpose of liberalisation. For one thing, it is not known how many of the applicants for small-scale mining have the necessary resources to utilise the rights they are given. Secondly, it is somewhat uncharitable to the private sector to suggest that it may have, if it chooses to have, mining leases for areas which "it would be uneconomical for the State to exploit." If it is "uneconomical for the State to exploit" those areas, it must be equally so for the private sector. On the other hand, if the implied suggestion is that the private sector will be able to make a commercial success of a mining operation in which the State is likely to fail, it means that the former deserves a much better deal than what it has got under the present dispensation.

Industrial Policy

It has been further suggested that the applications for mineral rights, recommended by the State Governments for exemption from the operation of schedule A classification, should "generally be susceptible of classification under small-scale mine referred to in para 12 of the Policy Resolution." This is a somewhat vague directive, in view of the fact that para 12 of the Resolution does not define small-scale mining at all. This paragraph, which is generally believed to have the effect of softening the rigidity of the division of industries into "private" and "public" enterprises, says, *inter alia*: "It will be open for the State to start any industry not included in schedule A or schedule B when the needs of planning so require or there are other important reasons for it. In appropriate cases, privately-owned units may be permitted to produce an item falling under schedule A for meeting their own requirements or as by-products. There will ordinarily be no ban to small privately-owned units undertaking production, such as the making of launches and other light craft, generation of power for local needs and small-scale mining." It will thus be seen that this paragraph, while it emphasises that small-scale mining has a claim for special treatment, does not throw any light on what constitutes such mining. It can offer little guidance to the State Governments.

In the light of what has been stated above, the Government will do well not to limit the scope of the new mining policy to small-scale mining only. Alternatively, it can take a liberal view of what constitutes small-scale mining. The chief aim should be to see that mining rights go to persons who are equipped both technically and financially to utilise them and that such rights are utilised to maximum national advantage. In deciding these issues, the zonal mineral councils, which are to be set up shortly, could be of considerable help, for they would possess knowledge of local and regional conditions.

KUNDAH HYDRO-ELECTRIC SCHEME

The Kundah hydro-electric project, which was inaugurated last week by the Union Finance Minister, Mr. C. D. Deshmukh, is designed to be yet another important project of its kind in the Madras State. At present, the three important hydro-electric projects are the Pykara, the Mettur and the Papanasam hydro-electric schemes which were commissioned in 1932, 1936 and 1944 respectively. The Kundah project, which is situated in the Nilgiris district of the State, is expected to generate a firm power of 129 M.W. with an installed capacity of 180 M.W. in the first two stages which will be completed in nine years' time.

Inaugurating the project, Mr. Deshmukh dwelt at some length on the importance of power to national economy. He said that they were all aware that money was power and power (electric power) was money. He said that electric power was the chief instrument of economic advancement. Emphasising the low *per capita* consumption of power in India, he pointed out that, while it was 5,743 units in Norway, 3,094 units in Sweden, 2,556 units in Switzerland, 2,500 units in the U.S., 1,492 units in Australia, 1,259 units in the U.K., 1,227 units in W. Germany and 579 units in Japan, it was only—"Now be prepared for a shock" he said—25 units in India in 1955-56, though it might go up to 50 units in 1961.

Paying a tribute to Canada which has decided to make a generous grant of Rs. 10 crores to the Kundah project, Mr. Deshmukh said that Canada's assistance to India under the first Five-year Plan was Rs. 36 crores, of which nearly Rs. 20 crores had been utilised; the balance would be utilised in the second Plan. Canada had also sent its experts and opened a number of training centres. Referring to the assistance given by that country to the Kundah project, in particular, he said: "Certainly, it is a very massive assistance which is worthy of all praise and worthy of our gratitude. It is done with some goodwill towards us and with a genuine desire to help backward countries in the world to advance for the common good."

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SEARCH FOR MINERALS

A "flying laboratory"—the first in Europe to carry out three kinds of mineral search simultaneously—has just been demonstrated near London. It is claimed that, with the help of this laboratory and its detecting equipment, weighing nearly a ton, the geologist can obtain in one day data covering hundreds of square miles of country which a decade ago would have taken a month to collect. Over the past few years, survey aircraft with sensitive electronic gear have charted thousands of square miles of virgin land, swinging across dry plains and jungles, locating and pinpointing millions of tons of ores.

They are the mineral prospectors' new tool. Some have carried instruments for spotting likely deposits of iron, nickel, titanium and oil; some for detecting copper, zinc, lead; some for fixing the position of uranium. The new aerial "divining rod" will reveal the likely positions of all these minerals in the course of one survey flight. Technologically it is a big step forward, and—even more important—it is a key to undiscovered mineral wealth throughout the world.

Mr. G. M. Adams, General Manager of Hunting Geophysics Ltd., the firm which has installed the new apparatus, said in an interview that the plane bearing the new apparatus will soon be going to Spain to make a survey for the Spanish Government, followed by a month's demonstration tour in Rhodesia during which it will work for the Rhodesian Selection Trust. It will then fly on to South Africa for further demonstrations.

ALUMINIUM UTENSILS

The Indian Standards Institution has granted three licenses for use of its certification mark to a firm in Calcutta. The Standard Mark, which will be applied to wrought aluminium utensils manufactured by the firm in its three factories at Calcutta, Madras and Bombay, will certify that the utensils have been manufactured in conformity with the relevant Indian standard. The mark consists of the monogram of the Indian Standards Institution, superscribed by the number designation of the Indian standard together with the relevant grade. The aluminium utensils bearing the mark will convey an assurance to the purchaser that they have been manufactured under controlled conditions and are of the standards of quality laid down in the relevant Indian standard.

The Government of India, it may be recalled, announced recently that the export of aluminium utensils, not bearing the Standard Certification Mark of the Indian Standards Institution, would not be allowed after 15th June 1956, but at the request of manufacturers the date has been extended to 1st October, 1956. Several other manufacturers of aluminium utensils, it is stated, have approached the Indian Standards Institution, for grant of licences and their applications are under consideration. The Institution intends to extend its Certification Marks Scheme to the entire production of aluminium utensils in the country.

WINGLESS AIRCRAFT

Wingless aircraft, which will depend upon jet power for lift and propulsion, may be the air-planes of tomorrow, says Hanson W. Baldwin, writing in the *New York Times*. A number of aircraft of this type are already being studied and designed. One of these is the so-called "Aerodyne," which has been tested in model form by the Collins Radio Company's Aeronautical Research Laboratory at Cedar Rapids, Iowa. The company expects to start work on a full-sized wingless aircraft shortly. The Aerodyne, utilising jet power, looks something like the streamlined fuselage of a modern airliner stripped of its wings. The jet thrust from the engine is deflected, as desired, in any direction by altering a system of flaps. When the jet thrust is straight down, the Aerodyne rises vertically. When most of the jet thrust is to the rear, the aircraft is expected to fly at supersonic speeds.

ELECTRONIC GENIUS

Pan American World Airways has entered the jet age of accounting with the installation of a giant electronic brain to process airline statistics. The brain, the first of its kind in the transportation industry, can make 8,400 additions or 1,200 multiplications a second.

The brain is an assembly of more than 200 integrated machines. In a demonstration, a total of 50,000 airway bills covering a week's cargo flown to all points of the globe was submitted to the machine for analysis. The calculator absorbed the information, separated it into commodity classification and showed the point of origin, destination, weight and cost as fast as the answers could be read.

During January, Pan American World Airways flew 653,000 pounds of cargo over the Atlantic, a 61 per cent. increase over the same period last year. The largest carrier of air freight between the United States and Europe, Pan American operates all-cargo Clippers that leave New York every morning of the week except Monday for Frankfurt, London, Munich, Brussels, Nuremberg, Dusseldorf and Amsterdam. In addition to the all-cargo schedules, it provides cargo space in the 98 weekly passenger flights that it operates in both directions over the Atlantic during the off-season. At the height of the summer season this year, the airline will step up its frequency of transatlantic passenger flights to 160 a week. January's cargo total included 439,000 pounds flown west-bound and 214,000 pounds east-bound. Last year, the airline flew 269,000 pounds west-bound and 137,000 pounds east-bound.

NEW PRODUCTS AND PROCESSES

New Tyre-making Process

A NEW method of tyre-making which may in future be regarded as revolutionary has been developed by the Dunlop Rubber Company. This was announced by Lord Baillieu, Chairman, at the Company's annual general meeting. The method consists in winding a cord round a drum in a series of geodetic loops. Patent protection for this new process is being taken out, but it will be some time before it can be fully developed and applied. This new construction, it is stated, may, if successful, introduce entirely new methods of manufacture for a wide range of tyres in the future.

Conveyor Buckets

Long-term economies in coke and coal handling are suggested by the results of a two-year test of special aluminium-manganese alloy conveyor buckets designed and fabricated by the T.I. subsidiaries, T.I. Aluminium and the New Conveyor Company, and installed at the Windsor Street (Birmingham) Gas Works with the co-operation of the West Midlands Gas Board. The corrosive and abrasive effects of handling coke, and almost equally coal, it had been found, were such that effective life of steel buckets on the conveyors was less than three years. After a period of continuous use for more than two years, the experimental aluminium alloy buckets remained virtually as new, with no signs of corrosion or holing, and little denting. Steel buckets rust on contact with the damp coke and coal, and this layer of rust is progressively removed when handling the coke, so that the surface of the bucket constantly becomes thinner to a point where it easily perforates. As aluminium does not rust, there is no removal of metal. The frames attaching the buckets to the conveyor were of malleable iron, and were not replaced when the aluminium alloy buckets were installed. The two metals were insulated from each other by a simple zinc chromate coating, which proved completely adequate in preventing any bimetallic corrosion. Because the buckets are lighter the amount of power required to operate conveyor belts is reduced.

Bronze Casting

A sand mould for bronze casting which has as great a chilling power as a mould of steel shot has been developed by Dr. Pell-Walpole, a lecturer in metallurgy at Birmingham University. Chief advantage claimed for the new sand moulding method is that it produces better castings which do not require as much machining and finishing as those produced from the traditional steel shot moulding.

The mould, it is stated, is prepared by adding graphite and linseed oil to Southport sand. It is used in the same way as normal foundry sand, and while retaining the many advantages of the sand mould, it also has a cooling power as high as that of the steel shot mould. The moulding material recommended by Dr. Pell-Walpole is made up as follows: 75-80 per cent. Southport sand, 15-20 per cent. graphite and 5 per cent. linseed oil. Asbestos can be added to the mix to lessen the chilling power of the sand. This addition may be necessary to retard the solidification of thin sections of the casting.

A New Harvester

A new self-propelled combine harvester for farms with small acreages of grain crops has been designed by Massey-Harris-Ferguson of Coventry, England. Claimed to be the first of its kind to appear on the British market, the combine has a cutting width of 6 feet and an overall width of 7 feet 7 inches. This means, it is stated, that the machine can travel through narrow lanes and pass through ordinary field gates. It has been tested in the heaviest crops and has been found to be particularly suitable for use on the slopes of hills. It is stated that special attention has been paid to safety precautions. The operator on the bagging platform is protected from moving parts by two spare screens. Three different sized screens are provided and the two spares carried on the machine enable quick changes to be made. The combine is powered by an Austin 4-cylinder, 1,560 cc. engine which develops 23.5 brake horsepower. Unlike other Massey-Harris self-propelled combines, the engine is located on top of the machine. When not in use the whole engine unit can be removed by slackening six nuts and it can then be put to a number of out-of-season uses as a stationary power unit.

Battery Chargers

Two new medium-power battery chargers for charging the batteries of cars, vans, small trucks and marine craft have recently been produced. They have been designed by the General Electric Company (Magnet House, Kingsway, London, W.C. 2), particularly for the small garage or vehicle contractor requiring facilities for full rate as well as trickle charging. One model, will charge up to two 12-volt batteries at a maximum charging rate of 2½ amps. and the other one 12-volt battery at a maximum charging rate of 5 amps. Each model can be supplied for use in either a temperate climate or a tropical climate with temperatures over 95 degrees Fahrenheit. The chargers are housed in a sheet steel case and are suitable for bench or wall mounting. Overall dimensions are 11½ inches by 10½ inches by 13½ inches.

ANNUAL MEETING OF INDIAN INSURANCE COMPANIES' ASSOCIATION

FUTURE FOR GENERAL INSURANCE BRIGHT, SAYS MR. K. C. DESAI

"I VISUALISE a bright future for our industry, since the scope for insurance companies to add to their premium income will be growing daily, with the progressive implementation of the various schemes for the economic development of the country," said Mr. K. C. Desai, Chairman of the Indian Insurance Companies' Association, Bombay, presiding over the 28th Annual General Meeting of the Association held on Friday, 29th June 1956. Mr. Desai, however, added that "the supreme need of the moment is a complete change of outlook on our part so as to ensure an abiding place for our business in the private sector," and that this effort should be supported by an unqualified and categorical statement from the Government that "this business is to remain within the private sector, so that insurance companies, reassured about their future existence, can go ahead with their programmes of expansion and equip themselves better for their vital role in the coming crucial years."

Case Against Nationalisation

"The year," continued Mr. Desai, "marked a milestone in the planned economic development of India and also saw far-reaching developments in the direction of State ownership, of which the amendment of the Constitution and the nationalisation of the Imperial Bank of India and life insurance business were proofs. The two grounds on which nationalisation was being considered as a panacea for our economic ills were, in the opinion of Government, the acceptance of a socialist pattern of society and the need for speedy and planned development. Dr. John Matthai, Chairman of the State Bank of India, had shown how nationalisation was not indispensable for the purpose, in a recent talk to the Rotary Club of Bombay, and even Mr. Hugh Gaitskell, Leader of the British Labour Party, admitted that 'simple, direct and unique relationship between wholesale nationalisation and the ultimate ideals of socialism, which early theorists took for granted, cannot be 'assumed' in the new circumstances today.'" Mr. Desai, therefore, hoped that the hard school of experience would lead to a gradual reorientation of the Government's attitude towards the private sector and free enterprise would be allowed to make its proper contribution to the enrichment and diversification of the national economy.

Compensation

After expressing his disappointment at the Government's decision to nationalise life insurance without taking into confidence the interests concerned, especially when their record was second to none in any part of the world Mr. Desai referred to the question of compensation and the advocacy of Mr. A. D. Shroff before the Select Committee where he ably argued that the Government were offering only 35 per cent. of the real value of the shareholders' interests. He also referred to the able manner in which Mr. Tulsidas Kilachand put the case of Indian insurance companies regarding the Government's decision to nationalise life insurance during the debates in the Lok Sabha, when the Finance Minister was obliged to observe that the State did not have to make out a case that the private sector had failed. Mr. Desai was happy to note the Government's decision not to nationalise general insurance business. "General insurance," he observed, "is neither basic to the economy nor does it render social service of a type required to be State-owned in the larger interests of the community. In its varied types, it is closely linked with commerce and industry, the insurer undertaking to indemnify the insured against different risks which arise in the day-to-day conduct of business and trade. Further, general insurance is highly complex, demanding flexibility of management and adaptability to supply a tailor-made service with immense variations in insurance coverages to suit different types of risks. General insurance, again, is not confined to the frontiers of the country. By and large, there has been a general appreciation on the part of the public of these special features which make it unsuitable for nationalisation. All the same, voices were often heard during the debate on the Life Insurance Corporation Bill asking for nationalisation of this class of business. The Government, on their part, have already given repeated assurances, but I believe it is necessary that they should again make a categorical and unqualified statement that this business is to remain within the private sector."

Need for Fair Practice

Urging the need for fair practice in insurance business, Mr. Desai said:

"The nationalisation of life insurance business has posed certain difficult problems of readjustment to the majority of Indian companies which happen to be composite offices. As it is, many insurers are hard put to keep their management expenses within the limits prescribed under section 40C of the Insurance Act. In the process of adjustment, therefore, many companies may be forced to close down their branch organisations and may have further to lose the services of those who have worked for them efficiently well over a long period. There is also the fear of competition for business among insurance companies becoming stiffer.

"With the increasing tempo of economic activity, there will soon be enough business to go round. But, in the meantime, it is very essential that we take a long-range view of things and concentrate our energies on effecting a radical rationalisation in the working of our business by eliminating all undesirable features that hamper our progress on the right lines and might prevent us from making our proper contribution to the task of nation building. It might be necessary for companies to subordinate their immediate advantage to the larger interests of the trade as a whole in order to create healthy conditions, which would enable all type of companies—small, medium and large—to participate in the available business on a fair and equitable basis."

Immediate Problems

After announcing the formation of a re-insurance corporation which, with Mr. T. K. Desai as the first General Manager, would play a significant role in the development of the country's economy, Mr. Desai pointed out that some of the provisions in the Companies Act would cause unnecessary hardship to insurance companies in their day-to-day work and increase their management expenses on account of the duplication involved and urged the Government to exempt the companies from their operation so that the companies can continue to function efficiently, unhampered by needlessly irksome rules. The other problem arose from the acquisition by Government of a number of general insurance companies as a result of the nationalisation of life insurance and he hoped that these State-associated concerns would not enjoy an unfair advantage. The continued uncertainty regarding the taxation of profits arising from re-insurance contracts, Mr. Desai pointed out, had been a source of anxiety and he hoped that the recommendation of the Taxation Enquiry Commission would be implemented.

EXPORT CREDIT INSURANCE

The Expert Committee on Export Credit Guarantee Scheme, appointed by the Union Ministry of Commerce and Industry in January this year, has submitted its report to the Government. The Committee has made out a strong case for the institution of a scheme of insuring export risks, similar to the schemes in force in about a dozen other countries. Broadly, the risks to be covered by the proposed Export Risks Insurance Corporation are the insolvency or protracted default of the buyer, non-payment or delay in payment on account of exchange and import control restrictions in the buyer's country after the goods have been shipped to him or accepted by the buyer, war and civil war risks, and catastrophic risks of earthquakes, floods, and hurricanes; and any other cause of loss occurring outside the Indian territory and which is beyond the control of the exporter and the foreign buyer. The Committee's proposals, while preserving the basic principles of voluntary credit insurance followed in Canada, U.K., and some of the countries of Continental Europe, make some important departures in that the Indian exporter is likely to have a greater degree of freedom and selectivity in insuring his risks, than even in the U.K. and Canadian schemes. The Committee has recommended the establishment of a non-profit-making credit insurance corporation run on commercial lines and assisted by an Advisory Council representative of industry, trade, agriculture, banking and insurance interests. The Report is under examination in the Ministry of Commerce and Industry.

SOME PROBLEMS OF GENERAL INSURERS REVIEWED

IMPACT OF NATIONALISATION OF LIFE OFFICES

ALTHOUGH it is only life insurance that has been nationalised, this measure is not entirely without significance to the general insurers. For one thing, such nationalisation has deprived the composite offices of one of their important sources of revenue. Indeed, life insurance was the mainstay of many composite offices so that the loss of this portfolio has created several organisational and financial problems. Secondly, the Government has now come to own some general offices which were subsidiaries of the life offices it has taken over. Thus, it is in a position to compete with general insurers in their field. Thirdly, there is the ever-present threat of nationalisation of general insurance—a threat which has been kept alive by the repeated demand for such nationalisation by certain sections of opinion in this country. On all these major issues, Mr. K. C. Desai, the Chairman of the Indian Insurance Companies' Association, had some very pertinent remarks to make in the course of his illuminating speech at the recent annual meeting of the Association.

To take first the important question about the future of general insurance. The Government spokesmen have generally given the assurance that it is not their intention to take over general insurance. They have also recognised that this form of insurance is part and parcel of the private sector. Nevertheless, some people have continued to press for the acquisition of general insurance offices by the State. The advocates of nationalisation of general insurance will do well to ponder what Mr. Desai has to say on the subject. He rightly said that general insurance was neither basic to the economy nor did it render social service of a type required to be State-owned in the larger interests of the community. Further, general insurance is highly complex, demanding flexibility of management and adaptability to supply a "tailor-made service." Again, it is not confined to the frontiers of the country but extends to different countries. In fine, general insurance is unsuitable for nationalisation. It is to be hoped that in view of these special characteristics of general insurance those who clamour for its nationalisation will give up their present stand on the subject.

Composite Offices

The next problem with which general insurers are now concerned is the effect of nationalisation of life insurance on their activities. The composite offices, as Mr. Desai pointed out, now stand "truncated and their working is disturbed by the splitting of complementary activities which used to be conducted heretofore through common branches, agencies and personnel." It was the usual practice of the companies to have in[illegible]me of their staff both on the administrative mind the field side to look after their life as well whic[illegible]eneral insurance business. The sudden small-s[illegible]tion of the life and general sides of the mical fo[illegible]he said, had made things rather diffimended [illegible] fication unde general side. He added:

12 of the Pc[illegible] many insurers are hard put to keep may also be [illegible]nent expenses within the limits pres-ernments in [illegible]ection 40C of the Insurance Act and ready held und[illegible]ossible for them now to retain these open on the exp[illegible]he same basis of remuneration as Mineral Concess[illegible]t when they looked after both the

While the G[illegible]ral side. In the process of adjustsigned to encou[illegible]many companies may be forced to normally reserv[illegible] branch organisations and may come, the restric[illegible]se the services of those who have small-scale minir[illegible] efficiently and well over a long of liberalisation.

how many of th[illegible]disturbance to the general side ing have the n[illegible]nationalisation of life insurance rights they are [illegible]m which faces the general inuncharitable to [illegible]s, as Mr. Desai said, fear of comthat it may hav[illegible]siness among insurance comleases for areas[illegible] cal for the Sta[illegible] mical for the must be equal[illegible] other hand, i[illegible] private sect[illegible] success of a[illegible] is likely [illegible] serves a[illegible] under [illegible]

Reinsurance

A notable development in the field of general insurance is the proposal to form a reinsurance corporation. This proposal has reached beyond the blue-print stage, so that the corporation is likely to be formed in the near future. Mr. Desai welcomed this move and hoped that the corporation will play a significant role in the future economy, having regard to the rapid industrial development envisaged under the five-year plans in the country. Paying a well-deserved tribute to Mr. T. K. Desai, who is to be the first General Manager of the Corporation, he said that there could not have been a better choice to fill the post and that with his intimate knowledge and varied experience in general insurance business he will carry out his heavy responsibility with distinction. It may be mentioned here that a similar tribute to Mr. T. K. Desai was paid by Mr. B. K. Setalvad, in the course of his speech as Chairman of the General Insurance Council (Tariff). Mr. Setalvad said that he was sure that a no more suitable executive than Mr. Desai could have been found to fill the post and steer the new body through its "birth pangs and teething troubles." He added, "I only hope that his preoccupation with the work of the Corporation will not deprive us of the benefit of Mr. Desai's great fund of knowledge and immense experience of general insurance business."

To revert to the speech of the Chairman of the Indian Insurance Companies' Association. Mr. Desai was an optimist so far as the future of the general insurance business is concerned. He said that he visualised a bright future for the industry inasmuch as the scope for insurance companies to add to their premium income by developing new lines of business as well as by improving further the lines in which they are engaged will be growing daily with the progressive implementation of the various schemes of the economic development of the country. At the same time, he rightly emphasised that it was essential that general insurers should take a long-range view of things and concentrate their energies on effecting a radical rationalisation in the working of their business by eliminating all undesirable features that hamper their progress and on developing the business on right lines so as to make their "proper contribution to the task of nation building." Clearly, in the immediate future, general insurers must equip themselves with the necessary knowledge, experience and organisation in order to avail themselves of the much bigger opportunities which lie ahead of them.

NEW GREAT INSURANCE

A notable improvement in general insurance business is disclosed by the audited accounts of the New Great Insurance Company of India Ltd. (General Manager: Mr. M. G. Mody, Bombay) for the year ended 31st December 1955. The aggregate net premium income for the year amounts to Rs. 58.02 lakhs, a rise of Rs. 3.64 lakhs over the year, thus maintaining the upward trend noted in the previous years. Thus, in the course of the past 13 years of its history, the net premium income has grown from a mere Rs. 1.65 lakhs (in 1943) to Rs. 58.02 lakhs.

The rise in premium income for 1955 has not, however, been shared by all the three departments. While the premium income of the fire department has gone up from Rs. 21.18 lakhs to Rs. 25.59 lakhs and that of the miscellaneous department from Rs. 14.42 lakhs to Rs. 16.42 lakhs, the marine premium income has suffered a setback from Rs. 18.78 lakhs to Rs. 16.01 lakhs. The claims paid and outstanding, as well as commission and expenses of management, have gone up in all departments, but the claims in the marine section have been rather heavy, with the result that the department has again shown a loss. After maintaining the reserve for unexpired liability at 50 per cent. in the fire and miscellaneous departments, the underwriting profits amount to Rs. 1.93 lakhs (as against Rs. 2.76 lakhs in 1954) and Rs. 0.63 lakh (having shrunk from Rs. 1.05 lakhs), respectively. The loss in the marine department has, however, declined from Rs. 2.89 lakhs to Rs. 2.04 lakhs.

The following comparative table shows the progress of the Company's general insurance business during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Fire Department:				
Premium income (net)	25.59	21.18	22.88	24.54
Claims paid and outstanding	9.58	9.49	6.92	4.97
Commission and expenses	12.10	10.03	11.27	10.36
Reserve for unexpired liability	12.80	10.59	11.44	12.27
Miscellaneous Department:				
Premium income (net)	16.42	14.42	13.92	11.93
Claims paid and outstanding	8.01	6.86	6.24	5.03
Commission and expenses	6.94	6.42	6.50	5.55
Reserve for unexpired liability	8.21	7.21	6.96	5.96
Marine Department:				
Premium income (net)	16.01	18.78	15.11	12.44
Claims paid and outstanding	15.92	13.33	12.02	8.83
Commission and expenses	5.32	6.00	5.46	4.57
Reserve for unexpired liability	16.01	18.78	15.11	12.44

After transferring the profits from the fire and miscellaneous departments and taking into account the profit on sale of investments, transfer fees and shareholders' portion of the life profit (transferred from the life department), there is a profit of Rs. 4.41 lakhs. Out of this, the Directors have set aside Rs. 2.04 lakhs to cover the loss in the marine department and Rs. 3,206 towards expenses not applicable to any particular fund. After bringing in the surplus (Rs. 32,862) of the previous year, the balance available for appropriation is Rs. 2.67 lakhs, out of which provision for taxation absorbs Rs. 80,000, as against Rs. 1 lakh in the previous year. The dividend has been raised from 12½ to 15 per cent., absorbing Rs. 1.50 lakhs (as against Rs. 1.25 lakhs). The surplus left to be carried forward is Rs. 36,579.

The Company's balance-sheet shows that, besides a capital of Rs. 20 lakhs, the reserves and funds aggregate Rs. 46.46 lakhs, of which fire fund represents Rs. 12.80 lakhs, accident and miscellaneous fund Rs. 8.21 lakhs and marine fund Rs. 16.01 lakhs.

TARIFF REVISION

The two important issues which general insurers have to face in the immediate or near future are the prospect of losing third party motor insurance in one of the States, namely, Madras, and the revision of fire tariff rates. Both these problems figured prominently in the speech of Mr. B. K. Setalvad, Chairman of the General Insurance Council (Tariff) at the annual general meeting of the tariff insurers in India, held last week, at Bombay. Referring to the Madras Government's move to take over third party insurance as a State venture, he felt that the estimate of the revenue to the State from this source would seem to be grossly overrated. Further, this move implied that the State would function in the dual capacity of insurer and prosecutor. He did not, however, wish to dilate upon these general aspects of the problem. But he rightly pointed out that if the State Governments entered the field of third party insurance, it would deprive general insurers of a substantial slice of their motor portfolio. In the interests of general insurance in this country, the Madras Government will certainly do well to desist from this move. Further, it must be noted that the Madras Government's move comes on top of the proposal to amend the Motor Vehicles Act so as to provide for the creation of a claims tribunal to adjudicate third party claims. This proposal, as Mr. Setalvad averred, would lead to a rise in claims cost since the sympathies of the tribunals, however judicial-minded they might be, would lie with the injured party and insurers would most likely be called upon "to pay repeatedly and substantially."

Proceeding, Mr. Setalvad feared that insurers did not exercise as much vigilance as they should in scrutinising all claims and in obtaining the assistance of competent surveyors to that end. He added: "The very fact that there are comparatively few competent, reliable and experienced surveyors in the country goes to show that the field of endeavour is very limited. I cannot too strongly emphasise the need for keeping a strict watch on all claims so that excessive or unjustified payments may be avoided."

The other problem to which Mr. Setalvad referred is the revision of fire tariff rates. The next revision in their rates designed to bring about a loss ratio of less than 37 per cent., as is well known, is to take place in 1958. For some time now, the authorities have felt the need for reliable statistics on which they could base any revision of fire tariff rates. Accordingly, they have decided to collect such statistics from the insurers. In this connection, Mr. Setalvad said: "You must realise that to approach the Government for discussions on a revision in rates without having adequate and reliable figures to support the argument will be *tantamount to inviting ad hoc* reductions on all items of fire tariffs without any consideration of loss experience. I am sure that none of you will contemplate the possibility with any degree of equanimity and I would, therefore, appeal once again to all of you to see that the work of submitting the figures to the Committee's office is done regularly." It is to be hoped that Mr. Setalvad's plea will not fall on deaf ears and that general insurers, in their own individual and common interest, will co-operate with the authorities in order to make the collection of statistics easy and the necessary data reliable.

ATOMIC INSURANCE

Referring to the prospect of atomic insurance in the U.K., the Insurance Correspondent of the London *Financial Times* says that the special risks arising from the operation of nuclear reactors and plants which utilise atomic energy have been under consideration for some time past, both by British insurance companies and underwriters and those in other countries. Not only are such premises exposed to normal risks of damage from fire and similar causes, but they involve damage and breakdown risks due to acceleration of the pile or similar installation.

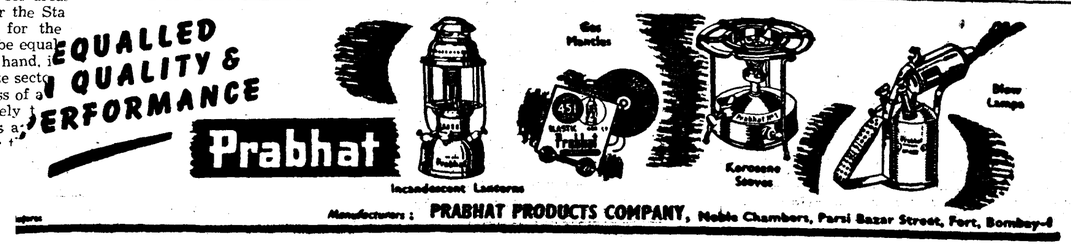
In addition, the third party risks involved are of a special nature, including as they do the possibility of claims for personal injury and damage to property due to direct radiation and the release of radio-active materials. The situation has a special interest at the present time, since the first nuclear power station at Calder Hall is nearing completion. It is probable that British insurers will undertake these new risks, just as they have been able to provide cover for other new perils as they have developed in the past. In the U.S., a Nuclear Energy Liability Insurance Association has recently been formed to operate as a pool for the underwriting of radiation liability risks of privately owned and operated reactors and similar plants. The pool consists of 110 insurance companies.

LIFE INSURANCE CORPORATION

Mr. M. C. Shah, Union Minister for Revenue and Civil Expenditure, said in Bombay last week that the new Life Insurance Corporation would achieve signal success. Characterising the nationalised institution as a "momentuous venture," he said that one of its main objects would be to make the people of this country insurance-minded. Addressing pressmen, the Union Minister disclosed that the new Corporation which would exclusively handle life business in the country would come into existence by the middle of August or by the first of September at the latest.

There will be a central organisation and five zonal offices, one each in Bombay, Madras, Calcutta, Kanpur and Delhi. The zones will be allotted certain territories. Under the zones will come divisional offices. There will also be sub-divisional offices and ultimately it is proposed to have a branch office in every district in the country. Mr. Shah observed: "Thereafter, we will have to penetrate into the rural areas also. We have made all these preliminary arrangements."

The Corporation will have 15 directors including a chairman. For some time there will be a part-time chairman who will be one of the senior-most officers of the Government. Thereafter, it is proposed to have a whole-time chairman.



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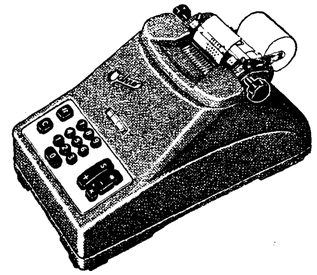

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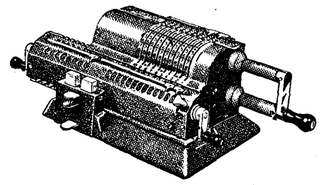

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ANOTHER YEAR OF SATISFACTORY WORKING

SIR HARRY BURN'S REVIEW

THE Fifty-ninth Annual General Meeting of the Calcutta Electric Supply Corporation, Ltd., was held on 28th June at Victoria House, Vernon Place, Bloomsbury Square, London, W.C., Sir Harry H. Burn, K.B.E., A.C.A., Chairman of the Company, presiding.

The following is his review circulated with the report and accounts:

"The year 1955 witnessed an increase in demand and gave evidence of the process of development and expansion to which reference has been made in previous reviews. The number of units sold was 1,242 million, an increase of 142.7 million units over the sales in 1954. The ordinary domestic and commercial load at the flat rate increased from 171 million units in 1954 to 184 million units in 1955. The population of Calcutta continues to increase, the city is still in a congested state and the pressure on all available accommodation is intense. To ease the situation large blocks of flats have been built and these include several erected by the West Bengal Government to provide staff quarters. Many more buildings of this type are in course of erection and, in general, building continues unabated, particularly, in the south-east of Calcutta and along the Diamond Harbour Road in order to meet the pressing need for accommodation and relax the pressure of the population on the overcrowded city area. The special tariff under which we make available to owners of large buildings current at high voltage for conversion by them to low tension—thus relieving congestion on our D.C. network—has attracted new consumers during the year and sales under this tariff mounted to 38.7 million units, an increase of 6.8 million units over the 1954 figure.

Upward Trend of Industrial Demand

"On the industrial side served by high tension power, the rate of expansion in demand for current has shown a further upward trend. The sales for 1955 were 799 million units, as against 699 million units in 1954—an increase of 100 million units, as compared with an increase of 58 million units in 1954. The improvement in working conditions noted in 1954 was maintained; there was no period of serious labour unrest during 1955. The jute mills, cotton and other textile mills, paper mills, engineerings and aluminium workshops and also chemical works accounted for the major part of this increased demand for industrial high tension power. The largest increase came from the jute mills whose consumption rose by 35 million units. Three more mills came on to our supply in 1955 and working hours, which had been progressively increased during 1954 to 48 hours per week, remained unchanged throughout 1955. The number of mills now taking power is 57. There has been a further rise in demand since the beginning of 1956, as the total complement of looms in commission has been increased from 87½ per cent. to 95 per cent. In the case of the cotton mills, exports continue at a high level and sales of textiles are rising steadily in India with the increase in population. Engineering workshops show a consistent annual increase in consumption of current and mark the emphasis placed on rapid industrialisation in the Five-year Plans.

"The demand for low tension industrial power shows an appreciable increase in the activity of small industrial firms. The sales for 1955 were 77 million units, as against 68 million units in 1954 whereas sales for 1954, 1953 and 1952 showed little change. There has been a considerable increase in the number of small workshops, some of which receive their raw materials from, and work exclusively for, larger concerns and manufacture components. The protection afforded to indigenous industries by the restriction of foreign imports and the rehabilitation of refugees in small industries by the aid of Government loans has, undoubtedly, contributed to the increased sales in this section.

Steady Increase in Consumption

"Public lighting shows a steady increase in consumption. The Calcutta Corporation continued with their programme to install adequate street lighting throughout the city and four new Calcutta Improvement Schemes were taken over by the Corporation during 1955.

"The Calcutta Tramways demand for current has remained steady over the past two years with a small increase in 1955. There were no major interruptions in traffic during the past year. There has been a much greater demand for bulk supplies to distributing undertakings. The sales for 1955 were 20.6 million units, as against 14.6 million units in 1954. The North Calcutta Grid of the West Bengal Government was responsible for the major part of this rise, which was due to an increase in supply to an industrial consumer.

Growth of Revenue

"The development and expansion on which I have commented, is reflected in our revenues, as may be seen from the figures for the three preceding years which are set out in the Directors' report, receipts having increased by £567,826 over the previous year. Expenditure of a normal nature, taking into account the depreciation charge, rose by £344,712 from £3,898,066 to £4,242,778. Due to the higher output, coal consumption increased by 113,700 tons to 924,000 tons costing an additional £218,000. Wages and materials cost more, but in general the increase in expenditure is a consequence of the general expansion of our operations. In addition, there is an increase in expenditure of £91,479 for extra bonuses to our employees for the years 1953 and 1954. During 1955 an Industrial Tribunal awarded an extra bonus for 1953 and your Directors decided to follow the precedent adopted in that Award and made it applicable also to the years 1954 and 1955.

Net Revenue Account

"The net revenue account contains a transfer of £192,000 to a special reserve—as directed by the Government of West Bengal—the third of five annual appropriations of this nature which fall to be made from net revenue. The circumstances which gave rise to these appropriations were set out in the Chairman's review of 1953 and I also referred to this matter in my review for 1954. A taxation charge of £418,000 arises in respect of the profits for 1955 and this appears in the net revenue account. For several years prior to 1954 initial depreciation allowances, arising from our large post-war capital expenditure had relieved us of a taxation charge. From the clear profit available for 1955—which is within the reasonable return permitted by the Electricity (Supply) Act, 1948—we have made the usual allocation for the contingency reserve fund, as required by the Act, and propose to make the normal contribution to the retiring gratuity fund. Provision has been made for the interest and sinking fund charges in connection with the debentures. In order to conserve our finances for the continued expansion of the Company's operations, we have deemed it advisable to appropriate a sum of £125,000 to net revenue—special appropriation. The dividend on the preference stock and an interim dividend on the ordinary stock have been paid and we propose to pay a final dividend of 3 per cent. (free of tax) on the ordinary stock making 6 per cent. (free of tax) for the year. This leaves a carry forward on the net revenue account of £136,163.

"It will be seen from the balance-sheet that a considerable reduction has been effected in the bank overdraft during the course of the year. Expenditure on capital account amounted to £939,000 and by far the major portion of this outlay was for extensions to our distribution system.

The Electricity (Supply) Act

"The Electricity (Supply) Amendment Bill, to which I made a reference in the 1954 review, was introduced in Parliament (the Lok Sabha) in the last session of 1955. It is now expected that the Bill will be referred to a Joint Select Committee of both the Houses of Parliament during the current Budget Session in which event the report of the Select Committee should come up for the consideration of both Houses during the September session of 1956. There is thus a prospect of the Bill finding its place on the Statute Book before the close of this year. The Federation of Electricity Undertakings of India, of which this Corporation is a member, is in close touch with the position and has apprised the Government of its views on all essential aspects of the Amending Bill.

Visit to Calcutta

"During the course of January and February of this year I was in Calcutta for a period of five weeks and visited all sections of the Company's widespread organisation, where I saw ample evidence of the care and attention which our officers and staff devote to their work in maintaining efficiency and promoting the Company's interests. I also visited the site of the main receiving substation at Howrah, which will deal with the bulk supply from the Damodar Valley Corporation, and am glad to state that substantial progress has been made with the work on hand there. The erection of the transmission lines was also proceeding satisfactorily and in line with the plans designed to make the supply available in the early part of 1957.

"Our relations with the authorities, continue cordial. The Chief Minister and his officers continue to evince a great interest in all phases of the Company's activities and are fully appreciative of our problems. I met the leaders of commerce and industry in Calcutta and discussed with them various aspects of the Company's operations.

"I took the opportunity during my visit to tour Calcutta and its suburbs in order to see the developments which have taken place in building and in the opening up of new thoroughfares in the city itself and its outskirts. Modern new office buildings—Government and commercial—have been erected in the city. The Calcutta Improvement Trust are in the process of completing new roads and extending existing ones over a wide area. Large residential flats have been constructed in the suburbs and it is evident a great deal of this type of building will take place during the next few years following on the completion of Improvement Trust Schemes. I have referred to this building activity in my comments on the domestic load. There has also been expansion in the industrial area and, in addition, considerable industrial activity throughout our licensed area, which extends well beyond Calcutta on both banks of the River Hooghly. What has so far been accomplished indicates the progressive spirit which animates the authorities and all concerned with the welfare and well-being of the city and its extensive suburbs.

"Four young Indian graduates have recently joined our staff in Calcutta after completing two years' training in the United Kingdom under our Technical Training Scheme. A total of 22 men have now been trained under this Scheme. In addition we give special training to men in our employ in order to accelerate promotion and fit them for the higher posts in our service; two of these men are at the moment receiving training in the United Kingdom. We continue indebted to the Central Electricity Authority and to the various manufacturing companies in this country for the facilities they give us for training.

Tribute to Staff

"Our thanks are due to the staff in Calcutta for another satisfactory year's working. The work throughout the year displayed their high standard of efficiency, zeal and energy in the interests of the Company. Mr. Macpherson, our Agent in Calcutta, has conducted the Company's affairs in a most able manner. His office carries many responsibilities and these range over a wide field. In his dealings with the Government, Local Authorities and the public generally he has shown ability of a very high order. In all respects he justifies the confidence which the Board repose in him. To him and all the staff we express our high appreciation of the service rendered during the year. I also wish to record the Board's appreciation of the able manner in which Mr. Colley has discharged his responsible duties as Secretary."

The report and accounts were unanimously adopted and the dividend as recommended was approved.

The retiring Director, Mr. J. H. Waters and Mr. J. W. Gauntlett, were re-elected: and the remuneration of the Auditors, Messrs. J. Dix Lewis, Caesar, Duncan & Co., having been fixed, the proceedings terminated.

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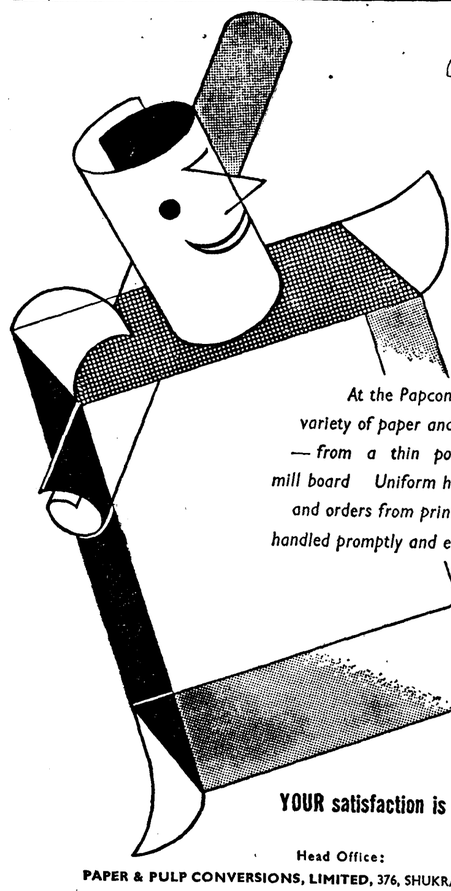

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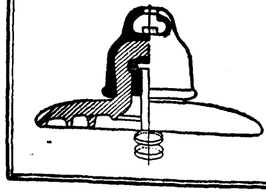

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CALCUTTA-1



Notices

THE BRADY ENGINEERING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of The Brady Engineering Company, Ltd., will be held at the Registered Office of the Company, Brady House, 12/14, Veer Nariman Road, Fort, Bombay, on Wednesday, 1st August 1956, at 4 p.m. (S.T.), for the purpose of considering and if thought fit passing:

A. The following resolutions as Special Resolutions:—

I. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for sale by this Company of Castings, Machine Parts and Sundry Engineering Goods and for the purchase by this Company of Printing and Stationery and Boxes on terms of ready or forward delivery, either for cash or on credit or for rendering of service by this Company including service as Welders, Braziers, etc., provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and provided further that Messrs. G. Claridge & Co., Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods or the supply or rendering of the service by this Company as the case may be.

II. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., Managing Agents of the Company, for rendering services to the Company including erection of Machinery and for sale by this Company of Castings, Machine Parts and Sundry Engineering Goods on terms of ready or forward delivery, either for cash or on credit or for rendering of services by the Company including services as Welders, Braziers, etc., provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and provided further that Messrs. Empire Dyeing and Manufacturing Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods or the supply or rendering of the service by this Company as the case may be.

III. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. New City of Bombay Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for sale by this Company of Castings, Machine Parts and Sundry Engineering Goods on terms of ready or forward delivery, either for cash or on credit, or for the rendering of service by the Company, including service as Welders, Braziers, etc., provided that the prices or amounts received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that Messrs. New City of Bombay Manufacturing Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods or the supply or rendering of the service by this Company as the case may be.

IV. Resolved that this Company hereby approves of all contracts entered into or to be entered into with "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., for the sale to this Company of advertising space and publications on terms of ready or forward delivery, either for cash or on credit, provided that the prices or amounts charged to this Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

V. Resolved that as from the 1st April 1956, Messrs. W. H. Brady & Co., Ltd., be appointed as Buying Agents for this Company, in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co., Ltd., is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company.

Resolved further that Messrs. W. H. Brady & Co., Ltd., be reimbursed in respect of buying expenses incurred by them on all such purchases made. The buying expenses to be calculated at the rate of 1¼ per cent. of the total cost of purchases made, such rate having been pre-determined by reference to the average ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co., Ltd. (Manchester Branch), over the last three years.

VI. Resolved that the Company hereby approves of all sales, purchases or supplies or transactions already entered into or to be entered into between the Company and the Managing Agents, Messrs. W. H. Brady & Co., Ltd., in respect of goods in which the Managing Agents regularly trade or do business in, such as Mechanical Handling Equipment, General Stores and other Engineering Goods and the rendering of service to the Company in a technical capacity or in respect of which they may trade or do business in; also in respect of sales to the Managing Agents by the Company of Chain Wheels, partially manufactured Cranes, Crane Parts, Elevating Trucks, Air-conditioning Ductings, Textile and Sugar Machinery Parts, Castings and all types of Sundry Engineering Goods, etc., on terms of ready or forward delivery and either for cash or on credit and for the supply and rendering of service by the Company to the Managing Agents, such as Erectors, Welders, Braziers, Electricians, etc., provided that the prices charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided the Managing Agents shall make payment to the Company within one month from the date of the supply or sale of the goods or the supply or rendering of the service, as the case may be.

VII. Resolved that whenever any Director who has been appointed by a special resolution passed under Section 261 of the Companies Act, 1956, is likely to be absent from the State in which meetings of the Board are held for a period of not less than three months, the Board of Directors shall be entitled to appoint an Alternate Director in his place and such Alternate Director may be a person to whom the said Section 261 applies.

VIII. Resolved that the Articles of Association of the Company be altered by deleting Article 121 and substituting the following:—

(No. 121) "The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called 'the Original Director') during his absence for a period of not less than three months from the State in which meetings of this Board are held. Such Alternate Director shall vacate office if and when the Original Director returns to the said State. Such Alternate Director shall not require any qualification while the Original Director holds the necessary qualification."

and B. The following resolutions as Ordinary Resolutions:—

I. Resolved that the Managing Agents, Messrs. W. H. Brady & Co., Ltd., be authorised to retain all Commissions or other remunerations earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which a contract has been or is hereafter entered into between this Company and other Companies which either fall within the management of Messrs. W. H. Brady & Co., Ltd., or in whose net profit Messrs. W. H. Brady & Co., Ltd., participate as Managing Agents, including Messrs. Empire Dyeing and Manufacturing Company, Ltd., Messrs. New Great Eastern Spinning and Weaving Company, Ltd., Messrs. Belapur Company, Ltd., Messrs. G. Claridge & Co., Ltd., and Messrs. New City of Bombay Manufacturing Co., Ltd.

II. Resolved that Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, be and they are hereby authorised to retain all commissions or any other remuneration earned or to be earned by them at any time during the period they continue to act as Managing Agents of the Company, as Principal Agents of the Employers' Liability Assurance Corporation Ltd., Law Union and Rock Insurance Company, Ltd., Concord of India Insurance Company, Ltd., and the Insurance Office of Australia Ltd., in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been, or which may at any time hereafter during the period aforesaid be entered into by the said Insurance Companies with the Company, provided always that the amounts charged to this Company in respect of all such insurances are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

III. Resolved that this Company hereby authorises Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. I above, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

IV. Resolved that this Company hereby authorises Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. II above, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

V. Resolved that this Company hereby authorises Messrs. New City of Bombay Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. III above, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

VI. Resolved that this Company hereby authorises "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. IV above, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

By Order of the Board,
W. H. BRADY & CO., LTD.,
Managing Agents.

BOMBAY, 20*th June* 1956.

A member entitled to attend and vote is entitled to appoint a proxy or, when that is allowed, one or more proxies, to attend and vote instead of himself and a proxy need not be a member.

To

The Shareholders of the Brady Engineering Company, Ltd., and in particular to:—

Arthur Henry Baker, Esq., H. G. H. Everitt, Esq., W. Jenkins, Esq., Rustom Merwanji Bamboat, Esq., George Albert Carter, Esq., William Vans Agnew, Esq., and Joseph D'Costa, Esq.

EXPLANATORY STATEMENT

Special Resolutions: I, II, III and IV

G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., New City of Bombay Manufacturing Company, Ltd., and "Commerce" (1935) Ltd., are associates of your Managing Agents, W. H. Brady & Co., Ltd. The said associates have transactions with your Company of the nature set out respectively in these resolutions. This has been the course of business for many years past and your Directors feel that it will be prejudicial to the interests of your Company to alter the procedure suddenly or unless the interests of your Company otherwise require. These resolutions have been put up for consideration in order to comply with Section 360 of the Companies Act, 1956.

Special Resolution: V

Your Managing Agents have been Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interests of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration. This special resolution provides for appointing the Managing Agents the Buying Agents of your Company in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company only. The expenses have been calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) for the last three years.

Special Resolution: VI

This resolution has been put up in order to comply with Section 360 of the Act and approves all transactions already entered into or to be entered into between this Company and its Managing Agents in respect of purchases by this Company of various kinds of equipment and stores, which it has been the practice to purchase from the Managing Agents in the past, and also for the sale by this Company to the Managing Agents of Chain Wheels, partially manufactured Cranes, Crane Parts, Elevating Trucks, Air-conditioning Ductings, Textile and Sugar Machinery Parts, Castings, and all types of Sundry Engineering Goods, etc.

It is intended that from time to time the transactions referred to in Special Resolutions I, II, III, IV and VI shall be placed before the Company in General Meeting for confirmation. The buying expenses specified in Special Resolution V will be recalculated from time to time according to the actual figures and if necessary the Company will be asked to adjust the expenses in accordance with the actual figures for the subsequent periods.

Special Resolution: VII

This Special Resolution is desirable so that should any Director appointed by a Special Resolution passed under Section 261 of the Companies Act, 1956, be absent from the State in which meetings of the Board are held for a period of not less than three months, an appointment may be made by the Board of Directors in his place of an Alternate Director, who may also be a person to whom Section 261 is applicable, to obviate the passing of a Special Resolution by the Company whenever such an appointment is necessary.

Special Resolution: VIII

The purpose for which this Special Resolution is proposed is to alter the existing Articles of Association relating to the appointment of Alternate Directors in order to bring it within the provisions of Section 313 of the Companies Act, 1956.

Ordinary Resolutions: I and II

These Resolutions authorise your Managing Agents to retain the commissions and other remuneration which they have already earned or which they may earn by reason of their acting as the Managing Agents of the concerns mentioned in Resolution I, in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts have been made or entered into between your Company and other Companies within their management or in whose profits the Managing Agents participate including the concerns specifically mentioned in Resolution I and as principal agents of the insurance companies mentioned in Resolution II in respect of contracts of insurance.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

Ordinary Resolutions: III, IV, V and VI

G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., New City of Bombay Manufacturing Company, Ltd., and "Commerce" (1935) Ltd., are associates of the Managing Agents and by Special Resolutions I, II, III and IV abovementioned are authorised to continue to do business with your Company. These Ordinary Resolutions authorise such Associates of the Managing Agents to retain commission or other remuneration earned or to be earned by them respectively from the business authorised by the respective Special Resolutions.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

The Managing Agents are interested in all the above resolutions as follows:—

As Managing Agents—G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., New City of Bombay Manufacturing Company, Ltd., Belapur Company, Ltd., and New Great Eastern Spinning and Weaving Company, Ltd.

As large shareholders in "Commerce" (1935) Ltd.

As owners of the Manchester Branch of their Company.

As contracting parties in respect of equipment, and stores sold to or purchased by this Company (Special Resolution VI).

As Principal Agents of the Insurance Companies mentioned in Ordinary Resolution II.

The nature of the interest of your Directors in the above resolutions is as follows:—

Name of Director.	*Resolution Nos.*	*Nature of Interest.*
Sir Joseph Kay, K.B.E.	Special Resolutions Nos. I to VI. Ordinary Resolutions Nos. I to VI.	Interested as Managing Director and Shareholder of W. H. Brady & Co., Ltd., and Director and Shareholder of the other Companies.
Kantilal Nahalchand, Esq. ..	Special Resolutions Nos. I, II and IV. Ordinary Resolutions Nos. III, IV and VI.	Interested as Director and Shareholder.
N. B. Jeejeebhoy, Esq.	Special Resolutions Nos. II, III, V and VI. Ordinary Resolutions Nos. I, II, IV and V.	Interested as Director and Shareholder.
	Special Resolution No. IV. Ordinary Resolution No. VI.	Interested as Shareholder.
J. L. B. Heale, Esq.	Special Resolutions Nos. II and III. Ordinary Resolutions Nos. IV and V.	Interested as Director and Shareholder.
Kishore M. Premchand, Esq. ..	Special Resolutions Nos. I to III, V and VI. Ordinary Resolutions Nos. I to V.	Interested as Director and Shareholder.
	Special Resolution No. IV. Ordinary Resolution No. VI.	Interested as Shareholder.
J. Symon, Esq.	Special Resolution No. I. Ordinary Resolution No. III.	Interested as Director and Shareholder.
	Special Resolutions Nos. II, III, V and VI. Ordinary Resolutions Nos. I, II, IV and V.	Interested as Shareholder.

By Order of the Board,
W. H. BRADY & CO., LTD.,
Managing Agents.

BOMBAY, 20*th June* 1956.

PRESIDENCY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-first Annual General Meeting of the Shareholders of PRESIDENCY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 30th July 1956, at 3 p.m., for the following purposes:—

(1) To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the half-year ended 31st December 1955.

(2) To declare a Dividend.

(3) To appoint a Director in place of Mr. Alec A. Leslie who retires by rotation, but who is eligible for reappointment.

(4) To appoint a Director in place of Mr. C. L. Bajoria who resigned in May, 1956.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution

"That Mr. B. L. Bajoria, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, be and is hereby appointed a Director of the Company in place of Mr. C. L. Bajoria."

(5) To consider, and if thought fit, to pass the following Ordinary Resolution pursuant to Section 293(1) (*d*) of the Companies Act, 1956, the relative explanatory statement, as required by Section 173 of the said Act, being annexed hereto.

"That the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

(6) To appoint Auditors for the year 1956 and to fix their remuneration.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

The Share Transfer Books of the Company will be closed from 9th to 30th July 1956, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 27*th June* 1956.

Note.—Payment of the proposed dividend, if declared, will be made on or after 27th August 1956, only to those members whose names are registered in the Books of the Company on the 30th July 1956, or to their Mandatees.

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

EXPLANATORY STATEMENTS

1. In the Special Notice given to the Company of the resolution under item No. 4 of the above Notice, it has been pointed out that Mr. B. L. Bajoria is an Associate of the Managing Agents and, in view thereof, it will be necessary for the Shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to appoint him as a Director of the Company.

2. The resolution under item No. 5 of the above Notice is intended to provide the Board of Directors with the necessary authority to enable them to borrow moneys from time to time for the Company's business in excess of the paid-up capital of the Company and its free reserves pursuant to Section 293(1) (*d*) of the Companies Act, 1956.

Notices

THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Empire Dyeing and Manufacturing Company, Limited, will be held at the Registered Office of the Company, Brady House, 12/14, Veer Nariman Road, Fort, Bombay, on Thursday the 26th day of July 1956, at 11-30 a.m. (S.T.), for the purpose of considering and if thought fit passing:—

A. The following Resolutions as *Special Resolutions*:—

I. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for the purchase or supply of Printing and Stationery on terms of ready or forward delivery and either for cash or on credit and for the supply or rendering of any service by this Company to Messrs. G. Claridge & Co., Ltd., including servicing and maintenance of motor vehicles and renting out godowns space for storage provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that Messrs. G. Claridge & Co., Ltd., shall make payment to this Company within one month from the date of supply or rendering of service by this Company.

II. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. Brady Engineering Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for sale to this Company of Castings, Machine Parts and Sundry Engineering Goods on terms of ready or forward delivery, either for cash or on credit, or for the rendering of service by Messrs. Brady Engineering Company, Ltd., to this Company including service as Welders, Braziers, etc., and for the rendering of services by this Company to Messrs. Brady Engineering Co., Ltd., including erection of Machinery, etc., provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided that Messrs. Brady Engineering Company, Ltd., shall make payment to this Company within one month from the date of rendering such services.

III. Resolved that this Company hereby approves of all contracts entered into or to be entered into with "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., for the sale to this Company of advertising space and publications on terms of ready or forward delivery, either for cash or on credit, provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

IV. Resolved that from the 1st April, 1956, Messrs. W. H. Brady and Co., Ltd., be appointed as Buying Agents for this Company, in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co., Ltd., is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company.

Resolved further that Messrs. W. H. Brady & Co., Ltd., be reimbursed in respect of buying expenses incurred by them on all such purchases made. The buying expenses to be calculated at the rate of 1¼ per cent. of the total cost of purchases made, such rate having been predetermined by reference to the average ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co., Ltd. (Manchester Branch), over the last three years.

V. Resolved that the Company hereby approves of all sales, purchases or supplies or transactions already entered into or to be entered into between the Company and the Managing Agents, Messrs. W. H. Brady & Co., Ltd., in respect of goods in which the Managing Agents regularly trade or do business in, such as Universal Winding equipment, Mechanical Handling equipment, Sizing Materials, General Mill Stores and other Textile and Engineering Goods and the rendering of service in a technical capacity or in respect of which they may trade or do business in; also in respect of sales to the Managing Agents of the Company of Petrol, Sundry Stores and such other ancillary items or services as may be required from time to time, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable and provided the Managing Agents shall make payment to the Company within one month from the date of the supply or sale of the goods, or the supply or rendering of services as the case may be.

VI. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. New City of Bombay Manufacturing Company, Ltd., the Managing Agents of which are Messrs. W. H. Brady & Co., Ltd., for the purchase by this Company of Yarn, General Stores, and for the sale by this Company of Petrol and rendering service to Messrs. New City of Bombay Manufacturing Company, Ltd., of Cloth Bleaching, Cloth Dyeing, Cloth Mercerising, Cloth Raising, Yarn Dyeing, Yarn Bleaching and Yarn Mercerising, on terms of ready or forward delivery, and either for cash or on credit, and for the supply or rendering of any service by this Company, including servicing and maintenance of Motor Vehicles, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that Messrs. New City of Bombay Manufacturing Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of goods or the supply or rendering of the service by this Company as the case may be.

VII. Resolved that whenever any Director who has been appointed by a special resolution passed under Section 261 of the Companies Act, 1956, is likely to be absent from the State in which meetings of the Board are held for a period of not less than three months, the Board of Directors shall be entitled to appoint an Alternate Director in his place and such Alternate Director may be a person to whom the said Section 261 applies.

VIII. Resolved that the Articles of Association of the Company be altered by deleting Article 119 and substituting the following:—

(No. 119) "The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called 'the Original Director') during his absence for a period of not less than three months from the State in which meetings of this Board are held. Such Alternate Director shall vacate office if and when the Original Director returns to the said State. Such Alternate Director shall not require any qualification while the Original Director holds the necessary qualification."

and B. The following Resolutions as *Ordinary Resolutions*:—

I. Resolved that Messrs. W. H. Brady & Co., Ltd., be authorised to retain commissions earned or to be earned by them as Selling Agents of Messrs. English Card Clothing Company, Ltd. (Wilson and Ingham Section) in respect of goods supplied by the said concern to this Company provided always that the prices or amounts charged to this Company in respect of such goods are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

II. Resolved that the Managing Agents, Messrs. W. H. Brady & Co., Ltd., be authorised to retain commission or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which a contract has been or is hereafter entered into between this Company and other Companies which either fall within the management of Messrs. W. H. Brady & Co., Ltd., or in whose Nett Profit Messrs. W. H. Brady & Co., Ltd., participate as Managing Agents, including Messrs. New City of Bombay Manufacturing Company, Ltd., Messrs. New Great Eastern Spinning and Weaving Company, Ltd., Messrs. Belapur Company, Ltd., Messrs. G. Claridge & Co, Ltd., and Messrs. Brady Engineering Company, Ltd., or of which Messrs. W. H. Brady & Co., Ltd., are Selling Agents, or Representatives, and in particular Messrs. English Card Clothing Company, Ltd. (Wilson and Ingham Section) provided the prices or amounts charged to or received by the Company are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

III. Resolved that Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, be and they are hereby authorised to retain all commissions or other remuneration already earned or to be earned by them at any time hereafter during the period they continue to act as Managing Agents of the Company, as Principal Agents of the Employers' Liability Assurance Corporation, Ltd., Law Union and Rock Insurance Company, Ltd., Concord of India Insurance Company, Ltd., and the Insurance Office of Australia Ltd., in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been, or which may at any time hereafter during the period aforesaid be entered into by the said Insurance Companies with the Company, provided always that the amount charged to this Company in respect of all such insurances are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

IV. Resolved that this Company hereby authorises Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. I, above, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

V. Resolved that this Company hereby authorises Messrs. Brady Engineering Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. II, above, provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

VI. Resolved that this Company hereby authorises "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. III, above, provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

VII. Resolved that this Company hereby authorises Messrs. New City of Bombay Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. VI, above, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

By Order of the Board,
W. H. BRADY & CO., LTD.,
Managing Agents.

BOMBAY, 20*th June* 1956.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

To

The Shareholders of The Empire Dyeing and Manufacturing Company, Ltd., and in particular to: Mr. A. H. Baker, Mr. H. C. H. Everitt, Mr. J. Slater and Mrs. J. S. Forrest.

EXPLANATORY STATEMENT

Special Resolutions: I, II, III and VI

G. Claridge & Co., Ltd., Brady Engineering Company, Ltd., "Commerce" (1935) Ltd., and New City of Bombay Manufacturing Company, Ltd., are Associates of your Managing Agents, W. H. Brady & Co., Ltd. The said Associates have transactions with your Company of the nature set out respectively in these resolutions. This has been the course of business for many years past and your Directors feel that it will be prejudicial to the interests of your Company to alter the procedure suddenly or unless the interests of your Company otherwise require. These resolutions have been put up for consideration in order to comply with section 360 of the Companies Act, 1956.

Special Resolution: IV

Your Managing Agents have been Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interests of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration. This Special Resolution provides for appointing the Managing Agents the Buying Agents of your Company in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company only. The expenses have been calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) for the last three years.

Special Resolution: V

This resolution has been put up in order to comply with Section 360 of the Act and approves all transactions already entered into or to be entered into between this Company and its Managing Agents in respect of purchases by this Company of various kinds of equipment and stores, which it has been the practice to purchase from the Managing Agents in the past and also for the sale by this Company to the Managing Agents of petrol, sundry stores and ancillary items or services.

It is intended that from time to time the transactions referred to in Special Resolutions I, II, III, V and VI shall be placed before the Company in General Meeting for confirmation. The buying expenses specified in Special Resolution IV will be recalculated from time to time according to the actual figures and if necessary the Company will be asked to adjust the expenses in accordance with the actual figures for the subsequent periods.

Special Resolution: VII

This Special Resolution is desirable so that should any Director appointed by a Special Resolution passed under Section 261 of the Companies Act, 1956, be absent from the State in which meetings of the Board are held for a period of not less than three months, an appointment may be made by the Board of Directors in his place of an Alternate Director, who may also be a person to whom Section 261 is applicable, to obviate the passing of a Special Resolution by the Company whenever such an appointment is necessary.

Special Resolution: VIII

The purpose for which this Special Resolution is proposed is to alter the existing Articles of Association relating to the appointment of Alternate Directors in order to bring it within the provisions of Section 313 of the Companies Act, 1956.

Ordinary Resolutions: I, II and III

These Resolutions authorise your Managing Agents to retain the commissions and other remuneration which they have already earned or which they may earn by reason of their acting as the Selling Agents or Managing Agents of the concerns mentioned in Resolution I, in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts have been made or entered into between your Company and other Companies within their management or in whose profits the Managing Agents participate including the concerns specifically mentioned in Resolutions I and II and as Principal Agents of the Insurance Companies mentioned in Resolution III in respect of contracts of insurance.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

Ordinary Resolutions: IV, V, VI and VII

G. Claridge & Co., Ltd., Brady Engineering Company, Ltd., "Commerce" (1935) Ltd. and New City of Bombay Manufacturing Company, Ltd., are Associates of the Managing Agents and by Special Resolutions I, II and III abovementioned are authorised to continue to do business with your Company. These Ordinary Resolutions authorise such associates of the Managing Agents to retain commission or other remuneration earned or to be earned by them respectively from the business authorised by the respective Special Resolutions.

These Resolutions are in compliance with Section 359 of the Companies Act, 1956.

The Managing Agents are interested in all the above resolutions as follows:—

As Managing Agents—G. Claridge & Co., Ltd., Brady Engineering Company, Ltd., Belapur Company, Ltd., New Great Eastern Spinning and Weaving Company, Ltd., and New City of Bombay Manufacturing Company, Ltd.

As large shareholders in "Commerce" (1935) Ltd.

As owners of the Manchester Branch of their Company.

As contracting parties in respect of equipment and stores sold to or purchased by this Company. (Special Resolution V.)

As Principal Agents of the Insurance Companies mentioned in Ordinary Resolution III.

The nature of the interest of your Directors in the above resolutions is as follows:—

Name of Director.	*Resolutions Nos.*	*Nature of Interest.*
Sir Joseph Kay, K.B.E.	Special Resolutions Nos. I to VI. Ordinary Resolutions Nos. I to VII.	Interested as Managing Director and Shareholder of W. H. Brady & Co., Ltd., and Director and Shareholder of the other Companies.
J. L. B. Heale, Esq.	Special Resolutions Nos. II and VI. Ordinary Resolutions Nos. V and VII.	Interested as a Director and Shareholder.
F. Edwards, Esq.	Special Resolutions Nos. II to VI. Ordinary Resolutions Nos. I to III and V to VII.	Interested as a Shareholder.
Kantilal Nahalchand, Esq. ..	Special Resolutions Nos. I to III. Ordinary Resolutions Nos. IV to VI.	Interested as a Director and Shareholder.
	Special Resolutions Nos. IV and V. Ordinary Resolutions Nos. I to III.	Interested as a Shareholder.
Kishore M. Premchand, Esq. ..	Special Resolutions Nos. I, II and IV to VI. Ordinary Resolutions Nos. I to V and VII.	Interested as a Director and Shareholder.
	Special Resolution No. III. Ordinary Resolution No. VI.	Interested as a Shareholder.
Nanabhoy B. Jeejeebhoy, Esq. ..	Special Resolutions Nos. II and IV to VI. Ordinary Resolutions Nos. I to III, V and VII.	Interested as a Director and Shareholder.
	Special Resolution No. III. Ordinary Resolution No. VI.	Interested as a Shareholder.
E. F. Morrey, Esq.	Special Resolution No. VI. Ordinary Resolution No. VII.	Interested as a Director.
	Special Resolutions Nos. II, IV and V. Ordinary Resolutions Nos. I to III and V.	Interested as a Shareholder.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Annual General Meeting of the Shareholders will be held at 11 a.m. on Tuesday the 17th July 1956, at the Registered Office of the Company at Fort Cochin, to transact the following business:—

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1956 and the reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.

Note.—(i) As Mr. R. M. Saywell, one of the retiring Directors, has already completed 67 years of age, a resolution that the age limit prescribed under Section 280 of the Indian Companies Act, 1956, shall not apply to him is now necessary. Special notice of the following resolution exempting him from the age limit, as required by Section 281, is hereby given:

"Resolved that Mr. R. M. Saywell, who has completed 67 years of age, be and is hereby re-elected a Director, and that the age limit prescribed under Section 280 of the Indian Companies Act 1956 shall not apply to him."

(ii) As Mr. J. K. Hopkins, the other retiring Director, is an employee of the Managing Agents, Messrs. Aspinwall & Co. (Private) Ltd., a Special Resolution of the Company is necessary for his re-election. Special notice of the following Special Resolution for his re-election, as required by Section 261, is hereby given:

"Resolved that Mr. J. K. Hopkins, an employee of Messrs. Aspinwall & Co. (Private) Ltd., the Managing Agents of this Company, he and is hereby re-elected as a Director of this Company."

A copy of the explanatory statement under Section 173 of the Companies Act, 1956, is available for inspection of the Shareholders at the Registered Office of the Company during office hours of the Company on all working days till the date of the above meeting.

4. To appoint Auditors.

The transfer books and Register of Members of the Company will remain closed from 4th July 1956 to 19th July 1956 (both days inclusive).

Any shareholder unable to attend personally is entitled to appoint any person (whether a member or not) as his proxy to vote instead of himself, subject to the provisions of Section 176 of the Companies Act, 1956. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

By Order of the Board,
THE PULLANGODE RUBBER & PRODUCE CO., LTD.,
Per Pro ASPINWALL & CO. (PRIVATE) LTD.,
V. P. THOMAS,
Managing Agents.

FORT COCHIN, 21*st June* 1956.

Notices

G. CLARIDGE AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of G. Claridge & Co., Ltd., will be held at the Registered Office of the Company, Brady House 12/14, Veer Nariman Road, Fort, Bombay, on Wednesday the 1st August 1956 at 2-45 p.m. (S.T.), for the purpose of considering and if thought fit passing

A. The following resolutions as Special Resolutions:—

I. Resolved that this Company hereby approves of all contracts entered into or to be entered into with the New City of Bombay Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for the sale by this Company of Printing and Stationery and Boxes on terms of ready or forward delivery and either for cash or on credit provided that the prices or amounts received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that Messrs. New City of Bombay Manufacturing Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods by this Company.

II. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for the supply or rendering of any service by the Empire Dyeing and Manufacturing Company, Ltd., to this Company including servicing and maintenance of motor vehicles and renting out godown space for storage and for the purchase from the Company of Printing and Stationery and Boxes on terms of ready or forward delivery, and either for cash or on credit, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that Messrs. Empire Dyeing and Manufacturing Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods by this Company.

III. Resolved that this Company hereby approves of all contracts entered into or to be entered into with Messrs. Brady Engineering Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for the sale to this Company of Castings, Machine Parts and Sundry Engineering Goods, for rendering of service to this Company including service as Welders. Braziers, etc., and for the purchase from this Company of Printing and Stationery and Boxes on terms of ready or forward delivery, either for cash or on credit provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that Messrs. Brady Engineering Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods by this Company.

IV. Resolved that this Company hereby approves of all contracts entered into or to be entered into with "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., for the sale to this Company of advertising space and publications and purchase from this Company of Printing and Stationery and Boxes on terms of ready or forward delivery, either for cash or on credit provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided further that "Commerce" (1935) Ltd. shall make payment to this Company within one month from the date of supply or sale of the goods by this Company.

V. Resolved that as from 1st April 1956 Messrs. W. H. Brady & Co., Ltd., be appointed as Buying Agents for this Company, in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co., Ltd., is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company.

Resolved further that Messrs. W. H. Brady & Co., Ltd., be reimbursed in respect of buying expenses incurred by them on all such purchases made. The buying expenses to be calculated at the rate of 1¼ per cent. of the total cost of purchases made, such rate having been pre-determined by reference to the average ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co., Ltd. (Manchester Branch), over the last three years.

VI. Resolved that the Company hereby approves of all sales, purchases or supplies or transactions already entered into or to be entered into between the Company and the Managing Agents, Messrs. W. H. Brady & Co., Ltd., in respect of goods in which the Managing Agents regularly trade or do business in, such as Mechanical Handling Equipment, Sizing Materials, General Stores and other Engineering Goods and the rendering of service in a technical capacity or in respect of which they may trade or do business in; also in respect of sales to the Managing Agents by the Company of Printing and Stationery and Boxes as may be required from time to time provided that the prices charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and provided the Managing Agents shall make payment to the Company within one month from the date of supply or sale of the goods, or the supply or rendering of the service, as the case may be.

VII. Resolved that whenever any Director who has been appointed by a special resolution passed under Section 261 of the Companies Act, 1956, is likely to be absent from the State in which meetings of the Board are held for a period of not less than three months, the Board of Directors shall be entitled to appoint an Alternate Director in his place and such Alternate Director may be a person to whom the said Section 261 applies.

VIII. Resolved that the Articles of Association of the Company be altered by deleting Article 106 and substituting the following:

(No. 106) "The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called 'the Original Director') during his absence for a period of not less than three months from the State in which meetings of this Board are held. Such Alternate Director shall vacate office if and when the Original Director returns to the said State. Such Alternate Director shall not require any qualification while the Original Director holds the necessary qualification."

and B. The following Resolutions as Ordinary Resolutions:—

I. Resolved that the Managing Agents, Messrs. W. H. Brady & Co., Ltd., be authorised to retain all commissions or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs, or other services for the sale, purchase, supply or rendering of which a contract has been or is hereafter entered into between this Company and other Companies which either fall within the management of Messrs. W. H. Brady & Co., Ltd., or in whose net profit Messrs. W. H. Brady & Co., Ltd., participate as Managing Agents, including Messrs. Empire Dyeing and Manufacturing Company, Ltd., Messrs. New Great Eastern Spinning and Weaving Company, Ltd., Messrs. Belapur Company, Ltd., Messrs. New City of Bombay Manufacturing Company, Ltd., and Messrs. Brady Engineering Company, Ltd.

II. Resolved that Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, be and they are hereby authorised to retain all commissions or any other remuneration earned or to be earned by them at any time during the period they continue to act as Managing Agents of the Company, as Principal Agents of the Employers' Liability Assurance Corporation, Ltd., Law Union and Rock Insurance Company, Ltd., Concord of India Insurance Company, Ltd., and the Insurance Office of Australia Ltd., in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been, or which may at any time hereafter during the period aforesaid be entered into by the said Insurance Companies with the Company, provided always that the amounts charged to this Company in respect of all such insurances are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

III. Resolved that this Company hereby authorises Messrs. New City of Bombay Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. I above, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

IV. Resolved that this Company hereby authorises Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. II above, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

V. Resolved that this Company hereby authorises Messrs. Brady Engineering Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. III, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

VI. Resolved that this Company hereby authorises "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. IV, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

By Order of the Board,
W. H. BRADY & CO., LTD.,
Managing Agents.

BOMBAY, *20th June*, 1956.

A member entitled to attend and vote is entitled to appoint a proxy, or when that is allowed, one or more proxies, to attend and vote instead of himself and a proxy need not be a member.

To

The Shareholders of G. Claridge & Co., Ltd., and in particular to:—

A. H. Baker, Esq., Warren Hollinshed Brady, Esq., and W. Jenkins, Esq.

EXPLANATORY STATEMENTS

Special Resolutions: I, II, III and IV

New City of Bombay Manufacturing Company, Ltd., Empire Dyeing and Manufacturing Company Ltd., Brady Engineering Company, Ltd., and "Commerce" (1935) Ltd., are Associates of your Managing Agents, W. H. Brady & Co., Ltd. The said Associates have transactions with your Company of the nature set out respectively in these resolutions. This has been the course of business for many years past and your Directors feel that it will be prejudicial to the interests of your Company to alter the procedure suddenly or unless the interests of your Company otherwise require. These resolutions have been put up for consideration in order to comply with Section 360 of the Companies Act, 1956.

Special Resolution: V

Your Managing Agents have been buying agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interests of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration. This special resolution provides for appointing the Managing Agents the buying agents of your Company in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company only. The expenses have been calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) for the last three years.

Special Resolution: VI

This resolution has been put up in order to comply with Section 360 of the Act and approves all transactions already entered into or to be entered into between this Company and its Managing Agents in respect of purchases by this Company of various kinds of equipment and stores, which it has been the practice to purchase from the Managing Agents in the past and also for the sale by this Company to the Managing Agents of Printing and Stationery and Boxes.

It is intended that from time to time the transactions referred to in Special Resolutions I, II, III, IV and VI shall be placed before the Company in General Meeting for confirmation. The buying expenses specified in Special Resolution V will be recalculated from time to time according to the actual figures and if necessary the Company will be asked to adjust the expenses in accordance with the actual figures for the subsequent periods.

Special Resolution: VII

This Special Resolution is desirable so that should any Director appointed by a Special Resolution passed under Section 261 of the Companies Act, 1956, be absent from the State in which meetings of the Board are held for a period of not less than three months, an appointment may be made by the Board of Directors in his place of an Alternate Director, who may also be a person to whom Section 261 is applicable, to obviate the passing of a Special Resolution by the Company whenever such an appointment is necessary.

Special Resolution: VIII

The purpose for which this Special Resolution is proposed is to alter the existing Articles of Association relating to the appointment of Alternate Directors in order to bring it within the provisions of Section 313 of the Companies Act, 1956.

Ordinary Resolutions: I and II

These Resolutions authorise your Managing Agents to retain the commissions and other remuneration which they have already earned or which they may earn by reason of their acting as the Managing Agents of the concerns mentioned in Resolution I, in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts have been made or entered into between your Company and other companies within their management or in whose profits the Managing Agents participate and as principal agents of the insurance companies mentioned in Resolution II in respect of contracts of insurance.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

Ordinary Resolutions: III, IV, V and VI

New City of Bombay Manufacturing Company, Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Company, Ltd., and "Commerce" (1935) Ltd., are Associates of the Managing Agents and by Special Resolutions I, II, III and IV abovementioned are authorised to continue to do business with your Company. These Ordinary Resolutions authorise such Associates of the Managing Agents to retain commission or other remuneration earned or to be earned by them respectively from the business authorised by the respective Special Resolutions.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

The Managing Agents are interested in all the above resolutions as follows:

As Managing Agents—New City of Bombay Manufacturing Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Company, Ltd., Belapur Company, Ltd., New Great Eastern Spinning and Weaving Company, Ltd.

As large shareholders in "Commerce" (1935) Ltd.

As owners of the Manchester Branch of their Company.

As contracting parties in respect of equipment and stores sold to or purchased by this Company. (Special Resolution VI.)

As Principal Agents of the Insurance Companies mentioned in Ordinary Resolution II.

The nature of the interest of your Directors in the above resolutions is as follows:—

Name of Director.	*Resolution Nos.*	*Nature of Interest.*
Sir Joseph Kay, K.B.E.	Special Resolution Nos. I, II, III, IV, V and VI.	Managing Director and Shareholder of W. H. Brady & Co., Ltd. Director and Shareholder of the other Companies.
	Ordinary Resolution Nos. I, II, III, IV, V and VI.	Director and Shareholder.
Mr. Kantilal Nahalchand	Special Resolution Nos. II, III and IV.	Director and Shareholder.
	Ordinary Resolution Nos. IV, V and VI.	Director and Shareholder.
Mr. Jehangir P. Patel	Special Resolution Nos. V and VI.	Director and Shareholder.
	Ordinary Resolution Nos. I and II.	Director and Shareholder.
Mr. Kishore M. Premchand ..	Special Resolution Nos. I, II, III, V and VI.	Director and Shareholder.
	Special Resolution No. IV.	Shareholder.
	Ordinary Resolution Nos. I, II, III, IV and V.	Director and Shareholder.
	Ordinary Resolution No. VI.	Shareholder.
Mr. J. Symon	Special Resolution No. III.	Director and Shareholder.
	Special Resolution Nos. I, II, V and VI.	Shareholder.
	Ordinary Resolution No. V.	Director and Shareholder.
	Ordinary Resolution Nos. I, II, III and IV.	Shareholder.

By Order of the Board,
W. H. BRADY & CO., LTD.,
Managing Agents.

BOMBAY, *20th June* 1956.

HINDUSTHAN WOOLLEN MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eleventh Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company at No. 8, Royal Exchange Place, Calcutta, on Wednesday the 1st August 1956, at 3 p.m., for the following purposes:—

(1) To receive and consider the Report of the Directors and to pass the audited Accounts for the year ended 31st March 1956.

(2) To declare dividend on Ordinary Shares.

(3) To elect Directors in place of those retiring by rotation.

(4) To appoint Auditors and fix their remuneration.

(5) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 23rd July 1956 to 1st August 1956, both days inclusive.

By Order of the Board,
M. P. BIRLA,
Director.

CALCUTTA, *27th June* 1956.

In particular to all the shareholders to whom a notice is required to be addressed under Article 188 of the Articles of Association of the Company.

Note: (1) The Directors have recommended dividend on Ordinary Shares at As.-/2/- per share, free of Income-tax. If dividend on Ordinary Shares as recommended by the Directors is declared at the meeting, THE DIVIDEND WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS whose names stand in the Company's Register on the 1st August 1956. No application need be sent for dividend, as relative Dividend Warrants will be posted to such shareholders within 3 months from the date of declaration.

The Shareholders are advised to notify any change of address.

(2) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

THE FORT GLOSTER JUTE MANUFACTURING COMPANY, LIMITED

NOTICE

THE HALF-YEARLY ORDINARY GENERAL Meeting of the Company will be held at the Registered Office, No. 21, Strand Road, Calcutta, on Tuesday the 31st July 1956, at 3-40 p.m.

BUSINESS:

1. To receive the Report of the Directors and to pass the Audited Accounts for the Half-year ended 31st March 1956.
2. To declare Dividends.
3. To elect a Director.
4. To elect Auditors for the current year and to fix their remuneration.
5. To transact any other Ordinary business of the Company.

The Share Transfer Books of the Company will be closed from the 20th July to the 31st July 1956, both days inclusive.

By Order of the Board,
KETTLEWELL BULLEN & COMPANY, LTD.,
Managing Agents.

CALCUTTA, *20th June* 1956.

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

Notices

THE NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of The New Great Eastern Spinning and Weaving Company, Limited, will be held at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Fort, Bombay, on Thursday the 26th July 1956, at 4 p.m. (S.T.), for the purpose of considering and if thought fit passing:—

A. The following Resolutions as *Special Resolutions*:—

(*a*) Resolved that the Articles of Association of the Company be altered by substituting the phrase "Managing Agents" for the phrase "Secretaries and Agents" wherever the latter phrase appears.

(*b*) Resolved that in future W. H. Brady & Co., Ltd., shall be designated the Managing Agents of the Company.

I. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for the purchase or supply of Printing and Stationery on terms of ready or forward delivery and either for cash or on credit provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

II. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for the sale by this Company of Yarn, General Stores, and for the purchase by this Company of Petrol and rendering service to this Company of Cloth Bleaching, Cloth Dyeing, Cloth Mercerising, Cloth Raising, Yarn Dyeing, Yarn Bleaching and Yarn Mercerising, on terms of ready or forward delivery, and either for cash or on credit, and for the supply or rendering of any service by Messrs. Empire Dyeing and Manufacturing Company, Ltd., including servicing and maintenance of motor vehicles, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and provided further that Messrs. Empire Dyeing and Manufacturing Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods or the supply or rendering of the service by this Company as the case may be.

III. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with Messrs. Brady Engineering Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for sale to this Company of Castings, Machine Parts and Sundry Engineering goods on terms of ready or forward delivery, either for cash or on credit, or for the rendering of service by Messrs. Brady Engineering Company, Ltd., to this Company, including service as Welders, Braziers, etc., provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

IV. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., for the sale to this Company of advertising space and publications on terms of ready or forward delivery, either for cash or on credit, provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

V. Resolved that as from the 1st April, 1956, Messrs. W. H. Brady & Co., Ltd., be appointed as Buying Agents for this Company, in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co., Ltd., is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company.

Resolved further that Messrs. W. H. Brady & Co., Ltd., be reimbursed in respect of buying expenses incurred by them on all such purchases made. The buying expenses to be calculated at the rate of 1¼ per cent. of the total cost of purchases made, such rate having been predetermined by reference to the average ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co., Ltd. (Manchester Branch), over the last three years.

VI. Resolved that pursuant to provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of all sales, purchases or supplies or transactions already entered into or to be entered into between the Company and the Managing Agents, Messrs. W. H. Brady & Co., Ltd., in respect of goods in which the Managing Agents regularly trade or do business in, such as Universal Winding Equipment, Mechanical Handling Equipment, Sizing Materials, General Mill Stores and other Textile and Engineering Goods and the rendering of service in a technical capacity or in respect of which they may trade or do business in; also in respect of sales to the Managing Agents by the Company of Sundry Stores and such other ancillary items as may be required from time to time, provided the Managing Agents shall make payment to the Company within one month from the date of the supply or sale of the goods, or the supply or rendering of the service, as the case may be.

VII. Resolved that whenever any Director who has been appointed by a special resolution passed under Section 261 of the Companies Act, 1956, is likely to be absent from the State in which meetings of the Board are held for a period of not less than three months, the Board of Directors shall be entitled to appoint an Alternate Director in his place and such Alternate Director may be a person to whom the said Section 261 applies.

VIII. Resolved that the Articles of Association of the Company be altered by deleting Article 120 and substituting the following:—

(No. 120) "The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called 'the Original Director') during his absence for a period of not less than three months from the State in which meetings of this Board are held. Such Alternate Director shall vacate office if and when the Original Director returns to the said State. Such Alternate Director shall not require any qualification while the Original Director holds the necessary qualification."

and B. The following Resolutions as *Ordinary Resolutions*:—

I. Resolved that Messrs. W. H. Brady & Co., Ltd., be authorised to retain commissions earned or to be earned by them as Selling Agents of Messrs. New India Industries Ltd., and Messrs. English Card Clothing Company, Ltd. (Wilson and Ingham Section), in respect of goods supplied by the said concerns to this Company provided always that the prices or amounts charged to this Company in respect of such goods are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable. The commissions are at the rate of 15 per cent. for Healds, 12½ per cent. for Dobby Harness, 10 per cent. for Reeds supplied to this Company by Messrs. New India Industries Ltd., and 5 per cent on all goods supplied to this Company by Messrs. English Card Clothing Company (Wilson and Ingham Section).

II. Resolved that the Managing Agents, Messrs. W. H. Brady & Co., Ltd., be authorised to retain commission or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which a contract has been or is hereafter entered into between this Company and other Companies which either fall within the management of Messrs. W. H. Brady & Co., Ltd., or in whose Net profit Messrs. W. H. Brady & Co., Ltd., participate as Managing Agents, including Messrs. Empire Dyeing and Manufacturing Company, Ltd., Messrs. New Great Eastern Spinning and Weaving Company, Ltd., Messrs. Belapur Company, Ltd., Messrs. G. Claridge & Co., Ltd., Messrs. Brady Engineering Company, Ltd., and "Commerce" (1935) Ltd., or of which Messrs. W. H. Brady Co., Ltd., are Selling Agents or Representatives, and in particular Messrs. New India Industries Ltd., and Messrs. English Card Clothing Company, Ltd. (Wilson and Ingham Section), provided the prices or amounts charged to or received by the Company are not less favourable to this Company than the market rates or which are otherwise reasonable.

III. Resolved that Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, be and they are hereby authorised to retain all commissions or any other remuneration already earned or to be earned by them at any time hereafter during the period they continue to act as Managing Agents of the Company, as Principal Agents of the Employers' Liability Assurance Corporation, Ltd., Law Union and Rock Insurance Company, Ltd., Concord of India Insurance Company, Ltd., and the Insurance Office of Australia Ltd., in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been, or which may at any time hereafter during the period aforesaid be entered into by the said Insurance Companies with the Company, provided always that the amounts charged to this Company in respect of all such insurances are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

The commissions, herein mentioned, are at the rate of 20 per cent. on Fire and Accident Insurance business and 15 per cent. on Marine Insurance business.

IV. Resolved that this Company hereby authorises Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. 1, Part A above, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

V. Resolved that this Company hereby authorises Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. II, Part A above, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

VI. Resolved that this Company hereby authorises Messrs. Brady Engineering Company Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. III, Part A, provided that the prices or rates charged to this Company are not less favourable to the Company than the market rates or which are otherwise reasonable.

VII. Resolved that this Company hereby authorises "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. IV, Part A, provided that the prices or rates charged to this Company are not less favourable to the Company than the market rates or which are otherwise reasonable.

By Order of the Board,

W. H. BRADY & CO., LTD.,
Secretaries and Agents.

BOMBAY, 21*st June*, 1956.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

To

The Shareholders of The New Great Eastern Spinning & Weaving Company, Ltd., and in particular to:—

Mrs. Allu Faredoon Dastur, Mr. Cyril M. Carvey and Mrs. Meherbanno P. Dubash.

EXPLANATORY STATEMENT

Special Resolutions: (*a*) and (*b*), *I, II, III, IV*

The present designation of W. H. Brady & Co., Ltd., in the Articles of Association of the Company is by the phrase "Secretaries and Agents," and it is desirable that in view of the definitions now applied by the Companies Act, 1956, to the expressions "Secretaries and Treasurers" and "Managing Agents" that the designation of W. H. Brady & Co., Ltd., be determined by the phrase "Managing Agents."

G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Company, Ltd., and "Commerce" (1935) Ltd., are Associates of your Managing Agents, W. H. Brady & Co., Ltd. The said Associates have transactions with your Company of the nature set out respectively in these resolutions. This has been the course of business for many years past and your Directors feel that it will be prejudicial to the interests of your Company to alter the procedure suddenly or unless the interests of your Company otherwise require. These resolutions have been put up for consideration in order to comply with Section 360 of the Companies Act, 1956.

Special Resolution: V

Your Managing Agents have been Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interests of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration. This Special Resolution provides for appointing the Managing Agents the Buying Agents of your Company in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company only. The expenses have been calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) for the last three years.

Special Resolution: *VI*

This resolution has been put up in order to comply with Section 360 of the Act and approves all transactions already entered into or to be entered into between this Company and its Managing Agents in respect of purchases by this Company of various kinds of equipment and stores, which it has been the practice to purchase from the Managing Agents in the past and also for the sale by this Company to the Managing Agents of Stores and ancillary items.

It is intended that from time to time the transactions referred to in Special Resolutions I, II, III, IV and VI shall be placed before the Company in General Meeting for confirmation. The buying expenses specified in Special Resolution V will be recalculated from time to time according to the actual figures and if necessary the Company will be asked to adjust the expenses in accordance with the actual figures for the subsequent periods.

Special Resolution: *VII*

This Special Resolution is desirable so that should any Director appointed by a Special Resolution passed under Section 261 of the Companies Act, 1956, be absent from the State in which meetings of the Board are held for a period of not less than three months, an appointment may be made by the Board of Directors in his place of an Alternate Director, who may also be a person to whom Section 261 is applicable, to obviate the passing of a Special Resolution by the Company whenever such an appointment is necessary.

Special Resolution: *VIII*

The purpose for which this Special Resolution is proposed is to alter the existing Articles of Association relating to the appointment of Alternate Directors in order to bring it within the provisions of Section 313 of the Companies Act, 1956.

Ordinary Resolutions: *I, II and III*

These Resolutions authorise your Managing Agents to retain the commissions and other remuneration which they have already earned or which they may earn by reason of their acting as the Managing Agents of the concerns mentioned in Resolution I in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts have been made or entered into between your Company and other Companies within their management or in whose profits the Managing Agents participate or of which they are Selling Agents or Representatives including the concerns specifically mentioned in Resolution II and as Principal Agents of the Insurance Companies mentioned in Resolution III in respect of contracts of insurance.

The nature of the interest of your Directors in the above resolutions is as follows:—

Name of Director.	*Resolution Nos.*	*Nature of Interest.*
Sir Joseph Kay, K.B.E.	Special I, II, III, IV, V, VI. Ordinary I, II, III, IV, V, VI, VII.	Managing Director and Shareholder of W. H. Brady & Co., Ltd., and Director and Shareholder of other Companies.
Sir Jamsetjee Jejeebhoy, Bart. ..	*Nil.*	*Nil.*
Tulsidas Kilachand, Esq.	*Nil.*	*Nil.*
J. L. B. Heale, Esq.	Special I, II, III. Ordinary I, IV, V, VI.	Director and Shareholder.
K. M. Premchand, Esq.	Special I, II, III, V, VI. Ordinary I, II, III, IV, V, VI. Special IV and Ordinary VII.	Do. do. Shareholder.
N. B. Jeejeebhoy, Esq.	Special II, III, V, VI. Ordinary I, II, III, V, VI. Special IV and Ordinary VII.	Director and Shareholder. Shareholder.
E. F. Morrey, Esq.	Special II. Ordinary V. Special III, V, VI. Ordinary I, II, III, VI.	Director. Shareholder.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

Ordinary Resolutions: *IV, V, VI and VII*

G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Company, Ltd., and "Commerce" (1935) Ltd., are Associates of the Managing Agents and by Special Resolutions I, II, III and IV abovementioned are authorised to continue to do business with your Company. These Ordinary Resolutions authorise such Associates of the Managing Agents to retain commission or other remuneration earned or to be earned by them respectively from the business authorised by the respective Special Resolutions.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

The Managing Agents are interested in all the above resolutions as follows:

As Managing Agents—G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Co., Ltd.

As large shareholders in "Commerce" (1935) Ltd.

As owners of the Manchester Branch of their Company.

As contracting parties in respect of equipment and stores sold to or purchased by this Company (Special Resolution VI).

As selling agents of New India Industries Ltd., and English Card Clothing Company, Ltd. (Wilson and Ingham Section),

and

As Principal Agents of the Insurance Companies mentioned in Ordinary Resolution III.

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated in England with Limited Liability).

NOTICE IS HEREBY GIVEN THAT AN interim dividend in respect of the year ended 30th April, 1956 at the rate of annas twelve per share without any deduction for Indian Income-tax payable by the Company, has been declared payable by the Directors and will be paid to the Registered Shareholders as on 27th July 1956.

The Share Transfer Books of the Company will be closed from the 14th to 27th July 1956, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA, *2nd July* 1956.

N.B.—Payment of the above dividend will be made only to those members whose names are registered in the Books of the Company on the 27th July 1956 or to their mandatees. No application for Warrants will be necessary. Claims on behalf of the holders of shares on blank transfer will not be entertained.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

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

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

By Order of the Board,
C. A. CUNLIFFE,
Director

4, BANKSHALL STREET,
CALCUTTA, *20th June* 1956.

Notices

THE NEW CITY OF BOMBAY MANUFACTURING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of The New City of Bombay Manufacturing Company, Limited, will be held at the Registered Office of the Company at Brady House, 12/14, Veer Nariman Road, Fort, Bombay, on Thursday the 26th July 1956, at 2-30 p.m. (S.T.), for the purpose of considering and if thought fit passing the following Resolutions:—

A. The following Resolutions as *Special Resolutions*:—

1. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, for the purchase or supply of Printing and Stationery on terms of ready or forward delivery and either for cash or on credit provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Compay than the market rates or which are otherwise reasonable.

II. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company for the sale by this Company of Yarn, General Stores, and for the purchase by this Company of Petrol and rendering service to this Company of Cloth Bleaching, Cloth Dyeing, Cloth Mercerising, Cloth Raising, Yarn Dyeing, Yarn Bleaching and Yarn Mercerising, on terms of ready or forward delivery, and either for cash or on credit, and for the supply or rendering of any service by Messrs. Empire Dyeing and Manufacturing Company, Ltd., including servicing and maintenance of Motor Vehicles, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and provided further that Messrs. Empire Dyeing and Manufacturing Company, Ltd., shall make payment to this Company within one month from the date of supply or sale of the goods or the supply or rendering of the service by this Company as the case may be.

III. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with Messrs. Brady Engineering Company, Ltd. an Associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company, for sale to this Company of Castings, Machine Parts and Sundry Engineering goods on terms of ready or forward delivery, either for cash or on credit, of for the rendering of service by Messrs. Brady Engineering Company, Ltd. to this Company, including service as Welders, Braziers, etc., provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

IV. Resolved that this Company in compliance with Section 360 of the Companies Act, 1956, hereby approves of all contracts entered into or to be entered into with "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., for the sale to this Company of advertising space and publications on terms of ready or forward delivery, either for cash or on credit, provided that the prices or amounts charged to this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

V. Resolved that as from the 1st April 1956, Messrs. W. H. Brady & Co., Ltd., be appointed as Buying Agents for this Company in respect of Machinery and Stores to be purchased by the Company outside India, it being known that the Manchester Branch of Messrs. W. H. Brady & Co., Ltd., is not maintained for the purpose of transacting business on behalf of this Company only, but also its own business not connected with the business of the Company.

Resolved further that Messrs. W. H. Brady & Co., Ltd., be reimbursed in respect of buying expenses incurred by them on all such purchases made. The buying expenses to be calculated at the rate of 1¼ per cent. of the total cost of purchases made, such rate having been predetermined by reference to the average ratio which the actual overall expenses bear to actual overall purchases made by Messrs. W. H. Brady & Co., Ltd. (Manchester Branch), over the last three years.

VI. Resolved that pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of all sales, purchases or supplies or transactions already entered into or to be entered into between the Company and the Managing Agents, Messrs. W. H. Brady & Co., Ltd., in respect of goods in which the Managing Agents, regularly trade or do business in, such as Universal Winding Equipment, Mechanical Handling Equipment, Sizing Materials, General Mill Stores and other Textile and Engineering Goods and the rendering of service in a technical capacity or in respect of which they may trade or do business in; also in respect of sales to the Managing Agents by the Company of Spindle Tape, Sundry Stores and such other ancillary items as may be required from time to time, provided the Managing Agents shall make payment to the Company within one month from the date of the supply or sale of the goods, or the supply or rendering of the service, as the case may be.

VII. Resolved that whenever any Director who has been appointed by a special resolution passed under Section 261 of the Companies Act, 1956, is likely to be absent from the State in which meetings of the Board are held for a period of not less than three months, the Board of Directors shall be entitled to appoint an Alternate Director in his place and such Alternate Director may be a person to whom the said Section 261 applies.

VIII. Resolved that the Articles of Association of the Company be altered by deleting Article 121 and substituting the following:—

(No. 121) "The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called 'the Original Director') during his absence for a period of not less than three months from the State in which meetings of this Board are held. Such Alternate Director shall vacate office if and when the Original Director returns to the said State. Such Alternate Director shall not require any qualification while the Original Director holds the necessary qualification."

and B. The following Resolutions as *Ordinary Resolutions*:—

I. Resolved that Messrs. W. H. Brady & Co., Ltd., be authorised to retain commissions earned or to be earned by them as Selling Agents of Messrs. New India Industries Ltd., and Messrs. English Card Clothing Company, Ltd., (Wilson and Ingham Section) in respect of goods supplied by the said concerns to this Company provided always that the prices or amounts charged to this Company in respect of such goods are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable. The commissions are at the rate of 15 per cent. for Healds, 12½ per cent. for Dobby Harness, 10 per cent. for Reeds supplied to this Company by Messrs. New India Industries Ltd., and 5 per cent. on all goods supplied to this Company by Messrs. English Card Clothing Company Ltd. (Wilson and Ingham Section).

II. Resolved that the Managing Agents, Messrs. W. H. Brady & Co., Ltd., be authorised to retain commission or other remuneration earned or to be earned by them in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which a contract has been or is hereafter entered into between this Company and other Companies which either fall within the management of Messrs. W. H. Brady & Co., Ltd., or in whose Net profit Messrs. W. H. Brady & Co., Ltd., participate as Managing Agents, including Messrs. Empire Dyeing and Manufacturing Company, Ltd., Messrs. New Great Eastern Spinning and Weaving Company Ltd., Messrs. Belapur Company, Ltd., Messrs. G. Claridge & Co., Ltd., Messrs. Brady Engineering Company, Ltd., and "Commerce" (1935) Ltd., or of which Messrs. W. H. Brady & Co., Ltd., are Selling Agents or Representatives, and in particular Messrs. New India Industries Ltd., and Messrs. English Card Clothing Company Ltd. (Wilson and Ingham Section), provided the prices or amounts charged to or received by the Company are not less favourable to this Company than the market rates or which are otherwise reasonable.

III. Resolved that Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, be and they are hereby authorised to retain all commissions or any other remuneration already earned or to be earned by them at any time hereafter during the period they continue to act as Managing Agents of the Company, as Principal Agents of the Employers' Liability Assurance Corporation Ltd., Law Union and Rock Insurance Company, Ltd., Concord of India Insurance Company, Ltd., and the Insurance Office of Australia Ltd., in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been, or which may at any time hereafter during the period aforesaid be entered into by the said Insurance Companies with the Company, provided always that the amounts charged to this Company in respect of all such insurances are at rates which are not less favourable to this Company than the market rates or which are otherwise reasonable.

The commissions, herein mentioned, are at the rate of 20 per cent. on Fire and Accident Insurance business and 15 per cent. on Marine Insurance business.

IV. Resolved that this Company hereby authorises Messrs. G. Claridge & Co., Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. I, Part A above, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

V. Resolved that this Company hereby authorises Messrs. Empire Dyeing and Manufacturing Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. II, Part A above, provided that the prices or amounts charged to or received by this Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable.

VI. Resolved that this Company hereby authorises Messrs. Brady Engineering Company, Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. III, Part A, provided that the prices or rates charged to this Company are not less favourable to the Company than the market rates or which are otherwise reasonable.

VII. Resolved that this Company hereby authorises "Commerce" (1935) Ltd., an Associate of Messrs. W. H. Brady & Co., Ltd., to retain any commission or other remuneration earned or to be earned by them from the business as specified in Special Resolution No. IV, Part A, provided that the prices or rates charged to this Company are not less favourable to the Company than the market rates or which are otherwise reasonable.

By Order of the Board,
W. H. BRADY & CO., LTD.,
Managing Agents.

BOMBAY, 21st *June* 1956.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

To

The Shareholders of The New City of Bombay Manufacturing Company, Ltd., and in particular to:

Mr. Francisco Xavier Domingos Qudros, and Mr. Jose Vetarino Alvares E. Brito.

EXPLANATORY STATEMENT

Special Resolutions: *I, II, III, IV*

G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Company Ltd, and "Commerce" (1935) Ltd., are Associates of your Managing Agents, W. H. Brady & Co., Ltd. The said Associates have transactions with your Company of the nature set out respectively in these resolutions. This has been the course of business for many years past and your Directors feel that it will be prejudicial to the interests of your Company to alter the procedure suddenly or unless the interests of your Company otherwise require. These resolutions have been put up for consideration in order to comply with Section 360 of the Companies Act, 1956.

Special Resolution: *V*

Your Managing Agents have been Buying Agents of your Company in respect of Machinery and Stores purchased outside India through their Manchester Branch. In the interests of your Company, it is advisable to continue this practice. The section requires that at the option of the Company the Managing Agents may be paid in respect of such purchases either such part of the expenses of such foreign office as may be reasonably attributable to the purchases made on behalf of your Company or remuneration. This Special Resolution provides for appointing the Managing Agents the Buying Agents of your Company in respect of Machinery and Stores to be purchased outside India through their Manchester Branch and for the expenses to be reimbursed to them. The Manchester Branch of the Managing Agents is not maintained for the purpose of transacting business on behalf of your Company only. The expenses have been calculated by reference to the ratio which the actual overall expenses of the Manchester Branch of your Managing Agents bear to actual overall purchases made by that Branch (including purchases for your Company) for the last three years.

Special Resolution: *VI*

This resolution has been put up in order to comply with Section 360 of the Act and approves all transactions already entered into or to be entered into between this Company and its Managing Agents in respect of purchases by this Company of various kinds of equipment and stores, which it has been the practice to purchase from the Managing Agents in the past and also for the sale by this Company to the Managing Agents of Spindle Tape, Stores, and ancillary items.

It is intended that from time to time the transactions referred to in Special Resolutions I, II, III, IV and VI shall be placed before the Company in General Meeting for confirmation. The buying expenses specified in Special Resolution V will be recalculated from time to time according to the actual figures and if necessary the Company will be asked to adjust the expenses in accordance with the actual figures for the subsequent periods.

Special Resolution: *VII*

This Special Resolution is desirable so that should any Director appointed by a Special Resolution passed under Section 261 of the Companies Act, 1956, be absent from the State in which meetings of the Board are held for a period of not less than three months, an appointment may be made by the Board of Directors in his place of an Alternate Director, who may also be a person to whom Section 261 is applicable, to obviate the passing of a Special Resolution by the Company whenever such an appointment is necessary.

Special Resolution: *VIII*

The purpose for which this Special Resolution is proposed is to alter the existing Articles of Association relating to the appointment of Alternate Directors in order to bring it within the provisions of Section 313 of the Companies Act, 1956.

Ordinary Resolutions: *I, II and III*

These Resolutions authorise your Managing Agents to retain the commissions and other remuneration which they have already earned or which they may earn by reason of their acting as the Managing Agents of the concerns mentioned in Resolution I, in respect of goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which contracts have been made or entered into between your Company and other companies within their management or in whose profits the Managing Agents participate or of which they are Selling Agents or Representatives including the concerns specifically mentioned in Resolution II and as Principal Agents of the Insurance Companies mentioned in Resolution III in respect of contracts of insurance.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

Ordinary Resolutions: *IV, V, VI and VII*

G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Company, Ltd., and "Commerce" (1935) Ltd., are Associates of the Managing Agents and by Special Resolutions I, II, III and IV abovementioned are authorised to continue to do business with your Company. These Ordinary Resolutions authorise such Associates of the Managing Agents to retain commission or other remuneration earned or to be earned by them respectively from the business authorised by the respective Special Resolutions.

These resolutions are in compliance with Section 359 of the Companies Act, 1956.

The Managing Agents are interested in all the above resolutions as follows:

As Managing Agents—G. Claridge & Co., Ltd., Empire Dyeing and Manufacturing Company, Ltd., Brady Engineering Company, Ltd.

As large shareholders in "Commerce" (1935) Ltd.

As owners of the Manchester Branch of their Company.

As contracting parties in respect of equipment and stores sold to or purchased by this Company. (Special Resolution VI).

As Selling Agents of New India Industries Ltd., and English Card Clothing Co., Ltd., (Wilson and Ingham Section)

and

As Principal Agents of the Insurance Companies mentioned in Ordinary Resolution III.

The nature of the interest of your Directors in the above resolutions is as follows:—

Name of Director.	*Resolution Nos.*	*Nature of Interest.*
Sir Joseph Kay, K.B.E.	Special I, II, III, IV, V, VI. Ordinary I, II, III, IV, V, VI, VII.	Managing Director and Shareholder of W. H. Brady & Co., Ltd., and Director and Shareholder of other Companies.
Sir Jamsetjee Jejeebhoy, Bart. ..	*Nil.*	*Nil.*
N. B. Jeejeebhoy, Esq.	Special II, III, V and VI. Special IV. Ordinary I, II, III, V, VI. Ordinary VII.	Director and Shareholder. Shareholder. Director and Shareholder. Shareholder.
J. L. B. Heale, Esq.	Special I, II, III. Ordinary I, IV, V, VI.	Director and Shareholder. Do.
K. M. Premchand, Esq.	Special I, II, III, V, VI. Special IV. Ordinary I, II, III, IV, V, VI. Ordinary VII.	Do. Shareholder. Director and Shareholder. Shareholder.
E. F. Morrey, Esq.	Special II. Ordinary V. Special III, V and VI. Ordinary I, II, III and VI.	Director. Do. Shareholder. Do.

THE UNITED FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY *GIVEN* THAT THE Annual General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4.00 p.m. on Wednesday the 25th July 1956, for the following purposes:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the half-year ended 30th November 1955.

(2) To declare a Dividend.

(3) To elect a Director.

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

(5) To consider and if thought fit to pass the following Resolution as a Special Resolution:—

"Resolved that the appointment of Messrs. Chaudri & Co. as Sole Banians of the Company on the terms and conditions set out in an Agreement dated 27th March 1945 for the period 1st January 1945 to 31st December 1959 be and is hereby approved."

(6) To consider and if thought fit to pass the following Resolution as a Special Resolution:—

"Resolved that an Agreement be entered into between the Company and Messrs. Shaw Wallace & Co. for a period of 5 years from 1st April, 1956, whereby the Company will purchase from Shaw Wallace & Co. and Shaw Wallace & Co. will sell to the Company goods of the description and quantities set out hereunder at the prices hereunder described, delivery of such goods to be as mutually agreed, such Agreement not to impose any obligation upon either Shaw Wallace & Co. or the Company for the former to sell or the latter to purchase more than the maximum quantities as specified below, but all purchases of goods in excess of such maximum quantities hereunder specified shall be purchased and sold under and in pursuance of the terms of the Agreement above referred to."

Description of Goods.	*Maximum Quantity*	*Price*
New Gunny Bags	2,50,000 per annum	Market price prevailing at dates of orders

The Transfer Register will be closed from the 18th July 1956 to 25th July 1956, both days inclusive.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a Shareholder of the Company. If it is desired to use a Proxy, the same should be completed in the manner described by Section 176(5) of the Companies Act, 1956, and delivered at the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

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

CALCUTTA, 25th *June* 1956.

Explanatory Statement for item No. 5 above. Under the provisions of Section 294 of the Companies Act, 1956, the appointment of Sole Selling Agents prior to the 15th February 1955 requires to be confirmed by the Members in General Meeting.

Chaudri & Co. have been actively associated with the Company since its inception and the prosperity of the Company is in no small measure due to their industry, energy and foresight. They have acted as Sole Banians for the Company for very many years and an Agreement, officially appointing them as such for 15 years as and from the 1st January 1945, was entered into on the 27th March 1945. The remuneration currently payable to the Sole Banians under this Agreement is as follows:—

(1) Commission of ¼ per cent. on all sales of Wheat Products with an additional ¼ per cent. on all sales guaranteed by the Banians.

(Continued on next page)

THE ANDHRA CEMENT COMPANY LIMITED

MR. V. RAMAKRISHNA'S SPEECH AT ANNUAL GENERAL MEETING

DDRESSING the shareholders of the Andhra Cement Company Ltd. at their Eighteenth nual General Meeting held in Madras on 16th ne 1956, Mr. V. Ramakrishna, M.A., C.I.E., .S. (Retd.), Chairman of the Company re- red to the Government's decision to reintro- ce State Trading in cement. The Company, said, had made representations to the vernment of India to the effect that the ation of price on an *ex*-works basis, envisaged der the State trading scheme, would adversely ect the economy of the Company and that equate compensatory relief should be granted it. He also added that the matter was under tive consideration of the Government.

The following is the full text of Mr. Rama- ishna's speech:

GENTLEMEN,

"I have great pleasure in extending to you hearty welcome to this, the Eighteenth Annual eneral Meeting of our Company.

"The Directors' report and the audited alance-sheet and the profit and loss account for ie year ended 31st December 1955, had been i your hands for some time and I shall take iem as read.

"You will all agree that there are indica- ons of increasing prosperity in the country ending support to a growing sense of optimism or the steady and sustained development of ndustries. The public and private sectors have ulfilled the expectations of the people in re- ard to the first Five-year Plan. I have no doubt he efforts of the Government and the people n regard to the execution of the second Five- ear Plan will meet with equal success.

State Trading

"The Government have recently decided to ntroduce a scheme of State Trading in cement as a temporary measure for the purpose of equalising the price of imported and indigenous cement. The scheme has been generally agreed to as the objectives of the Government, namely, to make up the cement deficit by imports until internal production is stepped up, to equate the price of imported and indigenous cement and to continue the rationalised movement and distribution of cement are conceived in the public interest. The scheme envisages the fixation of cement price on an *ex*-works basis, while the present price for cement was fixed on the recommendations of the Tariff Board on an f.o.r. destination basis. Your Board made representations to the Government that the fixation of price on an *ex*-works basis would adversely affect the economy of your Company and that adequate compensatory relief should be granted to the Company in fixing the f.o.r. *ex*-works price. The matter is under the Government's active consideration.

"The targets of installed and production capacity for the cement industry under the second Five-year Plan have been fixed at 16 and 13 million tons, respectively. Your Board has already taken steps to double the present capacity of your plant. The work on the expansion scheme is progressing according to schedule and your Board expects the expanded unit to go into production before 31st December 1956. Your Board is endeavouring to complete the expansion with the resources available at the disposal of the Company.

Production and Despatches

"Production and despatches of cement during the year under review were 1,19,342 tons and 1,21,939 tons, respectively, as against 1,21,537 tons and 1,21,402 tons, respectively, in the previous year.

"I will be failing in my duty if I do not bring to your notice that there has been material increase in the power tariff on account of the levy of compounded fuel surcharge. Your Board expects some relief in the power costs when the factory switches over to the hydro-electric grid, but, till then, the present high tariffs may continue. The freight charges also have been revised upwards since April 1956 and the increase in the price of coal due to the implementation of the Labour Award, and for reasons beyond the control of the management, the cost of production of cement is going up, but your Board will endeavour their best to keep the costs down as far as possible.

"The Company contributed Rs. 2,43,124 during 1955 towards rehabilitation and expansion fund, of which a sum of over Rs. 2,20,000 had been withdrawn and utilised for the purchase of capital equipment.

"The relations between the Company and its employees had been cordial. The management had given a number of concessions to the employees and your Board hopes that the employees will, in their turn, respond by increased efficiency and co-operation.

"I am also glad to report that the subsidiary company, 'Andhra Cement Construction Company (Private) Ltd.,' have taken up the contract for the construction of a bridge across the River Krishna at Nagarjunasagar Dam. The initial work taken up by the Company, *viz.*, K.C. canal, is nearing completion with satisfactory results. It is hoped that the Company, besides making good progress in the works taken on hand, will also be able to take up other major works in future and will show more satisfactory progress.

"With these remarks, I now commend the audited balance-sheet and profit and loss account together with the Directors' report for the year ended 31st December 1955 for your consideration and adoption."

(*Concluded from previous page*)

(2) Commission of 1 per cent. on all sales of old gunnies, refractions and waste products.

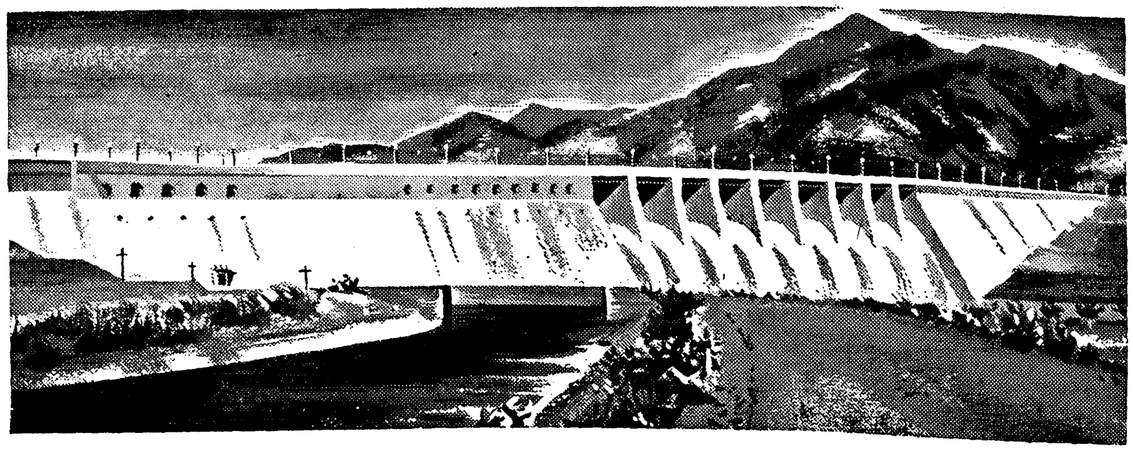
The Agreement is open to inspection by any Member of the Company at the Registered Office on any working day during normal office hours.

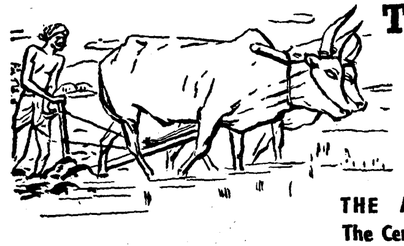
Explanatory Statement for item No. 6 above. Under the provisions of Section 360 of the Companies Act, 1956, a special resolution is required to approve a contract between a Company and its Managing Agent, or an Associate of its Managing Agent, for, *inter alia*, the sale, purchase or supply of any property, movable or immovable.

For very many years, the Company has obtained its requirements of Gunny Bags from Messrs. Shaw Wallace & Co. who, as one of the leading Calcutta shippers of Gunnies, as in a position to obtain the Company's supplies for it on favourable terms. It is therefore considered that the Company will benefit by a continuance of this arrangement.

Since the Managing Agents are a Partner in the firm of Shaw Wallace & Co., the latter might be held to be an associate of the Managing Agents within the meaning of the Companies Act, 1956, and this resolution is required to regularise this arrangement and authorise its continuance.

Mr. C. I. M. Arnold, a Director, is an employee of Shaw Wallace & Co., Ltd., and is to that extent interested in the above Agreement.





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THE ASSOCIATED CEMENT COMPANIES LIMITED
The Cement Marketing Company of India Private Limited

ACC

THE BANK OF INDIA, LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL SUBSCRIBED ... Rs. 5,00,00,000
CAPITAL PAID-UP ... Rs. 2,50,00,000
RESERVE FUND ... Rs. 3,52,00,000

Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA:

AHMEDABAD, Bhadra (Main Office), Ellis Bridge, Gandhi Road, Manek Chowk, Station Branch
AMRITSAR
BANGALORE
BOMBAY, Andheri, Bandra, Bullion Exchange, Colaba, Kalbadevi, Malabar Hill
BHUJ (Kutch)
CALCUTTA, 23-B, Netaji Subhas Road (Main Office), Bara Bazar, Chowringhee Square
COIMBATORE
DELHI
GANDHIDHAM (Kutch)
HYDERABAD (Deccan)
JAMSHEDPUR
JUNAGADH
KOZHIKODE (Late Calicut)
MADRAS
NAGPUR, Kingsway, Itwari Bazar
NEW DELHI
PALANPUR
POONA, POONA CITY
RAJKOT
SURAT
SHOLAPUR
VERAVAL

FOREIGN BRANCHES:
LONDON—17, Moorgate, London, E.C.2.
ADEN, DAR-ES-SALAAM, JINJA, KAMPALA, KARACHI, MOMBASA, NAIROBI, OSAKA, SINGAPORE, TOKYO.

DIRECTORS
SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E. (Chairman).
Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr. DINSHA K. DAJI.
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS CHUNILAL MENTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at ½ per cent. per annum. No credit will be given for interest amounting to less than Re. 1 per half-year.
Fixed, Short and Savings Bank Deposit received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
Every Description of Banking Business Undertaken.

D. R. THOM, *General Manager.*

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AND FURNITURE
OF
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NEW SUN MILL COMPOUND
LOWER PAREL
BOMBAY - 13

NETHERLANDS TRADING SOCIETY

(Nederlandsche Handel-Maatschappij, N. V.)

BANKERS
Established by Royal Charter 1824

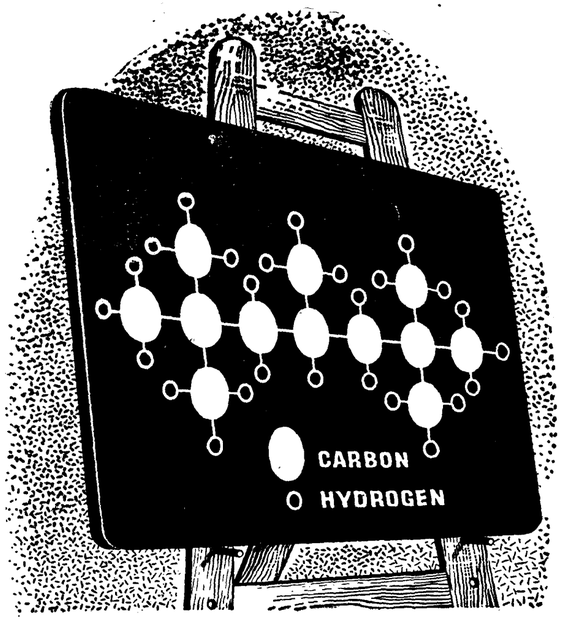
Paid-up Capital:
Nf. 60.030.000 (= £56.00.000)
Reserve:
Nf. 30.015.000 (= £28.00.000)
Extraordinary Reserve:
Nf. 15.000.000 (= £14.00.000)

Head Office: AMSTERDAM

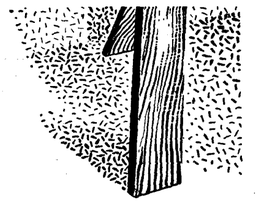
Over 130 branches in the Netherlands and Indonesia, in Malaya, Singapore, India, Pakistan, Burma, New Guinea, Hongkong, Japan, Lebanon, Saudi Arabia, Kenya, Tanganyika, Uganda and in New York.

Banking Transactions of every Description.

Bombay: 14, VEER NARIMAN ROAD.
Calcutta: 18A, BRABOURNE ROAD.



AN EDUCATION IN Oil



This is not an abstract design in an Art Class. It is one of the chemist's symbols for the structure of hydrocarbons. And hydrocarbons are the most important ingredients in oil—that vital fluid on which India depends so much for the progress of industry, transport and agriculture.

In the Assam Oil Company, chemists, physicists and geologists are engaged all the time on research, helping to find new sources of oil, devising more efficient and more economical methods of refining oil and discovering new uses for oil.

The results of such research mean that more and more of the oil and oil products which are needed for our expanding economy come direct from India's own oilfields.

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EXPORT PROMOTION OF ORES

STATE CORPORATION TO PLAY INCREASING ROLE

THE Government of India has decided "to canalise the export of ores in a progressively increasing measure through the State Trading Corporation." The reason given for this decision makes sad reading. A Press Note issued a few days ago says that the Government has been watching for some time, somewhat anxiously, the developments which have taken place in certain countries in the matter of purchase of ores and their effects on India's foreign trade. It is convinced, it says, that the existing trading mechanism is quite inadequate to cope with these developments. Internally, the preoccupation of the control authorities with the equitable distribution of available wagon space amongst mining and trading interests has made it virtually impossible for the limited resources to be used to the maximum advantage or for economical arrangements to be made for the transportation of ores and for their handling at ports. Again, it has also not been unusual for the trading interests to enter into larger contracts which, for a variety of reasons, some within their control and some beyond, they have not been able to fulfil. This has inevitably caused inconvenience to the buyers of ores abroad and somewhat undermined their confidence in India's capacity to maintain an assured line of supply. Under current conditions, the mining industry, too, does not have adequate scope for development on sound lines.

On these grounds, the Government has come to the conclusion that it would be necessary to play a more positive role to overcome the obstacles in the way of augmenting foreign exchange earnings through the export of ores. It feels that it should help reorientating the trading in ores on more rational lines and that it could do this by arranging export of ores through the State Trading Corporation.

For the same reason, the Government has decided to permit shipments of ores only against contracts scrutinised and cleared in advance by the export control authorities. It has assured the exporters that the work of scrutiny will be carried out expeditiously and the provisions of individual contracts will be treated as confidential. Details of the licensing procedure will, it is stated, be shortly announced by the Export Trade Controllers at the ports shortly.

It is also proposed to apportion transport facilities for direct participation by the trade in the export of ores on the basis of export quotas which will be allotted by the Export Trade Controllers at ports who will notify details of the licensing procedure in due course. Allotments will be made to mineowners also on the annual average of the quantities of ore on which royalty was actually paid (excluding quantities supplied for domestic consumption) and, in the case of shippers, on the annual average of quantities actually exported, during the three calendar years 1953, 1954 and 1955. The quotas will be valid for movement on the lines on which the quota-holders' mine is situated or which have been used by the shipper in the past.

Separate Quotas

Separate quotas will be issued for manganese and iron ores and allotment of wagons for these will also be separate Quotas will not ordinarily be interchangeable, but, if a quota-holder desires to move manganese ore against the quota for iron ore, his request would be considered favourably. Quotas will be valid only for shipments of ores by the shipper or the mineowner concerned directly in his own name and on his own risk and account and no shipper will, as a rule, be permitted to make exports against quotas belonging to other firms.

The Press Note further adds that, for fulfilling its responsibility, the State Trading Corporation will rely mainly on the mining interests in the country and use the existing trading mechanism to the extent practicable. At the same time, limited opportunities are proposed to be provided to mining interests for direct participation in the export trade within the limits of the broad policy that may be laid down by the Government in this behalf.

The export policy for ores and the procedure laid down regarding quotas call for some comment. We have all along been under the impression that the State Trading Corporation will supplement and not supplant private trade. Dealing with this subject in Parliament in April last, Mr. T. T. Krishnamachari himself gave an assurance to the mercantile community thus: "The proposed State Trading Corporation will not replace the private sector and only supplement the trade envisaged in the second Plan." Again, when a member asked the same Minister, at the last meeting of the Export Advisory Council, whether the surplus coffee in the country could not be exported, the latter said that, if there was a surplus, the State Trading Corporation could deal with it. The Minister for Commerce also assured the trading community that there would be no encroachment on their present business or existing channels of trade. These assurances of the Government spokesmen have not been honoured in full, since the Government has decided "to canalise the export of ores in a progressively increasing measure through the State Trading Corporation." Such an action is bound to undermine the confidence of the public in ministerial statements. In this context, the misgivings of the Bharat Chamber of Commerce, Calcutta, are quite genuine. In a Press *communique*, the Chamber says:

"The trade was previously given to understand that the State Trading Corporation would function as a private limited company in certain commodities including iron ore, without in any way impeding the export of the existing trade channels. The Press Note seems to mark a reversal of such a policy. The indications given about the allocation of export quota to mineowners and shippers on the basis of averages for the last three calendar years, restrictions on inter-changeability of quotas for export from different ports, prescription for scrutiny of contracts, all seem to give the impression that the State Trading Corporation may squeeze the exporters to a position which would compel them to go out of the export trade and subserve themselves to the operations of the Corporation."

Inability of Trade

One of the causes for the entry of the State Trading Corporation into the export trade in ores is stated to be the inability of the trade to cope with the demand for iron and manganese ores alike. This plea sounds unconvincing and has been refuted by the Bharat Chamber of Commerce. Thus, in its *communique* referred to above, the Chamber mentions that the trade had already proved its capacity to export nearly 16 lakh tons of manganese ore from India during the year 1953-54 and the target for export at the end of the second Five-year Plan is only 15 lakh tons. Regarding iron ore, there was no export target during the first Five-year Plan, and in spite of all odds, the trade did export nearly 13 lakh tons in 1953-54 and again in 1955-56. In the opinion of the Chamber, it could not, therefore, be said, that the trade could not be expected to achieve the export target of 20 lakh tons for iron ore and 15 lakh tons for manganese ore, if it was provided with the necessary facilities. The real bottleneck in ore export has all along been in respect of wagon scarcity, and the quota system was introduced for Calcutta in 1953 with the definite purpose of ensuring wagon supply at least upto the allotted quota. This could not, however, be maintained by the Government and the railways. The Chamber fails to understand how canalisation of exports through the State Trading Corporation could increase the wagon supply.

Chamber's Appeal

Proceeding, the Chamber stresses that the Planning Commission had fixed a target of 20 lakh tons of iron ore export, only to ensure as much foreign exchange earning as possible from this item to finance the Plan and it may be jeopardised by the policy of canalisation that has been announced. In respect of manganese ore, there is absolutely no scope or reason for the entry of the State Trading Corporation to achieve the target of the second Five-year Plan, as the private trade had already proved its capacity to export more than that quantum, if transport facilities could be ensured. As regards iron ore, the Corporation may expect to export, the Committee observes, upto 7 to 8 lakh tons which is the quantum of additional exports that the second Five-year Plan has decided, even though private trade itself could do the job. If the Government's object is to earn some revenue through the State Trading Corporation, by entering the market when the international price trend is upward, it can do so, the Chamber remarks, from this additional quota. But it warns that, if in this process, it disturbs the existing channels, the country's interests may seriously suffer when the international markets show falling trends or experience a slump, as had happened at least twice during the last four or five years. Accordingly, the Chamber ends with an appeal to the Government that nothing should be done to disturb in any way the present commitments of the private trade and wagon allotments to it. Considerations of equity as well as the interests of the country's goodwill in the overseas markets demand that the existing trade channels should be utilised to the fullest extent possible.

It is evident from the remarks of the Chamber that, if the State Trading Corporation has entered the field of ore exports, it is not due to the inability of the present trade channels to fulfil its role but to enable the Corporation to make profits by entering a line in which, demand being far in excess of supplies, sales could be effected easily and profitably.

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REPRESENTED IN

INDIA, BURMA AND PAKISTAN

MR. N. H. TATA ON RATIONALISATION OF INDUSTRIES

Availing himself of the occasion of commenting on the I.L.O. Director-General's Report at the I.L.O. Conference now in session at Geneva, Mr. Naval H. Tata, Indian employers' delegate to the Conference, focussed the attention of the I.L.O. delegates on the efforts that were being made in India to solve the problems of labour facing it. He commended the report on its thoughtful analysis of the divergent economic tendencies in the industrially advanced and the underdeveloped countries and stated that it was a significant pointer to the direction in which one could search for a possible solution of the vexed problems confronting these regions. Mr. Tata eulogised the heroic efforts made in Asian, Middle East and North American countries at raising the standard of living of their masses and securing for them the basic requirements of life such as food, clothing and shelter. In this context, he pointed out how India was in the process of "embarking on its second quinquennial effort, more massive in size, bold in drive and enterprise and ambitious in what it seeks to achieve." He said that the success of this Plan largely depended on the happy relations between employers and employees in both the private and public sectors.

Mr. Tata drew the attention of the Conference to some of the social problems which deter the pace of economic progress described in the I.L.O. Director's Report. He declared that problems such as adjustment to technical changes, immobility of labour, difficulties in stepping up productivity, paucity of skilled workers and technicians and labour-management relations had to be faced in all their magnitude and complexities. The success of India's efforts at rapid industrialisation would depend on the extent to which the country was able to reconcile the more conflicting factors and tendencies associated with these problems. He gave the instance of the difficulties facing the country regarding rationalisation of production. He regretted that labour in India was not convinced of the need for rationalisation, though the case for it was as clear as crystal. In these days of highly competitive international markets and in the context of technological improvements all round, the need to keep pace with the progress in technology was a compelling necessity to ensure the very survival of the nation. But, if trade unions were to offer passive resistance to schemes of modernisation of equipment and rationalisation of labour on grounds of temporary dislocation of workers, then the country concerned must face the inevitable dilemma. Thus, it must elect either to produce more by modernising at competitive cost to serve the interest of consumers and maintain exports by facing mutually agreed doses of rationalisation with minimum of unavoidable unemployment and survive; or, in the alternative, to maintain uneconomic production at prohibitive cost to consumers, losing foreign markets by resisting retrenchment and modernisation unequivocally and perish. There is no reason why the worker should choose the latter alternative, so long as he is allowed to share equitably in the resultant profit arising from higher productivity, consequent on modernisation and rationalisation. And it is tragic, as Mr. Tata himself observed, to find that the worker in India is not convinced of the benefits resulting from the former choice.

Mr. Tata's contention that the industrial worker cannot continuously press for higher wages, inspired by international yardstick of social security, so long as a fair wage, as laid down by the national tribunals, is paid to him, is quite reasonable. The industrial worker will have to mark time till the efforts of the Government to create employment opportunities to the teeming millions succeed. By saying this, Mr. Tata was not for a moment suggesting a wage freeze, but was pointing out how it was difficult to reconcile an ever-growing demand for an improved wage structure from an industrial worker of an urban area with the comparatively low standard of wages, amenities and social security of the non-industrial worker of the rural area. In this connection, Mr. Tata did well to draw the attention of the Conference to the efforts being made in India to improve the lot of the rural masses through schemes of village uplift, community development projects and national extension services and the encouragement of cottage and small industries as envisaged in the Plan.

Since the I.L.O. Director-General's report dealt with the question of reducing working hours, Mr. Tata pointed out how the question had a close bearing on the national economy of underdeveloped countries such as India. He did not question the reasons for reducing the working hours, but referred to the fact that such reduction was bound to have adverse repercussions on the progress of the second Five-year Plan in India, since it would push up the costs and widen the deficit in resources, which is already causing considerable concern. Mr. Tata was, therefore, justified in suggesting that the question be studied further before taking any hasty step. Mr. Tata, however, had no objection to reduction of hours, through collective agreements, in any country where conditions warranted such reduction.

A Soviet trade mission is expected to visit Britain shortly. This follows from the agreement reached in the recent discussions in London with Mr. Bulganin and Mr. Khrushchev to develop trade between the U.S.S.R. and the U.K. Confirming this, a Foreign Office spokesman said in London last week: "It is a fact that we have welcomed in principle a suggestion from the Soviet Government that they should send a trade delegation to this country. Details are at present being worked out between the two Governments. An announcement will be made when the precise arrangements are complete."

BOMBAY FIRE AND GENERAL INSURANCE COMPANY LIMITED

SPEECH OF THE CHAIRMAN, MR. MANOOBHAI DOONGURSEE

THE Twenty-first Annual General Meeting of the Bombay Fire and General Insurance Company, Ltd. was held in Bombay on 28th June 1956, Mr. Manoobhai Doongursee, Chairman of the Company, presiding.

The following is an extract from Mr. Doongursee's speech delivered on the occasion:

"GENTLEMEN,

"I have pleasure in submitting to you the Directors' report and the audited statements of accounts for the year ended 31st December 1955.

Fire Department

"The net premium is Rs. 8,38,302. The incurred losses are Rs. 1,68,416 (being 20.09 per cent.). Commission and expenses of management amount to Rs. 4,62,719 (being 55.19 per cent. of the premium income). The fire fund now amounts to Rs. 4,35,151, being over 50 per cent. of the premium income, the carry forward to profit and loss account being Rs. 2,06,703.

Marine Department

"The net premium is Rs. 2,15,863. The incurred claims are Rs. 1,25,000 (being 57.90 per cent.). Expenses of management, together with commission, amount to Rs. 1,13,252 (being 52.46 per cent. of the premium income). The marine fund now stands at Rs. 2,15,863, which is still 100 per cent. of the premium income, the carry forward to profit and loss account being Rs. 15,815.

Accident Department

"The net premium is Rs. 1,82,627. The incurred claims are Rs. 71,976 (being 39.41 per cent.). Expenses of management and commission amount to Rs. 93,763 (being 51.34 per cent. of the premium income). The accident fund now stands at Rs. 92,814 being over 50 per cent. of the premium income, the carry forward to profit and loss account being Rs. 9,875.

Profit and Loss Account

"After closing the departmental accounts, the profit and loss account shows a credit balance of Rs. 2,82,900. Adding to this, the net carry forward from last year's account of Rs. 4,08,590 gives a total of Rs. 6,91,490 to the credit of this account. Against this a provision for taxation of Rs. 1,00,000 and a transfer to general contingencies fund of Rs. 1,50,000 have been made. This leaves a balance of Rs. 4,41,490 and your Directors recommend a dividend of Rs. 3 per share on the Rs. 40 paid-up shares, and As. 12 on the Rs. 10 paid-up shares amounting to Rs. 31,467. These dividends are payable free of income-tax, leaving a balance to be carried forward to next year's account of Rs. 4,10,023.

"In conclusion, I would like to express our thanks to our staff, branch managers and agents for their continued support."

Mr. G. M. Shah, a shareholder of the Company, then asked for information on the Company's investments in Pakistan and the state of agents' balances there. He further inquired why large amounts were transferred to general contingencies fund and also carried over in profit and loss account when shareholders were paid only Rs. 3 per share and whether Section 23A of the Income-tax Act applied to this Company. He also wanted to know whether there had been any changes in the Board of Directors, consequent upon the New India Assurance Company, Ltd., acquiring control of the share capital.

Another shareholder, Mr. B. H. Shah, inquired about the extent of "New India's" shareholding in the Company and whether there was any change in the audit fees.

The Chairman, Mr. Manoobhai Doongursee, gave satisfactory explanations regarding the points raised. He stated that the investments in Pakistan were for the statutory deposits required to be made by every insurance company in Pakistan under the Pakistan Insurance Act and the agents' balances outstanding there were quite normal. It was the considered opinion of the Board that rather than earmark the surplus to different departments and lock them up, it was better to have a floating reserve, so that the same could be availed of for future contingencies in any of the departments as and when required during the periodical cycles of bad claim experience years which are known to occur in insurance business. The Company did come under the clutches of Section 23A and had applied to the authorities for exemption. This matter was under the active consideration of the Board and legal advice was being obtained. Shareholders will be notified about it in due time.

The particulars regarding the holding of the "New India" were supplied and the shareholder was informed that the previous Board of Directors continued to manage the affairs of the Company without change.

The Directors' report and accounts were then adopted. Mr. Manoobhai Doongursee and Mr. Pallonji Shapoorji Mistry were re-elected Directors of the Company. Messrs. S. B. Billimoria & Co. and Messrs. Kalyaniwalla and Mistry, Chartered Accountants, were appointed auditors of the Company.

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METAL BOX EARNS BUMPER PROFIT

SALES AT RECORD LEVEL—GOOD PROGRESS IN NEW DEVELOPMENTS

THE year ended 31st March 1956 has proved to be the most prosperous one in the history of the Metal Box Company of India Ltd. (Chairman and Managing Director: Mr. H. Chiswell Jones, Calcutta) since its conversion into a public limited company in April 1949. The Company's sales and earnings for the year under review constituted a record. The gross profit, which had gone up from Rs. 34.92 lakhs to Rs. 45.66 lakhs in the previous year (after two years of successive recession), has advanced further to Rs. 75.12 lakhs in 1955-56, thus exceeding the previous highest of Rs. 65.37 lakhs attained in 1951-52.

The net profit, after raising the provision for depreciation from Rs. 9.75 lakhs to Rs. 11.28 lakhs and that for taxation from Rs. 13.25 lakhs to Rs. 31 lakhs, amounts to Rs. 31.82 lakhs, and is also a record one. It represents an increase of Rs. 9.16 lakhs over that for the previous year and of Rs. 2.44 lakhs over the previous best earned in 1951-52. In consonance with the improvement in earnings, the Directors have doubled the allocation to the general reserve from Rs. 5 lakhs to Rs. 10 lakhs, besides raising the provision for doubtful debts from Rs. 0.64 lakh to Rs. 1.01 lakhs. The Company's prosperity has also been shared by the ordinary shareholders, the dividend to whom has been raised to 16¼ per cent. from 12½ per cent., to which level it had been stepped up last year from 10 per cent. paid consistently for four years from 1950-51 to 1953-54.

The following comparative table provides a broad idea of the Company's progress since 1952-53:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	494.55	348.69	321.05	343.68
Other income	3.15	2.95	2.50	1.91
Stocks of manufactured goods	7.01	8.96	6.39	3.62
*Raw materials consumed	271.64	191.08	183.57	200.23
Other expenses	148.99	117.46	107.82	107.72
Gross profit	75.12	45.66	34.92	39.07
Provision for—				
Depreciation	11.28	9.75	8.86	8.30
Taxation	31.00	13.25	9.41	12.85
Net profit	31.82	22.66	16.65	17.92
To reserves	11.01*	5.64*	3.60*	5.05
Dividends—				
6 per cent. preference	1.33	1.33	1.33	1.33
Ordinary	18.99 (16½%)	14.37 (12½%)	11.50 (10%)	11.50 (10%)
Carry forward	16.24	14.43	13.11	12.89

* Includes provision for doubtful debts.

The substantial increase in turnover during the year reflected in the above table was due to the increased demand for such packaged goods as paints, pharmaceuticals, baby foods, processed fruits and vegetables and lubricating oils. This demand was ably satisfied by the Company, thanks to its "efficient production and enterprising salesmanship." During the year, the Company made "solid contributions" to the food and other industries which it serves. In Bombay, it commenced manufacture of open top cans for the canning industry. The quality of production was also improved, following the opening of a new research division at Calcutta on materials and finishes.

There was also a rise in the prices of materials and cost of transport during the year and the Company had to pass on reluctantly a part of this rise to its customers. It would appear that the Company had some difficulty in obtaining adequate supply of tinplate, its main raw material. As the indigenous production of tinplate was, and still is, far below demand, the Company had to rely to a large extent on imports. At present, the Company imports 50 per cent. of its consumption of tinplate.

The Company's balance-sheet as on 31st March 1956 shows that the paid-up capital of Rs. 145 lakhs is supplemented by reserves and surplus aggregating Rs. 71.74 lakhs. The provision for taxation stands at Rs. 19.75 lakhs. The current liabilities aggregate Rs. 115.75 lakhs. There has been an addition of Rs. 13.36 lakhs to the gross block during the year, bringing the total cost to Rs. 188.38 lakhs. This has been written down to Rs. 110.37 lakhs. The current assets amount to Rs. 241.87 lakhs, of which stocks of raw materials alone account for Rs. 133.17 lakhs, having risen from Rs. 87.93 lakhs a year ago. The Company had to increase its stocks of raw materials, because of the time taken to obtain shipments from abroad, although it meant a severe strain on its finances.

The progress in the Company's new developments and new projects has been quite satisfactory, as will be seen from the following extract from the Chairman's review:

"We have made good progress in our new developments. The expansion in demand for aluminium pilferproof seals has been satisfactory and manufacture in Calcutta, foreshadowed in my last review, has now commenced with consequent savings in freight costs to many customers. Progress in the manufacture of polyethylene bags has continued, some printing machinery has been installed and more is on order. The potential demand for products made from this material is considerable and plans have been announced by two world-famous manufacturers for the production in India of polyethylene flake—the basic raw material required.

"Additional equipment for the manufacture of industrial components has now been installed—we have a substantial order book and a large number of new enquiries which augur well for the future. We are presently producing metal components for numerous manufacturers in the electrical, automobile, radio, duplicating machine and bicycle industries—the list will extend in the near future—and we are proud of the contribution we are making to the expansion of these vital industries."

The outlook for the current year is good and the Chairman hopes, by virtue of increased turnover, to maintain the profit level, notwithstanding the increased costs. The long-term prospects are also promising, consequent on the encouragement which the processed food industry is to receive under the second Five-year Plan and the increase in the allocation to horticulture from Rs. 1 crore to Rs. 9 crores.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 29 *ex-div.*, at which rate and on the basis of the dividend for the past year, the yield works out to 5.6 per cent. per annum.

SRI KRISHNARAJENDRA MILLS LTD.

The working of the Sri Krishnarajendra Mills Ltd. (Chairman and Managing Director: Mr. H. N. Pallegar, Mysore) during the year ended 31st March 1956 shows a marked all-round improvement over the past many years. The production and profits for the year under review are the highest witnessed in recent years. The gross profit has staged a rise from Rs. 17.78 lakhs (for 1954-55) to Rs. 24.41 lakhs, thus maintaining the upward trend for the fourth year in succession. The pace of increase in 1955-56 was, however, less marked than that in the previous year. The net profit, too, has staged a rise from Rs. 6.34 lakhs in 1954-55 to Rs. 8.95 lakhs even after the substantial increase from Rs. 3.44 lakhs to Rs. 10 lakhs in the provision for taxation.

The Directors have transferred a sum of Rs. 1 lakh to the general reserve which had not received anything in the previous year and have raised the allocation to the dividend equalisation fund from Rs. 30,000 to Rs. 2 lakhs. The cotton price fluctuation reserve, which was created last year with an allocation of Rs. 2.35 lakhs, has, however, not been strengthened further. The distribution to the shareholders has been raised from 10 per cent. to 14 per cent. by declaring a cash bonus of 4 per cent. This is the fourth year in succession for which the distribution to the shareholders is being stepped up. There has, however, been a change in the pattern of distribution during these years. Thus, for the year 1952-53 it was increased from 6 per cent. (made up of a dividend of 4½ per cent. and a bonus of 1½ per cent.) to 8 per cent. (dividend 6 per cent. *plus* bonus 2 per cent.). In the following year, the dividend and bonus parts were not only consolidated but the total was again raised to 9 per cent. There was a further rise to 10 per cent. in 1954-55. While raising the distribution again to 14 per cent. for 1955-56, as already pointed out, the Directors have split it up into a dividend of 10 per cent. and bonus of 4 per cent.

The following comparative table shows at a glance the progress of the Company during the last three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	116.75	97.52	88.95	85.39
Stocks	23.15	37.71	23.11	22.65
Expenses	93.40	80.74	80.63	80.45
Gross profit	24.41	17.78	9.20	6.75
Provision for—				
Depreciation	5.46	6.00	4.32	2.10
Taxation	10.00	5.44	1.12	1.00
Net profit	8.95	6.34	3.75	3.65
To reserves	3.00	2.65	0.42	0.74
Dividend	5.14 (D, 10% +B, 4%)	3.67 (D, 10%)	3.30 (D, 9%)	2.94 (D, 6% +B, 2%)
Carry forward	1.09	0.28	0.26	0.23

D=Dividend. B=Bonus.

The chief contributory factor for the improvement in results during the year is the expansion in production and the increased sales effected by the mills. The sale proceeds, which had increased by about Rs. 8½ lakhs in the previous year, show a further rise of about Rs. 19 lakhs in the year under review, thus indicating a progressively rising demand for the products of the mills.

The Company's latest balance-sheet as on 31st March 1956 shows a satisfactory financial position. The reserves and surplus aggregate Rs. 18.19 lakhs, as against a paid-up capital of Rs. 36.70 lakhs. A provision of Rs. 9.27 lakhs has also been made for taxation. The current liabilities stand at Rs. 13.81 lakhs, having been reduced from Rs. 23.72 lakhs at the end of 1954-55, mainly due to the repayment of the outstanding borrowings from banks amounting to Rs. 12.83 lakhs. There have been no notable additions to the gross block which, at Rs. 81.44 lakhs at the close of the year, stands written down to a book value of Rs. 15.81 lakhs. The current assets amount to Rs. 64.56 lakhs. Investments, at Rs. 29.38 lakhs, dominates the list of current assets and are more than twice the level of the previous year. Of these investments, fixed deposits with banks amount to Rs. 15 lakhs and gilt-edged securities (at cost) Rs. 13.34 lakhs. These, together with the cash balances amounting to Rs. 2.81 lakhs, alone more than adequately cover the current liabilities and provision for taxation.

The Directors have decided to expand the productive capacity of the mills by installing an additional 12,180 spindles involving a capital outlay of about Rs. 22 lakhs. This decision is timely when viewed against the background of the expected rise in demand for cloth in the country during the coming years. Arrangements are in progress to erect and to put into commission the plant as early as possible. What is more noteworthy is that the expansion programme is being financed out of the Company's own resources without recourse to borrowing. This action of the management strengthens the view that the Company's finances are on sound foundations.

SIMPLEX MILLS

In distinct contrast to the sharp decline suffered by several leading textile counters during the past week, the shares of the Simplex Mills Company, Ltd. (Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay) turned out to be one of the few bright features on the Bombay Stock Exchange by displaying a comparatively steady tone. This was due to the confidence inspired by the excellent results of the Company for the year ended 31st March 1956 and the Directors' decision to increase the spinning capacity of the mills. The gross profit for the year has made a smart recovery from Rs. 12.24 lakhs to Rs. 30.20 lakhs, thus reversing the downward trend noted in the previous four years, when the profit had dwindled from Rs. 34.08 lakhs (for 1950-51) to Rs. 12.24 lakhs (for 1954-55). The net profit, too, has more than doubled itself; from Rs. 5.49 lakhs for 1954-55, it has shot up to Rs. 11.30 lakhs, the highest since 1950-51. The profits would have been higher still but for debiting the year's account with the bonuses to workers for 1953-54 and 1954-55.

As in the previous year, no sum has been set aside to the reserves. But, whereas in the previous year the Directors had to supplement the net profit by drawing a sum of Rs. 3 lakhs from the dividend equalisation fund in order to pay a dividend, no such transfers have been made this year. Again, the cut made in dividend last year, from 22 per cent. to 20 per cent., has now been more than made good with a distribution of 24 per cent., the highest to be paid after the increase in capital in September 1953.

The progress of the Company since 1952-53 is fully borne out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds (net)	266.36	266.09	242.83	212.61
Consumption of cotton and staple fibre	118.16	133.06	116.82	97.80
Other expenses	123.62	120.91	104.04	92.71
Gross profit	30.20	12.24	22.40	22.57
Agents' commission	5.39	1.90	2.94	3.58
Provision for—				
Depreciation	5.43	2.85	5.00	5.00
Taxation	8.07	2.00	5.00	6.00
Net profit	11.30	5.49	9.45	7.99
E.P.T. refund (net)	..	..	..	7.98
Transfer from reserves	..	3.00	..	..
To reserves	..	..	..	6.85
„ staff gratuity fund	0.42	0.15	0.30	0.00
Dividend	10.08 (24%)	8.40 (20%)	9.24* (22%)	9.03 (30%)
Carry forward	0.96	0.16	0.22	0.45 (0.96)

* On the increased capital of Rs. 42 lakhs raised in September 1953.

The most notable feature disclosed by the ta above is the decline of nearly Rs. 20 lakhs in cost of cotton and staple fibre consumed duri the year under review. Of the other expens salaries and wages account for Rs. 76.12 lakhs, hav ing risen from Rs. 70.09 lakhs in 1954-55. These include a sum of Rs. 12.39 lakhs paid as bonus to workers for the three years 1953-54, 1954-55 and 1955-56 in terms of the five-year bonus pact.

The balance-sheet as on 31st March 1956 d closes a sound financial position. The paid-capital of Rs. 42 lakhs is supplemented by reserv and surplus aggregating Rs. 33.98 lakhs, of wh machinery renewal reserve accounts for Rs. 26 lakhs. The provision for taxation stands at Rs. (lakhs and the current liabilities aggregate Rs. 35 lakhs. The gross block of the value of Rs. 98 lakhs, including an addition of Rs. 7.90 lakhs dur the year, has been written down to Rs. 25.15 lakh The current assets amount to Rs. 103.65 lakhs presented by stock-in-trade amounting to Rs. 45. lakhs, stores and spares Rs. 6.63 lakhs, debts,

(*Continued on page 41*)

Points From The Chair

State Trading

"THERE is one recent development in Government policy which, in my judgment, is most disturbing. I am referring to the Government's decision to enter into trade through the formation of a State Trading Corporation. This, I regard, is a most serious encroachment on free and private enterprise in the country. Whilst the extension of the public sector to certain industrial activities may be justified on the grounds of either inadequate financial resources available to the private sector or on grounds of urgency of development, the entry of Government into the trading field is both unnecessary and unjustified. The channels of distributive trade, which today serve the entire population of the country, including the most distant and remote corners, have been built up over a period of generations through the free enterprise, not only of big distributive organisations but also of millions of small traders. We have yet to hear that the country has not been well served by these established and organised channels of trade. State trading has tremendous and widespread implications which threaten, in the ultimate analysis, disruption of the normal economic life of the country. Government are sufficiently armed with powers to checkmate any malpractices or irregularities which may be prevalent in any trade working against the interests of the community. However, a more positive, real and effective service that Government can render in making the existing trading organisations more effective and more readily serviceable, is by providing additional facilities like better road and transport communications between the rural and urban areas, licensed warehouses, and better credit facilities in the interior of the country."

A. D. SHROFF,
New India Assurance Co., Ltd.

Guest Keen Williams Ltd.

"During the year the benefits of increased demand and modernisation schemes led to the results showing a further improvement on the previous year. Shortage of raw materials prevented the plant being used to full capacity. The recently installed plant for the production of screws, safety pins, etc., and the new electric furnace producing special steels were fully extended. Indian staff and operatives have responded very satisfactorily to training and satisfactory progress has been made in giving increased authority to our Indian staff, which augurs well for the future expansion schemes the Company has in hand and will enable it to play its full part in the rapid growth of industrialisation under the Indian Government's second Five-five Plan."

K. S. PEACOCK,
Guest, Keen & Nettlefolds Ltd.

Task Before Insurance Companies

"With the increasing tempo of economic activity, there will soon be enough business to go round. But in the meantime, it is very essential that we take a long-range view of things and concentrate our energies on effecting a radical rationalisation in the working of our business by eliminating all undesirable features that hamper our progress on the right lines and might prevent us from making our proper contribution to the task of nation building. It might be necessary for companies to sub-ordinate their immediate advantage to the larger interests of the trade as a whole, in order to create healthy conditions, which would enable all type of companies—small, medium and large—to participate in the available business on a fair and equitable basis."

K. C. DESAI,
Indian Insurance Companies' Association

(*Concluded from page 40*)

posits and advances Rs. 26.47 lakhs, investments (at or under cost) Rs. 1.10 lakhs and cash balances Rs. 24.09 lakhs. Thus, the current assets provide a substantial cover to the current liabilities and provision for taxation.

The Company has obtained permission to install an additional 15,000 spindles. The Directors point out that these additional spindles will greatly assist the correct balancing of machinery in the mills and will enable a second shift to be worked in the loom shed.

The Rs. 50 fully paid-up shares are being quoted at Rs. 221 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 5.7 per cent. per annum, free of income-tax.

PAYMENT OF FEES TO COMPANY DIRECTORS

It has been observed that a number of companies have, soon before and after the commencement of the new Companies Act, on 1st April 1956, passed resolutions amending the relevant provisions in the articles of associations or otherwise increasing the fees payable to Directors for meetings of the Board attended by them. Referring to this, a Press note issued by the Union Ministry of Finance (Department of Company Law Administration) says that, while for the purposes of determining the overall maximum managerial remuneration in terms of section 198 of the Companies Act, such fees are to be excluded, any amendment of any provisions relating to remuneration of any director, including the managing or whole-time director, which purports to increase or has the effect of increasing, whether directly or indirectly, is hit by section 310, which lays down that the same shall not have effect unless approved by the Central Government and the amendment, in so far as it is disapproved by that Government, becomes void. The Press note adds that section 310 applies whether increase takes place as a result of amendment of the provisions contained in the company's memorandum or articles or in any agreement entered into by it, or in any resolution passed by the company in a general meeting or by its Board of Directors.

Notice

BENGAL POTTERIES, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fourth Ordinary General Meeting of the Bengal Potteries Limited will be held at the Registered Office of the Company, 45, Tangra Road, Calcutta, on Tuesday the 17th July 1956, at 4-0 p.m., to transact the following items of business:—

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account for the year ended 31st December 1955.
2. To declare Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year.
5. Placing of the appointment of Allied Distributors & Co. as Sole Selling Agents of the Company, before the meeting under Section 294(3) of the Companies Act 1956.
6. To consider, and if thought fit, pass the following Resolutions as Special Resolutions:—

   Special notice under Section 261 (2) has been received from shareholders sponsoring the Resolutions.

   (1) "Whereas Messrs. Bharat Ram Bhagat & Co., Managing Agents, are authorised by the Agreement of Managing Agency to appoint Directors to the Board of this Company and, as such, under Section 261(2) of the New Companies Act, a Special Resolution is required for appointment as elected Director of any person who is an Officer of any other body corporate under the management of the said Managing Agents, and whereas Shri D. N. Sen being a Director, and hence Officer of the Jay Engineering Works Ltd., a Company under the management of Messrs. Madan Mohan Lall Shri Ram & Co. (Private) Ltd., one of the partners in the Firm of Messrs. Bharat Ram Bhagat & Co., and is also an elected Director of this Company, who retires this year by rotation and whereas it may be construed that Messrs. Jay Engineering Works Ltd. is under the management of Messrs. Bharat Ram Bhagat & Co., Managing Agents of this Company, it is resolved that the said Shri D. N. Sen be and is hereby elected a Director of this Company."

   (2) "Whereas Messrs. Bharat Ram Bhagat & Co., Managing Agents, are authorised by the Agreement of the Managing Agency to appoint Directors to the Board of this Company, and as such, under Section 261 (2) of the New Companies Act, a Special Resolution is required for appointment as elected Director of any person who is an Officer of any other body corporate under the management of the said Managing Agents, and whereas Shri Bishan Swarup Agarwal being an Officer of the Jay Engineering Works Ltd., a Company under the management of Messrs. Madan Mohan Lall Shri Ram & Co. (Private) Ltd., who are one of the partners of the Firm of Messrs. Bharat Ram Bhagat & Co., and is also an elected Director of the Bengal Potteries Ltd., who retires this year by rotation and being eligible, offers himself for re-election and whereas it may be construed that Messrs. Jay Engineering Works Ltd. is under the management of Messrs. Bharat Ram Bhagat & Co., Managing Agents of this Company, it is resolved that the said Shri Bishan Swarup Agarwal be and is hereby re-elected a Director of this Company."

   (3) "Whereas Messrs. Bharat Ram Bhagat & Co. are authorised by the Agreement of the Managing Agency to appoint Directors to the Board of this Company, and as such, under Section 261(2) of the New Companies Act, a Special Resolution is required for appointment as elected Director of any person who is an Officer of any other body corporate under the management of the said Managing Agents, and whereas Lala Shri Dhar is a Director of Messrs. Madan Mohan Lall Shri Ram & Co. (Private) Ltd., partner in the Firm of Messrs. Bharat Ram Bhagat and Co. and hence is an Officer of Messrs. Madan Mohan Lall Shri Ram & Co. (Private) Ltd., and is also an elected Director of the Bengal Potteries Ltd., it is resolved that the appointment of the said Lala Shri Dhar as a Director of this Company be and is hereby approved."

   Explanatory Note

   With reference to sub-section 3 of Section 261 of the Companies Act, 1956, the references which make the Resolutions necessary are stated in the body of the Resolutions. Strictly speaking, the Jay Engineering Works Ltd. is not under the management of the Managing Agents of this Company within the meaning of the Companies Act. However, it will be advisable to pass a Special Resolution as required under the Act on the presumption that Messrs. Bharat Ram Bhagat & Co., being a Firm of which Messrs. Madan Mohan Lall Shri Ram & Co. (Private) Ltd. is a partner, this Company and the Jay Engineering Works Ltd. may be considered to be under the management of the same Managing Agents. It is therefore considered advisable that these Resolutions be passed at the Annual General Meeting of the Company and accordingly notice under sub-section 3 of Section 261 is being given to the Shareholders.

7. To consider and if thought fit, to pass the following Resolution as Ordinary Resolution:—

   That the Registers and documents of the Company required to be maintained and disclosed under the Companies Act, 1956, an inspection of which is allowable under provisions of the said Act, will be kept open for inspection by the persons entitled thereto between the hours of 2 P.M. to 4 P.M. on any working day of the Company, except during such periods when such registers, etc., are closed under provisions of the said Act.

8. **As per Section 176(2) of the Companies Act, 1956, every Shareholder of the Company is entitled to appoint a Proxy if he does not attend the meeting personally. The Proxy need not be a member of the Company. Proxies must be deposited with the Company duly completed 48 hours before the time of the meeting.**

The Share Transfer Register of the Company will be closed from 5th July to 23rd July 1956, both days inclusive.

By Order of the Board of Directors,

BHARAT RAM BHAGAT & COMPANY,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, *22nd June* 1956.

There appears to be some doubt in commercial quarters as to the language or languages to be employed in exhibiting the names of companies outside their offices or places of business as required by sub-section (1) (*a*) of section 147 of the Companies Act, 1956. Unlike the corresponding section (section 73) in the now repealed Indian Companies Act of 1913, which required the name of a company to be shown in the English language, section 147 (1) (*a*) of the new Act enjoins on all companies to paint or affix their names, outside their offices or places of business in the language or one of the languages in general use in the locality. Exhibition of the names in English alone without, at the same time, showing them in the local language will not, therefore, be sufficient compliance with the requirements of the section. Attention of all concerned is drawn to this change brought about by the new Act.

PROFIT OF SHAW WALLACE DWINDLES

RESULTS OF BIRD-HEILGER COAL COMPANIES

Shaw Wallace and Co., Ltd.

THE directors of the above Company (Chairman: Mr. R. H. D. Campbell, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The Company's profits after the inclusion of Rs. 3,63,651 (Rs. 3,67,879) brought forward from 1954 and after taking credit for Rs. 2,58,791 (*nil*) estimated tax recoverable are Rs. 39,49,819 (Rs. 43,00,880). After making provision for taxation amounting to Rs. 16,02,665 (Rs. 20,17,854), there remains a balance of Rs. 23,47,154 (Rs. 22,83,026). Out of this amount the directors have placed to general reserve account Rs. 3,00,000 (Rs. 4,00,000) and to investment reserve account Rs. 6,00,000 (Rs. 2,50,000). They have declared as interim dividends payable for the year 1955 on the cumulative preference shares as under:—

On the 15th July 1955, 3 per cent. less income-tax Rs. 1,65,937 (Rs. 1,65,937) and on the 15th January 1956, 3 per cent. less income-tax Rs. 1,65,937 (Rs. 1,65,938). The directors now recommend the payment of a dividend on the ordinary shares of 10 (12½) per cent. without any deduction for income-tax paid by the Company, absorbing Rs. 7,50,000 (Rs. 9,37,500), leaving to be carried forward to 1956 Rs. 3,65,280 (Rs. 3,63,651).

Trading conditions.—Generally were satisfactory throughout the year except for the recession in world prices of tea which adversely affected the tea industry as a whole. The forecast made in the directors' report on the 1954 accounts has been amply borne out by events and the Company's profits for 1955 before taxation are approximately Rs. 6 lakhs lower than the preceding year. This reduction, however, has been entirely offset by the lower charge for taxation in this year's accounts. Since the close of the year business continues at a satisfactory level, and provided this tendency is maintained, it is anticipated that the 1956 results will not show a substantial difference, notwithstanding the adverse effect of the 1956 Companies Act on the earnings from managing agencies.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,00,000	Block ...	11,96,181
Reserves ...	54,13,860	Share in the firm of Shaw Wallace & Co.	*1,49,02,000
Provision for taxation ...	15,20,000	Amount due from Shaw Wallace & Co. on current account	23,67,338
Liabilities ...	1,33,18,690	Trading stock	16,20,532
Profit and loss account ...	3,65,280	Stores, etc.	96,910
		Share of profits due from Shaw Wallace & Co.	3,68,797
		Debts, deposits and advances ...	1,02,03,983
		Investments	45,33,848
		Cash ...	3,23,241
Rs.	3,56,17,830	Rs.	3,56,17,830

*Includes Rs. 39,63,686 paid for goodwill.

Borrea Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1955.

In conformity with the provisions of the Companies Act, 1956, there will be no half-yearly audited accounts in future. The directors shall, however, cause to be drawn up unaudited half-yearly draft accounts. It is their intention to declare interim dividends when in their opinion the state of the Company's affairs warrant this action.

From now on therefore the Company's accounts will be closed and audited as at the 31st December each year and the first annual closing will be for the 12-month period ending 31st December 1956.

Raisings and despatches.—77,981 (75,147) tons of coal were raised and 85,503 (78,205) tons were despatched compared with 75,187 tons raised and 69,844 tons despatched in the preceding half-year.

The Second Five-Year Plan.—In response to the Government's request for the coal industry's plans for the future, the Company signified its willingness, in certain circumstances, to increase its coking coal output substantially to meet the future demand from the steel making industry. No direct reply has yet been received from Government, but the directors have reason to believe that the colliery will be called upon to increase its output.

A new item appears in the accounts. The directors refer to an allocation of Rs. 75,000 to a coal washing plant reserve. Tests on the suitability of the colliery's coals for washing have been conducted and provided it is the Government's policy to encourage such installations in the private sector, the directors intend pursuing this matter to a conclusion.

Transport.—Although the daily average wagon figures, improved from 3,176 to 3,347 during the last two six monthly periods, it was noticeable that the industry failed to benefit by what is known as the spare capacity period which occurs normally between July and October. In 1955 there was no such period and while the railway's performance has undoubtedly shown an improvement on previous figures, the directors are yet to be convinced that transport plans are geared to the vast requirements of the second Five-year Plan.

Finance Act, 1956.—The proposed additional super-tax on dividends in excess of 6 per cent. of the paid-up ordinary share capital of the Company on this occasion amounts to Rs. 17,312.

The profit and loss account, after providing Rs. 45,717 (Rs. 37,410) for depreciation, Rs. 1,36,666 (Rs. 1,31,160) for taxation, transferring Rs. 3,000 (Rs. 6,800) to tax contingency reserve, Rs. 1,000 (*nil*) to development rebate reserve, Rs. 75,000 (*nil*) to coal washing plant reserve, bringing in Rs 75,000 (Rs. 10,000) from taxation reserve, and including the sum of Rs. 98,656 (Rs. 98,663) brought forward from last half-year, shows an available balance of Rs. 1,72,207 (Rs. 1,86,771) which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 6½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 13,000 (Rs. 13,000), in paying a dividend on the ordinary shares at the rate of 20 (20) per cent. per annum without any deduction for income-tax paid by the Company Rs. 75,000 (Rs. 75,000) and in carrying forward Rs. 84,207 (Rs. 98,771).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,50,000	Block ...	15,86,195
Reserves ...	24,29,026	Capital expenditure in progress	2,70,694
Provision for taxation ...	1,28,706	Stock of coal	14,403
Liabilities ...	5,02,120	Stores ...	1,18,280
Profit and loss account ...	84,207	Debts, deposits and advances ...	11,45,421
		Investments	11,06,851
		Cash ..	53,215
Rs.	42,95,059	Rs.	42,95,059

Ondal Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1955.

Karanpura Mining Syndicate.—During the half-year ended 31st December, 1955, 75,768 (66,571) tons of coal were raised and 75,993 (65,780) tons were despatched. The Secretaries report that raisings from the Syndicate's quarries could have been larger but for the fact that transport was in short supply.

The profit and loss account, after providing Rs. 27,082 (Rs. 45,432) for taxation, and including the sum of Rs. 1,05,531 (Rs. 96,307) brought forward from last half-year, shows an available balance of Rs. 1,00,646 (Rs. 1,59,650) which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 6½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 6,500 (Rs. 6,500), in paying a dividend on the ordinary shares at the rate of 10 (10) per cent. per annum without any deduction for income-tax paid by the Company Rs. 37,500 (Rs. 37,500) and in carrying forward Rs. 56,646 (Rs. 1,15,650).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,50,000	Block ...	1,20,000
Reserves ...	12,21,853	Investments	23,11,671
Provision for taxation ...	53,115	Debts, deposits and advances ...	2,66,080
Property sales suspense	3,45,494	Cash ...	15,081
Liabilities ...	85,724		
Profit and loss account ...	56,646		
Rs	27,12,832	Rs.	27,12,832

Burrakur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

Raisings and despatches.—516,165 (510,755) tons of coal were raised and 526,106 (539,960) tons were despatched during the half-year. The figures for the previous period were 513,556 tons and 506,261 tons, respectively.

The managing agents report that three years of endeavour to persuade the Government authorities to interpret the rules relating to sand stowing subsidies more realistically are about to culminate in a revision of the rules. The delay in actual receipts of the stowing subsidy has resulted in a decline in income from this source of some Rs. 2,69,000 compared with last half-year.

Loyabad Coke Plant.—The directors report that good progress has been made with the repair programme and that 31 ovens are now in production. 40,712 (36,726) tons of metallurgical hard coke were manufactured during the half-year as compared with 36,710 tons during the previous period. Relative despatch figures were 40,491 (36,767) tons and 36,726 tons, respectively.

Finance Act, 1956.—The proposed additional super-tax on dividends in excess of 6 per cent. of the paid-up ordinary share capital of the Company has been borne by the Company and on this occasion amounts to Rs. 5,684.

The profit and loss account after providing Rs. 4,30,391 (Rs. 4,89,955) for depreciation, Rs. 5,53,475 (Rs. 4,67,365) for taxation, transferring Rs. 6,900 (Rs. 20,000) to development rebate reserve, Rs 55,500 (Rs. 65,000) to tax contingency reserve, Rs. 50,000 (Rs. 50,000) to debenture redemption reserve, Rs. 1,50,000 (Rs. 70,000) to ropeway rope replacement reserve, Rs. 25,000 (Rs. 30,000) to general reserve and including the sum of Rs. 1,40,510 (Rs. 1,49,910) brought forward from last half-year, shows an available balance of Rs. 4,89,965 (Rs. 5,61,616) which the directors propose to dispose of as follows:—

In paying a dividend on the first preference shares of 7 per cent. per annum without any deduction for income-tax paid by the Company Rs. 80,493 (Rs. 80,493), in paying a dividend on the second preference shares of 6 per cent. per annum after deduction of income-tax paid by the Company Rs. 9,956 (Rs. 9,956), in paying a dividend on the ordinary shares at the rate of 6¼ (6¼) per cent. per annum without any deduction for income-tax paid by the Company Rs. 2,84,140 (Rs. 2,84,140) and in carrying forward Rs. 1,15,376 (Rs. 1,87,027).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,18,42,280	Block ...	2,34,03,524
Debentures	20,00,000	Capital expenditure in progress	4,26,444
Reserves ...	1,79,57,502	Stock in trade ...	13,34,095
Provision for taxation ...	12,20,080	Stores and spare plant	25,58,232
Liabilities ...	46,71,346	Debts, deposits and advances ...	75,52,156
Profit and loss account ...	1,15,376	Investments	21,98,425
		Cash ...	3,33,708
Rs.	3,78,06,584	Rs.	3,78,06,584

Standard Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1955.

Labour.—Under the Tribunal Award payments to workers were due to commence at the end of the period under review. Applications for this relief are continuing and payment is being made after scrutiny of claims. To-date Rs. 86,528 has been disbursed.

The profit and loss account, after providing Rs. 1,000 (Rs. 1,000) for depreciation, Rs. 16,034 (Rs. 49,992) for taxation and transferring Rs. 18,000 (*nil*) from provision for payments under labour disputes and including the sum of Rs. 7,937 (Rs. 59,039) brought forward from last half-year, shows an available balance of Rs. 57,347 (Rs. 1,27,358), which the directors propose to dispose of as follows:—

In paying a dividend at the rate of 10 (15) per cent. per annum without any deduction for income-tax paid by the Company Rs. 40,000 (Rs. 60,000) and in carrying forward Rs. 17,347 (Rs. 67,358).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ..	1,43,060
Reserves ...	13,69,395	Investments	21,66,434
Provision for taxation ...	99,524	Debts, deposits and advances	2,33,045
Liabilities ...	3,23,729	Cash ...	23,456
Profit and loss account ..	17,347		
Rs.	26,15,995	Rs.	26,15,995

Alembic Chemical Works Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bhailal Amin & Sons (Private) Ltd., Baroda) submit the audited accounts of the Company for the year ended 31st December 1955.

The net profit for the year after providing for depreciation is Rs. 7,55,805 (Rs. 5,09,694) to which should be added the sum of Rs. 16,231 (Rs 2,753) being the balance carried forward from last year, making a total of Rs. 7,72,056 (Rs. 5,12,447) which the directors recommend should be dealt with as follows:—

Transfer to provision for taxation Rs. 3,50,000 (Rs. 1,60,000), transfer to gratuity fund Rs. 50,000 (Rs. 50,000), to payment of dividend for the year ending 31st December 1955 on 25,000 ordinary shares at 8 (8) per cent. per annum free of income-tax Rs. 2,00,000 (Rs. 2,00,000), to payment of dividend for the year ending 31st December 1955 on 7,412 new ordinary shares allotted in the year 1955 at 8 per cent. per annum free of income-tax Rs. 28,518, to payment of dividend on 6¼ per cent. cumulative first preference shares Rs. 31,250 (Rs. 31,250), to payment of dividend on 5 per cent. redeemable cumulative second preference shares free of income-tax Rs. 25,000 (Rs. 25,000), to payment of dividend on 6 per cent. cumulative third preference shares Rs. 29,988 (Rs. 29,946) and balance to be carried forward to next year's account Rs. 57,300 (Rs. 16,251).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,41,200	Block ...	85,60,870
Reserves ...	30,91,533	Stock-in-trade	27,74,265
Depreciation fund	44,34,349	Stores and spares ...	18,41,061
Provision for taxation ...	12,61,805	Debts, deposits and advances ...	31,29,244
Liabilities ...	45,64,949	Investments	24,88,527
Profit and loss account ...	7,72,056	Cash ...	65,925
Rs.	1,88,65,892	Rs.	1,88,65,892

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

MONEY EASES SLIGHTLY

(From Our Own Correspondent)

BOMBAY, *4th July*

The week under review witnessed signs of slight easing of stringency in the short-term money market. There was an expansion in supply, following the release of funds after the half-yearly closing of bank accounts, with the result that banks did not appear to be very keen borrowers. The demand for bank credit was, however, on a fair scale and interest rates were, therefore, generally held at previous week's levels.

Inter-bank call money was bid at 3¼ per cent., though a fair volume of business was done at 3 per cent. also. House money at call was done at 3¼ per cent. The rates for short-term deposits remained unchanged at 3¼ per cent. for one to three months and 3¼ to 3⅜ per cent. for four to six months.

The Reserve Bank's statement for the week ended 29th June 1956 shows a fall of Rs. 12.19 crores in notes in circulation. This is the third week in succession for which a sizable shrinkage in notes in circulation has occurred, the aggregate decline for the three weeks being Rs. 40.14 crores. Notes held in the Banking Department have also fallen by Rs. 1.42 crores during the week, so that the recession in total notes issued is as much as Rs. 13.61 crores. This is covered on the assets side by a decline of Rs. 9.99 crores in foreign securities and of Rs. 4.98 crores in rupee securities and an increase of Rs. 1.35 crores in rupee coin. In the Banking Department, deposits of the Central Government are lower by Rs. 5.74 crores, while those of other Governments and banks have gone up by Rs. 5.16 crores and Rs. 2.61 crores, respectively. Balances held abroad are up by Rs. 2.70 crores, while loans and advances to Government have dropped by Rs. 2.65 crores. Other loans and advances have also declined by Rs. 1.94 crores, mainly due to the fall of Rs. 4.34 crores in advances to Scheduled banks against usance bills. Investments have risen by Rs. 7.05 crores.

Minor variations are disclosed by the Scheduled banks' statement for the week ended 22nd June 1956. Demand deposits are lower by Rs. 19 lakhs, while time deposits have maintained their upward trend with a rise of Rs. 2.50 crores. Borrowings from the Reserve Bank have been reduced by Rs. 2.04 crores. Advances have declined by Rs. 2.93 crores and bills purchased and discounted by Rs. 1.30 crores. Investments are also lower by Rs. 78 lakhs and cash balances by Rs. 1.27 crores.

The Gilt-edged market was lifeless during the week under review. With banks, insurance companies and other institutions out of the market, anxiously awaiting the announcement of the terms of the new loan, which is expected before this issue goes to Press, business was almost at a standstill.

3 per cent. 1957 was unchanged at Rs. 99-13 and 3 per cent. 1958 at Rs. 99-10. 3 per cent. 1959-61 was maintained at Rs. 98-2, 3 per cent. 1963-65 at Rs. 95-2 and 3 per cent. 1964 at Rs. 95. 3 per cent. 1966-68 held ground at Rs. 93-4 and 3 per cent. 1970-75 at Rs. 90-6. 3 per cent. 1986 Conversion Loan was placed an anna lower at Rs. 77-3. 3½ per cent. stood at Rs. 99-9 and 3½ per cent. at Rs. 98-12. 3½ per cent. 1965 was placed at Rs. 98-12 *ex*-voucher, as against Rs. 98-15 *cum*-voucher a week ago.

In the foreign exchange market, the rupee was erratic in terms of the U.S. dollar, but, on balance, it displayed a further weakness. Banks' selling rate hardened from Rs. 478½ to Rs. 478¾ per $100 and their buying rate from Rs. 474½ to Rs. 474¾ per $100. This is in consonance with the drop in value of sterling in terms of the dollar.

In New York, spot sterling receded from $2.79.13/16-2.79.15/16 to $2.79.7/16-2.79.9/16. Three months' forward moved down from $2.78.5/16-2.78.7/16 to $2.77½-2.78. Transferable sterling dropped from 277.30-277.40 cents to 277.15-277.25 cents, before closing at 277.30-277.40 cents.

LINSEED DULL

(Messrs. A. Bradly and Co.)

CALCUTTA, *2nd July*

The linseed market was dull and featureless during the week. The continued disparity between seeds and oil prices and the lack of demand for oil were reported to have forced several small crushers to suspend production temporarily. The availability of seeds remained poor, with movement of wagons restricted, but the withdrawal of buyers from the market resulted in a small price decline. Daily turnover was negligible. Oil prices registered a further fall, in sympathy with lower overseas advices. Business was confined to meagre enquiries from local consumers.

The latest available quotations are: Ready Rs. 21-4 and July-August Rs. 21 per maund.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, *2nd July*

The kip market remained firm, with prices advancing by half to one anna per lb. Arrivals met with fair clearance and shippers were moderately active. Demand from the U.K. was for top grades premium marks which were in meagre supply. U.K. interests showed greater interest in lower grades as well. There was also fair local demand for inferior fifths cow hides, the prices of which hardened.

The cow calf, buff hides and buff calf section also, ruled steady, thanks to moderate inquiries and clearance.

The unadulterated skins ruled firm, while quality goat was weak and lining sheep unchanged.

BULLION MOVES IRREGULARLY

(From Our Own Correspondent)

BOMBAY, *4th July*

The bullion market displayed an irregular trend during the week under review also. The fluctuations were, however, confined to a narrow range. On balance, prices of both silver and gold were lower.

Early in the week, silver ruled firm on nervous bear covering following rumours that imports of coins from Tibet would be restricted. Prominent bull operators made heavy purchases in anticipation of a rise in prices. The absence of any reference to imports of silver in the import policy for the current half-year was interpreted in market circles to mean that the *status quo* about silver coins from Tibet would continue, that is, that the Government would allow these coins to be imported, as it has done in recent months. This line of reasoning induced the bulls to book their profits. The bears also seized the opportunity to hammer down prices. Yesterday, however, a news agency message from Kalimpong said that the Chinese authorities in Tibet had restricted the export of Chinese silver dollars. This news caused a hardening of prices again, but as it was not officially confirmed, operators gave no credence to it and the trend became downward.

Gold softened on reports of an increase in arrivals, with no corresponding expansion in offtake.

Forward silver (25th July settlement) rebounded from Rs. 171-14 to Rs. 173-12 at the opening of the week, but reacted on Monday to Rs. 171-4. After a short-lived recovery to Rs. 172-15, it again dropped to Rs. 171-5 at the close.

Ready silver (.996 Mint) came up from Rs. 172-2 to Rs. 174-4 before sliding back to Rs. 170-12. There was again a rise to Rs. 172-9, yesterday, but the closing today was lower at Rs. 170-15.

It will be seen from the rates mentioned above that ready metal which had commanded a small premium of As. 4 over the forward at the opening came to be placed at a discount of As. 6 by the close of the week. This was due to large arrivals and poor offtake.

The floating stocks of silver are placed at 600 bars. The daily average offtake during the week was 5 to 10 bars.

Gold for forward delivery (24th July settlement) moved between Rs. 100-14 and Rs. 99-11, before closing As. 15 lower at Rs. 99-12.

Ready gold suffered a loss of Rs. 2 to Rs. 100-9, on account of the dwindling offtake. This is also reflected in the narrowing of the premium over forward from Re. 1-14 to As. 13.

The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was no more than 2,500 tolas on an average.

Following the continued weakness of sterling, there was a further hardening of silver and gold prices in London during the week under review. Spot silver moved up from 78½d. to 78¾d. and forward from 78½d. to 78¼d. Gold rose sharply from 249s. 9¾d. to 250s. 2½d. In New York, silver was unchanged at 90½c.

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

	4-7-56	Highest	Lowest	27-6-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	100 9	102 10	100 8	102 9
Forward*	99 12	100 14	99 11	100 11
Sovereign	66 12	67 4	66 12	67 4
SILVER				
Ready (.996 fine Mint) ..	170 15	174 4	170 12	172 2
Forward†	171 5	173 12	171 4	171 14
London Silver Ready ..	78¾d.	78¾d.	78¼d.	7 ⅛d.
London Forward	78¾d.	78¾d.	78¼d.	78⅛d.
London Gold	250s. 2¼d	250s. 2¼d	249s 11¾d.	249s. 9¾d.
New York Ready	90½c.	—	—	90½c.

* 24th July, settlement.
† 25th July, settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

SUGAR IMPROVES

(From Our Own Correspondent)

BOMBAY, *4th July*

Fully steady conditions prevailed in the sugar market during the week under review. The ex-mill quotations for Bombay-Deccan sugar registered a rise of Rs. 3 per bag, thereby recovering the entire loss suffered last week. The rise in ex-mill prices induced good buying support in the wake of reduced arrivals of indigenous sugar into the market, which were only 8,500 bags, as against 10,400 bags a week before and 14,000 bags two weeks before.

In the spot section, large grain indigenous sugar hardened by a rupee to Rs. 96-Rs. 101 per bag. Medium grain rose by a like amount to Rs. 92-Rs. 95. Small grain was throughout maintained at Rs. 90-8, same as last week. British refined sugar, however, was done slightly lower at Rs. 89, as against Rs. 89-4.

In the forward section, *Shravan* delivery contract for "C" grade sugar strengthened from Rs. 91-4 to Rs. 92.

The ex-mill rates for Bombay-Deccan sugar, as already stated, have improved by Rs. 3 per bag. There is reported to be considerable resistance to higher prices. Indications are that there may be a fall of Re. 1 per bag. The ex-mill quotation for North India sugar are a shade easier, by As. 4-As. 6 per maund. Some sugar traders feel that there is not much scope for the market to improve beyond the existing levels.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while that for foreign sugar are exclusive of the tax.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, *4th July*

A steady trend was depicted by the cotton futures market during the week under review. The steadiness was aided by two bullish factors. These were: (1)) continuance of the floor and ceiling prices of cotton at the hitherto existing levels of Rs. 495 and Rs. 820 for Jarilla fine 25/32" and Rs. 565 and Rs. 970 for Vijay fine 27/32"; (2) suspension of licences for import of cotton, excepting Egyptian Karnak and Menoufi varieties. In addition to these factors, rumours of a further *ad hoc* export quota of 5,000 bales Bengal *Deshi* also influenced the sentiment of operators favourably. There, was, therefore, good buying support which, together with some short-covering led to an improvement in prices, although, towards the close, there was a setback.

Jarilla contract (March 1957) opened the week at Rs. 657, as against Rs. 661 last week-end. Influenced by renewed enquiries, the contract advanced to Rs. 669 before finishing at Rs. 663. Vijay contract (April 1957) opened Rs. 3 lower at Rs. 819. After receding to Rs. 812 the same day, the contract recovered subsequently to Rs. 824 yesterday. At the close today, however, it was lower at Rs. 818.

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

(In rupees per candy of 784 lbs.)

	4-7-56	Highest	Lowest	27-6-56
Jarilla (March) ...	663	669	656	661
Vijay (April) ...	818	824	812	822

The most important event of the week in the spot cotton market was the commencement of trading in the non-transferable specific delivery contracts on Monday the 2nd inst. The decision to permit trading in these contracts was taken by the Board of the E.I.C.A. at its meeting held on 29th June, that is, after the Government of India announced its decision to maintain the *status quo* in the floor and ceiling prices of cotton. The decision is based on the consideration that the continuance of the two contracts working side by side is bound to restrict the scope for speculation, since the two contracts cover, between them, practically all the cotton grown in the country. In the light of this, it is believed that the Forward Markets Commission has no objection in allowing trading in new crop delivery contracts. According to cotton circles, the Commission will interfere only when there is large-scale speculation in these contracts.

Mill demand for cotton was concentrated mainly on Jarilla, Vijay, Jayadhar and Laxmi varieties. Bengal *Deshi* met with keen buying support induced by expectation of a special export quota. In the foreign section, some business was reported in American cotton at Rs. 1,380 for October-November shipment. Sudan also evoked enquiries. Africans, however, failed to elicit support and drifted lower. B.P. 52 was done at Rs. 1,610, as against Rs. 1,640 last week. Busoga was done at Rs. 1,510 (Rs. 1,515) and Jinja at Rs. 1,355 (Rs. 1,385).

The latest available prices from the Sewri market are: Bengal *Deshi* Rs. 625; Berar Jarillas Rs. 770; Khandesh Rs. 780; Vijay Rs. 960; *Oomra Deshi* Rs. 680; Moglai Rs. 685. Delivery contracts: Khandesh 197/3 Rs. 120 on; Berar Rs. 100 on; Moglai Rs. 10 on; 320F Rs. 48 on; Vijay (March) 13/16" Rs. 32 on.

The all-India final estimate of cotton for 1955-56 put the current year's area and production at 20,230,000 acres and 3,998,000 bales (of 392 lbs. each) of cotton lint, as against the partially revised estimate of 18,648,000 acres and 4,227,000 bales, respectively, for 1954-55. This shows an increase of 1,546,000 acres or 83 per cent. in area and a decline of 229,000 bales or 5.4 per cent. in production over last year. As compared with the average of the preceding five years' estimates, the current year's estimate shows an increase of 22.8 per cent. in area and 14.9 per cent. in production. Past experience shows that the official estimates of cotton are generally lower than trade estimates of yield which vary from 4.77 to 4.95 million bales for the current year, as against the partially revised estimate of 5.02 to 5.46 million bales for 1954-55.

The depressed tone of the Karachi cotton market noted last week gathered momentum during the week under review. Traders were inclined to feel that the floating stocks of cotton in the market would be considerable in the next few weeks. This view was based on two grounds. First, overseas enquiries had been very slack; only the other day, the Government of India suspended issue of licences for imports of cotton excepting Egyptian Karnak and Menoufi varieties. Secondly, the new season's cotton would commence arriving in the market. Selling pressure ensued as a result and cotton prices continued to march downwards. N.T. R.G. July delivery dropped Rs. 2-11 to Rs. 77-14 per 82 lbs. January delivery suffered a loss of As. 15 to Rs. 75-10. The prices of spot cotton also drifted lower, excepting *Deshi* styles which were fully steady. The following are the prices—in rupees per 82 lbs.—of a few popular varieties of Pakistan cotton prevailing yesterday, the figures in brackets giving last week-end rates:

Sind *Deshi* 103 (103); Punjab *Deshi* 97-8 (97-8); 4F Roller 80-2 (82-14); S.G. 82-2 (84-14); 289F N.T. Roller 82-2 (85-2); S.G. 83-10 (87-6); 289F Punjab Roller 82-2 (90-14); S.G. 94-10 (98-6).

A distinctly bearish trend was in evidence in the Alexandria cotton futures market this week. Overseas enquiries continued to be very slack. There were, besides, apprehensions of acute competition from U.S. in world cotton markets. Holders of stocks were busy liquidating them and, the buyers being reserved in anticipation of a further fall in prices, cotton futures staged a retreat. The following are yesterday's closing rates—in tallaris

per lb.—at Alexandria (figures in brackets indicate the extent of fall over the week):

Karnak: July 100.00 (—5.05); November 96.75 (—4.45); January 93.40 (—3.80); Ashmouni: August 98.60 (—6.15); October 70.17 (—2.53).

The liverpool cotton futures market ruled distinctly easy this week too. The easiness was due to persistent bearish advices from Alexandria and renewed fears of a setback in world cotton prices. These factors induced large-scale hedging and commission house selling which brought about a further fall in prices. The Egyptian contract was neglected and suffered a break. The Sudan contract also slipped down, thanks to hedging by a prominent mill group which met with limited offtake. The latest available quotations—in pence per lb.—from Liverpool are given below:

Old contract: July-August 24.30. *New contract*: July-August 27.60; October-November 24.95; December-January 24.20; March-April 23.65; May-June 23.25; July-August 23.10. *Egyptian karnak cotton*: July-August, *November-December* and January-February 54.05. *Sudan cotton contract*: July-August 46.75; September-October 45.65; November-December 45.45.

Restricted volume of transactions with narrow fluctuations in prices characterised the trading in the New York cotton futures market during the major part of the week under review. For operators preferred to await the results of the offers made on 26th June 1956 to the Commodity Credit Corporation under the new export sales programme which were made known only towards the week-end. The bids accepted resulted in a sale of 641,702 bales of surplus cotton for export at an average price of 24.40 cents per lb. The bid for next sales will open on the 10th inst. for Middling 15/16" at an average price of 25.20 cents per lb.

The C.C.C. has announced extension of the 1955 loan up to the end of 31st December next. The stocks in the loan will, therefore, become part of the C.C.C. stocks only in 1957. Accordingly, the sales catalogue on about 6 million bales currently in the loan will be prepared not earlier than next year. The addition of this cotton to the qualities offered by the C.C.C. is expected to come by instalments, commencing some time in March 1957. Meanwhile, it is believed that the U.S. Department of Agriculture is examining a proposal which seeks to replace the present competitive sales programme by a direct export subsidy.

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

(In cents per lb.)

	3-7-56	26-6-56	19-6-56
Spot	36.80	36.80	36.90
July	34.62	34.60	34.48
October	32.65	32.73	32.37
December	32.73	32.67	32.45

IMPORT POLICY FOR YARN

(From Our Own Correspondent)

BOMBAY, 4th July

The import policy for the current half-year announced on Saturday last would appear to have had no significant effect on the yarn market, which continued to rule dull this week also. This is not surprising, considering that the policy reveals no notable change with regard to rayon yarn imports. Thus, the quotas for the import of rayon yarn (per cent. of the face value of licences) for 150 and 120 deniers bright yarns remain unchanged at 25 and 10, respectively. The only change effected is that up to 5 per cent. of the face value of licences for the import of rayon yarn can be utilised for importing acetate yarn of 120 and 150 deniers. The import quota for cotton yarn also remains unaltered, barring 60 counts and above (single and folded), the quota of which has been raised from 60 per cent. to 75 per cent. The import policy did not, therefore, enthuse the operators, so much so that deals put through were limited and prices moved narrowly.

The rayon yarn section ruled somewhat firm. The firmness was aided by expectation of enlarged demand from consuming centres. The expectation was based on the view that, with the 50 per cent. cut in imports of rayon fabrics, the indigenous industry would be able to utilise a larger portion of its installed capacity which is now remaining idle on account of competition from imported fabrics. Buying support ensued as a consequence and spot rayon yarn prices tended to look up. 120 Japan hardened by nine pies to Rs. 3-12-6. 120 Italy and 150 Italy gathered half an anna each to Rs. 3-12-6 and Rs. 3-15, respectively. 150 Japan was better by three pies at Rs. 4-2. Indigenous yarns, however, were easy. National Rayons 120 Bt. cones 1st grade lost six pies to Rs. 3-9-9 and 150 Bt. cones 1st grade three pies to Rs. 3-7-3. Snia rayon yarn (120 dull cones) for August delivery also eased by Rs. 2 to Rs. 782.

Thanks to absence of buyers leading to accumulation of heavy stocks with traders, the staple fibre yarn section presented a weak trend. Under the influence of heavy selling orders, 40×2 staple fibre yarn for July delivery dropped Rs. 13 to Rs. 642. The spot prices also staged a retreat. Among indigenous yarns (40×2), Kohinoors receded by nine pies to Rs. 3-7-9. Both Citys and Centurys declined by six pies to Rs. 3-6-6. New Greats shed three pies to, Rs. 3-6-6. Foreign yarns (80×2) changed hands at lower prices. Paramounts slipped by As. 2 to Rs. 6-4. Sulcos decreased by an anna to Rs. 7-2. Fujis lost a like sum to Rs. 6-5.

Following the grant of higher import quota for 60s and above, cotton yarns exhibited an easy trend. Even the Government's decision to continue the present policy of allowing some exports of yarn failed to influence the sentiment of operators favourably, for there were reports that shippers had not been able to ship more than 30,000 bales of yarn out of the licensed quantity of 65,000 bales. Sixty counts Raghuvanshis declined by As. 8 to Rs. 57. Moderns eased by As. 4 to Rs. 62. Finlays were quiet at Rs. 61. Eighty counts Moderns and Mahendras receded by As. 4 each to Rs. 69 and Rs. 72, respectively. Among 40s, Minaxis dropped As. 10 to Rs. 28-2. Moderns gave way from Rs. 28-6 to Rs. 28-2. Twenty counts were quiet, Finlays being quoted at Rs. 18-2 and Moderns at Rs. 18-4. Among 10s, Podars were dull at Rs. 13-14, while Moderns gained an anna to Rs. 14-2.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	4-7-1956	27-6-1956	20-6-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia June	—	768 0	778 0
August	782 0	784 0	786 0
120 Japan (per lb.)	3 12½	3 11½	3 11½
150 Japan (per lb.)	4 2	4 1½	4 4
120 Italy (per lb.)	3 12½	3 12	3 12½
150 Italy (per lb.)	3 15	3 14½	3 14½
Staple fibre yarn (per case of 200 lbs.)—			
40 × 2 July	642 0	655 0	652 0
40 × 2 New Great (per lb.)	3 6½	3 6½	3 6
40 × 2 Century (per lb.)	3 6½	3 7	3 7
40 × 2 City (per lb.)	3 6½	3 7	3 6½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	13 14	3 7	13 13
20s Hind	18 2	18 14	18 2
40s Minaxi	28 2	18 2	28 8
60s Modern	62 0	28 12	62 0
80s Finlay	75 0	62 4	76 0
		75 0	

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 4th July

With the exception of a brief spell of activity during mid-week, the oilseeds market presented easy conditions during the week under review. In the initial sessions, bearish advices from overseas markets and rumours of a release of about 10,000 tons of castor oil from the U.S. surplus stocks unnerved operators. The selling pressure that appeared as a result pushed down values of both seeds and oils all round. This decline was, however, temporarily arrested mid-week as a result of short-covering and some bull support induced by expectations that Japan was interested in Indian castor oil. The expectations not having materialised, the market resumed once again on a weaker note on unloading by disappointed longs. There was also a persistent flow of selling orders from Gujerat. Buyers were, therefore, reserved. In the result, the market wound up the week with all-round losses.

The firmness noted in castorseeds September contract last week yielded place to weakness early this week. The contract opened at Rs. 140-6. After temporarily moving to Rs. 140-10, the highest for the week, it steadily declined under the influence of bearish advices to touch a low of Rs. 131 on the 30th ultimo. The low level attracted some speculative support inspired by rumours of Japan's interest in castor oil. The quotation, therefore, improved to Rs. 138-10 yesterday. The improvement, however, proved short-lived. Persistent selling from Gujarat took the rate down to Rs. 133-8, at which level it finished the week. In the spot section ready F.A.Q. was, however, a shade better at Rs. 26-12, as against Rs. 26-4. But Madras quality lost ground from Rs. 27-2 to Rs. 26-12. Castor oil B.S.S. shed As. 6 to Rs. 15-10. Commercial oil receded from Rs. 14-8 to Rs. 14-6.

On continued reports of good rains in the producing areas, the groundnut section struck a bearish note. In the futures market, February delivery, after moving up temporarily from Rs. 134-10 to Rs. 137-4, developed a weak tendency on sustained bear selling and reached a low of Rs. 131-8 before closing at Rs. 132. Bold F.A.Q. retreated from Rs. 33-4 to Rs. 32-8. June-July delivery lost As. 6 to Rs. 32-8. Coromandel quality declined from Rs. 35-4 to Rs. 34. Groundnut oil ex-mill was done at Rs. 17-10, as against Rs. 17-12, and *railway receipt* at Rs. 17-6, *as against Rs. 17-12.*

The linseed section moved in sympathy with the downward trend of the market. Bold ready was marked down from Rs. 29 to Rs. 28-4. Indore variety was done at Rs. 28-8, as compared with Rs. 29-2. Satna receded from Rs. 27-2 to Rs. 26-4. Linseed oil had a few deals at Rs. 15, as against Rs. 15-6.

Among other seeds, *Kardi* seeds lost As. 8 to Rs. 18-8 and *Niger* seeds a like amount to close at Rs. 28-8.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	4-7-1956	27-6-1956	20-6-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	132 0	135 8	134 2
Khandesh Quality Ready (per cwt.)	34 0	35 0	34 2
June-July	32 8	33 8	31 6
Linseed—			
Bold Ready (per cwt.)	28 4	28 12	28 12
June-July	28 4	28 12	28 12
Castorseeds—			
September	133 8	142 0	127 2
Madras (per cwt.)	26 12	27 14	25 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 10	18 4	17 12
Castor Oil—			
Commercial (per quarter) ..	14 6	14 11	15 2
Linseed Oil—			
Ready	15 0	15 14	17 2

PEPPER FEATURELESS

(Messrs. Parekh & Co.)

BOMBAY, 4th July

Malabar black pepper during the week ruled featureless with very small fluctuations, in the absence of any encouraging overseas demand. Alleppey moved between Rs. 725 and Rs. 712½, while garbled at Cochin between Rs. 126 and Rs. 122. A special feature of the market in all the primary centres is the absence of former nervousness on the part of growers and assemblers who entertain the view that the price has reached almost the bottom and if it declines, it will not be more than 2 to 3 cents (Rs. 50 to Rs. 75).

In spite of heavy arrivals of pepper in Singapore, the market there was reported steady, as almost all the imports from Sarawak and Banka were readily absorbed. Singapore was reported to have refused to offer anything less than $0.23½ per lb. c. & f. New York to U.S. Experienced observers feel that foreign demand will soon come in as generally dealers in New York start buying for their fall requirements after the holiday on the 4th July (Independence Day).

The recent typhoon in Travancore-Cochin areas is reported to have caused some damage to paddy, tapioca and plantain crops. However, no news as to the damage to pepper crop has so far been received.

In the A.S.T.A. section, no noteworthy business is said to have passed, price for July-Aug-Sept. having moved *narrowly* from $0.27½ to $0.27¾. In the delivery section, business remained thin with narrow fluctuation.

Following are today's nominal quotations: Ready delivery Rs. 98 (as against Rs. 98 a week ago) per *Bengal maund*; July Rs. 687½-672½ (Rs. 677½-682½) and August Rs. 672½-677½ per candy of 5½ cwts.

QUALITY OF TEAS POOR

[Messrs. Forbes, Ewart & Figgis (*Private*) *Ltd.*]

COCHIN, 29th June

Approximately 1,250,000 lbs. were on offer in sale 17 which was held on Tuesday, 26th June. Quality again showed a decline and the offerings included a number of rush teas which were rough, stalky and unsorted. High grown quality was also rather plain and good liquoring teas were scarce. The sale opened to rather more demand for low grown and low medium teas. Prices, however, followed the decline in quality and these types were irregularly As. 2 lower. There was a useful enquiry for better liquoring teas and, although buyers were selective, these sold well. All thick liquoring teas were sought after and sold around valuations. Middle East type fannings met with some competition and must be quoted dearer. Whole leaf teas were well supported and prices for the better sorts were occasionally dearer. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 5 0
Low medium B.O.P.	1 7 0
Medium B.O.P.	1 8 0
Good B.O.P. ... ... Rs. 2 1 0 *to*	2 3 0
Well-made black leaf O.P.	N. 2 2 0

London Market: *Sale of 25th June 1956*:—Commonest irregular and easier. All others firm.

Sale of 26th June 1956:—Good liquors firm. Thin easier.

Colombo Market: *Sale of 25th June 1956*:—Dusts firm. Others declined 10 to 20 cents. Stalky sorts neglected.

Sale of 26th June 1956:—Low-grown firm. Others quiet. Demand, prices lower. Poor liquoring and stalky sorts neglected.

Calcutta Market: *Export*:—24,000 packages. Rather better demand with withdrawals on plain and low medium teas rather less. Heavy C.T.C. types and better liquoring teas sold very well up to rupee over valuation. Whole leaf grades normally dearer. Darjeelings irregular and easier.

Internal:—21,000 dust. Good general demand tending easier towards close. Middle East and C.T.Cs strongest feature. Mediums and low mediums about steady, but poorer liquoring sorts one anna to As. 2 easier. Residue types irregularly easier.

Dust Sale 'M':—The offerings in dust sale M which was held on Thursday, 28th June, aggregated 950,000 lbs. Considering the heavy quantity on offer, the demand was good, but prices were irregularly As. 3 lower. Better liquoring dusts were well supported, but there was less demand for Middle East types. Milled dusts sold well at lower rates.

Export Quota:—Some quantities of special licence have changed hands at 2 pies, but transactions are drawing to a close. 1956-57 export quota is quoted at 31-30 pies.

Forthcoming Auctions:—Sale No. 18 will be held on Tuesday, 3rd July. Dust sale N will be held on Thursday, 12th July.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 18:—1,500,000 lbs. Useful demand. Common and low medium As. 2 to As. 3 lower. Medium sorts one anna to As. 2 easier. Good demand for better liquoring teas and all Middle East types whole leaf fully firm."

JUTE GOODS RECOVER

(From Our Own Correspondent)

CALCUTTA, 3rd July

After an early decline, prices of jute goods recovered, while raw jute prices were steady throughout the week. The market thought that the reduction in production now proposed as from the week commencing 16th July would be insufficient to have any significant effect in the nature of mills' stocks of manufactured goods. The re-sealing of 2½ per cent. of the total loomage would reduce production only by about 3,000 tons a month. This way of thinking is easily understandable when it is recalled that the monthly increase in stocks since February, when 5 per cent. of the looms was unsealed, had worked out to be 7,425 tons. Such an analysis in the market caused prices to fall, but, when it was found that the decline did not have any effect whatsoever on raw jute prices, a slow recovery set in. There was a fair covering demand, and speculators became active.

There was a strong feeling in the market that there would be perfect justification for sealing a further 2½ per cent. of the looms. That would bring down the production by 6,000 tons a month, and then demand would be equivalent to production. The total increase in production in the months of February, March, April and May was 20,000 tons, and, even if 5 per cent. of the looms had not been unsealed in February last, stocks would have increased by 9,700 tons in the four months.

Earlier in the week, ready B. twills fell to as low a rate as Rs. 102-12 from Rs. 103-8. This followed heavy selling by speculators, who did not believe that prices would move up in the near future. On the other hand, reports from overseas had suggested that, if and when official minimum prices were fixed, sales of substitutes such as paper and cotton bags would increase. These reports also contributed their share to the decline in prices. However, forward positions were paid better attention, as reports that the jute crop would not turn out to be as good as earlier expected, encouraged buying. Thus, while the ready goods fell as indicated above, in the same period October-December B. twills rose to Rs. 103-12 from Rs. 103-4. Covering demand soon followed to raise the ready position to Rs. 104 by Friday. October-December goods advanced further to Rs. 105-0. The market was closed on Saturday on account of it being a Bank holiday. Yesterday, there was further improvement in ready B. twills to Rs. 104-8. The decline in hessian prices was narrower. Ready 40" 10 oz. hessian opened at Rs. 38, and soon gave way to Rs. 37-12. By the week-end, a recovery set in and the rate was pushed up to Rs. 37-14. October-December goods, after falling to Rs. 37-14 from Rs. 38-1, were quoted higher at Rs. 38-2. July-September regained to Rs. 38-6. The ready position made a further recovery yesterday to Rs. 38-2, the 8 oz. hessian being priced at Rs. 31-8.

Raw jute prices were better. Most constructions of the old crop improved by Re. 1 per maund, both middles and bottoms, while the quotable new crop constructions for forward August-September delivery advanced by As. 8 per maund. Thus, while Assam upper old crop middles for delivery July-August rose to Rs. 31-8 from Rs. 30-8 and bottoms to Rs. 28-8 from Rs. 27-8, Indian northern bottoms new crop for August-September delivery picked up to Rs. 27 from Rs. 26-8. The main cause for this higher trend was reports of floods from Pakistani and Indian districts and of consequent damages to crops. Reports of this kind are usual at this time of the year, and, even if damage to jute plants may be insignificant, such reports cause an uptrend in prices. In fact, it is stated that actual damage to crops is little, but it should be noted that heavy rains are continuing and between now and harvest anything can happen. This apprehension made sellers reserved, but mills bought only small quantities of the new crop on the basis of Rs. 27 a maund Indian northern bottoms. As from 16th July, mills would require less raw jute, that is, by 60,000 maunds per month, and this factor was completely offset by reports of floods and damages to crops. The latest quotations of the old crop July-August delivery are as follows:

	Middles Rs. a.	Bottoms Rs. a.
Pakistani:		
Northern	31 8	28 8
District	33 8	30 8
Indian:		
Northern	33 0	30 0
Assam Upper ...	31 8	28 8
Assam Lower ...	31 8	28 8
Daissee	32 0	29 0
Murshidabad ...	31 0	28 0
Western	31 0	28 0
Jungli	30 8	27 8
Orissa	32 0	29 0
Uttar Pradesh ...	30 8	27 8
Daissee *mesta* ...	30 0	27 0
Bimli f.a.q.		Rs. 27 0

Pucca bales 1st marks ready Rs. 160-0 per bale (Rs. 177-8 a week ago).

HEAVY WITHDRAWALS OF POORER TEAS

(From Our Own Correspondent)

CALCUTTA, 3rd July

During the export tea sale yesterday, once again quality teas continued to get most of the buyers' attention. Demand was better all round; nevertheless, there were heavy withdrawals of the poorer varieties. That similar conditions were in evidence at last Saturday's sale in Mincing Lane was also a factor which influenced the local trend. Note was taken that stocks in British warehouses as on 22nd June amounted to only 121.3 million lbs., which represented a small increase over the previous week's figure, although they were lower by as much as 26.7 million lbs. compared to the stocks of the corresponding week of last year. All these encouraged the hope that better demand would continue to prevail in London's tea sales for some time to come.

Offerings during yesterday's sale here amounted to 25,400 packages. Keen competition was in evidence in C.T.Cs, the very best sorts of which were absorbed in no time. All good liquoring teas advanced in prices. Fractional rise in prices was also recorded in low medium teas. However, most of the plain and thin teas had to be withdrawn. Well-made whole leaf grades were taken steadily, but there was less demand for the plain and stalky teas. Among Darjeelings, the flavoury lots continued to be in the forefront, with others being irregular. Tippy teas sold well. The quotations were: best C.T.C. Assam Rs. 3-8 to Rs. 4, medium Assam B.P. Rs. 2-4 to Rs. 2-6, clean black pekoe Re. 1-12 to Re. 1-14, and plain B.P. Re. 1-7-6 to Rs. 1-8-6.

Offerings during the last week's sale for domestic consumption amounted to 20,688 chests. Buyers were discriminatory to quality, and the offerings were mostly of plain and unattractive old season's teas. For these reasons, the market which opened with a good general demand, developed weakness as the auctions progressed. Medium and low mediums were steady, while the very best C.T.Cs and black leafy exportable teas were the strongest features and realised higher prices. Teas of poor descriptions declined. Quotations which were nominal were: best Assam C.T.C. Rs. 2-6, medium Assam grainy dust Re. 1-7, and medium Dooars Re. 1-6.

There was fair demand at irregular rates for the leaf grades offerings aggregating 170 packages.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 2nd July

Following the Government of India's determination to curb any marked rise in the prices of foodgrains in the country by selling a sufficient quantity from its reserve stocks and strengthening the reserves by expediting imports, foodgrain prices ruled quiet during the week. With favourable weather conditions all over the region and with extensive sowings of the Sawani crop, the trend of foodgrains market was also bearish. Up to 1st June, the Government had purchased 837,000 tons of wheat in foreign countries, out of which 210,000 tons had already reached India and arrangements were nearly completed for continued flow of imported wheat. The Union Food Minister has completely ruled out the possibility of reimposing controls.

Wheat prices at Hapur ruled quiet at Rs. 13-12 per maund for average quality. Local arrivals went down to an average of 500 maunds, due partly to rains and partly to unsatisfactory yield of last *rabi* crop. Farm quality was in request from Madras side and the week's offtake aggregated 4 *khaties* and local stock was put at 83 *khaties*. Rice prices also ruled quiet and, in order to improve its stock position, about 45,000 tons of rice from Burma are expected to reach the country by end of July, out of the two million tons contracted to be purchased from that country in the next five years.

Gram prices backed away slightly, due to increased flow of arrivals from the Punjab, which raised the local stocks to 51 *khaties*. Barley prices, however, were steady, owing to poor stock position, but *bejhar* prices lost As. 2 per maund during the week. A fall in demand accounted for the decline in *jowar* and *guwar* prices. The prevailing rates on Saturday were: Gram local Rs. 10-8, punjabi Rs. 10-12, *barley* Rs. 10-12, *bejhar* Rs. 10, *jowar* Rs. 16 and *guwar* Rs. 10-4 per maund. The market remained closed today as a protest against the imposition of sales tax by the State Government.

Pulses exhibited an easy trend during the week. *Arhar* prices lost As. 8 per maund, influenced by overall increase in production in the country in 1955-56, being 1,814,000 tons, as against 1,687,000 tons last year. The demand at the prevailing rates was also slack. Prices of peas eased during the week in line with *arhar* prices, despite some demand in the form of pulses and for white quality from Madras. Other pulses prices ruled quiet and the prevailing prices were: Peas *dara* green Rs. 10-2, white Rs. 11-6, *arhar* Rs. 11, *urd* Rs. 17-8 to Rs. 18-8, *moong* Rs. 14-4 and *masoor* Rs. 12-4 per maund.

After an early fall in line with ready prices, pulses futures improved towards the week-end on bull support from Punjab. The latest closing quotations on Saturday were: Peas *bhadon* Rs. 10-5, white *bhadon* Rs. 10-12, *arhar bhadon* Rs. 11-0-10½, *urd maha* Rs. 13-12-6 and *guwar maha* Rs. 8-3.

"GUR" DEPRESSED

(From Our Own Correspondent)

HAPUR, 1st July

Trading in the sugar market was dull during the week under review. Supplies were plentiful, following the release of a fresh quota of 150,000 tons of sugar for free sale by the Government of India. The total releases since the beginning of the season comes to 968,000 tons. The sugar factories produced 1,825,000 tons of sugar up to 15th June. Factories in west U.P. are still continuing their crushing operations, despite heavy deterioration in the quality of cane, but, latterly, due to very good rains and consequent transport difficulties in rural areas, heavy quantity of cane remain uncrushed and the factories will have to close their season within a few days. The demand for sugar from Madras side has now subsided, following heavy despatches in the form of sugar specials from factories in west U.P., but, of late, there has been reported a revival of demand from Bombay and Calcutta and sustained buying enquiry from Assam.

The latest mill delivery prices of sugar at Hapur are: Jaswant Rs. 28-6, Simbhauli Rs. 28-4, Mowana Rs. 28 to Rs. 29, Daurala Rs. 30-8, Amroha Rs. 28-2, Bijnore Rs. 28-2, Mansoorpur Rs. 30-8, Rampur Rs. 31-6; retail Rs. 30-8, *khandsari* Rs. 23 to Rs 27 per maund.

Ready *gur* prices ruled dull and depressed. The consuming areas of *Gujerat* were reported to be getting their supplies from markets in the South, where heavy stock position was reported. The week's offtake was small and local stock was put at 50,000 maunds. Dry quality was transacted at Rs. 10-6 and wet quality at Rs. 9 per maund. The standing cane crop is reported to be progressing under favourable conditions.

Forward *Fagun* delivery also moved narrowly during the week on speculative bouts of buying and selling. It was quoted at Rs. 9-5-9 on Saturday.

* * * *

Under the Sugar Workers' Housing Scheme of the U.P. Government, considerable progress has been achieved. Out of the construction of 1,150 quarters undertaken by 52 sugar factories in the State, 1,040 quarters had been completed in all respects upto 15th June 1956, while 34 quarters had reached up to plinth level, 72 up to roof level and 28 were below roof level. Until that date, a sum of Rs. 23,22,489 had been paid to various factories in the State towards the cost of construction.

HIDES DULL

(From Our Own Correspondent)

KANPUR, 1st July

The hides and skin market ruled dull throughout the week under review, thanks to lack of buying interest. Arrivals were not considerable, because the rains had affected the transport system. As demand from overseas was slack, transactions were mainly confined to buff. Madras shippers were indifferent, whereas Delhi parties paid attention to high grade sheep.

The latest available quotations are: Cow wet salted 1st grade Rs. 280 and 2nd grade Rs. 250 per score; buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 175 and 2nd grade Rs. 145 per 100 pieces; sheep 1st grade Rs. 130 to Rs. 140 and 2nd grade Rs. 110 per 100 pieces.

CHANGE-OVER TO DECIMAL COINAGE

Steps which the State Governments should take for the introduction of the decimal coinage on 1st April 1957—the appointed day—were discussed at a meeting held on the 20th June in the Ministry of Finance with the representatives of some of the State Governments. Mr. H. M. Patel, Secretary, Ministry of Finance, Department of Economic Affairs, presided.

The principal problems concerning the introduction of decimal coins that were dealt with at the meeting were: (1) Making of sufficient number of coins by the mints so that an appreciable number could be put into circulation on 1st April 1957; (2) popularisation of the new coins; and (3) making people familiar with the conversion rates which is essential during the transition period when both the sets of coins—the existing as well as the new ones—would continue to be in circulation.

It was explained on behalf of the Ministry of Finance that the India Government Mints at Calcutta and Bombay had already started producing the coins and before the appointed day, sufficient quantities of such coins would be put into circulation.

For popularisation of the new coins, a number of steps were proposed to be taken by the Ministry of Information and Broadcasting and the State Governments. Apart from using the various media of publicity, the Ministry of Finance is arranging, it is stated, to provide demonstration sets of new coins at various central places, such as information centres, primary and secondary schools, for spreading the knowledge of the new coins among the masses. The Community Projects Administration will also help in spreading the knowledge through the agency that it has set up in rural areas. The Ministry has already prepared two conversion tables which would be distributed in very large numbers in the major regional languages.

On a question whether private publishers could publish the conversion tables on their own in calendars, diaries and other literature of mass communication, it was pointed out on behalf of the Ministry of Finance, that there was no objection to do so and such private publishers would be well advised to get authentic copies of conversion tables for publication.

Besides the above basic problems, introduction of the decimal coins would naturally involve change in the accounting in all Government and also in private accounting in due course. So far as Government accounts are concerned, they will be changed into *Naye Paise* with effect from 1st April 1957. The Comptroller and the Auditor-General of India is already seized of this problem, and it is expected that he will issue comprehensive instructions in consultation with the Ministry of Finance for this change-over.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	3
Bolivia	30th Sept., 1950	6	8
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1936	4	4½
Colombia	18th May, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	5½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1942	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	13th Feb., 1955	3½	3½
Pakistan	1st July 1948	..	6
Peru	18th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	18th Feb., 1932	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 29th June, 1956		Week ended 22nd June, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,75,103	61,83,52,000	2,81,124	58,47,94,700
Calcutta	1,70,612	60,73,56,642	1,66,617	60,57,96,629
Madras	84,188	10,19,39,268	82,581	9,66,56,827
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
	..	..	3,302,000	7,51,85,00,000
Feb., 1956	..	..	3,335,000	7,64,87,00,000
Mar.,	..	..		

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 29th June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits:		
(a) Government—		
(1) Central Government		56,84,01,000
(2) Other Governments		13,17,19,000
(b) Banks		54,49,11,000
(c) Others		13,07,82,000
Bills Payable		5,31,83,000
Other Liabilities		42,32,28,000
	Rupees	205,72,32,000

ASSETS	Rs.	Rs.
Notes		28,26,58,000
Rupee Coin		6,14,000
Subsidiary Coin		4,47,000
Bills Purchased and Discounted—		
(a) Internal		2,00,000
(b) External		....
(c) Government Treasury Bills		8,33,53,000
Balances held abroad*		34,96,90,000
Loans and advances to Governments		2,35,72,000
Other Loans and Advances		69,68,42,000
Investments		43,03,86,000
Other Assets		18,93,97,000
	Rupees	205,72,32,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 37,56,88,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances held of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 172,46,43,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	28,26,58,000	
Notes in circulation	1474,67,17,000	
Total Notes issued		1502,93,75,000
Total Liabilities		1502,93,75,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	646,55,04,000	
Total of A		686,56,75,000
B. Rupee Coin		107,68,62,000
Government of India Rupee Securities		708,68,38,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1502,93,75,000

Ratio of Total of A to Liabilities: 45.682 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 22nd June, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	8,39,60,000
(ii) Other demand liabilities	626,25,42,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,22,80,000
(ii) Other time liabilities	446,40,66,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	6,87,57,000
(ii) Time liabilities	....
4. Cash in India	37,38,10,000
5. Balances with the Reserve Bank in India	48,25,51,000
6. Balances with other banks in current account in India	10,57,48,000
7. Money at call and short notice in India	10,92,99,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	348,07,95,000
9. Advances in India	609,25,91,000
10. Inland Bills purchased and discounted in India	102,05,71,000
11. Foreign Bills purchased and discounted in India	48,45,68,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	4th July, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D.	473 1/2	473 1/2
Buyers T.T.	473	473
London on New York	2.79 1/4-2.79 3/5	2.80-2.80 1/5
London on Paris	981 1/2	981 1/2
London on Berne	12.18 1/4-12.18 1/2	12.19 1/4-12.19 1/2
New York on London	2.79 1/4-2.79 1/2	2.80 1/4-2.80 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..		10,170	269
Pakistan	'55-'54	78.81	..		1,921	245
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.28	..		477	569
Japan	1954	88.20	Y.	6,146,000	8,183	923
Philippines	1954	21.44	Ps.	7,488	1,770	825
New Zealand	1954	2.09	£ (N.Z.)	802	1,070	5,119
Australia	1954	8.99	£ (A)	3,957	4,220	4,694
U.K.	1954	50.74	£	16,718	20,950	4,100
U.S.A.	1954	162.41	$	299,700	142,370	8,766
Canada	1954	15.20	$	18,751	9,190	6,046
France	1954	42.84	W.Fr.	11,498,000	15,540	3,650
W. Germany	1954	49.52	Dm.	112,800	12,734	2,570
Italy	1954	47.67	Lr.	9,718,000	7,380	1,543
Norway	1954	3.39	Kr.	18,424	1,236	3,638
Sweden	1954	7.21	Kr.	88,630	3,544	4,912
Netherlands	1954	10.62	Grs.	21,060	2,640	2,488
Denmark	1954	4.41	Kr.	23,374	1,610	3,654
Switzerland	1954	4.92	Sw.Fr.	22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		9,05,84,000
(b) Provincial Governments		7,96,88,000
(c) Banks		27,44,67,000
(d) Others		24,38,40,000
Bills Payable		1,65,00,000
Other Liabilities		7,27,95,000
	Rupees	84,28,74,000

ASSETS	Rs.	Rs.
Notes		11,22,66,000
Rupee Coin		8,000
Subsidiary Coin		11,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		12,13,000
Loans and Advances to Governments		....
Provincial Governments' Debtor Balances		....
Other Loans and Advances		3,23,00,000
Investments		54,06,48,000
Other Assets		15,64,25,000
	Rupees	84,28,74,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,22,66,000	
Notes in circulation	284,56,92,000	
Total Notes issued		295,79,58,000
Total Liabilities		295,79,58,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	..	
Sterling Securities	36,98,38,000	
Government of India Securities	26,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,70,15,000	
Government of Pakistan Securities	115,89,88,000	
Internal bills of exchange and other commercial paper	....	
		167,79,49,000
		122,10,03,000
II: Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		295,79,58,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 58.62 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	22nd June, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1486.87	1504.31	1506.13	1310 79
Notes held in Banking Department	35.05	29.68	20.75	18.98	30 30
Foreign Securities	59.50	656.54	666.54	691 45	652 04
Rupee Securities	37.39	713.66	104.84	698.75	543.64
Banking Department					
Deposits of:	14.89	62.58	55.80	56.69	57.83
Government of India	..	8 01	5.28	9 13	11 21
Other Governments	10.08	32.27	28.55	30.60	63 93
Balances held abroad					
SCHEDULED BANKS					
Demand Liabilities	184.36	634 65 (8.40)†	635 32 (8.88)†	637.77 (7 31)†	602 56 (12 35)†
Time Liabilities	102.24	449.63	446 73	432 34	396 74
Borrowings from Reserve Bank	..	(3.22)† 56.38 (41.91)‡	(2.82)† 58 37 (41.44)‡	(3 21)† 63 95 (44.22)‡	(3 70)† 17 22 (16 71 ‡
Borrowings from State Bank	..	6.88	7.53	9 88	2 27
Cash in India	6.70	37.38	37.65	39 50	24 27
Balances with Reserve Bank	25.17	48.25	49.25	48.76	52.45
Excess over statutory limits	15.52	7.52	8.55	8.65	14 39
Balances with other banks in current account in India	..	10.57	10.09	10.43	11.38
Money at call and short notice in India	..	10.93	11.14	9.94	20.44
Investments (at book value)	106.09	348.08 759.77	348.86 764 01	352.79 769.93	346 56 609 81
Advances and bills					
STATE BANK					
Deposits	87.76	223 62	223.92	227 31	208.10
Investments	51.99	100 63	100 76	101 52	100 64
Advances	30.35	135 89	137.77	140 25	115 66
Cash	14.89	17.33	16 66	17 60	16 37

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	April, 1955	April, 1956	Twelve months, April to March, 1954-55	Twelve months, April to March, 1955-56
Import Duties†				
Revenue	8.94	9.46	136.98	120.17
Protective	0.75	0.97	7.24	10 89
On surplus disposals	—	—	0 14	0 09
Total Import duties	9 69	10.43	144 36	130 65
Export Duties	2.28	1 54	41.39	37 49
Land Customs	0 19	0.05	1 81	1 29
Miscellaneous	0 05	0.07	1.07	0 70
Gross total customs	12.21	12 09	188 63	170 13
Refunds and drawbacks	0.24	0 15	1 83	2 63
Net Customs	11 97	11 94	186 80	167 50
Gross excise	10 50	12 09	106 62	143 85
Refunds	1 08	1 09	1 98	4 08
Net Excise	10.42	12.00	104.64	144.75
Net total of customs and excise†	22.39	23 94	291.44	312.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 29th June, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	..	5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		226 03,35,000
Bills Payable		13 00 99,000
Bills for Collection being Bills Receivable as per contra		5,29 96,000
Acceptances, Endorsements and Other Obligations per contra		60.62.000
Other Liabilities (including Inter-Office Adjustments)		13.37,000
Total	Rs.	4,22 25,000
		261.27.03,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	15 96 41,000
Balances with other Banks		4 01,80,000
Money at Call and Short Notice		60,00,000
INVESTMENTS:		
Government and other Trustee Securities	89.83 47,000	
Other Authorised Investments	10,49,22,000	
		100 32,69,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	95,76,68,000	
Bills Discounted and Purchased	88,49,09,000	
Bills Receivable being Bills for Collection as per contra		184,25,77,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		60.62.000
Premises less Depreciation		13,37,000
Furniture and Fixtures less Depreciation		1,16,02,000
Other Assets (including Inter-Office Adjustments)		51 55 000
Total	Rs.	3,68 80,000
		261.27.03,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‖

	National Savings Certificates 5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits		3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings@	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts
1952-53	6.88	65	3.26	22.66	24.17	1,13.25	92.08	—	31.07	7.55	25.54					
1953-54	4.70	1.62	4.99	27.27	1,24.64	1,24.94	1,30.88	—	36.25	5.57	37.15	7.40‖	7.88	5511	54	95
1954-55	3.76	1.96	5.46	27.17	1,44.39	1,52.96	1,63.00	—	38.80	4.79	41.25	9.80	16.41	45	95	
March 1955	4.70	26	4.99	2.41	1,24.64	15.51	1,30.88	—	36.25	47	37.15	58	7.88	4	54	
April "	4.60	11	5.00	2.25	1,26.46	13.41	1,33.22	—	36.50	45	37.55	48	7.86	4	54	
May "	4.52	26	5.24	2.01	1,27.94	11.82	1,34.34	—	36.64	41	37.89	66	8.51	4	58	
June "	4.44	13	5.12	2.00	1,29.49	12.36	1,36.26	—	36.76	37	38.22	34	9.83	5	65	
July "	4.36	12	5.15	2.27	1,31.28	12.80	1,40.33	—	36.85	41	38.54	91	10.19	4	69	
August "	4.29	13	5.17	2.09	1,33.33	12.25	1,43.80	—	36.96	39	38.87	88	11.00	3	72	
September "	4.21	15	5.20	2.54	1,34.88	13.40	1,46.91	—	37.11	44	39.23	94	11.80	4	77	
October "	4.14	10	5.21	2.11	1,36.85	11.58	1,46.99	—	38.23	46	39.68	80	12.49	5	79	
November "	4.07	10	5.21	1.98	1,37.88	11.25	1,50.40	—	38.34	43	40.05	83	13.20	5	80	
December "	4.00	13	5.26	2.46	1,39.48	12.94	1,52.44	—	38.44	36	40.34	88	13.98	4	85	
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	—	38.55	32	40.61	84	14.73	3	87	
February "	3.83	16	5.20	2.33	1,42.37	12.87	1,56.19	—	38.66	33	40.96	91	15.57	3	91	
March "	3.76	31	5.46	2.80	1,44.39	13.45	1,63.00	—	38.80	36	41.25	91	16.41	3	95	
April "	..	..	..	..	..	..	..	..	..	34	41.51	..	..	..	..	

* As the end of period.

‖Issued from 10th May, 1954.

@ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July, 1954.

E-Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 25-6-'56	26-5-'56	16-6-'56	23-6-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91 2	91 3	91 3
1. Government of India	90.7	91 1	91 1	91 1
2. Indian States	96.4	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.5	89.4	89.4	90.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 8	100.8	100.5	100.5
1. Electricity	102.3	102.0	101 5	101.5
2. Jute	98.8	97.6	97.5	97.5
3. Plantations	99.1	99.2	99.3	99.3
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.9	102.2	102.1	102.1
8. Others	100.9	101.0	101.0	101.0
PREFERENCE SHARES	87.7	86 1	86.2	86.3
1. Electricity	90.4	92.3	90.9	90.8
2. Cotton	78.8	81 0	81.4	82 7
3. Jute	87.0	81.7	82 0	81.9
4. Coal	92.2	86.1	86.9	85.5
5. Iron and Steel	89.9	87.3	87.3	87.8
6. Sugar	84.3	84.5	84.7	84.5
7. Paper	88.8	82.1	82.1	82.1
8. Plantations	99.7	102.4	102.5	102.3
9. Miscellaneous	85.2	81.6	82.1	82 0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	114 3	124.4	125.2	125 5
(a) Financial	87.3	90 0	90.6	90.7
1. Banks	84.4	90.5	91.0	90.8
2. Insurance	108 0	86.3	87.3	88.3
3. Investment Trust	84.3	92.1	92.5	92.4
(b) Public Utilities	112.1	111.6	112 8	112.1
1. Electricity	122.0	113.0	113.0	112.4
2. Shipping and other Transport	96.2	115.3	119.6	119.4
3. Railways	86 0	87.1	86.9	83.2
(c) Manufacturing industries.	117.9	134.2	135.4	135.8
1. Cotton, Woollen and Silk	106.1	133.1	134.0	134.5
2. Jute	95.3	76 2	77.2	76.8
3. Iron and Steel	140 9	159 0	160.7	161 9
4. Paper	222.2	238.9	239.6	238 5
5. Cement	147 3	180.2	181.6	183.7
6. General Engineering	170 0	194.8	195.0	195.3
7. Sugar and Breweries	96.9	104 2	105.5	105.8
8. Chemicals	130.3	143.6	145.3	145.8
(d) Non-Manufacturing industries	159.9	167.5	166.8	166.8
1. Coal	77.8	79 7	78.8	80 0
2. Mining and Oil	202.6	262.3	262.8	263.1
3. Plantations	191 0	181.0	179.9	180.8
(e) Miscellaneous	95.1	101.6	102.6	101.7
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90 4	90.8	90.7	90.7
2. Calcutta	90 8	91.1	91.2	91.2
3. Madras	91.2	91.5	91.5	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	100.0	100.0	99.9
2. Calcutta	101.6	101 4	100.9	100.9
3. Madras	100.3	100.2	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	91.4	89.1	88.8	89.1
2. Calcutta	83.5	79.8	80.1	80.1
3. Madras	95.9	97.7	97.9	97.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	115.4	131.0	133 0	133.8
2. Calcutta	108 4	111.1	111.1	110.8
3. Madras	111 3	132.4	134 4	134.4
4. Delhi	118.5	138.2	140.9	141.8

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,821	3,818,923
1952	962	802,245	3,236,961
1953	773	466,507	3,382,608
1954	840	477,123	5,372,650
1955	1,033	723,052	5,354,976
February 1954	85	41,351	344,295
March "	91	54,202	321,419
April "	101	54 963	207,247
May "	80	40,073	216,062
June "	88	31,589	305,078
July "	122	30,189	277,492
August "	79	51,090	322,387
September "	97	50,414	363,878
October "	83	41,784	275,294
November "	62	25,115	229,701
December "	101	54,455	262,763
January 1955†	95	49,038	322,807
February "	91	35,270	144,508
March "	119	70,043	334,094
April "	99	29,815	208,648
May "	119	36,984	254,416
June "	154	58,173	1,085,704
July*	109	57,389	482,773
August*	235	90,565	533,871
September*	253	94,523	581,589
October*	131	47,043	293,544
November*	106	49,483	178,129
December*	130	45,929	239,187
January 1956†	109	61,098	257,833
February "	124	69,785	376,859
March "	133	130,917(a)	686,020(a)

† Figures are provisional.

(a) Not known in 1 case.

* Revised.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Total Units Sold
1952-53	614	6,201.4	5,124.2
1953-54	643	6,876.3	5,575.7
1954-55	686	7,760.9	6,219.2
January 1955	654	668.5	545.2
February "	685	629.7	521.8
March "	686	698.7	583.2
April "	690	691.1	563.9
May "	691	706.5	569.2
June "	695	716.2	576.1
July "	700	724.8	583.3
August "	705	705.9	574.4
September "	707	719.3	587.1
October "	716	720.7	591.9
November "	731	725.5	597.6
December "	724	736.7	643.0
January 1956	731	757.2	621.8
February "	739	749.9	622.0

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

‖ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base Year ended August 1939=100)

Particulars	Weight	9th June, 1956	2nd June, 1956	11th June, 1955	May, 1956	May, 1955	Percentage of Increase (+) or decrease (—) in May, 1956 as compared with May, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	356.3	353.6	277.3	350.5	276.1	+26.9	313.2	339.8
Cereals	59	468	459	314	449	311	+44.4	372	381
Pulses	8	350	355	224	358	216	+65.7	289	280
Others	33	220	221	234	224	236	— 5.1	235	291
Industrial Raw Materials	(18)	476.0	478.0	392.2	478.0	398.4	+20.0	419.8	438.2
Fibres	53	458	458	410	455	424	+ 7.3	429	447
Oil seeds	30	546	539	350	550	341	+61.3	398	424
Minerals	10	414	451	420	451	416	+ 8.4	427	422
Others	7	429	430	416	413	424	— 2.6	431	427
Semi-Manufactures	(17)	386.0	385.4	329.1	384.1	328.6	+16.8	338.2	350.3
Leather	8	406	402	381	404	400	+ 1.0	378	376
Mineral oils	13	208	208	221	208	221	— 5.9	207	221
Vegetable oils	16	558	559	348	557	344	+61.9	433	433
Cotton yarn	35	477	479	424	474	427	+11.0	422	404
Metals	18	278	278	244	380	244	+14.8	254	240
Oil cakes	3	431	431	309	406	291	+39.5	338	381
Others	5	361	361	329	361	328	+10.1	336	312
Manufactured Articles	(30)	376.4	376.	370.3	376.8	374.6	+ 0.6	372.9	377.4 R
Textiles	64	413	411	408	411	415	— 1.0	408	421
Jute	11	392	388	419	390	429	— 9.1	418	448
Cotton	45	419*	416*	403*	414*	406*	+ 2.0	403*	415*
Rayon and Silk	6	478*	479*	493	507*	— 2.8	485*	469*
Woollen	2	264	264	295	264	310	— 14.8	284	311
Metal products	17	371	371	343	371	344	+ 7.8	359	359
Others	19	286	286	286	286	287	— 0.3	285	286
Miscellaneous	(4)	509.0	508.0	566.2	501.8	544.6	— 7.9	548.4	612.4
All Commodities	(100)	393.0	391.6	341.0	390.2	342.0	+ 14.1	360.4	377.5

R—Revised * Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955																		
February	401	502†	117	202	205	744†	532	275	144	770†	437†	547	370	331	357	477

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—							
Rice	.. ..	final	tons	76,253	75,949	25,474	24,581
Wheat	.. ..	final	,,	29,225	27,517	8,348	8,778
Jowar	.. ..	final	,,	42,721	43,446	6,940	9,093
Bajra	.. ..	final	,,	27,025	27,983	3,400	3,421
Barley	.. ..	final	,,	..	7,999	..	2,786
Maize	.. ..	final	,,	8,909	9,311	2,519	2,939
Ragi	.. ..	final	,,	5,627	5,711	1,344	1,545
Small millets	..	2nd	,,	11,446	12,215	1,693	2,002
Total cereals	..	final	tons	..	208,823	..	55,327
Pulses—							
Gram	.. ..	2nd	tons	22,206	20,065	4,702	4,535
Tur	.. ..	final	,,	5,757	5,944	1,814	1,888
Kharif pulses §		final	,,	15,862	16,719	1,650	1,830
Total pulses	..	final	tons	..	54,004	..	10,474
Oilseeds—							
Groundnut	..	final	tons	12,585	13,548	3,804	4,128
Castorseed	..	final	,,	1,462	1,394	126	124
Sesamum	..	final	,,	5,738	6,501	458	589
Rape and Mustard		final	,,	..	5,885	..	982
Linseed	.. ..	final	,,	..	3,290	..	388
Total oilseeds	..	final	tons	..	29,335	..	5,877
Fibres—							
Cotton*	.. ..	final	bales	20,230	18,684	3,998	4,227
Jute†	.. ..	2nd	,,	1,581	1,243	4,187	2,928
Mesta†	.. ..	2nd	,,	579	514	1,159	1,016
Other crops—							
Potato	.. ..	final	tons	..	665	..	1,762
Sugarcane	.. ..	final	,,	4,446	3,994	5,849	5,760
Ginger (Dry)	..	final	,,	37	35	15	14
Pepper (Black)	..	final	,,	214	208	27	26
Chillies (Dry)	..	final	,,	1,492	1,523	340	363
Tobacco	.. ..	final	,,	..	860	..	248

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar wt.).

* In thousand bales of 392 lbs. each. § Excluding Tur.

† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1956	101.7
	Corresponding month, 1955	81.7
	Eleven months ended May, 1956	986.0
	Corresponding period, 1955	917.5
Stocks	At the end of May, 1956	119.1
	Corresponding month, 1955	94.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 12th May, 1956	8,894
	Corresponding week, 1955	17,142
	From 1st Jan., to 12th May, 1956	155,632
	Corresponding period, 1955	174,973
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 12th May, 1956	40,639
	Corresponding week, 1955	20,174
	From 1st Jan., to 12th May, 1956	422,917
	Corresponding period, 1955	402,743
	RAW JUTE	(In lakh bales)
Consumption by Mills†	May, 1956 (in lakh bales)	5.90
	Corresponding month, 1955	4.74
	Eleven months ended May 1956..	57.77
	Corresponding period, 1955	53.22

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (in tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended	31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do.	31st March, 1954 ..	11,54,000	10,70,500	7,80,000
Do.	31st March, 1955 ..	11,54,400	10,42,900	7,51,800
Do.	31st March, 1956 ..	11,55,900	10,62,100	7,97,500
December	1954	1,00,600	95,000	72,800
January	1955	1,03,800	95,800	72,200
February	,, ...	92,500	84,500	65,900
March	,, ...	96 000	89,300	66,100
April	,, ...	95,100	88,000	66,200
May	,, ...	94,200	87,500	5,600
December	.. ..	1,03,900	97,500	72,800
January	1956	1 03,900	96,800	71,600
February	,, ...	97,500	89,500	67,700
March	,, ...	1,03,800	96,200	69,900
April	,, ...	1,00,000	87,200	64,300
May	,, ...	96,600	89,400	66,500
Indian Iron and Steel Co., Ltd.				
Year ended	31st March, 1953 ..	6,95,710	4,81,460	3,12,946
Do.	31st March, 1954 ..	6,80,020	5,49,980	3,92,448
Do.	31st March, 1955 ..	7 15,949	5,23,340	4,59,088
Do.	31st March, 1956 ..	7,06,986	5,31,505	4,50,507
Three months ended	June, 1954 ..	1,82,770	1,17,870	1,07,480
,, ,, ,,	Sept., 1954 ..	1,80,018	1,29,741	1,12,841
,, ,, ,,	Dec., 1954 ..	1,85,868	1,36,807	1,25,615
,, ,, ,,	Mar., 1955 ..	1,68,108	1,43,822	1,18,186
,, ,, ,,	June, 1955 ..	1,55,905	1,24,823	1,16,281
,, ,, ,,	Sept., 1955 ..	1,95,750	1,30,630	1,08,714
,, ,, ,,	Dec., 1955 ..	2,00,750	1,34,996	1,05,752
,, ,, ,,	Mar., 1956 ..	1,84,450	1,41,846	1,19,860

OVERALL BALANCE OF TRADE OF INDIA

April, 1956†

Particulars	April, 1955	April, 1956	Twelve months, April to Mar., 1954-55	Twelve months, April to Mar., 1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports ..	39,50	38,91	588,47	590,85
(b) Re-exports ..	42	85	5,50	6,88
Less—Transit trade ..	3	..	48	12
Net re-exports ..	39	85	5,07	6,46
Total exports ..	39,89	39,76	593,54	597,31
2. Imports ..	51,36	59,58	656,44	678 99
Less—Transit trade ..	1	5	18	16
Net imports* ..	51,35	59,58	656,26	678,83
Balance of trade in merchandise	—11 46	—19.77	—62,72	—81,52
Balance of trade in gold and silver	— 1	— 1	— 4	— 8
Total overall visible balance of trade	—11,47	—19,78	—62,76	—81,60

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

*Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
March 1955	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
April ,, ..	1,034	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,, ..	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,, ..	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,, ..	3,973	890	324	78	41	22	23	8	52	130	14	100	12	48
August ,, ..	4,382	1,129	412	98	49	27	29	11	68	164	18	126	16	62
September ,, ..	3,981	1,381	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	229	28	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9,235	2,079	733	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	808	172	86	56	114	24	302	339	34	268	42	129
February ,, ..	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Ismail—		
Cotton Receipts	Week ended 28th June, 1956 ..	26,888(J)
	Corresponding week, 1955 ..	54,521(J)
	1st Sept. to 28th June, 1955-56 ..	1,734,138*
	Corresponding period, 1954-55 ..	1,804,528*
Cotton Exports ..	Week ended 28th June, 1956 ..	4,314‡
	Corresponding week, 1955 ..	10,723
	1st Sept. to 28th June, 1955-56 ..	546,271‡
	Corresponding period, 1954-55 ..	334,049
Mill Consumption (Estimated)	1st Sept. to 28th June, 1955-56 ..	1,038,105
	Corresponding period, 1954-55 ..	1,052,690
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 28th June, 1956	684,914
	Corresponding date, 1955 ..	814,078
Cotton Exports from Bombay (by sea)	During January, 1956	35,978‡
	1st Sept. '55 to 31st Jan., 1956 ..	363,052
	1st Sept. '54 to 31st Jan., 1955 ..	128,655
Karachi (Pakistan)—		
Receipts	1st Sept. to 21st June, 1955-56 ..	1,292,535
	Corresponding period, 1954-55 ..	1,217,824
Exports	1st Sept. to 21st June, 1955-56 ..	846,580
	Corresponding period, 1954-55 ..	736,342

Particulars	From 1st Sept. 1955 to 2nd July, 1956 Bales	From 1st Sept. 1954 to 2nd July, 1955 Bales
From Bombay		
Cotton Shipments to— United Kingdom ..	61,430	31,585
Continent ..	86,094	51,875
Hongkong ..	36 142	8,821
China	52,365	..
Japan	314,922	..
U.S.A. ..	3,770	88,492
Other Countries ..	3,786	16,723
Total to all foreign countries ..	589,009	199,585
Coastal Ports	102,053	139,617
Total	661,062§	339,202
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton— Indian	April, 1956	341,829
Foreign		51,278
Indian	Eight months ended April, 1956	2,910,601
Foreign		290,673
Indian	Same Period 1955	2,718,938
Foreign		443,122
Stocks (Mills and Elsewhere)— Indian	As on 30th April, 1956 ..	1,512,678
Foreign		214,316
Indian	As on 30th April, 1955 ..	1,478,489
Foreign		138,930
Cotton Pressed in India† (In running bales) ..	Week ended 22nd June, 1956 ..	5,234
	Corresponding week, 1955 ..	56,324
	1st Sept. to 22nd June, 1955-56 ..	3,283,267
	Corresponding period, 1954-55 ..	4,226,519

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Koda and Yellow Pickings, etc. § Including Koda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-28	63,30,26,900	1960-70	101½
2½ % Loan	1938-39	1,16,17,46,000	1962-65	95½
2½ % Loan	1950	30,33,10,000	1964	95
2½ % Fd. Loan	1943	1,16,14,56,000	1966-68	93¼
2½ % V. Loan	1944	1,14,06,89,000	1967	99½
2½ % Loan	1945	1,15,06,83,000	1970-75	90¾
2½ % Ted'V. Loan	1945	1,13,85,64,000	1948-53*	98½
3 % Loan	1951	50,35,53,000	1958	98½
2½% Loan	1946	45,63,07,000	1960	95½
2½% Loan	1947	1,20,00,09,000	1967	93¾
2½% Loan	1948	14,77,48,000	1976	82½
2½% Loan	1947	75,86,72,000	1962	93½
2½% Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
2½% N.P. Loan	1954	157,35,41,000	1964	98½
2½% N. P. Bonds (2nd Series)	1955	100,80,00,000	1965	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	5,93,36,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000		77½
REPATRIATE STERLING LOANS				
4½% Loan	1933	5,85,20,666	1958-63***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
4 % Bombay	1943	2,99,35,000	14th Sept. 1956	99½
3 % Bombay	1944	3,06,66,000	15th Aug. 1956	98
3 % Bombay	1946	5,48,12,000	1st Aug. 1962	94½
3 % Bombay	1950	1,82,80,000	31st July 1960	86½
4 % Bombay	1951	2,97,56,900	17th Sept. 1962	94½
4 % Bombay	1953	5,00,00,000	15th July 1963	101½
4 % Bombay	1954	3,65,72,700	1st Aug. 1964	101½
4 % Bombay	1955	5,00,00,000	1st Sept. 1967	100½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
3 % Cochin	1944	1,00,00,000	16th Dec. 1955-56	99
3½% Gujarat	1954	78,00,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1936-37	1,95,98,700	1956-66	95½
4 % Hyderabad	1956	10,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,25,95,600	21st June 1959	96½
3 % Madras	1942	1,25,10,000	14th Sept. 1956	98½
3 % Madras	1944	1,97,85,000	16th Aug. 1956	98½
3 % Madras	1945	2,78,44,800	14th Sept. 1960	86-87
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93-94
3 % Madras	1948	4,38,25,400	31st July 1960	96½
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	10,33,45,000	15th July 1963	100-3
4 % Madras	1953	3,24,51,200	1st Aug. 1964	99½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99-100
4 % Mysore(f)	1953	2,96,35,270	1st Dec. 1955-56	101½
3 % Mysore(f)	1938	5,99,72,000	28th April 1956-61	99½
3 % Mysore	1947	3,00,05,700	25th Jan. 1960	99½
3 % Mysore	1943	2,23,47,000	16th July 1956	100½
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99½
3 % M.P.	1943	50,54,200	14th Sept. 1956	99½
3 % M.P.	1944	55,56,800	15th Aug. 1956	98½
3 % M.P.	1948	3,08,28,800	15th Sept. 1964	93½
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98½
4 % M.P.	1953	1,02,18,100	15th July 1963	100
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab**	1938-44	2,49,87,200	15th Aug. 1956	98½
3 % Punjab**	1943	2,46,78,200	14th Sept. 1956	99½
3 % Punjab**	1945	2,96,81,600	14th Sept. 1960	97½
4 % Rajasthan	1955	2,25,00,000	1st Sept. 1967	99½
3½% Travancore-Cochin	1953	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3,25,00,000	15th July 1963	100-1
3 % U.P.	1938	1,57,42,600	15th Sept. 1961-66	90½
3 % U.P.	1944	2,02,24,500	15th Aug. 1956	98½
3 % U.P.	1945	2,17,78,700	14th Sept. 1960	95½
3½ % U.P.	1946	2,50,32,500	1st Sept. 1961	92½
3½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98½
4 % U.P.	1953	6,11,46,200	1st Aug. 1964	100½
4 % U.P.	1954	5,65,15,500	15th July 1963	100-1
4 % U.P.	1955	6,50,00,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	99½N
40,00,000	4	1909	1970	
58,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,58,576	4	1913*	1960	D
90,00,000	4	1913*	1974	100½N
35,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1976	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1928*	1968	
12,50,000	3½	1930*	1968	
12,50,000	3½	1931*	1941	
13,50,000	3½	1934*	1941	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
24,50,000	3½	1937*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99
1,50,00,000	4	1915	1975	99
1,50,00,000C	2½	1921	1951	83
66,08,200C	6½	1921	1931	144N
1,50,00,000	5½	1926	1956-58	100
99,84,500‡	5	1926	1956-58	100½
1,49,48,500‡	5	1927	1957-67	102
1,49,50,000	5	1928	1958-68	102
50,00,000	4½	1931	1991	98
60,00,000	3½	1935	1965	97½
25,00,000	3	1938	1968-88	90
50,00,000	3	1939	2009	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84½
50,00,000	3	1947	2006	74
50,00,000	2½	1947	1977	80
50,00,000	3	1948	1978	83½
1,00,00,000	3	1949	1959	97
50,00,000C	3	1950	1980	83
1,00,00,000	3	1950	1980	85½
1,50,00,000	3	1950	1980	85½
50,00,000	3	1951	1981	81½
1,50,00,000	2½	1951	1981	98½
56,00,000	4	1953	1983	100
50,00,000	4	1953	1983	98½
60,00,000	4	1954	1984	97½
77,00,000C	4	1956	1986	97½
STERLING LOANS				
£892,600	5	1922	1953-83	879
£301,000	5	1924	1964-84	870½
£335,100	6½	1932	1962	991½
MADRAS				
Rs.				Rs.
31,47,100	3½	1947	1977	
2,85,000‡	3	1947	1977	A
5,00,000‡	3	1949	1979	
45,80,000§	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
60,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	
15,00,000	4	1906	1966	97½N
30,00,000	4	1907	1967	
50,00,000	4	1908	1968	
18,00,000	4	1912	1972	
50,00,000	4	1912	1972	
50,00,000	4	1914	1974	97½N
40,00,000	4	1916	1976	
66,00,000	5	1919	1947-79	112N
25,00,000	5	1920	1955-60	
25,00,000	5	1928	1958-68	113N
10,00,000	2	1927	1961-76	94N
STERLING LOANS				
£586,500		1909	1964	£95½N
£332,000		1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
35,00,000	5	1924	1954	99½
30,00,000	3	1925	1945	94
50,00,000	3	1926	1946	90
20,00,000	3	1927	1948	91
30,00,000	4	1928	1968-88	90
1,02,00,000	4	1942	1962	99½
	4	1956	1968	99

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
20,60,000	5	1912-13	1974	109
25,00,000	5	1920	1980	113N
8,45,500	5	1923	1953	94½
1,21,500	5	1923	1954-80	to
4,25,00,000	3	1929	1954	102½
2,50,00,000	2½	1947	1977	86
2,50,00,000	2½	1947	1979	86
2,50,00,000	2½	1950	1980	82½
2,00,00,000	4	1952	1964	100½
1,25,00,000	4	1953	1965	101
1,50,00,000	4	1953	1963-83	97½
1,00,00,000‡	4	1954	1966	100½
2,50,00,000	4	1954	1966	100
		1955	1967	100
CALCUTTA				
Rs.				Rs.
25,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102
10,00,000	5	1929	1959	102½
23,91,000	4½	1943	1963	94
60,00,000	3	1943	1965	94
17,44,400	3	1943	1966	90
15,56,800	3	1943	1966	90
15,56,800	3	1943	1966	90½
17,44,400	3	1943	1966	90½
21,10,000	3½	1943	1966	90½
15,49,000	3½	1943	1973	96
14,18,000	3½	1943	1973	97
66,88,000	3½	1951	1967	97½
87,86,000	4	1951	1966	99½
72,50,000	4½	1954	1968	99½
		1954	1979	100
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	93½
4 % W. Bengal	1953	3,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1954	3,60,23,000	15th July 1963	100-1
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	99½

ABBREVIATIONS:

F—Nominal.

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners.

(f) Income-tax free. * Loans held entirely by the Trustees. ‡ Quotation in Pak Currency. D—Deposits Loan not marketable.

† Railway State Transport. †† Rate of interest applied from 6 to 7 per cent. with effect from 1st March, 1954. ** Regds Counterparts.

§ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st March, 1954. *** Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5 00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	9	Feb. Aug.	137	100
Deccan Sugar & Abkhar A''	7,00,000	1929	7	July Apr.	6-2½cd	5
¶East India Distilleries ..	£200,000	1897	7	Jan. July	173cd	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	99½	100
Rawa gram Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar ..	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	110xd	100
Burrakur (1st)	2,99,800	1901-19	7	Apr. Oct.	100xd	100
Do. (2nd)	4,50,000	1945	6(a)	.. ..	73xd	10
Equitable	4,00,000	1895	6	Mar. Sept.	108	100‡
Karanpura Collieries	9,87 500	1946	5½(a)	.. ..	62	75(pp)
††Khas Kajora	1,33,000	1931	6	Mar. Sept.	8N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	110xd	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	13,00,000	1896	7	Apr. Oct.	99	100
Bombay	6,00,000	1900	8	Feb. Aug.	126	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	66	100
Do. 'B'	14,75,000	1919	7	June Dec.	70	50
Bradbury	21,30,200	1920	7½	Jan. July	144	100
Buckingham & Carnatic ..	1,00,000	1928	7	Apr. ..	122½	100
Cambodias	50,00,000	1913

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,273	—1,17,209	Rajputana Textile, (Agencies) Ltd.	56,008	898	Apollo Mills	3-0½	2	0 4 (e)	0 2(e)				
40,00,000	24,00,000	1,38,52,007	72,35,655	—6,97,129	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,96,000	2,99,72,778	4,92,35,445	3,29,09,378	73,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,655	Bombay Dyeing & Mfg.	638½	250	21 0*	20 0	25 0*		12	Y.P.T.
10,00,000	27,22,414	99,03,142	51,49,000	—29,47,378	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	218½	50	100 0	75 0			3	Y.P.
1,09,42,800	2,53,90,825	2,81,83,264	1,97,06,117	6,54,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	563½	100	22 0	22 0	22 0		12	Y.
40,00,000	18,44,690	1,16,09,462	65,52,089	—32,25,720	V. J. Pliani (Chairman and Managing Director)	80	100	Colaba Land & Mill	798	*Nil*	*Nil*				12	Y.P.
26,00,000	11,85,476	81,89,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd	30,828	680	Coorla Spg. & Wvg.	170	100	7 8	7 8	7		12	Y.
16,00,000	24,86,896	69,10,861	54,66,041	3,17,076	Ramnarain Sons, Ltd.	40,992		Dawn Mills	133½	50	6 0	6 0	15 0		3	Y.
84,00,000	27,75,000	73,65,731	64,78,724	30,188	Paranmal Radhakishan & Co.	50,084	928	Edward Textiles	238½	100	15 0	15 0			12	Y.
29,98,050	11,31,233	1,00,78,649	80,74,224	1,31,354	M.	41,300	886	Elphinstone Spg. & Wvg.	62½	50	*Nil*	8 8	5 0		12	Y.
50,00,000	10,11,876	1,23,38,513	74,17,207	1,97,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	340	100	16 0	16 0	20 0		12	Y.P.
11,84,000	76,64,589	1,27,76,810	99,11,606	9,223	Thac ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800	1,000	225 0*	225 0	300 0		3	Y.P.
16,000									992½	250	56 4*	56 0	75 0			
2,00,00,000D									13½	0 100.	0 10	*Nil*	0 15			
50,00,000D	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,412	India United Mills	0 2-3/4	0 1D.	0 1	*Nil*	0 3		12	Y.
5,85,000									5,075N	1,000	225 0*	225 0	300 0			
25,000	74,24,048	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,075D	1,000	225 0*	225 0	300 0		3	Y.P.
59,35,000	40,58,451	2,37,18,607	1,92,93,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	237½	100	10 0	8 0	10 0		6	Y.P.
1,90,00,000	1,21,50,000	3,56,88,005	2,58,14,796	33,980	Kilachand Mills Ltd.	1,20,564	1,846	Kohinoor Mills	374	100	20 0*	16 0	16 0		12	Y.P.
22,15,056	41,06,732	1,15,54,348	55,99,115	91,670	N. Sirar & Co., Ltd.	49,000	644	Modern Mills	47N	50	5 0	5 0	8 0*		12	Y.T.
51,75,000	23,02,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	251½	100	12 0	14 0			12	Y.T.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,086	Chinai & Co., Private Ltd.			National Rayon Corporation	232½	100	9 0	10 0	13 0		6	Y.P.
24,00,000	24,50,000	76,57,858	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,044	432	New City of Bombay Mfg.	161½	100	10 0	10 0	15 0		12	Y.
80,00,000	14,61,250	92,58,599	61,42,741	4,880	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	255	100	10 0	7 8	10 0		12	Y.
48,00,000	36,62,278	1,49,48,112	99,99,311	1,96,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	137½	100	8 0	8 0			12	Y.P.
40,00,000	49,68,014	81,89,385	23,00,000	3,15,562	Podar Sons, Ltd.	32,500	930	Podar Mills	138½	100	10 0	10 0	5 0		12	Y.
5,00,000	5,15,999	21,21,581	19 31,340	—1,78,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	11½	10	0 12	0 8			12	Y.P.
37,70,000	82,80,605	1,92 63,251	1,59,71 824	24,320	M. G. Investment Corporation, Ltd	50,608	1,254	Sassoon Spg. & Wvg.	38½	10	1 4	1 12	1 12		12	Y.
80,00,000	47 70,061	90,20,958	55,27,925	1,47,472	Marwar Textiles (Agency) Ltd.	56,836	1,640	Shree Niwas Cotton Mills	216½	100	14 0	14 0	12 0		12	Y.
42,00,000	33,02,179	98,78,309	73,63,752	96,017	Forbes, Forbes Campbell & Co. Ltd.	54,840	1,276	Simplex Mills	219	50	15 0	11 0	10 0	12 0	12	Y.P.
37,80,000	2,25,15,720	2,51,28,699	1,87,85,474	12,333	Malatlal Gagabhai & Sons	52,036	1,648	Standard Mills	438½	100	20 0	20 0	20 0		12	Y.
99,35,700	84,99,716	2,28,37,547	1,19,01,899	67,611	Tata Industries Ltd.	72,256	2,000	Svadeshi Mills	252	100	16 0	8 0	12 0		12	Y.P.
30,00,000	66,33,455	1,33 99,971	51,49,000	1,51,030	James Finlay & Co., Ltd.	38,828	552	Swan Mills	431½	100	20 0	20 0	25 0		12	Y.P.
22,77,425	51,96,876	1,77,34,889	68,44,553	43,485	Tata Industries Ltd.	62,096	1,800	Tata Mills	57	25	2 8	2 8	4 0		12	Y.P.
12,00,000	62,55,709	1,15,36,486	81,90,000	2,814	Thackersey Mooljee Sons & Co.	54,186	1,209	Western India Spg. & Mfg.	5,075	1,000	225 0*	225 0	300 0		3	Y.P.
AHMEDABAD																
23,80,000	31,11,656	1,36,28,272	60,47,303	5,406	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	198½	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	24,58,068	94,37,398	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	41,058	912	Anand Mills	1,075	100	20 0*	20 0	30 0		12	Y.P.
24,25,000	2,40,17,401	1,48,07,666	1,25,05,909	49,584	Narottam Lalbhai & Co.	42,448	1,216	Arvind Mills	1,337	100	25 0	25 0			12	Y.P.
20,00,000	31,75,000	98,34 384	72,25,000	2,46,389	Mangaldas & Bros., Ltd.	37,164	892	Arvodaya Ginning & Mfg.	550	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,038	84,56,974	69,64,953	69,806	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	1,015	100	23 0*	20 0	30 0		12	Y.P.
1,34,79,011	1,11,96,258	4,24,98,778	3,07,58,344	16,80,756	Kasturbhai Premchand Ltd.	1,89,120	2,372	Calico	587½	125	18 0	18 0			12	Y.P.
62,57,000	25,53,000	1,21,06,943	99 25,000	2 760	Tristadai Bhogilal & Co., Ltd.	45,886	866	New Commercial Mills	1,725	1,000	70 0	70 0	80 0		12	Y.P.
29,00,000	72,52,436	1,32,09,282	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	882	125	35 0	35 0	35 0		12	Y.
15,00,000	58,48,000	50,63 197	37,93,317	16,558	Jagabhai Bhogilal Masavaty & Co., Ltd.	24,840	572	Natan Mills	636½	100	30 0*	20 0	20 0		12	Y.P.
13,50,000	1,14,77,470	86,29,439	60,89,383		Lalbhai Dalpatbhai & Co.	22,928	636	Raipur Mfg.	1,150	100	17 8	25 0	35 0*		12	Y.P.
22,50,000	14,78,207	1,07,01 469	71,42,809	17,34,749	Lallubhai Gordhandas Ltd.	42,584	648	Rohit Mills	300	100	0 0	9 0	*Nil*		12	Y.P.
92,96,100	8,76,333	17,39,181	11,57,886	2,29,290	Harivallabhdas Kalidas & Co.	54,116	1,733	Shri Ambica Mills	655	50	15 0	20 0	27 0*		12	Y.P.
19,83,800	62,31,263	78,06,018	66,84,701	15,503	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.	56,624	720	Shorrock Spg. & Mfg.	565	100	20 0	25 0*	25 0		12	Y.
28,00,000	26,96,486	1,03,76,240	68,35,291	33,764	Ratidas Ambalal & Co., Ltd.	56,176	780	Vijaya Mills	707½	400	25 0*	25 0*			12	Y.P.
WEST BENGAL																
15,00,000	1,32,800	84,23,069	31,91,810	1,09,980	Calcutta Agency, Ltd.	13,044	356	Bazaatzi Cotton Mills	6½	10	0 4	0 8				
7,11,286	5,40,776	42 43,361	25,47 597	92,782	Bengal Textile Agency, Ltd.	45,544	936	Bengal Laxmi Cotton Mills	40 N	40	*Nil*	*Nil*	4 0		12	Y.P.T.
6,00,000	22,72,414	99,03 142	51,49,000	—29,47,378	Kettlewell Bullen & Co., Ltd.	43,878	841	Bowreah Cotton Mills	169	100	*Nil*	*Nil*			6-12	H.P.
10,00,000	26,17,571	1,04,88,558	70,76 377	1,97,951	Kettlewell Bullen & Co., Ltd.	43,944	618	Dunbar Mills	306	100	*Nil*	*Nil*	2 6		6-12	H.P.
1,80,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	18½	10	1 12	0 14	0 14		3	H.
3,00,000									55	10						
3,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti, Sons & Co.	23,484	442	Mohini Mills	10	10					12	Y.P.
23,96,286									—							
19,47,7500	7,65,000	47,06,298	24,48,252	1,094	Hanseswari Hosiery	23 086	795	Rampoorie Cotton Mills	11½	10	0 8	0 8½	1 0		6	Y.
5,00,000D									2N	1D	*Nil*	*Nil*	.....			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,191	29,09,649	—2,54,228	Ramia & Co., Ltd.	30,000	..	Alagappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*				
61,71,428	35,01,264	1,84,91,530	80 78,582	1,36,043	Industrial Trust Fund	56,196	708	Asam Jahi Mills	95	100	6 0	*Nil*	8 8(c)		12	Y.P.T.
40,50,000	2,00,85,748	3,24,98,906	2,42,38,258	2,58,949	Binny & Co. (Madras) Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	570	100	25 0	30 0	30 0		9	Y.
87,00,000	15,50,000	77,25,162	58,72,123	18,199	M.	29,896	310	Bengal-Nagpur Cotton Mills	9	10	*Nil*	*Nil*			12	Y.P.
15,00,000	1,09,48,251	1,19,14,402	87,78,992	4,25,221	Birla Brothers, Ltd.	29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	81N	10	2 0	3 0	3 0		6-12	H.P.T.
1,78,47,800	1,76,52,500	5,88,09,208	3,52,32,180	2,28,445	Binny & Co. (Madras), Ltd.	1,20,368	2,737	Buckingham & Carnatic	199	100	10 0	10 0	10 0		3	Y.
20,00,000	20,00,000	39,69,354	81,66,851	37,589	Peirce, Leslie & Co., Ltd.	58,706		Cannanore Spg. & Wvg.	187cd	100	12 0	10 0	0 8		12	Y.P.T.
15,00,000	4,51,500	44,01,496	31,80,176	44,357	K. Damodaraya, Esq.,	17,496	591	Cawapore Textiles		100	0 8	0 8	12 0		12	Y.P.
30,00,000	25,26,976	85,07,118	50,34,815	29,514	Begg, Sutherland & Co., Ltd.	23,796		Coimbatore Cotton Mills	372½	100	20 0	20 0	*Nil*		3	Y.
12,00,000	20,60,000	34,58,396	27,86,527	24,184	K. Bheema Naidu & Co.	22,784	..	Coimbatore Pioneer Mills	310	100	15 0	20 0	25 0		12	Y.
20,00,000	19,95,000	39,59,430	24,25,921	14,323	T. R. Naidu & Co.	24,823	407	Coimbatore Spg. & Wvg.	105	50	*Nil*	8 8	20 0		12	Y.
26,75,900	4,19,814	1,11,84,880	83,06,019	16,884	B. G. S. Naidu & Co.	1,16,185	3,068	Central India	50	50	8 0	8 0	8 0		6	Y.P.
45,87,500	52,52,449	2,42,18,409	1,58,09,823	9,708	Tata Industries, Ltd.			Delhi Cloth & General	88½	25	1 12	2 0	3 0		6	Y.P.
9,56,56,125	2,55,00,000	9,99,99,757	5,08,00,000	82,759	B. K. Birla Brothers, Ltd.	1,16,686	2,254	Delhi Cloth & General Mills		25	2 0	2 0	3 0			
1,00,563										25	0 2 4/5	0 2 3/5	0 2 3/5			
24,34,800	25,47,078	52,74,245	32,16,582	6,864	M. N. Chettiar & Sons	28,566	801	Dhanalakshmi Mills	402	100	20 0	20 0	30 0		6	Y.P.T.
60,00,000	42,22,860	1,58,16,832	1,29,71,831	25,256	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	228	100	12 0	12 0	15 0		12	Y.
45,51,000	25,22,175	1,00,55,167	66,90,982	14,000	Forbes, Forbes Campbell & Co., Ltd.	51,180	1,436	Gokak Mills	77,974	4	*Nil*	1 0	1 0		12	Y.P.
50,00,000	6,16,447	1,39,91,958	1,12,28,576	9,451	K. L. Srivastava, Esq. (Chairman.)	54,823	..	Indore Malwa United	146½	100	6 0	6 0	9 0		12	Y.
2,80,800	10,68,658	31,06,669	18,48,155	2,070	G. V. Naidu & Co., Ltd.	43,000	200	Jamardara Mills	50	50	6 0	6 0	10 0		12	Y.
24,00,000	16,25,000	75,58,868	36,50,000	29,882	Kothari & Sons	51,972	1,319	Kesthari Textiles	17½	10	0 8	1 0	1 0		12	Y.
25,00,000	65,20,185	1,45,62,650	1,12,84,204	14,744	Bombay Co., Ltd.			Lakshmi Cotton Mfg.	885	250	37 8	33 12	42 6		6	Y.P.
95,84,100	46,55,960	1,11,84,880	74,376	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	220cd	50	5 0	10 0	12 8			12	Y.P.
17,75,050									1101cd	25	2 8	2 8	2 8			
1,75,26,480	4,12,81,878	5,73,7 ,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	6,00,000	..	Madura Mills	51½	10	0 8	0 8	0 4		3	Y.
12,00,000	4,17,582		16,72,203	—99,078	A. L. A. R. S. Chettiar and others	22,592	100	Malabar Spg. & Wvg.	116	100	8 0	8 0	8 0		12	Y.
60,00,000	60,00,000	69,70,927	43,29,734	45,885	W. A. Beardsell & Co., Ltd.	54,720	603	Meetur Industries Ltd.	58½cd	100	10 0	10 0	15 0		12	Y.
29,80,584	19,61,581	69,75,246	49 94,788	16,588	N. Sirar & Co. Private Ltd.	39,892	704	Minerva Mills	90½cd	100	7 0*	5 0	35 0		12	Y.
24,81,850	27,24,404	1,81,29,118	78,81,528	—7,44,982	Ramalal Abirchand Dudabhoy & Co.	51,540	945	Model Mills (Nagpur)	125	25	5 0	5 0(c)		42 6	3	Y.
28,00,000	56,19,600	1,58,36,272	1,08,91,851	—7,17,799	Indian Textile Syndicate Ltd.	52,560	1,234	Muir Mills	101½	100	8 0	8 0	10 0		12	Y.
24,25,000	50,24,527	99,06,000	68,66,728	23,702	N. Sirar & Co., Ltd.	50,128	500	Mysore Spg. & Mfg.	86N	50	10 0*	8 8*	6 0(c)		12	Y.P.
13,61,780	1,000	39,41,719	16,35,283	6,000	E. Suryanarayana Rao, Esq. Manager			Mysore Spun Silk Mills	112½	50	10 0*	8 8*			12	Y.P.
22,80,3820	25,02,533	1,04,27,293	58,90,719	—48,58,087	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	7½	10	*Nil*	*Nil*	*Nil*		3	Y.
2,07,9860									2½	10	*Nil*	*Nil*				
67,19,600	55,48,220	1,49,99,989	61,91,851	74,722	Industrial Trust Fund	57,788	856	Osmanshah Mills	(D. 1	10	*Nil*	*Nil*			12	Y.P.
4,00,000A	6,50,000	39,12,549	22,46,016	14,609	Bhagkyalakshmi & Co.	29,994	..	Palani Andavar Mills	86	100	4 0	4 0	2 8(c)		9	Y.
6,00,000B									166	50A	12 0	12 0	12 0			
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	20,796	..	Pankaja Mills Ltd.	235	75B	18 0	18 0	18 0		12	Y.P.
15,81,250A	20,00,000	78,90,456	41,41,878	28,667	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	100	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.
5,48,750B									310	100A	6 0	10 0	4 0(c)			
15,00,000	30,00,000	48,74,196	22 94,337	11,061	B. R. Naidu & Sons	25,472	..	Rajalaxmi Mills	155	50B	3 0	3 0			12	Y.
23,29,625	12 40,000	40 14,000	18,05,147	29,850	Rajalaxmi Development Co.	14,500	..	Rajalaxmi Mills	174½	50	3 0	3 0			12	Y.P.
60,00,000	68,41,548	1,00,25,428	68,41,548	—19,16,728	J. P. Srivastava & Sons (Kanpur)	34,528	600	Rama Textiles	139	100	6 0	9 0	10 0		12	Y.P.
16,00,000	1,60,98,516	2,98,37,048	2,04,37,579	—1,50,62,087	Mexarka & Co.	95,222	2,234	Shahapoor Spg. & Wvg.	10	25	*Nil*	*Nil*			12	Y.P.
86,69,700	17,10,000	81,44,272	65,63,818	H. N. Pallegar, Esq.		21,666	232	Sri Krishnarajendra Mills	8½N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
28,14,600	2,00,248	38,19,906	17,79,000	—3,46,777	Gopalan Kinthar & Co., Ltd.	17,880	440	Sirsa Sajjan Mills	114cd	50	4 0	4 8	5 0	7 0	3	Y.
15,00,000	3,11,90,597	78,44,784	21,27,852	Birla Brothers, Ltd.		35,556	1,242	Sutlej Cotton Mills	80N	100	*Nil*	*Nil*			3	Y.
17,50,000 O	2,80,00,000	4,54,40,847	1,70,63,159	7,00,029	Jaipuria Brothers	1,12,216	2,077	Swadesh (Cotton Kanpur)	116½	100	*Nil*	*Nil*	*Nil*		12	Y.
1,37,50,000cc									11	10 O.	0 12					
1,00,00,000	30,14,788	3,80,55,317	1,27,19,775	2,83,771	Ismaile & Sons (Travancore), Ltd.			Travancore Rayons	11½	10P.O.	0-14 3/5	1-2 3/5	0 12		12	Y.P.
19,36,370	8,76,333	17,39,181	11,57,886	1,500	Moogha Ramjee & Sons	17,500	..	Trichinopoly Mills	19½	10	0 8	0 10	0 12		12	Y.P.
21,00,000	24,50,000	71,58,728	40,68,168	56,000	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	315	100	0 11 1/2	0 14 2/3	0-14 3/5		12	Y.P.
32,00,000	24,43,971	1,64,67,122	1,05,10,233	83,125	Bombay Co., Ltd.	46,490	1,231	Vikram Cotton	186½	100	4 0	4 0	8 0		12	Y.P.

* Includes bonus. M—Managed by board of directors. (b) Subject to taxation and workers' bonus (e) Paid out of reserves.

(g) Interim dividend of Rs. 5 per share was paid on 43,800 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 68,200 shares of Rs. 50 each. X. R.—Ex-Rights.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10½	5	*Nil*	*Nil*	0 8			
16,20,630	18,38,917	27,26,861	14,67,213	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	9	5	0 8	0 8	0 8		5	Y.P.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	A. 16sh.	Sh. 1 3/6	Sh. 1 3/6	Sh1 3/5		3	Y.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	182	B. £1	Sh. 4	Sh. 5 4/5	Sh4		9	Y.P.
CEMENT														
11,87,700A	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	16½xd	A. 100	10 0*	10 0	10 0*		12	Y.P.T.
89,79,020B							16½xd	B. 10	1 0*	1 0	1 0*			
43,14,500O.	18,13,133	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	8½	O. 10	*Nil*	*Nil*			3	Y.P.
4,70,976D.							1½	D. 1						
12,71,86,208	5,49,40,618	24,90,99,271	8,74,71,582	5,03,770	Cement Agencies Ltd.	Associated Cement Companies	100	100	9 8	8 8	10 0		7	Y.
65,00,000O.							16½xd	O. 10	1 0	1 0	1 4			
25,50,0000.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	4 6cd	D. 2½	0 4	0 4	0 5		12	Y.P.
5,80,000D.							6cd	D. 1	0 1-3/5	0 1-3/5	0 3			
61,91,0800.	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	85½	*Nil*	1 4	1 4	1 14		8	Y.P.
7,50,000D.							6½	D. 5	*Nil*	0 4	0 6			
88,93,275	44,50,000	2,04,20,192	86,59,993	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	194	100	8 0	8 0	8 0		12	Y.P.
75,00,000	20,95,000	1,83,36,128	1,41,94,859	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	8½	100	6 0	8 8	8 8		12	Y.P.
50,00,000	....	1,04,00,851	24,82,980	2,75,454	Essel Ltd.	Travancore Cements Ltd.	12½cd	10	0 8	0 10	0 8½		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,00,000	62,32,608	26,81,552	17,540	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4			12	Y.
10,00,000	25,12,725	57,20,295	33,23,355	9,142	Bird & Co., Ltd.	Bisra Stone Lime Co.	40N	10	0 14	0 8	0 14f		3, 9	H.
£914,200	£1,322,766	£2,037,845	£1,086,237	£111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7½	Sh. 2	2.4d.	64.			12	Y.
90,00,000	27,32,396	48,79,359	12,19,311	—30,704	Bird & Co., Ltd.	Karanpura Development	22½	10	*Nil*	*Nil*	*Nil* f		6, 12	H.
6,00,000	2,60,500	8,78,499	5,07,504	1,060	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	10½	10	1 8	0 8	0 12		3	Y.
20,00,000	34,49,599	45,11,204	24,33,930	1,05,053	Bird & Co., Ltd.	Orissa Minerals	26½	10	2 0	1 0	1 0f		6, 12	H.
6,00,000	5,63,360	30,62,815	20,25,104	7,622	R. K. Agarwala & Brothers	Reliance

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	Nil	1 9	2 8		6,12	H.P.T.
									1 9	1 9	2 8			
62,98,250	66,08,861	1,11,56,730	76,81,898	83,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	6 0	7 0	0 11½		3,9	H.
									6 0	7 0	0 11½			
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	1 0*	0 12*	0 16*		3	Y.*
									1 0*	0 12*	0 16*			
1,46,82,500	2,09,26,641	4,37,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	39	10	1 0	0 8	0 10		3,9	H.P.T.
									1 0	0 8	0 10			
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	0 12	0 12	0 10½		6,12	H.P.T.
									0 12	0 12				
80,00,000 }	6,50,000	54,00,869	30,16,631	4,492	Baloria & Co.	Star Paper Mills	11½	O. 10	0 12	0 12			3,9	H.P.T.
10,00,000 'A' }							11½	A. 10	0 12	0 12	0 8½			
							42½	A. 10	1 0*	0 12	1 0	*		
									1 0*	0 12	1 0	*		
56,00,000 A.							42½	B. 10	1 0*	0 12	1 0	*	3,9	H.P
56,04,800 B.	$,22,75,945	$,80,42,527	$,21,32,342	95,684	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.			1 0*	0 12	1 0	*		
4,37,500 P.O.							4½	P.O. 2½	0 2	0 2	0 2			
PRESSING														
6,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	Nil		6	
4,50,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	5 0			7	Y.
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y
PROPERTY AND LAND														
10,00,7800. }	6,08,332	43,52,570	22,63,279	36,000	S. A. Basil, Esqn. & others (Directors)	Humayun Properties	13½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000 D.							9½	D. 1	1 4/5	Nil	Nil			
80,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	94	100	1 8	1 8	Nil		4	Y.
94,00,000	36,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	32½	100	1 8	4 0	0		4	Y.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	37	3	Nil	Nil	Nil		9	Y
30,00,000 }	4,18,57,280	3,25,90,682	1,47,51,851	61,999	Wallace & Co.	Bombay-Burmah Trading Corpn.	64½	Old125	15 0	20 0	32 8		5	Y.
43,00,000 }							240	New50	6 0	8 0	16-0			
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	Nil	Nil			6	Y.P.
80,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	39½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,287	29,45,224	23,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	73	5	Nil	6 12	0 1		6	Y.
56,00,000 A.	29,18,856	49,46,285	33,16,660	15,50,000	Karang Bros. & Co., Ltd.	Basti Sugar	150N	A. 100	10 0	10 0			4	Y.
3,00,000 B.							14N	B. 10	1 0	1 0				
19,49,050	8,50,000	33,35,389	24,41,301	51,985	Bazaar Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12		9	Y.
15,00,000	13,90,295	16,40,479	11,77,541	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	28,37,030	1,36,90,775	92,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	94	10	Nil	0 12	0 4		6	Y.P.
30,00,000	57,83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	30	10	1 0	1 0	1 8		12	Y.P.T.
15,00,000	38,04,891	72,85,757	53,49,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	30	10	1 0	1 0	1 8		12	Y.P.
5,99,452	6,18,562	24,58,580	15,38,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	1 0	0 12			6	Y.
50,00,000 A. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd	Hindustan Sugar Mills	260N	'A' 100	15 0*	15 0*	15 0*		8	Y.T.
10,00,000 B. }							100	O. 100	15 0*	15 0*	15 0*		6	Y.P.
							60N	80	Nil	Nil	4 8			
13,00,000	8,61,001	75,81,809	42 68,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	32N	40	Nil	Nil	2 8		7	Y.P.
							33N	10	2 8	2 8	2 8			
7,89,100	22,14,058	24,94,612	19,35,883	1,264	Cotton Agents Ltd.	New India Sugar Mills	10	10	0 4	0 4			6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros. Ltd.	New Savan	6½	10	0 4	0 4			6	Y.
30,87,500 A. }	49,60,297	67,74,122	21,56,000	5,317	Cotton Agents Ltd'	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0		6	Y.
8,71,875 B. }							60N	25	5 0	5 0	5 0			
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	186N	100	11 0	11 0	11 0		7	Y.
12,00,000	12,74,228	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	110xdN	100	10 0	10 0			10	Y.P.
9,00,000	17,04,269	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	0 12	0 12		10	Y.P.
8,00,000	5,54,762	25,42,782	21,01,613	24,940	M.	Ryam Sugar	21N	10	0 8	0 8			8	Y.P.
11,99,900	18,86,779	38,68,588	22,92,130	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	13	10	0 8	0 8	Nil		8	Y.P.
20,00,000	22,68,560	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	15½	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,825	27,15,126	12,50,852	—5,37,868	B. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	Nil	Nil	Nil		6	Y.
							14½	10	2 0*	1 0*				
7,95,462	18,32,940	31,60,735	17,68,003	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	1N	O. 10	Nil	Nil			8	Y.T.
9,15,000 }	47,592	27,42,197	11,46,770	—16,14,603	K. K. Jain & Co., Ltd.	South Behar Sugar	8N	D 24	Nil	Nil			10	Y.P.
4,40,000 D. }							70N	10	0 8	2 8	2 8			
8,00,000	21,91,585	96,42,062	57,49,754	82,981	Cotton Agents Ltd.	Upper Ganges Sugar	20½	10	0 8	1 4			9	Y.P.
16,00,000	7,99,778	82,06,650	25,98,546	89,051	James Finlay & Co., Ltd.	United Provinces Sugar					2 8		9	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	239½	50	16 0	16 0	16 0		9	Y
17,50,000	9,24,292	33,03,879	21,86,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	17	10	0 10	1 0	1 0		9	Y
15,92,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	70N	100	Nil	Nil			9	Y.P.
31,47,780	14,00,000	80,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries	17½	10	2 8	1 12	1 6 2/5		9	Y.P.
22,57,620	41,37,060	61,95,605	30,78,418	1,403	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	1 0	1 8			10	Y.
12,52,500 A. }	69,50,000	96,96,952	31,00,978	48,494	K. C. P. Ltd.	K. C. P. Ltd.	127½	O.100	7 8	7 8	7 8		10	Y.
2,87,190 D. }							100	D. 10	10 0	10 0	10 0		6	Y.P.
21,79,280	95,00,001	1,31,37,677	78,17,730	3,90,340	S. Muninanjappa Esq. (Managing Director)	Mysore Sugar	48½	10	2 0	2 0	2 0		8	Y.
80,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	158	50	8 0	8 0	8 0		6	Y.
16,59,820	53,50,820	53,90,015	26,76,747	29,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar	27½	10	2 0	1 8			8	Y.P.
20,00,0000. }	21,76,092	39,12,138	58,60,883	64,612	Walchand & Co. Ltd.	Ravalgaon Sugar Farm	105N	O. 50	Nil	2 8	9 0		9	Y.P.T.
2,00,000 P. }							7N	D. 10	Nil	Nil	0 1 1/5			
19,99,608	44,88,457	47,06,589	21,78,094	6,280	Govan Bros. (Rampur), Ltd.	Raza Sugar	15½N	10	1 0	0 12			10	Y.
80,00,000	10,87,778	99,76,224	17,87,159	—33,224	Parry & Co., Ltd.	Travancore Sugars	15½	10	Nil	Nil			7	Y.
1,01,00,000	71,97,998	1,99,96,443	1,15,32,423	1,51,172	M.	Walchandnagar Industries	257½	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,708	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co.	145	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,41,65,864	1,35,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50,00,000	24,85,838	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	19½	10	1 0	1 0	Nil		6	
						India General Navigation & Rly. Co.	112	$10	Nil	8h. 1 0				
£655,580	£960,878	£5,515,631	£3,844,773	£21,366	Kilburn & Co., Ltd.	India Steamship Co.	9	£10	Nil	Nil			6	Y.P.
2,25,00,000	74,99,233	7,93,25,462	1,81,58,690	1,26,061	Lionel Edwards Ltd.	Scindia Steam Navigation Co. ..	19	20	0 12	0 8	0 8		12	Y.P.
9,40,19,675	8,94,95,081	18,96,63,413	4,34,44,800	2,73,683	Narottam Morarjee & Co.	Walford Transport Ltd.	2½	O. 1	as. 1 3/25	1 3/25	as. 2 6/25		6	Y.P.
5,40,26000. }	19,68,266	11,55,483	7,29,969	1,84,493	R. B. Aiyar, Esq. (Manager) ..		1½xd	P.O. 1	as. 1 9/25	1 10/25	as. 1 23/25		12	Y
10,200 P.O. }														
UNCLASSIFIED (Bombay)														
2,40,000	77,000	4,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	32 0			
13,98,860	3,04,172	9,18,543	90,000	42,582	Parsi Agencies Ltd.	Bombay-Uganda	62½	50	5 0	4 8			9	Y.
25,00,000	1,00,000	22,87,814‡	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co. ..	12½	25	0 12	0 12	0 12	0 18	12	Y.
14,98,840	3,42,585	28,00,500	17,75,000	4,110	Choontilal Manilal Ltd.	Estrela Batteries	88	50	Nil	2 0	2 0		9	Y.
99,99,250	19,47,896	1,22,03,604‡	....	2,88,136	Premchand Roychand & Sons	Industrial Investment Trust	76	100	4 8	6 0	8		12	Y.P.
99 99,975	35,08,351	25,10,399	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	170	100	10 0	11 0	11 0	4 01	12	Y
2,07,09,800 A. }	5,28,634	2,87,33,378	1,25,00,292	5,86,717	Aero-Auto Ltd.	Premier Automobiles	93	A.100	Nil	Nil	Nil		6	Y.
10,00,000 B. }								B. 10	Nil	Nil	Nil			
10,21,200	5 63,605	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	22½	20	2 0	2 0	2 0		6	Y.
2,75,00,000	75,75,000	3,03,67,181	1,58,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	185	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,247	1,24,603	3,07,106	26,464	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 }	17,00,000	1,95,40 704	65,00 000	82,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½	O. 10	Nil	NC	Nil			
2,50,000 }							8½N	D. 9½						
30,00,000	25,05,079	32,06,626	21,94,951	2,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	2 0*		12	Y.P.T.
30,00,000	3,85,000	38,39,494	20,85,060	1,18 895	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	27 47,883	1,01,49,337	39,87,380	32,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India	7N	10	0 3 1/5	0 3 1/5	0 2 2/5		12	Y.
80,01,400	82,04,262	46,51,988	22,21,988	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	165	100	80 0*	15 0	2 8 1		12	Y.P.T.
12,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	26xd	10	1 8	2 8	2 4		12	Y.
20,00,000	7,99,470	57 55,560½	....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	16½	10	0 8	1 4			6,12	Y.
45,97,020	26,44,314	1,00,74,560	29,49,001	1,98,548	E. Julian Scott Esq. (Mg. Director)	Britannia Biscuits	15	10	0 8	1 0	1 0		9	Y.P.
2,25,00,000	1,16,11,806	2,62,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	11½	5	0 8	0 1	Nil		12	Y.P.T.
1,50,00,000	3,14,86,174	5,15,52,086	2,50,82,990	11,71,686	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd.	30	10	1 8	1 8	1 8		12	Y.P.
51,26,000	54 12,913	1,42,47,693	....	3,06,133	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	9 0	7 8	9 0		12	Y.P.T.
14,00,000	10,02,000	33 31,773	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	185½	100	10 0	7 8	7 8		12	Y.P.
									10 0	7 8	7 8			
60,00,000	16,00,000	19,27,685	8,06,872	1,51,350	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd. ..	13½	10	1 4	1 4	1 4 2/5		8	H
30,00,000	13,17,354	78,75,802	31,19,064	45,905	B. F. R. Syndicate	Great Eastern Hotel	240	250	15 0	4 0	Nil		9	Y.P.
30,17,900	13,58,886	86,39,238	50,24,587	38,602	Birla Brothers Private Ltd.	Hind Cycles	160	100	8 0	10 0	10 0		9	Y.
4,96,19,850	2,92,450	8,56,84,606	94,36,719	5,19,455	Birla Bros., Ltd	Hindustan Motors	0½	10	0 12	0 8	Nil		12	Y.P.T.
1,50,00,000	46,77,754	4,19,74,206	1,74,75,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	Nil	Nil	0 0		12	Y.P.
1,58,89,220	1,29,90,000	1,55,72,291	57,17,651	28,98,462	A. R. Driessen Esq.	Indian Cables	35½	10	1 0*	1 0*	1 4*		12	Y.P.
6,97,970	9,88,000	18,40,508	8,96,110	85,618	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	13½	10	0 12	0 8	0 8		12	Y.P.T.
18,15,00,000	7,33,25,668	3,55,54,047	1,17,60,467	25,00,732	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	181	100	Nil	Nil			12	Y.P.
2,00,00,000	55,20,566	84,58,960	9,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	100	100	7 8	7 8	0 12 4/5	0 6 2/5	12	Y.P.
4,34,0000. }	1,91,892	5,94,080	3,53,758	2,668	Macfarlane & Co.	Macfarlane & Co.	22	O. 5	Nil	Nil			8	Y
66,000 D. }								D. 1						
66,00,0000. }	73,01,900	25,16,760	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	213½	O.100	10 0	17 0			8	Y
5,00,000 D.								D.0.10	0 8	1 3 1/5				
1,37,50,000	60,34,276	72,58,051	11,34,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	Nil	Nil			12	Y.P.
1,15,00,000	55,50,000	1,88,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	28½xd	10	1 0	1 4	1 15*		9	Y.P.
2,25,255	1,53,858	7,81,449	2,60,967	—15,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works ..	3½	10	Nil	Nil	1 4	1 10	3	Y.P.
5,50,250	9,58,118	10,40,357	3,40,947	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	1 0	1 0			12	Y.
10,00,000	1,23,000	15,18,188	8,10,626	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	13½	10	1 0	1 4	1 0		8	Y.P.
40,00,000	51,21,172	59,09,527	29,20,120	2,22,852	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		12	Y.P.
79,97,000	31,15,337	1,14,74,878	52,77,582	9,05,480	B. N. Elias & Co., Ltd.	National Tobacco Co.	13½	10	Nil	Nil			12	Y.T.
2,25,00,000	7,25,185	1,58,49,091	40,14,109	—68,99,179	M. P. A. Paspatti, Esq.	Rallis (India) Ltd.	40	100	Nil	Nil			12	Y.P.
1,72,54,400	1,51,20,208	7,56,24,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Robbes Industries	28½	10	1 4	1 8	1 8		8	Y.P.
60,00,000	99,50,594	1,18,78,870	70,99,667	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	174	10	1 4	1 8	1 0		10	Y.P.T.
75,00,000	54,13,860	17,49,816‡	5,53,635	3,65,220	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	15	10	1 0	1 4	1 0		6	Y.P.
9,98,380	....	14,99,239	3,84,680	....	Ogale Bros., Ltd.	Travancore Ogale Glass	8½	10	Nil	Nil			12	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On o'd capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	8,59,057	4,78,517	....	McLeod & Co., Ltd.	325	Amlakhi	330	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	430	Ananda (Assam) Tea	45	10	0 12	1 4	1 8		12	Y.
3,50,000	6,43,250	10,47,044	3,03,358	72,998	Gillanders Arbuthnot & Co., Ltd.	430	Ananda Bag	40	10	Nil	3 8	3 0*		12	Y.
4,50,000	11,21,541	10,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	29½	10	Nil	Nil	2 8		12	Y.P.
8,10,000	8,50,000	11,69,193	3,89,461	93,033	Andrew Yule & Co., Ltd.	360	Baamatia	41½	10	2 8	3 8	3 0		12	Y.
2,30,600	4,65,000	10,11,265	6,46,265	19,304	National Tea Corporation	569	Basail	25½xd	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	59	10	Nil	2 0	10 0*	2 0	12	Y.
14 50,000	20,00,000	23,80,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	3,967	Bishnauth	26½	10	Nil	3 8			12	Y.
9,00 000	2,53,500	10,49,416	2,08,130	61,929	Gillanders Arbuthnot & Co., Ltd.	485	Bokakhat	24	10	Nil	Nil	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,33,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	22½	10	Nil	0 12	3 8		12	Y.P.T.
35,00,000	11,92,045	73,30,473	19,49,494	26,926	Brook Bond India Ltd.	2,334	Brooke Bond	½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,963	1,35,593	6,543	McLeod & Co., Ltd.	238	Dejoo Valley	50½	100	Nil	1 0	6 0		12	Y.
5,00,000	10,99,000	26,64,194	16,34,471	44,551	James Warren & Co., Ltd.	620	Dhekalchat	23½	10	1 0	1 8	2 8		12	Y.
7,53,440	9,87,993	22,73,420	4,17,948	3,779	James Finlay & Co., Ltd.	644	Dhunseri	24½	10	Nil	2 0	5 0		12	Y.
4,88,970	3,95,000	10,92,269	2,77,382	44,628	McLeod & Co., Ltd.	458	Dibrugarh	22½	10	Nil	2 0	4 0		12	Y.P.
4,50,000	6,75,000	9,00,834	2,06,817	54,662	Williamson Magor & Co., Ltd.	611	Dimakusi	35	10	1 0	4 8	6 0		12	Y.
2,25,700	5,60,000	10,29,006	5,54,006	55,532	Williamson Mag

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,60,000	3,72,883	25,600	22,784	Planting Agencies Ltd.	Balmadies Plantations	4¾	2	0 4	0 4	0 4 4/5		5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	3	0 12	0 12	0 7 1/5		2	Y.P.
58,00,000	15,60,195	32,07,456	5,25,904	1,21,059	Cons. Coffee Estates (Secretaries)..	Coffee Lands and Industries ..	24½	10	0 4 4/5	1 2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1 07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Cenaolidated Coffee	20½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,70,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	21½	10	1 8	1 8	1 12*		3	Y.P.*
18,00,000	9,30,548	25,79,990	4,94,158	40,543	A. V. Thomas & Co., Ltd.	Highland Produce	18xd	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd.	Kalpetta Estates	34½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	32½	10	5 8	2 4	2 4		3	Y.
27,00,000	29,30,000	74,32,314	7,74,629	1 45,508	A. V. Thomas & Co., Ltd.	Midland Rubber	21xd	10	1 8	1 12*	2 8		3	Y.
2,35,000	2,31,900	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd.	Nenmeny Rubber	25½	10	0 12	1 8			3	Y.P.
2,00,000	2,99,588	7,20,895	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0			12	Y.P.T.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates ..	5–5½	2	0 3½	0 9 3/5	0 6 2/5		12	Y.P.
15,60,000	7,90,000	40,92,293	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	25	10	1 12*	1 12*	2 0		10	Y.P.T.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	Savamalai Estates Ltd.	26	10	3 0	2 8	1 0		6	Y.P.
10,00,000	2,98,340	22,01,120	1,35,829	2,091	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		11	Y.
2,50,000	2,37,500	5,29,518	27,329	16,715	A. V. George & Co., Ltd.	Thamarapally Rubber	32½	10	3 0	3 0			3	Y.P.T.
6,10,200	3,00,005	3,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 1 3/5	0 2		12	Y.P.
6,00,000	75,491	9,79,479	3,23,517	2,745	Rapen Thomas, Esq. (Mg. Director)	Travancore Rubbers	24½	10	2 0	2 0	3 0		9	Y.
41,00,000	14,30,799	79,32,300	8,68,181	5,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	1 0	1 8	1 4		12	Y.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	36½	25	3 0	5 0	4 0		12	Y.P.T
6,28,880	5,40,670	8,51,488	16,128	40 780	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	30	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,482	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	18½	10	1 0	1 8	2 0		12	Y.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,08,28,050	58,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11½	10	1½	1½	1½		3,9	H.
4,00,000	10,25,000	51,65,438	36,98,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	Nil+2½	2½+5	5+5		3,9	H.T.P.
30,00,000	9,94,190	1,17,45,984	91,71,068	3,58,797	McLeod & Co., Ltd.	1,264	Alliance	123½	100	Nil+5	5+5			6, 12	H.T.
49,20,700	72,00,000	2,72,98,835	1,37,90,000	1,23,978	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	168	100	7½+5	2½+5	5+2½		6, 12	H.P.
40,00,000	42,94,285	1,73,44,642	88,94,396	9,733	Bird & Co., Ltd.	810	Auckland	128	100	2+2	1+2½	6+4		3, 9	H.P.
20,00,000	22,86,387	96,75,016	65,15,094	15,350	Jardine Henderson & Co.	959	Bally	188	100	4+Nil	Nil	3½+Nil		3, 9	H.P.T.
£275,000	£631,523	£1,556,539	£1,003,227	£64,535	Sir John H. Birdie (Chairman)	2,504	Barnagore	184	£5	£5		£5		12	H.P.
86,00,000	42,80,153	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	165	100	7½+7½	5+5	5+2½		3	Y.P.
48,00,000	32,45,000	87,03,173	51,28,574	2,55,100	Soorajmull Nagarmull	600	Bengal	17	10	1½	1½	1½		6, 12	H.P.
21,26,000	2,16,77,044	2,32,32,602	39,73,760	3,19,680	Birla Bros., Ltd.	1,373	Birla	17½	10	3	1			3	H.P.
36,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	145	100	6+4	4+5	5+2½		3	Y.P.
7,47,880	3,29,040	43,00,831	21,53,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg.	9½	10	Nil	1½	Nil+		6, 10	H.P.
18,00,000	30,49,224	97,13,971	41,42,798	4,248	Andrew Yule & Co., Ltd.	816	Caledonian	208	100	6+6	4+5	4+2½		6, 12	H.P.
56,16,400	98,58,404	2,22,41,517	1,07,46,008	1,30,505	James Finlay & Co., Ltd.	600	Champdany	157	100	3+3	Nil+3	4+6		6, 11	H.
18,96,000	32,39,252	81,84,655	46,60,175	2,615	Andrew Yule & Co., Ltd.	530	Cheviot	200	100	6+6	6+8	6+4		3, 9	H.
30,18,000	31,00,000	64,10,068	47,77,690	1,32,940	McLeod & Co., Ltd.	500	Chitavalsah	142	10	1½–½	1+½	1+½		6, 11	H.
16,00,000	24,00,000	78,22,716	54,23,962	1,07,142	Shaw Wallace Investment Co., Ltd.	969	Clive	14	10	Nil		1–4x		6, 12	H.T.P.
29,62,760	76,84,250	1,84,26,820	64,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	103	100	1+3	1+1½	3+1		3	Y.
25,00,000	2,15,000	10,76,864	3,78,962	11,273	Andrew Yule & Co., Ltd.	779	Delta	210	100	10+10	6+5	5+5		3, 9	H.P.
12,00,000	1,22,000	39,02,565	20,99,924	2,226	McLeod & Co., Ltd.	500	Empire	90	10	1+3	1+3	1+1		6, 11	H.
8,00,000	6,75,000	21,48,057	18,61,214	68,461	Macneill & Barry Ltd.	1,884	Fort Gloster	350N	Nil	Nil	Nil+5	10+5		6, 12	H.T.P.
22,50,000	1,12,060	24,74,412	6,38,546	—5,57,293	Bajpaie Trust Ltd.	1,014	Fort William	23	10	Nil+5	10+10	10+10		3, 9	H.T.
3,50,000	3,45,579	13,54,557	7,25,954	....	Macneill & Barry Ltd.	1,709	Ganges Mfg.	61½	100	Nil+3	Nil+½	2½+Nil		3, 9	H.P.
20,00,000	17,325	29,07,891	3,43,150	2,661	Birla Bros., Ltd.	1,300	Gondalpara	800	15	Nil				3, 9	H.P.
5,00,000	15,60,000	45,16,229	25,35,877	1,26,128	Andrew Yule & Co., Ltd.	265	Gourepore	100	100	Nil+3½	2½+7½	7½+7½		12	Y.
1,58,400	5,72,960	12,55,351	5,72,960	—2,60,286	Beriwala & Co.	511N	Hastings	1,709	100	Nil+½	Nil+½	2½+Nil		3, 9	H.P.
11,00,240	64,314	16,72,961	10,41,863	—41,339	H. V. Low & Co., Ltd.	400	Hoochly	35½	10	1½	½	1½		1	Y.
9,00,000	11,86,413	28,89,268	22,97,987	2,255	H. V. Low & Co., Ltd.	720	Howrah	22	10	½+½	½+½	½+½		3, 9	H.P.
7,48,240	2,00,000	12,18,473	9,23,179	11,096	Tantia Brothers Ltd.	1,940	Hukumchand	22½	10	½	½	½		3, 9	H.P.
7,00,000	20,617	10,38,178	5,29,295	4,560	Amritlal Ojha & Co., Ltd. ..	2,272	Ichapur	24½	2	2	2			3, 9	H.
17,76,220	20,01,762	1,19,78,853	88,63,066	94,888	Andrew Yule & Co., Ltd.	1,076	India	140	125	3½+3½	Nil+3½	3½+1½		12	Y.
6,00,000	85,000	23,44,028	16 85,990	36,426	Octavius Steel & Co., Ltd. ..			D. 1		a2/5+2/5	nil+a2/5	a2/5+1/5			
1,18,900								145	100	6+8	3+6	2½+Nil		3, 9	H.
1,87,500	2,55,193	13,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	1,527	Kankinarrah	129	100	6+2	3+5	2½+Nil		6, 12	H.P.
7,50,000	12,21,852	5,17,666	3,97,666	56,646	F. W. Heilgers & Co., Ltd. ..	703	Kelvin	102	100	5+2½	2½+4	1+Nil		6, 12	H.P.
10,00,000	1,10,000	39,70,662	17,99,668	5,809	K. C. Thapar & Bros.	1,530	Khardah	238	100	7½+7½	10+10	10+7½		6, 12	H.P.
8,34,000	10,862	17,52,187	8,30,705	9,018	Peerpoint and Kilburnlall	1,250	Kinnison	139	100	7½+7½	7½+5	6+5		3, 9	H.
15,75,000	16 00,000	47,70 275	25,30,275	88 843	Shaw Wallace & Co., Ltd.	1,172	Kotrung	172	100	4+6	2+5	7+6		3, 9	H.P.
22,99,500	19 17,105	1,23,09,893	85,50,855	10 846	N. B. Elias & Co., Ltd.	1,114	Lawrence	114	100	2+5	2+1	5+2		3, 9	H.
18,50,000	8 83,885	35,26,765	27,73,764	25,251	Shaw Wallace & Co., Ltd.	840	Lawrence	120	100	2+3	2+4	5+1		3, 9	H.
20,00,000	3,90,000	44,25,585	19,78,118	3,20,175	Jaipuria Sons Ltd.	1,008	Meanna	86	100	2½+2½	Nil+2½	2½+1½		3, 9	H.
1,25,000	1,95,802	15 78,480	12,21,237	21 070	M.	1,940	Mohini	94	100	Nil	Nil	Nil		3, 9	H.
2,50,000	8,86,588	29 99 490	19,07,295	49 299	Andrew Yule & Co., Ltd.	425	Naskarpara	18½	10	Nil+½	1+½	½+		4, 10	H.
8,00,000	5 31,289	....	22 491	28 987	F. W. Heilgers & Co. Private Ltd.	852	National	23½	10	1+1	1+1	1+½		4, 10	H.P.
68,21,450	16,96,050	3,82,71,101	2,85,68,501	—4,46,963	Industrial Trust Fund (Governm ent of Hyderabad)	816	Nellimarla Jute	12½	10	1+1	1+1	1+½		6, 12	H.P.T.
17,50,000	10,84,016	37,86,103	15,14,900	—51,588	Bird & Co., Ltd.	1,767	Kamarhatty	404	100	Nil+½	Nil+½	½+½		3, 9	H.P.T.
8,00,000	13,69,395	1 09,570	26 510	17,347	F. W. Heilgers & Co., (Private) Ltd	601	Orient	134	100	6+6	5+5	5+4		3, 9	H.
10,00,000	12,950	30,82 293	15 43,509	—4,07,745	Villiers Ltd.	400	Presidency	5½	5	Nil+½	½+½			3, 11	H.
2,50,000	2,50,000	19,47,965	14,21,925	44,167	Williamson Magor & Co., Ltd. ..	360	Rameshwara	72½	10	Nil	Nil	Nil+		6, 12	H.P.
49,98,000	....	49,06,356	18,91,545	3,694	Hindustan Investment Corpn., Ltd.	1,276	Reliance	10½	10	½+½	Nil	Nil		3, 9	H.
7,00,000	1,38,190	55,22,133	22,66,081	122	Macneill & Barry Ltd.	2,013	Samnuggur	10	10	10%	10%	8%½		3, 9	H.P.
						911	Shree Ambica	16	10	Nil+½	½+½	½+		12	Y.
						401	Soorah	15½	10	½	½	½		3, 9	H.
						650	Standard	104	100	1+1	1+1	1+Nil		6, 12	H.P.
						1,794	Titaghur	10	£1	10%	10%	8%½		3, 9	Y.P.
						1,326	Union	133	100	6+4	5+4	5+5		12	Y.P.
						1,331	Victoria	10	£1	10%	10%	8%½		3, 9	H.P.
						465	Waverley	5½	1	Nil+½	½+	½+		12	Y.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
25 50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½xd	10	½ + ½	½ + ½	½+½		3,9	H.
12,00,000	8,62,570	38,78,477	36,13,477	22,708	Jardine Henderson Ltd.	Bararee Coke	20	10	7/10+7/10	½ + 7/10	½+7/10		3,9	H.
4,49,350	70,000	8,49,159	5,40,056	4,903	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	64N	10	Nil	Nil			3,9	H.
1,00,00,000	1 40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	538½	200	17½+15½	15+15	17½+17½		6,12	H.
4,25,000	4,77,774	24,81,366	22,28,986	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		6,12	H.P.
15,97,000	4,73,558	37,77,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	½	½	½		3,9	H.P.
40,90,000	8,00,000	1,39,06 662	71,05,188	27,453	Sahu Jain Ltd.	Bharat Collieries	7½	10	½	Nil	Nil+		9	Y.
1,15,000	15 09,350	52,49,021	37 09 987	—1,65,136	F. W. Heilgers & Co. (Private)Ltd.	Bhulanbararee	18½	10	½	½			3	Y.T.P.
16,00,000	16,17,086	58,14,856	39,99,741	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12	10	½				6,12	H.
7,50,000	24,29,026	42,39,603	26,53 406	84,207	Andrew Yule & Co., Ltd.	Borree	23½xd	10	1½+1½	1 + 1	1+1		6,12	H.T.
90,92,450	1,75,17,502	4,19 21,370	1,35,17,846	1,15,376	Bird & Co., Ltd.	Burrakur	13½	10	½ + ½	½ + ½	½+½		6,12	H.
14,97,750	....	3,82,545	39 62,720	14,019	Hindustan Investment Corpn., Ltd.	Central India	7½	10	½	½	½		6,12	H.P.T.
3,00,000	13 54,302	49,10,414	32,63,954	2,709	M.	Central Kurkend	11½	10	½ + ½	½ + ½	½ + ½		3	Y.
6,00,000	1,43,676	7,28,438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd	Churlia	2½	4	½ + ½	½ + ½	½+½		6,12	H.
16 00,000	1,20,000	56,67,321	26,91,190	—2,45,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	Nil	Nil	Nil+		6,12	H.
£240,000	£380,555	£936,945	£702,277	£56,767	Jardine Henderson, Ltd.	East Indian	32½	£1	2½		5		6,12	H.T.
29,62,760	76,84,250	3,89,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	30½	10	1 + ½	½ + ½	½+		4	Y.
10,00,000	2,15,000	10,76,864	3,78,962	11,273	Phatter's Agency Ltd.	Ghusick and Mualla	14½N	10	½		½+		6,12	H.P.T.
12,00,000	1,22,000	39,02,565	20,99,924	2,226	Killick Industries Ltd.	Hingir-Rampur	61½	50	½	Nil	2 4		3	Y.
8,00,000	6,75,000	21,48,057	18,61,214	68,461	Macneill & Barry Ltd.	Hurriladih	22½	10	½ + ½	½ + 1	1½+		6	Y.P.
22,50,000	1,12,060	24,74,412	6,38,546	—5,57,293	Bajpaie Trust Ltd.	Jogta Coal	2½	10	Nil	Nil			6,12	H.
3,50,000	3,45,579	13,54,557	7,25,954	....	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	1½+ 1	Nil	Nil		12	Y.P.
20,00,000	17,325	29,07,891	3,43,150	2,661	Birla Bros., Ltd.	Kanapura Collieries	122	100	Nil	Nil	2½		2,8	H.
5,00,000	15,60,000	45,16,229	25,35,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	60½	10	2 + 2	2 + 2	2½+3		2	Y.P.
1,58,400	5,72,960	12,55,351	5,72,960	—2,60,286	Beriwala & Co.	Khas Kajora	3½N	10	Nil	Nil			1,7	H.
11,00,240	64,314	16,72,961	10,41,863	—41,339	H. V. Low & Co., Ltd.	Kusadi	4½N	10	Nil	Nil			6,12	H.P.
9,00,000	11,86,413	28,89,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	Y.
7,48,240	2,00,000	12,18,473	9,23,179	11,096	Tantia Brothers Ltd.	Nasira	7	10					4	Y.
7,00 000	20,617	10,38,178	5,29,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Ranadeopur	10N	10					12	Y.
17,76,220	20,01,762	1,19,78,853	88,63,066	94,888	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	½ + ½	½ + ½	½ + ½		3,9	H.
6 00 000	85 000	23,44,028	16 85,990	36,426	Octavius Steel & Co., Ltd. ..	New Manbhoom	11½	10	Nil	Nil	Nil		4, 10	H.P.
1,18 900						North West	16½N	10	½ Nil	Nil	½+½		3,9	H.
1,87,500	2,55,193	13,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.		7½		½+Nil	Nil	½+½			
7,50,000	12,21,852	5,17,666	3,97,666	56,646	F. W. Heilgers & Co., Ltd. ..	Ondal	14½xd	10	1 + 1	½ + ½	½+½		3 9	H.
10,00,000	1,10,000	39,70,662	17,99,668	5,809	K. C. Thapar & Bros.	Oriental Coal	9N	10					6,12	H.P.
8,34,000	10,862	17,52,187	8,30,705	9,018	Peerpoint and Kilburnlall	Parasea	14	10	½ + ½	½ + ½	½+½		12	Y.T.
15,75,000	16 00,000	47,70 275	25,30,275	88 843	Shaw Wallace & Co., Ltd.	Pench Valley	22½xd	10	½ + ½	½ + ½	½+½		6,12	H.P.
22,99,500	19 17,105	1,23,09,893	85,50,855	10 846	N. B. Elias & Co., Ltd.	Raneegunge	12½	10	Nil	½ + ½	½+½		3,9	H.
18,50,000	8 83,885	35,26,765	27,73,764	25,251	Shaw Wallace & Co., Ltd.	Rewa	22½	10	½	½ + ½	½+½		3,9	H.
20,00,000	3,90,000	44,25,585	19,78,118	3,20,175	Jaipuria Sons Ltd.	Samla Collieries	14½N	10		½ + ½	½+½		6,12	H.
1,25,000	1,95,802	15 78,480	12,21,237	21 070	M.	Searsole	64N	2½					12	Y.
2,50,000	8,86,588	29 99 490	19,07,295	49 299	Andrew Yule & Co., Ltd.	Seebpore	29	7	½ + ½	1 + 1	1½+1½		1	Y.
8,00,000	5 31,289	....	22 491	28 987	F. W. Heilgers & Co. Private Ltd.	Sendra	98N	10	Nil	Nil+½	½+		6,12	H.P.
68,21,450	16,96,050	3,82,71,101	2,85,68,501	—4,46,963	Industrial Trust Fund (Governm ent of Hyderabad)	Singareni	10½	10	Nil	0–11 1/5			6,12	H.T.
17,50,000	10,84,016	37,86,103	15,14,900	—51,588	Bird & Co., Ltd.	South Karanpura	9½	10	½ + ½	Nil+½	½+Nil		12	Y.T.
8,00,000	13,69,395	1 09,570	26 510	17,347	F. W. Heilgers & Co., (Private) Ltd	Standard	26½xd	10	½ + ½	½ + ½	½+½		3,8	H.
10,00,000	12,950	30,82 293	15 43,509	—4,07,745	Villiers Ltd.	Talcher	3½	2½					6,12	H.
2,50,000	2,50,000	19,47,965	14,21,925	44,167	Williamson Magor & Co., Ltd. ..	Union	14½	10	1 + ½	½ + ½	Nil+		9	Y.
49,98,000	....	49,06,356	18,91,545	3,694	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10		½ + ½	½+		6,12	H.
7,00,000	1,38,190	55,22,133	22,66,081	122	Macneill & Barry Ltd.	West Jamuria	11½	10	Nil	Nil	½+		6,12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at Rs. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,80,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,80,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

MARKET GOSSIP

(*Concluded from page 3*)

we have endeavoured to show that Bombay is better suited than Calcutta for carrying out all these functions:

(1) From the point of view of facilities for investment of funds, it is essential that the Head Office is located at a place where it is possible to maintain close daily contact with the premier Stock Exchange in the country and also with the Reserve Bank of India. Bombay is the ideal choice for this purpose. The Bombay Stock Exchange and the Bombay money market, it would be readily admitted by any impartial observer, are the biggest and the most efficiently organised markets in the country. With the Head Office of the Reserve Bank of India located at Bombay, the Gilt-edged market here has a high degree of liquidity. Even now, Calcutta has to fall back on Bombay for its supply of Government loans.

(2) Bombay has, from the very commencement, been the life insurance capital of India. It is the Headquarters of the Indian Life Assurance Offices Association, as also the Indian Insurance Companies Association, Federation of Insurance Institutes of India, etc. The share of the Bombay companies in the life insurance business of the country is over 50 per cent. It would, therefore, be in the fitness of things if the Central Office of the Corporation were located in Bombay.

(3) The staff required for the Head Office will have to be a handpicked one, consisting of persons with special qualifications. In this connection, it may be noted that a high proportion of the technically qualified staff in life insurance business is at present concentrated in the city of Bombay. For example, out of a total number of 92 Fellows of the Institute of Actuaries, as many as 40 are at present in Bombay. Similarly, in the other branches of insurance administration also, such as accounts, mechanisation, etc., a good proportion of the highly qualified and experienced men are employed in Bombay.

(4) At present, the head offices of insurers at Bombay are servicing more than 50 per cent. of the total number of policies in force throughout the country. It is now proposed that such servicing should be gradually decentralised and that policies should be serviced from the Divisional Offices of the area in which the policyholder is residing. With the gradual decentralisation of policy-servicing thus, the volume of business that will ultimately remain to be serviced from Bombay City will shrink to about half its present size. This will entail large-scale transfer of staff from Bombay to other centres, with hardship in a number of cases to the staff so transferred. Location of the Head Office, or Central Office, at Bombay would, however, help in reducing the magnitude of the problem of transfer of staff from Bombay.

(5) The problems which will arise in the course of integration of the different insurers would be very complex. In the Bombay zone, particularly, the work of integration will be not merely larger in magnitude but may give rise to special problems not likely to be met with in the other zones, because nearly half the volume of existing business in the Bombay zone will have to be transferred to the other zones. This would also necessitate transfer of staff on a large-scale from Bombay to the other zones. It is desirable that the Bombay zone should, therefore, have the benefit of the seniormost members of the business in Bombay for personal consultations from time to time in tackling the above problems. This would be possible only if the Central Office is situated in Bombay and such senior members retained in Bombay City itself as part of the Central Office staff.

(6) As regards the question of office accommodation, no difficulty would be experienced in Bombay, as there are several buildings in the city owned by insurers

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up ₹ per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16 00,000	1,08,00,900	11,36,801	Allahabad Bank	320	100	18 0	18 0	18 0		12	Y.P.
14,50,000				160	50	9 0	9 0	9 0			
1,01,000				115	100	6 0	6 0	7 0	6 8		
$2,46,180	14,37,000	12,375	Andhra Bank	85	70	3 0	3 4	3 12	4 8 4/5	6,12	H.
1,00,00,000	1,25,00,000	3,35,546	Bank of Baroda	97½	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	163N	25	2 12	2 12	2 12		12	Y.
2,50,00,000	3,53,00,000	13 20,630	Bank of India	162	50	7 0	7 0	7 0	8 0	6,12	B.L.Y.
15,80,875	25,00,000	60,686	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	10,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	245½	100	16 0	16 0	16 0	16 0	12	Y.
61,21,700	53,78,018	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
16,00,000	24,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	13,00,000	8,433	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	6 8	12	Y.P.
2,62,11,875	4,01,81,317	18,40,359	Central Bank of India Ltd.	51	25	2 8	3 0	3 0	3 0	12	B.L.Y.
52,43,375 'A'				52½	25	2 8	3 0	3 0	3 0		
50,00,000	23,10,000	1,64,911	Devkaran Nanjee Banking Co.	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,65,278	Hind Bank	34½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,45,000	16,919	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14½	50	—	—	—		12	Y.
75,00,000	75,00,000	1,04,406	††Hyderabad State Bank	89N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000				189	100	12 0	12 0	12 0	12 0		
16,00,000	79,75,000	1,45,140	Indian Bank	167½	90	10 8½	10 8½	10 8½	10 12½	6,12	B.L.H.
18,20,000				124	65	7 8½	7 8½	7 8½	7 12½		
49,19,875	30,00,000	2,23,299	Indian Overseas Bank	135	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000				152	100(A)	6 0	Nil	Nil			
6,50,000	5,54,500	—1,12,440	Indo-Commercial Bank	11	25(B)	1 8	Nil	Nil		6,12	H.
10,00,000				25½	50(C)	3 0	3 0	Nil			
57,50,000	97,50,000	2,25,108	Punjab National Bank	58	25	1 8	2 0	2 0	3 0	12	Y.
1,00 00,000	23,50,000	42,597	Travancore Bank	35	—	—	0 10	1 12	2 0	12	Y.
40,00,000	35,00,000	1,96,228	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 6	12	Y.
6,00,00,000	95,00,000	27 761	United Commercial Bank	51½	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-16-7½	£1	16†	14†	15†	15†	12	B.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	7†	8†	8†		12	B.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,589	Hongkong and Shanghai Banking Corporation								
				£93½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£588,006	Lloyds Bank	£2-14-3	£5 A	12†	14†	15†	12†	12	B.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	B.L.Y.
£375,000 'A'				£4-0-0	A £25	14†	14†	14†	14†		
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0	B £25	14†	14†	14†	14†	12	B.L.Y.
£750,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£343,158	National Bank of India	£1-0-9	sh. 12½	16†	16†	15†	15†	12	B.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. B.-L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June — 1963
4,00 000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	95	28th February — 1960
6,00 000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December 1956
10 00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	101	27th December — 1959-62
19,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1943	91	1st November — 1958-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April — 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96½	1st November — 1959-64
COAL						
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June — 1956
20,00,000	4½	30th June and 31st December	Barrakar Coal Co.	1947	91½	30th June — 1967(e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1948	100	14th December — 1959(e)‡
COTTON						
8,50,000	5½	30th June and 31st December	Bassatt Cotton Mills Ltd.	1942	85	30th April — 1964
4,00,000	5½	10th May and 10th November	Bengal-Nagpur	1944	98½	15th November — 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1937	92	1st March — 1972(a)
12,50,000	5½		Jaykrot Textiles	1938	80N	1st January — 1956-59
39,90,000	6	1st June	Tata Mills	1951	100½	1966-71
ELECTRICS						
19,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March — 1965(e)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1946	102½	14th June — 1966
40,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98	1st October — 1960
13,00,000	4½	30th June and 31st December	Bombay Electric Light and Power Co., Ltd.	1949	94	31st December — 1965(e)
2,39,89 400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102	1st January — 1970(e)
25,00,000	4	30th June and 31st December	Cooverjee Electric Supply Co., Ltd.	1945	85½	31st December — 1970
10,00,000	5	1st January and 1st July	Shaw (Shanghai) Electric Supply Co., Ltd.	1951	96	30th June — 1970(e)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	96½	15th July — 1957-61
3,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October — 1962-66
5,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September 1962-66
4,58,000	4½	1st April and 1st October	South Madras Electric Supply	1946	94	1st July — 1961-81
47,75,000	5	1st April and 1st October	Tata Power	1940	102	1st July — 1979
2,50,00,000	4	1st April and 1st October	Tata Power	—	93½	15th September — 1965-70
ENGINEERING						
5,50,000	5½	30th June and 31st December	Britannia Engineering	1944	99	31st December — 1960
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	99	30th June — 1958
80,00,000	5½	15th September and 15th March	Indian Iron and Steel Co.	1941	101½	1st April — 1957-62
61,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1938	£88	31st December — 1956(SB)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works, Ltd.	1946	87	31st May — 1971
1,40,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October — 1966-68
66,00,000	6	31st December — —	Textile Machinery Corporation Ltd.	1950	101	31st December — 1966(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March — 1959
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June — 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December — 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93½	30th June — 1960
9,00,000	5	31st January and 31st July	Calcutta	1940	96	31st July — 1960
16,99,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June — 1968
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March — 1969(a)
5,80,000	5	31st January and 15th July	Empire	1951	94½	15th July — 1965(e)
25,00,000	3½	1st January and 1st July	Khardah	1947	92½	30th June — 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	99	31st March — 1970
19,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	98½	31st December — 1964(e)
25,00,000	5½	30th June and 31st December	Kelhati	1953	98	31st March — 1967(e)
9,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	93	14th May — 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December — 1964
8,00,000	4	30th June and 31st December	Prideofindia	1943	98	30th June — 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	91	5th September — 1965(e)
8,00,000	4½	14th March and 14th September	Seorah Jute	1937	96	14th September — 1957
13,00,000	4½	30th June and 31st December	Union	1937	95½	30th June — 1957
16,00,000	3½	31st January and 31st July	Waverly	1938	98	31st July — 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barsiot-Basirhat Light Railway	1939	90N	1st July — 1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1923	£77½N	1st October — 1974
6,50,000	3½	30th June and 31st December	Kalukhat-Lalabazar Railway	1945	90½	31st December — 1959(c)
£220,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£85½N	Any time on six months' notice (c)
4,52,16,497	4½	1st March and 1st September	Schiella Steam Navigation	1949	96	1st September — 1968
PLANTING						
15,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	102	1st July — 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea	—	100	1st April — 1958-68
1,50,702	5½	31st March and 30th September	Teakoy	1944	180	31st March — 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1946	96	31st Decem ber — 1965
25,25,000	4½	1st January and 1st July	Associated Hotels of India	1948	98	31st December — 1962
4,20,000	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June — 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September — 1964-69(a)
2,80,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1953	102	1st October — 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February — 1964
20,92,000	4½	1st July and 1st January	'Clive Buildings (Calcutta) Ltd.	1936	89½	1st July — 1960
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September — 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	 1966
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	101	1st January — 1971(e)††
1,50,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1944	106	30th June — 1969(a)‡
17,75,000	5	15th March and 15th September	Motor Chemical Industries	1949	102½	— 1965
38,08 500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September — 1975(a)
45,00,000	4	30th June and 31st December	MaLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December — 1973(a)
					(per note)	
75,00,000	5	1st April and 1st October	Mussolli and Barry Ltd.	1951	99N	1st April — 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	102	30th June — 1965-70
1 00,38,080	5½	31st March	Orient Paper Mills Ltd.	1951	97½	31st March — 1961(e)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91½	31st December — 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104½	1st May — 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 16 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,50,00,000 debentures redeemed as per annually by drawing from 1-9-1955. Any debenture outstanding on 1-9-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 50 lakhs will be redeemed annually by drawings at par commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings at 1 per cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings at par on 1st May 1956 onwards. The Company has option to redeem a debenture on 1st May 1956, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th July, 1956.

—	Closing quotations 28-6-1956	High	Low	Closing quotations 5-7-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100)	198½	198½	198	198
Apollo (2)	2-14½	3-1½	2⅜	⅜
Bombay Dyeing (250)	641½	643½	626½	632
Central India (100)	160	161	151½	156
Century Mills (100)	567	566	554	561
Colaba (100)	80	—	—	80
Edward Textile (200)	338½	—	—	338
Elphinstone (50)	62	62½	62	62
Finlay (100)	340	341	336	339
Gokak (100)	233½	235½	232	235
Ind. Untd. Dvfd. (1)	2⅜	2⅜	2-7½	2
Ind. Untd. Ord. (10)	12	12-11½	11⅜	12
Indore Malwa (100)	148½	148½	145	146
Khatau (100)	240	240	237½	238
Kohinoor (100)	371½	378	365	372
Lakshmi (250)	685	685	680	680
Madhusudhan (100)	112½	—	—	112
Minerva Mills (100)	90 xd	93	90½	93
Model Nagpur (250)	151½	151½	150⅜	151
Mcrarji (100)	251½	—	—	251
Mysore (40)	112½	—	—	112
National Rayons (100)	232½	234	230	232
New City (100)	178½	181½	178½	181
New Great (100)	254	255	250	255
Phoenix (100)	138½	141½	137½	141
Podar Mills (100)	185½	188½	185½	188
Samoon Silk (10)	11½	12	11½	12
Samoon Spg. (10)	38½	—	—	38
Sholapur (1,000)	1,750	—	—	1,750
Shrinivas (100)	213½	216½	208½	213
Simplex (50)	218½	222½	215	218
Standard (25)	42½	44½	42½	42
Svadeshi (100)	251	254½	246	250
Swan (100)	432½	482½	481½	482
Tata Mill (25)	57	58	56	56
Vishnu (100)	192½	196½	185	185
Western India (1,000)	—	—	—	5,075
BANKS				
Bank of India (50)	160½	163½	160⅝	163
Bank of Baroda (50)	97½	98½	97½	98
Central (25)	51	51½	51	51
Central 'A' (25)	52½	53	52½	52
Dena Bank (50)	40	—	—	40
Punjab National (25)	57½	58	57½	58
Union Bank (5)	6-11½	6	6-11½	6
United Com. (50)	51½	51½	50½	51
ELECTRIC COS.				
Ahmedabad (100)	96½	96⅝	95⅝	—
Amalgamated (10)	11	—	—	—
Andhra Valley (1,000)	1,180	1,202½	1,175	1,2
Bom. Sub-El. (100)	111½	113	111½	1
Surat (100)	118½	119⅛	118½	1
Tata Hydro (100)	128½	127	126½	1
Tata Power (1,000)	1,270	1,287½	1,272½	1,2
INSURANCE COS.				
British India (10)	13½	14½	14	1
Empire of India (100)	325	—	—	32
Ind. Mercantile (50)	44	—	—	4
Jupiter (15)	5⅝	—	—	5
New India (15)	46½	51	45½	4
Oriental (200)	3,855	—	—	3,85
Universal (10)	11	11½	11	11
Wadan (10)	15	15½	15	15
STEEL COS.				
Ind. Iron (10)	38⅜	39⅝	35½	3
Tata Steel Ord. (75)	199½	201½	196½	20
SUGAR COS.				
Belapur (50)	225½	228	224	22
Bijapur (50)	18½	17½	16½	1
Phaltan (50)	105½	109	102½	10
Walchand Ind. (100)	255	259½	253½	25
CEMENT COS.				
Associated Cts. (100)	191	192	187	18
Dalmiya (100)	194	195	192	19
MISCELLANEOUS				
Alcock Ashdown (100)	347½	350	337½	34
Bom. Burmah (125)	645½	644½	625½	63
Do. (New) (50)	241½	241½	239½	24
Br. D. Petrol (4 sh.)	4⅜	4⅜	4¼	4
Br. L. Corpn. (5)	10⅜	10-5½	10⅜	1
C. P. Ely. (100)	84½	—	—	8
Indian Copper (2 sh.)	7½	7-8½	6⅜	7
Ind. Inv. Tr. (100)	78	—	—	7
Kemp (200)	175	175	174½	17
Killick (100)	161½	170	161½	17
Polson (100)	161½	—	—	18
Port Canning (100)	91	—	—	—
Premier Con. (50)	19½	197	186	19
Rehabs (20)	18⅜	19-2⅜	18⅜	1
G. E. Shipping (10)	19½	20-4½	19½	1
Shivalpur (10)	90½	66½	98½	9
Tata Chemicals (10)	18⅜	18⅜	18⅛	1
Tata Locomotive (100)	1456	1456	1454	14
Tata Oil (25)	56½	59	55	5
W.I.I.(Match (100)	186½	185⅝	184⅜	18

GOVERNMENT SECURITIES

	29-6-1956	Gross Yield: Market Redemption	Gross Yield: Latest Redemption	5-7-1
	Rs.			
2½% 1961	93⅜	—	3.89	
2½% 1960	96⅜	—	3.74	
2½% 1962	93⅜	—	3.80	
2½% 1976	75⅝	—	4.00	
2½% 1957	99⅜	—	3.13	
2½% 1958	99⅛	—	3.18	
2½% 1950-61	96⅛	3.63	3.89	
3% 1964	95	—	3.72	
3½% 1963-65	95½	3.80	3.65	
3½% 1966-68	93½	3.79	3.69	
3½% 1970-75	90⅜	3.90	3.71	
3½% 1964 Con. Loan	77½	—	3.87*	
4% 1960-70	101½	3.68	3.89	
4½% 1955-85**	102½	2.94	4.20	
2½% 1937 N.P. Bonds	99⅜	—	3.59	
2½% 1964 N.P. Loan	98⅜	—	3.67	
3½% 1965 N.P. Bonds	96⅛	—	3.97	

BRITISH GOVERNMENT SECURITIES

	Closing quotations 27-6-1956 £			Cl qu
2½% Brit. Consols	52½	—	—	
3% Savings Bonds 1965-75	74⅜	—	—	
2½% War Loan 1955-59	94⅞	—	—	
2½% War Loan	70½	—	—	
4% Victory Bonds 1976	92½	—	—	
4% Funding 1960-90	87½	—	—	

* Current Income. x.d.—Ex-dividend. **Rupee Coupon. Ex-Rights.

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COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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COMMONWEALTH CONFERENCE

IT is not surprising that economic issues figured prominently at the ten-day Commonwealth Prime Ministers' Conference which concluded in London on 6th July 1956, for it only reflects the fact that economic problems are now coming to the fore, pushing political ones to the back. War as a means of settling international disputes is being ruled out, thanks to the invention of thermo-nuclear weapons with devastating power. Although the relationship between the free world and the communist world is still characterised by fear and suspicion, it has come to be realised among the big powers that the alternative to peaceful co-existence is destruction of the world as a whole. It is true that this realisation has not yet proceeded so far as to bring about disarmament, but there are promising signs that the powers concerned are gradually moving in that direction. Russia, under its new regime, already seems to realise that, sooner or later, disarmament is inevitable. Evidence of this is provided by its vigorous trade drive in all parts of Asia, Africa and even in distant Latin America. Apparently, it wants to be ahead of the Western nations in booking the capacity of its heavy industries with orders from these parts of the world hungry for capital equipment and technical know-how. Otherwise, it is difficult to explain its desire to give economic assistance not only to the so-called "uncommitted nations" such as India, Burma, Indonesia and Ceylon, but also to a country like Pakistan which has definitely linked its political fortunes with the West. The present rulers of Russia must have come to the conclusion that, if hot war is ruled out, cold war cannot last very long. The only war that will then remain to be fought out will be trade war. And, as every student of strategy knows, the most effective defence is offence. Here, Russia has certainly stolen a march over the West.

The Western world would appear to have been rather slow in realising the implications of the change in the Russian attitude towards world trade. Britain, however, seems to understand them better now, as evident from the speculation in the British Press on the agenda for the Commonwealth Conference. It was stated that the Soviet Government's trade offensive would figure prominently in the discussions among the Prime Ministers. The official Press *communique* issued after the final session of the Premiers' Conference, however, contains no reference to this subject. It is possible that the Conference did not devote much time to a discussion of this problem. This is perfectly understandable, because this particular economic issue is a delicate one. Past experience has shown that Commonwealth Conferences are generally inclined to leave out highly controversial issues to be settled by time. Moreover, it is difficult to see what good would have emerged from such a discussion, as the Commonwealth comprises nations of heterogeneous interests, though there may be, as the official *communique* claims, "a sense of common purpose in their approach to the major problems of the day." India, for instance, would refuse to view the problem in the same way as British commentators do. It would not regard this issue as a trade war, or an economic offensive by Russia with the political motive of spreading communism throughout the world. Nor would it agree to any form or shape of collective Commonwealth measures to meet the intensified competition by the communist bloc in the sphere of trade. Competition in this sphere has by no means been from the communist bloc alone. West Germany, Japan and, to some extent, even Italy have been competing effectively with Britain and other Commonwealth countries. To speak of action against the communist bloc alone would, therefore, amount to an intensification of the cold war, thereby leading to a revival of international political tension. India, which has been fighting for peace at considerable cost to its economic development, would be strongly opposed to such an approach to international or Commonwealth economic problems. Much of the speculation in the British Press on this subject on the eve of the Conference was, therefore, wishful thinking.

So far as India is concerned, there is no doubt that the emergence of Russia as a supplier of capital goods, consumer durables, agricultural implements, and technical know-how purely on a commercial basis is a welcome development in the sphere of world trade. There are, of course, some in this country who regard the present-day Russian salesmen as the carriers of communist infection, but their number is dwindling. The vast majority believe that the Russian entry in the sphere of world trade does not endanger the democratic set-up of the newly freed countries of Asia. On the contrary, they feel that it has broken the monopoly of the West as a supplier of capital and scientific knowledge to underdeveloped countries. This is largely true. In recent years, the West has been very slow in recognising the needs of these countries and tardy in meeting them. The United States, which was very sympathetic and generous for some years, later made the mistake of rendering financial assistance more and more on political considerations and less and less on economic. Pakistan, though only a third of India's size, is today getting U.S. aid on a scale which is three times that given to India. Three years ago, the reverse was true. The reason for this change is common knowledge. Pakistan has allied itself with the U.S. politically, whereas India has been not only refusing to do so but also actively opposing such political groupings on the ground that they endanger peace. Further, the cost of goods and services from Western countries has been progressively rising, thereby rendering them uneconomical to underdeveloped countries. In these circumstances, the answer to competition in trade offered by the communist bloc lies not in any concer

ing on the line of action to be followed when the subject comes up or is raised for discussion in the U.N. An important prerequisite to this move is that the U.N. and its agencies should be made fully representative of all the countries of the world. This raises the issue of admitting Communist China and Japan into these bodies.

It must be said to the credit of the present British Government that it has shown a commendable degree of tact and understanding in handling this subject. It has not openly talked of a trade war by the communist bloc. It has been fully aware that, in order to counter Russia's economic offensive and to hold the Commonwealth together, Britain must resume its pre-war role of an exporter of capital, besides maintaining sterling as a strong international currency. With this end in view, it has been striving hard to bring under control the inflationary forces in its domestic economy. The task is by no means an easy one, because a large proportion of Britain's resources is still being utilised for producing armaments. If an international understanding could be reached on the armaments question and on outstanding international political problems, Britain can easily switch over its metal-using industries for producing more capital and durable consumer goods for export. It is here one sees a vicious circle and the relevance of the Commonwealth Prime Ministers' stress that, unless settlements can be reached in critical areas of dispute, defence burdens will continue to "distract and weaken mankind."

The official *communique* on the conclusion of the Conference says that "the Prime Ministers noted with satisfaction the United Kingdom's determination to maintain and improve its capacity to serve as a source of capital for development in Commonwealth countries." This is a well-deserved acknowledgment of Britain's strong efforts to improve its balance of payments position and build up surplus funds for investment abroad. For reasons just mentioned, the outcome of these efforts will not be spectacular for some years to come. It has been estimated that even to support the present rate of investment in Commonwealth countries, Britain must have an annual surplus of £350 million, a surplus that has not been achieved in any year so far. With investment needs of the Commonwealth rapidly rising, the surplus, it is needless to add, should be substantially more, if Britain is to fulfil satisfactorily the role it has recognised.

All this does not mean that the other Commonwealth countries have no obligation in this direction. Far from it. And the following quotation from the *communique* reveals that all Prime Ministers are aware of it:

> "The Prime Ministers agreed that it was of first importance for their countries to maintain and increase their economic strength. Each country, through sound internal economic policies and steady development of its resources and earning power, could help to strengthen the Commonwealth and the Sterling Area and move steadily towards the agreed objective of the widest practicable system of trade and payments."

Although brief, the quotation is significant. In view of the limited supply of capital that can be had in the London money market, it is obvious that only those countries which follow a sound "economic policy"—a very wide term—will find it easy to attract the attention of investors in that centre. This is a point which India will do well to bear in mind, now that it is contemplating to raise loans in the capital markets of Europe.

A subject that was expected to be discussed but was not is the twenty-four-year-old Ottawa Pact, otherwise known as Imperial Preference. Of all the members of the Commonwealth, Australia was very keen on raising this issue. It is known to have had discussions on this subject with the British Government separately, but there is no indication yet of their outcome. It seems to feel that it can enter into a separate trade agreement with Britain, without in any way affecting the interests of the other members who are parties to Imperial Preference. No comment on this move can be made until details of it are known. Meanwhile, there is a surprising degree of uniformity in the approach of the Governments of Britain and India to this question. Both of them feel that it is better to let sleeping dogs lie. There is a lot to be said in favour of this view. Suffice it to say that there are so many problems to be solved at present that it is not worthwhile raising a fresh crop of them. Neither India nor Britain has felt any compelling necessity to alter the present arrangement, nor does it seem to be of any great impediment to the expansion of world trade.

COAL PRICES

THE increase in the controlled prices of coal, announced last week, has attracted considerable public attention. This is only partly due to the fact that coal is an essential raw material for industries. The main cause arises from the circumstances which preceded the announcement of the increase in prices. It was known that the Government would be compelled to raise the prices of coal, in order to enable the industry to meet the increase in production costs imposed by the award of the All-India Industrial Tribunal (Colliery Disputes) which came into effect on 26th May last. But the Government kept the industry on tenterhooks for nearly 40 days before announcing the increase in prices. Small wonder, the industry was reduced to the position of having to appeal for justice through a country-wide advertisement campaign.

It is argued, perhaps with some justification, that the Government cannot be entirely blamed for the delay. On judicial analogy, an award has necessarily to come into effect immediately, though the party which feels aggrieved may appeal against the decision. The Government, on its part, had, therefore, to take into account the one-month time limit which an industry gets to file an appeal against a labour award. Normally, these legal niceties would create no difficulty for an industry. For it is open to an industry to implement an award, raise the price of its product, and, in the meantime, prepare its case for appeal. In the coal industry, however, such a procedure is not possible. Being a controlled industry, it could not raise the prices of coal, though it had to pay the higher wages set by the award. The result is that the industry is said to have lost nearly Rs. 2 crores in the period intervening between the date of enforcement of the award and that of increase in coal prices. Assuming that such a time lag is inevitable in the present context of labour awards and controlled industries, it should be the responsibility of the Government to see that this circumstance does not result in any considerable hardship to the industries concerned. A suggested method is to grant, for a fixed period, a slightly higher interim increase in prices than is warranted by the award and then to revise the prices downwards.

So far as the immediate future is concerned, two issues have to be faced: Is the increase in prices, now granted, adequate? What will be its effect on production costs in other industries? The increase in price (per ton), which will apply uniformly to all grades of coal is: Bengal-Bihar Rs. 3; Madhya Pradesh (1) Hirdagarh Rs. 3-8, (2) for other collieries Rs. 3; Orissa (i) Hinger Rampur Rs. 4, (ii) Talcher Rs. 5; Singareni Rs. 3; Assam Rs. 2-4; Vindhya Pradesh Rs. 2. Coke: Hard coke Rs. 6-8 and soft coke Rs. 5.

The industry is disappointed with the aforesaid increases, because they fall far short of its demand for Rs. 4 per ton. In the Bengal-Bihar region, which accounts for 80 per cent. of the production of coal, the increase is only Rs. 3 per ton. In considering this issue of adequacy or otherwise of the increase in prices, one must remember two important considerations, namely, (1) wages account for 60 per cent. of the cost of raising coal, and (2) the award has meant nearly a 40 per cent. rise in the wages bill of the industry. It will be conceded that the question whether the increase in price is adequate or not cannot be decided without reference to production costs in the industry. Unfortunately, the cost data are not very clear. The estimates vary from Rs. 6.75 per ton, according to the Indian National Mine Workers' Federation, to Rs. 14.56, the cost of the companies represented by the Indian Mining Association; other estimates are Rs. 14.37 and Rs. 12.82 per ton. These estimates show wide variations. This is natural, considering that conditions vary from colliery to colliery. After all, there are 960 units in the industry, some units producing no more than a few hundred tons, at one end of the scale, and a few others, at the other end, producing more than 100,000 tons per year. Nevertheless, having regard to all factors, the industry's general demand for an increase of Rs. 4 per ton is certainly not unreasonable.

In the interests of coal production, the Government should have undertaken a more thoroughgoing investigation of production costs before deciding to announce the Award. It may, of course, be pointed out that the Government had to decide the issue quickly and could not afford to undertake elaborate investigations into production costs. In that case, the least that the Government could have done is to assure the industry that the increase in coal prices now granted, is only of an interim nature. In this connection, the Government cannot ignore the fact that, for nearly six weeks, the industry has had to bear a higher wage bill, without a corresponding rise in the prices for its coal. This point has been rightly emphasised by the joint statement issued by the mining associations. The joint statement says:

> "Increased labour costs on account of the Award were incurred with effect from 26th May 1956, but the price increase will be effective from 5th July only. The industry has, in consequence, already lost a total sum of Rs. 2 crores on this account, and no provision has been made for it to recover this sum. This loss arises through no fault of its own, because, for some months before the Tribunal Award was published, the industry repeatedly asked that the Government should take the necessary steps to ensure that a price increase coincided with the publication of the Award and provided figures to assist an easy estimate of the consequences of an increase in wages. It seems that it is now expected to add to this heavy loss at the rate of Rs. 1¼ lakhs per day for an indefinite period and it must be a matter for deep concern that the Government have thought fit to place the industry in this situation at a time when finance is required to put into effect the development plans which are essential for the success of the second Five-year Plan. It must be hoped, therefore, that the present increase for the various coalfields is intended as an interim measure only until such time as the cost of implementing the Award can be accurately assessed on the basis of practical experience. Many units of the industry cannot operate and develop on the increase now granted, and some will be forced to close down. It is a matter of the utmost importance, therefore, that the Government should reconsider their decision within the next three months and, at the same time, should take into account the other claims which have not been included in the present increase."

It will be seen from the foregoing quotation that, unless the issue of coal price is decided satisfactorily, it will be difficult for the industry to play effectively the role assigned to it in the second Plan. Although this role is a relatively modest one, as compared with either its capacity or the one assigned to the public sector, it is not inconsiderable. The private sector is expected to increase its production by 30 per cent.—from 34 million tons to 44 million tons—while the public sector is expected to increase its output by 300 per cent.—from 4 million tons to 16 million tons. Even the public sector will find it difficult—unless it chooses to pass on the burden to the exchequer—to increase its production, if the coal price is below the just and economic level. Further, it must be borne in mind that new installations for raising coal mean more investment than in the past. Thus, one estimate places the capital employed, on the basis of the written-down value of the assets on a per-ton basis today, at Rs. 12; as against this, the capital cost for new mines in Bengal and Bihar is stated to be of the order of Rs. 40 per ton.

It is, of course, true that the important question of the effect of the increase in coal price on other industries should be considered. The railways are the single largest consumer of coal. An increase in the cost of this fuel by Rs. 3 per ton, it has been computed, will mean an increase of Rs. 3.42 crores in the fuel cost of the railways. But this would mean no more than an increase of 2 per cent. in their cost of operation. In many industries, coal and coke account only for a small proportion of the total production costs. Thus, in cotton textiles, it is only 1.15 per cent., in general engineering industries 1.102 per cent., in sugar 0.37 per cent. and in vegetable oils 0.49 per cent. But there are a few industries where coal accounts for a substantial proportion of production costs. Thus, in iron and steel, it forms 11.25 per cent. of production costs, in cement 14.32 per cent., in paper and paper board 6.21 per cent. and in ceramics 12.56 per cent. It must, however, be admitted that the cumulative effect of all these increases may be somewhat large. But then the coal industry, as was pointed out in these columns over a month ago, cannot be penalised for its being a basic industry. Indeed, no single industry should be so penalised, for, in the larger national interests, all industries must pull together. And nothing is more conducive to such economic co-operation than that all industries should feel that they can always expect a square deal from the Government.

STATES PLAN THEIR LOAN PROGRAMME

S.T.C. TO SPREAD ITS TENTACLES?

THURSDAY, 5 P.M.

THERE has been a smart recovery in equities, thereby reversing the downward trend which had persisted till yesterday noon. The recovery merely represents a corrective action. The fall in the past few days had been overdone and, with the current fortnightly settlement falling due tomorrow, the bears must have decided to book their profit. Some of the bulls, who had made a strategic retreat a fortnight ago, are said to have re-entered the ring. Since there was no perceptible cause for the recent setback, and all industries are doing well, it will not be surprising if the upward trend persists. The fear that the borrowing programme of the Government might upset the equities has been dispelled. The Government has not disturbed the structure of interest rates. Further, since the major portion of the amount invited will be met by the conversion of 3 per cent. 1957 loan, the net withdrawal of cash by the Centre will be very much less than Rs. 100 crores, the sum to which the share market had reconciled itself earlier. Market circles are of the view that cash subscriptions to all the three loans put together may not exceed Rs. 40 crores.

MARKET GOSSIP

Now that the Centre's borrowing programme has been announced, the talk of the market relates to State loans. It would appear that almost all State Governments want to borrow from the open market. They must already be in touch with the Reserve Bank for settling the terms and the amount they can raise. The current estimate of the requirements of States is in the neighbourhood of Rs. 45 crores. Mr. C. D. Deshmukh had mentioned the figure of Rs. 50 crores in his last budget speech. But this figure is unlikely to materialise. Even the sum of Rs. 45 crores is considered to be on the high side, though it makes allowance for conversion of the State loans that fall due for repayment this year. It may be noted here that three State loans aggregating Rs. 4.75 crores are maturing on 14th September 1956 and another for Rs. 50 lakhs on 16th August 1956. Last year, the State Governments borrowed at 4 per cent., some at par and others at slight discounts, though the date of maturity was uniformly 12 years for all the loans. This year, too, the same basis may be continued, except that the maturity may be slightly longer, that is, 13 or 14 years.

* * * *

During the past fortnight, bank shares have been evoking some buying enquiries at hardening rates. This is probably due to expectation of good profits for the past half-year. The half-yearly results of the Central Bank and the Bank of India, announced this week, are in keeping with this expectation. Notwithstanding the increase in expenses, at Rs. 44.35 lakhs, the Central Bank's net profit (subject to taxation) for the first half of 1956 shows a handsome rise of Rs. 5.12 lakhs, in refreshing contrast to the fall of Rs. 4.02 lakhs experienced in the corresponding half-year of 1955. Similarly the Bank of India's net profit also shows a rise of Rs. 2 lakhs, from Rs. 37.60 lakhs for the first six months of 1955 to Rs. 39.66 lakhs for the half-year under review. It may be noted here that the improvement in this Bank's profit for the first half of last year, as compared with that of 1954, was only about Rs. 80,000. Thus, the pace of expansion in its earnings has been quite impressive, despite higher cost of operations. Both the banks have, however, only maintained their interim dividends at 12 per cent. per annum. Nevertheless, market circles are optimistic that the final dividends may be better. They feel that the Central Bank should be able to restore the cut in dividend made in respect of 1953 and bring it up to 14 per cent. per annum.

* * * *

In an otherwise rising share market, Shivrajpurs have been conspicuous by sustaining a fall of Rs. 10 over the week, from Rs. 98 to Rs. 88. This decline is mainly due to the extension of the State Trading Corporation's activities to the export of manganese ore. This development has given rise to the fear that the Corporation might pay a very low price for the manganese which it takes over from the producers. The Corporation, of course, proposes to absorb only about 40 per cent. of the production as its share in the export of this ore, but even this quantity is quite sizable. Moreover, it may be varied at any time to the disadvantage of the producer. Again, it is stated that the Government's spokesman has given an assurance to the producers that the S.T.C. will pay a price based on world market rates. But market circles are sceptical in accepting this assurance, as there is nothing to prevent the Government from changing its mind any time and fixing an arbitrary price.

The Government's avowed object in entering this sphere of trade is to stimulate exports of both iron and manganese ores. Ordinarily, this should have served as a bullish factor to the shares of Shivrajpur Syndicate. The fact that it has turned out to be a bearish factor is an index of the market's suspicion of the Government's real motives.

This suspicion is not altogether unfounded, for the State's entry in the export of manganese ore, in particular, is unprovoked and uncalled for, so far as our information goes. The Government has given the following reasons for asking the S.T.C. to take over a part of the export trade in iron and manganese ores:

(1) Malpractices in trade and the prevalence of big margin of profit in favour of middlemen and producers;

(2) better chances of making the best use of all available wagon facilities and of procuring such facilities;

(3) the strong possibility of private trade not being able to secure the best bargain in exports to communist countries, chiefly Russia, and to Japan, where the steel industry has formed a consortium for buying its needs of ores collectively; and

(4) as a result of all the three causes mentioned above, there would be a loss of foreign exchange, a loss which the country can ill-afford at a time when the second Plan calls for maximisation of foreign exchange earnings.

In the course of discussions with the business interests concerned, the officials are said to have reiterated that the Government's objective was purely economic and not political or ideological. They had also stressed, we are told, that the Government's mind on this subject had been definitely made up, that no useful purpose would be served by questioning the necessity for its action, that trade, as well as industry, would, in their own interests, do well to co-operate with the Government, rather than oppose it, and that any genuine hardships, other than loss of business, of course, consequent on the S.T.C.'s entry would be mitigated by suitable adjustment of quotas and other arrangements for honouring the commitments already entered into by the trade.

The foregoing account shows that the Government is trying to justify its action both by threats and persuasion. This is a significant straw in the wind. It reveals that the establishment of the S.T.C. takes the country a step forward in the direction of autocracy. The reports that are circulating in the market only go to confirm this impression further. One of them claims that the Government wants to take over complete distribution of cement after six months and, with this object in view, is cajoling the owners of the Cement Marketing Company of India Ltd., which has a fine country-wide marketing organisation, to sell their show to the S.T.C. They have been gracefully told, so we hear, that, if they readily complied with the Government's request, a reasonable amount of compensation would be paid, but, if they protested and wanted to keep the organisation, the S.T.C. would soon render it idle by extending its monopolistic powers.

It is feared that the next commodity which will attract the attention of the S.T.C. is sugar. The Food Ministry has already considerable experience in sugar trade. All that the S.T.C. will have to do, when the time comes, is to take over the officials of this Ministry who have been handling the business of importing foreign sugar and distributing it to the trade. There are two reasons which make one believe that the sugar trade may not be able to escape the tentacles of the S.T.C. One is the recommendation of the Taxation Enquiry Commission that sugar could conveniently be made a fiscal monopoly; and the other is the alleged prevalence of malpractices in the sugar trade.

Generally speaking, the industrialists have not cared to oppose the activities of the S.T.C. in a strong manner, though the traders affected by it have been trying to safeguard their position as best as possible. The attitude of industrialists is one of acquiescence, presumably because they feel that their interests will not suffer as a result of this new development. It is a moot point how far this assumption will prove correct. In any case, it is now fairly clear that, wherever the S.T.C. spreads its tentacles, it will tantamount to partial nationalisation of that business activity, in that the producers concerned will be reduced to the status of mere managers with a fixed remuneration. In fine, it may not be far wrong to say that the S.T.C. will be used as the machinery for effectively spreading the socialist pattern of society in the business world.

* * * *

To revert to exports of ores. Impartial observers in trade are of the view that there is some justification for Government interference with the export trade in iron ores, but none whatever so far as manganese is concerned. It is admitted that there have been many instances of racketeering both in production and exports of iron ore. But it is pointed out that the Government itself is partly responsible for this state of affairs. It has been giving licences to all and sundry. Wagon quotas have been granted to small mineowners, who have been exploiting the mines with little regard to the requirements of the Mines Act, as well as to inexperienced shippers. These people have not only been making large profits but their actions have been detrimental to organised large mines which respect law and have been taking special care of the welfare of workers. In other words, for the faults of a few which, in turn, are mainly due to the careless manner in which the Government has been issuing licences and wagon quotas, the authorities have chosen to punish the entire trade.

Exporters and producers of manganese ore contend that their field has been free from the blemishes of the nature described above. The Government itself, it is stated, has been convinced of this. Yet, it has no intention of withdrawing the S.T.C. from this trade. On the contrary, it has told the interests concerned that they should reconcile themselves to the lot of having to live with the S.T.C. and of making lower profits than they have been doing all along. It has also warned them that it would not tolerate any attempts on their part to make it difficult for the S.T.C. to survive. Such attempts would only evoke the Government's hostility to the trade.

(*Continued on page* 103)

TURN OF THE SCREW

From Our Own Correspondent

LONDON, *7th July*

LONDON LETTER

AN analysis of the economic position, as seen this week in the House of Commons and in the country as a whole, might be termed a study in black and white. After all, the Chancellor has been awake throughout his term of office to the difficulty of balancing the country's payments and, however much one may argue about the efficacy of the methods he had chosen, he has certainly been trying to do his best within the narrow limits of Government policy. When, therefore, he is attacked on the grounds that his policy is a failure, it is not unnatural to find him with his back to the wall, answering his critics with every available scrap of information to the contrary. He was able to show that, in June, the sterling area's gold and dollar reserves had increased by £6 million, so that they now stood at over £850 million, an improvement of about £100 million since the end of last year. This £100 million is also the Chancellor's estimate of the overall surplus on the country's balance of payments for the first six months of the year; but from that point, the Chancellor appeared to borrow the mantle of that revered but somewhat doubtful prophet, "Old Moore," and declare that the future was rosy: just as over the first half of this year, exports had risen more than 6 per cent. above the corresponding period in 1955, while imports were only 1½ per cent. up, so that trend would be maintained in the second half of this year. Moreover, he thought that the invisible balance would be better and thus the only reason for any decline in the reserves by the end of this year from the point now reached would be the dollar loan repayments which fall in December.

Unfortunately, the Chancellor could submit no evidence as a basis for his prophecy. But he drew satisfaction from the fact that investment in industry appeared to be leaping up. In the first quarter of this year, manufacturing industry was investing 25 per cent. more than a year earlier and estimates that, over the year as a whole, 20 per cent. more will be spent than in 1955. The same pattern is shown in the figures for the building trades, vehicles, shipping, plant and machinery. Shipping, for instance, expects an increase of 18 per cent. in 1956, while vehicles, plant and machinery which three months ago had not expected any increase now forecasts 10 per cent. up.

The Chancellor did not attempt to reconcile these figures with the stark facts of growing redundancy in the motor car industry. The British Motor Corporation, the largest employer of labour in industry, last week dismissed 6,000 men. Reports from the Employment Exchanges in the cities where they have registered show that more than half have already found alternative employment. All may do so, so general is the shortage of labour, but it is the implication that matters. The men in the car industry are nervous. The slightest incident over labour is liable to provoke a strike and the leaders of all the unions whose men are affected are seeking this week-end to meet the employers. They have realised much too late their failure to make good use of the industry's heyday to secure for themselves the sort of terms that American workers have obtained from their employers. They are either found other jobs or they can get six months' compensation. Of course, the American worker does not have the same unemployment pay rights that social security ensures for his British counterpart, but that is not a matter for the employing firms.

Is there any prospect that the position in the car industry—the prosperity of which governs that of a whole host of industries beyond—will change for the better in the near future? They have been steadily losing ground overseas to foreign rivals, content to pin their hopes to an easy home market. And this home market must surely remain restricted—indeed, the Chancellor has said that he will pursue his policy to success—for some time to come. Capital investment in such an industry begins to look like a gross misuse of the nation's resources. Of course, where that expenditure is directed to automation, even a declining industry may benefit in reduced labour cost, and the screw on the car employees will be given another turn. The weather on the labour front looks about as squally as possible when the holiday months are over, in measure as the screw has been turned on labour a storm is likely to break.—*All Rights Reserved*.

EQUITIES RALLY

BOMBAY BURMAHS TOUCH NEW HIGH

From Our Own Correspondents

BOMBAY, 12*th July*

AFTER remaining featureless for the major part of the week under review, equities staged a rally all round during the last two days under the leadership of textiles and miscellaneous industrials. The earlier sluggishness was attributed to lack of support and persistent selling pressure in Indian Irons by leading Calcutta operators. In the absence of any encouraging incentives, the market moved either way within a narrow groove. Later in the week, however, selling in Indian Irons was easily absorbed, and this factor, coupled with frantic covering by shorts, paved the way for a handsome recovery. A spell of strong buying support in textiles, on encouraging advices from Ahmedabad, and quite a few bright spots in the miscellaneous section on prospects of better returns strengthened the bullish sentiment. Equities recorded, on balance, handsome gains over a wide front.

In the steel section, the sentiment was mainly guided by the performance of Indian Irons. Tata Ordinaries moved between Rs. 201-8 and Rs. 199-8 before dipping to Rs. 197-12 on Tuesday. There was, however, a recovery to Rs. 201-12 at the close today in sympathy with Indian Irons. Indian Irons slowly receded from Rs. 35-15 to Rs. 34-14½, but rallied on bear covering to Rs. 35-13.

Textiles were in the forefront on strong speculative support. After a slight reaction from Rs. 632-8 to Rs. 625, Bombay Dyeings spurted to Rs. 645-10. Centurys followed suit with a rise from Rs. 561-8 to Rs. 569-8. Kohinoors moved up from Rs. 372-8 to Rs. 383. Central Indias gained Rs. 3 to Rs. 159, Finlays Rs. 2-8 to Rs. 341-8 and Gokaks Re. 1 to Rs. 236-8. Indu Ordinaries were a shade better at Rs. 13-10. Indore Malwas picked up Rs. 8-2 to Rs. 155, Morarjee Goculdas gathered Rs. 3-12 to Rs. 255, while Mysore Spinnings were unchanged at Rs. 112-8 and New Citys dropped Rs. 4-6 to Rs. 177-8. New Greats, on the other hand, rallied from Rs. 255 to Rs. 265. New Kaiser-I-Hinds moved up by Rs. 2-8 to Rs. 127-8. Shree Niwas shares were a strong feature with a sharp upswing from Rs. 213-12 to Rs. 225, on rumours that the Company proposed to take over one more cotton mill. Simplex rose by Rs. 2 to Rs. 220. Standards provided the highlight of the section with a strident advance of Rs. 38-12 to Rs. 477-8, on prospects of bonus issue. Svadeshis were marked up by Rs. 5-8 to Rs. 256. Tata Mills were steady around Rs. 57. Bradburys shot up by Rs. 4-6 to Rs. 224-6 and Dawns by Rs. 10-10 to Rs. 163-2.

Bank shares attracted enquiries and selected counters scored notable gains. Barodas were taken up As. 4 higher at Rs. 98-8. Centrals shot up by Rs. 3-8 to Rs. 55 and their New shares by Rs. 4-8 to Rs. 57. Bank of Indias gained As. 12 to Rs. 163-12. Punjab Nationals were done at Rs. 58 and Unions at Rs. 6-12, both showing no change over the week, but United Commercials were bid Re. 1-4 higher at Rs. 52-12.

Insurance shares were generally featureless. Barring New Indias and Indian Mercantiles, very little activity was seen in this section. New Indias were marked down by Re. 1-4 to Rs. 48-12 on profit-taking. Indian Mercantiles, however, attracted good enquiries and gained Rs. 1-12 to Rs. 45-12.

The electricity section attracted good support. Ahmedabad Electrics rose smartly from Rs. 96-9 to Rs. 99-6. Bombay Suburbans advanced by Rs. 2-8 to Rs. 116-14. Surat Electrics gained Re. 1-4 to Rs. 120. Tata Hydros jumped from Rs. 125-8 to Rs. 129, and Tata Powers from Rs. 1,285 to Rs. 1,300. Andhra Valleys were up by Rs. 2-8 at Rs. 1,20[illegible]-8.

Good activity was noted in several leading counters among miscellaneous industrials. In the sugar group, Bhopals were a shade better at Rs. 18 and Phaltans at Rs. 159-8, but Belapurs dropped from Rs. 242-8 to Rs. 240. Walchandnagars, however, advanced smartly by Rs. 8-2 to Rs. 261-14. Among cement shares, Associated Cements gathered strength from Rs. 187-4 to Rs. 191. Digvijays added Re. 1 to Rs. 196, while Dalmia Cements were quiet at Rs. 15-14. In the engineering and mining section, Alcocks ruled Re. 1-4 higher at Rs. 348-12. Premier Constructions were in the limelight with a smart rise of Rs. 8 to Rs. 202, following reports that a scheme had been agreed upon between the ordinary shareholders and the holders of the promoter shares for the conversion of the latter class of shares into ordinary shares. Tata Locomotives moved up by Re. 1-8 to Rs. 150. Larsen and Toubros were held at Rs. 15-10. Kamani Engineerings gained As. 13 to Rs. 6-8. Mukand Irons came to prominence with a rise of Rs. 3-6 to Rs. 12-2, following the encouraging results for the year ended 31st March 1956 and prospects of a maiden dividend next year. Sen Raleighs gained As. 6 to Rs. 12-6. Shivraj[illegible]rs were subjected to heavy selling pressure and declined by Rs. 10 to Rs. 89. Indian Coppers were dull at Rs. 7-2½.

Among shipping and transport shares, Scindias moved up by As. 4½ to Rs. 19-2. Great Easterns shaped well with a rise of Re. 1 to Rs. 20-4. Premier Automobiles jumped by Rs. 4-4 to Rs. 100-4 on expectations of handsome dividend. Hindusthan Motors were, however, dull at Rs. 10. In the miscellaneous group, Bombay Burmahs (old) shot up from Rs. 637-8 to Rs. 670, on expectations of higher interim dividend and prospects of reorganisation of capital structure, and their new shares by Rs. 11-14 to Rs. 252-8. National Rayons staged a rally from Rs. 232 to Rs. 243-12 on encouraging reports that the performance during the current year so far was good and that the Company would shortly produce dyed yarns. B.I.Cs. were lower by As. 5½ at Rs. 11-1. Dharamsey Chemicals were bid Rs. 5 higher at Rs. 47-8, Dhrangadhra Rs. 2 better at Rs. 130 and Tata Chemicals As. 9½ higher at Rs. 19-6. Tata Oils changed hands As. 8 better at Rs. 59, while Wimcos were maintained at Rs. 185.

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Calcutta Stock Exchange

CALCUTTA, 11*th July*

The Calcutta Stock Exchange continued to display, dull and drab conditions during the week under review. Interest was limited, as there were indications of funds being kept apart for subscription to the three Central loans aggregating Rs. 150 crores that will open on the 16th inst. Market circles were inclined to believe that, after these loans were closed, the different States would announce loans amounting to about Rs. 50 crores. They were also inclined to believe that, only after all these loans, the Government would accord its sanction to joint-stock issues. The immediate reaction in the market to the announcement of an increase of Rs. 3 per ton in the Bengal-Bihar coal was an upward trend. The trend was, however, not sustained, as the increase demanded by collieries was a minimum of Rs. 4 per ton which was said to be the actual increased cost in production following the Tribunal Award. Nevertheless the market hoped that, as and when the full financial implications of the Award were assessed, the Government would again consider a further increase in price. The disappointing production results of the Indian Iron and Steel Company, Ltd., for the quarter ended June, restrained speculative sentiment and, as a result, Indian Irons dipped. However, a recovery followed, induced by the realisation that the drop in production was seasonal in character. Jutes continued to be neglected, on reports that raw jute prices were moving up.

Cotton textiles looked back. Dunbars were quiet at Rs. 300. Bengal-Nagpurs returned to the opening level of Rs. 9-7, after having receded to Rs. 9-2. Kesorams were a few annas lower at Rs. 18-9.

On Thursday last, a recovery was recorded in coals, but the rates declined subsequently. Thus, Burrakurs picked up from Rs. 13-9 to Rs. 14-1 but gave way to Rs. 13-7. On balance, Equitables were lower by As. 2 at Rs. 80-2. Pench Valley receded from Rs. 23-8 to Rs. 22-13 and East Indians from Rs. 32-12 to Rs. 31-13.

Jutes recorded very few transactions and, with sellers over, prices gave way. New Centrals were done at Rs. 16-15, as against Rs. 17-4 a week before, and Nationals fell from Rs. 23-10 to Rs. 22-10. Orients were unchanged at Rs. 134, while Birlas were steady at Rs. 17-12. Barnagores were supported at Rs. 132, as against Rs. 133-8 previously. Cheviots were as low as Rs. 175, as against Rs. 204. Kinnisons dropped Rs. 7 to Rs. 163.

Minings also joined the general trend. Karanpura Developments, after improving by As. 13 to Rs. 23-1, declined to close at Rs. 22-6. Indian Coppers were around Rs. 7, and Burma Mines were placed at between Rs. 3-3 and Rs. 3-6. Orissa Minerals were weak at Rs. 26-8.

In an otherwise quiet tea section, Hantaparas advanced by Rs. 15 to Rs. 227. Methonis were earlier held firm at Rs. 24-13, but subsequently gave way to Rs. 24-2. New Dooars at Rs. 375 lost one point, but Brooke Bonds at Rs. 24-8 were better for a time before sagging to Rs. 23-15. Tezpores were unchanged for most part of the week, but eased to Rs. 27-12 yesterday.

Speculative Indian Irons gave poor leadership to the engineering section, and tired bulls were busy liquidating their holdings. Indian Irons opened at Rs. 35-7 and, after recovering to Rs. 36-3, touched as low a rate as Rs. 34-15. Texmacos improved by As. 13 to Rs. 24, but lost to Rs. 22-8. Jessop & Cos., after moving up by Re. 1-8 to Rs. 36-11, closed at Rs. 35-4.

Miscellaneous industrials provided selected features. Niccos, after advancing from Rs. 25-4 to Rs. 25-12, steadied around Rs. 25-6. Likewise Indian Cables were higher at Rs. 36-6 before losing to Rs. 35-14. Asokha Cements were unchanged at Rs. 12-5. India Steamships, after recovering from Rs. 8-14 to Rs. 9-2, were quoted at Rs. 8-13. Imperial Tobaccos were better at Rs. 15-3, but Orient Papers declined by Re. 1-3 to Rs. 38-3.

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Madras Stock Exchange

MADRAS, 10*th July*

A strong buying spree in textiles was the feature of trading on the Madras Stock Exchange during the week under review. Operators were inclined to become more and more optimistic about the outlook for textile mills, thanks to continued upward trend in cloth consumption. Rubber shares also elicited good attention of buyers who were influenced favourably by expectations of better profits, following the implementation of the replanting scheme drawn up by the Rubber Board. Coffee shares, too, met with support on hopes of an early release of a further export quota. Buying in tea shares was, however, of a selective nature. Bank, insurance, electric, sugar and other miscellaneous shares were fully maintained at last week's levels. The undertone of the market was firm.

The dividend announcements made during the week under review are given below:

	Year ended	*Dividend per cent.*	
		Latest	Previous
Lucky Valley Tea	31-12-55	10	Nil
Nundydroog Mines	"	10	4½
Champion Reef ...	"	Nil	4
Mysore Gold Mining	"	Nil	6
Mlamallay Tea ...	31-3-56	25	75

There was as already stated, a strong buying spree in textiles and prices forged ahead. Radhakrishnas jumped up by Rs. 20 to Rs. 330. Coimbatore Pioneers rallied Rs. 17-8 to Rs. 335. Vasantas advanced by Rs. 15 to Rs. 335. Anglo-Frenchs spurted by Rs. 12-8 to Rs. 115, Pankajas by Rs. 12 to Rs. 102, Rajalakshmis by Rs. 11-8 to Rs. 186 and Radhakrishna 'B's by Rs. 10 to Rs. 165. Lakshmis Woollens hardened by Rs. 7-8 to Rs. 575. Rajapalayams gathered Rs. 7 to Rs. 168. Rama Vilas scored a gain of Rs. 4 to Rs. 109. Metturs were higher by Rs. 3-12 at Rs. 533-12 *cum-div.* and Rayalaseemas by Rs. 3-8 at Rs. 143-8. Krishna Rajendras improved by Rs. 2 to Rs. 116 *cum-div.* Janardhanas and Premiers rose by Rs. 3 each to Rs. 120 and Rs. 220, respectively.

In the planting section, rubber shares recorded improvement in prices. Midlands increased by As. 8 to Rs. 22-6 *cum-div.* Anandams put on As. 5 to Rs. 24-9. Cochin Malabars picked up As. 4 to Rs. 9-13. Vaikundams rose by a like amount to Rs. 30-4. Teekoys were better by As. 2 at Rs. 11-8. Kailas gained an anna to Rs. 6-6. Among coffee shares, Coffee Lands climbed up by As. 9 to Rs. 24-10. Consolidated Coffees hardened by As. 2 to Rs. 20-14. Amalgamateds were firm at Rs. 12-8, as also Mysore Coffees at Rs. 2-12 and Balmadies at Rs. 4-10. Among tea shares, Coorg Teas provided the brightest spot, their quotation advancing by Re. 1-10 to Rs. 13-8. Talayars moved up by As. 6 to Rs. 13-12. Periakaramalais had buyers at Rs. 9-15-6, as against Rs. 9-10 last week-end. Blue Mountains hardened by As. 4 to Rs. 6-2. Kalpettas gained a similar sum to Rs. 34-12.

In the miscellaneous section, Textools were favoured very well; their price registered a sharp rally of Rs. 7 to Rs. 192. India Cements advanced by As. 14 to Rs. 35. F.A.C.Ts gathered As. 3 to Rs. 6-13. Travancore Cements, however, were subjected to selling and fell by Re. 1-3 to Rs. 10-12 *cum-div.* Aluminium Industries were neglected at Rs. 19-13, as against Rs. 20-4. Andhra Cement 'B's receded by As. 3 to Rs. 16-1. Champion Reefs lost As. 2 to Rs. 4-10.

THE CENTRAL BANK OF INDIA LIMITED

PROFITS FOR THE HALF-YEAR ENDED 30th JUNE, 1956

THE Net Profit of The Central Bank of India, Ltd., for the Half-year ended 30th June, 1956, after making the usual provisions for Contingencies and including the sum of Rs. 18,40,358-8-6 brought forward from the last year's account, amounts to, subject to audit, Rs. 62,75,514-4-10, which the Directors have resolved to dispose off as follows:—

	Rs.	a.	p.
To pay an *Ad-interim* Dividend at the rate of 12 per cent. per annum, free of Income-tax (i.o., Rs. 1-8-0 per share) for the Half-year ended 30th June, 1956	18,87,255	0	0
To carry forward to next Half-year's Account, subject to provision for Taxation	43,88,259	4	10
Rs.	62,75,514	4	10

HONGKONG AND SHANGHAI BANK

The Directors of the Hongkong and Shanghai Banking Corporation have declared an interim dividend of £2 per share, free of Hong Kong corporation profits tax, for the year ended 31st December 1956. The dividend is payable on 13th August 1956. Transfer books will remain closed from 27th July to 11th August 1956, both days inclusive.

NEWS IN BRIEF

THE Government of India has approved of an expenditure of Rs. 38.47 lakhs for the development of 29 minor ports in Bombay State under the second Five-year Plan.

A three-man team of oil experts from West Germany is expected to arrive in India in November next on the invitation of the Government of India to study and advise the Government on oil production.

A four-man Russian team has arrived in India to advise the Government of India on the manufacture of heavy machinery. The experts will study the possibility of setting up a factory to manufacture heavy machinery and equipment and submit a report to the Government.

The Anand Agricultural Institute will receive about Rs. 3,80,000 during 1956-57 as aid from the U.S. Technical Assistance Administration and Rockefeller Foundation for instituting a well equipped laboratory for research and post-graduate training in dairy technology and for purchasing books to assist research work at the Institute.

The Andhra Government has decided to expand the ceramic factory at Gudur by constructing a Rs. 2-lakh modern kiln for the manufacture of porcelain insulators and two more kilns at a total cost of Rs. 66,000 for the manufacture of crockery and other porcelain wares. A British expert will arrive shortly to supervise the construction of these kilns.

Raw film experts from Germany who recently visited this country on the invitation of the Government of India to explore the possibilities of starting a raw film factory have submitted their report to the Central Government. They have expressed the view that this industry is possible only in the cities of South India and have recommended certain suitable places.

An official delegation, headed by Mr. M. V. Krishnappa, Union Deputy Food Minister, will leave for China on the 17th inst., to study the methods of agriculture there, with a view to adopting them to increase productivity in India. On his way back, Mr. Krishnappa will visit Burma to finalise the arrangements for transhipment of Burmese rice to India as per the recently concluded Indo-Burma Rice Agreement.

India is among the 21 countries in the world which have been invited by the International Labour Organisation to attend the Preparatory Technical Maritime Conference opening in London on 19th September next. The Conference, which is being convened by the I.L.O., will prepare the texts and documents for the 41st Maritime Session of the I.L.O., 1958. The Preparatory Conference will last till 2nd October 1956.

The Central Warehousing Corporation which is being set up shortly will have an authorised capital of Rs. 20 crores and an issued capital of Rs. 10 crores. The Corporation will operate warehouses at 100 centres of national importance with a storage capacity of 10,000 to 20,000 tons each. These warehouses and those of the State Warehousing Corporations are expected to provide storage facilities for about 2.5 to 3 million tons.

India shows a higher proportion of arable land to the geographical area than any other country. The percentage of arable land to geographical area comes to 45, as against 2.5 in Australia and Brazil, 4 in Canada, 9-11 in China, the U.S.S.R. and Argentina and 25 in the U.S.A. In respect of the absolute area of arable land, India with 360 million acres ranks third in the world, the U.S.S.R. with 556 million acres and the U.S.A. with 478 million acres being the first two.

Less than 50 per cent. of the allotment of Rs. 38 crores made for housing under the first Five-year Plan was actually utilised by the States, according to Mr. Khandubhai Desai, Union Labour Minister. The Planning Commission has allotted Rs. 120 crores for housing schemes under the second Plan. The housing scheme for the low-income group envisages construction of 1.8 million houses by employers of industrial concerns, railways and municipalities.

The Indian Council of Agricultural Research has drawn up a plan for bringing about 50,000 acres of land on the west coast and 60,000 acres on the east coast of the Madras State under cashew cultivation. Under this plan, six nurseries for raising cashew seedlings—three on the west coast and three on the east coast—will be started. The plan has been forwarded to the State Government for its approval. A scheme for planting 37,000 acres of land with cashew in Travancore-Cochin has been approved by the State Government.

The Government of India has approved of the creation of additional capacity for the manufacture of 12.5 million electric lamps per year. This is based on the recommendation of the Licensing Committee which favoured the grant of licences to six firms to expand their production by 2 million lamps per year each, besides a licence for a seventh firm to increase its production by 480,000 lamps per year. With the grant of these licences, the total capacity for the production of electric lamps for general use will be increased to 42.5 million lamps per year. The present installed capacity is about 30 million lamps.

From Abroad

Exports of British textiles to India increased by 41 per cent. in the twelve months ended May 1956 as compared with the corresponding period of the previous year.

The output of cars in the U.S. in the first half of 1956 was 3,190,000 units—25 per cent. less than the figure for the same period in 1955. The June production of 430,000 cars was nearly 34 per cent. less than that in June a year before.

Great Britain's first synthetic rubber plant will be designed and built by Blaw-Knox under a £12 million contract with the International Synthetic Rubber Company. The plant will have an annual capacity of 50,000 tons of GR-S synthetic rubber.

The thirty-ninth International Labour Conference at Geneva called for a new Convention banning all types of forced labour, whether for political, economic, racial or religious reasons. The Conference agreed to place the item on the agenda of its 1957 session.

A survey by the U.S. Federal Reserve Board shows that the total personal income in the country has gone up by $16,000 million to a record high of $303,200 million in 1955. All groups of people, except farm operators, unskilled workers and persons under 25, shared in the increase.

Expert investigation has shown conclusively that the recent outbreak of fire in a British cargo ship which carried a mixed cargo with nylon was not due to spontaneous combustion of nylon, as it was feared earlier. It is now pointed out that "nylon is an entirely safe cargo" and that "normal shipments of nylon are therefore being resumed."

A group of U.S. oil companies are to build and operate a £12 million refinery of a capacity of 1.6 million tons of crude oil and 1.5 million tons of finished products at Whitegate, Ireland, according to the Irish Ministry of Commerce and Industry. When completed, it is expected to supply the entire major needs of oil of Ireland.

The first official strike in the U.K. steel industry after an interval of 40 years, has been called for Saturday, 14th July, by the Iron and Steel Crafts men's National Committee. The decision was the climax of a dispute with the employers who refused to agree to the maintenance men's claim for increased differentials over steel production workers.

Canadian, British and other insurance companies doing business in Canada are now required to deposit with the Canadian Minister of Finance double the amounts they have been depositing hitherto as a result of a new legislation. It is stated that the change has been brought about in order to provide greater security for Canadian policyholders.

A top-level Egyptian mission, led by Mr. Mohamed Abu Nosseir, is in England for a two-week exploration of the possibilities of stepping up the exports of Egyptian cotton to the U.K. which had fallen from 350,000 bales a season in 1950 to 69,000 bales in the last season. The mission is also expected to study the position of capital goods needed by Egypt for execution of the projects at home.

The Stanford Research Institute of Washington is sending a team of four industrial economists to India, under a contract with the Commerce and Industry Ministry to assist in the development of small industries. The group will be headed by Dr. Raymond H. Ewell, who has been with the National Science Foundation for three years and has made a comprehensive study of scientific research and development in the U.S.

For the co-operative economic development of South and South-East Asia under the Colombo Plan, Canada has pledged $34 million for the current year 1956-57. This brings the total of its contribution since the inception of the Plan in 1950 to $160 million. The current appropriation represents an increase of $8 million over that of the preceding year. Part of this will be used to finance the $14 million atomic research and experimental reactor that Canada had agreed to provide to India.

PERSONAL

MR. R. R. Saxena, India's Ambassador to Rangoon, has been appointed General Manager of the Eastern Shipping Corporation. Mr. C. P. Srivastava, Deputy Director-General of Shipping, Government of India, has been appointed Deputy General Manager of the Corporation.

Mr. D. S. Bakhle, I.C.S., Special Secretary to the Government of Bombay in charge of reorganisation of the State, is expected to retire from service and to take over charge as Vice-Chairman of the Bombay Millowners' Association in January next.

Mr. C. V. Narasimhan, I.C.S., Joint Secretary, *Finance Ministry*, Government of India, has been appointed Executive Secretary of the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.), in succession to Dr. P. S. Lokanathan. He is expected to assume office on 1st September next.

Mr. Kanwar Sain, Chairman of the Central Water and Power Commission and leader of the delegation of Indian engineers to the meeting of the Technical Committee of the International Organisation for Standardisation, left for Munich last week-end to attend the Committee meeting now being held there.

Dr. K. B. Lal, Plant Protection Adviser to the Government of India, Directorate of Plant Protection, Quarantine and Storage, has been deputed to attend the sixth session of the F.A.O. Technical Advisory Committee on Desert Locust Control and the third session of the F.A.O. Desert Locust Control Committee at Teheran.

Mr. Walter Frank, a British expert on glass production, has been appointed adviser to the Government of India on development of automatic and semi-automatic glass-production methods. His appointment, which has been arranged under the United Nations' technical assistance scheme, will be for one year and he will take over charge on 1st August next.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 11*th July*

Industrial Training

The greatest desideratum in India is the want of a properly developed technological institute with suitable opportunities for undergoing practical training in a first class industrial concern. One of the keynotes of success in industries in foreign countries is the great attention paid to research and development of invention. This is not merely the spirit in the universities but even in the humblest industrial establishments. The minds of the executives are constantly exercised with the problem of how to do a thing better and at smaller cost and what new articles they could produce. This spirit of progress renders them thoroughly dissatisfied with the existing conditions. It is very necessary that a similar spirit should animate young men in India. There are certain branches of engineering, for instance, architecture, irrigation, railways, etc., in which the progress attained is already great and these branches have the advantage of the experience and activity of the work done throughout the world. The Indian engineer has no reason to be ashamed of what he has achieved in these fields and some of these works are standing monuments of his constructive faculties and bear comparison with other great achievements in this line. But if India should aim at greater industrialisation and succeed in employing more of its men in industrial concerns, an entire change of outlook and methods of training is necessary.

GOVERNMENT OF INDIA

3½ PER CENT. BONDS 1962

ISSUE PRICE Rs. 98 PER Rs. 100 (NOMINAL)

Repayable on the 16th of July 1962

3½ PER CENT. NATIONAL PLAN BONDS—THIRD SERIES (3½ PER CENT. 1967)

ISSUE PRICE Rs. 98-8 PER Rs. 100 (NOMINAL)

Repayable on the 16th of July 1967

3¾ PER CENT. LOAN 1974

ISSUE PRICE Rs. 98-8 PER Rs. 100 (NOMINAL)

Repayable on the 16th of July 1974

Subscriptions to the above bonds and loan will be received simultaneously and will be limited to a total of Rs. 150 crores (approximately). Subscriptions may be in the form of (i) Cash/Cheque or (ii) Securities of the 3 per cent. Victory Loan 1957 which will be accepted at Rs. 99-13 for every Rs. 100 (Nominal) tendered for conversion. Interest will be paid on the 3 per cent. Victory Loan 1957 tendered for conversion upto the 15th of July 1956 inclusive.

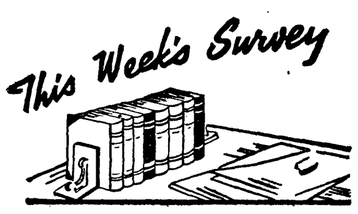
Interest on the new bonds and loan will be payable half-yearly on the 16th of January and the 16th of July.

Subscription lists will open on the 16th of July 1956 and close on the 18th of July 1956 or earlier without notice.

Applications for the bonds and loan will be received at

(1) Public Debt Offices of the Reserve Bank of India at Bombay, Cal[illegible]chi, Madras and Bangalore;
(2) Branches of the State Bank of India except in the States of [illegible]ad and Mysore;
(3) Branches of the Hyderabad State Bank in Hyderabad [illegible]
(4) Branches of the Bank of Mysore Ltd., in Mysore St[illegible]ces or branches, or treasuries

For full particulars apply to any of [illegible]



COFFEE POLICY—A REVIEW

THE Coffee Board has now come to the conclusion that it will receive from the current crop as much as 33,410 tons of coffee and expects, initially, 33,000 tons from the next season's crop. For India, these are large crops and, with an internal consumption in the neighbourhood of 22,000 tons, the exportable surplus comes to well over 10,000 tons.

These large size crops have brought in their wake many new problems for the Board and the growers. The pattern of receipt has altered, the quantity of coffee that has to be stored and financed has vastly increased from the quantities that were familiar to the industry and decisions have now to be taken far ahead of the actual receipt of the crop if the Board is to fulfil its functions efficiently. Such anticipatory decisions call for a grasp of the subject beyond the scope of routine administration and an acceptance of responsibility which an organisation tightly controlled from Delhi cannot possibly take in time, or with the flexibility that the situation warrants. A number of new problems has, therefore, been raised by the arrival of crops which are almost twice as much as the average crop received during the five-year period from 1946 to 1950.

Some idea of the error in estimation and, consequently, in the matter of the disposal of the crop can be obtained from the contrast between the Board's preliminary estimations in June last and the actual crop received so far. The mid-year estimate of the 1955-56 crop was under 27,000 tons which by private opinion might well pass the 34,000-ton mark. In other words, the Board's estimate was out by 7,000 tons between their preliminary and the actual. Although the Board planned to carry over about 5,000 tons from the old crop into the new year, the actual quantity in the pool was the carry-over from the old stock *plus* the receipt from the new crop, which amounted to 3,778 tons by 31st December 1955. Since then the arrival has been much heavier than in the previous year. In January, 8,018 tons were received, in February 8,794 tons, in March 8,439 tons, in April 3,172 tons and in May 984 tons. Within a short period of four months, that is, between December and May, the Board received no less than 28,423 tons this year, as compared with 20,881 tons during the same period last year. At the same time, the amount of coffee carried into the new year was very close to 7,600 tons of both the years. Yet in 1956, during the first four months, only 8,781 tons were disposed of, as compared with 9,768 tons during the same period in 1955, both in the internal market and by export. With a much smaller crop in prospect last year, about 1,000 tons more were disposed of than this year when the Board had to stock 8,000 tons more.

Some defect in marketing is obvious from these figures. An accumulated stock of this nature involves warehousing for which adequate facilities are not available, financing during the period of holding it in stock, deterioration by long storage during the monsoon and, possibly, a break in the market in the latter part of the year. Since the industry has not been organised to handle such large quantities, the strain on storage, financing and management can well be imagined.

At the end of May, the stock held by the Board's pool was over 25,000 tons, whereas the probable internal absorption during the rest of the year is estimated at no more than 12,775 tons. Over 12,000 tons are thereby left over for disposal, of which the Board has recommended a further 3,700 tons for export which still leaves over 8,000 tons in surplus. On top of this, there is the anticipated crop of anything from 33,000 to 36,000 tons for the next year. With a larger crop, the Board's obligation to pay the growers on the receipt of the crop in the pool has become much greater than at any time in the past and the more the received coffee is held in the pool stock, the greater is the necessity of finding money to pay the growers. The Board's power of overdraft was raised to Rs. 3 crores last year and very soon it may be necessary to further raise the limit of bank accommodation.

A whole range of changes from the movement of coffee to the various curing works, the speed of handling at the curing works, storage facilities and the quick disposal of the surplus, all seem to call for administrative as well as policy changes and a more flexible attitude towards marketing.

The question of marketing brings into focus a problem which is likely to emerge as the biggest before the new Board. Although it was hoped that internal consumption would rise greatly as a result of the reduction in prices, it cannot be said that the result achieved is quite as much as was anticipated. The rise in consumption is contrasted between two years of unusual conditions. In one year, normal procedures of marketing were suspended and the Government had taken over direct control together with warnings to the trade which left a nervous market from buying coffee in normal quantities. In that year, sales by the pool did not come up to even 16,000 tons. This was made up in the next year, once the policies governing the new control were made known and a fixed bottom price was announced. The result was a sudden jump in sales to over 20,000 tons. In the subsequent year, the increase in internal absorption was hardly greater than the normal increase witnessed before 1953. It is obvious that a lowering of coffee prices does not *per se* result in an increase in consumption.

As long as the world price of coffee is higher than the internal price, it is possible not only to sell coffee in the home market lower than the price that has to be paid to the grower but even to increase the grower's return over the basic price fixed. The greater the export, the better the receipt into the pool and this was the basis on which coffee's price policy was determined during the last three years. World conditions in coffee are changing so rapidly that growers in South and Central America and in Africa are so concerned about their future as to seriously consider, in a number of conferences, the desirability of regulating production, export and prices.

In the circumstances, the build-up of a large surplus of coffee in India would create problems which cannot be solved by the hope that the export market would absorb all that we have to offer. The basic considerations that brought into being the Indian Coffee Cess Committee of 1935 and the Indian Coffee Market Expansion Board of 1941 would again come to prevail once the export prospects begin to dim. That situation must be foreseen and the only way stability to the industry can be provided is by expanding the internal market.

It is now estimated that, if consumption can be raised to ¼ lb. per head of the population, India would require well over 40,000 tons of coffee a year, a quantity which India may shortly be producing. To raise the consumption from 22,000 tons to 40,000 tons is probably a more difficult undertaking than raising production by that much.

The old Indian Coffee Board had introduced a method of propaganda which was unique in publicity campaigns for any commodity and there are few who do not know about the India Coffee Houses studded throughout the land in all the principal cities and towns. This method of propaganda must have been so strikingly successful as to persuade even the Tea Board to take to it. It is, therefore, somewhat surprising that the new Coffee Board, by an overdose of Central control, a rigidity of routine administration and the stranglehold of overzealous audit procedures, should have reduced their most valuable medium of publicity into dull and faded coffee shops which have lost much of their quality now. The drive and initiative that marked this venture are no longer evident, and, unless the Board and the Government realise the need for a drive which will push coffee into every home in the country, the surplus production that we are meeting with today may not be an advantage.

CREDIT FOR HANDLOOMS

Mr. Nityanand Kanungo, Union Minister for Consumer Industries, did well to stress, in the course of his address at a conference on credit for handloom industry held at Bombay on Saturday last week, that the industry could not be maintained on doles for decades; it must have the potentiality of survival in itself. This is, indeed, a fundamental fact which applies as much to the handloom industry as to any other sector of the country's economy. We have ere now pointed out that the future of the handloom sector depends not on palliatives in the shape of external aid but on measures designed to improve the very structure of the industry which has all along remained outmoded and uneconomic. It is unfortunate that this aspect is being completely overlooked by the enthusiasts of the handloom industry in their anxiety to better the lot of weavers, an anxiety which stems mainly from political considerations. Mr. Kanungo has certainly done a signal service to the industry in calling the attention of these enthusiasts to the aforesaid fundamental fact.

The conference on credit for handloom industry was convened by the Government of India, with a view to eliciting the views of State Governments and co-operative banks on the recommendations made by the Committee on credit facilities for handlooms. The Committee, it will be recalled, was appointed (with Mr. V. Nanjappa, Textile Commissioner, as Chairman) at the conference of State Development Secretaries, held at Delhi on 31st July 1955. The report of the Committee was considered in detail at the conference last week. The conference is believed to have generally endorsed the recommendations of the Committee, although some members suggested certain modifications. These suggestions are now being examined by the Government which will announce its final decision on the Nanjappa Committee's report in due course.

Meanwhile, the Central Government, it is understood, has come to the conclusion that the main recommendations of the Committee are in the right direction and should be accepted, subject to certain modifications. One such recommendation relates to loans from the Reserve Bank of India. The Reserve Bank has agreed to make available to the State Co-operative Banks loans at 2 per cent. interest for the purpose of providing working capital to primary and apex societies concerned with production and marketing of handloom goods. The rules and procedure governing the loans are being finalised. The grant of Reserve Bank loans will be subject to one important condition, namely, that the repayment of principal and interest must be guaranteed by the State Governments concerned. This is only as it should be, considering the disquieting reports that several handloom co-operative societies have not paid back the loans which they took years ago. Indeed, in many cases, the authorities are said to have written off the loans. Now that the State Governments will be required to guarantee repayment of principal and interest, it is hoped that great vigilance will be exercised by these Governments over the way in which the loans granted by the Reserve Bank are actually utilised by the co-operative societies. In this connection, a reference may be made to the following recommendation of the Nanjappa Committee:

> The Government of India should offer to meet 50 per cent. of the losses in individual cases arising from non-recovery of loans, subject to a maximum limit, so far as the Government of India is concerned, of 5 per cent. of the total funds disbursed to the handloom industry by the co-operative banks, irrespective of the source from which the funds have been drawn, provided the State Governments agree to bear the remaining 50 per cent. This should also apply to losses arising from non-recovery of loans advanced to apex weavers' societies. The question of making the co-operative banks a partner in sharing such losses in States where the co-operative banks do not do so now should be examined in due course.

There is no point in the above recommendation, because it would nullify the object of asking the State Government's to guarantee the loans under reference. Why should the Government of India, for no fault of its own, be made to bear the loss arising from non-recovery of loans? If the State Governments are so careless as not to keep a check on the financial assistance given to the handloom industry, it is they that should be made to bear the losses. Such losses can, of course, be greatly avoided by properly assessing, before assistance is granted, the credit that is actually needed by handloom weavers. The assessment should be based on a careful and realistic appraisal of their requirements. One of the members of the Nanjappa Committee, Mr. Shripat, is reported to have felt that the total amounts needed by the industry during the next five years could be easily met from the cess fund, without affecting the other items of expenditure, whether for loans or for development activities. Alluding to this view, Mr. Kanungo stated that the cess fund was very meagre as compared with the extent of the problem and that, if reliance was placed on it, "we shall be nowhere."

The Nanjappa Committee estimates the total credit requirements of handloom industry at Rs. 30 crores, including Rs. 6.5 crores for working capital for the looms outside the co-operative fold. But the Committee has not indicated either the methods of disbursement or the procedure for obtaining funds from the Reserve Bank. Doubts have been expressed as to whether the State Bank of India would be in a position to give loans to weavers who are not members of co-operatives.

It is, of course, gratifying to note that the Nanjappa Committee has taken the view that the credit for purposes of working capital constitutes business finance and it should, therefore, be obtained from the usual financing agencies and not from the Government. Nevertheless, it has recommended that, if loans are not available to primary co-operative societies at 3 per cent., the excess interest should be subsidised out of the Handloom Fund. If this recommendation were accepted, one wonders whether the societies would make any effort to obtain their credit requirements at reasonable rates of interest. In any case, there is no point in subsidising rates of interest on money that is borrowed under "business finance."

MIDDLE EAST ECONOMY

Among our immediate neighbours, the Middle East is certainly one of the most important. And yet, less is known about its economy than about any other With a population of 100 million, the Middle East—a designation which includes Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, the Sudan, Syria, Turkey, Yemen, Aden, Bahrein, Cyprus, Kuwait, Muscat and Omar, Qabar and the Trucial Coast—is a region of many countries with different political and economic levels. Nevertheless, the countries have many economic problems in common. Most of them are predominantly agricultural, with a common interest in irrigation and dry farming. Further, the countries share with the other parts of the underdeveloped world the urge to improve and diversify their economies. The U.N. Report, *Economic Development in the Middle East*, throws much new light on the state of the Middle East economy and the progress made in reaching out to higher living standards.

Generally speaking, economic life in the region is still dominated by the staple crops—cereals (wheat, barley and rice), fruits, oilseeds and cotton. In 1944, the area devoted to these crops increased, the greatest relative expansion being in cotton. The production of cotton was estimated at 76,000 tons, as against the average of 65,000 tons in 1948-52. Between 1953 and 1954, there was a slight setback in output of grains, despite the increase in area under these crops. This suggests that the per-acre yields continue to be low. The survey, however, reports that some improvement in the method and conditions of agricultural production have been achieved in the region in the last two years. At the same time, it recognises that "in relation to what has to be done in this field, the achievements were in general rather modest."

Industry appears to have made rather rapid progress in the region as a whole. Industrial development, however, was largely concentrated in Egypt, Israel and Turkey. There was considerable expansion in the output of capital and intermediary goods such as cement, steel and fertilisers, rather than in that of consumer goods. Investments required for development of industry came largely from domestic sources, a great part from the Governments themselves. In Egypt, there was increase in the production of electricity, yarn, textiles, paper products, soap, sugar, iron, cement and fertilisers. In Iran, primary emphasis was placed on sugar, textile and cement industries. Industrial output continued to increase in Israel though the rate of increase declined slightly. In Turkey, the rate of increase was more rapid in mechanised industries and in the electricity generating sector than in other industrial branches.

No one can describe the economy of the Middle East without reference to its oil. The oil revenues, amounting to some $800 million a year in direct contribution to the Government and $120 million a year in wages to employees and purchases of local goods and services, are described as the "most spectacular" element in the favourable long-term outlook in the Middle East as a whole. The region is in the fortunate (or unfortunate) position of being able to derive a larger revenue from oil than it is able to spend. The rate at which the oil revenues accrue, it is stated, is far greater than the rate at which they can be effectively used for development. In some of the Persian Gulf States, the revenues "even outstrip the foreseeable potentialities of development."

Be that as it may, the production of crude petroleum in the whole Middle East amounted to 1·2 million tons in 1955, thereby forming about 20 per cent. of the world oil output. In 1955, the Middle East processed 5.7 per cent. of the refined products in the world as compared with 4.6 per cent. in 1954. Exports of crude petroleum continue to earn large foreign exchange for the region. Last year, they brought $2,500 million, showing a rise of 20 per cent. and 40 per cent. over the earnings in 1954 and 1953, respectively. Efforts are being made to locate new sources of oil supply and also towards the utilisation and conservation of natural gas and refinery gas, produced in large quantities in connection with the raising and refining of petroleum in the region.

The oil revenues are reckoned, as already stated, as a "potential factor in the economic development of the area." The pace of development during the last few years, it is stated, has 'unmistakably" quickened. The large development schemes now coming to fruition or in prospect include the High Dam on the Nile, the Habbaniya Dam on the Euphrates and the Wadi Tharthar Dam on the Tigris (both completed in 1956) and the Huleh reclamation scheme nearing completion in Israel. These and other development schemes, when they are completed, may help start a cumulative process of economic development in the area as a whole. It would then increase the significance of the Middle East to world economy, now largely restricted to its importance as a producer of petroleum and certain industrial raw materials such as cotton.

COMMUNITY PROJECTS

The Community Development Programme has been in operation for some years now. Much self-analysis has gone into the work to find out how far this programme is being carried out successfully in building up a new rural India. In this attempt, the Programme Evaluation Organisation set up by the Government under the ægis of the Planning Commission, has been useful. It has appraised from time to time the merits and drawbacks of the whole movement, so that the main objectives may not be lost sight of by those in charge of administering the programme. Notwithstanding this self-analysis, the desire to proceed on sound lines has also impelled the Government to establish the healthy practice of inviting outside experts to come to India and evaluate the progress of the movement and make suggestions for consideration in future planning. The latest among such experts is Mr. M. L. Wilson, a Ford Foundation Consultant, who has been in the Extension Movement of the U.S. for a period of 50 years. He studied India's Community Development Projects for more than two months. After visiting 19 community project blocks and 17 training centres in various parts of the country early this year, Mr. Wilson has embodied his conclusions in a report submitted to the Government. The report is an interesting account of not only some of the foibles and failures but also the bright spots of the programme.

It is gratifying to note—indeed, this is somewhat flattering—that Mr. Wilson has a

(*Continued on next page*)

STATE TRADING IN MANGANESE
WHO GETS THE MONEY?

Here are the facts about a large well run Manganese Mine in Western India.

1. Production is kept at its maximum—over 90,000 tons per annum.

2. No present anxiety about sales—production is already sold at highest prices upto two years ahead.

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4. Sales (mostly for dollars) and stock adjustment total over Rs. 1,25,00,000 per annum.

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(b)	To maintenance and development of the Mines ..	30.3%
(c)	To the State in taxes and freight	23.8%
(d)	To the owners	5.5%
(e)	To the management	3.2%

6. The owners comprise many little shareholders—50 per cent. hold less than 10 shares of Rs. 10-0-0 nominal each, 96 per cent. hold less than 100 shares. The management is by a corporation with similar composition.

7. Trading in Manganese is a complicated technical business involving many grades of ore. Great experience and confidence between seller and buyer is a prerequisite.

THEREFORE WHAT GOOD CAN STATE TRADING DO IN SUCH A BUSINESS?

IF STATE TRADING DOES NOT RESULT IN GOOD, WHICH OF ALL THOSE ABOVE MENTIONED WILL SUFFER MOST; AND WHY?

Adv.

HEAVY AGENDA BEFORE PARLIAMENT

INDUSTRIALISATION RECEIVING CONSTANT ATTENTION

From A Special Correspondent

NEW DELHI, 10*th July*

THE monsoon session of Parliament, which begins on the 16th inst., has a heavy agenda before it. Members of Parliament are, therefore, expected to work longer hours than usual. The States Reorganisation Bill, due to be passed during this session, will raise further dust and storm over the political horizon. Already, there is considerable tension in some of the affected States. In the Punjab, there is dissatisfaction over the regional formula while, in West Bengal and Bihar, the adjustment of territories is not going to be a smooth affair. Then, there is the thorny issue of Bombay City. The Prime Minister, when he returns from his foreign tour, will have to devote considerable time in order to ease the tension and to get the States Reorganisation Bill passed without much acrimonious debate.

DELHI LETTER

Several Bills of great importance to the business world are likely to be placed before Parliament during this session. The debate on the second Plan will be resumed and it may offer some useful and constructive suggestions for the implementation of the Plan. The Government, on its part, appears to be confident to collect sufficient internal resources for the Plan. The latest flotation of the loan for Rs. 150 crores with option to retain 10 per cent. more of the subscription offered, is expected to become a success. In other words, Government may be able to collect Rs. 165 crores. During the next two or three months, the States Governments and Local Bodies will be raising about Rs. 50 crores or more for financing many local projects. The savings campaign in the rural areas is being intensified and this is expected to result in the collection of more money. All these indicate that Government may succeed in collecting Rs. 300 crores from the public even in the first year of the second Plan. With a progressive increase in the national income, it is likely that the Government will be successful in collecting still larger sums in the following years.

Apart from the discussions on the second Plan, Parliament will be concerned with the amending of the Reserve Bank of India Act, with a view to strengthening the control of the Reserve Bank over commercial banks. A Bill to provide for the levy of sales tax on inter-State transactions in accordance with the recommendations of the Taxation Enquiry Committee will also come before this session. An important step in inter-State co-operation will be taken by amending the State Financial Corporations Act, by which two or more States will be enabled to establish joint financial corporations. The Industrial Development Regulation Act will be amended, in order to provide for the inclusion of certain additional industries in the schedule of this Act. About 28 industries are likely to be brought under the regulation of this Act, more important among them being ferro-alloys and special steels, lignite, teleprinters, X-ray equipment, abrasives and grinding wheels, earth-moving machinery, typewriters and calculating machines, plastic moulding industries, paints, varnishes and enamels, staple fibre, explosives, insecticides, fungicides, wood-pulp, food processing industries, matches, cigarettes, etc. The addition of these industries to the schedule of the Act will increase the already heavy pressure of work on the Development Wing of the Commerce and Industry Ministry. It may be mentioned that the Development Wing is being expanded in order to cope with the work. This Wing has already been playing a creditable part towards the progressive industrialisation of the country. The Tariff Amendment Bill seeking to provide for protection to the calcium carbide industry and to continue protection to certain other industries will also be taken up during the session. Besides these, there is a number of miscellaneous Bills such as the Hindu Minority and Guardianship Bill, and amendment to the Industrial Disputes Act which will also come up for discussion and enactment during this forthcoming session.

In the present context of the economic development of India, the final *communique* issued to the public after the Commonwealth Prime Ministers' Conference in London has a special significance. The relevant portion of the *Communique* states: "The Prime Ministers agreed that it was of first importance for their countries to maintain and increase their economic strength. Each country, through sound internal economic policies and steady development of its resources and earning power, could help to strengthen the Commonwealth and the sterling area and move steadily towards the agreed objective of the widest practicable system of trade and payments. The Prime Ministers noted with satisfaction the United Kingdom's determination to maintain and improve its capacity to serve as a source of capital development in Commonwealth countries."

It is suggested here that the leading Commonwealth countries, particularly the U.K. and Canada, will evince greater interest in the economic development of sister underdeveloped Commonwealth countries. It is possible that they will be willing to render greater help to India than they are doing at present. Many leading industrial organisations and commercial houses in the U.K. would appear to be convinced that, unless they participate in a larger measure in building up important key and strategic industries, the closer economic ties between the U.K. and India which have been in operation during many decades could not be fully maintained in the coming years. It is, therefore, felt that henceforth the U.K. will take keener interest than it has done so far in providing the technical know-how to India.

Another commendable step in the direction of industrialisation of the country is the decision of the Federation of the Indian Chambers of Commerce and Industry to send a delegation of business men to Europe to facilitate establishment of new industries and the expansion of the existing ones by private enterprise. What is interesting to note is that the brain behind this move is none other than Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who, it appears, had suggested some time ago to the Indian industrialists to draw a blue-print in regard to the development of different industries that could be started by private enterprise. Such attempts will have considerable educative value to business men. As a result of the delegation's visit, greater contact is likely to be established between the European and Indian business men. Further, the business tour will enable the Indian business men to widen their outlook and encourage them to invest risk capital in a number of industrial undertakings. If the blueprint of development is made available to Government after the tour, it will be possible for the authorities to provide the necessary advice and help to the private sector in order to achieve the targets set out in the second Plan.

SURVEY

(*Concluded from previous page*)

great admiration for the work that is being done in India. To quote him: "My admiration and enthusiasm for the programme as a whole—its vastness, its organisation and its objectives—is such that I can hardly express my judgment and opinions except in superlatives. In many respects, there has been nothing approaching its scope and objectives in the history of rural improvement and adult education throughout the world." He firmly believes that India has chosen wisely in establishing boldly the Community Development Programme as an integral part of its overall planning for national improvement and development. He is of the opinion that two features in India's Community Development Programme will have world-wide significance. The first is the concept of the evaluation of the work of the projects and national extension blocks through the Programme Evaluation Organisation mentioned above. India's evaluation programme is endeavouring to make, he avers, a scientific concentrated analysis of current operations and policy which will light the way for the policymakers and administrators to make improvements in rural welfare throughout the world. The "other development of great significance is the plan now under study for the establishment of a National Centre or Institute for higher studies and training in the field of community development." This institution will bring, he thinks, the basic resources of social sciences and research to bear on the basic problems of the community development programmes to be started in other parts of the world.

While paying tributes thus, Mr. Wilson is not unmindful of the imperfections which he has noticed during his study tour. This is not his first visit to India, as he had studied on the spot the programme before in 1952. Consequently, he is in a better position to notice some of these drawbacks in the progress that has taken place since. The village level workers he met measured up pretty well to his expectations, but he regretted that they were looked down upon as chore boys who run errands and do all sorts of things for the extension offices. He suggested that they should be extended a more dignified treatment, since it was on their selfless service that the strength of the movement depended. Again, he does not seem to have been impressed by the average block development officer, who he thinks should have much high grade training. In this context, it is worth mentioning that all the officers at different levels should be given periodical training in refresher courses designed in the light of new experience gained from time to time by working the programme.

Mr. Wilson makes some notable observations and suggestions on the position of co-operatives and rural credit. His remarks, however, are not such as to bring comfort to the co-operator, official or non-official. He says: "I do not find as much concrete evidence in the villages of the development of co-operative marketing and purchasing activities or of co-operative credit as I had expected. Three years ago, I was told that such activities would grow very fast and special emphasis was being given to them in the training programme for village level workers. On this recent visit, I was disappointed not to find progress, for it seemed to me that, philosophically and historically, there is a great deal of the co-operative spirit and behaviour in village family life." He suggests that each individual farmer should be made really to understand the co-operative idea. Then only, he says, the farmer can participate with his neighbours in a democratic organisation and in a democratic process.

OIL PIPELINE FOR WEST EUROPE

A £100-million project to connect the Mediterranean seaport of Marseilles to Rotterdam and Antwerp on the North Sea through a 30-inch diameter pipeline is under the scrutiny of the well-known Royal Dutch-Shell Group of oil companies, according to the *Financial Times*, London. The trunk route of the pipeline—west of Lyons, east of Dijon and west of Nancy and Cologne—is so contemplated as to be within easy reach of the important oil-consuming centres like Paris and Strasbourg, and to serve Eastern France, Luxembourg, the Saar, Western Germany, Holland and Belgium. The project, if accepted and put through, is capable of producing two main immediate advantages to the oil companies. In the first place, it would obviate the necessity of constructing new oil refineries at the ports, as has been the case hitherto, and facilitate the location of refineries at the major centres of consumption of oil like Paris, Saar and Ruhr. Secondly, it would result in considerable savings in tanker freight.

The capacity of the pipeline is reported to be 40 million tons a year. It is, however, expected that the throughput would be of the order of 25 to 35 million tons a year in practice, a quantity that constitutes the major proportion of the consumption of the countries the line is expected to serve.

If the proposed Ruhr pipeline from Wilhelmshaven to Cologne materialises, it is believed that the Shell scheme might be connected to the former at Cologne. The plan does not envisage an underwater connection to the U.K., but more tanker capacity to the U.K. ports would become available in the event of the project becoming a reality. It also includes provision for a smaller diameter line from Strasbourg to Paris crossing the trunk line at Nancy. The project is a step forward in the oil industry's progress and will greatly strengthen the industry's ability to meet the expanding power requirements of West European countries which, after a strenuous phase of recovery, are now passing through a period of rapid industrial expansion.





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CO-OPERATION UNDER THE SECOND PLAN

MUSSOORIE CONFERENCE DECISIONS

FAR-REACHING decisions aiming at development of the Co-operative Movement on the lines suggested by the All-India Rural Credit Survey Report were taken by the State Ministers for Co-operation at a three-day conference which concluded at Mussoorie on the 3rd inst., Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, presiding. These decisions covered practically every aspect of the Co-operative Movement. The most notable of them related to the establishment of 10,400 credit co-operatives within the next four years. As many as 1,715 societies should be set up in 1956-57; 2,684 in 1957-58; 3,600 in 1958-59 and 2,401 in 1959-60. These societies, as and when they start functioning, are expected to fulfil the need for expansion of the existing co-operative credit facilities as an "essential step towards increasing agricultural production and simplification of the procedure for making timely and adequate credit available to farmers." Another resolution accepted by the Conference envisaged the setting up of 1,300 co-operative marketing societies in four years—318 in 1956-57, 471 in 1957-58, 100 in 1958-59 and 411 in 1959-60. In this connection it was emphasised that legislation should be enacted to regulate co-operatives in all States and that urgent steps should be taken to set up primary co-operative marketing societies in advance of large-sized co-operative societies. It was felt that steps should be taken to recruit suitable persons for manning the marketing societies and to set up apex marketing societies for forming an all-India federation to handle not only inter-State trade but also export trade.

Further, the Government of India was urged to establish a central warehousing corporation and to construct 22 warehouses at various places throughout the country during the current year. The States were requested to set up State warehousing corporations under the Agricultural Produce (Development and Warehousing) Corporation Act, 1956. With a view to expediting the construction of warehouses, the Central loans to State Governments were recommended to be raised from 62½ per cent. to 75 per cent. of the cost. Higher subsidies were also suggested to be paid to the Governments for buildings hired for training subordinate personnel.

On the subject of finance, the Conference held that State partnership in co-operatives, besides lending strength and stability to the Movement, would also enable the small and medium farmer to become a member and benefit thereby. It was recommended that State partnership and financial assistance for managerial staff provided under the second Plan should be extended only to large-sized co-operative societies which may either be newly formed or brought into being as a result of reorganisation. The Conference further decided that the existing procedure for advancing co-operative loans should be re-examined with a view to its simplification and avoidance of delays in payment of loans. These delays caused by the adoption of cumbersome procedures and observation of formalities have been, it may be mentioned here, one of the causes for the failure of the Co-operative Credit Movement in India, which was able to provide only 3 per cent. of the credit requirements in the country. Success in this direction lies not merely in the simplification of the procedures but in linking the loans not to property but to produce raised by the farmer.

Co-ordination of Marketing and Credit

The Conference did well in considering steps for co-ordinating the activities of the Co-operative Movement in the fields of marketing, credit and cottage industries. The discussions on the subject seem to have revealed that there was not sufficient co-ordination, and that the co-operative spirit was, therefore, not getting sufficient chance to develop. Mr. Nanda, Minister for Planning, stated that the Centre would be writing to the State Governments to furnish details of the actual administrative set-up, so that suggestions could be made for rationalising the co-operative structure on a sound basis. It may be noted that, in most States, co-operation has made poor progress; this is due to lack of administrative personnel and non-official leadership to sponsor and supervise the Movement. Unless this handicap is removed, no amount of State participation and assistance could bring the desired results.

Encouragement of non-officials to enter the field is particularly needed to eliminate factions in rural communities, which also, to a certain extent, are responsible for the tardy growth of co-operation in India. Mr. Nanda was hopeful that this handicap could be removed by utilising the services of the Bharat Sevak Samaj. This is a tall hope since the Samaj has failed to evoke sizable response from the public.

Co-operative Farming

The Conference passed a resolution recommending the introduction of co-operative farming in each of the National Extension Service blocks in the country. After a long debate, it accepted the target of 500 co-operative farms, to start with, to be completed in the current year in the N.E.S. block areas. It was pointed out that an Indian delegation would be shortly leaving for China to study the progress of co-operative farms there. A member stated that the fixation of targets could be postponed till after the return of this delegation, since those fixed would have to be revised later. The Union Minister for Food stated that targets were flexible and had to change in the light of experience. The China delegation would not change the fundamental policy, namely, consolidation of small plots through co-operative farming for the development of rural economy. Mr. Ranga was against co-operative farming of lands of owner-cultivators, since it would 'reduce 46 per cent. of the agriculturist population into mere wage earners." Mr. Nanda, however, contested the point by observing that there was no alternative to co-operative farming where holdings were uneconomic. Co-operation being the basis of socialist pattern it should be pushed forward, he said, with faith and treated as a mission. This argument of Mr. Nanda is hardly convincing. He is making a fresh interpretation of socialist pattern of society in saying that individual liberty and freedom to own property should be subordinated to collectivism. This is a dangerous trend of thought. The fact that the Government of India is anxious to learn from Communist China for introducing land reforms is significant of the poor importance now attached by the party-in-power to the fundamental tenets of democracy.

After approving the need for co-operative farms, the Conference emphasised the necessity for a phased programme for training personnel for the successful running of the farming societies and said that a special subsidy should be provided to the societies to meet the initial expenses incidental to farming. The terms of such financial assistance should be more attractive than in the case of such assistance to individual cultivators. It was further decided that all supplies to cultivators should be channelled through multipurpose or large-sized societies. All this means that methods short of compulsion would be adopted to make people take to co-operative farming.

The programme for the development of co-operation under the second Plan was outlined by the Union Minister for Food and Agriculture in his inaugural address. According to him, a sum of Rs. 47 crores has been allotted for co-operative schemes. This amounts to 13.8 per cent. of the total allotment for agriculture. These figures compare with Rs. 7 crores and 2.9 per cent. in the first Plan. Additional funds will be available from other sources for promoting and assisting co-operatives. Besides, the Reserve Bank is expected to invest about Rs. 25 crores from the long-term Operations Fund for strengthening the credit structure. A good portion of the sum of Rs. 200 crores earmarked for developing small village and cottage industries is likely to be placed at the disposal of co-operatives. Assistance will be given to housing co-operatives engaged in the construction of houses for industrial workers. Attention will also be paid to the co-ordination of credit with marketing and warehousing. It is proposed to make warehouse receipts negotiable and, with the vast expansion contemplated by the State Bank of India, no difficulty is expected to be experienced in financing marketing societies.

Basic Criterion

Explaining the basic criterion for the development of co-operation, Mr. Jain said: "The large expansion of co-operatives in the second Five-year Plan is not a matter of mere expedient. During the last 12 months, far-reaching events have occurred in our economic and industrial policy. The country has accepted the goal of socialist society. Increased production and equitable distribution are its two inseparable attributes. The basic criterion for determining the lines of advance are not private profit but social gain. The structure of socio-economic relation and the pattern of development has to be so planned that they result not only in appreciable increase in national income and employment but also in greater equality in incomes and wealth. Major decisions regarding production, distribution, consumption and investment have to be made by agencies informed by social purpose.

"The benefits of economic development must accrue more and more to the relatively less privileged classes of society and there should be progressive reduction in the concentration of incomes, wealth and economic power. The problem is to create a 'climate' in which the small man who has so far had little opportunity of participating in the immense possibilities of growth is enabled to put in his best in the interest of a higher standard of life for himself and increased prosperity for the country. The small man has to be helped to rise in economic and social status. For creating the appropriate conditions, the State has to take on heavy responsibilities as the principal agency speaking for and acting on behalf of the community as a whole."

Bold and Ambitious

The programme envisaged for the rehabilitation of the Co-operative Movement as indicated by the decisions of the Conference as also by Mr. Jain is both bold and ambitious. It places heavy responsibilities on those who are entrusted with this work. It implies that Mr. Jain and his colleagues both at the Centre and in the States will have to find hundreds, if not thousands, of saints and angels, if the whole Plan is not to end in a thorough failure. We wish them success in their noble mission.

Meanwhile, it will not be out of place to stress here that the Movement, as it is, has been suffering from a number of weaknesses to which attention was drawn in these columns two weeks ago. In tackling these weaknesses, priority should be given to the spread of knowledge on the principles of Co-operation and the benefits of the Movement to the small man. This is essential, because it will help build a body of enthusiastic non-official co-operators who can be expected to guide the Movement without official interference. Work in connection with the rationalisation of co-operative law and the enactment of a marketing legislation should also be expedited, so that the targets for establishing the credit and marketing societies in the first year of the second Plan as decided at the Conference may be reached without any difficulty and on sound lines.

BANK OF INDIA'S PROFIT HIGHER

The working of the Bank of India Ltd., during the half-year ended 30th June 1956, has resulted in a profit of Rs. 39.66 lakhs (subject to taxation), as against Rs. 37.60 lakhs for the corresponding six months of 1955 and Rs. 36.91 lakhs for the first half of 1954. With the surplus of Rs. 13.27 lakhs (as against Rs. 9.11 lakhs) brought in from the previous half-year, the total available for disposal is Rs. 52.93 lakhs, which represents an increase of Rs. 6.22 lakhs over the corresponding sum of the previous year. The Directors have declared an interim dividend of Rs. 3 per share of Rs. 50 each, or 12 per cent. per annum free of income-tax, a rate which they had paid on the present paid-up capital of Rs. 2.50 crores in the previous four years. This will absorb Rs. 15 lakhs, leaving to be carried forward to the current half-year Rs. 37.93 lakhs (subject to tax), as against Rs. 31.71 lakhs carried over a year ago.

MADHYA BHARAT FINANCIAL CORPORATION

The Madhya Bharat Financial Corporation (Managing Director: Mr. John F. D'Souza, Indore) was brought into existence on 30th June 1955, under the provisions of the State Financial Corporations Act, 1951. It made a small loss of Rs. 8,791 during the nine months ended 31st March 1956, according to the first annual report submitted by the Board of Directors.

The authorised capital of the Corporation is Rs. 2 crores divided into 2 lakh shares of Rs. 100 each. Out of the issued shares of the value of Rs. 1 crore, 36,000 shares were taken up by the State Government, while the Reserve Bank of India subscribed to 15,000 shares. Insurance companies, banks, etc., and other private parties accounted for only 26,650 shares out of the remaining 49,000 shares. Accordingly the State Government has been requested to fill up the gap.

During the period under review, 20 concerns applied for financial assistance aggregating Rs. 75 lakhs but only seven of them furnished the necessary data. Out of these seven, two concerns were sanctioned an amount aggregating Rs. 5.50 lakhs, one application was rejected and the remaining four were still under the consideration of the Corporation. The amount of loans sought by these four concerns was Rs. 13.5 lakhs.

(*Continued on page 93*)

POST-WAR TRENDS IN WORLD ECONOMY

"PROBLEM OF MASS POVERTY REMAINS AS STUBBORN AS EVER"

THE United Nations' annual reports on world economic trends are always awaited with utmost interest, inasmuch as they contain an authentic and comprehensive review of the progress in economic development prepared by economists of international repute. And the latest report, that published early this week, is no exception. In fact, the report marks a distinct departure from its predecessors; it surveys, in an impressive manner, the economic developments in the world not merely during 1955 but also in the entire post-war decade. The latter study is in compliance with a request from the Economic and Social Council to the U.N. Secretariat for a suitable review of the trends in the past decade to mark the Council's tenth anniversary. The study, we are told, will serve as the main background for discussion of the world economic situation by the Council which began its twenty-second session at Geneva on Monday last.

The keynote of the U.N.'s Survey under reference is that, although the progress achieved on the economic front is superior to that of the decade following the First World War, the problem of mass poverty in a large part of the world remains as stubborn as ever. The economic history of the period does not, the Survey declares, justify untempered optimism; on the contrary, it provides ground for serious concern. According to it, such growth as has taken place is due only in part to favourable long-term forces; it is special and temporary supports that have accounted for a significant part of the growth. In only a few of the underdeveloped countries has *per capita* economic growth been consolidated to a point where it may be considered self-cumulative. The Survey is, of course, conscious of the international help forthcoming in many ways—private and public, bilaterally and multilaterally—but questions whether the scope and the scale of present programmes represent the world's optimum contribution towards the accepted objectives of economic development. Indeed, it observes that the world has not yet "effectively come to grips with the problem of economic development." In this, as in other economic problems, the primary responsibility rests, the Survey emphasises, with the countries themselves. For cumulative economic growth cannot be imported from without, it must be nourished from within.

Remains Far From Solved

The conclusion which emerges from these observations is that the problem of international economic balance remains far from solved. What is such a state of affairs due to? The following interesting remarks from the Survey provides the answer to this poser:

"Political tensions have led to a division of the world economy into two virtually isolated sectors, each devoting a considerable proportion of resources to military rather than civilian uses. Economic growth in underdeveloped countries has not kept pace with the rate in industrial countries. It would be imprudent, moreover, to project the record of the first post-war decade into the second, especially in so far as favourable developments in the past 10 years have been the result of purely short-term influences.

"With respect to stability, the record of the post-war period is one of rapid growth accompanied by oscillation between inflationary and deflationary pressures in industrial countries. Fluctuations in the demand of the developed countries have had adverse effects on the economic development of underdeveloped countries, particularly through the extreme fluctuations in export prices for primary products."

The world economic progress during the post-war decade is impressively summed up thus: The earth has become capable of supporting a far larger population than ever before. Industrial output has made great strides. In the underdeveloped countries, the most significant advance to date perhaps lies not so much in the physical expansion of productive capacity as in the evolution of a social climate favourable to economic development. In the industrial countries, full employment has been maintained, and the growth in productivity and employment has produced substantial increases in *per capita* incomes and brought some progress in international economic balance. The progress would have been more marked but for the political tensions.

The U.N. Survey divides the post-war decade into four phases, namely, (1) the immediate post-war crises; (2) the general awakening to the long-term character of post-war economic problems; (3) the raw materials boom and collapse associated with the Korean hostilities; and (4) the current expansion of world economy. As compared with the pre-war period, the total volume of production of factories, farms and mines in the private enterprise economies in 1954 was higher by 66% per cent. The rise during the six-year period 1948-54 was particularly marked, being as large as that recorded during the decade 1938-48. The improvement in production was more rapid in the developed than in the underdeveloped countries, especially before 1948. A substantial proportion of this improvement was absorbed by population growth, in the underdeveloped countries, in particular. Investment in the developed countries expanded considerably as compared with the immediate pre-war years. Capital formation rose sharply in the underdeveloped regions. South-East Asia, with a much lower *per capita* average income than Latin America, was, however, not able to devote as large a proportion of capital formation to investment as did the latter.

Trend of Production

The trend of world production has not been uniform. The rate of growth in primary production, for instance, has everywhere lagged very much behind that in manufacturing. This lag is attributed to two factors. First, at higher levels of income, the demand for food rises proportionately less than that for other goods. Secondly, the raw material content of manufacturing has declined, due to economies in the use of raw materials, as a result of technological progress, greater amount of re-processing of already used materials, substitution of synthetic for natural materials, and more elaborate fabrication of the final output.

The expansion in manufacturing has been the chief force contributing to post-war growth. Under the influence of expanded capital formation and defence expenditures, the highest rates of growth during the post-war years in both Western Europe and North America have been established by the chemical and engineering industries. Staple consumer goods industries have been slow in expanding both because private incomes have risen less than national output and because demand for these products has not risen parallel with the rise in private real incomes. In the less developed countries where manufacturing is, in the main, directed to the production of consumer goods, gains have been sufficient, in certain products, to raise the share of this group of countries in the total production of the private enterprise economies. Increases in output of heavy industry, on the other hand, have been overshadowed by developments in the economically advanced regions.

Expansion in Trade Tremendous

One of the most notable features of world economy during the post-war decade was the tremendous expansion in the volume of world trade. By 1955, the volume was about 50 per cent. higher than in 1938 and 1948. In contrast, by 1928—the tenth full year after the first World War—the volume was less than 30 per cent. above the 1913 level. Commenting on the recent trends in world trade, the U.N. Survey points out that the trade has been held back much less than might have been expected by the various limitations and controls prevailing. Indeed, a careful examination of the lag between world trade and world output since 1938 shows that a major part of the lag is due to circumstances which have "nothing to do with trade restrictions." Among these circumstances, mention is made of the fact that a larger share of world output is now being produced in countries the imports of which are small in relation to their output or income. Mention is also made of the lag in food consumption in relation to income, together with the reduction in the raw material import content of manufacturing which has accompanied the structural shift in the industrial countries from light to heavy industries. Consequently, trade in primary products has lagged in relation to world trade and still more in relation to world manufacturing output. By way of a general conclusion, the U.N. Survey observes: "Most countries are now spending a higher proportion of their incomes on imports than in 1937, and those spending a smaller proportion do not consist exclusively of countries maintaining import controls."

While trade in primary products has lagged behind, that in manufactured goods has risen rapidly. By 1954, exports of manufactures from the leading producing countries were about 50 per cent. and 60 per cent. more as compared with 1948 and 1938 levels, respectively. The major changes in the composition of exports were the sharp decline in the share of textiles and a great increase in exports of machinery, transport equipment and chemicals. These shifts, it is said, correspond to the lag in world consumption in relation to world production brought about by much higher rates of capital formation and defence expenditure than had prevailed in 1938. Moreover, the underdeveloped countries have been able to promote factory production of textiles and conserve limited foreign exchange resources for purchases of capital equipment. The rise in the capacity of underdeveloped countries to import since 1938 has been due not only to the expansion in the volume of their exports but also to a substantial improvement in their terms of trade. However, the characteristic instability of the exports of primary producing countries did not diminish with the favourable price trends and general economic expansion of the post-war period.

Division of World Markets

The U.N. Survey has drawn special allocation to what it calls a "characteristic feature of the development of world economy" since the first World War, namely, the dividing up of the world market into compartments of varying degrees of exclusiveness. Appropriately three-fifths of world exports in 1953 consisted of exchanges within the three main trading areas—the centrally planned economies, the dollar area and the European Payments Union area. A common characteristic of these three areas is that each involves an industrial core, together with affiliated areas possessing more or less complementary economies. Somewhat less than one-fifth of world trade in 1953 consisted of the trade of these three main areas with one another

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DEVELOPMENTS IN CENTRALLY PLANNED ECONOMIES

TRADE WITH FREE WORLD SHRINKS

ON the previous page, a general review of the post-war trends in world economy as contained in the U.N. World Economic Survey for 1955 has been made. It is against the background of these general trends that the Survey has portrayed the developments in the centrally planned economies by which is meant the Communist countries of Eastern Europe and mainland China. The post-war decade in this region was characterised by radical institutional changes and rapid expansion of industry. Nationalisation of industry and trade, as well as collectivisation of agriculture, says the Survey, resulted in concentration of economic power in the hands of central authorities and made it possible to plan economic development comprehensively.

The first post-war plans were drawn up separately in each country. Later, more attention was paid to the requirements of other countries in the area. Not until 1955, however, did several countries prepare for the first time their plans in close co-operation with one another. Yugoslavia, which had adopted the same methods of planning as other countries up to 1950, changed its methods substantially. Thus, the specific planning of the output of each enterprise was abandoned and the managements of enterprises became free to determine output and prices.

The U.N. Survey discerns three distinct periods of development during the decade 1945-55 in the centrally planned economies, barring mainland China and Yugoslavia. These periods cover (1) reconstruction which ended in 1949, (2) rapid expansion from 1950 to 1953, and (3) general slowing down of the rate of expansion since mid-1953. The period of reconstruction was much shorter, although the damage inflicted upon the E. European economies was considerably greater than that during the First World War. Within about four years, that is, by 1948, recovery had been achieved in most countries, as against 6 to 20 years required for individual countries to regain their 1913 levels of production after the First World War. The aim of reconstruction plans was no doubt primarily to restore and to exceed the pre-war levels of output. But all countries in the area tended, from the very beginning, to alter the structure of their economies, in order to achieve a more balanced relationship among various industries.

During the second period, the long-term development plans of E. Europe called for higher rates of increase in the output of producers' goods than of consumers' goods or of agriculture. By 1950, the targets set for producers' goods were stepped up appreciably, partly as a result of deterioration in international relations. Military expenditure rose sharply. In many sectors, bottlenecks developed, hampering further rapid growth. The swift rise in investment and in military expenditure in the face of considerably slower increases in consumer supplies led to inflationary pressures in several countries and to a decline in real wages from 1950 to 1953. Only in the Soviet Union did prices decline and real wages increase throughout the period since 1947.

The third period (commencing from mid-1953) was marked by the introduction of a new economic policy in the second half of 1953. The policy was designed to eliminate disproportions among the various sectors of the economy, with a view to preparing the ground for a further rapid expansion. Such an elimination was to be achieved by a general slowing down of the rate of growth, by reducing the spread between the output of consumer and producer goods and, within the latter, between the output of engineering products and that of fuel, power and basic materials. It was also planned to bring about a substantial expansion in agricultural output. Thanks to the implementation of this policy, real wages and consumption rose in 1954 and bottlenecks in fuel, power and basic materials were reduced.

Industrial production in the centrally planned economies during 1954 was higher by over 100 per cent. as compared with the pre-war years. The rise was in marked evidence in the Soviet Union, being as much as 190 per cent. For the other E. European countries, the average rise was more than 150 per cent.

While industrial production expanded at a high rate throughout the post-war decade, the average rates of growth declined perceptibly in the course of the period. This reflected the transition from recovery to expansion and, especially during the second half of the decade, the gradual absorption of unused resources. In Yugoslavia, the pattern of growth was similar to that of the other countries of this group up to 1949. The very small increase in output in 1950 and the decline in 1951 and 1952 resulted from poor harvests and difficulties in securing imported raw materials and fuel, subsequent to the severance of economic relations by the other countries of E. Europe. In mainland China where intensive industrialisation began much later, industrial production increased rapidly during 1950-53, but, in 1954, the rate of expansion declined.

Agricultural production, however, recorded only a very slight increase over the pre-war level. This was a major problem in all the countries during the post-war decade. At the end of the war, it will be recalled, agricultural production was considerably below pre-war levels. In the first half of the post-war decade, the output recovered at a rapid rate in most of the countries, generally reaching 85 to 90 per cent. of pre-war levels. But, in the following period, the rate of recovery slackened and the pre-war level of output was reached only recently. The Soviet Union accounted for a 10 per cent. rise in output above the pre-war level in 1952; the output did not stand any significant further increases until 1955. Mainland China reported a rapid recovery in agricultural production after 1949, which, by 1954, reached a level one-sixth above 1936.

The considerable lag in agriculture, as noted above, was the effect of a relatively low rate of investment, as well as of the fiscal and price policies applied to agriculture. In the opinion of the U.N. Survey, the high level of compulsory deliveries at low prices had a depressing effect on all the countries of the group. In the E. European countries which began to organise collective farming after the war, collectivisation by administrative pressures, rather than on a voluntary basis, also acted as an obstacle to the expansion of output. The agricultural policy was, however, changed in 1953. Supplies of machinery and building materials, as also of fertilisers, were substantially increased. The area under cultivation was expanded and further withdrawal of man-power from agriculture was abandoned. There was also a reduction in compulsory deliveries and taxes and an increase in prices paid to the peasants.

Reviewing the developments in the trade of the centrally planned economies, the U.N. Survey notes the creation of a separate, virtually self-contained, trading area, influenced decisively by the existence of close political ties among the members of the group. The trading area was reinforced by the strategic trade restrictions imposed by the West. At the end of the post-war decade, the aggregate volume of trade among the countries themselves was more than two-and-a-half times the pre-war level while the trade with the rest of the world was less than half the pre-war level. The most significant expansion in foreign trade was in the Soviet Union where the total volume in 1954 was over four times as large as before the war. The trend of trade of the centrally planned economies with the rest of the world was downwards throughout the period 1949-53. It was only in the third quarter of 1953 that a recovery began. During the entire post-war decade, Western Europe was the major trading areas in the foreign commerce of E. European countries. The most striking development in the commodity pattern of trade since the end of the war has been the increase in exports of machinery and equipment. In contrast, shipments of foodstuffs have fallen in most of the countries.

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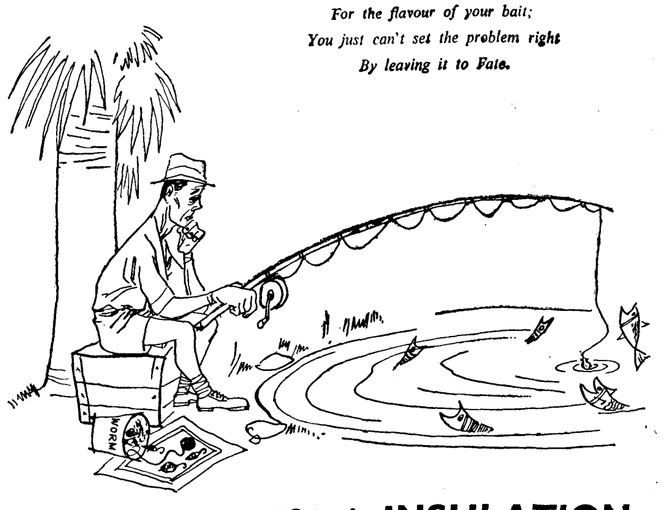

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COTTON BOARD'S REVIEW OF WORLD TEXTILE SITUATION

U.K. CONCLUDES TRIANGULAR AGREEMENT WITH INDONESIA

From A Special Correspondent

MANCHESTER LETTER

MANCHESTER, *3rd July*

A WORLD-WIDE review of cotton textile production by Britain's Cotton Board says the United Kingdom has suffered a more severe reduction in output than any other important cotton manufacturing country. In the first quarter of 1956 the greatest rate of expansion, compared with a year ago, appeared to have been achieved by Germany, together with the young cotton industries, of Pakistan, Hong Kong and Egypt. The most impressive export performance was that of Japan, which raised overseas sales to a new post-war record.

The Board says last autumn's modest recovery in activity in the British cotton industry had not been maintained during the current year. In the first quarter exports fell by a further 9,000,000 yards to a total of 120,000,000 yards, due almost entirely to a sharp reduction in shipments to British and French West Africa.

There was a substantial increase in the amount of cotton cloth imported into this country during the first quarter. The report adds: "India, Hong Kong and Japan all sent greater quantities. Imports of certain made-up articles, particularly shirts and towels, have also increased again to an alarming extent."

U.S. Cotton Plans

Keen criticism of American cotton policy was contained in the annual report issued by Mr. William T. Winterbottom, Chairman of the £25,000,000 textile group, Fine Spinners and Doublers Ltd., Manchester.

"It is unfortunate," he said, "that employment, production and prosperity in the cotton industries of so many countries should depend so heavily on American politics, but that is one aspect of the world we now live in that has to be faced."

Official American policy was to carry through the programme of disposing of surplus cotton supplies without undue disturbance of markets. "This," declared Mr. Winterbottom, "is clearly impossible, but the aim appears to be to minimise injury to raw cotton producers in other countries. There is no evidence of anxiety to avoid hurting users of raw cotton and its products. Much damage has already been done and there is no end in sight."

Observers outside America agreed that no permanent solution to the problem could be found along these lines. If the United States was to regain and hold the share of world trade in raw cotton which the qualities of its cotton deserved, individual growers and merchants must have the proper incentive to produce and market with the utmost efficiency the varieties of cotton the world wanted at the best prices obtainable in free competition with their rivals.

Commenting on conditions in the Liverpool cotton market, Mr. Winterbottom said other cotton-growing countries outside America were setting the pace in a way which was clearly going to affect the structure of futures markets. Continued uncertainty about American cotton policy had made a futures contract based solely on American cotton increasingly useless as an effective hedge and trading in the Liverpool/American contract had declined in recent months. The spinning industry welcomed the announcement that Liverpool intended to open a new futures contract for American type cotton, against which Mexican, Syrian, Nigerian and East African could be tenderable as well as American.

Spinners of long-staple cotton had welcomed the reopening of the Alexandria futures market last September and the simultaneous introduction of a Karnak futures contract in Liverpool, but the hopes built on these events for a better hedge for long-staple cotton had not been fulfilled. There had been no development of a spot stock in Liverpool or Manchester and spinners had generally had to accept the full price risk as well as much of the financing cost if they wanted to keep their mills running.

Closely following the announcement of a deal to provide cotton yarn and cloth for Burma from American aid cotton, the British Board of Trade has disclosed a further arrangement on similar lines with Indonesia. This agreement provides for the manufacture of textiles from United States cotton for undeveloped areas in the Far East on condition that certain formalities are complied with.

Mr. E. H. Stewart, Chairman of the China and Far East Section of the Chamber of Commerce, commenting on the Indonesian agreement, said the Lancashire textile industry welcomed the signing of the pact. At present the bulk of this trade with Indonesia was being done by Japan and India.

It has been estimated that the latest arrangement will involve production of about 8,000,000 yards of cotton cloth by Lancashire mills in the traditional styles of the Indonesian market. A significant feature is that this figure far exceeds the level of recent Lancashire exports to this area. Last year's total was only 2,300,000 yards and taking the past two years together, the figure is still slightly below 5,000,000 yards.

One of the results of the signing of this agreement has been the decision to discontinue open general licensing of dollar cotton imported into the United Kingdom. This action has been taken with the agreement of the Cotton Board, the spinners' organisations and the Liverpool Cotton Association.

The Board of Trade has announced that open individual licences permitting unlimited imports of cotton from dollar areas will be issued to importers on condition that certain undertakings are given to comply with the appropriate procedure whenever United States Government funds are available.

Finance

The reason for the change in procedure is to ensure that full use is made of funds provided by the United States Government to finance imports of American cotton either under the mutual aid arrangements or as part of triangular deals between the Governments of the United Kingdom, United States and other countries.

Dollar aid has been received direct from the United States in the form of cotton imported by spinners and merchants and other supplies have been made available under the $5 million deal with Pakistan and the new $2.6 million pact with Burma. Average quantities of American cotton taken up in recent months have been so small that importers have regarded the documentation process as a nuisance and in consequence dollars have been spent needlessly. The Pakistan triangular deal has also been held up by this failure to carry out some of the details and unexpected interest charges have been incurred by traders.

The possibility of further textile deals involving the provision of cloth made from American aid cotton has made the traders concerned agree that this exceptional reversion to individual licensing is justified and necessary.

The change of procedure is a short-term measure to meet special conditions. If these conditions cease, owing to the withdrawal of direct dollar aid in cotton or of triangular deals in textiles and the raw material, the open general licensing system will be restored as soon as possible.

Australian Imports

Another severe blow affecting Lancashire's prospects in shipping cotton textile goods abroad has been the decision of the Australian Government to make further drastic import cuts.

The new cuts affect the Lancashire textile industry's leading overseas market. Shipments of cotton piecegoods so far this year have already shown a decline to 33,000,000 yards valued at £4,000,000. This compares with 48,000,000 yards valued at £5,800,000 in the corresponding period last year.

Although action by Australia to restrict its imports was not unexpected, the announcement disturbed traders on the Manchester Royal Exchange and there was increased anxiety about the outlook. Australian buyers have been acting cautiously for some time.

The Cotton Board and the Manchester Chamber of Commerce reserved comment pending official details of the cuts. A Chamber spokesman said it appeared that the further cut would virtually reduce textile imports to the base quota of 20 per cent. announced by the Australian Government in March 1952.

The situation will be considered at early meetings of trade organisations.—*All Rights Reserved.*

A substantial rise in New Zealand's wool exports for the first nine months of the current season is reported by the Commonwealth Economic Committee. Shipments of wool in March this year aggregated 90.7 million lbs., actual weight more than three times the unduly low February total, and representing on a greasy basis twice the quantity shipped in the previous March. In the nine months July-March 1955-56, shipments were 295 million lbs. actual weight, which on a greasy basis represented an increase of 14 per cent. compared with the corresponding period of the previous season. Exports to the United Kingdom rose by 4 per cent. to 134 million lbs., and those to France by 13 per cent. to 43 million lbs. Shipments to the United States were 56 per cent. higher at 30 million lbs., and those to Western Germany showed a rise of 14 per cent. to 23 million lbs. A notable increase occurred in shipments to the Soviet Union, which were nearly trebled at 10 million lbs. Larger quantities also went to Belgium, Italy and Japan.

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WORK OF INDIAN CENTRAL COTTON COMMITTEE

QUALITY AND PER-ACRE YIELD IN 1954-55 IMPROVE

THE Indian Central Cotton Committee, since it was established in 1921, has provided a common forum for all sections of the cotton industry and the cotton-growing States in India at which the cotton problems of the country are discussed and measures for dealing with them suggested. Apart from this function, the Committee's research schemes and laboratory service have proved of great value to the Indian cotton grower and the mills, for there has been in recent years considerable improvement in the quality and quantity of cotton grown in India. The cotton mill interests have made an increasing use of the facilities for testing provided by the Committee's Laboratory. It is noteworthy that the Committee, in its latest report covering the year ended 31st August 1955, has been able to record an increase in the proportion of long-staple cotton to the total crop grown in the country and a significant improvement in the per-acre yield of cotton.

Efforts have been made since the partition to make the country self-sufficient in respect of its requirement of cotton of staple length less than 1.1/16". They appear to have borne fruit with the acreage and production figures reaching the all-time high of 18.3 million acres and 42.98 lakh bales in the year 1954-55. As compared with 17.2 million acres under cotton and production of the order of 39.65 lakh bales in the previous year, the figures for 1954-55 represent an increase of 1.1 million or 6 per cent. in acreage and 3.33 lakh bales or 9 per cent. in production. It may be mentioned here that trade estimates, which past experience has shown to be more accurate than official estimates, place the 1954-1955 season's cotton crop at 54.6 lakh bales.

The target set by the Planning Commission, for achievement by 1955-56, in respect of acreage and production was 18 million acres and 42.29 lakh bales respectively. It is evident from the figures quoted above that the target was reached in 1954-55 itself, a year ahead of schedule. The increase in area under cotton during the season has been attributed to favourable weather conditions at sowing time and to efforts made under the cotton extension schemes of the Government of India. The acreage under improved varieties and irrigated cotton during the year of the report was 11.6 million and 1.7 million, as against 10.7 million and 1.4 million acres, respectively, in the previous year. The States of Bombay, Punjab, Saurashtra, P.E.P.S.U., Rajasthan and Mysore mainly contributed to the increase in area, whereas outturn showed an improvement in Bombay, Punjab, P.E.P.S.U., and Saurashtra only.

A point that deserves notice is that the increase in the acreage and production of cotton in 1954-55 was mostly in the long- and medium-staple varieties. Production under these groups in the year was 15.87 lakh bales and 18.86 lakh bales, as against 14.20 lakh bales and 16.62 lakh bales, respectively, in the previous year. The table below gives the approximate distribution of the cotton crop of 1954-55 into different staple length groups:

	Cotton production (Thousand bales of 392 lbs. each)		
	1954-55	1953-54	1952-53
Superior long staple (1" and above)	1,587 (37)	1,420 (36)	66 (2)
Long staple (¾" to 31/32")			839 (27)
Superior medium staple (13/16"×27/32")	1,886 (44)	1,662 (42)	842 (27)
Medium staple (below 13/16" and above 11/16")			553 (17)
Short staple (11/16" and below)	825 (19)	883 (22)	831 (27)
Total ..	4,298	3,965	3,131

N.B.—Figures in brackets represent percentage to total.

It is clear from the table above that the proportion of the long-, medium- and the short-staple cotton to the total crop in 1954-55 was 37 per cent., 44 per cent. and 19 per cent. respectively, as against 36 per cent., 42 per cent., and 22 per cent. in 1953-54. Long-staple cotton, it may be further noted, which formed 37 per cent. of the total in 1954-55, accounted for only 23 per cent. in 1950-51. The following table shows the staple-wise production of Indian cotton during the last five years, together with the corresponding averages for the two quinquennia 1940-45 and 1945-50:

(In thousand bales of 392 lbs. each)

Year 1st September to 31st August	Cotton production (Based on official forecasts)			
	Long staple (7/8" and above)	Medium staple (below 7/8" and above 11/16")	Short staple (11/16" and below)	Total
Average 1940-45 ..	619 (17)	1,461 (41)	1,526 (42)	3,606
,, 1945-50 ..	383 (17)	1,148 (51)	721 (32)	2,252
1950-51	648 (23)	1,448 (49)	830 (28)	2,971
1951-52	918 (29)	1,223 (39)	992 (32)	3,133
1952-53	903 (29)	1,395 (44)	831 (27)	3,131
1953-54	1,420 (36)	1,662 (42)	883 (22)	3,965
1954-55	1,587 (37)	1,886 (44)	825 (19)	4,298
Average 1950-55 ..	1,103 (32)	1,523 (43)	874 (25)	3,500

N.B.—Figures in brackets represent percentage to total.

Improvement has not been confined to quality but is also reflected in the yield per acre. The latter has gone up from 93 lbs. per acre in the quinquennium 1947-52 to 116 lbs. in 1954-55. The corresponding figures for 1952-53 and 1953-54 was 92 lbs. and 104 lbs., respectively.

The following table shows the figures of yield per acre based on the estimates of actual crop arrived at by the Committee during the last three years together with the corresponding average for the quinquennium ended 1951-52:

Year 1st September to 31st August	Area (Thousand acres)	Estimated actual crop (000 bales of 392 lbs. each)	Yield per acre (lbs.)
Average 1947-52	12,975	3,076	93
1952-53	15,693	3,667	92
1953-54	17,182	4,573	104
1954-55	18,346	5,434*	116

* Provisional.

Several cotton extension schemes, as is well known, have been undertaken for increasing the production of cotton. They were continued for the fifth year during the 1954-55 season. In 1951-52, these schemes were merged with the cotton plan under the first Five-year Plan. A target of production of 42.3 lakh bales was fixed for achievement by the end of the Plan in 1955-56. The target for 1954-55 was 39.8 lakh bales. Accordingly, plans were drawn up by the Government of India in consultation with the various State Governments and for facilitating implementation, an out-right grant to the extent of Rs. 9.89 lakhs for staff and other expenditure and loans to the extent of Rs. 58.10 lakhs for the purchase of improved seed were sanctioned by the Government of India to the various State Governments. The measures adopted under the cotton extension schemes for increasing the production of cotton, consisted of: (1) Expansion of cotton area by reclamation of waste and fallow lands, by replacement of food and other crops by cotton and by growing cotton as a second crop, (2) intensive cultivation by (*a*) provision of extra irrigation facilities, (*b*) inter-cropping cotton with other crops, (*c*) use of improved seed, (*d*) application of manure and fertilisers, (*e*) provision of adequate plant protection measures.

The following table gives the targets of additional area and production fixed for the 1954-55 season together with their estimated achievements:

Particulars	Additional area (In lakhs of acres)		Additional production (In lakhs of bales)	
	Targets	Achievements	Targets	Achievements
By expansion of area..	4.96	7.91	1.09	1.77
By provision of extra irrigation facilities..	0.91	1.08	0.31	0.28
By inter-cropping cotton with other crops..	4.41	3.92	0.41	0.27
By manuring ..	3.94	3.15	0.35	0.25
By use of improved seed ..	24.64	18.26	0.67	0.58
By plant protection measures	0.82	0.13	0.04	0.01
By improved cultural methods	0.13	1.48	..	0.01
Total ..	..	..	2.87	3.17

(*Continued on page 103*)

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STRIKE IN U.S. STEEL INDUSTRY

ITS CONSEQUENCES ANALYSED

IN view of the labour strike in the U.S. steel industry with effect from the 1st inst., the following article reproduced from the July issue of the *Monthly Letter* of the First National City Bank of New York will be read with interest:

Steel wage negotiations held the centre of the stage last month. The companies offered wage increases and additional fringe benefits for workers over the next five years, amounting, by the end of that period, to a total increase in employment costs of 65 cents per hour worked. The union rejected this offer as "trifling."

Pressed for funds to finance expansion, the steel companies are expected to advance prices to cover at least the initial added cost of any wage settlement. The question is, how much? Increased steel prices will likely mean higher prices for a wide range of goods that use steel. The size of the steel settlement is likely to have an impact also on negotiations in other industries such as meatpacking, telephone, rubber, steel fabricating, and aluminium. Thus, a big wage and price hike in the trend-setting steel industry raises the possibility of a resumption of the upward wage-price spiral of earlier post-war years. It comes at a time when the economy is moving along at close to record levels, prices—even in the farm sector—have been moving up, and the cost of living index has touched its previous high point of October 1953.

Apart from an oversize initial boost, the benefits offered by the mills over the later years of the contract—above 4 per cent. a year—appeared to be an estimate—perhaps on the optimistic side—of the improvement in productivity of labour that modernised facilities can bring, as well as the advantages of five years of labour peace.

Erring on Side of Generosity

The temptation to the employer, when business is good and a shutdown costly, is to err on the side of generosity. The temptation to the union is to press its advantage to the utmost, and make demands that, to be fulfilled, require large price increases.

This is an illustration of the way prosperity, sellers' markets and an abundance of employment opportunities threaten economic stability. One solution is Government price and wage controls. The solution for the free society is for the negotiating parties to exercise self-restraint when business is good so as to have a price basis that can be sustained when business is not so good.

These conflicts that we call "labour disputes" are basically a natural haggling that goes on every day in the business process. They become more than that when they relate to the whole of a key industry such as steel. They determine what other industries and unions feel impelled to do. Yet there is a basic identity of objectives in this difficult area of economic bargaining. Mr. Joseph L. Block, President of Inland Steel Company, in a New York speech on 24th May, made the point this way: "Workers, management, owners and the public gain by a sharing of productivity increases. They all suffer from the harmful effects of inflation. The only proper question at issue is an evaluation of future productivity increases based on past experience."

The Record

Since 1939, the dollar has lost nearly half its buying power. Average hourly earnings in manufacturing in that period have tripled. With the spread of "fringe benefits," the increase in labour costs has been even greater. Estimates developed by the U.S. Bureau of Labour Statistics indicate a rise of labour productivity in manufacturing over this period of perhaps 40 per cent. In other words, labour costs have been rising at a rate inconsistent with price stability.

Over the long run, wages must be paid for out of production, and thus can be raised only by increased production. Some union officials insist that employers can take the cost of wage increases out of profits. This ignores the fact that the employer needs adequate profits to reward management, provide a return on invested capital, and keep the company financially strong so that it can provide for growth. Thus, wage demands in excess of productivity gains must be felt in higher prices. Inflation will reduce *real* gains to those warranted by production.

Historically, *real* hourly earnings have moved up closely in line with output per man-hour. Going back all the way to 1909, for instance, hourly earnings, in terms of purchasing power, and output per man-hour as estimated by the Bureau of Labour Statistics, are both up by about 250 per cent. That contrasts with a tenfold increase in nominal money earnings. This, then, is the issue in the steel wage dispute. Shall we try to keep the rise in labour costs in line with prospects for improved productivity? Or shall we delude ourselves with the mirage that excessive labour cost increases can come from some place other than the consumer?

The Same Problem Abroad

The same disease—sometimes in more advanced forms—plagues a number of Western European countries. With an increasing scarcity of labour as Europe's industrial expansion continues, trade unions have found their bargaining position greatly strengthened and feel a natural disposition to take advantage of it. In Great Britain, for instance, there have been more job openings than people seeking jobs. At latest report, unemployment in that country amounted to 265,000, while the number of unfilled vacancies came to 380,000. In France, wages rose by 9 per cent. during 1954 and by 11 per cent. in 1955. Wage increases in Belgium, Norway, Sweden, West Germany, and the United Kingdom have followed much the same pattern.

Excessive wage demands have created critical difficulties for England. While weekly earnings per worker have increased by some 45 per cent. since 1950, weekly output per wage earner has increased only by 10 per cent. And it seems likely that wages will increase even more this year. In the first four months of 1956, weekly pay-rolls increased by over £5 million—about the same amount as for all of 1955. A number of wage negotiations are still outstanding, while further wage demands on behalf of engineers, railwaymen, and miners will be presented before the end of the year.

The British Chancellor of the Exchequer, Mr. Harold Macmillan, took note of the seriousness of the matter in a speech in May before the British Chamber of Commerce. As reported in the *New York Times*, he declared that, if every rise in price resulting from past wage increases is regarded as a basis for future pay rises, "we are certainly on the road to ruin." He continued: "I say to the whole country and in the plainest words I can use, our jobs are at risk, and will be so increasingly until this ruinous spiral of wages and prices is stopped."

Full Employment Policies

The task of preserving the value of money, while at the same time keeping business activity at high levels, is most difficult in those countries which most actively pursue full employment goals. The fuller the employment the harder it is to keep the lid on prices. That is because when labour is scarce, employers bid for workers by offering higher wages. Increased pay-roll costs are passed on in higher prices to the consumer.

Senator Paul Douglas of Illinois, an economist who has made a life study of employment statistics, wrote a book in 1952, entitled *Economy in National Government*. In it, he suggested that a normal proportion of seasonal and transitional unemployment would run near to six per cent. of the civilian labour force. In other words, there would be people finding their way to job openings that exist.

Between 1945 and 1955, the number of unemployed persons in this country averaged under four per cent.—well below what Senator Douglas suggested as a norm. Put another way, full employment policies of the Government in this country have actually produced "over-full" employment—more jobs than workers in many lines. It is significant to note that, in the same ten-year period, consumer prices in this country rose by nearly 50 per cent. Mr. Neil H. Jacoby, former member of President Eisenhower's Council of Economic Advisers, in his recent book, entitled *Can Prosperity Be Sustained?*, discussed the effect of rising prices this way: " . . . Since 1941 more human suffering has been visited upon Americans by the doubling of consumer prices than by unemployment. . . ."

Those European countries which have succeeded in pushing unemployment down [illegible] further than in this country have [illegible] with even greater wage-price pre[illegible]

be seen in the following table. It shows that the cost of living has gone up faster in Sweden, Holland, and the U.K., where unemployment is almost non-existent, than in Germany, Belgium, and the U.S., where the percentage of unemployed has been higher.

	Germany		Belgium		Holland	
	Cost of living*	Unemployment†	Cost of living*	Unemployment†	Cost of living*	Unemployment†
1950 ..	100	10.2	100	10.9	100	2.0
1951 ..	108	9.0	110	9.8	110	2.3
1952 ..	110	8.4	110	11.8	111	3.5
1953 ..	108	7.5	110	11.8	111	2.7
1954 ..	108	7.0	111	10.9	116	1.9
1955 ..	110	5.1	112	8.4	118	1.3‡

	Sweden		United Kingdom		United States	
	Cost of living*	Unemployment†	Cost of living*	Unemployment†	Cost of living*	Unemployment†
1950 ..	100	2.2	100	1.6	100	5.0
1951 ..	116	1.8	110	1.2	108	3.0
1952 ..	125	2.8	120	1.7	110	2.7
1953 ..	127	2.8	123	1.7	111	2.5
1954 ..	123	2.6	126	1.4	111	5.0
1955 ..	132	2.4	131	1.1	111	4.0

* Calculated from *International Financial Statistics* Indices: 1950=100.

† Percentage of labour force; Source: *I.L.O. Year Book of Labour Statistics*, 1955.

‡ Estimated.

There is some evidence of a growing awareness of the difficulties created by making wage demands greater than increased productivity and by pursuing full employment policies regardless of the effect on prices. As to the first area—wage demands—the April issue of *Economic Trends and Outlook*, published by the A.F.L.-C.I.D. Economic Policy Committee, carried this paragraph: "...Certainly, it is true that, if real wages are to rise, there must, indeed, be a constant increase in productivity as well which, in turn, can make possible a rapid growth in the total size of the production pie.... If real wages are to continue to rise, this movement must be underpinned by rising man-hour output and greater total production...."

An example of increasing maturity in labour leadership abroad showed up in Sweden not long ago. The Swedish Confederation of Trade Unions, in April, agreed to fix wage increases at a maximum of 3.7 per cent. for 1956, while at the same time making an effort for an over-all production rise of at least 4 per cent. Said Mr. Rudolph Meidner, Economic Adviser to the trade unions: "We know that a new wage increase of 12 per cent., as in 1955, would be dangerous. The economy cannot bear a wage increase of 10 per cent., if the production is raised only by 3 or 4 per cent."

Responsibility to Share

The responsibility for preventing inflation in this country and abroad in the months ahead rests on many shoulders. Workers need to hold their demands for increased wages to amounts justified by their own proficiencies and by general advances in technology and productivity. Government monetary and fiscal authorities must realise that pumping up the credit supply—in order to perpetuate "full employment"—will lead to further erosion of the currency. Although inflationary forces are set in motion by excessive wage demands, refusal by the authorities to underwrite the increases by boosting the credit supply would dampen these forces. Business men must strongly resist excessive union demands and set price and profit policies, so that part of the benefits of increased productivity can be passed on to the consumer in the form of better products or lower prices. The public must give its support to Government and private efforts to restrain economic excesses—even though money income (as distinguished from real income) may not rise as fast as in the past.

If this and other countries are to enjoy sound economic growth with stable currencies, the responsibilities must be met. To do otherwise is to invite inflation and later collap[illegible]

A report by the U[illegible]merce Department states that the famil[illegible] 3 per cent. over 1954 level, and 100 p[illegible]es increased from 36 million in 1929 while [illegible]on in 1955. The past decade also wit[illegible] wide changes in the pattern of income dis[illegible]ution. The proportion of those earning less than $5,000 a year went down from 79 to 30, of those between $5,000 and $10,000 a year shot up from 17 to 44 and of those above $10,000 from 4 to 26.

CONTROL OVER MOLASSES IN BOMBAY

SUGAR FACTORIES ADVERSELY AFFECTED

THE assumption of wide and arbitrary powers by the Government of Bombay under the Molasses (Control) Act, 1956, is not only untimely but also highly unjust. The Act, it will be recalled, vests in the Government full authority to control the price at which and the manner in which molasses—one of the main by-products of the sugar industry—is bought or sold generally for any industrial purpose. It also vests in the Government powers to regulate, by licences, permits or otherwise, the storage, supply, transport, distribution, disposal, acquisition, possession, use or consumption of molasses. In addition to these, the Act empowers the Government to issue an order providing for the following:

For requiring any person or occupier of a sugar factory to sell molasses, held in stock by him or produced or to be produced in his factory, to the State Government to the exclusion, complete or partial, of others or to such person or class of persons and in such circumstances and upon such terms as may be specified in the order; where any person sells molasses, there shall be paid to him the price therefor—(a) where the price can, consistently with the controlled price, if any, be fixed by agreement, the price so agreed upon; (b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any, fixed under this section; and (c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale;

for the taking of samples and grading and testing of molasses;

for regulating or prohibiting any class of commercial or financial transactions relating to molasses, which, in the opinion of the State Government, are, or, if unregulated, are likely to be, detrimental to the public interest;

for collecting any information or statistics with a view to regulating or prohibiting any of the aforesaid matters;

for requiring occupiers of sugar factories and persons engaged in the production, supply or distribution of, or trade and commerce in, molasses, to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto, as may be specified in the order; and

for any incidental and supplementary matters, including, in particular, the grant or issue of licences, permits or other documents, their terms and conditions and the charging of fees therefor.

The aforesaid powers will be exercised by the Government through inspectors appointed for the purpose. The inspectors will be authorised to inspect, at all reasonable times, the stocks of molasses held by any sugar factory or person, to have samples from such molasses for analysis or testing, and to examine licences, permits, records, books, accounts, returns, documents or statements relating to transactions in molasses in the possession or custody of any person or sugar factory. For the purpose of advising the State Government on matters pertaining to molasses, a Molasses Board, with not less than six members, will be constituted.

Delegation of Powers

The Act provides for delegation of powers. Accordingly, the State Government can direct that any power conferred or any duty imposed on it may, subject to such conditions as it will specify, be exercisable also by any officer specified by it. Further, the Government can exempt, either wholly or partially, any area or person or class of persons from all or any of the provisions of the Act, or of the rules and orders made thereunder. It can also call for and examine the records of any proceedings before any officer exercising powers or discharging duties under the Act, including those relating to the grants or refusal of a licence or permit under an order for the purpose of satisfying itself as to the correctness, legality or propriety of an order passed in, and as to the regularity of, such proceedings and may either annul, reverse, modify or confirm such order or pass such order as it may deem fit.

The Act also provides for severe penalty in cases of default. Thus, whoever contravenes any provisions of the Act or any order made thereunder will, on conviction, be punished with imprisonment of either description which may be extended to one year or with fine. Any court trying such contravention may direct that the stocks of molasses in respect of which the contravention has taken place shall be forfeited to the State. The Director, Collector or any officer empowered to investigate an offence under the Act will be authorised to (a) enter and search at all reasonable times, any premises in which he has reason to believe that any molasses in respect of which an offence punishable under this Act has been or is about to be committed is kept or concealed and seize such molasses and any box, receptacle, package or covering containing such molasses; (b) seize in any open place or in transit any molasses in respect of which he has reason to believe that any offence punishable under this Act has been committed and also any box, receptacle, package or covering containing such molasses; (c) seize any books, accounts, documents or statements relating to transactions in the molasses so seized; (d) detain, search and arrest any person whom he has reason to believe to be guilty of any offence punishable under this Act.

It will be evident from the foregoing analysis that the Bombay Government has assumed very wide and arbitrary powers to control molasses which will adversely affect the sugar industry. As it is, molasses in this State is subjected to rigid restrictions as regards sale, transport, storage and possession, and export, thanks to prohibition. These restrictions make it impossible for the sugar factories to dispose of their stocks of molasses, even though there is good demand for it from other States, as also from foreign countries. Consequently, huge stocks of molasses have accumulated with the factories and their storage has been a standing problem to the mills ever since the Prohibition Act came into force.

Wasteful Disposal

When faced with excess stocks of molasses, the factories try to solve the problem by destroying them or by using them as manure wherever they are found suitable. Even for this, they have to take the permission of the Government. The fulfilment of this condition involves considerable delay and expenditure. For instance, when a factory wants to move the surplus molasses from the storage tank or pits to fields either for destruction or for being used as manure, it must do so only under an escort provided by the Government. What is more, the cost of escort, which is specified by the Government, is to be paid by the factory itself. Thus, for no fault of its own, the factory is compelled to pay a penalty. Here is a by-product which is inevitable in the manufacture of sugar. It can be put to valuable use, but the manufacturer is prevented from doing so, because of laws framed for enforcing prohibition. When as a result, stocks accumulate and have to be destroyed, not only has the manufacturer no freedom to do so but has also to pay for it. That is not all. When the surplus molasses is destroyed on the fields, it results in bad odour lasting for several days and adversely affecting the health and temper of people working in sugar factory areas. We do not think there is any industrial country in the world where the disposal of a useful by-product is handled in such an annoying and wasteful manner as in Bombay State.

In view of all this and of the prospect of having to face additional accumulations, following the new controls referred to above, it will not be surprising, if sugar manufacturers in Bombay-Deccan were to suffer from a sense of exasperation. The reasons adduced by the Bombay Government for having brought forward the legislation are not, to say the least, convincing. The Government says:

"The main raw material required for the manufacture of power and industrial alcohol is molasses and, unless its supply at fair prices is ensured, it will not be possible to manufacture power and industrial alcohol on an economic basis. It is, therefore, considered essential to control the supply of molasses for the purpose of development of certain industries in which the use of power and industrial alcohol is essential by securing their equitable distribution and availability at fair prices and for certain other matters. The Bill is intended to achieve the objective in view."

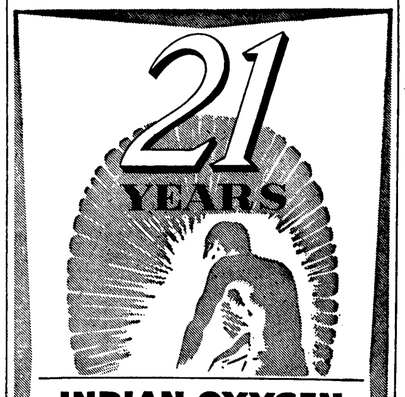
Where is the Need for Control?

Few would dispute the need for ensuring adequate supplies of molasses for alcohol distilleries at a fair price. But this is no problem at all. For the stocks of molasses are, as already stated, plentiful. Even if all the distilleries in India were to work to their full capacity—27 million gallons per annum—about 600,000 tons of molasses would be required on the assumption that the all-India average yield amounts to 46.41 gallons of alcohol from 1 ton of molasses. As against this requirement, the total quantity of molasses available comes to more than 717,000 tons. But the fact is that the existing capacity is not being utilised in full and the supply is far in excess of the demand. Accordingly, even normal market forces will keep the prices down at reasonable levels.

The assumption of full control over molasses is instituted for no other reason than using it in the manufacture of rectified spirit and power alcohol. Unfortunately, its actual use for this purpose in the State is confined only to a few licensed distilleries attached to the sugar factories and the Government Distillery at Nasik. These distilleries need only a very limited quantity of molasses. Again, negligible quantities of molasses are used by foundries for casting purposes. Even after meeting all the requirements, there is still left a surplus which can usually find its way to other States. Where then is the need for the authorities to control the supply of molasses?

Truth Lies Elsewhere

The truth behind the Bombay Government's policy lies elsewhere. It will be recalled that, about two years ago, the Government put up an additional plant at its Nasik Distillery for the purpose of manufacturing power alcohol for use as motor fuel by mixing it with petrol. At that time, it did not care to ascertain the prospects of working the distillery successfully. It soon discovered that the cost of this power alcohol would ultimately be higher than the cost of petrol. The problem before the State Excise authorities was, therefore, to manufacture power alcohol at a cost that would make it competitive with petrol. As this was not an easy problem, the authorities felt that, if they could secure the raw material at a nominal cost, the difficulty regarding the ultimate cost would be overcome. The Government could have, of course, exempted power alcohol from excise duties. But this it was not prepared to do. It wanted to have the cake and eat it. And this it could do only at the expense of the producer of molasses. The sugar factories were accordingly subjected to every form of pressure to provide the Distillery with a sufficient quantity of molasses at a very low price. The sugar industry tried its utmost to accommodate the Government in this respect. But the negotiations ultimately broke down over the question of price. Thereafter, the Government arbitrarily fixed the price of molasses at As. 4 per maund under the Bombay Essential Commodities and Cattle (Control) Act, 1946. Since the legality of the move to control molasses was doubted, the Government of Bombay decided to bring forward the aforesaid legislation. And the amendment to Article 31 of the Constitution made its task easier. But this does not alter the fact that, if the Government takes away molasses from the factory at as low a price as As. 4 a maund, it will be nothing short of expropriation of private property.



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COAL INDUSTRY IN INDIA

PRODUCTIVITY LOWEST IN WORLD

THE history of the coal industry in India dates back to the year 1774, when mining was started in the Raniganj area. It will be surprising to note that this 182-year old industry occupies only ninth place in respect of production among the important coal-producing countries of the world. This backwardness is due to the fact that production of coal was for a long time, till the advent of the Jharia Coalfields, insignificant, considering the vast size, resources and population of the country. Very little attention was paid to the industry even up to the First World War. This is understandable, because industrial progress of India was at a very slow pace till then. It was only the pressure of the Second World War that caused great attention to be paid to the growth of the industry and made the Government devise measures which, while aiming to raise production, brought price, allocation and distribution of coal under Government control. Some kind of control had, of course, been exercised over the industry ever since production started, but it was not so detailed as during the war years.

The importance of the industry to the country's economy has now ceased to be a matter of academic discussion. The important role it plays in the economy of the country has come to be widely recognised. The rapid industrialisation envisaged under the second Five-year Plan confers a more vital role on it than hitherto. There are 960 collieries in this country and their present output is of the order of 38 million tons. The total amount of capital sunk by 475 joint-stock companies (as at the end of 1953-54) is Rs. 22.42 crores, besides that employed by private individuals and syndicates The average number of persons employed daily is about 340,000.

The output of coal in India, which was about 26 million tons in 1939, rose to 38.21 million tons in 1955. In spite of this increase, it is stated by some—*vide* page 24 of the Award of the All-India Industrial Tribunal (Colliery Disputes), Volume I—that the industry is not in a position to meet the entire domestic demand. In support of this contention, the following figures (collected from the Coal Commissioner's Office, Calcutta) are cited:

(In million tons)

Year	Production	Demand	Allocation	Despatches
1950	32.31	34.74	34.37	27.11
1951	34.43	37.19	35.08	29.22
1952	36.80	39.01	34.70	31.14
1953	35.98	37.51	36.37	30.76
1954	36.86	39.48	39.06	31.91

It is hard to believe, as the Tribunal does, that the industry is unable to meet the entire domestic requirements of coal. It is not known how the domestic demand has been calculated. The fact is that the industry is strictly controlled and production targets for certain high grade varieties of coal are determined by the Government. The industry has also been exporting coal of well over a million tons and there are no restrictions on exports. In 1952, exports amounted to 2.5 million tons. Thereafter, they have been running at the rate of 1.25 million tons. If domestic production is running below domestic requirements, it is not clear why exports are being freely allowed.

The real position, as it appears to us, is this. If the industry is unable to produce coal to meet the country's requirements in full, it is mainly because of inadequacy of transport. This is clear from the fact that even the available supplies do not reach the consumers to the full extent, as will be seen from the table above showing a wide gap between allocations and despatches.

The inadequacy of transport facilities has been the problem ever since coal production commenced in India with the result that control over wagon allotment has persisted right through. The control over wagon allotment was tightened during the war years. The accumulated stocks at the pit-head amounted to 3.61 million tons at the end of 1955. It is officially stated that the position would improve in the coming years, thanks to the large provision made under the second Five-year Plan for railway rolling stock. But it remains to be seen how far this optimism is justified. It must be borne in mind, in this connection, that the second Plan has made provision for a large increase in the output of coal, the target to be hit by 1960-61 being 60 million tons.

Now that the coal industry in India is on the threshold of a phase of rapid development, it will be interesting to view its position in relation to certain other principal coal-producing countries of the world.

The following table sets out the position of the Indian coal industry in relation to other important coal producers:

Countries	Production* (In mill. tons)	Labour† force (In 000's)	O.M.S.† (overall)	O.M.S.† (underground)
U.S.	448.46	397	6.67	N.A.
U.K.	225.13	716	1.21	1.61
U.S.S.R.	347.10	N.A.	N.A.	N.A.
West Germany	130.93	419	1.11	1.47
China-Manchuria (estimated) ..	40.00	N.A.	N.A.	N.A.
Poland	94.72	N.A.	N.A.	N.A.
France	55.33	241	0.91	1.36
Japan	42.43	365	0.88	0.59
India	38.21	343	0.37	1.10
Belgium	29.72	160	0.75	1.05
South Africa	32.26	57	N.A.	N.A.

* As in 1955. † Relates to 1952.
N.A.=Not available.
O.M.S.=Output per man-shift.

It will be seen from the above that India is ninth in the order of priority so far as production is concerned. Countries which are much smaller than India in size and resources are producing more. From the point of view of total labour force employed, India occupies the fifth place amongst the first eleven coal producing countries. In the matter of output per man-shift (overall), India is at the bottom, while, in respect of O.M.S. for underground, it does not compare so very unfavourably with other countries, considering that mechanisation is more advanced in Western countries. Though the statistics relating to labour force and output per man-shift relate to the year 1952, there is no reason to believe that there must have been any marked variation in the position since then.

The leading position which the U.S. commands in respect of production and output per man-shift is due to the advantages it has both in geological conditions and human factors. Mechanisation, admirably suited to geological conditions, is continuously progressing. There has also been enormous progress in the mechanisation of loading operations. More important than the mechanisation is the human factor also. There is close co-operation between the employers and the workers at every stage. Employers show high consideration to workers and the latter, on their part, show great understanding. They realise that mechanisation of equipment and modernisation of mining methods are in their own ultimate interest. They do not distrust modern methods, but, on the other hand, demand that such be applied.

As compared with the U.S., the U.K. is only a distant second. In fact, production has shown a declining tendency. From 244.26 million tons in 1937, it has fallen to 225.13 million tons. The overall productivity has, however, been kept up. From 1.16 tons in 1939, it declined to 1.02 tons in 1945, but since then it has gone up to 1.21 tons in 1952. The same trend is noted in productivity underground. The example of the U.K. has clearly shown, according to the Coal Mines Committee, that "mechanisation in itself is not enough to solve productivity problems; its success depends upon the attitude of the workers." In the Federal Republic of Germany, production declined from 137.57 million tons in 1937 to 123.34 million tons in 1952, but rose to 130.93 million tons in 1955. Overall productivity had fallen from 1.56 tons in 1939 to 1.11 tons in 1952 and underground productivity from 2.01 tons to 1.47 tons. The problems of the German coal industry are different from those of other countries. They relate to the employment of 60,000 to 70,000 physically incapacitated miners, "negative rationalisation" method, high fluctuation of labour force, inadequate renewal of shaft capacity and lack of capital which has restricted the extension of modernisation methods. Mechanisation also has not progressed sufficiently, due to serious shortage of iron and steel.

Among the other countries, special attention needs be drawn to Belgium, Japan and India. It will be noted from the table above that production in Belgium is lower than that in Japan or India. The workings are the deepest in Belgium. Coal-mining conditions in that country are the most difficult among all coal-producing countries. Belgium man-power shows lack of interest in mining. So the industry has to depend on foreign man-power which has created problems of its own. Special geological conditions restrict the application of modern mechanical and electrical mining machinery. Nevertheless, the output per man-shift is higher than that in Japan or India. Efforts are being made to improve the working and living conditions of labour in Belgium. Since the end of last war, Japan's coal industry has been suffering from shortage of underground workers. The gradual deepening of the mines has rendered mining conditions less favourable than ever. Considerable improvement has been made in mechanisation since the war, but the main factor which affects output trends in the Japanese coal industry is worker's remuneration. The overall productivity declined from 0.65 ton in 1939 to 0.21 ton in 1946. After an increase to 0.40 ton in 1951, it has again declined to 0.38 ton in 1952.

As regards India, the method adopted for assessing output differs from that usually applied in other coal-producing countries and the position of India's coal industry cannot be compared with that of the other coal-producing countries, as India's problems are of a very special nature. Referring to the position in India in respect of productivity, the All-India Industrial Tribunal (Colliery Disputes) in its latest award observes:

"While the output per man-shift in India is low, it is not as bad as it is sometimes made out to be. The real problem is in regard to the O.M.S. overall which most certainly calls for early attention and careful and detailed investigation. It is for the management and the labour to give thought to the matter and devise ways and means to increase productivity. There can be no doubt that O.M.S. could be increased both underground and overall. It may be that the present disparity is primarily due to slow mechanisation in India. In India, in most mines work underground is done manually and not mechanically. Even in the few collieries where automatic loading exists, mechanical loading is not possible, because of transport difficulties and the paucity of open wagons."

It will be noted from the foregoing survey that each country has its own peculiar problems and a strict comparison between any two countries will be neither useful nor correct. So far as India is concerned, there is every reason to feel gratified with the achievements made so far, in regard to production, working conditions and labour welfare, etc. There is, however, ample scope for further improvement. Much will depend on the employer-labour relationship and, in this respect, the example of the U.S. should serve as a good guide.

The output of coal in India increased to 3,314,435 tons in May 1956 from 3,224,493 tons in April 1956. Despatches of coal amounted to 2,871,114 tons in May 1956, as against 2,866,348 tons in the preceding month. Coal stocks at pitheads amounted to 3,834,498 tons at the close of the month.

During the month under review 843 collieries were reported to be working with an average daily employment of 328,227 workers. Output per man-shift was estimated at 1.10 tons for miners and loaders, 0.58 ton for all workers underground and in open workings and 0.38 ton for all persons employed including surface workers. The percentage for absenteeism was of the order of 14.77. Nine coke plants at collieries and elsewhere produced 335,952 tons of hard, soft and other kinds of coke during the month and despatched 152,230 tons.

There appears to be a misconception in certain quarters that there is, at present, some sort of restriction on the export of Indian coal. The Government of India wishes to make it clear that no restrictive controls are in force at present on the export of Indian coal. The export coal was under State trading some years ago in vogue. With a view to encouraging exports and the system of commercial charges established long continued in 1953. Except the statutory minimum price fixed for coal, no other control is enforced in regard to the price of coal. The other restrictions on export have also been considerably relaxed, particularly in the case of high-coking coal; and above all the procedure for the grant of export licence has been simplified.

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PAKISTAN INTERNATIONAL AIRLINES

RISING COST OF PRODUCTION OF TEA

MR. HOARE CALLS FOR GOVERNMENT ASSISTANCE

IT is generally held that the outlook for Indian tea is bright. This optimistic view is based on many factors. The first is that the record world output in the season 1955-56 has been "fully absorbed" by the world markets. Secondly, none of the main consuming countries holds stocks in excess of its normal requirements. Thirdly, internal consumption in India is expanding at an impressive pace. Fourthly, Russia, which has entered the Indian tea market, is expected to buy 50 to 60 million lbs. under its barter agreement with this country. The optimism must, however, be tempered by the danger of rising cost of production and the increasing competition from other countries, not to mention other beverages.

Of the two aforesaid bearish factors, the cost aspect is the more important. It is not, therefore, surprising that it figured prominently in the address of Mr. M. W. Hoare, Chairman of the Nilgiri Planters' Association, at its annual general meeting, held recently at Coonoor. In fact, Mr. Hoare even went to the extent of saying that the outlook for the Indian tea industry was bleak, unless the Government came to its assistance by reducing the rates of export duty and cess.

Tracing the recent trends in the price of tea and the cost of production, Mr. Hoare said that the boom of 1954 was not an indication of a steadily rising price trend. It would, indeed, be many years, he said, before one could hope to see again an equally high level of prices. On the contrary, industry would, he added, continue to display a succession of irregular booms and slumps, an unhappy characteristic of the past. Dealing with cost of production, he envisaged that it would steadily increase over the years to come to an even greater extent than it had been expected hitherto. Labour welfare measures were not limited only to the obligations imposed by the Plantations Labour Act; taxation would be enhanced under the second Plan; and even the controlled degree of inflation during the second Plan period would go to swell the industry's cost burden. In this context, Mr. Hoare drew attention to the fact that, while the cost of their product was necessarily based on the economic conditions within India, the major part of their produce secured a price which was subject to the difficulties inherent in competitive overseas markets. Accordingly, Mr. Hoare viewed with concern the ever-narrowing margin between the cost of production and the net selling price. It is obvious that, unless the tea market improved or costs were reduced, it would be impossible to meet the existing burdens, let alone the future burdens. He added that it was within the Government's power to assist in the solution of these real difficulties, by reducing the rates of export duty and cess, especially at those levels which operated when market prices were low. He felt sorry that appeals by the industry in this direction had so far gone unheeded.

Proceeding, Mr. Hoare suggested that a vigorous export drive could also be launched with some reduction in export levies, so that the position of the Indian industry in world markets could be made more competitive. This would go a long way towards solving the industry's difficulties and in enabling it to meet the other commitments which were being imposed upon it, in the name of a welfare State.

Mr. Hoare's picture of the industry's future thus may seem too gloomy, but it cannot be denied that there is considerable force in his arguments. Tea cannot hold its position as a staple drink, unless it is made cheap and competitive with other beverages. Moreover, India cannot for all time depend on foreign markets alone to consume the major part of its tea production. Internal consumption must be raised and this cannot be done unless tea is offered at a price that will suit the purse of the masses.

Alluding to labour problems, Mr. Hoare referred to the consequences of the enforcement of the Plantation Labour Rules with effect from 4th January last. These rules would add further to the already heavy administrative burdens of management. He reiterated that inspectors appointed to administer these rules must be of a calibre and experience suited to the magnitude of their task. Otherwise, great financial and economic harm might be done unwittingly by officers with the power of law behind them but without sufficient experience in the application of theoretical rules to practical circumstances.

It may not be out of place to refer here to some of the observations of Mr. Khandubhai Desai, Union Minister of Labour, at the inauguration of the South Indian National Plantation Workers' Federation at Coonoor last week. He said that the Government had a great interest in the prosperity of the plantation industry, not because it was owned by a few planters, but because it employed a million people whom the Government wanted to look after. Whatever profit was produced would be utilised to improve the standards of living and the human conditions of those who assisted in producing that wealth. In the socialistic pattern of society that India was ushering in, Mr. Desai added, there were no employers or employees. According to him, those who were managing the industry were also workers. He also added that plantation labour should equip itself in the near future to sit with the managements and technicians to see how plantations could be better managed. Mr. Desai probably envisages a day when the plantation workers can take an active part in the management of plantations.

Mr. Desai also referred to the introduction of provident fund benefits to plantation workers. He said that the Central Government would be quite willing to accord the necessary sanction to State Governments if they wished to enact suitable legislation. It is needless to add that if provident fund benefits are introduced, it will further add to the cost of production of plantation crops. Further, if the State Governments are given the freedom to enact legislations of their own, there will be no uniformity in the incidence of this additional burden, unless the Centre does a certain amount of co-ordination.

(Concluded from next column)

While the rise in internal consumption portends a good omen to the jute mill industry, the fact that exports in the season just ended have lagged behind is a cause for increasing concern. Slackness in overseas demand has caused accumulation of stocks with mills. It is proposed to tackle the problem by cutting down the output. This is a negative measure which at best is no more than a palliative. The best way to help the mills is to place at their disposal good quality jute at reasonable rates which would enable them to reduce their cost of production. This will be possible only if the State Government in the jute-growing areas take interest and make the cultivator of jute take to intensive cultivation involving line-sowing, wheel-hoeing, and supply of improved type of seeds. The West Bengal Government has expressed its desire to take up the work of encouraging intensive cultivation and it is to be hoped that other Governments would also follow suit. For this they need not wait for long periods. Since jute is a six to eight months' crop, they can show results quicker if only they start working without losing time.

FRENCH PRODUCTION OF JUTE GOODS MOVES UP

Production of yarns and cloth by the French jute industry declined during April, as compared with the previous month, reports Jute Bulletin of the Indian Central Jute Committee. The spinning mills reported an output of 8,850 tons (provisional) as against 9,846 tons (revised) in March, while the weavers produced 6,800 tons as against 7,388 tons (revised).

Production figures for the month of February, previously given as 8,900 tons of yarn and 6,700 tons of cloth, have been revised downward to 8,835 tons and 6,546 tons, respectively. The output for the first four months of the current year aggregated 36,702 tons of yarns and 27,504 tons of fabrics, as against 34,816 tons and 27,733 tons for the first quarter of 1955.

BAG SUPPLIES RISE IN HOLLAND

Prosperity in the potato trade has brought about a steep increase in the number of bags at present in circulation in the Netherlands. In all, 7.5 million bags were supplied during the first quarter of 1956, as compared with 4 million in the corresponding period last year.

Consumption of bags during February and March amounted to 9.4 million of which 5.4 million were new and 4 million used. Imports during the same period were 7.55 million made up of 2.95 million new and 4.6 million used bags.

The Netherlands exported 55,000 new bags and 3.4 million used during February and March 1955.

DESPATCHES OF JUTE GOODS

DOMESTIC OFFTAKE IMPROVES BUT EXPORTS SAG

THE total despatches of gunnies during May 1956 amounted to 89,000 tons, as against 81,300 tons in the preceding month and 89,600 tons in May 1955. Of the total, despatches for overseas amounted to 73,700 tons and for local consumption 15,300 tons, as compared with 62,600 tons and 18,700 tons, respectively, in April 1956 and 74,300 tons and 15,300 tons in May last year.

With May's despatches, the total for the first 11 months of the 1955-56 season amounted to 956,500 tons, as against 904,400 tons in the corresponding period of the preceding season. Of this total, exports of gunnies accounted for 779,800 tons, as compared with 783,500 tons in July-May 1954-55. The quantity consumed within the country amounted to 176,700 tons, as against 120,900 tons. These figures reveal that shipments to overseas markets during the July-May 1955-56 season were 3,700 tons lower than those a year previously, while the offtake for internal consumption was better by 45,800 tons over the corresponding period of 1954-55.

It will be interesting to review here the trend of despatches of gunnies during the past five or six years. The table below gives an idea of the quantity exported outside India and the offtake for internal consumption during the five years since 1950-51:

Despatches of Gunnies from Indian Jute Mills

Year	Exports	Internal consumption	Total despatches
1950-51 ..	712,200	114,200	826,400
1951-52 ..	784,600	147,000	791,600
1952-53 ..	686,100	167,600	853,700
1953-54 ..	791,900	116,800	908,600
1954-55 ..	850,800	137,600	988,400
1955-56* ..	850,610	192,763	1,043,373

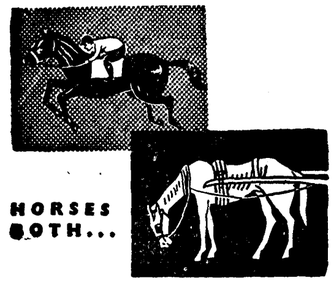
* Estimated.

Some significant changes are noted in the trend of despatches during the period referred to above. Exports of gunnies maintained a steady upward trend from 1950-51 up to 1954-55, except in 1952-53, when they showed a marked decline to 686,100 tons. The fall reflects the crisis through which the industry passed in that year when jute goods stocks with mills rose month after month at an alarming rate. Godowns were jammed to capacity. Foreign demand was at a low ebb with export duty at Rs. 275 per ton on hessians and Rs. 175 per ton on sackings working heavily on them. Competition from continental mills, to which Pakistani jute was easily accessible at rates relatively lower than those paid by Indian mills, was severe and India was forced to lose a part of its traditional markets. From 1953-54 onwards, however, exports once again resumed their upward trend. The chief factors responsible for this improvement were the reduction in export duties first and their total abolition later. The offtake of Indian jute goods by many countries, especially Argentina, Australia, China, Russia, Burma and the U.S. improved. The mills were better placed in respect of raw jute supplies. The I.J.M.A. also initiated a vigorous drive for export promotion in the U.S. and other countries, making overseas consumers know that gunnies, as a packaging material, brought many advantages to their users.

In the 1955-56 season, however, the estimated exports, at 850,610 tons, were more or less the same as those in 1954-55. This means that the year witnessed a check in the rising trend of exports noted in the preceding two years. And this is due, as readers are aware, to (*a*) relatively higher prices of Indian jute goods, (*b*) competition from packaging substitutes, (*c*) wider adoption of bulk handling methods and (*d*) emergence of Japan and Pakistan as competitors in Indian markets. These explain in a way the reason for the I.J.M.A.'s recent decision to reseal 2½ per cent. of the total looms of member mills.

Despite the setback in exports as noted above, the total despatches by mills have shown a steady improvement since 1950-51, reaching a peak of 1,043,373 tons (estimated) in 1955-56. This marked rise is due to a good offtake for internal consumption which at 192,763 tons is 55,163 tons higher than in 1954-55. This improvement may be traced chiefly to the Government's move to stock foodgrains as reserves, growing output of cement, and increased agricultural production in recent years.

(Continued in previous column)



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NEED FOR A VIGOROUS NATIONAL HOUSING POLICY

USE OF CHEAPER MATERIALS WILL BRING DOWN CONSTRUCTION COSTS

THE shortage of housing in the urban areas and the not so apparent but very real shortage of good housing in the rural regions are problems which must continue to engage the attention of the authorities for several years to come. As incomes rise and population increases, there will be an insistent demand for better and more houses. There can surely be no real improvement in living standards so long as the people are not properly housed, for it is well known that housing is one of the essentials for decent living. This will certainly call for a national housing policy pursued with vigour and executed with an eye to keeping the ultimate cost to the houseowner at the minimum possible level. A point that needs to be emphasised, in this connection, is that the implementation of a country-wide housing programme will mean a great fillip to many industries like steel, cement and timber, and also provide direct employment to both skilled and unskilled labour. The fact that some of the chief building materials such as steel and cement are in short supply, reinforce the need for a search for cheaper building materials and alternative building processes which will help keep down the use of materials in short supply.

Although the problem of providing houses for the millions in this country is thus a complex one, with many and varied facets, there is no doubt that its solution cannot be delayed for long. Realising the importance of housing to national economy and social welfare, the Planning Commission has promptly stepped up the outlay on housing in the second Five-year Plan. As against a total provision of Rs. 38.5 crores in the first Plan, the second Plan has allotted a sum of Rs. 120 crores. The break-up of the Rs. 120-crore outlay is: subsidised industrial housing Rs. 45 crores; low-income group housing Rs. 40 crores; rural housing Rs. 10 crores; slum clearance Rs. 20 crores; middle-income group housing Rs. 3 crores; plantation housing Rs. 2 crores. Houses will also be provided under certain other schemes. Thus, housing schemes for workers in the coal industry are financed from the Coal Mines Labour Welfare Fund which is expected to provide over the five-year period about Rs. 8 crores. Substantial housing programmes are undertaken by the different Ministries of the Union Government, the State Governments and the local authorities. No reliable estimate of the houses that might be constructed by the private sector is available. But so far as the first Five-year Plan is concerned, a rough estimate has it that the private sector accounted for no less than 600,000 houses in urban areas.

Urban Areas

The continuing shortage of houses in urban and semi-urban areas and the deplorably bad state of houses in both the urban and rural areas serve to bring out the fact that no effective solution has yet been found for the problem. The problem of rural housing, though perhaps simpler to solve in certain respects, is of very large magnitude. To take the urban sphere alone, during the first Plan period, about 1.3 million houses, it is estimated, were constructed. In the current Plan period, the Rs. 120-crore outlay, to which a reference has been made above, will provide for 322,000 houses. Other housing programmes under the auspices of the Central and State Governments and local authorities are expected to result in 753,000 units. Private construction, it is believed, will add 800,000 units. Thus, the total programme for the second Plan envisages the construction of 1.9 million houses, as compared with 1.3 million during the first Plan.

All these houses will not materially relieve the shortage of housing in India. There are about 64 million houses in the country of which 54 million are in villages and 10 million in towns. It is not known how many of these houses need replacement or even thorough-going repairs. Apart from this problem, there is the question of providing houses for the increase in population. No adequate survey or estimate has been made of the demand for houses. This demand does not, of course, depend entirely on the increase in population. It is rather influenced by the rate of marriages. There are at present no means of knowing this rate. A rough estimate of the likely demand for houses in urban areas has, however, been made by the Planning Commission. This estimate will give one a rough idea of the magnitude of the problem. The Commission calculates that, in 1951, there were 10 million houses in urban areas for a population of 62 millions, the shortage of houses being estimated at 2.5 million. It adds:

"The population of towns increased by 10.6 million between 1931 and 1941 and by 18.1 million between 1941 and 1951. During these decades the number of occupied houses in urban areas increased respectively by 1.8 and 1.7 million. Even apart from the question of the quality of housing, the quantitative shortage increased considerably during the period 1941-51. Alongside post-war developments and Partition there has been accelerated urban growth. Between 1951 and 1961 the total urban population is expected to increase by about 33 per cent. so that, in the absence of effective measures and carefully formulated programmes of urban development, the shortage in 1961 may be twice as much as in 1951."

Finance

It will thus be seen that maximum effort will be needed in order to prevent deterioration of the housing situation. The problem has to be tackled on the physical as well as the financial fronts. On the physical front, it is one of increasing the supply of building materals. This calls for a special study of building materials industry and measures designed to increase production in this industry. The financial problem is one of providing credit to intending houseowners and fiscal relief for those who construct houses as a matter of investment. These problems were ably dealt with by Mr. A. R. Venkatacharya, retired Chief Engineer to the Government of Madras, in the course of his address at the Building Trades Exhibition, held recently in Madras. He asked whether a corporation similar to the National Industrial Development Corporation was not needed by the construction industry. He added: "Actually, the function of the National Industrial Development Corporation as listed out in the Planning Commission's report on the second Five-year Plan do not include housing schemes or construction activities except what possibly may be included under the head 'factory and industrial buildings' and the subsidies granted to industrial housing in the vicinity of factories. I think the scope should be extended also to cover constructional activity on housing of a general nature as soon as circumstances permit of this being done." He also urged the need for a Board for the construction industry on the lines of the Tea and Coffee Boards. Such a body, as he rightly pointed out, could do much for the construction industry besides providing for research.

Proceeding, Mr. Venkatacharya emphasised the value of research in the production and use of low cost materials especially in regard to rural housing. In this connection, he referred to the attempts to build rammed earth houses by the Madras Corporation and soil cement houses built elsewhere and the experiments in treating the thatch roofing material to render it fire and rot-proof. He pointed out that greater progress was necessary in this direction. The use of bitumen or chemical solutions such as had been tried in the past successfully, e.g., the Forest Research Institute, he said, could be pursued and developed.

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The organisers of the Exhibition should be congratulated on their wisdom and foresight. For, one of the chief handicaps in the sphere of construction is the absence of information about building materials and dissemination of technical information. The building contractors, particularly those in smaller towns, continue to build houses in the old way and by following established models. There is need to educate the contractors themselves, in the first instance. Next, there is the need to educate the lay public in regard to costs and housing designs. It must be remembered that most houseowners can afford to build houses only once in their lifetime. Those who build without devoting much thought to design or construction live to regret it. But the too cautious among them are afraid of building houses for fear of being involved in a costly enterprise in which the chances of going wrong are many. An exhibition of the kind organised in Madras would be an education both to technical men and the lay public. Such an exhibition deserves to be organised all over the country, in the large and the small towns, and also in some of the leading representative villages. The private sector in the building industry will be doing a real service to the public and itself much good by encouraging the organisation of such exhibitions.

STEEL RESEARCH

The United States Steel Corporation's new steel research centre at Monroeville, Pennsylvania the largest of its kind in the nation, is counted on to help maintain steel's leadership against competing metals. Mr. Roger M. Blough, Chairman of United States Steel, says the Corporation is meeting the challenge of competing materials with new products and improved technological developments through "tremendous" acceleration of research. He says that United States Steel is ready to place on the market such new products as plastic-coated and aluminium-coated sheet metal.

"We feel," Mr. Blough said at the opening ceremonies of the new steel research centre, "that there definitely is a place—an expanding place—for aluminium. We feel there is an expanding place for plastics. But we also feel that our steel products have such a large field that there is no present indication that any of these other materials will interfere with our markets and our production. In the long run," he added, "the more aluminium and plastics used the more steel will be needed."

A large part of the burden of ensuring that steel does maintain its metallurgical position has fallen on the 600 chemists, engineers, physicists and other skilled scientists and technical employees who man this huge research centre. United States steel has 44 other research facilities of its own and it participates with some 60 other organisations in various types of research. In all, United States steel employs more than 1,000 research scientists and technicians.

Mr. Clifford F. Hood, President of United States Steel, said that the acceleration that research could give to new business, new products and new ideas in every field "is beyond measure." He noted that "less than a handful" of American business concerns maintained research laboratories 50 years ago, while today more than 6,000 American companies have their own research facilities and thousands of other U.S. firms utilise outside research organisations. "American industry," he declared, "has expanded and prospered due to its refusal to recognise the existence of any boundaries of production and service. American industry is literally mass-producing progress through an expenditure for research which this year may total more than $4,000 million."

U.S. LIBERTY SHIPS

India has been making vigorous attempts to get the U.S. release vessels from its mothball fleet in favour of this country. A representative of a leading shipping company of Bombay was recently in the U.S. to persuade the American Government to let India have a few Liberty ships from its reserve on a long-term credit basis. He is reported to have encountered considerable opposition from the U.S. shipping lines. One of the arguments urged against such a release to India was that this country might use such ships for trading with the U.S.S.R. and that such a course was not in the interest of the free world. It would, however, appear that this and other objections were ably met by the Indian representative. It is now believed that the U.S. is likely to make a gesture in India's favour by releasing a small number of vessels to begin with.

In this connection, shipping interests in this country will no doubt be interested to know that the U.S. Federal Maritime Board has recommended the release of 15 reserve fleet Liberty ships to the Isbrandtsen Company for the coal trade with Europe. The Board held that privately owned vessels are not now available at reasonable rates and on reasonable conditions. It has asked the Maritime Administrator to satisfy himself that these conditions do exist before releasing vessels from the mothball fleet.

The Board, it is further stated, has not yet disposed of applications for eight other vessels from three companies along with requests from the International Co-operation Administration (I.C.A.) for 30 ships. The I.C.A. is reported to have complained that ships are needed for freight which private operators in the U.S. were unable to handle at reasonable rates but the private lines insisted at a preliminary hearing that they would meet the demand if it exists.

NEW PRODUCTS AND PROCESSES

New Motor-car Lamp

IN view of the ever-increasing traffic and the fact that cars are constantly being run at higher speeds, an incandescent lamp works (Philips N.V., Eindhoven (Holland)), has manufactured a new head lamp with a non-symmetric dimming beam. The distribution of light is such that the right-hand side of the road is lighted over a much greater distance than with the conventional system, while the *dazzling* of oncoming motorists is not increased. The inventors adopted as basis the normal European lamp, the filament for the dimming beam being placed in a bowl to mask the light. By removing part of this bowl, more light can be thrown along the right-hand side of the road. To obtain a non-symmetrical shape of the beam a special front glass adapted to this purpose must be used, to prevent the horizontal spread of the light which is emitted upwards to the right.

Paper Spinning Tubes

A factory in Holland, Van Katwijk's Papier- en Cartonverwerkende Industrieën N.V., Damstraat 25, Aalten, has for some time manufactured some new types of paper tubes for the winding of the yarn during the spinning process. The tubes consist of a good quality of paper, which can be impregnated in various ways, e.g., with a synthetic resin. As a result, the tubes become resistant to moisture, steam and even to the action of chemicals and are stronger and tougher than other products of a similar nature. They run free from vibration, so that there is not only less wear, but also a considerable reduction in the number of yarn breakages. Contrary to wooden tubes, they are free from warping and splintering. Among the new spinning tubes made by the factory are the so-called roving- or slubbing-bobbins. The tops of these roving bobbins are turned inwards and the bearing is fitted against the beaded edge, so that it cannot loosen. The firm has also developed a new ring spinning tube or twist-tube, provided with a spiral groove, such that the bas-relief has a definitely rough appearance. This ensures greater winding-off speeds when yarns are rewound.

Multi-colour Printing

A high-speed printing press factory (Nederlandsche Snelpersenfabriek Mercedes, Distelweg 84, Amsterdam-N (Holland)), has constructed a machine with which it is possible to mount multi-coloured blocks on a foot with extreme accuracy. The registering of the blocks takes very little time and takes place outside the press, thus saving machine-hours. An impression of each block is made on transparent material, e.g., celloplane the various prints are laid on the ground-glass frame of the apparatus, which is lighted from below, in such a way that they together form the whole picture, and are fastened with transparent adhesive tape. They are then locked together with a frame which is provided with punch-holes. Two holes are punched in the prints with a punching nipple. These holes make it possible always to fit the blocks in the correct position in the mounting machine. Two fixing rulers prevent any shifting of the blocks. The mount, which is built up in advance, is inserted into a collapsible frame of the machine and the block can then be registered on the mount with perfect accuracy. This method of working is repeated for all the blocks.

Welding Device

An automatic welding device or "head" for use with the Argonaut welding equipment supplied by British Oxygen (Bridgewater House, Cleveland Row, London, S.W.1.) has recently become available. Argonaut is an inert gas-shielded electric welding process which uses a continuous consumable wire electrode and up to the present welding could only be carried out by means of a hand gun. The new head, it is stated, provides a full automatic system for the production welding of heavy sections of metal. The advantages of this equipment, it is claimed, lie in high welding speed, smooth weld bead, controlled penetration and freedom from porosity. It is particularly suitable for welding mild steel and several of the new units are being used for welding heavy gauge aluminium. The unit consists of a welding head which houses the wire feed mechanism, a water-cooled machine barrel, a reel casing assembly with mounting bracket and control panels. In order to fully utilise the new head other devices, such as powered carriage units and work positioners, are required. These can be arranged to move either the work or the welding head.

New Textile Fibre

The American Cyanamid Company announces plans to produce a new textile fibre in the acrylics family. The Company expects it to compete with other fibres in the same group, including E. I. du Pont's "Orlon," Chemstrand's "Acrilan" and Eastman's "Verel." American Cyanamid is calling its new fibre "Creslan." Tests have indicated a potential market in sweaters, sportswear, blankets, jersey fabrics, artificial furs and fleeces, the Company indicates. Other markets will be sought in dresses, suitings and overcoatings, and industrial and non-woven fabrics. The Company claims for its product a high standard of dyeability. It is setting a target for production of some 27 million lbs. of Creslan staple and tow by the second half of 1958. Beginning in December, construction will begin on a plant for the new fibre. Until this is completed, it will be turned out in limited amounts in a pilot plant at Stamford, Connecticut.

UNION INSURANCE SOCIETY OF CANTON LIMITED

THE HON. C. BLAKER'S STATEMENT

THE Annual General Meeting of the Union Insurance Society of Canton Ltd. was held at Hong Kong on 24th May 1956. In the course of his statement accompanying the accounts of the Society for the year ended 31st December 1955, the Chairman, the Hon. C. Blaker, M.C., E.D., reviewed in brief the progress made by the Society during the year in the various departments, which enabled it to maintain the dividend on a higher capital.

The following is the full text of Mr. Blaker's statement, together with an extract from the Directors' report:

"In the Marine Department, the result of the year's working was satisfactory. An increased volume of business was transacted, but, because of the generally lower level of cargo rates, our marine premium income remained virtually unchanged at £3,413,162. Claims paid during the year accounted for 68 per cent. of the premiums, as against 74 per cent. during the previous year. This improvement in the claims experience was helped by the discontinuance of certain accounts which had shown unprofitable results in the past and by the collection of recoveries in respect of earlier years of account.

"The Marine Fund now amounts to 163 per cent. of the year's premium and is considered satisfactory in the light of present-day trends affecting marine insurance business.

"Although there has been an appreciable increase in fire damage in a number of countries, owing to a higher incidence of big fires, particularly in the North American field, major catastrophes were few. We were, however, involved in the conflagration in Bacolod in the Philippine Islands and in a large oil plant fire in Indiana which proved costly to the many insurers involved in it.

"Our margin of profit in the Fire Department is not unsatisfactory, though rather lower than usual in relation to premium income. A small increase in premium income was achieved in the face of very keen competition which involved rate reductions in some areas.

"Further expansion took place in the Accident and General Account during 1955, with particularly good progress being made in Australasia. The high costs applicable to repairs and also to the settlement of personal injury claims in connection with motor business are features of this section of the account which show little improvement over previous years. The increase in road traffic in so many countries coupled with inadequate road systems is a problem which is likely to be with us for some time yet. The attendant problem of the higher speeds of all kinds of vehicular traffic presents further underwriting difficulties in the transaction of motor business.

"The claims experience, however, of the whole account is satisfactory, being relatively lower than in the previous year and a profit of £198,932 has been realised.

"An innovation in the profit and loss account this year is the entry 'Contributions to Staff Pension and Provident Funds.' In the past it has been the Society's practice to charge these contributions largely to the underwriting revenue accounts, but it has been decided this year to change to the growing modern practice of showing the item separately. The 1954 figures printed in the accounts have been adjusted where necessary, in order that proper comparisons may be made.

"During the year shareholders will have received the additional shares to which they were entitled as a result of the capitalisation issue approved in May 1955. As a result of the issue, the Exchange and Investment Fluctuation Account is reduced by £150,000 and the Society's fully-paid capital is increased by £150,000 to £1,500,000.

Dividend Maintained on Higher Capital

"It is with satisfaction that the Board are able to recommend a final dividend of £1-2-6, making a total dividend of £2-2-6 for the year, thereby, as foreshadowed in my statement last year, maintaining the dividend at the 1954 rate on the increased capital.

"You will see our usual note on the balance-sheets that Stock Exchange securities have been taken at or under their mean market values (less accrued interest and dividends) as at 31st December 1955. It is satisfactory to know that, despite the depreciation which has taken place in many Stock Exchange securities during the year, particularly in United Kingdom Government securities, there continues to be a substantial margin between the market values of our Stock Exchange assets and the values at which they stand in the balance-sheets.

"In conformity with the policy of maintaining close liaison between head office and our representatives in other parts of the world, the General Manager, Mr. L. B. Stone, visited our branches in Canada and the United States of America in the last quarter of the year. Mr. C. R. Kingsland, who succeeded Mr. R. C. Langker as General Manager for Australasia upon his retirement at the end of the year, visited head office and met the Board of Directors in December.

"I have to record the recent retirement, for health reasons, of Mr. S. H. Dodwell, C.B.E., from our London Advisory Committee after more than 40 years' association with the Society. Mr. Dodwell was for many years a Director of the Society and its subsidiary, Hong Kong Companies, both here and when head office was temporarily established in Sydney during the last war. We wish him many happy years of well-deserved retirement.

"We have also lost the services from the Board of Mr. J. H. Hamm and we wish him all success in his new appointment in London.

"In conclusion, I record my thanks to all members of the staff and our many agents, for their keenness and loyal support in the furtherance of the Society's world-wide interests."

DIRECTORS' REPORT

Marine

The net premiums for the year amounted to £3,413,162. After releasing £205,000 to profit and loss account, the Marine Fund stands at £5,582,684.

Fire

The net premiums for the year amounted to £3,752,673. £256,742 has been transferred to profit and loss account. The additional reserve has been increased by £20,000 by a transfer from the Society's profit and loss appropriation account. The Fire Fund stands at £2,094,669.

Accident and General

The net premiums for the year amounted to £3,595,119. £198,932 has been transferred to profit and loss account. The additional reserve has been increased by £50,000 by the transfer of £30,000 from the Society's profit and loss appropriation account and £20,000 from the profit and loss appropriation accounts of subsidiary companies. The Accident and General Fund stands at £1,689,292.

Profit and Loss Account

Interest and dividends amounted to £514,787 and transfers from underwriting accounts to £660,674. After charging outgoings not brought into account elsewhere, making provision for taxation, and allowing for the minority interest of the outside shareholders of a subsidiary company, the profit for the year appertaining to the Society is £735,340. After adding profit retained in subsidiary companies £245,052, there remains a distributable profit of £490,288. To this has been added the balance brought forward from the previous year of £361,626. After providing for the dividends, transferring £120,000 to [illegible] and investment fluctuation account, £50,000 to the Accident and General Account Additional Reserve and £20,000 to the Fire Account Additional Reserve, there remains a balance of £363,164 to be carried forward.

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WORKERS IN STATE ENTERPRISES

THEIR STATUS AND RIGHTS REVIEWED

IN recent weeks, there has been considerable unrest in the ranks of Government employees. The non-gazetted officers of the Madras State Government, who have for a long time now been dissatisfied with their lot, made an ineffectual attempt to meet Mr. Nehru, in order to acquaint him with their grievances. One of their representatives decided to go on fast in front of the Secretariat, and actually fasted for a day; the object was to draw the attention of the public. He was, however, persuaded to give up his resolve by his friends, as they feared that it might lead to a worsening of the relations between the Government and its employees. There was prolonged unrest in the ranks of railwaymen, the Kharagpur centre having distinguished itself through the violent demonstration of the workers. There was similar trouble in the Punjab and Himachal Pradesh which was marked by police firing at Kalka. The unrest among railway workers has not died down. It has only been suppressed by the intervention of the top leaders of the Congress Party. Again, in the Damodar Valley Corporation, the workers "imprisoned" their chief, because they felt that the Corporation was not giving them a square deal. Field workers of the nationalised life insurance companies continue to meet and pass resolutions expressing their concern over the future of their jobs. These are no doubt isolated instances and probably mean no more than local discontentment. Even so, they denote a deep-seated *malaise* which may well grow with the passage of time and burst into an epidemic, unless timely action is taken to eradicate it.

Government Enterprises

The question of the status of employees of the Government and public enterprises is a very important issue. For one thing, the activities of the Central and State Governments are increasing, so that they now employ a much larger number of men than in pre-war years. Secondly, the State in India is committed to increasing encroachment in the economic sphere. All this means that the ranks of the direct and indirect employees of the Government will continue to grow rapidly, as it has done in the recent past. The Industrial Policy Statement has affirmed that "with the growing participation of the State in industry and trade the manner in which their activities should be conducted and managed assumes considerable importance." Further, it has stated that, in a "socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm." It has recognised that workers should be "progressively" associated in management and the enterprises in the public sector should "set an example in this respect."

The Planning Commission, in the course of its discussion of the labour policy, has emphasised that the administration of industrial relations in public enterprises is "of great importance for the success of the undertaking and for the fulfilment of the aspirations of labour." It has declared that "any attempt, therefore, on the part of public employer to avoid the responsibility of an employer on the ground that he is not working for profit has to be discouraged." It said:

"Managements of public undertakings should not normally seek exemptions from labour laws or ask for other concessions not available to the private sector. This is not to suggest that public undertakings as a rule come forward to seek exemptions from laws relating to labour or to imply that working conditions there are not satisfactory. In fact, in all the new State enterprises, considerable attention has been paid to labour welfare in the comprehensive sense. In the last analysis, the employees in the public sector should on the whole be at least on par with their counterpart in private employment and should feel a legitimate pride in what they produce and in their position as employees in the public sector."

Bombay High Court's View

These are fine sentiments. But is the position of the worker in State enterprises as good as, if not better than, in private enterprises? What is the strictly legal position? To this second question, the judgment delivered last week by the Chief Justice and Mr. Justice Dixit of the Bombay High Court in a case filed by a dismissed employee of the Ambarnath ordnance factory provides an answer. The facts of the case may be briefly summarised. The employee, who served the factory between May 1949 and March 1956, was dismissed on the ground of retrenchment. The employee contended that the authorities had terminated his services without observing the formalities laid down in the Industrial Disputes Act, that they had not adopted the "last-come-first-go" principle and that he had not been paid compensation. He alleged that his services had been terminated because of his trade union activities. The respondents stated that, whatever the Industrial Disputes Act might lay down, the President of the Union had an overriding power conferred upon him under Article 310(1) of the Constitution which states that a member of the civil or defence services holds his office "during the pleasure of the President." They argued that, by reason of this Article, it was open to the Union to terminate the services of its employees without assigning any reason and without any notice. Their plea was upheld by the High Court.

In the course of his judgment, the Chief Justice stated that, even though a law might be passed which might apply to the Government, and the State might, in the ordinary course, give effect to it to its own employees, the ultimate power which the Constitution had conferred on the President to terminate the service of even a civil servant without notice and without any liability to pay compensation must remain unaffected. Referring to the argument that the proper authority had not exercised the power of the President, he said that the Article did not at all deal with the authority who could terminate the services of a civil servant. It was open to the petitioner to challenge the authority of the ordnance superintendent to terminate his service but that challenge had not been made in the petition. Adverting to the allegation that the superintendent was actuated by ulterior considerations in terminating the services of the petitioner, the Chief Justice said that, when the President had the power to terminate the service of any civil servant at his pleasure, the question of notice was irrelevant.

Compensation

Dismissing the petition on these grounds, he said there was no reason why, in this particular case, the respondents should not give effect to the provisions of the Industrial Disputes Act at least as far as payment of retrenchment compensation was concerned. The Chief Justice added: "The clear intention of Parliament was that the Act should apply not merely to private employers, but also where the Government was the employer, and if that was the intention of Parliament there was no reason why the ordnance factory should get rid of the petitioner's services without paying him the compensation which Parliament thought was a fair and equitable compensation to be paid to every employee who was retrenched from an industry."

From this judgment, it is now possible to deduce the legal position of an employee in a State enterprise. The labour laws, which apply to the employees in the private sector, cannot be invoked in favour of the employees of State enterprises. It is thus not incumbent upon the management of these enterprises to follow the "last-come-and-first-go" principle. They need not also assign any reason for terminating the services of an employee. Nor is it incumbent upon them to pay compensation in the event of retrenchment. These are the powers which the State enterprises possess though whether they will or will not use them on all occasions or on any particular occasion is a matter of policy. At any rate, the legal position is that the managements are free from labour laws.

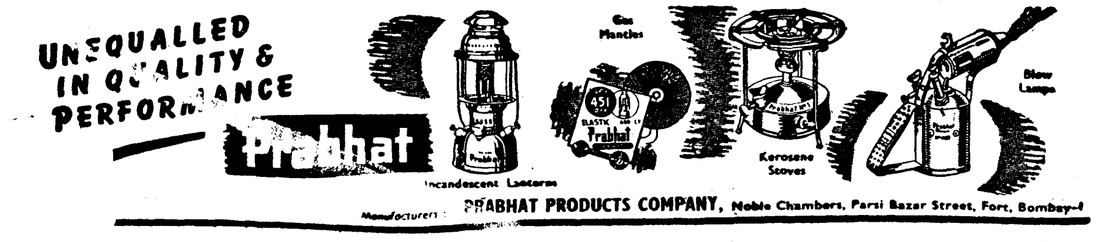
Nationalisation

Now that the legal status of employees in State undertakings has been made clear, it is for workers and their leaders to consider whether their attitude towards the extension of the State sector of economic activity should be changed. Labour in many democratic countries now finds that nationalisation of industries and services means the extinction of trade unionism for more than one reason. In the first place, the State, when it combines within itself both political and economic power, becomes irresistibly strong and the labour unions correspondingly weak. Secondly, mobility of employees, by which is meant movement of an employee from one employer to another in the same industry or a different industry, becomes restricted. When an industry consists of several units in the private sector, it is open to an enterprising employee in any particular unit to change his master. But, when the industry is entirely owned by the State, the employee is in the position of a seller who is confronted by a monopolistic buyer. His skill may be of little use in other industries not owned by the State. In any case, private employers will not easily take a man dismissed from a Government-owned factory. The fear of victimisation may discourage them from doing so. It must be remembered, in this connection, that, in an economy where State-owned enterprises predominate, the units belonging to the private sector also will invariably be under State control of one form or another. Accordingly, the latter units will be chary of doing anything that may have the remotest chance of displeasing the Government.

It will be pertinent to recall here the observations of Dr. H. C. Franz Blucher, German Vice-Chancellor and Federal Minister for Economic Co-operation, on this subject. In an article published on page 1236 of our issue, dated 30th June 1956, he says:

"If industry is nationalised, or managed by planned economy in the hands of the State, or if institutions entirely dependent on the State are established, the illusion is created that a complete control over economy has been attained. This belief and the resulting commitment to some rigid national system, lead inevitably to complete loss of freedom. Wherever the State controls all fields of activity including that of industry, directly or indirectly, it is inevitable that the employee should lose his independence in the struggle to determine conditions of work and living. It is true that a levelling up of the standard of living conditions for all might be achieved, but the rights, which to us seem the most valuable gift of democracy, namely, the rights of freedom to organise, will only remain on paper. In effect, the State is in complete control and can refuse to tolerate any opposition to the terms of pay and work which it has laid down. In a socialised economy, or an economy conducted on State-planning principles, the trade unions lose their mission and effectiveness."

These considerations have made the labour leaders in several democratic countries to reorientate their attitude towards nationalisation. Thus, Mr. Hugh Gaitskell, Leader of the British Labour Party, said: "We have to admit that the simple, direct and unique relationship between wholesale nationalisation and the ultimate ideals of socialism, which early theorists took for granted, cannot be assessed in the new circumstances today. This is an open question on which we need to and shall think afresh." We urge the labour leaders in this country to examine the question of nationalisation of industries with a similar intellectual honesty.



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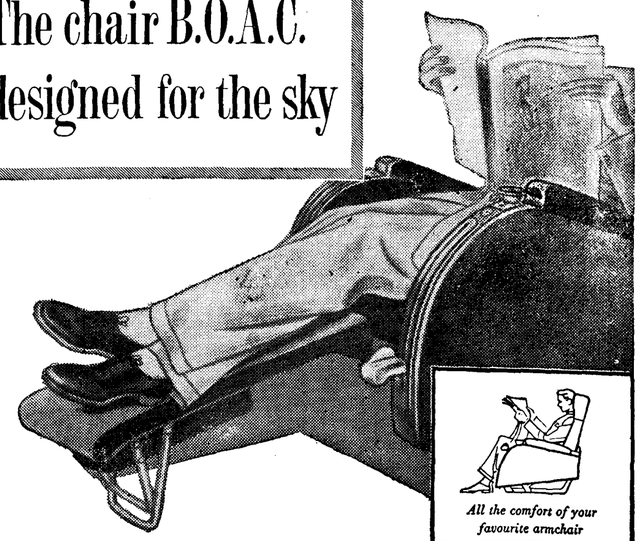

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COMPANY MEETING

THE METAL BOX COMPANY OF INDIA LIMITED

CHAIRMAN MR. H. CHISWELL JONES'S REVIEW

THE Twenty-third Annual General Meeting of The Metal Box Company of India Limited will be held on Wednesday, July 18th 1956, at 59c, Chowringhee Road, Calcutta.

The following is a copy of the review by the Chairman, Mr. H. Chiswell Jones, which has already been circulated to the members:

SALES

"During the year under review there was a high level of investment in national development. Investment activity created a rising demand for packaged goods—paints, pharmaceuticals, baby-foods, processed fruits and vegetables, lubricating oils, etc. Enterprising salesmanship and efficient production enabled us to play a significant role in satisfying this demand.

"National investment during the Second Plan will create an expanding level of demand and the supply of goods to satisfy this will be a condition both of the success of the investment programme and of continued political stability. To this end your Company and its customers have a major contribution to make; the processed food industry in particular is strategically placed. It is to receive active encouragement in the Second Plan and the allocation for horticulture has been increased from Rs. 1 crore to Rs. 9 crores. These measures are to be welcomed as the addition of processed fruits and vegetables to the national diet will make for important improvements in public health and preventive hygiene. The development of this industry involves co-operation between large and small-scale industry since the safe preservation of food requires precision-made cans that only high-speed equipment—equipment inseparable from large-scale industry—can produce while at the other end horticulture is a part of intensive small-scale agriculture. This pattern of co-operation is already established between the canners, the horticulturists and ourselves.

"During the year we made solid contributions to the food and the other industries we serve. In Bombay we commenced manufacture of open top cans for the canning industry. The work of the newly opened research division at Calcutta on materials and finishes contributed effectively to improved quality and our access to the extensive Research Laboratories of our Technical Consultants in the U.K. continued to provide an invaluable part of our service.

"There are, however, some ominous signs: the programme of taxation, increases in railway and ocean freights and the rise in food prices are implied threats to purchasing power. Transport and the shortage of steel and cement are capable of braking the country's economic growth. We have made a good start in the current financial year but there is no room for complacency. We are planning in a spirit of optimism tempered with caution.

PROFIT

"The increase in sales of nearly Rs. 1½ crores and the further diversification of our business resulted in a return to the more normal profit levels obtaining when the public first acquired an interest in the equity capital of the Company.

"Prospects for the current year are good and it is hoped, by virtue of increased turnover to maintain this profit level notwithstanding the increased costs referred to later.

RAW MATERIALS

"It has been another year of anxiety in the matter of tinplate supply. Indigenous tinplate production remains well below demand and although The Tinplate Company have installed an additional rolling mill, they have not been able yet to obtain the extra tonnage of steel to operate the mill. Supplies of imported steel have been promised for the middle of this year but even when this is regularly available and processed, the extra 10,000 tons of tinplate produced will still leave a large gap between supply and demand. Our own imports are currently 50 per cent of our total consumption.

"Because of the time taken to obtain shipments from abroad we have had to raise our stock levels of raw materials thus increasing the strain on our finances. The price of materials and transport has risen during the year and part of the increases had to be passed on to our customers.

"We are reluctant to pass on to our customers anything but direct increases in the price of tinplate, which is our main raw material, and we have met increased costs by production economies made possible by greater overall demand. Nevertheless, there is a limit to our ability to absorb price increases of a general nature and there are presently signs of inflationary pressures which could very quickly upset our price structure. Government are clearly aware of these and have indicated that they have weapons with which they can speedily deal with the problem should it assume serious proportions. I hope they will not hesitate to do so.

"There are two aspects of recent price increases which I must stress. The first is the heavy additional burden on the Company's cash resources which follows from higher raw material costs and bigger inventories—the second is that we find ourselves completely priced out of a number of export markets in neighbouring countries. The cost to Government of a drawback of the Steel Equalization Fund contribution on tinplate used for containers exported from India would be small—the gain in foreign exchange would be substantial; very much more so if extended to filled as well as empty containers.

INDUSTRIAL RELATIONS

"From May 1955, when work was resumed at Calcutta after the disturbances there, we have had a period of complete industrial peace and at all factories negotiations and consultations with our employees have been conducted in an atmosphere of harmony and a keen desire to reach understanding. The excellent relations throughout the year have materially contributed to the satisfactory trading results and I am happy to say that we recently concluded with our employees a prosperity bonus agreement covering the next three years.

"Training of staff continues to receive our careful attention. We have an excellent cadre of young management trainees and each year we send more Indian officers abroad for training. Our Technical Consultants recently sent the head of their staff and personnel division to discuss how they can best serve us in this all important matter of training. His visit was of the utmost value.

"To a degree the success of the second Five-year Plan will depend on an adequate supply of technicians. We are making our contribution by offering facilities for practical training in our factories to students and graduates from universities, engineering colleges and technical training centres. We have also offered our co-operation to Government in the encouragement of training in scientific management.

"Labour welfare continues to engage our attention. We are operating a most successful Scheme under which sick leave not utilised during the year is offered by employees to a pool and such leave, to a maximum of four months, may be used for the benefit of any employee unfortunate enough to contract T.B. In the treatment of serious cases the Company also meets 75 per cent of the cost of special drugs and medicines. In the two years' working of the scheme more than 20 employees have been completely restored to health and have been able to resume their employment with us. A Benevolent Fund is in operation at all branches, the Company's contribution being based on the total amount subscribed by the employees. We have also extended recreational facilities to include sports, cinema shows and libraries.

DEVELOPMENTS AND NEW PROJECTS

"We have made good progress in our new developments. The expansion in demand for aluminium pilferproof seals has been satisfactory and manufacture in Calcutta, foreshadowed in my last review, has now commenced with consequent savings in freight costs to many customers.

"Progress in the manufacture of polyethylene bags has continued, some printing machinery has been installed and more is on order. The potential demand for products made from this material is considerable and plans have been announced by two world-famous manufacturers for the production in India of polyethylene flake—the basic raw material required.

"Additional equipment for the manufacture of industrial components has now been installed—we have a substantial order book and a large number of new enquiries which augur well for the future. We are presently producing metal components for numerous manufacturers in the electrical, automobile, radio, duplicating machine and bicycle industries—the list will extend in the near future and we are proud of the contribution we are making to the expansion of these vital industries.

"Plans have been completed for the erection of the new manufacturing and office buildings at Calcutta adjoining the new printing factory. We expect the new buildings to be ready in about twelve months' time and this will permit us greatly to improve our plant layout, provide adequate office accommodation and generally achieve better working conditions. An extension to the Madras factory is under consideration and we plan to install additional printing equipment there to meet the growing demands for lithographed containers in that area. The research division in its first year of operation has made a valuable contribution towards the improvement of indigenous metal decorating materials. The division has established close technical liaison with our principal suppliers and standardised numerous specifications covering both supply and application resulting in improved container quality. In line with our policy of purchasing indigenous materials wherever possible, the division has assisted suppliers in satisfactorily producing a number of materials hitherto imported—others, still under test, show considerable promise.

"I wish to acknowledge our indebtedness to our Technical Consultants, The Metal Box Company Limited, London, for their continued advice and guidance in all matters affecting the progress and well-being of our Company. We are most fortunate in being able to call on their vast store of knowledge and experience.

STAFF

"This has been a year of intense activity and unremitting effort on the part of the staff. The excellent results achieved would not have been possible without their sustained enthusiasm and loyal support. The Board join me in expressing our thanks to them all for their splendid efforts."



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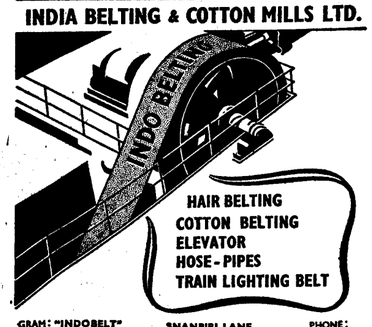

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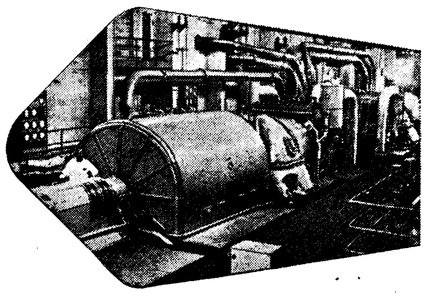

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NEW PUBLICATIONS

The British Co-operative Movement. By Jack Baily. Publishers: Hutchinson & Co. (Publishers), Ltd., 178-202, Great Portland Street, London, W. 1. Price: 8s. 6d.

THE publication is a brief but interesting account of the humble beginnings, the growth and ramifications of one of the most advanced co-operative movements of the present-day world.

The squalor and misery that enveloped the lives of the working classes in the wake of the industrial Revolution set the minds of certain social reformers in England, as elsewhere on the Continent, in quest of remedies. In the chapter on "Co-operative Beginnings," the author gives a vivid account of the vicissitudes through which Robert Owen, "one of the most outstanding figures of the nineteenth century," who "gave moral content and social philosophy" to the Co-operative Movement, and his supporters like William Thompson and Dr. William King of Brighton had to pass. A number of attempts by Owen and his followers between 1821 and 1845 to create Co-operative communities had met with failures, and the real foundations of the Movement were laid when the leaders conceived the Movement as an alternative to competitive industrialism.

The experience gained by Owen and his two supporters was made use of by the Rochdale Pioneers, their principles having been formulated in the light of past experience and to suit the conditions of their day; in the end, their society survived all the economic and social upheavals through the decades. The Rochdale Society of Equitable Pioneers, started in December 1844 with a capital of £28, subscribed by 28 members, gained strength by stages and commanded, by 1952, a capital of £501,473, contributed by 29,603 members.

A noteworthy feature of the British Co-operative Movement is its dynamism. There had been, and still is, some dispute as to what constituted the essential principles of Co-operation. The author states that certain societies had given up or modified some of the Rochdale Principles when circumstances warranted such a course. In respect of the principle of cash trading, for instance, the author rightly observes, "to apply rigidly and literally the Rochdale principle of cash trading would seriously handicap the Co-operative societies in their competition with private traders." Again, "it is no longer possible, however, to disregard forms of Co-operative enterprise to which the principles cannot be applied." The principle of political neutrality itself has been modified in Britain; and the changes in rules introduced from time to time in the Acts governing the activities of the societies indicate to what extent the need has been felt to maintain the dynamic character of the Movement. The extent to which the Movement has grown and its principles have changed during the last hundred years could be seen from the following observation of the author:

"If Rochdale Pioneers could return, they would probably be bewildered by some of the Co-operative practices of today, but, if these practices were related to the kind of world in which modern Co-operators have to live, they might well conclude that the faith which led them to Toad Lane more than a hundred years ago has not yet been extinguished."

In the light of what the author has taken pains to point out, it is clear that there is not so much of conflict between domocratic planning, as different from totalitarian planning, and Co-operative ideals as might appear at first sight. Both agree on the goal to be attained, both have taken their Roots in the chaos caused by the Industrial Revolution, and above all both the systems are wedded to democracy. The only difference lies in the varying emphasis they lay on the degree of democracy to be allowed in respect of the working of the different processes. In view of the flexibility and dynamism which characterise the Co-operative Movement, it may not be difficult for it to meet the challenge posed by the fast changing conditions in the world.

While describing the growth, functions and multifarious activities of the two giant wholesales, namely, C.W.S. and S.C.W.S., the author gives an illuminating catalogue of the advantages and disadvantages of centralising the powers in a Board of Directors "made up of laymen."

"What is in question," the author points out, "is not the competence of the members of the Board, but the ability of any kind of Board to comprehend efficiently so gigantic and diversified an enterprise." After discussing the pros and cons, the author comes to the conclusion that it is far more practicable for the Wholesale Boards to delegate responsibilities to committees and directors, even if it required a larger directorate than at present.

Stating that "under present conditions, the international ideas of the Co-operative Movement are wider than its commercial achievements," the author asks the Co-operators of Britain to attach more importance to ideals, too, than before, and not to trading results alone, in order to attain larger markets for co operative products. He rightly points out that the nationalistic policies of Governments and trade restrictions operate against the adoption of international Co-operative planning.

The book deals also with the progress of Co-operation in respect of retail societies, education, employment, etc. It is a worthy addition to the literature on Co-operation and a useful handy volume to students interested in this subject. It should appeal to many in this country, where attempts are being made to revitalise the Co-operative Movement with the active participation of the State, a feature which is regarded by some as unorthodox and not in full conformity with the accepted principles of Co-operation.

Trade and Welfare. By Prof. J. E. Meade. Oxford University Press, Amen House, London, E.C. 4. In India: Oxford University Press, Oxford House, Apollo Bunder, Bombay 1. Price: 45s. net (in U.K. only).

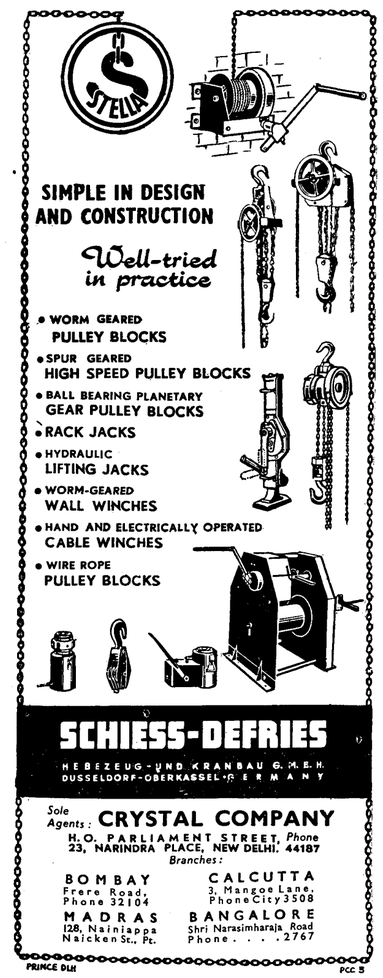
This is the second and final volume of a treatise on the Theory of International Economic Policy, the first volume of which was published in 1951. In the present volume, Prof. J. E. Meade, an economist of world repute, has first enunciated a general theory of economic welfare and then applied it to the special case of international trade. Significant though Prof. Meade's thesis is, it is more hypothetical than real, inasmuch as it is based on assumptions. The assumptions are maintenance of full employment domestically within each trading country and equilibrium in international balance of payments. Nevertheless, the thesis helps one to understand the implications of the various forms of State control over world trade and over world movement of labour and capital. It also helps one to find an answer to the important poser: Is it possible, in conditions of full employment, to raise standards of living by certain forms of State interference with freedom of international trade and of international factor movements?

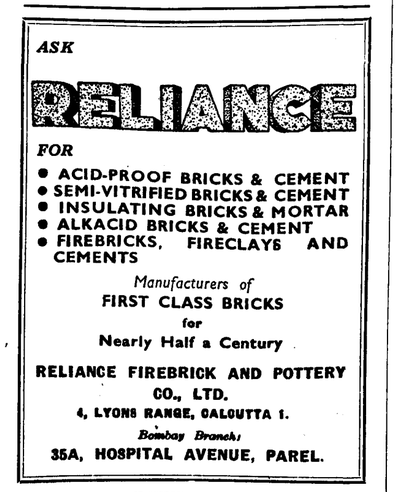
Prof. Meade begins the study with an essay on the general theory of economic welfare without any special reference to world economic problems. The theory is then developed in ways which make it useful for application to problems of international economic policy. He dismisses as unconvincing the basic types of arguments in favour of controls over world trade and over international movement of labour and capital. In his opinion, the many theoretically valid arguments for policies of control over world trade and factor movements do not, in fact, amount to a conclusive case for the wholesale abandonment of a liberal international economic policy.

To those who would like to see the rebuilding of a liberal international economic order, Prof. Meade presents three rather different general conclusions. First, the restoration of greater freedom for international trade and factor movements can be made meaningful only by means of world agreements which cut rather deeply into domestic economic arrangements. If a more liberal international economy is to be established by world agreement, one must reach for a working compromise between the need effectively to curb protective devices and the need to give national governments freedom to adopt effective domestic economic policies for the attainment of legitimate domestic objectives. Secondly, no effective compromise of

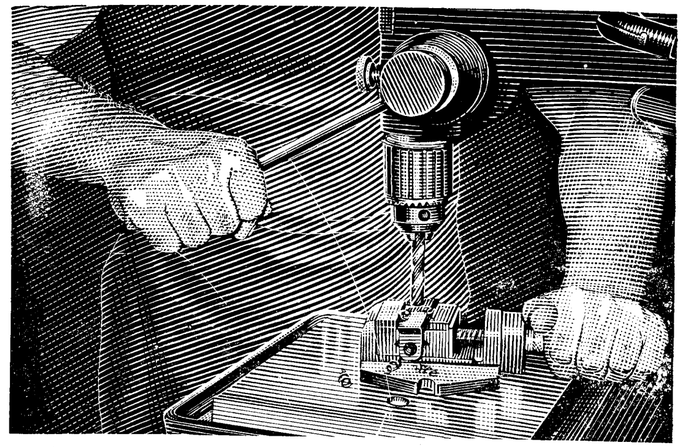
(Continued on page 90)











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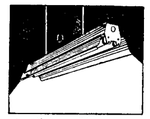

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FUTURES TRADING IN RAPESEED AND MUSTARD

DELHI AND AGRA CONSIDERED SUITABLE CENTRES

THE Forward Markets Commission has, after a detailed investigation into the question of permitting futures trading in rapeseed and mustard seed, recommended that Om Exchange Ltd. in Delhi and the Agra Merchants' Chamber Ltd., Agra, should be recognised for conducting futures trading in these oilseeds. The grant of recognition to the said associations is subject to the condition that they carry out modifications in their Articles of Associations, trading by-laws and working procedure in consultation with the Commission. The Commission has further recommended that a futures market should be established in due course in Kanpur as well as Batinda, when strong representative associations come to be established at these centres. It has also come to the conclusion that it would be in the interest of the trade, as well as in the public interest, to permit futures trading in mustard seed and rapeseed, but not in their oils for the present. The Government of India has accepted these recommendations in its notification issued on 13th June last.

As a prelude to these recommendations, the Commission examined in all 44 applications from Bihar, Bombay, East Punjab, Uttar Pradesh, P.E.P.S.U., Delhi, Rajasthan and Madhya Bharat. No application came from West Bengal, although the State is an important producer and consumer of rapeseed and mustard seed. Out of these applications, 38 asked for recognition to conduct futures trading in seeds and six in oils.

The Commission's findings, as a result of its investigation into the above applications, provide very useful and comprehensive data on the posision of rapeseed and mustard seed in India. Treating both the types of seeds as belonging to one species, the Commission says that rapeseed and mustard are the second largest oilseeds crop in India. In U.P., the principal producing State accounting for about 60 per cent. of the total acreage in the country, the seeds are cultivated as a mixed crop with other crops, with the result that the acreage under rapeseed varies with the acreage under the crop with which it is mixed such as wheat and barley. The total area under cultivation in India increased from 4,583,000 acres in 1939-40 to 5,665,000 acres in 1954-55. The acreage under the crop reached its peak in 1951-52 when the area sown was 5,934,000 acres. Production, on the other hand, did not show a corresponding increase, the output being 872,000 tons in 1939-40 and 962,000 tons in 1954-55, representing an increase of 10.3 per cent. as compared with a rise of 23.3 per cent. in acreage. The principal reason for the fall in output was the decline in the average yield per acre from 426 lbs. in 1939-40 to 380 lbs. in 1954-55. The table below gives the area sown to and the output of mustard and rapeseed during the last 15 years.

Year	Area (in '000 acres)	Production (in '000 tons)
1939-40	4,583	872
1940-41	4,588	846
1941-42	4,610	837
1942-43	4,078	757
1943-44	4,028	692
1944-45	4,274	828
1945-46	4,335	719
1946-47	4,590	829
1947-48	4,615	806
1948-49	4,633	735
1949-50	4781	793
1950-51	5,188	750
1951-52	5,934	921
1952-53	5,199	837
1953-54	5,534	855
1954-55	5,665	962

Among the world's producers of rapeseed and mustard, India is second only to China in respect of area and output. During 1949-50, the share of China in world acreage and production was of the order of 64 and 63 per cent. as compared with India's share of 22 and 17 per cent. respectively.

About 60 per cent. of the production of rape and mustard seeds in India is accounted for by U.P. The Punjab ranks second with about 8 per cent., while Rajasthan occupies the third place. The other producing States are Assam, Bihar, West Bengal, Madhya Pradesh, P.E.P.S.U., Orissa, Bombay and Madhya Bharat.

Before the First World War, India was a leading exporter of these seeds. It exported about 23 per cent. of its internal production and accounted for about 72 per cent. of world exports. The average of annual exports for the quinquennium ended 1913-14 was 277,000 tons. They were despatched mostly to Belgium, Germany, France, Italy and the Netherlands. Continental markets were lost with the outbreak of the second World War. Internally, too, the Government of India imposed restrictions on exports of these seeds. Exports in 1952-53 amounted to a mere 47 tons. The fall in exports can also be attributed to the partition of the country, the stress laid on exports of oil in preference to seeds and the sustained internal demand. The seeds are used mainly for the extraction of oil, about 82 to 90 per cent. being used on that account. About 66.6 per cent. of the seeds crushed remain in the form of oilcakes which are used as cattle feed and as manure for sugarcane farms and tea plantations.

Futures in Seeds Necessary

Examining the case for futures trading in rapeseed and mustard seed, the Commission gives a number of reasons why such trading is necessary in these seeds. The area under cultivation and the production of the commodity are large and, in terms of quantity, it is the second major oilseed crop in India. The cultivation of the crop spreads from the Punjab in the North-West to Assam in the North-East. It is dependent on rainfall and thus the cultivation is exposed to uncertainties in the total volume of supply. There is a considerable volume of inter-State movement of seeds and crushing takes place throughout the year, while the crops are marketed during January to April. Crushers, stockists and traders, therefore, have to hold large stocks of seed and would welcome hedging facilities to cover their risks. There is also a good deal of uncertainty in regard to the price of oil, because the principal market for oil, West Bengal, is far away from main producing centres. The oil-millers, too, therefore, would welcome the reopening of futures trading in the seeds since the hedging facilities provided thereunder would give them protection against price fluctuations. The existence of futures markets before the introduction of the ban in 1944 has shown that an adequate number of experienced operators is available to deal in the commodity. Besides, ample warehousing facilities would be available at terminal markets, as well as in the producing and crushing centres. The seeds can be stored for long periods without deterioration in quality.

As for futures trading in rapeseed oil and mustard oil, the Commission feels that there is no compelling need to open forward trading in oil for the time being. It gives five reasons for this view: (1) Mustard oil is used mostly for edible purposes and not for any industrial use. Consequently, there is no organised body of consumers in need of holding large stocks of oil. There is also no export trade therein. The market for oil is, therefore, narrow. (2) There does not appear to be any tradition of futures trading in oil in the past, most of the associations having confined themselves to trading in seed only. (3) The representations received for the resumption of futures trading were mostly in respect of seed. (4) Many associations have stated that hedging in seeds would satisfy the requirements of all sections of the trade. As there seems to be a fairly well defined and stable relations between the prices of seed and oil, hedging in seeds would give protection to the oil interests. And (5) trading in non-transferable specific delivery contracts in respect of these oils is freely permitted throughout the whole country and this should go some way towards meeting the requirements of the oil interests.

SMALL BUSINESSES ENSURE COMPETITION

In India, there is a growing tendency on the part of the State to enter into and expand its activities in every sphere of economic activity. It is seeking to play an increasing role in industry, banking, insurance, trade and transport. In the second Plan the State has been assigned such a predominant role that, to a shrewd observer, it looks as though the day will not be far off when monolithic State agencies functioning under statutory regulations will spread out and kill competition which is the essence of all progress in a democratic society. The private *entrepreneur* has already felt the pangs of such expansion. Over a year ago, when an attempt made by a private industrialist to establish a steel company at Durgapur failed to fructify, an anguished business man, who was apprised of the failure, remarked: "Why bother the private sector entering the field of steel manufacture. The public sector is producing enough iron to enter the souls of 360 million Indians." While frustration is thus being felt among lovers of free enterprise, at no time in the past was there such urgency as today for enlightening the general public of the dangers of an economy in which competition is eliminated in the name of establishing a socialist pattern of society.

The public in India stands to benefit by keeping itself abreast of what is being done in the U.S. to control monopolies and to encourage the small business man. Having full faith in the benefits of competition to society, the U.S. Government has not failed to keep under control monopolistic tendencies, on the one hand, and to provide protection to the small business man against the threat of monopoly, on the other. President Eisenhower, in his Economic Report to the U.S. Congress early this year, observed: "One of the clearest lessons of business history is that tendencies toward monopoly are always present in some degree and that constant vigilance is needed to assure ascendancy of competitive conditions. Strict enforcement of the anti-trust laws is our primary weapon for thwarting any impairment of competition." The President made this remark, because American business consists of predominantly small business concerns. According to the Small Business Administration, a Government agency created by the U.S. Congress to "aid, counsel, assist and protect small business concerns," out of 4,225,000 business enterprises in the U.S. as on 30th June last, as many as 4,000,000 were small businesses. This domination of the small business man is due to the American belief that the small business is indispensable in a competitive enterprise system of economy.

One of the most obvious examples of this is found in the oil industry in the U.S. Most of the big oil companies, such as Standard Oil Company of New Jersey, distribute their products through the hundreds of thousands of independently owned and operated gasoline stations that serve American motorists in cities, towns and the countryside throughout the U.S.

No precise definition of the term "small business" is available in the U.S. But there are certain criteria that give it a definite meaning. The Small Business Act passed in 1953 defines a small business concern as "one which is independently owned and operated and which is not dominant in its field of operation. The Small Business Administration created under the Act considers any firm that employs fewer than 500 persons as a small business. It issues a share of Government contracts on this criterion. In the distribution trades, the S.B.A. uses dollar volume as a measuring rod. Net sale of $5 million a year is the ceiling for small wholesalers, while, in the retail trade, most firms having annual net sale of less than $1 million are regarded as small. In this latter category are hundreds of thousands of small retail businesses, such as neighbourhood grocery stores, shoe repair shops, restaurants, dress shops and haberdasheries whose annual net sales do not reach one-tenth of the $1 million ceiling. Firms engaged in most service-trades are also classified as small, if their annual receipts are less than $1 million.

There is no doubt that small business concerns, especially small manufacturing corporations, labour under some inherent handicaps in the U.S. free-enterprise economy. The limited amount of capital with which most small corporations operate is an obvious disadvantage in times of financial stress and strain. For the same reason, the small corporations generally do not have the money to set up laboratories and to hire highly skilled technicians to conduct research. Nor do they have the financial backing to conduct experiments that sometime require years for the development of a single, complicated product.

At the same time, the small concerns also enjoy certain inherent advantages in a free economy.

(Continued on page 103)

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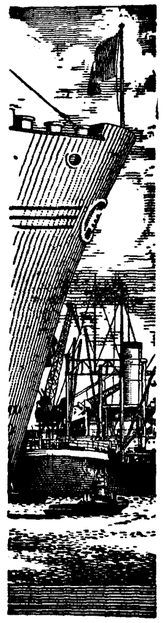

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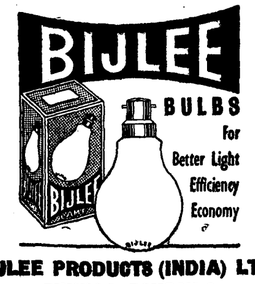

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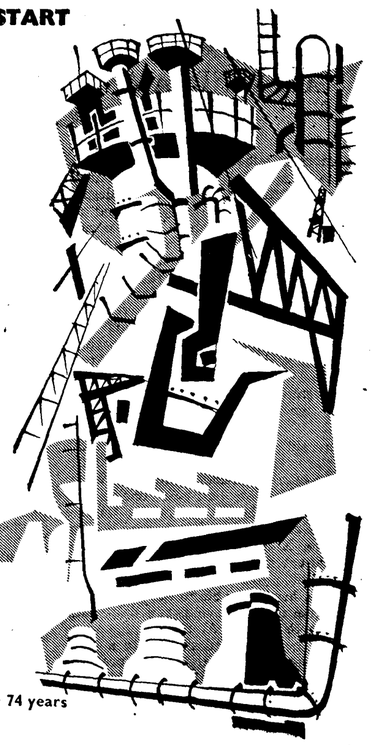

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PROFITS OF McLEOD GROUP JUTE COMPANIES SHRINK

ALEXANDRA AND NELLIMARLA REPEAT DIVIDEND

THE six months ended 31st December 1955 proved to be a period of extremely difficult trading conditions for the jute industry, despite the fact that there was a steady demand for manufactured goods throughout the period. This was so because raw jute prices were ruling at such a high level and the market for jute manufactures was highly competitive that it was impossible to transact business in manufactured goods at a profit. The position was rendered more difficult by the increase in working costs as a result of the implementation of the Third Tribunal Award, which had granted an increase of Rs. 3-12-9 per worker per month with effect from 6th November 1955, leading to a rise of about Rs. 12 per ton in working costs of jute mills.

The aforesaid trading conditions are duly reflected in the financial results of the jute mills under the management of Messrs. McLeod & Co., Ltd., Calcutta, for the half-year ended 31st December 1955. Of the six companies (among the group of eight), namely, Alexandra, Chitavalsah, Empire, Kelvin, Nellimarla and Presidency, the salient features of the accounts of which are tabulated at the foot of this page, only one, Nellimarla, has been able to show a slightly better profit than in the previous two half-years. The worst affected is the Alexandra, the gross profit of which has dwindled sharply to a mere Rs. 0.98 lakh from Rs. 6.16 lakhs for the previous half-year and the record level of Rs. 9.34 lakhs for the corresponding six months of 1954. The profit for the half-year under review is the lowest since the six months ended 30th June 1952. The gross profit of Chitavalsah, which had steadily advanced from Rs. 4.33 lakhs for the half-year ended 30th June 1954 to Rs. 9.22 lakhs in the corresponding six months of 1955, has dropped to Rs. 7.82 lakhs.

The gross profit of the Empire Jute for the half-year under review has declined in succession to Rs. 2.83 lakhs from Rs. 4.69 lakhs for the previous half-year and Rs. 6.30 lakhs for the corresponding six months of 1954 The profit of the Kelvin Jute amounts to Rs. 7.94 lakhs, as against Rs. 9.77 lakhs and Rs. 13.40 lakhs, respectively, for the previous two half-years taken for comparison The Nellimarla, however, has earned a better profit of Rs. 6.19 lakhs, having risen from Rs. 5.88 lakhs for the previous half-year and Rs. 3.84 lakhs for the half-year ended 30th June 1954, and represents the highest for the past four half-years. The profit of the Presidency Jute has dropped from Rs. 3.53 lakhs to Rs. 2.63 lakhs, but the shrinkage is negligible as compared with that in the previous six months when the profit had more than halved itself from the record level of Rs. 7.19 lakhs to Rs. 3.53 lakhs.

The trend of net profits earned by the aforesaid six Companies and the dividend distributions for the past three half-years are clearly indicated in the table on this page. However, a word of explanation about the appropriation of the net profits will make it easier for readers to follow the trend.

It will be noted that, out of the six companies, only two have been able to repeat the dividends, while the others have had to cut them in consonance with the fall in their earnings. The Alexandra Jute has been able to maintain the dividend —for the third half-year in succession— even after transferring a sum of Rs. 75,000 to the reserve for machinery renewals, thanks to the writing back of Rs. 60,000, being the provision for possible loss on forward contracts made in the previous half-year, and to the sizable surplus of Rs. 2.03 lakhs brought in from the previous half-year. The Chitavalsah Jute has reduced the allocation to the reserve for machinery renewals from Rs. 1.75 lakhs to Rs. 1 lakh and has cut the dividend from 15 per cent. to 12½ per cent. per annum, thus restoring it to the level paid for the half-year ended 31st December 1954. The cut in dividend of the Empire Jute has been the sharpest, having been reduced from 15 per cent. per annum (paid for the previous two half-years) to 10 per cent. per annum, although the net profit is maintained at the previous half-year's level. This cut has been effected only after providing Rs. 1 lakh to the reserve for machinery renewals, which had not received anything in the previous half-year. The Directors of the Kelvin Jute have transferred to the reserve for machinery renewals Rs. 2.50 lakhs, as against *nil* in the previous half-year. No addition has been made to the general reserve, which had received Rs. 1 lakh six months ago. The dividend has been reduced to 15 per cent. per annum, from 20 per cent. per annum maintained for three previous half-years in succession. The Nellimarla Jute has repeated the allocation to the reserve for machinery renewals at Rs. 1.75 lakhs and the dividend at 10 per cent. per annum, to which level it had been raised last half-year from 7½ per cent. per annum. The dividend declared by the Presidency Jute, at 5 per cent. per annum, is the lowest among the group, having been reduced from 7½ per cent. per annum paid for the previous two half-years. No addition to the reserves has been made as in the previous half-year.

It will be noted from the foregoing analysis that the six mills have been able to add no more than Rs. 7.00 lakhs in the aggregate to the reserve for renewal of machinery, at a time when the whole industry is in need of large financial resources for financing the heavy modernisation programme. If such was the position of the industry during a period of good, steady demand for jute goods, investors can easily imagine its plight in the subsequent half-year (that is, the one ended 30th June 1956) when, as a result of the offtake lagging behind production, there was a huge accumulation of stocks with mills. Besides the sharp fall in earnings, the mills have had to lock up a substantial part of their resources for financing the accumulated stocks.

UNION INSURANCE SOCIETY OF CANTON LTD.

Established as far back as in 1835, the Union Insurance Society of Canton (General Manager: Mr. L. B. Stone, Hongkong), is one of the world's leading general insurance offices with branches and agencies in all parts of the globe. During the year ended 31st December 1955, the Society's net premium income aggregated £10.76 million, as compared with £10.13 million in the previous year, thereby recording an increase of £629,518. The expansion of the Society's activities has enabled the Directors to maintain the dividend at £2 2*s.* 6*d.* per share of £10 paid-up, the dividend being applicable to the increased capital of £1,500,000.

The increase in net premium income, to which reference has been made above, is shared by all the three departments, namely, marine, fire and accident. Between 1954 and 1955, the net premium income in the marine department moved up from £3,412,179 to £3,413,162, in the fire department from £3,629,233 to £3,752,673 and in the accident department from £3,090,024 to £3,595,119. The increase in the marine premium income, though it appears to be small, is particularly noteworthy in view of the fact that cargo rates were generally lower in 1955 than in the previous year.

In the marine department, claims accounted for £2.31 million, as against £2.52 million in 1954, and general expenses for £589,542, as compared with £608,208. Claims in the fire department absorbed £1.74 million as against £1.61 million. Referring to the claims experience in this department, the Chairman, The Hon. C. Blaker, points out that the Society was involved in the conflagration in Bacolod in the Philippines and in a large oil plant fire in Indiana which proved costly to the many insurers involved in it. In the motor department, claims paid and outstanding aggregated £1.95 million as compared with £1.69 million. In this connection, the Chairman has made certain remarks which are bound to be read with interest in this country. After referring to the high cost of repairs and settlement of personnel injury claims, he says: "The increase in road traffic in so many countries coupled with inadequate road systems is a problem which is likely to be with us for some time yet. The attendant problem of the higher speeds of all kinds of vehicular traffic presents further underwriting difficulties in the transaction of motor business."

The underwriting profit in the marine, fire and accident departments was £205,000, £256,742 and £198,932, respectively. These sums, together with the income from interest and dividends, made in all £1.18 million. The provision for taxation absorbed £222,056 and contributions to staff premium fund £173,634. After providing for expenses, not applicable to any other account and allowing for the minority interests of the outside shareholders of a subsidiary company, the Society's net profit is £735,340. After deducting profit retained in subsidiary companies £245,052, there was a balance of £490,288 which, together with the balance brought forward from the previous account £361,626, made in all £851,914. The payment of dividend at £2 2*s.* 6*d.* absorbed £318,750. After transferring £120,000 to exchange and investment fluctuation reserve, £30,000 to the accident and general additional reserve and £20,000 to the fire additional reserve, there was a balance of £363,164 to be carried forward to current year's account.

The Society's financial position is very strong. Besides a capital of £1.5 million, it has reserves and funds aggregating £11.81 million, inclusive of marine fund of £5.58 million, fire fund of £2.10 million and accident fund of £1.69 million.

MUKUND IRON AND STEEL

Substantial progress in the working of the Mukund Iron and Steel Works Ltd. (Managing Agents: Messrs. Jeewan Ltd., Bombay) is disclosed by the audited accounts of the Company for the year ended 31st March 1956. The gross profit for the year amounts to Rs. 17.27 lakhs, as compared with only Rs. 4.53 lakhs for the previous year. After setting aside a sum of Rs. 5.55 lakhs for depreciation and utilising Rs. 1.98 lakhs to write off the loss of assets at Lahore, the Directors have transferred Rs. 5 lakhs to the rehabilitation and development reserve and Rs. 2.50 lakhs to the dividend equalisation fund. They have also recommended the payment of the arrears of preference dividend (5 per cent. per annum, subject to tax) for two years, namely, 1949-50 and 1950-51, which will absorb Rs. 1 lakh, leaving to be carried forward Rs. 0.31 lakh.

The Directors have also recommended the wiping out of the arrears of preference dividend for the rest of the five years also, namely, 1951-52 to 1955-56. There is, however, a technical difficulty in carrying out this recommendation. For the Company cannot pay during any calendar year more than two years' dividend to preference shareholders, so long as the loan taken from the Industrial Finance Corporation of India remains outstanding, without the prior sanction of the I.F.C. The Directors have asked for the Corporation's permission, and, as soon as it is received, the arrears of preference dividend for the aforesaid five years will be paid out of the dividend equalisation fund.

The earnings of the Company for the year would have been higher but for the slow-down of production by the workers for a few months towards the close of 1955. Normal production was, however, restored soon.

The Company, it will be recalled, was established in 1937 and had two factories, one at Lahore and the other at Bombay. Before the partition of India, the Lahore factory was the major production unit of the Company. The loss of the Lahore factory, as a result of the partition, was, therefore, a severe blow to its economy. Thanks, however, to the vigorous efforts of the management in developing the Bombay factory, the Company has

(*Continued on next page*)

(In lakhs of rupees)

	ALEXANDRA			CHITAVALSAH			EMPIRE			KELVIN			NELLIMARLA			PRESIDENCY		
	For the half-year ended			For the half-year ended			For the half-year ended			For the half-year ended			For the half-year ended			For the half-year ended		
	31-12-55	30-6-55	31-12-54	31-12-55	30-6-55	31-12-54	31-12-55	30-6-55	31-12-54	31-12-55	30-6-55	31-12-54	31-12-55	30-6-55	31-12-54	31-12-55	30-6-55	31-12-54
Sale proceeds	56.98	66.70	79.40	77.83	73.50	71.05	44.89	48.34	60.22	71.89	76.11	90.93	48.16	44.60	45.22	66.26	68.28	56.39
Stocks of gunnies	6.30	3.96	9.00	3.07	9.12	9.82	4.47	2.97	3.17	6.70	4.80	5.63	7.11	8.97	8.53	3.68	6.89	7.79
Other income	0.30	2.01	0.52	0.52	1.02	0.61	0.53	0.29	0.45	0.49	0.29	0.71	0.75	1.16	0.68	0.21	0.14	0.10
Expenses	58.62	57.52	72.38	64.48	64.60	60.82	44.09	43.74	50.13	66.42	65.80	71.77	40.85	40.34	40.40	60.64	61.98	51.83
Gross profit	0.98	6.16	9.34	7.82	9.22	8.24	2.83	4.69	6.30	7.94	9.77	13.40	6.19	5.88	3.84	2.63	3.53	7.19
Managing Agents' remuneration	0.36	0.68	0.97	1.48	1.53	1.43	0.42	0.63	0.82	0.97	1.17	1.58	1.07	1.06	0.90	1.34	1.30	1.14
Depreciation	0.50	1.18	1.92	0.76	1.00	1.16	0.65	1.60	1.22	1.66	2.93	4.40	0.31	0.56	0.78	0.90	0.68	1.17
Taxation	0.12	2.00	0.85	2.50	2.92	2.43	0.32	1.02	1.83	1.30	2.50	3.21	1.95	1.85	0.95	0.21	0.70	1.70
Net profit		2.30	5.60	3.08	3.77	3.22	1.44	1.44	2.43	4.00	3.17	4.21	2.86	2.41	1.21	0.18	0.85	3.17
B.P.T. refund					0.03			0.14			0.10			0.76				
Provision or over-provision written back	0.61													0.16				
Transfer to reserves	0.75	0.60	0.25		0.17				0.31			0.25		0.75			0.01	
Dividends—			4.40	1.00	1.75	0.50	1.00		0.50	2.50	1.00	1.50	1.75					1.25
Preference	0.31	0.31	0.31															
Ordinary	0.30 (10% p.a.)	0.30 (10% p.a.)	0.30 (10% p.a.)	0.17 1.88 (12½% p.a.)	0.17 2.26 (15% p.a.)	0.17 1.88 (12½% p.a.)	0.35 0.75 (10% p.a.)	0.35 1.12 (15% p.a.)	0.35 1.12 (15% p.a.)	0.35 1.57 (15% p.a.)	0.35 2.10 (20% p.a.)	0.35 2.10 (20% p.a.)	0.15 1.31 (10% p.a.)	0.15 1.31 (10% p.a.)	0.15 0.98 (7½% p.a.)	0.62 (5% p.a.)	0.94 (7½% p.a.)	0.94 (7½% p.a.)
Carry forward	1.38	2.03	0.94	1.33	1.31	1.52	0.78	1.44	1.33	1.11	1.53	1.71	1.08	1.44	1.31	0.52	0.96	1.04

Points From The Chair

Outlook for Ceylon Tea

"AS to prospects for 1956, I feel hopeful of being able to see comparable prices in that the overall world position for tea would appear, at the moment, to be reasonably sound. However, this hope is contingent on two particular factors, first that the shortfall in tea crops, due to an abnormally severe drought in the early months of the year, is largely overtaken, and second, on our continuing to be able to work in co-operation with the new Government of Ceylon, thus ensuring the maintenance of a strong and stable tea industry, and to this end we extend to the new Prime Minister our good wishes for the future."

MR. R. D. W. MEGGINSON,
Imperial Ceylon Tea Estates

Excessive Competition Cargo Market

"In the cargo market competition continues. Healthy competition is an excellent thing and has always been a feature of marine insurance, but in recent years the world market has grown to such an extent that capacity exceeds the business available, resulting in excessive competition and the reduction of rates, in many cases, below economic levels. It takes a long time for the real position to be reflected in the figures but sooner or later such rates will have to be rectified. In the meantime we may have to face a few lean years during which we shall still find it necessary to be most selective in our underwriting."

MR. B. M. MAVROLEON,
The Hull Underwriters' Association

World Position of Man-made Fibres

"I will now refer to the world production of man-made fibres, which during the year 1955 was roughly 14 per cent. higher than for the twelve months in 1954; the increase amounted to 670 million lbs., and the aggregate production figure reached the formidable total of 5,600 million lbs. Of the increase, about one-fifth was in synthetics and the remaining four-fifths was divided between viscose and acetate continuous filament yarn and staple—viscose having much the larger share. We estimate that the synthetics now comprise about ten per cent. of the world production of all man-made fibres, compared with roughly eight per cent. in 1954. There is a growing interest in these synthetics, more particularly on the American continent, where much progress has been made and where several producers now compete with each other for the available business. Progress has been somewhat slower in Europe, partly perhaps because of climatic conditions, but also because the average European is more conservative than his American counterpart in trying something new—especially so when he continues to be well served by the use of fibres with a cellulose base."

SIR JOHN HANBURY-WILLIAMS,
Courtaulds Ltd.

Prospects for Electricity Consumption in Calcutta

"I took the opportunity during my visit to tour Calcutta and its suburbs in order to see the developments which have taken place in building and in the opening up of new thoroughfares in the city itself and its outskirts. Modern new office buildings—Government and commercial—have been erected in the city. The Calcutta Improvement Trust are in the process of completing new roads and extending existing ones over a wide area. Large residential flats have been constructed in the suburbs and it is evident a great deal of this type of building will take place during the next few years following on the completion of Improvement Trust Schemes. I have referred to this building activity in my comments on the domestic load. There has also been expansion in the industrial area and in addition considerable industrial activity throughout our licensed area which extends well beyond Calcutta on both banks of the River Hooghly. What has so far been accomplished indicates the progressive spirit which animates the authorities and all concerned with the welfare and well-being of the city and its extensive suburbs."

SIR HARRY BURNS,
Calcutta Electric Supply Corporation

Problem of Modernisation of Tea Estates

"Apart from Chinese growths, for which only guess-work estimates can be made, fully four-fifths of the world's tea is grown in India, Pakistan and Ceylon. These three countries all have a long-term problem before them in the need to modernise their gardens—a large proportion of their acreages could be much more productive, to the great advantage of growers and Governments alike, if so much were not already past middle age. Planting costs, however, have become so high that to replant on any substantial scale is now out of the question for most producers. In the case of Ceylon, tea accounts for two-thirds of the Island's total exports, and is, consequently, of critical importance to the economy. The problem of modernisation should receive the sympathetic consideration of the Governments concerned, since a large element in the high costs is due to their taxation policies and a solution is becoming more urgent every year."

SIR ERIC MACFADYEN,
Rubber Plantations Investment Trust

COMPANY MEETINGS AND DIVIDENDS

PULLANGODE RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Fort Cochin, 17th July 1956. Dividend: As. 4-4/5 per share (15 per cent.). Transfer books remain closed from 4th to 19th July 1956, both days inclusive.

BENGAL POTTERIES LTD. Annual General Meeting, Calcutta, 17th July 1956. Transfer books remain closed from 14th to 18th July 1956, both days inclusive.

MOON MILLS LTD. Annual General Meeting, Bombay, 20th July 1956. Transfer books remain closed from 1st to 20th July 1956, both days inclusive.

CLIVE ROW INVESTMENT HOLDING CO., LTD. Annual General Meeting, Calcutta, 24th July 1956. Dividend: Re. 1-6 per share (includes interim dividend of As. 8). Transfer books remain closed from 13th to 24th July 1956, both days inclusive.

SARAN ENGINEERING CO., LTD. Annual General Meeting, Kanpur, U.P., 24th July 1956. Dividend: As. 4 per share. Transfer books remain closed from 9th to 24th July 1956, both days inclusive.

UNITED FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 25th July 1956. Dividend: Re. 1-4 per share. Transfer books will remain closed from 6th to 26th July 1956, both days inclusive.

SIMPLEX MILLS CO., LTD. Annual General Meeting, Bombay, 25th July 1956. Dividend: Rs. 12 per share, payable on 27th July 1956. Transfer books remain closed from 22nd June to 6th July 1956, both days inclusive.

ALEMBIC CHEMICAL WORKS CO., LTD. Annual General Meeting, Calcutta, 30th July 1956. Dividend: Rs. 8 per ordinary share. Transfer books remain closed from 18th to 25th July 1956, both days inclusive.

TRAVANCORE CEMENTS LTD. Annual General Meeting, Kottayam, Travancore-Cochin, 30th July 1956. Dividend: As. 2 per share final (making As. 10 for the whole year). Transfer books remain closed from 14th to 30th July 1956, both days inclusive.

PRESIDENCY JUTE MILLS CO., LTD. Half-yearly General Meeting, Bombay, 6th August 1956. Dividend: As. 2 per share. Transfer books remain closed from 9th to 30th July 1956, both days inclusive.

FORT GLOSTER JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 31st July 1956. Dividend: Rs. 7-8 per share. Transfer books will remain closed from 20th to 31st July 1956, both days inclusive.

EMERALD VALLEY ESTATES LTD. Annual General Meeting, Coimbatore, 31st July 1956. Dividend: As. 10 per share (includes interim dividend of As. 5 per share). Transfer books will remain closed from 16th to 31st July 1956, both days inclusive.

MUKUND IRON AND STEEL WORKS LTD. Annual General Meeting, Baroda, 26th July 1956. Dividend: *Nil*. Transfer books will remain closed from 16th July to 6th August 1956, both days inclusive.

INVESTA MACHINE TOOLS AND ENGINEERING CO., LTD. Annual General Meeting, Bombay, 7th August 1956. Transfer books will remain closed from 24th July to 7th August 1956, both days inclusive.

INDIA PAPER PULP CO., LTD. Dividend: As. 11-1/5 (7 per cent.) per share, for the half-1956. Transfer books will remain closed from 18th year ended 31st March 1956.

MANAR ESTATES LTD. Dividend of As. 4-4/5 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 18th to 29th July 1956, both days inclusive.

MERCARA RUBBERS LTD. Interim dividend of As. 6 (7½ per cent.) per ordinary share, for the year ended 30th June 1956. Transfer books remain closed from 5th to 23rd July 1956, both days inclusive.

LAKSHMI MILLS CO., LTD. Final dividend of Rs. 7-8 per ordinary share and Rs. 3-12 per 'A' ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 31st July to 3rd August 1956, both days inclusive.

COMPANY REGISTRATIONS

WESTERN SHIPPING CORPORATION (PRIVATE) LTD. (First Director: Dr. Nagendra Singh, I.C.S.) Business: To purchase, charter, build, hire or otherwise acquire steam and other ships, etc. Authorised capital: Rs. 10,00,00,000. Private company. Registered office of the Company will be situated in the State of Bombay.

GRACE AND STYLE PRIVATE LTD. (First Director: Kamla Kapur.) Business: Film producers, distributors, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Nilam Mansions, Lamington Road, Bombay 4.

BAKUL AGENCIES PRIVATE LTD. (First Director: Shri Premchand Jain.) Business: All kinds of agency business. Authorised capital: Rs. 5,00,000. Private company. Address: 15-A, Horniman Circle, Fort, Bombay.

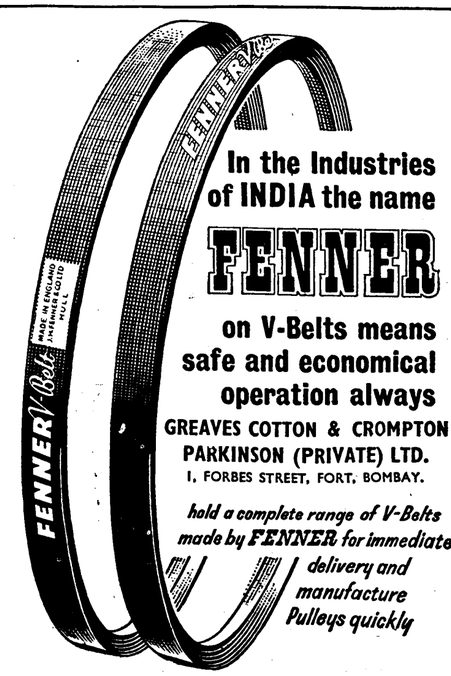
EASTERN CONTRACTORS PRIVATE LTD. (First Director: Lt.-Col. W. P. Horsburgh.) Business: Mechanical, electrical and general engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Bal Sakarbai Hospital Compound, Government Gate Road, Parel, Bombay.

(*Concluded from previous page*)

been restored to a position wherefrom it can look forward to the future with a reasonable degree of optimism.

The two main activities of the Company are steel re-rolling and steel casting. The re-rolling section had, in the past, suffered from chronic shortage of raw material, that is billets. This difficulty has now been overcome, and with the provision for production of substantial quantities of billets by major steel producers during the second Five-year Plan and the formulation of a programme of imports of large quantities, including billets, the Directors safely expect a good supply of billets in years to come.

The production for the railways, particularly in the sphere of wagon building, in the second Plan period has given considerable impetus to the Company's steel casting section. It has already reached the target for steel castings set at the commencement of the expanion of the Bombay factory and further expansion is being seriously considered. Efforts are also being made to secure technical co-operation of foreign firms, in order to get the advantages of the latest production techniques. This is expected to result in further improving the working efficiency of the Company's existing plant and equipment.



CLIVE ROW INVESTMENT RAISES DIVIDEND

PROFIT OF SARAN ENGINEERING HIGHER

Clive Row Investment Holding Co., Ltd.

THE directors of the above Company (Secretaries: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1956.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; and this fact has been commented upon by the auditors in their report.

The profit for the year amounted to Rs. 31,92,061 on which taxation provision requires Rs. 10,70,000, leaving a net profit for the year of Rs. 21,22,061. To this amount has to be added the balance at credit of profit and loss account at 31st March 1955 Rs. 10,62,491, making a total in the profit and loss account of Rs. 31,84,552. From this is deducted the interim dividend of As. 8 per share paid on 25th November 1955 Rs. 6,94,000 and the directors now propose a final dividend of As. 14 per share amounting to Rs. 12,14,500, leaving to be carried forward Rs. 12,76,052.

During the year there was a net increase of Rs. 4,08,320 in the cost of the investment portfolio, and the investments of the Company are now divided among the main industries of the country as follows, the relative position as at 31st March 1955, being shown in brackets:

	Per cent.	Per cent.
Tea	22	(24)
Jute	24	(23)
Coal	17	(18)
Paper	6	(6)
Inland shipping	5	(6)
Miscellaneous	26	(23)

The tea company dividends taken into this account indicate the unprecedented prosperity of the tea industry in 1954. The results of the 1955 season will show a drop in the Company's income from these investments and will be more in line with the average results to be expected from this industry whose prosperity is to a great extent dependent on world markets. Prospects at present for 1956 are for a satisfactory season.

The recently published accounts of jute companies reflect the difficult time through which the jute industry is passing. Unless there is a substantial increase in the differential between the cost of raw jute and the price of the finished product, and in the demand for jute goods, prospects cannot be considered encouraging.

It is difficult to forecast whether the existing private sector in the coal industry will ultimately be nationalised or not. There are, however, good prospects during the next five years for most coal companies, provided the railways are able to move the additional coal which will be raised under the Second Plan, and provided Government grant an increase in the prices for coal sufficient to cover the increases in costs resulting from the recent Award affecting the industry.

With the growth of literacy in the country, the demand for paper is likely to increase, and we may take an optimistic view of the future of the paper industry. It is hoped that the increase in industrial activity which should result from the Plan will benefit the miscellaneous companies in which this Company is interested.

Since the shares of the Company were made available to the general public in January 1955, they have become widely spread and the shareholders of the company now number 970. Under the provisions of the Finance Act, 1956, the Company would be liable to a penalty super-tax at 8 annas in the rupee on any part of its assessable profits not distributed as dividend. Although the dividend recommended is the minimum to avoid this liability, it incurs dividend super-tax as it is in excess of 6 per cent. of the capital. It is unfortunate that a company of this nature, in which the public are so substantially interested, cannot build up its reserves and widen its scope except at the expense of considerable contributions to the public revenues.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,38,80,000	Investments	2,03,27,282
Reserves ...	17,34,264	Book debts	69,830
Provision for taxation ...	4,97,490	Cash ...	41,526
Liabilities ...	30,50,832		
Profit and loss account ...	12,76,052		
	Rs. 2,04,38,638		Rs. 2,04,38,638

Saran Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co. (Private) Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 31st March 1956.

The results for the year, after providing for all charges including provisions for depreciation Rs. 2,00,000 (Rs. 1,60,000) and taxation Rs. 60,000 (*nil*) show a profit of Rs. 1,08,352 (Rs. 40,893) from which has been appropriated for rehabilitation reserve Rs. 75,000 (*nil*), leaving a balance of Rs. 33,352 (Rs. 40,893). After adding the carry forward from the previous year of Rs. 13,412 (Rs. 10,019), there is an available sum of Rs. 46,764 (Rs. 50,912). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend of As. 4 (As. 4) per share, free of income-tax, for the year ended 31st March 1956 absorbing Rs 37,500 (Rs. 37,500) and in carrying forward Rs. 9,264 (Rs. 13,412).

The Company's works have been kept fully employed and the turnover shows an increase over the previous year.

The extensive capital replacement programme referred to in the last report is proceeding. During the year under report, approximately Rs. 4 lakhs has been spent on that account. The existing commitments of the Company on account of capital expenditure amount to approximately Rs. 4,65,000. A sum of Rs. 75,000 has been transferred to rehabilitation reserve from the current year's profits which the directors have transferred to capital reserve. The Company's property has been maintained in good repair.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	9,22,727
Reserves ...	6,10,321	Stock-in-trade	1,52,449
Provision for taxation ...	778	Stores and spare parts	20,85,670
Liabilities ...	27,66,047	Equipment	10,369
Profit and loss account ...	46,764	Debts and advances ...	7,16,592
		Investments	49,875
		Cash ...	86,228
	Rs. 40,23,910		Rs. 40,23,910

Pullangode Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Aspinwall and Co. (Private) Ltd., Fort Cochin) submit the audited accounts of the Company for the year ended 31st March 1956.

The net profit for the year amounts to Rs. 2,05,458 as compared with Rs. 1,84,471 for the previous year. The necessary provision for depreciation on buildings and machinery have been made, while unsold rubber on the date of closing has been valued on the basis of control rates. The profit earned in 1953-54 was Rs. 1,87,689, the profit for 1952-53 was Rs. 3,05,313 and that for 1951-52 amounted to Rs. 2,99,654.

Crops and costs.—Against an estimate of 6,00,000 lbs., a crop of 6,28,000 (6,23,000) lbs. was harvested, exceeding the previous year's record crop by 5,000 lbs. Estate expenditure worked out at 84.45 (77.69) cents per lb. The following are the working results for the past three years:—

Year	*Crop*	*Estate expenditure*	*Net profit*
	Lbs.	Cts. per lb.	Cts. per lb.
1953-54 ..	6,05,000	73.19	31.01
1954-55 ..	6,23,000	77.69	29.61
1955-56 ..	6,28,000	84.45	32.72

During September 1955 the controlled price of rubber was increased by Rs. 5-12 per 100 lbs. in order to effect compensation for an increase in excise duty introduced in August 1955.

With the addition of Rs. 90,574 (Rs. 1,50,103) brought forward from the previous year in the profit and loss account, and after deduction of preference dividend paid, the balance in profit and loss account amounts to Rs. 2,87,032 (Rs. 3,25,574), which the directors recommend be disposed of as follows:—

By payment of a dividend of 15 (17½) per cent. on ordinary shares absorbing Rs. 1,65,000 (Rs. 1,92,500), transfer to rubber rehabilitation reserve Rs. 42,830 (Rs. 42,500) and to carry forward in profit and loss account Rs. 79,202 (Rs. 90,574).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	14,73,599
Reserves ...	2,29,794	Stock-in-trade	1,39,987
Provision for taxation ...	1,05,747	Stores and spare parts	18,935
Liabilities ...	1,23,114	Rubber nursery ...	5,372
Profit and loss account ...	2,87,032	Debts, deposits and advances ...	45,897
		Investments	2,04,910
		Cash ...	1,06,987
	Rs. 19,95,687		Rs. 19,95,687

Emerald Valley Estates Ltd.

The directors of the above Company (Managing Agents: Messrs. Parkins (Private) Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December 1955.

The result of the year's working (after making provision for depreciation on buildings, machinery, furniture, etc., amounting to Rs. 7,156 (Rs. 3,990 but without any deduction in respect of income-tax) is a net profit of Rs. 53,219 (Rs. 1,62,695) to which must be added the balance of Rs. 34,176 (Rs. 16,895) brought forward from the previous year's account, making a total of Rs. 87,396 (Rs. 1,79,590). Out of this, an interim dividend of 12½ (12½) per cent. amounting to Rs. 21,875 (Rs. 21,875) was paid on the 10th January 1956 leaving a balance of Rs. 65,521 (Rs. 1,57,715) which the directors recommend to dispose of as follows:—

To pay a final dividend of 12½ (17½) per cent. on the ordinary shares absorbing Rs. 21,875 (Rs. 30,625) and to carry forward subject to taxation Rs. 43,646 (Rs. 62,090 after transferring Rs. 30,000 to general reserve and Rs. 35,000 to dividend equalisation reserve).

Acreage.—The area under tea is 193.03 acres.

Crop and price.—A total crop of 1,13,140 (1,18,050) lbs. of tea was harvested during the year as against an estimate of 1,15,000 lbs. The cost of production was 153.02 cents per lb. as against 116.53 cents for 1954. The net average price realised per lb. was 217.00 cents as against 268.46 cents last year.

Estimates for season 1956 provide for a tea crop of 1,20,000 lbs. to cost 143.11 cents per lb. f.o.b. But it is doubtful the estimate will be realised. Due to the severe and prolonged drought experienced in the beginning of the year the crop harvested todate is 8,422 lbs. less than that harvested in the corresponding period last year. Provided the weather favours in the second half of the year, it may be possible to make up part of the shortfall.

Issue of bonus shares.—As early as 30th September 1954 the general body had resolved to issue the bonus shares subject to sanction from the Government of India. The sanction has since been received and the directors have decided to issue the bonus shares immediately on passing of the special resolution given notice of (this has been included in the notice of the annual general meeting) which is the last statutory requirement to be observed to proceed with the issue of bonus shares.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,75,000	Block ...	3,02,577
Reserves ...	3,40,000	Stock of tea	30,794
Liabilities ...	24,542	Stores and spare parts	17,609
Profit and loss account ...	87,396	Other assets	1,572
		Debts, deposits and advances ...	25,243
		Investments	1,26,964
		Cash ...	1,22,179
	Rs. 6,26,938		Rs. 6,26,938

Harinagar Sugar Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Narayanlal Bansilal, Bombay) submitted the audited accounts of the Company for the year ended 30th September 1955.

The accounts showed a net profit of Rs. 5,16,531 (Rs. 4,78,837). This together with the carry-over of Rs. 18,275 (Rs. 14,438) brought forward from last year's account, makes a total of Rs. 5,34,806 (Rs. 4,93,275) which the directors disposed of as follows:—

To provision for taxation and other contingencies Rs. 3,00,000 (Rs. 4,00,000), to investment reserve Rs. 1,50,000 (*nil*) and to dividend at 7½ (7½) per cent. free of income-tax Rs. 75,000 (Rs. 75,000). The balance of Rs. 9,806 (Rs. 18,275) was carried forward. The directors have created an investments reserve this year to the extent of Rs. 1,50,000.

The factory crushed about 30 lakh maunds of cane during the season, an increase of about 8½ lakh maunds over the season 1953-54. In addition to the normal mechanical breakdowns, the labour also for some time adopted go-slow tactics. The working of the factory on the whole had been satisfactory.

During the year under report the implementation of the provident fund scheme to the workers and staff of the Company, with retrospective effect from February 1953, as per the Labour Appellate Tribunal's Award was given effect to.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	39,25,973
Reserves ...	13,25,149	Stock of sugar	34,37,143
Depreciation reserve ...	32,70,349	Stores ...	6,96,800
Provision for taxation ...	19,14,428	Live-stock	21,080
Liabilities ...	62,39,341	Debts, deposits and advances ...	36,92,575
Profit and loss account ...	9,806	Investments	15,80,971
		Cash ...	4,24,531
	Rs. 1,37,59,073		Rs. 1,37,59,073

United Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1955.

The Company's profit for the half-year, after the inclusion of Rs. 21,399 brought forward, is Rs. 1,21,396. After making provision for taxation Rs. 64,514 there remains Rs. 56,882. Out of this the directors have recommended the payment of a dividend at the rate of 25 per cent. per annum, absorbing Rs. 31,250 leaving to be carried forward Rs. 25,632.

The directors report, that during the half-year the demand for the Company's products was well sustained and despite occasional difficulties over supplies of wheat the Mill was able to work to full capacity. During the greater part of the period, Indian wheat was used almost exclusively but in early October floods in the Punjab interrupted the flow of supplies and the Government of India resumed the release of stocks of imported wheat from the middle of that month.

Labour.—Relations with the Company's employees continued to be good and in recognition of the satisfactory results for the year a higher rate of bonus was paid than hitherto.

Production during the half-year was 2,24,621 maunds as compared with 1,76,769 maunds during the half-year ended 31st May 1955. The average cost of wheat during the half-year was Rs. 12-15-1 per maund as compared with Rs. 14-0-10 per maund during the half-year ended 31st May 1955. The average price realised for products during the half-year was Rs. 15-3-10 per maund as compared with Rs. 17-6-10 per maund during the half-year ended 31st May 1955.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,000	Block	2,47,341
Reserves ...	8,22,763	Stock of wheat and flour etc.	8,05,825
Provision for taxation ...	1,49,000	Stores	20,796
Liabilities ...	5,27,305	Debts, deposits and advances ...	6,54,008
Profit and loss account ...	25,632	Investments ...	17,831
		Cash	28,899
	Rs. 17,74,700		Rs. 17,74,700

Shahdara (Delhi)-Saharanpur Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

Gross earnings—Gross earnings for the half-year were Rs. 23,28,000 (Rs. 21,64,775) which is Rs. 1,63,225 (Rs. 1,37,007) more than the earnings of the corresponding period ended 30th September 1954. There are decreases of Rs. 20,112 and Rs. 16,396 under goods and sundries and an increase of Rs. 1,99,733 under coaching.

Working expenses—Working expenses for the half-year were Rs. 15,01,927 (Rs. 13,02,969) plus Rs. 2,00,000 (Rs. 3,00,000) set aside to the replacement and renewal reserve fund, making a total of Rs. 17,01,927 (Rs. 16,02,969) which is Rs. 98,958 (Rs. 45,337) more than the figure for the corresponding period ended 30th September 1954.

Net earnings.—Net earnings for the half-year were Rs. 6,26,073 (Rs. 5,61,806).

The balance available for distribution is:—Net profit for the half-year Rs. 2,24,890 (Rs. 97,300) and balance brought forward Rs. 14,031 (Rs. 6,796) making a total of Rs. 2,38,921 (Rs. 1,04,096). The directors recommend that this balance be disposed of as follows:—

Payment of a dividend for the half-year at the rate of 12 (12) per cent. per annum less income-tax costing Rs. 66,375 (Rs 66,375) and balance to be carried forward Rs. 1,72,546 (Rs. 37,721).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	62,56,929
Debentures	30,00,000	Stores ...	8,42,029
Reserves ...	20,83,232	Work-in-progress ...	33,712
Provision for taxation ...	6,48,330	Debts, deposits and advances ...	12,64,585
Liabilities ...	24,07,815	Investments	10,48,473
Net revenue account ...	2,38,921	Cash ...	4,32,570
	Rs. 98,78,298		Rs. 98,78,298

British India Electric Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

After providing for depreciation the profit for the half-year was Rs. 91,780 (loss of Rs. 77,954). After deducting this from the balance brought forward of Rs. 6,18,709 (Rs. 6,10,532), there remains a balance of Rs. 5,26,929 (Rs. 6,88,487) at the debit of profit and loss account, which it is proposed to carry forward.

As the financial year of the Company covered by the attached accounts ended before the Companies Act, 1956, came into force the form in which the balance sheet and profit and loss account have been prepared differs from the form prescribed by that Act.

The higher profit due to a Rs. 4-lakh increase in turnover reflects improved production in all sections of the works. As the Company has now procured a healthy order book, especially with regard to electric motors and switchgear, steps have been taken to increase the productive capacity of these two shops.

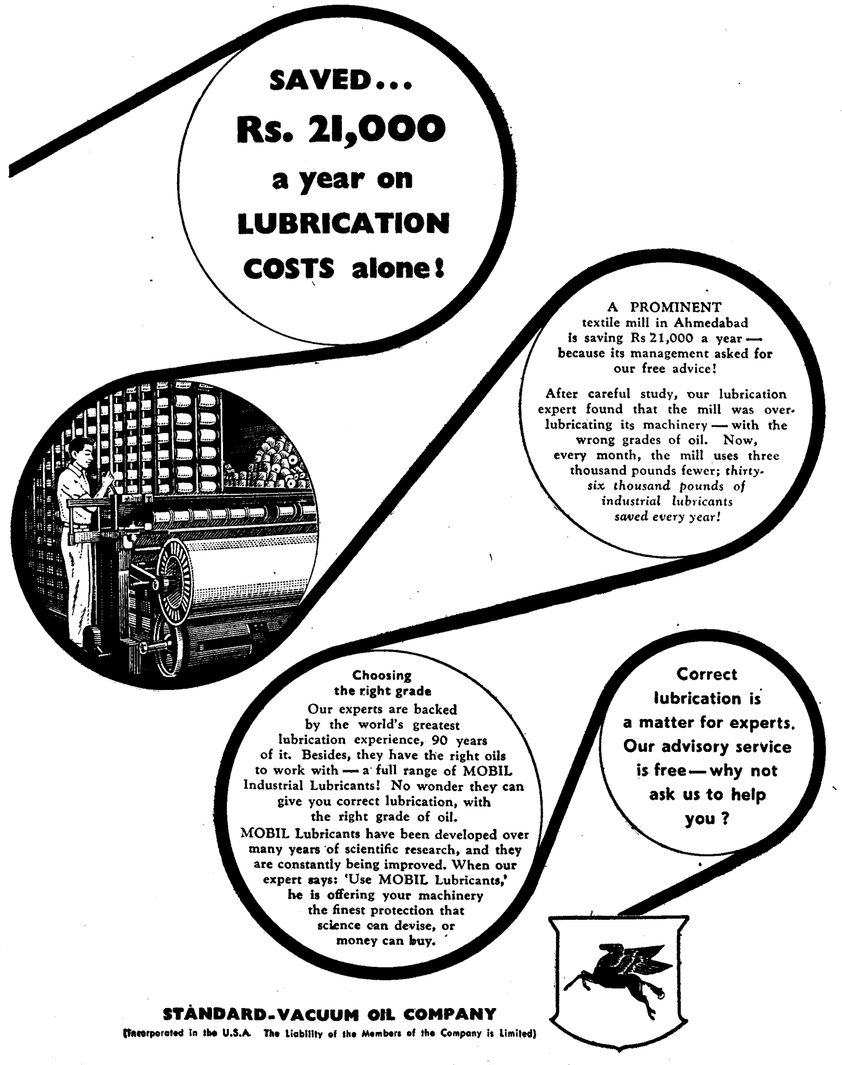
Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs
Capital ...	5,00,000	Block ...	5,44,177
Reserves ...	1,06,358	Stock and work-in-progress ...	16,90,789
Liabilities ...	31,77,953	Goods-in-transit ...	74,384
		Debts, deposits and advances ...	9,41,439
		Investments	2,000
		Cash ...	4,594
		Profit and loss account ...	5,26,928
	Rs. 37,84,311		Rs. 37,84,311

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

TATA OIL TO ISSUE BONUS SHARES

The Directors of the Tata Oil Mills Company, Ltd., have decided to recommend a dividend of Rs. 3 per ordinary share for the year ended 31st March 1956, as against Rs. 2 per share paid for the previous year. The Directors have also decided to capitalise a part of the amount standing to the credit of the share premium account of the Company and to utilise the same for issue of fully-paid ordinary bonus shares of Rs. 25 each, in the proportion of one share for every five ordinary shares held. The issue of bonus shares will be subject to the consent of the Government of India and approval by the shareholders at an extra-ordinary general meeting to be held at a later date. The date of the annual general meeting has been fixed on Tuesday, 14th August 1956.



Notices

THE PODAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company, Podar Chambers, Parsee Bazar Street, Fort, Bombay, 1, on Tuesday the 14th August 1956, at 4-30 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1955.
2. To sanction, if thought fit, the payment of Dividend on the Preference and Ordinary Shares of the Company and Special Bonus on the Ordinary Shares.
3. To elect a Director in place of Sir Behram N. Karanjia, who retires under Article 95 of the Articles of Association of the Company, but who offers himself for re-election.

   And to consider and if thought fit, to pass the following Resolution of which Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company from a member.

   Ordinary Resolution

   RESOLVED: "That the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to Sir Behram N. Karanjia who has attained the age of 79 years and who retires by rotation under Article 95 of the Articles of Association of the Company, as a Director of the Company, and that he be and is hereby elected as a Director of the Company."
4. To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution:

   Ordinary Resolution

   RESOLVED: "That the Company hereby consents to the Board of Directors contributing to charitable and other funds not directly relating to the Business of the Company or the welfare of its employees an amount not exceeding Rs. 1,00,000 (Rupees One Lakh only) during each of the two financial years 1956 and 1957."
5. To appoint Auditors for the current year and fix their remuneration.

By Order of
The Board of Directors
For THE PODAR MILLS LIMITED.
For PODAR SONS PRIVATE LIMITED,
Managing Agents,
GANESHNARAYAN R. PODAR,
Director.

BOMBAY, 3rd *July* 1956.

N.B.—1. EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT 1956, IN RESPECT OF ITEMS NOS. 3 AND 4 IS ANNEXED HERETO.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

3. The Dividend when declared, will be payable at the Bank of Jaipur Ltd., Bombay, on and after 16th August 1956. Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 14th August 1956.

4. The Transfer Books of the Company will remain closed from Tuesday the 24th July 1956 to Tuesday the 14th August 1956 (both days inclusive).

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956.

In respect of item No. 3 of the Notice of the Annual General Meeting to which this is an annexure, it is notified that Sir Behram N. Karanjia, who retires by rotation as a Director of the Company, but offers himself for re-election, has attained the age of 79 years and accordingly the Resolution set out in the said item is required to be passed under Section 281 of the Companies Act, 1956, for his election as a Director and Special Notice under provisions of Section 281 has been received by the Company from a Member, of his intention to move the said Resolution at the Annual General Meeting. The said Special Notice received by the Company can be inspected at the Registered Office of the Company during business hours on working days.

In respect of item No. 4 it is notified that under Section 293 (1) (*e*) of the Companies Act, 1956, the Board of Directors cannot without the consent of the Company in General Meeting contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees are restricted to an aggregate sum of Rs. 25,000 or 5 per cent. of its average net profits from last three years. For several years in the past, the Company has been making contributions to such charitable and other funds; it may be necessary for the Board of Directors of the Company to contribute to the charitable and other funds not directly relating to the business of the Company or the welfare of its employees in excess of the said limits. The Board of Directors, therefore, seek the requisite consent of the Company in General Meeting for the purpose by the abovementioned Ordinary Resolution as per the aforesaid Section 293 (1) (*e*) of the Companies Act, 1956.

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above named Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the Seventieth Ordinary General Meeting of the Company), will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Saturday the 4th August 1956, at 10 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December 1955, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 21st July to the 4th August 1956, both days inclusive.

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

CALCUTTA, 3rd *July* 1956.

Note:—1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

2. The Dividends, if sanctioned, will be paid on or after 11th August 1956, to those shareholders so entitled whose names appear in the Companys' books on the 4th August 1956 or to their mandatees. No application for Dividend Warrants will be necessary.

INTERNATIONALLY FAMOUS BRITISH Company of enamelled hollowware manufacturers invite enquiries from interested concerns of sound financial position for setting up a modern mass production factory in India to produce enamelled ware using their own unique method. Write to Box No. 958, C/o "Commerce," Brady House, Veer Nariman Road, Fort, Bombay.

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on the 3rd July 1956, the following Dividends were recommended to be paid for the half-year ended 31st December 1955, without any deduction for Income-tax paid by the Company.

On Founders Shares ... Rs. 3 per share
On Ordinary Shares ... Re. 1 „ „

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

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE EQUITABLE COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE payment of Interest for the period from 1st January to 30th June 1956 on the 5½ per cent. Registered Debenture Stock 1963-68 of the Company is being made to those Stockholders whose names appeared on the Company's Register on the 30th June 1956 or in accordance with their instructions.

For THE EQUITABLE COAL CO., LTD.,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 3rd *July* 1956.

CAWNPORE TEXTILES, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from the 18th July to 4th August 1956, both days inclusive.

By Order of the Board,
Per Pro BEGG, SUTHERLAND & CO., PRIVATE LTD.,
K. M. WILCOX,
Secretary,
Managing Agents.

KANPUR, *U.P., 7th July* 1956.

NEW PUBLICATIONS

(*Concluded from page 82*)

the kind mentioned above can be attained except among a group of countries which adopt reasonably similar objectives for their domestic policies and employ reasonably similar "price-mechanism" instruments for their attainment. Thirdly, in modern conditions, it is really not possible to achieve a liberal world economic order merely by free trade between sovereign nations. Something more positive in the way of international economic institutions (if not of supranational economic authorities) is required for the purpose.

Prof. Meade also draws attention to some fields of economic policy in which, in the modern world, it is desirable that still more positive action should be organised internationally. These fields relate to abandonment of protective policies as instruments for influencing the distribution of income among countries; structural change and economic development, which is a matter of common concern to the so-called developed and undeveloped countries; defence in which there is need for a large number of countries to plan their programmes jointly. The restoration of a liberal economic order in the modern world is thus not a negative act of mere *laissez faire*. Such a restoration requires, as the learned economist has rightly emphasised, a considerable development of international, if not of supranational, economic organisation. It also requires a careful selection of domestic economic policies which, while they are effective for the attainment, within the various countries, of the major aims of economic policy, are not incompatible with the type of international economic order discussed above.

NO CHANGE IN MONEY

(*From Our Own Correspondent*)

BOMBAY, 11*th July*

Conditions in the short-term money market continued to be a shade comfortable during the week under review also. Though there was no marked expansion in floating funds, banks were able to get their requirements without much difficulty from the inter-bank section and even at slightly lower rates after clearing hours.

The slight easiness noted for the last two weeks is expected be a temporary phase. For, when the list for the Central Government's new issues—the terms of which were announced on Thursday last —opens on the 16th inst.—there will be a heavy withdrawal of funds. It is common knowledge that several investors have already mobilised their resources with a view to taking up the new loans and placed the cash with banks on a call basis.

During the week under review, inter-bank call money was bid at 3¼ per cent. A fair volume of business was reported done even at 3 per cent., but only after clearing hours. House money at call continued to fetch 3¼ per cent. Short-term deposits were offered 3⅜ per cent. for one to three months and at 3¼ to 3⅜ per cent. for four to six months.

After three weeks of successive recession, a rise of Rs 7.83 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 6th July 1956. Notes held in the Banking Department are lower by Rs. 8.19 crores. On the assets side, foreign securities have declined by Rs. 9.94 crores and a corresponding rise is noted in rupee securities. In the Banking Department, the National Agricultural Credit (Long-term Operations) Fund, which was created in February last with a sum of Rs. 10 crores, has been strengthened further by Rs. 5 crores. The National Agricultural Credit (Stabilisation) Fund has been credited with an initial allocation of Rs. 1 crore. Deposits of the Central Government have declined by Rs. 2.61 crores and those of other Governments by Rs. 8.40 crores. Deposits of banks, too, have fallen by Rs. 3.94 crores. On the assets side, balances held abroad have risen by Rs. 6.90 crores. Loans and advances other than to Governments are lower by Rs. 8.60 crores, of which advances to Scheduled banks against usance bills account for Rs. 3.88 crores. Investments have been reduced by Rs. 5.72 crores.

The Scheduled Banks' statement for the week ended 29th June 1956 discloses a rise of Rs. 5.74 crores in banks' demand deposits, after four weeks of successive decline. Time deposits have further gone up by Rs. 3.25 crores, while inter-bank borrowings are lower by Rs. 2.28 crores. Borrowings from the Reserve Bank have also been reduced further by Rs. 3.11 crores and those from the State Bank of India by Rs. 1.51 crores. In contrast to the successive decline in the previous three weeks, there has been a rise of Rs. 1.97 crores in advances, while inland bills purchased and discounted have dropped by Rs. 3.27 crores and foreign bills by Rs. 1 crore. Investments are again lower by Rs. 45 lakhs. Cash balances have swelled by Rs. 6.26 crores and balances with other banks in current account by Rs. 4.19 crores.

The Central Government's borrowing programme for the current year announced on Thursday last brought an element of surprise to market circles, for two reasons. In the first instance, the total amount sought for is Rs. 150 crores, as against Rs. 100 crores announced at the time of the Budget. Secondly, three different loans of varying terms are to be issued, as against a single medium-dated loan. The terms of the loans are:

Rate of interest	*Maturity date*	*Issue price* Per cent. Rs. a.
3½ per cent. (bonds) ...	1962	98 0
3½ per cent. (N.P. bonds) ...	1967	98 8
3¾ per cent. (loan)	1974	98 8

A notable feature of the issue is that no specific amount has been fixed for each loan. Subscriptions to these loans will be received in the form of cash or securities of the 3 per cent. 1957 loan which will be accepted at Rs. 99-13 per cent. tendered for conversion. Subscription lists will open on the 16th inst. and close on the 18th inst. or earlier.

The terms of the loans were well received by the market. They had no effect on the existing securities, as the yields on the new loans are in consonance with those obtaining on the comparable maturities. Prices were generally well held around previous week's levels. Towards the close, however, there were sellers in some selected counters, but, in the absence of buyers, business was next to nothing.

3 per cent. 1957 was unchanged at Rs. 99-13, as also 3 per cent. 1958 at Rs. 99-10. 3 per cent. 1959-61 had some demand, but the quotation was unchanged at Rs. 98-2. 3 per cent. 1963-65 had buyers at Rs. 95-2. 3 per cent. 1964 was stagnant at Rs. 95 and 3 per cent. 1966-68 at Rs. 93-4. 3 per cent. 1970-75 was in request at Rs. 90-5½. 3 per cent. 1986 Conversion Loan was on offer and declined by As. 3 to Rs. 77. 3½ per cent. 1961 attracted sellers at Rs. 99-9 and 3¾ per cent. 1964 at Rs. 98-12. 3½ per cent. 1965 shed an anna to Rs. 98-11.

In the foreign exchange market the rupee displayed a further weakening tendency in terms of the U.S. dollar early in the week, but staged a recovery before the close. Banks' selling rate of ready dollars rose from 478⅜ to Rs. 479½, before dropping to Rs. 478¾ per $100. Similarly, their buying rate improved from Rs. 474⅜ to Rs. 475½, but reacted to Rs. 474¾ per $100. In New York, spot sterling advanced from $2.79-7/16-2.79-9/16 to $2.79-9/16—2.79-11/16, but shaded off to $2.79⅝-2.79⅞. Forward sterling (three months) closed on balance 1/16 cent higher at $2.77-15/16-2.78-1/16 after touching $2.78-1/16-2.78-3/16. Transferable sterling, however, closed lower at 277.25-277.35 cents, as compared with 277.30-277.40 cents a week ago.

SILVER GATHERS STRENGTH

(*From Our Own Correspondent*)

BOMBAY, 11*th July*

A sharp rise in silver prices was the outstanding feature of trading in the bullion market during the week under review. Gold, on the other hand, displayed a quiet tendency in the earlier part of the week, but staged a modest recovery to close, on balance, with no marked variation.

The upswing in silver was due to speculative support by leading bull operators on revival of rumours that the export of silver coins from Tibet would be restricted. Nervous short-covering and reports about the possibility of bulls absorbing delivery in the maturing settlement also contributed to the firm trend.

Slackness in offtake caused a recession in gold in the earlier half of the week, but an improvement in demand during the last three days, coupled with the strength of silver, pushed up the prices.

Forward silver (25th July settlement) advanced from Rs. 171-5 to Rs. 172-11 on Friday last. After a short-lived dip to Rs. 171-11, it staged a sharp recovery to Rs. 173-10, before closing at Rs. 173-6. Business in the next settlement opened yesterday at Rs. 172-2, the official starting rate being Rs. 171-15. The closing rate today for this settlement was Rs. 172-2. The carry forward charge, which was Re. 1 against sellers yesterday, widened to Re. 1-4 at the close today.

Ready silver (.996 Mint) moved up from Rs. 170-15 to Rs. 173-6, but closed a shade lower at Rs. 173-2. The floating stocks of silver are placed at 700 bars. The daily average offtake was 15 bars.

Gold for forward delivery (24th July settlement) receded from Rs. 99-12 to Rs. 98-14 early in the week, but gained ground to touch Rs. 100. The closing was, however, a fraction lower at Rs. 99-13. Forward gold for the next settlement opened at Rs. 99-6 (as against the official starting rate of Rs. 99-3½) and closed today at Rs. 99-7, the carry forward charges being As. 6 against sellers.

Ready gold gave way from Rs. 100-9 to Rs. 99-2, but gathered strength to Rs. 100-8, before closing at Rs. 100-5.

The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 3,000 tolas. The daily average offtake, which was only 2,000 tolas earlier in the week, improved to 4,000 tolas in the last three days.

In London, silver prices were unchanged at 78⅜d. for spot and 78½d. for forward. Gold advanced from 250s. 2½d. to 250s. 4½d., but dropped back to 250s. 2½d. In New York, silver was marked down by ⅛c. to 90½c.

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

	11-7-56	Highest	Lowest	4-7-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	100 5	100 8	99 2	100 9
Forward*	99 13	100 0	98 14	99 12
Sovereign	66 8	66 12	66 4	66 12
SILVER				
Ready (.996 fine Mint) ..	173 2	173 6	170 13	170 15
Forward†	173 6	173 10	171 5	171 5
London Silver Ready ..	78¾d.	—	—	78¾d.
London Forward	78¾d.			78¾d.
London Gold	250s. 2¾d.	250s. 4¼d.	250s. 2¾d.	250s. 2¾d.
New York Ready	90⅛c.	90⅛c.	90⅛c.	90⅛c.

* 24th July settlement.
† 25th July settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

HIDES IRREGULAR

(*From Our Own Correspondent*)

KANPUR, 8*th July*

The hides and skins market presented irregular conditions during the week. Supplies of fresh goods were not as considerable as those in the previous week. The main purchasers were the local tanners and the Madras dealers. There were several enquiries from Delhi, but no transactions were effected.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 220 and 3rd grade Rs. 150 per 100 pieces; wet salted buff 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 3 ozs. per rupee; goat 1st grade Rs. 170 to Rs. 180 and 2nd grade Rs. 130 to Rs. 140 per 100 pieces; sheep Rs. 150 per 100 pieces.

LINSEED SUPPLIES SHORT

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 9*th July*

The linseed market ruled bearish early in the week but picked up strength towards later sessions. Seeds were in short supply and crushing was reported on a very limited scale with accumulated stocks of oil still in the hands of a few crushers. The improvement in the oil section was stimulated by better advices from London and reports of a bid from Russia for about 3,000 tons of Indian linseed oil.

The latest quotations are: Ready Rs. 21-6 and July/August Rs. 21-4 per maund.

COTTON FUTURES EASY

(*From Our Own Correspondent*)

BOMBAY, 11*th July*

Trading in the cotton futures market during the week under review was characterised by slow dealings with narrow fluctuations in prices. For operators did not evince much interest in fresh business, as they preferred to await reports of new crop position. There was also some disinclination to extend commitments on account of rumours of a possible revision in official cotton policy. The Central Government's decision to allow imports of 40,000 bales of American cotton stapling 1.1/16" and above, too, acted as a restraining influence. The undertone of the market was generally easy. Turnover during the week was not more than 75,000 bales, which was, of course, larger by 12,000 bales as compared with the previous week.

Jarilla Contract (March 1957) opened the week firm at Rs. 664, as against Rs. 663 last week-end, and swiftly receded to Rs. 658-8. The decline was due to short selling induced by Government's decision to allow U.S. cotton imports, lack of encouraging advices from cloth markets and reports of good rains in cotton-growing tracts. After moving irregularly on the 6th and 7th inst., the Contract staged a recovery to Rs. 664 on Monday, thanks to scattered professional buying and helpful spot advices inducing bear covering at lower rates. The recovery strengthened slightly today, following short covering together with bull buying on reports of unwanted heavy showers in cotton-growing tracts, and the Contract improved to Rs. 668-8 before finishing at Rs. 666-12. Vijay Contract (April 1957) opened at Rs. 818 and was taken down to Rs. 812 on Saturday. After recovering to Rs. 816 yesterday, it fell again to Rs. 811-8 before finishing at Rs. 817-12.

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

(In rupees per candy of 784 lbs.)

	11-7-56	*Highest*	*Lowest*	4-7-56
Jarilla (March) ...	666¾	668½	657½	663
Vijay (April) ...	817¾	821½	811½	818

Barring further imports of American cotton, there was no development worth noting in the spot cotton market which also ruled listless, in sympathy with the futures section. Demand from mills was mainly for current crop Wagad, Morvi, Vijay and Kalyan. Delivery contracts evoked some support and their prices tended to look up. Business in exportable styles was completely at a standstill in the absence of any move on the part of the Government to allow for export the stocks of Bengal *Deshi* still remaining unsold. The foreign section ruled quiet, since traders were hesitant to commit themselves for further quantities; the mills were reported to have almost covered their major requirements. Stray transactions were reported in American Good, Middling 1.5/32" at Rs. 1,375-Rs. 1,380. Some enquiries were also noted in higher Karnaks, T.151 (new crop) being done at Rs. 2,709 for October-November delivery.

The latest available quotations from the Sewri market are: Bengal *Deshi* Rs. 625; Jarilla Rs. 775; Khandesh Rs. 785; Vijay Rs. 965; Oomra *Deshi* Rs. 680; Moglai Rs. 685. Delivery contracts: Berar December Rs. 105 on Jarilla; 320F December Rs. 62 on Vijay; Vijay 13/16" February-March Rs. 43 on Vijay.

The Karachi cotton market put on a somewhat cheerful appearance, in distinct contrast to the depressed tone in the past two weeks. There was good buying support induced by expectations of an improvement in world cotton prices. The expectations were based on reports from the U.S. that the Commodity Credit Corporation would sell the six million bales of cotton in the 1955 loan only from March 1957 onwards. N.T.R.G. July delivery which had dropped to Rs. 77-14 last week recovered to Rs. 80-15 yesterday. January delivery improved from Rs. 75-10 to Rs. 76-14 before receding to Rs. 74-11. Spot cottons, with the exception of *Deshi* styles, also staged a recovery. The following are the prices—in rupees per 82 lbs.— of a few popular varieties of Pakistan cotton prevailing yesterday, the figures in brackets giving last week-end rates:

Sind *Deshi* 102 (103); Punjab *Deshi* 97 (97-8); 4F Punjab Roller 81-12 (80-2); S.G. 83-12 (82-2); N.T.R.G. 84 (82-2); S.G. 68 (83-10); 289F Punjab R.G. 89-12 (82-2); S.G. 95-12 (94-10).

Cotton futures at Alexandria staged fair advances during the week. The sentiment of operators was favourably influenced by reports that Czechoslovakia was interested in purchasing Egyptian cotton. The Cotton Commission was believed to have already sold 12,000 bales of Ashmouni from its stocks to this country. Another helpful factor was the forecast of the delay in the arrival of new crop cotton into the market by a couple of weeks. Traders, were, therefore, inclined towards extending their commitments and prices moved up. The latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market are given below:

Karnak: July 106.00; November 98.40; January 96.70. Ashmouni: August 71.70; October 71.25.

There was a sharp fall in the prices of Gezira cotton auctioned recently at Khartoum. The fall was brought about partly by fears of a downward revision in the Sudan Gezira Board's reserve prices and partly by hedge selling by a leading mill group in the wake of subdued buying interest. The total quantity of Sudan cotton lying unsold is estimated at about 124,000 bales.

The easy trend of the Liverpool cotton futures market noted in the past two weeks continued unabated. Apart from the absence of assurance from the U.S. regarding the price stability at the future sales, discouraging advices from yarn and cloth markets acted as a damper. There was selling on American and commission house account. Prices, as a result, suffered further losses. The Egyptian contract continued to be inactive with prices unchanged and Sudans were quiet on hedging pressure influenced by bearish reports from Khartoum.

The following are the latest available quotations—in pence per lb.—from Liverpool:

Old contract: July-August 24.00. *New contract*: July-August 27.50; October-November 24.52; December-January 23.75; March-April 23.45; May-June 23.20; July-August 23.00. *Egyptian Karnak cotton*: July-August, November-December and January-February 54.05. *Sudan cotton contract*: July-August 46.50; September-October 45.55; November-December 45.35.

The New York cotton market depicted a distinctly easy trend during the week under review. The easiness was due to bearish Government acreage estimate which was above trade ideas. This led to liquidation in old July, while New Orleans were sellers of new crops. The market also experienced heavy selling attributed to liquidation by Carolina mills against purchases of cotton in Southern markets.

The bids for further sales of C.C.C. cotton Middling 15/16" opened yesterday. The results of the offers are, however, not known. The C.C.C. has so far sold 2,471,744 bales under the new export sales programme, thereby covering nearly 50 per cent. of the 5 million bales export target. The C.C.C. stocks as on 1st January last, it will be recalled, were 8,052,371 bales. The C.C.C. sold, under the special export sales programme covering 15/16" and shorter cotton, one million bales. Under the new export sales programme, it has already sold 2,471,744 bales. Sales outside the export programmes made from 1st January till June were approximately 268,290 bales. The balance of C.C.C. stocks available for further sales are now about 4,312,337 bales, slightly more than half the quantity at the commencement of this year. The cotton in the 1955 loan is about six million bales, but it will become part of C.C.C. stocks only next year and, according to present estimates, will be offered for sale by the C.C.C. only from March 1957.

The Bureau of Agricultural Economics has reported that the mid-June parity prices for the principal farm commodities are unchanged from that of mid-May. The mid-June parity price for cotton is, therefore 35.44 cents.

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

(In cents per lb.)

	10-7-56	3-7-56	26-6-56
Spot	36.55	36.80	36.80
July	34.58	34.62	34.60
October	32.58	32.65	32.73
December	32.60	32.73	32.67

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 11*th July*

The sugar market continued to present a steady trend during the week under review. Spot stocks of sugar were very limited, with an acute shortage of medium grain sugar. This factor, coupled with reports of the Food Ministry's move to export about 200,000 tons of sugar, induced good buying support. Consequently, prices moved up further.

Ready medium grain indigenous sugar rallied Rs. 2 to Rs. 94-Rs. 95. Large grain advanced from Rs. 96-Rs. 101 to Rs. 98-Rs. 103. Small grain was firm, at Rs. 90. British refined sugar, however, eased by As. 12 to Rs. 88-4 for want of follow-up support.

In the forward section, *Shravan* delivery contract for 'C' grade sugar rose by As. 12 to Rs. 92-6. There were many buyers at this price.

Arrivals of indigenous sugar into the market during the week were slightly larger as compared with the previous week; they aggregated 9,600 bags, as against 8,500 bags.

(*N.B.*—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugars are exclusive of the tax).

YARNS IRREGULAR

(From Our Own Correspondent)

BOMBAY, 11*th July*

Contradictory trends were witnessed in the three principal sections of the yarn market this week. Thus, forward rayon yarns were steady, whereas spot yarns were easy, staple fibre yarns weak and cotton yarns firm. The steady trend in forward rayon yarn was due to short-covering and profit-taking. The easiness in spot yarns followed large arrivals of imported yarns and slackness in demand. On the contrary, staple fibre yarns were weak, thanks to heavy pressure of sales. The firmness, however, in cotton yarns was aided by seasonal demand and encouraging reports from the Southern markets. Consequently, quotations in these sections varied according to their respective trends.

Snia rayon yarn (120 deniers) for August delivery advanced by Rs. 2 to Rs. 784. October delivery was done today at Rs. 791. Ready 150 Japan and 150 Italy, however, receded by an anna each to Rs. 4-1 and Rs. 3-14, respectively. 120 Japan declined by nine pies to Rs. 3-11-9. 120 Italy was quiet at Rs. 3-12-6. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade was unchanged at Rs. 3-7-3. But 120 Bt. cones 1st grade was a shade better at Rs. 3-10.

In the staple fibre yarn section, 40×2 July delivery dropped Rs. 8 to Rs. 634. The spot prices of both indigenous and foreign yarns staged a retreat. Among the former (40×2), New Greats and Citys fell by 18 pies to Rs. 3-5. Centurys slipped from Rs. 3-6-6 to Rs. 3-5-6. Kohinoors eased by half an anna to Rs. 3-7-3. Deals in foreign yarns (80×2) were put through, Suicos losing As. 4 to Rs. 6-14, K'Suns As. 2 to Rs. 6-10 and Paramounts an anna to Rs. 6-3.

Cotton yarns changed hands at higher prices. Ten counts were specially favoured. Elphinstones picked up As. 6 to Rs. 13-10. Podars improved by As. 4 to Rs. 14-2. Moderns gathered As. 2 to Rs. 14-4. Among 20s, Hinds rose by As. 2 to Rs. 18-4. Moderns were firm at Rs. 18-4. Among 40s, S'Rajas rallied As. 12 to Rs. 31-4. Minaxis strengthened by As. 6 to Rs. 28-8. Maduras hardened by As. 4 to Rs. 29. Among 60s, Colabas recorded a rise of Re. 1 to Rs. 55. Moderns put on As. 8 to Rs. 62. Patels increased by As. 4 to Rs. 49-4. Eighty counts, however, were subjected to selling pressure and suffered losses. Seksarias declined by a rupee to Rs. 54. Finlays climbed down by As. 12 to Rs. 74-4. Elphinstones lost As. 8 to Rs. 68.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	11-7-1956	4-7-1956	27-6-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn **(per case of 200 lbs.)—**			
120 Dull Cone Snia August ..	784 0	782 0	784 0
October ..	791 0	—	—
120 Japan (per lb.)	3 11½	3 12½	3 11½
150 Japan (per lb.)	4 1	4 2	4 1½
120 Italy (per lb.)	3 12½	3 12½	3 12
150 Italy (per lb.)	3 14	3 15	3 14½
Staple fibre yarn **(per case of 200 lbs.)—**			
40 × 2 July	634 0	642 0	655 0
40 × 2 New Great (per lb.) ..	3 5	3 6½	3 6½
40 × 2 Century (per lb.) ..	3 5½	3 6½	3 7
40 × 2 City (per lb.)	3 5	3 6½	3 7
Cotton yarn **(per bundle of 10 lbs.)—**			
10s Podar	14 2	13 14	13 7
20s Hind	18 4	18 2	13 14
40s Minaxi	28 8	28 2	18 2
60s Colaba	61 8	54 0	56 2
80s Finlay	74 4	75 0	75 0

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 11*th July*

With the exception of linseed, the oilseeds market ruled bearish during the week under review. A combination of factors was responsible for this weakness. Thus beneficial weather conditions in producing areas, heavy offerings in groundnuts from Gujerat and Saurashtra and unfavourable advices from overseas markets induced long liquidation. Prices of groundnuts and castorseeds, as a result, tended to decline. The downward trend gained further momentum on account of weakness in castorseeds caused by the prospect of early opening of futures business in the new castorseed crop. In linseed, however, a cheerful note was in evidence on expectations of Russian entry into this market for the purchase of about 3,000 tons of linseed oil. The quotations, therefore, registered moderate gains on balance.

Groundnut February opened the week encouragingly at Rs. 132-14 but fell back sharply to Rs. 125-8 being the lowest for the week, but recovered and finished the week at Rs. 128-8. The spot rates, too, kept in line with the downtrend in futures. Bold F.A.Q. and June-July both shed Rs. 3 each and closed at Rs. 29-8. Coromandal and Khandesh quality each declined by Rs. 2-12 to Rs. 31-4. Groundnut oil ex-mill and R/R also moved down, the former by As. 8 to Rs. 17-2 and the latter by As. 10 to Rs. 16-12.

Castorseeds, September contract, which closed the previous week at Rs. 133-8, opened this week higher at Rs. 135-12. On sustained selling pressure the rate steadily came down to the week's low of Rs. 126-14 yesterday. Today, however, there was some support and the quotation improved to Rs. 127-12. The spot rate also declined in sympathy with the futures market. Ready F.A.Q. and Madras lost Re. 1-2 each at Rs. 25-10, Castor oil B.S.S. fell by As. 14 and closed at Rs. 24-14. First Pressure shaded off to Rs. 15 from Rs. 15-4.

Linseed, however, depicted an upward trend as noted above. Bold ready and June-July were each done at Rs. 28-12 as compared with Rs. 28-4 at the close of last week. Aug.-Sept., too, gained As. 10 at Rs. 28-12. Indore put on As. 6 and Satna As. 8 at Rs. 28-14 and Rs. 26-12, respectively. Linseed oil ready closed at Rs. 16-6, showing thereby a gain of Re. 1-2 over the week.

Among others, *kardi* seeds moved down sympathetically with groundnuts and castorseeds. *Kardi* seeds, ready Bold and Aug.-Sept. both were done at Rs. 17-12, as against Rs. 18-8 a week ago. *Niger* seed ready F.A.Q. remained quietly steady at Rs. 28-4, so also Madras at the same rate.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	11-7-1956	4-7-1956	27-6-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	128 8	132 0	135 8
Khandesh Quality Ready (per cwt.)	31 4	34 0	35 0
June-July	29 8	32 8	33 8
Linseed—			
Bold Ready (per cwt.) ..	28 12	28 4	28 12
June-July	28 12	28 4	28 12
Castorseeds—			
September	127 12	133 8	142 0
Madras (per cwt.)	25 10	26 12	27 14
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 2	17 10	18 4
Castor Oil—			
Commercial (per quarter) ..	14 0	14 6	14 11
Linseed Oil—			
Ready	16 6	15 0	15 14

TEAS ATTRACT BUYERS AT LOWER LEVELS

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 5*th July*

The offerings in sale No. 18 which was held on Tuesday, 2nd July, aggregated 1,500,000 lbs. Quality showed very little change from the previous week and there was still quite a large quantity of unattractive rush tea on offer. Some medium teas showed a slight improvement in liquor but high-grown quality was only fair. Prices for low-grown and low-medium brokens and fannings declined by As. 2 to As. 3, but at this level demand was quite useful. Medium teas met with fair support at a drop of an anna to As. 2 and buyers again showed interest in thicker liquoring teas. There was a good demand for better liquoring teas, but buying was selective and followed quality closely. Middle East type fannings were strongly supported at firm rates. Whole leaf grades sold well and orange pekoes were often dearer. The following are the latest quotations:—

	1956 Rs. a. p.
Plain B.P.	1 4 0
Low medium B.O.P.	1 5 6
Medium B.O.P.	1 7 6
Good B.O.P. ... Re. 1-15-0 to	2 1 0
Well made black leaf O.P. ...	2 4 0

London Market: *Sale of 2nd July* 1956.—Poorest sorts 1*d.* to 2*d.* lower. Others firm.

Sale of 3rd July 1956.—Good liquors better, others easier.

Colombo Market: *Sale of 2nd July* 1956.—Good demand. Firm to dearer rates except stalk and poor liquoring sorts.

Sale of 3rd July 1956.—More general demand. Black leaf firm; useful liquoring sorts steady; fannings dearer; rush teas still declining.

Calcutta Market: *Export*.—25,000 packages. Better general demand for all, but plain liquoring kinds. C.T.Cs. and better quality teas sold at considerably higher rates. While leaf stylish teas and better Darjeelings sold well, but stalky whole leaf grades irregular and easier.

Internal.—17,800 dust. Only fair demand. Medium Assams As. 2 easier. Dooars and commons weak enquiry, heavy withdrawals. C.T.Cs. and Middle East types very strong and dearer. Residue teas fair support at easier rates. 600 leaf. Good general demand at irregular rates."

Export Quota.—Following the expiry of special licence, new season's quota has hardened slightly and business was done at 33 pies. There are now sellers at this figure.

Forthcoming Auctions.—Sale No. 19 will be held on Tuesday, 10th July.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale No.* 19.—1,500,000 lbs. Much better all-round demand. Prices unchanged, except for black leaf and best liquoring which are dearer."

WOOL FULLY STEADY

NEW DELHI, 7*th July*

The Delhi wool market ruled fully steady during the past fortnight. Advices from Liverpool indicated steady conditions and some improvement in private sales, while U.S. quotations improved by two to three cents for white wools. The July auction at Liverpool is to take place on the 17th. Prices are expected to be firm as compared with June auction. In Northern India, the season for yellow wool is to begin by the end of this month when clipping will start. By the middle of August, good arrivals in the various markets are expected.

The quotations for wool prevailing at Delhi yesterday are given below:

(In rupees)

Superior White ..	3-4 to 3-5 per lb. f.o.r. Bombay.
Yellow	2-10 to 2-11 ,, ,, ,,
Kashmiri Goddi ..	175 to 185 per md. (extra long clip)
Kashmiri pulled ..	140 to 150 ,,
Mediums	120 to 135 ,,
Desi	100 to 120 ,,
Shorts	85 to 100 ,,
Camel hair	90 (in baled condition)

Bradford, U.K. (29-6-56): At the Australian sales this week, Yorkshire is believed to be the leading buyer, though there is good Continental support, and the price level, which is possibly at the best point of the season, is its own indication of the sustained need for wool in the principal consuming centres of the world. At Yorkshire, top production is at a very good level, as this is the time of the year when spinners are building up working stocks in readiness for the approaching annual holiday period. Export demand for tops is also well maintained, and British shipments of tops made from Commonwealth wool are holding a level which, if sustained, will exceed last year's export record. The Bradford top market is very firm.

London (28-6-56): The committee of the London Wool Brokers announce that 45,400 bales are expected to be offered at the London sales commencing on the 9th inst. The offerings include 10,600 bales Australian, 25,000 bales New Zealand, 1,700 bales South African, 2,000 bales Falkland Islands, 6,000 bales Punta Arenas, and 100 bales sundries.

Australia: At *Brisbane* (on 25-6-1956), there was strong competition from Japan, Britain and the Continent, and values were fully firm on the previous week's closing rates at the same centre. At *Melbourne*, prices moved in sellers' favour as compared with the last sale in the first week of June. Prices for combing wools remained fully firm.

STRONG DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 10*th July*

There was strong general demand, and a very impressive increase in prices for teas of all descriptions was recorded during yesterday's export sale. Note was taken of the announcement in New Delhi fixing the price of tea at Rs. 2-13-11 a lb. for the purpose of determining the export duty, as against Rs. 3-5 fixed on 1st June, which meant that there was no change in the export rate of As. 6 per lb. In London, during last Saturday's sale, demand for the better liquoring varieties continued with virtual neglect of the poorer kinds. Such a tendency was despite the lower warehouse stock position, but it would appear that stockists were becoming confident that they could increase stocks whenever they liked in view of the higher output figures. During the week, it was reported that the Pakistani crop up to the end of May had aggregated 7.73 million lbs., representing a substantial increase of 2.1 million lbs. compared to the corresponding figure for the previous season. The trend in Mincing Lane auctions is a clear indication that if India desires to increase exports local consumption would have to be content with more of the inferior variety.

Offerings during yesterday's auction amounted to 23,000 packages. The strongest feature was provided by best C.T.C. teas rising by as much as Re. 1 per lb. following keen competition. A gain of several annas was recorded by the ordinary C.T.C.s also. Good demand pushed the price of medium Assams with useful quality by As. 4 to As. 8, that of low medium Assams and Dooars by 1 anna to As. 1½, and that of plain liquoring teas by an anna. Whole leaf grades also gained in price. Among Darjeelings, flavoury lots were readily bought. Tippy teas were also a strong feature. The rates were: best C.T.C. Assam B.P. Rs. 4 to Rs. 5, medium Assam B.P. Rs. 2-4 to Rs. 2-6, clean black pekoe Re. 1-14 to Rs. 1-15, and plain B.P. Re. 1-9.

In consonance with the above trend, export quota rights were in keen demand. The new season's rights were bought at As. 2-11/12 with sellers wanting As. 3.

Conditions during last week's internal sale followed the familiar pattern, namely, of keen demand for quality teas, and of heavy withdrawals of the poorer varieties. Dusts offered consisted of 12,000 chests of new season's teas and 7,350 chests of old season's teas. There was keen competition for the useful liquoring C.T.C. teas, as well as for the black Middle East types. As a result, prices of both varieties improved. Residue teas were sold at lower rates, mediums were easier, and heavy withdrawals were reported in Dooars and common teas. Nominal quotations were: best Assam C.T.C. Rs. 3, Assam grainy dust Re. 1-12 to Rs. 1-13, and medium Dooars Re. 1-8.

Leaf grades on offer amounted to 540 chests, comprising 300 chests of old season's and 240 of the new season's teas. Although prices eased, there was fair demand.

KIPS IMPROVE

(From Our Own Correspondent)

MADRAS, 9*th July*

There were several enquiries from the U.K. for kips, and importers grudgingly paid half to one penny per pound over last week on run and fifths selections on certain established marks. Sellers in the local bazaar increased their prices and these were out of line with U.K. levels. It was felt however, that the bottom had been reached, and lower prices were not in sight in the near future. There was some call for buff calf and cow calf from the U.K., and good inland demand for buff hides. Prices in all sections ruled steady to firm.

In the July tanned skins public sales, prices of goat skins were generally on May levels. Good selection in superior tannages were in good demand and were well competed for, while adulterated classes and lower selections realised low prices where sold.

Shipments during the month of June were: To the U.K.: 2,978 bales tanned cow hides, 299 tanned cow calf, 20 tanned buff hides, 250 tanned buff calf, 1,165 tanned goat skins and 639 bales tanned sheep skins. To the Continent: 8 bales tanned cow hides, 458 tanned goat skins and 55 bales tanned sheep skins. To the U.S. ports: 5 bales tanned cow calf 45 tanned buffs, 55 tanned buff calf, 63 tanned goat and 3 bales tanned sheep skins. To Japan: 318 bales tanned sheep skins.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 9*th July*

Steady to firm conditions prevailed in foodgrain prices during the week under review. Heavy rains in most part of the west U.P. causing loss to the *sawani* crop and complete drought conditions at Hapur and nearby villages were the main stimulating factors. Arrivals were appreciably lower and good buying enquiry by local consumers, together with support from Bihar and other outside centres, strengthened the bullish trend further. Prices have also registered advance in Punjab and other centres. Wheat prices rose by a rupee to Rs. 15 for average quality and to Rs. 16 for farm quality. Arrivals were at an average of 500 maunds daily and local stock was put at 83 *khaties*. The week's offtake to Madras and Bihar aggregated two wagons of wheat. Complete dislocation of traffic by road from Delhi, due to breach in road caused by floods in the river Hidan, accounted for the stoppage of arrivals of gram from Delhi and Punjab side by road and this resulted in an advance of As. 12 to Rs. 11-12 per maund for Punjabi quality wheat. Madras advices recorded a firm trend in gram prices. The local stock was heavy at 60 *khaties*.

Rice prices ruled steady on rumours that rice was being smuggled to East Pakistan, although the Government had arranged to sell rice in deficit areas. Barley prices appreciated in line with wheat prices and stock position locally was reported very poor. *Bejhar* prices advanced on good ready demand by consumers. *Jowar* and *guwar*, however, ruled quiet, due to fall in demand for seed purposes and the prices at the week-end were:—Barley Rs. 11, *bejhar* Rs. 10-10, *jowar* Rs. 17-4 and *guwar* Rs. 10-4 per maund.

Pulses also recorded a hardening tendency. Peas *dara* green improved by As. 8 to Rs. 10-12 and white quality was transacted at Rs. 12-4 per maund. Local stock was put at 58 *khaties*, as against 93 *khaties* last year. Local arrivals were down at about 200 maunds daily. *Arhar* prices also recorded a small gain to Rs. 11-3 per maund, in sympathy with *arhar*. Prices of other pulses ruled steady at almost unchanged price levels Future recorded appreciable gains on vigorous bull support from Delhi and east U.P. operators. The latest quotations as on Monday are: Peas *bhadon* Rs. 10-13-9, white *bhadon* Rs. 11-7, *arhar bhadon* Rs. 11-7, *guwar maha* Rs. 8-7 and *urd maha* Rs. 14-8.

SUGAR RULES DULL

(From Our Own Correspondent)

HAPUR, 9*th July*

Trading in sugar was dull for most part of the week, due to fall in demand from Madras State where heavy quantity of sugar reached from Northern India. Some demand, however, was reported from Bombay side, but despatches were small, thanks to dislocation of railway track from Muzaffarnagar side. Some of the factories in west U.P. were still made to run under pressure from the Government, despite heavy deterioration in cane quality and its sugar contents. Owing to heavy rains during the week, rural transport has been dislocated and it is now gathered that large quantities of cane remain uncrushed.

Slight gains were recorded in mill delivery prices of sugar towards the week-end. The latest prices as on Monday are: Jaswant Rs. 28-8, Simbhauli Rs. 28-8, Mowana Rs. 28 to Rs. 29, Daurala Rs. 29-12, Amroha Rs. 28-2, Bijnore Rs. 28-2, Mansoorpur Rs. 28-4 to Rs. 29, Rampur Rs 30-12; retail Rs. 30-10 per maund.

A large quantity of *khandsari* sugar was reported to have been damaged in Muzaffarnagar districts, due to unprecedented heavy rains during the week. This accounted for a slight improvement in prices which are now standing at Rs. 23-4 to Rs. 27-8 per maund.

Ready prices of *gur* recorded a rise of As. 8 per maund at the close of the week, following reports of heavy damage to about 150,000 maunds of *gur* at Muzaffarnagar. Appreciable improvement in future prices was also the stimulating factor. *Gur* arrivals into the market during the week were small and offtake aggregated 10 wagons. Local stock was lower at 35,000 maunds. Dry quality *gur* was quoted at Rs. 10-12 and wet *kotha* quality at Rs. 9-8 per maund.

Future *gur* prices recorded strident advance during the week on vigorous bull support. Opening at Rs. 9-6, *fagun* delivery improved to touch the highest at Rs. 10-1-9 today.

BANKING

(*Concluded from page* 66)

The criteria applied by the Corporation for judging the creditworthiness of the applicants appear to be sound and it is gratifying to hear that the Corporation's approach is "sympathetic and objective."

Madhya Bharat has great potentialities for the development of industries, especially of the small and medium size. Just as the new Corporation could not make any profits during the first nine months of its existence, so also certain industrial undertakings may not show bright prospects in their formative stages. That, however, should not deter the Corporation from encouraging the new entrants to the field. Under the able guidance of the Chairman, Mr. D. P. Mandelia, who has several successes to his credit as an industrial administrator, it is to be hoped that the Corporation will gain strength, and help the State acquire a status on a par with the other advanced States of India.

LONG-TERM OPERATIONS AND STABILISATION FUNDS

The statement of affairs of the Reserve Bank of India for the week ended 6th July 1956 reveals that the Bank has taken a further step forward in the implementation of the scheme for enlarging rural credit. It reveals that the new item on the liabilities side of the Banking Department entitled "National Agricultural Credit (Long-term Operations) Fund," established in the first week of February last with an initial credit of Rs. 10 crores, has been strengthened by the addition of Rs. 5 crores. The item "National Agricultural Credit (Stabilisation) Fund," which has been appearing with no balance, has been credited, for the first time, with a sum of Rs. 1 crore as provided in the Reserve Bank of India (Amendment) Act, 1955.

Under section 46A of the above Act, the Reserve Bank is required to establish and maintain a fund, to be known as the National Agricultural Credit (Long-term Operations) Fund. To this fund is to be credited, according to this provision, not only an initial sum of Rs. 10 crores, but it should be credited, during each of the subsequent five years, with a sum not less than Rs. 5 crores. The initial sum was credited by the Bank early in 1956 and a further sum of Rs. 5 crores has been added to it now. This Fund will be utilised for giving loans and advances to State Governments for subscribing to the share capital of co-operative credit societies and to State co-operative banks for agricultural purposes.

Again, under section 46B of the Reserve Bank of India (Amendment) Act, 1955, the Bank had to credit before 30th June last a sum of Rs. 1 crore to the National Agricultural Credit (Stabilisation) Fund. Accordingly, the sum has been credited now and there is a further obligation to be discharged hereafter that, beginning from the year ended 30th June 1956, a sum of Rs. 1 crore will have to be credited for a period of five years to this Fund. The purpose of this Fund is to make advances and loans to state co-operative banks for periods not less than 15 months and not exceeding five years from the date of the loan, for enabling them to pay any dues in respect of bills of exchange and promissory notes purchased or rediscounted by the Reserve Bank, which the banks are unable to honour in time owing to drought, famine or other natural calamities. These loans are required to be guaranteed by the State Governments concerned in respect of both principal and interest.

POST-WAR TRENDS IN WORLD ECONOMY

(*Concluded from page* 67)

and the remainder, amounting to rather more than one-fifth of the total, consisted of trade of the rest of the world.

While a marked improvement in world balance of payments has accompanied a recovery in production, the problem of the so-called "concealed" dollar gap seems to persist. The residual world dollar gap on commercial transactions at the current level of exchange and trade restrictions was nearly $2.4 billion in 1954 and $3.4 billion in 1955. The gap did not, of course, give rise to serious difficulties, because it was substantially less than the total overseas economic aid rendered and military expenditures incurred by the U.S. Government. The U.N. Survey attributes the persistent imbalance in world trade and payments partly to the efforts at promoting capital investment and industrial development. "It is not," to quote the Survey, "unnatural for countries, especially those which are underdeveloped, to take the view that the concept of international balance was too narrowly conceived in the past and that an adequate rate of economic growth is itself an indispensable ingredient of international balance."

Notice

BALMER LAWRIE & CO., LTD.

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday, 20th August 1956, at 12 noon, to consider the Report of the Board of Directors and the Report of the Auditors, the Profit and Loss Account for the year ended 31st December 1955, and the Balance Sheet as at that date, to declare a dividend, to transact other ordinary general business of the Company and the undermentioned special business.

SPECIAL BUSINESS

NOTICE is also hereby given of the following proposed Resolutions:

1. "That the act of the Directors in extending and renewing, on the same terms and conditions, for a further period of fifteen calendar months commencing from 1st January 1955, the Agreement dated 21st February 1951, made between the Company of the one part, and Mr. Alec Mansfield of the other part, appointing him a Manager of the Company, and the further act of the Directors in granting to Mr. Mansfield leave of absence not exceeding twelve calendar months during such extended period be and are hereby ratified."
2. "That subject to the approval of the Central Government, if required (for which an application has been made), sanction be and is hereby given to the payment made or to be made of a sum or sums not exceeding Rs. 25,600/- as a contribution to the Company's approved Superannuation Fund for the year 1955 in respect of Mr. C. D. Wilson, a Director of the Company."

NOTICE is also hereby given that the Register of the Members of the Company will be closed from 6th August 1956 to 20th August 1956, both days inclusive.

Note:—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

By Order of the Board,

D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 25*th June* 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	..	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	6	8
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	3½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Oct., 1956	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 6th July, 1956		Week ended 29th June, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,59,409	56,36,62,000	2,75,103	61,33,52,000
Calcutta	1,57,343	61,99,84,696	1,70,612	60,73,56,642
Madras	85,626	8 84,93,157	84,188	10,19,39,268
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
April 1956	..	..	3,434 000	7,40 55,00,000
May	..	..	3,485,000	7,10,51,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 6th July, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		54,23,21,000
(2) Other Governments		4,76,89,000
(b) Banks		50,55,52,000
(c) Others		12,64,44,000
Bills Payable		6,19,99,000
Other Liabilities		25,15,90,000
	Rupees	179,55,95,000

ASSETS	Rs.	Rs.
Notes		20,07,80,000
Rupee Coin		1,97,000
Subsidiary Coin		3,58,000
Bills Purchased and Discounted—		
(a) Internal		2,00,000
(b) External		.....
(c) Government Treasury Bills		7,63,32,000
Balances held abroad*		41,86,99,000
Loans and Advances to Governments		2,94,75,000
Other Loans and Advances		61,07,86,000
Investments		87,31,36,000
Other Assets		8,56,32,000
	Rupees	179,55,95,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 33,68,38,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 183,25,93,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,07,80,000	
Notes in circulation	1482,50,25,000	
Total Notes issued		1502,58 05,000
Total Liabilities		1502,58,05,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	.....	
Foreign Securities	636,61,20,000	
Total of A		676,63.00,000
B. Rupee Coin		107,32,92,000
Government of India Rupee Securities		718,62,13,000
Internal Bills of Exchange and other commercial paper	.....	.....
Total Assets		1502,58,05,000

Ratio of Total of A to Liabilities: 45.031 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 29th June, 1956

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks other than the State Bank and a notified bank†	6,11,74,000
	(ii) Other demand liabilities	631,99,64,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks other than the State Bank and a notified bank†	3,22,30,000
	(ii) Other time liabilities	449,65,70,000
3.	Borrowings in India from the State Bank and/or a notified bank:	
	(i) Demand liabilities	5,36,44,000
	(ii) Time liabilities	.....
4.	Cash in India	40,06,63,000
5.	Balances with the Reserve Bank in India	51,82,58,000
6.	Balances with other banks in current account in India	14,76,21,000
7.	Money at call and short notice in India	11,19,52,000
8.	Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	347,62,92,000
9.	Advances in India	611,23,08,000
10.	Inland Bills purchased and discounted in India	98,78,79,000
11.	Foreign Bills purchased and discounted in India	47,45,26,000

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

EXCHANGE RATES

	11th July, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	4783/4	4783/4
Buyers T.T. Rs.	473	473
London on New York $	2.79⅛-2.79 3/5	2.79⅛-2.79 3/5
London on Paris Fcs.	981¼	981¼
London on Berne Sw. Fcs.	12.18⅜-12.19	12.18⅜-12.18¾
New York on London $	2.79⅛-2.79¼	2.79⅛-2.79⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.88	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,138	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A.) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,766
Canada	1954	15.20	$ 18,761	9,190	6,045
France	1954	43.84	F.Fr. 11,408,000	15,840	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,380	1,548
Norway	1954	3.39	Kr. 18,454	1,230	5,638
Sweden	1954	7.21	Kr. 38,630	5,544	4,912
Netherlands	1954	10.52	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 22,374	1,610	3,654
Switzerland	1954	4.92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 29th June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	25,04,86,000
(b) Provincial Governments	8,22,66,000
(c) Banks	27,48,61,000
(d) Others	9,37,16,000
Bills Payable	1,50,62,000
Other Liabilities	7,23,52,000
Rupees	85,37,43,000

ASSETS	Rs.
Notes	12,48,44,000
Rupee Coin	8,000
Subsidiary Coin	10,000
Bills Purchased and Discounted—	
(a) Internal	.....
(b) External	4,98,000
(c) Government Treasury Bills	.....
Loans and Advances to Governments	2,97,75,000
Provincial Governments' Debtor Balances	53,76,87,000
Other Loans and Advances	16,09,21,000
Investments	.....
Other Assets	.....
Rupees	85,37,43,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,48,44,000	
Notes in circulation	283,54,44,000	
Total Notes issued		296,02,88,000
Total Liabilities		296,02,88,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	.....	
Sterling Securities	96,08,38,000	
Government of India Securities	16 58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,79,62,000	
Government of Pakistan Securities	115,29,38,000	
Internal bills of exchange and other commercial paper	.....	
		167,93,32.000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		122,19,50,000
Total Assets	.....	296 02,88,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 58.62 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	29th June, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1474.67	1486.87	1501.84	1312.72
Notes held in Banking Department	35.05	28 27	29.68	23.44	28.58
Foreign Securities	59.50	646.55	656.54	676.48	652.04
Rupee Securities	37.39	708 68	713.66	703.72	543.65
Banking Department					
Deposits of:					
Government of India	14.89	56.84	62.58	54.48	58.96
Other Governments	..	13 17	8 01	10.26	12 34
Balances held abroad	10.08	34.97	32.27	28.86	51.86
SCHEDULED BANKS					
Demand Liabilities	124.86	638 11 (6.12)†	634.65 (8.40)†	631.22 (7.37)†	600 27 (7.69)†
Time Liabilities	102.24	452.88 (3.22)†	449.63 (3.22)†	438 01 (3 21)†	397.91 (3.73)†
Borrowings from Reserve Bank	..	53 22 (37.57)‡	56.33 (41.91)‡	65.76 (45.59)‡	27.68 (22.42)‡
Borrowings from State Bank	..	5.36	6.88	8 66	3.99
Cash in India	6.70	40.07	37.38	37.31	35.59
Balances with Reserve Bank	25.17	51.83	48.25	50.07	47.26
Excess over statutory limits	15.52	10.87	7.52	9.75	9.27
Balances with other banks in current account in India	..	14.76	10.57	10.60	11.75
Money at call and short notice in India	..	11.20	10 93	9 65	15.44
Investments (at book value)	..	347.63	348.08	349.68	350.46
Advances and bills	105.09	757.47	759.77	768.15	617.71
STATE BANK					
Deposits	87.76	226.03	223.62	226.55	201.52
Investments	51.99	100.33	100.63	101.01	96.70
Advances	30.85	134.26	135 89	138 66	116.97
Cash	14.69	19.98	17.33	16.78	9.83

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	April,		Twelve months, April to March,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	8.94	9.46	186 98	120.17
Protective	0.75	0.97	7.24	10.89
On surplus disposals	..	..	0.14	0.09
Total import duties	9.69	10.43	144.86	130.65
Export Duties	2.28	1.54	41.39	37.49
Land Customs	0.19	0.05	1.83	1.29
Miscellaneous	0 05	0.07	1.07	0.70
Gross total customs	12.21	12.09	188.68	170.12
Refunds and drawbacks	0.24	0.16	1.83	2.63
Net Customs	11.97	11.94	186.80	167.50
Gross excise	10 50	12 09	106.62	148.88
Refunds	0 03	0 09	1.98	4.08
Net Excise	10.42	12.00	104.64	144.75
Net total of customs and excise†	22.39	23.94	291.44	312.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 6th July, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	222,85,10,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	11,50 00,000
Bills Payable	.. ..	4,34,00,000
Bills for Collection being Bills Receivable as per contra	.. ..	62,70,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	13,37,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	5,89,80,000
Total .. Rs.		257,32,47,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	12,17,26,000
Balances with other Banks	.. ..	3 63,93,000
Money at Call and Short Notice	.. ..	1,00,00,000
INVESTMENTS:		
Government and other Trustee Securities	89,44,42,000	
Other Authorised Investments	10,72,84,000	
		100,17,26,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	96,05,74,000	
Bills Discounted and Purchased	88,02,35,000	
		184,08,09,000
Bills Receivable being Bills for Collection as per contra	.. ..	62,70,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	13,37,000
Premises less Depreciation	.. ..	1,16,31,000
Furniture and Fixtures less Depreciation	.. ..	51,72,000
Other Assets (including Inter-Office Adjustments)	.. ..	3,81,83,000
Total .. Rs.		257,32,47,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.82	65	3.26	23.66	84.17	1.13.38	92.08	— 31.07	7.55	25.54	..	..	..	..	..
1954-55	4.70	1.62	4.99	27.27	1.24.64	1.30.88	— 36.35	5.57	37.15	7.40‡	7.33	..	..	..	..
1955-56	3.76	1.96	5.46	27.17	1.44.39	1.52.96	1.53.00	— 38.80	4.79	41.35	9.89	16.41	45	55‡‡	54
April 1955 ..	4.50	11	5.00	2.35	1.26.46	12 41	1.33.32	— 36.50	45	37.55	48	15.98	4	5	58
May ,, ..	4.52	86	5.24	2.01	1.27.94	11.88	1.34.54	— 36.64	41	37.89	66	5.51	4	4	61
June ,, ..	4.44	18	5.18	2.09	1.28.49	12.89	1.35.26	— 36.76	37	38.22	84	9.52	5	6	65
July ,, ..	4.39	12	5.15	2.27	1.31.23	12.50	1.40.33	— 36.85	41	38.54	91	10.19	4	5	69
August ,, ..	4.39	12	5.17	2.09	1.33.32	12.25	1.42.80	— 36.96	39	38.87	83	11.00	5	5	73
September ,, ..	4.41	15	5.20	2.54	1.34.88	12.40	1.44.91	— 37.11	44	39.28	94	11.80	4	5	78
October ,, ..	4.14	10	5.21	2.11	1.35.35	11.35	1.45.90	— 35.28	46	39.68	80	12.49	5	5	83
November ,, ..	4.07	10	5.21	1.98	1.37.48	11.25	1.50.40	— 35.34	43	40.05	88	13.20	5	5	88
December ,, ..	4.00	18	5.26	2.58	1.39.45	12.94	1.52.44	— 38.44	36	40.34	88	13.96	4	5	93
January 1956 ..	3.91	14	5.24	2.03	1.40.78	12.16	1.54.14	— 38.55	32	40.61	84	14.78	3	3	91
February ,, ..	3.83	16	5.20	2.23	1.42.27	13.27	1.56.19	— 39.66	30	40.96	93	15.57	3	3	95
March ,, ..	3.76	21	5.46	2.20	1.44.39	13.45	1.53.00	— 38.80	26	41.26	91	16.41	3	3	98
April ,, ..	3.69	24	5.52	2.19	1.45.88	14.54	1.56.22	— 38.39	34	41.61	83	17.17	3	3	98
May ,, ..	..	..	..	..	..	..	..	..	38	41.82	..	..	..	..	..

* At the end of period.
‡Issued from 10th May, 1954.
‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include these from the pre-partition holdings of Indian investors.
@Progressive net repayments at the end of period from 15th August 1947.
§ Relating to nine months from July, 1954.
§From July, 1954.
E-Relating to eleven months from MAY 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SEQURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 2-7-'55	2-6-'56	23-6-'56	30-6-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91.3	91.3	91.2
1. Government of India	90.7	91.1	91.1	91.1
2. Indian States	96.4	96.7	96.7	96.8
3. Municipal, Port Trust, etc.	89.5	89.4	90.4	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.6	100.5	100.5
1. Electricity	102.0	101.7	101.5	101.5
2. Jute	98.8	97.5	97.5	97.5
3. Plantations	99.1	99.2	99.3	99.3
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.9	102.3	102.1	101.8
8. Others	100.9	101.0	101.0	101.0
PREFERENCE SHARES	87.6	88.3	88.3	88.3
1. Electricity	90.5	90.7	90.8	90.6
2. Cotton	79.1	80.9	82.7	82.9
3. Jute	87.0	81.8	81.9	81.8
4. Coal	84.0	86.1	85.5	84.6
5. Iron and Steel	90.1	87.9	87.8	87.9
6. Sugar	84.3	84.7	84.5	84.5
7. Paper	88.5	82.1	82.1	82.1
8. Plantations	97.5	102.5	102.3	102.3
9. Miscellaneous	85.2	81.8	82.0	82.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	115.6	124.4	125.5	124.8
(a) Financial	87.5	90.1	90.7	90.6
1. Banks	84.2	90.5	90.8	90.7
2. Insurance	109.6	86.8	85.8	99.3
3. Investment Trust	86.2	92.6	92.4	92.7
(b) Public Utilities	112.6	112.4	112.1	111.7
1. Electricity	122.0	113.1	112.4	111.8
2. Shipping and other Transport	97.9	117.5	119.4	119.2
3. Railways	86.8	87.4	83.2	83.8
(c) Manufacturing industries	119.7	134.3	135.8	134.8
1. Cotton, Woollen and Silk	106.9	132.7	134.5	134.6
2. Jute	95.8	77.5	76.8	76.5
3. Iron and Steel	145.7	158.8	161.9	158.8
4. Paper	226.4	286.9	288.5	284.7
5. Cement	150.3	179.7	183.7	180.8
6. General Engineering	174.1	195.6	195.3	193.9
7. Sugar and Breweries	97.4	104.8	105.8	105.7
8. Chemicals	133.6	143.8	145.8	144.4
(d) Non-Manufacturing industries	161.4	166.3	168.6	168.4
1. Coal	78.5	78.9	80 0	80.5
2. Mining and Oil	206.1	259.1	263.1	262.4
3. Plantations	192.3	180.5	180.8	182.4
(e) Miscellaneous	96.1	101.9	101.7	101.2
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.4	90.8	90.7	90.7
2. Calcutta	90.8	91.2	91.2	91.2
3. Madras	91.2	91.5	91.5	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	100.0	99.9	99.8
2. Calcutta	101.4	101.1	100.9	100.9
3. Madras	100.3	100.2	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	91.6	88.8	89.1	89.2
2. Calcutta	83.6	79.9	80.1	80.1
3. Madras	94.8	97.8	97.8	97.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	117.3	131.1	133 8	132.8
2. Calcutta	109.2	111.4	110.8	110.8
3. Madras	111.9	132.7	134.4	134.3
4. Delhi	121.0	138.8	141.8	140.0

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951 ..	1,071	691,321	3,818,928
1952 ..	963	809,248	3,826,961
1953 ..	772	466,807	3,382,608
1954 ..	840	477,188	3,372,650
1955 ..	1,533	729,033	5,884,676
February 1954 ..	85	41,351	344,295
March ,, ..	91	34,208	321,419
April ,, ..	101	34,963	307,247
May ,, ..	80	40,073	216,068
June ,, ..	83	21,589	305,078
July ,, ..	122	30,189	277,492
August ,, ..	79	51,090	322,827
September ,, ..	97	50,414	363,573
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	329,701
December ,, ..	101	54,455	353,743
January 1955† ..	95	49,088	322,807
February ,, ..	91	28,870	144,802
March ,, ..	115	70,042	324,696
April ,, ..	99	39,515	205,488
May ,, ..	119	56,094	324,416
June ,, ..	154	88,172	1,038,704
July ,, ..	109	57,889	482,773
August ,, ..	235	90,585	583,871
September ,, ..	253	94,523	861,559
October ,, ..	253	47,042	203,544
November ,, ..	101	49,483	173,129
December ,, ..	130	45,929	230,197
January 1956† ..	109	61,098	357,883
February ,, ..	124	69,785	876,859
March ,, ..	133	130,517(a)	686,020(a)

† Figures are provisional. * Revised.
(a) Not known in 1 case. § Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	5,801.4	5,134.2
1953-54	648	6,676.8	5,878.7
1954-55	686	7,760.6	6,819.2
1955-56	715	8,805.8	7,785.8
January 1955 ..	684	668.5	545.2
February ,, ..	685	633.7	521.8
March ,, ..	686	698.7	568.8
April ,, ..	690	691.1	563.9
May ,, ..	691	706.1	579.2
June ,, ..	696	716.8	576.1
July ,, ..	700	724.8	583.3
August ,, ..	705	708.9	574.4
September ,, ..	707	719.8	587.1
October ,, ..	716	730.7	591.9
November ,, ..	721	725.5	587.9
December ,, ..	724	735.7	648.0
January 1956 ..	731	757.2	631.8
February ,, ..	739	749.9	622.0
March ,, ..	715	800.0	651.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	23rd June, 1956	16th June, 1956	25th June, 1955	May, 1956	May, 1955	Percentage of increase (+) or decrease (—) in May, 1956 as compared with May, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	373.6	372.7 R	288.7	350.5	276.1	+26.9	313.2	339.8
Cereals	59	474	475 R	336	449	311	+44.4	372	381
Pulses	8	345	353	246	358	216	+65.7	259	230
Others	33	248	245 R	229	224	236	— 5.1	235	291
Industrial Raw Materials	(18)	480.6	480.6 R	389.9	478.0	386.4	+20.6	419.8	438.2
Fibres	53	459	461	403	455	424	+ 7.3	429	447
Oil seeds	30	539	540	358	550	341	+61.3	398	424
Minerals	10	470	468 R	406	451	410	+ 9.4	427	428
Others	7	430	432	417	413	424	— 2.6	431	427
Semi-Manufactures	(17)	395.0	396.8	329.0	384.1	329.0	+16.5	338.2	350.3
Leather	8	406	407	339	404	400	+ 1.0	373	376
Mineral oils	13	208	208	201	208	221	— 5.9	207	221
Vegetable oils	16	544	552	368	557	244	+61.9	389 R	433
Cotton yarn	35	475	476	419	474	427	+11.0	433	454
Metals	19	329	330	244	380	244	+14.8	264	240
Oil cakes	5	416	424	338	406	291	+39.5	338	381
Others	5	361	361	330	361	328	+10.1	336	312
Manufactured Articles	(30)	377.9	377.0	389.5	376.8	376.6	+ 0.6	372.9	377.4 R
Textiles	64	411	411	406	411	415	— 1.0	408	421
Jute	11	388	388	410	390	429	— 9.1	416	448
Cotton	45	419*	419*	403*	414*	406*	+ 2.0	403*	415*
Rayon and Silk	6	453*	453*	467*	493	507*	— 2.8	485*	469*
Woollen	2	284	284	235	284	310	— 14.8	284	311
Metal products	17	377	377	343	371	344	+ 7.8	359	340
Others	19	286	286	286	286	287	— 0.3	285	286
Miscellaneous	(4)	522.6	513.1	563.2	501.8	546.6	— 7.9	548.4	612.4
All Commodities	(100)	401.4	401.1 R	344.5	390.2	342.0	+ 14.1	360.4

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage		Outturn	
	Forecast	Unit	1955–56	1954–55	1955–56	1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	..	7,999	..	2,736
Maize	final	,,	8,609	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	..	208,823	..	55,327
Pulses—						
Gram	2nd	tons	22,206	20,065	4,702	4,535
Tur	final	,,	5,757	5,944	1,814	1,688
Kharif pulses §	final	,,	15,862	16,719	1,650	1,880
Total pulses	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	..	5,665	..	962
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta† ..	2nd	,,	579	514	1,159	1,016
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane	final	,,	4,446	3,994	5,859	5,760
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,402	1,525	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* In thousand bales of 392 lbs. each. § Excluding Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1956	101.7
	Corresponding month, 1955	81.7
	Eleven months ended May, 1956	996.0
	Corresponding period, 1955	917.5
Stocks	At the end of June, 1956	125.9
	Corresponding month, 1955	87.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 19th May, 1956	5.954
	Corresponding week, 1955	13,577
	From 1st Jan., to 19th May, 1956	161,586
	Corresponding period, 1955	178,550
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 19th May, 1956	5.790
	Corresponding week, 1955	5,939
	From 1st Jan., to 19th May, 1956	424,029
	Corresponding period, 1955	431,856
	RAW JUTE	(In lakh bales)
Consumption by Mills†	May, 1956 (in lakh bales)	5.90
	Corresponding month, 1955	4.74
	Eleven months ended May 1956	57.77
	Corresponding period, 1955	53.22

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended 31st March, 1953		11,58,000	10,61,900	7,91,800
Do.	31st March, 1954	11,54,000	10,70,200	7,80,000
Do.	31st March, 1955	11,54,400	10,43,900	7,81,200
Do.	31st March, 1956	11,55,900	10,62,100	7,97,800
January	1955	1,02,500	95,800	72,200
February	,,	93,500	84,500	63,000
March	,,	95 000	89,300	66,100
April	,,	95,100	88,000	66,200
May	,,	94,300	87,500	5,600
June	,,	91,700	83,300	62,600
January	1956	1 03,900	96,800	71,600
February	,,	97,500	89,500	67,700
March	,,	1,03,300	96,200	69,900
April	,,	87,200	87,200	64,300
May	,,	96,600	89,400	66,300
June	,,	94,900	89,900	64,400
Indian Iron and Steel Co., Ltd.				
Year ended 31st March, 1953		6,26,710	4,31,460	3,13,940
Do.	31st March, 1954	5,80,782	5,49,380	3,92,440
Do.	31st March, 1955	7 15,949	5,33,240	4,59,093
Do.	31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June,	1954	1,82,770	1,17,870	1,07,480
,, ,, ,,	Sept., 1954	1,80,018	1,29,741	1,18,861
,, ,, ,,	Dec., 1954	1,85,853	1,36,801	1,20,616
,, ,, ,,	Mar., 1955	1,65,106	1,48,828	1,18,186
,, ,, ,,	June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,,	Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,, ,,	Dec., 1955	1,80,750	1,24,696	1,05,758
,, ,, ,,	Mar., 1956	1,41,846	1,01,146	1,19,860
,, ,, ,,	June, 1956	1,48,306	1,17,710	92,609

FOREIGN TRADE OF INDIA

Particulars	March		Twelve months April to March.,	
	1955	1956	1954–55	1955–56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	13,68	4,59	131 97	54 83
Raw materials	12,86	23,50	187,32	163,96
Manufactures	29 22	43,21	311,06	427,50
Other items	23	40	2,70	3 35
Total*	55,99	71,70	633,05	649,64
By land	2,51	2,81	22,39	29,35
Total Imports	58,50	74,51	656,44	678,99
Exports :				
By sea and air—				
Foodstuffs	14,54	16,82	203,22	165,04
Raw materials	18,47	18,04	121,17	167,11
Manufactures	22,96	20,56	253,53	247,78
Other items	38	35	4,82	4,18
Total	56,35	56 37	582,74	584,71
By land	56	39	5,73	6,14
Total Re-exports	56,91	56,76	588 47	590,85
Total Re-exports	82	1,51	5,50	6,58
Balance of trade in merchandise	73	— 16,27	— 62,72	— 81,52
Balance of transactions in private treasure	1	2	4	8
Total visible balance of trade	— 74	— 16 29	— 62,76	— 81,60
Imports : ‡				
Total C'wealth countries	23,14	28,52	268,26	278,98
Total Foreign countries	32,35	43,19	384,79	370,66
Exports : ‡				
Total C'wealth countries	28,96	29,69	324,76	269,24
Total Foreign countries	27,39	26,68	257,98	285,47

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,513	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	164	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April 1955	1 037	222	77	21	12	6	9	2	50	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	22
June ,,	2,978	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,073	690	324	78	41	22	23	8	52	130	14	100	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 BG. =2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 5th July, 1956	17,100(J)
	Corresponding week, 1955	36,391(J)
	1st Sept. to 5th July, 1955-56	1,753,238*
	Corresponding period, 1954-55	1,842,914*
Cotton Exports	Week ended 5th July, 1956	3,285‡
	Corresponding week, 1955	7,961
	1st Sept. to 5th July, 1955-56	549,556‡
	Corresponding period, 1954-55	342,910
Mill Consumption (Estimated)	1st Sept. to 5th July, 1955-56	1,060,330
	Corresponding period, 1954-55	1,083,247
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 5th July, 1956	667,280
	Corresponding date, 1955	828,891
Cotton Exports from Bombay (by sea)	During February, 1956	58,302‡
	1st Sept., '55 to 29th Feb., 1956	421,354
	1st Sept. '54 to 28th Feb., 1955	163,790
Karachi (Pakistan)—		
Receipts	1st Sept. to 28th June, 1955-56	1,294,734
	Corresponding period, 1954-55	1,220,013
Exports	1st Sept. to 28th June, 1955-56	871,885
	Corresponding period, 1954-55	740,447

Particulars	From 1st Sept. 1955 to 9th July, 1956 Bales	From 1st Sept. 1954 to 9th July, 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	61,430	34,047
Continent	86,094	53,286
Hongkong	36 142	9,781
China	52,365	3,303
Japan	317,267	83,887
U.S.A.	3,770	16,723
Other Countries	3,786	2,364
Total to all foreign countries	561,354	203,351
Coastal Ports	103,566	142,474
Total	664,920§	350,825

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	April, 1956	341,829
Foreign		213,316
Indian	Eight months ended April, 1956	51,278
Foreign		2,910,601
Indian	Same Period 1955	290,673
Foreign		2,713,938
Stocks (Mills and Elsewhere)—		443,122
Indian	As on 30th April, 1956	1,512,678
Foreign		213,316
Indian	As on 30th April, 1955	1,472,430
Foreign		138,980
Cotton Pressed in India† (In running bales)	Week ended 29th June, 1956	3,025
	Corresponding week, 1955	55,974
	1st Sept. to 29th June, 1955-56	3,401,168
	Corresponding period, 1954-55	4,282,493

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Piskings, etc. § Includes Zoda and Yellow Piskings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926–28	63,20,26,000	1960-70	101¼
3 % Loan	1938–39	1,16,17,46,000	1968-65	95½
3 % Loan	1940	80,88,15,000	1964	95
3 % Fr. Loan	1945	1,10,11,78,000	1966-68	93½
3 % V. Loan	1944	1,14,06,89,000	1957	99 3/8
3 % Loan	1945	1,19,06,85,000	1970-75	90¾
2½ % Nd V. Loan	1945	1,18,65,64,000	1959-61	98½
3 % Loan	1951	50,35,58,000	1958	98½
2½ % Loan	1946	45,53,07,000	1960	96½
2½ % Loan	1946	57,00,69,000	1961	93 3/4
2½ % Loan	1946	14,77,48,000	1976	82½
2½ % Loan	1947	75,86,72,000	1962	93 3/4
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	89 3/4
3½ % N.P. Loan	1954	157,35,41,000	1964	98½
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98½
NON-TERMINABLE LOANS				
3 % Loan	1896–97	5,93,36,000	At option of Government after three months' notice. On September, 1985 or later at option of Government after three months' notice.	80
3 % Loan	1946	£45,91,66,000		77½
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,35,20,606	1958-68***	102½
STATE LOANS				
4 % Andhra	1935	4,50,00,600	1st Sept. 1967	99½
3 % Bombay	1942	2,99,35,000	14th Sept. 1956	99½
3 % Bombay	1944	3,06,66,000	14th Aug. 1958	99½
3 % Bombay	1949	5,62,12,000	1st Aug. 1962	94½
3 % Bombay	1950	2,92,30,000	31st July 1960	96½
2½ % Bombay	1951	3,67,00,000	17th Sept. 1958	96½
3 % Bombay	1952	6,00,00,000	15th July 1962	101 3/4
3 % Bombay	1954	3,66,72,700	1st Aug. 1964	101 3/4
3 % Bombay	1955	9,00,00,000	1st Aug. 1965	100 3/4
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
3 % Cochin	1948	1,00,00,000	16th Dec. 1956-58	98½
2½ % Cochin	1946	70,09,600	1st June 1956-61	99½
2 % Howrah Bridge (New)	1936–37	1,98,96,700	1956-66	95½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,29,95,600	21st June 1959	96½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,98,000	17th Aug. 1958	98½
3 % Madras	1945	2,78,44,900	14th Sept. 1960	96–5½
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	98–1½
3 % Madras	1950	4,33,25,400	31st July 1960	96½
2½ % Madras	1951	3,01,49,300	17th Sept. 1963	98½
4 % Madras	1953	10,33,63,000	15th July 1963	100–3½
4 % Madras	1953	2,54,81,300	1st Aug. 1964	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-58	101½
3 % Mysore(J)	1936	5,99,72,900	30th Apr. 1956-61	99½
4 % Mysore	1947	5,08,05,700	25th Jan. 1958	99½
4 % Mysore	1953	3,35,47,000	15th July 1963	100½
4 % Mysore	1955	2,25,00,000	1st Sept. 1967	99 3/4
3 % M.P.	1943	50,54,200	14th Sept. 1956	99½
3 % M.P.	1944	52,64,800	17th Aug. 1958	98½
3 % M.P.	1948	3,08,28,800	15th Sept. 1964	92
3 % M.P.	1950	1,01,44,700	31st July 1960	95
3 % M.P.	1951	1,02,18,100	17th Sept. 1963	98½
4 % M.P.	1953	1,02,18,100	15th July 1963	100
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab**	1938–44	2,49,87,200	15th Aug. 1958	98½
3 % Punjab**	1943	2,46,76,300	14th Sept. 1956	99½
3 % Punjab**	1945	2,98,81,600	14th Sept. 1960	97½
4 % Saurashtra	1955	2,25,00,000	1st Sept. 1967	99½
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	2,25,60,000	15th July 1963	100–1½
3 % U.P.	1936	1,57,42,500	15th Sept. 1961–66	99½
3 % U.P.	1944	3,08,84,500	15th Aug. 1958	98½
3 % U.P.	1945	2,17,89,700	14th Sept. 1956	99½
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92½
2½ % U.P.	1951	1,94,11,700	17th Sept. 1963	98½
4 % U.P.	1953	6 11,45,200	1st Aug. 1964	100½
4 % U.P.	1953	5 65,15,500	15th July 1963	100 3/4
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
26,50,000	4	1904	1964	
15,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1970	
58,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,576	4	1912*	1960	D
80,00,000	4	1913	1974	100½N
82,35,000	4	1914	1974	160N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1923*	1960	
11,61,000	4	1924*	1960	
10,25,000	2½	1926*	1960	
12,50,000	2½	1928*	1958	
12,50,000	2½	1930*	1960	D
12,50,000	2½	1931*	1961	
15,00,000	2½	1932*	1962	
24,56,000	2½	1935*	1975	
15,00,000	2½	1936*	1956	
48,04,000	2½	1938*	1960	
10,00,000	2½	1939*	1968	
7,00,900	2½	1941	1971	
SALCUTTA				
Rs.				Rs.
93,34,300	4	1914	1974	99
76,98,100	4	1915	1975	99
1,50,00,000	4	1921	1981	82
68,02,2600	5½	1921	1981	144N
98,31,600	5½	1926	1956–86	100
90,84,580B	5	1926	1956–86	100½
1,49,49,5008	5	1927	1957–87	103
1,49,30,000	5	1928	1958–88	104½
80,00,000	4½	1931	1991	95
60,00,000	3	1935	1955	97½
25,00,000	3	1938	1963–68	90
50,00,000	3	1944	1965	74
50,00,000	3	1945	2005	74
50,00,000	3	1945	1955	85
50,00,000	3	1946	1976	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1959	97
1,00,00,000	3	1950	1960	97
50,00,000	3	1950	1980	97
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1980	95½
50,00,000	3	1951	1981	81½
1,50,00,000	2½	1951	1961	98½
50,00,000	4	1953	1963	100
50,00,000	3	1953	1983	86½
90,00,900	4	1955	1985	97½
77,00,0000	4	1956	1986	97½
STERLING LOANS				
£822,600	5	1923	1953–83	£79½
£901,000	5	1924	1954–84	£79½
£885,100	5½	1932	1942	£91½
MADRAS				
Rs.				Rs.
31,47,169	4½	1947	1977	
9,88,000	3	1947	1977	A
5,00,000	3	1949	1979	
65,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
50,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1913	1972	
18,00,000	4	1913	1972	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	4	1919	1957–79	118N
66,00,000	6	1926	1955–80	
25,00,000	5	1926	1956–86	115N
25,00,000	5	1927	1957–70	98N
3		1928	1964	
		STERLING LOANS		
£566,600		1909	1969	£95½N
£333,000		1910	1970	£95½N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1924	1964	99½
25,00,000	3½	1935	1945	94
20,00,000	3	1936	1946	90
50,00,000	3	1937	1947	91
20,00,000	3	1938	1963–68	90
50,00,000	4	1953	1963	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.	**BOMBAY**		Rs.
26,60,200	4	1913–15	1974	100
10,00,000	5	1924	1956	113N
25,00,000	5	1928	1958	104½
8,45,500	5	1928	1954–59	to
28,74,000	5	1928	1958	105½
2,50,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
2,50,00,000	3½	1950	1980	86½
2,50,00,000	3½	1951	1966	97½
1,00,00,000†	4	1953	1983	100½
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100 3/4
Rs.	**CALCUTTA**			Rs.
36,00,000	5	1928	1958	103
25,00,000	5	1928	1957	103
25,00,000	5	1928	1958	103½
10,00,000	5½	1928	1958	103
25,91,000	3½	1935	1945	94
50,00,000	3	1938	1968	90
47,50,000	3	1938	1968	90
15,56,300	4	1939	1956	99½
15,56,300	4	1939	1956	99½
15,56,300	4	1939	1957	99½
17,64,400	3½	1942	1959	99½
21,10,000	3½	1942	1973	93
13,49,000	3½	1942	1950	97
16,83,300	3½	1951	1961	97½
66,88,300	3½	1951	1966	97½
97,56,000	3½	1951	1968	99½
72,50,000	4½	1954	1979	100
Rs.	**MADRAS**			Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1963	98½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 3/4
4 % W. Bengal	1953	2,50,23,000	15th July 1963	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100½

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1946.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1956. ‡—Interest free to first 10 years. §—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5 00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar A	7,00,000	1920	7	July Apr.	6–2½cd	5
East India Distilleries	£200,000	1897	7	Jan. July	173cd	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	68	100
Partabpore Co.	6,00,000	1922	10	Oct.	15	10
Ramnugger Cane	4,00,000	1933–36	6	Aug.	99½	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	8½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	110xd	100
Burrakur (1st)	2,99,800	1901–19	7	Apr. Oct.	109xd	100
Do. (2nd)	4,50,000	1946	6(a)		7xd	10
Hquitable	4,00,000	1895	6	Mar. Sept.	108	100½
Karanpura Collieries	9 87 500	1946	5½(a)		62	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2,00,000	1895–99	6½	Apr. Oct.	110xd	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1933	6½	Nov.	8	10
Bengal-Nagpur	3,00,000	1926	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	126	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	66	100
Bradbury	14,75,000	1919	7	June Dec.	71	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	140½xd	100
Cambodias	1,00,000	1923	7	Apr.	122½	100
Central India	50,00,000	1912	5	Apr. Oct.	485	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	104½	100
Elgin	11,00,000	1912	8	May Nov.	135	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9½

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. I.=Interim Dividend. F.=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,23,421	42,05,873	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	3-1½	2	0 4 (e)	0 2 (e)			12	Y.
40,00,000	24,00,000	1,85,52,007	78,25,655	—6,97,124	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		12	Y.
2,56,98,008	2,99,72,778	4,93,35,445	3,20,,,273	2,21,038	Nowrosjee Wadia & Sons, Ltd.	2,21,038	4,865	Bombay Dyeing & Mfg.	634½	250	22 8•	20 0	25 0•		12	Y.
10,00,000	87,86,559	85,58,179	48,57,493	2,48,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	221½	50	100 0	75 0			3	Y.P.
1,09,42,800	2,63,96,822	2,81,33,264	1,97,06,117	6,84,956	Birla Bros., Ltd.	1,26,344	2,693	Century Spg. & Mfg.	565	100	22 0	22 0	22 0		12	Y.
49,00,000	15,44,690	1,18,09,462	66,52,039	—33,25,720	V. J. Pitadi (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	81½	100	*Nil*	*Nil*			12	Y.
26,00,000	11,38,476	81,38,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	170	100	7 8	7 8	7		3	Y.
16,00,000	24,36,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	163½	50	6 0	6 0	15 0		12	Y.
24,00,000	27,74,000	71,50,731	44,73,734	30,168	Puranmal Radhakishan & Co.	50,084	928	Edward Textiles	338½	200	15 0	15 0			12	Y.
20,98,050	11,31,233	1,09,78,649	80,74,224	1,31,354	M	41,800	886	Elphinstone Spg. & Wvg.	65	50	*Nil*	3 8	5 0		12	Y.P.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	340	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,800	9,223	Thac ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800 / 992½	1,000	225 0•	225 0	200 0		3	Y.P.
16,992									250	50	4•	50 4	75 0			
2,00,80,000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,412	India United Mills	0 100D. / 13-7½	0 10D.	0 10	*Nil*	0 15		12	Y.
80,80,992									2-8½	0 1D.	0 1	*Nil*	0 3			
5,85,000									5,075N	1,000	225 0•	225 0	300 0		3	Y.P.
25,000	74,24,043	1,80,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	—	100	113	115	150		6	Y.P.
80,25,000	40,58,451	2,27,18,607	1,92,93,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	238½	100	10 0	8 0	10 0		12	Y.
1,20,00,000	1,21,50,000	2,54,98,093	2,05,17,954	23,980	Kilachand Mills Ltd.	1,20,504	..	Kohinoor Mills	87N	50	5 0	5 0	8 0•		12	Y.P.
13,18,050	41,06,720	1,18,74,848	65,99,115	31,870	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	251½	100	13 0	14 0			6	Y.P.
51,75,000	32,92,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	236½	100	9 0	10 0	12 0		12	Y.P.
1,57,74,400	88,41,004	6,84,71,005	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.	..	..	National Rayon Corporation	181½	100	10 0	10 0	10 0		12	Y.
24,00,000	24,50,000	76,57,858	46,04,750	3,016	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	265	100	10 0	7 8	10 0		12	Y.P.
80,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,011	1,018	New Great Spg. & Wvg.	141½	100	8 0	8 0	10 0		12	Y.
48,00,000	36,62,878	1,49,08,112	99,69,611	1,96,864	Ramnarain Sons, Ltd.	69,328	1,190	Phoenix Mills	186½	100	10 0	10 0	5 0		12	Y.P.
40,00,000	48,88,014	81,59,235	23,00,000	3,19,569	Podar Sons, Ltd.	22,500	980	Podar Mills	12	10	0 12	0 8			12	Y.
5,00,000	3,19,999	21,21,521	19,01,840	—1,79,184	David Sassoon & Co., Ltd.	9,620	277	Sassoon Spg. & Wvg.	88½	10	1 4	1 12	1 12		12	Y.
27,70,000	82,80,606	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,618	1,254	Saraswati Mills	222½	100	14 0	14 0	12 0		12	Y.P.
80,00,000	47,70,061	90,20,958	55,57,925	1,47,428	Marwar Textiles (Agency) Ltd.	66,588	1,540	Shree Niwas Cotton Mills								
42,00,000	88,02,179	98,78,309	73,63,752	96,017	Forbes, Forbes Campbell & Co. Ltd	34,840	1,276	Simplex Mills	218½	50	15 0	11 0	10 0	12 0	3	Y.
37,80,000	3,33,15,720	2,51,28,609	1,37,85,474	12,833	Mafatlal Gagralbhai & Sons	52,084	1,533	Standard Mills	463½	100	20 0	20 0	20 0		12	Y.P.
99,55,700	84,69,716	2,28,87,547	1,19,01,899	67,611	Tata Industries Ltd.	72,286	2,000	Svadeshi Mills	253½	100	15 0	8 0	12 0		12	Y.P.
36,00,000	65,33,465	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd.	58,228	552	Swan Mills	431½	25	1 8	2 8	4 0		12	Y.P.P
22,77,425	51,96,376	1,77,34,889	68,44,553	43,485	Tata Industries Ltd.	54,126	1,209	Western India Spg. & Mfg.	56	100	225 0•	225 0	300 0		3	Y.
12,00,000	62,54,709	1,15,36,488	81,90,000	2,816	Thackersey Mooljee Son & Co.	5,075	1,000	Zam Zam Mills								
AHMEDABAD																
28,00,000	31,11,654	1,36,22,872	60,47,302	5,402	Tata Industries, Ltd.	48,144	1,916	Ahmedabad Advance Mills	198½	100	10 0•	5 0	7 0		6	Y.P.
10,00,000	94,58,068	94,37,808	70,10,164	27,288	P. M. Hatheesing & Sons, Ltd.	42,448	1,214	Aruna Mills	1,130	100	20 0•	20 0	20 0		12	Y.P.
20,25,000	2,40,17,401	1,48,07,868	1,08,05,000	46,884	Narottam Lalbhai & Co.	46,884	..	Arvind Mills	1,350	100	25 0	25 0			12	Y.P.
20,00,000	81,75,000	99,34,384	72,25,000	2,46,388	Manguldas & Bros., Ltd.	37,764	892	Ascodaya Ginning & Mfg.	550	100	15 0	15 0	2b 0•		12	Y.P.
12,00,000	1,18,29,083	84,56,974	49,54,953	69,806	Lalbhai Tricathbhai & Co	37,868	914	Asoka Mills	1,140	100	22 0•	22 0	30 0		12	Y.P.
1,24,78,011	1,11,66,208	4,24,85,718	3,07,52,344	16,00,756	Kasamchand Premchand Ltd.	1,39,120	2,372	Calico	5074	125	18 0	18 0			12	Y.P.
26,57,000	24,53,000	1,21,06,842	82,29,000	2,760	Tricumlal Bhoyilal & Co., Ltd.	49,826	866	New Commercial Mills	1,725	1,000	70 0	70 0	80 0		12	Y.
29,00,000	72,53,456	1,32,00,223	90,28,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	909	125	35 0	35 0	35 0		12	Y.
15,00,000	58,48,000	50,63,197	37,93,317	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	675	100	30 0•	30 0•	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,89,883	....	Lalbhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	1,145	100	17 8	25 0	35 0•		12	Y.P.
22,50,000	14,78,207	1,07,01,469	71,42,808	17,24,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	310	100	9 0	9 0	*Nil*		12	Y.
33,98,150	2,02,34,588	1,76,92,842	1,52,75,000	8,23,200	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	657	50	18 0	20 0	27 0•		12	Y.P
19,35,500	62,51,253	78,09,018	56,84,701	15,592	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.	36,624	720	Shorrock Spg. & Mfg.	607½	100	20 0	25 0•	25 0		12	Y.
28,00,000	26,96,488	1,08,76,840	68,25,291	28,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	710	400	35 0•	35 0•			12	Y.P.
WEST BENGAL																
15,00,000	9,00,000	60,37,191	29,09,649	—5,54,323	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*	*Nil*		12	Y.P.H.
61,71,428	35,91,264	1,84,91,530	80,78,582	1,36,043	Industrial Trust Fund	56,136	708	Azam Jahi Mills	95	100	6 0	*Nil*	*Nil*	3 8(e)	9	Y.
40,40,000	2,00,68,745	2,42,88,358	2,26,68,900	1,36,643	Birla Bros., Ltd.	40,068	1,167	Bangalore Woollen, Cotton and Silk Mills	575	100	25 0	30 0	30 0		12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,123	18,199	M.	39,936	810	Bengal-Nagpur Cotton Mills	9½	10	0 4	*Nil*			6.12	H.P.Y.
15,00,000	1,09,45,351	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	5 0	5 0	5 0		3	Y.
1,78,47,800	1,76,55,500	6,55,09,208	5,52,51,170	3,45,895	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Binny Mills & Carnatic	203	100	10 0	10 0	10 0		12	Y.P.
20,00,000	20,00,000	39,69,364	21,66,351	27,599	Petroo, Leslie & Co., Ltd.	28,706	..	Cambodia Mills	14½	10	0 12	*Nil*	0 8		12	Y.P.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	172xd	100	12 0	20 0	12 0		3	Y.
20,00,000	25,52,976	58,07,118	50,34,815	29,514	Begg, Sutherland & Co., Ltd.	29,814	791	Carnapore Textiles	8½	10	*Nil*	3 8	5 0		12	Y.
12,00,000	20,60,000	54,68,206	27,86,527	24,164	R. Bheema Naidu & Co.	23,564	..	Coimbatore Cotton Mills	375	100	20 0	25 0	25 0		12	Y.
20,00,000	19,95,000	36,59,430	24,25,921	14,823	T. R. N. Naidu & Co.	33,788	..	Coimbatore Pioneer Mills	335	100	15 0	20 0	20 0		6	Y.P.
28,79,800	4,19,214	1,15,51,869	83,06,019	19,884	E. G. S. Naidu & Co.	72,322	407	Coimbatore Spg. & Wvg.	104½	50	*Nil*	*Nil*	6 0		6	Y.
46,87,500	55,52,402	2,48,15,409	1,58,09,332	1,76,979	Tata Industries, Ltd.	1,16,188	2,062	Colombo Mills	157	100	5 0	5 0	5 0		6	Y.P.
5,33,34,225	3,55,00,000	9,09,78,765	5,08,00,000	32,750	B. B. Charat Ram & Co., Ltd.	1,16,686	2,884	Delhi Cloth & General Mills	38½N	25	1 12	3 4	3 4		6	Y.P.H
1,00,563									24	5	0 2 4/5	0 2 8/5	0 2 8/5			
24,34,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	33,568	201	Dhanalakshmi Mills	402	50	30 0	30 0	30 0		9	Y.
60,00,000	46,33,560	1,52,16,383	1,29,71,631	25,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	28½	100	1 0	1 0	1 0		9	Y.P.
46,81,000	35,22,175	1,00,56,167	68,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	284	100	17 0	16 0	16 0		12	Y.
50,00,000	6,16,447	1,23,91,953	1,12,38,578	9,851	K. L. S. Harita, Esq. (Chairman)	51,180	1,420	Industrial Malwa United	151½	100	6 0	6 0	10 0		12	Y.
4,80,800	10,55,683	31,06,669	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,328	..	Janardana Mills	120	50	4 8	5 0	10 0		6	Y.P.
24,00,000	16,25,000	78,88,888	36,50,000	29,852	Kothari & Sons	43,000	360	Kothari Textiles	17½	10	0 8	0 12	0 6		12	Y.P.
32,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	61,972	1,219	Lakshmi Cotton Mfg.	882½	250	37 8	33 12	42 6		12	Y.
35,54,100	59,65,960	1,11,86,880	75,29,888	74,876	G. K. Naidu & Co.	35,908	201	Lakshmi Mills	223xd	50	5 0	10 0	12 8		3	Y.
17,82,050									114cd	25	2 8	3 0	6 4			
3,78,08,460	4,18,81,878	5,78,74,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	51	50	5 0	5 0	5 0		12	Y.
12,00,000	4,17,243	28,26,782	16,72,276	—20,078	A. L. A. R. S. Chettiar and Sons	52,084	100	Mahabir Spg. & Wvg.	116	100	*Nil*	*Nil*			12	Y.
60,00,000	60,00,000	68,79,627	43,29,734	45,835	W. A. Beardsell & Co., Ltd.	24,720	603	Meetur Industries Ltd.	5334cd	100	12 0	25 0•	35 0	42 8	12	Y.
29,80,884	19,61,581	89,75,246	49,94,738	16,588	N. Sirur & Co. Private Ltd.	29,896	704	Minerva Mills	94	250	7 0•	5 0(e)	6 0		12	Y.
24,91,880	27,34,404	1,61,29,118	72,91,823	—7,44,882	Nandlal Jibrichand Dadabhoy & Co.	51,240	946	Model Mills (Nagpur)	151½	100	*Nil*	*Nil*			12	Y.
30,00,000	58,19,000	1,53,29,272	1,05,91,651	—7,77,390	Indian Textile Syndicate Ltd.	53,640	1,824	Muir Mills	86N	100	*Nil*	*Nil*			12	Y.
24,32,500	50,34,547	99,04,000	53,69,938	23,708	N. Sirur & Co., Ltd.	50,128	506	Mysore Spg. & Mfg.	112½	50	10 0•	6 8•	6 0(e)		3	Y.
15,61,750	1,000	29,41,719	15,25,288	—1,92,850	R. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	7½	10	0 12	*Nil*	*Nil*		12	Y.
23,20,125									0. 2½ / D. 1	*Nil*	*Nil*	*Nil*				
2,97,996	25,62,533	1,04,87,293	58,90,719	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	86	100	4 0	*Nil*	2 8(e)		9	Y.
37,10,500	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshah Mills	168	50A	12 0	12 0	12 0		12	Y.P.
4,00,000A	6,50,000	39,12,549	22,46,016	14,009	Bhaghyalakshmi & Co.	29,024	..	Palani Andavar Mills	165	100	*Nil*	*Nil*	4 0(e)		12	Y.
4,00,000B									235	75B	18 0	18 0	18 0			
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,937	C. S. R. Mudaliar & Sons	20,796	..	Pankaja Mills Ltd.	102	100	*Nil*	*Nil*	*Nil*		12	Y.
16,12,200A	29,00,000	78,90,455	41,41,878	28,687	A. G. Guruswamy Naidu & Co.	51,664	801	Radhakrishna Mills	330	100A	8 0	16 0			12	Y.
5,40,200B									165	50B	4 0	8 0				
15,00,000	20,00,000	48,74,198	25 94,337	11,061	R. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	174½	50	7 8	10 0	10 0		12	Y.
32,20,625	12,40,000	40,14,000	18,05,147	29,880	Rayalaseema Development Co.	14,860	..	Rayalaseema Mills	143½	100	6 0	9 0	10 0		12	Y.P.
60,00,000	68,41,348	1,00,25,422	35,44,914	—19,16,726	J. P. Srivastava & Sons (Rampur)	34,560	600	Rama Textiles	10	*Nil*	*Nil*	*Nil*			12	Y.P.
18,00,000	1,80,39,516	2,89,27,065	2,04,27,279	—1,50,28,067	Morarka & Co.	98,222	2,324	Sholapoor Spg. & Wvg.	84N / 1,750	1,000	*Nil*	*Nil*			3	Y.P.
25,69,700	17,10,000	81,44,272	65,63,318	1,00,148	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	1100d	500	4 0•	4 8	5 0	7 0	3	Y.
28,14,288	5,00,246	35,19,908	17,78,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,11,90,237	90,09,567	73,44,724	31,27,583	Birla Brothers, Ltd.	35,556	1,243	Sutlej Cotton Mills	112N	10	4 0	5 0	6 0		3	Y.
17,82,800 O	2,90,00,000	4,54,40,847	1,10,63,159	7,09,029	Jatpuria Brothers	1,12,216	2,077	Travancore Rayons	11 / 11-2	10	10 0	0 8	0 12		12	Y.P.
1,00,00,000	30,14,739	5,80,55,317	1,27,16,775	2,63,771	Kmcete & Sons (Travancore), Ltd.	..	..	Trichinopoly Mills	18½	10	0 11½	0 14 2/5	0-14 2/5		12	Y.
21,00,000	2,76,326	17,20,181	11,27,336	1,508	Mcodjee Ramjee & Sons	17,600	..	Vasanta Mills	335	100	12 0	15 0	20 0		12	Y.P.
22,00,000	24,50,000	71,23,723	40,53,168	56,000	K. S. S. Chetty & Brothers	48,974	270	Vishnu Cotton	186½	100	4 0	4 0	5 0		12	Y.
	24,42,971	1,64,67,122	1,06,10,233	23,125	Bombay Co., Ltd.	46,490	1,331									

SOUTH INDIA AND OTHER CENTRES

* Includes bonus. M—Managed by board of directors. (e) Subject to taxation and workers' bonus (e) Paid out of reserves.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 62,000 shares of Rs. 50 each; X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11½	5	*Nil*	*Nil*	0 8		5	Y.P.
16,20,630	18,88,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	8	5	0 8	0 8	0 8		3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½ / —	A. 16sh. B. £1	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 5 4/5	Sh1 3/5 Sh4		6	Y.P.
6,00,000	9,50,000	12,47,805	12,47,799	9,111	Vittal Maliya, Esq. (Chairman)	United Breweries	182	75	15 0	15 0	15 0		3	Y.
CEMENT														
1,27,700A. / 9,79,020B. / 2,14,590C. / 4,70,976D.	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	161xd / 15 / 8 / 14	A. 100 B. 10 O. 10 D. 1	10 0• / 1 0• / *Nil* / 0 8	10 0 / 1 0 / *Nil* / 0 8	10 0• / 1 0• /		12	Y.P.Z.
1,71,56,208	5,49,40,618	24,00,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Assam Bengal Cement / Associated Cement Companies	18½	100	9 8	8 8	10 0		7	Y.
6,00,000C. / 6,50,000D. / 5,00,000D. / 1,91,030D. / 7,50,000D.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	17½ / 4½cd / 5jcd / 85	O. 10 O. 25	1 0 / 0 4 / 0-1 3/5 / *Nil* / *Nil*	1 0 / 0 4 / 0-1 3/5 / 1 4 / 0 4	1 4 / 0 2 / 0 2 / 1 14 / 0 4		12	Y.P.
	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	161	10	6 0	6 0	6 0		3	Y.P.
88,93,375	44,50,000	2,04,20,192	86,59,088	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	195½	100	5 0	8 8	8 8		12	Y.P.
75,00,000	$0,95,000	1,83,35,122	81,94,859	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	9	5	0 6	0 4			12	Y.
50,00,000	....	1,04,00,851	24,33,980	2,75,454	Essel Ltd.	Travancore Cements Ltd.	10½cd	10	0 8	0 10	0 81		12	Y.
CERAMIC; MINING AND QUARRYING														
81,70,655	2,00,000	62,32,608	26,81,552	17,540	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4			12	Y.
10,00,000	25,12,725	57,20,295	33,23,355	9,142	Bird & Co., Ltd.	Bisra Stone Lime Co.	40N	10	0 8	0 14	0 14f		3, 9	H.
£214,206	£1,322,766	£2,037,845	£1,086,287	£111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7-0½	Sh. 2	2.4d.	6d.*			12	Y.
20,00,000	27,32,396	43,79,859	13,19,311	—30,704	Bird & Co., Ltd.	Karanpura Development	22½	10	*Nil*	*Nil*	*Nil*		6, 12	H.
6,00,000	2,50,500	8,78,490	5,07,504	1,060	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	11	10	0 12	0 8	0 12		3	Y.
20,00,000	34,49,599	45,11,204	24,33,930	1,05,053	Bird & Co., Ltd.	Orissa Minerals	26	10	2 0	2 0	1 0		6, 12	H.
						Reliance Firebrick & Pottery	20½xd	10	*Nil* / 0 4	*Nil*			3, 8	H.
6,00,000	8,62,360	30,62,315	20,25,104	7,022	R. K. Agarwala & Brothers	Shivrajpur Syndicate	91	10	8 0•	8 0•	8 0•		11	Y.
7,00,000	57,30,000	44,10,972	20,73,805	21,661	Killick Industries Ltd.									
CHEMICAL														
32,41,200	30,91,533	35,56,870	44,34,349	57,300	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	125½	100	8 0	8 0	8 0		12	Y.P.
62,00,000	42,71,278	1,89,39,160	38,97,818	1,19,188	Imperial Chem. Ind. (India), Ltd.	Alkali and Chem. Corpn. of India	22½	10	0 9 3/5	0 9 3/5	0 12 4/5		9	Y.P.
1,87,45,500	——	2,17,74,634	25,58,896	25,532	Lalbhai Sons & Co.	Atul Products Ltd.	195½	100	*Nil*	*Nil*	5 4		12	Y.
45,62,200	45,95,059	1,07,95,434	51,87,530	—11,70,055	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	103	100	6 0	6 0	6 0		4	Y.P.
21,50,000	41,82,560	1,36,86,144	87,96,386	47,932	Sahu Bros. (Saurashtra), Ltd.	Dharangadhra Chemicals	120	10	12 0	12 0	12 0		12	Y.
3,15,97,740	....	4,20,63,176	1,66,41,311	—44,98,278	Seshasayee Bros. (Travancore), Ltd.	F. A. C. T.	6½	10	*Nil*	*Nil*			12	Y.
11,99,900	6,40,584	24,50,915	10,77,957	15,948	S. V. S. Iyer (General Manager)	Kemp & Co.	175	200	20 0	12 0			12	Y.P.
40,48,890	7,67,206	90,44,475	41,62,475	6,463	Seshasayee Bros. (Travancore), Ltd.	Mettur Chemicals	9½	10	0 10	0 8	0 10		3	Y

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	Nil	1 9	2 8		6,12	H.P.T.
62,98,250	66,03,861	1,11,56,730	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	6 0	7 0	0 11½		3,9	H.
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	1 0*	0 12*	0 15*		3	Y.
1,46,82,500	2,09,26,641	4,37,02,365	1,02,98,953	2,29,489	Birla Bros'	Orient Paper	33½	10	1 0	0 7	0 8		3,9	H.P.T.
									1 0	0 8	0 10			
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18½	10	0 12	0 12	0 10‡		6,12	H.P.T.
									0 12	0 12				
20,00,000	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	11	O. 10	0 12	0 12	0 8‡		3,9	H.P.T.
40,00,000							11	A. 10	0 12	0 12				
56,00,000A.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd.†	Titaghur Paper Mills Co., Ltd.	42½	A. 10	1 0*	0 12	1 0		3,9	H.P.
56,04,860B.									1 0*	0 12	1 0			
1,97,502P.O.							42½	B. 10	1 0*	0 12	1 0			
							4½	P.O. 2½	0 2	0 2	0 2			
PRESSING														
8,00,000	6,12,265	15,78,488	11,13,891	—85,478	Andrew Yule & Co. .. ¶	Calcutta Hydraulic	100	100	3 0	4 0	Nil		6	Y.
4,80,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	5 0			7	Y.
5,00,000	1,95,000	10,91,511	9,80,277	15,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
16,06,780D.	6,98,332	43,52,570	22,63,279	36,000	S. A. Saal, Esqn. & others (Directors)	Humayun Properties	13½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
2,00,000D.							2½	D. 1	0 4/5	Nil	0 9 3/5			
80,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	0½	100	1 8	1 8	Nil		4	Y.
94,00,000	36,71,074	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	29½	100	1 8	4 0	0		4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,533	10,73,333	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	3½		Nil	Nil	Nil		9	Y
30,00,000	4,18,57,280	3,35,90,682	1,47,51,851	61,999	Wallace & Co.	Bombay-Burmah Trading Corpn.	673½		16 0	20 0	37-8		5	Y.
48,00,000							253½	New50	6 0	8 0	15-0			
6,00,000	....	7,28,569	7,26,267	—4,99,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	Nil	Nil			6	Y.P.
89,00,000	21,15,487	19,00,295	14,36,560	2,76,619	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products..	39½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	71	5	Nil	0 12	0 1		6	Y.
12,00,000A.	29,18,856	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N	A. 100	10 0	10 0			4	Y.
8,00,000B.							14N	B. 10	1 0	1 0				
19,49,050	8,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	11½	10	0 12	1 0	0 12		6	Y.
15,00,000	12,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	28,37,030	1,36,90,775	99,27,901	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	9½	10	Nil	0 12	0 4		6	Y.P.T.
20,00,000	57,83,651	1,08,44,647	84,82,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	19½	10	2 0	0 12	0 12		10	Y.P.
15,00,000	88,04,991	72,85,757	53,45,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	30	10	1 0	0 12			8	Y.
5,99,452	5,18,562	24,58,580	15,33,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	91½	10	1 0	0 12			8	Y.T.
56,00,000A.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	260N	'A' 100	15 0*	15 0*	15 0*		6	Y.P.
10,00,0000.							100	O. 100	15 0*	15 0*	15 0*			
12,00,000	8,61,001	75,81,809	42 63,455	27,926	Khaichand Devchand & Co.	Kesar Sugar	60N	80	Nil	Nil	4 8		7	Y.P.
							32N	40	Nil	Nil	2 4			
7,89,100	22,14,068	34,94,612	19,35,523	1,264	Cotton Agents Ltd.	New India Sugar Mills	88N	10	2 8	2 8	2 8		6	Y.P.T.
11,00,000	4,20,000	43,21,480	34,87,588	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 4	0 4			6	Y.
19,57,500A.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd'	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0		10	Y.
7,82,875B.							60N	25	5 0	5 0	5 0			
27,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	152N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	12,74,223	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	110xdN	100	10 0	10 0			10	Y.
9,00,000	17,64,369	37,85,806	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	0 12	0 12		10	Y.P.
3,00,000	5,54,702	25,43,782	21,01,013	24,340	M.	Ryam Sugar	21N	10	0 8	0 8			6	Y.P.
11,99,900	19,26,779	38,63,583	22,92,150	5,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	13	10	0 8	0 8	Nil		6	Y.
20,00,000	22,63,560	1,35,20,110	62,59,921	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	18½	10	1 8	1 8	1 12		8	Y.P.T
9,99,950	61,825	27,15,126	12,50,852	—0,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	Nil	Nil	Nil		6	Y.
7,95,462	18,82,940	31,60,735	17,68,068	1,06,227	Karamchand Thapar & Bros. ..	Shri Bitaram Sugar	14½	10	2 0*	1 8*			6	Y.T.
9,15,0000.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	12N	O. 10	Nil	Nil			10	Y.P.
4,00,000D.							24½	D. 2½	Nil	Nil				
8,00,000	21,91,635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	76N	10	0 8	2 8	2 8		6	Y.
16,00,000	7,99,778	32,06,650	25,98,846	30,091	James Finlay & Co., Ltd.	United Provinces Sugar	20½	10	0 8	1 4			6	Y.
Other Centres														
48,98,750	74,53,470	1,50,12,876	1,03,10,251	99,042	W. H. Brady & Co., Ltd.	Belapur Company	241	50	16 0	16 0	16 0		9	Y.
17,50,000	9,24,292	33,08,979	21,80,722	4,592	A. E. Shiwandkar & Co.	Bhopal Sugar Industries Ltd.	17½	10	0 10	1 0	1 0		6	Y.P.
15,98,900	2,45,841	39,19,958	20,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	70N	100	Nil	Nil			6	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,22,818	India Sugar Agencies Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12			6	Y.P.
23,57,620	41,27,060	41,95,605	20,79,418	1,408	Govan Bros. (Rampur),Ltd.	Buland Sugar	146N	10	1 0	1 0			10	Y.
19,52,2000.	69,50,800	96,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	197½	O.100	7 8	7 8	7 8		3	Y.P.
8,87,1900.							100	D. 10	10 0	10 0	10 0			
21,79,280	95,00,001	1,31,37,677	78,17,780	2,90,340	S. Muniswajappa, Esq. (Managing Director)	Mysore Sugar	48½	10	2 0	2 0	2 0		6	Y.
60,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	158½	50	6 0	8 0	8 0		6	Y.
16,59,880	28,50,880	53,90,015	25,76,747	89,280	Anderson Wright Ltd.	Ramnagore Cane and Sugar ..	28½	10	2 0	1 8			8	Y.P.T
20,00,0000.	21,76,092	39,12,138	58,60,333	64,612	Walchand&Co. Ltd.	Ravalgaon Sugar Farm	15½	O. 50	Nil	2 8	0 0		9	Y.P.T
4,00,0000D.							15½N	D. 10	Nil	Nil	0 1 1/5			
19,99,500	44,88,457	47,06,689	21,78,094	4,513	Govan Bros. (Rampur), Ltd.	Raza Sugar	15½	10	1 0	0 12			10	Y.
35,00,000	10,87,776	59,76,284	17,87,159	—33,224	Parry & Co., Ltd.	Travancore Sugars	13-5½	10	Nil	Nil			7	Y.P.
1,01,00,000	71,97,998	1,99,96,443	1,15,32,423	1,31,172	M.	Walchandnagar Industries ..	260	100	14 0	16½ 0	18 0		6	Y.P.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,708	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	10 0	7 8	7 8		10	Y.P.
1,20,00,000	15,37,519	4,41,65,984	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50,00,000	24,35,338	5,50,21,290	88,65,795	1,47,959	A. H. Bhiwandiwala & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	20	10	1 0	1 0	Nil		6	Y.P.
						India General Navigation & Rly. Co.	108½	£10	Nil	5h. 1 0			12	Y.P.
£655,580	£960,378	£5,515,631	£3,844,772	£21,866	Kilburn & Co., Ltd.	India Steamship Co.	9	10	0 8	Nil	Nil	0 8	8	Y.P.
$35,00,000	74,99,223	7,98,25,403	1,31,54,990	1,85,051	Lionel Edwards Ltd.	Scindia Steam Navigation Co. ..	19	20	0 12	0 8	0 8		8	Y.P.
9,40,19,675	5,94,92,081	18,36,68,418	4,84,44,800	5,78,688	Narottam Morarjee & Co.									
3,40,8000.							2½	O. 1	as. 1 9/25	1 12/25	as. 3 6/25		12	Y
10,800P.O.	19,68,266	11,55,488	7,29,969	1,94,493	R. R. Airey, Esq. (Manager)	Walford Transport Ltd.	1½	P.O. 1	as. 1 9/25	1 19/25	as. 1 23/25		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,321	4,22,862	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	32 0		9	Y.
15,98,860	3,04,173	7,18,542	90,000	42,582	Parakh Agencies Ltd.	Bombay-Uganda	62½	50	5 0	4 0			12	Y.
50,00,000	1,00,000	22,87,3142		225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	12½	25	0 12	0 12	0 12	0 12	3	Y.
14,98,840	3,42,583	35,00,500	17,75,000	4,116	Chocolal Manilal Ltd.	Estrela Batteries	38	50	Nil	2 0	2 0		8	Y.P.
99,99,250	19,47,886	1,22,03,6045	....	2,88,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 8	4 8	8	4 01	12	Y
99 99,975	85,08,851	85,10,399	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	169½	100	10 0	11 0	11 0		6	Y
197,02,800A.	5,28,684	2,87,33,373	1,25,90,293	5,86,717	Auto-Auto Ltd.	Premier Automobiles	97½	A.100	Nil	Nil	Nil		6	Y.
10,00,000B.							—	B. 10	Nil	Nil	Nil			
10,21,200	5 63,505	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	20	2 0	2 0	2 0		12	Y.
2,75,00,000	73,75,000	3,03,67,181	1,53,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	184½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,608	3,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	17,00,000	1,95,40 704	65,00,000	82,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½	O. 10	Nil	Nil	Nil			Y.P.T
2,50,000							81N	D. 2½						
30,00,000	35,05,079	32,06,626	21,94,951	2,48,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.§	21½	10	1 4	1 4	1 0*		3	Y.
30,00,000	8,55,000	88,39,494	20,85,060	1,18,395	T. H. Rydin, Esq. (Mg. Director) ..	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 0*		12	Y.
45,00,000	27 47,588	1,01,49,337	39,37,880	32,688	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	7N	10	0 2 1/5	0 2 1/5	0 6 2/5		3	Y.P.T
80,01,400	23,94,263	46,91,988	28,21,988	1,49,717	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	165½	100	20 0*	15 0	2 8		12	Y.
12,00,000	9,10,000	21,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	26xd	10	1 8	2 8	2 4		6,12	Y.
30,00,000	7,99,470	57,53,540‡‡		1,31,732	Birds Investment Ltd.	Birds Investment Ltd.	16‡	10	1 4	1 4			9	Y.P.
45,97,020	26,44,814	1,00,74,580	29,49,001	1,98,546	Lowelcot & Lewis	Britannia Biscuits	161	10	0 8	0 8	1 0		12	Y.P.
2,25,00,000	1,16,11,506	2,82,03,993	2,22,14,167	—27,86,684	Lowelcot & Lewis	British India Corporation Ltd. ..	114	5	0 4	0 4	0 4		12	Y.P.
1,25,00,000	12,34,264	2,03,27,2925		12,75,052	Sir Joseph Kay (Chairman) ..	Clive Row Investment	12½	10	0 4 1/5	0 3 1/5	0 9	1 6	3	Y.
1,50,00,000	3,14,86,174	5,15,52,036		11,71,686	Andrew Yule & Co., Ltd.	Dunlop Rubber (India) Ltd. ..	29½	10	1 8	1 8	1 8		12	Y.P.
51,26,000	54,12,312	1,42,47,6686§	....	3,06,188	Cecil Staak Esq. Mg. Director) ..	Eastern Investments Ltd.	148	100	10 0	10 0	10 0		12	Y.
					Bird & Co. (Private) Ltd.		185½	100	10 0	7 8	7 8		8	Y.
14,00,000	10,02,000	33,81,772	18,29,772	27,194	MacNeill & Barry Ltd....	Ganges Rope Co., Ltd.	13½		10 0	7 8	7 8		8	Y.
									1 0	1 0	1 0			
60,00,000	48,00,000	19,87,655	8,08,872	1,51,860	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	10	10	1 8	1 8	1 6 2/5		8	Y.
30,00,000	13,17,364	78,75,302	51,19,964	45,995	B. P. R. Syndicate	Great Eastern Hotel	240	250	15 0	4 4	6 4		12	Y.P.
30,17,900	13,83,886	86,39,288	50,24,887	88,602	Birla Brothers Private Ltd.	Hind Cycles	160	100	8 0	10 0	10 0		12	Y.P.
4,96,12,350	2,92,450	8,56,84,606	94,82,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	9½	10	Nil	Nil			12	Y.P.
1,50,00,000	45,77,754	4,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	22½	10	Nil	Nil	9 0		12	Y.P.
11,00,000	4,20,000	43,21,480	34,87,588	4,185	A. K. Driessen, Esq.	Indian Cables	35½	10	1 0*	1 0*	1 4*		8	Y.P.
5,87,970	5,88,000	16,40,508	8,96,110	32,616	G. S. Moulton & Co. (India), Ltd. ..	Indian Rubber Manufacturers ..	13½	10	0 12	0 8	0 8		6	Y.
18,16,00,000	7,82,54,388	3,55,94,047	1,17,80,403	25,00,732	Mr. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	100	100	Nil	0 9 3/5	0 12 4/5	0 6 2/5	3	Y.P.
2,00,00,000	55,39,566	84,83,960	8,60,060	4,70,107	G. M. Mashikary, Esq.	Jardine Henderson	7 8	7 8	7 8	7 8	7 8		3	Y.P.
2,24,00000.	1,91,892	5,94,030	3,53,758	2,668	Macfarlane & Co.	James & Co. Private Ltd.	2½	5	Nil	Nil			6	Y.
80,00,000D.							21½	D. 10						
40,00,0000.	78,01,900	25,16,760	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	218N	O.100	10 0	17 0			12	Y.P.
5,00,000D.								D.0.10	0 8	1 1 1/5				
1,87,50,000	60,54,276	92,58,051	11,34,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	1 1	1 1	1 13*		9	Y.P.
1,15,00,000	53,43,483	1,88,37,973	78,00,772	16,24,249	H. Chiwell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	293xd	10	1 0	1 0	1 4	1 10	9	Y.P.
3,25,255	1,53,836	11,449	5,80,987	—15,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	Nil	Nil			12	Y.
6,56,940	9,55,118	10,40,250	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	1 0	1 0			8	Y.T.
10,00,000	1,83,000	15,18,188	8,10,626	90,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	13½	10	1 0	1 4	1 0		8	Y.P.
40,00,000	51,21,172	59,00,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		3	Y.T.
79,97,000	31,15,337	1,14,76,878	52,77,582	9,08,430	B. N. Elias & Co., Ltd.	National Tobacco Co.	15½	10	1 0	0 8			3	Y.P.
2,25,00,000	7,25,185	1,38,49,091	40,14,109	—68,96,179	Ralli's (India) Ltd.	Metal Box Co. of India, Ltd. ..	140	100	Nil	Nil	Nil		3	Y.P.
1,72,24,400	1,31,20,208	7,66,34,689	3,47,94,970	4,91,024	Mr. P. A. Pasatili, Esq.	Rohtas Industries	23½	10	1 4	1 8	1 8		10	Y.P.
40,00,000	60,50,584	1,18,78,870	70,99,887	5,10,675	Sahu Jain Ltd.	Spencer & Co., Ltd.	17½	10	1 0	1 4	1 0		8	Y.P.
10 00,000	54,13,660	17,49,8161	5,53,933	3,65,280	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	19½xd	10	1 0	1 4	1 0		12	Y.P.
1,96,880	....	14,99,239	3,54,580	....	B. H. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	Nil	Nil	Nil		12	Y.
					Ogale Bros., Ltd.									

M.—Managed by Board of Directors. ¶ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.[10 each

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM														
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	325	Amluckie	380	100	7 8	25 0	30 0	12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45	10	0 12	1 4	7 8	12	Y.
3,50,000	6,43,250	10,47,044	2,03,053	72,993	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	Nil	2 8	3 0*	12	Y.
5,50,000	11,21,541	16,95,977	6,44,357	93,058	McLeod & Co., Ltd.	513	Baghmari	29½	10	Nil	Nil	3 8	12	Y.
5,10,000	8,50,000	11,69,193	3,39,461	93,033	Andrew Yule & Co., Ltd.	569	Bamakhi	41½	10	2 0	2 8	3 0	12	Y.
3,30,000	4,85,000	10,11,285	6,45,285	18 304	National Tea Corporation	594	Batell	25½xd	5	0 4	2 0	4 0	12	Y.
2,20,000	3,70,000	9,00,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	3,987	Betjan	59	10	Nil	2 0	10 0*	12	Y.
16 50,000	20,60,000	59,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	3,987	Bishnauth	29½	10	3 8	3 8		12	Y.
6,00,000	2,53,500	10,49,416	2,03,130	61,929	Octavius Steel & Co., Ltd. ..	485	Bokakhat	24	10	Nil	Nil	1 0	12	Y.
7,50,000	6,52,400	9,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	22½	10	0 12	3 8	3 8	12	Y.P.T.
35,00,000	11,92,045	73,30,473	19,49,495	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	53½	10	1 0	1 4	1 4	8	Y.P.
1,20,000	4,00,426	5,55,963	1,35,592	5,543	McLeod & Co., Ltd.	232	Dejoo Valley	50½	10	Nil	1 0	6 0	12	Y.
6,00,000	10,89,000	20,84,194	6,24,471	51,393	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	413	100	10 0	20 0	40 0	12	Y.
7,53,440	9,87,383	22,73,420	4,17,846	44,551	James Warren & Co., Ltd. ..	620	Dhekakhat	22½	10	1 0	1 8	2 8	12	Y.
4,68,970	3,95,000	10,93,269	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	24½	10	Nil	2 0	5 0	12	Y.P.
4,80,000	6,75,000	9,00,834	2,06,317	54,092	McLeod & Co., Ltd.	458	Dibrugarh	23½	10	Nil	1 0	4 0	12	Y.
2,20

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 4	0 4	0 4 4/5		5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	3	0 12	0 12	0 7 1/5		2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries)..	Coffee Lands and Industries ..	24½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T
71,55,000	63,72,750	1 07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	20½	10	1 8	1 12	2 4		6	Y.P.T
4,00,000	2,76,708	5,55,957	48,764	7,764	Associated Planters Ltd.	Cottanad Plantations	21½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	17½xd	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	34½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	32½	10	5 8	2 4	2 4		8	Y.
27,00,000	29,30,002	74,32,914	7,74,529	1 45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	22½ed	10	1 8	1 12*	2 8		8	Y.P.
2,25,000	2,31,000	14 31,422	1,45,231	13 146	A. V. George & Co., Ltd. ..	Neumeny Rubber	25½	10	0 12	1 8			12	Y.P.T
2,00,000	2,99,688	7,20,895	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0			12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	9¾	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T
13,50,000	7,80,000	40 92,233	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	24½	10	1 12*	1 12*	2 0		6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savannalai Estates Ltd.	26	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Teckoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	1 12	0 14 2/5		3	Y.P.T
2,50,000	2,37,500	5,29,518	37,825	15,715	A. V. George & Co., Ltd.	Thamarapally Rubber	82½	10	3 0	3 0			12	Y.P.
6,10,200	3,00,605	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-3½	1	0 4½	0 1 3/5	0 2		9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	24½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,30,799	76,84,500	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13	10	1 0	1 8	1 4		12	Y.P.T
20,00,000	....	27,70,782	5,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	36½	25	3 0	5 0	4 0		12	Y.
6,28,580	5,40,670	8,51,488	16,128	40 780	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	30½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	8,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	58,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11¾	10	¾+¼	¼+¾	¾+		3, 9	H.T.P
4,00,000	10,25,000	51,65,438	35,93,377	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	NU+2½	2½+5	5+5½		6, 12	H.P.T
60,00,000	9,94,180	1,17,45,954	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	120	100	NU+5	5+5			6, 12	H.P.
48,20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	159	100	7½+5	2½+5	5+8½		3, 9	H.P.
40,80,000	42,94,285	1,73,44,642	88,94,896	9,788	Bird & Co., Ltd.	810	Auckland	128	100	2+2	1+2½	6+4		3, 9	H.P.T
80,00,000	22,86,887	96,75,016	65,15,094	15,350	Jardine Henderson & Co.	959	Baly	131½	100	4+NU	NU	5½+NU		3, 9	H.P.
£375,000	£631,523	£1,566,539	£1,008,227	£64,859	Sir John H. Harder (Chairman) ..	1,889	Barnagore	132	£5	£1	£½	£½		3	Y.P.
28,000,000	82,30,123	92,27,842	49,93 231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	165	100	7½+7½	5+5	5+5½		6, 12	H.P.
45,00,000	87,03,172	81,28,574	31,28,574	2,65,100	Sorajmull Nagarmull	600	Bengal	17	10	1½	1½	1½		6	Y.P.T
81,25,000	2,15,77,044	2,32,32,292	29,72,760	3,12,630	Birla Bros., Ltd.	1,373	Birla	17½	10	1½	1½	1½		3	Y.P.
36,00,000	27,37,926	1,12,67,557	72,35,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	165	100	6+4	4+5	5+5½		4, 10	H.P.
7,47,880	3,29,040	43,00,831	31,53,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9½	10	NU	1½	NU+		6, 12	H.P.T
15,00,000	30,46,234	87,18,371	41,48,795	6,245	Andrew Yule & Co., Ltd.	616	Caledonian	205	100	6+6	4+5	4+5½		6, 11	H.
99,18,400	98,58,404	2,22,41,517	1,07,46,093	1,80,506	James Finlay & Co., Ltd.	600	Champdany	152	100	8+8	NU+8	4+6		3, 9	H.
16,95,000	28,39,282	81,84,655	56,60,175	2 515	Andrew Yule & Co., Ltd.	530	Cheviot	175	100	6+6	6+8	6+4		5, 11	H.P.
24,00,000	24,00,000	76,32,718	64,22,565	1,07,142	Shree Krishna Investment Co., Ltd.	590	Chitavalsah	141½d	10	1½+½	1+½	2+6		6, 12	H.P.T
31,49,200	61,22,363	1,34,56,820	64,45,601	1,996	Bird & Co., Ltd.	969	Clive	14	10	NU	NU	1=4=		3	Y.P.
28,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	766	Dalhousie	100	100	1+3	1+1½	3+1		3, 9	H.P.T
15,00,000	34,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd.	798	Delta	198	100	10+10	6+6	6+6		6, 11	H.P.
21,00,000	60,60,960	2,72,03,034	1,89,10,198	1,80,413	Kettlewell Bullen & Co., Ltd. ..	1,884	Empire	500	100	4+½	1+2	2+1		6, 12	H.T.P
14,00,000	17,75,000	84,16,102	53,69,759	1,16,743	Bangur Bros., Ltd.	345	Fort Gloster	502	100	NU	NU+5	10+5	7½	3, 9	H.P.T
34,32,100	1,66,021	2,03,72,493	1,32,68,585	84,782	Macneill & Barry Ltd.	1,014	Fort William	22	10	NU+5	10+10	10+10		3, 9	H.T.P
10,80,000	25,00,000	71,52,963	46,38,698	—74,098	Gillanders Arbuthnot & Co., Ltd.	607	Gangar Mfg.	62	100	NU+NU	NU+2	2½+NU		3, 9	B.P.
24,00,000	23,38,409	3,12,33,183	1,65,13,218	67,205	Macneill & Barry Ltd.	1,800	Gondalpara	206	100	15	NU			12	Y.
40,00,000	55,58,234	99,03,890	57,88,999	3,27,748	Bangur Bros., Ltd.	1,394	Gourepore	250	100	NU+8½	2½+7½	7½+7½		3, 9	H.P.
15,80,000	19,51,856	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	725	Hastings	100	100	10	10+10	11½+		3	B.P.
65,62,500	51,32,961	1,82,27,884	1,07,31,864	11,468	Jardine Henderson Ltd.	1,276	Hooghly	358	10	1½	1	1½		3, 9	Y.P.
22,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,273	Howrah	22	10	2+½	2+½	2+½		3, 9	H.P.T
87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M	1,076	Hukumchand	24½	25	3	3	3		3	Y.P.T
90,000								132	Q. 125	3½+3½	NU+3½	3½+1½		3, 9	H.
24,00,000	16,50,000	1,37,05,836	1,24,18,038	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	—	D. 1	a3/5+2.5	nU+a2/3	a2/5+1/5			
19 20,000								145	100	6+5	3+6	2½+NU		3, 9	H.
30,00,000	7,00,000	1,33,36 800	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	129	'B' 100	6+3	3+5	2½+NU		6, 12	H.P.
24,00,000								88	'B' 100	5+2½	2½+4	1+NU		6, 12	H.P.
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	85	100	5+2½	2½+4	1+NU			
54,00,000	23,83,375	1,71,52,716	1,16 91,727	1,05,192	Anderson Wright Ltd.	1,580	Khardah	225xd	100	7½+7½	10+10	10+7½		6, 12	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,758	52,710	F. W. Heilgers & Co.	1,550	Khardah	189	100	10+7½	7½+5			3, 9	H.P.
24,48,000	49,57,087	1,39,82,388	80,56,707	10,767	Bird & Co., Ltd.	1,250	Kinnison	168	100	4+5	3+6	7+6		3, 9	H.P.T
28,08,000	56,89,479	1,16,08,741	64,06,985	2,154	Bird & Co., Ltd.	921	Lansdowne	114	100	2+5	1+1	5+3		3, 9	H.P.
81,65,200	25,04,412	2,01 00,852	1,24 49,304	10,814	M	840	Lawrence	120	100	4+5	3+4	4+3		3, 9	H.P.
29,98,900	58 14,415	1,84,76,429	98,81,406	—8 19,252	F. W. Heilgers & Co.	1,008	Magma	85	100	2½+2½	NU 3½	2½+1½		3, 9	H.
30,00,000	15,85,000	89,01,563	15,21,709	17,816	Howrah Trading Co., Ltd.. ..	425	Naihati	82	100	NU	NU	NU		3, 9	H.
25,00,000	48,29,326	89,10,124	39,10,533	70,554	Andrew Yule & Co., Ltd.	858	National	18½	10	NU+½	1+½	2+		4, 10	H.T.
26,25,000	26 25,000	27,71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	22½	10	1+½	2+½	1+½		4, 10	H.P.T
25,50,000	2,71,44,342	4,29,15 627	96,28,548	8 71,293	Sahu Jain Ltd.	1,765	New Central*	17½	10	12+12	12+5	1½		3, 12	Y.P.
16,79,880	48,95,164	1 17 87 888	48,50,855	46,982	Bird & Co., Ltd.	567	Northbrook	21½	10	1+1	1+1	2+½		3, 9	H.P.T
66,79,500	28,30,793	2,12,69,608	1,39,37,804	86,373	Macneill & Barry Ltd.	1,092	Nuddea	39	50	NU+½	NU+½	2+½		3, 9	H.
24,01,000	26,81,049	72,46,886	50,35,690	5 784	Andrew Yule & Co., Ltd.	601	Orient	184	100	6+6	5+5	5+4		5, 11	H.P.
25,00,000	20,00,000	9,28,400	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	54	100	NU+4	4+4	4+4		6, 12	H.T.
20,00,000	14,44,936	26,56,880	5,89,180	—12,15,983	Birla Bros., Ltd.	305	Rameshwar	7½	10	NU	NU	NU+		3, 9	H.P.
49,50,000	1,62,723	1,24,06,577	59,38,544	5,09,680	Jardine Henderson Ltd.	1,276	Reliance	9½	10	2+½	NU	NU		3, 9	H.P.T
£600,000	£1,093,713	£1 236,815	£38 658	Thomas Duff & Co. (India) Ltd. ..	2,018	Samnuggur	10	£1	10%	10%	8%21		12	Y.P.	
30,00,000	18,12,193	1,04,60,653	75,85,888	4,667	Bagauda Mcg. Co., Ltd.	911	Shree Ambica	16	10	NU+½	1+½	1+		3, 9	H.P.
14,00,000	11,25,000	66 11,794	38,79,294	3,156	Hindustan Investment Corporation.	401	Soorah	15½	10	1	1	1½		12	Y.P.
35,10,500	42,44,189	1,30,76,187	81,18,563	Bird & Co., Ltd.	1,104	Standard	65	10	1+1	1+1	1+NU		3, 9	H.P.	
£600,000	£925,119	£980,605	—2,75,291	Thomas Duff & Co. (India), Ltd...	1,784	Titaghar	10	£1	10%	10%	8%21		12	Y.P.	
35,98,600	88,14 828	1,95,40,009	61,71,517	Bird & Co., Ltd.	1,826	Union	133	100	1+4	1+5	5+5		3, 9	H.P.T	
£400,000	£688,035	£1,092,723	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	10	£1	10%	10%	8%21		12	Y.P.	
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd.	465	Waverley	5½	1	NU+½	1+½	1+½		6, 12	H.P.T

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
25 50,000	24,50,000	33,12,991	61,77,991	26,958	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½xd	10	½+½	½+½	½+½		3, 9	H.
12,00,000	5,05,571	38,78,477	56,13 477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	7/10+7/10	½+7/10	½+7/10		3, 9	H.
4,49,350	40,000	7,40,066	4,40,066	4,051	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	NU	NU			6,12	H.
1,00,00,000	1,40,49,328	5,91,92,614	3,95,77,328	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	558½	200	17½+17½	12½+12½	17½+17½		6,12	H.
2,25,000	4,77,174	24,81,806	22,25,068	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	NU	NU	NU		6,12	H.
15,97,000	4,73,358	37,77,784	33,77,784	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10					3	Y.
40,00,000	8,00,000	1,39,06 662	71,05,188	27,432	Sahu Jain Ltd.	Bharat Collieries	7½	10	NU	NU	NU+		6	Y.P.
7,15,000	16,09,580	52,49,025	37 09 987	—1,85,186	F. W. Heilgers & Co. (Private)Ltd.	Bhulanbarree	13½	10	NU	NU			6,12	H.P.
15,00,000	16,17,986	68,14,356	39,99,541	—79,194	Ramsarup Industries (Coal) Co. ..	Bokaro-Ramgur	12	10					6,12	H.P.
7,80,000	24,29,026	42,39,603	25,53 408	84,207	F. W. Heilgers & Co., Ltd.	Borree	13½xd	10	1½+1½*	1 + 1	1+1		6,12	H.P.
90,92,480	1,76,17,502	4,19 21,370	1,85,17,845	1,15,376	Bird & Co., Ltd.	Burrakur	13½	10	1 + ½	½ + ½	½ + ½		6,12	H.P.
49,77,750		39 62,720	3,33,545	14,019	Hindustan Investment Corpn., Ltd.	Central India	7½	10					3	Y.
8,00,000	18 54,802	49,10,414	32,62,954	93,768	M	Central Kurkend	11½	10	½ +				6,12	H.
6,00,000	1,48,076	7,28,488(h)	....	2,139	F. W. Heilgers & Co. Private Ltd.	Churia	8½	4	½+½	½+½	½+		6,12	H.
15,00,000	1,80,000	55,87,321	26,91,190	—2,45,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	NU	NU	NU+		6,12	H.T.
£340,000	£850,533	£995,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	31½	£1	2½	2½	2		4	H.
29,62,760	76,84,256	5,89,97,499	3,87,14,367	92,266	Macneill & Barry Ltd.	Equitable	30½	10	1 +	½ +	½+		6,12	H.P.T
19,00,000	2,15,000	10,76,564	5,73,963	11,278	Phatter's Agency Ltd.	Ghusick and Mudia	14½ N	10					3	Y.
12,00,000	1,28,000	39,29,855	36,99,834	2,236	Killick Industries Ltd.	Hingir-Rampur	41½	50	½	NU	½	4	6	Y.P.
8,00,000	4,75,000	21,49,057	18,61,214	68,461	Macneill & Barry Ltd.	Harriladih	22½	10	½ + ½	½ + ½	1½+		6,12	H.P.
22,00,000	1,12,060	24,74,412	6,18,846	—5,57,293	Rajpale Trust Ltd.	Jogta Coal	2½	10	NU	NU			12	Y.P.
7,50,000	3,45,579	12,54,857	7,23,558	....	Andrew Yule & Co., Ltd.	Kalapahar	18N	10	1½+ 1	NU	NU		3, 9	H.
20,00,000	17,325	29,07,891	3,42,150	2,961	Bird & Co., Ltd.	Karampura Collieries	122	100	NU	NU	2½		6,12	H.
5,00,000	15,60,000	45,15,229	25,35,577	1,86,123	Andrew Yule & Co., Ltd.	Katras Jharriah	58½cd	10	2 + 2	2 + 2	2½+3		1, 7	H.
1,25,000	5,75,000	13,85,941	5,72,960	—2,50,236	Beriwala & Co.	Khas Kajora	33N	10	NU	NU			6,12	H.
11,00,340	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	4½N	10	NU	NU			6	H.
9,00,000	11,86,413	25,59,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	H.
7,45,340	2,00,000	12,18,473	9,22,179	11,096	Tantia Brothers Ltd.	Nasira	7	10					12	
7,00,000	27,617	10,32,740	4,30,296	4,000	Amritlal Ojha & Co., Ltd.	New Basadeopur	10N	10					3, 9	H.
17,75,280	20,01,768	1,19,78,853	38,63,066	94,883	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	½ + ½	½ + ½	½ + ½		3, 10	H.
8,00 000	85,000	28,44,925	16 66 990	36,436	Octavius Steel & Co., Ltd.	New Manbhoom	11½	10	½ +	½ +	½ +		3, 9	H.
1,10,000	2,56,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	18N	10	½ +NU	NU	½+½		3, 9	H.
1,87,500							16½N	7½	½+NU	NU	½+			
7,50,000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co., Ltd.	Ondal	14½xd	10	1 + 1	½ + ½	½+½		6,12	H.
19,22,500	1,10,000	39,70,992	17,95,658	3,809	K. C. Thapar & Bros.	Oriental Coal	9N	10					12	H.
5,34,000	10,862	17,58,187	8,30,795	8,018	Deepchand Kishenlall	Parasea	14	10	½ + ½	½+½			6,12	H.
15,75,000	16 00,000	47,70 275	30 30,275	33 361	Shaw Wallace & Co., Ltd.	Peach Valley	22½	10	½ + ½	½ + ½	½+½		3, 9	H.
22,90,500	19 17,105	1,23 09,893	85,50,855	16 846	N. B. Elias & Co., Ltd.	Ranegunge	13½	10	NU	½ + ½	½+½		3, 9	H.
13,50,000	8 48,386	35,36,765	27,78,764	28,221	Shaw Wallace& Co., Ltd.	Rewa	22½	10	+ 1	½ + ½	½+½		6,12	H.
30,00,000	9,90,000	44,25,388	15,75,118	2,30,179	Jalpuria Sons Ltd.	Samla Collieries	14½N	10		½ + ½	½+½		3	Y.
1,25,000	1,95,502	12,78,480	12,21,237	21 070	M	Seamole	64N	2½					1	
2,50,000	5,86,508	29 99 490	19,07 296	49,299	Andrew Yule & Co., Ltd.	Seebpore	29	7	½ + ½	½ + ½	1½+1½		6,12	H.
8,00,000	5 91,289	20,49,491	28,867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9½N	10	NU	NU+½	½+		6,12	H.
68,21,480	16,96,052	3,88,71,101	2,86,58,501	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	10½	10	NU	6-11 1/5			3, 9	Y.P.
17,50,000	10,84,016	27,85,108	15,14,990	—51,522	Bird & Co., Ltd.	South Kasaipara	9½	10	½ + ½	NU+½	½+NU		3, 9	H.
5 00,000	13,69,395	1 09,570	26,510	17,347	F. W. Heilgers & Co., (Private) Ltd.	Standard	22½xd	10	1 + ½	½ +	½+½		6,12	H.
10,00,000	12,060	30,82 289	15,42,502	—4,07,745	Villiers Ltd.	Talcher	8½	2½					6	Y.
3,40,000	3,80,000	19,47,284	14,81,235	44,167	Williamson Magor & Co., Ltd. ..	Union	14½	10	1 + ½	½+½	NU+		6,12	H.
48,96,000		49,06,382	18,91,545	2,894	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	2½					3	
7,00,000	1,39,190	55,22,133	32,56,961	123	Macneill & Barry Ltd.	West Jamuria	11½	10	NU	NU	NU+		6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. • Including bonus. (k) Investments.
(l) Made up of an interim dividend of Rs. 1-12 per share on 1,39,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,39,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Alliance and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

WORLD BANK'S LOAN TO TISCO

MORE details are now available regarding the World Bank's loan of $75 million in various currencies to the Tata Iron and Steel Company, Limited, of India. The loan is intended to assist in the financing of a large-scale expansion programme to raise the Company's annual output to 1,500,000 long tons of finished steel (2 million long tons of ingot steel). This is the largest loan the Bank has yet made for industry, and also the largest the Bank has made in Asia.

The First National City Bank of New York, the Irving Trust Company and the Manufacturers Trust Company are participating in the loan to the total of $2,355,000, being the first maturity, due in December 1959.

The Tata expansion scheme is included in the investment proposed for the private sector in the second Five-year Plan. The Plan envisages an increase in domestic production of finished steel from the present level of 1.25 million tons to about 4.5 million tons a year. This is to be achieved by expanding the two existing privately-owned plants and by establishing three new Goverment-owned plants. It is estimated that demand for steel in India, which already necessitates heavy imports, will increase with the economic expansion of the country and the growing requirements for steel products for railways, industry, power, irrigation and other construction. The supplies made available by the proposed expansion of steel capacity including that of the Tata Company, should be absorbed by the internal market.

The Tata Iron and Steel Company, Limited, is one of the largest integrated plants in Asia and has a long record of sound management and profitable operations. Its plant is situated at Jamshedpur, 150 miles west of Calcutta. Nearby are ample sources of good quality iron ore and coking coal; the electric power needed for greater production will be supplied by the Damodar Valley Corporation, to which the Bank has made two loans, amounting to $27.2 million, to assist the financing of power plants and dam construction. The Tata Company's proximity to raw materials and power supplies enables it to produce steel at a cost as low as any in the world.

Capacity of the Tata steel mills has been 800,000 tons of finished steel a year since before the war. During the war period, the plant was subjected to heavy and continuous use without adequate renewals and replacements. Some parts of the existing facilities are already in process of modernisation and expansion under a first post-war programme which began in 1951. The Company has now embarked on a second programme of expansion. Both programmes should be substantially completed by 1958, when capacity is scheduled to rise to 2 million tons of ingot steel a year, or 1½ million tons of finished steel. The total investment programme of the Tata Company is expected to be the equivalent of about $250 million for the period

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16 00,000	1,08,50,000	11,36,301	Allahabad Bank	320	100	18 0	18 0‡	18 0‡		12	Y.P.
14,58,000				160	50	9 0	9 0‡	9 0‡			
1,01,000	14,87,000	12,375	Andhra Bank	115	100	6 0	6 8	7 8	6 8	6,12	H.
82,46,180				85	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	98½	50	6 0	6 0‡	6 0‡	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	18N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	18 26,630	Bank of India	163‡	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,39,375	25,00,000	40,636	Bank of Indore	26N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,56,980	84,00,000	1,79,254	Bank of Mysore	243‡	100	16 0‡	16 0‡	16 0‡	16 0‡	12	Y.
61,21,700	58,75,013	10,959	Bombay State Co-operative Bank.	67N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	29,00,000	19,591	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0‡	5 0‡	5 0	5 8‡	12	Y.P.
2,62,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd ..	55‡	25	3 8	3 8	3 0	3 0	12	R.L.Y.
62,42,375 'A'				56‡	25	3 8	3 8	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	16,00,000	1,65,278	Hind Bank	34‡	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	10	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	14‡	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	5 0	0 0‡	5 0	9	Y.
24,00,000				183‡ex	100	12 0‡	12 0‡	12 0‡	12 0		
18,00,000	79,75,000	1,45,140	Indian Bank	167‡ex	90	10 8‡	10 8‡	10 8‡	10 12‡	6,12	H.
18,20,000				129ex	65	7 8‡	7 8‡	7 8‡	7 12‡		
49,19,875	80,00,000	2,28,299	Indian Overseas Bank	145	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000				42½	100(A)	6 0	Nil	Nil			
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	1 8	Nil	Nil		6,12	H.
10,00,000				25½	50(C)	3 0	3 0	Nil			
87,50,000	97,50,000	2,35,108	Punjab National Bank	57	‡25	1 8	2 0	3 0	3 8	12	Y.
1,00 00,000	23,80,000	43,597	Travancore Bank	17½	25	—	0 10	0 12	1 0	12	Y.
40,00,000	35,00,000	1,96,233	Union Bank of India	6⅜	5	0 5½	0 5½	0 6	0 6	12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank ..	52½	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)						
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-18-3	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£59,917	Eastern Bank	£7‡	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$128,000,000	H.K. $ 10,605,689	Hongkong and Shanghai Banking Corporation	£94	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-14-0	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	5†	5‡	5†	5†	12	R.L.Y.
£375,000 'A'				£2-4-0	A £2½	14†	14†	14†	14†		
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-0-0	B £2½	14†	14†	14†	14†	12	R.L.Y.
£750,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-9	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99‡	1st June .. 1963
4,00 000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
1,00 000	5½	30th June and 30th December ..	Ramnugger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	101	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	96‡	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91½	30th June .. 1967(a)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1958	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	101½	1st March .. 1972(a)
13,68,000	5½	..	Jayshree Textiles	1949	80N	1st January .. 1956-59
89 90,000	5	1st June	Tata Mills	1951	100½	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	1940	100½	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98*	1st October .. 1959
13,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1940	94	31st December .. 1954(a)
2 89,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(a)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Dherian) Electric Supply Co., Ltd.	1951	96	30th June .. 1957-61
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1958-63
4,53,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,78,000	5	1st April and 1st October ..	Tata Power	1940	103‡	1st July 1979
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	93‡	15th September .. 1965-78
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	99	30th June .. 1958
30,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1942	101‡	1st July 1957-62
81,14,500	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December .. 1966(††)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(a)
8,56,000	5	15th January and 15th July ..	Empire	1951	94‡	15th July .. 1966(a)
36,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92‡	30th June .. 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co. Ltd.	1955	99	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd	1949	96‡	31st December .. 1964(a)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd ..	1939	93	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. Ltd.	1950	91	5th September .. 1965(a)
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	14th September .. 1957
13,00,000	4½	30th June and 31st December ..	Union	1937	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat(Light Railway ..	1939	90N	1st July 1954
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 106% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October ..		1933	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90½	31st December .. 1956(
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (s)
4,53,26,597	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	96	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1952	102½	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	..	101	1st April 1958-68
1,89,700	5½	31st March and 30th September.	Teekoy	1944	100	31st March 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st Decem .. 1965
26,80,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	102‡	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	102	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
22,92,000	4½	1st July and 1st January ..	Five Buildings (Calcutta) Ltd. ..	1936	80‡	1st July 1956
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87‡	15th September .. 1960
1,50,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1960
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd...	1950	101	1st January .. 1971(c)††
1,66,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,78,000	5	15th March and 15th September.	Mettur Chemical Industries	1949	96	 1966
32,08,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	£50	30th September .. 1976(s)
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	£70 (per note)	31st December .. 1972(s)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	103	30th June .. 1968-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91‡	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(s)‡‡

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1955. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a [illegible] at 101 per cent. on 1st May 1965. on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January ,1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 12th July, 1956.

—	Closing quotations 5-7-1956	High	Low	Closing quotations 12-7-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100) ..	198	198‡	198	198‡
Apollo (2) ..	3‡	3-2‡	2 0‡	2-2‡
Bombay Dyeing (250).	632‡	645‡	625	645‡
Central India (100) ..	156	159‡	155	159
Century Mills (100) ..	56‡	—	—	—
Colaba (100) ..	80	81‡	80	81‡
Edward Textile (200).	338‡	—	—	338‡
Elphinstone (50) ..	62‡	65	62‡	65
Finlay (100) ..	339	342	337‡	341‡
Gokak (100) ..	235‡	236‡	233	236‡
Ind. Untd. Defd. (1) ..	2-8‡	2-8‡	2-7‡	2-8‡
Ind. Untd. Ord. (10) ..	13-8‡	13‡	12-4	13‡
Indore Malwa (100) ..	146‡	155‡	140‡	150
Khatau (100) ..	238‡	240‡	238‡	240‡
Kohinoor (100) ..	372‡	383	360‡	383
Lakshmi (250) ..	680	693‡	680	682‡
Madhusudhan (100) ..	112‡	—	—	112‡
Minerva Mills (100) ..	93	94	93	94
Model Nagpur (250) ..	16‡	—	—	16‡
Mcrarji (100)	251‡	255	251‡	255
Mysore (50)	112‡	122‡	111‡	112‡
National Rayons (100).	232	243‡	230‡	243‡
New City (100) ..	181‡	181‡	177‡	177‡
New Great (100) ..	255	270	265	265
Phoenix (100) ..	141‡	141‡	138‡	141‡
Podar Mills (100) ..	188‡	188‡	185	188‡
Sassoon Silk (10) ..	12	—	—	12
Sassoon Spg. (10) ..	38‡	—	—	38‡
Shahpur (1,000) ..	1,780	—	—	1,780
Shrinivas (100) ..	213‡	226‡	213‡	225
Simplex (50)	218	220‡	210‡	220
Standard (100) ..	438‡	442‡	438‡	477‡
Swadeshi (100) ..	250‡	256	250	256
Swan (100)	431‡	—	—	431‡
Tata Mill (25) ..	56‡	57	56	57
Vidian (100)	185	186‡	185	186‡
Western India (1,000).	5,075	—	—	5,075
BANKS				
Bank of India (50) ..	163	164	163	163‡
Bank of Baroda (50) ..	98‡	99	98	98‡
Central (25)	51‡	56‡	54‡	55
Central 'A' (25) ..	52‡	57	55	57
Dena Bank (50) ..	40	—	—	40
Punjab National (25).	58	58	57	58
Union Bank (5) ..	6‡	—	6⅜	6‡
United Com. (50) ..	51‡	52‡	51‡	52‡
ELECTRIC COS.				
Ahmedabad (100) ..	96*	99‡	95‡	99‡
Amalgamated (10) ..	11	—	—	11
Andhra Valley (1,000).	1,200	1,205	1,200	1,202‡
Bom. Sub-El. (100) ..	114‡	116‡	114‡	116‡
Surat (100)	118‡	120	118‡	120
Tata Elec. (100) ..	128‡	129	126‡	129
Tata Power (1,000) ..	1,285	1,305	1,280	1,300
INSURANCE COS.				
British India (10) ..	14‡	—	—	14‡
Empire of India (100).	325	—	—	325
Ind. Mercantile (20) ..	44	45‡	44	45‡
Jupiter (15)	5‡	—	—	5‡
New India (15) ..	50	49‡	47‡	48‡
Oriental (200) ..	3,855	—	—	3,855
Universal (10) ..	11‡	—	—	11‡
Vulcan (10)	15‡	—	—	15‡
STEEL COS.				
Ind. Iron (10) ..	35⅜	36-2‡	34-14‡	35⅜
Tata Steel Ord. (75)..	200‡	201‡	197‡	201‡
SUGAR COS.				
Belapur (50)	242‡	243	238	240
Bhopal (10)	17‡	18‡	17⅜	18
Phaltan (50)	158	161‡	157‡	159‡
Walchand Ind. (100)..	258‡	261‡	259‡	261‡
CEMENT COS.				
Associated Cts. (100)..	187‡	192	186‡	191
Digvijay (100) ..	195	196‡	193‡	196
MISCELLANEOUS				
Alcock Ashdown (100).	347‡	350	346‡	348‡
Bom. Burmah (125)..	637‡	673‡	633‡	670
Do. (New) (50) ..	240‡	234‡	224‡	232‡
Br. B. Petrol (4 sh.)..	4-5‡	4-5‡	4-3‡	4-4‡
Br. I. Corpn. (5) ..	11-6‡	11‡	11‡	11‡
C. P. Rly. (100) ..	84‡	84‡	80	80
Indian Copper (2 sh.)..	7-2‡	7-2‡	6-15‡	7-2‡
Ind. Inv. Tr. (100) ..	76	76‡	76	76‡
Kemp (200)	175	—	—	175
Killicks (100)	170	170	169	169
Polson (100)	181‡	185	181‡	185
Port Canning (100) ..	9‡	—	—	9‡
Premier Con. (30) ..	194	202‡	194	202
Scindia (20)	18-13‡	19‡	18⅜	19‡
G. E. Shipping (10) ..	19‡	20‡	19‡	20‡
Shivrajpur (10) ..	99	98	86	89
Tata Chemicals (10) ..	18-12‡	19⅜	18⅜	19‡
Tata Locomotive (100)	142‡	152‡	143‡	150
Tata Oil (25)	58‡	62	58‡	59
W. I. Match (100) ..	185	185	183‡	185

GOVERNMENT SECURITIES	6-7-1956	Gross Yield Earlier Redemption	Later Redemption	12-7-1956
	Rs.			Rs.
2½% 1961	93‡	—	3.89	93‡
2½% 1960	96‡	—	3.74	96‡
2½% 1962	93‡	—	3.80	93‡
2½% 1976	82‡	—	4.00	82‡
3 % 1957	99‡	—	3.13	99‡
3 % 1958	99‡	—	3.18	99‡
3 % 1959-61	98‡	3.63	3.39	98‡
3 % 1964	95	—	3.72	95
3 % 1963-65	95‡	3.80	3.65	95‡
3 % 1966-68	93‡	3.79	3.71	93‡
3 % 1970-75	90‡	3.90	3.71	90‡
3 % 1986 Con. Loan..	77‡	—	3.89*	77
4 % 1960-70	101‡	3.68	3.89	101‡
4½% 1958-68** ..	102‡	2.94	4.20	102‡
2½% 1961 N.P. Bonds.	99‡	—	3.59	99‡
3½% 1964 N.P. Loan..	98‡	—	3.67	98‡
3½% 1965 N.P. Bonds.	98‡	—	3.68	98‡

BRITISH GOVERNMENT SECURITIES

	Closing quotations 3-7 1956			Closing quotation 9-7-56
	£			£
2½% Brit. Consols. ..	51‡	—	—	52‡
3% Savings Bonds 1955-75	76‡	—	—	73‡xd
3% War Loan 1955-59.	94‡	—	—	94‡
3½% War Loan 1952 or after	70⅞	—	—	71‡
4% Victory Bonds 1976	92‡	—	—	92‡
4% Funding 1960-90..	87‡	—	—	87‡

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

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FREE ENTERPRISE AND DEMOCRACY

THIS journal has been feeling for long that the vast changes in the economic policies of the Government of India beginning with the amendment to Article 31 of the Constitution would ultimately prove inimical to the democratic way of life voluntarily chosen by the people. The speed with which opposition to these changes has been dying down even in quarters which can be expected to appreciate the seriousness of the danger only strengthens this feeling. There is a deplorable tendency amongst the vast majority of business men—the expression business men is used here in its widest sense, namely, industrialists, big and small traders, bankers, financiers, etc.—to accept these changes as something inevitable and to feel grateful to the Government and the party in power for even the crumbs that are thrown to them. Another regrettable tendency on the part of a section of the business community is to sing in praise of the Government once the individual or sectional interests are safeguarded, without due regard for the implications of the overall economic policy to democracy and free enterprise. This, it is needless to add, encourages the Government to follow a policy of divide and rule. Of late, there have been many instances of abject surrender by some section or other of the business community to the dictates of bureaucracy. In any parliamentary democracy, the laws enacted by the Government have, of course, to be obeyed and respected. But this does not mean that one should meekly submit to policies and programmes announced in the name of a Welfare or Socialist State, without even registering verbal protests. One has every right to ventilate one's reactions to such policies and programmes and to form Opposition on constitutional lines.

It has been truly said that eternal vigilance is the price of liberty. And, without liberty, there can be no democracy. An essential element of democracy is free enterprise. Indeed, the two are inseparable. Business men, big and small alike, as well as self-employed individuals such as lawyers, journalists, accountants and doctors, constitute the backbone of free enterprise. When, therefore, the State places too many restrictions on business men and/or deprives them of the right to practise their trade, the future of democracy itself is imperilled. The business community thus owes a special responsibility to the Nation for the preservation of democracy. If it were to reconcile itself stoically to all the restrictions placed upon it by the State, it would be contributing to the perpetuation of bureaucracy which would, sooner or later, give way to some form of dictatorship.

The trends in India are unmistakably clear. They show that the country will be in the grip of bureaucracy in the near future. The nationalisation of the Imperial Bank, with the prospect of a few more commercial banks being nationalised, the complete monopoly acquired by the State over life insurance, the bureaucratisation of the central banking organisation, the semi-nationalisation of the Co-operative Movement, the establishment of State Trading Corporation which is threatening to take over a sizable part of India's internal and external trade from the hands of private traders, some of the features of the new Company Law, the drastic land reforms, especially the proposal to place a ceiling on land, and a system of taxation largely confiscatory in nature—all these promise to usher in a long era of bureaucratic rule for the people of India. The aforesaid list can be easily extended. Nevertheless, it is necessary to add, at least in passing, that even the Press is being brought under the control of the Government, as witness the proposed legislation for controlling the prices of newspapers through a price-page schedule on the illusory ground of monopolistic trends in the newspaper world.

At one time, the tendency in the Government was to give preference to independent corporations for running nationalised or State-sponsored new undertakings, whether irrigation, industrial or financial. The Government also showed an inclination to place the administration of these concerns in the hands of non-officials, irrespective of political considerations. These persons were mostly drawn from the business world. This policy tended to offset, to some extent, the disadvantages of nationalisation. Indeed, the fact that even the key portfolio in the Cabinet, namely, Finance, was allowed to be retained by persons who were not full-fledged party members itself had a leavening influence on the economy of India. But all this is changing fast to the detriment of democracy. The spirit of tolerance is yielding place to one of intolerance. Almost all the corporations are being brought directly under the control of bureaucrats or of men who belong to the party in power. The exit of Lala Shri Ram, a talented business man, from the Industrial Finance Corporation, and of the impending exit of Dr. Matthai from the State Bank of India, of Mr. C. D. Deshmukh from the Finance Ministry and of Mr. C. H. Bhabha from the Eastern Shipping Corporation are only a few instances to illustrate our point. There was a time when the administration of the Company Law used to be under the advice of a committee of which a non-official of independent views was the chairman. But now that post has been given to an active member of the Congress Party. Again, it has become the fashion of the day to have boards of directors composed of officials only for managing the newly established commercial ventures of the State. Typical instances of this policy are the new State-owned Western Shipping Corporation and the State Trading Corporation. The Board of the Reserve Bank of India used to enjoy a certain measure of autonomy even after the Bank was made a hundred per cent. State-owned body. But, in recent years, it has been reduced to a nonentity. The Government attaches hardly any importance to the views of the Board. Thus, both political and economic power has come to be vested in the hands of the same set of persons. This is a state of affairs which no true lover of democracy would like, as this leaves little room for individual initiative and judgment.

In saying this, we are not pleading for a *laissez-faire* policy. A modern State, it must be conceded, must have enough powers to prevent monopolies, to ensure fair working conditions for workers, and to regulate the economic forces in a manner that will not lead to marked ups and downs in price levels. It may even be granted that, in an underdeveloped country, the State may find it necessary to establish industries in order to st

ing." The Government spokesmen and the Planning Commission have already begun to say that, as land is a precious social asset the supply of which is limited, it belongs to the State and that farmers have only the right to cultivate it. Surely, the line dividing communism and socialism in rural areas has already begun to blur. That is how one step towards the left leads to another. Are we not already witnessing it on the urban front, too? Had there been a free market in insurance, corruption and malpractices would have been eliminated almost fairly quickly, for a free market has a corrective element in it, namely, competition. But the Government thought, wrongly of course, that the best way to eliminate them was to introduce controls. Everyone now knows what happened later. Controls only perpetuated the disease. Then more controls were introduced. These, too, failed to work, because the Government itself did not, or could not, effectively implement them. In order to cover its failure to trace and punish the guilty, the Government finally plumped for complete nationalisation and creation of a State monopoly. The story is the same in regard to State-trading in iron and manganese ores; because of its bungling in the issue of licences for mining and wagon quotas and of its inability to provide enough transport facilities for the trade, the Government has decided to carry on the trade almost by itself.

It is at this critical juncture of the Nation's career, a "forum of free enterprise" has been formed, with the laudable object of educating public opinion about the merits of free enterprise and the danger of excessive State domination and State control over the activities of its citizens. The manifesto of this Forum is published elsewhere in this issue. Though little is yet known of its sponsors, the ideals expounded in its manifesto are lofty and deserve to be pondered by everyone, employers, employees and the State. It is stated that "it is a non-political and non-partisan organisation." This self-imposed restriction on the scope of its activity will, however, reduce its utility to the country. While an educational campaign has its own value, a stage has been reached when free enterprise can be saved only through a fight in the hustings. The country needs a political Opposition which must make the Congress Party feel that its opponents in elections are found not only in the left but also in the right. If free enterprise feels that it has, as it undoubtedly does, a philosophy to sell to the public through educational propaganda, there is no reason why it should fight shy of carrying its campaign into the halls of State Legislatures and Parliament. With its talent and experience, it can make itself effectively heard if it enters these halls in fairly larger numbers. And, what is more, only when it develops a stake in the form of votes in these august assemblies, will all its rank and file realise the necessity for cultivating a greater sense of responsibility to the society and eschewing those practices that have earned for it a bad name. That way, the present unhealthy tendency among business men to safeguard their position through political bribery can also be ended. Our suggestion may mean a considerable amount of sacrifice for the business community, but no worthy cause has ever been won without making sacrifices.

STATE TRADING IN ORES

THE worst fears of the commercial community about the State Trading Corporation have now proved correct. Those who had hoped that the Corporation would be a valuable machinery for promoting India's foreign trade are now sadly disappointed. The Government, in its understandable anxiety to gather finance for implementing the second Plan, has been unable to resist the temptation of robbing private traders of their avocation. The first shot has been fired, the target being the trade in iron and manganese ores. Another target is cement. There is no knowing what other commodities will not be taken over by the Corporation as its exclusive monopoly, thereby depriving the private trade of the business built through decades of unremitting effort.

Before the Government announced its intention to enter the ores trade, it was believed that the Corporation would carefully feel its way, find out what commodities lend themselves to advantageous trading by the State, and decide its policy and practice after consultation with the interests conderned. The Government spokesmen were, of course, completely reticent on the role of the Corporation. They would neither define nor indicate the scope of its activities. But this silence was then interpreted to mean that the Government was anxious not to commit itself to any preconceived course of action. Further, it was not merely reassuring but positively encouraging to be told that the Corporation would supplement, not supplant, the normal trade channels.

It was this assurance that engendered the belief that the Corporation would play the role of a genuine "elder" brother—not a mere "big" brother—in trade. It was believed that some striking developments were in the offing, that the Corporation would make a distinctive contribution to India's national economy. Who could have then thought that the Corporation, after raising large expectations, would come out with so ludicrous a proposition as trading in ores? It is a descent from the sublime to the ridiculous. Here was a Corporation intended to make a solid contribution to India's foreign trade. It now transpires that this organisation can do no more than sell a mere raw material, iron and manganese ores. It is not as if the Corporation will undertake an intelligent market research, sell the articles for which private trade cannot find a market, and thereby set a model for skilful marketing. The Corporation will do nothing of the kind. It will just take over what private trade has been doing and what the latter can, given the necessary facilities, do even better than it is doing at present. In other words, the Corporation, contrary to earlier expectations, will supplant, not supplement, private effort.

The reasons advanced for this strange excursion into India's foreign trade make most amusing reading. They were set forth in a Press note issued on 22nd June, which constitutes a fine easy in confused thinking. The Press note asserts that the existing trade mechanism is inadequate for meeting the export trade in ores. It is not clear why this precious information was not made known to the public earlier. If the Government was convinced that all was not well with the state of the export trade in ores, it could have convened a conference of exporters, exhorted them to behave better, and also undertaken an examination of the handicaps from which the trade suffered. The trade, on its part, has ere now pointed out that it has not done badly at all, if allowance is made for the handicaps under which it operates.

The Government's charge against private traders sounds hollow particularly in the light of its own admission that the "preoccupation of the control authorities with the equitable distribution of available wagon space amongst mining and trading interests has made it virtually impossible for the limited resources to be used to the maximum advantage or for economical arrangements for the transportation of ores and for their handling at the ports." One should have thought that this appreciation of the transport problem would be a prelude to the allotment of more wagon space for exporters and miners. But the Government is apparently convinced that the best way of solving the transport problem is to take over the trade which demands such transport. Now that a chronic shortage is developing in rail transport, it will be a handy excuse for the Corporation to take over the trade in any commodity it likes.

Proceeding, the official Press note indulges in some sanctimonious grief over the plight of foreign buyers. Thus, we are told that Indian exporters have not been able to fulfil their contracts and that "this has inevitably caused inconvenience to the buyers of ores abroad and undermined their confidence in India's capacity to maintain an assured line of supply." This is a serious allegation, if it is true. Only, it passes one's comprehension that the Government should have kept this deplorable lapse on the part of Indian exporters a well-guarded secret. It is now hardly ten weeks since the Export Advisory Council met. And, so far as we can remember, no reference was made then to the allegation that the export trade in ores was being conducted in a manner which had "undermined" the importers' confidence in India's ability to export ores. On the other hand, the only reference that was made then was to the transport difficulty in the movement of iron and manganese ores. And the spokesman for the Railway Ministry outlined the arrangements that had been made for making available as much transport for ores as each port could despatch. Against this background it seems somewhat odd that the Government should now shed copious tears over the sorry plight of overseas buyers of Indian ores.

An argument that has been trotted out in support of the State Trading Corporation's monopoly or near-monopoly in the export of ores is that the Government has entered into trade treaties, involving the export of this commodity, with certain European countries where Government-sponsored bodies conduct the foreign trade. It is also pointed out that, in Japan, too, a combine operates in the sphere of import trade in ores. The implication is that, in this context, the Government-sponsored State Trading Corporation would be in a better bargaining position. This is a sensible argument. We have repeatedly expressed the view that it is best that the Government is allowed to deal with countries where foreign trade is a State monopoly. But it is not necessary for this purpose to entrust or seek to entrust the entire trade in a commodity to the State Trading Corporation. Further, so far as Japan is concerned, there is no indication to suggest that it would greatly prefer to deal with a State-owned Corporation in India. On the contrary, there are reports that it is strongly opposed to this move. In any case, the right course would be to make the Corporation responsible for trading with countries possessing a regimented economy and leave the rest of the field open wholly for the private sector. The totalitarian countries, it is noteworthy, do not figure very prominently as markets for India's mineral ores. Between 1954-55 and 1955-56, exports of iron ore increased from 1.01 million tons valued at Rs. 4.21 crores to 1.36 million tons valued at Rs. 6.27 crores. The only totalitarian country which figured as an important buyer was Czechoslovakia. But its offtake actually declined from 277,964 tons to 186,527 tons. Japan, on the other hand, increased its offtake from 502,601 tons to 1.01 million tons. Total exports of manganese ore declined from 989,999 tons valued at Rs. 12.92 crores in 1954-55 to 920,847 tons valued at Rs. 10.72 crores in 1955-56. The chief buyers in 1955-56 with figures in brackets indicating their offtake in the previous year were: the U.S. 321,468 tons (569,541); the U.K. 91,795 tons (122,672); Japan 124,932 tons (66,387). Clearly, the communist countries are not what one would call bright spots in India's ore export picture.

From all this, the conclusion is inescapable that the Government, having decided to take over trade in ore exports on other grounds, has been compelled to find a laboured—and, therefore, unconvincing—explanation of its move. Perhaps, the real reason is that the Government was looking around for some safe and profitable line of export trade and it then occurred to it that exports of ores could serve this end. There is nothing wrong in the Corporation wanting to make a profit; rather, it would be wrong for it to make a loss. Only, it is wrong for the Government to let the Corporation make a profit by artificially drying up the normal trade channels. Further, there is a real difference between the profit made by a State-owned Corporation and that made by innumerable traders, for, in the latter event, taxes are paid and larger employment is provided. In any case, there is no excuse for this abrupt termination of the services of normal trade. It is true that the Government has given the assurance that normal trading mechanism would be utilised—though this concession is limited by the phrase "to the extent practicable"—and that limited opportunities would be given to mining interests for direct participation in the export trade. But these are crumbs meant to keep the trade in good humour and may be withdrawn any time. Already, some of these concessions are proving a bone of contention. Some miners feel that their interests have not been jeopardised at all, since the Corporation would buy the ore requirements from them. They seem to think that they need not be unduly worried over the fate which has befallen the exporters. Apparently, they do not realise that the system under which the exporters have to compete among themselves for the purchase of ore will ensure a better price for the commodity than a system under which there is a monopolistic buyer.

There are also several immediate issues to be settled. It is suggested, for instance, that the sales made by quota-holders will be scrutinised with a view to examining whether they conform to the objectives of the Government policy. Nowhere it is stated what these objectives are and what standards will be applied in judging the appropriateness of these sales. Secondly, little is known about the way the Government will permit the forward commitments, made by exporters to be honoured. The whole position is obscure. Thirdly, it is not clear what types of ores the Corporation will buy. If it confines itself to high-grade ores, what happens to stocks of low-grade ores and the mines which produce them? These and other intricate issues could have been settled in advance, if the authorities had taken the trade into confidence and not sprung a surprise on it. It is a pity that State trading in this country should have commenced with so bad a start.

STOCK EXCHANGE BILL ADOPTED

LINSEED FUTURES—STERLING VERSUS D.MARK

THURSDAY, 5 P.M.

THE revival of upward trend in equities witnessed in the previous week has been kept up by a further impressive rise in textiles and miscellaneous scrips. Steels, too, have been firm, but the gain has been relatively modest, as compared with that in the other sections. The maintenance of dividend on the T.I.S.Co. shares has been in accordance with earlier expectations. The news that almost the entire new issue of T.I.S.Co. has been taken up by the shareholders has made a good impression on the market. Between the two scrips in the steel section, the performance of Indian Irons was less impressive. While Bombay was a keen supporter of this counter, Calcutta went on continuously selling it. Consequently, after going up from Rs. 35-13 to Rs. 36-8, Indian Irons closed weak at Rs. 35-14, whereas Tata Ordinaries were able to finish on a steady note, with a gain of Rs. 2-8 at Rs. 204-4, against the peak of Rs. 206-8 touched during mid-week. Calcutta selling of Indian Irons was, perhaps, due to the generally subdued tone of the entire share market in that centre. Bombay operators' fancy for Indian Irons is based on authentic reports that the Company's working is very encouraging and that its profit-margin has vastly improved owing to all-round improvement in efficiency. They argue that, as a "growth share," Indian Irons are by no means overvalued, though they may appear to be so on the basis of current yield.

MARKET GOSSIP

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One of the refreshing features of trading in the share market in recent weeks has been the sustained rise in the shares of the Bombay Burmah Trading Corporation Ltd., in contrast to the general downward trend of the market. This buoyancy was due to two reasons, namely, (1) the hope that the interim dividend for the year ended 31st May 1956 would be maintained, which at one time was thought might not be possible in view of the sharp fall in tea prices during 1955, and (2) the expectation that the scheme for abolition of the founder shares would be announced shortly. Both these expectations have since materialised. The management of the Company announced yesterday the broad details of valuation of the rights of the founder shares, as also its decision to repeat the interim dividend at Rs. 225 per share on the founder shares of Rs. 2,500 each, at Rs. 11-4 per share on the old shares of Rs. 125 each and at Rs. 4-8 per share on the new shares of Rs. 125 each of which Rs. 50 only are paid-up.

The Company, it may be noted, has 100 founder shares of Rs. 2,500 each, enjoying a special right in respect of dividend. According to the valuations made independently by two firms of chartered accountants of the rights of these shares, the value of the rights is equivalent to 18,000 fully paid shares of Rs. 125 each. The founder shares, it will be recalled, are entitled to receive an extra or preferential dividend equal to one-third of the surplus profits remaining in any year after paying a dividend of 12 per cent. per annum on all shares in the Company, including the founder shares, and after setting aside any sums to the credit of the reserve fund as the Directors may decide.

Ever since the move to amend the Company Law, there has been an impression in market circles that the founder shares deserve to be eliminated, as they have become an anachronism. The new Company Law, of course, does not require joint-stock companies with different rights to dividends existing before the commencement of the Act to abolish these extra rights. The management of the Bombay Burmah, however, would appear to have thought it fit, and rightly so, to move with the spirit of the times and convert these founder shares into ordinary shares. Accordingly, they had the valuations done by two eminent firms of chartered accountants as stated above. These valuations are subject to confirmation and acceptance by the ordinary shareholders of the Company.

In the event of this valuation being accepted, the holders of founder shares will receive 18,000 ordinary shares of a face value of Rs. 125 each, aggregating Rs. 22.50 lakhs. At the current market value of these shares (Rs. 710 each), this holding is worth Rs. 127.80 lakhs. In other words, as against a nominal face value of Rs. 2.50 lakhs, the 100 founder shares are today worth Rs. 127.80 lakhs. This feature is likely to raise the envy of some ordinary shareholders. They may be inclined to feel that the holders of founder shares are getting too high a price. Apart from the fact that this price is based on the valuation of independent experts, it must not be forgotten that, if the scheme is put through, the ordinary shareholders are bound to derive certain advantages. One of them is a substantial saving in dividend now being distributed as preferential dividend to the founder shareholders. Another advantage is that it will pave the way for the issue of bonus shares, for which the Company has more than adequate reserves.

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The Bill for regulating stock exchanges—known as Securities Contracts Regulation Bill—was adopted by the Lok Sabha on Monday without much ado. The Revenue Minister, Mr. M. C. Shah, who piloted the Bill, had an easy time. The members who participated in the discussion were only a handful. Of these, excepting a communist member from West Bengal, all belonged to Rajasthan and Gujerat. This is an indication of the poor interest taken in this measure by members representing the other parts of the country. A Jan Sangh member from Rajasthan made the interesting suggestion that the nature of emergency, under which Government could interfere with the working of stock exchanges, should be defined in the Bili. He criticised the provision which seeks to limit the number of members of any particular stock exchange. He felt that the question of withdrawal of recognition given to a stock exchange should be left to be decided by an independent tribunal. The provision in the Bill authorising the Government to decide this question after giving a chance to the authorities of the Stock Exchange concerned to explain their stand was not, in his opinion, satisfactory. Another member questioned the efficacy of the provision relating to blank transfers. Referring to option trading, he stated that it should be regulated and not completely banned, because such trading was implicit in any futures market. In support of this view, he pointed out that options were being allowed in both London and New York Stock Exchanges. A third member entered a plea that the Government should not interfere unduly with the day-to-day working of Stock Exchanges.

In his reply to the debate, Mr. Shah gave the assurance that there was no intention on the part of the Government to interfere in the day-to-day administration of the Stock Exchanges. The object of the Bill, he said, was only to have a strong and healthy investment market in which members of the public could invest their savings with full confidence. He was however, strongly opposed to options on the ground that they were no better than gambling. But he did not care to say how he would successfully implement the relevant provision. Experience so far shows that, although options are illegal, they are still thriving in all futures markets. Proceeding, he contended that it would not be desirable to have more than one stock exchange in a notified area, but promised to see that, where there were more than one exchange at present, proper conditions were created for their amalgamation. He pointed out that the Government had taken powers to ensure that the membership of the amalgamated exchange was not confined to members of a particular stock exchange only.

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The results of the Government of India's borrowing programme are in accordance with expectations. The list was closed four hours before time. The target of Rs. 150 crores was fulfilled. The official *communique*, be it noted, says that the notified amount was "fully subscribed" and not oversubscribed. Accordingly, all applicants will get full allotment. Although the amount of borrowing proposed by the Government has been raised, the degree of its success can be determined only if and when the details of cash subscriptions and conversion are made public. Meanwhile, the impression prevailing in market circles is that the response to the loans from investors has been more encouraging than was believed and that the short-dated and the long-dated loans have been more popular than the medium-dated issue. This is not surprising, because the market has become saturated with medium-dated issues.

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In the light of our first leading article this week, it may seem strange that Government should have permitted futures trading in linseed under the auspices of the Bombay Oilseeds Exchange. But, on a little reflection, it will be realised that there is nothing surprising about it. All futures markets in commodities are now under the strict control of the Forward Markets Commission. If they run wild, the Commission has powers to suspend trading. The chairmen and the directors of the commodity exchanges have been reduced to the status of the Commission's nominees. They have all become 'yes' men, following the Commission's successful show of might against the doyen of the cotton trade, Mr. Purshotamdas Thakurdas. The Commission, which was at one time expected to be a purely advisory body, has now become an all-powerful police authority and as such is more feared by the trade than respected. The speculators have now been made to realise that, if they indulged in excesses, they would be denied the very means of their existence. Further, several safeguards have been introduced to check unhealthy speculation. With speculation thus subdued and with the Commission on the alert, there is little risk in allowing one more commodity to have the benefit of futures trading.

After an interval of over 12 years, futures trading in linseed will be resumed tomorrow. The contract to be traded in is May 1957. The terms of the contract will be more or less on the same lines as before. The basic variety is Bombay bold; the unit of trading is 25 tons. There are to be two contracts, May and September. To begin with, trading will be confined only to the former. As in the case of groundnuts, a margin system will operate. There is also provision for delivery against the hedge contract in as many as 30 upcountry centres.

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Under the revised industrial policy, the Government has a right to start an industry even in spheres generally earmarked for the private sector. Cotton textile belongs to this category. It is an industry in which there are no completely State-owned units at present. If the Government's proposed move means anything, the cotton mill industry will cease to be the preserve of the private sector. Recently, when Mr. Manubhai Shah, Minister for Heavy Industries, visited Travancore-Cochin, he stated that the Central Government would establish cotton spinning mills in that State, in order to relieve the pressure of unemployment. It is now learned that the Government proposes to have in all three cotton spinning mills—all fine counts—one in the Punjab, with 50,000 spindles, another of the same size in Southern Maharashtra, and a third of 25,000 spindles in Travancore-Cochin. All the three mills will be under the scheme for expanding cloth production already announced by the Government. These mills will naturally be utilised for supporting the handlooms.

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The reference made to Indo-German economic co-operation in the Press *communique*, issued at the conclusion of Mr. Nehru's visit to Bonn, will certainly be a source of widespread satisfaction in the country. It would appear that considerable importance was attached throughout the talks between Mr. Nehru and the German Chancellor, Dr. Adenauer, to economic questions. Apart from the two concrete offers, namely, the establishment of a technological institute and the award of 100 scholarships to Indian students, the Germans, it is stated, have shown great interest in extending their co-operation for the implementation of India's second Five-year Plan. This is a happy augury for the future of Indo-German economic collaboration which has already become conspicuous through the Rourkela steel plant and Mercedes-Benz partnership with Tatas in the manufacture of heavy-duty trucks. It is to be hoped that Mr. Nehru's visit will be a prelude to further extension of the scope of Indo-German economic co-operation.

In this connection, it is interesting to note that Germany is one of the few countries in the world today which is in the fortunate position of having a strong and buoyant economy and a very comfortable payments surplus. This has made the German mark one of the strongest of the world's currencies. India too runs a large deficit with W. Germany, so that effective collaboration with that country is likely to be limited by the currency factor. Indeed, Germany is apprehensive that its comfortable balance of payments position may actually endanger its export trade. For other countries cannot be expected to continue putting all their gold into the German money-box for long. They are bound to cry halt to it through restrictions on imports of German goods. German authorities are not altogether oblivious to this danger.

Realising the need to do something about the growing strength of the Deutschemark in relation to other currencies, the German Minister for Economic Affairs, Dr. Erhard, recently suggested to the British Chancellor of the Exchequer that there should be Anglo-German talks on the question of European exchange parities. The idea was that such talks should be commenced on the occasion of the O.E.E.C. conference, in Paris, this week. The agenda for the conference includes: the common battle against the return of inflation, the growing signs of disequilibrium in economic and financial relationships between the O.E.E.C. members and progress made to date in trade liberalisation and the plans for a further advance. In Europe, it is now well recognised that no advance can be made towards freer trade until the German problem of payments surplus is solved. Nevertheless, the British Chancellor is reported to have rejected the German Minister's proposal for talks on European exchange parities. This rejection, it has been explained, does not indicate any lack of appreciation of the German problem. It is stated to spring from the consideration that the acceptance of the proposal would create the impression that European currencies are overvalued in terms of the Deutschemark and impede the steps the British authorities have been taking to restore confidence in sterling. There is certainly something to be said for this view. For no currency adjustment can possibly be made the subject of prolonged talks and the public kept waiting for the result of the discussions. This is particularly true in respect of European currencies, for Dr. Erhard, who proposed the talks, has repeatedly expressed the view that most of these currencies have become overvalued. In this context, the talks could have only one result—to start a new wave of uncertainty in exchange markets and possibly a further loss of confidence in the currencies concerned. At the same time, some observers hold that the strength of the Deutschemark, great as it is, could be exaggerated. They feel that it has acquired some additional strength as a result of rumours that it might be revalued and, if this factor were removed, it would cease to be as strong as it now seems.

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The relative weakness of sterling—that is, its weakness in relation to certain European currencies, notably Deutschemark and Guilder—has raised an interesting controversy as to whether it is right and proper that the British pound should be maintained as a world currency. The implication is that, if sterling were freed from its obligations which attach themselves to a world currency unit, it would gain in inherent strength what it might lose in world prestige. At present, sterling has to bear the impact of any adverse currency weather in other countries in the sterling area. The advocates for de-internationalising the pound argue that, once it is freed from the obligations implied in its world status, it would be possible for the pound to come into its own and play a more efficient role, though such role would be played on a less wide arena. In this connection, they contrast the attitude of the British authorities with that of the German. Although the German authorities are convinced that their currency has sufficient strength to attain a world status, they are unwilling to give it that status for fear that the Deutschemark would then be exposed to many winds emanating from different countries. It is, therefore, felt that Britain is taking more risks than it need take by continuing to give the pound a world status, that the losses from such status far outweigh the gains.

Discussing this issue, "Lombard" of the London *Financial Times* points out that it may well be that there has been a tendency in the U.K. to assume too readily that, because Britain drew much benefit in earlier times from the pre-eminence of sterling among the currencies of the world, it must stand to gain by promoting its use as a medium of exchange today. He recognises that, owing to the vast changes in Britain's basic relationship with the rest of the world over the past few decades, the risks

(Continued on page 151)

BUOYANCY IN SHARES KEPT UP

ACTIVITY BROADENS

From Our Own Correspondents

BOMBAY, 19*th July*

THE cheerful sentiment noted in the share market last week was fully maintained in the week under review also. Almost the entire list of equities recorded fair-sized gains on active bull support and frantic short-covering. What is more noteworthy is that there was a substantial broadening of activity even at rising levels, despite the stringency of the money market and the absorption of funds by the new Central Government loans. The buoyancy of the market was due to (1) expectation of a fresh dose of inflation under the second Five-year Plan, (2) reports of good offtake in cloth, (3) fresh flow of encouraging corporate news, (4) hopes of higher yields on industrial equities thanks to enlarged industrial production under the impetus provided by higher standard of living in the second Plan period and (5) narrow carry forward charges at the last settlement. Notwithstanding the profit-taking at the close, the undertone remained firm.

The Stock Exchange remained officially closed today on account of *Bakri-Id*.

Two important company events of the week were: (1) the decision of the Directors of the Tata Iron and Steel Co., Ltd., to maintain the dividend on ordinary shares of the Company for the year ended 31st March 1956 at Rs. 10-8 per share; and (2) the announcement of the broad details of valuation of the founder shares of the Bombay Burmah Trading Corporation, along with the Directors' decision to maintain the interim dividend on the fully-paid and partly-paid shares at Rs. 11-4 and Rs. 4-8, respectively. According to valuations arrived at separately by two eminent firms of chartered accountants, the value of the rights to extra dividend attached to the 100 founder shares of Rs. 2,500 each is equivalent to 18,000 fully paid shares of Rs. 125 each.

To revert to the behaviour of the market. The trend in steel shares was upwards till almost the close, when it was halted by heavy profit-taking by bulls. Tata Ordinaries gained from Rs. 201-12 to Rs. 206-8, but reacted at the close to Rs. 204-4. Indian Irons picked up from Rs. 35-13 to Rs. 36-8 before receding to Rs. 35-14.

Textiles were well favoured and the rise in prices was marked and widespread. Bombay Dyeings moved up from Rs. 645-10 to Rs. 666-4 before closing at Rs. 655. Centurys advanced from Rs. 569-8 to Rs. 577 but shaded off to Rs. 573-8 at the close. Kohinoors scored a gain of Rs. 7 to Rs. 390. Central Indias put on Rs. 2 to Rs. 161, Finlays as much as Rs. 8-8 to Rs. 350 and Gokaks Rs. 6 to Rs. 242-8. India United Ordinaries were well held at Rs. 13-10. Indore Malwas gained Re. 1-14 to Rs. 156-14, Khataus gathered Rs. 13-2 to Rs. 253-12 and Models Rs. 3-2 to Rs. 154-6. New Kaiser-I-Hinds advanced by Rs. 6-4 to Rs. 133-12 and Podars by Re. 1-4 to Rs. 190. Shree Niwas stood unchanged on balance at Rs. 225, while Simplex moved up by Rs. 6 to Rs. 226. Standards rose smartly from Rs. 477-8 to Rs. 488-12. Svadeshis gained Rs. 2-8 to Rs. 258-8 and Swans as much as Rs. 16-4 to Rs. 447-8. Tata Mills put on Re. 1 to Rs. 58. Bradburys jumped by Rs. 20-10 to Rs. 245. Lakshmis rose from Rs. 682-8 to Rs. 700 and Sassoon Spinnings from Rs. 38-8 to Rs. 41.

Bank shares responded well to the general buoyancy of the market. There were buyers in most of the counters and prices rallied smartly. Barodas gained Rs. 3 to Rs. 101-8, following the stepping up of the interim dividend from 5 per cent. to 6 per cent. Central Banks moved up by Re. 1 to Rs. 56 and their new shares by As. 8 to Rs. 57-8. Bank of Indias were keenly bid and rose by Rs. 7-4 to Rs. 171, on the announcement that the Controller of Capital Issues had sanctioned the issue of bonus shares in the ratio of one share for every five shares. Punjab Nationals gained a fraction to Rs. 58-8 and United Commercials jumped sharply by Rs. 2-4 to Rs. 55.

Insurance shares were steady, but the volume of business was small. New Indias were a shade quiet at Rs. 48-8, while Indian Mercantiles were done As. 4 higher at Rs. 46. Universals changed hands Re. 1-4 better at Rs. 12-8. Empire of Indias gathered Rs. 50 to Rs. 375.

The electricity section maintained a steady note with the trend of prices slightly upward. Ahmedabad Electrics gained further As. 15 to Rs. 100-5. Bombay Suburbans found buyers As. 10 higher at Rs. 117-8 and Tata Hydros Re. 1 better at Rs. 130. Tata Powers advanced by Rs. 17-8 to Rs. 1,317-8 and Andhra Valleys by Rs. 7-8 to Rs. 1,210.

There was a broadening of enquiries in the miscellaneous section, and leading counters registered sharp gains. In the sugar group, Belapurs moved up by Rs. 3-8 to Rs. 243-8. Phaltans were bid Re. 1-8 higher at Rs. 161 and Walchandnagars Rs. 8-2 better at Rs. 270. Among cement shares, A.C.Cs. were taken up from Rs. 191 to Rs. 195, before reacting to Rs. 193-8. Digvijays gained Rs. 4-4 to Rs. 200-4, while Dalmias were done a fraction lower at Rs. 15-12. Ashokas were done at Rs. 12-6. In the engineering and mining group, Alcock Ashdowns rose briskly by Rs. 20 to Rs. 368-12. Tata Locomotives moved narrowly and closed a fraction lower at Rs. 149-12. Larsen and Toubros gained As. 5 to Rs. 15-15. Premier Constructions were in keen demand and rose by Rs. 6-8 to Rs. 208-8. Kamani Engineerings put on As. 4 to Rs. 6-12. Shivrajpurs came to light with a rise of Rs. 2 to Rs. 91. B.B. Petrols were better at Rs. 4-6, while Indian Coppers were dull at Rs. 7-2.

Among shipping and transport shares, Scindias advanced from Rs. 19-2 to Rs. 19-13, but shaded off to Rs. 19-9. Great Easterns were steady at Rs. 20-8. Premier Automobiles moved up from Rs. 100-4 to Rs. 101-8, before closing at Rs. 100. Hindustan Motors were maintained at Rs. 10. In the miscellaneous group of industrials, Bombay Burmahs provided again the highlight with a sharp advance from Rs. 670 to Rs. 716-14, before profit-taking brought them down to Rs. 708-12. Their new shares scored a gain of Rs. 20 to Rs. 272-8. National Rayons spurted from Rs. 243-12 to Rs. 253. Tata Chemicals gained As. 10 to Rs. 20. Dharamsey Chemicals rallied by Rs. 3-8 to stand at Rs. 51 and Dhrangadhras by Rs. 2 to Rs. 132. Tata Oils were unchanged at Rs. 59 and Wimcos at Rs. 185.

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Calcutta Stock Exchange

CALCUTTA, 18*th July*

The week under review on the Calcutta Stock Exchange was noted for a recovery in share values, following moderate support at lower levels and better advices from Bombay. However, the volume of business remained low, as buying was induced by the lower levels touched on profit-taking. The reference by the West Bengal Government of the demand for higher wages by the textile mill workers in the State to the industrial tribunal drove away buying sentiment of operators in textile shares, while following more export enquiries for jute goods, a minor recovery was recorded in jutes. The increase in the tempo of industrial progress was a factor which gave strength to miscellaneous industrials, while the improvement in the understanding among the big powers regarding possibility of a ban on nuclear weapon tests encouraged long-term investors to look for counters of good standing. In their search, recent reports of good corporate results were also helpful. Teas were quietly steady, and operators continued to watch recent trends in tea auctions. Coals were driven to lower levels on account of the dissatisfaction at the quantum of the price increase for the fuel.

Among cottons, Bowreahs were unchanged at Rs. 168, while Kesorams, after dropping to Rs. 18-3, recovered to Rs. 18-9. New Victorias eased to Rs. 2-10 from Rs. 2-11.

Raneegunges in coals showed strength as recorded in the rate advancing to Rs. 13-10 from Rs. 13-3. Bengals disclosed no change at Rs. 538-8, but Central Indias recovered to Rs. 7-11 from Rs. 7-2. Burrakurs hovered around Rs. 13-10 throughout the week.

The slight decline in raw jute prices caused jutes to record a small recovery. From Rs. 22-8, Nationals improved to Rs. 23-1 and at Rs. 17-5 New Centrals were better by As. 5. Birlas were traded at Rs. 17-14, as against Rs. 17-12 a week ago, but Howrahs from Rs. 22 touched a low of Rs. 21-6. Northbrooks rallied to Rs. 23-2 from Rs. 22-10, while Kinnisons fell to Rs. 157 from Rs. 163. Nellimarlas accounted for business at Rs. 11-15 as against Rs. 11-12 a week ago.

In the mining section, Indian Coppers were marked lower at Rs. 6-11 from Rs. 7 on account of the heavy *budla* charges which had to be paid in advance of the dividend. However, in view of the greater prospects for the Corporation, the rate was expected to rally. Orissa Minerals were unchanged at Rs. 26-8, while Burma Mines recovered to Rs. 3-5 from Rs. 3-3.

Indian Irons earlier in the week touched a low of Rs. 34-15, but since then gradually recovered to Rs. 36-4. Among other engineerings, Jessop & Cos. were better at Rs. 36-10, while Texmacos receded to Rs. 22-11 from Rs. 23-5. Burn & Cos. recovered to Rs. 356 from Rs. 353. Braithwaite & Cos. drew attention at Rs. 28-2 at which rate the drop was by As. 6.

Shipping shares were paid better attention during this week. India Steamships picked up strength to Rs. 9-9 from Rs. 8-15, while India General Navigations, came to business at Rs. 113-8, as against Rs. 108-8 previously.

Selected miscellaneous industrials continued to command the good attention of both operators and investors. In transactions, National Carbons were raised to Rs. 28-1 from Rs. 27. B.I. Corporations, after being higher at Rs. 11-7, sagged to close at Rs. 11-7, while Niccos were raised to Rs. 26-4 from Rs. 25-8. On moderate support, Rohtas Industries recovered to Rs. 24-2 from Rs. 23-10 before closing steady at Rs. 23-15. Imperial Tobaccos were firm at Rs. 15-3 as were Ramnugger Canes at Rs. 28-14. Sone Valley Cements were fully steady at Rs. 9-2, Asokas being maintained at Rs. 12-5.

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Madras Stock Exchange

MADRAS, 17*th July*

Buoyant conditions prevailed on the Madras Stock Exchange during the week under review. The buoyancy stemmed from hopes of higher return from investment in companies, as a result of enlarged demand for their products consequent on higher living standards. There was renewed buying spree in textiles, the prices of which forged further ahead. Bank shares came in for very keen enquiries at hardening rates, on expectation of good profits for the past half-year. Plantation scrips also encountered good support and recorded sharp increases in values. Sugar shares, too, were quite active. Selective buying was in full evidence in the miscellaneous section. The undertone at close was unusually firm.

Textiles provided the brightest spot with most popular counters scoring sharp gains. Palmalai Rangas were particularly favoured, their quotation jumping up by Rs. 20 to Rs. 110. Ashers, R.C. Ambikais and Radhakrishnas rallied a like amount to Rs. 210, Rs. 250 and Rs. 350, respectively. Dhanalakshmis increased by Rs. 15-8 to Rs. 417-8. Premiers advanced by Rs. 15 to Rs. 235. Lakshmis firmed up by Rs. 12 to Rs. 240 *cum-div.* Vasantas and Radhakrishna 'B's were each bid Rs. 10 higher, the former at Rs. 345 and the latter at Rs. 175. Bangalore Woollens, Coimbatore Pioneers and Janardanas strengthened by Rs. 7-8 each to Rs. 582-8, Rs. 342-8 and Rs. 127-8, respectively. Anglo-Frenchs registered a rise of Rs. 7 to Rs. 122, Lakshmi 'A's of Rs. 6 to Rs. 120 *cum-div.* and Coimbatore Spinnings of Rs. 5-8 to Rs. 110. Coimbatore Cottons put on Rs. 5 to Rs. 380. Rajalakshmis and Rajapalayams gathered a like amount to Rs. 191 and Rs. 173, respectively. Buckinghams rose by Rs. 4 to Rs. 207-8, Loyals by Rs. 3-12 to Rs. 54, Rayalaseemas by Rs. 3-8 to Rs. 147 and Maduras by Re. 1 to Rs. 52.

In the planting section, coffee shares received good attention of operators. Coffee Lands improved by As. 3 to Rs. 24-13. A similar gain was recorded by Consolidateds which were quoted at Rs. 21-1 and by Mysores which were quoted at Rs. 2-9. Sheveroys rose by 18 pies to Rs. 2-15-6. Amalgamateds were fully maintained at Rs. 12-8, as also Kadurs at Rs. 2-14-6. Deals in tea shares were put through at higher levels. Peermades moved up by As. 7 to Rs. 37. Haileyburias and Lucky Valleys hardened by As. 6 each to Rs. 26-10 *ex-div.* and Rs. 15-4 *cum-div.*, respectively. Blue Mountains gathered As. 4-6 to Rs. 6-6-6. Neelamalais gained As. 4 to Rs. 7-13. Perksides were better by As. 2 at Rs. 20. Among rubber shares, Midlands picked up As. 11 to Rs. 23-1 *cum-div.* Vaikundams rallied As. 8 to Rs. 30-12. Tropicals increased by As. 4 to Rs. 37. Cottanads rose by As. 2 to Rs. 22. Kailas gathered an anna to Rs. 6-7.

In the miscellaneous section, sugar and cement shares were firm. Among the former, Deccans picked up As. 7 to Rs. 11-15 on hopes of bonus issue. E.I.D.'s rose by As. 2 to Rs. 29-6. Kirlampudis gathered a similar sum to Rs. 29. There was good buying interest in India Cements, the price of which advanced by As. 10 to Rs. 35-10. Andhra Cement 'B's were strong at Rs. 16-4, as against Rs. 16-1. Among other miscellaneous industrials, Binnys registered a gain of Rs. 4 to Rs. 191. Rallis gathered a rupee to Rs. 42.

ORISSA CEMENTS

The latest entrant into the capital market with an offer of public issue of shares is the Orissa Cement Ltd., once a subsidiary of the Dalmia Cement (Bharat) Ltd. but not so now. The Company's issued capital is Rs. 1.50 crores, made up of 50,000 4½ per cent. (tax-free) cumulative preference shares of Rs. 100 each and 1,000,000 ordinary shares of Rs. 10 each. Of this, a sum of Rs. 1,07,86,500 has been subscribed and paid-up, consisting of 40,000 preference shares of Rs. 100 each and 678,650 ordinary shares of Rs. 10 each. At the time when the aforesaid shares were issued, it was felt that more capital was not necessary. Now, however, the Company has undertaken expansion plans and additional finances are required to finance them. A part of this cost is proposed to be met out of the issue of the unsubscribed ordinary shares. The necessary consent from the Controller of Capital Issues has been obtained for this issue. The Directors propose to issue the entire balance of the issued, but unsubscribed, 321,350 ordinary shares of Rs. 10 each at par to the existing shareholders in the ratio of one share for every two shares held. It will, however, be noted that, if all the existing shareholders exercise their option to take up the right shares fully, the number of shares to be issued now will fall short by 17,975. In such an event, the Managing Agents and their Directors and members have agreed to reduce their allotment to the extent necessary to meet the requirement of other shareholders.

The Company's cement works at Rajgangpur has a daily production capacity of 500 tons. The plant is being extended to raise the daily capacity by a further 600 tons and it is likely to go into production by the end of this year. Besides, the Company has undertaken to install a modern refractory works, with an annual capacity of 80,000 tons of firebricks, in collaboration with German experts. The refractory is expected to go into production by the middle of 1957. It has also sponsored a joint venture with Messrs. Dalmia Cement (Bharat) Ltd. in collaboration with Belgian experts, for the manufacture of special heat-resisting and wear-resisting machinery parts for the cement industry. This will be a separate company under the name of Dalmia Iron and Steel Ltd. The finances for the aforesaid schemes of cement factory expansion and refractory works will be met out of the loan of Rs. 1 crore sanctioned by the Industrial Finance Corporation of India. The further expenses for capital cost and working capital will be met out of the Company's existing resources and out of the present proposed issue of share capital.

The Company has earned a gross profit of Rs. 59.61 lakhs during the year ended 31st December 1955, as compared with Rs. 59.97 lakhs for the previous year. The provision for depreciation has been reduced from Rs. 21.04 lakhs to Rs. 9.78 lakhs. The details of the profit and loss appropriation account are not yet available. However, the Managing Agents propose to suggest to the Board of Directors the payment of a dividend of 12½ per cent. for the year, thus raising it from the maiden distribution of 7½ per cent made for the previous year.

NEWS IN BRIEF

THE Government of India has so far sanctioned sums aggregating Rs. 45,32,160 for road development in the Andaman and Nicobar Islands.

The Planning Commission has decided to send a team to China to study the working of agrarian co-operatives there. The team will be led by Mr. R. K. Patil.

A central land mortgage bank for Gujerat, with a capital of Rs. 10 lakhs, is to be formed soon. A committee has been set up for drafting the constitution for the organisation.

Seventeen foreign experts arrived in West Bengal on the invitation of the State Government to assist in planning and execution of development projects between 1951 and 1954, according to Dr. B. C. Roy, the Chief Minister.

A firm at Kundara in Travancore-Cochin will be given a licence for the manufacture of insulated aluminium cables with a capacity of 125,000 yards per year, to be raised to 250,000 later. The terms of foreign collaboration for this have yet to be approved.

The Government of India has sanctioned loans and grants amounting to about Rs. 38.57 lakhs to the All-India Khadi and Village Industries Board for the development of the hand-pounded rice industry and for the improvement of hand-operated and bullock-driven flour *chakkis*.

The Government of India has lifted the ban on imports of tractors below 10 h.p., in order to help small landholders to own light tractors and utilise them for intensive cultivation. Such tractors are likely to be placed in the market at a price well within the means of small landholders.

A team of 14 geologists and drilling engineers will be sent by the Government of India to Soviet Russia for practical training in oil technology. The team is going under the United Nations' Technical Assistance Administration Programme. The Government of India will bear nearly 50 per cent. of the expenditure.

Under the Government of India's plan for industrialisation of Travancore-Cochin, a textile mill, under the public sector, will be established there. The Central Government will also send a team of experts to the State to explore the possibilities of paper manufacture by utilising the rich forest resources.

The Assam Rail Link Stabilisation Committee has decided to undertake a preliminary inspection of the Assam rail link during the second week of August 1956. The Committee has also decided to call for evidence from individuals and organisations interested in the problem, and also to issue a *questionnaire* inviting suggestions from those interested in the States of Assam and West Bengal.

A third consignment of five tons of heavy water, forming part of the 21 tons sold to India by America under an agreement of co-operation for peaceful uses of atomic energy, has been received by the Indian Atomic Energy Commission. Including the present consignment, India has so far received 16 tons of heavy water which is used as moderator for several types of reactors to slow down the speed of neutrons emitted in the splitting of atoms of the fissionable uranium 235.

An agreement has been signed between the Government of India and the Export-Import Bank of Washington under which the Bank has established in India's favour a credit line amounting to $37.5 million for developmental assistance under the International Co-operation Administration. The credit is to be in either U.S. dollar or other currencies. The amount is to be returned in 73 half-yearly instalments beginning four years after the month in which the first disbursement is made.

A Rs. 12-crore synthetic rubber plant is proposed to be set up in U.P. next year as a joint venture between the Government of India and the State Government. The National Industrial Development Council is considering details of the scheme. U.P. has been selected for the location of the plant, because of the large supplies of power-alcohol available from the area's sugar mills. Production is expected to begin in 1959, by which time, the rubber manufacturing industry will need more raw rubber than the natural industry can supply.

The total gross sea and land customs revenue collected in the Indian Union during May 1956 amounted to Rs. 13.72 crores as compared with Rs. 12.75 crores in the corresponding month of the previous year. Of the total customs revenue collections, import duties accounted for Rs. 11.49 crores, as against Rs. 10.16 crores, export duties for Rs. 1.92 crores, as against Rs. 2.45 crores and land customs and miscellaneous for Rs. 31 lakhs, as against Rs. 14 lakhs. The total gross collection of Union excise duties amounted to Rs. 14.37 crores, as compared with Rs. 11.69 crores.

Bihar will receive a loan of Rs. 4 crores from the Reserve Bank of India for helping the growth of the handloom industry in the State during the second Five-year Plan. The number of handlooms in the State is proposed to be increased from 86,000 to 200,000. The money will be utilised for financing the weavers through weavers' co-operative societies. The number of weavers' co-operative societies is proposed to be raised from 550 to 1,000 in the course of the next five years.

The Madras Port's capacity to handle iron ore will be more than doubled (from 300,000 to 750,000 tons) with the arrival of "crab-lifters." This is part of the Rs. 10-crore expansion programme, of which Rs. 2.4 crores have been spent so far. Work costing about Rs. 3.5 crores is expected to be completed by the end of the year. Coal and iron ore yards, now under construction, would be ready by the beginning of 1958. The Port Trust Railway would also be expanded by 150 additional wagons to meet the situation that might arise from increased imports of steel and cement. At present, 180 wagons are on service.

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From Abroad

A Czechoslovakian mission will visit Cambodia soon to discuss a trade agreement between the two countries.

Egypt is understood to have approached the U.K. and the U.S. for a final and firm assurance about the joint grant of $70 million for carrying out the initial work on the Aswan High Dam.

A telegram received from the Pakistan Tea Association, Chittagong, states that the crop to end-June increased by about 2 million lbs. to about 13 million lbs. as compared with the corresponding period of last year.

The Advisory Committee to the U.N. Secretary-General on the Peaceful Uses of Atomic Energy will discuss plans for a second International technical conference when it meets in New York in September next.

Construction activity in the U.S. during the first half of this year reached an all-time high at $20,000 million. It showed a two per cent. increase over the record level of the corresponding period in 1953.

Negotiations between Hilton Hotels International and Iraqi officials for the erection of a hotel by the former in Baghdad are in progress. The proposal under discussion provides for the sharing of the net profits in the ratio of 1:2.

A "tremendously important programme" which involves construction of a "pipeline criss-crossing America for carrying fresh and palatable water from the sea" by 1990 is being worked out by the U.S. Department of the Interior.

Pakistan has signed an agreement with the People's Republic of China for the purchase of 60,000 tons of rice for East Pakistan. It is also negotiating for more rice with some other countries. It has already received 20,000 tons of rice free of cost from the U.S.S.R. and also purchased some rice from Burma and India.

Extension of international co-operation for improving conditions of production, trade and consumption of certain commodities, namely, coffee, cocoa, coconut products, hard fibres, grains and dairy products also, was recommended by the F.A.O.'s Committee on Commodity Problems.

The announcement of T.W.A.'s new 15-day excursion fares to Europe, following the successful results achieved in its first experiment from coast to coast in the U.S., is expected to produce an "avalanche of tourists" to the Middle East, India and Ceylon.

The Inter-American Conference for the International Geophysical Year (I.G.Y.), called to study the Western Hemisphere in relation to geophysical problems, opened in Rio de Janeiro on 16th inst. It will seek to contribute to the study of oceanography in the western region of the South Atlantic, particularly in relation to the effect of the waters of the Falkland currents on the continental coast.

The Soviet Union is building a 16,000-ton atomic-powered ice-breaker and is making plans for atomic-powered whalers, railway locomotives, and aircraft which will fly at more than 1,000 miles an hour. The ice-breaker's engine will develop 44,000 horse-power and the ship will be able to stay at sea several months without refuelling. The operation will be completely automatic.

A trade agreement and protocol on economic co-operation between West Germany and Burma was signed last week. Under this agreement, the West German Government promised to support Burmese purchases of investment goods and to further industrial development in Burma. This would enable West Germany to increase its purchase of rice and other products from Burma. The trade agreement and protocol would be effective for three years.

Ceylon proposes to introduce a crop insurance scheme, under which rice growers can claim compensation, if the crops fail owing to flood or drought. It has obtained the services of Dr. P. K. Ray, a F.A.O. adviser to assist it in the preparation of the scheme. Mr. Ray, who has already commenced gathering the relevant data, is of the view that a crop insurance scheme is easier to work in Ceylon, because it could be worked through a network of co-operative agricultural products and sales societies.



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On the hundredth birth anniversary of Lokmanya Tilak, we join the millions of our countrymen to pay homage to the memory of this great son of India.

"His vast learning, his immense sacrifices and his life-long service have won for him a unique place in the hearts of the people." (***Mahatma Gandhi***)

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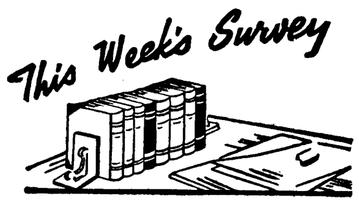

NATIONALISED INDUSTRIES

NO democratic country has yet been able to devise a wholly satisfactory system for running nationalised industries. Totalitarian regimes do not, of course, face this problem at all, for they have one effective way of meeting criticism—to stifle it. But a democratic government, deriving its power from popular vote and with a necessarily keen sense of its responsibility to the public, must run the nationalised industries in a way that will evoke popular approval and will not lead to a weakening of the foundations on which democracy is based. The essence of the problem is how best such a government can ensure efficiency and parliamentary accountability. The problem is particularly acute in India, for close upon the heels of the institution of Parliamentary Government has come the State's decision to experiment in national ownership of industries and services.

In India, the Government is experimenting with both the forms of public ownership—the public corporation type as in the case of the State Bank and the Bombay State Road Transport Corporation and in the private limited company type as in Bharat Electronics and Hindustan Telephones. Whatever may be the form in which State ownership of an industry or a service is cast, there is no getting away from the fact that the running of a nationalised industry involves several intricate issues of organisation and management. How free should the running of the industry be from executive interference? What is the best form of supervision over the State-owned unit? How can Parliament exercise its control over the unit? What is the best way of ensuring that business efficiency is not lost sight of? These are only a few of the problems which the nationalised units have to face. These questions figured very prominently in a lucid exposition of the problem of nationalised undertakings by the well-known Bombay business man, Mr. R. G. Saraiya, in the course of his speech at the Bombay Suburban (West) Rotary Club, this week.

As regards the form of organisation of State-owned enterprises, the Estimates Committee, in one of its recent reports, had suggested the setting up of functional boards and advisory bodies. Mr. Saraiya did well to criticise both these suggestions. A functional board of directors, consisting of members each of whom is responsible for a single aspect of the working of an enterprise, say, marketing or purchase of raw materials, can hardly be expected to bring to bear on decisions that comprehensive outlook and larger vision which are so essential to the success of the enterprise. In such a board, each member is likely to be more concerned with his own department than with the concern as a whole. Advisory bodies, if the members are properly chosen, will no doubt prove of some benefit to the nationalised units. But, as Mr. Saraiya suggested, such bodies cannot normally be expected to take a genuine interest in their work since they know that their function is a purely advisory one.

Whatever may be the form of organisation devised by the authorities for the State-owned ventures, it is now well understood that Parliament should not meddle too much or too often in the working of these bodies. This does not, of course, mean that those who run these bodies are not answerable to Parliament. Indeed, Parliament is the supreme authority in all matters connected with the administration of State-owned enterprises. Only, it would be unwise to exercise it in a manner that will whittle down the freedom and responsibility of the men on the spot. As Mr. Saraiya said, it should be open to the members of Parliament to discuss the annual report and accounts of nationalised undertakings; it should also be open to the Government to give directives to such undertakings. But it is necessary to allow, as in the U.K., a convention to grow up whereby questions regarding the "internal management, salaries of individual members of the corporation, or the communal or religious composition of their employees or matters of detail as to purchases and sales and individual transactions should not be raised in Parliament." Further, it is, as Mr. Saraiya himself pointed out, necessary to ensure that public corporations are not subjected to the exigencies of party politics.

A related issue is the administration of the Indian Companies Act in respect of State-owned undertakings. Under section 620 of the Act, the Government has retained the power to exempt Government companies from any of the sections of the Act. The only safeguard is that a copy of the notification under this section should be laid before Parliament and its approval obtained. Mr. Saraiya rightly asked as to why the Government should have this power. He urged that the Government-sponsored private limited companies should not be more "private" than the companies in the so-called private sector. It is to be hoped that occasions will not arise for the Government to issue notifications under section 620 of the Companies Act. It will, perhaps, be useful to establish a convention whereby the Government will not utilise the power under this section except in the case of undertakings of recognised defence or strategic significance.

INDO-BURMA TEXTILE DEAL

About 20-25 million yards of cotton textiles worth Rs. 1.9 crores ($3.85 million) will be exported from India to Burma against payment in American cotton of staple length of 1.1/16" and above which the U.S. has agreed to sell to Burma. An agreement to this effect was signed at Rangoon last week-end by the representatives of the Governments of India and Burma. It followed the discussions which the four-member official Indian delegation (Leader: Mr. Chinoobhai C. Javeri) held recently with the Burmese Ministry of Trade Development. The necessary procedure for implementing the agreement has still to be worked out. Further, the actual movement of cotton textiles to Burma and of cotton to India under the deal is expected to start only after about a month, at any rate not earlier than the issue of purchase authorisation for American cotton. Burma has agreed to issue speedily licences for the import of Indian cotton textiles and the Indian Government, on its part, has promised to take all necessary steps to ensure prompt shipments. While the agreement covers both yarn and cloth, the Government of India has made it clear that the total exports of yarn will be subject to availability and internal requirements.

The Indo-Burmese textile deal will be widely welcomed, inasmuch as it will help India recover a part of the textile market lost in Burma lately. The setback was due chiefly to restrictions on imports into Burma and partly also to severe competition from other countries, especially Japan. During 1955, for instance, India could not export to Burma more than 14.41 million yards of cotton cloth, as against 40.00 million yards in 1954 and 89.66 million yards in 1953. In the same year, Japanese exports aggregated 42.58 million yards, which were, of course, lower than the figure of 68.12 million yards for 1954. Notwithstanding the purchase of 6.9 million yards of Indian cloth made by the Burmese Purchase Mission early this year, India's exports to Burma during the first quarter were only 7.2 million yards, which compare unfavourably with the 15.8 million yards exported by Japan.

The conclusion of the triangular deal, the knowledge of Burmese conditions gained by the Indian delegation and the prevailing scarcity of cloth in that country are factors which indicate that the prospects of India exporting a larger quantity of cotton textiles to Burma are better now. But the favourable position cannot be expected to last long. Indeed, there is likely to be keener competition in the Burmese textile market. For Burma, it is said, has already entered into agreements with West Germany, Japan and the U.K. for the supply of cloth. Burma is also reported to be contemplating purchases of Russian cloth in large quantities under a barter agreement. In view of these developments, special significance attaches to the warning administered by Mr. Chinoobhai C. Javeri, leader of the Indian textile delegation to Burma. India, Mr. Chinoobhai declares, can retain its hold on the Burmese textile market only if the supply is made to suit the tastes and requirements of consumers in that country, the qualities and varieties being offered at competitive rates. According to him, the supplies should be made according to samples and in attractive packing. Indian prints are almost out of the Burmese market, because exporters do not supply them in small quantities as per design, as other countries do. If, therefore, India is to maintain and build its position in the Burmese market, indeed, in the world market, it is imperative that utmost attention, as Mr. Chinoobhai pertinently stressed, should be paid to quality, packing and service.

There is one aspect of the Indo-Burmese deal which deserves notice. It is the triangular character of the deal. A few such agreements have been concluded in recent years at the instance of the U.S., for this country is anxious to dispose of its farm surpluses and finds such deals a convenient method of reducing the burden of its own farm stocks. Nevertheless, it must be admitted that all such deals, like bilateral agreements, are opposed to the spirit of the Havana Charter. They are not calculated to improve the chances of ushering in an era of multilateral trade. But India had probably not much choice in the matter. It was not India which started this trend.

PLANT PROTECTION

More than a decade has elapsed since the Indian Famine Enquiry Commission urged the imperative need for launching a vigorous plant protection campaign. The Commission thus said: "If the full benefits of irrigation, manuring and improved varieties are to be assured, effective action must be taken to deal with diseases, pests, vermin and weeds." These words apply with equal force even today. It is true that the work of controlling pests and plant diseases was intensified and extended in many directions during the period of the first Five-year Plan; the total area covered by such operations expanded from 2.5 million acres in 1951 to 9.3 million acres in 1954, the net production gain being estimated at 740,000 tons. But there are still as many as 300 pests and diseases which constitute the enemies of the farmer. It is computed that the annual loss of agricultural output as a result of pests and diseases comes to nearly 10 per cent. Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture, did well, therefore, to emphasise, in the course of a broadcast talk from New Delhi, that plant protection assumed far greater importance in the second Plan than in the first. For Dr. Deshmukh observed:

"While we must attach great importance to food production, the emphasis in the second Five-year Plan has shifted to increasing the production of not only cereals but also various types of protective foods. Secondly, the effort now is to increase the yield per acre rather than to extend the acreage under crops. Protective foods which can be grown are fruits, vegetables and sugarcane. These are the crops which are very susceptible to the attacks of a great many pests and diseases. Intensive cultivation also demands, among other things, the avoidance of waste and damage to crops through pest and disease attacks."

The aforesaid considerations impart urgency to plant protection measures. It is indeed gratifying to note that the second Plan makes provision for a larger outlay on plant protection. The outlay on both Central and State Governments account is fixed at Rs. 6.34 crores, which represents a rise of Rs. 2.31 crores as compared with the total expenditure of Rs. 4.03 crores incurred during the first Plan period. Of this amount, States account for Rs. 3.10 crores, Central Directorate of Plant Protection for Rs. 1.56 crores, Centre's contribution to States under Grow-more-food Schemes for Rs. 1.28 crores, the balance being the share of locust control. The plant protection scheme envisages establishment of a field laboratory at Bikaner for investigations on locusts, strengthening of the ten regional centres opened under the Central Pool of Plant Protection Equipment, setting up of four more such centres, and intensification of aerial operations against pests and diseases. The scheme also envisages the starting of plant quarantine stations at two more seaports—Visakhapatnam and Kandla—at the land frontier near Amritsar, and at the airports of Delhi, Bombay, Madras and Calcutta.

The need for intensifying plant protection operations, as already stated, stems partly from the utmost emphasis that is now being laid on intensive cultivation of crops. Alluding to this aspect of the problem, Dr. Deshmukh reiterated that, "whether the agricultural targets were raised or not, we would continue to strain every nerve to produce more and more, in spite of adverse climatic conditions and other difficulties." He commended, once again, the wide adoption of the Japanese method of growing rice which, he claimed, made good seed go at least eight times further. Incidentally, it may be noted that the area under this method is proposed to be raised during the Plan period from 1.6 to 4.0 million acres. The Agriculture Minister also referred briefly to the fresh fertiliser campaign recently launched. Under this campaign, we are told, 2.5 million acres—the share of rice is 1.5 million acres and of wheat 1.0 million acres—will be specially fertilised with ammonium sulphate and other fertilisers in the coming 5½ months.

In conclusion, Dr. Deshmukh expressed his full confidence that the development programme for agriculture would be implemented more successfully in the second Plan than in the first. "We are," to quote him, "capable of exceeding our previous performances." Whether this confidence will prove correct, time alone must say. This much, however, may be said now, namely, that the agricultural target can be accomplished only by the adoption of a realistic land reform policy and proper dissemination of information on modern agricultural practices, coupled with a price support scheme for agriculture and adoption of modern methods of cultivation.

STATE'S INTEREST IN PLASTICS

Ample evidence of the Government's keen interest in the development of the plastics industry is available in the proceedings of the All-India Plastics Manufacturers' Conference held at Calcutta on the 12th inst. Both Mr. C. A. Pitts, in his presidential address, and Mr. R. G. Gupta, in his welcome address as Chairman of the Reception Committee, had words of gratitude to express for the assistance given by the Government to the industry. Referring to the various projects for manufacturing plastics raw material envisaged in the second Plan, Mr. Pitts said: "The prompt and sympathetic consideration given by the Government of India to these projects is a clear indication of the Government's real interest in stimulating production in this country, and there can be little doubt that similar help would be forthcoming for any well-founded project that may be put forward in the future. When we add to this Government's help in allowing drawback of duty on imported goods used in exports, and the readiness to issue replacement licences, we must gratefully acknowledge their positive and sympathetic attitude."

Thanks to the helpful policy of the Government all the essential raw materials consumed by the industry are either on the O.G.L. or are being permitted to be imported by actual users. Imports of moulding powders, sheets, rods and tubes are liberally licensed, and special import licences are also being granted to exporters wherever imported raw material content of exporters have to be replaced. To quote Mr. Gupta: "The Government have also been following a friendly policy in the matter of plastic and one will be less than fair to the Government, if one does not gratefully mention the fact that the fairly steady rise in plastic exports ever since 1950 would not have been possible but for the positive official encouragement." And what is more significant is the decision of the Government to participate directly in the manufacture of some of the raw materials of the plastics industry and in the organisation of research on a more broadbased foundation than has been possible for private enterprise.

There seems to be, however, one or two difficulties the solution of which requires a change in the attitude of the Government. Under the customs tariff, plastics moulds and dies are being treated as small tools, with the result that they are subject to an import duty of 31¼ per cent. *ad valorem*. The industry has been clamouring for a reduction in the rate to 5½ per cent. *ad valorem* on the ground that they should be treated as an integral part of plant and machinery. Again, it had been protesting against the railway freight surcharge of 6¼ per cent. on "smalls." But, instead of giving relief, an additional surcharge of 6¼ per cent. has been imposed. Plastic goods, it may be noted here, are being manufactured mostly by small-scale and cottage units. They have, therefore, to move generally in "smalls." Whereas all other small and cottage industries receive subsidy in various ways, this industry has to bear now a total freight surcharge of 12½ per cent. It pleads for the cancellation of the original discriminatory freight charge of 6¼ per cent. These appeals have not found favour with the authorities.

Another big handicap of the industry is its extreme dependence on imports from foreign countries. This is not a healthy state of affairs. The Planning Commission, after examining this question, made provision for setting up plants in the country for manufacturing some of them. It is gratifying to learn from Mr. Pitts that action has already been taken in the matter. Thus,

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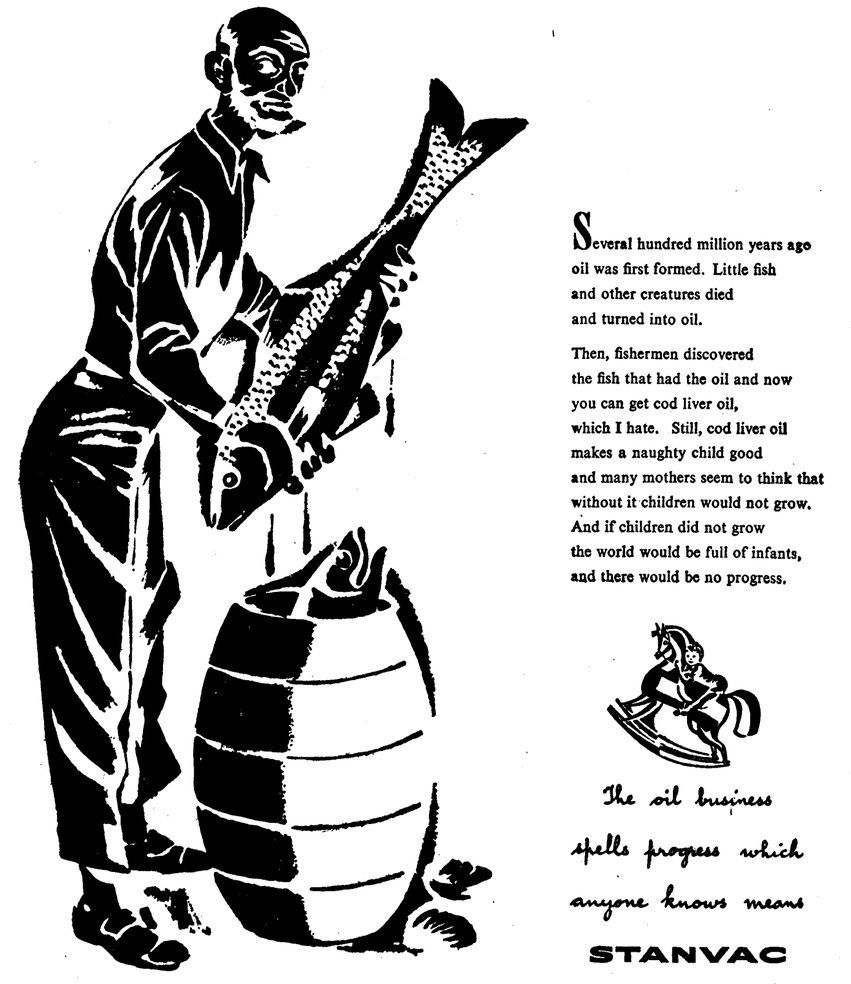

Several hundred million years ago
oil was first formed. Little fish
and other creatures died
and turned into oil.

Then, fishermen discovered
the fish that had the oil and now
you can get cod liver oil,
which I hate. Still, cod liver oil
makes a naughty child good
and many mothers seem to think that
without it children would not grow.
And if children did not grow
the world would be full of infants,
and there would be no progress.

The oil business
spells progress which
anyone knows means

STANVAC

STANDARD-VACUUM OIL COMPANY (INCORPORATED IN THE U.S.A., MEMBERS' LIABILITY LIMITED.)

PSSVOC-2/AJ56

MR. NEHRU'S EUROPEAN TOUR AUGURS WELL FOR SECOND PLAN

OUTLOOK FOR INDO-GERMAN CO-OPERATION

From A Special Correspondent

NEW DELHI, *16th July*

DELHI LETTER

THE monsoon session of Parliament began today, with a certain amount of uncertainty and suspense. Although it is only a little over six weeks since the members had dispersed for their homes, the record of attendance, as also the number of members present in the House and outside, has been somewhat unusually high, indicating, as it were, the coming storm on the highly controversial question of the States reorganisation. Generally speaking, Parliament never used to be summoned at this time of the year and, if it has been summoned, it is because of the necessity to dispose of, as early as possible, some of the urgent and controversial questions of a pressing nature.

Questions of economic importance have not yet started to be discussed. Only some Bills of social and educational importance have been proceeded with. In the absence of Prime Minister Nehru, there is an inclination to avoid taking up controversial matters and, only when he returns from his present European tour, will Bills of far-reaching importance be taken up.

The main topic of conversation among individual members of Parliament during the last one or two days in the capital has been the foreign tour of the Prime Minister. Members are now trying to assess the results of his tour abroad in a number of ways. Apart from the political results, their conversation generally tends to touch on the economic outcome of his foreign tour. In other words, they have been discussing freely with pressmen as to how far India would benefit from the Prime Minister's peregrinations, particularly in Western Europe. Some members have been taking an optimistic view of the whole affair and have even begun to assert that India would be able to implement successfully the second Five-year Plan, despite the fact that the planners had been entertaining some misgivings regarding the financial aspects of the Plan, particularly in regard to external finance.

Foreign Aid

Several members point to certain significant developments during the last few weeks which might go a long way towards India securing the requisite technical and other help from foreign countries for the early execution of the second Plan. They are of the view that, even in Britain, there is considerable awareness of the necessity of the U.K. to lend as much help as possible to India in building up its industries. In the coming months. a number of British industrialists and technical men would be coming to India. Some of them are expected to arrive in the next few weeks. Apart from this, there will be a stream of British technical personnel going over the entire country to advise and co-operate with India in its schemes of industrialisation. Only a few days ago, the Defence Secretary returned after a sojourn in the U.K. and he must have finalised some of the pending schemes for securing British co-operation and help in obtaining certain aero-engines and other defence materials for India. It may be mentioned here that, during the last few years, allocations in respect of capital outlay for the Defence Ministry had not been fully utilised largely as a result of the slow progress made in the building up of defence industries.

Great emphasis is laid here on forging closer economic relationship between India and West Germany. It will be remembered that, even before World War II, Germany happened to be a keen competitor to Britain in the supply of industrial machinery to India. Even in those days, Germany occupied a significant place in respect of machinery supply to India. Although it faded out of the scene during World War II and the years immediately following it, it (W. Germany) has again begun to reassert itself as an important supplier of plant and machinery to India next only to the U.K. Figures relating to imports of machinery during the fiscal year 1955-56 from foreign countries show that, while the U.K. supplied India with Rs. 54.50 crores worth of capital goods, West Germany accounted for Rs. 24.57 crores, whereas the U.S. supplied only Rs. 16.54 crores worth of machinery. In the previous year, that is, 1954-55, imports of machinery from the above countries were worth Rs. 45.69 crores, Rs. 13.13 crores and Rs. 12.93 crores, respectively.

Nehru's Discussions

The prospects for intake of more machinery from West Germany by India appear to be bright as a result of the latest developments. Considerable significance is now being attached to the visit of our Prime Minister to West Germany and his talks with the leading political and economic luminaries in that country. The discussions that have taken place between them strengthen this optimistic view. Already, the Chancellor of West Germany, Dr. Adenauer, has promised to provide increased technical assistance to India. He has promised to help India in the establishment of a technological institute and also to provide 100 scholarships for Indian students for higher education in West Germany. It is stated that Germany will provide all the equipment and also the requisite teaching staff for the technological institute in the beginning. German professors are expected to train a sufficient number of Indian teachers to man the institute ultimately. In this connection, it may be worthwhile mentioning the fact that the first Five-year Plan itself had provided for the establishment of four high level technological institutes in India. Only one of them has been set up in the form of the Kharagpur Institute near Calcutta. Some progress has already been made about the setting up of another Technical Institute in Western India by the Soviet Union. Two other institutes are to be located, one in the South and the other in Northern India.

During the last few years, the progress in this sphere has not been impressive and now that West Germany has come forward to help India establish a technological institute, it is being hoped that the Education Ministry of the Government will take prompt measures to implement the promise made by the German Chancellor.

Contact With W. Germany

The way for increased economic and technological collaboration between W. Germany and India has already been paved during the last few weeks. This is evident from the fact that a number of important Indians have visited Germany and are having discussions with the concerned authorities in that country. In this connection, it is noteworthy that the Secretary of the Iron and Steel Ministry, Mr. S. Bhootalingam, is at present in Germany, investigating the possibility of securing German co-operation in setting up an iron foundry in India. Indications are that his search has been fruitful and that the foundry project representing a financial outlay of Rs. 20 crores will be studied afresh in the light of the reported offer of German co-operation. Another senior official of the Government of India, Mr. H. V. R. Iengar, of the Ministry of Commerce and Industry, is also now in Germany after his sojourn in the Scandinavian countries. Mr. Iengar, it is understood, has a favourable impression of West Germany's speedy industrial and economic recovery from the ravages of the last war and about German industrialists' eagerness to help India build its industries. Mr. B. K. Nehru of the Ministry of Finance will be in Germany this week to examine in some detail possibilities of obtaining foreign financial help for implementing India's second Five-year Plan. While Germany is said to be anxious to outdo Russia's offer of economic and technical assistance to India, the final word on Indo-German economic co-operation has yet to be said. This will be possible only after Mr. Nehru has submitted his proposals to the Government in regard to economic and financial co-operation by W. Germany. India has also sent two of its leading economists, Dr. V. K. R. V. Rao of the Delhi University and Dr. Anjaria to study the economic recovery of West Germany and to see how certain aspects

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APPROACHING THE CROSS-ROADS

LABOUR PARTY ON EQUALITY

From Our Own Correspondent

LONDON, *13th July*

LONDON LETTER

THE Labour Party, under Mr. Gaitskell's leadership, has recently published a political testament on the subject of equality. This slogan is apparently to replace that of nationalisation in the future propaganda of the Socialist Party, and some indication is given of how equality is to be achieved. For instance, in matters of taxation the Labour Party advocates a capital gains tax and the payment of death duties in equity shares. This latter step if taken (but how is the State to forgo the cash payments it normally gets on death duties which are wanted for ordinary revenue?) would gradually lead to a very sizable ownership by the State in general industry. But the Labour Party does not indicate whether its part ownership of general industry would lead it to influence control through representation on the Boards of the firms concerned.

These ideas are interesting, but what concept inspires the slogan of equality (here defined as equality of opportunity)? Is it that of the Welfare State writ larger still? Is the State going to have a greater interest in all the aspects of production or is it only to look at *the results* of production and bend its efforts to reducing the rewards of the *entrepreneurs*—those who take an *unequal* share of the productive effort? We are left without enlightenment on these points, but the accent appears to be on making the rich less rich and there is nothing on the subject of making the nation as a whole more rich.

Such an approach is not an adequate policy. The incentives to enterprise have been steadily reduced until the principal incentive left has been the gamblers' capital gain. Is it practical to seek to abolish privileges by making the population as near equal as possible in terms of income? To continue to squeeze the *entrepreneurs'* gain, to interfere in private industries' own risks and decisions, and yet to leave private industry and the *entrepreneur* as the mainspring of economic activity? The road that the Labour Party wishes to take is practicable only if it implies far wider measures of State enterprise than Socialists have so far indicated that they wish to adopt.

On the other hand, the Conservative Party is being exhorted today to have the courage of its convictions and to do something to restore the rewards of capitalist enterprise and the economic forces of a private enterprise economy. This is not to say that *laissez faire* is advocated. The same voices that ask for greater opportunities for private incentive would condemn the attitude of that great employer of labour the British Motor Corporation, which takes a decision to sack a large number of its employees without consulting the Trade Unions concerned. There is far too little imagination in public affairs today directed to getting the most out of individual enterprise. Apart from the general issue of penal taxation, take the question of mobility of labour. Labour can only be mobile if it is able to change its domicile readily. Housing is a key matter and yet while expensive new housing is being provided throughout the country far from people's places of work, old housing is left to decay and is inadequately used as a result of the rents being restricted to those ruling pre-war, and thus making the properties owned by private landlords uneconomic. But, so far, the Conservative Party has been too afraid of criticism for allowing landlords to "grind the faces of the poor," though it is quite prepared to oblige local authorities to charge economic rents for new premises.

This kind of issue is typical of the economy today which abounds in what are called "restrictive practices." Thus, the nation moves slowly to the cross-roads at which very different decisions will have to be taken from those which both political parties pose today. Either capitalism must be a great deal more free, or socialism must become a great deal more dynamic. Of course, a third way remains—to continue shelving the great problems and to jog along in declining prosperity and influence.—*All Rights Reserved.*

DEVELOPMENT OF PORTS AND SHIPPING

Volume of Trade Expected, Port Capacity Needed, Additional Tonnage Required Analysed

M. A. Master

BEFORE we examine the volume of trade which is likely to move through Indian ports in the second Five-year Plan, let us state the aggregate of tonnage which was handled by the five major ports of India, namely, Calcutta, Vizag, Madras, Cochin and Bombay since the outbreak of the last World War. The position, as ascertained from their reports, is as under:

Year	*Deadweight Tons* (In millions)
1938-39	16.6
1948-49	18.5
1949-50	18.9
1950-51	18.8
1951-52	22.2
1952-53	21.2
1953-54	19.8
1954-55	20.1
1955-56	23.6

It will be noted that, since India attained independence, the total volume of trade passing through these five major ports has been on the increase. From 1938-39 to 1951-52 the volume of trade to be carried has risen over 30 per cent. It will be noticed that a little decline was registered in the following three years. It has, however, witnessed a further increase in 1955-56 and gone up to 23.6 million tons. The normal trade may, therefore, be taken at 22 million deadweight tons per annum. This is not the volume of trade for the whole of India. It is the total volume of trade passing through the five major ports only.

In order to arrive at the expected increase in the volume of trade to be carried annually, we should examine the possibilities of the increase in the volume both of the coastal and the overseas trades.

Coastal Trade

So far as the coastal trade is concerned, it has been on the increase from 1950 onwards, that is, from the time when it was reserved to national ships. The volume of trade carried on the coast in deadweight tons was, according to the figures released by the Government, as under:

Year	*Deadweight Tons*
1950	2,559,200
1951	2,448,259
1952	2,607,810
1953	2,884,341
1954	2,882,633

The Transport Minister felt that there was a big gap in the existing coastal trade. This meant that, although a substantial quantity of cargo was offering for being carried in the coastal trade, it could not be moved, because the necessary tonnage for its carriage was not available. He, therefore, made a strong appeal to the shipowners in November 1955, and called upon them to "plan for the purchase of 25 to 30 ships more within a short period to fill the existing gap in the coastal shipping." He further added: "The Transport Ministry is also exploring the possibility of getting a number of new or even second-hand ships, from abroad." It would be obvious that 30 ships would carry about 1.5 to 1.8 million tons of cargo on the coast. It is, however, difficult to understand how the Transport Minister felt that there was such a big gap existing at present in the carriage of cargo on the coast. Moreover, it is not known what the response of the Indian shipowners has been to this appeal. Nor have the Government told us anything in regard to the result of their "exploring the possibility" of getting a number of new or even second-hand ships from abroad." It is, therefore, essential that the position should be carefully ascertained from the Transport Ministry in this connection.

References have been made in responsible quarters, from time to time, that a substantial volume of additional cargo will have to be carried in our coastal vessels as a result of the recommendations of the Rail-Sea Co-ordination Committee. That Committee has, however, not yet submitted its report. It is difficult to say whether the report of the committee will be forthcoming before the end of this year. In any case, the two factors, namely, the promotion of co-ordination between the rail and the sea routes and the easing of the present strain on the railways are bound to influence their recommendations. It may be that the additional cargo, which may have to be carried as a result of their recommendations, may run from a million and a half to two million tons.

Further, the proposed industrialisation of the country in the second Five-year Plan may also require the coastal ships to carry further additional cargo over and above that referred to in the above paragraphs. It is very difficult, however, to say what the volume of this additional cargo, which the coastal ships will have to carry in the future, as a result of the policy of industrialisation and the recommendations referred to above, is going to be. It may be that it may vary from 3 million to 5 million tons. In the absence of relevant data and the recommendations of the Rail-Sea Co-ordination Committee, it can only be a matter of intelligent guess. We cannot, however, ignore the fact that this additional cargo will have to be handled by our ports and will have to be carried by national ships as the coastal trade is reserved for them.

Overseas Trade

Now let us examine the position in connection with the overseas trades of the country. The aggregate quantity of cargo handled at *all* the Indian ports, except the minor ports of Bombay, Travancore, and Orissa, came to 27.5 million tons in 1955-56. As the coastal cargo is counted twice, first at the loading port and again at the port of discharge and as the coastal cargo carried by steamers and sailing vessels came to 4 million tons, it will be necessary to deduct 8 million tons from 27.5 million tons. Further, as the trades with adjacent countries are handled by coastal ships, we shall have to further deduct 1.5 million tons to arrive at the volume of cargo carried in the overseas trade, as such. It will be noted from the figures given above that the volume of cargo moving in international waters came to 18 million deadweight tons. There is bound to be a substantial rise in the movement of overseas cargo during the second Plan period.

Firstly, as only 2.9 million tons of crude oil was imported in 1955-56 and as 3.75 million tons will have to be imported when all the three refineries begin to function, it will be necessary to add 850,000 tons to 18 million tons carried in the overseas trades.

Moreover, it will not be considered unreasonable to say that there will be at least a 5 per cent. rise in the volume of foreign trade as a result of the policy of industrialisation. This will mean the carriage of additional 950,000 tons of cargo.

Further, we must remember that we have been importing special commodities at present to meet our requirements. This tonnage will be in addition to the tonnage which we will be handling under normal circumstances. It is announced that we shall be importing about two million tons of steel, 500,000 tons of cement, 500,000 tons of rice and a million tons of wheat. This means about 4 million tons of additional cargo. This is likely to be a normal feature of our trade during the next five years. Taking, however, a conservative view of the situation, it may be fair to estimate that, during the Plan period, we may carry, on an average, only half of this volume. This will necessitate the carriage of further 2 million tons per annum.

We have also concluded bilateral trade agreements with Russia, Poland and Yugoslavia. A new shipping line has already been started between India and Russia. It is expected that the countries with which we have made agreements will buy Indian goods in rupees. These goods will also have to be moved. We will also be importing goods under the T.C.A. arrangements. We may not, however, add any further tonnage under this head to the additional cargo estimated in the above paragraphs.

If more refineries are established in the country or the present refineries increase their production, more crude oil will have to be imported and a larger quantity of refined products will have to be moved on the coast or even to the adjacent countries. As these possibilities have not yet entered the field of actualities, we need no include them in our present calculations.

Taking all the above factors into consideration, it is likely that we may have to carry every year, in addition to the 18 million tons of existing cargo, a further 4 million tons of cargo in international waters during the second Plan period.

From what we have stated above, it will be apparent that the aggregate quantity of additional cargo to be carried both in the coastal and the overseas trades will come to about 7 million tons. This does not take into consideration the tonnage of about 1.5 to 2.0 million tons of refined products which will have to be carried in the coastal trade since their carriage has been left at the sweet will of the oil companies by Indian or non-Indian tankers at least for a period of ten years, despite the policy of reservation of the coastal trade to national ships.

Capacity of Ports

Now let us turn to the question of the handling capacity of our ports. It is a principle generally recognised that the port capacity must precede the requirements of the trade. What is the existing handling capacity of the five major ports? From the figures given above, it must have been noted that our five major ports handled about 23.6 million tons of cargo in 1955-56. This includes the handling of oil and refined petroleum products to the tune of about 4 million tons. The Secretary to the Government of India, Ministry of Transport, recently pointed out, in an article in *Capital*, that the total of the peak traffic handled at these five major ports in past years came to about 24 million tons. In view of the necessity of rehabilitation, modernisation, dredging and acquisition of modern handling equipments, it would, however, be realistic to say that their handling capacity is about 22 million tons.

We have stated above that we should take 22 million deadweight tons as the normal traffic at these five ports. We shall have to add 7 million tons of additional traffic that we expect per annum during the second Plan period. The movement of the refined products on the coast will have to be counted twice for the purpose of arriving at the handling capacity needed, once while loading and again while discharging. Adding up all these figures, we find that the total handling capacity which will be required at these five ports will come to about 32 million deadweight tons. As practical men, we should, therefore, aim at the provision of 35 million tons capacity for our major ports. We have not taken Kandla into consideration in our examination. That port is expected to open its two jetties to traffic from October or November next. We may, however, say that that port may provide in the beginning a handling capacity of about 500,000 tons. The remaining 34.5 million tons will have to be found by other major ports.

There are several factors which affect the handling capacity of ports. The type and size of the steamers arriving at the ports will affect the handling capacity of the port. For instance, if the minimum scheme at the port of Bombay for providing deep sea-water berths is not carried out, steamers will have to wait in the harbour for want of suitable berths. Further, if the major ports have to handle a far larger quantity of cargo than they are handling today,

(*Continued on page* 151)

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MARKED EXPANSION IN MONEY SUPPLY

BANK CREDIT TO PRIVATE SECTOR GROWS IN IMPORTANCE

THE trend of money supply in India during 1955-56 fully reflected the requirements of a sustained increase in production and business activity. Industrial production in 1955, it may be noted, rose by 8 per cent. over the previous year's figure. In many industries, targets fixed in the first Plan were exceeded. The overall agricultural production in the crop year 1955-56 was about the same as that in 1954-55. Commodity prices recorded an almost continuous rise during the greater part of the year; the index of wholesale prices (1939=100) revealed a rise of 11.6 per cent., as against a more or less equivalent decline in 1954-55. There was also a notable improvement in the external payments position, in that the foreign assets held by the Reserve Bank of India revealed a surplus as against a deficit in the previous year. The developmental programme undertaken by the State Governments necessitated large expenditure, while there was a growing need for bank credit by the private sector. In the result, the year witnessed a marked expansion in money supply from Rs. 1,920.60 crores to Rs. 2,184.30 crores or an increase of 13 per cent. over the year.

An analysis of the data relating to the money supply position, as furnished by the *Report on Currency and Finance for the year* 1955-56, published just this week by the Reserve Bank of India, discloses certain notable features. As stated already, the rise of Rs. 264 crores in money supply to Rs. 2,184 crores during the year was more than twice that (Rs. 127 crores) in 1954-55. The main contributory factors for this marked expansion were budgetary deficits and expansion of bank credit. Budgetary deficits in 1955-56 amounted to Rs. 163 crores, as against Rs. 76 crores in 1954-55. The increase in the holdings of Government securities by the Reserve Bank amounting to Rs. 21 crores in 1955-56, as against Rs. 28 crores in the previous year, also contributed to the expansion of money supply.

Expansion of bank credit to the private sector during the year under review was even more marked, since it more than doubled, from Rs. 65 crores to Rs. 148 crores. There was, however, a decline from Rs. 52 crores to Rs. 43 crores in the net addition to time liabilities of banks. As a result, the increase in the net indebtedness of the private sector to the banking system at Rs. 105 crores was much larger in 1955-56, as compared with only Rs. 13 crores in 1954-55. This sharp expansion is proof of the growing importance of bank credit in financing the private sector.

The increase in total money supply may also be attributed to the improvement in the balance of payments position. During 1955-56, there was a surplus of Rs. 16 crores, as indicated by the net rise in the balances held abroad by the Reserve Bank, as against a deficit of Rs. 23 crores in 1954-55.

Change in Seasonal Trends

The year witnessed a significant change in the seasonal trends of money supply and bank credit. During the 1955 slack season (7th May to 28th October), money supply with the public suffered a contraction of only Rs. 3 crores, as against a decline of Rs. 77 crores in the slack season of 1954 and of Rs. 128 crores in the slack season of 1953. Again, in the busy season, the expansion in money supply was pronounced. Thus, in the 1954-55 busy season, it had expanded by Rs. 222 crores. As a result of this, the volume of money supply at the start of the 1955-56 busy season (which commenced a month later than in the previous year) was Rs. 219 crores higher than at the commencement of the previous busy season. These trends indicate that contraction in money supply in the slack season is becoming much less pronounced than before, while the expansion during the busy season is on the increase. A point which needs to be mentioned here is that the rise of Rs. 264 crores in money supply during the complete busy season of 1955-56 very significantly exceeded the rise of Rs. 42 crores in the 1954-55 busy season and the post-Korean expansion in 1950-51, of Rs. 27 crores. In this expansion, as much as 90 per cent. was in the form of currency.

The *Report* also gives an interesting review of the trends in money supply during the Plan period as a whole. Broadly, the trends during this period fell into two phases. In the first phase, covering the two years 1951-53, money supply declined by Rs. 214 crores, the bulk of which occurred in 1951-52. In the subsequent three years, money supply registered a total rise of Rs. 420 crores; the annual rate of increase during the period mounted up from 1.7 per cent. to 13.7 per cent. For the Plan period as a whole, thus, the net rise was Rs. 206 crores or about 10 per cent. This is, of course, excluding the substantial rise of Rs. 137 crores in quasi-money supply, i.e., time deposits with banks. Inclusive of this, the expansion of money supply would be of the order of 15 per cent. During the same period the general index of wholesale prices showed a net decline of 13 per cent. and national income (at constant prices) is estimated to have risen by 18 per cent.

Broadly speaking, the decline in money supply during the first two years of the Plan reflected mainly the deficit in external transactions; during this period, the Reserve Bank's foreign assets declined by Rs. 160 crores. There was also during this period a net decline in bank credit to Government (as reflected in banks' investments in Government securities). As this phase coincided with the working off of the post-Korean credit boom, bank credit to the private sector was almost a neutral factor in money supply. The increase of Rs. 420 crores in money supply during the last three years of the Plan was mainly due to two factors, namely, budgetary deficit and creation of bank credit for private sector, amounting, respectively, to Rs. 203 crores and Rs. 223 crores. The emergence of a surplus on external account during this period, as indicated by the rise of Rs. 22 crores in the foreign assets of the Reserve Bank, also exerted a small expansionist influence on money supply. The expansionist effect of the above factors was, however, partly reflected in quasi-money supply, i.e., time deposits of banks, which recorded an increase of Rs. 111 crores.

Trends in Money Market

A study of the trends in the money market in 1955-56 reveals that there was an expansion in Schedule banks' credit of Rs. 138 crores as against Rs. 85 crores in 1954-55. The sharp rise in the demand for bank credit accounted for a greater measure of stringency in the money market during the major part of the year with money rates ruling higher. The call rates, for instance, rose in March to 3¼-3⅜ per cent. in Bombay and to 4-4¼ per cent. in Calcutta. Rates for three to six months' deposits also tended to harden to about 3½ per cent. The expansion of deposit liabilities of Scheduled banks continued during the year. At Rs. 101 crores, the increase was slightly higher than that of Rs. 94 crores in the previous year. It was, however, less than the rise in the demand for bank credit. The banks accordingly resorted to the Reserve Bank for much larger borrowings, the exact increase being Rs. 28 crores or 76 per cent. over the year.

The capital market was buoyant during the greater part of the year. The Gilt-edged market ruled firm practically throughout the year, in spite of substantial Government borrowing and some net sale of securities by the Reserve Bank. Prices of shares recorded a rise of 6 per cent., reflecting largely the bright long-term prospects for substantial growth of industries as well as the sizable increase in current industrial profits.

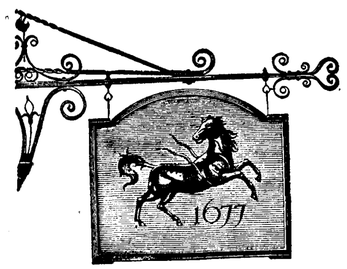
The market reacted favourably to the terms of new flotations, namely, the Union Government's 3½ per cent. 1965 loan and the 4 per cent. 1967 State Government issues. There was also a brisk activity in the new issue market.

Some New Capital Issues

Among the important issues of the year, mention may be made of the ordinary shares of the Industrial Credit and Investment Corporation of India for Rs. 3.5 crores, the 5½ per cent. debentures, 1966-70 of the Caltex Oil Refinery (India) for Rs. 2 crores, the 5½ per cent. debentures, 1965-70 of the National Rayon Corporation for Rs. 1.5 crores, the 6 per cent. preference and ordinary shares of the West Coast Paper Mills for Rs. 60 lakhs and Rs. 1 crore, respectively and the 5 per cent. debentures, 1980-65, of the Tata Locomotive and Engineering Company for Rs. 1.5 crores. Other large issues of Rs. 1 crore and above were the 5¼ per cent. debentures, 1962-66 of the Delhi Cloth and General Mills, the 5½ per cent. cumulative preference shares, 1965 of the Jiyajeerao Cotton Mills and the ordinary shares of the Rohtas Industries and the Sirpur Paper Mills.

Towards the close of 1955-56 some symptoms of inflation were noticed. In view of the developmental outlay in the second Plan aggregating Rs. 6,200 crores in both the private and the public sectors, it was felt that the inflationary trends might gather momentum and cause disturbance to the economy. In order to prevent the onset of any such tendencies, the Reserve Bank of India raised its lending rate under the Bill Market Scheme from 3 per cent. to 3½ per cent. effective as from 1st March 1956. Again in May, the Bank initiated action to restrain banks from excessive lending against commodities. It issued a directive to all Scheduled banks to restrict advances against paddy and rice, since these advances had shown a rise of over 100 per cent. in the course of a year. Further, with a view to strengthening the Bank's armoury of weapons of credit control, legislation to amend the Reserve Bank of India Act was introduced in Parliament. The relevant Bill enables the Bank to restrain multiple credit expansion by banks on the basis of large additions to their deposits, likely to emerge from the large-scale deficit financing in the public sector envisaged under the second Plan. In place of the existing reserve requirements of 5 per cent. against demand liabilities and 2 per cent. against time liabilities, the Bill provides for variable rates between a minimum of 5 per cent. and a maximum of 20 per cent. against demand liabilities, the corresponding limits in respect of time liabilities being 2 per cent. and 8 per cent.

During the year under review, the downward trend in rupee coin circulation noticed since 1951-52 was reversed with an increase in circulation of Rs. 9.2 crores. The circulation of small coin also recorded an increase of Rs. 1.5 crores, in contrast to the continuous return in them noticed since 1949-50 amounting in all to Rs. 17 crores, during the six years ended 1954-55. The Hyderabad currency (Hali Sicca) ceased to be legal tender with effect from 1st April, 1955, so also French currency, following the merger of French territories, as from 30th April 1955. The Bill to amend the Indian Coinage Act 1906 seeking to introduce decimal system of coinage was passed and is to come into force from 1st April 1957, in accordance with a notification issued by the Union Government on 14th May 1956. The current coins will continue to be legal tender for about three years after the introduction of new coins.



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PROBLEMS OF ECONOMIC STABILITY

DR. ERHARD'S ANALYSIS

IN a recent lecture at Zürich, Dr. Erhard, West German Minister for Economic Affairs, took as his starting point the thesis that, in view of the existing world political constellation, the West is faced with the fundamental problem of finding a way of stabilising the boom now existing in most Western countries, so as to make it a normal state of affairs and to prevent a return to the era of sharp cyclical fluctuations. The achievement of this aim must be regarded as the essential test of the free order of society. A disquieting symptom of the present situation is that—in Germany, at any rate—the more living conditions and social security improve, the more the fundamental principles of a social-market economy are criticised. The social-market economy is held responsible for the fact that growth in well-being is accompanied by the spread of a purely materialistic conception of life, a conception which is giving rise to forces that create an increasingly acute social danger.

Economic policy cannot be expected to embrace every aspect of human life; it must confine itself to steering economic evolution so as to secure the material basis of existence for as large a section of the population as possible. The creation of economic well-being is, however, an indispensable condition for overcoming the materialistic outlook. A new kind of business-cycle policy should be developed on the basis of a revised economic theory, which would recognise, as an economic factor the political influences affecting the economy. The example of the theory of equilibrium prices shows that economic doctrines which ignore the effectiveness of political forces are applicable in practice only in a considerably restricted form. Generally speaking, economic equilibrium cannot be attained, because divergent political stresses and the action of individual elements in the economy keep the economy continuously in motion.

Concept of Inflation

The concept of inflation, too, calls for a more varied interpretation, for there is a considerable difference between a situation in which inflationary tendencies are the result of Government measures, whether through the creation of money or through a budget deficit, and one in which their causes lie in an expansion of purchasing power resulting from the economic process itself. Today it is no longer considered important to distinguish whether wage increases, for example, are the result of lack of discipline on the part of individual elements in the economy or of genuine inflationary impulses. However, the endeavours of workers and employers to secure as large a share as possible of the social product clearly play a decisive part in creating inflationary impulses. If the authorities are to refrain from intervening by means of far-reaching restrictive monetary measures, the only other course open is to undertake an educational campaign to make the economic circles concerned realise the pernicious consequences of their behaviour. If this fails, it is up to the State which subordinates its economic policy to the principles of a social-market economy to take drastic measures to protect income earners who are not directly employed in the production process. But, under a free-market system, the State will never apply the most drastic measures—the freezing of prices and wages; it will, however, make every effort to ensure that the price level shall, on the whole, remain stable.

As a result of considerable increases in productivity, coupled with the maintenance of an absolutely stable price level, West Germany has been able in recent years to achieve a real increase in wages—a development that was deliberately aimed at, since the national economy can hold its own in international competition only when effective purchasing power at home is spread over as large a section of the population as possible. The discussion of a fair wage under boom conditions has been dominated by two extreme points of view: whereas the workers wish wages to be adjusted, to the full extent, to any improvement in productivity, employers contend that this gain should be used exclusively for strengthening the machinery of production. Both points of view are wrong, for when productivity rises none of the parties concerned should be deprived of a share in the gain. It is of decisive importance in allotting shares that only so much should be channelled into consumption via wage increases as can be justified from the point of view of the maintenance of a stable price level; and, on the other hand, a fully employed economy can increase its productivity only by means of additional investments.

In Germany, there are symptoms that wage increases have already expanded demand for consumer goods to a dangerous extent, and it is becoming a matter of increasing urgency to find a way of reducing the present large excess of purchasing power. Dr. Erhard rejected all measures of compulsion, such as the prohibition or control of investment, or the extension of compulsory saving by means of higher taxation. Only when the appeal to reason is not heeded is it permissible for the State and the central bank to intervene by employing the whole arsenal of economic and financial measures at their disposal.

Referring to the use of tariff policy to combat excessive boom conditions, Dr. Erhard observed that, owing to the relatively low price level, the West German terms of trade had not been substantially changed by recent tariff reductions, and that their salutary effect can be explained only by their psychological influence. The recent raising of the bank rate has also been regarded as a warning signal, indicating that the central bank is prepared to make further drastic increases in the discount rate if the situation should call for it. Although discount policy is no longer as effective as it was during the gold-standard era, no monetary business-cycle policy can dispense with this classical instrument.

Remedies Vary

Although most Western countries have the same or similar economic difficulties, the remedies employed vary considerably, and this tends to weaken people's faith in measures of business-cycle policy and to reduce their efficacy. Dr. Erhard deplored the fact that there is at present no institution designed to exercise a correcting and balancing effect on the international price level. The price trends in Europe still differ greatly. The only way of evening out these disparities is by complete liberalisation of foreign trade, and Dr. Erhard expressed his determination that West Germany should attain this goal. Increased liberalisation is also important because it strengthens the power of resistance of the West against the Soviet trade offensive. In order to reinforce the Western position, Dr. Erhard suggested an international clearing agency to collect and examine all the experience gained on the economic front. Joint action by the Western countries in every field is today more necessary than ever, for the countries of Europe are interdependent to such an extent that none of them can solve its problems alone. West Germany, Dr. Erhard concluded, would never agree to any solution of the problem of European integration that involved discrimination against other countries. Only when bilateralism is replaced by a set of principles that exclude discrimination will relations between countries improve to the benefit of all.

STATE FINANCIAL CORPORATIONS

The Joint Select Committee on the States Reorganisation Bill, in its report submitted to the Lok Sabha on the 16th inst., has proposed certain changes in the provisions of the original Bill relating to the State Financial Corporations. In the original Bill, it may be noted, the State Financial Corporations, constituted under the relevant Act, for the existing States of Bombay, Hyderabad, Saurashtra and Travancore-Cochin were deemed to be the Corporations for the States of Maharashtra, Andhra-Telangana, Gujerat and Kerala, respectively. But, in the new set-up suggested by the Select Committee, the existing Financial Corporation for Madhya Bharat becomes the Corporation for the new State of Madhya Pradesh. The Corporation for Andhra-Telangana will be the merger of the present Andhra and Hyderabad Corporations. As regards the Bombay Financial Corporation, since the major part of the business transacted by this Corporation is in the city of Bombay, the Committee is of the view that it should remain the Corporation for Bombay instead of that for Maharashtra. Provision has been made to enable the Central Government to pay such amounts as may be appropriate to the State of Maharashtra and the other successor States on account of the shares held by the existing Bombay State in the Corporation. The relevant clause in the Bill has been revised accordingly.

BANK OF INDIA TO CAPITALISE RESERVES

The Directors of the Bank of India Ltd. announce that the Controller of Capital Issues has given his consent to their proposal to capitalise a part of the Bank's reserves and issue bonus shares in the ratio of one share of Rs. 50 fully paid-up for every five shares held by the existing shareholders, to commemorate the Bank's Golden Jubilee. To enable the bonus issue to be made, a sum of Rs. 50 lakhs will be transferred to the capital from that part of the reserves which consists of premiums collected on previous issues of shares, thus raising the paid-up capital to Rs. 3 crores.

MORE BANK PROFITS

Bank of Baroda

In conformity with the general trend of bank profits for the first half of 1956 published so far, the earnings of the Bank of Baroda Ltd. also for that half-year have recorded an increase. The profit (subject to audit) amounts to Rs. 14.66 lakhs, as compared with Rs. 13.16 lakhs for the corresponding six months of the previous year. With the sum of Rs. 3.36 lakhs brought in from the previous half-year, the amount available for distribution is Rs. 18.02 lakhs (as against Rs. 15.86 lakhs a year ago). The Directors have decided to step up the *ad interim* dividend from 10 per cent. per annum to 12 per cent. per annum, free of income-tax, which will absorb Rs. 6 lakhs, leaving to be carried forward Rs. 12.02 lakhs to the current half-year.

Dena Bank

The profit of the Devkaran Nanjee Banking Co., Ltd., for the half-year ended 30th June 1956, after making the usual provisions for contingencies, amounts to Rs. 6.21 lakhs, representing an increase of Rs. 2 lakhs over that for the corresponding six months of 1955. After bringing in Rs. 1.76 lakhs from last year's accounts, the disposable sum aggregates Rs. 7.98 lakhs. The Directors have declared an *ad-interim* dividend at the rate of 5 per cent. per annum, or Re. 1-4 per share, free of income-tax. No *ad-interim* dividends were, it may be noted, declared in previous years. The interim dividend now declared requires Rs. 1.25 lakhs, leaving to be carried forward Rs. 6.73 lakhs.

State Bank of Saurashtra

The working of the State Bank of Saurashtra during the half-year ended 30th June 1956 has resulted in a profit of Rs. 11.09 lakhs, constituting a fresh record in the history of the Bank.



MILLS PRODUCE MORE CLOTH AND YARN

INTENSIVE UTILISATION OF CAPACITY

IT looks as though the current calendar year will witness an all-time record output of mill cloth. The quantity of cloth actually produced in the first half of 1956, for instance, was 2,568 million yards, as against 2,492 million yards in the corresponding period last year. Assuming that this trend will be maintained during the remaining months, the aggregate output for the whole of 1956 will be of the order of 5,136 million yards, a quantity which surpasses the previous year's peak by 42 million yards. The production of mill yarn in the aforesaid six months was also higher at 801 million lbs., as compared with 781 million lbs. a year before. On this basis, the estimate of the total production for 1956 may be placed at 1,602 million lbs., which, however, compares unfavourably with 1,625 million lbs. in 1955.

The trend of mill output of cloth and yarn —month by month—during the first six months of 1956 and 1955 is indicated below:

(Cloth in million yards; yarn in million lbs.)

	Cloth		Yarn	
	1956	1955	1956	1955
January	414	430	138	132
February	425	399	134	124
March	419	422	133	133
April	425	419	131	131
May	445*	407	135*	129
June	440†	415	135†	132
Total ..	2,568	2,492	801	781

* Preliminary. † Estimate.

Details of how the improvement in mill cloth production has been shared by the different categories are not available for the whole half-year. The latest official figures contained in the monthly *Statistical Bulletin* of the Textile Commissioner are only up to the end of the first quarter. Out of the 1,258 million yards of cloth produced in this quarter, medium counts accounted for 938 million yards, coarse categories for 133 million yards, fine cloth for 104 million yards and superfine varieties for 83 million yards. The bulk of the cloth production—1,142 million yards—was consumed within the country. About 193 million yards were exported and 6 million yards used for other purposes.

Statistical Position

The table below shows the statistical position of cloth for the quarter of 1956, as also for the whole of 1955 and 1954:

(In million yards)

	Jan.-Mar., 1956	1955	1954
Cloth production—			
Mill-made	1,258	5,094	4,998
Handlooms	946	1,490	1,316
Power looms	63	273	243
Imports	1	6	6
Total supply ..	1,668	6,863	6,565
Exports	197	873	956
Deliveries for other purposes	6	29	23
Availability for civil requirements.	1,465	5,951	5,586
Per capita availability (yards) ..	8.9	15.8	15.0

Among the different varieties of wearable cloth packed in the quarter under review, longcloth, sheeting, leopard cloth and markin accounted for the bulk, followed by prints and chintz, shirtings and suicies, *saris* and *dhotis*. Mosquito nettings accounted for the largest share in the production of non-wearable cloth, the next in importance being canvas, duck and filter cloth. The quantities of the different varieties of cloth packed during the quarter are indicated below:

(In thousand yards)

WEARABLES:	
Dhotis	128,724
Saris	140,049
Dupattas, khes, chola and uparana	1,818
Mulls, voiles and dorias	93,977
Poplin, crepe, twill and haircord	68,585
Longcloth, sheeting, leopard cloth and markin	306,780
Shirtings and suicies	149,007
Madapalam, cambrics and lawns	7,287
Prints and chintz	167,427
Coatings, tussores and corduroy	24,177
Drills, jeans and gaberdine	42,257
Other items	41,096
NON-WEARABLES:	
Mosquito netting	5,625
Canvas, duck and filter cloth	5,454
Flannelettes, flint cloth and polishing cloth	3,474
Umbrella cloth	1,677
Tablecloth and domestics	1,116
Tapestry, furnishing fabrics and curtain cloth	1,428
	21,144

Of the 399 million lbs. of yarn spun in the mills during the quarter under review, 281 million lbs. were consumed within the mills for weaving cloth, the deliveries—in million lbs.—of yarn for other uses being manufacturing hosiery and other articles 3.13, export 5.44, and 'other' purposes 0.73. The quantity of yarn available for consumption by handlooms, powerlooms and others amounted to 109.34 million lbs.

The upward trend in the mill output of cloth and yarn is the result of a more intensive utilisation of the installed capacity engendered by the perceptible rise in the domestic demand for cloth. Thus, the daily average of looms run in the second and third shifts during the three months ended March 1956 was higher by 2,738 and 13,404, respectively, as compared with that in the same quarter last year. The first shift, however, accounted for a slight fall of 701 in the looms run. The daily average of spindles run in all the three shifts was also higher. The increase in the third shift was particularly marked, having been 985,486, followed by the second and first shifts, with a rise of 397,568 spindles and 149,255 spindles, respectively. An idea of the machinery and men worked in cotton mills during the first quarter of 1956 and 1955 can be had from the following statement:

	Jan.-March, 1956	Jan.-March, 1955
* Total workers on list	909,999	906,886
Daily average of spindles run—		
1st shift	10,885,557	10,236,302
2nd shift	9,984,983	9,587,115
3rd shift	4,546,142	3,560,056
Daily average of looms run—		
1st shift	182,010	182,711
2nd shift	168,494	165,756
3rd shift	47,687	34,233

* Including *badlis*.

The more intensive utilisation of the mills' spinning and weaving capacity has followed a slight expansion in the installed capacity of the mill sector. The aggregate number of spindles (rings and mules) installed as on 1st January 1956 was 12,051,209, as against 11,957,637 on the same date last year, a rise of 93,572 spindles. Likewise, the number of looms installed was higher at 202,901, as against 202,714.

ITALIAN TEXTILE INDUSTRY

An effective illustration of the expansion of the textile industry in Italy is provided by the gradual numerical increase in spindles and looms. After the war, restoration work was undertaken without delay in all branches of the textile industry. The cotton textile industry at present commands 5.66 million spindles and the wool industry 1.6 million spindles. The total number of mechanical looms installed is 145,000 for cotton, 23,000 for wool and 33,000 for silk. In addition to the 7 million spinning spindles, there are today in Italy 3 million twisting spindles, 27,000 vats for the spinning of cocoon threads (silk drawing), 155,000 wire-drawing machines for the production of artificial textile fibres and 216,000 looms. Cotton heads the list, followed by wool and hemp. There are 2,500 establishments, in which, generally speaking, only one of the two fundamental processes of the textile industry is carried out. In fact, the textile establishments are mainly organised on an horizontal structural basis. From the point of view of management, the firms are organised on a vertical structural basis; there are firms which control up to 10 or more establishments.

The capital invested in the Italian textile industry amounts to about 2,500,000 million lires, equal to Rs. 1,910 crores approximately. About 450 million kilos of raw materials are processed yearly by it. Cotton accounts for 50 per cent., wool for 16 per cent., rayon for 10 per cent., jute for 7 per cent., and linen and hemp for 6 per cent. Processed vegetable or animal fibres cover the remaining 11 per cent. With the exception of hemp, silk and artificial fibres, almost all other raw material required by the textile industry is imported. The domestically produced textile fibres meet only 15.2 per cent. of the industrial requirements.

In the import-export structure of the textile trade, raw materials account for 98.3 per cent., yarn for 1 per cent. and textiles for 0.7 per cent. of the imports. Of the total exports, 21.3 per cent. consists of raw materials, 35.1 per cent. of yarn and 43.6 per cent. of piecegoods. In the cotton textiles sector, only 86 per cent. of the installed capacity for yarn and 87 per cent. for cloth are utilised at present. In the case of wool and silk, the percentage is still less, being only 28 in respect of both yarn and woven goods.

The measures for implementing the programme for the introduction of powerlooms in the handloom sector will be discussed at a meeting of Directors of Industries of nine States, which has been convened by the Union Ministry of Commerce and Industry at New Delhi on the 28th inst. In a letter addressed to State Governments last month, it will be recalled, the Ministry suggested that schemes for the introduction of powerlooms should be drawn up in terms of Government's decision to introduce 35,000 powerlooms over two years, 1956-57 and 1957-58, to assist the existing handloom weavers working on a co-operative basis to switch over to a more economic method of production. The representatives of nine States, where the handloom industry is concentrated and where power is available, who have been invited to the meeting are Punjab, Uttar Pradesh, Bihar, Andhra, Madras, Hyderabad, West Bengal, Bombay and Saurashtra. The meeting will also discuss details regarding further improvement of the existing handlooms, in order to enable the handloom weaver to increase his production and earn more.

OUTLOOK FOR MAN-MADE FIBRES

SEARCH FOR NEW OUTLETS CONTINUES

THE outlook for world trade in man-made fibres would appear to be not very bright. The Chairman of British Celanese, for instance, declared recently that the demand for man-made fibres, though steady, was at keenly competitive prices. The Chairman of Courtaulds has gone a step further by saying that business in these fibres is somewhat patchy.

The keen competition in the world market for man-made fibres is attributed to the rapid increase in output which has brought with it "a desire on the part of producers to export a larger percentage of their product than was formerly the case." The aggregate quantity of man-made fibres produced during 1955 was as much as 5,600 million lbs., representing a rise of nearly 14 per cent. over the production of 5,930 million lbs. in 1954. Of the increase of 670 million lbs., about one-fifth was in synthetics, the remainder being divided between viscose (and acetate) continuous filament yarn and staple, with the share of the former being larger. The synthetics constituted 10 per cent. of the world production of all man-made fibres, as against 8 per cent. in 1954. Commenting on the role of synthetics, Courtauld's Chairman observes:

"There is a growing interest in these synthetics, more particularly on the American Continent, where much progress has been made and where several producers now compete with one another for the available business. Progress has been somewhat slower in Europe, partly, perhaps, because of climatic conditions, but also because the average European is more conservative than his American counterpart in trying something new, especially so when he continues to be well served by the use of fibres with a cellulose base."

Japanese Competition

Thanks to the marked expansion in the world output of man-made fibres, competition has tended to be very keen not only in yarns and staple fibres but also in woven and knitted goods. According to Courtaulds' Chairman, Japan is the outstanding example of a country which has rapidly augmented its productive capacity. Moreover, because of cheaper labour, this country is able to obtain a large share of international trade at the expense of the European countries. Japanese exports of spun rayon piecegoods, which stood at a bare 60 million square yards in 1951, had shot up to touch 530 million square yards in 1955. This quantity represents approximately 55 per cent. of the total world exports of this type of cloth. Japan's shipments of continuous filament piecegoods have also registered an appreciable increase.

The emergence of keen competition in the world markets for man-made fibres is compelling manufacturers to search continuously for new outlets. The Use-Development Organisation of Courtaulds, we are told, has been successful in helping to promote trade in upholstery fabrics containing continuous filament viscose yarn. There is an increasing demand for viscose and acetate spun-dyed yarns which are sold under the respective trade names of "Viscose-Duracol" and "Seraceta-Duracol". This type of production has enabled Courtaulds to offer coloured yarns having an exceptional degree of fastness. Consequent on this development, the field for colour-woven specialities, particularly in dress fabrics, upholstery, swimsuits, ties, umbrellas and domestic cloths, where their brilliance and high resistance to light and washing are a great advantage, is widening. The production of the new triacetate fibre—called "Courpleta"—is being stepped up as quickly as possible, but it will take some time before the market can be satisfied. Pilot plant quantities of an acrylic fibre—called "Courtelle"—are now being produced, and a larger plant is under erection. The plant is expected to commence production next year.

The British manufacturers of man-made fibres are doing their best to explore alternative markets for their products. Mention may be made of (1) the introduction of new tiacetate yarns and adoption of new crimping and bulking processes, designed to strengthen the producers' hold on traditional fields; and (2) expansion of industrial outlets which now absorb about a third of the total output of man-made fibres; high-tenacity viscose for tyres is a notable example. At the same time, the rayon manufacturers are still evincing great interest in the possibilities of synthetic fibres.

OFFTAKE OF TEXTILE PRODUCTS SLOW

WAGE CUTS IN THE OFFING?

By Our Special Correspondent

MANCHESTER, *10th July*

SEASONAL influences can be expected to take their toll of the cotton trade in Lancashire at this time of the year, but the decline into summer slackness has been more complete and provides less encouragement for the future than for many a long day. There have been times in the past few years when salesmen have complained bitterly about the stubborn attitude of buyers. Now they almost despair of making contact again with the object of discussing business.

MANCHESTER LETTER

The long-acknowledged ingredients of distrust continue to dominate cotton affairs and no short-term solution to the basic problems seems at hand. Some elements in the United States not only recognise this factor but also accept the necessity for action in providing long-range cotton programmes, as well as the immediate project for disposing of surplus supplies.

The trouble arises from the inherent danger of constant overproduction, now that modern harvesting methods aid the farmer in producing record yields. The plans to establish a soil bank in the United States and the current method of disposing of a part of the surplus by competitive bids are merely stop-gaps. There is ground for the belief that the same dilemma will recur, unless the authorities in Washington can think out a comprehensive plan to make the raw material truly competitive throughout the world.

Meanwhile the spinners, manufacturers and other processors of cotton in many different countries suffer, as a result. The eventual buyer of textiles is still replenishing his wardrobe and using up goods which will, at some future date, require replacement, but the distributor cannot afford to carry even modest stocks at a time of such fundamental uncertainty.

Seasonal Offtake Slow

Now that our local industry has become mainly a supplier of cotton goods for the home market, as opposed to being predominantly an exporter, more emphasis than ever is placed on the vagaries of the weather. Last year, the fine summer created a demand for textiles at home which drained the resources of retailers and wholesalers and caused extensive pressure on manufacturers to meet the requirements of the public. Perhaps, in pessimistic vain, the distributing trade did not restock to the extent anticipated during the winter months, and its caution has been justified by the adverse weather conditions so far encountered.

A further factor in the situation twelve months ago was the dislocation to transport caused by the rail and dock strikes which hampered the steady flow of materials and goods. There has been no corresponding hold-up this year, but the demand for the many styles of goods now required, either domestically or industrially, has been slow and discouraging.

A new and undesirable development is the disturbed conditions now prevailing in the motor industry and in engineering factories in the Midlands. Such a widespread recession cannot fail to have repercussions and, already, deliveries of textile products used in these industries are being delayed. To add to the grim picture, similar reports have lately been received from manufacturers catering for other home trade departments in the more regular domestic lines, such as apparel cloths, furnishings and household textiles.

With conditions so discouraging at home, any improvement in export prospects would be welcome, but the outlook in this direction is no more promising. Already, shipments are substantially lower than the disappointing figures of a year ago and everything points to a further decline in Lancashire's sales overseas. Not only is an increasing volume of Indian and Hong Kong cloth being received for distribution in the home market, but it has lately been reported that large quantities of textiles from Pakistan are now being purchased by local merchants.

Better Rayon Prospects

But from one section of the Lancashire textile industry—rayon spinning—there has been brighter news about the trade outlook. Mr. W. T. Winterbottom, Chairman of the Spinners' Section of the Rayon Staple Spinners' and Doublers' Association, told the annual meeting in Manchester that, although new orders were at present seasonally curtailed, yarn order books were good and stocks light. "Blended yarn stocks," he said, "are significantly lower now than either 12 months ago or in October 1955. Yarn order books are substantially larger now than at either of those dates, and stretch considerably further ahead than other Lancashire yarn order books."

Describing the present state of the rayon spinning industry as healthy, Mr. Winterbottom added: "The part played by spinners in improving the technical qualities of their products and in experimenting with new fibres, show that they have a firm belief that the long-term prospects for the industry are essentially good."

Trade With Eastern Europe

Prospects of an early increase in United Kingdom exports to Yugoslavia are discouraging, Mr. W. S. Laver, H. M. Councillor Economic at Belgrade, said when he visited the Manchester Chamber of Commerce this week. Yugoslavia's capacity for buying was limited by a shortage of sterling. The only "bright spot" was that the Yugoslavian Government has decided to set aside the equivalent in foreign exchange of about £5½ million for the import of consumer goods in order to help supply the domestic market and combat inflation. As a result, he said, they were interested in textiles from the United Kingdom, including cotton fabrics, more than 55 inches wide, chemicals and spices. Mr. Laver said that Yugoslavia also required dyestuffs. At present, the United Kingdom supplied about 10 per cent. of her needs. Prospects of the Lancashire cotton industry expanding its trade with Yugoslavia were restricted, owing to the construction since 1950 of a number of new spinning mills and the enlargement of weaving sheds.

A Lancashire weaving industry dispute which, according to trade union leaders, could be the opening move in wage cuts for hundreds of operatives was the subject of a special meeting between union officials and employers in Manchester last week. But, although Mr. Lewis Wright, Weavers' Amalgamation General Secretary, described the issue as being of "tremendous significance," an employers' spokesman—Mr. Arnold K. Roberts, Secretary of the Cotton Manufacturers' Association—later described it as "really a minor matter."

The dispute, said Mr. Wright, centred on a Nelson mill where a group of weavers had threatened strike action because of a management proposal to reduce pay under the six-loom system to 19½*d.* per 100,000 picks. Although this was the rate laid down in the agreement, most firms, said Mr. Wright, were, in fact, paying 22*d.*

The joint meeting had discussed the whole position of payment under the six-loom system. A further joint meeting had been arranged in which the seven-union Northern Counties' Textile Trades' Federation would join.

Engineers' Wage Claim

Two trade unions representing 4,000 mill engineers and other power plant workers in the Lancashire textile industry are to submit a wages dispute to arbitration. This was announced after a meeting with the cotton spinning and weaving employers had ended in deadlock. Mr. John Harrison, General Secretary of the National Engineers' Association, said that the employers had refused to go beyond their offer of a 5 per cent. increase. The unions were claiming 12½ per cent.—*All Rights Reserved.*

Wholesale textile sales in the U.K. during the month of May were the best for that month since 1951. This year, unlike the previous three years, there was no seasonal fall in the index of sales between April and May. "To this steadiness the early date of the Whitsuntide holiday and the good weather about that date probably contributed," a spokesman of the Wholesale Textile Association declared the other day. Statistics prepared by the Association in collaboration with the Bank of England show that the index for total sales (1950 =100) in May, at 98, was 12.2 per cent. more than in May 1955. Sales of women's and children's wear at 102 and men's and boys' wear at 100 were each the highest sales for May since 1951. Piecegoods sales in May, which rose by 4 points to 66 during the month, were better than in either 1954 or 1955. As compared with 1955, the only contraction in sales was the fall of 5.3 per cent. in the gloves' section. This general improvement raised the cumulative sales in the first five months of 1956 to 5.8 per cent. more than for the same period last year.

Competition was strong when the fifth series of London wool sales was resumed on the 13th inst. A total of 7,671 bales was on offer and the clearance was quite substantial. A feature of the sale was keen bidding for Australian greasy merinos, and prices rose 2½ per cent. above Wednesday's closing rates. All wools had been in great demand on Wednesday, and some price increases of 5 and 7½ per cent. had been recorded. Spinners' style wools from New South Wales comprised the best of offering, but topmaking styles sold almost as well. Several hundred bales of South African greasy merinos also came forward and were in very satisfactory demand. Prices for most were very firm on June closing rates, with those for the best style full-length wools moving distinctly in sellers' favour. Firm prices were also obtained for New Zealand greasy cross-breds, the selection of which was confined to medium qualities, while the market for scoured crossbreds showed a further tendency to harden against the buyer. Most of the latter wools were from Hawke's Bay.

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U.S. COTTON EXPORT POLICY

MEXICO PROTESTS AGAINST TWO-PRICE SYSTEM

EVER since President Eisenhower gave his assent to the new U.S. Farm Bill on 28th May last, a series of protests have been raised by cotton producers outside the U.S. expressing their concern over certain features of this new legislation. Particular objection has been taken to sections 202 and 203 of the Farm Bill which direct the Government to dispose of its surplus cotton abroad and to capture new markets for future production. The law, as is well known, empowers the Government to sell the surplus cotton held by the Commodity Credit Corporation (C.C.C.) in foreign markets at competitive prices, irrespective of whether they are at or below the price of cotton produced in other countries. Since the costs of production of cotton in the U.S. are, for various reasons, higher than costs abroad, the new policy, it is maintained, is a clear case of dumping—a form of competition condemned as immoral by the existing code of international trade practice.

The U.S.'s next door neighbour, Mexico, has strongly reacted against the measure. Its attitude to the U.S. policy was expressed, in unambiguous terms, on two recent occasions: in a recent report presented by the Mexican delegation to the XVth meeting of the International Cotton Advisory Council and in a note delivered to the U.S. State Department by the Mexican Ambassador in Washington. Both these official documents stress that the U.S. cotton export programme will harm the economic interest of Mexico directly, that it will not bring any lasting solution to the world cotton problem, and that it is contrary to U.S. foreign obligations and goes against all previous assurances given by the U.S. The Mexican delegation, in its extensive report to the meeting, examines the various aspects of production, consumption and export of Mexican cotton and endeavours to find a just solution to this burning international issue.

Output of Cotton

The cultivation of cotton, says the report referred to above, is of utmost importance to Mexico because it is the most important crop from the point of view of the living standard it affords the farmers who form nearly 60 per cent. of the population. Cotton production was valued at $288 million in 1954-55. This is roughly 30 per cent. of the aggregate value of agricultural production. Compared to this, corn, though it occupies by far the largest area, accounts for only $180 million.

In 1955-56, Mexico produced 2.21 million bales of cotton as compared with 1.22 million bales in 1952-53—an increase of over 80 per cent. This increase in outturn has been mainly due to the fact that average yields per hectare have almost doubled in the last two years. Thus, whereas area under cotton increased only by 13 per cent. from 926,000 hectares to 1.05 million hectares, average yield per hectare increased from 279 kg. per hectare in 1953-54 to 457 kg. per hectare in 1955-56. These facts serve to underline the country's natural advantages for cotton and the improvement in agricultural techniques. According to preliminary reports, the probable cultivated area in the 1956-57 season will be reduced by 15 per cent. Several factors have influenced this reduction, the chief among them being Government's efforts to stimulate production of basic foodstuffs in preference to cotton and reduction in international price of cotton and the prevailing uncertainty with respect to prices and markets.

Fiscal Policy

As regards fiscal policy, it may be noted that cotton in Mexico does not get a favourable tax treatment. On the contrary, production and export of cotton are burdened by heavy taxes which have increased greatly in recent years. Such taxes presently amount to 25 per cent. of cotton prices abroad. This is clearly a definite discouragement to cotton producers, for, it reduces their income. On the other hand, export taxes tend to reduce exports and thereby stimulate internal consumption. In spite of definite disincentives cotton production increased by 80 per cent. in the period 1952-55. The conclusion which necessarily follows is that the increase was not the result of artificial promotion; rather, it was the consequence of a general policy of economic development and in particular, of improved production techniques.

Internal consumption of cotton has been on the increase. The present consumption of 450,000 bales represents an increase of about 50,000 bales over the 1954-55 figure. But the expansion in the consumption of cotton textiles has been limited, as elsewhere, by competition of synthetic fibres. It is estimated that these fibres have displaced, approximately, 70,000 bales of cotton. The former also enjoys the advantage of more modern equipment whereas mills in the cotton textile sector have been modernising rather slowly. Mexico, the report says, has continued fostering increases in cotton consumption, but a high level of cotton consumption in that country, as in other underdeveloped countries, is inevitably linked to a rise in the very low living standards of its agricultural population.

Despite the presence of export taxes and increased domestic consumption, cotton continues to figure as an important item in Mexico's export trade. Out of a total production of 2.21 million bales in 1955-56 only 450,000 bales were accounted for by internal consumption, the balance being the exportable surplus. Although it had diversified its exports cotton is still a vital source of foreign exchange on which depends to a significant extent, its imports of capital goods. In 1954-55 Mexico earned $230 million from its cotton exports. This is equivalent to 33 per cent. of the value of all exports and 20 per cent. of its income on current account of the balance of payments. The chief markets for Mexican cotton are Japan, Germany, Belgium, the U.K., Sweden, Switzerland, Holland, France, Italy, the U.S.A. and other countries. Mexico sells its cotton in the international markets on a strict free competitive basis as to quality and price. Mexican cotton is chiefly of medium staple 1.1/16". It is white and extra white, the greater part being Middling and better. The fibre produced is highly uniform and the systems of contracting for and classifying the fibre have improved closely following international cotton standards.

In the light of these facts about the Mexican cotton situation, the concern felt in that country over U.S. policy is understandable. Mexico is highly sensitive to every passing wind that blows over the international cotton market as cotton occupies a strategic position in its economy. The report of the delegation says that the new U.S. policy has brought about a disruption of world markets and sales of cotton for future delivery have almost been brought to a standstill. Demand and prices abroad have declined, affecting unfavourably the interest of both importing and exporting countries and the stability of markets. The report emphasises that it is not as if Mexico, along with other cotton-producing countries, is facing a problem brought about by the violent fall of prices because of natural market conditions. On the other hand, the present market conditions, it is held, are the result of unilateral action of one country, namely, the U.S.

Mexico is convinced that a sharp drop in prices, without ensuring a better long-term supply and increased consumption, may affect the cotton industry in the main producing countries. Such developments may result in discouragement to growers, disproportionate reduction in supplies of raw cotton and, finally, a new rise in prices and more acute problems than those which must now be solved. The U.S.'s policy of surplus disposal has already caused an excessive drop in prices abroad and a shrinkage of inventories. According to the report, from August 1955 to May 1956 cotton prices have dropped about 20 per cent. The present policy, it is stated, will reduce by 2.5 million bales the sales of other exporting countries which exported 7 million bales last year; this would amount to a 25 per cent. reduction in the volume of their exports. The combined effect of such reductions on foreign exchange receipts is likely to be serious. For Mexico itself, this reduction could result in a shrinkage of its dollar income by about $100 million which amounts to 40 per cent. of the volume of its cotton exports in 1955-56 and 8 per cent. of its total dollar income in 1955 on current account.

Complex Problem

The cotton problem, according to the report, is complex and surrounded by conflicting interests and hence solution should be sought along multilateral means. It reports that recent steps taken by the U.S. Department of Agriculture and the C.C.C. are not in keeping with the international obligations of the U.S. and its earlier professions. President Eisenhower himself had declared on 9th January that "if the agricultural surpluses moved abroad in quantities large enough to remedy present difficulties, they would shatter world prices and trade and injure our friends and undermine domestic prices as well." The Permanent Committee of the International Cotton Advisory Committee had pointed out that if the policy announced by the U.S. were implemented the smooth functioning of hedging operations in cotton markets outside the U.S. would be jeopardised and arbitrage operations between New York and outside markets made impossible. To combat the effects upon their economies of the introduction of the two-price system cotton-producing countries substantially dependent upon exports of cotton for foreign exchange might resort to greater use of bilateral agreements and barter arrangements which are "undesirable" from an economic point of view.

Mexico considers that to make good the assurances given by the U.S. it is necessary that the latter's exports take place at prices and through practices that will not entail any unfair competition for other producing countries nor constitute an element of market instability. The C.C.C., it is urged, should change its sales programme so as to give back to international marketing its traditional functions and for the system of double pricing to disappear at the earliest possible moment. Mexico believes that it is possible to find concrete formulas for gradual long-term measures—realistic and equitable—if the problem is approached with an open mind and with due regard for its repercussions on other countries. Clearly, it is only through such measures as will reinforce international economic co-operation that a lasting solution can be found to this vexed problem.

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FORUM OF FREE ENTERPRISE

A MANIFESTO

WE BELIEVE that democracy is an essential element in the Indian way of life. Free Enterprise is an integral part of it and as such it should be permitted to play its legitimate role in our national life.

WE BELIEVE that today the case for Free Enterprise is going by default. In recent years it has been the target of sustained and unjustified attacks. The contribution which it has made to national progress has not been given the recognition that is due to it. There is urgent need to educate public opinion on the fundamentals of Free Enterprise and on the contribution which it can make to national welfare. That is why this Forum has come into being.

WE BELIEVE that the beginning of intelligent living is the beginning of Free Enterprise. It is not something new: it is as old as man. The man who first discovered fire was a Free Enterpriser as also the man who invented the locomotive. Today, the man who builds up industries is a Free Enterpriser; so also is the small trader. The shopkeeper and the merchant, the farmer and the artisan, the salesman and the company director—all these are Free Enterprisers.

WE BELIEVE that it is the legitimate expectation of reward for honest, productive effort which motivates Free Enterprise. This expectation of reward for endeavour is inherent in human nature. The desire to earn a fair wage or to make a legitimate profit is necessary and healthy, and is in sharp distinction to profiteering which is anti-social and evil.

WE BELIEVE that Free Enterprise is a natural phenomenon and has been responsible for the progress of mankind. In our own country, the development of the steel, textile, sugar and cement industries as well as those of shipping, banking and insurance, despite the handicaps under which they have laboured, stand as testimony to the qualities of Free Enterprise. The fact that Free Enterprise has the capacity to fulfil its responsibilities is proved by its record in the first Five-Year Plan during which a number of industries exceeded the targets allotted to them.

WE BELIEVE that Free Enterprise must and can operate only within the framework of values and principles of a democratic society. Within this framework it moves as a well-balanced wheel satisfying the needs of the consumer, worker and investor. Under this system, only those goods and services can be produced which the consumer is prepared to accept. Free Enterprise has, therefore, to be competitive and to carry on constant research to win a widening circle of consumers by providing better and cheaper goods and services. As with the consumers, so also with the workers. They have the freedom to choose alternative employment; they have the right to demand higher wages; and they have the right to deny their labour. The investors, having risked their savings to start and develop industries, have the right to ensure that these industries are efficiently run and so earn for them a fair return. Free Enterprise is thus economic democracy in action. Unless it is allowed to play its part, the entire fabric of democratic society would be in jeopardy.

WE BELIEVE that in the circumstances prevailing in our country today, there is ample room for State enterprise to function alongside of Free Enterprise in the service of the people. Monopoly of any kind, whether State or private, is undesirable. Should any single organisation arrogate to itself the right to do everything, it would upset the delicate mechanism of a free and democratic social order. Under monopoly conditions, the consumer would be forced to buy only that which is offered to him; the worker would find himself gradually deprived of his right to choose his job, to demand higher wages, and to deny his labour; the investor and the entrepreneur would be denied the opportunity to promote the development of industries of their choice.

WE BELIEVE that despite our basic democratic character, there have of late been many dangerous trends. The latest example is the displacement of normal trade channels by the intrusion of State trading. This process can result in depriving the country's individual traders, large and small, of their livelihood, concentrating at the same time a dangerous amount of power and patronage in a few hands. We have to guard against such tendencies if our traditional way of life is not to be destroyed.

WE BELIEVE that Free Enterprise must have clean hands. We realise that within its fold, as in that of every system, there are black sheep, and it will be our constant endeavour to develop and foster healthy traditions within Free Enterprise. We also accept, without reservation, our obligations towards the community as embodied in regulation by a democratic government.

WE BELIEVE that Free Enterprise is your enterprise and contributes to your prosperity. It is the lifebreath of a free society. It is not a creed; it is a way of life which all who cherish freedom must safeguard.

The Forum of Free Enterprise is a non-political and non-partisan organisation. The Forum will disseminate authoritative information to educate public opinion. It will bring to public notice the achievements of Free Enterprise in this country and the manner in which it can make its contribution to the economic development of India in order to raise the standard of living.

We invite all those who believe in the values of voluntary enterprise, whether they be in service, profession, agriculture, trade or industry, to join us in developing the activities of the Forum.

FORUM OF FREE ENTERPRISE
Sohrab House, 235, Dr. Dadabhai Naoroji Road, Bombay 1.

SUGAR OUTPUT TOUCHES ALL-TIME PEAK

FINAL OFFICIAL ESTIMATE PLACES YIELD AT 1.85 MILLION TONS

THE first official forecast of sugar production in the current season—that is, 1955-56—was referred to in these columns two months ago (*vide* page 1008 of issue dated 26th May 1956). That forecast had placed the output at 1.70 million tons. This estimate has turned out to be a very conservative one in the light of subsequent developments. The final official forecast just available, however, puts the aggregate quantity of sugar actually produced during the season at as high as 1.85 million tons. This figure represents an increase of 9 per cent. over the first estimate and of 16.3 per cent. over the 1.59 million tons produced in the previous season (1954-55). Never in the history of the Indian sugar industry had white sugar output touched this level. The current sugar season can, therefore, justifiably be described as a landmark in the sugar industry.

The wide gap—of 150,000 tons—between the first and final forecasts of production as noted above may appear somewhat strange. But it is not without an explanation. It will be recalled that, when the first forecast was made, there were reports of heavy accumulations of cane stocks lying uncrushed in several parts of Uttar Pradesh. The cane growers raised a hue and cry and blamed the authorities for not having taken adequate steps for the crushing of surplus cane. As a sequel to the representations made by the growers, the U.P. Government issued a directive to all the sugar factories to make the cane-crushing season the longest, so that the largest quantity of cane could be crushed before the season was out. The Governments of some other States also persuaded the sugar mills to extend their crushing operations. Thanks to the U.P. Government's directive, the sugar production in the State now stands higher at 950,000 tons, as against 870,000 tons anticipated earlier.

The following comparative statement indicates the quantities of sugarcane crushed and sugar produced in the different States during the seasons 1954-55 and 1955-56:

(In thousand tons)

	Cane crushed		Sugar produced	
	1955-56	1954-55	1955-56	1954-55
Uttar Pradesh	9,610	9,347	950	903
Bihar	3,405	2,201	335	225
Bombay	1,905	1,486	208	174
Andhra	782	676	72	65
Madras	696	611	61	57
Hyderabad	620	425	63	47
Mysore	475	500	48	49
Madhya Bharat	305	111	29	11
Punjab	294	217	29	20
P.E.P.S.U.	147	104	12	9
Rajasthan	136	117	13	11
W. Bengal	98	86	10	9
Travancore-Cochin	87	50	8	5
Bhopal	70	45	6	4
Orissa	40	30	4	3
Ajmer	5	..	†	..
Saurashtra	2	..	‡	..
All-India	18,575*	16,012	1,848*	1,592

* Excludes one factory in Saurashtra and one experimental factory at Kanpur.

† 200 tons only. ‡ 100 tons only.

The marked improvement in sugar output during 1955-56 is the result of a substantial rise in the quantity of cane available to the factories. This, in turn, must be attributed to three factors. First, the sugarcane crop registered an increase, the aggregate yield during 1955-56, according to the final official estimate, being 57.75 million tons, as against the partially revised estimate of 56.92 million tons for 1954-55. Secondly, the prices of *gur* have continued to be low, the average for the year being Rs. 10-Rs. 11, same as in the previous season, as against Rs. 20-Rs. 22 during 1953-54. Consequently, the cultivators continued to prefer to sell a large part of their cane crop to the sugar mills, instead of converting it into *gur* themselves or selling it to professional *gur* producers. A third factor is the new price formula for sugarcane which has led to a more enduring arrangement than before for the supply of sugarcane between the cane-growers and the factories. The campaign carried on by officials amongst cane-growers that they should ensure a regular supply of cane to the factories in their area in order to ensure a steady bright future for themselves and that their fortunes were linked with those of the industry seems to have yielded satisfactory results.

Besides large supplies of cane, the improvement, albeit slight, in the quality of cane supplied to the mills also contributed, to some extent, to the expansion in sugar output. Indicative of this improvement is the rise in the recovery percentage of sugar, the all-India average for the season under review being 9.95, as against 9.93 a year before. The first official forecast had, however, placed the average recovery lower at 9.87 per cent. The improvement in recovery was reported mainly by Uttar Pradesh, Mysore and Rajasthan. But it suffered a setback in Bihar, Bombay and Madras.

The rise in sugar production during 1955-56 was shared by all the States, with the exception of Mysore. The rise was particularly marked in Bihar, being 100,000 tons. Uttar Pradesh accounted for an increase of 47,000 tons and Bombay for 34,000 tons.

During the season under review, 143 sugar factories—out of the 147 registered—are reported to have worked, as against 136 in the previous season. All those factories which were in operation in 1954-55 continued to work. In addition to these, Gaya factory in Bihar, Bijay factory in Ajmer and Bhavnagar factory in Saurashtra also worked. Four newly erected mills—two in P.E.P.S.U., one in Bombay and one in Madras—too, started production. The number of factories that actually worked during 1955-56 was 68 in U.P., 28 in Bihar, 15 in Bombay, 8 in Andhra, 4 each in Madras and Madhya Bharat, 3 in P.E.P.S.U., 2 each in Hyderabad, Mysore and Rajasthan, and one each in the Punjab, W. Bengal, Orissa, Travancore-Cochin, Bhopal, Ajmer and Saurashtra.

Thanks to the comfortable sugarcane supply position, the duration of the crushing season was longer than in 1954-55; the all-India average was 138 days, which compares favourably with 129 days. The rise in the duration was noticeable particularly in the State of Bihar, the estimate of the average number of days being placed at 138 during 1955-56, as against 94 a year before. The number of crushing days increased from 141 to 151 in Andhra also and from 139 to 141 in Bombay. In U.P., however, the duration was shorter by 50 days at 134 days. The number of sugar mills which worked for more than 150 days is put at 65, as against 36 in 1954-55, and the number working for more than 120 days was 99, as against 79.

The crushing operations continued in the case of 72 factories even during the month of May 1956 and afterwards, as against 53 factories in the same period last year. The frequency distribution of factories according to the estimated dates of close of crushing is shown in the table below:

	1955-56	1954-55
Till 15th February	2	3
16th-29th February	5	3
1st-7th March	3	2
8th-15th "	6	6
16th-23rd "	4	9
24th-31st "	6	10
1st-7th April	5	11
8th-15th "	13	13
16th-23rd "	6	16
23rd-30th "	20	10
1st-7th May	9	8
8th-15th "	20	11
16th-23rd "	8	6
24th 31st "	16	11
After 31st "	18	17
Total	141	136

As in the previous seasons, so also during 1955-56, Mysore accounted for the largest number of working days; it was 225 days, which was, of course, lower than 240 in the previous season. Next in order come the Punjab with 211 working days, the figure for 1954-55 being 203 days, and Madras with 189 days (219 days). The average number of working days with figures in brackets relating to the 1954-55 season for the other States is: Uttar Pradesh 134 (139); Bihar 138 (94); Bombay 140 (139); Andhra 151 (141); W. Bengal 145 (134); Orissa 136 (105); Hyderabad 143 (126); P.E.P.S.U. 95 (131); Madhya Bharat 131 (49); Rajasthan 126 (116); Travancore-Cochin 136 (96); Bhopal 90 (65).

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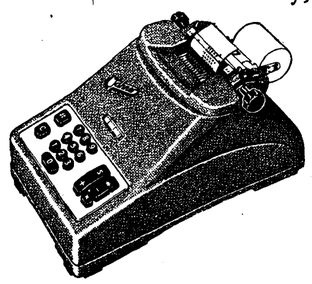

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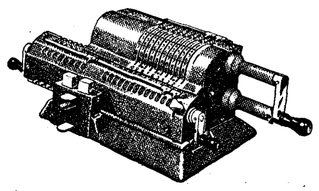

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E.C.E. DISCUSSES COAL PROBLEMS

LARGER IMPORTS FROM U. S. LIKELY

PROBLEMS relating to coal and coke markets in Europe were reviewed by Government delegates from most of the east and west European countries and from the U.S.A. at various meetings held recently in Geneva under the auspices of the United Nations Economic Commission for Europe (E.C.E.). Meetings were held of the E.C.E. Coal Trade Sub-Committee, Coal Classification Working Party and the Utilisation Working Party. They devoted particular attention to the difficulties experienced by a number of countries in regard to supplies of coke. The discussions were based on a report prepared by the Secretariat of the E.C.E. from information supplied by the various Governments and it was found that full development of iron and steel production in Europe was being impeded by shortage of coke. It is stated that some countries, particularly in Scandinavia, are also finding it difficult to obtain sufficient coke for domestic use during the next heating season. A number of proposals were put forward by experts gathered at the meeting to overcome these difficulties, but no conclusions were reached. These proposals will be studied further on international as well as national levels.

A study of the production, demand and trading prospects for the third quarter of the current year, submitted by the various European Governments, disclosed that the iron and steel industry's coke requirements would go up further, so that the already difficult situation will continue to be so. There is, however, a ray of hope, in that the availabilities of coke from Poland and the U.S.S.R. for domestic purposes are said to have considerably increased. This development will help bridge the gap between production and demand.

The demand for coal, too, is expected to show sharp increases in a number of countries during the current quarter. An important factor behind the expected increase in demand is the need for building up consumers' stocks which had run down very much in Continental countries during the cold spell in February last. As regards supplies, the major changes expected are seasonal declines in production in Belgium and the U.K. (where miners' paid holidays are taken during the summer months) and some increase in Western Germany (where paid holidays occur at scattered periods). Although exports of coal from Poland and the U.K. to Continental countries are expected to run at a level above that of the second quarter, they will not be sufficient to cover the gap between the European production and the demand, which is expected to widen. Consequently, imports from the U.S. are expected to come in at a higher rate than at present.

Classification of Coals

The representatives of the various Governments gathered at the E.C.E. coal meetings also studied the various aspects of the international classification of hard coals, brown coals and coke. They also agreed upon a description of the E.C.E.-approved international classification system for hard coals by type and this will be published by the E.C.E. shortly. After extensive laboratory investigations on a large number of coal samples from countries in all parts of the world, the experts decided to fix a dividing line between hard coals and brown coals at 5,700 Kcal/kg. (gross calorific value, moist, ash-free 30°c/96 per cent. humidity). The experts also formulated a draft proposal for an international classification system for brown coals and lignites which will be tried out in the various countries.

A special meeting of the experts on the utilisation of solid fuels discussed a preliminary report on the rational utilisation of European coal availabilities for carbonisation purposes. No decisions were, however, taken. Further discussions will be held on this report at a later session, with a view to making recommendations to Governments. The experts also discussed communications received from various Governments on low and medium temperature carbonisation, district heating and heat recording meters. Further information will be obtained on these subjects and possibly, at a later date, a special *ad hoc* meeting of experts will be convened to discuss specific problems connected with heat recording meters.



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STRONG DEMAND FOR QUALITY TEAS

PROSPECTS FOR CURRENT SEASON

THE performance of tea markets during the first five sales of new season's North Indian tea has been encouraging and augurs well for the rest of the current season. There has been a good demand for teas of all descriptions, excepting thin and plain liquoring kinds which have experienced even some withdrawals. Prices in both export sales and sales for internal consumption have recovered from the closing prices for the previous season. This recovery is particularly heartening in the case of best C.T.C. Assams and medium Assams and in auction for export last week, the best C.T.C. Assam B.P. jumped up by a rupee to Rs. 5 per lb. The demand for these varieties is rather keen. And this is only in conformity with the earlier expectations that the strong preference for better liquoring teas noted in the previous season would continue. It also underlines the need for realisation on the part of producers that clean plucking and careful manufacture are essential to any estate which is to prosper under modern market conditions.

The following table shows the trend of prices in Calcutta during the past few weeks:

	9-7-1956	2-7-1956	30-4-1956	4-7-1955
Export sale—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean B.P.	1 14 0 to 1 15 0	1 12 0 to 1 14 0	N.Q.	2 15 0 to 3 0 0
Plain B.P.	1 9 0	1 7 6 to 1 8 6	1 8 0	2 5 0
Medium Assam B.P.	2 4 0 to 2 6 0	2 4 0 to 2 6 0	1 10 0	2 7 6 to 2 8 0
Best C.T.C. Assam B.P.	4 0 0 to 5 0 0	3 8 0 to 4 0 0	N.Q.	2 14 0 to 2 15 0
Internal sale—	10-7-1956	3-7-1956	1-5-1956	5-7-1955
Medium Dooars dust	1 6 0 to 1 7 0	1 3 0	1 3 0 to 1 9 0	2 4 0 to 2 5 0
Medium Assam grainy dust.	1 12 0	1 12 0 to 1 13 0	1 9 6 to 1 10 6	2 7 0 to 2 8 0
Best Assam C.T.C. dust.	3 4 0 to 3 8 0	3 0 0	2 12 0 to 2 14 0	3 2 0 to 3 4 0

It will be noted from the above that the latest price of best C.T.C. Assam B.P. in the export sale is well above that fetched in the corresponding sale of the previous season. It has also crossed the previous season's best level of Rs. 3-4 to Rs. 3-6 per lb. seen in September-October 1955. The plain and thin liquoring teas are comparatively neglected and this clearly bears out the fact that a policy of quantity before quality in the matter of production can, as was pointed out by us in our issue of 30th June 1956, easily lead to disaster. This plain truth has further been emphasised by Messrs. F. W. Figgis & Co., Ltd., one of the leading tea brokers of Calcutta, in their annual review of the Northern Indian tea season 1955-56. They say: "There can be no doubt that it is in the vital interest of every producer to aim at the highest standard of which his garden is capable and we once again record our opinion that the adoption of any scheme for the destruction of the comparatively small percentage of residual tea manufactured by every garden could only result in material benefit to the industry as a whole."

So far as the current season's production is concerned, Messrs. Figgis and Co. see little reason to doubt the capacity of the industry to produce another record crop, particularly in view of the heavy cropping conditions brought about by early monsoon. The following are the crop particulars of the leading tea producing countries for the current season so far, as compared with those for the corresponding periods of the previous two seasons:

(In million lbs.)

Countries	Period	1956	1955	1954
North-east India	April-May	54.0	51.8	54.8
South India	Jan.-May	58.1	53.5	58.8
Pakistan	April-May	7.7	6.6	7.3
Ceylon	Jan.-May	175.5	188.1	175.8
Indonesia	Jan.-April	31.4	35.8	33.5
Total ..		321.7	329.8	330.2

It will be seen from the above table that, although the aggregate output of the principal producing countries is lower, the production of India and Pakistan is running at a higher rate. This is, no doubt, a bearish factor and the closing down of estates just to restrict the supply of tea in order to raise its price, will be a painful process. The only true antidote to the larger supplies, suggested by Messrs. Figgis and Co., is the conclusion of a new International Tea Agreement. They, however, add that the chances of an agreement being signed still seem remote, owing to "the preference of other producing countries to make tea while the sun shines, rather than to endeavour to create a sound basis for the future of world trading." India cannot be expected, under these conditions, to impose a restriction policy of its own. Messrs. Figgis and Co., however, express the hope that the wide gap in the past season's prices between good teas and poor teas and, in particular, the uneconomic rates received for stalky residue types will encourage producers in a quality rather than quantity plan and that common sense will impose its own brake on a runaway policy of overproduction."

Another step by which the effect of large production can be overcome is to raise internal consumption. As Messrs. Figgis and Co. have rightly pointed out, "the greatest insurance of the smaller producer must continue to be a healthy and expanding internal demand." It is estimated that consumption within India has risen over the past season and it is hoped that, with the implementation of the Tea Board's plans for tea centres in larger cities and a stepping up of propaganda generally, this will be further expanded. Herein lies one of the most vital essentials for future prosperity.

Thus, the two main factors on which the prospects for the current season depend are production and internal demand. There are other factors also which will influence the outlook. Referring to these, Messrs. Figgis and Co. observe:

"In the U.K., still by far India's largest customer and likely to remain so, there is a moderate stock position which should augur favourable conditions for buyers to operate on this market. Deliveries have been steady at a satisfactory rate over the past year and, though the enormous advances made by other beverages cannot but be viewed with concern, the trade in the U.K. is well alive to this danger and will undoubtedly do everything in its power to combat it. These same competitors are met on an even greater scale in America and Canada, but, here again, intensive propaganda is being employed, particularly with regard to the proper methods of preparing tea.

"Other countries show increases or decreases from year to year, but Indian tea appears to be holding its own in the majority, and rumours have been prevalent for some time that Russia may take as much as 20 million lbs. from the new season's production.

"Having considered the pictures of probable supply and demand, it is considered that a feeling of cautious optimism is justified. Nevertheless, the balance is extremely lightly poised, and any increases in an already high cost of production could have grave consequences."

In conclusion, Messrs. Figgis and Co. point out that it is well within the Government's power to afford some relief to the industry by modifying the present financial burdens it has now to bear. Any move in this direction, they add, will go far to restore a measure of confidence, now so badly lacking, and will assist in maintaining, if not improving, India's position vis-a-vis other producing countries in the tea markets of the world.

Mexico was the third largest coffee producer in the world, according to figures for 1955 released by the National Coffee Commission. Mexico's exports in 1955 aggregated 1,366,715 60-kilo bags valued at $1,328 million pesos. Coffee covered 14 per cent. of Mexico's total exports of $9,484 million pesos.

The United States is Mexico's principal coffee buyer. Last year it bought 1,198,952 bags—87.72 per cent. of Mexico's total coffee exports—and represents a 19 per cent. increase over 1954 sales. Germany was the second largest buyer of Mexican coffee with 101,610 bags. Other important purchases were made by Holland, Belgium, France, England, Canada, Italy, Sweden, Switzerland, and Syria. European purchases are increasing. While in 1951 Europe bought four per cent. of Mexico's export production, last year it purchased 11.8 per cent.

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JUTE GOODS IN JUNE

OUTPUT FALLS BUT STOCKS RISE

THE latest I.J.M.A. returns disclose that the output of jute goods during June 1956 as compared with that in the preceding month declined by 2,800 tons, that is, from 101,700 tons to 98,900 tons. This fall, which works out to 2.7 per cent., is less than a day's production of about 3,400 tons and is probably the result of June being shorter than May by a day. It is hard to say, in the absence of detailed information, to what extent the difficult trading conditions in jute goods were responsible for this drop in production. But, as readers are aware, the industry was greatly concerned over the accumulation of stocks and the poor margin of profit owing to high prices of raw jute. It was this concern that led to the I.J.M.A.'s decision last month, with the consent of the Government, of course, to reseal 2½ per cent. of the looms that had been unsealed in February last. As this cut in the working looms comes into force from the 16th inst., the output this month is expected to be lower at the rate of 2,800 tons per month from this week onwards. The effect of the reduction in looms is, however, unlikely to be felt to the fullest extent as July is a longer month and as the cut came into force fully after the first half of the month.

The table below shows the output of the three principal categories of jute goods during June 1956, as compared with that of each of the preceding two months and in June 1955:

Jute Goods Output

(In tons)

	June 1956	May 1956	April 1956	June 1955
Hessian	35,000	35,800	32,900	34,200
Sacking	57,300	59,600	55,000	47,900
Others	6,600	6,300	6,000	3,600
Total ..	98,900	101,700	93,900	85,700

It will be seen from the above table that the decline in output is shared by hessians and sackings, while others show a small increase. Thus, sackings have declined rather perceptibly from 59,600 tons to 57,300 tons and hessians slightly from 35,800 tons to 35,000 tons. The output of other varieties has, however, risen by 300 tons to 6,600 tons.

Output for Whole Year

With the output in June, figures for the whole season that has just ended, namely, 1955-56, are now complete. The season's output amounts to 1,094,945 tons, as compared with 1,043,400 tons in 1954-55 and 900,400 tons in 1953-54. In fact, the output has been the highest for any year since independence, as is evident from the table below:

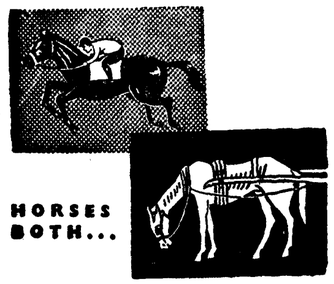
Year	Output of jute goods Tons
1947-48	1,074,700
1948-49	1,081,100
1949-50	857,500
1950-51	892,300
1951-52	982,900
1952-53	927,200
1953-54	900,400
1954-55	1,043,400
1955-56	1,094,945

Although the output has varied since 1949-50 from year to year, the general tendency of production has been upward, especially since 1953-54. This trend indicates that the industry has been able not only to consume more raw jute but also to despatch more goods. It further reflects that the demand for goods is active though not so active as to absorb the full extent of the additional goods produced, since stocks have continued to accumulate with mills. With vigorous efforts calculated to promote exports, including the drive for producing high-yielding quality jute, it should be possible for the industry to maintain the upward trend in output in the coming years.

The consumption of raw jute during the season 1955-56, based on production of jute goods, may be estimated at 6,350,681 bales, as against 5,863,000 bales in the preceding season.

Despite the fall in production as noted above, stocks of jute goods held by the I.J.M.A. mills at the end of June amounted to 125,900 tons, an increase of 5 per cent. over that at the end of the preceding month at 119,700 tons. In fact, the June-end stocks were the highest for any month since July 1953 when they stood at as high as 136,700 tons. Since the latter month stocks registered a steady decline and touched a low of 62,100 tons at the end of October last. But, at

(Continued on page 138)



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MOVE TO SET UP HEAVY MACHINERY PLANT IN PUBLIC SECTOR

RUSSIAN EXPERTS' ADVICE SOUGHT

IT was not so long ago that the intrepid and energetic dreamer, the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, went on record as saying that India would in the course of the next decade, emerge from the state of semi-developed economy into that of a highly industrialised country. While all will wish that this dream comes true, everyone will grant that such transformation is by no means easy to achieve. For one thing, an industrial economy is based essentially on machinery-manufacturing industry without which it is impossible to attain a really high degree of industrialisation. It is, therefore, gratifying to note that the Government of India has already set up a Heavy Industries Division in the Commerce and Industry Ministry, with a whole-time Minister, Mr. Manubhai Shah, in charge. In the next few years, this Division may well be expected to become a key section of the Government Secretariat, setting the pace for the country's industrialisation.

Realising that machinery manufacture is the basis of an enduring industrial edifice, the Planning Commission gave top priority to increased production of iron and steel, heavy chemicals, heavy engineering and machine building industries, followed by expansion of capacity in respect of other development commodities and producer goods such as aluminium, cement, chemical pulp, dyestuffs, fertilisers and essential drugs. Explaining the importance of heavy engineering industries, the Commission stated that these industries are a "natural corollary" of iron and steel works. It pointed out that "the high priority accorded to them arises both on this account and from the fact that they will provide within the country a wide range of industrial machinery and capital equipment" and that the creation of certain basic facilities such as the establishment of heavy foundries, forges and structural shops was "absolutely necessary." The targets set for heavy foundry-*cum*-forge shops (to be reached in 1960-61) are: steel foundry 15,000 tons, forging shops 12,000 tons and cast iron foundries 10,000 tons. The Plan has also provided Rs. 20 crores for manufacture of industrial machinery and machine tools. In addition to these schemes, a provision of Rs. 1.2 crores has been made for the expansion of the Government electric factory at Bangalore. Among other industries which fall in this group, mention may be made of the aero-engine project and the electronic and wireless equipment project.

The Government has taken the initiative in the direction of the establishment of heavy machinery industry by inviting a four-member Soviet team, headed by the Vice-Minister for Heavy Machine Building Industry, Mr. B. K. Prihodiko. The team is now in India examining the possibility of setting up a heavy machinery and equipment factory. The Government, it is stated, is contemplating the establishment of one or two big plants to manufacture heavy machinery. It is believed that the plant will be established in two stages. During the first stage, the factory would be developed within certain financial limits to fit in with the allocations that have been or may be made. The stage would be completed in the second Five-year Plan period. And during the second stage, it would be developed in terms of physical requirements for which the necessary financial provision would be made in the third Five-year Plan.

It has been further reported that the factory, which would need a capital expenditure of about Rs. 15 crores, would be so designed as to manufacture heavy machinery for basic chemical, cement, steel and sugar industries. But it is not clear whether the projects will not mean a certain duplication of effort, considering that some private agencies are already manufacturing many items of sugar and cement machinery and one of them has a big plan for stepping up its productive capacity. Perhaps, the Government will do well to consult the private sector before it finalises its arrangements on this project so that waste and unnecessary duplication of effort may be avoided.

Notwithstanding its decision to start heavy machinery industry on its own, the Government would appear to be more sympathetic to the claims of the private sector for the manufacture of a wide range of engineering goods. Again, no authoritative information is available on this subject. From Press reports, however, it would seem that the Licensing Committee of the Government of India has sanctioned a number of schemes for the manufacture of machinery and equipment. A Hyderabad firm has been granted a licence for the establishment of a new undertaking for the manufacture of 4,200 tons of steel forgings annually for automobiles, diesel engines, agricultural and general engineering industries. A Calcutta firm is expected to undertake the manufacture of 6,000 tons of steel structurals, including pipes and pressure vessels, per year while a firm in Madras is said to have received a licence for the manufacture of 2,000 tons of hot forged and hot pressed bolts and nuts per year. Other licences reported to have been granted to firms in different centres are: (1) A firm in Bombay—manufacture of 300,000 twist drills and 3,600 milling cutters per year; (2) a firm in Coimbatore—manufacture of automatic diesel engines of various sizes with a capacity of 600 per year; (3) a firm in Delhi—to increase the capacity for the manufacture of concrete mixers from 10 to 50 per month; (4) two firms in Calcutta—one to increase its capacity by 13,000 fans and V-belts per month and the other by 45,000 industrial V-belts and fan belts per month. It is needless to add that, when these licences are actually utilised, they will add to the production of engineering goods, capable of wide use and application to industry and agriculture.

Efforts are being made by the Government to sponsor official delegations to Europe in order to contact machinery manufacturers. Thus, an official delegation, led by Mr. Satish Chandra, Union Deputy Minister for Production, it is stated, will carry on negotiations with Messrs. Oerlikons of Switzerland. This Swiss firm, it may be recalled, had agreed in 1949 to act as technical consultants and collaborators in setting up the Government-sponsored Hindustan Machine Tool Factory, at Bangalore. Two chief executives of the Swiss firm were in India some time ago to discuss certain important matters in connection with their technical collaboration with the Government. It is expected that the Indian delegation will be able to complete these discussions at Zurich and settle the outstanding issues. To enable the Hindustan Machine Tools Factory to take up the production of new lines of machine tools, the delegation will also visit some other European countries. The delegation is expected to be in Europe for about four weeks. Mr. Satish Chandra's presence in Europe will be utilised for visits to various industrial concerns in the United Kingdom, Germany, France, Italy, Czechoslovakia, Austria and Belgium. He is also likely to visit a new fertiliser factory in Egypt on his way back to India.

BALL BEARINGS

Ball bearings, though tiny items of industrial machinery in themselves, constitute so essential a part of such machinery that it is obviously wrong to reduce their supply in the market through excessive restriction on imports. And yet, the dealers in these goods have recently complained that the Government's import regulations have caused considerable shortage of these goods. Their contention is that the import quotas are based on the assessment of the country's requirements made in the year 1950, whereas the demand for bearings has increased significantly since that year. They place the demand for ball bearings at 2.4 million pieces, made up of 1.2 million pieces upto 1", 0.7 million pieces between 1" and 2" and 0.5 million pieces over 2". As against this demand, the protected domestic industry, it is stated, is producing only about 0.8 million pieces annually; the gap has necessarily to be met by imports. Not only is the gap thus of the order of 1.6 million pieces but the domestic industry does not produce all the varieties of ball bearings needed by the consumers; it turns out about 113 different items, whereas the demand runs to nearly 3,000 items. It would further appear that the position has not improved even after the announcement of the slightly liberal import policy for the current half-year period. This is partly because the policy, based as it is on 1950 data, does not take fully into account the higher level of present demand and partly due to the ban on imports of certain items of ball bearings.

The dealers have, therefore, suggested that imports of ball-bearings should be further liberalised. In this connection, they point out that no good purpose is served by reserving licences for actual users inasmuch as such users seldom import their meagre requirements on their own; they prefer to buy from the market rather than allow production to be held up. Further, they urge that the domestic manufacturers must maintain a reserve stock for the items for which imports are restricted and that the latter should follow a sales policy that will induce the dealers to stock and sell their goods. The manufacturers, it is further point out, should provide technical assistance at all important industrial centres.

It is well to remember that ball bearings are an indispensable item of nearly all types of machinery, including a wide range of consumer durables such as cars, cycles, sewing machines and fans and that a slightly larger volume of imports of this class of goods will make no important difference to India's foreign exchange position. It is to be hoped that these considerations will prompt the authorities to adopt a more liberal import policy in respect of ball bearings, consistent with the need to offer sufficient protection to domestic producers.

The skill and ingenuity of Indian fishing boat-builders was highly praised in Rome, this week, when Mr. Paul B. Ziener, a Norwegian naval architect who has been working in India for the past 2½ years for the Food and Agriculture Organisation (F.A.O.), returned to the Organisation's headquarters. He said: "The boat-builders are of course, great craftsmen with traditions going back for centuries. This background might have made them conservative in dealing with design and construction problems associated with mechanisation, but I found they welcomed the new ideas and quickly overcame the technical problems." "The fishermen, too, show great adaptability," added Mr. Ziener. "Men who have never been in a mechanised boat are quick to learn and skilful." Mr. Ziener, who was born in Oslo, worked for many years in South America where he helped to develop modern fishing vessels in Brazil, Chile, and Peru. After serving as an instructor at the F.A.O. Latin American Fisheries Training Centre at Valparaiso, he was assigned by F.A.O. to India in 1953 as Fishery Naval Architect to the Government of India.

A process to improve the smoke point of kerosene has now been installed by the two-million-ton Burmah-Shell Refinery at Trombay. Built at a cost of Rs. 1 crore, the new plant, named after the famed Rumanian Chemist, Dr. L. Edeleanu, came "on stream" on 20th June 1956. Dr. Edeleanu originally established the principle that liquid sulphur dioxide has the power of extracting selectively the more aromatic compounds which are responsible for the bad illuminating properties of kerosene. This forms the basis of a modern Edeleanu plant which is a highly specialised and complex piece of machinery consisting of a maze of pipes and towers where the undesirable kerosene components are removed by a special extraction treatment with liquid sulphur dioxide. The Edeleanu process thus improves the smoke point and burning qualities and produces a high quality illuminating kerosene for the market.

A British motor-scooter setting a new fashion in design was recently shown in London for the first time and is going into immediate production. It is named after its designer, Vincent Piatti. The makers have spent nearly £250,000 equipping their factory, which they claim to be the most modern in the world for motor-scooter production. Fully enclosed in a one-piece, pressed steel body, the Piatti's single-cylinder, air-cooled 125-c.c. engine gives the scooter 140 m.p.g., with a cruising speed of 35 m.p.h. and a maximum speed of 45 m.p.h. It has a twist-grip gear-change, and the clutch needs to be used only to start in first gear. Another noteworthy feature of the Piatti is its ease of maintenance. Standard equipment includes spare wheel and tyre, a dual seat of foam latex, luggage-carrier, and toolbox.

Indian-owned tonnage as on the 30th June 1956 consisted of 126 vessels totalling 491,453 gross registered tons (g.r.t.), of which 38 vessels totalling 254,463 tons operate in the overseas trade, 70 vessels of 230,000 tons in the coastal trade and 18 small vessels totalling 7,000 tons in short coastal services. The overseas vessels include 27 vessels aggregating 188,000 tons operating in the India-U.K.-Continent trade and one or two vessels each in the trades with East Africa, Persian Gulf, Australia, Japan-Far East and Malaya-Singapore. Two ships operate as tramps. Less than 50,000 ton of the total Indian tonnage are over 20 years old.

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NEW PRODUCTS AND PROCESSES

Cathomycin

A NEW antibiotic, Cathomycin, is now entering world markets as another potent weapon for physicians and hospitals in controlling serious human diseases, including some which have become resistant to all present methods of treatment. Cathomycin (novobiocin), developed by scientists in the Merck Sharp and Dohme Research Laboratories, will be made available throughout the world as rapidly as supplies permit. The new antibiotic is particularly effective against a class of bacteria known as staphylococci which cause most skin infections and become a source of grave danger when they enter the blood stream.

The majority of staphylococci are resistant to most antibiotics in wide use today—and clinical trials in the United States and Canada have produced dramatic results in saving lives of patients from dreaded staphylococcal infections. Staphylococci are also frequently responsible for such conditions as abscesses, boils, carbuncles, the very serious bone disease, osteomyelitis, and frequently cause infections in cuts and following surgical operations. Among the systemic diseases which are often fatal are septicemia and endocarditis.

The extensive clinical investigations confirmed favourable laboratory studies reported by the Merck Sharp and Dohme scientists. In addition, clinicians have indicated that the unusually high blood levels developed by Cathomycin in the human body revealed an increased effectiveness against infecting organisms which could not be predicted from the laboratory studies. They also found the new drug effective against certain urinary tract infections. They reported that the new antibiotic is rapidly absorbed by the body following oral administration. Effective antibacterial levels are usually attained in the blood stream in one to two hours. Of further significance, the clinical studies revealed that Cathomycin has a high degree of safety when given in therapeutic doses.

New Outlet for Pine Gum

Two new chemical products of pine gum, developed by United States Department of Agriculture scientists, are now available for industrial use. One, maleopimaric acid, is the first industrial chemical to be made directly from pine gum. It is being used by the photographic industry and has applications in paper coatings, printing inks, and other products requiring a plasticizer, emulsifier, or resin. The other new pine-gum derivative is pinane hydroperoxide (PHP), a catalyst for cold rubber production, with applications also in the production of certain plastics.

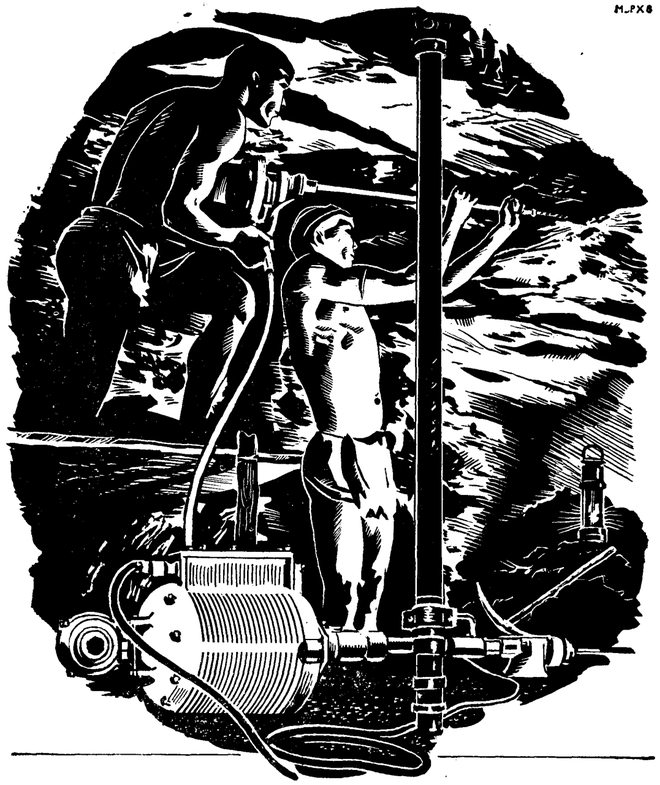
Although present output of these two chemicals is limited, their commercial availability represents a major advance in the naval stores industry. Eastman Kodak Company recently announced the addition of maleopimaric acid to their stock of organic chemicals and the American Cyanamid Company has indicated that it can supply experimental quantities of PHP. The new process for production of maleopimaric acid yields rosin of better-than-ordinary quality and turpentine as by-products. An advantage of the method is that conventional gum-processing equipment and operations can be adapted for recovery of the acid as an intermediate step in turpentine and rosin production. Continuous study of pine-gum products in the U.S. have brought research advances in gum naval stores production—including discovery in rosin of a new substance, palustric acid, which is helping to extend commercial uses of rosin, and esters of pinic acid from turpentine, suitable for use in plastics and also in lubricants to help jet-aircraft engines operate at sub-zero temperatures.

Machine for Airline Reservations

To handle airline reservations quickly and accurately let Univac do it. That is the idea with a busy carrier in Minneapolis; punch a few buttons and get the answer, on the button. The Northwest Orient Airlines has ordered a new electronic computing system to control passenger reservations automatically. Remington Rand makes it and the name is Univac Airlines Reservation System. It is an electronic reminder and checker that works by itself or in series with a number of units and can tell a clerk what is available on a flight at a glance. It works somewhat like an adding—or subtracting machine that keeps score in its own innards, with an electronic memory, just like its parent machines, the big Univacs that whizz through a mass of calculations in seconds, and flash off the answers. Instead of figures, it handles reservations and flights, which are expressed in terms of figures anyway. When the clerk wants to know, he punches the proper buttons and Univac tells him.

The Northwest Airlines plans to set up the equipment at first in its new headquarters operational base in Minneapolis. It will serve the entire N.W.A. system. At the start, the "agent" sets—which can be linked to the master unit by an ordinary wire—will be used only in the Minneapolis-St. Paul area. That is the busiest loading area for N.W.A.

The Univac system does not eliminate the human agent. Somebody has to talk to the customer and Univac is not ready for that yet. It gives the reservation personnel the information that is needed, quickly and accurately. Remington Rand reports that the accuracy of the new system is "virtually absolute" and fast. Although Univac for reservations was developed for that particular purpose, it is a computing device readily adaptable for other airline uses.



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TRENDS IN BRITISH INSURANCE

PREMIUM INCOMES RISE BY £75 MILLION

THE calendar year 1955 was one of notable progress for the insurance companies in Britain. For the year witnessed a substantial improvement in the premium incomes, which aggregated as much as £1,098 million, as against £1,023 million in 1954, representing a rise of £75 million or more than 7 per cent. The improvement was shared by all classes of insurance —fire, accident, marine, ordinary life and industrial life. It was particularly marked in the case of premiums in the accident and fire departments, the rise being £30.63 million and £10.53 million, respectively. In fact, these premiums rose more rapidly during 1955 than in any other year since 1952, according to Mr. J. A. Pollen, Chairman of the British Insurance Association. Even in the marine department, the premiums recorded a rise—of £2.41 million—in distinct contrast to the continuously downward trend of the last three years. The three non-life branches together thus accounted for an increase of £43.57 million in premiums over the year 1955. The ordinary and industrial life companies also showed a satisfactory expansion in business.

The net premiums written by the member-companies of the British Insurance Association during 1955, as compared with those written in the previous year, are indicated below:

	(In thousand £'s) 1955	1954
General		
Fire	224,287	213,758
Accident	338,524	307,898
Marine	61,450	59,041
Life		
Ordinary	335,681	310,582
Industrial	138,394	131,313
£	1,098,336	1,023,813

The rise of £6.58 million in the "industrial life" premiums during 1955, as noted above, is attributed to two factors. First, in the industrial field, the remarkable activity of the post-war years was maintained and new production records were established. Secondly, inflationary pressures which had somewhat been checked in 1953 rose once again during 1955.

The following statement compares the position of British insurance companies' investments during 1955 with that in 1954 and 1947:

(In thousand £'s)

	1955		1954		1947	
	£	%	£	%	£	%
Mortgages ..	531,888	12.0	450,143	10.9	157,724	6.2
British Government and British Government guaranteed securities ..	1,242,614	28.0	1,269,447	30.6	1,008,702	39.2
Commonwealth Government, Provincial and Municipal stocks	192,017	4.3	188,679	4.5	110,950	4.3
Foreign Government, Provincial and Municipal stocks ..	226,672	5.1	227,442	5.5	135,604	5.3
Debentures, Loan stocks, preference and guaranteed stocks and shares ..	988,744	21.2	852,130	20.6	521,207	20.4
Ordinary ..	679,854	15.4	584,029	14.1	271,921	10.6
Real property and ground rents ..	257,448	5.1	294,598	7.8	148,749	5.8
Other investments ..	260,579	5.9	249,493	6.0	211,184	8.2
Total ..	4,429,756	100.0	4,146,061	100.0	2,560,991	100.0

The above table is compiled from figures given by the members of the British Insurance Association with head offices in the United Kingdom.
The table applies to invested assets only: current assets are omitted.

The returns relating to investment of insurance companies for 1955 show a continuation of the post-war trends of a sharp increase in the total of mortgage loans and a further expansion in the holdings of fixed interest securities, as well as of ordinary stocks and shares. The proportion of funds invested in British Government securities, it will be recalled, had been on the decline since 1947, a movement paralleled in the inter-war years 1927-37. During the Second World War, as in the first, the insurance companies devoted practically the whole of their new money to the financing of the war through subscription to Government stocks. After the war, the companies devoted themselves rather to the financing of industries—in the form of either fixed interest securities or ordinary shares —and simultaneously assisted in the provision of homes through loans on mortgages to private individuals.

A striking feature of development in British insurance lately is the extensive use made of long-term agreements between insurers and policyholders. The effect of such agreements is merely to bind the insured company to continue its insurances with certain insurers for a period of three or more years; the agreements can be renewed from time to time. In return for this undertaking, the insured company receives a discount off the rates which otherwise will be charged, so that, by entering into such agreements, a definite saving—usually of the order of 5 per cent.—is achieved. These agreements were first used for fire insurance policies and have been applied to both fire and profits insurances for many years. They are now being commonly employed in connection with other types of insurance. Discussing the advantages of such agreements, the Insurance Correspondent of the *Financial Times* has made the following observations:

"Obviously, these agreements have advantages for the insurers, who virtually secure the business for their account for the period of the agreement. Although a discount is granted, a certain amount of work may be saved to the insurers. The cost of putting business on to their books, undertaking surveys and inspections and issuing policies is not inconsiderable, and the certainty of retaining the business for a definite period allows these costs to be spread over the years.

"The fact that the long-term agreement is completed does not alter in any way the arrangement for premium payment. The premium remains on an annual basis, and renewal notices are issued in the ordinary way. In these days, when insurances of large companies are completed by collective policies, the usual forms of collective renewal notice and receipt are issued annually, and the annual premium less the agreed discount has to be paid for the insurance."

Whether or not long-term agreements are entered into, an insurance company will be well advised, as the Correspondent points out, to leave its insurances with the same insurers over a period of years. Indeed, this is a sure way of building up goodwill which will prove to be invaluable wherever there is a border-line claim or other issue. After all, it must be recognised that continuity in insurance arrangements, as with any other business, has its advantages. Once this fact is recognised, the desirability of entering into long-term agreements and thus achieving some saving of premium will no doubt become apparent.

INDIAN MERCANTILE INSURANCE

The 12 months ended 31st December 1955 has proved to be another year of successful working for the Indian Mercantile Insurance Company, Ltd. (General Manager: Mr. R. M. Desai, Bombay). The aggregate net premium income of the general insurance business, which had gone up from Rs. 20.29 lakhs to Rs. 22.19 lakhs in 1954, has recorded a further increase to Rs. 25.94 lakhs in the year under review. The year, which was the last one for life insurance business in India under private management, was also favourable for the Company's life department, as seen from the report of the Custodian. The new life business for the year aggregates Rs. 116.92 lakhs covering 3,326 policies, as against Rs. 105.17 lakhs on 2,983 policies. The distribution to shareholders has been maintained at Rs. 3 per share of Rs. 20 paid-up, to which level it had been stepped up last year from Rs. 2-12 per share.

The following comparative table gives an analysis of the Company's general insurance business for the past four years:

(In lakhs of rupees)

	For the year ended 31st December 1955	1954	1953	1952
Fire—				
Net premium	13.70	12.10	10.78	10.69
Claims	3.81	4.25	5.18	4.03
Commission and expenses of management	5.63	5.18	4.81	5.02
Reserves	8.85	8.05	7.30	7.34
Profit	3.50	2.13	0.87	2.72
Miscellaneous—				
Net premium	8.60	6.36	5.82	6.08
Claims	3.50	2.94	2.01	3.16
Commission and expenses of management	3.75	2.52	2.43	2.61
Reserves	4.30	3.18	2.91	3.04
Profit	0.20	0.67	0.65	0.41
Marine—				
Net premium	3.64	3.73	3.70	2.88
Claims	2.10	2.25	1.62	1.46
Commission and expenses of management	1.04	0.76	0.99	0.71
Reserves	3.64	3.73	3.70	2.88
Profit	0.04	0.75	0.32	0.25

As will be seen from the above table, the fire department continues to be the mainstay of the general insurance business of the Company, the premium income of which exceeding the aggregate premium incomes of the other two departments.

The underwriting profits of the three departments, together with income from interest and other sources, amount to Rs. 5.83 lakhs. After providing for expenses of management (not applicable to any particular fund or account), bad and doubtful debts and other expenses, there is a profit of Rs. 5.11 lakhs, as against Rs. 4.46 lakhs for the previous year. With the surplus of Rs 2.88 lakhs brought in from 1954 and the profit transferred from shareholders' life profit account, the amount available for disposal is Rs. 8.68 lakhs. Out of this, the provision for taxation in respect of 1953 absorbs Rs. 90,247. A sum of Rs. 50,000 (same as in the previous year) has been transferred to the dividend equalisation reserve, Rs. 1.50 lakhs (Rs 1.14 lakhs) to the general reserve and Rs. 30,000 for bonus to staff. The dividend absorbs Rs. 1.27 lakhs leaving Rs. 4.21 lakhs (subject to taxation for 1954 and 1955) to be carried forward.

The Company's financial position is quite satisfactory. The paid-up capital of Rs. 8.46 lakhs is supplemented by reserves and funds aggregating Rs. 36.68 lakhs, including capital premium reserve amounting to Rs. 8.46 lakhs. Since the close of the year, the entire sum standing to the credit of the capital premium reserve has been capitalised and applied towards reducing the uncalled liability to the extent of Rs. 20 per share on 42,306 shares of Rs. 100 each, of which only Rs. 20 had been paid-up before. The capital, thus, stands doubled to Rs. 16.92 lakhs.

During the year under review the life business of the Central India Insurance Company, Ltd., was taken over by the Indian Mercantile. Accordingly, the life funds of the latter as at the close of the year include those of the Central India also. The number of policies in force at the close of the year, including those transferred from the Central India, was 19 497 assuring a sum of Rs. 548.55 lakhs (Rs. 482.14 lakhs), of which Rs. 64.12 lakhs are reinsured. Claims were, however, lower at Rs. 6 10 lakhs, as against Rs. 6.62 lakhs. The renewal expense ratio was 13.1 per cent., having gone up from 12.8 per cent. for 1954.

BRITISH INDIA GENERAL'S GOOD PROGRESS

The results of working of the general department of the British India General Insurance Company, Ltd. (General Manager: Mr. M. S. Dastur, Bombay), during the year ended 31st December 1955 are encouraging, inasmuch as the aggregate net premium income has recorded an increase of Rs. 6.66 lakhs over that for the previous year. This rise compares favourably with that of Rs. 3.43 lakhs noted in 1954. Though, as in the previous year, the increase in premium income has been shared by all the three departments, namely, fire, marine, and accident and general, a substantial part of it is accounted for by the last named department. The life business of the Company, which has since the close of the year been taken over by the Government of India and a separate report on which has been appended by the Custodian (Mr. K. A. Pandit), shows a slight setback during the year. The number of proposals received was 3,259 for an aggregate sum of Rs. 108.53 lakhs, as compared with 3,425 proposals for Rs. 117.23 lakhs in 1954. The number of proposals resulting in policies was 2,817 for Rs. 95.02 lakhs, as against 2,832 policies for Rs. 97.82 lakhs in the previous year.

The net premium income of the fire business rose from Rs. 33.56 lakhs to Rs. 34.11 lakhs and the net losses paid and outstanding from Rs. 10.60 lakhs (31.59 per cent. of the premium income) to Rs. 10.80 lakhs (31.66 per cent.). The transfer to reserve for unexpired risks has been maintained at 40 per cent., while additional reserve has been slightly raised from Rs. 4.19 lakhs to Rs. 4.26 lakhs, leaving a balance of Rs. 4.15 lakhs to be transferred to the profit and loss account.

In the marine section, the net premium income aggregates Rs. 7.13 lakhs, which compares favourably with Rs. 6.87 lakhs in 1954. The expansion in business was accompanied by an increase in claims also, from Rs. 3.90 lakhs (56.74 per cent. of the net premium) to Rs. 4.61 lakhs (64.70 per cent.). The reserve for unexpired risks has been credited with 40 per cent. of the net premium, besides which the entire balance of *Rs. 4.59 lakhs (as against* Rs. 4.46 lakhs) has been credited as additional reserve.

The accident and general department yielded a net premium income of Rs. 26.73 lakhs, a marked increase of Rs. 5.85 lakhs over that for 1954. Claims paid and outstanding went up from Rs. 8.57 lakhs to Rs. 9.70 lakhs, but, in view of the sharper rise in premium income, the percentage of claims to premium has declined from 41.05 per cent. to 36.28 per cent. After setting aside 40 per cent. of the net premium as reserve for unexpired risks and Rs. 4.01 lakhs (Rs. 2.92 lakhs) as additional reserve, there is a profit of Rs. 0.78 lakh (Rs. 0.89 lakh).

The underwriting profit of the Company's general insurance business, together with income from interest and dividends (Rs. 1.84 lakhs), as well as other sources, amounted to Rs. 6.86 lakhs, as compared with Rs. 6.58 lakhs for the previous year. After setting aside Rs. 2.45 lakhs as provision for taxation and expenses not relating to any particular account and excess expenditure transferred to life assurance closed account, there was a balance of Rs. 3.86 lakhs, as against Rs. 3.91 lakhs. Out of this, a sum of Rs. 25,000 has been transferred to reserve for bad and doubtful debts, Rs. 50,000 to general reserve, Rs. 25,000 for dividend equalisation reserve, Rs. 37,500 for contingencies reserve and Rs. 30,000 for gratuity reserve. The dividend is maintained at Re. 1-2 per share, or 11½ per cent. per annum, free of income-tax, to which level it had been raised last year from 10 per cent. per annum.

The financial position of the Company as at the close of the year stands as follows:

	Rs.
Paid-up capital	20,00,000
Fire funds	17,90,744
Marine funds	7,44,300
Accident and miscellaneous funds	14,70,153
Reserves	16,22,209
Profit and loss account surplus ...	76,387
Total .. Rs.	77,03,793

The Custodian's report on the life business of the Company shows that the net premium income for the year was Rs. 13.47 lakhs (as against Rs. 12.24 lakhs), while net claims paid and outstanding aggregated Rs. 71,457 (Rs. 42,462). The total business in force as at the end of the year was Rs. 290.60 lakhs and annuities Rs. 4,955, out of which business amounting to Rs. 38.43 lakhs have been reinsured. The life assurance fund, as at the close of the year, stands at Rs. 33.54 lakhs, an increase of Rs. 8.62 lakhs over the year.

BOMBAY FIRE AND GENERAL

A slight setback in the earnings of the Bombay Fire and General Insurance Company, Ltd., (Managing Director: Mr. Framroze S. Mehta, Bombay) is disclosed by the audited accounts for the year ended 31st December 1955. The aggregate net premium income for the year was Rs. 12.37 lakhs, as compared with Rs. 13.22 lakhs for the previous year, the decline having been shared by all the three departments, namely, fire, marine and accident. The underwriting profits of all the departments amounted to Rs. 2.32 lakhs only, having dropped from Rs. 2.54 lakhs for 1954.

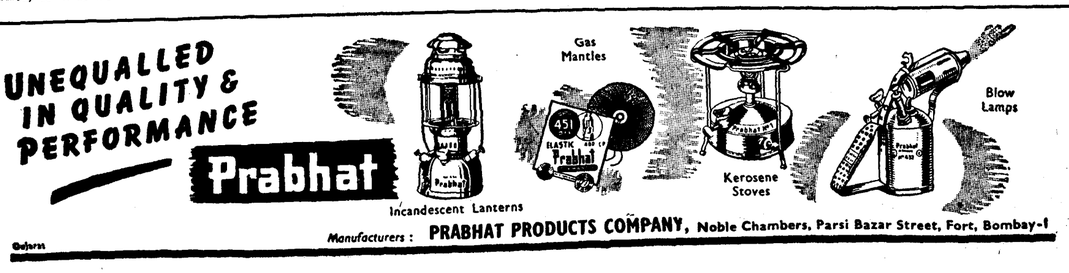
The fire premium has gone down for the second year in succession from Rs. 9.22 lakhs in 1953 to Rs. 8.81 lakhs in 1954 and to Rs. 8.38 lakhs in the year under review. Claims losses have, on the other hand, been slightly favourable at Rs. 1.68 lakhs (20 per cent. of the premium), as against Rs. 1.83 lakhs (20.8 per cent.) in the preceding year. Commission and expenses of management have been very nearly maintained at the previous year's level, namely, Rs. 4.63 lakhs, but, in terms of the premium income, they show a rise from 52.7 per cent. to 55.2 per cent.

The premium income of the marine department also has come down from Rs. 2.57 lakhs to Rs. 2.16 lakhs. Claims amounting to Rs. 1.25 lakhs represent 57.9 per cent., having risen from 49 per cent. a year ago. Expenses of management and commission have gone up from Rs. 0.98 lakh (33 per cent.) to Rs. 1.13 lakhs (52.5 per cent.).

The decline in the premium income of the accident department is negligible, the actual income being Rs. 1.83 lakhs, as against Rs. 1.85 lakhs. Claims losses have gone up from Rs. 0.69 lakh (37.4 per cent.) to Rs. 0.72 lakh (39.4 per cent.). Commission and expenses of management have, however, shrunk from Rs. 0.96 lakh (51.8 per cent.) to Rs. 0.94 lakh (51.3 per cent.).

The profits transferred from the three departments, together with interest and other income, amount to Rs. 2.83 lakhs. After bringing in the surplus of Rs. 4.08 lakhs from the previous year, the Directors have set aside Rs. 1 lakh for taxation (as against Rs. 75,000 a year ago) and Rs. 1.50 lakhs (as compared with Rs. 50,000) for general contingencies fund. They have also maintained the dividend at 7½ per cent. per annum which absorbs Rs. 31,467, leaving to be carried forward Rs. 4.10 lakhs.

The total funds and reserves and surplus as at the end of the year amount to Rs. 17.35 lakhs, as against a paid-up capital of Rs. 4.20 lakhs. Estimated liability in respect of outstanding claims is Rs. 3.72 lakhs. The Company's investments in India aggregate Rs. 13.64 lakhs, the market value of the same being Rs. 13.79 lakhs.



ORISSA CEMENT LIMITED

(A National Enterprise under the Patronage of the Government of Orissa)

Registered Office and Head Office: **P. O. Rajgangpur, Dist. SUNDERGARH.**

(This is an announcement to the members and not a prospectus and neither an invitation to the public or any section of the public for subscription of shares.)

AUTHORISED CAPITAL: Rs. 5,00,00,000, divided as follows:—

	Rs.
1,00,000 shares of Rs. 100 each (50,000 of this termed Preference Shares)	1,00,00,000
40,00,000 shares of Rs. 10 each (10,00,000 shares termed Ordinary shares)	4,00,00,000

ISSUED CAPITAL: Rs. 1,50,00,000, divided as follows:—

50,000 4½ per cent. Cumulative free of Income-tax Preference shares of Rs. 100 each	50,00,000
10,00,000 Ordinary shares of Rs. 10 each	1,00,00,000

SUBSCRIBED, CALLED AND PAID-UP CAPITAL: Rs. 1,07,86,500, divided as follows:—

40,000 4½ per cent. Cumulative free of Income-tax Preference shares of Rs. 100 each	40,00,000
6,78,650 Ordinary shares of Rs. 10 each Fully Paid up	67,86,500

DIRECTORS

(1) SHRI JAIDAYAL DALMIA (*Chairman*).

(2) SHRI KAMALNAYAN BAJAJ.

(3) DR. S. T. MERANI (*Nominee of Government of Orissa*).

(4) SHRI KARTAR SINGH (*Nominee of Government of Orissa*).

(5) SHRI MOHANLAL GOENKA.

(6) SHRI VISHNU HARI DALMIA.

(7) SHRI NIHAR CHANDRA ROY (*Technical Director*).

MANAGING AGENTS

MESSRS. DALMIA AGENCIES PRIVATE LIMITED.

AUDITORS

MESSRS. V. SANKAR AIYAR & CO., Chartered Accountants.

BANKERS

NATIONAL BANK OF INDIA LIMITED.

The Company had issued 10,00,000 Ordinary shares of Rs. 10 each in the beginning, out of which *6,78,650 shares were subscribed.* At that time as more subscription was not felt very necessary, no efforts were made for getting further Capital subscribed. Now fresh consent from the Controller of Capital Issues has been obtained to get subscribed the balance issued and unsubscribed 3,21,350 Ordinary shares of Rs. 10 each at par, a complete copy of which is open to public inspection at the Head Office of the Company at Rajgangpur. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING CONSENT THE GOVERNMENT OF INDIA DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THIS.

The Company's Cement Works at Rajgangpur has a daily production capacity of 500 tons. The Cement Works is under extension by a further daily capacity of 600 tons, which is likely to go into production by the end of this year. Besides, the Company has also undertaken putting up of a modern refractory works of an annual capacity of 80,000 tons of firebricks of various kinds including basic bricks in collaboration with German experts for technical advice on royalty basis, the construction of which has sufficiently advanced. The refractory works at Rajgangpur is also expected to go into production before the middle of the year 1957. Further, the Company has also sponsored jointly with Messrs. Dalmia Cement (Bharat) Ltd. an iron and steel foundry in Calcutta under a separate company—Dalmia Iron and Steel Ltd. (with Registered Office at Rajgangpur in Orissa) by subscribing to its capital, which in collaboration with Belgium experts, will manufacture special heat-resisting and wear-resisting machinery parts for the cement industry.

The Industrial Finance Corporation of India has sanctioned a loan to the Company to the tune of Rupees One Crore for the above referred schemes of cement factory expansion and refractory works undertaken by the Company. The further expenses for capital cost and working capital will be met out of the Company's savings made during the last years and out of the present proposed subscription.

The Government of Orissa at the time of flotation of the Company, besides subscribing to the Preference share capital of the Company to the tune of Rs. 40 lakhs, had advanced a sum of Rs. 50 lakhs to the Company free of interest for purchase of 4 lakh tons of cement out of which Rs. 44,35,227-8 have been paid back and/or adjusted by the end of *June 1956 at the rate of Rs. 12-8 per ton of* cement supplied out of the contracted quantity. The balance amount is expected to be cleared very shortly.

The Company had contracted with the Government of Orissa to supply 4 lakh tons of cement as stated above for the Hirakud Dam Project at Rs. 7 per ton less over the contracted rates of the Indian Stores Department of the Government of India. Out of this 3,54,818 tons 4 cwts. have been supplied by the end of June 1956 and the balance quantity would be completed shortly. After that, this special rebate of Rs. 7 per ton would be further saving to the Company.

The Company's results for the first four years' working are given in the table at the bottom. The figures for the year 1955 are subject to audit. The Managing Agents propose to suggest to the Board of Directors to recommend 12½ per cent dividend on Ordinary shares for the accounting year 1955.

The present issue in the first instance is being offered to the existing registered Ordinary Shareholders whose names appear in the Register of Members at the close of Share Transfer Register on 3rd September 1956, at par in the ratio of one share for each two shares held. The present issue number of shares falls short by 17,975 shares if all the shareholders exercise their option to take right shares fully. In such event, the Managing Agents and their Directors and members have agreed to reduce their allotment to the extent as may be necessary to meet the requirement of other shareholders. The time limit for exercising the option to take right shares is upto 31st October 1956. The Letters of Right to be issued to the shareholder are renounceable in favour of any person and the shareholders can get them split up from the Registered Office of the Company to any denomination free of charge. If splitted Letters of Right are required by registered post, the applicant should remit eight annas to cover registration postage charges. Any shareholder, holding big lot of shares in the Company, if desirous to have the Letters of Right splitted from the very beginning, he should write as such to the Company in advance, stating the denomination of each splitted Letter of Right. The shareholders have also the option to apply for extra shares over their right quota but the allotment of such extra shares within the proposed issue would depend on the availability thereof after satisfaction of the application of Right Shares and will be at the absolute discretion of the Directors.

The shareholders who do not receive the circular dated 14th July 1956 in this respect later by 21st July 1956, are requested to refer the matter to the Registered Office of the Company stating their correct address, so that they receive another copy of the circular and the respective Letters of Right properly in time.

The Share Transfer Register shall remain closed from 3rd to 29th September 1956, both days inclusive.

The Letters of Right are expected to be posted on or near about 17th September 1956 under certificate of posting by ordinary post.

Trend of Results

Year	Gross block at cost	Cement production	Gross profits earned before providing depreciation and Managing Agents' commission	Depreciation provided	Dividend on Ordinary shares
	Rs.	Tons	Rs.	Rs.	Per cent.
1952	1,67,77,676	1,32,711	24,93,933	63,87,124	....
1953	1,72,86,319	1,31,273	30,43,423	27,39,259	....
1954	1,75,23,216	2,02,723	59,97,485	21,04,179	7½
1955	1,83,18,049	1,90,033	59,60,680	9,77,629	....

INTERNATIONAL FLOW OF PRIVATE CAPITAL IN RECENT YEARS

U.N. STUDY SHOWS NO STRIKING IMPROVEMENT

THE net export of private long-term capital by United States and United Kingdom residents is estimated to have averaged about $2.3 billion annually during the past several years, according to a report on recent international private capital movements released by the United Nations. The net export of such capital from other countries would raise the total to "well above this figure", which includes the reinvested profits of foreign business enterprises. The report, entitled *The International Flow of Private Capital, 1953-1955*, points out that recent private capital exports, when adjusted for the post-war rise in prices, remain well below the volume of the 1920's and have lagged far behind the expansion in international trade, world industrial production and domestic investment. The low level of private investment is accounted for by the drop in foreign portfolio investments*; there is no doubt, the study points out, that the annual post-war growth of direct investments controlled by foreign business enterprises has been larger than during the 1920's.

The study, prepared by the U.N. Bureau of Economic Affairs, supplies information on the international movement of private capital during the last few years and for comparative purposes, contains certain data on the export of public capital. It presents also a survey of recent trends in the "climate" for international investment, covering Governmental measures and policies affecting the flow of private capital in both under-developed and developed countries. The Economic and Social Council will consider the study when it debates the question of financing of economic development at its twenty-second session now being held in Geneva.

With certain exceptions, there has been, according to the Study, a general trend in underdeveloped areas during the past several years towards measures aimed at encouraging private investment from abroad. New policy developments in the major capital exporting countries have been less striking, but, in several European countries, rising levels of savings and the improved payments position have led to relaxation of restriction on capital exports.

Investment Decisions

"It is not to be expected, however, that the action taken will exert a strong influence on the total volume of investment in the short run," the Report states. "Many of the measures and policies adopted in capital importing countries leave considerable room for administrative flexibility. Investment decisions usually depend on long-range calculations, and continuity of governmental policies affecting such investments is accordingly important; the full impact of changed policies is not likely to be felt for some time." Furthermore, the measures taken are concerned primarily with investments by foreign business enterprises; "the scope for specific Governmental measures to stimulate private foreign portfolio investment, especially in Government bonds, is fairly limited."

In the less developed countries, particularly, the function formerly performed by foreign private portfolio investment has been taken over to a large extent by public capital in the form of loans and grants channelled through national agencies or loans by the International Bank for Reconstruction and Development. The study points out, however, that, in the present conditions, the borderline between public and private capital is not always clear-cut and several types of association between the two involving varying degrees of risk on the part of the private lender have emerged. Bonds floated in the private capital market of a few lending countries now cover a substantial portion of the loan commitments of the International Bank. The International Bank and the United States Export-Import Bank have also increasingly obtained the participation of private financial institutions, particularly commercial banks, in their lending operations.

During the early post-war years, the volume of private capital exports tended to increase. Since about 1952, however, there has been hardly any clear trend in the outflow from the United States and the United Kingdom, which are the major sources of funds. Private long-term capital exported by the United States in 1964 was over $1,600 million, including reinvested earnings of oversea subsidiaries, while, in the United Kingdom, the net outflow is estimated at some £200 million ($560 million), the highest level for some years.

In 1955, private capital exports from the United States, according to preliminary data, remained at about the 1954 level. The volume of direct investments remained substantially unchanged, while a decline in new foreign security issues was apparently offset by a rise in medium-term lending abroad by commercial banks. In the United Kingdom, a fairly sharp decline in long-term capital outflow occurred in 1955; heightened domestic demand for funds and rising interest rates in the United Kingdom, says the Survey, apparently contributed to this result.

The United States has accounted for well over half of the world's private capital exports in recent years, with Canada the principal recipient. Considerable sums have also been absorbed by Latin America, western Europe, the Middle East—where investment has been chiefly in petroleum extraction—and by Africa for mineral development. United Kingdom private capital exports have gone principally to the sterling area. The private capital movements of continental European countries, the Survey finds, follow a complex and variable pattern. However, a substantial portion of the outflow from this area has gone to the dependent territories of the countries concerned. In addition to the United States and the United Kingdom, the report also contains estimates of capital exports from Switzerland, Belgium, western Germany, France and the Netherlands.

Importance to Economy of Host Nations

In a number of countries, the rapid post-war growth of foreign business investments has reached a level which accounts for an "important share of total output, employment and gross capital formation." This applies particularly to Canada, Venezuela, the oil producing countries of the Middle East and several countries in Latin America and Africa that have attracted sizable investments in mining. The major part of the capital for the post-war expansion of manufacturing that has occurred in a number of less developed countries has been supplied locally, but, recently, the report states this branch of activity, particularly in Latin America, has drawn increasingly on foreign capital and enterprise.

"Foreign enterprises have been particularly active in less developed countries in manufacturing ventures requiring advanced technology in such fields as chemicals and pharmaceuticals, various types of consumer goods and, in a few countries, components of motor vehicles, electrical machinery, and similar products. In a number of cases, the foreign business enterprise has supplied a minor portion of the capital together with essential assistance in the form of patents, information on complex production processes and skilled personnel."

The quantitative importance of foreign investments in the economy of the capital importing country, the Study asserts, is naturally not a full indication of their economic significance. "Foreign enterprises have contributed to increases in productivity through the transfer of modern technology, the training of local labour, the development of managerial techniques and the stimulation of local ancillary industries. They have also served to an increasing extent to mobilise domestic savings for joint investment with foreign capital in productive ventures."

Liberalisation of Governmental Measures

The past several years have seen a substantial increase of governmental action concerned with the international flow of private capital, it is stated. Most of the measures taken have been designed to reduce specific obstacles to the inflow or outflow of capital resulting from previous governmental action or to provide special incentives to private investors. In a number of countries the scope for new investments, particularly in the production of petroleum and other minerals, has been widened by such action. A few countries, however, have expanded the area reserved for public investment and accordingly reduced the potential scope of private foreign enterprise.

The Study notes a trend in many capital importing countries toward a more liberal policy as regards the regulation of entry and operations of foreign-owned enterprises and an easing of restriction on the transfer of income and the repatriation of capital of foreign investments. Since 1953, a number of under-developed countries has also adopted or broadened tax measures designed to stimulate private investment, both foreign and domestic. Other measures taken include the widening of the network of bilateral treaties between the United States and various capital importing countries relating to private investment and the broadened scope of the United States programme of guaranteeing private United States investments abroad against expropriation and inconvertibility of foreign exchange earnings.

Since the beginning of 1953, it is noted, many capital importing countries have modified principles and procedures for the authorisation of new investments from abroad. "A major object of such modification," it is stated, "has been to provide assurances to the investor regarding his right to transfer income and capital accruing from the investment." During the period under review (since 1953) the number of countries authorising the transfer of income accruing to new foreign investments without limit or within fairly broad limits has substantially increased. Regulations relating to the repatriation of capital of non-resident investments remain more stringent, but have also been liberalised.

The degree of assurance against transfer difficulties varies considerably from country to country. The report points out that certain countries not providing assurance by law regarding transferability, administer their exchange controls in a more liberal manner than certain countries with special investment laws. The restriction of transfer of funds accruing from investments has also been eased, it is stated, by the development, in several countries which maintain exchange restrictions, of a free exchange market through which it is possible to make additional transfers at a rate less favourable to the investor than the official rate of exchange. Examples of recent action cited in this connection are Argentina, Brazil and Chile.

*Portfolio investments are made up of many elements, but represent chiefly market purchases of new and outstanding corporate securities and bonds issued by Government or other public authorities.

THE BANK OF INDIA, LTD.
ESTABLISHED 7th SEPTEMBER, 1906
CAPITAL SUBSCRIBED ... Rs. 5,00,00,000
CAPITAL PAID-UP ... Rs. 2,50,00,000
RESERVE FUND ... Rs. 3,52,00,000
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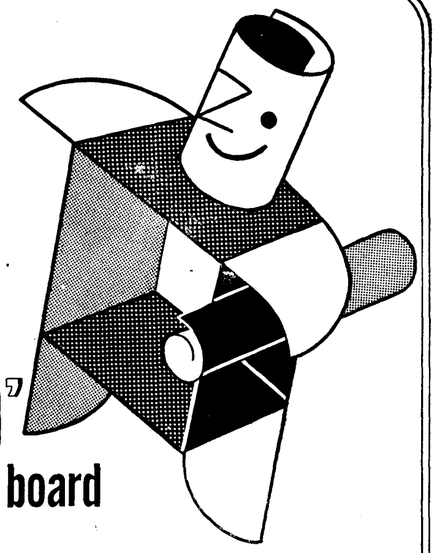

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ECONOMIC COUNCIL IN FRANCE

ITS ORGANISATION AND FUNCTIONS

By J. Bergeal

In almost every country in America and Europe, the Government and Parliament are advised by an expert body on economic matters. In the U.S., there is a Council of Economic Advisers to the President. In the U.K., there is the Board of Trade. In France, too, there is an Economic Council. A difference between the French body and its counterparts elsewhere is its size. The Council consists of as many as 169 members, drawn from the most representative bodies of workers, employers, civil servants, technicians, engineers and executive personnel. One may wonder how such an unwieldy body can work successfully. But the author of the article published on this page avers that it has made a very valuable contribution to the economic progress of France.—ED.

ALONG with the National Assembly, the Senate and the French Union Assembly, the Economic Council constitutes a fourth major French governmental body. Made part of the fundamental machinery of the State by the Constitution of 1946, the Economic Council is a successor to the National Economic Council, which was created in 1925. The Council is designed to link representatives of all economic and social productive forces to the management of French and French Union affairs by uniting them in a single group. This group is more than just consultative; it may take over a question which, in the opinion of the Council, is urgent and needs to be worked out within its jurisdiction.

These two roles—consultative and active—give a greater importance every day to the activities of the body. Certain personalities, including the ex-President of the Republic, Mr. Vincent Auriol, would like to see the Economic Council the first to be apprised of all problems which may arise concerning production, work, consumption, professional organisations, workers, agriculture, crafts, and consumers. The President of the Council, Mr. Emile Roche (who succeeded Léon Jouhaux after the latter's death in 1954), has often pointed out that this third attribution of capital importance to the management of the State may well be granted one day.

The Economic Council has 169 members, appointed each for three years. The present Council, which entered into function in March 1954, is the third to hold office. These 169 members are delegates of the most representative organisations of workers, employees, civil servants, technicians, engineers, and executive personnel (45 members); industrial enterprises (20 members, including 6 from nationalised enterprises); commercial enterprises (10); artisans (10); agricultural organisations (35); medium classes (2); co-operatives (9); departments and overseas territories (15); intellectual workers (8); family and housing associations (9); and various other activities (6).

The sessions of the Council are usually held during those of Parliament. The bureau consists of 14 members. The study groups consist of committees which are competent in both specialised and general economic matters, empowered to call in experts for consultation on a given problem.

The opinions and resolutions adopted by the Council are published in the *Journal Officiel*, and comments on the debates in the *Bulletin du Conseil Economique*. Since the inception of the Council in 1947, more than 3,500 meetings have been held by the various committees.

The specialists on the committees bear no particular political label. They discuss the problems which are submitted to them, or which they themselves decide to study, only from the economic, professional or social angle. With all projects or bills belonging to one of those three categories, the nation's industrial plant and economic international agreements are, therefore, examined. The entire activity of the nation is analysed in order to inform the Government and Parliament on the best political, economic and social policies to be followed.

The Economic Council is thus charged with a continuous and vigilant task, which is not always understood by the public. The opinions and recommendations formulated provide an exact tableau of opinion on all the forces at work in the country, because of the diverse sectors of activity represented by its members. Parliament and the Government realise this, and the Council's decisions almost always influence, to a certain extent, the decisions made by the other two bodies, as observers have often noted. Many carefully prepared documents, emanating from accurate sources, enable the members to examine in detail the economic situation and its development. A resume of the work carried out over the past eight years would be extremely long, since all the work touches on fundamental problems of the French economy. We must limit ourselves to a brief look at what has been done during the past two years.

Two matters on which the Economic Council has proffered much sound advice are economic expansion, together with cost factors involved and the need for public support behind such a programme, and the nation's equipment plan. The equipment plan, for example, should be in keeping with a preliminary survey on the whole of foreign trade, resulting in an improved investment policy, as determined by the exigencies of foreign trade. Moving to social problems, the Council favours social progress being linked closely to economic progress. The Council feels that the two are inseparable.

A survey was made on the mass of direct and indirect salaries in the national income between 1949 and 1953, which showed that cash salaried incomes rose in France from 47.9 per cent. in 1949 to 54.4 per cent. in 1953. All domestic trade problems, as well as those of agriculture, were also examined. The Council affirmed the necessity of reforming and lightening the commercial structure, and bringing about a better organisation of agricultural markets and a controlled expansion.

Reports have also been made suggesting possible improvements in the main sectors of industry. The Council insisted on the necessary reconversion of certain enterprises, indicating how such reconversion could be carried out. In the field of science and technology, it was deemed advisable to increase technical exchange programmes with foreign countries. The Council is of the opinion that every international organisation of a scientific, technical, economic or social nature should be encouraged to develop its activities, and recommended that French firms participate extensively in fairs and other international exhibitions.

With regard to foreign trade, the Economic Council proffered many different opinions in which the necessary conditions for the development and the commercial balance were commented upon. The Council prophesied that the future would probably see organisations develop in a given region, grouping several countries within their respective jurisdictions. These organisations would work towards harmonising the various national policies, help the economic development and raise the social standards of member countries, while maintaining full employment. Economic and social problems of the French Union have been the subject of extensive surveys, resulting in the proposal of comprehensive expansion programmes. These opinions and solutions of competent men have made the Economic Council the economic survey bureau *par excellence* of France.

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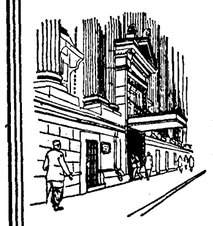

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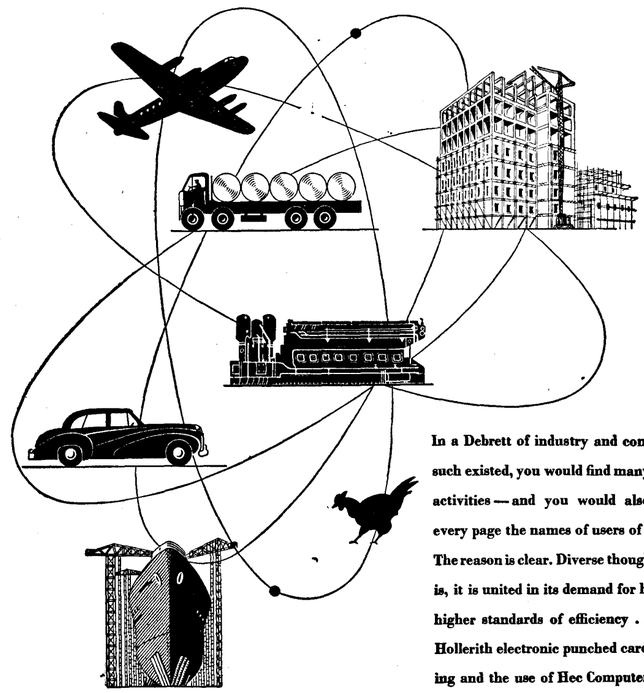

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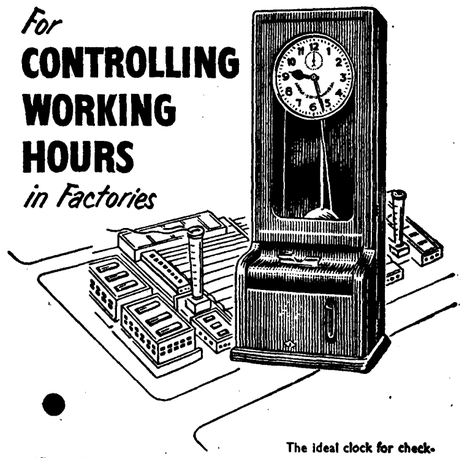

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INDIAN ELECTRIC LAMP INDUSTRY

POSITION, PROBLEMS AND PROSPECTS

THE Indian electric lamp industry, consisting of 14 producers, of whom 10 are members of the Indian Lamp Factories Association formed in 1946, is of recent origin. As is the case with all other nascent industries, it has had to contend with numerous handicaps which would have proved insurmountable had it not been for the assistance extended by the Industries Department of the Government of India in certain respects. In the context of large-scale programmes initiated by the Governments, both Central and State, for execution during the ensuing five years and the consequent pressure on the electric lamp industry, the need for meeting the needs of this industry and for strengthening its foundations is all the more important.

The electric lamp industry produces G.L.S. lamps, fluorescent tubes, miniature bulbs, coloured lights, street series and others. Its installed capacity and assessed capacity are 40 million pieces of G.L.S. and other filament types and 31 million pieces, respectively. The present position of the industry is that it is not able to sell all the products turned out even according to the capacity limited by the Government. It may be recalled here that, in order to avoid cut-throat competition and excess production, the Government had sealed a part of the capacity of this industry. While in 1947 the Electrical Equipment Panel estimated the demand for 1952 at 30 million pieces, the actual demand was no more than 20.89 million pieces. In 1952, again, the demand for 1955 was estimated at 31 million pieces and the factories were allowed to expand their production accordingly to 32.5 million pieces (G.I.S lamps only). But, as the demand rose only slowly, the actual production even in 1955 was only 24.40 million pieces (19.90 million G.L.S. variety and the rest other types), that is, about 75 per cent. of the limit allowed.

Trend of Production

The table below gives a clear picture of the trend of production of the various types of lamps from 1950 to 1955:

(In million pieces)

	1950	1951	1952	1953	1954	1955
G.L.S. lamps ..	N.A.	15.235	18.499	17.2	19.34	19.90
Train lighting ..	N.A.	0.549	1.038	1.020	1.45	1.54
Coloured	N.A.	0.215	0.156	0.169	0.43	0.54
Strait series ..	N.A.	0.023	0.055	0.033	0.55	0.70
Others	N.A.	0.493	1.999	1.379	1.64	1.70

N.A. = Not available.

It will be noted from the table above that after pursuing an upward trend between 1950 and 1952, production in 1953 declined. The fall was the result of surplus stocks on hand at the beginning of 1953. At this stage, in order to give relief to the industry, the Government intervened after repeated requests from the producers and restricted the production by 25 per cent. which brought the rated capacity to 24 million. The demand remained low at 17.02 million in 1953. But, thereafter, it picked up. And the cut was gradually reduced during the subsequent years until it was completely abolished early this year. Nevertheless, the industry is still left with a surplus capacity of about 12 million lamps.

The position in respect of non-G.L.S. lamps is, however, somewhat different. In respect of fluorescent lamps, a bulk of the present requirements is being imported. There is only one factory in India producing these lamps. As for miniature lamps, however, three factories have started production, while a fourth one is in the offing. The Lamp Factories Association, however, fears that the demand may not be equal to the total production of these factories. The production of special lamps like Loco headlight lamps, engine headlights and others, has been sufficient to meet internal requirements for some time past.

Raw Materials

The position in regard to raw materials is that only two items, namely, glass shells and brass caps, are being produced. While the former are being turned out by E.L.M.I., Hind and Bengal Electric Works, the latter are being manufactured only by one company, that is, Hind Lamps Limited. The production of these two items, however, is not sufficient to meet the full requirements of the industry. More so in regard to brass caps nearly half the requirements of which is being met by imports.

As a result of representations made by successive Presidents of the Lamp Factories Association, the Government of India established in 1955 a Development Council for all electrical products under the provisions of the Industries (Development and Regulation) Act, 1951. The functions of the Development Council, in which the Association also is represented, are, among other things, recommending targets of production and measures for further utilisation of the installed capacity, suggesting norms of efficiency, reviewing the progress achieved by the industry from time to time, and promoting arrangements for better marketing.

On the basis of a 10 per cent. increase in consumption every year over that of the previous year, the Development Council has estimated the demand for electric lamps in 1960-61 as follows:—

Type of lamps	*Quantity in million pieces*	
	1955†	1960-61
(a) G.L.S. and other types ...	31	45
(b) Miniature	17.2	30
(c) Fluorescent tubes ...	0.8	2

†Not actual but estimated.

Estimated Demand High

The Indian Lamp Factories Association is, however, of the view that the aforesaid estimates err on the high side. The factors that make for an increase in the demand for electric lamps are the establishment of new industries and expansion of old ones, extension of power facilities to a large number of villages and towns and the improvement in the general standard of living of the people during the second Five-year Plan. The Association, however, contends that the increase in demand as a result of all these factors will not be as rapid as has been assumed by the Development Council. The reason given by it for this view is that the impact of economic development on the demand for lamps will not be immediate, nor that large, as most of the expected increase in employment will be in cities and towns which are already electrified. The Association, therefore, estimates that the demand by 1960-61 will be not more than 34.24 million pieces of G.L.S. and other types of lamps (excluding train lighting) 25 million miniature bulbs and 2 million fluorescent tubes.

As a result of this difference of opinion between the Development Council and the Lamp Factories Association on the anticipated demand for lamps in the second Plan period, the estimates in regard to other requirements such as total investment, raw materials, transport needs, etc., have also differed widely. Thus, whereas the Council has estimated the new investment required to reach the target at Rs. 88 lakhs, the Association comments that this amount is rather high.

Excise Troubles

Surplus capacity apart, the industry is faced with many other problems, some of which are highly complicated. The Finance Minister announced in the Budget for 1955-56 the imposition of an excise levy of 10 per cent. *ad valorem* on the manufacture of electric lamps. The cost of electric lamps, thus raised, and the surcharges imposed by the State Governments on the consumption of electricity have tended to dampen the enthusiasm of the low-income groups for lamps. The Central Government has, however, exempted the miniature lamps from excise duty in response to the appeal from the Association. Again, the lamp factories have been asked to fill in a number of forms and submit various returns which increase their overhead expenses. They are not allowed to keep duty-paid goods inside their factories. This has been a source of much annoyance to them especially when the goods cannot be despatched on account of the closure of booking offices. The excise authorities insist on including in the total production all lamps produced in the factories even if they are broken in the process. The factories are, moreover, asked to pay duty again when goods broken in transit are replaced. Non-excisable goods, to add to their troubles, are not allowed to be brought into or taken out of the factories without the permission of the excise authorities. This causes much trouble and inconveniences to the factories. The Association strongly feels that the removal of these and a number of other similar disabilities should help the industry go forward, gaining strength from stage to stage.

The Association feels that as internal production is more than sufficient to meet the entire domestic demand and as there is a large surplus capacity, there is a strong ground for restricting the imports of the following types of lamps:

(1) All types of G.L.S. lamps up to 1,500 watts, (2) all types of loco, headlight, etc., lamps; (3) pigmy lamps, (4) miniature lamps (auto, radio dial and telephone switchboard).

Outlook

In view of the huge expansion programmes proposed under the second Plan, the electric lamp industry has, it is needless to emphasise, a bright future. In the next five years, the country's power resources are to be raised from 3.4 million kw. to 6.8 million kw. and the *per capita* consumption of energy from 25 units to 50 units. The number of towns and villages to be electrified is expected to rise from 7,400 in 1956 to 18,000 in 1961. Substantial amounts have also been allotted for development of industries in both the public and private sectors. An amount of 120 crores is also earmarked for housing during the same period.

In view of these prospective developments, which bear no semblance to what has been done under the first Plan, the programme drawn up by the Development Council for the electric lamp industry is not overbig. Nevertheless, an infant industry like the one under review deserves all possible encouragement at the hands of the Government. It is to be hoped that the authorities will carefully consider the proposals put forth by the Association and facilitate the speedy growth of the industry.

EMPLOYEES' PROVIDENT FUNDS ACT

The Government of India has decided to extend the Employees' Provident Funds Act, 1952, to another four lakh workers in nearly 1,400 factories in the country with effect from 31st July 1956. The factories proposed to be covered are:

(1) Edible oils and fats, (2) Sugar, (3) Rubber and rubber products, (4) electricity including generation, transmission and distribution thereof, (5) tea except in the State of Assam where the Government of Assam have instituted a separate Provident Fund Scheme for the industry including plantations, (6) printing, including the process of composing types for printing, printing by letterpress, lithography, photogravure or other similar processes or book-binding, but excluding printing presses, covered under "newspaper establishments" to which the Employees' Provident Funds Act has already been extended under section 15 of the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955, (7) stone-ware pipes, (8) sanitary wares, (9) electrical porcelain insulators of high and low tension, (10) refractories, (11) tiles, (12) match factories having a production of over 5 lakh gross boxes of matches a year, and (13) sheet glass factories, glass shell factories, and other glass factories having an installed capacity of over 600 tons.

The provident funds accumulations including the employers' share after the extension of the scheme are estimated to rise by Rs. 32 lakhs. The collections so far made under the scheme amount to over Rs. 55 crores. Covering over 16 lakh employees working in 2,200 factories, the Employees Provident Funds Act, 1952, was enforced on 1st November the same year. The Act at present applies to six industries, namely, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles. The Government proposes to extend the Act to all industries including plantations, mines and commercial establishments, etc., employing 10,000 workers or more during the second Five-year Plan period.

The decision, it is stated, has been taken in response to a persistent demand for the extension of provident fund benefits to all industrial workers. The Planning Commission and the Tripartite Consultative Committees also recommended the extension of the Employees' Provident Funds Act to other industries.

U.K. EXPORTS IN JUNE

The value of Britain's exports in June this year was £276.1 million the second-highest figure ever recorded—only £7.7 million less than in May. In the second quarter of the year, total exports were £816 million, over 5 per cent. more in value than in the first quarter. For the first half of 1956 they were 14 per cent. higher than in the corresponding period of last year, when, however, recorded exports were, on balance, reduced by industrial disputes.

Imports in June amounted to £340.3 million, which was £11.1 million more than in May. For the second quarter of the year, they were 1 per cent. more than in the first quarter; and for the first half-year, 4 per cent. more in value than in the corresponding period last year. Re-exports, at £12.2 million were lower than in recent months, but the total for the half-year was 42 per cent.

(*Continued on page 135*)

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BALMER LAWRIE'S BUMPER PROFIT

DIVIDEND RAISED—LARGER TURNOVER

A SHARP jump of Rs. 10.80 lakhs to Rs. 35.33 lakhs in gross profit is disclosed by the audited accounts of Messrs. Balmer Lawrie & Co., Ltd., Calcutta, for the year ended 31st December 1955. This rise in profit follows that of Rs. 2.77 lakhs noted in the previous year after two years of successive recession from a high of Rs. 38.72 lakhs earned in 1951 to Rs. 21.76 lakhs in 1953. Thus, notwithstanding the aggregate rise of Rs. 13.57 lakhs in profit during the past two years, the earlier decline has not been entirely made good. The net profit, at Rs. 19.78 lakhs, compares very favourably with that of Rs. 15.67 lakhs for 1954 and is the highest since 1951.

In consonance with the improvement in earnings, the allocation to the reserves has been raised from Rs. 7.71 lakhs to Rs. 10.24 lakhs and the distribution to the shareholders has been stepped up. There is, however, a slight variation in the pattern of disbursement. Whereas in the previous year, the Directors had added a sum of Rs. 5.01 lakhs to the general reserve and Rs. 2 lakhs to provision for bad and doubtful debts, the entire sum of Rs. 10.24 lakhs set aside from the profit for the year under review has been added to the general reserve. The dividend of 12½ per cent. for the year under review is on the capital reconstructed in September 1954, while the previous year's distribution was made up of a preferential interim dividend of 5 per cent. on the then ordinary shares (which were entitled for such a dividend) before the conversion of deferred shares and capitalisation of reserves and a final dividend of 8 per cent. on the reconstructed capital. On the reconstructed capital, the distribution for 1954 is equal to 9.8 per cent. and this has now been raised to 12.5 per cent. for 1955.

The marked improvement in results for the year under review is due to the larger turnover and increased profit in the import and distribution of engineering products and steel. Export business in tea was, however, less profitable than in the previous year, owing to slump in tea prices. The managed companies also had a favourable year of trading. Referring to the activities of these companies during the year under review, the Directors observe:

"Among the managed companies, the Bengal Paper Mill Company, Ltd., produced a record tonnage and a satisfactory profit. Production of tissue paper at Tribeni Tissues Private Ltd. was also the highest so far recorded. A little less than half the output was exported. The Bridge & Roof Company (India) Ltd. continued to do well and the turnover from the structural shops and the civil engineering and building side of the business was the highest so far recorded. Output included 639 metre-gauge railway wagons. The Indian Galvanising Company (1926) Ltd. did better than in 1954, due to an increased production of drums and metal windows at the Calcutta Works. The British India Electric Construction Company, Ltd. showed a profit during the year. There is still a debit carried forward from previous years which has not yet been wiped off. The Bengal Flour Mills Company, Ltd., did excellently during the first half of the year, but there was a considerable falling off during the last six months owing to market conditions.

"All order books are full and there continues to be a demand for the goods supplied by the Companies in the Group."

The rise of Rs. 11.48 lakhs in receipts from sales and services is accompanied by an increase of Rs. 8.17 lakhs in commission and other income (of which commission alone accounts for Rs. 7.49 lakhs). Another welcome feature of the year's working is that expenses have been kept at the previous year's level.

The paid-up capital of the Company, which was reconstructed in September 1954, is unchanged at Rs. 80.01 lakhs. The reserves and surplus aggregate Rs. 121.56 lakhs, made up of a general reserve of Rs. 51.50 lakhs, share investment reserve Rs. 58.03 lakhs, provision for bad and doubtful debts Rs. 7 lakhs and profit and loss account surplus Rs. 5.03 lakhs. There is a provision of Rs. 11.21 lakhs for taxation. The current liabilities amount to Rs. 225.39 lakhs, having been reduced from Rs. 256.73 lakhs at the end of 1954. The gross block of the value of Rs. 67.47 lakhs has been written down to a book value of Rs. 33.50 lakhs. The current assets aggregate Rs. 404.68 lakhs, represented by trading stocks and stores Rs. 118.42 lakhs, goods-in-transit Rs. 13.30 lakhs, debts, deposits and advances Rs. 160.87 lakhs, investments Rs. 107.79 lakhs and cash balances Rs. 4.29 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 166 *cum-div.* (final div. Rs. 10). On an *ex-div.* basis, the yield on the shares works out to 8 per cent. per annum.

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sales and services	1,134.23	1,122.75	993.54	971.04
Commission and other income..	53.85	45.68	41.04	38.39
Purchases	974.79	955.25	912.78	788.33
Trading and other expenses ..	156.71	156.90	164.98	176.03
Gross profit	35.33	24.53	21.76	25.63
Provision for—				
Depreciation	3.21	2.59	2.10	3.55
Taxation	12.35	6.27	6.27	3.02
Net profit	19.78	15.67	13.39	14.06
To reserves	10.24	7.71	5.60	6.60
Dividend	10.00 (D. 12½%)	7.90 †	7.50* (D. 12½% + B. 7½%)	7.50* (D. 12½% + B. 7½%)

* On ordinary and deferred shares.
† Made up of a preferential dividend of 5 per cent. on 30,007 ordinary shares of Rs. 100 each, before the conversion of deferred shares into ordinary ones and issue of bonus shares in September 1954 and 8 per cent. on 80,014 ordinary shares after conversion of deferred shares and issue of bonus shares.
D.—Dividend. B.—Bonus.

BOMBAY SUBURBAN ELECTRIC

The Bombay Suburban Electric Supply Ltd. (Agents: Messrs. Killick Industries Ltd., Bombay) made further notable progress during the year ended 31st March 1956. The gross profit of the Company, which stood at the low level of Rs. 13.63 lakhs for 1952-53, rose for the third year in succession and reached the handsome figure of Rs. 27.93 lakhs. This improvement reflects the marked expansion in the sale of energy. From 40.66 million kilowatt hours in 1953-54, which itself represented an increase of 22.87 per cent., energy sales aggregated 60.47 million kw.h.—a record in the Company's history—in 1955-56. The profit would have been higher still but for an increase of 15 per cent. to 24.5 per cent. in the thermal surcharge, unaccompanied by any rise in the rates charged to consumers. As readers are aware, electricity rates are strictly controlled by the State and the latter is very slow in recognising the need for raising the tariffs even when the costs go up perceptibly. Consequent on this policy, the net profit-margin of the Company has been steadily declining neeessitating a dip in past reserves even to maintain dividend.

The following comparative table shows the progress of the Company for the past three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds of energy ..	70.66	61.40	50.80	37.56
Other income	3.03	2.52	2.20	2.04
Cost of energy purchased ..	26.30	20.78	15.08	10.82
Other expenses	20.40	18.21	17.45	15.15
Gross profit	27.93	24.93	20.52	13.63
Agents' commission ..	1.28	1.43	1.16	0.71
Depreciation	7.43	6.56	5.54	4.77
Provision for taxation ..	..	3.55	3.28	..
Net profit	19.22	13.39	10.55	8.15
Transferred from reserves ..	0.12	0.19	1.07	4.91
E.P.T. refund	..	..	..	0.09
To write off intangible assets ..	0.10	0.10	0.10	0.09
reserves	6.99	2.11	1.03	0.89
Dividend	12.25 (7%)	11.37 (7%)	10.50 (7%)	9.17 (7%)
Carry forward	..	..	..	0.01

As can be seen from the table above, the sale proceeds have shot up from the none-too-spectacular figure of Rs. 37.56 lakhs in 1953 to an impressive level of Rs. 70.66 lakhs for the year under review. It will also be noted that the cost of energy purchased and other expenses have gone up perceptibly. In spite of higher gross profit, Agents' commission is lower.

The net profit, at Rs. 19.22 lakhs, is the highest for the last several years. Absence of any provision for taxation during the year under review was by and large responsible for the level attained. But the provisions for statutorily compulsory reserves have greatly reduced the sum available for distribution to shareholders. The Directors have, therefore, found it necessary to withdraw Rs. 12,000 from the dividend equalisation fund to maintain the dividend at 7 per cent.—prevailing for more than ten years. The dividend for 1955-56 is on a higher capital, thanks to the increase of Rs. 12.49 lakhs during the year under report.

Of the sum of Rs. 6.99 lakhs set apart this year for reserves, employees' retiring gratuities reserve alone accounts for Rs. 4.27 lakhs. Of the balance, a sum of Rs. 1.31 lakhs has gone to contingencies, Rs. 70,466 to dividends and tariffs control reserves and a similar amount to consumers' benefit reserve.

As stated above, the paid-up capital of the Company rose during the year under review, following the call of Rs. 25 per share made on the 50,000 partly-paid shares, and stood at Rs. 174.99 lakhs as at the close of March last. Reserves and surpluses at Rs. 39.32 lakhs supplemented the capital. Current liabilities and provisions at Rs. 49.50 lakhs were Rs. 2.62 lakhs more than current assets which stood at the level of Rs. 46.88 lakhs. Additions to the tune of Rs. 17.50 lakhs were made to the gross block which stood at Rs. 262.22 lakhs, as against which there is a total depreciation of Rs. 58.57 lakhs. Intangible assets, consisting mainly of promotion expenditure and new share capital expenses, have been appropriately written down from Rs. 2.14 lakhs to Rs. 2.04 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 116-14 *cum-div.* and, on an *ex-div.* basis, the yield works out to 6.2 per cent. This may appear quite attractive and is positively very much above the level considered adequate for a public utility scrip. The reasons for this high yield are uncertainty about the future margin of profit and the possibility of the industry being nationalised at some time or other.

JEEWANLAL (1929) LTD.

A substantial expansion in turnover, accompanied by a shrinkage in profit, is the outstanding feature of the working of Jeewanlal (1929) Ltd. (Managing Director: Mr. Himchand K. Shah, Calcutta) during the year ended 31st December 1955. Sale proceeds show an increase from Rs. 184.05 lakhs to Rs. 194.92 lakhs, while the gross profit has dwindled from Rs. 4.21 lakhs to Rs. 1.10 lakhs, consequent on the sharp rise in cost of goods sold from Rs. 164.74 lakhs to Rs. 177.21 lakhs and other expenses from Rs. 16.77 lakhs to Rs. 18.53 lakhs.

The profit has, however, been supplemented by a sum of Rs. 3.01 lakhs being the profit on sale of the Company's fixed capital assets at Rangoon, following the closure of the Company's business in Burma. After setting aside Rs. 1.49 lakhs for depreciation (as against Rs. 2.08 lakhs in the previous year) and Rs. 0.62 lakh (Rs. 1.26 lakhs) for taxation, the net profit amounts to only Rs. 1.99 lakhs, which, however, compares favourably with Rs. 0.88 lakh for 1954. After writing back income relating to previous years, the Directors have utilised the net available sum (Rs. 2.01 lakhs) to reduce the accumulated losses of the previous years to Rs. 17.56 lakhs. Consequently, the dividend on ordinary shares has had to be passed over for the fourth year in succession.

During the year under review, the Company along with other aluminium fabricators was faced with certain acute problems. In the first instance, an increase of 10 per cent. in the price of raw materials was made with effect from 1st February 1955. Normally, this would have given the Company a chance to realise more remunerative prices on its stocks, but for the action of the Government in allowing duty-free imports of ungraded scraps at low prices. The result was that the prices of indigenous scraps had to be kept low on par with the imported duty-free scraps. The prices of aluminium utensils also could not be raised to offset the rise in prices of genuine standard raw materials. Also, the manufacturers of genuine aluminium wares had to face competition from cheap products made out of scrap materials.

The aforesaid difficulties were, to some extent, overcome towards the close of the year. On a representation made to the Government of India, imports of scraps were removed from O.G.L. with effect from 1st October 1955 and a 25 per cent. *advalorem* duty was imposed on imports of aluminium scraps with effect from 3rd December. The Government also withdrew from November 1955 the duty draw-back concessions enjoyed by the Company along with a few other companies for the last 25 years. This affected the Company's working and earnings to some extent. To restore the *status quo*, however, a scheme of manufacturing aluminium wares in bond, as sanctioned by the Government, has been introduced by the Company in its factories. The scheme is still in its initial stage and is yet to be developed.

Another recent development of considerable importance to the Company is the Government's action in prohibiting, with effect from 15th June 1956, export of aluminium utensils which do not bear I.S.I. standard marks. The Company has acquired the licence to use the I.S.I. standard marks on goods for export.

ALEMBIC CHEMICAL WORKS

The progress made by the Alembic Chemical Works Company Ltd. (Managing Agents: Messrs. Bhailal Amin and Sons (Private) Ltd., Baroda) during the year ended 31st December 1955 is impressive. The sale proceeds reached a record high at Rs. 115.38 lakhs from Rs. 88.87 lakhs in 1954. The gross profit, the upward trend in which has been maintained since 1952 when it was Rs. 9.48 lakhs, has shot up from Rs. 11.11 lakhs for 1954 to Rs. 14.90 lakhs. As the provision for depreciation and taxation has absorbed the major part of this increase, the Directors could only maintain the dividend, albeit on a slightly increased capital. Nor could they add any amount to reserves. The table below gives a picture of the comparative performance of the Company during the last three years;

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	115.38	88.87	77.28	68.47
Closing stocks	46.15	42.28	38.45	37.40
Raw materials consumed ..	66.81	47.40	39.99	33.16
Expenses	35.81	32.51	28.65	26.97
Gross profit	14.90	11.11	10.28	9.48
Managing Agents' remuneration	3.19	2.38	2.15	1.90
Depreciation	4.15	3.68	4.35	4.31
Taxation	3.50	1.60	0.98	0.90
Net profit	4.06	3.50	2.79	2.37
To gratuity fund	0.50	0.50	..	..
Dividends—				
Preference	0.86	0.86	0.86	0.86
Ordinary	2.20* (8%)	2.00 (8%)	2.00 (8%)	2.00 (8%)
Carry forward	0.57	0.16	0.03	0.11

* On the increased capital raised by a fresh issue of 7,412 shares made during the year.

The sudden increase in the demand for the products of the Company appears to be the reason for the sizable headway it made last year. What is noteworthy, however, is the fact that the expenses have not increased much as compared with the rise witnessed between 1953 and 1954 when sale proceeds, too, went up by Rs. 11.5 lakhs. The net profit, which was only Rs. 3.50 lakhs, Rs. 2.79 lakhs and Rs. 2.37 lakhs during the three preceding years, jumped up to Rs. 4.06 lakhs, a level not touched since 1948. The dividend on preference shares absorbs Rs. 0.86 lakh, and that on ordinary shares Rs. 2.29 lakhs. The dividend on ordinary shares has been maintained at 8 per cent. by the Company for the past six years, but the amount required to maintain it is more at Rs. 2.29 lakhs (as against Rs. 2 lakhs in 1954), consequent on the allotment of 7,412 new shares of Rs. 100 each during the year.

The paid-up capital of the Company has increased from Rs. 39.99 lakhs to Rs. 47.41 lakhs as a result of the new issue of shares referred to above. It is supplemented by reserves and surpluses amounting to Rs. 31.49 lakhs. Among the current liabilities amounting to Rs. 61.92 lakhs, provision for taxation occupies a prominent place at Rs. 16.12 lakhs which is Rs. 3.78 lakhs higher than in 1954. The financial strength of the Company can be further seen from the fact that the current assets (excluding investments in subsidiaries) at the level of Rs. 81.32 lakhs are Rs. 19.40 lakhs in excess of the current liabilities. Gross block, too, has been strengthened by additions to the tune of Rs. 6.33 lakhs and stands as at the end of the year, at Rs. 85.67 lakhs, as against which a depreciation fund of Rs. 44.34 lakhs has been built up.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 123 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 7 per cent. per annum, free of income-tax.

COMMERCE AND INDUSTRY

(*Concluded from page 132*)

more than a year ago. The total visible trade deficit in the first half-year was £306 million—almost £150 million less than in the same period of last year. Exports to North America in June were valued at £37.6 million—the second-highest ever recorded. These consisted of £20.3 million worth to the United States and £17.3 million worth to Canada.

INDO-BRITISH TRADE

The value of U.K.'s total trade with India during the first five months of the current year amounted to £133.52 million which is £2.06 million more than that in the corresponding period of last year. Of this total, exports to India accounted for £70.77 million and imports for £62.75 million, as against £55.61 million and £75.84 million, respectively, during January-May 1955. Thus, Britain had a favourable trade balance of £8.02 million during the period this year, as against an adverse balance of £20.2 million in the same period last year.

The table below indicates the U.K.'s principal exports to, and imports from, India during January-May 1956, as compared with those in the same period last year:

	5 Months: Jan-May.	
	1955	1956
Total all exports	55,615	70,772
Of which:		
Machinery other than electric	13,150	19,015
Electric machinery, apparatus and appliances	6,772	8,821
Chemicals	6,858	8,745
Road vehicles and aircraft	4,224	5,088
Total all imports	75,838	62,748
Of which		
Tea	42,073	27,341
Leather and manufactures and dressed furs	4,945	5,362
Animal and vegetable oils, fats, etc.	2,871	5,152
Miscellaneous textile manufactures ..	7,046	5,543

It will be seen that, out of the total value of U.K.'s exports to India, machinery other than electric amounted to £19.0 million, as compared with £13.1 million. Electric machinery, apparatus and appliances held the second rank in the list of exports, their value amounting to £8.8 million, as compared with £6.7 million. Shipments of chemicals, too, rose during the five-month period from £6.8 million to £8.7 million. The value of road vehicles and aircraft despatched to India increased from £4.2 million to £5.1 million.

Among commodities purchased from India by the U.K. during January-May 1956, tea topped the list, though it was 35 per cent. lower than the purchases made last year in the same period. Thus, the offtake of tea this year declined from £42.0 million to £27.3 million. There was, however, an increase in leather and manufactures and dressed furs from £4.9 million to £5.8 million. Imports of animal and vegetable oils, fats, etc., aggregated in value £3.1 million, as against £2.3 million. Imports of miscellaneous textile manufactures, however, dropped from £7.5 million to £5.5 million.

WORLD TOBACCO PRODUCTION

World production of tobacco in 1955 aggregated 8,100 million pounds, according to data collected by the United States Department of Agriculture. This was 2.3 per cent. higher than in 1954 and 12.7 per cent. greater than the average for 1947-51. Most of the increase in production occurred in Asia, while North and South America, Africa and Oceania showed slight decreases. World production of flue-cured tobacco—the principal type entering world trade—increased 223 million pounds with larger supplies available in the United States and Asia. Production of this type outside the United States has increased from 30 per cent. of the market in 1935-39 to 45 per cent. today. Flue-cured, Burley and oriental, the principal cigarette types, account for more than 50 per cent. of world production in contrast to about 33 per cent. before World War II.

Points From The Chair

State Trading Corporation

"The talk of State Trading Corporation has been in the air for some time past, and, although the Government vacillated for some time, a Corporation has been established and started functioning. At this stage, we can only hope that this Corporation will not spread its tentacles beyond its legitimate sphere and the Government would allow free trade to operate in internal and external trade. However, the Government will do well to announce its definite policy in respect of the commodities to be covered by this new institution, so that uncertainty may not hamper the development of our international trade relations. In the modern industrial economies, a growing foreign trade is an essential aspect of a healthy economy and on it depends the exchange resources, the industrial and business activity, the employment potential and the level of incomes in the country. Availability of adequate exchange resources is a prime necessity also for the development of heavy industry and largely the success of the National Plan."

B. L. JALAN,
Bombay Gas Co., Ltd.

World Surplus of Tin

"World production of tin in 1955, exclusive of the U.S.S.R. and China and Eastern Germany (for which figures are not available), was 168,000 tons of tin-in-concentrate. Comparable world consumption was 147,000 tons, leaving a surplus of about 20,000 tons which was largely absorbed by the Texas Smelter. The Texas Smelter may discontinue taking the surplus by the end of this year, but under the proposed International Tin Agreement the buffer stock could be built up so as to prevent an immediate burdensome surplus. Unless a recession in industrial activity occurs, particularly as affecting the tinplate industry, the degree of curtailment in production of tin necessary to balance the supply and demand should, therefore, not be great."

W. M. WARREN,
Malayan Chamber of Mines

Inadequacy of Roads

"A great deal is nowadays written about inflation and the universal panacea of increased production. I believe that to be effective it must be accompanied by the reduction of avoidable waste. More waste is occasioned by transport than by any other single factor, and the waste in transport is mainly due to the congestion and inadequacy of our roads which carry 72 per cent. of all freight tonnage. The expenditure on roads of a fraction of the much heralded expenditure on railways could eliminate most of the wasted cost of transport in a much shorter time. It is a national disgrace, and undoubtedly one of the causes of our economic difficulties, that our expenditure on roads *per capita* of population is so much less than that of every other civilised country in the world."

W. H. GATTY SAUNT,
Amalgamated Roadstone Corporation

Sale of Motor Oils

"Your Company was among the original subscribers to the Motor Accessories Manufacturers Association Limited, which has as its object 'to promote, by exchange of information and by concerted action, the unrestricted sale and display of accessories, tyres, batteries, oils and other products distributed by members of the Association to the motor and allied trades.' Members of this Association believe that the motor trader should be free to sell, and the motorist should be free to buy, any product he wishes. Having absolute confidence in the value and quality of its products, your Company does not desire to restrict the availability of competitive goods. Nor does your Company wish to compete with its trade customers by buying or building company-owned outlets. This policy is welcomed by motor traders and as a result Castrol continues to enjoy not only the widest distribution but also sales predominance in the field of branded motor oils in Britain."

L. W. FARROW,
C. C. *Wakefield & Co., Ltd.*

Outlook for Tin

"The tin market remains very sensitive, especially so in view of the imminence of the enforcement of the Tin Restriction Scheme. Here I would say that despite all the great things expected and claimed for this, we maintain that it still remains to be established whether or not the scheme will prove to be beneficial. However, in the absence of any material disadvantage therefrom, and given the maintenance of a satisfactory tin price level and also a steady improvement in the 'State of Emergency' in Malaya, I think we can look forward with reasonable confidence to results for the current year being not less satisfactory than those now submitted."

R. ELLERTON,
Sungei Kinta Tin Dredging Ltd.

COMPANY MEETINGS AND DIVIDENDS

WESTERN INDIA TANNERIES LTD. Annual General Meeting, Bombay, 27th July 1956. Dividend: As. 15 per share, on shares Rs. 5 and Re. 1-14 per share, on shares of Rs. 10. Transfer books remain closed from 12th to 26th July 1956, both days inclusive.

KATRAS JHERRIAH COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th July 1956. Dividend: Rs. 3-8 per share. Transfer books remain closed from 16th to 30th July 1956, both days inclusive.

JEEWANLAL (1929) LTD. Annual General Meeting, Calcutta, 31st July 1956. Dividend: *Nil.*

GENERAL INVESTMENT AND TRUST CO., LTD. Half-yearly General Meeting, Calcutta, 3rd August 1956. Dividend: Rs. 2-13 per share. Transfer books remain closed from 19th July to 3rd August 1956, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Half-yearly General Meeting, Calcutta, 3rd August 1956. Dividend: Rs. 3-12 per share. Transfer books remain closed from 19th July to 3rd August 1956, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 4th August 1956. Dividend: Re. 1 per ordinary share. Transfer books remain closed from 21st July to 4th August 1956, both days inclusive.

CAWNPORE TEXTILES LTD. Annual General Meeting, Kanpur, U.P., 4th August 1956. Dividend: As. 4 per share Transfer books remain closed from 18th July to 4th August 1956, both days inclusive.

HYDERABAD CONSTRUCTION CO., LTD. Annual General Meeting, Hyderabad-Deccan, 4th August 1956. Dividend: O. S. Rs. 6 per share, on shares of Rs. 100 and O. S. Rs. 4-8 per share, on shares of Rs. 75. Transfer books will remain closed from 23rd July to 4th August 1956, both days inclusive.

STRAW PRODUCTS LTD. Annual General Meeting, Calcutta, 6th August 1956. Transfer books will remain closed from 27th July to 7th August 1956, both days inclusive.

THAMARAPALLY RUBBER CO., LTD. Annual General Meeting, Kottayam, Travancore-Cochin, 8th August 1956. Dividend: Rs. 3 per share. Transfer books will remain closed from 1st to 8th August 1956, both days inclusive.

SOUTH ARCOT ELECTRICITY DISTRIBUTION CO., LTD. Annual General Meeting, Madras, 11th August 1956. Dividend: 6¼ per cent.

PODAR MILLS LTD. Annual General Meeting, Bombay, 14th August 1956. Dividend: Rs. 7 per share (final), payable on 16th August 1956. Transfer books will remain closed from 24th July to 14th August 1956, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 16th August 1956. Dividend: As. 4 per share. Transfer books will remain closed from 10th to 16th August 1956, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 16th August 1956. Transfer books will remain closed from 10th to 16th August 1956, both days inclusive.

BALMER LAWRIE AND CO., LTD. Annual General Meeting, Calcutta, 20th August 1956. Dividend: Rs. 10 per share (final). Transfer books will remain closed from 6th to 20th August 1956, both days inclusive.

UPPER GANGES VALLEY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 20th August 1956. Transfer books will remain closed from 14th to 20th August 1956, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. (And Reduced). Dividend of Rs. 2 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 7th to 13th August 1956, both days inclusive.

MLAMALLAY TEA ESTATES LTD. Dividend of Rs. 6-4 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 28th July to 4th August 1956, both days inclusive.

SRI SARADA MILLS LTD. Dividend of Rs. 10 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 22nd July to 4th August 1956, both days inclusive.

INDIAN STEEL ROLLING MILLS LTD. Dividend of As. 12 per ordinary share, for the year ended 31st December 1955. Transfer books remain closed from 18th to 31st July 1956, both days inclusive.

COMPANY REGISTRATIONS

D. P. G. SALES PRIVATE LTD. (First Director: Mr. Damod Prasad Gupta). Business: Importers, exporters and dealers in all merchandise, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 85/87, Nagdevi Street, Bombay 3.

ATUL DRUG HOUSE PRIVATE LTD. (First Director: Mr. Navnitlal Manilal Shah). Business: Importers and exporters. Authorised capital: Rs. 5,00,000. Private company. Address: Mooli Jetha Building, 12, Champa Street, Bombay 12.

KATRAS JHERRIAH RAISES DIVIDEND

SHARP FALL IN PROFIT OF FORT GLOSTER

Katras Jherriah Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st January 1956.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; and this fact has been commented upon by the auditors in their report.

After providing Rs. 63,000 (Rs. 73,500) for depreciation and Rs. 3,48,000 (Rs. 2,38,000) for taxation and cesses and after transferring Rs. 1,00,000 (Rs. 1,00,000) to reserve fund, there is a balance of Rs. 3,08,474 (Rs. 2,28,480) at the credit of profit and loss account out of which the directors recommend payment of a dividend at Rs. 3-8 (Rs. 2-8) per share absorbing Rs. 1,75,000 (Rs. 1,25,000), leaving to be carried forward Rs. 1,33,474 (Rs. 1,03,480).

Raisings during the half-year were 1,53,183 (1,45,596) tons compared with 1,45,054 tons during the previous half-year and despatches, which included purchased coal, were 1,86,541 (1,84,684) tons as against 1,87,070 tons. Raisings at both Seebpore and Laikdih Deep collieries continue to be satisfactory, and these coals find a ready market. The question of expanding coal production to meet the increased demand for the second Five-year Plan is receiving the attention of the directors.

The Award of the All India Industrial Tribunal (Colliery Disputes) was published on 25th May 1956. Representations have been made to Government by the industry for adequate increases in the controlled selling prices for coal to compensate for the considerable extra cost which is already being incurred as a result of the Award.

Hitherto half-yearly accounts have been issued by this Company to its shareholders, but in the opinion of the board of directors this is no longer practicable in view of the provisions of the Companies Act, 1956, regarding annual general meetings and the accounts to be presented at such meetings. Accordingly yearly accounts will be issued in future, commencing with those for the year ending 31st January 1957. This will not preclude the payment of half-yearly dividends, subject to the Company's results permitting, as the Company's Articles authorise the payment of interim dividends. It is therefore the Board's intention to consider the payment of interim dividends in the light of the Company's results up to 31st July, each year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	10,29,548
Reserves ...	16,60,000	Stock of coal	1,56,553
Provision for taxation and cesses ...	6,32,182	Stores ...	4,33,125
Liabilities ...	18,22,560	Debts, deposits and advances ...	20,03,659
Profit and loss account ...	1,33,475	Investments	6,08,225
		Cash ...	5,17,107
Rs.	47,48,217	Rs.	47,48,217

Fort Gloster Jute Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

The accounts show after providing for depreciation Rs. 3,17,282 (Rs. 4,19,862) a profit of Rs. 4,32,433 (Rs. 8,52,341), to which has been added the balance brought forward from the previous account of Rs. 71,982 (Rs. 40,839), making a total of Rs. 5,04,415 (Rs. 8,93,180). This amount the directors recommend should be dealt with as follows:—

To transfer to renewals and replacement reserve account Rs. 1,00,000 (Rs. 4,50,000), to paying the dividend on 7 per cent. cumulative preference shares for the half-year ended 31st March 1956 at Rs. 3-8 per share without any deduction for income-tax payable by the Company Rs. 49,000 (Rs. 49,000), to paying the dividend on 5 per cent. cumulative second preference shares for the half-year ended 31st March 1956 at Rs. 2-8 per share without any deduction for income-tax payable by the Company Rs. 17,500 (Rs. 17,500), to paying a dividend on the ordinary shares at Rs. 7-8 (Rs. 10) per share without any deduction for income-tax payable by the Company Rs. 1,57,500 (Rs. 2,10,000) and to carry forward Rs. 1,80,415 (Rs. 1,66,680).

The mills continued to work with 12½ per cent. sealed looms till 8th January 1956 in accordance with the main and supplementary working time agreements of the Indian Jute Mills' Association. In terms of the resolutions passed by the Association, 2½ per cent. of the total looms were unsealed from 9th January 1956 and a further 5 per cent. looms with effect from 20th February 1956 leaving 5 per cent. of the total looms sealed.

The prices of manufactured goods remained firm during the half-year but not in proportion to the rise in raw materials which advanced steadily because of the damage to the crop by heavy floods and an increase in demand in the latter part of the period due to unsealing of looms. Trading conditions were therefore difficult and it was not possible to transact business in manufactured goods at a profit simultaneously. The unsealing of further looms encouraged overseas buyers of manufactured goods to hold off pending an assessment of the increase in overall production. Unfortunately, the demand for goods was not sufficient to absorb the increased production. At the date of this report, there is little or no profit on simultaneous business and shareholders would have read in the press of Government's concern at this state of affairs. Ways and means to improve the position are under the active consideration of the industry and the Government.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	42,00,000	Block ...	81,28,836
Debentures ...	19,74,000	Stock-in-trade	91,93,980
Reserves ...	60,60,960	Stores and spare parts	16,09,884
Provision for taxation ...	10,792	Other assets	2,342
Liabilities ...	88,13,868	Debts, deposits and advances ...	18,00,389
Profit and loss account ...	1,80,415	Investments	1,91,739
		Miscellaneous expenditure and losses	22,269
		Cash ...	2,90,596
Rs.	2,12,40,035	Rs.	2,12,40,035

Thamarapally Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December 1955.

Estates.—Both Thamarapally and Malyakal Estates are reported to be in good condition.

Crop and prices.—The rubber crop harvested during the year was 2,42,101 (2,29,775) lbs. at 52.12 (51.99) cents per pound against an estimate of 2,28,000 lbs. at 62.94 (60) cents per lb. The crop estimated for 1956 is 2,35,000 lbs. at 62.08 cents per lb. The average price realised was 140.84 (127.37) cents per pound. The controlled price for rubber was increased by Rs. 12 in February 1955 and Rs. 5-12 in September 1955, the latter to compensate for the increase in excise duty introduced from August 1955.

The net profit after providing for depreciation, taxes, managing agents' remuneration, etc., is Rs. 1,06,547 (Rs. 82,288). To this has to be added the balance from last year of Rs. 15,715 (Rs. 13,303), making a total of Rs. 1,22,262 (Rs. 95,590). After deducting the dividend on preference shares for 1955 paid in February 1956 amounting to Rs. 4,875 (Rs. 4,875), there is an available balance of Rs. 1,17,387 (Rs. 90,715). From this the directors recommend 30 (30) per cent. dividend on the ordinary shares Rs. 75,000 (Rs. 75,000) and transfer to dividend equalisation fund Rs. 27,500 (*nil*), leaving a balance of Rs. 14,887 (Rs. 15,715) to be carried forward.

The area under mature rubber is 467.00 acres, and that under coconuts, cashew, etc., is 67.78 acres.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,25,000	Block ...	5,06,834
Reserves ...	2,37,500	Stock-in-trade	69,325
Provision for taxation ...	65,205	Stores and spare parts	4,171
Liabilities ...	34,952	Vehicles ...	128
Profit and loss account ...	1,22,262	Advances ...	792
		Cash ...	2,03,669
Rs.	7,84,919	Rs.	7,84,919

Hyderabad Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Babu Khan & Sons, Hyderabad-Deccan) submit the audited accounts of the Company for the year ended 31st December 1953.

The total of receipts from works for the year was I.G. Rs. 25.59 lakhs and after allowing for all working and management expenses and providing for depreciation Rs 52,415, contribution to employees' provident fund Rs. 10,769 and commission to managing agents Rs. 45,250, the working has resulted in a net profit of I.G. Rs. 4,07,253, compared to I.G. Rs. 4,40,341 in the previous year 1954. The aforesaid profit added to the sum of I.G. Rs. 429 brought forward from last year, makes up a total of I.G. Rs. 4,07,682 which the directors propose to appropriate as under:

To dividend on 20,000 4 per cent. cumulative preference shares of O.S. Rs. 100 each, fully paid-up, I.G. Rs. 68,571, dividend of Rs 6 per cent. or O.S. Rs. 6 per share of O.S. Rs. 100 fully paid and O.S. Rs. 4-8 per share partly paid at O.S. Rs. 75 free of income-tax in each case I.G. Rs. 1,35,000, bonus to employees I.G. Rs. 26,500, taxation reserve I.G. Rs. 1,62,500, contingency reserve I.G. Rs. 10,000, dividend stabilisation reserve I.G. Rs. 4,500 and balance to be carried forward to next year I.G. Rs. 610.

The directors report that the Nizam Sugar Factory and the Power Alcohol Factory at Shakarnagar under the Company's management are working quite satisfactorily.

In regard to the conversion of the share capital from Hali Sicca into equal I.G. currency, sanctioned by the shareholders, subject to the approval of the Central Government in the last general meeting held on 17th August 1955 by special resolutions Nos. 6 (5 and 6) and 7, the directors have to report that the matter is under correspondence between the Company and the concerned department of the Government of India. Other special resolutions passed at the aforesaid last general meeting have duly been given effect to.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,36,986	Block ...	2,13,473
Reserves ...	11,06,118	Sundry stock for sale ...	1,65,178
Debentures	10,200	Materials at site and tools, etc.	11,10,285
Provision for taxation ...	35,203	Debts, deposits and advances, etc.	16,99,598
Liabilities ...	23,32,941	Investments	43,42,938
Profit and loss account ...	4,07,682	Cash ...	2,97,658
Rs.	78,29,130	Rs.	78,29,130

Western India Tanneries Ltd.

The directors of the above Company (Managing Agents: Messrs. Pratap Pandit & Co., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The total sales for the year ended 31st December 1955 together with the closing stocks as on 31st December 1955 and sundry receipts amounted to Rs. 53,01,414 (Rs. 48,88,670). After deducting the opening stock, purchases of raw materials, etc., and direct expenditure thereon such as stores consumed, workmen's wages, rents, rates, etc., for the year ended 31st December 1955, which amounted to Rs. 45,04,659 (Rs. 41,58,081), the gross profits for the year is Rs. 7,96,755 (Rs. 7,30,589). From this balance is deducted agents' allowance and commission, staff salary and general charges amounting to Rs. 2,78,546 (Rs. 2,63,680), leaving an available balance of Rs. 5,18,209 (Rs. 4,66,909). From this profit is provided for gratuity Rs. 1,105 (Rs. 1,773), depreciation written off for the year 1955 Rs. 26,551 (Rs. 28,948) and bonus to the Company's staff and workmen (1955) Rs. 59,622 (Rs. 60,835), leaving a net profit subject to provision for taxation as per statement for the year ended 31st December 1955 of Rs. 4,30,932 (Rs. 3,75,353) to brought forward Rs. 9,133 (Rs. 9,230), making a total of Rs. 4,40,065 (Rs. 3,84,583). This amount the directors propose to dispose of as follows:—

To taxation including dividend tax Rs. 2,05,000 (Rs. 1,64,200), to payment of a dividend at As. 15 (As. 15) and Re. 1-14 (Re. 1-14) per share of Rs. 5 and Rs. 10 paid up, respectively, free of income-tax and dividend tax out of the profits for the year 1955 Rs. 1,31,250 (Rs. 1,31,250), to transfer to reserve fund Rs. 85,000 (Rs. 75,000), to reserve for gratuity Rs. 10,000 (Rs. 5,000) and to carry forward to next year's account Rs. 8,815 (Rs. 9,133). The directors desire to draw the shareholders' attention to the declared policy of the City's Municipal Corporation to shift in the near future all the tanneries (including the Company's tanneries), from their present location in Dharavi to some place beyond Chembur or Thana. The Company has, therefore, to be prepared for the heavy loss due to dislocation of its business and the large expenditure which this change will involve; and the Company hopes that the reserves which the Company as been trying to build up will prove helpful in meeting this contingency when it arises.

Attention of the members is invited to section 170 of the Articles of Association of the Company under which dividends remaining unpaid for more than five years are liable to be forfeited and credited to the reserve fund account. The dividends for the year ended 31st December 1950 if not drawn on or before the 31st December 1956, will be forfeited and credited to the reserve fund.

The actual number of days worked during the year ended 31st December 1955 is 306 (306). The directors have paid a bonus at the rate of three months' basic salary to the members of the staff and three months' basic wages to the workmen of the Company out of the profits for the year ended 31st December 1955.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	3,66,630
Reserves ...	7,26,855	Stock-in trade	2,72,841
Provision for taxation ...	2,10,889	Stores ...	65,421
Liabilities ...	5,58,471	Debts, deposits and advances, etc.	4,10,572
Profit and loss account ...	8,815	Investments	5,67 328
		Cash ...	5,22,238
Rs.	22,05,030	Rs.	22,05,030

Saugor Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

The erection of the new thermal station on a site adjacent to the existing power house was commenced in April of this year, and satisfactory progress has been made, and if unforeseen difficulties do not arise, it is expected to commission the power station at the end of the current year. The municipality has a waterworks project in hand, and it is expected that this will be commissioned in the early part of next year. The waterworks will take a load of 615 h.p. from the Company's new power station. Satisfactory progress has been maintained, as will be seen from the following schedule:—

Half-year ended	*Units sold*	*Revenue* Rs.
30th June 1953	641,013	2,06,359
31st December 1953	591,616	1,96,763
30th June 1954	645,244	2,10,358
31st December 1954	635,557	2,10 705
30th June 1955	676,261	2 16.306
31st December 1955	682,701	2 25,792

After providing for all charges, and placing Rs. 1,824 (Rs. 1,500) to statutory contingencies reserve, Rs. 5,000 (*nil*) to general reserve and Rs. 1,119 (*nil*) to tariffs and dividends control reserve, there remains a balance of Rs. 9,748 (Rs. 10,180) including Rs. 2,643 (Rs. 2,756) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 5 (5) per cent. per annum free of income-tax for the half-year Rs. 7,500 (Rs. 7,500) and carrying forward to next half-year Rs. 2,248 (Rs. 2,680).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,86,519
Reserves ..	1,34,832	Expenditure on capital work-in-progress ...	673
Provision for taxation ...	18,600	Stores and fuel ...	1,37,943
Liabilities ...	2,14,184	Tools and instruments	4,596
Profit and loss account ...	9,748	Debts and advances ...	22,914
		Investments	16,393
		Cash ...	2,08,326
Rs.	6,77,364	Rs.	6,77,364

General Investment and Trust Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August 1955.

Incluling the sum of Rs. 7,556 (Rs. 7,021) brought forward from the previous half-year and after providing Rs. 7,000 (*nil*) for taxation and transferring Rs. 10,000 (Rs. 2,000) to general reserve and Rs. 10,000 (Rs. 5,000) to revaluation of investments reserve, the profit and loss account shows a credit balance of Rs. 22,002 (Rs. 18,449). The directors propose to dispose of the available balance as follows:—

In paying a dividend on the 1st cumulative preference shares at the rate of 5 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,500 (Rs. 2,500), in paying a dividend on the 2nd cumulative preference shares at the rate of 6 per cent. per annum, less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 2,213 (Rs. 2,212), in paying a dividend on the ordinary shares at the rate of 7½ (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 8,438 (Rs. 5,625) and in carrying forward Rs. 8,851 (Rs. 8,112).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,25,000	Investments	4,83,776
Reserves ...	37,892	Current assets	2,982
Provision for taxation ...	8,941	Cash ...	28,424
Liabilities ...	34,498		
Profit and loss account ...	8,851		
Rs.	5,15,182	Rs.	5,15,182

Sathe Biscuit and Chocolate Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sathe Food Industries, Private Ltd., Poona) submit the audited accounts of the Company for the year ended 31st March 1956.

After providing Rs. 1,20,000 for depreciation, the profit and loss account shows a net profit of Rs. 79,859 adding to this the last year's carry over of Rs. 4,029 it comes to Rs. 83,888. The directors disposed of this amount as follows:—

Payment of 5 per cent. dividend (less tax) on 5 per cent. redeemable cumulative preference shares on paid up value Rs. 18,450, payment of 5 per cent. dividend on ordinary shares on paid up value Rs. 49,200, provision for income-tax Rs. 6,500 and in carrying over Rs. 9,738.

During the year a further loan of rupees three lakhs was received from the Bombay State Financial Corporation. It is only with this timely assistance that the Company has been able to show appreciable progress in the business.

The sales for the period under report show an increase of just over Rs. 5,00,000 compared with the figure of the previous year, which denotes a steady progress which it is expected would be continued during the current year.

The sales depots at Kanpur and Calcutta are making progress. Moulding of chocolate on a small-scale has already been started at Calcutta. It is expected that this arrangement would help to increase the demand for chocolate in Calcutta and surrounding market.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,83,450	Block ...	30,53,678
Reserves ...	1,51,836	Stock-in-trade	8,64,947
Depreciation fund	2,73,300	Stationery ...	5,386
Provision for taxation ...	10,615	Debts, deposits and advances, etc.	3,73,889
Liabilities ...	23,54,389	Investments	45,807
Profit and loss account ...	83,888	Cash ...	13,771
Rs.	43,57,478	Rs.	43,57,478

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

THE NEW GREAT INSURANCE COMPANY OF INDIA LTD.

SPEECH OF MR. TULSIDAS KILACHAND

PRESIDING over the Thirteenth Annual General Meeting of the shareholders of the Company held at Baroda on the 14th July 1956, and in moving the adoption of the Directors' report and accounts, Mr. Tulsidas Kilachand, the Chairman of the Company, made a brief survey of the country's progress under the First Five-year Plan and expressed the view that if the Second Plan was to succeed fully, it should arouse the interest of all sections of society. The responsibility for social and developmental investment rested entirely with the Government, but their resources being barely adequate to tackle their legitimate functions, it would be unwise to expect them to supplant non-governmental organisations and assume additional responsibilities. Industrialisation was the core of national progress for which the country would have to lean heavily on the non-Government sector. He, therefore, urged that this sector should be afforded appropriate working conditions and helped to obtain financial resources. Although the order of priorities laid down in the Plan were applicable to both the sectors, the odds were distinctly in favour of projects in the Government sector. There was a tendency not only to exempt State undertakings from various legal obligations applicable to the non-Government sector, but also to give them precedence in the matter of financial allocations. As a case in point, he mentioned how the non-Government sector, having to depend on its own finances, was being handicapped by the recent enhancement of rates of direct taxation and new imposts such as the additional super-tax on registered firms and on dividends in excess of 6 per cent. as well as on bonus issues. Mr. Tulsidas admitted the helpful role played by the Industrial Credit and Investment Corporation of India but felt that better results could be achieved if the non-Government sector were helped to develop self-reliance rather than depending excessively on Governmental sources.

Insurance Problems

Referring first to the nationalisation of life business, Mr. Tulsidas expressed the hope that the policyholders would continue to get the same efficient and prompt service to which they were accustomed so far. He also suggested that Government should formulate its investment policy in such a way that it would lower the cost of life assurance and increase the bonus rates.

With special reference to third party insurance, the Chairman suggested that insurance interests should get together and make strong representations to the authorities to see that the various State Governments who had shown a tendency to deprive them of their legitimate share of business were dissuaded from doing so.

Referring to the working of the Code of Conduct, he suggested to the trade to approach the Government to bring about certain amendments in the Act which, whilst ensuring the solvency of the companies, would at the same time give complete freedom to the companies to transact their business without any artificial restrictions. He also requested the trade once again to set its house in order and thus avoid giving an opportunity to the Government to interfere in its day-to-day activities.

Mr. Tulsidas appealed to the stronger units to render all help to the weaker ones who might find themselves in difficulties after separation of their life business.

The Chairman also mentioned that the Company had agreed to be one of the promoters of the proposed Reinsurance Corporation which was being set up with the primary object of earning more foreign exchange for the country.

Before concluding his general observations, Mr. Tulsidas welcomed the formation of the Federation of Insurance Institutes and hoped that young men in the profession would take full advantage of the facilities afforded by the new body.

Departmental Accounts

Dealing with the departmental accounts, Mr. Tulsidas stated that the gross income for the year 1955 was Rs. 55,16,239 in fire, Rs. 19,92,911 in miscellaneous insurance, and Rs. 43,55,233 in marine, whilst the net premiums were Rs. 25,59,424, Rs. 16,42,443 and Rs. 16,00,845, respectively. After providing for losses and expenses, and reserves at 50 per cent. in respect of fire and miscellaneous insurance business, a sum of Rs. 1,93,277 from fire and a sum of Rs. 62,748 from miscellaneous insurance were transferred to the profit and loss account. Mr. Tulsidas regretted that a sum of Rs. 2,04,524 had to be transferred to the marine revenue account from the profit and loss account. He attributed this to the rather heavy loss ratio which was a feature of this business the world over, aggravated in the New Great's case by the adverse experience of certain foreign treaties. He, however, assured that this aspect was receiving the Company's attention and in fact appropriate steps had been taken to reduce the Company's commitments gradually.

In the profit and loss account, after providing for the necessary outgo, the balance left over amounted to Rs. 2,66,579. The Directors have proposed to transfer to taxation reserve Rs. 80,000 and to pay seventh dividend on ordinary shares at Re. 1-8 per share, free of income-tax, against last year's dividend of Re. 1-4.

The Chairman also took the opportunity of thanking the Company's agents, field-workers and the officers and staff for the splendid work that they have done last year.

The resolutions relating to the adoption of the accounts, and the re-election of Directors, Mr. Tulsidas Kilachand, Mr. Jehangir Pestonji Patel, and the two new Directors Mr. A. M. M. Arunachalam and Mr. Pratap Bhogilal and the declaration of dividend were carried unanimously. The appointment of Messrs. Dalal and Shah as the Company's Auditors for 1956 was duly approved by the shareholders.

DELHI LETTER

(*Concluded from page 112*)

of German industrial and economic development could be advantageously applied to India.

All these things indicate that the implementation of the second Five-year Plan will progress more smoothly than was originally thought by a section of the Indian people. India will be getting greater economic collaboration from the U.K. as a result of the recent visit of our Prime Minister. His discussions with the important people in Britain shows this trend.

One important fact is that, among many foreign countries which have been able to show impressive development in respect of foreign trade during the post-war period, W. Germany assuredly takes the foremost place. Because of its rapid recovery in the economic sphere, its exports have shown substantial increases from year to year. For instance, during 1954-55, total imports from West Germany to India were valued at Rs. 40.68 crores, while in 1955-56 the figure recorded a remarkable increase to Rs. 60.28 crores, indicating a rise of about 50 per cent. in the level of imports. Looking at it from another angle, it can be safely said that the rise in imports from West Germany is largely accounted for by machinery and capital goods. Imports of millwork and machinery from West Germany during 1955-56 were valued at Rs. 24.57 crores, as compared with Rs. 13.13 crores in the previous year. Expressed differently, the increase in machinery imports works out to about 90 per cent. Although the United Kingdom continues to occupy the first place as the supplier of machinery to India, the progress of West Germany in this sphere must be considered as remarkable, inasmuch as it has been able to march considerably ahead of its competitors.

Machinery Imports

Looking back a little further, in 1951-52, the year of the commencement of India's first Five-year Plan, the overall imports of machinery into India recorded as high a figure as Rs. 108.63 crores. Britain, as usual, headed the list, the extent of its exports of machinery being Rs. 59.60 crores. The U.S.A. came second, exporting as much as Rs. 20.89 crores worth of machinery. Although West Germany was then not in the picture, during the last five years, it has staged a remarkable recovery. As the demand for machinery and millwork in India is likely to go up considerably with the progress in the implementation of the second Plan, imports of machinery from West Germany can be expected to improve further appreciably. In the coming years, economic and technical co-operation between West Germany and India is therefore, expected to be more closer than hitherto.

BOMBAY GAS CO., LTD.

EXPANSION SCHEME TAKEN UP

THE Annual General Meeting of the Bombay Gas Company, Ltd., was held in Bombay on 11th July 1956, under the chairmanship of Mr. Narayanlal Bansilal, a Director of the Company, in the absence of Mr. B. L. Jalan, Chairman. The following is an extract from the Chairman's speech read at the meeting:

"As you will have noticed from the accounts, the trading profits for the year under review are more or less the same as those for the year 1954. You will also notice that, in spite of the decrease in the revenue of the Company from Rs. 82,79,546, in 1954 to Rs. 82,41,293 in 1955, the profits have shown an increase of Rs. 50,961 and this increase has been possible owing to the strict supervision maintained over the expenditure during the year. The gross profit for the year was Rs. 10,98,667, as against Rs. 10,47,706 in the previous year and after making provision for income-tax and super-tax in India and the U.K. to the extent of Rs. 7,57,506 and providing a further sum of Rs. 1,00,000 for gratuity and after adjustments, the net profit for the year comes to Rs. 4,55,641, as against the corresponding figure of Rs. 5,49,639 at the end of the previous year. After adding to the net profit the balance brought forward from the last year we have Rs. 7,10,667 available for distribution, out of which your Directors have recommended a tax-free dividend of 12½ per cent. as in the previous year.

Sales of Gas Increase

"The picture of the accounts of the Company as explained by me would be incomplete without drawing your attention to the fact that the Company has a liability in respect of future payments of gratuity to employees to the extent of Rs. 7,07,346, against which we have a provision for Rs. 4,00,000 only in our balance-sheet. The sale of gas showed an increase of 8,507,000 cubic feet from 1,329,048,600 cubic feet in 1954 to 1,337,555,600 cubic feet in 1955, which comes to 0.64 per cent. over the previous year. Ever since the new management took over the Company, we have been making our best endeavour to increase the production and serve the consumers to our best.

"The production had steadily increased from year to year, as was reported to you last year. This increase was well maintained during the year under review also. Thus, whereas the Company increased its production by 13.5 per cent. in 1949, 21.2 per cent. in 1951 and 30.6 per cent. in 1953, it increased the production by 35.5 per cent. in 1955 over 1946.

"The demand for additional supplies of gas continued but we were unable to take on additional consumers during the year. The production, purification, storage and distribution units were being worked under conditions of constant overload and, in spite of adequate maintenance, there were increasing signs of the effects of this overload on the plant and machinery. A disturbing feature of the year under review was the inadequate and erratic nature of the coal supplies, which resulted at one time in the restriction of coal gas production.

Expansion Scheme

"Schemes of expansion, both major and minor, such as the utilisation of municipal sludge gas, a second water gas plant, oil gasification, etc., were examined. It is gratifying to be able to record that the Directors were pleased to sanction late in 1955 the extension of the present retort house by five more retort beds complete with additional coal handling, charging and gas cooling equipment. An increase in production of about 200 million cubic feet per year is possible with appropriate expansion of the purifier, holder and mains capacity. This extra gas could satisfy the needs of 2,500 new consumers.

"The scheme for the expansion of the retort house by five more beds has been taken in hand and extra supplies on completion of the same will be available by the end of 1956.

"During the year 1955, though the total gas sales could not be improved upon appreciably due to lack of production capacity, carbonisation efficiencies were improved upon. The gas qualities and pressures were further improved to the growing satisfaction of the consumers. The production and sale of all the by-products have registered an increase.

"Labour relations were smooth throughout the year, excepting for general demands like bonus and increase in the dearness allowance. Workers were generally amenable to discipline and were co-operative, which is appreciated.

"The working operations of the Company during the year have been satisfactory and for this our thanks are due to all our staff, of whom Messrs. Chowdhary and Ruggles require special mention."

STERLING GENERAL INSURANCE CO., LTD.

MARKED INCREASE IN BUSINESS

THE following is an extract from the report of the Directors and accounts of the Company for the general insurance business for the year ended 31st December 1955, passed at the Twelfth Annual General Meeting of the Company held on 18th July 1956:

The gross premium booked during the year increased by 27.5 per cent. to Rs. 65,09,028 (Rs. 51,03,013 in 1954), and the net premium increased from Rs. 32,71,738 in 1954 to Rs. 35,46,119 in 1955. The reserve for unexpired risks increased from Rs. 11,54,899 (as at 31st December 1954) to Rs. 14,18,450 (as at 31st December 1955). The expense ratio decreased from 30 per cent. to 27.8 per cent. After providing for all expenses, depreciation and other liabilities, and after increasing the reserves for unexpired risks by Rs. 2,63,551, the working for the year resulted in a net profit of Rs. 1,01,602. Adding to this Rs. 4,871 brought forward from the previous year, the total profit came to Rs. 1,06,473. Out of this, Rs. 38,823 was transferred to reserve against bad and doubtful debts, Rs. 15,000 to provide for income-tax, Rs. 5,000 to staff gratuity fund, Rs. 8,370 to provide for bonus to staff and Rs. 37,268 for dividend to shareholders at 3 per cent., free of income-tax. The balance of Rs. 2,012 has been carried forward to next year.

Increase in Premium

Due to nationalisation of life insurance business, all the assets and organisation relating to that business were taken over by a Custodian who has published the accounts of the life department separately. The year under report witnessed further marked progress in the business of the Company in all departments of general insurance. The gross premium increased by over Rs. 14 lakhs during the year and the net premium by about Rs. 2,75,000 over the figure of the previous year. The Company has been able to strengthen its financial position in all directions and to declare dividend to its shareholders at 3 per cent., free of income-tax.

The assets of the Company (excluding life department) amounted to Rs. 52,99,700 at the end of the year.

The accounts and the report were adopted.

Notice

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Bank will be closed from MONDAY the 6th August 1956 to THURSDAY the 23rd August 1956 (both days inclusive).

By Order of the Board,

N. K. KARANJIA,
General Manager.

BOMBAY, 16*th July* 1956.

N.B.—Warrants for the *Ad-Interim* Dividend for the half-year ended 30th June 1956 on both Ordinary and Ordinary 'A' Shares will be posted to the Shareholders to their registered addresses on and after the 24th August 1956. Intimation of any change of address should be given to the Bank immediately.

QUESTION HOUR IN PARLIAMENT

Looms in Jute Mills

THE Indian Jute Mills Association has decided to seal 2½ per cent. of looms in jute mills. The Government has been consulted in the matter. It is not expected that there will be any retrenchment of labour as a result of the measure.

—*M. M. Shah*

Export of Indian Films

The question of setting up an export promotion council for films is under consideration. There is no control on the export of Indian films under the export control regulations and no licence is necessary. It is understood that there is a fairly substantial demand for Indian films in Kenya, Uganda, Tanganyika and the West Indies. Films worth Rs. 5.33 lakhs were exported to British East Africa in 1955 and worth Rs. 5.20 lakhs in 1954.

—*D. P. Karmarkar*

Manufacture of Streptomycin

Preliminary plans for the setting up of a streptomycin plant in the Penicillin Factory at Pimpri have been drawn up. The scheme envisages the manufacture of 15,000 to 20,000 kilograms of streptomycin per year. A number of leading firms have been asked to state the terms and conditions on which they will be prepared to collaborate in the project.

* * * *

Import of Gypsum from Pakistan

The State Trading Corporation of India (Private) Ltd. has entered into an agreement with the Pakistan Industrial Development Corporation for the purchase of 150,000 tons of gypsum. The agreement will be valid for 12 months from 26th May 1956 when the contract was signed. The price of the imported gypsum will be Rs. 13 per ton f.o.r. Wagah, for a quality content of a minimum of 93 per cent. calcium sulphate. The price can be adjusted at specified rates for variations in quality either way. The average cost of the Rajasthan gypsum is about Rs. 34 per ton f.o.r. Sindri, while that of Pakistan gypsum will be about Rs. 40 per ton f.o.r. Sindri. The quality of Pakistan gypsum is superior.

* * * *

Production of Lathes

The actual production of lathes by the Hindustan Machine Tool Factory at Bangalore is more or less according to the schedule. Twelve lathes have been assembled from imported components and five lathes from parts manufactured in the Factory. Five more lathes are on the test floor and 20 lathes manufactured from components in the factory are being assembled. The agreement with Messrs. Oerlikons envisages the production of 1,200 lathes per year but the sanctioned scheme envisages production of 400 lathes. The target of 400 lathes is to be achieved progressively within a period of five years, beginning with the production of 40 lathes this year. No payment of allowances to Messrs. Oerlikons, is envisaged in the agreement. But provision is made for assigning to Messrs. Oerlikons, free of payment 5 per cent. of the shares of the Company and payment of royalty on actual sales of products of the factory.

—*K. C. Reddy*

JUTE

(*Concluded from page* 122)

this level, overseas markets developed weakness and the offtake fell. In the face of this development, production was raised, thereby aggravating the difficulties of the mills. Stocks began to accumulate once again, with the result they are now nearer the three-year old peak.

The month-end stock position of jute mills during the three months ended June 1956, as also in the same month last year, is shown in the table below:

Jute Goods Stock

(In tons)

	As on 30th June, 1956	As on 31st May, 1956	As on 30th April, 1956	As on 30th June, 1955
Hessian	37,500	40,600	35,900	48,600
Sacking	82,000	71,700	63,300	36,000
Others	6,400	7,400	8,700	3,000
Total ..	125,900	119,700	107,900	87,600

Hessian stocks have registered a fall of 3,100 tons to 37,500 tons, while sackings have shot up further by 10,300 tons to 82,000 tons, thus maintaining the upward trend which began in November 1955. "Others" have, however, shown a steady decrease since March this year when they were higher at 9,500 tons. In June they were 3,100 tons lower at 6,400 tons. It remains to be seen whether, with the resealing of looms which affects production only to the tune of 2,800 tons per month, the stocks with the mills will decline to any perceptible extent from next month onwards.

LOANS FULLY SUBSCRIBED

(*From Our Own Correspondent*)

BOMBAY, 18*th July*

The outstanding event of the week under review which had an important bearing on the money market was the opening of the list for the Central Government's loans on Monday the 16th inst. The list remained open for more than two days and closed today at 11 a.m., after the loans were "fully subscribed." Though no details of the quantum of cash subscriptions and conversion of the 3 per cent. 1957 loan are yet available, it is stated that cash offerings were fairly encouraging, having been more than the figure anticipated.

Be that as it may, the short-term money market experienced a distinct pull during the last three days, following the withdrawal of the floating funds. Banks were not able to get their requirements without resort to borrowing from the Reserve Bank. During the earlier part of the week, however, conditions were a little comfortable.

Inter-bank call money, which was done at 3 per cent. to 3¼ per cent. earlier in the week, was keenly bid at 3½ per cent. during the last three days. House money at call was done at the self-same rate of 3½ per cent. Short-term deposits continued to be offered at 3½ per cent. for one to three months and 3¼ to 3⅜ per cent. for longer periods.

The Reserve Bank's statement for the week ended 13th July 1956 discloses a shrinkage of Rs. 7.91 crores in notes in circulation, in contrast to the rise of Rs. 7.83 crores noted in the previous week. Notes held in the Banking Department have gone up by Rs. 9.29 crores and the consequent increase of Rs. 1.38 crores in total notes issued is covered by a similar rise in rupee coin. There has been a further decline of Rs. 9.94 crores in foreign securities and a corresponding rise in rupee securities. In the Banking Department, there is no change either in the National Agricultural Credit (Long-term Operations) Fund or in the National Agricultural Credit (Stabilisation) Fund. Deposits of the Central Government are lower by Rs. 2.20 crores, while those of other Governments and banks are up by Rs. 2.17 crores and Rs. 2.09 crores, respectively. On the assets side, small variations are noted in balances held abroad and loans and advances to Governments. Other loans and advances have again declined by Rs. 5.58 crores, of which advances to Scheduled banks against usance bills account for a rise of Rs. 28 lakhs. Government Treasury Bills purchased and discounted have declined by Rs. 1.80 crores.

A fall of Rs. 2.60 crores in demand deposits is revealed by the Scheduled banks' statement for the week ended 6th July 1956. Time deposits have again gone up by Rs. 2.09 crores. Inter-bank borrowings also have risen by Rs. 3.83 crores, while borrowings from the Reserve Bank have declined by Rs. 8.41 crores. Borrowings from the State Bank are up by Rs. 1.44 crores. A fractional decline is noted in advances, while inland bills purchased and discounted show a rise of Rs. 1.06 crores. Foreign bills purchased and discounted have, on the other hand, declined by Rs. 1.87 crores. Investments are lower by Rs. 73 lakhs, cash balances by Rs. 4.45 crores and balances with other banks in current account by Rs. 3.57 crores. Money at call and short notice has gone up by Rs. 4.74 crores.

As stated at the outset, the new Central Government loans were fully subscribed. They, however, had no effect on the existing securities which continued to rule dull. Most of them were on offer, but, in the absence of buyers, business was negligible.

3 per cent. 1957 was unchanged at Rs. 99-13, as was 3 per cent. 1958 at Rs. 99-10. 3 per cent. 1959-61 found sellers at Rs. 98-2 and 3 per cent. 1963-65 at Rs. 95-2. 3 per cent. 1964 had, however, buyers an anna higher at Rs. 95-1, while 3 per cent. 1966-68 was on offer an anna lower at Rs. 93-3. 3 per cent. 1970-75 had sellers at Rs. 90-5½. 3 per cent. 1986 Conversion Loan backed away from Rs. 77 to Rs. 76-11, but sellers were in evidence even at the lower level. 3½ per cent. 1961 was on offer at Rs. 99-8½ and 3½ per cent. 1964 at Rs. 98-11½. 3½ per cent. 1965 was placed an anna lower at Rs. 98-10. State loans were devoid of any interest.

In the foreign exchange section, the rupee displayed some weakness in terms of the U.S. dollar early in the week, but soon gathered strength, in consonance with the firmness of sterling abroad. Banks' selling rate of ready dollars, after an early rise from Rs. 478⅜ to Rs. 479¼, declined to Rs. 478½ per $100. Similarly, their buying rate moved up from Rs. 474⅜ to Rs. 475¼ before falling to Rs. 474½ per $100. In New York, spot sterling advanced a little from $2.79½-2.79⅝ to $2.79⅝-2.79¾. Forward sterling (three months) gained from $2.77.15/16-2.78.1/16 to $2.78.3/16-2.78.5/16 and transferable sterling from 277.25-277.35 cents to 277.35-277.45 cents.

HIDES FIRM

(*From Our Own Correspondent*)

KANPUR, 15*th July*

The hides and skins market presented a firm trend during the week under review. There was keen demand for upper grade cow and buff, the main purchasers being the local tanners led by Messrs. Cooper Allens. Madras dealers were keen buyers of lower grade cow, and all grades of goat and sheep. Fresh arrivals from the local sources were considerable.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 220 and 3rd grade Rs. 120 per score; wet salted buff 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat 1st grade Rs. 170 to Rs. 200 and 2nd grade Rs. 140 per 100 pieces; sheep 1st grade Rs. 180 and 2nd grade Rs. 130 to Rs. 140 per 100 pieces.

SILVER REACTS AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 18*th July*

The bullion market remained officially closed today on account of *Ashad Ekadasi*. During the major part of the week under review, the market remained firm under the leadership of silver. Yesterday, however, there was a setback on renewed pressure from bears. On balance, silver disclosed a moderate loss, while gold ruled higher by a few annas.

The earlier firmness in silver was attributed to reports that leading bulls had arranged to take delivery of a large quantity of the white metal at the maturing settlement next week. There was, therefore, heavy covering by short sellers. Yesterday's setback was due to two factors, namely, (1) reports that the sellers would be able to give delivery of a quantity more than what the bulls had arranged to take by converting the Tibetan coins and (2) the penalty payable by members in case the contracts are cut out before the settlement is said to be more favourable to sellers.

Gold presented a steady front following a decline in arrivals and rumours that a large quantity of gold was seized by the authorities in Calcutta.

Forward silver (25th July settlement) hardened from Rs. 173-6 to Rs. 174-4, but reacted yesterday to Rs. 172-4. The August settlement moved up from Rs. 172-2 to Rs. 172-12 before winding up at Rs. 171-5.

Ready silver (.996 Mint) rose from Rs. 173-2 to Rs. 174-4, but reacted to Rs. 172-9 at the close. The floating stocks of silver are placed at 1,200 bars. The daily average offtake was 15 bars.

Gold for forward delivery (24th July settlement) moved up from Rs. 99-13 to Rs. 100-14 before closing at Rs. 100-7. The August settlement advanced from Rs. 99-7 to Rs. 100-4, but finished lower at Rs. 99-14, the carry forward charges widening from As. 6 to As. 10 against sellers.

Ready gold gained from Rs. 100-5 to Rs. 101-6, but reacted to close at Rs. 100-14. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 2,500 tolas and the offtake also was of the same order.

In London, silver prices were marked down, spot from 78¾*d.* to 78⅝*d.* and forward from 78¾*d.* to 78⅛*d.* Gold moved up from 250s. 2½*d.* to 250s. 4¾*d.*, but receded back to 250s. 2½*d.* New York silver was maintained at 90½*c.*

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

	17-7-56	Highest	Lowest	11-7-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.996 fine Mint) ..	100 14	101 6	100 7	100 5
Forward*	100 7	100 14	99 15	99 13
Sovereign	66 8	66 12	66 8	66 8
SILVER				
Ready (.996 fine Mint) ..	172 9	174 4	172 8	173 2
Forward†	172 4	174 4	172 3	173 6
London Silver Ready ..	78¾*d.*	—	—	78¼*d.*
London Forward	78¼*d.*	—	—	78⅛*d.*
London Gold	250s. 2½*d.*	250s. 4¾*d.*	250s. 2½*d.*	250s. 2½*d.*
New York Ready	90½*c.*	—	—	90½*c.*

* 24th July settlement.
† 25th July settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

METALS MOVE UP

(*From Our Own Correspondent*)

CALCUTTA, 17*th July*

Prices of base metals registered small gains during the week under review. However, demand was limited. On the other hand, stockists were reluctant to sell as they anticipated that the uptrend would continue. Stockists of finished goods were pressing for deliveries of products for which they had placed orders on local manufacturers when prices had declined recently. Electrolytic copper opened at Rs. 210 and, after gaining to and remaining at Rs. 212 for most part of the week, jumped to Rs. 217. This followed the substantial gain in prices both in London and in New York markets. This was in turn due to the strike news in the Mufulira mine. Although the strike ended, reports indicated that there was danger of recrudescence of trouble there since the strike was stated to have been staged for political causes. It should be noted that on the London Metal Exchange forward rates were quoted below the ready. Locally, fire-refined ingots recovered from Rs. 200 to Rs. 206. There was good demand for scrap, and, at Rs. 208, clean wire scrap scored a gain of Rs. 8.

Tin was quoted steady at Rs. 492 after easing earlier to Rs. 490 from Rs. 491. The quantity that changed hands was limited. The fact that Malayan tin production was being affected by labour trouble was noted. Virgin lead advanced from Rs. 78 to Rs. 79. This improvement was due not to any local development, but merely reflected the higher trend in London. Electrolytic zinc was quoted at Rs. 64-8, as against Rs. 64-4 early in the week.

LINSEED IMPROVES

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 16*th July*

With better demand from crushers, chiefly for near positions, linseed prices improved during the week. Owing to very poor arrivals from centres and scarcity of supplies, turnover was very poor, although buyers showed some interest chiefly for near positions. The oil section, though it displayed a somewhat better tone, remained rather dull and no parity existed between local and overseas prices.

The latest available quotations are: Ready Rs. 21-12 and July-August Rs. 22 per maund.

COTTON FUTURES EASY

(*From Our Own Correspondent*)

BOMBAY, 18*th July*

The cotton futures market presented a firm trend in the first two sessions, but developed easiness on Saturday which persisted till the close today. The earlier firmness was aided by fears of lower output of cotton as a result of the damage caused by excessive rains in the cotton-growing tracts. Encouraging advices from the spot market also influenced the sentiment favourably. Traders, as a result, were inclined to buy and cotton prices registered an improvement. The upward trend was reversed on Saturday, when, on reports of helpful weather conditions and the consequent prospects of good crop, selling ensued and prices staged a retreat. The earlier gains were completely wiped out and today's closing rates were slightly lower than those at the end of last week.

Jarilla Contract (March 1957) opened the week firm at Rs. 668, as against Rs. 666-12. After advancing to Rs. 676 on Friday, it gradually receded to Rs. 666 today before finishing at Rs. 666-4. Vijay Contract (April 1957) opened at Rs. 819 and spurted to Rs. 825 on the 14th inst. Thereafter, the Contract declined to touch Rs. 816 today before closing a shade better at Rs. 816-8.

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

(In rupees per candy of 784 lbs.)

	18-7-56	*Highest*	*Lowest*	11-7-56
Jarilla (March) ...	666½	676	666	666¾
Vijay (April) ...	816½	825	816	817¾

In the spot section, there was demand for good quality cotton during the major part of the week. Mills were also interested in new crop; they made purchases of Berar, Khandesh and Vijay styles. Delivery contracts were fully steady on fears that the present stocks, together with the first instalment of the new crop, would not be sufficient to cope with the demand after *Diwali*. Many mills were, therefore, inclined to augment their stocks of good quality raw cotton, particularly Vijay and Jaydhar. Today, however, prices of spot lots declined in sympathy with the futures section. In the foreign section, the trend was firm throughout the week. There was a sudden spurt in prices of Egyptions yesterday on reports of a reduction of 10 per cent. in cotton acreage in that country. Some business was reported in new crop B.P. 52 at Rs. 1,470.

The following are the latest available rates from the spot market at Sewri:

Bengal *Deshi* Rs. 620; Jarilla Rs. 770; Khandesh Rs. 775; Vijay Rs. 960; Oomra *Deshi* Rs. 675; Moglai Rs. 680. Delivery Contracts: Khandesh 197/3 December Rs. 125 and Berar December Rs. 107 on Jarilla; 320F December Rs. 64 on Vijay; Vijay 13/16" February-March Rs. 42 on Vijay.

The Karachi cotton market ruled bearish with prices moving down, in contrast to the cheerful appearance noted last week. Enquiries from abroad were negligible. Local demand was also slack, as traders lacked enthusiasm in the absence of fresh developments. N.T.R.G. July, which had staged an impressive recovery last week, dropped Rs. 3-9 to Rs. 77-6 per 82 lbs. January delivery fell by Re. 1-11 to Rs. 73. In sympathy with futures, spot cotton also drifted lower. Punjab *Deshi* receded by Rs. 2 to Rs. 95. Sind *Deshi*, however, was better by As. 8 at Rs. 102-8. The following are yesterday's closing rates—in rupees per 82 lbs.—for a few other popular varieties of Pakistan cotton, with last week's rates given in brackets:

4F Roller 79-1 (81-12); S.G. 81-9 (83-12); 289F N.T. Roller 81-5 (84); S.G. 83-1 (88); 289F Punjab Roller 85-9 (89-12); S.G. 92-9 (95-12).

The Alexandria cotton futures market continued to depict a firm trend during the week under review also. There was renewed buying support throughout the week and values registered a marked improvement. The principal inspiring factor was the reduction in cotton acreage. Trade interest was mainly centred round long-staple varieties. The tone of the spot section, however, was subdued. Business done was limited. Interest in new crop was also small, principal attention being paid to Menoufi.

The latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market are: *Karnak*: July 110.00 (106.00); November 101-85 (98-4); January 98.80 (96.70). *Ashmouni*: August 73.50 (71.70); October 73.45 (71.25).

The Sudan Gezira Board, it is reported, is finding it difficult to dispose of its unsold stocks of cotton at the present reserve prices. These stocks are estimated at 150,500 bales, consisting of lower grades such as GS, GL, AL/WL and KS/KL. No sales, for instance, have been made in the past fortnight.

The most important development in the Liverpool cotton futures market this week was the commencement of business in a new mixed growths cotton futures contract on the 16th inst. It is understood that the U.S., Mexican, East African, Nigerian and Syrian cottons will be tenderable against the contract if of "good character" with a staple length of 1" and above. No allowance will, however, be given for quality better than strict Middling 1.1/16". The new contract will, it is felt, reflect the world price of medium-staple range more accurately than the purely U.S. contracts that are now functioning. Some trade circles believe that, since the new contract is based on five fully representative American type growths, it would be free from the influence of U.S. cotton export policy. This view has, however, been disputed in certain other quarters which point out that, as the U.S. surplus sales policy is the major factor determining world cotton prices, the new contract is unlikely to function smoothly so long as the future selling price of U.S. cotton continues to remain uncertain.

Cotton futures at Liverpool ruled generally easy. There was American and hedge selling in new crop which met with very little offtake. Buy-

ing confidence was lacking, for traders were apprehensive that the U.S. Department of Agriculture might be forced to reduce the Commodity Credit Corporation's floor prices, in order to cope with competition from other cotton-growing countries. Spinners' interest in ready cotton was mainly centred round American short-staple, Mexican, Brazilian, Nigerian and Sudan. But actual turnover was small. Shipment purchases was confined to U.S. varieties, Mexican and Brazilian. The following are the latest available quotations—in pence per lb. —from Liverpool:

Old contract: July-August: 24.00. *New contract*: July-August 27.75; October-November 24.45; December-January 23.5; March-April 23.25; May-June 23.15; July-August 22.90. *American mixed growth contract*: October-November 24.70; December-January 23.65; March-April 23.15; May-June 22.95; July-August 22.75. *Egyptian Karnak Cotton*: July-August, November-December, January-February 54.05. *Sudan contract*: July-August 47.45; September-October 46.00; November-December 45.80.

After an initial advance in prices induced by scattered trade buying and short-covering, the New York cotton futures market developed a reactionary tendency in the later sessions. Following the publication of the official forecast of higher cotton acreage in the coming season, operators were inclined to reduce their commitments. There was also light hedging and selling by locals supplying the offerings. Consequently, prices tended to look down.

The cotton acreage in the new season (1956-57) is expected to be larger than the final acreage for the current season. The Department of Agriculture puts the estimate at 16,962,000 acres, as against 16,928,000 acres sown in 1955-56. The forecast is contrary to the anticipation of traders who had assumed that the acreage restrictions induced by the Government would result in a cut in area under cotton cultivation. Commenting on the U.S. cotton crop position, the Manchester Correspondent of the *Financial Times* observes: "If the yield per acre approaches the very high standard achieved during the past two years, there will be another large crop, leading to a further accumulation of supplies. Last season, a new all-time record yield of 417 lbs. per acre was attained, and the resultant production was 14,721,000 bales. Surplus stocks of American cotton are at present practically equal to a year's output, and the continued building up of stocks has had a most unfortunate effect on world trade both in the commodity and in the finished textile products. The U.S. Government has been urged on all sides to introduce plans to reduce the excess supplies, and is at present engaged on a disposal programme aimed at shifting at least 5 million bales in export contracts at world competitive prices which are distinctly lower than those quoted in the American home market. The further addition of a substantial quantity of new crop cotton could have an even more disturbing effect on the international cotton situation."

Emergence of boil-weevils, according to the U.S. Department of Agriculture, has been very heavy. In early areas of the cotton belt, boll-weevil infestation was increasing rapidly in untreated fields in June last and is a "serious threat unless controlled." By 1st July, the Department says, the acreage of cotton diverted to the Soil Bank was negligible in all States. Actually, Soil Bank participation by cotton farmers, if it comes in appreciable amounts, will not be felt until later this month.

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

(In cents per lb.)

	17-7-56	10-7-56	3-7-56
Spot	35.90	36.55	36.80
July	32.50	34.58	34.62
October	32.62	32.58	32.65
December	32.70	32.60	32.73

STAPLE FIBRE YARN FIRM

(From Our Own Correspondent)

BOMBAY, 18*th July*

A sharp rise in staple fibre yarn prices was the feature of trading in the yarn market during the week under review. The rise followed a buying spree induced by reports of very limited stocks in consuming centres, particularly in the Punjab. Also, the attractively low levels touched as a result of the two-week old recession in prices evoked good demand from traders. In sympathy with the firmness in fibre yarns and owing to better enquiries from upcountry centres, ready rayon yarns registered an improvement in prices. Forward rayon yarns, however, ruled easy, thanks to rumours of open forward sales of yarn by the National Rayon Corporation. Cotton yarns were, however, irregular, moving both ways. Thus, lower counts elicited buyers' attention on encouraging reports from the South, while finer counts were dull, as offtake continued to be rather poor. The market remained closed today on account of *Ashad Ekadashi*.

Staple fibre yarn (40x2) for July delivery forged ahead by Rs. 18 to Rs. 652. August delivery was well favoured at Rs. 655. Spot indigenous yarns (40x2) also recorded a rise. Citys rallied 21 pies to Rs. 3-6-9. Kohinoors climbed up by 15 pies to Rs. 3-8-6. New Greats strengthened by an anna to Rs. 3-6. Centurys hardened by a like amount to Rs. 3-6-6. Foreign yarns (80x2), on the other hand, were somewhat neglected. Suicos, K'Suns and H'Races declined by As. 2 each to Rs. 6-12, Rs. 6-8 and Rs. 6-2, respectively. Fujis lost an anna to Rs. 6-2. Paramounts eased by half an anna to Rs. 6-2-6.

Snia rayon yarn (120 deniers) for August delivery slipped by Rs. 4 to Rs. 780. October position suffered a like fall to Rs. 787. In contrast, ready 120 Japan improved by an anna to Rs. 3-12-9. 120 Italy rose by three pies to Rs. 3-12-9. 150 Italy was fully maintained at Rs. 3-14 and 150 Japan at Rs. 4-0-9. Among indigenous yarns, National Rayons 120 Bt. cones, 1st grade, gained nine pies to Rs. 3-10-9. 150 Bt. cones 1st grade were better by half an anna at Rs. 3-7-9.

In the cotton yarn section, ten and twenty counts met with good buying support and registered gains on balance. Among the former, Elphinstones picked up As. 6 to Rs. 14. Moderns hardened by As. 4 to Rs. 14-8. Podars advanced from Rs. 14-2 to Rs. 14-4. Deals in 20s Moderns were put through at Rs. 18-6, as against Rs. 18-4 last week. Hinds gained an anna to Rs. 18-5. Forty counts, however, staged a retreat for want of enquiries. Maduras and Minaxis receded by As. 6 each to Rs. 28-10 and Rs. 28-2, respectively. Moderns were quiet at Rs. 28, as also Gokaks at Rs. 28. The prices of sixty counts yarns were unchanged, Moderns being quoted at Rs. 61-8, Raghuvamshis at Rs. 57-4 and Finlays at Rs. 61. Among 80s, Elphinstones declined by Re. 1-8 to Rs. 66-8 and Moderns by As. 8 to Rs. 68-8, but Finlays improved by As. 12 to Rs. 75.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted on 17th as compared with those a week and fortnight before:

	17-7-1956	11-7-1956	4-7-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)—			
120 Dull Cone Snia August ..	780 0	784 0	782 0
October ..	787 0	791 0	— —
120 Japan (per lb.) ..	3 12½	3 11½	3 12½
150 Japan (per lb.) ..	4 0½	4 1	4 2
120 Italy (per lb.) ..	3 12½	3 12½	3 12½
150 Italy (per lb.) ..	3 14	3 14	3 15
Staple fibre yarn (per case of 200 lbs.)—			
40 × 2 July ..	652 0	634 0	642 0
40 × 2 New Great per lb.) ..	3 6	3 5	3 6½
40 × 2 Century (per lb.) ..	3 6½	3 5½	3 6½
40 × 2 City (per lb.) ..	3 6½	3 5	3 6½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	14 4	14 2	13 14
20s Hind	18 5	18 4	18 2
40s Minaxi	28 2	28 3	28 2
60s Raghuvamshi	57 4	57 4	57 0
80s Finlay	75 0	74 4	75 0

OILSEEDS RECOVER

(From Our Own Correspondent)

BOMBAY, 18*th July*

The oilseeds market witnessed a two-sided movement during the week under review. In the first three sessions, the sentiment of the market was adversely affected by bear selling and unloading by certain well-known operators. Prices as a consequence declined, to see the lowest levels of the week on the 16th inst. Thereafter, however, the market put on a lively appearance on persistent bull support, induced by fears of damage to crop by excessive rains especially in Saurashtra and by prospects of export quota in castor oil. The firmness in castorseeds May contract which was commenced on the 16th inst. also hardened the sentiment. In the result, prices forged ahead making more than good the earlier losses. The undertone of the market was firm at the close. The market remained closed today, being *Ashad Ekadashi*.

Groundnut, February contract, which closed last week at Rs. 128-8, opened the week lower at Rs. 127-8. On persistent selling pressure, it gave way to touch the week's lowest at Rs. 126-8. At this level there were some buying enquiries as a result of which it made a smart recovery to close at Rs. 130-4. The spot rates were firm, with Bold F.A.Q. registering a rise of Rs. 3 at Rs. 32-8. June-July rose by Rs. 2-12 to Rs. 32-4. August-September too improved by Rs. 2-1 to Rs. 31-5, Khandesh quality put on Rs. 2 at Rs. 33-4. Groundnut oil ex-mill at Rs. 17-4 was a shade higher. Railway receipts were As. 8 better at Rs. 17-4.

Castorseed futures started the week on a quiet note at Rs. 126-14. Owing to sustained offers, the quotation declined gradually to a new low of Rs. 124-4, touched on the 16th inst. Subsequently, however, on rumours of a possible export quota for castor oil, the rate improved to Rs. 132-10. May contract opened on the 16th inst. at Rs. 111-4 and made an encouraging headway to finish the week at Rs. 115. Ready F.A.Q. was, however, a shade lower at Rs. 25-6, while Madras and Kanpur advanced by Rs. 1-2 and As. 14 to Rs. 26-12 and Rs. 25-12, respectively. Oil B.S.S. was done at Rs. 15 and oil commercial was fractionally higher at Rs. 14-2.

Forward trading in linseed will be resumed from Friday the 20th July. Spot linseed moved in sympathy with the general trend of the market. Bold ready, on balance, was As. 6 higher at Rs. 29-2 and August-September As. 12 at Rs. 29-8. Indore, too, finished at Rs. 27-8, representing a gain of As. 12, during the week. Linseed oil ready, however, shed As. 6, closing the week at Rs. 16.

Among the other oilseeds, *kardi* Bold F.A.Q. lost As. 2 to Rs. 17-8. *Niger* seed Bold F.A.Q. was dull at Rs. 27-12. Madras, however, was bid at Rs. 29 as against Rs. 27-12.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	17-7-1956	11-7-1956	4-7-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	130 4	128 8	132 0
Khandesh Quality Ready (per cwt.)	33 4	31 4	34 0
June-July	32 4	29 8	32 8
Linseed—			
Bold Ready (per cwt.) ..	29 2	28 12	29 4
June-July	29 2	28 12	29 4
Castorseeds—			
September	132 4	127 12	133 8
Madras (per cwt.)	26 12	25 10	26 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 4	17 2	17 10
Castor Oil—			
Commercial (per quarter) ..	14 2	14 0	14 6
Linseed Oil—			
Ready	16 0	16 6	15 0

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 18*th July*

The sugar market depicted an easy trend during the week under review. Demand from Malabar side was considerably slack, thanks to the movement of large stocks of sugar from Uttar Pradesh to South India. The ex-mill quotations for Bombay-Deccan sugar were also lower by a rupee per bag, in anticipation of an early further monthly release of sugar for sale in the free market. Some selling was, therefore, in evidence and prices tended to recede. The decline would have been more marked but for renewed reports of the Central Food Ministry's move to export about 200,000 tons of sugar.

In the spot section, large grain indigenous sugar dropped a rupee to Rs. 97-Rs. 102 per bag. Medium grain was done at Rs. 93-Rs. 95, as against Rs. 94-Rs. 95 last week. Paucity of stocks of this variety was keenly felt, owing to unsatisfactory movement position. Small grain sugar was dull at Rs. 90. British refined sugar, however, met with good support and rose by As. 10 to Rs. 88-14.

In the forward section, *Shravan* delivery contract for 'C' grade sugar declined from Rs. 92-6 to Rs. 96. But today, it was favoured As. 4 higher at Rs. 92-4.

Arrivals of indigenous sugar into the market during the week aggregated 9,700 bags, as against 9,600 bags a week before.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

OUTLOOK FOR PEPPER UNCERTAIN

(Messrs. Parekh & Co.)

BOMBAY, 18*th July*

In the earlier part of the week, Malabar black pepper ruled quiet in view of enquiries from the U.S. being smaller and selective. New York dealers refused to pay anything more than $0.27½ for July shipment for Malabar, as Indonesia was reported to be underquoting. Although the present prices are said to be sufficiently low, it appears that operators in the U.S. and Europe are still entertaining doubts as to the ability of the growers in Sarawak and Indonesia to hold on the present prices in the beginning of their respective harvesting seasons.

Alleppey growers were forced to reduce their price from Rs. 700 to Rs. 687½, but even at this rate, business turnover failed to expand, as the recent change in the freight by the Conference Line, made the purchases by the exporters at the limit unremunerative. Garbled at Cochin were done at Rs. 117½. Owing to fairly good demand of white pepper from Europe, Sarawak was reported to be steady, where prices for black after touching Str. $73 improved to Str. $79 and white from Str. $108 to Str. $119. But this did not mend matters for Malabar for the reasons that Indonesia started competing and the Indian growers who were firm at Rs. 700 showed some signs of weakness when prices were quoted below the levels at which they took out loans on their stocks. The future of black pepper seems to be highly uncertain, as in spite of small spot stock and approaching fall season, New York is still persisting in its hand-to-mouth buying policy.

In the later part, however, slight improvement was noticed at Alleppey when exporters who sold on views came out to cover for their sales for shipment during the first half of July. Alleppey went up to Rs. 700 and garbled to Rs. 120.

A small sympathetic rise, both in A.S.T.A. and delivery, was witnessed locally when August-September improved from $0.27 to $0.27¾ and delivery from Rs. 617½ to Rs. 640. Following are today's nominal quotations: Ready Rs. 94 per Bengal maund. July Rs. 640-45 and August Rs. 645-50 per candy of 5¼ cwts.

TEAS WELL SUPPORTED

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 13*th July*

Offerings again amounted to 1¼ million pounds in sale No. 19 which was held on Tuesday, 10th July. Quality was irregular, occasional invoices of low-grown tea were a little brighter, but there was still a heavy weight of rush tea on offer. There were slightly more better liquoring teas on offer and one or two high-grown quality invoices. The sale opened to a much better all-round demand and prices were generally about steady on last rates. There were far less withdrawals of low-grown types. There was a useful demand for better liquoring teas and a strong demand for quality high-growns. The latter were often dearer. Clean, black Middle East types were well supported and were occasionally dearer. Any teas with a show of tip sold well. Whole leaf grades were again a strong feature. The following are the quotations:—

	1956 Rs. a. p.	
Plain B.P.	1 4 0	
Low Medium B.O.P.	1 5 0	
Medium B.O.P.	1 8 0	*Nom.*
Good B.O.P. ... Rs. 1-15-0 to	2 1 0	
Well-made black leaf O.P. ...	2 5 0	

London Market: *Sale of 9th July 1956*:—Market unchanged plainest steady.

Sale of 10th July 1956:—Market firm.

Colombo Market: *Sale of 9th July 1956*:—Sharp advance better qualities. Others slightly dearer, except rubbish.

Sale of 10th July 1956:—Active demand. Low-growns five cents dearer, mediums ten cents dearer, improved quality dimbulas 10 to 20 cents dearer, improved quality uvas frequently 50 to Re. 1 dearer.

Calcutta Market: *Export.*—23,000 chests. Much stronger demand for all descriptions. Better liquoring teas often Re. 1 dearer. Medium Assams As. 4 to As. 8 dearer. Low mediums an anna to As. 1½, plainer types one anna dearer. Whole leaf strong to dearer. Flavoury Darjeeling very strong. Tippy kinds stronger.

Internal.—11,000 packages dust. Very strong general demand. Middle East and C.T.C. types often As. 4 to As. 8 dearer. Dooars commons and low mediums weakest feature irregularly one anna to As. 2 easier. Good support medium Assams and Darjeelings generally one anna to As. 2 dearer. Old seasons sold around last rates. 500 leaf. Good demand irregular rates.

Dust Sale 'N':—The total quantity on offer in sale N, which was held on Thursday, 12th July, amounted to 850,000 lbs. From the outset there was a much better all round demand. Nevertheless, prices were irregularly 1 anna to As. 2 easier. Best liquoring dusts and black Middle East types were the strongest features.

Export Quota.—The market has again hardened and business has been done at 36 pies.

Forthcoming Auctions.—Sale No. 20 will be held on Tuesday, 17th July. Dust sale 'O' will be held on Thursday, 26th July.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:—

"*Sale* 20:—1,300,000 lbs. Useful demand, but commonest easier. Low and low medium brokens firm. Best liquorings dearer. Very strong enquiry all fannings grades which have advanced. Whole leaf strong demand at better prices."

GOOD LIQUORING TEAS IN DEMAND

(From Our Own Correspondent)

CALCUTTA, 17*th July*

During yesterday's export tea auction buyers once again concentrated their attention on good liquoring teas of all descriptions. Recent trends in tea auctions have shown that the demand for better quality teas has unmistakably increased all the world over. This is principally due to a feeling in the market that, in view of the adverse weather conditions of late, the demand for quality teas during this season may not probably be met in full. As at present, there is little chance for an agreement among the producing countries to regulate and restrict production to demand. For, producing countries apparently prefer to produce as much tea as there is demand. Thus, a glut in supplies of low medium and common teas is likely. Keen competition would naturally drive consumers to prefer quality teas. This is the reason why good teas are fully steady in auctions at Calcutta as well as at Chittagong and Mincing Lane. In such a situation, the need for Indian gardens to seize the opportunity and pay attention to qualitative production rather than quantitative, which was last season's experience, cannot be overemphasised.

Yesterday's offerings amounted to 27,900 packages, and quality teas were fully steady. Tippy teas and medium Assams with quality realised higher prices. There was good demand for the ordinary C.T.C. teas, but the best C.T.C.s were the strongest feature of the sale with the rise in price by several annas. Small black fannings were higher on good demand from Middle East buyers, while the ordinary teas of this variety declined by an anna. Low medium and plain teas were easy, and withdrawals were reported. Darjeelings of all descriptions met with a good market. Whole leaf grades were steady. The quotations were: best C.T.C. Assam B.P. Rs. 4 to Rs. 5, medium Assam B.P. Rs. 2-2 to Rs. 2-4, clean black pekoe Re. 1-15 to Rs. 2, and plain B.P. Re. 1-8 to Rs. 1-8-6.

Export quota right varied from As. 2½ to As. 2-8, with business being done at As. 2-7.

At the internal sale held last week prices for quality teas registered a substantial increase. Thus, C.T.C. Assams and black leaf teas suitable for consumption in the Middle East rose by As. 4 to As. 8. Offerings totalled 10,050 chests, which included 3,100 chests of the old season's teas. There was better demand for the quality teas on offer. Darjeelings improved by an anna to As. 2, as did medium Assams, while commons, Dooars and low mediums lost by an anna to As. 2. Residue teas representing end-of-season characteristics disclosed no change in prices. The rates were: best Assam C.T.C. Rs. 3-4 to Rs. 3-8, medium Assam grainy dust Re. 1-12, and medium Dooars Re. 1-6 to Re. 1-7.

Leaf grades on offer aggregating 416 chests included 232 chests of the new season, and the balance was of the old season's teas. There was fair demand for all teas excepting the green teas, most of which had to be withdrawn.

JUTE GOODS BETTER

(From Our Own Correspondent)

CALCUTTA, 17*th July*

Following good support from overseas buyers, prices of jute goods were better during the early part of the week under review. Hessians held the pride of place, with traders paying more attention to them than to sackings. From the statistical point of view also, such greater attention to hessians was only natural. During the week, the stock position as at the end of June was announced. While overall stocks had increased by 6,200 tons to 125,900 tons, hessians and miscellaneous constructions dropped to 37,500 and 6,400 tons, respectively, from 40,600 and 7,400 tons respectively. The increase in sacking goods at 82,000 tons was by as much as 10,300 tons. This position suggests that, in order to arrive at a correct balance between demand and production, some of the sacking looms would have to be transferred to hessian manufacture. Output figures for the month of June were also available during the week. Compared with the figures for May, production in June fell by 2,800 tons to 98,900 tons, mainly due to the shorter working month. It was, therefore, noted that the total availability of goods during the last month was 218,600 tons from which if the month-end stocks of 125,900 tons were deducted, the demand was of the order of 92,700 tons, i.e., 6,200 tons lower than production. Since yesterday, 2½ per cent. of the looms have been kept under seal, and the feeling in the market is that this is only a partial step towards arriving at a balance between demand and production. This step would curtail production by 3,000 tons, and a further reduction by a similar amount would be in the fitness of things.

From the shipping figures too, traders could derive little satisfaction so far as sackings were concerned. For, sackings shipped during June were lower by 10,000 tons at 30,000 tons, but hessian shipments were higher at 33,900 tons, as against 28,900 tons in May. This was also a factor which led to more interest being shown in hessians by speculators. Although note was taken of the fall in consumption in June in the United States by 10 million yards, this had hardly any depressing effect in hessians in view of the statistical strength. Hessians 40" 10 oz. ready were fully steady at Rs. 38-14, following the announcement of the stock position, and forward goods were quoted at a premium. Thus July-Sept. hessians at Rs. 39-1, were higher by As. 3 and Oct.-Dec. were priced at Rs. 38-15. The lower trend in raw jute prices and mills' anxiety to enter into forward commitments in goods led to a decline in quotations. Ready hessians 40" 10 oz. eased slightly to Rs. 38-9 but remained steady at that level for three days before dropping to Rs. 38-6 by the week-end. The absence of buyers caused a further fall in the rate yesterday to Rs. 38-5 with the forward rates quoting at a premium of As. 3. In sackings, some export business was done with Australia. Ready B. twills after being steady at Rs. 105-6 earlier in the week declined to Rs. 104. The recovery to Rs. 104-4 was short-lived as by the week-end, the quotation had given way to Rs. 103-10. Depressed conditions prevailed yesterday and ready B. twills sagged to as low as Rs. 102-12. As in hessians, forward goods in sackings also were sold at a premium.

The feature in the raw jute market was the decline in prices, following a slight improvement in arrivals. After the substantial purchases last week, mills showed little interest. The old crop jute fell by Re. 1-8 a maund, and the new crop by As. 8. Thus Indian northern bottoms declined to Rs. 27-8 from Rs. 29, and Aug.-Sep. to Rs. 27 from Rs. 27-8.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 16*th July*

The sugar market ruled quietly steady during the week. Mill delivery prices improved slightly. There were enquiries from consuming centres, particularly from the Punjab, Delhi and Bombay area. Booking by railway, however, was restricted and, consequently, despatches were small. Despatches were mostly to Delhi. The total overall production of sugar during the current season is about 1.85 million tons. The standing cane crop for the next season is progressing under healthy conditions in most parts of the State of U.P., due to fairly good rains, but rains in small area at Hapur and near centres are yet deficient and this accounted for the check in progress in the cane crop in this area.

The latest mill delivery prices of sugar are: Jaswant Rs. 28-10, Simbhauli Rs. 28-12, Mowana Rs. 28-4 to Rs 29, Daurala Rs. 29-8 to Rs. 30-4, Amroha Rs. 28-2, Bijnore Rs. 28-4, Mansoorpur Rs. 29 to Rs. 30, Rampur Rs. 31; retail Rs. 30-10 per maund.

The *khandsari* market ruled depressed. Demand was negligible, with meagre arrivals. Inferior grade was quoted between Rs. 20 to Rs. 23 and superior between Rs. 24 to Rs. 27 per maund.

Ready *gur* recorded gains during the week. It was quoted at Rs. 11 per maund for dry quality and at Rs. 10 for wet *kotha* quality. Daily arrivals were about 100 maunds and the week's offtake—mostly to the consuming areas of Gujerat—aggregated 14 wagons and local stock was put at 25,000 maunds. Future *gur* prices ruled both ways in speculative bouts. Opening at Rs. 10-1-9, *fagun* delivery touched the highest at Rs. 10-4-6 and the lowest at Rs. 9-15 during the week and were quoted today at Rs. 10-4-3.

FOODGRAINS SPURT

(From Our Own Correspondent)

HAPUR, 16*th July*

Barring wheat the prices of which ruled quiet, the prices of other grains recorded sharp advances during the week. Wheat average quality was quoted around Rs. 14-12 per maund and outside buying enquiry was stagant at the prevailing rates, but, due to small arrivals at an average of 200 maunds and good demand from consumers, prices continued to be steady. Farm quality prices, however, appreciated slightly, due to some offtake to Bihar. Local wheat stock was unchanged at 83 *khaties*, as against 126 *khaties* at this time last year when average quality was quoted at Rs. 11-6 and farm quality at Rs. 12-12 per maund. Sales of wheat by the Government at Delhi at the rate of Rs. 14 per maund had a quietening effect on the local market. Some foreign wheat was also brought here and was transacted at Rs. 15 per maund. Rice prices also recorded gains during the week, influenced by worsening food situation in East Pakistan and reported smuggling of rice from Bengal to that country. Local supply position is satisfactory and prevailing rates are: *Rangooni* Rs. 19, *manipuri* Rs. 20, *basmati* Rs. 25 to Rs. 33 and coarse quality Rs. 16 per maund.

Barley and *bejhar* prices recorded handsome improvement during the week on poor stock position locally and good consumer demand. The overall production of barley in the country during the year 1955-56 is put at 2,341,000 tons, as against 2,493,000 tons last year and in U.P. alone, barley production has gone down by 150,000 tons. The latest prevailing prices are: Barley Rs. 11-8 and *bejhar* Rs. 11-4 per maund.

Pulses also recorded a rise in prices which, under the leadership of gram, spurted to new highs. The final production report of *gram* for 1955-56 in the country records a fall of 9.8 per cent. as compared with last year, although gram production have been very good in Punjab. Local gram stock was swelling, due to heavy quantity arrivals from Punjab and was put at 70 *khaties*, but prices went up on firm Punjab advices and good demand from Madras. Loading restrictions, however, hampered despatches to that area. Gram local quality was transacted at Rs. 11-12 and Punjab quality at Rs. 12-4 per maund. Peas *dara* green advanced to Rs. 10-13 per maund and arrivals declined to an average of 150 maunds and local stock was put at 59 *khaties*, as against 93 *khaties* at this time last year. *Arhar* was quoted As. 4 higher at Rs. 11-5 per maund and stock swelled to 100 *khaties*, as against 38 *khaties* a year before. *Urd* also recorded gains during the week and the prevailing prices are: *Urd* Rs. 18 to Rs. 19, *moong* Rs. 14, *masoor* Rs. 13-12 per maund. Barring *guwar maha* the prices of which ruled quiet in absence of fresh driving force, prices of all pulses futures recorded advance on bull support and were on Monday quoted at: *Peas bhadon* Rs. 11-2-9, peas white *bhadon* Rs. 11-12, *arhar bhadon* Rs. 11-10-6, *guwar maha* Rs. 8-6-6 and *urd maha* Rs. 14-11.

KIPS FULLY STEADY

(From Our Own Correspondent)

MADRAS, 16*th July*

Trading in kips was moderate. Arrivals were as usual and clearances slow, because sellers were demanding high prices—one to two annas above U.K. levels. It was felt that, if shippers enhanced their offers so frequently, the U.K. buyers would probably lose confidence at origin and keep out of the market again, in view of good shipments made in June, as also to be made in July.

In the July tanned skins London public auctions, prices of sheep skins primes and light weights advanced 6*d.* to 12d., while ordinary tannages were difficult to sell.

Arrivals of tanned skins into the market were on the usual scale and clearance of sheep skins were excellent, probably for shipment to Japan, and prices increased by As. 3 to As. 4 per pound. There was moderate clearance of goat skins and prices advanced by As. 2 per pound. Raw skins markets were firmer in sympathy.

Notice

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN THAT THE following Interim Dividends have been declared for the year ending 31st May 1956, namely:

Rs. 225 per share on 100 Original Shares of Rs. 2,500 each.

Rs. 11-4 per share on 40,000 shares of Rs. 125 each.

Rs. 4-8 per share on 84,000 shares of Rs. 125 each (Rs. 50 paid up).

The above Interim Dividends are payable on and after 3rd September 1956 to shareholders whose names stand on the Register at the close of business on 16th August 1956.

The Transfer Books will be closed from 16th August to 31st August 1956, both days inclusive.

CAPITAL

For the information of shareholders, the Board of Directors advise that they have consulted leading Counsel with regard to the rights to an Extra dividend attached to the holders of the 100 shares of Rs. 2,500 each (nominal), and have obtained two valuations from eminent firms of Chartered Accountants. The valuations have been made on the basis of the conversion of the rights to extra dividend into ordinary shares at par, and both valuations arrive at the same result, namely 18,000 fully paid shares of Rs. 125 each (nominal) as the equivalent in value of the rights to Extra dividend.

By Order of the Board of Directors,

R. E. FORRESTER,
Chairman.

BOMBAY, 18*th July 1956.*

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	2½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	6	8
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	6	4
Costa Rica	1st April, 1954	4	5
Denmark	2nd May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	6	6
Philippines	1st March, 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 13th July, 1956		Week ended 6th July, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,74,904	58,54,63,000	2,59,409	56,36,62,000
Calcutta	1,48,625	50,59,71,794	1,57,343	61,99,84,596
Madras	96,337	9,52,29,686	85,626	8,84,93,157
All Centres— 1955-56*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
April 1956	..	..	3,434,000	7,40,55,00,000
May ,,	..	..	3,485,000	7,10,51,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 13th July, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		52,03,24,000
(2) Other Governments		6,93,75,000
(b) Banks		52,64,59,000
(c) Others		12,15,68,000
Bills Payable		6,31,37,000
Other Liabilities		25,44,41,000
	Rupees	181,56,84,000

ASSETS	Rs.	Rs.
Notes		29,36,67,000
Rupee Coin		94,77,000
Subsidiary Coin		9,41,000
Bills Purchased and Discounted—		4,37,000
(a) Internal		
(b) External		2,00,000
(c) Government Treasury Bills		5,83,68,000
Balances held abroad*		41,62,83,000
Loans and Advances to Governments		3,31,75,000
Other Loans and Advances		55,49,45,000
Investments		37,30 63,000
Other Assets		8,46,05,000
	Rupees	181,56,84,000

* Includes Cash and Short-term Securities.
(1) The Item 'Other Loans and Advances' includes Rs. 33,96,60,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 187,31,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	29,36,67,000	
Notes in circulation	1474,59,57,000	
Total Notes issued		1503,96,24,000
Total Liabilities		1503,96,24,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	626,67,54,000	
Total of A		666,69,25,000
B. Rupee Coin		108,71,11,000
Government of India Rupee Securities		728,55,88,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1503,96,24,000

Ratio of Total of A to Liabilities: 44.329 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 6th July, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	9,04,99,000
(ii) Other demand liabilities	629,39,60,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,22,39,000
(ii) Other time liabilities	451,74,68,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	6,80,45,000
(ii) Time liabilities	
4. Cash in India	37,46,50,000
5. Balances with the Reserve Bank in India	49,97,94,000
6. Balances with other banks in current account in India	11,19,13,000
7. Money at call and short notice in India	15,93,65,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	346,89,64,000
9. Advances in India	611,91,01,000
10. Inland Bills purchased and discounted in India	99,54,53,000
11. Foreign Bills purchased and discounted in India	45,58,64,000

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

EXCHANGE RATES

		17th July, 1956	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	₹.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	₹.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	₹.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	₹.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	4782	4782
Buyers T.T.	Rs.	473	473
London on New York	$	2.79½-2.79¾	2.79½-2.79 3/8
London on Paris	Frs.	980½	981¼
London on Berne	Sw. Frs.	12.18⅞	12.18⅞-12.19
New York on London	$	2.79½-2.79¾	2.79½-2.79¾

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,138	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 290,700	142,370	3,766
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1954	42.84	Fr.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,500	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,380	1,548
Norway	1954	3.89	Kr. 18,424	1,820	9,638
Sweden	1954	7.21	Kr. 38,830	8,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,874	1,610	3,654
Switzerland	1954	4 62	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 29th June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		25,04,86,000
(b) Provincial Governments		3,22,66,000
(c) Banks		27,48,61,000
(d) Others		9,87,16,000
Bills Payable		1,50,62,000
Other Liabilities		7,23,52,000
	Rupees	85,37,43,000

ASSETS	Rs.	Rs.
Notes		12,48,44,000
Rupee Coin		8,000
Subsidiary Coin		10,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		4,98,000
(c) Government Treasury Bills		....
Loans and Advances to Governments		2,97,75,000
Provincial Governments' Debtor Balances		53,76,87,000
Other Loans and Advances		16,09,21,000
Investments		
Other Assets		
	Rupees	85,37,43,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,48,44,000	
Notes in circulation	283,54,44,000	
Total Notes issued	....	296,02,88,000
Total Liabilities	....	296,02,88,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	96,98,38,000	
Government of India Securities	16,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	167,93,32 000
B. Rupee Coin	6,79,62,000	
Government of Pakistan Securities	115,39,88,000	
Internal bills of exchange and other commercial paper	....	122,19,50.000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,03,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	296 02,88,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 58.62 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	6th July, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1482.50	1474.67	1514.82	1321.64
Notes held in Banking Department	35.05	20 08	28 27	9.45	10.14
Foreign Securities	59.50	636 61	646 55	666.54	652.04
Rupee Securities	37.39	718.62	708 68	713.66	543.65
Banking Department					
Deposits of:					
Government of India, etc.	14.89	54 23	56.84	52.47	84.07
Other Governments	..	4 77	13 17	4.93	17 67
Balances held abroad	10.08	41.87	34 97	33.10	63.32
SCHEDULED BANKS					
Demand Liabilities	134.36	639 35 (9.93)†	638 11 (6.12)†	636.36 (8 71)†	503 87 (9 93)†
Time Liabilities	102.24	454.97	452.88	444 21	399.58
Borrowings from Reserve Bank	..	(3 22)† 44 81 (33.68)‡	(3 22)† 53 22 (37·57)‡	(2 91)† 60 42 (42.92)‡	(3 93)† 31 82 (29 05)‡
Borrowings from State Bank	..	6·80	5.36	8 03	4.49
Cash in India	6.70	37.47	40.07	37·41	34.37
Balances with Reserve Bank	25.17	49.98	51.83	49.42	45.71
Excess over statutory limits	15.52	8.32	10.87	8 72	8.03
Balances with other banks in current account in India	..	11.19	14.76	10 37	10.75
Money at call and short notice in India	..	15 94	11.20	10 81	17.73
Investments (at book value)	..	346.90	347.63	349.00	358.55
Advances and bills	105.09	756.44	767.47	769.03	616.38
STATE BANK					
Deposits	37.76	222.85	226.03	224.63	199.40
Investments	51.99	100.17	100.33	100.84	95.88
Advances	80.85	134.08	134.26	139 43	115 86
Cash	14.69	15.81	19.98	16 64	13.91

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	April,		Twelve months, April to March,	
	1955	1956	1954-55	1955-56
Import Duties†				
Revenue	8.94	9.46	136 98	120.17
Protective	0.75	0.97	7.24	10.89
On surplus disposals	—	—	0.14	0.09
Total Import duties	9.69	10.43	144.36	130.65
Export Duties	2.23	1.54	41.39	37.49
Land Customs	0.19	0.05	1.81	1.39
Miscellaneous	0.05	0.07	1.07	0.70
Gross total customs	12.21	12.09	188.63	170.13
Refunds and drawbacks	0.24	0.15	1.88	1.89
Net Customs	11.97	11.94	186.80	167.60
Gross excise	10 50	12 09	166.62	148 63
Refunded	0 08	0 09	1.98	4.98
Net Excise	10.42	12.00	164.64	144.75
Net total of customs and excise†	22.39	23 94	291.44	312.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 6th July, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	222,85,10,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	11,50,00,000
Bills Payable		4,34,00,000
Bills for Collection being Bills Receivable as per contra	.. ..	62,70,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	13,37,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	5,89,80,000
Total ..	Rs.	257,32,47,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	12,17,26,000
Balances with other Banks	.. ..	3 63,93,000
Money at Call and Short Notice	.. ..	1,00,00,000
INVESTMENTS:		
Government and other Trustee Securities	89,44,42,000	
Other Authorised Investments	10,72,84,000	
		100,17,26,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	96,05,74,000	
Bills Discounted and Purchased	38,02,35,000	
Bills Receivable being Bills for Collection as per contra		134,08,09,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		62,70,000
Premises less Depreciation		13,37,000
Furniture and Fixtures less Depreciation		1,16,31,000
Other Assets (including Inter-Office Adjustments)		51,72,000
Total ..	Rs.	3,81,83,000
		257,32,47,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡													
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates ‖	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,88	65	3.26	23.66	84.17	1,18.39	92.08	— 31.07	7.55	25.54					
1953-54	4,70	1,62	4,99	27.27	1,24.64	1,34.94	1,30.83	— 36.35	5,57	37.15	7.40£	7.88			
1954-55	3,76	1,96	5,46	27,17	1,44,39	1,52,95	1,63,00	— 38.80	4 70	41.25	9,89	16,41	45	54	54
April 1955	4,60	11	5,00	2.25	1,26,46	12 41	1,33,22	— 36.50	45	37.55	48	7.86	4	4	58
May ,,	4,52	26	5 24	2,01	1,27,94	11,82	1,34,24	— 36.64	41	37.99	56	8.51	4	4	61
June ,,	4,44	18	5,12	2.09	1,29,49	12.26	1,36,26	— 36.76	37	38.22	84	9.22	4	5	65
July ,,	4,36	12	5,15	2.27	1,31,28	12.80	1,40.58	— 36.35	41	38.54	91	10.19	4	5	69
August ,,	4,29	12	5,17	2.00	1,33,23	12.25	1,43.80	— 36.96	39	38.87	88	11.00	4	5	72
September ,,	4,21	12	5,20	2.54	1,34,88	12.40	1,46.91	— 37.11	44	39.23	94	11.80	4	5	75
October ,,	4,14	10	5,21	2.11	1,36,88	11.33	1,48,99	— 38.23	46	39.58	90	12.49	5	5	78
November ,,	4,07	10	5,21	1.88	1,37,68	11.25	1,50,40	— 38.84	48	40.05	82	13.20	5	5	80
December ,,	4,00	15	5,26	1.85	1,39,48	13.94	1,52.44	— 38.44	36	40.34	88	13.98	4	5	85
January 1956	3,91	14	5,24	2.02	1,40,78	12.16	1,54,14	— 38.55	32	40.51	84	14.73	3	5	88
February ,,	3,83	16	5,20	2.33	1,42,37	12.87	1,56,19	— 38.66	39	40.95	93	15.57	2	5	91
March ,,	3,76	31	5,46	2.80	1,44,39	18.45	1,63,00	— 38.80	36	41.25	91	16.41	3	5	93
April ,,	3,69	24	5,52	2.19	1,45,88	14.54	1,66,22	— 38.89	34	41.51	82	17,17	3	5	98
May ,,	..	..	..	..	..	..	..	..	38	41.82	..	..	..	..	..

* At the end of period.
† Issued from 16th May, 1954.
‡‡ Relating to nine months from July, 1954.
@ Progressive net repayments at the end of period from 15th August 1947.
‖ From July, 1954.
§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
£ Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 9-7-'55	9-6-'56	30-6-'56	7-7-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91.2	91.2	91.2
1. Government of India	90.7	91.1	91.1	91 0
2. Indian States	96.4	96.7	96.8	96.8
3. Municipal, Port Trust, etc.	89.5	89.4	90.1	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.5	100.5	100.5
1. Electricity	102.0	101.5	101.5	101.5
2. Jute	98.8	97.5	97.5	97.5
3. Plantations	99.1	99.2	99.3	99.3
4. Sugar	96.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.9	102.3	101.8	101.8
8. Others	100.9	101.0	101.0	101.0
PREFERENCE SHARES	87.7	85.1	85.3	85.3
1. Electricity	90 5	90.8	90.6	90 3
2. Cotton	79.1	81.9	82 9	82 9
3. Jute	87.1	81.9	81.8	81.9
4. Coal	92.3	85.9	84.6	84.6
5. Iron and Steel	90 5	87.8	87.9	88.2
6. Sugar	84.3	84.7	84.5	84.6
7. Paper	88.8	82.1	82.1	82.1
8. Plantations	98 0	102.5	102.3	99.0
9. Miscellaneous	85.1	81.8	82.0	82.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	116.9	125.7	124.8	124.4
(a) Financial	87.5	90.5	90 6	90.8
1. Banks	84.2	90.8	90.7	90.8
2. Insurance	110.3	87.5	89.3	91.2
3. Investment Trust	86.2	92.5	92.7	91.7
(b) Public Utilities	112.8	113.1	111.7	112.0
1. Electricity	122.2	113.2	111.8	112 3
2. Shipping and other Transport	97.9	120.1	119.2	119 0
3. Railways	87 7	87.4	83 8	84.8
(c) Manufacturing Industries	121.9	136.2	134.8	134.0
1. Cotton, Woollen and Silk	108.5	134 2	134.6	134.9
2. Jute	93.1	77.7	75 6	74.4
3. Iron and Steel	149.7	164.5	158.5	155.7
4. Sugar	227.6	280.6	284.7	281.6
5. Cement	154 4	182.0	180.8	178.6
6. General Engineering	179 0	195 4	193.9	193.3
7. Paper and Breweries	97.9	105 3	105.7	105 2
8. Chemicals	136.4	145.2	144.4	144.5
(d) Non-Manufacturing industries	162.7	166.6	168.4	167.4
1. Coal	79 6	78 8	80.5	80 7
2. Mining and Oil	209 5	260.7	262.4	257 2
3. Plantations	192 8	180.5	182.4	182.4
(e) Miscellaneous	97.1	103.1	101.2	101.5
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.4	90.7	90.7	90.7
2. Calcutta	90.8	91.2	91.2	91.2
3. Madras	91.2	91.5	91.5	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	100.0	99.8	99.8
2. Calcutta	101.4	101 9	100.9	100.9
3. Madras	100.3	100.2	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	91.9	88.8	89.2	89.3
2. Calcutta	93.6	79.9	80.1	80.3
3. Madras	95.0	97.9	97.8	96.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	118.4	133.7	132 8	132.7
2. Calcutta	110.6	111.7	110 3	109.6
3. Madras	113.1	133.3	134.2	134.3
4. Delhi	123 0	141 4	140.0	138.3

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	962	809,242	3,236,961
1953	772	456,607	3,382,508
1954	840	477,188	3,272,630
1955	1,033	725,932	5,884,676
February 1954	85	41,351	344,295
March ,,	91	34,202	231,419
April ,,	101	34,963	207,247
May ,,	90	40,073	216,062
June ,,	82	21,589	305,078
July ,,	122	30,139	277,402
August ,,	79	51,090	222,887
September ,,	97	50,414	363,878
October ,,	88	41,724	276,294
November ,,	92	25,116	239,701
December ,,	101	54,455	362,765
January 1955†	95	49,038	322,807
February ,,	91	28,370	144,302
March ,,	112	70,042	384,696
April ,,	99	29,815	203,658
May ,,	119	66,064	324,416
June ,,	154	85,172	1,035,704
July ,,	109	57,389	682,773
August ,,	235	90,565	583,371
September ,,	252	94,523	581,589
October ,,	131	47,042	203,544
November ,,	106	49,433	178,129
December ,,	130	45,929	239,157
January 1956†	109	61,098	357,833
February ,,	124	69,785	876,859
March ,,	133	130,517(a)	686,020(a)

† Figures are provisional. * Revised.
(a) *Not known in 1 case.* ‡ *Current* at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of *kilo-watt-hours*)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.2
1953-54	648	6,878.8	5,572.7
1954-55	695	7,760.9	6,319.3
1955-56	715	8,305.8	7,185.8
January 1955	684	668.5	545.2
February ,,	685	628.7	521.8
March ,,	686	698.7	568.3
April ,,	690	691.1	563.9
May ,,	691	706.5	569.3
June ,,	696	716.3	576.1
July ,,	700	724.8	583.3
August ,,	705	708.9	574.4
September ,,	707	719.3	587.1
October ,,	716	720.7	591.2
November ,,	721	725.5	597.0
December ,,	724	735.7	643.0
January 1956	731	757.2	621.8
February ,,	730	749.9	622.0
March ,,	715	800.0	651.0

*Excluding railway, military and factory power stations, Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period. † From July, 1954.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	30th June, 1956	23rd June, 1956	2nd July, 1955	May, 1956	May, 1955	Percentage of increase (+) or decrease (—) in May, 1956 as compared with May, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	374.0	373.6	299.0	350.5	276.1	+26.9	313.2	339.8
Cereals	59	476	474	349	449	311	+44.4	372	381
Pulses	8	302	345	256	358	216	+65.7	239	230
Others	33	245	248	236	224	236	— 5.1	235	291
Industrial Raw Materials	(18)	482.6	480.6	398.7	478.0	398.4	+20.8	419.8	438.2
Fibres	53	470*	459	407	455	424	+ 7.3	429	447
Oil seeds	30	537	539	375	550	341	+61.3	393	424
Minerals	10	435	470	422	451	418	+ 8.4	427	422
Others	7	431	430	413	424	424	— 2.6	431	427
Semi-Manufactures	(17)	395.5	395.0	329.7	384.1	329.6	+16.5	338.2	350.3
Leather	8	491	496	388	404	400	+ 1.0	373	376
Mineral oils	13	208	208	201	208	221	— 5.9	207	221
Vegetable oils	16	554	544	386	557	344	+61.9	389 R	433
Cotton yarn	35	473*	475	307	474	327	+11.0	422	454
Metals	18	328	329	255	280	244	+14.8	264	240
Oil cakes	5	426	416	321	406	291	+39.5	338	331
Others	5	361	361	330	361	328	+10.1	336	312
Manufactured Articles	(30)	377.0	377.9	370.0	376.8	374.6	+ 0.6	372.9	377.4 R
Textiles	64	409	411	405	415	—	— 1.0	408	421
Jute	11	381	388	403	390	429	— 9.1	418	443
Cotton	45	419*	402*	414*	408*	+ 2.0	403*	415*	
Rayon and Silk	6	453*	453*	474*	493	507*	— 2.8	495*	469*
Woollen	2	264	264	282	284	310	— 14.8	291	311
Metal products	17	377	377	352	371	344	+ 7.8	359	340
Others	19	286	286	286	287	—	— 0.3	285	286
Miscellaneous	(4)	545.4	522.6	568.1	501.8	544.6	— 7.9	548.4	512.4
All Commodities	(100)	402.8	401.4	350.1	390.2	342.0	+ 14.1	380.4	377.6

* Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

| Average of weeks. | Rice | Wheat | Jowar |

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,021	27,983	3,400	3,421
Barley	2nd	,,	8,402	8,230	2,341	2,493
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets ..	final	,,	13,095	13,799	2,103	2,456
Total cereals ..	final	tons	..	208,823	..	55,327
Pulses—						
Gram	2nd	tons	22,206	20,065	4,702	4,535
Tur	final	,,	5,757	5,944	1,814	1,688
Kharif pulses †	final	,,	15,862	16,719	1,650	1,830
Total pulses ..	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut ..	final	tons	12,585	13,548	3,804	4,123
Castorseed ..	final	,,	1,462	1,394	126	124
Sesamum ..	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	..	5,665	..	962
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds ..	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	2nd	,,	579	514	1,159	1,016
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane ..	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry) ..	final	,,	37	35	15	14
Pepper (Black) ..	final	,,	214	208	27	28
Chillies (Dry) ..	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture.
* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each. ‡ Excluding Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1956 ..	98.9
	Corresponding month, 1955 ..	85.7
	Twelve months ended June, 1956	1,094 9
	Corresponding period, 1955 ..	1,003 24
Stocks	At the end of June, 1956 ..	125.9
	Corresponding month, 1955 ..	97.5
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 2nd June, 1956 ..	16,609
	Corresponding week, 1955 ..	6,991
	From 1st Jan., to 2nd June, 1956	184,612
	Corresponding period, 1955 ..	188,743
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 2nd June, 1956 ..	1,745
	Corresponding week, 1955 ..	36,380
	From 1st Jan., to 2nd June, 1956	471,660
	Corresponding period, 1955 ..	483,457
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	(June, 1956 (In lakh bales) ..	5.74
	Corresponding month, 1955	4.97
	Twelve months ended June, 1956	63 51
	Corresponding period, 1955 ..	58.19

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1955 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,800	7,80,000
Do. 31st March, 1955 ..	11,54,400	10,42,900	7,81,300
Do. 31st March, 1956 ..	11,55,900	10,62,100	7,97,800
January 1955	1,02,500	96,800	72,200
February ,, ...	93,500	84,500	63,900
March ,, ...	95 000	89 300	66,100
April ,, ...	96,100	88,000	66,200
May ,, ...	94,200	87,500	5,600
June ,, ...	91,700	80,900	62 600
January 1956	1 08 900	96,800	71,600
February ,, ...	97,500	89,000	67,700
March ,, ...	1,03,300	96 900	69,900
April ,, ...	1,00,000	87,200	64,300
May ,, ...	96,600	89,400	66,300
June ,, ...	94,900	89,900	64,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1955 ..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954 ..	5,80,080	3,49,320	2,92,440
Do. 31st March, 1955 ..	7 15 949	5,38,240	4,59,063
Do. 31st March, 1956 ..	7,06,986	5,81,505	4,50,807
Three months ended June, 1954 ..	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,016	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,68,108	1,48,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,630	1,08 714
,, ,, ,, Dec., 1955	1,80,750	1,34,648	1,06,765
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,11,980
,, ,, ,, June, 1956	1,48,806	1,17,710	92,609

FOREIGN TRADE OF INDIA

Particulars	March 1955	March 1956	Twelve months April to March 1954-55	Twelve months April to March 1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	13,68	4,59	131 97	54 83
Raw materials ..	12 86	23,50	187 32	163,96
Manufactures ..	29.22	43,21	311,06	427,50
Other Items ..	23	40	2,70	3 35
Total*	55,99	71,70	633,05	649,64
By land ..	2,51	2,67	22,99	29,85
Total Imports ..	58,50	74,51	656,44	678,99
Exports :				
By sea and air—				
Foodstuffs	14.54	16,82	203.22	165,64
Raw materials ..	18,47	15,64	121,17	107,11
Manufactures ..	22,96	20,56	253,53	247,78
Other Items	33	35	4,82	4,18
Total ..	56.35	56 37	582,74	584,71
By land	56	39	5,73	6,14
Total Exports ..	56,91	56,76	588 47	590 85
Total Re-exports ..	82	1,51	5,50	6,58
Balance of trade in merchandise ..	78	— 16,27	— 62,72	— 81,52
Balance of transactions in private treasure	— 1	2	4	8
Total visible balance of trade ..	74	— 16 29	— 62,76	— 81,60
Imports : ‡				
Total C'wealth countries ..	23,14	23,52	268,26	278,98
Total Foreign countries ..	32,85	43,19	364,79	370,56
Exports : ‡				
Total C'wealth countries ..	23,96	29,09	324,76	289,24
Total Foreign countries ..	27,39	22,08	257,98	285,47

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	93	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April 1955	1 037	222	77	21	12	6	9	2	50	33	3	24	2	10
May ,, ...	2 027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,, ...	2,973	602	237	55	33	17	19	6	27	98	11	73	7	34
July ,, ...	3,073	890	324	73	41	22	23	8	52	130	14	100	12	45
August ,, ...	4,082	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,, ...	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	62
October ,, ...	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	76
November ,, ...	8,082	1,844	644	133	68	44	77	17	111	264	27	208	33	90
December ,, ...	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	104
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	117
February ,, ...	11,548	2,541	883	190	97	62	132	27	335	374	38	298	45	129
March ,, ...	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ...	1 135	237	82	23	12	5	13	2	64	34	2	31	2	10

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 12th July, 1956 ..	22,719(J)
	Corresponding week, 1955 ..	46,360(J)
	1st Sept. to 12th July, 1955-56 ..	1,778,153*
	Corresponding period, 1954-55 ..	1,889,274*
Cotton Exports ..	Week ended 12th July, 1956 ..	2,647‡
	Corresponding week, 1955 ..	12,949
	1st Sept. to 12th July, 1955-56	557,416‡
	Corresponding period, 1954-55 ..	855,759
Mill Consumption (Estimated)	1st Sept. to 12th July, 1955-56 ..	1,082,345
	Corresponding period, 1954-55 ..	1,086,956
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 12th July, 1956	652,202
	Corresponding date, 1955 ..	833,093
Cotton Exports from Bombay (by sea)	During March, 1956	138,746‡
	1st Sept., '55 to 29th Mar., 1956	560,100
	1st Sept. '54 to 28th Mar., 1955	201,759
Karachi (Pakistan)—		
Receipts	1st Sept. to 5th July, 1955-56 ..	1,296,493
	Corresponding period, 1954-55 ..	1,224,511
Exports	1st Sept. to 5th July, 1955-56 ..	894,856
	Corresponding period, 1954-55 ..	753,209

Particulars	From 1st Sept. 1955 to 16th July, 1956 Bales	From 1st Sept. 1954 to 16th July, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	64,502	35,681
Continent	89,396	55,830
Hongkong	33,460	13,846
China	54,599	5,103
Japan	317,959	92,208
U.S.A.	3 942	16,328
Other Countries ..	2,926	2,402
Total to all foreign countries ..	571,684	221,967
Coastal Ports	102,352	143,223
Total	674,036§	365,190
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	April, 1956	341,889
Foreign		213,316
Indian	Eight months ended April, 1956	51,278
Foreign		2,910,601
Indian	Same Period 1955	390,673
Foreign		2,718,938
Stocks (Mills and Elsewhere)—		443,122
Indian	As on 30th April, 1956 ..	1,512,678
Foreign		213,316
Indian	As on 30th April, 1955 ..	1,478,439
Foreign	Week ended 6th July, 1956	138,930
Cotton Pressed in India† (In running bales)	Corresponding week, 1955 ..	5,333
	1st Sept. to 6th July, 1955-56	41,456
	Corresponding period, 1954-55	3,446,004
		4,328,926

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	101⅛
3 ½ Loan	1938-39	1,16,17,46,000	1968-65	95¼
3 % Loan	1950	80,16,10,000	1964	95
2 ½ Fg. Loan	1943	1,10,11,78,000	1956-68	93⅛
2 ½ Y. Loan	1944	1,14 06,89,000	1957	90⅛
2 ½ Loan	1945	1,15 06,35,000	1970-75	90⅛
2 ½ 2nd V. Loan	1945	1,18,85,54,000	1955-61	93⅛
2 ½ Loan	1945	80,25,53,000	1958	90⅛
2½ % Loan	1946	45 53,07,000	1960	90⅛
2½ % Loan	1946	97,00,60,000	1961	93 ⅛
2½ % Loan	1946	14,77,48,000	1976	82⅛
2½ % Loan	1947	75,86,72,000	1962	93⅛
2½ % Loan (H.P. Bonds)	1953	75,29,00,000	1961	99⅛
2½ % N.P. Loan	1954	167,35,41,000	1964	98⅛
2½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,26,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000		76⅛
REPATRIATE(STERLING LOANS				
4½ % Loan	1925	5,85,20,066	1958-68***	102⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99-9½
2 % Bombay	1942	2,99,35,000	14th Sept. 1956	99⅛
2 % Bombay	1943	3,26,26,000	15th Aug. 1958	98⅛
2 % Bombay	1949	5,63,12,000	1st Aug. 1962	94⅛
2 % Bombay	1950	2,92,30,000	31st July 1960	96⅛
2½ % Bombay	1951	2,57 07,000	15th Sept. 1963	94⅛
4 % Bombay	1952	5,00,00,000	15th July 1963	101⅛
4 % Bombay	1953	8,66,72,700	1st Aug. 1964	101⅛
4 % Bombay	1954	9,00,00,000	1st Sept. 1967	100⅛
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
2 % Cochin	1944	1,00,00,000	16th Dec. 1956-58	98⅛
2½ % Cochin	1946	70,09,000	1st June 1956-61	99⅛
2½ % Howrah Bridge (New)	1926-27	1,95,96,700	1956-66	95⅛
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99⅛
2 % Madras	1939	1,22,95,600	21st June 1956	99⅛
2 % Madras	1943	1,25,10,000	14th Sept. 1956	99⅛
2 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
2 % Madras	1945	1,71,44,000	14th Sept. 1960	96-5½
2½ % Madras	1946	3 81,77,200	1st Sept. 1961	98-1½
4 % Madras	1950	4,58,25,400	31st July 1960	96⅛
3½ % Madras	1951	3,01,49,300	17th Sept. 1963	97⅛
4 % Madras	1952	10 83,63,000	15th July 1963	100-3½
4 % Madras	1952	5,24,51,200	1st Aug. 1964	100⅛
4 % Madras	1953	7,00,00,000	1st Sept. 1967	101⅛
4 % Mysore	1943	2,50,56,800	15th Aug. 1958-63	99⅛
4 % Mysore(J)	1946	5 99,72,900	30th Apr. 1956-61	99⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	5,53,47,900	15th July 1963	100⅛
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99⅛
2 % M.P.	1943	50,54,200	14th Sept. 1956	99⅛
2 % M.P.	1944	52,50,800	16th Aug. 1958	98⅛
2 % M.P.	1945	2,08,38,800	15th Sept. 1954	98
2 % M.P.	1950	1,01,44,700	31st July 1960	96⅛
3½ % M.P.	1951	1,02,18,100	17th Sept. 1963	98⅛
4 % M.P.	1952	1,02,15,100	15th July 1963	100
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99⅛
2 % Punjab**	1938-44	2,49,87,200	15th Aug. 1958	98⅛
2 % Punjab**	1943	2 46,75,300	14th Sept. 1956	99⅛
2 % Punjab**	1945	2,96,81,600	14th Sept. 1960	97⅛
2 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99⅛
2½ % Travancore	1938	50,00,000	16th Aug. 1956	99⅛
2 % Travancore-Cochin	1952	3,25,00,000	16th July 1963	100-1⅛
2 % U.P.	1936	1,57,42,600	15th Sept. 1961-66	98⅛
2 % U.P.	1943	3,02,54,500	15th Aug. 1958	98⅛
2 % U.P.	1945	2,17,89,700	14th Sept. 1960	95⅛
2½ % U.P.	1946	3,20,93,600	1st Sept. 1961	92⅛
3½ % U.P.	1951	1,84,11,700	17th Sept. 1963	98⅛
4 % U.P.	1952	6 11,45,200	1st Aug. 1964	100⅛
4 % U.P.	1953	5 65,15,500	15th July 1963	100⅛
4 % U.P.	1955	3,50,00,000	1st Sept. 1967	99⅛

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak Currency. *** Rupee Counterparts.
†Bombay State Transport. ‡ Rate of interest reduced from 4 to 3 per cent. with effect from 1st June, 1944.
§ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. †—Interest free to first 12 years. ‡‡—Interest free for first 7 years.
§—Nominal.

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		Rs.
Rs.				
56,50,000	4	1904	1954	
15,00,000	4	1905	1957	
44,00,000	4	1907	1958	99⅛N
75,00,000	4	1908	1958	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	D
14,35,876	4	1913*	1960	100⅛N
80,00,000	4	1913	1974	100⅛
88,25,000	4	1914	1975	
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,23,000	3½	1926*	1960	
12,50,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1937*	1967	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	99
76,90,100	4	1916	1976	99
1,50,00,000C	3††	1921	1981	82
68 02,300C	6‡	1921	1981	144N
98,21,600	5‡	1926	1956-86	100
99,24,540B	5	1926	1956-86	100‡
1,49,49,500B	5	1927	1957-87	102
1,49,30,000	5	1928	1958-88	103
50,00,000	5	1931	1961	96
50,00,000	3½	1935	1965	97⅛
25,00,000	3	1938	1968-68	90
50,00,000	3	1945	1968	74
50,00,000	3	1945	1975	85
40,00,000	3	1946	1976	84‡
50,00,000	3	1947	1977	79⅛
50,00,000	3	1948	1978	83
50,00,000	3	1949	1968	97
1,00,00,000	3	1949	1979	97
50,00,000C	3	1950	1980	83
1,00,00,000	3	1950	1960	95⅛
1,00,00,000	3	1950	1960	95⅛
50,00,000	3	1951	1981	81⅛
1,50,00,000	3½	1951	1961	95⅛
50,00,000	4	1952	1962	100
50,00,000	4	1953	1983	99⅛
99,00,000	4	1955	1985	97⅛
77,00,0000	4	1956	1986	97⅛
		STERLING LOANS		
£321,600	5	1923	1953-83	£79
£901,000	5	1924	1954-84	£79½
£335,100	5½	1925	1955	£91½
		MADRAS		
Rs.				Rs.
21,47,169	2½	1947	1977	
9,88,000	3	1947	1977	A
15,00,000	3	1949	1979	
45,00,0004	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	97½N
60,00,000	4	1904	1964	
30,00,000	4	1906	1966	
20,00,000	4	1908	1968	
15,00,000	4	1907	1967	
50,00,000	4	1912	1972	
25,00,000	4	1913	1973	97½N
18,00,000	4	1914	1974	
50,00,000	4	1915	1975	
40,00,000	5	1916	1976	
66,00,000	6	1926	1956-80	112⅛
25,00,000	6	1926	1956-86	112⅛
10,00,000	3	1936	1961-70	98⅛
		STERLING LOANS	1968	
£566,600		1909	1969	£95⅛
£333,000		1910	1970	£95½
Rs.‖		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
50,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968-68	90
50,00,000	4	1952	1962	99⅛
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
26,00,000	4	1913-15	1974	100
10,00,000	4	1919	1979	100
25,00,000	5	1929	1959	113⅛
25,00,000	5	1929	1959	104⅛
26,21,500	5	1929	1954-59	104⅛
2,25,00,000	3½	1929	1959	92
50,00,000	3½	1939	1979	88⅛
4,00,00,000	3½	1940	1976	88⅛
2,50,00,000	3½	1941	1976	92⅛
2,00,00,000	3½	1951	1966	104⅛
1,50,00,000	3	1952	1962	97⅛
1,00,00,000†	4	1953	1963	100⅛
1,00,00,000†	4	1954	1964	101⅛
2,50,00,000	4	1955	1967	100⅛
Rs.		CALCUTTA		Rs.
26,00,000	5	1928	1958	108
25,00,000	5	1929	1957	108
25,00,000	5	1929	1958	108⅛
10,00,000	3½	1929	1958	92⅛
25,91,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
47,50,000	3	1937	1967	90
15,56,800	3	1938	1968	90
15,56,800	3	1939	1969	90
15,56,800	3	1940	1956	90
17,64,400	3	1941	1957	90
21,10,000	3½	1942	1972	90
16,83,000	3½	1943	1973	90
16,33,000	3	1951	1960	97
66,88,000	3½	1951	1961	97⅛
87,36,000	4	1952	1962	99⅛
72,50,000	4½	1954	1962	99⅛
		1955	1970	100
Rs.		MADRAS		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1953	1963	107⅛

STATE LOANS—*Concld.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1963	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,80,25,000	15th July 1963	100⅛
4 % W. Bengal	1955	7,00,00,000	1st Sept 1967	100⅛

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. opt.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar A' ..	7,00,000	1920	7	July Apr.	6-2½cd	5
†East India Distilleries ..	£300,000	1897	7	Jan. July	171cd	21
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	99⅛	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8⅛	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	110xd	100
Burrakur (1st)	12,99,800	1901-19	7	Apr. Oct.	109xd	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½xd	10
Equitable	5,00,000	1895	6	Jan. Sept.	102	100
Karanpura Collieries	9,87 500	1946	5½(a)	.. ..	62	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference

BOMBAY CITY AND ISLAND

50,00,000	62,567	76,28,421	43,05,373	—1,17,209	Rajputana Textiles (Agencies) Ltd.	55,008	898	Apollo Mills	3¾	2	0 4 (c)	0 2½(c)			12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,656	—6,97,129	B. E. Sons, Ltd.	50,596	1,021	B. E. Cotton Mills	47½	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,00,000	2,99,72,778	4,98,25,465	3,20,07,778	73,129	Nowrosjee Wadia & Sons, Ltd.	2,31,008	4,855	Bombay Dyeing & Mfg.	655	250	22 6*	20 0	25 0*		3	Y.P.T
10,00,000	26,17,571	1,04,88,558	70,76,977	1,27,951	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	245	50	100 0	75 0			12	Y.
1,09,42,800	2,68,96,826	2,81,83,264	1,97,06,117	6,84,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	573½	100	22 0	22 0	22 0		12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	31½	100	*Nil*	*Nil*			12	Y.
26,00,000	11,38,476	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	162½	100	7 8	7 8	7		12	Y.
16,00,000	24,36,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	183½	50	8 0	6 0	15 0		12	Y.
24,00,000	27,75,000	78,63,781	54,73,724	80,168	Parsanmal Radhakishan & Co.	50,084	928	Edward Textiles	333½	100	15 0	15 0			12	Y.
29 98,050	11,31,233	1,09,78,649	80,74,224	1,31,354	M	41,800	886	Elphinstone Spg. & Wvg.	65	50	*Nil*	3 8	5 0		12	Y.P.
50,00,000	70,11,876	1,23,38,513	74,17,207	1,07,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	350	100	16 0	16 0	20 0		12	Y.
11,54,000	76,64,589	1,27,76,810	99,11,500	9,223	Thakersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,525 / 992½	1,000 / 250	225 0* / 56 4*	225 0 / 56 4	300 0 / 75 0		3	Y.P.
2,00,00,0000 / 50,00,000D / 8,66,0000 / 25,000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,38,812	6,412	India United Mills	134 / 2-8½ / 5,075N	0 100. / 0 1D. / 1,000	0 10 / 0 1 / 225 0*	*Nil* / *Nil* / 225 0	0 15 / 0 3 / 300 0		12	Y.
59,25,000	40,58,451	2,87,18,607	1,92,93,948	25,588	Khatau Makanji & Co., Ltd.	57,740	1,505	Khatau Makanji Spg. & Wvg.	253½	100	10 0	8 0	10 0		6	Y.P.
1,21,50,000	1,21,50,000	3,56,58,105	2,35,14,796	52,980	Killick Industries Ltd.	1,32,700	1,648	Kohinoor Mills	390	100	15 0	15 0	18 0		12	Y.
23,18,050	41,06,720	1,18,74,348	58,99,115	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	87N	50	5 0	5 0	8 0*		12	Y.
31,75,900	33,63,000	1,94,11,164	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	255	100	12 0	14 0			6	Y.P.
1,57,74,408	93,41,034	6,94,71,205	2,05,00,000	5,12,085	National Rayon Corporation			National Rayon Corporation	253	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,016	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	177½	100	10 0	10 0	10 0		12	Y.P.
30,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	265½	100	10 0	7 8	10 0		12	Y.P.
48,00,000	38,62,272	1,48,48,112	99,59,611	1,36,264	Ramnarain Sons, Ltd.	66,208	1,190	Phoenix Mills	141½	100	10 0	10 0			12	Y.
60,00,000	44,98,014	91,98,282	23,00,000	3,15,563	Podar Sons, Ltd.	33,500	930	Podar Mills	190	100	10 0	10 0	5 0		12	Y.P.
5,00,000	5,16,999	21,21,521	19 91,340	—1,72 184	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	12	10	0 12	0 8			12	Y.P.
37,70,000	62,60,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,408	1,254	Sassoon Spg. & Wvg.	41	10	1 4	1 12	1 12		12	Y.
60,00,000	47 70 051	90,20,966	55,57,033	1,47,428	Harvey Textiles (Agency) Ltd.	66,886	1,640	Shree Nivas Cotton Mills	105	100	14 0	14 0	13 0		12	Y.P.
42,00,000	33,02,179	98,78,309	73,63,752	96,017	Forbes, Forbes Campbell & Co. Ltd.			Shivaji Mills								
37,50,000	22,15,780	2,51,28,609	1,87,85,474	12,833	Maltilal Gagabhai & Sons	54,840	1,276	Simplex Mills	226	50	15 0	11 0	10 0		3	Y.
99,85,700	84,69,716	2,38,67,547	1,19,01,899	67,611	Tata Industries Ltd.	72,226	2,000	Standard Mills	488½	100	20 0	20 0	20 0	12 0	12	Y.P.
54,00,000	45,33,466	1,28 99,971	81,59,715	1,51,080	James Finlay & Co., Ltd.	38,828	553	Swadeshi Mills	258½	100	16 0	8 0	12 0		12	Y.P.
22,77,225	51,94,276	1,77,34,338	68,64,553	48,486	Tata Industries Ltd.	62,096	1,800	Swan Mills	447½	100	20 0	20 0	25 0		12	Y.
12,00,000	62,54,709	1,15,36,484	81,90,000	2,814	Thakersey Mooljee Son & Co.	54,186	1,209	Tata Mills	98	25	1 8	1 8	4 0		12	Y.P.
								Western India Spg. & Mfg.	5,125	1,000	225 0*	225 0	300 0		12	Y.P.P

AHMEDABAD

32,00,000	21,11,650	1,36,22,275	60,47,902	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	198½	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	84,58,068	94,37,395	76,10,164	27,288	P. M. Rathkrishna & Sons, Ltd.	32,220	913	Arvna Mills	1,145	100	20 0	20 0	35 0		12	Y.P.
26,25,000	2,40,17,401	1,48,07,566	1,02,05,006	46,564	Narottam Lalbhai & Co.	62,443	1,316	Arvind Mills	1,360	100	25 0	25 0			12	Y.P.
30,00,000	31,75 000	96,34 984	72,25,000	2,46,382	Mangaldas & Bros., Ltd.	37,164	692	Ayrodaya Ginning & Mfg.	682½	100	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,472	1,94,02,776	1,14,05,806	1,00,000	Lalbhai Dalpatbhai & Co.	57,785	914	Asoka Mills	1,090	100	22 0*	22 0	30 0		12	Y.P.
1,24,79,011	1,11,66,208	4,34,38,718	3,07,58,844	16,09,756	Karamchand Premchand Ltd.	1,39,120	2,272	Calico	585½	125	15 0	15 0			12	Y.P.
62,87,000	24,58,000	1,21,06,543	89,20,000	2 760	Triumlal Bhogilal & Co.	45,836	866	New Commercial Mills	2,000	1,000	70 0	70 0	80 0		12	Y.
20,00,000	72,52,436	1,32,70,232	96,25,062	19,221	Maltilal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	1,042	125	35 0	35 0	35 0		12	Y.
15,00,000		58,48,000	50,63 197	37,98,317	16,553	Jagabhai Bhogilal Jasmaiwy & Co., Ltd.										
12,50,000	1,14,77,470	86,29,429	60,29,883		Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	700	100	20 0*	20 0*	20 0		12	Y.P.
32,50,000	14,78,327	1,07,01,469	71,43,803	17,24,749	Lalbhai Govbandas Ltd.	32,823	636	Raipur Mfg.	1,145	100	17 0	25 0	35 0*		12	Y.P.
22,22,150	3,03,54,588	1,76,92,543	1,32,75,000	3,23,290	Harivallabhdas Kalidas & Co.	94,116	1,733	Rohit Mills	850	50	15 0	20 0	27 0*		12	Y.P.
19,62,500	62,31,263	78,06,018	56,84,701	15,502	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.			Shri Ambica Mills	693							
30,00,000	30,90,488	1,08,76,240	62,35,291	32,764	Haridas Achratlal & Co., Ltd.	36,176	780	Shorrock Spg. & Mfg.	670	100	20 0	25 0*	25 0		12	Y.
								Vijaya Mills	777½	100	25 0*	25 0*			12	Y.P

WEST BENGAL

15,00,000	1,82,500	54,23,000	21,91,510	1,02,020	Calcutta Agency, Ltd.	12,044	356	Basanti Cotton Mills	6½	10	0 4	0 3				
7,11,286	5,40,775	42 42,381	25,67 597	66,782	Bengal Textile Agency, Ltd.	32,544	936	Bengal Laxmi Cotton Mills	40 N	40	*Nil*	4 0	4 0		12	Y.P.T.
6,00,000	22,79,414	99,03 192	51,49,000	—22,47,373	Ketlewell Bullen & Co., Ltd.	42,878	841	Dowrah Cotton Mills	168	100	*Nil*	*Nil*	*Nil*		6,12	N.P.
19,00,000	26,17,571	1,04,88,558	70,76 977	1,27,951	Ketlewell Bullen & Co., Ltd.	43,044	518	Dunbar Mills	302	100	*Nil*	*Nil*			6,12	N.P.
1,60,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,485	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	18½	10	1 12	0 14	0 14		6	Y.
8,00,000	9,75,000	84,54,400	67,06,257	5,156	Chakravartt Sons & Co.	23,484	442	Mohini Mills	—	—					12	Y.P.
19,47,7500 / 5,00,000D	7,45,000	47,06,298	34,48,352	1,004	Hazaresmull Heeralall	23 036	795	Rampooria Cotton Mills	11½ / 1N	10 / 10	0 3 / 1D	0 8 / *Nil*	4 0		6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,37,191	29,09,640	—8,54,223	Ramia & Co., Ltd.	50,000	..	Aisgappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*			12	Y.P.T.
61,71,428	25,91,264	1,84,91,530	50,78,562	1,56,043	Industrial Trust Fund	86,186	708	Asam Jahi Mills	95	100	6 0	*Nil*	3 8(c)		9	Y.
60,50,000	2,00,93,745	3,24,98,906	2,42,58,358	2,58,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	582½	100	25 0	30 0	30 0		12	Y.P.
27,00,000	15,50,000	77,25,162	53,73,133	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9½	10	0 4	*Nil*			6,12	H.P.T
15,00,000	1,09,48,251	1,19,14,402	87,78,902	4,25,221	Birla Brothers, Ltd.	31,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31	10	3 0	3 0	3 0		6	Y.P.
1,78,47,500	1,76,52,500	6,36,09,208	3,52,32,180	3,38,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	207½	100	10 0	10 0	10 0		3	Y.P.T.
20,00,000	20,00,000	80,69,364	21,86,351	37,589	Peirce Leslie & Co., Ltd.	39,706	..	Cannanore Spg. & Wvg.	141	100	12 12	*Nil*	0 8		12	Y.P.
15,00,000	4,51,500	44,09,464	21,90,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	176xd	100	12 0	20 0	12 8		3	Y.
30,00,000	29,51,420	69,40,829	51,72,376	35,767	Begg, Sutherland & Co., Ltd.	23,796	591	Cawnpore Textiles	8½	6	0 6	0 6	*Nil*		3	Y.
12,00,000	20,50,000	84,66,396	27,86,627	84,164	R. Bheema Naidu & Co.	25,864	..	Coimbatore Cotton Mills	330	100	20 0	25 0	25 0	0 4	12	Y.
20,00,000	19,95,000	1,50,43,510	94,25,921	14,323	T. R. N. Naidu & Co.	28,788	..	Coimbatore Pioneer Mills	342½	100	15 0	20 0	20 0		6	Y.
20,76,900	4,19,814	1,15,51,599	82,06,019	19,884	E. G. S. Naidu & Co.	73,823	407	Coimbatore Spg. & Wvg.	110	100	*Nil*	2 0	3 0		6	Y.
46,87,500	52,82,446	2,48,18,409	1,86,09,833	3,708	Tata Industries, Ltd.	1,15,188	2,062	Central India	161	100	5 0	5 0	8 0		12	Y.P.
2,50,25,225	2,55,00,000	9,09,78,765	5,08,00,000	62,789	B. B. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	30N	25	2 8	2 8	3 8		6	Y.P.P
1,00,583										24	0 2 4/5	0 2 3/5	0 3 3/5			
24,24,800	25,47,078	52,74,245	28,26,882	6,864	M. N. Chettiar & Sons	43,568	801	Dhanalakshmi Mills	417½	100	20 0	20 0	30 0		12	Y.
60,00,000	46,25,500	1,62,16,582	1,29,71,631	99,356	Begg, Sutherland & Co., Ltd.	48,452	1,108	Elgin Mills	238	100	17 0	1 0	1 0		12	Y.
45,81,000	23,22,175	1,00,55,167	66,35,068	14,000	Forbes Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	242½	100	0 0	13 0	15 0		12	Y.
50 00,000	6,16,447	1,33 91,953	1,12,28,576	9,551	K. L. S karia, Esq. (Chairman.)	51,180	1,420	Indore Malwa United	156½	100	6 0	6 0	9 0		12	Y.
4,90,000	10,55,852	31,06 660	18,48,186	2,079	G. V. Naidu & Co., Ltd.	24,888	..	Janardana Mills	125½	50	4 8	5 0	10 0		6	Y.
24,00,000	18,25,000	78,58,868	26,50,000	29,882	Kothari & Sons	43,000	800	Kothari Textiles	17 8	10	0 0	0 8	1 0		12	Y.
22,00,000	68,30,185	1,48,62,650	41,04,750	14,744	Bombay Co., Ltd.	51,872	1,219	Lakshmi Cotton Mfg.	700	250	37 8	33 12	42 8		12	Y.P.
35,64,100 / 17,82,050	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	33,908	801	Lakshmi Mills	240xd / 120xd	50	5 0	10 0	12 8	12 8 / 6 4	12	Y.
1,78,02,400	4,13,81,878	5,73,[illegible],126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	6,00,000	..	Madura Mills	52	10	2 0	2 0	3 0		12	Y.
12,00,000	4,17,548	28,26,766	16,72,262	—90,078	A. L. A. R. S. Chettiar and 9 others	22,502	100	Malabar Spg. & Wvg.	115	100	*Nil*				12	Y.
60,00,000	69,00,000	63,79,027	43,29,734	45,885	W. A. Beardsell & Co., Ltd.	24,720	608	Mettur Industries Ltd.	532xd	100	15 0*	25 0*	15 0		12	Y.
20,50,584	19,61,581	69,75,245	49 94,782	16,588	N. Sirur & Co. Private Ltd.	39,936	704	Minerva Mills	94	50	7 0*	5 0(c)	6 0	42 8	12	Y.
24,91,880	27,24,404	1,61,29,118	75,81,522	—7,44,922	Basalai Abirchand Dadabhoy & Co.	51,540	948	Model Mills (Nasper)	154½	100	5 0(c)	5 0(c)			12	Y.
20,00,000	58,19,600	1,58,89,272	1,09,01,851	—7,77,290	Indian Textile Syndicate Ltd.	68,640	1,254	Muir Mills	86N	100					6	Y.
24,52,500	50,54,547	99,04,000	53,57,933	23,705	N. Sirur & Co., Ltd.	50,126	500	Mysore Spg. & Mfg.	112½	50	10 0*	8 0*	6 0(c)		12	Y.P.
12,61,780	1,000	29,41,719	15,25,283	—1,92,860	B. Suryanarayana Rao, Hon. Manager	6,900	..	Mysore Spun Silk Mills	10 / 7½	*Nil*	*Nil*	*Nil*	*Nil*		3	Y.
22,99,2800 / 2,97,096D	25,62,585	1,04,27,293	58,90,719	—43,58,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	24 / D. 2½ / D. 1	*Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*		12	Y.P.
87,19,500	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	57,788	856	Osmanshah Mills	84xd	100	4 0	*Nil*	2 8(c)		9	Y.
4,00,000A / 6,00,000B	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakhmi & Sons	29,924	..	Palani Andavar Mills	168 / 235	50A / 50B	12 0 / 15 0	12 0 / 18 0	12 0 / 18 0		12	Y.P.
15,00,000	1,85 000	84,16,017	17,49,676	—14,98 897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	99	100	*Nil*	*Nil*	4 0(c)		12	Y.
18,51,200A / 2,46,200B	20,00,000	72,90,455	41,41,878	28,897	A. G. Gurusamy Naidu & Co.	51,064	801	Radhakrishna Mills	850 / 175	100A / 50B	8 0 / 4 0	10 0 / 5 0			12	Y.
15,00,000	30,00,000	48 74,198	25 94,337	11,081	B. R. Naidu & Sons	35,473	..	Rajalakshmi Mills	191	100	10 0	10 0	10 0		12	Y.
32,32,652	12 60,000	40 14,000	18,03,147	29,550	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	100	100	10 0	10 0	10 0		12	Y.P.
60,00,000	62,41,948	1,40,25,428	55,44,914	—19,16,722	J. P. Srivastava & Sons (Rampur)	54,532	600	Rasa Textiles	84N	10	*Nil*	*Nil*			12	Y.P.
16,00,000	1,60,29,516	2,89,27,048	2,04,27,279	1,50,62,087	Mcsarka & Co.	96,283	2,234	Shoiapoor Spg. & Wvg.	1,750 / 500	100 / *Nil*	*Nil*				3	Y.P.
26,60,700	17,10,000	81,44,272	65,63,318	1,09,148	H. N. Pallegar, Esq.	31,663	292	Sri Krishnarajendra Mills	115½xd	50	4 0*	4 0	5 0	7 0	3	Y.
28,14,800	2,00,546	35,15,906	17,73,000	—2,46,777	Gopaldas Limbdhar & Co., Ltd.	17 880	440	Shree Saijan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,11,90,237	96,09,567	78,44,734	81,87,563	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	112N	10	4 0	5 0	6 0		3	Y.
17,50,000 O / 1,97,50,000P	3,30,00,000	4,54,40,647	1,70,63,150	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi, Cotton Kanpur	11½ / 117	10 O. / 100P.O.	0 0 / 0-14 3/5	0 12 / 1-2 3/5	0 12 / 0 13		12	Y.P.
1,00,00,000	30,14 798	2,89,55,317	1,27,16,775	2,63,771	Ernests & Sons (Travancore), Ltd.			Travancore Rayons	15½	10	0 0	0 12	0 15		12	Y.P.T.
15,66,670	3,78,332	17,20,181	11,27,336	1,508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	132	10	0 11½	0 14 3/5	0-14 3/5		12	Y.
31,00,000	24,50,000	71,58,722	40,82,168	56,000	B. K. S. Chetty & Brothers	45,974	870	Vasanta Mills	245	100	15 0	15 0	20 0		12	Y.P.
22,50,000	24,42,971	1,54,07,122	1,05,10,232	22,125	Bombay Co., Ltd.	46,490	1,351	Vishnu Cotton	187½	100	4 0	4 0	6 0		12	Y.P.

* Includes bonus. M—Managed by board of directors. (b) Subject to taxation and workers' bonus (c) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Rights.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference

BREWERIES AND DISTILLERIES

19,92,000	17,34,000	1,19,20,170	54,33,074	1,12,286	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11⅜	5	*Nil*	*Nil*	0 8		5	Y.P.
16,20,630	18,38,917	27,26,861	14,57,212	8,143	Mr K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9		3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	A. 16sh. B. 6d.	Sh. 1 3/8 Sh. 4	Sh. 1 3/8 Sh. 5 4/5	Sh1 3/8 Sh4		9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	182	75	15 0	15 0	15 0		3	Y

CEMENT

11,37,700A / 29,79,020B / 48,14,6000 / 4,70,976D	13,06,128	83,25,520	44,19,750	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	— / 16½ / 8 / 1½	A. 100 B. 10 O. 10 D. 1	10 0* / 1 0*	10 0 / 1 0	10 0* / 1 0*		12	Y.P.P.
4,70,976D.	13,13,132	13,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	1½	D. 1	*Nil*	*Nil*			3	Y.P.
12,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	193½	100	9 8	8 8	10 0		7	Y.
60,00,0000. / 25,50,0000. / 6,00,000D. / 61,91,0300. / 7,50,0000.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	4¾cd / 5½cd / 35½ / D. 5	O. 10 D. 1 O. 25 D. 5	1 4 / 0-1 3/5 *Nil* *Nil*	1 4 / 0-1 3/5 1 14 0 6	1 4 / 0 2 / 1 14 / 0 6		12	Y.P.
88,93,275	14,00,000	1,46,54,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	20½	10	1 0*	1 0	1 0		3	Y.P.
75,00,000	44,50,000	2,04,20,198	86,59,098	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	20½	100	6 0	6 0	8 8		12	Y.
50,00,000	20,95,000	*Nil*	1,33,36,122	1,41,94,859	Martin Burn Ltd.	Sonevalley Portland Cement	9¼	5	0 6	0 4			12	Y.
			1,04,00,351	24,23,980	Essel Ltd.	Travancore Cements Ltd.	10½cd	10	0 6	0 10	0 8i		12	Y.

CERAMIC; MINING AND QUARRYING

31,70,655	2,00,000	52,32,606	26,61,552	17,540	Bharat Ram Bhagat & Co.	Bengal Potteries	3¾	2½	0 2½	0 4			12	Y.
10,00,000	25,12,725	57,20,295	23,25,355	9,142	Bird & Co., Ltd.	Biara Stone Lime Co.	40N	10	0 8	0 14i	0 14i		3, 9	H.
$914,270	$1,822,755	$2,037,845	$1,036,237	$111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7½	Sh. 2	$.4d.	$.6d.	1 0		12	Y.
15,00,000					Bird & Co., Ltd.	Karanpura Development	22½	10	*Nil*	*Nil*	3 0		6, 12	H.
5,00,000	24,32,396	43,81,247	12,21,311	17,33,9	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	11½cd	10	0 12	0 8	0 15	1 0*	3	Y.
2,00,000	2,96,000	9,09,017	5,43,877	315	Bird & Co., Ltd.	Orissa Minerals	26½	10	2 0	1 0	1 0i		6, 12	H.
$0,00,000	$6,49,599	45,11,204	24,38,930	1,05,035					2 0	1 0				
6,00,000	8,62,350	20,62,815	20,25,104	7,622	R. K. Agarwala & Brothers	Reliance Firebrick & Pott

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	Nil	1 9	1 9	2 8	6,12	H.P.T.
63,98,250	66,03,851	1,11,56,780	76,81,898	68,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25	10	1 9	1 9	2 8	0 11½	3,9	H.
25,00,000	16,12,500	1,26,53,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mill	18–2½	10	1 0*	0 12*	0 12*	0 12*	2	Y.
1,46,52,500	2,09,26,541	4,27,02,365	1,05,98,953	2,29,489	Birla Bros	Orient Paper	38½	10	1 0	0 0	0 0	0 8½	3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	1 0	0 12	0 12	0 10½	6,12	H.P.T.
20,00,000 10,00,000'A.'	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	11½ 11½	O. 10 A. 10	1 0	0 12	0 12	0 10½	3,9	H.P.T.
50,00,000A. 50,00,800B. 4,97,800P.O.	3,22,75,945	5,80,42,527	2,21,32,842	95,684	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	41½ 41½ 4½	A. 10 B. 10 P.O. 2½	1 0* 1 0* 0 2	0 12 0 12 0 2	1 0 1 0 0 2	0 8 0 8 0 2	3,9	H.P.
PRESSING														
2,00,000	6,12,265	15,76,488	11,18,891	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	Nil		6	Y.
4,20,000	1,00,000	6,89,526	4,73,056	2,354	Pyke & Sons	Camperdown	88M	100	7 0	5 0	5 0		6	Y.
5,00,000	1,95,000	10,91,811	9,80,877	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
19,99,7800. 2,00,000D.	6,98,282	48,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½	O. 10 D. 1	0 11½ 0 8	0 9 9/5	0 9 3/5	0 9 3/5	9	Y.P.
80,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	91	100	1 8	4 0	3 0		4	Y.
94,00,000	36,71,574	96,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	29½	100	1 8	4 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	8½	WF 78	Nil	Nil	Nil		9	T
50,00,000 43,00,000	4,18,57,280	3,85,90,682	1,47,51,851	61,999	Wallace & Co., Ltd.	Bombay-Burmah Trading Corpn.	7093 2725	Old125 New50	15 0 6 0	20 0 0 0	27-8 15-0		5	Y.
6,00,000	7,23,569	7,36,587	—4,60,907		Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	Nil					
29,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	39½	10	2 8	2 12	3 0		6	Y.P.
SUGAR (U.P. and Bihar)													9	Y.
14,00,000	15,41,237	39,45,224	23,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	0 12	0 1		6	Y.
16,00,000A. 9,00,000B.	19,18,856	49,46,285	28,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	147½N 16N	A. 100 B. 10	10 0 1 0	10 0 1 0			4	Y.
19,49,056	5,50,000	33,35,889	24,41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	7½	10	0 12	0 12	0 12		9	Y.
18,00,000	18,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
25,00,000	28,37,030	1,56,00,775	99,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	9	10	Nil	0 12	0 4		6	Y.P.T.
30,00,000	57,33,051	1,08,46,647	84,32,451	32,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	104	10	2 0	2 0	0 12		6	Y.P.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	27½	10	1 0	1 0	1 0		10	Y.P.
5,99,453	5,15,943	24,55,580	15,33,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	1 0	0 12	1 8		6	Y.
50,00,000A. 10,00,0000.	32,00,000	75,94,577	56,00,000	62,419	Baehraj & Co., Ltd.	Hindustan Sugar Mills	860N 'A' 100 15 0*	'A' 100 B. 10	15 0*	15 0*	15 0*		8	Y.T.
18,00,000	8,61,001	75,81,309	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	100 60N 82N	O. 100	15 0* 80 Nil 3 8	Nil Nil 3 8	15 0* 4 8 2 8		6 7	Y.P.
7,89,100	22,14,658	24,94,612	19,85,522	1,864	Cotton Agents Ltd.	New India Sugar Mills	83N	10	Nil	Nil	4		6	Y.P.T.
11,00,000	4,80,000	43,21,480	24,87,558	4,125	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	3 8	3 8	2 8		6	Y.
10,87,500A. 2,71,875B.	49,80,297	67,74,123	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N 50N	100 10	Nil 0 0	Nil 0 0	20 0 0		6	Y.
17,45,350	53,18,159	1,56,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	185N	100	11 0	11 0	11 0		7	Y.P.
13,00,000	13,74,233	25,77,669	19,95,922	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	115N	100	10 0	10 0			10	Y.
9,00,000	17,84,369	37,85,808	30,67,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	0 12	0 12		10	Y.P.
3,00,000	5,54,762	25,42,782	21,01,613	24,240	M.	Ryam Sugar	10	10	0 0	0 4			10	Y.P.
11,90,000	18,36,779	38,63,583	22,96,180	6,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	10	10	0 8	0 8	Nil		6	Y.P.
20,00,000	22,68,560	1,35,20,110	62,59,321	24,040	Babu Jain Ltd.	Shree Krishna Gyanoday Sugar	18½	10	1 8	1 8	Nil		6	Y.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors) ..						1 12		8	Y.P.T.
7,95,462	18,22,940	31,60,785	17,68,088	1,06,227	Karamchand Thapar & Bros ..	Sitalpore Sugar	4½	10	Nil	Nil	Nil,		6	Y.
3,15,0000.	47,592	27,42,197	11,46,778	—16,14,603	N. K. Jain & Co., Ltd.	Shri Sitaram Sugar	14½	10	2 0*	1 8*			8	Y.T.
4,60,0000.	2,00,000	21,91,685	96,42,062	57,49,754	Cotton Agents Ltd.	South Behar Sugar	13 2N	O. 10 D. 2½	Nil Nil	Nil Nil			10	Y.P.
16,00,000	7,66,589	32,69,951	26,66,926	20,564	James Finlay & Co., Ltd.	Upper Ganges Sugar	70N	10	0 8	2 8	2 8		6	Y.P.
						United Provinces Sugar	21	10	0 8	1 4	1 8		9	Y.
Other Centres														
49,99,750	74,58,470	1,50,12,876	1,05,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	248½	50	16 0	16 0	16 0		9	Y.
17,50,000	9,56,992	32,05,879	21,89,758	1,092	A. H. Dhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	18	10	0 10	1 0	1 0		9	Y.P.
15,93,900	3,45,341	39,10,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd	Gwalior Sugar	70N	100	Nil	Nil			9	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,32,318	India Sugar Agencies Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6	2/8	9	Y.P.
33,57,620	41,37,060	41,95,605	20,78,418	1,402	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	146N	10	1 0	1 0			10	
10,62,5000. 2,87,190D.	69,50,800	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C.P. Ltd.	0.100 110	0.100 D. 10	1 0 10 0	1 0 10 0	7 8 10 0		6	Y.P.
21,79,280	95,00,001	1,31,37,677	78,17,780	2,90,240	S. Muniswamappa, Esq. (Managing Director)									
60,00,000	48,49,681	1,08,28,164	59,25,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Mysore Sugar	48½	10	2 0	2 0	2 0		6	Y.
15,59,880	38,50,880	53,90,016	29,20,747	39,280	Anderson Wright Ltd.	Phaltan Sugar	161	100	6 0	8 0	8 0		6	Y.
20,00,0000.	21,76,092	89,12,188	58,50,888	64,612	Walchand & Co., Ltd.	Ramnagar Cane and Sugar	28½	10	2 0	1 8			6	Y.P.T.
4,00,0000.	44,88,457	47,06,689	21,78,094	4,235	Govan Bros. (Rampur), Ltd. ..	Ravalgaon Sugar Farm ‡‡	10N 78	O. 50	Nil Nil	Nil Nil	9 0		9	Y.P.T.
19,99,936	10,37,776	50,76,254	17,57,159	—32,224	Parry & Co., Ltd.	Rasa Sugar	164N	10	1 0	0 12			10	Y.
30,00,000	71,97,998	1,99,96,448	1,15,52,425	1,31,172	M.	Travancore Sugar	15½	10	Nil	Nil	Nil		6	Y.P.
						Walchandnagar Industries ..	270	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,702	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	10 9	7 8	7 8		10	Y.P.
1,50,00,000	19,37,510	4,41,65,864	1,85,09,515	1,54,025	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
80,00,000	34,35,282	2,50,31,226	83,69,761	1,47,969	A. H. Dhiwandiwalla & Co. (Bombay) Ltd.									
6555,550	6960,278	65,515,631	83,244,772	621,366	Kilburn & Co., Ltd.	Great Eastern Shipping Co. ..	20½	10	1 0	1 0	Nil		6	Y.P
3,35,00,000	74,99,233	7,32,57,463	1,81,54,990	1,89,061	Lionel Edwards Ltd.	India Steamship Co.	114	510	Nil	8h. 1 0			12	Y.P.
9,40,19,675	9,94,93,061	18,36,63,413	4,34,44,800	2,75,683	Narottam Morarjee & Co.	Scindia Steam Navigation Co. Ltd.	19½	10	0 8	Nil	Nil		8	Y.P.
6,40,8000. 10,300P.O.	19,68,268	11,55,488	7,29,969	1,84,498	R. R. Alver, Esq. (Manager) ..	Walford Transport Ltd.	22 1½	O. 1 P.O. 1	0 12 0 2	0 12 0 2	0 8 0 2		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,56,821	4,22,563	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	32 0		9	Y.
18,99,860	9,04,172	9,16,542	90,000	43,582	Parakh Agencies Ltd.	Bombay-Uganda	92½	80	5 0	4 0	3 0		12	Y.
25,00,000	1,00,000	32,37,814§		225	Pramial D. Nanjee, Esq.	Devkaran Nanji Investment Co.	12	25	0 12	0 12	0 12	0'12	12	Y.
14,98,940	3,42,585	28,00,500	17,75,000	4,119	Chocolai Manilal Ltd.	Estrela Batteries	33	50	Nil	3 0	2 0		9	Y.
99,99,250	19,47,886	1,22,08,004§§	....	2,88,126	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 8	4 8	8		12	Y
99 99,975	85,08,851	85,10,899	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	168½	100	10 0	11 0	11 0	4 0	6	Y
1,97,02,800A. 10,00,000B.	5,38,684	3,87,33,373	1,25,90,293	3,86,717	Asco-Auto Ltd.	Premier Automobiles	100	A.100 B. 10	Nil Nil	Nil Nil	Nil Nil		6	Y.
2,75,00,000	78,75,000	3,08,67,181	1,68,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	United Motors (India) Ltd. ..	22	20	2 0	2 0	2 0		12	Y.
45,00,000	55,24,847	7,24,908	3,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	Western India Match Co.	135	100	11 0*	11 0*	11 0*		12	Y.
						W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 2,50,000	17,00,000	1,05,40 704	65,00,000	82,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½ 8½N	O. 10 D. 2½	Nil Nil	Nil Nil	Nil Nil		9	Y.P.T
30,00,000	85,05,079	32,06,626	21,94,951	2,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22½	10	1 4	1 4	2 0*		9	Y.
20,00,000	8,85,000	35,39,494	20,35,000	1,18,905	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	27 47,888	1,01,49,227	29,87,880	38,653	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	7N	10	0 3 1/5		0 3 1/5	0 6 2/5	12	Y.
80,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	165½	100	20 0*	13 0‡	12 8		12	Y. T. Y.
18,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	22xd	10	1 8	2 8	2 4		12	Y.
20,00,000	7,99,470	57,83,560§§		1,31,735	Lovelock & Lewis	Birds Investment Ltd.	19½	10	1 4	1 4			6,12	Y.
45,97,020	26,44,814	1,00,74,580	29,49,001	—27,56,584	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	164	10	1 4	1 4	1 0		9	Y.P.T.
2,25,00,000	1,16,11,805	2,85,00,005	2,22,14,167	—27,56,584	Sir Robert Menzies	British India Corporation Ltd.	11½	5	0 8	1 0	1 0		9	Y.P.T.
1,35,00,000	17,34,264	2,03,27,228§§		12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	11½	10	0 4 1/5	0 8 1/5	Nil		10	Y.P.
1,60,00,000	3,14,86,174	5,15,52,036	2,20,82,990	11,71,486	Cecil Stark Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	294	10	1 8	1 8	0 9	1 6	3	Y.
51,26,000	64 12,812	1,42,47,668§§	....	3,06,188	Bird & Co. (Private) Ltd.	Eastern Investments Ltd. ..	148	100	1 8	1 8	1 8		12	Y. P.T.
14,00,000	10,02,000	32,81,772	18,89,772	37,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	185½	100	10 0	7 8	9 0		12	Y.
68,00,000	42,00,000	19,87,685	8,08,872	1,81,868	J. F. E. d'A. Wills, Esq.	Gillanders Arbuthnot & Co. Ltd.	13½	10	10 0	7 8	7 8		8	H
30,00,000	13,17,254	75,75,102	41,59,995	1,31,064	E. F. H. Syndicate	Great Eastern Hotel	240	250	15 0	4 4	6 2		8	Y.P.
30,17,000	13,68,886	36,39,288	20,24,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	160	100	8 0	4 4	6 0		9	Y.
4,96,13,350	2,92,450	8,56,84,606	94,58,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	10	10	0 8	10 0	10 0		12	Y.P.T.
1,60,00,000	46,77,754	4,18,74,246	1,74,76,663	6,19,074	R. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	Nil	Nil	Nil		10	Y.
1,25,82,500	1,50,50,000	2,75,32,581	67,17,757	28,96,402	A. R. Fraser, Esq.	Indian Cables	88	10	1 0*	1 0*	1 4*		12	Y.P.
3,37,970	5,88,000	16,40,508	8,96,110	32,616	G. R. Menzies & Co. (India), Ltd.	Indian Rubber Manufacturers ..	13½	10	1 0	0 8	0 8		8	Y.P.
18,16,00,000	7,22,58,683	5,55,94,047	1,17,80,405	28,00,782	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	15½	10	0 8	0 8	0 8		8	Y.P.
2,50,00,000	56,29,566	84,83,960	8,60,060	4,70,107	G. M. Mashruwala	Jardine Henderson	100	100	Nil	Nil	9 12 4/5	0 6 2/5	8	Y
6,24,0000. 66,000D.	1,91,892	5,94,030	3,58,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	21 2	O. 1 D. 1	Nil Nil	Nil Nil	Nil Nil		8	Y.
66,20,0000. 1,20,000D.	78,01,900	25,16,760	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	213N	D.100 D.10	10 0 1 8	17 0 1 8 1/5			12	Y.P.
1,87,53,000	60,54,276	92,58,051	11,84,226	2,09,456	T. Leslie Marth, Esq. (Mg. Director)	Martin Burn Ltd.	25	10	0 8	1 0			9	Y.P.
1,25,00,000	53,50,000	1,88,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	29½	10	1 0	1 0	1 12*		9	Y.P.
6,35,258	1,48,588	7,81,449	2,60,987	—18,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	9½	10	Nil	Nil	1 4	1 10	9	Y.P.
6,86,250	9,54,113	10,40,350	4,40,547	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	1 0	1 0			9	Y.P.
10,00,000	1,23,000	16,18,188	8,10,626	20,916	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	13½	10	1 0	1 0	1 0		8	Y.P.
40,00,000	61,31,173	59,00,527	29,20,120	2,22,252	Associated Industrial Development Co., Ltd.									
79,97,000	81,19,337	1,14,76,878	52,77,582	9,08,480	B. N. Elias & Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		8	Y.T.
2,25,00,000	7,25,185	1,29,49,091	40,14,126	—63,99,179	M. P. A. Pesptati, Esq.	National Tobacco Co.	18½	10	Nil	Nil			8	Y.P.
1,12,24,400	1,31,20,208	7,56,54,689	3,47,94,970	4,91,884	Sahu Jain Ltd.	Rohtas Industries	22½	10	1 4	1 8	1 8		8	Y.P.
40,00,000	89,60,594	1,18,78,870	70,99,687	3,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 8	1 8	1 8		10	Y.P.T.
75,00,000	54,12,560	17,40,215§	5,88,635	2,65,280	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13 2xd	10	1 0	1 0	1 0		12	Y.P.
96,350	....	14,99,250	2,24,250	....	Ogale Bros., Ltd.	Travancore Ogale Glass	8½	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. § Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,067	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	380	100	7 8	25 0	30 0		12	Y.P.
3,50,000	3,43,350	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea	45	10	0 12	1 4	7 8		12	Y.
3,50,000	4,43,250	10,47,044	3,03,038	72,938	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	Nil	9 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,088	McLeod & Co., Ltd.	513	Baghmari	27½	10	Nil	Nil	3 0		12	Y.
5,10,000	3,50,000	11,59,193	3,89,461	93,033	Andrew Yule & Co., Ltd. ..	369	Baumatia	40½	10	2 0	2 8	3 0		12	Y.
3,80,000	4,65 000	10,11,265	6,46,265	18,804	National Tea Corporation ..	569	Batell	25½xd	5	0 4	2 0	4 0	2 0	12	Y.
2,20,000	3,70,000	9,80,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	57	10	Nil	2 0	10 0*		12	Y.
16 50,000	20,60,000	52,30,169	22,95,199	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	28½	10	Nil	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,08,130	61,939	Octavius Steel & Co., Ltd. ..	435	Bokashkat	24	10	Nil	Nil	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Bornah Jan Tea	22½	10	0 12	1 8	3 8		12	Y.P.T.
25,00,000	11,92,045	73,30,473	19,49,490	25,092	Brook Bond India Ltd.	2,834	Brooke Bond	24	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,963	1,85,593	6,543	McLeod & Co., Ltd.	220	Dejoo Valley	51	10	Nil	1 0	6 0		12	Y.
5,00,000	10,99,000	26,04,194	16,84,471	51,859	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	410	100	10 0	20 0	40 0		12	Y.
7,53,440	9,87,383	22,73,420	4,17,846	44,561	James Warren & Co., Ltd. ..	620	Dhekalchat	22½	10	1 0	1 8	2 8		12	Y.
4,88,970	3,95,000	10,93,269	3,77,383	9,779	James Finlay & Co., Ltd.	644	Dhunseri	24	10	Nil	2 0	5 0		12	Y.P.
2,50,000	6,75,000	9,00,834	2,06,817	54,592	McLeod & Co., Ltd.	453	Dilbrgarh	23	10	Nil	1 0	4 0		12	Y.
2,26,700	6,60,000	10,29,006	5,54,006	55,532	Williamson Magor & Co., Ltd.	611	Dimakusi	37	10	1 0	4 8	6 0		12	Y.P.
5,80,500	8,82,000	13,35,351	1,64,360	15,84,016	Williamson Magor & Co., Ltd.	615	Dulflaghur	39½	10	2 0	4 0	5 0		12	Y.P
10,00,000	6,40,000	23,25,313	9,78,313	79,838	Williamson Magor & Co., Ltd.	1,150	East India Tea	28½	10	0 4	2 8	3 8		12	Y.
3,00,000	3,60,000	5,05,000	1,25,214	4,30,235	L. O. Kanoi, Esq.	407	Gilapukri	34	10	Nil	1 12	6 0		12	Y.
3,35,000	7,20,000	15,56,000	7,85,000	58,216	Williamson Magor & Co., Ltd.	546	Gohpur	27½	10	1 8	3 0	5 0		12	Y.
7,41,540	15 26,250	30,58,902	6,17,945	56,376	Octavius Steel & Co., Ltd. ..	1,912	Gros	40½	A 10	2 0	2 0	5 0		12	Y.
3,51,185								21	B 5	1 0

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,60,000	3,72,883	25,500	22,734	Planting Agencies Ltd.	Balmadies Plantations	4 3/4	2	0 4	0 4	0 4 4/5		5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9 1/4	3	0 12	0 12	0 7 1/5		2	Y.P.
18,00,000	15,50,195	32,07,456	5,35,906	1,21,959	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	24 1/2	10	0 4 4/5	2 8	1 12 4/5		2	Y.P.
71,55,000	63,72,750	1 07,57,843	10,75,024	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	21 1/2	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations ..	22	10	1 8	1 8	1 12*		6	Y.P.T.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	17 1/2 xd	10	1 4	2 8	2 0		3	Y.P.
4,00,000	10,93,983	17,73,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	31 1/2	10	2 0	2 0	2 12		12	Y.P.
9,00,000	7,28,329	18,44,917	2,56,893	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	32 1/2	10	5 8	2 4	2 4		4	Y.P.
27,00,000	29,30,000	74,32,314	7,74,629	1 45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	23 1/2 cd	10	1 8	1 12*	2 8		3	Y.
2,35,000	2,81,000	14,31,422	1,45,231	13 146	A. V. George & Co., Ltd. ..	Nennamy Rubber	25 1/2	10	0 12	1 8			3	Y.P.
2,00,000	2,99,688	7,20,895	44,185	8,690	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	17 1/2	10	1 0	1 0			12	Y.P.T.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5 1/2	2	0 3 1/2	0 9 3/5	0 6 2/5		12	Y.P.
13,50,000	7 80 000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	24 1/2	10	1 12*	1 12*	2 0		10	Y.P.T.
3,66,780	3,00,000	6,70,359	92,177	71,342	Peirce Leslie & Co., Ltd. ..	Savannalai Estates Ltd. ..	26	10	3 0	2 8	1 0		4	Y.P.
10,00,000	3,98,340	22,01 120	1,35,829	2,031	East india Agencies	Teekoy Rubber (India) Ltd. ..	11 1/2	10	0 14 2/5	0 12	0 14 2/5		11	Y.
2,50,000	2,37,500	5,37,767	30,034	14,887	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	32 1/2 cd	10	3 0	3 0	3 0		3	Y.P.T.
3,10,200	3,00,005	6,91,564	60,885	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-1 1/2	1	0 4 1/2	0 3 1/5	0 2 0		12	Y.P.
6,00,000	75,491	9,70.479	3,23,517	3.745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	24	10	0 2	2 0	3 0		9	Y.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13 1/4	10	1 0	1 8	1 4		12	Y.
22,00,000	....	47,44,180	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37	25	3 0	5 0	4 0		12	Y.P.T.
6,28,580	5,40,670	8,51,488	10,128	40,780	Harrisons & Crosfield Ltd. ..	Valkumdam (Travancore) Rubber ..	30 1/2	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13 1/4	10	1 0	1 8	2 0		12	Y.
													3	Y.P

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,08,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11 1/4	10	1 1/2	1 1/2	1 1/2		3, 9	H.T.P.
6,00,000	10,25,000	51,65,438	36,92,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	Nil+2 1/2	100	Nil+5	2 1/2+5	5+5		3, 9	H.T.P.
30,00,000	9,84,130	1,17,45,964	91,71,060	2,68,797	McLeod & Co., Ltd.	1,284	Alliance	Nil+5	100	Nil+5	6+6			6, 12	H.P.T.
49,20,750	72,20,750	1,72,98,855	1,87,90,000	1,82,972	Andrew Yule & Co., Ltd. ..	2,561	Anglo-India	75 1/2	100	7 1/2+5	2 1/2+5	5+2 1/2		3, 9	H.P.
40,80,000	42,94,285	1,73,44,542	88,94,896	9,783	Bird & Co., Ltd.	810	Auckland	122	100	2+2	1+2 1/2	6+4		3, 9	H.P.T.
20,00,000	22,86,887	96,73,016	65,15,094	15,880	Jardine Henderson & Co. ..	959	Bally	136	100	4+Nil	Nil	3 1/2+Nil		3, 9	H.P.T.
£375,000	£631,523	£1,565,251	£1,068,227	£64,858	Sir John H. Burder (Chairman)	2,539	Barnagore	£1	£1	£1	£1	£1		3	Y.P.
£8,000,000	£2,30,123	£2,27,342	£3,93 231	1,005	Andrew Yule & Co., Ltd. ..	820	Belvedere	155	100	7 1/2+7 1/2	5+5	5+2 1/2		6, 12	H.P.
45,00,000	38,45,000	87,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	16	10	1 1/2	1 1/2	1 1/2		6, 12	H.P.
£1,25,000	£,15,77,044	£,33,32,592	£9,72,760	£,12,630	Birla Bros., Ltd.	1,573	Birla	17 1/4	10	1	1	1		3	Y.P.T.
£4,00,000	£7,87,926	£,12,57,857	£2,35,930	£,277	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	128	100	6+4	4+5	5+2 1/2		4, 10	Y.P.
7,47,880	3,20,640	43,00,831	31,63,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9 1/2	10	Nil	1 1/2	Nil+		6, 12	H.P.
18,00,000	30,46,284	87,13,871	41,48,795	6,248	Andrew Yule & Co., Ltd. ..	616	Caledonian	190	100	6+6	4+5	4+2 1/2		5, 11	H.
£9,15,400	£8,58,404	£,22,41,517	1,07,46,008	1,80,506	James Finlay & Co., Ltd. ..	900	Champdany	155	100	3+3	Nil+4 1/2	4+6		5, 9	H.
15,95,000	£8,39,282	81,54,655	56,60,175	2,615	Andrew Yule & Co., Ltd. ..	520	Cheviot	175	100	6+6	6+8	6+4		5, 11	H.P.
30,15,000	31,00,000	64,10,068	47,77,800	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	14	10	1 1/2	1 1/2	2 1/2		6, 12	H.T.P.
16,00,000	£4,00,000	75,22,716	66,23,963	1,07,142	Shree Krishna Investment Co., Ltd.	960	Clive	14	10	Nil	Nil	1 1/2		6, 12	H.P.
£1,49,200	£1,22,363	1,34,26,320	64,46,501	1,996	Bird & Co., Ltd.	766	Dalhousie	100	100	1+3	1+1 1/2	3+1		3, 9	Y.P.
£8,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	779	Delta	195	100	10+10	6+6	5+5		3, 9	H.P.T.
£5,00,000	£4,50,000	82,32,579	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	10	100	1 1/2	1 1/2	2+1		5, 11	H.P.
21,00,000	60,50,000	2,70,39,024	1,89,10,195	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	345	100	Nil	Nil+5	10+5	7 1/2 f	6, 12	H.T.P.
14,00,000	17,75,000	84,16,102	52,69,759	1,16,742	Bangur Bros., Ltd.	1,014	Fort William	21 1/2	10	Nil+5	10+10	10+10		3, 9	H.P.T.
84,32,100	1,66,021	2,03,72,498	1,22,68,886	84,782	Macneill & Barry Ltd.	1,709	Ganges Mfg.	61	100	Nil+Nil	Nil+ 1/2	2 1/2+Nil		3, 9	H.P.
30,80,000	£8,00,000	71,52,963	48,43,592	—74,093	Gillanders Arbuthnot & Co., Ltd.	807	Goodalpara	1,800	100	15	Nil			3, 9	H.P.
24,00,000	£3,38,409	6,12,33,183	1,65,13,218	57,208	Macneill & Barry Ltd.	1,394	Gourepore	234	100	Nil+3 1/2	2 1/2+7 1/2	7 1/2+7 1/2		12	Y.
40,00,000	55,68,234	99,03,890	57,38,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10+10	11+		3, 9	H.P.
12,50,000	18,91,856	45,50,916	46,53,315	44,545	Gillanders Arbuthnot & Co., Ltd.	720	Hoogly	35 1/2	10	1 1/2		1 1/2		3	Y.P.
65,62,500	51,32,961	1,32,27,584	1,07,21,964	11,463	Jardine Henderson Ltd.	1,940	Howrah	21 1/2	10	1 1/2	1 1/2	1 1/2		3, 9	Y.P.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	23	7 1/2	8	2	2		3, 9	H.
●. 87,00,000 }	16,55,558	1,23,66,655	78,55,428	7,731	M — — — — ..	1,076	India	{ 130	125	3 1/2+3 1/2	Nil+3 1/2	3 1/2+1 1/2		3, 9	Y.P.T.
D. 30,000 }								{ —	D. 1	A2/5+2.5	Nil+A2/5	A2/5+1/5			
24,00,000 }	16,50,000	1,37,65,836	1,34,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 133	100	6+3	3+6	2 1/2+Nil		3, 9	H.
B. 19 20,000 }								{ 127	'B' 100	6+3	3+5	2 1/2+Nil			
30,00,000 }								{ 89	100	5+2 1/2	2 1/2+4	1+Nil		6, 12	H.P.
B. 24,00,000 }	7,00,000	1,32,86 800	1 00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanarrah	{ 85	'B' 100	5+2 1/2	2 1/2+4	1+Nil		6, 12	H.P.
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	7 1/4+7 1/4	100	7 1/4+7 1/4	10+10	10+7 1/2		6, 12	H.P.
54,00,000	1,16,97,527	2,33,38,275	1,71,52,718	1,02,192	Anderson Wright Ltd.	1,530	Khardah	10 1/2+7 1/2	100	10 1/2+7 1/2	7 1/2+5	6+6		3, 9	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	82,710	F. W. Heilgers & Co.	1,250	Kinnison	161	100	4+5	2+5	7+6		3, 9	H.P.
24,48,000	49,37,087	1,89,82,288	80,68,707	10,707	Bird & Co., Ltd.	931	Lanadowne	110	100	2+5	1+1	5+2		3, 9	H.P.T.
24,00,000	56,89,474	1,16,09,763	64,08,985	3,154	Bird & Co., Ltd.	840	Lawrence	110	100	3+5	2+4	5+2		3, 9	H.P.
81,65,200	25,04,412	2,01 00,682	1,24 49,804	10,614	M — — — — ..	1,008	Meghna	77	100	2 1/2+2 1/2	5+4	5+1		3, 9	H.P.
29,98,900	88 14,415	1,84,76,420	98,81,406	—8 19,282	F. W. Heilgers & Co.	815	Naihati	82	100	Nil	Nil	2 1/2+1 1/2		3, 9	H.
30,00,000	16,55,000	39,01,563	19,31,709	17,316	Howrah Trading Co., Ltd. ..	425	Naskarpara	18	10	Nil+ 1/2	1+ 1/2	2		3, 9	H.P.
35,00,000	48,29,328	89,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd. ..	852	National	23 1/2	10	1+1	1+1	2+ 1/2		4, 10	H.T.
26,25,000	26,25,000	27,71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	12xd	10	1+1	1+1	1+1		4, 10	H.P.
35,50,000	2,71,44,342	4,29,15,167	96,26,548	8 71,293	Sahu Jain Ltd.	1,785	New Central†	17 1/2	10	1+1	1+1	1+1		3, 9	H.P.T.
25,79,880	48,96,194	1 17,37 858	45,30,555	46,952	Bird & Co., Ltd.	567	Northbrook	25 1/2	10	1 1/2	1 1/2	1 1/2		12	Y.P.
66,79,500	28,30,798	2,12,69,608	1,49,37,804	58,272	Macneill & Barry Ltd.	1,092	Nuddea	38 1/2	50	Nil+1 1/2	2 1/2+ 1/2	2 1/2+ 1/2		3, 9	H.P.T.
24,91,000	26,81,049	72,46,388	50,35,690	5 744	Andrew Yule & Co., Ltd. ..	601	Orient	13 1/2	100	6+6	5+5	5+4		3, 9	H.
30,00,000	6,28,490	80,59,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	6 3/4	100	Nil+ 1/2	1+ 1/2	2+ 1/2		5, 11	H.P.
20,00,000	1,44,936	26,56,830	8,39,130	—12,15,988	Birla Bros. Ltd.	305	Rameshwara	7	10	Nil	Nil	Nil+		6, 12	H.T.
49,50,000	1,02,723	1,24,06,577	30,034	14,887	A. V. George & Co., Ltd. ..	1,276	Reliance	9 1/2	10	2+2 1/2	Nil	Nil		3, 9	H.T.
£,10,200	3,00,005	6,91,564	60,885	24,920	Peirce, Leslie & Co., Ltd. ..	2,013	Samnuggur	9 1/2	£1	10%	10%	8%+1		6, 12	H.P.T.
30,00,000	18,12,193	1,04,60,653	75,85,338	4,667	Bagaria More & Co., Ltd. ..	911	Shree Ambica	16	10	Nil+1 1/2	2+2	3		3, 9	H.P.
14,00,000	11,25,000	66 11,704	38,79,294	3,156	Hindustan Investment Corporation.	401	Soorah	15 1/2	10	1	1	1 1/2		12	H.P.
42,14,180	48,96,194	1,80,75,167	51,18,863	—2,75,251	Bird & Co., Ltd.	850	Standard	100	100	1+1	1+1	1+Nil		3, 9	Y.P.T.
£600,000	£925,119	£990,895	....	£110,316	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	9 1/4	£1	10%	10%	8%21		6, 12	H.P.
£5,98 600	£8,14 828	1,95,40,009	81,71,517	14,518	Bird & Co., Ltd.	1,326	Union	131 1/4	100	1+4	1+5	5+5		3, 9	H.P.T.
£400,000	£688,035	£1,092,723	....	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	9 1/4	£1	10%	10%	8%21		12	Y.P.T.
2,50,000	6,35,000	55,98,002	40,25,991	14,518	McLeod & Co., Ltd.	465	Waverley	5 1/2 xd	1	Nil+ 1/2	1+1 1/2	1+ 1/2		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
25 50,000	24,50,000	38,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	22 1/2	10	1 1/2	1 1/2	1 1/2		3, 9	H.
12,00,000	8,62,573	38,78,477	36,13 477	22,708	Jardine Henderson Ltd.	Bararee Coke	20	10	7/10+7/10	1 1/2+7/10	1 1/2+7/10		3, 9	H.
4,49,350	70,000	8,49,159	5,40,986	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhaidee	6 3/4 N	10	1 1/2	1 1/2			3, 9	H.
1,00,00,000	1,40,49,223	5,91,92,514	3,95,77,393	7,31,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	538 1/2	200	17 1/2+15*	15*+15*	17 1/2+17 1/2		6, 12	H.
2,35,000	4,77,174	24,81,806	22,28,098	....	Bird & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		4, 10	H.P.
15,97,000	4,78,858	37,70,192	23,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6 3/4	10					6, 12	H.P.
40,00,000	8,00,000	1,59,06 662	71,05,188	27,453	Sahu Jain Ltd.	Bharat Collieries	7 1/2	10	1	1			3	Y.
7,15 000	15 09,250	52,49,025	37 09 957	—1,65,188	F. W. Heilgers & Co. (Private)Ltd.	Bhubaneswaree	13 1/2	10	Nil	Nil	Nil+		6	Y.T.P.
16,00,000	16,17,986	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	12	10					6, 12	H.
7,50,000	24 29,026	48,39,603	26,53,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borrea	23 1/2	10	1 1/2+1 1/2*	1 + 1	1+1		6, 12	H.T.
10,92,480	1,75,17,502	4,10 81,370	1,85,11,940	1,15,372	Bird & Co., Ltd.	Burakur	181	10	1 + 1/2	2 + 1/2	2 1/2 + 1/2		6, 12	H.P.
4v,97,750	....	29 62,720	3,82,545	14,019	Hindustan Investment Corpn., Ltd.	Central India	7 1/2	10					6, 12	H.P.T.
5,00,000	18 54,302	49,10,414	32,68,954	32,768	M. — — — — ..	Central Kurkend	11N	10	1/2 +				3	Y.
6,00,000	1,43,672	7,28,438(k)	....	2,199	F. W. Heilgers & Co. Private Ltd	Chanla	22	4	A+1/2	Nil	Nil+		6, 12	H.
16 00,000	1,20,000	52,67,821	28,91,190	—2,45,279	Macneill & Barry Ltd.	Dhemo Main	8 1/2	10			Nil+		6, 12	H.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	30 1/2 xd	£1	2 1/2	2 1/2	3		6, 12	H.T.
29,63,760	76,84,250	3,89,97,499	3,87,14,367	93,266	Macneill & Barry Ltd.	Equitable	29	10	1 + 1/2	2 + 1/2	2+	0 12½	4	Y.
10,00,000	2,15,000	10,76,564	3,78,963	11,273	Phatter's Agency Ltd. ..	Ghusick and Mualia	14 1/2 N	10					6, 12	H.P.T.
12,00,000	1,22,000	39,02,565	30,99,324	3,220	Killick Industries Ltd.	Hingir-Rampur	4 1/2	50	3	Nil	2 4		3	Y.
3,00,000	6,75,000	21,48,057	18,91,314	65,495	Macneill & Barry Ltd.	Hurriladih	22 1/2	10	2 1/2	3 + 1	1 1/2 +		6	Y.P.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,292	Balpaia Trust Ltd.	Jogta Coal	2 3/4	10	Nil	Nil			6, 12	H.
3,50,000	3,45,579	18,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	18N	10	1 1/2 + 1	Nil	Nil		12	Y.P.
20,00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	117	100	Nil	Nil			2, 8	H.
5,00,000	16,00,000	46,77,533	36,47,265	1,33,474	Andrew Yule & Co., Ltd. ..	Katras Jherriah	60 1/2 cd	10	2 + 2	2 + 2	2 1/2+3	3 1/2	2	Y.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,226	Beriwala & Co.	Khas Kajora	33 N	10	Nil	Nil			1, 7	H.
11,00,240	64,314	16,72,961	10,41,868	—41,520	H. V. Low & Co., Ltd.	Kunardi	4 N	10	Nil	Nil			6, 12	H.P
9,00,000	11,86,413	31,69,253	22,57,937	2,755	H. V. Low & Co., Ltd.	Lakurka	10N	10					3	Y.
2,48,740	2,00,000	12,18,473	9,23,179	11 096	Tantia Brothers Ltd.	Nasira	7	10					4	Y.
7,00,000	26,617	10,38 740	5,20,295	4,560	Amritlal Ojha & Co.	New Banadeopur	10N	10					12	Y.
17 78 280	20,01 782	1,19,78,852	88 63,066	94,986	Andrew Yule & Co., Ltd. ..	New Beerbhoom	18 1/2	10	1 +	1 +	1 +		3, 9	H.
6,00,000	75,000	28,54,607	17,07,588	22.33	Octavius Steel & Co., Ltd. ..	New Manbhoom	11 3/4	10	Nil	Nil	Nil		4, 10	H.P.
1,18 000	2,58,192	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd. ..	North West	18N	10	1 +	1 +	1 +		3, 9	H.
1 57,500							14 1/2 N	10	A+Nil	Nil	Nil+			
7,50,000	12,21,852	5,17,666	3,97,666	55,646	F. W. Heilgers & Co., Ltd. ..	Ondal	7 1/2	10	1 + 1	1 + 1	1 + 1		3, 9	H.
10,00,000	1,10,000	29,70,662	17,99,858	2,809	K. C. Thapar & Bros.	Oriental Coal	6N	10					6, 12	H.P.
8,34,000	10,862	17,52,137	8,30,795	8 018	Deepchand Kishenlall	Parasea	14	10					12	Y.P.
15,75,000	16 00,000	47,70,275	25 30,275	33 843	Shaw Wallace & Co., Ltd. ..	Pench Valley	22 1/2	10	1	1	1		6, 12	H.P.
28,99,500	19 17,105	1,23,09,893	61,50,555	16 846	N. B. Elias & Co., Ltd.	Ramagunge	18 1/2	10	Nil	Nil	Nil		3, 9	H.
12,50,000	8 53,285	35,36,765	27,75,764	28,421	Shaw Wallace & Co., Ltd. ..	Rewa	22 1/2	10	1	1	1		3, 9	H.
20,00 000	3,90,000	44,23,585	18,73,118	2,90,17o	Jaipuria Sons Ltd.	Samla Collieries	14 1/2 N	10					6, 12	H.
1,25 000	1,96,802	18 78,480	12,32,227	21 078	M. — — — — ..	Searsole	6 1/2 N	10	1 1/2	2	2		6, 12	H.
2,50,000	3,30,566	29 99 490	19,07 296	49 299	Andrew Yule & Co., Ltd. ..	Seebpore	29	7	1 +	1 +			1	Y.
5,00,000	5 51,289	22,491	25,567	7,503	F. W. Heilgers & Co. Private Ltd.	Seudra	9 1/2 N	10	Nil	Nil+1	1 1/2+1 1/2		6, 12	H.
68 51,480	16,96,080	3,82,71,101	2,65,65,501	—4,46,963	Industrial Trust Fund (Govern-ment of Hyderabad) ..									H.T.
17,50,000	10,84,016	37,56,108	15,14,990	—51,582	Singareni		10 1/2	10	Nil	0-11 1/5				
5 00,000	15,99,295	1 09,270	26,810	17,347	Bird & Co., Ltd.	South Karanpura	9 1/2	10	1 + 1	Nil+1	1 + Nil		3, 9	H.
16,00,000	13,1960	30,22,315	15,43,528	—4,07,745	F. W. Heilgers & Co., (Private) Ltd	Standard	22 1/2	10	1 + 1	1 +	1 + 1		6, 12	H.
2,50,000	2,80,000	19,47,365	14,81,965	44,167	Villiers Ltd.	Talaher	3 1/2	2 1/2	Nil				6, 12	H.
49,98 000	....	49,06,336	15,91,545	2,694	Williamson Magor & Co., Ltd. ..	Union	14 1/2	10	1 + 1	1 + 1	Nil+		9	Y.
7,08,000	1,88,190	55,52,183	32,06,961	126	Hindustan Investment Corpn., Ltd.	Western Bengal	6 1/2	10					6, 12	H.
					Macneill & Barry Ltd.	West Jamuria	11 1/2	10	Nil	Nil	Nil+		3	Y.
													6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Cinva Mills have paid dividend at Rs. 10½ on bonus shares, for the year, 1955. • Including bonus. (b) Investments.
(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (c) For seven month ended 31st March, 1956.
† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion Jand Lotidan jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

SURVEY

(*Concluded from page 111*)

plans have been announced for the manufacture of polystyrene at an initial rate of 6 million lbs. per annum, and of polythene to the tune of 5,500 tons. In addition, licences have been issued for the manufacture of PVC,

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
10,00,000	1,06,00,000	11,86,801	Allahabad Bank	320	100	18 0	18 0‡	18 0‡		12	Y.P.
14,50,000				100	50	9 0	9 0‡	9 0‡			
1,01,000	14,37,000	12,375	Andhra Bank	115	100	6 0	6 8	7 8	6 8	6,12	H
32,46,180				85	70	3 0	3 4	3 12	4 8 4/5		
1,80,00,000	1,38,00,000	3,35,546	Bank of Baroda	101½	50	6 0	6 0‡	6 0‡	6 0	12	Y.
80,00,000	17,00,000	11,795	Bank of Bikaner	18N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,58,00,000	12 26,630	Bank of India	171	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
18,80,275	25,00,000	60,636	Bank of Indore	52N	25	3 8	3 0	3 0	3 8	12	Y.
80,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	247	100	16 0‡	16 0‡	16 0‡	16 0‡	12	Y.
81,81,700	85,75,012	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	6 8	4 8	5 8	5 0	12	P.Y.
7,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	6 0‡	5 0‡	6 0	6 8‡	12	Y.P.
2,62,11,875	4,01,81,317	18,40,859	Central Bank of India Ltd.	56	25	3 8	3 0	3 0	3 0	12	R.L.Y.
£2,43,875 'A'				58½	25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	41½	40	1 12	2 0	2 8		12	Y.
1,50,00,000	1,00,00,000	1,05,896	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	58,00,000	1,95,278	Hind Bank	34½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14½	50	—	—	—		12	Y.
72,00,000	76,00,000	1,04,405	††Hyderabad State Bank	802d	100	5 0	5 0	5 0‡	5 0	9	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	196cd	100	12 0‡	12 0‡	12 0‡	12 0‡	6,12	E.I.H.
18,00,000				175cd	95	10 8½	10 8½	10 8½	10 12½		
18,20,000				130cd	65	7 3½	7 8½	7 8½	7 12½		
49,19,575	80,00,000	2,23,299	Indian Overseas Bank	157	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000				42½	100(A)	6 0	Nil	Nil			
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	1 8	Nil	Nil		6,12	H.
19,00,000				24½	50(C)	3 0	3 0	Nil			
87,50,000	97,50,000	2,35,108	Punjab National Bank	88½	25	1 8	2 0	2 0	3 8	12	Y.
1,00 00,000	28,80,000	43,597	Travancore Bank	19½	25	—	0 10	0 12	1 0	12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 6	12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank	55	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£2,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China		£1-18-9	£1	16†	14†	15†	15†	12 R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank		£7½	£5	7†	8†	8†		12 R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $10,606,589	Hongkong and Shanghai Banking Corporation		£94	H.K. $125	5*	5*	5*	5*	12 Y.
£17,966,105 'A'	£15,000,000	£558,006	Lloyds Bank		£2-14-9	£5 A	12†	14†	15†	12†	12 R.L.Y.
£1,437,396 'B'					£1-5-8	£1 B	5†	5†	5†	5†	12 R.L.Y.
£375,000 'A'					£4-0-0	A £2½	14†	14†	14†	14†	
£375,000 'B'					£4-0-0	B £2½	14†	14†	14†	14†	12 R.L.Y.
£750,000 'C'						C £1	14†	14†	14†	14†	
£3,551,563	£3,104,687	£343,158	National Bank of India		£1-0-9	ab. 12½	16†	16†	15†	15†	12 R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1966
6,00,000	5½	20th June and 20th December	Ramnagger Cane & Sugar Co.,Ltd.	1936	99‡	20th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1938	101	27th December .. 1963-68
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
10,00,000	5	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries,(New)	1944	96½	1st November .. 1959-64
COAL						
30,00,000	4½	20th April and 21st October	Bharat Collieries	1944	95½	20th June .. 1956
20,00,000	4½	20th June and 21st December	Burrakar Coal Co.	1947	93½	20th June .. 1967(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(c)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1954
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101½	1st March .. 1972(c)
13,68,000	5½		Jayshree Textiles	1949	80N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	100½	 1966-71
ELECTRICS						
19,08,000	4½	31st March and 30th September	Agra Electric Supply Co.,Ltd.	1950	95	31st March .. 1965(c)
1,35,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June .. 1968
48,25,000	4	1st April and 1st October	Amber Valley Power Supply Co.	1940	98½	1st October .. 1969
15,00,000	5½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,39,89,400	6	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	106	1st January .. 1975(c)
35,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
16,00,000	5	1st January and 1st July	Dhua (Jherriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(c)
4,85,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1938	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1939	94	30th September .. 1958-63
4,53,500	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103½	1st July .. 1979
2,50,00,000	4	1st April and 1st October	Tata Power	1940	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1948	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	101½	1st July .. 1957-62
41,14,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December .. 1966(d)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101½	1st October .. 1980-85
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1959
6,00,000	5	30th June and 31st December	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	99	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	93‡	30th June .. 1959
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1941	90	30th June .. 1956
18,56,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969
2,86,000	5	15th January and 15th July	Empire	1951	94½	15th July .. 1966(a)
25,00,000	5½	31st January and 31st July	Fakirmahand	1951	96	31st July .. 1966(a)
30,00,000	5‡	31st March and 30th September	Howrah Jute Mills Co. Ltd.	1956	92½	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	99	31st March .. 1970
25,00,000	5½	30th June and 31st December	Rishra	1948	96½	31st December .. 1964(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	98	31st March .. 1967(a)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	98	14th May .. 1959
8,00,000	4	30th June and 31st December	Presidency	1943	88	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	93	30th June .. 1958
8,00,000	4½	14th March and 14th September	Seorah Jute	1937	91	5th September .. 1965(a)
12,00,000	4½	30th June and 31st December	Union	1937	96	14th September .. 1957
24,00,000	3½	31st January and 31st July	Waverly	1925	96½	30th June .. 1957
					88	31st July .. 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1964
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1923	£77‡N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1966
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	Any time on six months' notice (e)
4,53,35,087	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September .. 1968
PLANTING						
19,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	102½	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		101	1st April .. 1956-66
1,89,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st Decem .. 1968
36,00,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
2,00,150	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	102‡	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
39,92,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July .. 1956
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	 1960
1,50,00,000	4½	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	101	1st January .. 1971(c)††
2,00,00,000	5½	1st January and 1st July	Indian Cable Co. Ltd.	1954	105	30th June .. 1969(c)‡
17,78,000	5	15th March and 15th September	Mettur Chemical Industries	1949	96	 1964
25,03,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September .. 1970(a)
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 90N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	102	30th June .. 1966-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1961(a)
1,20,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	91½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 16 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be repaid at par by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings at par commencing in 1941 by purchase at any price less than par or by annual drawings at par. §§ Redeemable at par on 6 months' notice, on or after 1st January 1961 out of a cumulative sinking fund of 12 per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. §§ Redeemable at par on 6 months' notice, on or after 1st January 1961 out of a cumulative sinking fund of 12 per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings at par

INDIA THROUGH BRITISH EYES

IT is at all times interesting to know what foreigners think of one's own country. In recent years, India has had this experience in an abundant measure. Many foreigners have visited this country and paid handsome tributes to its Government and its people. It is, however, easy to overrate these praises. Some of them are no more than a mere traveller's impression formed after a brief and pleasant stay. What really counts from the point of view of the economic development of the country is whether the foreigners who come here from the industrially advanced countries are prepared to consider India as a good "investment risk." This is the real test. It is gratifying to note that India has passed this test from the British standards, for that is the clear verdict in *India*,* a brochure published by the Federation of British Industries.

The fact that foreign investment is needed by a country may indicate that it is economically backward. But, if a foreigner regards that country as a place where he can safely risk his capital, it is a high enough tribute to it. For, nothing can be more depressing to a country to be told that it is not worthy of the aid it may want or need. The favourable British verdict on India is particularly welcome. For one thing, it is easy for the Britisher to yield to the temptation of saying that things were good in the pre-independence days. That it is a Britisher who finds that much good has been accomplished in the post-independence era is an encouraging tribute. Secondly, the tribute is paid after a fairly close and analytical study of Indian economic and political conditions. It is not a mere traveller's tale, pleasant and superficial. Thirdly, the study has been made from the point of view of potential investors in Britain. And investors are always a class of people who would like primarily to be informed of the risks rather than the opportunities. Finally, the study has been made by a person who has himself had previously an intimate knowledge of conditions in this country. For the author of this study, Mr. Stephen Garvin, was a member of the Indian Civil Service for nearly a decade.

Nevertheless, it may be wondered whether Mr. Garvin has altogether overcome the creditable British weakness to see more of the other side than is strictly necessary for an impartial review. For instance, he seems rather disinclined to take too serious notice of some of the recent acts of intervention by the Government of India in the economic sphere. He need not have so wholly endorsed, as he has, the Government's measures nationalising civil aviation, the Imperial Bank and life insurance. On each of these issues and more particularly on the last, the case for nationalisation rested on very insecure grounds. And the undemocratic manner in which nationalisation of life insurance was carried out evoked the strongest protest even from those who did not seriously doubt the wisdom of the Government's desire to own insurance. The fact is that, through such endorsement of the Government's policies, a foreigner may unwittingly do more harm than good, for that is likely to be taken in certain official quarters as a word of encouragement intended as a spur for further acts of State intervention. Yet another weak point in Mr. Garvin's survey is that no mention is made of the Government's drastic land reforms policy which, in the form now advocated by a large section of the party in power, could inflict serious damage on the country's economy and bring about a revolutionary change for the worse in the democratic character of rural India.

Nor is Mr. Garvin entirely right when he assumes that, to an average Indian, it is the paternalistic Government's duty to own and operate industrial enterprises. He says that "the mass of the people are familiar with State enterprise and to them it appears normal and to be expected that the Government should own and operate a steel plant or fertiliser factory as that it should run the railways or provide irrigation system." This is not correct at all. Actually, the people consider it an innovation that the Government should interfere in the economic field. There is, for instance, a proverb in all Indian languages that, "in a kingdom where the king (the State) engages in trade, the people will turn beggars." The fact is that State interference in economic activities of the people is foreign to Indian thought and tradition. Socialism may or may not be a plant worthy of cultivation. But there can be no doubt that it is an exotic plant on the Indian soil. It is, however, true that the average Indian regards the Government as a sort of protecting angel, as a kind and benevolent father. But this feeling is not akin to socialism. Actually, it is the antithesis of socialism. The "protecting angel" would cease to be a protecting angel once it begins to work in the market place.

Again, Mr. Garvin is inclined to exaggerate the importance of special circumstances in which the State has necessarily to play a more vital role in the economic sphere than in the past. Thus, he urges the foreign critics not to ignore the fact that, in India, "only the State can undertake the massive investment required to give India the basis of an industrial economy within a reasonable time." Here, too, he has got the picture out of focus. For it is well not to ignore the fact that this country owes what little industrial progress it has made so far entirely to private enterprise. In the early post-independence years, too, it was remarkably alert in starting several new enterprises in such diverse fields as textile machinery, automobiles, locomotives, aircraft and civil aviation. Even in the sphere of steel manufacture, it is a well-known fact that private enterprise was willing to shoulder the responsibility. The truth is that the State is doing these things, not because private enterprise was not daring enough to undertake them, but because it has, through its cussed industrial policy and penal taxation and on purely ideological grounds, actively prevented such enterprise from promoting the cause of industrialisation.

All this, however, should not detract one from the value of Mr. Garvin's study; nor need it materially affect the validity of the main conclusion he has drawn. In fact, he has succeeded in presenting a synoptic and objective view of Indian economy and political conditions. If he is appreciative of the country's achievements, he is not blind to many of its weaknesses. From this point of view, it ought to commend itself to British investors, for whom it is primarily written, and to Indian authorities, officials and non-officials alike, who will do well to note what so friendly and sympathetic a critic as Mr. Garvin has to say about this country.

What are the encouraging factors about India? These, according to Mr. Garvin, are the "new dynamism" in Indian sobiety, the efficient civil service, and the improvement which has been effected in the agricultural and industrial sectors of the country's economy. He rightly deplores the "linguistic separatism" which, with every week that passes, continues to inflict graver and graver damage on India's unity and the cause of economic progress. He is also right in deploring the "curiously monolithic character" of the Congress Party and the extra-Parliamentary means by which decisions affecting the Government and the country are reached. "One cannot entirely escape," he observes, "the feeling that the sooner India develops a genuine two-party or multi-party parliamentary system the better it will be, for it is clearly not good for the prestige of Indian Parliamentary institutions that all real decisions are so consistently seen to be taken elsewhere." The truth of this observation is borne out by our erstwhile Finance Minister, Mr. C. D. Deshmukh, who, in the course of his statement in the Lok Sabha on his resignation from his office, has taken exception to the extra-Parliamentary means by which the decision over Bombay was reached and announced.

There is a sound and critical appraisal of the second Five-year Plan in the brochure Mr. Garvin deplores that rail transport is already the worst bottleneck in Indian industrial development. After pointing out that there is much doubt whether the provision for the railways is adequate to meet the increase in industrial activity contemplated, he says: "It is difficult to see how it can be expected to do any better at the end of the second Plan than it is now, and many good judges think it may be worse." Although he thinks that industrial targets in the Plan are not too high to be reached by India, he seems to have strong misgivings about the financial side of the Plan. After remarking that "up to a point—a point which the Indian financial authorities have so far shown themselves well able to identify—deficit budgeting is not only safe but necessary," he points out that it is a more serious criticism that, despite an optimistic view of the amount of public borrowing that will prove feasible, a gap of Rs. 400 crores remains in domestic financial resources. In this context, he feels that the likellhood would seem to be that the Government will have to choose between underfulfilment of the Plan in some of its less essential aspects and a risk of inflation much greater than it has so far ever run. Surely, both these alternatives could be avoided and the Plan implemented in its entirety, if the Government and the people adopted a more positive and constructive attitude towards foreign capital. After emphasising that India has to learn that it can, without loss of self-respect, take the aid of private foreign capital, he says:

> "Equity capital will, in the long run, better serve India's interest than fixed-interest loans. India would be more inclined to seek it in the U.K., if we showed any prospect, which we do not at present, of being able to resume our old position as an exporter of capital. This is officially the aim of the Chancellor of the Exchequer, but we are so remote from achieving it that Indian Ministers tend at present to feel that they have hitherto lost little by failure to cultivate the British private foreign investor to more purpose."

An impediment to the flow of foreign private capital and its necessary corollary, technical skill, to India is the high rate of personal taxation. In the context of the paucity of resources for development, no one will regard it as a great tribute that "India is now, in respect of the taxation of personal incentive in industry, the most highly taxed country in the world." Further, the perquisites, which mean for a foreigner working in India far more than they do to him in his own country, have been brought within the net of income-tax. These considerations, it is to be hoped, will induce in the Government second thoughts on this subject. The labour laws and the Indian Companies Act are other sore points. But, as against these factors, he points to the fact that "India is prepared to welcome foreign investment on terms which are not unreasonable, have been conscientiously adhered to, and compare well with those enforced by other underdeveloped countries." India has also a good record as far as capital repatriation and remittance of profits are concerned.

The Government's attitude towards foreign capital, as stated by the Prime Minister in 1949, is quite clear. Briefly, that statement says that Government expects all undertakings, Indian and foreign, to conform to the general requirements of industrial policy. Secondly, the Government foresees no difficulty in remittance of profits and has no intention to place any restriction on withdrawal of foreign capital investments, but remittance facilities would naturally depend on foreign exchange considerations. Thirdly, compensation would be paid on a fair and equitable basis in the event of compulsory acquisition of foreign enterprises. Fourthly, the Government will not object to foreign capital having control of a concern for a limited period, if it is found to be in the national interest and each individual case will be dealt with on its merits. Nor will the Government object to the employment of non-Indians in posts requiring technical skill and experience, though it attaches vital importance to the training and employment of Indians even for such posts in the quickest possible manner. So much for the "written" assurance. But what is really important is the general attitude of the Government. And here, Mr. Garvin urges foreign investors to realise that the Government's attitude of "commonsense and pragmatism" in individual cases is valuable and is of "far more benefit to private industry than vague reassurances which invite empty controversy."

To the British investors, Mr. Garvin offers some very valuable advice. After all, they have a far greater stake in this country than any other class of foreign investors. Their investments aggregate about £300 million or over 80 per cent. of all foreign investments in this country. Further, India is among the first six of the U.K.'s best customers; it takes one quarter of all its imports from the U.K. and sends to Britain no less than one-third of its exports. He notes that there is in India immense goodwill towards Britain. This is a well-known fact, though it may seem surprising to many that the British have not made any serious attempt to turn it to mutual advantage. It should certainly be possible for Britain to play a more active role in India's industrialisation. And, as Mr. Garvin warns, if it does not participate in this process, other countries will. But, before Britain does so, it will do well to remember that it compares unfavourably with its rivals in respect of firm prices, delivery dates, credit terms and in style and appearance of goods. There is no doubt that Britain can make a better showing on all these fronts. And such improvement, when it comes on top of the existing fund of goodwill, would greatly add to the already high level of Indo-British trade.

*Copies can be had from F.B.I., 21 Tothill Street, London, S.W. 1. Price: 4s. 6d.

TABLES TURNED AGAINST INDIAN COTTON TEXTILE INDUSTRY

SOVIET OFFER OF ASSISTANCE TEMPTING

THURSDAY, 5 P.M.

THE exit of Mr. C. D. Deshmukh from the Union Cabinet has had no effect on the share markets, as it was almost a certainty. The vast majority of operators had expected that the first act of the Prime Minister on his return from his foreign tour would be to advise the President to accept Mr. Deshmukh's resignation. It was, of course, not expected that the Prime Minister himself would take over the Finance portfolio even as a temporary arrangement. This part of the development, therefore, came as a surprise. But it is realised in market circles that this is only a stop-gap arrangement and that he would soon hand over the responsibility to a full-fledged party member. There are various guesses as to how soon he will part with this onerous job, requiring, as it does, the undivided attention of a whole-time Minister. Some say that he may have to hold the baby till October, by which time the States Reorganisation Scheme will be complete, releasing from work a good number of trusted Congress leaders. Others feel that he may find a person for this job soon after the S.R.S. Bill is adopted by Parliament. There is, however, hardly any who is inclined to think that he will carry on this responsibility till the forthcoming general elections are over and a new government is formed. With the 1957-58 budget to be framed, it would mean too much work for the Prime Minister who is already burdened with many cares of very exacting nature.

MARKET GOSSIP

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The British cotton textile industry continues to cry hoarse over imports of cloth into the U.K. As recently as on the 20th inst., Mr. W. T. Winterbottom, Chairman of Fine Spinners and Doublers Association at Manchester, characterised the duty-free imports from India and Hong Kong as "scandalous." There has been no relaxation in the pressure that is being brought on the Board of Trade to "do something" against these imports. The campaign is being carried on not only by the Lancashire millowners but also by the workers' unions. In fact, the latter are making so much political capital out of it that the Tory Government is compelled to take notice of it. Significantly enough, a fortnight ago, Sir Anthony Eden, Britain's Prime Minister, disclosed, at a political meeting in the heart of Lancashire industry, that he had had talks on this subject with Mr. Nehru when the latter was in England for the Commonwealth Conference and suggested to him that it would be in the interests of both the U.K. and India if there were discussions between representatives of the textile industries of the two countries. He added that, personally, he regarded such talks as useful and that he felt that Mr. Nehru shared his view.

Enquiries made in Bombay and New Delhi reveal that neither the Indian cotton mill industry nor the Government of India is averse to such talks. Both of them realise the value of cordial Indo-British trade relations. Despite wild charges by some British trade union leaders and millowners about the state of Indian textile economy, they have, in the past, gone out of their way to meet the British demands. In September 1954, quota restrictions on imports of British-made cotton goods were removed in deference to representations from that country. Again, in May 1955, a substantial reduction in the import duties on certain types of British goods was made. These concessions enabled the U.K. to step up its exports to India from 2.6 million yards in 1954-55 to 6.9 million yards in 1955-56.

Public opinion in India is, however, sharply critical of any concessions shown to Lancashire. Although it is true that neither the reduction in duties in the summer of 1955, nor the lifting of import quotas in the last quarter of 1954, has adversely affected the Indian cotton mills, as the imports have hitherto consisted of special fabrics not manufactured on any large scale in this country, the industry and the Government of India will have to do a lot of explaining if they yield further to the pressure from Lancashire. There are many reasons for this state of affairs. In the first place, Lancashire has had a lead in cotton textile manufacture for well over a century. It is high time other countries which are naturally better placed than Lancashire in the matter of raw materials, labour and markets, had a chance.

Secondly, Britain is in a position to make room for others in the world without suffering any injury to its economy. It has diversified its manufactures and exports by taking to several new lines of manufacture. This has enabled it to provide employment to workers who became displaced as a result of shrinkage in the size of its cotton industry. The labour position in Britain is such that there is still plenty of scope for carrying this readjustment further. In spite of all the ballyhoo from Lancashire, the fact remains that there is no unemployment in Britain, its economy is buoyant and its people are having record high incomes as well as living standards.

Thirdly, in distressing contrast to the aforesaid picture in Britain, conditions in countries which are now able to export modest quantities of cloth to it, are economically poor and suffer from a high level of unemployment. Britain, therefore, should not grudge yielding a small part of its domestic market to these countries. Fourthly, not all the imports of cloth by Britain are for its domestic consumption. A large proportion of them—over 60 per cent.—is re-exported after processing and finishing.

Finally, while Lancashire mills are making much of the fact that the Commonwealth cloth imported into Britain is free of duty, they conveniently seem to forget that the quantum of British cloth imported by Commonwealth countries under preferential duties was very much in excess. Thus, in 1955, Lancashire enjoyed the benefits of preference over £51 million of its sales to the Commonwealth, whereas only £7.5 million worth of duty-free textile imports came into its home market. It is true that, so far as India is concerned, Lancashire mills do not get the benefit of Imperial Preference, but other industries in Britain do derive a considerable amount of advantage, with prospects of further expansion in this direction. Surely, Lancashire cotton interests cannot expect India to view the latter's economic relations with Britain purely from their own point of view. It is for the British authorities to see how best the effect of transition in the character of Britain's export trade on some of its old industries is moderated and met.

Apart from the above line of reasoning, the world cotton picture has undergone such a material change in recent months that the competitive capacity of Indian cotton mills has suffered a serious setback. This is a new development which has turned the tables against India. In fact, in a few months, if not weeks, it is the Indian cotton textile industry that may complain of serious competition from other countries, including Lancashire. A few years ago, when a British cotton delegation visited India under the chairmanship of Sir Raymond Streat in order to solicit this country's co-operation to fight against Japanese competition, he said, in answer to a query by Press men at the premises of the Bombay Millowners' Association, that Lancashire was not seriously worried about competition by Indian mills, because he knew very well that, once they lost the advantage they had over Lancashire in the form of low cotton prices, they would not be able to stand the battle for export markets successfully. In his opinion, the main competitor for Lancashire was Japan. There is every reason to feel that his forecast will come true in the very near future.

India is fast losing the advantage it had in raw material costs and the prospect of losing it completely in the next cotton season is almost certain. What makes us say so is the manner in which the U.S. has been disposing of its surplus stocks of cotton. As against a surplus of 5 million bales, it has so far contracted to sell nearly 3 million bales. Of this, 1.6 million bales had been sold between 16th June 1956 and 18th July 1956 at an average price of 25 cents per lb., as against the ruling spot price of about 35 cents per lb. It is possible that the U.S. may try to sell the remainder of the cotton even below this price. India, too, has bought a small quantity of such cotton, but it is negligible, as compared with its total annual consumption of over 4.95 million bales. It is not, therefore, going to strengthen the competitive capacity of Indian mills in any way.

It will be interesting to note, in this connection, that, at 25 cents, American Middling 15/16" staple will cost about Rs. 940 per candy in the U.S. As against this, the comparable Indian variety, namely, Vijay, is currently quoting in the neighbourhood of Rs. 980 per candy. Thus, price for price, the 30 to 40 per cent. advantage which the Indian mills had till recently, has already gone, in so far as the surplus cotton disposed of by the U.S. is concerned. But the story does not end here. The decline in the world prices of cotton has only just begun. When the new crop cotton starts flowing into the world cotton markets, there is likely to be a further fall in prices, as the non-American growths will start competing with American growths. With inflationary pressures steadily gaining ground in India, it is a moot point whether the prices of cotton within the country which have already gone up sizably since November last, will decline to any appreciable extent in the coming months. In any case, it seems fairly certain that they cannot go down to the extent necessary for giving the same margin of benefit which the Indian mills had over Lancashire and Japanese mills till recently.

Another new factor that has to be borne in mind, while discussing the controversy of Lancashire *versus* Indian mills, is the perceptible increase in the cost of living in India over the past eight months. Between November 1955 and May 1956, the working class consumer price index for Bombay has advanced from 330 to 357. As a result of this, the wage bill of the industry has gone up substantially. In view of the heavy development expenditure envisaged in the second Plan, quite a good bit of which will be met through deficit financing, the prospects are for a further rise in the cost of living number.

It would appear that the Government of India itself is beginning to appreciate the gravity of the situation that lies ahead. It is stated, for instance, that the Commerce and Industry Ministry is prepared to loosen some of the strings which it proposed to attach to the scheme for introducing 14,600 automatic looms for the purpose of facilitating exports of cloth. That it is prepared to have second thoughts on its policy so soon after its announcement is significant of the difficult days ahead for the export trade of the industry.

In view of what has been stated above, it seems pretty obvious that Lancashire's complaint about competition from India will become obsolete pretty soon, if it is not already so. Accordingly, it is hard to see what useful purpose will be served by talks between representatives of Indian and British textile industries at this stage. If Lancashire were to wait for some more time, it might discover that its principal competitors in both domestic and export markets are the mills on the Continent, Hong Kong and Japan, not to mention the communist nations. Of course, nothing will be lost by the spokesmen of British textile industry coming over here and having a discussion with Indian millowners. Such a meeting will enable them to understand the position of each other better.

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From Odessa, the Russian port, comes the report that the first Indian vessel to visit the Soviet Union, the s.s. *Jalamanjari*, has just left after a six-day stay in that port and is carrying cranes, iron tubes and other Soviet-made equipment for industrial establishments in India. It is now a little over three months since India signed with Russia the only shipping agreement it has concluded with any foreign country. Already, trade between the two countries has started. It is not, of course, known what commodities the ship took on its onward voyage from India. But it is useful to recall that the shipping agreement set down a schedule of rates for carrying such Indian commodities as tobacco, tea, jute goods, cotton, shellac, wool, spices, hides, nuts and footwear and Russian commodities like machines, metals, textiles, paper, cotton, cement and dyestuffs. These are the articles that are likely to figure prominently in the Indo-Russian trade. A remarkable development in recent months is the rapid expansion of that trade. Between 1954-55 and 1955-56 imports from Russia had increased from Rs. 1.81 crores to Rs. 6.21 crores and exports to that country from Rs. 2.12 crores to Rs. 3.26 crores. But there is no doubt that the recent increase in Indo-Russian trade will be dwarfed by the very large expansion that is bound to take place in the next few years.

Economically speaking, Russia is getting closer to India. Apart from the Indo-Russian trade agreement, concluded in 1953, and the recent undertaking by Russia to supply one million tons of steel against jute goods, tea, oilseeds, and spices, there is the great Bhilai steel project which, when it was first announced, took many a financial centre in the world by surprise by the astoundingly favourable £39-million 12-year credit scheme, carrying interest at 2½ per cent. per annum. This was—and will perhaps remain for all time—the biggest project of Indo-Russian economic co-operation. But the Russians have followed it up very ably indeed by other gestures of co-operation. They have impressed the Government of India by the offer of capital goods and equipment, by their willingness to share technical know-how and by their undertaking to train Indians in technical jobs in their own country. Yet another way in which they seem to have impressed the Government is the frank and encouraging manner they draw up several technical reports. For instance, the report on drugs and dyestuffs submitted by the Russians is reported to be an eye-opener to India, in that it deals with the production of alkaloids from Indian herbs. Russia has also submitted detailed reports on non-ferrous metals, oil, diamonds and technical education. Meanwhile, another team of Russian experts, headed by the Vice-Minister for Heavy Machine Building Industry, Mr. B. K. Prihodiko, is now in India examining the possibility of setting up a heavy machinery and equipment factory. Above all, they have impressed the Government by the speed with which they can enter into and implement agreements. This is, of course, partly due to the fact that a totalitarian government, such as the Government of the U.S.S.R., is always at an advantage over a necessarily slow-moving democratic country. But it may also be partly due to the fact that Russia is now more willing and anxious to cultivate India's friendship than in the past.

Whatever may be the reasons for the many rapid developments which are taking place in the Indo-Russian economic front, there is no doubt that the developments themselves are of utmost significance to Indian economy. This will be evident from the fact that Russian equipment and technical know-how are available over as wide a sector of the economy as this country could wish—steel manufacture, chemical and pharmaceutical industry, coal mining, tyres manufacture, oil exploration, heavy machinery industry, mining industry, farm machinery and technical education. Russia has agreed to set up a technological institute at Bombay. It has supplied farm machinery that will meet the needs of a 30,000-acre farm. It is reported to have agreed to set up a motor tyre and tubes factory in the public sector and a file factory in the private sector. All this has had two important effects on the public mind, and even on official opinion. In the first place, although much of the Russian co-operation, apart from the Bhilai steel plant, is still only in the blue-print stage, the sheer magnitude and variety of assistance promised are staggering to a degree. This creates the impression that Russia is willing and anxious to do a great deal for India's economic progress. Secondly, Russia, whether by accident or design, has shown itself particularly willing to offer assistance in fields where no underdeveloped country has hitherto been able to make any headway on its own, namely, oil exploration and certain mining and chemical industries. These are highly technical fields where progress is difficult to achieve without active assistance from industrially advanced countries.

The Russian offer of assistance in these spheres naturally strikes India as an encouraging factor, for it whittles down the bargaining position of other industrially advanced countries. What makes it even more attractive is the absence of fanfare and political strings. Russia does not resent India taking aid from other countries with which its relationship is not friendly. The question of questions is whether this warmth will continue if and when the U.S. and Britain decide to withdraw their assistance to India, as they have done in the case of Egypt in regard to its Aswan Dam project, for then this country will have to depend mostly on Russia. From this point of view, it will be interesting to watch the type of relations that develop between Egypt and Russia and the price that the latter will demand for aiding the former.

SHARE MARKET DULL

BOMBAY BURMAHS, HOWEVER, SHOOT UP

From Our Own Correspondents

BOMBAY, *26th July*

THE Stock Exchange had only three sessions during the week. For it remained closed on Monday the 23rd inst. on account of the birth centenary of Lokamanya Tilak. On the following day, the market was officially open, but traders refrained from doing business as a mark of mourning for the victims of the Anjar earthquake. Today, again, the Exchange remained closed as a mark of respect to the late Mr. Pranlal Devkaran Nanjee, prominent industrialist and banker, who passed away yesterday.

During the short working week the market was generally dull. Under the gloom of heavy earthquake damage at Kutch, operators had no inclination to do business. Trading, therefore, remained restricted and price fluctuations were narrow. The undertone was also a shade quiet, in the absence of any encouraging factors, in distinct contrast to the buoyancy noted in the previous two weeks. Advices from Calcutta, too, were none too helpful. The news of Mr. Deshmukh's resignation having been accepted by the President created a feeling of uncertainty among operators. There were, however, a few bright spots in the market, Bombay Burmahs and National Rayons being the prominent among them. Bank shares also shaped well.

In the steel section, Tata Ordinaries moved between Rs. 204-4 and Rs. 202-4 before closing Re. 1 lower on balance at Rs. 203-4. Indian Irons dipped early in the week from Rs. 35-14 to Rs. 35-5½. After coming up to Rs. 35-15, they finished at Rs. 35-11¼.

Textile shares generally ruled quiet. There were, however, a few bright features, particularly in the cash section on good long-term prospects. Bombay Dyeings receded from Rs. 655 to Rs. 646-14. Yesterday, however, they opened very high at Rs. 657-8, only to relapse to Rs. 652-8 at the close. Centurys moved down early in the week from Rs. 573-8 to Rs. 569-8. After regaining to Rs. 574-8, they closed at Rs. 572-8. Kohinoors dipped from Rs. 390 to Rs. 384-8 and closed at Rs. 386-4. Central Indias dropped Re. 1 to Rs. 160. Finlays were dull at Rs. 349-8. Gokaks lost Re. 1 to Rs. 241-8. Indu Ordinaries were a fraction lower at Rs. 13-9. Indore Malwas lost Re. 1-4 to Rs. 155-10, while Khataus advanced by Rs. 9-6 to Rs. 263-2 and Morarjee Goculdas by Rs. 5 to Rs. 260. New Greats changed hands at Rs. 2 lower at Rs. 263 and Podars Rs. 2-8 down at Rs. 187-8. Shree Niwas were, however, maintained at Rs. 225 and Simplex at Rs. 226. Standards drifted lower from Rs. 488-12 to Rs. 481-4 and Svadeshis from Rs. 258-8 to Rs. 255. Tata Mills were a shade lower at Rs. 57-4. Among cash shares, Ruia group mills were prominent, with Bradbury Mills registering a rise of Rs. 10 to Rs. 255, Dawns Rs. 16-14 to Rs. 180 and Phœnix Rs. 3-12 to Rs. 145. Hindustan Spinnings gathered Rs. 15 to Rs. 5,340 and Western Indias a like amount to Rs. 5,140. New City Mills were taken up Rs. 2-8 higher at Rs. 180, while Vishnus lost Rs. 2-8 to Rs. 185.

The firm trend in bank shares noted in the previous week was kept up in the week under review also. Barodas gathered Rs. 2-8 to Rs. 104. Centrals gained a fraction to Rs. 56-4, while their New shares were well held at Rs. 57-8. Punjab Nationals put on Re. 1-8 to Rs. 60. Union Banks were maintained at Rs. 56-4, while United Commercials were better by Re. 1-4 and Rs. 56-4.

Insurance shares ruled steady, though business was restricted. New Indias were done Re. 1-12 higher at Rs. 50-4. British India Generals moved up by As. 14 to Rs. 15.

The electricity section attracted some support to a few counters. Ahmedabad Electrics gained As. 5 to Rs. 100-10. Bombay Suburbans were done at the self-same rate of Rs. 117-8, as also Surat Electrics at Rs. 120. Tata Hydros (Old) were maintained at Rs. 130. Tata Powers (Old) moved up by Rs. 3-12 to Rs. 1,321-4 and their New shares by Rs. 17-8 to Rs. 1,277-8. Andhra Valleys (Old) rose sharply from Rs. 1,210 to Rs. 1,232-8.

Barring a few counters, the miscellaneous section moved in consonance with the generally downward trend of the market. In the sugar group, Belapurs drifted lower from Rs. 243-8 to Rs. 241-8 before closing at Rs. 242-8. Bhopals were unchanged at Rs. 18. Phaltans lost Re. 1 to Rs. 160, while Walchandnagars gained Rs. 2-8 to Rs. 272-8. Cement shares were quiet. A.C.C. declined from Rs. 193-8 to Rs. 191-4, but gained to close at Rs. 192-8. Digvijays also lost on balance Re. 1 to Rs. 199-4. Among engineering and mining shares, Alcock Ashdowns forged ahead further from Rs. 368-12 to Rs. 376-14. Tata Locomotives moved up from Rs. 149-12 to Rs. 152, but finished lower at Rs. 150-8. Larsen and Toubros were a shade better at Rs. 16-2. Josts Engineerings were done Re. 1 lower at Rs. 75, while Kamani Engineerings crept up from Rs. 6-12 to Rs. 7-6. Premier Constructions were steady at Rs. 208. Shivrajpurs were steady at Rs. 91. Indian Coppers were featureless at Rs. 7-1¼ and B. B. Petrols at Rs. 4-6½.

Among shipping and transport shares, Scindias were marked down from Rs. 19-9 to Rs. 19-4 and, after a rise to Rs. 19-9, softened to Rs. 19-6½. Great Easterns were done a fraction lower at Rs. 20-6. Hindustan Motors shed As. 2 to Rs. 9-14 and Premier Automobiles As. 4 to Rs. 99-12. In the miscellaneous industrial group, Bombay Burmahs provided the highlight. After an early dip from Rs. 708-12 to Rs. 687-8, the shares shot up to a record high of Rs. 727-8, before closing at Rs. 725, on expectations of a favourable settlement over the compensation to the Company's founder shareholders. National Rayons dropped early in the week from Rs. 253 to Rs. 249, but gathered strength to Rs. 257 at the close. Tata Chemicals were dull at Rs. 19-15½. Tata Oils lost As. 12 to Rs. 58-4, while Wimcos were steady at Rs. 185-10.

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Calcutta Stock Exchange

CALCUTTA, *25th July*

The Calcutta Stock Exchange remained somewhat dull during the week under review. Though sentiment remained intact and prices were not generally too adversely affected, operators were in no mood to widen their activity, in the absence of any fresh stimulus. The interruption of trading by holidays, the acceptance of Mr. Deshmukh's resignation, fears that the rising trend of prices of food and other essential commodities, if not halted, would lead to higher industrial costs and settlement considerations were some of the factors which restrained activity.

In the textile section, Kesorams were done As. 7 lower at Rs. 18-2. Cawnpore Textiles were steady at Rs. 9, while Basanti Cottons were dull at Rs. 6-15. Jayshree Textiles were bid As. 2 higher at Rs. 7-3. New Victorias were steady at Rs. 2-10.

Coal shares lacked support and prices drifted lower. Bengal Coals softened from Rs. 538-8 to Rs. 535. Burrakurs dropped As. 6 to Rs. 13-4. Borreas were held at Rs. 23-1, while Central Indias declined by As. 6 to Rs. 7-5. Karanpura Collieries were Re. 1 lower at Rs. 116. Raneegunge shed As. 3 to Rs. 13. Sendra Coals moved down from Rs. 9-10 to Rs. 8-12 and Western Bengals by As. 3 to Rs. 6-10.

Jute shares presented a mixed trend. Anglo-Indias recorded a rise of Rs. 7 to Rs. 165. Agarparas were maintained on balance at Rs. 11-8, while Alliance Jutes gathered Rs. 2 to Rs. 122. Bally Jutes also jumped from Rs. 130 to Rs. 137. Birlas were quiet at Rs. 16-12. Champdany Jutes dropped Rs. 2 to Rs. 153, while Ganges advanced by Rs. 5 to Rs. 66. Gourepores receded from Rs. 234 to Rs. 220. Howrahs gained on balance As. 5 to Rs. 21-14. Kamarhatty Jutes declined by Rs. 4 to Rs. 126. Nationals were steady at Rs. 23-2 and Nellimarlas at Rs. 11-14. New Centrals shed As. 3 to Rs. 17-1. Rameshwaras were held at Rs. 7. Reliance Jutes gained As. 4 to Rs. 10. Soorah Jutes lost Re. 1-3 to Rs. 14-12, while Unions rallied from Rs. 131-8 to Rs. 142.

The strengthening of tea prices at auctions, particularly for quality teas, was not duly reflected in prices of tea scrips. Birparas declined by Rs. 9 to Rs. 171. Brahmapootras were quiet at Rs. 8-13, while Brook Bonds gained no more than As. 3 to Rs. 24-2. Dhelakhats picked up As. 14 to Rs. 23-4, while Hasimaras shed Re. 1 to Rs. 35-8, Hantaparas Rs. 9 to Rs. 206 and Hattikhirras Re. 1-4 to Rs. 19-6. Jayshrees were lower by As. 5 at Rs. 11-10. Tezpores, however, gained As. 12 to Rs. 26-8.

Engineering shares lacked support and prices were in favour of sellers. Braithwaites declined by As. 5 to Rs. 27-13, Marshalls by Re. 1 to Rs. 6 and Indian Irons by As. 10 to Rs. 35-9. Burn & Cos. were steady at Rs. 355-8. Indian Standard Wagons were marked down by Rs. 2-8 to Rs. 178-8, Jessops by Re. 1 to Rs. 35-8, Richardson and Cruddas by As. 7 to Rs. 26 and Texmacos by As. 9 to Rs. 22-2.

In the miscellaneous section, Burma Mines were held at Rs. 3-5, while Indian Coppers were done As. 2 lower at Rs. 6-9. Assam Bengal Cements shed As. 9 to Rs. 7-7. Sone Valleys, on the other hand, gathered As. 5 to Rs. 9-9. Alkali Chemicals were Re. 1-8 lower at Rs. 21-2. Calcutta Electrics were steady at Rs. 13-8. Angelo Bros. moved down by As. 14 to Rs. 22-2. Balmer Lawries rose by Rs. 6 to Rs. 186. B.I.Cs. were As. 2 lower at Rs. 11-5. Calcutta Trams picked up As. 9 to Rs. 17. Dunlops were steady at Rs. 29-3. Indian Cables receded by As. 10 to Rs. 35-6. Metal Box gained As. 10 to Rs. 30-3. National Carbons drifted lower by As. 3 to Rs. 27-10, Rohtas by As. 8 to Rs. 23-7 and I.B. Petrols by As. 14 to Rs. 39. India Papers were quiet at Rs. 25-4. Titaghur Papers dropped Re. 1 to Rs. 40-4.

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Madras Stock Exchange

MADRAS, *25th July*

The buoyancy of the Madras Stock Exchange noted in the last two weeks abated this week. In fact, conditions on the Exchange were distinctly easy. Apart from the intervention of holidays, the acceptance of the Union Finance Minister's resignation was interpreted somewhat bearishly by market circles. Moreover, the high levels to which equity values had touched in the past fortnight evoked profit-taking. Prices, as a result, drifted lower. The decline was shared by all the principal sections of the market—textiles, planting and miscellaneous.

Among textiles, Buckinghams and Coimbatore Pioneers dropped Rs. 2-8 each to Rs. 205 and Rs. 340, respectively. Loyals receded by Re. 1-8 to Rs. 52-8. Coimbatore Kamlas fell by a rupee to Rs. 100. Janardhanas lost As. 8 to Rs. 127. Maduras eased by As. 4 to Rs. 51-12 and Cambodias by As. 2 to Rs. 14-14. Bangalore Woollens were quiet at Rs. 582-8, as also Pankajas at Rs. 99, Radhakrishnas at Rs. 350, Vasantas at Rs. 345 and Kotharis at Rs. 17-15. Premiers, however, met with special buying support and rallied Rs. 10 to Rs. 245. The support was induced by the decision of the Directors to recommend a higher dividend of 15 per cent. for the year ended March 1956, as against 12 per cent. for the previous year. Lakshmis were also favoured Rs. 4 higher at Rs. 244. Coimbatore Spinnings advanced by Rs. 3 to Rs. 113.

In the planting section, rubber shares lacked enquiries. Travancore Rubbers declined by As. 4 to Rs. 23-12. Pullangodes shed As. 2 to Rs. 4-6-6. Thirumbadis lost an anna to Rs. 2-3-6. Rajagiris were neglected at Rs. 24-10 and Vaikundams at Rs. 30-12. But Cochin Malabars had some buyers and the quotation rose by As. 2 to Rs. 10. Tea shares also failed to elicit attention of operators. Niigiri Teas fell by As. 4 to Rs. 13-12. T.R.T. & Cos. eased by As. 2 to Rs. 13. Neelamalais lost an anna to Rs. 7-12. Talayar Teas were dull at Rs. 13-9 and Ouchterlonys at Rs. 5-8. Among coffee shares, Balmadies were done As. 3 higher at Rs. 4-13. Consolidated Coffees improved by As. 2 to Rs. 21-3.

Activity in the miscellaneous section was restricted. Among cement shares, Andhra Cements were subjected to some selling and gave way from Rs. 16-4 to Rs. 16-1. Deals in Dalmia Cements were put through at Rs. 15-14 *ex-div.*, as against Rs. 17-10 *cum-div.* F.A.C.Ts and Spencers shed an anna each to Rs. 6-14 and Rs. 17-2, respectively. India Cements, on the other hand, elicited support and put on As. 10 to Rs. 36-4. India Cements Ltd. has come out with an issue of fresh capital for Rs. 40 lakhs, divided into 160,000 ordinary shares of Rs. 25 each, payable in full on application at par to holders of equity capital as on 11th August 1956. Rallis spurted by As. 8 to Rs. 42-8. Mettur Chemicals picked up As. 6 to Rs. 10. The Directors of Mettur Chemical and Industrial Corporation Ltd. have recommended a final dividend of 4⅜ per cent. on ordinary shares, making a total of 7½ per cent. for the year ended March 1956, which compares favourably with 6¼ per cent. for 1954-55.

Sugar shares were generally dull. Travancores eased by half an anna at Rs. 13-5. Mysores were quiet at Rs. 48-8. E.I.Ds, however, climbed up by As. 6 to Rs. 29-12 on special support.

COMPANY INTELLIGENCE

Dalmia Cement (Bharat) Ltd.

Readers will recall the proposal of the Directors of the Dalmia Cement (Bharat) Ltd. to distribute at par the ordinary shares of the Orissa Cement Ltd. held by the Company among its ordinary and deferred shareholders in lieu of the dividends for the year ended 31st December 1955, up to 75 per cent. of such dividends, if the shareholders so desired. The preference shareholders were not, however, given such option, on the ground that they were entitled to only fixed cumulative dividend. The aforesaid proposal to distribute ordinary and deferred dividends in specie, if the shareholders so desired, was subsequently dropped.

The reasons for dropping the proposal were explained by the Chairman in his address to the shareholders at their annual general meeting, held last week—the full text of the speech is published elsewhere in this issue. It would appear that the preference shareholders took objection to their being excluded from the option and threatened to take legal proceedings. The management, consequently, consulted legal advisers and on their advice dropped the above proposal. The Chairman suggested that the dividends recommended for the year on the ordinary and deferred shares could be treated as interim dividends and paid in cash. The Directors, he said, would consult the Stock Exchanges where the shares were being quoted and recommend an additional dividend if deemed desirable or necessary.

It will be interesting to note here that such an option to receive the dividend in specie was given to the preference shareholders also in the previous two years, but was not extended in respect of the year 1955.

Saraswat Co-operative Bank

The Saraswat Co-operative Bank Ltd. has earned a profit of Rs. 88,900 during the year ended 30th June 1956, as compared with Rs. 85,079 for the previous year. With this increase, the Bank has not only maintained the upward trend in profit noted for several years past but established a fresh record. The profit for the year under review, it must be noted, has been arrived at after paying a bonus of 12½ per cent. on the interest earned by the savings depositors. In paying the bonus to depositors the Bank has set a precedent of making them participants in the profit of the concern. The dividend has been maintained at 6¼ per cent. per annum. The working capital at the end of the year exceeded Rs. 170 lakhs.

Pye's Telecommunications Division has signed a further contract with the Pakistan Industrial Development Corporation (for the Sui Gas Transmission Company) for the supply and installation of a V.H.F. multichannel radio-telephone system between Sui and Multan in West Pakistan. The system will provide telephone and teleprinter services along a new pipeline carrying natural gas to Multan, a distance of 200 miles. The radio-telephone equipment for the Sui-Multan pipeline is jointly manufactured by Pye and Ericsson's Telephones. Pye mobile two-way radio-telephones will also be used by the Sui Company and the pipeline contractors during the construction of the new line.

Bulk Oil Plants has been formed jointly by the United Africa Company, which is part of the Unilever Group and by the Nigeria Central Marketing Board. It has a capital of £6,50,000 of which one-third is being subscribed by the Board and two-thirds by United Africa. The purpose of the new company is to forward the interests which the Board and the Company have in common in providing an efficient bulking service. Operations are expected to begin next September.

NEWS IN BRIEF

THE Asian Regional Conference of the I.L.O. would be held in India some time in March 1957.

A textile institute is proposed to be opened at Salem in Madras State, which has four textile mills and over 120,000 handlooms.

A cycle factory is expected to be started at Patna, with a capital of Rs. 6 crores. The installed capacity of the plant will be 100,000 cycles a year; the factory will also produce auto-rickshaws.

The estimated output of iron ore in India increased from 318,962 tons in April 1956 to 339,992 tons in May 1956, according to official statistics released by the Chief Inspector of Mines in India.

A team of French railway experts, led by Mr. F. Nouvion, a well-known railway electric traction expert, is expected to visit Bombay in connection with the electrification of the Igatpuri-Bhusaval section of the Central Railway now under consideration.

The Soviet Union has supplied to India 20 rigs for its State coal mines. These rigs include eight boring machines for test drilling and three self-propelled drilling installations. A group of Soviet experts who are coming to India shortly will train Indian engineers to handle the new equipment.

A two-day conference on the development of atomic energy, sponsored by the Government of India, was held in Bombay on 23rd and 24th of July. The Conference, which was attended by Ceylon, Egypt, Burma and Indonesia, was presided over by Dr. H. J. Bhabha, Secretary to the Atomic Energy Commission of India.

An eight-member Japanese mission, headed by Mr. Ryuichi Senda, has concluded the investigation of the possibilities of constructing a port at Paradip, 52 miles east of Cuttack, for exporting iron ore to Japan from the nearby Sukinda mines. The mission is expected to submit its report shortly to the Orissa Government.

Negotiations have been resumed by the representatives of the Assam Oil Co., and the Government of India for the formation of a rupee company for exploring and refining oil in eastern parts of Assam. The talks were suspended in the third week of May owing to differences of opinion about the quantum of shares to be held by the Government of India in the Company.

The Government of Madhya Pradesh will establish three food research laboratories at Amaravati, Jabalpur, and Raipur in collaboration with the Union Government. The estimated cost is about Rs. 25 lakhs. The Union Government will meet 75 per cent. of the non-recurring and 50 per cent. of the recurring expenses of the laboratories which are expected to start working by the end of this year.

Erection work is proceeding on Burmah-Shell Refinery site at Trombay on six tanks of the latest type equipped with floating roofs. Three tanks of this type of 4,000 tons capacity each are already in use and two more of 5,000 tons capacity are nearing completion. Four additional tanks for crude oil storage of capacities ranging between 16,000 and 20,000 tons each are under construction and expected to be complete by the end of 1956.

Iron-ore exports from India in June 1956 declined both in respect of quantity and value. India exported 78,440 tons of iron-ore valued at Rs. 42 lakhs in June this year, as against 109,214 tons valued at Rs. 48 lakhs in the previous month. The decline was mainly due to poor offtake by Japan which accounted for only 34,974 tons in June, as compared with 73,468 tons last May. Exports to other destinations, however, showed some improvement.

The question of supplying adequate quantity of coal to tobacco re-drying factories and tobacco flue curing works were discussed at a conference held on 20th July at Madras which was attended, among others, by the Director of Controlled Commodities, Andhra, and Deputy Chief Coal Controller. A large quantity of coal is required for these purposes in the months of December to March. The Conference discussed the question of coal allocation and its movement from the various collieries to their destinations.

The Cashew and Pepper Export Promotion Council, Cochin, has a scheme under preparation to ensure the quality of cashew and pepper exported from India. The scheme will help the Council to eliminate those unscrupulous exporters who undermine the prestige of the Indian trade. The Council views with concern the increasing number of complaints received from foreign importers regarding the quality of cashew and pepper exported and proposes to take effective measures to prevent adulteration in future.

The Rihand Dam Control Board has decided to give the contract for the supply of powerhouse installations to a British firm, the English Electric Company. The value of the contract, under which the Company will supply turbines, generators and gear control apparatus, is about Rs. 2.2 crores. The Board had received 58 tenders from different parts of the world including West Germany, Italy, France, Japan, Norway, Czechoslovakia and Switzerland. Five turbines, each of 50,000 kw. capacity, will be installed at the power station to be set up at Dudhi in Mirzapur district.

The Council of Scientific and Industrial Research has secured the services of Mr. John S. Dean, an American expert, under the Point Four Aid Programme, for the development of the glace kid leather industry. He will work at the Central Leather Research Institute, Guindy. His services will be made available to commercial tanneries which require them. Glace kid is costly leather, manufactured from goat's skin. At present, there are three tanneries in the South for manufacturing such leather. A large quantity of raw goat skin is now being exported to the U.S.A. The object of engaging the expert is to see how best the skin could be processed in India itself.

According to Dr. J. C. Ghosh, member of the Planning Commission, a second shipyard will not be completed during the second Plan period due to paucity of funds. The sum of Rs. 45 crores allotted for shipbuilding in the Plan is earmarked for more urgent aspects of the programme. The Government proposes to take measures for reducing the cost of ships built at Visakhapatnam shipyard. For this purpose priority will be given to the building of a dry dock there and to raising the capacity of the yard to produce eight to 12 ships a year at competitive prices. Meanwhile, preparatory work for the second shipyard will go on with the Rs. 75 lakhs allotted for the purpose. Cochin is likely to be the site.

The Government of India has decided to give as loan to weavers' co-operatives 66⅔ per cent. of the total amount allotted towards the construction of houses. Till now, the Government was providing 33⅓ per cent. of the construction amount as grant and 50 per cent. as loan while the balance had to be met by the weavers themselves. Weavers were finding it difficult to pay this amount and so, in spite of the Government's efforts to push through housing schemes, much headway could not be made. The Government will pay, as usual, 33⅓ per cent. as grant. The loan is on a long-term basis, repayable in 25 years. Funds will also be provided on loan basis for the entire expenditure on water-supply, drainage and other amenities.

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From Abroad

A non-official Malayan trade mission will visit China next month to explore the possibilities of further trade with that country.

Under the terms of an agreement reached between West German and Japanese officials, 500 Japanese would go to work in Ruhr coal mines for three years.

World oil production in the first half of 1956 is estimated to have risen by about 10 per cent. over the corresponding period of 1955. The rate of increase, said to be one of the highest the industry has ever experienced, had been due to greater consumption than was expected.

The National Planning Association of Washington, a non-political, independent, non-profit association, has recommended that, over the next ten years, the U.S.A. should provide Burma with $400 million in low interest development loans and technical aid.

In a draft resolution circulated to delegations attending the current session of the U.N. Economic and Social Council in Geneva, the Soviet Union has proposed the creation of an international organisation for trade co-operation open to all members of the U.N. and other interested countries.

A new company, to be known as "Newconex," has been formed in Canada with an authorised capital of one million dollars for taking part in the Canadian mining industry. It is a subsidiary company of the well-known Consolidated Gold Fields of South Africa, belonging to the Rand Finance house.

The American machine plant company Parsons-Whittemore, has concluded an agreement with the Turkish Government for the establishment in Turkey of three large paper factories. The Company will invest the equivalent of $12 million for the supply of machinery and erection of the factories and will participate in profits.

Japanese exports during the period January to June registered a remarkable improvement, as compared with the corresponding period of last year. Exports to the dollar area during the period were $512.78 million, i.e., 57.1 per cent. above those in the corresponding period of 1955. Exports to the sterling area in the same period were valued at $444.50 million, a rise of 26.1 per cent.

The American Telephone and Telegraph Company plans to offer its shareholders on 1st October the right to subscribe to 5,750,000 additional shares, the largest direct offering of stock in U.S. financial history. The sale at $100 a share, will provide the Company with $575 million toward its record construction budget of $2,100 million in 1956, and a like amount next year.

An Anglo-American venture, requiring an investment of $11 million, for the production of methyl methacrylate—more commonly known as "Perspex"—has been announced in London. The firms concerned are Britain's Imperial Chemical Industries and the Hercules Powder Co. of the U.S.A. The new plant, with an annual capacity of 34,000,000 lbs., will be built on a 20-acre site at Louisiana, Missouri, U.S.A.

The scholarships scheme sponsored by the Federation of British Industries (F.B.I.) for giving practical training to oversea engineers in the United Kingdom is to be enlarged. In the 12 months up to 31st March this year, 107 scholarships had been awarded to engineers from 19 different countries. Of these, 49 scholarships went to the Commonwealth, 51 to Latin America, and seven to the Middle East.

The Ministerial Council of the 17-nation Organisation for European Economic Co-operation has decided to set up a steering committee to prepare a draft statute for a European nuclear energy agency. The Ministers who met at Paris on 18th July also discussed the general economic situation and agreed to set up a special Ministerial study group to meet in October to examine the problem of rising prices, German creditor position, and European balance of payments position.

The F.A.O.-sponsored plant protection agreement for South-East Asia and the Pacific has come into force following its acceptance by India, Viet Nam and Portugal. The three new signatories make a total of nine countries joined in a co-operative effort to fight plant pests and diseases which cause losses amounting to millions of dollars annually. The agreement requires all contracting Governments to adopt effective and uniform measures to prevent the introduction of destructive plant pests and diseases from other parts of the world.

The International Co-operation Administration (I.C.A.) has sent a six-man U.S. team to assist the Afghan Government in surveying and studying the potentialities of the land reclamation project in the Helmand Valley. The team, which includes U.S. experts in the fields of engineering, agriculture, industry, rural development and economics, is headed by former Idaho State Governor, Mr. Leonard Jordan. The purpose of the study is to recommend the steps that need to be taken to realise the potentialities of the $80 million project which the Afghan Government began in 1946 to make more productive land available to its people. The project is designed eventually to irrigate between 400,000 and 600,000 acres of land.

PERSONAL

MR. A. D. Shroff, Chairman of New India Assurance Company, Ltd., and a Director of Tata Industries Ltd., left for Europe on a five-week tour.

Mr. J. H. Devey, an I.L.O. expert on manpower organisation, left India last week on the completion of his assignment with the Union Ministry of Labour.

Mr. M. Bhaktavatsalam, Minister for Agriculture and Labour, Government of Madras, who led the Indian delegation to the I.L.O. session at Geneva, returned last week-end.

The resignation of Mr. C. D. Deshmukh, Union Finance Minister, was accepted by the President on the 24th inst. His portfolio has been temporarily taken over by the Prime Minister, Mr. Jawaharlal Nehru.

Mr. H. V. R. Iengar, Secretary, Union Ministry of Commerce and Industry, now in Europe, will proceed to Bonn to discuss details of the scholarships, technical training facilities, etc., offered by the West German Government during Mr. Nehru's visit last week.

Mr. J. R. D. Tata, Chairman, Tata Iron and Steel Company, Ltd., left for London on Sunday last to deliver one of the five key-note addresses by overseas personalities at the Duke of Edinburgh's Study Conference on Human Problems of Industrial Communities within the Commonwealth and Empire, now being held there.

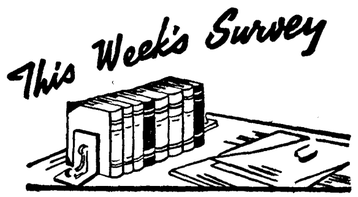
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *25th July*

World's Wheat Crop

The Department of Agriculture, U.S.A., in a statement on world wheat prospects, has declared that indications of the probable demand "point to another year of very low prices for the whole world." This is not a very cheerful prospect; but according to the Royal Bank of Canada's bulletin for June last, there is likely to be a decrease of approximately 150,000,000 bushels in this year's world crop. This forecast is made by the Food Research Institute of Standard University, U.S.A., "subject to reservations concerning unusual weather conditions and unforeseen increases in sowings." The estimate is quoted at the conclusion of a detailed study by Dr. Donald Marvin, the Royal Bank's economist, of seasonal reports from all wheat-growing countries. Seedling operations are being completed in Western Canada, says Dr. Marvin, and interest centres in the outlook for the coming crop. The land prepared last season is estimated to have exceeded 19,000,000 acres, an area larger than in any previous year except 1930. In spite of these early large-scale preparations, it seems probable that the total acreage sown to wheat this spring will not exceed 23,000,000, as compared with 25,000,000 acres in 1930. Exceptionally heavy rains during the growing season will be essential for a satisfactory yield. During the spring, supplies in Europe were substantially reduced, and quickening in demand has been apparent. Germany has reduced the tariff on wheat from $1.62 to $1.29½ per bushel, and increased the proportion of imported wheat which may be used with domestic grain, and France has made two successive increases in the quota of foreign wheat. It seems evident that European countries will have to draw upon exporting countries, and that there will be a well maintained demand during the baiance of the present crop year.



TAX LAWS

TRUE to its tradition of rejecting all non-official resolutions, the Lok Sabha threw out the resolution moved by Mr. H. V. Kamath for setting up a committee to report on the working of the Income-tax Department. The resolution demanded that a committee, consisting of seven members (not less than four of whom should be members of Parliament) should be asked to report within six months on the working of the department and make recommendations designed to improve its efficiency, so as to achieve speedy assessment and collection of tax. Although the resolution was rejected, the debate on it proved useful. For one thing, it showed that many members of the House were critical of the working of the department. Secondly, the Government itself is not unaware of the twin evils of evasion of tax among assessees and corruption in the ranks of its employees. Thirdly, the debate provided an opportunity for the Government to reveal that it contemplated the setting up of a high-power commission to go into the working of the Income-tax Act and codify it, in order to make it simpler.

Before the House divided on the resolution, Mr. M. C. Shah, the Union Minister for Revenue and Expenditure, explained some of the measures the Government had taken, in order to improve the efficiency of the Income-tax Department. He said that the Government had appointed a high official of the Income-tax Department who was with the Income-tax Investigation Commission to look into the working of the department and suggest methods of reorganisation and standardisation of the department's work. The officer had also been asked to suggest the abolition of such procedures as might cause delay in assessment and collection of tax. It would appear that the report of this enquiry would be available at the end of this month. Further, the Government, Mr. Shah revealed, had sent three officers of the department to Sweden, Japan and the U.S. to study the working of the Income-tax Department; another officer was being deputed to co-ordinate their studies.

As regards evasion of tax, Mr. Shah admitted that Prof. Kalder had placed the amount involved at as high as Rs. 200 to Rs. 300 crores. But the latter had said that it was based on "slender" statistics; the Finance Ministry's estimate of tax evasion was Rs. 30 to Rs. 40 crores. The Ministry, according to Mr. Shah, has taken a few steps to check evasion. They include the establishment of a Directorate of Inspection and Investigation and of special circles all over the country and the appointment of efficient officers in centres where important cases of evasion were concentrated. Referring to corruption, he said that the Government had initiated a drive against this evil; six officers had been dismissed very recently. In order to improve the working of the department, the Government had increased the number of officers of whom there were now 1,200, as against 550 in 1945.

It is gratifying to note that, though the Government has rejected Mr. Kamath's resolution, it has itself recognised the need for setting up a high-power commission to codify the income-tax law and simplify it. This reform is long overdue. And it is particularly necessary, in view of the fact that the rise in incomes, as a result of the implementation of the second Five-year Plan, may conceivably increase the ranks of the assessees. A point that deserves to be remembered is that what most assessees dislike is not the magnitude of the tax burden but the delay and the complexity of tax procedure and the uncertainty of the burden they might be eventually called upon to bear. The chambers of commerce and trading organisations in the country will do well to start studying the problem as to where the tax shoe pinches them, so that they may be in a position to place concrete and positive suggestions before the Commission. The Government, on its part, should give due weight to these representations. Further, it must never be forgotten that most of the assessees in India are hardly very educated men, let alone being experts in law. They need guidance in the preparation and submission of accounts. The Government, it is stated, will soon appoint more public relations officers in the Income-tax Department. Such officers could play a vital role in improving the morale of the assessees by providing them with necessary assistance.

PROVIDENT FUND AND PLANTATION FACTORIES

The decision of the Government of India to extend the Employees' Provident Fund Act to the tea and rubber factories may not come as a surprise, in view of the fact that the proposed extension had been discussed already at the seventh session of the Industrial Committee on Plantations held in New Delhi on 31st August and 1st September 1955. The question whether the Central Government's scheme or the scheme already instituted in the plantation factories of Assam by the Government of Assam would be more suitable to plantation factories in the rest of India was also discussed at the Committee but a decision was not taken. It was, however, understood that the Government of India would look into this aspect and take a final decision.

Some surprise has, however, been caused by the very short notice given to plantation factories to start the scheme. The Government's notification, issued only in the second week of July, stated that the scheme would be extended with effect from 31st July 1956. That was giving the plantation factories a bare three weeks' notice, and it is understood that the notification was not preceded by any indication that the scheme was going to be brought into force so soon. Regional Commissioners of Provident Fund Schemes are stated to have asked the plantation factories within their jurisdiction to take steps to implement the scheme and to furnish them with various figures within a few days' time. It appears to have put the factories concerned in some unexpected trouble.

It is worthy of note that the scheme itself is applicable to employees in tea and rubber *factories* only. So far as tea is concerned, this will only apply to a very small percentage of the labour employed in a tea plantation, since the normal complement of workers in a tea factory is not more than about 10 or 12 per cent. of the total labour force, the rest being engaged on the field. The position will be complicated by the fact that the workers in a tea factory are not always the same persons, it being a common practice to send some of them to the field during slack periods in the factory, and conversely to take more workers from the field into the factory when there is a rush of work in the factory. The implementation of a scheme of provident fund to workers in a tea factory would mean that hereafter there should be two distinct and separate categories of workers in a tea plantation and its factory.

The idea of a provident fund scheme to workers cannot be objected to by the tea industry, as the latter has reconciled itself to such a scheme as a result of the discussions at the Industrial Committee. But the actual extension of the present scheme to the tea industry without necessary modifications to suit an agricultural industry, where only a small proportion of whole labour is employed in factories, cannot be regarded as quite proper, as it may lead to a number of anomalies. The reactions of the industry are awaited with interest.

NEW WORLD WHEAT PACT

Wednesday of next week—1st August—will herald the beginning of a new International Wheat Agreement, the third of its kind established since 1949. An announcement to this effect was made in London by the International Wheat Council on the 20th inst., that is, after the representatives of the signatory nations of the Agreement concluded their session. The new Agreement has already been signed by all but eight of the fifty countries listed in it. The eight countries which have not yet signed are Ceylon, Colombia, Cuba, Haiti, Honduras, Jordan, Japan and Venezuela. The Council has provided for the accession of these countries subject to their depositing the necessary instruments with the U.S. Government by 1st December next. The Council has also set up an Executive Committee comprising the Argentine, Australia, Canada and the U.S. as representatives of producing countries and the Benelux, Brazil, Germany, India, Italy, Japan, Portugal and South Africa as representatives of consuming countries.

Like the current (1953-56) world wheat pact, the new Agreement is for a period of three years ending July 1959. The first agreement covered four years (1948-53). The objectives also remain the same, namely, to assure a market for wheat-growing countries and a ready source of supply for the importers. Thus, if the free market price of wheat—Basis: No. 1 Manitoba Northern wheat in bulk in store Fort William-Fort Arthur —rises above the maximum of $2.00 stipulated in the Agreement, the importing countries can call upon the exporters to deliver the agreed quantities at the maximum price. Similarly, if the price falls below the minimum of $1.50, the exporters can ask the importers to buy the agreed quantities at the minimum price.

The new International Wheat Agreement, however, differs from the current, as also the previous, pacts in three important respects. First, the Agreement covers a reduced quantity of wheat, the actual aggregate sales guaranteed by producing countries being 8,244,000 metric tons, as against about 10.7 million tons in the current pact and 15.8 million tons in the 1948-53 agreement. Secondly, both the maximum and the minimum prices fixed are 5 cents lower than those fixed in the current agreement; as compared with the 1948-53 pact, the maximum is higher by 20 cents, while the minimum remains unchanged. Thirdly, Argentina—one of the world's leading wheat producers—which had remained out of the current and the previous pacts —has joined the new Agreement.

The working of the new Wheat Agreement will be watched with considerable interest the world over. How far the Agreement will prove successful, it is difficult to say, especially when the problem of wheat surpluses continues to be an intractable one. Incidentally, it may be noted that no attempt has been made to link the disposal of existing wheat surpluses with the working of the Agreement. It is for this reason that the U.K. has stood out of the pact. The lack of any solution in the Agreement for the problem of wheat surpluses itself reduces somewhat the importance of the Agreement. Unless this problem is satisfactorily solved, conditions in the world wheat economy, indeed in the agricultural economy as a whole, cannot be stabilised. The International Wheat Council will do well, therefore, to examine the domestic production policies of the wheat-growing countries and find out the means of regulating the disposal of wheat surpluses in an orderly manner. It is to be hoped that this question will be taken up for consideration by the Council at its next meeting to be held towards the end of December next.

WORLD BANK'S INSTITUTE

The International Bank for Reconstruction and Development, during its ten years' contact with development problems of underdeveloped countries, has had the unique opportunity to observe the impediments to their more rapid economic progress. Shortage of capital, it was realised, is not the only, nor indeed the principal obstacle. Inexperience in dealing with economic and financial policy problems is an even more serious handicap. This realisation led the Bank to establish a training institute, called the Economic Development Institute, at Washington last year. It is a staff college for senior Government officials from underdeveloped countries. It has a small full-time staff, consisting of a Director, Prof. A. K Cairncross of Glasgow University, and two other distinguished economists.

The aim of the Institute is to bring about an improvement in the quality of economic management in the less developed countries. Its work consists primarily of seminars for the discussion of concrete problems and policies. It provides for the participants an intensive course in economic policy and administration designed to broaden their experience and enhance their usefulness to their Governments. The course has an essentially practical orientation and serves to give the administrators who are sent to the Institute a broad perspective of problems of economic development. In a large measure, the Institute draws upon the participant's own experience in dealing with economic affairs. An opportunity is thus provided to them to compare the problems of their own countries with those faced by others and to familiarise them with the relative advantages and disadvantages of the solutions which various countries have adopted. In doing so, they make extensive use of the information and experience acquired by the Bank in its dealings with the economic problems, investment projects and development programmes of Governments throughout the world.

In addition to the seminars and discussions, members of the regular staff of the Bank, including economists, engineers, financial analysts, commodity experts and country specialists, take part in the work of the Institute whenever their special knowledge and experience are likely to be of value. The course of study also includes visits to industrial, commercial, agricultural and financial institutions and discussion with their officials. In this manner, each participant is enabled to benefit from the combined information and experience of all.

Fourteen countries sent senior officials to take part in the first course which opened on 9th January last. The next course will commence on 1st October 1956. The Bank will provide the participants housing accommodation and will meet their travel expenses and other charges incidental to their stay in Washington. As the first group has been small, the impact of the experiment will at first necessarily be small. But the results achieved so far have been gratifying, and the Bank and the Institute are confident that, as the number of those who participate in the course grows, it will be found to have made, through them, a marked contribution to economic development of the world, in general, and less developed areas, in particular.

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COMMODITY PRICE STABILISATION

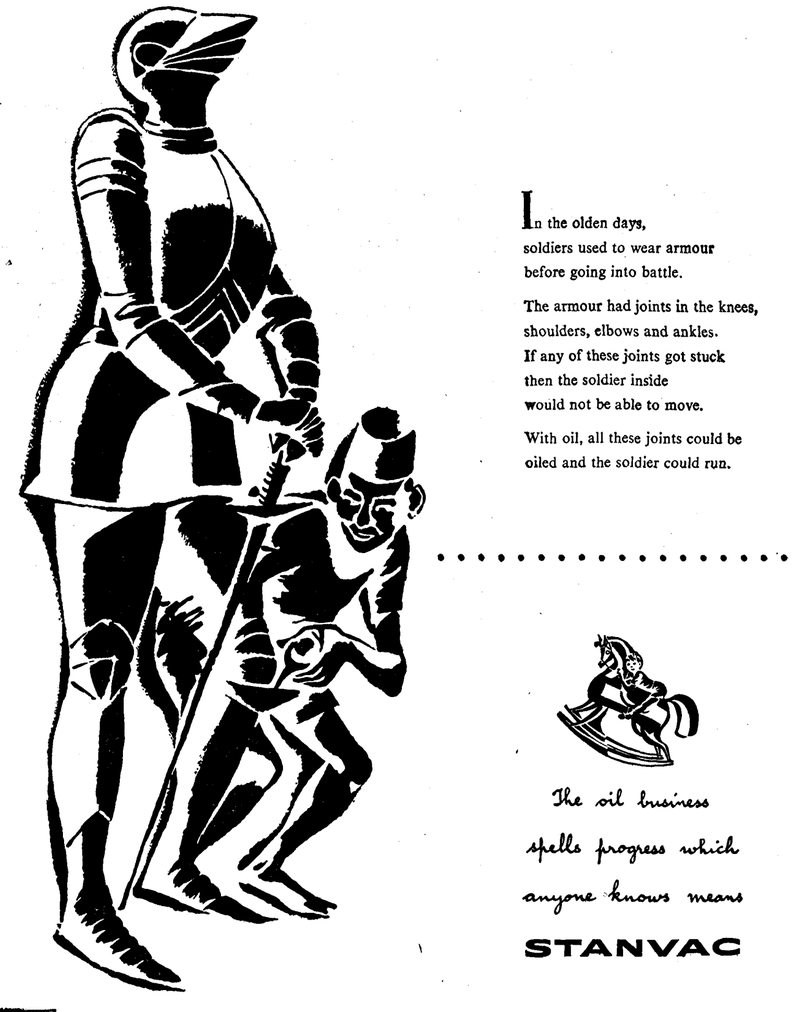
Mr. Dag Hammarskjoeld, United Nations Secretary-General, struck a note of realism when he declared, while opening the debate on world economic situation at the Economic and Social Council last week, that stabilisation of primary commodity prices was imperative for the improvement of international economic position. Although the United Nations Organisation and its various specialised agencies have been functioning for more than a decade now, the problem of world economic balance still remains far from solved. Apart from political tensions which have led to a division of the world economy into two virtually isolated sectors, the lack of effective world action to prevent the violent fluctuations in commodity prices has been a stumbling block in the way of bringing about a world economic equilibrium. Indeed, the inability of countries to make any "serious headway" in stabilising commodity prices constitutes, as Mr. Dag Hammarskjoeld rightly declared, one of the greatest weaknesses in the fabric of international economic co-operation, "a weakness which we cannot afford to overlook." Elucidating this point, the U.N. Secretary-General observed:

"While the commodity problems may be ancillary to the broad problem of economic stability in the highiy developed countries, it cannot be considered as of secondary importance from the world standpoint. The vast majority of mankind still earns its living in primary, rather than industrial, production. It took almost a decade to arrive at the only four international agreements on wheat, sugar, tin and olive oil. Greater interest must be shown, if progress is to be made through the commodity-by-commodity approach, which so many Governments have favoured.

"It is disappointing that, even in percentage terms, the underdeveloped countries have failed to match the rate of growth in *per capita* incomes of the industrialised countries since before the war. Just as mass unemployment introduces not flexibility but economic paralysis, violent price fluctuations produce not economic balance but economic chaos."

There is considerable force in these remarks of Mr. Dag Hammarskjoeld. If the world economy is to be set on a solid, sound and secure footing, it is of the utmost importance that stability in primary commodity prices should be ensured. This problem is not merely a narrow matter of price haggling between producers and consumers. Far from that. It is a problem of eliminating the wild fluctuations which beset the economies of underdeveloped countries—"a problem of as grave import to them and to the world as depressions in developed countries." Emphasising this aspect, Mr. Dag Hammarsk-

(*Continued on page* 199)



In the olden days,
soldiers used to wear armour
before going into battle.

The armour had joints in the knees,
shoulders, elbows and ankles.
If any of these joints got stuck
then the soldier inside
would not be able to move.

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PARLIAMENT COMPLETES A DULL WEEK

FURTHER SUPPORT EXTENDED TO LABOUR

From A Special Correspondent

NEW DELHI, 24*th July*

DELHI LETTER

WITH the return of the Prime Minister, Mr. Jawaharlal Nehru, to the capital this morning after his recent foreign tour which, in 32 days, took him to countries spread over three continents, political life in New Delhi has become animated. A series of Cabinet meetings are likely to be held in the coming weeks, in order to dispose of a number of problems awaiting the decision of the Prime Minister.

The controversial States Reorganisation Bill is being taken up in the Lok Sabha this week after disposal of the Bihar-Bengal Transfer of Territories Bill. Despite considerable controversy that the Bill might generate, it is quite likely that the Prime Minister's dominating personal touch and influence will finally prevail on some of the usually vociferous members of Parliament. This might result in not very many substantial changes in the provisions contained in the Bill as amended by the Joint Select Committee.

Now that Mr. C. D. Deshmukh's resignation has been accepted and the Prime Minister himself has taken over the Finance portfolio, albeit as a temporary arrangement, a serious effort is being made by certain influential members of Parliament to retain Mr. Deshmukh's services in some form or other, so that he will continue to give his sound and valuable advice to Government in implementing its financial and economic policies, in framing which he had played no insignificant part. It is suggested that he should be associated with the Planning Commission.

Proceedings in the Lok Sabha this week were particularly dull. Debates were listless and dry. There was complete absence of any learned or illuminating discussions, especially on important financial and economic matters. The Stock Exchange Bill was passed without much heated discussion. Even a far-reaching measure like the Reserve Bank of India Act (Amendment) Bill failed to evoke the usual liveliness and pep. Although the Business Advisory Committee had allotted eight hours for consideration and passing of this measure, the Bill occupied only about six hours. As a matter of fact, many of the members of the Lok Sabha had to be coaxed to speak on the Bill and few could make effective speeches on this important but technical piece of legislation.

In the absence of Mr. C. D. Deshmukh, the Bill was piloted by Mr. Arun Chandra Guha, Minister for Revenue and Defence Expenditure. In view of the complicated nature of the issues involved, he was rather careful in making a written speech while moving for consideration of the Bill. His speech contained a number of useful observations on the importance of foreign exchange resources in relation to note issue. He pleaded for an understanding of the complex problem and emphasised that the essential purpose of foreign exchange reserves everywhere was to enable a country to tide over temporary balance of payment difficulties. In other words, he brought out clearly that there was no sanctity on the question of having large foreign exchange resources in order to give added strength to the fiduciary note issue.

Citing quite a number of instances, where there was no rigidity in regard to the reserve requirements in the form of gold or foreign exchange against issue of currency, Mr. Guha illustrated the implication of clause 10 of the amending Bill and pointed out the necessity for empowering the Reserve Bank of India to exercise credit control, with a view to stabilising exchange rates, maintaining a steady price level and also maximising economic activities and employment. In this connection, he revealed as to what would be the nature of credit control in the coming months. He admitted that, in the present economic conditions, bank rate policy and open market operations were not proving quite effective as means for credit control. In order to achieve a certain amount of balance in the economy of the country, the Reserve Bank should, according to Mr. Guha, be empowered to vary the percentage of the deposits of Scheduled banks with the Reserve Bank from time to time. In other words, he desired that there should be a certain amount of restraint on Scheduled banks in the expansion of their credit facilities to the general trading public. He also deplored the fact that there has been of late a tendency for the excess of reserves kept by the Scheduled banks with the Reserve Bank to decline.

The Government of India must, however, take note of one significant point in implementing this Act. It has already been the policy of the Government to extend rural credit facilities. The State Bank of India, when it was taken over by the Government, was to open about 400 branches in five years in the rural areas in order to provide credit facilities to agricultural people and to enable them to have more holding power in the disposal of their agricultural produce at the time of the crop moving season. In case any undue restrictions and impediments were placed as a result of the working of the provisions of the Reserve Bank of India (Amendment) Bill, it is held by many here that the objective of the Rural Banking Enquiry Committee might not come to fruition.

The Industrial Disputes (Amendment and Miscellaneous Provisions) Bill, 1955 which is being considered by Parliament as these lines are being written is of more than ordinary significance to business men. It reflects the Government's anxiety to maintain the present good relations between the employer and the employed, with a view to accelerating the economic progress of the country. In Government circles, there is considerable appreciation of the fact that labour has so far been co-operating fully with the authorities in their efforts to step up industrial production during the last three or four years. It is their desire to keep the present good relations in future also.

One object of the present amending Bill is to alter the existing provisions in the Industrial Disputes Act, 1947, so as to provide that, where, during the pendency of proceedings in the Industrial Court, an employer finds it necessary to proceed against any workman in regard to any matter unconnected with the dispute, he may do so in accordance with the Standing Order applicable to the workman. But, where the action taken involves discharge or dismissal, he will have to pay the workman one month's wages and simultaneously file an application before the authority, before which the proceedings are pending, for its approval of the action taken.

Another object of the amending Bill is to repeal the Industrial Disputes (Appellate Tribunal) Act, 1950, and to substitute at the same time the present system of tribunals by a three-tier system of original tribunals, manned by personnel of appropriate qualifications. References to the National Tribunals will be made by the Central Government and they will cover disputes which involve questions of national importance or which are of such a nature that establishments situated in more than one State are likely to be interested in, or affected by, the disputes.

The Labour portfolio is being handled by an experienced trade union leader like Mr. Khandubhai Desai. It is being hoped that there will be better relations between the labour and the employer during the second Five-year Plan period in this respect. Already, some transformation is taking place, in the sense that the Government is increasingly appreciative of the need for giving some representation to labour in management. But, at the same time, the Government wants to proceed cautiously and with care so as not to bring about any sudden change in the employer-employee relations. It is certainly not for taking any precipitate action which will retard the pace of production in the coming years. It is trying to follow a policy of gradualism in this matter and await the result of such experiments before launching upon a more dynamic labour policy.

The Government is also anxious to clarify certain definitions in the labour laws, for instance, in regard to the term "workman." The present definition of "workman" in the Industrial Disputes Act has led to a certain amount of uncertainty, particularly in the case of technical and supervisory personnel. It is, therefore, thought desirable by Government spokesmen to enlarge the definition to cover supervisory, as also technical personnel, whose emoluments do not exceed Rs. 500 per month.

Members of Parliament have given general support to the stand taken by the Government. Great interest is being taken by the House, as evidenced by the granting of an extra hour for consideration of this Bill today. The Prime Minister promptly took the initiative and announced the enhancement of time when trade union leaders pressed home the need for allotting a little more time for this Bill.

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AMERICAN LETTER

OUTLOOK CHEERFUL, DESPITE STEEL STRIKE

VICTORY TO REPUBLICANS ASSURED

From Our Special Correspondent

NEW YORK, 15*th July*

CONTINUED good business in the United States for the rest of the year is virtually assured. However, there is a short-term and a long-term outlook. In the short-term area, a decline of business is inevitable with some 800,000 workers idle. Of that number, 650,000 are steel workers. The rest have been laid off in related industries, such as railroads and trucking, etc., as well as other businesses handling steel. Further layoffs must be expected in the immediate future.

As could be expected, the sensitive weekly business indices show a marked decline with previous reporting periods. Insiders are still bracing themselves for a long strike, because management and labour are far apart in their respective demands. The main issue is that of the length of the new contract. Management wants a five-year agreement and the union leaders are talking in terms of two years.

That there will be an increase in wages and steel prices is taken for granted and no particular problem appears to present itself on that score. The optimists say, rightly or wrongly, that steel furnaces can hardly be expected to be re-fired before 1st August 1956. Others suggest the strike may last longer than that.

Secretary of Commerce, Mr. Sinclair Weeks said the other day that "business has come along even better than I thought," but he added it was impossible to make a firm economic forecast for the second half of 1956, "because no one can predict either the length of the strike or its effects on individual industries."

So far as the long-term outlook is concerned, an extended steel strike would help to work off the rather substantial inventories by fabricators and other steel consumers. This must create a pent-up demand and it should carry peak production levels well into the future, once work is resumed.

In other words, while there may be a slowdown in heavy construction and plant expenditures owing to the strike, temporarily, there is bound to be accelerated activity in all fields after work resumes.

Expenditures for plant and equipment were scheduled to reach an annual rate of $36,700 million in the third quarter of 1956, against $32,800 million in the first three months. Depending on the duration of the steel strike, the projected July to October figures may not be achieved, but the general prosperous conditions plus the backlog of savings would seem to indicate that the overall 1966 picture should be more than satisfactory.

Another long-term optimistic factor is the new Federal highway programme. Congress passed a Bill calling for Government expenditures of $33,000 million. It was signed by the President. In peak periods of construction, the highway programme is expected to add 650,000 to the labour force in this country and be a considerable stimulant to production and other business activity.

Housing starts in the first half of 1956, in terms of numbers after final statistics have been compiled, will probably fall 13 to 14 per cent. below the levels of the same period last year. In other words, seven houses are being built currently for every eight houses last year.

In terms of dollars, however, the decline is much less pronounced. The new 1956 houses are somewhat larger than their 1955 counterparts. Also construction costs have risen, so that expenditures for residential construction are only about 6 per cent below 1955 levels.

The decline in the rate of housebuilding began last fall. It reflects, in part, the tightening of the mortgage market which, in turn, is an outgrowth of restrictive monetary policies plus heavy loan demands by business, industry and individuals.

Indicative of the latter factor was a report by the Federal Reserve Bank of New York which placed the average rate of interest, charged by the large New York City banks, at 3.89 per cent., in the second quarter of 1956 for short-term loans, against 3.64 per cent. in the quarter ended 31st March.

Employment in the U.S. in June, before the steel strike began, exceeded 66.5 million persons. There were 2.5 million more people in jobs at the mid-year term than there were on 30th June 1955. The total of people working for Federal, State and local governments was 7.1 million, against 6.8 million twelve months previously. Manufacturing jobs were placed at 16.7 million.

The construction industry added more than half a million workers, the service trades, from radio repairmen to plumbers, increased their forces by more than 300,000 workers and wholesalers and retailers employed 50,000 more than they did last year.

On the political side, the American public is watching with keen interest overseas developments. The visit of Prime Minister Nehru with President Nasser of Egypt and Marshal Tito of Yugoslavia has aroused particular curiosity.

India's policy of neutrality in the East-West struggle is not too well understood. It needs clarification to convince the American public of its sincerity in the perspective of succession to Mahatma Gandhi. The man in the street here does not know anything about it. Mr. Nehru and Marshal Tito as well as General Nasser are suspected here as having red ties to the point where they are not exactly enemies of the Western world, but lending a helping hand to further penetration of Soviet policy.

President Eisenhower's statement that he would be a candidate again, together with Vice-President Nixon, is an additional optimistic factor in the U.S. After his successful operation, the President seems more than fit to perform the duties of his office and none of the Democratic candidates seems to have made much of an inroad in his popularity as an honest man and a leader.—*All Rights Reserved.*

IMPERIAL PREFERENCE OR COMMON MARKET?

BRITAIN'S DILEMMA

From Our Own Correspondent

LONDON, 21*st July*

LONDON LETTER

THIS week's Paris Meeting of Ministers in the Organisation for European Economic Co-operation has revived British interest in the idea of a European common market. A number of Members of Parliament of both parties have pressed upon the British Government to take active part in the European discussions on the proposal. The only difference in approach between the two parties has been that the Government's supporters envisage that Britain will participate in the European free trade area *after* this has been established, while the Socialists go somewhat further and expect the Government to take a lead in the establishment of the free market.

But, on the Continent of Europe the matter has been carried much further, for the Benelux countries who created the practical concept of a common market have gained the adherence of France, Western Germany and Italy to the principle of establishing what would be virtually a Customs Union between the members of which no tariffs would exist and which would have a common tariff to countries outside the Group. This is not quite the same as free trade as is sometimes represented. The idea is that the member-countries of the Group would begin with a list of items on which they could agree to abolish tariffs between themselves, and that they would then gradually add to this list and so move towards free trade. Thus the common market would, in the first instance, be a free trade market between the six countries for *a limited range of goods.* It is to this grouping of countries that it is now suggested the United Kingdom should adhere.

The countries mentioned are more forward-looking than Great Britain in the matter of reducing tariffs; the U.K. has attracted a certain amount of argument against its apparent rigid policy of preference and it must be admitted at once that the U.K., which is a high-tariff country, has been much more interested in preaching the gospel of trade liberalisation to Europe than in readiness to reduce tariffs. Thus, with all the O.E.E.C. countries pledged to a 90 per cent. liberalisation from quotas, the U.K. has already achieved 85 per cent. and by the end of this week with the freeing from quotas of paper-making materials such as wood-pulp, board etc., the U.K. will have achieved 94 per cent. liberalisation a good two months before bound to pass the 90 per cent. mark. But this country's Continental neighbours now point out that liberalisation of trade by way of abolishing quotas has been superseded in importance by liberalisation of trade by abolishing tariffs.

The old battles will have to be fought all over again but this time Britain must fight them with two faces, one towards the Continent and one towards the Commonwealth and the Colonies. The first objection which the Government has towards participating in the programme of tariff reduction in Europe, is that its commercial treaties require the strict operation of the "most-favoured-nation" clause; thus the granting of low tariffs to the common market countries would mean similar concessions through the Commonwealth and with the countries to which Britain is treaty bound—and this without reciprocity. The second point is that the U.K. is required to maintain preferences in favour of the Commonwealth countries and reductions in tariffs to the common market countries; this must mean equal reductions to the Commonwealth countries.

But the British Ministers in Paris have proposed to examine the problem of participation in the common market not only for the U.K. but for the other O.E.E.C. countries, and this examination will, of course, seek ways of reconciling the obligations of membership of the common market with the existing obligations of "most-favoured-nation" clauses and Imperial Preference. It is not yet clear, however, whether the Government have decided to reconsider their whole philosophy towards tariffs. The O.E.E.C. may well be the centre from which a new doctrine may infiltrate into Britain. The philosophical issue is whether "most-favoured-nation" clauses and Imperial Preference are compatible with the concept of a free trade world. Both concepts were born in a time when the world was more protectionist than the U.K. and their inspirers had no thought that, in time, they could become stumbling blocks to freedom of trade. Without reciprocity, there can be no freedom. The six countries of the common market recognise this and, if the U.K. is to join the market, it will assuredly have to find a way of doing so on terms which either do not affect the Commonwealth or which involve the mutual participation of the Commonwealth.—*All Rights Reserved.*

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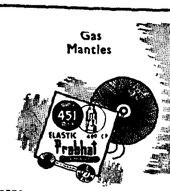



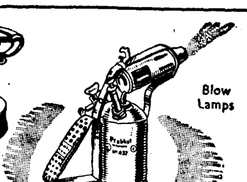

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DEVELOPMENT OF BANKING IN INDIA

IMPORTANCE OF TRUST AND CONFIDENCE

SPEAKING at Bangalore on the occasion of the Golden Jubilee of the Canara Bank Ltd., Mr. C. H. Bhabha, President, Indian Banks Association, Bombay, expressed bitter disappointment at the periodical sermons from highly placed leaders on the service the country expected from banks and other institutions. This disappointment becomes all the more poignant when the advice comes from "leaders who have never successfully run any organisations or even employed half a dozen assistants during their whole career." It will be more so, when it is noted that the sermons are hardly ever followed up by any concrete action as would justify the vague talks of these leaders which, while pleasing the ignorant and uneducated masses, would create in their minds erroneous impressions regarding the service rendered by the banks to the country.

Mr. Bhabha, therefore, did well in reminding such leaders of the role which the banks have played and are yet to play in the development of the Indian economy. He pointed out that Banking in India had very heavy responsibilities to shoulder in the context of the national objective of improving the standard of living of the growing population of the country. Since India was one of the most under-banked countries in the world, it needed many more banking offices throughout the length and breadth of the subcontinent for inculcating the banking habit amongst the people, for mobilising resources for national objectives and for developing the habit of thrift. While this huge task of building up banking lay ahead, Mr. Bhabha said that it should not be used as an argument to dispute the service already rendered to the nation by banking institutions in the country during the past few decades, despite serious obstacles, hardships and difficulties. He added:

"It is Indian banking institutions like the Canara Bank which have enlarged their service and opened out branches, without any fear or favour, without order or directive and without any subsidy or artificial support. Again, it is Indian banks which are shareholder-owned public institutions, as distinct from State ventures, which have been rendering this useful service to the country quietly and without any drum-beating or fanfare. It is, therefore, heart-rending to find that there is no recognition of all the good work that has been done or is being done by these institutions, so vital for our economy."

To Mr. Bhabha, nationalisation of the Imperial Bank stood as a concrete example of the non-recognition of the services rendered by banks to the nation. He remarked that it was easy to expropriate such well organised and soundly built institutions as the Imperial Bank, built after decades of hard and honest work, and try to run them in some fanciful or ideological manner, ostensibly with a view to providing more branches and better facilities. But "it is only in course of time that history will judge and expose the myth of these fanciful experiments and only then will the unwary public come to know of the huge national loss."

Example of Canara Bank

The President of the Indian Banks Association took the instance of the Canara Bank to point out how the building up of banking was a slow and steady process. He had been told that, during the first few years of the Bank's existence, it could not have a single branch office. This, in his opinion, was no cause for any regret at all. For any undue haste or hurry for expanding this business would have caused great loss, if not ruin. He, therefore, paid a tribute to the wisdom of the founders of the Canara Bank for not rushing in, in pursuit of crazy business. He averred that banking business was essentially a business based on trust and confidence and that by no stretch of imagination could Government officers be expected to have the monopoly of that confidence or even of patriotism. It was through the result of experience learned by various nations through centuries that bankers in those countries had been able to build up solid and sound banking structures for their countries and these structures withstood all tests of times and circumstances. It was by emulating these examples that banking in India could expect to find a place of honour in the world and to fulfil its mission of service for the regeneration and development of the country. Evidently in making those observations, Mr. Bhabha seems to have had at the back of his mind the futility of the present move by the Government of India to get 400 new branches established by the State Bank of India within five years of its coming into existence.

Mr. Bhabha drew the attention of his audience to the encroachment made by the State on the rights of bankers by amending section 37 of the Income-tax Act as embodied in the Finance Bill of 1955. As a result of this amendment, it may be mentioned here, bankers are expected to divulge their customers' secrets in certain circumstances and even, according to Mr. Bhabha, indirectly to spy on the customer's business transactions. This, as he rightly opined, was greatly injurious to the Indian economy as a whole, since a banker was, in honour, bound to maintain the secrecy of his customer's business with him. It is needless to add that a rapid growth of banking will be possible only if banks are able to attract deposits and that this will depend, to a large extent, on the confidence of people that banks will not give away their secrets to the Government. Mr. Bhabha regretted that the Reserve Bank of India which, as the guardian of bankers had the responsibility of zealously protecting the fundamental basis of banking business, namely, secrecy between a banker and his customer, did not pull its weight against the amendment when it was adopted. In this context, he referred to several controls, regulations and fetters to which bankers were subjected in India and alleged that some of them were purely for Government's political purpose. He considered that some of these controls definitely stood in the way of a healthy and sound growth of the banking structure. He felt that Government interference should be reduced to the barest minimum, if a strong banking system were to be developed in the interests of the country's future prosperity.

Five Decades of Service

Congratulating the Canara Bank on the completion of five decades of useful service to the nation, Mr. Bhabha stated that the Bank's present strong position was largely the result of solid foundations laid by its sponsors, like the late Mr. Subbarao Pai, first Chairman of the Bank, who gave their best for ensuring its success. Unlike other banks in India, the Canara Bank, he mentioned, commenced as a small Fund, which undertook organised and regulated banking business. From such small seed, it has blossomed into an institution of national importance, thanks "to the honesty of purpose, sincerity of spirit and ideal of service as well as devotion to the cause" of the founders of the Bank. The example of the Canara Bank shows, as Mr. Bhabha aptly remarked, that big businesses and institutions generally have humble beginnings. It also shows that, contrary to popular belief, small institutions can grow into big ones without State controls and State subsidy, provided they are run efficiently and enterprisingly. In this connection, he paid a well-deserved tribute to all those who shouldered the responsibility of building the Bank during these five eventful decades. He took care to compliment not only the directors and high officers of the Bank but also the workers who are responsible for its day-to-day work. He noted with pleasure the endeavours of the Bank to keep abreast of the times and adjust its working according to circumstances, so that it might continue to play its useful role in the development of the nation. A concrete evidence of this adjustment was the undertaking of foreign exchange service by the Bank. "In its usual thorough fashion," to quote Mr. Bhabha, "the Foreign Exchange Department has been so organised that, even within this short period, it plays a very important role not only for the Bank, but also for the country, even *vis-a-vis* the strong and long established foreign exchange banks in India." This venture of the Canara Bank in the field of foreign exchange business added, he said, strength to the few Indian banks which were already rendering this service for the development of India's foreign trade.

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TRADE LIBERALISATION IN EUROPE REVIEWED

The economic difficulties posed by the preponderating creditor position—to the tune of nearly $600 million up to last month—commanded by West Germany in the European Payments Union was one of the pressing problems that came up for discussion when the 17-nation Ministerial Council of the Organisation for European Economic Co-operation met recently in Paris. The main problems before the Council, however, were to review the results obtained by the trade liberalisation drive started in January 1955 when a 90 per cent. liberalisation target was set for the member-countries, and to consider whether the target could be maintained, and what further steps could be taken for further lowering of the trade barriers in the year ahead.

An average reduction of as much as 86.6 per cent. of the restrictions effected by the O.E.E.C. countries by 1st June 1956 augurs well for the future. The U.K., however, went a step further and raised its proportion from 85 to 94 per cent. recently by freeing certain paper and paper-making products from controls. Low tariff countries, such as Scandinavian nations and Switzerland, maintained that consolidation of the barriers at 90 per cent. of their level in 1955 would not be effective, unless other trade barriers like high tariffs, restrictive State trading practices and artificial aids to exports were also tackled.

The consensus of opinion at the conference was that the ground gained in respect of liberalisation must be maintained. A proposal was also made to appoint a special ministerial committee to study the balance of payments problems, with special reference to those created by Germany's creditor position. Germany which was not less anxious to find a way out of its extreme creditor position, made a suggestion that the European exchange parities, particularly the value of sterling might be discussed at the conference. Such a discussion in the O.E.E.C. was, however, ruled out, and the British Treasury declared: "All discussion and rumours about impending changes of the parity of, or margin for, sterling are unrealistic and irrelevant."

I.F.C. CHARTER COMES INTO FORCE

The International Bank for Reconstruction and Development (World Bank) announced last week that, with 31 member-nations subscribing, the charter of the International Finance Corporation (I.F.C.) had come into force. The I.F.C, an affiliate of the World Bank, is designed to help finance productive private enterprises, particularly in less-developed areas of the world. Its charter requires that, at least, 30 member-countries join, to provide at least $75 million of the authorised capital of $100 million.

With France and Germany, two new members, the Corporation now has 31 members and capital subscriptions amount to $78,366,000. Other members are Australia, Bolivia, Canada, Ceylon, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, Guatemala, Haiti, Honduras, Iceland, India, Japan, Jordan, Mexico, Nicaragua, Norway, Pakistan, Panama, Peru, Sweden, the United Kingdom, and the United States.

The basic difference between the proposed I.F.C. operations and the loan practices of the World Bank is that the I.F.C. will be in a position to advance loans on meritorious projects without the guarantee by the Government of the country where the enterprise is located. It has authority to invest in any kind of private enterprise—including agricultural, financial and commercial undertakings—but its main emphasis is likely to be on industry. It will be the purpose of the I.F.C. also, to act as a catalytic agent in so far as it will attract private capital in various countries which, in partnership with I.F.C. capital, will help promote meritorious projects.

Membership in the I.F.C. is open to Governments which are members of the World Bank. In addition to the present 31 members, 20 other countries have indicated their intention of becoming members of the Corporation.

The President of the World Bank, who is Chairman of the Bank's executive directorate, will also be Chairman of the I.F.C. Board of Directors.

LOK SABHA PASSES RESERVE BANK AMENDMENT BILL

LOCAL BOARDS TO BE RETAINED

THE Reserve Bank of India (Amendment) Bill, 1956, introduced in Parliament on 2nd May last, is one of the few legislative measures to be quickly passed by the Lok Sabha during its current session. After a two-day debate, the Bill was passed on the 20th inst. The legislation seeks to streamline the powers of the Reserve Bank to tackle the two main problems which will arise as a result of the creation of credit for financing the second Five-year Plan.

In the main, it provides for: (1) a minimum holding of Rs. 400 crores in foreign securities and Rs. 115 crores in gold in the Issue Department of the Reserve Bank; (2) the revaluation of gold at the rate agreed to by the I.M.F., that is, at 2.88 grains of fine gold per rupee, instead of 8.47512 grains; (3) the temporary suspension of asset requirements in respect of foreign securities, without payment of any tax to the Government, and (4) the strengthening of the machinery of the Reserve Bank for credit control, by vesting in the Bank powers to vary the reserve requirements of Scheduled banks within the range of 5 to 20 per cent. in respect of demand liabilities and 2 to 8 per cent. in respect of time liabilities, instead of a fixed reserve ratio of 5 per cent. and 2 per cent., respectively, as at present.

The other two provisions of the Bill seek: (1) to authorise the Reserve Bank to make advances from the newly created National Agricultural Credit (Long-term Operations) Fund to State co-operative banks for agricultural purposes and (2) to abolish the local boards of the Reserve Bank.

The Bill was passed without any serious opposition to its provisions, but only after the Government's withdrawal of the clause relating to the abolition of local boards. The House almost unanimously demanded the retention of local boards, on the ground that they can function effectively as representatives of territorial and economic interests and the interests of co-operative and indigenous banks.

The objects and reasons of the main provisions of the Bill were explained in detail in our issue of 12th May 1956 (*vide* page 899) and do not, therefore require to be stated again.

Foreign Exchange Reserves

Moving the Bill for consideration by the House, Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, said that the existing provisions relating to foreign exchange reserves would seriously limit the Reserve Bank's capacity to expand the currency during the second Plan period to meet the growing requirements of a developing economy. The targets of development expenditure in the public as well as private sectors and the magnitude of deficit financing envisaged under the second Plan would inevitably involve a substantial increase in the note issue simultaneously with a decrease in foreign balances. It is estimated that deficit financing would be of the order of Rs. 1,200 crores and the sterling assets would be brought down by Rs. 200 crores. Under the existing provisions of the Act, the additional amount of currency that could be issued, the Minister pointed out, was only Rs. 189 crores and an expansion of this order in currency would be far from adequate to meet the requirements of an economy in which national income would increase by 25 per cent. Mr. Guha drew the attention of the House that even an increase in currency of this order would not be possible with an adverse balance of payments. Hence the urgency to amend sub-sections 2 and 4 of section 33. Mr. Guha added that the principle of linking foreign exchange reserves to note issues was in one sense a relic of the past and many countries had modified this principle in the last two decades. The Government of India, however, did not propose to go so far as many other countries have done in this respect, but only wanted to prescribe an absolute minimum of reserves both in foreign exchange and gold in order to ensure that some cushion was left against unforeseen emergencies.

Explaining the amendment relating to revaluation of gold holdings of the Reserve Bank, Mr. Guha said that hitherto the gold held by the Bank was being valued at a very low price, much lower, in fact, than the parity for the Indian rupee which had been agreed to by the I.M.F. The revaluation proposed, at 2.88 grains of fine gold per rupee or Rs. 62-8 per tola, would raise the value of the gold held by the Bank from Rs. 40 crores to a little over Rs. 115 crores. This change was only formal and was intended to reflect more accurately the value of India's gold reserves in terms of the official parity of the Indian rupee. Simultaneously with the revaluation of gold, the minimum limit for the holding of gold by the Bank was also being raised from Rs. 40 crores to Rs. 115 crores, in addition to the minimum holding in foreign securities of Rs. 400 crores mentioned above.

The provision relating to foreign exchange and gold reserves met with very little opposition from the House. One of the members of the Opposition benches, Mr. Gurupadaswami, however, was of the view that it was "highly dangerous" to abolish the currency reserve ratio. He also suggested that the State Trading Corporation should take over purchase and sale of gold instead of leaving it to private hands which encouraged hoarding. Another member, Miss Annie Mascarenes, termed the move as an unwise step. She said that the country had hardly recovered from the effects of inflation as a result of the Second World War and that an increase in note issue at this stage would result in inflationary conditions.

Currency Ratio

Mr. G. D. Somani and Mr. V. B. Gandhi wanted the continuance of the ratio pattern of currency reserves. They suggested that the ratio could, however, be reduced from 40 per cent. to 20 per cent. Mr. Somani warned that, if any lack of confidence was created by the undue expansion of currency and by a low level of gold or foreign securities, then that might have some repercussions which they should avoid. The reduction of the ratio from 40 per cent. to 20 per cent. would, on the one hand, enable the Reserve Bank to meet the requirements of the expanding economy and, on the other, would ensure the necessary confidence and stability in the country's economy. Mr. Gandhi said that, with the lower reserve ratio of 20 per cent. it would still be possible to have a note circulation of the order of Rs. 2,500 crores—just the level the country expected to reach by the end of the second Five-year Plan. Parliament could review the situation at the end of the five-year period and decide whether this ratio should be further changed or given up in favour of a fixed amount reserve of the kind suggested in the Bill. One serious shortcoming of the fixed amount reserve was that it gave Government an entirely free hand in the matter. In his reply, Mr. Guha assured the House that the Reserve Bank would continue to exercise the greatest care in expanding the currency.

The other clause of the Bill which evoked some debate in the House was that relating to the strengthening of the machinery of the Reserve Bank for credit control. Speaking on this provision, the Minister said that increased deficit financing would also result in a large increase in bank resources and their capacity to create credit. One of the main methods of credit control was the lowering or raising of minimum reserves to be kept by commercial banks in the form of credit balances with the central bank. This was considered an additional and more effective means of enabling the central bank to expand or contract credit-creating capacity of commercial banks. Mr. Guha added: "Under the present economic conditions, bank rate policy and open market operations may not prove quite effective or feasible means for credit control. In view of the limited efficacy of the traditional instruments of credit control, it has now been suggested that banks should be asked to keep a certain percentage of their deposits with the central bank and that the latter should be authorised to vary this percentage from time to time."

Credit Control

Mr. Gurupadaswami said that Scheduled and other banks had dealt with distribution of credit in a reckless manner and all the powers of the Reserve Bank had not been used to control their activities. He wanted that one agency should control both creation of credit and distribution of credit. Mr. Somani described the powers that were taken under the Bill to control credit were far more than warranted. He was of the view that, even now, the Reserve Bank had adequate powers to ensure that commercial banks formulated their credit policy in conformity with the policy of the Government and the Reserve Bank.

Mr. V. B. Gandhi, on the other hand, welcomed the idea of giving wide powers to the Reserve Bank to regulate the expansion of bank credit and to control bank credit. The central bank in the country should have these powers, especially in the context of inflationary possibilities that were envisaged as a result of the planned development programme. He was, however, of the view that the powers as provided in the Bill were rather of an extreme kind and hoped that the Reserve Bank would use them only in cases of grave emergency. Mr. Avinashilingam Chettiar wanted to know what interest the Reserve Bank would pay to Scheduled banks on the additional reserves maintained by them with the former. He also wanted to know whether the notification calling for higher rates of reserves would apply to all banks in the country or only to banks in certain areas. Another Congress member suggested that the provision should apply only to banks with deposits of more than Rs. 10 crores. Otherwise, he felt smaller banks catering to the needs of agriculturists and petty shopkeepers would have to close down.

Mr. Guha, in reply, said that the provision relating to reserves to be maintained with the Reserve Bank would apply to all Scheduled banks uniformly. This would be calculated on an average basis, so that all the Scheduled banks might bear this burden equitably. As regards the additional reserves to be maintained, they would be calculated on the basis of increase in the deposits of banks during a particular period. In view of the wide variation in rates of interest allowed by Scheduled banks, he felt that it would be better to give the Reserve Bank the

(*Continued on page 199*)

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MECHANISATION OF HANDLOOM WEAVING

FEARS OF UNEMPLOYMENT UNFOUNDED

ONE of the features of the Government of India's cotton textile policy subjected to severe criticism by the spokesmen of the handloom industry relates to the modest beginning that has been proposed in the mechanisation of handlooms. At a Press conference held in Bombay the other day, these spokesmen declared that the installation of powerlooms in the handloom sector would spell the ruin of the industry by creating large-scale displacement of weavers. Speaking on behalf of the industry, Mr. M. Somappa, a member of the Handloom Board, characterised the proposal as thoroughly unfair, for, in his opinion, the handlooms had not been given a "fair trial." Mr. Somappa even claimed that the handloom industry was quite capable of standing on its own feet and that it did not need any financial assistance from the Government. He urged the Government not to implement any policy which would curtail the market for the industry.

The criticism levelled against the conversion of handlooms into powerlooms is, to say the least, unjustified. The very claim on which the criticism is based, namely, "the handloom industry is quite capable of standing on its own feet," is clearly exaggerated. To test the validity of this claim, subsidies to handlooms should be withdrawn. We do not think that Mr. Somappa and his colleagues will welcome the application of this test straightaway, even though the cloth market is passing through a boom, owing to failure of supply to keep pace with the demand.

The Only Way

The only way in which handlooms can be made economic is to increase their productivity. The surest way of doing so is to convert them, as early as possible, into powerlooms. Such a changeover is, as Mr. Nityanand Kanungo, Union Minister for Consumer Industries, rightly pointed out in the course of a statement in the Lok Sabha on Saturday last, "an inevitable stage" in the improvement of production techniques, in order to enable the weaver to secure higher earnings and raise his standard of living.

The apprehensions of large-scale unemployment among handloom weavers as a result of conversion to powerlooms are also unfounded. The Kanungo Committee had, of course, stated that the introduction of one powerloom would displace 20 handlooms. Presumably, the figure is with reference to the production capacity of the handloom industry. This view has, however, been questioned by the Union Commerce and Industry Ministry sources. Refuting the statement as "entirely incorrect," these sources observe: "The Kanungo Committee had estimated production of powerlooms at 30 yards a day, as compared with 6 yards by the handlooms. It is unlikely that this high rate of production can be achieved; the average is not likely to be more than 20 yards a day."

Even supposing, for argument's sake, the Kanungo Committee's ratio is taken as correct, the conversion of handlooms into powerlooms will not at all result in large-scale unemployment among weavers, because the additional production of cloth will require more hands for processing, not to speak of other activities, as, for instance, marketing. While thus fewer persons will be required for weaving on the looms, a larger number than at present will find employment as helpers and processors. Then, there is the fact that conversion will not take place overnight; it will be gradual. Emphasising this aspect, Mr. Kanungo assured the House that the changeover would be regulated in a manner that would be in relation to the additional demand for cloth and that, too, only after care had been taken to see that full employment was provided to the existing handloom weavers.

In this connection, Mr. Kanungo cited certain statistics to prove that the installation of powerlooms was proposed in order to meet only a part of the additional demand for cloth during the second Five-year Plan period.

According to Mr. Kanungo, the additional demand for cloth in the Plan period is taken as 1,700 million yards, out of which a bare 200 million yards are intended to be produced through powerlooms. The existing production of handlooms is about 1,500 million yards. Not only will this remain unchanged, but, out of the additional demand, 1,000 million yards have been reserved for production by the handloom, making a total of 2,500 million yards.

It is stated that there are 2.8 million handlooms in India and that, after making allowance for idle looms, the balance of 2.2 million looms can produce 4,000 million yards at the rate of 6 yards per loom per day. But the figure of 2.8 million handlooms, it is observed, was collected in 1951, that is, at a time when there was an acute shortage of yarn and the numbers were inflated, in order to secure additional yarn supplies. The figure of 2.8 million is thus unreliable. Realising this, the Kanungo Committee carried out sample surveys. On the basis of these surveys, the Committee assessed the number of active commercial looms at no more than 1.24 million. Another myth exploded by the Committee was that the handloom industry was a valuable source of part-time employment to under-employed agriculturists. The Committee found that, except in one or two places, the actual handloom weaver was a whole-time weaver by occupation. This finding has been borne out in the Census Report of 1951 which puts the number of full-time handloom weavers at 1.28 million.

Quite Apparent

In order to produce the 2,500 million yards earmarked for this sector, no less than 1.40 million handlooms will be required, assuming that the looms will be working full time for 300 days a year at the rate of 6 yards a day per loom. This figure is actually less than the number of active commercial looms estimated by the Committee. It will be quite apparent, therefore, that there need be no fear of any unemployment or of any "paralysation of the handloom industry," as mentioned in the statement by certain members of the Handloom Board.

The cotton textile policy of the Government of India envisages the conversion of no more than 35,000 handlooms into powerlooms during the first two years of the Plan. These powerlooms will normally be allotted to co-operative societies of weavers. Besides making available loans and grants for purposes of conversion, the Government is making arrangements for providing technical facilities. It is, for instance, reported to have asked the State Governments to select immediately five or six suitable technically qualified persons and send them to Gwalior for receiving training and instruction in the installation and working of powerlooms. The period of training is about three months. The Central Government is reported to have also asked the States to draw up schemes for the installation of powerlooms (through co-operative societies) in their areas, indicating the number of such looms they would require in the next two years. Meanwhile, a meeting of the Directors of Industries of nine States where the handloom industry is concentrated has been convened by the Centre at New Delhi for discussing the measures for implementing the conversion programme. The meeting is due to be held at the week-end.

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BONUS FOR BOMBAY MILL WORKERS

The 225,000 workers employed in the City's cotton mills will receive a total of more than Rs. 2 crores as bonus for 1954. The bonus will be distributed at the rate of three months' basic wages in the case of 16 large mills covering about 100,000 workers and at the rate of 15 days' basic wages in the case of 30 mills covering 75,000 workers which suffered losses during 1954. Nine other mills will pay varying amounts of bonus. The bonus payments include additional bonus for 1953, ranging from 3 to 11 days' basic wages in respect of six mills, which have already distributed bonus for this year.

The payment of bonus for 1954 is for the second year of the five-year bonus pact entered into between the Millowners' Association, Bombay, and the *Rashtriya Mill Mazdoor Sangh* early this year. The agreement, it will be recalled, covers 55 out of the 57 mills in existence and provides for payment of a maximum of three months' and a minimum of 15 days' basic wages as bonus for the five years 1953 to 1957, irrespective of whether the mills suffer losses or not during the period. The quantum of bonus to be paid by each mill to its workers is decided on the basis of the "full-bench formula" of the Labour Appellate Tribunal. The bonus for the first year—that is 1953—was paid soon after the agreement was signed.

The Praja Socialist-led Cotton Mill *Mazdoor Sabha* has asked the workers—numbering 75,000—in 30 mills not to accept the 15 days' bonus for the years 1953 and 1954. The *Sabha* has urged the Government to constitute a Court of Enquiry for investigating "the irrational system of management" of a number of mills, especially in respect of sales, purchase, cost accounting and audit, which, it is alleged, is responsible for the low quantum of bonus.

In 1955, India exported rayon fabrics of the order of 2.9 million yards, valued at Rs. 51.70 lakhs. Ceylon's share is the largest, amounting to over 1 million yards valued at Rs. 22 lakhs. Aden comes second, total exports to that country being 259,883 yards valued at Rs. 3,81,183. The following table gives the country-wise exports of rayon fabrics in 1955.

Country	Quantity (yards)	Value (Rs.).
Aden	259,883	3,81,183
Afghanistan	222,109	3,33,684
Ceylon	1,040,298	22,07,937
Kenya	41,235	47,601
Tanganyika	164,201	1,67,428
Sudan	146,465	1,54,664
Other countries	1,058,624	18,78,139
Total ..	2,922,785	51,70,636

In the same year, India exported 70,559 yards of silk goods mixed with other materials, 198,300 yards of silk piecegoods and 22,782 yards of other silk fabrics valued at Rs. 3,00,682, Rs. 23 lakhs and Rs. 5,86,150, respectively.

An official committee has been set up by the Portuguese Government to study conditions in the depressed cotton spinning and weaving industry. It is by far the most important single manufacturing industry in Portugal. The textile industry, according to the Ministry of Economy, has an investment in machinery and equipment of about $140 million. It gives employment to about 70,000 workers, whose annual wage bill amounts to $17.5 million. The Ministry of Economy observes that constant modernisation of equipment has been found to be necessary for the textile industry to compete effectively in foreign markets. But it will take care to promote balanced expansion and modernisation, as it believes that unregulated modernisation through the use of automatic machinery can cause serious economic and social difficulties.

The Government of West Bengal has decided to refer to a Tribunal the State's cotton textile workers' demands for a revision of wages, as well as other grievances. The decision is a sequel to the lack of agreement at the tripartite meetings of the representatives of millowners, the workers and the Government. The workers' demands are based on the ground that the emoluments of workers in jute and engineering industries have been reviewed in recent years thrice and twice, respectively, while those of cotton mills was reviewed only once and that too eight years ago. There are in West Bengal 17 composite cotton mills, 8 spinning units and over 20 powerloom factories with a total of 10,000 looms. All the units together provide employment to 40,000 workers.

Much headway has been made by the Egyptian cotton textile industry in the matter of completion of units and renewal of machinery and plant. The spindleage aggregated 700,000 at the end of 1955 and is expected to reach the figure of 926,000 under the expansion programme for the current year. Production of textiles touched a record of 70,000 tons by November 1955, as against 63,000 tons in 1954. This improvement in production was reflected in the enhanced exports of yarn and cloth. Egyptian mills exported 11,300 tons of yarn and 3,150 tons of fabric, valued at £E6.65 million during the period September 1954 to August 1955, as against 10,740 tons of yarn and fabrics valued at £E4.64 million during the corresponding period of the previous year.

The import of cloth from the U.K. into India during 1955-56 rose by 4.3 million yards over the previous year. The imports had risen from 2.6 million yards in 1954-55 to 6.9 million yards in 1955-56. It is difficult to assign precise reasons for the increase. Partly it might be due to the reduction in import duty, made last year and partly due to the increase in internal demand for new varieties of cloth.

MANPOWER TRENDS IN U.K. TEXTILE INDUSTRY

U.S. COTTON POLICY HITS LIVERPOOL MARKET

By Our Special Correspondent

MANCHESTER, *17th July*

FLUCTUATIONS in trading since the war have led to a series of "see-saw" movements in the labour force available for spinning and weaving mills in Lancashire. Not for long has manpower remained stable as throughout the past 10 years; it has been either regaining ground lost after adverse conditions or wastage has been persistently exceeding recruitment.

MANCHESTER LETTER

The history of the recovery from war-time concentration to a peak of nearly 321,000 operatives on the books of spinning and weaving employers is well known. The subsequent recession, limited recovery and current decline are equally part of a well-established train of events. Comparable figures covering the period are given in the table below:

Date	Spinning	Doubling	Waste Spinning	Weaving	Total
1939 (Oct.)	..	..	..	..	332,000
1945 (Oct.)	81,920	24,840	3,700	107,540	218,000
1946 (Dec.)	98,250	27,030	6,030	117,160	248,470
1947 (Dec.)	105,280	29,260	6,150	125,570	266,260
1948 (Dec.)	113,530	31,130	6,710	139,000	290,370
1949 (Dec.)	117,110	30,860	7,110	146,870	301,950
1950 (Dec.)	121,660	32,050	7,170	153,420	314,300
1951 (Nov.)	124,830	32,240	7,330	156,680	320,880
1952 (Aug.)	101,530	23,870	6,610	130,620	262,630
1952 (Dec.)	106,070	24,490	6,970	134,700	272,230
1953 (Dec.)	113,190	26,780	7,250	140,960	288,130
1954 (May)	114,490	27,060	7,200	141,870	290,620
1954 (Dec.)	113,410	25,210	7,150	140,660	286,460
1955 (Dec.)	100,130	22,250	7,070	126,630	256,050
1956 (June)	98,240	21,810	7,220	122,910	250,180

Now a new landmark has been reached in that the numbers available have fallen below 250,000 for the first time since early 1947. In spinning alone there has been a further reduction of 500 workers since the latest total shown above.

To the employer his labour force is an important asset which is only dispersed when real necessity arises. Many firms during the adverse conditions of the past few years in Lancashire have held on to their operatives as long as possible, but the time eventually comes—as it now appears to have done in the motor industry—when this attitude is no longer economically sound.

Trend of Workless

Unemployment does not necessarily follow the same trend as manpower in view of the natural inclination of workers to drift from the industry when times are bad. The number of those registered as cotton operatives out of work reached its peak last autumn and then declined, but there have lately been signs of a renewed seasonal increase in unemployment.

The total number of jobless in the North-West region is now lower than at any time for the past two years, with the exception of December last. The ratio of those unemployed in the cotton and rayon industry, however, has risen compared with the general experience in the area, as the following table shows:

	Spinning	Weaving	Finishing	Total cotton and rayon	Total N.W. region
1955					
June	8,213	3,482	794	12,489	41,440
July	7,827	2,409	660	10,896	37,522
August ..	6,652	3,950	495	11,097	40,132
September ..	8,200	4,894	298	13,392	42,908
October ..	5,040	3,260	285	8,585	39,543
November ..	3,214	2,159	288	5,651	38,186
December ..	1,716	1,566	206	3,488	34,449
1956					
January ..	2,021	1,785	393	4,199	41,213
February ..	2,303	1,335	322	3,960	40,771
March ..	1,443	1,459	540	3,442	39,651
April ..	2,552	1,642	438	4,632	40,977
May	1,813	1,864	620	4,297	38,250
June	2,368	2,198	355	4,921	35,982

Questions are now being asked as to the current occupations of the many thousands of workers who are no longer employed in cotton mills. There must be many answers, from the married women who have decided to stay at home to the men who have taken jobs in entirely different trades. It is never clear what the reaction of these former workers would be to a sudden revival of demand for textiles. Some at least could be persuaded to return, but the tragedy of this all too frequent reversal of fortunes is that the skill of many former highly qualified operatives has been lost for ever to the industry.

New Hedging Prospects

If proof were needed that the existing cotton futures markets were no longer adequately sensitive to the time-honoured laws of supply and demand, the initial estimate of the acreage for the new American cotton crop would seem to supply the answer. The report was taken to indicate that production would again be in the region of 14,000,000 bales, yet its immediate effect on futures quotations was limited in the extreme.

There may yet be a larger abandonment of acreage than is usual due to the soil bank scheme offered to the U.S. farmers, providing compensation for ground taken out of cultivation, but it appears inevitable that a further substantial quantity of cotton will be grown which is unlikely to be absorbed through normal trade channels. Prices, in such circumstances, might have been expected to decline in sympathy but the response in Liverpool and New York was sluggish.

The Liverpool Cotton Association has now adopted its latest device to attract business back to a market which has been signally stagnant for months past. The reasons for the reluctance of spinners to use futures as a hedge are well established. Now that the American Government's plans for the disposal of its surplus stocks have undermined the authority of the New York market, users are left with inadequate opportunities of covering themselves against price movements.

Facing the Situation

To introduce an American-type contract, as opposed to one based solely on a single growth, has meant a departure from conventional methods of trading which have been used in futures markets in the past. That the Directors of the Liverpool Cotton Association recognise the position is borne out by their statement that present world trading conditions, which are likely to continue, are definitely hostile to the effective operation of futures markets in their accustomed role of providing an accurate hedging medium for those trading in cotton and cotton products. Recent experience has shown that traders in American type cottons have frequently found that attempts to hedge their position in a single growth contract have proved to be a greater speculation than remaining unhedged.

Those sponsoring the introduction of the new contract assert that it should do much to rectify this position. It is believed that the artificial maintenance of raw cotton prices at levels well above the world economic cost of production is already threatening to break down. In such circumstances, sellers of hedge contracts will inevitably face the disadvantage of forward discounts.

The new contract, its supporters contend, should remove the added disadvantage of over-inflated near months, as the current trading position should closely reflect the spot value of the most competitive growth in the American type group. Looking ahead, perhaps a little optimistically, they believe that forward premiums might eventually be re-established when more realistic price levels are attained.

Research

Collaboration between scientists and those responsible for using the latest mechanical aids at mill level has been stimulated by the efforts of Shirley Developments Ltd., the organisation set up to bridge the gap which formerly existed between the industry and the Shirley Institute.

Despite the difficult conditions prevailing in the trade, instruments and accessories sold by the development company in the past year were valued at £14,021 against the previous year's total of £13,776. What is more, the rate of delivery has already increased in the first quarter of the current year by about 25 per cent.

In the past there has been adverse comment at the number of Shirley openers sold to customers overseas, but ten of the machines have lately been installed in this country. Another appliance now attracting attention is the miniature spinning plant produced by the Shirley scientists and the first batch of orders is now being completed. These machines enable small quantities of yarn to be spun rapidly for experimenting in different blends and mixings of fibres.

Still in the prototype stage is the new loom which the Institute has invented for production of rayon cloth. The next move is its transfer into a weaving shed to be run under ordinary mill conditions. If this is successful a small batch of looms will be manufactured and undergo large-scale trials in the trade.—*All Rights Reserved.*

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COTTON GROWING IN THE PUNJAB

REMARKABLE PROGRESS MADE AFTER PARTITION

FEW sectors of Indian economy suffered so grievous a damage through the partition of the country as cotton and jute. And in both these sectors efforts are being continuously made to remedy that damage. So far as cotton is concerned, it still cannot be said that the lost position has been won entirely. Nevertheless, much noteworthy progress in cotton cultivation has been made in East Punjab which, after partition of undivided Punjab, was left with only a small portion of the original area under cotton. The qualitative and quantitative improvement in cotton grown in this region has been succinctly described in an article by Mr. L. S. Negi, Economic Botanist, Cereals, Cotton and Oilseeds of the Punjab Government, in the April issue of the *Indian Cotton Growing Review*. In view of the fact that the Punjab stands at the threshold of a new era of cotton expansion, as a result of the Bhakra Canal Project, this article is of considerable topical value.

Appropriately enough, the author commences his article with a description of the cotton economy in undivided Punjab. The Punjab then occupied an important position in the cotton economy of the country, accounting as it did for 19.5 per cent. of the total area under cotton in India and 34.6 per cent. of the production. In the (pre-partition) cotton year 1946-47, the Punjab had 2.89 million acres under cotton out of a total area of 14.86 million acres for the country as a whole and accounted for an output of 1.22 million bales out of the total production of 3.56 million bales (official estimate). The Punjab was also the biggest producer of medium- and long-staple cotton, with Punjab-American (long-staple) cotton constituting 25.2 per cent. of the total crop. The other leading cotton-producing States, namely, Madhya Pradesh, Bombay and Hyderabad, although they commanded as much area under cotton as the Punjab, produced only 462,000 bales, 395,000 bales and 295,000 bales, respectively.

A number of favourable factors contributed to give the Punjab its pre-eminent position in the country's cotton economy. Improved strains were largely grown only in this region. Such strains covered about 89 per cent. of the area in Punjab, of which 70 per cent. was under improved Punjab-American cotton. As against this, improved strains accounted for only 45 per cent. of the area under cotton for the rest of the country. Cotton improvement work in the Punjab consisted, primarily, of isolating improved strains of *deshi* cotton and acclimatisation of American cotton in the canal colonies and selection of suitable strains therefrom. The measure met with considerable success resulting in the production of improved strains like the 4F which was selected from acclimatised upland Georgian cotton at Lyallpur and 289F which was also selected from Lyallpur. The latter became very popular in certain districts, namely, Montgomery, Multan and Muzaffargarh. The Indian Central Cotton Committee sanctioned the Punjab Botanical Scheme in 1925 for solving the problem of periodic failure of American cotton in the canal colonies. This was one of the earliest promotional measures adopted by the Committee and it gave a fillip to the improvement and development of American cotton in the Punjab. The aim of cotton improvement work was to evolve improved strains with high yield, high ginning percentage, long-staple, resistance to pests and adaptability to specific agro-climatic conditions. The method adopted was pure line selection either from established strains or new introduction. Under the scheme, many improved strains were evolved, the most important among them being L.S.S., 289F/43, 289F/K25, 124F later renamed as Victory and 199F later renamed as Sultani.

A fact that deserves mention here is that almost the entire work on cotton improvement was confined to the canal colonies. Of the seven breeding, one physiological, one seed distribution and eight other research schemes operated by the Committee at a cost of Rs. 17 lakhs during the previous 23 years, only one scheme was in operation outside the canal colonies. Even this scheme came into operation only a couple of years before the partition. With the partition, the canal colonies went over to Pakistan, so that very little of the benefits of the cotton improvement work carried out by the Committee, accrued to the region now forming E. Punjab. Out of a total area of 2.59 million acres under cotton in 1947-48 in the United Punjab, 2.14 million acres went to the share of Pakistan. Out of 1.85 million acres under medium and long-staple cotton, only 64,000 or 3.5 per cent. came to the share of East Punjab. The position with regard to improved strains was even worse. Excepting two improved strains of *deshi* cotton, no suitable strain of American cotton was available in East Punjab.

Thus, the partition gave a stunning blow to the cotton economy of the Punjab—that is, so far as the Indian side of the Punjab is concerned. It made the cotton position of the E. Punjab State *vis-a-vis* other cotton-growing areas weak. This affected the supply position of cotton and mills in India began to experience acute shortage of medium- and long-staple cotton. This is evident from the fact that, out of 2.41 million bales of cotton with staple 13/16" and above consumed by mills in India in 1946-47, 650,000 bales were accounted for by cotton produced in regions now belonging to Pakistan, and 1.06 million bales by imports from foreign countries.

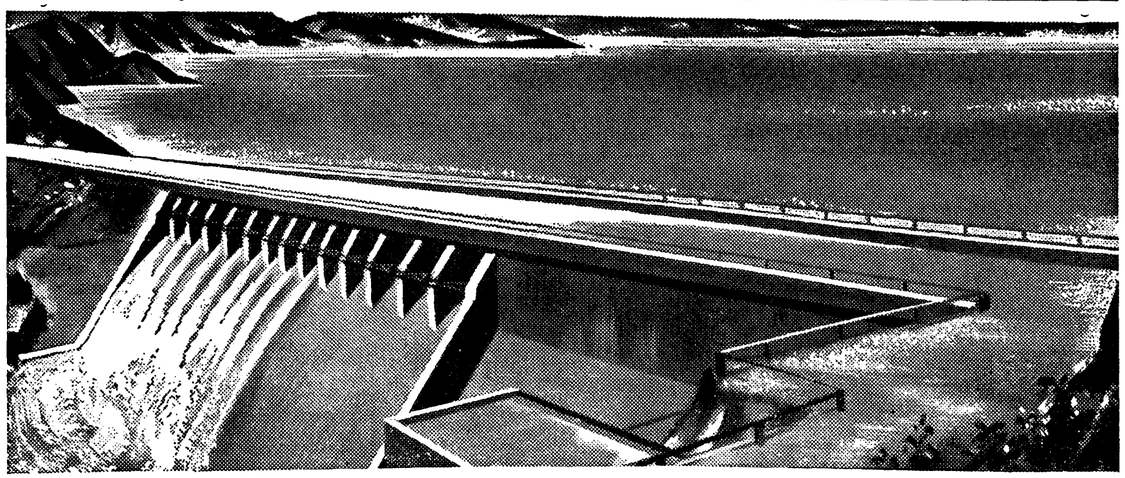
Such was the position of the Punjab soon after the partition. It is against this background that the subsequent work in cotton cultivation in this region has to be assessed. Realising the damage done to the cotton economy of the Punjab through Partition, the Indian Central Cotton Committee gave considerable attention to the task of improving that economy.

Much assistance has since been given by the Indian Central Cotton Committee, in order to help E. Punjab to expand its cotton economy. Particular emphasis has been laid on breeding suitable strains of American cotton and efforts are being made to restrict the cultivation of short-stapled *deshi* cotton only to those regions where American cotton is not suitable. Breeding work is being carried on, on a regional basis, at three different stations, namely, Hansi, Jullundur and the Abohar stations in Ferozpore district. Improvement work under various breeding schemes is pursued both by selection and hybridisation and all improved strains evolved so far are the products of natural selection. Hybridisation has been very helpful in evolving strains which combine extra long and fine staple and high ginning percentage.

Work done after the partition to improve the purity of L.S.S. has met with success, resulting in higher yield and purer lint. The area and yield of this type of cotton have increased from 42,902 acres and 22,628 bales in 1948 to 177,600 acres and 124,012 bales in 1952 respectively.

The first improved variety evolved after the partition is the Punjab-American 216F. It is a long-stapled variety, with a mean fibre length of 0.93". It has become very popular in Hariana tract and has replaced *deshi* cotton in that tract. Punjab-American 320F, the second improved variety to be released after the partition, is a selection from L.S.S. but it is earlier in maturity. It is adaptable to a wide range of soil and climatic conditions. It was recommended

(*Continued on page* 186)



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EFFECT OF COAL AWARD ON RAILWAYS

EFFICIENCY IN CONSUMPTION CAN MORE THAN MAKE GOOD RISE IN COST

THE recent increase in coal prices granted by the Government of India, consequent on the award of the All-India Industrial Tribunal (Colliery Disputes), has focussed attention on the likely financial effects of such an increase in fuel cost on the general economy of the country. This aspect of the problem was, in fact, anticipated by the Tribunal itself. Accordingly, it devoted an entire chapter for analysing the memorandum submitted by the State collieries on the likely financial effect of an increase in wages upon the general economy of the country. Assuming an increase in the price of coal, as a result of the Award, and adopting Bengal and Bihar as the basis, the Tribunal found that this increase would not have any material effect on the general economy of the country.

So far as the railways (the single largest consumer of coal) are concerned, it was submitted by the Coal Commissioner that, with an increase at an average of Re. 1 per ton in the price of coal, the railway bill would go up by about Rs. 114 lakhs, or in other words, an increase of Rs. 3 per ton in the cost of fuel would raise the fuel burden by Rs. 3.42 crores. It was evident from the Coal Commissioner's memorandum that a sizable part of the increased cost of fuel should be borne by coal freights. The Tribunal, however, found that the increase in fuel cost would mean a rise in the cost of operation of the railways of just under 2 per cent. "This in itself," it added, "should not very greatly affect the general economy of the country, particularly when it is borne in mind that transport represents only a part of the cost." So far as the effect of fuel cost on the freight rates of coal is concerned, the Tribunal said that it was a matter for internal policy of the railways and that a change in freight rate could be and was brought about even without reference to the fuel cost.

There are 11 State collieries owned and managed by the Government of India, Ministry of Production, in the three States of Bihar, Orissa and Madhya Pradesh. Eight collieries are situated in Bihar, two in Orissa and one in Madhya Pradesh. Up to 31st May 1944, the State collieries had been managed by the Railway Board. Thereafter, the management of these collieries was taken over by the Department of Supply and subsequently by the Ministry of Production. They account for an annual production of about 3 million tons, or about 8 per cent. of the total output in the country. On behalf of the State collieries, it was submitted to the Tribunal that six collieries were generally running at a loss and that it was only one or two collieries which gave a high profit that were responsible for setting off these losses. The Tribunal, on the other hand, pointed out that, while there was nothing wrong in utilising the profits of one group of collieries to pay the losses of the others, it was necessary to find out the causes of losses arising in the collieries that were responsible for the same. It added:

> "A mere statement that high wages are responsible for losses does not seem satisfactory. Proper investigation into this is necessary and it is desirable that the Government should see that the collieries are managed efficiently and are in a position to set an example of efficient management to the market collieries. This is imperative, particularly at a time when the State is intending to undertake larger responsibilities in the matter of production, in general, and coal production, in particular, during the second and future Five-year Plans."

It is evident from the above quotation that a large measure of saving in the fuel bill of the railways should be possible through efficient management of State collieries. This is also borne out by another investigation. The latest report of the Estimates Committee on the Ministry of Railways, for instance, says that the annual coal bill of the railways is over Rs. 30 crores. In 1954-55, it was about Rs. 38 crores. Apart from the increase in price, the report adds, there has been an increase in both the quantity consumed and the quantity per unit of service. To assess the loss suffered by the railways due to the deterioration in the consumption per unit of service, the Estimates Committee undertook an evaluation of the performance statistics in conjunction with costs for the years 1953-54 and 1954-55. It also ascertained how much less the coal bill would have been in these years if performance had been maintained at the levels of the best performance years since 1938-39. The price of coal was, however, taken at the same level as had been paid in the respective years. The report also draws attention to the fact that, since 1947-48 the percentage of higher grade coal, namely, selected A, selected B and grade I, has steadily gone up from 75.1 (in 1947-48) to 85.7 (in 1954-55). It is, therefore, reasonable to conclude, as the Committee itself has done, that the quality of coal supplies has recently been more favourable to the railways.

The Estimates Committee found that, had the efficiency of coal consumption been maintained at the best performance in the years since 1938-39, the railways could have saved 1.5 million tons of coal during 1953-54 and 1.4 million tons in 1954-55. Taking the average cost of coal (including freight) used on railways at Rs. 32 per ton for 1953-54 and Rs. 33 per ton for 1954-55, the Committee found that the monetary savings that could have been effected in these two years were Rs. 4.80 crores and Rs. 4.62 crores, respectively. On the basis of the assessment made by the Fuel Economy Enquiry Committee, otherwise known as the Driver Committee, the saving on fuel that could have been achieved during the two years 1953-54 and 1954-55 by the various measures recommended by them in 1953 would be about Rs. 6 crores.

It will be noted from the above analysis that the railways can have no grouse against the increase in fuel cost as a result of the Tribunal's award. For they could still make a saving after implementing the Award if only they cared to economise their consumption of coal, as stated by the Estimates Committee.

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NATIONAL TRUST AND SAVINGS ASSOCIATION

Condensed Statement of Condition June 30, 1956

(Figures of Overseas Branches are as of June 23, 1956)

RESOURCES

Cash and Due from Banks	$ 1,381,591,868.47
United States Government Securities and Securities Guaranteed by the Government	1,821,046,625.15
Federal Agency Securities	106,489,405.56
State, County, and Municipal Securities	580,102,894.81
Other Securities	98,562,252.96
Stock in Federal Reserve Bank	13,500,000.00
Loans Guaranteed or Insured by the United States Government or its Agencies	1,365,212,440.84
Other Loans and Discounts	3,708,647,477.37
Accrued Interest and Accounts Receivable	49,831,131.68
Bank Premises, Furniture, Fixtures, and Safe Deposit Vaults	93,491,492.62
Other Real Estate Owned	1,946,211.41
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	300,131,815.98
Other Resources	1,063,888.17
TOTAL RESOURCES	$ 9,521,617,505.02

LIABILITIES

Capital	$ 160,000,000.00	
Surplus	290,000,000.00	
Undivided Profits	98,456,097.37	
Reserves	5,898,201.19	
TOTAL CAPITAL FUNDS		$ 554,354,298.56
Reserve for Possible Loan Losses		74,840,899.20
DEPOSITS		
Demand	$ 4,184,523,543.27	
Savings and Time	4,314,457,841.71	8,498,981,384.98
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		301,414,473.88
Reserve for Interest Received in Advance		55,837,981.92
Reserve for Interest, Taxes, etc.		36,188,466.48
TOTAL LIABILITIES		$ 9,521,617,505.02

BANK OF AMERICA

(International)

A wholly-owned subsidiary

Condensed Statement of Condition June 30, 1956

Home Office—New York, N.Y.—*Branches: Duesseldorf - Singapore - Paris*

(Branch figures are as of June 23, 1956)

RESOURCES

Cash and Due from Banks	$ 44,030,208.22
United States Government Obligations, direct and fully guaranteed	19,026,853.44
Other Securities	8,930,679.21
Loans and Discounts	98,884,684.84
Accrued Interest	445,183.22
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	96,074,192.54
Other Resources	1,009,786.13
TOTAL RESOURCES	$ 268,401,587.60

LIABILITIES

Capital	$ 13,000,000.00	
Surplus	5,200,000.00	
Undivided Profits	1,439,672.79	
TOTAL CAPITAL FUNDS		$ 19,639,672.79
Reserve for Possible Loan Losses		1,137,985.58
Deposits		149,571,273.85
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		96,394,876.41
Reserve for Interest Received in Advance		646,168.61
Reserve for Interest, Taxes, etc.		1,011,610.36
TOTAL LIABILITIES		$ 268,401,587.60

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FEARS OF U.P. SUGAR MILLOWNERS

STEPS FOR MAKING INDUSTRY MORE PRODUCTIVE URGED

THE sugar millowners of Uttar Pradesh would appear to be very apprehensive of the future for their industry. Evidence of this is provided by a recent news despatch from Lucknow which says: "U.P.'s sugar industry faces the threat of competition from other sugar-producing parts of the country, as more sugar factories come into being in these parts. And some of the State's top industrialists will urge the U.P. Government to call a conference to find ways and means of making the State's sugar industry more productive, so that it can successfully meet the competition threat."

The apprehensions of U.P. sugar millowners are not unfounded. As readers are aware, during the last few years, the share of Uttar Pradesh in sugar production has declined, while Bombay, Hyderabad and Madras (as also Andhra) have gained considerably. Thus, the share of Uttar Pradesh in the country's aggregate sugar output during 1955-56, comes to only 51.4 per cent., as against 66.6 per cent. in 1943-44. In contrast, the percentage proportion of sugar produced in Bombay to the total output has gone up in the same period from 6.7 to 11.2. Similarly, the percentage share for Hyderabad is higher at 3.4, as against 1.4, and for Madras (and Andhra) at 7.2, as against 3.2.

Cane Cultivation

The importance of Uttar Pradesh in the field of sugarcane cultivation has also declined *vis-a-vis* the aforesaid three States, as will be seen from the figures given below:

	Percentage share in the total cane acreage		Percentage share in the total cane production	
	1955-56	1943-44	1955-56	1943-44
Uttar Pradesh ..	58.8	60.0	50.5	50.5
Bombay	5.0	3.2	10.7	8.0
Hyderabad	1.7	1.7	2.6	2.4
Madras (and Andhra) ..	5.0	4.3	10.4	8.5

Again, the sugar industry in Uttar Pradesh compares unfavourably with its counterpart in other States from the point of view of per-acre yield of sugar. Not only is the yield of cane per acre very low but the quality also is poor. Thus, one acre of land devoted to sugarcane in U.P. gives on an average 12 tons of cane, as against the all-India average of 14 tons and of 28 tons in Bombay, 27 tons in Andhra, 26 tons in Madras and 22 tons in Hyderabad. Likewise, the recovery per cent. of sugar in cane is low, the average being 9.89, which is below the all-India figure of 9.95 and compares even more unfavourably with 11.68 for Bombay, 9.25 for Andhra and 10.21 for Hyderabad.

The sugarcane economy is backward especially in the eastern region of Uttar Pradesh. Thanks to lack of regular and adequate supplies of cane at an economic price, the sugar factories in this region—numbering 37—have not been able to crush for a reasonable period. The average duration of crushing season comes to only 90 days in East U.P., as against 178 days in the Western region, where there are 34 factories. It is accordingly felt that, if the duration of crushing were extended—say, by 50 days to 140 days—the sugar production of the State could be stepped up by 150,000 tons annually. To quote a report: "The sugar factories in East U.P. will be able to keep cane-crushing going for 140 days, if they are assured of adequate supplies of cane. A programme of intensive cane development should be launched for the purpose." While the force of this argument cannot be over-emphasised, the fact remains that the sub-tropical climate of Uttar Pradesh is less suitable for cane development than the tropical conditions of South India. Consequently, sugarcane in Uttar Pradesh will continue to account for a higher proportion of the cost of making sugar as compared with other parts.

The Solution

What then is the solution for the ills of the sugar industry in Uttar Pradesh? The solution lies in the dispersal of those factories—in both the eastern and western regions of Uttar Pradesh—which are located in areas with poor production of sugarcane to places where there are plentiful supplies of cane. Although the question of dispersal has been engaging the attention of the Government of India for a considerably long time, nothing worthwhile has yet been achieved. The Development Council for the Sugar Industry had appointed an expert committee to examine the matter in detail. It is unfortunate that the report of the Committee and the decisions taken thereon by the Government have not still been made known. It will be recalled, in this connection, that, addressing the annual meeting of the Indian Sugar Mills Association at New Delhi in March last, Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, asked the Association to suggest, with the consent of the units concerned, schemes for shifting the unsuitably located sugar units to better sites. We do not know what steps the Association has taken in this direction.

The problem of shifting sugar factories is by no means an easy one. It is computed that the cost of shifting a factory comes to roughly Rs. 18 lakhs. Wherefrom is this amount to come? The sugar millowners of Uttar Pradesh clearly point out that, unaided by the State, no sugar factory will be able to shift, for none possesses the necessary resources. They, therefore, urge that the State should provide the requisite aid. According to them, the Central Government should offer each such factory a shifting subsidy amounting to Rs. 9 lakhs, in addition to adequate quota of steel, cement and coal. The State Government should provide the balance—Rs. 3 lakhs as subsidy and Rs. 6 lakhs as an interest-free loan repayable in two years.

It is rather difficult to support the plea for State subsidy. Of course, the Governments—Central and State—will be able to get from every sugar factory that is shifted large revenue every year by way of sugarcane cess, excise duty and other taxes. But this consideration applies as much to the shifting of a sugar mill as to any other industrial purpose, so much so that all industries can put forward claims for State subsidy on the ground that the State would derive larger revenue following rise in production. Viewed thus, all that the sugar millowners can justifiably ask is grant of financial assistance in the form of long-term loans at very low rates of interest. The shifting of unsuitably located sugar factories will benefit the millowners themselves more than the Governments.

WORLD SUGAR

Indicative of the improvement in world consumption of sugar is the firm trend displayed by the world sugar market. The New York spot price of raw sugar (No. 4 world contracts) now stands at 3.41 cents per lb., as against 3.34 cents two weeks ago. The firmness in sugar prices has been aided by enlarged buying enquiries from Pakistan, Uruguay, the Sudan, Japan and Germany. The disposal of about 200,000 tons of sugar at a price of 3.34 to 3.37 cents per lb. f.a.s. by the Cuban Institute to operators has also imparted strength. With this disposal, the stocks lying unsold with the Institute have declined to negligible quantities. Incidentally, it may be noted that the Cuban sales of sugar have been "going extremely well," the quantity actually sold so far in the current calendar year being as much as 1,843,200 tons, as against 1,569,800 tons in the corresponding period last year. One of the important buyers of Cuban sugar has been Japan. This country's requirements of Cuban sugar may not, however, be so large in the coming years, because Japan has completed negotiations with Formosa for the purchase of sugar.

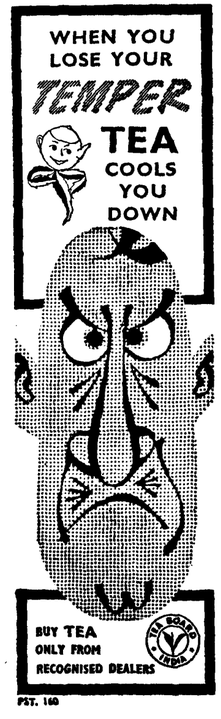
Business in U.K. refined sugar is reported to be quiet, such being mainly confined to the Middle East. And a shortage of freight space to the Persian Gulf of late is restricting trade in this quarter too. Sugar is currently quoted in the London market at £34 7*s*. 6*d*. per ton.

SUGARCANE IN MADRAS

The sugarcane crop in Madras State has suffered a distinct setback in the current (1955-56) season. The aggregate quantity of cane actually produced during the season is estimated at 3,313,590 tons, as against 3,512,150 tons in 1954-55, representing a fall of 5.7 per cent., according to the final official forecast issued by the Department of Statistics, Government of Madras. The reduction in cane output is attributed to two factors. First, the area under cane has declined from 134,630 acres to 130,900 acres, or a decrease of 2.8 per cent. Secondly, the pre-acre yield has gone down, the average for 1955-56 being 25.3 tons, as against 26.1 tons in the previous season. The seasonal factor for the State as a whole works out to 94 per cent. of the normal, which compares unfavourably with 96 per cent. As compared with the average for the five-years ended 1954-55, however, both the sugarcane area and the yield in Madras during 1955-56 stand higher by 24.7 per cent. and 21.0 per cent., respectively.

The *gur* industry development scheme of the U.P. Government is reported to be making all-round progress. The scheme envisages introduction of improved appliances and juice clarificants for the manufacture of superior quality *gur* and adoption of scientific methods for storage during off-season. In order to intensify the activities under the scheme, the State's Industries Department is carrying out a survey of villages for the purpose of assessing the possibilities of organising model villages for the industry. Special stress, it is said, is being laid on the introduction of co-operation in *gur*-making.

The U.S. Department of Agriculture has raised the sugar quotas for 1956 by 125,000 tons to a total of 8,575,000 tons and revised their distribution under the new Sugar Act. Practically the entire benefit of higher quotas goes to domestic producers. Only 1,250 tons of the addtional quantity is to be provided from foreign sources.



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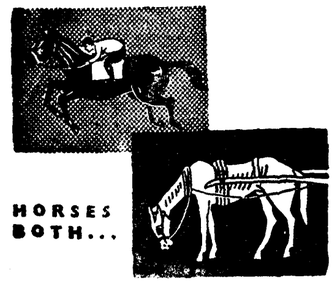

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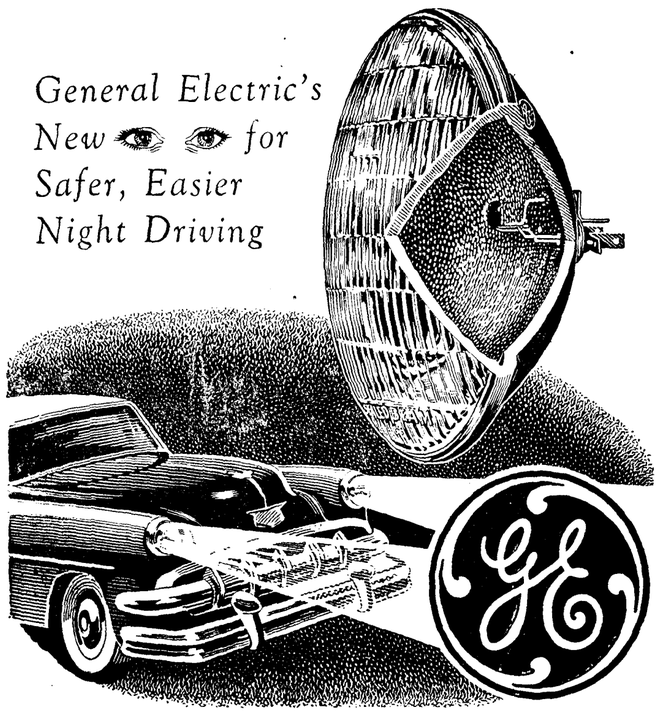
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BALANCE SHEET AS AT 31st MARCH, 1956

CAPITAL AND LIABILITIES	Details Rs. a. p.	Details Rs. a. p.	Total Rs. a. p.
I. Share Capital :			
AUTHORISED :			
1,00,000 Equity Shares of Rs. 50 each..	50,00,000 0 0		
2,00,000 'A' Class Equity Shares of Rs. 25 each	50,00,000 0 0		
		1,00,00,000 0 0	
SUBSCRIBED :			
71,282 Equity Shares of Rs. 50 each fully called and paid up		35,64,100 0 0	
71,282 'A' Class Equity Shares of Rs. 25 each fully called and paid up..		17,82,050 0 0	
			53,46,150 0 0
NOTE : Of the above equity shares 23,282 equity shares of Rs. 50 each of which Rs. 25 per share, 36,000 equity shares of Rs. 50 each of which Rs. 50 per share and 71,282 'A' Class Equity shares of Rs. 25 each of which Rs. 25 per share, are all allotted by way of Bonus shares ..		41,64,100 0 0	
LESS : Calls unpaid		Nil	
II. Reserves and Surplus :			
(i) Machinery Replacement Reserve :			
Balance as per last Balance Sheet.		24,00,000 0 0	
(ii) Depreciation Reserve :			
Balance as per last Balance Sheet.		5,30,000 0 0	
			29,30,000 0 0
(iii) General Reserve :			
Balance as per last Balance Sheet.		14,00,000 0 0	
(iv) Deferred Dividend Reserve :			
As per last Balance Sheet ..	10,00,000 0 0		
Amount appropriated out of last year's Profits	3,25,960 0 0		
		13,25,960 0 0	
(v) Cotton Fluctuation Reserve :			
As per last Balance Sheet ..		10,00,000 0 0	
			37,25,960 0 0
(vi) Surplus :			
That is balance in Profit and Loss Account after allocation ..			6,51,654 0 9
III. Secured Loans :			
Loans and advances from Bank :			
On Open Loan on the hypothecation of stock in trade of the Company—the maximum limit being Rs. 5,00,000 at Coimbatore		78,659 9 1	
The Managing Agents of the Company and their partners individually have given their personal guarantee in respect of the loan.			
On Key Loan by the pledge of stock in trade of the Company—the maximum limit being Rs. 7,00,000 at Kovilpatti		55,472 11 1	
			1,34,132 4 2
The Managing Agents of the Company and their partners individually have given their personal guarantee in respect of the loan.			
IV. Unsecured Loans :			
Short term loan and advances from others		25,95,187 14 2	
Other loans and advances from others ..		18,222 7 3	
			26,13,410 5 5
V. Current Liabilities and Provisions :			
(i) Sundry Creditors		2,77,514 7 6	
(ii) Provision for Taxation :			
Balance as per last Balance Sheet.	1,15,483 0 2		
ADD : Amount appropriated out of last year's Profits ..	17,00,000 0 0		
	18,15,483 0 2		
LESS : Paid during the year ..	16,24,268 1 0		
	1,91,214 15 2		
ADD : Amount allocated from this year's Profits	19,00,000 0 0		
		20,91,214 15 2	
(iii) Proposed Dividends :			
Final Dividend Recommended ..		8,01,922 8 0	
(iv) Proposed Donation to G. Kuppuswamy Naidu Charity Trust for Education and Medical Relief ..		1,00,000 0 0	
(v) Unclaimed Dividends		82,611 12 0	
			33,53,271 10 8
VI. Contingent Liabilities :			
NOTE : There are disputes pending between the labour and the management under the Industrial Dispute Act regarding bonus, gratuity and wages for dismissed operatives. The quantum of claim is not known yet.			
Total .. Rs.			1,87,54,578 5 0

PROPERTY AND ASSETS	Details Rs. a. p.	Details Rs. a. p.	Total Rs. a. p.
I. FIXED ASSETS :			
Land :			
Cost upto last Balance Sheet		1,07,749 3 4	
Additions this year		2,32,620 14 3	
			3,40,370 6 7
Buildings :			
Cost upto last Balance Sheet	17,01,200 2 7		
Additions this year	15,88,753 2 3		
		32,89,953 4 10	
LESS : Depreciation to date		11,10,981 8 0	
			21,78,971 12 10
Machinery :			
Cost upto last Balance Sheet	78,67,510 0 0		
Additions this year	26,00,301 14 1		
		1,04,67,811 14 1	
LESS : Depreciation to date		73,13,587 0 8	
			31,54,224 13 5
Electric Plant :			
Cost upto last Balance Sheet	10,53,343 10 10		
Additions this year	2,42,797 6 3		
		12,96,141 1 1	
LESS : Depreciation to date		9,39,420 3 11	
			3,56,720 13 2
Motor Car, Lorry and Bullock Cart :			
Cost upto last Balance Sheet	1,33,793 6 0		
Additions this year	87,728 5 6		
	2,21,521 11 6		
LESS : Cost of Vehicles sold	33,412 9 0		
		1,88,109 2 6	
LESS : Depreciation to date		88,336 12 1	
			99,772 6 5
Furniture :			
Cost upto last Balance Sheet	47,970 7 0		
Additions this year	5,110 11 6		
		53,081 2 6	
LESS : Depreciation to date		27,909 12 10	
			25,171 5 8
Canteen Vessels :			
Cost upto last Balance Sheet		5,388 4 10	
LESS : Depreciation to date		2,296 0 0	
			3,092 4 10
Virudhunagar Ginning Factory :			
Cost upto last Balance Sheet	2,54,114 13 9		
Additions this year	57,803 6 8		
		3,11,918 4 5	
LESS : Depreciation to date		68,005 0 0	
			2,43,013 4 5
Buildings and Machinery Additions in Progress			1,65,315 12 3
			65,86,052 15 7
II. Investments :			
(i) Investments in Government Securities at cost		3,15,847 0 0	
(Market Value Rs. 3,14,900-8-0)			
(ii) Investment in shares :			
400 shares of Rs. 1,000 each fully paid up in the United Bleachers Private Limited at cost ..	4,00,000 0 0		
Shares in Co-operative concerns at cost	455 0 0		
(Not quoted in the market)		4,00,455 0 0	
Interest Accrued on Investments ..		13,543 0 0	
			7,29,845 0 0
III. Current Assets :			
(i) Stores and spare parts valued at cost		2,98,527 2 11	
(ii) Stock-in-trade :			
Yarn, Cloth and Waste .. .. (Yarn and Cloth valued at selling rates and Waste at contract rates)		4,51,001 13 0	
(iii) Cotton in Godown valued at lotwar cost	25,19,118 0 0		
Cotton in Mixing and Process valued at average cost	1,77,384 4 0		
Cotton kappas at Ginning Factories valued at average cost	1,77,693 8 0		
Cotton seeds at market rate ..	5,700 0 0		
		28,79,835 12 0	
Sundry Debtors :			
Unsecured considered good, for which the Company holds no other security other than debtors' personal security..		40,950 13 3	
			36,70,815 9 2
IV. Loans and Advances :			
(1) Advance for Income Tax and Sales Tax		23,42,548 1 8	
(2) Advance for Purchases		12,73,999 0 6	
(3) Advance for others		29,536 3 1	
(Considered good for which the Company holds no other security other than debtors' personal security.)			
			36,46,083 5 3
V. Cash and Bank Balances :			
Call Deposits with Banks		35,66,804 12 0	
In Current Accounts with Banks ..		4,14,788 13 9	
Cash on hand		1,60,087 13 3	
			41,41,681 7 0
Total .. Rs.			1,87,54,578 5 0

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 1956

Dr. *Cr.*

LOSSES OR EXPENSES	Details Rs. a. p.	Total Rs. a. p.
To Opening Stock :		
Yarn	3,85,062 8 3	
Cloth	1,66,139 0 6	
Waste	28,246 2 3	
		5,80,347 11 0
,, Cotton Consumed : Rs. a. p.		
Opening Stock 42,66,601 0 0		
Purchases 1,37,80,987 7 11		
	1,80,47,588 7 11	
LESS : Sales and Transfer 3,73,697 0 0		
Closing Stock 26,06,452 4 0	30,70,149 13 0	
		1,49,77,438 10 11
,, Stores Consumed	9,89,207 11 8	
,, Current Consumed	3,17,171 14 3	
,, Bleaching and Calendering	2,34,142 13 6	
		15,40,522 7 5
,, Salaries, Wages and Bonus :		
Wages	24,28,378 10 9	
Mill Office Salary	2,03,819 10 0	
Establishment Charges	40,706 11 9	
Bonus	5,40,261 0 6	
		32,12,961 1 0
Carried forward .. Rs.		2,08,11,269 14 4

PROFITS OR GAINS	Details Rs. a. p.	Total Rs. a. p.
By Sales :		
Yarn	2,29,52,933 2 9	
Cloth	38,50,512 10 6	
Waste	4,18,199 10 9	
		2,72,21,645 8 0
,, Closing Stock :		
Yarn	2,59,770 3 0	
Cloth	1,81,889 12 0	
Waste	9,341 14 0	
		4,51,001 13 0
,, Interest		1,50,776 1 4
Carried forward .. Rs.		2,78,23,423 6 4

(Continued on next page)

PAKISTAN'S RAW JUTE EXPORTS

DECLINE IN INDIA'S OFFTAKE

THE latest reports from East Pakistan indicate that jute available during the 1955-56 season just ended, was of the order of 6.7 million bales, including a carryover of more than a million bales. This is about 600,000 bales less than the revised estimates of the crop for the season. Thanks to relatively better exports of raw jute and consumption by the local jute mills in Pakistan, the season would appear to have ended with almost no carryover for the season 1956-57.

The season which ended on 30th June last is stated to have proved to be the best in the past four years for exports of raw jute from East Pakistan. The total exports during 1955-56 amounted to 5.70 million bales, as compared with 5.14 million bales in the previous year. The following table gives an idea of exports of raw jute from Pakistan since 1949-50 when the figures were recast :

(In million bales)

Year	India	Other countries	Total
1949-50	1.69	1.73	3.39
1950-51	2.55	4.21	6.76
1951-52	1.67	3.21	4.88
1952-53	1.52	3.78	5.30
1953-54	1.32	3.77	5.09
1954-55	1.29	3.91	5.14
1955-56*	1.47	4.23	5.70

* Estimates.

The table above reveals some notable trends. Pakistan's exports of raw jute to India, which registered a marked rise from 1.69 million bales to 2.55 million bales in 1950-51, have since steadily staged a decline every year, till it touched a low of 1.29 million bales in 1954-55. There was, however, a slight improvement in 1955-56, but the total was still below the quantity exported before 1952-53. The steady decline in the Indian offtake of raw jute from Pakistan may be attributed generally to the unhelpful export policy of the Pakistan Government which rendered the flow of raw jute from Pakistan tardy and its prices costly to Indian mills. Even the Indo-Pakistan Jute Agreement, entered into during this period, was not of much avail. The fact that Pakistan concentrated on developing a steady export market at the expense of India is evident from the fact that the average exports to non-Indian markets remained steady during the five-year period ended 1955-56 at 3.78 million bales, as against a steady decline in exports to India during the period. This policy of deliberate discouragement of exports to India compelled India to rely more and more on the indigenous jute as is evident from the figures in the table below :

Year	*Imports of raw jute at Calcutta and mill stations from* India	Pakistan	Total
	(In million bales)		
1952-53	4.15	1.32	5.47
1953-54	3.73	1.48	5.21
1954-55	4.43	1.25	5.68
1955-56*	4.89	1.47	6.36

*Estimates subject to revision

It is seen from the table above that actual arrivals of raw jute at Calcutta and mill stations amounted to 6.36 million bales or 680,000 bales more than those in 1954-55. Of the total arrivals, receipts from Pakistan accounted for 1.47 million bales, as against 1.25 million bales in 1954-55, or an increase of 220,000 bales. Arrivals of indigenous jute amounted to 4.89 million bales last season as compared with 4.43 million bales in 1954-55. Arrivals during April, May and June this year, it may be mentioned here, were about 100,000 bales less than those during the same three months in 1954, a period when total arrivals from Pakistan were the lowest since Partition. This fall is an indication of the difficulties that might lie ahead in the coming season also, if the present restrictions on export of jute to India were to continue.

Although arrivals of Indian jute are considered satisfactory, the fact that much attention has not been paid in India to the improvement in quality as well as in the percentage yield of fibre per plant is regretted in jute circles. It is pointed out, in this context, that there is a limit to the total weight of green crop that can be taken off from one acre, even when fertilisers are used. There is a limit, again, to the quantity of fertilisers available. The lighter the total weight of the crop the less the general drain on the soil. Consequently, whatever the yield of the green crop per acre, it is desirable that as much of it as possible should be useful fibre. If it is possible to double the percentage of fibre in each plant, all costs of cultivation up to the stage of washing and drying the retted fibre will be nearly halved. Says Mr. C. R. Nodder, Principal, Institute of Jute Technology, in a recent issue of the *Jute Bulletin* : "To produce the same amount of fibre, we should require only half the quantity of retting water, as well as half the acreage, half the labour and half the fertilisers. A better quality of fibre is likely to be found in smaller plants with a higher percentage of fibre than in larger plants with a lower percentage." He rightly complains that the question of raising the percentage of fibre in the plant was never discussed at the meetings of the Indian Central Jute Committee by those concerned with the administration of research.

As for prospects for Pakistan jute crop for the current season, namely, 1956-57, the weather conditions in jute-growing areas are stated to be favourable. Damage from floods this year is considered to be no more than about 10 to 20 per cent. Unofficial estimates place the crop at 6.8 million bales, of which about 1.5 million bales are expected to be utilised by the domestic jute mills. The balance will be available for export.

THE LAKSHMI MILLS COMPANY, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 1956—(Contd.)

Dr. *Cr.*

LOSSES OR EXPENSES	Details Rs. a. p.	Total Rs. a. p.
Brought forward .. Rs.		2,03,11,269 14 4
To Insurance and Fire Service :		
Insurance	1,01,927 1 0	
Fire Service	2,822 14 3	
State Insurance	27,077 0 0	
		1,31,826 15 3
,, Repairs to Buildings		56,835 14 8
,, Repairs to Machinery :		
General Machinery	1,05,287 10 11	
Electric Plant	2,619 12 3	
		1,07,907 7 2
,, Maternity, Labour and Child Welfare :		
Maternity Benefit	4,980 0 0	
Child Welfare	4,271 10 9	
Labour Welfare	7,352 9 9	
Medical Aid and Dispensary	8,603 12 5	
		25,208 0 11
,, Lorry, Car and Cart Maintenance :		
Bullock Cart Maintenance	4,527 3 9	
Motor Lorry Maintenance	47,814 3 5	
Motor Car Expenses	20,339 15 0	
		72,681 6 2
,, Interest, Yarn and Cloth Commission and Bank Charges :		
Interest	57,021 15 7	
Bank Commission	11,982 12 3	
Cloth Commission	37,664 5 0	
Yarn Commission	25,166 12 0	
		1,31,835 12 10
,, Licence and Taxes :		
Licence Fees	12,891 15 11	
Taxes and Cess and Levy	31,723 5 5	
		44,615 5 4
,, Office Expenses, etc. :		
Donation and Subscription	9,789 11 8	
Printing and Stationery	21,116 8 1	
Travelling Expenses	15,265 5 6	
Postages, Telephone and Telegrams	13,679 14 6	
Advertisement Charges	2,823 0 0	
Entertainment and General Charges	18,361 9 1	
Court and Legal Expenses	2,122 4 0	
Loss in Sale of Vehicles and Exchange	17,883 7 9	
		1,01,051 7 7
,, Directors' Sitting Fees		4,900 0 0
,, Audit and Accountant Fees		4,000 0 0
,, Provident Fund, Administration and Compensation		1,51,543 5 0
,, Depreciation :		
Ordinary	9,65,657 0 0	
Initial and Development Rebate	10,60,721 0 0	
		20,26,378 0 0
,, Managing Agents' Remuneration		8,27,034 8 0
,, Balance carried down (Net Profit)		39,13,315 1 5
Total .. Rs.		2,79,10,903 2 8
,, Income-tax Provision	19,00,000 0 0	
,, Interim Dividend Paid	5,34,615 0 0	
,, Final Dividend	8,01,922 8 0	
		32,36,537 8 0
,, Donation to G. Kuppuswamy Naidu Charity Trust for Education and Medical Relief		1,00,000 0 0
,, Balance being carried over to Balance Sheet		6,51,654 0 9
Total .. Rs.		39,88,191 8 9

PROFIT OR GAINS	Details Rs. a. p.	Total Rs. a. p.
Brought forward .. Rs.		2,78,23,423 6 4
By Miscellaneous Income :		
Profit in Ginning Factories	34,094 2 0	
Quarters' Rent	21,915 0 0	
Other Miscellaneous Income	31,470 10 4	
		87,479 12 4
Total .. Rs.		2,79,10,903 2 8
,, Balance brought forward from last year's Balance Sheet ..	74,376 7 4	
Profit and Loss Account brought down	39,13,815 1 5	
		39,88,191 8 9
Total .. Rs.		39,88,191 8 9

AUDITOR'S REPORT.

I have examined the above Balance Sheet of the Lakshmi Mills Company Limited as at 31st March, 1956, and also the annexed Profit and Loss Account of the Company for the year ended on that date with the books and vouchers at Coimbatore and Kovilpatti and report that

(a) in my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and the above Balance Sheet gives a true and fair view of the state of the Company's affairs as at the end of the financial year namely as on 31st March, 1956, and the Profit and Loss Account annexed hereto gives a true and fair view of the Profit for its financial year ended 31st March, 1956,

(b) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of audit,

(c) in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books, and

(d) that the Company's Balance Sheet and the Profit and Loss Account dealt with in this report are in agreement with the books of account.

(Sd.) D. V. SUBBACHAR, B.A., F.C.A.,
Chartered Accountant.

(Sd.) P. SESHADRI, B.COM., F.C.A.,
Internal Auditor.

COIMBATORE, 20th June, 1956.

The above Balance Sheet, to the best of our belief, contains a true account of the Capital and Liabilities and of the Property and Assets of the Mills.

For The Lakshmi Mills Company, Ltd.,
For G. KUPPUSWAMY NAIDU & Co.,
(Sd.) G. VENKATASWAMY NAIDU,
Partner,
Managing Agents.

(Sd.) T. T. RATHNASABAPATHI PILLAI,
(Sd.) G. VENKATASWAMY NAIDU,
(Sd.) S. M. KUPUSWAMY CHETTIAR,
(Sd.) G. VENKATASWAMY NAIDU,
(Sd.) NARAYANA NAIDU,
(Sd.) G. K. DEVARAJULU,
(Sd.) K. SUNDARAM,
(Sd.) P. RAMASWAMY CHETTIAR,
(Sd.) V. JANARTHANA NAIDU,
(Sd.) K. RAJAGOPAL,
(Sd.) R. ETHIRAJULU
} Directors.

CANNES CONFERENCE APPROVES OF NEW PATTERN OF AIR FARES

REVOLUTION IN TRANS-ATLANTIC SERVICES

A REDUCTION in tourist and first class air fares over the North Atlantic and the introduction of a special excursion fare over the route are the two important decisions reached at the International Air Transport Association (I.A.T.A.) Traffic Conference, held recently at Cannes. These proposals, which have of course to be ratified by the respective Governments of the member-countries in the Conference, are claimed to indicate a revolution in trans-Atlantic air services, in that they will make possible air-travel along these routes at a particularly attractive level of fares.

Under the agreements reached at Cannes, airlines operating over the North Atlantic will reduce tourist fares by about 20 per cent. and cut first class fares by 10 per cent. They will also introduce a special excursion fare beginning this October and set up a de luxe class service in 1957. Further, they have all agreed to bring in an entirely new class of low fare services for mass transport over this key world route early in 1958. As a result of these agreements, a trans-Atlantic trip on a scheduled air service may cost as little as $232 one-way between New York and London—almost 60 per cent. less than the first post-war I.A.T.A. Conference fares for the route.

The North Atlantic agreements, if approved by the Governments concerned, will come into effect in three phases over the 18-month period beginning from 1st October 1956, when the present agreements expire. From October next, the airlines will offer a new low 15-day excursion fare on present tourist class service, available all the year round, at $425 round trip between New York and London, nearly $100 cheaper than the normal tourist fare. The currently effective basic fares for first and tourist class will remain unchanged until 1st April 1957. Off-season round trip reductions normally offered during the winter months will be abolished. However, off-season family fare reductions will be continued, although they will not be applied to the excursion tickets because of their already low level. A special emigrant fare will be offered from 1st November through 31st March 1957 for westbound traffic to the U.S. and Canada from European countries, excluding the United Kingdom, Spain and Italy, where other emigrant air transport schemes exist. It will cost 40 per cent. less than the normal one-way tourist fare. From 1st April 1957, the first class fare structure will be revised to provide two levels of first class service —de luxe and normal first class. The first class fare will be $400 one-way and $720 round trip, and de luxe $450 and $810, as against the present undifferentiated first class fare of $440 and $792. The de luxe accommodation will include sleeperette types of seating. Berths will be available in both first class services at an extra charge. During this period, the tourist fare will not be changed and the 15-day excursion fare and family plan discounts will continue.

As a final step in the programme, the airlines have committed themselves to institute on the North Atlantic as from 1st April 1958, a new class of tourist-type mass transport service at fares as low as $232 one-way and $417.60 round trip, with full 12 months' validity. This new low fare will be made possible by greater seating densities and by the elimination of all non-essential luxuries. Other terms and conditions of the new low-fare, high density class will be determined at the next I.A.T.A. Conference in 1957 when carriers will also decide what other classes of service they will offer as from 1st April 1958 and what the relationships between them will be. On the mid-Atlantic route, the airlines will introduce a similar 15-day excursion fare beginning from 1st October this year, at $97 below the normal round trip tourist fares. The first class fare will be reduced $30 one-way and an additional charge of $50 one-way for sleeperette will be introduced. The off-season fares will be abolished and family fares retained.

In announcing the North Atlantic agreements, Mr. Keith Granville, Chairman of the Conference and the Commercial Director of British Overseas Airways Corporation, pointed out that these "quite revolutionary decisions come only after three years after the institution of world-wide tourist services and at a time when the airlines must also be preoccupied with preparing for the jet era only a few years ahead." They demonstrate, he said, the determination of the scheduled airlines to give the public the largest possible quantity of high-quality transport at the lowest possible price. There is no doubt that the new fares, as the Chairman himself emphasised, will be most attractive to thousands of vacationers, students and business men and will make the Atlantic a "two-way street by rendering trans-Atlantic flight a practical economic reality for Europeans as well as North Americans." Indicating the impact of these decisions on the working of the airlines, he said:

"They will require the airlines to make extensive changes, not only in their tariffs, but also in their equipment and operating plans. The new agreements involve projecting our fares and rates levels as much as two years into the future in the face of uncertain cost prospects. Upto now, this industry has been able to run on 12-month agreements at the longest."

To revert to the decisions of the Conference. Fares over the South Atlantic route, which do not expire under present Government approval until 31st March 1957, were left unchanged, subject to further discussion and mail vote later this year. Similarly, international passenger fares patterns in other parts of the world were left largely unchanged by the Cannes Conference. The European fares pattern will, however, show slight upward adjustments with the extension of special night, off-peak, and other promotional fares between many specific points. Special inducements will be offered to encourage inclusive tours. There will be some upward adjustments in fares from Europe to the Middle and Far East, from Europe to Africa, and between some African points, due to increased costs. But many regional fares within the Middle East will be reduced by about 10 per cent. On the north and mid-Pacific routes, between Asia and North America, first class fare reductions of $10 to Tokyo and $25 to other Asiatic points have been agreed. The tourist fare will not be changed, but the vice-presidents of the airlines concerned will meet next Spring to consider a possible low fare excursion similar to that proposed for the North Atlantic.

It was also agreed that fares between Europe and Tokyo via the North Pole will be the same as those between the same points via India. Polar fares between the West Coast of North America and Europe will generally equal fares for similar journeys via East Coast gateways and the North Atlantic. The latter polar services will adopt the same separation of de luxe and normal first class service as voted for the North Atlantic. General adjusments have been made effective from 1st January to cargo rate levels to render it possible to carry further the development of new types of cargo traffic on many routes by additional low rates for specific commodities. The new fares will generally come into effect this fall or next spring and will remain in effect until 31st March 1958.

A NAUTICAL MUSEUM

A plea for setting up a nautical museum in India has been made by Mr. U. Shanker Rao, a keen student of shipping and inland navigation, in the course of a communication to us. He deplores that maritime consciousness and interest in nautical antiquities are sadly lacking in India, and feels that a nautical museum would greatly stimulate public interest in this field. He adds:

"From time to time, ships' figure heads, bells, masts, and other relics are discovered. In the absence of a suitable place for keeping them, such treasures are lost, and though there are a number of archæological museums, public libraries, and fish aquariums there is today no special place where the public could gain nautical knowledge or learn modern developments in shipping, fisheries and waterways, and canals. I would suggest two sections in the nautical museum—ancient and modern. The former could house ancient relics and literature. The naval exploits of the Mahrattas and shipbuilding activities of the famous Wadia family and Haji Kasem on the Bombay coast can provide scope for nautical research. A modern section in a nautical museum would be necessary where models of modern ships, paddle steamers, navigation, and life-saving equipment could be displayed so as to give the public an opportunity to learn something about the sea and the ships. I would specially emphasise life-saving equipment—the method of using a life-jacket or a life-buoy. Many deck and ferry passengers are illiterate or ignorant of the correct method of using life-saving equipment. Simple, diagramatic description would help to diffuse necessary knowledge particularly among women and children who are often the worst sufferers in marine disasters.

"A nautical museum would pay for itself. For example, visitors during 1954-55 to the Taraporevala Aquarium aggregated 340,213 and the gate-fee collections made it a self-supporting institution. While on the subject of the Aquarium, may I emphasise the urgent need to increase its educative and industrial value? This aspect needs special attention. At present, the Aquarium provides pleasant entertainment and it is just nice to watch the fish swim and play. But with the need for marine industrial expansion the Aquarium could provide wider scope for creating commercial interest. Modern fishing with motor boats and trawlers provide scope for large-scale employment of educated middle-class young men. Standardised fishing boats could be worked like "baby taxis" and offer lucrative income besides helping to increase food production.

"A tribute must be paid to Mrs. Shanti Kumar Morarji for her work in making the public 'sea-minded' during the last Railway Centenary Exhibition. This was a step in the right direction and every attempt must be made to carry on the fine work started by this distinguished lady by giving a permanent place for nautical exhibits. In England, the work of the Ship Adoption Society, the Seafarers Education Service, and the Society for Nautical Research, to mention only a few of the non-technical bodies, have contributed in no small measure to Britain's sea power."

OIL RESOURCES

Some further light on the Union Government's efforts at exploring new oil resources and expanding refinery capacity was thrown by the Minister for Natural Resources, Mr. K. D. Malaviya, in the course of his reply to a series of questions on the subject in the Lok Sabha last week. The Minister said that the Government proposed to explore oil resources in the Cauvery basin in South India. He said that the area contained sedimentary rocks of marine origin which were usually the source rocks for oil but their thickness, extent and structure were matters for investigation. As regards the Bhakra canal region, much further work, including geophysical prospecting and drilling, was necessary before the presence of oil could be established. He further revealed that the natural gas which had been discovered in the Broach and Amreli districts of the Bombay State, was under no great pressure.

The Minister admitted that the Assam Oil Company had estimated that one million tons of oil per year would be available from the Maherkatiya oil wells in Assam. He added that the number of wells in the Digboi area in Assam was nearly 1,000, in Maherkatiya 13 and in Hugriyan and Moran 2. Of these, approximately 580 in Digboi and nine in Maherkatiya were at present producing crude oil.

As regards oil refinery, Mr. Malaviya said that there was a proposal to set up an oil refinery in the public sector. He added that the decision would be taken shortly. It may be mentioned here that, according to certain Press reports, the Government is carrying on negotiations with the Assam Oil Company for the formation of two rupee concerns—one for refining oil and the other for exploiting the oil resources of Assam. The Government is stated to insist that it must hold a majority interest in the proposed refinery.

Although the Government is thus interested in acquiring majority interest in any new refinery that may be set up, it is noteworthy that it has no intention to place any restriction on the existing oil refineries. In reply to a question in the Lok Sabha whether the Government proposed to restrict the profits of the oil refineries in Bombay, the Union Minister for Works, Housing and Supply, Mr. Swaran Singh, stated that there was no such intention but the profits made by the refineries would be taken into consideration while fixing the price of motor spirit.

NEW DIESEL LOCOMOTIVES

A new universal diesel-electric locomotive, capable of working at altitudes as high as 4,483 metres and suitable for use in climates ranging from 53° C. to *minus* 53° C., has been developed by the General Electric Company. A diesel-electric locomotive is essentially an electric locomotive with a diesel power plant. The diesel engine develops the mechanical power which is used to drive the main generator. Electric power from this generator operates the driving motors which are geared to the locomotive's axles. The new diesel-electric locomotive consists of nine different models, ranging from 330 to 1,800 h.p. The models are equipped to operate on tracks varying in gauge widths from 914 mm. to 1,676 mm. In addition, they offer different brake systems and couplers of flexible heights. Adaptability, versatility and economy of operation are claimed to be the chief features of these locomotives.

The Australian mineral industry had experienced a wave of prosperity in 1955 and the first five months of 1956 owing to a strong world demand for mined products, stated the Federal Minister for National Development, Senator W. H. Spooner, last month. The total value of mineral output in 1955 was estimated at £A.195 million, a record due to increased production as well as higher prices. Mineral exports in 1955 were worth £A.71.5 million, compared with £A.58 million in 1954. The exports in 1956 are expected to be still higher. The lead-zinc industry continued to provide the bulk of mineral and metal exports, with totals of £A.28.7 million for lead products and £A7.4 million for zinc products. The highlights of the mineral industry in 1956 would be the construction of a uranium mining centre at Mary Kathleen and a new tin dredge at Mount Carnot, both in Queensland, the operation of an ammonium sulphate plant at Risdon, Tasmania, and more minerals from beach sands.

NEW PRODUCTS AND PROCESSES

A New De-gassing Agent

ONE of the major problems in the production of sound castings in non-ferrous alloys is the absorption of gases, chiefly hydrogen, by the molten metal. Unless precautions are taken, the subsequent gas release on cooling and solidification in the mould can result in a porous casting. The general method by which a "melt" is de-gassed is by the release under its surface of another gas which will not dissolve or react with the metal. This insoluble gas sweeps out the undesirable gas in solution. Where copper-based alloys are used, gaseous nitrogen is frequently used and is let into the "melt" by means of a probe. This method has certain disadvantages in small foundaries because of the size of the equipment and the degree of control required to obtain satisfactory results. A recent development, according to the British Oxygen Company Bridgewater House, Cleveland Row, London, S.W.1, is a new solid de-gassing agent based on calcium cyanamide called Calcyan, which can be used with high-melting point non-ferrous metals and alloys. This product can be held beneath the "melt" surface by means of a perforated plunger, nitrogen being evolved by thermal decomposition and driving out the unwanted gas. It is also claimed to contribute to the prevention of oxidation of the molten metal.

Rubber Bags

A revolutionary method of transporting bulk supplies of petrol in synthetic rubber bags instead of steel drums would help develop the Central Highlands of New Guinea by reducing fuel costs, said Mr. Athol Townley, Australia's Minister for Civil Aviation, recently. It might also be useful in laying down supplies of fuel at inaccessible points in central and northern Australia, Mr. Townley added. This method of fuel distribution has been devised by the Vacuum Oil Company Proprietary Ltd., of Melbourne, Australia, to service the Goroka region in the Central Highlands from the port of Lae. The petrol will be pumped from the storage depots at Lae into four 200-gallon rubber bags harnessed to the floors of aircraft operating between the port and Goroka. Self-sealed and vented, the bags will occupy the whole cargo floor space of the aircraft. On arrival at Goroka, 120 miles from Lae and 5,000 feet above sea level, the fuel will be emptied into storage tanks by pumping or gravitation, ready for delivery to customers in the normal way. The empty bags are folded, thus leaving almost the whole cargo space available for return loading. Mr. Townley said the new method could be applied to other operations on the Australian mainland.

Material for Joining Metals

An American product called Devcon that can be used for joining metal to metal, building up broken metal parts, filling holes in castings and making forming dies is now being marketed in the U.K. by E. P. Barrus (Concessionaires) of 12-16, Brunel Road, Acton, London, W. 3. Originally developed for making inexpensive tools, jigs and moulds in the metal-working industry, the material is stated to be a combination of powdered steel (80 per cent.) and plastic (20 per cent.) and is said to be as easy to handle as modelling clay. It is available either as a viscous liquid which can be poured, or as a "putty" which can be applied to a vertical surface without running or sagging. Both forms have the same proportions of steel and plastic. When used a special hardening agent is added to it and stirred in. It can then be poured or pressed into the required shape and, on setting, becomes a permanent, tough and rigid metallic component. Among the advantages claimed for this product are excellent resistance to many acids, alkalies and solvents, adherence to steel, aluminium, bronze, brass and cast iron and high resistance to abrasion.

Oil Burners

A range of oil burners for light industrial and domestic purposes is being imported from Sweden by Bentone Oil Burners (102, Chepstow Road, London, W. 2). The burner is a fully automatic low-pressure model for very small boilers and it is claimed to be very economical in operation. It burns light fuel oil at rates adjustable between 0.3 and 0.75 gallons per hour. Air, which mixes with the oil in the burner's nozzle, is supplied from a built-in blower and the amount of mixture passing through the nozzle can be controlled by turning a screw. The unit is powered by a ¼-h.p. electric motor.

Doors from Straw

A new flush door which is claimed to give greater strength and resistance to impact and is 40 per cent. more sound-proof than the normal "skeleton" door of this type is being produced by Thames Plywood Manufacturers, (Barking, Essex), England. Known as the Thamesply-Werno door and originating from Sweden it has a core which is a solid pack of short lengths of straw, uniformly cut and so tightly compressed together that each square foot contains many thousands of straw tubes. These straw tubes are glued at right angles to the faces of the door by a special adhesive and they provide innumerable air pockets which are stated to form an almost complete sound suppressor. The closed cell structure is said to make doors of this type outstandingly efficient in heat insulation and the straw filling reduces a tendency to vibrate. The doors are built up on a wooden frame into which the straw is packed under pressure by a specially designed machine. They are then faced with hardboard or plywood for painting or varnishing, or faced with a decorative veneer.

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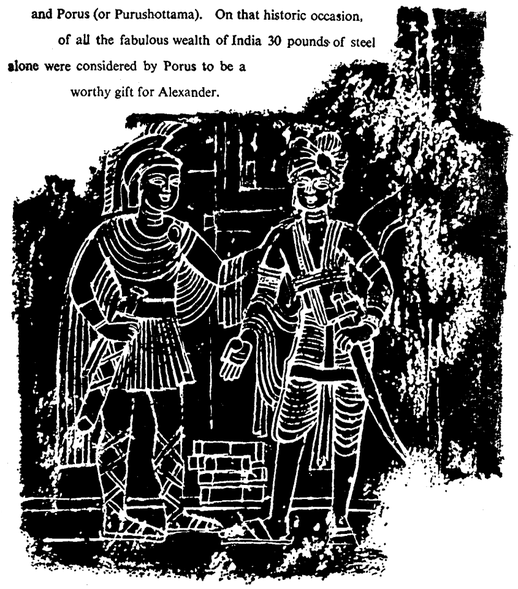

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I.L.O. CONFERENCE AT GENEVA

A NEW CONVENTION OUTLAWING FORCED LABOUR TO BE ADOPTED

THE general conference of the International Labour Organisation which concluded its session at Geneva recently, was notable not only for the record attendance of over 800 delegates from 73 member-countries but for the many important issues relating to workers' welfare which came up for discussion and consideration. There was a lively debate over the report of the Director-General, Mr. David A. Morse. A notable feature of the conference was the renewed interest which was shown in labour problems in rural areas and in the problem of economic development in industrially backward regions. Mr. Morse, in the course of his concluding remarks, was particularly emphatic on the issue of technical and economic aid to backward countries, declaring that the "first essential" was to increase such aid to the countries of Asia, the Near and Middle East, Africa and Latin America.

Indian delegates distinguished themselves by the comprehensive review which they made of some of the larger labour problems. Mr. Naval H. Tata, the employers' delegate from India, deplored the disparity in living standards between the rural and urban areas. While he did not advocate any restriction on wages of the urban industrial workers, he drew pointed attention to the ever-growing demand for an improved wage structure from an industrial worker of an urban area and to the comparatively low standard of wages, amenities and social security of the non-industrial worker of the rural area. The employees' delegate, Mr. K. P. Tripathi, too, made a reference to this theme. He regretted that the rural-urban employment relationship, as a result of higher standard of living in industrial employment, had led to a "remarkable shift" of population; this was "often causing concern to the seasonal requirements of agriculture." Referring to labour-management relations, he said that the most significant development was the "increasing co-operation between employers and workers at different levels and extending upto participation in management and even co-ownership." Discussing the same theme, the Government delegate, Mr. M. Bhaktavatsalam, stressed the importance of "bringing about cohesion between employers and workers" and, in this connection, urged that measures should be adopted in order to "promote active participation of workers in the actual running and management of industrial undertakings."

Labour Welfare

Before the conference voted the $7.62-million budget for 1957, representing an increase of 3.06 per cent. over 1956, it discussed and adopted several resolutions relating to labour welfare. It adopted a resolution on reduction of hours of work, noting that rapid development of technical and scientific progress and the rise in output open up new possibilities for the reduction of hours of work." This question, it is resolved, should be put on the agenda of an early session of the conference. The conference also agreed to place the question of weekly rest in "commerce and office" on the agenda next year for final action. The proposed convention on the subject includes the stipulation that weekly rest should be not less than 24 uninterrupted hours and, wherever possible, should be granted simultaneously to all workers in each establishment. The recommendation should provide, among other things, that the weekly rest should be so calculated as to include the period from midnight to midnight and that young workers below 18 years of age should be granted at least one-and-a-half days' uninterrupted rest each week. The I.L.O. conference noted that discrimination in wages based on sex still existed in certain countries which were urged to ratify the I.L.O. convention on the subject "of equal pay for equal work."

The conference adopted a formal recommendation on vocational training in agriculture. The recommendation lays down the principles and objectives of training, its scope as well as the methods that might be used, including vocational training, agricultural instruction in schools, training on the farm, extension services, training of teachers and rural leaders. The I.L.O.'s recommendation concerning welfare facilities for workers provides guidance with regard to feeding and rest facilities in or near the undertaking, recreation facilities and transportation facilities. It provides that the specified facilities may be provided through laws and regulations, by a competent authority after consultation with employers' and workers' organisations, or through collective bargaining.

The conference took preliminary action with a view to the adoption next year of a new convention outlawing "forced or compulsory labour, concentration camps, or the deportation of national minorities" as a means of achieving certain specified objectives. Those three methods would be banned in the following connections:

As a means of political coercion or education; as a method of mobilising labour for economic development; as a means of labour discipline; as a punishment for strikes; as a means of racial, social, national or religious discrimination; as a consequence of methods of payment to the worker where the deferring of payment makes it possible for the worker to quit his job, or where work is exacted from the worker in the form of debt, bondage or peonage.

By a unanimous vote of employer, worker and government delegates, the conference decided to place the question of forced labour on the agenda next year for final discussion. It also called for early revision of the 1930 Forced Labour Convention and in the meantime appealed to member-States to ratify and implement it.

The resolution on automation, adopted unanimously, emphasised the profound impact of automation on all aspects of social and labour policy and urged action to help countries to adjust themselves in an orderly manner to technological change. It said early and co-ordinated measures should we taken to "avoid or hold to a minimum the social dislocations and human costs which may be involved in technological progress and to ensure greatest possible benefit to all sectors of the community." It also pointed out the possible beneficial effects of automation in terms of higher productivity, expanding national economies, rising employment and higher standards of living for the peoples of the world.

Underdeveloped Countries

A reference to the speech of the Director-General, Mr. Morse, deserves to be made here, for he discussed some very fundamental issues relating to economic development and freedom. In the course of his reply to the debate on his report, Mr. Morse urged the conference to bear in mind the differing emphasis on freedom that exists in various parts of the world. He added:

"Over large areas of the world where living standards are the lowest, it is indisputable that the primary objective of people is a higher material welfare. This is at the top of their scheme of values. We may like it or not, but it is a fact. It is a fact full of hope but also full of danger. These millions in Asia, and increasingly in Africa, are aware that a better material life is possible for themselves and for their children. Their Governments, in many cases new and seeking a stable basis in national life, are committed to provide this better future. But the problem is growing all the time. As the Minister of Labour from Pakistan said, new jobs are not being created fast enough to keep pace with the growth in population. Inflation is reducing the level of real wages and wiping out the workers' vision of greater material satisfaction just as he has come to see it as his future right. If these hopes, which have been so confidently aroused, are permitted to turn into disillusionment, the reaction could be sudden and it could be catastrophic, not only for the newly established regimes but for the security of areas of the world which are vital to peace."

The I.L.O., according to Mr. Morse, faces its greatest challenge in the underdeveloped areas of the world; it has to prove that social progress can be pursued effectively in conditions of freedom and through institutions which themselves will strengthen and guarantee freedom. He said:

"The first essential, as I see it, is to increase economic and technical aid to countries of Asia, the Near and Middle East, Africa and Latin America—to accelerate the process of economic development. There are some hopeful signs that statesmen, who have long been aware of this problem, may now be better able to find ways of making additional resources available towards its solution. The second essential, as I see it, is to ensure that the social problems which are inevitably generated by economic development meet with a constructive and imaginative response from the people. Otherwise, industrialisation may bring serious social disorganisation in its train. It may create conditions under which people begin to think and act through force or violence, undermining the social and political stability which economic development was supposed to strengthen."

Mr. Morse dwelt on the problem of balance of employment between rural and urban areas, a problem facing India today. He said that the problem meant a revolution in countless individual lives—a complete change of environment with all the disturbance and fear which this could engender in human spirit. It meant the decline of some communities, the creation of others, the growth of new social relations, the crisis of old ones. The problem thus touched upon orderly social development and political stability. He added:

"In Asia and much of Africa, despite the great and wonderful antiquity of some Asian cities and their contribution to civilisation, the village rather than the town, I believe, has through the ages been the focus of social life. The problems of transition to industrial conditions are posed in an at once more radical and more urgent terms. People in these continents have to create for themselves from the beginning the associations and social institutions they will need to live happily and in peace with industry. And they have to do this rapidly because the aim of industrialisation, their great hope for better life, cannot be postponed. Urban industrial community life is now passing, therefore, through formative years. The future will long bear their imprint. A social revolution is in progress which, like all revolutions, is uncertain in its pace and unpredictable as to its outcome. This makes it all the more needful to strengthen the broad base of society—the rural villages—so that change can be sustained in continuity. Community development is one fruitful idea which has come in response to this need. It is a method for building greater prosperity through the common enterprise of traditional village life. Forms of co-operative organisation have lent themselves well to this objective. Small-scale industries are being set up in rural areas with the same general purpose in mind."

Economic Development

An important point made by Mr. Morse was that the process of economic development must be accelerated in conditions of freedom. "We all know," he said, "that material welfare can be pursued without freedom. Indeed, to some it may appear more efficient to work for force and coercion. When the deadweight of human misery is greatest and the effort and urgency of moving it most keenly felt, there lurks this fascination for coercive methods. This is the danger." In conclusion, he referred to the future role of the I.L.O. and said:

"Our job in the I.L.O. will never be done so long as there are free men on this earth. There can be no absolute solution of the social problems, in my humble opinion: it can only be solved in a stagnant state of slavery, where mankind sinks to the condition of a well-kept contented herd. The point is that as long as men are free there will be adjustments to make. May this always be so and may it increasingly be so that all men share in the ennobling suffering of responsibility. Meanwhile, we here in the I.L.O. will set our face firmly to this work, and we can work in this cause. I am confident we shall always continue to do so."

Mr. Morse has done a signal service to the cause of democracy by placing the problem of economic development in its correct perspective. The danger to which he has referred, namely, the sacrifice of precious values of freedom and human dignity for the sake of economic development, is real. The temptation to regard freedom as an impediment in the way of economic progress is very great. But to yield to this temptation is to create a society of comfortable well-fed slaves, who will have lost all those values which really make life worth living on this planet. This danger is particularly great in underdeveloped countries. It is, therefore, necessary to ensure that, when economic progress in these countries takes place, there is no attempt to sacrifice democratic principles.

TRADE UNIONS IN BOMBAY

Being the premier industrial State in India, the Bombay State accounts for a large number of trade unions in the country. It is, however, disconcerting to note that many labour unions in the State do not carry out an important obligation cast upon them by the Trade Union Act, namely, to submit their annual returns to the authorities. Indeed, the position is so bad that as many as 110 unions were struck off the register in 1954-55 for non-submission of their annual returns. This information is contained in the Annual Administration Report for the year 1954-55, submitted to the Government of Bombay by the Registrar of Trade Unions, Bombay State. It would appear from the Report that, in 1954-55, only 760 unions submitted their annual returns for 1954-55 by November 1955, only 420 unions having submitted their annual returns by 31st July. Many unions had to be repeatedly reminded of their obligation to submit returns. Further, out of the 760 returns received, only 523 were found in order and could be accepted for the purpose of the Report. The Registrar says:

"It is noted with regret that the unions have not adequately appreciated the provisions of the Act laying down the obligations of registered unions, as could be seen from the number of unions which failed to submit the annual returns by the prescribed date and the defective returns submitted by others. Even some unions of very considerable standing had to be struck off the register for their failure to comply with the statutory requirement."

It is a sad commentary on the way the trade unions are conducted that they do not send in their annual returns promptly enough to the Registrar.

(Continued on page 178)

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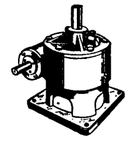

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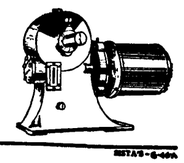

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CAN ROAD TRANSPORT PROVIDE RELIEF TO RAILWAYS?

YES, IT UNDOUBTEDLY CAN, AND THAT AT ECONOMIC COST

By B. V. Vagh

VICE-PRESIDENT, INDIAN ROADS AND TRANSPORT DEVELOPMENT ASSOCIATION

IN an article under the above caption appearing in the first issue of *Indian Railways* dated 16th April 1956, Mr. K. B. Mathur, Member (Transportation), Railway Board, poses the question whether road transport can provide relief to railways and replies to it in the negative. The second issue of *Indian Railways* publishes another article by Mr. Mathur based on a talk by him at the Delhi Rotary Club on 17th April in which he has referred to the same topic and repeated his conclusions. The figures arrived at by Mr. Mathur have also been referred to in public by Mr. Neogi, Transport Member of the Planning Commission, and this Association has received a number of enquiries about them. Hence, it is proposed to deal with these articles and the figures mentioned therein.

It is necessary to say, at the outset, that, in the writer's opinion, this is not an opportune time for a controversy of this nature as our objective is not this or that interest. The supreme need of the moment is to devise ways and means of providing the necessary transport for the successful implementation of the second Plan. In this objective, no one interest can or should try to dominate at the cost of others as all these interests are indigenous and have to be developed to the best advantage of the country. That this view is shared at high level will be seen from the following facts:

(1) The report of the Study Group of the Ministry of Transport, recommending some diversion of railway traffic to roads and shipping;

(2) the appointment of a Railway/Shipping Co-ordination Committee by Government;

(3) the projected appointment by Government of a committee to review the position of road transport in the country;

(4) the provision in the second Plan for nearly quadrupling the production of motor trucks; and

(5) the following resolution adopted recently by the A.I.C.C. at Bombay:

"The programme of development envisaged in the second Five-year Plan will cast a heavy burden on all transport services and more especially on the railways. It is necessary, therefore, to explore and utilise all possible methods of transport such as waterways and road to *reduce this burden on the railways.*" (Italics ours.)

The unmistakable trend of all these is definitely to devise steps to "provide relief to railways." It is a strange phenomenon that a member of a Government Department should try to prove that this is not possible and that too, on data still to be proved!

The Railways' Case

The reasons on which Mr. Mathur's negative reply is based are as follows:

(i) Of about 60.8 million tons of estimated extra traffic, steel, its raw products and coal account for about 38 million tons for which "road transport, admittedly, is unsuited."

(ii) In regard to the remaining about 22.8 million tons (which, it is presumed, Mr. Mathur concedes as suitable for road transport), Mr. Mathur's findings are:

(*a*) Per million tons of traffic, the cost of road vehicles alone will be about Rs. 11.6 crores, as against an estimate of "roughly" about Rs. 4 crores for the railways.

(*b*) The road freight is about As. 6 per ton-mile, while the rail freight for certain commodities and raw materials listed by Mr. Mathur ranges from about As. 1¾ to As. 3¾.

(*c*) Therefore, it "would not be in the interests of our economy to burden the industries with such a high incidence of transport cost."

(*d*) "The initial investment in road transport will also be greater and the assets will have to be renewed every five or six years entailing considerable drain on our foreign exchange."

(*e*) "Even in the U.S.A., where road transport has been extensively developed, the volume of goods traffic carried by road constitutes only 10 per cent. of the total."

(iii) Finally, Mr. Mathur concludes that "on economic grounds, it (road transport) can cater only to short-distance traffic within a range of 40 to 50 miles and that too only to the high-rated traffic, where incidental costs and other considerations outweigh the advantages of rail transport."

Its Analysis

In regard to (i) above, the writer would like to point out, without admitting Mr. Mathur's claim to decide for which commodities "road transport admittedly, is unsuited," that the case for diverting a portion of railway traffic to coastal shipping and road transport is based not on earmarking particular commodities for shipping or roads but on leaving it open to such commodities as choose to be so diverted. At present there is no open door. Therefore, the assumption that steel and its raw products cannot be diverted, if in point of fact they cannot, has no bearing on this point. Before the restrictions of Chapter IV of the Motor Vehicles Act of 1940 came into force, road transport handled a portion of the traffic in cotton, jaggery, groundnuts, betel leaves, turmeric and a number of other commodities "over distances up to 1,000 miles." The Technical Sub-Committee of the Subject Committee on Transport, Government of India, has recorded in its 1943 Report on page 14, that "there was in the past on certain routes substantial diversion of long-distance goods traffic to the roads and, in the years 1938-40, road rates were advertised for distances up to 1,500 miles." Both these statements have been taken from official records and should be sufficient to establish that:

(i) There are a number of commodities which, in the light of past experience, can be diverted to roads and shipping; and

(ii) such diversion on long distances is feasible. It is, therefore, absolutely beside the point to try to show that the estimated extra traffic of the second Plan cannot be diverted to roads/shipping. In its place some of the present traffic can.

In regard to (ii), the figures on which Mr. Mathur has tried to establish his case are as follows:

(i) "the investment required on the railways for the movement of an additional million tons works out roughly to Rs. 4 crores, except in cases where extensive improvement in line capacity works is required";

(ii) "the total investment for lifting one million tons of goods by road will be about Rs. 11.6 crores";

(iii) "the average freight per ton-mile on the railways including incidentals for certain commodities ranges from about As. 1¾ to As. 2½, while that by road is about As. 6."

It is necessary to examine these figures.

In the second Plan, the railways aim at (i) a certain amount of rehabilitation and (ii) catering for an increase of 15 per cent. in passenger traffic and lifting 47 million tons of extra goods traffic. On the basis of "roughly" Rs. 4 crores per million tons as per item (i) above, the cost of lifting 47 million tons of goods works out to "roughly" Rs. 188 crores, while the total provision in the Plan for railways is Rs. 1,125 crores. Does this mean that the difference between these two figures amounting to "roughly" Rs. 937 crores represents expenditure on rehabilitation and an increase of 15 per cent. in passenger traffic?

Break-down of Railway Allotment

The break-down of the provision of Rs. 1,125 crores for the railways has been given on page 466 of the Second Plan and repeated on pages 68 and 69 of the May-June issue of *Indian Railways*. From it, in so far as it can be ascertained, the cost of rehabilitation appears to work out approximately as follows:

(i) Rolling Stock—Rs. 197 crores (excluding Rs. 183 crores for development).

(ii) Bridges—Rs. 18 crores (excluding Rs. 15 crores for Ganga and other bridges).

(iii) Track renewal—Rs. 100 crores.

(iv) Other items in the break-down of which the entire cost may not be for development, say—Rs. 25 crores.

Total Rs. 340 crores or, say Rs. 350 crores.

The balance is thus (Rs. 1,125—Rs. 350)= Rs. 775 crores. Out of this, Rs. 95 crores, say, Rs. 100 crores, being Rs. 15 crores on passenger amenities and Rs. 80 crores on electrification, presumably solely for the benefit of passenger traffic, may be taken as expenditure on amenities. This leaves Rs. 675 crores (Rs. 775—Rs. 100) as the probable development expenditure on the carriage of the estimated extra traffic of the Plan, which is 15 per cent. in passengers and 47 million tons in goods.

According to revised estimates, the passenger earnings of railways for 1955-56 were about Rs. 109 crores and goods earnings about Rs. 180 crores. Therefore, on the basis of an investment being proportionate to earnings in a service, as it ought to be, the railway investment on passenger and goods traffic in 1955-56 works out in the ratio of about 109 to 180. As mentioned above, the increase in passenger traffic by 1960-61 over that in 1955-56 is 15 per cent.; the 47 million tons of extra goods traffic estimated to be available by 1960-61 is equivalent to an increase of about 41 per cent. of the 1955-56 estimated traffic of 115 million tons. The relative *extra* investment on these items by 1960-61 would, therefore, work out as shown below on the basis of 1955-56 investment:—

Passenger traffic	...	109×.15=16.35, say 1
Goods traffic	..	180×.41=73.80, say 4.5
	Total	... 5.5

This means that, out of the estimated development expenditure of about Rs. 675 crores on the carriage of passengers and goods, excluding expenditure on amenities, about 80 per cent. (4.5 out of 5.5), that is, about Rs. 540 crores is for lifting 47 million tons of goods traffic. This works out to an outlay of about Rs. 11½ crores for lifting one million tons of goods by the railways against "roughly" Rs. 4 crores mentioned by Mr. Mathur. And the approximate break-down of Rs. 1,125 crores works out as follows:

	Rs. crores
(i) Rehabilitation	350
(ii) Passenger amenities including electrification	100
(iii) Cost of carriage of 15 per cent. extra passenger traffic by 1960-61	135
(iv) Cost of carriage of extra goods traffic by 1960-61	540
Total ...	1,125

These figures have been arrived at on the basis discusssed in detail above. It will be interesting to have the Railway Board's figures of their provision on these items.

Rolling Stock at Current Prices

Let us see what the cost of the railway rolling stock alone would work out to on the basis employed by Mr. Mathur for arriving at the cost of road transport, namely, current prices. The passenger traffic in 1955-56 has been estimated by the railways at 1,360 million passengers. That by 1960-61 has been estimated at 15 per cent. more i.e., a total of 1,564 million passengers. Converting this traffic, at 200 lbs. per passenger including luggage, into tons, since locomotive power required for their carriage has to be proportionate to the load carried, it is found that about 46 per cent. of the locomotives expected to be on the line by 1960-61 will be required for this traffic and about 54 per cent. for the goods traffic. Then, on the basis of the rolling stock on the line in 1954-55, which is the latest year for which information is available, about 63 per cent. of our locomotives are B.G. and about 37 per cent. M.G. and N.G., while about 71 per cent. of the wagons are B.G. and about 29 per cent. M.G. and N.G. Finally, it has been mentioned that the average current prices of locomotives and wagons are approximately as follows:

	Rs.
B.G. locomotive	5 lakhs
M.G. locomotive	3 lakhs
B.G. wagon	14,000
M.G. wagon	10,000

Applying this data to the 10,168 locomotives (about 6,406 B.G. and 3,762 M.G. and N.G.) and 3,49,444 wagons which are estimated to be on the line by 1960-61, the cost position of the rolling stock, at current prices, required for goods traffic works out as follows:

B.G. locomotives 54% of 6,406=	3,459 at Rs. 5 lakhs	=Rs. 17,295 lakhs.
M. & N.G. locomotives 54% of 3,762=	2,031 at Rs. 8 lakhs	=Rs. 6,098 lakhs.
B.G. wagons 71.5%* of 3,49,444=2,48,105 at Rs. 14,000		=Rs. 34,785 lakhs.
M. & N.G. wagons 29% of 3,49,444=1,01,339 at Rs. 10,000		=Rs. 10,184 lakhs.
		Rs. 68,257 lakhs.
		Say Rs. 682 crores.

For lifting 162 tons (115 M.T. for 55/56 plus 47 M.T. extra) ∴ cost per million tons : 4.21 crores.

*N.B.—This percentage is on the low side, having been based on 1954-55 figures. By 1960-61 new wagons on the line will be 1,07,247 of which B.G. wagons will be 84,454, i.e., about 79 per cent.

In other words, the cost at current prices of railway rolling stock alone is about Rs. 4.25 crores per million tons of goods traffic!

Prove Your Figures

It is important to note here that Mr. Mathur's figure of "roughly Rs. 4 crores" per million tons of traffic does not relate to rolling stock alone, since his wording is "investment required on the railways," "except in cases where extensive improvement in line capacity work is required." Evidently, his figure of "roughly" Rs. 4 crores is clearly inclusive of line capacity. Therefore, on the basis of the provision made for the railways in the second Plan excluding probable expenditure on rehabilitation and passenger amenities and in proportion to the passenger and goods traffic expected to be carried the average cost of lifting one million tons of goods by the railways works out to about Rs. 11½ crores including line capacity and about Rs. 4¼ crores for rolling stock alone, at current prices against Mr. Mathur's figure of "roughly Rs. 4 crores" "except in cases where extensive improvement in line capacity works is required." The Railway Board will place the public under a debt of obligation by throwing light on these figures, reconciling them with the provision in the second Plan proportionate to the extra passenger and goods traffic to be carried and excluding expenditure on passenger amenities and rehabilitation.

Road Costs

Mr. Mathur's figure of Rs. 11.6 crores for lifting one million tons of goods traffic by road has been arrived at as follows:

(i) Pay load	6 tons
(ii) Mileage p.a.	20,000
(iii) Load factor	3/4th
(iv) Ton/miles p.a.	90,000
(v) Ton/miles per million tons on railways.	1,000,000×300
(vi) No. of trucks for (v)	3,333
(vii) Cost of truck	35,000
(viii) Cost of (vi)	11.6 crores

For about Rs. 35,000 ex-works, it is possible to get a truck in India carrying a pay-load of 7½ tons and the average run of a public passenger vehicle is about 30,000 miles per annum. There is no doubt that, with sufficient traffic, a goods truck can cover a good deal more than this distance. But at 30,000 miles per annum, a pay-load of 7½ tons and, a load factor of ¾th, the ton-miles per annum will be about 1.7 lakhs, that is, about double of Mr. Mathur's figure of 90,000 and the number of trucks per million tons carried 300 miles and their cost will be half of his figure, that is, Rs. 5.8 crores, or say, Rs. 6 crores in place of his figure of Rs. 11.6 crores. Even with smaller trucks carrying a pay-load of about 4½ tons and costing about Rs. 20,000 each, the initial investment on trucks will be no higher. What is generally not understood in this country is that when one talks of goods transport by road on a big scale for long-distance hauls on arterial roads, one does not mean the normal small-capacity truck in use at present for the limited traffic made available to it under the present restricted laden weights but a truck/trailer or tractor/trailer combination which has become an acknowledged feature of long-distance road transport all over the world. For instance, a truck with a pay-load of about 7½ tons is said to be capable of carrying another about 6 tons in a trailer. A combination of this kind is said to cost only about 30 per cent. more and will, therefore, reduce the above figure of about Rs. 6 crores to about Rs. 4½ crores.

Mr. Mathur's figure of As. 6 per ton-mile has been based on the data of nationalised undertakings. They are comparatively new to the truck-operating line and many of them have not yet had time to "find their feet." To be guided by their figures is like framing the present railway estimates on a 10-year old data. This is unfair both to the nationalised undertakings and to the public. The Study Group has mentioned that the rate per ton-mile of a big transport undertaking in the South is about As. 3 per ton-mile. With a truck-trailer combination and the use of diesel fuel, this rate will be still lower.

Track Costs

The cost of lifting per million tons of traffic including line capacity and the cost of rolling stock for the same traffic has been discussed above in detail for railways and roads based on current prices. To complete the picture it may be useful to compare track costs also. The recent railway budget gives the following information of some new railway lines:

	Miles	Rs.	Rs. per mile
Barkakana/Rourkela ..	124	9.80 crores	7.90 lakhs
Rourkela/Talditi or Dumaro..	89	2.83 ,,	7.25 ,,
Bilisi/Thalli	60	4.00 ,,	6.66 ,,
Noamundi/Banaspani ..	18	1.31 ,,	7.28 ,,
Barseti/Basirhat	44	2.00 ,,	4.54 ,,
Champa/Korba	5	0.50 ,,	10.00 ,,
	290	20.44 crores	7.05 lakhs

According to these figures, the average cost of constructing one mile of railway track appears to work out to Rs. 7 lakhs. It is important to note that none of these lines is in difficult terrain and they do not require major bridge work. At current prices, the estimated cost of the Nagpur Road Plan is about Rs. 744 crores, of which about Rs. 355 crores are on improvements to existing roads and about Rs. 389 crores are on new construction. Of this amount, about Rs. 89 crores are for the construction of about 76,000 miles of earth roads and about Rs. 300 crores for the construction of about 35,000 miles of arterial hard-crust roads suitable for motor traffic. This gives an average cost of construction per mile of a hard-crust road suitable for motor traffic, at current prices, at about Rs. 85,000 which is less than one-eighth of the cost of a railway mile of Rs. 7 lakhs.

Wasting Assets

The point about the road assets having to be renewed every five or six years and "entailing a considerable drain on our foreign exchange" is novel. All assets, whether they are of road or rail transport, have to be renewed. The comparison should, therefore, be whether railways or roads require more expensive renewals. Taking the case of the track, a railway track requires renewal of sleepers, rails, fishplates, etc., and the materials removed are just a waste. No such waste is involved in the case of roads, which are built up in layers from time to time according to requirements. In regard to foreign exchange, no foreign exchange is involved in regard to road materials, and, in regard to vehicles, they are produced in this country on a progressive plan, entailing limited imports, which, in comparison with railways, are very small. It would be interesting to know Mr. Mathur's estimate of the foreign exchange, which, in his opinion, is likely to be involved on road transport during the second Plan and how it compares with the Railways Board's proposed foreign exchange of approximately Rs. 425 crores during that period.

Experience in the U.S.

Mr. Mathur's statement that "even in the U.S., where road transport has been extensively developed, the volume of goods traffic carried by road consists of only 10 per cent. of the total is not borne out by facts. In 1953, the latest year for which information is available, road transport accounted for 210 billion ton-miles of freight out of a total of 1,167 billion ton-miles, that is, nearly 20 per cent. But the point at issue is not what the present percentage of traffic is, since, as between railways and roads, the latter is a late-comer, but what the present trend is, that is, whether it is in favour of extending the railways or other modes of transport. On this point the following information may be useful:

"During the period 1939 to 1953, goods traffic in the U.S.A. increased by 118 per cent. but the corresponding increase in road traffic was 289 per cent., while that in railway traffic was 83 per cent. The proportion of road to railway goods traffic was about one-sixth in 1939. In 1953, it rose to about one-third. Of the additional goods traffic between 1939 and 1953, the railways carried 45 per cent., the balance going to other modes of transport (roads 25 per cent., water 13 per cent. and pipe lines 17 per cent.)"

Mr. Mathur's gracious and perhaps grudging concession to road transport to ply on distances of 40 to 50 miles makes strange reading against the Study Group's suggestion to raise the limit to 150 miles in place of the present 75 miles in restricted areas and the fact, as pointed out earlier, that road transport had actually been plying in the past up to distances of from 1,000 to 1,500 miles. Even at present, passenger and goods vehicles ply up to about 400 miles in certain States, while private trucks transport goods from Bombay to Delhi, a distance of 880 miles, when railway wagons are not available. The Minister of Transport has said publicly that, apart from railways, the expansion in the country's transport has to take place mainly through road. The contacts which this Association has had with the Transport Ministry indicate that the Ministry is fully aware of the need to develop road transport and this Association happens to know the various schemes which are being considered by the Ministry for that purpose. Is it likely that the Railway Board are against the policy of their Ministry and have been ventilating their views in their magazine? If it be so, then the matter is serious.

Summary

To summarise the position is as follows:

(1) Before the restrictions on motor transport under the Motor Vehicles Act of 1940 became effective, motor transport was plying, according to official statements, over distances up to 1,500 miles, carrying a number of commodities.

(2) Even at present, in spite of these restrictions, which are mainly for the railways' benefit, and a number of other handicaps, for which it will be difficult to find a parallel in other countries, road transport has been plying in certain cases and certain circumstances up to 880 miles, against Mr. Mathur's gracious, though perhaps, grudging, concession of 40 to 50 miles.

(3) There is no wastage of assets in roads, which are built in most cases on the principle of adding up from time to time according to traffic. On the other hand, railway tracks have to be completely renewed.

(4) In regard to vehicles, whether of road or railway, their depreciation is covered in rates per ton-mile and, therefore, the question of wastage, if renewals are to be called a wastage, does not arise in their case.

(5) In all economies, and particularly in an underdeveloped economy, a certain amount of foreign exchange is inevitable, but its extent in road transport will be comparatively small, as compared with the railways' need for foreign exchange of about Rs. 425 crores during the second Plan.

(6) Based on the provision for railways during the second Plan, the cost of lifting one million tons of goods by railways works out to about Rs. 11½ crores, as against Mr. Mathur's figure of "roughly" Rs. 4 crores.

(7) At current prices, the cost of railway rolling stock alone for carrying one million tons of traffic works out to about Rs. 4¼ crores.

(8) At current prices, the cost of road trucks for the same traffic works out to about Rs. 4½ crores, as against Mr. Mathur's figure of about Rs. 11.6 crores.

(9) At current prices, the cost per mile of railway track in normal terrain works out to about Rs. 7 lakhs, as against about Rs. 85,000 for a hard-crust road suitable for motor traffic as per the current estimate of the Nagpur Plan.

(10) The cost per ton-mile by road by private operators is about As. 3 against Mr. Mathur's figure of As. 6 by nationalised undertakings. With the use of trailers, the cost will be less still.

Case for Road Transport

Apart from relative costs, the case for road transport rests on other grounds also. They are as follows:

(i) *Modern trend* all over the world is definitely in favour of extending road transport in preference to railways. Experience in the U.S.A between 1939 and 1953 has been referred to earlier. A further indication may be had from the following table showing a progressive decline of the railways in the U.S.A. since 1935:

RAILWAY IN THE UNITED STATES

Year	*Locomotives in service*	*Goods trucks in service*	*Passenger trucks in service*
1935	40,541	1,867,381	42,426
1940	44,338	1,684,171	38,808
1945	46,268	1,787,073	38,633
1946	46,511	1,766,400	38,627
1947	44,344	1,759,758	39,057
1948	44,474	1,786,067	39,406
1949	43,272	1,778,811	38,006
1950	42,951	1,745,778	37,359
1951	42,473	1,777,878	36,326
1952	39,697	1,788,352	34,942
1953	37,251	1,801,874	34,106

A still further indication is the newly proposed appropriation by the President of the U.S.A. of 101 billion dollars for the development of roads in the U.S.A. in a period of 10 years.

(ii) *Railway transport requires far more steel than road* transport and, in the present condition of our economy, steel is so vital to our progress that it is absolutely essential to cut down to the minimum its use when the same service can be had from other materials.

(iii) *Road transport is far more labour-intensive than railway transport.* The addition of about 2 lakhs of trucks will provide employment for at least 12 lakhs of extra hands, against the present railway figure of about 10 lakhs for a traffic of about 1,360 million passenger and 115 million tons of goods. If our economy is such that, in spite of a difference in the price of mill-made yarn and that produced by the Ambar Charkha, the latter had to be preferred because it is labour-intensive, then it follows that, for the same reason, in spite of a difference in freight rates, if there be any, road transport has to be preferred to rail transport.

(iv) *Capital for the development of the railways has to come from Government* and it can come only by starving production of essential commodities which are so vital to us. Capital for road transport will come from the private sector.

(v) *The automobile industry is extremely flexible* and can be put to a number of uses both during peace and war. Its development has been found most beneficial in other countries and will be so found in our country also. We must go right out to elevate it to play its proper role in our economy.

(vi) For the same reasons for which the second Plan takes into account "the possibility of a larger proportion of passenger traffic being carried by road transport" (page 465), it is necessary to provide for the carriage by roads of a larger proportion of goods traffic also. The objective in both cases is clearly and definitely "to provide relief to railways." There is absolutely no doubt that road transport will deliver the goods.

DALMIA CEMENT (BHARAT) LIMITED

FOURTH ANNUAL GENERAL MEETING

MR. J. DALMIA ON STATE TRADING IN CEMENT

ADDRESSING the shareholders of the Dalmia Cement (Bharat) Limited at their Fourth Annual General Meeting held on 20th July 1956 at the registered office of the Company at Dalmiapuram (Madras State), Mr. J. Dalmia, Chairman of the Company, explained the circumstances that had led to State trading in cement. He recalled that the Directors of the Company had been insisting upon the National Government the desirability of rationalising the transport of cement and equalising the price of cement throughout India or fixing zonal price. Nothing could, however, be done as the industry was a divided house. That was why, he said, the Government had to introduce State trading.

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

"GENTLEMEN,

"I have great pleasure in meeting you and welcoming you to the fourth annual general meeting of your Company. The audited accounts for the year 1955 along with the Directors' report thereon have been in your hands for some time. With your permission I shall take them as read.

"I hope you are satisfied with the results of the working of your Company for the year 1955 which have been quite good and compare favourably with others. They have been due to the vigilant care of your Managing Agents, the able guidance, supervision and control of your Directors and the co-operation of the officers, who have been working as a team, and not least to the reasonably peaceful atmosphere maintained by all the employees and workers.

"In their report, the Directors have recommended that those ordinary and deferred shareholders who so desire may be given ordinary shares of Orissa Cement Limited at par (which are quoted in the market at premium) in lieu of the dividend for the accounting year 1955 upto the extent of 75 per cent. of their ordinary and deferred dividend. The preference dividend was proposed to be excluded from the option as the preference shareholders are entitled to only fixed cumulative dividend.

Legal Advice

"Certain preference shareholders objected to the exclusion and threatened legal proceedings. The matter was, therefore, placed before legal advisers who have advised against giving the shares in lieu of the dividend. I, therefore, regret that it has been decided by the Directors to request this meeting not to take into consideration the recommendation of the Directors with regard to payment of the dividend in *specie*. I apologise on behalf of the Board to those who have sent in their option forms asking for shares in lieu of the dividend, for the inconvenience and the disappointment.

"To overcome the difficulty arising out of the circumstances, I suggest to the meeting that the dividend recommended by the Directors in respect of ordinary and deferred shares may be approved and declared by the members as interim dividend payable fully in cash for the accounting year 1955 for the time being and the balance surplus may be left unallocated for the present. The Board of Directors will consult the Stock Exchanges where these shares are quoted and recommend to declare some further dividend if deemed desirable and/or necessary. Allocation of the surplus will also be decided at that time. If any further dividend is recommended and declared, the same would be payable only to those registered shareholders of the Company whose names appear in the register of members on today's date.

State Trading in Cement

"You must have learnt from the newspapers, that the target of cement production is being further raised for the second Five-year Plan from 125 lakh tons to 200 lakh tons per year, to avoid the scarcity already felt on account of the increased demand for various development works and the people getting more and more cement-minded. To meet the immediate needs, the Government is importing good quantity of cement from foreign countries. Foreign cement is very costly. But to do justice to the common man and the ordinary consumer, who cannot obtain low-cost indigenous cement, the Government has decided to pool together high-cost imported and low-cost indigenous cement and distribute it at an equalised price at all railheads through the State Trading Corporation established by the Government and the existing channels of distributors and stockists. These measures have necessitated a slight increase in the price of cement. The State Trading Corporation has introduced rationalisation in movement of cement. All foreign cement will be mostly consumed at the ports and indigenous cement will be supplied to the consuming centres as far as possible from the nearest source of supply.

New and Old Factories

"The Tariff Commission, while submitting its report to the Government in the year 1953 for revision of the price of cement, recommended, after thorough investigation, the desirability of equalising the high and low cost cement of new and old factories, respectively, and also rationalising the movement of cement in order to reduce the strain on rail transport. But the Government did not see its way to accept that recommendation at that time. Your Directors too have been impressing upon the Government since the National Government took over the reins, when the late Dr. Shyama Prasad Mukherjee was in charge of the Ministry of Industry, the desirability of rationalising the transport of cement and equalising the price of cement throughout India or fix zonal prices. But nothing could be done as the industry was a house divided within itself. Even now when the cement industry is a highly organised one with centralised direction, it is unable to form an Association of its own to represent and discuss matters of common interest and solve problems which affect all equally. All efforts to sit together to settle common questions have failed so far. That is why the Government has to introduce State Trading to achieve the object. If the industry continues to be incapable of union, sacrificing individual interest for the common interest of the industry and the country, I am afraid, the Government may have to interfere much more than they are doing today.

Opportunities for Expansion

"The cement industry must realise the great opportunities it has for expanding itself and increasing its service to the country. The cement production in the country during the year 1955 has been about 45 lakh tons. The present annual installed capacity, which may be put at about 50 lakh tons taking into account the units which have gone into production by the middle of the year 1956, will be increased by the end of 1956 to about 63 lakh tons. But the total production of cement during the year 1956 is expected to be near about or little more than 50 lakh tons. During the year 1957 the capacity of units expected to go into production would be about 4 to 5 lakh tons. By the end of 1957 the annual installed capacity of the cement industry in the country is expected to be about 67 to 68 lakh tons and the production of cement in 1957 is likely to be near about 62 to 63 lakh tons. The benefits of such increase cannot be reaped in full, unless the distribution has a high degree of rationalisation and the efficiency of the transport system is maintained at a high pitch.

"A good deal of development has taken place in the country as a result of the first Five-year Plan and a good deal more is envisaged for the next five years. The success of the second Five-year Plan would be more assured and more impressive but for the differences on States Reorganisation which have shaken the solidarity of the country and tried the wisdom and patriotism of the people and the leaders. Let us pray that good sense will prevail and we will continue to make more and more progress casting aside the petty-mindedness of provincialism and making ourselves so strong that no force in the world will be able to divide us.

"With your permission now, I beg to move that the agenda of the meeting be taken up *seriatim* for consideration, discussion and decisions as the members consider fit."

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LABOUR

(*Concluded from page 174*)

It is also regrettable to note that, although the Registrar had given all the necessary instructions for filling up the returns, several unions could not send in correct returns. The trade union movement will suffer a setback if the union executives do not discharge this elementary obligation of submitting their returns promptly and correctly. It is to be hoped that, in future, they will avoid placing the Registrar in a position to make the kind of charge he has been compelled to make.

To revert to the Report. There were 912 unions on the register at the end of the year 1954-55, of which 870 were State Unions, including one federation, and 42 central unions (i.e., unions, the activities of which are not confined only to this State), including four federations. The total membership as reported by 518 unions (excluding five federations), included in the Report, was 321,599 at the beginning of the year and 395,597 at the close of the year. The total income of the 518 unions (excluding five federations), during the year under report, was Rs. 18.35 lakhs with a balance of Rs. 11.88 lakhs at the beginning of the year, while their total expenditure for the same period was Rs. 15.82 lakhs with a balance of Rs. 14.41 lakhs at the end of the year. The five federations (one State and four central) had a total income of Rs. 3.25 lakhs during the year, with an opening balance of Rs. 2.67 lakhs while their expenditure during the same period was Rs. 3.02 lakhs with a closing balance of Rs. 2.91 lakhs.

A NEW PLEDGE

Mr. S. R. Vasavada, President of the National Federation of Indian Railwaymen, said at Ahmedabad, that henceforth every railway worker seeking admission to the Federation would be required to sign a three-point pledge. The three clauses of the pledge would be: (1) No bogus union would be tolerated; (2) truth and non-violence would be followed in his activities and (3) strike would not be resorted to in the case of disputes which could be solved through arbitration. He revealed that the two groups in the Federation—one led by himself and the other by Mr. Guruswami—had agreed at a joint meeting in Delhi last week that before the merger of the two groups and new elections, every worker belonging to the railway unions would have to sign the pledge. He added that only those workers who signed the pledge would be allowed to vote in the elections to be held for the merger of the unions.

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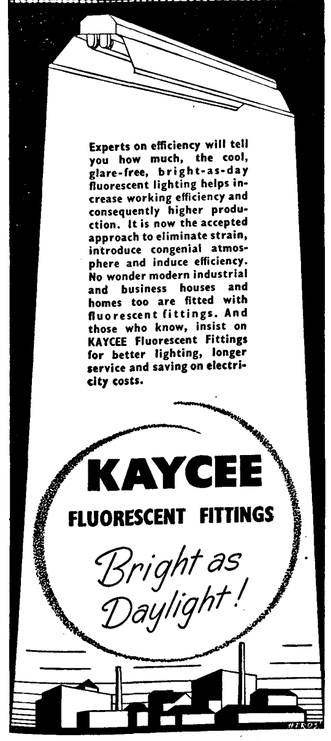

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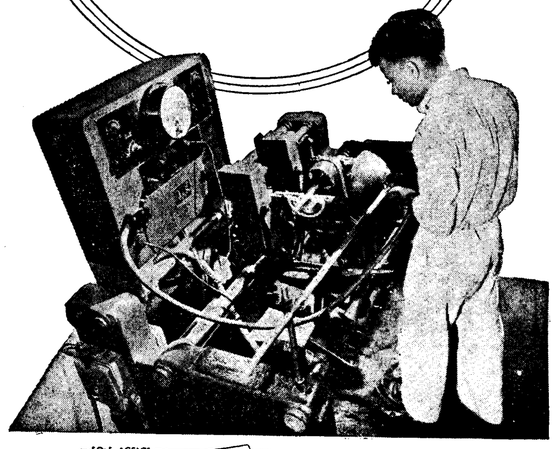

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TRAINING OF MANAGEMENT PERSONNEL

MERIT, BEST CRITERION FOR SELECTION

THE problem of securing management and technical personnel for manning industrial undertakings in both public and private sectors is a live one. It presents itself persistently before the boards of directors of all concerns and, in a period of expanding economy, it assumes increasing importance. For highly qualified and experienced personnel is not born but is the product of hard and intelligent work spread over a period of years. Consequently, in an economy that wants to expand rapidly, a shortage of business executives is bound to be felt. In India, the execution of the first Plan brought into bold relief the scarcity of administrative, managerial and technical staff when it came in the way of expanding employment opportunities. The need was, therefore, felt for undertaking planning for training well in advance in order that the future supply may be adequate for meeting the probable demands. And arrangements have since been made for starting training centres for imparting training to young men for all cadres of employment. Nevertheless, the urgency for recruiting administrative personnel has been so great that the Government is perforce compelled to hold *ad hoc* examinations for selecting personnel even at the cost of sacrificing quality and merit, the hallmark of the former Indian Civil Service, which has evoked admiration in many parts of the world. Although this expediency is unavoidable, it is to be hoped that every effort will be made to restore to the Indian Administrative Service the efficiency that is associated with the former civil service.

Unilevers' Procedure

While on this subject, it is only appropriate to refer here to the experience of Unilever Ltd., one of the biggest international commercial organisations, in meeting its requirements of managerial staff. This organisation, which rose from very humble beginnings, is today having on its staff, in its units all over the world, some 22,600 managers, out of a total labour force of 270,000. Managers thus form 8 per cent. of the total. Inside the general pattern, however, the proportion of managers to the whole varies from one part of unit to another, and from one country to another.

At one end of the scale is businesslike plantations in Nigeria and the Cameroons where both the country and the operations are simple. Here, the managers form only 3 per cent. of the whole force. At another point is Indonesia, where the business is confined to producing detergents and edible facts; here the proportion has risen to six. In the U.K., where detergents, edible fats and other foods, oilmilling and toilet preparations are manufactured, the proportion of managers to the total staff employed there is 11 per cent., and in Holland, with the same range of operations, it is about the same. But, in the U.S., where a higher degree of mechanisation and more sophisticated environment exist, the percentage is still higher at 15.

Three Categories

The managers of Unilevers fall into three main categories. At the base of the pyramid, there are the junior managers numbering about 16,400. Of these, some 5,000 are in the U.K. and 800 in Holland. This category includes foremen, supervisors, the men and women on the factory floor or in the office who are the first to carry responsibilities for the running of a small group and who know the art of handling other people.

Next comes middle and senior managers numbering about 6,000. And, at the apex, there is the top management, the two or three hundred people who take on themselves the decisions which make or mar the success of the business as a whole.

The procedure that is being followed by Unilevers for selecting the managers for manning its various jobs of responsibility was the subject of a talk by Lord Heyworth, Chairman, Unilever Ltd., at the last annual meeting of the Company held at London. The talk is noted not so much for the procedure itself as for the problems facing them in making the selection. In choosing the subject for his talk, he said: "The topic is of particular moment now when, with full, or overfull, employment in most parts of the world, the competition to secure the services of those who show an aptitude for management is keener than ever before. ... Even when you have caught your potential manager young, there is always the chance that, on his way up the ladder, you will lose him to someone else. The question is, therefore, one which today we must take very seriously."

Unilevers attach great importance to selecting the best men for their managerial posts. Managers are important to shareholders, because without good managers, no business could thrive. They are important to employees; for, without good skippers, there will be no happy ship. And they are important to the communities, because they help achievement of increased productivity upon which the improvement of standards of living depends.

In view of the importance of the manager, the only test applied to determine a man's suitability is the test of merit. There is no question of demanding any particular social or educational background. Although an increasing proportion of prospective managers have had a university training, many Unilever managers have come from the lowest levels "by the hard way" and whose qualities of leadership developed after they had joined the business. Unilevers paid attention to the fact that, in its business, there is always a ladder by which a man with the right qualities can climb to the next stage. Care is taken to see that, at every level of its management, there are men whose only University is the "University of Hard Knocks."

Higher Grades

One basic principle followed by the Company when assessing candidates for the higher grades is that the qualities of the potential recruit are assessed not merely by individual interview but also by seeing him perform as one of a group, which lets him show whether he possesses such obviously desirable qualities as intelligence, commonsense, organising ability and the ability to get on with others. Unilevers know that this procedure is not perfect, since it is exposed to the danger of "choosing the pleasant talker or an easy mixer to the exclusion of the rough diamond and the gifted eccentric." It is, however, felt that this procedure enables the management to make fewer mistakes than any other form of selection which it has been able to devise.

Attention is also paid to the fact that the actual selectors are active executives from all parts of the business with whom rests the final decisions. Because these are the men who know by the hard test of practical experience the sort of men they want as managers, they are spared the time from their ordinary duties to take part in the business of selection.

For some managerial posts, a knowledge of production techniques is required, and for others a knowledge of accountancy is essential. Consequently, men are picked primarily for their specialist knowledge and then special attention is paid to developing their general management ability in business. But the man must have the germ of leadership within him. And then the road is made open for him to climb to the next level. It is the job of every company chairman to watch for talent, to nurse and train it, and when the man is ready, to bring him forward for consideration.

It is interesting to refer here to the practice adopted in the U.S. Education, specifically, for a career in industry, has long been more highly developed in the U.S. than in Europe and a much higher proportion of those who graduate do so in economics or commerce. In addition, there are in the States many schools of business administration which have no counterpart in the U.K. The reasons for this difference, given by Lord Heyworth, are worth noting. The status and prestige of industry in the States is second to none, whereas in many other countries, it has taken a longer time to become recognised as a first class career. Until the Great Depression, comparatively few young men in the States were attracted to Government employment, nor were there opportunities for Imperial Government service abroad. A higher proportion, therefore, tended to go into industry and commerce and the universities allowed for this trend in the education which they provided. And it is not only the attitude of universities to industry which affects the issue but of industry to the universities. In this respect, the climate is changing fast and, over the last generation or so, industry in the U.K. and Holland has, it is stated, been rapidly losing its traditional resistance to the employment of graduates, while the universities, on their part, are increasingly ready to co-operate with industry.

Method of Training

The most important training is done individually and on the job. It is both flexible and selective. There is no general scheme of training into which everyone will fit. A prospective manager is put on the job in which he starts learning. The man above him is expected to spend a good deal of his time and trouble in training his subordinate. This training of the men under them is a vital part of the work of all managers in Unilevers and a man who neglects it is unlikely to reach the heights.

There are two courses which provide a valuable reinforcement to training on the job. One is primarily intended to give the man a broad picture of industry and its economic background and to tell him something of Unilevers as a whole. The second course is a specialised one. The main instructional content is devoted to a particular technique, such as production study, accountancy, advertising or some technical process. For more senior managers, the opportunity may arise of going to an outside institution such as the Administrative Staff College at Hanley in the U.K. and Nijmegen in Holland. The duration of courses is usually about three months, though, in America, courses of twelve months are beginning to be developed. In the U.S. there are plenty of men in academic life who have had sufficient contact with the industrial world to be able to act as instructors, but in Europe there is a shortage of people with these qualifications. Says Lord Heyworth: "Industry, therefore, should make a contribution not only by ensuring that the quality of those whom it sends as students is high but also by seconding first-class men to assist on the instructional side. I for one like to see this kind of secondment becoming a two-way traffic. If, as one hopes, the universities are going to develop the teaching of business administration, I would favour the experiment of seconding the university teacher to industry for a year or two and so giving him an inside view of how industry works before he returns to the university to teach." This is an advice which India can follow to its benefit.

Conference of Managers

Apart from courses and secondments, conferences of managers are also held. In these conferences, some twenty to a hundred senior managers are brought together for an intensive study of questions which are of general interest to them all but are outside their daily run of business. Besides, study groups of senior managers are also set up when faced with new problems such as launching into a new field or provision of office accommodation or framing the budget of departments or companies.

It is believed that a man cannot develop his full qualities in his job, unless those above him give him scope to do so. This means the practice of delegation, by which it is not meant to give the junior a job and then to look over his shoulder to make sure that he is not making a mistake. This tendency is discouraged outright, since it encourages delegation only to those who are regarded as men who will play safe. Consequently, the managements should see to it that every manager gives the greatest possible scope to those below him to develop. At no stage is a man considered to be fully trained, for it is held that all can and should go on learning right up to the time of retirement.

WORLD RICE TRADE

It is comforting to hear for one in India, where rice is the staple food of the bulk of its population, that during 1956 total world exportable supplies of rice would be 20 per cent. more than the exports in 1955. In the latter year, world rice exports according to the U.S. Department of Agriculture, amounted to 11,322 million lbs. On this basis, the total exports this year would be about 13,556 million lbs.

On 1st January this year, Burma is stated to have held 30 per cent. of the total exportable surplus. 25 per cent. was in the U.S., 23 per cent. in Thailand, and 22 per cent in other countries. Rice supplies available from Asian countries are estimated at a little less than the actual exports in 1955. Indications are that 1956 sales from Burma and Thailand will absorb all but normal working stocks. In the U.S., export surplus are three times as large as its 1955 exports. Heavy shipments from the U.S., under surplus disposal programmes, indicate a reduction in stocks.

Commenting on the world rice exports in 1955, the Department observes that they rose 8 per cent. over the 1954 figure and exceeded the previous largest post-war exports of 1952. Exports (including re-exports) in 1955 from all countries were, as stated at the outset, 11,322 million lbs. as compared with 10,451 million lbs. Some improvement was noted in the surplus countries of Asia towards regaining rice exports as compared with pre-war trade. The increase in exports was primarily due to the disposal of large surpluses by the principal exporting countries of Asia, Burma and Thailand. Pakistan and Taiwan also had the largest exports in several years.

The total world rice imports in 1955 amounted to 10,753 million lbs., as compared with 10,080 million lbs. in 1954.

RECORD TRADE PREDICTED FOR 1956

The U.S. National Foreign Trade Council's Balance of Payment Group estimated recently that the U.S. imports and exports for the year 1956 would reach an all-time record level. According to the group, the imports of goods in 1956 would be of the value of about $12,500 million, $1,100 million higher than in 1955, and exports $16,100 million, $2,700 million more than in the previous year. These estimates were based on the assumption that the record volume of trade witnessed in the first half of the year would be maintained for the rest of the year.

The Group which consisted of economists serving with manufacturers, exporters, importers, bankers and transportation companies, forecast that the trade totals would go up as a result of the U.S. expenditures on international transportation, trade and miscellaneous services to $3,500 million, while an amount of about equal size would be spent by foreign countries on similar U.S. services.

Consequently, the Group estimated that the exchange of goods and services between the U.S. and the rest of the world would exceed $35,000 million in the year 1956.

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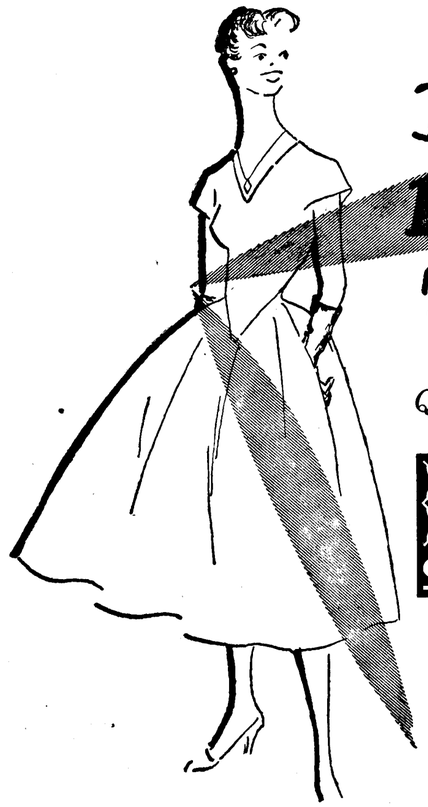
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TATA OIL MILL EARNS RECORD PROFIT

PREMIUM ON SHARES TO BE CAPITALISED

THE ordinary shares of the Tata Oil Mills Company, Ltd. (Managing Agents: Messrs. Tata Industries Ltd., Bombay), have been one of the firm features on the Bombay Stock Exchange in recent months, with a steady rise from Rs. 47 at the end of April to a high of Rs. 60-8 last week, on strong support induced by hopes of a higher dividend for the year ended 31st March 1956 and prospects of a bonus issue. These expectations have proved correct with the announcement of the Directors' decision to raise the dividend from 8 per cent. to 12 per cent. and to capitalise a part of the reserves and issue bonus shares in the ratio of one share for every five shares.

The Directors' decision to step up the dividend level is fully justified by the results of working of the Company during the year under review. The gross profit has more than doubled itself from Rs. 21.15 lakhs to Rs. 47.33 lakhs, at which level it constitutes a record in the history of the Company, exceeding even the war-time high of Rs. 45.73 lakhs earned in 1943-44. A substantial part of this rise in profit has been absorbed by Managing Agents' commission and provisions for depreciation and taxation, so that the increase in net profit is only Rs. 10.33 lakhs to Rs. 17.04 lakhs. Nevertheless, it is gratifying to note that the net profit for the year under review exceeds the aggregate net profits for the previous three years. Consequent on this encouraging performance, the Directors have been able to set aside Rs. 1 lakh to the development reserve, Rs. 1.50 lakhs to the sales promotion reserve, Rs. 3 lakhs to deferred taxation reserve and Rs. 0.50 lakh to reserve for bad and doubtful debts, none of which had received anything in the previous year.

The transfer to development reserve represents the saving in income-tax for 1954-55 and 1955-56, as a result of the development rebate of 25 per cent. on new plant and machinery allowed under the Finance Act of 1955. This sum has, accordingly, been set aside for development purposes and a development reserve has been created for the first time this year. The Directors have also thought it fit to initiate a deferred taxation reserve, by setting aside Rs. 3 lakhs, as stated above, from the profit for the year under review, in order to provide for increased tax liabilities in future years when the special allowance of initial depreciation is worked off. The sales promotion reserve was created two years ago with an allocation of Rs. 2.75 lakhs for launching special advertising campaigns for new products or for carrying on sustained propagandas for old ones, particularly in undeveloped regions. Due to low profit, no allocation was made last year to this reserve.

In stepping up the dividend level from 8 per cent. to 12 per cent. the Directors have not only restored the cut made last year (from 9 per cent. paid for 1953-54) but raised the rate to the level for 1943-44. It must, however, be noted that, in between these years—in 1946, to be precise—the paid-up ordinary capital of the Company was raised by the issue of 45,200 new shares of Rs. 25 each and 3,402 old shares previously forfeited and subsequently sold in open market. On the old capital, the latest dividend is equivalent to 14.5 per cent.

The salient features of the results of the Company's working during the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds (gross)	503.10	458.39	435.20	415.28
Other income	11.43	9.40	8.34	7.91
Stocks of finished products	61.38	44.51	46.41	56.94
Raw materials and stores consumed	331.60	267.25	267.49	257.80
Other expenses	212.48	172.48	144.60	132.23
Gross profit	47.33	21.15	20.93	17.29
Managing Agents' commission.	4.03	1.48	2.54	1.50
Provision for—				
Depreciation	11.75	9.70	12.00	10.00
Taxation	14.51	3.26	1.85	0.65
Net profit	17.04	6.71	5.04	5.14
E.P.T. refund (net) ..	..	..	5.97	1.70
Excess provision for taxation written back	0.20	0.77	..	..
To reserves ..	6.00	..	2.75	..
employees' gratuity fund ..	1.50	0.50	0.60	0.60
Dividends—				
4½ per cent. preference ..	1.34	1.34	1.34	1.34
Ordinary	8.41	5.61	6.31	4.90
"	(12%)	(8%)	(9%)	(7%)
Carry forward	0.11	0.13	0.10	0.09

The turnover of the Company for the year under review has recorded a substantial rise, as witness the increase in sale proceeds to a record level, cost of raw materials and stores consumed and administrative and other expenses. Commenting on the causes for the rise in profit, the Directors observe:

"The greater turnover of laundry soap, toilet soap and glycerine, the Company's careful purchasing policy in respect of raw materials and the stable prices of almost all vegetable oils, excepting groundnut oil—the price of which tended to rise considerably towards the end of the year—contributed to the higher profits. Increased sales of soap and *vanaspati* accounted for a proportionately larger payment of excise duty amounting to approximately Rs. 31.93 lakhs, as against Rs. 24.46 lakhs paid last year. Apart from the heavy duty on soap and *vanaspati*, the Government of India levied, from 1st March 1956, an excise duty at the rate of Rs. 70 per ton on all vegetable non-essential oils. Owing to this new taxation measure, the Company was again obliged to raise the prices of both laundry and toilet soaps by about 3.5 per cent. and it is regrettable that consumer products like soap and *vanaspati* are now subject to duty at both the raw material as well as the finished product stages."

The Company's paid-up capital, at Rs. 99.96 lakhs, is supplemented by reserves and surplus aggregating Rs. 34.20 lakhs. Additions to gross block during the year amount to Rs. 12.24 lakhs, bringing the total value at the end of the year to Rs. 192.47 lakhs, as against which a depreciation fund of Rs. 117.21 lakhs has been built up. The current assets, aggregating Rs. 282.61 lakhs, exceed the current liabilities (Rs. 199.92 lakhs) and provision for taxation (Rs. 18.48 lakhs) by Rs. 64.21 lakhs.

The Directors have decided, as stated at the outset, to capitalise a sum of Rs. 14.02 lakhs out of the amount standing to the credit of share premium account and utilise the same for issuing 56,086 fully paid-up ordinary shares of Rs. 25 each to the existing shareholders in the ratio of one share for every five shares held now. This proposal is, however, subject to the sanction of the Controller of Capital Issues. Since the bonus issue is out of share premium, the Company is not liable to pay the bonus tax introduced in the last budget.

Since the close of the year under review, the Company has purchased a small soap factory at Calcutta at a cost of about Rs. 9 lakhs. The factory, which is equipped with suitable machinery for the manufacture of both laundry and toilet soap, is expected to go into operation shortly after the installation of some additional equipment.

The Rs. 25 fully paid-up shares of the Company are being currently quoted at Rs. 58-12 *cum-div.* On an *ex-div.* basis, the latest dividend gives on the shares a yield of 5.6 per cent. per annum, free of income-tax.

BURMAH-SHELL REFINERIES

The working of the Burmah-Shell Refineries Ltd. during the year ended 31st December 1955 has resulted in a gross profit of Rs. 606.33 lakhs. After setting aside a sum of Rs. 123.17 lakhs for depreciation, the Directors have utilised Rs. 15.84 lakhs to write off expenses in connection with the issue of 5½ per cent. debentures and Rs. 0.35 lakh to write off preliminary expenses and expenses incurred in converting the Company into a public limited one. They have also set up a taxation equalisation reserve by allocating Rs. 281 lakhs from the year's profit. Due to additional and initial depreciation allowances as well as development rebate, there are no taxable profits for the year under review. The Directors have decided to spread the benefits accruing from these special allowances over a number of years and hence the aforesaid taxation equalisation account. No provision for debenture redemption has been made and the Directors have decided to skip over the dividend for the year and to carry over a surplus of Rs. 185.97 lakhs to the current year's account.

The Company's refinery, with an initial capacity of about 2 million tons, commenced operations at the end of January 1955 and the quantity of Qatar, Kuwait and Iranian crude oil processed during the subsequent 11 months amounted 1.81 million tons. The gross income from refining was Rs. 969.93 lakhs, while refinery operating expenses, including royalties, materials, etc., aggregated Rs. 205.39 lakhs.

During the year under review, a further call of Rs. 10 on each of the "A" and "B" ordinary partly-paid shares was made. The call was fully paid in cash, making the shares Rs. 60 paid-up. The authorised ordinary capital is Rs. 23 crores, of which Rs. 13.82 crores have been called and paid-up. There is a balance of over Rs. 2.92 crores on loan account, representing unsecured advances made by the shareholders towards cost of construction; this will be utilised towards meeting further calls. The originally planned additions to main plants are well in hand and scheduled to be completed during the latter half of 1956. The cost of construction of the refinery as on 31st December 1955 amounted to Rs. 22.62 crores and the full cost on completion of the current construction programme will be about Rs. 30 crores, excluding working capital.

LAKSHMI MILLS' BUMPER RESULTS

DIVIDEND MAINTAINED—OUTLOOK BRIGHT

THE striking feature of the results of the Lakshmi Mills Company Ltd. (Managing Agents: Messrs. G. Kuppuswamy Naidu & Co., Coimbatore) for the year ended 31st March 1956 is the spectacular advance staged by the gross profit, against the background of an all-round improvement in its activity. The gross profit, which amounted to Rs. 33.04 lakhs for 1951-52 and Rs. 53.54 lakhs for 1954-55, has shot up to Rs. 67.67 lakhs for the year under review, thus keeping up the upward trend for the fourth year in succession. It is noteworthy that the pace of expansion in profit has been greater than in 1954-55; as against an increase of 15.3 per cent. in 1954-55, the profit has gone up by as much as about 26.3 per cent. for the year under review. Besides, the gross profit for the year has exceeded the record (Rs. 56.22 lakhs) set in 1948-49 by no less than Rs. 11.45 lakhs, thereby setting a new record. The net profit, at Rs. 20.14 lakhs, though somewhat lower than the level attained in 1953-54, is, nevertheless, substantially higher than that for the previous year by Rs. 2.03 lakhs. This increase is, of course, modest as compared with that in gross profit, but such is due mainly to the larger provision for depreciation and taxation, as we shall show presently. The dividend, which was raised to 25 per cent. last year from a rate of 10 per cent. the year before, is being maintained for the year under review. For the third year in succession, a generous amount of Rs. 1 lakh has been set aside to charity for education and medical relief.

The following comparative table shows at a glance the progress of the Company during the past three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	272.22	252.31	225.90	175.57
Closing stocks	28.80	49.71	29.97	47.99
Cotton, stores, etc., consumed..	162.83	161.60	143.69	114.70
Expenses	42.80	40.87	37.09	28.18
Gross profit	67.67	53.54	47.75	34.01
Managing Agents' remuneration	8.27	7.03	6.12	4.36
Depreciation	20.36*	11.40	10.95	12.34
Taxation	19.00	17.00	8.87	7.25
Net profit	20.14	18.11	21.81	10.06
To reserves	..	3.26	10.00	4.65
,, donation	1.00	1.00	1.00	..
Dividend	13.36	13.36	10.69	5.35
	(25%)	(25%)	(20%)	(10%)
Carry forward	6.62	0.74	0.29	0.14

* Including Rs. 10.61 lakhs initial depreciation and development rebate.

The sale proceeds of the Company, as can be seen from the above table, have been increasing without a break since 1952-53, when they stood at the low level of Rs. 175.57 lakhs. While a part of the rise reflects the increase in cost of production, an expansion in turnover seems to account for the major part. This is evident from the fact that gross profit has almost doubled during the three-year period under review. The notable rise in profit during 1955-56 is chiefly the outcome of an increase in sale proceeds accompanied by a corresponding fall in closing stocks.

In appropriating the profit, the Directors have followed a judicious policy. They have sharply raised the provision for depreciation from Rs. 11.40 lakhs to Rs. 20.26 lakhs by providing for development rebate allowed in the last Budget, in addition to the usual and initial depreciation. Although the profit is large enough to pay a higher dividend, they have not done so; instead, they have merely maintained it. It is true that no provision has been made for reserves, but the undistributed surplus has been kept as high as Rs. 6.52 lakhs, against a mere Rs. 74,000 brought in. This surplus is twice as large as the addition, made to the reserves last year. The provision for taxation is raised from Rs. 17.00 lakhs in 1954-55 to Rs. 19.00 lakhs during the year under review, obviously to meet adequately the liability on that account.

The balance-sheet of the Company as on 31st March 1956 is a picture of financial soundness. The paid-up capital, which stands unchanged at Rs. 53.46 lakhs, is strongly supplemented by reserves and surplus aggregating Rs. 73.08 lakhs. The latter consists of an undistributed surplus of Rs. 6.52 lakhs, machinery replacement reserve at Rs. 24 lakhs, general reserve at Rs. 14 lakhs, deferred dividend reserve at Rs. 13.26 lakhs, cotton fluctuation reserve at Rs. 10 lakhs, and depreciation reserve Rs. 5.30 lakhs. The balance-sheet also reveals additions to the tune of Rs. 49.80 lakhs to the gross block which stands at Rs. 161.18 lakhs. This is well written down by Rs. 95.51 lakhs. The current assets, valued at Rs. 121.89 lakhs, are Rs. 60.89 lakhs higher than the current liabilities and provision for taxation. Of the current assets, the investments of the Company in Government securities and shares, etc., amount to only Rs. 7.16 lakhs, while cash and bank balances aggregate Rs. 41.42 lakhs. A synoptic view of the latest balance-sheet against the background of that five years before is presented in the following comparative table, so that readers may get an idea of the extent to which the Company's finances have been strengthened by the wise policy of its management:

	As on 31st March	
	1956	1951
LIABILITIES	Rs.	Rs.
Capital	53,46,150	53,46,150
Reserves and surplus	73,07,614	44,62,088
Provision for taxation	20,91,215	19,83,196
Current liabilities..	40,09,599	18,44,038
	Rs. 1,87,54,578	1,36,35,452
ASSETS		
Gross block	1,61,18,089	65,72,640
Less—Depreciation	95,51,436	32,60,958
Net block	65,66,653	33,11,682
Stock-in-trade	33,30,938	42,74,472
Stores and spares	2,95,527	3,42,248
Debts, deposits and advances ..	30,87,034	24,24,903
Investments	7,29,845	29,18,262
Cash	41,41,681	3,63,885
	Rs. 1,87,54,578	1,36,35,452

The Directors report that, during the year 1955-56, there were 59,988 spindles and 201 looms working in Coimbatore and 25,920 spindles in their branch mills at Kovilpatti. A new 'B' Mill is being constructed at Kovilpatti and as many as 25,200 spindles are expected to be installed before the end of 1956. Even by about the middle of March the installation of 7,560 spindles had been completed. A further expansion is also envisaged by addition of 7,560 spindles at Kovilpatti and 13,824 spindles at Coimbatore.

The outlook for the textile industry as a whole is bright, in view of the steady expansion in the demand for cloth and yarn. The Company's management has been trying to profit by this favourable climate for the industry by modernising the mills and expanding their capacity. This forward-looking policy of the management will yield still better returns in the years ahead.

The Rs. 50 fully paid-up and Rs. 25 partly paid-up shares of the Company are currently quoted at Rs. 240 and Rs. 120, respectively, *cum-div.* (final div. 15 per cent.). On an *ex-div.* basis, the yield on these shares works out to about 5.3 per cent. per annum, free of income-tax.

CAWNPORE TEXTILES

The shareholders of the Cawnpore Textiles Ltd., (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur), have every reason to feel gratified that the shares of the Company have returned to the dividend list after a lapse of a year, with the Directors' decision to distribute 5 per cent. for the year ended 31st March 1956. It may, however, be noted that the latest dividend is only half of that paid for the year 1953-54, notwithstanding the fact that the profit for the year under review is substantially higher than that for 1953-54. This is explained by the fact that the profit for 1953-54 was supplemented by E.P.T. refunds and excess provision for taxation written back.

The gross profit for the year under review amounts to Rs. 10.80 lakhs, in refreshing contrast to the fractional loss of Rs. 0.09 lakh suffered in the previous year. What is more noteworthy is that this improvement in working results marks the reversal of the downward trend in the Company's earnings noted during the previous six years, that is, from a gross profit of Rs. 43.16 lakhs in 1948-49 to a loss of Rs. 0.09 lakh. The net profit, after making provision for Managing Agents' remuneration, depreciation and taxation, amounts to Rs. 5.33 lakhs, as against a loss of Rs. 2.93 lakhs for the previous year. While the loss for 1954-55 had been covered by writing back Rs. 1.46 lakhs being the adjustment for finished goods and goods in process not relating to the year and Rs. 1.50 lakhs being the provision for taxation no longer required, the profit for the year under review has enabled the Directors to set aside Rs. 3.50 lakhs for rehabilitation reserve, to utilise Rs. 26,000 for writing down investments and to declare a dividend of 5 per cent.

The profit for the year under review would have been higher still but for the difficult manufacturing and trading conditions experienced during the year. Referring to this, the Directors observe in their report:

"The unsettled attitude of labour has seriously affected working efficiency. Shortly before the end of the previous financial year, the entire mill was brought to a standstill, because of the refusal of a small number of workers to operate a revised working system, though at increased wages. Due to the general strike in all local textile mills, which started on 2nd May 1955, it was not possible to re-start the mills until the end of July 1955 when the strike was called off."

The Company's balance-sheet as on 31st March 1956 discloses a satisfactory financial position. The paid-up capital of Rs. 30 lakhs is supplemented by reserves and surplus aggregating Rs. 29.88 lakhs. The current liabilities amount to no more than Rs. 10.68 lakhs and provision for taxation stands at Rs. 1.27 lakhs. The gross block of the value of Rs. 61.78 lakhs has been substantially written down to Rs. 8.48 lakhs. The current assets aggregate Rs. 63.40 lakhs providing a substantial cover to the current liabilities and provision for taxation.

The Company's commitments for capital expenditure amount to about Rs. 12.63 lakhs; these are in respect of extensive capital development programme. The bulk of the expenditure is intended to be utilised for the construction and equipment of a new bleaching department to enable the Company to increase its saleable varieties of cloth.

The following comparative table presents the salient features of the Company's working results for the last four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	83.58	106.79	114.24	114.61
Stocks of manufactured goods..	3.39	1.62	8.02	7.18
Expenses	74.90	104.28	105.90	111.34
To adjustment for finished goods and goods in process not relating to the year	..	1.46	1.54	..
Gross profit (+) or loss (—) ..	+10.80	—0.09	+3.83	+8.86
Managing Agents' remuneration	1.07	0.34	0.64	0.91
Provision for—				
Depreciation	3.00	2.50	2.00	2.00
Taxation	1.40	..	0.50	2.55
Net profit (+) or loss (—) ..	+5.33	—2.93	+0.18	+2.90
Transfer from reserves or other provisions	..	1.50	6.44	1.05
To reserves	3.50	..	4.50	0.50
,, extra depreciation	..	..	0.80	..
,, write down investments ..	0.26	..	..	..
,, dividend	1.50	..	3.00	3.37
	(5%)		(10%)	(11¼%)
Carry forward	0.37	0.80	0.37	0.60

Points From The Chair

Scope for Cement Industry

"THE cement industry must realise the great opportunities it has for expanding itself and increasing its service to the country. The cement production in the country during the year 1955 has been about 45 lakh tons. The present annual installed capacity, which may be put at about 50 lakh tons taking into account the units which have gone into production by the middle of the year 1956, will be increased by the end of 1956 to about 63 lakh tons. But the total production of cement during the year 1956 is expected to be near about or little more than 50 lakh tons. During the year 1957 the capacity of units expected to go into production would be about 4 to 5 lakh tons. By the end of 1957 the annual installed capacity of the cement industry in the country is expected to be about 67 to 68 lakh tons and the production of cement in 1957 is likely to be near about 62 to 63 lakh tons. The benefits of such increase cannot be reaped in full, unless the distribution has a high degree of rationalisation and the efficiency of the transport system is maintained at a high pitch."

J. DALMIA,
Dalmia Cement (Bharat) Ltd.

Self-sufficiency in Jute

"....the new crop now in the ground will have a total outturn somewhere in the region of 12 million bales, viz., India 5 million, Pakistan 7 million. With the carryover from the 1955-56 crop there will probably be a visible supply of about 14 million bales, and as this should prove more than sufficient for world requirements, some recession in minimum prices and export duties in Pakistan seems inevitable. It will be noted that the estimated crop in India is now given at 5 million bales, and this must be regarded as satisfactory taking into consideration that India was only producing about half this quantity at the time of partition. Nevertheless, India is still dependent on Pakistan to the extent of about 25 per cent. of her raw jute requirements. The Government of India is keenly aware of the Indian jute mills' necessities and are encouraging multiplication of jute seed to improve both yield and quality, which programme, when properly developed, should bring nearer to India that self-sufficiency in jute which is so essential to the welfare of the industry and prosperity of the country generally."

G. A. MASON,
Samnuggur Jute Factory Co., Ltd.

India a Country of Expanding Growth

"In India the Bank's two branches at Bombay and Calcutta, opened just over two years ago, have made satisfactory progress and are providing an important service to the country's overseas trade between India and the Middle East (or 'Western Asia' as the area is now called in India). Our activities embrace as well a wide field of general commerce from and to India and the Far East, Africa, America and Europe. We are operating in India within a well developed and highly competitive structure. The raising of the Bank of England rate, acting as a disincentive to the use of London funds, has resulted in increased demands by the banks for rupee funds and higher local borrowing rates for such funds. With no corresponding increase in lending rates, the already narrow margins obtainable have been further reduced. India today is a country of expanding growth and vital ambitions, and her leaders show no lack of energy or slackening of endeavour to maintain the inspiring work of development of the country's economy and improvement in the standard of living."

SIR DALLAS BERNARD,
British Bank of the Middle East.

COMPANY MEETINGS AND DIVIDENDS

UNITED PROVINCES SUGAR CO., LTD. Annual General Meeting, Calcutta, 31st July 1956. Dividend: Re. 1-8 per share. Transfer books remained closed from 18th to 31st July 1956, both days inclusive.

LAKSHMI MILLS CO., LTD. Annual General Meeting, Coimbatore, 3rd August 1956. Dividend: Rs. 7-8 per share (final) on shares of Rs. 50 each and Rs. 3-12 per share (final) on 'A' class shares of Rs. 25 each. Transfer books remain closed from 21st July to 3rd August 1956, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Half-yearly General Meeting, Calcutta, 3rd August 1956. Dividend: Rs. 3-12 per share. Transfer books remain closed from 19th July to 3rd August 1956, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 4th August 1956. Dividend: Re. 1 per ordinary share. Transfer books remain closed from 21st July to 4th August 1956, both days inclusive.

CAWNPORE TEXTILES LTD. Annual General Meeting, Kanpur, U.P., 4th August 1956. Dividend: As. 4 per share. Transfer books remain closed from 18th July to 4th August 1956, both days inclusive.

HYDERABAD CONSTRUCTION CO., LTD. Annual General Meeting, Hyderabad-Deccan, 4th August 1956. Dividend: O. S. Rs. 6 per share, on shares of Rs. 100 and O. S. Rs. 4-8 per share, on shares of Rs. 75. Transfer books remain closed from 23rd July to 4th August 1956, both days inclusive.

NEW MANBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 7th August 1956. Dividend: *Nil*. Transfer books will remain closed from 31st July to 7th August 1956, both days inclusive.

BURMAH-SHELL REFINERIES LTD. Annual General Meeting, Trombay, Bombay, 9th August 1956.

JOST'S ENGINEERING CO., LTD. Annual General Meeting, Bombay, 13th August 1956. Transfer books will remain closed from 1st to 13th August 1956, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. (And Reduced). Annual General Meeting, Alleppey, 13th August 1956. Dividend: Rs. 2 per ordinary share. Transfer books will remain closed from 7th to 13th August 1956, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 14th August 1956. Dividend: Rs. 7 per share (final), payable on 16th August 1956. Transfer books remain closed from 24th July to 14th August 1956, both days inclusive.

TATA OIL MILLS CO., LTD. Annual General Meeting, Bombay, 14th August 1956. Dividend: Rs. 3 per share. Transfer books remain closed from 18th July to 10th August 1956, both days inclusive.

MYSORE STONEWARE PIPES AND POTTERIES LTD. Annual General Meeting, Bangalore City, 16th August 1956. Dividend: Re. 1 per share (includes bonus of As. 4 per share). Transfer books will remain closed from 3rd to 16th August 1956, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 16th August 1956. Dividend: As. 4 per share. Transfer books will remain closed from 10th to 16th August 1956, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 16th August 1956. Transfer books will remain closed from 10th to 16th August 1956, both days inclusive.

BALMER LAWRIE AND CO., LTD. Annual General Meeting, Calcutta, 20th August 1956. Dividend: Rs. 10 per share (final). Transfer books will remain closed from 6th to 20th August 1956, both days inclusive.

UPPER GANGES VALLEY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 20th August 1956. Transfer books will remain closed from 14th to 20th August 1956, both days inclusive.

AMAR DYE-CHEM. LTD. Annual General Meeting, Bombay, 20th August 1956. Transfer books will remain closed from 1st to 21st August 1956, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Final dividend 5½ per cent. on ordinary shares (making in all 9 per cent.) for the year ended 31st March 1956. Transfer books will remain closed from 7th to 31st August 1956, both days inclusive.

COORG TEA CO., LTD. Final dividend of Re. 1 per ordinary share for the year ended 31st March 1956. Transfer books will remain closed from 15th August to 1st September 1956, both days inclusive.

ANANDAM RUBBER CO., LTD. Dividend of Rs. 2-8 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 1st to 8th August 1956, both days inclusive.

KASTHURI MILLS LTD. Dividend of Re. 1-14 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 17th August to 14th September 1956, both days inclusive.

COMPANY REGISTRATIONS

BAKUL AGENCIES PRIVATE LTD. (First Director: Shri Premchand Jain.) Business: All kinds of agency business. Authorised capital: Rs. 5,00,000. Private company. Address: 15-A, Horniman Circle, Fort, Bombay.

EASTERN CONTRACTS PRIVATE LTD. (First Director: Lt.-Col. W. P. Horsburgh.) Business: Mechanical, electrical and general engineers, etc. Authorised capital: Rs. 5,00 000. Private company. Address: Bai Sakarbai Hospital Compound, Government Gate Road, Parel, Bombay.

ATUL DRUG HOUSE PRIVATE LTD. (First Director: Mr. Navnitlal Manilal Shah.) Business: Importers and exporters. Authorised capital: Rs. 5,00,000. Private company. Address: Moolji Jetha Building, 12, Champa Street, Bombay 12.

KARANPURA DEVELOPMENT RESUMES DIVIDEND AFTER FIVE YEARS

RESULTS OF U.P. SUGAR BETTER

Karanpura Development Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

In conformity with the provisions of the Companies Act, 1956, there will be no half-yearly accounts in future. From now on therefore the Company's accounts will be closed and audited as at the 31st December each year and the first annual closing will be for the 12-month period ending 31st December 1956.

Litigation.—The directors are able to announce the successful outcome of the protracted litigation with the Raja of Ramgarh over the Company's title in the Karanpura Coalfield. This title was originally negotiated by Bird & Company in 1913 with the Court of Wards shortly after the death of the present Raja's grandfather, the title and all its rights and obligations being subsequently taken over by the Company on its floatation in 1921. The Raja's father died in 1919, within a few days of coming of age, so that the Estate remained continuously under the management of the Court of Wards from 1913 until 1937. Almost immediately on attaining his majority in August 1937, the present Raja, Kamakshya Narain Singh, challenged the validity of the Company's concessions, and as a result title-suits and counter-suits were filed, the Raja claiming *inter alia* possession of the entire coalfield and nearly Rs. 2 crores by way of damages. These suits were filed in 1940, in the Court of the Additional Subordinate Judge of Hazaribagh, who in 1943, decided substantially in the Company's favour. The Raja then appealed to the Patna High Court which in 1949 reversed the verdict of the Hazaribagh Court and declared the Company's title invalid. An appeal was thereupon preferred to the Supreme Court of India, which after a hearing lasting for three weeks has now, in March 1956, decided in the Company's favour. The matter was further complicated by the abolition of the Raja's own rights through the Bihar Land Reforms Act of 1950, and it was therefore also necessary to secure the confirmation of the Company's title by the State Government of Bihar.

In view of the importance of this litigation to the Company, challenging as it did the Company's whole existence, it was thought desirable to obtain the highest available legal talent, and the Company was fortunate to have been represented at the Supreme Court hearing by the Attorney-General of India and other distinguished senior Counsel. Litigation of such a protracted and costly nature, however, which is unfortunately all too common a feature of the Indian legal system, has been a disastrous drain on the Company's resources, and the total expenditure on law charges over the years amounts to no less than a third of the paid-up capital of the Company. A victory as been won, but it has been a very costly one.

Shareholders will naturally wish to have an indication of the future prospects of the Company, and here the directors are prepared to say without hesitation that with the country's economic expansion, an outstanding feature of which is the large planned increase in coal production, they *ought* to be bright. Unfortunately, the increasing interference of the Government of India with private enterprise dominates the scene today; the aspects of Government policy which principally affect this Company are the abolition of salami, the fixation of rates of royalty the dislike of intermediaries, and the reservation to Government of a very large portion of new development in the mineral field. With all of this hanging over, the future can, at best, be described as uncertain.

Raisings and despatches.—During the period 420,481 (394,142) tons of coal were raised and 408,966 (395,633) tons were despatched from the undernoted properties:

Subsidiary Company.—According to the managing agents, the future prospects of Scott and Saxby (Private) Ltd. are good.

The profit and loss account after providing Rs. 573 (Rs. 5,718) for taxation, Rs. 5,354 (Rs. 11,648) for depreciation, transferring Rs. 3,00,000 (*nil*) from general reserve and including the debit balance of Rs. 30,704 (credit of Rs. 26,088) brought forward from last half-year shows an available balance of Rs. 3,17,839 (credit of Rs. 16,731) which the directors propose to dispose of as follows:—

In paying a dividend on the founders' shares at the rate of Rs. 3 (*nil*) per share without any deduction for income-tax paid by the Company Rs. 1,50 000 (*nil*), in paying a dividend on the ordinary shares at the rate of Re. 1 (*nil*) per share without any deduction for income-tax paid by the Company Rs. 1,50,000 (*nil*) and in carrying forward Rs. 17,839 (Rs. 16,371).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	31,59,936
Reserves ...	24,32,396	Limestone & fireclay	
Property sales suspense	4,63,480	stock ...	5,989
Liabilities ...	29,51,066	Stores ...	73,804
Profit and loss		Other assets	12,000
account ...	17,839	Debts, deposits and advances ...	20,51,738
		Investments	25,41,146
		Cash ...	20,168
Rs.	78,64,781	Rs.	78,64,781

United Provinces Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta), submit the audited accounts of the Company for the year ended 30th September 1955.

The profit on sugar account amounts to Rs. 4,24,423 (Rs. 4,22,423), the profit on estates account Rs. 55,659 (loss Rs. 5,369), and the profit on sale of motor vehicles and furniture Rs. 2,212 (Rs. 6,826) making a total profit for the year of Rs. 4,82,294 (Rs. 4,23,880). From this has been deducted net provision for Central and State taxation Rs. 2,56,033 (Rs. 1,90,000) and cost of acquiring Bhumidari rights Rs. 4,758 (*nil*) leaving a balance of Rs. 2,21,502 (Rs. 2,33 880) to which falls to be added the credit balance brought forward from last year Rs. 39,061 (Rs. 5,181) leaving a balance available for distribution of Rs. 2,60 564 (Rs. 2,39,061). This amount the directors recommend should be dealt with as follows:—

Payment of a dividend of 15 (12½) per cent., for the year to 30th September, 1955 Rs. 2,40,000 (Rs. 2,00 000) and leaving a balance to be carried forward to credit of profit and loss account of Rs. 20,564 (Rs. 39,061).

The balance-sheet and the profit and loss accounts have been recast in conformity with the requirements of Schedule VI of the Companies Act, 1956; this necessarily involves a break with the forms adopted previously.

The depreciation charge at the usual rates absorbed Rs. 75,207 (Rs. 71,194). In accordance with the practice adopted hitherto, the expenditure on furniture and wiring amounting to Rs. 3,559 has been written off together with the sum of Rs. 4,758 spent on the acquisition of "Bhumidari" rights under the U.P. Zamindary Abolition and Land Reforms Act, 1950.

The acquisition and compensation proceedings under the above Act have still to be finalised by the Government of Uttar Pradesh; meantime, since the close of the year under review, a sum of Rs. 52,821 has been received as compensation for which no credit has been taken in the accounts except to the extent of Rs. 17,745. Full provision has been made in the accounts for Central and State taxation.

The crushing season opened on 22nd November, 1954 and finished on 4th April, 1955 with a total crush of 24,84,000 (18,96,330) maunds of cane and recovery of 10.16 (10.05) per cent. Of the cane crushed, 3,13 467 maunds were supplied from lands cultivated by the Company.

The sugar production in the country during the year was in the region of 16 lakh tons which added to the 6 lakh tons imported by the Government amounted to 22 lakh tons as against an estimated annual consumption of 16 lakh tons; there was accordingly a continuous fall in prices. Despite the decline in the prices of sugar and the increase in the excise duty by Re. 1-6 per maund as from 1st March 1955, the profit for the year was maintained at very nearly the same figure as in the last year as a result of the larger crush and a slightly improved recovery rate.

The cane price continued at the rate of Re. 1-7 per maund at the factory gate and Re. 1-5 per maund at outstations. Cane cess and cane co-operative societies' commission remained at 3 annas and 9 pies per maund respectively.

Company's Estates.—The profit resulting from the Company's farming operations was mainly attributable to the improved cane yields. There was no major item of capital expenditure during the year.

Season 1955-56 Prospects.—Although this season's crush at 24,24,797 maunds and recovery at 10.17 per cent. are considered to be satisfactory, the results for the current year will depend largely on the prices to be realised on sugar which will be affected by the large carryover and the anticipated total production of 18 lakh tons this year. If the present price is maintained, the results should be satisfactory. A satisfactory profit from the Company's farming operations is expected.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00 000	Block ...	6,01,025
Reserves ...	7,66,589	Stock-in-trade	26 00,284
Provision for taxation ...	3,24,448	Stores and spare parts	6,53,885
Liabilities ...	23,17,039	Loose tools	1,24,465
Profit and loss account ...	20,564	Stores-in-transit ...	18,014
		Debts, deposits and advances ...	8,75,797
		Cash ...	1.13,878
		Miscellaneous expenditure	41,292
Rs.	50,28,640	Rs.	50,28,640

Investment and Finance Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August 1955.

Including the sum of Rs. 9,201 (Rs. 8,837) brought forward from the previous half-year and after providing Rs. 20,000 (*nil*) for taxation and transferring Rs. 25,000 (Rs. 15,000) to general reserve and Rs. 25,000 (Rs. 5,000) to revaluation investments reserve, the profit and loss account shows a credit balance of Rs. 36,065 (Rs. 27,717). It is proposed to dispose of this available balance as follows:—

In paying a dividend on the 1st cumulative preference shares at the rate of 5 per cent per annum, without any deduction for income-tax paid by the Company Rs. 5,000 (Rs. 5,000), in paying a dividend on the 2nd cumulative preference shares at the rate of 6 per cent. per annum, less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 4,425 (Rs. 4,425), in paying a dividend on the ordinary shares at the rate of 7½ (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 18,750 (Rs. 12,500) and in carrying forward Rs. 7,890 (Rs. 5,792).

Market.—Throughout the period under review prices fluctuated within narrow limits but with a slight tendency to fall, the result being a slight reduction at the end of the half-year in the total market value of the Company's portfolio.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Investments	11,53,432
Reserves ...	2,35,590	Debts and advances ...	12,479
Provision for taxation ...	34,111	Cash ...	86,954
Liabilities ...	75,274		
Profit and loss account ...	7,890		
Rs.	12,52 865	Rs.	12,52,865

Mysore Stoneware Pipes and Potteries Ltd.

The directors of the above Company (Managing Agents: The Mysore Industrial Development Co., Bangalore City) submit the audited accounts of the Company for the year ended 31st March 1956.

The surplus available for the year after providing Rs. 51,373 (Rs. 42,354) for depreciation and Rs. 83,000 (Rs. 61,340) for income-tax, super-tax and surcharge is Rs. 89,555 (Rs. 72,597). With the carry over of Rs. 1,060 (Rs. 603) from last year, the total sum available for distribution is Rs. 90,615 (Rs. 73,560). The directors recommend the following appropriation:—

To declare a dividend of 7½ (7½) per cent. plus a bonus of 2½ (*nil*) per cent. free of income-tax on 60 000 shares of Rs. 10 each, absorbing Rs. 60,000 (Rs. 45,000), to transfer to general reserve Rs. 20,000 (Rs. 17,500), to transfer to dividend equalisation fund Rs. 10,000 (Rs. 10,000) and to carry over to the next year Rs. 615 (Rs. 1,060).

With the addition proposed above, the general reserves will amount to Rs. 2,70,000 (Rs. 2,50,000). The provision made till now towards depreciation fund on fixed assets is Rs. 5,43,877 (Rs. 5,07,504). The sum available in the dividend equalisation fund, after the above addition is Rs. 20,000.

Both production and sales were better this year than during the previous year. In spite of higher costs of services and stores, better profits have been earned as a result of increased production and efficiency. The demand from both in and outside the State for the Company's products is good.

The Factory is now supplying increased quantity of quality firebricks to the Government of India and is now a recognised supplier to the Railways in the south.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	3,65,140
Reserves ...	2,66,500	Stock-in-trade ...	71,278
Provision for taxation ...	85,337	Stores & spare parts ...	83,483
Liabilities ...	2,75,633	Debts, deposits and advances ...	4,21,946
Profit and loss account ...	90,615	Investments ...	2,41,634
		Cash	1,34,604
Rs.	13,18,085	Rs.	13,18,085

Attock Oil Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Steel Brothers & Co., Ltd., London) submitted the audited accounts of the Company for the year ended 31st December 1955.

Group profit for the year attributable to members of the Company after writing off all expenditure on well boring has amounted to £1,140,344 (£1,523,450). There has been set aside for depreciation of fields and refinery plant, motor vehicles and chattels £161,148 (£163,201). Pakistan and United Kingdom taxation on the year's accounts amounted to £537,305 (£726,855 only Pakistan taxation.) Exchange difference arising in 1955 in excess of reserves as at 31st December 1954, has been deducted costing £28,753 (*nil*), there remained an available balance of £413,138 (£633,394). The directors paid an interim dividend on 2nd March 1956 (free of United Kingdom income-tax) of 7d. per £1 unit of stock which absorbed £52 500 (£49,500) and a final dividend on 25th July 1956, to members on the registers as at 9th July 1956 (free of United Kingdom income-tax) of 2s. 4d. per £1 unit of stock £210,000 (£207,000). After adding the unappropriated profits brought forward from 1954 of £64,795 (£237,901), there is a balance of £215,433 (£614,795). From this the directors have transferred to general reserve £150 000 (£550,000) leaving a balance at credit of profit and loss account to be carried forward to 1956 of £65,433 (£64,795).

Trading profit of the Company for the year amounted to £1,180,959 which compares with £1 553,854 for 1954. Profits arising in Pakistan in 1955 have been converted at exchange 1s. 5-31/32d. the rate ruling at the end of the year whereas in 1954 the rate taken was 2s. 1-27/32d.

The Subsidiary Company—Pakistan Oilfields Limited.—Incurred a loss in 1955 of £16,190 (made up of rents and licence fees, establishment charges, general expenses, directors' fees and managing agents' office allowance) and the portion attributable to the parent company (£11,301) has been provided for in the accounts. The reduction in the figure of investment in subsidiary company in 1955 as compared with the figure for the previous year is occasioned by the above loss written off the investment coupled with an exchange loss of £8,654 arising from the conversion of Pakistan Oilfields Limited's rupee balance sheet at the rate ruling at end 1955.

Depreciation and taxation.—The directors consider that the amount set aside for depreciation and the provision made for taxation are adequate.

Accounts in brief were as under:—

Liabilities	£	Assets	£
Capital ...	1,800,001	Block ...	1,700,482
Debentures	100,000	Stock of crude oil, manufactured products, etc.	1,349,615
Reserves ...	1,274,037	Stores ...	1,042,039
Provision for taxation ...	466,262	Debts and advances	328,460
Liabilities ...	791,328	Investments	8,447
Profit and loss account ...	65,433	Cash ...	68,018
	£4,497,061		£4,497,061

Upper Ganges Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

In the last report it was mentioned that due to the relaxation of Government restrictions on the connection of new services, 530 additional consumers had been connected during the six months covered by the report, and it is pleasing to be able to state that a further 1,449 consumers have since been connected to the mains.

The connection of additional services herein referred to has brought about an increase in revenue of over Rs. 90,000 however, working expenses have increased by approximately Rs. 40,000, nevertheless, the working results show a satisfactory improvement as will be seen from the following:—

Half-year Ended	*Units Sold*	*Revenue* Rs.
30th June 1953	3,491,623	5,63,794
31st December 1953 ...	3,539,501	6,03,387
30th June 1954	3,555,244	5,87,679
31st December 1954 ...	3,861,862	6,14,170
30th June 1955	3,923,868	6,28,668
31st December 1955 ...	4,214,945	7,05,546

After providing for all charges and placing Rs. 4,175 (Rs. 3,325) to statutory contingencies reserve Rs. 4,843 (*nil*), to tariffs and dividends control reserve and Rs. 27,500 (*nil*) to general reserve, there remains a balance of Rs. 38,022 (Rs. 35,233) including Rs. 8,329 (Rs. 6,123) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (8½) per cent. per annum free of income-tax for the half-year Rs. 29,925 (Rs. 26,184) and carrying forward to next half-year Rs. 8,097 (Rs. 9,049).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,99,250	Block ...	7,20,255
Reserves ...	2,41,843	Expenditure on capital work in progress ...	57,585
Provision for taxation ...	67,366	Stores ...	3,98,674
Liabilities ...	12,51,182	Tools and instruments	4,389
Profit and loss account ...	38,022	Other assets	288
		Debts, deposits and advances ...	2,38,853
		Investments ...	4,22,029
		Cash	3,55,590
Rs.	21,97,663	Rs.	21,97,663

Bareilly Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs: Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

An additional 1,250 k.w. turbo alternator was commissioned on the 26th May 1956. To cater for future load developments, negotiations are proceeding with the Uttar Pradesh Government to take a bulk supply from its Hydel Department. Normal progress has been maintained as will be seen from the following schedule:—

Half-year Ended	*Units Sold*	*Revenue* Rs.
30th June 1953	3,910,519	7,41,773
31st December 1953 ...	3,682,856	7,36,411
30th June 1954	4,252,655	7,75,596
31st December 1954 ...	4,119,991	7,79,404
30th June 1955	4,885,872	8,92,718
31st December 1955 ...	4,617,914	8,82,280

After providing for all charges, and placing Rs. 10,635 (Rs. 10,117) to statutory contingencies reserve, Rs. 17,166 (Rs. 17,166) to reserve for redemption of debentures, Rs. 72,596 (*nil*) to tariffs and dividends control reserve and Rs. 40,000 to general reserve, there remains a balance of Rs. 59,748 (Rs. 58,718) including Rs. 20,090 (Rs. 17,119) brought forward from the previous half-year, available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year Rs. 40,000 (Rs. 40,000) and carrying forward to next half-year Rs. 19,748 (Rs. 18,718).

Accounts in Brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	26,02,628
Debentures ...	5,00,000	Stores, coal and fuel ...	4,29,640
Reserves ...	10,71,148	Tools and instruments ...	38,116
Provision for taxation ...	40,000	Other assets	1,56,752
Liabilities ...	15,31,520	Debts, deposits and advances ...	81,981
Profit and loss account ...	59,748	Investments	1,46,586
		Cash ...	5,46,713
Rs.	40,02,416	Rs.	40,02,416

New Manbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1955.

The revenue account shows a profit of Rs. 29,820 (loss of Rs. 1,602) as a result of the half-year's working, and after debiting and crediting sundry items, there is a gross loss for the half-year of Rs. 25,330 (Rs. 52,592). After adjusting this and other sundry items in respect of the previous half-years amounting to Rs. 18,863 against the balance brought forward from the previous half-year, the profit and loss account shows a debit balance of Rs. 7,767. This amount has been adjusted against Rs. 10,000 an amount transferred from general reserve, leaving a net credit balance of Rs. 2,233 (Rs. 2,485 after adjustments) on profit and loss account to be carried forward.

Raisings and despatches:—The raisings for the half-year under review amounted to 57,768 tons, despatches being 51,847 tons. This compares with 70,480 tons and 57,522 tons respectively for the previous half-year and with 62,220 tons and 61,393 tons respectively for the corresponding half-year in 1954.

Prospects:—Reorganisation of the Colliery through introduction of a stowing scheme is now under consideration. The directors are pleased to report that the Coal Board has agreed to provide the Company with certain items of plant and machinery for stowing valued at Rs. 2,50,000, on what amounts to hire purchase terms. The draft of the agreement to be executed, is now being examined by the Company's Solicitors.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	11,47,019
Reserves ...	75,000	Stock of coal	54,901
Liabilities ...	11,71,257	Stores ...	1,88,270
Profit and loss account ...	2,233	Other assets	76,046
		Debts, deposits and advances ...	3,41,807
		Investments	36,936
		Cash ...	3,511
Rs.	18,48,490	Rs.	18,48,490

Anandam Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs: A. V. George & Co. Ltd., Kottayam) submit the audited accounts of the company for the year ended 31st December 1955.

Estates.—Both Pookulam and Kannambra Estates are reported to be in good condition.

Crop and Prices—Tea.—Tea crop harvested during the year was 2,34,003 (2,05,610) lbs. at an estate cost of 112.17 (108.03) cents per pound against an estimate of 2,10,000 lbs. at 129.14 cents per pound. The crop estimated for 1956 is 2,30,000 lbs. at 126.29 cents per pound. The tea was sold at an average price of 172.92 (262.5) cents Re. 1-11-8 (Rs. 2-10) per lb. *Rubber:* The rubber secured during the year was 1,20,724 (1,16,420) lbs. at 61 (57.34) cents per pound. The crop estimated for 1956 is 1,35,000 lbs. at 82.37 cents per pound. The average price realised for rubber is 143.1 (125.75) cents per pound. The controlled price of rubber was increased by Rs. 12 in February 1955 and Rs. 5-12 in September 1955, the latter to compensate for the increase in excise duty introduced from August 1955.

The net profit after providing for managing agents' commission, depreciation, taxes, etc., Rs. 1,00,817 (Rs. 1,64,341) to this has to be added the balance from last year Rs. 34,979 (Rs. 30,637) making a total of Rs. 1,35,795 (Rs. 1,94,979). After deducting preference dividend for 1955 paid in February 1956 Rs. 17,500 (Rs. 17,500) there is a balance of Rs. 1,18,295 (Rs. 1,77,479). The directors now recommend to pay 25 (25) per cent. dividend on the ordinary shares absorbing Rs. 62,500 (Rs. 62,500) and transfer to reserve for capital expenditure Rs. 20,000 (Rs. 80,000) leaving a balance of Rs. 35,795 (Rs. 34,979) which is proposed to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	9,78,678
Debentures ...	78,800	Stock-in-trade ...	67,546
Reserves ...	4,70,000	Stores and spare parts	16,134
Provision for taxation ...	87,796	Other assets	2,075
Liabilities ...	72,465	Deposits and advances ...	12,307
Profit and loss account ...	1,35,795	Investments ...	81,238
		Cash	1,86,878
Rs.	13,44,856	Rs.	13,44,836

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

Notice

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

METTUR DAM R.S.

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Annual General Meeting of the Members of the above Company will be held at the Registered office of the Company at Mettur Dam R.S., on Monday, 3rd September 1956, at 4 p.m., for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and audited Balance Sheet as at 31st March 1956.
2. To declare a Dividend.

   (The Board of Directors have recommended payment of a final dividend of 3 per cent. tax-free on Preference Shares and 4⅜ per cent. tax-free on Ordinary Shares bringing the total for the year to 6 per cent. tax-free and 7½ per cent. tax-free respectively.)
3. To elect Directors in place of those who retire in rotation and/or otherwise.
4. To appoint Auditors for the year 1956-57 and fix their remuneration.
5. To pass special and ordinary resolutions as per notice annexed to the Balance Sheet.

By Order of the Board,
SESHASAYEE BROTHERS PRIVATE LTD.,
Managing Agents.

METTUR DAM R.S.,
DATED 18*th July* 1956.

Note: (1) The Register of Members and the Share Transfer Books of the Company will remain closed from 20th August to 3rd September 1956 both days inclusive.

(2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

SUN-POWERED RADIO

The world's first commercial sun-powered radio receiving set has been put on the market in the United States. Its makers are the Admiral Corporation, a leading radio and television set manufacturer. The radio is a sleek, tubeless portable model, which can be powered by the sun, by batteries, or even by a small electric light bulb. Electricity from the sun is obtained by the use of a "Sun Power Pak." The Pak plugs into the back of the radio cabinet and converts the sun's rays into electrical energy. The principal element in the sunshine-harnessing device is pure silicon. It contains 32 cells, or thin wafers, made of this material. In this respect, it resembles the sun-powered battery which was produced in 1954 by the Bell Telephone Company. The new solar radio contains six transistors in place of vacuum tubes. Transistors are tiny devices, about the size of a pea, which perform many of the functions of a vacuum tube, such as amplifying sounds. They are much smaller than vacuum tubes, however, and require much less electricity to operate. It is claimed that there is nothing to wear out since the new radio has no moving parts.

GRAND AUCTION SALE

Under instructions from the Director of Supplies and Disposals, Bombay. On 31-7-1956 at 10-30 A.M. at Holding Depot, Haji Bunder, Bombay—Bridges Reamers, Counter Sinks etc., etc.

For further particulars please contact:—

M/s. Shankar Ramchandra & Bros.

Government Auctioneers,
128, Mahatma Gandhi Road, Poona 1
Telephone No. 2508 Grams: "FURNISHERS"

QUESTION HOUR IN PARLIAMENT

Foreign Aid

THREE countries—the U.S.A., the U.K. and the U.S.S.R.—have offered to advance loans and export credits to India to finance the second Five-year Plan. A loan of about Rs. 40 crores has been authorised by the U.S.A. to be utilised for the purchase of commodities and equipment for development purposes. Out of this, a sum of about Rs. 38 crores is still to be drawn. The loan is repayable over a period of 40 years in half-yearly instalments. The rate of interest will be 4 per cent. per annum, if repaid in rupees, and 3 per cent., if repaid in dollars. The United Kingdom has offered to advance Rs. 20 crores for the setting up of the Durgapur steel plant and an export credit to the extent of Rs. 15 crores for the same purpose. The U.S.S.R. has promised an export credit of about Rs. 63 crores for the setting up of the Bhilai steel plant. In addition to the above, as in previous years, considerable amounts have been offered by the U.S.A. and some Commonwealth countries as grants. The International Bank for Reconstruction and Development has also authorised loans for certain projects under the first Five-year Plan (the Damodar Valley Corporation, the Indian Iron and Steel Company, the Trombay Hydro-electric Works and the Industrial Credit and Investment Corporation of India). The balance of these loans left over for utilisation during the Plan is about Rs. 26 crores. The Bank has also agreed to authorise a further loan of about Rs. 36 crores for the Tata Iron and Steel Company's expansion scheme. We accept loans from friendly countries when no political strings are attached to them. There is no distinction between one country and another.

—*B. R. Bhagat*

Cement Imports

Till the end of June this year, a total of 13,300 tons of cement had been imported from Rumania, West Pakistan and East Pakistan. Negotiations are now going on for the import of about 190,000 tons of cement from the U.S.S.R., Rumania, Yugoslavia, Poland and Japan. The estimated demand for cement is of the order of 10 million tons every year. The indigenous capacity of production is expected to rise from 5.3 million tons to 6 million tons per year by the end of March next year. It is anticipated that the country will be able to import some 800,000 to 800,000 tons of cement. Therefore, it will not be possible to satisfy all the demands for cement. India's efforts to buy cement which Burma has received from the U.S.S.R. have failed.

* * * *

Illegal Futures Trading

The Forward Markets Commission will soon set up an Inspectorate to detect illegal futures trading in various parts of the country and to assist State Governments in taking action against defaulters. Action has been initiated against over 100 people for carrying on unlawful forward trading. It is, however, not in public interest to disclose the names of the markets in respect of which allegations are now under investigation. In order to discourage the tendency to resort to illegal practices, the number of recognised markets for different commodities has been suitably increased to provide adequate facilities for forward trading.

* * * *

Tea Consumption

The consumption of tea in India increased from 175 million lbs. in 1952-53 to 183 million lbs. in 1954-55. The area under tea cultivation during the period expanded from 787,378 acres to 789,471 acres.

—*T. T. Krishnamachari*

Metric System

The Union Government has not yet decided on the date for the introduction of the metric system of weights and measures in the country. Proposals in this connection will be placed before Parliament during the current session.

—*Nityanand Kanungo*

Oil Refinery in Public Sector

A decision on the proposal to set up an oil refinery in the public sector will be taken up shortly. Questions as to when and where it will be located and the extent to which private enterprise will be allowed to participate in the venture are all under the Government's consideration at present. Senior technicians of the Standard-Vacuum Oil Company will soon be in India to give lectures to geophysicist apprentices. The 77 apprentices whom the Government proposed to train will suffice to meet the requirements in the first phase of the Plan. The Assam Oil Company has envisaged the possibility of the Naherkatiya oil wells in Assam yielding one million tons of oil per year for the next 20 years. Out of nearly 1,000 wells drilled in the Digboi area and 13 in Naherkatiya area, 580 in Digboi and nine in Naherkatiya are at present producing crude oil.

—*K. D. Malaviya*

Profits of Oil Refineries

There is no intention to place any restriction on the profits made by the oil refineries in Bombay. But the question of price fixation for motor spirit requires Government's approval. The profits made by the refineries will be taken into consideration while fixing the prices. Whatever contractual obligations have been entered into by the Government with the refineries will remain. There is no finality with regard to prices and the situation is always under review from time to time. Wherever it is found that the situation requires intervention by the Government, the Government will not hesitate to intervene. As transport is very important, it is the Government's policy to ensure that supplies of oil are made available in all parts of the country at prices which are not excessive.

—*Sardar Swaran Singh*

Flood Control

The latest position in regard to the scheme submitted by the West Bengal Government on flood control and the development of Sunderbans and 24 Parganas is that provision cannot be made for the scheme under flood control allocation. The Government of West Bengal has been told that it may provide for the scheme partly through readjustment of the Plan under the ceiling that has been sanctioned and partly through assistance from the Union Government under the heads of rehabilitation and reclamation.

—*G. L. Nanda*

Indus Water Dispute

India has not actually agreed to the World Bank's latest plan to settle the Indus waters dispute between India and Pakistan, but has suggested in its reply to the Bank's *aide memoire* that, if any co-operative work is to proceed, it should proceed on the basis of the proposals made in 1954. The features of the new scheme outlined in the *aide memoire* of the Bank can be disclosed only by agreement amongst all parties concerned.

* * * *

Electric Supply

There was a 12.5 per cent. increase in the generation of electricity in India during 1955 as compared with that of 1954. About 9.577 million kw.h. of electricity were produced during 1954.

* * * *

Flood Control

The details of the flood protection measures in North Bihar are: As regards Kosi, 114.5 miles of embankments, out of which 20 miles are in partial section about the high flood level, were constructed during the last two working seasons. Of these, 54.5 miles were taken up in the 1954-55 working season and 60 miles in the 1955-56 working season. In other places of North Bihar, about 440 miles of embankments were constructed during the last two working seasons. Of these, about 235 miles were completed in the 1954-55 working season and about 205 miles in the 1955-56 working season. Except for minor damages to the small bunds constructed along the Bagmati near Sugia Pardesoa, the embankments constructed so far are withstanding this year's floods well. The embankments constructed along the Kosi have afforded protection against floods to about 1 million acres of land and the other embankments to an area of about six lakh acres in North Bihar.

—*Jaisukhlal Hathi*

Western Shipping Corporation

The Western Shipping Corporation, which will begin its operations from 1st October 1956, will function along the India-Persian Gulf, India-Red Sea, India-Poland and India-Russia routes. If there are any Conference lines already operating along these routes, the Corporation will become a member of such line.

* * * *

Steamer Fares

A 10 per cent. increase in the existing steamer passenger fares along the Konkan Coast has been recommended by a Government-appointed Board.

* * * *

India-Tibet Link Road

It will take about five years to complete the India-Tibet link road in all respects up to Chini and another five years up to the Tibet border. Each section of the road is being opened to vehicular traffic as soon as it is able to take traffic. So far, the road has been opened to vehicular traffic up to Rampur. A sum of Rs. 71.26 lakhs had been spent on the project till the end of February this year.

—*O. V. Alagesan*

Food Imports

The Government purchased from the internal market 123,500 tons of foodgrains in 1955 at a cost of Rs. 2,985 crores and, in 1956, 22,100 tons valued at Rs. 1,051 crores. Imports of foodgrains aggregated 378,700 tons, valued at Rs. 15,641 crores, besides 15,000 tons of wheat taken on loan from Pakistan. At the beginning of July, the Central godowns in various States had 248,700 tons of rice and 54,000 tons of wheat. There was also a total stock of 115,300 tons of foodgrains with the different State Governments.

* * * *

Damage by Kosi

About 250,000 acres of culturable and unculturable land were flooded by the Kosi River last month. A population of about 300,000 was affected by the floods.

—*A. P. Jain*

Aerodrome Near Hubli

The site for an aerodrome near Hubli has been selected and the work of construction will start after the necessary land is acquired. The site is midway between Hubli and Dharwar. The aerodrome, estimated to cost Rs. 18 lakhs, is expected to be completed in 18 months.

—*Jagjivan Ram*

Bhavnagar Refinery

After examining a proposal for a refinery at Bhavnagar, the Government has come to the conclusion that it should not be pursued at present.

* * * *

Small Collieries

A report of the committee enquiring into the question of amalgamation of small collieries is expected to be ready by the end of next month. The report was to have been submitted last month. But, since many of its sub-committees studying special aspects of the problem have not concluded their work, the time for the submission of the report by the main committee has been extended.

—*K. C. Reddy*

Burmah-Shell Refinery

While there is no Indian participation in the ordinary share capital of the Burmah-Shell Oil Refinery, debentures of the value of Rs. 8 crores have been issued in India and preference shares of the value of Rs. 2 crores are about to be issued.

COTTON

(*Concluded from page* 166)

originally for the central districts of E. Punjab, where it displaced *deshi* cotton, and is now spreading to Ferozpore district, where it is displacing L.S.S. H.14 is a better strain approved for distribution in the Hariana tract.

Although after the partition particular emphasis was laid on the improvement of American cotton, the *deshi* styles were not neglected. The improved *deshi* strains now being grown are Mollisoni 39 and Mollisoni 60A2. Though they are good yielders and possess high ginning percentage, they are short-stapled and are capable of spinning only 6-8 counts. A new improved strain, namely, 231 Rosea, has been evolved and it is proposed to cultivate it in areas where American cotton cannot be profitably grown.

It is clear from the above account that much progress has been made in evolving improved strains of American cotton. The evolution of 216F and 320F has disproved the prevailing notion that American cotton is unsuitable for cultivation over the major part of the Punjab. Today, both these strains together account for 60 per cent. of the total acreage under cotton in the State. Efforts are also directed towards development work like distribution of manure, propaganda for the adoption of improved methods of cultivation and pest control. As a result of these combined efforts, the Punjab has emerged from the position of being a predominantly *deshi* cotton area to be a region growing largely American cotton, as is shown by the table below:

E. Punjab—Area and Output of Cotton

Year	Area (in thousand acres)		American cotton in percentage to total	Production (in thousand bales)		American cotton in percentage to total
	Total (acres)	American cotton (acres)		Total (bales)	American cotton (bales)	
1948-49 ..	238	44	14.3	78	17	21.8
1949-50 ..	321	88	24.3	155	50	32.3
1950-51 ..	440	153	34.8	191	82	42.0
1951-52 ..	504	208	41.3	226	103	45.8
1952-53 ..	509	266	52.3	278	163	58.6
1953-54 ..	588	373	63.4	365	252	69.0
1954-55 ..	759	575	75.8	440	350	79.5

It may be noted that the area and production of cotton in 1954-55 were respectively 3.2 and 5.6 times those of 1948. The increase in area and production of American cotton is even more marked, being respectively 13.1 and 20.6 times those of 1948. This is clear proof of the remarkable progress made in improving the cotton position in the State. But it has much leeway to make up, in order to regain its former pre-eminent position in the country's cotton economy. In 1954-55, it occupied the seventh position in respect of acreage and the third position in respect of production. But it has the distinction of producing the highest yield per unit area, namely, 243.3 lbs. of lint per acre, as against the all-India average of 90.5 lbs. Thus, the Punjab occupies at present a position of no mean importance in the cotton economy of the country.

What is more, the future seems to hold out more fruitful promise. It is estimated that the Bhakra dam project will provide, on completion, irrigation facilities to 4.2 million acres in the Punjab. Out of this, about 600,000 to 700,000 acres are likely to come under cotton. It is envisaged that, within the next ten years, the Punjab will be able to produce over a million bales of cotton, thus becoming a leading cotton-growing region in India. Under the various schemes of the Indian Central Cotton Committee, cotton-breeding work is believed to be progressing satisfactorily and there is every likelihood that strains better than the existing ones will be evolved.

MONEY RATES UNCHANGED

(*From Our Own Correspondent*)

BOMBAY, 25*th July*

The short-term money market was a little active during the week under review and the turnover was slightly larger, despite the heavy withdrawals for subscription to the Government of India loans in the previous week. This was due to a sizable influx of funds from mofussil centres, but all available supplies were quickly absorbed. There was, therefore, no notable change in interest rates.

Inter-bank call money was done at 3 to 3½ per cent., much of the business having been put through at the higher rate. House money at call was bid at 3½ per cent. Short-term deposits were placed at 3½ per cent. for one to three months and 3¼ to 3⅜ per cent. for four to six months.

A shrinkage of Rs. 14.58 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 20th July 1956. With this decline, the contraction for the last two weeks is of the order of Rs. 22.49 crores. Notes held in the Banking Department have also declined by Rs. 4.16 crores, so that the fall in total notes issued is Rs. 18.75 crores. This is covered by a withdrawal of Rs. 10 crores each in foreign securities and rupee securities and a rise of Rs. 1.25 crores in rupee coin. In the Banking Department, there has been an increase of Rs. 31.39 crores in deposits of the Central Government, obviously due to subscriptions to the new loans, and of Rs. 6.75 crores in those of other Governments. Deposits of banks are slightly up by Rs. 36 lakhs. On the assets side, a rise of Rs. 6.33 crores is noted in balances held abroad. Loans and advances to Governments have gone up by Rs. 1.32 crores and other loans and advances by Rs. 16.13 crores. Of the latter, outstanding advances to Scheduled banks against usance bills alone account for Rs. 4.33 crores. Investments have gone up by Rs. 21.88 crores.

The Scheduled banks' statement for the week ended 13th July 1956 shows a rise of Rs. 1.77 crores in demand deposits and of Rs. 1.46 crores in time deposits. Inter-bank borrowings also are higher by Rs. 3.18 crores, while borrowings from the Reserve Bank are lower by Rs. 6.31 crores and those from the State Bank by Rs. 1.20 crores. Advances reveal a decline of Rs. 6.34 crores and bills purchased and discounted of Rs. 2.14 crores. Investments are lower by Rs. 91 lakhs. No notable variation is seen in cash balances, while balances with other banks in current account have declined by Rs. 41 lakhs; money at call and short notice have risen by Rs. 1.97 crores.

The details of subscriptions to the new Central Government loans, the list for which was closed on Wednesday last week after they were fully subscribed, show that the loans have proved to be an outstanding success. The overall subscriptions amounted to Rs. 157.73 crores, of which Rs. 80.52 crores were in the form of conversion of 3 per cent. 1957 loan and the balance in cash. 3½ per cent. 1974 turned out to be most popular with investors, the total subscriptions for the same at Rs. 66.64 crores, being the largest as compared with the other two issues. The short-dated 3½ per cent. 1962 came next with Rs. 57.27 crores. The medium-dated 2¼ per cent. 1967 attracted no more than Rs. 33.82 crores. Details of cash and conversion offer for each of the loans are not available.

The success of the loan had no bullish effect on the Gilt-edged market during the week under review. On the other hand, a subdued undertone followed. Business was negligible, in the absence of any interest. 3 per cent. 1957 was unchanged at Rs. 99-13 and 3 per cent. 1958 at Rs. 99-10. 3 per cent. 1959-61 was on offer at Rs. 98-2. 3 per cent. 1963-65 was placed an anna lower at Rs. 95-1. 3 per cent. 1964 was, however, an exception with a rise of one anna to Rs. 95-1. 3 per cent. 1966-68 was marked down by an anna to Rs. 93-3 and 3 per cent. 1970-75 to Rs. 90-5. 3 per cent. 1986 Conversion Loan shed an anna to Rs. 96-10. The new loan 3½ per cent. 1962 was quoted at its issue price, Rs. 98. 3½ per cent. 1961 declined by an anna to Rs. 99-8, as also 3½ per cent. 1964 to Rs. 98-11. 3½ per cent. 1965 was unchanged at Rs. 98-10. The new 3½ per cent. 1967 and 3½ per cent. 1974 were placed at their issue price, namely, Rs. 98-8.

In the foreign exchange section, the rupee displayed renewed weakness in terms of the U.S. dollar during the week under review, in consonance with the similar trend shown by sterling abroad. Banks' selling rate of ready dollars rose from Rs. 478¼ to Rs. 479¼ per $100 and their buying rate from Rs. 474¼ to Rs. 475¼ per $100. In New York, spot sterling weakened from $2.79⅜-2.79⅞ to $2.79.5/16.-2.79.7/16, and three months' forward from $2.78.3/16-2.78.5/16 to $2.77⅜-2.77⅝. Transferable sterling declined from 277.35-277.45 cents to 277.15-277.25 cents.

KIPS FIRM

(*From Our Own Correspondent*)

MADRAS, 23*rd July*

Kip prices remained firm, as sellers were unable to fall in line with importers' lower price levels. E.I. tanners felt that, as arrivals next month would be less and selections poorer, the market, especially for top grades, would be firmer. There was no change in cow calf, buff calf and buff hides prices.

Owing to good enquiries from Japan and the Continent, prices of semi-prime and lining sheep skins advanced appreciably and shippers were active buyers in the market. U.K. demand for prime and semi-prime sheep skins was also in evidence. In the tanned goat market, 11/12 lbs. run was on request and 8/9 lbs. was also enquired for, while 5½/6 lbs. was neglected unless at a low price. Lower grades were difficult of sale.

BULLS PAY MARGIN IN GOLD

(*From Our Own Correspondent*)

BOMBAY, 25*th July*

The two sections of the bullion market displayed contrasting trends during the week under review. While silver remained subdued, gold ruled firm. A notable feature of the week's trading, however, was the steady rise in carry forward charges in favour of bulls in both the metals. In gold, however, the bulls had to pay margin twice during the week. On Thursday last, they had to pay Rs. 7 per tola as the *budla* in their favour rose above As. 12. Yesterday again, they had to pay a heavier margin of Rs. 25 per tola as the *budla* crossed Re. 1-8.

The quiet tone in silver was due to rumours that bulls would not be able to take delivery of all the bars which the bears had arranged to give at the current settlement. Large arrivals of unrefined metal, the report from Kalimpong contradicting the earlier news that the Chinese authorities had restricted the export of Tibetan coins to India, and rumours that there was the possibility of the Reserve Bank taking steps to curb rise in bullion prices were additional factors which affected sentiment in silver.

The strength of gold was due to bull grip over the metal on helpful advices from the ready section, where the offtake was encouraging.

Forward silver (25th July settlement) receded from Rs. 172-4 to Rs. 171-2. In the next settlement, the decline was more precipitate, having dropped from Rs. 171-5 to Rs. 168-11 before closing at Rs. 169-4.

Ready silver (.996 Mint) moved down from Rs. 172-9 to Rs. 171-1, but closed a shade better at Rs. 171-10. The floating stocks of silver are estimated at 1,300 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (24th July settlement) crept up from Rs. 100-7 to Rs. 102-10, before the settlement ran out yesterday at Rs. 102-5. The August settlement moved up from Rs. 99-14 to Rs. 101, but closed at Rs. 100-12.

Ready gold gathered strength from Rs. 100-14 to Rs. 102-12 before finishing at Rs. 102-6. The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 2,500 tolas, while the offtake was 3,000 tolas.

In London, silver prices were unchanged at 78¾*d.* for spot and 78¾*d.* for forward. Gold, however, displayed considerable strength again with a rise from 250s. 2½*d.* to 250s. 7½*d.* In New York, silver was unchanged at 90½*c.*

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

	25-7-56	Highest	Lowest	17-7-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (99 fine Mint)	102 6	102 12	100 1	100 14
Forward*	100 12	101 0	99 15	99 14
Sovereign	66 12	66 12	66 10	66 8
SILVER				
Ready†(.996 fine Mint) ..	171 10	172 14	171 1	172 9
Forward†	169 4	170 11	168 11	171 5
London Silver Ready ..	78¾*d.*	—	—	78¾*d.*
London Forward	78¾*d.*	—	—	78¾*d.*
London Gold	250*s.* 7½*d.*	250*s.* 7½*d.*	250*s.* 2½*d.*	250*s.* 2½*d.*
New York Ready	90½*c.*	—	—	90½*c.*

* 22nd August settlement.
† 23rd August settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

SUGAR BEARISH

(*From Our Own Correspondent*)

BOMBAY, 25*th July*

A distinctly bearish trend was in evidence in the sugar market during the week under review. While buying enquiries, especially from Malabar side, continued to be slack, arrivals of indigenous sugar were considerable, thanks to improved booking facilities. The total arrivals during the week aggregated 18,800 bags, as against 9,700 bags a week before and 9,600 bags two weeks before. Traders expected that the arrivals in the coming weeks would be larger still, as a result of the usual monthly release of sugar for sale in the free market.

Spot medium grain indigenous sugar was subjected to selling and dropped Rs. 2 to Rs. 91-Rs. 93 per bag. Small grain declined by a rupee to Rs. 89. Bold grain lost a like amount to Rs. 96-Rs. 102. British refined sugar was quiet at Rs. 89 per bag of 2 cwts.

In the forward section, *Shravan* delivery contract for 'C' grade sugar receded from Rs. 92-10 to Rs. 92 per bag.

It is understood that the Union Government has not so far approved of the nomination of the Bombay Sugar Merchants Association's President as a Member of the Development Council for the Sugar Industry. Meanwhile, the Food Ministry is reported to have urged the two sugar associations in the city to amalgamate themselves into one single body. Fresh moves are afoot to bring about such an amalgamation. Recently, there was a joint meeting of the representatives of the two bodies with the Forward Markets Commission.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

COTTON FUTURES REACT

(*From Our Own Correspondent*)

BOMBAY, 25*th July*

The week under review was a short one for the cotton futures market which remained closed on the 19th, 23rd and 24th inst. During this brief period, the market presented an irregular trend. Thus, the market ruled distinctly firm on Friday, but developed a reactionary tendency on the following day which gathered momentum today. Friday's firmness was aided by fears of damage to cotton crop on account of heavy rains in North Gujarat and Khandesh cotton-growing tracts. Buying support ensued, as a consequence, and cotton futures prices moved upwards. On Saturday, however, the market came under the pressure of selling induced by favourable weather reports. This, coupled with heavy profit realising, led to a break in values. The recession was carried a stage further today, thanks to speculative selling. The closing rates were lower than those at the end of last week.

Jarilla Contract (March 1957) which stood at Rs. 666-12 last week-end advanced on short-covering to Rs. 671-8 on Friday. The hammering by bear speculators brought the quotation down to Rs. 662 today. It was, however, a shade better at Rs. 663-8 at the close. Vijay Contract (April 1957), after rising from Rs. 816-8 to Rs. 820, receded to Rs. 810 the next day. After recovering to Rs. 812-8, it finished lower at Rs. 805-8.

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

(In rupees per candy of 784 lbs.)

	25-7-56	*High*	*Low*	18-7-56
Jarilla (March) ...	663½	671½	662	666½
Vijay (April) ...	805½	820	805	816½

The spot cotton market presented quiet conditions. Turnover was limited and values moved narrowly. Current crop staple varieties evoked some enquiries. The foreign section was very dull. Some transactions were reported in East African and new crop Uganda but at lower prices. As regards American cotton import under Public Law 480, the shipment period (stipulated up to 31st October 1956) was considered to be too short to permit adequate purchases of new crop U.S. cotton by Indian mills. There were rumours of representations being made to the authorities to extend the period by two more months.

The following are the latest available rates from the spot market at Sewri:

Bengal *Deshi* Rs. 620; Berar Jarilla Rs. 760; Khandesh Rs. 770; Vijay Rs. 960; Oomra *Deshi* Rs. 675; Moglai Rs. 680. Delivery contracts: Khandesh Rs. 197/3 December Rs. 130 and Berar December Rs. 112 on Jarilla; 320F December Rs. 65 on Vijay; Vijay 13/16" February-March Rs. 46 on Vijay.

The Karachi cotton futures market continued to rule bearish during the major part of the week under review, but staged a perceptible recovery yesterday. The bearish trend of the market was due to considerable slackness in demand from overseas interests, thanks to the U.S. cotton policy. Selling, therefore, gathered momentum and cotton prices moved further downwards. Yesterday, however, the market picked up strength, as low levels of prices attracted support, and prices recovered. Not only were the earlier losses fully recovered but the closing quotations stood higher than those at the end of last week. N.T.R.G. July delivery dropped Re. 1-6 to Rs. 76 on the 23rd inst., but recovered to Rs. 77-10 on the following day. January delivery, after receding from Rs. 73 to Rs. 72-8, improved to Rs. 73-3. Conditions in the spot market were distinctly irregular, the general trend being easy. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *deshi* 102; Punjab *deshi* 95; 4F Punjab R.G. 78-14, S.G. 80-10; L.S.S. Punjab R.G. 81-10; S.G. 85-2; N.T.R.G. 80-2; S.G. 82-14; 289F Punjab R.G. 86-14; S.G. 93-6.

Easy conditions prevailed in the Alexandria cotton futures market this week, in distinct contrast to the firm tone noted last week. Traders expected that Egyptian cotton would have to meet with growing competition from U.S. cotton in world markets, following the possibility of the latter being offered at lower rates. They were, therefore, inclined to reduce their commitments and prices suffered a break. The decline would have been more marked but for lower ideas of the 1956 cotton crop and fears of late deliveries owing to earlier bad weather. The Egyptian Ministry of Agriculture has placed the acreage of 1956 cotton crop at 1,652,877 feddans, as against 1,816,000 feddans in 1955.

The latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market, with last week's rates given in brackets, are Karnak: July 104.00 (110.00); November 100.05 (101.85); January 96.40 (98.80); Ashmouni: August 71.75 (73.50); October 70.40 (73.45).

For the second week in succession, the Liverpool cotton futures market ruled easy. Business was slow. There was hedge selling in mixed growths contract which led to a fall in prices. The Egyptian contract was inactive, Distant Sudans came under hedging pressure and suffered losses, but near delivery evoked some trade buying. The following are the latest available quotations—in pence per lb.—from Liverpool:

Old contract: July-August 24.00; *new contract*: July-August 27.20; October-November 24.35; December-January 23.55; March-April 23.35; May-June 23.37; July-August 23.15. *American mixed growth contract*: October-November 24.45; December-January 23.45; March-April 23.25; May-June 23.15. *Egyptian Karnak cotton*: July-August, November-December and January-February 54.05. *Sudan contract*: July-August 47.03; September-October 46.30; November-December 44.80.

The reactionary tendency that developed in the New York cotton futures market towards the closing sessions last week gathered further momentum during the week under review. The sentiment of operators was adversely affected by a further downward adjustment in spot cotton values, generally favourable advices and continued quiet conditions in the textile market. These factors let loose persistent hedge selling in December and March positions, which, together with scattered liquidations, resulted in a break in values.

Of the bids received on the 10th inst., the Commodity Credit Corporation accepted 393,629 bales, bringing the total sold under the new export sales programme till that date to 2,865,373 bales. The average price obtained was slightly over 25 cents (basis Middling 15/16") which was 12 points more than the minimum price. On Monday, the 23rd inst., the U.S. Department of Agriculture commenced delivery of export cotton purchased by shippers. The delivery is subject to the condition that the buyers must agree not to ship this cotton abroad or to domestic mills before 1st August 1956, as specified in the export programme. Meanwhile, the rumours of a change in U.S. cotton sales policy have been denied. The spokesmen of the Agriculture Department are reported to have stated at Washington the other day: "We have no information about a report which quotes the Secretary of Agriculture, Mr. Benson, as saying that he has no intention of selling C.C.C. surplus cotton below 25 cents per pound basis middling 15/16 inch." It is reported that the U.S. Senate has passed a proposal to increase the Public Law 480 authorisation by $1.5 billion and permit the sale of cotton and other surplus commodities to Iron Curtain countries at competitive prices. It is also stated that, under the proposal, barter for strategic materials is also permissible. The Senate is said to have voted for increasing the C.C.C.'s capital from $12 billion to $14.5 billion, in view of the need for funds to operate the Soil Bank. Grants for 130,000 bales of cotton to Japan and 167,000 bales to Spain have been announced under Public Law 480. The authorisation of further funds by the Congress for 300,000 bales granted to India is awaiting passage by the Senate.

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

(In cents per lb.)

	24-7-56	17-7-56	10-7-56
Spot	34.30	35.90	36.55
October	32.32	32.50	32.58
December	32.42	32.62	32.60
January	32.46	32.70	—

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 25*th July*

The yarn market functioned for only three days, as it remained closed on Thursday (*Baker Id*). Monday (Tilak Day) and today as a mark of sympathy to the victims of the Anjar earthquake. During these three days, the market put on a very dull appearance. Operators were greatly distressed at the calamity caused by earthquakes in Kutch State and widespread floods in several parts of North India and were in no mood to do business. Consequently, transactions were limited, with fluctuations in values confined to a narrow range.

Section-wise, cotton yarns were comparatively firm on reports that Burma had invited offers for supply, on cash basis, of cotton yarn for positive shipment by the end of next month, the quantities and types of yarn specified being, respectively, 2,000 bales of 1/20s grey, 2,000 cases each of 2/64s and 2/82s, 300 cases of 1/40s mercerised and 200 cases of 2/42s. Rayon yarns were, however, easy on expectation of large arrivals of imported yarn in the coming weeks. This expectation is based on two factors. First, the licences granted to actual users as well as established importers for the import of art silk yarn during July-December 1956 have been made valid for the import of acetate yarn of 120 and/or 150 deniers of bright finishes up to 5 per cent. of the face value of the licence. The total value of import of these two deniers should, however, not exceed 5 per cent. of the face value of the licence. It is also notified that rayon yarn licences granted for July-December 1956 might be utilised for the import of dull acetate yarn of any deniers without any face value restriction. Secondly, the issue of import licences to actual users of rayon yarn is likely to be decided in the next few weeks. The Silk and Art Silk Mills' Association, Bombay, is reported to have urged the Government to revise upwards the basis of yarn values for granting bulk licences from Rs. 6-Rs. 7 per loom per shift to Rs. 9. Staple fibre yarns lacked support.

In the cotton yarn section, ten counts were somewhat favoured at higher levels. Moderns and Podars picked up As. 4 each to Rs. 14-12 and Rs. 14-8, respectively. Elphinstones hardened by As. 2 to Rs. 14-2. Among 20s, Moderns rose by As. 3 to Rs. 18-8. Hinds gathered As. 2 to Rs. 14-2. Among 40s, Minaxis gained As 2 to Rs. 28-4. Moderns and Gokaks were both unaltered at Rs. 28, as also Maduras at Rs. 28-10. Deals in 80s were put through in 80s Elphinstones which advanced by a rupee to Rs. 67-8. Moderns improved by As. 8 to Rs. 69, but Seksarias receded by As. 8 to Rs. 53-8. Among 60s, Raghuvamshis gained As. 4 to Rs. 57-8, while Moderns were quiet at Rs. 61-8 and Finlays at Rs. 61.

Snia rayon yarn (120 deniers) for August delivery shed Rs. 3 to Rs. 777. October delivery was quiet at Rs. 787. Among spot yarns, 120 Italy lost half an anna to Rs. 3-12-2. 120 Japan and 150 Japan were lower by 3 pies each at Rs. 3-12-6 and Rs. 4-0-6, respectively. 150 Italy was dull at Rs. 3-14. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade slipped by half an anna to Rs. 3-7-3, but 120 Bt. cones 1st grade were better by three pies at Rs. 3-11. The National Rayon Corporation, it is said, has opened forward sales of yarn (July-August-September deliveries). As the offer is at prices higher than expected, buyers would appear to have not come forward with sufficient orders.

The staple fibre yarn section was easy. 40 x 2 August delivery dropped Rs. 3 to Rs. 652. July delivery was dull at Rs. 653. Among spot yarns (40 x 2), Kohinoors receded by six pies to Rs. 3-8. Citys were quiet at Rs. 3-6-9. New Greats, however, met with special buying support and gathered half an anna to Rs. 3-6-6. Centurys were also a shade better at Rs. 3-6-9.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted on the 23rd inst., as compared with those a week and a fortnight before:

	23-7-1956	17-7-1956	11-7-1956
Art Silk yarn **(per case of 200 lbs.)—**	**Rs. a.**	**Rs. a.**	**Rs. a.**
120 Dull Cone Snia Augus ..	777 0	780 0	784 0
October ..	787 0	787 0	791 0
120 Japan (per lb.)	3 12½	3 12½	3 11½
150 Japan (per lb.)	4 0½	4 0½	4 1
120 Italy (per lb.)	3 12½	3 12½	3 12½
150 Italy (per lb.)	3 14	3 14	3 14
Staple fibre yarn **(per case of 200 lbs.)—**			
40 x 2 July	653 0	652 0	634 0
40 x 2 August	652 0	655 0	—
40 x 2 New Great (per lb.) ..	3 6½	3 6	3 5
40 x 2 Century (per lb.) ..	3 6½	3 6½	3 5½
40 x 2 City (per lb.)	3 6½	3 6½	3 5
Cotton yarn **(per bundle of 10 lbs.)—**			
10s Podar	14 8	14 4	14 2
20s Hind	18 8	18 5	18 4
40s Minaxi	28 4	28 2	28 8
60s Raghuvamshi	57 8	57 4	57 4
80s Finlay	75 0	75 0	74 4

OILSEEDS INACTIVE

(From Our Own Correspondent)

BOMBAY, 25*th July*

Having remained officially closed for four days, the oilseeds market did not evoke much interest of operators during the week under review. On the two days it functioned, namely, Friday the 20th inst. and today, the business done was poor and quotations were more or less nominal. For dealers were not inclined to do any business as their sentiment was affected by the disastrous earthquake in Kutch on Saturday night which caused a large number of deaths and damage to property.

An important feature of the week was, however, the resumption of forward trading in linseed on Friday under the auspices of the Bombay Oilseeds Exchange after an interval of more than 12 years. It was inaugurated by the Chairman of the Forward Markets Commission, Mr. W. R. Nathu. The basic variety for the linseed contract is Bombay Bold and the unit of trading is 25 tons. There will be two delivery contracts, the delivery months being May and September. Provision is also made for delivery against the hedge contract at more than 30 upcountry centres. The margin system applicable to groundnuts will also apply to linseed.

Groundnut, February contract, which closed the previous week on a steady note at Rs. 130-4, and began the week at Rs. 129-8, closed today a shade lower at Rs. 130-2. The spot section, however, kept up a cheerful tone on support by crushers. Bold Fair Average Quality advanced from Rs. 32-8 to Rs. 32-12. August-September too, was better at Rs. 31-9, as against Rs. 31-5. Coramandal put on As. 12 to Rs. 33-12. Khandesh quality rose by As. 8 to Rs. 33-12. The oil section followed suit. Ex-mill was up by As. 12 at Rs. 18, and railway receipt by As. 8 at Rs. 17-12.

The castorseed section, however, reflected an easy trend during the week, on reports of a decline in prices of castor oil in the U.S. September contract opened the week at Rs. 131. On some speculative support it climbed up to Rs. 133-8. But at this stage on account of unloading by longs it came down and closed at Rs. 130. May 1957 contract too, kept the downward trend and closed the week at Rs. 114, a rupee lower than a week ago. In the spot section Madras lost As. 10 at Rs. 26-4 and Kanpur As. 12 at Rs. 25-2 over the week. Oil B.S.S. and Oil Commercial, on the contrary, recovered to Rs. 16 and Rs. 15 (inclusive of excise) from Rs. 15 and Rs. 14-2 respectively, a week ago.

Linseed May 1957 started on Friday at Rs. 25-4 and improved to Rs. 25-8. But it finished the week at Rs. 25-4. In the spot section, however, a slight improvement was in evidence. Bold delivery was higher by As. 2 to Rs. 29-4 and August-September gained As. 4 at Rs. 29-12. Linseed oil ready was quoted at Rs. 17 (with excise) as against Rs. 16 last week.

Among others, *kardi* seeds, August-September, was done at As. 4 higher at Rs. 17-12. But ready Madras (*niger*) lost As. 8 at Rs. 28-8.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	25-7-1956	17-7-1956	11-7-1956
Groundnuts—	**Rs. a.**	**Rs. a.**	**Rs. a.**
February 1957	130 2	130 4	128 6
Khandesh Quality Ready (per cwt.)	33 12	33 4	31 4
Aug-Sept.	31 9	—	—
Linseed—			
Bold Ready (per cwt.) ..	29 4	29 2	28 12
Aug-Sept.	29 12	—	—
Castorseeds—			
September	130 0	132 4	127 12
Madras (per cwt.)	26 4	26 12	25 10
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 0	17 4	17 2
Castor Oil—			
Commercial (per quarter) ..	15 0	14 2	14 0
Linseed Oil—			
Ready	17 0	16 0	16 6

WOOL WELL SUPPORTED

NEW DELHI, 21*st July*

Although the past fortnight preceded the Liverpool auctions and should normally have been a period of waiting, some buying support was, in fact, noticeable from exporters, particularly in white wools of *Dulana* quality which are in short supply. The *Asahri Tillana* wools of U.P. have started arriving in the market as a forerunner of the yellow *Dulana*, due in about three weeks; they are finding good buying support at Rs. 200 to Rs. 210 per maund.

In the Delhi market, black wool was in keen demand from U.P. handspinners and blanket weavers, mostly concentrated in Muzaffarnagar and Meerut Divisions. The American markets which had been silent about Indian wools exhibited some interest, thereby pushing up the markets by 2 to 3 cents. This interest, however, did not prove a steadying factor and the gain was practically set off by the Liverpool auctions held on 17th and 18th July, at which prices tended on the lower side.

The prices (in rupees) prevailing at Delhi on the 18t inst. are given below:

Superior white 3-3 to 3-3-6 per lb. f.o.r. Bombay.

Yellow 2-8 to 2-9 per lb. f.o.r. Bombay.

Black and dark grey 110 to 120 per maund (loose ex-market).

The prices (in rupees) of wool prevailing at Bombay on the 10th inst., the figures in brackets giving rates a fortnight before, are as follows:

Extra sup. white Bikaner 3-11-0 (3-11-0); Sup-white Bikaner 3-6-0 (3-6-0); Sup. pale yellow Bikaner 3-1-6 (3-1-6); Sup. yellow Bikaner 3-14-6 (2-14-6); Sup. white Joria 3-5-0 (3-3-0); Sup. white vicaner (Beawar, etc.) 3-4-0 (3-4-0); Sup. yellow vicaner (Beawar, etc.) 2-10-0 (2-10-0); Clipped black (Hyderabad blacks) 1-0-0 (1-0-0); Clipped grey (Poona, Hubli, etc.) 1-4-0 (1-4-0); Tannery grey (Bombay) 0-13-0 (0-13-6); and Tannery black (Bombay) 0-14-6 (0-14-0).

Bradford (U.K.) (12-7-56): Firmer merino values at Newcastle and London have brought a better tone to the market. Topmakers, who were quoting above the average, have now come into line and quotations are more uniform and firmly based at the lower level of 129*d.* for 64s warp tops. Business is quiet, but more enquiry is apparent than last week. Spinners have reduced quotations, in line with prices paid for merino tops.

London (12-7-56): At the opening of the London wool sales on the 11th inst., all descriptions met with strong demand from the home trade and the Continent. Australian greasy merinos sold freely, with broader qualities advancing upto 5 per cent. on the levels ruling at the close of the last sale on 8th June and unchanged values for the remainder. There was keen competition for greasy comebacks and fine crossbreds, which advanced by fully 5 per cent. The first sale of British wool of the current year's clip will take place at Leicester on the 25th inst. when about 2,300,000 lbs. will be offered by the Committee of London wool brokers on behalf of the British Wool Marketing Board.

Australia: At Newcastle (on the 10th inst.), the firmer tone noticeable towards the end of the Sydney sale in the previous week was confirmed. All descriptions were fully firm. The selection was better than at Sydney, though the 18,700 bales offered included a large quantity of oddments, lambs' wool and crutchings.

QUALITY TEAS ON OFFER

[*Messrs. Forbes, Ewart & Figgis (Private) Ltd.*]

COCHIN, 19*th July*

Some 1,300,000 lbs. were on offer in sale 20 which was held on Tuesday, 17th July. Quality showed a slight improvement and some of the low medium and medium teas were brighter in cup quality. Some useful high growns were also catalogued. From the outset there was a useful demand, although commonest kinds were generally easier. Improved quality low medium and medium teas were well supported and prices were firm. There was a very strong enquiry for fannings grades and, in particular, good liquoring types. These often advanced in price. Best liquoring teas met with competition and must be quoted dearer. There was a good enquiry for Middle East types. There was a strong demand for whole leaf grades at better prices. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 4 0
Low medium B.O.P.	1 5 0
Medium B.O.P.	Rs. 1-7-6 to 1-9-6
Good B.O.P.	Rs. 2-0-0 to 2-2-0
Well made black leaf O.P.	2 5 6

London Market:—*Sale of 16th July* 1956:—New seasons Dooars and teas of good appearance strong. Others, particularly commonest, 3*d.* lower.

Sale of 17th July 1956:—Market weaker.

Colombo Market:—*Sale of 16th July* 1956:—Good demand. Better sorts slightly dearer. Stalk slightly easier.

Sale of 17th July 1956:—Keen competition best quality, particularly Uvas. Otherwise, less demand; 10 to 15 cents lower.

Calcutta Market:—*Export*:—27,900 packages. Strong general demand for most types with good teas often dearer. Middle East fannings strongest feature several annas dearer, but more ordinary orange fannings neglected. Lower kinds about half to one anna lower. Darjeelings sold well and whole leaf fully firm to dearer.

Internal:—11,700 dust. Good general demand, particularly for Middle East and C.T.Cs., which were strongest feature selling at dearer rates. Mediums were fully firm. Other types irregularly one anna to As. 2 easier. 800 internal leaf. Good demand at around last rates.

Export Quota:—There has been an easier tendency for 1956-57 export quota and in Calcutta business has been done at 30 pies.

Forthcoming Auctions:—Sale No. 21 will be held on Tuesday, 24th July.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:—

"*Sale* 21:—1,500,000 lbs. Good general demand. Stronger at the bottom with improved quality. Low mediums rather higher. Medium B.O.Ps. difficult to sell. Few best liquoring keen competition, whole leaf dearer."

JUTE GOODS QUIETLY STEADY

(From Our Own Correspondent)

CALCUTTA, 24*th July*

The jute goods market witnessed quietly steady conditions during the week under review. The trend in hessians, however, was slightly better than in sackings, for the reason that there were some enquiries from a number of overseas countries, namely, the U.S., Argentina, Uruguay, the U.K. and Russia. But it had no big influence on quotations for hessians. For there was a feeling that the overall offtake might not be such as to absorb the increased production and thus to bring about any appreciable improvement in the stock position. It was pointed out in market circles that the U.S. offtake was likely to be affected adversely by the drop in automobile production, the automobile industry there being a big user of hessians. Again, although Argentina's entry was welcome, albeit late, it was said that, because of large stocks, that country's offtake this year would be much less than in previous years. Further, in the sackings section, the undertone remained quiet, in spite of the fact that Australia was in the market with a fairly large order. The fact that a part of the order had gone to Pakistan was not to the market's liking. Consequently over the week, quotation for jute goods could not go up except by a fraction.

In the hessians section, 40"×10 oz. hessians July position opened the week at Rs. 38-7 and put on only As. 2 to close at Rs. 38-9. August delivery rose by a similar fraction to Rs. 38-12. October-December delivery also improved from Rs. 38-9 to Rs. 38-11. B. twills among sackings, July delivery, improved by As. 4 to Rs. 103-8. August position was slightly better at Rs. 103-14, as against Rs. 103-8. A similar rise was also witnessed in October-December position at Rs. 104-4.

The raw jute market, too, was dull. Mills showed little interest in making actual purchases on favourable new crop reports, since they meant bigger supplies soon. Assam bottoms remained unchanged at Rs. 27 per maund, though some business was done at this rate for August delivery.

LINSEED SUPPLIES SCARCE

(Messrs. A. Bradley & Co.)

CALCUTTA, 24*th July*

Linseed prices remained almost unchanged this week. Scarcity of supplies continued to be an important factor in the market. Small enquiries were noted chiefly for ready goods, but poor offtake for oil was a discouraging feature. The oil section was generally dull, with shippers showing little or no interest, owing to lack of parity between local and overseas prices.

The latest available quotations are: Ready and July-August Rs. 22 per maund.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 23*rd July*

Quiet conditions prevailed in the foodgrains market during the week under review. Good rainfall reports all over west U.P. was the main unhelpful factor. Wheat average quality which had touched the highest at Rs. 15 and farm quality at Rs. 16, eased towards the week-end to Rs. 14-14 and Rs. 15-14, respectively. Daily arrivals were poor, the average being 150 maunds, which were hardly enough to meet the day-to-day requirements of the locality. Stocks were put at 83 *khaties*, as compared with 128 *khaties* a year before. The Union Food Minister has once again declared that the Government will not revive controls or rationing of foodgrains. The Government has decided to import 1.2 million tons of wheat this year and talks for the import of another 3 million tons are in progress. The Government would make available wheat at Rs. 14 and rice at Rs. 16 per maund whenever it is necessary to arrest grain prices.

Rice prices recorded a modest advance during the week on Bengal advices and were quoted at: *Rangooni* Rs. 19-8, *majnipuri* Rs. 20, *basmati* Rs. 25 to Rs. 32. In accordance with the recent agreement with Burma, the Government of India will import 2 million tons of rice in the next five years and negotiations for the import of rice from China and Thailand are under way. Barley and *bejhar* prices recorded gains during the week, although prices eased slightly towards the week-end, as prospects of *kharif* crop brightened due to latest rains. Sowing season having completed, *jowar* and *guwar* were not in demand and hence prices eased slightly. A heavy quantity of gram is still reaching Hapur from Punjab, but prices continue to rule steady on firm Punjab and Madras advices. Stock position of gram has swelled to 84 *khaties*. The week-end prices were: Gram local Rs. 11-12, *punjabi* Rs. 12-8,

(Continued on page 199)

Notice

THE BIRLA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at 8, Royal Exchange Place, Calcutta, on Wednesday the 22nd August 1956, at 3-30 p.m., for the following purposes:—

(1) To receive and consider the Report of the Directors and to pass the audited accounts of the Company for the year ended 31st March 1956.

(2) To declare dividends on Preference, Second Preference and Ordinary Shares.

(3) To elect Directors in place of Messrs. P. D. Himatsingka and K. L. Jatia, retiring by rotation, and in place of Mr. G. D. Kothari, retiring under Section 261 of the Companies Act, 1956.

Mr. P. D. Himatsingka, one of the retiring Directors, has already completed 66 years of age and as it is desirable to avail of his valuable advice by retaining him as a Director of the Company, the following resolution will be proposed as ordinary resolution under Section 281 of the Act, a special notice of which has been received by the Company and is also hereby given to the shareholders.

"RESOLVED that Mr. P. D. Himatsingka who has completed 66 years of age be and is hereby re-elected a Director of the Company and that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

Mr. G. D. Kothari is an associate of the Managing Agents and is retiring under Section 261 of the Companies Act, 1956. Since it is desirable to avail of his valuable advice by retaining him as a Director of the Company, the following special resolution will be proposed, a special notice of which has been received by the Company and is also hereby given to the shareholders.

"RESOLVED that Mr. G. D. Kothari, an Associate of the Managing Agents under the Companies Act, 1956, be and is hereby re-elected a Director of the Company."

(4) To appoint Auditors and fix their remuneration.

(5) As special business, to consider and if thought fit, to pass with or without modifications, the following resolutions which will be proposed as ordinary resolutions.

(*a*) "RESOLVED that the Company does hereby approve of and consent to the appointment of Messrs. Sridhar & Co. of Mount Road, Madras, as Sole Selling Agents for sale of Calcium Carbide in the areas allotted to them for a period of six months with effect from 30th May, 1956."

(*b*) "RESOLVED that consent of the Company be and is hereby given to the Board of Directors to contribute and/or subscribe from time to time to any national, political, charitable, benevolent, public or general and other funds not directly relating to the business of the Company or the welfare of its employees, such amounts as may be considered proper by it notwithstanding that such amounts in any financial year may exceed Rs. 25,000 or 5 per cent. of the Company's average net profits, as determined in accordance with the provisions of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater."

(*c*) "RESOLVED that the Company does hereby consent and authorise its Managing Agents or any associate of its Managing Agents to retain any commission or other remuneration earned or to be earned by such agents or associate as the Managing Agents, Secretaries and Treasurers, Manager, Agent, Secretary or Selling or Buying Agents of any firm, body corporate or other concern in respect of any goods, power, freight, repairs or other services for the sale, purchase, supply or rendering of which a contract has been, or is to be, entered into by such firm, body or concern with the Company, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

(6) To transact any other business which may be brought forward at the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 13th August 1956 to 22nd August 1956, both days inclusive.

By Order of the Board,

BIRLA BROTHERS PRIVATE LIMITED,
Managing Agents.

CALCUTTA, 18*th July*, 1956.

N.B.—(i) The Directors have recommended the following Dividends:—

On Preference Shares at 7½ per cent. less I.T.

On Second Preference Shares at 5½ per cent. free of I.T.

On Ordinary Shares at Re. 1 per share free of I.T.

If dividends on shares as recommended by the Directors are declared at the meeting, the Dividends will be payable only to the Registered Shareholders whose names appear on the Company's Register on 22nd August 1956. No application need be sent for dividends as relative dividend warrants will be posted to such shareholders within 3 months from the date of declaration.

(ii) A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(iii) *Explanatory statement in regard to special business to be transacted at the meeting*:

(*a*) The Company has appointed Messrs. Sridhar & Co. of Mount Road, Madras, as Sole Selling Agents for the sale of Calcium Carbide in the States of Madras, Andhra, Travancore-Cochin and Mysore for a period of six months with effect from 30th May 1956 on terms as incorporated in the Company's letter to them bearing the same date. In compliance with provisions of Section 294 of the Companies Act, 1956, ordinary resolution is necessary to approve of the above appointment.

(*b*) The Board of Directors have to give contributions from time to time to various institutions including charitable and other funds not directly related to the business of the Company or to the welfare of its employees and which is at times in excess of the limits as laid down in Section 293(i) (e) of the Companies Act, 1956. A resolution has, therefore, been proposed to authorise the Directors to contribute to such funds in excess of the above limits.

(*c*) Mr. G. Birla, an Associate of the Managing Agents, is a Principal Agent of Messrs. Ruby General Insurance Company, Ltd., and is entitled to insurance commission from the Company on any insurance contract entered into by this Company with the said Insurance Company. Sanction of the shareholders is, therefore, sought under Section 359 of the Companies Act, 1956, to enable the Managing Agents and/or their Associates to retain commission or other remuneration which they may earn as mentioned in the resolution.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	6	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	6	8
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4½	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1951	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	2½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	5th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1956	3½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	18th Feb., 1955	4½	5½
U.S.S.R.	1st July 1936	2	4
U.S.A. ‡	18th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 20th July, 1956		Week ended 13th July, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,33,658	57,36,39,000	2,74,904	58,54,65,000
Calcutta	1,39,878	54,08,78,121	1,43,926	50,59,71,794
Madras	74,804	9,75,55,890	96,337	9,52,29,686
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
April 1956	..	..	3,434,000	7,40,55,00,000
May ,,	..	..	3,485,000	7,10,51,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 20th July, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	83,42,05,000
(2) Other Governments	13,68,77,000
(b) Banks	53,01,42,000
(c) Others	11,88,57,000
Bills Payable	6,44,27,000
Other Liabilities	25,67,10,000
Rupees	220,12,18,000

ASSETS	Rs.
Notes	25,20,21,000
Rupee Coin	8,92,000
Subsidiary Coin	4,87,000
Bills Purchased and Discounted—	
(a) Internal	2,00,000
(b) External	....
(c) Government Treasury Bills	3,96,03,000
Balances held abroad*	47,95,73,000
Loans and Advances to Governments	4,83,75,000
Other Loans and Advances	71,62,52,000
Investments	59,18,50,000
Other Assets	7,39,65,000
Rupees	220,12,18,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 88,29,30,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 198,13,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,20,21,000	
Notes in circulation	1460,01,28,000	
Total Notes issued	..	1485,21,49,000
Total Liabilities	..	1485,21,49,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	616,67,54,000	
Total of A	..	656,69,25,000
B. Rupee Coin	..	109,96,36,000
Government of India Rupee Securities	..	718,55,88,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1485,21,49,000

Ratio of Total of A to Liabilities: 44.215 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 13th July, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	13,13,13,000
(ii) Other demand liabilities	631,16,68,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	3,22,30,000
(ii) Other time liabilities	455,21,14,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	5,60,44,000
(ii) Time liabilities	....
4. Cash in India	37,26,46,000
5. Balances with the Reserve Bank in India	50,00,83,000
6. Balances with other banks in current account in India	10,78,49,000
7. Money at call and short notice in India	17,90,40,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	845,98,48,000
9. Advances in India	604,65,90,000
10. Inland Bills purchased and discounted in India	97,25,23,000
11. Foreign Bills purchased and discounted in India	46,04,12,000

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

EXCHANGE RATES

	23rd July, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot d.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months d.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months d.	1-6 1/4	1-6 1/4
Buyers T.T. 10 to 12 months d.	1-6 1/4	1-6 1/4
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	470¼	478¼
Buyers T.T. .. Rs.	473	473
London on New York .. $	2.79½-2.79¾	2.79½-2.79¾
London on Paris .. Fcs.	980¼	980¼
London on Berne .. Sw. Fcs.	12.19¾-12.20	12.18¾
New York on London .. $	2.79¼-2.79½	2.79¼-2.79¼

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.88	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 803	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,766
Canada	1954	15.30	$ 18,751	9,190	6,045
France	1954	43.84	Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,300	12,784	2,670
Italy	1954	47.07	Lr. 9,718,000	7,380	1,548
Norway	1954	3.89	Kr. 18,424	1,230	5,638
Sweden	1954	7.21	Kr. 38,630	3,544	4,012
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw.Fr. 22,010	2,410	4,895

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 6th July, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	25,63,58,000
(b) Provincial Governments	7,64,49,000
(c) Banks	23,14,99,000
(d) Others	6,35,18,000
Bills Payable	1,59,96,000
Other Liabilities	6,84,79,000
Rupees	82,22,99,000

ASSETS	Rs.
Notes	10,64,56,000
Rupee Coin	10,000
Subsidiary Coin	13,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,09,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	2,77,75,000
Investments	57,12,94,000
Other Assets	11,63,42,000
Rupees	82,22,99,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,64,56,000	
Notes in circulation	285,20,35,000	
Total Notes issued	....	295,84,91,000
Total Liabilities	..	295,84,91,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	11,33,41,000	
Silver Bullion	..	
Sterling Securities	96,64,02,000	
Government of India Securities	16,69,91,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,01,65,000	167,69,92,000
Government of Pakistan Securities	115,63,28,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		122,24,93,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,53,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	295 84,91,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 58.58 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	13th July, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1474.60	1482.50	1504.31	1310.85
Notes held in Banking Department	85.05	29.37	20.08	20.75	30.93
Foreign Securities	59.50	626.68	636.61	666.54	652.04
Rupee Securities	37.39	728.56	718.62	104.84	543.65
Banking Department					
Deposits of:					
Government of India	14.89	52.03	54.23	55.80	81.74
Other Governments	..	6 94	4.77	5.28	20.05
Balances held abroad	10.08	41.63	41.87	28.55	64.36
SCHEDULED BANKS					
Demand Liabilities	184.36	644.30	639.35	635.32	602.58
		(13.13)†	(9.95)†	(8.88)†	(11.49)†
Time Liabilities	103.24	456 43	454.97	446 73	402.05
Borrowings from Reserve Bank	..	(3.22)†	(3.22)†	(2.22)†	(3.73)†
		88 50	44 81	58.37	25.33
		(33.97)‡	(33.68)‡	(41.44)‡	(24.14)‡
Borrowings from State Bank	..	5.60	6.80	7.53	2.74
Cash in India	6.70	37.26	37.47	37.65	33.77
Balances with Reserve Bank	25.17	50.01	49.98	49.25	49.75
Excess over statutory limits	15.52	8.67	8.32	8 55	11.58
Balances with other banks in current account in India	..	10.78	11.19	10.09	10.79
Money at call and short notice in India	..	17.90	15.94	11.14	20.09
Investments (at book value)	106.09	747.96	756.44	764.01	610.84
Deposits	87.76	223.16	222 85	223.92	202.06
Investments	51.99	100.27	100.17	100.76	102.12
Advances	30.35	131.03	134.08	137.77	111.62
Cash	14.69	18.35	15.81	16.66	17.67

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	April,		Twelve months, April to March,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	8.94	9.46	186.98	120.17
Protective	0.76	0.97	7.24	10.89
On surplus disposals	..	..	0.14	0.09
Total import duties	9.69	10.43	144.36	130.65
Export Duties	2.23	1.54	41.39	37.49
Land Customs	0.19	0.05	1.81	1.20
Miscellaneous	0.05	0.07	1.07	0.70
Gross total customs	12.21	12.09	188.63	170.13
Refunds and drawbacks	0.24	0.15	1.88	2.63
Net Customs	11.97	11.94	186.80	167.50
Gross excise	10.50	12.09	106.62	148.88
Refunds	0 08	0 09	1.98	1.68
Net Excise	10.42	12.00	104.64	144.75
Net total of customs and excise	22.39	23.94	291.44	312.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 20th July, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	220,70,68,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	15,50,00,000
Bills Payable	.. ..	4,89,61,000
Bills for Collection being Bills Receivable as per contra	.. ..	66,07,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	13,64,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	6,40,33,000
Total ..	Rs.	260,27,83,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	13,75,33,000
Balances with other Banks	..	2 31,84,000
Money at Call and Short Notice	..	53,35,000
INVESTMENTS:		
Government and other Trustee Securities	89,27,29,000	
Other Authorised Investments	11,29,99,000	
		100,57,28,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	93,36,43,000	
Bills Discounted and Purchased	36,94,89,000	
		130,31,32,000
Bills Receivable being Bills for Collection as per contra		66,07,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		13,64,000
Premises less Depreciation		1,16,32,000
Furniture and Fixtures less Depreciation		51,51,000
Other Assets (including Inter-Office Adjustments)		9,80,59,000
Total ..	Rs.	260,27,83,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1953-54	6.82	65	3.26	23.56	54.17	1,18.35	92.08	— 31.07	7.55	23.54					
1954-55	4.70	1.82	4.09	27.27	1,24.64	1,24.94	1,30.88	— 25.25	5.57	37.15	7.40‖	7.28	5.42‡‡	54
1955-56	3.70	1.96	5.46	27.17	1,44.39	1,52.96	1,63.00	— 38.80	4.70	41.25	9.89	15.41	48	95
April 1956	4.60	11	5.00	2.85	1,26.46	12.41	1,33.22	— 36.50	45	37.55	48	7.86	4	56
May ,,	4.52	13	5.24	3.01	1,27.94	11.58	1,34.54	— 36.54	41	37.89	66	8.51	4	61
June ,,	4.44	13	5.12	2.99	1,29.49	12.29	1,36.36	— 36.76	37	38.25	94	9.32	5	65
July ,,	4.36	12	5.15	2.87	1,31.38	12.80	1,40.53	— 36.35	41	38.54	91	10.19	4	69
August ,,	4.29	12	5.17	2.99	1,33.43	12.52	1,48.80	— 36.96	39	38.87	88	11.00	4	73
September ,,	4.21	13	5.20	2.54	1,34.88	13.40	1,46.91	— 37.11	44	39.28	94	11.80	4	77
October ,,	4.14	10	5.21	2.11	1,36.33	11.28	1,48.99	— 38.23	46	39.63	90	12.49	5	82
November ,,	4.07	10	5.21	1.96	1,37.68	11.25	1,50.40	— 38.24	43	40.05	82	13.19	5	86
December ,,	4.00	16	6.26	3.48	1,39.45	13.94	1,52.44	— 38.44	56	40.84	86	13.96	4	90
January 1956	3.91	14	5.24	2.03	1,40.78	12.16	1,54.14	— 38.55	33	40.61	84	14.73	3	93
February ,,	3.82	16	5.20	2.23	1,42.27	13.27	1,56.19	— 38.66	39	40.96	93	15.57	3	96
March ,,	3.76	21	5.46	2.80	1,44.39	16.45	1,63.00	— 38.80	36	41.25	98	16.41	3	98
April ,,	3.69	24	5.52	2.19	1,45.88	14.54	1,66.22	— 38.89	34	41.51	82	17.17	3	98
May ,,	..	..	..	..	..	..	..	..	35	41.63	..	..	..	..

* At the end of period.
‡Issued from 10th May, 1954.
@ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
‡‡ Relating to nine months from July, 1954.
§ From July, 1954.
‖ Progressive net repayments at the end of period from 16th August 1947.
E-Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 16-7-'55	16-6-'56	7-7-'56	14-7-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91.3	91.2	91.2
1. Government of India	90.8	91.1	91.0	91.0
2. Indian States	96.4	96.7	96.8	96.8
3. Municipal, Port Trust, etc.	89.5	89.4	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.8	100.5	100.5	100.5
1. Electricity	102.3	101.5	101.5	101.5
2. Jute	98.8	97.5	97.5	97.5
3. Plantations	99.1	99.2	99.3	99.3
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.9
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.9	102.3	101.8	101.8
8. Others	100.9	101.0	101.0	100.9
PREFERENCE SHARES	88.0	85.2	86.3	85.5
1. Electricity	90.5	90.9	90.3	90.3
2. Cotton	80.3	81.4	82.9	83.1
3. Jute	87.1	82.0	81.9	81.9
4. Coal	86.5	85.9	84.6	84.6
5. Iron and Steel	91.0	87.8	88 2	88 3
6. Sugar	84.3	84.7	84.6	84.5
7. Paper	85.5	82.1	82.1	82.2
8. Others	93 3	102.3	99.9	100.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	85.1	82.1	82.2	82.7
(a) Financial	118.6	125.2	124.4	124.7
1. Banks	87.7	90.6	90.9	91.6
2. Insurance	84.6	91.9	91.2	91.7
3. Investment Trust	98.5	92.5	91.7	91.3
(b) Public Utilities	113.0	112.8	112.0	112.5
1. Electricity	122.7	113.0	112.3	113.3
2. Shipping and other Transport	97.5	110.6	110.0	113.7
3. Railways	87.2	86.8	84.8	84.3
(c) Manufacturing industries	124.1	136.4	134.0	134.3
1. Cotton, Woollen and Silk	110.5	134.0	134.9	136.6
2. Jute	93.5	77.2	74.4	73.3
3. Iron and Steel	153.2	160.7	155.7	154.4
4. Paper	235.5	289.6	281.6	279.1
5. Cement	155.5	181.6	178.6	178.6
6. General Engineering	181 4	195.0	193.8	193.0
7. Sugar and Breweries	100.0	105 5	106.2	106.7
8. Chemicals	138.5	145.3	144.5	146.7
(d) Non-Manufacturing industries	165.2	166.8	167.4	166.2
1. Coal	80.3	78.8	80.7	80.4
2. Mining and Oil	292.5	292.8	287.2	282.2
3. Plantations	192.2	179.9	182.4	182.2
(e) Miscellaneous	98.8	102.6	101.5	101.7
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	99.5	100.0	99.8	99.8
1. Bombay	99.4	90.7	90.7	90.6
2. Calcutta	90.8	91.2	91.2	91.1
3. Madras	91.2	91.5	91.5	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:	99.5	100.0	99.8	99.8
1. Bombay	101.6	100 9	100.9	100.9
2. Calcutta	100.3	100.2	100.2	100.2
3. Madras	..	..	..	..
PREFERENCE SHARES:	92.2	88.8	89.3	89.4
1. Bombay	83.8	80.1	80.3	80.5
2. Calcutta	95.2	97.8	96.5	96.8
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	120.1	133.0	132.7	133.6
1. Bombay	112.8	111.1	109.6	109.0
2. Calcutta	113.7	134.4	134.8	136.3
3. Madras	126.0	140.9	138.3	138.6
4. Delhi	..	..	..	..

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,816,928
1952	903	809,243	3,236,961
1953	772	466,507	2,382,038
1954	840	477,183	3,372,650
1955	1,033	733,053	5,384,676
February 1954	85	41,551	244,295
March ,,	91	54,302	331,419
April ,,	101	54,963	307,247
May ,,	80	40,078	216,063
June ,,	63	21,589	305,078
July ,,	123	80,189	277,492
August ,,	79	51,000	332,537
September ,,	97	41,724	276,294
October ,,	93	38,115	329,701
November ,,	62	54,455	342,782
December ,,	101	..	322,907
January 1955†	96	49,088	144,803
February ,,	91	70,042	334,596
March ,,	113	29,315	205,583
April* ,,	99	66,094	324,416
May ,,	119	85,173	1,035,704
June ,,	154	..	482,778
July*	109	57,889	533,571
August* ,,	225	90,565	581,589
September* ,,	252	47,042	203,544
October* ,,	121	49,453	173,128
November* ,,	106	45,928	239,157
December* ,,	130	..	357,333
January 1956†	109	61,098	376,859
February ,,	124	69,785	686,020(a)
March ,,	133	130,517(a)	..

† Figures are provisional.
(a) Not known in 1 case.
* Revised.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated†	Total Units Sold
1952-53	614	6,301.4	5,134.2
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,305.8	7,185.8
January 1955	684	668.5	545.2
February ,,	686	628.7	521.8
March ,,	686	698.7	568.3
April ,,	690	691.1	563.9
May ,,	691	706.5	569.3
June ,,	696	716.3	576.1
July ,,	700	724.8	588.2
August ,,	705	706.9	574.4
September ,,	707	719.3	587.1
October ,,	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	735.7	643.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	7th July, 1956	30th June, 1956	9th July, 1955	June, 1956	June, 1955	Percentage of increase (+) or decrease (—) in June, 1956 as compared with June, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	379.5	374.0	304.0	386.4	281.8	+30.0	313.2	339.8
Cereals	59	480	476	349	470	323	+45.5	372	381
Pulses	8	370	362	272	359	228	+57.4	289	280
Others	33	250	245	244	236	233	+ 1.2	235	291
Industrial Raw Materials	(18)	490.9	482.6	412.8	479 5	390.4	+23.0	419.8	436.2
Fibres	53	484	470*	417	461	407	+10.8	429	447
Oil seeds	30	530	537	400	540	350	+54.2	398	424
Minerals	10	470	435	427	446	415	+ 7.4	427	422
Others	7	421	431	417	430	416	+ 3.3	431	427
Semi-Manufactures	(17)	395.1	395.5	331.6	391 8	329 7	+19.0	338.2	350.3
Leather	8	399	401	357	404	383	+ 5.0	378	376
Mineral oils	13	208	208	201	208	216	— 3.7	207	221
Vegetable oils	16	547	554	408	555	355	+56.3	389 R	433
Cotton yarn	35	475*	473*	408	476	422	+12.8	422	454
Metals	18	327	323	256	308	244	+26.2	264	240
Oil cakes	5	432	426	345	421	319	+32 0	338	381
Others	5	362	361	330	361	329	+ 9.7	336	312
Manufactured Articles	(30)	385.1	377.0	370.8	377.6	370.0	+ 2.0	372.9	377.4 R
Textiles	64	418	409	406	411	407	+ 0.9	408	421
Jute	11	398	381	415	387	415	— 6.7	416	448
Cotton	45	430*	419*	402*	418*	404*	+ 3.4	408*	415*
Rayon and Silk	6	453*	453*	474*	468*	473*	— 2.1	485*	469*
Woollen	2	284	284	283	284	285	— 0.1	284	311
Metal products	17	388	377	352	375	343	+ 9.3	359	340
Others	19	291	286	286	286	....	....	285	286
Miscellaneous	(4)	580.8	545.4	567.8	518.6	567.4	— 8.6	546.4	612.4
All Commodities	(100)	408.3	402.8	354.7	398.0	342.5	+ 16.2	360.4	377.5

* Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coalf	Jute manufactures	Cotton manufactures	Iron and steel
1955																		
April	412	402	100	208	181	508†	574	288	184†

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage		Outturn	
	Forecast	Unit	1955-56	1954-55	1955-56	1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,548	8,778
Jowar	final	,,	42,721	43,446	9,040	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	2nd	,,	8,402	8,280	2,341	2,403
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	..	208,823	..	55,327
Pulses—						
Gram	2nd	tons	22,206	20,065	4,702	4,535
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,330
Total pulses	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,123
Castorseed	final	,,	1,462	1,894	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	..	5,665	..	662
Linseed	3rd	,,	3,424	3,354	376	382
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,561	1,243	4,137	2,928
Mesta†	2nd	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source : Ministry of Food and Agriculture.
* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each. § Excluding Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1956	98.9
	Corresponding month, 1955	85.7
	Twelve months ended June, 1956	1,094.9
	Corresponding period, 1955	1,003.24
Stocks	At the end of June, 1956	125.9
	Corresponding month, 1955	87.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 16th June, 1956	3,884
	Corresponding week, 1955	6,902
	From 1st Jan., to 16th June, 1956	193,098
	Corresponding period, 1955	232,521
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 16th June, 1956	3,452
	Corresponding week, 1955	4,515
	From 1st Jan., to 16th June, 1956	516,663
	Corresponding period, 1955	509,759
	RAW JUTE	(In lakh bales)
Consumption by Mills†	June, 1956 (in lakh bales)	5.74
	Corresponding month, 1955	4.97
	Twelve months ended June, 1956	63.51
	Corresponding period, 1955	58.19

* From Calcutta † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,86,000	10,61,900	7,91,500
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,54,400	10,43,500	7,81,500
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
January 1955	1,02,500	96,800	73,200
February ,,	98,500	84,500	63,900
March ,,	95,000	89,300	66,100
April ,,	95,100	88,000	66,300
May ,,	94,200	87,500	65,600
June ,,	91,700	80,900	62,600
January 1956	1,03,900	96,800	71,600
February ,,	97,500	89,900	67,700
March ,,	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
May ,,	96,600	89,400	66,300
June ,,	94,900	89,900	64,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,36,710	4,31,460	3,13,940
Do. 31st March, 1954	5,30,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,098
Do. 31st March, 1956	7,06,986	5,31,506	4,50,607
Three months ended June, 1954	1,32,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,39,741	1,13,861
,, ,, ,, Dec., 1954	1,85,853	1,36,901	1,06,916
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,55,603	1,34,225	1,16,221
,, ,, ,, Sept., 1955	1,80,750	1,42,090	1,08,714
,, ,, ,, Dec., 1955	1,80,750	1,24,696	1,06,782
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,806	1,17,710	92,009

FOREIGN TRADE OF INDIA

Particulars	March		Twelve months April to March.,	
	1955	1956	1954-55	1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	13.68	4.59	131 97	54 83
Raw materials	12.86	23.50	187.32	163.96
Manufactures	29.22	43.21	311.06	427.50
Other items	..	40	2.70	8 35
Total*	55.99	71.70	633.05	649.64
By land	2.51	2.81	22.39	29.35
Total Imports	58.50	74.51	656.44	678.99
Exports :				
By sea and air—				
Foodstuffs	14.54	16.82	203.22	165.64
Raw materials	18.47	18.64	121.17	167.11
Manufactures	22.96	20.56	253.53	247.78
Other items	.. 38	38	4.52	4.18
Total	55.35	56 37	582.74	584.71
By land	.. 76	39	5.73	5.14
Total Exports	56.91	56.76	588.47	590.85
Total Re-exports	.. 82	1.51	5.50	6.58
Balance of trade in merchandise	.. 73	— 16.27	— 62.72	— 81.52
Balance of transactions in private treasure	.. — 1	— 2	— 4	— 8
Total visible balance of trade	.. — 74	— 16 29	— 62.76	— 81.60
Imports ‡ ‡				
Total O'wealth countries	23.14	23.52	268.26	278.98
Total Foreign countries	32.85	43.19	364.79	370.55
Exports ‡ ‡				
Total O'wealth countries	26.96	29.69	324.76	269.24
Total Foreign countries	27.39	23.68	257.98	288.47

* Excluding the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	138	21	169	297	25	260	46	156
1953-54	11,082	2,512	892	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April 1955 ..	1,037	222	77	21	12	6	9	2	50	33	3	24	2	10
May ,, ..	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,, ..	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,, ..	3,973	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,, ..	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,, ..	5,981	1,361	491	101	56	32	32	12	82	196	22	153	22	76
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	220	23	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956 ..	10,406	2,319	806	172	88	56	114	24	302	339	34	268	42	129
February ,, ..	11,548	2,541	883	190	97	62	132	27	395	374	38	293	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955. *Source :*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept. 1955 to 23rd July, 1956 Bales	From 1st Sept. 1954 to 23rd July, 1955 Bales
Bombay Island—			**From Bombay**		
Cotton Receipts ..	Week ended 19th July, 1956 ..	16,743(3)	Cotton Shipments to—		
	Corresponding week, 1955 ..	51,850(3)	United Kingdom ..	60,450	37,383
	1st Sept. to 19th July, 1955-56 ..	1,779,436*	Continent ..	84,243	57,342
	Corresponding period, 1954-55 ..	1,941,124*	Hongkong ..	34,306	16,141
			China ..	54,390	5,103
Cotton Exports ..	Week ended 19th July, 1956 ..	458†	Japan ..	303,325	96,932
	Corresponding week, 1955 ..	15,687	U.S.A. ..	3,842	17,964
	1st Sept. to 19th July, 1955-56 ..	587,177‡	Other Countries ..	2,765	2,462
	Corresponding period, 1954-55 ..	371,446	Total to all foreign countries ..	543,521	232,427
			Coastal Ports ..	102,668	143,937
Mill Consumption (Estimated) ..	1st Sept. to 19th July, 1955-56 ..	1,105,887	Total	646,189§	376,364
	Corresponding period, 1954-55 ..	1,110,665		Period	Quantity (Bale of 400 lbs.
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 19th July, 1956 ..	670,648	Consumption of Cotton—		
	Corresponding date, 1955 ..	822,037	Indian	April, 1956 ..	341,899
Cotton Exports from Bombay (by sea)	During March, 1956	138,746‖	Foreign		51,278
	1st Sept., '55 to 29th Mar., 1956	560,100	Indian	Eight months ended April, 1956	2,910,501
	1st Sept. '54 to 28th Mar., 1955	201,799	Foreign		390,673
			Indian	Same Period 1955	2,715,938
Karachi (Pakistan)—			Foreign		443,122
Receipts	1st Sept. to 12th July, 1956-56 ..	1,298,175	Stocks (Mills and Elsewhere)—		
	Corresponding period, 1954-55 ..	1,228,042	Indian	As on 30th April, 1956 ..	1,512,678
			Foreign		213,316
Exports	1st Sept. to 12th July, 1955-56 ..	899,985	Indian	As on 30th April, 1955 ..	1,478,439
	Corresponding period, 1954-55 ..	764,093	Foreign		188,980
			Cotton Pressed in India† (In running bales) ..	Week ended 13th July, 1956 ..	1,529
				Corresponding week, 1955 ..	75,948
				1st Sept. to 13th July, 1955-56 ..	3,470,677
				Corresponding period, 1954-55 ..	4,399,938

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	101½
3 % Loan	1958-59	1,16,17,46,000	1963-65	95½
3 % Loan	1950	90,13,10,000	1964	95
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	93½
3 % V. Loan	1944	33,54,89,000	1957	99½
2½ % Loan	1945	1,15,08,33,000	1970-75	98
2½ % 2nd V. Loan	1945	1,13,65,64,000	1959-61	98
3 % Loan	1951	50,25,52,000	1958	99½
3 % Loan	1954	45,53,07,000	1960	99½
2½ % Loan	1946	57,00,59,000	1961	93½
2½ % Loan	1946	14,77,45,000	1976	82½
2½ % Loan	1947	75,86,72,000	1962	93½
2½ % Loan (N.F. Bonds)	1953	75,29,00,000	1961	99½
2½ % N.F. Loan	1954	1,58,17,34,000	1964	98½
2½ % N. F. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98½
3 %	1956	57,27,00,000	1962	98
3½ %	1956	33,32,00,000	1967	98½
3½ %	1956	66,64,00,000	1974	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	86 / 76½
3 % Loan	1946	2,48,91,47,000		
REPATRIATE STERLING LOANS				
4½ % Loan	1925	5,85,73,000	1956-58***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
3 % Bombay	1942	2,97,18,000	14th Sept. 1956	99½
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98½
3 % Bombay	1949	5,53,56,000	1st Sept. 1967	94½
3 % Bombay	1950	2,87,38,000	31st July 1960	96½
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98½
4 % Bombay	1953	5,42,38,000	15th July 1962	101½
4 % Bombay	1954	3,56,57,000	1st Aug. 1964	101½
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
5 % Cochin	1955	14,00,00,000	16th Dec. 1955-58	99½
2½ % Cochin	1956	70,00,000	1st June 1956-61	99½
2½ % Howrah Bridge (New)	1956-57	1,95,96,706	1956-66	95½
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,95,500	21st June 1959	96½
3 % Madras	1948	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,88,000	15th Aug. 1958	98½
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96½
2½ % Madras	1946	2,81,77,300	1st Sept. 1961	93½
4 % Madras	1950	4,33,34,400	31st July 1960	96 ½
2½ % Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	10,88,58,000	15th July 1962	100½
4 % Madras	1953	8,54,61,300	1st Aug. 1964	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % M.P.	1943	80,54,300	14th Sept. 1956	99½
4 % M.P.	1944	52,69,800	15th Aug. 1958	98½
3 % M.P.	1945	2,06,32,800	15th Sept. 1956	98
3 % M.P.	1950	1,01,44,700	31st July 1960	96
2½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98½
4 % M.P.	1953	1,10,18,000	15th July 1962	100½
4 % M.P.	1955	1,83,12,000	1st Sept. 1967	99½
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98½
3 % Punjab**	1945	2,46,75,300	14th Sept. 1956	99½
3 % Punjab**	1945	2,25,51,500	14th Sept. 1960	97½
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99½
4 % Travancore	1955	50,00,000	16th Aug. 1958	99½
4 % Travancore-Cochin	1956	2,25,80,000	15th July 1962	100½
3 % U.P.	1938	1,57,14,000	15th Sept. 1961-66	99½
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98½
3 % U.P.	1945	2,17,29,700	14th Sept. 1956	99½
3 % U.P.	1946	2,39,82,600	1st Sept. 1961	93½
2½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98½
4 % U.P.	1953	6,11,45,300	1st Aug. 1964	100½
4 % U.P.	1955	8,65,15,500	15th July 1962	100½
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1954	
35,00,000	4	1905	1955	
15,00,000	4	1906	1957	
44,00,000	4	1907	1958	
75,00,000	4	1908	1958	99½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1913	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1914	1974	100½N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
85,00,000	4	1915*	1975	
50,00,000	4	1924*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1926*	1960	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,00,000	3½	1936*	1960	
10,00,000	3½	1938*	1960	
7,00,000	3½	1941	1971	
CALCUTTA				
90,34,300	4	1914	1974	99
78,50,100	4	1915	1972	99
1,56,00,000‡	2½†	1961	1961	98
66,08,3000	5½	1921	1951	144N
1,49,40,500B	5	1926	1956-86	100
99,34,5003	5	1926	1956-86	100½
1,49,40,500B	5	1927-37	1957-87	102
1,49,50,000	5	1928	1958-88	103
80,00,000	4½	1928	1963	95
60,00,000	3½	1928	1964	97½
25,00,000	5	1928	1968-88	99
3,25,00,000	3½	1929	1959	100
2,50,00,000	3½	1947	1977	86
2,50,00,000	3½	1949	1979	86
4,00,00,000	3½	1950	1980	86
2,50,00,000	4	1952	1964	100
1,50,00,000	3½	1951	1966	97½
1,30,00,000	4	1952	1964	100
1,00,00,000†	4	1952	1964	100
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100½
MADRAS				
21,47,100	2½	1947	1977	
9,25,000	3	1947	1977	A
3,00,000	3	1949	1979	
65,80,0004	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
30,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
30,00,000	4	1909	1969	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1915	1975	
40,00,000	5	1919	1957-79	113N
66,00,000	5	1920	1955-80	
25,00,000	5	1924	1956-86	113N
25,00,000	4	1927	1961-70	96N
10,00,000	3	1934	1966	
STERLING LOANS				
£566,500		1900	1949	2564N
£333,000		1910	1970	256½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
30,00,000	3	1938	1968-88	90
80,00,000	4	1955	1963	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
30,50,000	4	1913-15	1974	100
10,00,000	5	1925	1960	113N
25,00,000	5	1926	1966	104½
8,45,000	5	1926	1956-86	103
26,21,500	5	1926	1954-59	101
3,25,00,000	3½	1947	1977	86
2,50,00,000	3½	1949	1979	86
4,00,00,000	3½	1950	1980	86
2,50,00,000	4	1952	1964	100
1,50,00,000	3½	1951	1966	97½
1,30,00,000	4	1952	1964	100
1,00,00,000†	4	1952	1964	100
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100½
CALCUTTA				
35,00,000	5	1925	1955	103
50,00,000	5	1926	1956	103
25,00,000	5	1929	1959	103½
10,00,000	5½	1932	1962	106
1,91,00,000	3½	1936	1966	94
50,00,000	3½	1938	1968	90
47,50,000	3	1938	1968	90
15,56,800	4	1939	1956	99½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1969	96½
21,10,000	3½	1943	1973	96
15,49,000	3½	1951	1966	97½
16,83,000	3½	1951	1967	97½
26,88,000	3½	1951	1968	97½
37,36,000	3½	1952	1968	96½
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
15,00,000	2½	1951	1961	107N
15,00,000	2½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
2½ % W. Bengal	1951	1,75,06,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,80,23,000	15th July 1962	100½
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100

*—Nominal.
ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts
‡ Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1945. ‖—Interest free to first 15 years. §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. ept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar A ..	7,00,000	1920	7	July Apr.	5-15‡xd	5
East India Distilleries	£200,000	1937	7	Jan. July	17½xd	£1
Gwalior Sugar	3,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	99‡	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	15,00,000	1933	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6	Oct. Apr.	110xd	100
Burrakur (1st)	2,99,800	1901-19	7	Apr. Oct.	109xd	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½xd	10
Equitable	4,00,000	1895	6	Mar. Sept.	108	100‡
Karanpura Collieries	9,87,500	1946	5½(a)	.. ..	62	75(pp)
††Khas Kajora	2,00,000	1920	7	Jan. July	12	10
New Beerbhoom	2,00,000	1898-99	6½	Apr. Oct.	110xd	100
Ondal	2,00,000					
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	123xd	100
Basanti Cotton	5,00,000	1937	6½	Nov. ..	8	10
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99	100
Bombay Co.	6,00,000	1900	8	Feb. Aug.	135	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	46	100
Do. 'B'	6,00,000	1919	7	June Dec.	72	50
Bradbury	14,75,000	1919	7	Jan. July	142‡	100
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	115‡xd	100
Cambodias	1,00,000	1923	7	Apr. ..	492‡	500
Central India	50,00,000	1913	5	Apr. Oct.	492‡	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	104‡	100
Digin	11,00,000	1913	8	May Nov.	135	100
Do. 'B' Pref. ..

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amounts per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,272	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	3¾	2	0 4 (e)	0 2(e)			12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	B. B. Sons, Ltd.	50,596	1,021	B. B. Cotton Mills	47½	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	2,99,72,778	4,93,35,445	3,29,,9,273	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	693½	250	37 8*	20 0	25 0*		12	Y.
10,00,000	27,86,559	55,58,179	48,57,495	2,45,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	255	50	100 0	75 0			12	Y.
1,09,42,800	2,63,96,822	2,81,83,264	1,97,06,117	6,34,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	572½	100	22 0	22 0	22 0		12	
49,00,000	19,44,890	1,16,09,462	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	81¼	100	*Nil*	*Nil*			12	Y.
26,00,000	11,88,478	81,39,789	48,86,041	20,755	Cowasjee Jehangir & Co., Ltd.	20,828	680	Coorla Spg. & Wvg.	161½	100	7 8	7 8	7		3	Y.
16,00,000	24,35,995	69,10,851	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	180	50	6 0	6 0	15 0		12	Y.
84,00,000	27,75,000	73,80,731	54,72,724	80,166	Parsamal Raghuhan & Co.	50,064	928	Edward Textiles	333½	200	15 0	15 0			12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,31,354	M.	41,200	886	Elphinstone Spg. & Wvg.	65	50	*Nil*	2 8	5 0		12	Y.
50,00,000	70,11,876	1,23,38,513	74,17,207	1,57,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	349½	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thos. ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,340	1,000	225 0*	225 0	200 0		3	Y.P.
16,000									992½	250	54 4*	56 4	75 0			
2,00,80,000	62,50,399	4,68,15,552	3,89,00,000	1,93,112	Agarwal & Co.	2,38,812	6,412	India United Mills	13¾	0 100.	0 10	*Nil*	0 15		12	Y.
80,00,000D									0 10.	0 1	*Nil*	0 3				
8,65,000	74,84,048	1,30,07,902	92,59,009	6,102	Damodhar Thackersey Mooljee&Co.	56,256	1,102	Indian Mfg.	2½	5,0753	1,000 225 0*	225 0	300 0		3	Y.P.
25,000									500	112 8*	112 8	150 0				
59,35,000	40,58,451	2,37,18,807	1,92,99,945	25,598	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	263½	100	10 0	8 0	10 0		6	Y.P.
1,80,00,000	1,21 50,000	3,56,88,095	2,68,14,795	33,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	886½	100	20 0*	15 0	15 0		12	Y.
22,18,050	41,06,720	1,18,74,848	55,99,115	81,870	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	87½	50	5 0	5 0	8 0*		12	Y.
51,75,000	36,82,000	2,06,25,597	1,52,81,153	196,751	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	260	100	12 0	14 0	14 0		6	Y.T.
1,57,74,400	86,41,044	2,84,71,095	2,05,00,000	5,12,088	Chinai & Co., Private Ltd.			National Rayon Corporation	257	100	9 0	10 0	12 0		6	Y.P.
24,00,000	24,80,000	76,57,853	46,04,750	3,016	W. H. Brady & Co., Ltd.	45,944	482	New City of Bombay Mfg.	100	100	10 0	10 0	12 0		12	Y.
30,00,000	14,61,250	92,85,599	61,42,741	4,880	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	263	100	10 0	7 8	10 0		12	Y.
40,00,000	86,02,373	1,49,08,113	99,99,311	1,99,284	Ramnarain Sons, Ltd.	69,936	1,190	Phoenix Mills	145	100	8 0	8 0			12	Y.P.
40,00,000	45,65,014	81,89,525	23,00,000	2,13,567	Podar Sons, Ltd.	32,600	930	Podar Mills	157½	100	10 0	10 0	5 0t		12	Y.P.
5,00,000	8,16,999	21,21,631	19 61,840	—1,78,184	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	12	10	0 12	0 8			12	Y.
27,70,000	82,50,606	1,92,63,251	1,51,71,824	24,320	M. G. Investment Corporation, Ltd.	80,658	1,254	Sassoon Spg. & Wvg.	41	10	1 4	1 12	1 12		12	Y.
80,00,000	47 70 061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,836	1,540	Shree Niwas Cotton Mills	225	100	14 0	14 0	12 0		12	Y.P.
42,00,000	33,02,179	98,78,309	73,63,752	96,017	Forbes, Forbes Campbell & Co. Ltd.			Shree Vishakh Mills							12	
37,80,000	2,33,15,720	2,51,28,899	1,37,85,474	12,333	Mafatlal Gagalbhai & Sons	34,840	1,276	Simplex Mills	226	50	15 0	11 0	10 0	12 0	3	Y.
99,85,700	84,69,716	2,28,87,547	1,19,01,899	67,611	Tata Industries Ltd.	82,098	1,583	Standard Mills	481½	100	20 0	20 0	20 0		12	Y.P.
96,00,000	66,33,456	1,28 99,971	81,58,715	1,51,080	James Finlay & Co., Ltd.	47,256	1,000	Swadeshi Mills	256	100	16 0	8 0	12 0		12	Y.P.
32,77,425	61,96,376	1,77,84,889	68,44,553	68,485	Tata Industries Ltd.	62,096	1,800	Swan Mills	447½	100	20 0	20 0	25 0		12	Y.
12,00,000	62,55,709	1,15,26,436	81,90,000	2,614	Thackersey Mooljee Sons & Co.	54,136	1,309	Tata Mills	57½	25	1 8	2 8	4 0		3	Y.T.P
								Western India Spg. & Mfg.	5,140	1,000	225 0*	225 0	300 0		3	Y.
AHMEDABAD																
33,00,000	21,11,656	1,36,22,272	90,47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	197½	100	12 0*	5 0	7 0		6	Y.P
10,00,000	94,58,068	94,87,208	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	44,220	912	Arvina Mills	1,145	100	20 0*	20 0	30 0		12	Y.P
28,35,000	2,40,17,401	1,48,07,666	1,03,05,006	46,584	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,345	100	25 0	25 0			12	Y.P
20,00,000	71,75,000	1,49,58,115	72,25,000	2,49,889	Mangaldas Bros., Ltd.	37,164	892	Aryodaya Ginning & Mfg.	632½	200	15 0	15 0	25 0*		12	Y.P
12,00,000	1,18,39,033	84,56,976	69,64,953	69,806	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	1,090	100	22 0*	22 0	30 0		12	Y.P
1,24,79,011	1,11,66,208	4,24,85,718	3,07,53,844	16,00,754	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	135	15	15 0	15 0			12	Y.P.
69,57,000	24,53,000	1,21,06,843	89,25,000	2,760	Trimunlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	2,060	1,000	70 0	70 0	80 0		12	Y.P
39,00,000	72,53,436	1,38,09,223	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	1,030	125	25 0	25 0	35 0		12	Y.
10,00,000	58,48,000	50,63,197	37,93,317	16,558	Jagabhai Bhogilal Nanavaty & Co., Ltd.										12	
12,50,000	1,14,77,470	86,29,430	60,39,882		Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	700	100	20 0*	30 0*	20 0		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,809	46,584	Narottam Lalbhai & Co.	32,528	626	Raipur Mfg.	1,145	100	17 8	25 0	35 0*		12	Y.P.
22,86,150	2,02,34,588	1,76,92,842	1,52,75,000	17,34,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	340	100	25 0		*Nil*		12	Y.P.
19,82,500	62,31,253	75,06,012	66,84,701	15,502	Harivallabhdas Kalidas & Co.	9,22,290	94,116	1,735	Shri Ambica Mills	680	50	15 0	20 0	27 0*		12	Y.P
					Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	56,624	720	Shorrock Spg. & Wvg.	670	100	20 0	25 0*	25 0		12	Y.P
38,00,000	26,96,484	1,08,76,340	68,35,201	32,764	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	777½	400	35 0*	35 0*			12	Y.P
WEST BENGAL																
15,00,000	1,82,809	84,23,069	21,61,810	1,08,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	7½	10	0 4	0 8			12	Y.P.T.
7,11,286	5,40,775	43 43,381	25,67 997	99,782	Bengal Textile Agency, Ltd.	33,944	696	Bengal Laxmi Cotton Mills	40 N	50	*Nil*	4 0	4 0		3	Y.
6,00,000	22,72,414	39,08 142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	168	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	98,17,571	1,04,88,558	70,76 377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	302	100	*Nil*	*Nil*	2 8		6,12	H.P.
1,50,00,000	2,07,59,266	3,50,23,574	1,30,25,799	2,45,483	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	18½	10	1 12	0 14	0 14		3	Y.P.
9,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25					3	Y.P.
23,96,238										10					12	Y.P.
19,47,750D	7,65,000	47,06,298	24,48,352	1,094	Hazaresmull Hooralall	22 036	795	Rampoorla Cotton Mills	11½	10	0 8	0 8	4 0		6	Y.
5,00,000D									2N	10	*Nil*					
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,37,191	29,06,649	—8,54,323	Ramin & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	11½	10	*Nil*	*Nil*			12	Y.P.T.
61,71,428	35,91,264	1,84,91,530	90,78,582	1,56,043	Industrial Trust Fund	46,184	706	Asam Jahi Mills	95	100	6 0	*Nil*	3 8(e)		9	Y.
40,80,000	3,00,58,745	3,24,98,906	2,42,38,258	2,38,549	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	582½	100	25 0	30 0	30 0		12	Y.P.
27,00,000	18,50,000	77,23,162	53,72,122	18,199	M.	29,036	510	Bengal-Nagpur Cotton Mills	9¾	10	0 6	*Nil*			6,12	H.P.T.
18,00,000	1,09,46,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	31	10	Birla Cotton Spg. & Wvg., Delhi	1,046	100	3 0	3 0	3 0		3	Y.
1,73,47,800	1,76,55,500	6,30,00,208	3,52,28,180	2,38,446	Binny & Co. (Madras), Ltd.	1,20,256	2,787	Buckingham & Carnatic	206½	100	10 0	10 0	15 0		3	Y.
20,00,000	20,00,000	39,69,854	31,86,851	37,099	Dalmia Leslie & Co., Ltd.	38,706	..	Cambodia Mills	14½	10	0 12	*Nil*			12	Y.P.T.
15,00,000	4,51,500	44,08,486	21,80,178	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	176	100	12 0	20 0	12 0		12	Y.P.
30,00,000	29,51,420	69,40,829	61,72,376	36,767	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	9	5	0 9	0 8	*Nil*		3	Y.
13,80,000	20,00,000	54,65,346	37,96,527	34,164	R. Bhimsen Naidu & Co.	33,864	..	Coimbatore Cotton Mills	380	100	20 0	25 0	25 0	0 4	3	Y.
20,00,000	19,95,000	36,59,430	24,25,921	14,323	T. R. N. Naidu & Co.	22,788	..	Coimbatore Pioneer Mills	340	100	15 0	20 0	20 0		6	Y.P.
20,78,900	4,19,814	1,15,51,899	82,06,019	16,884	E. G. S. Naidu & Co.	78,825	407	Coimbatore Spg. & Wvg.	112	50	*Nil*	2 0	2 0		6	Y.
44,87,500	82,53,449	2,49,15,406	1,56,09,332	9,796	Tata Industries, Ltd.	63,062	1,160	Cantonment Mills	160	100	5 0	5 0	6 0		6	Y.
8,33,36,225	3,55,00,000	9,99,78,765	5,06,00,000	82,750	B. K. Charat Ram & Co.,[Ltd.	1,16,686	2,254	Delhi Cloth & General Mills	38	10	1 12	2 0	3 4		6	Y.P.T
1,00,568									2½		0 2 4/5	0 3 2/5	0 3 2/5			
24,24,800	25,47,678	52,74,245	38,26,882	6,564	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	422½	100	20 0	30 0	30 0		12	Y.
63,00,000	46,33,860	1,58,16,382	1,29,71,631	99,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	283	100	12 0	10 0	12 0		12	Y.
48,81,000	35,22,175	1,00,55,187	68,98,088	14,000	Forbes Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	241½	100	17 0	13 0	15 0		12	Y.
60,00,000	6,16,447	1,25 91,853	1,12,28,576	9,511	K. L. S ksaria, Esq. (Chairman.)	51,180	1,420	Indore Malwa United	155½	100	6 0	6 0	9 0		12	Y.
4,80,000	10,65,653	31,06 059	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,232	..	Janardasa Mills	128	50	4 8	5 0	10 0		12	Y.
24,00,000	16,25,000	78,88,868	26,50,000	29,382	Kothari & Sons	45,000	380	Kothari Textiles	10	10	0 8	0 8	1 0		12	Y.
23,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakhmani Cotton Mfg.	17½	100	3 0	3 0	1 0		6	Y.P.
35,84,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	35,968	201	Lakshmi Mills	700	250	60 0d	80 0	80 0		12	Y.
17,82,050									120d	50	5 0	10 0	12 8	12 8	3	Y.
1,75,02,480	4,18,51,878	5,78,71,128	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	25d	25	2 0	6 0	6 4	6 4		
12,00,000	4,17,363	22,85,788	18,72,263	—99,078	Lakshmi A. S. Chettiar and 2 others.	22,592	190	Malabar Spg. & Wvg.	51½	100	2 0	3 0	3 0		12	Y.
60,00,000	69,00,000	68,79,627	48,29,784	45,835	W. A. Beardsell & Co., Ltd.	24,720	608	Metture Industries Ltd.	115	200	8 0	*Nil*			12	Y.
29,80,884	19,61,681	89 75,246	49 94,788	16,488	N. Sirur & Co., Private Ltd.	39,896	704	Minerva Mills	5324d	100	12 0	25 0*	35 0	42 8	3	Y.
94,91,550	37,34,404	1,61,29,119	78,81,923	—7,44,882	Banalal Abirchand Dadabhoy & Co.	51,540	945	Model Mills (Nagpur)	263	100	7 0*	8 0	6 0		6	Y.
99,00,000	82,19,000	1,58,39,272	1,05,91,651	—7,77,990	Indian Textile Syndicate Ltd.	58,640	1,834	Muir Mills	154½	250	7 8*	5 0(e)			6	Y.
24,33,500	50,34,547	99,04,000	63,69,938	23,786	N. Sirur & Co., Ltd.	50,128	900	Mysore Spg. & Mfg.	863	100					12	Y.P.
12,61,750	1,000	29,41,719	15,26,283	—1,92,880	R. Suryanarayana Rao, Resp. Manager	6,000	..	Mysore Spun Silk Mills	112½	50	10 0*	8 8*	6 0(e)		3	Y.P.
22,39,2325O	25,62,533	1,04,27,203	55,90,719	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,293	1,225	New Victoria Mills	71	10	*Nil*	*Nil*	*Nil*		3	Y.
2,67,066D									2½	D. 10	*Nil*	*Nil*				
57,19,600	55,48,220	1,69,99,989	61,01,861	74,722	Industrial Trust Fund	37,788	856	Osmanshah Mills	84xd	100	4 0	*Nil*	2 8(e)		9	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakhmi & Co.	29,024	..	Palani Andavar Mills	168	50A	12 0	12 0	12 0		12	Y.P.
6,00,000B									1225	75	18 0	18 0	18 0			
15,00,000	1,65,000	24,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	99	100	*Nil*	*Nil*	4 0(e)		12	Y.
16,81,200A	20,00,000	78,90,455	41,41,578	28,007	A. u. Gurusamy Naidu & Co.	61,564	801	Radhakrishna Mills	850	100A	8 0	16 0			12	Y.
5,42,800B									175	50B	4 0	8 0				
15,00,000	30,00,000	48 74,198	25 94,587	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	191	50	7 8	10 0	10 0		12	Y.P.
22,29,625	12 40,000	40 14,000	18,06,147	29,350	Rayalaseema Development Co.	14,500	..	Rayalaseema Mills	153	100	6 0	9 0	10 0		12	Y.P.
60,00,000	68,41,848	1,00,29,428	35,44,914	—19,16,726	J. P. Srivastava & Sons (Rampur).	84,528	600	Rasa Textiles	8¾N	100	*Nil*	*Nil*			12	Y.P.
10,00,000	1,80,39,918	2,89,27,048	2,04,37,279	—1,50,98,067	Mcvarka & Co.	96,282	2,224	Shakapoor Spg. & Wvg.	1,000	500	*Nil*	*Nil*			3	Y.P.
25,69,700	17,10,000	81,44,272	65,63,318	1,09,148	H. N. Pallegar, Esq.	31,666	228	Sri Krishnarajendra Mills	115½xd	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	9,00,246	35,18,906	17,78,000	—2,48,777	Gopaldas Lilidhar & Co., Ltd.	17,280	440	Shree Rajlan Mills	89N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,11,80,287	96,09,367	78,44,724	31,37,263	Birla Brothers, Ltd.	35,556	1,243	Sutlej Cotton Mills	112N	10	4 0	5 0	6 0		3	Y.
17,50,000 O									11½	10 O.	0 8	0 12	0 12			
1,57,50,000P	2,20,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi, Cotton Kanpur)	11½	10P.O.	0-14 2/5	1-2 2/5	0 12		12	Y.P.
1,00,00,000									11	10	0 8	0 10	0 12			
13,98,670	30,14,788	3,80,55,317	1,27,16,775	2,63,771	Emcote & Sons (Travancore), Ltd.			Travancore Rayons	135	10	0 8	0 10	0 12		12	Y.P.T
21,00,000	8,76,335	17,39,181	11,37,388	1,508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	13½	10	0 11 1/5	0 14 2/5	0-14 2/5		12	Y.
21,00,000	34,50,000	71,88,723	40,63,166	56,000	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	345	100	12 0	15 0	20 0		12	Y.P
22,00,000	34,42,971	1,64,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	185	100	4 0	4 0	8 0		12	Y.P

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus (e) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 68,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,19,30,179	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11–11½	5	*Nil*	*Nil*	0 8		5	Y.P.
15,20,030	18,88,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9		3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	A. 16sh	Sh. 1 3/6	Sh. 1 3/6	Sh1 3/5		9	Y.P.
								B. £1	Sh. 4	Sh. 5 4/5	Sh5			
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	182	75	15 0	15 0	15 0		3	Y
CEMENT														
11,87,700A	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd	Andhra Cement Co.	—	A. 10	10 0*	10 0	10 0*		12	Y.P.T.
89,79,920B							16½	B. 10	1 0*	1 6	1 0*			
45,14,600O	12,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd	Assam Bengal Cement	8	O. 10	*Nil*	*Nil*			3	Y.P.
4,70,976D							1¾	D. 1						
18,71,86,208	5,49,40,618	24,90,99,271	8,74,71,583	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	192½	100	9 8	8 8	10 0		7	Y.
60,00,000O.							15½	O. 10	1 0	1 0	1 4			
25,00,000D.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd	Dalmia Cement (Bharat)	4 3rd	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000D.							5½cd	D. 1	0 1-3/5	0-1 3/5	0 2			
61,91,030O.	14,00,000	1,46,64,600	47,05,770	2,31,546	Essen Ltd.	India Cements Ltd.	3⅝	O. 25	*Nil*	1 4	1 14		3	Y.P.
7,50,000D.							7½	D. 5	*Nil*	0 4	0 6			
88,93,275	44,50,000	2,04,20,192	86,59,098	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	190½	100	6 0	8 8	8 8		12	Y.P.
72,00,000	80,00,000	1,33,38,123	1,41,94,359	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	9⅜	5	0 6	0 4			12	Y.
50,00,000	....	1,04,00,851	24,33,980	2,75,454	Essel Ltd.	Travancore Cements Ltd.	10 3rd	10	0 8	0 10	0 8i		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,00,000	62,32,608	26,81,552	17,540	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4			12	Y.
10,00,000	25,12,725	57,20,295	33,23,355	9,142	Bird & Co., Ltd.	Bisra Stone Lime Co.	40N	10	0 14	0 8	0 14f		3, 9	H.
£914,200	£1,323,766	£2,037,345	£1,036,257	£111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7–1¼	Sh. 2	1 0	1 0	1 0		12	Y.
15,00,0000	24,32,396	43,31,247	12,21,311	17,339	Mysore Industrial Development Co.	Karanpura Development	22½	10	*Nil*	*Nil*	3 0		6,12	H.
3,00,000P				615			11½cd	10	0 12	0 8	0 12	1 0*	3	Y.
3,00,000	2,96,000	9,09,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	*Nil*	1 9	2 8		6,13	H.P.T.
62,98,250	66,03,861	1,11,56,780	76,81,898	83,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	6 0	7 0	0 11½		3,9	H.
25,00,000	16,12,500	1,36,83,385	56,81,638	35,487	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	1 0*	0 12*	0 12*		2	Y.
1,46,82,500	2,09,26,641	4,37,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	38½	10	1 0	0 7½	0 10		2,9	H.P.T.
1,25,07,295	62,28,687	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar[& Bros.	Shree Gopal Paper]Mills	18½	10	0 12	0 12	0 10†		6,12	H.P.T.
20,00,000 10,00,000'A.'	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills‡	11 11	O. 10 A. 10	0 12 0 12	0 12 0 12	0 8‡		5,9	H.P.T.
54,00,000A. 56,04,800B. 5,87,500P.O.	2,22,75,945	5,80,42,527	2,21,32,842	95,684	F.W.[Hellgersl&[Co., Ltd.	Titaghur Paper Mills Co.,[Ltd.	40 1 0* 1 0* 40 1 0* 1 0* 4½	A. 10 B. 10 F.O. 2½	0 12 0 12 0 12 0 12 0 12 0 12 0 2	1 0 1 0 1 0 1 0 1 0 1 0 0 2	1 0* 1 0* 0 2		3,9	H.P.T.
PRESSING														
8,00,000 4,80,000 5,00,000	6,12,365 1,00,000 1,95,000	15,78,488 6,89,526 10,91,811	11,13,691 4,73,056 9,80,877	—35,478 2,354 13,957	Andrew Yule & Co. .. .. .. Tyne & Sons .. .. .. Andrew Yule & Co.	Calcutta Hydraulic .. .. .. Camperdown .. .. .. Central Hydraulic	100 88N 135	100 100 100	5 0 4 0 4 0	4 0 5 0 5 0	*Nil* 5 0		6 7 6	Y. Y. Y.
PROPERTY AND LAND														
19,00,780O. 2,00,000D.	6,98,882	43,52,570	22,63,279	36,000	S. A. Basil, Esq.[& others][Directors]	Humayun Properties	13½ 9½	O. 10 D. 1	0 11½ 0 4/5	0 9 3/5 *Nil*	0 9 3/5	0 9 3/5	9	Y.P.
60,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	9½	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	29½	100	1 8	4 0	3 0		4	Y.P
SAW MILLS AND TIMBER														
12,00,998	23,05,545	31,61,533	10,78,883	—5,14,537	Bird & Co. Private[Ltd.	Assam Saw Mills	3½	2	*Nil*	*Nil*	*Nil*		9	Y
30,00,000 42,00,000 5,00,000	4,18,57,280	3,38,90,882	1,47,51,851	61,990	Wallace &[Co	Bombay-Burmah Trading Corpn.	725 276½ 35⅞	Old125 New50 100	15 0 6 0 *Nil*	20 0 8 0 *Nil*	27-8 15-0		5	Y.
89,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Bengal Timber Trading .. .. Gillanders Arbuthnot & Co.,[Ltd	Indian Wood Products	30½	10	2 8	2 12	3 0		6	Y.P. Y.
SUGAR (U.P. and Bihar)														
14,00,000 40,00,000A. 5,00,000B.	15,41,227	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½ 147½N	5 A. 100	*Nil* 10 0	6 12 10 0	0 1		6	Y.
19,49,050 15,00,000 32,00,000	29,18,856 5,50,000 18,90,235	49,46,285 33,35,389 10,40,479	33,16,660 24,41,201 11,77,841	16,50,000 51,985 13,206	Bangur Bros., Ltd. .. .. .. Cotton Agents Ltd.	Bagur Sugar .. .. .. Belsund Sugar .. .. .. Bharat Sugar	143N 11½ 11N	B. 10 7½ 10	1 0 0 12 1 8	1 0 0 12 1 8	0 12 1 8		4 9 6	Y. Y. Y.P.
32,00,000 30,00,000 18,00,000	23,37,080 57,88,651 38,04,891	1,39,90,775 1,03,44,647 72,85,757	92,27,801 64,32,451 53,46,902	12,445 82,023 24,019	Gladstone Lyall & Co., Ltd. .. Begg, Sutherland & Co., Ltd. .. Begg, Sutherland & Co., Ltd. ..	Carew & Co. .. .. .. Cawnpore Sugar .. .. .. Champarun Sugar	*Nil* 19½ 27½	10 10 10	0 12 6 0 1 0	0 4 0 12 1 0	0 12 1 8		6 10 7	Y.P.T. Y.P. Y.
5,99,452 60,00,000A. 10,00,000C.	6,18,562 32,00,000	24,56,880 75,94,877	15,33,747 56,00,000	46,804 62,619	Kasamchand Thapar & Bros. .. Bashbraj & Co., Ltd	Deoria Sugar .. .. .. Hindustan Sugar Mills	99½ 260N 100	10 'A' 100 O. 100	1 0 15 0* 15 0*	0 12 15 0* 15 0*	1 8 15 0*		8 6 7	Y.T. Y.P.
13,00,000	3,61,001	75,31,309	43,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	80N 32N	80 40	*Nil* *Nil*	*Nil* *Nil*	4 8 2 4		7	Y.P.
7,89,100 11,00,000	22,14,058 4,30,000	24,94,612 43,31,480	19,35,833 34,97,586	1,264 4,185	Cotton Agents Ltd. .. .. .. Kasamchand Thapar & Bros., Ltd. ..	New India Sugar Mills .. .. New Savan	33N 6½	10 10	2 8 0 4	2 8 0 4	2 8		6	Y.P.T.
16,87,500A. 2,71,875B.	49,60,297	67,74,122	51,54,900	5,817	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	240N 60N	100 25	20 0 5 0	20 0 5 0	20 0 4 0		6	Y.
27,45,350 12,00,000 9,00,000	52,18,159 12,74,233 17,64,369	1,56,90,446 23,77,669 37,85,808	95,00,000 19,95,928 30,57,249	5,540 55,000 6,871	Cotton Agents Ltd. .. .. .. Narang Bros. & Co., Ltd. .. .. Begg, Sutherland & Co., Ltd. ..	Oudh Sugar .. .. .. Punjab Sugar .. .. .. Purtabpore Co.	185N 115N 14½	100 100 10	11 0 10 0 0 12	11 0 10 0 0 12	11 0 0 12		7 10 6	Y.P. Y.
5,00,000 11,99,000 20,00,000	5,54,762 13,36,779 22,68,560	28,43,783 38,63,583 1,35,20,110	21,01,513 22,92,130 62,59,521	24,540 5,477 24,046	M. .. .. .. Begg, Sutherland & Co., Ltd. .. Sahu Jain Ltd.	Ryam Sugar .. .. .. Samastipur Central Sugar .. Shree Krishna Gyanoday Sugar	20½N 18 13½	10 10 10	0 8 0 8 1 1 8	0 8 0 8 1 8	*Nil* 1 12		6 6 6	Y.P. Y. Y.P.T.
9,99,850	61,885	27,15,126	12,50,592	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
7,95,468 9,15,000O. 4,40,000D.	18,82,940 47,592	31,60,785 27,42,197	17,68,086 11,46,779	1,06,227 —16,14,608	Karamchand Thapar & Bros. .. N. K. Jain & Co., Ltd.... ..	Shri Bitaram Sugar .. .. .. South Behar Sugar	14½ 1N	10 O. 10	2 0* *Nil*	1 8* *Nil*	*Nil*		8 10	Y.T.
2,00,000 16,00,000	21,91,685 7,66,589	96,42,062 32,69,951	57,49,754 26,68,926	82,931 20,564	Cotton Agents Ltd. .. .. .. James Finlay & Co., Ltd.	Upper Ganges Sugar .. .. .. United Provinces Sugar	8N 70½ 10½xd	D 2½ 10 10	*Nil* 0 8 0 8	*Nil* 2 8 1 4	2 8 1 8		10 6 9	Y.P. Y.
Other Centres														
46,99,750 17,50,000 18,98,900	74,53,470 9,24,292 2,45,841	1,50,12,576 23,03,879 39,19,958	1,03,10,261 21,86,722 20,01,146	90,043 4,092 51,993	W. H. Brady & Co., Ltd. .. A. H. Bhiwandiwalla & Co. .. Sir J. P. Srivastava & Sons[(M.B.) Ltd.	Belapur Company .. .. .. Bhopal Sugar Industries Ltd. .. Gwalior Sugar	24½ 18 76N	50 10 100	16 0 0 10 *Nil*	16 0 1 0 *Nil*	16 0 1 0		8 3 8	Y. Y.P. Y.T.
31,47,780 22,57,920	14,00,000 41,27,060	30,54,997 41,95,606	18,71,128 20,78,418	5,22,318 1,408	India Sugar and Refineries .. .. Govan Bros. (Rampur),[Ltd. ..	India Sugar and Refineries .. .. Buland Sugar	16½ 144N	10 10	2 8 1 0	1 12 1 0	1 6 2/3 1 0		8 10	Y.P. Y.
19,55,900O. 2,87,190D. 21,79,280	69,50,908 95,00,001	95,26,952 1,31,37,577	31,00,978 78,17,780	48,494 2,90,940	V. Ramakrishna, Sons Ltd[& .. .. S. Munianjappa Esq. (Managing Director)	K. C. P. Ltd .. .. .. Mysore Sugar	132½ 110 48½	O.100 D. 10 10	7 8 10 0 2 0	7 8 10 0 2 0	7 8 2 0		6 6	Y.P. Y.
80,00,000 16,59,820 20,00,000C.	48,49,631 28,50,880	1,03,28,164 58,90,015	59,35,509 26,76,747	11,063 29,280	Mafatlal, Apte and Kasliwal Ltd. .. Anderson Wright Ltd.	Phaltan Sugar .. .. .. Ramnagar Cane and Sugar ..	160 29½	50 10	3 0 1 8	3 0 1 8	3 0		6 6	Y. Y.
47,50,000 2,50,000	17,00,000	1,95,40,704	65,00,000	‡2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½ 8½N	O. 10 D. 2½	*Nil*	*Nil*	*Nil*		8	Y.P.T.
30,00,000 30,00,000 20,00,000	35,05,079 8,85,000 27,47,883	52,06,625 38,39,494 1,01,49,387	21,94,951 20,85,060 39,57,580	3,43,961 1,18,995 32,683	Turner Morrison & Co., Ltd. .. T. H. Rydin, Esq. (Mg. Director) .. Oberoi Hotels (India) Ltd. ..	Angelo Bros., Ltd.§ .. .. .. Assam Match Co., Ltd. .. .. Associated Hotels of India ..	22½ 16½ 7N	10 10 10	1 4 1 4* 0 3 1/5	1 4 1 4* 0 3 1/5	2 0* 1 4* 0 6 2/5		8 8 13	Y. Y. P.T.
30,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	183	100	20 0*	13 0‡	12 8		13	Y.
12,00,000 20,00,000	9,10,000 7,99,470	31,37,448 57,53,505§	24,05,448	70,880 1,31,733	Balmer Lawrie & Co., Ltd. .. Lovelock & Lewis	Bengal Flour Mills Co., Ltd. .. Birds Investment Ltd. ..	26xd 16½	10 10	1 8 1 4	2 8 1 4	2 4		6,13 9	Y. Y.P.
45,97,020 3,25,00,000 1,38,80,000	26,44,814 1,16,11,806 17,34,254	1,00,74,580 2,82,08,905 2,02,27,235	29,49,001 2,23,14,167	1,98,548 —27,26,584 12,76,052	K. Julian Scott, Esq. (Mg. Director) .. Sir Robert Menzies .. .. .. Andrew Yule & Co., Ltd. ..	Britannia Biscuits .. .. .. British India Corporation Ltd. .. Clive Row Investment	15½ 11½ 11½xd	10 5 10	0 8 0 3 0 4 1/5	1 4 0 1 0 3 1/5	1 8 Nil 0 9		9 8 8	Y.P. P.T. Y.P.
1,50,00,000 51,26,000	3,14,86,174 54 12,212	5,15,52,086 1,42,47,668§§	2,20,82,990	16,71,686 3,06,138	Cecil Stack Esq. Mg. Director) .. Bird & Co. (Private) Ltd. ..	Dunlop Rubber (India) Ltd. .. Eastern Investments Ltd. ..	29½ 140	100 100	5 0 5 0	5 0 5 0	1 6		3 13	Y. P.T.
14,00,000	10,08,900	33,81,772	18,89,778	27,194	MacNeill & Barry Ltd.... ..	Gauges Rope Co., Ltd.	185½	100	10 0	7 8	7 8		8	Y.T.
65,00,000 20,00,000 20,17,900	42,00,000 12,17,354 13,65,886	19,27,685 78,75,302 56,59,283	8,08,872 31,19,964 50,24,587	1,81,856 45,995 88,502	J. F. & d'A. Willis, Esq. .. R. P. E. Syndicate .. .. Birla Brothers Private Ltd. ..	Gillanders Arbuthnot & Co. Ltd. Great Eastern Hotel .. .. Hind Cycles	13½ 240 160	10 250 100	1 7 15 0 5 0	1 8 4 4 10 0	1 6 2/5 6 4 10 0		8 8 13	Y.P. Y. Y.P.T.
4,96,13,140 1,80,00,000 1,58,89,320	2,92,450 46,77,754 1,20,50,000	3,56,34,606 4,16,74,246 1,45,72,197	94,52,719 1,74,76,663 57,17,551	5,19,486 8,18,074 23,98,403	R. S. Greenwood (Mg. Director) .. A. E. Orlesen, Esq.	Indian Aluminium Co. .. .. Indian Cables	22½ 35½	10 10	*Nil* 1 0*	*Nil* 1 0*	*Nil* 1 0*		12 8	Y. Y.
1,87,970 15,16,00,000	1,85,000 7,28,52,633	16,40,506 38,63,583 3,55,94,047	6,96,110 22,92,130 1,17,80,408	22,619 85,00,728 4,70,107	G. S. Moulton & Co. (India), Ltd. .. Mr. G. H. J. Clarke (Chairman) .. G. M. Mashimay, Esq.	Indian Rubber Manufacturers .. Imperial Tobacco Co. of India Ltd. Jardine Henderson	15½ 15½ 101	10 10 100	0 12 0 9 3/8 7 8	0 8 0 9 3/8 7 8	0 12 4/5 7 8	0 6 2/5	8 8 8	Y.T.P. Y.P. Y.
2,80,00,000 6,94,000O. 98,000D.	5,89,566 1,91,892	84,83,960 5,94,030	8,60,060 3,53,758	4,76,107 2,668	James & Co. Private Ltd.	Mastariane & Co.	22 1 218N	O. D. 1 O.100	*Nil* 10 0	*Nil* 17 0			8 8	Y.P. Y
5,00,000D. 1,67,58,000 1,15,00,000	78,01,900 60,54,276 55,50,000	25,16,766 22,58,051 1,88,37,078	7,97,301 11,34,226 78,00,772	1,87,284 2,03,456 16,24,249	A. T. Doig, Esq. (Mg. Director) .. T. Leslie Marth, Esq. (Mg. Director) .. H. Chiswell Jones, Esq. (Chairman) ..	Martin Burn Ltd .. .. .. Metal Box Co. of India, Ltd. .. Mysore Glass and Enamel Works	D.O.10 25 80½ 10	D.10 10 10 10	1 0 3 1/5 1 0* 1 0 *Nil*	1 0 3 1/5 1 0 1 0 *Nil*	1 12* 1 4	1 10	13 9 9 12	Y.P. Y.P. Y. Y.
8,25,250 6,45,250 10,00,000	1,45,256 3,45,113 1,23,000	7,51,445 10,40,000 19,19,188	3,80,987 4,40,847 5,10,288	73 73 20,916	G. Chandy, Esq. (Controller) .. T. Shanmuga, Esq. (Chairman) .. Associated Industrial Development	Mysore Lamp Works .. .. .. Mysore Tobacco	14½ 18½	10 10	1 0 1 0	1 4 1 4	1 0		8 8	Y.P. Y.P.
40,00,000	81,31,173	58,09,527	39,20,120	2,21,383	Co., Ltd.	National Insulated Cable Co. ..	26½	10	1 0	1 0	1 8*		8	Y.T.
79,97,000 2,66,00,000 1,75,24,420	31,15,527 7,55,188 1,21,20,508	1,14,74,878 1,53,49,021 7,86,54,680	56,77,552 40,14,103 5,47,94,670	9,08,490 —66,99,179 4,91,884	B. N. Elias & Co., Ltd. .. M. P. A. Pappaiti, Esq. .. Sahu Jain Ltd.	National Tobacco Co. .. .. Ralfis (India) Ltd. .. .. Rohtas Industries	12½ 42½ 23½	10 100 10	*Nil* 1 8	*Nil* 1 8	*Nil* 1 8		12 8 8	Y.P. Y.P. Y.P.T.
40,00,000 75,00,000 2,56,280	54,13,560	17,49,3168 14,99,259	5,53,235 5,84,880	2,55,280	C. W. Stephenson, Esq. .. R. E. D. Campbell, Esq. .. Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd. .. Travancore Ogale Glass ..	13½xd 2½	10 10	1 0 *Nil*	1 4 *Nil*	1 0 *Nil*		12 12	Y. Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. • Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlokie	380	100	7 8	25 0	30 0‡		12	Y.P.
3,50,000	8,43,250	10,89,902	2,42,069	77,477	B. K. Kasaoria, Esq.	420	Ananda (Assam) Tea	45	10	0 12	1 4	7 8‡		12	Y.
3,50,000	6,43,250	10,47,044	3,03,058	72,998	Gillanders Arbuthnot & Co., Ltd...	420	Ananda Rag	49	10	*Nil*	2 8	3 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	518	Baghmari	27½	10	*Nil*	2 8	3 8		12	Y.
5,50,000	8,50,000	11,69,193	2,89,401	93,033	Andrew Yule & Co., Ltd.	360	Baanaata	41½	10	2 0	2 8	3 0		12	Y.
5,10,000	8,50,000	11,01,265	6,46,285	18,304	National Tea Corporation	569	Batell	25½xd	5	0 4	2 0	4 0	2 6‡	12	Y.
3,20,000	4,65,000	10,11,265	6,46,285	68,794	Gillanders Arbuthnot & Co., Ltd...	594	Betjan	56½	10	*Nil*	2 0	10 0*		12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	68,794	Williamson Magor & Co., Ltd. ..	3,967	Bishnauth	26½	10	*Nil*	2 8			12	Y.
24,50,000	20,60,000	52,30,169	22,93,169	1,99,547	Octavius Steel & Co., Ltd. ..	485	Bokakhat	24	10	*Nil*	*Nil*	1 0		12	Y.
6,00,000	3,53,500	10,49,416	2,06,130	61,929	Octavius Steel & Co., Ltd. ..	450	Borrnah Jan Tea	22½	10	*Nil*	0 12	2 8		12	Y.P.T.
7,50,000	6,52,400	8,92,327	2,93,050	1,44,195	McLeod & Co., Ltd.	2,334	Brooke Bond	23½	10	1 0	0 8	1 4		6	Y.P.
25,00,000	11,92,045	75,80,473	19,49,495	26,992	Brook Bond India Ltd.	282	Dejoo Valley	50	10	*Nil*	2 0	3 0		12	Y.
1,20,000	4,00,435	5,55,963	1,95,593	4,547	McLeod & Co., Ltd.	1,220	Dimna & Parbutipa	410	100	10 0	20 0	40 0		12	Y.
6,00,000	10,99,000	20,54,194	13,84,471	44,561	Jardine Henderson Ltd.	1,220	Dhalakhat	23	10	1 0	1 8	2 8		12	Y.
7,53,440	9,87,932	22,73,420	4,17,846	44,561	James Warren & Co., Ltd.	644	Dhunseri	24	10	*Nil*	2 0	5 0		12	Y.P.
4,68,970	3,95,000	10,93,269	3,77,383	8,779	James Finlay & Co., Ltd.	468	Dibrugarh	27½	10	*Nil*	1 8	4 0		12	Y.
4,50,000	6,75,000	9,00,934	2,06,317	42,814	McLeod & Co., Ltd.	611	Dimakuri	37	10	1 0	1 8	3 0		12	Y.P.
4,50,000	5,60,000	10,29,006	5,54,006	45,532	Williamson Magor & Co., Ltd. ..	615	Duffaglung	39½	10	2 0	4 0	5 0		12	Y.
2,38,700	5,60,000	10,29,006	5,54,006	1,04,350	Williamson Magor & Co., Ltd. ..	1,160	East India Tea	26½	10	0 4	2 0	3 0		12	Y.
5,80,500	8,82,000	19,85,851	13,34,018	78,638	Williamson Magor & Co., Ltd. ..	1,160	Ethelwold	34	10	1 0	1 12	3 0		12	Y.
10,00,000	6,40,000	23,25,313	4,30,235	5,997	L. C. Kanoi, Esq.	407	Gillespekri	27½	10	1 8	3 0	5 0		12	Y.
3,60,000	9,00,000	15,25,314	4,30,235	80,216	Williamson Magor & Co., Ltd. ..	546	Gohpur	27½	10	1 8	3 0	5 0		12	Y.
3,38,000	7,20,000	15,56,090	7,85,090					40½	A 10	2 0	3 0	3 0		12	Y.
A. 7,41,540 B. 3,51,185	16 26,250	30,58 902	6,17,945	56,576	Octavius Steel & Co., Ltd. ..	1,912	Greb	21½	B 10	1 0	1 8	2 8		12	Y.
2,00,000	8,75,000	7,76,574	2,68,800	34,780	Andrew Yule & Co., Ltd.	1,298	Hoolungooree	309N	100	*Nil*	12 8	55 0		12	Y.
3,70,000	11,47,716	18,90,576	10,80,537	72,556	Andrew Yule & Co., Ltd.	1,453	Jay Shree Tea Gardens	11½	10	0 9 3/5	*Nil*	1 0	1	12	Y.
58,56,000	34,40,339			97,186	Birla Bros., Ltd.	4,900	Jaybharat	11½	10	*Nil*	*Nil*	2 8		12	Y.
7,50,000	7,95,000	14,15,643	2,37,369	97,186	Gillanders Arbuthnot & Co., Ltd...	945	Jaybheari	26	10	*Nil*	*Nil*			12	P.T.
2,40,000	2,65,000	11,47,520	6,37,520	44,583	G. D. Kothari, Esq.	1,166	Kingsley-Golaghat (Assam) ..	325N	100	*Nil*	*Nil*			12	Y.
6,50,000	6,59,133	7,90,233	1,70,722	44,583	Dunsea Bros. & Co., Ltd.	1,046	Lodai	28½	10	*Nil*	2 0	2 12		12	Y.
3,00,000	11,40,000	19,45,410	4,74,285	10,713	Octavius Steel & Co., Ltd.	672	Mahseena	24	10	*Nil*	*Nil*	*Nil*		12	Y.P.
4,80,000	5,15,000	9,01,152	1,01,152	10,713	Dunsea Bros. & Co., Ltd.	432	Methola	215N	100	*Nil*	40 0	65 0		12	Y.
4,80,000	7,22,434	7,68,580	4,47,850	52,083	Andrew Yule & Co., Ltd.	244	Murphulani	33½	10	2 0	2 8	4 0		12	Y.
1,50,000								33½	A 10	2 8	2 8	5 0			
O. 80,000 P.O. 2,00,000	5,30,000	9,09,874	5,40,379	50,536	Andrew Yule & Co., Ltd.	542	Naga Hills	21½	B 10	1 8	2 8	5 0		12	Y.
4,00,000	3,61,374	6,00,238	3,30,069	9,867	S.C. Sen, Esq., Supervising Director	310	Nambirnadi	20	10	*Nil*	*Nil*	*Nil*		12	Y.
5,45,000	....	9,56,477	1,94,447	5,053	M.	917	New Chanasalkah	150N	100	*Nil*	5 0	10 0		12	Y.
5,00,000	5,60,000	5,95,477	2,35,549	22,913	Dunsea Bros. & Co., Ltd.	353	Rajgarh	54½	10	*Nil*	2 8	3 8		12	Y.
3,00,000	5,77,500	7,59,943	2,35,549	39,451	Andrew Yule & Co., Ltd.	932	Sapoi	30½	10	*Nil*	2 8	4 8		12	Y.
4,50,000	5,00,000	4,45,254	....	8,645	L. C. Kanoi, Esq.	502	Sealai	30½	10	*Nil*	2 8	3 8		12	Y.
6,00,000	5,86,808	17,12,490	5,59,512	41,943	Williamson Magor & Co., Ltd. ..	515	Tezu Ali	36	10	1 0	3 0	6 0		12	Y.
2,50,000	5,00,000	5,15,755	2,43,117	45,751	Octavius Steel & Co., Ltd.	495	Teloijan	23½	10	*Nil*	1 8	5 0		12	Y.
4,50,000	7,84,500	11,24,098	3,74,340	31,743	McLeod & Co., Ltd.	1,125	Tezpur	125	10	0 12	2 8	5 0*		12	Y.
5,98,000	10,73,006	10,33,999	2,43,134

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4¾	2	0 4	0 4	0 4 4/5		5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	3	0 12	0 12	0 7 1/5		2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries)..	Coffee Lands and Industries ..	24½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1 07,57,443	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	21	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	22	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	17½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kaipetta Estates	34½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Mainakara Rubber	31½	10	5 8	2 4	2 4		3	Y.
27,00,000	22,30,000	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	23xcd	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	2,31,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nenmeny Rubber	25½	10	0 12	1 8			12	Y.P.T.
2,00,000	1,80,000	7,20,395	44,185	8,660	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0			12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5½	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
13,50,000	7 80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajaziri Rubber	24½	10	1 12*	1 8	2 0		6	Y.P.
3,66,780	3,00,000	7,00,359	62,117	71,342	Peirce Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	26	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01 120	1,85,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	32xcd	10	3 0	3 0	3 0		12	Y.P.
6,10,200	3,00,005	8,91,561	80,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 1 3/5	0 2		12	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubbers	23½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,80,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13	10	1 0	1 8	1 4		12	Y.
20,00,000	.....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37	25	3 0	4 0	4 0		12	Y.P.T.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	30½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	58,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11½	10	1 0	1 10	0 6f		3.9	H.T.P.
6,00,000	10,25,000	51,65,438	36,93,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6.12	H.P.T.
20,00,000	9,64,130	1,17,45,954	91,71,059	2,55,797	McLeod & Co., Ltd.	1,254	Alliance	122	100	6 0	12 0			6.12	H.P.
49 20,700	72,00,000	2,72,86,335	1,28,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	159	100	12 8	7 8	8 8		3.9	H.P.
40 00,000	42,94,286	1,73,44,542	80,44,396	9,788	Bird & Co., Ltd.	810	Auckland	122	100	4 0	3 8	10 0		3.9	H.P.T.
20,00,000	22,36,887	96,73,016	65,15,094	15,350	Jardine Henderson & Co.	959	Bally	137	100	4 0	Nil	3 8		3.9	H.P.
£275,000	£631,525	£1,556,589	£1,003,237	£64,858	Sir John H. Burder (Chairman) ..	1,889	Barnagore	128	£5	£1 0	£0.15	£0.15		3.9	H.P.
25,00,000	32,80,123	49,93 231	1,006	Andrew Yule & Co., Ltd.	820	Belvedere	155	100	15 0	10 0	7 8		3	Y.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	16	10	1 4	1 2	1 2		6.12	H.P.
21,26,000	2,16,77,044	2,32,32,592	29,72,760	3,12,680	Birla Bros., Ltd.	1,373	Birla	10	10	3 0	1 12	2 0		6	Y.P.T.
25,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	16½	10	3 0	1 12	2 0		3	Y.P.
7 47,380	3,29,540	43,00,831	31,53,654	—2,77,865	Dayaram & Sons	124	Calcutta Jute Mfg. ..	10	100	10 0	9 0	7 8		4.10	H.P.
18,00,000	30,46,234	87,13,271	41,48,795	6,248	Andrew Yule & Co., Ltd.	502	Caledonian	9½	10	Nil	0 12	Nil f		6.12	H.P.T.
99,16,400	98,58,404	2,22,61,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	616	Champdany	190	100	12 0	9 0	6 8		5.11	H.
15,95,000	38,39,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd.	600	Chandpur	153	100	6 0	3 8	10 0		3.9	H.
30,15,000	31,00,000	64,10,068	47,77,690	1,32 949	McLeod & Co., Ltd.	530	Cheviot	176½	100	12 0	14 0	10 0		5.11	H.P.
10,00,000	24,00,000	78,22,716	66,22,969	1,07,142	Shree Krishna Investment Co., Ltd.	500	Chitavalsah	14	10	1 12	1 2	1 6		6.12	H.T.P.
31,49,200	61,22,878	1,24,26,320	64,46,801	1,996	Bird & Co., Ltd.	969	Clive	16½	10	Nil	Nil	1-4s		3	Y.P.
28,00,000	44,74,179	75,56,599	47,00,110	15,912	Andrew Yule & Co., Ltd.	766	Dalhousie	100	100	4 0	2 8	4 0		3.9	H.P.T.
15,00,000	34,50,000	82,82,679	59,80,760	78,204	McLeod & Co., Ltd.	195	Delta	779	100	20 0	12 0	10 0		5.11	H.P.
21,00,000	60,50,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	500	Empire	19	100	1 0	1 4	1 4		6.12	H.T.P.
14,00,000	17,75,000	84,16,102	53,69,759	1,16,743	Bangur Bros. Ltd.	1,884	Fort Gloster	845	100	Nil	5 0	15 0	7½f	3.9	H.P.T.
84,32,100	1,66,021	2,03,72,498	1,32,68,385	84,732	Macneill & Barry Ltd.	1,014	Fort William	21½	10	5 0	20 0	20 0		3.9	H.T.P.
15,80,000	25,00,000	43,43,892	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gauree Mfg.	65	100	Nil	8 0	2 8		3.9	H.P.
24,00,000	33,38,409	8,12,33,183	1,65,13,218	57,298	Macneill & Barry Ltd.	1,394	Gondalpara	220	300	15 0				3.9	H.P.
40,00,000	55,68,234	99,03,890	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Gourepore	114N	100	3 12	10 0	15 0		3.9	H.P.
18,80,000	18,91,556	45,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hastings	10	100	10 0	10 0	11 8		3	Y.P.
65,62,500	51,32,961	1,82,27,564	1,07,11,453	11,463	Jardine Henderson Ltd.	1,940	Hoochly	24½	10	1 4	1 8	1 4		3.9	H.P.
52,50,000	23,00,000	2,58,15,037	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Howrah	21½	10	1 8	1 4	0 14		3.9	H.P.T.
87,00,000							Hukumchand	22	10	3 0	2 0	2 0		3	Y.P.T.
80,000	16,55,558	1,23,66,655	78,55,428	7,781	M — —	1,076	India	130	Q. 125	6 4	3 2	4 11		4.10	H.T.
24,00,000									D. 1	0 4/5	0 2/5	0 3/5		4.10	H.P.
10 20,000	16,50,000	1,37,65,836	1,24.18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	126	100	9 0	8 0	2 8		3.9	H.
30,00,000								127	'B' 100	9 0	8 0	2 8		6.12	H.P.
24,00,000	7,00,000	1,33,86 300	1 00.46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	89	100	7 8	6 8	1 0		6.12	H.P.
21 00,000	53,00,000	1,22.91 697	83,77,484	1,10,851	McLeod & Co., Ltd.	708	Kelvin	85	'B' 100	7 8	6 8	1 0		6.12	H.P.
54,00,000	23,85,375	1,71,54,716	1 16 91,627	1,02,192	Anderson Wright Ltd.	228xd	Khardah	228xd	100	15 0	20 0	17 8		6.12	H.P.
48 00,000	1,94,27,157	2,31,57,357	1,12,99,755	52,710	F. W. Heilgers & Co.	1,530	Khardah	133	100	17 8	12 8	11 0		3.9	H.P.
24,48,000	49,37,087	1,39,82,288	80,55,707	10,707	Bird & Co., Ltd.	1,250	Khinkhinara	161	100	9 0	7 0	13 0		3.9	H.P.T.
28 06,000	56,89 479	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	931	Lansdowne	110	100	7 0	2 0	7 0		3.9	H.P.
21,55,200	24,59,603	42,39 603	26,53 498	8,247	F. W. Heilgers & Co.	840	Lawrence	103	100	5 0	6 0	6 0		3.9	H.P.
90,92,400	1,75,17,502	4,10 21,370	1,85,17,845	1,15,376	Bird & Co., Ltd.	1,283	Mecna	77	100	5 0	2 8	3 12		3.9	H.
4w.97,750	.....	39 62,720	3,82,645	14,019	Hindustan Investment Corpn., Ltd.	815	Naihati	82	100	Nil	Nil	Nil		3.9	H.
5,00,000	13 54,302	49 10,414	32,28,954	32,768	M. — —	911	Naskarpara	18½	10	0 5	1 2	0 10f		4.10	H.T.
6,00,000	1,43,676	7,58,438(k)	.....	3,139	F. W. Heilgers & Co. Private Ltd	401	Soorah	14½	10	0 8	1 0	1 8		13	Y.P.T.
16 00,000	1,20,000	52,67,321	28,91,190	—2,48,279	Macneill & Barry Ltd.	650	Standard	100	100	2 0	2 0	1 0		3.9	H.P.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	1,794	Titaghur	9½	£1	10%	10%	8%£1		12	Y.P.
29,65,760	76,84,250	3,59,97,490	2,97 14,367	93,296	Macneill & Barry Ltd.	1,826	Union	142	100	5 0	6 0	10 0		5.9	H.P.T.
10,00,000	2,15,000	10,76,364	5,73,963	11,273	Bhatter's Agency Ltd.	457	Victoria	9½	£1	10%	10%	8%£1		12	Y.P.
12,00,000	1,22,000	39,02,565	20,99,824	5,226	Killick Industries Ltd.		Waverley	5 4xd	1	0 1	0 8	0 3		6.12	H.P.T.
3,00,000	6,75,000	21,43,057	16,81,214	65,461	Macneill & Barry Ltd.										
22,00,000	1,12,000	24,74,412	6,18,546	—5,57,298	Bajpaie Trust Ltd.										
3,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd.										
20,00,000	17 325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.										
5,00,000	16,80,000	46,77,553	36,47,985	1,33,474	Andrew Yule & Co., Ltd.										
1,88,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.										
11,00,240	64,314	16,72,961	10,41 863	—41,320	H. V. Low & Co., Ltd.										
9,00,000	11,86,413	28,89,258	22,97,987	2,255	H. V. Low & Co., Ltd.										
7,43,240	2,00,000	9,23,179	12,15,473	11 096	Tantia Brothers Ltd.										
7,00 000	26,617	10,38 740	5,20 295	4,560	Amritlal Ojha & Co., Ltd. ..										
17 78 280	20,01 768	1,19,78,852	88 68,966	94,388	Andrew Yule & Co., Ltd.										
6,00,000	75,000	28,54,607	17,07,538	22,329	Dalhousie Jute Co., Ltd.										
1,10 000	2,56,193	12,98,171	5,46,681	14,967	Andrew Yule & Co., Ltd.										
1,57,500															
7,50,000	12,21,853	5,17,666	3,07,666	56,646	F. W. Heilgers & Co., Ltd. ..										
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.										
5,34,000	10 862	17,52,187	8,30 795	8 018	Deepchand Kishenlall										
15,75,000	16 00,000	47 70 275	25 30,275	33 843	Shaw Wallace & Co., Ltd. ..										
12,50,500	19 17,105	1,23,09,803	85,50,855	16 846	N. B. Elias & Co., Ltd.										
13,50,000	8,53,885	25,36,765	27,73 764	29,621	Shaw Wallace & Co., Ltd. ..										
20,00 000	5,90,000	44,28,585	18,73 118	3,20,178	Jaipuria Sons Ltd.										
1,25 000	1,06,802	15 78,480	12,21,251	21 070	M — —										
2,50,000	5,34,548	29 99 450	19,27 296	49 299	Andrew Yule & Co., Ltd.										
5,00,000	5 31,299	.....	52,491	23 987	F. W. Heilgers & Co. Private Ltd.										
69,31,450	16,96,050	9,82,71,101	2,85,58,501	—4,46,965	Industrial Trust Fund (Governm ent of Hyderabad)										
17,50,000	10,84,616	57,86,103	15,14,900	—51,883	Bird & Co. Ltd.										
8,00,000	15,09,895	1 09,570	26,510	17,847	F. W. Heilgers & Co., (Private) Ltd										
18,00,000	 960	90,62 220	15,49,302	—4,07,745	Villiers Ltd.										
2,50,000	2,50,000	18,47,985	14,81,865	44,187	Williamson Magor & Co., Ltd. ..										
48,98 000	.....	49 06,886	49 06,886	$—694	Hindustan Investment Corpn., Ltd.										
7,00,000	1,38,190	55,52 188	22,06,961	128	Macneill & Barry Ltd.										

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	38,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	22½	10	1 0	1 4	1 6		3.9	H.
12,00,000	8,62,573	38,78,477	36,13 477	22,708	Jardine Henderson Ltd.	Bararee Coke	20	10	1 0 2/5	1 7 1/5	1 7 1/5		3.9	H.
6,49,350	.....	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhaidee	6¾	10	0 12	0 12			3.9	H.
1,00,00,000	1 40 49,223	5,91,92,614	3,93,77,326	7,81,580	Andrew Yule & Co., Ltd.	Bengal Coal	535	200	32 8*	30 0*	35 0*		6.12	H.
2,25,000	4,77,174	24,81,806	22,28,968	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		4.10	H.P.
15 97,000	4,72,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6¾	10	0 8				6.12	H.P.
40,00,000	6,00,000	61,05,188	27,49,188	87,488	Sahu Jain Ltd.	Bharat Collieries	7½	10	0 12	0 10	0 10		9	Y.
7,15 000	15 09 580	52,49 025	37 09 987	—1,65,136	F. W. Heilgers & Co. (Private)Ltd.	Bhulanbarree	13½	10	Nil	Nil	Nil f		6	Y.T.P.
16,00,000	16,17,936	68,14,856	39,99,841	—79 196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12	10					6.12	H.
2,50 000	24 59 603	42 39 603	26,53 498	8,247	F. W. Heilgers & Co., Ltd. ..	Borrea	23½	10	2 12	2 9	2 0		6.12	H.T.
90,92,400	1,75,17,502	4,10 21,370	1,85,17,845	1,15,376	Bird & Co., Ltd.	Burrakur	13½	10	0 12	0 9	0 10		6.12	H.T.
4w.97,750	.....	39 62,720	3,82,645	14,019	Hindustan Investment Corpn., Ltd.	Central India	7½	10	0 4	0 4	0 4		6.12	H.P.T.
5,00,000	13 54,302	49 10,414	32,28,954	32,768	M. — —	Central Kurkend	11N	10	1 2				3	Y.
6,00,000	1,43,676	7,58,438(k)	.....	3,139	F. W. Heilgers & Co. Private Ltd	Churia	8½	4	0 2				6.12	H.
16 00,000	1,20,000	52,67,321	28,91,190	—2,48,279	Macneill & Barry Ltd.	Dhemo Main	8½	10		0 2	0 1f		6.12	H.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	30½	£1	Nil	Nil	Nil f		6.12	H.T.
29,65,760	76,84,250	3,59,97,490	2,97 14,367	93,296	Macneill & Barry Ltd.	Equitable	29½	10	2 8	2 8	3 0		4	Y.
10,00,000	2,15,000	10,76,364	5,73,963	11,273	Bhatter's Agency Ltd.	Ghusick and Muslia	14¾N	10	1 8	1 8	0 12f		6.12	H.P.T.
12,00,000	1,22,000	39,02,565	20,99,824	5,226	Killick Industries Ltd.	Hingir-Rampur	4½	10	0 8	0 8			6	Y.
3,00,000	6,75,000	21,43,057	16,81,214	65,461	Macneill & Barry Ltd.	Hurriadih	50	10	3 0	Nil	2 4		6	Y.P.
22,00,000	1,12,000	24,74,412	6,18,546	—5,57,298	Bajpaie Trust Ltd.	Joota Coal	22½	10	1 8	1 12	1 4f		6.12	H.
3,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd.	Kalapahari	2½	10	Nil	Nil			3	Y.
20,00,000	17 325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	18N	10	2 12	Nil	Nil		12	Y.P.
5,00,000	16,80,000	46,77,553	36,47,985	1,33,474	Andrew Yule & Co., Ltd.	Katras Jherriah	116	100	Nil	Nil			2.8	H.
1,88,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	60¼cd	10	4 0	4 0	2 8		3	Y.P.
11,00,240	64,314	16,72,961	10,41 863	—41,320	H. V. Low & Co., Ltd.	Kuardi	38N	10	Nil	Nil	5 8		1 7	H.
9,00,000	11,86,413	28,89,258	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	42N	10	Nil	Nil			6.12	H.P.
7,43,240	2,00,000	9,23,179	12,15,473	11 096	Tantia Brothers Ltd.	Nasira	10N	10	0 8	0 4			6	Y.
7,00 000	26,617	10,38 740	5,20 295	4,560	Amritlal Ojha & Co., Ltd. ..	New Banadeopur	7	10	0 8	0 8			4	Y.
17 78 280	20,01 768	1,19,78,852	88 68,966	94,388	Andrew Yule & Co., Ltd.	New Beerbhoom	10N	10	0 12	1 4			12	Y.
6,00,000	75,000	28,54,607	17,07,538	22,329	Dalhousie Jute Co., Ltd.	New Kumbhoom	18½	10	1 0	1 2	1 0		5.9	H.
1,10 000	2,56,193	12,98,171	5,46,681	14,967	Andrew Yule & Co., Ltd.	North West	11½	10	Nil	Nil	Nil		4.10	H.P.
1,57,500							16¾N	10	0 4	Nil	1 6		3.9	H.
7,50,000	12,21,853	5,17,666	3,07,666	56,646	F. W. Heilgers & Co., Ltd. ..	Ondal	7½	10	0 3	Nil	1 0½		3.9	H.
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	14½	10	2 0	1 0	1 0		6.12	H.P.
5,34,000	10 862	17,52,187	8,30 795	8 018	Deepchand Kishenlall	Parasea	14	10	0 4	0 12			12	Y.P.
15,75,000	16 00,000	47 70 275	25 30,275	33 843	Shaw Wallace & Co., Ltd. ..	Pench Valley	22½	10	1 10	1 10			6.12	H.P.
12,50,500	19 17,105	1,23,09,803	85,50,855	16 846	N. B. Elias & Co., Ltd.	Ramagunda	13	10	Nil	0 8	1 8		3.9	H.
13,50,000	8,53,885	25,36,765	27,73 764	29,621	Shaw Wallace & Co., Ltd. ..	Rewa	22½	10	2 0	1 6	0 10		3.9	H.
20,00 000	5,90,000	44,28,585	18,73 118	3,20,178	Jaipuria Sons Ltd.	Samla Collieries	14N	10	0 8	0 12	0 14		6.12	H.
1,25 000	1,06,802	15 78,480	12,21,251	21 070	M — —	Searsole	4¾N	10	0 10	0 10	1 0		12	Y.
2,50,000	5,34,548	29 99 450	19,27 296	49 299	Andrew Yule & Co., Ltd.	Seebpore	2¾	10	1 12	2 0	0 12		1	Y.
5,00,000	5 31,299	.....	52,491	23 987	F. W. Heilgers & Co. Private Ltd.	Sendra	9¾N	10	Nil	0 2	0 4		6.12	H.P.
69,31,450	16,96,050	9,82,71,101	2,85,58,501	—4,46,965	Industrial Trust Fund (Governm ent of Hyderabad)								6.12	H.T.
17,50,000	10,84,616	57,86,103	15,14,900	—51,883	Bird & Co. Ltd.	Singareni	10¾	10	Nil	0 11 1/5			12	Y.P.
8,00,000	15,09,895	1 09,570	26,510	17,847	F. W. Heilgers & Co., (Private) Ltd	South Karanpura	9½	10	0 4	0 2	0 2		3.9	H.
18,00,000	 960	90,62 220	15,49,302	—4,07,745	Villiers Ltd.	Standard	26½	10	2 0	1 8	1 0		6.12	H.
2,50,000	2,50,000	18,47,985	14,81,865	44,187	Williamson Magor & Co., Ltd. ..	Tatcher	3½	3½	Nil				6	Y.
48,98 000	.....	49 06,886	49 06,886	$—694	Hindustan Investment Corpn., Ltd.	Union	14½	10	1 12	0 12	Nil f		6.12	H.
7,00,000	1,38,190	55,52 188	22,06,961	128	Macneill & Barry Ltd.	Western Bengal	6½	10	0 6	0 6	0 8		3	Y.
						West Jamuria	11½	10	Nil	Nil	Nil f		6.12	H.

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BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000	1,06,00,000	11,36,801	Allahabad Bank	320 / 160 / 115	100 / 50 / 100	18 0	18 0	18 0	18 0	12	Y.P.
82,46,180	14,87,000	12,375	Andhra Bank	84	70	3 0	3 4	3 12	4 8 4/5	6,12	H
1,80,00,000	1,25,00,000	3,35,546	Bank of Baroda	104	50	6 0	6 0	6 0	6 0	12	Y.
56,00,000	17,00,000	11,795	Bank of Bikaner	103N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,53,00,000	13 26,630	Bank of India	175½	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,50,375	23,00,000	60,636	Bank of Indore	52N	25	2 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	247	100	16 0	16 0	16 0	16 0	12	Y.
61,51,706	58,78,311	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 8	2 8	2 0	6	Y.P.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	13,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	5 8‡	12	Y.P.
2,62,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd. ..	56½ / 57½	25 / 25	3 8	3 0	3 0	3 0	12	R.L.Y.
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	43½	50	1 12	2 0	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	34½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank ..	9½	50	—	—	—		12	Y.
50,00,000	1,57,90,000	2,771	Hindustan Mercantile Bank ..	14½	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	88N	100	5 0	5 0	6 0	5 0	12	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	198‡cd / 178cd / 135cd	100 / 95 / 65	12 0	12 0	12 0	12 0	6,12	H.
15,00,000 / 15,00,000						10 8½	10 8½	10 8½	10 12½		
49,19,375	80,00,000	2,28,299	Indian Overseas Bank	7 8½	7 8½	7 8½	7 12½				
2,25,000	5,54,500	—1,12,440	Indo-Commercial Bank	100	8 0	6 0	6 0	7 8		12	Y.
6,00,000 / 10,00,000				42½ / 11 / 25½	100(A) / 25(B) / 50(C)	6 0	Nil	Nil		6,12	H.
87,50,000	97,50,000	2,35,108	Punjab National Bank	60	25	3 0	3 0	3 0	3 8	12	Y.
1,00,00,000	23,50,000	43,597	Travancore Bank	19	25	1 8	2 0	2 0	2 0	12	Y.
40,00,000	35,00,000	1,06,228	Union Bank of India	6½	5	—	0 10	0 12	1 0	12	Y.
3,00,00,000	95,00,000	27 761	United Commercial Bank	56½	50	0 5½	0 5½	0 5½	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	$405,375	Chartered Bank of India, Australia and China	£1-10-0 / £7½	£1 / £7	16† / 7†	14† / 8†	15† / 8†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£99,917	Eastern Bank	£2	£1	1†	1†	1†	1†	12	R.L.Y.
H.K. $25,000,000	H.K.$125,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	$21	H.K. $125	5*	5*	5*	5*	12	Y.
£7,966,195 'A' / £1,487,296 'B'	£15,000,000	£558,006	Lloyds Bank	£2-12-0 / £1-5-0	£1 A / £1 B	12† / 5†	14† / 5†	15† / 5†	12† / 5†	12	R.L.Y.
£375,000 'A' / £375,000 'B' / £750,000 'C'	£1,750,000	£219,872	Mercantile Bank of India ..	£4-0-0 / £2-0-0	A £24 / B £12 / C £6	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	12	R.L.Y.
£2,561,542	£3,104,667	£343,188	National Bank of India	£1-1-9	£1	sh. 12½	16†	16†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (F) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
12,50,000	6	1st December and 1st June ..	Carew & Co.	1935	99½	1st June 1963
4,00,000	5½	1st March and 15th September..	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnagger Cane & Sugar Co., Ltd.	1926	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1948	101	27th December .. 1958-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1958-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries(New)	1944	96½	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June 1956
20,00,000	4½	30th June and 31st December ..	Barrakar Coal Co.	1947	91½	30th June .. .. 1967(c)
50,00,000	5½	15th June and 14th December ..	Equitable Coal Co.	1955	100	14th December .. 1958(c)‡
COTTON						
3,50,000	5½	30th June and 31st December ..	Bassett Cotton Mills Ltd.	1948	85	30th April 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	86½	15th November .. 1956(b)
99,00,000	5	1st April and 1st October ..	Buckingham and Carnatic ..	1952	101½	1st March .. .. 1972(c)
12,45,000	5½	..	Jayshree Textiles	1949	80N	1st January 1956-59
39,00,000	5	1st June	Tata Mills	1951	106½	 1966-71
ELECTRICS						
18,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(c)
1,25,00,000	4½	15th June and 14th December ..	Ahmedabad Electric Co., Ltd. ..	..	100½	14th June .. 1960
90,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98‡	1st October .. 1959
41,00,000	4½	30th June and 31st December ..	Bombay Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,20,80,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(c)
25,00,000	4	30th June and 31st December ..	Goenguese Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Mysa (Tharital) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(c)
4,95,000	5½	15th January and 14th July ..	South Madras Electric Supply ..	1940	97‡	14th July .. 1967-81
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September 1953-62
4,12,500	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	168½	1st July 1979
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1948	99	31st December .. 1960
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1952	99	30th June .. 1958
20,00,000	5½	15th September and 14th March.	Indian Hume Pipe (Bearer) ..	1951	101½	1st July 1957-68
61,14,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	£98	31st December .. 1962(B)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101½	1st October .. 1966-85
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(c)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
4,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June ..	Auckland Jute Co. Ltd.	1946	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1946	98‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Bhatpara	1948	99	31st July .. 1959
12,88,000	5	30th June and 31st December ..	Chitavalah Jute Mills	1951	96	30th June .. 1966
12,56,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1963(c)
2,50,000	5	15th January and 14th July ..	Delta Jute	1951	94½	15th July .. .. 1963(c)
20,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92½	30th June 1962
20,80,000	5½	31st March and 30th September.	Howrah Jute Mills Co. Ltd. ..	1955	99	31st March .. 1970
20,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96½	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	96	31st March .. 1967(c)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1948	88	31st December .. 1964
10,00,000	4	30th June and 31st December ..	Ganges	1948	93	30th June 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. (Ltd.	1950	91	8th September .. 1965(c)
5,00,000	4½	14th March and 14th September.	Serajah Jute	1937	96	14th September .. 1957
15,00,000	4½	30th June and 31st December ..	Union	1937	96½	30th June 1957
10,00,000	5½	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	90N	1st July 1964
$350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900 / 1923	$66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
$199,363	5	1st April and 1st October ..			$77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90½	31st December .. 1959(
$200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	$85½N	Any time on six months' notice (e)
4,88,36,267	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	96	1st September .. 1963
PLANTING						
18,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1952	102½	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	..	101	1st April 1958-66
1,80,700	5½	31st March and 30th September.	Teakoy	1944	100	31st March 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1946	98	31st Decem 1965
26,26,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	96	31st December .. 1962
6,50,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	4½	1st March and 1st September ..	Burmah-Shell	1954	102½	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1956	102	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Cawnpore Properties	1916	92	1st February .. 1964
28,92,000	4	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1926	90½	1st July 1956
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1960
1,50,84,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd...	1950	101	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,75,000	6	15th March and 15th September.	Mettur Chemical Industries ..	1946	96	1954 .. ..
25,05,500	5	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September .. 1976(a)
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes) .	1947	470 (per note)	31st December .. 1972(c)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	80N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	103	30th June 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. .. 1961(c)
1,00,00,000	6	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91‡	31st December .. 1950
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1967 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 16 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-8-1965. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. ½ Redeemable part of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to red em a debenture at 101 per cent. on 1st May 1965, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th July, 1956.

—	Closing quotations 18-7-1956	High	Low	Closing quotations 25-7-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	198½	198½	197½	197½
Apollo (2)	3 3/4	3-4¼	3½	3 3/4
Bombay Dyeing (250)	655	657½	640½	642½
Central India (100)	161	161½	150	160
Century Mills (100)	573½	574½	560½	572½
Colaba (100)	81½	—	—	81½
Edward Textile (300)	338½	345	338½	345
Elphinstone (50)	65	—	—	65
Finlay (100)	350	351	348	349½
Gokak (100)	242½	243½	240	241½
Ind. Untd. Defd. (1)	2-8¼	2-8½	2-7½	2-7½
Ind. Untd. Ord. (10)	13⅜	13⅜	13-8½	13 3/4
Indore Malwa (100)	156½	156½	155	155½
Khatau (100)	253½	263½	253½	263½
Kohinoor (100)	390	389½	384½	386½
Lakshmi (250)	700	—	—	700
Madhusudhan (100)	112½	—	—	112½
Minerva Mills (100)	94	95	94	95
Model Nagpur (250)	154½	—	—	154½
Morarji (100)	255	260	255	260
Mysore (50)	112½	—	—	112½
National Rayons (100)	258	258	249	267
New City (100)	177½	180	177½	180
New Great (100)	265	265	263	263
Phoenix (100)	141½	146½	141½	145
Podar Mills (100)	190	190	187½	187½?
Sassoon Silk (10)	12	—	—	12¼
Sassoon Spg. (10)	41	—	—	41
Shahpur (1,000)	1,750	—	—	1,750
Shrinivas (100)	225	226½	223½	225
Simplex (50)	226	227	224	226
Standard (100)	488½	487½	476½	481½
Swadeshi (100)	258½	258	254	256½
Swan (100)	447½	—	—	447½
Tata Mill (25)	58	58½	57	57½
Vishan (100)	187½	187½	185	186
Western India (1,000)	5,125	—	—	5,125
BANKS				
Bank of India (50)	171	172½	170	172½
Bank of Baroda (50)	101½	105	101½	104
Central (25)	56	56½	55½	56½
Central 'A' (25)	57½	57½	57	57½
Dena Bank (50)	41½	—	—	42½
Punjab National (25)	58½	60	58½	60
Union Bank (5)	6½	—	—	6½
United Com. (50)	55	56½	54½	56½
ELECTRIC COS.				
Ahmedabad (100)	100½	100½	100	100½
Amalgamated (10)	11 3/4	—	—	11 3/4
Andhra Valley (1,000)	1,210	1,235	1,225	1,232½
Bom. Sub-El. (100)	117½	118½	117½	117½
Surat (100)	120	—	—	120
Tata Hydro (100)	130	—	—	130
Tata Power (1,000)	1,317½	1,323½	1,312½	1,321½
INSURANCE COS.				
British India (10)	14½	15	14½	15
Empire of India (100)	375	—	—	375
Ind. Mercantile (50)	46	—	—	46
Jupiter (10)	5½	—	—	5½
New India (15)	49½	50½	48½	50½
Oriental (200)	3,855	—	—	3,855
Universal (10)	12½	—	—	12½
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	35½	35 3/4	35-5½	35-11½
Tata Steel Ord. (75)	204½	204½	202½	203½
SUGAR COS.				
Belapur (50)	242½	248½	241½	242½
Bhopal (10)	18	—	—	18
Phaltan (100)	161	162	160	160
Walchand Ind. (100)	270	278½	269½	272½
CEMENT COS.				
Associated Cts. (100)	198½	198	191½	192½
Digvijay (100)	200½	200	198	199½
MISCELLANEOUS				
Alcock Ashdown (100)	368½	385	365	376½
Bom. Dyeing (125)	708½	727½	687½	725
Do. (New) (50)	272½	276½	261½	276½
Br. B. Petrol (4 sh.)	4½	4-6½	4-5½	4-6½
Br. I. Corpn. (5)	11 3/4	11-5½	11-4½	11 3/4
C. P. Ely. (100)	78xd	—	—	79
Indian Copper (2 sh.)	7½	7½	7-0½	7-1½
Ind. Inv. Tr. (100)	76½	77	76	76½
Kamp (200)	175	—	—	177½
Killicks (100)	168½	168½	167½	169½
Pelson (100)	180	180	178½	178½
Port Canning (100)	9½	—	—	9½
Premier Con. (50)	208½	210½	206½	208½
Scindia (20)	19 3/4	19 3/4	19½	19-6½
G. E. Shipping (10)	20½	20½	20½	20½
Shirinda Tea (10)	91	92	90½	91
Tata Chemicals (10)	20	20-1½	19-13½	19-15½
Tata Locomotive (100)	149½	152	148½	150½
Tata (20)	59	59½	58	58½
W. I. Match (100)	186	186½	184½	185½

GOVERNMENT SECURITIES	18-7-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	25-7-1956
	Rs.			Rs.
2½% 1961	93 3/4	—	3.89	93 3/4
2½% 1960	96⅜	—	3.74	96⅜
2½% 1962	93⅜	—	3.80	93⅜
2½% 1963-65	92⅜	—	4.01	92⅜
2½% 1967	99⅜	—	3.18	99⅜
2½% 1968	99¼	—	3.18	99¼
2½% 1960-61	98¼	3.68	3.89	98¼
2½% 1964	95	—	3.72	96
2½% 1965-66	95½	3.90	3.85	95½
2½% 1966-68	93 3/4	3.81	3.71	93 3/4
2½% 1970-75	90¾	3.90	3.71	90¾
2½% 1986 Con. Loan	76 1/4	—	3.82*	76¼
3% 1955-70	101 3/4	3.68	3.90	101 3/4
3% 1958-68**	102½	2.94	4.20	102½
3½% 1961 N.P. Bonds	99¼	—	3.61	99¼
3½% 1964 N.P. Loan	98¾	—	3.67	98¾
3½% 1965 N.P. Bonds	98 1/4	—	3.67	98¼
3½% 1962	98	—	3.62	98
3½% 1967 N. P. Bonds	98¼	—	3.67	98¼
3½% 1974	98¼	—	3.87	98¼

BRITISH GOVERNMENT SECURITIES	Closing quotations 13-7-1956 £			Closing quotation 18-7-56 £
2½% Brit. Consols	52⅞	—	—	52⅞
3% Savings Bonds 1965-75	73 1/4 xd	—	—	73¼
3% War Loan 1955-59	94⅜	—	—	73¼
3½% War Loan	71 1/8	—	—	94⅜
4% Victory Bonds 1976	91⅛	—	—	71⅛
4% Funding 1960-90	87⅛	—	—	91⅛
				87⅛

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

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WORLD BANK MISSION ON SECOND PLAN

THANKS to the enterprise of the New Delhi correspondent of the *Hindu*, we have been able to get a comprehensive account of the impressions of the World Bank Mission of India's second Five-year Plan. It is not clear why the Government of India has not yet released the Mission's report to the public. The earlier it does the better. Be that as it may, it is heartening to find that most of the criticisms of this journal on the Plan have been supported by the Mission which consisted of quite a few experts. There is a general inclination among the powers-that-be to attach greater importance to the views of foreign critics than to those of nationals, more especially of the Press. We are not alone in holding this view, as witness the remarks of Rajaji a few days ago to the effect that the Press in India is having less influence on the Government than it did during the pre-independence and the early post-independence days. It is to be hoped that the observations of this Mission at least will open the eyes of the Planning Commission and the Government to the defects in the second Plan. If they fail, the charge which one often hears these days, namely, that the present Government is easily moved more by flattery and less by honest, well-meaning criticism, will stand strengthened.

At the outset, it must be said that the Mission's appraisal of the Plan is well balanced; its criticisms are friendly and appeal to commonsense; and its praises are measured, having been given only where merited. Its observations differ from those of other observers, individuals and teams, in one important respect. They do not suffer from political predilections. The World Bank is an international business body which views each proposition from a practical, business-like angle. Its representatives can, therefore, afford to be frank in their assessment of a given assignment without importing extraneous considerations. That is all the more reason why their views deserve to be pondered dispassionately. The fact that many critics in India itself share these views only goes to prove, if any proof were needed, that the Mission has examined the Plan solely from the needs and capacity of this country and that it was not influenced by any foreign forces.

The achievements of India under the first Plan have been admitted and admired by the Mission. This acknowledgment is based not merely on such tangible gains as increase in the national income and improvement in the economic strength of the country but also on certain intangibles—"a new buoyancy and hope, a new confidence and an awakening desire for self-improvement." All these qualities are prerequisites to further success in economic planning and development. The Mission has also noted with satisfaction that the Government has been successful in enlisting the participation and mobilising the energies of the people through Community development programme and similar measures for carrying out the planned development. It has found no inclination to complacency, but a readiness to accept constructive criticisms. While the former impression is true, the latter, namely, receptivity to constructive criticisms, deserves to be qualified to some extent, for such criticisms are taken note of only when it suits the fads of our Ministers.

Before proceeding to refer to the Mission's views on the second Plan, it is necessary to draw attention to one of its general comments. And it is that data on actual expenditures are now several years in arrears. This is a serious drawback, for, in the absence of up-to-date progress reports, it will not be possible for the Government to anticipate in time, and evolve suitable measures for removing, bottlenecks. Nor will it be possible for it to make sure that progress in all sectors and regions is well balanced. Again, in the absence of up-to-date data, the Press cannot assess whether the achievements are commensurate with the expenditure undertaken. It is common knowledge that we have yet to have such an evaluation of the first Plan.

One of the features of the second Plan is its flexibility. It provides for annual programming within the broad framework. This has been criticised by some on the ground that it may lead to chaos when some project or other has to be dropped or suspended for want of resources. The World Bank Mission's approach to this aspect of the Plan is pragmatic. While it appreciates the need for a flexible plan, as the Indian economy is still largely agricultural and so liable to marked fluctuations in its fortunes owing to the vagaries of the monsoon, it has urged, very rightly, that "prompt and continuing attention be paid to planning in advance the type of changes which can be made without creating serious imbalances in the programme." It has further pointed out that, "in such advance planning, a distinction would obviously have to be made between the adjustments required by shortfall in foreign exchange resources and those made necessary by a failure to mobilise sufficient domestic resources." This is a very valuable point, for the reason that filling the gap in foreign exchange resources is far more difficult than that in domestic resources. The Government can create at its will rupees but not dollars or sterling or roubles.

On the financial aspects of the Plan, the Mission's advice is wholesome and in accord with the views expressed by many in this country, including this journal. The Mission has thus urged (1) considerable caution in resorting to deficit financing, (2) greater emphasis on raising more revenues through the adoption of more realistic pricing policies for the services and benefits rendered by the Government to the people, and (3) judicious raising of additional taxation, without impairing the incentives for, and the resources available to, the private sector. While the Mission is conscious of the value of deficit financing, it is of the view that the scale of such financing contemplated in the Plan considerably exceeds the capacity of the country to absorb it *without serious consequences to the price level* and the purchasing power of the rupee.

The Mission feels that there is still considerable scope for increasing Government income by raising railway rates, charges for power and water and, in some cases, port charges. It strengthens this suggestion by pointing out that, "in view of the great need to capture a considerable portion of the rise in national income for reinvestment, it is necessary to make certain that Government enterprises, particularly those in the field of power, irrigation and transport, earn large surpluses." This is a perfectly sound line of argument. Very low rates for public services encourage wastage of capital resources and, in many cases, tantamounts to undeserved subsidy to those who avail themselves of such services. But, in following it in practice, the authorities should not act indiscriminately. There is, for instance, a good case for stepping up the passenger fares in railways, internal air services, and certain sections of road transport services. Care and caution are, however, necessary when it comes to the question of freight rates. Similarly, the case for enhancing power rates and water charges rests on good ground; only, it must be applied judiciously, taking into account the needs of certain types of consumers in the case of power and the fertility of the soil, the nature of a particular region, whether it is developed or underdeveloped, etc., in the case of water rates.

Coming to taxation, the Mission has effectively stressed the importance of incentives to investors. Its advice to the Government is to avoid an all-out effort to increase direct taxation just for the purpose of achieving public investment targets, if this can be accomplished only at the risk of substantially undermining the incentives to the private sector and diminishing the resources available to it, because the latter is still expected to contribute the lion's share of the anticipated rise in national income. The Mission has also shown convincingly that taxation of personal incomes is so heavy that it militates against the flow of foreign private capital and technical know-how to India.

While on the subject of finance for the Plan, we may as well refer to the Mission's views on foreign capital. It is now well known that, in view of the large gap between the resources required and the resources available, foreign private capital can be of *immense help to this country*. But, unfortunately, the attitude of the Government and the business community towards this question has been far from realistic. There is a general impression that it is only the Government which is following a negative approach. It is, however, not so well known that Indian business men, in their anxiety to preserve the domestic market for themselves and to avoid competition from

in recent years, been excessively shielded against competition from abroad and from foreign-managed ventures capable of operating in the Indian market. More competition from both sources is likely to improve the quality of Indian manufactures, which, in many respects, is still too low, and to inculcate in Indian business an attitude which will put more emphasis on expanding output at lower unit-costs and profits. There is evidence that foreign enterprise will be attracted to invest in a large expanding market, provided the investment climate is made more favourable. In our opinion, the Indian Government should make a determined effort to enlist foreign capital and management for new ventures."

Proceeding, the Mission sympathises with the desire of the Government to have joint Indian-foreign ventures rather than wholly foreign-owned enterprises. But, at the same time, it believes that this desire should not be pushed so far as to deprive the foreign investor of an effective share in the management of the enterprise, without which he is unlikely to risk his capital. By way of an example, it refers to India's need for development of oil resources and remarks that it would be a mistake to insist on such a large measure of Government participation in the exploitation and development of oil resources as to discourage foreign oil ventures and saddle the Indian economy, which is already short of capital, with the excessive burden of finding the huge amounts of capital which are necessary for an effective programme in this field.

It will thus be seen that the Mission's observations on the subject of foreign capital are based on a full understanding of India's position and needs. We are in full agreement with these views and have no hesitation in saying that nothing but good will accrue to the country in following the Mission's advice. In the larger interest of speedy economic development and of preservation of free enterprise in India, our business men will be well advised to reconsider their stand on this important subject.

While generally approving the broad outlines of development which India proposes to follow, the Mission is of the view that the second Plan is "somewhat too ambitious." This is a very mild criticism, indeed, considering that the Mission has expressed serious doubts, as has been done by several critics in this country, about the short-comings in its transport systems and the wisdom of our planners in depending upon small-scale and cottage industries for the major portion of the increased supply of consumer goods that would be necessary for keeping inflationary pressure under check. It has been argued by the Government that the size of the Plan must be such as to capture popular imagination and to challenge the country to greater efforts. The Mission recognises that there is some force in this argument, but rightly hastens to warn the Government that the targets must be sufficiently realistic to avoid the adverse psychological effects resulting from a marked failure to accomplish them. In saying that the targets seem to be too large in relation to the administrative, technical and financial resources available even on the most sanguine assumptions, the Mission has accurately highlighted the weakest spots in the Plan. The Mission has rendered real service to India by drawing the attention of the authorities to the valuable role which the private sector can play in the economic development of the country and to the danger of attaching exaggerated importance to small-scale and cottage industries as sources of employment and producers of essential consumer goods. The candid manner in which it has examined the latest textile policy of the Government is highly commendable and evokes our respect for the Mission's sense of responsibility and honesty of purpose. Its verdict on this policy is that it is unworkable, a conclusion that fully tallies with ours, expressed in these columns a few weeks ago.

INDUSTRIAL DISPUTES ACT

EXPERIENCE in all countries shows that perfect industrial peace is unattainable in the modern age. It is an age of industrialisation and disputes. No country has ever succeeded in avoiding the disputes entirely. And all labour legislation is, therefore, designed only to ensure that some machinery exists for an amicable settlement of disputes which do inevitably arise from time to time. India has evolved a pattern of conciliation and adjudication for settling such disputes. It is by no means a perfect pattern, for it involves the interference of the Government in the sphere of industrial relations. No one can say that such interference is an ideal method of settling disputes. After all, it is best that the contending parties are allowed to meet across a table and settle their differences. This method, popularly known as the "Giri Approach," has not yet found favour with the authorities. It is not as if they are unaware of the wisdom of this approach. But they are apparently convinced that India has not yet reached a stage where it could be tried with success. There may or may not be a basis for this apprehension. But it is certainly deplorable that no serious attempts are being made by them to move faster in that direction.

The Bill to amend the Industrial Disputes Act, which was passed by the Lok Sabha last week, is open to the charge that it not only does not provide any great incentive for voluntary negotiation but, in certain respects, actually enlarges the area of industrial disputes. The only important clause in the Bill, which could be said to bear the impact of the "Giri Philosophy" of industrial relations, is the one that provides for arbitration. Under clause 8 of the Bill, it is open to the two parties to sign an arbitration agreement and refer the dispute to an arbitrator. It is true that even arbitration implies submission of an internal dispute to an external authority, but it is preferable to conciliation through Government officers and adjudication by labour courts, in the sense that it may tend to be less formal in its procedural details. Excepting for this feature, the Bill sticks by and large to the beaten track and breaks no new ground. Indeed, it is modelled closely on the Bombay Industrial Relations Act which, as is well known, is the Bible for the advocates of adjudication.

Although the Bill thus provides no direct incentive for compromise through voluntary negotiations, it may conceivably further the cause of such agreement in an indirect manner. This hope rests on the consideration that the Bill seeks to abolish the Appellate Tribunal. The Tribunal has no doubt done considerable good in the cause of industrial relations by laying down many healthy norms and regulations. It has proved a very necessary corrective to vexatious awards by industrial courts in the States. But it is also true that its presence has encouraged a singularly litigious psychology. Neither party is willing to abide by a verdict, unless it has been approved or modified by the highest Tribunal. The abolition of the Appellate Tribunal, though it is obviously a concession to labour demand, may still prove to be a blessing in disguise. The absence of an appellate authority may possibly induce a sense of realism among both employers and employees. But the Government will do well to step into the breach effectively by encouraging the formulation of norms which would guide the adjudication authorities. Joint consultations should be frequently organised, so that a body of doctrines, commanding wide acceptance by both sides, could be built up. This would bring the two parties nearer each other. The task of the labour courts and tribunals, too, will be rendered easier if they can constantly refer to some set of principles which have been mutually agreed upon by the employees and employers.

Such agreement among the parties is the only corrective to a situation under which there is no provision for appeal for an award from a labour court or tribunal. The Bill, it may be mentioned here, seeks to set up three types of original tribunal: Labour courts, industrial tribunals and national tribunals. The labour court will have jurisdiction to adjudicate on industrial disputes relating to such matters as propriety or legality of an order passed by an employer under the standing orders, the discharge or dismissal of employees, and illegality or otherwise of a strike or lock-out. An industrial tribunal will adjudicate on disputes relating to matters such as wages, hours of work, bonus, rationalisation and retrenchment. A national tribunal will adjudicate on matters which, in the opinion of the Government involve questions of national importance or which are of such a nature that establishments situated in more than one State are likely to be interested in or affected by the disputes.

Since there is no provision for appeal from each of these three tiers of the adjudication machinery, the employers have naturally attached considerable importance to the question of the qualification of the men who are to man this machinery. Accordingly, the Bill lays down judicial qualifications for these men. A few amendments were moved by the Union Labour Minister, Mr. Khandubhai Desai, during the clause-by-clause reading of the Bill in the Lok Sabha. One of them authorises appointment as the presiding officer of a labour court of a person who has been the presiding officer of a labour court, constituted under a State Act, for not less than five years. The second amendment makes a person who has been chairman or member of the Labour Appellate Tribunal for not less than two years eligible for appointment as a presiding officer of an industrial tribunal. Under the third amendment, a person who has held the office of chairman or any other member of the Labour Appellate Tribunal for not less than two years will be eigible for appointment as a presiding officer of the national tribunal. These amendments are welcome, inasmuch as they will enable the country to make use of the services of persons who have already acquired considerable experience in adjudicating industrial disputes.

Among the changes made by the Bill in the Industrial Disputes Act, mention must be made of the new definition of workman, the requirement of 21-day period for serving a notice of change on employees and the right to refer matters relating to interpretation of standing orders to industrial courts. These changes will be welcomed by employees even as they are deplored by employers. Workers will describe them as the extension of the protection afforded by the labour law to a wider section of their ranks. Employers will naturally look upon the changes as a device to extend the area of industrial disputes. There is no doubt that the scope for industrial disputes has been widened. Thus, the definition of "workman" in the Industrial Disputes Act is enlarged so as to cover technical staff and supervisory personnel whose emoluments do not exceed Rs. 500 per month. The Bill also provides that the employer shall not introduce any change in respect of certain specified matters affecting conditions of work without giving the workmen concerned 21 days' notice of his intention to do so. The employers have rightly complained that it would be difficult to implement this provision in practice. A breakdown of machinery or the declaration of a holiday by the Government or civil unrest may all introduce changes in conditions of work which it would be difficult to anticipate and notify in advance. In certain industries, notably plantation industries, changes in weather may necessitate sudden variations in conditions of work. Obviously, it would be necessary to reach *ad hoc* agreements on these issues, in order to avoid industrial disputes.

Another direction in which the area of industrial disputes will be enlarged as a result of the Bill is in respect of standing orders. The Bill amends the Industrial Employment (Standing Orders) Act, so as to empower both the certifying officer and the other authorities concerned to take into account the fairness or reasonableness of the standing orders before they are certified. Further, a worker is empowered to apply to the certifying officer for modification of the standing orders in the same way as an employer is now permitted to apply for such modification. Provision is made for reference of any question of the application or interpretation of a standing order to the Labour Court by the employer or worker without the intervention of the Government. If these changes are not to lead to vexatious disputes, it is again obviously necessary to evolve some code which both employers and employees will recognise as binding upon them.

A notable concession to employers—not perhaps so much a concession as a vindication of justice—is the provision that an employer may, during the pendency of a dispute, discharge or punish an employee for any misconduct not connected with the dispute. The employer has, in such cases, to pay a month's wages to the worker concerned and apply to the authorities for approval of his action. During the debate on the Bill in the Lok Sabha, this provision evoked considerable protest from labour spokesmen who were afraid that the provision would be misused by employers. The scope for misuse is strictly limited, for the enquiry authority may not approve of the action taken by the employer. In any case, no employer would like to use this provision wrongly and thereby lose the goodwill of the employees. The real value of this provision is that it is conducive to better discipline in industrial establishments. It may be noted here that there have been cases where the employers have found it difficult to dispense with the services of workers who have committed penal offences, merely because some dispute is pending in the labour court. At the same time, we would like to emphasise that employers will do well, in their own interest, to use this provision only where its use is clearly indicated; for any misuse of this provision on their part will only serve to make the workers clamour for its repeal.

SHARE MARKETS UNPERTURBED BY WAR THREATS IN MIDDLE EAST

TEXTILE POLICY—BANK CREDIT—POWER POSITION

THURSDAY, 5 P.M.

THE nationalisation of Suez Canal by Egypt is undoubtedly the main event of the week. It has led to a first class crisis in the international situation, for it is a challenge to the supremacy of the Western powers in West Asia and Africa, popularly known as the Middle East. If this crisis is not resolved amicably and speedily, the consequences may be quite serious to India. It is not merely India's trade with Europe and America that is involved, but its relations with the entire Atlantic powers. Although India's official reactions to this history-making event are not known at the time of writing, there is no doubt that its sympathies are with Egypt. The way in which Mr. Nehru described the event at Poona yesterday supports this impression. In his customary manner, Mr. Nehru said that nationalisation of Suez Canal by the Egyptian Government was one of the signs of the weakening of European domination over the Middle East and Asia which had lasted for over a hundred years.

MARKET GOSSIP

For the first time in free India's history, a critical international development has arisen, over which it may have to take a stand opposed to that of the rest of the Commonwealth, with the possible exception of Ceylon, and of all the N.A.T.O. powers. Such a stand will mean several unpleasant consequences and inconvenient issues to India, in case the Western nations decide to have a showdown with Egypt. The successful implementation of India's massive second Plan rests on good relations with the West. Again, the Indian Government has Rs. 660 crores in London; besides this, there are assets held by Indian nationals in Britain and other Western countries. The sudden freezing of sterling balances held by Egypt by the British Government, which was promptly followed by similar action by France and America, must have, therefore, caused a flutter in the minds of every Indian, especially because it is not always that Britain and India think alike on crucial international problems.

Nevertheless, it is noteworthy that the developments over Suez Canal have caused no disquieting feelings in the share markets. Even shipping shares were not adversely affected. On the contrary, the undertone of all the principal Stock Exchanges—Bombay, Calcutta and Madras—continued to be firm. The rot in tea shares, the outlook for which depends on exports, particularly to Britain, the largest tea consumer in the world, that was in evidence for some days past was arrested, following a revival of investment demand for them.

The unruffled manner in which equities are pursuing the steady upward movement that has been going on for the last few weeks reflects the confidence of operators that, despite the actions and counter-actions by Egypt and Britain since Friday last and the threats of military action held out by both sides nothing untoward would happen which would precipitate a war. This optimism is based on (a) the statesmanlike attitude of the Indian Government so far; it is significant that Mr. Nehru has not rushed in with any pronouncements on the merits of the dispute; and (b) the U.S. hesitation to follow the aggressive line of action indicated by Britain and France and its desire for an early peaceful settlement; and (c) the Egyptian Government's reassuring statements in regard to the use of Suez Canal as an international waterway. The latter Government has caused no embarrassment to friendly nations in regard to the payment of canal dues by ships using the Suez Canal. It has also quickly lifted the embargo on exports to Britain and the sterling area, thereby avoiding a serious headache to countries like India.

The U.S. President's attitude towards Egypt's action is more helpful than was expected. It shows that he will not allow his country to be hustled into action. He is for a quick mediation that will ensure the use of Suez Canal for international navigation. Since Col. Nasser has expressed readiness to honour the international obligations of Egypt under the agreement on Suez Canal, there is room for hope that an amicable settlement of the dispute can be found. Accordingly, the refusal of the share markets to take an unduly alarmist view of the Middle East developments reflects a proper sizing of the situation.

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The World Bank Mission, in its report on India's second Five-year Plan, has made a special reference to the Government's cotton textile policy. It has expressed serious misgivings about the recently announced compromise for meeting the expected increase in the demand for cotton textiles. It believes that this compromise will prove largely unworkable. In the Mission's judgment, the Government's decision greatly underestimates the practical difficulties of installing and getting into operation the requisite number of Ambar Charkhas and powerlooms on a decentralised basis.

The Mission questions the feasibility of making the installation of automatic looms in the mill sector conditional on the allocation of the output of these looms to exports and of making failure to meet this condition subject to a penalty, the nature of which appears to be unspecified. It is even inclined to doubt whether the mills will have adequate incentive to install the additional spindles necessary to supply a much greater quantity of yarn to the handloom sector, in view of the uncertainty whether the handloom sector will really be capable of producing the increased production expected of it. The fact that the existing quota for spindles has apparently not been taken up in full, it says, appears to bear out its misgivings. It understands that the Government is prepared to review this programme, if experience indicates that the hand-spinning and decentralised weaving sector do not live up to expectations, but it fears that the necessary remedial action might well come too late, in view of the time required to procure and install mill machinery and to reach a consensus of opinion that the programme has really been a failure. The Mission, therefore, believes that the current programme will either jeopardise the supply of an essential consumer item at reasonable prices on the domestic market or bring about a serious curtailment of exports at a time when prospective export earnings appear already far short of what is required. While it appreciates the need for Government measures to support the production of khadi and handloom cloth by various measures, it considers that any such measures should leave the mill sector free to expand in the light of its own judgment of markets.

On the general controversy of small-scale and cottage industries *versus* organised factory industries, while the Mission welcomes (a) the Government's effort to raise the efficiency of the former group, (b) even appreciates the practical necessity of providing moderate subsidies to enable these industries to compete with factory enterprises and (c) grants that promotion of small-scale industries, as distinct from village (or hand) industries, is sound, as it is calculated to encourage a healthy dispersal of industrial ownership, it thinks that the difficulties inherent in an effective expansion of small enterprises are considerably underestimated by the planners, that the impact of the programme will be slow in manifesting itself and that, therefore, the contribution to national income expected from small-scale and village industries under the Plan is substantially over-estimated. Above all, the Mission questions the wisdom of insisting on so-called "common production programmes," whereby the required increase in output of more or less essential consumer goods is allocated between the factory and non-factory sector, thus involving excessive reliance on the unproved ability of the non-factory industries to meet the necessary demand.

The Government of India, however, seems to remain unconvinced by the eminently sensible views of the World Bank Mission on its policy relating to small-scale industries, in general, and to textile industry, in particular. This is evident from Mr. T. T. Krishnamachari's statement in Parliament yesterday as well as at an earlier meeting of Directors of Industries of State Governments, to which reference is made elsewhere. We are sure that he must have read and digested the report of the World Bank Mission long before making these statements. The essence of his observations is that "it is the definite policy of the Government that the increased demand for cloth that will arise in the country during the next 10 years must be met, in a large measure, by decentralised production." By decentralised production, he means, of course, handlooms and powerlooms run on a small-scale. It is not clear as to what was the provocation for Mr. Krishnamachari, who had declared only three years ago that, if the country were to depend on handlooms for the major portion of its clothing needs, its people would have to wear only loin cloth, to announce the Government's textile policy for as long a period as the next decade in such a cavalier fashion. Was he provoked by the report of the World Bank Mission? Whatever may have been the cause, his pronouncement sounds childish.

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An important feature of British banking tradition, as is well known, is that the banks confine their activities to providing short-term finance. Indian bankers too, nurtured as most of them have been in the British tradition, regard any departure from the short-term finance as something undesirable and unhealthy. There is, however, no doubt that this practice has stood the test of time for the economic history of many a nation records that the banks which broke from this tradition have invariably come to grief. But one may wonder whether a judicious relaxation of this principle in favour of certain well-defined and deserving cases is altogether as bad as the traditionalists would like us to think. In the modern age, there is an insistent demand for large capital resources. The atomic developments themselves indicate what has been aptly termed a second industrial revolution. The leisurely investing class, which could lend and bide its time for a return, has practically disappeared. It is in this context that one has to review the great tradition of the British bankers that it is never safe to place the depositors' money in medium-term or long-term advances.

Such a review was made—in a most cautious manner, of course—by a great British banker himself. Presiding over the annual meeting of the U.K.'s Finance Corporation for Industry, Lord Bruce, after surveying certain trends in British economy, such as the slow progress of its export trade, inflation and workers' attitude to automation, said that there was one matter which brooked no delay. It was the need to provide for financing expansions and developments in industry which were vital to the national economy. Illustrating his remarks by a reference to the steel industry, he said that this industry had formulated plans which involved capital expenditures running into tens of millions of pounds over the next few years. The greater part of the required finance, he said, would be forthcoming from internal resources of the companies concerned. But some money might have to come from outside sources. It was at this stage that Lord Bruce made the proposal that the British banks could play a notable role in providing some industrial finance. Elucidating his suggestion, he said:

"The scale under modern conditions on which finance is required to cover future planning has now reached the point where only the banks command the necessary resources. This fact is being increasingly recognised. In America, the banks now grant what are called 'term credits' and facilities of a similar character are provided by many banks on the Continent. These arrangements undoubtedly conflict with the principles on which the U.K. banks have been so firmly and successfully established and I would not put forward any suggestion for a modification of those principles, if I thought it would in any way impair the strength, stability and flexibility of our banking system. Nevertheless, by virtue of the very strength which they have achieved and in view of the need to cover the finance required for expansions and developments in industry vital to our national economy, I believe they would be well advised to consider the desirability of a limited departure from their existing practice.

"This is neither the time nor the place at which to make detailed proposals regarding this suggestion, but, in broad terms, it is my considered opinion that the banks might well examine the possibility of granting fixed-term loans for this purpose, with a maximum of five to ten years, to an aggregate amount limited to some proportion of their total advances. Such loans should be strictly confined to objectives designed to benefit the national economy and conditioned that the required finance could not be obtained through any of the existing channels.

"Should the banks see fit to adopt the suggestion I have made, an immediate question arises as to how they would put it into operation. I think the practical method would be for the banks as a whole to operate through a chosen instrument. It is a little embarrassing for me to speak on this point as I might well be accused of pressing the claims of your Corporation to be the chosen instrument. I feel, however, that the matter is so important that I do not propose to allow this consideration to weigh with me. The question is one for the banks to decide but I am confident that should they desire the co-operation of your Corporation, it would be your wish that it should be afforded to the fullest possible extent."

The essence of the scheme which Lord Bruce has advocated, lies in the proposal that advances should be made by the banks to industry in the shape of fixed-term loans for a period of five to ten years. The value of this suggestion to India is more than academic. For conditions in India are not materially different from those in Britain. The bankers in India will, therefore, do well to pay some attention to this question. It is true that the Shroff Committee went into it and came to the conclusion that joint-stock banks should not provide medium-term, let alone long-term, finance for industries. But, since then, there has been a change in the situation which merits fresh thoughts on this subject.

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A timely warning against the danger of a recurrence of shortage of power in the Bombay State after three years, unless arrangements were set in train even from now on for augmenting plant capacity, was sounded by Mr. K. G. Milne, Chairman of the Bombay Suburban Electric Supply Ltd., in the course of his address to the Company's shareholders at their annual general meeting held today. He desired that the plant capacity at either Bhira or Trombay should be stepped up; Koyna power, in his opinion, despite all assurances to the contrary, would become available not earlier than 1961-62. Mr. Milne availed himself of the opportunity to strike this note of warning, in view of the proposed changes in the reorganisation of the Bombay State and in the hope that the authorities concerned might promptly take the necessary steps to ensure that Bombay was not starved of the urgently-needed power for the implementation of the second Five-year Plan. The State has had bitter experience of a power shortage in the past and any repetition of this during the next five years will, as he said, prove calamitous.

During the past one or two years, the Power Shortage Board has been over-cautious in the matter of making available enough power to industries, as a result of which industries in the Bombay region have been deprived of millions of units. Referring to this attitude, Mr. Milne said that it was evidently due to the optimism on the part of the authorities that certain new ventures in the public sector would be able to absorb electric power. Unfortunately, this, as he said, has not materialised. It has now been officially stated that the first 50 M.W. set at Trombay will be brought into commercial use at the end of 1956 and a second set of equal capacity, about six or nine months later. If this expectation actually materialises, the power position in the Bombay region will improve considerably, and it is hoped that it will continue to remain so till about 1959. Mr. Milne, however, anticipates a shortage of power after this period, and, therefore, has drawn the attention of the authorities to take immediate steps to augment the power capacity in this region.

Mr. Milne was at pains to draw attention to the increasing interference of the State Electricity Board in the day-to-day operations of the licensees. While the Board had proved to be of no assistance to the industry by way of providing loans or materials, he said, there had been a "continual pressure amounting almost to harassment" at times, in regard to rates charged to consumers by the licensees in the State and the Association of Electrical Undertakings had to draw the Board's attention that, under the Electricity (Supply) Act, the licensees had full freedom to formulate their rates of supply, so long as they did not violate the provisions of the Sixth Schedule to the Act. As one who had something to do with the drafting of

(Continued on page 231)

EQUITIES BUOYANT

T.E.L.CO. IN LIMELIGHT

From Our Own Correspondents

BOMBAY, *2nd August*

THE Stock Exchange ruled firm during the week under review, in refreshing contrast to the dullness in the previous week. Except for a slight reaction on Tuesday last, the trend of prices was distinctly upward on strong speculative support inspired by encouraging corporate news, political developments in Egypt following the nationalisation of the Suel Canal Company, the absence of any confirmation about the rumours of an imminent increase in excise duty on cloth, reports that activity in the cloth market had broadened, and satisfactory technical position as indicated by the narrow carry forward charges. On balance, equities over a wide front scored smart gains.

Bombay Dyeings, Centurys and Shree Niwas among textile shares, Belapurs and Phaltans in the sugar group, National Rayons in the miscellaneous group and Tata Locomotives among engineering shares provided the bright spots in the market. Tata Locomotives, in particular, were in the limelight on strong speculative buying induced by expectations of a maiden dividend after the Tariff Commission's present enquiry into the fair prices of locomotives and boilers manufactured by the Company is completed.

The Stock Exchange remained closed today on account of *Kadmi Pateti*.

In the steel section, Tata Ordinaries resumed on a strong note, moving up from Rs. 203-4 to Rs. 205-12. After reacting to Rs. 203-8 on Tuesday, the shares advanced to Rs. 206-4 at the close yesterday. Indian Irons rallied from Rs. 35-11½ to Rs. 36-10.

Textile shares generally found good support on expectations that the industry would have another prosperous period during the current year. Rumours about the possibility of an increase in excise duty, no doubt, induced some profit-taking on Tuesday, but this proved short-lived. Bombay Dyeings shot up from Rs. 652-8 to Rs. 669-6 and, after receding to Rs. 656-4, recovered to Rs. 663-2. Centurys gained from Rs. 572-8 to Rs. 586. Kohinoors moved up from Rs. 386-4 to Rs. 390, but the Directors' decision to maintain the interim dividend at Rs. 6 per share caused some disappointment and the shares slipped back to Rs. 383-8 at the close. Central Indias gained Rs. 2 over the week to Rs. 162, Ahmedabad Advances Rs. 5 to Rs. 202-8, Bradburys Rs. 3-2 to Rs. 258-2 and Edwards Rs. 6-4 to Rs. 345. Finlays were marked up by Re. 1-8 to Rs. 351, while Indu Ordinaries rose by no more than an anna to Rs. 13-10. Indore Malwas staged a rise of Rs. 8-2 to Rs. 163-12 and Khataus by as much as Rs. 13-2 to Rs. 276-4. Minervas put on Rs. 2 to Rs. 97. Model Mills were done Re. 1-14 higher at Rs. 156-4 and Mysore Spinnings changed hands Rs. 5 better at Rs. 117-8. New City Mills gained Re. 1-4 to Rs. 181-4, while New Greats dropped Rs. 5 to Rs. 258. Phœnix Mills rose by Rs. 3-12 to Rs. 148-12. Shree Niwas were well favoured and the scrip advanced by Rs. 9-6 to Rs. 234-6. Simplex were done at Rs. 215 *ex-div.* as against Rs. 226 *cum-div.* last week. Standards gathered Rs. 4-6 to Rs. 485-10, Svadeshis Rs. 2-8 to Rs. 257-8 and Swans Rs. 3-12 to Rs. 451-4. Tata Mills showed no change at Rs. 57-4.

Bank shares continued to attract investment support and gains were prominent in leading counters. Barodas were picked up Rs. 2-12 higher at Rs. 106-12. Bank of Indias scored a gain of Rs. 3-8 to Rs. 176. Central Banks were, however, a fraction lower at Rs. 56, while their new shares were a shade better at Rs. 58. Punjab Nationals moved up by Re. 1-4 to Rs. 61-4 and United Commercials by Rs. 2-12 to Rs. 59.

The insurance section was dull, but the undertone was steady. New Indias were unchanged at Rs. 50-4, while Indian Mercantiles were in request a rupee higher at Rs. 47. Orientals changed hands Rs. 30 lower at Rs. 3,820. Vulcans rose by Re. 1 to Rs. 16-8.

Electricity shares were featureless and business was at a low ebb. Ahmedabad Electrics were maintained at Rs. 100-10, while Bombay Suburbans shed As. 10 to Rs. 116-14 and Surat Electrics Re. 1-4 to Rs. 118-12. Tata Hydros declined by Rs. 2 to Rs. 128 and Tata Powers by Rs. 8-12 to Rs. 1,312-8. Andhra Valleys were, however, held at Rs. 1,232-8.

The miscellaneous section maintained a steady tone, with several bright features. In the sugar section, Belapurs were in form with a jump from Rs. 242-8 to Rs. 259-8, before closing at Rs. 254-8. Bhopals were As. 3 better at Rs. 18-3. Phaltans gained as much as Rs. 7 to Rs. 167, while Walchandnagars declined by Re. 1-4 to Rs. 271-4. Cement shares were featureless, moving within narrow range. A.C.C.s fluctuated between Rs. 193-4 and Rs. 190-8 before closing at, Rs. 192-4. Digvijayas were dull at Rs. 199. In the engineering and mining group, Alcock Ashdowns were steady at Rs. 377-8. Tata Locomotives rallied from Rs. 150-8 to Rs. 170 and, after reacting to Rs. 163-12, recovered to Rs. 168-8. Larsen and Toubros provided another favourite counter on a favourable reckoning of the outlook for the Company and they spurted from Rs. 16-2 to Rs. 17-4. Premier Constructions were just steady at Rs. 207-4. Shivrajpurs were done As. 8 better at Rs. 91-8 and Indian Coppers As. 1½ higher at Rs. 7-3, while B.B. Petrols were quiet at Rs. 4-5.

Among shipping and transport shares, Scindias were a little erratic, moving between Rs. 19-9 and Rs. 18-15 and closed with a loss of As. 4½ at Rs. 19-2. Great Easterns lost As. 8 to Rs. 20. Hindustan Motors, which were officially listed on the Stock Exchange this week, gained As. 2 to Rs. 10, while Premier Automobiles shed As. 4 to Rs. 99-8. In the miscellaneous industrial group, Bombay Burmahs presented an erratic pattern, but on balance gained Rs. 6-4 at Rs. 731-4. National Rayons moved up by Rs. 6 to Rs. 263. Tata Chemicals attracted good attention and rose by As. 11½ to Rs. 20-11. Tata Oils were steady at Rs. 58-8 and Wimcos at Rs. 185-10.

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Calcutta Stock Exchange

CALCUTTA, *1st August*

Trading on the Calcutta Stock Exchange during the week under review, was characterised by limited turnover and narrow price movements. Fresh incentives were lacking and operators did not show much interest in business. Only the speculative counters changed hands. The undertone of the market was quiet to steady.

There was some selling in tea shares on reports that current price realisations on tea were not more than what were required to meet the working costs of companies. Hantaparas dropped Rs. 6 to Rs. 200. Tezpores slipped by Rs. 2-1 to Rs. 24-7. New Champtas receded by As. 4 to Rs. 45-4. Brooke Bonds shed 15 pies to Rs. 22-15. Brahmapootras softened by an anna to Rs. 8-12. Jayshrees were neglected at Rs. 11-10. Methonis, however, met with special buying support and advanced by As. 4 to Rs. 23-10.

The coal section ruled irregular. Some shares failed to evoke demand, while others found buyers. Ballys fell by Rs. 5 to Rs 132. Barnagores suffered a loss of Rs. 2 to Rs. 131. Agarparas eased by As. 2 to Rs. 11-6. Ganges, however, changed hands Rs. 2 higher at Rs. 68. Champdanys and Nationals rose by a rupee each to Rs. 154 and Rs. 24-2, respectively. Nellimarlas gathered As. 9 to Rs. 12-7. Presidencys were done at Rs. 5-12.

Coal shares encountered some support. Bengals picked up Rs. 3 to Rs. 538. Karanpura Collieries hardened by Rs. 2 to Rs. 118. Burrakurs gained As. 4 to Rs. 13-8. Western Bengals were better by an anna at Rs. 6-11. But Central Indias shed an anna to Rs. 7-4. Talchers came in for business at Rs. 3-3.

Engineering shares were easy for want of sufficient enquiries. Richardson and Cruddas receded by Re. 1-1 to Rs. 24-15. Indian Irons retreated by a rupee to Rs. 36-9. Jessop & Cos. declined by As. 4 to Rs. 35-4. Kumardhubis lost an anna to Rs. 10. Bhartia Electric Steels were unchanged at Rs. 17-5. Burn & Cos., on the other hand, were sought Rs. 3-8 higher at Rs. 359. Braithwaites were also favoured well, their quotation spurting by a rupee to Rs. 28-13. Textile Machineries gathered As. 6 to Rs. 22-8.

Among mining shares, Metal Corporations moved down by As. 6 to Rs. 10-10. Burma Mines were unaltered at Rs. 3-5. Deals were put through in Consolidated Tins at Rs. 2-10. Indian Coppers improved by As. 3 to Rs. 6-12.

Activity in the miscellaneous section was marked by sustained buying in paper company shares. Orient Papers rallied Rs. 2-6 to Rs. 39-13, Titaghurs strengthened by As. 5 to Rs. 40-9. Indian Paper Pulps rose by As. 4 to Rs. 25-8. Shree Gopals had a few buyers at Rs. 18-10. Among other miscellaneous industrials, Balmer Lawries were subjected to selling and dropped Rs. 5 to Rs. 181. Sone Valleys climbed down by As. 12 to Rs. 8-13 Rohtas decreased by As. 8 to Rs. 22-15, India Steamships by As. 6 to Rs. 9-3 and British India Corporations by As. 5 to Rs. 11. Metal Box eased by As. 2 to Rs. 30-1. Aluminium Corporations were unaltered at the last week's level of Rs. 10-5. There was, however, good enquiry for Rallis which registered a rise of Rs. 2 to Rs. 42-12. National Carbons also elicited attention and increased by As. 15 to Rs. 28-15. Indo-Burma Petroleums and Dunlop Rubbers, too, were well favoured, their prices rising by As. 10 each to Rs. 39-10 and Rs. 29-13, respectively. Imperial Tobaccos put on As. 6 to Rs. 15-14 and National Insulated Cables As. 3 to Rs. 26-4. B.B. Petrols were done at Rs. 4-5.

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Madras Stock Exchange

MADRAS, *31st July*

After a brief spell of easiness, the Madras Stock Exchange once again sprang to activity during the week under review. All the popular scrips received good attention of operators, with prices recording improvement. Business in the planting section was brisk. Coffee shares were particularly firm, thanks to the publication of the Coffee Board's scheme of financial assistance to coffee growers. Although the average price realised by several tea estates had not been quite encouraging of late, the operators seemed to have taken an optimistic view of the long-term outlook. Banking and insurance shares also met with support. The textile section, too, generally depicted a strong note, the buying fervour being fanned by the persistent upward trend in domestic consumption of cloth and reports of large enquiries from Burma for yarn, as well as cloth. The undertone of the market was steady.

The following are the dividend announcements made during the week under review:

		Dividend per cent.	
		Latest	*Previous*
Cochin Malabar	29-2-1956	25	15
Balmadies Plantations ..	31-5-1956	10	15
Puthutotam Estates ..	*	10	15†
Udayagiri Rubber ..	31-12-1955	6	25
Nenmeny Rubber ..	,,	15	15
Ranga Vilas Spg. & Wvg.	,,	16	12
Rajapalayam Mills ..	31-3-1956	10	10
Mysore Lamp Works ..	,,	9	7½
Deccan Sugar	31-5-1956	5‡	10

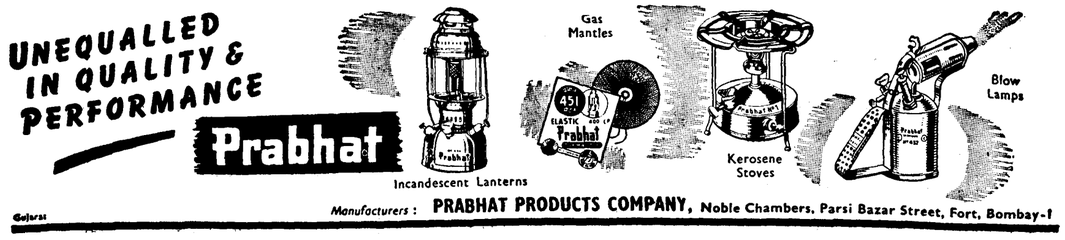
* For eight months ended 31st March, 1956.
† For the year ended 31st July, 1955.
‡ Interim.

Coffee shares provided a bright spot in the planting section. Consolidated Coffees rallied As. 6 to Rs. 21-6. Mysores advanced by As. 4 to Rs. 2-12. Coffee Lands spurted by As. 3 to Rs. 24-14. Amalgamateds were firm at Rs. 12-8 and Kadurs at Rs. 2-14-6 *cum-div.* Among tea shares, Devons picked up a rupee to Rs. 24-8 *ex-div.* Neelamalais rose by As. 6 to Rs. 8-4. The Neelamalai Tea and Coffee Estates Ltd. has purchased "Wooligooly" a coffee estate in Coorg—for Rs. 12 lakhs. The estate has a total area of 428.83 acres, of which 363.39 are coffee bearing. Balanoors and Kalpettas strengthened by As. 4 each to Rs. 24-2 and Rs. 34-12, respectively. Kalasas gathered As. 3 to Rs. 16-4. Among rubber shares, Peninsulars hardened by As. 8 to Rs. 33. Thamarapallys scored a gain of As. 6 to Rs. 32-8 *cum-div.* Rajagiris put on As. 4 to Rs. 24-12. Travancore Rubbers were higher by a like amount at Rs. 24. Pullangodes increased by As. 3-6 to Rs. 4-10 *ex-div.* The Pullangode Rubber and Produce Co., Ltd., proposes to issue, subject to the approval of the Government, ordinary right shares at par in the proportion of one share for every two held, in order to cover a part of the cost of replanting.

In the textile section, Lakshmis evoked enlarged buying enquiries and moved up by Rs. 6 to Rs. 250 final *cum-div.* 'A' shares gathered Rs. 3 to Rs. 125 final *cum-div.* Cannanores and R.C. Ambikais improved by Rs. 5 each to Rs. 181 and Rs. 255, respectively. Coimbatore Spinnings were done Rs. 4 higher at Rs. 117. Rayalaseemas advanced by Rs. 2 to Rs. 155. Loyals gained Re. 1-8 to Rs. 54. Rajapalayams, however, were subjected to selling and fell from Rs. 173 to Rs. 166-8 *cum-div.* Coimbatore Pioneers dropped Rs. 5 to Rs. 335. Anglo-Frenchs receded by Rs. 4 to Rs. 115. Ranga Vilas lost Rs. 2-12 to Rs. 114 *cum-div.*, Vasantas Rs. 2-8 to Rs. 342-8 and Janardhanas Rs. 2 to Rs. 125.

The banking section ruled fairly active. Bank of Mysores firmed up by Rs. 4 to Rs. 252. Indian Banks fully paids spurted by Rs. 2 to Rs. 206 *cum-div.* Punjab Nationals hardened by Re. 1-4 to Rs. 60-12. Indian Overseas were fully maintained at Rs. 153, as also Travancores at Rs. 18-10.

A rise of Rs. 6 in the quotation of Textools which stood at Rs. 210 was the feature of trading in the miscellaneous section. Travancore Chemicals were pushed up from Rs. 15-8 to Rs. 16. Aluminium Industries advanced by As. 14 to Rs. 21-12. Indian Aluminiums hardened by As. 4 to Rs. 22-5. Central Scientifics and Mysore Tobaccos gathered As. 3 each, the former to Rs. 7-6 and the latter to Rs. 7-6. Mysore Stonewares gained As. 2 to Rs. 18-6. Among sugar and breweries, United Breweries jumped up by Rs. 3 to Rs. 185. E.I.Ds put on As. 4 to Rs. 30 interim *cum-div.*



NEWS IN BRIEF

THE question of fixation of ceilings on land holdings will be considered by the Andhra Government after the reorganisation of States and after the integration of Hyderabad with Andhra.

The Rubber Board has been permitted to import natural rubber, in order to meet the requirements of the manufacturing industry in the country. The imported rubber will be made available to manufacturers at the controlled price.

The Government of India has bought heavy machinery worth Rs. 15 lakhs for reclaiming forest land and constructing field channels under the Tungabhadra Project. The machinery is expected to be put into operation in November.

The Co-ordinating Committee dealing with the Neiveli Project has recommended the placing of orders for the purchase of mining equipment valued at Rs. 1½ crores. A decision is expected to be taken by the Ministry of Production shortly.

A five-ton sample quantity of bauxite deposits from Shevaroy Hills in Salem district will be sent to the U.S.A. to be tested for feasibility of extraction of aluminium. The Government of India has under consideration a proposal to locate a 10,000-ton capacity aluminium plant in Salem.

According to a Press note issued by the Commerce and Industry Ministry, the Government of India has decided to allow imports of a reasonable quantity of cycle tyres and tubes during the rest of this year. The Dunlop Rubber Company, *Calcutta*, will import the entire quantity. The imported and indigenous cycle tyres and tubes will be sold at a uniform price.

The Central Tobacco Inquiry Committee, appointed by the Government of India, to review the present working of the structure of tobacco excise tariff and the procedure adopted for its assessment, is expected to submit its report in January 1957. The Committee, which at present is touring the country to collect evidence, is headed by Mr. K. Raghuramiah, M.P.

Pursuant to the recommendation of the Wage Board, the Hyderabad Government has decided to grant a total increase of Rs. 3-8 in the emoluments of workers employed in 12 industries of the State having basic pay of Rs. 26 Osmania currency or less per month. The question of making the rule applicable to other industries is also under consideration.

A 13-man advisory committee has been appointed by the Government of Bihar to enquire into the conditions of employment in the mica industry in the State and to advise it in the matter of revision of wage rates fixed under the Minimum Wages Act, 1948. Mr. R. N. Pandey, Labour Commissioner of Bihar, will be the Chairman of the Committee which consists of five representatives, each of employers and employees and three Government officials.

The Government of India has decided to constitute a customs advisory committee for the Cochin Port, on the lines of similar committees functioning at other major ports. The Committee will consist of one representative each of the Indian Chamber of Commerce, Mattancherry, and the Cochin Chamber of Commerce (European), Fort Cochin, the Deputy Chief Controller of Imports and Exports, Cochin, and an official of the Cochin Port. The Collector of Customs, Cochin, will be the Chairman of the Committee.

An investment of about Rs. 65 crores is envisaged by the Government of India in collaboration with the Burmah Oil Company for the exploitation of the known resources of Assam. Two rupee-concerns will be formed. One of them will explore oil in the four concession areas, comprising 502 sq. miles, held by the Assam Oil Company. The other will refine crude oil thus produced, probably at Calcutta. The establishment of four or five additional drilling companies for prospecting oil, possibly with the help of foreign capital, is also contemplated.

The Bombay Co-operative Societies (Amendment) Bill, 1956, has received the assent of the President. The Act makes provision for the amalgamation of small societies, if it is considered necessary in the public interest. The All-India Rural Credit Survey Committee had recommended encouragement of the formation of large-sized multipurpose societies. The Amendment Act also makes provision for appointing administrators for co-operative societies, in case the affairs of the societies are mismanaged, and simplifies the procedure for settling their disputes.

The Committee set up by the Government of India for suggesting suitable sites for the location of aluminium plants in India is expected to submit its report within four months. According to a survey conducted earlier, bauxite deposits occur chiefly in Bombay, Kashmir, Madhya Pradesh, Bihar, West Bengal, and Madras. The Committee visited some of these places. The recommendations of a team of American experts who had also toured the possible bauxite-bearing areas are expected to be sent along with the project reports.

Mr. Elmer W. Pehrson, Chief of the Division of Foreign Activities, U.S. Bureau of Mines, after visiting the Neiveli Lignite Project has stated that it was a challenging piece of engineering work, because of the artesian aquefers lying beneath the lignite bed. This was the first time in the history of mining, he said, that such conditions were encountered. It was, therefore, highly essential that every care should be taken to ensure that proper development plans were evolved and the water problem tackled satisfactorily. He added that design works were going on for the inauguration of a pilot plant using modern equipment for the utilisation of lignite.

The Government of India has decided to allow substantial imports of certain types of automobile tyres, the demand for which has exceeded the supply. The amount imported will be such as to eliminate the prevailing scarcity. The imports will be handled solely by Messrs. Firestone Tyre and Rubber Company, Bombay, Dunlop Rubber Company (India), Calcutta, Goodyear Tyre and Rubber Company, Ltd., Calcutta and India Tyre and Rubber Company Ltd., Bombay. These companies will sell the imported and indigenous tyres of the abovementioned types at a uniform price from 1st September 1956.

A six-man committee, with Mr. B. B. Saksena, Joint Secretary, Ministry of Commerce and Industry as Chairman, has been appointed, in order to recommend the lines on which expansion of the steel re-rolling industry, as well as of electric furnaces and steel foundries, should take place in future. The Committee will study the raw material requirements of the existing electric furnaces, foundries and re-rolling mills and assess the kind of expansion that is possible. It will also suggest measures for improving the efficiency of the existing units, in order to make them economic and independent of any form of price subsidy.

A Division Bench of the Assam High Court, in a sales tax reference by Bharat Automobiles *versus* the State of Assam, has declared section 29 of the Assam Sales Tax Act, 1947, *ultra vires*, void and inoperative on the ground that it violated the provisions of section 297 of the Government of India Act 1935, and Article 304 and 14 of the Constitution of India because of its discriminatory character. The section made dealers in goods imported from outside Assam liable for registration and payment of sales tax even if their gross turnover was below the taxable quantum. Dealers dealing in goods purchased locally were not made so liable by the Act.

* * * *

From Abroad

The Soviet Government has decided to give up its oil concession in Northern Iran.

President Chamoun of the Lebanon signed on 25th July a Bill imposing taxation on companies which pipe oil through the country.

The U.S. Export-Import Bank has decided to lend $150 million to Brazil. The loan will be used for railway, power and port development.

A joint conference of the United States Senate and House of Representatives has agreed on a compromise Foreign Aid Bill sanctioning $3,766 million. This is $344 million less than the amount voted by the Senate and $341 million more than that voted by the House of Representatives.

Britain has agreed to increase financial assistance to Libya by £250,000 this financial year and by £750,000 during next year. Libya receives annually from Britain £3,750,000, a payment made under the terms of the 1953 Anglo-Libya agreement by which Britain maintains troops on Libyan soil.

The Ford Motor Company of London, a subsidiary of the American firm, has served dismissal notices on 2,000 men under its employ. The action of the Company follows a strike against one of its principal suppliers, the British Motor Corporation which supplies it with bodies.

The Aluminium Company of America has begun limited production of aluminium truck-wheels for tubeless tyres. The new wheel will sell at prices approximately 20 per cent. higher than conventional aluminium truck wheels and about double the price of steel wheels.

The next British Plastics Exhibition, organised by "British Plastics", one of the Associated Iliffe Press journals, with the full co-operation of the British Plastics Federation, will be held from 10th to 20th July 1957. The Exhibition will represent all sections of the industry.

The Indonesian Government has decided to remove the export duty on rubber. An official announcement in this respect is awaited. It may be recalled that, less than a month ago, the Government had reduced the duty from 18.6 Indonesian cents per kilo to 3.4 cents, in an effort to encourage rubber exports.

The American Can Company plans to build a million-dollar factory at Bayamon, Puerto Rico, in another phase of its expanding economic development programme. The plant will be equipped and operated by the Can Company under a ten-year self-amortising lease. It will have a yearly capacity of 150 million cans.

The 29,000-ton Italian luxury liner, *Andrea Doria*, which sank last week, was insured for $16 million in London and overseas markets. Of the main insurances of $16 million, 50 per cent. is held by Lloyd's Underwriters in London. There are also other subsidiary insurances believed to amount to a further $4 million.

Messrs. Pegson, Ltd. of Colville, manufacturers and contractors of civil engineering plant and industrial pumps, have concluded negotiations for supplying a complete crushing and screening plant for the construction of a new dam at Koyna, India. The order is worth about £200,000. Pegson will be responsible for the erection and starting up of the plant.

China and the Soviet Union signed a draft agreement in Peking on 25th July for extending trade between the two countries. Under the new agreement, which supplements the current trade-pact, the Soviet Union will supply additional industrial products, including machine tools and agricultural machinery, while China will supply natural products like rice, tea, and chemicals.

Mr. John Bell, Director of the International Co-operation Administration Mission in Pakistan, expressed disappointment and concern over the Pakistan Government's failure to deal effectively with the problem of food production. Commending on American aid to tide over the food crisis in East Pakistan, Mr. Bell said that, even after importing from the U.S. wheat and rice to the tune of 235,000 tons and 187,000 tons, Pakistan will still have to import large quantities of foodgrains with U.S. aid resulting in heavy cost to both the countries. He has urged Pakistan to tackle this problem with energy and determination, for an adequate food supply is absolutely essential for the development of a sound healthy and balanced economy.

PERSONAL

MR. A. M. Sahay, Consul-General of India in Hanoi, will succeed Mr. P. A. Menon as Ambassador to Thailand.

Mr. B. F. H. B. Tyabji, till recently Ambassador of India to Indonesia, will succeed Dr. Tara Chand as Ambassador to Iran.

Mr. Sankalchand G. Shah, a prominent yarn merchant, has been elected President of the Yarn Merchants' Association, Bombay, for the year 1956-57.

Mr. P. A. Menon, Indian Ambassador to Thailand, has been appointed High Commissioner for India in Australia and concurrently accredited as High Commissioner for India in New Zealand.

Mr. J. R. D. Tata, Chairman of Tata Industries, who had been to England to attend the Duke of Edinburgh's Conference at Oxford, has returned to Bombay.

Mr. M. P. Mathur, *Charge d'Affaires* of the Indian Embassy at Rangoon, has been posted to Hanoi as Consul-General in North Viet Nam, with the personal rank of Counsellor, *vice* Mr. A. M. Sahay.

Mr. S. Malik, I.C.S., Deputy Secretary, Union Ministry of Communications, has been appointed Officer on Special Duty, with the rank of Joint Secretary, in the vigilance division of the Home Ministry to co-ordinate departmental enquiries into cases of alleged corruption and malpractices.

Mr. Lalji Mehrotra, a prominent business man and an ex-President of the Federation of Indian Chambers of Commerce and Industry, has been appointed Indian Ambassador to Burma, in succession to Mr. R. R. Saksena, who has been appointed General Manager of the Eastern Shipping Corporation.

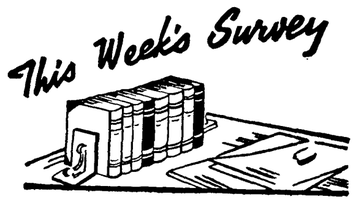
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *1st August*

State Aid for Industries

Bengal has at long last placed on its statute book a State Aid to Industries Act. Benighted Madras beat enlightened Bengal hollow in this respect. Eight long years have elapsed since Madras, which is now in the vanguard of India in both political and economic advancement, passed its State Aid to Industries Bill, followed in quick succession by the then baby province of Bihar and Orissa in 1923. And the Bengal measure, which was adopted in the provincial council last week-end, is modelled on the Madras and Bihar and Orissa enactments of 1923. Even Burma, the Punjab and the United Provinces have their own measures of State aid for industries; but whither Bengal! It was in the first reformed Ministry of Bengal that the late Nawab Sayid Nawab Ali Chaudhuri, who was then in charge of the portfolio of industry, drafted a Bill for affording aid to nascent industries and it was being carefully scrutinised when the term of the first ministry came to an end. The matter was taken up on the formation of the second ministry; but it was too short-lived to make any headway. A revised Bill was then prepared by the Advisory Board of Industries in the light of experience gained in the sister provinces of Madras and Bihar and Orissa; but this does not seem to have made much progress. Three years later, when the Nawab was appointed a member of the Executive Council in Bengal, the provincial legislature adopted, on the motion of Mr. D. P. Khaitan, a resolution for the appointment of a mixed committee of officials and non-officials for the drafting of a Bill for affording Government assistance to industries in Bengal. The next we heard of the subject was when, in the course of its address of welcome to Sir Stanley Jackson in August 1927, the Indian Chamber of Commerce of Calcutta referred to it. Sir Stanley gave an assurance in the course of his reply that the Hon'ble Sir A. K. Ghuznavi, who was then the Minister of Development, had been devoting considerable time and attention to the question.



SUCCESS OF A MERCHANT NAVY

ON what does the real success of a merchant navy depend? This question was very impressively answered by Mr. M. A. Master, a well-known authority on shipping, in the course of his address at the annual prize distribution ceremony of the Directorate of Marine Engineering Training at Bombay on Sunday last. The success of a merchant navy, Mr. Master declared, depended mainly on the selection of (1) ships suitable for the trades in which they are to be engaged, (2) men of knowledge, experience and integrity who have to manage them, and (3) navigating and engineer officers of ability, character, technical experience and devoted service who have to run them.

Among these factors, it is the last one which is of utmost importance in the present context when Indian shipping stands on the threshold of a new era of expansion and development. The second Five-year Plan envisages a rise of more than 50 per cent. in the gross registered tonnage, that is, from 600,707 g.r.t. in 1955-56 to 901,707 g.r.t. in 1960-61. With the achievement of this target, Indian shipping is expected to carry about 12-15 per cent. of the country's overseas trade and 50 per cent. of the trade with adjacent countries. Even the gross tonnage of 901,707 cannot be considered as adequate and will have to be stepped up considerably, if India is to play its role as one of the maritime nations of the world. India's goal is to reach, as soon as possible, the target of 2 million g.r.t. In this context, the need for ensuring an adequate supply of trained personnel to man the vessels can hardly be overemphasised. Indeed, it is, as Mr. Master rightly remarked, "our bounden duty to provide facilities for the training of the number of officers and engineers that we shall need to man our merchant navy of the future and join our various maritime services."

The Planning Commission has no doubt recognised the aforesaid aspect, as witness the special provision made in the Plan for improvement of the Nautical Engineering College and the Directorate of Marine Engineering Training. Incidentally, it is said that, with the passing of the fourth batch of cadets, 189 young men will have left the portals of the college at Calcutta. But, if the programme of acquisition of additional tonnage is fully carried out and in time under the second Plan, India will require a fresh force of 300 marine engineers. Drawing attention to this aspect, Mr. Master observed: ".... the questions of the expansion of Indian merchant navy and of our navigation and engineer officers are closely related and it will, therefore, be the responsibility of both private enterprise and the Government of India to keep a careful and sympathetic watch on the developments in both directions." Mr. Master did well to sketch, in this connection, the great progress that has been made in the field of marine engineering since the date of the early stern-wheelers of 1820. He observed:

"We have proceeded from the triple expansion engine to turbine or turbo-electric with Scotch and water tube boilers either coal or oil fired, and now the diesel has been receiving our favourable attention. The diesel electric and the gas turbines are bound to become more popular in the future. Moreover, from the boilers with a pressure of 25 lbs. per square inch in days of yore, our engineers have now to deal with a steam pressure of between 450 to 850 lbs. per square inch and a steam temperature of between 750° to 950° Fahrenheit. Marine engineering has, therefore, become both a complicated science and a skilful art. Further researches are being made and the use of atomic energy for propulsion may become, at a not very distant date, a practical commercial proposition. There is, therefore, a wide field for obtaining further special knowledge and acquiring further special experience, if our engineer officers have to keep pace and remain in touch with the results of modern research and modern progress. Further, auxiliary machinery is carried for lighting, refrigeration, heating, etc. This varies according to the size and type of ship and for the purpose for which it is to be used in both quantity and complexity."

The foregoing brief extract will indicate the large leeway that has yet to be made up in the training of marine personnel. This is, indeed, a challenge for our training institutes. The institutes should, as Mr. Master averred, provide new facilities for acquiring both theoretical knowledge and practical experience in this sphere.

Another vital aspect of Indian shipping to which Mr. Master made particular reference relates to the manufacture of engines and boilers for ships. Although this question has been considered to be of great and urgent importance for quite a long time now, no steps have been taken yet even towards the formulation of a practical scheme for the purpose; it will be recalled that the Government of India had convened a round table conference to consider the question as far back as March 1948. The shipping companies, however, have had to incur huge expenditure on sending some of their senior officers to study the methods and processes adopted for the fabrication and construction of diesel and other engines in the yards and workshops with which orders were placed by them for their manufacture. Mr. Master, therefore, most earnestly urged upon the Government of India the imperative necessity of building engines and boilers for ships in India and establishing the necessary workshops for the purpose without delay.

Here is a proposal which deserves to be accorded top priority by the planners. When schemes can be drawn for the manufacture of boilers and engines for the railways and for building engines for automobiles and aircraft, there is no reason why similar schemes should not be formulated for the construction of boilers and engines for the merchant navy. Experts have urged and experience has taught us that, even from the viewpoint of the pre-sea training of engineer officers, the establishment of a marine engine building industry is quite essential. Clearly, its establishment should no longer be delayed.

EXPORT OF ORES

In response to the Supreme Court's interim order dated 24th July, 1956, the Union Government has modified its export policy in relation to iron and manganese ores. Export quotas, it has now been announced, will be granted to shippers and mine-owners on the basis of two-thirds of the quotas allotted to them for the half-year July-December 1955. The Supreme Court's order, it may be mentioned, was made after hearing a suit filed by a private exporting firm challenging the validity of the Government's policy designed to "canalise the export of ores in a progressively increasing measure through the State Trading Corporation." The firm, in a petition to the Court, contended that the creation of a monopoly in the export trade in ores in favour of the Corporation would amount to a violation of the fundamental rights of the equality of the citizen before law and the freedom to practice any profession or trade. The Vacation Judge, Mr. S. K. Das, in passing the interim order, directing the Government not to give any export quota to the Corporation, recorded the agreement of the Solicitor-General that the petitioner would be given an export quota to the extent of 66⅔ per cent. of the quota granted to him for the period July-December 1955. The Judge also recorded that the present order had been passed without prejudice to the rights and contentions of the parties.

This order is now the basis of the Government's revised export policy. Export quotas, as already stated, will be granted to mine-owners and shippers on the basis of two-thirds of the quotas allotted to them for the half-year July-December 1955. Further, export quota will be granted separately for each of the ports through which exports are effected. Separate quotas will thus be granted for the ports of Calcutta, Visakhapatnam, Masulipatam, Kakinada, Madras, Bombay, Bhavnagar and Kandla. Shippers and mine-owners who effected exports during the half-year July-December 1955 other than through quotas will be granted quotas on the basis of actual performance. They will receive quotas equal to three-fourths of the total quantity exported through the port concerned during the July-December 1955 period, less such quantity as might have been exported by them against quotas allotted to them for this period. Wagons, it is stated, will be allotted on a *pro-rata* basis to mine-owners on the basis of allotment made during the base period. Finally, quotas will be issued separately for iron and manganese ores. They will not ordinarily be interchangeable but the exchange of iron ore quota for manganese ore will be considered sympathetically.

The Government's modified export policy is in the nature of an interim adjustment pending the settlement of the suit before the Supreme Court. But the Government might usefully review its entire export policy in relation to iron and manganese ores in the light of the criticisms made by the interests concerned and the trade and commercial organisations. Thus, Mr. Manubhai C. Shah, President of the Madhya Pradesh Mineral Industry Association, in the course of his speech at a recent conference of representatives of mineral industry associations, held at Nagpur, denied the allegation that the trade and industry were inadequately equipped to handle the trade in the ores. Characterising the Government's policy, as expressed in the Press note dated 22nd June, as "very vague, ambiguous and misleading," a resolution, adopted at the Conference, averred that such statements would cause irreparable harm to the industry. Another resolution affirmed that the existing trading mechanism, far from being inadequate, possessed not only sufficient but surplus resources in the shape of personnel and capital to handle even a much larger turnover in ores.

Similar sentiments have been expressed by the Indian Merchants' Chamber, Bombay, in a communication addressed to the Government of India. The Chamber has urged the Government to restore the trade in ores to private hands. It has also pointed out that the "experience of State trading in other countries and the limited State trading in our own country during the war and the post-war period are not encouraging and, if anything, should serve as a warning against any proposal for such trading in future." Incidentally, the Chamber has questioned the wisdom of a reported arrangement whereby the Western Shipping Corporation is said to have bought a ship from the Visakhapatnam Shipyard through the State Trading Corporation. The Chamber says that it "would like to be enlightened about the reasons which have prompted the Government to introduce the State Trading Corporation as a middleman in a transaction between two State-owned enterprises." Clearly, the Corporation is creating a great deal of uncertainty and confusion in the public mind. It is time the Government revised its ideas on State trading.

SALES TAX IN MADRAS AND T.-C. STATES

For some time now there has been, as is well known, much agitation by the traders in various States against the multi-point system of sales tax, on the ground that it is highly complicated and irksome, and a clamour for introduction of a single-point levy. The agitation seems to have had the desired effect in the States of Madras and Travancore-Cochin. In the case of Madras, the Government has already decided to levy single-point sales tax on eight commodities, with effect from 1st April 1957, in place of the present multi-point sales tax and the additional sales tax now levied in respect of some of them. Suitable legislation to give effect to this decision is proposed to be taken by the State Government shortly. A Committee, appointed by the Travancore-Cochin Government, has also recommended reversion to the single-point system of sales tax.

The eight commodities to which the single-point sales tax will be applicable in the Madras State, with the rate of tax indicated in parenthesis, are: (1) Coffee—nine pies per rupee at the first stage of sale in the State (pool or first dealer in the State having a taxable turnover); (2) tea—nine pies per rupee; (3) cement—nine pies per rupee; (4) motor cars—one anna per rupee; (5) refrigerators—one anna per rupee; (6) kerosene—nine pies per rupee; (7) chemical fertilisers—six pies per rupee; (8) cane jaggery—nine pies per rupee. Tax will be levied at the first stage of sale in the State in respect of all these commodities. It is noteworthy that, in order to bring the business community into closer contact with the Government machinery, the Madras Government has decided to constitute a Sales Tax Advisory Committee at the State level. This Committee, which is being appointed for a period of two years, will consist of 22 members. The Minister for Revenue, who is in charge of "commercial taxes," will be the ex-officio Chairman of the Committee. The Committee will meet once a quarter to decide issues relating to administration of sales tax. The Government proposes to constitute advisory committees at the district level, too.

The decision of the Madras Government to resort to the single-point levy of sales tax on the eight items referred to will be greatly welcomed by the entire mercantile community. The advantages resulting from this new levy are twofold. In the first place, it will minimise, to a great extent, all chances of evasion and ensure better collection and thereby larger revenue for the Government. Secondly, it will bring great relief to many business men, particularly small traders. There is also no need for all sections of trade to maintain elaborate accounts for inspection. The rates proposed to be levied for the new single-point system by the Madras Government are by no means low, but the change in the system of levy is itself a welcome development. It now behoves the people of the State to give the Government and the Advisory Body the co-operation which they rightly deserve.

As regards Travancore-Cochin, the three-man Expert Committee on agricultural income-tax and sales tax appointed by the State Government has submitted its report. The Committee, after taking into account the pattern of trade and commerce, production and consumption in this region, is understood to have recommended the replacement of the existing multi-point system by a single-point levy at higher rates. While the details of the Committee's recommendations are not known, it is learned that the method suggested by it will be not a combined system of multi-point and single-point tax but a single-point levy on sales and purchases. This will mean that there will be a levy at the first point of sale in respect of goods for internal consumption and on the last point on purchase in respect of goods intended for sale outside the State. The Committee has also recommended the formation of a Sales Tax Advisory Committee at State and District levels.

WATER CONSERVATION

The move of the Central Government to introduce the latest scientific and technological development in regard to water conservation and irrigation is commendable. The target set for agriculture in the second Plan—overall increase of 40 per cent. in output—is so ambitious that the prospect of hitting it will be bleak, unless energetic steps are taken to ensure an integrated development of water and land resources. The Government has invited a team of Australian experts which will visit the country in the coming winter to advise on modern irrigation and water conservation. Before the arrival of these experts, an Indian team comprising Prof. M. S. Thacker and the representatives of the Union Ministries of Irrigation and Agriculture, will make a study tour of Australia next month. Meanwhile, Mr. J. G. Beale, Chairman of the Water Research Foundation in Australia, is in India at the invitation of the Government to assist the Union Food and Agriculture Ministry in designing a modern irrigation system for three tube-well project areas.

Mr. Beale is reported to have already suggested to the Government of India the implementation of a seven-point comprehensive scheme—now in operation in Australia—for water conservation and irrigation. The scheme envisages reduction of evaporation by the use of a chemical called "hexadecanol." This chemical, when applied to the surface of water, spreads a film of one molecule thickness. The quantity of chemical required per acre is only one pound costing not more than Rs. 3. The application of this chemical in tanks and reservoirs with areas ranging from 2 to 20 acres, it is claimed, has reduced evaporation by as much as 20 to 30 per cent. The cost of treatment is calculated at about As. 2 per thousand gallons saved. Further, the scheme envisages placing of a thick impervious membrane sheet 8/1000" made of plastic a few inches beneath the surface of the earth in tanks, lakes and canals. Such a device is said to bring down considerably the percolation losses.

There are three other important features of Mr. Beale's scheme. First, under the technique of "water harvesting," in areas where there is little rainfall, water is stored by individual farms in small tanks, two-thirds of the farm being used as a catchment area to irrigate the rest of the land. The method of sprinkling water on the land is carefully applied. It has been found that the yield from one-third of the farm now is eight times that on the entire farm previously. Secondly, water control device such as sprinkler irrigation equipment and gated pipes are used to make the maximum use of water with minimum wastage. The conventional flooding of land is avoided, and the gated pipes which allow water to flow along with furrows at specified intervals helped the minimum water to be spread over the maximum area. The gated pipes are so light that they can be shifted easily from place to place. Sprinkling through rotating pipes has the advantage of making the water absorb small quantities of nitrogen in the air. Thirdly, crop management in relation to irrigated crops will be more profitable. Such management will include rotation of crops, use of fertilisers, maximisation of the use of pastures, etc. The scheme also contains measures relating to the use of the earth removed in digging ponds in farms for producing the maximum storage space and preparation of a chart to indicate, depending on local conditions, the time for ploughing the land and the quantity of water to be used.

CO-OPERATIVE SUGAR FACTORIES

A PSEUDO-SOCIALISTIC MOVE

From A Correspondent

AT a time when we are overwhelmed by a torrential flow of platitudinous sermons on the virtues of a socialist pattern of society and of Co-operatives as one of its supporting pillars, it is not easy to probe into the ethical as well as the scientific validity of the assumptions underlying the Co-operative Movement as it is now being developed in certain spheres of our economic life. Yet a critical look at these assumptions can no longer be avoided if only to make sure that the so-called Co-operatives are in harmony with the socialist ideal not only in name, but also in substance.

The practical implications of a socialist pattern have not yet sufficiently crystallised. Nevertheless, whatever way this elastic phrase is defined, there is no doubt that its first and foremost objective is to work out, and uphold, the right balance among conflicting social interests. In other words, a particular policy or measure must be fair and equitable to all sections of the community, and, to the extent it fails to do so, it ceases to be truly socialistic.

How far is this crucial test satisfied by the much-advertised Co-operative sugar factories proposed to be established in the State of Bombay? Licences were issued for a dozen such factories; two have already been established and are now in operation; four more have placed orders for the requisite plant and equipment; and the remaining six, it is understood, are now planning to place orders. An objective assessment of the merits of the Co-operative approach must take a few broad facts into account.

First, at present-day prices, a Co-operative sugar factory will, on an average, require a capital outlay of a crore of rupees, or more; the members are expected to pool, at least initially, no more than, say, Rs. 15 lakhs; the balance will have to come from the State Government, or the Central Government, or the State Co-operative Bank. Is it the best policy to divert public funds to fulfil a function which private *entrepreneurs* are both able and willing to fulfil? The question is by no means irrelevant, especially at a time when capital is in short supply and the country desperately needs whatever funds can be found from whichever quarter to finance its massive second Five-year Plan.

Loss of Tax Revenue

Second, a Co-operative factory, unlike a company of the conventional type, is not required to pay any tax even on its business income. This, in any case, is the present position. To that extent, the profits of a Co-operative factory will be earned at the expense of the public exchequer, and this means that the burden will ultimately fall on the taxpayer. The amount of revenue loss can be gauged from the fact that a company-run sugar factory, with a crushing capacity of 800 to 1,000 tons of cane per day, would normally pay an income-tax of five to six lakhs of rupees per year.

And, third, a company-owned factory of the size mentioned above draws its cane supply from an area of 3,500 acres approximately. It is well known that, in Bombay State, sugar factories run their own cane farms which therefore belong to their shareholders. A farm of this size provides employment to 1,500 to 2,000 workers, apart from those employed on a piece-work basis. The workers, whether men or women, are paid at the rate of Rs. 2-3 per day. The wages paid by a Co-operative sugar factory are much lower—around Re. 1-2 per day for male workers, while, for female workers, they amount only to As. 8 to As. 10 per day. A Co-operative enterprise in this particular field will therefore mean a drastic cut in the income of daily-paid workers. The cut will amount to as much as one-half in the case of male and almost three-quarters in the case of female workers!

To put it differently, whereas a company-run sugar factory of the size mentioned above would pay to its farm labourers a sum of Rs. 10 to Rs. 12 lakhs as wages per year, Co-operative factories will get off with an annual wage bill of Rs. 4 to Rs. 5 lakhs. What justification could there be to transfer, in the name of Co-operation, some six to seven lakhs of rupees every year from farm workers to cane-growers or *bagaitdars*?

Amenities for Workers

This is not all. Workers employed on farms of company-run factories enjoy other advantages such as better amenities, provision for leave, fixed working hours, and an annual bonus. In all these respects, they are much better off than field workers employed on behalf of Co-operative factories.

The question of bonus has a special interest in this context. In a company-run factory, all workers, employed whether in the factory or on the farm, receive a bonus every year. This usually amounts to two to four months' basic wages. In the case of a Co-operative factory, however, farm workers get no bonus, since the farms are treated as the property, not of the Co-operative, but of the individual members who are its shareholders. The members can, therefore, reap full agricultural as well as business profits.

Here, then, are the salient facts about the Co-operative sugar factories which are being advocated with so much enthusiasm. On a simple calculation, other sections of the community—taxpayers, workers, and the long-neglected masses of consumers struggling to eke out a living at a dismally low level—are called upon to make a handsome gift of Rs. 12 to Rs. 14 lakhs a year to each Co-operative factory. Why? The answer brings us back to our starting point—because we are so enamoured of the word "Co-operative," so busy to deliver sermons in abstract terms on its high ideal, and so ready to accord exuberant emotional approval to everything that carries his charming label, that we have neither the time nor the inclination to look below the surface and see the bald facts as they are without confusing them with the glowing ideas that we have in our own mind.

A Misnomer

To all this should be added the fact that what passes for Co-operation in India is largely a misnomer. Unlike Co-operation in other countries, it is seldom a spontaneous growth from below, and almost always an artificial imposition from above, spoon-fed by the State, and rigidly controlled by bureaucrats. The elements of true Co-operation, which were never too prominent, are, if anything, fast sinking towards the zero point. For it would be no exaggeration to say that, like so many other private enterprises, our Co-operative Movement, too, is now undergoing a process of "nationalisation," and what invariably goes with it, of bureaucratisation.

How long will such pseudo-co-operative and pseudo-socialist enterprises continue to enjoy such indiscriminate blessings in our socialist pattern of society? The answer is anybody's guess. But without claiming any prophetic quality, I think one can safely make a simple statement: the present trend will continue until our large-hearted ministers are able to descend from their dizzy spiritual heights; until they begin to see the obvious facts that they are ministers, not of some catholic church, but of administrative departments; and that, consequently, their business is to deal less with matters pertaining to the soul and more with facts relating to the bazaar.—*All Rights Reserved.*

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AMERICAN LETTER

IMPLICATIONS OF AGREEMENT WITH STEEL WORKERS

NEW PRICE PATTERN IN THE MAKING

From Our Special Correspondent

NEW YORK, 28th *July*

PAPERS have been signed between management and the steel workers' union and, by the time the great furnaces have been refired, the strike will have lasted about one month. The new contract raises wages slightly. It runs for three years and contains a non-strike pledge for that period.

President Eisenhower, who never intervened in the negotiations, praised the settlement as a stabilising influence for the country as a whole and for the future. As on previous occasions, other industries will no doubt follow the steel contract pattern, whenever their agreements with their unions expire.

All this raises a whole series of question marks. First, a new price pattern is in the making. Steel prices will undoubtedly go up and other goods too, will. This was stated flatly at the time of the settlement and before.

This wage-price pattern has been traditional in United States industry. It is, of course, potentially inflationary; unless productivity catches up with the greater demands by labour, more and more money goes in the spending stream and profit margins of business decrease. The desire to catch up on productivity was one of the reasons why it was the desire of management to obtain as long a contract as possible.

Another overall consideration is, of course, that higher wages by the multitude of people produce greater potential spending power and also potentially higher savings, depending on what the public wants to do with its increased income. Indeed, the question has been raised in many informed quarters whether overall savings will be large enough to provide funds for the ever-increasing installations of automation and other electronic machinery which costs more and more, in order to boost productivity.

So far, statistical evidence is insufficient to point to a future trend. With prosperity at such high levels as at present great cushions have been built up, however, to cope with minor fluctuations in costs both on the household and industrial levels.

The cost of living has risen only fractionally in recent months and certainly cannot be an economic or political Presidential campaign issue, particularly in view of the fact that, during preceding Administrations, the cost of living has doubled and nobody complained about it as long as there was a relative balance between costs and income.

Political Field

In the domestic political field, President Eisenhower is still expected to win the election in November, if nothing untoward happens in the meantime. A mild controversy is raging at the present time who should be the President's running mate.

Ex-Governor Stassen of Minnesota, now special White House assistant, expressed the personal opinion that Mr. Nixon, now Vice-President, should be replaced by Governor Herter. The latter made it clear he was going to vote for Nixon, though, and the President himself has indicated that his preference would be Mr. Nixon, if the Republican Convention agrees.

In the Democratic camp, the odds still favour Mr. Adlai Stevenson who is the titular head of the party, having been the last Presidential candidate. In the meantime, Governor Harriman of New York is making much noise and thinks that with the aid of his chief political lieutenant he can win the Presidential nomination over Stevenson.

While everything is possible, it does not seem likely to this correspondent. It is quite a confusing and incongruous picture. Most of the Southern States have been traditionally Democratic—yet a good many of them voted Republican, because they believed in the liberalism of Mr. Eisenhower personally and they also believed in him as a leader.

Racial Equality

One of the most disturbing events to some elements of the South was the edict of the United States Supreme Court that there should no longer be any segregation between whites and non-whites which has prevailed in the South for generations—in fact, before and ever since the abolition of slavery.

With the clear delineation of governmental authority in the United States, among the executive, the judicial and the legislative branches, Mr. Eisenhower personally was never blamed for that decision even by the most rabid segregationists. Most Administration spokesmen admit that a court verdict cannot uproot overnight such longstanding practices and that the transition must be gradual.

Mr. Harriman, on the other hand, who fancies himself to be a disciple of his idol, the late President Franklin Delano Roosevelt, has come out flatly for an immediate cessation of segregation, hoping no doubt to capture the coloured vote.

Mr. Harriman is probably the richest of all Presidential hopefuls. His father built a railroad empire, the Union Pacific. He comes from a family of Tories and Conservatives, but, as a politician, he tries to build himself up as the friend of the "common man." Mr. Roosevelt succeeded in doing it and he was more than successful, because great economic distress prevailed in the depression years when he had been elected to the White House. By so doing he prevented serious outbreaks. No such necessity exists today and, in my opinion, Mr. Harriman is barking up the wrong tree and will find out for himself.

West Asia

Newspapers and magazines in the United States gave considerable space to the meetings between Prime Minister Nehru, Marshal Tito and President Nasser. The general interpretation here was the *communiques* issued came very close to the Soviet line in opposition to the Western powers, perhaps not in spirit but in semantics. This impression was aggravated by General Nasser's occupation of the Suez Canal, which made sterling tumble in the foreign exchange markets of America, but reportedly did not impede navigation.

Back of all this apprehension about the talks among Messrs. Nehru, Tito and Nasser is fear of another war between the Arab countries and Israel. The U.S. has a substantial stake on both sides of the fence—investments in Israel and oil in political ties in the Arabian countries. So far, it has been just a threatening battle of words, but it is being taken seriously in the United States and by the United Nations.—*All Rights Reserved.*

(Concluded from next column)

They, therefore, want to see proper machinery of negotiation developed which would have as its objective the redistribution of redundant men in other industries without the brutal process of sacking, and also the giving of adequate notice—far more than the traditional week—to find other employment. The narrow issue is one of compensation, following a pattern already made familiar in America, because, with financial compensation, the dismissed man has a chance without hardship of finding himself other employment. The broader issue is really the planning of staff reductions and the taking of every possible measure to mitigate the effect on the employees. That is an issue not only for the B.M.C. but for British industry. It is one which the unions themselves have not yet thought out. Neither they nor the Labour Party have got a plan to meet the times when full employment does not maintain itself without positive action. And the significance of the present negotiations is that they are going to accelerate the thinking towards this new and vital end.—*All Rights Reserved.*

THE NEW MODEL STRIKE

PRODUCT OF WELFARE STATE

From Our Own Correspondent

LONDON, 27th *July*

LONDON LETTER

THE strike which has hit the British motor car industry is of a kind not known before. It is the product of the Welfare State, the product of pledges given by Socialists and Conservatives alike, that mass unemployment was—subject always to the general balance of this country's external payments—a thing of the past. These pledges involved a recognition by Government and industry that they had a responsibility towards the wage earners to see that no unavoidable unemployment was ever caused. In spite of the relatively poor showing of the motor industry in exports over the past year, the balance of payment considerations do not enter into this dispute; nor is it correct that the unions have taken a completely unrealistic attitude and said that they cannot accept redundancy in any shape or form. Nor is the shadow of automation over this dispute as it was over that in the Standard Company. The basic question at issue is whether dismissals should be made arbitrarily by the employers or whether there should be joint consultation between employers and unions before any major action is taken.

The facts in this case are that the largest British motor company, the British Motor Corporation, a combine of the Morris and Austin undertakings, decided, because of falling sales, to lay off 6,000 of their employees. They did this without consultation with the unions, they simply informed the unions on the day before issuing the dismissal notices, and without any compensation. So rooted has the idea of consultation now become in British industry, that B.M.C. by their action have forfeited the goodwill of many, including Members of Parliament and newspaper editors, whose natural sympathies in a matter of this kind might have been expected to lie against the unions.

Union Solidly Behind

Some play has been made with the fact that little over half the employees of B.M.C. have gone on strike in spite of the pressure put on them by the unions, but it must be remembered that a very high proportion of the employees in the motor car industry have been recruited to it from many non-unionist trades, so that in any factory there will be a great many men who have never known union loyalties. The union men are solidly behind the strike, in spite of the fact it had to be decided upon at a very difficult time. When an industry is in depression and just before the holidays, strike action can have a minimum effect. Output at the factories concerned has been halved during the first week of the strike but that is of relatively little moment. The industry is now beginning its fortnight's holiday and both sides are no doubt hoping that the dispute can be resolved by the time the holiday ends.

Meanwhile, there have already been repercussions: the reduction in output of the affected factories is spreading right through the highly interdependent motor car industry, and the Ford Company has also become involved, simply because being short of material, it also decided to sack some employees, leading to a walk-out by the whole staff.

But the unions are convinced that the issue facing them is so fundamental that they cannot take the risk, whatever the difficulties and whatever the repercussions, of having employers return to pre-war practices in the matter of dismissals. The issue, therefore, extends far beyond the particular unions and the B.M.C. But the Trade Union Congress for the time being is leaving the matter to be fought out on a local basis, knowing full well that what happens in this case will be taken as a signal throughout industry.

Government Takes A Hand

The Government, reluctant as always to intervene, has, nevertheless, decided, after one week of strike, that it must call both parties together. It stands to lose from a revival of any form of class struggle, quite apart from the damage which either a prolonged strike or a wave of strikes would cause to British industry.

(Continued in previous column)

T.I.S.CO. EARNS RECORD PROFIT

STEEL OUTPUT HIGHEST IN POST-WAR YEARS

THE performance of Tata Steel ordinary shares on the Bombay Stock Exchange after the release of the Directors' report and audited accounts of the Tata Iron and Steel Company, Ltd. for the year ended 31st March 1956 on Monday evening (30th ultimo) hardly does any justice to the impressive achievements of the Company during the past year. The shares, which had officially closed at Rs. 205-12 on that day, reacted to Rs. 203-4 in the kerb, and at the time of writing are being quoted at Rs. 204-4. The report and accounts disclose that the Company has made all-round progress during the year; production and despatches show a distinct improvement over the year; the sale proceeds have recorded a sizable increase; and the gross profit has risen by about 38 per cent. to a record level.

Another highlight of the report is the satisfactory advance made by the Company with its development and rehabilitation programmes. If, despite this good show, the shares have not responded well, the reason must be found elsewhere. It may be due to technical considerations or the operators must have felt that the prospects of an increase in dividend in the near future are not quite bright.

The gross profit, which had slightly declined in the previous year from Rs. 9.53 crores to Rs. 9.36 crores, has shot up to Rs. 12.97 crores, a level not seen in the forty-nine-year history of the Company, exceeding the previous highest of Rs. 9.65 crores attained in 1951-52. The net profit, after providing for Managing Agents' commission, depreciation, taxation and bonus to employees, amounts to Rs. 5.81 crores, representing an increase of Rs. 2.59 crores over the year.

In accordance with the terms of the agreement with the Government regarding the increased retention prices, which included a special element to be set apart and credited to a development fund for meeting a part of the capital expenditure on the Company's expansion programme, the Directors have set aside a sum of Rs. 2.28 crores to the plant rehabilitation and development fund from the aforesaid net profit, in addition to the usual allocation of Rs. 1 crore transferred to this reserve in fulfilment of the condition on which an extra price was granted to the Company from July 1951. A sum of Rs. 78 lakhs has been added to the development reserve, as against Rs. 10 lakhs in the previous year. This represents the saving in tax liability on a development rebate of about Rs. 1.80 crores admissible for income-tax purposes on new additions of plant and machinery during the year. After these obligatory allocations, the disposable profit, along with the surplus brought forward from the previous year, is actually lower at Rs. 1.95 crores, as compared with Rs. 2.29 crores in the previous year. Consequently, no addition has been made to the general reserve which had received Rs. 31.99 lakhs in the previous year. This also explains why the dividend on ordinary shares has only been maintained at Rs. 10-8 per share. This is the third year in succession for which the dividend is being repeated, after the increase in capital following the conversion of deferred shares into ordinary ones in March 1954.

The following comparative table brings out the progress in the Company's working since 1952-53:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds (net)	40,15.55	35,03.16	35,68.90	35,51.72
Other income	1,77.27	1,78.73	1,65.50	2,22.80
Expenses	28,95.95	27,45.53	27,81.36	28,05.89
Gross profit	12,96.87	9,36.36	9,53.04	9,47.72
Provision for—				
Managing Agents' commission	28.44	32.28	35.11	44.51
Depreciation	2,39.49	2,35.00	2,15.00	2,35.00
Taxation	3,45.00	2,40.00	2,00.00	2,80.00
Bonus to employees	1,02.49	1,06.61	1,11.32	98.57
Net profit	5,81.45	3,22.47	3,01.61	2,89.64
R.P.T. refund	..	..	..	20.91
Income-tax on preference dividend recovered	14.84	14.84	14.84	14.84
To general reserve	3,28.39	1,00.00	24.25	40.80
,, rehabilitation reserve	78.00	10.00	1,00.00	1,00.00
,, development reserve	..	0.20	0.85	..
,, bad and doubtful reserve	..	..	..	..
Dividends—	56.54	56.54	56.54	56.54
Preference*	1,34.92	1,34.92	1,34.92	73.50
Ordinary	(Rs. 10½)	(Rs. 10½)	(Rs. 10½)	(Rs. 21)
Rate per share of Rs. 75 each.	..	..	..	56.15
Deferred	..	..	..	(Rs. 11[2-3])
Rate per share of Rs. 30 each.	..	..	..	2.06
Carry forward	4.05	5.53	1.90	..
	(In thousands of tons)			
Production of—	1,005	1,096	990	891
Coke	1,150	1,128	1,150	1,153
Pig iron	1,059	1,040	1,067	1,061
Steel ingots	800	783	780	790
Saleable steel				

* Subject to deduction of income-tax.

It will be noted that the increase of Rs. 5.12 crores in net sale proceeds is offset to the extent of Rs. 1.50 crores by the rise in expenses. Of the expenses, outlay on raw materials, semi-finished and finished products, stores and spares, etc., account for an increase of Rs. 1.29 crores, wages, salaries and establishment expenses for Rs. 35 lakhs, works expenses for Rs. 22 lakhs and other expenses for Rs. 26 lakhs, while the adjustment in stocks accounts for a decline of Rs. 56 lakhs.

The Company's output of steel during the year was the highest achieved in any post-war year. The production of steel ingots rose from 1,040,000 tons to 1,059,000 tons and that of saleable steel from 783,000 tons to 800,000 tons. The entire increase in saleable steel was in semi-finished materials, the output of which rose from 190,000 tons to 223,000 tons, while production of finished steel products declined from 593,000 tons to 577,000 tons. There was no production of ferro-manganese during the year under review. The skelp mill, proposed under the modernisation and expansion programme, to produce skelp and strip for the manufacture of tubes at the new tube-making plant of the Indian Tube Company (1953) Ltd. had originally been scheduled to be completed by December 1955, but did not start operation till 28th March 1956, owing to a strike of dock workers in the U.K. in May and June 1955 which delayed the shipment of the mill equipment from the British suppliers.

The encouraging trend in production has been accompanied by an improvement in despatches also. Total despatches of saleable steel amounted to 756,000 tons, as compared with 749,000 tons in 1954-55, while the quantity of steel retained in the works for construction and maintenance purposes declined from 49,000 tons to 45,000 tons. Despatches of pig iron improved substantially from 79,000 tons in 1954-55 to 130,000 tons, of which exports out of India accounted for about 13,000 tons. Despatches of ferro-manganese from stocks amounted to 2,000 tons, as compared with 12,000 tons in the previous year.

Substantial progress was made during the year on the various projects in the modernisation and expansion programme. The Government of India, it will be recalled, had granted a special advance of Rs. 10 crores to meet a part of the cost of this programme. The Company drew during the year a further sum of Rs. 4.39 crores out of this advance, bringing the total amount drawn up to the end of the year to Rs. 9.19 crores.

The most important development of the year was the Company's decision, in consultation with the Government of India, to expand the Company's production beyond the target of 1.3 million tons of steel ingots, fixed under the M.E.P., to 2 million tons at an estimated cost of Rs. 75 crores. The progress made so far on the execution of the programme is satisfactory. At the close of the year under review, the total value of orders placed amounted to a little over Rs. 16 crores and this has since increased to Rs. 23 crores. The programme is to be financed out of (1) the increase of Rs. 61 per ton in retention price granted last year, (2) a loan of $75 million from the World Bank, an agreement for which was concluded in June last, and (3) the fresh capital issue made in March last, when 1,285,000 new ordinary shares were offered at a premium of Rs. 30 each, the whole of which has virtually been subscribed. Briefly, the terms of the World Bank loan agreement are: (1) the loan carries interest at the rate of 4¾ per cent., and (2) it is for a period of 15 years, repayable in instalments commencing from 1960. The first instalment of $2,355,000 due in 1960 has been taken over by three commercial banks in the U.S., on which the Company has to bear interest at the rate of 4¼ per cent., that is, ½ per cent. less than the World Bank rate. It will be interesting to note that this loan is the largest industrial loan granted so far by the World Bank and the largest single loan ever granted by it in Asia. This fact is a convincing testimony to the financial strength and stability of the Company as well as to the soundness of the expansion project. The financial standing of the Company is also borne out by the offer of three American commercial banks to share the burden of paying back the first instalment at a rate of interest more favourable than that charged by the World Bank.

Besides the financial assistance from abroad on reasonable terms the Company is also assured of supply of expert technical assistance from Kaiser Engineers of the United States. The Kaiser organisation has undertaken, under an agreement signed in December 1955, to provide engineering, procurement, supervision and construction services for the execution of the main part of the 2-million-ton programme, estimated to cost Rs. 62 crores, excluding expenditure on modifications to the works and on development of the Company's mines and collieries and town which will be undertaken by the Company's own engineering department. The Kaiser organisation has undertaken to complete the entire project by 31st May 1958. On completion of this project and of the programme for modernisation and expansion, the productive capacity of the plant will stand at 2 million tons of steel ingots and 1.5 million tons of saleable steel.

The following extracts from the Directors' report give an idea of the progress on the other projects on hand and of the new ones to be taken up by the Company:

"The Fretz-Moon plant for the manufacture of gas, water and steam tubes commenced operation in 1955 according to schedule. Work on the erection of the electric resistance weld mill and the cold-rolling plant is progressing satisfactorily.

"A project for the installation of a seamless tube plant for the manufacture of boiler, industrial, gas list and other seamless tubes, estimated to cost about Rs. 2.5 crores, is proposed to be undertaken by the Indian Tube Company, for which the necessary licence from Government has been applied for.

"To meet the increased requirements of refractories, an agreement was entered into during the year under review with Messrs. Didier-Werke AG., of West Germany, one of the largest refractory manufacturers in Europe, to install a plant in Belpahar, Orissa, with an annual capacity of 60,000 tons at an estimated cost of Rs. 1.86 crores. The plant, expected to come into operation in 1958, will be owned and operated by a new company, in the initial capital of which the Steel Company and Didier-Werke will participate in the ratio of 65 :35.

"Agreements have been concluded with Messrs. Heckett Engineering Inc., U.S.A., for setting up a plant at Jamshedpur by the end of 1957 to recover scrap from slag by the Heckett process. The plant will be operated by Heckett's or their subsidiary in India on payment of recovery charges.

"A plant is to be installed at Joda in Orissa for the manufacture of ferro-manganese in electric furnaces. Orders for the furnaces have been placed with the firm of Electro-Kemisk AS, of Norway, the installation of which will be carried out by Messrs. M. N. Dastur & Company, Calcutta. The plant, with an annual capacity of 30,000 tons, is estimated to cost Rs. 2.14 crores and to commence operation early in 1959, when the Company's 'E' blast furnace, hitherto used for the production of ferro-manganese, will be released for producing pig iron."

The total capital expenditure incurred during the year under review on the various projects of the 2-million-ton programme and the M.E.P. and on normal annual replacements and improvements to the plant amounted to about Rs. 12 crores. The total requirements of finance on all the items of capital expenditure projected for the five years commencing on 1st April 1955 are estimated at about Rs. 113 crores.

The impressive financial position of the Company is fully reflected in the synopsis of its latest balance-sheet presented below against the background of that five years ago:

	As on 31st March	
	1956	1951
LIABILITIES	Rs.	Rs.
Capital	17,33,96,013	10,47,23,360
Reserves, other funds and surplus	14,79,87,036	11,78,07,978
Provision for taxation	3,33,72,305	2,57,06,480
Liabilities	33,29,96,601	17,40,76,925
Total Rs.	74,77,51,954	42,32,15,243
ASSETS		
Gross block	69,39,07,755	42,67,22,240
Less—Depreciation	36,95,00,000	27,60,84,401
Net block	32,44,07,755	15,06,37,839
Stores, spares, etc.	5,44,06,772	5,58,94,006
Stock-in-trade	7,42,74,595	5,90,30,555
Debts, deposits and advances	17,11,79,322	6,70,02,537
Investments	5,86,48,857	2,81,20,090
Cash	6,48,34,653	6,25,29,016
Total Rs.	74,77,51,954	42,32,15,243

The above table also shows how far the Company has been able to strengthen its position during the past five years, in the face of heavy commitments under its present modernisation and expansion programme. As compared with the position a year before, the reserves and surplus shows an increase of Rs. 4.06 crores, which represents the addition to the plant rehabilitation and development reserves made out of the year's profit. The provision for taxation is higher by Rs. 3.45 crores. Current liabilities have gone up by Rs. 7.20 crores, of which special advance from the Government of India for capital expenditure alone accounts for Rs. 4.39 crores and borrowings from banks for Rs. 13 lakhs. On the assets side, the gross block shows an increase of Rs. 10 crores, whereas the actual additions to the block account during the year amount to Rs. 16.37 crores.

The Rs. 75 paid-up ordinary shares of the Company are being currently placed at Rs. 204-4 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 5.4 per cent. per annum, free of income-tax.

U.K. AND COMMONWEALTH ECONOMIC DEVELOPMENT

ITS CAPACITY TO SUPPLY CAPITAL GREATLY LIMITED

BRITAIN'S role as the supplier of capital for the economic development of the Commonwealth came up for discussion at the recent conference of the Commonwealth Prime Ministers and, as readers are already aware, the Government of the U.K. has expressed its "determination to maintain and improve its capacity to serve as a source of capital for development in Commonwealth countries." This determination must be viewed against the background of the ever-expanding capital needs of the Commonwealth and the Colonies, and the increasing competition British exports are faced with in the international markets. In this context, the illuminating article entitled "Britain's Foreign Investment: The Post-war Record," contributed by Professor F. W. Paish to the July issue of the *Lloyds Bank Review*, will be of special interest to our readers.

"Since the war," states the distinguished Professor, "the U.K.'s record as an exporter of capital has been, perhaps, the most disappointing part of its history." Indeed, despite the fact that Britain's real national income today is as much as 25 per cent. higher than the pre-war level and 70 per cent. more than in 1913, its capital exports, which in 1913 were at the staggering level of £800 million at today's prices, have been not more than £60 million a year during the last three years, while they have been negative for the whole post-war period. This factor alone must have accounted for its decline as a world power, as Prof. Paish himself frankly admits.

The Three Phases

Prof. Paish has divided the ten post-war years into three phases: the first is the period of reconstruction from 1946 to 1949 September, when the pound sterling was devalued; the second period from 1950 to 1952 covers the years of the Korean War and its aftermath; and the third from 1953 to 1955 covers a period of "normality." The first of these periods was marked by heavy imports of capital, in addition to substantial withdrawals from the gold reserves following the large deficits in the balance of payments position in 1946 and 1947. In the second and third phases, there was a marked improvement. While in the second phase, out of the favourable balance of as much as £144 million, £30 million a year were utilised for foreign investment, besides replenishing the gold reserves to the extent of £56 million. In the last phase, the favourable balance was £279 million, of which £60 million were utilised for purposes of overseas investment. The addition to the gold and dollar reserves during this period was of the order of £98 million.

Despite this none-too-impressive record of Britain's exports of capital out of its own resources, there was a noteworthy feature, namely, large re-exports of imported capital to the non-dollar world. During the first phase of 1946-49, Britain imported no less than £1,663 million, out of which it re-exported to the non-dollar world as much as £1,100 million, after meeting the adverse balance on its trade account. After 1949, however, imports of capital from the dollar area declined, with the depletion of the loans raised in 1946 and the dwindling of Marshall Aid. Imports of such capital during the second phase (1950-52) amounted to £420 million; in the third phase (1953-55), they were still smaller at £123 million. As a result and in the absence of a commensurate improvement in the balance of payments position of Britain, its exports of capital to the non-dollar world also declined from £1,100 million in 1946-49 to £508 million in 1950-52 and £304 million in 1953-55.

Share of Sterling Area

The exports of capital referred to above took place in three different forms: grants on capital account, net repayments of very large sterling balances held by foreign banks, Governments, etc., in London, and "other capital exports," representing the net balance of a large number of individual items. Of the £1,100 million exported during the first four post-war years under these three heads, the sterling area alone received as much as £757 million, or more than two-thirds of the total. In marked contrast with this, out of the £812 million of capital exported during the next six years, only £154 million, or less than 20 per cent., went to the sterling area. Exports to the non-sterling area, it may be noted here, have been largely involuntary, occurring as the result of realisations by foreigners of sterling assets, rather than of positive British investment. Large sums of foreign-owned sterling balances were withdrawn during this period.

Another feature of Britain's capital exports is that some of the sterling area countries themselves contributed, to a considerable extent, to such exports by maintaining large sterling balances in London. Since these balances are of a short-term nature and as most of the exports to the sterling area have been of a long-term nature, Prof. Paish comes to the interesting conclusion that the sterling area as a whole collectively provided on short term the great bulk of the capital it has borrowed on long term. Thus, as against £775 million of long-term capital exported by Britain during 1949 to 1955 to the sterling area out of a total export of £1,026 million, sterling balances held by the Colonies rose by £650 million. This is another instance of Britain being a re-exporter of capital. The increase in the sterling balances of Colonies in London is attributable to want of local capital markets for investing their funds with safety and liquidity. What enabled the Colonies to gain such large balances was the high price level for their export commodities during the period 1949 to 1952. It is, however, not true to say that the Colonial sterling area was a net exporter of capital. For, according to Mr. Paish, it is probable that, during the last three years, "other capital exports," which include all exports of long-term capital to the Colonies, have been at least as large as their contribution to the sterling balances. This became quite evident especially in the third phase of the decade when the export prices of Colonial commodities suffered a setback and the accretion to sterling balances slowed down.

Looking Ahead

From what has been stated thus far, it will be seen that, while, in the first period (1946-49), Britain was able to pass on a major portion of the grants and aid received from the dollar area mainly to the sterling area, particularly to the non-colonial sterling area, during the second period (1950-52), it continued to act as an intermediary, albeit on a smaller scale, by passing the imports of capital, received from the Colonies in the form of sterling balances, partly back to the Colonies but mainly to the non-colonial sterling area in the form of long-term investments. In the last period (1952 to 1955), the increase in the Colonial sterling balances was barely sufficient to cover the long-term investments even in the Colonies. Looking ahead, Prof. Paish remarks that Britain seems to be "entering upon a fourth period, in which the rise in Colonial sterling balances may slow down, or cease altogether and may provide little or nothing towards the export of long-term capital even to the Colonies." He gives two reasons for coming to this conclusion. These, in his own words, are:

> "One is the fall in prices which has recently occurred in the main export products of the two areas whose sterling balances have risen most in the past—Malaya and West Africa. The other is that it is especially in these areas that the movement towards self-government is proceeding most rapidly. As Colonies achieve self-government, it is reasonable to expect that resources which formerly went to swell the London balances will be increasingly diverted to local uses, either because they no longer reach the various funds at all or because the funds will be encouraged to invest at home, even though in a less liquid form, rather than in London. Indeed, it may well be that there will be a tendency to draw upon the London balances to finance local investment rather than to increase them further. The United Kingdom will, therefore, be unable to rely on this source for finance for other countries, including both the Colonies which are not yet self-governing and the rest of the sterling area."

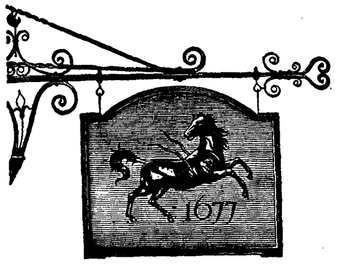
The U.K. is thus faced with an immense task. On the one hand, the major sources of imported capital have vanished, or in the process of doing so, while, on the other, demands for capital, first, for replenishing the gold and dollar reserves, secondly, for financing the development in the rest of the sterling area, and thirdly, for meeting the realisation of sterling balances, are expanding at a fast rate. The U.K. Government has estimated that an annual surplus of the order of £300 million to £350 million, or more than £1,000 million over the next three years, would be needed to meet these demands. Even this amount may prove to be inadequate. And the task is none too easy, especially when viewed against the background of the inflationary conditions now. The U.K. Government is quite conscious of these difficulties. It has been trying its best to fight inflation in various ways.

Foreign Investments

In contrast to the U.K.'s declining role even as a re-exporter of capital in recent years stands its performance as the owner of foreign investment. Thus, despite the fact that Britain had to realise nearly £1,200 million worth of securities between 1939 and 1953, total income from overseas securities more than recovered its 1938 level during 1953. Mr. Paish, therefore, rightly feels that British residents' performance as owners of assets has been a good deal better than that as suppliers of capital. The composition of the income, however, has changed a great deal. Whereas the income from fixed interest securities fell on balance, from £77 million in 1938 to £37 million in 1953, dividends on shares rose to £88 million in 1953 from £78 million in 1938 after reaching a low level of £59 million in 1945. But the new composition is not without its disadvantages; the greater dependence of foreign investment income on dividends—though it provides a safety valve against losses in the event of rise in world prices—renders the country's balance of payments vulnerable to the effects of a world-wide depression, especially since a large portion of its dividends comes from oil, mines and plantation companies.

Looked against the background of the U.K.'s failure as a source of finance, the capital appreciation thus brought about in its shares in overseas companies, however, provides, perhaps, the only improvement in its present position. The rise of £600 in the value of shares between 1945 and 1953 has made good half the fall in its overseas fixed interest securities. But the value of this improvement is less significant when the net worsening in the whole international financial position of the U.K. is taken into account. Apart from the £1,200 million lost in the value of the overseas fixed interest securities, the excess of short-term sterling liabilities over the value of gold and dollar reserves has risen from nothing in 1938 to over £3,000 million today. Further, the long-term dollar debt to the tune of £2,000 million has rendered the U.K.'s position still worse. Consequently, a surplus of foreign

(Continued on page 251)



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PROBLEM OF EDUCATIONAL FINANCE

CANARA BANK'S SCHOLARSHIP SCHEME COMMENDABLE

THE word "education" often brings to one's mind a noble and generous enterprise. This is natural, for education is certainly one of the most beneficent of human activities. And no modern democratic State can afford to neglect it, for a democracy will be strong and active only if the voters are enlightened and intelligent enough to exercise their franchise aright. Now that India has chosen to become a democratic republic and also decided to give itself universal suffrage, education assumes a new significance.

There is, however, another aspect of education. Few people realise that it is one of the costliest of a State's functions. Education means enormous expenditure. In the parlance of modern economics, it is a large capital-consuming project, with a high running cost. And yet, the return on this capital is not so apparent as in certain other investments, say, a factory or a hydro-electric project. This, of course, does not mean that the return on investment in education is less real. Actually, it is far more enduring than the return from other investments. Only it takes the less concrete and measurable form of improved efficiency in all departments of activity. Indeed, an educated worker, whether in the field or the factory, is a great asset to the nation.

Education Needs Money

Nevertheless, education, as stated at the outset, needs money. This is the hard core of the truth about education. In India, where even the achievement of bare literacy for the masses is an unsolved problem, education will need all the money the country can spare. The size of the country, the vastness of its population, the scattered nature of its towns and villages and a host of other factors add to the complexity of the problem.

And yet, the problem must be faced and the necessary finance found if the democratic and economic experiments in the country are to succeed. At present, the allotment to education is perhaps determined less by what the subject deserves than by what the authorities, after meeting other insistent claims, can afford to give. The first Five-year Plan allotted Rs. 169 crores to education, of which the Central Government's share was Rs. 44 crores and the State Governments' share Rs. 125 crores. This has been stepped up to Rs. 307 crores in the second Plan, the Centre's share being Rs. 95 crores and the States' Rs. 212 crores. All this expenditure will barely provide for the minimum educational needs. And, if the contemplated levels of expenditure are the maximum the country can give for education, there is obviously a great need to supplement the Exchequer by private effort.

Fortunately, there has been no lack of private philanthropy in the educational field in this country. Some of the greatest institutions of learning owe their origin or continued existence to private munificence. The leading scientific institute in the country, the Indian Institute of Science, at Bangalore, owes its origin to an endowment from the House of Tatas. The Annamalai University in the South is another instance of charity in education. It is the Birla House that has placed Pilani on the educational map. Bombay, Poona, Saugur, Calcutta, Banares and Kanpur, to mention only a few educational centres, can all boast of institutions which have received generous aid from private sources.

Scholarships

There is yet another kind of educational charity—the institution of scholarships. In almost every seat of learning, scholarships are available for deserving scholars. Founded by private individuals, some of these scholarships have made education possible for many a student who would otherwise have had to go without it. Private effort has been particularly conspicuous in this sphere, the number of scholarships for both general and technical education being very large all over the country.

A notable variety of this form of charity is loan scholarship—money made available to a scholar on the understanding that he returns it after the completion of his studies. Some charitable funds have specialised in the grant of loan scholarships. And their experience suggests that there is immense scope for very valuable work in this field. To the philosophical objectors, who cavil at the thought of mixing up charity with loan, it seems necessary to say that a loan given to a person who deserves it and is in need of it is as much charity as any other form of altruistic aid. Further, every grateful recipient of a loan scholarship is a potential benefactor to society. Having himself been the beneficiary of aid, he is more likely in future years to be prepared to extend a helping hand to deserving causes. From the purely economic point of view, a loan scholarship has one great virtue to commend it. It is self-perpetuating, so that the educational capital, involved in a loan scholarship, remains unimpaired.

Special Qualities Needed

The administration of a scheme of educational loan scholarship, however, calls for certain special qualities. Thus, it is not enough if the authorities are able to spot a candidate who deserves to get it. It is necessary to be able to keep a continuing watch over the recipient, to follow up his career, to know precisely when he becomes capable of returning the loan and, above all, to ensure that the loan is returned. A mere philanthropic sense, though it forms the basis of the scheme, is not the only factor which will make it a success. Clearly, something more is needed. It requires a banker's insight into the creditworthiness of candidates and the banker's organising ability to supervise the return of the loan. A scheme of educational loan scholarship thus implies a healthy combination of educational altruism and financial realism.

It is precisely such a combination that is to be found in a remarkable experiment in loan scholarship that has been initiated by the sponsors of the Canara Bank Jubilee Education Fund. The enterprising authorities have evolved a scheme which seeks to blend the philanthropist's zeal for service in the cause of education with the Bank's organising ability, on the one hand, and to supplement the donor's financial resources with its own, on the other. A look at the scheme will reveal that it is both well conceived and ably devised, so that it ought to commend itself to all lovers of educational charity and, more especially, to those who hold that private banking can and should render genuine public service.

Briefly, the scheme involves the grant of a loan scholarship which will be five times the amount placed by a donor at the disposal of the Fund. Under this novel scheme, the Fund which is created by the donors is pledged as a security with the Bank which, in its turn, has agreed to grant loans up to five times the funds given as security, subject to a maximum of Rs. 5 lakhs. The Canara Bank has itself donated Rs. 20,000 to the Fund and the collections so far made amount to Rs. 1,20,000. There is no doubt that the whole scheme is as economically sound as it is ethically worthy of the highest praise.

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Main Features of the Scheme

It seems necessary, at this stage, to bring out some of the main features of the scheme. The Fund, which is a registered body, derives its finances mainly from the donations made to it. It will, of course, be augmented by other sources of income such as interest on investments. The Bank, as already stated, will hold the Fund as a security against the loan it sanctions up to five times the security offered. It will charge only 4 per cent. simple interest on these loans. Besides the financial help it renders, the Bank will make available to the Fund its organisation for the purpose of ensuring the return of the loans given to scholars. The scheme provides that the first instalment of the loan to a scholar is to be repaid not later than one year after the completion of the course of his studies made possible through the scholarship.

A notable feature of the scheme is that it provides for taking out both a life policy on the recipient of the scholarship and third party security on his behalf. The idea is to grant 10 loan scholarships of Rs. 1,000 each year to begin with. The same group of scholars will be granted Rs. 1,000 every year till they complete their studies and, at the same time, ten fresh scholars will be selected for aid every year.

Success of the Scheme

There are several considerations which suggest that the scheme will achieve all the success it deserves. In the first place, loan scholars all the world over are deeply conscious of the value of the help they receive at the impressionable period of their life, and, therefore, grateful. In banking parlance, they are a highly creditworthy lot. Indeed, the experience of other funds which the sponsors of the present scheme have studied has been very encouraging. Secondly, the taking out of a life policy and third party security still further reduces the risk of loss. Finally, it is a scheme which has elements that have an appeal as much to the donor as the scholar.

To the donor, it should have a special appeal, because it enables him to be more generous than his purse can permit. He has the additional satisfaction that his donation will remain intact and be available on a continuing basis to generations of students. He is further relieved of the anxiety to collect the loan, for the Bank will ensure that it is repaid. Nor need he fear that the loan will go to an undeserving person, for the Fund will see to it that it is the deserving scholar that gets the aid. As regards the scholar, he ought necessarily to welcome the scheme which allows him to pursue his studies without financial worries to disturb the even tenor of his academic career. Thus, whichever way the scheme is looked at, it has much to commend itself to all the interests concerned.

Welfare State

Private enterprise in India is on trial. And private banking, as the citadel of this enterprise, owes a special responsibility to the society. It is up to it to vindicate itself through actively aligning itself with schemes which serve the public. If all Indian banks could establish "Educational Funds" on the lines of the Canara Bank's scheme, they would be further adding to their stature in the public eye. Their present detractors would then be compelled to recognise that private banking could be harnessed to the task of rendering efficient public service. This would also enable the community to appreciate the view that it is not necessary to abolish free institutions in order to create a Welfare State.

NEW £5 NOTE

Early in 1957, Britain will issue a new £5 note different in colour and smaller in size. The present £5 notes will, however, continue to be legal tender until they are finally returned to the Bank of Engand. This will take several years. The new £5 note, which will incorporate the head of Britannia, in accordance with the tradition that has kept it on all £5 notes issued since they were first inaugurated in 1793, is being produced mainly in response to requests from people who find the existing note inconveniently large. Its actual size will be 6¼ inches by 3-17/32 inches, which is slightly larger than the present £1 note but much smaller than the 8¾ inches by 5-5/16 inches of the existing £5 issue. It will contain the metallic thread and will be of the same quality as the existing £1 and 10*s.* notes.

AUGMENTING EXPORTS OF TEXTILES

MODERNISATION AND RATIONALISATION IMPERATIVE

IF Mr. Neville N. Wadia, Chairman, Cotton Textiles Export Promotion Council, could not paint, when he addressed the second annual meeting of the Council held at Bombay on Thursday last week, a rosy picture of the future for India's export trade in cotton textiles, he is not to be blamed. As readers are aware, conditions on the international cotton textile front have changed of late and are changing rapidly, so that world trade in this commodity has suffered a distinct setback. In view of the downward trend in the price of cotton, many countries are buying cloth and yarn on a hand-to-mouth basis. So far as India is concerned, the fall in the world price of cotton has almost wiped the advantage which it enjoyed over other countries in the form of relatively low prices for domestic cotton.

The decline in world trade in cotton textiles had been noticed in the past year itself. During 1955, the aggregate world exports of textiles were substantially lower at 4,654 million yards, as against 5,120 million yards in the previous year, representing a drop of as much as 10 per cent. The decline was shared by practically all the leading exporting countries, including India. India could not export more than 815 million yards, as against 898 million yards, or a fall of 9 per cent.; the extent of the fall was, of course, slightly smaller than that in world trade.

The downward trend in cotton textile trade has been the result of four important factors to which Mr. Neville Wadia drew attention. First, the communist countries have entered the world textile market, much of their business being done on a barter basis. Some new countries such as Pakistan and Spain have also turned out to be exporters of textiles. Secondly, new textile mills are springing up rapidly in many countries which formerly imported the bulk of their requirements, and imports by them are bound to be replaced by home production. Thirdly, certain countries have entered into bilateral treaties which canalise trade between them. Fourthly, a few countries have imposed restrictions on imports for reasons of exchange. Commenting, in particular, on the competition from communist countries, Mr. Wadia said: "One cannot but view with apprehension the effect which it is going to have on the pattern of trade (in textiles) which had become established since the war."

Long-term View

Looking from the long-term point of view, however, Mr. Wadia saw one bright prospect, namely, a very rapid rise in cloth consumption of the underdeveloped countries, especially in the Asian region, which is bound to occur, as these countries improve their economies. According to Mr. Wadia, many countries in this region have not yet reached their pre-war *per capita* offtake of cloth, so that not only is there much leeway to be made up, but it can be hoped that increased purchasing power will help millions of people in the areas to acquire more of their essential needs.

While this aspect is quite encouraging, the basic fact remains that, if India is to weather the growing competition in world textile trade successfully, energetic steps must be taken to enhance the competitive capacity of Indian textiles in world markets. Mr. Wadia was, therefore, quite pertinent in stressing the two important factors which influence the quantum of India's cloth exports. These are:

(1) The strength of India's exports lies in cloths manufactured from Indian cotton. A year ago, there was an advantage in price which we enjoyed of approximately Rs. 650 per candy, when comparing Vijay with middling 15/16" American landed at Liverpool. Today, it has dwindled to Rs. 65. The advantage in cotton prices, therefore, has been virtually wiped out. Only an exceptionally good monsoon can help to restore a part of that advantage. This goes to emphasise how vitally important those rains are to every phase of our economy.

(2) The fact that we are unable to export an appreciable quantity of fine and superfine goods is proof positive that our cost of manufacture in this country is greater than those of our competitors. While individual wages are comparatively low as compared with European and American mills, they compare favourably with those in Japan. On the other hand, the Indian mills employ for the same output three and a half times the number of operatives in Lancashire mills, nine to ten times as many as in the U.S.A., and seven to eight times those reported to be employed in Japan. In the case of America which pays the highest wages in the world, the labour cost per unit of production is almost identically the same. The case in Lancashire is similar, but, as far as Japan is concerned, India is at a great disadvantage.

The aforesaid two factors, as Mr. Wadia rightly pointed out, emphasise most clearly how urgent it is for the cotton industry to modernise its equipment and rationalise its methods of production. Incidentally, it may be noted that the Government of India's textile policy envisages installation of 14,600 automatic looms in the mills, with a view to augmenting cloth exports to a level of 1,000 million yards per annum. Although this policy is not all that the industry desires, Mr. Wadia welcomed it from the point of view of exports. At the same time, he urged that, in order to retain the trade which the country has today, the pace of replacing ordinary looms by automatics should be stepped up to a much greater figure. "What is needed is," to quote him, "a greater understanding of this problem by Government, labour and millowners alike, so that they may bring about the rapid change required." Mr. Wadia also urged the importance of encouraging as much as possible all the sectors of the cotton textile economy—mills, handlooms and powerlooms—to expand production, if a shortage of cloth, both internally and for export, is not to be felt within the next few years.

A Very Vital Role

Considering the imperative need for placing India's export trade in cotton textiles on a stable and sound footing, the role of the Export Promotion Council is, indeed, very vital. Nearly two years have elapsed since the Council came into existence; it was formed on 4th October 1954. The progress of work done by the Council in the first year of operation was reviewed in these columns last year—*vide* page 744 of issue dated 15th October 1955. It is proposed to deal now with the Council's activities in the second year, as furnished in Mr. Wadia's speech and also in the annual report of the Council.

Early in the year, a decision was taken to open offices of the Council at strategic places to establish close contact with overseas buyers. A number of officers were engaged and given a thorough training. The first office was opened at Baghdad, in February 1956 and, since then, five more offices have been opened at Singapore, Lagos, Rangoon, Aden and Mombasa.

While little advantage was taken of the scheme of ITEX examination, the introduction of the Factual Inspection Scheme has proved so popular that more inspectors have had to be engaged for this purpose. Fifty mills in Bombay and sixteen in Ahmedabad took advantage of the Scheme, and the total quantity inspected from January 1956 up to 21st July 1956 amounted to 3,131,299 yards; whereas, for the same period, 469,145 yards were passed under the ITEX Scheme, but this quantity is more than the total ITEX figure for 1955. Mills are now welcoming this independent check and are acting upon the information gained thereby. It is also beneficial to overseas buyers to know what the quality of their goods is likely to be, from which they can gauge whether they are suitable for the purpose they have in view.

The Council took a stall in the Industrial Exhibition at New Delhi, which proved very popular. It has also taken part in many exhibitions overseas where Government organised Indian pavilions—to mention a few—the Leipzig Fair, the Pakistan Trade Fair, the Milan Samples Fair. In addition to these exhibitions, the Council also displayed Indian textiles in the permanent showrooms organised by the Indian Trade Commissioners in East Africa, Ceylon, Burma, Singapore, the U.S.A., the Philippines, etc. To inform the industry and trade, a large collection of samples manufactured by India's competitors and sold in world markets is now touring the country.

The Council has undertaken the publication of a handbook—*The Indian Textile Industry*—which has been distributed widely overseas. This is a useful reference for prospective buyers of our goods. A new edition will be published this month.

The Council has recommended three major steps to improve our exports; regulations to set right all too frequent complaints; segregation of shipment of seconds from good quality goods; and a standard contract between mills and exporters. The good offices of the Council have been widely used throughout the year for the settlement of complaints, and it is gratifying to note that about 50 per cent. of the complaints received is being settled without recourse to arbitration or legal action. Both parties are realising the benefit of bringing their disputes to the Council, and the tempo of settlement is increasing from day to day.

The fortnightly *Bulletin*, through which much useful information is made available by the Council, has become very popular. Many foreign enquiries, published in the *Bulletin*, have led to increased business. The Council is now about to bring out an overseas edition, which is expected to prove equally valuable to our customers abroad.

From the foregoing account, it will be seen that the Cotton Textiles Export Promotion Council has done valuable work in putting the textile export trade on a secure basis. But very much more remains to be done, what with the competition in world textile trade getting keener as time goes on. Surely, the success of the Council will be judged by the extent to which it fulfils the task entrusted to it of not only sustaining but also developing export trade in textiles, one of India's major earners of foreign exchange. Having said this, it is necessary to add that, if impressive results are to be achieved, the Council's efforts in this direction will have to be strengthened by the adoption of a sensible and realistic policy by the Government, as well as by the co-operation of workers in the great task of raising the productivity of Indian cotton mills.

SUBSIDY FOR U.S. CLOTH EXPORTS

The U.S. Government has announced its decision to subsidise cotton textile exports. The base subsidy rate has been fixed at 6.58 cents per lb. for the period 21st May 1956 to 30th September next. With effect from 1st October, the rate will be set on month-to-month basis. The subsidy will be paid on exports only to "friendly countries," but excluding Alaska, Hawaii or Puerto Rico, outside the Continental United States. Cotton textile exports to Soviet bloc countries will not, however, be allowed under the Bureau of Foreign Commerce's export licensing prohibitions.

The decision of the U.S. Government to subsidise textile exports is a sequel to the representations vigorously put forward by the domestic manufacturers. Drawing attention to the closing of mills and cutting back of production, Mr. F. E. Grief, President of the American Cotton Manufacturers Institute, recently declared: "The productivity advantage of American mills has virtually disappeared with the equipment of Japanese and other Asian factories with Western type machinery operated by workers receiving oriental wages, about ten times lower than American wages and using cotton purchased on the world market at prices substantially lower than American mills have to pay."

With the grant of Government subsidy, the competitive capacity of U.S. textiles in world markets has been enhanced. The past few years, it will be recalled, have witnessed a continuously downward trend in U.S. cotton textile exports. The aggregate shipments of piecegoods which stood at 940.44 million yards in 1948 declined to 802.48 million yards in 1951, 760.71 million yards in 1952, 620.82 million yards in 1953, 605.08 million yards in 1954 and 542.40 million yards in 1955.

GERMAN VIEW ON HANDLOOMS

The three-man team of West German technical experts, who had been invited by the Government of India for designing suitable small machines for use by small-scale industries, have submitted its report. In the report, the team has recommended a switch-over to the maximum number of handlooms for the production of better varieties of fabrics which the mills cannot produce. Two of the three experts have suggested that the manufacture of machine tools should be licensed and that the licensed units should be subject to strict supervision and control in respect of the maintenance of quality standards laid down by the Government. The Government has also been asked to arrange supply of suitable machinery and equipment for the manufacture of machine tools, raw materials and inspection equipment for the units licensed. Another useful suggestion relates to the conversion of certain leading and *bona fide* units into model enterprises. Mr. G. A. Etter, the other expert, has recommended a phased programme for replacing the bulk of the handlooms by powerlooms. Handlooms should not, according to him, compete with fabrics produced more cheaply by mills such as plain cloth. He has suggested the installation of a large number of Benaras handlooms and Texmaco looms in other handloom centres. Particular emphasis is laid on the need for improving the organisation for the marketing of handloom products.

Mexico is planning to take measures for the improvement of its cotton economy. The Secretary of Agriculture, Gilberto Flores Munoz, has announced that measures adopted by the Government last year will permit Mexico to overcome in part the drop in revenue expected by the sale of U.S. surplus cotton. Government policy is directed at (1) improving the quality of Mexican cotton, so as to place it in a more favourable position on the international market; (2) increasing the per hectare yield and reducing cotton producing zones, thus maintaining the same level of production as in 1955; (3) diversifying crops. Last year 1.05 million hectares were cultivated. Total crop outturn was 2.2 million bales, valued at 2,800 million pesos. According to a plan outlined last year, only 910,000 hectares are being cultivated this year. This works out to 145,000 hectares less than in 1955. It is expected that the use of high grade seeds, as well as fertilisers, will produce almost the same harvest as last year. The 145,000 hectares left free by cotton are being used for cultivation of other crops such as wheat and linseed.

Imports of foreign cotton into India during the first 10½ months of the current season aggregating 558,356 bales show an improvement as compared with 527,602 bales in the same period last season. The increase is remarkable in the case of Egyptian and Sudan cottons which aggregated 217,082 bales and 126,114 bales, respectively, as compared with 129,008 bales and 54,202 bales in the same period of the 1954-55 season. Imports of American cotton, however, registered a sharp decline, from 101,420 bales to 14,388 bales.

DECLINE IN EXPORTS OF CLOTH DURING FIRST HALF OF 1956

FEARS EXPRESSED OVER UNCERTAINTY OF COTTON PRICES

By Our Special Correspondent

MANCHESTER, 24*th July*

EXPORTS of British cotton goods in June would have had to be phenomenally large to counterbalance the disappointing results during the previous months and so provide a favourable comparison for the half-year. As no such improvement occurred, the returns for the first six months continued to show up unfavourably compared with the position a year ago.

MANCHESTER LETTER

The value of export trade last month was £6,965,165 and total shipments of cotton goods during the half-year earned £44,654,499, as against £49,935,285 a year ago. Cotton cloth exported amounted to 236,977,000 square yards, valued at £30,776,636, while shipments of yarn aggregated 18,642,792 lb. worth £7,677,820. These figures compare with 281,859,000 square yards of cloth exported in the first half of last year at a value of £36,093,965 and 18,187,994 lb. of yarn, worth £7,774,102.

The following table shows recent quarterly comparisons:

(Cloth in square yards; yarn in lbs.)

	Exports		Imports
	Cloth	Yarn	Cloth
1954			
1st quarter	176,756,000	11,174,900	50,010,000
2nd ,,	166,249,000	10,164,300	55,960,000
3rd ,,	151,035,000	9,094,600	72,840,000
4th ,,	142,644,000	10,044,700	88,540,000
1955			
1st quarter	165,314,000	10,667,800	99,341,000
2nd ,,	116,106,000	7,510,000	71,600,000
3rd ,,	143,437,000	8,195,200	70,294,000
4th ,,	129,237,000	9,167,800	68,351,000
1956			
1st quarter	120,194,000	9,969,900	74,892,000
2nd ,,	116,783,000	8,673,900	84,870,000

Because exports to the main Commonwealth markets represent the preponderance of Lancashire's overseas business, they have now become more vulnerable to any losses which may be sustained. The reduction in shipments during the half-year has been almost solely confined to these territories and in particular African markets have been keenly affected.

Australia remains the chief customer, having absorbed 39,822,000 square yards, as against 53,653,000 yards a year ago. South Africa's share is virtually unchanged at 28,845,000 square yards and Rhodesia and Nyasaland have taken nearly 2,000,000 square yards more at almost 14,000,000 yards. Exports to Nigeria this year, however, are only 14,000,000 square yards, as against 27,500,000 square yards and sales to the Gold Coast have fallen from nearly 20,000,000 yards to little more than 10,000,000 yards. Trade with New Zealand amounted to 16,883,000 square yards, as against 19,250,000 square yards.

In view of the interest now being taken in business for the Indian sub-continent it is significant that exports to India have risen from 1,500,000 square yards in the first half of last year to 5,356,000 square yards in 1956. The expansion in trade with Pakistan has been from 696,000 yards to 3,402,000 yards.

Shipments of cloth made from rayon and synthetic fibres picked up in June, being 10,878,000 square yards, as against 7,112,000 yards in the same month last year. Over the half-year, however, exports were 63,988,000 square yards valued at £9,501,382, as against 69,004,000 square yards worth £11,132,595 a year ago. The major development has been the emergence of Rhodesia and Nyasaland as the chief consuming area, having taken more than 10,000,000 yards as against less than 7,000,000 yards in the same period last year. Shipments to Australia have fallen from 12,779,000 yards to below 9,000,000 yards but business with South Africa has kept up well at almost 8,000,000 yards.

Imports Swell

Compared with a year ago, arrivals of foreign cotton and rayon goods continue to increase. Only in the case of cotton grey cloth is the volume of imports below the corresponding totals in 1955 but these have been growing in the second quarter of the year. The total cost of imported cotton goods in the first half of this year was £13,009,049 against £13,081,715 a year ago. Comparative figures for yarn and fabric made from synthetic fibres were £6,075,691, as against £5,608,470.

Arrivals of cotton grey cloth amounted to 140,401,000 square yards, as against 155,475,000 square yards, the reduction being solely the result of a decline in purchases from Japan, arrivals this year being less than 20,000,000 square yards, as against 41,353,000 square yards. Imports from India are practically unchanged at 72,841,000 square yards, while Hong Kong has sent 1,000,000 square yards less at 26,255,000 square yards.

Foreign cotton yarn imported this year has aggregated 8,456,000 lb., as against 6,907,000 lb. and arrivals of finished cotton cloth have increased from 15,466,000 square yards to 19,361,000 square yards. A bigger expansion has taken place in arrivals of rayon cloth, which so far amount to 41,538,000 square yards, as against 29,028,000 square yards.

Approach to India

The Cotton Board has taken up the Prime Minister's suggestion that a useful purpose might be served if joint talks were arranged between representatives of the cotton textile industries of Britain and India. Sir Anthony Eden said he had made the suggestion to Mr. Nehru at the Commonwealth Prime Ministers' Conference.

In an official announcement from its Manchester headquarters the Board said it had been decided to seek an early interview with the President of the Board of Trade to discuss the proposal.

The main point involved in any joint discussions is the one on which Lancashire has been expressing anxiety for a considerable time—the large-scale imports of duty-free cotton cloth from India into this country. In the first six months of this year these imports aggregated nearly 73,000,000 square yards worth nearly £3,000,000.

There has been no clear indication of the line that Lancashire representatives might take at a conference with Indian textile leaders, but the view has recently been expressed that it is against India's own long-term interests to make cotton textiles the focal point of its export efforts. The Lancashire industry has reconciled itself to the fact that because of Commonwealth preference the British Government does not intend to subject the Indian cloth to import duty.

Cotton Price

The Liverpool cotton market cannot be expected to function properly until it is freed from the crippling restraints now imposed upon it, Mr. W. T. Winterbottom, Chairman, told the annual meeting of Fine Spinners and Doublers Ltd., the Manchester textile group.

Mr. Winterbottom said the whole of the cotton industry at present was weighed down by the difficult problem of uncertainty of cotton prices. On the one hand there were the sudden and largely unpredictable movements in Egyptian prices and on the other the persistent fear that American cotton prices were likely to be reduced in the near future.

"Above everything else, even above the question of the unlimited and duty-free entry of textiles into this country from India and Hong Kong, which is scandalous enough in itself, the prospects for the cotton industry depend on the existence of rational and orderly markets for our principal raw materials," he said.

Unless customers had confidence in the future course of prices it could hardly be expected that producers could build up a reasonable order book and yet without a reasonable order book it was impossible to run an industry satisfactorily.

The total absence of any understandable American policy of raw cotton was preventing spinners from covering even the cotton they thought they would need. For the same reason, the development of a spot stock of cotton in Liverpool was being frustrated.

"It is strange that the two countries, the United States and Egypt, which have done most to promote the use of cotton, should act in such a manner as to nullify all the good work of their promotional activities," said Mr. Winterbottom.

He said there was a sad lack of co-ordination between political and commercial interests in these countries. The Liverpool market could not be expected to function properly until it was freed from the crippling restraints now imposed upon it.

So far as Alexandria was concerned, the successful operation of this market was known to rely on a Government-held reserve stock which could be used, as necessary, to keep the market stable. Oddly enough, shortly after the market opened, this stock seemed to have vanished with the foreseeable result that the markets went out of control.—*All Rights Reserved.*

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MILL CONSUMPTION OF RAW COTTON

INDIGENOUS GROWTH INCREASINGLY FAVOURED

FIGURES relating to consumption of cotton by mills in India in the first nine months of the current season confirm the well-known trend towards increased consumption of Indian cotton *vis-a-vis* foreign cotton. Thus, the total consumption of Indian cotton by mills during the period 1st September 1955 to 31st May 1956 aggregated 3.26 million bales (of 392 lbs. net), whereas foreign cotton consumed accounted for only 445,857 bales. It may be noted here that, during the corresponding period of the 1954-55 season, total consumption of cotton stood at 3.5 million bales of which about 3.05 million bales were Indian cotton and 491,267 bales foreign cotton. Thus, while consumption of Indian cotton in the period under review registered an increase, that of foreign cotton actually decreased as compared with that in the corresponding period of the previous season. It is clear that mills in India is increasingly taking to indigenous variety. This is a happy reflection, to some extent, of the steadily improving quality of Indian cotton.

On the basis of the current rate of consumption of cotton, it may be estimated that, for the entire current season ending 31st August 1956, the total cotton consumption by mills will be 4.9 million bales, of which 4.3 million bales will be accounted for by Indian cotton and about 600,000 bales by foreign cotton. This level is much higher than that in the 1954-55 season, when Indian mills consumed 4.7 million bales, of which 4.13 million bales were Indian and 630.474 bales foreign cotton.

Coming to the principal varieties of Indian cotton consumed by mills during the period under review, it may be noted that, as usual, Jarilla, including Virnar, Malvi and Verum, topped the list, accounting for 796,643 bales, followed by the Punjab American 216-F and 320-F, aggregating 452.368 bales and Broach Vijay accounting for 361,929 bales. During the corresponding period of the 1954-55 season, mills consumed 869.482 bales of Jarilla cotton and 372,952 bales of Broach Vijay. The other important varieties of Indian cotton consumed (in bales) by mills during the period were: Bengal Deshi 100,527; Mathia 30,688; Kalagin 22,105; Dhollera 137,576; Oomra-Deshi 14,663; Kalyan 188,372; Jayadhar 114,858; Laxmi 132,829; Punjab American L.S.S. 91,417; Surti (including Suyog) 132,058.

Among the varieties of foreign cotton consumed by the mills, the most important were East Africans and Egyptians which accounted for 177,824 bales and 143,087 bales, respectively. The following table gives the principal varieties of foreign cotton consumed by mills during the period under review:

Description	Consumption during September 1955 to May 1956	Consumption during September 1954 to May 1955
Egyptians:		
(a) Ashmouni	3,878	229
(b) Zaoras	21	..
(c) Giza 30 and 31	54,956	40,319*
(d) Karnak	74,698	106,482
(e) Menouff	9,148	5,922
(f) Other Egyptians	386	295
Total Egyptian cotton	143,087	153,247
Peruvian	4,371	4,695
Sudan Egyptian	88,802	28,022
Sudan Americans	3,897	283
East Africans	177,824	165,118
Russians	825	*Nil*
Americans:		
(a) U.S.A.	22,182	130,561
(b) Mexico	332	*Nil*
Belgian Congo	1,100	2,302
Other foreign cotton	4,157	278
Total foreign cotton	445,857	

* Giza 30 only.

Stocks of foreign cotton as at the period under review seems to have improved considerably as compared with those a year before, the actual quantity held being 219,318 bales as against 145,907 bales on 31st May 1955. The period of availability of stocks of foreign cotton held, as on 31st May 1956, is 4-2/5 months, as against 2¾ months a year earlier. Stocks of Indian cotton, too, were better; the mills held, as on 31st May 1956, about 1.69 million bales, as compared with 1.59 million bales on the corresponding date of 1955. The period of availability of these stocks at the current rate of consumption is 4¾ months, the approximate period of availability of stocks of all kinds of cotton held by mills being 4-5/8 months.

An examination of the State-wise consumption of cotton shows that Bombay State accounted for 1.4 million bales of Indian and 368,299 bales of foreign cotton, thus continuing to occupy the premier position in the country in respect of cotton consumption. The following table gives an idea of the State-wise consumption of cotton during the period 1st September 1955 to 31st May 1956:

States	Indian cotton		Foreign cotton	
	1-9-1955 to 31-5-1956	1-9-1954 to 31-5-1955	1-9-1955 to 31-5-1956	1-9-1954 to 31-5-1955
Bombay:				
Bombay Island	819,206	776,618	128,926	154,698
Ahmedabad	335,537	307,449	185,919	193,211
Bombay remainder	279,169	245,967	53,454	54,187
Total Bombay	1,433,912	1,330,034	368,299	402,096
Saurashtra	57,843	49,185	1,302	1,603
Kutch	796	68	..	..
Madhya Bharat	211,331	198,914	224	51
Bhopal	10,176	10,449	..	..
Rajasthan	53,642	54,172	..	..
Ajmer Merwara	32,576	30,644	..	..
Punjab and PEPSU	36,403	31,266	142	..
Uttar Pradesh:				
Kanpur	216,279	184,579	877	1,449
Remainder	56,219	63,329	354	256
Total U.P.	272,498	247,908	1,231	1,705
Delhi	115,418	106,901	2,807	2,609
W. Bengal:				
Calcutta	67,476	71,117	3,033	3,128
Remainder	80,885	59,286	12,073	12,910
Total W. Bengal	148,361	130,403	15,106	16,038
Bihar	2,200	2,950	..	3
Orissa	21,130	20,386	909	97
Madhya Pradesh	117,962	133,492	755	1,843
Hyderabad	64,788	68,072	252	190
Madras	540,918	520,124	46,529	49,009
Mysore	79,471	71,668	7,246	6,677
T.-C. State	37,654	34,142	1,055	2,451
Nepal	403	2,099	..	..
Pondicherry	22,209	11,822	..	6,404
Total	3,260,021	3,054,708	445,857	491,267

It will be noted from the table above that Madras occupies the second position of importance as consumer of cotton in the Indian Union followed by Uttar Pradesh and Madhya Bharat. It is noteworthy that, in all the three principal cotton-consuming States, the consumption of cotton has increased during the period under review.

WORLD COTTON POSITION

A welcome development in the world cotton position is the anticipated increase in cotton consumption in the 1955-56 season. This, it is to be expected, will serve to correct, at least in part, the present imbalance between the world supply and demand positions and also have its favourable effect upon the U.S. surplus cotton situation which has continued to remain the major headache of the world cotton trade during the past few years. According to the calculation of the International Cotton Advisory Committee (I.C.A.C.), the increase in world cotton consumption during the current season would be about 400,000 bales over the last year's figure. In the 1954-55 season, world consumption aggregated 27.6 million bales.

The free world output of cotton in the 1955-56 season is placed at 30.3 million bales which is lower than earlier expectation. According to the Committee, the revised lower estimate of production is the result of a decline in yields of cotton outside the U.S. Thus, per acre production of cotton, outside the United States, fell from 176 lbs. to 164 lbs.

Though consumption of cotton has increased in the season that has just ended, the increase in production has been much larger. It is, therefore, obvious that there should necessarily be an increase in world carry-over stocks of cotton. According to the I.C.A.C., the increment to world carry-over stocks on 1st August 1956, may be placed at roughly 1.5 million bales. This will be the fifth successive season to witness an increase in the carry-over stocks; such stocks are expected to aggregate 22 million bales.

(Concluded from next column)

of training the staff required for the installation of powerlooms in the first year will also be met by the Centre.

In the course of discussions at the meeting, a plea was put forward for raising the provision of working capital to about Rs. 1,000 per loom. Another plea was for subsidising power supply to the looms, so that the cost of power will be 18 pies per unit. The setting up of demonstration-*cum*-training units of ten or more powerlooms at selected centres was also recommended. The two other notable suggestions made at the meeting were: (1) Supply of frame-looms and other technical equipment such as take-up motion attachments to weavers, financial assistance being given for that purpose; (2) establishment of workshops in different States for the manufacture of improved looms and other equipment. With regard to the registration of handlooms, the conference was of the view that such registration would be in the interest of weavers themselves, since that would enable the Government to collect the necessary data for the development of handloom industry.

FUTURE SET-UP OF THE TEXTILE INDUSTRY

GREATER RELIANCE ON COTTAGE INDUSTRY?

A BROAD indication of the pattern of development of cotton textile industry in the next decade was given by Mr. T. T. Krishnamachari, in the course of his address at the meeting of State Directors of Industries convened at New Delhi last week to consider measures for speeding up installation of powerlooms in the handloom sector and to review the progress of the handloom industry. Mr. Krishnamachari observed: "The *per capita* consumption of cloth may rise to 30 yards in another ten or twelve years. This will mean an additional production of over 4,000 million yards of cloth. The bulk of the addition will have to be supplied by the decentralised sector, including powerlooms.

While Mr. Krishnamachari's assessment of the trend of cloth consumption in the coming years is realistic, his remark that the bulk of this increased demand for cloth will have to be met through expansion of the cottage units is not. Apart from serious doubts as to the ability of this sector to meet the bulk of the additional demand—estimated at no less than 4,000 million yards—in the next ten or twelve years, there is the question whether the handloom—and even powerloom—industry will be in a position to produce quality cloth at an economic price. When the whole world is thinking in terms of applying the latest technological developments to textile production, it is a pity that Mr. Krishnamachari should have favoured continued reliance on the old and uneconomical sector of cloth manufacture for producing so large a quantity as 6,000 million yards of cloth, the major portion of which will have to be goods required by the masses for their day-to-day use. The question of distributing raw materials and collecting the finished goods of this volume from countless number of producers, not to mention their marketing, will be a stupendous one. The more one thinks of these and other allied problems, the more one feels convinced that Mr. Krishnamachari's idea is a fanciful one.

Supply of Powerlooms

The Commerce and Industry Minister dweit also on the subject of supply of powerlooms. He claimed that indigenous producers could immediately supply 800 powerlooms per month: if necessary, the looms might be imported later to meet the demands from the States. Allotment would be made on a first-come-first-served basis. The Minister suggested formation of co-operatives of carpenters for manufacturing frame-looms and take-up motion attachments. He was of the view that the grant of rebate on sale of handloom cloth should be abolished sooner or later and that the money thus saved should be utilised for providing housing, organising regular yarn supplies and according common service facilities to groups of handloom weavers. Laying special stress on the improvement in living conditions of weavers, he said that such was a prerequisite to the weaver increasing his productive capacity.

At the New Delhi meeting, the Industries Directors of several States indicated their Governments' desire to install, during 1956-57 and 1957-58, about 38,000 powerlooms in the handloom sector in accordance with the decision of the Government of India. The willingness of State Governments to introduce powerlooms must have been backed up by the handloom interests who, it would appear, have realised that, unless handlooms are converted into powerlooms, their living conditions will not at all improve. This demand clearly shows that the criticisms levelled against powerlooms by some of the members of the All-India Handloom Board—led by Mr. M. Somappa—are not only unwarranted but also unjustified.

The meeting considered measures for financial and technical assistance to weavers for working on powerlooms. One such measure relates to the Centre's grant of loans up to 87½ per cent. of the share capital for each weaver in a powerloom co-operative society. The Centre will also give loans to meet the entire cost of powerlooms, as well as electric motors, besides providing working capital as a loan. Financial assistance will be given for capital expenditure on processing plants and workshops and for recurring expenditure on servicing of looms and technical instruction. In addition, assistance will be granted for meeting the cost of transporting powerlooms from factories to handloom centres and of power connection for the looms. The cost

(Continued in previous column)

RATIONALISATION OF SUGAR INDUSTRY

U.P. GOVERNMENT EFFICIENCY EXPERTS SUGGEST MEASURES

IT was only last week that we referred in these columns to the apprehensions of the sugar mill-owners of Uttar Pradesh about the future for their industry. We reproduced then a Press report from Lucknow relating to the move of some top industrialists to urge the Government to call a conference to find ways and means of making the State's sugar industry more productive. Hardly has such a conference been held than comes another news despatch from the same place—Lucknow—which says: "Tentative proposals for rationalisation in the sugar industry have been prepared by the U.P. Government's production efficiency experts who are at present gathering the views of the representatives of labour and industry before finalising them.

The need for introducing rationalisation measures in the sugar mills of Uttar Pradesh cannot be stressed too strongly; it has been long overdue. The mills suffer from high cost of production *vis-a-vis* their counterparts in other States, especially in the Deccan and the South, thanks to poor recovery of sugarcane and higher wage bill. In a great many factories in the State, the labour strength, it is said, is enormous from any work-load standards. An enquiry conducted by a private firm of efficiency experts usually employed by the industrialists has revealed that about 40 per cent. of the workers employed in the U.P. sugar industry is surplus. The average number of workers employed in a sugar mill with a daily cane-crushing capacity of 800 tons in the U.P. is 1,000, as against only 400 persons in Java and 250 persons in Australia. The cane-crushing capacity of the sugar industry in the latter countries, it must be noted, is more, being 1,200-1,500 tons and 2,400 tons, respectively. Accordingly, the productivity of labour in these countries is considerably greater than in India, in general, and much more than in the U.P. Thus, on an average, the quantity of sugar produced per worker in India comes to 10 tons only, which compares unfavourably with 40 tons in Java and 144 tons in Australia. Incidentally, in India salary and wages account for 11 per cent. of the total production cost of sugar.

Improving Industry's Economy

Considering the low productivity of sugar labour thus and with a view to improving the economy of the industry, the U.P. Government set up some time ago a Standardisation Committee under the chairmanship of Mr. M. C. Pant, Deputy Labour Commissioner. The report of the Committee was submitted to the Government in 1954. This report, as also the one submitted by a private firm of efficiency experts in 1955, is yet to be published. It is, however, gathered that, in both the reports, the need for drawing up the norms of work-load to highly efficient standards has been recommended. The U.P. Government found it rather difficult to accept the recommendation, for such acceptance would mean, it would appear to have felt, courting unpopularity among the labour ranks. It could not, at the same time, remain completely deaf to the representatives of the sugar industry. It appointed its own production efficiency experts to study the working of the sugar industry in the light of the recommendations made by the Pant Committee and the private firm of efficiency experts. These experts have, as already stated, prepared tentative proposals for rationalisation.

The U.P. Government's production efficiency experts have suggested standardisation of musters, taking into account the capacity of each sugar plant, the machinery used and its layout. On this basis, the number of workers needed at every station, that is, in every process of production in each individual sugar factory, is to be fixed. The implementation of this suggestion is expected to render surplus about 17 per cent. of the present 90,000 workers employed in the 68 sugar mills of Uttar Pradesh. The proposals of the experts do not, however, envisage retrenchment of the surplus staff. For it is suggested that rationalisation should be introduced in the course of the natural wastage of labour—retirement on superannuation or disability—which at present is estimated at 3 per cent. per year. It is accordingly pointed out that full rationalisation would be introduced in about six years.

Time and Motion Study

The Government experts have also evolved a formula for time and motion study which, it is claimed, suits the Indian working conditions. They have not used the patented American formula of the Ibcons. The experts have attached two more important conditions to their proposal for rationalisation. First, before introducing rationalised methods of working, the layout of sugar factories, the machinery and equipment, and the techniques of manufacture must be improved. Secondly, proper wage and salary grades must be fixed for all categories of workers—whether skilled or unskilled. At present, there are no grades and the minimum wage of Rs. 55 is very often the maximum. The wage scales, it is specifically stated, should ensure regular annual increments without any efficiency bars. The abolition of the contract system of recruitment has been specially urged.

The Uttar Pradesh Government does not, however, seem to be anxious to expedite the introduction of rationalisation in the sugar industry. It is, according to informed sources, waiting for the results of rationalisation in the cotton textile industry of Kanpur. The delay on the part of the Government to take a firm decision on this is regrettable. Rationalisation is absolutely necessary, if the consumer is to be assured of adequate supplies of quality sugar at a reasonable price. Indeed, quality and price, as has rightly been pointed out, hold the key to the stimulation of wider demand for sugar. The need for rationalisation is no less imperative from the point of view of bettering the lot of the worker himself. For rationalisation—through minimisation of the various manufacturing processes and modernisation of equipment—will help sugar labour earn higher emoluments and thus raise their standard of living. What is more, the increase in the domestic consumption of sugar and, consequently, in the production, will create more opportunities for employment in the industry. It is to be hoped that the U.P. Government will soon take steps to implement the recommendations made by its own production efficiency experts. After all, it must remember that the sugar industry, or, for that matter, any industry, cannot be a fruitful source of employment, if it is allowed to be in a state of sickness.

SUGAR IN RUSSIA

The Government of Soviet Russia has launched a fairly ambitious scheme for stepping up the sugar-beet harvest in the next five years. If the scheme were implemented with success, the production of sugar-beet would touch a high figure of 50.0 million tons in 1960, as against 39.4 million tons in 1955 (original plan), representing a rise of as much as 26.9 per cent. The target is expected to be hit through the adoption of measures designed to "create all the necessary conditions for the further increase in the yield of sugar-beet and the output of sugar."

One of the important measures relate to the expansion of the acreage under sugar-beet. In the current year alone, about 260,000 more hectares (642,486 acres) were sown to sugar-beet as compared with last year. Favourable weather conditions, it is said, are facilitating "the rapid growth of what should be a bumper crop." Tending of crops is being extensively carried on on the beet plantations of the Ukraine, Kuban, Kursk and Belgorod regions.

The Government is holding responsible the Republic Councils of Ministers and the territorial and regional executive committees of the sugar-beet growing republics for doing everything to extend considerably the application of local fertilisers—manure, peat-compost, ashes, etc.—and green manure in districts with sufficient moisture. The Government decree provides for increased delivery to sugar-beet districts of mineral fertilisers and chemicals for combating pests. The Agriculture Ministry has been specifically urged to intensify its work of propagating new varieties of high-yielding sugar-beet with larger sugar content. The machine-building industry has been asked to supply sugar-beet growers with equipment required for the mechanisation of digging and harvesting of sugar-beet, and for loading and unloading.

The decree also provides for a marked rise in the procurement prices of sugar-beet with effect from the current year's harvest. This measure is designed in the "material interest" of the collective farm men and women which is considered to be "an important condition for the sharp increase in the yield of sugar-beet." In addition, the payment in kind to machine and tractor stations in all sugar-beet districts has been cut. In order to encourage these collective farms which plant sugar-beet for the first time this year, premiums over and above the procurement prices will be paid.

SUGAR PRODUCTION AND STOCKS

The latest Press note relating to sugar production and stocks, issued by the Union Food Ministry, places the total production of sugar up to 15th June in the current (1955-56) season higher than that estimated in the final forecast. According to the Press note, the production amounted to 1,853,000 tons, as against the final estimate of 1,848,000 tons. The figure for the corresponding period of the previous (1954-55) season is 1,583,000 tons.

The aggregate quantity of sugar despatched from the sugar mills during the period 1st November 1955—15th July 1956 was 1,178,000 tons, which represents a rise of 405,000 tons as compared with the 773,000 tons despatched a year before.

The stocks of sugar with the factories as on 15th July 1956 stood at 1,082,000 tons, as against 848,000 tons on the same date last year.

The Central Food Ministry has released a further 158,000 tons of sugar from 1955-56 production for sale in the free market. This quantity brings the total released so far to 1,126,000 tons.



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ALCOCK, ASHDOWN & COMPANY, LIMITED

Seventy-third Annual General Meeting

CHAIRMAN, MR. W. A. WILES, ANNOUNCES EXPANSION PLANS

ADDRESSING the shareholders of Messrs. Alcock, Ashdown and Company, Ltd., at their Seventy-third Annual General Meeting held at Bombay on 30th July 1956, Mr. W. A. Wiles, Chairman, drew their attention to the fact that the year 1955 proved to be more profitable for the Company than the previous year. He also announced the expansion plans of the Company to be undertaken in Saurashtra.

The following are extracts from Mr. Wiles's speech:

"Last year, your Chairman, although hopeful that the 1955 results would continue on the path of improvement which our 1954 results showed over the preceding year, forecast the possibility that they might not be as profitable. However, I am pleased to report that this is not so and the results for the year show that the improvement has been maintained.

"The figure of sales and work done, as revealed in the profit and loss account for the year, is approximately Rs. 14 lakhs more than the corresponding figure for 1954, though when adjusted by the opening and closing figures of work-in-progress in order to arrive at the actual value of the work processed during the year, the figure for 1955 works out to Rs. 121.3 lakhs, as compared to Rs. 132.4 lakhs worth of work processed in 1954. In view of this, the increase in the gross profit of 1955 over that of 1954, amounting to Rs. 4,15,372, indicates a noticeable improvement in the ratio of gross profits to total work processed, which together with an improvement in the ratio of net overheads and expenses to gross profits over the same period goes to show that we have been working more efficiently, and hence more profitably in 1955 than in the previous year.

"After providing Rs. 4,75,000 for taxation, there remains a balance of Rs. 4,68,581, of which Rs. 72,286 has been transferred to general reserve, raising this reserve to Rs. 24,50,000 and leaving a balance of profit of Rs. 3,96,295 to which must be added the figure of profit of Rs. 1,35,820 brought forward from 1954 making a total of Rs. 5,32,115 available for disposal. As you will have seen from the Directors' report, your Directors recommend that a dividend of 12½ per cent. be declared, the same as last year, leaving a balance of Rs. 1,14,340 to be carried forward to 1956.

Work in Various Departments

"With the exception of the structural shop, to which I will return shortly, all departments were steadily employed throughout the year.

"In our points and crossings department where we manufacture requirements for the railways, there was a notable increase in the quantity of work handled, and there is hardly need to mention that, with the expansion required by the railways in the second Five-year Plan, their requirements are likely to keep our department busy to capacity for virtually an indefinite period.

"The foundry, which is not normally a busy department, was also kept fully occupied by a steady flow of orders.

"The galvanising department was employed for the greater portion of the year galvanising components of towers for the Hirakud Dam Project, and I am pleased to report the continued high standard of work achieved, which resulted in no rejections at all on this large contract. During the latter part of the year, the amount of large orders fell off, and the prospects for the future are still uncertain.

"The improvement in ship repairs noted at the end of 1954 continued only for the first quarter of the year, and since March last year no repairs of major importance were procured. This, however, was to a certain extent counterbalanced by a very large number of running repairs to ships visiting this port, including ships of the Indian Navy, which has enabled us to maintain satisfactory results.

"I come now to the work of the structural shop which, with the conclusion of certain large projects, and in the absence of any contracts of major importance, has had a disappointing year, being dependent largely upon small local jobs. You will understand that the nature of the work, which this department handles, has been the most highly competitive of all, and without taking the risk of paring our quotations to a dangerous level, it is difficult in times of keen competition, like last year, to procure orders which leave a reasonable margin of profit.

"A contributory factor to our comparatively high base cost in our structural department is the handling of the material in the very cramped space available at our works, which were not originally designed to cope with the kind of work to which we now aspire. This limitation of space places us at a disadvantage with our competitors possessing a more spacious and economic layout and it is partly with these considerations in mind that we have this year embarked upon a scheme of which I shall take this opportunity to apprise you.

New Factory in Bhavnagar

"With the active support and encouragement of the Government of Saurashtra we have already obtained the necessary licence to expand the operation of your Company to that State. We have acquired a plot of land of approximately 28 acres, very favourably situated in the Bhavnagar Port area, and we have applied for a lease of 30 years at a very low rental of Rs. 125 per acre per annum, that is to say, about Rs. 3,500 a year for the whole plot. This lease may be extended for a similar period with Government's option to increase the rental by not more than 50 per cent. To give you an idea of the satisfactory terms of this lease, I will mention that the rental of that portion of your Works in Mazagon, 6½ acres only of which is leased from the Bombay Port Trust, is the equivalent of over Rs. 75,000 a year. This lease expires in 1958 and the Bombay Port Trust have announced a very considerable increase in rent. This factor gave an additional spur to our search for economic breathing space which we feel we have been fortunate to find in Saurashtra where already other large industrial schemes are in process of development, in which we hope to play a major part. We propose in the early stages to erect a small boat-building shed equipped for building barges and for the fabrication of mild steel pipe-lines, for both of which we understand there is a considerable demand in Saurashtra. At a later date, after our workmen have acquired experience in the manufacture of barges, we propose to undertake the building of steel tugs and launches in the same shed, and with the same equipment. We anticipate being ready for production within the next month and we have already secured an order from Government for two large oil barges, with the probability of several additional dry-cargo barges, which should give a good preliminary start to our project.

"Following this preliminary phase, we propose, within the next eighteen months, to erect and equip a structural steel works capable of undertaking the fabrication of steelwork of all descriptions, such as buildings, bridges, water and oil fuel tanks, etc., with a monthly outturn of about 300 tons.

"We hope that this project, which has been sanctioned by the Government of India and has the encouragement of the Government of Saurashtra, will prove a small but worthy contribution to the vast industrial expansion envisaged in the second Five-year Plan, and be able to demonstrate, when given the opportunity and the materials, what we in the private sector are able to achieve in co-operation with and as a necessary supplement to the public sector. To this end we have also already received large orders for steel fabrication for the new steel mills being erected by Government at Bhilai and Rourkela, which work we shall carry out in Bombay.

Closure of Establishment in Pakistan

"You have already been advised of the closing down of our establishment in Pakistan and, although there have been many obstacles to overcome in the implementation of our sale agreement, we are pleased to say that this has now been satisfactorily concluded and, with the remittance of the sale proceeds to India, which we have been permitted as an exceptional case, and which we are informed is one of the only examples of repatriation of capital permitted from Pakistan to India, we hope to turn this capital to more profitable use both in rehabilitating some of the more outdated machinery of your Bombay Works, and also in our new venture in Bhavnagar.

"At this point, however, I must strike a note of warning. Our path of progress in this scheme of expansion is not smooth or straight or lined with roses. Now that the Government of India have made it abundantly clear that the emphasis in the second Five-year Plan is on industrial expansion, and that the engineering industry will be called upon to play an important role in national development, there are four essential requirements that must be met before this industry can embark, with any hope of success, on its venture. These are capital, raw materials, transport and skilled labour. As far as our venture is concerned, I am confident that, possibly with your help at a later date, the first requirement will be adequately looked after, but nowadays it is often easier to raise the capital than to procure the materials which it buys. Easier, too, to procure the work than the material, the tools and the skills to complete it.

Shortage of Steel

"There is today a serious shortage of steel which is not limited only to indigenous supplies, and full requirements of this commodity for industry cannot be expected to be obtained from Government-owned units before at least 1959-60. The success of the second Five-year Plan, and, therefore, the success of our part in it, must depend, to a large extent, on imports of steel and machinery, of which little surplus of the former is available even from the Continent, and although we have sufficient steel in our own limited stocks to fabricate and erect the two small boat-building sheds for the first phase of our Bhavnagar Project, it would indeed have unfortunate results on this venture if, thereafter, we had to sit idle waiting for the steel with which to build the barges, even though this is a Government job, to be built with steel from Government quotas.

"Similarly, although we plan to start the fabrication and erection of our new structural shop during the early part of next year, there is no guarantee that the schedule of our whole scheme might not have to be postponed if we are unable to procure the necessary steel for which we have already placed our orders with the Government. As an example of how our work has been held up during the first half of this year when our structural shop has not been fully employed, we have about Rs. 38 lakhs worth of orders on hand on which work either cannot be started, or completed through lack of the necessary steel. Nevertheless, strenuous efforts have been made and will continue to be made by us to ensure that all necessary supplies, both of machinery and the raw materials necessary, are obtained so as to circumvent, as far as is humanly practicable, any unprofitable delays to the venture.

Transport

"The third factor so vital to our success is transport. Even when machinery and the steel can be obtained, this has to be transported from the area of supply, whether in India or from abroad, to our factory site. The Railway Minister, Shri Lal Bahadur Shastri, has already indicated that the railways' carrying capacity is now short of requirements by about 5 million tons a year, and this shortage is likely to be multiplied many times as the second Five-year Plan proceeds. Similarly, congestion is increasing in every major port, which is aggravated as imports outstrip transport's ability to clear it to the interior.

Labour

"Finally, we come to labour. There is still in this country today an acute shortage of skilled labour and experienced personnel, and on a number of occasions during the year, our ship-repair department has been in difficulties in carrying out its work when the necessary skilled workmen were not available. The scarcity is most apparent in the category of fitters caused by the demand for such men in newly-opened factories and in such establishments as the oil refineries at Trombay. Similarly, in the vital category of supervisors and foremen, in spite of the great opportunities offered, few of these have risen from the ranks, and thus the intimate knowledge of the working conditions of labour, which help so much in harmonious and sympathetic relationship, is often lacking. Nonetheless, I am pleased to report this year a distinct improvement in relations with our workmen, which can be attributed in no small degree to the valuable efforts of our own works committee on which the representatives of the management and the workmen have the opportunity for friendly discussion on matters of mutual interest. As an additional facility a new and spacious canteen has been built and recently opened for our workmen at the cost of Rs. 2,00,000.

"We have today *sub judice* adjudication in which we are associated with other engineering concerns regarding the future wage scale of our workmen, and he would be a most foolish man who ventured to forecast any downward revision of our present scales resulting therefrom, or in any closing of the gap between the output per man and the labour costs per ton.

"It would be ungracious, at this opportunity, if I did not ask you to join with me in expressing our thanks to all the men, both skilled and unskilled, who have contributed to last year's successful progress, as well as to the General Manager, Mr. Campbell, and his supervisory and clerical staff. I express the hope that their efforts will succeed in fostering that harmony between management and labour so essential for the results we expect from our particular endeavours in India's plan for future industrial development, and that labour, with a greater sense of responsibility for their own part in India's industrial progress, will in return realise that, in order to achieve any lasting improvement in their standard of living, the burden of financing this objective in the form of higher wages and greater benefits can only be met by a higher standard of work and a greater productive capacity leading to the greater prosperity of their Company."



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BALWANT SINGH,
Managing Director.

EUROPEAN COAL AND STEEL COMMUNITY

PRODUCTION INADEQUATE TO MEET DEMAND

A VERY marked expansion in industrial activity, particularly in the iron and steel industry, was the main feature of general economic development of the six member countries of the European Coal and Steel Community, as in most of the countries of the West, during 1955 and early 1956. Disclosing this, the Fourth General Report on the activities of the Community during the period 11th April 1955 to 8th April 1956, adds that the industrial production index for the Community countries as a whole rose by more than 12 per cent from 1954 to 1955. This expansion inevitably caused a steady increase in the demand for solid fuels which had begun in the autumn of 1954 itself. No doubt, there was an increase of about 2 per cent. in the production of hard coal during 1955, but the upswing in demand, as indicated by the rise of 6.5 per cent. in gross energy consumption, was so rapid that this expansion in production could only meet a fraction of it. Consequently, there was a growing tightness in the common market for coal, especially from the last quarter of 1955 onwards, and regional difficulties in getting adequate supply increased. The general balance between supply and demand in the European Coal and Steel Community as a whole was, however, kept up by withdrawals from stocks and by stepping up imports of American coal.

The main feature of the trend in hard coal production was elasticity in relation to the increase in demand. During 1955, the collieries of the Community produced 246.4 million metric tons, as against 241.7 million tons in 1954, or a rise of less than 2 per cent. An analysis of the production in individual member countries shows that, with the exceptions of Italy, where production was small, but the percentage of increase was the highest, and the Netherlands, the only country where it declined, the rates of increase kept nearly close to the average for the Community. The following table shows the trend of hard coal production in the Community, as compared with that in the other big producing countries of the world, during the past four years:

(In million metric tons)

	1952	1953	1954	1955*	Difference in 1955 over 1954
E. C. and S. Community	238.9	237.0	241.7	246.4	+ 1.9%
U.K.	230.1	227.8	227.9	225.2	— 1.2%
U.S.	458.1	443.0	380.5	448.5	+18.0%
Soviet Union ..	230.0	240.0	259.0	295.0	+13.9%
Eastern Europe ..	110.4	114.7	118.7	122.7	+ 3.4%
Other countries ..	228.4	238.9	252.5	265.2	+ 5.8%
World total ..	1,495.9	1,501.4	1,480.0	1,600.0	+ 8.1%

* Estimated.

The report adds that, although the increase in production was comparatively small in absolute values, the Community achieved greater results in terms of underground output per man-shift (O.M.S.). Thus, for the Community as a whole, the O.M.S. increased by 4.1 per cent., as compared with about 2 per cent. increase in production as noted above. This is accounted for by the falling off in the number of underground workers, particularly in the Ruhr.

Although hard coal production showed very little response to the increase in demand, coke production was more successful in keeping pace with the demand. The coking plants of the Community produced 68.6 million metric tons during 1955, as compared with 59.8 million metric tons in 1954, that is, an increase of 14.7 per cent. Coke production was thus very elastic. In conjunction with the quantity taken from stocks, it was sufficient to cover coke requirements, particularly those of the iron and steel industry, despite an increase of 24 per cent. in pig iron production during the year.

As pointed out at the outset, the increase in production of hard coal was not sufficient to meet the increased demand; it, therefore, necessitated imports of hard coal and generous withdrawals from stocks. Imports of hard coal from countries other than those within the Community amounted to 23.05 million metric tons, as against 13.92 million tons in 1954, an increase of 64.8 per cent. Of these imports, the U.S. accounted for 15.9 million metric tons, or nearly 70 per cent. of the total imports, as compared with 6.2 million tons in 1954. Imports from other countries, with the corresponding figures for 1954 within brackets, were: Soviet Union 1.08 million tons (0.71 million tons), Poland 1.26 million tons (1.16 million tons), the U.K. 4.3 million tons (5.3 million tons) and other countries 0.47 million tons (0.60 million tons). Imports of coke from third countries amounted to 260,000 metric tons, as compared with 100,000 tons in 1954. Withdrawals from stocks of hard coal aggregated 4.9 million tons, as against *nil* in 1954.

Although the supply position in relation to requirements was successfully balanced for the Community as a whole, local supply difficulties cropped up in all the member-countries at the end of 1955 and the beginning of 1956. These were due to the long spell of cold weather and the unsatisfactory transport position, with the railways overloaded and the waterways difficult to negotiate. There was, however, an improvement in the supply position as a whole during the first quarter of 1956. Most countries took to using more American coal and fuel oil to meet their growing requirements.

Dwelling upon the prospects for supply during the next few months, the report says that there will be no serious difficulty. For the increase in consumption bids fair to be less marked than in 1955. Secondly, the production of the Community itself is likely to go up. Thirdly, additional supplies will be easily available from the U.S. The main problem is, however, one of prices; American coal is costlier than Community coal.

COAL MINES PROVIDENT FUND SCHEME

The Government of India has decided to amend the Coal Mines Provident Fund Scheme in order to liberalise, for the benefit of workers, the scales of forfeiture of employers' contributions to the Fund in certain contingencies, as envisaged under the Act. The decision has been taken by the Government of India on the recommendation of the Board of Trustees of the Fund.

According to the provisions contained in the Scheme, full amount of employer's contribution along with interest were forfeited to the Fund, if a member withdrew his accumulations before attaining the age of 50 during a period which was less than 10 years of his membership. If the period of membership was more than 10 years, but less than 25 years, half of employer's contribution was liable to be forfeited.

According to the amended scheme, the proportion of employer's contribution and interest thereon to be forfeited to the Fund will be 75 per cent. if the period of membership is less than three years; 50 per cent. in cases of three years or more, but less than five years; 25 per cent. in five years or more, but less than 10 years; 15 per cent. in 10 years or more, but less than 15 years, and there would be no forfeiture in cases where membership extends to 15 years and above.

Under the existing arrangement, employer's contribution and interest were also forfeited to the Fund in cases of retirement of members whose membership was less than five years, but who had attained the age of 50 years. Under the revised procedure the above category of members would be entitled to get their provident fund accumulations in full.

Notice

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NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1965-69 will be closed for transfers from 16th August 1956 to 31st August 1956, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer.
State Bank of India.
Agents for Burmah-Shell Refineries Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
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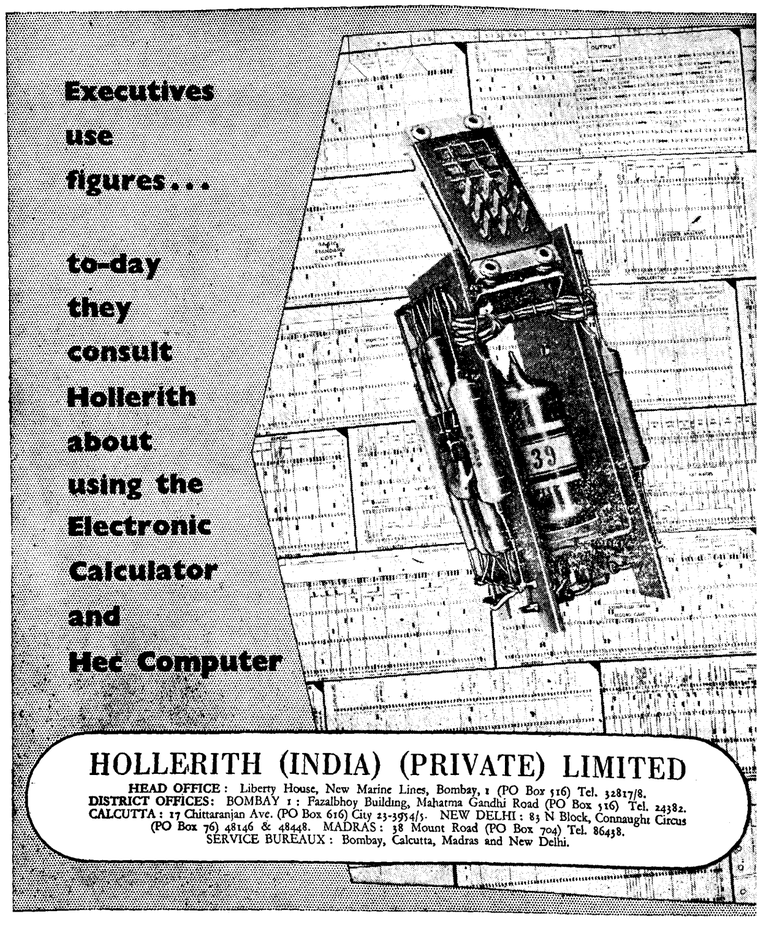

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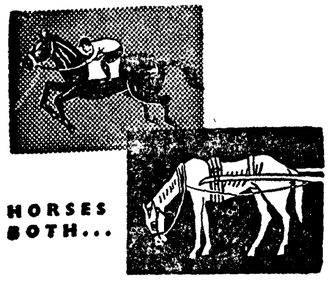

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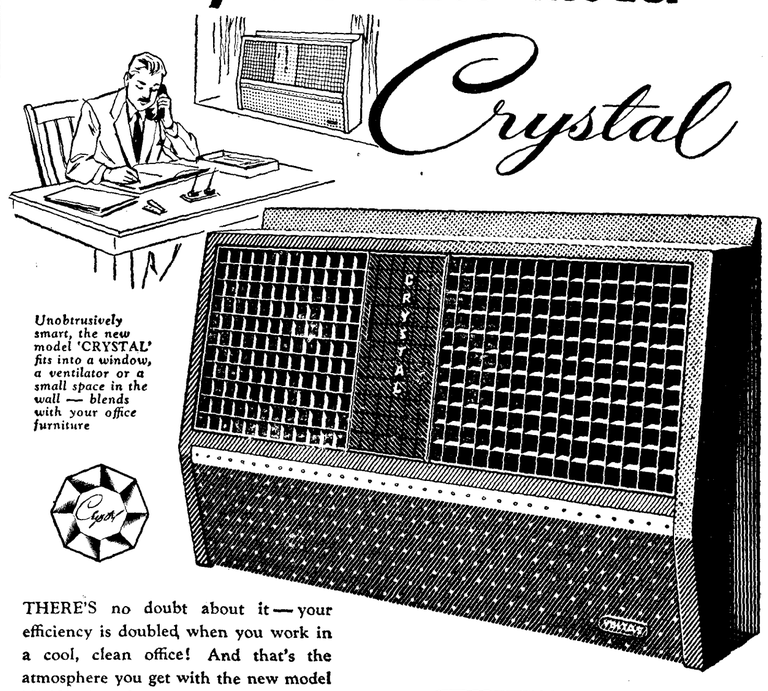
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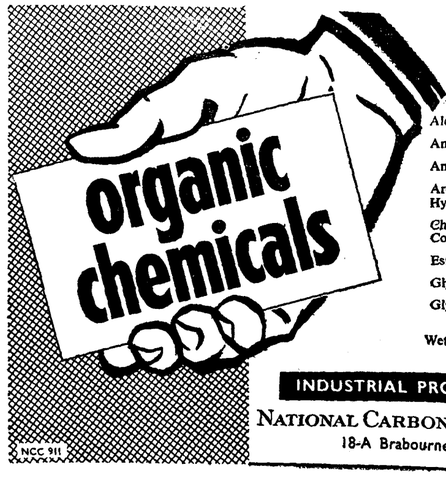

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DEVELOPMENT OF ATOMIC ENERGY

GREAT PROGRESS MADE IN BRITAIN

AT the conference of atomic scientists from India, Burma, Ceylon, Egypt and Indonesia, held last week in Bombay, the Chairman of the Atomic Energy Commission for India and well-known authority on atomic physics, Dr. H. J. Bhabha, did well to stress that very few countries in the world were in a position to carry through the entire development of atomic energy on their own, as they depended on others for the supply of either raw materials or specialised plant and equipment. The Conference itself noted that several European nations were considering close co-operation in developing peaceful uses of atomic energy and that such co-operation was particularly necessary for the comparatively backward countries in Asia and Africa.

There is no doubt that the application of atomic energy to industry and agriculture may open up new vistas of progress not only for the industrially advanced countries but also for the economically underdeveloped regions of the world. Here is a field in which mutual co-operation between nations can produce lasting benefit to the world as a whole. The development of atomic energy is thus a matter of vital concern to all countries. Fortunately, atomic energy is a field full of rich promise, thanks to recent research in both generation of atomic power and industrial application of energy. It is true that, ever since the discovery of radioactivity in 1896, scientists have been aware of the enormous supply of energy available in the heavy atoms. It was, however, only after the last war that research in atomic physics made rapid progress. The U.S. held a commanding lead in all spheres of atomic energy at the end of the war, but, since then, both Russia and Britain have made up much of the leeway. Indeed, starting from scratch, the British effort, as the P.E.P. pamphlet, *Atoms in Industry*, points out, has been "so successful that it has recently been possible to claim that Britain leads the world in some aspects of the development of peaceful uses of atomic energy." This statement is confirmed by the annual report of the U.K. Atomic Energy Authority, published last week. The report says that it will be at least four or five years before electricity is produced from nuclear energy in any country on a strictly commercial basis and adds: "The first nuclear reactor to be built for electricity authorities in this country may be the first in the world to comply with this description."

Programme

The provisional programme for the contraction of nuclear power stations, it may be recalled, was drawn up by the U.K. Government in a White Paper in February 1955. The programme includes :

(i) The construction of two gas-cooled graphite-moderated stations (each with two reactors) would be started about mid-1957. These stations should come into operation in 1960-61.

(ii) The construction of two further stations would be started about 18 months later, i.e., in 1958-59. These would also have two reactors each and would be similar in type to the earlier two stations, but would show an improved performance, particularly in heat rating. Each of the eight reactors in these early stations would have a net output of electricity of 50 to 100 megawatts so that the total output from the four stations, which should all be in operation by 1963, would be somewhere between 400 and 800 megawatts.

(iii) The construction of four more stations might perhaps start in 1960, and then a further four, 18 months later, say, in 1961-62. These might come into operation in 1963-64 and in 1965. It is difficult to specify what type of station these would be, but it is probable that each station would consist of only one reactor, which would be much more highly rated than the reactors in the first four stations. The stations begun in 1960 might be developments of the gas-cooled graphite-moderated type. The last four stations might be of the liquid-cooled type which might by then have been developed sufficiently to be economically satisfactory. The total installed capacity of the eight stations in this group should be well over 1,000 megawatts.

The advent of nuclear power, it is stated, has introduced a significant change into the cost structure of electricity generation. There is an increased importance of capital costs in relation to fuel and operating costs. Estimates of the cost of nuclear stations built primarily for producing power which include the initial charge of uranium as a capital cost, range from £150 to £180 per kilowatt of installed capacity. These may be compared with a capital cost of between £50 and £60 per kilowatt for conventional stations. The probable cost of electricity from the first nuclear stations would, however, be about 0.6d. per unit, the same as the established cost in new coal-fired stations. But still a great deal of uncertainty surrounds this subject This is because nowhere in the world has electricity yet been generated in a nuclear power station on a commercial scale. Further, technical developments are taking place very rapidly and the picture is apt to change rapidly. In any case, it must be remembered that a slight reduction or increase in price per unit is not of material significance to all industries, since, in the case of many industries, the cost of electricity forms only a small proportion of the total cost of a product turned out by them.

Radioisotopes

The importance of development of atomic energy to industry arises from the wide application to which radioisotopes may be put. At the Harwell Atomic Research Establishment in the U.K. a wide range of radioisotopes has been made in quantity and at a cost which have rendered it possible to use them for many purposes in research, medicine, agriculture and industry. So far as industry is concerned, isotopes are essentially tools for purposes of detection, measurement, tracing and inspection. In many cases, measuring instruments may be considered as electronic instruments which employ a radio-isotope as a source of electrons; in the U.K., the three foremost makers of these instruments are Baldwin Instruments, E. K. Cole and Isotope Developments. Versatility and range of application are stated to be the outstanding characteristics of isotopes. And their uses are said to be simple and cheap. The P.E.P. pamphlet gives a simple illustration of the use of isotopes as the "package monitor." Thus, Macleans Ltd., the manufacturers of a well-known brand of toothpaste, have used a package monitor which ensures that each tube is filled with toothpaste perfectly—that is, without any air space in the crimped end. Since isotopes find many uses in industry, there is a great demand for them all over the world. Britain has successfully met this demand. It is the largest exporter of isotopes and one-third of its production is sent overseas.

All this serves to give one some idea of the work that is being done in the U.K. in the sphere of atomic energy. The annual report of the Atomic Energy Authority, to which a reference was made at the outset, throws further light on the development in this field. Thus, the report reveals that a new type of proton accelerator is planned which will produce something like 100 times the intensity of the present U.S. machines and of the new Russian machine. It will incorporate a giant magnet weighing 5,000 tons and measuring 120 ft. in diameter, and will have an energy of 6,000 million volts. Sales of radioactive isotopes—by-products of the industry—have grown steadily during the year. Total sales were valued at £500,000, and more than half this figure was accounted for by exports to over 50 different countries.

The biological applications of irradiation in sterilisation and mutation are being actively studied, says the Authority. Potatoes and onions have been successfully prevented from sprouting. Seeds of cereals and other crops have been dosed with gamma-radiation to induce mutations. A number of agricultural institutions, including two in Italy, have sent seeds for treatment. In the section dealing with new applications for isotopes, the report says sewage-pollution of beaches has been investigated by incorporating radioactive phosphorus into the sewage pit before discharge into the sea. Results so far are satisfactory. Methods of using radioactive solutions to help detect leaks in water mains and oil pipelines have also been devised and have proved successful in lines up to 20 miles in length.

Low-power Reactors

Progress is being made in the development of low-power reactors of the order of 10 MW. These, it is believed, would be more suitable for export than the large stations now being developed for electricity authorities in the United Kingdom. The authority is examining sites with a view to setting up a further major research establishment, as the one at Harwell, Berkshire, has reached the maximum size compatible with efficiency of management and avoidance of pressure on the surrounding countryside.

The report makes it clear that the export of nuclear reactors, whether for research or for power production, will be the responsibility of industry, but the Authority expects to provide natural fuel elements to match whatever volume of export business may be secured in the foreseeable future. The immense atomic-energy development in Britain is illustrated by the report, which points out that at the end of the year under review no fewer than 21 nuclear reactors were either in operation, under construction, or planned. These are additional to the 12 nuclear-power stations envisaged in the Government's 10-year programme.

Commonwealth Projects

The release from security restrictions of virtually the whole of the basic information needed in the research and development programme for peaceful applications of atomic energy, it is stated, has opened up a free flow of information between scientists of all countries. Co-operation with Commonwealth projects has increased, while agreements for co-operation have been made with Belgium, Denmark, France, Israel, the Netherlands, and the United States. Discussions for similar agreements have been held with Norway, Sweden and W. Germany.

The lead in research in and development of atomic energy, which the U.K. has given, may be of immense use to underdeveloped countries. Britain is one of the 12 countries, including the U.S. and Russia, which have proposed an International Atomic Agency under the auspices of the United Nations. This proposal is to be the subject of a conference in September this year. Such an agency could do much to organise co-operation in research and development in this field and also act as an intermediary for atomic materials and plant.

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GAS-TURBINE LOCOMOTIVE

A locomotive executive in Chicago disclosed that 25 gas turbine-electric locomotives are hauling approximately 10 per cent. of all the freight on the entire Union Pacific Railroad whose total trackage is over 15,000 miles. Last year these locomotives ran a total of more than 2,500,000 miles. Nine of these gas-turbine units are equipped with 13,000 gallon fuel tenders and can run a distance of 990 miles, without refuelling, according to Globe Press Service. Reviewing results of a ten-year development programme, Mr. Robert Williamson, General Electric's manager of locomotive sales, said this newest form of rail power is now out of the experimental stage and is today a practical, everyday reality. The 25 gas turbine-electric locomotives already in service on the Union Pacific—of 4,500 h.p.—are to be augmented by 15 large units of 8,500 h.p. now on order from General Electric (U.S.A.). In addition, the Union Pacific has expressed an intent to purchase 30 more.

Cold storage experiments conducted in Bombay State show that among the mango varieties the Alphonso is the best keeper in cold storage. Green and hard fruits of this variety can be preserved, experiments show, in a satisfactory condition at 45° to 48° F. for seven weeks. Such fruits can subsequently be fully ripened at ordinary temperature. The cold storage trials have clearly shown that the Alphonso mango can be successfully shipped to foreign markets provided cold storage facilities are available and the time in transit does not exceed a month. Trials also show that the best method of packing these mangoes is to put them in small crates of the size of 18" x 10" x 4½", each holding one dozen fruit in a single layer. Each fruit should be wrapped in tissue paper and packed in wood wool to keep it in position in the crate. If the cold storage and transport is for the internal market, the size of the crate can be 2' x 1' x 1', to hold about 100 fruits.

NEW PRODUCTS AND PROCESSES

Protection for Telephones

PROTECTORS against lightning and electric power lines for telephone exchanges and subscribers' telephones are among the products of a Sydney firm of electrical and mechanical engineers. The firm, G. W. Engineering Proprietary Ltd., designs and manufactures these appliances to the specifications of the Australian Post Office. Equipped with head coils, test apparatus and fuses, the exchange unit provides protection against a current exceeding 1.5 amperes or a line potential exceeding 500/750 volts, where the current is of sufficient magnitude and duration to be dangerous. The protector for a subscriber's telephone works on the same principle, but has no heat coils. The firm also produces other types of telephone and radio apparatus, rotary and heat switches precision parts and plastic moulders. Plastic utilities for the office desk, with a chrome finished and in various colours, are a popular line of G.W. products. The Cal-N-Stand is a perpetual calendar of chrome and plastic on a plastic base. Grooved to carry pens and pencils, its base features a magnetic, spill-proof pin tray. Qik-N-Dex is an alphabetically indexed reference pad for telephone numbers and addresses. Two quick movements make the pad spring open at the required page. Refills for G.W. desk equipment are always available.

A New Etching Process

In another significant invasion, the chemical industry is moving into the field of producing titanium and alloy steel parts for supersonic aircraft, by a process of etching, replacing the standard machining processes. The etching process involves exposing parts of the workpiece to acid, which eats away the requisite amount of metal, instead of this being machined off. Lacquer, or some other type of protective material, prevents the surrounding area from being corroded. It is claimed that much greater thinness can be achieved by chemical etching than by machining. This results in great weight-saving in the construction of high-speed aircraft. It also tends to reduce the number of parts required for assemblies. The process has already been tried effectively in the making of aluminium and magnesium aircraft parts. On the strength of results, plans are being laid to extend the process to titanium. A pilot process plant has been set up in the Los Angels area jointly by the Missile Development Division of North American Aviation and Turco Products, Inc. North American Aviation has played a major part in the development of the chemical etching process, which it calls Chem-Mill. Turco Products developed the process, and has already licensed it to other U.S. aircraft companies. North American Aviation reports that the new process has saved both time and labour in its aircraft production programme, and in work on the Navaho supersonic guided missile.

A Stacking Pallet

A packaging works, Emballage- en palletfabriek Espero, Breevaartstraat, 67, Rotterdam (Holland), makes a sturdy stacking pallet which can very quickly be converted into a box pallet by means of four wooden partitions, without the use of any tools. The box pallet is built up by means of a special locking set, a patent application for which has been filed. The locking device keeps well within the dimensions of the wooden slats, so that there are no protruding parts. When taken apart, the box pallet occupies only 40 per cent. of its volume in assembled condition; this constitutes a great saving on the costs of transport in case of returns. The dimensions of the walls are such as to fit exactly into the stacking pallet, so that the parts can be stored conveniently arranged and exactly on top of each other. These stacking pallets—box pallets can be supplied in various sizes with a loading capacity of up to two tons.

Pipette Filler

To enable laboratory workers to fill pipettes with acids, alkalies and other dangerous fluids without using mouth suction a simple moulded rubber device has been produced; the supplier is Griffin and George, of Ealing Road, Alperton, Wembley Middlesex, England. It consists of a rubber bulb with a three-valve control unit which is operated with the forefinger and thumb. By this means the liquid can be made to enter the pipette and to be discharged from it and the meniscus can also be adjusted to the graduation mark. The filler has a capacity of about 60 millilitras and can be used with bulb or cylindrical pipettes with capacities up to 100 millilitres. It can also be used as a pressure device on the reservoirs of automatic burettes.

High-Speed Cameras

High-speed cameras that record as many as 15,000,000 pictures a second were described recently by Mr. George T. Eaton of the Kodak Research Laboratories in the United States. Mr. Eaton said that camera units having film wrapped on a revolving drum, or based on a rotating-mirror principle, use short-duration exposure to reach "almost fantastic" recording speeds. Other cameras, with conventional film-sprocket drive, are capable of speeds up to about 10,000 pictures per second. High-speed moving pictures are finding increasing applications in science and industry, Mr. Eaton noted. Some of these uses are the measurement of mechanical and electrical effects, the determination of velocities, study of welding arcs, and analysis of fundamental chemical processes. One superfast camera, called the Hycon Submicrosecond, has an exposure time of only 1/10,000,000th of a second. It is used to study particle motion in blast furnaces and jet engine combustion.

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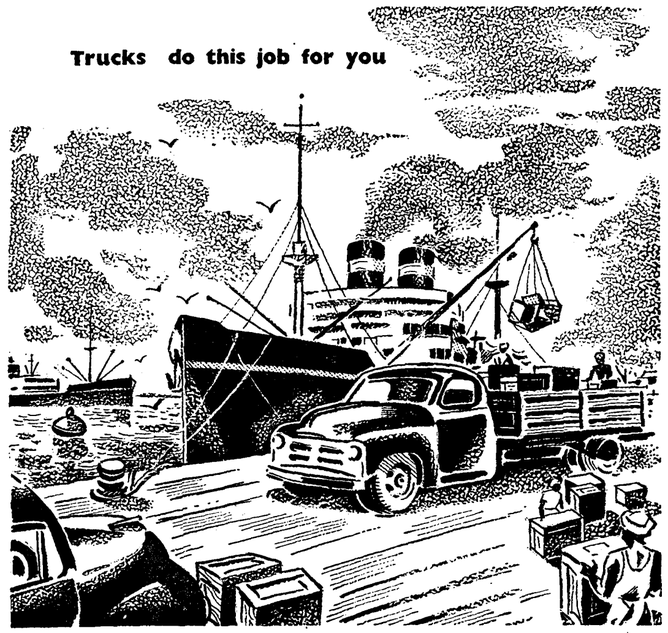

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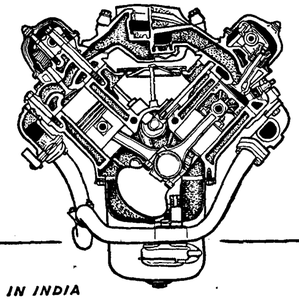

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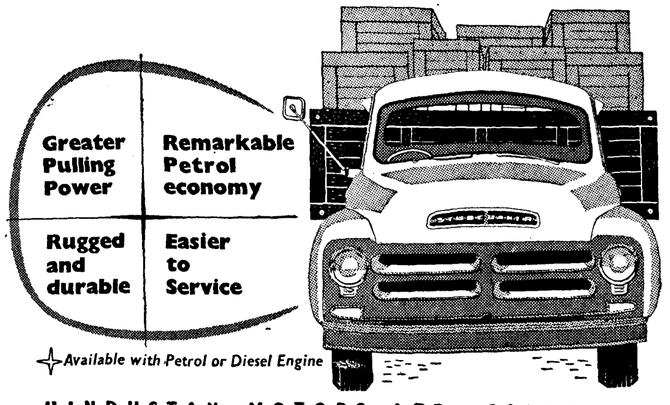

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LIFE INSURANCE POLICIES

MADRAS HIGH COURT DEFINES SCOPE OF ASSIGNMENT AND NOMINATION

IN the course of their separate but concurrent judgments, which discussed the scope of the dispositions of life insurance policies by assignment and nomination, Their Lordships Mr. Justice P. Govinda Menon and Mr. Justice P. N. Ramaswami, of the Madras High Court, held, in a case of an appeal against the judgment of the Subordinate Judge, Salem, that, unless a trust had been created under the Married Women's Property Act (Act III of 1874), the nominees would have to receive the amount, subject to all the liabilities as if the disposition was by means of a testamentary instrument. In effect, they confirmed the judgment of the Subordinate Judge.

The facts of the case may be summarised. A policyholder in Salem had taken out two life insurance policies for Rs. 5,000 each in the National Insurance Company, Ltd., Calcutta. He had become indebted to the Indian Insurance and Banking Corporation Ltd., Salem. This Corporation instituted a suit, as a result of which the two policies were attached in September 1948. The policyholder died on 23rd July 1949, having nominated his wife as the person entitled to receive the policy moneys. The wife died on 26th July 1949. Their minor daughters filed a petition stating that the moneys could not be used to satisfy the decree-debt of their father, since the moneys had become the assets of their mother on the death of their father. The Subordinate Judge negatived the contention of the petitioners. The present appeal arose out of that judgment.

General Law

Dismissing the appeal, His Lordship Mr. Justice Govinda Menon discussed the scope of dispositions of a policy of life insurance. His Lordship pointed out that a policy of life insurance was a security for money payable at a date uncertain but calculable, was well established, for, the sum insured was certain, the premium or consideration for its payment was also certain and the time when the money was payable was also certain where the date was fixed but uncertain if payable on death. As per Porter's "Law of Insurance," a life insurance policy had to be construed as a contract to pay a certain sum in a certain fashion, depending on the duration of human life. Such a policy always formed part of the assets of the assured and might be dealt with at his absolute discretion, such as sale, charity, settlement, or bequest or made the subject of *donatio mortis causa*. Dispositions of life insurance policies could be classed under three heads, assignment, nomination and statutory creation of a trust by reason of the provisions of Act III of 1874. In India an assignment of an insurance policy was payable by virtue of section 38 of the Indian Insurance Act. Under the general law, an assignment was understood as a transfer by an individual of his right or interest in the property to another, resting upon a contract between them. That being the case, if a policy was assigned, it operated so as to completely divest the assignor of any right under it, for the essence of assignment was complete divesting. The assignee was, therefore, clothed with all the rights and liabilities which the insured had before the transfer: that is, there was a substitution for the assured by the assignee, so far as the benefits were concerned. Ordinary love and affection were considered sufficient consideration for the assignment of a policy. In the case of a transfer or assignment, the insurer should recognise the transferee or the assignee named in the notice as the only person entitled to the benefit under the policy and such a person should be subject to all the liabilities and equities to which the transferor or assignor was subject at the time of the transfer or assignment.

Proceeding, His Lordship pointed out that, if, by nomination, a trust was created, then the nominee became a beneficiary. But the difficulty was to find out what the intention was. "Nominated" meant only "to name" and it was in every instance a question of mixed law and fact as to what the intention was. Thus by the expression used, it had to be found out whether the nomination merely created a payee or a beneficiary for whose protection a trust was thereby created. This difficulty arose not on account of the law on the subject, which was very clear, but only on account of the construction to be placed on the language of the declaration made in the face of the document by the assured. A declaration which at first sight might appear to be a nomination of no more than a payee or an agent to receive, might on a proper construction be found intended to create a trust. His Lordship, therefore, felt that if the construction placed by the declaration was that a trust had been created under the provisions of Act III of 1874, the beneficiary would take the assured amount free of all liabilities of the insured, and if it were construed as a mere nomination, the nominee would have no more right than to receive the amount subject to all the liabilities as if the disposition was by means of a testamentary instrument. In the case in question, His Lordship held that the nomination could be construed only as a testament which would be subject to all the liabilities which the assured had to discharge. In conclusion, His Lordship held that the decision of the lower court was correct and the appeal must be dismissed.

Act III of 1874

In the course of his judgment, Mr. Justice P. N. Ramaswami observed that the point for determination was the scope of the nomination under section 39 of the Indian Insurance Act. After examining in detail English and American law bearing on the subject and various decisions, His Lordship said that the law in regard to nominations under section 39 of the Insurance Act and under section 6 of the Act III of 1874, could be summed up thus: (1) Where the nomination is purported to be made in favour of the wife under section 39 of the Insurance Act, section 6 of Act III of 1874 had no application and no trust in favour of the wife is created. (2) In other cases, section 6 of Act III of 1874 was attracted provided the policy on the face of it was expressed to be for the benefit of the wife. Even the proposal was a policy and could be taken into account in promising whether a trust in favour of the wife was created. (3) No set form or words was necessary, provided the intention of the assured could be inferred. The words "payable to my wife" were enough and it was not necessary that it should be expressly stated that the policy was for the benefit of the wife, and to reproduce the phraseology of section 6 of Act III of 1874. His Lordship said that this distinction was important because in the case of the nomination, the nominee took it as under testamentary disposition as property bequeathed by the testator, subject to the liabilities of the testator which that legacy had to satisfy, whereas in the case of a nomination under Act III of 1874, it resulted in the creation of a trust, the benefit of which accrued to the nominee, though subject to the other conditions in the policy, and could not, therefore, be looked upon as available to the creditors regardless of the trust impressed on it. In the result, His Lordship held that the findings of the Subordinate Judge, Salem, were unassailable and dismissed the appeal.

HEAD OFFICE FOR LIFE INSURANCE CORPORATION

The claim of Bombay to become the head office of the life Insurance Corporation have been strongly put forward by the Committee of the Indian Merchants' Chamber in a communication addressed to the Government of India. From all practical considerations, the Committee says, Bombay is the most suitable centre for the location of the Life Insurance Corporation. This city has been the main centre of the insurance business in the country from its very commencement. It is the headquarters of the apex bodies concerning insurance, namely, the Indian Life Assurance Offices Association, the Indian Insurance Companies' Association, the Federation of Insurance Institutes of India, etc. The share of Bombay in the life insurance business of the country is well over 50 per cent. The city of Bombay, therefore, with its rich experience of life insurance business extending over the last so many years, is the most appropriate place for the location of the central office of the Life Insurance Corporation.

Even from the point of view of the facilities which are necessary for enabling the Corporation to discharge its functions satisfactorily, Bombay's claim, to be the headquarters of the Corporation, it is stated, can hardly be questioned. It is necessary that the head office of the corporation is located at a place where it is possible to maintain close and day-to-day contact with the premier stock exchange in the country as well as with the Reserve Bank of India. The Bombay Stock Exchange and the Bombay money market, it will be readily admitted, are the biggest and the most efficiently organised markets in the country. The location of the head office of the Corporation in Bombay will, according to the Committee, facilitate close and daily contact of the Corporation not only with these institutions but also with the head office of the Reserve Bank of India and this would help the Corporation discharge promptly and expeditiously its function relating to the investment of the life funds, which would be one of its most important functions.

Bombay, it is further stated, would also provide the right type of technical staff which would be required by the head office of the Corporation. It is a well-known fact that a high proportion of the technically qualified staff in life insurance business is concentrated in the city of Bombay. Out of a total number of 92 fellows of the Institute of Actuaries, for instance, as many as 40 are in Bombay. Similarly, highly qualified and experienced staff required for the other branches of the insurance administration such as accounts, mechanisation, etc., can also be provided by Bombay in an adequate number. Last but not the least, the central office of the Corporation would require the services of highly qualified and experienced medical persons. Insurance medicine is a highly technical subject and Bombay possesses a large number of doctors who have made a special study of this subject. The services of these experienced medical referees would be readily available to the Corporation, if the headquarters of the same are located in Bombay.

MISAPPROPRIATION OF FUNDS

Since 19th January 1956, when the Government took over life insurance business, five cases of misappropriation of funds have come to light. This information was furnished by the Union Minister for Revenue and Civil Expenditure, Mr. M. C. Shah, in reply to a question by Mr. Tulsidas Kilachand in the Lok Sabha. The five cases are: Presidency Life Rs. 30 lakhs; Palladium Assurance Rs. 5 lakhs; Bangalakshmi Rs. 13 lakhs; Adarsh Bhima Rs. 15 lakhs and Hindusthan Ideal Rs. 11,000. Mr. Shah revealed that investigations were proceeding in some other cases but it would not be advisable to disclose their nature until investigations had been completed. Answering another member, Mr. Shah explained why it was not advisable to disclose cases where investigations were still going on. In one case, some misappropriation was detected, but one of the persons responsible died in suspicious circumstances. It was said that it was a case of suicide. He told another member that any special machinery to conduct investigations would be set up after the Corporation came into being.

Mr. Tulsidas Kilachand asked whether the five cases mentioned by the Minister were the cases the ex-Finance Minister had in mind when during the passage of the Life Insurance Nationalisation Bill, he referred to "very large-scale malpractices in insurance companies in private hands"; now the Minister was saying that the custodians had reported only these few cases. Mr. Shah said that these cases had been reported by the Custodians when they found, on taking over, that securities in respect of the said sums were missing. He added that other cases would have to be investigated. There was, he pointed out, a provision in the Bill which authorised the Corporation to investigate the accounts of the companies for a period of five years preceding the announcement of nationalisation.

LLOYD'S RESULTS

Premium and other income of the 1953 marine, aviation and transit account of Lloyd's, closed at the end of 1955, aggregated £105.3 million, as compared with £105.9 million for the three-year 1952 account and £97.2 million for the 1951 account. The balance of £11.8 million remaining after meeting claims and providing for reinsurance or reserves represented a percentage profit of 11.20, as compared with 9.59 in 1952 and 9.85 in 1951. It may be mentioned here that each annual underwriting account at Lloyd's is kept open for three years, during the second and third of which premiums attaching to business transacted in the first year and received in the later years are added to the first year's premium income. The claims attaching to each year's account which are paid in the second and third years of that account are included in those year's figures. At the end of the third year of each account, provision is made by reinsurance or otherwise, to meet liabilities still outstanding against that account, and the credit balance at the end of the period represents the trading profit.

The business of the 1953 marine, aviation and transit account of Lloyd's was transacted by 3,232 underwriting members, comprising 163 syndicates. During the two years of the 1954 account, business was carried out by 3,436 members in 171 syndicates and in the first year of the 1955 account by 3,697 members in 175 syndicates.

An appeal to the State Governments to extend all co-operation to the Health Insurance Scheme was made by the Union Minister for Labour, Mr. Khandubhai Desai, at the recent meeting of the Employees' State Insurance Corporation, held at New Delhi. He admitted that decentralisation of the scheme was the best way to make it a success. But this had to be achieved step by step with mutual co-operation and understanding of all the interests concerned. Referring to the extension of the scheme to the families of the insured persons, Mr. Desai said that the report of the Actuary was under the active consideration of the Government of India. He hoped that it would be possible for the Government, within certain limitations, the outdoor medical care to the members of the family of insured persons. Unless the scheme was extended to the members of the family, said the Minister, it was not likely to make headway.

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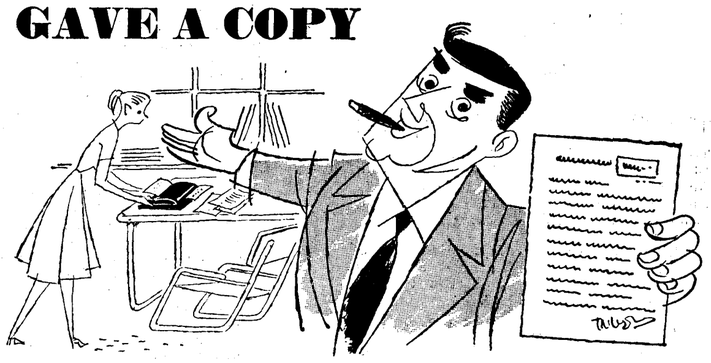

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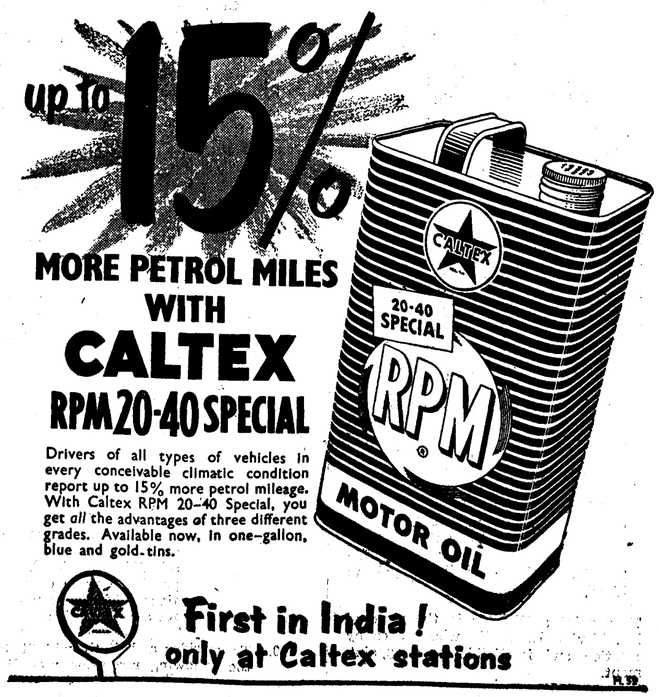

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Notice

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE FORTY-NINTH ANNUAL GENERAL MEETING of the Shareholders of THE TATA IRON AND STEEL COMPANY, LIMITED, will be held on Thursday the 30th August 1956, at 4-30 p.m. (S.T.), at the Registered Office, Bombay House, 24, Bruce Street, Fort, Bombay, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st March 1956.

2. To declare dividends on First Preference, Second Preference and Ordinary Shares.

3. To appoint a Director in the place of Sir Purshotamdas Thakurdas, who retires by rotation and is eligible for re-appointment and to consider, and if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which is annexed hereto as required by Section 173 of the said Act:

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Sir Purshotamdas Thakurdas who has attained the age of 77 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

4. To appoint a Director in the place of Sir Cowasji Jehangir, who retires by rotation and is eligible for re-appointment and to consider, and if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which is annexed hereto as required by Section 173 of the said Act:

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Sir Cowasji Jehangir who has attained the age of 77 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

5. To appoint a Director in the place of Mr. Dinsha K. Daji who retires by rotation and is eligible for re-appointment and to consider, and if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956 has been received by the Company and the relative explanatory statement concerning which is annexed hereto as required by Section 173 of the said Act:

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Mr. Dinsha K. Daji who has attained the age of 83 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

6. To appoint a Director in the place of Mr. Neville N. Wadia who retires by rotation and is eligible for re-appointment.

7. To appoint and/or approve the appointment pursuant to Section 261 of the Companies Act, 1956, of Mr. J. D. Choksi who was appointed a Director at the Ordinary General Meeting held on 25th August 1955, and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Section 261 of the said Act has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is annexed hereto:

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Mr. J. D. Choksi, a Director of the Company, who is also a Director, Officer and Member of Tata Industries Private Ltd., the Managing Agents of the Company, be and is hereby made and/or approved as required by the provisions of the said section."

8. To consent, pursuant to Section 314 of the Companies Act, 1956, to Mr. S. R. Devitre and Mr. K. Cursetji, who are relatives of Sir Jehangir Ghandy, whom the Managing Agents of the Company, Tata Industries Private Limited, propose to appoint today as a Special Director by virtue of the Articles of Association, holding and continuing to hold offices or places of profit under the Company as employees and, if thought fit, to pass the following resolution as a Special Resolution in respect of which the relative explanatory statement as required by Section 173 of the said Act is annexed hereto:

"RESOLVED that the Company consents to Mr. S. R. Devitre and Mr. K. Cursetji, who are relatives of Sir Jehangir Ghandy, a proposed Director of the Company, holding and continuing to hold offices or places of profit under the Company as employees."

9. To consider and, if thought fit, to pass the following resolution regarding the amendment of the Company's Memorandum of Association as a Special Resolution pursuant to Section 17 of the Companies Act, 1956, the relative explanatory statement in respect of which as required by Section 173 of the said Act is annexed hereto:

"RESOLVED that Clause 3 (r) of the Memorandum of Association of the Company be deleted and substituted by the following two sub-clauses:—

(1) To provide for the welfare of Directors or employees or ex-employees of the Company or its predecessors in business and the wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses or dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profit-sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profits sharing or other schemes, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

(2) To subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national, public, political or any other institutions, objects or purposes or for any exhibition.

10. To consider and, if thought fit, to pass the following resolution regarding the amendment of the Company's Articles of Association as a Special Resolution pursuant to Section 31 of the Companies Act, 1956, the relative explanatory statement in respect of which as required by Section 173 of the said Act is annexed hereto:

"RESOLVED that the regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof be approved and adopted with such modifications, if any, as may be agreed to at this meeting, as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association thereof."

11. To consider and, if thought fit, to pass the following resolution required by Section 293 of the Companies Act, 1956, an explanatory statement in respect of which is annexed hereto as prescribed by Section 173 of the said Act:—

(A) RESOLVED pursuant to sub-clause (1) (*d*) of section 293 of the Companies Act, 1956, and Article 130 of the Articles of Association and all other enabling provisions, if any, that the Company hereby consents to the borrowing by the Directors for and on behalf of the Company from the International Bank for Reconstruction and Development (hereinafter called the Bank) of the sums of money and on the terms and in the manner mentioned and provided in a Loan Agreement dated the 26th day of June 1956 and made between the Bank and the Company notwithstanding that as a result of such borrowing the moneys thereby borrowed together with the moneys already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside apart for any specific purpose.

(B) FURTHER RESOLVED that pursuant to the said Section and Article, the company hereby consents to the borrowing by the Directors for and on behalf of the Company from time to time of such sums of money additional to borrowings from the Bank as in the opinion of the Directors shall be required to execute and complete the Project (with such alterations and changes as may from time to time be agreed between the Bank and the Company) described in Schedule 2 of the said Loan Agreement dated the 26th June 1956, notwithstanding that as a result of such borrowing the aggregate amount of such borrowings together with the moneys already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's Bankers in the ordinary course of business) and the moneys to be hereafter borrowed by the Company in terms of Resolution (A) aforesaid will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside apart for any specific purpose.

12. To consider and, if thought fit, to pass the following resolution required by Section 359 of the Companies Act, 1956, the relative explanatory statement concerning which as required by Section 173 of the said Act is annexed hereto:

"The Company being satisfied that the insurance premia or other charges made by the New India Assurance Company Limited for insurance in respect of the Company's property, assets and goods are at rates which are not less favourable to the Company than the market rates and are otherwise reasonable, it hereby authorises Tata Sons Private Limited, Associates of Tata Industries Private Ltd., the Managing Agents of the Company, to retain all commission or other remuneration already earned or to be earned by them at any time hereafter as one of the principal agents of the New India Assurance Company Limited in regard to all contracts of insurance or insurance policies which have been or which may at any time hereafter be entered into by the said New India Assurance Company Limited with the Company."

13. To consider and, if thought fit, to pass the following resolution required by Section 373 of the Companies Act, 1956, the relative explanatory statement in respect of which as required by Section 173 of the said Act is annexed hereto:

"RESOLVED that the investment of Rs. 112 lakhs made by the Company in 112,000 fully paid-up Ordinary shares of the face value of Rs. 100 each of the Tata Locomotive and Engineering Co. Ltd., which Company belongs to the same group as the Company, be and is hereby sanctioned, and the Managing Agents be and are hereby authorised to obtain the approval of the Central Government to the said investment."

14. To consider and, if thought fit. to pass the following resolution the relative explanatory statement concerning which is annexed hereto as prescribed by Section 173 of the Companies Act, 1956:—

"RESOLVED that the Registers, Books and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301-304, 307, 356-360, 362-372 and Schedule VIII to the Act, be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent in the manner and on payment of the fees, if any, specified in the aforesaid provisions at the registered office of the Company between the hours of 11-00 a.m. and 1-30 p.m. (S.T.) on any working day except Saturdays and between the hours of 11-00 a.m. and 1-00 p.m. (S.T.) on Saturdays, except when the Registers and Books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company. Provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection of the members or holders of debentures of the Company, if any, as aforesaid between the times above-mentioned during the period prescribed by sub-section 5(*a*) of Section 307."

15. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Directors,

TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, *20th July* 1956.

Notes:—(*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*b*) The Transfer Books of the Company were closed from Friday the 6th July 1956 and will remain closed till Monday the 30th July 1956.

(*c*) If dividends on shares as recommended by the Directors are passed at the Meeting, the payments will be made to those shareholders whose names are on the Company's Register on the 30th July 1956. The payments will be made on and after the 31st August 1956.

Explanatory Statement as required by Section 173 of the Companies Act, 1956

In conformity with the Companies Act, 1956, which came into force on 1st April 1956, the following Explanatory Statement, as required by Section 173 of the aforesaid Act, sets out all material facts relating to the special business mentioned in the Notice dated the 20th July 1956.

2. In respect of Item No. 3 of the Notice of the Annual General Meeting it is notified that Sir Purshotamdas Thakurdas who retires by rotation and is eligible for re-appointment has attained the age of 77 years and hence he cannot be appointed a Director of the Company except by a resolution in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said item. Sir Purshotamdas Thakurdas joined the Board of the Directors of the Company in 1922. He is a businessman of wide and varied experience and during the long period of his association with the Company he has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be appointed a Director.

3. In respect of Item No. 4 of the Notice of the Annual General Meeting it is notified that Sir Cowasji Jehangir who retires by rotation and is eligible for re-appointment has attained the age of 77 years and hence he cannot be appointed a Director of the Company except by a resolution in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said item. Sir Cowasji Jehangir joined the Board of the Directors of the Company in 1933. He is a businessman of wide and varied experience and during the long period of his association with the Company he has rendered very valuable services to the Company. As it is in the interests of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be appointed a Director.

4. In respect of Item No. 5 of the Notice of the Annual General Meeting it is notified that Mr. Dinsha K. Daji who retires by rotation and is eligible for re-appointment has attained the age of 83 years and hence he cannot be appointed a Director of the Company except by a resolution in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said item. Mr. Dinsha K. Daji joined the Board of the Directors of the Company in 1936. He is a solicitor of the High Court of Bombay of wide and varied experience and during the long period of his association with the Company he has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be appointed a Director.

5. In respect of Item 7 of the Notice of the Annual General Meeting a special notice has been received from some members as required by Section 261 proposing that the appointment of Mr. J. D. Choksi as Director be made and/or approved in accordance with the provisions of the said section. The Managing Agents of the Company, Tata Industries Private Ltd., have the right to appoint two Directors as Special Directors. One such Director is Mr. J. R. D. Tata, the Chairman, and the Managing Agents propose to appoint Sir Jehangir Ghandy as the other Special Director. As set out in the special notice received by the Company, the reasons which make the above resolution necessary are as follows:—

As Mr. J. D. Choksi is a Director, Officer and Member of the Managing Agents, his appointment as a Director can only be made by a Special Resolution of the Company under the provisions of Section 261 (1) (f). It is also apprehended that by virtue of sub-clause (4) of the same Section, although Mr. J. D. Choksi does not retire from office by rotation at the Annual General Meeting this year, his appointment should be approved or made by a Special Resolution of the Company at the said Annual General Meeting.

Mr. Choksi first became a Director of the Company in 1949 and has, for the last several years, been associated as one of the Directors of the Managing Agents with the management of the affairs of the Company of which he has been the Vice-Chairman since 1953.

As it is in the interest of the Company that it should continue to receive the benefit of his advice as a member of the Board it is desirable that his appointment as a Director be made or approved by Special Resolution in accordance with the provisions of Section 261 of the Act.

6. In respect of Item 8, it is notified that Mr. S. R. Devitre and Mr. K. Cursetji who are relatives within the meaning of Section 6 of the Companies Act, 1956, of Sir Jehangir Ghandy who is proposed to be appointed as a Special Director by Tata Industries Private Limited, the Managing Agents of the Company in terms of the Company's Articles of Association, hold offices or places of profit under the Company as employees. In view of the provisions of Section 314 of the Act, consent of the Company accorded by a Special Resolution is necessary for Mr. S. R. Devitre and Mr. K. Cursetji holding and continuing to hold the offices or places of profit under the Company as employees.

7. In respect of Item No. 9, Sub-clause (*r*) of Clause 3 of the Memorandum of Association of the Company is as follows:

(*r*) To support and subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the Company, or its employees, or may be connected with any town or place where the Company carries on business; to give pensions, gratuities, or charitable aid to any person or persons who have served the Company, or to the wives, children, or other relatives of such persons; and to form and contribute to Provident and Benefit funds for the benefit of any persons employed by the Company.

This sub-clause deals with two different classes of objects to which the Company may contribute funds; one to charitable and public objects and institutions of benefit to the Company, and the other relates to the grant of pensions and benefits to employees and their relatives. As these are two distinct objects, it is desirable that they should be set out separately. It is also felt that the clause, insofar as it relates to support of and subscriptions to charitable, public and beneficial objects and institutions, is stated in a form which is rather restricted to suit modern conditions. The industrial policy of Government under conditions today is of vital importance to most industries, and particularly to a key industry like the steel industry. Shareholders are aware that the steel industry occupies a prominent place in the recent statement on Government's Industrial Policy. Industrial Policies which become part of the law of the land are moulded by political parties who form the Government of the day. It is, therefore, in the interests of the Company to be able to contribute to the funds of political parties which in the Company's opinion will serve the interests of industry in general and of the steel industry in particular.

Section 293 (1) (e) of the Companies Act, 1956, clearly recognises the right of a company to contribute to funds not directly relating to its business or the welfare of its employees by providing that the contribution of the company in such cases shall not exceed 5 per cent. of its average net profits or Rs. 25,000 whichever is the higher. In the discussion in the Lok Sabha on this subject it was recognised that this provision covered contributions to political funds and purposes.

It is believed that the existing clause in the Memorandum might enable the Company to make contributions to a political fund, but it is desirable to eliminate any doubt on the subject by a specific provision in the Memorandum of Association enabling the Company to contribute to such political objects and purposes.

It is, therefore, proposed, in place of the present sub-clause (*r*) to provide two sub-clauses, one for the grant of benefits to employees and their families, and another for subscription or contribution to charitable and other objects (including political objects).

Shareholders in their own interests are requested to study the proposed new clauses and to compare them with the existing clause to ascertain the difference between the two.

8. In respect of Item No. 10, the existing Articles of Association of the Company were adopted by Special Resolution on 9th October 1941. Since then the Companies Act, 1956 (hereinafter called "the new Act") has come into force as from 1st April 1956 and has effected considerable changes in the law and procedure relating to Companies. References to the Act made herein are to the Companies Act, 1956.

Several of the changes which came into force as a result of the new Act override or affect various provisions in the Articles of Association of the Company which consequently require amendment to bring them into line with the amended provisions of the new Act, and certain new provisions in the Act for the regulation of Companies need to be incorporated in the Articles.

As the alterations are numerous, it has been considered desirable to substitute a new set of Articles for the present Articles of Association of the Company. The proposed alterations fall into the following categories:—

(a) alterations made to comply with the provisions of the new Act where the present Articles are in direct conflict with such provisions;

(b) alterations which, though not essential for removal of a conflict between the present Articles and the provisions of the new Act, have been rendered necessary or desirable as a result of such provisions;

(c) alterations resulting in either improvement of language used, or made with a view to bring existing Articles into line with modern practice;

(d) deletion of obsolete Articles; and

(e) a few alterations not falling under any of the above categories but considered desirable.

Members are requested to avail themselves of the right of inspection offered in the notice of both the existing Articles and the proposed new Articles and to compare the two sets of Articles with a view to ascertain the changes which are proposed to be effected. Some of the more important of these changes are dealt with below. All references herein to the denoting numbers of the Articles are to the numbers of the proposed new Articles except where the denoting numbers of the present Articles are specifically referred to.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Article 4 substitutes old Article 5 to provide for the present capital of the Company.

Article 9 sub-clause (c) provides as required by the new Act that if there is a provision for payment of premium on redemption this shall come out of profits.

Article 11 provides that the Company shall not have the power to buy its own shares except in the cases provided therein. This has been introduced in order to conform with the provisions of the new Act.

Article 13, *sub-clause* (b): The provision for sub-division of shares conforms to the old Article 12 (b) except that the old Articles provide that the resolution by which the subdivision is determined may provide that as between the holders of the shares resulting from the sub-division one or more of such shares may be given any preference or advantage over others. This proviso has been cancelled because it is doubtful whether it is valid under the new Act without the procedure provided by new Article 14 (old Article 13) for modification of class rights being carried out.

Article 14: The old Article has been retained except that now as required by Section 106 of the new Act the quorum of a class meeting is three-fourths of the issued shares of that class and not two-thirds as provided in the old Article 13.

Article 15 provides specifically for what is generally recognised, that the rights conferred upon the holders of a particular class of shares are not considered to be altered by the issue of further shares of that class ranking *pari passu* therewith.

Article 16 provides that after 1st April 1956 the Company shall not have the power to issue any shares with voting rights which are disproportionate to the rights attached to other shares (not being preference shares) the intention being that voting rights should be in proportion to paid-up capital. This is in conformity with the new Act.

Article 22: Existing Article 24 relating to non-recognition by the Company of any person but the registered holder has been retained in substance but has been rewritten to conform to Regulation 6 of Table A of the new Act.

UNDERWRITING AND BROKERAGE

Article 23: In conformity with the new Act it is provided that commission paid on a debenture issue should not exceed 2½ per cent. of the price at which the debenture is issued in addition to any brokerage which is permissible under the law.

GENERAL MEETINGS

Articles 67 to 77 which provide for the calling of General Meetings, the notice to be given for that purpose, the periods within which the Annual General Meetings should be held and the like, are in conformity with the requirements of the new Act. For instance, Article 71 requires twenty-one days' notice of an Annual General Meeting, in place of fourteen days previously.

Article 87: This Article provides for the qualification for demanding a poll and is on the same lines as the previous Article 76 except that in conformity with the new Act, where less than 5 members demand a poll, they must hold not less than one-tenth of the total voting power, in respect of the particular resolution on which the poll is demanded, in place of one-tenth of the issued capital, as provided in the old Article.

Article 96: This provides, in conformity with the new Act, that no report of proceedings of any General Meeting shall be circulated or advertised at the expense of the Company unless it includes matters required by Section 193, namely, a fair and correct summary of the proceedings of the meeting.

Article 99: This Article sets out the votes of the various classes of shares at a General Meeting of the Company. As required by Section 87 of the new Act, a provision has been inserted that the voting rights of a holder of Ordinary shares shall be in proportion to his share of the paid-up Ordinary capital of the Company. The effect of this is that in respect of the new Ordinary shares which have been recently issued, a shareholder for each new share will have one-third of the voting right of an old Ordinary share because the capital paid-up on the new share is Rs. 25 against the fully paid up old share of Rs. 75. The voting rights of First Preference and Second Preference shares have been set out in a form to conform to the requirements of the above Section but do not differ in substance from the existing voting rights attached to these shares.

Article 101: In conformity with Section 183 of the new Act a provision has been inserted enabling a person to exercise his vote partly for and partly against a resolution.

Article 104: In conformity with the new Act, a shareholder is entitled to appoint a person as a proxy even though he is not a member (the corresponding old Article required him to be a member). The proxy so appointed can vote but has not the right to speak at the meeting unless, of course, he is a member.

Article 108: In conformity with the new Act, proxies are now to be deposited with the Company 48 hours before the time for holding the meeting and not 72 hours.

DIRECTORS

Article 122 sets out the persons who cannot be appointed as Ordinary Directors of the Company, whose office is liable to determination by rotation, except by, or with the approval of a Special Resolution of the Company. These include the following:—

(a) A person who is an officer or employee of the Company or any subsidiary company.

(b) A Director or officer or employee of the Managing Agents.

(c) A person who receives a share of the remuneration paid to the Managing Agents.

Sub-clause (2) of this Article requires, in conformity with the new Act, that special notice should be given of any resolution appointing or approving the appointment of any of the above persons. The notice given to the Company of any such resolution and the notice given by the Company to its members in regard to such resolution shall set out the reasons which make the resolution necessary.

Article 123 limits the qualification of a Director in conformity with the new Act to a holding of shares of a nominal value of Rs. 5,000 in place of Rs. 30,000 as provided by old Article 101.

Article 126 sets out the cases where the office of a Director is vacated and these include, in conformity with the new Act, the following:—

(a) where a Director fails to pay calls in respect of shares held by him, and

(b) he or any of his relatives hold an office or place of profit in the Company without the sanction of the Company in a General Meeting.

Article 130 provides, as required by the new Act, that, except with the previous consent of the Company by Special Resolution, no Director or his partner or relative; and no firm of which he or his relative is a partner and no private company of which he is a Director or member and no Managing Director, Managing Agent or Secretary and Treasurer of such private company shall hold an office or place of profit in the Company except that of Managing Director, Managing Agent, Secretary and Treasurer, Manager, Legal or Technical Adviser, Banker or Trustee for holders of Debentures. Similarly, they cannot hold any of the above offices or places of profit in a subsidiary of the Company unless the remuneration received from such office or place of profit is paid over to the Company. Any contravention of the provisions of this requirement entails disqualification of the Director as Director and also makes him liable to refund any remuneration or benefit received by him.

Article 132 provides, as required by the Act that except with the consent of the Board of Directors of the Company, a Director of the Company or his relative or a firm in which a Director or his relative is a partner or any other partner in such a firm or a private company of which Director is a member or a Director shall not enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or underwriting the subscription of shares and debentures of the Company provided that in the ordinary course of business goods may be bought or sold up to a cost of Rs. 5,000 in the aggregate in a calendar year.

Article 134 provides in conformity with the new Act that one-third of the Directors who are liable to retire by rotation shall retire in each year. Under old Article 109 one-third of the total number of Directors had to retire.

Article 140 provides in conformity with the new Act that unless a resolution is specifically agreed to for the purpose, Directors' appointments shall be voted upon separately for each Director and that the appointment of two or more persons as Directors shall not be made by a single resolution.

Articles 141 and 142 prohibit the appointment of Directors beyond the age of 65 years unless special notice of a resolution for proposing the Director is sent to the Company and unless the specific requirements of the new Act are complied with. In fact, at the present Annual General Meeting three of your Directors who have passed this age limit have been proposed for re-election in conformity with the new Act.

Article 144 provides for the removal of a Director by the Company in General Meeting. Under the old Article 114 this could only be done by an extraordinary resolution while under Section 284 of the new Act it is now possible for the Company by Ordinary Resolution to remove such a Director provided special notice is given, in conformity with the provisions of the Act and the Articles, of the resolution proposing such removal. Under the same section the Director is entitled to have any representation made by him circulated to the members or read out to the meeting if his representation is not received in time.

Articles 151, 152 and 153 provide specifically for the appointment of a Vice-Chairman and for his presiding at meetings of the Board when the Chairman is not present. For the last several years the Board in fact have had a Vice-Chairman. It is proposed to insert a provision in the Articles providing for his specific appointment.

Article 156 provides for passing of resolutions by circular and is substantially different from the existing Article 123 which requires that a circular resolution should be under the hands of at least four Directors or one-half of the members of the Committee for the time being present in the City of Bombay. Section 289 of the new Act provides a certain procedure for circular resolutions and this has been incorporated in the new Article under which procedure the resolution is to be circulated in draft together with the necessary papers to all the Directors or to all the members of the Committee in India who shall not be less than the quorum fixed for a meeting and to all other Directors who are not in India to their usual address in India, and requires that the resolution by circular should be approved by a majority of those who are entitled to vote on it.

Article 163, in conformity with the new Act, limits the powers of the Board to exercise certain powers except with the consent of the Company in General Meeting. These powers cover:—

(a) Sale or disposal of the undertaking of the Company or substantially the whole of it;

(b) Remission of any debt due by a Director;

(c) Investment otherwise than in trust securities, of the sale proceeds of any undertaking acquired by the Company after 1st April 1956 without the consent of the Company in a General Meeting or of any properties used by the undertaking of the Company and without which the undertaking cannot be carried on or be carried on only with difficulty or only after considerable time.

(This particular sub-clause conforms to the sub-clause (c) Section 293 and the meaning of which is somewhat obscure.)

(d) Borrow moneys which has the effect of causing the total borrowings of the Company to exceed the aggregate of the paid-up capital of the Company and its free reserves.

(e) Contribute to charitable and other funds not directly relating to the Company's business or the welfare of its employees, any amounts the aggregate of which will in any financial year exceed twenty-five thousand rupees, or 5 per cent. of the average net profits.

Article 164 requires that certain powers of the Directors shall only be exercised by a Board meeting. These include—(a) the power to make calls on shareholders; (b) the power to issue debentures; (c) the power to borrow moneys; (d) the power to invest the funds of the Company; and (e) the power to make loans, subject to certain limitations contained in the Article and the Act. This Article conforms to Section 292. The Article in terms of the Section however, enables the Board to delegate to a committee of Directors, or to the Managing Agents the powers specified in (c), (d) and (e) above.

Article 165 sets out in detail certain of the powers of the Board. With two exceptions, these powers are the same as are contained in the existing Article 133, although alterations have been made to conform to the requirements of the new Act. The two exceptions are sub-clauses 15 and 16 which have been drawn up to conform to the proposed alteration in the Memorandum of Association, which is to be placed before the present Annual General Meeting of the Company, which deals with the powers of the Company to provide for the welfare of employees and for making grants to charitable, religious, political and other institutions, objects and purposes.

Article 166, for convenience, sets out the registers, books and documents which have to be maintained in accordance with the requirements of the new Act and the Articles.

MANAGING AGENTS

Articles 171 and 173 provide that Managing Agents in the exercise of their powers must obtain the previous approval of the Board in regard to certain matters, such as, (a) appointment of an officer or a member of the staff on a scale of remuneration in excess of the limits laid down by the Board; (b) the purchase of capital assets except within the limits prescribed by the Board; (c) sale of capital assets except within the limits prescribed by the Board; and (d) power to compound claims or demands made by or against the Company against or by the Managing Agents or an associate of the Managing Agents.

CAPITALISATION

Article 187: While in substance this Article conforms to old Article 152, a number of verbal alterations have been made in the Article.

ACCOUNTS

Articles 188 to 196 provide for the preparation of balance-sheets and profit and loss accounts of the Company and for keeping of books of accounts in accordance with the requirements of the new Act.

Shareholders are requested to study these Articles carefully for finding out the changes introduced by the new Act in respect of matters dealing with a company's accounts.

AUDIT

Articles 198 to 203 provide for the audit of the Company's accounts and for the appointment of the Auditors in conformity with the requirements of the new Act.

Particular attention is invited to Article 202 which sets out the rights and duties of the auditor. Among other duties he has to make a report to the shareholders as to whether in his opinion the accounts of the Company give the information required by the Act in the manner so required and give a true and fair view of the state of the Company's affairs and of its profit and loss for the financial year.

NOTICES

Articles 204 *to* 210: These Articles deal with the subject of notices and other documents sent to the shareholders. These Articles conform to the requirements of the new Act, but do not differ in material respects from the existing Articles 167 to 175. It will be noted, however, that under Article 205, a notice may be given to a member, who has no registered address in India, by advertisement in a newspaper. This advertisement need not state the name of the member as was required under old Article 168 conforming to the requirements of the old Companies Act.

A copy of the abovementioned document containing the draft of the proposed new Articles of Association and a copy of the existing Articles of Association may be inspected at the Registered Office of the Company between the hours of 11 a.m. to 1 p.m. and 3 p.m. to 5 p.m. on any working day except Saturday and the hours 11 a.m. to 1 p.m. on Saturdays.

9. In respect of Item 11, it is notified that the Company has entered into an agreement on the 26th day of June 1956 with the International Bank for Reconstruction and Development, under which the said Bank has agreed to advance to the Company a loan, in various currencies, equivalent to $75 million towards meeting a part of the cost of the expansion programme of the Company, commonly known as the Two Million Ton Programme. As the shareholders are aware, the Company has embarked on this programme of expansion, the cost of which, exclusive of certain ancillary schemes and projects, is estimated at approximately Rs. 75 crores. As stated in the Directors' Report for the year, the well-known American Engineering Consultants, Kaiser Engineers Division of Henry J. Kaiser Company and their associated company, the Kaiser Engineers Overseas Corporation, have been appointed by the Company to provide engineering and construction services for the Two Million Ton Programme, except modifications to the Works and the development of the Company's mines and collieries and town which will be undertaken by the Company's own Engineering Department. The Kaiser organisation have undertaken to complete their work, unless prevented by causes outside their control, by the 31st May, 1958. To enable the Company to borrow the moneys provided in the Loan Agreement with the World Bank, it is necessary under the provisions of Section 293 of the Companies Act, 1956, to obtain the consent of the Company, because the moneys to be borrowed under the Loan Agreement together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed in the aggregate the paid-up capital and free reserves. It is also necessary to obtain the consent of the Company to further additional borrowings, as from what is stated above it would be gathered that substantial additional funds will be required entailing further borrowings to execute and complete the Two Million Ton Programme and ancillary projects and the Modernisation and Expansion Programme which is still to be completed. A copy of the aforesaid Agreement dated the 26th June 1956 between the Company and the International Bank for Reconstruction and Development will be open for inspection of members at the Registered Office of the Company between the hours of 11-00 a.m. and 1-30 p.m. (S.T.) on any working day except Saturday and between the hours of 11-00 a.m. and 1-00 p.m. (S.T.) on Saturdays. Inspection is also offered at the aforesaid place and time of the Agreement dated the 23rd June 1955 between the Government of India and the Company under which the Company undertook to carry out this expansion programme.

10. In respect of Item 12, it is notified that Tata Sons Private Limited who are Associates of Tata Industries Private Limited, the Managing Agents of the Company, are one of the Principal Agents of the New India Assurance Company Limited, with whom the Company places its insurance business. Although it is not clear whether it is necessary to obtain the Company's sanction under Section 359 of the Companies Act, 1956, for greater precaution, the Company has been advised to obtain a resolution in General Meeting. The New India Assurance Company Limited is a leading insurance company and has provided valuable insurance service in the past. Its rates of premia and tariff compare well with other insurance companies of repute and its terms and conditions of policies and contracts of insurance are satisfactory. Tata Sons Private Limited, the holding company of Tata Industries Private Limited, have been one of the Principal Agents of the New India Assurance Company Limited since its inception in 1919. Mr. J. R. D. Tata and Mr. J. D. Choksi are Directors and members of Tata Sons Private Limited and as such they are interested in the commission earned.

11. In respect of Item 13, it is notified that the Company has invested in the aggregate a sum of Rs. 112 lakhs in 112,000 Ordinary shares of the Tata Locomotive and Engineering Company Limited of the face value of Rs. 100 each, of which Rs. 32 lakhs were invested in 1954 when the Tata Locomotive and Engineering Company Limited increased its capital by the issue of additional 120,000 Ordinary shares of Rs. 100 each, which were offered at par to the holders of the existing Ordinary shares. The above total investment of Rs. 112 lakhs represents about 16 per cent. of the subscribed equity capital of the Tata Locomotive and Engineering Company Limited, which company belongs to the same group as the Company. As this investment is in excess of the limits prescribed under Section 372 of the Companies Act, 1956, it requires the sanction of the Company and the approval of the Central Government. The Company's investment in the Tata Locomotive and Engineering Company Limited is considered sound and profitable and the Company has also the right to appoint a Special Director on the Board of the Tata Locomotive and Engineering Company Limited. In order to continue to hold the investment the sanction of the Company is necessary as per resolution mentioned in Item 13 of the Notice.

12. In respect of Item 14, it is notified that under the relevant Sections of the Act, the Company in General Meeting is entitled to impose reasonable restrictions on keeping the said registers and documents open for inspection by the persons entitled thereto so that not less than two hours in each day are allowed for inspection. The hours of inspection sought to be prescribed by the said Resolution are reasonable and convenient from the administrative point of view.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

STRUCTURAL ADAPTATIONS FOR ECONOMIC DEVELOPMENT

NON-ECONOMIC FACTORS CANNOT BE EASILY IGNORED

By Dr. R. Balakrishna

UNIVERSITY PROFESSOR OF ECONOMICS, MADRAS

UNDERDEVELOPED areas manifest certain peculiar features of economic structure. Their agriculture is predominantly on a subsistence basis; the actual farming being done on small holdings. Heavy industry remains undeveloped, even though the resources for it may not altogether be lacking. Consumer goods are essentially turned out by medium and small-scale establishments. Their financial structure remains unintegrated, owing to the inflexibility of their indigenous sector. The political, administrative and educational institutions are not on all fours with those of their counterparts in more advanced countries. In fine, their social technology is insufficiently refined.

Obviously, the main requisites for economic development are commercialisation of agriculture and the adoption of modern technique accompanied by an increase in the size of the holdings. Generation of power and improvement of transport are indispensable conditions of progress. Heavy industry for capital goods and large establishments for the manufacture of consumer goods are also an essential part of the change. They have also to undergo a process of rationalisation. The financial structure has to be reoriented and special institutions like financial corporations have to be created for the provision of finance to industry and agriculture. A refinement of social institutions and the provision of facilities for technical education are desirable.

Thus, certain essential structural adaptations are necessary for the attainment of economic progress. But there are both technical and ideological impediments to such progress in underdeveloped areas. For instance, the adoption of modern technology in agriculture is impeded by the existence of small holdings and by the fear of a displacement by it of human and animal labour. The development of heavy industry is impeded by a deficiency of capital resources. A rationalisation of consumer goods industries is opposed by labour on account of a fear that it would lead to a disturbance of the social fabric. Ideological considerations, such as the social objectives of land reform movement in India, subordinate economic considerations in the interest of social reform and thus impede a progressive growth of the economy. Finally, the shift of emphasis to welfare as against a maximisation of wealth is prejudicial to an increase in productivity.

Economic Growth

Economic growth means a rate of expansion that can move an underdeveloped country from a near subsistence mode of living to substantially higher levels in a comparatively short period. It is generally associated with industrial expansion, involving necessarily a structural change. The technical factors influencing the structural change are the size and quality of the working force, the national resources, the capital stock, the state of technology, the nature of entrepreneurial activity, the form of Government and the pattern of consumption. The feasibility of structural adaptations would depend upon the co-operation of as many of these technical factors as possible. So a detailed consideration of each of them is essential for envisaging the degree of economic development possible in any underdeveloped area. Ideological objectives may further influence economic growth, but an appraisal of their influence may be deferred for the present.

Taking at the outset the working force, their influence on the character of the economic structure would depend upon the size of the population, its composition and distribution, the rate of growth, the skill of the working force and the degree of effort that it is likely to put forward. The significance of the size of the population consists in the realisation of the full economies of large-scale production. Generally, the populations of backward countries are in excess of this requirement. The ratio of the labour force to the total population may vary from country to country, determining the *per capita* income among them. The sex and age composition of the population would determine the ratio of the labour force in each country. Of the available labour force, only a certain percentage would be actually employed, the rest being in the category of the unemployed. The rate of growth of a population need not necessarily have a direct correlation with employment. The distribution of the working force among different occupations, in conjunction with the rate of growth in different sectors of it, may have an adverse effect if the occupations are already overcrowded. A population may be considered to be of the income-optimum size, when, in co-operation with other income-affecting conditions which are held constant, it is able to have a *per capita* income which could be as high as the other conditions permit. The spatial distribution of the population has also a relevance in estimating the influence of population on economic progress. Urban population may be more receptive to technological developments than rural population. Even the life expectancy of a population may have a reaction on economic development. When it is low, the time horizons of people tend to be short and long-range planning falls outside their purview.

The following tables indicate the distribution and age composition of world population:—

TABLE I

World Population, Age Composition and Density, 1949

Area	Population in millions	Age distribution of population in percentage			Persons per sq. km.
		Under 15 years	15-59 years	60 years and above	
World	2,378	36	57	7	18
Type I : Low Growth Potential—					
N.W. and Central Europe	214	24	62	14	78
U.S. and Canada	163	25	64	11	8
S. Europe	91	30	59	11	88
Oceania	12	28	62	10	1
Type II : High Growth Potential—					
Far East (excluding Japan)	661	40	55	5	41
South and Central Asia	436	40	56	4	100
Africa	198	40	55	5	7
Near East	74	40	54	6	12
Type III : Transitional—					
Soviet Union and E. Europe	288	34	59	7	12
Latin America	158	40	55	5	8
Japan	83	37	55	8	223

TABLE II

Population by Age Distribution

Country and date	Percentage of total population			Persons 15-39 years as percentage of persons 15-64 years
	Under 15 years	15-64 years	65 years and over	
U.S.A.—1950	26.9	64.9	8.2	58.30
Canada—1951	30.4	61.9	7.7	61.32
United Kingdom—1951	22.7	66.5	10.8	52.58
Australia—1953 (Estimate)	28.0	63.8	8.2	57.53
Switzerland—1950	23.5	66.8	9.7	53.94
Sweden—1950	23.4	66.3	10.3	53.45
Underdeveloped Countries—				
Burma—1954 (Estimate)	37.4	59.8	2.8	70.30
India—1951	37.4	59.0	3.6	68.94
Japan—1950	35 5	59.6	4.9	65.86
China—Taiwan—1950	41.4	56 1	2.5	72.60
Ceylon—1946	37.2	59.3	3.5	71.3
Malaya—1947	39.9	57.4	2.7	66.0
Thailand—1947	41.9	55.3	2.8	71.74
Philippines—1948	44.2	52.7	3.1	74.75
S. Korea—1952	41.1	55.2	3.7	65.68

TABLE III

Gross Fixed Capital Formation Expressed as a Percentage of the Gross Domestic Product

Country	1948	1949	1950	1951	1952
Australia	20.7	24.3	24.8	30.6	25.9
Burma	15.1	8.7	10.3	12.0	15.1
Ceylon	6.0	8.8	10.5	11.6	13.3
Ireland	12.8	12.6	14.1	15.2	13.4
United Kingdom	12.1	12.6	13.1	13.1	13.4
Indian Union	8.3	9.1	9.3	9.8	10.0

N.B.—Figures from the paper on "Capital Formation in the Indian Union" by the Central Statistical Organisation and Economic Division of the Ministry of Finance.

The skill of the working force depends upon the resources which a society has allocated to training. The effort that would be put forward by a working force is derived by its propensity to seek material advance. Material incentives for work may have different reactions according to the premium attached to material advance as opposed to leisure. Thus, structural adaptations are governed very significantly by the character of the working force in a country. Its objective features and its subjective reactions influence economic growth. A positive response from the working force is a *sine qua non* of successful structural adaptations directed towards economic development. In fine, the economic structure would be conditioned by the facts of labour supply in each country. The excess of it is the economic problem of underdeveloped areas and its abnormal rate of growth complicates the issue further.

Natural Resources

Natural resources can make a sustained contribution to economic growth if they are properly used and conserved. Natural resources set ceilings on economic growth, but such ceilings vary according to the technological and cultural setting of each country. Their significance is also relative to the enterprise and capital equipment of each country. No doubt, the process of economic growth in a underdeveloped country may follow a shorter route by skipping some of the intermediate stages, but it would warrant corresponding socio-political changes. The latter have so far been a bottleneck, as it is not easy to adapt existing institutions. Assuming a favourable social environment, resource development would depend upon the existence of technology, capital and labour. The resource development programme should consist of adequate market and economic research, planning, the sharing of costs and responsibili-

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HYDERABAD STATE — 69-D, Kingsway, SECUNDERABAD (Dn.)

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PUNJAB (Pakistan) — 48, The Mall, LAHORE

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ties between public and private sectors, maintenance of economic stability and a maximisation of net returns and benefits.

The capital stock of a country depends upon its rate of capital formation. The limits to capital formation are set by the potential output in the country and the proportion of it which ought to be in the form of consumption goods. Of course, the actual output may be made to approximate potential output by a correct allocation of factors of production. Any increase in the rate of capital formation should be at the cost of consumption goods, in view of the additional consumption that would be potentially available through greater investment. But, in an underdeveloped country, the high marginal propensity to consume will lead to inflation whenever investment takes place. This has to be counteracted by an increase in productivity, so that the output will increase. State action would be necessary in such countries to aid capital formation.

Table III gives comparative rates of capital formation among a few selected countries.

The state of entrepreneurial activity and technology is an essential condition for economic growth. *Entrepreneurs* perform the innovating and risk-bearing functions of the economic system. But all *entrepreneurs* may not be equally aggressive in their attempts at innovation and structural change. In underdeveloped countries, there is a great need for the innovating type of *entrepreneurs* for transforming the traditional patterns of economic organisation. The State can aid in generating such entrepreneurial talent by offering information regarding techniques, markets, etc. It can also create a favourable fiscal and monetary atmosphere for the encouragement of entrepreneurial activity. A free capital market with facilities to float securities is an essential condition of development of private enterprise. The State should also break up monopolistic organisations in the sphere of industrial finance.

Technology

In respect of technology, the need in most of the underdeveloped areas is for equipment which would be capital-saving and output-increasing. But the choice would be conditioned by the skill available in each country. However, low-skilled people can also be trained to some extent by experience if the techniques adopted are not too complicated. Thus, structural adaptations are feasible within certain limits. This also depends upon the consumption patterns in any given society. In an economy that is not fully employed, there is scope for an increase both in consumption and investment. They need not necessarily be competitive as in a fully employed economy. But the State can alter the direction of consumption expenditure through physical controls and a suitable fiscal policy. The State has an important part to play in encouraging economic growth. It should generate a creative force to harness enterprise and exploit resources, change consumption patterns wherever desirable, influence investment and direct trade. The form of government for the purpose would depend not only upon the economic circumstances but also on values other than economic.

A few economic factors determining structural adaptations of the economies of underdeveloped areas have so far been considered. But the economic principles of guiding such adaptations have to be harmonised with social conditions and ideological objectives. The latter would obviously interfere with the adoption of growth models which have proved appropriate in advanced countries having different sociological backgrounds. The economic pattern would therefore be determined not only by the inadequacy of resources but also by non-economic factors and extra-economic values obtaining in each of the underdeveloped countries. So the approach to structural adaptations should be both economic and sociological. Society is a living organism and it should be made to grow gradually with an occasional attempt at a gentle grafting of exotic elements. A mere mechanistic treatment would yield only poor results.

In adapting societies to new tasks, the basic social problem is the contact of different cultures. Economic change also involves social change through the adoption of methods foreign to an indigenous culture. Culture is the learned, socially sanctioned behaviour of a people. The values and attitudes of a culture may welcome or resist innovations. They may be resisted if they involve a reshaping of basic habits and a change in culturally prescribed motivation. In certain countries, work may follow a seasonal rhythm or it may be communally oriented. The imposition in such countries of Western methods of regular work may be resisted. Thus, technological and economic developments have to take place amidst a matrix of custom and sanctions. The success of it would depend upon a measured infiltration of structural changes and an induced cultural innovation. Even technical know-how has to be gradually created indigenously instead of foisting foreign technology indiscriminately on a country. Know-how is both a process and a performance. As a performance, it is part of a social change. Hence economic evolution should unfold itself in an atmosphere of social and psychological harmony. Economic development should be conceived as a process of evolving patterns of activity, unfolding and disappearing according to beliefs, attitudes and hopes.

Social Rights

Another non-economic factor conditioning structural adaptation is the level of social technology in each country. It is a comprehensive term, including various social rights and public institutions. For instance, civil rights, the free Press and the democratic process are some of the social rights which it indicates. Free public schools, universities and political bodies of a representative form of government are the institutional set-up under social technology. Modern methods of business management, the idea of mass markets, trade union leadership and the nature of public administration are also indicators of the level of social technology attained by a country. Social technology cannot be just transferred to an underdeveloped area from an advanced country. They should be made to grow slowly in each country working out the applications appropriate in each circumstances. The economic pattern should grow in unison with the development in social technology. With a favourable state of mind, the necessary motivation will be generated for the process of economic growth and adaptation.

India has been attempting a planned development of its economy. Structural changes are bound to occur, but they are not being deliberately made. There seems to be an awareness that the growth model for the country would be different in character from those of other countries for two important reasons. In the first place, the resources available would determine economic policy and, secondly, the ideological objectives may mark a departure from the normal course of economic growth as in other countries. The policy of encouraging and development of small-scale industries is largely accentuated by the plethora of manpower. The land reform movement and the pattern of social fabric that is envisaged thereby are the resultant of the new ideology that is being prescribed. The democratic political institutions are to be fostered while aiming at economic growth. Thus, structural adaptations are circumscribed in India by various factors. Each of them has to be reckoned with in our assessment of the potentialities of economic growth in India.—*All Rights Reserved.*

(Concluded from next column)

cent. on all sales guaranteed by the Banians.

(2) Commission of 1 per cent. on all sales of old gunnies, refractions and waste products.

The Agreement is open to inspection by any Member of the Company at the Registered Office on any working day during normal office hours.

Explanatory Statement for Item No. 6 above.—Under the provisions of Section 360 of the Companies Act, 1956, a special resolution is required to approve a contract between a Company and its Managing Agents, or an Associate of its Managing Agents, for, *inter alia*, the sale, purchase or supply of any property, movable or immovable.

For very many years, the Company has obtained its requirements of Gunny Bags from Messrs. Shaw Wallace & Co., who, as one of the leading Calcutta shippers of Gunnies, are in a position to obtain the Company's supplies for it on favourable terms. It is therefore considered that the Company will benefit by a continuance of this arrangement.

Since the Managing Agents are a Partner in the firm of Shaw Wallace & Co., the latter might be held to be an associate of the Managing Agents within the meaning of the Companies Act, 1956, and this resolution is required to regularise this arrangement and authorise its continuance.

Mr. C. I. M. Arnold, a Director, is an employee of Shaw Wallace & Co., Ltd., and is to that extent interested in the above Agreement.

Notice

THE HOOGHLY FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4 p.m., on Thursday the 30th August 1956, for the following purposes:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the half-year ended 31st December 1955.

(2) To declare a Dividend.

(3) To elect a Director.

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

(5) To consider and if thought fit to pass the following Resolution as a Special Resolution:—

"Resolved that the appointment of Messrs. Chaudri & Co., as Sole Banians of the Company on the terms and conditions set out in an Agreement dated 27th March 1945, for the period 1st January 1945 to 31st December 1959, be and is hereby approved."

(6) To consider and if thought fit to pass the following Resolution as a Special Resolution:—

"Resolved that an Agreement be entered into between the Company and Messrs. Shaw Wallace & Co. for a period of 5 years from 1st April 1956, whereby the Company will purchase from Shaw Wallace & Co. and Shaw Wallace & Co. will sell to the Company goods of the description and quantities set out hereunder at the prices hereunder described, delivery of such goods to be as mutually agreed, such Agreement not to impose any obligation upon either Shaw Wallace & Co. or the Company for the former to sell or the latter to purchase more than the maximum quantities as specified below, but all purchases of goods in excess of such maximum quantities hereunder specified shall be purchased and sold under and in pursuance of the terms of the Agreement above referred to."

Description of Goods.	*Maximum Quantity.*	*Price.*
New Gunny Bags	3,00,000 per annum	Market price prevailing at dates of orders.

The Transfer Register will be closed from the 23rd August 1956 to 30th August 1956, both days inclusive.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a Shareholder of the Company. If it is desired to use a Proxy, the same should be completed in the manner described by Section 176 (5) of the Companies' Act, 1956, and delivered at the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

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

CALCUTTA, *25th July* 1956.

Explanatory Statement for Item No. 5 above.—Under the provisions of Section 294 of the Companies Act, 1956, the appointment of Sole Selling Agents prior to the 15th February 1955, requires to be confirmed by the Members in General Meeting.

Chaudri & Co. have been actively associated with the Company since its inception and the prosperity of the Company is in no small measure due to their industry, energy and foresight. They have acted as Sole Banians for the Company for very many years and an Agreement, officially appointing them as such for 15 years as and from the 1st January 1945, was entered into on the 27th March 1945. The remuneration currently payable to the Sole Banians under this Agreement is as follows:—

(1) Commission of ½ per cent. on all sales of Wheat Products with an additional ½ per

(Continued in previous column)

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Kancheepuram (Chingleput District).

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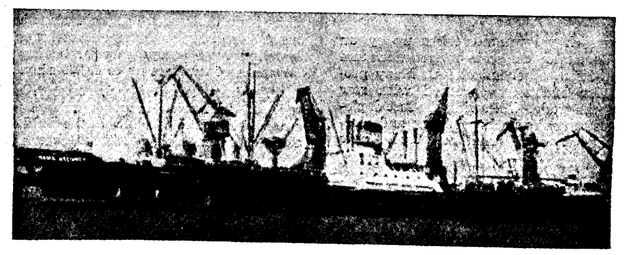

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INDUSTRIAL RESEARCH IN BRITAIN

IMPORTANCE ATTACHED TO IT GROWING

AN aptitude for scientific research is a prerequisite for economic progress. Its *raison d'etre* is to be found in the compelling need for a more efficient machine, better and cheaper product, and more economical use of the materials, in a world of ever-sharpening competition. Indeed, the need is more than imperative in certain countries than in others, and, as the neatly brought out booklet, namely, "Combining for Research," of the Department of Scientific and Industrial Research of Great Britain points out, "the importance of applying scientific knowledge and method in British industry has never been greater than it is today." In Great Britain there are now more than 40 Research Associations, with an annual income of as much as £4.7 million, catering to the needs of industries as diverse as marine turbines, cotton, printing and welding.

A research association is brought into existence by a group of firms to study the scientific and technical problems common to them and to suggest methods for improvement. Though it receives subscriptions from the firms, it has a separate entity as a scientific centre and a number of such associations receives grants from the Government also. The membership of the Association is generally confined to the British-controlled firms doing business in the U.K. Foreign-controlled firms are, however, admitted as associate members, if they are engaged in manufacture in the U.K. The affairs of a research body are managed by a Council elected by the member-firms and composed mainly of the leaders of industry. The Government may, however, nominate its own representatives on the Council if the association in question receives Government grants. A noteworthy feature of research in Britain is the initiative taken by the industries themselves. This is evident from the fact that the major portion of the revenue of research associations comes from them. Thus, in 1954, out of the total income of £4.7 million, grants from the Government aggregated only £1.3 million. In fact, there are several research bodies which are financed solely by member-industries.

Scope

The research programmes taken up by an association depend on the scale of operations and the needs of its member-industries. Many problems are, for instance, concerned with raw materials of the trade. Following the fast depletion of the traditional sources of supply, and ever-changing pattern of international trade, new materials, with characteristics and chemical combinations previously unknown, are being brought into use. Naturally, new processing techniques have to be developed to replace the old, as, for example, in the case of iron ore from the West African mines, which requires to be treated before it can be charged to the blast furnace. In the same way, the development of magnesia bricks for open hearth furnace roofs has greatly improved the efficiency of the production of steel. When nickel-plating ran short, to cite another function, the research association explored ways of achieving thinner coatings without impairing performance.

Realm of Processes

In the realm of processes, again, as the brochure of the D.S.I.R. observes, "there is an almost unlimited field work of immediate practical value." A modest but noteworthy development is the production of a new sensitising solution for use when making lithographic plates by the Printing and Packing Research Association. Improved methods for process control and better methods of analysis for laboratory use are also devised, while new machines for carrying out more economically conventional processes—treating the warp threads with starch in the production of textiles, for instance—have been developed. An interesting result of the Paper Research Association's work is the answer to the problems of industrial affluents. It has shown to a member-firm how to recover four tons of paper-making materials a day from its affluent.

Designing new types of equipment is also the function of certain research associations. A new type of open fire can be fitted in domestic fireplaces which burns solid fuels more efficiently, improves the convective warming of the room, and reduces the heat lost in draughts up the chimney. A Cast Iron Research Association has produced modular cast iron which has exceptional mechanical properties and can replace steel in certain applications. The study of certain problems cannot, however, be done with laboratory-scale plant. It demands large-scale equipment. Even so, certain associations like the textile associations have their own full-scale plant and equipment. The Marine Turbine Association, too, has installed huge equipments for testing the performance of turbines up to 60,000 s.h.p.

The importance of basic research in the context of industrial research cannot be over-emphasised. The brochure of the D.S.I.R. rightly comments that no scientific work can progress without probing into basic physical, chemical or biological behaviour," and goes on to add that "it is, indeed, from these deeper sources that all technical activities are fertilised and nourished." Appropriate scientific equipment and constant contact among the best brains in the research fields are the prerequisites that advance the cause of fundamental research. Although the beneficial results of this long-drawn-out research are felt after prolonged investigation, a significant example is the researches conducted into the structure of wool fibre. A new process—called the technique of Partition Chromatography—was introduced, based on the investigations of the Wool Research Association. For the development of this new technique, as it was applied to the separation of the chemical constituents of the wool fibre, Dr. A. J. P. Martin and Dr. R. L. H. Sygne were jointly awarded the Nobel Prize for Chemistry in 1952.

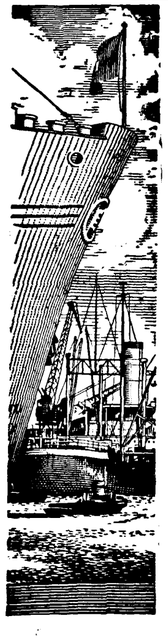
Bearing on Community

Discussing the bearing of researches on the community through industrial operations, the brochure remarks: "The importance of this relationship between research and the people ultimately affected by it is becoming more widely recognised, as is the capacity of research to improve working conditions and to deal with problems affecting the community." It is heartening to note that several research associations are working in this direction, chief among them being related to cast iron, steel casting, shipbuilding and internal combustion. In this context may be viewed the importance of the deliberations of the Duke of Edinburgh's Study Conference on Human Problems in Industry held recently at Oxford.

The worth of the research associations cannot be exaggerated. In the words of the brochure, the "investment in brains is a business proposition likely to yield exceptional dividends," and "their work will repay many times the money invested by the subscribing members." Although a chain of research laboratories are functioning in India to help industrial progress, industries themselves will do well to emulate the example of British industry in order to improve their competitive position in world trade.

TARPAULINS FROM FLAX

One of the problems of making tarpaulins for road transport is the weight of the finished product. If the cloth is not heavy enough, its performance as a waterproof cover is inadequate. By modifying the weave, a new type of flax cloth which is different from the traditional canvas construction, has been produced by Francis Webster and Sons, of Arbroath. Specially designed for road transport the new cloth is claimed to give greater flexibility and better waterproofing for less weight. Because it is lighter and more pliable it gives less trouble to lorry drivers. Another advantage claimed is that it has great resistance to abrasion and tearing.



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PROBLEMS OF INDUSTRIALISATION IN BACKWARD AREAS

MR. J. R. D. TATA STRESSES NEED FOR BALANCED ECONOMY

THE view that industrialisation of the underdeveloped areas of the world is, perhaps, the most formidable task confronting mankind today and one that offers "greater potential rewards for humanity as a whole," was expressed by Mr. J. R. D. Tata in the course of a thought-provoking address entitled, "Industrialisation of a Predominantly Rural Society" at the Duke of Edinburgh's Study Conference at Oxford on 26th July. Emphasising that the process of industrialisation to which millions in Asia look up for deliverance from age-old poverty and misery was well under way in India and over a large part of Asia, he said that a decisive factor making for "the survival and continued progress of the democratic way of life" in Asia would be the measure of success achieved by India in building the prosperity of its people in the years ahead.

Mr. Tata put the whole problem in an entirely new perspective when he pointed out that industrialisation in India was in the nature of a revival, for India had been one of the most advanced countries in the world in the fields of metallurgy, textiles, dyes and drugs up to the end of the seventeenth century. But he did not ignore the fact that there were several initial problems of industrialisation in India. To a certain extent, these problems, he said, had been successfully tackled. In this connection, he shared with the audience the results of social surveys at the steel city of Jamshedpur, the chemical township of Mithapur and Tatapuram. It is interesting as well as instructive to note that these surveys have revealed an improvement in the position of women, loosening of family ties, weakening of caste barriers and increase in literacy and leisure pursuits. Further, the impact of the new townships on the surrounding countryside has also been great in the shape of opportunities for employment, markets for village products and, above all, fuller social and cultural life.

Proceeding, Mr. Tata observed that India was, perhaps, the only country in the world, where the issue of whether or not to adopt large-scale industrialisation to achieve the goal of happiness of the greatest number of people was still discussed. This is a distinction of which this country need not be proud. For the assumptions on which the wisdom of large-scale industrialisation is questioned are clearly wrong. Mr. Tata did well, therefore, to discuss the validity of these assumptions. He said that a certain school of thought in India had fears about the efficacy and suitability of industrialisation as a solution to the problem of raising living standards. One wrong assumption of this school, as Mr. Tata said, is that large-scale industrialisation would result in deterioration of the condition in the villages. This is clearly incorrect, because a country like India would continue to remain largely agricultural in character for some generations to come, however fast may be the tempo of industrial development. Again, the assumption that the masses of the people would willingly forgo the material benefits of industrialisation is not true, for the simple reason that the awareness of better living standards elsewhere would make them more and more impatient at their present plight. Further, a reasonable degree of rural prosperity is impossible without an aggregate industrial establishment of considerable magnitude to support it. In the ultimate analysis, the prosperity of the people could only be achieved on the basis of a balanced economy in which agriculture, industry and services contributed their appropriate share to the total wealth produced.

Turning to the problem of human relations in underdeveloped areas, the Indian industrialist emphasised three important considerations. In the first place, the basic material needs of workers must be provided. Secondly, means should be made available for satisfying their more intangible but equally strong human desire for self-expression and fulfilment of other urges of group life. Thirdly, efforts must be made to remove the causes of unhappiness of those recently transplanted from the villages, for whom the stress of transition is more than for those already accustomed to city life. Mr. Tata made a significant contribution to the conference when he suggested that, "in order to ensure the fulfilment of individual and collective life within the industrial society, an effort must be made to render it possible for industry to be not only a source of employment but also a way of life." In this context, he stressed the importance of the concept of the autonomous plant community. He said that the members of the plant community should be given some say and freedom to participate in the management affairs of the community, thus providing a purposeful extension of the democratic principle. He firmly maintained, however, that the management's duty was to manage. Nevertheless, it was necessary "to be clear about what management is to manage." And the functions of management were neither stereotyped nor static. Indeed, he felt that, where social organisation of the society within the factory did not affect the efficient performance of the enterprise, the assumption of exclusive responsibility by management appeared to him to be unnecessary and a source of irritation and resentment. Apprising the conference about the steps being taken in India to bring about closer association of the workers with the management of industry, he stressed that the experiments in Co-determination in West Germany and with the concept of Workers' Management in Yugoslavia were being followed with interest in India.

Dwelling farther on the problems of management, he hailed the methods followed by the Indian Armed Forces in respect of selection, training and the management of men as of outstanding importance as a piece of social engineering. He, however, hastened to add that he did not mean that military regimentation should be applied to industry. Only, he felt that leadership, stress on human relations and concern for the men's well-being, which formed part of the officer's duty in the Indian Army, were worthy of emulation.

In conclusion, Mr. Tata emphasised that the ideas expressed by him on industrialisation in underdeveloped areas should be taken as being applicable through democratic means as was being done in his own country. Expressing his firm hope that the Indian transition would be all the easier and happier for its being achieved by free men in a free society, he warned that failure of India in its endeavours, in the face of China's success through different methods, to raise the standards of living of the people, would lead to frustration in the underdeveloped areas and, consequently, "the cause of human freedom will have suffered a grievous setback." In this context, he stressed that the challenge which the hovels of Asia and Africa presented was a real and immediate one. If the industrialised areas of the world realised the importance of this challenge and made available what they possessed, namely, technology and capital, to the backward areas, it would be possible, as Mr. Tata himself averred, to usher in, in the foreseeable future, an era of abundance and material well-being for all countries of the world.

MANUFACTURE OF BRISTLE FIBRE

An official delegation, sponsored by the Coir Board, to study the possibilities of starting the manufacture of bristle fibre in India, will tour the coconut-growing States in the country. The delegation, headed by Mr. P. K. Dewar and consisting of seven members proposes to visit Ceylon where large-scale manufacture of mattresses and bristle fibre is being carried on for a considerable time now.

At present, there are a few small-scale units manufacturing mattresses and bristle fibre in the coconut-growing States of Andhra, Orissa, Travancore-Cochin, etc. The methods adopted are on conservative lines and as such have not proved economical. Besides, a large quantity of coconut husks from which mattress and bristle fibre can be extracted is either allowed to go waste or used as fuel, while India is importing this commodity, particularly from Ceylon, for its requirements. The main reason for this is stated to be the lack of retting facilities in most of the coconut-growing States. During 1955-56, India imported 335 cwts. of bristles and fibre for brushes and brooms valued at Rs. 1.92 lakhs, as against 90 cwts. worth Rs. 76,256 in the preceding year. Again, because the country has not developed a highly organised bristle and mattress fibre, it is dependent on foreign supplies of brooms and brushes such as paint, varnish, toilet and other brushes. During 1955-56, imports of these brushes and brooms aggregated 211,878 dozens, valued at Rs. 13,56,683, as against 236,721 dozens worth Rs. 12,86,619 in the preceding year. These imports could be avoided if only the fibrous wealth of the country is exploited on scientific lines. Consequently, the Coir Board's move to investigate the position of these fibres in the country in order to establish an industry, is undoubtedly a timely and useful step. It is to be hoped that both the Central and the State Governments concerned will lend their unstinted support to the Board in this venture.

The O.E.E.C. countries have agreed to extend the period till the end of 1957 applicable to the 90 per cent. trade liberalisation target fixed by them in 1955, according to Mr. Macmillan, the British Chancellor of the Exchequer. They further agreed to study the plan of the Messina group of countries to set up among themselves a common market in the form of a customs union, and its relation to the other members of O.E.E.C. A Study Group will examine, among other things, the possibility of creating a free trade area to include the proposed customs union and the other members of the O.E.E.C. The Chancellor further stated that a further study of the possibility of reducing tariffs on a range of goods called "European commodities" would be undertaken. Mr. Macmillan declared, however, that, if the proposed Study Group failed to offer substantial progress, the European commodities plan would be completed without delay in order that it might be considered and, if acceptable, put into operation by 1st January 1958.

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CALICO MILLS' PROFIT SHOOTS UP

DIVIDEND RAISED—BONUS SHARES ISSUED

THE general prosperity of cotton textile mills in India during 1955 is fully reflected in the audited accounts of the Ahmedabad Manufacturing and Calico Printing Company, Ltd., familiarly known as Calico Mills (Managing Agents: Messrs. Karamchand Premchand Ltd., Ahmedabad) for the 15 months ended 31st March 1956. The Company's accounting year-end has been changed from December to March, so as to coincide with the financial year-end. Though the results for the 15 months under review are, accordingly, not strictly comparable with those for the previous years, they do indicate a highly encouraging performance. Thus, the gross profit amounts to no less than Rs. 171.35 lakhs, which is more than double that earned in 1954. In fact, it is proportionately higher than that earned in any of the previous years since 1943.

The net profit, at Rs. 83.82 lakhs, also compares very favourably with that of Rs. 14.12 lakhs for 1954. The Directors have added Rs. 10 lakhs to the general reserve and Rs. 21.35 lakhs to the rehabilitation and development reserve out of the profit for the period under review, besides transferring to the latter reserve the surplus of Rs. 8.06 lakhs brought in from the previous year. They have also set aside Rs. 18.50 lakhs as provision for contingencies. In the previous year, except for a small sum of Rs. 25,000 added to the contingency reserve, none of the reserves had received anything. The dividend on ordinary shares has also been stepped up to 19.1/5 per cent. per annum, after having been maintained at 14.2/5 per cent. for the previous four years.

The following comparative table discloses the progress in the Company's working since 1952:

(In lakhs of rupees)

	For the 15 mths. ended 31-3-56	For the year ended 31-12-54	31-12-53	31-12-52
Sale proceeds (gross)	444.30	648.21	624.20	638.07
Raw materials consumed	382.95	290.33	262.80	323.94
Other expenses	363.85	276.65	270.87	252.84
Gross profit	171.35	81.50	90.75	61.80
Managing Agents' commission.	27.38	21.58	19.61	16.50
Provision for—				
Depreciation	23.15	35.00	35.00	26.00
Taxation	37.00	11.00	15.00	..
Net profit	83.82	14.12	21.14	19.30
To reserves	57.91	0.25	0.50	..
,, bonus to employees ..	..	7.94	2.06	..
Dividends—				
Preference	1.65	1.32	1.32	1.32†
Ordinary	30.00 (19 1/5 % p.a.)	18.00 (14 2/5 %)	18.00 (14 2/5 %)	18.00† (14 2/5 %)
Carry forward	2.32	8.06	21.45	22.19

† Dividends paid out of dividend fund (Rs. 10 lakhs) and reserve fund (Rs. 9.32 lakhs).

The increase in sale proceeds, cost of raw materials consumed and other expenses all indicate a substantial expansion in production and turnover. The management took several steps not only to improve productivity but also to have better control on costs. Distribution of cloth was also reorganised. Referring to these, the Directors observe in their latest report:

"In order to obtain higher productivity from capital investment, third-shift working was introduced by stages in all manufacturing departments and all units are now working three shifts. A reorganisation of the management structure was begun with the object of improving lines of communication and effecting the appropriate delegation of authority and responsibility to all levels. Changes in working methods introduced by agreement with workers have resulted in improved quality and lower costs for the Company, and better wages for the workers concerned. The engagement of the Tavistock Institute of Human Relations (a non-profit research organisation of London) as consultants to the Company has greatly helped in the formulation and implementation of these changes. A fully integrated system of accounting, costing and budgetary control was introduced during the period to assist management in better planning and cost control. The cloth distribution system was reorganised in May 1955. Instead of selling cloth to a few wholesale merchants who, in turn, sold cloth to smaller merchants throughout India, the Company now sells directly to over 3,000 merchants in all States through indenting agents. The new scheme entails the Company holding larger stocks of cloth in Ahmedabad, as well as in important centres in other States, to enable the Company to satisfy the spot demand of small merchants in upcountry centres. It is progressively resulting in a wider coverage of the market and steadier flow of cloth throughout India. All Calico fabrics are now sold under the registered trade name 'Calicloth.'"

The Company, it may be remembered, has also a chemical division, manufacturing caustic soda, liquid chlorine, calcium and sodium hydrochlorides and hydrochloric acid. The working of this division during the year was satisfactory. The Company has purchased land near the petroleum refineries at Trombay for the new caustic soda and chlorine factory in Bombay. Orders for plant and equipment have already been placed and, subject to building materials being made available in time, the factory is expected to commence operation by the middle of 1957.

The Company's proposal to issue bonus shares in the ratio of one ordinary share for every ten ordinary shares, by capitalising Rs. 12.50 lakhs out of the general reserve, was sanctioned by the Government of India and approved by the shareholders towards the close of March 1956. The bonus shares do not rank for dividend for the period ended 31st March 1956. Following the aforesaid capitalisation, the paid-up capital stands raised from Rs. 154.33 lakhs to Rs. 166.83 lakhs, of which preference capital represents Rs. 29.33 lakhs. The reserves and surplus amount to Rs. 338.08 lakhs. The gross block of the value of Rs. 461.25 lakhs stands written down to Rs. 222.57 lakhs. The current assets aggregate Rs. 432.50 lakhs, as against which the current liabilities and provision for taxation amount to no more than Rs. 150.16 lakhs.

The Rs. 125 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 581 *cum-div.* (final dividend Rs. 12 per share). On an *ex-div.* basis, the yield works out to 4.2 per cent. per annum.

INDIAN STEEL ROLLING MILLS

A welcome improvement is disclosed in the financial results of the Indian Steel Rolling Mills Ltd. (Chairman, Board of Directors: Mr. C. R. Srinivasan) for the year ended 31st December 1955. Thanks to the higher production of and heavy demand for the Company's products, the gross profit, which had successively dwindled from Rs. 6.21 lakhs for 1952 to Rs. 2.87 lakhs in 1954, has risen to Rs. 3.43 lakhs for the year under review. The provision for depreciation has been reduced from Rs. 46,889 to Rs. 43,544, while that for taxation has been raised from Rs. 90,000 to Rs. 1,20,000. The net profit of Rs. 1.79 lakhs, compares well with that of Rs. 1.50 lakhs for 1954.

The dividend is being maintained for the third year in succession at 7½ per cent., to which level it had been reduced from 10 per cent. per annum for the three years 1950, 1951 and 1952. It may be noted here that the Company declared its maiden dividend in 1950, that is, after a long interval of 16 years. The aforesaid dividend of 7½ per cent. is being paid only after setting aside Rs. 32,500, as in the previous year, to repairs and renewals reserve. After paying the preference dividend, a sum of Rs. 1.04 lakhs is being carried forward.

The demand for the Company's bars and rods continued to be heavy during the year. There was no restriction on power supply. The production of bars and rods rose from 9,096 tons to 13,598 tons, while that of hoops declined from 1,833 tons to 815 tons. The Company's mills could not be put on two-shift operation, as was hoped for provided larger quantities of billets were allocated. Only during the current year have large quantities of imported billets been allotted and it is expected that the mills will be on two shifts shortly.

Towards the close of the year under review, orders were finalised for purchasing various machinery to manufacture wires and wire products. It is expected that all the equipment will be received before the end of the year and production will commence in 1957. In order to finance partly the expansion programme, the Company issued 50,000 ordinary shares of Rs. 10 each at par towards the end of 1955. The issue was oversubscribed, and the paid-up ordinary capital rose from Rs. 13.88 lakhs to Rs. 18.88 lakhs. The Company requires further finance to carry out its expansion programme. The Directors feel that this can be met from either borrowed capital or by issue of new shares at a later date. The Company has obtained permission from the Government to issue further share capital to the extent of Rs. 5 lakhs. Negotiations are also in progress with the Tata Iron and Steel Company, Ltd., for a debenture loan of Rs. 5 lakhs. It may incidentally be noted that the Company and the Tata Iron and Steel Company entered into an agreement in April 1940, by virtue of which the latter, as contractors, is working the former's factory on a profit-sharing basis and is also providing the necessary billets for rolling. The agreement was renewed in April 1946 for a period of 15 years.

The following synopsis of the Company's latest balance-sheet shows its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ...	23,82,682	Gross block	20,18,037
Reserves and surplus ...	3,34,196	*Less*—Depreciation ...	12,47,756
Provision for taxation ...	1,33,969	Net block	7,70,281
Liabilities ...	3,53,488	Stores and spares ...	3,137
		Debts, deposits and advances ...	18,07,735
		Cash ...	6,23,182
Rs.	32,04,335	Rs.	32,04,335

The Rs. 10 fully paid-up ordinary shares are being quoted on the Madras Stock Exchange at Rs. 14-13 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 5.3 per cent. per annum, free of income-tax.

PODAR MILLS' PROFIT SHRINKS

DISTRIBUTION TO SHAREHOLDERS, HOWEVER, HIGHER

A MILD setback in earnings is disclosed by the audited accounts of the Podar Mills Ltd. (Managing Agents: Messrs. Podar Sons Private Ltd., Bombay) for the year ended 31st December 1955. The gross profit, for instance, has dropped from Rs. 13.83 lakhs to Rs. 12.09 lakhs, thus maintaining the downward trend for the third year in succession. It is, however, comforting to note that the recession (Rs. 1.74 lakhs) is not as sharp as Rs. 5.83 lakhs suffered in the previous year. It may incidentally be noted that the profit for 1955 is the lowest since the year ended 30th September 1941. (The accounting year-end was changed in 1947 from September to December.) The net profit, at Rs. 5.99 lakhs, is also a shade lower than that of Rs. 6.54 lakhs for 1954, to which level it had successively declined from Rs. 10.93 lakhs earned in 1951.

After providing Rs. 1.10 lakhs for Managing Agents' commission (as against Rs. 1.29 lakhs in the previous year), the Directors have reduced the provision for taxation from Rs. 5.50 lakhs to Rs. 5 lakhs, in consonance with the decline in profit. No provision for depreciation has been made, for which purpose a sum of Rs. 50,000 was set aside a year ago, because the Directors feel that sufficient provision had been made in previous years. Whereas a sum of Rs. 1 lakh had been added to the rehabilitation reserve and Rs. 99,725 to the contingency reserve out of the 1954 profit, no credit to any of the reserves has been made from the profit for 1955. The distribution to shareholders has, on the other hand, been raised from 10 per cent. per annum paid for the previous four years to 12 per cent. per annum, by declaring a special bonus of 2 per cent. This is the highest distribution to be made on the present capital raised in 1947 from Rs. 30 lakhs to Rs. 50 lakhs.

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

(In lakhs of rupees)

	For the year ended 31st December 1955	1954	1953	1952
Sale proceeds (net)	153.21	160.49	154.99	146.65
Other income	1.59	1.70	1.58	2.32
Cotton consumed	83.02	92.39	84.47	78.26
Expenses	59.69	54.27	52.31	47.01
Loss on shares	..	..	0.14	1.06
Gross profit	12.09	13.83	19.66	21.90
Managing Agents' commission.	1.10	1.29	1.89	2.09
Provision for—				
Depreciation	..	0.50	1.00	1.00
Taxation	5.00	5.50	8.00	9.00
Net profit	5.99	6.54	8.77	9.81
To reserves	..	2.00	2.63	5.51
Dividends—				
4 per cent. preference	0.40	0.40	0.40	0.40
Ordinary	4.80 (D.10% +Bs.2%)	4.00 (D.10%)	4.00 (D.10%)	4.00 (D.10%)
Carry forward	3.93	3.14	2.99	1.25

It will be noted from the above table that there has been a decline in the Company's turnover. The drop of Rs. 7.28 lakhs in sale proceeds is accompanied by a fall of Rs. 9.37 lakhs in the cost of cotton consumed. This would have, in normal course, brought about an increase in profit, if other expenses had been maintained at the previous year's level; but expenses have recorded a rise of Rs. 5.42 lakhs, thus keeping up the mounting level for the fifth year in succession. The expenses for the year under review include a sum of Rs. 7.68 lakhs, being the bonus provision for 1954 (Rs. 3.75 lakhs) and 1955 (Rs. 3.93 lakhs) and of Rs. 60,753, being the shortfall in the provision made for 1952 and 1953.

The Company's latest balance-sheet shows a quite satisfactory financial position. The paid-up capital is unchanged at Rs. 50 lakhs, made up of 40,000 ordinary shares of Rs. 100 each and 10,000 4 per cent. (tax-free) cumulative preference shares of Rs. 100 each. Of the ordinary capital, Rs. 20 lakhs represent the capitalisation of reserves in 1947. The entire preference capital has been raised by capitalisation of the reserves, once in 1943 and again in 1944. Even after the capitalisation of such a large sum, the reserves and surplus aggregate Rs. 49.57 lakhs. The gross block of the value of Rs. 39.55 lakhs stands written down to Rs. 16.55 lakhs. The current assets amount to Rs. 148 lakhs, of which cash balances alone, accounting for Rs. 72.28 lakhs, more than adequately cover the current liabilities and the provision for taxation aggregating Rs. 64.98 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 187-8 *cum-div.* (final Rs. 7 per share). On an *ex-div.* basis, the yield on the shares works out to 6.6 per cent. per annum, free of income-tax.

Points From The Chair

Shortage of Steel in India

"THERE is today a serious shortage of steel which is not limited only to indigenous supplies, and full requirements of this commodity for industry cannot be expected to be obtained from Government-owned units before at least 1959-60. The success of the Second Five-year Plan, and, therefore, the success of our part in it, must depend, to a large extent, on imports of steel and machinery, of which little surplus of the former is available even from the Continent, and although we have sufficient steel in our own limited stocks to fabricate and erect the two small boat-building sheds for the first phase of our Bhavnagar Project, it would indeed have unfortunate results on this venture if, thereafter, we had to sit idle waiting for the steel with which to build the barges, even though this is a Government job, to be built with steel from Government quotas. Similarly, although we plan to start the fabrication and erection of our new structural shop during the early part of next year, there is no guarantee that the schedule of our whole scheme might not have to be postponed if we are unable to procure the necessary steel for which we have already placed our orders with Government."

W. A. WILES,
Alcock, Ashdown & Co., Ltd.

Violent Fluctuations in Tea Prices

"Many explanations have been offered to account for the rise and the fall of prices, none of which can be accepted with confidence. The world tea market is an extremely complex affair. Many countries are involved in the production and consumption of tea. All that can be said with any certainty is that no responsibility for the severe price fluctuations rests upon the producer, who, in the short term, can do nothing to influence the price of tea. Price is determined by the laws of supply and demand, and psychology enters largely into the picture. The most experienced buyers may easily form erroneous conclusions. There appears no doubt that at one period buyers throughout the world failed to have cognisance of the extent to which stocks were building up in the thousands of retail establishments and when the position was realised, the fall in price as is often the case in similar circumstances, was overdone. It is, however, somewhat of a shock to see such a disparity between the years 1954 and 1955, although the 1955 figure in itself does not compare unfavourably with past years. I think we have to accept 1954 as a phenomenal year, and leave it at that. As a matter of fact, it is not a condition which we would wish to be repeated. Such violent price fluctuations are disturbing. They are not beneficial to the industry, and create all sorts of difficulties."

SIR THEODORE G. CHAMBERS,
Peacock and Nilambe (Ceylon) Tea & Rubber Estates Ltd.

Position of the U.K. in Export Markets

"Our greatest competitors in the export market *today* are the United States, Western Germany and Japan. Probably, Western Germany is the best country to take as an example of what we are up against. Before the war Britain and Germany each had roughly a 20 per cent. share in the world's exports of manufactured goods. In 1951 the U.K.'s share of world trade was 22 per cent. and Germany had built up her share to 10 per cent. In the years 1952 and 1953 our exports declined and there is little doubt that the decline was due in considerable measure to the increasing competition of Western Germany. In 1955—which was a good export year—our position showed no signs of improvement. The U.K. share of world trade had declined to 20 per cent. and Germany's share had expanded to 15 per cent. In Germany, retail prices rose much less during 1955 than they did in Britain and Germany's industrial production went up 17 per cent., as against 6 per cent. in the U.K. Whilst I have taken Germany as an example, we are, of course, also faced with the competition of the United States and Japan in world markets. The position in 1955 in these countries was much the same as in Germany. In both, production rose to a greater extent than in Britain. Retail prices remained static in U.S.A. and fell by one per cent. in Japan, against a rise of 4 per cent. in this country. In so far as figures for 1956 are available, they indicate a continuance of this trend. The broad picture is shown by the fact that in 1955 our exports went up by some 7 per cent., those of the United States by about 9 per cent., those of Germany by about 17 per cent. and those of Japan by about 27 per cent. In face of these facts is it possible to escape the conclusion that our position in the export market of the world is being progressively undermined?"

VISCOUNT BRUCE OF MELBOURNE,
Finance Corporation for Industry Ltd.

International Tin Agreement

"In my opinion, the International Tin Agreement should achieve the desired objective of reasonable price stability and ordered absorption of the world surplus of tin when the Texas City *Smelter* ceases its operations. The Council decided that the initial contributions to the buffer stock should become due on 15th September 1956. The Agreement provides that not more than 75 per cent. of any such contribution shall be in tin metal, and the balance shall be in cash; alternatively, the whole contribution may be made in cash. The Council announced that producing countries had indicated their intention of making these contributions mainly in cash."

CLIFFORD WAITE,
Consolidated Tin Smelters Ltd.

COMPANY MEETINGS AND DIVIDENDS

NEW BANSDEOPUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 10th August 1956. Transfer books remain closed from 3rd to 10th August 1956, both days inclusive.

JOST'S ENGINEERING CO., LTD. Annual General Meeting, Bombay, 13th August 1956. Dividend: Rs. 4 per share. Transfer books remain closed from 1st to 13th August 1956, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. (And Reduced). Annual General Meeting, Alleppey, 13th August 1956. Dividend: Rs. 2 per ordinary share. Transfer books will remain closed from 7th to 13th August 1956, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 14th August 1956. Dividend: Rs. 7 per share (final), payable on 16th August 1956. Transfer books remain closed from 24th July to 14th August 1956, both days inclusive.

TATA OIL MILLS CO., LTD. Annual General Meeting, Bombay, 14th August 1956. Dividend: Rs. 3 per share. Transfer books remain closed from 18th July to 10th August 1956, both days inclusive.

BENGAL CHEMICAL AND PHARMACEUTICAL WORKS LTD. Annual General Meeting, Calcutta, 14th August 1956. Dividend: Rs. 6 per ordinary share. Transfer books remain closed from 28th July to 14th August 1956, both days inclusive.

INDIAN MALLEABLE CASTINGS LTD. Annual General Meeting, Calcutta, 16th August 1956. Dividend: As. 6-2/3 per ordinary share and As. 2 per deferred share. Transfer books will remain closed from 6th to 16th August 1956, both days inclusive.

MYSORE STONEWARE PIPES AND POTTERIES LTD. Annual General Meeting, Bangalore City, 16th August 1956. Dividend: Re. 1 per share (includes bonus of As. 4 per share). Transfer books will remain closed from 3rd to 16th August 1956, both days inclusive.

REWA COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 20th August 1956. Transfer books will remain closed from 13th to 20th August 1956, both days inclusive.

BALMER LAWRIE AND CO., LTD. Annual General Meeting, Calcutta, 20th August 1956. Dividend: Rs. 10 per share (final). Transfer books will remain closed from 6th to 20th August 1956, both days inclusive.

BIRLA JUTE MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 22nd August 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 13th to 22nd August 1956, both days inclusive.

APOLLO MILLS LTD. Annual General Meeting, Bombay, 23rd August 1956. Dividend: As. 3 per share. Transfer books will remain closed from 6th to 25th August 1956, both days inclusive.

UDAYAGIRI RUBBER CO., LTD. Annual General Meeting, Kottayam, 25th August 1956. Dividend: As. 9-3/5 per share. Transfer books will remain closed from 14th to 25th August 1956, both days inclusive.

NENMENY RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, 25th August 1956. Dividend: Re. 1-8 per share. Transfer books will remain closed from 14th to 25th August 1956, both days inclusive.

AHMEDABAD MANUFACTURING AND CALICO PRINTING CO., LTD. Annual General Meeting, Ahmedabad, 27th August 1956. Dividend: Rs. 30 per share (includes two interim dividends of Rs. 8 and Rs. 10 per share) for 15 months ended 31st March 1956. Transfer books will remain closed from 15th to 29th August 1956, both days inclusive.

ALLIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 28th August 1956. Transfer books will remain closed from 6th to 28th August 1956, both days inclusive.

TATA IRON AND STEEL CO., LTD. Annual General Meeting, Bombay, 30th August 1956. Dividend: Rs. 10-8 per ordinary share.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tennur, Tiruchirapalli, 31st August 1956. Dividend: As. 8-2/5 per ordinary share (final). Transfer books will remain closed from 7th to 31st August 1956, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Annual General Meeting, Mettur Dam R.S., 3rd September 1956. Dividend: As. 7 per ordinary share (final). Transfer books will remain closed from 20th August to 3rd September 1956, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION, LTD. Interim dividend of Rs. 225 per original share of Rs. 2,500 each; Rs. 11-4 per share on shares of Rs. 125 each and Rs. 4-8 per share on shares of Rs. 50 paid up, for the year ended 31st May 1956, payable on 3rd September 1956. Transfer books will remain closed from 18th to 31st August 1956, both days inclusive.

BADRA COFFEE ESTATES LTD. Dividend of As. 4-4/5 per ordinary share, for the year ended 31st May 1956. Transfer books will remain closed from 20th to 25th August 1956, both days inclusive.

KADUR COFFEE ESTATES LTD. Dividend of As. 2-2/5 per ordinary share, for the year ended 31st May 1956. Transfer books will remain closed from 20th to 25th August 1956, both days inclusive.

PREMIER MILLS (C.B.E.) LTD. Dividend of Rs. 15 per ordinary share, for the year ended 31st March 1956. Transfer books remain closed from 4th to 18th August 1956, both days inclusive.

DESHERGARH POWER SUPPLY CO., LTD. Dividend of As. 6 per ordinary share, for the year ended 31st March 1956.

NEW DOOARS TEA CO., LTD. Dividend of Rs. 25 per ordinary share, for the year ended 31st December 1955.

Notice

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Twenty-second Annual General Meeting of the Shareholders of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Tuesday the 28th August 1956, at 3 p.m., for the following purposes:—

(1) To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the half-year ended 31st December 1955.

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

(3) To appoint a Director in place of Mr. H. J. Silverston who retires by rotation, but who is eligible for reappointment.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution.

"That Mr. H. J. Silverston, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, who retires by rotation, be and is hereby reappointed a Director of the Company."

(4) To consider, and if thought fit, to pass the following Ordinary Resolution pursuant to Section 293 (1) (*d*) of the Companies Act, 1956, the relative explanatory statement, as required by Section 173 of the said Act, being annexed hereto:—

"That the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

(5) To appoint Auditors for the year 1956 and to fix their remuneration.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

The Share Transfer Books of the Company will be closed from 6th August 1956 to 28th August 1956, both days inclusive.

By Order of the Board.
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *26th July* 1956.

Note.—Payment of the proposed dividend, if declared, will be made on or after 28th August 1956, only to those members whose names are registered in the Books of the Company on the 28th August 1956, or to their Mandatees.

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

EXPLANATORY STATEMENTS

1. In the Special Notice given to the Company of the resolution under item No. 3 of the above Notice, it has been pointed out that Mr. H. J. Silverston is an Associate of the Managing Agents and, in view thereof, it will be necessary for the Shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to reappoint him as a Director of the Company.

2. The resolution under item No. 4 of the above Notice is intended to provide the Board of Directors with the necessary authority to enable them to borrow moneys from time to time for the Company's business in excess of the paid-up capital of the Company and its free reserves pursuant to Section 293 (1) (d) of the Companies Act, 1956.

PROFIT OF JOST'S ENGINEERING DROPS SUBSTANTIALLY

MIDLAND RUBBER CUTS DIVIDEND

Jost's Engineering Co., Ltd.

THE directors of the above Company (Chairman: Mr. T. V. Baddeley, Bombay) submit the audited accounts of the Company for the year ended 31st March 1956.

The year's working after meeting all expenses of operation and management and after allowing for depreciation of stocks, furniture, tools and plant, shows a profit of Rs. 62,291 (Rs. 1,17,555). This amount together with Rs. 2,308 (Rs. 7,840) brought forward from last year makes a total of Rs. 64,598 (Rs. 1,25,394) which sum has been appropriated as under:—

To provision for bonus to employees Rs. 12,000 (Rs. 21,000) and to provision for taxation Rs. 3,000 (Rs. 43,000). This leaves a balance of Rs. 49,598 (Rs. 53,394 after providing Rs. 5,000 to staff gratuity, and Rs. 3,000 to bad and doubtful debts). From this amount the directors recommend payment of a dividend, free of income-tax, of 8 (8) per cent. for the year ended 31st March 1956 absorbing Rs. 48,000 (Rs. 48.000) leaving a balance of Rs. 1,598 (Rs. 5,394) to be carried forward to next year's account.

During the year under review, owing to the indigenous lead acid battery manufacture the Company received no orders for alkaline train lighting batteries, which in some years represented no less than 50 per cent. of the annual business. Despite this loss, the Company achieved a substantial turnover. Owing to very keen competition in the Company's other agencies, however, the profit margin has been considerably reduced. Although margins are lower, every effort is being made and will continue to be made, to expand new agencies in an effort to gradually replace the loss of the battery business. The directors have recommended payment of the same dividend as last year. The Stock has been carefully taken and is fully insured.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	29,341
Reserves ...	4,55,000	Stock-in-trade ...	3,86,141
Provision for taxation ...	40,795	Goods-in-transit ...	4.25,700
Liabilities ...	6,93,357	Debts, deposits and advances ...	9,53,230
Profit and loss account ...	64,598	Investments	9,201
		Cash ...	50,137
Rs.	18,53.750	Rs.	18,53,750

Midland Rubber & Produce Co., Ltd. (And Reduced).

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 31st March 1956.

The tea crop secured from Arnakal Estate amounted to 12.46.600 (12,63.966) pounds against an estimate of 11,50,000 (11,00,000) pounds.

It is pleasing to report that the tea crop on Arnakal continues to be satisfactory. The average yield for the year works out at 1,112 lbs. per acre which compares very favourably with the district average. The cost of production on the estate was 126.85 cents as against 116.75 cents for the previous year.

The figures for rubber crop are as follows:—Mukampala Estate—2,22,436 (2,53,609) pounds, Perinaad Estate—6,50,538 (6,22,123) pounds and Sittar Estate—2,57,142 (2,46,342) pounds. Thus the total rubber crop secured amounted to 11,30,116 (11,22,074) pounds against an estimate of 10,60,000 (10,95,000) pounds.

The cost of production of rubber for the year was 68.76 cents against an estimate of 67.14 cents per lb. and 63.59 cents per lb. for the previous year. The increases in costs are mainly due to the higher emoluments that had to be paid to the Estate workers than for the previous year, and leave with wages under the Plantation Labour Act. In the case of rubber the increase in cess from As. 8 to Rs. 6-4 per 100 lbs. has also contributed to the increased cost of production.

The average sale price realised during the year for tea amounted to 166 cents per lb. as against 239 cents per lb. for the previous year and for rubber 146 cents per lb. as against 134 cents per lb. for the previous year.

The increase in price realised for rubber is due to the increase in the statutory price, to cover the enhanced cess. For tea, however, the lower price is due to the shortfall in market prices.

After allowing for depreciation and the outgoings as usual and after making a provision of Rs. 4,80,000 (Rs. 9,10,000) for income-tax, the net profit for the year amounted to Rs. 6.55,033 (Rs. 11 68,979). This, together with the carry forward from previous year of Rs. 1,45,508 (Rs. 99,729) makes a total of Rs. 8.00 540 (Rs. 12,68,708) available for distribution. Out of this sum, the preference dividend for the year amounting to Rs. 1,03 200 (Rs. 1 03,200) was paid, leaving a balance of Rs. 6,97,340 (Rs. 11,65,508) which the directors recommend be disposed of as under:—

Payment of 20 (25) per cent. dividend on ordinary shares absorbing Rs. 5,40,000 (Rs. 6.75,000), transfer to staff pension and gratuity fund (making it Rs. 2,00,000) Rs. 50,000 (Rs. 35.000) and carry forward to new season Rs. 1,07,340 (Rs. 1,45,508 after placing Rs. 2,00,000 rubber replanting reserve, Rs. 1,00,000 to dividend equalisation fund and Rs. 10,000 to bad and doubtful debts reserve).

Estimates for 1956-57 provide for a tea crop of 11,80,000 pounds at a cost of 115.49 cents per pound and a rubber crop of 10,70,000 pounds at a cost of 76.45 cents. per pound. Total capital expenditure will amount to Rs. 6,19,357.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,20,000	Block ...	68,86,271
Reserves ...	29,11,062	Stock-in trade ...	2,69,183
Provision for taxation ...	4,78,010	Stores and spares ...	2,81,668
Liabilities ...	6,79,043	Nurseries ...	1,05,444
Profit and loss account ...	6,97,340	Other assets	61,938
		Debts, deposits and advances ...	2,79,834
		Investments	3,49,068
		Cash ...	9,52,049
Rs.	91,85,455	Rs.	91,85,455

Nenmeny Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December 1955.

Acreage:—During the year 54.14 acres of rubber area in Eldorado Estate was sold for Rs. 65,000. This area is deteriorating and is uneconomic to retain and work, on account of its steadily decreasing yield. 50 cents of land in the Redlynch division of the Nenmeny Estate was sold for a nominal price of Rs. 100 to the Church of South India for starting a school. This school was felt a necessity for the education of the children of the employees and workmen of this Estate. The area under mature rubber is 1.262.21 acres and that under immature rubber is 50.00 acres. Tea plantations cover an area of 11.00 acres. Coconut plantations cover 25.50 acres.

Estates:—Both Nenmeny and Eldorado Estates are reported to be in good condition and well maintained.

Crop and prices:—The rubber crop harvested during this year was 5,32,730 (5,18,364) lbs. at 80.95 (78.78) cents per pound. The crop estimated for 1956 is 5,75,000 (5,60,000) lbs. at 90.23 (89.77) cents per pound. The crop was sold at an average price of 142.51 (134.84) cents per pound. The controlled price of rubber was increased by Rs. 12 in February 1955 and Rs. 5-12 in September 1955, the latter to compensate for the increase in excise duty introduced from August 1955.

The net profit after providing for taxes, managing agents' remuneration, etc., is Rs. 1,24,842 (Rs. 1,16.915). To this has to be added the balance from last year of Rs. 13.146 (Rs. 42,480) making a total of Rs. 1,37,987 (Rs. 1,59,396). From this is deducted preference dividend for 1955 paid in February 1956 Rs. 21,000 (Rs. 21,000) leaving a balance of Rs. 1,16.987 (Rs. 1,38,396). The directors now recommend to pay 15 (15) per cent. dividend on ordinary shares for 1955 absorbing Rs. 50,250 (Rs. 50,250) and transfer to debenture redemption reserve Rs. 50,000 (Rs. 75.000) leaving a balance of Rs. 16,737 (Rs. 13,146) to be carried forward.

The capital expenditure incurred during the year is as follows:—On land and development Rs. 13,705 (Rs. 22,339), on buildings Rs. 40,106 (Rs. 25,819) and on machinery and furniture Rs. 2,942 (Rs. 2,179).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6.35,000	Block ...	12,49,598
Debentures ...	3,00,000	Stock-in-trade	1,89,890
Reserves ...	2,81,000	Stores and spare parts	17,780
Provision for taxation ...	78,727	Rubber nursery ...	7,324
Liabilities ...	1,27,973	Other assets	11,986
Profit and loss account ...	6,37,987	Debts, deposits and advances ...	24,086
		Cash ...	60,023
Rs.	15.60,687	Rs.	15.60,687

Udayagiri Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December 1955.

The area under tea is 427.93 acres the visiting agent reports that the Estate is well maintained and in good condition.

Crop and prices:—The tea crop harvested during the year was 2,42,910 (2,26,940) lbs. at 138.48 (129.41) cents per pound against an estimate of 2.25.000 (2.25,000) lbs. at 151.91 (132.40) cents per pound. The crop estimated for 1956 is 2,25,000 lbs. at 146.04 cents per pound.

The average price realised for tea was 176.7 (275) cents per lb. During the first two months of the year tea was sold at good prices but prices began to fall steadily from March. The average price realised is about a rupee less than that of the previous year.

The net profit after providing for taxes, depreciation and managing agents' remuneration is Rs. 15,605 (Rs. 57,870). To this has to be added the balance from last year of Rs. 15,274 (Rs. 18,004) making a total of Rs. 30,879 (Rs. 75,874). This is reduced by 7 per cent. preference dividend for 1955, paid in February 1956 Rs. 5,600 (Rs. 5,600). The directors now recommend the payment of a dividend of 6 (25) per cent. on the ordinary shares Rs. 13,200 (Rs. 55,000) leaving a balance of Rs. 12,079 (Rs. 15,274) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	8,17,714
Debentures ...	70,000	Stock-in-trade	49,596
Reserves ...	4,36,858	Stores and spares ...	17,191
Provision for taxation ...	87,817	Other assets	10,023
Liabilities ...	47,823	Debts, deposits and advances etc.	39,072
Profit and loss account ...	30,879	Cash ...	39,781
Rs.	9,73,377	Rs.	9,73,377

Futwah-Islampur Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

Gross earnings.—Gross earnings for the half-year were Rs. 2,59,890 (Rs. 2,83,842) which is Rs. 23,952 less than the earnings of the corresponding period ended 30th September 1954. There is a decrease of Rs. 26,314 under coaching and are increases of Rs. 2,254 and Rs. 108 under goods and miscellaneous.

Working expenses.—The working expenses for the half-year were Rs. 2,92,906 (Rs. 2,83,455) which is Rs. 9,451 more than the figure for the corresponding period ended 30th September 1954.

Net earnings.—There was a deficit of Rs. 33,016 in net earnings.

Comparative statistics—

Half-year ending	Gross earnings	Working expenses	Due to + Due from — Central Government	Dividend per share
				Rs. a. p.
30-9-1953	2,23,708	2,47,619	— 65,561	0 15 0.0
31-3-1954	2,33,409	3,44,590	—1,55,230	0 15 9.6
30-9-1954	2,83,842	2,83,455	— 42,614	1 0 0
31-3-1955	2,45,251	3,47,862	—1,45,691	1 0 0
30-9-1955	2,59,890	2,92,906	— 75,579	1 0 0

The balance available for distribution is: Net profit for the half-year Rs. 11,700 (Rs. 11,507) and balance brought forward Rs. 5,714 (Rs. 4,334), making a total of Rs. 17,414 (Rs. 15,841). The directors recommend that the available balance be disposed of as follows:—

Payment of a dividend for the half-year at the rate of Re. 1 (Re. 1) per share without deduction of tax Rs. 11,497 (Rs. 11,497) and balance to be carried forward Rs. 5,917 (Rs. 4,344).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,49,900	Block ...	20,10,843
Reserves ...	8,500	Stores ...	15,349
Provision for taxation ...	26,491	Debts, deposits and advances ...	3,49,465
Liabilities ...	13,35,791	Investments	1,38,368
Net revenue account ...	17,414	Cash ...	24,071
Rs.	25,38,096	Rs.	25,38,096

Howrah-Sheakhalla Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for half-year ended 30th September 1955.

Gross earnings.—Gross earnings for the half-year were Rs. 3,40,956 which is Rs. 13,909 less than the earnings of the corresponding period ended 30th September 1954. There are decreases of Rs. 8,562 and Rs. 770 under goods and miscellaneous respectively and an increase of Rs. 13,462 under coaching.

Working expenses.—Working expenses for the half-year were Rs. 3,07,329 plus Rs. 5,000 set aside to renewal, reserve making a total of Rs. 3,12,329 which is Rs. 38,598 less than the figure for the half-year to 30th September 1954.

Net earnings.—Net earnings for the half-year were Rs. 28,627 against Rs. 3,938 for the half-year to 30th September 1954 an increase of Rs. 24,689.

The available balance for distribution is: Net profit for the half-year Rs. 15.077 (Rs. 3,654) and balance brought forward Rs. 13,320 (Rs. 12,851), making a total of Rs. 33,397 (Rs. 16,505). The directors recommend that the available balance be disposed of as follows:—

Payment of a dividend for the half-year at the rate of 6 per cent. per annum less income-tax Rs. 13,275 (Rs. 13,275) and balance to be carried forward Rs. 20,122 (Rs. 3,230).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	13,78,138
Reserves ...	4,43,410	Debts and advances ...	29,833
Provision for taxation ...	94,208	Cash ...	31,944
Liabilities ...	2,68,900		
Net revenue	33,397		
Rs.	14,39,915	Rs.	14,39,915

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

QUESTION HOUR IN PARLIAMENT

Decimal Coinage

THE Government thinks that the scheme for decimal coinage put forward by Mr. C. Rajagopalachari is not practicable. If this were accepted, it would increase the value of the rupee to Re. 1-9. Such a scheme will upset all the calculations, including budgets, wages of factories, house rents and several other transactions. The International Monetary Fund will have to be approached to fix a new value of the rupee. All the currency notes will have to be reprinted, as the present currency will fall into disuse in Rajaji's system of decimal coinage.

* * * *

Customs and Excise

A new machinery for hearing the revision applications against the orders in appeal passed by the Central Board of Revenue in regard to Customs and Central Excise is expected to be brought into force shortly. The machinery will consist of two senior officers, one from the Ministry of Law and the other from the Ministry of Finance.

* * * *

Expansion of State Bank

Four branches of the State Bank of India have been opened since 3rd May 1956 at Kancheepuram (Madras), Virajpet (Coorg), Coonoor (Madras) and Nuzvid (Andhra), as against the approved list of 100 new centres. The seven branches taken up under the expansion programme previously initiated by the Imperial Bank of India are at Silchar (Assam), Cooch-Behar (West Bengal), Jagdalpur (Madhya Pradesh), Gurgaon (Punjab), Suri (West Bengal), Satara (Bombay) and Beawar (Ajmer).

—*A. C. Guha*

Gold Reserves of Sterling Area

The gold and dollar reserves of the sterling area on 31st May 1956, were $2,369 million. The gold and dollar reserves of the sterling area have no direct bearing on the exchange rate of the Indian rupee. In the past, there had been wide fluctuations in the amount of gold and dollar reserves of the sterling area, but the exchange rate of the rupee had remained the same. During the recent debate in the House of Commons, fears about the devaluation of the sterling were expressed. But the British Chancellor of Exchequer has refuted that there is going to be any devaluation of the sterling or even that the position of sterling has been weakened as a result of the present gold and dollar reserves position of the sterling area.

* * * *

Gold Price

The general tendency since May this year has been for the price of gold to decline. It is a fact, however, that gold prices have increased during the first four months of 1956. This rise was partly seasonal and partly due to rumours about arrival of smuggled gold and the pre-budget rumours about tax changes and deficit financing. Lower output of indigenous gold and enforcement of stricter checks against smuggling also contributed to the rise in prices.

—*B. R. Bhagat*

Income-tax Act

The question of appointing a committee to examine the Income-tax Act is under discussion. It is quite likely that the work will be entrusted to a special committee within the law Commission.

* * * *

Insurance Staff

A fairly comprehensive machinery has been evolved for integrating the existing staff of insurance companies and for appointing them suitably in the Corporation. One committee under the chairmanship of Mr. S. Lall, I.C.S., has been set up to examine and interview officers of all ranks and grades with a view to their being graded appropriately and arranged in some suitable order of seniority. In respect of the other staff, four zonal committees have been set up.

* * * *

Dalmia-Jain Concerns

The question of appointing a commission to enquire into the working of the Dalmia-Jain concerns is under the consideration of Government. If it is decided to appoint the commission, then the terms of enquiry and the personnel will be settled. The proposed enquiry is independent of the investigations going on in respect of the alleged misappropriation of the Bharat Insurance Company funds to the extent of Rs. 220 lakhs. In connection with the the latter, the investigations are being conducted by the Special Police Establishment under the Home Ministry, and they will be completed shortly.

* * * *

Tax Arrears

An amount of Rs. 22 crores recoverable by way of income-tax, surcharge, etc., was locked up on 1st April this year, due to appeals pending with the Appellate Assistant Commissioners. Apart from creating further additional ranges of the Appellate Assistant Commissioners, the problem of reducing pending appeals is being tackled from the organisational angle by the reorganisation unit of the Central Board of Revenue.

—*M. C. Shah*

State Undertakings

The Government has decided to create a central pool of officers of the All-India Service for manning industrial undertakings owned or managed by the State. The pool will be administered by a committee of senior officers representing the Ministries concerned with the pool. The Government is considering what should be the strength of the pool.

—*B. N. Datar*

Regulation of Mines

The Government proposes to introduce a comprehensive Bill providing for the regulation of mines and development of minerals, as soon as all comments received have been examined. The Bill has been circulated to the State Governments.

* * * *

Oil in Cauveri Basin

It is wrong that the Government has discovered oil resources in the Cauveri basin. Arrangements are being made to find technical personnel for the oil exploration work and the Oil and Natural Gas Directorate has already taken steps to train such personnel both in India and abroad.

* * * *

Wind Power Division

The Indian Council of Scientific and Industrial Research has under consideration a proposal to establish a wind power division. No work on solar energy is, however, being carried out at the National Physical Laboratory.

—*K. D. Malaviya*

Payment for Sugarcane

The system of payment for sugarcane on quality basis is proposed to be tried on an experimental basis during the next season in about ten sugar factories situated in different regions of the country. The introduction of this system has been recommended by the Committee which was set up to examine the question of linking the price of sugarcane to recovery.

* * * *

Sales Tax on Foodgrains

In the view of the Government of India, the multiple-point sales tax imposed by the U.P. Government on foodgrains is not justified and the Government has suggested to the State Government to reduce it to single-point tax. Foodgrain prices in the State have risen but not to the extent of 26 per cent. The wholesale price of *atta* at Hapur market was Rs. 14 at the end of March and Rs. 14-12 in the middle of July. At Chandusai, the prices were Rs. 14-8 and Rs. 14-12, respectively. At Kanpur, the prices were Rs. 13-4 and Rs. 14. Sales tax should be added to the price. The retail price of *atta* will, however, be much more, it would be as high as Rs. 2 over and above the wholesale price.

* * * *

Rural Credit Fund

The State Governments have agreed to establish State Agricultural Credit (Relief and Guarantee) Funds and have made necessary financial provision in their second Five-year Plan for co-operative development. It is unnecessary to set up such a fund at the national level as recommended by the All-India Rural Credit Survey.

* * * *

Food Position in Assam

There is not likely to be any serious shortage of foodgrains in Assam during the current crop year, but scarcity may develop next year, as cultivation has been seriously interfered with owing to hostilities. Five villages in Kohima Sub-division and a number of camps at Kohima have been supplied with foodgrains either free of cost or at subsidised rates.

* * * *

U.S. Wheat Supplies

Negotiations between the representatives of the Governments of India and the United States have been going on for obtaining U.S. surplus wheat supplies, but no final decision has yet been reached.

* * * *

Fair Price Shops

One hundred and thirty-four fair price shops were opened in Travancore-Cochin State during March, April, June and July and the Government proposes to open more such shops. The prices of certain commodities have certainly gone up during the last few months, but not enormously. The Government is opening fair price shops in a number of places in South India.

—*A. P. Jain*

Russian Tractors

The Ministry of Food and Agriculture imported from the U.S.S.R. in 1954 four tractors for trial at a cost of Rs. 4,385 each. The U.S.S.R. Government made a gift of one tractor to the Government of India in 1955 and 66 tractors in 1956, besides a considerable quantity of allied equipment. Licences to certain private importers for importing Russian tractors have been issued and, if they utilise the licences, these tractors will be available for sale in the market.

—*P. S. Deshmukh*

Floods

About 70 persons have lost their lives as a result of this year's floods in Assam, Bihar, Uttar Pradesh, West Bengal, Saurashtra and the Punjab. Damage to crops and other property throughout the country has amounted to about Rs. 9 crores. Emergency flood protection schemes implemented in the course of the last two years have covered an area of 4,800 square miles in Uttar Pradesh, Bihar, West Bengal and Assam, with a population of about 50 lakhs. Important local town protection works have been completed. The level of 1,400 village sites has been raised and more than 1,000 miles of embankments have been prepared. This represents a quantum of work not done in the past in the course of many years. The tempo of work on the flood protection programme increased in 1955-56; the expenditure was stepped up to Rs. 8.4 crores from about Rs. 2.5 crores in the previous year. A provision of Rs. 5 crores has been made in the Central budget for the current financial year for assisting the States in their flood control schemes.

—*G. L. Nanda*

Bhakra Power for Delhi State

The entire power requirements of Delhi State will be met by 1960-61 when the generating units of the Bhakra Power House are expected to be commissioned. The Government's original plan to supply power from Bhakra had to be revised from time to time, because of some unavoidable delay in the receipt of power house equipment from abroad and consequent delay in the scheduled construction. The schedule of supply prepared has taken account of the increasing requirement.

—*Jaisukhlal Hathi*

Wage Board

The Government hopes to be able to set up five or six wage boards during the current year for different industries. It is not, however, possible to say which industries will be covered, as a good deal of preliminary work regarding their composition and collection of necessary data is involved.

* * * *

Maternity Benefit

Model minimum standards for maternity benefit legislation for all categories of women workers have been finalised and forwarded to the State Governments for adoption.

—*Khandubhai Desai*

Stores Requirements of Railways

The Railways are experiencing great difficulties in getting their requirements of stores in time, but most of these difficulties will be solved in the coming years. My Ministry had taken up this matter with the Works, Housing and Supply Ministry a number of times in the past. A committee has been set up by the Works, Housing and Supply Ministry to go into this question. Now the railways can indent stores up to a limit of Rs. 10,000. But most of the stores have to be indented through the Director-General of Supplies. There has been shortage of steel and pig iron and the Commerce and Industry Ministry is taking effective steps to import them.

—*Lal Bahadur Shastri*

Purchase of Railway Stores

352 indents for railway stores of a total value of about Rs. 1.87 crores by the Southern Railway have been pending for more than a year.

—*Shah Nawaz Khan*

Taxes on Motor Vehicles

The question of reducing rates of State taxes on motor vehicles is still under consideration of the State Governments. The matter was last considered at the meeting of the Transport Advisory Council in February, but representatives of the States desired to be given more time for consideration of the proposal. The Motor Vehicles Taxation Inquiry Committee, which had gone into this question, had stated that a ceiling of 75 per cent. of the tax levied by Madras would be reasonable. The Committee's recommendations that there should be no double taxation on motor vehicles operating on inter-State routes have been accepted by the Transport Advisory Council. The Council had recommended that States should try to come to mutual agreement in regard to the operation of motor vehicles on inter-State routes. As regards reduction in Central taxes on motor vehicles, these taxes are of indirect nature only and the import duty on automobile components was reduced in 1953. No other proposal for reduction in Central taxes is under consideration at present. The Government is of the view that there should be absolutely no regional or even inter-State restrictions in the matter of road transport. Some States have come to an agreement and some others are still negotiating on this matter.

* * * *

Railway Equipment

The Government of India has placed orders for railway equipment valued at £64,730 with manufacturers in the U.S.S.R. The equipments ordered are three types of 15 loco boilers. Orders have also been placed for rolling stock with manufacturers in East Germany, Yugoslavia, Austria and Poland.

* * * *

Brahmaputra Road Bridge

The alternatives of constructing a road bridge over the Brahmaputra river or a tunnel under the river bed at Jogighopa or near Gauhati are under technical examination. Preliminary investigations in this connection are in hand. It will be some time, before the detailed and complete geological and seismographic data required for taking a final decision in the matter became available.

—*O. V. Alagesan*

Manufacture of Jet Engines

The negotiations now in progress with a British aircraft factory for manufacture of Gnat jet aircraft in the Hindustan Aircraft Factory at Bangalore are expected to be completed very soon. A new factory in the public sector will have to be set up for the manufacture of aero engines.

—*Mahavir Tyagi*

Monazite Deposits

Monazite which contains thorium and a small quantity of uranium has been discovered in the beach sands of the coastal districts of Andhra State. A field party of the Department of the Atomic Energy, working under the supervision of the head of the Geology Department of Andhra University, Waltair, is engaged on the estimation of the reserves of ilmenite and monazite in these areas. The work is still in progress and the final estimates of reserves are not yet available. Most of this work has been done by the students of the University. Uranium has been found in Bihar but not in large quantities.

—*Jawaharlal Nehru*

Notices

THE BRADBURY MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-third Ordinary General Meeting of the Shareholders of the Company will be held on Tuesday the 4th September 1956, at 4-30 p.m. (S.T.) at the Registered Office of the Company, State Bank Building, Bank Street, Fort, Bombay, to transact the following business and for the purpose of considering, and if thought fit, of passing as Special Resolutions with or without modification the Special Resolutions specified below:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st March 1956.
2. To declare a Dividend on Preference and Ordinary shares.
3. To elect Directors in place of those retiring.

Ordinary Resolution

(a) "RESOLVED that the age limit prescribed by Section 280 of the Companies Act, 1956 shall not apply to Mr. Dinsha K. Daji who has attained the age of 65 years and who is, at present, 83 years of age and who retires by rotation. Further resolved that Mr. Dinsha K. Daji be and is hereby appointed a Director of the Company."

Special Resolutions

(b) "RESOLVED that Mr. Madanmohan Ramnarain who is an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of this Company, be and is hereby appointed a Director of the Company."

(c) "RESOLVED that Mr. Radhakrishna Ramnarain who is an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of the Company, be and is hereby appointed a Director of the Company."

4. To appoint Auditors for the current year and fix their remuneration.

Special Resolutions

5. RESOLVED that the contracts entered into between the Company and the associates of its Managing Agents, namely, Messrs. Indokem Private Ltd., The Vinaya Trading Co. Private Ltd., The Phœnix Mills Ltd. and The Dawn Mills Co., Ltd., between 1st April 1956 and 15th July 1956 particulars of which contracts are entered in the register of contracts maintained under the provisions of Section 360, be and they are hereby confirmed.
6. RESOLVED that this Company hereby approves of contracts being entered into with Messrs. Indokem Private Ltd., an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of this Company for purchase and/or supply of dyes, colours and chemicals on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, such purchase and supply not to exceed from the date of this Annual General Meeting upto the next Annual General Meeting Rs. 20,000.
7. RESOLVED that this Company hereby approves of contracts being entered into with The Noble Steel Products Private Ltd., an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of this Company for the purchase and/or supply of goods manufactured by the said Noble Steel Products Private Ltd., on terms of ready or forward delivery and either for cash or on credit, in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, such purchase and supply not to exceed from the date of this Annual General Meeting upto the next Annual General Meeting Rs. 1,00,000.
8. RESOLVED that this Company hereby approves of contracts being entered into with The Vinaya Trading Co. Private Ltd., an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of this Company for the purchase or supply of foreign or Indian cotton and staple fibre on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, such purchase and supply not to exceed from the date of this Annual General Meeting upto the next Annual General Meeting Rs. 30,00,000 and also for the supply of or rendering of service by them as cotton brokers and/or as insurance agents.
9. FURTHER RESOLVED that this Company hereby authorises Messrs. The Vinaya Trading Co. Private Ltd., an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of this Company to retain any commission or other remuneration earned or to be earned by them from the aforesaid business of supply of Indian or foreign cotton and staple fibre or the aforesaid business of insurance agents.
10. RESOLVED that this Company hereby approves of contracts being entered into with The Phœnix Mills Ltd., an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of this Company for the sale, purchase or supply of any goods on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, or for the supply of or rendering of service as dyers and/or processors, such purchase and supply together with the charges for services not to exceed from the date of this Annual General Meeting upto the next Annual General Meeting Rs. 20,00,000 and on the terms that in respect of any goods supplied or sold or any service supplied or rendered by this Company to the said associate company shall make payment to this Company within one month from the date of the supply or sale of the goods or for the supply or rendering of service as the case may be.
11. RESOLVED that this Company hereby approves of contracts being entered into with The Dawn Mills Co., Ltd., an associate of Messrs. Ramnarain Sons Private Ltd., the Managing Agents of this Company for the sale, purchase or the supply of any goods on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required for the business of the Company at prevailing market rates, or for the supply or rendering of service as dyers and/or processors, such purchase and supply together with the charges for services not to exceed from the date of this Annual General Meeting upto the next Annual General Meeting Rs. 10,00,000 and on the terms that in respect of any goods supplied or sold or any services supplied or rendered by this Company to the said associate company, the associate company shall make payment to this Company within one month from the date of the supply or sale of the goods or for the supply or rendering of service as the case may be.
12. RESOLVED that this Company hereby approves of contracts being entered into with Messrs. Ruia Industries Private Ltd., an associate of Messrs. Ramnarain Sons Private Ltd., for the sale and supply of goods manufactured by this Company on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required by Messrs. Ruia Industries Private Ltd., at prevailing market rates, such sale or supply not to exceed from the date of this Annual General Meeting upto the next Annual General Meeting Rs. 1,00,000 and on the terms that in respect of any goods supplied or sold by this Company to the said associate company, the associate company shall make payment to this Company within one month from the date of the supply or sale of the goods.

The Share Transfer Books of the Company will be closed from Monday the 13th August 1956 to Friday the 7th September 1956, both days inclusive.

By Order of the Board,
FOR RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, 17*th July* 1956.

Note.—I. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

II. Dividend if sanctioned, will be payable at the Registered Office of the Company on and from Monday the 10th September 1956 to those Shareholders whose names stand on the Register on Monday the 13th August 1956. Intimation of any change of address should be given to the Company immediately.

THE COCHIN MALABAR ESTATES LIMITED

(*Incorporated in India*)

DIRECTORS:

RAO BAHADUR V. P. MENON, C.S.I., C.I.E.
E. F. M. NORMAN.
W. W. KILGOUR.

Managing Agents and Secretaries:
PEIRCE, LESLIE & CO., LTD.

Registered Office:
KOZHIKODE—MALABAR.

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of this Company will be held at the Office of Peirce, Leslie & Co., Ltd., Kozhikode, on Monday 3rd September 1956, at 9 a.m., for the following purposes:

To receive and consider the Balance Sheet and Working and Profit and Loss Account to 29th February 1956, and the Reports of the Directors and Auditors.

To fix the Directors' remuneration.

To declare a Dividend.

To elect a Director.

To appoint Auditors for the ensuing year and fix their remuneration.

In accordance with the Company's Articles of Association the Transfer Books will be closed from 25th August to 3rd September 1956, both days inclusive.

The Board will recommend to the Meeting payment of a Dividend of 25 per cent. on the Ordinary Share Capital to the Shareholders as on 3rd September 1956, which if passed will be posted to them on or about 15th September 1956.

By Order of the Board,
PEIRCE, LESLIE & CO., LTD.,
Managing Agents and Secretaries.

Note.—A member entitled to attend and vote is entitled to appoint a proxy.

A proxy need not be a member.

KOZHIKODE, 19*th July* 1956.

THE BHULANBARAREE COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above named Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the Ninety-ninth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 28th August 1956, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December 1955, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 14th to the 28th August 1956, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 26*th July* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

GILT-EDGED LISTLESS

(*From Our Own Correspondent*)

BOMBAY, 1*st August*

Conditions in the short-term money market during the week under review were fairly steady, with the supply and demand evenly posed. Although there was a further return of funds from the sugar industry, this was quickly absorbed by the other industries, so that there was no problem of surplus money. On the contrary, banks were still good borrowers at the previous week's rates.

Inter-bank call money was bid at 3½ per cent. among the Exchange banks and the larger Indian banks, though some money was available at 3 per cent. after clearing hours. The rate among the smaller Indian banks was well maintained at 3¼ per cent. House money at call was taken at the self-same rate of 3½ per cent. Short-term deposits were placed at 3½ per cent. for one to three months and at 3¼ to 3⅜ per cent. for four to six months.

The Reserve Bank's statement for the week ended 27th July 1956 shows that the downward trend in notes in circulation has been maintained for the third week in succession, with a further decline of Rs. 15.73 crores during the week. Notes held in the Banking Department have, on the other hand, gone up by Rs. 7.79 crores. The resulting fall of Rs. 7.94 crores in total notes issued is covered by a drop of Rs. 9.94 crores in rupee securities and an increase of Rs. 1.99 crores in rupee coin. In the Banking Department, deposits of the Central Government have gone down by Rs. 7.26 crores and so also those of other Governments by Rs. 6.85 crores. Deposits of banks show a rise of only Rs. 33 lakhs. On the assets side, balances held abroad have declined by Rs. 5.20 crores. Loans and advances to Governments are up by Rs. 52 lakhs, while other loans and advances are lower by Rs. 6.09 crores, of which outstanding advances to Scheduled banks against usance bills account for Rs. 3.44 crores. Fresh advances to banks against usance bills during the week amounted to Rs. 4.12 crores, but repayments have been of the order of Rs. 7.56 crores. Investments have gone down by Rs. 9.79 crores.

A sharp decline of Rs. 6.85 crores in demand deposits and of Rs. 1.70 crores in time deposits is disclosed by the Scheduled banks' statement for the week ended 20th July 1956. Inter-bank borrowings are lower by Rs. 3.74 crores. Borrowings from the Reserve Bank have gone up by as much as Rs. 15.51 crores and borrowings against usance bills by Rs. 4.33 crores. Advances have declined further by Rs. 3.65 crores and inland bills purchased and discounted by Rs. 1.15 crores, while foreign bills purchased and discounted are up by Rs. 1.54 crores. A rise of Rs. 5.24 crores is noted in investments. Cash balances and balances with other banks show small variations, while money at call and short notice have been reduced by Rs. 5.56 crores.

With the approach of the States' entry into the capital market drawing near, the Gilt-edged market was listless during the week under review. Institutional investors were inclined to wait for the States' issues and activity was, therefore, very much restricted. In the absence of any heavy offers, prices were nearly maintained, except in 1986 Conversion Loan which kept its sagging tendency.

3 per cent. 1957 was unchanged at Rs. 99-13 and 3 per cent. 1958 at Rs. 99-10. 3 per cent. 1959-61 held its ground at Rs. 98-2. 3 per cent. 1963-65 was on offer an anna lower at Rs. 95, while 3 per cent. 1964 was stagnant at Rs. 95-1. 3 per cent. 1966-68 was featureless at Rs. 93-3 and 3 per cent. 1970-75 at Rs. 90-5. 3 per cent. 1986 Conversion Loan declined further by As. 6 to Rs. 76-4. 3¼ per cent. 1962 was on offer ½ anna below its issue price of Rs. 98. 3½ per cent. 1964 and 3½ per cent. 1965 showed no signs of interest at Rs. 98-11 and Rs. 98-10, respectively. 3½ per cent. 1967 and 3¾ per cent. 1974 had sellers half an anna below their issue price of Rs. 98-8.

The State loans were devoid of any interest.

In the foreign exchange section the weakness of the rupee in terms of the U.S. dollar became more pronounced, in sympathy with sterling Banks' selling rate of ready dollars moved up from Rs. 479¼ to Rs. 480¾ per $100 and their buying rate from Rs. 475¼ to Rs. 477 per $100. In New York, spot sterling declined from $2.79-5/16-2.79-7/16 to $2.78¾-2.78¼, the lowest level for the last ten months. Forward sterling (three months) moved down from $2.77¾-2.77⅞ to $2.76-13/16-2.76-15/16 and transferable sterling from 277.15-277.25 cents to 275.90-276.05 cents.

TRADING IN KIPS PATCHY

(*From Our Own Correspondent*)

MADRAS, 30*th July*

Trading in kips for shipment was patchy, due to seasonal slackness in the U.K. Shippers were quoting one penny above U.K. levels for F.A.Q. marks. The little business that was done was in top marks at unchanged prices. Demand was for top selections, which were in short supply. Arrivals of kips into the market were on a moderate scale and clearances fair. Prices ruled firm and sellers of loose lots were not keen to sell at current levels—in all sections.

The tanned goat and sheep skins section ruled firm. There was good call for tanned goat superior tannages 8/9 and 11/12 lbs. Run, but the tanners were in an oversold position and quoted 13*s.* and 12*s. 6d.* per lb., respectively.

BULLION FIRM

(*From Our Own Correspondent*)

BOMBAY, 1*st August*

The bullion market displayed buoyant conditions during the week under review. Activity was mainly inspired by political conditions in West Asia, following the nationalisation of the Suez Canal Company by the Egyptian Government. Forward silver advanced by Rs. 2-1 per 100 tolas over the week and gold by Rs. 2-11 per tola. A feature of the week's trading was the narrowing of the premium for the ready over the forward in both silver and gold. This was due mainly to the spurt in forward. In silver, the premium has narrowed down from Rs. 2-6 at the close of the previous week to As. 8 today and in gold from Re. 1-10 to As. 10.

In silver, the bulls gained the upper hand, following the absorption of 1,600 bars tendered by the bears at the last settlement, thus belying the earlier expectations held in some quarters that they would not be able to take delivery of all the metal. The day-to-day trend was, however, two-sided.

Forward silver (23rd August settlement) advanced from Rs. 169-4 to Rs. 171-4 on Friday. After a dip to Rs. 169-11 on the following day, there was a spurt to Rs. 171-15 on Monday, thanks to political developments abroad. Later, it receded to Rs. 170-6, but closed higher today at Rs. 171-5.

Ready silver (.996 Mint) rallied from Rs. 171-10 to Rs. 174 early in the week and, after retreating to Rs. 171-3, wound up at Rs. 171-13.

The floating stocks of silver are estimated at 1,700 bars. The daily average offtake was 30 bars.

Gold forward delivery (24th August settlement) hardened from Rs. 100-12 to Rs. 103-11, before closing at Rs. 103-7.

Ready gold moved up from Rs. 102-6 to Rs. 104-6 and finished at Rs. 104-2 today.

The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 2,500 tolas on an average.

In London, silver and gold prices moved up due to the weakness of sterling. Spot silver rose from 78¾d. to 78¼d. and forward from 78¼d. to 78⅛d. The upward trend in gold noted in the previous week gained substantial momentum this week, the rate shooting up from 250*s.* 7½*d.* to 252*s.* 1*d.* In New York, silver was unchanged at 90¼c.

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

	1-8-56	Highest	Lowest	25-7-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	104 2	104 6	102 5	102 6
Forward*	103 7	103 11	101 0	100 12
Sovereign	67 4	67 4	67 0	66 12
SILVER				
Ready†(.996 fine)Mint) ..	171 13	174 0	171 3	171 10
Forward†	171 5	171 15	169 11	169 4
London Silver Ready ..	78¼d.	78¼d.	78⅛d.	78⅛d.
London Forward	78¼d.	78¼d.	78¼d.	78¼d.
London Gold	252*s.* 1*d.*	252*s.* 1*d.*	250*s.* 8*d.*	250*s.* 7½*d.*
New York Ready	90¼c.	—	—	90¼c.

* 22nd August settlement.
† 23rd August settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

PEPPER STEADY

(*Messrs, Parekh & Co.*)

BOMBAY, 1*st August*

After a lull which persisted for the major part of last week, on account of dormant overseas buying interest, steady conditions revived in Malabar black pepper during the week in the wake of better outside advices, following the news of nationalisation of the Suez Canal Company by Egypt. The latest Suez Canal developments made Indian growers and holders reserved sellers. Alleppey improved from Rs. 687-8 to Rs. 725. After a small sale at Rs. 700 growers are now quoting Rs. 725. Garbled at Cochin, after touching Rs. 118-12, is now being quoted at Rs. 125 with few sellers.

Sarawak black, after reacting to Str. $74, is now quoting Str. $80. Lampong black is reported firm at Singapore because of the report that Indonesia has suspended further export of pepper to Singapore as from 23rd July. This report, however, lacks official confirmation.

Spot in New York improved to $0.32 as Suez uncertainty is causing some concern among dealers there. After higgling for a concession in the price, New York is reported to have bought some afloat parcels of Malabar and parcels to be shipped by the steamer sailing on 30th July at $0.28½. In the A.S.T.A. section, August-September is now quoted at $0.29, and October-December at $0.27½. Delivery section is more active as outside speculators have begun taking more interest because of political uncertainty in the Middle East. Bouyancy in other local market is a supporting factor.

The future of the market now depends upon two factors: one, new developments in the political situation in the Middle East and the other, the size of demand from foreign consumers. The market now requires definite trade buying to support it. The trade in general anticipates good demand from consuming countries as no heavy buying has taken place so far this year and if the demand is to come, it should show itself within the next few weeks. If there is no early amicable settlement of the Suez question and the present tension continues, it is feared foreign buyers who were sitting on the fence so far in anticipation of still lower prices will have to come to cover their fall requirements which they were postponing from time to time.

Today's nominal quotations are: Ready delivery Rs. 94 per Bengal maund, August Rs. 657½-662½ and September Rs. 662½-667½ per candy of 5¼ cwts.

COTTON FUTURES SUBDUED

(*From Our Own Correspondent*)

BOMBAY, 1*st August*

The cotton futures market put on a subdued appearance. This is somewhat surprising, considering the renewed firmness of delivery contracts and adverse weather reports causing damage to cotton crop, especially in Madhya Pradesh, Khandesh and Bihar. But the trend is not altogether unexplainable. Cotton circles are greatly perturbed over rumours of an upward revision in excise duty on cloth, although there are as yet no indications whatever of such a revision. They are also perturbed over the likelihood of prolonged weakness in world cotton prices, following the continued sales of U.S. surplus cotton at progressively lower prices. Operators are, therefore, hesitant to enter into fresh sizable commitments and cotton futures have tended to look down. If, however, the decline has not been sharp, it is because of the expectation of enlarged demand for cotton, thanks to the growing domestic consumption of cloth. The confirmation of the reported decision of the Central Government to import in the next three years about 300,000 bales of American cotton on a long-term loan basis would appear to have had no effect on the market. The market is closed today, on account of the death anniversary of Mr. Bal Gangadhar Tilak.

Jarilla contract (March 1957) opened the week firm at Rs. 667-8, as against Rs. 663-8 last week-end. It receded to Rs. 663 on the 30th ultimo. After recovering to Rs. 669, it again declined to Rs. 666 yesterday on profit-taking by buil operators before closing at Rs. 667. Vijay contract (April 1957) stood at Rs. 3-8 higher at Rs. 809 on Friday. Thereafter, the contract was subjected to long liquidation and fell to Rs. 801 yesterday before finishing at Rs. 802.

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

(In rupees per candy of 784 lbs.)

	30-7-56	Highest	Lowest	25-7-56
Jarilla (March) ...	667	669	663	663½
Vijay (April) ...	802	809	801	805½

In contrast to the subdued tendency of cotton futures, the spot cotton market exhibited a fully steady trend. Delivery contracts were particularly strong. Mill enquiries were quite encouraging for certain current crop varieties, such as Vijay, Jayadhar, Wagad and Lakshmi. Among exportable styles, new crop Bengals elicited good attention of shippers who were influenced by hopes of an export quota of 25,000 bales. A notable event of the week in the spot section was the reported decision of the Government of India to allow free imports of Egyptian Giza 30, in addition to the Karnak and Menoufi already allowed, as well as all grades of Sudan cotton. Import of American cotton stands suspended, as the monetary ceiling has been reached. The Government is expected to announce shortly the procedure governing the import of U.S. cotton under the Aid Programme. Meanwhile, it is understood that the Government has decided to give licences for import applications which were submitted on or before 23rd June 1956. A new policy of cotton imports from the sterling area is now being considered and an announcement to this effect is expected in a month's time.

The following are the latest available rates from the spot market at Sewri:

Bengal *Deshi* Rs. 620; Berar Jarilla Rs. 760; Khandesh Rs. 775; Vijay Rs. 965; Oomra *Deshi* Rs. 680; Moglai Rs. 685. Delivery contracts: Khandesh 197/3 December Rs. 135 and Berar Rs. 120 and Moglai Rs. 37 on Jarilla; 320F December Rs. 72, 216F Rs. 101, Vijaya 13/16" Rs. 68 on Vijay.

Easy conditions prevailed in the Karachi cotton market during the week under review. The easiness was due to bearish advices from Alexandria, continued slackness in demand from overseas countries and fears of setback in world cotton prices. Operators were, therefore, trying to reduce their stocks and prices suffered a break. Yesterday, however, there was a marked recovery, thanks, to buying support at reduced rates. N.T.R.G. January delivery, which stood at Rs. 74-1 on the 25th July fell to Rs. 73-1 on the following day, but recovered to Rs. 74-1 on Monday. It again receded to Rs. 73-14 yesterday. March delivery was quoted at Rs. 73-7 yesterday, as against Rs. 72-10 on the 26th July. The spot cotton prices staged a retreat. The following are the latest available quotations—in rupee per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 101; Punjab *Deshi* 93-8; 4F Roller 77-7; S.G. 79-15; Punjab Roller 80-7; S.G. 83-7; 289F N.T. Roller 78-11; S.G. 80-3; 289F Punjab Roller 82-11; S.G. 89-11.

The easy trend noted in the Alexandria cotton futures market last week gathered further momentum this week. In fact, the market ruled nervous. Traders feared that the export business in Egyptian cotton would be adversely affected as a result of the strained political relations between Egypt and the U.K., its largest buyer of cotton following the nationalisation of the Suez Canal Company. A fresh wave of selling ensued and cotton futures continued their downward march. An idea of the decline in prices in the past two weeks can be had from the following table:

(In tallaris per lb.)

	31-7-56	24-7-56	16-7-56
Karnak			
November	95.65	100.05	101.85
January	93.05	98.40	98.80
March	92.30	—	—
Ashmouni			
August	67.00	71.75	73.50
October	69.65	70.40	73.45

The recent auctions in Sudan cotton were marked by slow bidding. Buyers felt that the reserve prices were too high. There was widespread expectation that the Gezira Board might reduce the reserve prices. The quantity of cotton lying unsold

with the Board as on 20th July 1956 aggregated 124,024 bales of 425 lbs. each.

Barring Egyptian and Sudan contracts which ruled weak, the Liverpool cotton futures market depicted a firm trend. The firmness was aided by good rate buying and scarcity of offerings. The improvement in trading conditions in the yarn and cloth markets also aided the sentiment of operators favourably. Cotton futures as a consequence, registered an improvement. Following bearish advices from Alexandria, Egyptian cotton contracts suffered a drop in values. The Sudan contracts also eased, on Khartoum reports suggesting a sizable cut in the Sudan Gezira Board's reserve prices for the lower Sakel and Lambert grades cotton. The downward tendency in prices would have been more pronounced but for trade and commission house buying induced by fears of possible difficulties in shipments from Sudan. The following are the latest available quotations—in pence per lb.—from Liverpool:

Old contract: July-August 24.40. *New*: July-August 25.80; October-November 24.55; December-January 23.80; March-April 23.60; May-June 23.52. *American cotton mixed contract*: October-November 24.55; December-January 23.5; March-April 23.40. *Egyptian Karnak cotton*: November-December and January-February 51.40; *Sudan cotton contract*: September-October 46.70; November-December 45.30.

The New York cotton futures market put on a cheerful appearance this week, in contrast to the reactionary trend noted in the last two weeks. There was good trade and commission house buying which was prompted by the Agriculture Department's announcement raising the average loan rate for Middling 1" 1956 crop from the preliminary level of 32.25 cents to 32.74 cents per lb. Some buying was also attributed to reports of larger mill demand for spot cotton for prompt shipment to the South-East. Another helpful factor was the expectation of a further rise in mill demand. The expectation was based on the view that, with the grant of the Government subsidy for U.S. cotton cloth exports, the competitive capacity of U.S. textiles in world markets would be enhanced. The U.S. Commodity Credit Corporation sold on bids opened on 24th *June 1956* for export only 137.122 bales of Upland cotton. The cotton was sold at an average price of 25.11 cents per lb., basis Middling 15/16" at average locations. This brings the total sales of C.C.C. stocks under the 5-million-bale export sale programme to 3,002,487 bales. The U.S. Secretary of Agriculture, Mr. Benson, has assured the shippers that he has no intention of selling C.C.C. stocks below 25.00 cents per lb. (basis Middling 15/16" at average location). It is also officially announced that no cotton export subsidy will be established to replace the present C.C.C. competitive sales programme during the coming twelve months.

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

(In cents per lb.)

	31-7-56	24-7-56	17-7-56
Spot	33.45	34.30	35.90
October	42.46	32.32	32.50
December	32.62	32.42	32.62
March	32.63	32.46	32.70

COTTON YARN FIRM

(From Our Own Correspondent)

BOMBAY, 1st *August*

The yarn market presented distinctly firm conditions during the week under review, with the exception of the staple fibre yarn section which ruled bearish. Cotton yarns met with persistent buying support, induced by Burmese enquiries for a substantial quantity of yarn in exchange for American cotton under the recent Indo-Burmese textile deal. Encouraging advices from the spot cotton market also imparted strength. Cotton yarn prices, as a result, recorded a further handsome improvement. Rayon yarns elicited good attention of operators, thanks to revival of demand for rayon cloth, especially from West Bengal markets. Staple fibre yarns, however, continued to lack support, in the absence of any helpful development.

In the cotton yarn section, forty counts were particularly strong. Moderns climbed up by Re. 1-8 to Rs. 29-8. Minaxis rallied As. 15 to Rs. 29-3. Maduras advanced by As. 13 to Rs. 29-7. Twenty counts were also keenly sought. *Hinds* and *Moderns* spurting by As. 8 to Rs. 19. Among 10s, Moderns rose by As. 4 to Rs. 15. Podars gained a like amount to Rs. 14-12. Deals in 30 counts Maduras were put through As. 4 higher at Rs. 74-8. Apollos were fully maintained at Rs. 22-8. Among 60s, Finlays strengthened by a rupee to Rs. 62. Raghuvamshis put on As. 12 to Rs. 58-4. Moderns were steady at Rs. 61-8. Among 80s, Mahendras increased by a rupee to Rs. 73. Seksarias gathered As. 8 to Rs. 54.

Snia rayon yarn (120 deniers) for October delivery evoked considerable bull support and firmed up by Rs. 8 to Rs. 795. August delivery scored a rise of Rs. 7 to Rs. 784. In the spot section, 150 Japan advanced by As. 2-3 to Rs. 4-0-9. 150 Italy picked up 18 pies to Rs. 3-15-6. 120 Italy gained 15 pies to Rs. 3-13-6. But 120 Japan was a shade easy at Rs. 3-12. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade was better by three pies at Rs. 3-11-3. 150 Bt. cones 1st grade was fully steady at Rs. 3-7.

Staple fibre yarns were subjected to selling and staged a retreat. 40 x 2 August delivery moved down by Rs. 10 to Rs. 642. Spot indigenous yarns (40x2) changed hands lower. Kohinoors receded by nine pies to Rs. 3-7-3. New Greats and New Citys lost half an anna each to Rs. 3-6 and Rs. 3-6-3, respectively. Centurys were quiet at Rs. 3-6-9. Among foreign yarns (80 x 2), H'Races dropped As. 2 to Rs. 5-15. Paramounts declined by half an anna to Rs. 6-1-6. K'Suns eased by a similar sum to Rs. 6-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those nine days and sixteen days before:

	1-8-1956	23-7-1956	17-7-1956
Art Silk yarn (per case of 200 lbs.)-	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Sna August ..	784 0	777 0	780 0
October ..	795 0	787 0	787 0
120 Japan (per lb.)	3 12	3 12½	3 12½
150 Japan (per lb.)	4 0½	4 0½	4 0½
120 Italy (per lb.)	3 13½	3 12½	3 12½
150 Italy (per lb.)	3 15½	3 14	3 14
Staple fibre yarn (per case of 200 lbs.)-			
40 x 2 July	—	653 0	652 0
40 x 2 August	642 0	652 0	655 0
40 x 2 New Great (per lb.) ..	3 6	3 6½	3 6
40 x 2 Century (per lb.) ..	3 6½	3 6½	3 6½
40 x 2 City (per lb.)	3 0½	3 0½	3 0½
Cotton yarn (per bundle of 10 lbs.)-			
10s Podar	14 12	14 8	14 4
20s Hind	19 0	18 8	18 5
40s Minaxi	29 3	28 4	28 2
60s Raghuvamshi	58 4	57 8	57 4
80s Seksaria	54 0	53 8	54 0

OILSEEDS ACTIVE

(From Our Own Correspondent)

BOMBAY, 1st *August*

The oilseeds market led by castorseed finished the week under review on a steady note after having experienced irregular movements during the first four sessions of the week. The demand from shippers in castorseed spot, as well as futures, and the brisk enquiries from overseas markets provided good support for the market in the early sessions of the week in contrast with the inactivity witnessed last week. The higher levels evoked realising pressure from influential longs, following rumours that the U.S. had rejected some offers of castor oil. This served to dampen the enthusiasm of the operators to a certain extent. But, lower rates, again, evoked replacement buying from shippers-*cum* speculators and the week finished with a steady tone. Groundnuts and linseed kept a sympathetic movement.

Groundnut, February which finished last week at Rs. 130-2 reached the peak of the week today at Rs. 134-14 and finished at Rs. 134-12, gaining Rs. 4-10. In the spot section, too, the same trend was witnessed. August-September was fractionally higher at Rs. 31-12, and December-January put on As. 8 at Rs. 26-12 over the week. Coromandel witnessed a slight rise of As. 6 to Rs. 34-2 while a similar improvement was noted in Khandesh quality. Groundnut oil ex-mill was nominally higher at Rs. 18-4 while railway receipt gained As. 4 at Rs. 18.

Castorseed September contract having finished the previous week at Rs. 130 picked up strength early in the week and reached the peak of the week on Monday at Rs. 138-8, before finishing the week at Rs. 135-14, or a rise of Rs. 5-14 over the week. May contract followed an almost similar trend, and closed the week at Rs. 117, as compared with the last week's figure of Rs. 114. In the spot section, Madras put on Re. 1 at Rs. 27-4 and Kanpur As. 8 at Rs. 26-4 over the week.

In sharp contrast oil B.S.S. and commercial were a shade lower, obviously due to the rejection by the U.S. of certain offers of castor oil.

Linseed May 1957 contract witnessed only narrow fluctuations during the first two sessions. Later on, however, it showed almost a steady upward trend in sympathy with castorseed. Over the week, the quotations rose by Re. 1-8 to Rs. 26-12. Sutna variety, in the spot section, was quoted at Rs. 28-10, as against Rs. 27-12 last week. August-September was also As. 6 higher than a week ago. Linseed oil ready, however, kept in tune with castor oil, and was somewhat lower at Rs. 16-12.

Among the others, *kardi* seeds Bold Ready was done at Rs. 17-4 as against Rs. 17-10; and August-September lost As. 12 at Rs. 17 while *niger* seed, Madras, was a shade lower at Rs. 28-4.

Presiding over the annual general meeting of the Central Organisation for Oil Industry and Trade on Monday, Mr. Ratilal M. Gandhi, stressed the need for convening a conference at an early date of the representative organisations devoted to the oils and oilseeds trade and industry in various countries. The aim of the conference was to consider common problems and to promote common objectives. He welcomed the move for further enhancing the production of oilseeds made at the Mussoorie Conference of Agricultural Ministers.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	1-8-1956	25-7-1956	17-7-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	134 12	130 2	130 4
Khandesh Quality Ready (per cwt.)	34 2	33 12	33 4
Aug-Sept.	31 12	31 9	—
Linseed—			
Bold Ready (per cwt.) ..	30 2	29 4	29 2
Aug-Sept.	30 2	29 12	—
Castorseeds—			
September	135 14	130 0	132 4
Madras (per cwt.)	27 4	26 4	26 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 4	18 0	17 4
Castor Oil—			
Commercial (per quarter) ..	14 9	15 0	14 2
Linseed Oil—			
Ready	16 12	17 0	16 0

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 1st *August*

The bearish trend noted in the sugar market last week gathered momentum during the week under review. The ex-mill quotations for sugar declined by a rupee per bag in the Bombay-Deccan and by As. 6 in U.P. side, following the further release of 158,000 tons of sugar for sale in the free market. Arrivals of indigenous sugar into the market were also fairly large, being 16,400 bags.

Trade circles were generally inclined to believe that the spot prices of sugar would not go down much below the existing levels. This view was based on the ground that adequate stocks of sugar had yet to be built in the city, in order to meet the post-monsoon demand which would emerge in about a few weeks.

In the spot section, large grain indigenous sugar receded from Rs. 96-Rs. 102 to Rs. 93-Rs. 101 per bag. Medium grain declined by a rupee to Rs. 90-Rs. 92. Small grain was quiet at Rs. 99, same as last week. British refined sugar, however, registered a smart rise of Re. 1 to Rs. 90 per 2 cwts., owing to paucity of sound sugar stocks.

'C' grade sugar for *shravan* delivery lost As. 10 to Rs. 91-5 before being quoted today at Rs. 91-8.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

DEMAND FOR TEA WEAKENS

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 27*th July*

Almost 1¼ million pounds were on offer in sale No. 21 which was held on Tuesday, 24th July. Rather more medium tea of rush production was catalogued and there was only a fair selection of high grown teas. The sale opened to a good general demand which weakened towards the close. The main strength of the market was at the bottom where commonest teas were firm, whilst brighter liquoring low mediums were dearer to buy. Medium brokens were rather difficult of sale and fannings grades registered a slight decline. The few best liquoring teas met with some competition, buyers following quality closely. Middle East type fannings were slightly easier. Whole leaf grades were well supported at dearer rates. The following are the quotations:—

	1956 Rs. a. p.	Rs. a. p.
Plain B.P.	1 4 6	
Low medium B.O.P.	1 5 0	to 1 6 0
Medium B.O.P.	1 7 0	to 1 9 0
Good B.O.P.	1 14 0	to 2 0 0
Well made black leaf O.P. ...	2 6 0	

London Market: *Sale of 23rd July 1956*:—Improved demand. 1d. to 2d. dearer.

Sale of 24th July 1956:—Little dearer.

Colombo Market: *Sale of 23rd July 1956*:—Stalk and poorer dusts lower. Others firm.

Sale of 24th July 1956:—Active demand for good tea at dearer rates, coloury mediums firm others easier.

Calcutta Market: *Export*:—28,000 packages. Good general demand. Lower types opened one anna easier, closed slightly dearer. Good liquoring teas very strong. Whole leaf occasionally easier.

Internal:—Dust 14,000. Fair general demand. Middle East strongest. Good liquoring Assams well supported. C.T.C. easier. Leaf irregular.

Dust Sale 'O':—A little over 7¼ lakhs pounds were on offer in dust sale O which was held on 26th July. The sale opened to a good general demand which weakened towards the close. Medium dusts were about steady, but best liquoring dusts met with keen competition and were often dearer. All other types were irregularly an anna to As. 2 easier.

Export Quota:—The present quotation is 30 pies with sellers over.

Forthcoming Auctions:—Sale 22 will be held on 31st July. The auction programme for August is as follows:

Sale 23, Tuesday, 7th August; Dust sale P, Thursday, 9th August; Sale 24, Wednesday, 22nd August; and Dust sale Q, Thursday, 23rd August.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale 22*:—1,150,000 lbs. Good demand, particularly best liquoring and improved low medium, which are dearer. Mediums irregular and often easier. Whole leaf very strong."

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 30*th July*

Foodgrains prices ruled firm during the week under review. Despite very good rain reports all over West U.P., the firmness of prices continued. This was due to lower production of both *kharif* and *rabi* crops in the last season, coupled with smuggling of fair quantities of rice to Pakistan. Hoarding was also one of the favourable factors contributing to the rise in prices. Coarse grains were particularly strong, thanks to lower production of small millets during 1955-56. The all-India final estimate of small millets puts the current year's area and production at 13,095,000 acres and 2,103,000 tons, respectively, which shows a decrease of 8.1 per cent. in area and 14.4 per cent. in production over last year.

Wheat average quality was quiet at Rs. 15 per maund. Daily arrivals were at an average of 100 maunds. They were hardly sufficient to meet the requirement of the locality. Farm quality recorded further gains and was quoted at Rs. 16-4 per maund. Local stock of wheat was put at 83 *khaties*, as against 128 *khaties* at this time last year. Rice continued to be steady. Mr. M. V. Krishnappa, Union Deputy Minister for Food after a tour of the rice-growing areas in the country, declared that the prospects of rice crops were very bright. The latest prices are: Basmati Rs. 25 to Rs. 33, *Rangooni* Rs. 19-8, *Mainpuri* Rs. 20-8 and coarse quality Rs. 16.

Large quantities of gram have reached here from Punjab, increasing the local stocks to 107 *khaties*, as against 84 *khaties* a week before and 12 *khaties* a year before. Barley and *bejhar*, however, recorded a slight fall in prices during the week, on good rain report which has brightened prospects of the coming *kharif* crop. *Jawar* and *guwar* were not in demand, as sowings had finished. The latest prices are: Gram local Rs. 12, punjabi Rs. 12-6, barley Rs. 11-14, *bejhar* Rs. 11-7, *jawar* Rs. 16 and *guwar* Rs. 10-4 per maund.

Pulses continued to record a steady trend, on Madras advices as loading to that centre was still restricted. *Peas dara* continued to be quoted at Rs. 11-5 per maund and white quality at Rs. 12-12. Week's offtake was two wagons in the form of pulses. With arrivals at an average of 100 maunds daily, local stock was put at 59 *khaties*. *Arhar* ruled steady at Rs. 11-8 per maund with stocks unchanged at 100 *khaties*. *Masoor* rose by Re. 1 to Rs. 15-8, due to poor stocks. Other pulses ruled quiet at almost unchanged price levels.

Divergent trend prevailed in the pulses future market during the week. While peas white *bhadon* and *urad maha* prices declined during the week, prices in other pulses future ruled quietly easy. The latest quotations as on Monday were: Peas *bhadon* Rs. 11-2, peas *white bhadon* Rs. 11-14; *arhar bhadon* Rs. 11-9-6; *guwar maha* Rs. 8-9 and *urad maha* Rs. 14-14.

SUGAR EASY

(From Our Own Correspondent)

HAPUR, 30*th July*

Conditions in the sugar markets were unchanged during the week. The supply position, however, eased, due to the release of a fresh quota of 158,000 tons for free sale by the Government. This brings the total released out of the 1955-56 production of sugar to 1,126,000 tons. The demand was normal, Delhi, Gujerat and Rajasthan being the principal buyers during the week. Booking by railways was better and the undertone towards the week-end was subdued. Mill delivery prices softened at the close of the week.

The closing rates as on Monday were: Jaswant Rs. 28-12, Simbhauli Rs. 28-12, Mawana Rs. 28-13, Daurala Rs. 28-12 to Rs. 29-12, Amroha Rs. 28-3, Bijnore Rs. 28-2, Mansoorpur Rs. 29-4 to Rs. 30, Rampur Rs. 30-12, retail Rs. 30-10. The *khandsari* markets continued to rule depressed, as demand was negligible. Inferior quality was quoted at Rs. 20-Rs. 23 and superior quality at Rs. 26-Rs. 27 per maund.

Ready *gur* prices appreciated by about As. 12 during the week. Dry quality was quoted at Rs. 12. Stocks of this quality were very small and arrivals from the producing centres had nearly stopped. *Kotha* quality was transacted at Rs. 11 and the week's offtake was 10 wagons. Local stock was put at 18,000 maunds.

Future *gur* prices ruled both ways in speculative bouts of buying and selling. On Monday, *gur phagun* was done at Rs. 10-8, as against Rs. 10-6-6 last week-end.

* * * *

A warning against the danger of permitting the less organised markets to conduct forward trading in *gur* has been given by Mr. Madhusudan Dayal, President of the Chamber of Commerce, Hapur, in the course of a statement to the Press. Mr. Dayal has questioned the justification of the plea put forward by some for recognising Meerut as the centre for forward trading in *gur*. He points out that Hapur is the best organised market for forward trading in *gur*. This view is based on the following facts:

There are four important sugarcane producing districts in West Uttar Pradesh, namely, Saharanpur, Muzaffarnagar, Meerut and Bulandshahr. The principal varieties of *gur* produced (the figures in brackets relate to output and markets covered, respectively), in these districts are: (a) *phatwan* (4.2 million maunds and 22); (b) *chikna pansera* (1.6 million maunds and 9); (c) *khurpapar* (1.5 million maunds and 8); and (d) *chaku* (this is available in the three markets of Muzaffarnagar districts, the total arrivals being about 800,000 maunds). It is thus evident that *phatwan* alone accounts for over 50 per cent. of the total *gur* production in these districts, and covers the largest producing area, ranging from four *tehsils* of Meerut district to districts of Bulandshahr, Aligarh, Mathur and border districts of the Punjab. Deliveries against future contracts can be effected in any of the above four qualities and, while starting a futures market, one has to see that the quality available for delivery is in such large quantity as not to encourage speculative tendencies in the form of cornering or squeezing of stocks at the time of delivery. This purpose can be achieved only by allowing forward transactions in that quality which can command the highest stocks in the markets. *Phatwan gur* is of standard quality, which, besides being tenderable against transferable specific delivery contracts, is also equally tenderable in spot and non-transferable specific delivery contracts, commonly known as bilicut transactions. The extent of such transactions at Hapur alone comes to about 2.5 million maunds. *Phatwan gur*, as already noted, is produced in four *tehsils* of Meerut district and other adjoining districts of U.P.; the dealers in these producing centres mostly enter into forward and ready transactions at Hapur in respect of the stocks of *gur* held by them in their respective centres. This is the reason why the number of forward transactions and deliveries thereof are not only the highest at Hapur but several times larger than those at Meerut or Muzaffarnagar.

RAW JUTE STEADY

(From Our Own Correspondent)

CALCUTTA, 31*st July*

The raw material and manufactured goods sections of the jute market displayed contrasting trends during the week under review. Thus, while manufactured goods ruled quiet, the raw material was very steady. Early in the week, the gunnies section showed some steadiness on reports that shipments, particularly of sackings, during the month of July had been satisfactory and that there would be a decline of stocks by the end of the month. The firmness of raw jute also assisted the sentiment. Latterly, however, a sagging tendency was in evidence, despite the encouraging trend in the raw material section. For, in the absence of any fresh stimulus, some of the mills came out as sellers at higher levels. Very little business was reported during the week.

In the hessians section, 40"×10 oz. July position reacted from Rs. 38-8 to Rs. 38-4, in distinct contrast to the rise of As. 2 in the previous week. August delivery declined from Rs. 38-12 to Rs. 38-7 and, after a short-lived recovery to Rs. 38-9, closed at Rs. 38-8. A similar trend was noted in October-December delivery which closed the week at Rs. 38-8, with a loss of As. 4. Among sackings, B. Twills July delivery hardened early in the week from Rs. 103-6 to Rs. 103-8, but the improvement was not sustained and the quotation declined to Rs. 103-4. August position, after an initial recovery from Rs. 104-2 to Rs. 104-4, moved down to Rs. 103-14. October-December position closed at Rs. 104-2, with a loss of As. 4 over the week, although it had touched a high of Rs. 104-10 earlier.

Notwithstanding the persistent reports that the new crop had not been seriously affected by the floods, raw jute ruled steady, with prices marked up over the week, on fair enquiries from some mills. On the whole, however, mills were confident that the overall supplies would be sufficient to meet their requirements during the current season and that there would be no shortage of raw jute. Indian Northern bottoms, August, advanced from Rs. 28 to Rs. 28-8 and August-September from Rs. 27 to Rs. 28. Assam Upper, August, also rose from Rs. 28 to Rs. 28-8.

The decision of the East Pakistan Government to set up a Jute Commission to plan schemes to ensure fair price for cultivators and to safeguard Pakistani jute interests abroad, did not make any impression in jute circles here. The Commission will be required to report its findings to the Government within four months of its appointment. The Government has already set up a Jute Advisory Committee and a Standing Sub-Committee to offer advice for the stabilisation of jute prices from time to time. The new jute policy is also expected to encourage jute shipping by liberalising the grant of licences, though a strict watch would be kept to prevent malpractices.

To prevent jute smuggling across the Pakistani border, the Government has appointed approved jute dealers in the border belt. With the availability of funds, it is stated, the Government might lift jute from border areas through co-operative societies or authorised agents. The establishment of regulated jute markets at suitable centres, a rural agricultural credit bank and jute warehouses are also proposed under the new scheme. The Government will ban publication of unauthorised jute forecasts in Pakistan and would arrange to issue correct forecasts. The Jute Department created recently may also take over jute regulation work from the Revenue and Agriculture Department.

LINSEED ADVANCES

(Messrs. A. Bradley and Co.)

CALCUTTA, 30*th July*

Generally firm conditions prevailed in the linseed market during the week under review. Prices advanced appreciably, following good enquiries. Actual turnover, however, was poor, owing to an acute shortage of ready goods and very firm advices from the centres. The oil section displayed a notable advance in sympathy with mustard oil. Although there was little chance of fresh export business, local enquiries were good.

The latest available quotation is: Ready-August Rs. 22-12 per maund.

HIDES IRREGULAR

(From Our Own Correspondent)

KANPUR, 29*th July*

An irregular trend was in evidence in the hides and skins market during the week under review. Fresh arrivals were not as considerable as those in the previous week. The demand for wet salted cow and buff—the two most important categories—was less keen. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow, 1st grade Rs. 280, 2nd grade Rs. 200 to Rs. 240 and 3rd grade Rs. 150 per score; wet salted buff, 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat, 1st grade Rs. 180 and 2nd grade Rs. 130 to Rs. 140 per 100 pieces; sheep, 1st grade Rs. 250 and 2nd grade Rs. 160 per 100 pieces.

Notices

THE KATAKHAL LALA BAZAR RAILWAY COMPANY, LIMITED

THE FORTY-FIFTH ANNUAL GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Monday the 3rd September 1956, at 4-15 p.m., to transact the following business:—

1. To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the year ended 31st March 1955.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. M. R. C. Thomas who retires by rotation, but who is eligible for re-appointment.

   And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the Act, is annexed hereto.

   To be proposed as a Special Resolution—

   "That Mr. M. R. C. Thomas an Associate of McLeod & Co., Ltd., the Managing Agents of the Company who retires by rotation be and is hereby re-appointed a Director of the Company."
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 17th August to 3rd September 1956, both days inclusive.

By Order of the Board,
McLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 6*th August* 1956.

Note—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

Payment of the proposed dividend, if declared, will be made on or after 17th September 1956 to those members whose names are registered in the Books of the Company on 3rd September 1956 or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

EXPLANATORY STATEMENT

In the Special Notice given to the Company of the resolution under item No. 3 of the above Notice, it has been pointed out that Mr. M. R. C. Thomas is an Associate of the Managing Agents and, in view thereof, it will be necessary for the Shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to reappoint him as a Director of the Company.

THE PUNJAB NATIONAL BANK LIMITED

"Shree Niwas," 8, Underhill Road, DELHI

NOTICE OF INTERIM DIVIDEND

THE DIRECTORS OF THE PUNJAB National Bank Limited, Delhi, have decided to pay an Interim Dividend at Rs. 2 per share, free of Income-tax, for the current year, at the Registered Office of the Bank at Delhi on or after the 1st September 1956, to the shareholders whose names stand on the Register of Members of the Bank as on 27th August 1956.

The Transfer Books and Register of Members of the Bank will remain closed from 28th August 1956 to 31st August 1956 (both days inclusive).

By Order of the General Board of Directors,
R. L. TULI,
Officiating General Manager.

DELHI, 19*th July* 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1938	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	3rd May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1955	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1956	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1951	3½	3½
Pakistan	1st July, 1948	3	3
Peru	18th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 27th July, 1956		Week ended 20th July, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,55,461	55,47,44,000	2,33,658	57,86,89,000
Calcutta ..	1,49,420	40,15,65,062	1,39,675	54,08,78,121
Madras ..	76,735	9,20,42,187	74,804	9,75,55,690
All Centres—				
1955-56* ..	..	..	2,669,000	5,505,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
April 1956 ..	..	..	3,434,000	7,40,55,00,000
May ..	..	..	3,485,000	7,10,51,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 27th July, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund ..		1,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		76,16,00,000
(2) Other Governments		6,35,50,000
(b) Banks		53,34,84,000
(c) Others		12,21,80,000
Bills Payable		6,03,13,000
Other Liabilities		25,98,94,000
	Rupees ..	206,58,25,000

ASSETS	Rs.
Notes	32,99,10,000
Rupee Coin	9,76,000
Subsidiary Coin	5,63,000
Bills Purchased and Discounted—	
(a) Internal	2,00,000
(b) External	....
(c) Government Treasury Bills ..	3,26,17,000
Balances held abroad*	42,75,80,000
Loans and Advances to Governments ..	5,15,75,000
Other Loans and Advances	65,58,32,000
Investments	49,39,43,000
Other Assets	7,81,29,000
Rupees ..	206,58,25,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 34,84,89,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 202,25,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	32,99,10,000	
Notes in circulation	1444,28,08,000	
Total Notes issued		1477,27,18,000
Total Liabilities ..		1477,27,18,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..	....	
Foreign Securities ..	616,57,54,000	
Total of A ..		656,59,25,000
B. Rupee Coin		111,05,80,000
Government of India Rupee Securities ..		708,62,18,000
Internal Bills of Exchange and other commercial paper ..		....
Total Assets ..		1477,27,18,000

Ratio of Total of A to Liabilities: 44.458 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 20th July, 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	9,25,77,000
(ii) Other demand liabilities	624,31,17,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	3,35,30,000
(ii) Other time liabilities	451,51,58,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	6,29,04,000
(ii) Time liabilities	....
4. Cash in India	88,40,58,000
5. Balances with the Reserve Bank in India ..	49,38,32,000
6. Balances with other banks in current account in India	10,30,87,000
7. Money at call and short notice in India	12,34,14,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	351,22,69,000
9. Advances in India	601,01,75,000
10. Inland Bills purchased and discounted in India	96,09,73,000
11. Foreign Bills purchased and discounted in India	47,58,14,000

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

EXCHANGE RATES

	31st July, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6☆	1-6☆
Buyers T.T. 10 to 12 months	1-6☆	1-6☆
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480½	479½
Buyers T.T. .. .. Rs.	478	473
London on New York .. $	2.79½-2.79½	2.79½-2.79½
London on Paris .. Frs.	980½	980½
London on Berne Sw. Frs.	12.18½	12.19½-12.20
New York on London.. $	2.79½-2.79½	2.79½-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	'54-'55	378.07	..	10,170	269
Pakistan ..	'53-'54	78.81	..	1,981	245
Burma ..	1954	19.24	Kyats 3,905	390	204
Ceylon ..	1954	8.28	..	477	569
Japan ..	1954	88.20	Y. 6,148,000	6,133	922
Philippines ..	1954	21.44	Ps. 7,438	1,770	825
New Zealand ..	1954	2.00	£ (N.Z.) 802	1,070	5,119
Australia ..	1954	8.99	£ (A) 3,957	4,220	4,094
U.K. ..	1954	50.78	£ 15,718	20,950	4,100
U.S.A. ..	1954	162.41	$ 299,700	142,370	3,766
Canada ..	1954	15.20	$ 18,751	9,190	6,045
France ..	1954	42.84	F.Fr. 11,498,000	15,040	3,650
W. Germany ..	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.07	Lr. 9,718,000	7,380	1,544
Norway ..	1954	3.39	Kr. 18,424	1,230	3,638
Sweden ..	1954	7.21	Kr. 38,630	5,544	4,912
Netherlands ..	1954	10.62	Grs. 21,060	2,640	2,488
Denmark ..	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland ..	1954	4 92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 20th July, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	33,60,40,000
(b) Provincial Governments	7,77,37,000
(c) Banks	20,06,72,000
(d) Others	3,90,38,000
Bills Payable	1,86,68,000
Other Liabilities	9,76,68,000
Rupees ..	82,97,09,000

ASSETS	Rs.
Notes	11,32,52,000
Rupee Coin	11,000
Subsidiary Coin	11,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	53,52,000
Loans and Advances to Governments ..	....
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances	3,70,50,000
Investments	56,27,94,000
Other Assets	11,12,39,000
Rupees ..	82,97,09,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,32,52,000	
Notes in circulation	284,46,49,000	
Total Notes issued		295,79,01,000
Total Liabilities ..	....	295,79,01,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,33,41,000	
Silver Bullion	....	
Sterling Securities	96,64,02,000	
Government of India Securities ..	16,69,91,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,55,75,000	167,69,92,000
Government of Pakistan Securities	115,63,28,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		122,19,03,000
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities ..	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	295,79,01,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 58.50 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	20th July, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1460.01	1474.60	1486.87	1297.99
Notes held in Banking Department ..	35.05	25.20	29.37	29.68	30.32
Foreign Securities ..	59.50	616.68	626.68	656.54	637.04
Banking Department	87.39	718.56	728.56	713.66	543.65
Deposits of :					
Government of India.	14.89	88.42	52.03	62.58	79.62
Other Governments.		13.69	6.94	8.01	18.90
Balances held abroad	10.08	47.96	41.63	32.27	79.61
SCHEDULED BANKS					
Demand Liabilities..	134.36	633.57	644.30	634.65	603.59
		(9.20)†	(13.13)†	(6.40)†	(11.10)†
Time Liabilities ..	102.24	454.87	456.43	449.63	406.39
Borrowings from Reserve Bank	..	(3.33)†	(3.22)†	(3.22)†	(4.02)†
		54.00	38.50	56.33	15.16
Borrowings from State Bank ..	..	(38.29)†	(33.97)†	(41.91)†	(14.55)†
Cash in India ..	6.70	6.29	5.60	6.88	2.34
Balances with Reserve Bank ..	25.17	38.41	37.26	37.38	33.38
Excess over statutory limits ..	15.52	49.38	50.01	48.25	52.29
Balances with other banks in current account in India.	..	9.60	8.67	7.52	18.98
Money at call and short notice in India ..	..	10.31	10.78	10.57	11.30
Investments .. (at book value)	..	12.34	17.90	10.93	21.31
Advances and bills ..	105.09	351.23	345.98	343.08	368.43
STATE BANK		744.70	747.96	759.77	604.47
Deposits ..	87.76	220.71	223.16	223.62	205.50
Investments ..	51.99	100.57	100.27	100.63	102.15
Advances	30.35	130.31	131.03	135.89	109.47
Cash	14.69	16.57	18.35	17.33	16.62

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	April,		Twelve months, April to March,	
	1955	1956	1954-55	1955-56
Import Duties /				
Revenue	8.94	9.46	136.98	120.17
Protective	0.75	0.97	7.24	10.89
On surplus disposals	—	—	0.14	0.09
Total import duties	9.69	10.43	144.36	130.65
Export Duties ..	2.23	1.54	41.39	37.49
Land Customs ..	0.19	0.05	1.31	1.29
Miscellaneous ..	0.05	0.07	1.07	0.70
Gross total customs	12.21	12.09	188.63	170.13
Refunds and drawbacks	0.24	0.15	1.33	2.63
Net Customs ..	11.97	11.94	186.80	167.50
Gross excise ..	10.60	12.09	106.62	148.88
Refunds	0.09	0.00	1.98	4.08
Net Excise ..	10.42	12.00	104.64	144.76
Net total of customs and excise†	22.39	23.94	291.44	312.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 27th July, 1956

	Rs.	Rs.
CAPITAL AND LIABILITIES		
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		221,30,77,000
Borrowings from Other Banking Companies, Agents, etc.		13,50,00,000
Bills Payable		5,23,97,000
Bills for Collection being Bills Receivable as per contra		61,52,000
Acceptances, Endorsements and Other Obligations per contra		13,64,000
Other Liabilities (including Inter-Office Adjustments)		5,66,12,000
Total .. Rs.		258,43,52,000
PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand with Reserve Bank		14,61,81,000
Balances with other Banks		9,71,50,000
Money at Call and Short Notice ..		80,00,000
INVESTMENTS :		
Government and other Trustee Securities	89,21,84,000	
Other Authorised Investments ..	11,29,99,000	
		100,51,83,000
ADVANCES :		
Loans Cash Credits, Overdrafts, etc.	90,27,06,000	
Bills Discounted and Purchased ..	36,17,06,000	
		126,44,13,000
Bills Receivable being Bills for Collection as per contra		61,52,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		13,64,000
Premises less Depreciation ..		1,16,16,000
Furniture and Fixtures less Depreciation ..		52,96,000
Other Assets (including Inter-Office Adjustments)		9,39,94,000
Total .. Rs.		258,43,52,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@												10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates						
	5-Year		7-Year		12-Year											
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*
1953-54	6.68	65	8.26	22.66	84.17	1,18.36	92.08	— 31.07	7.55	25.54						
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,34.04	1,30.88	— 36.25	5.57	27.18						
1955-56	3.76	1.96	5.46	27.17	1,44.39	1,52.96	1,53.00	— 38.30	4.79	41.35			7,40‡‡	7.58	55‡‡	54
April 1955 ..	4.66	11	5.00	2.86	1,38.48	12.41	1,33.32	— 35.50	45	37.55			9.39	16.41	45	55
May ..	4.62	86	5.24	2.01	1,37.94	11.98	1,34.54	— 36.64	41	37.86			48	7.86	4	56
June ..	4.44	13	5.15	2.09	1,39.49	13.56	1,36.35	— 36.76	36	37.88			66	5.53	4	58
July ..	4.26	12	5.15	2.27	1,41.28	13.90	1,40.58	— 36.85	41	38.54			84	9.23	5	61
August ..	4.39	12	5.17	2.08	1,93.83	13.25	1,42.90	— 36.96	39	38.87			91	10.19	4	62
September ..	4.31	12	5.20	2.54	1,34.55	13.40	1,46.91	— 37.11	44	39.28			83	11.00	4	63
October ..	4.14	10	5.21	2.11	1,36.88	11.55	1,45.99	— 36.23	44	39.68			94	11.90	5	68
November ..	4.07	10	5.21	1.88	1,37.45	11.25	1,50.40	— 38.34	43	40.06			80	13.49	6	73
December ..	4.00	18	6.58	3.46	1,39.48	13.94	1,53.44	— 38.44	56	40.34			83	13.80	6	75
January 1956 ..	3.91	14	5.24	2.03	1,40.78	12.16	1,54.14	— 38.55	33	40.61				15.57	4	79
February ..	3.83	19	5.30	2.23	1,42.27	13.87	1,56.19	— 38.66	39	40.95			84	14.72	3	82
March ..	3.76	21	5.46	2.80	1,44.89	13.45	1,63.00	— 38.80	36	41.34			93	15.87	3	91
April	3.69	24	5.52	2.19	1,45.58	14.54	1,66.32	— 38.89	34	41.61			91	16.41	3	93
May	..	..	..	..	..	..	..	..	38	41.82			83	17.17	3	98

* At the end of period.
‡‡ Relating to nine months from July, 1954.
§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
@ Progressive net repayments at the end of period from 15th August 1947.
‡ Relating to eleven months from May 1954.
§ From July, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 23-7-'56	23-6-'56	14-7-'56	21-7-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91.3	91.2	91.1
1. Government of India ..	90.8	91.1	91.0	90.9
2. Indian States	96.4	96.7	96.8	96.8
3. Municipal, Port Trust, etc.	89.5	90.4	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.8	100.5	100.5	100.4
1. Electricity	102.3	101.5	101.5	101.3
2. Jute	98.9	97.5	97.5	97.5
3. Plantations	99.1	99.3	99.3	99.3
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering ..	100.6	100.9	100.9	100.9
7. Shipping	100.9	102.1	101.8	101.8
8. Others	100.9	101.0	100.9	100.9
PREFERENCE SHARES ..	87.9	88.5	88.5	88.2
1. Electricity	96.1	90.3	90.3	90.2
2. Cotton	83.4	82.7	83.1	83.4
3. Jute	86.4	81.9	81.9	81.7
4. Coal	92.5	85.5	85.5	84.5
5. Iron and Steel	91.7	87.8	88.3	88.3
6. Sugar	84.0	84.5	84.6	84.2
7. Paper	83.9	82.1	82.2	82.2
8. Plantations	98.3	102.3	100.2	100.2
9. Miscellaneous	85.0	82.0	82.7	81.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	118.7	125.5	124.7	125.7
(a) Financial	88.6	90.7	91.8	92.6
1. Banks	85.7	90.8	91.7	92.8
2. Insurance	107.0	88.8	91.3	92.0
3. Investment Trust..	87.9	92.4	91.8	91.4
(b) Public Utilities ..	113.0	112.1	112.5	113.7
1. Electricity	122.5	112.4	113.3	114.5
2. Shipping and other Transport ..	97.9	119.4	118.7	120.1
3. Railways	87.3	83.2	84.3	84.3
(c) Manufacturing Industries.	124.3	135.8	134.3	135.9
1. Cotton, Woollen and Silk ..	111.4	134.5	136.6	139.3
2. Jute	98.4	76.8	73.3	72.5
3. Iron and Steel ..	153.0	161.9	154.4	155.9
4. Paper	233.3	238.5	279.1	277.7
5. Cement	154.8	183.7	178.6	181.7
6. General Engineering	182.2	195.3	193.0	193.0
7. Sugar and Breweries	100.6	105.8	106.7	106.6
8. Chemicals	139.3	145.8	146.7	150.3
(d) Non-Manufacturing Industries	164.8	188.6	186.2	185.8
1. Coal	80.6	80.0	80.4	79.7
2. Mining and Oil ..	225.7	288.1	252.2	253.0
3. Plantations	189.8	195.3	192.2	191.5
(e) Miscellaneous	98.5	101.7	101.7	102.3
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.4	90.7	90.6	90.5
2. Calcutta	90.8	91.2	90.1	91.0
3. Madras	91.2	91.5	95.5	91.4
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.5	99.9	98.8	99.7
2. Calcutta	101.6	100.9	100.9	100.8
3. Madras	100.2	100.2	100.2	100.2
PREFERENCE SHARES :				
1. Bombay	92.5	89.1	89.4	89.5
2. Calcutta	83.6	80.1	80.5	80.1
3. Madras	94.9	97.8	96.8	96.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	120.8	133.8	133.6	136.4
2. Calcutta	112.1	110.8	109.0	108.7
3. Madras	113.9	134.4	136.8	138.1
4. Delhi	127.7	141.8	138.6	139.3

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,821	2,818,928
1952	963	809,843	2,836,961
1953	772	466,697	3,338,608
1954	840	477,138	3,372,630
1955	1,166	527,767	5,597,848
April 1954 ..	101	34,963	207,247
May	80	40,073	216,062
June	82	21,589	305,076
July	122	30,189	277,492
August	79	51,090	322,887
September	97	50,414	263,873
October	88	41,724	276,204
November	88	36,115	230,701
December	101	54,455	262,763
January 1955† ..	95	49,033	322,807
February	91	38,870	144,302
March	112	70,042	334,996
April	112	35,432	333,275
May	105	68,441	961,776
June	120	91,289	1,144,011
July	152	56,260	560,492
August	111	90,318	533,999
September	226	92,619	580,031
October	251	47,800	214,314
November	134	45,609	173,112
December	99	45,277	239,550
January* 1956† ..	108	61,200	353,555
February*	123	66,605	790,711
March*	147	135,053	688,889
April	136	79,314(a)	512,485(b)

† Figures are provisional.
(a) Not known in 1 case.
* Revised.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1953-54	614	6,201.4	5,124.2
1954-55	643	6,876.5	5,673.7
1955-56	686	7,760.9	6,310.3
1955-56	715	8,305.8	7,185.8
January 1956 ..	654	668.5	545.3
February	655	633.7	521.6
March	686	698.7	568.3
April	690	691.1	563.9
May	691	706.5	585.2
June	696	716.3	576.1
July	700	734.5	583.2
August	700	708.9	574.4
September	707	719.5	587.1
October	716	730.7	591.9
November	721	725.5	567.0
December	734	735.7	643.0
January 1956 ..	721	757.2	621.8
February	739	749.9	623.0
March	715	800.0	651.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	Weight	14th July, 1956	7th July, 1956	16th July, 1955	June, 1956	June, 1955	Percentage of increase (+) or decrease (—) in June, 1956 as compared with June, 1955	Financia. Year Average 1955-'56	1954-'55
Food Articles	(31)	378.7	374.9 R	317.6	386.2	281.8	+30.9	312.2	338.6
Cereals	59	436	430	368	470	323	+45.5	372.8	381
Pulses	8	380	370	280	359	228	+57.5	289	280
Others	33	242	242 R	252	236	238	+ 1.3	235	291
Industrial Raw Materials ..	(18)	487.8	490.8	407.2	479.4 R	390.4	+22.8	419.8	436.2
Fibres	53	475	484	410	461	407	+13.3	429	447
Oil seeds	30	521	530	395	540	350	+54.3	398	424
Minerals	10	517	470	423	429 R	416	+ 7.5	427	422
Others	7	419	421	420	430	416	+ 3.1	431	427
Semi-Manufactures	(17)	393.4	395.1	331.1	391.8	329 7	+18.8	338.2	350.3
Leather	8	395	399	360	404	388

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000s omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals						
Rice	final	tons	29,053	25,049	25,474	24,531
Wheat	final	..	9,917	9,757	8,154	8,064
Jowar	final	..	47,733	41,446	9,040	9,091
Bajra	final	..	27,012	22,943	3,690	3,421
Barley	2nd	..	4,402	3,790	2,311	2,171
Maize	final	..	8,900	9,111	2,513	2,319
Ragi	final	..	5,627	5,511	1,344	1,546
Small millets	final	..	13,095	11,799	2,103	2,456
Total cereals	final	tons		266,423		55,127
Pulses —						
Gram	2nd	tons	22,206	20,995	4,702	4,535
Tur	final	..	6,757	5,944	1,814	1,668
Other Kharif pulses †	final	..	15,862	16,719	1,650	1,470
Total pulses	final	tons		54,008		10,474
Oilseeds —						
Groundnut	final	tons	12,585	13,584	3,901	4,124
Castorseed	final	..	1,402	1,304	126	124
Sesamum	final	..	5,784	6,001	456	549
Rape and Mustard	final	..		5,665		962
Linseed	final	..	3,424	3,364	376	342
Total oilseeds	final	tons		29,915		5,477
Fibres —						
Cotton*	final	bales	20,230	18,564	3,995	4,227
Jute†	2nd	..	1,541	1,241	4,137	3,924
Mesta†	2nd	..	614	524	1,701	1,014
Other crops —						
Potato	final	tons		665		1,762
Sugarcane	final	..	4,446	3,974	57,749	56,923
Ginger (Dry)	final	..	17	15	15	17
Pepper (Black)	final	..	214	208	27	26
Chillies (Dry)	final	..	1,492	1,523	340	368
Tobacco	3rd	..	893	824	249	235

Source: Ministry of Food and Agriculture.
* In thousand bales of 392 lbs. each. † In thousand bales of 400 lbs. each. ‡ Excluding Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1956	94·9
	Corresponding month, 1955	86·7
	Twelve months ended June, 1956	1,044·9
	Corresponding period, 1955	1,003·24
Stocks	At the end of June, 1956	128·9
	Corresponding month, 1955	87·6
		(In 000 bags)
Exports (Jute/Bags)	Week ended 23rd June, 1956	3,382
	Corresponding week, 1955	3,111
	From 1st Jan., to 23rd June, 1956	198,680
	Corresponding period, 1955	206,632
		(In 000 Yds.)
Exports* (Jute Cloth)	Week ended 23rd June, 1956	10,247
	Corresponding week, 1955	4,482
	From 1st Jan., to 23rd June, 1956	527,991
	Corresponding period, 1955	513,791
	RAW JUTE	(In lakh bales)
Consumption by Mills†	June, 1956 (In lakh bales)	5·74
	Corresponding month, 1955	4·07
	Twelve months ended June, 1956	61·51
	Corresponding period, 1955	58·19

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended 31st March, 1956		11,86,000	10,91,900	7,91,800
Do.	31st March, 1955	11,54,000	10,70,300	7,80,000
Do.	31st March, 1954	11,34,400	10,42,900	7,81,300
Do.	31st March, 1953	11,59,900	10,62,100	7,97,900
January	1955	1,02,800	96,800	72,300
February	..	98,500	84,500	62,900
March	..	96,100	89,100	66,100
April	..	96,100	88,000	66,100
May	..	94,200	87,500	5,500
June	..	91,700	80,900	62,000
January	1956	1,06,900	96,800	71,800
February	..	97,500	89,500	67,700
March	..	1,03,300	96,200	69,900
April	..	1,00,000	87,300	64,800
May	..	96,800	89,400	66,800
June	..	94,900	89,900	64,400
Indian Iron and Steel Co., Ltd.				
Year ended 31st March, 1956		6,26,710	4,81,680	3,13,940
Do.	31st March, 1955	5,80,082	5,49,980	3,97,440
Do.	31st March, 1954	7 15 946	5,38,240	4,50,068
Do.	31st March, 1953	7,06,964	5,81,506	4,50,907
Three months ended	June, 1956	1,46,770	1,17,370	1,07,680
.. .. ..	Sept., 1954	1,80,018	1,59,761	1,13,361
.. .. ..	Dec., 1954	1,66,042	1,56,921	1,20,618
.. .. ..	Mar., 1955	1,66,108	1,48,858	1,18,186
.. .. ..	June, 1955	1,46,808	1,34,318	1,16,281
.. .. ..	Sept., 1955	1,76,181	1,50,420	1,08,714
.. .. ..	Dec., 1955	1,80,750	1,54,966	1,05,758
.. .. ..	Mar., 1956	1,84,480	1,41,946	1,19,980
.. .. ..	June, 1956	1,45,806	1,17,710	79,709

OVERALL BALANCE OF TRADE OF INDIA

May, 1956†

Particulars	May 1956 Rs. (lakhs)	May 1955 Rs. (lakhs)	Two months, April to May 1956 Rs. (lakhs)	Two months, April to May 1955 Rs. (lakhs)
1. Trade in merchandise— (a) Exports	11,91	11,17	23,55	23,77
(b) Re-exports	1	89	2	1,74
Net re-exports	1	89	2	1,74
Total exports	11,41	10,28	23,53	22,03
2. Imports	51,24	65,51	102,59	126,17
Less—Transit trade			1	
Net imports*	51,24	65,51	102,59	126,17
Balance of trade in merchandise	— 9,83	— 23,40	— 18,26	— 43,12
Balance of trade in gold and silver		1	— 1	— 2
Total overall visible balance of trade	— 9,83	— 23,41	— 18,27	— 43,14

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC WAGON LOADINGS

(In '000s of Tons)

Year, Month	Total No. of Wagons Loaded	Coal and Coke	Cotton Manufactures	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1954-55	11,411	2,635	349	173	108	81	134	21	170	297	25	260	45	156
1953-54	11,097	2,517	332	153	92	81	152	16	196	344	26	245	47	175
1954-55	11,741	2,709	366	144	94	82	174	13	299	399	25	291	47	175
1955-56	12,761	2,772	972	212	110	87	150	29	474	412	41	331	48	124
April 1955	1,027	2	77	21	17	6	9	2	90	33	3	24	2	10
May ..	1,042	2	77	19	10	6	12	1	15	66	3	43	4	23
June ..	973	662	237	55	33	17	15	4	27	98	11	73	7	24
July ..	1,073	806	374	78	41	22	23	4	52	130	14	100	12	34
August ..	1,098	1,129	413	88	59	27	59	11	68	164	14	126	16	44
September ..	1,041	1,361	491	101	56	22	57	12	82	196	22	153	22	62
October ..	1,112	1,667	565	114	62	34	54	14	95	229	23	179	27	76
November ..	1,069	1,546	544	104	44	27	44	17	111	264	27	206	27	90
December ..	1,234	1,670	721	153	77	51	95	21	206	304	30	238	38	104
January 1956	1,406	2,319	808	173	86	54	114	24	302	339	34	268	42	129
February ..	1,154	2,241	843	190	97	62	118	27	395	374	35	288	43	129
March ..	1,261	2,272	972	212	110	67	150	29	474	412	41	331	48	148
April ..	1,115	2	23	12	5	2	64	2	34	2	2	31	2	10

Note :—The figures relate to 1st and metre gauge rail of Class I Railways. The monthly figures are provisional from April, equated to M. G. Wagons : B.G. = 2 M.G. and incorporate revisions in respect to earlier months.
* Including sugarcane from November 1955.
Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Ginned—		
Cotton Receipts	Week ended 14th July, 1956	14,743(f)
	Corresponding week, 1955	51,464
	1st Sept. to 14th July, 1955-56	1,774,436*
	Corresponding period, 1954-55	1,941,124*
Cotton Exports	Week ended 14th July, 1956	454
	Corresponding week, 1955	15,665
	1st Sept. to 14th July, 1955-56	837,177‡
	Corresponding period, 1954-55	571,446
Mill Consumption (Estimated)	1st Sept. to 14th July, 1955-56	1,105,387
	Corresponding period, 1954-55	1,110,065
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 14th July, 1956	670,649
	Corresponding date, 1955	922,037
Cotton Exports from Bombay (by sea)	During March, 1956	138,744§
	1st Sept., '55 to 29th Mar., 1956	560,100
	1st Sept. '54 to 28th Mar., 1955	201,760
Karachi (Pakistan)—		
Receipts	1st Sept. to 12th July, 1955-56	1,294,178
	Corresponding period, 1954-55	1,225,042
Exports	1st Sept. to 12th July, 1955-56	899,945
	Corresponding period, 1954-55	764,093

J—By Rail and Sea. † Incomplete. * By Rail Sea and Road. ‡ Excluding Ecda and Yellow Pickings, etc. § Includes Ecda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1955 to 23rd July, 1956 Bales	From 1st Sept. 1954 to 23rd July, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	60,450	
Continent	94,243	37,393
Hongkong	34,306	57,342
China	54,390	16,141
Japan	301,525	6,103
U.S.A.	3,842	96,932
Other Countries	2,765	17,054
Total to all foreign countries	543,521	2,462
Coastal Ports	102,585	232,427
Total	646,106	163,987
		376,364

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.
Indian	April, 1956	841,829
Foreign		51,278
Indian	Eight months ended April 1956	2,910,601
Foreign		350,673
Indian	Same Period 1955	2,715,988
Foreign		443,122
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April, 1956	1,512,678
Foreign		213,316
Indian	As on 30th April, 1955	1,478,480
Foreign		188,080
Cotton Pressed in India† (In running bales)	Week ended 13th July, 1956	1,029
	Corresponding week, 1955	19,943
	1st Sept. to 13th July, 1955-56	3,470,677
	Corresponding period, 1954-55	4,399,938

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1938 39	63,30,26,000	1960-70	101 A
4 % Loan	1954 55	1,16,17,46,000	1963-64	98
3 % Loan	1940	80,93,10,000	1964	95
2½ % Loan	1945	1,10,13,74,000	1964-67 AA	95
3 % Loan	1944	87,14,50,000	1957	99
3 % Loan	1945	1,15,06,42,000	1970-75	90
3 % Nat'l. Loan	1945	1,18,85,64,000	1965-81	93
3 % Loan	1951	80,85,82,000	1954	99
3 % Loan	1941	48,48,07,000	1960	99
3 % Loan	1942	87,07,84,000	1970	95
3 % Loan	1946	14,77,48,000	1976	82
3 % Loan	1947	75,86,72,000	1962	99
3 % Loan (N.P. Bonds)	1962	73,89,00,000	1961	99
2½ % N.P. Loan	1954	1,54,11,14,000	1964	99
2½ % N.P. Bonds (2nd Series)	1955	1,03,67,32,000	1965	99
3 %	1955	57,27,00,000	1962	98
3 %	1955	53,52,00,000	1967	95
3 %	1956	66,64,14,000	1974	95
NON-TERMINABLE LOANS				
3 % Loan	1900 07	8,03,35,000	At option of Government after three months notice (in September 1956 or later at option of Government after three months notice)	76
REPATRIATE STERLING LOANS				
4½% Loan	1955	5,85,71,000	1964-65***	101
STATE LOANS				
3 % Andhra	1955	4,00,00,000	1st Sept. 1967	99
3 % Bombay	1942	2,93,75,000	15th Sept. 1956	99
3 % Bombay	1943	3,00,00,000	15th Aug. 1958	99
3 % Bombay	1945	3,75,00,000	15th Aug. 1960	99
3 % Bombay	1946	3,75,00,000	15th Aug. 1961	99
3 % Bombay	1947	3,75,00,000	15th Aug. 1962	99
3 % Bombay	1948	3,75,00,000	15th Aug. 1963	99
3 % Bombay	1949	3,75,00,000	15th Aug. 1964	99
3 % Bombay	1950	3,75,00,000	15th Aug. 1965	99
3 % Bombay	1951	3,75,00,000	15th Aug. 1966	99
3 % Bombay	1952	3,75,00,000	15th Aug. 1967	99
3 % Bombay	1953	3,75,00,000	15th Aug. 1968	99
3 % Bombay	1954	3,75,00,000	15th Aug. 1969	99
3 % Bombay	1955	3,75,00,000	15th Aug. 1970	99
3 % Bombay	1956	3,75,00,000	15th Aug. 1971	99
3 % Gujarat	1956	2,50,00,000	15th Aug. 1971	99
3 % Kerala	1956	2,50,00,000	15th Aug. 1971	99
3 % Madhya Pradesh	1956	5,00,00,000	15th Aug. 1971	99
3 % Madras	1956	5,00,00,000	15th Aug. 1971	99
3 % Mysore	1956	2,50,00,000	15th Aug. 1971	99
3 % Orissa	1956	2,50,00,000	15th Aug. 1971	99
3 % Punjab	1956	2,50,00,000	15th Aug. 1971	99
3 % Rajasthan	1956	2,50,00,000	15th Aug. 1971	99
3 % Uttar Pradesh	1956	5,00,00,000	15th Aug. 1971	99
3 % West Bengal	1956	5,00,00,000	15th Aug. 1971	99
3 % Travancore	1955	2,50,00,000	15th Aug. 1965	100 A
3 % Travancore	1956	50,00,000	15th Aug. 1956	100
3 % Cochin	1956	2,50,00,000	15th Jan. 1966	100 A
3 % Cochin	1956	1,57,14,000	15th Aug. 1956	99
3 % Cochin	1956	3,42,11,000	15th Aug. 1961	99
3 % Cochin	1956	3,17,32,700	15th Aug. 1966	99
3 % Cochin	1956	3,99,99,800	15th Aug. 1971	99
3 % Cochin	1956	1,91,78,100	15th Aug. 1971	99
3 % Cochin	1956	6,11,44,200	15th Aug. 1971	99
3 % Cochin	1956	8,85,19,800	15th Aug. 1971	99
3 % Cochin	1956	9,02,84,000	1st Sept. 1971	99

PORT TRUST LOANS

Amount	Interest Payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				
36,40,000	4	1904	1964	Rs.
25,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
78,00,000	4	1908	1968	99½
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
70,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,875	4	1912*	1960	D
90,00,000	4	1913	1973	100½N
84,35,000	4	1914	1974	100E
10,00,000	4	1915*	1960	
10,00,000	4	1915*	1961	
61,61,000	4	1923*	1960	
11,31,000	4	1924*	1960	
12,35,000	4	1924*	1961	
55,00,000	5	1925*	1960	
12,50,000	5	1926*	1960	
13,50,000	5	1927*	1960	
24,84,000	5	1928*	1973	
15,00,000	5	1928*	1960	
68,04,000	5	1929*	1960	
10,00,000	5	1930*	1960	
7,00,000	5	1931*	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1916	1976	99
19,50,100	4	1918	1978	99
1,50,00,100C	4½	1921	1981	112½
68,08,500C	4½	1921	1981	112½
99,31,800	4	1926	1956-86	100
99,84,500	5	1926	1956-86	100
1,49,68,500	5	1927	1956-87	100
1,49,90,000	5	1928	1956-88	100
90,00,000	5	1928	1961	99
99,99,800	5	1928	1963	99
99,99,800	5	1928	1968	99
99,99,800	5	1928	1973	99
99,99,800	5	1928	1978	99
99,99,800	5	1928	1983	99
99,99,800	5	1928	1988	99
1,00,00,000	5	1928	1988	99
1,00,00,000	5	1929	1989	99
1,00,00,000	5	1929	1989	99
1,50,00,000	5	1929	1989	99
50,00,000	5	1929	1989	99
50,00,000	5	1929	1989	99
50,00,000	5	1929	1989	99
77,00,0000	5	1930	1990	97
STERLING LOANS				
£365,000	5	1925	1955-60	97½
£221,000	5½	1926	1956-61	97½
£455,100	5½	1928	1958	97½
MADRAS				
Rs.				Rs.
81,47,100	4½	1947	1977	Rs.
5,00,000	5	1947	1977	
2,00,000	5	1948	1978	A
55 50,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest Payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,01,000	4	1899	1959	100
50,00,000	4	1901	1961	
80,00,000	4	1901	1961	
50,00,000	4	1902	1962	
50,00,000	4	1903	1963	97½N
40,00,000	4	1904	1964	
50,00,000	4	1905	1965	
80,00,000	4	1906	1967	
50,00,000	4	1907	1968	
18,00,000	4	1912	1972	
50,00,000	4	1913	1973	
40,00,000	4	1914	1974	97½N
50,00,000	4	1916	1976	
40,00,000	4	1917	1977	
68,00,000	4	1920	1960-70	113½
50,00,000	4	1924	1964-74	
25,00,000	4	1926	1956-66	113½
10,00,000	5	1928	1968	99½
STERLING LOANS				
£566,600		1909	1959	88½
£333,000		1910	1970	88½
CALCUTTA				
Rs.				Rs.
50,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	99½
25,00,000	5½	1934	1964	94
50,00,000	5	1936	1966	90
50,00,000	5	1937	1962	91
50,00,000	4	1938	1968-88	90
1,02,00,000	4	1951	1966	99½

MUNICIPAL LOANS

Rs.				
BOMBAY				Rs.
20,80,000	4	1913-15	1974	100
25,00,000	5	1926	1956	112½
25,00,000	5	1928	1958	104½
8,45,500	5	1928	1954-59	104½
98,21,000	5	1928	1968	104½
2,50,00,000	5	1939	1979	98
2,50,00,000	5	1940	1980	95
2,50,00,000	5	1941	1981	95
2,50,00,000	5	1942	1982	95
2,50,00,000	5	1943	1983	95
2,50,00,000	5	1944	1984	95
2,50,00,000	5	1945	1985	95
2,50,00,000	5	1946	1986	95
2,50,00,000	5	1947	1987	95
2,50,00,000	5	1948	1988	95
CALCUTTA				
Rs.				Rs.
50,00,000	4	1926	1956	100
50,00,000	4	1927	1957	100
50,00,000	4	1928	1958	100
50,01,000	4	1928	1958	100
50,00,000	4	1928	1958	100
18,36,000	4	1928	1958	100
18,36,000	4	1928	1958	100
18,36,000	4	1928	1958	100
17,64,000	4	1928	1958	100
31,10,000	4	1928	1958	100
50,00,000	4	1928	1958	100
50,00,000	4	1928	1958	100
50,00,000	4	1928	1958	100
50,00,000	4	1928	1958	100
1,50,00,000	4	1928	1958	100
MADRAS				
Rs.				Rs.
15,00,000	32	1961	1961	1073
15,00,000	32	1962	1962	1073

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,08,500	15th Sept. 1965	98
4 % W. Bengal	1952	3,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	4,00,00,000	15th July 1968	100½
4 % W. Bengal	1954	7,84,75,000	1st Sept. 1967	100½
4 % W. Bengal	1955		1st Sept. 1967	100

f—Nominal.

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Deposits Loan not marketable.
* Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Imperial Airways. †† Indian Transport. ††† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1954.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest run to June 15.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5 00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar A ..	7,00,000	1920	7	July Apr.	5–15/16xd	5
¶East India Distilleries ..	£200,000	1897	7	Jan. July	17½d	£1
Gwalior Sugar	6.75.000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Puritabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933–36	6	Aug. ..	99‡	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8‖	10
Upper Ganges	12,00,000	1933	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1908	7	Jan. July	108	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	110xd	100
Barrakur (1st)	*2,98,800	1901–19	7	Apr. Oct.	100xd	100
Do. (2nd)	1,50,000	1946	6(a)	.. ..	7½xd	10)
Equitable	4,00,000	1895	6	Mar. Sept.	108	100)
Jharia Coalfields	9,87,950	1918	5½(a)	.. ..	5‖	7½(pp)
††Khas Kajora	3,13,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	15	10
Ondal, ...	2,00,000	1895–99	6½	Apr. Oct.	110xd	100
COTTON						
Ahmedabad Advance	10,00,000	1920	5	Apr. Oct.	105	100
Bangalore	6,00,000	1854	6	Jan. July	122xd	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	3,00,000	1890	7	Apr. Oct.	99	100
Borowah (A)	6,00,000	1900	8	Feb. Aug.	120	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	85	100
Bradbury	14,75,000	1919	7	June Dec.	72	50
Buckingham & Carnatic	31,30,300	1920	7½	Jan. July	143½	100
Gambodias	1,00,000	1938	7	Apr. ..	118xd	100
Gentral India	50,00,000	1913	6	Apr. Oct.	49‡	500
Coimbatore Pioneer	1,00,000	1915	6½	Nov. ..	104‡	100
Elgin	11,00,000	1913	8	May Nov.	125	100
Do. 'B' Pref.	4,20,000	1943	8	July Jan.	8½	10
Elphinstone	25,00,000	1919	7(a)	Mar. Sept.	80‡	100
Kasoram	30,00,000	1919	7	June Dec.	130	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	85‖	100
Kothari	18,00,000	1937	4	Nov. ..	102‖	100
Lakshmi Cotton (Bombay)	10,00,000	1896	5(a)	.. ..	200‡	250
Morarjee Gooculdas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	86	100
Muir Mills	30,00,000	1900	4½	Jan. July	97N	100
Mysore Spg.	5,00,000	1944	4½	.. ..	80‡	50
National Rayon	1,74,84,700	1947	5(a)	.. ..	85	100
New Great	5,00,000	1919	6½(a)	Mar. ..	134‡	100
New Victoria	26,05,500	1920	6	Apr. Oct.	4‖	5
Podar Mills	10,00,000	1943	4	Feb. ..	92	100
Rajalakshmi	5,00,000	1944	6½	Apr. ..	85	50
Shree Niwas Cotton	4,50,000	1944	4	.. ..	81	100
Sholapore	25,00,000	1943	5(c)	.. ..	75‖	100
Svadeshi	15,00,000	1935	5	Apr. Oct.	105‡	100
Svadeshi (Kanpur)	15,00,000	1937	6	June ..	90	100
Travancore Rayon	50,00,000		6	.. ..	9‖	10
Vasanta (1st)	1,50,000	1941	6½	Apr. Oct.	112	100
Do. (2nd)	1,50,000	1938	6	.. ..	101	100
Vishnu .. .. .

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N—Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
56,00,000	62,567	76,28,421	43,06,372	—1,17,809	Rajputana Textiles (Agencies) Ltd..	56,008	898	Apollo Mills	3-3/4	2	0 4 (e)	0 2(e)			12	Y.
40,00,000	24,00,000	1,88,52,007	72,25,655	—6,97,129	B. K. Sons, Ltd.	50,596	1,021	B. B. Cotton Mills	45	100	*Nil*	*Nil*			12	
2,50,98,000	2,99,72,778	4,92,35,445	3,29,,9,278	73,129	Nowrosjee Wadia & Sons, Ltd. ..	2,21,008	4,855	Bombay Dyeing & Mfg. ..	653½	250	22 8•	20 0	*Nil*		3	Y.P.
10,00,000	37,36,559	55,58,179	45,57,495	2,45,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	258½	50	100 0†	75 0†			12	Y.P.T
1,09,42,800	2,68,98,826	2,81,83,264	1,97,06,117	6,84,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	586	100	22 0	22 0			12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33,08,697	V. J. Pilani (Chairman and Managing Director)	40,068	798	Colaba Land & Mill	101	100	*Nil*	*Nil*			12	Y.P. Y.
26,00,000	11,38,479	51,89,789	45,80,041	20,755	Cowasjee Jehangir & Co., Ltd ..	30,828	680	Coorla Spg. & Wvg.	161½	100	*Nil*	*Nil*			6.12	H.P.T
16,00,000	24,56,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	175	50	6 0	6 0	7 8		12	
24,00,000	27,75,000	75,60,731	64,78,734	80,168	Puranmal Radhakishan & Co. ..	50,084	928	Edward Textiles	345	200	15 0	15 0	15 0		12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,31,354	M	61,800	886	Elphinstone Spg. & Wvg. ..	63xd	50	*Nil*	*Nil*			12	Y.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	351	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,340	1,000	225 0•	225 0	200 0		12	Y.P.
16,000									992½	250	56 4•	56 4	75 0		12	Y.
2,00,00,000	62,50,399	4,68,15,552	3,80,00,000	1,03,112	Agarwal & Co	2,33,812	6,412	India United Mills	13⅜	0 100.	10 0	5 0	5 0		3	Y.P.
50,00,000D									2-7/8	0 1D.	0 1	*Nil*	0 15			
8,55,000	74,24,043	1,80,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,102	Indian Mfg.	5,076N	1,000	225 0•	225 0	300 0		12	Y.
25,000									—	500	112 8•	112 8	150 0			
59,35,000	40,58,451	2,27,18,607	1,93,98,945	25,588	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg..	276½	100	10 0	10 0	150 0		3	Y.P.
1,00,00,000	1,21,50,000	5,56,38,095	2,53,14,796	33,980	Killick Industries Ltd.	1,70,504	3,846	Kohinoor Mills	383½	100	20 0•	18 0	10 0		12	
22,15,050	41,06,720	1,18,74,548	55,99,115	81,670	N. Sirar & Co., Ltd.	49,000	644	Modern Mills	87⅞	50	5 0	5 0	18 0	8 0•	12	Y.P.
51,75,000	36,82,000	2,06,23,597	1,52,81,153	26,751	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	260	100	12 0	14 0	14 0	0 0	12	Y.
1,57,74,400	88,41,004	6,84,71,005	2,06,00,000	5,12,085	Chinai & Co., Private Ltd. ..	..	..	National Rayon Corporation ..	263	100	9 0	10 0	14 0	10 0	12	Y.T.
24,00,000	24,50,000	76,57,353	46,04,760	3,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg. ..	181½	100	10 0	10 0	12 0		6	Y.P.
80,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	258	100	10 0	10 0	10 0		12	Y.P.
48,00,000	26,62,278	1,49,48,112	99,58,811	1,36,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	148½	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,390	39,55,949	28,00,000	3,92,677	Podar Sons, Ltd.	32,500	930	Podar Mills	186½	100	10 0	10 0			12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	12	10	10 0	10 0	12 0•		12	Y.
37,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,808	1,254	Sassoon Spg. & Wvg.	41	10	1 4	1 12	1 12		12	Y.P
80,00,000	47,70,051	90,20,958	52,37,925	1,47,422	Marwar Textiles (Agency) Ltd. ..	56,856	1,640	Shree Niwas Cotton Mills ..	234½	100	14 0	14 0	12 0		12	Y
42,00,000	33,02,179	98,78,309	73,63,752	96,017	Forbes, Forbes Campbell & Co. Ltd.	34,840	1,276	Simplex Mills	215xd	50	15 0	11 0	10 0		12	Y.P.
87,80,000	2,23,15,720	2,51,28,699	1,87,85,474	12,883	Mafatlal Gagalbhai & Sons ..	52,036	1,533	Standard Mills	485½	100	20 0	20 0	20 0	12 0	3	
99,85,700	84,69,716	2,28,87,647	1,19,01,899	67,611	Tata Industries Ltd..	72,236	2,000	Svadeshi Mills	257½	100	16 0	8 0	12 0		12	Y.
36,00,000	85,33,465	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd.	38,828	552	Swan Mills	451½	100	20 0	12 0	12 0		12	Y.P.
32,77,425	81,96,876	1,77,34,889	65,44,553	48,486	Tata Industries Ltd.	62,086	1,800	Tata Mills	57½	25	1 8	2 8	25 0		12	Y.P.
12,00,000	62,55,709	1,15,86,424	81,90,000	2,816	Thakersey Mooljee Son & Co. ..	54,186	1,209	Western India Spg. & Mfg. ..	5,140	1,000	225 0•	225 0	300 0		12	Y.P.
															3	Y.
AHMEDABAD																
85,00,000	81,11,650	1,55,22,572	60,47,302	5,608	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	202½	100	10 0•	5 0	7 0		12	
10,00,000	24,56,068	94,37,393	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd. ..	44,220	912	Ankola Mills	1,102	100	80 0•	20 0	80 0		6	
26,35,000	2,55,30,694	1,66,05,504	1,16,00,000	72,768	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,375	100	25 0	25 0	30 0		12	Y.P
20,00,000	81,75,000	96,34,384	72,25,000	2,46,388	Mangaldas & Bros., Ltd.	37,164	892	Arvindya Ginning & Mfg. ..	632½	100	15 0	15 0	35 0•		12	Y.P.
12,00,000	1,18,39,033	1,49,20,958	69,04,358	69,806	Lalbhai Dalpatbhai & Co	37,864	914	Asoka Mills	1,145	200	22 0•	22 0	25 0•		12	Y.P.
1,37,50,000	3,35,76,233	4,61,25,352	2,38,68,344	2,31,712	Karamchand Premchand Ltd. ..	1,39,120	2,573	Calico	583	125	18 0	18 0	30 0		12	Y.P.
62,87,000	24,58,000	1,21,06,843	69,25,000	2,760	Tricunlal Bhogilal & Co., Ltd. ..	45,836	866	New Commercial Mills	2,060	1,000	70 0	15 0			12	Y.P.
29,00,000	72,58,488	1,32,69,222	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd. ..	51,152	864	New Shorrock Spg. & Wvg. ..	1,020	125	35 0	35 0	35 0	30 0‡	3	Y.P.
10,00,000	58,48,000	50,63,197	37,93,317	16,558	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	710	100	30 0•	30 0•	20 0		12	Y.
12,50,000	1,14,77,470	86,29,439	60,39,883		Lalbhai Dalpatbhai & Co.	23,820	636	Raipur Mfg.	1,145	100	17 8	25 0	20 0			
23,50,000	14,76,207	1,07,01,409	71,42,803	17,34,749	Lalbhai Gordhandas Ltd.	48,156	648	Rohit Mills	335	100	9 0	9 0	35 0•		12	Y.P.
25,98,150	2,02,34,533	1,76,92,542	1,52,75,000	8,23,290	Harivallabhdas Kalidas & Co. ..	94,116	1,733	Shri Ambica Mills	680½	50	13 0	20 0	27 0•		12	Y.P.
19,52,500	62,31,263	78,98,018	66,84,701	15,502	Mafatlal Chandulal & Co., (Ahmed.) Ltd.	36,024	780	Shorrock Spg. & Mfg.	670	100	20 0	25 0•	25 0		12	Y.P.
28,00,000	28,96,488	1,03,76,340	68,85,391	32,764	Haridas Ashratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	777½	400	35 0•	35 0•			12	Y.
															12	Y.P.
WEST BENGAL																
15,20,000	1,32,800	24,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.‡	13,044	356	Basanti Cotton Mills	6¾	10	0 4	0 8				
7,11,256	5,40,775	43,42,381	25,67,597	98,788	Bengal Textile Agency, Ltd. ..	32,544	936	Bengal Laxmi Cotton Mills ..	40 N	40	*Nil*	*Nil*	4 0	4 0		
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,373	Ketkiewall Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	168	100	*Nil*	*Nil*			12	Y.P.T.
19,00,000	26,17,571	1,04,88,258	70,76,377	1,97,951	Ketkiewall Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	302	100	*Nil*	*Nil*			6 12	H.P.
1,00,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	18½	10	1 12	0 14	2 8		12	Y.
6,00,000	9,75,000	84,84,400	67,06,257	5,158	Chakravarti Sons & Co	23,484	443	Mohini Mills	—	25			0 14		6 12	H.P.
32,96,288										10						Y.P.
19,47,7500	7,45,000	47,06,298	24,48,852	1,094	Hazaresmull Heeralal	23 036	795	Rampooria Cotton Mills	11¼	10	0 8	0 8	1 0		12	Y.P.
5,00,000D									1N	1D	*Nil*	*Nil*	....		6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,37,191	29,09,649	—6,54,223	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	11¼	10	*Nil*	*Nil*			12	Y.P.T.
61,71,423	25,91,264	1,84,91,580	80,78,582	1,36,043	Industrial Trust Fund	86,126	708	Azam Jahi Mills	95	100	6 0	*Nil*			3	Y.
40,80,000	2,00,68,745	3,24,98,906	2,42,88,258	2,88,649	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	581½	100	25 0	30 0			6	Y.
27,00,000	15,50,000	77,25,162	58,78,188	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills ..	9½	10	1 0	3 0	30 0		12	Y.P.
15,00,000	1,09,48,351	1,19,14,493	87,78,992	4,25,121	Birla Brothers, Ltd.	32,996	1,046	Birla Cotton Spg. & Wvg. Delhi	31	10	3 0	3 0			6.12	H.P.T
1,76,47,900	1,76,52,500	6,88,09,208	3,52,28,180	2,38,446	Binny & Co. (Madras), Ltd. ..	1,20,356	2,787	Buckingham & Carnatic	204	100	10 0	10 0				
20,00,000	20,00,000	39,69,354	21,66,351	27,563	Feirce, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	14⅜	10	1 0	1 0	10 0		6	Y.
15,00,000	4,51,500	44,05,485	21,80,176	44,557	K. Damodaran, Esq.	28,796	928	Camanore Spg. & Wvg.	175	100	12 0	12 0	10 0		12	Y.P.T.
20,00,000	29,51,420	69,40,829	61,72,576	36,767	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawapore Textiles	2xd	5	*Nil*	*Nil*	12 0		12	Y.
12,00,000	20,60,000	34,68,296	27,86,527	24,164	E. Bheema Naidu & Co.	28,564	..	Coimbatore Cotton Mills ..	880	100	20 0	25 0	*Nil*			Y.
20,00,000	19,95,000	36,59,430	24,25,921	14,823	T. E. N. Naidu & Co.	17,332	335	Coimbatore Pioneer Mills ..	335	100	20 0	25 0	25 0	0 4	12	Y.
20,78,900	4,19,514	1,15,51,999	83,06,019	16,884	R. G. S. Naidu & Co.	51,712	407	Coimbatore Spg. & Wvg. ..	117	50	10 0	10 0	10 0		12	Y.P.
46,87,500	52,82,449	2,48,18,409	1,58,09,833	2,708	Tata Industries, Ltd	1,15,188	2,062	Central India	162	100	5 0	5 0	5 0		6	Y.P.
3,88,36,225	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. B. Charat Ram &Co., Ltd. ..	1,16,636	2,254	Delhi Cloth & General Mills ..	39 4/N	25 1D	1 0	2 0	3 0		6	Y.P.
1,00,553											2½ 0 2 4/5		0 2 4/5			
24,24,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	23,568	201	Dhanalakshmi Mills	422½	100	20 0	30 0	30 0		12	Y.P.T.
63,00,000	45,33,250	1,52,16,583	1,29,71,681	99,386	Begg, Sutherland & Co., Ltd. ..	48,452	1,198	Elgin Mills	28½	10	1 0	1 0			12	Y.
45,31,000	35,22,175	1,00,55,058	69,25,048	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	..	Gokak Mills	242	100	17 0	15 0	12 0		12	Y.
50,00,000	6,16,447	1,33,91,953	1,12,28,576	9,551	K. L. Srikanta, Esq. (Chairman.)	51,180	1,430	Indore Malwa United	163½	100	6 0	6 0	10 0		12	Y.
6,00,000	10,65,653	91,06,669	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,328	..	Jasardana Mills	125	10	6 0	6 0	10 0		12	Y.
24,00,000	16,23,000	78,86,888	28,50,000	29,822	Kothari Textiles	42,000	800	Kothari Textiles	17⅜	10	4 0	5 0	10 0		12	Y.
28,00,000	68,80,185	1,48,62,650	1,12,84,204	14,744	Lakhmi Cotton Mfg.	51,972	1,319	Lakhmi Cotton Mills	695	250	57 8	32 12	42 8		6	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu &[Co;	85,908	201	Lakshmi Mills	250cd	50	5 8	32 12	42 8		12	Y.P.
17,82,050									123cd	25	2 8	10 0	12 8	12 8		Y.P.
1,75,08,480	4,18,81,878	5,78,74,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	25½	5	2 0	2 0	2 0	6 4		
12,00,000	4,17,363	28,26,768	16,72,362	—90,078	A. L. A. R. S. Chettiar and 2 others.	22,892	100	Malabar Spg. & Wvg.	112	100	8 0	8 0			12	Y.
60,00,000	60,00,000	63,79,627	43,29,734	45,883	W. A. Beardsell & Co., Ltd. ..	34,720	608	Meteor Industries Ltd.	494½	200	12 8	25 0	25 0		12	Y.
29,80,884	19,51,581	89,75,246	49,94,788	10,588	N. Sirar & Co. Private Ltd. ..	39,896	704	Minerva Mills	97	100	7 0•	8 0(e)	6 0	42 8	3	Y.
94,91,850	27,24,404	1,81,29,118	78,81,525	—7,44,982	Banslal Abirchand Dadabhoy & Co.	51,240	948	Model Mills (Nagpur)	156½	250	7 8•	8 0(e)			12	Y.
80,00,000	56,19,600	1,53,29,272	1,05,91,651	—7,77,890	Indian Textile Syndicate Ltd. ..	58,840	1,884	Muir Mills	86N	100		8 0(e)			12	Y.
24,35,500	50,24,547	99,04,000	68,69,938	23,708	N. Sirar & Co., Ltd.	50,132	800	Mysore Spg. & Mfg.	117½	50	10 0•	8 8•	6 0(e)		6	Y.P.
18,81,780	1,000	29,41,719	15,25,383	—1,92,880	B. Suryanarayana Rao, Esq. Manager	6,900	..	Mysore Spun Silk Mills	75	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,89,3820	25,02,553	1,04,27,293	58,90,719	—43,53,087	J. P. Srivastava & Sons, Ltd. ..	52,428	1,225	New Victoria Mills	22	10	2½	*Nil*	*Nil*		6	Y.P.
2,07,086D									—	10	(O. 2½	*Nil*	*Nil*			
87,19,598	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	57,788	856	Osmanshah Mills	54xd	100	D. 1	*Nil*	*Nil*		12	Y.P
4,00,000A	6,50,000	29,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	168	50A	4 0	4 0	2 8(e)		6	Y.
6,00,000B									235	75B	12 0	12 0	12 0			
15,00,000	1,65,000	84,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	98	100	18 0	18 0	18 0		12	Y.P.
16,51,300A	90,00,000	78,90,458	41,41,878	28,667	A. G. Gurusamy Naidu &[Co. ..	51,564	801	Radhakrishna Mills	850	100A	*Nil*	*Nil*	4 0(e)		12	Y.
6,48,250B									175	50B	16 0	16 0				
16,00,000	90,00,000	68,74,198	25 94,337	11,081	B. B. Naidu & Sons	35,472	..	Rajalakshmi Mills	191	100	4 0	5 0			12	Y.
23,29,625	13,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	163	100	7 8	10 0	10 0		12	Y.P.
60,00,000	62,41,543	1,00,25,428	55,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,533	600	Rana Textiles	10	10	*Nil*	*Nil*	10 0		12	Y.P
16,00,000	1,60,39,516	2,39,27,048	2,04,27,279	—1,50,02,067	Mcarkra & Co.	96,252	2,324	Sholapoor Spg. & Wvg. ..	8 3/N	10	*Nil*	*Nil*			12	Y.P.
									1,750	1,000						
35,60,700	17,10,000	81,44,272	65,63,818	1,09,148	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	500	500	*Nil*	*Nil*			3	Y.P.
26,14,500	2,00,246	25,18,906	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd. ..	17,880	440	Shree Saijan Mills	116	10	4 0•	4 0	5 0	7 0		
15,00,000	8,11,90,237	96,09,567	78,44,724	81,27,588	Birla Brothers, Ltd.	35,554	1,243	Setlej Cotton Mills	80N	100	*Nil*	*Nil*			3	Y.
									112N	10	4 0	5 0	6 0		6	Y.
17,50,000 Q	2,90,00,000	4,54,40,547	1,70,68,150	7,09,029	Jaipuria Brothers	1,12,316	2,077	Swadesh, Cotton Kanpur) ..	11½	10 Q.	0 8	0 12	0 12		12	Y.
1,57,50,000Ce									11½	10P.O.	0-14 2/5	1-2 2/5	0 12			
1,00,00,000	80,14,788	3,80,55,317	1,37,16,775	2,63,771	Emcote & Sons (Travancore), Ltd..	1,07,160	..	Travancore Rayons	15½	10	0 8	1 0	0 12		12	Y.P.
15,00,000	5,76,332	17,39,181	11,37,336	1,508	Mooljee Kanjee & Sons	17,600	..	Trichinopoly Mills	187	10	0 11 1/5	0 12	0 12		12	Y.P.
51,00,000	34,50,000	71,38,725	40,83,188	56,000	R. K. S. Chetty & Brothers ..	48,974	870	Vasanta Mills	542½	100	12 0	0-14 2/5	0-14 2/5		12	Y.P.T
28,60,000	34,43,971	1,54,67,122	1,06,10,233	23,125	Bombay Co., Ltd.	46,490	1,531	Vishnu Cotton	183½	100	12 0	15 0	20 0		12	Y.P.
											4 0	4 0	20 0		12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (e) Paid out of reserves.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953. (p) Interim dividend of Rs. 5 per share was paid on 42,600 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 60,000 shares of Rs. 50 each.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11⅛	5	*Nil*	*Nil*	0 8		5	Y.P
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5⅛	5	0 8	0 8	0 9		3	Y
£580,000	£925,777	£1,302,585	£586,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	30 —	A. 10sh B. £1	Sh. 1 3/5 Sh. 1 3/5	Sh. 1 5/8 Sh. 5 4/5	Sh1 3/5 Sh4		} 9	Y.P.
6,00,000	9,80,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	182	75	15 0	15 0	15 0		3	Y
CEMENT														
£1,27,700A	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	—	A. 100	10 0•	10 0	10 0•		19	Y.P.T.
£2,79,020B							16	B. 10	1 0•	1 0	1 0•			
£3,14,600C	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	6⅜	C. 10	*Nil*	*Nil*			3	Y.P.
4,70,476D							1⅛	D. 1						
£2,71,66,208	5,49,40,618	24,90,99,271	8,74,71,589	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	192½	100	9 8	8 8	10 0		7	Y.
60,00,0000.							16	O. 10	1 0	1 0	1 4			
26,50,0000.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	5	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000D.							5	D. 1	0 1-2/5	0-1 3/5	0 2			
61,91,0300.		

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	1 9	3 2	4 11		6,12	H.P.T.
62,98,250	66,03,861	1,11,56,730	76 81,898	83,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	12 0	14 0	1 6 2/5		3,9	H.
25,00,000	16,12,500	1,36,83,838	56,31,838	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	1 0*	0 12*	0 12*		2	Y.
1,46,82,500	2,09,26,841	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	39½	10	2 0	0 15	1 2		3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar[& Bros.	Shree Gopal Paper Mills ..	18½	10	1 8	1 8	0 10‡		6,12	H.P.T.
90,00,000 10,00,000'A.'	6,50,000	54,00,869	30,16,681	4,402	Baloria & Co.	Star Paper Mills	11½ 11½	O. 10 A .10	0 12 0 12	0 12 0 12	0 9‡ 0 9‡		3,9	H.P.T.
56,00,000A. 56,04,800B. 4,87,500P.O.	3,22,75,945	5,80,42,527	2,21,32,342	95,684	F.W.[Heilgers[&[Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	40 40 4½	A. 10 B. 10 P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4		3,9	H.P.
PRESSING														
5,00,000	5,13,255	15,78,483	11,13,891	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	4 0	*Nil*		6	Y.
4,50,000	1,00,000	6,39,526	4,73,056	2,554	Pyne & Sons	Camperdown	88N	100	6 0	6 0			7	Y.
5,00,000	1,95,000	10,91,811	9,80,877	13,957	Andrew Yule & Co.	Central Hydraulic]	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
16,00,7800. 2,00,000D.	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq. [& others[(Directors)	Humayun Properties	13½ 2½	O. 10 D. 10	6 11½ 0 4/5	0 9 3/5 *Nil*	0 9 3/5 *Nil*		9	Y.P.
60,00,000	18,07,874	84,59,704	15,00,000	540	David Sassoon & Co., Ltd.[.. ..	Port Canning Land	9½	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,71,574	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	90	100	1 8	4 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,05,545	31,61,533	10,78,833	—5,14,537	Bird & Co. Private[Ltd.	Assam Saw Mills	4½	5	*Nil*	*Nil*	*Nil*		9	Y
50,00,000 48,00,000	4,13,57,280	3,85,90,682	1,47,51,851	61,990	Wallace[&[Co., ...	Bombay-Burmah Trading Corpn.	731½ 278½	Old125 New50	15 0 6 0	20 0 6 0	37-8 18-0	11-4‡ 4-8‡	5	Y.
6,00,000		7,28,569	7,26,267	—4,89,907	Jardine Henderson Ltd. ..	Bengal Timber Trading	85N	100	*Nil*	*Nil*	*Nil*		6	Y.
30,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co.[Ltd	Indian Wood Products ..	30½	10	2 8	2 12	3 0		6	Y.P.
													9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	*Nil*	0 12				
12,00,000A. 8,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co. Ltd. ..	Basti[Sugar	147½N 14N	A. 100 B. 10	10 0 1 0	10 0 1 0	0 1		6	Y.
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	1 0			4	Y.
18,00,000	18,50,295	16,40,479	11,77,841	18,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	0 12		9	Y.
32,00,000	28,37,080	1,36,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	9½	10	*Nil*	0 12	1 8		6	Y.P.
30,00,000	57,83,651	1,08 44,647	84,82,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	10½	10	2 0	0 12	0 4		6	Y.P.T.
18,00,000	88,04,891	72,85,757	58,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	26½	10	1 0	1 0	0 12		10	Y.P.
5,99,452	6,16,562	24,15,340	15,33,747	45,204	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	1 0	1 0	1 8		6	Y.
50,00,000A. 10,00,0000.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd	Hindustan Sugar Mills	260N 100	'A' 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*		8 16	Y.T.
12,00,000	8,61,001	75,81,309	42 63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	60N 93N	80 40	*Nil* *Nil*	*Nil* *Nil*	4 8 2 4		7	Y.P.
7,89,100	22,14,058	34,94,612	19,35,833	1,864	Cotton Agents Ltd.	New India Sugar Mills	83N	10	2 8	2 8	2 4			
11,00,000	4,80,000	42,21,480	24,87,566	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 4	0 4	2 8		6	Y.P.T.
19,87,500A. 2,71,875B.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents' Ltd	New Swadeshi Sugar Mill ..	240N 60N	100 25	20 0 5 0	20 0 5 0	20 0 4 0		5	Y.
77,43,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	188N	100	11 0	11 0	11 0		7	Y.
13,00,000	12,74,223	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	115N	100	10 0	10 0			7	Y.P.
9,00,000	17,64,369	27,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	144	10	1 0	1 0	0 12		10	Y.
8,00,000	5,54,762	25,43,782	21,01,612	₹4,540	M.	Ryam Sugar	20½N	10	0 8	0 8			10	Y.P.
11,99,900	18,36,779	38,63,583	22,92,130	8,477	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	18	10	0 8	0 8	*Nil*		6	Y.P.
20,00,000	22,68 560	1,35,20,110	62,59,521	84,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13	10	1 8	1 8	1 12		8	Y.P.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		8	Y.P.T.
7,95,462	18,82,940	31,60,735	17,48,068	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	14½	10	2 0*	1 8*			6	Y.
9,15,0000. 4,40,000D.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.... ..	South Behar Sugar	1N 2N	O. 10 D 2½	*Nil* *Nil*	*Nil* *Nil*			6	Y.P.
8,00,000	21,91 635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	0 8	2 8	2 8		10	Y.P.
16,00,000	7,66,589	32,09,951	20,68,926	20,564	James Finlay & Co., Ltd. ..	United Provinces Sugar	19½xd	10	0 8	1 4	1 8		6	Y.P.
													9	Y.
Other Centres														
46,99,750	74,53,470	1,50,12,876	1,03,10,261	99,043	W. H. Brady & Co., Ltd. ..	Belapur Company	25½	50	16 0	16 0	16 0			
17,50,000	9,24,292	33,03,879	21,50,722	4,063	T. E. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	18¾	10	0 10	1 0	1 0		8	Y.
15,98,900	2,45,841	29,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	15½	10	1 0	1 0			8	Y.
47,94,020	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	1 8	1 12	1 6 2/5		6	Y.P.
22,57,625	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	14½N	10	1 0	1 0			10	Y.P.
19,54,5000. 2,87,190D.	69,50,600	96,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd. ..	K. C. P. Ltd.	127½ 125	O.100 D. 10	7 8 10 0	7 8 10 0	7 8‡ 10 0		10	Y.
21,79,280	95,00,001	1,31,37,677	79,17,720	2,90,240	S. Muniasajappa, Esq. (Managing Director)	Mysore Sugar	48½	10	2 0	2 0	2 0		8	Y.P.
30,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Malaisal, Apte and Kanitkal Ltd.	Pratap Sugar	167	50	6 0	8 0	8 0		8	Y.
16,59,820 20,00,0000.	28,50,830	53,90,015	26,76,747	29,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	167½	50	6 0	8 0			8	Y.
4,00,000D.	21,76,092	29,12,138	58,60,383	64,612	Walchand[& Co.] Ltd.	Ravalgaon Sugar Farm	106N	O. 50	*Nil*	2 8	9 0		9	Y.P.T.
19,99,508	44,88,457	47,06,689	21,78,094	4,825	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	7N	D. 10	*Nil*	*Nil*	0 1 1/5		9	Y.P.T.
80,00,000	10,87,776	59,76,224	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	16½N	10	1 0	0 12			10	Y.
1,01,00,000	71,97,998	1,99,96,443	1,10,22,423	1,31,172	M.	Walchandnagar Industries ..	271½	100	14 0	16 0	18 0		9	Y.P.
													7	Y.P.T.
TRANSPORT														
20 00 000	1,00,59 622	1,24,00,703	15,56,557	55,626	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	7145	100	10 0	7 8	7 8			
1,00,00,000	16 87,619	4,41,65,864	1,85,09,019	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		10	Y.P.
80 00,000	24,85,888	2,50,31,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	20	10	1 0	1 0	*Nil*		12	Y.
5555,580	2960,878	55,515,681	23,244,778	521,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	110	810	*Nil*	8a. 1 0	*Nil*		6	Y.P.
2,28,00,000	74,99,228	7,98,25 462	1,81,54,690	1,26,061	Lionel Edwards Ltd.	India Steamship Co.	9–3‡	10	0 8	*Nil*			6	Y.P.
9,40,19,675	6,94,92,081	18,86,68,412	4,84,44,800	2,78,683	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.‡	19½	20	0 12	0 8	*Nil*	0 8	12	Y.P.
6,40,8000. 10,800F.O.	19,68,268	11,55,483	7,29,969	1,84,493	R. R. Aiyar, Esq. (Manager) ..	Walford Transport Ltd.	2½ 1½	O. 1 P.O. 1	as. 1 3/25 as. 1 9/25	1 22/25 1 19/25	as. 2 6/25 as. 2 23/25		6 12	Y.P.
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Sale Deposit	600	200	32 0	32 0	32 0			
13,98,860	2,04,173	2,26,474	90,000	1,99,851	B.	Bombay Wharf	68½	80	5 0	4 8				
25,00,000	1,00,000	22,87,214‡	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	11½	10	0 8	0 12	*Nil*		9	Y.
14,98,840	3,43 585	28,00 500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	83	50	*Nil*	3 0	0 12	0 18	12	Y.
99,99,250	19,47,886	1,22,08,604‡	....	2,88,186	Premchand Roychand & Sons ..	Industrial Investment Trust ..	77	100	4 8	4 0	2 0		12	Y.
99 99,975	85,08,351	35,10,899	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	167½	100	10 0	11 0	11 0	4 01	12	Y.P.
1,07,02,800A. 10,00,000B.	5,23,634	2,87,33,373	1,25,90,292	5,36,717	Aero-Auto Ltd.	Premier Automobiles	99½ A.100 B. 10	A.100 B. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y
10,21,200	5 63,606	13,96,065	11,56,065	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22	20	2 0	*Nil*	*Nil*		3	Y.
2,75,00,000	72,75,000	3,03,67,181	1,63,71,346	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	185½	100	11 0*	2 0	2 0		6	Y.
45,00,000	55,24,847	7,24,666	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	11 0*	11 0*		12	Y.
										30 0	30 0		12	Y.
Other Centres														
47 50,000 2,50,000	17,00,000	1,95,40 704	65,00,000	2,2,582	J. K. Industries, Ltd	Aluminium Corporation of India Ltd...	10½ 6¾N	O. 10 D. 2½	*Nil*	*Nil*	*Nil*			
30,00,000	25,05,079	32,06,626	21,94,951	2,42,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.[..	22½	10	1 4	1 4	2 0*			
30 00,000	8 55,000	35,39,494	20 85,060	1,18 395	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 4	1 4	2 0*			
20,00,000	27 47,885	1,01,49,387	29,87,880	32,683	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	8½	10	1 4*	1 4*	2 0*		3	Y.
30,01,400	1,16,53,000	67,47,111	33,07,111	5,08,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	181½	100	0 3 1/5	0 3 1/5	0 6 2/5		3	Y.
12,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	26xd	10	20 0*	18 0‡	12 8		12	Y.P.T.
20,00,000	7,99,470	57,33,560[	....	1,21,783	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 8	2 8	2 4		12	Y.
45,97,020	26,44,814	1,00,74,560	29,49,001	1,98,548	K. Julius Boots, Esq. (Mg. Director)	Britannia Biscuits	15½	10	1 4	1 4			6,12	Y.
2,29,00,000	1,16,11,805	2,82,03,905	2,21,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	11–0‡	10	0 8	1 4			9	Y.P.
1,88,50,000	17,34,264	3,03,27,222‡	....	12,76,052	Andrew Yule & Co., Ltd. ..	Clive Row Investment	11½	10	0 8	1 0	1 0		9	Y.P.
1,60,00,000	3,14,86,174	5,15,57,185	2,20,83,990	11,71,468	Daniel Stark Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	29½	10	0 4 1/6	0 3 1/5	Nil		12	Y.P.
51,25,000	64 12,513	1,43,47,668‡	....	2,06,188	Bird & Co. (Private) Ltd. ..	Eastern Investments Ltd. ..	144	100	5 0	0 12	1 0		12	Y.P.
14,00,000	10,02,000	33 81,772	18,80,772	27,194	MacNeill & Barry Ltd... ..	Ganges Rope Co., Ltd.	185½	100	9 0	7 8	7 8		12	Y.P.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	18½	100	10 0	7 8	7 8		12	Y.P.
30,00,000	18 17,854	78,75,802	31,19,064	45,995	B. F. E. Syndicate	Great Eastern Hotel	240	10	15 0	7 8	7 8		3	Y.
20,17,900	13,88,886	86,39,283	59,24,587	38,002	Birla Brothers Private Ltd. ..	Hind Cycles	160	250	15 0	7 8	1 6 2/5		8	Y.P.
4,96,18,840	2,92,450	2,56,34,906	94,58,719	5,19,455	Birla Bros., Ltd.	Hindustan Motors	0,100	10	1 0	1 0	1 0		12	Y.P.
1,80,00,000	46,77,754	4,16,74 246	1,74,76 663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	10	10	*Nil*	*Nil*	*Nil*		12	Y.
1,53,39,220	1 20 50,000	1,55,72,291	57,17,651	28,98,462	A. R. Driessen, Esq.	Indian Cables	22½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
8,87,970	5 85,000	16,40,608	8,96,110	32,618	G. S. Morphew & Co. (India) Ltd.	Indian Rubber Manufacturers ..	35½	10	1 0	1 0	1 0		12	Y.P.
15,16,00,000	7,33,55,553	3,55,74,047	1,17,80,403	25 00,782	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	164½	10	1 4	1 4	1 4		12	Y.P.
3,00,00,000	55,29,566	34,83 960	3,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	101	100	12 0	0 8	0 8		12	Y.P.
6,84,0000 66,000D.	1,91,892	5,94,080	3,58,758	2,668	James & Co. Private Ltd. ..	Macfarlane & Co.	2½	O. 5	7 8	7 8	0 12 4/5	0 6 2/5	8	Y.P.
48,00,0000 5,00,000D.	78,01,900	25,16,766	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	212½	D. 1 O.100	*Nil*	*Nil*			8	Y.
1,87 59,000	60,84,276	72,58,051	11,84,226	2,03,456	T. Leslie Marth, Esq. (Mg. Director)	Martin Burn Ltd	—	D.O.10	10 0	17 0				
1,15,00,000	55,50,000	1,88,37,978	78,00,772	16,54,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	20½	10	1 8	1 8	1 8		12	Y.P.
6,55,250	1,55,558	7,91,449	3,60,987	—16,329	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 0	1 0	1 0		12	Y.
6,56 250	9,55,118	10,40,782	4,40,947		G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	*Nil*	*Nil*	1 4	1 10	9	Y.P.
10,00,000	1,23,000	15,18,188	10,63,224	20,916	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	13½	10	*Nil*	*Nil*			12	Y.
40,00,000	51,31,175	59,09,527	29,20,120	2,23,382	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	26½	10	1 0	1 0	1 0		8	Y.P.
72,97,000	31,15,337	1 14,74,878	52,77,582	9,03,430	B. N. Elias & Co., Ltd.	National Tobacco Co.	26½	10	1 0	1 0	1 0		12	Y.P.
2,25,00,000	7,25,185	1,58,49,091	49,14,109	—62,99,179	M. P. A. Pasputi, Esq.	Rallis (India) Ltd.	41½	100	1 8	1 8	1 8*		8	Y.
1,72,24,400	1,21,20,808	7,56,84,662	3,47,94,970	4,91,664	Sahu Jain Ltd.	Rohtas Industries	23½	10	*Nil*	*Nil*			12	Y.P.
40,00,000	99,50,594	1,18,75,870	70,99,687	5,10,673	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 8	1 8	*Nil*		12	Y.
70 00,000	54,13,860	17,49,8161	5,53,535	3,65,280	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 8	1 8	1 8		12	Y.P.
98,880	....	14,99,239	3,44,580	....	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	1 0	1 4	1 0		6	Y.P.
								10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	380	100	7 8	25 0	30 0[		12	Y.P.
3,50,000	3,43,250	10,99,902	2,42,099	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45	10	0 12	1 4	7 3[		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	33½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	3,50,000	11,99,193	3,89,401	93,033	Andrew Yule & Co., Ltd. ..	369	Basmatia	38½	10	2 0	2 8	3 0		12	Y.
3,30,600	4,65 000	10,11,265	6,46,265	18,304	National Tea Corporation	569	Batell	25½xd	5	0 4	2 0	4 0	2 0[	12	Y.
3,20,000	8,70,000	9,60,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Beljan	56½	10	*Nil*	2 0	10 0*		12	Y.
19 50,000	20,50,000	52,30,189	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,987	Bishnauth	24½	10	*Nil*	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	24	10	*Nil*	*Nil*			12	Y.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	22½	10	*Nil*	0 12	3 8		12	Y.P.T.
35,00,000	11,92,045	73,30,473	19,45,508	26,092	Brook Bond India Ltd.	2,434	Brooke Bond	10	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,903	1,55,593	6,542	McLeod & Co., Ltd.	282	Dejoo Valley	50½	10	*Nil*	1 0	6 0		12	Y.
5,00,000	10,99,000	26,84,194	16,84,471	51,859	Jardine Henderson Ltd.	417	Dessai & Parbattia	100	10 0	20 0	40 0			12	Y.
7,53,440	9,87,983	22,73,420	4,17,346	44,551	James Warren & Co., Ltd. ..	620	Dholakhat	23½	10	1 0	1 8	2 8		12	Y.
4,68,970	3,95,000	10,93,289	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	24	10	*Nil*	2 0	5 0		12	Y.P.
4,50,000	6,75,000	9,00,834	2,00,317	54,692	McLeod & Co., Ltd.	458	Dibrugarh	26	10	*Nil*	1 0	4 0		12	Y.
2,36,700	6,60,000	10,29,006	5,34,006	55,532	Williamson Magor & Co., Ltd.	611	Dimakuai	37	10	1 0	4 8	6 0		12	Y.P.
5,60,500	6,82,000	19,85,851	13,34,016	1,54,360	Williamson Magor & Co., Ltd.	615	Duffaghur	49½	10	2 0	4 0	5 0		12	Y.P.
10,00,000	6,40,000	23,25,313	9,78 313	78,588	Williamson Magor & Co., Ltd.	1,160

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4¾	2	0 4	0 4	0 4 4/5		5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,855	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	10½	3	0 12	0 12	0 12		3	Y.P.
15,00,000	15,50,195	32,07,456	5,25,906	1,21,050	Cons. Coffee Estates (Secretaries)..	Coffee Lands and Industries ..	24⅜	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.
71,55,000	63,72,750	1 07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq.	Consolidated Coffee	21¾	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,56,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	22½	10	1 8	1 8	1 12*		6	Y.P.T.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	17½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,73,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	34½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	31½	10	5 8	2 4	2 4		3	Y.
27,00,000	29,11,062	77,71,191	8,34,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	23ed	10	1 8	1 12*	2 8	2 0	3	Y.
2,25,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Neameny Rubber	25½	10	0 12	1 8	1 8		12	Y.P.
2,00,000	2,99,688	7,20,895	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0			12	Y.P.T.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5½	2	0 3½	0 9 3/5	0 6 2/5		12	Y.P.
13,50,000	7 80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	24⅜	10	1 12*	1 12*	2 0		10	Y.P.T.
3,85,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savannah Estates Ltd.	26	10	3 0	2 8	1 0		6	Y.P.
10,00,000	5,98,340	22,01,120	1,85,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		11	Y.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd.	Thamarapally Rubber	32ed	10	3 0	3 0	3 0		12	Y.P.T.
4,10,200	3,00,000	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 1 3/5	0 2 0		9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Kepen Thomas, Esq. (Mg. Director)	Travancore Rubbers	2½	10	2 0	2 0	3 0		9	Y.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,088	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13½	10	1 0	1 8	1 4		12	Y.
20,00,000	....	27,70,782	6,45,860	67,992	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37	25	3 0	3 0	4 0		12	Y.P.T.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	30½	10	2 0	2 0	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11½	10	1 0	1 10	0 6[f]		5, 9	H.T.P.
4,00,000	10,25,000	51,65,433	26,03,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		5, 9	H.T.P.
20,00,000	9,34,130	1,17,45,984	91,71,089	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	122	100	5 0	12 0			6, 12	H.P.T.
49,20,700	72,00,000	2,72,98,335	1,57,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	5,561	Anglo-India	169	100	12 8	7 8	8 8		5, 9	H.P.
40,90,000	42,94,295	1,73,44,042	88,94,396	9,783	Bird & Co., Ltd.	810	Auckland	118	100	4 0	3 8	10 0		5, 9	H.P.
20,00,000	22,56,357	96,72,016	65,15,094	16,850	Jardine Henderson & Co.	959	Bally	137	100	4 0	*Nil*	*Nil*		5, 9	H.P.T.
£275,000	£651,523	£1,556,539	£1,003,287	£64,535	Sir John H. Barder (Chairman) ..	1,589	Bangore	128	£5	£1 0	sh.15	sh.15		5, 9	H.P.
28,000,000	32,50,123	92,27,942	49,98,231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	155	100	15 0	10 0	7 8		3	Y.P.
45,00,000	28,45,000	97,03,172	31,28,574	2,66,100	Seoraimull Nagarmull	600	Bengal	16	10	1 4	1 0	1 2		6, 12	H.P.
91,25,000	2,15,77,744	3,32,32,892	39,72,750	3,12,633	Birla Bros., Ltd.	1,373	Birla	17½	10	3 0	1 0	1 0		6	Y.P.T.
56,00,000	27,87,926	1,12,57,557	72,25,980	2,371	Andrew Yule & Co., Ltd.	991	Budge-Budge	122	100	10 0	9 0	7 8		3	Y.P.
7,47,280	4,29,640	43,00,831	31,58,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg.	9½	10	*Nil*	0 12	2 4[f]		4, 10	H.P.
18,00,000	20,46,324	87,13,871	61,49,798	4,248	Andrew Yule & Co., Ltd.	616	Caledonian	190	100	12 0	9 0	6 8		5, 12	H.P.T.
29,16,400	26,58,404	2,23,41,517	1,07,46,003	30,895	James Finlay & Co., Ltd.	900	Champdany	158	100	8 0	8 0	10 0		5, 11	H.
15,95,000	25,89,288	81,84,655	56,60,176	2,615	Andrew Yule & Co., Ltd.	580	Chevlot	178	100	12 0	10 0	10 0		5, 9	H.
50,15,000	31,00,000	64,10,088	47,77,990	1,32,949	McLeod & Co., Ltd.	560	Chitavalsah	13¾	10	1 12	1 2	1 0		5, 11	H.P.
16,00,000	24,00,000	78,23,716	60,23,962	1,07,137	Rama Krishna Investment Co., Ltd.	963	Clive	14½	10	*Nil*	*Nil*	1-4s		6, 12	H.T.P.
31,40,200	61,22,948	1,34,26,280	64,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	94½	100	4 0	2 8	4 0		3, 9	Y.P.
25,00,000	1,54,74,179	72,56,690	47,60,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	195	100	20 0	12 0	10 0		5, 9	H.P.T.
15,00,000	24,50,000	98,62,679	59,80,760	79,594	McLeod & Co., Ltd.	800	Empire	19	10	1 0	1 4	1 4		5, 11	H.P.
21,00,000	60,80,960	2,70,39,034	1,89,10,198	1,80,415	Ketilewall Bullen & Co., Ltd. ..	1,864	Fort Gloster	332xd	100	*Nil*	5 0	15 0		5, 9	H.P.
14,00,000	17,75,000	94,16,108	52,69,789	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	21½	10	5 0	20 0	20 0	7½	5, 9	H.P.T.
84,32,100	1,66,021	2,05,78,465	1,32,88,585	84,733	Macneill & Barry Ltd.	1,709	Ganges Mfg.	65½	100	*Nil*	0 8	2 8		5, 9	H.T.P.
16,80,000	25,00,000	71,52,903	45,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	807	Gondalpara	1,300	300	15 0	*Nil*			5, 9	H.T.
24,00,000	33,88,409	1,12,33,183	1,05,12,916	57,908	Macneill & Barry Ltd.	1,194	Gouripore	161	100	3 12	10 0	15 0		12	Y.
40,00,000	55,09,234	99,08,890	57,82,999	9,37,748	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	11 8		5, 9	H.P.
16,80,000	18,91,656	65,91,206	45,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoochly	32½	10	1 4	0 8	1 4		5, 9	Y.P.
65,62,500	31,82,961	1,82,27,584	1,07,31,964	11,468	Jardine Henderson Ltd.	1,940	Howrah	22½	10	1 8	1 4	0 14		3, 9	Y.P.
25,50,000	42,50,000	2,58,15,987	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	20½	10	3 0	2 4	2 0		5, 9	H.P.T.
7,00,000	16,55,558	1,23,66,655	78,55,436	7,731	M — — —	1,076	India	130	125	6 4	3 2	4 11			Y.P.T.
24,00,000	16,50,000	1,87,66,886	1,24,18,038	86,024	Jardine Henderson Ltd.	1,797	Kamarhatty	126	100	9 0	8 0	2 8		5, 9	H.
30,00,000								130	100	9 0	8 0	2 8			
24,00,000	7,00,000	1,82,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	89	100	7 8	6 8	1 0		6, 12	H.P.
31,00,000	53,00,000	1,22,01,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	88	100	7 8	6 8	1 0		6, 12	H.P.
54,00,000	25,25,375	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd	1,530	Khardah	223xd	100	15 0	10 0	15 0			
48,00,000	1,04,37,157	2,31,57,467	1,18,99,743	52,778	F. W. Heilgers & Co.	1,250	Kinnison	133	100	20 0	9 0	17 8		6, 12	H.P.
24,48,000	49,37,087	1,89,92,258	80,55,707	10,727	Bird & Co., Ltd.	981	Lanadowne	161	100	9 0	7 0	11 0		3, 9	H.P.
38,09,000	56,59,479	1,16,05,741	64,06,666	2,154	Bird & Co., Ltd.	940	Lawrence	110	100	7 0	2 0	7 0		3, 9	H.P.
31,65,300	25,05,413	1,01,00,593	1,24,49,305	10,414	M — — —	1,233	Magna	103	100	7 0	6 0	6 0		3, 9	H.P.
29,96,900	58,14,415	1,84,79,620	98,81,406	—8 19,268	F. W. Heilgers & Co.	73	Nalhati	127	100	5 0	2 8	3 12		3, 9	Y.P.
15,00,000	19,55,000	89,01,582	18,31,709	46,543	A. V. Thomas & Co., Ltd. ..	815	Nankarpara	88	100	*Nil*	*Nil*	*Nil*		5, 9	H.
45,00,000	43,39,338	89,10,184	19,96,228	70,884	Andrew Yule & Co., Ltd.	425	National	128	10	0 6	1 2	0 10[f]		4, 10	H.T.
26,25,000	26,25,000	27,71,022	20,34,909	1,09,287	McLeod & Co., Ltd.	352	Nellimarla Jute	23½	10	2 0	2 0	1 12		4, 10	H.T.
26,50,000	2,71,44,842	4,39,19,827	96,26,548	$ 71,295	Sahu Jain Ltd.	816	New Central Jute	12½	10	1 12	1 8	1 8		4, 10	H.T.
16,79,880	46,96,164	1,17,87,988	48,80,545	45,862	Bird & Co., Ltd.	1,765	New Centralt	17	10	1 12	1 8	1 8		6, 12	H.P.T.
66,79,500	29,80,793	2,15,69,606	1,39,27,984	45,862	Macneill & Barry Ltd.	567	Northbrook	18	10	24 0	17 0	17 0		12	Y.P.
24,91,000	26,91,049	78,46,385	50,35,690	40,399	Peirce, Leslie & Co., Ltd. ..	1,092	Naddea	17½	10	1 0	1 0	1 8		3, 9	H.P.T.
25,00,000	6,28,490	80,81,437	65,82,166	51,595	Andrew Yule & Co., Ltd.	501	Orient	38½	50	0 8	0 8	1 0		3, 9	Y.P.
20,00,000	1,44,926	26,56,880	8,39,180	—12,18,989	McLeod & Co., Ltd.	400	Presidency	180	100	12 0	10 0	9 0		5, 11	H.P.
49,50,000	1,03,728	1,84,06,577	99,38,544	5,09,680	Jardine Henderson Ltd.	805	Rameshwara	52	50	0 2	0 2			6, 12	H.T.
£500,000	£1,009,713	£1,852,113		£88,648	Thomas Duff & Co. (India) Ltd. ..	2,013	Ratlanee	7	10	*Nil*	*Nil*	*Nil*		3, 9	H.T.
20,00,000	18,13,193	1,04,60,653	75,55,888	24,920	Peirce, Leslie & Co., Ltd. ..	2,013	Ramnagger	10½	10	0 8	*Nil*	*Nil*		3, 9	H.P.T.
14,00,000	11,25,000	66 11,794	38,70,294	3,156	Hindustan Investment Corporation.	911	Shree Ambica	61	100	10%	10%	8%[f]		12	Y.P.
58,19,600	43,44 180	1,30,76,167	51,18,568	—2,76,891	Bird & Co., Ltd.	401	Shoorah	16	10	0 8	1 0	0 12		3, 9	H.P.
£955,110	£1,000,995	£2,795,995		£110,376	Thomas Duff & Co. (India), Ltd...	650	Standard	14½	10	0 8	1 0	1 8		12	Y.P.T.
35,98,600	58,14 828	1,95,40,009	61,71,517	14,518	Bird & Co., Ltd.	1,794	Thlaghur	9½	10	2 0	2 0	2 0		2, 9	H.P.
£400,000	£688,035	£1,092,722		£97 816	Thomas Duff & Co. (India) Ltd. ..	1,328	Union	157	100	5 0	6 0	10 0		3, 9	H.P.T.
2,50,000	6,86,000	55,98,062	40,28,991	14,518	McLeod & Co., Ltd.	1,231	Victoria	94	50	10%	10%	8%[f]		12	Y.P.
						457	Waverley	48	1	0	0 3	0 3		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	33,12,991	61,77,991	26,958	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1 0	1 4	1 6		3, 9	H.
12,00,000	8,65,573	33,70,477	26,18,477	22,708	Jardine Henderson Ltd.	Bararee Coke	20	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4,49,350	70,000	8,60,159	3,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal Bhadee	9½N	10	0 12	0 12			3, 9	H.
1,90,00,000	1,40,49,222	3,91,92,614	3,08,77,295	7,31,583	Andrew Yule & Co., Ltd.	Bengal Coal	537	200	32 8*	30 *Nil*	35 0*		6, 12	H.
4,25,000	4,77,774	24,31,956	15,35,966	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	16	10	*Nil*	*Nil*	*Nil*		4, 10	H.P.
15,97,000	4,73,356	37,70,192	23,77,354	12,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8				5, 11	H.
40,00,000	3,00,000	1,39,06 503	71,05,188	27,452	Sahu Jain Ltd.	Bharat Collieries	7⅞	10	0 12	0 10	0 10		3	Y.
7,15,000	15 09,580	58,49,025	37,09,957	—1,65,136	F. W. Heilgars & Co. (Private)Ltd.	Bhulanbarare	18½	10	*Nil*	*Nil*	*Nil t*		6	Y.T.P.
16,00,000	16,17,396	66,14,558	39,99,541	—79,179	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	2½	10					6, 12	H.
7,50,000	24,29,026	34,29,803	26,53,408	24,207	F. W. Heilgers & Co., Ltd.	Borree	25½	10	2 12	2	2 0		6, 12	H.T.
90,92,450	1,75,17,502	4,19 21,370	1 86,17,546	1,15,376	Bird & Co., Ltd.	Burrakur	13½	10	0 12	0 9	0 10		6, 12	H.P.
49,87,750	....	39,62,785	3,82,545	14,019	Hindustan Investment Corpn., Ltd.	Central India	7⅞	10	0 4	0 4	0 4		6, 12	H.P.T.
3,00,000	18 54,302	49,10,414	33,33,954	32,782	M — — —	Central Kurkend	11N	10	1 0	2	1 4		2	H.
6,00,000	1,43,676	7,33,438(k)	....	2,139	F. W. Heilgers & Co. Private Ltd	Churlia	22	4	0 2	0 2	0 1[f]		6, 12	H.
16,00,000	1,80,000	66,67,121	25,91,190	—2,42,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil t*		6, 12	H.
£240,000	£980,553	£935,945	£705,377	£59,767	Jardine Henderson, Ltd.	East Indian	31	£1	2 8	2 8	3 0		6, 12	H.T.
29,63,760	76,84,250	3,89,97,499	3,87,14,367	98,266	Macneill & Barry Ltd.	Equitable	20½	10	1 8	1 8	3 0		4	Y.
10,00,000	2,15,000	10,76,954	8,75,963	11,173	Bhaskar's Agency Ltd.	Ghusick and Manlia	14½ N	10	0 8	0 8	0 12[f]		4, 12	H.P.T.
12,00,000	1,25,000	39,02,585	20,99,324	2,236	Kilburn Industries Ltd.	Hingir-Rampur	41½	50	3 0	*Nil*			2	Y.
5,00,000	6,75,000	21,43,057	16,01,314	65,461	Macneill & Barry Ltd	Hurriladih	22½	10	1 8	1 12	2 4		6	Y.P.
22,80,000	1,12,060	24,74,412	6,18,646	—5,57,293	Bajpai Trust Ltd.	Jogta Coal	2½	10	*Nil*	*Nil*	1 4[f]		6, 12	H.
3,50,000	3,45,579	13,54,257	7,53,053	....	Andrew Yule & Co., Ltd.	Kalyaneshwari	18½	10	2 12	*Nil*	*Nil*		12	Y.P.
20,00,000	17,325	29,07,891	3,49,160	2,661	Bird & Co., Ltd.	Karanpura Collieries	116	100	*Nil*	*Nil*	*Nil*		3, 8	H.
5,00,000	16,60,000	46,77,538	36,47,988	1,32,474	Andrew Yule & Co., Ltd.	Katras Jherriah	60xd	10	4 0	4 0	2 8		2	Y.P.
1,38,400	5,72,240	13,85,941	5,72,990	—3,50,326	Kettrala & Co.	Khas Kajora	8¾	10	*Nil*	*Nil*	5 8		1, 7	H.
11,00,540	54,814	16,72,961	10,41,868	—41,320	H. V. Low & Co., Ltd.	Kuardi	4½	10	*Nil*	*Nil*			6, 12	H.P.
9,00,000	11,86,413	28,69,266	22,97,967	2,225	H. V. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 8			2	Y.
7,46,240	2,00,000	12,18,473	9,23,179	11,094	Tantia Brothers Ltd.	Nasira		10	0 8	0 8			4	Y.
7,50,000	1,50,000	10,33 745	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bandeopur	10N	10	0 12	1 4			12	Y.
87,76,250	20,01,768	1,19,78,853	88,53,066	94,883	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	1 4	1 2	1 0		3, 9	H.
6,00,000	75,000	28,54,607	17,07,588	22,33	Octavius Steel & Co., Ltd.	New Manbhoom	11½	10	*Nil*	*Nil*	*Nil*		4, 10	H.P.
2,15,000	2,58,126	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	16¾	10	0 4	*Nil*	1 6		3, 9	H.
1,57,500							16¾N	7½	0 4	*Nil*	1 0½		3, 9	H.
1,50,000	12,21,883	5,17,666	5,07,666	56,646	F. W. Heilgers & Co., Ltd.	Ondal	14½	10	2 0	1 0	1 0			
10,00,000	1,10,000	29,70,662	17,99,585	2,609	E. C. Thapar & Bros.	Oriental Coal	6N	10	0 6	0 8			6, 12	H.P.
2,54,000	10,952	17,58,187	8,80,795	8,016	Deepchand Kishenlal	Parasea	14	10	0 4	0 12			6, 12	Y.P.
19,79,000	16,00,000	47,70,275	35,30,275	33,343	Shaw Wallace & Co., Ltd.	Peach Valley	22½	10	1 10	1 10	1 8		6, 12	H.P.
22,99,500	19,17,105	1,25,09,893	85,50,359	16,846	N. B. Elias & Co., Ltd.	Ranesgunge	13	10	*Nil*	0 8	0 10		3, 9	H.
12,50,000	8,56,356	35,36,765	27,73,764	39,521	Shaw Wallace & Co., Ltd.	Rewa	22½	10	2 0	1 6	0 14		3, 9	H.
20,00,000	3,50,000	44,23,555	18,78,118	$ 20,179	Jaipuria Sons Ltd.	Samla Collieries	14N	10	1 0	0 12	1 0		6, 12	H.
1,25,000	1,85,802	12,76,480	12,31,237	21 070	M — — —	Searsole	6½N	10	0 10	0 10	0 12		3, 9	H.
2,80,000	3,85,598	29 99 490	19,07 296	49,339	Andrew Yule & Co., Ltd.	Seebpore	29	7	1 12	2 0	2 8		1	Y.
8,00,000	5 51,329	58,491	28,967	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9½N	10	*Nil*	0 2	0 4		6, 12	H.P.
63,21,450	16,96,050	3,82,71,101	2,85,58,501	—4,49,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	10½	10	*Nil*	0 11 1/5			6, 12	H.
17,50,000	10,84,018	37,86,108	15,14,990	—51,582	Bird & Co., Ltd.	South Karanpura	9½	10	0 4	0 2			12	Y.P.
5,00,000	13,69,295	1 09,570	25,510	17,847	F. W. Heilgers & Co., (Private) Ltd.	Standard	26½	10	2 0	1 8	0 2		2, 8	H.
10,00,000	12,950	30,82 290	15 43,502	—4,07,745	Villiers Ltd.	Talcher	3½	2½			1 0		6, 12	H.
2,50,000	2,80,000	19,47,965	14,81,955	44,167	Williamson Magor & Co., Ltd. ..	Union	14½	10	*Nil*	*Nil*			9	Y.
49,98,000		49,06,856	18,91,545	$ 694	Hindustan Investment Corpn., Ltd.	Western Bengal	12	10	1 12	0 12	*Nil t*		6, 12	H.
7,00,000	1,88,190	55,22 138	23,66,961	123	Macneill & Barry Ltd.	West Jamuria	11½	10	0 6	0 6	0 8		3	Y.
									Nil	*Nil*	*Nil t*		c, 12	H.

M.—Managed by the board of directors. ‡ Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.

(f) Made up of an interim dividend of Re. 1-12 per share on 1,80,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,80,000 shares are bonus shares (s) For seven months ended 31st March 1954

† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion&and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

EXPLOITING INDIA'S OIL WEALTH

GOVERNMENT'S PLANS ESTIMATED TO COST MORE THAN RS. 100 CRORES

By A Special Correspondent

NEW DELHI, 31*st July*

IN sharp contrast to last week, this week in Parliament was marked by hectic activity. The Finance Minister's resignation from the Cabinet and his statement in the Lok Sabha on the reasons which prompted him to take the decision naturally caused great disturbance in political and parliamentary circles. Immediately after this storm came the report regarding the nationalisation of the Suez Canal. This news, comparatively speaking, overshadowed the earlier shock of Mr. Deshmukh's resignation. Parliament lobbies are full of comments and anxious expectations about the latest developments in the Middle East. Every member of Parliament, who otherwise used to enjoy some leisure in the Central Hall, now is very busy looking at the news board anxious to know the minute-to-minute developments.

DEL

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15 00,000	1,08,00,000	11,36,801	Allahabad Bank	320	100	18 0‡	18 0‡			12	Y.P.
14,50,000				160	50	9 0‡	9 0‡				
1,01,000	14,37,000	12,575	Andhra Bank	115	100	6 8	7 8	6 8		6,12	H
32,46,180				85	70	3 4	3 12	4 8 4/5			
1,50,00,000	1,38,00,000	8,85,546	Bank of Baroda	106‡	50	6 0‡	6 0‡	6 0		12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	19½N	25	0 12	0 12			12	Y.
2,50,00,000	3,52,00,000	18 26,630	Bank of India	176	50	7 0	7 0	8 0		6,12	R.L.Y.
15,30,375	25,00,000	40,536	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
80,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	240‡	100	16 0‡	16 0‡	16 0‡		12	Y.
21,21,700	58,78,018	10,069	Bombay State Co-operative Bank	57N	50	3 8	2 0	2 0		6	Y.T.
12,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,488	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,62,11,375	4,01,81,217	18,40 359	Central Bank of India Ltd.	56	25	3 0	3 0	3 0		12	R.L.Y.
$2,42,875 'A'				58	25	3 0	3 0	3 0			
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co.	42xd	50	2 0	2 0	2 8		12	Y.
1,50,00,000	1,00,00,000	1,05,896	Habib Bank (P)	72N	20	4 0	4 0			12	Y.
55,00,000	1,05,27,8	1,05,278	Hind Bank	36	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	10‡	50	—	—			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14‡	50	—				12	Y.
75,00,000	76,00,000	1,04,408	††Hyderabad State Bank	89N	100	5 0	6 0‡	5 0		9	Y.
24,00,000				206xd	100	12 0‡	12 0‡	12 0			
18,00,000	79,75,000	1,45,140	Indian Bank	182xd	95	10 8½	10 8½	10 12½		6,12	J.L.H.
18,20,000				142xd	65	7 8½	7 8½	7 12½			
49,19,875	80,00,000	2,28,299	Indian Overseas Bank	152	100	6 0	6 0	7 8		12	Y.
2,25,000	5,54,500	—1,12,440	Indo-Commercial Bank	42‡	100(A)	Nil	Nil			6,12	H.
6,50,000				11	25(B)	Nil	Nil				
10,00,000				25½	50(C)	Nil	Nil				
87,50,000	97,50,000	2,35,108	Punjab National Bank	61½	25	3 0	3 0	3 8		12	Y.
1,00 00,000	23,80,000	48,597	Travancore Bank	18‡	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	62	5	0 5‡	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank	59	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,875	Chartered Bank of India, Australia and China	£1-18-3	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7‡	£5	8†	8†			12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,666,689	Hongkong and Shanghai Banking Corporation	$90	H.K. $125	5*	5*	5*		12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-10-9	£5 A	14†	15†	12†		12	R.L.Y.
£1,437,396 'B'				£1-6-8	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'A'				£4-0-0	A £2½	14†	14†	14†			
£375,000 'B'	£1,750 000	£219,372	Mercantile Bank of India	£4-0-0	B £2½	14†	14†	14†			
£750,000 'C'					C £1	14†	14†	14†		12	R.L.Y.
£2,851,563	£3,104,687	£842,158	National Bank of India	£1-1-9	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99‡	1st June .. 1963
4,00 000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00 000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	101	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96‡	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1956
50,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1967(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(c)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101½	1st March .. 1972(a)
13,68,000	5½		Jayshree Textiles	1949	80N	1st January .. 1956-59
89 90,000	5	1st June	Tata Mills	1901	100‡	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(g)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100‡	15th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
13,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2 10,10,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co. Ltd.	1945	85‡	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(g)
4,85,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July .. 1960-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September 1958-68
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,79,000	5	1st April and 1st October	Tata Power	1940	103‡	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		93‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1946	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Home Pipe (Bearer)	1942	101‡	1st July .. 1967-68
61,146,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December .. 1966(‖)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1956
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1968(e)
5,56,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. 1966(e)
99,00,000	3½	1st January and 1st July	Hukumchand	1947	92‡	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	99	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	96‡	31st March .. 1964(a)
25,00,000	5½	30th June and 31st December	Kelhati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	98	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Prashunny	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. (Ltd.	1950	91	5th September .. 1965(e)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
13,00,000	4½	30th June and 31st December	Union	1937	96‡	30th June .. 1957
10,00,000	8‡	31st January and 31st July	Waverly	1925	88	31st July .. 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July 1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77‡N	1st October .. 1974 1st December .. 1956(c)
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90‡	Any time on six months notice (c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	1st September .. 1968
4,83,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	102‡	1st July 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		101	1st April 1952-62
1,39,700	5½	31st March and 30th September	Teakoy	1944	100	31st March 1949-56
MISCELLANEOUS						
16,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1946	98	31st Decem .. 1963
26,50,000	4½	1st January and 1st July	Associated Roads of India	1948	86	31st December .. 1963
4,00,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
6,60,00,000	5½	1st March and 1st September	Burmah-Shell	1954	102‡	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1953	102	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1954
20,25,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	99‡	1st July 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1937	87‡	15th September .. 1960
1,99,80,900	5	31st March and 30th September	Dalmia Cement Ltd.	1946	92	 1966
1,50,90,900	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	101	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,75,000	5	15th March and 15th September	Meitur Chemical Industries	1949	96	 1964
33,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	650	30th September .. 1976(c)
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(c)
75,00,000	5	1st April and 1st October	Mesneifi and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	108	30th June 1965-70
1,00,00,000	4½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. .. 1961(c)
1,50,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91‡	31st December .. 1956
4,50,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1965(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1964 but before 1-3-1967 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-8-1965. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. §§ Redeemable

the Egyptian Government nationalised the Suez Canal Company on 26th July 1956 by an Ordinance, it will not be surprising if one of these days the issue comes up before the United Nations. Meanwhile, one has to face facts as they are. The Security Council cannot function on this issue, if any one of the big powers decides to exercise its veto. And nothing effective can be achieved at the United Nations, unless the Security Council takes an interest in the matter. Three members of this Council, the U.S., the U.K. and France, have already decided on a particular course of action, namely, to discuss and find a satisfactory solution at a conference of the principal countries having a vital stake in the Suez Canal. It is, therefore, only practical politics to realise that it is better for India, as one of the invitees, to attend this conference and try to help the fellow nations of the world to find a satisfactory and speedy solution.

India is interested in the Suez Canal dispute in two ways. First, it is a substantial user of the Canal. It is estimated that 67 per cent. of India's exports and 72 per cent. of its imports in 1955 passed through the Canal. Secondly, India, more than any other nation, needs a peaceful world. It is so very poor, in material terms, that it cannot afford to risk another war. The Suez crisis is a grave one and threatens to engulf the world in a war that may prove disastrous to the mankind. As Mr. Nehru said, it is just possible that the London conference of 24 nations next Thursday might not be able to arrive at a final decision that will end the dispute, because Egypt has decided to abstain from it, but, in view of the serious threat to world peace with which the prosperity of every nation is bound up, it is better to explore all available means of bringing about a settlement rather than sit with folded hands on the ground that the proposed conference seeks to by-pass the United Nations. It is gratifying to find that the U.K. Government has given an assurance that no attempt will be made at the conference to impose on the participants a predetermined solution and that the door will be kept open for arriving at a settlement which will respect the interests, or sovereign rights and dignity of Egypt.

Mr. Nehru was perfectly justified in criticising Britain and France for taking war-like preparations following Egypt's nationalisation of the Canal. These preparations constitute a threat to peace and are contrary to the letter and spirit of the United Nations Charter. It is true that Egypt, too, is not free from blame, but, being much stronger than Egypt in military might, the two Western powers would have lost nothing had they displayed peaceful forbearance. The military steps and the freezing of Egyptian assets by them have aggravated the situation and given rise to strong resentment among Asian nations. They have also revived unpleasant colonial memories, not to mention cynicism about their claim that whatever they are doing at present is in the interests of protecting the rights of the whole world in the Suez Canal. In fact, it will be no exaggeration to say that Britain has, by its hasty actions, lost a part of its goodwill in this part of the world which it had built up by its bold policy of abandoning colonialism. It could have been a little more circumspect in handling this issue. In this respect, Egypt, it seems to us, has displayed greater skill in diplomacy by honouring all its international obligations under the convention of October 1888 and by giving an undertaking to do so in future. It is allowing all ships to pass through and has agreed to accept payment of canal dues either at the headquarters of the Company in Paris or at the Company's office in London, even though such receipts are frozen by the respective countries and as such are not available for its immediate use. By this action, Egypt has won the respect and support of the majority of Asiatic nations.

While Britain, France and the U.S. have conceded, in their joint *communique* issued on the 2nd inst., Egypt's right to nationalise the Canal Company, they continue to use such expressions as "seizure" and "expropriation." Their complaint is that Egypt has acted unilaterally and violated agreements concluded in 1888 and renewed as recently as 1954. This contention is based on the ground that sanctity of contracts must be respected. But it has failed to impress most people in this part of the world. For this, the Western powers themselves are to blame to a considerable extent. It is they, through their Socialist Governments, who taught this part of the world the virtues of mixed economy, and nationalisation of private-owned industries, trade and services. It is from them that the philosophy that the State can, in the name of public interest, take over assets from its citizens with little regard for the sanctity of individuals' right to property has spread to the rest of the world. The Government of almost every country in the world now thinks that it is perfectly in order to assume ownership of assets belonging to its people for the use of the nation on payment of some compensation. And most of the Governments do so without the consent of the owners of the assets concerned. If they are democratic Governments, they naturally act with the consent of Parliament where they are in absolute majority. Egypt's action on the Suez Canal Company is in no way different from these acts of nationalisation. In India, life insurance was nationalised overnight through an Ordinance by President Rajendra Prasad. No consultation took place with the concerned interests and compensation to shareholders was not on the basis of market value of shares but on some arbitrary basis considered equitable by the powers-that-be. And yet several responsible British observers, Tories and Labourites alike, have gone out of their way to shower praises on the Government of India for the way in which it is implementing its development plans.

The reference to this instance may seem irrelevant to the issue under discussion. Perhaps, it is. But the idea in mentioning it is to enable our Western friends to appreciate as to why countries in this part of the world do not regard Egypt's nationalisation of the Suez Canal as a heinous crime and why they feel that the use of such expressions as "seizure," "expropriation," "plunder," and "brigandage" is incorrect and unwarranted. It is no use bandying such offensive expressions. Not only does it fail to carry conviction to this part of the world but it needlessly adds to the heat of the controversy. It is well to remember here that Egypt has offered to pay compensation to the shareholders of the Suez Canal Company in accordance with the closing prices of their shares at the Paris Bourse on 25th July and has placed no impediment to the use of the Canal by the ships of all nations, except, of course, those of Israel for which there are understandable special reasons and quotable precedents. Egypt and Israel are in a state of war with one another. It would appear that there is a clause in the Convention of 1888 which permits Egypt to block the Canal, as a measure of self-defence, for ships of countries with which it is at war. Moreover, several noted historians point out that, in both the World Wars, Britain prohibited entry of enemies into the Canal. It, therefore, does no good to Britain for its propagandists to quote Egypt's denial of the Canal to Israeli ships as an instance to convince the world that even now Egypt is not honouring its international obligations.

The value of compensation offered by Egypt is sought to be minimised by the British by questioning the sincerity of the present Egyptian Government and the capacity of that country to pay. This, however, is a question of confidence for which it is not easy to find an answer, except to say that the countries affected must trust in God and hope for the best. After all, the amount involved is no more than £65 million, a sum much less than that which Egypt has been keeping in London and may be expected to maintain as part of its external reserves. Even now, Egyptian assets in Britain alone are more than £130 million, of which £110 million represent blocked balances. Another point to be borne in mind is that, of the £65 million of total assets belonging to the Suez Canal Company, about two thirds, or £41 million approximately, are invested outside Egypt, mostly in Britain and France, a fact which incidentally does not justify the use of expression that Egypt has "seized" the assets of the Company. An equally relevant point that deserves to be noted, in order to appreciate the value of compensation offered by the Egyptian Government, is that, if it had waited till 1968 when the lease to the Company is scheduled to expire, Egypt would have obtained the possession of the Canal free of cost. By antidating the expiry period of the lease, Egypt is, therefore, conferring upon the shareholders of the Suez Canal Company a gain of £65 million, or, to put it the other way, is incurring a huge loss. It is significant that, so far, no complaint has been heard from Britain about the adequacy of compensation.

While the Suez Canal is an international highway, the Company which owns it is not international. The shares of the Company are held not by the United Nations or by all the countries but mostly by three countries, Britain, France and Egypt. The British Government is the single largest stockholder, owning as it does 44 per cent. of the capital. The share of France is held by a number of French stockholders, while that of Egypt is held by the Government of that country. The U.S. and the Netherlands also seem to have a small, perhaps nominal, holding. The Company itself is a joint-stock enterprise, with an Egyptian charter. It has a governing board of 32 directors, of whom 16 are French, nine British, five Egyptian, one American and one Dutch. It is this Board that determines the dues payable by ships that pass through the Canal and decides the scope of its development. The rest of the world which uses the canal has had no say in the matter. These facts will show to what extent the ownership of the Company is international. At best, it is no more than an Anglo-French Company, operating in Egypt an asset of unique value and great utility to world trade. The asset is, however, within the frontiers of Egypt and, therefore, under that country's jurisdiction. That country has every right to do what it likes with it, just as India has the right to take over any foreign enterprise established within its frontiers. It is, of course, a bad thing for any country to break its contract with another, be it a group of individuals or countries. Such a practice is not conducive to the flow of international capital. Nevertheless, if a country chooses to do so for some reason or other and is willing to pay compensation for premature termination of the contract, there is little that one can do except to take the compensation. The aggrieved cannot certainly go to war on that score.

It is true that the Suez Canal is of world-wide importance. That is all the more the reason why those who are vitally interested in the Canal should have taken special steps to keep Egypt contented and rendered all possible assistance for raising the living standards of the Egyptians, without trying to attach political conditions to such assistance. The Western powers, particularly the U.S. and Britain, have miserably failed to fulfil this condition. After having given high hopes to the present regime in Egypt that they would help it in the construction of the Aswan Dam, they committed the folly of dashing them to the ground, mainly for political reasons which are not wholly convincing and most of which, in any case, are their own creations. The burden of their song now is that they cannot trust Col. Nasser, the head of the Egyptian Government. It implies that a settlement satisfactory to them can be reached only if he is removed from power. This is a condition which cannot be fulfilled, for it means that other countries should have power to decide as to what is the right type of Government for a country and who shall head it. If Col. Nasser is a dictator or a bad ruler, it is for the people of Egypt to change him and establish a new Government.

If the London conference is to succeed, all countries that participate in it should give up the thought of imposing a solution on Egypt. They will be wise to recognise that nationalisation of the Suez Canal, for which the U.S. and Britain provided enough provocation, is now a *fait accompli* and that they have to negotiate a settlement with Egypt for the terms on which the Canal can be used as an international highway. The Canal must be regarded as an economic asset and not as a political prize to be coveted by a few nations. The fear of Egypt putting up the canal dues from time to time in order to meet its national requirements can be removed by offering assistance for its economic development, through international bodies if need be. If Egypt were to put forward very exacting terms, simply because it has the monopoly of a very useful and important highway, the world must be prepared to go without it. The world carried on without the Suez Canal till 17th November 1869 and it can do so in future, too. This will, of course, mean a lot of inconvenience to several countries, but, with the possibility of early introduction of nuclear power in shipping and the availability of other means of transport, the world today is better fitted to face the prospect of doing without the Suez Canal than a century ago.

But there is no need to take such a melancholy view of the future, for it will be unrealistic to assume that any Egyptian Government, including the present regime, will be so reckless as to starve the Suez Canal of traffic and thereby kill the goose that lays golden eggs so badly needed by it. It will be in the interest of Egypt to encourage the maximum use of the Canal by fixing the transit dues at economic levels and by developing the Canal, in order to permit its use by bigger ships and tankers that are coming into vogue. Moreover, Egypt cannot afford to earn the unpopularity of the Arab countries and the underdeveloped nations in the East by hampering the use of the Canal either through fixation of unduly high transit dues or through arbitrary blocking of the Canal for international shipping.

STATES ENTER CAPITAL MARKET

KOLAR GOLD—TOBACCO ISSUE—COTTON TARGET

THURSDAY, 5 P.M.

THE share markets are in good form. The happy ending to the controversy over the future of Bombay City in the States Reorganisation Scheme has removed a disquieting factor. It was feared that the Government's proposal to keep Bombay as a centrally administered city might lead to prolonged strikes in the numerous factories situated in this City and Maharashtra. With the latest decision to have a big bilingual State by integrating all Gujarathi and Marathi speaking areas into one State, there is every reason to feel that the ground for this fear has disappeared. This reading of the situation has strengthened the buying fervour in textile, engineering and miscellaneous counters. A healthy feature of current trading in the share market is the fall in speculative business and expansion in investment demand. The growing concern among the business community over the activities of the State Trading Corporation has not yet adversely affected the sentiment of share markets. This is presumably because, all said and done, industrial profits are steadily rising, the company managements are in a mood and position to declare higher dividends, and the possibility of inflation gathering momentum in the coming months looms large. Above all, investors realise that there is bright scope for expansion of engineering and chemical industries and certain consumer goods lines that do not clash with small-scale and cottage units.

MARKET GOSSIP

* * * *

For some days past, there have been hints that the State Governments would enter the capital market very soon. The Chief Ministers of Southern States actually told the Press men towards the close of last week about the amounts they proposed to borrow, the duration of the loan and the date of announcement. This shows that they have a better sense of publicity than some of the other State Governments or the officials of the Reserve Bank who prefer secrecy till the necessary formal announcement, inviting public subscriptions, is made. Advance information, of course, robs the surprise element, but it whets the public appetite for more news and encourages talk in the investment market. In other words, it adds to the chances of the loans becoming popular and more widely known.

On the next page appears the official notification giving details of the new borrowing programme of State Governments. It will be seen therefrom that 15 State Governments want to raise in all Rs. 64 crores. Last year, only 10 Governments borrowed an aggregate sum of Rs. 48.50 crores. As in the past year, all the loans carry interest at 4 per cent. and are repayable after 12 years; only the Bombay State loan is for a longer period, namely, 14 years. The issue price varies from State to State, the lowest is Rs. 99-4 and the highest Rs. 100. The lists will be open for eight days from 3rd September to 10th September. They may, of course, close earlier, if the response is good and the entire amount invited is received. There is thus an interval of 24 days for the Governments to canvas support from the public by popularising their issues. The period for this purpose will be a month, if the eight days when the lists are scheduled to remain open are taken into account.

All the ten States that borrowed last year are in the market again. These are: Andhra, Bihar, Bombay, Hyderabad, Madhya Pradesh, Madras, Mysore, Saurashtra, Uttar Pradesh and West Bengal. All these want to borrow Rs. 53 crores in the aggregate, that is, Rs. 4.5 crores more than they did last year. The new entrants are: Madhya Bharat, Orissa, the Punjab, Rajasthan and Travancore-Cochin. These five States together want to raise Rs. 11 crores.

The details of each of these issues are given on the following page. It will be seen therefrom that Madras is the biggest borrower, its invitation being for as much as Rs. 12.50 crores. The smallest borrower is Madhya Bharat which wants only Rs. 1 crore. The issue price of loans of Travancore-Cochin, the Punjab, Orissa, Madhya Pradesh, Madhya Bharat and Bihar is Rs. 99-4, that of Andhra, Mysore, Rajasthan, Saurashtra and Uttar Pradesh loans being Rs. 99-8. The yield on the former group is 4.03 per cent. current and 4.08 per cent. redemption, the corresponding figures for the latter group being 4.02 and 4.05, respectively. Madras is the only State to issue the loan at Rs. 99-12, giving a running and redemption yield of 4.01 per cent. and 4.03 per cent. West Bengal and Bombay loans are offered at par, the only difference being that the period of redemption in the case of the latter is 14 years, that is, 2 years longer than that of the former. This is, perhaps, justified by the fact that the current 4 per cent. 1967 Bombay loan is standing at a premium of As. 13, whereas the Bengal loan is at par only. As compared with the terms offered last year, the issue prices of some of them are in favour of borrowers; thus, Bihar is charging As. 4 more and Saurashtra, Mysore and Hyderabad As. 8 more. In the case of others—West Bengal, Andhra, Uttar Pradesh, Madras, Madhya Pradesh—there is no change whatever.

In the case of 4 State loans, provision is made for conversion of the issues that mature this year. These are: Bombay, Madras, Madhya Pradesh and Travancore-Cochin, the outstanding amount of their maturities being Rs. 297.18 lakhs, Rs. 125.10 lakhs, Rs. 50.54 lakhs and Rs. 50 lakhs, respectively, or a total of Rs. 5.23 crores in all. It may be recalled that last year, too, the first three States and the Mysore Government offered conversion facilities for loans aggregating Rs. 6.91 crores.

The response to State loans last year was excellent. So heavy was the demand that as many as seven out of ten States borrowed for the second time after an interval of a fortnight or so. Thus, out of Rs. 48.50 crores raised in 1955, no less than Rs. 11.75 crores were obtained in the second attempt. This time the amount required is larger, while the surplus funds available with investors is probably less. The number of borrowing Governments, too, is bigger. It would not be surprising, therefore, if their success this year were to be a little short of their achievements a year ago.

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It is a pity that the Government of Mysore, which has had a distinguished record of fair-dealing in both political and economic matters, should give rise to the impression that it is manifestly unjust in its dealings with the Kolar Gold Mining Companies. Such a conclusion is inescapable from a reading of the speech of the Chairman of the Companies, Mr. M. A. Sreenivasan, and of his statement at a Press conference at Bangalore. We have ourselves expressed in the past the view that nationalisation of the Companies was not expedient, let alone inevitable, and that what was needed was some spirit of accommodation on both sides, so that the differences between the companies and the Government could be bridged. From all accounts, such spirit of accommodation is forthcoming from the management, while it is the Government that is determined not to look at any solution other than nationalisation. The agreement between the two parties, reached in 1949, itself provided for settlement through arbitration of any issue arising from the operation of the agreement. It is not clear why the Government is opposed to such arbitration to which the Companies are agreeable.

If the Government, however, is determined to nationalise gold mining, then it is at least reasonable to expect that it will be just, if not generous, in paying compensation to the Companies which have played so notable a role in developing the resources of the State. Any Government ought to be fair in paying compensation to the assets it takes over. But, in the case of the foreign-owned Kolar Gold Mining Companies, the State Government should be particularly careful in paying compensation since it is necessary to avoid creating the impression that injustice has been perpetrated out of national or racial prejudice. Mr. Sreenivasan is not perhaps very much wide of the mark in suggesting that the relationship between the Government and the Companies has been made the "sport" of group and political rivalries in the State. This is deplorable and also perhaps explains the irrational reluctance of the Government to appoint an impartial expert committee which could either suggest the basis of a new agreement or settle the basis of compensation. How unfair is the State Government's offer will be evident from the fact that an expert firm of valuers of international standing had estimated that the correct compensation would be Rs. 8 crores as against the State's reported latest offer of Rs. 119 lakhs. This offer is said to be based on the advice given by the Central Government which had deputed a couple of experts to study the question. At the Press conference, the Chairman referred to the vast and tangible assets built up by the enterprise in the K.G.F. over the last many decades quite apart from and leaving out of account, the valuable gold reserves and new ore bodies discovered. "A mining enterprise is rather like an ice-berg," he continued. "There is more beneath the surface than is visible above it. For instance, there are 600 miles of tunnels underground with rails, small locomotives, engines, pipes, airducts, electrical cables, pumps and fans and lights and telephones." He added: "In the case of one of the Companies, the compensation now proposed would hardly represent the value of the stores held by the Company. It would also far less than the amount spent by the Company in discovering the new ore body."

As against the incorrect stand adopted by the State Government, the Central Government's attitude, according to Mr. Sreenivasan, is one "of calm, detached and sympathetic consideration." It is time the Central Government stepped in more vigorously than it has done and avoided an ugly situation which could have much unfortunate effect on the flow of foreign capital into this country.

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Readers' attention is invited to the announcement, published elsewhere in this issue, regarding the offer of preference capital for public subscription by the Vazir Sultan Tobacco Company, Ltd., Hyderabad. The Company is offering 22,745 preference shares of Rs. 100 each at par. The shares carry cumulative dividend at the rate of 7 per cent. per annum (taxable) and are redeemable at a premium of Re. 1 each, that is, at Rs. 101 each, on or after 1st April 1968 in whole or in parts. The dividend is payable half-yearly on 1st April and 1st October, the first dividend on the present issue being due on 1st October 1956. The subscription list will open on the 23rd inst. and will close on the 27th, or earlier or later, as the Directors may decide. The preference shares are approved investments within Section 27A(1) (i) of the Insurance Act, 1938.

The present authorised capital of the Company is Rs. 1.55 crores, made up of 1,125,000 ordinary shares of Rs. 10 each and 30,000 7 per cent. cumulative redeemable preference shares of Rs. 100 each. Of these, 1,000,000 ordinary shares of Rs. 10 each and 7,255 preference shares of Rs. 100 each have been issued and fully paid. The entire balance of the unissued preference shares is being issued now. The Raleigh Investment Co., Ltd., London, which holds the majority of the Company's ordinary shares, has decided to forgo its preferential right of subscription to these preference shares, as it wants the public in India to have the opportunity of taking up these shares and obtaining a larger interest in the Company than they do at present.

The Company was incorporated in Hyderabad-Deccan as a public company in 1930, with an authorised capital of O.S. Rs. 10 lakhs and an issued capital of O.S. Rs. 9.91 lakhs, for the purpose of manufacturing cigarettes. It acquired the cigarette factory owned by Messrs. Vazir Sultan and Sons. In 1933, a new factory was built, which has since been developed and expanded considerably. The Company is owner and manufacturer of the well-known brand of "Charminar" and other brands of cigarettes. For many years past, the Company has been associated with the Imperial Tobacco Company of India Ltd. in the marketing of their respective products. The Company proposes to undertake a three-year programme of modernisation at a cost of Rs. 31.35 lakhs. A substantial part of the finance required for this programme is to be met from the proposed issue.

An idea of the extent to which the Company's activities have grown during the last twenty-five years can be had from the fact that the paid-up capital has risen from O.S. Rs. 9.91 lakhs, that is I.G. Rs. 8.49 lakhs to I.G. Rs. 100 lakhs. It may incidentally be noted that the entire increase in capital, that is I.G. Rs. 91.51 lakhs, has been made by the capitalisation of reserves. During the last four years alone, the turnover of the Company has considerably enlarged, as witness the rise in sale proceeds from Rs. 2.80 crores in the year ended 30th September 1951 to Rs. 3.64 crores in 1954-55. The gross profit has risen during these four years from Rs. 31.40 lakhs to Rs. 48.20 lakhs. The dividend on ordinary shares has been maintained at 10 per cent. for the last two years. The latest balance-sheet of the Company shows that its financial position is sound; the net assets amounting to Rs. 150.58 lakhs provide a substantial cover to the present issue, being more than six times the amount offered.

* * * *

The opinion is gaining ground in the country that, irrespective of the wisdom of the Government's present textile policy, it is necessary to ensure that the mills are not starved of the essential raw material, namely, cotton. In the final analysis, whatever may be the proportion of cloth requirement that is met by the mills, or handlooms or powerlooms or handloom weaving mill made yarn or Ambar Charka yarn, almost the entire production of cloth has to come out of cotton. If there is one sphere in which there ought not to be any controversy, it is the sphere of cotton production. India has the land, water, the technical talent and the necessary background of research service in order to ensure that the supply of cotton is maintained at a level high enough to meet the requirement of cloth production. From this point of view, it may be wondered whether the 5.5-million bale target for cotton, set by the second Five-year Plan, is adequate for the country. We ourselves discussed this question ere now (*vide Commerce*, dated 7th July 1956) and reached the conclusion that the authorities would be well-advised to raise the target. It is gratifying to note that this view is shared by Mr. Madanmohan R. Ruia, a well-known industrialist and the new President of the East India Cotton Association.

Addressing the annual meeting of the Cotton Buyers' Association, of which also he is the President, Mr. Ruia averred that mill consumption of Indian cotton was likely to record a significant increase and may range from 46 to 48 lakh bales in the 1956-57 season. He also felt that the succeeding seasons will see "still further strides in mill consumption." He added: "I foresee the possibility that the cotton production target of even 55 lakh bales fixed in the second Five-year Plan may not be able to keep pace with the increase in *per capita* consumption of cloth to 18.5 yards." Indeed, he felt that it was quite likely that, as a result of the forces released by the gradual implementation of the second Five-year Plan, the Government might find it difficult to ensure adequate supplies to the Indian mills, unless they were supplemented by the two alternative measures, namely, either raising the cotton production target to 65 lakh bales or importing large quantities of foreign cotton in the next few years. He asked: "May I avail myself of this occasion to bring these possibilities to the attention of the Government?"

It is to be hoped that the authorities will devote sufficient attention to this problem at an early date, for past experience, especially the experience in the war and early post-war years, shows that, even though textiles can be made to order, cotton cannot behave in accordance with official fiat. In this connection, it may be recalled that the recent conference of Agricultural Ministers at Mussoorie was reported to have raised the target to 5.86 million bales. This, of course, was a tentative decision. It is not clear whether any steps have been taken to work out the details of a plan for reaching a higher target for cotton. In any case, even the higher target of 5.86 million bales, it is to be feared, may fall short of what the country needs. The Commerce and Industry Ministry itself is of the opinion that 6.5 million bales should be aimed as the target to be hit by the end of the second Plan period. The officials of the Ministry pleaded in favour of this target at the Mussoorie Conference. It is, therefore, extremely essential that the country's overall requirements

(*Continued on page 303*)

EQUITIES FORGE AHEAD

BULL SUPPORT GAINS MOMENTUM

(From Our Own Correspondents)

BOMBAY, 9th *August*

A FRESH bout of bullish activity was in evidence on the Bombay Stock Exchange during the week under review. Buying enthusiasm was not confined to a few selective counters, but was broad-based and quite a large number of shares, particularly in the textile section, recorded handsome gains to touch new high levels for the year. Absence of any adverse news to affect sentiment, the precautionary measures taken by Britain on the military front to deal with any emergency in respect of the Suez Canal situation, the encouraging business outlook in the years to come and the dramatic settlement of the dispute regarding the Bombay City by the Parliament's decision to form a bilingual State comprising all Gujerathi and Marathi speaking areas were all factors which kept up the bullish fervour.

Trading on the Stock Exchange remained suspended today, as operators refrained from doing business as a protest against police firing in Ahmedabad where violent demonstrations were staged yesterday and today as a protest against the formation of the bilingual State.

In the steel section, Tata Ordinaries crept up from Rs. 206-4 to Rs. 209, before closing at Rs. 208-4. Indian Irons were a little erratic, moving between Rs. 37 and Rs. 36-8½, but finished with a gain of As. 5 at Rs. 36-15.

Textiles were very cheerful and a large number of counters were brisk with activity. Bombay Dyeings recorded a gain of Rs. 18-12 to Rs. 681-14, Centurys Rs. 3-8 to Rs. 589-8 and Kohinoors Rs. 5-8 to Rs. 389. Finlays jumped by Rs. 22-8 to Rs. 373-8 and Swans by Rs. 28-12 to Rs. 480. In the Tata group, Svadeshis advanced by Rs. 7-8 to Rs. 265 and Tata Mills by Rs. 4-12 to Rs. 62. Shree Niwas rallied from Rs. 234-6 to Rs. 245 and Standards from Rs. 485-10 to Rs. 495. Simplex provided an exception with minor fluctuations and a quiet tone. After a rise from Rs. 215 to Rs. 216, they gave way to Rs. 214-8.

The upward trend in bank shares noted in the previous two weeks was arrested this week and profit-taking was in evidence.

Insurance section did not attract any support, except Indian Mercantile and Vulcans which ruled higher. New Indias were marked down by Re. 1 to Rs. 49-4.

Interest in electricity shares was at a low ebb and, barring a few select counters, prices showed a decline.

Miscellaneous section was generally firm. Sugar group provided an exception, Belapurs being marked down to Rs. 254 after an early rise from Rs. 254-8 to Rs. 257. Phaltans lost Rs. 2 to Rs. 165 and Walchandnagars Re. 1-4 to Rs. 273-12. Among Cement shares, A.C.C. gained Rs. 4 to Rs. 196-4 and Digvijays Re. 1 to Rs. 200. In the engineering and mining group, Alcocks were done at Rs. 361-4 *ex-div.*, as against Rs. 377-8 *cum-div.* a week ago. Tata Locos reacted from Rs. 168-8 to Rs. 161-8 early in the week, but shot up to Rs. 167-8 on revival of strong support. Premier Constructions receded by Rs. 2-4 to Rs. 205. Shivrajpurs dropped a rupee to Rs. 90-8, while Indian Coppers were steady at Rs. 7-4. Shipping shares were in the background, Scindias shedding As. 3½ to Rs. 18-14½ and Great Easterns As. 10 to Rs. 19-6. Automobile shares were firm. Premier Automobiles gaining Rs. 2 to Rs. 102 and Hindustan Motors As. 8 to Rs. 10-8. Among the other miscellaneous industrials, Bombay Burmahs gathered Rs. 3-12 to Rs. 735. National Rayons staged a sharp rise of Rs. 6-8 to Rs. 269-8, Tata Oils were steady at Rs. 58-8. Tata Chemicals were dull at Rs. 20-7, while Wimcos were held at Rs. 185-10.

Conditions on the Calcutta Stock Exchange were quite cheerful during the week under review. Operators were inclined to extend their commitments on expectation of better corporate earnings. Deals put through were fairly large and equities recorded handsome improvement in prices under the lead of speculative counters. Jute and engineering shares were particularly active. Miscellaneous industrials also ruled firm, Imperial Tobaccos providing the brightest spot. Coal shares were fully steady. But tea shares lacked support and suffered a fall in values. The undertone of the market was firm.

The Madras Stock Exchange continued to depict a fully steady trend during the week under review also. There was good investment buying in equities, especially the most popular ones, the offerings of which were somewhat restricted. The market, of course, experienced a setback today, but it was of a minor nature. The closing rates of most of the scrips stood higher than those at the end of last week. Tea shares, however, were an exception, in that they were subjected to selling.

4 PER CENT.
STATE GOVERNMENTS LOANS

			Issue Price.
(1)	Government of Andhra..	Rs. 600 lakhs	Rs. 99-8 per cent.
(2)	Government of Bihar ..	Rs. 200 lakhs	Rs. 99-4 per cent.
(3)	Government of Bombay.	Rs. 750 lakhs	Rs. 100-0 per cent.
(4)	Government of Hyderabad	Rs. 200 lakhs	Rs. 99-8 per cent.
(5)	Government of Madhya Bharat	Rs. 100 lakhs	Rs. 99-4 per cent.
(6)	Government of Madhya Pradesh	Rs. 150 lakhs	Rs. 99-4 per cent.
(7)	Government of Madras..	Rs. 1,250 lakhs	Rs. 99-12 per cent.
(8)	Government of Mysore..	Rs. 400 lakhs	Rs. 99-8 per cent.
(9)	Government of Orissa ..	Rs. 300 lakhs	Rs. 99-4 per cent.
(10)	Government of Punjab..	Rs. 200 lakhs	Rs. 99-4 per cent.
(11)	Government of Rajasthan	Rs. 300 lakhs	Rs. 99-8 per cent.
(12)	Government of Saurashtra	Rs. 250 lakhs	Rs. 99-8 per cent.
(13)	Government of Travancore-Cochin ..	Rs. 200 lakhs	Rs. 99-4 per cent.
(14)	Government of Uttar Pradesh	Rs. 800 lakhs	Rs. 99-8 per cent.
(15)	Government of West Bengal	Rs. 700 lakhs	Rs. 100-0 per cent.

All the State Governments reserve the right to retain subscriptions upto ten per cent. in excess of the notified amount.

All the above loans will be repaid at par on 3rd September 1968 except that of the Government of Bombay which will be repaid at par on 3rd September 1970.

THE LOANS WILL OPEN FOR SUBSCRIPTION ON 3RD SEPTEMBER 1956 AND CLOSE ON 10TH SEPTEMBER 1956 OR EARLIER WITHOUT NOTICE AS SOON AS SUBSCRIPTIONS APPROXIMATE TO THE AMOUNT OF EACH ISSUE.

All the loans will bear interest from 3rd September 1956.

Subscriptions may be in the form of CASH/CHEQUE in respect of all the loans.

3% BOMBAY GOVERNMENT LOAN 1956, 3% MADHYA PRADESH LOAN 1956 and 3% MADRAS GOVERNMENT LOAN 1956 will be accepted AT PAR for conversion into the new loan of the Government concerned; interest on the securities of the respective loans tendered for conversion will be paid upto and including 2nd September 1956.

3½% TRAVANCORE GOVERNMENT, LOAN 1956 will be accepted at PAR for conversion into the new loan of that Government. In addition to the interest due on securities of that loan tendered for conversion, tenderers will be paid interest at the rate of 4 per cent. per annum on the amount of the principal of such securities from 16th August 1956 to 2nd September 1956 inclusive.

APPLICATIONS FOR ALL THE LOANS WILL BE RECEIVED AT THE OFFICES OF THE RESERVE BANK OF INDIA AT BOMBAY, CALCUTTA, DELHI, MADRAS AND BANGALORE.

APPLICATIONS will also be received at PLACES WITHIN THE RESPECTIVE STATES as follows:—

(i) At the branches of the State Bank of India and at Treasuries and Sub-Treasuries in the case of Andhra, Bihar, Bombay, Madhya Pradesh, Madras, Orissa, Punjab, Rajasthan, Saurashtra and Uttar Pradesh loans.

(ii) At the branches of the State Bank of India in the case of West Bengal loan.

(iii) At the branches of the State Bank of India and at District Treasuries only in the case of Madhya Bharat loan.

(iv) At the branches and Treasury Pay Offices of the Hyderabad State Bank and at Treasuries and Sub-Treasuries in the Hyderabad State in the case of Hyderabad loan.

(v) At the branches of the Bank of Mysore Ltd., in the Mysore State except at Bangalore and at Taluk Treasuries in the Mysore State at places where there is no branch of the Bank of Mysore Ltd., in the case of Mysore loan.

(vi) At Treasuries and Sub-Treasuries only in the case of Travancore-Cochin loan.

Copies of Notifications and Application Forms may be obtained at any Receiving Office.

NEWS IN BRIEF

INDIA may buy 100,000 tons of cement from Yugoslavia for which negotiations are going on between the Yugoslav Export Corporation and the Union Ministry of Commerce.

The Government of India has decided to give priority to construction of an aerodrome for Malabar. An expert committee will be visiting Malabar shortly to select the site.

The Government of India has opened a trade control office at Visakhapatnam under the charge of a Controller of Imports and Exports. The office is under the administrative control of the Joint Chief Controller of Imports and Exports, Madras. It started functioning on the 9th inst.

The total estimated requirements of steel of different Central Ministries during the second Five-year Plan are 12.5 million tons on present calculations, according to Mr. T. T. Krishnamachari. The requirements will be met by increasing the indigenous production capacity and by imports.

The Hindustan Aircraft Factory, Bangalore, is negotiating with a West German firm for the installation of a plant for producing integral railway coaches of good riding type. With the installation of this plant, it will be possible to produce 25 coaches per month, as against the present production of 15 coaches.

According to Jaisukhlal Hathi, Union Deputy Minister for Irrigation and Power, the introduction of a pooled price for cement will affect the cost of the Bhakra Dam and other irrigation and power projects included in the second Five-year Plan. The percentage of rise in cost will vary according to the quantity of cement involved. Generally, it may be one to five per cent.

The estimate submitted by the Chief Engineer (Electricity) of Madras for the execution of the first and second stages of the Kundah Hydro Electric Scheme has been accepted by the Government of Madras. The initial outlay of the scheme is Rs. 26 crores which will rise to Rs. 35.44 crores at the end of the ten-year period of operation.

The proposals submitted by the Indian Steel Works Construction Company for a fabricating shop at Durgapur are being discussed by the Indian Delegation now at London. The delegation is negotiating the final contract for the steel works at Durgapur. It is proposed to review the suggestion for a fabricating shop at Bhilai on the experience gained as a result of the negotiations for the fabricating shop at Durgapur.

The Government of India has decided to convene an All-India Fisheries Conference to discuss the present state of the fishing industry in the country and the programme and development of fisheries in future. The Conference, which will be held at Madras from 19th to 21st September, will be attended by over 100 delegates representing the Government of India, various State Governments, fisheries technologists, specialised agencies like the F.A.O., T.C.M., the Norwegian Project and Private Bodies.

The Government of India has accepted the Tariff Commission's main recommendation that protection to power and distribution transformers should be continued for a period of four years, that is, upto 31st December 1960 at the existing rate of protective duty of 10 per cent. *ad valorem* and that the scope of protection be extended to cover power and distribution transformers upto 3,000 KVA and 37.5 KV on the H.T. side. It has also accepted certain other ancillary recommendations of the Commission for assistance to the industry and propose to implement them as far as possible.

A ten-man trade and economic delegation from South Viet Nam is expected to arrive in New Delhi on the 16th inst. The delegation consists of eight leading business men and industrialists of Saigon, the Director of Economic Affairs in the Foreign Ministry and an official of the Ministry of Commerce. It will have discussions with the officials of the Ministry of Commerce and Industry on the promotion of trade between India and South Viet Nam. It will also tour Bombay, Calcutta, Madras and other cities and visit textile, rayon, chemicals, jute, plastics and engineering factories there.

The Federation of Indian Chambers of Commerce and Industry has convened a meeting at New Delhi on the 24th and 25th inst. to consider questions arising from the Government's announcement regarding State trading in iron and manganese ore and cement. The meeting will also consider the reported proposal for State trading in oils and other commodities. The Government's policy of canalisation of imports through specified channels, too, will be discussed. The items, the imports of which have been canalised include raw silk, soda ash and caustic soda. Besides, the members of the Federation, the interests concerned are being asked to send their representatives to the meeting.

The Tariff Commission's recommendation that the protection granted to the sections of the plastics industry engaged in the manufacture of phenol formaldehyde, moulding powder, and plastic buttons should be continued for a further period of three years—that is, up to 31st December 1959—has been accepted by the Government. The Commission's recommendation that protection to the section of the industry which is engaged in the manufacture of electrical accessories should be discontinued after 31st December 1956, as the fair ex-works prices of electrical accessories are less than the landed cost (ex-duty) of comparable imported articles has also been accepted.

The National Standards Organisations of Commonwealth countries have accepted India's invitation to hold the third Commonwealth Standards Conference at New Delhi from 21st January to 3rd February 1957. The primary object of the Conference is to further the collaboration between the national standards organisations in the Commonwealth countries and to secure agreement on common objectives and principles of operation in the interests of inter-Commonwealth relations and trade. The attainment of these objectives has been much facilitated by the understandings reached at the previous two conferences held at London in 1946 and 1951. The programme of the Conference will include general and technical sessions and visits to factories, laboratories and technical institutions.

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From Abroad

The International Monetary Fund has granted a $55 million stabilisation loan to Indonesia.

A Government team from the U.K. is expected to visit Canada shortly to conclude a contract with Canada for the purchase of uranium. The deal is expected to involve several million dollars.

The Imperial Chemical Industries (U.K.) has announced that it will stabilise home trade prices of its products during the next twelve months. This decision affects more than hundred products ranging from dyestuffs, explosives, fertilisers, nylons, drugs and plastics.

The Ceylon Government has invited a trade mission from China to visit the island in September next to discuss the question of rubber and rice prices for 1957 under the rubber-rice agreement negotiated in 1952, which provides that prices should be agreed upon every year.

The Imperial Tobacco Company (U.K.) has announced that, subject to circumstances over which it has no control, it will not increase the prices of its goods between now and 30th April 1957. The Company has stated that it strongly supports the efforts now being made by the U.K. Government to combat inflation and desires to keep its price as low as possible.

Swiss bankers have rejected Egyptian attempts to secure finance for the $464 million Aswan Dam project. They are reported to have advised Egyptian business men who have approached them for capital that the project is too huge a venture for private Swiss capital to handle alone. Another reason for the rejection is understood to be the lack of adequate security to back the finance needed for the project.

The Bureau of Mineral Resources, Australia, is making an air survey of certain areas of its territory to assess the oil-bearing potentialities. The place of principal interest is Tennant Creek-mining field which has already produced gold and copper. The survey is also meant to enable the Bureau to assess the value of the areas as possible sources of uranium and other minerals.

The Brno Engineering Works, a Czechoslovakian firm, has secured the contract for supplying equipment for the extension of the Utran-Surat power plant by three turbo-sets of 15 megawatts each and three high performance boilers. The Czechoslovakian Technoexport Foreign Trade Corporation has already supplied India with the first part of the plant for the power station, in the equipment of which the Brno Engineering Works will co-operate with English and Swiss firms.

The world's shipbuilding yards are expected to produce five million gross tons of new merchant vessels this year according to Walter L. Green, Chairman of the Board and President of the American Bureau of Shipping. This production would almost equal the 1954 record for a peacetime year. During the 10 post-war years, 4,758 vessels were constructed, aggregating 32,577,000 gross tons. The world's merchant fleet now comprises 15,148 vessels with a total gross tonnage of 92,944,000.

PERSONAL

THE Raja of Khetri, a Member of the Rajya Sabha, has been appointed Minister of India to Laos.

Mr. Vithal N. Chandavarkar, Director, State Bank of India, has resigned from the Board of Directors of the Bank.

Mr. Lalitchandra C. Devkaran Nanjee, Vice-Chairman of Devkaran Nanjee Banking Co., Ltd., has been appointed Chairman of the Bank, in succession to the late Mr. Pranlal Devkaran Nanjee.

Mr. D. N. Shroff, a prominent business man and industrialist, has been unanimously re-elected President of the Silk and Art Silk Mills Research Association for the year 1956-57. Mr. Shantilal M. Mehta has been re-elected Vice-President of the Association.

Mr. D. S. Savkar, Officer in charge of the Research Department, State Bank of India, has left on a tour of the U.K., U.S and Japan to study the techniques followed by banking organisations in those countries to finance small and medium-scale industries.

Mr. K. Krishnaswami Aiyar, Deputy Registrar of the Supreme Court of India, on the expiry of his term of office, has been appointed Officer on Special Duty in charge of framing rules, under Section 643 of the Indian Companies Act, 1956, for winding up of companies, holding of meetings of creditors and members, etc.

Mr. A. V. Baliga, Chief Engineer, All-India Radio, leader of the four-man Indian delegation to the Consultative Committee of the International Tele-communications Union, along with the other three members, Messrs. S. T. Chari, N. V. Gadhadar and K. R. K. Iyengar, left for Warsaw on Sunday last to attend the meeting of the Union, now being held there.

The American Heart Association has announced grants of more than a million dollars to 180 scientists engaged in cardiovascular disease research. The new grants are in addition to 131 fellowships announced earlier this year by the association. The grants—awarded to scientists throughout the nation—help cover the cost of laboratory equipment, supplies and technical assistance for research on a wide variety of approved projects. The Association is a private organisation.

The Atomic Energy Commission of the U.S. has conditionally approved construction of a privately-owned $40.5 million atomic power plant which would have a generating capacity of 100,000 kilowatts. The plant will be built in Monroe, Michigan, by a group of 26 utility and industrial concerns which are partners in the Power Reactor Development Company of Detroit. The electric power from the plant will be distributed by the Detroit Edison Company, one of the partners.

The new Customs Simplification Act of the U.S. just signed into law is expected to reduce entry-time of imports through customs and speed up the appraisement of duties on incoming goods. The Act will reduce delays and uncertainties in appraisement of imports. One of its most significant provisions establishes new valuation procedures to govern the majority of United States *ad valorem* imports. Export value (the usual wholesale value in the foreign market for home consumption) will become the preferred basis of valuation, instead of foreign value (the usual wholesale value in the foreign market for home consumption.) The new valuation system will not be applied to those imports which will decrease in value by 5 per cent. or more. Consequently, the Bureau of Customs has begun work on a preliminary list of such items and the new procedures will not come into effect for any imports until a final list is published.

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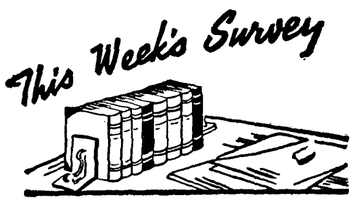

STRUCTURE OF WAGES

THE debate in the Rajya Sabha on Mr. Satyapriya Banerjee's resolution calling for the immediate appointment of a wage commission to enquire into wage structure in the country and recommend adequate wages for the workers did not turn out to be as valuable as one might have expected of it. It was vitiated by the fact that the members chose either to dwell on general questions of labour policy or to support a specific demand for a 25 per cent. increase in wages. Perhaps, the debate would have served a more useful purpose, if they had confined their attention to the question of wage commission as such.

There is no doubt that a wage commission could do much to help evolve certain order in the sphere of wages. From this point of view, the stand taken by the Union Deputy Labour Minister, Mr. Abid Ali was hardly convincing. His main thesis was that a wage commission would take several years to complete its labours and that it was, therefore, preferable to have wage boards for important industries. But he overlooked the fact that the *ad hoc* decisions taken by such wage boards might cause considerable harm to the structure of wages in the country. Each wage board would naturally look at problems from the narrow angle of the industry concerned, ignoring the broader considerations of a national wage structure. If, on the other hand, it is contended that the Government would be able to correct any defeat in the recommendations made by the wage boards, then there is no reason why a wage commission should not be appointed. For such a commission would be able to lay down certain broad considerations in relation to wages and thereby simplify the Government's task in settling wages.

The demand for a straight increase of 25 per cent. in wages was put forward by many members. Indeed, in recent months, this demand has been supported by many a spokesman for labour. It is not clear how such a solution can be forced down the managements, irrespective of their ability to bear the increased burden. The only virtue in the solution is its simplicity. But it is an over-simple solution for a very complicated problem. It is certainly too much to expect that all industries, with their differing levels of production, productivity and profits and all units within each industry, with their individual financial problems, would all be able to bear a straight increase of such magnitude in wages. The remedy might conceivably prove worse than the disease.

It is not true that employers, as a class, are opposed to all increases in wages. But they naturally insist that they should be related to productivity. Mr. Lalchand Hirachand, who supported the demand for the appointment of a wage commission, put the problem in a nutshell when he said that wages could be raised only if they accepted modern ideas of production which were being followed in Western countries, including Russia. He rightly declared that, "unless productivity of labour is increased by modern methods of production, it will be impossible to give higher wages to anybody whatever the Government may say." To ignore this sound warning is to invite inflation, with all its attendant evils, and to impede the progress of the second Plan.

And yet, the Government has not so far clarified its attitude towards this demand. It may be recalled that the Government introduced provident fund benefit to workers by means of an ordinance on the eve of the last general elections. On this analogy, and in view of the imminence of the next elections, many observers wonder whether the Government will come out with an ordinance imposing an increase in wages on industrial arrangements. The sooner the Government announces its attitude towards this demand the better it is for all the interests concerned. In any case, an increase in wages could hardly be an appropriate theme for an ordinance. The Government should remember that, if it were to permit a direct increase in wages of industrial workers, it would be faced with demands for a similar increase from other employees as well, including its own. There is already considerable discontentment among the workers in the public sector, as witness the persistent demand for higher wages among the employees of the Madras Government.

ECONOMIC OUTLOOK

What is the economic outlook for this country? This question, which is at all times an interesting one, acquires a new significance in view of the fact that India has already stepped into the first rung of the second Five-year Plan ladder. Appropriately enough, the *Annual Market Review*, 1955, issued by the leading finance, share and bullion brokers in the city, Messrs. Premchand Roychand and Sons Ltd., makes an attempt at peering into India's economic future. After surveying the immediate past, which it calls a year of "mixed gains," in that the year showed much economic progress and serious political setbacks, it proceeds to discuss the economic outlook. While its assessment of the past is, as usual, accurate, comprehensive and objective—the report contains reviews of principal markets and leading industries, supplemented by statistical tables and charts relating to banking, monetary and industrial trends—it is its economic forecast that deserves special notice here.

The Review notes certain disturbing trends in national economy. There are signs that, under the influence of socialist planning, not only will the sphere of private sector be seriously curtailed but the sector placed under further regulation, despite the repeated assurances by responsible leaders that the private sector has a definite role to play in the second Plan. Industrial policy as re-stated recently, enlarges the scope of the public sector in industry; and, in the sphere of trade, the State Trading Corporation is likely to "spread its tentacles far and wide as time goes on." As against these trends, it sets certain encouraging factors. In the first place, in view of the limited number of trained administrative personnel at its disposal for managing State enterprises, it is likely that the Government may, in the immediate future, restrict itself to the "very compact and easily manageable units." Secondly, the Government has not always allowed its ideological predilections to get the better of its economic judgment as witness its refusal to accede to the demand for ceilings on income.

Nevertheless, the authors of the Review have rightly thought it fit to indicate the sources of danger to the country's economy. Such danger, it is pointed out, could some from failure to hold price levels, inability to provide the transport the country needs and paucity of financial resources for expansion and development. They warn that, as more and more money is poured into the system, the inflationary upsurge that will be created may easily upset the Plan. They, therefore, emphasise that restrictions on factory production are unwise measures. Further, there is need to ensure that there is a "network of transport which can efficiently meet the requirements of the Plan." Finally, in view of the fact internal resources for the private sector may get restricted as a result of high taxation, "priorities will have to be given to expenditure on schemes of development in both the public as well as the private sectors on the basis of the urgency of the country's requirements rather than on ideological grounds."

Though the future is by no means very bright for the private sector, it must not make the business men take a defeatist view of their role. It is rightly urged that "they will be candid in their approach to the situation and chalk out their course of action, not like a group of men playing a game of musical chairs but as a responsible group acting in the larger interests of the country." The simile about the "musical chair" is particularly appropriate, in that it clinches the point. In the context of the prevailing political and economic climate, the private sector, as the Review points out, can prolong its span of life only if it plays its part well through efficient management and, what is more, unity and co-operation within its ranks.

INDO-PAKISTAN TRADE

Although barely twenty days remain for the expiry of the trade agreement between India and Pakistan, no move has been made by either country to hold negotiations for determining the future of the agreement. Naturally, the whole commercial and business community in the two countries is at a loss to know as to where it would stand after the agreement expires. For it is not known whether the present agreement will be extended or a new one concluded. In fact, this uncertainty is already reported to be interfering with the flow of Indo-Pakistan trade.

Be that as it may, the Bharat Chamber of Commerce (Calcutta) has done well to suggest, in the course of a communication addressed to the Government of India, a basic change in the very approach of the existing agreement, which, it says, is only a formal, not an effective, one. The Chamber is doubtful whether much benefit can be obtained by such formal agreements. It points out that any effective agreement for the promotion of trade beween India and Pakistan must be based on "the fullest appreciation by the two Governments of three principles. First, trade between the two countries should be visualised on a different basis than the trade of either country with other countries of the world. The trade agreements that either country may enter into with other countries cannot be models for any trade agreement between India and Pakistan. Secondly, there must be a wide and liberal schedule of commodities for virtual free trade between the two countries. Thirdly, customs formalities, transport facilities and banking facilities for remittance of funds must be made effectively conducive to the promotion of trade, and this must be such as may be conveniently availed of by the common run of medium- and small-scale business men in the two countries.

The Committee points out that the agreement of 1951 recognised these principles and the high volume of trade during 1951-52 was the direct result of this agreement. It is observed that the present agreement, while facilitating local marketing of the border people, has not helped the revival of trade between the two countries. The Committee, therefore, pleads for a remodelling of the trade agreement on the pattern of the one entered into in February 1951.

The Chamber has urged the Government of Inida to impress upon the Pakistan Government the fact that a healthy flow of trade between the two countries cannot continue on the basis of a chronic deficit against India. The deficit was of the order of Rs. 11.26 crores in 1953-54, Rs. 9.63 crores in 1954-55 and Rs. 18.35 crores in 1955-56. The value of India's exports to Pakistan during 1955-56 was lower by Rs. 1.49 crores at Rs. 8.26 crores, while its imports rose by Rs. 7.23 crores to Rs. 26.61 crores.

Proceeding, the Chamber has reiterated the view that the Government of India should appreciate the importance of land frontier trade between the eastern States of India and East Pakistan. In its opinion, the principle recognised in the existing agreement in respect of border trade should be extended to small-scale trading. If necessary, some special provision must be made for facilitating such trade through reducing to the minimum the formalities of foreign trade control, customs and transport. The other specific suggestions put forward by the Chamber cover trade with E. Pakistan, effective arrangements for settlement of financial accounts arising from trade transactions, and formation of a Trade Consultative Committee for periodical consultation and review of the working of the agreement. The Chamber believes that, in view of scarcity conditions in E. Pakistan, people there would welcome larger imports from India and that it is possible to arrange for an expanding trade between the two countries to their mutual benefit.

PROGRESS OF PIMPRI

Col. J. R. Dogra, Managing Director of Hindustan Antibiotics (Private) Ltd., and his band of assistants deserve to be congratulated on their successful efforts at developing the penicillin factory at Pimpri to the full-production stage in such a short time as one year. It was only towards the end of July 1955 that the factory went into regular production and the first batch of penicillin was offered to the public on 12th September 1955. Since then, every endeavour has been made by all those in charge of the factory "to attend to the efficiency in the various stages of manufacture in order to obtain the maximum output with the minimum expenditure on raw materials and services." Indeed, the factory, we are told, has surpassed the target of production set for it, the rate of output at present being 15 million mega units per year. It is but appropriate that the first anniversary of the Pimpri factory should have been celebrated in a fitting manner on the 2nd inst., in the presence of several distinguished guests, including Mr. Jawaharlal Nehru.

The Pimpri factory represents a notable example of fruitful international co-operation; the United Nations agencies, such as the U.N.I.C.E.F., the W.H.O. and the Technical Assistance Organisation, have all co-operated in its establishment. The W.H.O. provided technical advice and training to our technical men in penicillin technology, while the U.N.I.C.E.F. gave $850,000 (Rs 40.46 lakhs) worth of equipment for the project. The Government of India bore the cost of land, buildings, equipment procured locally, electric sub-station, sewage disposal unit, residential colony, etc., at an aggregate outlay of Rs. 1.6 crores. The factory produces penicillin, a drug which is of utmost importance in the context of improving the standards of health among the masses in India. Surely, the factory, as Mr. Maurice Pate, Executive Director of the U.N.I.C.E.F., has very pertinently remarked in the course of his message to the factory, "is an arsenal from which India may draw ammunition of war against disease."

The premises of Hindustan Antibiotics Ltd. cover about 20 acres and house modern process equipment capable of producing some 20 million mega units of penicillin every year. The design of the factory readily permits expansion of operation to the extent of 60 per cent. and there are extensive laboratory facilities for fundamental and applied research studies. According to Col. Dogra, the antibiotic research centre set up at a cost of Rs. 15 lakhs—capable of considerable expansion—provides facilities for post-graduate studies in mycology, biochemistry and microbiology, in addition to being the nucleus for research in antibiotics. Provision has also been made for free training of engineering personnel. The present plant is proposed to be expanded to its maximum capacity by the middle of 1957. An additional unit for the manufacture of streptomycin is planned.

The main raw materials for the manufacture of penicillin which are imported include corn steep liquor, lactose, glucose, butylacetate, phenylacetic acid, lard oil, procaine hydrochloride, butylalcohol, octadecanol, teepol, calcium carbonate and isopropyl alcohol. The other raw materials are procured from indigenous sources. Efforts are being made to procure imported raw materials from indigenous sources. The research carried out at Pimpri has revealed that 75 per cent. of the corn steep liquor imported can be replaced by indigenous peanut cake. As for the remaining 25 per cent. corn steep liquor, three local starch manufacturers have been encouraged to produce this product in the country. They are all supplied with specifications, technical information and test procedures. The products manufactured locally are coming into the standard and it may be possible to get this even cheaper than the imported product. This commodity will not be imported in future. Lactose is produced only from milk. The possibilities of manufacturing of this from whey, the by-product in the casein or cheese industry, in the country is being examined. The technique of production of lactose from whey is not complicated and can be undertaken in the country, if sufficient quantity of whey is available in a particular locality. Glucose is being imported at present, but some private manufacturers in India are putting up plants to manufacture this. The feasibility of manufacturing butylacetate and butylalcohol is being studied. The manufacture of phenylacetic acid in the factory is possible and this question is being examined. Lard oil has been replaced by peanut oil. The possibility of manufacturing of material procaine hydrochloride in the factory is also being studied. The quantities of octadecanol and teepol used are too small to think of manufacture locally. The use of the former may even be dispensed with. Calcium carbonate was imported to be sure of the production to start with. Indigenous material can be used and, thereafter, this chemical will not be imported. Isopropyl alcohol was imported to try out a particular procedure of crystallisation of penicillin. The factory can do without it.

The success of the Pimpri factory will be judged by the extent to which it will meet the country's vast needs of high quality antibiotics at a reasonable cost. It is gratifying to be told that the factory is already producing penicillin of the highest quality, as tested by such expert agencies abroad as the Food and Drug Administration (U.S.A.) and the National Institute of Medical Research (London). It is equally gratifying to be told that the factory is well on its way to meeting a large proportion of the country's demand for antibiotics at a cost which is much below what was once thought possible.



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so he can't draw a straight line—
as I can.

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paint their pictures quickly.
Some artists take many years to
finish one painting. Without
oil they would keep on painting—
goodness knows how long—
and art would not progress.



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DEVELOPMENT OF SHIPPING SERVICE

NEW LEGISLATION BEING DRAFTED

From A Special Correspondent

NEW DELHI, *7th August*

DELHI LETTER

"ALL is well that ends well" was the remark made by leading members of Parliament about the welcome turn that events taken as regards the reorganisation of States. The bilingual solution for Bombay, was hailed by almost all members with a sigh of relief and the entire parliamentary lobby, which was greatly concerned over this issue for the last several days, was visibly jubilant. The Prime Minister himself is reported to have called it a historic decision and several other senior parliamentarians were heard to remark that Parliament had succeeded in asserting its collective will and getting the Cabinet decision about Bombay revoked. Now that the protracted and bitter controversy over the city of Bombay has ended happily, it is felt that not only the smooth passage of the States Reorganisation Bill in Parliament is ensured, but the implementation of the second Plan will be taken up in right earnest.

Enquiries made in the Transport Ministry elicited the information that a consolidated Indian Merchant Shipping Bill is being drafted for consideration by Parliament. The object of this comprehensive legislation is understood to be the control and regulation of Indian Shipping in all its aspects. Perhaps, there is an increasing realisation in the Transport Ministry that all is not well with India's shipping trade these years and that, despite the help that the Government has been rendering towards increase of Indian tonnage, the shipping companies have not been able to show satisfactory development. In framing this Bill the Transport Ministry has in mind the example of the Industries Regulation and Licensing Act of the Commerce and Industry Ministry which was put on the statute book by the end of 1951. This Act has been working quite satisfactorily and has, in fact, given considerable stimulus towards the development of industries in the private sector with the guidance of the Government. The Government has been acting as "friend, philosopher and guide" to the private sector and has been able to show a steady rise not only in the field of industrial production but also to achieve considerable success in the diversification and expansion of existing industries. The Transport Ministry also would like to emulate the example set by the Commerce and Industry Ministry.

Proof of the Pudding

The proof of the pudding is in the eating of it. Until now, the policy and the help rendered by Government in regard to the development of India's shipping have been rather haphazard. India's expansion of shipping has not been particularly impressive. The profit-earning capacity of most of the shipping companies has been extremely limited, with the result that they have neither the capacity to plough back large sums of money for development nor are they in a position to attract more money from the investors. As a matter of fact, the confidence of the investors in the shipping companies has been impaired, in view of the fact that most of the leading companies have not been able to report satisfactory working during the past eight or nine years.

At the latest meeting of shipping interests with the Government of India, all the participants drew the attention of the authorities to this fact, namely, that the earning capacity of the ships has been nullified, to a large extent, by the steady increase in the operational costs without a corresponding increase in freight rates. They also emphasised the fact that, while the railways have been able to report satisfactory profits during the last many years, the shipping companies—also another important adjunct in the transport system of the country—could not present a happy picture, largely due to the unsympathetic and step-motherly treatment meted out by the Government. No doubt, the Government has since permitted an increase in the freight rates for certain commodities, but this has not gone a long way towards satisfying the requirements of shipping companies.

The shipping companies also drew the pointed attention of the Government to the fact that it would not be possible for them to expand their coastal fleet, because of its unremunerative character. On the other hand, it appears that the diversion of shipping to certain foreign routes would have been more paying to them, since there is no *rigid* control over freight rates, particularly when these rates are determined in consonance with the operational costs of ships.

Although the Government spokesmen at the meeting pointed out that Government would be taking up certain shipping routes to their exclusive control irrespective of its profit-earning capacity, the shipping companies did not appear to have been satisfied with this statement. In fact, it was suggested to the Government that the routes should be decided only after taking into account the total working capital invested by the companies in this business, as Government has been trying to fix the prices of a number of commodities, particularly for instance, steel, cement, etc. They also emphasised that the targets laid down by the Government in the second Plan were totally inadequate to achieve even the modest target of 20 per cent. share in India's foreign trade. The proposed addition of 300,000 g.r.t. in the second Plan period bringing by the end of 1961 the total tonnage to 900,000 g.r.t., it is pointed out, would not even touch the fringe of the problem.

Although the planners on the side of the Government expect that, with the achievement of these targets the Indian tonnage would be in a position to carry about 12 to 15 per cent. of the country's overseas trade and about 50 per cent. of its trade with adjacent countries, as against the present proportions of 5 and 40 per cent., respectively, the shipping companies' representatives pointed out that all these calculations were bound to prove illusory, as estimating was one thing, while actual accomplishment was quite a different thing.

More Realism Needed

It was further pointed out to the Government that, at least, an increase of another three to four lakh tons in the present target was essential in order to enable the country to achieve its desideratum of capturing about 20 per cent. of foreign trade. The Government's policy, it was pointed out, should be more realistic and constructive, taking into consideration the experience of the shipping companies, their present position, profit-earning capacity, etc. With the possibilities of setting up an oil refinery in Calcutta soon, it is considered necessary and almost imperative that Government should pay particular attention towards expanding the tanker fleet.

The Government participants at the meeting would appear to have been somewhat convinced at the forcible arguments put forth by the shipping companies. It is possible that, at the time of the final framing of the Indian Merchant Shipping Bill, these factors would weigh with the Government. The legislation is likely to be introduced during the coming winter session of Parliament due to commence by the middle of September or so.

The Government has already been committed to the acquisition of new and second-hand ships to augment its tonnage, from any source wherever practicable. However, liberalisation of the terms of loans to shipping companies is also reported to be under the active consideration of the Government.

The Government is also considering another aspect of shipping business. In order to make its shipping policy more realistic and workable, it is paying attention to the development of major and minor ports. More warfs and berths, replacement of out-moded equipment, addition of modern time-and-labour-saving methods by mechanising operation and increased warehousing and railway facilities are some of the more important features of port development which are engaging the attention of the Transport Ministry. It is expected that, if all these schemes are fulfilled without any hitch, by the end of the second Five-year Plan, Indian ports would be in a position to handle safely about 40 million tons of cargo annually, as against the present capacity of 30 million tons.

Shipping companies are, however, watching the situation as it develops. In their opinion, unless the Government takes an urgent view of the whole situation and puts shipping development almost on a war footing, its dreams may not be realised at all. On the contrary, progress of many of the development schemes will be retarded considerably for want of shipping and port facilities.

THE MIXTURE AS BEFORE

THE OPPOSITION DELIGHTED

From Our Own Correspondent

LONDON, *4th August*

THE Government's discussions with private industry, the nationalised enterprises and the Trade Unions have brought forth a mouse. They announce that foreign competition continue to increase in intensity and that this "Renders it more urgent than ever to break the cost price spiral"—as if this had not been the case for years past! Their next momentous point was that economic circumstances "are now favourable to the maintenance of a period of steady prices if we avoid further increase in the domestic costs"—as if it had ever been particularly difficult to maintain steady prices if only costs behaved themselves! Finally, the Government concluded sagely that "the future of the general price level now lies largely in our own hands"—although they were obliged to put in a saving clause with a sidelong glance at Suez, about major disturbances in international relations.

LONDON LETTER

The Government take comfort from the fact that prices have been relatively steady in the last two or three months, that exports in the first half of this year have shown a substantial increase, and that, over six months, the gold reserves have risen by more than £100 million. These points are, indeed, all to the good, but the Government quite rightly say that the improvement is not sufficient and the efforts to keep prices steady "and if possible to reduce them," must continue: though, of course, it did not need consultations with industry and the Unions to establish these facts. Those consultations were for the purpose of seeing what contributions industry and the Unions would make towards the improvement which the Government were seeking. The Government, indeed, believe that the consultations were useful and that all sides understand more the need for joint action to maintain full employment and to increase production. They propose to continue this technique of consulting industry as may be necessary in future.

As part of the same process of keeping in touch with industry, and in order to inform themselves better of what is going on, the Government are taking another leaf out of the planners' book. They are improving their methods of collecting economic statistics, particularly about capital investment and overseas capital transactions affecting the balance of payments. Recognising the significance of profit trends in trade cycle forecasting, they are also seeking to get quarterly estimates of profits. Of course, the Opposition are getting a great deal of delight from seeing their once criticised techniques suddenly become so popular with the Chancellor of the Exchequer and the Prime Minister!

These announcements have followed close on meetings which the Chancellor has been holding with the joint-stock banks to emphasize that credit restriction must go on. He still wants to see the level of bank advances reduced and money tightness maintained on all fronts. There is to be one exception and that concerns capital investment in Northern Ireland which is regarded as a Development Area where there are still ample resources awaiting full employment. But with the exception of this part of the United Kingdom, capital issues will be even more strictly controlled; public capital investment will continue to have the axe applied to it; reductions in Government expenditure will still be sought; hire purchase restrictions will continue to be maintained whatever the affect on industry; bank rate will stay high and the Chancellor will still hope for more savings and a still bigger budget surplus in six months' time.—*All Rights Reserved.*

LATEST ECONOMIC TRENDS IN U.S.

IMPACT OF STEEL STRIKE EXAMINED

DESCRIBING the latest economic trends in the U.S., the August issue of the *Monthly Letter* of the First National City Bank of New York, observes as follows:

"The steel strike is being settled, but its effects will be felt for many weeks to come. About 85 per cent. of the industry's capacity has been closed down for more than four weeks, resulting in the loss of over 10 million tons of ingot production. Strikers forfeited over a quarter of a billion dollars in wages, and additional millions of dollars in wages and profits were lost at companies doing business with the steel mills. Further losses will be suffered before the dislocations caused by the strike are eliminated.

"At this price, the union has won an improved version of the original offer by the steel companies. The 3-year, no-strike agreement provides for increases in wages and fringe benefits estimated by the union as equivalent to 20.3 cents per hour in the first year and 45.6 cents by the third year. In an about-face from its stand in previous contract negotiations, the union demanded and was granted a cost-of-living escalator clause—tacit recognition perhaps that the union members need protection against the wage-price spiral which these substantial wage boosts might well touch off. The steel industry is expected to offset the increase in labour costs by raising steel prices, probably by $10 or so per ton.

"The end of the strike is only the beginning of a long process of reheating coke ovens, blast furnaces, and open hearths, bringing them back into production, and finishing steel to customers' specifications. Repairs necessitated by the shutdown will delay full-scale production, but ingot output may reach a relatively high level in a couple of weeks. Officials of steel companies say it may be anywhere from a few weeks to several months before the quantity and quality of steel flowing from the mills is fully restored to pre-strike levels.

"The impact of the strike upon the economy was cushioned by widespread vacation shutdowns at metal-fabricating plants in early July and by inventories of steel accumulated during the first half as a hedge against price increases and shortages. Reports of plant closings for lack of steel have been scattered and relatively minor. Most firms have been able to dip into steel stocks to maintain business as usual. The automobile industry, in fact, assembled more passenger cars in July than in June and boosted weekly output to the highest rate since late April.

"Altogether, the Federal Reserve Board estimated in mid-July that industrial activity had been cut about 4 per cent. by the strike, equivalent to a drop in the production index to 135 or 136 in July from 141 in June. A rebound is indicated for August as steel mills, coal mines, and other allied industries get back into production.

"The strike also hit heavy construction projects, railroads, and other forms of transportation. Retail sales, however, appear to have been maintained close to the record June level. Department store sales in the first three weeks of July were better than in July 1955, when sales, seasonally adjusted, were second only to the scare-buying in the early stages of the Korean War. Even steel-making centres like Chicago, Buffalo, and Birmingham reported year-to-year increases in department store sales for at least two of the first three weeks of July.

Then and Now

"Inevitably, the current situation invites comparison with the 1952 steel strike and its aftermath. At that time, the end of the strike was followed by a scramble to rebuild steel stocks and an accompanying upswing in business activity which, in four months, carried industrial production 10 per cent. above the level which had persisted with little change for a year and a half before the strike. In due course, inventory accumulation gave way to inventory adjustment and the 1953-54 downturn. Some have called this post-strike period 'a bubble on the boom.' The question today is whether a similar bubble will form only to burst as in 1953.

"This year's strike, like that in 1952, followed an extended period of stability in over-all production, but there are important differences. In 1952, the strike occurred at a time when business had nearly assimilated the previous year's heavy accumulation of consumer goods inventories and defense output was still building up. This year, some inventory adjustment has been under way, but probably it will go farther. Pre-strike stocks of steel were smaller in 1952 and the tonnage lost because of the strikes was twice as great. Except in items that were already scarce, working stocks of steel have not been depleted nor supply 'pipelines' drained this year to the extent they were four years ago. Consequently, the scramble to rebuild stocks may be less vigorous than in 1952, although there will be pressing demand for steel for current operations. Further inventory adjustment in some other lines should moderate the upsurge and help prevent excesses.

"However much the steel strike may have disrupted activity in metal-working lines during the third quarter and however unfortunate its impact on the persons involved, the need to catch up points to a higher level of industrial production in the remainder of 1956. Many of the uncertainties which plagued business during the first half have cleared up now that the strike is over and the economy is still on an even keel. Purchases of steel in the first half had obviously been inflated and some sort of cutback was due. The strike has compressed into a month or so the shakedown in steel inventories which otherwise would have required a much longer period. The automobile industry also has succeeded in reducing its inventories of new cars, and little difficulty is anticipated in clearing the way for introduction of 1957 models in October and November.

"Slowdowns and shutdowns for lack of steel have had the greatest impact on business outlays for new plant and equipment. Heavy construction projects, oil-well drilling, and the manufacture of heavy equipment needed the structural shapes, plates, and pipe which were in short supply even before the strike began. Delays in getting steel for current jobs will push the extensive backlog of plant and equipment contracts further into the future, thus assuring support to the economy from this important sector well into 1957.

"With fewer inventory worries, a strong capital goods outlook, near-capacity operations and fatter payrolls in the steel industry, and improved business confidence, fourth quarter prospects look better than before mid-year.

"Not only has the economy passed the much-heralded $400-billion-a-year mark, but its first half performance was better than generally expected. Fragmentary and preliminary statistics available during the first six months of 1956 gave the impression of a slowdown in many important areas, and some saw in these indicators the beginning of a general downturn. Comprehensive estimates of the nation's total output of goods and services, recently revised and brought up to date by the Department of Commerce and the Council of Economic Advisers, tell a different story. The gross national product during the second quarter rose to the record annual rate of $408.5 billion. The steady advance, from a $403.4 billion rate in the first quarter and $401.9 billion in the final quarter of 1955, makes it clear that the adjustments in process during the first half, while severe for automobiles and other individual industries, were not general or pervasive.

"The cost of living made a relatively sharp advance in both May and June and reached a new record for the first time since October 1953. Wholesale prices have levelled out near their peak. Farm and food prices have been recovering in recent months and no longer afford an offset to increases in industrial prices. In such a setting, with heavy demand continuing in many lines, the substantial wage and price increases in the steel industry will almost certainly spread."

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VT. 2081(A)

NATURE AND MANAGEMENT OF MONEY

DEFICIT FINANCING IS NO MAGIC WAND

THE place deficit financing occupies, in the context of the Second Plan, needs no introduction to our readers. It is expected to be as much as one-third, nay, more but not less, of the total outlay envisaged in the Plan. Certain noted economists, Indian and foreign alike, hold that deficit financing of the order contemplated will produce undesirable consequences and certain others, while agreeing with this view, emphasise, at the same time, that it is inescapable, and stress the need for constant vigilance and, where necessary, stringent measures to safeguard the cost of living. In this connection, the series of lectures delivered by Mr. B. T. Thakur under the auspices of the Calcutta University, on "Money, Its Nature and Management" are of special significance. Mr. Thakur, as readers are aware, was the General Manager of the United Commercial Bank Ltd., till last year since its inception and is an economist of distinction.

In his first lecture on "Illusive Money" Mr. Thakur explained that in modern times it was necessary for the citizen not only to protect his money from being snatched away by people who thrive on it as was so common in olden days, but also to save his monetary savings from depreciation in their purchasing power. He pointed out that this danger of depreciation became all the more inescapable once money was divorced from its base—a commodity of comparatively stable value such as gold or silver—or forfeited its right to free convertibility to a stable foreign currency, for the temptation of a careless Government to resort to expansion of currency to solve its economic problems becomes irresistible. When central banks were in private hands, they could meet the pressure of the Governments for currency by diluting their currency reserves, which, according to the speaker, was the most heinous type of indirect taxation on purchasing power and savings. But, what little check there was then, has gone now, thanks to the nationalisation of Central Banks.

Purchasing power of money to-day, Mr. Thakur pointed out, depended on the whims and caprices, or call them policies based on slogans, of the political party in charge of the Government. Money had thus become not only a direct creation of a law, but also an indirect creation of the political party in power. And the party could never make use of it in the most desirable way despite numerous controls, because politicians were ignorant of the terrible and unpredictable force of inflation in the context of human wants and passions. Citing illustrations from monetary history he went on to explain to what incredible depths the value of currency had sunk in the past, wiping out completely whatever people saved in the shape of bank balances, monetary claims and so on. The chief victims of inflation were the common people—with fixed incomes—while the rich were generally able to protect themselves in numerous ways. Continuing the talk the next day Mr. Thakur observed that it was not enough to regulate the currency alone, leaving out the bank money which played such an overwhelmingly important part to behave itself, in order to maintain the purchasing power of money. What was, therefore, very essential for protecting the value of money was, according to the speaker, the backing of every unit of currency issued by the Government by what are known as currency reserves. Among the reserves bullion and foreign assets, he pointed out, were very important, especially from the point of view of international respect for domestic currency.

Deficit Financing

Referring to the effects of deficit financing on the value of money, Mr. Thakur stressed that expansion of currency against domestic obligations, unless supported by adequate increased production and effective steps for mopping up the surplus purchasing power created through such issues, was most dangerous from the point of view of money's value. Posing the two questions—namely, deficit financing, and how to guard against diminution in the purchasing power of money—India is faced with at present, he remarked: "Deficit financing is not Aladdin's Lamp, nor Open Sesame" of Ali Baba and his forty friends. It quickly leads to rise in prices in the absence of productivity, monetary discipline, supply of consumer goods and readiness to postpone consumption in favour of investment. Besides, he points out, it gives rise to frequent economic disputes between various factors of production. Those, however, who are unaffected by inflation and who are already well-off stand to gain.

Turning to the second question, he added that the most satisfying method of maintaining the value of money in such circumstances was the institution of Investment Trusts, fixed as well as flexible. These trusts had many advantages. Investment in stable commodities like gold and silver, as the common man was generally wont, was not helpful. Investment Trusts, on the other hand, made available to the poorer sections of the people diversified investment inequities. And such investments rose in value with inflation, thereby protecting money's buying power represented by them. Furthermore, they would retard the size and intensity of the inflationary forces. Another advantage was that, through Unit and Sub-unit Investment Trusts, a smaller saver got expert advice and protection from fraud which were not available to him otherwise.

Concluding his second speech of the series, Mr. Thakur stressed that the expansion taking place in money incomes consequent on the implementation of the Plans in India had created an urgency for protecting the common man from the dangers of inflation. The need for safety must, at the same time, help him to participate in his own humble way, in the capital programmes of the country. By this, Mr. Thakur evidently meant that people should save as much of their income as possible and divert the savings to productive purposes by investing them in shares, stocks and Government bonds.

Powers of Central Banks

In his third talk in the series, Mr. Thakur dwelt at length on "The Management of Money." Good management, according to the speaker, had become of paramount importance with the withdrawal of the individual's right to demand in exchange for his currency metallic coin or foreign currency. Discussing in general terms the constitution of Central Banks he said that, in order to fulfil effectively the twin functions of maintaining stability in prices and exchange rates, it was necessary for them to be armed with wide powers. Mr. Thakur further pointed out that the central bank must possess powers, in the first place, to control currency, and credit operations of agencies engaged in that business, and, in the second place, to control international movements of capital and money. The methods through which the central institutions sought to apply their policies were then discussed by the speaker. They include *inter alia* (1) varying the reserve requirements of the banking system; (2) issuing directions to banks on lending policy; (3) regulating the speed of circulation of money; (4) regulation of size and flow of credit through changes in the bank rate; (5) expansion and contraction of currency against assets acceptable under law; (6) open market operations in securities, investments and bills, and (7) seeking such other powers from the State as may be necessary for the regulation of internal and external trade and for formulation of *ad hoc* fiscal, production and other policies. Incidentally, Mr. Thakur explained how international co-operation between different central banks directly or otherwise through the I.M.F., the E.P.U., and the World Bank was helpful not only for overcoming the temporary balance of payments difficulties, but also as a means of enduring co-operation for economic development and other matters.

The effective performance of a central bank, however, depended, the speaker observed, on certain pre-conditions such as a well-organised money market, and proper co-ordination between its various components. Unless, again a large proportion of money in circulation formed a part of this market, the effectiveness of the central institution was limited. What, however, was the most important thing for the preservation of money's value, was the men who managed the central bank. They must be technically highly skilled persons and widely experienced. "A Central Banker," to quote him, "is not a book-keeper or a lender of money, but a vigilant and an intelligent observer of all that happens in human desires, moods and passions."

In his next talk "Indian Banking and the Reserve Bank of India," Mr. Thakur traced the history of banking in India, and said, "Although elementary principles of money, credit and interest have been known to the people of India for centuries, . . . modern banking in India based on note currency and cheques as instruments of exchange and payment is only a century old." Moreover, "Banking, Indian in capital and management, is only fifty years old." Alluding to the early failures in banking history, he remarked that every nation had to pay a price to gain knowledge and experience for the development of new enterprises and to give form to new ideas struggling for expression. In view of this, he went on to add, that viewed in comparison with similar histories of other nations, India could be proud of having built up a reliable credit structure relatively cheaply, and without many weaknesses.

Discussing the trends in deposits in Indian banks, he pointed out that the performance in relation to the currency in circulation was far from satisfactory. The position had further deteriorated after the war as could be seen from the figures showing that, while the proportion of deposits of scheduled banks to currency in circulation was 125 per cent. before the war, it worsened to 75 per cent. after the war. In the U.S.A., for instance, the corresponding proportion stood at 500 per cent. while in the U.K. it was nearly 400 per cent. In view of this wide gap, the speaker observed that with so much money outside the organised banking system, it is extremely difficult to adequately regulate the value of money through its currency and credit policies in spite of the powers possessed by the Reserve Bank.

Reserve Bank Overburdened

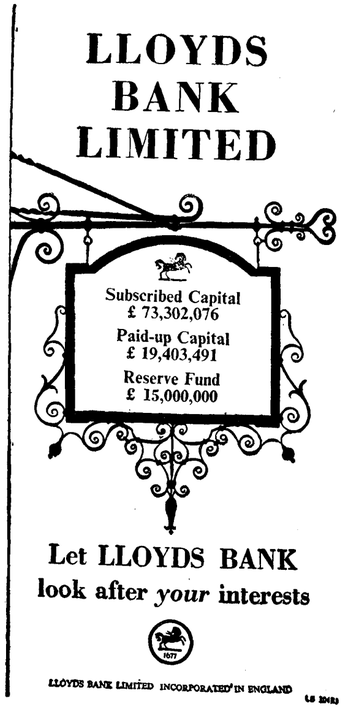
Turning to the operational scope of India's central bank, namely, the Reserve Bank, Mr. Thakur emphasised the need to develop the size of Indian banking through all possible incentives and encouragements. He felt that the Reserve Bank was overburdened with many duties some of which were not relevant to the performance of its task as the monetary authority. A single institution in his view could not do justice to all functions in a vast country like India, and it would be more appropriate to transfer non-monetary duties of the Bank to separate agencies of the State.

Speaking of the recent developments particularly of the affairs of the State Bank of India, Mr. Thakur observed:

"It is most shocking to the bankers of the country that serious struggle should have so soon developed between the management and the bureaucracy on questions of principles and policies so as to oblige the Chairman, Dr. John Matthai and the Managing Director, Mr. Handoo, both of whom are level-headed men, to tender resignation. The bank and its officers have always enjoyed greatest respect for sobriety and paid most scrupulous attention to the propriety of banking tenets. It is bad for Indian banking and Indian money to employ the biggest and oldest commercial bank of the country as a subservient tool to officialdom and to serve political expediencies."

Referring to the relative merits of the Unitary and Federal systems in central banking, the learned speaker was of the view that for a vast country like India, where economic development was patchy, regional Reserve Banks, integrated by a Central Monetary Board possessing wide powers would be better and more useful. He urged that the whole question as to the type of central banking authority suitable to this country should be examined thoroughly by an expert committee. He, however, hastened to add that a change from a Unitary to a Federal type of central banking did not mean a shift in the Governmental responsibilities from the Centre to the States. Only the geographical decentralisation must lead to wiser control over money's value.

A reference to small banks also was made by Mr. Thakur. He stressed that they had a definite place in the Indian banking system. But they lacked experience and knowledge. Instead of liquidating them, it would be much better if they were brought under the influence and responsibility of big banks. "Some such method," he added, "would lead to quicker integration of all agencies and elements which make up the Indian money market, so vital for formulation and operation of correct monetary policy."



STATE FINANCE CORPORATIONS

The Minister for Revenue and Defence, Mr. A. C. Guha, introduced a Bill in the Lok Sabha which provides for the formation of joint Financial Corporations by two or more States to overcome the difficulty of smaller States, particularly those coming under Part C, in establishing their own independent financial corporations. The Bill, which seeks to amend the State Financial Corporations Act for this purpose also provides for the extension of jurisdiction of the existing Corporation of one State to another by agreement. It would appear that the Government has taken note of the difficulties experienced by the Central and State Governments and the Industrial Finance Corporation in dealing directly with industrial concerns wanting accommodation. In other to avoid them, the Bill proposes to empower State Financial Corporations to undertake agency functions on their behalf. It is also proposed to amend section 25 of the Act, so as to enable smaller industrial concerns not having sufficient tangible assets to receive financial accommodation from State Corporations. When the management of an industrial concern is taken over by a State Financial Corporation, the responsibility for its efficient management naturally devolves upon the latter and, in order to bring this about effectively, it is proposed to insert new sections 32-A to 32-F. These are on the pattern of the Industrial Finance Corporation Act, 1948. The Bill also seeks to empower the Reserve Bank to inspect the working of State Finance Corporations.

THE ECONOMICS OF FREEDOM*

DANGER OF INDIA BECOMING A TOTALITARIAN STATE REAL

By M. R. Masani

THE other day, I was talking to an esteemed old friend who holds high office and has a great deal of influence in the ruling party. Talking of the pattern of economic development in this country, he told me that, while he shared my dislike of the system of State capitalism and State landlordism as developed in Russia and China and was opposed to its establishment in India, he wanted the country to press forward towards the socialisation of all large-scale industrial enterprises and the establishment of co-operative farming. I was unable to convince my friend that the destruction of free enterprise and of peasant proprietorship must lead in India, as in Russia, to the same kind of monolithic totalitarian dictatorship as had developed under Stalin. "We shall not allow it to happen," he kept repeating with great sincerity but with what appeared to me to be a singular lack of realism about the fact that human nature is everywhere the same and that Lord Acton's dictum that "absolute power corrupts absolutely" applies to Indians as well as to other species of the human race.

Now, you must all have had experiences similar to mine with friends among socialists, trade unionists and college professors. I suggest it might, therefore, be worth our while spending a few minutes in an effort to ascertain the validity of the assumption that a completely nationalised or socialised economy can co-exist with the kind of political liberty that is guaranteed by our Constitution and that we enjoy in practice today.

Constant Incursions

It may be felt by some that this is a somewhat academic exercise, since nobody in India has yet suggested the complete socialisation of industry, trade and agriculture. While that is undoubtedly true, I venture to suggest that recent developments and trends do not justify too great a measure of complacency. The encroachments in recent weeks and months on services such as life insurance and trades such as the export of iron and manganese ore, on the one hand, and the distribution of cement, on the other, show how constant incursions are being made by the State in unexpected spheres. What is disturbing about these developments is not so much the entry of the State in these spheres, but the fact that, in each case, a monopoly is sought to be established. Where will this process stop? From the export of ores to the export of jute and from the distribution of cement to the distribution of cloth are not steps as distant as may be imagined. Even today, we have reached a state of affairs where a manufacturer cannot go in for the production of a new article without the permission of Government under the Industries (Development and Regulation) Act.

Alongside of all this, the Government of India has just sent to Communist China a delegation to study the methods of so-called agricultural "co-operatives" which are known to students of these developments to be nothing but the collectivisation of the land in accordance with the Stalinist pattern, which led in Russia to the liquidation of millions of peasants and is doing so at present in China.

In the light of these developments, I for one would hesitate to disagree with the *Times of India* for writing editorially as it did a few months ago: "The point is whether, under the cloak of an avowedly socialistic pattern of society, the country is not being driven along totalitarian paths to totalitarian targets. . . Few of us would like to see India converted either into a communist or a fascist state, but the paths we are treading today seem to lead inevitably to that goal."

Fit for Prophets

Having said this, let me make it clear that, to my mind, there are hardly any persons in office today or in control of the Congress Party who have any intention of treading the Soviet path. I am not questioning for a moment the democratic *bona fides* of our planners. I am aware that all they seek to establish is a society fit for prophets to live in but with a marked aversion for profits. What is open to question is whether, by their support to certain policies actuated no doubt by the urge to social justice, they are not creating conditions whereby the liberties guaranteed by the Constitution may be imperilled. Yearning to do good, they believe they can preserve political freedom while hacking away merrily at its economic foundations. They may well be reminded of the observation of Lenin, who was an expert in the manipulation of power: "He who says A, says B."

Some of you may, perhaps, recall in this context the story of the war-time Administrator of Price Controls in the U.S.A. during the last war. Someone once approached him with the proposition that the wage-price line need not be held quite so firmly and that just a little inflation would not do any harm. To this, the harassed official replied: "Well, Joe, you may be right. A little inflation may not do any harm. But the trouble is that having just a little inflation is like having just a little pregnancy—it keeps growing."

Is the Assumption Right

Let us now examine the widespread assumption that we, in this country, can sustain democratic government alongside of a State monopoly of economic ownership of industry, trade and agriculture.

First, let us consider the effects of such a situation on the lives of the worker, the peasant, the investor and the consumer and the man in charge of industrial production. Today, the worker has a right to choose and change his job within the limits of his training and capacity. He can withhold or deny his labour, participate in collective bargaining and, if need be, strike work together with his comrades. If he should lose his job or the strike should fail, he finds other enterprises ready to employ him. In a society where the State is the only employer and every citizen willy-nilly a State employee, to what extent will these precious rights be preserved? Is there any reason to believe that, when there is only one employing authority in the country, it will permit an employee to throw up his job in an economic activity where he is performing a necessary function and allow him to shift at will to some other occupation? Is it likely that a State, exercising a monopoly of production and distribution, will permit its employees to go on strike and thus upset the National Plan?

The Peasant

Or let us take the peasant. Once he is a member of a collective farm or, for the matter of fact, of a co-operative farm—the terminology will not make very much difference—is it to be expected that, when he finds the co-operative farm does not suit him and he wishes to withdraw from it, the original plot of land which he was persuaded to surrender will be restored to him and he will be allowed to go his own way?

As for the small investor who survives, his freedom of choice will be restricted to one of two or more issues of a so-called "voluntary" State Bond to which he will be forced to subscribe. His plight may best be imagined from the report that has just come out from Czechoslovakia, about the finding of an unidentified corpse. The police report said: "Aside from two Government Bonds, no other signs of violence were discovered on the body."

In a free economy, it has rightly been said, the consumer is the king. The consumer who today is, within the limits of his income, able to exercise a wide freedom of choice about how much he shall spend, on what he shall spend, and how much he shall save will then be faced with one universal seller from whom he must obtain all his wants. The range of goods offered to him will be decided and the price fixed by the State Trading monopoly. If the quality or the price do not appeal to him, there will be no other brand of goods to turn to. To meet his basic needs, he must purchase or perish.

Today, thanks to the law of the market—the law of supply and demand—and the discipline of the balance-sheet, it is the consumer who decides for the *entrepreneur whether* to produce and *what* to produce. When a man buys something on the free market, he is casting his vote as a citizen of the national economy. He exercises a free choice which, by affecting the price, influences a decision as to how the economy shall be directed.

An Argument Examined

The exponent of the socialist pattern of society may concede all this but urge that from then on it is the people collectively who will decide through parliamentary elections what kind of planned economy they want. Let us examine this claim. Once the yardstick of profit ceases to operate, the question arises as to how those at the helm of the omnipotent State are to determine what goods to produce and what priorities to establish. In the absence of an impersonal economic law such as that of supply and demand, some other yardstick has to be found. What principles will help in the exercise of these wide and arbitrary powers?

In order to direct all our national activities according to a single plan, it will become necessary that every one of our needs is given its rank in an order of values complete enough to enable the planner to decide how many cattle are to be reared, what crops must be sown, how many buses and trucks are to run, which coal mines are to operate, and at what prices soap and toilet preparations are to be sold. When a choice has to be made between more milk for children and higher prices for the farmer, or between employment for the unemployed and better wages for those already employed, nothing short of a complete system of values will suffice. Can this be evolved democratically?

To say that the people will agree by a majority through parliamentary elections that there must be central planning is not enough. An agreement on central planning without an agreement as to social values and ends is rather like a group of people agreeing to take a journey without agreeing on where they want to go. In the result, they may all have to make a particular journey which most of them do not desire. A parliamentary majority may vote clause by

(*Continued on page 303*)

*Based on talk at the Rotary Club, Bombay on 7th August, 1956.



RATIONALISATION IN KANPUR MILLS

BINDBASNI PRASAD COMMITTEE TO SUBMIT INTERIM REPORT SHORTLY

THE vexed issue of rationalisation in the cotton textile mills of Kanpur would appear to have at last been settled. A recent Press report from Lucknow points out, for instance, that the Rationalisation Committee has almost finalised its interim report which meets the viewpoints of both millowners and labourers to a large extent. This Committee, it will be recalled, was set up by the Uttar Pradesh Government last year—that is, after the 80-days' labour strike in Kanpur textile mills terminated —to go into the question of rationalisation in terms of the principles evolved and agreed upon at the Nainital Conference held in 1954. The Committee consists of Mr. Justice Bindbasni Prasad as Chairman, the labourers and employers being represented in equal numbers.

After the Nainital Conference, a Committee was appointed to examine the issue of rationalisation in Kanpur textile mills. But the Committee had to be dissolved, with the withdrawal of the representatives of labour from it. Then followed the 80-days' strike by workers which resulted in a loss of 10.3 million man-hours. The loss in production was estimated at about 13.17 million lbs. of cotton yarn, 45.07 million yards of cloth and 5.8 million yards of jute goods. The workers suffered most, inasmuch as they lost more than a crore of rupees by way of wages and the usual bonus they would have got if the mills had worked normally. The termination of the strike followed a 14-point agreement entered into between the workers and the Government. It is in accordance with this agreement that the U.P. Government appointed the aforesaid Committee.

The Bindbasni Prasad Committee is expected to submit its interim report to the U.P. Government by the end of this month. The report will cover only three sections—spinning, weaving and doffing. The recommendations contained in the report will be made applicable to all the ten cotton mills of Kanpur, although the Committee's enquiry was confined to only seven mills.

The details of the recommendations made by the Committee are awaited with considerable interest. From the information so far available, it is gathered that the recommendations will be based on the preliminary interim report drafted by the Chairman and circulated to the members. There is reported to be unanimity among the members on one point, namely, that only such machines as have been approved by a proper authority should be permitted to be rationalised. The authority proposed for the purpose will be an industrial committee, composed of production and efficiency experts and the representatives of industry and labour. This Committee will exercise overall supervision as far as the process of introduction of rationalisation and disputes between labour and management arising therefrom are concerned.

The draft report is understood to contain two specific suggestions. First, some technical improvements should be effected in the machines that will be selected for being worked on rationalised basis. Secondly, on the rationalised machines, the worker must be expected to do about 95 to 100 operations per hour. While computing this, proper allowance is to be given for leisure—12 per cent. of the time according to one formula, the rest of the time being divided equally between operations and patrolling and supervision.

The most controversial point in the draft report relates to the emoluments of workers. It is understood that the report includes a suggestion seeking to bring about an adjustment of wage rates in such a way as to enable the workers to earn between Rs. 115-Rs. 125 per month. At present, the workers employed on rationalised basis earn about Rs. 105-Rs. 110, an amount which the millowners consider as quite fair, as compared with Rs. 90 earned by persons working on old basis. The labourers, however, demand the same wage level as prevailing at Bombay and Ahmedabad where workers employed on rationalised basis earn nearly Rs. 140 per month.

Another controversial point relates to the stages in which the scheme of rationalisation is to be introduced. The suggestion in the draft report, it is stated, is that, in the first instance, the machines which are operated by temporary workers in permanent vacancies should be put on rationalised basis. There are about 5,000 temporary substitute workers, of whom nearly one-fourth is employed against permanent vacancies. The permanent workers should be given the option of accepting some gratuity and retiring. The machines vacated must be put on rationalised basis. This should be followed by machines vacated in the process of natural wastage among makers, that is, as a result of superannuation. Such an arrangement, it is claimed, would complete rationalisation in a much shorter period than expected so far.

In the absence of full details of the recommendations contained in the draft report, it is not proper to make any comments. This much, however, can be said and that is, that both the millowners and the workers should approach the problem of rationalisation in a spirit of accommodation. What is imperative is the need for evolving a rationalisation formula which, while avoiding any substantial or sudden dislocation of labour, would promote the long-term interests of the cotton textile industry and help it cater more efficiently to the needs of the home and the export markets.

RAYON INDUSTRY IN JAPAN

An interesting review of the developments in the Japanese rayon textile industry and trade is contained in the June issue of the *Oriental Economist*. The review reveals that rayon goods constitute one of the main props for Japan's export boom. The aggregate value of rayon and spun rayon yarn and fabrics sent out of the country during 1955 was 168 million yen, representing a rise of about 30 per cent. as compared with 1954. The rayon goods became the third largest item of export, next only to cotton goods and iron and steel products. The improvement in exports was particularly marked in the case of spun rayon cloth. Indications are that rayon staple will take, sooner or later, the place of raw silk as the queen of Japan's export trade. Rayon and spun rayon cloth exports from Japan during 1955 aggregated 859 million square yards, closely approaching cotton cloth sales (1,137 million square yards). The exports in the current calendar year are expected to be more than cotton cloth exports.

During 1955, Japan was the biggest producer of rayon staple in the world; the quantity actually produced amounted to 537 million lbs., as against 450 million lbs. in the previous year. Rayon makers have been striving for greater production, particularly in the staple division, by constructing new plants and enlarging the existing ones. The reason for such production growth is not so much the increased consumption at home for mixing with cotton, wool and synthetic textiles and for newly-developed application of rayon staple itself as the ever-mounting overseas sales. Exports in 1955 comprised 34.5 per cent. of the total production for rayon staple and 40 per cent. for rayon filament. The upward trend of both production and exports continued in the first quarter of the current year. Rayon staple was up 23 per cent. in output and up 20 per cent. in export volume, and rayon filament up 11 per cent. and 15 per cent., respectively.

Operating in this industry are six rayon filament firms and 13 rayon staple producers. Stimulated by the high profitability of rayon staple business, these interests have all started campaigns for large-scale expansion with a view to cutting cost through mass production. During the first quarter of 1956, rayon staple output aggregated 153 million lbs. At this rate, the yearly total will reach 612 million lbs. The production goal set by the 14 companies amounts to as much as 759,000,000 lbs. for 1956. This figure is almost the same as the final goal for 1960 of the Government's six-year economic plan. As for rayon filament, too, the scheduled 1956 output is nearly as big as the 1960 official target. In this light, the Ministry of International Trade and Industry has advised rayon makers to restrict in some way or other their reckless production boost. The latter have got together and discussed countermeasures for curtailment. But they have failed in reaching an agreement about the standard for production cut and finally decided to slacken off the tempo of expansion in the first half, so that the 1956 output may be restricted to 650 000,000 lbs. with regard to production restriction in the second half, a decision still remains to be made later.

In the opinion of the *Oriental Economist*, the expansion rivalry in the Japanese rayon textile industry will not slow down for some time to come, as the rayon market is as firm as ever, in spite of the ever-growing production. To quote it: "Even if the market should get stagnant, rayon firms would carry through their plans under way." But the journal considers that the prospects for the rayon industry are not too rosy. In this connection, it has made the following interesting observations:

"Will necessary materials be supplied smoothly, along with the steady growth of rayon production? As for such key materials as pulp, caustic soda and sulphuric acid, a seller's market is developing, because demand is picking up in line with the increase in rayon output. For making 1,000,000,000 lbs. of rayon a year, as projected by rayon companies, 1,170,000,000 lbs. of pulp would be required —a huge amount which cannot be produced at home. Thus far unable to curb the expansion projects of rayon firms, M.I.T.I. (Ministry of International Trade and Industry) is now planning to restrict rayon production indirectly through control of the foreign exchange allocation for pulp and sulphur imports. The second question is: Will rayon exports be as brisk as ever? European products reportedly have been making inroads in the market in China, hitherto enjoyed almost exclusively by Japanese rayon producers. It is doubtful that sales to West Germany, Africa, England, the Netherlands, etc., will continue briskly."

WORLD USING MORE WOOL

The Commonwealth wool marketing season 1955-56 witnessed one of the biggest clearances of wool in the history of the industry. The outstanding feature of the season was the enormous transfer of wool from producing to consuming countries recorded by each of the wool-growing countries of the Commonwealth. During the 1955-56 selling season, Australia offered to the world an all-time record clip, officially estimated at 1,414 million lbs. (greasy), which was 9 per cent. above that of the previous season and 42 per cent. higher than the pre-war average. Although the selling programme was interfered with at times by labour disputes at the source of supply, world demand proved fully capable of lifting the increased wool output, and the end-of-season carryover is estimated at not more than 60,000 bales, which is the approximate average of recent years. In New Zealand, where the season's wool output is estimated by the Commonwealth Economic Committee at 462 million lbs. (greasy), which is 7 million lbs. more than in the previous season and 55 per cent. above pre-war, there were excellent clearances. Sales set up a record at 1,016,555 bales, or 13,692 bales more than in the previous season, though the general level of wool values was such that the return to the producer was slightly less than in 1954-55. South Africa, with a clip estimated at 310 million lbs. (as against 305 million lbs. in the previous season) more than regained its pre-war level of output. The disposals of 1,061,340 bales are reported by the South African Wool Board to be the largest for more than 20 years.

Over the world as a whole, wool production for the 1955-56 season is estimated at 4,815 million lbs. (greasy), or 4 per cent. more than in the previous season, with Commonwealth countries furnishing about half the total. As part of the other half was ordinarily consumed within the countries of production, the proportion of Commonwealth wool which entered international trade was much more than half the total supply of exported wool. Not only did Commonwealth countries dispose of larger clips in this season but other large wool exporting countries—including those of South America—also had similar experience. The reason for these large disposals is that the world is using more wool. It has been estimated by the Commonwealth Economic Committee that, during 1955, world consumption of wool was 4 per cent. higher than in 1954, and, although that may seem a modest proportion, it represents about 80 million lbs. (clean weight). This improvement continued in the first quarter of 1956 when the aggregate increase for the 11 major manufacturing countries was a further 5 per cent., as compared with the preceding quarter, or 10 per cent. if measured against the corresponding quarter of 1955.

An encouraging feature of world wool developments in the 1955-56 season was increased demand from some of the newly developing textile countries, such as Russia and China, while Japan continued to expand its use of the fibre. The U.S.A. showed welcome indications of a return of wool to greater public favour in clothing, while Britain and Continental Europe remained the chief outlets for Commonwealth wool and for much of the wool production of other countries.

Notice

UNIVERSITY OF BOMBAY

Department of Economics
Section in Business Management

APPLICATIONS ARE INVITED FOR THE post of a Lecturer in Business Management. The Lecturer will be required to give instruction in one or more subjects included in the Post-graduate Diploma Course for Business Management.

The Lecturer will also be required to help in the organisation of this Section which, for the present, conducts part-time courses in the evening. Candidates must have high qualifications in one or more of the subjects covered in the Course. Those with teaching experience and/or practical experience in business will be preferred.

The grade of the post is Rs. 300-25-600. The post carries the benefits of Provident Fund and dearness allowance according to scales prevailing from time to time. A higher starting salary may be paid to a person possessing high qualifications. The appointment will, in the first instance, be on probation for a period of two years.

Eight copies of the application in the prescribed form (which can be had from the office of the Registrar) will have to be submitted. Selected candidates will have to present themselves for interview at their own cost. Applications should reach the Registrar, University of Bombay, Bombay 1, latest by 31st August 1956.

T. V. CHIDAMBARAN,
University Registrar.

BOMBAY, *2nd August*, 1956.

U.K. TRADERS DISTURBED BY DOMESTIC AND FOREIGN SITUATION

INDUSTRIAL UNREST SPREADS

From A Special Correspondent

MANCHESTER, *31st July*

TRADERS generally throughout the United Kingdom are profoundly disturbed by various fundamental economic aspects of the industrial situation which are in the news just at present. These setbacks both at home and abroad inevitably bring repercussions and the cotton trade can scarcely hope to avoid the backwash.

MANCHESTER LETTER

Events overseas are always liable to create complications for an industry so dependent on foreign countries for its raw material supplies. Egypt's attitude over the Suez Canal is not conducive to a favourable response from Lancashire spinners, who have only lately been urged to revive their purchases of Egyptian cotton. Even if increased buying from this source was economically attractive, many prospective customers would be deterred from trading with a nation so politically antagonistic. Fortunately, Lancashire's dependence on cotton supplies from Egypt is now relatively slight, so long as no interference with the flow of material from the Sudan ensues.

Sterling

Another adverse factor which continues to cause much comment is the renewed weakness of sterling in the dollar exchange rate. As usual, when such considerations arise, there are rumours of economic action, including the possibility of a further devaluation of the pound. Such drastic measures, involving as they would an increase in the cost of our imports, together with a corresponding rise in earnings from exports, would indeed be proof that the country's finances were in a more precarious state than the people have been led to believe.

Meanwhile, there is evidence to support the view that the Treasury is determined to maintain its grip on the spending power of the nation. Bankers have been given further encouragement to tighten the purse-strings, and any hopes that a more liberal attitude towards borrowing was in sight have been dashed.

When the credit squeeze was first introduced there were some who forecast that such consumer goods as textiles might benefit from the restrictions imposed on the purchases of more durable goods. For a variety of reasons this has not proved the case and the public as a whole continues to favour buying the many modern technical devices now so freely available and have only replaced their textile goods when necessity has arisen. It is doubtful whether any new measures to curtail credit will affect the situation differently.

Industrial unrest in the Midlands has culminated in extensive strikes at car factories and there are already signs that other industries will feel the effect of the curtailment of production. Many speciality textile fabrics are required in the intricate process of manufacturing cars and ancillary products. In the circumstances, replenishments are bound to be held over until the outlook clarifies and, in this way, a section of the cotton industry which has provided satisfactory continuity business for a number of firms faces a dubious future.

Unions Back Strikers

Controversy has arisen over the attitude adopted by the cotton trade unions in relation to the widespread strikes in the motor trade and ancillary industries in Britain. It has been suggested that some of the textile union officials in leading positions were antagonistic to the strikers' calls for assistance in view of the lack of interest taken in other areas when the mills were losing workers at a rapid pace in 1952 and subsequently.

This view, however, has been officially denied by Mr. Lewis T. Wright, General Secretary of the 80,000-strong Weavers' Amalgamation, the biggest cotton union, who is a member of the General Council of the Trades Union Congress. In a statement made in Manchester, he pledged support for the strikers at the British Motor Corporation's works, saying: "Let me make it quite clear that the sympathy of the textile unions is for the strikers and if the need arises this sympathy will be backed by financial assistance." Mr. Wright said he had consulted with Sir Alfred Roberts, General Secretary of the second largest cotton union, and these were also his firm views "despite Press comments suggesting the contrary."

One of the fortunate aspects, from Lancashire's point of view, about the increasing interest in cotton growing being taken in countries outside the United States is that our local industry's dependence on supplies from America is no longer as distinct as it once was. Unfortunately, the implications of the Washington Government's policy on raw cotton affairs generally remain of paramount importance in assessing future prospects.

Whereas in the years immediately prior to the war the main countries supplying British mills with their cotton supplies were the United States, Egypt and India, the situation now shows a definite change. In 1938, imports of raw cotton from the United States accounted for nearly 37 per cent. of all arrivals, Egypt supplied 21½ per cent. and India's share was almost 14 per cent. of the total.

Economic circumstances resulted in the proportion of cotton coming from the United States in 1952 resuming its pre-war pattern, but since then the quantity of American cotton absorbed has been declining, so that last year it was only 27½ per cent. Purchases from Egypt represented less than 4½ per cent. and India and Pakistan provided only 8 per cent.

In contrast, the Empire countries have been making considerable progress. Supplies from the Sudan accounted for more than 11 per cent. of total arrivals last year and Nigeria provided nearly 11¼ per cent.

A similar trend has been maintained during the first six months of the current year, as the volume of cotton coming from the United States has dropped below 25 per cent. for the first time since 1951. Purchases from the Sudan have increased to 12 per cent. but Nigeria has sent less than 9 per cent. of the total. Egyptian cotton reaching Lancashire mills has shrunk to below 4 per cent. of the shipments from abroad.

More Machinery Sold

While exports of British cotton and rayon goods continue to fall behind last year's levels, the makers of textile machinery are managing to expand their overseas trade. During the first half of the current year, shipments of plant aggregated practically 900,000 cwts., an improvement of 100,000 cwts. on the same period in 1955. Earnings from these shipments were £24,494,390 against £20,653,076.

The main reason for this expansion is the much larger supplies taken by India, which have increased from 130,927 cwts. to 237,296 cwts. In contrast, Pakistan has only taken 33,411 cwts. against 156,648 cwts.

Other leading consumers have been the Soviet Union 53,656 cwts. (94,154 cwts. a year ago); Egypt 46,684 cwts. (20,108 cwts.); Mexico 33,887 cwts. (14,856 cwts.); and the United States 29,819 cwts. (22,831 cwts.). In addition, fair quantities of British machinery have been shipped to European countries, including Germany, France, Switzerland and Belgium, each of which have taken between 25,000 and 32,000 cwts.

Yarn Output Drop

Output of cotton and rayon yarn by Lancashire spinning mills fell by more than 24,000,000 lbs. in the first six months of this year.

Figures given in Manchester by the Cotton Board show that the mills spun 437,960,000 lbs. of yarn in the half-year, as compared with 462,260,000 lbs. in the corresponding period of 1955. In the first six months this year spinning manpower fell from 100,190 to 97,640.—*All Rights Reserved.*

RAYON-COTTON BLENDS

Messrs. Courtaulds of the U.K. have organised an exhibition at Manchester, demonstrating the development of blends between rayon staple and cotton. It opened on 20th July and will continue until early September. The exhibition shows the important steps taken in the U.K. during the last five years to expand blended fibre production. Blending, it is claimed, is very advantageous to the trade, thanks to the stability in the price of fibre and to the difficulties of securing right qualities of cotton. The blends have also their own distinctive characteristics and merits. According to Mr. J. G. Smith, Director of Messrs. Courtaulds, the appearance and weaving qualities of blended fabrics are superior to the hundred per cent. cotton or rayon fabrics. A wide range of goods, including both woven and knitted garments, is covered by blended fibres.

That the trade is becoming increasingly aware of the merits of blended fabrics is borne out by the marked rise in output. Thus, the production of blended fibres in the spinning industry which was practically non-existent before the war amounted to as much as 12 million lbs. in 1950. In 1953, output expanded to 35 million lbs. and it is now at the annual rate of 37 million lbs. This quantity represents about 5 per cent. of the total yarn spun by the cotton spinning industry.

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WORLD COTTON PROBLEM

I.C.A.C. OUTLINES LONG-TERM POLICY

PRODUCTION of cotton in the free world, according to the International Cotton Advisory Committee, Washington, has exceeded disappearance by a total of 9.6 million bales of 478 lbs. each over the four cotton seasons from 1951-52 to 1955-56. In the 1955-56 season, the output of cotton was of the order of 30 million bales and consumption 28.0 million bales. The increment to free world carryover stocks on 1st August 1956 was estimated at 1.5 million bales, representing the degree of imbalance between production and disappearance during the season just ended. Estimated at 22.1 million bales, the carryover on 1st August 1956 is equivalent to, roughly, 9½ months' supply at the current rate of consumption. This means, therefore, that even a significant reduction in free world production this season would offer little immediate relief to the present over-supply in relation to prospective offtake, except, of course, in retarding or preventing any further stock accumulation.

This staggering build-up of cotton stocks is attributed, principally to three factors. First, the existence of relatively high prices until the beginning of the last season has stimulated both production of cotton and man-made fibres. While the former directly contributed to swell the supply, the latter reduced its demand by effectively competing for the consumer's purchasing plan. Secondly, marked improvements in cotton production techniques have resulted in higher yields. Thirdly, economic progress in a number of underdeveloped countries has brought new areas into cotton production, thus increasing the total output of cotton.

The following table shows the supply position of cotton in the free world.

Free World Cotton Supply Position

	1953-54	1954-55	1955-56
Production—			
United States	16.4	13.6	14.5
Elsewhere	13.9	16.0	15.8
Total ..	30.3	29.6	30.3
Consumption—			
United States	8.6	8.8	9.2
Elsewhere	18.3	18.8	18.8
Total ...	26.9	27.6	28.0
Stocks end of season—			
United States	9.7	11.2	14.7
Elsewhere	9.2	9.4	7.4
Total ..	18.9	20.6	22.1

A significant point to note, says the Committee, is that the surplus stocks from overproduction have mainly accumulated in the U.S. The U.S. cotton stocks increased steadily from 9.7 million bales in 1953-54 to 14.7 million bales in 1955-56. During the same period, stocks outside the U.S. declined from 9.2 million bales to 7.4 million bales. The principal reason for this increase of stocks in the U.S. has been the decline in its exports resulting from the maintenance of prices at a level above those of other producing countries. In 1955-56, the U.S. is estimated to have exported only 1.9 million bales of cotton, as against 3.4 million bales and 3.8 million bales in the 1954-55 and 1953-54 seasons, respectively.

Appropriately enough, the world cotton situation in general, and the U.S. cotton policy in particular, came up for detailed discussion at the recent meeting of the Committee (I.C.A.C.) held in Washington under the Chairmanship of Mr. Marvin L. McLain, the U.S. Assistant Secretary of Agriculture. A somewhat more detailed account of the proceedings of this Conference, than was then published in the Press at the time, has now become available through the Committee's journal *Cotton*. It may be recalled that sixty-two countries were represented at the meeting, thirty-two as members of the I.C.A.C. and thirty as observers. In addition, nine international organisations also were represented by observers. Obviously, such a representative body provides the only appropriate forum for discussing the present economic problems of the cotton industry from an international viewpoint. In discussing the world cotton situation, the Committee, in its report to the Conference, dealt extensively with the factors that contributed to a build-up of world cotton stocks to the second highest level in history, analysed the changes in the U.S. cotton policy in all its bearing upon cotton trade of the rest of the world and outlined a policy to be followed by the member governments in the interest of all concerned.

The Conference naturally discussed changes in the U.S. Government's policy which includes a reduction in the domestic support-price and the establishment of a special export programme in which all quantities of upland cotton in Government owned stocks now are offered for sale at less than the current domestic price on a competitive bid basis. Though this involved some reduction in world cotton price, it would, the Conference believed, lead to an improvement in cotton's competitive position in end-use markets and would offer some disincentives to uneconomic cotton production, thus contributing to a better equilibrium between supply and demand. This point of view has, as is well known, been vehemently opposed by several cotton-growing countries which fear that the U.S. cotton policy will lead to disruption of world markets. From this point of view, the Conference did well to warn against any sudden or substantial decline in cotton prices which would adversely affect the economies of both producing and consuming countries. Such a decline may be particularly harmful to countries like Egypt and Mexico, the national economies of which are mainly dependent on cotton. There is, it was pointed out, uncertainty in the world about the price at which U.S. cotton will be sold under the export programme and the quantities that will be sold in a given period. This uncertainty was heightened, rather than cleared, by the fact that the C.C.C. was instructed to accept any price not higher than the price of cotton of comparable quality offered in substantial quantity by other exporting countries. If this uncertainty continued, it might unsettle world markets, impairing the orderly movement of cotton in world trade, the operations of futures market and the manufacture and sale of cotton textiles.

The Conference also pointed out that the problem in itself was complex enough and appealed to member countries not to make it more complicated by unilateral and ill-considered action. It was convinced that the surplus stocks in the world could not be reduced until the rate of production was reduced below the rate of consumption. It, however, outlined the policy which could be followed in the long-term interest of the industry and of the nations concerned. Thus, it emphasised that increase in cotton acreage and production should be discontinued, until the present excess of production over consumption was eliminated. The price policy, it was urged, should be such as to ensure "reasonable short-term stability to facilitate orderly distribution of crops and long-term flexibility to permit adjustments in cotton supply and demand." A reasonable reduction in cotton price, it said, was desirable, but too drastic a reduction might have a disrupting effect on the economies of cotton producing countries. Dual price arrangements, under which cotton is made available more cheaply for export than for domestic consumption, created concern both from the view point of principle and practical effects. They tended to perpetuate the problem of surplus by protecting U.S. cotton farmers. They hindered price insurance operations on futures markets, thus militating against a build-up of now depleted stocks in cotton-importing countries.

The U.S. delegate pointed out that his Government recognised that there were weaknesses in any form of two-price system. But it was adopted only after they were convinced that there was no other acceptable alternative in the existing circumstances by which its cotton could be made competitive in world markets. In view of this difficult situation, the Committee suggested that the U.S. should consider the desirability of announcing minimum prices below which its cotton would not be offered for export sale and of limiting the amounts to be made available in a given period of time.

The Committee realised that increased cotton consumption offered a positive contribution towards correcting the present imbalance between supply and demand. Accordingly, it urged the member-countries to intensify effects to expand consumption, including greater efficiency in manufacturing and marketing cotton textiles, increased research and more wide-spread promotional activities.

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KOLAR GOLD MINING COMPANIES

MR. M. A. SRINIVASAN'S PLEA FOR REFERRING DISPUTE TO INDEPENDENT TRIBUNAL

ADDRESSING the shareholders of the Champion Reef Gold Mines of India (K.G.F.) Ltd. and the Nundydroog Mines (K.G.F.) Ltd. at their Fifth Annual General Meeting held at Oorgaum on 2nd August 1956, Mr. M. A. Srinivasan, Chairman, referred to the recent announcement in the Press by the concerned Minister of the Mysore State Government that the latter had agreed to the Government of India's suggestion for paying Rs. 119 lakhs as net compensation to the Companies, and said that the Companies had not heard anything from the authorities. However, he indicated that, if the report was correct, the compensation was unreasonably low and totally unacceptable. He reiterated the hope that compensation would not be arbitrarily fixed and the Companies' claims would be referred to an independent tribunal.

The following are the relevant extracts from Mr. Srinivasan's speech:

"At the last meeting I dealt at some length with the events leading up to the proposal of the Mysore Government to nationalise the K.G.F. Mining Companies. A circular issued on 15th June this year gave you a brief account of the position up to that date. In my speech last year, I told you how highly critical the Government of Mysore that assumed office in 1952 had been of the agreement entered into in 1949 by its immediate predecessor in office. It is regrettable that a tendency developed in the State in the last few years of dragging the Kolar Gold Mining Companies into the arena of provincial party factions where they were made the sport of group rivalries. It is now more widely known that this unfortunate circumstance has been the root cause of most of the trouble and misunderstanding your Company and its sister Companies in the Kolar Gold Field have had to live through during the past few years.

Plea for Arbitration

"Your Directors and Managers have patiently and painstakingly striven to remove doubts and to clear up misunderstandings. You will recall that, in reply to the unjust accusation made by the Mysore Government that the Agreement had been violated, the Companies requested that the question may be referred to arbitration, as specifically provided in the Agreement itself. The Mysore Government rejected this request and expressed its preference for legislation. It was also represented that, if the Government of Mysore were dissatisfied with the terms of the 1949 Agreement, the Companies would be ready and willing to discuss a new agreement mutually acceptable. In their anxiety to end all controversies, and smooth out differences and see cordial and harmonious relations restored, your Directors did also suggest, in more than one context, that the Government may be pleased to appoint an impartial expert committee of eminent and high-ranking personalities in the fields of justice (such as a retired Chief Judge of the Supreme Court of India), finance, and administration, to whom all the charges and differences may be referred for examination. It was also submitted that, if nationalisation was decided upon, the question of fixing the compensation should also be referred to such an independent committee.

"None of these requests has so far been heeded by the State Government.

"The Companies have reason to be grateful to the Central Government at New Delhi for the calm, detached and sympathetic consideration they have given to our representations.

Companies' Views

"In response to a call from the Ministry of Natural Resources and Scientific Research, Government of India, representatives of the Companies met a committee of three officers of the Government of India at New Delhi between 11th and 16th June 1956 and placed before that Committee the Companies' views and statements relating to the claim for compensation in the event of nationalisation. During the discussions, the Companies' representatives were informed of the Mysore Government's intention to fix compensation on the basis of market quotations of the shares. The Companies' representatives strongly opposed this and took the opportunity to repeat that to take drastic measures, as the Mysore Government had done, that debilitated and crippled the enterprise and brought down the share prices, and then to use the depressed and restricted market quotations as the basis for fixing compensation is to inflict a double injury on the shareholders. Detailed statements were submitted of the valuations of assets and liabilities made by an expert firm of valuers of international standing, as well as of the present position of each Company, its future prospects, etc. Following this meeting and discussions, the Companies wrote to the Hon'ble Minister for Natural Resources and Scientific Research, Government of India, submitting the views and claims of the Companies and requesting that the Companies be given a further hearing before any final decision is taken. No communication on this subject has since been received either from the Central Government or the State Government.

"Neither the findings nor the recommendations of the officers were made known to the Companies; nor are the Companies aware of the advice conveyed to the Government of Mysore.

Compensation

"On 31st July, the concerned Minister of the Mysore Government made an announcement, which was published in the Press, to the effect that the Government of Mysore had agreed to the Government of India's suggestion for the payment of 119 lakhs of rupees as net compensation to the three Companies. If this news report is correct, it is not known how this unreasonably low and totally unacceptable figure was arrived at. The announcement said that the Draft Nationalisation Bill, embodying certain modifications suggested by the Centre, had been sent to the Government of India for their approval and the Mysore Government were now anxious to pass the Bill as early as possible. He is stated to have added that the Centre's approval was, to quote the report, 'now reduced to a formality.'

"As I said, the Companies have received no communication to this effect so far from the Government of India, or the Government of Mysore; and considering the uncertainty and speculation caused by such reports and announcements bearing on the basis and quantum of compensation I would refrain from dilating on this subject at this stage. I would only reiterate your Directors' earnest and assured hope that, if nationalisation of the Companies is decided upon, compensation will not be unjustly or arbitrarily fixed, and that the Companies' submissions and claims will be heard before an independent tribunal."

U.S. STEEL STRIKE

Industry and labour union negotiators in the U.S. announced on 27th July that they had reached a "basis of settlement" for ending the 27-day steel strike. A contract which will be worth $1,332 million to American steelworkers during the next three years was signed by the negotiators. The first three-year "no-strike" contract in the industry's history, it provides—according to the union—a 45.6 per cent. per hour package increase over the three-year period. Total benefits over the period are 28.7 cents per hour. The steelworkers' minimum wage, which is now $1.65 per hour, will increase to $1.82 at once, and then to $1.89 next year and to $1.96 in the following year. Wages for skilled workers will increase from the present $2.58 per hour to $2.89 by the third year. Increases in Sunday, overtime and holiday pay, as well as increased vacations and plans for new agreements on insurance and pensions are included in the contract. It will be "several days" before individual contracts are signed between the union and the companies involved, the negotiators said.

The statement of agreement was issued by Mr. David J. McDonald, President of the United Steel Workers (U.S.W.) of America, a union affiliated with the American Federation of Labour-Congress of Industrial Organisations (A.F.L.-C.I.O.), and Mr. John A. Stephens, Vice-President of the U.S. Steel Company. Mr. Stephens was chief negotiator for management in the effort to settle the strike. The 12 companies involved produce 90 per cent. of the U.S.'s steel output.



INDIA AND WORLD SUGAR AGREEMENT

EXPORT QUOTA OF 200,000 TONS CLAIMED FOR 1958-59

ALTHOUGH not even 30 months have elapsed since the Development Council for Sugar Industry was established, the Government of India has reconstituted the Council. It is not known what considerations weighed with the Government for taking this step. No announcement of the change was made by the Government. We heard about it for the first time only after the reconstituted Council held its inaugural meeting at New Delhi on Tuesday last week. What is worse, the proceedings of the meeting have still not been released to the Press; only the speech of the Chairman was released and that too two days later. Incidentally, it must be emphasised that frequent changes in the personnel of the Council are not conducive to the efficient functioning of the body, inasmuch as continuity of progress of work will be lacking.

The first meeting of the reconstituted Development Council for Sugar Industry was presided over by the newly appointed Chairman, Mr. T. C. Puri, I.C.S., Joint Secretary, Union Ministry of Food and Agriculture. In the course of his address, Mr. Puri disclosed that India had asked for an export quota of 200,000 tons of sugar for being utilised during 1958-59 under the International Sugar Agreement (I.S.A.), provided that could be secured witnout accepting the restrictive clauses of the Agreement. The Agreement, it will be recalled, operates to regulate the world sugar market by allotting quotas of export and import and keeps an eye on sugar prices, so that they remain within the prescribed reasonable limits. The price of sugar considered equitable to both consumers and producers is fixed at a level which ranges between a minimum of 3.25 cents and a maximum of 4.35 cents per lb. (f.a.s. Cuban port).

India had remained outside the Agreement since 1942, because it felt that its association with the Agreement would involve restrictions on the expansion of its sugar industry. It, however, participated in the International Sugar Conference recently held at New York under the auspices of the United Nations. Alluding to this participation, Mr. Puri said: "Since the time has come when India can think in terms of sugar exports, its delegation at the Conference asked for an export quota. This request received the support of a number of countries and the prospect in this connection appeared to be hopeful when the Conference postponed to meet again at Geneva in October next."

Anything May Happen

The desire of the Government of India to make the country an exporter of sugar is doubtless laudable. But the question is whether it is wise in asking for an export quota under the International Sugar Agreement for being utilised in 1958-59 two years in advance. The two-year period is so long that anything may happen to alter the sugar supply position not merely in India but also in the world, generally. It is true that the capacity of the sugar industry is being augmented through the establishment of new units and expansion of the existing units. There is, however, no guarantee that this progress on the manufacturing side will be accompanied by similar progress on the agricultural side, that is, sugarcane development. After all, it must be remembered that the cultivation of sugarcane, just as that of any other agricultural crop, depends principally on weather conditions, as also partly on factors like the trend of agricultural commodity prices and demand for *gur*. All these factors are unpredictable.

Even supposing, for argument's sake, that the supply position of cane will be quite comfortable, there is the uncertainty about the price aspect. One of the prerequisites for the maximum utilisation of the sugar mills' capacity is that the price of cane should be economic. As readers are aware, the cane price accounts for more than 50 per cent. of the total cost of manufacturing sugar. Another prerequisite is the demand for sugar. While domestic consumption of sugar is steadily increasing, there is the possibility of a slackness in world demand for sugar, thanks to sugar production moving up in such countries as the U.S.S.R. and Pakistan which are at present importing large quantities of this commodity. Moreover, Cuba may be forced to sell a larger quantity of sugar in the world market, following the reduction in its share in the U.S. market under the latter's new Sugar Act. If these assumptions were to prove correct—indications are that they will—world sugar prices would suffer a setback in the coming years.

In the circumstances, the question arises whether India will be in a position to offer sugar at such a low level of prices as to withstand competition from other countries. As it is, the price of sugar in India is very much more than the world price. Even if the authorities were to give tax concessions in the form of refund of cane cess and excise duty, the price would be higher. Indeed, Indian sugar cannot sell in world markets so long as the competitive capacity of the industry is crippled by unduly heavy price for cane.

To revert to Mr. Puri's speech at the meeting of the Development Council for Sugar Industry. Mr. Puri claimed that there had been a noticeable increase in the production efficiency of sugar mills during the last season. He disclosed that four new factories out of the total of 50 units licensed so far came into production this year. While expansion of existing units was progressing satisfactorily, some factories had also raised their production capacity by balancing their plants and reducing the time for cleaning by having some spare units.

Solution Must Be Found

Proceeding, Mr. Puri referred to the total area of land under cane cultivation in the coming season (1956-57) and observed: "According to the first forecast which has just been received, the increase in the acreage under cane is of the order of 650,000 acres. Uttar Pradesh alone is to contribute more than 500,000 acres. The country has been faced with the problem of disposal of excess cane in certain areas, particularly in Western U.P. and Bihar. This year, some of the factories had to crush even beyond June. This was not in anyone's interest, least of all in the national interest, and a solution of this problem must be found."

Mr. Puri also drew the attention of the Council to the report of the Expert Committee on the employment of technically qualified persons in the sugar industry. It was a matter for surprise, he said, that there should be a large number of persons holding technical posts in the industry without possessing the requisite qualifications. The position was even worse on the engineering side. Mr. Puri hoped that the sugar industry would co-operate with the Council in ensuring that only qualified persons were appointed to technical posts.

FIRST FORECAST OF CANE CROP

The area under sugarcane during the season 1956-57 is expected to be the highest on record since 1948-49. The all-India first estimate of sugarcane for the season put the aggregate area at 4,717,000 acres, as against the corresponding adjusted estimate of 4,066,000 acres for 1955-56. The anticipated improvement in acreage is to the extent of 651,000 acres or 16.0 per cent. The final estimate of the 1955-56 crop places the area at 4,446,000 acres.

The rise in acreage under cane has been reported by almost all the cane-growing States, especially Uttar Pradesh and Bihar. It is attributed partly to high prices of *gur* at the time of sowing and partly to better irrigational facilities and more favourable weather. In Madhya Pradesh and Hyderabad, however, some minor reduction in acreage has been reported.

The estimate includes, for the first time, information in respect of Travancore-Cochin State which accounts for 18,000 acres of area during 1956-57. It generally covers the period up to the middle of June 1956; till then, the condition of the crop was reported to be satisfactory. It does not cover the entire area sown to sugarcane crop in 1956-57. Past experience has shown that the area at the first estimate stage forms roughly 91 per cent. of the area of the crop finally reported. On this basis, the total acreage under cane may be placed at 5,183 000 acres. Assuming that the average per-acre yield of cane is maintained at the current season's level of 12.76 tons, the aggregate production of cane may be expected to amount to 66.14 million tons, as against the final estimate of 57.75 million tons for 1955-56.

The scheme for establishing the first sugar mill in Assam State is being implemented earnestly. A company, bearing the name of Assam Sugar Mill Ltd., has already been floated. It has just concluded a contract with the Czechoslovak Foreign Trade Corporation of "Technoexport" for the delivery of complete machinery equipment for the proposed factory with a daily cane-crushing capacity of 1,000 tons. The equipment will be manufactured by the Czechoslovak Engineering Works in Hradec Kralove and Plzen. This is the second delivery of Czechoslovak sugar mill equipment for India successfully negotiated by the representatives of "Technoexport" in the current year.

COAL MINES PROVIDENT FUND SCHEME

PROGRESS MADE GOOD

THE Coal Mines Provident Fund Scheme, introduced in the first instance in the coal mines of West Bengal and Bihar in 1947 and later on extended to collieries of other States, has proved to be quite a success during the last nine years of its working. In fact, the workers in coal mines have become more provident fund minded, as is borne out by the numerous requests for consolidation of their accounts, in the event of their migration from one colliery to another, or for modification of nominations, when "family" is acquired. The large number of money orders received by them in repayment of their accumulations in the Fund has dispelled from their minds the doubts and dismay that the deduction in respect of provident fund was a sort of cess on them. The scheme has thus stabilised itself to such an extent that it heralds a new era in its history.

The annual report on the working of the Coal Mines Provident Fund Scheme for the year ended 31st March 1955, the latest year for which the report has been issued by the Board of Trustees of the Fund, shows that it was another period of sustained progress. The total sum realised by way of contributions to the Fund during the year under review was Rs. 64.78 lakhs or a monthly average of Rs. 5.40 lakhs. This represents a slight decline from that of Rs. 66.18 lakhs (a monthly average of Rs. 5.51 lakhs) in the previous year. It, however, compares favourably with Rs. 62.21 lakhs realised in 1952-53.

The number of fresh claims for refunds received during the year shows a rise from 9,673 to 9,982. Of these, 8,984 claims involving a payment of Rs. 7.50 lakhs on account of outgoing members were settled during the year, as against 8,240 claims in 1953-54. The total number of claims received since inception in 1947 upto the end of the year was 32,077, of which 25,154 were outstanding was 4,972.

The statement of assets and liabilities of the fund as on 31st March 1955, shows that a sum of Rs. 319.36 lakhs is standing to the credit of the provident fund account as on that date. The total sum invested in Government securities up to the end of the year is Rs. 443.07 lakhs (at cost), the investment during the year alone amounting to Rs. 72.01 lakhs. The face value of these securities as on 31st March 1955 is Rs. 485.42 lakhs, as against Rs. 408.72 lakhs a year before, the market value as on that date being Rs. 424.46 lakhs. The standard pattern for the investment of the amount belonging to the Coal Mines Provident Fund is 10 per cent. in National Savings Certificates, 40 per cent. in medium-term securities and 50 per cent. in long-term securities. The interest earned on the investments during the year amounted to Rs. 9.72 lakhs. Under the provisions of the Scheme, interest is required to be credited to the account of each member at such rate as may be determined by the Central Government in consultation with the Board of Trustees from year to year. During the year under review the rate of interest allowed to members on their accumulations in the Fund on the appoval of the Government was 3 per cent. per annum. For the year 1955-56, this rate has been increased to 3½ per cent. per annum, on account of better yields.

The Provident Fund Scheme provides that the employers should pay to the Fund a sum equivalent to 5 per cent. of the total contribution. The expenses on the administration of the Scheme are met out of this levy and not out of the provident fund contributions. The administrative charges realised during the year amounted to Rs. 3.39 lakhs, as against Rs. 3.27 lakhs in 1953-54. The administrative account closed with a revenue surplus of Rs. 3.59 lakhs.

The contributions to the Coal Mines Provident Fund Scheme were hitherto based on basic wages earned by workers. It was, however, found that, as the rates of basic wages in the coal industry were low, members could not accumulate in their provident fund accounts amounts sufficient to be a provision worth the name for their old age or for their dependents in the event of their premature death. The Trustees of the Fund, therefore, recommended that contributions should be based on the total emoluments, that is, on the total of basic wages, dearness allowance and cash equivalent of concessional ratios, on the lines of the Employees Provident Funds Scheme. The Government of India accepted this recommendation and amended the Scheme accordingly. The new rates have been in force since 18th July 1955.

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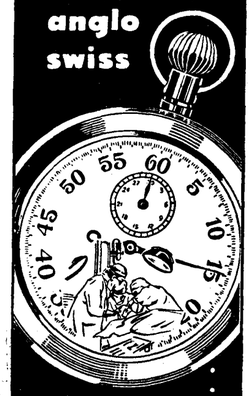
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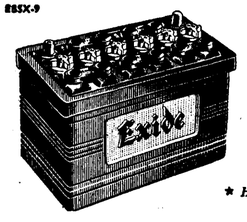
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HOW TO IMPROVE POSITION OF JUTE INDUSTRY

SOME SUGGESTIONS OF MR. MORE

AN optimistic outlook for the Indian jute industry is envisaged by Mr. Vishwanath More, the outgoing President of the Gunny Trades Association, Calcutta. Addressing the annual meeting of the Association held the other day, he said that the industry was nicely entrenched and its future was ensured for a number of years. He was not unaware of the fact that it would have to face increasing competition from other countries. In fact, he said that such competition would be of a fierce nature. The Pakistan jute industry, for instance, was growing up speedily and it would before long be an industry to be seriously reckoned with. Mr. More was of the view that the loomage strength of the world jute industry was out of proportion to the requirements of jute goods, with the result that there was bound to ensue a keen struggle for the survival of the fittest in the long run. In this connection, he reiterated the suggestion he made some time last year, namely, the formation of a confederation of the jute industries of India and Pakistan and co-ordination of the expansion programme of the two countries.

Besides this, Mr. More offered several suggestions to improve the position of the industry. In the first instance, he said, abundant and cheap supply of raw jute must be made available to mills, so that they would be able to sell goods readily at attractive prices. Secondly, a vigorous sales promotion campaign in favour of Indian jute goods should be undertaken abroad. Thirdly, the mills must introduce new ideas in the production programme and manufacture speciality goods, which would encourage demand for such goods and yield larger return. The prices should at the same time be reasonable. The third suggestion offered by Mr. More was that the industry should take some tangible steps in the matter of standardisation of the quality of jute goods, so as to preserve the goodwill of the gunny trade and industry in the international markets. The unhealthy competition within the industry itself, coupled with unbridled speculation, leads to deterioration in the quality of goods and instability in prices. Wide variations in prices of the packaging material directly encourage the production of substitutes at cheaper prices. The suggestion of Mr. More to stop this undesirable trend was that representatives of the jute mills, gunny trade, gunny brokers and the shippers should put their heads together and work out a satisfactory solution.

Readers are well aware that there has been an accumulation of stocks of jute goods with mills in recent months, due to slackness in demand, with the result that 2½ per cent. of the looms was resealed with effect from 16th July last, so that 7½ per cent. of the total complement of looms now remain out of commission. The total number of looms thus lying idle is 4,800. This unutilised capacity can, in the opinion of Mr. More, be used by diverging production. He called upon the Government to appoint, in consulation with the Indian Jute Mills Association, an expert committee for finding ways and means of using these looms for the manufacture of other fabrics. Some of these looms, he said, may be utilised with slight alteration, if necessary, for producing coarse cotton fabrics or blankets. "Further, these looms," to quote Mr. More, "with either suitable modifications, if at all, or in total replacement therefor, in order to use the idle power factor of the mill unit within the same economic supervisional, administrative and maintenance expenses, can manufacture cross-blended jute fabrics with the mixture and association of other natural or synthetic fibres in conformity with the daily ever increasing human needs, as other progressive countries of the world are doing. A good deal of cheap, artistic and useful 'fashion fabrics' and materials can be manufactured either solely of jute or in any harmonious admixture thereof on these looms, to enable the jute industry to preserve its due place in the industrial chart of the world."

The foregoing suggestions are doubtless of a constructive nature and deserve careful examination by the I.J.M.A. and the Government of India. It must, however, be added that the proposal for an understanding between India and Pakistan on the size of the industry is not timely, in view of the present state of strained relations between the two countries. Any approach by India to Pakistan at this stage will be treated by the latter as a sign of weakness in the former and will induce Pakistan to put forward impractical proposals. The only solution to Pakistan's competition is to meet it boldly and squarely through higher efficiency of production and lower prices. It is from this point of view that we regard the other suggestions of Mr. More as valuable. In fairness to Mr. More, it must be said that he was quite aware of the efforts of the industry to raise its efficiency through modernisation. But, as he rightly pointed out, modernisation alone will not suffice, for the mere manufacture of the stereotyped jute goods even on modern machinery will not be adequate to win the battle for markets. It must be supplemented by production of new types of jute goods and new lines of manufacture for the idle looms.

Another topical subject on which Mr. More dwelt at length was the futures trading in jute and jute goods. The sixteen trade associations of raw jute and jute goods laboured hard in 1955 and prepared a constitution for the futures market under the auspices of the Indian Jute Mills Association. In the course of the discussion on the constitution with the Forward Markets Commission, Mr. More said, an impression gained ground that the Commission had an idea of combining the gunny business, carried on under the I.J.M.A. gunny contract form, with the futures market in jute goods under one and the same organisation. If this was attempted, Mr. More warned, it would upset the whole gunny business. Dilating more on the subject, Mr. More observed:

"I would again impress on the Commission that the forward gunny business done on the I.J.M.A. gunny contract form for forward delivery and the futures trading in jute goods are two different systems of trading, the latter being only an adjunct to the former. The position of jute goods export trade in India is unique in the world, inasmuch as 85 per cent. of the total production of jute goods of Indian mills are exported abroad. In no other country of the world such a magnificent trade has been tied with speculative markets. The futures trading is of a recent origin and has been several times banned by law, but the genuine business in gunnies is going on since 1860, when the first jute mill was set up in India without interruption. In speculative business, only two constructions are to be dealt with, namely, hessian 40"x10 oz. and B. twills 2½ lbs. with four due dates in a year, but in the business on the I.J.M.A. contracts many hundred constructions of different qualities, sizes and weights are dealt with for forward as well as ready deliveries. In futures operations shipping instructions cannot be given, but in the business on the I.J.M.A. gunny contract shipping instructions are given cent per cent of the business done. I would, therefore, request the Government to keep apart the gunny business conducted on the Indian Jute Mills' Association gunny contracts from the futures trading and there are provisions in the Act for such an exemption."

Since the Forward Markets Commission has not taken a decision on the futures trading in jute and jute goods, it may not be too late to consider the suggestion of the Gunny Trades Association President.

BURLAP BAG CUT-UP HIGHER IN U.S.A.

Consumption of burlap textile bags in the U.S.A. increased by 4.3 per cent. during 1955, reports Jute Bulletin of the Indian Central Jute Committee. Cut-up of cotton textile bags, however, dipped 11.7 per cent. below the 1954 figure. Fourth quarter 1955 cut-up of burlap bags rose by 10.3 per cent., while cotton bags declined by 13 per cent. Inventories of burlap and cotton bags in bag plants were generally steady as supplies were plentiful. Similarly, users' inventories of bags were normal as deliveries were prompt. Bag prices were steady for cotton and slightly lower for burlap.

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COFFEE PRODUCTION

FIVE-YEAR PLAN TO RAISE ANNUAL OUTPUT BY 9,000 TONS

A FIVE-YEAR plan for expanding coffee production in India by over 9,000 tons per year has been approved by the Government of India, according to a news agency message from New Delhi. No official confirmation of this report is available at the time of writing. The present average annual production is 26,000 tons though the actual output last year was of the order of 33,000 tons and that for the current year is a little higher. The production under the proposed five-year plan will be raised to annual average of 35,000 tons. The programme, estimated to cost Rs. 2.95 crores, will be implemented by the Coffee Board. It is not known whether this said plan forms part of the draft fifteen-year plan submitted by the Coffee Board recently.

The increase in production is sought to be achieved by a number of measures, such as intensive cultivation, extension of acreage under coffee, supply of improved seeds and manures and the setting up of pulping units and demonstration plots. The first measure, namely, intensive cultivation, will be adopted over an area of about 140,000 acres. For this purpose, it is proposed to give loans amounting to Rs. 1.35 crores to coffee growers over the five-year period. The use of manure, better cultivating practices and better plant protection are among the measures to be taken as part of the intensive cultivation. The new area to be brought under coffee cultivation is expected to be 23,700 acres. This will raise the area under coffee at the end of the five-year plan to about 290,000 acres. Loans will be given to growers to extend cultivation.

It will be interesting to recall here the rising trend of acreage and production during the last five seasons. An idea of this can be gained from the following table:

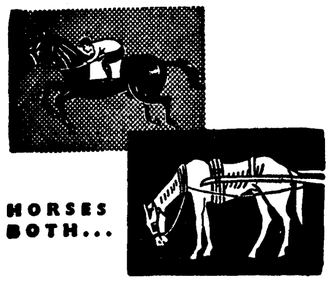
Season	*Planted area* (in acres)	*Production* (in tons)
1950-51	228,629	18,595
1951-52	235,443	21,235
1952-53	240,038	23,565
1953-54	246,600	29,510
1954-55	246,600	27,000
1955-56	264,000	33,410

The bulk of the area under coffee is confined to production of arabica variety which has a better market, though, during the past five years the expansion in area and production has been more marked in respect of robusta variety. Thus, while the area under arabica has risen from 167,075 acres in 1950-51 to 168,440 acres in 1955-56, that under robusta has gone up from 61,554 to 77,565 acres. Similarly, whereas the production of arabica coffee has gone up from 15,266 tons in 1950-51 to 21,970 tons, that is by 6,704 tons, in 1955-56, that of robusta has increased from 3,329 tons to 11,440 tons, that is, by as much as 8,111 tons. It is, therefore, proposed to give particular attention to the cultivation of arabica variety. For this purpose, 40 pulping units will be established in the coffee growing areas to enable small growers to take up the cultivation of the arabica parchment. At the same time, 320 demonstration plots of two acres each will be set up to educate planters to adopt better methods of cultivation, use of manures and plant protection practices.

Of the total cost of about Rs. 2.95 crores, which the programme is estimated to cost, a sum of Rs. 261.42 lakhs will be given by the Government of India to the Coffee Board to be disbursed as loans to the cultivators. The balance of Rs. 33.25 lakhs will be given as non-recoverable grants. Loans will be given by the Coffee Board to planters having plots between 5 and 50 acres. The bigger growers will be helped by larger advances against the value of the crop.

RUBBER PRODUCTION

The production of rubber in India during June 1956 amounted to 1,484 tons, which represents a decline of 499 tons from that in the previous month, although it is higher by 447 tons over the output in June 1955. The aggregate production for the first six months of the current year amounted to 9,631 tons, as compared with 8,863 tons for the corresponding period of 1955. Consumption by manufacturers during the month under review aggregated 2,401 tons, as against 2,168 tons in the previous month and 2,564 tons in the corresponding month of the previous year. With this, the total consumption during the half-year shows an increase from 13,650 tons to 14,199 tons. Thus, the rise in consumption during for the first six months lags behind that in production. Nevertheless, the overall shortage of rubber has not been improved to any notable extent by the increased production. The stocks with estates and manufacturers at the end of June amounted to 5,602 tons only, having declined from 6,381 tons a year before.



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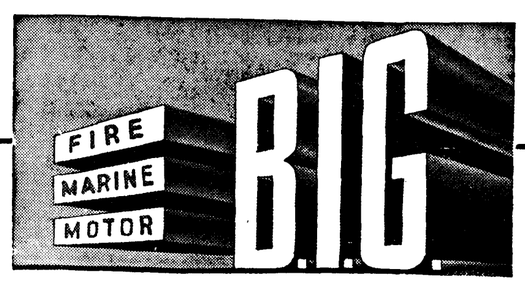

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INDIA PRODUCES ATOMIC ENERGY

FUTURE PLANS OUTLINED

A NOTABLE event of great significance to scientific and industrial progress of this country took place last week when the first atomic reactor—the only one in Asia so far—went into production at Trombay, less than a score of miles from the heart of Bombay City. At 3-45 p.m. on 4th August, the reactor on which the leading scientists under the inspiring leadership of Dr. H. J. Bhabha had been working unceasingly for nearly 24 hours, showed signs of activity. In fact, the scientists had been at work since 30th July. But it was only on 4th August that they achieved the necessary reaction which could be said to signify the perfect working of the reactor.

The setting up of the reactor is, indeed, a remarkable achievement for this country, especially when one remembers that it is the first of its kind in Asia. Except for the industrially advanced countries like the U.S., Canada, Britain, France, the U.S.S.R. and a few countries in Europe no other country has its own atomic reactor. If India is now in a position to claim that it has set an atomic reactor to work the credit is due to the several scientists who have laboured at it and to the Prime Minister, Mr. Nehru, who had the foresight to give all fillip to the production of atomic energy in this country. A few years ago, atomic energy was still considered to be only a remote possibility or, at best, a scientific curiosity. But the Government of India realised early enough that atomic energy could be pressed into service in the cause of raising India's living standards. In 1948, it set up the Atomic Energy Commission with the object of developing atomic energy for peaceful purposes. Among the tasks assigned to the Commission were the survey of the country for minerals useful in the release of atomic energy, exploitation of those minerals, research and training. It must be remembered, in this connection, that India unlike certain other industrially advanced countries, did not have the benefit of scientists who had directly participated in the development of atomic energy during the war years. This country had to start from scratch, as it were. But the task was lightened by the fact that the authorities could draw upon the services of men who had been trained in the Tata Institute of Fundamental Research, set up in 1945.

As the work of the Commission progressed, it became convinced that it could embark upon a large-scale industrial project in the sphere of atomic energy. Accordingly, the Department of Atomic Energy was set up on 3rd August 1954, under Dr. Bhabha as the Secretary. It is noteworthy that the date of production of atomic energy has synchronised with the second anniversary of the department. In a message of congratulation to Dr. Bhabha, Mr. Nehru said: "I am delighted to learn that the atomic reactor has started production of atomic energy for the first time in India. It is a significant event for us. I know how you and your colleagues have worked in the last few days, day and night. Please convey my congratulations to all those associated with the work"

The production of atomic energy, like all great scientific work, is the result of joint endeavour of many men. Dr. Bhabha has himself generously acknowledged the work of the band of energetic workers, who spent their time in the completion of the reactor. It would appear that about 50 scientists and engineers were associated with the project. At a Press Conference in Bombay, Dr. Bhabha mentioned the work of Mr. A. S. Rao, Mr. N. B. Prasad, Mr Krishnan and Mr Pereira as outstanding. The Trombay scientists have also received considerable assistance from the authorities in the U.K. The fuel elements for the reactor, it may be noted here, have been provided by the U.K. under an agreement signed in October 1955 between the two countries. Appropriately enough, Dr. Bhabha sent a message of thanks to Sir Edwin Plowden, the Chairman of the U.K. Atomic Energy Authority and Sir John Cockcroft, Director of the Atomic Energy Research Establishment at Harwell, thanking them for "supplying the enriched uranium fuel elements for this reactor and for the friendly co-operation of their scientists at Harwell" and expressing the hope that the successful completion of the project would mark the beginning of a "steadily growing collaboration between the two countries." The reply to this message stated: "The work of both our countries on the peaceful uses of atomic energy will gain yet further in importance as time goes by."

Much thought and careful preparation have gone into the making of the Trombay reactor. The reactor which is housed in a hall 100′ x 50′ x 70′ is of the swimming pool type and consists of a rectangular tank 23′ x 10′ x 23′ with massive concrete walls 8½′ thick. The reactor is immersed in this pool water. The core of the reactor is approximately a cube of two feet, which is suspended by a rigid frame from a trolley above, which moves on rails mounted on the sides of the pool. The core consists of from 25 to 30 fuel elements, containing the fissile material Uranium 235 in the form of a sandwich. Each thin plate of uranium 235 aluminium alloy is sandwiched between two plates of aluminium. The fuel elements can be removed or placed in position by long aluminium rods operated from the trolley above. When in operation, the fuel elements generate heat through fission and are cooled by the water which also acts as a "moderator" for slowing down neutrons. The reactor is provided with a number of automatic safety devices which shut it down in a fraction of a second in the event of any danger. Even if all the automatic controls were to fail, the excessive generation of heat would convert the water into steam and the reactor would automatically shut down, because there would be no water left to slow down the neutrons.

The Trombay reactor, it is stated, costs about Rs. 25 to Rs. 30 lakhs. It will be used for training personnel for the bigger and more complicated reactors which are to come, for experiment in physics and for making radio-active isotopes for research in agriculture, industry and medicine. In other words, the reactor is part of the programme for the development of atomic energy and its application to peaceful purposes. The authorities, according to Dr. Bhabha, intend to make their own heavy water; an uranium plant is also being set up in Bombay. The Canadian reactor, on which work is now in progress, is expected to be ready by early 1958. The cost of this reactor is Rs. 7 crores which is shared equally between India and Canada. An atomic power station, generating 100,000 kw., it has been estimated, would cost Rs. 20 crores. The aim of the authorities, it is stated, is to set up several atomic power stations all over the country in the next ten years.

Clearly, the augmentation of the power supply through atomic power stations and the setting up reactors would be of very great benefit to India's industrial and agricultural progress. The entire country will wish all success to the work of the scientists, who are now laying the foundations of such progress.

A factory for turning out 7,000 tons of steel castings a year is proposed to be set up at Chittaranjan at an estimated cost of about six million dollars. The output of the factory can later on be expanded to 10,000 tons of steel castings a year. The Technical Co-operation Mission will assist the Government of India in the setting up of this factory to the extent of two and a half million to three million dollars. This aid will be utilised for the purchase of plant and machinery for the factory.

India's claim to distinction as a country which possessed the world's largest railway platform at Sonepur has been successfully challenged by Sweden. It would appear that Storvik, the headquarters of the Swedish Railways at Stockholm, has a platform which is larger than the Sonepur platform, in that the former is about 923.9 metres or about 2,470 feet, as against the Sonepur platform's length of 2,415 feet.

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PROBE INTO RAILWAY ADMINISTRATION

PUBLIC ACCOUNTS COMMITTEE'S CRITICISMS

SEVERAL irregularities in the maintenance of accounts and purchases of stores by the Railway authorities have been pointed out by the Public Accounts Committee (Chairman: Mr. V. B. Gandhi) appointed to go into and report on the Appropriation Accounts of Railways in India for 1953-54 and Audit Report, 1955. While we hope that many of the defects would have been remedied by now, a careful perusal of the Report cannot but make observers feel that more vigorous action on the part of the authorities is necessary in order to ensure that public money is well spent.

The Committee complains that there are considerable delays in the submission of notes containing information called for by the Committee which hampers its work and also in recording its findings in time on merits. It has enumerated several cases of irregular and bad accounting procedures. To mention only a few of them, works have been executed which involve the spending of money far above the amount sanctioned in the budget and, in many cases, expenses have been incurred for which no specific provision was made in the budget and, in the year under review, the expenses under the latter head runs to Rs. 28.39 lakhs. In some cases, cost of materials intended for various works was debited to the accounts of those works much in advance of the physical movement of the stores from the stores depots. Similarly, on the plea that it is difficult to get estimates of store purchases to be made abroad in time, amounts have been provided for in the budget which have practically no bearing to the actual amounts paid for such purchases later.

In September 1948, the Railway Board entered into an agreement with an Indian company for the supply of pig iron which was subsequently to be converted into cast iron sleepers. According to the terms of the agreement, the Board was to pay the Company works cost plus profit and "place extra" by which was meant the freight from the nearest port to destination. Under the arrangements for the distribution of steel, the "place extra" was recoverable irrespective of whether any actual railway freight was incurred or not by the producer in sending the despatches. Since, in this case, the pig iron supplied was used at the Company's works itself and there was no movement, the question of paying any freight in the shape of "place extra" never arose. On a reference, the Iron and Steel Controller was reported to have expressed the view that the "place extra" paid to the Company was in excess of the fair retention price to which only it was entitled. The total freight thus paid to the Company in excess was Rs. 10 lakhs. The question of getting refund for the amount was not taken up with the Company until after two years.

During 1949, the Ministry of Railways entered into an agreement with Schlieren, a Swiss firm for getting technical assistance for the establishment of a factory in India for the manufacture of all-metal light-weight coaching stock. Payments for the first 50 prototype coaches had to be made in Swiss currency. This payment included two incidental expenses one of which was payment to the Swiss Federal Authorities for additional export quota to the value of 217,000 Swiss francs. This levy was however discontinued by the Swiss Government from 25th October 1949. The order for the supply of first 50 coaches was placed by the Railway Board on the Company in December 1949. Before the receipt of the order, however, the firm had obtained on the 7th October 1949 from the Swiss Government on payment a permit for the export of the above coaches. Accordingly, the Railway Board reimbursed the payment of 217,000 Swiss francs to the Company. The Committee feels that the necessity for the payment of the export quota levy "was neither established nor urgent because the formal order was not received by the Company at that time" and has suggested that the Railway Board should make further efforts to get a refund of the amount paid to the Company.

A contract for the supply of 100 "W.G." locomotives had been placed by the India Stores Department, London, with a firm in the United Kingdom. The locomotives were put on the rails in India from September 1950 onwards and the first report about the crack of a cylinder of one of the locomotives was reported in July 1952. Thereafter, to put it in the Committee's own

(Continued on page 289)

NEW PRODUCTS AND PROCESSES

A New Calculator

AN amazingly universal hand-operated calculator, capable of all four arithmetical operations, has been placed on the market by Contina Ltd. of Vaduz in Principality of Liechtenstein (Switzerland), now available to Indian users through their agents. Curta is a complete pocket-size calculating machine of modern design and fine finish coupled with an attractive appearance. It weighs only a few ounces, which makes it convenient to be carried anywhere, any time. Curta is used all over the world by leading business houses. It has been found useful to expeditions on ice-caps and the Himalayas too.

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The plant Liezen of the V.O.E.S.T., The United Steel Works, in Austria, took up the production of a high-class magnet alloy under the trade mark V.O.E.S.T.—Ticonal—Spezial." The new alloy has a special crystallographic orientation. This new production item places Liezen in the foremost row of magnet manufacturers in Europe. For a long time the plant has been turning out high-class permanent magnets for Austria's radio and television industry. V.O.E.S.T.-Ticonal is manufactured according to a patent held by Philips of Eindhoven and has proved to be a most active impulse on a general production expansion at Liezen. V.O.E.S.T. has concluded numerous export contracts for the new material.

A New Light Vehicle

The first of the Astra four-wheeled runabouts built by the British Anzani Engineering Company of Hampton Hill, Middlesex, for its associate the Astra Car Company have been delivered. This vehicle, the advent of which was announced in *The Financial Times*, on 11th July, will cost £347 16*s.* including purchase tax and is said to be the smallest and cheapest four-wheeler on the British market. It has four-wheel independent suspension and a rear-mounted twin-cylinder, air-cooled engine of 322 c.c. The Astra can carry two people and up to 250 lbs. of goods or luggage; there is sufficient width, leg and headroom to accommodate three people for short journeys, while for a child there is plenty of room. As a van it can carry 3¼ cwts. of goods. In both versions the entire rear-end panel above floor level opens upwards for loading. Performance claims are a top speed of 55 m.p.h. and a cruising speed of 40-50 m.p.h. Everyday fuel consumption is said to be in the region of 60 m.p.g. The Astra is intended for tradesmen needing transport for small loads, or for commercial travellers and their samples. The engine is an air-cooled rotary-valve two-stroke, mounted under the floor in unit with a three-speed and reverse gearbox, developing approximately 15 b.h.p. at 4,800 r.p.m. Final drive by chain to a differential unit. Under the bonnet is the four-gallon fuel tank and spare wheel, reached through a dummy front grille.

Bespoke Insulation

"Tailor made" plastic based insulating materials which can be manufactured to suit the specific requirements of manufacturers of electronic and electrical equipment are being developed in several industrial laboratories in Europe and the U.S. Experiments with differently balanced compounds of resins and filling materials have shown that when manufacturing difficulties have been overcome it should prove possible to produce relatively short runs of electrical insulating materials having "made to measure" electrical and physical properities for certain types of electronic equipment. Scientists hope that it may later on prove possible to extend the idea of the bespoke manufacturing of electrical insulating materials to cover a wide range of specifications.

Tinning of Cast Iron

A method of tinning cast iron, which removes many of the difficulties usually associated with the process, is expected to add substantially to the number of cast iron products in industry and to increase the use of hot tinning. Known as the direct chloride process, it is easy to operate, inexpensive and has already been approved by a number of important manufacturers in the United Kingdom, and may be taken up by many other countries. Cast iron has always been considered a difficult material to tin by hot-dipping because of the presence of graphite on the rough surface of the casting. This constituent has to be removed by a costly process, or the cast iron must be coated with pure iron or copper before tinning. The problems involved in tinning cast iron have up till now greatly narrowed the field for its use in industry. The new process, first developed by the Tin Research Institute for high-phosphorus iron which was not amenable to tinning by other methods, has now been found suitable for ordinary grey cast irons. With the direct chloride process no previous plating with iron or copper is necessary. One hot bath only is used, with a flux of fused chlorides as a layer on top of the molten tin. This layer, which is one inch thick, is kept in a state of vigorous frothing by frequent additions of water. The surface to be tinned is prepared by blasting with angular steel grit, of a grade below 70 mesh, followed by degreasing with trichlorethylene vapour. The article is then dipped in an aqueous fluxing solution of zinc, sodium and ammonium chlorides (24, 6 and 3 per cent. respectively) containing about 1 per cent. of free hydrochloric acid. Finally it is dipped through the "topping" layer of chlorides (zinc 8; sodium 2 and ammonium 1) into the tin bath at 300-320 deg. C. and held for five minutes.

TRAVANCORE CEMENTS LIMITED

MR. C. S. LOGANATHAN'S SPEECH AT ANNUAL MEETING

THE Ninth Ordinary General Meeting of Travancore Cements Ltd. was held at Kottayam on 30th July 1956. Addressing the shareholders on the occasion, Mr. C. S. Loganathan expressed the view that the curtailment of profit of a heavy and risky industry like the cement industry through State regulation was one of the main reasons for the shortage of cement in India. He also explained to the shareholders how the reduction in the selling price of the Company's cement in November last affected the Company's working during the last two months of the year. Since then, however, the price had been increased partially, but this, he said, did not solve the Company's problem.

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

"GENTLEMEN,

"I have great pleasure in bidding all of you welcome to the ninth annual general meeting of the Company.

"The Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December 1955 have now been before you for some time and, with your permission, I shall take them as read.

"The year 1955 has been in some respects a good year for this factory but, unfortunately, in other respects somewhat disappointing.

"Your factory has been functioning extremely well during the year. The production of cement has been more than the rated maximum capacity of the factory. We have actually produced during the year about 52,000 tons of cement and, as we had some stocks of cement, we have been able to supply more than 55,000 tons. The supplies of cement from your factory during the year have been approximately 22,400 tons to our State Government and 32,600 tons to the private sector of the T.-C. State.

"You will recollect from my speech last year that the price fixed for our cement by the Central Government included reasonable profit, even if the price allowed by the Central Government was not as high as expected and as recommended by the Tariff Commission. Your Company was making reasonable profit during the first eight months of operation and your Directors had expected that the smooth operation would continue and that we could pay reasonable dividend for the year.

"In other countries, a heavy and risky industry, like the cement industry, is allowed considerably higher profits. In most advanced countries, well-run cement factories are paying dividends ranging from 20 to 35 per cent. Our Central Government, however, will not allow dividend like this, but I personally much regret this policy, because curtailment of profits is, in my opinion, one of the major reasons for the shortage of cement in India.

"Your Directors decided at the Board meeting on 4th September, 1955, to declare an interim dividend of 5 per cent., and I can assure you, gentlemen, that there was every reason to believe that the final dividend for the year 1955 would be about 8 to 9 per cent.

Cut in Cement Price

"However, in the beginning of November, we suddenly got the shock that the Central Government reduced our selling price by Rs. 15 per ton, thus forcing your Company to operate at a loss. Due to the loss incurred during the last two months of the year, the actual profit for the whole year of 1955 was about the same as the profit made for the previous year. Your Directors have, therefore, decided to recommend the same dividend for the year as was paid for the year 1954.

"The reduction made in our selling price came as a shock to us. We had been working well and efficiently and there was, in my opinion, no reason whatsoever for this drastic cut. Your Company represented the matter to the Central Government and this was strongly supported and recommended by the T.-C. State Government. The Central Government increased the price of our cement by Rs. 5 per ton during the beginning of February 1956, but this, unfortunately, does not solve our problem, because we are actually still working without any profit. I have, now, good news from the Central Government regarding this unfortunate state of affairs. We have, only a few days back, received communication from the Central Government that the matter will be considered immediately.

"The cement position in India today is very critical. You will all have seen from the newspapers that the Minister for Commerce and Industries informed the Lok Sabha a few days back that only about 50 per cent. of the cement required in India during the next five years will be available from indigenous sources and that a fraction only of the deficit can be imported into India. You will all realise that this means that the implementation of the second Five-year Plan will now have to be reviewed. Without cement no progress can be made in the country.

Selling Agents for State Trading Corporation

"The shareholders of this Company would also have seen from the newspapers about the State Trading Corporation of India (Private) Ltd., which has been formed by the Central Government recently. I am happy to inform you that your Company has been appointed selling agents of the State Trading Corporation for 'Vembanad' Brand cement produced by us.

"I hope, I have given you some real information about the position of your factory and the position of the cement industry in India today and for the near future. The cement industry in India is one of the most important industries for the development of the country. It is, therefore, hoped that our factory as well as all other cement factories will get the support and help from the Central Government to which they are entitled.

"I am proud to be able to state today, that we, during the year 1955, have had a most cordial relationship between workers and management. We have again had another year during which not a single man-hour has been lost due to disputes and no worker has been discharged for disciplinary reasons.

"I shall now conclude by moving that the agenda for the meeting be taken up for discussion and decisions as the members of the Company consider fit."

SELF-ADHESIVE TAPE

Self-adhesive polythene tape has been introduced by W. H. Henley's Telegraph Works Company for making joints where excellent electrical properties are essential. It is described in a recent issue of the company's house journal, *Distribution of Electricity*, as a pressure-sensitive adhesive elastic strip suitable for making joints between polythene, p.v.c., and natural or synthetic rubber cables, with first-class aging properties and ozone resistance. While it is only slowly softened by mineral oils, it should not be used in conjunction with oil-impregnated cable.

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REDUNDANCY PROBLEMS IN THE WEST

USE OF AUTOMATIC DEVICES MAY ACCENTUATE ISSUES

INDIA is not the only country where "rationalisation" and "surplus labour" are grave problems which demand for their solution utmost patience and genuine sympathy. In the West, too, similar problems arise from time to time, either as a result of fall in markets or technological progress. Just now, the U.K. has been rocked by a series of strikes which had their origin in the dismissal of 3,500 operatives by the Standard Motors as a result of introduction of automation. This was followed by the retrenchment of 6,000 workers by the British Motor Corporation. These workers had been rendered "surplus" through a fall in car output necessitated by the curb on the hire-purchase system. The Corporation's employees, dissatisfied with the management's decision to lay off the workers, have struck work. And there is evidence to show that the strike is spreading to other industries.

Serious as the strike situation in the U.K. is, Indian observers will note one point of difference between the attitude of the workers in the U.K. and that generally adopted by labour leaders in India. In the U.K., nobody contends that a manufacturing unit should not, under any circumstances, lay off labour. Nor is it seriously suggested that advanced technological processes, the use of which may frequently involve some retrenchment of labour, should not be adopted at all. The opposition is mainly to sudden retrenchment. The workers also demand that adequate notice should be given before retrenchment is effected and that they should be consulted before lay off is ordered. The difference between this attitude and the Indian attitude lies in the fact that, whereas the British worker recognises retrenchment as a disagreeable necessity under the certain circumstances and seeks means of meeting it, in India, not only labour policy but even the entire industrial policy are regulated by the consideration that no single individual is thrown out of employment. The impact of the Indian attitude towards surplus labour on growth of industries can be—as, in fact, it is—very serious. It makes for inflexibility, failure to pass on the full benefit of science to consumers and a lower level of economic activity all round.

U.K. Government's Attitude

The correct attitude towards the unemployment which might result from the painful adjustments of an industry to changes in market size or technological improvements is the one that was adopted by Mr. Macmillan, the British Chancellor of the Exchequer. Referring to the problem of surplus labour in certain industries, in general, and to the motor industry in particular, he declared, in the course of a recent debate in the House of Commons, that the threat of unemployment came from Britain's unfitness to compete in world markets. He agreed there were many human problems involved in switching labour. But he thought it would be tragic if the difficulties of temporary unemployment or underemployment in certain industries caused premature and reckless abandonment of a broad policy calculated to avoid long-term and massive unemployment, and he urged maximum consultation between all concerned. "Because there are one or two weak spots it would be very wrong to assume that we are in danger of a general recession," said Mr. Macmillan. He referred to the high export rate in the vehicle industry—a much higher rate than last year. At the same time, an overload had shown itself. It was clear, Mr. Macmillan said, Britain should avoid underemployment or concealed underemployment in industries which had lost their market, when there was a severe labour shortage in industries which were still expanding, and where there was the technical capacity to produce more. The motor industry, itself, should not be defeatist. New plant should be completed—modernisation should not be "halted." He said it would be an injury to the men employed in the car industry and to the whole national interest if recent readjustments were represented as anything like a catastrophic collapse. The motor industry, he pointed out, was absorbing an undue share of manpower; its labour force had grown by 40,000 in the last two or three years.

Surplus Labour

Whatever may be the outcome of the present strikes in the U.K., they have had one important result. They have stimulated interest in the problem of surplus labour and the means of solving it in a satisfactory manner. There is an additional reason why the problem has attracted such wide interest in the West. It lies in the fact that people realise that the coming atomic age and electronic devices may give an unprecedented fillip to automation and aggravate the problem of surplus labour. Both managements and labour are becoming alive to these developments. Obviously, they do not wish to be caught napping when these developments overtake them.

Many observers in the U.K. have averred that it is profitable in this connection to study the methods adopted in the U.S. to tackle the problem of surplus labour. In that country, the contracts made between labour unions and employers, it is stated, contain specific clauses relating to this problem. They are said to cover the problem in considerable detail—how to forestall dismissals by agreed restrictions on overtime, by the sacking of marginal employees and the refusal to take on new workers, by a change in the sub-contracting procedure and how to deal with the problem of redundancy by sharing the reduced amount of work available among the whole labour force and how to regulate lay offs (when they cannot be avoided) through consultation. It is also common in the U.S. for men dismissed permanently (through closure of a factory or through technological change) to receive what is called a severance payment, the size of which in relation to service and earnings is usually laid down in the company-union contract.

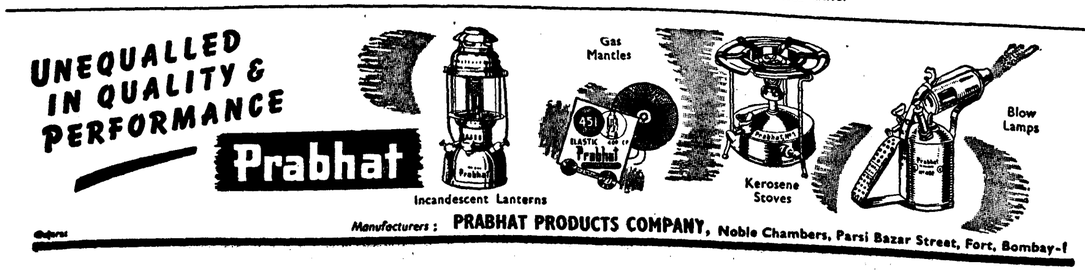
By and large, there is, in the U.S., a realistic attitude towards surplus labour, particularly towards the use of automatic devices which might accentuate the problem. The workers do not oppose automation. They are, however, determined to see that they also share in the gains which might accrue to industry through automation. This attitude was rightly praised by Professor C. Schmid of Germany. Reporting on automation to the Social Democratic Party Congress, held recently in Munich, Mr. Schmid declared that labour's task was to assimilate automation, not to oppose it. He said that automation would inevitably have three results. The social status of certain groups of skilled workers would be lowered; the number of technical specialists would increase until the ratio of technical specialists to workers would perhaps be something like one to two; and certain categories of employees, mainly in offices, would disappear. It was not true, he said, that this "second industrial revolution" would encompass only very large factories; already American producers of electronic steering instruments were selling a rising part of their output to medium-sized plants. Labour, the German Professor averred, ought to make the best of automation by demanding a guaranteed annual wage, a gradual shortening of working hours until the four-day week was reached and modernising school education so that children of today should be trained in professions that will be in demand in 10 to 15 years.

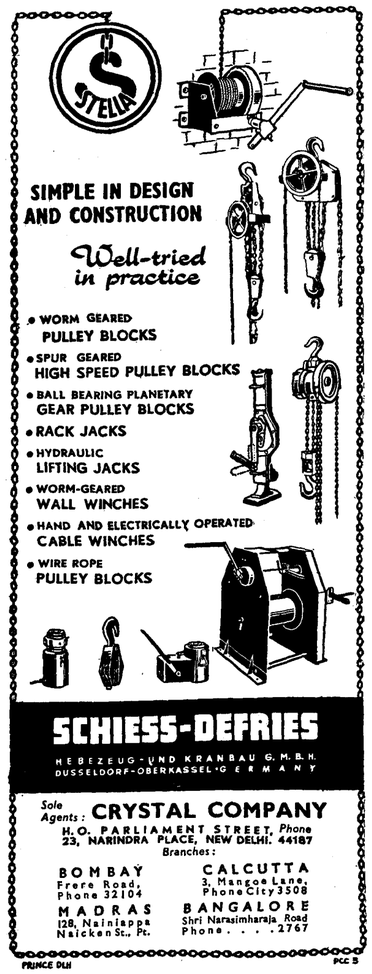
Automation means so much to employers and workers and may introduce new problems in productive processes and in industrial relations. It is not some isolated development in a single industry or group of industries. It is a complex technological movement with profound significance to industrial set-up. A recent report entitled "automation," issued by the U.K.'s Department of Scientific and Industrial Research, referred to several "streams" of development which contributed to automation. They include transfer devices and advanced handling techniques and their use in automatic production and assembly lines and the development of electronic computers for processing data and for controlling and integrating manufacturing operations. The most important of these developments is that of electronic computers, not only because of their application to the control of machine tools and to the automatic performance of clerical work but also because of the prospects which they open up for the first time for the integrated control of separate manufacturing processes. These developments serve to lend a new urgency to the problem of industrial relations. In the first place, the co-operation of labour is vitally necessary before automation is applied to industries. Secondly, adequate training facilities should be provided by the management, in order to ensure that the necessary skill is acquired by the workers and that automation processes are introduced smoothly and worked effectively.

Resistance in India

What should be the attitude of this country towards automation? Clearly, there is much psychological resistance to any change which may mean even very slight disturbance to employment. But it is wise to recognise that automation is coming to stay, that India cannot for long remain unaffected by these changes. It is, however, not necessary to import into this country every automatic device and thereby cause industrial unrest. For one thing, many of these devices are suited only for countries which are already industrially advanced and which command a large market, as, for instance, the market for automobiles and refrigerators in America. In India, the market for many engineering industries is seriously restricted by the low living standards of the people. Secondly, the countries which adopt automation have no serious shortage of capital; they suffer from an acute shortage of labour. In India, conditions are different, capital being short and labour being plentiful. It must be remembered here that many of these automatic devices are heavy consumers of capital. These factors restrict the scope for applying automation to this country.

Nevertheless, it must be realised that, in several industries, notably cotton and jute textiles, as well as certain engineering industries. India has to maintain a competitive position. If it does not maintain that position, it will lose its export markets. Also, not all automation should be suspect in India's eyes. There are several devices which would reduce the irksomeness of labour involved. Also, there are a few such devices the use of which would mean only very small unemployment but considerable gain to the industry and the workers concerned. It would be obviously wrong to hold up automation in such cases. It is, therefore, time the Government as well as labour leaders changed their attitude towards the employment of automatic devices and the consequent problem of unemployment. Any persistence in their present attitude of shortsighted opposition to all technological changes would mean that this country would miss the second industrial revolution, implied in nuclear power and automation, and would be hard put to make up the leeway at a later date.







THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)

Authorised Capital	.. ..	Rs. 50,00,000
Subscribed Capital	.. ..	,, 30,60,750
Paid-up Fund	.. ..	,, 15,30,375
Reserve Fund	.. ..	,, 27,00,000

Head Office: Prince Yeshwant Road, Indore City
Bombay Offices: 44, Hamam Street and Jal Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Sivaganj and Sanyogitaganj (Indore City).
Branches: Anjar, Dhar, Khargone, Mhow, Ratlam, Sanawad, Tarana and Ujjain.
Pay Offices: Sandhwa and Jaora (Madhya Bharat).
SAFE DEPOSIT LOCKERS are available at Head Office, Sivaganj, Cloth Market, Indore, Branch Offices Mhow, Ujjain, Dhar, Ratlam, Sanawad and Tarana on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
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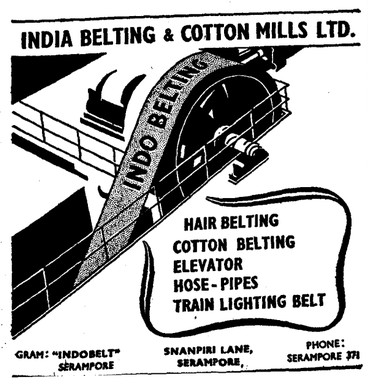

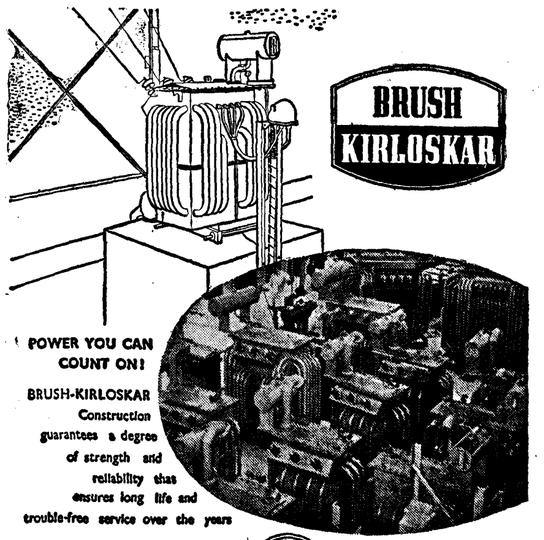

MANAGING AGENT'S REMUNERATION UNDER NEW COMPANIES ACT

IMPLICATIONS OF THE RELEVANT SECTIONS ELUCIDATED

By A. Ramaiya
ADVOCATE, MADURAI

AFTER the coming into force of the new Companies Act I of 1956, several managing agents of companies have approached me for opinion and advice as regards doubts and difficulties relating to the drawing of remuneration by them from their managed companies in conformity with the provisions of the new Act; and in view of the general importance of the subject I shall discuss here the exact scope and implications of the sections dealing with managing agency remuneration, especially sections 348 and 353, read with section 198 of the Act.

Section 348 is the main section relating to the remuneration of the managing agent and it provides as follows:

"Save as otherwise expressly provided in this Act, a company shall not pay to its managing agent, in respect of any financial year beginning at or after the commencement of this Act, by way of remuneration, whether in respect of his services as managing agent or in any other capacity, any sum in excess of 10 per cent. of the net profits of the company for that financial year."

In plain language this means that the total remuneration payable in respect of any financial year by a company to its managing agent for all services rendered by him to the company in whatsoever capacity they may be, that is, whether as managing agent or in any other capacity, is not to exceed 10 per cent. of the net profits of the company for that financial year. The net profits are to be computed in the manner laid down in section 349, after deducting from the gross profits all the various items of expenditure mentioned in that section. In particular for determining the managing agent's remuneration, the 10 per cent. of net profits has to be calculated after deducting also all remuneration, whether by way of fees, monthly payments or percentage of profits, payable to the directors.

An Illustration

For determining, however, the quantum of net profits of a company for purposes of section 198, no part of the remuneration, it must be noted, payable to the directors by way of fees, monthly payments or otherwise has to be deducted from the gross profits. Sub-section (1) of that section runs thus:

"Save as otherwise expressly provided in this Act, in the case of a public company or private company which is a subsidiary of a public company, the total remuneration payable by the company to its directors, its managing agent or secretaries and treasurers, if any, and its manager, if any, shall not exceed 11 per cent. of the net profits of the company, computed in the manner laid down in sections 349, 350 and 351, except that the remuneration of the directors shall not be deducted from the gross profits."

The difference in effect of the percentage working in the two cases is significant, and may be illustrated by taking a practical instance. A, a textile mills company, earns a net profit of, say, Rs. 5,00,000, computed in accordance with the provisions of section 349, after deducting also the remuneration paid or payable to its directors, five in number, amounting to Rs. 18,000. The net profits in such case for purposes of section 348 being Rs. 5,00,000, the maximum remuneration payable to the managing agent will be 10 per cent. or Rs. 50,000.

But then, section 198(1) says that the total managerial remuneration for the entire managing organisation (consisting of the directors, managing agent and manager, if any) should not exceed 11 per cent. of the net profits as computed in accordance with section 349 but without deducting directors' remuneration. In the case taken for illustration above, the total net profits so computed, that is, without deducting directors' salaries, etc., will be Rs. 5,00,000 *plus* Rs. 18,000, i.e., Rs. 5,18,000, and 11 per cent. of this comes to Rs. 56,980. Deducting from out of this the Rs. 18,000 paid or payable to the Directors, the remuneration of the managing agent will be only the balance of Rs. 38,920. Though he may be entitled to a maximum of 10 per cent., he cannot draw more than Rs. 38,920 as any amount further drawn will have the effect of contravening the overall limit fixed by section 198(1) and be therefore illegal. The company may, if it should so think fit, reduce the remuneration of the directors to any extent and correspondingly increase that of its managing agent.

Again, if there be also in addition to the directors a paid manager for the company—coming within the definition of "manager" given in section 2(24) and he is paid any monthly salary or other remuneration amounting to, say, Rs. 6,000, his remuneration also will have to be deducted and the balance alone will be available to the managing agent for his remuneration, that is, Rs. 32,920.

Thus, the difference in the methods of calculation of net profits prescribed for purposes of sections 348 and 198(1), if arithmetically worked out, shows that, in all cases where the directors are paid some sizable or appreciable remuneration by way of monthly salaries or otherwise, the remuneration of the managing agent will never reach the 10 per cent. maximum limit allowed to him under section 348. The only possible cases where the 10 per cent. limit can be reached are where the sum total of the remuneration of the directors and the manager together does not exceed, roughly speaking, 1.1 per cent. of the total net profits of the company.

Other Remuneration

Section 348 limits to a maximum of 10 per cent. of net profits the total remuneration of a managing agent for all the services rendered by him to the company whether as managing agent or in any other capacity. This will obviously include all commission and other remuneration payable for services rendered by him as selling agent, buying agent, etc., to the extent permitted by sections 356 to 361. Though section 348 begins by using the words "save as otherwise expressly provided," there is no provision in any of the sections from 356 to 361 or elsewhere in the Act expressly providing that, in addition to the 10 per cent. of net profits, payment of commission or other remuneration for any services rendered may also be made to the managing agent. On the other hand, section 352 expressly and without any qualification lays down that additional remuneration in excess of the limit provided by section 348 read with section 352 may not be paid to a managing agent except with the approval of the Central Government and except where it is required in the public interest. In the face of the express words of section 348 prohibiting the payment of more than a maximum of 10 per cent. of net profits as remuneration for services rendered as managing agent and in any other capacity, it does not appear to me possible to contend that any further remuneration can be paid to a managing agent except as permitted by section 252. The clause in section 198(3) (b) which states that the overall maximum limit of 11 per cent. by way of managerial remuneration laid down by section 198(1) does not affect the operation of sections 356 to 360 has no significance in this context.

Time of Payment

As regards the time of payment of remuneration to a managing agent, section 353 lays down that,

"The remuneration payable to the managing agent for any financial year or part thereof shall not be paid to him, until the accounts of the company for such financial year have been audited and laid before the company in general meeting."

Thus, the right of the managing agent of a company to claim payment of his remuneration in respect of any financial year arises only after the accounts of the company have been audited and laid before the company in general meeting subsequent to, that is, after the expiry of, the financial year concerned. This means that both the audit of the accounts of the financial year and the laying of such audited accounts before a general meeting are conditions precedent to the right of the managing agent to claim payment of his remuneration. In this connection it requires to be borne in mind that the managing agent is not allowed to draw any instalment or monthly payment of even a portion of his percentage remuneration at any time during the currency of a financial year. Section 354 only permits the reimbursement of expenses incurred by the managing agent, all claim to office allowance in any form or shape being prohibited.

The proviso to section 353, which enables the payment to a managing agent of a specified minimum remuneration in suitable instalments, it should be noted, applies only to cases of a minimum remuneration being provided for by a company in pursuance of section 198(4) where the company earns no profits or its profits are inadequate. The provisions of the proviso to section 353 and of sub-section (4) of section 198 are as follows:

"Provided that the minimum remuneration, if any, payable in pursuance of section 198 may be paid to the managing agent in such suitable instalments as may be specified either in the articles of the company or in a resolution passed by the company at an annual general meeting or in the managing agency agreement executed by the company." (Proviso to section 353.)

"Notwithstanding anything contained in sub-sections (1) to (3), if in any financial year, a company has no profits or its profits are inadequate, the company may pay to any director or directors including managing or whole-time directors, if any, its managing agent or secretaries and treasurers, if any, and its manager, if any, or if there are two or more of them holding office in the company to all of them together, by way of minimum remuneration, such sum not exceeding fifty thousand rupees per annum as it considers reasonable." (Section 198 (4).)

Having regard to the context, the expression "inadequate profits" used above, presumably means profits which are not adequate enough to pay the managerial organisation as a whole even Rs. 50,000, if worked out on the maximum 11 per cent. basis prescribed by section 198(1); that is to say, whenever the net profits of a company fall below Rs. 4,54,545. In all cases where the net profits come to more than Rs. 4,54,545, i.e., where there are adequate or more than adequate profits, there is no provision in the Act enabling the payment of remuneration to a managing agent otherwise than as provided in section 353, that is, until after the accounts of a financial year of the company are audited and laid before the company in general meeting.

Of course, this provision works needlessly harshly on the managing agents of prosperous companies earning good profits, inasmuch as it prevents suitable instalment payments out of their remuneration being made to them even within the limit of the minimum allowed in the case of non-prosperous companies. But this is a matter for Parliament to consider.

Transitional Difficulty

In view of section 348 being expressly made applicable only in respect of any financial year beginning at or after the commencement of the new Companies Act, that is, on or after 1st April 1956, a ticklish question is raised as regards cases where the remuneration is due and payable to their managing agents by companies whose financial year had already begun on some date prior to 1st April 1956. In any such case, where the financial year of a company began, say, on 1st January 1956 or on *Diwali* Day in 1955 or on some other date before 1st April 1956 is the remuneration of the managing agent payable to him as provided in the managing agency agreement or do the limitations contained in sections 198 and/or 348 govern? Clearly, section 348 does not apply, as its application is expressly confined to financial years beginning at or after the commencement of the Act. As regards section 198(1), however, in the absence of provision to the contrary, it takes effect from the date of commencement of the Act, that is, 1st April 1956, and this means that the limit of overall managerial remuneration of 11 per cent. fixed by that section for the entire managing organisation comprising the directors, managing agent and manager, if any, should be given effect to in all cases of remuneration accruing, due or payable on or after the commencement of the Act, irrespective of when the financial year concerned began. Section 353 which deals with the time of payment of remuneration and which takes effect from the date of commencement of the Act puts the matter beyond all doubt as it says that, in respect of any financial year (it does not confine itself to a financial year only after the commencement of the Act) the remuneration of the managing agent accrues due and payable only after the accounts are audited and laid before the company in general meeting. As the provisions of section 353 determine when the remuneration of the managing agent accrues due and payable it is clear that the remuneration for a financial year beginning before 1st April 1956 becomes due and payable only after the accounts of that year are audited and laid before the company, that is, after the expiry of the financial year and, therefore, the payment of remuneration for such financial year is also governed by the limits imposed by section 198(1) and there is, therefore,

(Continued on page 293)

THE
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(Incorporated in India)
(Established 1934)

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Fire, Marine, Accident and Miscellaneous Insurance Business

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Subscribed Capital „ 50,00,000
Paid-up Capital „ 10,00,000

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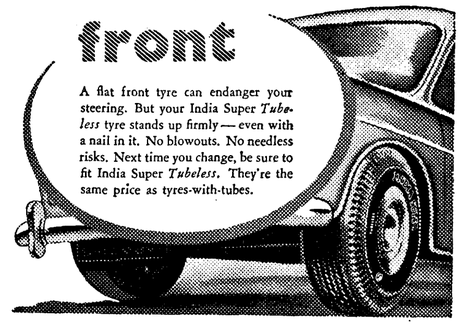

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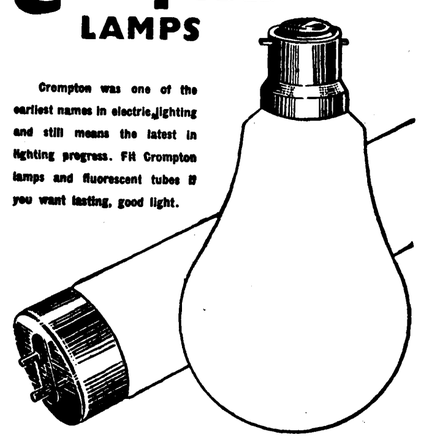


Greaves Cotton & Crompton Parkinson (Private) Ltd.
P. O. BOX 91, BOMBAY P. O. BOX 166 CALCUTTA

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

A copy of the Prospectus has been delivered to the Registrar of Companies, Hyderabad, for registration.

Application has been made for the market price of the 7 per cent. (Taxable) Cumulative Redeemable Preference Shares to be quoted in the list issued by the Hyderabad Stock Exchange.

The Subscription List will open at 10-30 a.m. on the 23rd day of August, 1956 and will close on the 27th day of August, 1956, or earlier, or later, as the Directors may decide.

THE VAZIR SULTAN TOBACCO COMPANY LIMITED

(Incorporated on 10th November 1930 under the Hyderabad Companies Act, No. IV of 1320 Fasli; now subject to the Companies Act 1956.)

SHARE CAPITAL

AUTHORISED		ISSUED AND FULLY PAID
Rs. 1,25,00,000	Ordinary Shares of Rs. 10 each fully paid	Rs. 1,00,00,000
Rs. 30,00,000	7% (Taxable) Cumulative Redeemable Preference Shares of Rs. 100 each	7,25,500
Rs. 1,55,00,000		Rs. 1,07,25,500

LOAN CAPITAL

The Company has no debentures or other loan capital outstanding.

OFFER OF

22,745 7% (Taxable) Cumulative Redeemable Preference Shares of Rs. 100 each at par payable in full on Application.

Applications must be for a minimum of 5 Shares or for multiples of 5 Shares.

The 7% (Taxable) Cumulative Redeemable Preference Shares now being offered confer upon the holder the following rights:—

Dividend: A fixed cumulative preferential dividend at the rate of 7% per annum (subject to income-tax) on the capital for the time being paid thereon. It is intended that the dividend will be payable half-yearly on the 1st day of April and the 1st day of October, the first dividend being paid on the 1st October 1956, and will be calculated on the full par value of the shares from the date of allotment up to 30th September 1956.

Capital: In a winding-up, whether voluntary or otherwise, repayment of the capital paid up thereon together with a premium of rupees one per cent. and a sum equal to any arrears of the fixed dividend whether declared or not calculated to the date of the commencement of the winding-up (subject to income-tax) in priority to the ordinary shares but shall not entitle the holders thereof to any further participation in the profits or assets of the Company.

Redemption: Subject to the provisions of the Companies Act, 1956, redemption on or after the 1st April 1968 in whole or in part to be selected by drawings at the option of the Company acting through its Directors on not less than three months' notice given by advertisement in some newspaper circulating in Hyderabad (Deccan) at the price of Rs. 101 for each share together with the dividend due to the date of redemption.

The Company will not pay interest on unclaimed redemption money.

Votes: The right to receive notice of and to attend at General Meetings of the Company but to vote thereat only in accordance with the provisions of Section 87 of the Companies Act, 1956, namely—

(*a*) on resolutions placed before the Company which directly affect the rights attached to such preference shares as stated in Section 87 (2) (*a*) and the explanation thereto;

(*b*) on every resolution placed before the Company at any meeting, if the dividend or any part thereof due on such preference shares has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the Meeting.

On all resolutions upon which holders of the preference shares now being offered are entitled to vote, such shares will on a show of hands give such holder present in person one vote and will carry the right on a poll to ten votes for each share.

The rights attaching to the preference shares now being offered may be varied from time to time in accordance with the provisions of the Company's Articles of Association and of the Companies Act, 1956, or any amendment or modification thereto, and in particular under the following Articles.

Increase of Capital: Any of the shares for the time being unissued and any new shares from time to time to be created may from time to time be issued with any such right of preference in respect of dividend and of repayment of capital over any shares previously issued or then about to be issued (subject to the provisions hereinafter contained as to the consent of the holders of any class of shares where such consent is necessary), or at such a premium as compared with any other shares previously issued or then about to be issued, or subject to any such conditions or provisions, and with any such right, on such terms as the Company may from time to time determine.

Modification of class rights: If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Companies Act, 1956, and whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class and all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question. This Article is without prejudice to the power of the Company under Article 49 hereof and the Company's right in General Meeting to increase its Capital, and the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

The ordinary shares carry the right (i) to such dividend as may from time to time be declared on those shares subject to the prior payment of all accrued dividends and dividends in arrears on the cumulative preference shares, (ii) to any balance of assets available for distribution in a winding-up after payment of all amounts due to the preference shareholders as defined above and (iii) at General Meetings on a show of hands one vote for each holder present in person and on a poll one vote for each share on all resolutions.

Directors

MOHAMED SULTAN. Narayanguda, Hyderabad, Deccan. Merchant.

NADIRSHA BAPUJEE CHENOY. "Souvenir," Macintyre Road, Secunderabad. Advocate.

GEOFFREY HAYMAN JOHN CLARKE. 8, Ballygunge Park Road, Calcutta. Merchant.

ALLEN HADDON DAVIES. Bengal Club, Calcutta. Merchant.

CHARLES ALAN SYDNEY FOULKES. "Lalehzar," Jubilee Hills, Hyderabad, Deccan. Merchant.

SECRETARY TO THE GOVERNMENT OF HYDERABAD, COMMERCE AND INDUSTRIES DEPARTMENT. Saifabad. Hyderabad, Deccan.

FRANK LESLIE SEYMOUR. 322, Jubilee Hills Road, Hyderabad, Deccan. Tobacco Manufacturer.

ABDUL HAMEED SULTAN. Hyderguda, Hyderabad, Deccan. Merchant.

Bankers

THE STATE BANK OF INDIA, Sultan Bazaar, Hyderabad, Deccan.

THE HYDERABAD STATE BANK, Gunfoundry, Abid Road, Hyderabad, Deccan.

Legal Adviser to the Company

NADIRSHA BAPUJEE CHENOY, Advocate, "Souvenir," Macintyre Road, Secunderabad.

Auditors

LOVELOCK & LEWES, Chartered Accountants, Madras.

Secretary and Registered Office

PATRICK DENYS McCULLOUGH, Azamabad, Hyderabad, Deccan.

Brokers

P. B. AFZALPURKAR, Stock and Share Broker, Sultan Bazaar, Hyderabad, Deccan.

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

BATLIVALA AND KARANI, Union Bank Building, Dalal Street, Fort, Bombay.

PATERSON AND COMPANY, 22, Errabalu Chetty Street, Georgetown, Madras 1.

The Company is advised that these Preference Shares are "approved investments" within Section 27A (1) (i) of the Insurance Act, 1938 as dividends have been paid on the Company's Ordinary Shares for the last five years.

The market price of the Ordinary Shares of the Company is quoted in the list issued by the Hyderabad Stock Exchange.

The shares subject to this offer form part of an issue of 30,000 shares which were first offered to the Ordinary Shareholders at par in proportion to their holdings in accordance with the requirements of the Companies Act. The Raleigh Investment Company Limited, the holder of the majority of the Ordinary Shares, decided to forgo its preferential right of subscription as it wished the public in India to have the opportunity to apply for such shares and obtain thereby an increased interest in the Company.

PARTICULARS

History and Business: The Company was incorporated as a Public Company in Hyderabad, Deccan, in 1930 under the Hyderabad Companies Act No. IV of 1320 Fasli, for the purpose of manufacturing cigarettes in Hyderabad State and acquired the cigarette and tobacco manufacturing licence and the cigarette factory owned by the firm of Vazir Sultan & Sons. The Company was incorporated with an authorised capital of O.S. Rs. 10,00,000 of which O.S. Rs. 9,90,650 was issued, and commenced manufacture in that factory. In 1933, manufacture was transferred to the present factory which the Company had built in the then newly developed industrial area of Azamabad on the outskirts of Hyderabad City. Various additions have been made to this factory during the years, and in 1948 further land was acquired on which additional buildings were constructed.

The Company has actively encouraged the growth of suitable types of tobacco for cigarette manufacture in Hyderabad State by advice to farmers on better methods of cultivation, fertilisation and harvesting and by the use of considerable quantities of such tobacco in the Company's products.

The Company has for many years been associated with The Imperial Tobacco Company of India Limited in the marketing of their respective brands. These arrangements have been subject to amendment from time to time and the two Companies have now entered into agreements dated 12th June 1956 in which The Imperial Tobacco Company of India Limited is with effect from 1st November 1956 appointed sole distributor of this Company's brands of cigarettes in certain areas of the Union of India and is authorised to manufacture those brands on the terms and conditions therein contained.

Purpose of Issue: Additional capital is required to modernise the Company's factory and to install modern machinery and equipment in order to meet the growing demand for and to maintain the quality of the Company's products.

FINANCIAL INFORMATION

Auditors' Report: The following is a copy of the report of the Company's Auditors, Messrs. Lovelock & Lewes:—

LOVELOCK & LEWES, *Chartered Accountants.*

MERCANTILE BANK BUILDINGS,
POST BOX NO. 1720, FIRST LINE BEACH,
MADRAS 1. *11th June, 1956.*

The Directors,
THE VAZIR SULTAN TOBACCO COMPANY LIMITED,
POST BOX NO. 126, HYDERABAD, DECCAN.

GENTLEMEN,

We have audited the accounts of The Vazir Sultan Tobacco Company Limited for the five years ended 30th September, 1955, and in accordance with the provisions of Clause 24 of Part II of Schedule II of the Companies Act 1956 report as follows—

The Profits of the Company for these years were as set out hereunder and have been arrived at after charging all expenses of working and management and after making such adjustments as are in our opinion necessary.

THE VAZIR SULTAN TOBACCO COMPANY LIMITED

	Year ended 30th September				
	1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.
INCOME—					
Sales	2,79,85,080	3,32,94,745	3,28,49,886	3,52,30,463	3,63,76,081
Interest	38	—	3	21	—
Miscellaneous Income	3,55,660	3,67,538	5,06,192	90,446	1,97,038
Income from Investments	1,178	232	482	8,163	2,693
	2,83,41,956	3,36,62,515	3,33,56,563	3,53,29,093	3,65,75,812
EXPENDITURE—					
Cost of Sales	2,21,89,254	2,67,60,848	2,56,08,820	2,60,72,764	2,77,25,348
Salaries and Wages	23,72,334	30,75,201	33,12,848	36,05,408	36,16,470
Expenses	6,30,906	6,17,519	6,71,546	4,78,670	3,44,611
Interest	9,130	76,915	2,80,085	1,54,521	69,675
Depreciation as charged by the Company	3,46,475	3,89,449	4,64,657	5,29,354	5,63,933
Loss on Sale and Revaluation of Investments	683	540	—	—	125
	2,55,48,782	3,09,20,472	3,03,37,956	3,08,40,717	3,23,20,162
Profit before providing for Taxation	27,93,174	27,42,043	30,18,607	44,88,376	42,55,650
Taxation	11,82,725	12,43,337	10,08,813	19,49,828	18,87,097
	16,10,449	14,98,706	20,09,794	25,38,548	23,68,553
Balance of Profit and Loss Account from previous year as per audited accounts	50,34,635	52,84,177	8,74,181	13,74,720	15,74,464
	66,45,084	67,82,883	28,83,975	39,13,268	39,43,017
Transfer to General Reserve	12,85,715	30,00,000	13,10,714	14,75,000	13,00,000
Transfer to Fixed Asset Replacement Reserve	—	20,705	7,637	2,010	17,659
Transfer to Fixed Asset Realisation Surplus	—	—	—	—	54
	12,85,715	30,20,705	13,18,351	14,77,010	13,17,713
Balance	53,59,369	37,62,178	15,65,624	24,36,258	26,25,304

The profits, etc., set out above, have been arrived at after making the following adjustments to the figures disclosed in the published accounts:—

	1951		1952		1953		1954		1955	
	Increase	*Decrease*	*Increase*	*Decrease*	*Increase*	*Decrease*	*Increase*	*Decrease*	*Increase*	*Decrease*
Taxation	4,33,119	..	..	5,93,976	9,124	..	..	84,284	..	192
Salaries and Wages	2,03,062	..	2,77,410	..	7,05,526	..	1,040	..	..	587
General Reserve	..	..	..	12,85,714	13,10,714	..	1,64,286	..	..	14,75,000

These adjustments were, in our opinion, necessary—

(*a*) in order to substitute the Company's actual tax liability for the provisions made in the published accounts in respect of those years where the assessments have been completed;

(*b*) in order to provide for the increased charges for salaries and wages which became payable in terms of a Labour Tribunal Award published in 1953 and which were charged in the accounts for that year;

(*c*) so that transfers to General Reserve are related to the years out of the profits of which they were appropriated.

We further report that the Dividends paid by The Vazir Sultan Tobacco Company Limited in respect of the five years ended 30th September, 1955, on its issued Share Capital were as follows:—

Year ended	*Issued Share Capital*	*Dividends* Rate	Amount Rs.
30th September 1951	5,00,000 Ordinary Shares of Rs. 8-9-2 each	20%	8,57,143
30th September 1952	10,00,000 Ordinary Shares of Rs. 8-9-2 each	10%	8,57,143
30th September 1953	10,00,000 Ordinary Shares of Rs. 8-9-2 each	9.48%	8,12,500
30th September 1954	10,00,000 Ordinary Shares of Rs. 10/- each	10%	10,00,000
30th September 1955	10,00,000 Ordinary Shares of Rs. 10/- each	10%	10,00,000

The above dividends were paid without any deduction of tax paid by the Company and were paid out of current profits.

The Net Assets of the Company as at 30th September, 1955, based on the audited Balance Sheet at that date were as follows:—

	Original Cost Rs.	*Depreciation provided to 30th September, 1955* Rs.	*Net* Rs.
GOODWILL	5,79,429	—	5,79,429
FIXED CAPITAL EXPENDITURE—			
Land and Buildings	23,21,219	7,38,519	15,82,700
Plant, Machinery and Fixtures	36,82,196	27,97,102	8,85,094
Other Fixed Assets	8,43,688	3,77,811	4,65,877
	74,26,532	39,13,432	35,13,100
INVESTMENTS AT COST	....	....	17,676
CURRENT ASSETS—			
Stocks and Stores at Cost	....	1,61,39,495	
Sundry Debtors	....	5,10,970	
Cash on Hand and balances with Bankers	....	3,74,475	
		1,70,24,940	
Less CURRENT LIABILITIES AND PROVISIONS—			
Bank Overdraft (secured on Leaf stocks)	7,68,931		
Sundry Creditors	21,81,873		
Provision for Taxation	20,46,717		
Provision for Proposed Final Dividend	5,00,000	54,97,521	
NET CURRENT ASSETS			1,15,27,419
NET ASSETS AS AT 30TH SEPTEMBER, 1955			1,50,58,195
The Net Assets of Rs. 1,50,58,195 shown above are represented by:—			
Issued Share Capital 10,00,000 Ordinary Shares of Rs. 10/- each			1,00,00,000
Capital Reserve			14
Fixed Asset Replacement Reserve			48,023
Fixed Asset Realisation Surplus			54
General Reserve			48,00,000
Other Revenue Reserves			60,679
Profit and Loss Appropriation Account—balance carried forward			1,49,525
			Rs. 1,50,58,195

The Company is one to which the provisions of Section 23A of the Indian Income Tax Act, 1922 apply. Application has been made to the Commissioner of Income Tax, in terms of Section 23A (3) of the Act, for relief from the liability to super-tax on undistributed income for the year ended 30th September, 1954; and a further application is expected to be made in due course in respect of the year ended 30th September, 1955. No order has yet been made by the Commissioner. At 30th September, 1955, therefore, there is a contingent liability in respect of super-tax on undistributed income amounting to Rs. 7,42,000 approximately.

No accounts of the Company have been made up for any period subsequent to 30th September, 1955.

The accounts of the Company for the years ended 30th September, 1951 and 30th September, 1952, were maintained in Osmania Sicca rupees and these accounts have been converted into I.G. rupees for the purposes of this report at the rate of Exchange of O.S. Rs. 116-10-8 per I.G. Rs. 100.

We are, Gentlemen,
Yours faithfully,
LOVELOCK & LEWES

Messrs. Lovelock and Lewes have given their written consent to the inclusion of the above Report and have not withdrawn such consent.

Capitalisation of Reserves and Undivided Profits: Since the inception of the Company the following undivided profits standing to the credit of the Company's Reserve Funds have been capitalised and applied in payment up in full of Ordinary Shares of equivalent amount.

1935	O.S. Rs.	6,94,390
1944	"	3,96,260
1945	"	5,18,700
1947	"	12,50,000
1951	"	12,50,000
1952	"	50,00,000
1954	I.G. Rs.	14,28,571

Capital Cover: The value of the net assets of the Company as at 30th September, 1955, as shown by the Auditors' Report included in this Prospectus, is sufficient to cover the principal amount of this issue more than five times.

Prospects: The popularity of the Company's brands, particularly CHARMINAR SPECIALS, has steadily increased over the 25 years since the Company's formation and present turnover is in excess of Rs. 3½ crores per annum. Although the cigarette market is a very competitive one, the Directors consider that with the proposed modernisation and re-equipment of the factory the Company should be able to meet the increased demand for and to maintain its reputation for the quality of its products.

As the result of this modernisation programme, some further increase in turnover can be expected, which should enable the Company to continue to earn a satisfactory return on the capital invested in spite of increasing costs of production.

A contingent liability for additional super-tax of approximately Rs. 3,84,003 and Rs. 3,58,000 exists under Section 23A of the Income Tax Act, 1922 (as amended by the Finance Act, 1955) in respect of undistributed profits for the years ended 30th September, 1954 and 30th September, 1955 respectively. In respect of the former year an application has been made to the Commissioner for relief from this liability on the grounds that the funds need to be retained in the business. Further applications are expected to be made as necessary in respect of the year to 30th September, 1955 and subsequent years in so far as funds are required to be retained in the business in order to finance the Company's development.

STATUTORY AND GENERAL INFORMATION

Miscellaneous: The Company has not issued nor agreed to issue within the two years preceding the date hereof any shares or debentures either for cash or as fully or partly paid up otherwise than in cash.

The Company has not entered into nor does it propose at present to enter into any contract or arrangement whereby any option or preferential right has been given, or is to be given to any person to subscribe for any share or debenture of the company, other than the prior offer to the ordinary shareholders of the shares now being issued in proportion to their holdings of ordinary shares as mentioned above.

The Company has not within the two years preceding the date hereof issued nor does it intend at present to issue any shares at a premium.

The Company has paid no sums within the two years preceding the date hereof nor are any payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or as discount in respect thereof nor is it intended that any should be paid in respect of the present issue. This issue has not been underwritten but brokerage will be paid by the Company as indicated below.

No amount or benefit has been paid to any promoter or officer within the two years preceding the date hereof nor is it intended that such should be paid.

Directors: The Articles provide that the qualification of each Director shall be the holding of ten ordinary shares of the Company.

The Articles provide that unless otherwise determined by the Company in general meeting, each Director other than a whole-time Director, (of which there are at present two), shall be paid remuneration of Rs. 150 for each board meeting attended and that the whole-time Directors shall, subject to the sanction of the Central Government, if necessary, and to the provisions of the Companies Act, 1956, be paid such monthly remuneration as shall be determined by the Directors. The Directors may also be paid any hotel, travelling or other expenses incurred in attending meetings or in connection with the business of the Company.

The Articles also provide that, subject to the sanction of the Central Government, if necessary, the Directors may award special remuneration out of the funds of the Company to any Directors for special services rendered to the Company and that any whole-time Director shall be entitled to participate in and retain for his own benefit any donation, gratuity, pension, allowance or emolument provided by the Company for its whole-time Directors and employees.

The Directors have appointed Mr. Charles Alan Sydney Foulkes, one of the whole-time Directors, as General Manager of the Company, such appointment being without remuneration additional to that paid to him as a whole-time Director of the Company and without any right of compensation for loss of office. Other than this appointment the Company has no Managing Director, Managing Agent, Secretaries or Treasurers or Manager (as defined in the Companies Act, 1956) and it is not the Company's present intention that any such appointments should be made. The Articles do not contain any provision for such appointments other than that of General Manager.

A Director who is absent from or who is about to leave the district in which the Directors' meetings are ordinarily held for a period of three months or more may nominate any person to be an Alternate Director during his absence, subject to such nominee being appointed by the Board of Directors.

Directors' Powers of Management: The Articles provide that the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Companies Act, 1956, or the Articles, required to be exercised by the Company in General Meeting. The powers of the Directors are, however, subject to any regulations, not being inconsistent with the Articles or the Act, which may be made by the Company in General Meeting.

Interest of Directors: Mohamed Sultan and Abdul Hameed Sultan were interested in the promotion of the Company in 1930, being two of the members of the firm of Vazir Sultan & Sons, one of the Company's present distributors whose cigarette manufacturing business was acquired by the Company in that year the purchase price being paid as to O.S. Rs. 1,90,000 by the issue of fully paid shares and as to the balance of O.S. Rs. 6,67,649 in cash. None of the Directors have had an interest in any property acquired by the Company within the two years preceding the date hereof or in the machinery and plant and equipment that will be purchased out of the proceeds of this issue.

Subscription: The amount being raised by this issue and by the Preference Shares already issued is required as additional working capital to finance the proposed modernisation programme which could otherwise only be financed by such reserves as could be set up over a period out of future profits within the restrictive limits imposed by Section 23A of the Income Tax Act. Although the full modernisation programme is estimated to cost Rs. 31,35,000 over a period of 3 years, the Directors consider that the minimum subscription upon which they can proceed to allotment is Rs. 15,00,000 of which Rs. 7,25,500 has already been subscribed by the present shareholders. The balance of the expenditure will, if necessary, be provided by the Company from its future resources. No other property is being purchased out of the proceeds of the issue, nor is there any incompleted purchase or acquisition of property at the date hereof.

Borrowing Powers: The Articles provide that the Directors may from time to time raise or borrow for the purpose of the Company or secure the payment of any sums of money, such powers being restricted under the Companies Act, 1956 to an amount not exceeding the aggregate of the paid-up capital and free reserves of the Company.

Restrictions on Right to Transfer and Vote: The Articles of Association contain no restriction on the transfer of fully paid-up shares.

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

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

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

1. Agreement dated 12th June, 1956 between this Company, The Raleigh Investment Company Limited and The Imperial Tobacco Company of India Limited in which The Raleigh Investment Company Limited is granted the right to nominate any Company as the sole customer of this Company's brands of cigarettes outside the Union of India and this Company agrees not to carry on business outside the Union of India except under the terms of this Agreement.

2. Agreement dated 12th June, 1956 between this Company and The Imperial Tobacco Company of India Limited in which the Imperial Tobacco Company of India Limited is with effect from 1st November, 1956 appointed sole distributor of this Company's brands of cigarettes in certain areas of the Union of India and is authorised to manufacture those brands on the terms and conditions therein contained.

Documents: Copies of the Memorandum and Articles of Association of the Company, the original Consent Order of the Controller of Capital Issues, copy of the Contracts referred to above, the original of the Auditors' Report set out in this Prospectus and the Balance Sheets and Profit & Loss Accounts on which it was based can be inspected at any time from the date hereof until the Subscription list is closed during the usual business hours at the Registered Office of the Company.

Application and Acceptance: Applications, which must be for 5 shares or multiples of 5 shares, must be made on the accompanying official form and will be refused if not so made. The application form, together with a remittance of the full amount payable on application, should be sent to the branch of the Hyderabad State Bank at Gunfoundry, Abid Road, Hyderabad, Deccan or to the branches of that Bank either at Secunderabad, Bombay, or Madras, or to the branch of the State Bank of India at Sultan Bazaar, Hyderabad, Deccan or to the branches of that Bank either at Secunderabad, Bombay, Calcutta, Madras, Guntur, Kurnool, Visakhapatnam or Vijayawada, the addresses of the branches of such Banks being shown on the reverse of the application form. The remittance if not made in cash should be made by cheque or draft drawn either upon the branch of the Bank to which the application form is being sent or upon a Bank situated in the same town provided that an application form being sent to the branch of the Hyderabad State Bank at Hyderabad, Deccan, may be accompanied by a cheque or draft drawn upon any branch of that Bank situated within the State of Hyderabad. Application forms sent with cheques or drafts drawn on Banks other than those stated above may be refused.

Cheques or drafts should be made payable either to the Hyderabad State Bank or the State Bank of India as the case may be for the credit of "The Vazir Sultan Tobacco Company Limited Account Preference Issue" and should for the applicant's protection be crossed "A/c Payee Only." A separate cheque or draft must accompany each application form.

Acceptance will be notified by the despatch of an Allotment Letter but the Directors reserve the full and uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full, the whole or any balance of the application money received will be refunded to the applicant, in which event bank's commission, if any, will be payable by the applicant. Share Certificates will be available for issue in exchange for Letters of Allotment on or after 15th October, 1956, and each successful applicant for more than 25 shares will receive Share Certificates in lots of 25 shares, and such smaller denominations as may be required to complete the total number of shares allotted except when the applicants request Share Certificates in larger denominations. Such Allotment Letters and Share Certificates will be despatched by registered post at the applicants' risk.

Brokerage: Brokerage at the rate of Re. 1 per Share will be paid by the Company on acceptances made in respect of applications bearing the stamp of a recognised stockbroker.

Copies of this Prospectus and forms of application may be obtained from the Registered Office of the Company at Azamabad, Hyderabad, Deccan or from:—

THE STATE BANK OF INDIA

HYDERABAD—Sultan Bazaar, Hyderabad, Deccan.

SECUNDERABAD—78, Rastrapati Road, Secunderabad, Deccan.

BOMBAY—Fort, Bombay.

CALCUTTA—1, 2 and 3 Strand Road, Calcutta.

MADRAS—Mount Road, Madras.

GUNTUR—Guntur, Andhra State.

VISAKHAPATNAM—Visakhapatnam, Andhra State.

KURNOOL—Kurnool, Andhra State.

VIJAYAWADA—Vijayawada, Andhra State.

THE HYDERABAD STATE BANK

HYDERABAD—Gunfoundry, Abid Road, Hyderabad, Deccan.

SECUNDERABAD—Rastrapati Road, Secunderabad, Deccan.

BOMBAY—Mahatma Gandhi Road, Fort, Bombay.

MADRAS—Linghi Chetty Street, Madras-1.

and at their Branches throughout Hyderabad State.

P. B. AFZALPURKAR, Stock and Share Broker, Sultan Bazaar, Hyderabad, Deccan.

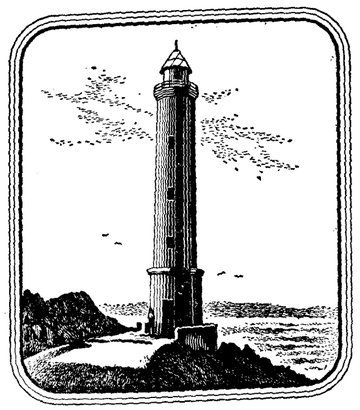
PLACE, SIDDONS & GOUGH, 6, Lyons Range, Calcutta.

BATLIVALA AND KARANI, Union Bank Building, Dalal Street, Fort, Bombay.

PATERSON AND COMPANY, 22, Errabalu Chetty Street, Georgetown, Madras—1.

Dated 10th August, 1956.

AGA



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OF INDIA (PRIVATE) LIMITED
•
SUPPLIERS
OF
BOILER HOUSE PLANT
AND
AUXILIARIES

4, Bankshall Street, CALCUTTA 1 — 16, Queen's Road Estate, BOMBAY 1

Union Bank of India Limited
HEAD OFFICE:-APOLLO STREET, FORT, BOMBAY-1

Capital Paid-up Rs. 40,00,000

Reserve and other Funds Rs. 35,00,000

Mr. M. S. CAPTAIN, *Chairman*

Overseas Business

THE BANK IS FULLY EQUIPPED TO HANDLE EVERY DESCRIPTION OF OVERSEAS BANKING BUSINESS.

F. K. F. NARIMAN • General Manager



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- adequate resources if the family has to carry on without you,
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BOMBAY SUBURBAN ELECTRIC SUPPLY, LTD.

TWENTY-SEVENTH ANNUAL MEETING

MR. K. G. MILNE'S ANALYSIS OF THE POWER SUPPLY POSITION IN BOMBAY

THE possibility of a shortage of power in Bombay after 1959, unless the authorities took effective steps now onwards to augment the plant capacity, was envisaged by Mr. K. G. Milne, Chairman, Bombay Suburban Electric Supply Ltd., in the course of his address to the shareholders of the Company, at their Twenty-seventh Ordinary General Meeting held on the 2nd inst. Mr. Milne was anxious that the country's second Five-year Plan programme should not suffer from want of adequate power supply. He also gave a detailed analysis of the various problems affecting the electricity generating industry.

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

"This time last year I told you how the Company's expansion during its 1948-54 development plan was bearing fruit and how our capacity for taking on new loads was ahead of load releases by the authorities. While the latter position still remains, we have during this year further consolidated on our own distribution network and, as a result, our sales of energy, exceeding 60 million units, have registered an increase of 20 per cent. over the sales of the previous year. At the end of the year, the total number of consumers connected to our mains reached the figure of 46,478. A further cause for satisfaction is the indication of the potential demand brought to light by the response to the Government Press note inviting applications for industrial loads to be sanctioned after the Trombay thermal station is commissioned. No less than 400 applications were received for loads aggregating about 25,000 kw. While it should be borne in mind that even where an unrestricted supply is available there is usually a fairly large gap between the load applied for and that ultimately connected, we can look forward with confidence to the potential growth of load in this Company's area of supply in the immediate future.

Power Shortage After 1959

"It is necessary to ensure, however, that there will not be a repetition of the overcautious attitude shown by the Power Shortage Board during the past year or two, as the result of which industries in the Bombay region were deprived of millions of units due to freezing of potential power which has remained unutilised. This caution was the result of excessive optimism on the part of the authorities of the public sector as to their ability to absorb electric power for certain new ventures which, in actual fact, did not materialise. It has now been officially stated that the first 50 M.W. set at Trombay will be brought into commercial use at the end of this year and a second similar set about six or nine months later. In view of this anticipated accretion of some 100 M.W. of thermal plant within the next 12 months, the power position in the Bombay region will become extremely favourable, and we hope it will continue to remain so till around 1959. Thereafter there is again danger of a shortage of power, unless arangements are set in train now for augmenting plant capacity either at Bhira or at Trombay, entirely independent of Koyna power which I do not anticipate, despite all assurances to the contrary, will become available in Bombay before 1961-62.

"I am taking this opportunity to bring this matter prominently to attention at the outset of my speech to you this year, in view of the contemplated changes in the reorganisation of the Bombay State, and in the hope that the authorities concerned may promptly take the necessary steps to ensure that Bombay is not starved of urgently-needed power during the country's second Five-year Development Plan. We have already had bitter experience of this in the past and a repetition during the next five years would be calamitous.

"The Tata Hydro Companies increased their thermal surcharge from 15 per cent to 24½ per cent. from 1st January 1956. You will appreciate that this surcharge primarily results from the inclusion of the thermal station erected by the Government at Chola in the interconnected system. While the addition of this 54 M.W. of capacity is most welcome in partly relieving the power shortage, from a purely economic viewpoint, the addition is something of a weight, which will be relieved to some extent only when the greatly more efficient Tata Trombay plant comes into full commission, leaving Chola merely as a standby or peaking station.

Tariffs Rates to be Reduced

"Despite the increased cost of electricity to the Company, which I have just mentioned, and the ever-rising spiral of prices generally, of which you are all only too well aware, your Board have decided to give effect to a substantial downward revision in the Company's tariff rates to residential consumers for lights and fans and domestic purposes. Details of the reductions about to be made will be made known to consumers by means of a circular at an early date. The result of the revision will be to bring the rates of supply for residential purposes in the suburbs still closer to the rates obtaining in Bombay City, which is an area far more favourably placed, on account of its compact nature and high concentration of industrial and residential load, to offer more favourable rates than your Company. It may be kept in mind that we supply energy in an area several times the area of Bombay City and with loads scattered over vast distances interspersed by hills, woodland and marshes.

"Our ability to make a downward revision of rates at times when almost every other household necessity is increasing in price is due in great measure to the bold policy adopted by your Board in embarking on the six-year plan, already referred to, for providing a vast distribution network in anticipation of release of load from the interconnected system. Your Directors and Agents have always attached considerable importance to a progressive policy, feeling that, unless a spirit of initiative is maintained, stagnation may all too easily invade the scene. The increased revenues that are now forthcoming are the fruit of such prudent and judicious planning. Although this development has yielded considerable benefit to the community at large, as well as to the Company in the form of increased earnings, it is this very expansion which, strange as it may seem, has reacted to penalise the investor. I have explained this ingrateful phenomenon on several occasions in the past, but will do so again later in this speech, as there seems to be a good deal of genuine, and perhaps some deliberate, misunderstanding about it.

Interference by Electricity Board

"We are still in the dark as to the future of the Bombay State Electricity Board, which at present administers its affairs in the whole of Bombay State. The retention of one board on a regional basis has much to commend it, for that board will then be in the best position to continue to co-ordinate the efforts to provide adequate power in the whole of this part of India. However, this should not be construed to mean that the electric supply industry in the Bombay region has been entirely satisfied with the attitude of the present Board since its inception in November 1954. We had been warned by pessimists that the creation of the Board might result in increasing the difficulties of the electric supply industry in the State, which is already subject in certain directions to the control of the Public Works Department. While, on the one hand, the industry has received practically no assistance from the Board by way of loans or materials, there has been a continual pressure, amounting almost to harassment at times, as regards the rates charged to consumers by the licensees in the State. Constant threats of Rating Committees appear to have become a feature of the Board's administration, and it has become painfully necessary for the Association of Electrical Undertakings, Bombay, to have to draw the attention of the Board to the fact that the scheme of the Electricity (Supply) Act is to allow licensees full freedom to formulate their rates of supply so long as they do not violate the provisions of the Sixth Schedule to the Act. The Board has increasingly tended towards interference in the day-to-day operations of the licensees, not only of the relatively small and recent ones but even of those larger ones which have rendered such yeoman service to the communities in the State over a period of many decades. As one who had something to do with the drafting of the original Electricity (Supply) Bill, I can say with confidence that it was never the intention of the Act that electricity boards should hamstring licensees to the extent that they should be deprived of their legitimate initiative in formulating their financial policies. If electricity boards, taking advantage of the weakness of the smaller licensees especially, seek to put them in a financial straight jacket, they will certainly be defeating a good part of the purpose for which these boards were formed.

Imports of Transformers and Meters

"Although I have recently dealt at some length in my speech delivered at the annual general meeting of one of your sister companies, with the vexed question of import licences for transformers and meters, I must repeat this important fact that, in the interests not only of the electric supply industry but also of many other industries dependent on it for their power supplies, our programmes of expansion should not be impeded by undue restrictions in the import of transformers and meters and other equipment until and unless indigenous sources are able to afford reasonable deliveries. You will perhaps be interested to know that, during the last year, your Company placed orders for 12-250 K.V.A. transformers with a local manufacturer, but so far only two units have been received, though at the time the order was placed favourable delivery periods were quoted by the suppliers. Of an order for 2,600 meters placed eight months ago, only 300 have so far been received, and prospects of future deliveries are equally bleak. As it has turned out, the indigenous manufacturers are not only unable to fulfil their commitments, but unwittingly come in the way of the industry obtaining its requirements from elsewhere. While those indigenous manufacturers who are striving hard to maintain a reasonably high standard in their products deserve every encouragement, there seems to be no justification in adopting a dog-in-the-manger policy with regard to the question of allowing a reasonable volume of imports of transformers and meters in order to fill the gap. If the electric supply industry is to play its part effectively in achieving the target set before it in the matter of power development under the second Five-year Plan, it is absolutely essential that the Central Government should adopt a more realistic policy in the imports of transformers and meters from abroad.

Inadequate Return

"While we have had a satisfactory year from the revenue-producing angle and have earned more than sufficient to pay a 7 per cent. dividend, you will note that we have once again had to withdraw an amount, small though this may be, from the equalisation of dividends reserve in order to maintain that same modest rate as in the past. I will now explain in some detail how this extraordinary state of things comes about because, as I have said, there seems to be misconception about the reason and about who is to blame. As you are already aware, under the Electricity (Supply) Act, the standard of permissible return has been fixed at 5 per cent. of the capital base, which is, broadly speaking, the capital employed in the business. Thus, our ability to distribute a dividend in excess of 5 per cent. is essentially limited by the capital structure and the more fresh money which has been brought into the equity capital of a concern the nearer to unity will be the ratio of the capital base to the paid-up share capital. Therefore, to this extent and so long as the return is limited to 5 per cent., expanding companies like yours are handicapped more than those other companies which, for whatever reason, do not expand greatly. In fact, your Company has almost sextupled its equity capital in the last decade alone, in the course of fulfilling its role in the country's economy and in accordance with the terms of its licence, and the legal maximum of return which we are being allowed on our money in the result is not, and for some years past has not been, enough to cover the moderate dividend rate of 7 per cent. per annum to which we have been accustomed.

"With the passing of proposed amendments to the Electricity (Supply) Act, for which we have so long waited, the position in our case should be somewhat improved, because with the Bank rate standing at its present level the permissible return would be slightly enhanced. However, we still have no news that time can be found for Parliament to take even the preliminary step of referring the amending legislation to a Select Committee.

"Anyhow, the position is, and will remain, that any profit earned above the statutory maximum from time to time has to be dealt with in the statutory manner and thus no blame can attach to anyone, other than our law-makers, if in these circumstances, the resulting amount left for the benefit of investors is considered to be disappointing.

"It is because of our legal obligations that we have had to appropriate from the balance of profit this year a sum of Rs. 70,466 to each of the two statutory reserves, namely, the tariffs and dividends control reserve and the consumers' benefit reserve, thereby finally leaving a deficit of approximately Rs. 12,000 between the amount at the Company's disposal for the year and the requirements for a 7 per cent. dividend. We are thus, as on previous occasions, left with the choice of lowering the dividend or of making a withdrawal from the reserve whose name implies such use, that is, the dividends equalisation reserve. So long as there is hope, and there is hope, that some day the law may allow us that extra which we need, and so long as there is money enough left in the reserve which can be used, I have no doubt in my mind that what your Board have proposed to do is in your best interests and will receive your wholehearted approval.

Net Earning Limited By Law

"There are some people, I believe, who urge that solution to the difficulty lies in increasing the profit by cutting down expenditure. Apart from the fact that the Company could not cut down expenditure without sacrificing efficiency and goodwill, it will be apparent from an intelligent reading of the law that it is the *net* earnings which are limited by the statute irrespective of what the expenditure is. The more profit we earn in the circumstances the more would have to go to the two statutory reserves I have referred to, leaving the final balance available to shareholders unaltered at its legal ceiling. I would, therefore, reiterate that the level of divisible profits in your Company results at present entirely from the two factors I have just mentioned, namely, the inadequacy of the standard return allowed at its present rate of 5 per cent. and the legal ingratitude displayed towards extremely rapid expansion.

Grossing Up of Dividend

"Another subject which, I am sure, has been agitating your minds is the question of 'grossing up' of dividends to entitle you to a refund of income-tax. I have already explained to you in the past how an expanding Company like yours being entitled to considerable income-tax depreciation allowances, including the recently announced development rebate, has had no assessable income for income-tax purposes, although it shows a profit in its commercial accounts which are based on the depreciation laid down under the Electricity (Supply) Act. In spite of all efforts made to convince the income-tax authorities that the effect of the accelerated depreciation allowances under the Income-tax Act is only to defer and not to eliminate the liability for tax, they hold the view that, where no tax is leviable in the hands of a company for a year of account, the shareholders of the company are to be denied the 'grossing up' of dividends in their hands for that year. In fact, no one is more affected by this denial of 'gross up' than your Agency Company itself, and it is contesting a test case on the subject. In addition, the Association of Electrical Undertakings, Bombay, and the Federation of Electricity Undertakings of India, in the activities of both of which your management takes a prominent part, have been representing the injustice to shareholders in this context at the highest level possible.

"Linked with the above problem is that of additional income-tax for which, as you will see from one of the footnotes to the balance-sheet, we have a contingent liability. High hopes were entertained recently that this note would no longer be required with the Company's freedom from the tax definitely established when the High Court pronounced its decision in favour of a company whose position was similar to ours. Since then, however, the Income-tax Department have gone in appeal to the Supreme Court with the inevitable delay and uncertainty which this entails. With the enactment of the Finance Act, 1956, additional income-tax in its past form relative to dividend has been abolished, but a tax applicable to dividends distributed in excess of 6 per cent. has been introduced. This latter, however, is of comparatively small significance to companies like yours whose dividends now inevitably cannot be much in excess of the 6 per cent. which has been adopted as a base for the tax.

"I am glad to say that our relations with the Greater Bombay Municipality on street lighting matters have been of the most cordial nature, and that the reference, which I made last year, to the great need for extension of street lighting in the suburbs has borne fruit, as can be seen from the increase in the number of street lights from 6,559 to 7,295. In addition, a number of conversions to brighter lights are taking place and a number of mercury vapour lamps have been installed among the main thoroughfares. Another significant move is the gradual elimination of half-night lamps which are uneconomic both from the point of view of the Company and the Street Lighting Authority.

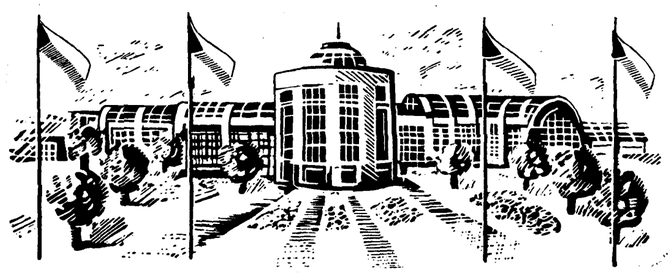
"While the terms on which we render street lighting service have been found acceptable by the Greater Bombay Municipality, the municipalities of Kandivli and Borivli have thought otherwise and resorted to arbitration for determining the rates charged for street lighting. The Arbitrator's Award, published on 18th August 1955, upheld the Company's existing rates which are prevailing since March 1953.

Labour Union

"During the year, the staff union went to arbitration in the matter of several demands dealing with service conditions and bonuses for the years 1950-51, 1951-52 and 1952-53. The Award of the Industrial Court was given in December 1955, but the union chose to go in appeal. A fresh demand for bonuses for 1953-54 and 1954-55 has been referred to the Industrial Court for arbitration. Although your Agents have been in the forefront in recognising and safeguarding the legitimate rights of the workers in the Companies under their control, we are being compelled nowadays to expend more time than ever in courts on industrial matters. So long as labour unions can go to court on the slightest pretexts, this state of affairs is likely to continue. Another tendency which appears to be coming all too prevalent is the use of the cloak of labour union activities to achieve political objectives and without any real heed for the true interests of the workers.

"Apart from the withdrawal of Rs. 12,000 this year from the equalisation of dividends reserve, on reasons for which I have already commented, the only other special reference to the accounts, which, I feel, I need make, concerns the appropriation to employees' retiring gratuities reserve of Rs. 4,26,649. This appropriation, made at the express wish of our auditors, now brings this reserve to the full amount of our present accrued liability in this regard, and thereby relieves shareholders and consumers alike in respect of necessary contributions to meet this obligation. I am sure you will agree as to the wisdom of this step. Otherwise, I think there is nothing particular for me to add in respect of the accounts, which are straightforward, and which together with the notes appended are sufficiently informative.

"The first effects of the Indian Companies Act, 1956, are reflected in the notice convening this meeting, covering, *inter alia*, the retirement and re-election of five of your Directors. I need not enlarge on the necessity for these resolutions as the notice itself is entirely self-explanatory. All five gentlemen have been properly proposed by shareholders for reappointment. As from next year, the accounts will be presented to you in the form laid down in the Companies Act, 1956, in so far as it is applicable to electricity companies, and I trust you will not find merely confusing the changes which that may necessitate."



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II EXHIBITION OF CZECHOSLOVAK ENGINEERING

BRNO September 8th—30th, 1956

U.N. COUNCIL'S DEBATE ON WORLD ECONOMY

STABILISATION OF COMMODITY PRICES STRESSED

THE main item on the agenda of the twenty-second session of the Economic and Social Council of the United Nations held at Geneva recently was the world economic situation. Chief among the important documents that formed the basis of discussion were the U.N.'s World Economic Survey, 1955, Review of the Recent Economic Developments in the Middle East and Review of Recent Economic Developments in Africa, 1955, Survey of the Water Resources in Africa, Annual Economic Surveys for 1955 of the three U.N. Regional Economic Commissions, namely, the E.C.A.F.E., the E.C.E., and E.C.L.A., and General Review of International Commodity Trade. Mr. Dag Hammarskjoeld, the Secretary-General of the U.N., a reference to whose speech has already been made in an earlier issue of *Commerce*, opened the debate, while, besides the Executive Secretaries of the three Regional Economic Commissions and representatives of I.M.F. and F.A.O., a number of delegates representing various countries participated in the discussion. The members generally agreed on the urgent need for stabilising commodity prices, the fluctuations in which are crucial to the economic plans of the underdeveloped countries. The representatives of the underdeveloped areas, at the same time, emphasised that international assistance was an important prerequisite for achieving rapid economic development in their countries.

Mr. Dag Hammarskjoeld emphasised that advanced economies, both free and centrally planned, were far stronger than before the war, and had built up defences against depressions. But the strength of their defences, he said, had not yet been seriously tested. In view of the increased interdependence among the members of the world community today, he stressed that they had greater responsibility to follow economic policies that were conducive to the economic health of the world. In this connection, he pointed out that, despite the rapid improvement witnessed in production and trade in the developed free economies as well as the centrally planned economies over the pre-war levels, no such stabilising forces were evident in the underdeveloped economies. Drawing pointed attention of the Council to the need for stabilising prices of commodities, he pointed out that certain difficulties came in the way. They were the fluctuations in demand for and yield of agricultural production, and the extremely low price elasticities of most primary products. The establishment of the proposed food reserve, he felt, might help attain commodity price stabilisation, though its capacity to provide an all-sufficient answer to all the problems of economic development was very limited.

Mr. Gunnar Myrdal, Executive Secretary of the Economic Commission for Europe, agreed, significantly, with the view expressed by the Secretary-General that the economy of Western Europe had hardly been conducive to the solution of the problems of countries exporting commodities during the past three years, thanks to the increasing production of synthetic products. Moreover, expanding demands of consumers, inflationary conditions and the heavy pressure resulting from armaments programmes rendered the problem of investment acute. In sharp contrast to this, Eastern Europe seemed to offer promising prospects for the marketing of primary commodities.

In Asian Region

According to Dr. Lokanathan, Executive Secretary of the E.C.A.F.E., the developments in the Asian region highlighted the important fact that its future development depended as much on the assistance to be derived from abroad as on its own internal efforts. An encouraging feature was that, in many cases, the rate of increase in production in Asian countries was greater than that in population. He stressed, however, that the improvement in the standards of living of the population demanded urgent acceleration of economic development. In this connection, he emphasised the importance of stabilising receipts in foreign currency yielded by the export of primary commodities. But, such receipts as might be thus obtained would not be adequate for their development purposes. Be that as it may, what according to Dr. Lokanathan was one of the most favourable aspects in the economic development in Asia was the progress achieved in planning.

The basic problems of Latin America were stressed by Mr. Raoul Prebitsch, Executive Secretary of the Economic Commission for Latin America. He stressed that higher tempo of economic development could not be achieved in the area only by the free interplay of natural factors, but that international assistance was equally necessary. He complained that the progress in the rate of capitalisation was impeded by increase in population, on the one hand, and instability in the prices of export commodities, on the other. The role of exports with their restricted possibilities of expansion, he stated, was limited in financing the development. Mr. A. R. Asmaun of Indonesia expressed his concern at the ever-widening gap between the industrialised and the underdeveloped countries. He drew the pointed attention of the Council to the fact that the progress attained in the advanced countries had not been fully reflected in the backward countries.

The delegate from the Netherlands stated that certain imbalance was in evidence between the agricultural and industrial sectors of the centrally planned economies. Incidentally, he underlined the need for improving statistical data relating to these countries. Referring to the underdeveloped economies, he said that diversification of the economy had shown better results, and it would, therefore, be appropriate for them to adopt balanced plans of development. The representative of the International Federation of Christian Trade Unions stressed that, if the underdeveloped areas were to be benefited, the need for expanding international trade in commodities equally with that of manufactured articles was essential. He pleaded for increased foreign investment in these countries.

Grave Concern

The grave concern in the underdeveloped countries caused by the mass disposal on the international market of surplus farm products by certain industrial countries was expressed by Mr. Jaime Nebot Velasco of Ecuador. The increasing production of synthetic products further increased their concern, he added.

The delegate from the U.K., Lord John Hope, noted that the idea of ensuring economic development was predominant in the thinking of the Governments of the underdeveloped countries. He further pointed out that the reason for the international commodity trade not increasing proportionately with that of the manufactured articles was partly the fact that a larger proportion of manufactures had to be traded for the same quantity of commodities on account of the steady price level of the latter.

The representative of F.A.O., Mr. A. H. Boerma pointed out that it was a welcome sign that the world agricultural production had risen at the rate of 3 per cent. in 1955-56, while population expanded only at the rate of 1.5 per cent. He, however, remarked that the greatest increase in agricultural production had taken place in countries which were suffering from surplus stocks, while, in certain underdeveloped countries the *per capita* production was still lower than the pre-war levels. The two main problems of agriculture, according to him, were increase in productivity and improvements in the processing methods of agricultural products. In order to solve the agricultural problems, he called for planning at the international level.

The French delegate, Mr. Pierre Abelin, while expressing gratification at the unprecedented expansion of production and world trade, felt that the present situation contained certain elements of weakness such as the reduced prices in the agricultural sector when compared with the industrial sector. He expressed concern at the slackening in the expansion of industrialised economies and slower rate of accumulation of dollar reserves. The representative of the U.S.S.R. Mr. A. V. Zakharov, explained that, in his country, industrial production expanded 4.2 times between 1946 and 1955. The annual rate of increase in produce in the U.S.S.R. was 13 per cent. during the period 1951-55, or two and a half times greater than in the U.S. He pointed out that the indications relating to Soviet agriculture contained in the World Economic Survey did not correspond to the facts. The Russian delegate further thought it necessary to devise means, through the U.N., of accelerating economic development in the underdeveloped areas.

The Norwegian representative expressed satisfaction at the improvement witnessed in the world economic situation. He pointed out, however, that dollar shortage continued to maintain an imbalance in the payments position of certain countries. Pointing out that the tendency to advocate an economic sector as far as possible free from Government intervention was dangerous, he said that the changes in the basic conceptions of economic and social problems were responsible greatly for the economic expansion registered after the war. The Yugoslav delegate pointed out that the rate of expansion during the past ten years was so pronounced that it was faster than that noted during the ten years following the First World War. The period also characterised the firm resolve of the industrialised countries to create internal conditions of full employment and increase in productivity. He was also gratified at the rate of expansion of agriculture. Proceeding, he said that political considerations governed the conclusion of bilateral and regional agreements outside of the U.N. He added, however, that the gradual disappearance of the cold war would leave the road open for the development of economic co-operation on a universal plane.

The American delegate, Mr. Baker, said that certain aspects of the world economic development would be noteworthy in the years to come. They included, among others, the increasing part played by international trade and private investments, extension of the process of industrialisation in the underdeveloped areas, and the process of international co-operation within the U.N. He further stated that there was clear evidence, in view of the unprecedented scale of expansion witnessed in the past ten years, that the world could be able to feed a larger population. While the representatives of Pakistan and Egypt pleaded for more outside help for development in Asia, the delegate from Greece stated that the stability of industrialised countries would be reinforced by balanced development of resources of the underdeveloped countries. The members generally pleaded for the elimination of international trade restrictions and efforts directed at attaining stability in the commodity prices.

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TOBACCO CULTIVATION

Tobacco occupies an important place in India's agricultural economy. It is also one of India's export commodities. It finds its way to as many as 32 different countries and fetches no less than Rs. 12 crores worth of foreign exchange. Further, as much as Rs. 31.4 crores was collected in 1954-55 as excise duty on tobacco. It is now grown on well over 8.6 lakh acres. India, which produces about 555 million lbs., occupies a place among the world's producers that is next only to the U.S. and China. In India different varieties are grown: Virginia and country tobacco are grown in the coastal Andhra, *bidi* tobacco in North Gujarat and South Maharashtra, *hookah* and chewing tobacco in North Bengal and North Bihar and in Coimbatore. In recognition of the paramount importance of tobacco to Indian economy, the Indian Central Tobacco Committee was constituted in 1945 as a corporate body under the Ministry of Food and Agriculture. The Committee is concerned with the development of all aspects of production and marketing, while the Central Government's Agricultural Marketing organisation exercises quality control over export.

The tobacco grower is confronted with numerous problems—either arising from his ignorance of the scientific methods of growing tobacco, which are very delicate and complicated indeed, or created by the enemies of the plant such as pests and fungal diseases. In this context, a very notable advance was the establishment of the Central Tobacco Research Institute, a specialised body of the Tobacco Committee, in 1947 at Rajahmundry, Andhra. The Institute conducts intensive research into various aspects such as agronomy, chemistry, entomology, pathology, plant-breeding, plant physiology, cylogenetics, and statistics connected with tobacco growing, suggests better and scientific methods of tobacco growing to the farmer and devises effective remedies for the diseases and pests which damage tobacco crop.

An important long-term task taken in hand at present by the Institute relates to the survey of various types of soils on which tobacco can be grown, and collection of precise data pertaining to the influence of soil on the quality of the crop. For instance, salinity has the effect of making tobacco lose its bright colour rapidly, absorb moisture and burn unsatisfactorily. Research conducted into the effects of irrigating Virginia tobacco has shown that, apart from eliminating the danger of making the leaf dark green, early irrigation before the end of December leads to considerable increase in the yield. Again, contrary to the popular view among farmers, fertiliser mixtures containing potash, phosphates and nitrogen are not found to be useful, especially in good soils. Besides, a dosage of as much as 20 lbs. of nitrogen has been determined as a suitable one for flue-cured tobacco. Further researches on the influence of organic and inorganic manures are proceeding apace. Another significant work in the Institute has proved that the inimical effects of high temperatures on germination can be largely overcome by keeping the seeds wet and in a temperature between 50° F. and 75° F. for four to eight days.

Plant organisms like fungus, plants like Orobanche and a myriad insects eating away into the vitals of the tobacco plant constitute a constant source of anxiety to the farmer. Studies at Rajahmundry have shown that chemical dithane is effective in arresting leaf blight, a fungal disease producing dead tissue areas in the leaf. Likewise, spraying of copper compounds in the nursery is found to counteract a disease called anthracnose, and sulphur dust distributed between the rows of plants on the soil is found to be effective against ash disease.

A special variety of parasite living on the roots of the tobacco plant is the Orobanche. The peculiar problem connected with this plant, which consists of a flowering axis, is that its seeds can be quickly disseminated by the wind over a wide area. The Institute is making thorough studies into this problem and is hopeful of achieving localised control. Research has also revealed that caterpillars or cut worms can be fought successfully with D.D.T., and the Institute has also succeeded in finding an effective remedy against the menace of what are called ground bottles through the use of water mixed with insecticide while transplanting tobacco.

Each of the tobacco-growing areas specialises, as is well known, in a particular variety of tobacco. The Government has, therefore, set up a network of research institutions, besides the one at Rajahmundry, in various parts of the country, such as Guntur in Andhra, Vedasandur in Madras, Pusa in Bihar and Dinhata in Cooch Bihar.

MR. RAJAM ON SOME ECONOMIC PROBLEMS

The hope that, under cover of nationalisation, the private sector would not be denied its usual quota of finance it had been getting from the insurance interests and that the promises of the Government in that regard would be fulfilled, was expressed by Mr. T. S. Rajam, in the course of his presidential address to the first quarterly meeting of the Madura-Ramnad Chamber of Commerce, Madurai, recently. Stating that any criticism at this stage of the action of the Government in nationalising life insurance would only be of academic interest, he remarked that, in the field of organisation, the proposal to create five zones, with six divisional offices and forty branches under each of them, did not take into account the variations in the number of policies current in each zone. He suggested that, because of the greater number of policies issued in Madras than in Bombay, Madras State alone should have at least three divisional offices with proportionate number of branches under them.

Turning to the new Industrial Policy Resolution of the Government, he said that, judged by past performances, it was highly doubtful whether the public sector would be able to discharge the responsibilities undertaken by it satisfactorily. He felt that private sector, if not discriminated against in the matter of finance, transport and raw materials, could always put up a better performance than the public sector. The absence of any reference to nationalisation in the policy statement, he said, was comforting. He hoped, however, that such absence did not connote any intention on the part of the Government to "squeeze out" the private sector, but meant its preference to start new industries to taking over existing ones.

Referring to the respective roles of the public and private sectors in the second Plan, he said that the greater emphasis laid on the public sector would hamper growth of production. For so long as an enterprise stayed in Government hands, growth of similar enterprises in the private sector would not be stimulated. According to Mr. Rajam, another aspect tended to weaken the Plan. It was the attempt to relegate the existing well organised consumer industries to the background in favour of "nascent" cottage industries whose capacity for production to meet all the consumer demands is yet to be proved. Increased production of consumer goods would effectively check inflationary forces. In this connection, he welcomed the new allotment of 14,000 automatic looms and two million spindles to the private sector.

Turning to the provision for the development of transport in the Plan, he pointed out that it was too inadequate. Unless further funds were made available, the inadequacy would culminate in "transport chaos." Proceeding further, he said that a constructive solution to the problem of relieving mounting pressure on railways was the development of alternative means of transport such as road transport and coastal shipping. He pleaded for a revision of the taxation and licensing policies of the Government so as to provide incentives for more vehicles being put on the road.

Referring further to the plans of industrialisation, he complained that the South had been neglected. The *per capita* investment in Madras was Rs. 19, whereas it was Rs. 130 in Bengal and Bombay. He urged more industries to be started in Madras State to remove regional disparities. Commenting on State Trading, he observed that the Industrial Policy Statement was violated in transferring cement trade fully to the State Trading Corporation. Despite the large imports of cement contemplated, he felt that a central distributing machine was no answer to the problems facing the country; and by encroaching on cement trade, "Government has once again laid its hands on an asset which has been built up by the hard work of private interests." He, however, hoped that the distribution would be done with the minimum dislocation of the existing channels.

EXPORT OF ORES

The Government of India has decided to issue quotas for the export of iron and manganese ores to parties, who had no performance or quota to their credit during July-December 1955, on the basis of quotas held by them or their performance during the period January-June 1956, according to a Press note issued by the Commerce and Industry Ministry on the 3rd inst. This announcement is for the benefit of those who did not profit by an earlier announcement on 27th July 1956, according to which export licences were to be given only to those who had held quotas or effected exports during July-December 1955. The Press note further states that quotas from the State Trading Corporation for these ores will be issued by the Chief Controller of Imports and Exports within a ceiling of one-third of the total quantity to be allowed for export during this period.

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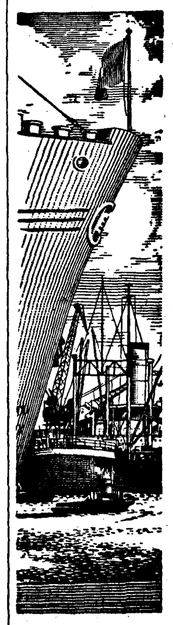

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PROFIT OF BIRLA JUTE A SHADE LOWER

MANUFACTURE OF CEMENT AND STAPLE FIBRE TO BE TAKEN UP

THE Indian jute industry had a favourable period of trading during the year 1955 and in the early months of the current year, thanks to the expansion in production of jute goods and the improvement in offtake. The adequate supply of raw jute and the abolition of export duty on jute goods in August 1955, following the devaluation of the Pakistan rupee, also proved to be of considerable assistance to the industry. The advantages gained by such development were, however, offset to a large extent, and in some cases more than offset, by the high prices which the mills had to pay for raw jute, the higher manufacturing cost on account of the rise in wage level, as a result of the award of the Third Omnibus Labour Tribunal in November last, and keen competition in foreign markets from Continental mills, as well as from mills in Japan and Pakistan.

Judged against the above background, the performance of the Birla Jute Manufacturing Company, Ltd. (Managing Agents: Messrs. Birla Brothers, Ltd., Calcutta), during the year ended 31st March 1956 can be said to be highly satisfactory, though the profit shows a slight setback. The gross profit amounts to Rs. 37.73 lakhs, as compared with Rs. 39.08 lakhs for the previous year, to which level it had risen from Rs. 36.32 lakhs earned in 1953-54. The net profit, which had gone up from Rs. 14.51 lakhs to Rs. 19.29 lakhs in 1954-55, has suffered a sharp decline in the year under review to Rs. 12.44 lakhs, the lowest level in the last ten years, following the larger provisions for Managing Agents' commission, depreciation and taxation, the last mentioned item alone accounting for an increase of Rs. 4 lakhs.

No allocations to the reserves have been made, while in the previous year, the general reserve had received Rs. 5 lakhs and the dividend equalisation fund Rs. 2 lakhs. The dividend on ordinary shares has been maintained at 10 per cent. per annum for the third year in succession on the present paid-up capital trebled in January 1954 by the capitalisation of a part of the reserves. On the old capital, the above dividend represents a distribution of 30 per cent., the same as that paid for the three years 1950-51 to 1953-54 prior to the increase in capital. In effect, therefore, the distribution is being repeated for the sixth year in succession.

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

(In lakhs of rupees)

	For the year ended 31st March			
	1956*	1955*	1954	1953
Sale proceeds	412.39	351.40	282.56	325.76
Other income	5.75	4.73	3.70	3.49
Consumption of raw materials	243.25	195.29	161.45	172.79
Manufacturing and other expenses	132.08	111.20	92.42	101.81
Gross profit	37.73	39.08	36.32	61.91
Managing Agents' remuneration	7.85	7.04	5.81	6.82
Provision for—				
Depreciation	8.44	7.75	6.00	7.00
Taxation	9.00	5.00	10.00	23.00
Net profit	12.44	19.29	14.51	15.09
To reserves	..	7.00	3.84	5.00
Dividends—				
7½ per cent. preference	1.31	1.31	1.31	1.31
5½ per cent. II preference	0.76	..	..	..
Ordinary	9.13 (10%)	9.13 (10%)†	9.13 (10%)‡	9.13 (30%)
Carry forward	4.37	3.13	1.27	..

* The figures for 1954-55 and 1955-56 include those relating to calcium carbide factory.

† This was satisfied by distributing the ordinary shares of the Sootah Jute Mills Co., Ltd., at the rate of one share for every 15 shares of the Birla Jute.

‡ On the increased capital of Rs. 91.26 lakhs raised by the capitalisation of Rs. 60.84 lakhs in January, 1954.

The above table shows how far the increase in sale proceeds is offset by the rise in consumption of raw materials and in manufacturing and other expenses. Of the rise in expenses, salaries, wages and bonus alone account for Rs. 10.23 lakhs.

The Company's calcium carbide factory, which went into production in November 1954, attained full production during the year under review. As was expected last year, the factory made a satisfactory profit of Rs. 4.86 lakhs, as against a loss of Rs. 1.79 lakhs in the previous year. After providing Rs. 5.14 lakhs (Rs. 4.06 lakhs) for depreciation, the loss is Rs. 0.28 lakh (Rs. 5.86 lakhs) which has been adjusted against the profit of the jute section. In view of the rising demand for calcium carbide in the country, the Company has applied to the Central Government for permission to increase the present installed capacity of the plant from 10 tons to 20 tons per day.

The Company's activities are not to be confined to manufacture of jute goods and production of calcium carbide. In view of the rising demand for cement, the Directors have decided to install a cement factory at Satna in Vindhya Pradesh. Orders have already been placed for the necessary plant and machinery with a capacity to produce 800 tons of cement per day. The Directors have also decided to put up a staple fibre spinning plant at Birlapur. Machinery for this plant has also been ordered and production is expected to commence in March 1957.

These projects require large additional finance. In fact, a part of this has already been raised by the issue of preference shares. During the year under review, the authorised capital was increased from Rs. 1.45 crores to Rs. 4 crores by the creation of 800,000 additional ordinary shares of Rs. 10 each and 175,000 second preference shares. Out of these, 75,000 second preference shares of Rs. 100 each carrying cumulative interest at 5½ per cent. (free of income-tax) were issued and fully subscribed in October 1955. These shares are redeemable at par 12 years after the date of issue, or earlier, but not before 1960.

The Company's latest balance-sheet discloses a highly encouraging financial position. The paid-up capital, which has gone up from Rs. 115.94 lakhs to Rs. 189.79 lakhs, consequent on the aforesaid issue of second preference shares, is supplemented by reserves and surplus aggregating Rs. 221.86 lakhs. Of the reserves, capital reserve alone accounts for Rs. 145 lakhs, general reserve for Rs. 45 lakhs, dividend equalisation fund for Rs. 10 lakhs and investment reserve for Rs. 14.05 lakhs. The gross block of the value of Rs. 334.10 lakhs has been written down to a book value of Rs. 188.78 lakhs. The current assets amount to Rs. 297.57 lakhs, of which cash balances alone, which have been strengthened from a mere Rs. 4.71 lakhs to Rs. 74.25 lakhs, very nearly cover the current liabilities amounting to Rs. 36.51 lakhs and provision for taxation Rs. 38.20 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being quoted at Rs. 17-12 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 6 per cent. per annum, free of income-tax.

(Concluded from next column)

aside for contingency reserve and the allocation to the staff gratuity fund has been doubled to Rs. 1 lakh. The tariff and dividend control reserve has been provided with Rs. 48,579 (Rs. 41,896) and the reserve for rebates to consumers Rs. 48,579 (Rs. 41,896). The figures in brackets relate to corresponding provisions in the previous year. The dividend on 5½ per cent. (tax-free) first preference shares absorbs Rs. 1.21 lakhs, and that on 5½ per cent. (tax-free) second preference shares Rs. 44,000. The ordinary dividend absorbs Rs. 5.04 lakhs, leaving a small surplus of Rs. 7,738, as against Rs. 50,516 brought in.

The Company spent Rs. 4.32 lakhs on work in progress during the year. The balance of Rs. 7.12 lakhs out of the Government loan of Rs. 11.12 lakhs was availed of in January 1956 and the works for which the loan was taken are making satisfactory progress. The Directors hope to get from the Government a further loan of Rs. 27 lakhs for rural extensions in the Tiruchirapalli-Srirangam and East Tanjore areas. They feel that the necessity for keeping alive certain sinking funds has ceased now, due partly to the redemption of some of the debentures and partly to their decision to redeem the balance after obtaining consent from the debenture-holders.

The Company has received notice of the acquisition of the Pudukhottai State Electric Undertaking during this year by the Government according to the phased programme drawn up by them. As in the case of the East Ramnad Undertaking, here also the Directors intend to reinvest the proceeds of this transaction in the works of the Company.

S. M. ELECTRIC REPEATS DIVIDEND

PROFIT DECLINES SLIGHTLY

IT goes to the credit of the Directors and Managing Agents of the South Madras Electric Supply Corporation Ltd. (Managing Agents and Chief Engineers: Messrs. Seshasayee Brothers Ltd., Tiruchirapalli) that, even after the acquisition by the Government of their East-Ramnad Electric Undertaking on 1st November 1955 which resulted in a loss to the Company to the tune of Rs. 0.59 lakh, they have been able to maintain the dividend for 1955-56 at the record level of 9 per cent. reached last year. The working of the Company for the year ended 31st March 1956 compares fairly satisfactorily with the record level witnessed in the previous year. It cannot, of course, be gainsaid that there have been some shortfalls in certain categories of income and expenditure, but this is due to the forfeiture of the East-Ramnad Electric Undertaking to the Government during the year under review. Proceeds from the sale of energy, for instance, have slightly receded from Rs. 55.91 lakhs to Rs. 53.96 lakhs and the gross profit by Rs. 0.98 lakh from Rs. 17.20 lakhs to Rs. 16.22 lakhs. The net profit, however, is better and the additions to reserves are slightly larger. The table given below will enable the reader to get at a glance a comparative picture of the Company's results of working during the preceding three years.

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds of energy	53.96	55.91	46.99	42.13
Other income	3.21	3.98	3.71	3.81
Cost of distribution	25.10	26.59	22.82	21.55
Other expenses	15.86	16.11	14.56	13.02
Gross profit	16.22	17.20	13.70	11.37
Agents' commission	0.52	0.54	0.39	0.32
Depreciation	5.83	6.51	5.90	5.29
Provision for taxation	1.00	2.00	1.00	0.25
Net profit	8.87	8.15	6.41	5.51
To reserves	1.51	1.29	0.52	0.38
,, staff gratuity	1.00	0.50	0.25	0.25
Dividends—				
5½ per cent. preference	1.65	1.65	1.62	0.92
Ordinary	5.04 (9%)	5.04 (9%)	4.20 (7½%)	4.20 (7½%)
Carry forward	0.07	0.50	0.84	1.01

The dividend on ordinary shares has been maintained at 9 per cent., to which record figure it was stepped up last year from the rate of 7½ per cent. which existed in the previous year. As in the case of last year, the increase in dividend has been effected, by raising the final distribution from 3¾ per cent. to 5¼ per cent. the interim payment having been maintained at 3¾ per cent.

Commenting on the power supply position in the State, the Directors observe:

"During the period under review, we were free from restrictions of power cut. However, contrary to all expectations and forecasts, the monsoon conditions proved unfavourable once again in April and May 1956 and power restrictions were imposed by the Electricity Department, due to loss of generating capacity at all the hydro-electric stations. The power restrictions were in the usual form of cuts on maximum demand and consumption and, beginning with a 25 per cent. cut in April, the cut reached a maximum of 66⅔ per cent. in May, but was relaxed to 25 per cent. from 7th June 1956. With the onset of the monsoon, normal conditions were restored from 1st July."

The quantity of electricity sold by the Company during the year under review amounted to 85.52 million units, as compared with 81.51 million units, thereby breaking last year's record figure by a comfortable margin. The revenue from sale of energy, however, has dwindled from Rs. 55.91 lakhs to Rs. 53.96 lakhs. This is due to the fact that the receipts from supply of power on H.T. supply stand lower at Rs. 11.39 lakhs (Rs. 12.84 lakhs) and those on L.T. supply at Rs. 14.50 lakhs (Rs. 15.19 lakhs). Other income, too, is smaller at Rs. 3.21 lakhs (Rs. 3.98 lakhs). At the same time, expenses also have fallen, though not to the same extent as in revenue. The cost of distribution amounts to Rs. 25.10 lakhs, as compared with Rs. 26.59 lakhs in the previous year; other expenses have come down from Rs. 16.11 lakhs to Rs. 15.26 lakhs.

Out of the gross profit of Rs. 16.22 lakhs, the Managing Agents' Commission absorbs Rs. 52,373 (as compared with Rs. 53,872), provision for depreciation Rs. 5.83 lakhs (Rs. 6.51 lakhs) and provision for income-tax Rs. 1 lakh (Rs. 2 lakhs). A sum of Rs. 38,729 (Rs. 40,363) has been set

(Continued in previous column)

ALL-INDIA GENERAL INSURANCE CO. LTD.

LIFE BUSINESS EXPANDS

A FURTHER satisfactory expansion in life business was the outstanding feature of the working of the All-India General Insurance Company, Ltd., during the year ended 31st December 1955. The business in the general insurance section was nearly maintained at the previous year's level. Following the nationalisation of life insurance business in this country in January 1956, the Company's life business also was taken over by the Custodian appointed by the Government.

The report of the Custodian on the life business during 1955 shows that the Company received 5,143 proposals for assurances amounting to Rs. 129.92 lakhs, as compared with Rs. 3,857 proposals for Rs. 101.19 lakhs in the previous year. As many as 3,440 proposals resulted into policies for Rs. 94.98 lakhs, having gone up from Rs. 76.11 lakhs covering 2,899 policies. The net claims paid and outstanding amounted to Rs. 2.22 lakhs, as against Rs. 1.14 lakhs in the previous year. The net premium income for the year amounted to Rs. 18.73 lakhs, a rise of Rs. 1.20 lakhs over the year. The net interest earned, after deduction of income-tax at source, was Rs. 3.53 lakhs, giving a yield of 3.77 per cent. The number of policies in force at the end of the year was 20,088, assuring a sum of Rs. 463.42 lakhs, as compared with Rs. 426.52 lakhs at the close of 1954, covering 18,121 policies.

With the nationalisation of life insurance, the Company's eleven-year career in this field—the Company commenced writing life business in October 1944—has come to an end. In this short period, notwithstanding heavy odds, the Company has been able to build a life fund of Rs. 102.18 lakhs as at the end of 1955 and to declare bonus to life policyholders. While expressing regret that the life business of the Company had been taken over by the Government, Mr. Ravilal Shantidas, who presided over the annual general meeting of the Company held on 30th July 1956, in the absence of the Chairman, Mr. Pannalal Bansilal Pitty, felt glad that the Company was able to hand over to the Government a "solvent and sound life fund of over Rs. 1.02 crores built at considerable sacrifice and cost to the Company." He also added that the investments were so well managed that at the end of last year it was possible to add to the life fund a sum of Rs. 83,145 which was found superfluous in the investment reserve account.

In the general insurance section, the Company earned an aggregate net premium income of Rs. 15.41 lakhs during 1955, as compared with Rs. 15.71 lakhs in the previous year. The total expenses of management, however, recorded a welcome decline from Rs. 6.24 lakhs to Rs. 5.29 lakhs. As regards the working of individual departments, the net premium income from fire business declined slightly from Rs. 9.80 lakhs to Rs. 9.15 lakhs. There was a fall in the foreign fire premuim income of the Company from inward treaties. This fall was largely due to the Company's inability to reciprocate fully to the treaty companies. Net claims paid and outstanding also declined from Rs. 4.20 lakhs to Rs. 3.02 lakhs. After setting aside 40 per cent. of the premium as reserve for unexpired risks, there is a profit of Rs. 87,272 (as against Rs. 32,206 for 1954). The marine premium amounted to Rs. 1.08 lakhs (as against Rs. 90,883) and net claims paid and outstanding to Rs. 64,940 (Rs. 60,959). There was keen competition for business and rates were found unsatisfactory. The Company has, therefore, restricted its activities in this class of business. After creating a 75 per cent. reserve, the profit amounts to Rs. 18,027, having declined from Rs. 24,853. The net premium income of the miscellaneous department amounted to Rs. 5.18 lakhs (Rs. 5 lakhs) and claims paids and outstanding Rs. 2.68 lakhs (Rs. 2.69 lakhs). A profit of Rs. 15,021 (Rs. 1,960) has been earned in this section after setting aside 40 per cent. of the premium as reserve for unexpired risks.

The aggregate profit of all the departments is Rs. 1.73 lakhs, as compared with Rs. 78,484 for 1954. After raising the provision for depreciation on investments from Rs. 25,000 to Rs. 94,000 and the reserve for doubtful debts from Rs. 20,000 to Rs. 67,000, the balance left to be carried forward, along with the previous year's surplus, is Rs. 74,546, as against Rs. 62,924 a year ago.

Referring to the outlook for the Company, the Chairman observed that, in view of the present unsatisfactory nature of general insurance business, the Company had been concentrating on the development of life insurance business. As a result of the nationalisation of life business, however, the Company had lost a good part of the business built due to special efforts, with the result that the shareholders had lost forever their share of profits in the life valuation, which would have increased in future years. Further, the Company had lost some of the life personnel, who were helping the Company in the development of general insurance business. Apart from the difficulties that had arisen as a result of nationalisation of life insurance, Mr. Shantidas added, an insurer had a certain influence on the selection of individual risks, but he was powerless against the effects of any profound economic changes or of catastrophic events. That was the situation that faced the Company today. He stated that, in these circumstances, a forecast at the present period of profound changes was very difficult; yet, with the increasing tempo of economic activity under the second Five-year Plan, the Company could look forward to the future with cautious optimism.

Points From The Chair

Return to Investors in Electricity Undertakings

"AS you are already aware, under the Electricity (Supply) Act, the standard of permissible return has been fixed at 5 per cent. of the capital base, which is, broadly speaking, the capital employed in the business. Thus, our ability to distribute a dividend in excess of 5 per cent. is essentially limited by the capital structure, and the more fresh money which has been brought into the equity capital of a concern the nearer to unity will be the ratio of the capital base to the paid-up share capital. Therefore, to this extent and so long as the return is limited to 5 per cent., expanding companies like yours are handicapped more than those other companies which, for whatever reason, do not expand greatly. In fact, your Company has almost sextupled its equity capital in the last decade alone in the course of fulfilling its role in the country's economy and, in accordance with the terms of its licence and the legal maximum of return which we are being allowed on our money in the result is not, and for some years past has not been, enough to cover the moderate dividend rate of 7 per cent. per annum to which we have been accustomed."

K. G. MILNE,
Bombay Suburban Electric Supply, Ltd.

Compensation to Kolar Gold Mines

"Your directors and managers have patiently and painstakingly striven to remove doubts and to clear up misunderstandings. You will recall that in reply to the unjust accusation made by the Mysore Government that the agreement had been violated, the companies requested that the question may be referred to arbitration, as specifically provided in the agreement itself. The Mysore Government rejected this request and expressed its preference for legislation. It was also represented that if the Government of Mysore were dissatisfied with the terms of the 1949 agreement, the companies would be ready and willing to discuss a new agreement mutually acceptable. In their anxiety to end all controversies, and smooth out differences and see cordial and harmonious relations restored, your Directors did also suggest, in more than one context, that the Government may be pleased to appoint an impartial Expert Committee of eminent and high-ranking personalities in the fields of Justice (such as a retired Chief Judge of the Supreme Court of India), Finance and Administration, to whom all the charges and differences may be referred for examination. It was also submitted that if nationalisation was decided upon, the question of fixing the compensation should also be referred to such an independent committee. None of these requests has so far been heeded by the State Government."

M. A. SRINIVASAN,
Kolar Gold Mining Companies

Insurance Association Pool

"Another important matter which should not only be disturbing to this trade but to the private sector as a whole is that Government intend to dissolve the 'Indian Insurance Companies Association Pool' and pass on all that business to the three companies which are subsidiaries of the Life Insurance Corporation. You are aware of the declared policy of the Government that, whenever in an industry the private and public sector companies are working, the Government will adopt a non-discriminatory attitude in its patronage, because after all both are indigenous and, therefore, deserve the support of the Government, irrespective of who owns it or manages it. The Central and States Government business which was so long catered for by the 'Pool'—has been distributed in an equitable manner between all the Indian companies. It is, therefore, not right for the Government to deprive these companies of this business and reserve it for the subsidiaries of their Life Insurance Corporation. In doing so, the Government would be going against their declared policy and would be doing injustice to insurers in the private sector. I appeal to the Government not to exclude the companies of the private sector from being beneficiaries of the Government business."

K. M. D. THACKERSEY,
Indian Mercantile Insurance Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

DISHERGARH POWER SUPPLY CO., LTD. Annual General Meeting, Calcutta, 25th August 1956. Dividend: Rs. 6 per share. Transfer books will remain closed from 13th to 25th August 1956, both days inclusive.

KADUR COFFEE ESTATES LTD. Annual General Meeting, Bangalore, 25th August 1956. Dividend: As. 2-2/5 per ordinary share. Transfer books will remain closed from 20th to 25th August 1956, both days inclusive.

AHMEDABAD MANUFACTURING AND CALICO PRINTING CO., LTD. Annual General Meeting, Ahmedabad, 27th August 1956. Dividend: Rs. 30 per share (includes two interim dividends of Rs. 8 and Rs. 10 per share) for 15 months ended 31st March 1956. Transfer books will remain closed from 15th to 29th August 1956, both days inclusive.

ALLIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 28th August 1956. Transfer books remain closed from 6th to 28th August 1956, both days inclusive.

BULANBAREE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 28th August 1956. Transfer books will remain closed from 14th to 28th August 1956, both days inclusive.

SEN-RALEIGH INDUSTRIES OF INDIA LTD. Annual General Meeting. Calcutta, 28th August 1956. Transfer books remain closed from 7th to 28th August 1956, both days inclusive.

TATA IRON AND STEEL CO., LTD. Annual General Meeting, Bombay, 30th August 1956. **Dividend: Rs. 10-8 per ordinary share.**

HOOGHLY FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th August 1956. Transfer books will remain closed from 23rd to 30th August 1956, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tennur, Tiruchirapalli, 31st August 1956. **Dividend: As. 8-2/5** per ordinary share (final). Transfer books remain closed from 7th to 31st August 1956, both days inclusive.

KUMARDHUBI ENGINEERING WORKS LTD. Annual General Meeting, Calcutta, 31st August 1956. Dividend: As. 8 per share. Transfer books will remain closed from 16th to 31st August 1956, both days inclusive.

COCHIN MALABAR ESTATES LTD. Annual General Meeting, Kozhikode, 3rd September 1956. Dividend: As. 12 per share. Transfer books will remain closed from 25th August to 3rd September 1956, both days inclusive.

BRADBURY MILLS LTD. Annual General Meeting, Bombay, 4th September 1956. Dividend: Rs. 20 per share, payable on 10th September 1956. Transfer books remain closed from 13th August to 7th September 1956, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 13th September 1956. Dividend: Rs. 6 per share, final (includes bonus also), payable on and after 26th September 1956. Transfer books will remain closed from 18th August to 10th September 1956, both days inclusive.

KOHINOOR MILLS CO., LTD. *Ad-interim* dividend of Rs. 6 per share, for the half-year ended 30th June 1956, payable on and after 28th September 1956. Transfer books will remain closed from 20th August to 3rd September 1956, both days inclusive.

PUTHUTOTAM ESTATES (1943) LTD. Dividend of As. 3-1/5 (10 per cent.) per ordinary share, for the eight months ended 31st March 1956. Transfer books will remain closed from 1st to 15th September 1956, both days inclusive.

BALMADIES PLANTATIONS LTD. Dividend of As. 3-1/5 (10 per cent.) per ordinary share, for the year ended 31st May 1956. Transfer books will remain closed from 3rd to 10th September 1956, both days inclusive.

MYSORE LAMP WORKS LTD. Dividend of 9 per cent. on the ordinary shares, for the year ended 31st March 1956. Transfer books remain closed from 7th to 13th August 1956, both days inclusive.

DECCAN SUGAR AND ABKHARI CO., LTD. *Ad-interim* dividend of 5 per cent. on the ordinary shares, for the year ended 31st May 1956. Transfer books will remain closed from 13th to 27th August 1956, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Interim dividend of 5 per cent. on the ordinary shares, for the year ending 30th September 1956. Transfer books remain closed from 6th to 20th August 1956, both days inclusive.

SRI RANGA VILAS GINNING SPINNING AND WEAVING MILLS LTD. Dividend of Rs. 8 per share, for the year ended 31st December 1955. Transfer books remain closed from 11th August to 7th September 1956, both days inclusive.

COMPANY REGISTRATIONS

CHEMICAL AND ALKALI DISTRIBUTORS LTD. (First Directors: Mr. Popatlal N. Shah.) Business: Manufacture of chemicals. Authorised capital: Rs. 10,00,000. Public company. Address: Registered office of the company will be situated in the State of Bombay.

CHAMAN PRIVATE LTD. (First Director: Mr. Madan Mohan Ruia) Business: General merchants. Authorised capital: Rs. 25,00,000. Private company. Address: State Bank Building Annexe, Bank Street, Fort, Bombay.

STRUCTURAL FABRICATORS PRIVATE LTD. (First Director: Mr. R. S. Lala Karamchand Aggarwal.) Business: Machinery manufacturers. Authorised capital: Rs. 10,00,000. Private company. Address: 126, Narayan Dhuru Street, Bombay 3.

INDIAN MERCANTILE INSURANCE CO., LTD.

MR. K. M. D. THACKERSEY'S SPEECH

THE Annual General Meeting of the Indian Mercantile Insurance Co., Ltd. was held at Bombay on 2nd August 1956. Mr. K. R. P. Shroff presided over the meeting in the absence of the Chairman, Mr. K. M. D. Thackersey. The following is the text of Mr. Thackersey's speech, together with a brief account of the proceedings:

"GENTLEMEN,

"Before I comment on the annual accounts, I will place before you my views on some of the important questions affecting Insurance Industry.

"You are well aware that our Government has nationalised the life insurance business by promulgating the Life Insurance (Emergency Provisions) Ordinance, 1956, on 19th January 1956.

"In my opinion, the objectives which the Government had in view in nationalising life insurance business could have been better realised by allowing the industry to function in the competitive private sector with proper and effective regulations. But this being an accomplished fact, I wish to offer no comments. I shall be very glad if the pace of progress of life insurance business of the last five years is, if not increased, maintained by the Life Insurance Corporation and that the policyholder continues to receive the same sympathetic service and the rate of bonus as he used to get from the private insurers.

General Insurance

"While nationalising life insurance business it was made clear by the Honourable Finance Minister, Shri C. D. Deshmukh, on behalf of the Government that the Government had no intention to nationalise general insurance business. Government do not consider from the point of view of assistance to second Five-year Plan that general insurance is going to offer any significant help. Moreover, policyholders in general insurance being persons of commerce and industry are capable of looking after their interests. He also said that they were aware of the malpractices in the general insurance business and if there was no significant improvement in that respect, they might have to re-examine the question.

"If the insurers have to work under the constant threat of nationalisation, in which even the malpractices of a few could be made an excuse for taking over the general insurance business, it is but natural that the companies cannot plan and organise their working ahead to meet their responsibilities of handling much larger business which they can hope to secure as a result of rapid industrialisation that is taking place under the second Five-year Plan. The Government, therefore, should categorically make it clear that the industry, like many others, will remain in private sector, so that with their future assured, the companies can conserve their resources and go ahead with their future programmes of expansion. Along with this the Government, through the Executive Committee, can set standards, with a view to putting a stop to malpractices and see that they are effectively maintained by proper regulations by all insurers. This should not mean that the industry has no responsibility in the matter. Each insurer must actively co-operate with Government and Executive Committee and take every step necessary to make the working clean and sound.

Re-insurance Corporation

"Another important facet of general insurance business which worried the Government and the Indian insurance interests was the net drain out of India that occurred every year due to reinsurances. After discussions between the Government, the Executive Committee, Indian Insurance Companies Association and representatives of general insurers it has been decided to set up 'India Re-Insurance Corporation Ltd.' Eighty per cent. of the subscribed capital of this Corporation will be in the hands of Indian insurers and twenty per cent. in the hands of foreign insurers. It will have a base of Indian premium drawn from all insurers registered in India and will try to build up reinsurance relations with companies in all foreign countries. This should substantially reduce the drain and, in course of time, it will be an earner of substantial foreign exchange. You will be glad to know that your Company has agreed to subscribe to the share capital of this Corporation and be one of its promoters.

"Another important matter which should not only be disturbing to this trade but to the private sector as a whole is that Government intend to dissolve the 'Indian Insurance Companies Association Pool' and pass on all that business to the three companies which are subsidiaries of the Life Insurance Corporation. You are aware of the declared policy of the Government that whenever in an industry the private and public sector companies are working, the Government will adopt a non-discriminatory attitude in its patronage, because after all both are indigenous and, therefore, deserve the support of the Government irrespective of who owns it or manages it. The Central and States Government business which was so long catered for by the 'Pool' has been distributed in an equitable manner between all the Indian companies. It is therefore, not right for the Government to deprive these companies of this business and reserve it for the subsidiaries of their Life Insurance Corporation. In doing so the Government would be going against their declared policy and would be doing injustice to insurer in private sector. I appeal to the Government not to exclude the companies of the private sector from being beneficiaries of the Government business.

"You will have noticed from the accounts that the year 1955 has been the best year in the history of the Company, and that too in all respects—profits, premium income, progress made, additions to underwriting reserves and other reserves.

Rise in Earnings

"As a result of our operations during the year under review, our total Indian gross and net premium, including life income, amounted to Rs. 47.09 lakhs and Rs. 50.55 lakhs, respectively, registering an increase of 15.1 per cent. and 13.4 per cent. over the previous year.

"Our total net and Indian gross premium income in general department amounted to Rs. 25.95 lakhs and Rs. 22.85 lakhs, respectively, as against Rs. 22.19 lakhs and Rs. 18.76 lakhs, respectively, last year. Net premium income has increased by Rs. 3.76 lakhs over the previous year; whereas, the gross premium has increased by Rs. 4.09 lakhs over the previous year. This increase in premium income has been the largest so far secured in the history of the Company.

"Of the year's general premium income claims absorb 36.3 per cent., as against 42.5 per cent. last year. Commission and expense of management account for 40.2 per cent., as against 38.1 per cent. last year. Reserve for unexpired risks results into a strain of 12.3 per cent. against a strain of 6.8 per cent. last year. There is an increase of Rs. 1,84,064 in the reserve for unexpired risks over the last year. Thus, there is a relief of 6.2 per cent. on claims, an increase of 2.1 per cent. on commission and expenses of management and a strain of 5.5 per cent. on reserves.

"As a result of the year's working our funds have increased by Rs. 4,99,314. Our funds, excluding life funds, amount to Rs. 50,62,078."

Proceedings

Mr. J. T. Halai congratulated the management for the splendid profits and suggested that outstanding liability of shares be further reduced by capitalising reserves. Mr. G. M. Shah said that, in the alternative, fully paid bonus share of Rs. 40 be issued. Mr. J. P. Khatri stated that the Company's expenses were more and that Company's investments be changed from Government securities to equity shares to get better yield.

The Chairman said that the comments will receive consideration of the Board. The report and accounts were adopted. A dividend of Rs. 3 per share was sanctioned. Mr. K. M. D. Thackersey, Mr. M. D. Madhowji and Mr. K. R. P. Shroff were re-elected Directors. Messrs. S. B. Billimoria & Co., and Messrs. Devidas Vithaldas & Co., were re-appointed joint Auditors.



QUESTION HOUR IN PARLIAMENT

World Bank Loans

A LOAN of approximately Rs. 10 crores for the expansion programme of the Indian Iron and Steel Company and a loan of about Rs. 12 crores for the Bombay Government's Koyna hydro-electric project are being arranged from the World Bank. Negotiations for these two loans have not yet started and, therefore, no particulars about the terms can be given at this stage.

—*Jawaharlal Nehru*

Consortium of Banks

The Government of India feels that the setting up of a consortium of leading banks for underwriting new issues of industrial shares and debentures has to be deferred until the results of the working of the recently established credit institutions and the pilot schemes undertaken by the State Bank of India for financing industries become available. In recent years, there has been a considerable increase in the number and range of financing institutions for industry and the pilot schemes undertaken by the State Bank of India and for the co-ordination of the activities of the different agencies for the grant of credit to small and medium-scale industries. The setting up of a consortium of leading banks and insurance companies under the leadership of the former Imperial Bank was recommended by the Shroff Committee to enable the participation of banks and insurance companies in long-term industrial finance.

* * * *

Sodepur Glass Works

It has been agreed to sell the assets of the Sodepur Glass Works Ltd. to an Indian company which is being floated by the Asahi Glass Company Ltd. of Japan. This Indian company has not yet been floated; it is expected to be formed very shortly. An agreement has been signed between the Industrial Finance Corporation of India and the Asahi Glass Company Ltd., under which the latter has undertaken to float a public limited company in India to purchase the assets of the Sodepur Glass Works Ltd. from the Corporation. The Corporation, on its part, has agreed to grant to the said Indian company a loan of Rs. 62 lakhs which is the sale price of the assets of the Sodepur Glass Works Ltd.

—*A. C. Guha*

Life Insurance Corporation

The headquarters of the National Life Insurance Corporation will be located at Bombay. The Corporation will begin functioning from 1st September. Steps necessary under the laws are being taken to constitute the Corporation in time. Arrangements are also being made to organise the business of life insurance, so that, with the establishment of the Corporation, there will be minimum disturbance or dislocation in the flow of new business and in serving policyholders. All employees of the nationalised companies will be provided employment by the new Corporation. An assurance to this effect had been given at the time nationalisation was announced. The question of their permanency will also be considered after the Corporation comes into being. Special committees have been established to go into the pay scales of these officers and lower staff. Tentative decisions in regard to this matter have been taken, although not finalised, in regard to salaries of the lower staff. So far as the highly paid staff is concerned, however, decisions have been taken. Their pay scales will be lower than what they were getting in the various insurance companies previously.

* * * *

Study of Tax Systems Abroad

The Chairman of the Central Board of Revenue, Mr. A. K. Roy, will head the four-man team of Indian Income-tax experts that is being sent abroad to study the taxation systems in other countries. One expert each will visit the United States, Sweden and Japan, while the fourth will visit all the three countries to co-ordinate and supervise their work and to study the broader aspects of tax administration and organisation. The duration of the visit will be about three months. The taxation systems in these countries have already been studied theoretically, but the experts now propose to study them from a practical point of view as regards organisation and administration.

—*M. C. Shah*

American Aid

India obtained 114,000 tons of wheat and 2,051 bales of cotton valued at Rs. 4.76 crores from the U.S.A. by way of aid during 1955-56. This was obtained by way of economic assistance in the form of import of surplus agricultural commodities. Under the terms of the agreement, 50 per cent. of the amount was to be utilised for the purchase of surplus agricultural products from the U.S.A. Part of the assistance was in the form of aid and part in the form of loans. An interest of 4 per cent. was to be paid on the loan. The amounts were to be in the form of counterpart rupee funds and to be utilised on projects jointly agreed to by the U.S.A. and India. Negotiations are going on with the U.S.A. for the purchase, under the same scheme, of surplus wheat and cotton. This is essential to make the second Plan a success.

—*B. R. Bhagat*

Coal Prices

An increase in the prices of coal became necessary because of the benefits by way of increased emoluments and additional concessions granted to miners by the Tribunal. The upward revision of prices cannot be said to have had any material effect on the masses, except that, in large cities where soft coke is used as domestic fuel, the price of soft coke has been increased by two annas to three annas per maund. Price increase has been agreed to because of the Government's conclusion that it cannot be met from the companies profits.

* * * *

Methanol Plant

The Russian experts have reported that the methanol plant, obtained as reparation is on the whole in a fairly good condition. In their opinion, the plant can be installed at Sindri for the manufacture of methanol and ammonia after repairs.

—*Sardar Swaran Singh*

New Coal Bed

Coal has recently been found in the Bankura District of West Bengal. The coal-bearing area lies on the southern bank of Damodar River four miles from Durgapur Barrage, D.V.C. It is too early to say anything about the extent of the deposit or the possibilities of opening mines.

* * * *

Oil Find in Assam

No indication is available yet whether the new oil find at Tengakhet in Assam by the Assam Oil Company has got the possibility of an oil well. Test drilling operation is still in progress. So far, they have reached about 1,000 feet below ground level. There was recently a conference at Dehra Dun of experts in the country engaged in oil exploration for reviewing the work done so far. Some of the Press reports on the conference are unauthorised. I did not make any statement of policy at Dehra Dun.

* * * *

Oil Refinery in Public Sector

A preliminary understanding has been reached between the representatives of my Ministry and the Assam Oil Company for forming one or more rupee companies with Government participation for exploration, production and transport of oil from the areas whose rights are already conceded to the company previously and where oil has been discovered. No formal agreement has, however, yet been reached with the Company. So far as refining of oil is concerned, it is proposed to establish a refinery under the public sector with at least 66⅔ per cent. of Government share. The whole matter is under consideration. The Assam Oil Company has suggested that the refinery be located at Calcutta, but the matter is still under consideration. A committee of experts will be appointed to go into the whole question and take a decision. The refinery will initially have a capacity of 1.5 million tons. The annual production of crude oil from the areas where oil has now been discovered is, according to the Company's experts, one million tons.

—*K. D. Malaviya*

ENGINEERING

(*Concluded from page 272*)

words, the cracking of the cylinders became an "epidemic" and by the middle of 1955 about 159 cylinders out of the total 200 fitted in the 100 locomotives supplied by the above firm had cracked. Similar cracking was also observed in about 90 cylinders out of the 268 supplied directly by another United Kingdom firm to the Chittaranjan Locomotive works for fitting into their "W.G." locomotives under manufacture. A technical enquiry held in 1953 established the fact that the cracking was mainly due to defects in their design including a corehole and the poor finish of the castings. Attempts were made by the India Stores Department, London, to get free replacement. While no satisfactory reply was received from the firm which supplied to the Chittaranjan Locomotive Works, the other firm repudiated the claim on the ground that the cylinders were manufactured by them in accordance with the drawings approved by the consulting engineers and that there was no guarantee clause in the agreement. The Committee learnt that the manufacturing firm had adopted the design of "W.P." locomotives but instead of providing a stronger web for the comparatively larger steam load, they had actually reduced the thickness of the web. The consulting engineers did not bring the reduction in the thickness of the web to the notice of the Railway Board and the representative of the Railway Board informed the Committee that the consulting engineers acceped the responsibility for the design, but not the liability, a stand which the Committee could not quite appreciate.

In June 1948, a contract for the supply of 470 locomotives was placed with manufacturers in Canada and the U.S.A. through the India Supply Mission, Washington, the components and fittings for which were to be obtained from manufacturers in the United Kingdom. In order to avoid any delay in the supply by British manufacturers, it was initially proposed that the order should be placed direct by the India Store Department, London. The U.S. and Canadian manufacturers insisted that unless they themselves placed the orders there would be divided responsibility for delivering the locomotives in time. This was ultimately agreed to. In the final analysis, however, the desired objective could not be attained as the deliveries from Canada were considerably delayed and the American locomotives, though delivered in time, arrived without fittings. The fittings were subsequently received in India direct from the U.K. However, payment amounting to $1.7 million for the British-made components had to be made in dollars whereas, it could have been done in sterling if the order on the U.K. had been placed by the India Store Department, London. Further, since 370 out of 470 locomotives were delivered only after the devaluation of the rupee in September 1949, it resulted in a loss of Rs. 20 lakhs to the Government. If only the Government had obtained its components direct from the U.K. on its own orders, this loss could have been avoided. The memorandum furnished by the Railway Board at the instance of the Committee showed the loss on account of freight charges on the Assam Rail Link at Rs. 16.36 lakhs. This loss was a direct consequence of the preferential treatment meted out to the Assam Oil Company in the matter of freight charges and the refund which was given to the Company with retrospective effect from January 1950.

Clearly, some of these irregularities in procedure which have meant financial loss to the railway could have been avoided through prompt attention to details by the authorities concerned. It is to be hoped that such attention would be forthcoming in the future.

NUCLEAR EXPLOSIONS

An objective study of the consequences of the use of nuclear, thermonuclear and other weapons of mass destruction is contained in a book entitled "Nuclear Explosions and Their Effects," released by the Publications Division of the Government of India. Written for the layman as well as the scientist, the book outlines the discovery of atomic energy and the evolution of the atom bomb. The chief burden of preparing the study fell on Dr. D. S. Kothari, Head of the Defence Science Organisation in India. With him were associated many scientists including Dr. Homi Bhabha and Dr. V. R. Khanolkar.

The book deals with the broad scientific principles underlying fission and fusion explosions and includes illustrative charts showing the relative effects of nuclear, thermonuclear and other destructive weapons. In another chapter, the book describes in broad terms the physical and biological effects of nuclear explosions. Describing the devastating blast, heat and radiological effects of high-yield explosions—explosions in which energy unleashed is equivalent to millions of tons of T.N.T.—the book says that it is apparent that a high-yield fusion bomb is primarily a radiological weapon. The study shows how the blast of a single megaton weapon is enough to destroy the very largest of modern cities. Its radiological effect is enough to devastate an area as large as some of the largest States.

The multiplication factor in comparison to the devastation caused by conventional weapons is so big that it becomes extremely difficult to appreciate and assess the seriousness and peril of the new situation. In recent tests, it is estimated that 15 megaton thermonuclear (or H. bomb) explosions have been tried out. A 20-megaton bomb, it points out, releases energy which is of the same order as that of a large earthquake or a hurricane; its energy is equal to 2 per cent. of the annual output of electrical energy in the world. It is pointed out that, if this bomb were to be made from conventional explosives, the mere cost of the explosives will be roughly a thousand million pounds sterling. In contrast, the nuclear weapon is, in terms of destructive power, the cheapest thing the world has ever seen:—cheaper than conventional weapons by a factor of hundreds, if not thousands. By sheer logic of the situation, the book points out, "megaton bombs and cities cannot co-exist for a long time."

The book includes appendices on nuclear explosions and the weather, radio-active contamination of fish and marine organisms and maximum permissible concentrations in air and water for continuous exposure. In the chapter on the genetic effects of nuclear explosions, two points have received special attention: (1) the internal hazard resulting from ingestion (by absorption into a body) of radio-active substances contained in the fallout from test explosions, and (2) the genetic hazard from exposure of the entire world population to ionizing radiation from global fallout. The former injures the individual during his lifetime while the latter manifests itself not in the exposed individual but in his descendants.

In the concluding chapter the book recalls the statement made in July 1955 jointly by Albert Einstein, Percy W. Bridgman, Leopold Infled. Herman J. Muller, Cecil F. Powell, Joseph Rotblat, Bertrand Russel, Hideki Yukawa and Jean Frederic Joliot-Curie. In this statement, the world-renowned scientists and humanists had clearly posed the problem facing humanity: "Here then is the problem which we present to you, stark and dreadful and inescapable: shall we put an end to the human race: or shall mankind renounce war? People will not face this alternative, because it is so difficult to abolish war.... There lies before us, if we choose, continual progress in happiness, knowledge and wisdom. Shall we instead choose death because we cannot forget our quarrels?"

The authors therefore consider it extremely important—while we are still ignorant as to the true scale of hazard—that the radiation exposure is kept down to the lowest possible value. Otherwise, they point out, irretrievable harm may be done to what is literaliy the most precious treasure of mankind—genetic heritage. In conclusion, the study says: "While no one with any understanding of problems of nuclear war has argued that a war with nuclear weapons would be anything less than a total disaster, there are some people who argue that tests can continue, because it is not yet firmly established that, on the present scale, they would lead to any substantial increase in the existing somatic and genetic load of mankind. In effect, this means that tests can continue so long as it is not known with certainty that they would cause serious harm to man. This is a rather strange line of argument. To argue that tests should stop only if it were definitely established that their continuation would bring certain disaster to mankind is a regrettable commentary on 2,500 years of progress since the Buddha."

Notices

BENARES ELECTRIC LIGHT AND POWER COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956 (being the fifty-sixth Ordinary General Meeting of the Company) of the abovenamed Company will be held at its Registered Office, No. 12, Mission Row, Calcutta, on MONDAY, the 10th September 1956, at 11-0 a.m., for the following purposes:—

1. To consider and pass the audited Accounts for the half-year ended 31st December 1955, and the Balance Sheet as at that date and to adopt and receive the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend.
3. To appoint Directors in place of those retiring. And, in this connection, Special Notice as required by Sections 261 and 281 of the Companies Act, 1956, is hereby given that at the meeting the following resolution will be proposed as a Special Resolution, namely:—

   "That Mr. P. N. Banerjee, who is an associate of the Managing Agents of the Company and who has attained the age of 65 years, be and is hereby appointed a Director of the Company, and that the age limit prescribed by Section 280 of the Companies Act, shall not apply to him."

4. To consider, and if thought fit, to pass with or without modification the following resolution, namely:—

   "Resolved that with effect from the commencement of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors borrowing and continuing to borrow monies for and on behalf of the Company in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose, and that such borrowing shall be exclusive of temporary loans obtained or from time to time to be obtained from the Company's Bankers in the ordinary course of business."

5. To appoint Auditors and fix their remuneration.

The Register of ordinary shareholders of the Company and the Transfer Books will be closed from the 4th September 1956 to the 10th September 1956, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy who need not be a member, to attend and vote instead of himself.

By Order of the Board,

MARTIN BURN LTD.,
S. N. MUKERJEE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA 1, *7th August*, 1956.

EXPLANATORY STATEMENT

1. In connection with item No. 3 of the above Notice, Mr. P. N. Banerjee, whose first appointment as a Director of the Company dates as far back as 1931, falls within the definition of the Companies Act, of an associate of the Managing Agents. Consequently it will be necessary in accordance with Section 261 of the Companies Act, 1956, for a Special Resolution to be passed to cover his appointment as a Director of the Company. In addition since he is now of the age of 72 years it will be necessary under Section 281 of the Act for the resolution re-appointing him as a Director to declare that the age limit provided under Section 280 shall not apply to him. Special Notice of the intention to move this resolution, as required by both Section 261 and Section 280 of the Act, has been received by the Company.

2. The Resolution under item No. 4 of the above Notice is self-explanatory and, when passed, will provide the authority required under Section 293(1) (*d*) of the Companies Act, 1956.

THE FORT WILLIAM JUTE COMPANY LIMITED

NOTICE

THE ANNUAL GENERAL MEETING OF THE Company will be held at the Registered Office of the Company, 14, Netaji Subhas Road, Calcutta, on Thursday the 30th August 1956, at 3-30 p.m., for the purpose of receiving the Directors' and Auditors' Reports, passing the Accounts for the Half-year ended 31st March 1956, declaring dividends, electing Directors, appointing Auditors and transacting such other ordinary business as may be brought forward.

The Share Transfer Registers of the Company will be closed from 17th August to 30th August 1956, both days inclusive.

By Order of the Board,

Per Pro BANGUR BROTHERS LTD.,
B. D. BANGUR,
Managing Agents.

CALCUTTA, 30*th July*, 1956.

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

SEN-RALEIGH INDUSTRIES OF INDIA LIMITED

CALCUTTA

NOTICE IS HEREBY GIVEN THAT THE Sixth Annual General Meeting of the members of SEN-RELEIGH INDUSTRIES OF INDIA LTD. will be held at the Registered Office of the Company, Mercantile Buildings, Lallbazar Street, Calcutta, on Tuesday the 28th day of August 1956, at 12 noon, for the following purposes:—

1. To receive and consider the Directors' Report for the year ended 30th September 1955.
2. To receive and consider Audited Accounts for the year ended 30th September 1955.
3. To declare Dividends on Cumulative Preference Shares and Ordinary Shares for the year ending 30th September 1955.
4. To appoint Auditors for the current year and fix their remuneration.
5. To elect Directors in place of those retiring.
6. To transact such other business as may be admissible.

Share Transfer Books and the Register of Members of the Company will be closed from the 7th August 1956 to 28th August 1956, both days inclusive.

Dividends, if declared, will be paid only to members whose names appear in the Register of Members on the 7th August 1956 and Dividend Warrants will be sent to them in due course for which no application will be necessary.

By Order of the Board,
K. D. GANGULI,
Secretary.

MERCANTILE BUILDINGS,
LALLBAZAR STREET,
CALCUTTA-1, 21*st July* 1956.

N.B.—A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. In order to be effective a completed proxy form must be lodged at the Registered Office at least forty-eight hours before the time fixed for the meeting at which it is to be used.

To all members of SEN-RALEIGH INDUSTRIES OF INDIA LTD. and in particular to:—
Messrs. Binraj Giria, Eric Ensor Baker, L. C. Clarkson, Kamleswari Pd. Chakravarty, Prafulla Kumar Chakravarty, Gopal Krishna Dutta, Jati Madhav Dhar, G. H. B. Wilson, Dhirendra Lal Nag, Kshitish Chandra Pal, P. K. Kuruvilla, A. J. Coelho and Another, Md. Abrar Hassan, Messrs. Raleigh Cycle Co., Ltd., Dr. H. van de Loo, Messrs. Union Sils, van de Loo & Co.

THE BELAPUR COMPANY, LIMITED

GENERAL NOTICE UNDER COMPANIES ACT, 1956, SECTION 412

To

THE MEMBERS OF THE BELAPUR COMPANY, LTD.

TAKE NOTICE THAT IT IS PROPOSED TO make application to the Central Government under the Companies Act, 1956, sections 268 and 326, for approval of

(*a*) the appointment of W. H. Brady & Co., Ltd., a Company incorporated under the Indian Companies Act, 1913, having its registered office at 12/14, Veer Nariman Road, Fort, Bombay, as Managing Agents of the Company for a term of ten years from the 15th January 1957, at remuneration including commission of 10 per cent. per annum on the annual net profit of the Company with the right to appoint two ex-officio Directors of the Company;

(*b*) the amendment of Article 94 so as to enable W. H. Brady & Co., Ltd., as Managing Agents to appoint any persons, not exceeding two in number, as ex-officio Directors of the Company, such persons not to be liable to retire by rotation and not to be required to hold any qualification shares—with the right of removal and reappointment.

The draft Managing Agency Agreement with W. H. Brady & Co., Ltd., and amendments to Article 94 are available for inspection at the Registered Office, between the hours of 10.30 a.m. to 1 p.m. and 2.30 p.m. to 5.30 p.m. on week days.

W. H. BRADY & CO., LTD.,
Managers.

BOMBAY, 31*st July* 1956.

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-third Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Thursday the 13th September 1956, at 4.30 p.m., for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 29th February 1956.
2. To declare a Dividend and Bonus.
3. To appoint Directors in place of those who retire but are eligible for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 18th day of August 1956 to the 10th day of September 1956, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.

(The holders of the 4½ per cent. Cumulative Preference Shares of the Company have no right to be present or to vote either in person or by proxy in respect of their holdings of such Preference Shares at the above Annual General Meeting.)

Detailed Notice of the above Meeting is being published in the Press and is also being posted to the Shareholders individually.

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

BOMBAY, 31*st July*, 1956.

N.B.—The Dividend and Bonus when declared will be made payable at the State Bank of India, Bombay, on and after Wednesday the 26th September 1956, to those shareholders whose names stand on the Register of Members on the 18th August 1956. The Dividend Warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

MONEY STEADY

(From Our Own Correspondent)

BOMBAY, 8*th August*

Steady conditions continued to prevail in the short-term money market during the week under review. Though the demand for bank credit was not as keen as before and the return of funds continued to be on a fair scale, the surplus was not large enough to bring down money rates. This was so, because money was still usable. Further, the forthcoming borrowing programme of the States, which will be made public before this issue goes to Press, restrained the institutional lenders to the market from placing their surplus funds at the latter's disposal.

Inter-bank call money still fetched 3½ per cent. among the Exchange banks and larger Indian banks, with some transactions reported at 3 per cent. after clearing hours. The rate among the smaller Indian banks was uniformly at 3½ per cent. House money at call was bid 3¼ per cent. and short-term deposits were placed at 3½ per cent. for one to three months and at 3⅜ to 3¼ per cent. for four to six months.

After three weeks of successive recession to the tune of Rs. 38.22 crores in the aggregate, the notes in circulation have gone up by Rs. 2.87 crores. Disclosing this, the Reserve Bank's statement for the week ended 3rd August 1956 also reveals a fall of Rs. 2.70 crores in notes held in the Banking Department. The fractional rise in total notes issued is covered by the increase in rupee coin. In the Banking Department, a sharp fall of Rs. 15.11 crores in deposits of the Central Government is noted. Deposits of other Governments are also lower, but only by Rs. 97 lakhs. Bankers' balances, too, have shrunk by Rs. 5.45 crores. On the assets side, a decline of Rs. 5.96 crores is noted in balances held abroad. Another notable change is the fall of Rs. 10.17 crores in loans and advances other than to Governments, of which those to Schedule banks against usance bills alone account for Rs. 9.51 crores. This development indicates the easing of pressure on banks for credit.

The Schedule banks' statement for the week ended 27th July 1956 shows a rise of Rs. 3.71 crores in demand deposits and of Rs. 1.89 crores in time deposits. Inter-bank borrowings have also gone up by Rs. 2.61 crores, while borrowings from the Reserve Bank stand reduced by Rs. 6.73 crores. The downward trend in advances persists with a further decline of Rs. 3.38 crores. Bills purchased and discounted have also fallen by Rs. 99 lakhs. Investments show an increase of Rs. 2.16 crores, cash balances of Rs. 85 lakhs and money at call and short notice of Rs. 3.18 crores.

The Gilt-edged market was dull during the week under review. Activity was restricted to very small proportions and the undertone was quiet. The Reserve Bank's purchases of a number of loans against sale of the recently issued Central Government loans at their issue prices failed to improve the conditions, as the latter loans were available in the market itself one anna lower.

3 per cent. 1957 and 1958 were stagnant at Rs. 99-13 and Rs. 99-10, respectively, at which the Reserve Bank continued to be a buyer outright. 3 per cent. 1959-61 was maintained at Rs. 98-2 and 3 per cent. 1963-65 at Rs. 95.3 per cent. 1964 was an anna lower at Rs. 95, while 3 per cent. 1966-68 picked up an anna to Rs. 93-4. 3 per cent. 1970-75 was dull at Rs. 90-5, while 3 per cent. 1986 Conversion Loan lost further ground from Rs. 76-4 to Rs. 75-12. 3½ per cent. 1962 was held at Rs. 98, 3½ per cent. 1961 at Rs. 99-8, 3½ per cent. 1964 at Rs. 98-11 and 3¾ per cent. 1965 at Rs. 98-10.

In the foreign exchange section, rupee ruled steady in terms of the U.S. dollar, as the weakness of sterling abroad had been arrested. Bank's selling rate of ready dollars was unchanged at Rs. 480¾ per $100 and their buying rate at Rs. 477 per $100. In New York, sterling was a little erratic, but the undertone was steady. Spot sterling moved between $2.78-7/16-2.78-9/16 and $2.78-3/16-2.78-5/16, before closing at $2.78⅜-2.78½. Three months' forward closed at $2.76⅞-2.76⅞, as against $2.76-13/16-2.76-15/16 and transferable sterling at 275.65-277.80 cents, as against 275.90-276.05 cents.

KEEN DEMAND FOR HIDES

(From Our Own Correspondent)

KANPUR, 5*th August*

During the week under review, the conditions of the local hides and skins market became stabilised. The new arrival was considerable. There was a keen demand for upper grade cow and buff. The Madras dealers were lukewarm during the week. But country tanners were keen buyers of lower grade cow. The main purchasers were the local tanners. The latest available quotations are: Wet salted cow 1st grade Rs. 280; wet salted cow 2nd grade Rs. 200 to Rs. 220; wet salted cow 3rd grade Rs. 120 per score; wet salted buff 1st grade 2 lbs. 2 ozs. per rupee; wet salted buff 2nd grade 2 lbs. 4 ozs. per rupee; goat 1st grade Rs. 170 to Rs. 180; goat 2nd grade Rs. 130 to Rs. 140; sheep 1st grade Rs. 170 and sheep 2nd grade Rs. 130 per 100 pieces.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 6*th August*

Firm conditions prevailed in the linseed market during the week under review. Although turnover was on a very small scale, prices displayed a notable increase. Sellers were very reserved, owing to lack of selling advices from upcountry for all positions. Despite good enquiries from crushers, the turnover was very small. The oil market was firm. Good local demand, combined with the prevailing high price of mustard oil, resulted in an appreciable advance in prices. Price indications from overseas were still considerably lower in parity.

The latest quotation is: Ready-August Rs. 23-12 per maund.

SILVER MOVES UP FURTHER

(From Our Own Correspondent)

BOMBAY, 8*th August*

A two-sided trend was witnessed in the bullion market during the week under review; the undertone in silver was firm, while that in the yellow metal just steady.

In silver, the buoyancy noted in the previous week did not persist in the earlier half of the week under review. On the contrary, there was a slight reversal, in the absence of any buying enthusiasm due to accumulation of stocks. Despatches of silver bars to up-country centres could not be made on account of the heavy rains which paralysed the transport. Subsequently, however, renewed buying and bear-covering lifted up prices, on rumours that arrivals of coins from Tibet would slacken on account of the rise in price in Tibet itself. Whether these rumours were correct or not, the actual arrivals in recent weeks were not as heavy as the bears had anticipated. Another factor which inspired bullish sentiment was the sudden increase in demand in the ready section and the rise in offtake by Calcutta and other centres, thanks to the improvement in transport during the last few days. Over the week, forward silver scored a gain of Re. 1-4 and ready As. 14.

Gold was a little erratic, but the undertone was steady. The buoyancy noted in the previous was, however, arrested, due to slackness in offtake.

Forward silver (23rd August settlement) shaded off from Rs. 171-5 to Rs. 170-11 earlier in the week, but bear covering and encouraging advices from the ready section pushed it up to Rs. 172-14. The closing was a shade lower at Rs. 172-9. Business in the next settlement commenced today, the carry forward charges being one anna to As. 2 against buyers.

Ready silver (.996 mint) reacted from Rs. 171-13 to Rs. 170-15, before gaining ground to Rs. 173 and closing at Rs. 172-11. The premium which ready commanded over the forward narrowed down from As. 8 to As. 2, reflecting the increase in floating stocks from 1,700 bars to 2,000 bars. The daily average offtake, which was about 10 bars early in the week, later increased to 30 bars.

Gold for forward delivery (22nd August settlement) fluctuated between Rs. 103-13 and Rs. 103, but closed on balance As. 2 lower at Rs. 103-5. Business in the next settlement commenced today, the carry forward charges being As. 3½ to As. 4½ against sellers.

Ready gold showed a decline from Rs. 104-2 to Rs. 103-5. The premium of As. 11 which ready commanded over the forward at the close of the previous week was wiped out in the course of the week under review.

The floating stocks of gold are placed at 25,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 2,000 tolas on an average.

In London, silver prices rose yesterday by ¼*d.* after remaining unchanged at the previous week's levels. Thus, spot silver was up to 79¾*d.* and forward to 78½*d.* Gold was erratic. After declining from 252*s.* 1*d.* to 251*s.* 11½*d.*, it recovered to 252*s.* 1½*d.*, before closing at 252*s.* In New York, too, silver price hardened from 90⅛*c.* to 90½*c.*

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

	8-8-56	Highest	Lowest	1-8-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (99 fine Mint) ..	103 5	104 9	103 1	104 2
Forward*	103 5	103 13	103 0	103 7
Sovereign	67 4	—	—	67 4
SILVER				
Ready (.996fine Mint) ..	172 11	173 0	170 15	171 13
Forward†	172 9	172 14	170 11	171 5
London Silver Ready ..	78¼*d.*	78¾*d.*	78¼*d.*	78¾*d.*
London Forward	78¼*d.*	78¾*d.*	78¼*d.*	78¾*d.*
London Gold	252*s.* 0*d.*	252*s.* 1¼*d.*	251*s.* 11½*d.*	252*s.* 1*d.*
New York Ready	90⅛*c.*	90⅛*c.*	90⅛*c.*	90⅛*c.*

* 22nd August settlement.
† 23rd August settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 8*th August*

The week under review was notable for considerable arrivals of indigenous sugar into the market, notwithstanding heavy rains which upset railway traffic. They aggregated as much as 33,300 bags, as against 16,400 bags in the previous week. Despite such heavy arrivals, the market ruled fully steady. Trade circles feel that sugar prices may be well maintained in the coming weeks, what with the impending post-monsoon demand and difficulties of loading due to dislocation of railway traffic.

In the forward section, *Shravan* delivery contract for 'C' grade sugar hovered round the last week's level of Rs. 91-8 per bag. The contract is due to be squared up on the 20th inst. at about Rs. 91. Business in a new forward delivery contract for *Asho* delivery commenced at Rs. 91-1 during the week. The contract was nominally quoted at Rs. 91 today.

In the spot section, large grain indigenous sugar met with good buying support and improved from Rs. 93—Rs. 101 to Rs. 95—Rs. 102. Small and medium grains were firm at Rs. 89 and Rs. 90—Rs. 92, respectively, same as last week. British refined sugar was unchanged at Rs. 90 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

COTTON FUTURES RALLY

(From Our Own Correspondent)

BOMBAY, 8*th August*

The cotton futures market which was subdued last week has since picked up considerable strength. The operators would appear to have taken a bullish view of the statistical position of cotton. This view is based on two factors. First, there are renewed fears of much damage to the quantity as well as the quality of cotton crop caused by continued heavy rains in cotton growing regions, especially Khandesh, Punjab, Berar and Moglai tracts. Secondly, the Central Government has released for export 20,000 bales of Bengal *Deshi* and decided to revalidate for shipment half the quantity—estimated at 45,000 bales—remaining unutilised against export licences up to the end of December next. These factors, coupled with reports of good offtake in piecegoods market, have resulted in a buying spree which have pushed up the prices of cotton futures to impressively high levels. The undertone of the market rules distinctly firm. The Government's decision to issue licences for the import of cotton stapling 1-3/10″ and above from all sterling areas has had no effect on the market. This is only to be expected, considering that many mills are not able to use much long-staple variety. Moreover, the limit of stapling 1-3/16″ and above does not include most of the East African, Syrian, Brazilian and Pakistan growths. The only styles that can now be imported are Giza 30 and Sudanese best styles, in addition to Karnak and Menoufi which are already on the free list.

Jarilla Contract (March 1957) opened the week firm at Rs. 670, as against Rs. 667 on the 31st inst. Induced by heavy short-covering due to unfavourable weather reports and bull buying, the Contract jumped up to Rs. 697 on Monday. After receding to Rs. 691 yesterday on account of profit-taking by longs, it again advanced to Rs. 694-8 today before finishing at Rs. 690-8. The net gain over the week was Rs. 22-8. Vijay Contract (April 1957) was Rs. 7 higher at Rs. 809 on the opening day. It gradually moved up to Rs. 833 on the 6th inst., but eased to Rs. 828 yesterday. The contract, however, soon recovered to Rs. 829 today before closing at Rs. 825. The net gain over the week was Rs. 23.

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

(In rupees per candy of 784 lbs.)

	8-8-56	*Highest*	*Lowest*	31-7-56
Jarilla (March)	690½	697	668	667
Vijay (April)	825	833	808	802

The spot cotton market presented a firm trend during the week, thanks to the favourable export policy announced by the Government. Shippers were busy making purchases of exportable styles, particularly Bengal *Deshi*. There was also keen mill buying in both current and new crop delivery contracts: Vijay, Laxmi, Jayadhar and Khamaon were specially favoured. The foreign section, too, ruled quite active. Sudans and East Africans elicited good enquiries. The latter registered handsome improvement in prices, in sympathy with the firm trend at Kampala on account of the heavy purchase of Sudan and Uganda cotton by the U.K., consequent on the loss of Egyptian cotton following the Suez Canal Company nationalisation. African B.P. 52 was quoted today at Rs. 1,675, as against Rs. 1,620 on the 2nd inst.

The latest available rates from the spot market at Sewri are:

Bengal Deshi Rs.650; Berar Jarilla Rs. 780; Khandesh Rs. 780; Vijay Rs. 975; Oomra *Deshi* Rs. 700; Moglai Rs. 700. *Delivery contracts*: Khandesh 197/3 December Rs. 124 and Berar Rs. 108 and Moglai Rs. 44 on Jarilla; 320F December Rs. 66, 216F Rs. 95, Vijaya 13/16″ Rs. 65 on Vijay.

Despite the release of 20,000 bales of Bengal *Deshi* for export from India and the simultaneous announcement from New Delhi revalidating for shipment half the quantity of cotton remaining unshipped, the Karachi cotton futures market ruled quiet strong during the week. The chief factor which imparted strength was good overseas demand for Pakistan cotton. The demand was induced by fears that purchases of Egyptian cotton would be adversely affected owing to payments difficulties, following the nationalisation of the Suez Canal Company. Buying support ensued, as a result, and cotton prices tended to move up. N.T.R.G. January delivery advanced by As. 15 to Rs. 74-13 before being quoted at Rs. 74-8 yesterday. March delivery which had receded from Rs. 73-11 to Rs. 72-5 on the 2nd inst. recovered to Rs. 73-6. The spot section depicted a firm trend, with the exception of *Deshi* styles which lacked support. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton, the figures in brackets giving last week-end rates:

Sind *Deshi* 99 (101); Punjab *Deshi* 91 (93-8); 4F Roller 78 (77-7); S.G. 80-8 (79-15); Punjab Roller 81 (80-7); S.G. 84 (83-7); 289F N.T. Roller 79-4 (78-11); S.G. 80-12 (80-3); 289F Punjab Roller 83-4 (82-11); S.G. 90-4 (89-11).

Cotton prices in East Africa were firm on reports that the U.K. had started purchasing Uganda cotton in large quantities, consequent on the loss of Egyptian cotton. Sudan cotton also registered a rise in prices, following good buying by the U.K. The Gezira Board has reduced the reserve prices for the lower Sakel and Lambert grades. The reduction has led to more active buying at Khartoum.

The bearish trend noted in the Alexandria cotton futures market in the past two weeks abated during the week under review. In fact, the market showed a steady trend. The steadiness was the result of the reversal of Egyptian Government's order—issued immediately after the announcement of the nationalisation of the Suez Canal Company—banning cotton exports to the sterling area. Traders expected that exports of Egyptian cotton would be maintained in future, on expectation which was based on hopes of an early settlement of the

ments question. The latest available rates—in tallaris per lb.—from the Alexandria cotton futures market are given below:

Karnak: November 97.25; January 95.70; March 95.70. *Ashmouni*: August 66.50; October 70.85.

The Liverpool cotton futures market continued to rule strong during the week under review. Traders felt that imports of cotton through the Suez Canal would be adversely affected, thanks to developments in Middle East political situation. American and Sudan Liverpool futures contracts evoked enlarged buying enquiries which resulted in improvement in prices. Business in Egyptian cotton contract was almost at a standstill, following the suspension of all further commercial payments between Britain and Egypt. It was expected that dealers would not be inclined to enter into any new dealings in Egyptian cotton until the Bank of England clarified the new exchange regulation in great detail. The following are the latest available quotations—in pence per lb.—from Liverpool:

American 1" staple contract: October-November 24.80; December-January 23.95; March-April 23.70; *American mixed growth contract*: October-November 24.85; December-January 23.70; March-April 23.45; May-June 23.25; *Egyptian karnak cotton*: November-December, January-February and March-April 52.50; *Sudan cotton contract*: September-October 48.50; November-December 46.90; January-February 46.60.

Cotton futures at New York moved up during the week, owing to active trade buying. Near deliveries advanced on trade price fixing and short covering. Distant deliveries evoked good buying induced by the belief among traders that the current season's cotton crop would be below last year's production by at least 15 per cent.

The new cotton season (1956-57) in the U.S. began on the 1st inst., with an estimated carry-over of 14.7 million bales (the Government holding more than 10 million bales) brought in from the previous season (1955-56). During 1955-56, the total available supply of cotton in the U.S. was of the order of 25.9 million bales, of which opening stocks accounted for 11.2 million bales and production for 14.7 million bales. Of this quantity, 9.2 million bales were consumed domestically and 2.3 million bales were exported outside.

The Bureau of Agricultural Economics has fixed the parity price of cotton as at Mid. July at 35.56 cents, an increase of 12 points as compared with that a month ago and 72 points as compared with the Mid. January parity figure of 34.84 cents. Following the usual practice, the U.S. Department of Agriculture has increased the average price support for the 1956 crop of Upland cotton based on the increased Mid. July parity from 28.85 cents to 29.34 cents for Mid. 1" and from 32.25 cents to 32.74 cents, for Mid. 1". The average loan rate has, therefore, been increased by 49 points, as against the preliminary figure. At the close on 31st July, New York futures contracts October stood at 32.46 cents with December 32.62 cents and March one point higher. At these levels, they were working below the average official support price of 32.74 cents. for Mid 1" cotton. The Commodity Credit Corporation sold on 26th July 1956 a further quantity of 137,122 bales under the New Export Sales Programme. The price for basis Mid. 15/16" at average location accepted was 25.11 cents. The total quantity sold by the C.C.C. thus far under this Programme is 3,002,495 bales.

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

(In cents per lb.)

	7-8-56	31-7-56	24-7-56
Spot	34.00	33.45	34.30
October	32.62	32.46	32.32
December	32.78	32.62	32.42
March	32.73	32.63	32.46

COTTON YARN FIRM

(From Our Own Correspondent)

BOMBAY, *8th August*

Continued firmness in cotton yarn was the feature of trading in the yarn market during the week under review. The firmness was aided partly by enlarged buying enquiries following good offtake in piecegoods markets and partly by the marked rise in raw cotton prices. The quotations for cotton yarn, therefore, moved further upwards, the improvement being shared by all counts. The rayon yarn section ruled steady on encouraging advices from cloth markets and values were fully maintained. Staple fibre yarns, however, were dull, as a result of slackness in demand. "The situation," to quote a report, "has not shown any improvement, in spite of the Suez Canal news, mainly because of the continued pressure of sales in all types of staple fibre yarn from a large number of cotton spinning mills in the South, Bombay, Ahmedabad and several other centres." It is said that, owing to the recent cheap purchases of raw staple fibre, several cotton spinning mills have been pressing sales of staple fibre yarn at lower prices. Even at such prices, they are said to be earning handsome profit as compared with the prices they are able to realise on cotton yarns.

Cotton yarns, as already said, were firm. Sixty counts were particularly favoured. Moderns rallied Re. 1-8 to Rs. 63. Finlays advanced by As. 14 to Rs. 62-14. Raghuvamshis gathered As. 4 to Rs. 58-8. Among 80s, Finlays picked up As. 12 to Rs. 58-12. Moderns were better by As. 4 at Rs. 73-4. Deals in fifty counts were put through at higher prices, Minaxis rising by As. 8 to Rs. 29-11. Maduras by As. 5 to Rs. 29-12 and Moderns by As. 4 to Rs. 29-12. Among 30s, Apollos gained As. 4 to Rs. 22-12-0. Maduras were firm at Rs. 24-8. Twenty counts Moderns put on As. 3 to Rs. 19-3. Hinds hardened from Rs. 19 to Rs. 19-2. Among 10s, Podars and Elphinstones increased by As. 2 each to Rs. 14-14 and Rs. 14-12, respectively. Moderns were done at Rs. 15, same as last week.

Snia rayon yarn (120 dull cones) for October delivery encountered buying support and moved up by Rs. 3 to Rs. 798. August delivery was fully maintained at Rs. 784. In the spot section, 120 Italy and 150 Italy had buyers both half an anna higher, the former at Rs. 3-14 and the latter at Rs. 4. 150 Japan was unchanged at Rs. 4-0-9. 120 Japan was a shade lower at Rs. 3-11-9. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade improved by 18 pies to Rs. 3-12-9. 150 Bt. cones 1st grade were steady at Rs. 3-7.

Foreign staple fibre yarns (80 x 2) were subjected to heavy selling and staged a retreat. H'Races dropped As. 2 to Rs. 5-13. K'Suns slipped by 18 pies to Rs. 6-6-6. Paramounts and Fujis lost an anna each to Rs. 6-0-6 and Rs. 6, respectively. Suicos eased by half an anna to Rs. 6-11. The prices of indigenous yarns (40 x 2) were practically unchanged. New Greats were quoted at Rs. 3-6-3, Citys at Rs. 3-6, Kohinoors at Rs. 3-7-3 and Centurys at Rs. 3-6-9. Staple fibre yarn (40 x 2) for August delivery evoked some enquiries and gathered Rs. 2 to Rs. 644. October delivery were transacted at Rs. 650.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those nine days and sixteen days before:

	8-8-1956	1-8-1956	23-7-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn **(per case of 200 lbs.)—**			
120 Dull Cone Snia Angus ..	784 0	784 0	777 0
October ..	798 0	795 0	787 0
120 Japan (per lb.)	3 11½	3 12	3 12½
150 Japan (per lb.)	4 0¼	4 0¼	4 0¼
120 Italy (per lb.)	3 14	3 13½	3 12½
150 Italy (per lb.)	4 0	3 15½	3 14
Staple fibre yarn **(per case of 200 lbs.)—**			
40 x 2 August	644 0	642 0	652 0
40 x 2 October	650 0	—	—
40 x 2 New Great (per lb.) ..	3 6½	3 6½	3 6½
40 x 2 Century (per lb.) ..	3 6½	3 6½	3 6½
40 x 2 City (per lb.)	3 6	3 6	3 6½
Cotton yarn **(per bundle of 10 lbs.)—**			
10s Podar	14 14	14 12	14 8
20s Hind	19 2	19 0	18 8
30s Apollo	22 12	22 8	22 8
40s Minaxi	29 11	29 3	28 4
60s Raghuvamshi	58 8	58 4	57 8
80s Elphinstone	68 12	67 8	67 8

OILSEEDS MOVE UP

(From Our Own Correspondent)

BOMBAY, *8th August*

The oilseeds market ruled distinctly firm during the week under review. After remaining steady during the first three sessions, the market witnessed a sudden spurt in the two sessions that followed as a result of nervous bear-covering and buying by shippers, crushers and speculative dealers. A factor which influenced demand was reports of crop damage in Saurashtra. The sentiment thus remained bullish and scarcity of contracts gave further support to the trend. Castorseed May futures established a new peak. Today, however, owing to some profit-taking, the market received a minor setback. Nevertheless the market finished the week with a firm tone.

In the groundnut section, groundnut February which finished the previous week at Rs. 134-12 touched a peak of Rs. 139 this week, before finishing today at Rs. 136-8, representing an improvement of Rs. 1-12 over the week. In the spot section, Bold variety gained Rs. 3-8 at Rs. 36, and August-September contract Rs. 1-15 at Rs. 33-11. Groundnut oil ex-mill improved from Rs. 18-4 to Rs. 19-4 while Railway Receipt rose by Re. 1-2 to Rs. 19-2.

Substantial gains were witnessed in the castorseed section. Castorseed September contract, having closed on Wednesday last at Rs. 135-14, rose to the high level of Rs. 145-8, on Tuesday, and finished today a shade lower at Rs. 143-10, picking up as much as Rs. 7-12. The May contract also shot up from Rs. 117 a week ago to Rs. 125-12 today representing a handsome advance of Rs. 8-12. On the spot section, Madras was higher by Rs. 1-12 at Rs. 29, and Kanpur Rs. 1-12 more at Rs. 28 than seven days ago. Oil B.S.S. increased from Rs. 15-8 to Rs. 16-4 and Oil Commercial was a shade higher at Rs. 15-4.

Linseed May contract ruled steady during the week. It improved from Rs. 26-12 a week ago to Rs. 27-10 at the start of the week and touched a peak of Rs. 28-8 on 6th before finishing the week at Rs 27-12. The spot section, too, witnessed a similar trend. August-September hardened Rs. 1-8 to Rs. 31-10. Small Sutna variety put on As. 12 at Rs 29-6. Linseed oil Ready was bid at Rs. 17-6 (with excise) that is, As. 10 higher.

Among the others, *kardi* seed Bold was done As. 12 higher at Rs. 18 and *niger* seed, Madras, was fractionally higher at Rs. 28-8.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	8-8-1956	1-8-1956	25-7-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	136 8	134 12	130 2
Khandesh Quality Ready (per cwt.)	35 8	34 2	33 12
Aug-Sept.	33 11	31 12	31 9
Linseed—			
Bold Ready (per cwt.) ..	31 6	30 2	29 4
Aug-Sept.	31 10	30 2	29 12
Castorseeds—			
September	143 10	135 14	130 0
Madras (per cwt.)	29 0	27 4	26 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 4	18 4	18 0
Castor Oil—			
Commercial (per quarter) ..	15 4	14 9	15 0
Linseed Oil—			
Ready	17 6	16 12	17 0

PEPPER FIRM

(Messrs. Parekh & Co.)

BOMBAY, *8th August*

With conflicting reports on the Suez question Malabar black pepper, during the week under review opened on a cheerful note. New York dealers who were until now selective buyers turned out to be prominent buyers. They bought at every rise. Fair business was reported done for shipment during the first and second week of August from $0.29½ to $0.33. Alleppey went up from Rs. 750 to Rs. 850, Calicut from Rs. 800 to Rs. 875 and garbled at Cochin from Rs. 125 to Rs. 145. There was a lot of bear covering and trade buying. The sentiment which was dull and drooping for the last three months became bright.

The news of insufficient rain in the whole pepper growing belt and consequent adverse effect on the 'spikes' which may ultimately result in shorter crop, proved a supporting factor. A section of the trade believes that if sufficient rain is not forthcoming in the next month or two, Malabar crop may show a short fall by about 25 to 30 per cent. Drought in the area may prove a hindrance to the development of "stone" in pepper berries which is likely to tell upon the quality, if not on the quantity. However, it is too early to form any correct opinion at this stage as to the size of the coming crop.

Sarawak pepper also improved from Str. $81 to Str. $93 owing to bear covering and trade buying on account of Suez crisis. Lampong also improved $0.32 (A.S.T.A.). Shorter crop report of Sarawak, Lampong and Muntok helped the sentiment.

The future of the market now solely depends upon the development of the Suez crisis. Prices may go up still further if the situation worsens. On the other hand if some settlement is arrived at prices are likely to react rather sharply as everywhere overbought position seems to have been created. However, one should not forget that we will soon be in the middle of the consuming season and New York, where most of the dealers are reported to have small inventories, have to come to the market shortly. The spread between ready and forward, having been enlarged, there is a possibility of some investment buying also.

August-September shipment changed hands from $0.29 to $0.33 while October-November-December was done from $0.27½ to $0.31. There was a lot of speculative buying in delivery section and prices in August delivery improved from Rs. 662½ to Rs. 730. Ready pepper encountered good local demand and prices improved from Rs. 94 to Rs. 106.

At the time of writing, however, the market is reported to be a little weak with prices down in A.S.T.A. by two cents and in delivery by about Rs. 20. A section of the trade treats the fall as a technical correction and believes that the prices may once again rise if proper buying support is coming forth from New York. The feeling in the trade is that New York, after a pause, may show interest in the nearby shipment, particularly, for the shipment by 15th August, before the final outcome of the Suez Conference.

Following are today's nominal quotations: Ready delivery Rs. 106 per Bengal maund, August Rs. 720-30 and September Rs. 730-40 per candy of 5¼ cwts.

STRONG DEMAND FOR WHOLE LEAF TEAS

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, *2nd August*

Approximately 1,150,000 lbs. were on offer in Sale No. 22 which was held on Tuesday, 31st July. With the exception of medium teas, quality showed some improvement. Low-grown and low mediun teas were often brighter in cup and there was a better selection of best liquoring high growns. The sale opened to a good demand which weakened as it progressed. Low-grown and low medium teas were fully firm and occasionally dearer. Mediums, however, met a very irregular market and proved difficult of sale. The majority of withdrawals were of this type and those which sold must be quoted easier. Best liquoring high growns were keenly competed for and prices advanced. There was a very strong demand for whole leaf grades and, in particular, high grown O.Ps. Middle East types were generally easier. The following are the quotations:

	1956 Rs. a. p.
Plain B.P.	... 1 4 6
Low-medium B.O.P.	... 1 5 6
Medium B.O.P.	to 1 6 6
	... 1 7 0
Good B.O.P.	to 1 8 0
	... 1 14 0
Well made black leaf O.P.	to 2 0 0
	... 2 6 0

London Market—*Sale of 30th July* 1956.—Dearer 1d. to 2d.

Sale of 31st July 1956.—Except plainest market dearer 1d. to 3d.

Colombo Market—*Sale of 30th July* 1956.—Good liquoring sorts firm. Price tea steady. Dusts easier.

Sale of 31st July 1956.—Best Uvas lower, following quality. Otherwise strong general demand for all useful liquoring teas dearer rates. Plain thin liquoring sorts ten cents lower. Middle East types lower.

Calcutta Market—*Export.*—Good general demand. Commons half to one anna, mediums one to two annas dearer. Good tea usually sold above valuations. Medium, Dooars fannings weakest feature, probably owing Middle East situation.

Internal.—13,000 dust. Poor general demand. Black exportable weakest. C.T.Cs four annas easier. Medium Dooars firm to dearer. Commonest irregular. 600 internal leaf. Irregular.

Export Quota.—The market has been very quiet and although there are sellers at 28 pies, no business has been done.

Forthcoming Auctions.—Sale No. 23 will be held on Tuesday, 7th August.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 23.—750,000 lbs. Good general demand. Commons about steady. Improved low medium and medium dearer. *Best liquoring very strong particularly fannings* which are As. 3 to As. 4 dearer. More enquiry Middle East fannings at higher rates."

JUTE GOODS FIRM

(From Our Own Correspondent)

CALCUTTA, *7th August*

A firm trend prevailed in the jute market during the week under review, both raw jute and jute goods being marked up over the week. The rise in prices of sackings was particularly sharp. The main stimulus for the firmness of raw jute was provided by reports that supplies would be interrupted by the difficult transport situation on account of the rains and that some mills were suffering from the shortage of stocks. Later reports, however, disclosed that supplies were fairly satisfactory and that the requirements of mills were being met to a large extent. Buyers showed some interest in new crop which was reported to be satisfactory both in India and East Pakistan. Harvesting in certain parts of East Pakistan is said to have been completed. These reports, however, did not affect prices. Though business in raw jute during the week was not large, mills were buyers for ready and early delivery and transactions were put through at quoted rates. Indian Northern bottoms and Assam Upper, August, advanced from Rs. 28-8 to Rs. 29 and August-September from Rs. 28 to Rs. 28-8.

The gunnies section was active, particularly in B. twills, in refreshing contrast to the subdued tendency noted in the previous week. The better tone of the market was mainly due to speculative activity, as very little genuine business was reported and overseas buyers were not in a mood to follow the rise. The firm trend in raw jute and rumours that a further sealing of the looms was likely were responsible for the speculative purchases. Reports have it that the sealing of the looms to the extent of 2½ per cent. last month have not been very helpful to the mills in getting a higher margin of profit and stocks of manufactured goods with the mills have not been reduced to any significant extent. On the contrary, it was announced yesterday that the stocks of sackings with mills at the end of July were higher by 8,100 tons (at 91,100 tons) over those at the close of June, thus maintaining the upward trend for the ninth month in succession. Hessian stocks also increased from 37,500 tons to 38,500 tons, thus reversing the downward trend noted a month before, while other manufactures fell by 300 tons to 6,200 tons. The announcement of the stock figures induced profit-taking at the close, but the closing prices were still substantially higher over the week.

In the hessians section, 40" x 10 oz. Ready rose from Rs. 38-4 to Rs. 38-11 before closing at Rs. 38-9. August delivery moved up from Rs. 38-8 to Rs. 38-14, but closed at Rs. 38-13. October-December advanced from Rs. 38-8 to Rs. 38-15. In the sackings sections, the market ruled a little easy early in the week in continuation of the previous week's trend, but soon speculative forces gathered strength to push up the prices. Thus; B. twills ready after an initial recession from Rs. 103-4 to Rs. 102-14, rallied to Rs. 105-6 on Monday this week. Yesterday, however, there was a setback to Rs. 104-14. August delivery came up to Rs. 105-12, after a dip from Rs. 103-14 to Rs. 103-6, but the closing was lower at Rs. 105-2. September finished at Rs. 105-4, as against Rs 103-14, the highest level touched during the week being Rs. 105-14.

FOODGRAINS RISE

(From Our Own Correspondent)

HAPUR, *6th August*

Foodgrains prices were steady to firm during the week. The firmness was more pronounced in the markets in the South. There were reports that more fair price shops were being opened there by the Government of India.

Wheat average quality advanced by As. 2 to Rs. 15-2, due to good buying enquiry from Madras. The week's offtake aggregated five wagons to Raipurma (Madras). Farm quality prices continued to be steady at Rs. 16-4 per maund. Daily arrivals improved to an average of 200 maunds and stock locally had gone down to 81 *khaties*. Wheat prices recorded a steady trend in Punjab and gains were recorded in Madras and Madhya Pradesh. The latest rains have improved the prospects of the *kharif* crops and the hardening factor is the latest world situation created by the nationalisation of Suez Canal. Rice prices ruled quiet at unchanged levels, on reports that the standing paddy crop had improved due to the latest rains.

Gram prices ruled steady at Rs. 11-14 per maund for local quality and at Rs. 12-4 for Punjabi quality, although stock figure here had touched an all-time high level at 115 *khaties*, due to heavy arrivals from Punjab. Barley and *bejhar* prices ruled quiet, as arrivals of new maize crop would begin shortly and the pressure on these grains would be diverted to the new crop. Maize and *bajra* prices eased, on good crop prospects. *Jowar* and *guvar* prices eased on poor demand. The latest prices were: Barley Rs. 12, *bejhar* Rs. 11-12, *jowar* Rs. 15, *guvar* Rs. 10, maize Rs. 11-12, *bajra* Rs. 12 per maund.

Peas in the form of pulses was very much in demand from Madras State and the week-end despatches were about 20 wagons. Arrivals of peas daily were small, the average being 75 maunds and

the local stock was lower by four *khaties* at 54 *khaties*. *Arhar*, on the other hand, recorded a rise by As. 4 to Rs. 11-8 per maund.

HIDES LOOK UP

(From Our Own Correspondent)

MADRAS, *6th August*

Arrivals of E.I. tanned cow hides were on the usual scale and clearance fair-sized. There were more inquiries from the U.K., and higher prices were established. In view of holidays in the U.K. during August, it was hoped that prices would be maintained at origin and confidence restored. Demand for cow calf, buff calf and buff hides was patchy and prices were unchanged.

There was no change in the tanned skins section. Raw markets ruled firm.

Hides and skins shipments during the month of July were: 2,113 bales cow hides, 208 cow calf, 25 buffs, 148 buff calf, 540 goat and 202 sheep to the U.K.; 3 bales cow, 422 goat and 13 sheep to the Continent; 38 cow, 20 cow calf, 75 buffs, 175 buff calf, 146 goat and 75 dry goat to the U.S.A.; 31 goat and 366 bales sheep to Japan.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, *6th August*

The sugar market ruled quietly steady this week. Mill delivery prices softened slightly. Demand was normal. Rajasthan, Madhya Bharat and Gujerat were the prominent buyers. The supply position was easy, due to fresh quota release of 158,000 tons by the Government for sale in free market. The first official estimate of sugarcane for 1956-57, which puts the area at 4,717,000 acres, as against the corresponding adjusted estimate of 4,066,000 acres in 1955-56—an increase of 16 per cent.—acted as a dampening factor. The rains during the week have done good to the standing cane crops.

The latest mill delivery prices of sugar are: Jaswant Rs. 28-12, Simbhauli Rs. 28-12, Mowana Rs. 28-13, Daurala Rs. 28 to Rs. 29, Amroha Rs. 28, Bijnore Rs. 28, Mansoorpur Rs. 28 to Rs. 29, Rampur Rs. 30-14, retail Rs. 30-10 per maund.

The *khandsari* market remained depressed, as demand was practically *nil*. Inferior grade was quoted between Rs. 20 to Rs. 23 and superior between Rs. 24 to Rs. 27 per maund.

Ready *gur* dry quality was transacted at Rs. 12.4 per maund and the stocks of this quality were reported to be very meagre. *Kotha* quality was quoted at Rs. 11 per maund, but the week's offtake was small, due to poor loading facilities. Demand from markets in the South was reported to be very low, as it was fully met from the markets in the South where stock position this year had been very good.

NEW COMPANIES ACT

(Concluded from page 276)

no question of the managing agency agreement prevailing over the provisions of the Act.

One other point of difficulty is also raised, and this relates to companies having a firm or a body corporate as managing agent. In the case of a company having an individual as its managing agent, any income derived by him from the company in any capacity will form part of his total remuneration and it is not to exceed 10 per cent. of the net profits of the company as per section 348. Where, if the managing agent is a firm, one or more or all of the partners of the firm or if the managing agent is a company, one or more or all of its directors or members are employed in offices of profit in the managed company and each of them individually receives payment for the services rendered by him to the company in some capacity other than that of managing agent, are the payments received by them to be taken into account and form part of the percentage of net profits payable as managing agency remuneration of the firm or body corporate concerned? Though this question is raised in many quarters, I am definitely of the opinion that, except where the services of any partner of a firm of managing agents or director or member of a managing agency company, as the case may be, are rendered by reason of their connection with the office of managing agent, that is, by virtue of some relationship arising out of their position in the managing agency firm or company, the payments individually received by them are not to be aggregated with the remuneration payable to the managing agent as such. The individual earnings of the partners of the firm are not the property of the firm, unless they are earned for the purposes or in the course of the business of the firm (*cf.* section 14 of the Partnership Act); and still more so, the earnings of the directors or members of a managing agency company which, on account of its being a distinct legal *persona*, has nothing to do with the separate earnings of any of its directors or members, unless there is provision in the memorandum or articles of the company requiring that such earnings, in any given circumstances, are to be refunded to or form part of the earnings or assets of the company.—*All Rights Reserved.*

Notices

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

AT A MEETING OF THE DIRECTORS HELD on the 9th August 1956, it was decided to recommend to the shareholders at the Annual General Meeting, which was fixed to be held on the 14th September 1956, the payment of a final dividend for the year ended 31st March 1956, of 4 per cent. (free of Income-tax) on the issued Ordinary shares, payable on the 25th September 1956.

The net profit for the year, after deducting all charges and expenses of management and providing for taxation, is Rs. 1,86,71,550.

Two interim dividends, each of 2 per cent. (free of Income-tax) amounting in total to Rs. 60,64,000 in respect of the year to 31st March 1956, were paid on the 17th October 1955 and the 28th March 1956 respectively.

After paying the final dividend amounting to Rs. 60,64,000 and allocating Rs. 50,009 to Capital Reserves, Rs. 35,00,000 to Fixed Asset and Stock Replacement Reserves and Rs. 30,00,000 to General Reserve, the amount carried forward will be Rs. 24,94,274.

The Directors also declared a first interim dividend of 2 per cent. (free of Income-tax) in respect of the year to 31st March 1957, payable on the 25th September 1956.

The final dividend, if approved, and the interim dividend will be paid to the shareholders whose names appear on the register on the 14th September 1956 and dividend warrants in respect thereof will be despatched to such shareholders or their mandatees on the 25th September 1956. The share transfer books of the Company will be closed from the 28th August to the 14th September 1956, both days inclusive, and transfers received in order at the registered office of the Company up to the 27th August 1956 will be in time to be passed for the payment of the dividends to the transferees.

By Order of the Board,
B. GRANGER PEARSON,
Assistant Secretary.

VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA, *10th August* 1956

NASKARPARA JUTE MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 46th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 8, Dalhousie Square East, Calcutta, on Thursday the 30th August 1956, at 5 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended the 31st October 1955, electing Director, appointing Auditors and for transacting any other business of the Company that may be brought forward.

The Share Transfer Register of the Company will be closed from 23rd August 1956 to 30th August 1956, both days inclusive.

By Order of the Board,
For and on behalf of
NASKARPARA JUTE MILLS CO., LTD.,
HOWRAH TRADING CO., PRIVATE LTD.,
Managing Agents.
S. B. JALAN,
Director.

8, DALHOUSIE SQUARE EAST,
CALCUTTA 1, *30th July* 1956.

N.B.—You are entitled to attend and vote at the Meeting by a Proxy who need not be a Shareholder of the Company. If it is desired to use the Proxy the same should be completed in manner prescribed by Section 176 (5) of the Companies Act, 1956, and delivered at the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	2½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	3½	4
Bolivia	20th Sept., 1950	6	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	12th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1946	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th Feb., 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	4th April, 1956	4½	5
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	10th Oct., 1955	6	7
Norway	14th Feb., 1956	3½	3½
Pakistan	1st May 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	25th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	24th Nov., 1955	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Aug., 1956	3½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 3rd August, 1956		Week ended 27th July, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,63,667	57,65,13,000	2,55,461	55,47,44,000
Calcutta ..	1,70,074	63,66,18,333	1,49,420	49,16,68,062
Madras ..	84,965	10,34,64,454	76,735	9,20,12,187
All Centres—				
1955-56*	..	..	2,669,000	6,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
May 1956 ..	..	..	3,485,000†	7,10,51,00,000
June ..	..	..	3,202,000	6,59,50,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 3rd August, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund ..	15,00,00,000
National Agricultural Credit (Stabilisation) Fund ..	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	61,04,60,000
(2) Other Governments	5,86,44,000
(b) Banks	47,89,79,000
(c) Others	12,21,60,000
Bills Payable	4,99,53,000
Other Liabilities	27,66,21,000
Rupees ..	185,68,17,000

ASSETS	Rs.
Notes	30,28,67,000
Rupee Coin	3,86,000
Subsidiary Coin	5,82,000
Bills Purchased and Discounted—	
(a) Internal	2,00,000
(b) External	....
(c) Government Treasury Bills	2,58,93,000
Balances held abroad*	36,79,22,000
Loans and Advances to Governments ..	5,04,35,000
Other Loans and Advances	55,37,18,000
Investments	49,41,15,000
Other Assets	6,27,04,000
Rupees ..	185,68,17,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 25,84,02,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs 207 82 76 000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	30 28,67,000	
Notes in circulation	1447,14,04 000	
Total Notes issued		1477,43,31,000
Total Liabilities ..		1477,43,31 000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities	616,67,54,000	
Total of A ..		656,69,25,000
B. Rupee Coin		112,11,93,000
Government of India Rupee Securities ..		708,62,13,000
Internal Bills of Exchange and other commercial paper ..		....
Total Assets ..		1477 43 31 000

Ratio of Total of A to Liabilities: 44.448 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 27th July, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank† ..	11,66,30,000
(ii) Other demand liabilities	623,01,97,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank† ..	3,56,30,000
(ii) Other time liabilities	453,40,64,000
3. Borrowings in India from the State Bank and/or a notified bank:	5,74,95,000
(i) Demand liabilities	
(ii) Time liabilities	
4. Cash in India	37,91,13,000
5. Balances with the Reserve Bank in India ..	50,38,08,000
6. Balances with other banks in current account in India	10,25,70,000
7. Money at call and short notice in India ..	15,52,00,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	353,39,28,000
9. Advances in India	597 63,65,000
10. Inland Bills purchased and discounted in India	95,51,29,000
11. Foreign Bills purchased and discounted in India	47,17,24,000

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

EXCHANGE RATES

	7th August, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months ..	1-5⅜	1-5⅜
Buyers T.T. spot to nine months ..	1-6¼	1-6¼
Buyers T.T. 10 to 12 months ..	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480⅛	479½
Buyers T.T. .. Rs.	473	473
London on New York.. $	2.783/4–2.784	2.794–2.79⅝
London on Paris .. Frs.	980⅛	980⅛
London on Berne .. Sw. Frs.	12.171/4–12.17⅝	12.18⅜
New York on London.. $	2.783/4–2.784	2.794–2.79⅝

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	'54-'55	378.07	..	10,170	269
Pakistan ..	'53-'54	78.81	..	1,981	245
Burma ..	1954	19 24	Kyats 8,905	890	304
Ceylon ..	1954	8.38	..	477	569
Japan ..	1954	88 20	Y. 6,148,000	8,133	922
Philippines ..	1954	21 44	Ps. 7,436	1,770	825
New Zealand ..	1954	2 09	£ (N.Z.) 802	1,070	5,119
Australia ..	1954	8.99	£ (A) 3,957	4,220	4,694
U.K. ..	1954	50.76	£ 15,718	20,950	4,100
U.S.A. ..	1954	162 41	$ 299,700	142,370	8,766
Canada ..	1954	15 20	$ 15,751	9 190	6,046
France ..	1954	42.84	F.Fr. 11,493,000	15,640	3,650
W. Germany ..	1954	49 52	Dm. 112,800	12,734	2,570
Italy ..	1954	47 67	Lr. 9,718,000	7,380	1,543
Norway ..	1954	3.39	Kr. 18,424	1,230	3,638
Sweden ..	1954	7.21	Kr. 38,630	3,544	4,912
Netherlands ..	1954	10.62	Grs. 21,090	2,640	2,488
Denmark ..	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland ..	1954	4 92	Sw Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 27th July, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	29,86,19,000
(b) Provincial Governments	10,12 08 000
(c) Banks	19 25,50,000
(d) Others	3,85,79,000
Bills Payable	1,56 05,000
Other Liabilities	10,28 31,000
Rupees ..	80,76,83,000

ASSETS	Rs.
Notes	14,79,09,000
Rupee Coin	11,000
Subsidiary Coin	14,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	64,60,000
Loans and Advances to Governments ..	....
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances	4,30,50,000
Investments	51 04 99 000
Other Assets	9 97,40,000
Rupees ..	80,76 83,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,79,09,000	
Notes in circulation	281,09,44,000	
Total Notes issued	....	295,88,53,000
Total Liabilities ..	....	295.88,53,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,38,41,000	
Silver Bullion	....	
Sterling Securities	96,64,02,000	
Government of India Securities ..		
India Notes representing assets receivable from the Reserve Bank of India	16,69,91,000	
	43,02,58,000	
B. Rupee Coin	6,65,27,000	167,69,02.000
Government of Pakistan Securities ..	115,63,28,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		122,28,55,000
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities ..	1,00,90,000	
Rupee Coin	29,81,000	
Total Assets ..	....	295 88 53,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 58 57 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (Pre-war)	27th July, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1444.28	1460.01	1474.67	1291.47
Notes held in Banking Department ..	35.05	32 99	25 20	28 27	37.72
Foreign Securities ..	59.50	616 68	616 68	616.55	637 04
Rupee Securities ..	37.39	708 62	718.56	708.68	543.65
Banking Department					
Deposits of:					
Government of India.	14.89	76 16	83 42	56.84	80 24
Other Governments.		6 84	13 69	13 17	20 19
Balances held abroad	10.08	42.75	47 96	34.97	80.03
SCHEDULED BANKS					
Demand Liabilities..	124.36	639 68	633 57	638 11	600 34
		(11 66)†	(9 26)†	(6 12)†	(12.82)†
Time Liabilities ..	103.24	456 97	454 87	452 88	409 78
Borrowings from Reserve Bank ..	..	(3 56)†	(3 35)†	(3 22)†	(4 01)‡
		47 27	54 00	53 22	12 04
Borrowings from State Bank ..		(34 85)‡	(38.29)‡	(37.57)‡	(11.58.)‡
Cash in India ..	6.70	5.75	6 29	5.36	2 48
Balances with Reserve Bank ..		37 91	38 41	40 07	31.91
Excess over statutory liability ..	15.52	9.26	9.60	10 87	14.11
Balances with other banks in current account in India..	..	10.26	10.31	14.76	10.37
Money at call and short notice in India ..	..	15 52	12 34	11 20	22.30
Investments (at book value)	105.09	353 39	351 23	347 63	368.71
Advances and bills ..		740 32	744.70	757.47	601.13
STATE BANK					
Deposits	37.76	221 31	220 71	226 03	208.57
Investments ..	51.99	100 52	100 57	100 33	103 99
Advances	30.35	126 44	130 31	134 26	107 50
Cash	14.89	18 33	16 57	19.98	18 96

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	April, 1955	April, 1956	Twelve months, April to March, 1954-55	Twelve months, April to March, 1955-56
Import Duties†				
Revenue	8.94	9 46	136 98	120.17
Protective	0.75	0.97	7 24	10.89
On surplus disposals	..	..	0 14	0 09
Total Import duties	9 69	10.43	144 36	130 65
Export Duties	2.28	1 54	41.39	37 49
Land Customs	0 19	0 05	1.81	1 29
Miscellaneous	0 05	0.07	1.07	0 70
Gross total customs	12 21	12 09	188 63	170 13
Refunds and drawbacks	0 24	0 15	1 83	2 63
Net Customs	11 97	11 94	186 80	167 50
Gross excise	10 50	12 09	106 62	148 83
Refunds	0 08	0 09	1 98	4 08
Net Excise	10 42	12.00	104 64	144 75
Net total of customs and excise†	22 39	23 94	291.44	312.25

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 3rd August, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves ..		6,35,00,000
Deposits and Other Accounts ..		223.04,71,000
Borrowings from Other Banking Companies, Agents, etc. ..		3,00 00 000
Bills Payable		5,22.15,000
Bills for Collection being Bills Receivable as per contra ..		63,60,000
Acceptances, Endorsements and Other Obligations per contra ..		14,03,000
Other Liabilities (including Inter-Office Adjustments)		10,19,93,000
Total ..	Rs.	254.21,92,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank ..		10.48 94,000
Balances with other Banks ..		3 94 54 000
Money at Call and Short Notice ..		58,33,000
Investments :—		
Government and other Trustee Securities		
Other Authorised Investments ..	94,83 84,000	
	11,24 98,000	
ADVANCES :		106,08,82,000
Loans Cash Credits, Overdrafts, etc.	90.14 77,000	
Bills Discounted and Purchased	36,12,25,000	
		126,34,02,000
Bills Receivable being Bills for Collection as per contra ..		63,60,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra..		14,03,000
Premises less Depreciation ..		1,16,46,000
Furniture and Fixtures less Depreciation ..		53 29 000
Other Assets (including Inter-Office Adjustments)		4,33 39,000
Total ..	Rs.	254.21,92,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖													
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates‡	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	65	3 26	22.66	84.17	1,18 85	92.03	—	31.07	7.55	25.64	..	..	55½	54
1954-55	4.70	1.62	4.99	27 27	1,24 64	1,84 94	1,30.88	—	38.87	5.57	37 15	7.40‡	7 88	45	95
1955-56	3.76	1.93	5.43	27.19	1,44.36	1,58,15	1,67,36	—	38.57	4.79	41 35	9.86	16,37	..	..
May 1955..	4.52	26	5.24	2 01	1,27.94	11.82	1,84,24	—	36.64	41	37 89	66	8.51	4	61
June ,, ..	4.44	13	5.12	2.09	1,29.49	12.26	1,86,26	—	36 76	37	38.22	54	9.32	5	65
July	4.36	12	5.15	2.27	1,31.28	12.80	1 40 38	—	36.85	41	38.54	91	10.19	4	69
August	4.29	12	5.17	2.06	1,32 63	12.25	1,43.80	—	36.95	39	38.87	88	11.00	4	73
September ,, ..	4.21	13	5.20	2.54	1,34,88	12.40	1,46,91	—	37.11	44	39 23	94	11 80	4	77
October ,, ..	4.14	10	5.21	2 11	1,36,28	11.85	1,48,99	—	38.23	46	39.68	80	12.49	5	79
November ,, ..	4.07	10	5.21	1.98	1,37,48	11.25	1,50,40	—	38.44	43	40.05	88	13.20	5	80
December ,, ..	4.00	18	5.26	2.48	1,39.48	12.94	1,52.44	—	38.44	36	40 34	88	13 98	4	84
January 1956 ..	3.91	14	5.24	2.02	1 40 78	12.16	1,54,14	—	38.55	32	40 61	84	14.78	3	87
February ,, ..	3.83	16	5 20	2.33	1,42.37	12.37	1,56.19	—	38.66	39	40.95	84	15.57	3	91
March ,, ..	3.76	33	5.48	2.82	1,44.36	23.64	1,67,36	—	38.57	26	41 25	88	16.37	3	95
April ,, ..	3.69	24	5.54	2.19	1,46.25	14.54	1,71,08	—	38.96	34	41.51	82	17.13	3	98
May ,, ..	3.61	21	5.54	2.49	1,47.88	14.77	1,73,05	—	39.05	38	41.82	85	17.74	3	98
June ,, ..	..	..	..	..	..	..	..	—	....	38	42 11	..	..	2	1,00

* At the end of period.
‡ Issued from 10th May 1954.
‖ Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors.
@ Progressive net repayments at the end of period from 15th August 1947.
‡‡ Relating to nine months from July, 1954.
E-Relating to eleven months from May 1954.
§ From July, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 30-7-'55	30-6-'56	21-7-'56	28-7-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	90 9	91 2	91.1	91 1
1. Government of India..	90 8	91 1	90 9	90.9
2. Indian States ..	96 4	96.8	96.3	96 3
3. Municipal, Port Trust, etc.	89 5	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS ..	100 7	100 5	100 4	100 4
1. Electricity	102.1	101 5	101 3	101.3
2. Jute	98 9	97 5	97 5	97 5
3. Cotton	99.1	99 3	99.3	99 3
4. Sugar	99 0	98.5	98.5	98 5
5. Coal	90 6	90 6	90.6	90 6
6. General Engineering ..	100 6	100 9	100 9	100.9
7. Shipping	100 9	101 8	101 8	101 8
8. Others	100.9	101.0	100.9	100 9
PREFERENCE SHARES ..	87 9	85 3	85 2	85 1
1. Electricity	90 1	90 0	90 2	90 7
2. Jute	80 2	82.9	83 4	83 5
3. Jute	86 0	81.8	81 7	81 4
4. Coal	92 5	84.6	84 6	85 2
5. Iron and Steel ..	91 5	87 9	88 3	88 5
6. Sugar	84 0	84.5	84 2	84 2
7. Paper	88 3	82.1	82 2	81 9
8. Plantations	98 4	102 3	100 2	100.9
9. Miscellaneous ..	85.1	82.0	81.6	80.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	119 8	124 8	125 7	125 7
(a) Financial	80 2	90.3	92 8	94 1
1. Banks	86 6	99 7	92.8	94.5
2. Insurance	100 9	99.3	92 0	92.9
3. Investment Trust..	67 9	92.7	91 4	90 8
(b) Public Utilities	113.1	111 7	113 7	113.6
1. Electricity	122.4	111.8	114.5	114.7
2. Shipping and other Transport ..	98 5	119.2	120 1	119 1
3. Railways	87 0	83.8	84 3	84 6
(c) Manufacturing industries.	126.3	134.8	135.9	135.7
1. Cotton, Woollen and Silk ..	112.7	134.6	130 3	140.2
2. Jute	99.0	75 6	72 5	71 7
3. Iron and Steel ..	157.6	158.8	155 9	154 8
4. Paper	235 9	234.7	227 7	224 9
5. Cement	157 6	140.8	141 7	140 7
6. General Engineering	194 8	103.9	103 9	103 1
7. Sugar and Breweries	102 0	105 7	106 6	106 6
8. Chemicals	140.3	144.4	150 3	149 9
(d) Non-Manufacturing industries ..	164.8	168 4	165.8	164 5
1. Coal	81 1	80.5	79.7	78 6
2. Mining and Oil ..	225 5	262.4	253.3	252 0
3. Plantations ..	189.6	182 4	181.5	179 8
(e) Miscellaneous	98.2	101.2	102.3	102.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.4	90.7	90.5	90 5
2. Calcutta	90.8	91.2	91.0	91.0
3. Madras	91.2	91.6	91.4	91.4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	99.8	99.7	99 7
2. Calcutta	101.5	100.9	100.8	100 7
3. Madras	100.1	100.2	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	92 5	89.2	89.5	89 8
2. Calcutta	83 5	80.1	80.1	79.7
3. Madras	94.9	97.8	96.1	96.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	122.1	132.8	138.4	137 0
2. Calcutta	112 7	110 3	105.7	108 3
3. Madras	115 1	134 3	138.1	138 6
4. Delhi	130 8	140.0	139.8	140.8

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	5,818,928
1952	963	809,243	3,326,961
1953	772	486,607	3,382,808
1954	840	477,188	3,379,630
1955	1,166	527,767	5,097,848
April 1954 ..	101	34,963	267,247
May ,, ..	80	40,073	216,062
June ,, ..	89	21,589	306,078
July ,, ..	122	30,189	277,492
August ,, ..	79	51,060	322,857
September ,, ..	97	50,414	363,878
October ,, ..	88	41,734	275,294
November ,, ..	62	28,116	239,701
December ,, ..	101	54,455	262,762
January 1955† ..	95	49,038	322,807
February ,, ..	91	38,370	334,092
March ,, ..	112	70,042	334,696
April ,, ..	105	32,432	333,275
May ,, ..	120	68,441	961,776
June ,, ..	152	91,269	1,144,011
July ,, ..	111	55,260	660,492
August ,, ..	236	90,218	533,999
September ,, ..	251	92,619	580,031
October ,, ..	134	47,600	214,214
November ,, ..	99	48,909	178,112
December ,, ..	129	45,277	239,550
January* 1956† ..	108	61,200	353,555
February* ,, ..	123	69,605	700,711
March* ,, ..	147	135,053	688,689
April ,, ..	136	79,314	512,435

† Figures are provisional. * Revised. § Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated†	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,676.3	5,572.7
1954-55	696	7,760.9	6,310.2
1955-56	715	8,805.8	7,185.8
March 1955 ..	686	698.7	568.3
April ,, ..	690	691.1	563.9
May ,, ..	691	706.5	576.1
June ,, ..	696	716.3	..
July ,, ..	700	724.8	593.3
August ,, ..	705	708.9	577.4
September ,, ..	707	719.3	587.1
October ,, ..	710	730.7	591.9
November ,, ..	721	725.5	597.0
December ,, ..	724	735.7	643.0
January 1956 ..	731	757 2	621 8
February ,, ..	739	749 9	622 0
March ,, ..	715	800 0	651 0
April ,, ..	701	780.8	643.8

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base Year ended August 1939=100)

Particulars	Weight	21st July, 1956	14th July, 1956	23rd July, 1955	June, 1956	June, 1955	Percentage of increase (+) or decrease (—) in June, 1956 as compared with June, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	381 1	378.7	314.8	366.2	281.8	+30.0	313.2	339.8
Cereals	59	434	436	364	470	323	+45.5	372	381
Pulses	8	336	330	273	359	228	+57.5	249	280
Others	33	247	242	251	236	233	+ 1.3	235	291
Industrial Raw Materials ..	(12)	490.4	487.8	407.4	479 4 R	390.4	+22.8	419.8	436.2
Fibres	53	473	475	412	461	407	+13.3	429	447
Oil seeds	30	530	521	395	542	350	+54 3	398	424
Minerals	10	523	517	414	429 R	415	+ 7.5	427	422
Others	7	419	419	418	430	416	+ 3.1	431	427
Semi-Manufactures	(17)	394 9	393.4	329 8	391.	329	+18.8	338.2	350.3
Leather	8	396	395	358	404	333	+ 4.1	373	376
Mineral oils	13	205	208	201	208	216	— 3.8	207	221
Vegetable oils	18	544	539	390	555	355	+56 3	389 R	433
Cotton yarn	35	476	475	406	476	422	+12 8	422	454
Metals	18	327	327	256	303	244	+26 2	264

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,933	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets ..	final	,,	13,095	13,749	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Total pulses ..	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut ..	final	tons	12,585	13,548	3,804	4,128
Castorseed ..	final	,,	1,462	1,394	126	124
Sesamum ..	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	..	5,665	..	962
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds ..	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,831	1,243	4,137	2,923
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane ..	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry) ..	final	,,	37	35	15	14
Pepper (Black) ..	final	,,	214	208	27	26
Chillies (Dry) ..	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture.
* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each. § Excluding Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During June, 1956 ..	98.9
	Corresponding month, 1955 ..	85.7
	Twelve months ended June, 1956 ..	1,094.9
	Corresponding period, 1955 ..	1,003.24
Stocks	At the end of June, 1956 ..	125.9
	Corresponding month, 1955 ..	87.6
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 30th June, 1956 ..	3,221
	Corresponding week, 1955 ..	15,311
	From 1st Jan., to 30th June, 1956	199,701
	Corresponding period, 1955 ..	222,443
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 30th June, 1956 ..	49,645
	Corresponding week, 1955 ..	32,453
	From 1st Jan., to 30th June, 1956	567,905
	Corresponding period, 1955 ..	546,244
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	June, 1956 (in lakh bales) ..	5.74
	Corresponding month, 1955 ..	4.97
	Twelve months ended June, 1956	63.51
	Corresponding period, 1955 ..	58.19

* From Calcutta † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1952 ..	11,38,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,54,400	10,42,900	7,91,200
Do. 31st March, 1956 ..	11,55,900	10,62,100	7,97,800
February 1955	93,500	84,500	63,900
March ,, ...	95 000	89,300	66,100
April ,, ...	95,100	88,000	66,200
May ,, ...	94,200	87,500	5,500
June ,, ...	91,700	80,900	62,600
July ,, ...	94,900	84,300	64,300
February 1956	97,500	89,500	67,700
March ,, ...	1,03,300	96,200	69,900
April ,, ...	1,00,900	87,200	64,300
May ,, ...	96,600	89,400	66,300
June ,, ...	94,900	89,900	64,400
July ,, ...	94,400	91,300	65,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	5,36,710	4,31,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	5,49,930	3,92,448
Do. 31st March, 1955 ..	7,15,949	5,38,240	4,59,093
Do. 31st March, 1956 ..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,661
,, ,, ,, Dec., 1954	1,85,020	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,48,828	1,18,186
,, ,, ,, June, 1955	1,85,608	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,, ,, Dec., 1955	1,84,690	1,34,694	1,06,793
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,808	1,17,710	92,609

OVERALL BALANCE OF TRADE OF INDIA
May, 1956†

Particulars	May, 1955 Rs. (lakhs)	May, 1956 Rs. (lakhs)	Two months, April to May, 1955 Rs. (lakhs)	Two months, April to May, 1956 Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	44,04	44,82	83,55	83,27
(b) Re-exports	41	89	83	1,75
Less—Transit trade ..	2	..	5	..
Net re-exports ..	39	89	78	1,75
Total exports ..	44,43	45,21	84,33	85,02
2. Imports	51,24	68,64	102,60	128,22
Less—Transit trade ..	..	3	1	8
Net imports* ..	51,24	68,61	102,59	128,14
Balance of trade in merchandise	— 6,81	—23,40	—18,26	—43,12
Balance of trade in gold and silver	..	— 1	— 1	— 2
Total overall visible balance of trade	— 6,81	—23,41	—18,27	—43,14

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	66	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
May 1955 ..	2,031	442	158	40	23	12	15	4	77	66	7	48	4	23
June ,, ..	2,973	662	237	55	33	17	19	6	37	98	11	73	7	34
July ,, ..	3,973	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,, ..	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,, ..	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	76
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	90
December ,, ..	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	104
January 1956 ..	10,406	2,319	806	172	88	56	114	24	302	339	34	268	42	129
February ,, ..	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,, ..	2,227	470	119	44	25	11	25	3	115	70	5	60	5	21

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept. 1955 to 6th Aug. 1956 Bales	From 1st Sept. 1954 to 6th Aug. 1955 Bales
Bombay Island—			**From Bombay Cotton Shipments to—**		
Cotton Receipts ..	Week ended 26th July, 1956 ..	8,647(J)	United Kingdom ..	59,497	
	Corresponding week, 1955 ..	24,527	Continent ..	84,803	39,390
	1st Sept. to 26th July, 1955-56 ..	1,811,374*	Hongkong ..	33,609	60,446
	Corresponding period, 1954-55 ..	1,965,751*	China	57,434	19,151
			Japan	298,256	5,103
Cotton Exports ..	Week ended 26th July, 1956 ..	434‡	U.S.A.	3,739	106,168
	Corresponding week, 1955 ..	13,045	Other Countries ..	2,926	17,064
	1st Sept. to 26th July, 1955-56 ..	537,772‡	Total to all foreign countries ..	540,564	2,537
	Corresponding period, 1954-55 ..	384,491	Coastal Ports	102,443	249,859
Mill Consumption .. (Estimated)	{1st Sept. to 2nd Aug., 1955-56 ..	1,152,007			147,388
	Corresponding period, 1954-55 ..	1,154,864	Total	643,007§	397,247
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 2nd Aug., 1956 ..	634,653		Period	Quantity (Bale of 400 lbs.
	Corresponding date, 1955 ..	795,854	**Consumption of Cotton—**		
Cotton Exports from Bombay (by sea)	During April, 1956 ..	63,092‡	Indian		340,420
	1st Sept., '55 to 30th April, 1956	623,192	Foreign	May, 1956	55,184
	1st Sept. '54 to 30th April, 1955	284,286	Indian		3,260,021
			Foreign	Nine months ended May, 1956	445,857
Karachi (Pakistan)—			Indian		3,054,708
Receipts	{1st Sept. to 19th July, 1955-56 ..	1,298,993	Foreign	Same Period 1955	491,267
	Corresponding period, 1954-55 ..	1,232,069	**Stocks (Mills and Elsewhere)—**		
			Indian		1,687,267
Exports	{1st Sept. to 19th July, 1955-56 ..	905,585	Foreign	As on 31st May, 1956 ..	219,318
	Corresponding period, 1954-55 ..	820,796	Indian		1,587,398
			Foreign	As on 31st May, 1955 ..	145,907
				Week ended 27th July, 1956 ..	2,226
				Corresponding week, 1955 ..	16,147
			Cotton Pressed in India† (in running bales) ..	1st Sept. to 27th July, 1955-56 ..	3,993,386
				Corresponding period, 1954-55 ..	4,479,801

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Piskings, etc. § Includes Zoda and Yellow Piskings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926–33	63,30,26,000	1960–70	101
2½ % Loan	1938–39	1,16,17,46,000	1963–65	95
2½ % Loan	1950	80,32,10,000	1964	95
2½ % Loan	1943	1,10,12,78,000	1965–68	93
2½ % Y. Loan	1944	83,54,89,000	1967	99
2½ % Loan	1945	1,18,06,83,000	1970–72	90
2½ % 2nd V. Loan	1945	1,18,55,54,000	1965–67	96
2 % Loan	1941	50,35,63,000	1958	98
2½ % Loan	1945	45,63,07,000	1960	96
2½ % Loan	1946	97,97,66,000	1961	95
2½ % Loan	1946	14,77,48,000	1976	82
2½ % Loan	1947	75,86,72,000	1962	93
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99
2½ % N.P. Loan	1954	1,58,17,34,000	1964	98
2½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98
3½%	1956	57,27,00,000	1962	98
3½% N. P. Bonds	1956	33,32,00,000	1967	98
3½%	1956	66,64,00,000	1972	98
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months' notice.	76
3 % Loan	1946	2,48,91,47,000	On September, 1966 or later at option of Government after three months' notice.	76
REPATRIATE STERLING LOANS				
4½% Loan	1923	5,85,73,000	1958–68***	102
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99
2½ % Bombay	1942	2,97,15,000	14th Sept. 1956	99
3 % Bombay	1943	3,00,00,000	15th Aug. 1958	98
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94
3 % Bombay	1950	2,87,82,000	31st July 1960	96
3 % Bombay	1951	5,55,25,000	17th Sept. 1962	98
4 % Bombay	1952	5,42,28,000	15th July 1963	101
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	101
4 % Bombay	1953	10,05,21,000	1st Sept. 1967	101
4 % Bihar	1955	1,00,00,000	1st Sept. 1967	99
3 % Coohin	1943	1,00,00,000	16th Dec. 1955-58	98
3½ % Howrah Bridge (New)	1936–37	1,05,98,700	1956–66	98
3 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99
3 % Madras	1939	1,33,33,500	21st June 1958	99
3 % Madras	1942	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,96,000	16th Aug. 1958	98
3 % Madras	1945	2,75,44,500	14th Sept. 1960	98
2½ % Madras	1946	3,81,77,500	1st Sept. 1961	93
3 % Madras	1950	4,83,25,400	31st July 1960	96
3½ % Madras	1952	3,01,42,200	15th July 1963	98
4 % Madras	1953	10,53,68,000	15th July 1963	100
4 % Madras	1952	6,24,81,200	1st Aug. 1964	100
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99
3 % Mysore	1932	2,95,85,200	1st Dec. 1956-62	101
3 % Mysore	1936	5,99,72,900	30th April 1956-61	99
3 % Mysore	1937	5,08,05,700	25th Jan. 1958	99
3 % Mysore	1942	3,33,47,900	15th July 1963	100
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	99
3 % M.P.	1944	55,69,200	16th Aug. 1958	98
3 % M.P.	1946	3,08,28,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95
3 % M.P.	1951	1,28,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	100
4 % M.P.	1955	1,68,12,000	1st Sept. 1967	99
3 % Punjab**	1933–44	2,49,87,200	15th Aug. 1958	98
3 % Punjab**	1941	2,45,78,500	14th Sept. 1956	98
3 % Punjab**	1945	2,98,81,800	14th Sept. 1960	97
3 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99
3½ % Travancore-Cochin	1953	50,00,000	16th Aug. 1956	99
3 % U.P.	1936	9,25,60,000	15th July 1963	100
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90
3 % U.P.	1941	2,57,11,000	14th Aug. 1956	99
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	95
3 % U.P.	1946	9,20,92,600	1st Sept. 1961	92
3 % U.P.	1951	1,01,02,000	17th Sept. 1962	98
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	100
4 % U.P.	1953	5,65,15,500	15th July 1963	100
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 36,50,000	4	1904	1964	Rs.
25,00,000	4	1905	1965	
15,00,000	4	1906	1966	
44,00,000	4	1907	1968	
78,00,000	4	1908	1968	99½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,276	4	1913*	1960	D
80,00,000	4	1913	1974	100½N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
61,61,200	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1925*	1960	
35,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,59,000	3½	1932*	1962	
24,55,000	3½	1935*	1965	
15,00,000	3½	1936*	1956	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,08,900	3½	1941	1971	
CALCUTTA				
Rs. 90,34,300	4	1914	1974	Rs. 90
78,96,100	4	1915	1975	99
1,58,00,000C	5††	1921	1981	88
66,03,100C	5††	1922	1981	144N
98,31,500	5½	1926	1956–86	100½
99,84,500B	5	1926	1956–86	100½
1,49,43,50B	5	1927	1957–87	100
1,49,30,000	5	1928	1958–88	108
80,00,000	4½	1931	1961	95
99,99,200	4½	1937	1968	97½
25,00,000	3	1938	1963–68	90
50,00,000	3	1945	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84
50,00,300	3	1948	2008	74
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1979	87
1,00,00,000	3	1949	1959	97
50,00,000C	3	1950	1960	93
1,00,00,000	3	1950	1980	88
1,00,00,000	3	1950	1960	95
58,00,000	3	1951	1981	84
1,50,00,000	3½	1951	1961	98
50,00,000	4	1953	1963	100
50 00,000	4	1953	1983	89
50,00,000	4	1954	1985	98
77,00,000C	4	1956	1986	97
STERLING LOANS				
£593,600	5	1922	1952–82	£79
£501,000	5	1923	1954–84	£79
£335,100	5½	1932	1962	£91
MADRAS				
Rs. $1,47,189	2½	1947	1977	Rs.
9,85,000	3	1947	1977	
5,00,000	3	1949	1979	A
45,80,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 50,00,000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
20,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
28,00,808	4	1908	1968	
50,00,000	4	1912	1972	
50,00,000	4	1913	1973	
25,00,000	4	1914	1974	97½N
40,00,000	5	1916	1976	
66,00,000	5	1919	1957–79	113N
25,00,000	5	1920	1956–80	
25,00,000	5	1924	1956–86	113N
10,00,000	4	1927	1961–71	98N
		1936	1966	
STERLING LOANS				
£565,600	5	1909	1959	£88½N
£333,000	5	1910	1970	£85½N
CALCUTTA				Rs.
Rs. 25,00,000	5½	1929	1959	107
50,00,000	6	1934	1964	99
35,00,000	5½	1934	1964	99
30,00,000	3	1936	1966	84
50,00,000	3	1937	1968	90
20,00,000	3	1937	1963	91
80,00,000	4	1953	1963–68	90
1,02,00,000	4	1953	1963	99
		1956	1968	99

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,80,900	4	1918–15	1974	100
10,00,000	5	1920	1980	110
25,00,000	5	1920	1960	118N
95	5	1921	1961	104
28,21,500	5	1929	1959	to
4,25,00,000	3½	1947	1977	108
2,50,00,000	3	May 1950	1978	86
4,00,00,000	3½	1950	1980	86
4,50,00,000	4	1952	1964	100
2,00,00,000	4½	1953	1963	100
1,30,00,000	4	1953	1963	97
1,00,00,000†	4	1953	1963	100
2,50,00,000	4	1954	1964	100
	4	1955	1967	100
CALCUTTA				
35,00,000	5	1928	1958	108
25,00,000	5	1929	1957	108
25,00,000	5	1929	1958	108
10,09,000	5½	1932	1962	102
33,91,000	5	1935	1965	102
60,00,000	3	1936	1966	84
47,50,000	3	1936	1966	90
15,58,800	4	1939	1969	90
15,58,800	4	1939	1956	99
15,58,800	4	1940	1957	99
17,64,400	3½	1940	1958	99
21,10,000	3½	1942	1973	97
15,49,200	3½	1951	1960	97
16,28,200	3½	1951	1961	97
66,88,500	3½	1951	1961	97
37,50,000	4	1952	1962	99
72,50,000	4½	1954	1979	100
Rs.				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,06,000	17th Sept. 1965	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	2,80,23,000	15th July 1963	100½
4 % W. Bengal	1955	7,58,75,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st April, 1955. ‡—Nominal.
§ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st June, 1944. ‖—Interest free to first 15 Years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. apt.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905–24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar A'	7,00,000	1920	7	July Apr.	5–15½xd	5
†East India Distilleries ..	2,00,00,000	1897	7	Jan. July	17½xd	21
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Rannuggur Cane	4,00,000	1933–36	6	Aug. ..	99½	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	5,00,000	1946	5(a)	Dec. ..	90N	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	110xd	100
Burrakur (1st)	2,99,800	1901–19	7	Apr. Oct.	109xd	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½xd	10
Equitable	4,00,000	1895	6	Mar. Sept.	103	100
Karanpura Collieries ..	9,87 500	1946	5½(a)	.. ..	62	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Sndai	2,00,000	1898–99	6½	Apr. Oct.	110xd	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	123xd	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99	100
Bowreah	6,00,000	1900	8	Feb. Aug.	126	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	86	100
Bradbury	14,75,000	1919	7	June Dec.	72	50
Buckingham & Carnatic ..	21,39,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1923	7	Apr. ..	113½xd	100
Central India	50,00,000	1912	5	Apr. Oct.	500	500
Coimbatore Pioneer	1,00,000	1935	6½	May Nov.	104½	100
Elgin	11,00,000	1912	9	May Nov.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. *Reserves* include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies ch close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	3-3½	2	0 4(c)	0 2(c)				
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	57½	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,98,000	2,99,72,778	4,92,35,443	3,29,60,273	73,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	681½	250	22 8*	20 0	25 0*		3	Y.P.T.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	860	Bradbury Mills	273½	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,09,42,800	2,33,66,826	2,81,83,264	1,97,06,117	8,34,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	5804	100	22 0	22 0	22 0		3	Y.P.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33,08,697	V. J. Bhatt (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	100	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,38,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	161½	100	7 8	7 8	7 8		12	Y.
16,00,000	24,36,896	69,10,861	54,06,041	2,17,076	Ramnarain Sons, Ltd.	40,992		Dawn Mills	175	50	6 0	6 0	15 0		3	Y.
34,00,000	27,75,000	73,40,731	54,73,724	30,168	Puranmal Radhakishan & Co.	50,084	928	Edward Textiles	340½	50	6 0	6 0			12	Y.
29,98,050	11,31,233	1,09,78,949	80,74,224	1,31,354	M.	41,300	886	Elphinstone Spg. & Wvg.	340½	200	15 0	15 0			12	Y.
60,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	373½	100	*Nil*	3 0	5 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. &Wvg. Mills	5,340	100	15 0	16 0	20 0		12	Y.P.
16,000									1,000	1,000	225 0*	225 0	300 0	75 0‡		Y.
50,00,000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,412	India United Mills	5,075N	1,000	225 0*	225 0	300 0	75 0‡	3	Y.P.
8,65,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,102	Indian Mfg.			56 4*	56 4	75 0	18 12‡		
35,000											0 1	*Nil*	0 3		12	Y.
59,35,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	280	100	112 8*	112 8	150 0		3	Y.P.
1,00,00,000	1,21,50,000	3,56,88,000	2,68,14,796	33,980	Kohinoor Mills Ltd.	1,20,504	1,846	Kohinoor Mills	389	100	10 0	8 0	10 0	3		
22,13,050	41,06,720	1,18,74,348	55,99,115	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	100	100	20 0*	18 0	18 0		6	Y.P.
51 75,000	36,82,000	2,06,23,597	1,52,81,153	26,751	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	265	50	5 0	5 0	8 0*	6 0‡	12	Y.
1,57,74,400	88,41,004	5,84,71,035	2,05,00,000	5,12,085	Chimal & Co., Private Ltd.			National Rayon Corporation	269½	100	12 0	14 0	14 0		10	Y.T.
24,00,000	24,50,000	70,57,853	46,04,756	3,015	W. B. Brady & Co., Ltd.	45,044	432	New City of Bombay Mfg.	180½	100	9 0	10 0	12 0		6	Y.P.
30,00,000	14,61,250	92,35,599	61,42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	160	100	10 0	10 0	10 0		12	Y.P.
48,00,000	36,62,273	1,49,03,112	99,59,811	1,26,364	Ramnarain Sons, Ltd.	61,208	1,190	Phoenix Mills	167½	100	10 0	7 8	10 0		12	Y.
40,00,000	45,70,390	30,55,049	23,00,000	3,92,677	Podar Sons, Ltd.	32,600	930	Podar Mills	191½	100	8 0	8 0	10 0		12	Y.P.
5,00,000	8,16,399	21,21,521	10,01,340	—1,72,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	86N	100	10 0	10 0	12 0*		12	Y.
37,70,000	82,30,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,668	1,254	Sassoon Spg. & Wvg.	41	10	1 4	1 12			12	Y.P.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,836	1,040	Shree Niwas Cotton Mills	245	100	14 0	14 0	12 0		12	Y.
42,00,000	33,02,179	98,78,309	73,63,752	96,017	Forbes, Forbes Campbell & Co. Ltd.										12	Y.P.
87,80,000	2,23,15,720	2,51,23,699	1,37,85,474	12,833	Mafatlal Gagalbhai & Sons	54,840	1,276	Simplex Mills	214½	50	15 0	11 0	10 0		12	Y.P.
99,85,700	84,69,716	2,28,87,647	1,19,01,899	67,611	Tata Industries Ltd.	52,036	1,633	Standard Mills	495	100	20 0	20 0	20 0	12 0	3	Y.
86,00,000	65,33,465	1,28,99,971	81,52,715	1,51,030	James Finlay & Co., Ltd.	72,226	2,000	Svadeshi Mills	265	100	16 0	8 0	12 0		12	Y.P.
82,77,125	51,96,376	1,77,34,839	68,44,593	43,485	Tata Industries Ltd.		552	Swan Mills	480	100	20 0	20 0	25 0		12	Y.P.
12,00,000	62,55,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	42,096	1,800	Tata Mills	62	25	1 8	2 8	4 0		12	Y.
						58,136	1,209	Western India Spg. & Mfg.	5,140	1,000	225 0*	225 0	300 0	75 0‡	12	Y.P.

AHMEDABAD

83,00,000	21,11,650	1,36,23,272	60,47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	212½	100	10 0*	5 0	7 0		6	Y.P.
70,00,000	94,58,088	24,37,398	76,10,164	27,288	P. M. Ruthenesing & Sons, Ltd.	44,220	912	Aruna Mills	1,190	100	20 0*	20 0	30 0		12	Y.P.
26,25,000	2,55,30,694	1,66,65,504	1,10,00,000	72,763	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,591	100	25 0	25 0	30 0		12	Y.P.
20,00,000	31,75,000	96,34,384	72,25,000	2,46,389	Mancaldas & Bros., Ltd.	37,164	892	Aryodaya Ginning & Mfg.	640	100	15 0	15 0	25 0*		12	Y.P.
12,99,000	1,18,39,033	84,56,974	69,64,953	69,806	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	1,210	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	1,38,25,393	4,84,25,393	2,38,68,344	2,31,712	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	1,275	125	18 0	18 0	30 0		12	Y.P.
62,87,000	24,53,000	1,21,06,843	89,25,000	2,760	Mucumlal Bhailal & Co., Ltd.	45,836	866	New Commercial Mills	2,037½	1,000	70 0	70 0	80 0	30 0‡	3	Y.P.
10,00,000	58,45,000	50,63,107	37,93,317	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.	51,122	864	New Shorrock Spg. & Wvg.	1,040	125	35 0	35 0	35 0		12	Y.P.
12 50,000	1,14,77,470	86,29,439	60,39,883		Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	770	100	30 0*	30 0*	20 0		12	Y.P.
82,50,000	1,78,207	1,07,01,469	71,42,803	17,34,749	Lallubhai Gordhandas Ltd.	32,828	686	Raipur Mfg.	1,145	100	25 0	25 0	35 0*		12	Y.P.
28,38,150	2,02,538	1,52,75,588	1,52,75,588	3,23,290	Harivallabhdas Kalidas & Co.	33,156	648	Rohit Mills	337½	100	9 0	9 0	*Nil*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co., (Ahmedabad). Ltd.	36,624	1,733	Shri Ambica Mills	711	50	18 0	20 0	27 0*		12	Y.P.
28,00,000	90,84,191	1,09,66,008	78,35,291	34,644	Haridas Achratlal & Co., Ltd.	36,176	720	Shorrock Spg. & Mfg.	670	100	20 0	25 0*	25 0		12	Y.
							780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,32,800	34,23,060	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	7½	10	0 4	0 8				
7,11,280	5,40,775	43,42,381	25,67,597	98,783	Bengal Textile Agency, Ltd.	32,544	926	Bengal Luxmi Cotton Mills	40N	40	*Nil*	4 0	*Nil*		12	Y.P.T.
6,06,000	22,72,414	89,03,142	51,49,000	—23,47,373	Ketilewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	174	100	*Nil*	*Nil*	4 0		3	Y.
19,00,000	20,17,571	1,04,88,568	70,76,377	1,37,951	Ketilewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	295	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
1,60,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd.	70,384	1,960	Kesoram Cotton Mills	19½	10	1 12	0 14	2 8		6,12	H.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	10			0 14		3	Y.P.
83,96,288										(25						
19,47,7500	7,45,000	47,06,298	24,48,352	1,094	Hazareemull Heeralall	23,036	795	Rampooria Cotton Mills	16½	10	0 8	0 8	1 0		12	Y.P.
5,00,000D									1N	1D	*Nil*	*Nil*	0-5 11/25		6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,27,191	29,09,649	—8,54,233	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	11½	10	*Nil*	*Nil*	*Nil*			
61,71,428	35,91,264	1,84,91,530	50,78,582	1,36,045	Industrial Trust Fund	36,139	708	Azam Jahi Mills	95	100	6 0	*Nil*	3 8(c)		12	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	585	100	25 0	30 0	30 0		6	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9½	10	0				12	Y.P.
15,00,000	1,09,48,251	1,19,14,402	87,78,992	4,25,221	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31	10	3 0	3 0	3 0		6,12	H.P.T.
1,78,47,500	1,76,32,500	6,38,09,293	2,52,32,130	2,38,446	Binny & Co. (Madras), Ltd.	1,20,350	2,787	Buckingham & Carnatic	203	100	10 0	10 0	10 0		3	Y.
20,00,000	20 00,000	39,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	14½	10	0 12	*Nil*	0 8		12	Y.P.T.
15,00,000	5,11,506	48,30,929	24,63,361	8,994	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	185	100	12 0	20 0	12 0		3	Y.P.
80,00,000	20,51,420	59,40,929	41,72,376	36,767	Begg, Sutherland & Co., Ltd.	28,706	501	Cawnpore Textiles	9	5	0 0	0 8	*Nil*	15 0	3	Y.P.
12,00,000	20,00,000	34,88,396	27,86,527	34,164	R. Ikheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	10	10	2 0	2 0	2 0	3 0	3	Y.
20,00,000	19,05,000	36 50,430	24,25,921	14,323	T. R. N. Naidu & Co.	23,738	..	Coimbatore Pioneer Mills	335	100	25 0	25 0	25 0		12	Y.
20 76,900	4,19,814	1,15,51,599	82 06,019	16,884	K. G. S. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg.	123	50	3 0s	2 0	2 0		12	Y.
46,87,500	52,82,449	2,45,18,409	1,58,09,333	3,703	Tata Industries, Ltd.	1,15,272	2,062	Delhi Cloth & General	159	100	5 0	2 0	5 0		12	Y.
8,36,36,225	2 55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	39½	25	1 12	2 4	2 4		6	Y.P.
1,00,563										2½	0 2 4/5	0 3 3/5	0 3 3/5			
24,34,800	25 47,878	52,74,245	38,20,882	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	422½	100	20 0	30 0	30 0		6	Y.P.T.
63,00,000	66,93,360	1,52,16,382	1,29,71,631	48,462	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	281½	100	1 0	1 0	1 0		12	Y.
88,84,000	35,22,175	1,00,55,167	66,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	249	100	17 0	13 0	15 0		12	Y.
50,00,000	6,16,447	1,33,91,923	1,12,28,576	9,551	K. L. Kalsaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	166½	100	6 0	6 0	10 0		12	Y.P.
8,00,000	10,65,083	31,06,089	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Janardana Mills	125	50	4 8	6 0	9 0		12	Y.
24,00,000	16 25,000	75,88,568	26,50,000	29,382	Kothari & Sons	43,000	300	Kothari Textiles	17½	10	0 8	1 0	1 0		12	Y.
32,00,000	68,30,185	1,48,82,650	1,12,84,204	14,744	Bombay Co., Ltd.	61,972	1,219	Lakshmi Cotton Mfg.	86N	10	0 8	0 8	1 0		12	Y.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	35,908	201	Lakshmi Mills	705	250	37 8	33 12	42 8		6	Y.P.
17,82,050									1250d	50	5 0	10 0	12 8		12	Y.P.
1,75,02,480	4,13,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	51½	25	2 8	5 0	6 0	12 8‡		
12,00,000	4,17,363	28,26,764	13,72,262	—99,079	A. L. A. R. S. Chettiar and 2 others	22,592	100	Malabar Spg. & Wvg.	112	100	8 0	8 0	3 0	6 4‡	3	Y.
60,00,000	69,00,000	63 79 027	43,29,734	45,835	W. A. Beardsell & Co. Ltd.	24,720	603	Mettur Industries Ltd.	200	100	8 0	8 0	3 0		12	Y.
29,80,884	19 61,581	89,75,246	40,94,738	16,688	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	492½	100	12 8	22 8*	35 0		12	Y.
94,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,332	Ramlal Abirchand Dadabhoy & Co.	51,340	948	Model Mills (Nagpur)	111	100	7 0*	5 0(c)	6 0	42 8	3	Y.
30,00,000	52,19,600	1,55,39,272	1,05,91,651	—7,77 290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	172½	250	7 8*	5 0(c)			12	Y.
24,33,500	50,34,547	99,04,000	63,09,038	23,708	N. Sirur & Co., Ltd.	50,128	500	Mysore Spg. & Mfg.	86N	10					6	Y.
13 61,780	1,000	29,41,719	15,25,283	—1,92,850	R. Suryanarayana Rao, Esq., Manager	6,000	..	Mysore Spun Silk Mills	136½	50	10 0*	8 8*	6 0(c)	3 0‡	2	Y.P.
22,80,8820	25,62,533	1,04,27,293	58,90,710	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	7½	10	*Nil*	*Nil*	*Nil*		3	Y.
3,07,0981									2½	2	*Nil*	*Nil*				
87,19,600	55,48,220	1,69,99 989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	03	100	4 0	*Nil*				
4,00,0003	6,50,000	39,12,549	23,46,016	14,609	Bhachyalakshmi & Co.	20,924	..	Palani Andavar Mills	168	50A	12 0	12 0	2 8(c)		9	Y.
6,00,0091									235	50B	18 0	18 0	18 0			
15,00,000	1,65,000	34 16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	96	100	*Nil*	*Nil*	4 0(c)		12	Y.P.
16,81,200A	22,75,000	83,60 150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,864	301	Radhakrishna Mills	350	100A	8 0		16 0	20 0‡	12	Y.
8,40,600B									175	50B	4 0	8 0	10 0			
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	193	50	3 8	7 8	10 0		12	Y.
22,29,625	12 40,000	40,14,000	18,05,147	29,350	Ravalaseema Development Co.	14,600	..	Rayalaseema Mills	163	100	6 0	10 0	10 0		12	Y.
60,00,000	62,41,568	1,00,25 428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur)	34,532	600	Raza Textiles	8½	100	9 0	9 0	10 0		12	Y.P.
16 00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,232	2,284	Sholapoor Spg. & Wvg.	1,750	10	*Nil*	*Nil*			12	Y.P.
36,60,700	17 10,000	81,44,272	65,63,318	1,09,148	H. N. Pallezar, Esq.	31,668	292	Sri Krishnarajendra Mills	116	500	*Nil*	*Nil*				
26,14,800	2,00,240	35,18,906	17,73,000	—2,46,777	Gonaldas Liladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	50	4 0*	4 8	5 0	7 0	3	Y.P.
15,00,000	3,11,90,237	96,09,567	72,44,724	31,27,583	Birla Brothers, Ltd.	38,556	1,242	Sutlej Cotton Mills	112N	10	*Nil*	*Nil*			3	Y.P.
17,50,0000	2,30,00,000	4,54,40,847	1,70,63,159	7,09,029	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	11½	100	4 0	5 0	6 0		3	Y.
1,57,50,000									11½	100A	0 8	0 12	0 8		3	Y.
1,00,00,000	30,14,788	3,80,55,817	1,27 16,775	2,63,771	Emcete & Sons (Travancore), Ltd.		..	Travancore Rayons	15-8½	10P.O.	0-14 2/5	1-2 2/5	1-2 2/5			
13,18,670	8,78,332	17,39,181	11,37,356	1,508	Mooljee Ramlee & Sons	17,600	..	Trichinopoly Mills	18½	10	0-11 1/5	0-14 2/5	0 12		12	Y.P.
21,00,000	34,50,000	71,83,723	40,63,188	56,000	R. K. S. Chetty & Brothers	46,490	1,331	Vasanta Mills	341	100	12 0	15 0	0-14 2/5	0-14 2/5	12	Y.P.T.
32,00,000	34,42,971	1,84,67,122	1,35,10,238	4,000	Bombay Co., Ltd.			Vishnu Cotton	191½	100	4 0	4 0	20 0		12	Y.
													8 0		12	Y.P.

* includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1953.

‡ Calico Mills have changed the accounting year from December to March. The stest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						BREWERIES AND DISTILLERIES								
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11½	5	*Nil*	*Nil*	0 8		5	Y.P.
16,30,650	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	10½	5	0 8	0 8	0 9		5	Y.
							30½		Sh. 1 3/8	Sh. 1 3/8	Sh1 3/8			
4580,000	£925,777	£1,304,586	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	—	A. 16sh. B. £1	Sh. 4	Sh. 5 4/5	Sh4		9	Y.P.
6,00,000	9,60,000	13,47,805	13,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	182	75	15 0	15 0	15 0		3	Y
						CEMENT								
11,87,700A	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	—	A. 100	*Nil*	*Nil*	0 8		12	Y.P.T.
99,79,020B							16	B. 10	1 0*	1 8	10 0*			
48,14,5000	12,13,122	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	6⅜	O. 10	*Nil*	*Nil*			3	Y.P.
4,70,976D							11½	D. 1						
12,71,56,308	5,49,40,618	24,00,99,371	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	106½	100	9 8	8 8	10 0		7	Y.
60,00,0000							15½	O. 10	1 0	1 0	1 4			
26,50,0000	60,02,261	96,09,338	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	5⅜	O. 2½	0 4	0 8	0 5		12	Y.P.
5,00,000D							7½	D. 5	0 1 3/5	0-1 3/5	0 2			
81,91,0930	14,00,000	1,46,64,600	47,05,770	8,31,548	Essen Ltd.	India Cements Ltd.	38	O. 25	*Nil*	1 4	1 14		8	Y.P.
7,50,000D							7½	D. 5	*Nil*	0 4	0 8			
88,93,275	44,50,000	2,04,20,192	1,41,94,859	15,36,802	Martin Burn Ltd.	Shree Digvijay Cement	100		6 0	8 0	8 8		12	Y.P.
75,00,000	20,35,000	1,04,63,117	39,26,502		Ezest Ltd.	Shree Laxmi Agents Ltd.	9½		0 6	0 4	0 8		12	Y.
60,00,000						Sonavalley Portland Cement	10½cd	10	0 8	0 10	0 10		12	Y.
						Travancore Cements Ltd.								
						CERAMIC; MINING AND QUARRYING								
$1,70,655	2,85,000	63,15,303	33,02,633	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3⅜	2½	0 2½	0 4	0 4		12	Y.
12,00,000	25,12,725	57,20,295	33,23,356	9,142	Bird & Co., Ltd.	Biora Stone Lime Co.	40N	10	0 14	0 0			3, 9	H.
90,00,000	61,322,766	82,037,345	81,036,257	5111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7½	Sh. 2	2.4d.	6d.	1 0		12	Y.
6914,200														
15,00,000	24,32,396	43,81,247	12,21,311	17,839	Bird & Co. Ltd.	Karanpura Development	21½	10	*Nil*	*Nil*	1 0		6,12	H.
5,00,000											3 0			
8,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	115	25	1 9	3 2	4 11		5,12	H.P.T.
62,98,250	66,03,861	1,11,56,730	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	12 0	14 0	1 6 2/5		3,9	H.
25,00,000	16,12,500	1,26,88,385	56,31,638	85,487	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	1 0*	0 12*	0 12*		3	Y.
1,46,82,500	2,09,26,641	4,27,02,865	1,02,96,953	2,29,489	Birla Bros	Orient Paper	40½	10	2 0	0 15	1 2		3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	1 8	1 8	0 10		6,12	H.P.T.
20,00,000 15,00,000 'A'.	6,50,000	95,83,644	61,01,926	13,795	Baloria & Co.	Star Paper Mills	11½ O. 10 11½ A .10		0 12 0 12	0 12 0 12	1 4 1 4		3,9	H.P.T.
66,00,000 A. 66,04,500 B. 4,97,500 P.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	41½ 41½ 4	A. 10 B. 10 P.O. 5	2 0*	1 8	2 0*		3,9	H.P.
PRESSING														
5,00,000	6,12,365	15,78,488	11,18,891	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 8	4 8	*Nil*		6	Y.
4,50,000	1,00,000	6,89,526	4,78,056	2,554	Pyne & Sons	Camperdown	88N	100	7 0	7 0			7	Y
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 8	5 0		6	Y
PROPERTY AND LAND														
10,00,7800. 2,00,000 D.	6,98,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq., [& others] (Directors)	Humayun Properties	12½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.P.
80,00,000	18,07,374	24,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	24	D. 1	0 4/5	*Nil*	0 9 3/5			
24,00,000	36,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	8½	100	1 8	4 0	3 0		4	Y.
							30½	100	1 8	4 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
12,00,938	28,05,545	31,61,533	10,73,883	—5,14,537	Bird & Co. Private [Ltd.	Assam Saw Mills	3½	3	*Nil*	*Nil*	*Nil*		9	f
50,00,000 25,00,000	4,18,57,280	3,35,90,682	1,47,51,851	61,999	Wallace & Co.	Bombay-Burmah Trading Corpn.	735 277½	Old125 New50	15 0 6 0	20 0 8 0	27-8 10-0	11-41 4-81	5	Y.
5,00,000	....	7,28,569	7,26,287	—4,69,907	Jardine Henderson, Ltd.	Bengal Timber Trading	35N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
20,00,000	21,15,487	19,00,295	14,35,560	2,76,519	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	39½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	29,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7	5	*Nil*					
12,00,000 A. 5,00,000 B.	29,18,856	49,46,285	33,16,660	16,50,000	Narang Bros. & Co. Ltd. ..	Basti Sugar	147½N 14N	A. 100 B. 10	10 0 1 0	10 0 1 0			6	Y.
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	11½	10	1 4	1 4	0 12		4	Y.
15,00,000	15,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	74	0 12	0 12	0 12		9	Y.
33,00,000	28,37,080	1,36,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10	10	1 8	1 8	1 8		6	Y.P.
30,00,000	97,33,651	1,09,44,547	64,53,451	92,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	10	*Nil*		0 12	0 4		6	Y.P.T.
15,00,000	38,04,991	72,85,757	53,46,902	54,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	10	10	2 0	0 12	0 12		10	Y.P.
5,99,452	6,18,562	24,58,580	16,28,747	46,304	Karamchand Thapar & Bros.	Deoria Sugar	26½	10	1 0	1 0	1 8		6	Y.
50,01,000 A. 10,00,0000.	82,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	9½ 260N	10 'A. 100	1 0 15 0*	0 12 15 0*	15 0*		8	Y.T.
12,00,000	8,61,001	75,81,309	42 63,455	97,226	Kilachand Devchand & Co. ..	Kesar Sugar	100	O. 100	15 0*	15 0*	15 0*		6	Y.P.
7,80,100	22,14,058	24,94,612	19,85,888	1,264	Cotton Agents Ltd.	New India Sugar Mills	60M 32N	80 40	*Nil* *Nil*	*Nil* *Nil*	4 8 2 4		7	Y.P.
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	33N	10	2 8	2 8	2 8		6	Y.P.T.
10,97,500 A. 5,71,875 B.	49,60,227	67,74,122	31,56,900	5,817	Cotton Agents Ltd	New Swadeshi Sugar Mill ..	6½ 240N	100	0 4 20 0	0 4 20 0	20 0		8	Y.
77,45,250	52,18,159	1,56,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	60N	100	5 0	5 0	4 0		6	Y.
13,00,000	13,74,333	28,77,669	19,95,928	55,000	Narang Bros. & Co. Ltd. ..	Punjab Sugar	185N	100	11 0	11 0	11 0		7	Y.P.
9,00,000	17,64,569	27,85,308	20,57,549	5,671	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	115N	100	10 0	10 0			10	Y.
8,00,000	5,81,129	26,43,262	21470,924	5,234	M.	Ryam Sugar	14½	10	1 0	0 12	0 12		10	Y.P.
11,97,000	18,86,779	28,63,583	22,92,130	5,477	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	19	10	0 8	0 8	0 12	0 14 2/5	10	Y.P.
20,00,000	23,62,560	1,35,20,110	62,59,521	24,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	18	10	0 8	0 8	*Nil*		8	Y.
9,99,950	61,825	37,19,126	12,50,552	—5,37,858	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..		12½	10	1 8	1 8	1 12		8	Y.P.T.
7,95,462	18,88,940	31,50,785	17,68,068	1,06,227	Karamchand Thapar & Bros	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,0000.	47,592	37,42,197	11,46,770	—16,14,608	N. K. Jain & Co., Ltd.	South Behar Sugar	14½	10	2 0*	1 8*			6	Y.T.
4 40,000 D.							12	O. 10	*Nil*	*Nil*				
5,00,000	21,91,285	26,42,063	57,49,784	82,981	Cotton Agents Ltd.	Upper Ganges Sugar	8N	D. 2½	*Nil*	*Nil*			10	Y.P.
16,00,000	7,66,589	32,69,951	26,85,926	20,564	James Finlay & Co., Ltd.	United Provinces Sugar	75N	100	0 8	2 8	2 8		8	Y.
							10½ xd	10	0 8	1 4	1 8		8	Y.
Other Centres														
46,96,750	74,55,470	1,50,12,676	1,06,10,261	90,042	W. H. Brady & Co., Ltd.	Belapur Company	254	50	16 0	16 0	16 0		9	Y.
17,50,000	9,34,928	35,26,979	21,26,722	4,992	A. H. Bilwandwalla & Co.	Bhopal Sugar Industries Ltd. ..	17N	10	0 10	1 0	1 0		9	Y.P.
15,98,900	2,45,541	39,14,583	20,01,146	51,903	Sir J. P. Srivastava & Sons (M.B.) Ltd	Gwalior Sugar	7½	10	*Nil*	*Nil*			9	Y.P.
47,94,920	14,00,000	30,54,907	18,71,128	5,22,818	India Sugar Agencies Private Ltd	India Sugar and Refineries ..	70N 16½	*Nil* 10	*Nil* 2 8	*Nil* 1 12	1 6 2/5		9	Y.P.
33,57,620	41,37,060	41,95,606	20,78,418	1,608	Gwalior Sugar	Buland Sugar	144N	10	1 0	1 0			9	Y.P.
12,62,5000.	99,50,000	95,99,365	31,00,978	49,494	V. Ramakrishna, Sons Ltd. ..	K. C. P. Ltd.	197½	0.100	7 8	7 8	7 8		10	Y.
2,50,000 D. 21,70,250	95,00,001	1,31,37,077	72,17,780	2,90,840	S. Muttuswamy Iyer, Esq. (Managing Director)		125	D. 10	10 0	10 0	10 0		9	Y.P.
80,00,000	48,49,631	1,03,26,164	59,26 509	11 068	Mafatlal, Apte and Kasliwal Ltd.	Mysore Sugar	48½	10	2 0	2 0	2 0		8	Y.
16,59,880	28,50,880	53,90,013	28,79 747	89,280	Anderson Wright Ltd.	Phaltan Sugar	165	50	8 0	8 0	8 0		8	Y.
20,00,0000.	21,76,092	39,12,138	58,50,883	64,612	Walchand & Co. / Ltd.	Ramnagar Cane and Sugar ..	27½	10	2 8	2 8	2 8		8	Y.P.T.
4,00,0000.							106N	O. 50	*Nil*	2 8	9 0			
19,99,500	44,88,457	47,06,589	21,78,094	4,893	Govan Bros. (Rampur), Ltd. ..	Ram Sugar	75	D. 10	*Nil*	*Nil*	0 1 1/5		9	Y.P.T.
80,00,000	10,87,776	89,76,284	17,87,150	—23,284	Forry & Co., Ltd.	Travancore Sugars	154N	10	1 0	0 12			10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,435	1,31,172	M.	Walchandnagar Industries ..	13½	10	*Nil*	*Nil*			9	Y.P.
							278½	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
20,00 000	1,00,99 622	1,24,00,702	15,56,557	85,626	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	102	10 0	7 8	7 8		10	Y.P.
1,50,00,000	19,37,619	4,41,55,984	1,89,09,519	1,54,923	Dinsha (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50,00,000	24,85,588	2,50,21,226	88,65,795	1,47,959	A. H. Bilwandwalla & Co. (Bombay) Ltd.									
2555,580	2960,878	55,515,621	52,344,773	521,366	Kilburn & Co., Ltd.	Great Eastern Shipping Co. ..	19½	10	1 0	1 0	*Nil*		6	Y.P.
2,25,00,000	74,99,228	7,92,25 462	1,61,56,690	1,26,061	Lionel Edwards Ltd.	India General Navigation & Rly. Co.	114	610	*Nil*	6a. 1 0	*Nil*		6	Y.P.
2,40,19,678	6,94,98,081	18,26,58,612	4,34,44,800	2,73,688	Narottam Morarjee & Co.	India Steamship Co.	9-8½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
6,40,8000.						Scindia Steam Navigation Co. ..	18-14½	25	0 12	0 8	*Nil*	0 8	12	Y.P.
10,9000 P. O.	19,08,266	11,55,488	7,29,969	1,84,498	R. B. Atyar, Esq. (Manager) ..	Watford Transport Ltd.	1½	O. 1 P.O. 1	as. 1 9/25 as. 1 9/25	1 2½/2 1 10/25	as. 2 6/25 as. 1 22/25		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,56,521	4,22,563	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	25	22 0	22 0	22 0			
15,98,860	2,04,173	2,20,474	90,000	1,99,351	M.	Bombay-Uganda	65½	50	5 0	4 0	3 0		9	Y.
25,00,000	1,00,000	32,37,21428	....	822	Framjal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	2	10	0 12	0 12	*Nil*		9	Y.
14,98,840	3,42,588	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	38	10	*Nil*	2 0	1 0	0 12	12	Y.
99,99,250	19,47,886	1,22,08,60445	....	2,88,186	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 8	4 8	4 8	0 12	12	Y.P.
99 99,975	85,06,851	35,10,899	9 81,629	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	170	100	10 0	11 0	11 0		6	Y.
5,97,28,800 A. 10,00,0000 B.	5,28,684	2,87,33,373	1,25,90,292	5,56,717	Aero-Auto Ltd	Premier Automobiles	102	A.100 B. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y
10,21,200	5 68,605	13,96,065	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	—	20	3 0	2 0	2 0		9	Y.
2,75,00,000	72,75,000	3,08,67,181	1,62,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	22	10	2 0	2 0	2 0		12	Y.
45,00,000	55,34,847	7,24,608	2,07,108	26,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	185½	100	11 0*	11 0*	11 0*		12	Y.
							550	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	17,00,000	1,95,40 704	65,00,000	2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½	O. 10	*Nil*	*Nil*	*Nil*			
2,50,000							24½ N	D. 5½						
30,00,000	35,05,079	32,06,626	21,94,951	5,48,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.‡	23½	10	1 4	1 4	2 0*			Y.P.T.
30,00,000	9,55,000	30,59,495	20,59,495	1,18,956	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	16½	10	1 4	1 4*	1 4*		8	Y.
30,00,000	27 47,883	1,01,49,887	39,87,880	32,685	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	9½	10	0 8	0 8	1 4*		8	Y.
80,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	172½ xd	100	20 0*	18 0‡	12 8		12	Y.
12,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	262xd	10	1 8	2 8	2 4		6,12	Y.
30,00,000	7,95,430	62 57,9945‡		1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17	10	1 0	1 0	1 0		8	Y.P.
45,97,050	26,44,814	1,00,74,980	29,40,001	1,98,548	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	15½	10	1 4	1 4	1 4		8	Y.P.
2,25,00,000	1,16,11,806	2,93,08,995	2,21,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	16	10	0 8	0 8	1 0		8	Y.P.
1,35,00,000	17,84,264	2,08,27,2228‡	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	11½	10	0 8	0 8	*Nil*		12	Y.P.
1,60,00,000	3,14,86,174	5,16,55,035	2,20,83,990	11,71,858	Cecil Stuck Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	29½	10	0 4 1/5	0 3 1/5	0 9	1 6	12	Y.P.
51,26,000	54 12,312	1,45,47,8658‡	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	144	100	8 0	8 0	8 0		12	Y.
14,00,800	10,08,000	33,81,775	18,39,778	37,194	MacNeill & Barry Ltd.	Gangas Rope Co., Ltd.	187	100	8 0	8 8	8 8		12	Y. Y. Y.P.
65,00,000	42,00,000	19,27,655	8,06,372	1,51,880	J. F. R. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	12½	100	10 0	7 8	7 8		8	Y.P.
20,00,000	18,17,854	79,75,502	31,19,064	45,995	B. P. R. Syndicate	Great Eastern Hotel	240	250	15 0	15 0	15 0		8	H
30,17,900	13,68,886	36,39,283	59,24,587	38,802	Birla Brothers Private Ltd. ..	Hind Cycles	50	10	1 0	4 4	1 6 2/5		8	Y.P.
4,98,19,350	2,98,450	3,56,84,506	24,84,719	4,18,455	Birla Bros., Ltd.	Hindustan Motors	100	100	8 0	10 0	10 0		8	Y.
1,80,00,000	45,77,764	1,54,73,845	1,74,74,198	6,18,074	R. S. Greenwood (Mg. Director)	Indian Aluminium Co.	10½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,50,00,000	1,30,00,000	1,58,73,891	57,17,581	25,86,462	A. E. Dutteson, Esq.	Indian Cables	22½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
2,97,970	5,98,100	16,40,508	8,96,110	32,818	B. S. Mathur & Co. (India) Ltd.	Indian Rubber Manufacturers	34½	10	1 0*	1 0*			12	Y.P.
15,16,00,000	7,22,96,588	8,55,94,047	1,17,00,458	86,00,738	M. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	16½	10	0 12	0 8	0 8		12	Y.P.
2,50,00,000	86,80,568	84,53,960	8,80,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	16½	100	0 8	0 8	0 8		12	Y.P.
6,24,0000.	1,91,892	5,94,080	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	99½	5	7 8	7 8	7 8		8	Y.P.
96,000 D.							3½	O. 5	*Nil*	*Nil*				
62,50,0000.	72,01,900	85,16,760	7,97,501	1,87,284	A. T. Dolz, Esq. (Mg. Director)	McLeod & Co.	212½	D. 1					8	Y
4,00,0000 D.							0.100	D.0.10	10 0	17 0				
1,27,50,000	80,54,276	92,66,051	11,24,226	2,02,456	T. Lelle Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22½	10	1 0	1 8 1/5			12	Y.P.
1,15,00,000	55,50,000	1,53,27,978	78,00,793	16,54,949	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	30½	10	1 0	1 0	1 12*		12	Y.P.
9,35,555	1,53,958	7,91,448	2,90,957	—15,238	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	10	10	1 0	1 0	1 4		8	Y.P.
4,54,250	9,18,696	11,18,541	5,51 033	440		Mysore Lamp Works	14½	10	*Nil*	*Nil*		1 10	9	Y.P.
10,00,000	1,88,000	15,15,188	8,10,286	29,216	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	19½	10	1 0	1 4	0 12	0 14 2/5	12	Y.P.
40,00,000	21,21,178	59,09,527	36,00,000	2,22,223	Associated Industrial Development Co., Ltd.								8	Y.P.
						National Insulated Cable Co. ..	36½	10	1 0	1 0	1 0		12	Y.P.
79,97,000	51,15,827	1,14,74,579	52,77,522	9,08,490	B. N. Mitra & Co., Ltd.	National Tobacco Co.	18½	10	*Nil*	*Nil*	1 8*		8	Y.P.
2,50,00,000	9,85,126	1,57,46,091	1,07,46,109	—62,96,179	M. F. A. Paspatti, Esq.	Ralli's (India) Ltd.	111	100	*Nil*	2 0			8	Y.T.
1,75,94,400	1,31,20,305	1,76,54,420	3,47,34,270	4,91,664	Sahu Jain Ltd.	Rohtas Industries	22½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
40,00,000	26,50,824	1,18,79,870	70,99,687	5,10,675	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	17½	10	1 4	1 8	1 8		12	Y.
75,00,000	54,15,860	17,40,2168‡	5,88,282	2,85,990	H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 0	1 4	1 8		12	Y.
25,00,000	....	....	14,99,839	....	Ogale Glass Works Ltd.	Travancore Ogale Glass	12½	10	1 0	1 0	1 0		12	Y.
									Nil	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‖ Investments at cost. * Includes bonus. ‡: On old capital. § Excluding Rs. 1,49,02,000 which represent share in the form of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	325	Amluckie	380	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,49,902	2,42,089	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea ..	45	10	0 12	1 4	7 8		12	Y.
5,50,000	6,43,250	10,47,044	3,03,053	73,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	10,95,977	2,44,387	93,058	McLeod & Co., Ltd.	360	Baghmari	252	10	*Nil*	*Nil*	3 8		12	Y.
3,10,000	8,50,000	11,59,193	3,89,481	93,032	Andrew Yule & Co., Ltd.	360	Bamunia	388	10	2 0	2 8	3 0		12	Y.
3,30,600	4,65 000	10,11,265	3,55,285	18,304	National Tea Corporation	569	Bateli	253 xd	5	0 4	3 0	4 0	2 0	12	Y.
3,20,000	8,70,000	9,59,311	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	50‡	10	*Nil*	2 0	10 0*		12	Y.
16 50,000	20,50,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	3,967	Bishnauth	24	10	*Nil*	2 8			12	Y.
16 50,000	20,50,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	3,967	Bishnauth	24	10	*Nil*	2 8			12	Y.
6,00 000	2,53,500	10,49,410	2,08,130	41,989	Octavius Steel & Co., Ltd. ..	436	Bokahkat	24	10	*Nil*	*Nil*	*Nil*		12	Y.
7,50,000	6,52,400	19,49,496	3,92,327	1,44,165	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	21‡	10	0 12	3 8			12	Y.P.T.
25,00,000	11,92,045	73,30,473	1,85,525	5,842	McLeod & Co., Ltd.	232	Brooke Bond	22‡	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,962	51,859	Jardine Henderson Ltd.	1,220	Dejoo Valley	50‡	10	*Nil*	1 0	6 0		12	Y.
5,00,000	10,99,000	26,84,194	4,17,846	44,551	James Warren & Co., Ltd.	620	Dhalakhat	22‡	10	1 0	1 8	2 8		12	Y.
7,53,440	4,87,983	22,73,420	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	24	10	*Nil*	2 0	5 0		12	Y.P.
4,88,970	3,95,000	10,93,269	2,06,317	54,998	McLeod & Co., Ltd.	468	Dibrugarh	24‡	10	*Nil*	1 0	4 0		12	Y.
4,50,000	6,75,000	9,00,334	2,06,317	55,532	Williamson Magor & Co., Ltd.	611	Dimakusi	37	10	1 0	4 8	6 0		12	Y.P.
2,36,700	6,60,000	10,39,095	1,54,350	Williamson Magor & Co., Ltd.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4¾	2	0 4	0 4	0 4 4/5		5	Y.P.
17 94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	10½	8	0 12	0 12	0 7 1/5		2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1 21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	25	10	0 4 4/5	0 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1 07,57,845	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	21½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55 957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	22½	10	1 8	1 8	1 12*		6	Y.P.T.
18,00,000	9,30,543	25,79,990	4,04 158	46,543	A. V. Thomas & Co. Ltd. ..	Highland Produce	17½	10	1 4	1 8	2 0		3	Y.P.
4,00,000	10,98,963	17,78,335	1,92 061	17,844	A. V. Thomas & Co. Ltd. ..	Kaipetta Estates	35	10	2 0	2 0	2 0		12	Y.P.
9,00 000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	31½	10	1 8	2 0	2 12		4	Y.P.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co. Ltd. ..	Midland Rubber	23cd	10	1 8	1 8	2 4		4	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nenmeny Rubber	25½	10	0 12	1 8	1 12*	2 8	3	Y.P.
2,00,000	2,99,688	7,20,995	44,185	8,600	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0	1 0	1 8	12	Y.P.T.
19 45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5½	2	0 3½	0 3½	0 3½		12	Y.P.
13,50 000	7 80 000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	25½	10	1 12*	1 12*	0 9 3/5	0 6 2/5	10	Y.P.T.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce, Leslie & Co., Ltd. ..	Savumalai Estates Ltd.	20	10	1 12*	1 12*	1 12*	2 0	6	Y.P.
10,00 000	3,98,340	22,01 120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	2 8	1 0	11	Y.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd.	Thamarapally Rubber	32½cd	10	3 0	3 0	0 12	0 14 2/5	3	Y.P.T.
6,10 200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 3	0 3		12	Y.P.
6,00,000	75,491	9 79,479	3,23,517	3 745	Sayen Thomas Esq. (Mg. Director)	Travancore Rubbers	24	10	2 0	2 0	0 2		8	Y.
41,00.000	14,30,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13	10	1 0	1 0	3 0		12	Y.
23,00,000	.....	27,70,782	6,45 980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37	25	3 0	5 0	1 4		12	Y.P.T.
6,28,580	5,40,670	8,51,488	10,129	40,780	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	30½	10	2 0	2 4	4 0		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 8		12	Y.
											2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12	10	1 0	1 4	1 6		3.9	H.T.P.
6,00,000	10,25,000	51,65,438	36 93,877	1,38 329	McLeod & Co., Ltd.	446	Alexandra	200	100	1 6 2/5	1 7 1/5	1 7 1/5		6.12	H.P.
30 00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance	122	100	5 0	12 8	10 0		3.9	H.T.P.
49 20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	171	100	12 8	7 8	6 8		6.12	H.P.T.
40 00,000	42,94,285	1,73,44,642	88,04 396	9,783	Bird & Co., Ltd.	816	Auckland	115	100	4 0	3 8	3 8		6.12	H.P.
20,00,000	22,86,887	96,73 016	55,15,094	15,350	Jardine Henderson & Co. ..	959	Bally	132	100	4 0	3 8	10 0		3.9	H.P.
£275,000	£451,523	£1,556,539	£1,003,227	£64,858	Sir John H. Burder (Chairman) ..	1,888	Barnagore	140	£5	£1 0	sh.15	3 8		3.9	H.P.T.
28,000,000	32,30,132	92,27,342	49,93 231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	155	100	15 0	10 0	sh.15		3	H.P.
45,00,000	38,45 000	57,08,172	31 28 574	2,65,100	Soorajmull Nagarmull	600	Bengal	16	10	1 4	1 2	7 8		6.12	H.P.
91,20,000	2,17,48,383	3,34,10 402	1,45,32,651	4,37,303	Birla Bros., Ltd.	1,372	Birla	18½	10	3 0	1 0	1 2		6	H.P.
36,00,000	27,37,926	1,12,57,557	72,25,980	3,271	Andrew Yule & Co., Ltd.	991	Bridge-Budge	136	100	10 0	9 0	7 8	1 0	6	Y.P.T.
7 47,380	3,29,640	43 00,831	31,53,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg.	9½	10	Nil	0 12	7 8		3.9	Y.P.
18,00,000	30,46,284	87,13,271	41,48,795	6,248	Andrew Yule & Co., Ltd.	616	Caledonian	190	100	12 0	0 12	Nil		4.10	H.P.
89,19,400	98,58,404	2,22,41,317	1,07,46,003	30,505	James Finlay & Co., Ltd.	1,656	Champdany	156	100	6 0	3 0	6 8		6.12	H.P.T.
6,00,000	28,39,282	81,34,655	56,50,175	2 615	Andrew Yule & Co., Ltd.	530	Cheviot	173	100	12 0	14 0	10 0		5.11	H.
30,15,000	31,00,000	64,10,068	47,77,890	1,32 949	McLeod & Co., Ltd.	500	Chitavalsah	13½	10	1 12	1 4	10 0		5.9	H.
18,00,000	24,00,000	78,22,715	56,12,963	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	14½	10	Nil	Nil	1 6		5.11	H.P.
31,49,200	61,22,878	1,34,28,320	84,46,501	1,966	Bird & Co., Ltd.	1,056	Dalhousie	95	100	4 0	8 0	J-4s		6.12	H.T.P.
28,00,000	44,74,179	75,56 699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	191	100	20 0	12 0	4 0		3	Y.P.
15,00,000	24,50,000	32,62,179	19,80,760	78,204	McLeod & Co., Ltd.	500	Empire	19	10	1 0	1 4	10 0		3.9	H.P.T.
21,00,000	60,60,960	2,70,39,034	1,39,10,198	1,80,415	Keiller & Bullen & Co., Ltd.	1,884	Fort Gloster	335xd	100	Nil	2 0	1 4		5.11	H.P.
14,00,000	17,75,000	84,16,102	53,69,759	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	21½	10	5 0	20 0	15 0	7½	6.12	h.T.P.
84,32,100	1,80,68,021	2,03,72,498	1,32,68,888	84,732	Macneill & Barry Ltd.	724	Ganges Mfg.	100	100	Nil	Nil	20 0		3.9	H.P.T.
10,80,000	28,00,000	71 52,963	48,43,698	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	308	100	15 0	Nil	2 8		2.9	H.T.P.
24,00,000	33,38,409	3,12,38,183	1,65,18,218	57,208	Macneill & Barry Ltd.	1,394	Gourepore	228	100	3 12	10 0	15 0		3.9	H.P.
40,00,000	58,68,234	99,03,890	57,88,990	3,27,745	Bangur Bros. Ltd.	1,078	Hastings	114N	100	10 0	10 0	15 0		12	Y.
18,80,000	18,91,656	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoogbly	82½	10	1 4	0 8	11 8		3.9	H.P.
65,62,500	51,42,961	1,82,27,584	1,07,31,964	11,483	Jardine Henderson Ltd.	2,013	Howrah	22½	10	3 0	1 4	1 4		3	Y.P.
52,50,000	23,00,000	2,58,15,927	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	24	7½	1 8	2 0	2 14		3.9	Y.P.
O. 87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	145 O.	125	6 4	3 2	2 0		3.9	H.P.T.
D. 30,000								D.	1	0 4/5	0 4/5	0 3/5		3	Y.P.T.
A. 24,00,000	16,50,000	1,37,65,836	1,24,18,026	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	126 A.	100	9 0	8 0	2 8		6.12	H.
B 24,00,000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kanknarpah	127 'B'	100	9 0	8 0	2 8		3.9	H.
21 00,000	53,00,000	1,22 91 697	83,77,484	1,10,851	McLeod & Co., Ltd.	708	Kelvin	89 'B'	100	7 8	6 8	2 8		6.12	H.P.
54,00,000	23,83,375	1,71,52,716	1,16 91,627	1,02,192	Anderson Wright Ltd.	1,580	Khardah	261	100	7 8	6 8	1 0		6.12	H.P.
48 00,000	1,04,37,117	2,31,57,457	1,12,99,758	82,710	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	228xd	100	17 8	12 0	11 0		6.12	H.P.
24,48,000	49,37,087	1,39 82,288	80,85,707	10,707	Bird & Co., Ltd.	931	Lansdowne	175	100	9 0	7 0	13 0		3.9	H.P.
28 00,000	56,89 479	1,16,02,741	84,08,985	2,154	Bird & Co., Ltd.	1,101	Lawrence	107	100	7 0	5 0	7 0		3.9	H.P.
31,85,250	25,04 412	2,01,76,684	1,24 49 804	10,614	M	840	Mesna	84½	100	5 0	3 8	6 0		3.9	H.P.
29,98,900	38 14,415	1,84,76,420	98 91,406	—8 19,282	F. W. Heilgers & Co (Private) Ltd.	1,283	Naihati	88	100	5 0	3 8	2 8		3.9	H.P.
20,00,000	15,55,000	29,01,562	18,21,709	17,816	Howrah Trading Co., Ltd. ..	815	Nalhati	38	100	Nil	Nil	Nil		3.9	H.P.
35,00,000	43,35,328	29,10 124	10,06,222	70,584	Andrew Yule & Co., Ltd.	425	Naskarpara	181	10	0 5	1 0	2 0		3.9	H.
26,25,000	26,25,000	27,71,022	20,34,909	10,257	McLeod & Co., Ltd.	552	National	24½	10	2 0	1 2	1 0	0 10½	3.9	H.
85,50 000	2,71,44,342	4,29,15 627	96,26,548	8 71,298	Sahu Jain Ltd.	1,765	National Jute	215	10	1 8	1 12	1 8	1 12	4.10	H.T.
16,79,850	46,95,154	1 17 37 858	48,80,655	46 862	Bird & Co., Ltd.	567	Nellimarla Jute	17½	10	1 4	1 8	1 0	1 8	4.10	H.P.
66,79,500	28,80,784	2,12,99,608	86,27 8	68,278	Macneill & Barry Ltd.	1,092	New Central	22½	10	1 2	1 4	1 8	1 8	6.12	H.P.T.
24,91,000	26,81,049	72,46,885	50,35,690	5 7s4	Andrew Yule & Co., Ltd.	601	Nuddea	84	10	1 8	1 8	1 8	1 8	12	Y.P.
25,00,000	6,28,490	80,86,437	65,22,106	51,595	McLeod & Co., Ltd.	400	Orient	136	100	12 0	10 0	1 0		3.9	H.P.
20,00,000	1,44,998	26,56,130	3,39,130	—12,15,990	Birla Bros. Ltd.	805	Presidency	5½	5	0 2	0 0	0 0	9 0	5.9	H.
49 50,000	1,62,723	1,24 06,577	59 38,544	5,09,080	Jardine Henderson Ltd.	1,275	Rameshwara	7	10	Nil	Nil	Nil		6.12	H.P.
£600 000	£1 093,713	£1 236,315	....	£88 458	Thomas Duff & Co. (India) Ltd. ..	2,013	Ramnagar	10½	10	0 14 2/5	0 12	Nil		3.9	H.T.
30,00,000	13,12,193	1,04,00,653	75,85,838	4,667	Bazaria More & Co. Ltd.	911	Samnugnur	£1	10%	10%	10%	10%	8%11	3.9	H.P.T.
14,00,000	11,25,000	66 11,794	38,79 294	3 156	Hindustan Investment Corporation.	401	Shree Ambica	15½	10	0 8	1 0	0 8	0 8½	4.10	H.
25,19,800	42,44 180	1,30,76,167	51,18,662	—2 76,291	Bird & Co. Ltd.	560	Soorah	100	100	2 0	2 0	1 0	1 8	3.9	H.P.
£600,000	£926,119	£990,895	....	£110,316	Thomas Duff & Co. (India), Ltd..	1,794	Standard	9½	£1	10%	10%	10%	10%	12	Y.P.T.
85,18 600	88,14 828	1,95,40,009	81,71,517	14,518	Bird & Co., Ltd.	1,326	Titaghur	162	100	5 0	5 0	6 0	8%11	3.9	H.P.
£400,000	£688,035	£1,092,723	....	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	9½	£1	10%	10%	10%	0 8	12	Y.P.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co. Ltd.	457	Waverley	4½	1	0 1	0 1	0 8	8%11	3.9	H.P.T.
													0 8	12	Y.P.
														6.12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	88 12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	22½	10	1 0	1 4	1 6		3.9	H.
12,00,000	8,82,573	38,78,477	36,18 477	22,708	Jardine Henderson Ltd.	Ranaree Coke	20	10	1 6 2/5	1 7 1/5	1 7 1/5		3.9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	0 12	0 12	0 12		3.9	H.
1,00,00,000	1 40 49,252	5,91,92,614	3,95,77,326	7,31,568	Andrew Yule & Co., Ltd.	Bengal Coal	541	200	32 8*	30 0*	35 0*		6.12	H.
2,25,000	4,77,174	24,81,806	2x,28,968	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		4.10	H.P.
15 97,000	4,73,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8				6.12	H.P.
40,00,000	8,00,000	1,39,06 682	71,05,198	87,483	Sahu Jain Ltd.	Bharat Collieries	7½	10	0 12	0 10	0 10		3	Y.
7,15 000	15,11 000	52,62,538	37,38,500	—1,87,447	F. W. Heilgers & Co. (Private)Ltd	Bhubanbarree	13½	10	Nil	Nil	Nil		6	Y.
16,00,000	16,17,986	68,14,856	39,99,841	—79 196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12	10					6.12	Y.T.P.
7,50 000	24 29,026	42,39 603	26,53 408	1,61,207	F. W. Heilgers & Co., Ltd.	Borree	23½	10	2 12	2 0	2 0		6.12	H.
90,92,480	1,76,17,502	4 19 21,340	1 85,17,445	1,15,372	Bird & Co. Ltd.	Burrakur	18½	10	0 12	0 9	2 0		6.12	H.T.
4w,97,750	....	39 62,720	3,82,545	14,019	Hindustan Investment Corpn., Ltd	Central India	7½	10	0 4	0 4	0 10		6.12	H.P.
8,00,000	18 54,302	49 10 414	32,63,954	82,768	M.	Central Kurkend	11¼	10	0 2		0 4		6.12	H.P.T.
6,00,000	1 48,676	7,28,438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd	Charlia	2½	4		0 2	0 11		3	Y.
16 00,000	1,20,000	52,67,321	28,91,190	—2,48,279	Macneill & Barry Ltd.	Dhemo Main	8	10	Nil	Nil	Nil 1		6.12	H.
£240,000	£380,553	£956,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	31½	61	2 8	2 8	3 0		6.12	H.
92,85,750	76,84,250	3,89,97,499	3,87 14,367	98,266	Macneill & Barry Ltd.	Equitable	80½	10	1 8	1 8	0 12½		4	Y.
10,00,000	2,15,000	10,76,864	3,73,963	11,273	Bhatter's Agency Ltd.	Ghusick and Mualla	14½N	10	0 8	0 8			6.12	Y.
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	41½	80	3 0	Nil	2 4		3	H.P.T.
8,00,000	6,75,000	21,48,057	18 61,214	66,461	Macneill & Barry Ltd.	Hurradih	22	10	1 8	1 12	1 4½		6	Y.
22,00,000	1,12,060	24,74,412	6,18,446	—5,57,293	Bajpur Trust Ltd.	Jouta Coal	2½	10	Nil	Nil			6.12	Y.P.
3,50,000	3,45,579	13 54,857	7,23,658	....	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	2 12	Nil	Nil		6.12	H.
20,00,000	17 325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	13½	100	Nil	Nil	2 8		12	H.P.
8,00,000	16,60,000	46,77,553	36,47,985	1,33,477	Andrew Yule & Co., Ltd.	Katras Jherriah	60½cd	10	4 0	4 0	5 8		3.9	H.P.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	8½	10	Nil	Nil			3	Y.P.
11,00,240	64,314	16,72,961	10,41 868	—41,320	H. V. Low & Co., Ltd.	Kuardi	4½N	10	Nil	Nil			1.7	H.
8,00,000	11,56,418	28,69,924	22,97,987	2,256	H. V. Low & Co., Ltd.	Lakurdi	10½	10	0 8	0 4			6.12	H.
7,48,240	2,00,000	12,18,473	9,23 179	11 099	Tantia Brothers Ltd.	Nastra	7	10	0 8	0 8			6	Y.
7 00 000	26,617	10,83 740	5 20 298	4,560	Amritlal Ojha & Co.	New Banadeopur	10N	10	0 12	1 4			4	Y.
17 76 780	30 01 746	1,19 78,868	88 68,066	94,388	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	1 12	1 12	1 0		12	Y.
6,00,000	75,000	28,54,667	17,07,588	22,329	Octavius Steel & Co., Ltd.	New Manbhoom	11¾	10	Nil	Nil	Nil		3.9	H.
1,15 000	2,58,193	12,98,171	5,66,681	14,967	Andrew Yule & Co. Ltd.	North West	18½N	10	0 4	Nil	Nil		4.10	H.P.
1 57,500							7½	10	0 8	Nil	1 6		3.9	H.P.
7,50,000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 0	1 0	1 0½		3 9	H.
10 00 000	1,10,000	39,70,662	17,99 668	3,809	K. C. Thapar & Bros.	Oriental Coal	9N	10	0 6	0 8	1 0		1.7	H.
3,34,000	10 862	17,52,187	8,30 795	8 018	Deepchand Kishenlall	Parasea	14	10	0 8	0 12			6.12	H.P.
16 75,000	16 00,000	47 70 275	35 30,275	83 843	Shaw Wallace & Co., Ltd.	Peach Valley	22½	10	1 10	1 0	1 8		12	H.P.
22 99,500	19 17,105	1,23 09,393	55,50,555	16 946	N. B. Elias & Co., Ltd.	Raneegunge	12½	10	2 0	1 6	0 10		6.12	H.T.
13,50,000	8 53,385	35,36 765	27 75 764	2x,021	Shaw Wallace & Co., Ltd.	Rewa	12½	10	0 8	0 10	0 14		3.9	H.
20,00 000	8,90,000	44 28,585	18,78 118	2,20,178	Jaipuria Sons Ltd.	Samla Collieries ..	14N	10	0 12	0 12	1 0		3.9	H.
1,25 000	1,95,802	13 78 400	12,21,237	21 070	M.	Searsole	6½	10	0 10	0 10	0 12		6.12	H.
2,80,000	8,36,598	29 99 490	19,07 296	49 299	Andrew Yule & Co., Ltd.	Seebpore	29	10	1 12	2 0	2 8		12	Y.
2,80,000	5 31,249	....	28 867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9½N	10	Nil	0 2	0 4		1	Y.
8,00,000	16,96,000	3,82,71,101	2,85,86,501	—4,46,965	Industrial Trust Fund (Governm ent of Hyderabad)								6.12	H.
65 21,450						Singareni	10½	10	Nil	0 11 1/5			6.12	H.T.
17,50,000	10 84,076	37,86,108	15,14,990	—51,582	Bird & Co. Ltd.	South Karanpura ..	9	10	0 4	0 2				
12 99,995	13 69,395	1 09,570	26 510	17,547	F. W. Heilgers & Co., (Private) Ltd	Standard	26½	10	2 0	1 8	0 2		12	Y.T.
8 00 000	12,950	30,82 269	15 43,502	—4,07,745	Villiers Ltd.	Talcher	5	2½	Nil		1 0		3.9	H.
10 00 000	2,80,000	19,47,965	14 81,955	44 167	Williamson Magor & Co. Ltd. ..	Union	14½	10	1 12	0 12			6.12	H.
3,50,000	....	49,06,886	18,91,545	3,.694	Hindustan Investment Corpn., Ltd.	Western Bengal ..	6½	10	0 6	0 6	Nil 1		3	Y.
49,98 000	1,88,190	85,22 188	23 66 981	123	Macneill & Barry Ltd.	West Jamuria	11½	10	Nil	Nil	0 8		6.12	H.
7,80,000											Nil 1		3	Y.
													6.12	H.

d by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus.
terim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-12 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (b) Investments.
—Dividend for 1955 is on shares of Rs. 10 each. The Albion(an Lothian jute companies have)been amalgamated with New Central Jute Co., with effect from 1st December 1954. (c) For seven month ended 31st March 19

MARKET GOSSIP

(*Concluded from page 255*)

of cotton should be properly assessed, the target revised accordingly and the necessary measures for reaching the new target adopted without delay.

In deciding such a new target, the authorities will have to consider the need for providing for exports of cotton from India. So far, the Government has adopted a policy by which only exports of such cotton as are not needed by the mills, are permitted. Mr. Ruia rightly stressed that this policy deserved "to be not only continued but pursued with greater vigour." On this subject, he made a few observations which are noteworthy. In the first place, he stressed that exports should be permitted, in order to enable India to retain the foreign connections built over a period of long years and secure for Indian cotton a normal share of the world export market. Such a policy, he said, would also forestall this country and appropriate to themselves the markets where Indian cotton is still sought after in large quantities, Secondly, exports of cotton would help augment India's foreign exchange earnings. There is no doubt that this latter consideration is an important one, in that India, which needs a large amount of foreign exchange to finance the imports of capital goods and equipment in the second Plan period, cannot afford to miss any chance of earning such exchange.

It must, however, be pointed out that the world cotton situation is not conducive to larger exports of cotton from this country. This is because

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,86,801	Allahabad Bank	320	100	18 0½	18 0½			12	Y.P.
14,00,000				165	50	9 0½	9 0½				
1,01,000				115	100	6 8	7 8	6 8		6,12	H
32,46,180	14,87,000	12,875	Andhra Bank	85	70	3 4	3 12	4 8 4/5			
1,00,00,000	1,28,00,000	2,35,546	Bank of Baroda	100	50	6 0½	6 0½	6 0	3 0½	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	25	0 12	0 12	0 14	0 14		12	Y.
2,50,00,000	3,92,00,000	13 26,630	Bank of India	171½	50	7 0	7 0	8 0	3 0½	6,12	B.L.Y.
15,30,375	28,00,000	60,686	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	28	50	1 8	2 0	2 0		12	Y.
50,00,000	24,00,000	1,79,254	Bank of Mysore	240½	100	16 0½	16 0½	16 0½		12	Y.
61,81,700	58,75,012	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 0	2 0		6	Y.T.
19,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	15,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0½	5 0	5 8½		12	Y.P.
2,63,11,875	4,01,81,817	18,40,859	Central Bank of India Ltd. ..	55	25	3 0	3 0	3 0	1 8½	12	B.L.Y.
52,42,375 'A'				58	25	3 0	3 0	3 0	1 8½		
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	45½	50	2 0	2 0	2 8	1 4½	12	Y.
1,50,00,000	1,06,00,000	1,06,986	Habib Bank (Z)	72N	20	4 0	4 0			12	Y.
50,00,000	26,00,000	1,65,278	Hind Bank	37½	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	10	50	—	—			12	Y.
50,00,000	1,87,00,000	2,771	Hindustan Mercantile Bank ..	14½	50					12	Y.
75,00,000	75,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	6 0	5 0		9	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	206cd	100	12 0	12 0	12 0	6 8½	6,12	L.H.
18,00,000				192cd	95	10 5½	10 5½	10 12½	6 2½		
15,40,000				142cd	65	7 3½	7 3½	7 12½	4 8½		
49,19,875	80,00,000	2,28,299	Indian Overseas Bank	151	100	6 0	6 0	7 8		12	Y.
2,25,000	5,84,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	Nil	Nil	Nil		6,12	B.
6,40,000				11	25(B)	Nil	Nil	Nil			
10,00,000				25½	50(C)	2 6	Nil	Nil			
27,50,000	27,50,000	2,35,108	Punjab National Bank	61	25	2 0	2 0	2 8	2 0½	12	Y.
1,00,00,000	43,50,000	3,57,597	Travancore Bank	16½	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7	5	0 5½	0 6			12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank ..	59	50	2 0	2 8	2 12		12	B.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-18-3	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£59,917	Eastern Bank	£7‡	£5	8†	8†			12	R.L.Y.
H.K. $25,000,000	H.K.$128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	$90	H.K. $135	5*	5*	5*		12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-11-6	£5 A	14†	15†	12†		12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	5†	5†	5†		12	R.L.Y.
£575,000 'A'				£4-0-0	A £25	14†	14†	14†			
£575,000 'B'				£4-0-0	B £25	14†	14†	14†		12	R.L.Y.
$720,000 'C'				—	C £1	14†	14†	14†			
£2,851,568	£3,104,687	£343,158	National Bank of India	£1-1-9	ab. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99½	1st June .. 1962
4,00 000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
5,00 000	5½	30th June and 30th December ..	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1958
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1946	101	27th December .. 1959-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	90½	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
50,00,000	5½	30th June and 31st December ..	Burrakur Coal Co	1947	91½	30th June .. 1967(c)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co., ...	1953	100	14th December .. 1963(a)†
COTTON						
3,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	101½	1st March .. 1972(a)
12,85,000	5½	.. .. ..	Jaffarjee Textiles	1949	80N	1st January .. 1955-59
89,90,000	5	1st June	Tata Mills	1951	100½	 1956-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co.(Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100½	14th June .. 1960
98,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98	1st October .. 1959
15,00,000	4½	30th June and 31st December ..	Bihar River Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,20,80,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(a)
25,00,000	4	30th June and 31st December ..	Cooverjee Electric Supply Co., Ltd. ..	1946	85½	31st December .. 1976
25,00,000	5	1st January and 1st July ..	Hydro (Therlak) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(a)
4,25,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1960-64
5,00,000	5	1st April and 1st October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1955-58
4,25,500	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	91	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103½	1st July 1976
2,50,00,000	4	1st April and 1st October ..	Tata Power		93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	99	30th June .. 1958
30,00,000	5½	15th November and 15th March.	Indian Hume Pipe (Bearer) ..	1942	101½	1st July .. 1957-62
61,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1938	88	31st December .. 1966(d)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)‡
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
3,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June ..	Auckland Jute Co. Ltd.	1940	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1948	82½	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalah Jute Mills	1951	96	30th June .. 1966
15,56,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(c)
6,56,000	5	15th January and 15th July ..	Empire	1951	94½	15th July .. 1968(c)
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92½	30th June .. 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1955	99	31st March .. 1970
20,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96½	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	98	31st March .. 1967(c)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd	1939	93	14th May .. 1959
20,00,000	5	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	98	31st December .. 1964
5,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. Ltd. ..	1950	91	5th September .. 1965(c)
8,00,000	4½	15th March and 14th September.	Soorah Jute	1937	96	14th September .. 1957
12,00,000	5½	30th June and 31st December ..	Union	1937	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	6	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	90N	1st July 1956
$380,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	$66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
6188,868	5	1st April and 1st October ..		1923	$77‡N	1st October .. 1974
6,56,000	5½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90‡	31st December .. 1956(f)
£500,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	Any time on six months' notice (c)
4,52,50,887	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	96	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1929	102½	1st July 1957-62
15,00,000	6	31st March and 30th September.	Nilgiri Tea		101	1st April 1958-63
1,50,750	5½	31st March and 30th September.	Rubber	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1946	98	31st Decem .. 1965
50,00,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1946	96	31st December .. 1962
4,50,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	103½	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October ..	Calico Oil Refining (India) Ltd. ..	1955	102	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Cowringhee Properties	1918	98	1st February .. 1964
20,92,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1938	89½	1st July 1956
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	5	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1969
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd...	1950	107	1st January .. 1967(c)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1944	106	30th June .. 1960(c)‡
1,50,00,000	5½	15th March and 15th September.	Martin Burn Industries	1946	96	 1964
19,68,800	6	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	100	30th September .. 1976(a)
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes) .	1947	470 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October ..	Mysore Lac and Shellac Co. ..	1946	90N	1st April 1971
1,50,00,000	4½	30th June and 31st December ..	Mysore Paper Mills Ltd.	1951	102	30th June .. 1965-70
1,00,00,000	4½	31st March and 30th September.	National Rayon	1951	97½	31st March .. 1961(c)
1,00,00,000	5½	30th June and 31st December ..	Orient Paper Mills Ltd.	1946	97½	31st December .. 1959
1,25,00,000	4	1st May and 1st November ..	Rallis Industries Ltd.	1948	104‡	1st May .. .. 1958(a)‡‡
4,50,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1963(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium. (c) Option to repay on 3 months' notice at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. † Rs. 1,50,00,000 debentures will be redeemed as per annuity by drawing from 1-8-1956 but before 1-8-1967 and 1 per cent. premium on or after 1-8-1967. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. † Rs. 1,50,00,000 debentures will be redeemed as per annuity by drawing from 1-8-1956 but before 1-8-1967 and 1 per cent. premium on or after 1-8-1967. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. † Rs. 1,50,00,000 debentures will be redeemed as per annuity by drawing from 1-8-1956 but before 1-8-1967 and 1 per cent. premium on or after 1-8-1967. ANY debentures outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. premium. ‡ Rs. 1,50,00,000 debentures will be redeemed as per annuity by drawings at par. †† Rs. 50 lakhs will be redeemed annually by drawings from 1-8-1964. ‡‡ Redeemable by a cumulative sinking fund of 1½ per cent. per annum commencing in 1961 by purchase or at par, price not exceeding Rs. 104 per cent. on 1st May 1963 or on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1964 onwards. The Company has option to red em a debenture of Rs. 100 per cent. on 1st May 1963 or on six months' notice. ‡‡ Redeemable by

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 8th August, 1956.

	Closing quotations 1-8-1956	High	Low	Closing quotations 8-8-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	202½	212½	202½	212½
Apollo (2) ..	3-3½	3¾	3 7/8	3-3½
Bombay Dyeing (250) ..	663½	684½	663½	681½
Central India (100) ..	162	168	159	159
Century Mills (100) ..	586	592½	586½	589½
Colaba (100) ..	101½	102½	100	100
Edward Textile (250) ..	346	350	345	346½
Elphinstone (50) ..	66	66	64½	65
Finlay (100) ..	351	377	355	373½
Gokak (100) ..	242	249	248	249
Ind. Untd. Detd. (1) ..	2-7½	2 7/8	2-7½	2-8½
Ind. Untd. Ord. (10) ..	18½	14½	13-10½	14¼
Indore Malwa (100) ..	163½	176	163½	166½
Khatau (100) ..	276½	280	276	280
Kohinoor (100) ..	383½	393	384½	389
Lakshmi (250) ..	695	705	695	705
Madhusudhan (100) ..	119½	126½	119½	126½
Mihirva Mills (100) ..	97	112	96½	111
Model Nagpur (250) ..	156½	172½	156½	172½
Morarji (100) ..	260	265	260	265
Mysore (50) ..	117½	136½	121½	136½
National Rayons (100) ..	263	270	264½	266½
New City (100) ..	161½	162½	160	160
New Great (100) ..	258	260	258	260
Phoenix (100) ..	148½	171½	148½	167½
Podar Mills (100) ..	186½	191½	186½	191½
Samoon Silk (10) ..	12	—	—	12
Sasoon Spg. (10) ..	41	—	—	41
Sholapur (1,000) ..	1,750	—	—	1,750
Shrinivas (100) ..	23½	250	235	245
Simplex (50) ..	215xd	216½	214½	214½
Standard (100) ..	486½	497½	488½	495
Svadeshi (100) ..	257½	266½	259	265
Swan (100) ..	451½	480	462½	480
Tata Mill (25) ..	57½	62½	56½	62
Vishnu (100) ..	188½	193½	184½	191½
Western India (1,000) ..	5,125	—	—	5,125
BANKS				
Bank of India (50) ..	176	176½	171½	171½ xd
Bank of Baroda (50) ..	106½	106	104½	105
Central (25) ..	56	56½	55	55½
Central 'A' (25) ..	56	—	—	55½
Dena Bank (50) ..	45	—	—	68
Punjab National (25) ..	68½	44	43	43½ xd
Union Bank (5) ..	6¾	6½	6	7
United Com. (50) ..	59	7 7/8	6-15½	59
ELECTRIC COS.		59½	58½	
Ahmedabad (100) ..	100½	—	—	—
Amalgamated (10) ..	11 3/8	106½	98½	100
Andhra Valley (1,000) ..	1,239½	—	—	11-2½
Bom. Sub-El. (100) ..	116½	1,245	1,235	1,240
Surat (100) ..	118½	118½	110	110
Tata Hydro (100) ..	128	129	110	118½
Tata Power (1,000) ..	1,312½	1,315	1,307½	1,310
INSURANCE COS.				
British India (10) ..	15	—	—	—
Empire of India (100) ..	375	—	—	15
Ind. Mercantile (20) ..	47	47½	45	325
Jupiter (15) ..	5¾	—	—	45½ xd
New India (15) ..	50½	50½	49½	9
Oriental (200) ..	3,720	—	—	49½
Universal (10) ..	12½	—	—	3,820
Vulcan (10) ..	36½	17½	16½	12½
STEEL COS.				17½
Ind. Iron (10) ..	36¾	37	36-8½	36 3/8
Tata Steel Ord. (75) ..	206½	209	207	203½
SUGAR COS.				
Belapur (50) ..	25½	257	252½	254
Bhopal (10) ..	18 7/8	18	17 11/16	17 11/16
Phaltan (50) ..	167	167½	164	165
Walchand Ind. (100) ..	275	276	272½	273½
CEMENT COS.				
Associated Cts. (100) ..	192½	197½	195	196½
Dwarkay (100) ..	199	201½	199	200
MISCELLANEOUS				
Alcock Ashdown (100) ..	377½	396½	380	361½ xd
Bom. Burmah (125) ..	761½	768	730½	735
Do. (New) (50) ..	278½	278½	276½	277½
Br. D. Petrol (4 sh.) ..	4 3/8	4-6½	4 3/8	4-6
Br. I. Corpn. (5) ..	11-0½	11-1½	10¾	10¾
C. P. Rly. (100) ..	80	—	—	80
Indian Copper (5 sh.) ..	7 3/8	7-4½	7 3/8	7¾
Ind. Inv. Tr. (100) ..	77	76½	76	76½
Kamp (200) ..	184½	186	182½	183½
Killick (100) ..	167½	170	163½	170
Polson (100) ..	180	185	180	185
Port Canning (100) ..	9¼	9½	8¾	8¾
Premier Cm. (50) ..	207½	207½	204	204
Reliance (20) ..	20	19-4½	18¾	20
G. E. Shipping (10) ..	19½	19½	19	19½
Shivrajpur (10) ..	91	92	91	90½
Tata Chemical (10) ..	20	20½	20	20
Tata Locomotive (100) ..	163½	167½	163½	167½
Tata Oil (25) ..	58½	59	58	58½
W. J. Match (100) ..	186½	186½	185½	186½
Y. P. ..				
Z. ..				

GOVERNMENT SECURITIES	2-8-1956	Gross Yield: Earlier Redemption	Later Redemption	
	Rs.			
2½% 1961	93 3/8	—	—	8.47
2½% 1962	96½	—	3.96	K.T.P.
2½% 1963	92 3/8	—	3.74	H.
2½% 1975	82 3/8	—	3.80	H.T.
3 % 1957	99 3/8	—	4.01	H.P.
3 % 1958-61	99½	—	3.18	H.P.T
3 % 1960-61	98½	—	3.18	Y.
3 % 1964	95	3.68	3.18	H.
3 % 1965-66	95½	—	3.89	H.
3 % 1966-68	93 3/8	3.80	3.72	H.T.
2½% 1970-75	83 3/8	3.81	3.85	Y.
3 % 1964 Con. Loan ..	90½	3.90	3.71	H.P.T.
4 % 1960-70	78½	—	3.71	Y.
4½% 1958-68** ..	101 3/8	—	3.98*	K.P.
4½% 1966-71** ..	102½	3.71	3.90	H.
2½% 1961 N.P. Bonds	99½	2.94	4.20	Y.P.
2½% 1964 N.P. Loan ..	98 3/8	—	3.61	H.
2½% 1965 N.P. Bonds	98½	—	3.69	H.
3½% 1960	98	—	3.60	98
3½% 1967 N. F. Bonds	98½	—	3.62	98
3½% 1974	98½	—	3.67	98½

BRITISH GOVERNMENT SECURITIES	Closing quotations 30-7-1956 £			Closing quotation 3-8-1956 £
3½% Brit. Consols ..	51¾	—	—	—
3% Savings Bonds 1960-70		—	—	51¾
3% War Loan 1955-59 ..	78¾	—	—	—
2½% War Loan	64½	—	—	74 3/8
4% Victory Bonds 1976 ..	70¼	—	—	64½
4% Funding 1960-90 ..	90½	—	—	70¼
	87½	—	—	90½
		—	—	87½

* Current Income 2.4.—Ex-Dividend. **Rupee Counterparts.

COMMERCE

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

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INDIA'S PLAN FOR SUEZ THE BEST

IT is a pity that the Western powers should allow prestige to stand in the way of a speedy settlement of the Suez Canal dispute. This is the only conclusion that one can draw from their negative reaction to the realistic plan presented by the Indian delegation to the 22-nation London conference early this week. All Western countries, including Britain and France, have now conceded that Egypt's nationalisation of the Suez Canal is well within its sovereignty. This is a considerable advance from the stand initially taken by some of them who unashamedly likened Egypt's action to plunder and brigandage. If it is recognised, as the Western powers now do, that Egypt is entitled to treat the Suez Canal as a national asset, there is no substance in the argument that it has no exclusive right to manage it or to make profit out of it. It is on this fundamental point that the Indian plan differs from the one submitted by the Americans. While the former plan has the support of almost all the leading Asian and African countries, as well as of Russia and countries of its way of life, the latter plan has the backing of all the Western countries and one or two Asian and African nations. Accordingly, it will be no exaggeration to say that, though the American plan may have the support of the majority of the countries attending the conference, it is the Indian plan that carries the concurrence of the overwhelming majority of the world. This is doubtless an unpalatable fact to the Western powers, but it is stark reality. If they are unable to reconcile themselves to this fact, then it only means that their statesmen are wanting in sagacity and that for them it is more important to save their faces than to save the world from a critical situation.

Even when Britain and France were fretting and fuming over the nationalisation of the Suez Canal, one of our British contemporaries had the courage of conviction to say that the moves made by these two countries were wrong and expressed the hope that India, which had a corps of skilful mediators, would be able to bring about an amicable settlement of the dispute. We feel that the Indian delegation, headed by Mr. V. K. Krishna Menon, has lived up to the tribute paid by our contemporary. The Indian plan provides for maximum safeguards for protecting the international rights over the Suez Canal consistent with the national interests of Egypt. Thus, it proposes the formation of a consultative body of user interests, charged with advisory, consultative and liaison functions. While not questioning the right of Egypt to determine the Canal dues, it insists that such charges should be just and equitable and that the facilities of the Canal should be available to all nations without discrimination. It also lays down that the Canal should be maintained at all times in a proper condition and in accordance with modern technical requirements relating to navigation. Further, it says that Egypt should accord due recognition to the interests of the users of the Canal. Finally, it provides for the registration of the new agreement to be negotiated with Egypt on the use of the Canal with the United Nations and for the submission to the U.N. by Egypt an annual report on the working of the Canal. Implied in these proposals is that, if, at any time in future, Egypt were to deny arbitrarily the use of the Canal to any country, the intervention of the U.N. should be sought and world pressure brought against it for withdrawing its action. Those who do not believe in wars to settle international disputes and who have faith in the efficacy of the U.N. for checking aggression can ask for, or expect, no more than the safeguards contained in the Indian plan.

The American plan tallies with the Indian plan in almost all but two respects. In the first place, the American plan expects Egypt to be satisfied with a royalty for the use of the Canal and to leave the maintenance and management of the Canal in the hands of an international body about the character of which it is very vague. In other words, under this plan, Egypt's possession of the Canal will be only nominal; it will have no right to fix the Canal dues at levels which the traffic can bear. Secondly, the American plan is not based on confidence in Egypt. It proceeds on the basis of suspicion that it will be risky to leave the control of the Canal in the sole charge of Egypt. It fears that Egypt may deny the use of the Canal to any country with which it chooses to quarrel. No nation with any self-respect will agree to accept either of these contentions. It is fantastic to condemn a whole nation of being unworthy of trust and confidence, more especially when that country has stood by its international obligations. And it is ridiculous to expect a country to give up its right to manage an enterprise that exists within its frontiers, merely on the ground that it is of international importance or that the lives of millions of peoples in the world are dependent upon it. There are several other assets in the world which are, perhaps, even more important to the well-being of millions of people in the world, but there is no international control over their utilisation. Mineral oil is a typical example of it. Will the owners and producers of this commodity agree to an international control of the type advocated in the American plan for the Suez Canal? Steel, chemicals, rubber and even shipping are the monopoly of a few nations. In the production, maintenance and pricing of these, the rest of the world has no say, though its economy is vitally influenced by the decisions of those who control them.

A lot of fuss is being made over the possibility of Egypt raising the Canal dues, in order to augment its revenue. The fact is that the Canal dues are bound and deserve to be raised. They have been fixed at very low levels, not having in mind the interests of Egypt but those of its owner-users. The Canal dues have been reduced seventeen times ever since the beginning, but have such reductions had any favourable effect on freight rates? On the contrary, freight rates have been going up and they are now several times higher than before World War II. The facts are: First, the incidence of Canal dues on the cost of freight is only a f

prices from Japan. It would appear that, "on account of the much larger production and capital investment," the competitive capacity of foreign cycle manufacturers is very great. The international competition is so keen that even the U.S. has found it necessary to give tariff protection to its domestic producers from low-priced British and Japanese bicycles. Other countries, too, have been taking suitable measures for strengthening their competitive capacity. Only last week, there was in Britain an integration of the various cycle manufacturing units, belonging to the Tube Investments Group, into one corporation, the object of this step being "to increase efficiency and lower costs for the battle for overseas markets which is being joined with foreign competition."

There is, therefore, a good case for continuance of protection to the Indian industry till such time as it is able to expand fully and meet such competition. In this connection, Mr. Birla rightly suggested that it would be wise not to permit the setting up of units which use a large proportion of only imported parts in their manufacture of cycles. Many units, according to him, use more than 75 per cent. of such parts for their cycles. Surely, if such units are allowed to be set up, it would, as he pointed out, adversely affect the manufacture of cycles in the country, because imported cycles would then find their way through the "back door." It would also reduce the Indian industry to an "assembly" type of manufacturers, thereby depriving the country of an opportunity to produce real wealth, increase employment and learn and employ new technical know-how. One way of ensuring that a unit does not remain an assembly shop longer than is absolutely necessary is to lay down and enforce a specific time limit for the new concerns to become manufacturers. Mr. Birla was, therefore, right in voicing a demand to this effect.

The cycle industry consists of about 18 large-scale units and a host of small-scale units which turn out a wide range of equipment from a mere part to a whole cycle. This feature of the industry's set-up is a source of weakness, though, if the subsidiary units are properly organised, it might well become a source of strength. The *Programme of Industrial Development*, published by the Planning Commission, has itself pointed out some of the chief defects of the small-scale units. These units, the report says, generally "suffer from lack of standardisation, technical know-how, correct equipment and finance." These defects have to be remedied if the small-scale industry is to reach the target of 250,000 cycles set for it by the end of the second Five-year Plan. The Development Council for the industry has recommended that some constructive steps should be taken to improve the production of small-scale units. A suggested step is the setting up of a finishing and testing centre at Ludhiana. Many such centres will obviously have to be set up in order to enable the small-scale units to make a real contribution to India's output of cycles. Obviously, it would be a mistake to sacrifice quality of cycles in any attempt to extend the policy of decentralised production to an industry that produces a vehicle mostly used by the common man. Quality and price are far more important considerations than provision of employment through this industry. It must be remembered that, in India, a cycle is owned by a family, not merely by an individual. It is an investment which is jealously guarded by all members of the family. They cannot afford to take far too many risks with the life of the vehicle. Nor can they afford to pay unduly high prices.

Clearly, the small-scale units can be of maximum assistance to the consumer only if they "are complementary to large-scale manufactures rather than being competitive." Even in highly industrialised nations, such units do play a vital role in the cycle industry. But they do not necessarily compete with large-scale units. They are essentially "feeder" units and in India, too, it is in this role that they can render great service to the cycle industry. Many of the larger manufacturers have already installed plant and machinery sufficient to turn out a large part of their own requirements of components. What is now necessary is to see to it that the small-scale units concentrate on the production of components for which they are best fitted rather than merely turn out an ill-assorted range of parts of doubtful quality. It is necessary to emphasise that, since cycle industry in India is still in its infancy, it is better to follow a correct policy in regard to the place of small manufacturers right from now, so that complications may be avoided in future. It should not be forgotten that, in the programme for the development of this industry, a provision is made for export of 150,000 cycles. If this goal is to be attained, the efficiency of the industry should be high and comparable to that of its competitors. If the tendency among its competitors is to produce on a mass scale, in order to reduce costs and maintain quality, how can it hope to face the challenge successfully in foreign markets if it is dominated by small producers? The policy-makers will do well to ponder this question seriously before deciding to act.

Finally, it seems essential to emphasise that, though the quality and finish of Indian cycles have improved, there is a widespread belief that the prices of cycles are relatively high. In making this remark, we are not unaware of the fact that, in recent years, there have been some reductions in the prices of Indian-made cycles. Nor is it suggested that the relatively high cost of these cycles is due to the wanton desire of the manufacturer to make large profits. Indeed, it must be conceded that he should be permitted to keep a reasonable margin of profit to build up reserves and attract fresh capital for expanding the industry. Nevertheless, the fact remains that the prices of cycles are higher than the capacity of the people who need them. The causes for this state of affairs deserve to be looked into. It is gratifying to learn that the steps to be taken in order to reduce the prices of cycles are engaging the attention of the Development Council. It is the duty of the manufacturers to see that the prices are lowered to a level at which the Indian cycle will prove even more attractive to the buyer than it has been so far. Any such reduction in prices would widen the market for cycles and thereby place the industry on a firm basis.

PRICE-PAGE SCHEDULE

IN this country, one has only to describe oneself as a "small" man to get all the sympathy and support from the Government. The aversion to things "big" and to institutions that are "large-scale" has formed the basis of the country's industrial policy for a long time now. But one never knew that the infection would spread to other fields of activity also. And yet that is precisely what is happening in the sphere of Government's policy in relation to newspapers. In an effort to build up "small" newspapers, the Rajya Sabha adopted towards the close of last week the Government-sponsored Bill to regulate the prices and pages of newspapers.

It does not require much reflection to realise that whatever may be the virtues of subsidising small-scale industries, a similar policy is singularly inappropriate when it is applied to newspapers. In the first place, India is not a country with "large-scale" newspapers at all. The largest of its newspapers are mere pigmies when they are compared with the leading newspapers in the West or in Japan with their astronomical circulations. Secondly, the "business" of printing and publishing newspapers is not an industry in the sense the word is employed in relation to other productive enterprises. It is a service, an art rather than a science. What is true of competition among industrial units is not necessarily true of newspapers. Further, even those who concede that Governmental control is necessary and vital in the sphere of industry will hesitate to recommend more than a mere overall supervision in the interests of public taste and decency when it comes to newspapers. But the arguments which have been used to support price-page schedule for newspapers bear a strong family resemblance to the logic and the language used by the advocates of small-scale industries. Indeed, it is these ideas which vitiated even the Press Commission's approach to the subject. In a particularly unconvincing section devoted to this subject, the Commission discussed the handicaps of the "small" newspapers in much the same way as those who would plead the cause of small-scale and cottage industries. The Commission pleaded, too, the cause of the "newcomer" which reminded one of the special claims of inexperienced exporters and importers in India's foreign trade. What was ignored was that nobody could help the "small" newspaper man but himself. Another factor that was ignored was that the so-called "big" newspaper man did not arrive on the scene all of a sudden and from above, but was himself a "small" man once and built up his position over decades of hard and sustained effort.

Having been blessed by the Press Commission and supported by several newspapers, the idea of a price-page schedule succeeded in gaining the attention of the Government. Fired by a misplaced enthusiasm for the "weak" man, the Government is now taking powers to control the prices and pages of newspapers. Under the Newspaper (Price-Page) Bill, the Government may issue an order providing for the regulation of prices charged for newspapers in relation to their maximum or minimum number of pages, sizes or areas and for the space to be allotted for advertising matter. The Bill also provides that, in issuing such an order, the Government shall have due regard to the need for "reasonable flexibility with reference to the flow of views, the flow of advertisement and other matters connected with the normal working of newspapers."

The Union Minister for Information and Broadcasting, Dr. B. V. Keskar, in the course of the debate on the Bill, admitted, with refreshing candour, that the Government had not been able to come to any "definite and absolute conclusions about the extent of the advantages of this proposal." He revealed that the Government was itself reluctant to assume these powers which it had taken only after strong pressure from Parliament and the Press. After giving the assurance that the Government would use the powers only after consultation with the interests concerned, he said that it would watch the working of the schedule carefully and proceed further only if it was to the advantage of the Press. It is thus obvious that the Government has been hustled into taking this dubious step.

The question is whether the measure will benefit the "small" newspapers and whether, if it does, it will be to the lasting benefit of the readers—a class which has been sadly neglected in all these discussions. Obviously, the measure will not materially improve the circulation of small newspapers, for the people will generally stick to the newspapers of their choice. But what the small newspapers apparently believe is that the larger newspapers will carry less advertisement and that such in turn will help them get more advertisement for themselves. In other words, it is not the readers whom they wish to serve. They want the advertisers to serve them. It is not likely that all small newspapers will benefit this way. It must be remembered that advertisements cannot and will not be given, nor can they be used, as a subsidy. If the advertisers find that the big and popular newspapers have less space than they need, they will not necessarily divert their advertisements to the "small" newspapers. They will instead concentrate on other media for advertisement—the posters, the cinemas, the moving van or the radio. Indeed, Dr. Kunzru stressed a very important point when he said: "I do not think that the Government will be able to devise any way of equalising the opportunities possessed by the bigger and smaller newspapers over securing advertisements. The ability of a newspaper to secure advertisement will depend largely on the number of its subscribers and the class of people amongst whom it circulates."

The suggestions made by Mr. S. P. Jain for the purchase of small newspapers by the Government and for giving them more Government-sponsored advertisements constitute a remedy which is worse than the disease. Apart from the fact that they imply an additional and wholly unnecessary and unjustifiable burden on the taxpayer, these suggestions raise the much larger question of the freedom of the Press. What freedom will a Government-subsidised press hope to possess for itself? Since the whole difficulty has arisen because advertisers are too few and their budgets are strictly limited, it is just as well that the Government should examine the root of the matter. Advertisement is a by-product of competitive economic activity and free enterprise. It is by stimulating such enterprise, rather than by curbing it, that the Government can hope to increase the income of newspapers through advertisement. The least that the Government should do, therefore, is to take a helpful view of the advertisement budgets of industrial enterprises. It is needless to add that any artificial curb on the size of newspapers will mean a real disservice to readers and also to working journalists. The readers must then be content with a lesser number of pages. This would be a loss as much to the readers as to the Government which wants to enlist the support of the people in the course of its economic programme. Free-Press, will find that their market has shrunk. Some of the larger newspaper establishments may conceivably be faced with the problem of "surplus" staff, while the smaller newspapers may not be in a position to absorb them.

Future of Hedge Trading in Cotton

SUEZ SITUATION DISQUIETING

THURSDAY, 5 P.M.

MARKET GOSSIP

THIS has been a dull week for the markets. Shares have been steady, with values well maintained. There has been some profit-taking here and there, especially in textiles, but the trend has been gradually upward. Steel shares in particular have been well held. The proximity of dividend payment on Tata Steels has been the principal prop for this scrip. Those who had bought long ago want to take the dividend before selling out, while, in recent weeks, many have supported this scrip in the belief that, after ex-dividend, its value will soon rise to the present level, so that they can get a clear profit of at least Rs. 10-8 per share even at its current price. This belief is apparently based on past experience. So far as Indian Iron is concerned, it is deriving its strength from the revival of buying fervour in jute and tea shares in Calcutta, as well as from expectations of an encouraging statement of accounts of the Company for March last. Reports about the Company's current working and future prospects continue to be optimistic and are sustaining the hope that, in three or four years, the shareholders will be amply rewarded in the form of higher dividends and/or a bonus scrip. Even though the interim dividend of Bombay Dyeing is no more than what was paid last year, namely, Rs. 7-8 per share—some in market circles were expecting it to be at least Rs. 10 per share—the drop in prices is not so big as might have been expected. As against a modest fall in this scrip from the peak level touched this week, there has been a handsome rise in Kohinoors and a few other well-known textile shares. A feeling of buoyancy prevails in the Madras share market also.

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The bullion market has become steady again, after a slightly easier trend earlier in the week. Seeds are a shade quiet on cheerless advices from abroad, but cotton has been presenting a firm front. Jarilla futures contract has come to be quoted well above Rs. 700, a level at which the Government decided to close the forward market eight months ago. The appreciation in the value of ready cotton has been even more marked than in the contract, with several mills anxious to book new crop cotton. Consequently, the futures section has become more fictitious than ever and is misleading the textile men in foreign countries about the real levels at which Indian varieties are standing.

Although it is still early to forecast the size of the 1956-57 crop with any degree of accuracy, the consensus of opinion is that the crop will not be more than five million bales of 400 lbs. each and that the quality will be poorer than in the season now fast coming to an end. With the need for exporting at least 500,000 to 600,000 bales in order to augment foreign exchange earnings, the statistical position of cotton in the coming season is expected to be very uncomfortable to consumers and may impede the smooth working of the hedge contract. Mill consumption of Indian cotton is now of the order of 4.9 million bales. As against this, the new crop available for the domestic mills after allowing for export will be of the order of 4.5 or 4.6 million bales. This means that a further inroad will have to be made into the carry-over cotton, estimated at 1.7 million bales, of which the desirable grades are very limited. Since the arrival of new crop is expected to be delayed owing to adverse weather conditions during the past one month, mills are eager buyers of whatever good cotton that is available. The position has been rendered worse by the release of a fresh export quota of 20,000 bales of Bengal *Deshi* and revalidation of the unused licences to the tune of 45,000 bales early this month. As a result, several varieties of cotton are being quoted at the ceiling, while some popular ones have been practically sold out.

If the present estimates of the new crop were to hold good, if the upward trend in other commodities, as well as foodgrains, were to persist in the coming months and if the authorities were to stick to their view that there should be a ceiling within ceiling for the futures contract—in December last they thought that Rs. 700 per candy was the limit for the Jarilla contract—then it is highly doubtful whether the futures trading in the 1956-57 season will have smooth sailing; indeed, it may have to be suspended sooner than some believe. But the last of the three aforesaid "ifs" is a big one and may not materialise at all for more than one reason.

In the first place, the 1956-57 season coincides with the election year. Since the cotton trade is one of the major supporters of the Congress Party, the Government would hesitate to displease it by suspending hedge trading. Secondly, the Gujerat has already been badly hurt by the Government's sudden decision over the future of Bombay State. The Government would not, therefore, like to take any step designed to bring down cotton prices, lest it should further antagonise the politically conscious cotton-growers of Gujerat. Thirdly, the Minister for Commerce and Industry is a person with a highly flexible mind. Eight or nine months ago, the level of Rs. 700 for Jarilla futures might have appeared to him to be unduly high. It may not do so now or even five months later, when he will probably be too busy fighting the elections to care very much about the price levels. Being a practical-minded economist, he will always produce some plausible reasons to support any level of price for cotton as being reasonable. Once, for instance, he said, that the price of groundnut oil should not exceed Rs. 1,000 per ton. But, actually even when it crossed the Rs. 1,300-mark, he kept his conscience in peace and took no steps to reverse the upward trend. Surprisingly enough, he did not even hold out a threat against the speculators. If there was any reason for this, it was presumably the desire on his part not to place his colleagues in Andhra in an embarrassing position, for, if he had tried to force down the prices of groundnuts in the interests of consumers, the communists would have turned his action to their advantage. And, finally, the new President of the E.I.C.A. is keen on carrying out the directives of the Government, whether they are right or wrong. With such an amiable person holding the chair, there is little prospect of any row between the Government and the cotton exchange. The Government, too, would not like to force a showdown, so soon after its last bitter controversy with the E.I.C.A., because frequent clashes with well-organised markets will not be good for its reputation. Even as it is, the Commerce and Industry Ministry is under a barrage of fire from the trading community all over India for having introduced State trading in the distribution of cement and steel within the country and in the export of iron and manganese ores. Further interference with the trade at this stage or in the near future will, therefore, make it still more unpopular.

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The London conference on the Suez Canal dispute has not been quite a success. With Egypt not participating, it was, of course, not expected to result in a cut and dried formula for solving the dispute. It was, however, hoped that the conference would find an agreed basis for negotiating a settlement with Egypt. This hope has not materialised. India offered a well-thought-out plan for compromise that would appeal to Egypt. But the majority of the nations attending the conference did not support it. Although the U.S. Secretary of State, Mr. John Foster Dulles, is making frantic efforts for winning the support of Egypt to his plan, he is not likely to succeed, because it has already been rejected by the Egyptian President. This is not surprising, because the Dulles plan only pays lip sympathy to the sovereign rights of Egypt. If Mr. Dulles succeeds in his efforts with Egypt, well and good. If he fails, the situation will become critical. Although the Western powers have declared that it is not their intention to resort to the force of arms to settle the Canal dispute, it is hard to say whether they will not precipitate matters by other means. Instead of a hot war, they may try an economic war.

Egypt has already been placed in a tight financial position, consequent upon the freezing of its foreign exchange resources held in Western countries. Some days ago, Britain had requested several countries in Europe and elsewhere not to give credit to the Egyptian Government. It is not known to what extent this request has been responded so far. But now that all the Western countries, including W. Germany and Italy, both of which have close economic ties

(Continued on page 395)

THE SILLY SEASON

EGYPT'S BEHAVIOUR EXEMPLARY

From Our Own Correspondent

LONDON, 17*th August*

LONDON LETTER

THE sabre rattling in which the British Government is indulging, the evident signs of war-like preparation throughout the country—the call-ups of reservists, the movement of ships and men and of stores at airports and seaports—and the bellicosity (albeit somewhat diminished in the last two days) of much of the Press contrast strangely with the actual atmosphere in which the Conference over Suez is being conducted. The cars of the foreign delegations were bustling about the Foreign Office, Lancaster House and the Embassies on Wednesday morning, and, before the Conference started yesterday, the tone for its opening had already been set. That part of the British Press which is not following the Government is giving a good deal of the credit in the first place to India, and secondly to Russia, for helping towards a more balanced view of the dispute by effectively inducing moderation on Egypt's part. Thus Egypt is, in fact, forgoing the dues on most of the canal shipping—dues which are being paid into blocked accounts in London and Paris—without attempting any reprisals against the shipping concerned. The only interference with freedom of navigation comes from the absence of a number of pilots prolonging their holidays, and, since the canal cannot be navigated safely without pilotage, delays in transit are inevitable. These delays are likely to continue until some peaceful solution is assured. But, since even such a solution is almost certain to imply at the least some substantial measure of control by Egypt over the operation of the Company, it may be that the Company will find itself without many pilots who will not want such a new master.

The view here is that with Egypt represented at the Conference privately, as it were, with Iraq canvassing mediation behind the scenes, with America urging a peaceful solution, with India, Pakistan and Russia almost imposing moderation, a solution will emerge, even though this particular Conference may possibly not provide the final answer. Thus, the ever sensitive stock markets have shown some substantial recovery at the latter end of the week from the depression into which the nationalisation of the canal first threw them.

The Canal Dues

And, if there is a peaceful solution, possibly a compromise between national control by Egypt and international supervision, what are the effects likely to be on dues and the profitability of the Company? It is well known that the Company, whose thirty-two Directors comprise sixteen Frenchmen and nine British, have deliberately kept dues as low as possible and this is not surprising when at least half the British Directors are shipowners. But this is not to say that the canal has not shown profitable results. In its last year, running expenses absorbed little more than half the total revenue, so that substantial dividends were paid to the now dispossessed owners. But Egypt will no doubt seek to raise her share of the revenue by increasing dues. However, the dues themselves amount to an insignificant proportion of the value of the commerce passing through the canal, so that Egypt would be well placed to double, for instance, her total of last year's receipts (some £8½ millions) without the cost of oil or other commodities going through the canal being appreciably affected. Egypt's economic interests, therefore, all point towards action which will increase the flow of revenue and will increase her share of it rather than taking any extreme courses which would cut the revenue off altogether. Her interest indeed lies altogether towards moderation and the City view is that it will be surprising, if, in the final outcome, Egypt does not succeed in getting her fingers on a little more of the gold of the maritime nations.—*All Rights Reserved.*

An *ad interim* dividend of 7½ per cent. less income-tax—same as that for 1955—for 1956, has been declared by the Directors of the National Bank of India Ltd. The dividend is payable on or after 20th September 1956.

The Directors of the Mercantile Bank of India Ltd. have declared an *ad interim* dividend of 7½ per cent. less income-tax on all shares for 1956, the same as that paid last year. The dividend is payable on or after 25th September 1956.

EQUITIES REMAIN STEADY

PROFIT-TAKING, HOWEVER, CHECKS ADVANCE

From Our Special Correspondents

BOMBAY, 23*rd August*

TRADING on the Stock Exchange during the week under review was interrupted by two holidays, on Friday last, on account of *Moharrum*, and on Tuesday this week, on account of *Coconut Day*. Despite this interruption, equities maintained a steady tone, though the pace of advance was checked by some profit-taking. The international situation, affected by the Suez Canal issue showed no change during the week, though towards the close, reports from London indicated that efforts by the 22-nation Conference to bring out a compromise had failed. On the domestic front, expectations of inflationary pressure gathering momentum in the coming years, further encouraging reports of company earnings and reports of good demand for cloth were the main stimulants for keeping the undertone steady.

In the steel section, Tata Ordinaries crept up from Rs. 211 to Rs. 213-8 before finishing at Rs. 213. After an early dip from Rs. 37-6¼ to Rs. 37-3, Indian Irons gathered strength to Rs. 37-13 and closed at Rs. 37-11.

Textile shares were subjected to heavy profit-taking and many counters suffered modest losses on balance. Even where they managed to close higher, the gains were not very marked. Bombay Dyeings displayed an erratic trend. After moving down from Rs. 691-4 to Rs. 687-8 early in the week, they recovered to touch a new high of Rs. 701-14 yesterday. Today, however, the news that the Company had maintained the interim dividend for 1956 at Rs. 7-8 per share caused a sharp setback to Rs. 690. The closing was a shade better at Rs. 693-12. Centurys declined from Rs. 607-8 to Rs. 602-8, but jumped up to Rs. 608-8 today before closing at Rs. 605. Kohinoors reacted from Rs. 393 to Rs. 390-8, but rallied to close at Rs. 400. Central Indias moved up by Rs. 4 to Rs. 167. Edward Textiles by Rs. 10 to Rs. 360 and Finlays by Rs. 5-8 to Rs. 382. Gokaks closed Rs. 3-8 lower at Rs. 250-8, Indu Ordinaries As. 3 down at Rs. 14-4 and Indore Malwas Rs. 3-2 lower at Rs. 165-10. Khatau Makanjis were maintained at Rs. 278-12 and New Greats at Rs. 260. Morarji Goculdas gained Re. 1-4 to Rs. 272-8 and Sassoon Silks Rs. 2 to Rs. 14. Shree Niwas were done Rs. 3-12 lower at Rs. 243-12. Simplex moved down from Rs. 215-8 to Rs. 212, but recovered to close at Rs. 214-8. Standards lost Rs. 3-12 on balance at Rs. 491-4, while Svadeshis gained Rs. 6 to Rs. 276. Tata Mills shed Re. 1-8 to Rs. 63, while Vishnus stood Rs. 2-8 higher at Rs. 193-12.

Very little activity was noted in bank shares, but the undertone was steady. Central Banks were done a fraction lower at Rs. 54-8, while Bank of Indias were maintained at Rs. 172. Barodas gained As. 4 to Rs. 105. United Commercials were unchanged at Rs. 59.

Insurance shares were dull and business was very much restricted. New Indias displayed some weakness and were a rupee lower at Rs. 48-4. British India Generals were placed at Rs. 14 *ex-div.*, as against Rs. 15-2 *cum-div.* last week, and Orientals at Rs. 3,620 *ex-div.*, as compared with Rs. 3,820 *cum-div.* Jupiters gained As. 2 to Rs. 6.

A mixed trend was noted in electricity shares. Ahmedabad Electrics were taken down from Rs. 99-6 to Rs. 98-12, before they closed at Rs. 99-1. Bombay Suburbans picked up As. 10 to Rs. 111-4 and Surat Electrics As. 10 to Rs. 119-8. Tata Hydros moved down by a rupee to Rs. 128, while Tata Powers and Andhra Valleys put on Rs. 10 each to Rs. 1,320 and Rs. 1,247-8, respectively.

Business in the miscellaneous section was marked by several features with sharp gains over the week. In the sugar group, a rise of Rs. 7 to Rs. 169 was noted in Phaltons. Belapurs were marked up by Re. 1-8 at Rs. 255-8. Bhopals were maintained at Rs. 17-12 and Walchandnagars at Rs. 273-12. Small variations were noted in cement shares. Associated Cements moved narrowly and finished with a gain of Re. 1-4 at Rs. 203-4. Digvijays declined by Re. 1-8 to Rs. 204, while Ashokas were done As. 2 higher at Rs. 12-6. Dalmia Cements were unchanged at Rs. 15-8. In the engineering and mining group, a further setback by Rs. 10 to Rs. 345 was recorded by Alcock Ashdowns. Tata Locomotives staged a retreat to Rs. 173-12, after an earlier rise from Rs. 174-8 to Rs. 178. Premier Constructions hardened by Rs. 5-4 to Rs. 217. Larsen and Toubros were a shade quiet at Rs. 18-12, while Mahindras gained As. 6 to Rs. 6. Kamani Engineerings shed As. 10 to Rs. 7-4. Shivrajpurs were just steady at Rs. 90-12 and Indian Coppers, despite the excellent results for the year ended 31st December 1955 and good outlook for the Company, failed to move up. On the contrary, they were a shade quiet at Rs. 7-5¼. B.B. Petrols were featureless at Rs. 4-3.

Among shipping and transport shares, Scindias reacted from Rs. 19-6½ to Rs. 19-3. Great Easterns were dull at Rs. 19-12. Premier Automobiles were in the limelight with a jump from Rs. 102 to Rs. 111-8. Hindustan Motors shed a fraction to Rs. 10-5. In the miscellaneous industrial group, Bombay Burmahs advanced from Rs. 761-4 to Rs. 774-8, but closed lower at Rs. 771-4. British India Corporations were steady at Rs. 10-12. National Rayons fell from Rs. 274-8 to Rs. 268, but regained to Rs. 271-8 at the close. Dhrangadhra Chemicals were well favoured and they recorded a gain of Rs. 2 to Rs. 138. Tata Chemicals gained on balance As. 4 to Rs. 20-11¼. Tata Oils were steady at Rs. 56-12. Wimcos were marked down by Re. 1-4 to Rs. 184-6.

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Calcutta Stock Exchange

CALCUTTA, 22*nd August*

The week under review on the Calcutta Stock Exchange was noted for dull conditions arising from lack of support. Operators were in a hurry to book their profits, and this resulted in prices moving down. There were clear signs that funds were being kept apart for subscription towards the States loans opening shortly, and until the loans are closed share market activity is not expected to be lively. In the face of such a situation, the addition to the prices of jute goods and a fall in fibre prices did not release a good measure of buying support for jute shares nor did the keen interest shown by buyers and stockists of manufactured goods make any change to the general trend. The increased demand for manufactured goods was certainly due to fears of conflict between Egypt and Great Britain over the Suez Canal issue, but since investment buying was fully satisfied with last week's activity and no fresh incentive had come to the forefront, the week under review was far from lively, though quotations tended to be steady subsequently. The market was closed yesterday on account of *Radkhi Purnima*.

The decision of mills to reduce production further and the improvement in the goods market pushed up jute shares to the forefront once again and some gains were indeed reported. Nationals were quiet at Rs. 25-14, but Indias improved to Rs. 145 from Rs. 135. Budge Budges were better at Rs. 135, as were Kelvins at Rs. 228. At Rs. 180, Anglo-Indias added five points and New Centrals were taken to Rs. 18-4 from Rs. 17-13. Gourepores were keenly sought and in transactions put on Rs. 15 to Rs. 247.

In the coal section, East Indians gained fractionally to Rs. 31-9, but Burrakurs were quiet at Rs. 13-15. Central Indias were unchanged at Rs. 7-6.

Indian Coppers, in the mining section, were fully steady and were bought at Rs. 6-15. The encouraging remarks of the Corporation's Chairman with regard to the proposed expansion and the highly satisfactory working results of the Corporation made the scrip an attractive possession.

Moderate attention was paid to the engineering section, and despite profit-taking, Indian Irons were only a few annas lower at Rs. 37-3. Indian Standard Wagons were shown special attention, which took the quotation up to Rs. 198 from Rs. 177. Hooghly Dockings came to business at Rs. 144, as against Rs. 143 previously, while Texmacos were quiet at Rs. 23-5. Jessop & Cos. declined to Rs. 34-8 from Rs. 35 and Richardson & Cruddas to Rs. 25-1 from Rs. 25-4.

Among cements, Orissas spurted to Rs. 16-2 from Rs. 15-10 following the announcement of an increase in the dividend for the year ended 31st December 1955 to Re. 1-4 from As. 12 per share paid for 1954. Sone Valleys were lifted from Rs. 8-10 to Rs. 8-13 *ex-div.*

Teas were shown selective attention, and Pairakolas improved from Rs. 195 to Rs. 206. At Rs. 16, Dauracherras added Re. 1-12. Tellapparas were pushed to Rs. 228-8 from Rs. 202, while Brooke Bonds eased to Rs. 21-7 from Rs. 22.

A mixed trend was in evidence in the miscellaneous industrial section. Thus, while Assam Saws improved further to Rs. 5-2 from Rs. 4-12, Indian Aluminiums eased to Rs. 24-4 from Rs. 24-9, following reports of labour troubles at the Alwaye factory. Good support was given to Aluminium Corporations which were raised to Rs. 12-4 from Rs. 11-11, but Indian Cables were quiet at Rs. 33-10. India Steamships at Rs. 9-2 lost As. 2.

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Madras Stock Exchange

MADRAS, 22*nd August*

Although the buoyancy noted on the Madras Stock Exchange last week abated somewhat during the week under review, trading was quite active and further additions were recorded by equities. The sentiment of operators continued to be bright, thanks to industrial activity being at a high level and prices steadily moving up. Encouraged by satisfactory working of joint-stock enterprises in the past year and expecting better results in the coming years, the operators showed sustained interest in buying shares, especially of companies under sound management. The undertone of the market was firm.

Consistent buying support pushed up the prices of rubber shares. Rajagiris were particularly favoured, with their quotation advancing by a rupee to Rs. 27-8. Travancore-Rubbers and Vaikundams rallied As. 12 each to Rs. 25 and Rs. 33-12 respectively. Cochin Malabars strengthened by As. 11 to Rs. 12-2 *cum-div.* Thirumbadis hardened by As. 3-6 to Rs. 2-9. Pullangodes gained an anna to Rs. 4-10. Tea shares were also well supported, following reports of good offtake at higher price in the recent auctions. Periakaramalais climbed up by As. 8 to Rs. 11-2 *cum-div.* (final). Nilgiris and Talayars rose by As. 4 each, the former to Rs. 13-2 and the latter to Rs. 13-12. Ouchterlonys put on As. 3-6 to Rs. 5-12. Among coffee shares, Balmadies gathered As. 2 to Rs. 4-12 *cum-div.* Anaparis were firm at Rs. 4-15.

Rajapalayams provided the brightest spot in the textile section, registering an advance of Rs. 10 to Rs. 180 *cum-div.* Buckinghams increased by Rs. 2-8 to Rs. 212. Metturs gained alike amount to Rs. 492-8. Coimbatore Spinnings picked up Rs. 2 to Rs. 123. Kotharis gathered a rupee to Rs. 19. Premiers were done at Rs. 232, *ex-div.*, as against Rs. 247 *cum-div.* last week-end. Bangalore Woollens were fully maintained at Rs. 590, as also Pioneers at Rs. 335. Coimbatore Cottons at Rs. 382-8 Kasturis at Rs. 32-8 *cum-div.*, Maduras at Rs. 52-4, Radhakrishnas at Rs. 360 and Pankajas at Rs. 96.

A jump of As. 14 to Rs. 19-4 in Mysore Papers was the feature of trading in miscellaneous industrials. Travancore-Rayons had buyers As. 4 higher at Rs. 15-14. India Cements recorded a rise of As. 4 to Rs 31-14 Andhra Cements were firm at Rs. 16 and Dalmias at Rs. 15-14. Mettur Chemicals picked up As. 4 to Rs. 10-6 *cum-div.* (final). F.A.C.Ts, India Steel Rollings and Spencers appreciated by As. 2 each to Rs. 6-13, Rs. 14-14 and Rs. 17-4, respectively.

Indian Bank shares elicited good support Rs. 95 Paids advanced by Rs. 5 to Rs. 190. Fully Paids by Re. 1 to Rs. 206 and Rs. 70 Paids by As. 8 to Rs. 148. Commercials were transacted at Rs. 42-8, same as last week.

CANADA'S BANK RATE UP

The Bank rate in Canada reached a new high record when the Bank of Canada announced on 9th August that its discount rate had been increased from 3 to 3½ per cent. The new record rate has been attained in five stages beginning in August 1955 when the rate prevailing was 1½ per cent. The latest increase was preceded by certain other monetary measures such as restrictions on bank loans and the establishment of a fixed liquidity ratio. They are an indication of the determination of the Canadian authorities to stem the rising tide of inflation resulting from the increasingly adverse trends in the current balance of payments. As a result of these measures, the interest rates structure has moved forward. Three month Treasury Bilis which were sold at $2.52 at the end-June rose to $2.80 on 2nd August. Moreover, officials of Chartered Bank in Canada have reported an increase of ¼ per cent. in interest rates from 20th August on all types of loans with the exception of certain Government, home improvement and farm improvement loans. At the same time, the banks also have found it difficult to expand their loans as their cash ratio fell short of the statutory 8 per cent. level.

Bank rate, however, has its own limitations in the fight against inflation especially in the conditions obtaining in Canada. In the first place, the rates prevailing in the U.S. determine the limit beyond which the Canadian Bank rate cannot be pushed. While the step taken is aimed at alleviating internal difficulties, it is at the same time capable of producing external problems. The favourable effects at home are already being frustrated to some extent by the persistent inflow of capital from abroad. In the second place, the proportions of this inflow may be all the more disturbing in view of the 21 per cent. increase in capital spending proposed for this year, and the consequent need for huge imports. The scarcity conditions at home further increase the need for imports. And, as the *Financial Times* aptly put it, "it is this persistent inflation and makes it more a difficult to correct." Canada is thus faced with a dual problem. On the one hand, reduction of imports would increase the pressure on inflation at home, and, on the other, checking the inflow of capital would create baiance of payment difficulties. It will, therefore, be interesting to see how far the orthodox Bank rate weapon can fulfil its role in the context of these divergent requirements of Canada today.

WORLD BANK LOAN FOR SUEZ CANAL

The World Bank will be ready to consider the question of financing modernisation of the Suez Canal, provided certain technical problems are solved, according to an authoritative source. Any serious consideration by the Bank however, will have to await the solution of the Suez Canal crisis. The principal technical problem will be the economic and financial strength of the Canal's future management. The Bank further requires assurances as to, firstly, reasonable prospect of a return on its investment, secondly, a loan guarantee from the Government or Governments concerned, and thirdly, participation by other bodies in the loan, since the Bank will be unlikely to provide the entire finance needed for the project.

The Central Government has so far granted licences for the establishment of four new sugar factories in Uttar Pradesh with an aggregate daily cane-crushing capacity of 5,000 tons and for the substantial expansion in 24 existing mills, involving an additional capacity of 15,678 tons per day. Of the new factories, one is expected to commence operation in 1956-57, two others in 1957-58 and the fourth in 1958-59.

NEWS IN BRIEF

AN area of 2,006,000 acres is estimated to have been brought under the Japanese method of paddy cultivation in 1955-56.

India's requirements of mining machinery in the public sector during the second Plan period are estimated at Rs. 41.24 crores.

At a recent meeting of the Indian Chemical Manufacturers' Association, the desirability of establishing an Export Promotion Council for the chemical industry was discussed.

A lighthouse with a beam intensity of three million candle-power will be built at a cost of Rs. 7 lakhs at Dwaraka near Jamnagar. A fog signal equipment will also be installed there.

A new sugar mill will be started at Kicha in the Terai of Naini Tal district of U.P. Production will start as soon as the machinery is delivered by Protos Engineering Co. (Private) Ltd. in co-operation with a German concern.

The "Nepa" mills, which at present produces 65 tons of newsprint a day, is expected to raise its output to 100 tons daily. At the same time, the Government of India also has under consideration a scheme for the manufacture of newsprint from bagasse.

According to Mr. K. D. Malaviya, Minister for Natural Resources and Scientific Research, the Department of Atomic Energy is exploring the possibilities of setting up a High Altitude Cosmic Ray Laboratory in Kashmir Valley.

The Railway Board has recommended the grant of licences to two Indian firms for the manufacture of train lighting dynamos. The railways require about 1,000 of these dynamos per year. It is expected that these two firms, when in full production, will be able to meet half of India's total demand.

The Government of India has set up a high power Oil and National Gas Commission, with Mr. K. D. Malaviya, Union Minister for Natural Resources, as Chairman. The Commission will advise the Central Government on matters relating to exploration, exploitation and refining of oil and natural gas resources.

The Forward Markets Commission is understood to have decided to recommend the Cochin Oil Merchants Association for recognition by Government for conducting transferable delivery transactions in coconut oil at Cochin. The recognition of Alleppey Oil Millers and Merchants Association for conducting forward trading at Alleppey has already been recommended by the Commission.

Over 700 employees of the Indian Aluminium Company, Alwaye, went on an indefinite strike from the 14th inst. following a dispute over the question of bonus. The strike has paralysed the Works of the Company which produces about 15 tons of aluminium daily. The concern, which contributes over 70 per cent. of the country's production of this vital metal, is a joint Indo-Canadian venture.

Work on the electrification of the main line between Howrah and Burdwan and the branch line to Tarakeswar of the Eastern Railway has already begun. The British Insulated Callender's Cables Ltd., in conjunction with its associates the Indian Cable Co., Ltd., has been awarded a contract of the total value of £250,000 for the supply and installation of the underground power and control cables.

The Madhya Pradesh Government is considering a proposal to establish an industrial estate for small industries at Nagpur. The scheme envisages giving ready facilities in the form of buildings, power, gas, transport and industrial housing to small industries. The concentration of small industries in one compact area, it is felt, would ensure a number of mutual benefits to them, which otherwise are not available to scattered units.

The first conference of the proposed Maharashtra Fruit Growers' Association will be held on the 31st inst. at Ahmednagar. The Conference, which will be presided over by Dr. Punjabrao Deshmukh, is expected to discuss such issues as plannng for the future development of fruit cultivation in the Five-year Plan, increasing fruit production and protection from pests and diseases, transport and marketing facilities.

The Kinoshita Shoten Trading Company, a Japanese trading firm, backed by Japanese steel mills, is intending to develop new iron ore resources in Orissa to supply the Japanese steel industry with extra iron ore. The project, costing about $50 million, is similar in size to the tripartite plan now being discussed between India, Japan and the U.S. for exploiting iron ore resources in Rourkela area. About 2 million tons of ore is expected to be exported annually to Japan by putting through this Project.

The Cashew and Pepper Export Promotion Council, Cochin, has decided at a recent meeting, to enforce quality control for export of cashew and pepper. A scheme for introducing factual inspection certificates for all exports of the two products is under preparation. In order to explore the possibilities of extending the market, a four-man trade delegation, sponsored by the Council, will leave for Central European countries on the 29th inst.

The first course for post-graduate training in agricultural marketing, instituted by the Indian Council of Agricultural Research, was inaugurated on the 16th inst. at New Delhi by Dr. Punjabrao Deshmukh, Union Minister for Agriculture. The course gives training in all aspects of marketing, both theoretical and practical, and lays emphasis on the organisation of developmental activities such as regulation of markets, co-operative marketing and warehousing. It is the first of its kind in Asia.

The Physical Research Laboratory at Ahmedabad is to conduct cosmic ray research in connection with the observance of the International Geophysical year 1957-58. India has been chosen for work in this particular fieid, because a large part of the country lies on the magnetic equator which receives stronger cosmic ray radiation from space than the countries of Europe or America. It is proposed to set up cosmic ray recording stations at Ahmedabad, Kodaikanal, Trivandrum, Mount Abu and Gulmarg.

Import licences for goods of the total value of Rs. 517 crores were issued by the offices of the Import Trade Control Organisation in India during January to June 1956. This was considerably higher than the total value of licences for the period July to December 1955 amounting to Rs. 344 crores and for January to June 1955 to Rs. 304 crores. The total number of licences issued during January-June 1956 was 129,506, as compared with 114,065 and 100,126 for the two preceding half-yearly periods.

The Fact Finding Committee on industrialisation, set up by the U.P. Government with Mr. B. M. Birla as Chairman, has expressed the view that almost every industry other than shipbuilding can be developed in the State. For the public sector, the Committee has suggested the establishment of factories for the manufacture of fertilisers, railway equipment, aero engines, aluminium and synthetic rubber. A rayon factory has been advocated for the private sector. The Committee wants the production capacity of textile mills, sugar factories, power alcohol distilleries and cement factories to be increased. It has also recommended rationalisation of the State's tax structure, phased reduction in sugar cess, abolition of duty on electrical energy and uniform local taxation.

The total gross sea and land customs revenue collected in India during June 1936 amounted to Rs. 12.95 crores, as compared with Rs. 13.62 crores in the corresponding month of the previous year, according to the Department of Commercial Intelligence and Statistics, Government of India. Of the total customs revenue collections, import duties accounted for Rs. 10.91 crores, as against Rs. 10.73 crores. export duties for Rs. 1.77 crores, as against Rs. 2.77 crores, and land customs and miscellaneous for Rs. 27 lakhs, as against Rs. 12 lakhs. The total gross collection of Union excise duties during the month under reference amounted to Rs. 14.94 crores, as compared with Rs. 12.96 crores. During the three months, April to June 1956, the grand total of gross customs and Union excise revenue realised was Rs. 80.19 crores, as compared with Rs. 74.43 crores during the corresponding period of the previous fiscal year.

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From Abroad

The United States newsprint consumption in the first seven months of 1956 is estimated at 3.9 million tons, as compared with 3.7 million tons in the corresponding period of 1955.

With a view to giving the farmers a chance to sell their forthcoming new crop, the Egyptian Cotton Committee has decided to stop forthwith the sale of any quantity of its cotton stocks either for export or for local consumption.

The British Maritime Syndicate, running regular services between Europe and the Far East, proposes to increase their freight rates by 20 per cent. A final decision will be taken at the Far East Conference scheduled to meet shortly in London.

The Western Union Telegraph Company of the U.S. has announced that it will increase press telegraph rates by 8.22 per cent. with effect from 14th September next, in order to meet increased labour costs. As a result of this increase, the Company's annual revenues are expected to go up by $268,000.

The Malayan Federation Minister for Commerce, Dr. Ismail, has announced that during the year 1957, there would be no restriction on the production of tin in the Federation of Malaya under the International Tin Agreement due solely to the fact that the buffer stock would be in a position to absorb the surplus production of next year.

According to the estimates of the F.A.O., world wheat stocks continue to increase, despite a decline in production in some countries and some pick-up in trade early this year. It has been calculated that the stocks which increased by about one million metric tons during the 1954-55 crop year showed a further increase of about 2.2 million tons by the end of the 1955-56 season.

The ninth international German Handicrafts and Trade Fair to be held at Munich from 15th to 26th May 1957, will represent, as usual, an extensive cross-section of creative craftsmanship in all fields. This fair, apart from being the biggest fair of Handicrafts and their supplying industries in Europe, also displays the most up-to-date examples of artistic and industrial design for handicrafts and small industries.

At an annual conference of trade unions held at Hastings, England, delegates representing three million British workers demanded the lifting of all bans on trade with mainland China. They declared that this would help check the spread of unemployment in Britain and also maintain world peace. In a resolution passed unanimously, the delegates emphatically protested against the blacklisting of an enormous potential market in China when restrictions on trade with the U.S.S.R. were being eased.

The new Indonesian export premiums, payable in rupiahs, range from 5 per cent. on palm oil and palm kernels to 20 per cent. on sisal. The percentages vary for other products like rubber, coffee, tea, pepper, tobacco and copra from 8 to 16 per cent. No premiums, however, will be charged on oil, tin, sugar and quinine. The premiums will be in the nature of negotiable certificates which the Bank of Indonesia will be prepared to buy at 125 per cent. These certificates could be used for the import of articles of luxury and for shipping as well as air-passage tickets.

The U.S. Federal Maritime Board has recommended that permission should be given to American Coal Shipping Incorporated to charter 30 "moth-balled" Liberty ships from the Government reserves in order to carry American coal overseas. The American Coal Shipping Inc. is a corporation formed by coal producers, the United Mine Workers Union and Southern railroads. The conditions recommended by the Board alongside that for chartering are minimum rates to be set by the Maritime Agency, restrictions on the use of the vessels in other trades and a limitation on the period of the charter to twelve months in the first instance, and to be reviewed later.

PERSONAL

MR. Bhimsen Sachar, former Chief Minister of the Punjab, has been appointed Governor of Orissa, in place of Mr. P. S. Kumaraswami Raja, who has resigned owing to ill-health.

Mr. S. Narayanaswami, Deputy Secretary, Union Ministry of Home Affairs, has been appointed the competent authority to whom applications for appointment as Notaries by the Central Government should be made.

Mr. A. J. C. Hoskyns-Abrahall, Chairman, Lever Brothers (India) Private Ltd. and associated companies and Chairman of the Vanaspati Manufacturers' Association of India, has been elected President of the Bombay Chamber of Commerce and Industry, *vice* Mr. J. F. Sinclair, who has resigned.

Mr. Kadidal Manjappa, Minister for Revenue and Public Works, Mysore, in the Hanumanthaiya Cabinet, has been appointed Chief Minister of the State, with effect from the 19th inst. Mr. A. G. Ramachandra Rao, Mr. T. Channiah, Mr. H. Sidaverrappa, Dr. R. Nagan Gowda and Mr. H. M. Channabasappa, have been re-appointed Ministers.

Mr. D. N. Khurody, Milk Commissioner of Bombay, left for Moscow on the 22nd inst., on an invitation from the Soviet Government, to study the dairy industry in that country. Mr. Khurody, who is a Vice-Chairman of the International Dairy Congress, will, after the Soviet tour, attend a meeting of the Congress to be held in Rome on the 24th proximo.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 22*nd August*

Coal *vs.* Oil

Reference was made in our Coal Trade section last week to a representation which the Bombay Coal Merchants' Association has made to the textile mills using crude oil. instead of coal, as fuel. The Association urges these mills to consider the question of coal, instead of crude oil, as fuel from the economic as well as the national point of view. As for the economic point of view the Committee of the Association has gone very carefully into details and has come to the conclusion that the present rates of coal leave no ground for the assumption that crude oil is the cheaper fuel. Coal unquestionably works out cheaper than crude oil, as the actual consumption of two tons and fifteen cwts. of oil at Rs. 36 per ton costs Rs. 99; whereas five tons of good Bengal coal at Rs. 17 per ton costs Rs. 85—a gain of Rs. 14 per every five tons consumed per day. Taking the average of consumption at fifteen tons a day a mill will save Rs. 42 per day and about Rs. 1,050 per month. This is not a small saving. In any case the mill that goes over to coal from crude oil will not be a loser; on the contrary it will be saving money. As for the charges required for converting the boilers from crude oil to coal, the Association is informed on good authority that the estimates vary from Rs. 150 to Rs. 400 per boiler according to the needs of the plants affected. The initial expense of, say. Rs. 1,500—the maximum for a plant using four boilers—is nothing compared with the savings of about Rs. 12,000 a year, if coal is used instead of crude oil.



CEILING ON LAND HOLDINGS

A FEATURE of the current Governmental policy towards agricultural land is that it has not yet definitely crystallised itself in favour of any particular level of ceiling on ownership of land. This is to be welcomed, if it indicates—as it seems to do—that the Government is alive to the complexity as well as the gravity of the issues involved in a fixation of land ceilings. There is, however, no indication to show that the Government has altogether abandoned the idea with which it has been toying for quite a long time now. But it is time that it examined the issues in the light of not only the fundamental rights to hold property and principles of natural justice such fixation would violate but also the administrative, economic and social implications of any break with the historic land policy in the country.

That the Central Government continues to hug the illusion that the ceilings on land are both desirable and practical is evident from the fact that its leading spokesmen continue to pay high, though obviously uncritical, tributes to this subject. In the course of a recent broadcast, Mr. A. P. Jain, Minister for Agriculture, averred that the landless labourer was relegated to the lowest position in the village society, and that, if the present position was left undisturbed, more than 70 per cent. of the country's population would remain outside the scope of the socialist society. Emphasising the need for redistribution of land, the Minister, emulating the well-known and misleading Russian preference for percentages said that, while 60 per cent. of the country's peasants held about 15.5 per cent. of the total cultivable area, 5 per cent. of the "big peasants" held about 34 per cent. of the land—that is, more than double the area held by small peasants. Perhaps, the Minister would have done well not only to mention the source of these statistics but also to give actual (absolute) detailed figures. For opinion on this subject is divided and there is a strong section of informed opinion which holds that the so-called "surplus" land available for distribution is a strictly limited quantity, and that the real land problem in the country is not one of distribution of any "surplus" land but of drawing the surplus labour away from land to more remunerative occupations. In other words, the salvation for agriculture lies in industry. Mr. Jain, however, admitted that since the quality of land was different in various parts of the country, no single standard could be laid down for the whole of India. He revealed that the Planning Commission had proposed the appointment of a Committee of experts to examine the conditions in different States and suggest determination of ceilings.

Such a committee, when it is appointed, will do well to examine the problem in an unbiased manner. It should study conditions on spot, besides gathering evidence from all the interests concerned. Perhaps, the State Governments themselves, if they have not already been carried away by ideological bias, should be in a position to give the committee some idea of the immensity of the problem of imposition of ceilings. For it is noteworthy that some of the State Governments, by reason of their being in more intimate contact with the land problems, are inclined to take a more realistic view of the issue of ceilings on land. Thus, Mr. Charan Singh, the U.P.'s Revenue Minister, stated recently that the State Government had decided against a ceiling on the existing agricultural holdings not because it favoured large farms but because redistribution of land would be of little benefit to the State and instead give rise to problems which in their magnitude and intricacy would more than counterbalance the profit, if any. He explained that the cultivated area in the State was about 45 million acres, whereas the number of peasant families was over nine million. Only 9,000 of them, however, possessed holdings of 50 acres or more—a revelation which runs contrary to the statistics quoted by Mr. Jain. By fixing a ceiling on the existing holdings, the land available for redistribution, according to Mr. Charan Singh, would hardly be about 250,000 acres and that, too, in patches scattered all over the State.

Mr. Charan Singh next dealt with two important aspects of the problem—compensation for dispossession of land and distribution of the land so acquired. He pointed out that the acquisition of excess land would involve payment of compensation to landholders who were not intermediaries but actual tillers. Naturally, the amount of compensation would be huge and its calculation a very complex and formidable affair. Referring to distribution of land, he said it raised certain very intricate issues. Should the land be distributed among the landless or those who held uneconomic holdings? Distribution among the former, he contended, would increase the number of uneconomic holdings as well as pressure on land, while distribution among the latter would not be practicable, inasmuch as land was not a movable commodity. Finally, he rightly stressed that the problem facing the State was not of providing land to the landless who constituted only 6.7 per cent. of the agricultural population of the State but of lessening the pressure on land and stepping up production.

The Andhra State Government, after an impartial examination of the issues, has reached a similar conclusion. A note placed by the Government on the table of the State Assembly says that a "rigid application of the ceilings on land holdings would be neither possible nor desirable." It says:

> "The fixation of a ceiling in terms of acreage or assessment will involve a continual revision of the ceiling according to the rise or fall in the prices of agricultural commodities. As a ceiling has at all times to be related to income, it would seem both necessary and desirable to express it directly in terms of income instead of indirectly in terms of acreage or assessment. It seems also desirable that the ceiling should be prescribed if at all per individual instead of per family, each member of an undivided Hindu family entitled to separation being treated as a separate unit."

It quotes from the report of the Subba Rao Committee on land reforms to show that, if a low ceiling were fixed, the more enterprising agriculturists would migrate to towns in search of more profitable avenues of investment. Such a situation, it is rightly pointed out, would deprive the rural sector of its "most progressive element on whom the prospects of agricultural and other advancement in villages depend." Proceeding, it adds: "Perhaps the most serious difficulty in applying the ceiling to existing holdings would be that the State Government, in its present financial position, would not be able to acquire the surplus area released as a result of imposition of the ceiling. Nor will it be possible for the beneficiaries to bear the financial burden, since most of them will be landless poor persons or men of meagre means."

The aforesaid considerations apply as much to the rest of the country as to Uttar Pradesh and Andhra States. It is, therefore, a pity that the authorities should persist in advocating a policy of ceiling on landholdings. There may be a need for fixing fair rents and for assuring the tenants a certain security of tenure. But there is no justification for rushing through a policy of ceilings on land. Such a policy would seriously interfere with production, distort the rural social pattern, and create more discontentment in the villages. Further, it would be a piece of socialist measure imposed from without and not a reform for which the demand has come from the people concerned. Above all, an attempt at fixing ceilings on land is an essentially negative, narrow and escapist solution of a complex social and economic problem in the rural areas. It is wise to recognise that it is complex rather than try to over-simplify it on paper in a vain effort to find a neat and simple solution.

ELECTRICITY BILL

The statistics relating to the working of the electricity undertakings which Mr. Gulzarilal Nanda quoted in the course of the debate in the Lok Sabha on the Electricity (Supply) Amendment Bill, now referred to the Select Committee, make interesting reading. For a long time now, the managements of the undertakings have complained that the statutory return (on investment) allowed to them under the Act is so low that it makes even the maintenance of their undertakings difficult, let alone its affording sufficient incentive for expansion. It is in partial response to this demand that the Bill seeks, in effect, to raise the rate of return to 5½ per cent. from the present 5 per cent. Under the Bill, the rate of return will be linked to the Bank rate so as to give a margin of 2 per cent. Since the Bank rate is now 3½ per cent. the rate of return will work out to 5½ per cent.

It would appear that before the Government finally decided to give even this small increase in return, it undertook an extensive examination of the accounts of 290 licensees. It was found that only 131 undertakings actually earned clear profits upto the maximum permissible return of 5 per cent. plus interest, while 72 undertakings earned profits which were less than the permissible return under the Act and 87 undertakings actually worked at a loss. This means that 159 undertakings could not earn the maximum permissible profits even under the existing provisions of the Act. Commenting on the working of these 159 undertakings, Mr. Nanda said: "The inference follows that their business conditions were such as would not permit them to enhance their rates of supply to secure the maximum clear profit permissible under the Act. The question of their increasing the rates of supply with a view to earning an even higher return is, therefore, not likely to arise in actual practice." Thus, the majority of the undertakings, investigated by the Government, would not be able to avail themselves of the small gift of additional return promised under the Bill.

The accounts of the remaining 131 undertakings, according to Mr. Nanda, indicate that some of them will have to raise the rate of supply in order to earn the permissible return of 2 per cent. above the Bank rate under the Bill. Out of these undertakings, only seven undertakings may have to increase their rates by an average of 4.25 per cent. On the other hand, the rates charged by 31 undertakings would remain unaffected by the Bill, whereas 93 undertakings would actually have to reduce their rates of supply by an average of 4.86 per cent. Thus, the overall effect of the Bill is to reduce, rather than to increase, the rates of supply. Indeed, Mr. Nanda calculated —the Hon'ble Members of Parliament will, as he hoped, be "pleased" to note this—that the net effect of the Bill will be a reduction of 3.86 per cent. in the rates of electricity supply.

As against the small increase in the statutory rate of return it gives, the Bill seeks to take away certain advantages which the managements enjoyed hitherto. The "abuses" which, according to Mr. Nanda, the Bill seeks to check include: (1) Charging by the licensees of managing agent's remuneration and office allowance, in addition to the pay of a managing director, or manager, employed for the purpose of managing the undertaking; (2) charging interest on loan and debentures as an item of operating expenditure, in addition to the earning of "reasonable return" thereon, resulting in the earning of double return by the licensees; (3) earning "reasonable return" on amounts invested out of their depreciation reserve outside the business of power supply, in additon to the earning of interest or dividends thereon, resulting in earning of double return by the licensees; and (4) earning by the licensees of "reasonable return" on security deposits of the consumers and assets financed out of the tariffs and dividends control reserve created out of consumers' money.

An apparent advantage, though in reality a great handicap, is the provision in the Bill which seeks to give to the industry the benefit of the development rebate created by the Finance Act, 1955. Licensees are "free" to utilise the reserve for the expansion of their supply and distribution systems but will not be permitted to earn the "reasonable return" on assets financed from this reserve. This is an excellent example of a gift, which, while it is flattering to the giver, is a source of no small embarrassment to the recipient. It remains to be seen whether the Select Committee will alter the relevant provision, so as to make it possible for the undertakings to avail themselves fully of this rebate.

METRIC WEIGHTS AND MEASURES

Although there is a certain section of opinion which believes that a change-over to the metric system of weights and measures is unnecessary, there is no doubt that there is a large volume of opinion which favours a uniform system for the whole country. It is, however, generally recognised that any change-over should be gradual and cause minimum disturbance to trade and commerce. The Government, as is well known, has decided in favour of metric system. But it has taken care to see that the transition is effected gradually. The official Bill, introduced in the Lok Sabha last week, seeks to establish a uniform system of weights and measures based on the metric standard. It will be recalled the Government of India recently set up a Standing Metric Committee to prepare a draft covering the standards of weights and measures. After much deliberation, the Committee prepared a draft which was, however, subsequently revised so as to cover, in addition to standards of weight, length, area, volume and capacity, standards of mass, time, temperature, electric current and luminous intensity. The revised draft was approved in May last, and the Bill now introduced in the Lok Sabha seeks to give effect to it.

The Bill lays down metre as the primary unit of length and kilogram as the primary unit of mass. It also lays down, as already stated, standards for time, temperature, etc. It will repeal not only the two Central Acts, namely, the Standards of Weight Act 1939 and the Measure of Length Act 1889 but also every State Act, in so far as it establishes any standard of weight or measure. A maximum period of ten years has been provided for the complete adoption of the system. But, during the transition period, which will be gradual and according to a phased programme, the use of the standards now prevailing will, to the extent necessary, be permitted. While the specific provision for the gradualness in the introduction of the measure is quite welcome, a far too leisurely pace may, as the Bill itself admits, defeat the purpose of the reform. The date for the introduction of the system in certain sectors has been tentatively fixed as 1st January 1958.

The need for enforcing a uniform system of weights and measures throughout the country is well known. As readers are aware, there is chaotic diversity in weights and measures. The investigations conducted by the National Sample Survey in about 1,100 villages revealed the use of as many as 143 different systems of weight —measurements. The situation was reported to be even worse in respect of measurement of volume and land area. Moreover, the same term often represents different units of weights in different areas and in different trades even within the same area. This state of affairs must be attributed to the lack of effective enforcement of the standards—seer, pound, yard and their multiples and sub-multiples—laid down in the aforesaid two Central Acts.

This meaningless diversity in weights and measures which constantly enter into common transactions of daily life hampers trade and provides opportunity for the exploitation of people by unscrupulous traders. The worst sufferer is the illiterate agriculturist in the rural areas. On account of the wide variations in the weights and measures from place to place, the agriculturists do not often secure a fair price for their produce in the markets within their own States and also in other States. The adoption of the metric system of weights and measures throughout the country, as envisaged in the Bill, together with the decimalisation of coinage, will greatly facilitate commercial transactions. It may be noted here that the system is in vogue in as many as 70 countries, besides being recognised in all the countries of the world. Surely, the adoption of the system will facilitate trade with rest of the world and strengthen national solidarity.

WAGONS TO WORK HARDER ?

With the major shift in emphasis from agriculture to industry in the second Plan, the problem of transport facilities assumes a new significance. The railways, carrying 80 per cent. of the goods traffic and 70 per cent. of the passenger traffic, occupy a premier position in the country's transport system. Realising the importance of the railways in the industrial development of the country, the Planning Commission has made an allotment of Rs. 900 crores for their development in the second Plan. This amount is no doubt more than twice the sum earmarked for the same purpose in the first Plan. But, when it is assessed in relation to the traffic that will have to be carried during the period, it will be found to fall far short of actual requirements. Even during the first Plan period, the actual expenditure on railway development programmes, though it exceeded the allotment by about Rs. 32 crores, was not adequate to meet the increased transport needs. Thus, in the final year of the Plan, that is, 1955-56, the railways are estimated to have carried only 115 million tons of originating traffic, as against the estimated demand for freight of 120 million tons, leaving a gap of 5 million tons.

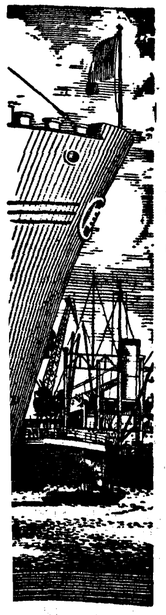
With the increased tempo of development envisaged under the second Plan, an additional traffic of 60.8 million tons is expected to arise by the end of the Plan period. The total traffic requiring to be handled by 1960-61 will, therefore, be 180.8 million tons. With the resources so far allocated for their development, the railways may not be in a position to carry all this traffic and the facilities provided by them may fall short of requirements by about 10 per cent. in respect of rolling stock and 5 per cent. in respect of line capacity. In many quarters, it is felt that this estimate of the Planning Commission is at best a conservative one and that the inadequacy of the provision made for transport may turn out to be a major defect in the second Plan. Fortunately, the Planning Commission itself realises this and it has promised to review the position year after year.

Some relief, however, is expected to be provided by (1) the retention of replaced stock found in serviceable condition, and (2) using, to the maximum extent possible, the existing rolling stock and line capacity with a view to achieving progressively greater efficiency and economy. In this connection, it is heartening to note that, in order to realise the latter objective, the Railway Board has launched a vigorous campaign to increase the carrying capacity of the railways with the slogan "our wagons must work harder." That it is not a mere slogan but a well-drawn up purposive programme of concrete action is borne out by the appointment of an additional whole-time member of the Railway Board, entrusted with the task of seeing that the wagons are utilised to the maximum extent possible. Thus, it is hoped to fill, at least in part, the big gap between the demand for wagons and their supply. It is understood that the general managers who met at New Delhi recently have pledged to keep the existing wagons rolling. The chief operating superintendents of the seven zonal railways are also expected to meet the Railway Board to discuss the question of the actual implementation of the programme. Upon their enthusiasm and co-operation will depend, to a large extent, the success of the measure, for they are the real "wagon bosses."

In order to create new wagon space, tarpaulins will be used to convert open wagons into closed ones and this, it has been found, will help carry even sugar and salt bags. By this simple device, the wagons which had hitherto returned empty to their bases after delivery of their contents at destination will now be usefully employed on their return journeys. Steps will also be taken, it is stated, to ensure that detentions of wagons at various points are drastically cut. To enable the wagons to carry bigger loads, a more scientific system of loading will be adopted. The net effect of all these measures, it is expected, will be to "create" new wagons, thus reducing the existing shortage.

While there is no doubt that, if the programme is implemented with vigour and imagination, it can increase the existing capacity of the railways to some extent, it will, by itself, be clearly inadequate to cope with the increasing transport needs of our expanding industries. Nevertheless the measure deserves to be welcomed in the spirit of something is better than nothing.

The Government of Bombay has revised the conditions under which financial assistance is granted to housing colonies of weavers' co-operatives. Accordingly, while the grant-in-aid will continue at 33⅓ per cent. of the cost of construction, the entire balance of 66⅔ per cent. will be given as a long-term loan. Efforts will be made to bring down the cost of the houses by a few hundred rupees. In other words, the cost of such houses will be between Rs. 3,000 and Rs. 3,600. The latter figure will continue to be the ceiling. Funds will also be provided on a loan basis for the entire expenditure on the provision of water supply, drainage, layout of roads and other amenities. The loans will be on a 25-year basis, bearing the normal rates of interest as at present, that is, 4½ per cent. Every effort will be made to induce the handloom weavers to contribute their share in free labour, which will decrease the overall cost of the houses to that extent. In such cases, the grant and loan of 33⅓ per cent. and 66⅔ per cent., respectively, will be given on the net cost of the house.



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PLANNING COMMISSION'S NOTABLE ENTERPRISE

DR. APPLEBY'S RECOMMENDATIONS FOR RAISING EFFICIENCY OF ADMINISTRATION

From A Special Correspondent

NEW DELHI, 21*st August*

THE Planning Commission has to be congratulated for having brought out a comprehensive volume covering over 400 pages in close print, detailing the development of various industries during the last few years. The publication contains innumerable details concerning various industries which are proposed to be taken up by both the private and the public sectors for development during the current Five-year Plan. Considerable prominence has been given to the industries that fall within the group of public sector. Among these special mention may be made of iron and steel, ferro-manganese, aluminium, industrial machinery, structural fabrication, railway rolling stock and shipbuilding. Even in the arrangement of the various chapters, the Planning Commission's awareness of the importance of the development of heavy industries is clearly reflected.

DELHI LETTER

The publication also sets forth the aims and objectives of the Government's industrial development and outlines, broadly speaking, details regarding the development of various industries, on an annual basis. At the same time, even a cursory perusal of the publication would suffice to bring forth the lacuna in the implementation of the several schemes, particularly during the first Plan period. It is stated that new investment on industries in the public sector during the first Plan was expected to amount to about Rs. 94 crores. The actual outlay, however, according to the latest estimates, has only been of the order of Rs. 57 crores. In other words, there has been a shortfall of about Rs. 37 crores, which means that the Government was able to implement only about 60 per cent. of the contemplated plans in the public sector.

Private Sector

In sharp contrast to this picture stands out the performance of the private sector during the first Plan period. Investment by the private sector on new projects and expansion programmes was expected to be of the order of Rs. 233 crores and the latest estimates indicate that the actual investment has been of this order. It is, however, a moot point whether the Government appreciates the achievements of the private sector. Be that as it may, the expenditure on replacement and modernisation of plant and machinery in various industries in the private sector has, however, been considerably lower than anticipated. It has been only about Rs. 105 crores, as against the original estimate of Rs. 230 crores, which leaves apparently a considerable volume of arrears still to be made up during the early part of the second Plan.

Taking both the private and the public sectors together, new investment in industries, excluding investment and replacement and modernisation of plant and machinery, has been of the order of Rs. 293 crores, as against the projected outlay of Rs. 327 crores.

It is a truism to say that new investments in organised industries during the second Plan will be very much greater than during the first. In the public sector, a provision of Rs. 524 crores has been made, excluding about Rs. 35 crores to be invested by the National Industrial Development Corporation. An investment of approximately Rs. 535 crores is required to be made in the private sector, if the proposed targets of capacity are to be fulfilled. Thus, taking all things together, new investment of the order of not less than Rs. 1,094 crores is envisaged by the second Plan for purposes of industrial expansion.

While, in the first Plan, the Government was able to spend only about Rs. 57 crores in the public sector, it has to spend nearly Rs. 569 crores during the second Plan on industrial programmes. In other words, there has to be a tenfold increase in governmental industrial programmes during the next five years or so. In order to achieve this purpose, the Government will have to be more alert and should be in a position to take quick decisions in the matter of implementing its various projects. Calculated to help Government achieve this desideratum are the valuable suggestions of Dr. Paul Appleby, American Consultant in Public Administration. He points out that "the greatest strain on the Government will arise in the area of greatest novelty and new emphasis, namely, the area of industrial and commercial enterprise." He adds that, "if success is to be attained in this field by the old method of shifting attention of key personnel to an almost exclusive special handling of these new matters, what has been done will become undone, and what is newly to be done will be found to require much more than the present personnel resources can make at all possible."

State of Emergency

Dr. Appleby is of the view that solutions to the various administrative problems, particularly in the economic field, must be developed by Indians, in terms of the Indian context and very much in terms of the Indian urgency. According to him, India is, in fact, in a state of emergency quite comparable to the conditions of a nation if it were at war. Any success in this emergency would thus depend largely upon the rapid decision-making and rapid action. The present emergency is most acute on the front where new enterprises are in the building. As in war, the emergency dictates the establishment of procedures that have a maximum potential of acceleration consistent with the maintenance of democratic values. The American expert does not seem to favour fragmentation of responsibility in regard to commercial undertakings. He is of the view that, if the Government's economic activity were to be incorporated or co-related to the policies outside governmental sphere, then, perhaps, something good would result. Otherwise, he suggests, if the Government's activities were to be allowed to continue uncorrected, they would certainly lead to a total proliferation of special organisations within the Government itself of such numbers and variety as to be unmanageable by the Government.

In the industrial field itself, developments must be directed towards grouping of the three fertiliser plants and a similar grouping of the three steel plants. This should be followed up at a later stage by a consolidation of domestic and international airways. The primary necessity for a sound and rapid industrial development of a vast country like India is to have a close and interacting relationship between each two contiguous levels—not sharp and wide distinctions—but of close association and co-ordination. This, at present appears to be lacking totally, with the result that many schemes, however good, had to be delayed for lack of proper co-ordination between the various departments concerned.

Shorten Procedures

The long-established practice of review of a project from its financial aspect by the Finance Ministry and by the Home Ministry and a further review of the activities of these governmental departments by Parliament and too frequent references to Ministers in the Cabinet are, for example, definitely hostile to the expansion of a particular programme. The result, as may be seen in the case of many programmes, is general delay, frustration and confusion almost amounting to a subversion of top policy in a dimension which could well mean the difference between reasonable success and substantial failure of the second Plan. If, therefore, the ambitious undertakings outlined in the second Plan were to succeed according to schedule, the most urgent requirement is for the Government to act in a proper perspective and to do away with the existing pattern of job-titles, and the rigidities of class, service, cadre and grade pay differentials which are all confining and, therefore, impediments to a rapid growth.

While generally agreeing with the outlines of industrial development envisaged in the second Plan Dr. Appleby does not fail to indict the Planning Commission in no small measure. He says that most of the members of the Planning Commission are not professional planners in the usual sense of the term. Nonetheless they are planners. Membership of the Commission is a small edition of the Government itself. The Commission does not assume to itself any direct responsibility for specific administrative direction but closely follows and appraises the performance. This position of the Commission seems to be upheld by Dr. Appleby. If the Commission were to assume direct administrative responsibility for the execution of the various schemes contained in the plan, it would, in his opinion, be bogged down and its total performance would be less distinguished and effective.

The American Consultant also gives a number of suggestions for improvement in the administrative field, particularly in relation to the execution of the industrial programmes. He dislikes the system of attaching one of the employees of the Finance Ministry as a "financial adviser" to any programme of industry. This practice, in his opinion, would be detrimental to the proper and healthy growth of the industry, because it would indirectly undermine and ultimately fritter away responsibility. Perhaps, he says, this system is the remnant of age-old colonial rule of India and it would take some time before India could get out of the old rut. But India has to shake off all shackles of colonial administration if she were to progress quickly.

Expenditure Programmes

Still another evil in the present system of control is that only a sort of negative attention is paid to certain items of expenditure. Curtailment of various heads of expenditure is suggested, with a view to bringing about some measure of economy. Only at the year's end is there a hurried calculation of how far the programmes have fallen short and then a somewhat feverish effort is made to get expenditures up to the target. This means an imbalanced and unregulated programme which moves in jerks at the end of a particular period. Actually, there may not be any tempo of development at all; all that takes place is a hurried attempt to show up some expenditure which in its very nature is illusory. To remedy this state of affairs, what is needed is a close and continuous study of expenditures, careful and frequently modified projection of expenditures and changes in action indicated by these projections. The Finance Ministry should pay more attention to better budgeting and has to shift its attention away from detailed expenditure control after budgeting. Details of the working of the budgeted amount should be left to the special agencies in charge of those programmes.

Especially for the success of industrial and commercial enterprises, Dr. Appleby points out that there should be delegation of authority as well as responsibility at all levels. Citing the well-known dictum in professional administrative circles—"the surest way to ruin your boss is to do exactly what he tells you to do, that is, literally what he tells you to do, without intelligence, without discrimination, without judgment and without imagination"—the American expert condemns the system prevailing in India of distrusting junior officers and of a handful of top-ranking executives dictating to them how the precedents should be strictly adheared to. Excessive concern for precedent is quite like an excessive concern for the literal. Even in a non-revolutionary setting, concern for precedent has little practical value. Much less in a country which is surging with activity and which is determined to go ahead with its plans.

Key to Success

The key to the success of the second Plan, to quote the distinguished American expert, "lies rather exclusively on administrative reform to make the Government as an organism equal to its identified goals." He pleads for a general encouragement of courage, imagination and dynamism in management. This could develop only if the man in charge of an industry is invested with full discretion and direct responsibility, instead of frightening him with disciplinary action and public prosecution. The actions of a high official should, of course, be subject to a general scrutiny by the Cabinet, but too much of public criticism of the official is bad for the development of responsibility. The general rule, of course with some exceptions here and there, should be that "the higher the level of consideration, the more general should be the matters to be considered and the more general the judgment that is expressed." At higher levels, there should be great insistence on getting the materials that justify general judgments, and constant selection pointed towards highlighting the more important information.

The above measures of improvement suggested by Dr. Appleby in the particular context of India's developing economy, are now engaging the special attention of the Planning Commission as well as the Cabinet.

HOW PRIVATE ENTERPRISE HAS SERVED SHIPPING

REMARKABLE ACHIEVEMENTS IN THE POST-INDEPENDENCE ERA

By M. A. Master

WE read, on the Independence Day, the appreciation of the Government of what they had done for shipping. Let us now examine how shipping progressed under private enterprise. It is well-known how private enterprise stabilised shipping at tremendous sacrifice before India became free. The fleet built by it and depleted by war consisted of 42 vessels of 98,286 G.R.T. on 1st January 1946. During the period from 1st January 1946, till the beginning of the first Plan period, that is, 1st April 1951, private enterprise added 73 ships of 318,615 G.R.T. to the Indian merchant navy. Mixed economy, dominated by the Government, could add only 2 ships of 14,433 G.R.T. during that period of 5 years and 3 months. Twenty ships of 45,105 G.R.T. were either sold, lost, or scrapped during that period. The net addition to the Indian fleet during the pre-Plan period came to 55 vessels of 287,943 G.R.T.

Mixed economy did not, however, make much headway. Private enterprise financed the acquisition of additional tonnage at a cost of Rs. 22 crores between 1st January 1946 and 31st March 1951. The entire finance was raised from private resources. Mixed economy spent only Rs. 45 lakhs during that period.

After taking into account the tonnage of the steamers that were under construction on 31st March 1956, the contribution of private enterprise to India's navy of supply during the first Plan period came to 254,508 G.R.T. and that of mixed economy to 45,064 G.R.T. 32 vessels of 88,435 G.R.T. were either sold, lost or scrapped during that period. On 31st March 1956, the Indian shipping fleet consisted, therefore, of 120 vessels of 495,714 G.R.T.—81 ships of 237,060 G.R.T. engaged in the coastal trade and 39 vessels of 258,654 G.R.T. employed in the overseas waters. When the steamers under construction are delivered, the contribution of private enterprise during the last ten years will have been 439,649 G.R.T., and that of mixed economy 59,497 G.R.T. Adding the 42 ships of 98,286 G.R.T. owned by private enterprise on 1st January 1946, the total tonnage will come to 137 ships of 597,432 G.R.T. : 86 with a tonnage of 259,112 G.R.T. will be coastal ships and 51 with a G.R.T. of 338,320 will be overseas vessels. Private enterprise will be owning 90 per cent. of the entire fleet of India.

Creditable Performance

Private enterprise has spent Rs. 44 crores for the acquisition of tonnage in the first Plan period. Of this sum, Rs. 21.48 crores were raised by private enterprise from its own resources and the balance of Rs. 22.52 crores represented advances to it by the Government as loans. Mixed economy has spent only Rs. 7.50 crores, of which Rs. 1.62 crores represent loans from the Government.

As the savings of the country were progressively mobilised by the State, difficulties experienced by private enterprise for capital formation became more and more pronounced. It was, therefore, creditable of private enterprise to have been able to raise a sum of Rs. 21.48 crores for a hazardous industry like shipping, from its own resources, during the first Plan period.

History would give the place of pride to private enterprise for starting shipping services in international waters. The India-America service was started in March 1947. The India-U.K./Continental Service was started in February 1948. The India-U.K. Passenger Service was established in 1948. The India-Persian Gulf Service was started in 1954-55. It is not the ships of mixed economy, but it is the steamers of private enterprise that were the pioneers to open the overseas trades to national ships. It is the initiative, foresight and courage of private enterprise which opened new fields for Indian shipping to enter in the service of India.

Private enterprise made it possible for the students passing out of the Training Ship "Dufferin," and the Marine Engineering College, Calcutta, to find employment on national ships to fill in their sea time for obtaining their Certificates of Competency. Indian shipping companies gave a number of scholarships to the navigating and engineering cadets to become officers in the Indian merchant navy. They also spent lakhs of rupees for sending young Indians to the shipbuilding yards and the workshops for the manufacture of engines and boilers in foreign countries to enable them to obtain their Certificates of Competency as Masters and Chief Engineers. This is not a small service which private enterprise rendered in building up the sea personnel of independent India.

The contribution of private enterprise to the foreign exchange resources pool of India has not been negligible. During the year 1954, private enterprise earned Rs. 11.17 crores by way of freight and passage money in the coastal trade. Its earnings in the overseas trades exceeded Rs. 7.76 crores. Its net contribution to the exchange resources pool exceeded Rs. 3 crores. With the delivery of the new overseas vessels, this is bound to rise to nearly Rs. 5 crores per annum. Everyone will, therefore, agree that shipping, as a contributor to the foreign-exchange resources of the country, deserves all possible encouragement.

Who can, therefore, deny that private enterprise has not played a very important and active role both during the pre-Plan and the Plan periods for carrying the flag of Indian shipping forward in all directions? While it added (acquisitions less depletions) 439,649 G.R.T. to the Indian fleet during these ten years, mixed economy added only 59,497 G.R.T. Again, while private enterprise spent Rs. 66 crores for acquiring the additional tonnage, mixed economy could spend only Rs. 7.50 crores during the last decade. No impartial person can, therefore, fail to appreciate the services which private enterprise rendered during the period to a risky venture like shipping.

Tanker Service

It has already been stated that private enterprise led the way in starting new services in international waters. It is again private enterprise that has been the first in the field for opening a tanker service. Private enterprise has responded to the call of the Government and placed its six ships on the Indo-Russian Service, despite the fact that cargo may not be or will not be available both on the inward and the outward runs. Private enterprise has now been organising an entirely new service for carrying for the first time cross trades, that is, trades between two foreign countries, namely, between the ports of West Africa and the ports in the Mediterranean. Private enterprise has thus shown that it has been able to raise and invest the money and to take the risks involved not only for acquiring new tonnage, but also for widening the scope and the area of activities of the Indian merchant navy.

What has, however, been the reward for building up in this active and efficient manner the navy of supply for India? Mixed economy no longer holds the field. The Eastern Shipping Corporation has, as already announced by the Government spokesmen in the Lok Sabha, now been completely owned and managed by the State. The Western Shipping Corporation, recently started, is a cent per cent. Government organisation. Apart thus from disowning and discrediting the gospel of mixed economy, the Government of India have also made another fundamental change in the national shipping policy of the country. Although private enterprise has proved by its actions that it was willing to raise the capital for expanding Indian shipping and to take risks involved in an uncertain industry like shipping from the viewpoint of economic results, the Government have now decided not for the inability or the unwillingness of private enterprise to serve shipping, but purely on ideological considerations that they should put up new Units of shipping in the public sector and make the public sector more and more dominant in the field of shipping.

It is estimated that the movement of crude oil and refined products will soon reach the mark of 7 million tons. That trade is likely to grow further in the near future. This tanker trade will no longer be open to private enterprise in the future. Decision, it is reported in responsible quarters, has been taken to make it the complete monopoly of the State. Ships of private enterprise will not be allowed to run services on the routes on which the ships of the State will be running. Moreover, the sums of money that may be advanced to private enterprise for financing the acquisition of fresh tonnage in the future may not be treated as loans, but may be treated as equity capital. Not only is this view announced by the Prime Minister and the Deputy Chairman of the Planning Commission, but it has also been definitely laid down in the Resolution on the new Industrial Policy for India. If such loans are treated as equity capital, the result would be the nationalisation of the shipping industry through the back door. It may be noted here that such loans are not treated as equity capital in other leading maritime countries. Moreover, even Great Britain has, in spite of its highly developed shipping industry, been more liberal in giving loans. Loans of several million pounds were given under the Trade Facilities Act. Millions of pounds were given to the Cunard only a few years ago at 1½ per cent.—repayment to be made in forty years. Shipping being an international industry, no reasonable government can ignore its obligations to enable its national shipping to maintain its competitive capacity.

If the shipowners sustain losses in running their shipping services they can only look upon the shareholders to stand by them. If the State, however, incurs losses in running its ships, it can call upon the taxpayers to make them good by imposing fresh taxes. It is, therefore, not difficult to imagine where the Indian shipowners will be driven as a result of this new shipping policy of the Government of India. Mahatma Gandhi summed up the unequal fight between Indian and British shipping in his memorable words "Indian shipping had to perish so that British shipping might flourish." The future historian may have to write that "private shipowners had to surrender their flag, so that the flag of the State alone can fly both in the domestic and in the international waters."

Shipbuilding

Shipowners have not only rendered service in furthering the cause of shipping. They have also been the pioneers in establishing the shipbuilding yard in India. The only shipbuilding yard which India now has was established in pre-independent days at Vizag by private enterprise. The spirit of enterprise shown by shipowners for doing so was hailed by Babu Rajendra Prasad, while laying the foundation-stone of the yard, as "the economic independence and regeneration of our country." It was characterised by the late Sardar Vallabhbhai Patel as "a triump of persistence over adversity, of faith over scepticism and of hope over despair." Ships built in that yard by private enterprise have proved to be of the highest standard. Despite repeated assurances given by the Government spokesmen from the Prime Minister downwards, the Government pleaded inability to give subsidy to the yard for the construction of ships. As soon as the yard was taken up by the Government in 1952, they announced that subsidy would be given to the ships built in that yard. The Government could not find finance for subsidy till December 1951 when the shipyard was owned by private enterprise. They could find lakhs of rupees from 1st January 1952, when the yard was taken up by the State. We will leave it to the readers to decide for themselves whether this step-motherly attitude on the part of the Government towards private enterprise was in consonance with one of the fundamental objectives of the Constitution, namely, the granting of equal opportunities to all concerned and whether private enterprise, which had brought the industry into existence at considerable sacrifice and against heavy odds, deserved such treatment.

True to the spirit of nationalism, Indian shipowners placed several orders during the first Plan period for the construction of ships with the Vizag yard. The dates of delivery of the ships were progressively delayed. Private enterprise lost the opportunity of earning freight. Despite this sad experience, private enterprise, in tune with national endeavour, has placed further orders for the construction of ships at the Vizag yard during the second Plan period. Who can, therefore, say that private enterprise is not cooperating to the best of its ability with the Government of India in their great endeavour for building up a new India of the future?

This is the naked story of the endeavours, struggles and achievements of private enterprise in the field of shipping. Does not private enterprise, therefore, merit a word of appreciation, deserve active encouragement, and is it not entitled to ask for all reasonable facilities, assistance and opportunities to play its progressive role in the building up of national shipping of at least two million tons in the coming years?—*All Rights Reserved.*

U.S. INVESTMENT GUARANTY PROGRAMME

AN AID TO ECONOMIC DEVELOPMENT ABROAD

By Charles E. Houston

CHIEF, INVESTMENT GUARANTIES STAFF, I.C.A.

THE purpose of the U.S. Government's investment guaranty programme is to assist the development of friendly foreign countries by encouraging and assisting the investment of private U.S. capital in them. The investment guaranty programme, which is administered by the International Co-operation Administration, contributes in several ways to the movement of U.S. private investment abroad.

First, it provides a specific insurance for prospective U.S. investors who hesitate to proceed without protection against the risks that can be covered through the programme. Also, the availability of guaranties has encouraged some U.S. investors to explore investment opportunities abroad and to make foreign investments without actually obtaining guaranty contracts.

Secondly, participation in the programme by foreign countries is based on a specific agreement between the United States and the country concerned. Thus, the programme furnishes a convenient way for countries to demonstrate their desire to attract U.S capital, and their willingness to take the steps reasonably open to them for that purpose.

Significant Achievement

In this connection a significant achievement of the programme should be mentioned—the completion with more than 20 countries of agreements providing for compulsory international arbitration of claims which may arise in the event of a guaranteed investment being expropriated. The programme is concrete evidence of the intention of the United States, as a national policy, to encourage and assist private U.S. capital to go abroad.

It has been stated, repeatedly, that it is the U.S. policy to encourage foreign investment; the creation of the investment guaranty programme is one of the principal specific actions that has been taken to further that policy. When first authorized in the Foreign Assistance (Marshall Plan) Act of 1948, the purposes and coverage of the programme were somewhat limited. The purpose was primarily to encourage a movement of U.S. private capital to supplement or replace public funds in the programme of European recovery, and the only risk that could be covered was the partially-financial, and partially political, risk of exchange blockage.

Since 1948, the programme has developed along two lines:

The first was the extension of the guaranty principle to cover not only exchange blockage but a broader range of political risks which deter U.S. private foreign investment. Such a broadening was proposed in 1949 and a limited extension of the insurable risks was achieved in 1950, when guaranties against loss from expropriation or confiscation were authorised. A second line of development was the extension of the programme from the Marshall Plan countries to all countries receiving U.S. aid and, in 1953, to any friendly country.

Deserving Support

These developments clearly suggest that the programme is now regarded in a broad sense as a means to further the general national policy to encourage the development of friendly countries through private capital and private institutions, including, but not confined to, a substitution of private for public funds in foreign aid activities. In other words, the programme is designed to demonstrate that the values, often largely intangible, that accompany private investment and private enterprise deserve support in their own right.

The programme of how to bring about a free flow of private capital in a troubled world is not an easy one. The guaranty programme alone is not the answer to it, but the programme is making an increasing contribution and it should be thought of as one means to obtain the benefits of private investments.

As of 31st March 1956, the total of guaranty contracts issued under this U.S. programme amounted to more than $107,000,000. After deducting cancellations, reductions, and expirations, the face value of the contracts outstanding was more than $85,000,000.

It is expected that a number of substantial contracts relating to a variety of projects in Asia, Europe and Latin America will be issued in the near future. The flow of applications received indicates an increasing interest in the programme in the American business community. On 31st December 1955, applications in process approximately amounted to $273,000,000. Since the beginning of 1956, more than $70,000,000 of new applications have been received.

Applications in process cover a wide range of enterprises and countries and range in size from a few thousand dollars to several millions of dollars. At the end of March 1956, fees collected from the U.S. insured companies totalling $1,489,000 had been collected. No losses have been paid since the inception of the programme. The annual operating cost of the programme is estimated at $92,000.

Geographical Scope

During 1955, the geographical scope of the programme was broadened through the completion of guaranty agreements with 10 new countries, raising the total of participating countries to 30. Eight of the 10 countries that came into the programme in 1955 are Latin American countries. Thus, for the first time, the programme has a significant area of operation in Latin America. A number of applications for guaranty of investments in Latin America are in process and more are being received. The first guaranties covering an investment in a Latin American country—Guatemala—was recently issued. Other contracts covering investments in that area are nearing completion.

Negotiations in connection with guaranty agreements are in process with a number of countries in Latin America, the Middle East, and Asia.

Countries participating in the U.S. Government Investment Guaranty Programme, grouped by calendar year of first participation, are as follows:

1955—Bolivia, Colombia*, Costa Rica, Ecuador, Guatemala, Honduras, Ireland, Pakistan, Paraguay, and Peru*.

1954—Japan and Thailand.

1953—Haiti, Portugal, and Spain.

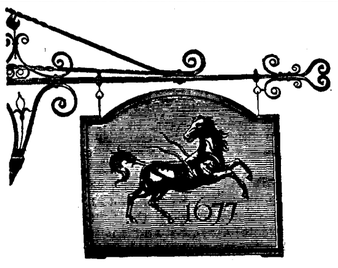
1952—Belgium, China (Formosa), Denmark, Israel, Philippines, Yugoslavia.

1951—Turkey*.

1950—Germany.

1949—Austria, France, Greece, Italy, and Netherlands.

1948—Norway and United Kingdom*.



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U.S. PRIVATE INVESTMENTS ABROAD

The U.S. private investments abroad during the year ended 31st December 1955 amounted to $2,400 million, bringing the total investments up to the end of the year to $29,000 million. A further substantial increase in such investments is expected during the current year. Of the total investments, as much as $19,000 million represent "direct" investments, that is those in which the U.S. investors have control over the companies they organise abroad, and $10,000 million in indirect investments such as purchases of foreign stocks and bonds and real estate. The direct investments amounting to $19,000 million as at the close of 1955 constituted a post-war increase of $12,000 million.

A country-wise analysis of the total investments shows that Canada accounted for the largest sum, namely, $10,600 million. Latin America came second with $8,200 million. Investments in Western Europe amounted to $5,400 million and in other countries $4,800 million. So far as direct investments were concerned, Canada and Latin America accounted for about $6,500 million each, Western Europe for $3,000 million and other countries for the balance. Industry-wise, manufacturing industries attracted $6,300 million, petroleum $5,800 million, and mining and smelting $2,200 million. The balance was scattered over a number of other industries.

A more detailed analysis of direct investments in each country shows that about $300 million were added last year to investments in Latin America, where manufacturing industries have been claiming the attention of investors on a larger scale than any other industry since 1953. Investments in these industries during 1955 amounted to $125 million, including a record sum of $52 million in Mexico, and sizable amounts in Brazil, Argentina, Colombia and Venezuela. Investments in petroleum also rose substantially and the rate of investments in mining began to rise, once again, during the year. Further investments are scheduled for these two industries.

An important feature of U.S. private investments abroad in recent years is the rapid expansion of direct investments in Europe. During 1955 alone, investments in manufacturing plants rose by $200 million, mainly in the U.K., France and the Federal Republic of Germany. Additions to investments in the petroleum industry amounted to about $100 million. Large increases in direct investments were also noted in Australia, the Union of South Africa, mainly in petroleum and manufacturing, and moderate increases in Indonesia and Japan.

INFLATION IN INDONESIA

The fundamental defect in Indonesia's economy is that supply of money has been increasing at a more rapid rate than production, according to Dr. Sjafruddin, the President of the Bank of Indonesia. In his latest annual report he says that economic causes for the decrease in production lie mainly in the disparity between costs and prices. Costs in Indonesia have been constantly rising as a result of the inflationary influences produced by deficit budgets. The big budget deficit expected for 1956 will neutralise the anti-inflationary measures taken in September last. Another difficulty is that, while investments are urgently needed, they cannot be realised, unless further disturbances of the monetary situation are prevented.

In order to create a more stable economy, the President of the Bank urges broadening of the basis of Indonesian exports, especially minerals for the exploration of which technical know-how should be attracted from abroad. While stressing that increasing the production of export products and elimination of the budget deficits are not less important, he observes that monetary equilibrium is a *sine qua non* for the success of all these measures.

Expressing the fear that the Budget deficit for 1956 may be as much as 2,800 million rupiahs as against the original estimate of 1 000 million rupiahs, he has called for urgent anti-inflationary measures the importance of which cannot be overemphasised in the context of the execution of the Five-year Plan. He has also emphasised the need for strict control of the activities of the private banks, numbering 75, which, he says, are no less responsible for the increase in the inflationary tendencies.

RESTRICTION ON DOLLARS

An important step in the liberalisation of foreign exchange restriction is the decision of the Reserve Bank of India to allow authorised dealers in foreign exchange to deal in U.S. and Canadian dollars at rates which will be decided by market conditions. This permission will take effect from 3rd September 1956. This does not mean that there will be no control on transactions in dollars. Such transactions will continue to be subject to foreign exchange control. All that is meant by this relaxation is that the authorised dealers will be free to square up their position in these dollars at competitive rates within the spread between the floor and the ceiling fixed by the Bank of England. In other words, as from the specified date, all spot transactions between banks and their customers and between authorised dealers will be effected between the official buying and selling rates of the Bank of England. In addition, authorised dealers will be permitted to deal in forward at market rates.

*Agreement covers only convertibility guaranties.

WHAT IS THE RECENT RISE IN PRICES DUE TO?

QUEST FOR GADGETS TO RENDER INFLATION NON-INFLATIONARY FUTILE

By Prof. B. R. Shenoy

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THE prevailing uptrend in prices dates back to May 1955. The General Index of prices had risen, in a year, by about 14 per cent. This reflected, principally, a 31 per cent. rise in the prices of food articles which account for a 31 per cent. of the internal (wholesale) trade of the country. Manufactured articles, which are about equal in market importance to food articles, remained remarkably steady by comparison, (the index of the group varying between 369 and 376). Industrial raw materials and semi-manufactures went up by about 20 per cent. and 15 per cent., respectively. Equities of manufacturing industries and gold gained in money value by about 13 per cent. each. The working class cost of living rose by about 9 per cent.

This uptrend was preceded by a fall of about 17 per cent. in the General Index, spread over a period of about 20 months. The fall, principally, reflected a decline of 32 per cent. in food articles. The prices of manufactures, as during the period of the price rise, were strikingly steady, the prices of industrial raw materials declined by about 19 per cent., and of semi-manufactures by about 10 per cent.

Though the reversal of the price trend may, in certain cases, contain elements of a corrective to the preceding price decline, speaking generally, it is difficult to construe it as a case of climbing back to an equilibrium position. The price structure of August 1953, when the decline in prices had commenced, had many elements of instability. With the steep rise in agricultural prices in the latter part of the war, the traditional relationship between industrial and agricultural prices had remained reversed since 1943-44. Though the price decline in 1954-55 was due to a complex of forces, it involved a return to the more normal order of relationship between the two prices. The current uptrend had upset this process.

A rise in prices may be due (cyclical price movement apart) to a shortage of output or an increase in money (incomes) supply. Statistics of agricultural production do not indicate pronounced shortages. In the second year (1952-53) of the First Plan, as a result of the Plan effort and favourable monsoons, agricultural production had spurted up to 105 from 95 in the preceding year and to 120 in 1953-54 (*Eastern Economist* index, 1938-39=100). It rose to 121 in 1954-55. Crop forecasts for 1955-56 indicate a 4 per cent. increase in the output of rice, which accounts for about 35 per cent. of agricultural production in India, and an increase of about 8 per cent. in the acreage under wheat. Nevertheless, the price of rice had risen, in a year, by about 38 per cent. and of wheat by about 42 per cent.

Monetary Phenomenon

Changes in money supply seem to provide a more satisfactory explanation of the phenomenon. During the past more than a year, except for about three months of the slack season (July, August and September 1955), money supply had been continually on the upswing. It had risen to record levels since November 1955, reaching a peak of Rs. 2,228 crores in April 1956. Since May 1955, the rise had amounted to about 13 per cent. (Rs. 253 crores), or 1 per cent. less than the rise in the General Index. The disproportionately large rise in the prices of foodgrains may be attributed to the fact that, in a poor economy, where consumption of food by vast masses of the people was below nutritional standards, a rise in money incomes was apt to be spent first on foodgrains.

The expansion in the money supply ensued from accelerated deficit financing of the Plan, and an increase in the public debt holdings of the banking system, and in commercial bank credit. Though total deficit financing (Rs. 425 crores) of the First Plan was much less than had been contemplated, in 1954-55 it cpurted to Rs. 142 crores from Rs. 81 crores in the preceding year, and amounted to Rs. 99 crores in 1955-56. Judging from net issues of treasury bills, deficit financing is currently taking place at an annual rate of Rs. 220 crores.

Unlike in the immediate past, the expansionary effect of deficit financing was reinforced, during the past two years, by an accelerated increase in the public debt holdings of the banking system (including the Reserve Bank), and in commercial bank credit. In 1955-56, the public debt holdings of the Reserve Bank rose by Rs. 189 crores and of the commercial banks by Rs. 17 crores, and Scheduled bank credit expanded by Rs. 133 crores. As an accumulated effect of these forces, money supply had outpaced output and had caused prices to rise. During the 20 months ended April 1956, money supply had risen by (Rs. 456 crores) about 26 per cent., while the annual rate of increase of real national income during the five years of the First Plan had been 3.6 per cent.

An Overworked Theory

Too much has been made of the fact that, notwithstanding heavy deficit financing, until the current price rise, we had been faced with a problem, not of soaring prices but of an undue price decline in the agricultural sector, and that prices at the end of the First Plan were lower by 13 per cent. than at the beginning of it. This is no evidence that the Indian climate has special monetary laws of its own and that we might very well go ahead with deficit financing at the rate contemplated in the Second Plan. First, the amount of the deficit financing during the first three years of the First Plan was moderate. In the first year of the Plan, there was an overall surplus of Rs. 45 crores and total deficit financing of the period amounted to about Rs. 101 crores. Secondly, its expansionary effect was counteracted by the sale (Rs. 55 crores) of Government debt to the public by the banking system (including the Reserve Bank), and the heavy withdrawals (Rs. 131.20 crores) from the currency reserves to cover balance of payments deficits, both of which had the effect of withdrawing money from circulation. Thirdly, unlike in the last two years of the Plan, there was next to no expansion of Scheduled bank credit during the period. The net result was reflected in the narrow limits of the variation in the money supply of the period. This, coupled with the spurt in agricultural production, the low elasticity of demand for foodgrains, and the export restrictions on the latter, conspired to depress agricultural prices.

Hoarding Not a Cause

Some have mentioned hoarding, floods, and transport bottlenecks as being contributory to the current price rise. These latter explanations have a habit of emerging whenever prices rise unduly. Hoarding is more a consequence, than a cause, of inflation, though it fans its flames. Transport bottlenecks may explain regional price variations, and floods might account for a bulge in the prices of the commodities affected.

The former Finance Minister is reported to have ascribed the current rise in prices to a deficit output of *jowar*. Deficit financing is stated to have made no contribution whatever to it. The forecasted shortfall in *jowar* output, relatively to 1954-55, was about 24 per cent. only, but its prices have risen by about 130 per cent. since May 1955. Again, it accounts for only 5 per cent. of the agricultural output in India and cannot, therefore, explain the current price rise which extends over the entire agricultural sector, the semi-manufactured articles, and the stock and the bullion markets. Shortages of individual commodities may explain variations in individual prices. When price variations are general, the explanation must be sought in overall cyclical or monetary factors. Our analysis indicates that the current price rise is almost wholly a monetary phenomenon.

Futility of Credit Controls

That a correct diagnosis is half the cure applies to economic ailments as well. Allied to the erroneous explanation of the upward trend in prices is the prevailing belief that we have discovered a specific whereby we may, on the one hand, engage in deficit financing of development and, on the other, hold in check, with fair success, any inflationary pressures that may ensue. The fact of the matter, however, is that, once inflationary finance is resorted to, there is no escape from the price and other consequences of it. Our policy seems to be based on the belief that food and cloth constitute the "critical fronts" in the matter of inflationary pressures. We have seen that, in a poor economy, such as ours, a rise in money incomes is apt to produce a bulge in the prices of food and cloth. Our effort now would seem to be to flatten the bulge which had emerged in the general upsurge in prices. Towards this end the textile policy has been liberalised to permit an increased output of (mill) yarn and cloth, it is proposed to build up adequate stocks of rice and wheat by imports, and the Planning Commission is reported to have urged the Ministry of Agriculture and the States to step up the production of foodgrains by 40 per cent. "within the existing allocations," and to reduce their prices by about 20 per cent.

These policy measures, however, work at cross purposes. Firstly, deficit financing was occasioned by a shortage of resources (savings) for development. Our effort to feed the home market with more consumer goods either by imports or by increased production would divert scarce resources from capital formation into consumption activity. This must retard the pace of development. Rather than stimulate consumption by inflationary finance, and be worse off in the end, it would seem to be far wiser to limit investment to the available resources. We would, then, retain the benefits of stability, avoid a dissipation of savings, and, therefore, permit a maximum of economic progress.

Secondly, it was not as if a flattening of the bulge in the prices of cereals and coarse cloth would make it safe for further doses of deficit financing. The impact of deficit financing will, then, fall on other commodities and, under the



inducement of larger profits, essential supplies and resources would be drawn into their production. Capital formation will, thus, continue to suffer so long as inflation lasted. We cannot, therefore, view with indifference the prospects of a rise in the prices of comforts and luxuries.

Thirdly, a stepping up of the production of foodgrains by 40 per cent. within the existing allocations (the gift of the gods by way of bumper harvests apart), would cause reduced production in other sectors. Aggregate output, and, therefore, the overall inflationary position, may, then, show no improvement. If the Plan has been well planned, there can be little room for a spurt in production in any sector without increased allocations. The feeling, akin to irritation, of the Minister of Agriculture and of the State Ministers at the Mussoorie Conference, over the circular of the Planning Commission is easily appreciated.

Nor are foodgrain prices like wax in our hands to be moulded down at will. When markets are free, price fiats will not work. In the present case, until the real incomes of the masses rose high enough and their foodgrain consumption reached the nutritional standards, a price bulge in cereals as money incomes grew would be difficult to avoid in ordinary circumstances.

Superficial Reasoning

The other anti-inflationary measures in the armoury of the Government, judging from the recent amendment to the Reserve Bank Act, would seem to include drastic credit restrictions. The theory seems to be that the rise in commodity prices ensued from speculative hoarding of stocks. As stocks were generally held on bank credit, denial of credit for speculative hoarding may prevent an undue rise in prices. This reasoning is rather superficial. The dealers hold stocks because of a prospective rise in prices which inflationary finance may cause. We cannot remove the cause by tampering with one of its consequences, the stimulated demand for credit for holding stocks. Though restriction of credit to stockists would, doubtless, handicap their operations, the self-adjusting forces in the economy are apt to device ways of overcoming the handicap. Some of these are mentioned below:

Firstly, the friends or agents of the stockists, or the indigenous bankers, may borrow from the banks and pass on the funds, in cash, to the stockists. The statistical decline in bank credit advanced against stocks (of the banned commodities) may be, then, accompanied by a reciprocative rise in bank credit, under permissible heads of borrowing, against other securities.

Secondly, induced by remunerative interest rates, lending and borrowing outside the (Scheduled) banks may grow.

Thirdly, trade and industry may use more and more of cash, which was not subject to restrictions, and less of credit. Monetary statistics reveal the emergence, in 1955-56, of a trend in favour of the use of cash. This is a retrograde trend from the standpoint of monetary progress and is a warning that we cannot tamper with impunity the functioning of the monetary mechanism. With drastic measures of credit control, this trend may grow to the detriment of banking development.

Fourthly, if specialist stockists were handicapped by a non-availability of credit, so long as hoarding was a profitable undertaking, farmers and others might step into the breach. This may lead to credit from co-operative societies and other semi-official agencies being drawn for the finance of hoarding.

And, finally, the velocity of circulation of money may increase and counteract the effect of credit restrictions.

The combined effect of these developments, which are beyond the reach of the weapons of credit control, would be that speculative hoarding of stocks may continue whilst the root cause of it, inflationary deficit financing, remained operative. In the process, the Scheduled banks will be penalised as they would be compelled to hold unnecessarily large reserves. This would increase banking cost and the banks, in self defence, may raise the charges for banking services or withdraw from their marginal business. In an economy so ill-equipped with banking facilities, this would be unfortunate.

The former Finance Minister is reported to have stated at Madras recently that the present was an opportune moment to go ahead boldly with a large dose of deficit financing, particularly in view of the undrawn amounts of foreign loans. The facts of the situation suggest the opposite. We seem to be on the threshold of inflation. If prices must be prevented from rising, steps must be taken to curtail investment programmes to the available resources, so as to avoid further deficit financing. The only alternative is a substantial stepping up of foreign aid to match the gap in resources. Foreign aid helps to avert resort to inflationary finance. It is not an occasion for more deficit financing. To derive full value from foreign aid, it must be utilised for capital formation. It gets dissipated if employed to combat inflation.

The quest for gadgets to render inflation non-inflationary is futile. Development rests on real resources. Inflationary finance does not add to them. It retards the pace of development. Revival of controls and rationing would be a national misfortune of the first magnitude. Without remedying the uptrend in prices, it will create further problems. Price controls in a background of inflation will, on the one hand, lead to corruption and black-marketing, and, on the other, reduce the output of foodgrains, as honest farmers will be compelled to shift to the production of uncontrolled commodities. This will accentuate food shortages and cause an increasing drain of foreign exchange for the imports of foodgrains. Any drastic measures, to be fruitful, must be applied not in the sphere of controls but for gaining administrative and other economies. The best protection against inflation is to prevent it by adjusting investment programmes to the available resources.

INTERNATIONAL INVESTMENTS

The Economic Committee of the U.N. Economic and Social Council passed a resolution recently recommending that the General Assembly modify its request to the Secretary-General contained in paragraph six of its resolution 824 (IX), so as to provide for the submission of the report therein on a triennial basis and for the submission annually of a report containing a review of developments and a statistical treatment of the flow of capital.

It further requests the Secretary-General to submit to the Council for consideration at its summer session *ad hoc* reports on particular aspects of international investment and to advise the Council periodically of the studies which are under way or projected both at head quarters and at sites of the regional economic commissions. The resolution further invites the Governments to develop and disseminate such information as may be necessary, both of statistical and non-statistical nature respecting the flow of investment.



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From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 14*th August*

CONSIDERABLE interest has been taken in Lancashire at the comments made in a recent issue of *Commerce* on the controversial issue of Indo-British trade in textiles. Statements setting out the Indian viewpoint were widely puplicised in local and national papers in Britain but reactions in Lancashire trade circles were not altogether favourable.

Leaders of the United Kingdom industry hope that joint talks can be arranged following the suggestions made by the Prime Minister but some of the claims put forward by India are regarded as too general in character and it is felt that they fail to recognise the local significance of the impact of Indian cloth arriving in this country. In particular, there is some reluctance to accept the idea that other countries, said to be better placed than Lancashire in the matter of raw materials, labour and markets, should supersede this traditionally manufacturing area.

Many traders consider that by yielding even a small part of its domestic trade to other countries Lancashire would be permitting the thin end of the wedge into its already contracted industry. It is contended that once imports of any magnitude are thoroughly established in Britain's home market there is no knowing where the flood of goods from abroad would stop.

At the same time, the Indian contention that its former advantage over prices of the raw material has now been lost through the cheaper rates being quoted by the United States is felt to be largely true. The outcome of such a change in the situation is being awaited with keen interest but Lancashire traders are by no means convinced that their troubles in this respect are over. They consider that Indian competition, even at a reduced price level, will be sufficient to make inroads on British export trade, as well as to maintain its recent gains in the home market.

Price Pacts

The campaign against restrictive practices in British industry is now under way. With the passing of the Act designed to curb the collective systems introduced in numerous sections of various trades the outline of future action can be assessed. The first order covering a wide range of price agreements, local tendering, and arrangements to impose conditions and collective boycotts has been published and, if approved by Parliament, will come into effect at the end of November.

The next stage is the registration of firms and organisations which consider themselves to be affected by the scope of the order. Enquiries into the practices involved should follow before another year has passed.

Discussions are still going on within the cotton industry as to whether the price arrangements now in force are contrary to the provisions of the Act. There has already been much controversy as to how the legislation should be interpreted and a strong body of opinion among those directly affected holds the belief that the methods of controlling yarn margins need not be regarded as restrictive practices in the legal sense of the term.

While this uncertainty remains in at least one section of the trade a similar attempt to establish basic prices in another branch has been unable to command sufficient support. The scheme proposed by the Cotton Manufacturers' Association to provide a stabilising background to cloth prices, covering a standard range of fabric constructions, has been shelved due to the inability of the sponsors to secure adequate backing from the weaving industry. A minority of about one-fifth of those concerned have denied the rest the chance of introducing a restraining influence on a section of the trade which has been sadly prone to price-cutting in recent years.

Surplus Cotton

No appreciable fall in the quantity of American cotton available for distribution is likely during the current season. This is the unmistakable message of the first official estimate of the United States crop indicating a production of 13,552,000 bales. Compared with the first report, a year ago, the probable output is more than 800,000 bales higher, mainly as a result of the larger prospective yield. If the crop improves in quantity to the same extent as last season there will be another substantial output from a restricted area under cultivation.

So far, the yield per acre is forecast at 394 lb. as compared with 367 lb. in the first report a year ago and the 1945-54 average of 283 lb. The final record-breaking figure for the whole of last season was 417 lb. per acre, but modern harvesting devices, the widespread use of fertiliser and the sowing of the best available land should enable farmers to maintain this favourable average yield. In the circumstances another fair-sized crop must be anticipated, adding to the unwieldy surplus which already exists. If the historic laws of supply and demand were still the dominating influence on prices some decline in values might be expected, but so many artificial hindrances to such developments exist that it is by no means certain that lower rates will follow during the season which has just started. The glut of cotton which has persisted for some years may perhaps be slightly reduced by the efforts of the United States Government in selling supplies at competitive prices. More than 3,000,000 bales from current stocks have already been earmarked for shipment abroad in this way but even if the goal of 5,000,000 bales is successfully achieved the size of the new crop will largely nullify this ambitious project.

In such circumstances, it is useless to expect the cotton futures markets of the world to operate freely. Hand to mouth purchases, both of finished goods and raw material, are entirely the order of the day. The futures markets can no longer offer effective hedge protection to spinners and the larger combines in Lancashire are content to make their purchases direct from shippers and stand the risk. The marketing arrangements introduced by the American Government have so hampered the activities of traders in New York and Liverpool that it is difficult to see how the existing deadlock can be resolved. Cotton futures trading in New York in the year to the end of June was at its lowest level for the past decade.

Fabric Output Falls

Cotton and rayon cloth production from Lancashire weaving firms in the first six months this year declined by more than 135,000,000 linear yards as compared with the same period a year ago. Cotton Board figures issued in Manchester showed aggregate output for the six months at 1,214,700,000 linear yards as against 1,350,350,000 linear yards.

The loss was entirely made up of cotton cloth production as the mills turned out more rayon and mixture fabrics than in the corresponding six months of 1955, the comparative totals being 378,260,000 linear yards and 365,610,000 yards. Output of all types of cloth in June averaged 48,070,000 linear yards weekly as against 46,860,000 yards per week in the same month last year.

Operatives on the books of employers in spinning, weaving and doubling fell by nearly 20,000 by the end of June compared with the same date a year previously. The latest manpower total is 247,900 as against 267,350 in 1955.

Rainwear Firm Changes

The last Mandleberg has gone—and a century-old family link with J. Mandleberg & Co., the Pendleton, Manchester, waterproof garment firm has been broken.

For a hundred years there has been a Mandleberg helping to run the firm. But last week it was announced that Mr. J. Harold Mandleberg, chairman since 1948 and a director for over 30 years, had resigned.

His resignation, along with another director Mr. J. F. Rawsthorn, was in accordance with the terms of a recent merger with two other garment firms, G. Strauss & Sons and Martin Gilchik (Rainwear).

An official of the firm explained: "Mr. Mandleberg is 70 and I think he wants to take things a bit easier." The firm was started by Mr. Mandleberg's grandfather as a small manufacturing clothiers at Cheetham, Manchester. Now they have two mills at Pendleton employing a thousand workers.—*All Rights Reserved.*

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PROGRESS OF COTTON MILL INDUSTRY IN FIRST FIVE-YEAR PLAN

TARGETS SET NOT ONLY HIT BUT ALSO EXCEEDED

THERE are few sectors of India's economy in which the progress achieved under the first Five-year Plan was as marked as in the cotton mill industry. The industry not only achieved the targets envisaged in the development programme but exceeded them by comfortable margins on both the spinning and the weaving sides. The aggregate spinning capacity of the mills rose during the Plan period by nearly 1.11 million spindles, as against 708,968 spindles anticipated. The total number of spindles installed as on 1st January 1956 was 12,051,209, which compares favourably with 10,942,245 as on 1st April 1951 and the target of 11,342,241. Similarly, the weaving capacity was augmented, the increase in the number of looms being 8,490, as against the expected addition of 7,052. The total number of looms in place at the beginning of this year was 202,901, as against 194,411 on 1st April 1951 and the target of 195,849. Incidentally, it may be noted that the programme of development formulated for the industry did not envisage any expansion of loomage beyond what would accrue from the completion of schemes which were already under implementation at the commencement of the Plan. The increase achieved in excess of the targets must be attributed to two factors, namely, (1) expansion of a few uneconomic units, and (2) conversion of some of the purely spinning mills into composite mills on the basis of approval given for spindleage and loomage capacity under the post-war expansion schemes.

Expansion

The improvement in the spinning and weaving capacity of the mill sector was brought about partly by the establishment of new units and partly by the expansion of the existing units. The number of spinning and composite mills rose from 103 and 275 at the beginning of the Plan to 121 and 291, respectively, five years later. Up to December 1955, the Government of India had given licences for the establishment of 86 new cotton textile mills with a spindleage of 1,085,806 and for the substantial expansion of 89 existing units involving the installation of 952,806 spindles. In addition, permission was given by the Textile Commissioner to 115 units to effect normal expansion involving the addition of 455,659 spindles. Thus, a total of 2.49 million spindles had been sanctioned. Five new mills with a spindleage of 52,168 have already come into existence, and five other new units have installed a part of the spindles sanctioned, the number so far installed being 23,492. About 16 mills have completed substantial expansions by installing 125,778 new spindles and 22 other mills have effected a part of the expansion with 116,004 new spindles. Out of the 115 mills permitted to effect normal expansions by the Textile Commissioner, 45 units have completed the work with 142,476 spindles, while 27 units have effected a part of their expansion with 79,647 spindles. Thus, a total of 539,765 new spindles have already been installed.

Two new mills licensed for 16,000 spindles did not take effective steps within the prescribed time and their licences were revoked. Besides, in the case of 4 mills licensed for 22,296 spindles, the question of revocation is under consideration. Deducting the new spindles already installed and the spindles for which licences have been revoked or are likely to be revoked, there are 1.91 million licensed spindles which are still to be installed.

The geographical distribution of the mills at the beginning and end of the Plan period and the State-wise increases in spindleage and loomage are shown in the table below. It will be seen from this table that the expansion in spindleage has taken place primarily in the States of Madras and Andhra, Ahmedabad City, Bombay City and rest of Bombay, West Bengal, Uttar Pradesh and Hyderabad. Loomage has increased mainly in Bombay City, Saurashtra, Madhya Bharat, Uttar Pradesh, West Bengal, Orissa, Hyderabad, Madras and Mysore.

Fuller Utilisation

Side by side with the expansion of the installed capacity, the cotton mills endeavoured to make fuller utilisation of the existing capacity. The quantity of cloth that actually came off the looms in the calendar year 1955 amounted to 5,094 million yards, as against the target of 4,700 million yards and the capacity of 4,779 million yards assessed on the basis of double shift operation for 305 days per annum. In the case of yarn, however, the actual output in 1955 was less, being 1,630 million lbs., as against the target of 1,640 million lbs. and the assessed capacity of 1,722 million lbs.

In the handloom sector also, production of cloth registered an improvement, from 805 million yards in 1950 to 1,480 million yards in 1955. This, of course, fell short of the target of 1,700 million yards set in the Plan by 220 million yards. The production of powerloom cloth, too, increased from 148 million yards in 1950 to 273 million yards five years later. The total production of cloth—mill, handloom and powerloom—during 1955 stood at as high as 6,847 million yards, which compares very favourably with 4,618 million yards in 1950. Excluding exports and consumption by defence, etc., the *per capita* availability of cloth during 1955 was 15.8 million yards, as against 9.7 million yards five years before. The target set in the Plan was 15 yards.

During the first Five-year Plan period, about Rs. 20 crores were estimated to have been spent on the establishment of new mills and expansion of the existing ones. Taking into account the value of cotton textile machinery imported and indigenously produced, as also the ancillary investments on land, buildings, electrical machine, etc., it is estimated that a total investment of Rs. 80 crores was made by the cotton textile industry on new units, expansions and modernisation. The capital investment in the industry in 1950 amounted to Rs. 203 crores, comprising fixed capital of Rs. 66 crores and working capital of Rs. 137 crores, according to the *Census of Manufactures*.

Thanks to the implementation of the development programme for the cotton mill industry, employment opportunities expanded. The daily average number of workers employed in the mills during 1955 was 758,043, as against 676,523 in 1950. The rise in the daily number of workers employed was shared by all the shifts. In 1955, first, second and third shifts accounted for 419,236, 262,225 and 76,582, as against 402,325, 233,973 and 40,225, respectively, in 1950.

Zone	No. of spinning mills		No. of composite mills		Spindleage		Rise	Loomage		Rise
	1-4-1951	1-1-1956	1-4-1951	1-1-1956	1-4-1951	1-1-1956		1-4-1951	1-1-1956	
Bombay City	5	5	58	58	2,972,968	3,105,488	132,480	64,895	65,183	288
Ahmedabad City	4	4	63	63	1,923,168	2,036,408	113,240	42,041	41,642	— 399
Rest of Bombay	11	12	38	38	1,248,524	1,267,244	18,720	23,580	23,488	— 92
Madras	59*	59	18*	26	1,862,567*	2,212,264	410,087*	7,566*	8,523	957
Uttar Pradesh	5	6	16	17	734,420	770,792	36,372	12,636	13,590	954
Madhya Bharat	2	1	14	15	414,738	486,410	21,672	10,960	10,971	811
West Bengal	8	10	15	17	886,838	507,429	120,591	7,486	9,115	1,629
Madhya Pradesh	..	..	11	11	366,552	374,130	7,578	7,218	7,394	176
Mysore	3	2	5	7	219,416	243,436	24,020	8,555	9,097	442
Saurashtra	2	1	8	9	151,792	169,480	17,688	3,032	3,637	605
Delhi	..	..	3	3	140,976	156,532	15,556	3,435	3,442	7
Hyderabad	..	..	6	6	116,762	158,080	41,318	2,559	3,164	605
Kerala	6	8	4	2	109,692	140,412	30,720	716	717	1
Rajasthan	2	2	5	5	92,738	96,068	3,330	1,544	1,719	175
Ajmer	..	..	4	4	64,420	66,312	1,892	1,755	1,738	— 17
Punjab	1	2	2	2	40,584	52,572	11,988	665	853	188
Orissa	..	1	1	1	33,404	51,472	18,068	432	864	432
Bihar	..	..	2	2	29,520	28,468	— 1,052	746	745	— 1
P.E.P.S.U.	..	..	1	1	17,856	26,560	8,704	390	530	140
Bhopal	..	..	1	1	15,004	14,876	— 128	400	400	..
Kutch	1	1	..	..	5,312	5,312	..	..	..	..
Andhra	N.A.	7	..	..	..	60,380	..	..	2,089	..
Pondicherry	N.A.	..	..	8	..	81,124	..	..	..	..
Total	103	121	275	291	10,942,241	12,051,209	1,108,968	194,411	202,901	8,490

* Includes Andhra. N.A.—Not available.

HANDLOOMS IN MALABAR

The view that in the matter of development of handloom industry, Malabar district (Madras) had not been overlooked was expressed by Mr. M. Bhaktavatsalam, Minister for Agriculture, Government of Madras, in the State Assembly last week. Mr. Bhaktavatsalam was replying to the criticism by a communist member that the Government had failed to allot to the Malabar district its due share from the Handloom Cess Fund. The member said: "Since 1952, a sum of nearly Rs. 5 crores has been allotted to the State. Malabar has 53,000 handlooms and, on this basis, the share of the district will be in the neighbourhood of Rs. 90 lakhs. But only a sum of Rs. 5 lakhs has been spent." Referring to this criticism, the Agriculture Minister declared that, if it had not been possible to achieve better results, it was due not to the neglect on the part of the Government or of its officers but to the special features of the handloom industry in Malabar. According to him, the industry "has developed under a factory system under capitalists, reducing the weavers to the status of *coolies;* latterly with the closure of some of the factories owing to labour disputes, the experiment of making the workers also owners of the factories on a co-operative basis was devised." The Minister drew attention of the members to the following steps taken by his Government to assist the handloom industry in Malabar:

When there was large-scale unemployment among weavers two years back as a result of the closure of several handloom factories, the Government of Madras decided to try an experiment of setting up factories on co-operative basis, consisting of persons who had been thrown out of work from the private factories. Two units which had closed down—one at Thottada and the other at Chowa—were converted into handloom industrial co-operatives with financial aid from the Cess Fund. The member-workers are the owners, steady work with regulated wages being assured. A system of bonus on wages earned is also provided for. The weavers are given share capital loans to become members, as well as working capital loans. In the initial stages, staff from the Co-operative Department is employed to assist the Board of Directors to run the industrial co-operatives on sound lines. Interest-free loans of Rs. 68,690 and Rs. 43,613 have been granted from the Cess Fund to the aforesaid two co-operatives.

Mr. Bhaktavatsalam claimed that the above experiment was the first of its kind in the whole of India. He further claimed that the working of the co-operatives during the past one year and more had fulfilled the expectations. The average monthly income of the worker was Rs. 45 to Rs. 60 at Chowa and Rs. 55 at Thottada, "which is likely to go up to Rs. 75 and more in due course." Proceeding, the Minister revealed that steps were being taken to form a few more industrial co-operatives in Malabar in the near future.

AMBAR CHARKHA YARN

Replying to a question in the Rajya Sabha the other day, Mr. Nityanand Kanungo, Union Minister for Consumer Industries, revealed that licences for the installation of 200,000 more spindles had been granted, in addition to the 2.1 million spindles already allowed to be installed. The Minister said that the distribution of the new spindles would be based on three considerations, namely, (1) claims of States having a refugee problem, (2) claims of cotton growing areas, and (3) additional employment to be provided in the handloom industry.

Intervening over questions relating to the yarn from Ambar Charkha and mills, the Prime Minister declared that on no account would Government take the risk of yarn shortage arising in the country. He said that the expansion of mill yarn production would not conflict with the Ambar Charkha scheme and drew attention to the assurance given by the Commerce and Industries Minister that all good yarn produced from the Ambar Charkha would be purchased. Asked whether a guarantee was not necessary that there would be no conflict, the Prime Minister said: "The question is based on assumptions which do not exist. The whole question is that they should not be short of yarn. There is a grave danger of shortage. Therefore, the Government has decided to provide for production of yarn. Ultimately, it will be found that, even with all these, the production of yarn may not be sufficient. At the end of the year, the question about Ambar Charkha can be reviewed."

NEW COTTON FABRICS

Two new 100 per cent. cotton fabrics for tropical wear—Helikon for suits, slacks and skirts and Cepea 56, a cotton shirting—were publicly shown at Manchester the 8th inst. Mr. Robert Cowan, Oversea Director of the Calico Printers Association Ltd. The new fabrics are the result of two years' research and experiment, and the chief recommendations are their extreme lightness in weight, crease-resistance, and unshrinkability. The new cotton fabrics, it is claimed, will revolutionise trade in both men's and women's wear for tropical and sub-tropical conditions. First lengths of the fabrics have already been put on the Far Eastern market. Marketing in Commonwealth countries will begin within the next few weeks, and it is planned to introduce the fabrics to the American market. Helikon suits weigh rather less than 2 lbs. and have the appearance and feel of linen in hot climates. The suits remain perfectly smart for two days, and are reasonably presentable after four days' wear, without laundering. The suits can be washed with ease. The other new fabric—Cepea 56—has the same crease-resistant properties, and can be as easily washed and worn without ironing. Another advantage is that the dyes are absolutely fast, and the marketing price should be about 20 per cent. cheaper than crease-resistant linen. The range of colours covers 17 shades. Both fabrics are self-coloured and are without patterns or designs.

PROSPECTS FOR PAKISTAN COTTON

DANGER OF U.S. COMPETITION REAL

AMONG the countries directly affected by the U.S. surplus cotton export programme, Pakistan is a notable one, exporting as it does about one million bales of raw cotton annually. Even during the current season now fast drawing to a close, the U.S. announcement relating to the sale of one million bales of cotton of 15/16" staple and shorter at competitive prices has had its adverse effect upon the price structure of Pakistan's medium staple varieties, namely, L.S.S. and 4F. In fact, the drop would have been more pronounced but for the fact that China and Japan made sizable purchases by the end of the third quarter of the season. Fortunately for Pakistan, by the time the effect of C.C.C. sales was beginning to be felt acutely, it had disposed of the bulk of its cotton crop.

But the prospects for the next season beginning in September next appear to be bleak. There is always the fear that the U.S. may follow an aggressive sales policy. With the U.S. cotton crop for the current season and carry over stocks estimated at 13.5 million and 14.7 million bales, respectively, and with the prospect of no significant decline in the cotton output of other producing regions, it is evident that Pakistan will have to face keen competition in selling its cotton. In the light of these facts, it is understandable that Pakistan cotton interests should demand the abolition of, or at least reduction in, the export duty and sales tax.

Pakistan started the 1955-56 season with a very low carry over of 78,000 bales and an estimated crop of 1.6 million bales. Due to unfavourable weather and flood in the Punjab, subsequent estimates put the figure lower at 1.45 million bales. When the actual movement of the crop began, it appeared that the damage was considerably overestimated and that the crop would not, in any case, be lower than 1.6 million bales. But actual realisation showed that the crop was, indeed, a very good one, about 1.8 million bales, despite the ravages of unfavourable weather. Had nature been more considerate, it is no exaggeration to say that a record crop of nearly 2 million bales would have been harvested. Be that as it may, this season's outturn of 1.8 million bales is higher than the previous season's by 300,000 bales and is the highest on record.

As is well known, a substantial portion of Pakistan's cotton is exported. Nevertheless, it is noteworthy that internal consumption has been increasing very rapidly. In the 1954-55 season total intake of cotton was of the order of 800,000 bales, as compared with 534,000 bales in 1953-54, and 273,000 bales in 1952-53. Aggregate consumption of cotton, including foreign, in the 1955-56 season is estimated at 850,000 bales, an all-time record. Though both production and consumption increased appreciably the difference between the two, that is the exportable surplus, was also the highest at 1 million bales, including the carry over of the previous crop.

Quality Poor

Although quantitatively the 1955-56 crop was good, qualitatively it was poor. Hence pass quality, in accordance with Fine Standard boxes of Karachi Cotton Association, was scarce throughout the season and, consequently, commanded on unusually heavy premium. At the beginning of the season, overseas demand was slack, but local mill demand was encouraging. Later, the export demand increased and sizable sales were made. By about April, however, the market was again in the doldrums, until China entered it towards the end of April and made large purchases. N.T. Roller, which stood around Rs. 79, advanced to Rs. 88 in the futures market. In the first instalment of its purchase China concentrated on *Deshi* cotton, the price of which consequently advanced from Rs. 79-8 to Rs. 102 for Sind quality. Other staple varieties also moved up in sympathy, though not so sharply.

Then came the U.S. Farm Bill, which was signed into law on 28th May and directed the Commodity Credit Corporation to accept bids at even 25½ cents per lb. for basis Mid. 15/16" gross weights average location. The Bill also provided that, should competition from cheaper priced comparable foreign growths retard the attainment of the export objective of regaining the historical share of the U.S. in the world market, the C.C.C. could accept even lower prices to meet such competition. Thus, sales made under the provisions of the new legislation had an adverse effect on other cotton growing countries and Pakistan was no exception. Values began to fall in the futures section of the Karachi market and demand for ready cotton, too, became weak. But, by this time, the bulk of Pakistan's cotton crop had been disposed of and the little that remained was of inferior quality. Karachi cotton circles believe that, had the U.S. not dumped its cheap good quality cotton into the consuming markets, even poor quality cotton lying in and around Karachi would have been lifted at favourable prices by now.

Trend of Prices

The following table gives an idea of the price trend for N.T. Roller in the Karachi futures market for the current season:

	Maximum	*Minimum*
1955		
September	95.5	85.0
October	88.6	80.4
November	89.4	82.4
December	88.6	79.14
1956		
January	84.12	78.0
February	90.6	84.8
March	87.11	79.9
April	88.8	81.11
May	99.8	88.0
June	90.2	83.6
July	85.12	78.0

The prospects for marketing the next season's crop, on present reckoning, do not appear to be bright. It is believed that the new crop will have to bear the brunt of U.S. competition and this appears inevitable, as no revision of American policy is in prospect in the absence of any acceptable alternative for disposing of its surplus cotton. There are already indications of a weak market for Pakistan's cotton, as is evident from the fact that, up till now, very little business has been transacted in new crop cotton. At the same time, the crop prospect for the next season is encouraging. Barring unfavourable weather and floods, the coming season's crop, it is estimated, will be not less than 1.8 million bales. Assuming that the present rate of consumption by mills will be maintained, Pakistan will have to find an outlet for one million bales. At the same time, there is no likelihood of any significant reduction in the output of other cotton producing countries. Although the output of cotton in the U.S. for the 1956-57 season is estimated at 13.5 million bales, which is a million bales lower than the figure for the season just ended, the U.S. is still burdened with an aggregate carry over of 14.7 million bales of cotton. Viewed against this background, Pakistan cotton cannot be expected to have an easy sale in the international market.

Plea for Tax Relief

This state of affairs has caused a flutter among the cotton interests in Pakistan and they are naturally agitating for an immediate revision of the Government's cotton policy. It is urged that the existing sales tax on all raw cotton exported should be abolished forthwith and that the heavy export duty, which, in the context of the new developments, is thought to be the bane of Pakistan's export, be substantially reduced if not altogether abolished. These measures, if adopted promptly, will, it is felt, go a long way towards increasing the competitive capacity of Pakistan cotton so necessary to withstand the onslaughts of cheap American cotton in the international markets.

EGYPTIAN COTTON EXPORTS

Egypt's cotton exports during the first eleven months of the season just drawing to a close aggregated 859,921 bales (of 720 lbs. each), as compared with 660,822 bales during the corresponding period of the previous season. This improvement was the result of the keen interest shown in Egyptian cotton by many of its customers, particularly, Czechoslovakia, India and China. India, accounting for 101,638 bales of cotton, still maintains the second place in Egypt's export trade. France, which was so far the single largest buyer, has been pushed to the third place, the first having been occupied by Czechoslovakia. The offtake of Egyptian cotton by Czechoslovakia in the period under review was of the order of 146,109 bales as against 35,629 in the same period, last season. It is also noteworthy that China lifted during the period double the quantity it took in the previous season, while Russia's purchase was lower by 11,572 at 29,667.

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65 M. Tons	FOOD GRAINS	75 M. Tons
5.5 M. Tons	OIL SEEDS	7 M. Tons
5·8 M. Tons	SUGARCANE (RAW GUR)	7·1 M. Tons
4·2 M. Bales	COTTON	5·5 M. Bales
4 M. Bales	JUTE	5 M. Bales
Rs. 241 Crores	TOTAL OUTLAY	Rs. 341 Crores

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REPORT OF SUGAR DELEGATION TO AUSTRALIA AND INDONESIA

MILLOWNERS ENDORSE RECOMMENDATIONS

IT is deplorable that, although more than a year has elapsed since the Indian sugar delegation to Australia and Indonesia submitted its report, the Government of India has still not published the full text of the report for the information of the public. In March last, only a summary of the conclusions and recommendations of the delegation was made available. We do not know how the Indian Sugar Mills Association has been able to secure a copy of the full report. It could not have had it without the concurrence of the authorities. We do not grudge the Association being favoured with a copy of the report, but we do not see why the same privilege should not have been extended to the Press also. It is to be hoped that at least now the Government should make good its lapse.

Meanwhile, the Association has addressed a communication to the Government in the course of which it has examined, fairly in detail, the contents of the report of the sugar delegation. It has expressed appreciation "for the able manner in which the Indian sugar delegation to Australia and Indonesia have studied the progress of the industry in these countries and drawn lessons for the industry's working in India." It has "noted with interest the statistical information collected by the members of the delegation."

One of the important recommendations made by the delegation, which the Association has done well to endorse, relates to the opposition for setting up a marketing organisation for sugar. The sorry episode of the former Indian Sugar Syndicate hardly encourages one to believe that a central marketing body for sugar would serve the general interests of the country. The conditions existing at present on the sugar front do not at all warrant the establishment of such a monopolistic body. As readers are aware, the second Five-year Plan contains an ambitious scheme for the development and expansion of the sugar industry. If the scheme is to be implemented successfully, it is imperative that the industry should be accorded as much freedom as possible with regard to prices and distribution, with least interference from the authorities. After all, it must be remembered that, in an expanding sector, undue regulations and controls stand in the way of proper development. As the Association has rightly remarked, it will be detrimental to set up any body like the marketing organisation which will only stifle the proper development of the sugar industry.

Linking Cane Price to Quality

With regard to the payment of cane on quality basis, instead of on quantity, as suggested by the sugar delegation, the Association has not expressed its views. All that it has said is this: "The Association has already submitted its views in detail to the Expert Committee appointed for the purpose. It would like to await its report when a further consideration of the matter can be possible." But there is no reason why the Association should not have come out with its clear views and definite stand on the question of linking cane price to quality. So far as this journal is concerned, it must be repeated that the system of paying for cane on the basis of weight and the policy of fixing a minimum cane price are both defective, in that they ignore completely the quality aspect. What interests the cane-grower most is the yield of cane per acre and, naturally, little attention is paid to the need for growing cane with high sucrose-content. If the sugarcane cultivator is to be made conscious of not merely yield but also sugar-content of the cane he grows, the payment must be based on both the weight of the cane and the percentage of sugar contained in it. The introduction of such a system, together with the judicious adoption of a policy in regard to the price of sugar and *gur*, will, there is no doubt, do away with the need for distributing the extra profits made by the factories between them and the farmers. Viewed thus, it is gratifying that the Association has not objected to the delegation's suggestion for constituting a Standing Advisory Committee—consisting of an equal number of representatives of cane growers and factory owners with an independent Chairman, preferably a judge—to advise the Government on the level at which the price of cane should be fixed every year. It, of course, says that the present arrangement under which the Government consults the representative organisations of cane-growers and factory owners works quite satisfactorily.

The Association has also endorsed the sugar delegation's view that the expansion of the capacity of the existing sugar-producing plants should be preferred to the establishment of new units. Urging the Government to give immediate consideration to this suggestion, the Association reiterates that the potential capacity of the existing units, together with the new units installed up to February last, more than achieves the target of production—2.25 million tons—set in the second Plan. In this connection, it stresses the need for introducing rationalisation in the sugar mills and observes: "The statistics collected by the delegation show that, whereas a factory with an average capacity of 2,400 tons in Australia employs only 250 workers and, in Java, a factory with a capacity of 1,200-1,500 tons employs only 400 workers, in India a factory with an average capacity of 800 tons employs as many as 1,000 workers. This unduly high number of workers employed in sugar factories in India gives a production ratio of 10 tons per worker, as against as high as 40 tons in Java and 144 tons in Australia."

Must be Avoided

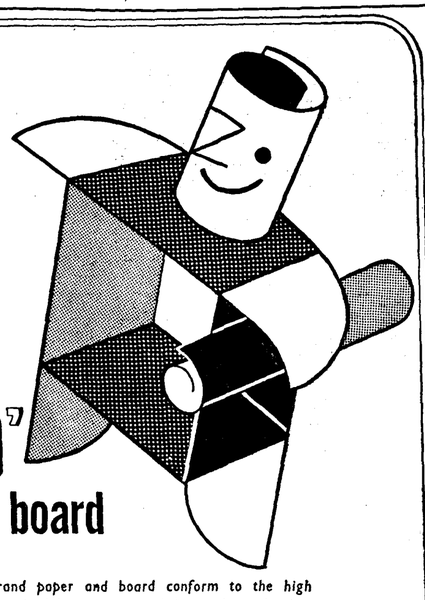
It will be evident from the foregoing that the low productivity in our sugar industry is due to the high labour ratio. Consequently, the cost of sugar production is very high. If the cost is to be reduced, it is obvious that the high labour ratio must be avoided. Such can be done only by proper rationalisation and adoption of measures designed to help the sugar mills work more efficiently than at present. Among the latter, the sugar delegation has laid special stress on (1) facilities for the import of such sugar machinery and agricultural implements as are not manufactured in India, (2) improvement of roads in factory areas, (3) arrangements for wagons with collapsable gates, (4) provision for enlarged and cheap credit, and (5) supply of cheap electric power for farm operations. In view of the importance of these measures, the Indian Sugar Mills Association has fully endorsed them. It is, however, oppossed to the Government giving any special assistance to co-operative sugar mills. Drawing attention to the practice in Australia where the co-operatives run on equal basis with other companies, it says: "There is no need for making any departure in India."

By-products

The Association has done well to invite the Government's attention to the recommendations of the sugar delegation with regard to the utilisation of the by-products of sugar industry. They cover research work on molasses to make it fit for consumption by cattle in larger quantities; survey to find out the possibilities of setting up factories for the manufacture of insulation and building boards and paper from bagasse and various chemicals from molasses; research work on the refining of cane wax so as to make it usable in various industries and to find new industrial uses for the wax.

The need for the implementation of the aforesaid recommendations requires no emphasis. The by-products of sugar industry, if exploited efficiently, will go a long way towards lowering the production cost of sugar, not to speak of the provision of additional employment. With the vast expansion of sugar industry now planned, the production of such waste products as bagasse, press mud and molasses will register an increase. It is this factor and the rising demand for the various goods produced from the by-products of sugar industry following the improvement in the standard of living that impart urgency to the need for a vigorous drive for developing industries which provide an outlet for these by-products.

There are in Uttar Pradesh 115 sugarcane co-operative unions, with a membership of 1.5 million cane growers. The unions together supply as much as 95 per cent. of the total quantity of cane crushed in the sugar mills in that State.



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PAP-8 MEDIAAD

HIGHER WAGES FOR COKE PLANT WORKERS

INDUSTRIAL COMMITTEE'S DECISION

SEVERAL important subjects relating to the welfare of coal miners were discussed by the Industrial Committee on Coal Mining at a three-day session which concluded in New Delhi on the 9th inst. The Committee, which was set up in 1948, is tripartite in character based on the I.L.O. pattern. It is essentially an advisory body, dealing with the problems regarding labour in the coal industry and its decisions are, therefore, only recommendatory in nature. Nevertheless, much weight is attached to the recommendations of the Committee, in view of the fact that the Committee is fully representative in character, the Union and State Governments, the coal mine owners and colliery workers being represented on it, and are usually accepted and implemented by the Government.

The agenda for the meeting consisted of: (1) the formation of a pool of retrenched colliery workers to avoid waste of technical experience and to enable their mobility to places of prospective employment; (2) extension of the benefits of wage increase, etc., under the Industrial Tribunal (Colliery Disputes) Award announced recently, to workers in coke plants; (3) abolition of the contract labour system; (4) amendment of the Mines Act to bring some of its provisions in line with the I.L.O. Conventions; (5) amendment of the Coal Mines Bonus Scheme; (6) prohibition of women from working in open-cast mines; (7) discussion on model standing orders for coal mining; and (8) consideration of the revised code of Draft Regulations under the Mines Act, 1952.

An official Press note containing some of the decisions taken by the Committee is reported to have been issued after the conclusion of the three-day session, but a copy of it has not been made available to us. A broad idea of these decisions is available from reports appearing in a section of the press.

Coal mine workers are often retrenched when a section or a pit of coal mine is exhausted. Almost simultaneously employment opportunities might open up in a new pit or a section in a mine being brought into operation. There is, however, no arrangement at present to match the supply of such trained personnel with the demand. The formation of a pool of such retrenched workers with technical experience, from which to feed the new mines, was, therefore, one of the important subjects discussed at the meeting. The decision of the Committee is, however, not known.

As regards the second item on the agenda, the Committee agreed to extend the wage increase and other benefits awarded recently to coal miners by the Industrial Tribunal to workers numbering 20,000 employed in the coke and tar plants. The question of giving higher wages and other benefits to workers in coke plants, it will be recalled, was not discussed by the Industrial Tribunal, as the coke plants are governed by Factory Laws administered by State Governments. The Central Government, while considering the case for a revision of coal prices, obviously felt that the impact of the Tribunal's Award would be felt by the managements of coke plants also. Accordingly, it raised the prices of hard coke also along with the rise in coal prices. It was, however, left to the managements of coke plants and the workers concerned to come to an agreement mutually on the question of higher wages and other benefits. It has now been agreed, as already stated, that the benefits should be extended to coke plant workers also.

The Committee is reported to have accepted the general principle of early abolition of contract labour. It was, however, considered necessary to retain the contract system in certain categories of workers. The workers and employers were asked to submit to the Government proposals within six weeks in respect of the abolition of contract labour. The Government will take a decision after considering these proposals.

The Committee also recommended that women workers be allowed to continue to work in open-cast mines. As regards standing orders, the Committee decided that draft standing orders for the coal industry should be prepared and circulated by the Central Government within three months and that efforts should be made to finalise them in consultation with the employers' and workers' organisations within a period of six months. The Committee also accepted the principle of workers being associated in the administration of welfare amenities.

RUBY GENERAL INSURANCE CO., LTD.

MR. B. M. BIRLA'S SPEECH AT ANNUAL GENERAL MEETING

THE Twentieth Annual General Meeting of the Ruby General Insurance Company, Ltd. was held in New Delhi on 6th August 1956. Addressing the shareholders on the occasion, Mr. B. M. Birla, Chairman of the Company, referred "with a feeling of frustration and apprehension" to the attempts being made in certain quarters to persuade the Government to transfer its insurances from the Indian Insurance Companies Association Pool to the subsidiary general insurance companies of the nationalised insurance companies. In this connection, he drew the Government's attention to the fundamental draw-back in underwriting risks and said that the Government-owned companies should be satisfied with continuing their membership of the Pool and share their business as was being done now.

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

"GENTLEMEN,

"The report of the Directors and the audited accounts for the year 1955 have been with you for some time and I expect you would allow me to take them as read.

"The following figures will reveal the progress of the Company:

Net Premiums

	1953	1954	1955
	Rs.	Rs.	Rs.
Fire	25,00,000	32,76,000	36,67,000
Miscellaneous	36,42,000	37,11,000	45,41,000
Marine	10,48,000	12,78,000	15,76,000
	71,80,000	82,65,000	97,84,000

"Our total reserves have increased this year to Rs. 60,21,000 from Rs. 52,53,000 of the last year.

Fire Department

"The fire department has shown a very satisfactory underwriting profit. The overall picture would have been still better had the Company not lost a substantial amount on account of the devaluation of the 'Rupee' by the Government of Pakistan.

Motor Department

"In spite of the selective underwriting policy adopted by the Company, I am sorry to observe that this department continues to show a loss. This is also the case with most other insurance companies. It is high time that the accident associations take up the question of an upward revision of rates, because of more private car traffic on the roads and the high cost of repairs and the premium rates having again fallen below the economic level.

Marine Department

"As is the case with all other insurers all over the world, this department continues to show losses. In spite of the very strict underwriting policy adopted by the Company, there has been no satisfactory improvement in this department.

"The amended Indian Companies' Act has already come into force as from 1st April 1956. It requires various statements to be submitted to the Government. One feels that insurance companies could be exempted by the Government in the matter of certain sections of the Act as we are already submitting to the Government all such requirements under the Insurance Act. I hope the Government will consider this point and avoid duplication of work necessitating additional staff and increased expenses of management.

Future

"I am now compelled to refer to another topic of the day, namely, the future of the general insurance business in this country. We have been given an assurance by the Government that general insurance will not be nationalised, provided we put our house in order. The Government has said that general insurance being closely interlinked with trade and commerce and industry, which are mostly in the hands of the 'private enterprise,' they had no intention of nationalising general insurance also. Lately, there have been certain statements made by the Government that, unless the alleged rebating practice in the industry is removed, the Government would also consider nationalising general insurance. Because of this threat on the part of the Government the Indian Insurance Companies Association, Calcutta, appointed a Committee to examine the present Code of Conduct with a view to improving the conditions of the industry. There seems to be a feeling in certain quarters that in order to eradicate the alleged deficiencies, further Government support in the form of more stringent legislation should be sought. The Committee feels that this will be a very wrong step. The Committee also feels that the legislation which is already in force is adequate, provided the machinery in charge of administering it is alert. In this connection, the Committee has suggested certain measures for improving the situation.

Pool

"With a feeling of frustration and apprehension I refer to the recent attempts being made by interested parties to persuade the Government to transfer their insurances placed with the 'Indian Insurance Companies Association Pool' to the Government acquired subsidiary general insurance companies. The 'Pool' is the only Association where every Indian insurance company is united both in its policy and in its liability. It was after the great efforts of the late Mr. J. C. Setalvad and others that the 'Pool' was built up and brought to its present position. The 'Pool' has rendered service to the Government for over 15 years and through this Association the Government has been able to distribute its insurance business to every Indian insurer, in this country. The Government should know that no one or two or three Indian companies are in a position to retain entirely such Government risks on their 'Own Account.' They must reinsure their surpluses outside India. In view of this fundamental underwriting draw-back, one cannot understand why the Government-owned Companies should not be satisfied to continue to enjoy the membership of the 'Pool' and share their business in a manner that is now being done.

"I now move that the Directors' report and audited accounts and balance-sheet for the year ended 31st December 1955 be approved and adopted."

The resolution relating to the adoption of the accounts the declaration of dividends and re-election of Directors, Shri M. R. Sonthalia and Shri M. L. Shah were carried unanimously. The appointment of Messrs. Singhi & Co., as the Company's auditors for 1956 was duly approved by the shareholders.

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MORE ABOUT THE DECISION TO CUT PRODUCTION OF JUTE GOODS

EXPECTED OFFTAKE FAILS TO MATERIALISE

THE Indian Jute Mills Association sprang a surprise on the jute market last week with the announcement of its decision to re-seal 5 per cent. of the looms in its member mills with effect from 17th September next. Though it had been expected for some weeks past that a cut in the production of jute mills would be effected by re-sealing a part of the looms, to overcome the effect of the rising stocks of jute goods with mills, and a hardening of prices had been noted in view of this prospect, it was quite unexpected that the extent of cut in the looms in work would be as much as 5 per cent. The market's surprise was duly reflected in the sharp jump in prices of jute goods, ready hessian 40" x 10 oz. moving up from Rs. 39-1 (on the eve of the announcement) to Rs. 39-14 per 100 yards and B Twills from Rs. 104-12 to Rs. 107 per 100 bags.

The latest decision to re-seal 5 per cent. of the looms will take effect just two months after the re-sealing of 2½ per cent. of the looms with effect from 16th July last, thus bringing the number of idle looms to 12½ per cent. of the total, the position that existed from 1949 till the first week of January this year. It will be recalled that, in December last, the I.J.M.A. decided to unseal 2½ per cent. of the looms with effect from 10th January 1956. This was followed by a further unsealing of 5 per cent. from 20th February onwards. These relaxations were made, in order to prevent scarcity of jute goods in the country, as stocks with mills were found to have dwindled considerably. With the unsealing of 7½ per cent. of the looms in two successive, but quick, stages, not only the aforesaid object has been achieved but the mills have had to face a glut of stocks, because the offtake of goods lagged considerably behind the production. Thus, the stocks of manufactured goods at the end of last month amounted to 135,800 tons, as against 63,500 tons at the close of December 1955.

As compared with the position at the end of June last, the latest month-end stocks show an increase of 8,800 tons, thus maintaining the upward trend for the ninth month in succession. The following table shows the trend of stock-position as at the end of the last three months, as also at the close June 1955:

Jute Goods Stock
(In tons)

	As on			
	31-7-1956	30-6-1956	31-5-1956	31-7-1955
Hessian	38,500	37,500	40,800	42,100
Sacking	91,100	83,000	71,700	36,900
Others	6,200	6,500	6,400	2,900
Total	135,800	127,000	119,700	81,500

It will be noted from the above table that the welcome decline in stocks of hessian noted at the end of June was not maintained in the following month. On the other hand, there was an increase of 1,000 tons. The increases in stocks of sackings, however, was not as large as in June. Nevertheless, the overall rise in stocks was greater than that noted a month before, despite a substantial fall in production during the month under review. The output for July 1956, the first month of the current season, 1956-57, amounted to 94,100 tons, representing a decline of 4,800 tons from that for the previous month. This fall, which is much more than a day's production, is probably due to the fact that the number of hours worked during the month is lower at 200.5, as compared with 206 hours in June and 212 hours in May, and that 2½ per cent. of the looms remained idle for in the latter half of the month.

The following table shows the trend of production during the last three months and in July 1955:

Jute Goods Production
(In tons)

	July, 1956	June, 1956	May, 1956	July, 1955
Hessian	34,300	35,000	35,800	34,300
Sackings	52,900	57,300	59,000	45,000
Others	6,900	6,600	6,300	4,800
Total ..	94,100	98,900	101,700	84,100

The decline in production is shared to a larger extent by sackings than by hessian. The fall in production by 4,800 tons, accompanied by a rise in stocks to the tune of 8,800 tons, shows that the demand for jute goods during the month must have substantially slackened. The report of the I.J.M.A. for the month of July says that trading throughout the month was dull, in the overseas markets as well as in domestic markets. It adds:

"In the hessian section, the U.S.A. continues to buy small lots on a hand-to-mouth basis. Stock figures (spot and afloat) for June in the U.S. show a reduction of 7 million yards from the previous month, but consumption, at 62 million yards, is disappointing when compared with 75 million yards during June 1955. The much talked of Argentine hessian business is also disappointing and, according to normally reliable sources, is not expected to be as large as originally anticipated. Russia is reported to have purchased further quantities of hessian bags for October-December shipment.

"Heavy goods have received some support from Australia in the form of woolpacks and cornsacks, but shipment is spread upto June next year and it is reported that requirements are now almost covered for shipment this year. The heavy rains and flooding in Australia have seriously affected the size of this season's wheat harvest and, as a result, the demand for cornsacks from that market is likely to be considerably less than last year. Generally inactive conditions have prevailed locally, with only small business being reported in the sacking section."

The aforesaid conditions are already reflected in the figures of despatches of jute goods (given below) during the month under review, as compared with those for the previous month and for the corresponding month of 1955:

Jute Goods Despatches
(Figures in tons)

	July, 1956	June, 1956	July, 1955
(a) *For export*—			
Hessian	31,928	36,296	33,864
Sacking	34,636	37,086	37,095
Others	4,330	4,005	3,376
Total ..	70,894	77,387	79,335
(b) *For local purposes*—			
Hessian	1,349	1,931	1,848
Sacking	9,963	9,438	8,701
Others	1,991	1,893	1,701
Total ..	13,303	13,312	12,250
Grand total of (a) and (b)—			
Hessian	33,277	38,277	40,712
Sacking	44,599	46,524	45,796
Others	6,321	5,898	5,077
Total ..	84,197	90,699	91,585

The decline in despatches is mainly accounted for by the export markets. Despatches for export purposes show a fall of 6,500 tons after two months of successive rise from 62,600 tons in April to 77,400 tons in June. The downward trend in the offtake for internal consumption noted in the previous three months (from 20,400 tons in March to 13,300 tons in June), however, seems to have been arrested, though no actual reversal of the trend has occurred during the month under review.

The aforesaid trading conditions are somewhat depressing, and may seem to justify the I.J.M.A.'s decision to re-seal next month 5 per cent. of the looms. There are, however, some who feel that the I.J.M.A. would have done well to watch the situation for some time more, as the full implications of the re-sealing of 2½ per cent. of the looms last month have not yet been visible and American buying can ee expected to increase, as stocks of hessian in the U.S. are very low. Another ground on which the above decision has been based is the raw material position. The I.J.M.A. says that, alongside the mounting level of stocks, "the mills have been faced with an acute problem by the depletion of their raw jute stocks in recent months, owing to their high level of consumption, and the need for overcoming this scarcity of raw materials has also been an important factor leading to the present decision." But even this factor is only a temporary one, as new jute crops are reported to have started coming into the market. Advices from Calcutta indicate a large crop for the season, so that prices will tend to come down in the coming months. As the I.J.M.A. decision is to take effect only three weeks hence, it may not be late to reverse it, if conditions take a turn for the better. Anyway, the country has the assurance of the I.J.M.A. to this effect.

(Concluded from next column)

outmarkets. Although teas in Calcutta and Colombo would not obviously benefit to the same extent as 'spot' teas in London, these distribution centres must also participate in a further strengthening of the market, unless there is a complete stoppage of the shipping programme, a possibility which is most remote. In the meantime, demand for clean black dusts, suitable for export to Egypt, may temporarily disappear. However, in the long run, it is considered that India's exchange position will compare favourably with that of Ceylon and this producing centre may, therefore, secure a comparatively larger percentage of the Egyptian trade."

TEA PRICES RULE FIRM

SUPPLY POSITION NOT UNFAVOURABLE TO GROWERS

THE performance of the North Indian tea at the export auctions held in Calcutta last week has served to dispel the fears and anxieties about the prospects for tea, following the nationalisation of the Suez Canal. It was feared that the step taken by the Egyptian authorities would affect India's export of tea to Britain, the main consumer of Indian tea, and there was a slight reaction in prices on that account. These expectations would appear to have not materialised. On the other hand, the buying from Britain has actually been on a larger scale. Apparently, the anxiety about the Suez Canal situation must have induced buyers in the U.K. to replenish their stocks. Buying from Egypt is also said to have been resumed and prices for these varieties showed a hardening trend.

A feature of last week's auctions was the recession in the Best C.T.C. Assam B.P. varieties on account of a decline in their quality, while common and medium varieties enjoyed good support, as British buying was extended to all grades of tea. The following table will give an idea of the trend of prices of the main varieties in export auctions during the current season so far:

	12-8-1956	6-8-1956	16-7-1956	25-6-1956
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean B.P.	1 15 0	1 15 0	1 15 0	1 13 0
		to 2 0 0	to 2 0 0	to 1 15 0
Plain B.P.	1 10 0	1 8 0	1 8 0	1 7 0
		to 1 9 0	to 1 8 6	to 1 8 0
Medium Assam B.P. ..	2 6 0	2 8 0	2 2 0	1 14 0
	to 2 8 0	to 2 8 0	to 2 4 0	to 2 0 0
Best C.T.C. Assam B.P.	4 0 0	4 0 0	4 0 0	3 0 0
	to 4 8 0	to 5 0 0	to 5 0 0	to 3 8 0

Another cause for the strength of the market was the improved statistical position of the crop. The North Indian tea crop for the month of July amounted to 80.57 million lbs. which was only 1 million lbs. higher than that for the corresponding month of 1955. This increase was much less than expected. The total North Indian crop up to the end of July aggregated 205.6 million lbs., as compared with 194.9 million lbs. for the corresponding period of last year, that is, a rise of 10.7 million lbs. This increase is no cause for alarm, as the crop in other parts of the world shows a shortfall and, if allowance is made for this, the total world production would be more or less at the same level as last year. The following table shows the latest crop position in the major producing countries of the world, as compared with that in the previous two years:

(In million lbs.)

	1956	1955	1954
North India (April-July)	205.6	194.9	191.0
South India (Jan.-June)	65.2	68.0	70.3
Pakistan (April-June)	13.2	11.1	13.1
Ceylon (Jan.-June)	203.2	207.1	207.3
Indonesia (Jan.-May)	39.6	43.3	41.5
Total ..	526.8	524.4	523.1

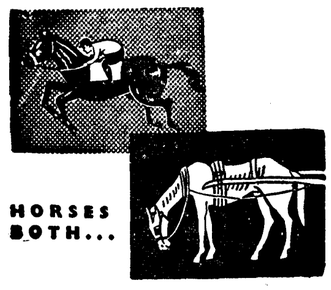
The North Indian tea crop for the month of August, which will be known only by the middle of next month, will be of greater significance, because it will provide a more precise idea of the final crop position for the season. The crop figures for the early months of the season have very little bearing on the final position; it is only the crop in August and September that will considerably influence the market trend. In this connection, the following extract from the report of Messrs. J. Thomas & Co., Calcutta, for the month of July will be read with interest:

"No major improvement in the price of common and low medium tea is anticipated, unless there is an unexpected and marked reversal in the crop figures of India and Ceylon. It is possible, however, with the seasonal decline in quality, that markets in the months of August and September may show a reduction in the present disparity between the price of quality and non-quality teas. Best liquoring teas are likely to register a considerable decline with the seasonal drop in quality now due, and this fall may enable the world buyers to pay more for their common and low medium price reducers. Teas of medium quality from Assam are likely to sell readily for the next two months, and Fannings grades will probably appreciate in value."

Commenting on the implications of the Suez Canal crisis to the tea industry, they observe rather cautiously:

"If normal movement of tea is possible, no change in the present market is visualised; if, however, it should become necessary to deviate from the normal shipping route, it is almost certain that the market for 'spot' teas in London would show a very appreciable advance. The stocks in the London and Provincial Bonded Warehouses in the middle of July have, for the first time, exceeded the figures of 1955, but in the present circumstances these are likely to be absorbed and there might possibly be an attempt at further stock piling by most

(Continued in previous column)



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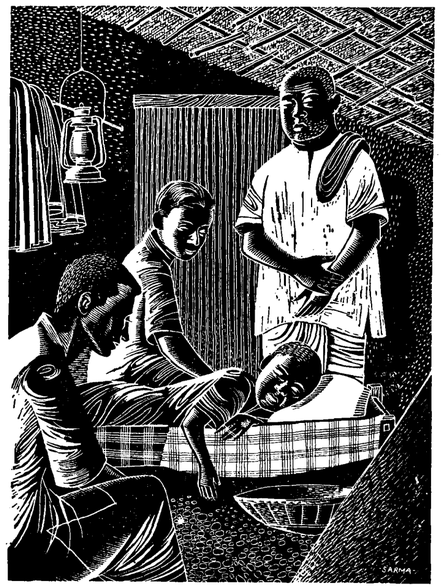
General Manager

In India, at the present time, there are not enough healing hands... not enough trained doctors and nurses to bring skilled medical care to all who need it, especially to those who live in the villages. But in the Second Five Year Plan, the sum allotted for the improvement of rural medical and health care is twice that in the 1951/56 Plan. By 1961 it is proposed to establish over 3,000 'health units' in community project, national extension and other areas. Hospital accommodation will increase by about 26% and there will be 30,000 more hospital beds available throughout the country.

The healing hands are coming...



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IRRIGATION AND POWER PROJECTS

NEED FOR EXPEDITING THEIR IMPLEMENTATION

THE recent rise in foodgrain prices in certain parts of the country and the consequent demand for fair-price shops in these regions underline the importance of not relaxing any effort whatever on India's food front. In other words, India cannot afford to "go slow" in the matter of construction of irrigation works, especially if the inflationary forces which might be generated through deficit financing are to be held under check. Not only should the major hydro-electric projects which have been taken in hand or contemplated under the second Five-year Plan be executed expeditiously but efforts should be made to complete the minor irrigation projects which, by their very nature, cost less and also yield quick results.

During the period of the first Five-year Plan, the country's larder was augmented by 20 per cent. additional food as compared with the output of food in 1949-50 when it was 54 million tons. The last five-year period witnessed an addition of 16.3 million acres to the 51.5 million acres in 1950-51, thanks to the execution of major and medium irrigation projects which added 6.3 million acres and of the minor irrigation works which added 10 million acres. When the major and medium irrigation works taken up under the first Five-year Plan are completed, they will irrigate about 22 million acres. In the field of power, generation of electricity has gone up from 6,575 million kilowatt-hours in 1950-51 to 11,000 million kilowatt-hours in 1955-56 and the installed capacity from 2.3 million kilowatt to 3.4 million kilowatt. The total cost of irrigation and power projects included in the first Plan was of the order of Rs. 970 crores, of which irrigation accounted for Rs. 720 crores, including Rs. 80 crores spent before the Plan began. The irrigation and power gains made in the first Plan have laid the foundations for agricultural and industrial progress. They have served to curb inflationary trends and reduced the drain on the nation's finances on account of food imports.

Power Supply to be Doubled

Realising that these gains, significant as they are, do not exhaust the scope for irrigation and power generation, the Planning Commission has included 195 projects in the second Five-year Plan in addition to those which have been continued from the first Five-year Plan. The total provision for major and medium irrigation works during the second Plan is Rs. 381 crores. This includes Rs. 209 crores for continuing schemes from first to second Plan. Through these 195 projects it is hoped to bring an additional area of 12 million acres under irrigation, apart from nine million acres through minor works. If these plans materialise, in 1961, the country will have a total irrigated area of 88 million acres. As regards power, the 54 power projects included under the second Plan at an estimated cost of Rs. 427 crores, will raise the installed capacity of 3.5 million kilowatts to 6.9 million kilowatts; generation of power is expected to be 22,000 million units in 1960-61 or almost double the number of units generated in 1955-56.

A notable feature of the irrigation programme under the second Plan is the marked preference that has been shown for medium-sized schemes. Out of the 195 schemes included under the Plan, ten schemes will cost between Rs. 10 and Rs. 30 crores, seven between Rs. 5 and Rs. 10 crores and all the rest less than Rs. 5 crores. Some of the irrigation projects to be started in the second Plan are Ukai, Khadakwasla and Narmada in Bombay with a respective irrigation potential of 614,000 acres, 204,000 acres and 1,157,000 acres, Tawa in Madhya Pradesh 590,000 acres, Purna in Hyderabad 157,000 acres, Vamsadhara in Andhra 306,000 acres, Kangsabhati in W. Bengal 950,000 acres, Banas in Rajasthan 250,000 acres, Bhadra in Saurashtra 90,000 acres and Boothankettu in Travancore-Cochin 63,000 acres.

Of the target of 12 million acres to be irrigated during the second Plan, new projects will benefit three million acres, while nine million acres will be covered by the first Plan projects now under execution. The new projects have an ultimate potential of about 15 million acres. Important among the first Plan projects due for completion in this Plan are the Bhakra-Nangal in Punjab; the Tungabhadra in Andhra, Mysore and Hyderabad; the Hirakud dam (Stage I) in Orissa; D.V.C. schemes in Bihar and West Bengal; the Chambal scheme (Stage I) in Madhya Bharat and Rajasthan; the Kosi (Stage I) in Bihar; the Koyna in Bombay; and the Rihand in U.P. A brief account of these projects is given below:

Bhakra-Nangal: The Rs. 170-crore Bhakra-Nangal project envisages the construction of a 680-ft. high dam across the Sutlej, two power houses at the foot of this dam, a diversion dam downstream at Nangal, the Nangal hydel channel, two power houses at Ganguwal and Kotla on the channel and the Bhakra canal system. All the components, except the Bhakra dam, and its two power houses and the transmission system have been completed. The project, when completed, will irrigate more than three million acres in Punjab and P.E.P.S.U. and have a total installed capacity of 954,000 kw.

Tungabhadra Project: The Tungabhadra project comprises a dam across the Tungabhadra, a tributary of the Krishna, and two canals one on either side, to irrigate an area of 91,589, 156,913 and 580,000 acres in Mysore, Andhra and Hyderabad States respectively. The Dam power house is expected to be completed in all respects by December, 1956, and the Humpi power house by April, 1957. The total installed power capacity will be 63,000 kw.

Hirakud Dam: The Hirakud multi-purpose project (Stage I) will be substantially completed by August, 1956, and water for irrigation for about 100,000 acres and 24,000 kw. of power from the first unit will be made available. In the next season, the remaining three generating sets will be commissioned which, in total, will generate 123,000 kw. of power. Ultimately by 1958-59, 4.54 lakh acres of land will receive irrigation supplies.

Damodar Valley Corporation: The D.V.C. has completed dams at Tilaiya and Konar, the Durgapur barrage, the Bokaro thermal power station and major portions of the canal system and transmission lines. Work is now proceeding on the Maithon and Panchet Hill dams, the two other components of the scheme. The Maithon dam is expected to be completed by the end of this year and the Panchet Hill Dam by 1957-58.

Chambal Project: The Chambal multi-purpose project involves the construction of three dams across the Chambal with a power house at each, a barrage near Kota, and canal networks on both sides. The project will ultimately have an installed capacity of 210,000 kw. and irrigate 14 lakh acres of land. Work is now in progress on State I of the project, namely, one dam, called the Gandhi Sagar Dam, the Kota Barrage and the irrigation system.

Kosi Project: Out of about 150 miles of embankments, nearly 114 miles have been completed. The other major parts of Stage I of the scheme, a barrage and the irrigation system are yet to be taken up.

Koyna Project: Bombay is going ahead with its Rs. 40.44 crore Koyna multi-purpose project. A 207.5 ft. high dam will be built across the Koyna river with an underground power house having four units of 60,000 kw. each.

Rihand Project: In U.P. preliminary works are on hand for the Rihand project, which comprises a concrete gravity dam across the Rihand river. A power house equipped with five units of 50,000 kw. each will also be constructed. The project will also help irrigate 21 lakh acres through tubewells in U.P. and Bihar.

Nagarjuna Sagar Project: Work is also making headway on the Nagarjuna Sagar multi-purpose project. A 387-ft. high dam across the Krishna near Nandikonda village will ultimately be constructed. It will irrigate 34.02 lakh acres and have an installed capacity of 75,000 kw.

Containing Process

The formulation of plans for power projects has to be on a long-term basis and is a continuous process. The first Plan set a 15-year target for additional power capacity at 7 million kilowatts. In view of the progress and the demand for power, the target has been tentatively revised and fixed at 15 million kw. by 1965. It may be necessary and adjustments become inevitable for raising this target. It is estimated that the power demand will necessitate the installation of about 2.7 million kw. of additional capacity. Allowing for standby units, the power target in the second Plan is 3.5 million kw. Of this, 2.9 million kw. will be provided by State-owned undertakings, 300,000 kw. by the electricity supply industry and the balance by the lignite project and heavy industry factories which will have their own generating plants. The break-up of 2.9 million kw. in the public sector is 2.1 million kw. from hydro-power projects and 800,000 kw. from thermal stations.

Of the forty-four power projects, ten will cost over Rs. 10 crores, four between Rs. 5 and Rs. 10 crores, 18 between Rs. one and Rs. five crores and 12 less than Rs. 1 crore. Twenty-five are hydro-electric schemes and 19 thermal. Most of these schemes will start yielding results during this Plan period. A number of schemes, which require further investigations, are likely to be started in the later half of the Plan period.

About Rs. 160 crores out of the total outlay for power will be spent on continuing schemes, about Rs. 245 crores on new schemes to be completed in the Plan period and about Rs. 22 crores on schemes to be finished in the third Plan. The major continuing schemes are Tungabhadra, Hirakud (Stage I), D.V.C., Chambal (Stage I), Koyna, Periyar, Umtru (Stage I) and Rihand. The Periyar hydro-scheme envisages the utilisation of the waters of the existing irrigation project for power generation to the extent of 100,000 kw. The Umtru project in Assam comprises the construction of a 50-ft. high weir across the Umtru river, a tributary of the Kallong. The scheme is expected to produce 5,000 kw. of power in the first stage. Among the new power schemes included in the Plan are Tawa in Madhya Pradesh with an installed capacity of (30,000 kw.); Purna in Hyderabad (10,000 kw.); Chambal (Stage II) in Madhya Bharat and Rajasthan (92,000 kw.); Umtru (Stage II) in Assam (5,000 kw.); Kundah in Madras (180,000 kw.); Matatila hydel scheme in Uttar Pradesh (15,000 kw.); Durgapur thermal station in West Bengal and Bihar (150,000 kw.); Bhadra in Mysore (33,000 kw.); and Sharavathy in Mysore (142,000 kw.).

Grid System

The Plan recognises the importance of the grid system and provides for its development. Large blocks of power can now be economically transferred over distances of 300 to 400 miles. This makes it possible to harness hydro-electric and thermal power potentials in various regions and utilise this power in widely separated industrial centres and rural areas in the neighbourhood of transmission lines. The laying of a total length of 35,000 miles of 220 kw. to 11 kw. transmission and sub-transmission lines, nearly twice the length in the first Plan, is contemplated during this Plan period. Out of the allocation of Rs. 427 crores a sum of Rs. 235 crores will be spent on generation, Rs. 92 crores on transmission systems, Rs. 25 crores on distribution lines in urban areas and Rs. 75 crores on small town and rural electrification.

Rural Electrification

The second Plan aims at extending power facilities to all villages and small towns with a population of over 10,000. Out of 585 medium and small towns with a population of 20,000 and above, 550 had been electrified during the first Plan period and in the next population range of 10,000 and 20,000, 350 out of 856 had been covered. In towns and villages with a population of less than 10,000 electrification raises difficult problems, especially in villages. It is recognised that in these cases electrification would not be an economic proposition and would call for subsidy. Most of the villages are comparatively distant from developed power resources. If all the villages in the country were to be electrified, the cost would exceed Rs. 3,000 crores, an investment which the nation can ill-afford at the present juncture. Hence rural electrification in this sector will have to be a phased process. It is however, proposed to continue the scheme for expansion of power facilities for providing employment opportunities. Under this scheme the Government of India had in 1954-55 set apart Rs. 20 crores for distribution as loans to State Governments on easy terms of repayment. This programme will be completed in another year.

During the last few years, the rate of utilisation of power has been more rapid than expected and is likely to increase further during the second Plan period. The Government has for this reason taken up a power load survey on a national basis. The survey will be completed in the next three years.

The country has yet a long way to go to utilise fully its water resources. It is computed that the annual water flow of India's rivers is 1,356 million acre-ft., of which 450 million acre-ft. can be put to beneficial use. Up to 1951, 76 million acre-ft., representing 5.6 per cent. of the entire river wealth, had been harnessed. This percentage will rise to 10 by the end of current year. With the fulfilment of the irrigation and power targets in the second Five-year Plan, food production should go up by 10 million tons from 65 million tons at the end of the first Plan. The development in power will have set in motion the wheels of industry in several new directions, particularly, in steel production and the manufacture of heavy machinery and other industries.

Technicians from countries of South Asia and the Middle East who have received training in the United States will be able to keep in touch with U.S. scientific developments under a programme announced recently by the U.S. International Co-operation Administration (I.C.A.). Under the new programme, American scientific organisations will be encouraged to offer technicians in other countries organisation membership, subscriptions to technical journals, personal answers to requests and aid, if desired, in forming professional societies.

The I.C.A. said contracts had been signed with seven U.S. professional organisations and 15 would be added later. Ultimately, 140 professional associations and societies may participate in the programme. The programme, it is stated, was launched because many technicians after completing training in the U.S. had expressed a desire to keep in touch with scientific developments in the U.S. through contacts with scientific organisations. The programme is especially designed to help technicians in newly developing countries where few professional associations are available.

Nearly half of the 31,000 technicians who have received training in the U.S. under I.C.A. programmes have come from newly developing countries. In interviews with 500 participants in 16 countries, the I.C.A. found that without exception they welcomed the opportunity to keep in touch with their American colleagues.

NEW PRODUCTS AND PROCESSES

Caseless Control Lamp

FOR the benefit of owners of cameras with flash units, the concern Philips' N.V. Eindhoven Holland, has put on the market a caseless control lamp, with which the electric wire up to and including the flash contact in the camera can be controlled. Mishaps with photographs in consequence of defective contacts or exhausted batteries are thus prevented. The lamp is contained in a special synthetic resin holder, the cap of which has a transparent green colour. Lamp and holder can be fitted direct into any flash unit that is suitable for the use of caseless flash bulbs. In the case of flash units requiring an adapter for the caseless flash bulbs, this adapter must, of course, also serve for the control lamp.

"Intercom" System

A new streamlined intercommunication system designed for use in offices has been produced by Communications Systems, Strowger House 8, Arundel Street, London, W.C. 2. According to the manufacturers, the new "intercom' master station has a highly sensitive microphone housed in a circular grill and improved performance has been achieved by new circuitry. By keeping the loudspeaker entirely separate from the microphone and keying unit, it is added, the risk of feed-back has been eliminated. Master station calls take priority over those from sub-stations and connection can be obtained immediately by pressing the appropriate key. The lifting of a hand receiver housed at the side of the microphone unit automatically disconnects the loudspeaker when privacy is required. Normal lamp and buzzer signalling is provided and the equipment has been designed to accommodate 10, 15 or 20 sub-stations.

Tachygraph

An Austrian electrical engineering firm, Messrs. Tachographia, Maria Theresienstr. 19, Vienna 9, has taken up the manufacture of a 8-day tachygraph. The tachygraph, which comes on the market under the trade mark "Testis," registers on an indicator roll the time the vehicle was in movement or standing, the speeds, the mileage covered, and the manner in which the driver operated the car. It is also equipped with an optical control and warning device signalling the moment a chosen speed limit is surpassed. The new tachygraph is an excellent means of safeguarding the economic operation of any automative vehicle and protecting as far as possible the motor, the coupling, the chassis, the gears, etc. Fuel and oil savings can be achieved and the safety on the road improved. The "Testis" tachygraph can either be attached to the dash-board in any desired angle or mounted to a support.

Steam Turbines

An engineering works at Amersfoort (the Netherlands), N.V. Bronswerk Brabantsestraat 12-16, has taken in hand the manufacture of steam turbines which consist of few component parts and which operate according to the constant-pressure principle. The turbines are made in 0.5 to 1.500 h.p. designs, whereby the diameters of the blade rims are standardised in five sizes. The small models are specially suitable for driving generators, boiler feed pumps and cooling water pumps, fans, centrifuges, etc. These small types usually operate with one jet pipe and one so-called reservible segment, by means of which the steam passing from the blades is conducted back to the blade rims. The larger models have Curtis wheels with one or more jet pipes and speeds and are applied for the same purposes as the small models, but in larger designs, for marine and land use. By using the turbine as an ancillary turbine for an existing turbine unit it is possible to apply higher steam pressures and temperatures and thus to attain considerably better thermal efficiencies. These turbines can also be used for working up exhaust steam from reciprocating engines, for stationary as well as marine equipment. They operate with revolutions of up to 10.000 per minute with or without toothed gears; they are now in quantity production.

New Insulated Roofing

The Universal Asbestos Manufacturing Company announces a new type of insulated roofing, which will help keep British factories warm and their fuel bills down next winter. A unique "sandwich" of asbestos cement and mineral fibre will cut heat losses by as much as 85 per cent. compared with a single thickness of ordinary asbestos cement sheeting. The sandwich is fitted, simply and speedily, over the building framework: first an asbestos cement inner lining, specially designed to form an attractive ceiling; then the insulating layer; finally a corrugated asbestos cement outer weathering skin. Four different types are available to meet varying needs, and all but one are eminently suitable also for insulated factory walls. Research into heat loss problems has continued since the company introduced insulated deckings for flat roofs last autumn. It was felt that adequate warmth in factories contributed not only to employee comfort but also to higher productivity. It was also recognised that fuel bills in factories represent an important factor in overall costs and that they must be kept to a minimum if export industries in particular are to remain fully competitive. The purpose was, therefore, to devise a highly efficient form of insulation as an integral part of a simple, economical, easy-to-fix roofing and cladding system that would also be adaptable to various needs and would require little or no maintenance. In the "sandwich" constructions this aim has now been achieved.

4 PER CENT.
STATE GOVERNMENTS LOANS

			Issue Price.
(1)	Government of Andhra	Rs. 600 lakhs	Rs. 99-8 per cent.
(2)	Government of Bihar	Rs. 200 lakhs	Rs. 99-4 per cent.
(3)	Government of Bombay	Rs. 750 lakhs	Rs. 100-0 per cent.
(4)	Government of Hyderabad	Rs. 200 lakhs	Rs. 99-8 per cent.
(5)	Government of Madhya Bharat	Rs. 100 lakhs	Rs. 99-4 per cent.
(6)	Government of Madhya Pradesh	Rs. 150 lakhs	Rs. 99-4 per cent.
(7)	Government of Madras	Rs. 1,250 lakhs	Rs. 99-12 per cent.
(8)	Government of Mysore	Rs. 400 lakhs	Rs. 99-8 per cent.
(9)	Government of Orissa	Rs. 300 lakhs	Rs. 99-4 per cent.
(10)	Government of Punjab	Rs. 200 lakhs	Rs. 99-4 per cent.
(11)	Government of Rajasthan	Rs. 300 lakhs	Rs. 99-8 per cent.
(12)	Government of Saurashtra	Rs. 250 lakhs	Rs. 99-8 per cent.
(13)	Government of Travancore-Cochin	Rs. 200 lakhs	Rs. 99-4 per cent.
(14)	Government of Uttar Pradesh	Rs. 800 lakhs	Rs. 99-8 per cent.
(15)	Government of West Bengal	Rs. 700 lakhs	Rs. 100-0 per cent.

All the State Governments reserve the right to retain subscriptions upto ten per cent. in excess of the notified amount.

All the above loans will be repaid at par on 3rd September 1968 except that of the Government of Bombay which will be repaid at par on 3rd September 1970.

THE LOANS WILL OPEN FOR SUBSCRIPTION ON 3RD SEPTEMBER 1956 AND CLOSE ON 10TH SEPTEMBER 1956 OR EARLIER WITHOUT NOTICE AS SOON AS SUBSCRIPTIONS APPROXIMATE TO THE AMOUNT OF EACH ISSUE.

All the loans will bear interest from 3rd September 1956.

Subscriptions may be in the form of CASH/CHEQUE in respect of all the loans.

3% BOMBAY GOVERNMENT LOAN 1956, 3% MADHYA PRADESH LOAN 1956 and 3% MADRAS GOVERNMENT LOAN 1956 will be accepted AT PAR for conversion into the new loan of the Government concerned; interest on the securities of the respective loans tendered for conversion will be paid upto and including 2nd September 1956.

3½% TRAVANCORE GOVERNMENT LOAN 1956 will be accepted at PAR for conversion into the new loan of that Government. In addition to the interest due on securities of that loan tendered for conversion, tenderers will be paid interest at the rate of 4 per cent. per annum on the amount of the principal of such securities from 16th August 1956 to 2nd September 1956 inclusive.

APPLICATIONS FOR ALL THE LOANS WILL BE RECEIVED AT THE OFFICES OF THE RESERVE BANK OF INDIA AT BOMBAY, CALCUTTA, DELHI, MADRAS AND BANGALORE.

APPLICATIONS will also be received at PLACES WITHIN THE RESPECTIVE STATES as follows:—

(i) At the branches of the State Bank of India and at Treasuries and Sub-Treasuries in the case of Andhra, Bihar, Bombay, Madhya Pradesh, Madras, Orissa, Punjab, Rajasthan, Saurashtra and Uttar Pradesh loans.

(ii) At the branches of the State Bank of India in the case of West Bengal loan.

(iii) At the branches of the State Bank of India and at District Treasuries only in the case of Madhya Bharat loan.

(iv) At the branches and Treasury Pay Offices of the Hyderabad State Bank and at Treasuries and Sub-Treasuries in the Hyderabad State in the case of Hyderabad loan.

(v) At the branches of the Bank of Mysore Ltd., in the Mysore State except at Bangalore and at Taluk Treasuries in the Mysore State at places where there is no branch of the Bank of Mysore Ltd., in the case of Mysore loan.

(vi) At Treasuries and Sub-Treasuries only in the case of Travancore-Cochin loan.

Copies of Notifications and Application Forms may be obtained at any Receiving Office.

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SCHEME FOR IMPROVEMENT OF INDIAN COASTAL SHIPPING—I

NEW DESIGN OF MULTIPLE COASTER, THE "AMBAR JAHAJ"

By U. Shanker Rao

[It is admitted by all that transport is the main bottleneck that must be widened as early as possible, if the production targets aimed in the second Plan are to be hit. While speaking of transport, most people think in terms of railways and roads and not of ships and boats. India has a vast coast line, studded with a large number of minor ports. Coastal shipping, if organised on right lines, can, therefore, play a very useful role in relieving the congestion in railways and roads. Unlike the latter two modes of transport, it does not require vast sums for building and maintaining the track. Sea transport, therefore, offers the cheapest mode for moving men and materials.

In the second Plan, the Government has doubtless provided for development of coastal shipping, though the provision is much less than what is necessary. But what is provided is almost entirely for big ships. Little thought has been given for the introduction of power-operated small boats analogous to the "coasters" used by several Continental countries. Yet, there is no doubt that operation of fleets of "coasters" will serve to ease the pressure on available internal transport, provide fair-sized employment to the large sea-faring people in India's east and west coasts, and bring more prosperity and life to the numerous minor ports which are at present just dead-ends on the transport map of India. In this article and in another to follow, the author, who has devoted considerable thought to the subject of inland and coastal navigation, pleads for the introduction of such small vessels in coastal shipping. He has coined the appellation "Ambar Jahaj" for such vessels. Lest the use of the expression "Ambar" should cause misgivings even at the outset because of its adoption in another context, albeit highly controversial, we hasten to add that this mode of transport does not appear to suffer from the defects of Ambar Charka, the economics of which are dubious. Indeed, the suggestions made by the author are, in our view, worthy of consideration not only by the Government of India but also by business men, for there seems to be money in his proposition.—ED.]

THE inadequacy of transport facilities for the execution of the second Plan has been recognised in many quarters. Transport difficulties and the problems that have surrounded them have been examined from time to time by several competent authorities. Few recommendations, however, have given any permanent relief to the growing transport requirements of the country. Currently, another committee, namely, the Rail-Sea Co-ordination Committee, is once again investigating the various aspects of our transport problems and covering, more or less, the same ground, as was done before. But what is essential to be borne in mind is that there are certain handicaps to Indian shipping—almost beyond normal control—which influence its becoming a rough and ready auxiliary to our primary transport system, the railways. The difficulties of acquiring suitable new tonnage, world shortage of shipping, heavy pressure on our major ports, high coastal freights, and frequent dock labour disputes are some of the problems that confront the natural and rapid development of Indian shipping.

Standardisation of Ships: New Type Needed

The Government has recently announced its decision regarding the standardisation of ships. This is a step in the right direction. But, while this measure would serve the purpose of providing transport facilities between major ports, there is, at present, no reliable and seaworthy class of sea carrier—like the ubiquitous jeep—that can run regular inter-port feeder services, make a better use of rail and road heads in our coastal areas, and help to dovetail the overflow of rail traffic into sea movement.

The absence of a suitable sea link in our coastal movement is a serious handicap to our transport economy. The subject has received little attention, particularly from the technical point of view and few small vessels have been specially designed to suit local conditions. Thus, today, there is no handy carrier for transhipment facilities of "over carried" cargoes, a feature which has become inevitable in modern transportation by conference lines. Reliable feeder services are an essential part in shipping economy. It may be relevant to mention here that one of the contributary factors which had helped to break the London dock labour strike was the facility available to the shipping industry for quick diversion of cargoes from London to other ports which maintained regular transhipment facilities.

Value of A "Coaster"

In Europe, the value of the small ship, popularly known as a "coaster" has been fully recognised. They can load and discharge in small ports, clutter around big ships, navigate shallow drafted rivers and canals, maintain railway schedules, and provide innumerable services between the bigger ports and the smaller ones. As a result of collaboration between shipbuilders, bankers, and captain-owners, the modern coaster has contributed in no small manner to quicker despatch and turn round in British and Continental ports. The Dutch coaster, well known for its efficiency, has been one of the primary stabilising factors in freight rates in coastal operations as Liberty vessels have influenced tramp charter markets. European coasters' mostly owned and operated by captain-owners, range between 250 to 750 tons and carry the products of all West European countries, Belgium, France, Portugal, Mediterranean ports, and even as far as Paraguay, on the Parana river, across the Atlantic. Several prominent shipping companies run their own services between Britain and the Continent using large ships for long distance routes and small coasters for the transport of cargoes to big *entrepots*.

In India, the sailing vessel has more or less served a similar purpose but with many limitations. After the War, many have realised the value of mechanisation and the need for small shallow drafted craft that can run between Bombay and a number of coastal ports. There is a growing demand for transport between Saurashtra and the West Coast, where, owing to rapid industrialisation and the absence of suitable railway facilities, movement by small craft has become inevitable. Today, there is a fairly large collection of heterogeneous ex-naval craft that has been converted for commercial purposes and operate a number of feeder services. A visit to the Tank Bunder (Bombay) would show what a wide and amazing variety of disposal craft—mostly unsuited for local trade—await the end of the monsoon for working in the coastal trade.

Sorley Committee

During the War, the utility of the sailing vessel was geared to relieve pressure on the railways. As a result of the Sorley Committee recommendations and the War Transport Department of the Government of India, the carrying capacity of the sailing vessel fleet had been raised to 1,900,000 tons, that is, 400,000 tons more than in peace-time. Later on, it was possible to divert 680,000 tons per season from the railways to coastal transport.

But, though the sailing vessel has a definite place in our coastal economy and plays an important part, yet its inherent handicaps fail to tackle many of the present-day requirements of coastal transport. Large quantities of steel, machinery, and other goods are being imported to carry out projects in the second Plan. Irregularity of movements, dependence on sail, irresponsible ownership, fraudulent jettisoning, and, above all, unreliability of services are some of the primary difficulties in the sailing vessel industry. Mechanisation will help to a certain extent but would have obvious limitations.

Most of the steamers that operate in the coastal trade, particularly on the West Coast, are second-hand vessels that were not designed or built for the trade, and thus do not meet all the special requirements of Indian coastal ports. As a result, the cost of their operations are high.

Rail Heads are "dead" ends in Ports

As conditions are at present rail-heads in ports are only "dead" ends. This is particularly so in minor ports. Coastal ships do not offer much continuity for rail movement. Thus, there is a break in our coastal transport economy. To add to this difficulty, there is also the problem of limited line and junction capacity on the railways, break of gauge for transhipment, and shortage of wagons. To complicate matters further, the disparity in rail tariffs and coastal freights create many difficulties, thereby limiting full advantage of coastal transportation.

The Nanjundiah Report on minor ports had only divided them into two classes—intermediate and minor. This classification was mostly done on the volume of trade handled, finances available, and other considerations. But a further analysis of the ports on the Indian coast would show that there can be a new subdivision of minor ports. For practical purposes, however, all ports in India can best be classified under two important categories major ports and open roadsteads. A new subdivision in the latter class would be "minor ports" where there is a least depth of 10 feet of water in the entrance channel. From a technical point of view, this depth is of considerable commercial value, such at present not being used by Indian shipping.

Thus, ports like Veraval, Porbandar, Jaffrabad, Mangalore, Tuticorin, Masulipatam, and Cocanada, can enable small coasters of 9 feet draft to go right inside and discharge on the jetties. Most of these ports have warehouses, road and canal connections, jetties and cranes, and a number of other facilities, particularly railway terminals. But, with the present size in our coastal ships, their deep drafts, do not permit them to enter inside and take full advantage of the present rail-heads and other facilities. A case of noteworthy importance is in Mangalore and Tuticorin. The former has a depth of 11 feet, while the boat canal in Tuticorin, which is being regularly dredged, has 12 feet of water. Both have important railway terminals and also a growing trade which demands better transport facilities. But today vessels have to anchor outside the ports and discharge into lighters or country boats and stay as far as 3 to 6 miles off the shore. This involves additional handling costs ranging between Rs. 5 to Rs. 8 a ton in the coastal freights, besides exposing the cargo to damage, pilferage, and delay in turn-round.

The financial position of some of these minor ports do not encourage large-scale undertaking of port improvement and conservancy measure such as dredging and deepening of the bar in the entrance channel. Besides, some of the schemes are of a long term nature and, in our present difficulties of transport, would not offer immediate relief to the problems of the day.

"Ambar Jahaj" or Sea Jeep

What, then, is the answer? To solve our present difficulties in coastal transport and tackle a number of problems such as congestion in major ports, phasing of imports, and rail/sea co-ordination, it is essential to introduce a new design in our coastal ships. This would help to provide reliable, all weather, feeder services. This new type of vessel which may popularly be known as the *Ambar Jahaj*—Universal Ship—would help to dovetail the overflow of rail traffic into coastal movement and provide the basic link in the scheme for improvement of Indian shipping.

The *Ambar Jahaj* is a new design in coastal ships. It is a small and handy diesel-engined coaster, which can combine the cheap and ubiquitous economy of our present sailing vessel with the advantages of the modern coastal steamer. Its special features are shallow draft, seaworthiness, good speed, and a favourable cargo carrying capacity. It is specially designed to work in our new classification of minor ports—the 10-foot depth ports on the coasts and in the estuaries of the Hooghly River, Mahanadi, and in the Gulf of Cutch and Cambay. The vessel has been modelled after the famous Dutch coaster and all the advantages of such design have been included to suit the special requirements of Indian ports.

For practical purposes, a depth of 10 feet of water in the entrance channel enables a cargo load of approximately 275 tons. This load, is more or less, the average optimum usually handled by minor and intermediate ports and thus would ensure full cargoes for such small vessels as the *Ambar Jahaj*. There will thus be no waiting in ports for cargo—a common feature in our coastal trade and a bugbear of owners. Its size and tonnage enable it to working on sailing vessel economy and thus cut down cost of operations.

Proposed Design and Specifications of Ambar Jahaj

Before coming to any conclusions on the basic design and principal specifications for the Ambar Jahaj, the following factors were taken into consideration:

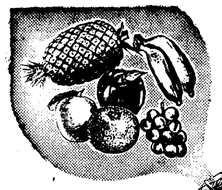
(*a*) Government Rules and Regulations in the Indian Merchant Shipping Act for Home Trade Vessels and Sailing Vessels.

(*b*) Port facilities existing at present such as length of jetties, cranage, and moorings.

(*c*) Pilotage and navigational depths in the entrance bars.

(*d*) Prevailing weather conditions, both in the monsoons and in the good weather season.

(*Continued on page 395*)



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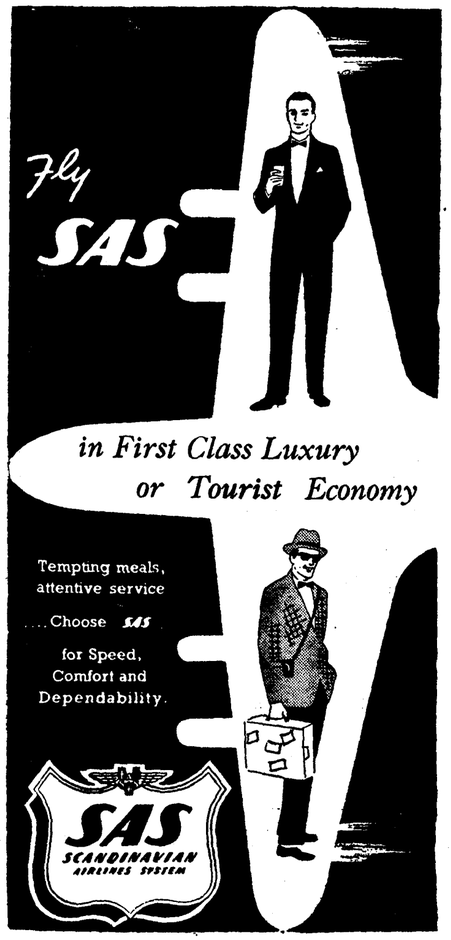

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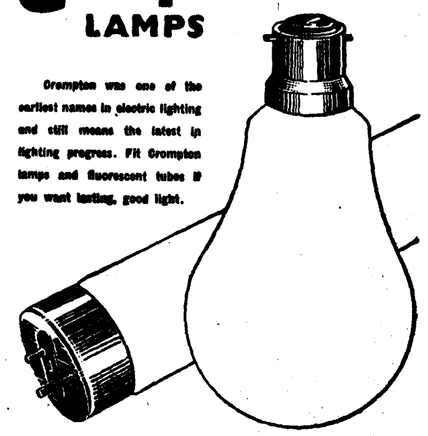

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ADMINISTRATION OF RAILWAYS

DIVISIONAL VERSUS DEPARTMENTAL SYSTEM

By Prof. A. S. Deshpande

ON a number of occasions in the past, the Railway Board was accused of conservatism, lack of imagination and absence of spirit of experiment. Since Independence, however, whatever its failings might have been, it cannot be accused of lack of courage or of desire to experiment. Its bold experiments in the field of passenger classification for example are fresh in the public memory and are a testimony to its courage to experiment.

It is with the same spirit that it has now decided to replace the existing departmental system of organisation on its railways by the divisional one. This decision of the Railway Board, it is generally agreed, will exercise a decisive influence on the working of our railways in the next few years. The railways, as everybody knows, are the lynch-pin of the second Five-year Plan. In spite of this, however, the Planning Commission could allocate to them only Rs. 1,125 crores as against Rs. 1,400 crores which the Railway Board had asked for. It is, therefore, feared that, with this reduced amount, the railways may not be able to handle all the traffic that will be generated during the second Plan period. The certainty about the inability of the railways to handle all the traffic that would be offered to them has been highlighted by the recent report of the World Bank Mission. There is thus general agreement that transport bottlenecks may hamper our efforts to reach the production targets laid down in the second Plan. This has thrown a challenge to the Ministry of Railways which must put their shoulder to the wheel, boldly and wholeheartedly, and direct all their energies to the fulfilment of the great task allotted to them.

Naturally, commonsense should dictate that all extensions of railway lines which are being undertaken, not primarily for the purpose of lifting the traffic that will be generated under the impetus of industrialisation given by the second Plan but rather as a concession to vociferous politicians who have sought to obtain a favour for their own particular areas, should be scrapped forthwith, and the money thus saved should be diverted to other directions where the railways would profitably utilise it to lift the additional traffic. An expansion of the railway system, where it is planned to meet a purely local demand or to satisfy the economic yard stock that no town or conglomeration of villages will be more than 100 miles away from a railway line, cannot obviously be financed at a time when there is such a stringency of funds. The use of scarce materials, the deployment of staff, the burden on administrative machinery—all these must be avoided at a time when the energy of a country should be bent towards meeting its unavoidable needs.

Immensity of the Task

If a region has been without a railway line for 100 years, nothing calamitous can happen if it is not provided with it for another five years; but, if bottlenecks are caused by increased inability to undertake the necessary measures for want of funds, the whole plan for the rapid industrialisation of the country, and for the uplift in the standard of living of the people may be jeopardised. Similarly, if there is administrative failure, even though the men and materials are available, then railways can be taken to task for hamstringing a country-wide effort in achieving the nation's goal.

The Railway Board, therefore, must decide, first, to utilise the limited financial resources allocated to them most economically and efficiently to increase the capacity of the railways by adding to the rolling stock and by widening the bottlenecks; and, secondly, they must try to concentrate all their energies on improvement of the operational efficiency of the railways. In fact, it has been urged that a substantial improvement in operational efficiency is imperative, in order to enable the railways to bridge the gulf between the estimated requirements during the second Five-year Plan period and the actual allocation of funds for the various programmes of rehabilitation and expansion.

It is, in this context, that the amazing claim has been made by the Railway Board that, in order to increase operational efficiency and to improve administration in general, the divisional system is being brought in on all the railways which have been run on a departmental system. It is claimed that the divisional system, based on the principle of decentralisation, will ensure better co-ordination at lower levels and help improve operational efficiency to a considerable extent.

Before examining this claim of the Railway Board, it is necessary to describe the two systems. Accordingly, a brief outline of the two systems of organisation is given below:

A railway organisation, having widely varying activities and conducting them in many places, can divide its work in two different ways, namely, functionally and regionally. That is to say, all the activities of the undertaking are first classified and grouped and each group of activity is entrusted to a set of officers whose education and training have suitably equipped them for the discharge of their particular functional responsibilities. Then, the area in which the undertaking operates is divided into regions of a size that one functional officer can efficiently discharge his functional responsibility throughout one region.

Next, an organisational system has to be so contrived as to ensure that the work of all these officers can suitably be directed, co-ordinated and controlled. This can be achieved by a General Manager as the Executive Head, assisted by a group of functional advisers. Efficient co-ordination between these officers at the headquarter and those working in the regions may be secured by two different methods of organisation.

The first is departmental organisation, in which each regional officer is directly responsible to the chief officer of the particular functional department at the headquarters. The second is the divisional organisation, in which a divisional superintendent is appointed for each region to whom all regional officers in his region are responsible. The divisional superintendent in turn is directly responsible to the General Manager and his principal officers as the chief functional advisers.

Merits

Now to examine their merits. Fortunately, our work has been made easy by the Railway Enquiry Committee of 1947 which made a careful study of the working and of the operational efficiency of both these systems. The Committee found that the speed of goods train in miles per hour was definitely better on all railways with a departmental system. The same was also generally true of other activities as well, except under 'locomotives awaiting repairs' where the divisional railways made a good showing. The Committee felt that it was difficult to draw any firm conclusions as to whether good or bad performance of a railway was primarily due to its organisation. Nevertheless, it was of the view that, from the general trend of available data, it was apparent that, whatever the reasons might be, the railways organised on a departmental basis had generally produced far more satisfactory results than those run on divisional lines.

The Committee also expressed the view that, under the departmental system, the Divisional Officer, with a smaller beat and residing well within it, had a more direct control over, and intimate contact with, his staff, the result being a better standard of discipline and efficiency, as compared with the conditions on a railway worked on a divisional basis. The pressing need at present being constant contact between the officers and the men, the departmental system, the Committee felt, would appear to be superior to the divisional system. Even the then Railway Board, which was consulted by the Committee, was of the view that the divisional system had not necessarily produced better results.

In the face of such an adverse verdict against the divisional system, the latest decision of the present Railway Board is, indeed, a bold one. It is true that eight years have passed since the Committee came to its conclusions and much water has flown under the bridge since then. Conditions might have changed during this period and the Board might have felt that the divisional system would yield better results now. It is, however, difficult to share this confidence of the Railway Board, because, first, the wisdom of the past embodied in the proverb warns one against 'change of horses in mid-stream'; secondly, the Railway Board on its part has not tried to convince the public that the divisional system is equally, if not more, efficient, as the departmental system and that the present time is opportune for this change of system. Had its decision been endorsed by an expert committee, it would have given added strength to its case and helped to remove doubts born of the observations of the 1947 Enquiry Committee.

No Concrete Proof

Thus, on the one hand, there is no concrete proof to justify the conclusion that the divisional system on our railways will be as efficient as the departmental system; on the other, there are many reasons to fear that its introduction at the present juncture will adversely affect the efficiency of the railways. In the first place, this changeover will create a host of administrative problems. It is well known that the Divisional Superintendent has to be an all-rounder, if the system is to function efficiently. Such men, however, are not born but have to be trained over a period of time. They will not, therefore, be available in sufficient numbers in the initial and the most critical period. The Divisional Superintendents will be only specialists in one of the branches of the railway operation and, given the best efforts and intentions on their part, they may not prove equal to the tasks they are called upon to shoulder. Operational efficiency will, therefore, be the first victim of this change. Secondly, severe dislocation and, therefore, loss of efficiency are bound to be caused by wholesale transfer of administrative and technical personnel. Already, notices of strike have been served by the local unions from a number of centres and, if, unfortunately, strikes do take place, they will seriously hamper the working of the railways. Thirdly, wholesale transfers will also create the problem of rehabilitation which will direct the attention and the energies of the top officials from the urgent task of lifting the ever increasing volume of traffic. Lastly, wholesale transfer of administrative and technical personnel will impose a psychological strain on those who are so uprooted; their efficiency is, therefore, bound to suffer.

For these reasons, it is to be earnestly hoped that the Railway Board will re-examine its decision to introduce the divisional system at the present moment and that it will not allow its sense of prestige to stand in the way of the larger national interests which demand that the railways must utilise their limited resources in the most efficient way and help the country to reach the targets of increased production.

The Government is considering a proposal to set up a metre-gauge coach manufacturing factory round about Bareilly in Uttar Pradesh. This was revealed in Parliament by Mr. Shah Nawaz Khan, Parliamentary Secretary to the Railway and Transport Minister. Replying to a question on the cost of coach building, he said that the cost of a coach manufactured in Perambur coach factory was Rs. 180,000 plus Rs. 60,000 for furnishing, while that of coach produced in the Hindustan Aircraft factory was approximately Rs. 140,000. According to him, the Government had made arrangements for meeting the requirements of 6,156 broad-gauge and 4,786 metre-gauge coaches for the Indian Railways during the second Plan period.

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WORLD BANK MISSION ON ECONOMIC PROGRAMMES AND POLICIES

PRIVATE SECTOR SHOULD BE GIVEN ADEQUATE RESOURCES AND INCENTIVES

[In view of the numerous enquiries we have received from our readers, asking for a copy of the full text of the report of the World Bank Mission on the second Plan and the economic policy of the Government, we publish on these pages the observations of the Mission in full, even though we have already made fairly detailed references to it in our issue dated 4th August 1956. Strictly speaking, it is not correct to call it a report; it is more a memorandum than a detailed report. This memorandum was submitted to the Finance Minister, Government of India, on 30th June 1956, on a personal basis, in response to his and his colleagues' request, expressing an interest in receiving the views of the economic Mission. As the Chief of the Mission, Mr. Thomas H. McKittrick, says in his covering letter to Mr. C. D. Deshmukh, the then Finance Minister, the observations contained in the memorandum are only those of the Mission and do not reflect the views of the Bank's management. The Mission will shortly be submitting a separate detailed report to the World Bank for the latter's information and use. While it is possible that a copy of this report may be sent by the Bank to the Government, there is no likelihood of it being made available to the Press and the public.—ED.]

THE Mission has been very much impressed by the progress made in India during the last five years. This progress is not susceptible of expression purely in terms of rising national income and improving conditions of life. It is reflected also in intangibles—a new buoyancy and hope, a new confidence, and an awakening desire for self-improvement, all of which will help to give momentum to a continuing development programme. Moreover, it is evident that development is not considered simply a process planned and carried out by the Government, but one which is enlisting the participation and mobilising the energies of the people through the community development programme and similar measures. This is a sound and democratic approach.

We are convinced that there is still a large economic potential in India which will make possible a gradually accelerating advance in both industry and agriculture. The rate at which this potential can be realised depends as much on the development of the capacities of the Indian people as on the volume of investment.

In general, we have been impressed by the intelligence and thoroughness with which development programming in India is being carried out, as well as by the understanding shown of all of the problems involved. Wherever we have been, we have found little inclination to complacency and a widespread receptivity of constructive criticism. Taking advantage of this spirit, the Mission would like to record some critical observations which it is making entirely on its own initiative and without in any way engaging the responsibility of the Bank.

Too Ambitious

We believe that the second Five-year Programme is somewhat too ambitious. While realising that the size of the Plan must be such as to capture the popular imagination and to challenge the country to greater efforts, the targets must at the same time be sufficiently realistic to avoid the adverse psychological effects resulting from a marked failure to accomplish them. The Plan seems too large in relation both to the administrative and technical resources and to the financial resources likely to be available on even the most sanguine assumptions. Having, however, now committed itself to the Plan and the targets in it, the Government must henceforth concentrate on widening the administrative, technical and financial bottlenecks, on the one hand, and prepare itself to make such timely adjustments in the programme as circumstances may require.

The administrative sphere, we understand that the Government is fully seized of the problems involved and has recently received a report from a foreign expert on public administration which points the way to certain administrative reforms designed to expedite the transaction of public business. In this connection, we would lay great stress on the need to have the various Ministries charged with carrying out development make prompter, more frequent and more up-to-date reports on their actual development expenditures and the physical progress of projects under their jurisdiction. We are struck by the fact that data on actual expenditures are now several years in arrears. Only by having up-to-date progress reports at their command can the Cabinet and the responsible Ministers take timely action to anticipate and remove developing bottlenecks and keep progress in all sectors in balance.

We fully appreciate the emphasis laid on flexibility in the Plan and on the need for year-by-year programming within the broad framework of the Plan in the light of changing circumstances. While realising that significant adjustments can be made only in connection with the preparation of the annual Budgets, we would urge that prompt and continuing attention be paid to planning in advance the type of changes which can be made without creating serious imbalances in the programme. In such advance planning, a distinction would obviously have to be made between the adjustments required by a shortfall in foreign exchange resources and those made necessary by a failure to mobilise sufficient domestic resources. The need for flexibility in planning is all the greater in an economy which is still largely agricultural, and where marked fluctuations in the agricultural output, owing to variation in the incidence and distribution of rainfall, are bound to recur. Past experience, and particularly experience in the last year, has demonstrated that even small changes in the harvest produce disproportionately large changes in the availability of food to the market sector of the economy and correspondingly large fluctuations in food prices and in imports. The Government has rightly stressed the importance of maintaining stability in the prices of foodstuffs, which represent such a critical portion of the people's consumption. In this connection, we wonder whether it would not be appropriate for the Government to consider raising the target of foodgrain buffer stocks which are necessary to keep the price of food more stable in the interest of avoiding urban unrest.

Financial Sphere

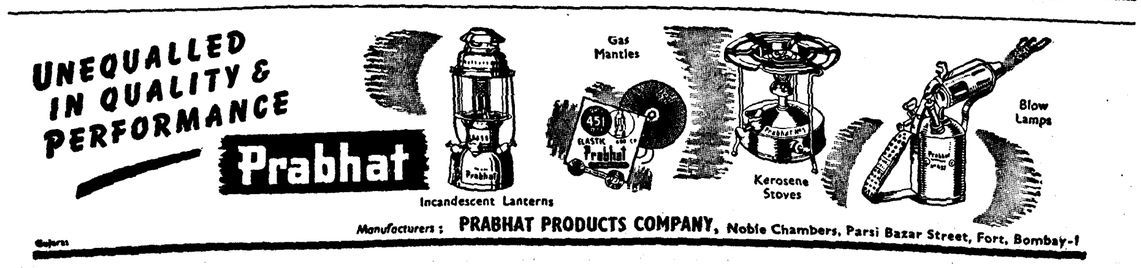
In the financial sphere we would urge (a) considerable caution in resorting to deficit financing, (b) a greater emphasis on raising more revenues through the adoption of more realistic pricing policies for the services and benefits rendered by Government to the people, and (c) care in raising the additional taxation required to avoid such increases as might seriously impair the incentives of, and the resources available to, private business. While we recognise that a certain measure of deficit financing may well be necessary to make money supply fully responsive to the needs of an expanding economy, the measure of such financing proposed in the Plan will produce an expansion of money supply considerably exceeding the requirements of the economy. Quite apart from the possibility of raising more tax revenue, we believe that there is still considerable scope for increasing Government income by raising railway rates, charges for power and water and, in some cases, port charges. In view of the great need to capture a considerable portion of the rise in national income for reinvestment, it is necessary to make certain Government enterprises, particularly those in the field of power, irrigation and transport, earn larger surpluses. In raising more taxes, we think it important that the Government avoid an all-out effort to increase direct taxation just for the purpose of achieving public investment targets, if this can be accomplished only at the risk of substantially impairing the resources and incentives of the private sector; for the latter, as we shall later point out, is still expected to contribute the lion's share of the anticipated rise in national income.

We are deeply concerned about the transport situation. As we travelled about the country, we were impressed again and again by the inability of the railways to cope with the existing traffic, and by the congestion in the ports, which was itself partly due to inadequate rail facilities. While the Plan contemplates a substantial increase in railway investment, and port congestion is being relieved to some extent by expansion of physical facilities and the introduction of incentive schemes for stevedoring labour, we are by no means fully assured of the adequacy of these measures. We urge that the Government review its whole transport policy and programme with a view to maximizing transport by all available means—by rail, roads, coastal shipping and inland waterways. While we are unable to suggest in detail how this might be accomplished, we consider it important that both the level and structure of railway rates be revised promptly so as to provide more incentive for the utilisation of other means of transport. We are inclined to discount the objection that an upward revision of rates would impose an excessive burden on the economy, because there is no justification for maintaining rates at economically unrealistic levels, particularly if these result in a transport bottleneck which would make it impossible to achieve the production targets of the Plan. Nor are we impressed by the fact that, on the present system of accounting, the railways are already earning a substantial profit; it is clear that the provision made for depreciation in the past has been quite inadequate to meet replacement needs in full and we feel that the railways ought to be financing a much larger proportion of their current development programme out of their own resources.

How to Overcome Transport Difficulties

As additional measures to overcome transport difficulties, we would suggest that the Government consider: (a) more energetic measures to remove State and inter-State restrictions on road transport; and to reduce tax rates bearing on road transport; (b) greater emphasis on the use of special wagons for the movement of coal and ore and on the establishment of fully mechanised loading and unloading facilities, in order to reduce the time during which such capital-intensive facilities as railway wagons and ships are kept immobilised; (c) the possibility of changes in the present system of allocating coal wagons to the collieries on a day-to-day basis; (d) examination of the feasibility of a fully mechanised coal and ore port on the West bank of the lower Hooghly, in order to relieve congestion in Calcutta and as a possible alternative to the plan for the expansion of ore exports through Visakhapatnam; and (e) lifting, at least for a time, the prohibition on the chartering of coastal vessels so as to increase the carrying capacity of the coastal fleet.

Above all, we urge that every effort be made to improve the operating efficiency of the railways for which there is apparently still considerable scope. While it is tempting to meet the developing railway bottleneck by still greater investment, the prospective shortage of resources makes it imperative to resist this temptation as far as possible and to exhaust all possible means of improving efficiency, especially in view of the already large foreign exchange requirements of the railway programme. We realise that the Railway Board is aware of this problem and has engaged a team of American experts to devise various ways and means of coping with it. We trust that the team's recommendations will receive full consideration, and that it will be given every opportunity to suggest improvements in operating procedures and methods which will economise on the investment required. We appreciate that changes in established procedures can only be introduced gradually, and that the necessary retraining of staff will be a long process. But the great progress made in recent years in the application of modern techniques to Indian industry encourages us to believe that on the railways, too, significant results could be achieved even within the period of the Second Plan by the adoption of more efficient and up-to-date methods of operation.



Cottage and Small-scale Industries

We have substantial doubts about some parts of the Government's programme relating to cottage and small-scale industries. We fully endorse the Government's effort to raise the efficiency and standards of these industries, and we sympathise with the Government's concern to increase employment opportunities. We also understand the practical necessity of providing moderate subsidies to enable these industries to compete with factory enterprise, at least until modern industrialisation has made greater advances in India. In particular, we consider the programme for the promotion of small-scale industries, as distinct from village (or hand) industries, to be soundly conceived and calculated in the long run to encourage a healthy dispersion of industrial ownership. At the same time, we think that the difficulties inherent in an effective expansion of small enterprise are considerably underestimated, that the impact of the programme will be slow in manifesting itself, and that, therefore, the contribution to national income expected from small-scale and village industries under the Plan is probably substantially overestimated. Above all, we question the wisdom of insisting on so-called "common production programmes" whereby the required increase in output of more or less essential consumer goods is allocated between the factory and non-factory sector, thus involving excessive reliance on the unproved ability of the non-factory industries to meet the necessary demand.

Textile Policy

In this connection, we have especially serious misgivings about the recently announced compromise for meeting the expected increased demand for cotton textiles. We believe that this compromise will prove largely unworkable. In our frank judgment, it greatly underestimates the practical difficulties of installing and getting into operation the requisite number of Ambar Charkhas and powerlooms on a decentralised basis. We question, too, the feasibility of making the installation of automatic looms in the mill sector conditional on the allocation of the output of these looms to exports and of making the failure to meet this condition subject to a penalty, the nature of which appears to be unspecified. We are even inclined to doubt that the mills will have adequate incentive to install the additional spindles necessary to supply a much greater quantity of yarn to the handloom sector, in view of the uncertainty that the handloom sector will really be capable of producing the increased production expected of it; the fact that the existing quota for spindles has apparently not been taken up in full appears to bear out our misgivings.

We understand that the Government is prepared to review this programme if experience indicates that the hand-spinning and decentralised weaving sector does not live up to expectations, but we fear that the necessary remedial action might well come to late in view of the time required to procure and install mill machinery and to reach a concensus that the programme has really been a failure. We, therefore, believe that the current programme will either jeopardise the supply of an essential consumer item at reasonable prices on the domestic market or bring about a serious curtailment of exports at a time when prospective export earnings appear already far short of what is required. We understand the need for Government measures to support the production of *khadi* and handloom cloth by various measures, but we believe that any such measures should leave the mill sector free to expand in the light of its own judgment of markets.

For all the assurances we have received to the contrary, we remain unconvinced that sufficient attention is really being given in the Plan to the promotion of exports. Quite apart from the harm which may be done to exports by restrictions on the output of cotton textiles, we believe that more could, and should, be done actively to assist exports in other fields. It is our impression, for instance, that tea exports are being adversely affected by inadequate facilities for transport to Calcutta, by shortage of coal on the tea estates, by constant pressure for higher wages, bonuses and improved social amenities and, on some of the more progressive estates, by the restrictions on re-planting. These are all matters which can, in varying degrees, be influenced by the Government, and we feel that the Government has not always used its influence in the way best calculated to foster the competitive power of this vital export industry. We would urge, too, that greater emphasis be placed on the production of other cash crops for export, particularly vegetable oils and cotton. In this connection, we respectfully suggest that the policy of imposing restrictions on exports of commodities such as groundnut oil, in order to conserve supplies for domestic consumption, is generally a misguided one, and that it will usually be in the best interests of the economy to allow producers to export whatever they can.

Private Enterprise

The importance of private enterprise in the continuing economic development of the country is another factor which we would like to stress. We appreciate that the Second Five-year Plan offers an opportunity for the "co-existence" and simultaneous expansion of both the public and private sector and we have noted with gratification that the Prime Minister and other responsible Ministers have emphasised the need for private enterprise. Nevertheless, we believe that the importance of private business has not yet been sufficiently recognised and publicised. The record bears out the fact that private enterprise has performed creditably during the last five years with respect to both investment and production. In the organised sector of manufacturing and mining, private business has contributed 90 per cent. of the increase in net output during this period. Owing to the capital-intensive nature of much of the contemplated public investment in industry and mining during the Second Plan, Government plants and mines are expected to contribute only 29 per cent. of the anticipated increase in net output of mining and manufacturing, as compared with a 54 per cent. share in the total planned investment. On the other hand, private business in this sector is expected to account for 71 per cent. of the rise in net output. Considering the probability that the village and small-scale industries may fall considerably short of the targets set for them by the Plan, the importance of the organised private sector becomes even more evident. It is, therefore, vital that the private sector be given adequate incentives and resources to enable it to make its requisite contribution.

We recognise that the Government has assisted, and is continuing to assist, private business financially and in other ways, and that the Government is also providing basic facilities and an expanding market for private business through rising expenditures on development. Under favourable circumstances, there is no reason why private business should not continue to expand to the benefit of the whole economy. From its numerous conversations with Indian businessmen in all parts of the country, the Mission became convinced that private business is definitely "expansion-minded", that it still has sufficient incentive to forge ahead, and that a substantial increase in investment is currently taking place.

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Foreign Capital

We wish to add one final observation regarding private foreign enterprise and capital. At this stage of development, India certainly needs the contribution which can be made by foreign technology, private capital and management. The Plan itself counts on private foreign investment to an amount of Rs. 100 crores. It is evident, however, that this target is impossible of attainment, unless positive measures are taken to encourage and facilitate foreign investment and enterprise. At present, the attitude of both the Government and Indian business towards foreign capital and management is too negative and grudging and can at best be regarded as tolerating rather than encouraging foreign participation. In the post-war experience of many countries, there are striking examples of the constructive contribution which foreign capital and enterprise has made to national welfare. In India, foreign or joint Indian-foreign ventures can have a useful leavening effect on the economy. In our opinion, Indian business has in recent years been excessively shielded against competition from abroad and from foreign-managed ventures capable of operating in the Indian market. More competition from both sources is likely to improve the quality of Indian manufactures, which, in many respects, is still too low, and to inculcate in Indian business an attitude which will put more emphasis on expanding output at lower unit costs and profits.

There is evidence that foreign enterprise will be attracted to invest in a large expanding market, provided the investment climate is made more favourable. In our opinion, the Indian Government should make a determined effort to enlist foreign capital and management for new ventures. We urge that a single agency or department be made responsible for publicising the opportunities for participation by foreign capital and for expediting all necessary approvals and clearances for foreign investors. We would suggest also that the National Industrial Development Corporation, which has been established to fill the "gaps" in India's industrial structure, make every effort to invite the participation of foreign as well as Indian private capital and management in any new ventures which it regards as feasible. In this connection, we believe that further consideration will need to be given to the whole question of the taxation of foreigners working in India, particularly in respect of perquisites. We recognise that the Government has given sympathetic consideration to representations made by the foreign business community following the 1955 Budget, and that certain concessions have been made—for instance, over passages. We are aware also of the three-year tax exemption granted to foreign technicians. But we doubt whether these concessions go far enough to make a career in India reasonably attractive to the senior staff of foreign firms, and unless firms can find members of their staffs ready to work in the country, we fear that the full opportunities for foreign investment may not be realised.

We sympathise with the desire of the Government to have joint Indian-foreign ventures rather than wholly foreign-owned enterprises. At the same time, we believe that this desire should not be pushed so far as to deprive the foreign investor of an effective share in the management of the enterprise without which he is unlikely to risk his capital. In our view, for example, it would be a mistake to insist on such a measure of Government participation in the exploitation and development of oil resources as to discourage foreign oil ventures and saddle the Indian economy, which is already short of capital, with the excessive burden of finding the large amounts of capital which are necessary for an effective programme in this field.

The observations which we have made should not be regarded as detracting from our general approval of the broad outline of development which India proposes to follow. They are offered only in the confidence that the Government fully appreciates a frank outside appraisal of its development programmes and policies.

EXPORT CREDIT INSURANCE

COMMITTEE RECOMMENDS SETTING UP OF RS. 5-CRORE CORPORATION

THE Export Credit Guarantee Committee, (Chairman: Mr. T. C. Kapur) appointed last year by the Government of India to investigate the question of export credit insurance scheme for India has submitted its report to the Government. The Committee, it may be recalled, was asked (1) to examine the nature and scope of export credit guarantee scheme, and (2) to make recommendations in regard to (*a*) the nature of the risks to be covered, (*b*) the basis on which premia should be fixed, (*c*) the structure of organisation that will be required for the implementation of this scheme, and (*d*) any other matter necessary for the implementation of the scheme. The broad principles of the scheme which the Committee has recommended appear to be unexceptionable. The main feature of the Committee's recommendation is that the Government should set up a State-owned Export risks insurance corporation, with a capital of Rs. 5 crores, to operate a scheme of voluntary export credit insurance scheme. The Committee has emphasised that the scheme should be implemented without delay, in view of its importance as an export promotion measure.

Making out a case for instituting a scheme of export credit insurance, the Committee has expressed the view that such a scheme is an important export promotion measure. It has adduced certain additional reasons for starting the scheme. These are: (*a*) The demand for credit terms is being made for all exports and is likely to increase even for traditional exports such as jute fabrics, tea, minerals, and cotton textiles. (*b*) More small and medium-sized firms are coming into the export business and this class of firms has a great need for insurance. (*c*) Export credit insurance makes export finance facilities more readily available. (*d*) Insurance helps the exporter to develop new markets. (*e*) Competition from exporters from other countries having insurance facilities can be met if, other things being the same, Indian exporters are placed in a similar position as their competitors in regard to credit insurance. (*f*) There is a pressing need to earn foreign exchange. The majority of members of the Committee have proposed that the scheme should be worked as a voluntary basis for a reasonable period. Mr. S. C. Roy, a member of the Committee, in a minute of dissent, however, has proposed that the scheme should be made compulsory forthwith. The majority view is that, if, after the facilities of the organisation have been available for a reasonable period, a request is made by a substantial section of any particular trade that all exports on credit basis should be covered by the scheme, their request should be examined. Where all exports of a particular trade are insured, a rebate in premium rates of 15 per cent. to 25 per cent., it is stated, should be possible. Similar arrangements might be made, if the Government is satisfied that the use of credit insurance by all exporters of a particular commodity is in the interests of the export trade as a whole and of the individual trade concerned.

Risks

Both commercial and political risks, including any cause not being within the control of the exporter or of the buyer, are recommended to be covered. In the case of commercial risks, the Corporation should cover 80 per cent. of the risks and in the case of political risks, 85 per cent. For promotional policies, 50 per cent. of unrecouped expenses should be insured. Among the risks which are beyond the exporters' control and which arise in India, only export control risk is to be covered. The Committee has also recommended that risks involved in exports on consignment basis or for exhibition at an overseas fair, moneys due from services rendered and development of foreign markets should be covered. Repudiation, exchange fluctuation and devaluation risks will not be covered. The exporter may wish to insure the pre-shipment risks as well. This means that insurance will commence at an earlier date and the period for which the risks will be covered will be longer than that for which post-shipment risks are covered. Pre-shipment risks are to be covered for a period of four months preceding the date of shipment. Post-shipment risks in the case of raw materials will be covered for three to four months, consumer goods up to six months, light capital goods up to two years and capital goods up to three years from the date of shipment, provided, where risk of more than six months is to be covered, certain essential conditions will have to be satisfied.

The exporters, according to the Committee, should normally be required to insure all their exports of the trade in a period of twelve months. In special cases, however, exclusion of export to any one or more countries may be agreed to, provided, in the opinion of the Corporation, what is left after this exclusion allows a proper spread of risks and provided also the exporter agrees to pay an additional premium. Exporters dealing in goods which belong to more than one trade should be allowed, in appropriate cases, to insure only a substantial group of exports which come under a single reasonable category. The exporters will have the option to insure both the commercial and political risks together or only political risks.

Premium Rates

As regards premium rates, it is pointed out that, in fixing them, all relevant considerations should be taken into account. These considerations include the types of risks and their causes, the markets to which the goods are exported, the types of goods, the period for which the risks are covered, the past experience of the exporter and the spread of risks offered by him for insurance and the expenses of management. The Committee has recommended that, for purposes of fixing premium rates, the countries should be classified into six groups and commodities into three groups. It has also recommended that the scheme should be worked on a no-profit-no-loss principle and that the premium rates should be kept as low as possible.

The Committee has laid down a schedule of maximum periods for settlement of claims. In the case of insolvency of the foreign buyer, claims should be paid as soon as the buyer is adjudged insolvent and in that of c.i.f. and diversion risks on proof of loss being finished. Claims in respect of promotional policies should be settled within sixty days after the final audited accounts are finished and in respect of those of default and transfer risks six months after the due date. In all other cases, the claims should be settled within six months after the date of the event which is the cause of the loss. Recoveries made after payment of claims should be divided between the insurer and the insured in the same proportion in which they carry the risks. In order to infuse confidence in the minds of exporters, the Committee has suggested that every policy issued by the Corporation should carry a Government guarantee. Premiums, as well as claims, it is suggested, have to be paid at the rate of exchange effective on the date of commencement of the risk.

The capital of the Corporation, as stated at the outset, will be Rs. 5 crores, of which Rs. 50 lakhs will be paid up. The Committee believes that, with such a capital structure, the Corporation would be able to carry at any time a risk up to Rs. 50 crores which is considered to be the maximum that could be achieved by the end of the first five years. The registered office of the Corporation will be at New Delhi though it may open branch offices at different centres. The management of the affairs of the Corporation, it is recommended, should vest in a board of directors, consisting of seven members, including either a whole-time chairman or a whole-time managing director. The directors may delegate powers for day-to-day administration to the principal officer, whether he be the chairman or the managing director.

Among other recommendations, made by the Committee, mention may be made of the following:

(1) Since premium rates are to be kept confidential, if any rule or regulation requires an exporter to show the premium paid separately in any return or statement, suitable amendment should be made to such rule or regulation. (2) The export credit insurance organisation being a non-profit making concern, reserves built up by the Corporation should not be treated as profit in the commercial sense and should not be made liable to income-tax. For this purpose, necessary legislative or administrative action should be taken. (3) The premiums paid by an exporter to the Corporation should be an allowable deduction for the purposes of income-tax. (4) The Corporation should become a member of the *Union D'Assureurs Pour Le Controle Des Credits Internationaux* (Union of Insurers for the Supervision of International Credits).

A notable feature of the Committee's report is that it envisages the association of non-official representatives at different levels in the working of the Corporation. It recommends that an advisory council consisting of not more than 21 members representing the export trade, banks engaged in financing exports, export promotion councils and commodity boards, should be set up. The Council will advise the Corporation regarding the insurance needs of the export trade, the changes taking place in the export trade and the steps to be taken to provide for new conditions. Two of the Corporation's directors should be elected by the Advisory Council. Again, as and when branch offices are set up, there should be local advisory boards to help and advise such branch offices.

EXPUNCTION OF REMARKS ON COMPTROLLER

The Speaker of the Lok Sabha, Mr. Ananthasayanam Ayyangar has ordered the expunction of certain remarks on Comptroller and Auditor-General made by the ex-Finance Minister, Mr. C. D. Deshmukh in the course of the debate on Life Insurance Corporation Bill. It may be recalled that in the Bill (as in the Act now) no provision was made for audit of the Corporation by the Comptroller and Auditor-General. At the time the Bill was being debated by the Lok Sabha, a note, which the Comptroller is said to have circulated among the members, criticised the exclusion of his jurisdiction over the affairs of the Corporation. The Finance Minister defended his decision and revealed that, when he took the initiative in suggesting nationalisation of life insurance to the Cabinet, he had said that he would not recommend the course if the Corporation was to be audited by the ordinary audit machinery. He also took strong exception to the note which had been circulated among the members. It was then that he made the remarks which are now to be expunged from official records. The order of the speaker said:

"I have received a representation from the Comptroller and Auditor-General that certain references to the office of the Comptroller and Auditor-General made by the Finance Minister during the debate on the Life Insurance Corporation Bill on the 21st and 22nd May 1956, might be expunged from the records as being derogatory to the dignity of his office. I have carefully gone into the matter, as also the relevant debates. I am of opinion that certain expressions, which I reproduce below, are unparliamentary and may not have been used with reference to the Comptroller and Auditor-General who is a high dignitary under the Constitution and who is expected to conduct on behalf of Parliament an independent audit of public transactions.

"The words to be expunged are: (I) 'Shall we say, in desperation.' (II) 'The Comptroller and Auditor-General should be like a ghost haunting the debates of the House.' (III) 'Certainly, as the Hon. member said, if the Comptroller and Auditor-General wanted to proclaim his views from the housetops, there was nothing to stop him. But, that is precisely what he failed to do. He did not go to the housetops, but he went to the basement in order to circulate these notes—that is my objection on the ground of constitutional propriety.'"

In the Lok Sabha, a reference to this order was made during question-time. One member wanted the Speaker to let the House know the procedure to be followed in a matter of this kind. The Speaker replied that he had ample powers to exercise his discretion in expunging portions of speeches made in the House.

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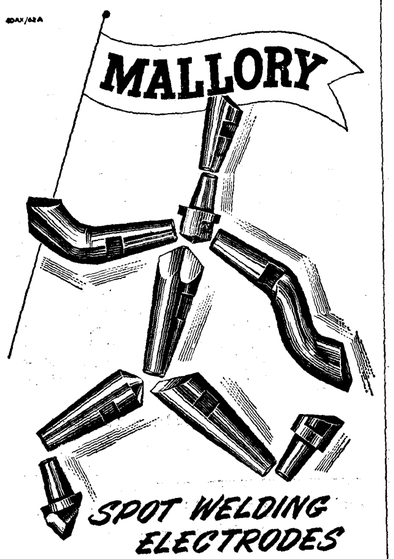
A slight increase in the aggregate net premium income from Rs. 3.40 lakhs to Rs. 3.71 lakhs denoting a certain expansion in business is the feature of the working of the Hyderabad United Insurance Co., Ltd. (General Manager: Mr. H. D. Mehta, Hyderabad, Deccan), during the year ended 31st December 1955. With no appreciable change on the claims side, the profit for the year stands slightly higher at Rs. 80,353 as against the previous year's Rs. 27,922.

An analysis of the working of individual departments shows that the net premium income of the fire department has gone up from Rs. 2.38 lakhs to Rs. 2.80 lakhs. Claims paid and outstanding have not been quite favourable in that they have increased from Rs. 47,780 (20.6 per cent. of the net premium income) to Rs. 70,737 (25.2 per cent.). After raising the reserve for unexpired risks and additional reserve from Rs. 1.19 lakhs to Rs. 1.40 lakhs, the profit for the year amounts to Rs. 44,603 as against Rs. 51,494. The net premium income of the miscellaneous department has fallen from Rs. 75,283 to Rs. 63,741. The loss ratio which had sharply shot up to 62.4 per cent. from 23.5 per cent. in 1953 declined to 45 per cent. The reserve for unexpired risks and additional reserve amount to Rs. 31,870 as against Rs. 37,642 made in the previous year. With a lesser claim and a smaller provision for reserve, the department has recovered from a deficit of Rs. 33,349 to a profit of Rs. 3,410. The net premium income of the marine department has staged a minor increase from Rs. 26,400 to Rs. 26,962 and the losses have been slightly lower at 44.3 per cent. as against 52.8 per cent. The reserve for unexpired risks has been maintained at 100 per cent. and even with that, the department has been able to make a profit of Rs. 9,093 as against the previous year's loss of Rs. 9,722.

The reserve for bad and doubtful debts has received Rs. 20,000 as against Rs. 9,919 and the taxation reserve Rs. 25,000 as against Rs. 5,000. The surplus left to be carried forward is Rs. 9,883 as compared with Rs. 12,991 brought in.

The Company's paid-up capital stands at Rs. 10.81 lakhs supplemented by reserves and surplus amounting to Rs. 3.62 lakhs, inclusive of a fire fund of Rs. 1.40 lakhs, marine fund of Rs. 26,961, and miscellaneous fund of Rs. 31,870.



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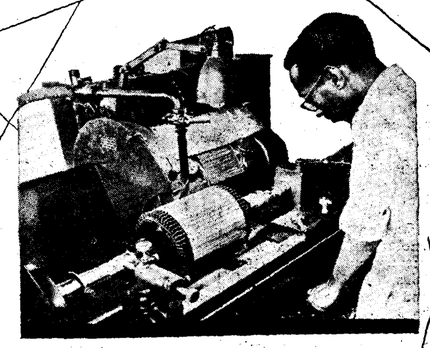

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BANGALORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the Company will be held on THURSDAY the 20th September 1956, at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore City, at 3 p.m. to transact the following business:

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1956 and the reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.

(i) Capt. Rao Bahadur A. Thangavelu Mudaliar, one of the Directors, who retires by rotation under Article 109 of the Articles of Association of the Company and is eligible for re-election will be 69 years of age at his next birthday on 6th October 1956 and a resolution that the age limit prescribed in Section 280 of the Companies' Act of 1956, shall not apply to him is necessary.

Special Notice of the following resolution for exempting him from the age limit as required by Section 281 is hereby given.

"RESOLVED that Capt. Rao Bahadur A. Thangavelu Mudaliar who has completed 68 years of age be and is hereby re-elected a Director and that the age limit prescribed under Section 280 of the Indian Companies Act, 1956, shall not appply to him."

Explanatory statement is annexed to the Notice posted to the Shareholders separately.

Note.—Special Notice signifying intention to move the above resolution has been received from a shareholder.

(ii) To appoint a Director in place of Sri V. T. Padmanabhan who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.

(iii) To appoint a Director in place of Sri K. Subbarao Ramaswamy who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.

4. To appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from 7th September to 20th September 1956, both days inclusive.

NOTE.—A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and **a Proxy need not be a member of the Company.**

By Order of the Board,

C. V. RAMACHANDRA RAO,
Secretary.

23rd *July* 1956.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
P.B. 570, GANDHI NAGAR P.O.
BANGALORE-9.

N.B.—The Board of Directors have recommended payment of Dividend at 6¼ per cent. plus Bonus 3¾ per cent. or Re. 1 on every share of Rs. 10 for the year.

The Dividend when declared will be made payable at the Bank of Mysore Ltd., Bangalore, or its Branches on and after the 4th October 1956.

The Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 7th September 1956.

NEW INDIA INVESTMENT CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting of the Shareholders of New India Investment Corporation, Ltd., will be held at the Registered Office of the Company, at 9, Brabourne Road, Calcutta, at 4-00 p.m., on Monday the 24th September 1956, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st December 1955.

(2) To declare Dividends recommended by the Directors.

(3) To appoint a Director in place of Rai Bahadur Moongtu Lal Tapuriah, who retires by rotation and is eligible for re-appointment and to consider and if thought fit, to pass the following resolution of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which is annexed hereto as required by Section 173 of the said Act.

"Resolved that pursuant to provisions of Section 281 of the Companies Act, 1956, Rai Bahadur Moongtu Lal Tapuriah who has attained the age of 69 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

(4) To appoint and/or approve the appointment pursuant to Section 261 of the Companies Act, 1956, of Mr. K. P. Goenka, who was appointed a Director at the Ordinary General Meeting of the Shareholders held on 28th June 1955 and if thought fit to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Section 261 of the said Act, has been received by the Company and the relative explanatory Statement concerning which as required by Section 173 of the said Act, is annexed hereto.

"Resolved that Mr. K. P. Goenka, who is a partner in the firm of Messrs. Ramdutt Ramkissendass and is retiring under Section 261 of the Companies Act, 1956, and where as it is desirable that his valuable advices may be available to the Company, he be and is hereby re-elected as a Director of the Company."

(5) To appoint Auditors and fix their remuneration.

By Order of the Board,

RAMDUTT RAMKISSENDASS,
Secretaries.

CALCUTTA, 14*th August* 1956.

Notes.—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(*b*) The transfer books of the Company will remain closed from 15th to 24th September 1956, both days inclusive.

(*c*) If the Dividends on shares as recommended by the Directors are passed at the meeting, the payments will be made to those shareholders whose names are on the Company's Register on the 24 September 1956. The payments will be made on and after 1st October 1956.

EXPLANATORY STATEMENT

as required by Section 173 of the Companies Act, 1956.

To
The Shareholders,
New India Investment Corporation, Ltd.

Dear Sirs,

In conformity with the Companies Act, 1956, which came into force on the 1st April 1956, the following explanatory statements as required by Section 173 of the aforesaid Act, set out all material facts relating to the special business mentioned in notice dated 14th August 1956.

In respect of item No. 3 of the notice of the Annual General Meeting it is notified that Rai Bahadur Moongtu Lal Tapuriah who retires by rotation and is eligible for re-appointment, has attained the age of 69 years—hence he cannot be appointed as a Director of the Company—except by a special resolution in respect of which a Special Notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a Special Notice from a member notifying his intention to move the resolution as set out in the said item. Rai Bahadur Moongtu Lal Tapuriah has been a Director of the Company since its very inception and it is most desirable that the Company should continue to avail of his experienced guidance.

In respect of item No. 4 of the Annual General Meeting, a Special Notice has been received from a member of the Company as required by Section 261 proposing that the appointment of Mr. K. P. Goenka as Director be made and/or approved in accordance with the Provisions of the said Section.

Mr. K. P. Goenka has been a Director of the Company since 1943 and has been actively connected with the business of the Company and it is most desirable that the Company should continue to avail of his valuable advices by re-electing him as a Director on the Board of the Company.

By Order of the Board,

RAMDUTT RAMKISSENDASS,
Secretaries.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Annual General Meeting of The Imperial Tobacco Company of India Limited will be held at Virginia House, 37 Chowringhee, Calcutta, on the 14th September 1956, for the following purposes:

1. To receive and adopt the Statement of Accounts and Balance Sheet and the Reports of the Directors and Auditors thereon.
2. If considered desirable to declare a dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

The share transfer books of the Company will be closed from the 28th August to the 14th September 1956, both days inclusive.

By Order of the Board,

B. GRANGER PEARSON,
Assistant Secretary.

9*th August* 1956.
VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA.

Notes.—The Dividend, if approved, will be paid on the 25th September 1956, to the Shareholders whose names are registered in the books of the Company on the 14th September 1956, or their mandatees.

Transfers received in order at the registered office of the Company by the 27th August 1956, will be in time to be passed for payment of the Dividend to the transferees.

Shareholders are requested to notify the Company immediately of any change in address.

A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

THE BELAPUR COMPANY, LIMITED

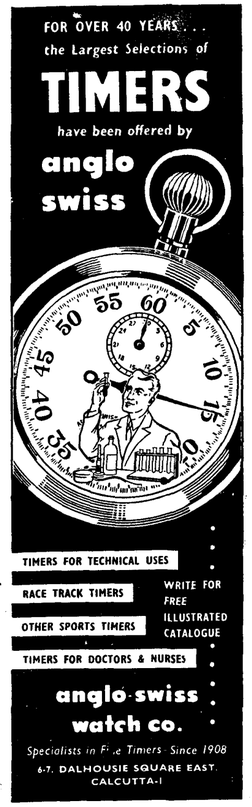
NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Belapur Company, Limited, will be held at the Registered Office of the Company at Brady House, 12-14 Veer Nariman Road, Fort, Bombay, on Monday, the 10th day of September 1956, at 4 p.m., (S.T.) for the purpose of considering and if thought fit passing Special Resolutions and Ordinary Resolutions as detailed in the printed Notice already posted to all Shareholders of the Company.

By Order of the Board,

W. H. BRADY & CO., LTD.,
Managers.

BOMBAY, 16*th August* 1956.



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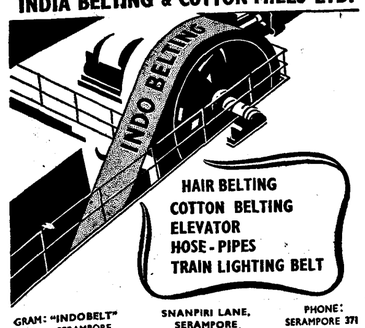

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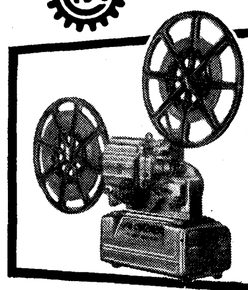

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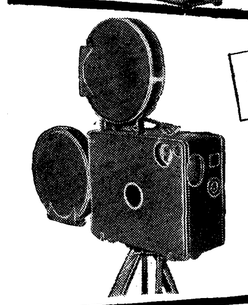

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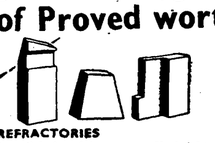

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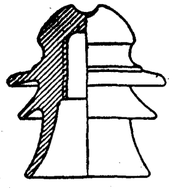

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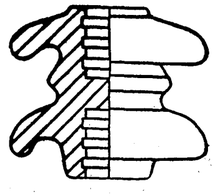


LIBERALISATION OF TRADE RESTRICTIONS

SUBSTANTIAL PROGRESS MADE LAST YEAR

A BRIEF survey of the principal trends that were witnessed during the past year in the field of international trade was made in these columns in our issue dated 23rd June 1956. Since then, however, the very comprehensive and neatly brought out annual report of the Contracting Parties to the General Agreement on Tariffs and Trade, popularly known as G.A.T.T. has been received. A study of the changes in the commercial policies of the various countries on which the chapter in the Report is very exhaustive and instructive, is of special significance, when viewed against the background of the efforts that are being made by such international bodies as the I.M.F. and regional bodies as the O.E.E.C. in the direction of freeing trade from restrictions. To India, which is participating in world trade on a rising scale, the developments elsewhere in the world constitute information of significant value. Accordingly, a review of these developments even after eight months of the period to which they relate, is of more than historical importance.

The year 1955 was notable for two main features in the sphere of international trade. In the first place, the ground covered in respect of liberalisation of the trade restrictions was being maintained—and, it may be relevant to recall in this connection the I.M.F.'s recent review of Exchange and Trade Restrictions (*vide* page *Commerce* dated 28th July)—and far from any general tendency towards any increase in the protective tariffs, some progress in liberalisation was noted in the spheres of import and export duties and quantitative restrictions. In the second place, the year saw the emergence of the U.S.S.R. and other East European countries as more active participants in world trade, especially with Asia, Middle East and Latin America. While, on the one hand, the binding of import duties entered into by the member-nations under the G.A.T.T. continued to give stability to a large part of their customs tariffs, on the other, additional reductions and bindings were negotiated in connection with the accession of Japan to the G.A.T.T. Besides, twenty-three contracting parties were also engaged in negotiations for further exchange of concessions. As for the rates of duty which were not bound under the G.A.T.T., the report states that the reductions appeared to be at least as important as the increases. Moreover, in a number of countries, where the establishment of industries was being encouraged there was a tendency to overhaul the tariff structure and to introduce higher duties, with the intention of eliminating administrative measures governing the movement of goods and of restoring most-favoured-nation customs tariffs. An equally important development during the year was the special measures taken by certain Governments to boost their exports. Consequently, fears were expressed in many quarters that any such widespread resort to incentives of various sorts would distort the pattern of trade and eventually hamper the development of international commerce.

Tariff Reforms

The year under review saw the continuation of tariff reforms in a number of countries, accompanied, generally, by either an upward or downward adjustment of protective duties, and changes in fiscal tariffs. In the countries of Europe, tariff reforms during the year took, broadly, the form either of adoption of the standard nomenclature approved in 1955 by the Customs Co-operation Council in Brussels, or of conversion of most tariff rates from *specific* into *ad valorem* or both. Chief among the countries that come under this category were France, Austria, Denmark and the Federal Republic of Germany.

In Brazil, on the other hand, introduction of the Brussels nomenclature was accompanied by higher rates of duty, especially on many luxury goods. In Central American countries, the distinctive feature, however, was that the tariff reform, as in the case of Nicaragua, Honduras and Costa Rica, was based on customs nomenclature (the so-called NAUCA) approved by the Central American States. The revision of the Nicaraguan tariff was meant to serve principally fiscal rather than protective purposes.

In Asia, tariff reform took the shape of increases in duties on luxuries and reductions on raw materials. Iraq, for instance, while replacing the League of Nations nomenclature with that of Brussels, reduced the rates on raw materials needed for industrial development. In Philippines, again, an extensive increase of the tariff rates to as much as 30 per cent. and in the case of some luxuries to even 30 times their former rates, became effective from 1st January 1956. Thailand, too, increased its import duties. A more significant development in Viet Nam was that, as a result of an extensive change in the tariff system, minimum rates were made applicable to imports from thirteen countries on a reciprocal basis, while imports from other countries were charged maximum rates which were twice as high as the minimum rates. In India and Pakistan, however, no noteworthy changes took place in the general level of their import tariffs.

Import Duties

A number of countries reduced the import duties on specified raw materials or semi-finished products in order to assist industrial development generally. Included in this category were Canada, Ceylon, France, Germany, India, New Zealand, the U.K., the U.S.A., and a few others. Many other countries, however, either reduced their import duties or completely removed them when the raw materials were intended for particular industries, especially those newly established. Apart from certain Latin and Central American countries, Iraq, Philippines, Rhodesia and Nyasaland adopted these measures. Certain other countries, as for instance, Ceylon and Greece, reduced the rates on farm machinery and raw materials, in order to assist agriculture. Reduction for social and similar reasons were not uncommon. In Germany, for example, extensive reductions were effected for anti-inflationary purposes, while Benelux countries reduced duties on educational, scientific and cultural materials. Furthermore, numerous reductions and concessions took place as a result of negotiations between Japan and seventeen other countries in connection with its accession to the G.A.T.T. The greatest number of concessions—some of which were on a triangular basis—were granted by the United States as a major contribution for enabling the rest of the world to reduce the dollar gap.

Increases in import duties were few and far between and, where effected, they were primarily for providing protection to domestic industries especially to textiles, and agriculture. In some cases, increases were effected for fiscal reasons as well. But, in either case, the number of instances was more limited in 1955 than in 1954. While Ecuador and Sweden, to mention a few of them, increased the duties for protecting their textile industry, certain others such as the U.S.A., Greece and Pakistan aimed at giving protection to other industries. Some countries made provision for the levy of special duties to afford protection against dumping, or to deal with imports from State-trading countries. In Belgium, for example, the Government made provision for the levy of what is called, safeguarding duty on low priced imports. Syria, Ceylon and Nicaragua raised the import duties on a few luxury items for augmenting their revenue.

A few significant changes, involving a departure from the application of most-favoured-nation treatment took place in 1955. The year also witnessed new developments in the plans for the formation of customs unions. The most important of these unions were those between France and Tunisia, and among the Central American States, Caribbean States, Scandinavian countries, and between South Africa and Rhodesia and Nyasaland. Another noteworthy feature was the preferential treatment granted by Italy to imports emanating from the members of the European Steel and Coal Community. The Economic Council of the Arab League also recommended that tariff preferences should be granted to the products of the member countries.

In the realm of export duties, on the other hand, most of the alterations witnessed during the period under review were in the nature of adjustments to changes in commodity prices on world markets. The adjustments were, by and large, in the downward direction. The most extensive downward changes occurred in Indonesia and Libya. In Pakistan, however, there were several increases in specific duties following the devaluation of its currency.

The steep fall in the price of coffee, for instance, from 62 cents at the beginning of 1954 to 53 cents at the end of 1955 in New York, led to wide adjustments in the export duties of the coffee exporting countries, namely, Indonesia, India, French West Africa and Guatemala and Belgian Congo. In regard to tea, however, the rate of duty which was related, by and large, to its price, varied between As. 4 and As. 12 per lb. in India in 1955. Similar changes were in evidence in Pakistan, Ceylon and Indonesia. While the duties on rubber witnessed an upward adjustment, those on cotton saw a downtrend, except in Pakistan. The lowering of the duties was also mostly in evidence in oils and oilseeds. Belgian Congo, however, increased the duty on raw palm oil. In a bid to encourage its engineering industries, India abolished all export duties on iron and steel products, which in some cases, amounted to 45 per cent.

Quantitative Restrictions

Discussing the general trends ruling in the sphere of quantitative restrictions, the G.A.T.T. Report points out that, following the improvement recorded in the balance of payments positions of the Western European countries in 1953 and 1954, the restrictions that were previously imposed has been gradually relaxed to a large extent. Especially the year 1954 saw substantial reductions in the discriminatory element in the restrictions made applicable to imports from different sources. In 1955, further progress was noted, though more gradual than in the preceding years. Another salient feature of the year, the Report goes on to add, was that aggregate gold and dollar holdings of the countries outside the dollar area rose by $1.6 billion, as against a rise of $2.6 billion in 1953 and $1.9 in 1954. In sharp contrast to this, the aggregate holdings of the sterling area declined. The increase, therefore, was largely confined to Western Europe. The Report notes with satisfaction the "tendency for countries faced with balance of payments difficulties to seek solutions through measures other than the introduction or intensification of restrictions on trade." This tendency was, as the expert rightly suggests, the result of the realisation that import restrictions could not in themselves provide a satisfactory solution to the balance of payments difficulties and that, at the most, they might prevent further deterioration in a country's reserve position but not a fundamental corrective remedy. Turning to this connection, to the importance of internal fiscal and economic measures, the Report remarks that, by and large, since 1952 when they were first adopted, they helped relieve pressures on domestic prices and demand and "can make an effective contribution to the alleviation of a country's balance of payments difficulties." As an evidence of their usefulness, the report cites the occasion when attention was again focussed on them in the face of declining central reserves of the sterling area in 1955 and early 1956. In Australia, however, conditions were different. Faced with rapidly declining reserves and lower export prices of wool, import restrictions were tightened "only in order that the internal measures, which had been adopted to meet the inflationary pressures resulting from the high foreign exchange earnings of the previous years, would have time to exert their effects on the balance of payments." In certain other countries, inflationary pressures were countered through corrective measures of a general nature, notably through increases in bank rates.

This, however, the Report observes, was no occasion for complacency, "for a substantial part of the world trade still remains under licensing control or quota restriction, often involving discrimination." Only in the dollar area imports were free from such impediments. It is true that in most industrial countries outside the dollar area, imports had been greatly liberalised in recent years, but restrictions were still being applied on the imports of agricultural products in some of them. What, however, was a striking feature of the pattern of liberalisation of dollar imports was that it did not apply to manufactured articles to the same extent as it did to industrial raw materials and primary commodities. The remaining restrictions are what are termed as "hard core" cases, where the Contracting Parties to the G.A.T.T. are convinced of the special reasons warranting their continuance. It is expected, according to the Report, that better balance of payments position for a few years more will eliminate the *raison d'etre* of these "hard core" restrictions, and pave the way for freer trade.



The case of the areas which are in the process of economic development is different. Their programmes of industrialisation involved increased capital imports and, consequently, put a premium on their export earnings, the precariousness of which is naturally heightened by the sudden fluctuations in their prices. Rationing of foreign exchange and certain import restrictions are, therefore, logical and inevitable. The selection of products for restriction for the purpose of limiting the foreign exchange expenditure is, therefore, determined in many cases by the availability of like domestic products and the capacity of local production. India was a prominent country that applied these principles in its import restrictions in 1955.

Sterling Area: Dollar Imports Liberalised

Reviewing briefly area-wise, the developments in 1955 in the field of import restrictions applied principally for the balance of payments reasons, the Report points out that the aggregate gold and dollar holdings of the sterling area declined by $501 million during the twelve-month period ended September 1955 as against $347 million during the previous twelve months. The reserves of the U.K., however, fell by a greater amount—as much as $642 million—to a level of $2,120 million. Nevertheless, in order to achieve a surplus to match external obligations, the Government announced in 1956 a series of measures to restore equilibrium. No resort was, however, made to further import restrictions.

Dealing with those restrictions which effected dollar imports, the Report says that notable among the steps taken in the U.K. was the increase in the number of products which might be imported under World Open General Licence from all sources including the dollar area. During the year, moreover, the list was enlarged four times to include many new items. In New Zealand, the list of "scheduled countries" from which imports were restricted was narrowed to include only dollar area and Japan. Besides, the products in the World Exemption List were enlarged from 95 to 153. But imports of machinery and plant from the dollar area which were liberal during 1954 continued to be so in 1955.

The Union of South Africa, on the other hand, withdrew a number of items from what was called the "restricted list" of goods. Quotas for some consumer goods were increased to as much as 53 per cent. of 1948 imports, and some additions were also made to the list of goods which could be imported without licence. In addition, fixed quotas were also abolished for a number of goods in favour of control through special permits which could also be converted for the purpose of importing items on the "restricted list." The Federation of Rhodesia and Nyasaland, too, extended its list of goods which could be imported free of restriction from all sources except Japan. Allocations for dollar imports were also raised.

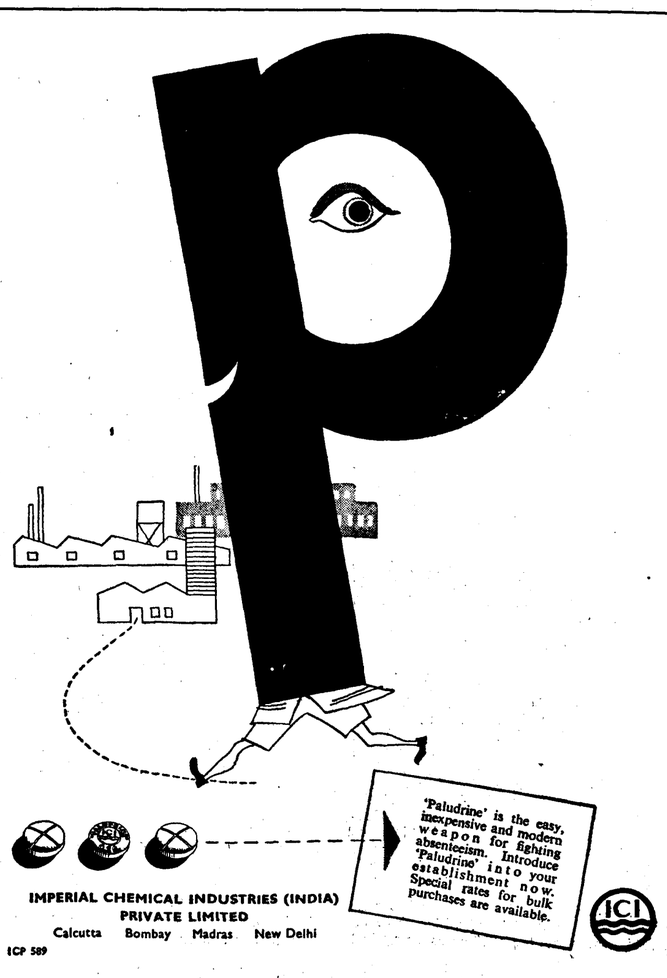
Burma was obliged to intensify its restrictions in March 1955 on account of continuous erosion of foreign exchange reserves. The suspension of the licences in respect of dollar imports imposed earlier was, however, withdrawn later. In India, the substantial trade surplus witnessed with the dollar area early in 1955 led to slight liberalisation of imports from that area, mainly for essential goods. In the second half of 1955, quotas were increased for as many as fifty-five items. Pakistan went a step further and abolished the distinction between dollar and non-dollar import licences with effect from 1st January 1955, and licences were rendered valid for imports from all countries, except for special permits issued for certain imports from France and Japan to fulfil bilateral trade agreement commitments. The first half of 1955 saw the provision for more imports both in terms of value and number. From the second half, however, certain restrictions were tightened. More imports were again permitted in the first half of 1956.

Non-dollar Imports

Turning to the non-dollar imports into the sterling area, the Report points out that a high proportion of imports from Western Europe, with further additions during the year, continued to be free from restrictions. There were, however, no significant changes in respect of imports subject to quota system. In this context the deliberations of the O.E.E.C. which recently met in Paris to review their liberalisation drive would be of special significance. The Federation of Rhodesia and Nyasaland also considerably relaxed its restrictions on imports from O.E.E.C. countries, and several others who were contracting parties to the G.A.T.T. in the second half of 1955. The liberalised goods for which unlimited licensing was introduced represented 90 per cent. of the total imports.

Although there were no changes in the basic structure of the import policies adopted by India during the period under review, one striking feature was that the import policy was related more closely than before to domestic industrial development. Quotas for goods which were needed by the industry were raised, while, at the same time, the imports of those goods the indigenous production of which was sufficient to meet the internal demand were reduced. In Burma, again, a number

(*Continued on page* 395)



COCHIN MALABAR'S BUMPER PROFIT

CUT IN DIVIDEND RESTORED—AREA UNDER RUBBER ENLARGED

THE ordinary shares of the Cochin Malabar Estates Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikhode, Malabar) have been a strong feature in the planting section of the Madras Stock Exchange during the last few weeks, having crept up from Rs. 9-7 early in July to Rs. 11-7 *cum-div.* last week. Though this rise is partly in tune with the general uptrend in equities, it cannot be denied that it is fully justified by the excellent results of the Company for the year ended 29th February 1956, which has enabled the stepping up of the dividend from 15 per cent. to 25 per cent.

It may, however, be noted at the outset that the results for the year under review are not strictly comparable with those for the previous years, because of the acquisition of an additional estate during the year and the increased crop resulting therefrom. If, nevertheless, such a comparison is made, it is done with a view to enable readers to get a rough idea of the progress made by the Company during the year. The gross profit for the year amounts to Rs. 13.82 lakhs, as against Rs. 8.88 lakhs for 1954-55. The net profit, at Rs. 7.16 lakhs, is Rs. 2.22 lakhs higher than that for the previous year even after raising the provision for depreciation from Rs. 0.90 lakh to Rs. 1.13 lakhs and that for taxation from Rs. 2.73 lakhs to Rs. 5.20 lakhs. The Directors have set aside a sum of Rs. 3 lakhs to the general reserve, which had received Rs. 2 lakhs in the previous year. The dividend on ordinary shares, as already stated, has been stepped up from 15 per cent. to 25 per cent., thus restoring in full the cut made last year and bringing the rate back to that paid for 1952-53 and 1953-54.

The following comparative table shows the progress of the Company's working during the last three years:

(In rupees)

	For the year ended February			
	1956	1955	1954	1953
Sale proceeds	21,82,844	19,09,888	18,11,231	16,52,067
Closing stocks	8,60,985	2,79,060	4,20,658	5,60,938
Other income	86,268	67,963	28,111	..
Expenditure on estates and replanting	17,18,529	13,45,205	13,04,703	12,51,051
Other expenses	34,756	23,946	66,404	82,752
Gross profit	13,81,712	8,87,760	8,88,893	9,22,106
Managing Agents' commission	31,879	29,904	29,957	30,122
Depreciation	1,13,133	89,955	75,649	57,960
Taxation	5,20,130	2,73,423	37,436	49,100
Net profit	7,16,520	4,94,478	7,45,851	7,84,915
To reserves	3,00,000	2,00,000	3,00,694	3,70,066
Dividends—				
7% preference	7,931	7,931	7,931	7,931
Ordinary	4,48,547 (25%)	2,69,128 (15%)	4,48,547 (25%)	4,48,547 (25%)
Carry forward	79,711	1,19,669	1,02,250	1,13,571
Crop harvested (in lbs.) ..	1,853,088	1,510,886	1,605,848	1,660,334
Cost of production per lb. ..	As.14.80	As.14.24	As.13.00	As.12.05
Average price realised per lb.	As.26.28	As.23.18	As.22.17	As.21 26

The rise in sale proceeds and closing stocks of rubber is accounted for by the increase in crop harvested and higher price realised. The increase in crop is due to the addition of seven months' crop from the Chemoni Valley Estate, a well-equipped estate of 1,762.37 acres, purchased during the year (on 1st August 1955) at a total cost of Rs. 13.31 lakhs. The full benefit of this purchase will be realised in the current year. But for this addition to the estate, the Company's crop for the year under review would have fallen short of the full estimate by about 77,000 lbs., half of which is attributable to the go-slow policy adopted by labour on one estate for a period of two months.

A gratifying feature of the year's working is that the pace of increase in cost of production per lb. of rubber has been checked. Thus, as will be seen from the above table, the rise in cost of production during 1955-56 is considerable less than that in either of the previous two years, thanks to the considerable sum which is being expended year after year on estates to keep them in good order and to improve their yield. The average price realised per lb. of rubber was also higher by As. 3.10, due to the increase in the controlled price of rubber granted by the Government of India in February 1955, that is, from Rs. 138 to Rs. 150 per 100 lbs. on the basis of R.M.A.I., as also to the increase in the Company's business in the premium grades of rubber.

The total acreage of the Company has gone up from 7,269.69 to 9,091.46, of which the area under rubber accounts for 6,971 acres, as against 5,334.61 acres in the previous year. The increase in acreage is mainly due to the acquisition of the Chemoni Valley Estate.

Thanks to the judicious policy of ploughing back a good part of its profit year after year that has been followed by the Directors the Company has a strong financial position now. Even after the capitalisation of Rs. 7.18 lakhs in March 1952, the reserves and surplus as at the close of the year under review stand at the impressive level of Rs. 21.91 lakhs, as against a paid-up capital of Rs. 19.07 lakhs, made up of 2,266 (7 per cent.) preference shares of Rs. 50 each and 598,062 ordinary shares of Rs. 3 each. There has been an increase of Rs. 15.87 lakhs in the fixed capital expenditure, of which the purchase of the Chemoni Estate accounts for Rs. 10.78 lakhs, buildings for Rs. 1.98 lakhs, machinery for Rs. 1.06 lakhs and development expenditure for Rs. 1.70 lakhs. The total gross block of the value of Rs. 49.25 lakhs stands written down by Rs. 4.72 lakhs to a book value of Rs. 44.53 lakhs. The current assets amount to Rs. 16.40 lakhs, while the current liabilities (Rs. 14.95 lakhs) and provision for taxation (Rs. 4.99 lakhs) aggregate Rs. 19.94 lakhs.

The crop for the current year (1956-57) is estimated at 2,101,000 lbs. at an f.o.b. cost of 96.7 cents (As. 15.48) per lb. The Company's visiting agent reports that the estates are being maintained in good order and the development programme is being well executed.

The Company's Rs. 3 fully paid-up ordinary shares are being quoted on the Madras Stock Exchange at Rs. 11-7 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 7 per cent. per annum.

EVASION OF COMPANY LAW

Addressing the Bharat Chamber of Commerce in Calcutta last week, Mr. B. R. Bhagat, Union Deputy Minister for Finance, said that it was not the intention of the Government to make use of punitive measures prescribed by law against unwary persons for casual defaults in complying with the provisions of the Company Law. He added that the measures of reform of the Company law were not meant to suppress the companies or obstruct the issues of capital or dealing in securities. These were intended to streamline and gear up the important machineries through which the bulk of the trade and industry was carried on.

Mr. Bhagat regretted that there was a tendency on the part of some companies to evade the law in spirit, if not in letter. The Government, he said, had received a number of complaints about such evasions. The Deputy Minister said that some of the managing agents had given up their managing agencies to avoid certain provisions of the law and had taken up sole selling agencies at more lucrative terms. These moves were certainly against the spirit of the new law, he said.

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assets amount to Rs. 42.91 lakhs, as against which current liabilities and provision for taxation aggregate only Rs. 25.72 lakhs.

The Company is one of the oldest in the field of biscuit manufacturing in this country, having been established in 1918, and occupies a position of pre-eminence. Its factories, which have in recent years been expanded and modernised, have ample capacity for further expansion of production, as the demand for quality biscuits is increasing. The trade has, however, become highly competitive. There are now 39 organised factories, with a capacity of about 33,750 tons per annum; besides, there is a large number of small units catering to local needs. The Federation of Biscuit Manufacturers of India estimates the present demand at about 12,000 tons per year and envisage that it will rise to 15,000 tons by 1960-61. As the present capacity is sufficient to meet the estimated increase in demand, no further increase in capacity is envisaged. In the programme of industrial development during the second Five-year Plan, the emphasis will, therefore, be directed to securing an increase in exports. The success of these efforts will depend on the improvement in quality. The outlook for the industry should, therefore, be viewed against this background. So far as the Britannia Biscuit Co. is concerned, the Directors look to the future with confidence, in the absence of any adverse circumstances over which they have no control.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 15-8 *cum-div.* (final div. 7 per cent.). On an *ex-div.* basis, the yield on the shares works out to 6.7 per cent. per annum.

BRITANNIA BISCUIT KEEPS UP PROGRESS

DIVIDEND MAINTAINED

A RISE of Rs. 1.79 lakhs to Rs. 17.75 lakhs in gross profit is disclosed by the audited accounts of the Britannia Biscuit Co., Ltd. (Managing Director: Mr. K. Julian Scott, Calcutta) for the year ended 31st March 1956. With this increase, not only the upward trend in earnings has been maintained for the third year in succession but the sharp setback noted in the years 1951-52 and 1952-53 has almost been made good. Thus, the Company's gross profit, which had dwindled from a peak of Rs. 17.99 lakhs in 1950-51 to Rs. 5.72 lakhs in 1952-53, has grown to Rs. 17.75 lakhs in the year under review.

The dividend has been maintained at 10 per cent. for the third year in succession, after having been raised from 5 per cent. paid for 1952-53. It must, however, be noted that the distributions for 1954-55 and 1955-56 are on the increased capital of Rs. 45.97 lakhs raised in November 1954 by the capitalisation of Rs. 15.32 lakhs from out of the reserves. The dividend has been maintained at 10 per cent. only after setting aside to the general reserve Rs. 1.67 lakhs, as against Rs. 1.81 lakhs in the previous year, and transferring to the reserve for tax contingencies Rs. 2 lakhs, as compared with Rs. 1.50 lakhs added a year ago. This latter allocation is in addition to the sum of Rs. 4.52 lakhs set aside as provision for taxation which is more than double that provided last year. The heavier incidence of income-tax for the year under review, the Directors explain, is due to the cessation of depreciation allowances on the initial phase of the Company's building and expansion programme.

The Company's progress during the past three years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	133.72	128.69	124.16	97.95
Manufacturing expenses ..	84.55	84.46	86.89	71.81
Other expenses	31.50	23.29	21.21	20.27
Gross profit	17.75	15.96	12.41	5.72
Provision for—				
Depreciation	5.09	5.82	5.46	4.20
Taxation	4.52	2.20	..	0.84
Net profit	8.14	8.44	6.95	1.18
To reserves	3.67	3.31	3.00	0.50
„ reserve for provident fund and staff provision ..	0.06	0.18	0.20	..
Dividends—				
8% cum. preference ..	0.01	0.01	0.01	0.01
Ordinary	4.60 (10%)	4.60† (10%)	3.06 (10%)	1.53 (5%)
Carry forward	1.79	1.98	1.64	0.96

† On the increased capital of Rs. 45.97 lakhs raised in November 1954 by the capitalisation of Rs. 15.32 lakhs from the reserves.

It will be observed that there has been a substantial rise in sale proceeds during the last three years, reflecting the successful efforts of the Company in expanding its activities in a developing market. The benefit of such expansion in sales has, however, been offset to a large extent by the rise in expenses. The increase in expenses during the year under review was mainly accounted for by higher distribution expenses.

Referring to the trading conditions, the Directors observe:

"The increasing costs of wages and railway freight continue to place a heavy burden on the business but, as in previous years, every effort is being made to absorb these extra costs in order to avoid increases in selling prices, and develop new markets for our products. The policy of your Directors to accelerate the plant replacement and modernisation programme has enabled the Company to expand production during the year and, now that we have commenced to install the very latest type of manufacturing and packaging machinery, we consider ourselves equipped to secure a generous share of the business available."

The Company's financial position, as seen from its latest balance-sheet, is sound. The paid-up capital stands at Rs. 46.12 lakhs, of which preference capital accounts for a nominal sum of Rs. 15,450. Of the ordinary capital, as much as Rs. 30.64 lakhs represent capitalised reserves. This was done in two stages, once in August 1951 and again in November 1954. Even after these bonus issues, reserves and surplus aggregate as much as Rs. 32.91 lakhs. There is also a debenture capital amounting to Rs. 15 lakhs issued in January 1953, carrying interest at 5½ per cent. and repayable in 1963-68. In pursuance of its programme of modernisation and expansion, the Company has spent during the year under review Rs. 10.70 lakhs on additions to the gross block, bringing the total value of the block account to Rs. 110.56 lakhs, the present book value of the same being Rs. 76.69 lakhs. The current

(Continued in previous column)

PERIA KARAMALAI MAINTAINS DIVIDEND

PROFITS, HOWEVER, LOWER

IN spite of a slight diminution in sale proceeds from the record figure of Rs. 86.65 lakhs touched last year to Rs. 83 31 lakhs for the year ended 31st March 1956, and the consequent fall in profits, the directors of the Peria Karamalai Tea and Produce Co., Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode—Malabar) have maintained the dividend at 45 per cent. to which record figure it was stepped up last year from the previous low of 35 per cent. declared for the year 1954. This has been effected by declaring a final dividend of 30 per cent. the interim having been paid already at 15 per cent. as in the case of last year. In sympathy with the fall in sale proceeds, the gross profit also has fallen by Rs. 5.13 lakhs from last year's record of Rs. 46.73 lakhs to Rs. 41.60 lakhs. And that has happened when the sales of tea in terms of quantity have actually gone up from 3,492,000 pounds in the previous year to 3,632,000 pounds during the year under review. The reason for this divergent trend is obviously to be found in the fact that the average price realised per pound of tea had fallen from the previous year's record of As. 38.85 to As. 36.88. At the same time, the expenditure on estates was up by about Rs. 20,000 to Rs. 50.88 lakhs and the coffee crop had fallen from 341 cwts. to 278 cwts. The table given hereunder will enable the reader to make a comparative study of the Company's working and progress during the preceding three years.

	For the year ended 31st March			
	1956	1955	1954	1953
	Rs.	Rs.	Rs.	Rs.
Sale proceeds	83,30,732	86,64,839	64,25,293	61,30,252
Stocks	9,08,228	11,09,366	7,05,880	5,97,228
Expenditure on estates ..	50,87,622	50,67,853	43,23,459	40,84,257
Gross profit	41,60,123	46,73,292	27,43,447	26,16,580
Managing Agents' commission	1,48,801	1,50,658	1,28,802	1,44,512
Depreciation	3,34,962	3,21,619	2,34,035	1,94,213
Taxation	14,70,000	11,80,000	3,20,000	4,22,000
Net profit	21,56,360	30,21,015	14,60,609	18,55,855
To reserves	6,00,000	14,00,000	3,00,000	5,00,000
„ staff pension fund	30,000	30,000	30,000	30,000
Dividend	15,64,817 (45%)	15,64,617 (45%)	12,16,323 (35%)	13,58,175 (40%)
Carry forward	50,800	89,057	62,659	1,48,975
Tea crop (in lbs.)	3,992,935	3,984,382	3,674,714	3,827,311
Coffee crop (in cwts.)	278	341	456	356
Cost of production per lb. of tea .. .. As.	19.92	19.77	17.57	15.73
Average price realised—				
Tea per lb. .. As.	36.88	38.85	30.61	27.84
Coffee per cwt. .. Rs.	180	180	181	179

The net profit, after providing for managing agents commission, depreciation and taxation, has fallen from last year's record by Rs. 8.65 lakhs to Rs. 21.56 lakhs. The directors have, however, thought it fit to increase the provisions for depreciation and taxation, the former from Rs. 3.22 lakhs to Rs. 3.85 lakhs and the latter from Rs. 11.80 lakhs to Rs. 14.70 lakhs. The directors have transferred only Rs. 6 lakhs to general reserve, as against Rs. 14 lakhs added in the previous year.

The production of tea during the year at 3,992,935 lbs. was again a fresh record for the Company breaking the last year's record of 3,984,382 lbs. and the estimated crop of 3,950,000 lbs. The position in regard to coffee, however, was not quite satisfactory, production having fallen from the previous year's output of 341 cwts. to 278 cwts. This is not unusual, because a good coffee crop is invariably followed by a low one. That is the peculiar feature of coffee industry. Owing to higher labour costs, the cost of production of tea per lb. has gone up slightly at As. 19.92 ppr lb. as against the previous year's figure of As. 19.77, the increase in the size of the crop notwithstanding the price realised for coffee was maintained at Rs. 180 per cwt.

The latest balance-sheet of the Company as at 31st March 1956, shows the capital unchanged at Rs. 34.77 lakhs. Against this, the reserves and surplus stand at Rs. 42 lakhs. The gross block standing at Rs. 76.13 lakhs has been written down to Rs. 59.55 lakhs. The total additions to the gross block during the year aggregated Rs. 9 81 lakhs. The current assets stand at Rs. 47.15 lakhs of which cash balances alone, amounting to Rs. 22.43 lakhs, provide a substantial cover to the current liabilities and provision for taxation aggregating Rs. 29.94 lakhs. The Company's financial position thus appears to be quite sound and satisfactory.

The Rs. 2 fully paid-up shares are being currently quoted at Rs. 11-2 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 8.8 per cent., free of tax.

COMPANY MEETINGS AND DIVIDENDS

MIM TEA CO., LTD. Annual General Meeting, Calcutta, 6th September, 1956. Dividend: Rs. 15 per share. Transfer books remain closed from 23rd August to 6th September, 1956, both days inclusive.

NEW DOOARS TEA CO., LTD. Annual General Meeting, Calcutta, 6th September, 1956. Dividend: Rs. 25 per share. Transfer books remain closed from 23rd August to 6th September, 1956, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Annual General Meeting, Calcutta, 7th September 1956. Dividend: Re. 1 per share (incudes interim dividend of As. 4-4/5 per share). Transfer books will remain closed from 6th to 13th September 1956, both days inclusive.

WEST COAST PAPER MILLS LTD. First Annual General Meeting, Bombay, 11th September, 1956.

JAYBIRPARA (DOOARS) TEA CO., LTD. Annual General Meeting, Calcutta, 13th September, 1956. Dividend: *Nil*. Transfer books will remain closed from 30th August to 13th September, 1956, both days inclusive.

CHOONABHUTTI TEA CO., LTD. Annual General Meeting, Calcutta, 13th September, 1956. Dividend: Rs. 20 per share. Transfer books will remain closed from 30th August to 13th September, 1956, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 13th September 1956. Dividend: Rs. 6 per share (final). Transfer books remain closed from 18th August to 10th September 1956, both days inclusive.

FERTILISERS AND CHEMICALS (TRAVANCORE) LTD. Annual General Meeting, Eloor, Alwaye, Travancore-Cochin, 14th September, 1956. Dividend: *Nil*. Transfer books remain closed from 24th August to 14th September, 1956, both days inclusive.

IMPERIAL TOBACCO COMPANY OF INDIA LTD. Annual General Meeting, Calcutta, 14th September 1956. Dividend: As. 6-2/5 per share (final), free of income-tax. Transfer books will remain closed from 28th August to 14th September 1956, both days inclusive.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 18th September 1956. Dividend: Rs. 250 per whole ordinary share and Rs. 62-8 per quarter ordinary share, payable on 19th September 1956. Transfer books remain closed from 20th August to 18th September 1956, both days inclusive.

INDIAN MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th September 1956. Dividend: Rs. 225 per ordinary share, payable on 19th September 1956. Transfer books remain closed from 20th August to 18th September 1956, both days inclusive.

WESTERN INDIA SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th September 1956. Dividend: Rs. 225 per ordinary share, payable on 19th September 1956. Transfer books remain closed from 20th August to 18th September 1956, both days inclusive.

MYSORE PAPER MILLS LTD. Annual General Meeting, Bangalore, 20th September, 1956. Transfer books will remain closed from 7th to 20th September, 1956, both days inclusive.

EAGLE ROLLING MILLS LTD. Annual General Meeting, Calcutta, 28th September, 1956. Transfer books will remain closed from 11th to 28th September, 1956, both days inclusive.

SHREE DIGVIJAYA WOOLLEN MILLS LTD. Annual General Meeting, Jamnagar, Saurashtra, 28th September, 1956. Transfer books will remain closed from 14th to 28th September, 1956, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Annual General Meeting, Calcutta, 28th September, 1956. Dividend: Re. 1-8 per share. Transfer books will remain closed from 11th to 28th September, 1956, both days inclusive.

ORISSA CEMENT LTD. Annual General Meeting, Rajgangpur, 29th September, 1956. Dividend: Re. 1-4 per share. Transfer books will remain closed from 3rd to 29th September 1956, both days inclusive.

CENTRAL SCIENTIFIC SUPPLIES CO., LTD. Final dividend of As. 4 per ordinary share, for the year ended 31st March, 1956. Transfer books will remain closed from 1st to 6th October, 1956, both days inclusive.

CAUVERY SPINNING AND WEAVING CO., LTD. Dividend of As. 12 per ordinary share, for the year ended 31st March, 1956. Transfer books will remain closed from 27th August to 10th September, 1956, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Final dividend of As. 10 per ordinary share and As. 6 and Ps. 8 per new ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 17th to 29th September, 1956, both days inclusive.

MADRAS SAFE DEPOSIT CO., LTD. Dividend of 4-1/16 per cent. on ordinary shares, for the year ended 30th June, 1956. Transfer books will remain closed from 3rd to 10th September, 1956, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Dividend of 10 per cent. on ordinary shares, for the year ended 31st March, 1956.

COMPANY REGISTRATIONS

CHANDULAL T. PARIKH PRIVATE LTD. (First Director: Mr. R. C. Parekh.) Business: General traders. Authorised capital: Rs. 30,00,000. Private company. Address: Kanji Bhuvan, 299, Sandhurst Road, Bombay 4.

DHIRAJLAL MAGANLAL PURSHOTAMDAS PRIVATE LTD. (First Director: Mr. D. Maganlal.) Business: Underwriting and brokerage in shares, etc. Authorised capital: Rs. 25.00.000. Private company. Address: Old Share Building, 1st Floor, Dalal Street, Bombay.

M. VADILAL AND CO. (AHMEDABAD) PRIVATE LTD. (First Director: Mr. Mohanlal Chimanlal.) Business: Manufacture of printing blocks. Authorised capital: Rs. 10,00,000. Private company. Address: Raj Bhuvan, Outside Delhi Gate, P.B. No. 4, Ahmedabad.

Notice

THE DEHRI ROHTAS LIGHT RAILWAY COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held on Friday, 21st September 1956 at 11.30 a.m., at the Registered Office of the Company at Dalmianagar to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March 1956.
2. To declare dividend of Rs. 1-4 per share.
3. To elect Directors to fill up the vacancies caused by the retirement of Shri Harkishore Kejriwal and Shri A. K. Jain under Article 84 of the Articles of Association of the Company. The retiring Directors, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Lovelock & Lewes, retiring Auditors, being eligible offer themselves for re-appointment.
5. To transact the following as an item of special business, special notice of which is hereby given, to consider and if thought fit to pass with or without modification the following resolutions, which will be proposed as Special Resolutions:

"Resolved that the Articles of Association of the Company be altered in the manner following:

(*a*) For Article 32 the following shall be substituted, namely,

"32. The Company shall have a first and paramount lien upon all the shares (not being fully paid up shares) registered in the name of each member (whether solely or jointly with others) for all moneys called or payable at a fixed time in respect of such shares, and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares."

(*b*) For Article 33 the following shall be substituted, namely,

"33. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until notice in writing of the intention to sell shall have been given to such indebted member or to his executors or administrators and default shall have been made by him or them in the payment of moneys called or payable at a fixed time in respect of such shares for 30 days after such notice."

Explanatory Note: The shareholders are informed that the Company has been enlisted on the official list of quotations of the Bombay Stock Exchange. It has, however, been required by the said Exchange that Articles 32 and 33 of the Articles of Association of the Company with regard to lien on shares be amended in the manner as set out in the proposed resolutions (a) and (b) above."

The Share Transfer Books of the Company will remain closed from 6th September 1956 to 14th September 1956, both days inclusive.

By Order of the Board,
for SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, *1st August* 1956.

Payment of dividend when declared will be made only to those members whose names are registered in the books of the Company on the 5th September 1956 or to their mandatees.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

COCHIN MALABAR'S BUMPER PROFIT

CUT IN DIVIDEND RESTORED—AREA UNDER RUBBER ENLARGED

THE ordinary shares of the Cochin Malabar Estates Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikhode, Malabar) have been a strong feature in the planting section of the Madras Stock Exchange during the last few weeks, having crept up from Rs. 9-7 early in July to Rs. 11-7 *cum-div.* last week. Though this rise is partly in tune with the general uptrend in equities, it cannot be denied that it is fully justified by the excellent results of the Company for the year ended 29th February 1956, which has enabled the stepping up of the dividend from 15 per cent. to 25 per cent.

It may, however, be noted at the outset that the results for the year under review are not strictly comparable with those for the previous years, because of the acquisition of an additional estate during the year and the increased crop resulting therefrom. If, nevertheless, such a comparison is made, it is done with a view to enable readers to get a rough idea of the progress made by the Company during the year. The gross profit for the year amounts to Rs. 13.82 lakhs, as against Rs. 8.88 lakhs for 1954-55. The net profit, at Rs. 7.16 lakhs, is Rs. 2.22 lakhs higher than that for the previous year even after raising the provision for depreciation from Rs. 0.90 lakh to Rs. 1.13 lakhs and that for taxation from Rs. 2.73 lakhs to Rs. 5.20 lakhs. The Directors have set aside a sum of Rs. 3 lakhs to the general reserve, which had received Rs. 2 lakhs in the previous year. The dividend on ordinary shares, as already stated, has been stepped up from 15 per cent. to 25 per cent., thus restoring in full the cut made last year and bringing the rate back to that paid for 1952-53 and 1953-54.

The following comparative table shows the progress of the Company's working during the last three years:

(In rupees)

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Managing Agents' commission	31,879	29,904	29,957	30,122
Depreciation	1,13,183	89,955	75,649	57,960
Taxation	5,20,130	2,73,423	37,436	49,100
Net profit	7,16,520	4,94,478	7,45,851	7,84,915
To reserves	3,00,000	2,00,000	3,00,694	3,70,066
Dividends—				
7% preference	7,931	7,931	7,931	7,931
Ordinary	4,48,547 (25%)	2,69,128 (15%)	4,48,547 (25%)	4,48,547 (25%)
Carry forward	79,711	1,19,869	1,02,250	1,13,571
Crop harvested (in lbs.) ..	1,853,088	1,510,886	1,605,848	1,660,334
Cost of production per lb. ..	As.14.80	As.14.24	As.13.00	As.12.05
Average price realised per lb.	As.26.28	As.23.18	As.22.17	As.21 26

The rise in sale proceeds and closing stocks of rubber is accounted for by the increase in crop harvested and higher price realised. The increase in crop is due to the addition of seven months' crop from the Chemoni Valley Estate, a well-equipped estate of 1,762.37 acres, purchased during the year (on 1st August 1955) at a total cost of Rs. 13.31 lakhs. The full benefit of this purchase will be realised in the current year. But for this addition to the estate, the Company's crop for the year under review would have fallen short of the full estimate by about 77,000 lbs., half of which is attributable to the go-slow policy adopted by labour on one estate for a period of two months.

A gratifying feature of the year's working is that the pace of increase in cost of production per lb. of rubber has been checked. Thus, as will be seen from the above table, the rise in cost of production during 1955-56 is considerable less than that in either of the previous two years, thanks to the considerable sum which is being expended year after year on estates to keep them in good order and to improve their yield. The average price realised per lb. of rubber was also higher by As. 3.10, due to the increase in the controlled price of rubber granted by the Government of India in February 1955, that is, from Rs. 138 to Rs. 150 per 100 lbs. on the basis of R.M.A.I., as also to the increase in the Company's business in the premium grades of rubber.

The total acreage of the Company has gone up from 7,269.69 to 9,091.46, of which the area under rubber accounts for 6,971 acres, as against 5,334.61 acres in the previous year. The increase in acreage is mainly due to the acquisition of the Chemoni Valley Estate.

Thanks to the judicious policy of ploughing back a good part of its profit year after year that has been followed by the Directors the Company has a strong financial position now. Even after the capitalisation of Rs. 7.18 lakhs in March 1952, the reserves and surplus as at the close of the year under review stand at the impressive level of Rs. 21.91 lakhs, as against a paid-up capital of Rs. 19.07 lakhs, made up of 2,266 (7 per cent.) preference shares of Rs. 50 each and 598,062 ordinary shares of Rs. 3 each. There has been an increase of Rs. 15.87 lakhs in the fixed capital expenditure, of which the purchase of the Chemoni Estate accounts for Rs. 10.78 lakhs, buildings for Rs. 1.98 lakhs, machinery for Rs. 1.06 lakhs and development expenditure for Rs. 1.70 lakhs. The total gross block of the value of Rs. 49.25 lakhs stands written down by Rs. 4.72 lakhs to a book value of Rs. 44.53 lakhs. The current assets amount to Rs. 16.40 lakhs, while the current liabilities (Rs. 14.95 lakhs) and provision for taxation (Rs. 4.99 lakhs) aggregate Rs. 19.94 lakhs.

The crop for the current year (1956-57) is estimated at 2,101,000 lbs. at an f.o.b. cost of 96.7 cents (As. 15.48) per lb. The Company's visiting agent reports that the estates are being maintained in good order and the development programme is being well executed.

The Company's Rs. 3 fully paid-up ordinary shares are being quoted on the Madras Stock Exchange at Rs. 11-7 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 7 per cent. per annum.

EVASION OF COMPANY LAW

Addressing the Bharat Chamber of Commerce in Calcutta last week, Mr. B. R. Bhagat, Union Deputy Minister for Finance, said that it was not the intention of the Government to make use of punitive measures prescribed by law against unwary persons for casual defaults in complying with the provisions of the Company Law. He added that the measures of reform of the Company law were not meant to suppress the companies or obstruct the issues of capital or dealing in securities. These were intended to streamline and gear up the important machineries through which the bulk of the trade and industry was carried on.

Mr. Bhagat regretted that there was a tendency on the part of some companies to evade the law in spirit, if not in letter. The Government, he said, had received a number of complaints about such evasions. The Deputy Minister said that some of the managing agents had given up their managing agencies to avoid certain provisions of the law and had taken up sole selling agencies at more lucrative terms. These moves were certainly against the spirit of the new law, he said.

(Concluded from next column)

assets amount to Rs. 42.91 lakhs, as against which current liabilities and provision for taxation aggregate only Rs. 25.72 lakhs.

The Company is one of the oldest in the field of biscuit manufacturing in this country, having been established in 1918, and occupies a position of pre-eminence. Its factories, which have in recent years been expanded and modernised, have ample capacity for further expansion of production, as the demand for quality biscuits is increasing. The trade has, however, become highly competitive. There are now 39 organised factories, with a capacity of about 33,750 tons per annum; besides, there is a large number of small units catering to local needs. The Federation of Biscuit Manufacturers of India estimates the present demand at about 12,000 tons per year and envisage that it will rise to 15,000 tons by 1960-61. As the present capacity is sufficient to meet the estimated increase in demand, no further increase in capacity is envisaged. In the programme of industrial development during the second Five-year Plan, the emphasis will, therefore, be directed to securing an increase in exports. The success of these efforts will depend on the improvement in quality. The outlook for the industry should, therefore, be viewed against this background. So far as the Britannia Biscuit Co. is concerned, the Directors look to the future with confidence, in the absence of any adverse circumstances over which they have no control.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 15-8 *cum-div.* (final div. 7 per cent.). On an *ex-div.* basis, the yield on the shares works out to 6.7 per cent. per annum.

BRITANNIA BISCUIT KEEPS UP PROGRESS

DIVIDEND MAINTAINED

A RISE of Rs. 1.79 lakhs to Rs. 17.75 lakhs in gross profit is disclosed by the audited accounts of the Britannia Biscuit Co., Ltd. (Managing Director: Mr. K. Julian Scott, Calcutta) for the year ended 31st March 1956. With this increase, not only the upward trend in earnings has been maintained for the third year in succession but the sharp setback noted in the years 1951-52 and 1952-53 has almost been made good. Thus, the Company's gross profit, which had dwindled from a peak of Rs. 17.99 lakhs in 1950-51 to Rs. 5.72 lakhs in 1952-53, has grown to Rs. 17.75 lakhs in the year under review.

The dividend has been maintained at 10 per cent. for the third year in succession, after having been raised from 5 per cent. paid for 1952-53. It must, however, be noted that the distributions for 1954-55 and 1955-56 are on the increased capital of Rs. 45.97 lakhs raised in November 1954 by the capitalisation of Rs. 15.32 lakhs from out of the reserves. The dividend has been maintained at 10 per cent. only after setting aside to the general reserve Rs. 1.67 lakhs, as against Rs. 1.81 lakhs in the previous year, and transferring to the reserve for tax contingencies Rs. 2 lakhs, as compared with Rs. 1.50 lakhs added a year ago. This latter allocation is in addition to the sum of Rs. 4.52 lakhs set aside as provision for taxation which is more than double that provided last year. The heavier incidence of income-tax for the year under review, the Directors explain, is due to the cessation of depreciation allowances on the initial phase of the Company's building and expansion programme.

The Company's progress during the past three years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	133.72	128.69	124.16	97.05
Manufacturing expenses ..	84.55	84.46	86.89	71.81
Other expenses	31.50	28.29	21.21	25.27
Gross profit	17.75	15.96	12.41	5.72
Provision for—				
Depreciation	5.09	5.82	5.46	4.20
Taxation	4.52	2.20	..	0 34
Net profit	8.14	8.44	6.05	1 18
To reserves	3.67	3.31	3.00	0.50
,, reserve for provident fund and staff provision ..	0.06	0.18	0.20	..
Dividends—				
8% cum. preference	0.01	0.01	0.01	0.01
Ordinary	4.60 (10%)	4.60† (10%)	3.06 (10%)	1 53 (5%)
Carry forward	1.79	1.98	1.64	0.96

† On the increased capital of Rs. 45.97 lakhs raised in November 1954 by the capitalisation of Rs. 15.32 lakhs from the reserves.

It will be observed that there has been a substantial rise in sale proceeds during the last three years, reflecting the successful efforts of the Company in expanding its activities in a developing market. The benefit of such expansion in sales has, however, been offset to a large extent by the rise in expenses. The increase in expenses during the year under review was mainly accounted for by higher distribution expenses.

Referring to the trading conditions, the Directors observe:

"The increasing costs of wages and railway freight continue to place a heavy burden on the business but, as in previous years, every effort is being made to absorb these extra costs in order to avoid increases in selling prices, and develop new markets for our products. The policy of your Directors to accelerate the plant replacement and modernisation programme has enabled the Company to expand production during the year and, now that we have commenced to install the very latest type of manufacturing and packaging machinery, we consider ourselves equipped to secure a generous share of the business available."

The Company's financial position, as seen from its latest balance-sheet, is sound. The paid-up capital stands at Rs. 46.12 lakhs, of which preference capital accounts for a nominal sum of Rs. 15,450. Of the ordinary capital, as much as Rs. 30.64 lakhs represent capitalised reserves. This was done in two stages, once in August 1951 and again in November 1954. Even after these bonus issues, reserves and surplus aggregate as much as Rs. 32.91 lakhs. There is also a debenture capital amounting to Rs. 15 lakhs issued in January 1953, carrying interest at 5¼ per cent. and repayable in 1963-68. In pursuance of its programme of modernisation and expansion, the Company has spent during the year under review Rs. 10.70 lakhs on additions to the gross block, bringing the total value of the block account to Rs. 110.56 lakhs, the present book value of the same being Rs. 76.69 lakhs. The current

(Continued in previous column)

PERIA KARAMALAI MAINTAINS DIVIDEND

PROFITS, HOWEVER, LOWER

IN spite of a slight diminution in sale proceeds from the record figure of Rs. 86.65 lakhs touched last year to Rs. 83 31 lakhs for the year ended 31st March 1956, and the consequent fall in profits, the directors of the Peria Karamalai Tea and Produce Co., Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode—Malabar) have maintained the dividend at 45 per cent. to which record figure it was stepped up last year from the previous low of 35 per cent. declared for the year 1954. This has been effected by declaring a final dividend of 30 per cent. the interim having been paid already at 15 per cent. as in the case of last year. In sympathy with the fall in sale proceeds, the gross profit also has fallen by Rs. 5.13 lakhs from last year's record of Rs. 46.73 lakhs to Rs. 41.60 lakhs. And that has happened when the sales of tea in terms of quantity have actually gone up from 3,492,000 pounds in the previous year to 3,632,000 pounds during the year under review. The reason for this divergent trend is obviously to be found in the fact that the average price realised per pound of tea had fallen from the previous year's record of As. 38.85 to As. 36.88. At the same time, the expenditure on estates was up by about Rs. 20,000 to Rs. 50.88 lakhs and the coffee crop had fallen from 341 cwts. to 278 cwts. The table given hereunder will enable the reader to make a comparative study of the Company's working and progress during the preceding three years.

	For the year ended 31st March			
	1956	1955	1954	1953
	Rs.	Rs.	Rs.	Rs.
Sale proceeds	83,30,732	86,64,839	64,25,293	61,20,252
Stocks	9,08,226	11,09,366	7,05,889	5,97,228
Expenditure on estates ..	50,87,622	50,67,858	43,23,459	40,84,257
Gross profit	41,60,123	46,73,292	27,43,447	26,16,580
Managing Agents' commission	1,48,801	1,50,658	1,28,802	1,44,512
Depreciation	3,84,962	3,21,619	2,34,035	1,94,213
Taxation	14,70,000	11,80,000	9,20,000	4,22,000
Net profit	21,56,360	30,21,015	14,60,609	18,55,855
To reserves	6,00,000	14,00,000	3,00,000	5,00,000
,, staff pension fund ..	30,000	30,000	30,000	30,000
Dividend	15,64,817 (45%)	15,64,617 (45%)	12,16,925 (35%)	13,58,175 (40%)
Carry forward	50,800	39,057	62,659	1,48,975
Tea crop (in lbs.)	3,992,935	3,984,382	3,674,714	3,827,311
Coffee crop (in cwts.)	278	341	456	356
Cost of production per lb. of tea .. .. .. As.	19.92	19.77	17.57	15.73
Average price realised—				
Tea per lb. .. As.	36.88	38.85	30.61	27.84
Coffee per cwt. .. Rs.	180	180	181	179

The net profit, after providing for managing agents commission, depreciation and taxation, has fallen from last year's record by Rs. 8.65 lakhs to Rs. 21.56 lakhs. The directors have, however, thought it fit to increase the provisions for depreciation and taxation, the former from Rs. 3.22 lakhs to Rs. 3.85 lakhs and the latter from Rs. 11.80 lakhs to Rs. 14.70 lakhs. The directors have transferred only Rs. 6 lakhs to general reserve, as against Rs. 14 lakhs added in the previous year.

The production of tea during the year at 3,992,935 lbs. was again a fresh record for the Company breaking the last year's record of 3,984,382 lbs. and the estimated crop of 3,950,000 lbs. The position in regard to coffee, however, was not quite satisfactory, production having fallen from the previous year's output of 341 cwts. to 278 cwts. This is not unusual, because a good coffee crop is invariably followed by a low one. That is the peculiar feature of coffee industry. Owing to higher labour costs, the cost of production of tea per lb. has gone up slightly at As. 19.92 ppr lb. as against the previous year's figure of As. 19.77, the increase in the size of the crop notwithstanding the price realised for coffee was maintained at Rs. 180 per cwt.

The latest balance-sheet of the Company as at 31st March 1956, shows the capital unchanged at Rs. 34.77 lakhs. Against this, the reserves and surplus stand at Rs. 42 lakhs. The gross block standing at Rs. 76.13 lakhs has been written down to Rs. 59.55 lakhs. The total additions to the gross block during the year aggregated Rs. 9 81 lakhs. The current assets stand at Rs. 47.15 lakhs of which cash balances alone, amounting to Rs. 22.43 lakhs, provide a substantial cover to the current liabilities and provision for taxation aggregating Rs. 29.94 lakhs. The Company's financial position thus appears to be quite sound and satisfactory.

The Rs. 2 fully paid-up shares are being currently quoted at Rs. 11-2 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 8.8 per cent., free of tax.

COMPANY MEETINGS AND DIVIDENDS

MIM TEA CO., LTD. Annual General Meeting, Calcutta, 6th September, 1956. Dividend: Rs. 15 per share. Transfer books remain closed from 23rd August to 6th September, 1956, both days inclusive.

NEW DOOARS TEA CO., LTD. Annual General Meeting, Calcutta, 6th September, 1956. Dividend: Rs. 25 per share. Transfer books remain closed from 23rd August to 6th September, 1956, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Annual General Meeting, Calcutta, 7th September 1956. Dividend: Re. 1 per share (includes interim dividend of As. 4-4/5 per share). Transfer books will remain closed from 6th to 13th September 1956, both days inclusive.

WEST COAST PAPER MILLS LTD. First Annual General Meeting, Bombay, 11th September, 1956.

JAYBIRPARA (DOOARS) TEA CO., LTD. Annual General Meeting, Calcutta, 13th September, 1956. Dividend: *Nil.* Transfer books will remain closed from 30th August to 13th September, 1956, both days inclusive.

CHOONABHUTTI TEA CO., LTD. Annual General Meeting, Calcutta, 13th September, 1956. Dividend: Rs. 20 per share. Transfer books will remain closed from 30th August to 13th September, 1956, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 13th September 1956. Dividend: Rs. 6 per share (final). Transfer books remain closed from 18th August to 10th September 1956, both days inclusive.

FERTILISERS AND CHEMICALS (TRAVANCORE) LTD. Annual General Meeting, Eloor, Alwaye, Travancore-Cochin, 14th September, 1956. Dividend: *Nil.* Transfer books remain closed from 24th August to 14th September, 1956, both days inclusive.

IMPERIAL TOBACCO COMPANY OF INDIA LTD. Annual General Meeting, Calcutta, 14th September 1956. Dividend: As. 6-2/5 per share (final), free of income-tax. Transfer books will remain closed from 28th August to 14th September 1956, both days inclusive.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 18th September 1956. Dividend: Rs. 250 per whole ordinary share and Rs. 62-8 per quarter ordinary share, payable on 19th September 1956. Transfer books remain closed from 20th August to 18th September 1956, both days inclusive.

INDIAN MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th September 1956. Dividend: Rs. 225 per ordinary share, payable on 19th September 1956. Transfer books remain closed from 20th August to 18th September 1956, both days inclusive.

WESTERN INDIA SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th September 1956. Dividend: Rs. 225 per ordinary share, payable on 19th September 1956. Transfer books remain closed from 20th August to 18th September 1956, both days inclusive.

MYSORE PAPER MILLS LTD. Annual General Meeting, Bangalore, 20th September, 1956. Transfer books will remain closed from 7th to 20th September, 1956, both days inclusive.

EAGLE ROLLING MILLS LTD. Annual General Meeting, Calcutta, 28th September, 1956. Transfer books will remain closed from 11th to 28th September, 1956, both days inclusive.

SHREE DIGVIJAYA WOOLLEN MILLS LTD. Annual General Meeting, Jamnagar, Saurashtra, 28th September, 1956. Transfer books will remain closed from 14th to 28th September, 1956, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Annual General Meeting, Calcutta, 28th September, 1956. Dividend: Re. 1-8 per share. Transfer books will remain closed from 11th to 28th September, 1956, both days inclusive.

ORISSA CEMENT LTD. Annual General Meeting, Rajgangpur, 29th September, 1956. Dividend: Re. 1-4 per share. Transfer books will remain closed from 3rd to 29th September 1956, both days inclusive.

CENTRAL SCIENTIFIC SUPPLIES CO., LTD. Final dividend of As. 4 per ordinary share, for the year ended 31st March, 1956. Transfer books will remain closed from 1st to 6th October, 1956, both days inclusive.

CAUVERY SPINNING AND WEAVING CO., LTD. Dividend of As. 12 per ordinary share, for the year ended 31st March, 1956. Transfer books will remain closed from 27th August to 10th September, 1956, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Final dividend of As. 10 per ordinary share and As. 6 and Ps. 8 per new ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 17th to 29th September, 1956, both days inclusive.

MADRAS SAFE DEPOSIT CO., LTD. Dividend of 4-1/16 per cent. on ordinary shares, for the year ended 30th June, 1956. Transfer books will remain closed from 3rd to 10th September, 1956, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Dividend of 10 per cent. on ordinary shares, for the year ended 31st March, 1956.

COMPANY REGISTRATIONS

CHANDULAL T. PARIKH PRIVATE LTD. (First Director: Mr. R. C. Parekh.) Business: General traders. Authorised capital: Rs. 30,00,000. Private company. Address: Kanji Bhuvan, 299, Sandhurst Road, Bombay 4.

DHIRAJLAL MAGANLAL PURSHOTAMDAS PRIVATE LTD. (First Director: Mr. D. Maganlal.) Business: Underwriting and brokerage in shares, etc. Authorised capital: Rs. 25.00.000. Private company. Address: Old Share Building, 1st Floor, Dalal Street, Bombay.

M. VADILAL AND CO. (AHMEDABAD) PRIVATE LTD. (First Director: Mr. Mohanlal Chimanlal.) Business: Manufacture of printing blocks. Authorised capital: Rs. 10,00,000. Private company. Address: Raj Bhuvan, Outside Delhi Gate, P.B. No. 4, Ahmedabad.

Notice

THE DEHRI ROHTAS LIGHT RAILWAY COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held on Friday, 21st September 1956 at 11.30 a.m., at the Registered Office of the Company at Dalmianagar to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March 1956.
2. To declare dividend of Rs. 1-4 per share.
3. To elect Directors to fill up the vacancies caused by the retirement of Shri Harkishore Kejriwal and Shri A. K. Jain under Article 84 of the Articles of Association of the Company. The retiring Directors, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Lovelock & Lewes, retiring Auditors, being eligible offer themselves for re-appointment.
5. To transact the following as an item of special business, special notice of which is hereby given, to consider and if thought fit to pass with or without modification the following resolutions, which will be proposed as Special Resolutions:

"Resolved that the Articles of Association of the Company be altered in the manner following:

(a) For Article 32 the following shall be substituted, namely,

"32. The Company shall have a first and paramount lien upon all the shares (not being fully paid up shares) registered in the name of each member (whether solely or jointly with others) for all moneys called or payable at a fixed time in respect of such shares, and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares."

(b) For Article 33 the following shall be substituted, namely,

"33. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until notice in writing of the intention to sell shall have been given to such indebted member or to his executors or administrators and default shall have been made by him or them in the payment of moneys called or payable at a fixed time in respect of such shares for 30 days after such notice."

Explanatory Note: The shareholders are informed that the Company has been enlisted on the official list of quotations of the Bombay Stock Exchange. It has, however, been required by the said Exchange that Articles 32 and 33 of the Articles of Association of the Company with regard to lien on shares be amended in the manner as set out in the proposed resolutions (a) and (b) above."

The Share Transfer Books of the Company will remain closed from 6th September 1956 to 14th September 1956, both days inclusive.

By Order of the Board,
for SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, 1*st August* 1956.

Payment of dividend when declared will be made only to those members whose names are registered in the books of the Company on the 5th September 1956 or to their mandatees.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

SHARP FALL IN TEA PRICES AFFECTS NEW DOOARS

KUMARDHUBI ENGINEERING REPEATS DIVIDEND

New Dooars Tea Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1955.

The application to the Controller of Capital Issues for permission to capitalise a sum of Rs. 6,00,000 out of the amount standing to the credit of general reserve, referred to in the directors' last report, was granted in September 1955, and the issued and subscribed capital of the Company has been increased by the addition of 6,000 new ordinary shares of Rs. 100 each, issued as fully paid up to ordinary shareholders at the rate of three new ordinary shares for every four ordinary shares held by them on 16th November 1955.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the Auditors in their report.

Early in the present year it was agreed with Government that a bonus should be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of this bonus has been included in the 1955 accounts.

The taxation provision in these accounts is made on the basis that the amount of the 1953 and 1954 labour bonus will be allowed as a charge in the tax assessment for the year. Provision has also been made in these accounts for the estimated amount of labour bonus due to be paid in respect of the year ended 31st December 1955. The auditors have commented on both these points in their Report.

After providing Rs. 71,249 (Rs. 58,788) for depreciation, Rs. 1,68,420 for the 1953 and 1954 labour bonus and making sundry adjustments, the year's results show a profit of Rs. 6,83,263 (Rs. 28,14,662). After bringing in the balance of Rs. 2,73,662 (Rs. 1,76,020) from last year, providing Rs. 2,98,000 (Rs. 8,48,000) for taxation and transferring Rs. 1,00,000 (Rs. 8,00,000) to general reserve, there remains a balance of Rs. 5,58,925 (Rs. 11,66,662) at the credit of profit and loss account. From this the directors recommend the payment of a preference dividend of Rs. 6-8 per share, absorbing Rs. 13,000 (Rs. 13,000) and a dividend on the ordinary shares of Rs. 25 (Rs. 110) per share, absorbing Rs. 3,50,000 (Rs. 8,80,000), leaving a balance of Rs. 1,95,925 (Rs. 2,73,662) to be carried forward.

In February 1955, after agreement between labour and employers representatives on the West Bengal Minimum Wages Advisory Committee for tea garden labour in the Dooars and Terai, labour and staff wages were increased with retrospective effect to 1st January 1955.

A crop of 20,444 maunds was secured and sold at an average price of Rs. 1-15-2 per lb. This compares with a crop of 19,405 maunds manufactured in 1954, which sold at an average price of Rs. 3-1-3 per lb. The tea market fell sharply during the course of the season and in consequence, there was a considerable reduction in the prices obtained for the 1955 crop, in comparison with the prices realised the previous season.

Estimates for the current season have been framed for a crop of 20,000 maunds to cost Rs. 21,88,488. At the beginning of the present season, crop was lost owing to part of the garden sustaining hail damage; however the area affected has since recovered to a large extent and it is hoped that the estimated crop will be secured. Crop to the 21st July 1956, amounted to 5,230 maunds compared with 6,547 maunds secured to the same date last year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	8,81,963
Reserves ...	18,45,000	Stock-in-trade ...	14,48,433
Provision for taxation ...	5,85,954	Stores ...	2,22,657
Liabilities ...	10,15,302	Debts, deposits and advances ...	3,35,683
Profit and loss account ...	1,95,925	Investments	20,28,235
		Cash ...	3,25,210
Rs.	52,42,181	Rs.	52,42,181

Kumardhubi Engineering Works, Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th November 1955.

The profit and loss account, including Rs. 32,501 (Rs. 31,614) brought forward from the previous year and after allowing for sundry charges, depreciation, taxation, etc., placing Rs. 25,000 (*nil*) to general reserve, Rs. 67,500 (Rs. 72,500) to reserve for tax contingency and Rs. 24,500 (Rs. 56,700) to development rebate reserve, shows a credit balance of Rs. 3,36,425 (Rs. 3,47,501), which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 5 per cent. per annum without any deduction for income-tax paid by the Company Rs. 60,000 (Rs. 60,000), in paying a dividend on the ordinary shares at As. 8 (As. 8) per share without any deduction for income-tax paid by the Company Rs. 2,55,000 (Rs. 2,55,000) and in carrying forward Rs. 21,425 (Rs. 32,501).

The Company's order book continued to be well filled during the year under review and there was a very marked increase in enquiries and orders from about the middle of 1955, when the intentions of the Government of India's Second Five-year Plan began to emerge. Unfortunately the shortage of steel supply and of transport continued to limit production and in particular difficulty in supply of foundry scrap reached serious proportions during the latter part of the year.

Following the Government's publication of the Five-year Plan, it became obvious that the Company's expansion plans would require revision and it was considered desirable to employ a Consultant to advise on how best to expand, to take advantage of the greatly increasing business volume. The directors currently have proposals for expanding the Structural Shop and the Foundry under consideration. Relations with labour were satisfactory during the year under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,30,000	Block ...	39,66,617
Debentures ...	10,00,000	Capital jobs in progress	4,49,205
Reserves ...	43,12,118	Stock-in-trade ...	65,56,144
Provision for taxation ...	1,37,611	Debts, deposits and advances ...	40,89,811
Liabilities ...	69,87,604	Investments	73,356
Profit and loss account ...	21,425	Cash ...	53,625
Rs.	1,51,88,758	Rs.	1,51,88,758

Choonabhutti Tea Co., Ltd.

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

The application to the Controller of Capital Issues for permission to capitalise a sum of Rs. 3,00,000 out of the amount standing at the credit of general reserve, referred to in the last report, was granted at the end of November 1955, and the issued and subscribed capital of the Company has been increased by the addition of 3,000 new ordinary shares of Rs. 100 each issued as fully paid up to ordinary shareholders at the rate of one new ordinary share for every two ordinary shares held by them on 28th December 1955.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the auditors in their report.

After providing Rs. 50,047 (Rs. 53,229) for depreciation, Rs. 1,28,209 for the 1953 and 1954 labour bonus and making sundry adjustments, the year's results show a profit of Rs. 3,98,498 (Rs. 17,59,622). After bringing in the balance of Rs. 2,58,011 (Rs. 1,26,390) from last year, providing Rs. 1,77,000 (Rs. 5,75,000) for taxation and transferring Rs. 1,50,000 (Rs. 5,00,000) to general reserve, there remains a balance of Rs. 3,29,509 (Rs. 8,11,010) at the credit of profit and loss account. From this the directors recommend the payment of the preference dividend of Rs. 6-8 per share, absorbing Rs. 13,000 (Rs. 13,000) and a dividend on the ordinary shares of Rs. 20 (Rs. 90) per share, absorbing Rs. 1,80,000 (Rs. 5,40,000) leaving a balance of Rs. 1,36,509 (Rs. 2,58,010) to be carried forward.

In February 1955, after agreement between labour and employers representatives on the West Bengal Minimum Wages Advisory Committee for tea garden labour in the Dooars and Terai, labour and staff wages were increased with retrospective effect to 1st January 1955.

A crop of 13,536 maunds was secured and sold at an average price of Rs. 1-15-11 per lb. This compares with a crop of 13,361 maunds manufactured in 1954, which sold at an average price of Rs. 3-1-4 per lb. The tea market fell sharply during the course of the season and in consequence, there was a considerable reduction in the prices obtained for the 1955 crop, in comparison with the prices realised the previous season.

Estimates for the current season have been framed for a crop of 14,500 maunds to cost Rs. 14,77,575. Crop to the 21st July 1956, amounted to 5,244 maunds compared with 5,479 maunds secured to the same date last year. At the commencement of the present season crop was lost owing to part of the garden sustaining hail damage: however, the area affected has since recovered to a large extent and it is hoped that the estimated crop will be secured.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,00,000	Block ...	6,91,678
Reserves ...	10,50,000	Stock-in-trade	7,86,698
Provision for taxation ...	4,01,438	Stores ...	1,48,938
Liabilities ...	6,40,146	Debts, deposits and advances ...	5,32,621
Profit and loss account ...	1,36,508	Investments	8,54,265
		Cash ...	3,13,892
Rs.	33,28,092	Rs.	33,28,092

Engo Tea Co., Ltd.

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

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the auditors in their report.

Early in the present year it was agreed with Government that a bonus would be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of this bonus has been included in the 1955 account.

After providing Rs. 19,030 (Rs. 21,835) for depreciation, Rs. 29,696 for the 1953 and 1954 labour bonus and making sundry adjustments, the year's results show a loss of Rs. 48,282 (profit of Rs. 1,06,363 after paying interim dividend of Rs. 40 per share absorbing Rs. 48,000). After bringing in the credit balance of Rs. 29,760 (Rs. 7,397) carried forward from the previous year, the balance at debit of profit and loss account amounts to Rs. 18,522 (credit of Rs. 1,13,760 from which the directors paid a final dividend of Rs. 70 per share absorbing Rs. 84,000 and carried forward Rs. 29,760). The directors recommend that no dividend be declared and that the debit balance in the profit and loss account be carried forward.

A crop of 2,659 maunds was secured, which has been sold at an average price of Re. 1-10-9 per lb. This compares with a crop of 2,810 maunds manufactured in season 1954, which sold at an average price of Rs. 3-1-1 per lb. The tea market fell sharply during the course of the season and in consequence, there was a considerable reduction in the prices obtained for the 1953 crop, in comparison with the record prices realised the previous season.

Estimates for the current season have been framed for a crop of 3,000 maunds to cost Rs. 4,02,314 and it is expected that a crop in the region of 3,000 maunds will be secured, provided normal weather conditions prevail. An increased manure application has been made and the planted area is in good condition. Crop to the 14th July 1956, amounted to 1,299 maunds compared with a crop of 1,262 maunds at the same date the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,20,000	Block ...	1,95,171
Reserves ...	2,64,000	Stock-in-trade	1,71,244
Provision for taxation ...	79,561	Stores ...	97,700
Liabilities ...	1,07,029	Debts, deposits and advances ...	35,331
		Investments	1,025
		Cash ...	51,597
		Profit and loss account ...	18,522
Rs.	5,70,590	Rs.	5,70,590

Benares Electric Light & Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

The boiler and turbo alternator ordered in the year 1954 are at present under erection and it is expected that the boiler will be commissioned by the end of August and the turbo alternator by November this year.

Applications have been received for supplies of electrical energy to the extent of approximately 2,000 kws. and with the present industrial development, it is doubtful whether the Company can meet its obligations under its licence without further extending its generating plant capacity, as present indications are that the Government Rihand Dam scheme will not be available for supplying power to licensees until the year 1962 at the earliest, therefore, provision has to be made for meeting the additional capital expenditure in providing new plant, and as will be seen in the following notes in regard to accounts, a sum of Rs. 1,75,000 has been placed to general reserve. The Company's present financial commitments in respect of loans taken from the State Government also necessitate acceleration in building up the general reserve, to ensure the meeting of loan repayment instalments and interests when such fall due.

The following schedule indicates the progress that has been made during the year under review:—

Half-year ended	*Units sold*	*Revenue* Rs.
30th June 1953	10,983,183	14,38,649
31st December 1953 ...	11,071,085	16,24,041
30th June 1954	11,233,253	14,49,894
31st December 1954 ...	11,582,601	16,21,616
30th June 1955	13,298,217	15,79,101
31st December 1955 ...	14,635,884	20,05,122

After providing for all charges and placing Rs. 21,843 (Rs. 21,181) to statutory contingencies reserve, Rs. 58,400 (Rs. 58,400) to reserve for redemption of debentures, Rs. 5,000 (*nil*) to reserve for bad and doubtful debts, Rs. 31,378 (*nil*) to tariffs and dividends control reserve and Rs. 1,75,000 (*nil*) to general reserve, there remains a balance of Rs. 1,44,757 (Rs. 1,45,030) including Rs. 40,517 (Rs. 42,675) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year Rs. 85,000 (Rs. 85,000), an additional payment of As. 2 (As. 2) per share Rs. 21,250 (Rs. 21,250) and carrying forward to next half-year Rs. 38,507 (Rs. 38,780).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,00,000	Block ...	50,15,647
Debentures ...	12,00,000	Buildings and machinery under construction ...	30,09,931
Reserves ...	29,49,882	Stores, coal and fuel ...	8,55,287
Provision for taxation ...	3,79,732	Tools and instruments ...	46,584
Liabilities ...	51,18,161	Other assets	46,518
Profit and loss account ...	1,44,757	Debts, deposits and advances ...	13,43,266
		Investments	2,35,027
		Cash. ...	9,40,272
Rs.	1,14,92,532	Rs.	1,14,92,532

Murphulani (Assam) Tea Co., Ltd.

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

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the auditors in their report.

The application to the Controller of Capital Issues for permission to capitalise a sum of Rs. 1,25,000 out of the amount standing to the credit of general reserve, referred to in the last report, was granted at the end of September 1955, and the issued and subscribed capital of the Company has been increased by the addition of 12,500 ordinary shares of Rs. 10 each, issued as fully paid up to shareholders at the rate of one new ordinary share for every two preferred ordinary or ordinary shares held by them on 16th November 1955.

Early in the present year it was agreed with Government that a bonus would be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of this bonus has been included in the 1955 account.

The taxation provision in these accounts is made on the basis that the amount of the 1953 and 1954 labour bonus will be allowed as a charge in the tax assessment for the year. Provision has also been made in these accounts for the estimated amount of labour bonus due to be paid in respect of the year ended 31st December 1955. The auditors have commented on both these points in their report.

After providing Rs. 16,277 (Rs. 18,161) for depreciation, Rs. 53,857 for the 1953 and 1954 labour bonus and making sundry adjustments, the year's results show a profit of Rs. 2,58,740 (Rs. 4,33,147). After bringing in the balance of Rs. 50,536 (Rs. 34,889) from last year, providing Rs. 1,19,000 (Rs. 1,70,000) for taxation and transferring Rs. 1,00,000 (Rs. 1,25,000) to general reserve, there remains a balance of Rs. 90,276 (Rs. 1,73,036) at the credit of profit and loss account. From this the directors recommend the payment of a dividend of Re. 1-12 (Rs. 5) per share on the preferred ordinary shares, absorbing Rs. 35,000 (Rs. 1,00,000) and Re. 1-4 (Rs. 4-8) per share on the ordinary shares, absorbing Rs. 21,875 (Rs. 22,500), leaving a balance of Rs. 33,401 (Rs. 50,536) to be carried forward. The ordinary dividend to be paid in 1955 is on the increased capital of Rs. 1,75,000. In the previous year the ordinary capital stood at Rs. 50,000.

A crop of 5,162 maunds was secured, which has been sold at an average price of Rs. 2-7-7 per lb. This compares with a crop of 4,497 maunds manufactured in season 1954, which sold at an average price of Rs. 2-11-11 per lb. Although the tea market fell sharply during the course of the season as regards poorer quality teas, the Company's teas sold at satisfactory prices.

Estimates for the current season have been framed for a crop of 5,500 maunds to cost Rs. 6,86,150. Crop to the 14th July 1956, amounted to 1,468 maunds compared to 1,240 maunds to the same date the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,75,000	Block	4,10,684
Reserves ...	5,05,000	Stock-in-trade ...	3,97,185
Provision for taxation ...	2,08,580	Stores ...	80,619
Liabilities ...	4,74,893	Debts and advances ...	2,79,463
Profit and loss account ...	33,401	Investments	1,01,890
		Cash	3,27,033
Rs.	15,96,874	Rs.	15,96,874

Radha Krishna Mills Ltd.

The directors of the above Company (Managing Agents and Bankers: Messrs. A. G. Gurusamy Naidu & Co., Peelamedu, Coimbatore) submitted the audited accounts of the Company for the year ended 31st December 1955.

After meeting all expenses and providing a sum of Rs. 3,44,297 (Rs. 10,06,241) towards depreciation, the year's trading has resulted in a net profit of Rs. 7,55,615 (Rs. 4,30,648). Adding to this the carry forward balance of last year's profit amounting to Rs. 28,607 (Rs. 1,458) the total amount available for distribution was Rs. 7,84,222 (Rs. 4,32,095) which the directors disposed of as under:—

Transferred to contingency reserve Rs. 2,75,000 (*nil*), paid a tax free dividend at the rate of 20 (16) per cent. on the paid-up share capital Rs. 5,04,360 (Rs. 4,03,488) and carried forward to next year Rs. 4,862 (Rs. 28,607).

The directors report that trade conditions were more or less normal and satisfactory during the year. However, payments in respect of compensation to workers retrenched in 1948 amounting to Rs. 38,492, bonus to staff and operatives for 1954 amounting to Rs. 2,45,325 and income-tax amounting to Rs. 1,89,465 for the years 1953 and 1954, making in all a total of Rs. 4,73,282 had to be met out of the current year's profits as no provision had been made for them in the respective years. In the circumstances, the profits earned must be considered satisfactory.

The Government sanctioned in April 1955, an additional 10,000 spindles for the expansion of the mills. Out of the above 4,000 spindles have already been erected as on date and the balance 6,000 spindles will also be installed shortly. There has been considerable delay on the part of foreign makers in supplying the blow-room machinery and other replacement materials ordered and therefore the expansion and renovation programme could not be completed during the year under review itself. It is expected that such machinery will be received and put into commission during the current year itself.

The gross block of the Company stands at Rs. 83,60,150 (Rs. 73,90,455) and deducting depreciation provided amounting to Rs. 49,86,177 (Rs. 41,41,878) the net block is Rs. 33,73,973 (Rs. 32,48,577).

As reported in the previous year, the directors are keeping up the programme of expansion of the spindleage capacity of the mills and modernisation of the old machinery to enable the Company to meet the competition from mills which are equipped with the latest types of machinery. The Company has therefore been investing heavily on capital expenditure during the last few years and consequently depreciation had to be provided on a large scale taking advantage of the concessions offered in this respect by the Income-tax Act. The capital expenditure to be incurred by the Company in the immediate future on buildings, machinery and equipment for expansion and renovation including the cost of air-conditioning is expected to be Rs. 20,00,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,30,420	Block ...	33,73,973
Reserves ...	20,00,000	Stock-in-trade ...	20,88,990
Liabilities ...	15,68,953	Stores and spare parts	2,17,350
Profit and loss account	7,84,222	Debts, deposits and advances ...	4,63,098
		Investments	3,11,387
		Cash ...	4,28,797
Rs.	68,83,595	Rs.	68,83,595

Star Paper Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Bajoria & Co., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

The profit and loss account for this period, after allowing debenture interest, managing agents' commission and other charges, showed a credit balance of Rs. 3,60,123 (Rs. 4,75,622). After writing off the sum of Rs. 1,00,820 (Rs. 86,153) on account of depreciation and bringing forward the sum of Rs. 4,492 (Rs. 1,569) being the credit balance of the last half-year, the sum of Rs. 2,63,795 (Rs. 2,31,038) was available for distribution, which, the directors disposed of as follows:—

In paying a dividend on the preference shares of the Company at 5 per cent. per annum (free of income-tax) Rs. 25,000 (Rs. 25,000), in paying a dividend on the ordinary shares of the Company at As. 12 (As. 8) per share (free of income-tax) Rs. 1,50,000 (Rs. 1,00,000), in paying a dividend on the "A" ordinary shares of the Company at As. 12 (As. 8) per share (free of income-tax) Rs. 75,000 (Rs. 50,000) and in carrying forward Rs. 13,795 (Rs. 6,038).

During the period under review, the Mill was shut for renovation for about one month. The directors report that since last few months the renovated plant is giving most satisfactory production, both in quantity as well as in quality.

The directors are now going ahead with the scheme of expansion of the existing plant by installation of a further machine of modern design. For this purpose share capital of Rs. 60 lakhs is being raised by issue of 3,00,000 ordinary shares of Rs. 10 each and 30,000 cumulative and tax-free, 6½ per cent. preference shares of Rs. 100 each. After the implementation of the scheme there will be a large increase in production at the Mills, resulting in better prospects for the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	34,81,718
Debentures ...	10,00,000	Stock-in-trade	11,12,864
Reserves ...	6,52,775	Raw materials, stores, etc. ...	20,84,114
Provision for taxation ...	10,25,745	Other assets	28,353
Liabilities ...	24,28,690	Debts, deposits and advances ...	25,46,261
Profit and loss account ...	2,63,795	Investments	28,519
		Cash ...	89,176
Rs.	93,71,005	Rs.	93,71,005

Bhulanbararee Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

In conformity with the provisions of the Companies Act, 1956, there will be no half-yearly accounts in future. From now on therefore the Company's accounts will be closed and audited as at the 31st December each year and the first annual closing will be for the 12-month period ending 31st December 1956.

Raisings and despatches.—76,243 (84,832) tons of coal were raised and 80,965 (1,02,138) tons were despatched during the half-year. The figures for the previous period were 90,473 tons and 77,447 tons, respectively.

Sand got and transported by the ropeway installation was 73,366 tons compared with 85,791 tons for the same period last year. The poor monsoon greatly affected sand supplies, the results of which will be apparent in succeeding periods.

The delay in actual receipts of the stowing subsidy has resulted in a decline in income from this source of some Rs. 20,000 compared with last half-year.

Transport.—Although the daily average wagon figures improved from 3,176 to 3,347 during the last two six monthly periods, it was noticeable that the industry failed to benefit by what is known as the spare capacity period which occurs normally between July and October. In 1955 there was no such period and while the railway's performance has undoubtedly shown an improvement on previous figures, the directors are yet to be convinced that transport plans are geared to the vast requirements of the second Five-year Plan.

The profit and loss account, after providing Rs. 28,513 (Rs. 33,766) for depreciation, Rs. 1,308 (Rs. 1,308) for taxation and including the debit balance of Rs. 1,65,136 (Rs. 2,04,456) brought forward from the previous period, shows a debit balance of Rs. 1,87,446 (Rs. 2,17,803) which the directors propose to carry forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,15,000	Block ...	15,24,038
Reserves ...	15,11,080	Capital expenditure in progress	39,253
Liabilities ...	4,96,059	Coal stock ...	1,86,582
		Stores ...	76,115
		Debts and advances ...	6,39,984
		Investments	64,105
		Cash ...	4,616
		Profit and loss account ...	1,87,446
Rs.	27,22,139	Rs.	27,22,139

North-West Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; and this fact has been commented upon by the auditors in their report.

After providing Rs. 18,050 (Rs. 22,655) for depreciation and crediting an excess liabilities provision of Rs. 13,687 (*nil*), the accounts for the half-year show a profit of Rs. 51,420 (Rs. 26,604) to which must be added the balance of Rs. 14,968 (Rs. 8,676) brought forward from the previous half-year. The directors have transferred Rs. 30,000 (*nil*), to general reserve, leaving a balance of Rs. 36,388 (Rs. 30,280) at the credit of the profit and loss account out of which they recommend a dividend at the rate of 15 (12½) per cent. per annum absorbing Rs. 20,438 (Rs. 17,031) leaving to be carried forward Rs. 15,950 (Rs. 13,249).

The raising contract at Ena colliery continues to work satisfactorily. Raisings during the half-year were 70,722 (58,577) tons compared with 61,890 tons during the previous half-year, and despatches were 70,589 (65,074) tons as against 64,686 tons. The Coal Board have recently indicated that sandstowing should be undertaken generally in No. 10 Seam, and this matter is being considered by the directors.

Hitherto half-yearly accounts have been issued by this Company to its shareholders, but in the opinion of the board of directors this is no longer practicable in view of the provisions of the Companies Act, 1956, regarding annual general meetings and the accounts to be presented at such meetings. Accordingly yearly accounts will be issued in future, commencing with those for the year ending 31st March 1957. This will not preclude the payment of half-yearly dividends, subject to the Company's results permitting, as the Company's Articles authorise the payment of interim dividends. It is, therefore, the Board's intention to consider the payment of interim dividends in the light of the Company's results up to 30th September each year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,72,500	Block ...	4,42,488
Reserves ...	2,85,193	Stores ...	20,226
Provision for taxation ...	5,096	Debts and advances ...	5,29,625
Liabilities ...	5,66,846	Cash ...	1,53,246
Profit and loss account ...	15,950		
Rs.	11,45,585	Rs.	11,45,585

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

QUESTION HOUR IN PARLIAMENT

Income-tax Arrears

THE total amount of arrears of income-tax on 31st March 1956 was Rs. 182.85 crores. This amount included Rs. 19.53 crores as arrears for 1952-53 and Rs. 30.60 crores as arrears for 1954-55. After taking all the necessary steps for the recovery of the taxes due, as prescribed under the Income-tax Act, if it is found that no recovery is possible on account of the assessee having no assets, or not being traceable, having left India, the arrears of tax are written off. The amounts of arrears written off during the last five years were Rs. 9.84 lakhs in 1951-52, Rs. 34.05 lakhs in 1952-53, Rs. 10.53 lakhs in 1953-54 and Rs. 12.12 lakhs in 1954-55. Information for 1955-56 is not available.

* * * *

Reinsurance Corporation

A reinsurance corporation will be set up shortly by insurance companies transacting general insurance business. The delay in setting up the corporation was due to various difficulties. The Government had to consult the general insurers. At one time, the Government felt that it should have some shares of the proposed corporation. But it has now decided that the corporation should be set up by the insurance companies themselves.

—*M. C. Shah*

Transfer of Assets to Overseas

As far as the Government is aware, no transfer of assets to foreign countries by Indian citizens is taking place. Under the Foreign Exchange Regulation Act, 1947, no such transfer can be made without the prior approval of the Reserve Bank.

* * * *

State Bank of India

The supply of rural credit by the State Bank of India will not be significant unless the co-operative societies are developed. The functioning of the State Bank in this matter is very closely linked with the work of the warehousing corporations and, unless these corporations are working, the State Bank can only function in a limited manner. The State Bank's role in this matter will, therefore, be significant only after some progress has been made in the working of the co-operative warehouses. The State Bank is to lend money to such warehouses on authorised securities for rural credit. Apart from this, the branch expansion of rural areas and by providing extended remittance facilities and other assistance to co-operative institutions connected with agricultural credit, the pilot schemes undertaken by the State Bank on an experimental basis at selected centres for the provision of credit to small-scale industries is also likely to prove beneficial for the grant of credit to such industries in rural areas. The State Bank has opened 35 branches so far in rural areas. I am sure the State Bank will now take steps to accelerate the progress.

* * * *

Rise in Prices

The recent increase in the prices of food, cloth and other consumer goods may not all be due to deficit financing. The main reasons for the increase are the somewhat smaller production of foodgrains, particularly of coarse grains, and the increased tempo of developmental expenditure in the country. Speculative trading is also somewhat responsible for the rise in prices of foodstuffs. It should, however, be remembered that the recent increase in prices, confined mainly to agricultural commodities, is, to some extent, also a corrective to the sharp decline that had taken place earlier in 1954-55. The increase due to development expenditure in the country was one of the main reasons. Surely, that would also include whatever amount may have been spent on deficit financing. I might say that the deficit finance that might have been incurred this year is very small, because, in the first four months, there had been rather a budget surplus of Rs. 10 crores, as against a budget deficit of Rs. 32 crores in the corresponding period last year.

—*A. C. Guha*

Heavy Engineering Industries

A heavy engineering mission from the U.K. is expected to visit India shortly to advise the Government on the development of heavy machinery and engineering industries. The mission will be financed partly by the Federation of British Industries and partly by the Colombo Plan Administration.

—*T. T. Krishnamachari*

Trade Treaty With Japan

A request has been received from the Japanese Government for the extension of the period of the conclusion of a trade treaty between the two countries. The Government of India has urged the Japanese Government for the consideration of all the relevant matters pertaining to the Indian assets in Japan before finalising the treaty. I have no figures relating to the value of Indian assets in Japan.

* * * *

Import of Copra and Oil

No reduction in the import quota for copra and coconut oil further to that announced for July-December 1955 period is considered necessary. The reduction then was from 100 to 75 per cent. The Quilon Oil Millers' and Exporters' Association has urged the Government to impose some restrictions on the import of copra and coconut oil from Ceylon. A fall in coconut oil prices and consequent heavy loss to the local oil milling industry and trade have been cited as grounds for this demand.

—*D. P. Karmarkar*

Coir Factories in T.-C.

It is proposed to organise a few mats and matting factories and one or two rope factories on a co-operative basis in Travancore-Cochin under the Second Five-year Plan. The total number of coir factories in Travancore-Cochin during 1955 was 121, as compared with 128 in 1954, 116 in 1953 and 125 in 1952. These factories are run by private firms. About 10,069 workers were employed in these factories in 1955, as against 10,786 in 1954. 10,399 in 1953 and 8,257 in 1952.

—*Nityanand Kanungo*

T.-C. Fertiliser Factory

The Technical Committee appointed by the Government to study the question of expansion of the Fertilisers and Chemical, Travancore, Ltd. has estimated that the cost of production of ammonium sulphate would be brought down, provided the following changes in the manufacturing process and expansion in capacity are achieved: (1) Production of ammonia from electrolytic hydrogen and nitrogen from liquid air; (2) increase in capacity for ammonia production to 70 tons per day; (3) increase in capacity for ammonium sulphate production from 135 tons to 200 tons per day; (4) adoption of acid neutralisation process for manufacture of ammonium sulphate; and (5) production of new fertilisers like ammonium phosphate. The total additional investment required for securing expansion on the above lines is estimated at Rs. 2.56 crores.

—*Manubhai Shah*

Inglis Report on Kosi Project

The Government invited Sir Claude Inglis, well-known hydrologist, to advise on the Kosi project. Sir Claude has drawn attention to (i) the special problem of silt control in the Kosi; (ii) the effect of high-pond level of the barrage on the upstream embankments and the necessity of continued observations and gradual raising of the pond level; and (iii) construction of dams on tributaries for sand control. All these points were known to the Government beforehand and have been taken into consideration in the preparation of the present Kosi scheme.

—*Jaisukhlal Hathi*

Merchant Shipping Act

The Government is considering the question of revising the Indian Merchant Shipping Act. A Bill is being drafted for introduction in Parliament shortly.

* * * *

Purchase of Ships

Apart from the orders placed with the Hindusthan Shipyard Ltd., Visakhapatnam, the Indian shipping companies have during 1956-57 placed orders for construction of ships in Germany, Belgium and Yugoslavia.

* * * *

Shipping Freight Rates

The investigations of the Officer on Special Duty, appointed to look into the allegations of discrimination in the shipping freight rates, have been completed. The charge of discrimination cannot be proved beyond doubt. The investigations, however, have revealed that there are instances of disparity in freight rates. Such instances have been taken up with the Conference Lines concerned, as a result of which the rates have been lowered in certain cases.

—*O. V. Alagesan*

Postal Services

About 18,000 post offices, covering villages with a population of 2,000 or more, were opened in the country during the first Five-year Plan. There have been exceptions in the case of a few villages, which have expressed themselves against the necessity of opening post offices there. I do not think it is necessary to have post offices in each and every village of the country, irrespective of the population there. The maximum loss the Government can incur on a post office is Rs. 750, but even this limit will go upto Rs. 1,000 in the case of backward areas. Regarding the provision of savings bank facilities in the rural post offices, it is more complicated to have the cheque system in the rural post offices not only for the man who deals with the cheques but also for the man presenting the cheques.

—*Jagjivan Ram*

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MONEY STEADY

(*From Our Own Correspondent*)

BOMBAY, 22*nd August*

For yet another week, the short-term money market maintained steady conditions, with the demand for funds keeping pace with the supply. At times, however, a shortage of floating funds was felt, but it was only a temporary phase, thanks to an improvement in the return of money from up-country centres. The supplies were, however, not large enough to place borrowers in a comfortable position and to bring down interest rates. Accordingly, money rates continued to hold their levels; inter-bank call money was unchanged at 3½ per cent. among all sections of banks. House money at call was bid at the self-same rate of 3½ per cent. Short-term deposits were placed at 3½ per cent. for one to three months and at 3¼ to 3⅜ per cent. for four to six months.

A drop of Rs. 6.34 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 17th August 1956, in contrast to the rise of Rs. 4.64 crores in the previous week. Notes held in the Banking Department have also declined by Rs. 2.30 crores, following a fall of Rs. 4.33 crores in the previous week. The aggregate recession of Rs. 8.65 crores in total notes issued is covered by a fall of Rs. 10 crores in foreign securities and an increase of Rs. 1.35 crores in rupee coin. In the Banking Department, deposits of the Central Government, which had declined by Rs. 7.01 crores in the previous week, have recorded a negligible drop. Deposits of other Governments have gone down by Rs. 81 lakhs, while those of banks have risen by Rs. 2.40 crores. There has been an increase of Rs. 2.27 crores in balances held abroad. Loans and advances other than to Governments are lower by Rs. 3.06 crores, while in the previous week they had accounted for a rise of Rs. 9.48 crores. The previous week's increase was mainly due to the large advances to banks against usance bills to the tune of Rs. 12.79 crores, of which repayments amounted to Rs. 4.20 crores, so that the outstanding advances showed an increase of Rs. 8.59 crores. In the week under review, however, fresh advances aggregated only Rs. 2.28 crores, while repayments were of the order of Rs. 5.45 crores.

The Scheduled banks' statement for the week ended 10th August 1956 shows a small rise of Rs. 38 lakhs in demand deposits and of Rs. 1.74 crores in time deposits. Inter-bank borrowings have also gone up by Rs. 1.25 crores and borrowings from Reserve Bank by Rs. 8.02 crores. On the assets side, a further small decline of Rs. 1.39 crores is noted in advances, while bills purchased and discounted have risen by Rs. 1.37 crores. Cash balances have gone down by Rs. 81 lakhs, while money at call and short notice are higher by Rs. 2.07 crores.

The Gilt-edged market ruled quiet, with further marking down in values in most of the loans, due to lack of support and predominance of sellers. The volume of business was meagre.

3 per cent. 1957 was maintained at Rs. 99-13, while 3 per cent. 1958 was placed at Rs. 99-9 *ex*-voucher, as against Rs. 99-10 *cum*-voucher last week. 3 per cent. 1959-61 was quoted at Rs. 98-1 after payment of half-yearly interest on the 15th inst. 3 per cent. 1963-65 was further marked down by an anna to Rs. 94-14. 3 per cent. 1964 shed an anna to Rs. 94-15. 3 per cent. 1966-68 held ground at Rs. 93-3, while 3 per cent. 1970-75 lost an anna to Rs. 90-2. 3 per cent. 1986 Conversion Loan had sellers at Rs. 75-1. The new loan, 3½ per cent. 1962, was unchanged at Rs. 98. 3½ per cent. 1961 declined by an anna to Rs. 99-6, at which level also there were sellers. 3½ per cent. 1964 attracted sellers at Rs. 98-11. 3½ per cent. 1965 was an anna lower at Rs. 98-9, while 3½ per cent. 1967 and 3½ per cent. 1974 were unchanged at Rs. 98-7.

In the foreign exchange section, a notable development during the week was the announcement by the Reserve Bank of India that authorised dealers in foreign exchange will be permitted, with effect from 3rd September next, to deal in the U.S. and Canadian dollars at competitive rates, but within the spread between the floor and the ceiling fixed by the Bank of England. At present, the authorised dealers deal only at common rates fixed by the Exchange Banks Association.

There was no change in the rupee-U.S. dollar exchange rates, banks' selling rate being Rs. 480¾ per $100 and their buying rate Rs. 477 per $100. In New York, sterling gained strength in terms of the dollar. Spot sterling hardened from $2.78.3/16-2.78.5/16 to $2.78.7/16-2.78.9/16 and three months' forward from $2.76.9/16-2.76.11/16 to $2.77⅛-2.77⅛. Transferable sterling, on the other hand, declined from 275.45-275.55 cents to 275.30-275.40 cents before gaining ground to 275.40-275.50 cents.

KIPS FIRM

(*From Our Own Correspondent*)

MADRAS, 20*th August*

There was no noticeable change in the kip market during the week under review. Sellers of F.A.Q. types quoted very high prices which the U.K. importers did not follow. A few top marks, however, registered a slight increase in price, and sellers were reserved. There was no change in the prices of tanned skins F.A.Q. tannages, but there were several enquiries for top grades superior tannages.

The quantities available for sale during the London tanned skins public auctions which are to commence on the 27th inst. are 1,015 000 goat skins and 485,000 sheep skins. It is believed that 40 per cent. of the goat skins are of fifths and lower selections without corresponding run. This was likely to result in lower prices being realised for them.

BULLION RECEDES

(*From Our Own Correspondent*)

BOMBAY, 22*nd August*

A reactionary trend in bullion prices was noted during the week under review, both silver and gold recording modest losses over the week. The recession was mainly influenced by the political developments abroad. Prospects of an armed conflict on the Suez Canal issue having receded, bulls were inclined to book their profit. Meagre ready demand for gold, rumours of large unauthorised arrivals of the yellow metal, the widening of carry forward charges against bulls in silver and fears of additional imports of silver coins from Tibet were the other factors which chilled the bullish fervour.

Silver forward (23rd August settlement) declined from Rs. 173-3 to Rs. 171-8 on Saturday. After a mild rally on Monday this week to Rs. 172-9 it closed today at Rs. 171-15. The next settlement receded from Rs. 173-9 to Rs. 172, before gaining ground to Rs. 173-2. The closing was, however, lower at Rs. 172-11. The carry forward charges against buyers widened from As. 6 to As. 12.

Ready silver (.996 Mint) moved down from Rs. 173-3 to Rs. 171-8 and closed at Rs. 171-15.

The floating stocks of silver are estimated at 2,300 bars. The daily average offtake was 15 bars.

The decline in gold, though not very marked, was significant, in that the upward trend noted for some weeks past could not be sustained and buyers were inclined to book their profits. Another notable development in the gold section was the reversal of the carry forward charges; they were in favour of bulls till Monday, while at the close of business today—the last day of the August settlements—they turned against them.

Gold for forward delivery (22nd August settlement) was marked down from Rs. 105-3 to Rs. 103-10. After a temporary recovery to Rs. 104-4 it reacted again to Rs. 103-3 at the close. The September settlement declined from Rs. 104-10 to Rs. 103-9.

Ready gold lost ground from Rs. 105-2 to Rs. 103-13.

The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 2,500 tolas, while the offtake was also of the same order on an average.

In New York, silver was unchanged at 90¾c., while in London both spot and forward silver declined by ¼*d.* to 78¾*d.* After remaining steady earlier in the week, gold in London, disclosed some weakness, reflecting the strength of sterling. On balance, the yellow metal was marked down from 251*s.* 6¾*d.* to 251*s.* 3¾*d.*

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

	22-8-56	Highest	Lowest	14-8-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 13	104 15	103 9	105 2
Forward*	103 3	104 13	103 0	105 3
Sovereign	67 0	67 8	67 0	67 0
SILVER				
Ready (.996 fine Mint ..	171 15	173 1	171 8	178 8
Forward†	171 15	173 1	171 8	178 8
London Silver Ready ..	78¾*d.*	79*d.*	78¾*d.*	79*d.*
London Forward	78¾*d.*	79*d.*	...*d.*	79*d.*
London Gold	251*s.* 3¾*d*	251*s.* 6¾*d.*	251*s.* 3¾*d*	251*s.* 6¾*d.*
New York Ready	90¾c.	—	—	90¾c.

* 22nd August settlement.
† 23rd August settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR STEADY

(*From Our Own Correspondent*)

BOMBAY, 22*nd August*

A distinctly steady trend was in evidence in the sugar market during the week under review. Several spot houses were reported to have purchased an aggregate quantity of 50,000 bags of indigenous sugar, consisting of Raza, Buland, Hardoi, Hargaon, Gola, etc. The purchases were made at a time when arrivals of indigenous sugar were at a lower rate; the total arrivals during the week amounted to 18,700 bags, as against 21,200 bags a week before and 33,300 bags two weeks before. Consequently, sugar prices tended to look up. The improvement would have been more marked but for the anticipated announcement of the usual monthly releases next week. A section of traders also expected a fall in the ex-mill quotations of Bombay-Deccan sugar in line with the overall parity of sugar prices in the North and South.

Shravan delivery contract for 'C' grade sugar was squared up at Rs. 91-8, that is, As. 8 higher than what was expected. Delivery orders for a couple of thousand bags were, of course, adjusted at Rs. 91. *Asho* delivery met with sustained buying support and advanced from Rs. 91-3 to Rs. 91-14 before being quoted today at Rs. 91-10.

In the spot market, British refined sugar was keenly sought and hardened by Re. 1-12 to Rs. 92 per 2 cwts. Among indigenous sugar, medium grain evoked good demand and rose by a rupee to Rs. 91-Rs. 93. Small grain was firm at Rs. 89. Large grain was done at Rs. 94-Rs. 101.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

COTTON FUTURES IRREGULAR

(*From Our Own Correspondent*)

BOMBAY, 22*nd August*

The cotton futures market had another very short week, the number of business sessions being limited to only three days; it remained closed on the 17th, 19th, 20th and 21st inst. During this brief period, cotton futures ruled irregular. On Thursday they were much depressed, as operators were hesitant to enter into fresh commitments at more than Rs. 700 for fear of Government intervention as was done in December last. The lack of any report pointing to the possibility of a reduction in or abolition of the export duty on cotton also dampened the enthusiasm. Selling ensued and prices slipped back. A distinct recovery was, however, in evidence on Saturday, thanks to firmness of stock and commodity markets consequent on the Suez crisis. The market again staged a relapse early today on renewed unloading by bulls in view of favourable weather reports, but picked up strength towards the close on speculative purchases by bulls. The earlier losses were completely made up and the closing rates were slightly higher than those at the close on Tuesday last week.

Jarilla Contract (March 1957) opened the week at Rs. 701, as against Rs. 702, and receded to Rs. 696-8 on the same day. After recovering to Rs. 703-8 on the 18th inst., the Contract again eased to Rs. 699-8 today before finishing higher at Rs. 704-12. Vijay Contract (April 1957) opened Rs. 2-8 lower at Rs. 830-8 and fell to Rs. 827-8. After rising to Rs. 833, it retreated to Rs. 827 before closing at Rs. 832-8.

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

(In rupees per candy of 784 lbs.)

	22-8-56	*Highest*	*Lowest*	14-8-56
Jarilla (March) ...	704¾	705½	696½	702
Vijay (April ...	832½	833	827	833½

Conditions in the spot cotton market continued to be active. Most of the popular varieties came in for business. Attention was particularly concentrated on Kalyan Wagad, Lakshmi, Jaydhar and Vijay. Transactions were also put through in delivery contracts. The buying spree in exportable styles noted last week, however, somewhat abated, thanks to lack of encouraging calls from overseas purchasers. Japan, it was reported, was not at present much interested in making large purchases, owing to shortage of sterling. The Continental countries would also appear not to have been inclined in buying Indian cotton at the currently prevailing prices. In the foreign section, East Africans met with considerable buying enquiries and forged ahead. The enquiries were induced by expectation of reduced availability of supplies, as a result of the hectic purchases by the U.K., following the freezing of payments between this country and Egypt. Moreover the mills were eager to buy as much quantity as was available in view of the fact that the varieties of East African cotton such as lower B.P. 52, Jinja and Busoga are excluded from the list of varieties officially recognised as conforming to the 1.3/16″ staple stipulation for import of cotton from sterling area countries.

The procedure governing the allocation of quotas for the export of Bengal *Deshi* cotton has been announced. Accordingly, out of the 20,000 bales allowed for export, a small quantity has been reserved for co-operative societies; the entire balance will be distributed among established exporters and registered dealers. The percentage of allocation of individual quota will be 1.36 with a minimum of 4 bales for established exporter and 0.16 (maximum of 24 bales and minimum of 3 bales) for registered dealer. Dealers having a turnover in excess of Rs. 45 lakhs are not entitled to receive a quota higher than that admissible to dealers with a turnover of Rs. 45 lakhs. For the conversion of turnover, Rs. 300 will be taken as the average price per bale. The validity of licences will be up to the end of December 1956.

The latest available prices—in rupees per candy of 784 lbs.—from the spot cotton market at Sewri, the figures in brackets giving last week's rates, are given below:

Bengal *Deshi* 720 (700); Berar Jarilla 785 (785); Khandesh 785 (785); Vijay 975 (975); Oomra *Deshi* 750 (735); Moglai 740 (730); Delivery contracts: Khandesh 197/3 December 123 (128), Berar 106(112), Moglai 44 (47) on Jarilla; 320F December 76 (77), 216F 102 (105), Vijay 13/16″ February-March 68 (68) on Vijay.

For the third week in succession the Karachi cotton market presented a cheerful tone. Enquiries from abroad continued to be quite encouraging and traders expected that the trend would be maintained in the coming weeks also. This expectation, coupled with the possibility of late arrivals of new crop cotton into the market, lent good support to cotton the prices of which registered a further improvement. N.T.R.G. January delivery strengthened by Re. 1-1 to Rs. 76-15. March delivery picked up As. 14 to Rs. 75-12. As the stocks of cotton with traders had been reduced at the end of the season, the spot prices of cotton were fully firm. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 100; Punjab *Deshi* 92; 4 F Punjab R.G. 81; S.G. 83; L.S.S. Punjab R.G. 84; S.G. 87; N.T.R.G. 82, S.G. 83; 289 F Punjab R.G. 85-12; S.G. 92-12.

The Alexandria cotton futures market put on a steady appearance during the week under review too. With the suspension of cotton sales by the Egyptian Cotton Commission from the 11th inst., traders were forced to meet their requirements by purchasing cotton from farmers who, naturally, sought to put up prices. Another helpful factor was the reduction in cotton acreage during 1956-57 revealed in the figures released by the Egyptian

Ministry of Agriculture; the acreage is estimated at 1,652,877 feddans, as against 1,815,697 feddans in 1955-56. There was, besides, hopes of enlarged overseas demand, following the relaxation of restrictions on payments by the Egyptian exchange control authorities. The payment for cotton shipped to the U.K. or any sterling area country is now required to be made in one of the four currencies, namely, Swiss francs, Beloina francs, Deutsche marks or Portuguese escudos. The latest available rates—in tallaris per lb.—from the Alexandria cotton futures market are given below:

Karnak: November 99.75; January 97.60; March 96.60; *Ashmouni*: August 68.75; October 72.85; December 72.75.

The firm trend noted in the Liverpool cotton futures market last week abated during the week under review. In fact the market ruled distinctly easy. Near positions came under long liquidation and hedging. Business in mixed growth contracts was also slow and there was some commission house selling. The Egyptian contract tended to follow Alexandria, but bids above the market failed to attract offers. The Sudan contract eased, as there were light hedge offers. The following are the latest available quotations—in pence per lb.—from Liverpool:

American mixed growth contract: October-November 24.76; December-January 24.50; March-April 24.30; May-June 24.20; July-August 24.05; *Sudan contract*: September-October 48.50.

There was a further rise in cotton futures prices at New York, induced by trade buying reflecting unfavourable crop reports from some sections, while offerings were light. There was some short-covering in near October. Demand for filling August shipment spot cotton was reported to be good in the Atlanta area.

The following are the latest available quotations from New York, as compared with those eight days and fifteen days before:

(In cents per lb.)

	21-8-56	13-8-56	7-8-56
Spot	34.35	34.45	34.00
October	33.55	33.43	32.62
December	33.49	33.35	32.78
March	33.25	33.20	32.73

PEPPER IRREGULAR

(Messrs. Parekh & Co.)

BOMBAY, 22*nd August*

Malabar black pepper moved both ways during the week according to the day-to-day reports, whether optimistic or otherwise, from London on the Suez Conference. The undertone of the market, however, remained uncertain. The earlier buying fervour immediately following the news of the nationalisation of the Suez Canal has subsided, but New York is now reported to be slowly reverting to selective buying. After paying $0.33 for the shipments per named steamers, New York marked down its buying price to $0.29½ and did some buying from $0.29½ to $0.32, all for the nearby shipments. Singapore reduced its price for Sarawak to Str.$85 with temporary improvements to Str.$91.

Alleppey after revising its price to Rs. 612½ once again reduced it to Rs. 787½ with undertone soft, sellers being more anxious to meet buyers. Garbled at Cochin moved between Rs. 135 and Rs. 140. It is generally believed that the present prices of Malabar black cannot be maintained unless there is a continuous buying from New York as growers are anxious to sell as much as possible before the start of the new season. Primary sellers are also said to be fearing competition from Lampong in the very near future. Since the spread between the price of the spot and the shipment is now widening, a section of the trade is entertaining the fear that a lot of unsold consignments will be going from India. If this happens the prices of spot pepper in New York will go down, if not now, at the time of arrivals thereof, thereby affecting once again the whole structure of the prices of the world pepper.

Locally, September shipment changed hands from $0.32 to $0.30½, while October-November-December from $0.31 to $0.29½ with buyers and sellers preferring to wait for a new development before operating. In the delivery section most of the business is confined to a short covering, new buying at higher rate being conspicuous by its absence. Following are today's nominal quotations: Ready delivery Rs. 106 per Bengal maund; September delivery Rs. 725-35 per candy of 5¼ cwts.

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 22*nd August*

The yarn market was devoid of any notable development during the week under review. Trading was dull, thanks to the none-too-happy events at Ahmedabad and other areas in Gujerat. Section-wise, rayon yarns were depressed on account of slackness in demand. Staple fibre yarns, however, evoked very good support, although, towards the close, there was selling induced by fresh sales of yarn by two important local mills. Trading in cotton yarns was dull; the finer counts were particularly neglected and suffered a setback.

Rayon yarns for forward deliveries were subjected to selling. Snia rayon yarn (120 dull cones) August contract dropped Rs. 7 to Rs. 778. October contract fell by a like amount to Rs. 794. In the spot section, 150 Japan eased by half an anna to Rs. 4-2-6. 120 Japan was quiet at Rs. 3-13, as also 120 Italy at Rs. 3-14-6. 150 Italy, on the other hand, elicited good attention of operators, who feared reduced supplies of yarn from Italy following the Suez crisis. The quotation for this variety moved up by 18 pies to Rs. 4-1-6. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade slipped by half an anna to Rs. 3-6-6. 120 Bt. cones 1st grade was unchanged at Rs. 3-12-9.

The prices of staple fibre yarn—forward and spot—recorded a handsome improvement in prices. 40×2 October delivery firmed up by Rs. 15 to Rs. 676. August delivery rallied Rs. 12 to Rs. 664. Ready 40×2 Citys were on request As. 2 higher at Rs. 3-8-6. New Greats and Kohinoors hardened by 21 pies each to Rs. 3-8-3 and Rs. 3-9-6, respectively. Centurys gained 18 pies to Rs. 3-8-3. Foreign yarns (80×2), however, came in for selling and tended to move down. Fujis, S'Sellos and H'Races lost an anna each to Rs. 6-3-6, Rs. 6-2 and Rs. 6-1, respectively. Paramounts eased by half an anna to Rs. 6-4-6.

In the cotton yarn section, sixty counts were subjected to selling. Moderns receded by As. 8 to Rs. 63. Finlays declined by As. 6 to Rs. 62-10. Raghuvamshis lost As. 4 to Rs. 58-8. Deals in 40s were put through at reduced rates. Minaxis decreasing by As. 10 to Rs. 28-14, Gokaks by As. 4 to Rs. 28-12 and Maduras by As. 2 to Rs. 29-12. Among 80s, Mahendras were dull at Rs. 73-4 and Seksarias at Rs. 55. Elphinstones, however, rose by As. 8 to Rs. 69 on special buying enquiries. Among 10s, Podars eased by As. 2 to Rs. 14-14. Elphinstones were unaltered at Rs. 15-3. Twenty counts Hinds were quiet at Rs. 19-10 same as last week, while Moderns gathered As. 2 to Rs. 19-10. Among 30s, Maduras gained an anna to Rs. 24-13. Apollos were better by As. 4 at Rs. 23.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those eight days and fourteen days before:

	22-8-1956	14-8-1956	8-8-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)—			
120 Dull Cone Snia August ..	778 0	785 0	794 0
October ..	794 0	801 0	798 0
120 Japan (per lb.)	3 13	3 13	3 11½
150 Japan (per lb.)	4 2½	4 3	4 0½
120 Italy (per lb.)	3 14½	3 14½	3 14
150 Italy (per lb.)	4 1½	4 0	4 0
Staple fibre yarn (per case of 200 lbs.)—			
40×2 August	664 0	652 0	644 0
40×2 October	676 0	661 0	650 0
40×2 New Great (per lb.) ..	3 8½	3 6½	3 6½
40×2 Century (per lb.) ..	3 8½	3 6½	3 6½
40×2 City (per lb.)	3 8½	3 6½	3 6
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	14 14	15 0	14 14
20s Hind	19 10	19 10	19 2
30s Apollo	23 0	22 12	22 12
40s Mimaxi	29 14	29 8	29 11
60s Raghuvamshi	59 8	58 12	58 8
80s Mahendra	73 4	73 4	73 4

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 22*nd August*

After witnessing a strident advance during the previous week, the oilseeds market registered a sharp reaction during the week under review. The chief reasons for the downward trend were favourable weather reports and the rumours that the U.S.A. had withdrawn as a buyer from the castor-oil market and that Brazil was offering castor-oil at competitive rates to the U.S. Having opened the week on a firm note on Thursday, the 16th, the market reacted sharply on active offerings from the speculative quarters. Although, subsequently, uncertain international situation and professional bear covering enabled the market to stage technical recovery on the 18th instant, the market continued its downward course, registering sizable losses by the end of the week. The market was officially closed on Monday as a mark of respect to Mr. Morarji Desai, Chief Minister of Bombay, who has gone on an indefinite fast, and on Tuesday on account of Coconut Day.

In the futures section, groundnut February 1957 contract, having closed the previous week at Rs. 141-10, opened on 16th on a steady note at Rs. 141-12, finishing up at Rs. 144, the highest of the week the same day. On 17th, however, the quotation declined sharply to Rs. 139-10, and after registering a small rise on 18th, it closed the week at Rs. 139-10, shedding Rs. 2 over the week. On the spot section, too, the same trend was witnessed. Bold variety lost Re. 1 at Rs. 34-4 while August-September eased by Re. 1-2 to Rs. 33-10. Groundnut oil ex-mill fell by As. 12 to Rs. 19-2 and Railway Receipt was Re. 1 lower at Rs. 18-12.

Castorseed September contract, moreover, opened the week on a firm note at Rs. 151-6 gradually climbed down to Rs. 144 on the 18th inst., closing the week at Rs. 143-14, losing over the week as much as Rs. 9-14. Castorseed May 1957 contract followed a similar trend. Over the week it lost Rs. 4-8 at Rs. 129-12. In the spot section, Ready variety was down by Rs. 2-2 at Rs. 28-10, while Kanpur slumped to Rs. 27-4 from Rs. 29-12. Oil B.S.S. declined by As. 10 to Rs. 16-12 and Oil Commercial by a similar amount to Rs. 15-12.

Linseed May 1957 contract ruled dull during the week shedding on balance As. 6 at Rs. 27-10. In the spot section, Bold variety fell by As. 14 to Rs. 31-6 and August-September by Re. 1 to Rs. 31-6. Linseed oil Ready reacted to Rs. 17-8 from Rs. 18-8 last week.

Among other oilseeds, Kardiseed Bold Ready was dull at Rs. 18-12 as against Rs. 19 a week ago. Niger seed Ready was quoted at Rs. 28-8 and Ready Madras was done at Rs. 29, both As. 8 less than in the previous week.

The Bombay Oilseeds Exchange Ltd., in a telegram to the Ministry of Health, Government of India, emphasised the serious handicaps which the oil industry and trade would be faced with if the amendment to Rule No. 8 regarding the conditions for licences published in the Gazette of India Extraordinary dated 24th September 1955 was put into effect. The Exchange stated that the enforcement of Rule No. 8 would seriously handicap crushers, wholesalers, exporters and retailers. Moreover, the same oil mills manufacture both edible and non-edible oils and store them in different containers alongside each other. Wholesale dealers dealing in both the oils also keep them in same godowns in different containers. So also exporters. If the Rule No. 8 were enforced, the Oilseeds Exchange complains, the same man would not be able to carry on trade in both edible and non-edible oils unless he has separate shops and godowns. Acute shortage of storage space, more especially in Bombay, would crippie the trade. Moreover, enforcement of the Rule would involve more shops and more staff and consequently lead to higher prices for the oil. The Exchange further points out that the Rule is most impracticable and has urged that it should not be enforced.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	22-8-1956	14-8-1956	8-8-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	139 10	141 10	136 8
Khandesh Quality Ready (per cwt.)	35 12	36 0	35 8
Aug-Sept.	33 10	34 12	33 11
Linseed—			
Bold Ready (per cwt.) ..	31 6	32 4	31 6
Aug-Sept.	31 6	32 6	31 10
Castorseeds—			
September	143 14	152 12	143 10
Madras (per cwt.)	28 8	30 12	29 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 2	19 14	19 4
Castor Oil—			
Commercial (per quarter) ..	15 12	16 6	15 4
Linseed Oil—			
Ready	17 8	18 8	17 6

METALS ACTIVE

(From Our Own Correspondent)

CALCUTTA, 21*st August*

Higher activity was reported in the metal market during the week under review. Stockists of the base metals made less offers in anticipation of prices increasing further. Attention was naturally given to the London talks on the Suez Canal, and it was realised that, in the unfortunate event of blockade of the Canal for some reason or other, metal imports to India would greatly be affected. Prices would go up as freight round the Cape would cost more. Manufacturers of non-ferrous metal products reported good order position with consumers and stockists pressing for earlier delivery. With the higher industrial activity in the country, it had been expected that factories producing such products as electrical cables and fittings, joints, brass hinge sections, copper and brass tubes, rods, hexagons, wires and sheets and electrical sections would speed up their activity; even so, it was the nationalisation of the Suez Canal which gave a fillip to keener activity in these factories.

There was moderate activity in copper, and importers entered into commitments for the import of sizable quantities electrolytic wire bars, the ready delivery of which changed hands at Rs. 228 per cwt. Oversea advices, especially from London, were encouraging. I.C.C. fire-refined ingots were priced at Rs. 224. Tin was fully firm at Rs. 522, which was one rupee above the replacement cost.

JUTE GOODS FIRM

(From Our Own Correspondent)

CALCUTTA, 21*st August*

Prices of jute goods improved, while those of raw jute receded—this was the feature of this week's trading in the jute markets. The cause: it was the announcement in the beginning of the week that mills have decided to re-seal 5 per cent. of the looms as from the week commencing 17th September. Two and a half per cent. of the looms were re-sealed as from mid-July, and the consequent reduction in production by 3,000 tons a month would be fully noticed only from this month onwards. As such, there is a feeling in some quarters that the present decision of the Indian Jute Mills Association, which would further reduce output by 5,500 tons a month, is premature. Most traders, however, felt that this move was timely, as an analysis of recent figures of production, sales and stocks showed that the monthly production was running ahead of demand by about 8,000 tons. This has caused huge losses to mills in recent months. For, while prices of jute goods were falling, the need for mills to consume more fibre, coupled with the wagon shortage, resulted in a very steady raw jute market. Even as recently as a couple of weeks ago, an artificial scarcity in ready fibre further boosted the prices of raw jute. Mills were naturally anxious to return to economic working, which could be ensured only if there was a reasonable relationship between demand and production.

With the present decision, the proportion of the looms that would remain idle would rise to 12.5 per cent. which was the same for the last several years excepting for the break in the past eight months. The present step, it is thought, will bring down production more or less equal to demand. But a shortage for jute goods is not anticipated. Stocks at the end of July were as much as 135,800 tons, and by the end of this month they would be surely more than 140,000 tons. It will not be several months before the present decision will have an effect on stocks, as the fall in output will only bring the monthly production equal to demand.

Announcing the decision, the I.J.M.A. described the re-sealing as a temporary and moderate readjustment necessitated by changed market conditions. The I.J.M.A. also stated that the decision could be reversed in the event of more favourable

market conditions developing. The announcement rightly described the adjustment of production as emanating from the industry's desire to maintain a realistic relation between suppiy and demand.

In the jute goods market, there was moderate activity. Fair business was done with shippers, there was good covering demand, and speculators were active, as they thought that prices were bound to go up. All these factors raised the prices of jute goods. Sacking goods, the prices of which had gone down in recent weeks, made a strong bid at recovery and, as the week progressed, the gap between the prices of ready and forward deliveries widened noticeably. At the same time, both the positions advanced.

The announcement of the proposed re-sealing of looms was made on Tuesday last, and the immediate reaction was a spurt in ready B. twills to Rs. 106-14 from Rs. 104-12. The Jan.-March position advanced by 2 points to Rs. 107, and near delivery Oct.-Dec. goods gained nearly three points to Rs. 108. Hessian 40"×10 oz. also registered the higher trend with the ready goods at Rs. 40 gaining by one point. A similar rise was registered in all forward positions, Oct.-Dec. quoting Rs. 40-4 and Jan.-March Rs. 40. The market was closed on Wednesday on account of Independence anniversary. On Thursday, the feature of Jan.-March B. twills gained further by As. 2 to Rs. 107-2, while the ready position lost by As. 2 to Rs. 106-12, and the Oct.-Dec. goods lost by As. 6 to Rs. 107-10. On the other hand, in hessian all positions receded by a few annas each, the ready delivery losing As. 4, Jan-March As. 2 and Oct.-Dec. also As. 2. However, both the sections soon recorded keen activity, with mills being eager sellers. It was the latter circumstance that arrested the uptrend for the day and reduced the gains. On Friday, business activity continued and the slight recession of the previous day was reversed. Ready B. twills recorded a high of Rs. 107 with the Jan.-March goods gaining markedly to Rs. 107-14 and Oct.-Dec. to Rs. 108-2. Hessian 40"×10 oz. regained to the former high levels in all the positions. Thus, Jan.-March goods were taken up to Rs. 40, Oct.-Dec. to Rs. 40-4 and the ready to Rs. 39-15. The market was closed on Saturday last on account of 'Moharum,' and reopened yesterday on a steady note. Prices improved further during yesterday's trading. Ready B. twills gained further to Rs. 107-10 with Oct.-Dec. moving to Rs. 108-12 and Jan.-March to Rs. 108-4. Ready hessians 40"×10 oz. was also higher at Rs. 40-6, with Oct.-Dec. at Rs. 40-10 and Jan.-March at Rs. 40-3.

The re-sealing announcement and the consequent prospect of mills consuming smaller quantities of raw jute in the face of an extremely good crop introduced an easier trend in the raw jute market. Miils were also less keen than in the past to enter into commitments in an earnest bid to push down prices to reasonable levels. Stockists were, however, disinclined to discount rates, but a recession in prices for most constructions could no longer be resisted and soon followed. In the coming weeks, the downward trend is expected to receive further momentum, and the prospects of stockists making "easy" money at the expense of mills have been removed. Upper Assam bottoms were quoted at Rs. 28-8, local daissee bottoms at Rs. 29-8 and Indian Northern bottoms at Rs. 28-8, as against Rs. 29, Rs. 30 and Rs. 29, respectively, earlier in the week.

LINSEED ARRIVALS POOR

(Messrs. A. Bradley and Co.)

CALCUTTA, 20*th August*

After a somewhat weaker opening, linseed prices have displayed a steady advance and very firm conditions have been observed at the close. Firm advices from the centres and poor arrivals of seeds have resulted in a scarcity of goods in this market. There is fair demand from crushers, but sellers are reserved. Prices in the oil section are very well maintained, thanks to good local demand. No fresh business from overseas is as yet possible, owing to a large disparity in prices caused by the high export duty on linseed oil. The latest quotation is August-September Rs. 24-8 per maund.

TEA FIRM

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 17*th August*

Due to the reversion to fortnightly auctions there have been no sales in Cochin this week. Sale No. 24 is due to be held on Wednesday, 22nd August, and contains 1,475,000 lbs. Since the last sale there has been some activity for unsold teas and world markets with the exception of Ceylon, have shown a firm to dearer tone.

Dust Sale Q will be held on Thursday, 23rd August, and offerings total approximately 475,000 lbs. The majority of unsold dusts have been moved since the last sale.

London Market:—*Sale of* 13*th August* 1956:—Good demand at dearer rates for quality sorts. Thin liquoring weak lowest sorts dearer.

Sale of 14*th August* 1956:—"Good quality dearer. Plainest irregular sometimes easier."

Colombo Market:—*Sale of* 13*th August* 1956:—Off grades generally dearer, particularly fannings. Black and Powdery Dusts lower.

Sale of 14*th August* 1956.—Good demand for Middle East types and low mediums at five to ten cents advance. Better sorts reacted sharply. Good mediums declined ten to twenty cents, high growns generally forty to eighty cents lower.

Calcutta Market—Export.—50,200 packages. Good general demand with stronger tendency for lower types and useful support from Irish buyers. Good liquoring strong but tippy types rather irregular. Middle East types dearer.

Internal.—15,000 packages dust. Strong and active demand. Middle East types strongest feature As. 4 to As. 8 dearer. C.T.C.s well supported medium Assam As. 2 to As. 3 dearer. Cachars and Dooars As. 1 to As. 2 dearer. 850 packages internal leaf. Market irregularly steady.

Export Quota.—The market has again shown a stronger tendency and a fair amount of business was done at 24 pies. There are now buyers at 27 pies.

Forthcoming Auctions—Sale No. 24.—Wednesday, 22nd August and Dust Sale Q.—Thursday, 23rd August.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 24.—1,450,000 lbs. Quality generally improved. Very strong general demand. Low mediums As. 1 to As. 2 dearer. Mediums fully firm. Best liquoring keen competition As. 4 to As. 6 dearer. Whole leaf tippy types good demand dear rates. Fannings best feature."

SLIGHT RECESSION IN EXPORT TEAS

(From Our Own Correspondent)

CALCUTTA, 21*st August*

During yesterday's export saie prices for most descriptions eased following a decline in quality. Stocks in Great Britain being low, buyers for the U.K. were busy. For they were anxious to purchase as much as they could for early shipping as a precautionary measure in the event of interruption of traffic in the Suez Canal. Until the Suez Canal crisis came to the forefront, buyers were slow in entering into commitments as they knew that production was running higher than last year and that, as such, there would be no difficulty in getting their requirements whenever they needed. Although output in Ceylon, Indonesia and South India is so far less than that for the corresponding period of last season, the marked increase in the North Indian production and the small increase in Pakistani output have so far made world output higher by 2 million lbs. than in 1955. In the month of July, the North Indian tea production was 1 million lbs. higher, at 80.57 million lbs. Including the figure for July, North Indian production is 10.75 million lbs. greater at 205.64 million lbs. compared to the corresponding period last year.

Indeed, a shortage of the higher quality teas is anticipated; but a glut in supply in the poor qualities, such as mediums and commons, cannot be prevented at the same time even with the greater attention the gardens are paying for the production of more quality teas. At the moment, tea traders' attention is rightly centred around the London conference on Suez, as on a successful solution of the dispute depends the prospects of tea. In the meantime, the higher trend would continue in the auctions. However, the fear that traffic through the Canal may be interrupted looks unwarranted at the present time if it is remembered that Egypt has declared that the Canal would continue to be as free as in the past; at the same time London declarations do not hint at the possibility of any armed conflict between Great Britain and Egypt, the movement of troops to the Mediterranean being only a precautionary measure in the event of Egypt blocking the Canal.

A quantity of 52,000 packages was on offer during yesterday's export auctions. Demand was fair, despite a decline in quality. Some withdrawals were also reported. The strongest feature of the sale was the rise by several annas in the price of fannings with clean black appearance. On the other hand, C.T.C. Assams gave way by As. 4. Dooars brokens and medium Assams declined by an anna to As. 2, and tippy teas received less attention. Stylish whole leaf grades were fully steady, but Darjeelings were very weak. The flavoury lots among Darjeelings lost by one rupee. Quotations were: best C.T.C. Assam B.P. Rs. 3-12 to Rs. 4-2, medium Assam B.P. Rs. 2-4 to Rs. 2-6, clean black pekoe Re. 1-15 to Rs. 2, and plain B.P. Re. 1-9.

Export quota changed hands at As. 2¼, but subsequently buyers offered only As. 2-1. However, it is expected that, since the quantity to be released for export during this season would be the same as last year and since a portion of last season's licences have been used for export this year, export quota rights would be available in plenty and that the demand for the rights in the open market may fall.

During last week's sale for domestic consumption, there was strong demand. Prices were pushed up. Dusts offered aggregated 15,105 chests, and the strongest feature of the sale was black leaf teas, prices of which on good support from buyers, on behalf of the Middle East, registered an increase of As. 4 to As. 8 per lb. Medium Assams possessing useful liquors improved by As. 2 to As. 3, and the poorer kinds were bought at firm rates. Although C.T.C. Assams received the attention of buyers, prices were quiet, but leafy teas enjoyed a good market. Residue teas were fully steady. Prices of Dooars and Cachars gained by an anna to As. 2. Quotations were: best Assam C.T.C. Rs. 3-8 to Rs. 3-10, medium Assam C.T.C. Rs. 2-10 to Rs. 2-14, medium Assam grainy dust Re. 1-12 to Re. 1-13, and medium Dooars Re. 1-10 to Re. 1-10-6.

Leaf chests on offer numbered 889. Prices were fully firm on good support.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 20*th August*

The sugar market ruled quietly steady during the week. Demand for small quantities was received from almost all consuming centres, but offtake was small, due to heavy rains. Mill delivery prices moved within narrow limits. The week-end prices were: Jaswant Rs. 28-9; Simbhauli Rs. 28-11; Mowana Rs. 28-8 to Rs. 29-8; Daurala Rs. 29 to Rs. 30; Amroha Rs. 28-2; Bijnore Rs. 28-2; Mansoorpur Rs. 29 to Rs. 30; Rampur Rs. 31; retail Rs. 30-10.

The *khandsari* market continued to be dull and depressed in the absence of buying enquiry. Prices ranged between Rs. 23 to Rs. 27 per maund, according to quality.

Dry quality *gur* prices advanced further by As. 8 to Rs. 13-8 per maund, as stocks of this quality were very poor. Kotha quality was transacted at Rs. 11 and the week's offtake (mostly of this quality) aggregated 10 wagons. Local stock dwindled to 24,000 maunds. Heavy rains were received during the week in all the western districts of Uttar Pradesh benefiting much the standing cane crops. After an early fall on bear pressure influenced by good rain reports, *gur* futures again advanced on revival of bull support. Opening at Rs. 11-2-1½, *fagun* delivery touched the lowest at Rs. 10-9 but swiftly recovered to Rs. 11-1-3 today.

PULSES ADVANCE

(From Our Own Correspondent)

HAPUR, 20*th August*

Foodgrains prices were steady during the week. Mr. A. P. Jain, Union Food Minister, announced in the Rajya Sabha that the Union Government proposed to open a large number of fair price shops for selling wheat at Rs. 14½-Rs. 14½ and rice in regulated quantities to consumers at Rs. 13-8 per maund. The House was further assured that the Government had fairly big stocks to run such shops. The Central Government had turned down the request of some State Governments to ban inter-State movement of grains, and the Government was of the view that shortage of foodgrains in any part of the country should be met by arranging liberal issue of foodgrains from Government stocks. Various steps, he said, had been taken by the State Governments of Madhya Bharat, Bhopal, Punjab, Assam, West Bengal and U.P. to check the upward trend in prices.

Wheat prices ruled unchanged at Rs. 15-4 per maund for average quality, while quality prices eased slightly to Rs. 16-4 per maund, due to Government pressure by selling heavy quantity of wheat in Delhi, small quantity of which was brought here to be sold at Rs. 15-8 per maund. The U.P. State Government has received 25,000 tons of wheat from the Centre, which is being sold through a chain of relief shops in the five big towns of the State. Some quantity of such wheat has also been received in Meerut and Muzaffarnagar. Local arrivals from the producing areas are small, at an average of 100 maunds daily, due to rains, and stocks have run down by two *khaties* to 81 *khaties*, which is very small as compared with the last year's figure of 128 *khaties*.

Rice ruled quietly steady at unchanged levels. Advices from Madras and other markets of the South continued to be firm. *Basmati* was done at Rs. 25-Rs. 30, *rangooni* at Rs. 19, *mainpuri* at Rs. 20 and coarse at Rs. 16 per maund. Arrivals of new *kharif* crop have not yet begun and pressure of consumers' demand is still concentrated on *rabi* grains. Gram prices advanced further on firm Punjab and Madras advices, although fresh arrivals from Punjab resulted in swelling local gram stock to 125 *khaties*. Barley and *bejhar* continued to find support from consumers as the market was faced with good demand and poor stock. *Jowar* and *guwar*, however, ruled quiet for want of buying enquiries, the latest prices as on Monday being gram local Rs. 12-8, *punjabi* Rs. 13-1, barley Rs. 12-4, *bejhar* Rs. 12, *jowar* Rs. 14, *guwar* Rs. 10-4 and maize old Rs. 12, *bajra* Rs. 12-4 per maund.

Pulses prices continued to be firm, on good demand from the South, and good loading facilities in the week-end resulted in an offtake of ten wagonloads of peas and peas pluses to Madras. Demand from Assam side is also keen and the Union Government is arranging some specials to be sent to Assam to meet this demand. Peas *dara* green has improved to Rs. 12-4 and white quality to Rs. 13-12 per maund, and as local arrivals were negligible, due to rains during the week, the local peas stock was put at 55 *khaties*. *Arhar* prices also registered a further gain of As. 10 to Rs. 12-12 per maund, although local stock was heavy at 100 *khaties*. Prices of other pulses, too, advanced on reports of heavy loss to crops in the producing areas of the South due to excessive rains. The prevailing prices are: *Urd* Rs. 19 to Rs. 20-4, *moong* Rs. 14-12 and *masoor* Rs. 15-12.

Pulses futures advanced in successive sessions. The latest quotations as on Monday were very near the highest levels of the week. Peas *bhadon* was quoted at Rs. 12-2-3, *mangsir* Rs. 12-6-9, peas white *bhadon* at Rs. 12-7-6, *mangsir* at Rs. 12-15-3, *arhar bhadon* at Rs. 13-0-9, *mangsir* at Rs. 13-7-6, *guwar maha* at Rs. 9-11, and *urd maha* at Rs. 16-6.

HIDES DULL

(From Our Own Correspondent)

KANPUR, 19*th August*

During the week under review, the hides and skins market ruled dull. Owing to rains and *Moharram* festivals, activity was restricted. Demand for high grade wet salted buff was as keen as usual. There was, however, a fall in the demand for high grade cow or goat. The Madras dealers were lukewarm during the week. The main purchasers were the local tanners. Fresh arrivals were considerable, despite certain bottlenecks of transport.

The latest available quotations are: Wet salted cow 1st grade Rs. 280 and 2nd grade Rs. 200 to Rs. 230 per score; wet salted buff 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat 1st grade Rs. 170 to Rs. 190 and 2nd grade Rs. 130 to Rs. 140 per 100 pieces; sheep 1st grade Rs. 180 and 2nd grade Rs. 130 per 100 pieces.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	20th Sept., 1950	5	6
Canada	9th Aug., 1955	3	3½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1956	4	4½
Colombia	18th July, 1955	6	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1955	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	3	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	24th May, 1944	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1956	5.84	7.3
Mexico	30th June, 1945	4	4½
Netherlands	5th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	3½	4
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1955	4½	5½
U.S.S.R.	7th July, 1936	6	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 17th August, 1956		Week ended 10th August, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	1,80,547	36,99,18,000	2,73,878	57,00,14,000
Calcutta ..	1,49,835	54,74,22,705	1,40,000	44,52,00,000
Madras ..	90,016	8,44,94,835	88,446	9,65,75,911
All Centres—				
1953-54* ..	..	..	2,669,000	6,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
May 1955 ..	..	..	3,485 000	7.10 61,00,000
June ..	..	..	3,202,000	6,59,59,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 17th August, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund ..	15,00,00,000
National Agricultural Credit (Stabilisation) Fund ..	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	58,72,32,000
(2) Other Governments	5,57,69,000
(b) Banks	53,43,72 000
(c) Others	11,92,37,000
Bills Payable	6,01,63,000
Other Liabilities	29,16,16,000
Rupees ..	185,83,89,000

ASSETS	Rs.
Notes	28,64,72,000
Rupee Coin	9,67,000
Subsidiary Coin	6,46,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,33,05,000
Balances held abroad*	34,39 39,000
Loans and Advances to Governments ..	7,30 35 000
Other Loans and Advances	60 78 83 000
Investments	50.12 28,000
Other Assets	7,09 29,000
Rupees ..	185,83,89,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 30,76,82,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 222 89 52.000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.†
Notes held in the Banking Department ..	23,64,72,000	
Notes in circulation	1445,43,97,000	
Total Notes issued		1469,08,69,000
Total Liabilities ..	....	1469 08,69 000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities ..	606,67,54,000	
Total of A ..		646,69,25,000
B. Rupee Coin		113,77,31,000
Government of India Rupee Securities		708,62,13,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets		1469 08 69,000

Ratio of Total of A to Liabilities : 44.020 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 10th Aug., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	14,21,85,000
(ii) Other demand liabilities	623,63,96,000
2. Time Liabilities in India:	
(i) Borrowing from banks other than the State Bank and a notified bank † ..	3,71,80,000
(ii) Other time liabilities	455,95,92,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,15,07,000
(ii) Time liabilities	....
4. Cash in India	35,51,58,000
5. Balances with the Reserve Bank in India ..	49,24,56,000
6. Balances with other banks in current account in India	10,50,11,000
7. Money at call and short notice in India ..	19,36,37,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	361,47,57,000
9. Advances in India	595,17,17,000
10. Inland Bills purchased and discounted in India	97,41,69,000
11. Foreign Bills purchased and discounted in India	46,57,09,000

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

EXCHANGE RATES

	21st August, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months ..	1-5⅜	1-5⅜
Buyers T.T. spot to nine months ..	1-6¼	1-6¼
Buyers T.T. 10 to 12 months ..	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480½	480½
Buyers T.T. .. Rs.	473	473
London on New York .. $	2.78-½ 2 78-¼	2.79-2 79½
London on Paris .. Fcs.	982	980½
London on Berne .. Sw. Fcs.	12.17-12.17½	12.19-12.20
New York on London.. $	2 78-¼ 2 78-⅜	2.79-2.79½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 2,905	590	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88 20	Y. 6,145,000	8,183	928
Philippines	1954	21.44	Pe. 7,498	1,770	825
New Zealand	1954	2.00	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,094
U.K.	1954	50.78	£ 15,718	20,950	4.100
U.S.A.	1954	162 41	$ 299,700	142,370	8,766
Canada	1954	15 80	$ 18,751	9 190	6,044
France	1954	43.84	F.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47 67	Lr. 9,718,000	7,980	1,544
Norway	1954	3.49	Kr. 18,454	1,250	3,588
Sweden	1954	7.21	Kr. 38,630	2,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4 92	Sw Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 10th August, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	30,05,43,000
(b) Provincial Governments	9 91 35,000
(c) Banks	21,86,04,000
(d) Others	3,88,19,000
Bills Payable	84,25,000
Other Liabilities	6,68 05,000
Rupees ..	78,73,31,000

ASSETS	Rs.
Notes	9,84,93,000
Rupee Coin	10,000
Subsidiary Coin	13,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	97,22,000
Loans and Advances to Governments ..	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	5,18 60,000
Investments	52.22 74,000
Other Assets	10,54,59,000
Rupees ..	78,73,31,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,84,93,000	
Notes in circulation	282,81,14,000	
Total Notes issued		292,66,07,000
Total Liabilities ..	....	292,66,07,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,33,41,000	
Silver Bullion	....	
Sterling Securities ..	96,64,02.000	
Government of India Securities ..	16.69,91,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin ..	6,42,81,000	167,69,92,000
Government of Pakistan Securities ..	112,63,28,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		119,06,09,000
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities ..	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets ..	....	292,66,07,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 59.22 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	10th Aug., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1451.78	1447.15	1474.60	1307.13
Notes held in Banking Department ..	35.05	25 95	30 29	29 37	21 34
Foreign Securities ..	59.50	616 68	616 68	626 68	637 04
Rupee Securities ..	37.39	708.62	708.62	728.56	543.65
Banking Department					
Deposits of:					
Government of India.	14.89	54 04	61 05	52 03	75 02
Other Governments.	..	9 38	5.86	6 94	9 44
Balances held abroad	10.08	32.02	36.79	41.63	81.94
SCHEDULED BANKS					
Demand Liabilities.	134.36	637 86	636 08	644.30	607 65
		(14 22)†	(12 82)†	(13 13)†	(12 08)†
Time Liabilities ..	108.24	459 47	458 08	456 43	409 24
		(3.71)†	(3 80)†	(3 22)†	(4 01)‡
Borrowings from Reserve Bank ..	..	44 58	36 56	38.50	7 49
		(33.94)‡	(25.84)‡	(33 97)‡	(6.75)‡
Borrowings from State Bank ..	..	7.15	6.95	5.60	3 01
Cash in India ..	6.70	35.52	36 01	37 26	34.48
Balances with Reserve Bank of India ..	..	19.36	17.30	70.90	21.33
Investments (at book value) ..	..	361 48	361.35	345 98	371.44
Advances and bills.	105.09	739.16	739.05	747.96	598.53
STATE BANK					
Deposits ..	57.76	222 33	223 05	223 16	211.42
Investments ..	51.99	106 29	106 08	100 27	104.19
Advances	30.35	127.14	126 34	131 03	104 29
Cash	14.89	17 42	14 43	18.35	18 32

† Borrowings from Banks excluding the Reserve Bank and the State Bank
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	May,		Two months, April and May	
	1955	1956	1955	1956
Import Duties †				
Revenue	9 42	10.39	18 30	19 85
Protective	0.74	1.10	1.49	2 07
On surplus disposals	—	—	—	—
Total import duties	10.16	11.49	19 79	21.92
Export Duties ..	2 45	1 92	6 79	3 64
Land Customs ..	0 07	0 21	0 26	0 25
Miscellaneous ..	0 07	0 10	0 12	0 17
Gross total customs	12 75	13 72	24 93	25 98
Refunds and drawbacks	0 40	0 23	0 64	0 38
Net Customs	12 35	13 49	24 29	25 60
Gross excise	11 30	14 37	22 24	26 29
Refunds	0 45	0 14	0 55	0 23
Net Excise	10 85	14 23	21 69	26.06
Net total of customs and excise†	23 20	27 72	45 98	51.66

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 17th August, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		224,61,05,000
Borrowings from Other Banking Companies, Agents, etc.		8,50,00,000
Bills Payable		5,83,40,000
Bills for Collection being Bills Receivable as per contra		63,91,000
Acceptances, Endorsements and Other Obligations per contra		15,30,000
Other Liabilities (including Inter-Office Adjustments)		5,85,38,000
Total ..	Rs.	257,06,54,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank ..		14,49,03,000
Balances with other Banks ..		3,57,75,000
Money at Call and Short Notice ..		46,67,000
INVESTMENTS :		
Government and other Trustee Securities ..	94,73,70,000	
Other Authorised Investments ..	11,45,02,000	
		106,18,72,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	91,60,61,000	
Bills Discounted and Purchased .	33,64,58,000	
		125,25,39,000
Bills Receivable being Bills for Collection as per contra ..		63,91,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra..		15,30,000
Premises less Depreciation		1,16,47,000
Furniture and Fixtures less Depreciation		53,97,000
Other Assets (including Inter-Office Adjustments)		4,49,30,000
Total ..	Rs.	257,06,54,000

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,243	3,326,951
1953	773	466,807	3,382,636
1954	840	477,138	3,373,050
1955	1,166	527,767	5,097,848
April 1954 ..	101	34,963	207,247
May	80	40,073	216,062
June	88	31,589	305,076
July	122	80,189	377,492
August	79	51,090	222,887
September ..	97	50,414	363,878
October ..	88	41,724	270,304
November ..	68	25,115	230,701
December ..	101	34,455	262,765
January 1955† ..	95	49,038	322,307
February	91	38,370	144,302
March	112	70,042	334,866
April	105	32,432	338,275
May	120	68,441	961,776
June	152	91,599	1,144,011
July	111	55,290	660,492
August	236	90,218	533,999
September ..	251	92,619	580,031
October	134	47,600	214,214
November ..	99	48,609	178,112
December ..	129	45,277	239,550
January* 1956† ..	108	61,200	353,555
February* ..	123	69,605	700,711
March*	147	135,058	988,639
April	136	79,314	512,435

† Figures are provisional. * Revised.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns†	Units generated‡	Total Units Sold
1952-53	614	6,901.4	5,124.2
1953-54	645	6,876.8	5,573.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.2	7,138.5
March 1955 ..	686	668.7	568.3
April	690	691.1	562.9
May	691	706.5	582.2
June	696	719.3	576.1
July	700	724.5	583.8
August	705	708.9	574.4
September ..	707	719.3	587.1
October	716	730.7	591.9
November	721	732.5	597.0
December	734	758.7	649.0
January 1956 ..	731	757.2	631.8
February	719	749 9	623.0
March	715	800.0	651.0
April	701	780.8	643.8

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

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1953-54 ..	6.82	68	3.26	12.66	24.17	1,12.88	92.08	—	31.07	7.55	25.54				
1954-55 ..	4.70	1.62	4.99	27.27	1,24.64	1,84.94	1,80.88	—	34.25	5.57	27.15	7.40‡	7.38	5.51‡	5.51
1955-56 ..	3.76	1.98	5.48	27.19	1,44.86	1,58.15	1,67.86	—	38.87	4.79	41.25	9.86	16.37	4.5	9.5
May 1955 ..	4.56	26	9.24	2.21	1,27.94	11.28	1,24.24	—	36.64	41	27.39	66	8.51	4	61
June ..	4.44	18	8.13	2.00	1,29.48	12.26	1,36.50	—	36.76	37	28.22	84	9.22	5	65
July ..	4.26	12	5.15	2.27	1,21.38	13.36	1,40.38	—	36.38	41	28.54	91	10.19	4	67
August ..	4.29	12	5.17	2.60	1,22.83	12.25	1,42.90	—	35.96	39	28.87	88	11.00	3	68
September ..	4.31	12	5.20	2.54	1,24.55	13.10	1,46.01	—	37.11	44	29.28	94	11.80	4	72
October ..	4.14	10	5.21	2.11	1,26.38	11.31	1,46.99	—	37.33	46	29.66	80	12.49	5	80
November ..	4.07	10	5.21	1.96	1,27.43	11.25	1,50.40	—	38.34	43	30.06	83	13.20	5	85
December ..	4.00	12	5.29	2.46	1,29.48	12.94	1,52.44	—	38.44	36	40.34	88	13.98	4	88
January 1956 ..	3.91	14	5.24	2.03	1,30.78	12.16	1,54.14	—	38.55	32	40.61	84	14.78	4	91
February ..	3.83	15	5.32	2.33	1,43.37	12.27	1,56.19	—	38.56	33	40.96	93	15.57	2	86
March ..	3.76	23	5.48	2.82	1,44.36	23.54	1,67.36	—	38.87	34	41.25	88	16.37	3	95
April ..	3.69	24	5.54	2.19	1,46.25	14.54	1,71.08	—	38.96	34	41.51	82	17.18	3	98
May ..	3.61	21	5.54	2.49	1,47.58	14.77	1,75.06	—	39.05	38	41.82	55	17.91	2	1.00
June ..	..	..	..	..	..	..	..	—	....	38	42.11	..	..	..	..

* At the end of period.
‡ Issued from 16th May 1954.
@ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
§ Relating to nine months from July, 1954.
@Progressive net repayments at the end of period from 15th August 1949.
‡‡ Relating to nine months from July, 1954. § From July, 1954.
E-Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50 = 100)

Group and Sub-Group	Week ended 13-8-'55	14-7-56	4-8-'56	11-8-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91.2	91.0	90 9
1. Government of India ..	90.7	91.0	90.8	90.7
2. Indian States	96.4	96.8	96.8	96.8
3. Municipal, Port Trust, etc.	89.5	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	100.5	100.3	100.3
1. Electricity	102.2	101 5	101 2	101.3
2. Jute	98.9	97 5	97.5	97.5
3. Plantations	99.1	99.3	99.3	99.3
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.5	90 6	90.6	90.6
6. General Engineering ..	100.6	100.9	100.9	100.9
7. Shipping	100 9	101.8	101.8	101.8
8. Others	100.9	100 9	100.9	100.8
PREFERENCE SHARES ..	87.8	85.5	85.2	85 4
1. Electricity	96 0	90.3	90.8	91 0
2. Cotton	79.0	83.1	83.9	84.5
3. Jute	80 9	81.9	81 2	81.1
4. Coal	92 6	84.6	85.2	84 9
5. Iron and Steel ..	91 3	88.3	88 5	88 6
6. Sugar	84 5	84.6	84 2	84.2
7. Paper	88.5	82 2	81.9	81.9
8. Plantations	98 7	100 2	101 4	101.6
9. Miscellaneous	85.1	82.7	81.0	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	122 0	124.7	126 3	127 0
(a) *Financial*	93 4	91.6	94 6	95 0
1. Banks	93 0	91 7	95.4	95.7
2. Insurance	106.3	91.3	92.9	91.6
3. Investment Trust ..	90 8	91.8	91.0	91 9
(b) *Public Utilities*	113 9	112 5	113 7	113.9
1. Electricity	122.6	113.3	114.5	114.4
2. Shipping and other Transport ..	100.6	118.7	119.7	120.4
3. Railways	89 1	84.3	85 4	85.3
(c) *Manufacturing Industries.*	129.5	134.3	136.8	138.2
1. Cotton, Woollen and Silk ..	113.5	136.6	141.2	143.4
2. Jute	108.4	73.3	72 1	73 3
3. Iron and Steel ..	160.8	154.4	157.9	158 8
4. Paper	235.9	279.1	276 1	275 4
5. Cement	160 7	178.6	181 2	183.1
6. General Engineering	188 1	193.0	192 9	194 0
7. Sugar and Breweries	103 2	106 7	107 4	107 2
8. Chemicals	140.5	146.7	149.7	149.5
(d) *Non-Manufacturing Industries*	167.3	166.2	163.8	163.5
1. Coal	83 5	80.4	78 7	78.5
2. Mining and Oil ..	232 0	252 2	252 7	254.1
3. Plantations ..	190 6	182.2	178.1	177.2
(e) *Miscellaneous*	99.3	101.7	102.4	102.3
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.4	90.6	90.5	90.3
2. Calcutta	90.8	90.1	90.9	90.8
3. Madras	91.2	95.5	91.3	91.2
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.5	99.8	99.7	99.7
2. Calcutta	101.6	100.9	100.7	100.7
3. Madras	100.1	100.2	100.2	100.2
PREFERENCE SHARES :				
1. Bombay	92.3	89.4	89.8	89.9
2. Calcutta	83.4	80.5	79.7	80.0
3. Madras	95.4	96.8	96.7	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	123.6	133.6	138.2	139.2
2. Calcutta	115.5	109.0	103.5	103.9
3. Madras	116.5	136.3	138.3	139 1
4. Delhi	133.1	138.6	143.5	144.7

INDEX NUMBERS OF WHOLESALE PRICES

(Base Year ended August 1939 = 100)

Particulars	Weight	4th Aug., 1956	28th July, 1956	30th July, 1955	July, 1956	July, 1955	Percentage of increase (+) or decrease (—) in July, 1956 as compared with July, 1955	Financial Year Average 1955-'56	1954-'55
Food Articles	(31)	392.5	388.5	313.3	380.3	309.7	+22.8	313.2	339.8
Cereals	59	504*	486	364	484	359	+34 8	372	381
Pulses	8	385	383	273 R	378	272	+41.9	280	280
Others	33	253	257	246	248	246	+ 0.8	235	291
Industrial Raw Materials ..	(19)	493.2	496.6	414.9	492.1	408 2	+20 6	419.8	436.2
Fibres	53	470	475	427	477	415	+14 9	429	447
Oil seeds	30	549	545	390	534	391	+36 6	393	454
Minerals	10	516	534	425	511	422	+21.1	427	422
Others	7	421	420	418	420	417	+ 0.7	431	427
Semi-Manufactures	(17)	400.4	397.7	325 7	395 3	329.6	+19 9	338.2	350.3
Leather	8	387	391	316	395	355	+11.3	378	376
Mineral oils	13	208	208	201	208	201	+ 3 5	207	221
Vegetable oils	16	565	553	390	546	393	+37 2	389 R	433
Cotton yarn	35	483	482	406	477	406	+17 5	422	454
Metals	18	329	327	256	327	256	+27.7	264	240
Oil cakes	5	462	446	339	433	333	+30.0	338	381
Others	5	361	361	329	362	329	+10.0	336	312
Manufactured Articles ..	(30)	385.7	386.0	371.8	385 7	370.9	+ 3 9	378.9	377.4 R
Textiles	64	419	419

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage			Outturn	
	Forecast	Unit	1955–56	1954–55	1955–56	1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses‡	final	,,	15,862	16,719	1,650	1,830
Rabi pulses†	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,726	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons		665		1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	37	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1956	94 1
	Corresponding month, 1955	84 1
	Twelve months ended June 1956	1,094 9
	Corresponding period, 1955	1,003 24
Stocks	At the end of July, 1956	135 8
	Corresponding month, 1955	81 5
		(In 000 bags)
Exports (Jute Bags)	Week ended 14th July, 1956	1,710
	Corresponding week, 1955	2,111
	From 1st Jan., to 14th July, 1956	214 204
	Corresponding period, 1955	230 471
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 14th July, 1956	3 218
	Corresponding week 1955	34 904
	From 1st Jan., to 14th July, 1956	636 600
	Corresponding period, 1955	623,257
	RAW JUTE	(In lakh bales)
Consumption by Mills†	July, 1956 (in lakh bales)	5.46
	Corresponding month, 1955	4.88
	Twelve months ended June, 1956	63.51
	Corresponding period, 1955	58.19

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1956	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,300	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,58,900	10,62,100	7,97,800
February 1955	95,500	84,800	63,900
March ,,	99 000	89 300	66,100
April ,,	95,100	88,000	66,200
May ,,	94,200	87,500	5,600
June ,,	91,700	80,800	62,600
July ,,	94,900	84,300	64,300
February 1956	97,500	89,500	67,700
March ,,	1,03,300	96 200	69,900
April ,,	1,00,000	87,200	64,800
May ,,	96,500	89,400	66,300
June ,,	94,900	89 900	64 400
July ,,	94,400	91,300	65,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	2,26,710	4,31,460	3,12,940
Do. 31st March, 1954	2,80,080	3,49,980	2,98,448
Do. 31st March, 1955	7,18,940	4,52,200	4,59,082
Do. 31st March, 1956	7,06,926	5,31,505	4,50,607
Three months ended June, 1954	1,32,770	1,17,870	1,07,680
,, ,, ,, Sept., 1954	1,80,018	1,39,741	1,12,861
,, ,, ,, Dec., 1954	1,88,868	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,106	1,48,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,620	1,08 714
,, ,, ,, Dec., 1955	1,50,756	1,24 996	1,05,752
,, ,, ,, Mar., 1956	1,64,480	1,41,044	1,19,305
,, ,, ,, June, 1956	1,48,306	1,17,710	92 909

FOREIGN TRADE OF INDIA

Particulars	April,		Twelve months April to March,	
	1955	1956	1954–55	1955–56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	8,46	3,01	131 97	54 83
Raw materials	11 59	11,29	187 32	163,96
Manufactures	29,41	43,14	311,06	427,50
Other items	3 30	2 28	4,70	3,45
Total*	49 83	57,72	633 05	649 64
By land	1,53	1,86	22,39	2,35
Total Imports	51,36	59,58	656,44	678,99
Exports :				
By sea and air—				
Foodstuffs	7,41	11,42	203.22	165,64
Raw materials	11.38	8,99	121 17	167,11
Manufactures	19,92	17,90	253,58	247,78
Other items	29	25	4,82	4,18
Total	39 00	38,46	582 74	584,71
By land	50	45	5,73	6,14
Total Exports	39,50	38,91	588 47	590 85
Total Re-exports	42	86	5,50	6,58
Balance of trade in merchandise	— 11,46	— 19,77	— 62,72	— 81,52
Balance of transactions in private treasure	— 1	— 1	— 4	— 8
Total visible balance of trade	— 11,47	— 19,78	— 62,76	— 81,60
Imports : ‡				
Total C'wealth countries	24,54	23,18	268,26	278,98
Total Foreign countries	25,29	34,54	364,79	370,66
Exports : ‡				
Total C'wealth countries	17,54	19 05	324,76	269,24
Total Foreign countries	21,46	19,41	257,98	285,47

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952–53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953–54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954–55	11,782	2,709	886	184	93	62	154	13	299	399	25	281	47	155
1955–56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
May 1955	2,031	442	158	40	23	12	15	4	77	66	7	48	4	23
June ,,	2,073	662	227	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,973	890	324	78	41	22	23	8	52	130	14	100	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,081	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,233	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	808	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1 135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,227	470	155	44	25	11	25	3	115	70	5	60	5	21

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 16th Aug., 1956	4,709(J)
	Corresponding week, 1955	23,673(J)
	1st Sept. to 16th Aug., 1955-56	1,836,959*
	Corresponding period, 1954-55	2,056,578*
Cotton Exports	Week ended 16th Aug., 1956	1,052†
	Corresponding week, 1955	15,621
	1st Sept. to 16th Aug., 1955-56	527,013‡
	Corresponding period, 1954-55	415,999
Mill Consumption (Estimated)	1st Sept. to 16th Aug., 1955-56	1,201 217
	Corresponding period, 1954-55	1,202,282
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 16th Aug., 1956	583 234
	Corresponding date, 1955	777,752
Cotton Exports from Bombay (by sea)	During May, 1956	24,951§
	1st Sept., 55 to 31st May, 1956	648,143
	1st Sept. '54 to 31st May, 1955	272,980
Karachi (Pakistan)—		
Receipts	1st Sept. to 2nd Aug., 1956-56	1,300,468
	Corresponding period, 1954-55	1,235,654
Exports	1st Sept. to 2nd Aug., 1955-56	941,878
	Corresponding period, 1954-55	846,721

Particulars	From 1st Sept. 1955 to 13th Aug., 1956 Bales	From 1st Sept. 1954 to 13th Aug., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	59,492	41,904
Continent	84,803	61,863
Hongkong	33,106	19,605
China	57,434	5,103
Japan	294,979	113,455
U.S.A.	3,734	17,964
Other Countries	2,926	2,587
Total to all foreign countries	536,474	260,884
Coastal Ports	102,855	149,505
Total	639,329§	410 189

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	May, 1956	349,420
Foreign		55,184
Indian	Nine months ended May, 1956	3,260,021
Foreign		445,857
Indian	Same Period 1955	3,054,708
Foreign		491,267
Stocks (Mills and Elsewhere)—		
Indian	As on 31st May, 1956	1,687 257
Foreign		219,318
Indian	As on 31st May, 1955	1,587 398
Foreign		145,907
Week ended 3rd Aug., 1956		2,852
Corresponding week 1955		12 094
1st Sept. to 3rd Aug., 1955-56		3,550,988
Corresponding period, 1954-55		4,491,295

J—By Rail and Sea. † Incomplete. * By Rail Sea and Road ‡ Excluding Zoda and Yellow Piskings, etc. § Including Zoda and Yellow Piskings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926–33	63,30,26,000	1960–70	101
3 % Loan	1938–39	1,18,17,46,000	1966–65	94
3 % Loan	1950	80,33,10,000	1964	95
2½ Fg. Loan	1943	1,10 11 70 000	1954–57	93½
3 % V. Loan	1944	33,54,89,000	1957	99
3 % Loan	1945	1,19,98,43,000	1970–75	90
2½ Red V. Loan	1945	1,13,55,45,000	1955–61	98
3 % Loan	1951	50,35,63,000	1958	99
2½ Loan	1946	45 63,97,000	1960	98
2½ Loan	1946	2,50,09,000	1962	98
2½ Loan	1946	14,77,45,000	1976	82
2½ Loan	1947	75,56,72,000	1962	93
2½ Loan (N.P. Bonds)	1953	75,29,00,000	1961	99
2½ N.P. Loan	1954	1,58,17,34,000	1964	98
2½ N. P. Bonds (Tax Free Series)	1955	1,03,67,92,000	1965	98
3½ %	1956	57,27,00,000	1962	97
3½ % N. P. Bonds	1956	33,82,00,000	1967	98
3½ %	1956	66,64,00,000	1974	98
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months' notice. On 1st September, 1966 or later at option of Government after three months' notice	76
3 % Loan	1946	2,48,91,47,000		75
REPATRIATE STERLING LOANS				
4½ % Loan	1923	5,85,73,000	1958–68***	102
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99
3 % Bombay	1942	2,97,18,000	14th Sept. 1956	99
3 % Bombay	1943	3,06,66,000	15th Aug. 1958	98
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94
3 % Bombay	1950	2,87,82,000	31st July 1960	96
2½ % Bombay	1951	2,95,25,000	17th Sept. 1963	93
3 % Bombay	1952	5,42,28,000	15th July 1963	101
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	101
4 % Bombay	1953	10,02,21,000	1st Sept. 1967	100
4 % Bihar	1955	1,90,00,000	1st Sept. 1967	99
3 % Cochin	1946	1,00,00,000	16th Dec. 1955-58	98
2½ % Cochin	1956	70,09,000	1st June 1956-61	99
2½ % Himrah Bridge (New)	1926–27	1,95,96,700	1956–66	98
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99
3 % Madras	1939	1,23,45,000	21st June 1959	99
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1,67,95,000	15th Aug. 1958	98
3 % Madras	1945	2,78,10,000	14th Sept. 1956	99
3 % Madras	1946	3,81,77,200	1st Sept. 1961	93
2½ % Madras	1950	4,25,25,400	31st July 1960	96
2½ % Madras	1951	3,01,49,200	17th Sept. 1963	97
3 % Madras	1952	10 32,46,000	15th July 1963	100
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100
4 % Madras	1954	7,00,00,000	1st Sept. 1967	99
4 % Madras	1955	3,50,00,000	1st Dec. 1955–63	99
3 % Mysore(J)	1936	5,99,72,900	20th Apr. 1956–61	99
3 % Mysore	1947	5,08,05,700	25th Jan. 1956	99
3 % Mysore	1953	3,81,47,100	15th July 1963	100
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99
3 % M.P.	1942	80,84,200	14th Sept. 1956	99
3 % M.P.	1943	85,26,000	15th Aug. 1958	98
3 % M.P.	1945	2,03,25,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95
2½ % M.P.	1951	1,02 18 100	17th Sept. 1963	99
3 % M.P.	1953	1,10,18,000	15th July 1963	100
4 % M.P.	1955	1,53,12,000	1st Sept. 1967	99
3 % Punjab**	1938–44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1943	2,65,78,100	15th Sept. 1956	99
3 % Punjab**	1945	2,96 81 600	14th Sept. 1960	97
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99
4 % Travancore-Cochin	1953	50,00,000	16th Aug. 1964	100
3 % U.P.	1938	8,25,60 000	15th July 1963	100
3 % U.P.	1942	1,57,14,000	15th Sept. 1961–66	99
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98
3 % U.P.	1945	2,17,89 700	14th Sept. 1960	95
3 % U.P.	1946	2,28 83 600	1st Sept. 1961	92
3 % U.P.	1950	1,91,00,000	31st July 1962	98
4 % U.P.	1952	6,11 46,200	1st Aug. 1964	100
4 % U.P.	1953	5,65,15 500	15th July 1963	100
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 26,50,000	4	1904	1984	
25,00,000	4	1905	1985	
15,00,000	4	1906	1987	
44,00,000	4	1907	1988	
75,00,000	4	1908	1988	90½N
46,00,000	4	1909	1979	
56,00,000	4	1910	1971	
1,10,00,000	4	1911	1972	
14,25,576	4	1912	1972	
80,00,000	4	1913	1980	D
88,00,000	4	1914	1974	100½N
88,25,000	4	1915	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,800	4	1922*	1960	
11,51,000	4	1924*	1960	
10,23,000	3½	1926*	1960	
85,00,000	3½	1929*	1969	
12,50,000	3½	1930*	1969	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04 000	3½	1936*	1960	
15,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs. 99
76,90,100	4	1915	1975	99
1,50,00,000C	4	1921	1981	98
68 02,300C	4½	1921	1981	144N
92,31,600	5½	1926	1956–86	100½
99,84,500	5	1926	1956–86	100
1,49,49,100B	5	1927	1957–87	102
1,49,30,000	5	1928	1958–88	103
80,00,000	4½	1931	1991	95
90,00,000	4½	1935	1985	97½
35,00,000	3	1938	1968	88
50,00,000	3	1945	2005	74
2,50,00,000	3	1945	1975	85
4,00,00,000	3½	1945	1985	84½
2,00,00,000	4	1952	1964	100
3,00,00,000	3½	1952	1965	74
1,50,00,000	4	1953	1968	100
1,00,00,000	4	1954	1969	100
1,00,00,000†	4	1954	1964	100
2,50,00,000	4	1955	1967	100
SALCUTTA				
Rs. 36,00,000	5	1923	1953	Rs. 102
25 00 000	5	1929	1957	102
25,00,000	5	1929	1958	102
10,00,000	5½	1932	1962	110
33,31 000	3½	1935	1975	84
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
15,56,800	4	1940	1957	99
15,56,800	4	1940	1958	99
21,19,000	3½	1942	1972	97
18,49 000	3½	1943	1973	97
10,33,000	3½	1951	1961	97
66,88,000	3½	1951	1961	97
87,36,000	4	1952	1962	99
72,50,000	4½	1954	1979	100
MADRAS				
Rs. 16,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
	BOMBAY			Rs.
Rs. 50,00,000	4	1899	1959	100
20,00,000	4	1901	1961	
40,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
20,00,000	4	1908	1968	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
40,00,000	4	1916	1976	
66,00,000	5	1926	1956–79	113½
25,00,000	5	1926	1955–80	
25,00,000	5	1926	1956–86	114½
10,00,000	3	1926	1961–79	93½
	STERLING LOANS			
£565,600 (£3333,000	4	1909 1910	1969 1970	£95½ £95½
	CALCUTTA			
Rs. 25,00,000	5½	1928	1959	Rs. 107
50,00,000	5	1928	1964	99½
35,00,000	5	1935	1965	94
30,00,000	3	1935	1965	90
50,00,000	3	1937	1963	91
20,00,000	3	1938	1965–68	90
30 00 000	4	1938	1963	99½
1,02,00,000	4	1956	1966	99

MUNICIPAL LOANS

Rs.				Rs.
	BOMBAY			
20,80,000	4	1913–14	1974	100½
10,00,000	5	1920	1980	114½
25,00,000	5	1928	1958	104½
95	5	1928	1959	10
8,45,500	5	1929	1954–59	to
28,21,500	5	1929	1959	102½
4,22,90,000	3½	1937	1977	86½
2,50,00,000	3½	1939	1979	86½
4,00,00,000	3½	1950	1965	92½
2,00,00,000	4	1952	1964	100½
3,00,00,000	4	1954	1968	100½
1,50,00,000	4	1955	1968	100½
1,00,00,000†	4	1954	1964	100½
2,50,00,000	4	1955	1967	100½
	SALCUTTA			
Rs. 36,00,000	5	1923	1953	Rs. 102
25 00 000	5	1929	1957	102
25,00,000	5	1929	1958	102½
10,00,000	5½	1932	1962	110
33,31 000	3½	1935	1975	84
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
15,56,800	4	1940	1957	99½
15,56,800	4	1940	1958	99½
21,19,000	3½	1942	1972	97
18,49 000	3½	1943	1973	97
10,33,000	3½	1951	1961	97½
66,88,000	3½	1951	1961	97½
87,36,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
	MADRAS			Rs.
16,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1 75,06,000	17th Sept. 1962	98½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	2 80 23,000	15th July 1963	100½
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free for first 18 years. §—Nominal. †—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6½	Mar. apt.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5½	Dec.	270N	100
Carew & Co.	50,00,000(b)	1873	6½	Mar Sept.	100	100
Cawnpore Sugar Works	10,00,000	1903–24	8	Feb. Aug.	124	100
Deccan Sugar & Abkhar	7,00,000	1920	7	July Apr.	5–15½xd	5
East India Distilleries	£200,000	1897	7	Jan. July	174xd	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	85	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	68	100
Purtabpore Co.	6,00,000	1922	10	Oct.	15	10
Ramnuggar Cane	4,00,000	1933–36	6	Aug.	102	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	73N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	8½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borras	4,00,000	1896–97	6½	Oct. Apr.	110	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	100	100
Do. (2nd)	4,50,000	1946	6(a)		7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100
Karanpura Collieries	9,87,500(j)	1946	5½(a)		64	75(pp)
†Khas Kajora	1,93,000.1	1931	5	Mar. Sept.	44N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	14	10
Ondal	2,00,000	1898–99	6½	Apr. Oct.	105	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	5,00,000	1884	6	Jan. July	123xd	100
Basanti Cotton	5,00,000	1933	6½	Sept.	8	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	126	100
Do. 'B'	6 00 000	1900	7	Jan. July	96	100
Bradbury	14,75,000	1919	7	June Dec.	72	100
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142½	100
Cambodias	1,00,000	1923	7	Apr.	115½xd	100
Central India	50,00,000	1912	5	Apr. Oct.	500	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	104½	100
Elgin	11,00,000	1918	8	May Nov.	133	100
Do. 'B' Pre	4,20,000	1943	5	July Jan.	94½	100
Elphinstone

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures N=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns "Paid-up Ordinary (capital)" and "Paid-up per share."

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. C and 12, for instance, indicate the month of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any, and similar for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	808	Apollo Mills	3-3½	2	0 4(c)	0 2(c)			12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	60,596	1,021	J. R. Cotton Mills	60½	100	Nil	Nil	Nil		12	Y.
2,50,98,000	2,99,72,778	4,92,15,445	3,29,90,278	78,129	Nowrosjee Wadia & Sons, Ltd.	70,144	250	Bombay Dyeing & Mfg.	701½	250	22 8*	20 0	25 0*		12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Khanabarain Sons, Ltd.	44,784	860	Bradbury Mills	2½	50	100 0†	75 0†	12 8	20	3	Y.
1,09,42,800	2,43,96,826	2,81,83,264	1,97,06,117	6,34,056	Birla Brothers, Ltd.	1,26,344	2,618	Century Spg. & Mfg.	604½	100	22 0	22 0	22 0		12	Y.
49,00,000	25,42,230	1,19,99,766	65,07,035	—33,08,807	V. J. Hari (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	102	100	Nil	Nil	Nil		12	Y.
26,00,000	11,38,470	31,39,789	48,80,041	20,775	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	161½	100	7 8	7 8	7 8		3	Y.
1,00,00,000	24,86,866	69,16,511	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,192		Dawn Mills	183½	10	6 0	6 0	15 0		12	Y.
24,00,000	27,75,000	79,70,731	64,78,724	80,188	Turamal Radhakishan & Co.	50,084	928	E. Ward Textiles	350	200	15 0	15 0			12	Y.
29,92,050	11,31,233	1,09,78,649	80,74,224	1,81,854	M.	41,300	886	Elphinstone Spg. & Wvg.	65	50	Nil	3 0	5 0		12	Y.
5,00,00,000	70,11,875	1,28,38,513	74,17,207	1,67,190	James Finlay & Co., Ltd.	49,832	784	Finlay Mills	885	100	16 0	16 0	20 0		12	Y.P.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	9924	250	56 4*	16 4	75 0	18 12½	3	Y.P.
16,000									992½	100	0 10	Nil	0 15			
2,00,00,000	62,50,309	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	6,412	165	India United Mills	14½	0 10D.	0 1	Nil	0 15½		12	Y.
50,00,000									2-½	0 1D.	0 1	Nil	0 1			
9,55,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,175	1,000	225 0*	225 0	300 0		3	Y.P.
35,000										100	22 8*	22 8	30 0			
59,85,000	40,65,451	2,37,18,607	1,92,98,945	25,585	Khatau Makanji & Co., Ltd.	87,740	1,605	Khatau Makanji Spg. & Wvg.	2764	100	20 0*	18 0	18 0		6	Y.P.
1,00,00,000	1,21,50,000	3,58,86,068	2,50,14,796	3,545	Kilachand Industries Ltd.	1,20,564	2,546	Kohinoor Mills	845	100	10 0*	18 0	18 0	6 01	12	Y.P.
22,13,050	41,06,720	1,17,74,348	55,99,116	31,670	N. Shirr & Co., Ltd.	49,100	644	Modern Mills	87N	50	5 0	5 0	8 0*		12	Y.
51,75,000	36,82,000	2,06,28,597	1,52,81,153	26,751	Premanl & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	271½	100	12 0	14 0	14 0		6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,00,04,560	5,12,086	Chimal & Co. Private Ltd.			National Rayon Corporation	270½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,858	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,744	1,258	New City of Bombay Mfg.	158½	100	10 0	10 0	10 0		12	Y.
30,06,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	260	100	10 0	7 8	10 0		12	Y.P.
40,00,000	36,62,273	1,49,03,112	98,50,111	1,26,364	Ramnarain Sons, Ltd.	61,268	1,190	Phoenix Mills	1853	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,390	89,55,040	28,00,000	3,92,677	Cedar Sons, Ltd.	49,200	920	Podar Mills	191½xd	100	10 0	0 0	22 10	6*	12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,72,154	David Sassoon & Co. Ltd.	9,520	27	Sassoon & Allied Cotton Mill	14	1L	0 12	0 8			12	Y.
37,50,000	82,50,646	1 92 83,251	1,56,71,524	24,320	B. G. Investment Corporation, Ltd.	67,168	1,254	Sassoon Spg. & Wvg.	45	10	1 4	1 12	1 12		12	Y.
80,00,000	47,70,061	99,20,998	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,886	1,640	Shree Ajwas Cotton Mills	246½	100	14 0	14 0	12 0		12	Y.P.
42,00,000	33,92,179	98,75,809	73,63,752	96,017	Forbes, Forbes Campbell & Co., Ltd.			Simplex Mills	213½	50	15 0	11 0	10 0	12 0	3	Y.
87,80,000	2,23,15,720	2,51,28,699	1,37,85,474	12,833	Maintal Cavalhal & Sons	51,016	1,433	Standard Mills	499½	100	20 0	20 0	25 0		12	Y.P.
99,55,200	34,69,716	2,28,57,647	1,19,01,899	67,611	Tata Industries Ltd.	72,234	2,000	Swadeshi Mills	175½	100	16 0	8 0	12 0		12	Y.P.
36,00,000	65,33,486	1,28,99,971	81,52,715	1,51,030	James Finlay & Co., Ltd.	38,858	552	Swan Mills	487½	100	20 0	20 0	25 0		12	Y.
65,57,000	61,96,378	1,77,54,439	84,44,553	42,405	Tata Industries Ltd.	62,096	1,800	Tata Mills	155½	100	8 8	4 0	4 0		1	Y.L.P
12,00,000	62,55,709	1,15,96,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	5,140	1,000	225 0*	225 0	300 0	75 01	3	Y.
AHMEDABAD																
33,00,000	21,11,650	1,36,28,272	60 47,202	5,408	Tata Industries, Ltd.	49,184	1,434	Almedabad Advance Mills	221½	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	94,58,068	94,37,398	76 10,164	27,288	P. M. Buthesing & Sons, Ltd.	44,220	912	Arvind Mills	1,190	100	20 0*	20 0	30 0		12	Y.P.
26,25,000	2,55,30,694	1,66 65,504	1 16,00,000	72,768	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,891	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	31,75,000	96,34,384	72 25,000	2,46,389	Manusidas & Bros. Ltd.	37,104	692	Aryodaya Ginning & Mfg.	640	200	15 0	15 0	25 0*		12	Y.P.
15,00,000	1,18,39,093	84 56,974	84 56,963	89,880	Lalbhai Dalpatbhai & Co.	37,368	114	Asoka Mills	1,210	100	20 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35 76 233	4 61,25,352	2,38,62 344	2,31,712	Karamchand Premchand Ltd.	1,30,12	2,573	Calico						30 0‡	3	Y.P.
62,77,000	24,18,000	1,21,06,443	82,25,000	2,760	Trikumlal Bhoglal & Co., Ltd.	47,856	984	New Commercial Mills	2,187½	1,000	75 0	75 0	75 0		12	Y.
39,00,000	72,52,436	1,32,09,232	98,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	1,040	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,63,197	37,93,317	16,658	Jasubhai Bhogilal Nanavati & Co., Ltd.	24,840	572	Nutan Mills	770	100	30 0*	20 0*	20 0		12	Y.P.
12 50,000	1,14,77,470	86,29 439	60,39,888		Lalbhai Dalpatbhai & Co.	32,828	636	Rajpur Mfg.	1,145	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,803	17,84,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	3874	100	9 0	9 0	Nil		12	Y.P.
25,95,150	2,02,34,658	1,78,92,242	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co.	94,116	1,788	Shri Ambica Mills	741	50	18 0	20 0	27 0*		12	Y.P.
19,52,600	62,31,263	75,05,018	66,84,700	15,592	Mafatlal Chandulal & Co., (Al medabad), Ltd.	36,672	720	Shorrock Spg. & Mfg.	170	100	20 0	25 0*	25 0		12	Y.
23,00,000	90,84,191	1,09,66,008	78,85,291	84,644	Haridas Achratlal & Co., Ltd.	86,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,32,800	24,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.	13,644	356	Basanti Cotton Mills	7½	10	0 4	0 8			12	Y.P.T.
7,11,295	5,40,775	43,42,881	25,87,597	98,783	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills	40N	40	Nil	4 0	4 0		3	Y.
6,00,000	22,72,414	80,03,142	51,49,000	—23,47,878	Kettlewell Bullen & Co., Ltd.	42,572	941	Dewrah Cotton Mills	178	100	Nil	Nil	8	6,12	H.	
19,00,000	26,17,571	1,04,88,558	70 76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunlop Mills	294	100	Nil	Nil	8	6,12	H.	
1,80,00,000	2,07,59,266	3,59,23,374	1,20,28,799	2,45,483	Birla Brothers, Ltd.	70,884	1,990	Kesoram Cotton Mills	16½	10	1 12	0 14	0 14		3	Y.P.
19,47,750	7,45 000	47,06,298	24,48,552	1 094	Hazaremull Heeralall	28,036	795	Rampooria Cotton Mills	21N	10	0 8	0 8	1 0		6	Y.
5,00,000D										1D	Nil	Nil	0-5 11/25			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,191	29,09,649	—8,54,238	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	12	10	Nil	Nil			12	Y.P.T
71 94 000	36,91,264	1,24 91 630	50,78,562	1,86,048	Industrial Trust Fund	36,186	708	Azam Jahi Mills	94	100	6 0	Nil	8 8(c)		9	Y.
40,50,000	2,00,83,745	3,24,98,906	2,42,88,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	590	100	25 0	30 0	30 0		12	Y.P.
27,00,000	15,50,000	77,25,162	55,72,182	16,199	M.	29,986	810	Bengal-Nagpur Cotton Mills	9½	10	0 4	Nil	Nil1		6,12	H.P.T.
15 00 000	1,09,48,251	1 19 14,492	87 76,992	4,23,221	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	81	10	3 0	3 0	3 0		3	Y.
1,78,47,000	1,76,52,500	6,38,09,023	3 52,32,130	2,38,445	Binny & Co. (Madras), Ltd.	91,250	2,737	Buckingham & Carnatic	213	100	10 0	10 0	10 0		12	Y.T.
20,00,000	20 00,000	39,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd.	38,766	..	Cambodia Mills	14½	10	0 12	Nil	0 8		12	Y.P.
16,00,000	5,11 500	48,30,929	24,68,361	8,994	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	190	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,420	69,40,229	61,72,276	36,797	Begg, Sutherland & Co., Ltd.	28,746	591	Cawnpore Textiles	9	5	0 9	0 8	Nil	0 4	3	Y.
12 00,000	20,60,000	84,85,396	27,86,527	34,164	K. Dheena Naidu & Co.	28,864	..	Coimbatore Cotton Mills	382½	100	20 0	20 0	25 0		12	Y.
20,00,000	19,95,000	96,99,480	24,25,921	14,323	T. R. N. Naidu & Co.	23,788	..	Coimbatore Pioneer Mills	335	100	15 0	20 0	20 0		12	Y.
20 74,000	4,19,000	1,15,50,000	52,96,019	18,989	K. G. S. Siddu & Co.	72,725	407	Coimbatore Spg. & Wvg.	122	50	3 0*	6 0			12	Y.
45,47,500	52,52,449	2,48,18,409	1,55 09,888	3,708	Tata Industries, Ltd.	1,15,188	2,062	Ellaichipalayam Mills	885	100	16 0	16 0	20 0		12	Y.P.
8,38,36,225	2 56,00,000	9,99,78,765	5,08,00,000	32,759	B. R. Charat Ram & Co., Ltd.	1,16,686	2,864	Delhi Cloth & General Mills	401N	25	1 12	2 4	2 4		6	Y.P.T.
1,00,568										2½	0 2 4/5	0 3 8/5	0 8 8/5			
24,34,800	25 47,678	52,74,245	35,26,882	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	427½	100	20 0	30 0	30 0		12	Y.
62,00,000	36,33,366	1,52,16,582	1,29,71,631	98,286	Begg, Sutherland & Co., Ltd.	48,452	1,198	Ellaichipalayam Mills	295½	100	8 0	8 0	10 0		12	Y.
41,91,000	35,23,000	1,01,15,167	68,05,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	261½	100	17 0	13 0	15 0		12	Y.
50,00,000	8,16,447	1,33,91,063	1,12,25,576	9,581	K. L. Kelsarka, Esq. (Chairman)	51,180	1,420	Indore Malwa United	166	100	6 0	6 0	6 0		12	Y.
8 00 000	10,65,883	31,06,689	18 48,155	2 079	G. V. Naidu & Co., Ltd.	24,822	..	Jasardana Mills	124	50	4 0	5 0	10 0		12	Y.
24,00 000	18 25,000	75,78,582	26,50,000	29,382	Kothari & Sons	49,100	800	Kothari Textiles	19	10	0 8	0 8	1 0		6	Y.P.
32,00,000	63,30,126	1,48,62,650	1,12,84,204	14,744	Lakshmi Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	745	250	27 8	25 12	42 8		12	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	254½	50	5 0	10 0	12 0	12 8	3	Y.
17,82,050									127	25	2 8	5 0	6 4	6 4		
1,75,02,450	4,18,81,878	5,78 76,128	3,58,74,019	18,86,813	A. F. Harvey Ltd.	5,00,000	..	Madura Mills	52½	10	3 0	3 0	3 0		12	Y.
12,00 000	4,17,363	28,26 768	16,72,262	99,073	A. L. A. R. S. Chettiar and Sothers	22,952	100	Malabar Spg. & Wvg.	112	100	8 0	8 0	10 0		12	Y.
60,00,000	69,00,000	63 76 627	43,29,734	46,585	W. A. Beardsell & Co. Ltd.	24 720	606	Mettur Industries Ltd.	492½	100	12 8	22 8*	35 0	42 8	3	Y.
29,00,000	19 61,561	98,75,246	49,94,738	58,589	N. Shirr & Co. Private Ltd.	39,896	704	Minerva Mills	111½	100	7 0*	5 0(c)	6 0		12	Y.
94 91,850	27,24,404	1,61,29 118	75,51,528	—7,44,932	Kamala Ammal Dandaboy & Co.	51,840	948	Model Mills (Nagpur)	250	100	7 8*	5 0(c)	6 0		12	Y.
30,00,000	52,19,000	1,53,89 272	1 05,91,651	—7 77 290	Indian Textile Syndicate Ltd.	68,640	1,884	Muir Mills	88N	100					12	Y.P.
24,88,500	50,84 547	98,04,000	88,99,938	1,09,000	Tata Industries, Ltd.	50,128	500	Mysore Spg. & Mfg.	135½	50	10 0*	8 8*	6 0(c)	3 01	12	Y.P.
13 61,700	1,000	29,41,719	15,25,228	—1,99,560	R. Suryanarayana Rao, Esq., Manager	6,000	..	Mysore Spun Silk Mills	7½	10	Nil	Nil	Nil		3	Y.
29,89,8820	25,62,538	1,04,27,298	58,90,719	—48,55,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2 2	2	Nil	Nil			12	Y.P.
3,07,99810									—	D. 1	Nil	Nil				
87,19,500	55,48,220	1,69,99 969	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	93	100	4 0	Nil	2 8(c)		9	Y.
6,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	168	50A	12 0	12 0	12 0		12	Y.P.
6,00,000B									255	75B	18 0	18 0	18 0			
15,00,000	1,65,500	34 16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	16	10A	Nil	Nil	4 0(c)		12	Y.P.
16 81,200A	22,75,000	83,60 150	49,86,177	4,862	A. G. Curusamy Naidu & Co.	51,664	801	Radhakrishna Mills	260	100A	8 0	16 0	20 0		12	Y.
8,40,000B									180	50B	4 0	8 0	10 0			
15 00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajah Lakshmi Mills	191	50	7 0	10 0	10 0		12	Y.P.
22,29,625	12 40,000	40,14,000	18,06,147	29,350	Rayalaseema Mills	14,800	..	Rayalaseema Mills	160	100	6 0	9 0	10 0		12	Y.P.
60,00 000	62,41,568	1,00,25 428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur)	54,582	600	Rara Textiles	8 8½	10	Nil	Nil			12	Y.P.
16 00,000	1,80,39,516	2,89,27,048	2,04,27,270	—1,50,02,067	Morarka & Co.	95,282	2,2 4	Polahpoor Spg. & Wvg.	1,700	1,000	Nil	Nil			3	Y.P.
36,69,700	17 10,000	61,44,272	65,68,318	1,09,148	N. R. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	122	50	4 0*	4 8	5 0	7 0	3	Y.
20,14,500	2,60 000	35,10,906	17,75,000	—2,46,777	Gopaldas Lilladher & Co., Ltd.	27,720	440	Shree Indian Mills	80N	100	Nil	Nil			3	Y.
15 00 000	3,11,00,227	96,09,567	72,84,724	31,27,588	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	102N	10	4 0	6 0	8 0		3	Y.
17 50,0000	2,30,00,000	4,54,40,847	1,70 68,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	11½	100L	0 8	0 12	0 12		12	Y.P.
6,50,00,000									12½	100P	0-10 1/5	0-12 2/5	0-12 2/5			
1,00,00,000	80,14,768	8,80,55,817	1,27 16,775	2,63,771	Travancore Rayons			Travancore Rayons	15½	10	0 8	0 10	0 12		12	Y.P.
13 97,670	8,15,232	17,39,181	11,37,854	1 508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	18½	10	0-11 1/5	0-14 2/5	0-14 4/5		12	Y.P.T.
21,00,000	24,50,000	71,88,722	40,82,158	56,060	R. K. S. Chetty & Brothers	45,974	270	Vasanta Mills	248	100	12 0	15 0	20 0		12	Y.
32,00,000	34,42,971	1,64,67,122	1,05,10,283	29,125	Bombay Co. Ltd.	46,490	1,331	Vishnu Cotton	191½	100	4 0	4 0	8 0		12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1952.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August 1952.
‡ Calico Mills have changed the accounting year from December to March. The next dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,388	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12½cd	5	Nil	Nil	0 8		5	Y.P
16,20,630	18,38,917	27,26,861	14,67,215	8,143	Mr K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9		3	Y.
4580,000	4925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	31½cd	A. 16sh	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	0 4i	5	Y.P
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	190½	B. 81	75	15 0	15 0		3	Y
CEMENT														
11,27,700A	13,06,128	33,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	—	A. 100	10 0*	10 0	10 0*		12	Y.P.T
99,79,0016							16	B. 10	1 0*	1 0	1 0*			
48,14,600D	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	D. 10	Nil	Nil	Nil		3	Y.P.T.
4,70,976D							1	D. 1						
12,71,66,208	5,49,40,018	8a,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	203½	100	9 8	8 8	10 0		7	Y.
66,00,0000.							15½	O. 10	1 0	1 0	1 0			
25,50,000D.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	5	D. 2½	0 4	0 5	0 5		12	Y.P.
5,00,000D.							5	D. 1	0 1-2/5	0-1 2/5	0 2			
61,91,0800.	14,00,000	1,46,64,500	47,05,770	2,31,546	Messrs Ltd.	India Cements Ltd.	31½xr	O. 25	Nil	1 4	1 14		3	Y.P.
1,50,000D							6½xr	D. 5	Nil	0 4	0 14			
87,86,500	31,41,985	1,33,18,049	39,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Co., Ltd.	15½	10		0 12	1 4		12	Y.P.
38,99,275	44,40,000	2,04,20,192	89,29,000	2,71,220	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	204½	100	6 0	6 8	8 8		12	Y.P.
75,00,000	22,45,000	1,91,72,337	1,45,45,476	41,941	Martin Burn Ltd.	Sonevalley Portland Cement	8½xd	5	0 6	0 4	0-4 4/5		12	Y.P.
50,00,000	....	1,04,63,117	39,26,502	15,38,802	Messrs Ltd.	Travancore Cements Ltd.	10½	10	0 8	0 10	0 10		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,85,090	63,15,303	33,02,683	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4	0 4		12	Y.
10,00,000	25,12,725	57,20,295	23,28,355	9,142	Bird & Co., Ltd.	Birra Stone Lime Co.	40N	10	1 6	1 6	0 14		3, 9	H.
£914,208	£1,455,500	£2,132,083	£1,256,029	£117,083	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7 5-8	Sh. 2	2 4d.	6d.*	10d 8d.*		12	Y.
15,00,000	24,32,396	43,81,247	12,21,311	17,833	Bird & Co., Ltd.	Karanpura Development	21½	10	Nil	Nil	1 0		6, 12	H.
5,00,000											2 0			
6,00,000	2,96,000	9,09,017	5,43,377	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	11xd	10	0 12	0 8	0 12	1 0*	3	Y.
20,00,000	34,49,599	45,11,204	24,33,930	1,05,053	Bird & Co., Ltd.	Orissa Minerals	26½	10	4 0	2 0	1 0*		6, 12	H
6,00,000	8,63,360	20,62,815	20,25,104	7,622	R. K.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	3,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	120	25	1 9	3 2	4 11		6,12	H.P.T.
62,96,250	66,03,851	1,11,56,730	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	12 0	14 0	1 6 2/5		3,9	H.
25,00,000	16,12,500	1,86,63,385	56,31,688	85,487	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18¼cd	10	1 0*	0 12*	0 12*		3	Y.
1,46,82,500	2,09,26,641	4,37,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	40½	10	2 0	0 15	1 2		3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18¾	10	1 8	1 8	0 10½		6,12	H.P.T.
90,00,000 18,00,000'A' }	6,50,000	95,83,644	61,01,926	13,705	Baloria & Co.	Star Paper Mills	11¾ 11¾	O. 10 A .10	0 12 0 12	0 12 0 12	1 4 1 4		3,9	H.P.T.
54,00,000A. 36,04,800B. 4,97,500P.O. }	3,22,75,945	5,80,42,527	3,21,82,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	40¾ 40¾ 4½	A. 10 B. 10 P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4		3,9	H.P.
PRESSING														
8,00,000 4,50,000 5,60,000	6,18,565 1,00,000 1,95,000	15,76,468 4,79,056 10,91,811	11,18,891 2,354 9,80,877	—85,475 2,354 13,957	Andrew Yule & Co. .. .. .. Fyne & Sons .. .. .. Andrew Yule & Co.	Calcutta Hydraulic .. .. .. Camperdown .. .. .. Central Hydraulic	100 88N 135	100 100 100	3 0 7 0 4 0	4 0 5 0	'Nil' 5 0		6 7 6	Y. Y. Y
PROPERTY AND LAND														
19,00,7800. 2,00,000D. }	6,03,382	43,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	12½ 2½	O. 10 D. 1	0T11½ 0 4/5	0 93/5 Nil	0 9 3/5 0 9 3/5		9	Y.P.
60,00,000 94,00,000	18,07,874 36,71,674	84,39,704 95,09,308	15,00,000 1,19,461	540 68,064	David Sassoon & Co., Ltd. .. .. Andrew Yule & Co.	Port Canning Land .. .. .. Midnapore Zamindary	8½ 80½	100 100	1 8 1 8	1 8 4 0	Nil 3 0		4 4	Y. Y.P.
SAW MILLS AND TIMBER														
13,99,998 50,00,000 }	29,05,545 4,13,57,280	31,61,533 3,35,90,882	10,73,833 1,47,51,851	—5,14,537 61,990	Bird & Co. Private Ltd. .. .. .. Wallace & Co.	Assam Saw Mills .. .. .. Bombay-Burmah Trading Corpn.	5 7712 2001	2 Old125 New50	Nil 15 0 6 8	Nil 20 0 8 0	Nil 27-8 15-0	11-41 4-81	9 5	Y Y.
42,00,000 1,00,000		7,25,869	2,26,267	—4,89 907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	Nil	Nil	Nil		6	Y.P.
80,00,000	2,15,487	19,00,295	14,55,560	2,76,019	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	39½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
16,00,000	15,41,227	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Bairampur Sugar	7½	5	Nil	0 12				
58,00,000A. 5,00,000B. }	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co. Ltd.	Basti Sugar	147N 200	A. 100 B. 10	10 0 1 0	10 0 1 0	0 1		6	Y.
19,49,050	4,50,000	33,35,389	24,41,301	51,985	Bansur Bros., Ltd.	Belsund Sugar	12	7½	0 12	0 12	0 12		4	Y.
15,00,000	13,90,295	16,40 479	11 77,841	12 206	Cotton Agents Ltd.	Bharat Sugar	18	10	1 8	1 8	1 8		9	Y.
82,00,000	28,37 080	1 86,90,775	92 27,801	12 445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8¾	10	Nil	0 12	0 4		9	Y.P.T.
30,00,000	57,83,651	1,08 44 647	84 32,451	82 022	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	10½	10	2 0	0 12	0 12		10	Y.P.
15,00,000	38,04,891	72 85,757	83 46,902	24,019	Begg Sutherland & Co., Ltd. ..	Champaran Sugar	26½	10	1 0	0 12	1 8		8	Y.
5,99,452	6,18,562	24,88,580	13,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	9½	10	1 0	0 12			8	Y.T.
66,00 000A. 19,00,000O. }	82,00,000	75,94,877	56,00,000	62,419	Baehhraj & Co., Ltd.	Hindustan Sugar Mills	260N 100	'A 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*		6	Y.P.
12,00,000	8,61,001	75,81,309	42 63,455	27,926	Kishanlal Devchand & Co. ..	Kesar Sugar	60N 82N	80 40	Nil Nil	Nil 2 4	4 8 2 4		7	Y.P.
7,89,100	22,14,058	24,94,612	19,35,833	1,364	Cotton Agents Ltd.	New India Sugar Mills	88N	10	2 8	2 8	2 8		6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd. ..	New Savan	6¾	10	0 4	0 4			6	Y.
10,87,500A. 2,71,875B. }	49,60,297	67,74,122	21,56,900	8,317	Cotton Agents Ltd	New Swadeshi Sugar Mill	240N 60N	100 25	20 0 5 0	20 0 5 0	20 0 4 0		6	Y.
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Ouch Sugar	185N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	12,74,228	23,77,669	19,95,928	58,000	Narang Bros. & Co., Ltd.	Punjab Sugar	115N	100	10 0	10 0			10	Y.
9,00 000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	0 12	0 12		10	Y.P.
8,00,000	5 31,129	26 43,202	21 70 524	5,234	M.	Ryam Sugar	19	10	0 8	0 8	Nil		6	Y.P.
11,99,000	13,86,779	24,68,883	22 92 130	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	18	10	0 8	0 8	Nil		6	Y.
20,00,000	22,68 560	1,35,20,110	62,59,521	34 046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,825	27,15,126	12,60,252	—5,87,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4¾	10	Nil	Nil	Nil		6	Y.
7,95,462	18,82,940	31,60,735	17,68,068	1,06,227	Karamchand Thapar & Bros ..	Sitaram Sugar	15½	10	2 0*	1 8*			8	Y.T.
9,16,0000. }	47,592	27,42,197	11,46,770	—16,14,908	N. K. Jain & Co. Ltd... ..	South Behar Sugar	1N 1N	O. 10 D. 21	Nil Nil	Nil Nil			10	Y.P.
4 40,000D. }						Upper Ganges Sugar	70N	10	0 8	2 8	2 8		6	Y.P.
8,00,000	21,91 635	96,42,062	57,49,754	62,931	Cotton Agents Ltd.	United Provinces Sugar	19½xd	10	6 8	1 4	1 8		6	Y.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd.									
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	254	50	16 0	16 0	16 0		9	Y.
17,50,000	9,24,292	33,03,879	21,36,723	4,662	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	17½	10	0 10	1 0	1 0		6	Y.P.
16,98,900	2,45,841	39,19,958	30,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	70N	100	Nil	Nil			6	Y.P.
47,94,920	14,00,000	80,54,997	18,71,128	5,22,318	India Sugar and Refineries ..	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	Y.P.
33,57,620	41,27,060	41,95,605	20,78,418	1,403	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	1 0	1 0			10	Y.
19,82,2000. 5,27,1900. }	69,50,600	96,96,952	31,00,978	48,494	V. Ramakrishna Sons Ltd.	K. C. P. Ltd.	197½ 125	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0		6	Y.P.
21,79,280	98,00,001	1,31,37,677	76,17,780	2,90,340	S. Munianjappa, Esq. (Managing Director)	Mysore Sugar	48	10	2 0	2 0	2 0		6	Y.
80,00,000	48,40,631	1,08,28,184	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	107	50	5 0	5 0	5 0		6	Y.
16,59 820	35,50,380	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	26½	10	2 0	1 8	2 0		8	Y.P.T.
20,00,0000. }	21,76,092	89,12,188	58,50,883	64,612	Walchand & Co. Ltd.	Ravalgaon Sugar Farm	105N	O. 50	Nil	2 8	0 0		9	Y.P.T.
4,00,000D. }							15N	D. 10	Nil	Nil	0 1 1/6			
19,90 608	44,88,467	47,06,689	21,73,094	4,825	Govan Bros. (Rampur), Ltd. ..	Rasa Sugar	164N	10	1 0	0 12			10	Y.
80,00,000	10,87,776	89,76,254	17,87,189	—32,324	Parry & Co., Ltd.	Travancore Sugars	14½	10	Nil	Nil			7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,22,428	1,81,172	M.	Walchandnagar Industries ..	271½	100	14 0	17 0	18 0		9	Y.P.T
TRANSPORT														
20 00 000	1,00,60 622	1,24,00,702	18,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	10 0	7 8	7 8		10	Y.P.
1,20 00,000	19 57,619	4,41,56,864	1,55,09,519	1,54,928	Dhakuria (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		13	Y.P.
50 00,000	24,35,838	2,50,21,292	82,85,795	1,47,980	A. H. Bhiwandiwalla & Co, (Bombay) Ltd.	Great Eastern Shipping Co. ..	193	10	1 0	1 0	Nil		6	Y.
6555 580	6960 378	65,515,631	52,246,778	821,366	Kilburn & Co., Ltd.	India General Navigation & Ely. Co.	116	510	Nil	58.1 0	Nil		12	Y.P.
3,25,00,000	74,98,283	7,93,25 462	1,81,58,690	1,25,051	Mosel Edwards Ltd.	India Steamship Co.	9¾	10	0 8	Nil	Nil	0 8	6	Y.P.
2,40,19,675 2,40,8000. }	6,94,98,081	18,86,68,418	4,84,44,800	2,73,683	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	19-3½	20	0 12	0 8	0 8		6	Y.P.
16,3002P.O. }	19,68,266	11,56,483	7,29,969	1,34,493	E. B. Aiyer, Esq. (Manager)	Watford Transport Ltd.	2½ 1¾	O. 1 P.O. 1	as. 1 3/25 as. 1 9/25	1 23/3 1 19/25	as. 2 6/25 as. 1 23/25		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,23,863	F 157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Sale Deposit	600	200	32 0	32 0	32 0		9	Y.
15 98,850	2,04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	20	5 0	4 8	Nil		12	Y.
1,00,000	1,00,000	22,37,3143	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	12	25	0 12	0 12	0 12	6 12	3	Y.
14,98,840	3,48 585	25,00,300	17,75,000	4,119	Chocolali Manilal Ltd.	Ratnak Batteries	93	100	5 0	5 0	5 0		6	Y.P.
99,99,250	19,47,386	1,22,03,6045‡‡	....	2,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 8	4 8	4 8		12	Y
99 99,975	35,06,351	35,10,399	9 31,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	170½	100	10 0	11 0	11 0	4 0	6	Y.
5,97,92,800A. 16,00,000B. }	5,28,624	3,87,33,378	1,35,90,392	5,36,717	Auto-Auto Ltd.	Premier Automobiles	108½	A.100 B. 10	Nil Nil	Nil Nil	Nil Nil		6	Y.
10,51,250	5 63,605	18,96,085	11,66,085	10,884	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22	20	2 0	2 0	2 0		12	Y.
2,75,00,000	72 75,000	3,05,57,161	1,48,71,846	5,81,984	T. H. Eydin, Esq. (Managing Director)	Western India Match Co.	185	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	56,24,847	7,24,988	3,07,108	36,424	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	550	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 2,50,000 }	17,00,000	1,95,40 704	65,00 000	2,582	J. K. Industries, Ltd	Aluminium Corporation of India Ltd.	12½ 6¾	O. 10 D. 3½	Nil	Nil	Nil		8	Y.P.T.
80,00,000	35,05,079	83,06,628	21,34,981	3,49,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	24½	10	1 4	1 4	3 0*		8	Y.
20 00,000	8 55,000	33,29,494	20 98,060	1,18,236	T. H. Eydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 4*	1 4*	1 4*		12	Y.
30,00,000	27 47,883	1,01,49,337	39,87,830	82,683	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	10	10	0 3 1/5	0 3 1/5	0 6 2/5		12	Y.P.T.
80,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	172	100	20 0*	18 0‡	12 8		12	Y.
12 00,000	9,10,000	21,37 448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	26xd	10	1 8	2 8	2 4		6,12	Y.
22 00,000	7,96,420	62 57 99445		1,15 707	Loveleck & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		8	Y.P.
45,97,020	30 11,514	1,10,56,424	33,87,339	1,79,277	K. Julian Scott Esq. (Mg. Director)	Britannia Biscuits	10½	10	0 8	1 0	1 0	1 0	8	Y.P.T.
5,50 00 000	1,19 11,000	22 37 03,048	2,24,14,457	—87,26,044	Hi. Bert Mentor	British India Corporation Ltd.	103	10	0 9	0 9	Nil		12	Y.
1,38,00,000	17,34,264	2,03,27,2285‡		19,76,052	Andrew Yule & Co., Ltd.	Curn Row Investment	11½	10	0 4 1/5	0 3 1/5	0 9	1 6	3	Y.
1,60,00,000	3,14,86,174	5,18,62,036	3,20,82,990	11,71,466	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	29¾	10	1 8	1 8	1 8		12	Y.
61,25,000	34 12,312	1,42,47,6686‡	....	1,65,135	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	146	100	8 0	8 0	8 0		11	Y.P.
24,00,000	10,02,600	33 81,772	18,99,773	87,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd., ...	187	100	16 0	17 8	17 8		8	H
65,00,000	42,00,000	19,27,688	8,06,873	1,51,359	J. F. S. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	13½	10	1 8	1 8	1 6 2/5		6	Y.
90,00 000	18 17,354	78,75,302	31,19,054	45,995	P. F. R. Syndicate	Great Eastern Hotel	240	25	15 0	4 8	5 0		8	Y.P.
30,17,900	13,88,886	56,39,228	59,24,587	88,602	Birla Brothers Private Ltd. ..	Hind Cycles	160	100	9 0	10 0	10 0		12	Y.T.
4,96,12,840	2,92,450	5,86,34,606	94,88,719	5,19,489	Birla Bros., Ltd.	Hindustan Motors	10½	10	Nil	Nil	Nil		10	Y.P.
1,80,00,000	45,17,784	2,16,74,246	1,74,17,963	5,18,074	R. B. Greenwood (Mg. Director)	India Aluminium Co.	16	10	Nil	Nil	9 0		12	Y.P.
1,52,80,220	1 20 80,000	1,55,72,391	57,17,651	23,96 462	A. R. Driessen Esq.	Indian Cables	33½	10	1 0*	1 0*	1 4*		12	Y.P.
2,27,970	5,85,000	16,40,506	8,96 110	62,616	G. S. Monitos & Co. (India) Ltd.	Indian Rubber Manufacturers ..	16½	10	0 12	0 8	0 8		8	Y.P.T.
15,15,00,000	7,25,12,553	3,55,94,047	1,17,80,403	25 00,000	Mr. R. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	16	10	0 3	0 3 5/8	0 12 4/5	0 6 2/5	3	Y.
3,00,00,000	56,29,566	84,83 960	8,60,080	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	99½	100	7 8	7 8	7 8		6	Y.
6,24,0000 66,0000D. }	1,91,892	5,94,030	3,58,758	2,668	James & Co. Private Ltd.	Mackenzie & Co.	2½ D.	O. 5 D.	Nil	Nil			2	Y
69,00,0000. 5,00,000D. }	78,01,900	25,16,760	7,97,801	1,87,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	218‡	O.100 D.O.10	10 0 0 8	17 0 1 3 1/5			12	Y.P.
1 57 52,000	60,84,276	72,58,051	11,84,228	2,03,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	1 0*	1 0	1 12*		8	Y.P.
1,12,00,000	55,50,000	1,58,37,978	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Martin & Co. (India), Ltd. ..	29½	10	1 0	1 0	1 4	1 10	3	Y.P.
6,55,255	1,43,858	7,81,449	2,60,987	—16,239	Orsle Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	Nil	Nil			6	Y.P.
6,56 250	9,18,696	11,18,541	5,51 088	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	14½xd	10	1 0	1 0	0 12	0 14 2/5	12	Y.
10,00,000	1,25,000	15,15,148	5,10,626	20,916	T. Ramanama, Esq. (Chairman)	Mysore Tobacco	15-9½	10	1 0	1 4	1 0		8	Y.P.
48,00,000	51,21,178	58,09,527	20,30,120	2,23,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		8	Y.
78,87,000	32,15,327	1 14,76,878	52,77,583	9,03,430	R. E. Elias & Co., Ltd.	National Tobacco Co.	15 3‡	10	Nil	Nil			8	Y.T.
2,25,00,000	7,25,185	1,58,49,091	40,14,106	—69,96,179	M. F. S. Paspatti, Esq.	Rallis (India) Ltd.	42	100	Nil	Nil	Nil		12	Y.P.
1,72,24,400	1,31,20,205	7,56,24,689	3,47,94,970	4,91,684	Sahu Jain Ltd.	Robtas Industries	22½	10	1 4	1 8	1 8		8	Y.P.
40,00 000	33,90,594	1,18,75,970	70,99,797	8,15,675	G. W. Stephenson, Esq.	Spencer & Co. Ltd.	17½	10	1 0	1 8	1 8		10	Y.P.T.
79 00,000	84,13,860	17,49,8165	5,53,635	3,65,250	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½xd	10	1 0	1 0	1 0		6	Y.P.
1,99,880	....	14,00,220	3,54,980	....	....	Travancore Ogale Glass	31	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries.	Company	Acreage under Tea	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	Amluckie	825	380	100	25 0	30 0			13	Y.P.
3,50,000	8,43,250	10,69,902	2,42,039	77,477	B. K. Kanoria, Esq.	Ananda (Assam) Tea	429	45	10	1 4	7 8			13	Y.
3,50,000	6,43,250	10,47,044	3,03,093	72,995	Gillanders Arbuthnot & Co., Ltd.	Ananda Bag	420	49	10	2 8	8 0*			13	Y.
5,50,000	11,21,541	16,95,977	6,44,357	93,055	McLeod & Co., Ltd.	Badhmari	513	23½	10	Nil	8 8			13	Y.
5,10,000	8,50,000	11,59,193	3,39,461	93,033	Andrew Yule & Co., Ltd.	Basmatia	309	37½	10	2 8	3 0			13	Y.
3,30,000	4,65,000	10,11,285	5,46,295	18,304	National Tea Corporation	Bateli	569	25½xd	5	2 0	4 0		2 0	13	Y.
3,20,000	5,70,000	8,90 764	2,59,411	66,764	Gillanders Arbuthnot & Co., Ltd.	Beljan	594	24½	10	2 0	10 0*			13	Y.
16 50,000	20,60,000	52,30 169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	Bishnauth	3,967	24½	10	3 8				13	Y.
6,00,000	2,53,500	10,49,416	2,05,130	61,925	Octavius Steel & Co., Ltd. ..	Boksakuri	455	24	10	Nil	1 0			13	Y.
7,50,000	6,52,449	8,92,327	2,83,050	1,44,158	McLeod & Co., Ltd.	Borman Jan Tea	450	21½	10	0 12	3 8			13	Y.P.T.
25,00,000	11,92,015	73,90,473	19,49,436	26,002	Brook Bond India Ltd.	Brooke Bond	2,334	21¾	10	0 8	1 4			6	Y.P.
1,20,000	4,00,426	5,55,963	1,55,593	6,542	McLeod & Co., Ltd.	Chuldo Valley	232	50½	10	1 0	6 0			13	Y.
9,00 000	10,00,000	28,94,194	18,84,471	51,534	Jardine Henderson Ltd.	Dessai & Parbattia	1,229	412	100	20 0	40 0			13	Y.
7,53,440	9,97,993	22,73,420	4,17,846	44,551	James Warren & Co., Ltd.	Dhalakhat	620	22½	10	1 8	2 8			13	Y.
4,68,970	3,95,000	10,93,269	3,77,383	8,779	James Finlay & Co., Ltd.	Dhunseri	644	24	10	2 0	5 0			13	Y.P.
4,50,000	6,75,000	9,00 634	2,06 817	54,692	McLeod & Co., Ltd.	Dibrugarh	455	20½	10	1 0	4 6			13	Y.
2,36,700	6 60,000	10,29,995	5,34,006	55 532	Williamson Magor & Co., Ltd.	Dilmakuri	511	24	10	1 4	6 0			13	Y.P.
5,61,500	8,82,000	19 55,551	13 34,016	64,360	Williamson Magor & Co Ltd. ..	Dudhajuar	615	35½	10	4 0	5 0			13	Y.P.
10,00,000	6,40,300	23,20,313	9 73 313	75,838	Williamson Magor & Co., Ltd. ..	East India Tea	1,160	23	10	2 8	3 8			13	Y.
3,50,000	5,05,000	9,35,214	4,30 235	5,997	L. C. Kanoi,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½cd	2	0 4	0 4	0 4 4/5		5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar	12cd	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,80,195	52,05,466	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	27½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1,07,57,743	19,78,244	2,42,894	R. C. Paterson, Esq.	Ceraolidated Coffee	22½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	22½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,000	4,94,158	46,543	A. V. Thomas & Co. Ltd.	Highland Produce	17	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,983	17,78,355	1,92,061	17,844	A. V. Thomas & Co. Ltd.	Kaliyetta Estates	35½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	35½	10	5 8	2 4	2 4		8	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	21½xd	10	1 8	1 12*	2 8	2 0	8	Y.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nenmeny Rubber	23½cd	10	0 12	1 8	1 8		8	H.P.
2,00,000	2,99,685	7,20,985	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0			12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates ..	5–10½	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	27½	10	1 12*	1 12*	2 0		6	Y.P.
3,66,780	3,00,000	6,70,350	62,117	71,342	Peirce, Leslie & Co., Ltd.	Savannah Estates Ltd.	25½	10	2 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		8	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd.	Thamarajally Rubber	30	10	3 0	3 0	3 0		12	Y.P.
6,10,200	3,09,066	8,61,561	69,665	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	9½	1	0 4½	0 1 3/5	0 2		9	Y.
6,00,000	75,491	9 70 479	3,23,517	3,745	Rajen Thomas, Esq. (Mg. Director)	Travancore Rubbers	24½	10	2 0	2 0	3 0		12	H.P.
41,00,000	14,30,709	76,82,300	8,08,181	3,71,083	Asutnwali & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000	.... ..	27,79,782	6,45,950	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	38½	25	3 0	5 0	4 0		12	Y.
6,25,380	5,40,670	8,51,488	10,128	40,780	Harrisons & Crosefield Ltd. ..	Valkundam (Travancore) Rubber ..	33½	10	2 0	2 4	2 8		12	Y.
6,96,000	87,259	3,56,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		8	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12	10	1 0	1 10	0 6[		3,9	H.T.P.
6,00,000	10,25,000	61,65,438	36,93,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6,12	H.P.T.
30 00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance	125	100	5 0	12 0	6 0		6,12	H.P.
40 20,700	72,60,000	2,72 98,335	1,87,90,000	1,23 973	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	180	100	12 8	7 8	8 8		3,9	H.P.
40 00,000	42,94,256	1,73,44 642	88,94 896	9 783	Bird & Co., Ltd.	810	Auckland	118	100	4 0	3 8	10 0		3,9	H.P.T.
30,00,000	22,86,887	96,73 016	65,15,094	15,350	Jardine Henderson & Co.	959	Bally	147	100	4 0	*Nil*	3 8		3,9	H.P.
£275,000	£481,523	£1,556,539	£1,003,227	£64,858	Sir John H. Burder (Chairman)	1,889	Barnagore	143	£5	£1 0	sh.15	sh.15		3	Y.P.
38,00,000	32,30,123	92,27,342	49,93 231	1,006	Andrew Yule & Co. Ltd.	820	Belvedere	159	100	15 0	10 0	7 8		6,12	H.P.
45,00,000	38,45 600	57,03,172	31 28 574	2,65,100	Soorajmull Nagarmull	600	Bengal	17	10	1 4	1 2	1 2		6	Y.P.T.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,051	4,87,803	Birla Bros., Ltd.	1,373	Birla	18½	10	3 0	1 0	1 0	1 0	3	Y.P.
36,00,000	27,37,926	1,12,57,557	72,15,930	2,271	Andrew Yule & Co., Ltd.	921	Budge-Budge	134	100	10 0	9 0	7 8		4,10	H.P.
7 47,380	3,29 640	43 00,831	31,53,654	—2,77,565	Dayaram & Sons	502	Calcutta Jute Mfg.	9½	10	*Nil*	0 12	*Nil*		6,12	H.P.T.
18,00,000	30,46,234	87,12,271	41,48 795	6,248	Andrew Yule & Co., Ltd.	616	Caledonian	180	100	12 0	9 0	6 8		5,11	H.
59,18,400	98,88,404	2,32,41,517	1,07,46,023	,30,945	James Finlay & Co., Ltd.	600	Champdany	162	100	8 0	8 0	10 0		3,9	H.
15,95,000	28,39,282	81,34,655	56,60,175	2 615	Andrew Yule & Co., Ltd.	530	Clerville	180	100	12 0	14 0	10 0		5,11	H.P.
30,15,000	31,00,000	64 10,068	47,77,690	1,32 949	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	1 12	1 2	1 6		6,12	H.T.P.
24,00,000	24,00,000	78,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Cliva	15	10	*Nil*	*Nil*	1-4x		3	Y.P.
31,49,200	61,23,3*3	1,34,26,320	54,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	97	100	4 0	2 8	4 0		3,9	H.P.T.
38,00,000	44,74,179	75,56 699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	180	100	20 0	12 0	10 0		5,11	H.P.
15,00,000	34,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	18½	10	1 0	1 4	1 4		6,12	H.P.
21,00,000	60,60,000	2,70,30,024	1,80,10,198	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	330	100	*Nil*	5 0	15 0	7½	3,9	H.P.T.
21,00,000	17,75,000	84,16,102	58,69,759	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	21½	10	5 0	20 0	20 0		3,9	H.P.T.
84,32,100	1,66,621	2,03,72,408	1,32,68,885	84,732	Macneill & Barry Ltd.	1,709	Ganges Mfg.	60	100	*Nil*	0 8	2 8		3,9	H.P.
10,80,000	28,00,000	71 52,983	48,43,692	—74,098	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,800	300	15 0	*Nil*	0		12	Y.
24,00,000	35,88,440	2,12,38,183	1,65,13,218	67,208	Macneill & Barry Ltd.	1,394	Gouripore	247	100	3 12	10 0	13 0		3,9	H.P.
40,00,000	55,88,234	99,08,890	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	11 8		3,9	H.
16,80,000	18,91,856	46,20,916	44,548	—8 19,388	Gillanders Arbuthnot & Co., Ltd.	720	Hoochly	35	10	1 4	0 8	1 4		3	Y.P.
65,52,500	51,32,961	1,82,27,584	1,07,81,964	11,463	Jardine Henderson Ltd.	1,940	Howrah	22½	10	3 0	2 4	0 14		3,9	H.P.T.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramduti Ramkissendas	2,272	Hukumchand	25½	7½	3 0	2 0	2 0		3	Y.P.T.
87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	145	O. 125	6 4	3 2	4 11		3,9	H.
30,000									D. —	0 4 4/5	0 2/5	0 8/5			
24,00,000	16,50,000	1,37,65,836	1,24,18,026	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	134	100	9 0	6 0	2 8		6,12	H.P.
19 20,000								126	'B' 100	9 0	8 0	2 8			
30,00,000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	89	100	7 8	6 8	1 0		6,12	H.P.
24 00,000								81	'B' 100	7 8	6 8	1 0			
21 00,000	53,00,000	1,22 91 697	83,77,484	1,10,451	McLeod & Co., Ltd.	708	Kelvin	222	100	15 0	20 0	17 8		6,12	H.P.
54,00,000	25,83,375	1,71 54,716	1,16 91,627	1,02,192	Anderson Wright Ltd.	1,580	Khardah	137	100	17 8	12 8	11 0		3,9	H.P.
48,00,000	1,04,57,457	2,31,57,457	1,12,99,755	92 710	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	171	100	20 0	7 0	13 0		3,9	H.P.T.
24,48,000	49,37,087	1,39 82,288	80 55,707	10 707	Bird & Co., Ltd.	981	Lansdowne	104½	100	7 0	2 0	7 0		3,9	H.P.
28,06,000	58 89 479	1,16,05,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	112½	100	5 0	6 0	6 0		3,9	H.P.
21,56,350	25,04 412	2,01 00,548	1,54 49,404	10,814	M.	1,293	Megna	84½	100	5 0	2 8	3 12		3,9	H.
29,96,900	38 14,415	1,84,76,420	98 81,406	—8 19,388	F. W. Heilgers & Co (Private) Ltd.	816	Nalhati	88	100	*Nil*	*Nil*	*Nil*		3	H.
20,00,000	16,55,000	29 01,563	18,21,709	17 816	Howrah Trading Co., Ltd.	425	Naskarpara	18½	10	0 5	1 2	0 10½		4,10	H.T.
28,00,000	48,29,321	29,10 124	10,08,223	70,554	Andrew Yule & Co. Ltd.	852	National	25½	10	2 0	2 0	1 12		4,10	H.P.
26 25,000	26 25,000	27,71,092	20,34,009	1,09,257	McLeod & Co., Ltd.	816	Nellimarla Jute	12½	10	1 12	1 8	1 0		6,12	H.P.T.
85,50,000	2,71,44,542	4,29,15 627	96,26,548	5 71,295	Sahu Jain Ltd.	1,765	New Central† ..	17½	10	24 0	17 0	13 8		12	Y.P.
16,79,500	48,95,154	1 17 37 858	48,80,655	46 862	Bird & Co., Ltd.	567	Northbrook	24	10	1 2	1 4	1 8		3,9	H.P.T.
86,79,000	1,12,60,608	1,19,37,804	58,373	58,373	Macneill & Barry Ltd.	1,002	Nuddea	41½	50	0 8	0 8	1 0		3,9	H.
24,91,000	26 81,049	72 46,385	50,35,690	5 7•4	Andrew Yule & Co., Ltd.	601	Orient	145	100	12 0	10 0	9 0		6,11	H.P.
25,00,000	6,28,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	5½	5	0 2	0 3			6,11	H.P.
80,00,000	1,44,935	24,56,68,880	8,39,180	—12,15,988	Birla Bros. Ltd.	805	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*		3,9	H.T.
49 50,000	1,62,723	1,24 06,577	5,09,080	89,88,544	Jardine Henderson Ltd.	1,276	Reliance	10½	10	1 0	*Nil*	*Nil*		3,9	H.P.T.
£600,000	£1 093,718	£1 236,315	£1 236,315	£83 658	Thomas Duff & Co. (India) Ltd. ..	2,018	Samnuggur	9½	£1	10%	10%	8%£1		12	Y.P.
20,00,000	18 12,193	1,04,60,653	75,85,888	4,667	Bazaria More & Co. Ltd.	911	Shree Ambica	16	10	0 8	1 0	0 8		3,9	H.P.
14,00,000	11,29,000	66 11,794	38,79 294	8 164	Hindustan Investment Corporation.	401	Soorah	16½	10	0 8	1 0	1 8		12	Y.P.T.
25,19,600	42,44 180	1,80,76,167	51,18,663	—2,75,291	Bird & Co., Ltd.	660	Standard	24½	10	0 8	2 0	1 0		3,9	H.P.
£600,000	£925,119	£990,895		£110,316	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	9½	£1	10%	10%	8%£1		12	Y.P.
20,00,000	88,14 828	1,95,40,099	81,71,617	14,518	Bird & Co., Ltd.	1,326	Union	155	100	5 0	6 0	10 0		3,9	H.P.T.
£400,000	£688,085	£1,092,723		£97 816	Thomas Duff & Co. (India) Ltd. ..	1,321	Victoria	9½	£1	10%	10%	8%£1		12	Y.P.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co. Ltd.	457	Waverley	5½	1	0 1	0 8	0 8		6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	82 12,991	61,77,991	26,953	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22½	10	1 0	1 4	1 6		3,9	H.
12,00,000	8,62,573	33,78,477	26,18 477	22,708	Jardine Henderson Ltd.	Bararee Coke	20	10	1 6 2/5	1 7 1/5	1 7 1/5		3,9	H.
4,49,850	3,70,000	9,40,130	5,40,986	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¼N	10	0 12	0 12			6,12	H.
1,00,00,000	1,40 49 722	5,91,92,614	3,95,77,826	7,31,543	Andrew Yule & Co., Ltd.	Bengal Coal	588	200	52 8*	30 0*	35 0*		6,12	H.
2,25,000	4,77,174	24,81,806	22,29,948	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	*Nil*	*Nil*			4,10	H.P.
15,97,000	5,67,358	17,70,182	12,77,884	19,408	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8	*Nil*			6,12	H.P.
40,00,000	8,00,000	1,89,06,063	97,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7½	10	0 12	0 10	0 10		3	Y.
7,15 000	15,11 000	52,02,538	37,38,500	—1,37,446	F. W. Heilgers & Co. (Private)Ltd.	Bhubanbarare	13½	10	*Nil*	*Nil*	*Nil*		6	Y.P.
16,00,000	16,17,884	68,14,856	39,99,841	—79 106	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	13	10	2 12	2 0	2 0	1 0	3	H.
7,50 000	23,29 026	42,39,408	33,53,406	84,397	F. W. Heilgers & Co., Ltd.	Borree	23	10	2 12	2 0	2 0		6,12	H.P.
90,92,480	1,75,17,802	4,19 21,370	1,85,17,846	1,16,376	Bird & Co., Ltd.	Burrakur	13½	10	0 12	0 10	0 10		6,12	H.P.
49,97,750	....	89 62,710	3,82,545	14,019	Hindustan Investment Corpn., Ltd	Central India	11N	10	0 4	0 4	0 4		6,12	H.P.T.
8,00,000	18 54,802	1,12,10,414	82,63,984	82,782	M.	Central Kurkend	7½	10	0 4				3	Y.
6,00,000	1,48,676	7,28,458(k)	....	2,129	F. W. Heilgers & Co. Private Ltd	Churia	11N	10	1 2				6,12	H.
16 00,000	1,20,000	52,67,821	25,91,190	—2,45,279	Macneill & Barry Ltd.	Dhemo Main	2½	4	0 2	0 2	0 1i		6,12	H.
£240,000	£385,377	£950,945	£720,277	£59,767	Jardine Henderson Ltd.	East Indian	8	10	*Nil*	*Nil*	*Nil*		6,12	H.T.
29,63,760	76,84,250	3,80,97,499	3,57 14,357	92,266	Macneill & Barry Ltd.	Equitable	31½	£1	2 8	2 8	3 0		4	Y.
10,00,000	2,15,000	10,76,864	5,78 963	11,273	Bhatter's Agency Ltd.	Ghusick and Musha	29½	10	1 8	1 8	0 12i		6,12	H.P.T.
12 00,000	1,22,000	89,02,585	80,09,824	3,226	Kilnick Industries Ltd.	Hingir-Rampur	14½N	10	0 8	0 8			3	Y.
8,00,000	6,75,000	21,42,057	18 61,714	64,451	Macneill & Barry Ltd.	Hurriladih	41½	50	3 0	*Nil*	2 4		4	Y.
12,00,000	1,12,080	24,74,412	6,18,846	—5,57,299	Baljeak Tyrat Ltd.	Jorta Coal	22	10	1 8	1 12	1 4i		6,12	H.
3,50,000	3,45,579	18 54,857	7,23,658	....	Andrew Yule & Co. Ltd.	Kalapahari	2½	10	*Nil*	*Nil*			12	Y.P.
20,00,000	17 925	29,07,991	8,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	18N	10	2 12	*Nil*	*Nil*		3	H.
5,00,000	16,60,000	45,77,533	36,47,985	1,33,474	Andrew Yule & Co. Ltd.	Katras Jherriah	118	100	*Nil*	*Nil*	2 8		3	Y.P.
1,28,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	59	10	4 0	4 0	5 8		3	Y.
11,00,240	64,814	16,72,961	10,41 948	—41,252	H. V. Low & Co., Ltd.	Kusrdi	34N	10	*Nil*	*Nil*			1,7	H.
1,00,000	11,56,418	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	41N	10	*Nil*	*Nil*			6,12	H.P.
1,24,240	2,00,000	12,15,478	9,23 179	11 096	Tantia Brothers Ltd.	Nasira	10N	10	0 8	0 4			6	Y.
7,00 000	26,617	10,38 740	5 20 298	4,580	Amritlal Ojha & Co. Ltd.	New Ramdeopur	7	10	0 8	0 8			4	Y.
17 76 280	20 01 763	1,11,29,853	86 68 096	84,383	Andrew Yule & Co. Ltd.	New Beerbhoom	10½	10	0 12	1 4			12	Y.
6,00,000	75,000	28,54,607	17,07,588	22,33	Octavius Steel & Co., Ltd.	New Manbhoom	10½	10	1 0	1 2	1 0		3,9	H.
1,15,000	2,85,193	13,07,219	8,64,731	15,950	Andrew Yule & Co. Ltd.	North West	18N	10	*Nil*	*Nil*	*Nil*		4,10	H.P.
1,57,500							16½N	10	0 8	*Nil*	1 0½	0 9½	3,9	H.
7 50,000	12,21,883	3,17,666	3,07,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	7½	10	0 8	*Nil*	1 0			
10 00,000	1,10,000	29 70,602	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	14½	10	0 8	1 0			6,12	H.
8,34,000	10 862	17,52,187	8,30 795	8 018	Deepchand Kishenlal	Parasea	9N	10	0 4	0 8			3,9	H.P.
15 75,000	16 00,000	47 70 275	25 80 275	35 543	Shaw Wallace & Co., Ltd.	Peach Valley	14	10	0 4	0 12			12	Y.T.
28 99,500	19 17,105	1,25,07,993	88,50,855	16 846	N. B. Elias & Co., Ltd.	Raneegunge	22½	10	1 10	1 8	1 8		6,12	H.P.
13,80,000	8 53,385	35,36,765	27 73 764	29,021	Shaw Wallace & Co., Ltd.	Rewa	22½	10	*Nil*	0 8	0 10		3,9	H.
20 00 000	3,00,000	44,28,588	18,78 118	2,20 176	Jaipuria Sons Ltd.	Samla Collieris	14N	10	0 8	0 12	0 14		3,9	H.
2,50,000	1,98,303	19 76,940	12,21,287	21 070	M.	Searsole	6½N	10	0 10	0 10	0 12		6,12	H.
2,50,000	3,36 596	29 99 490	19 07 296	49 299	Andrew Yule & Co. Ltd.	Seebpore	29½	7	1 12	2 0	2 8		3	Y.
6,00,000	3 51,289	26,491	28,367	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9½N	10	*Nil*	0 2	0 4		6,12	H.P.
68,21,480	16,90,080	3,82,71,101	2,89,85,501	—4,46,963	Industrial Trust Fund (Governm't of Hyderabad)								6,12	H.T.
17,50,000	10,84,016	37,86,108	15,14,990	—51,522	Bird & Co., Ltd.	Singareni	10½	10	*Nil*	0 11 1/5			12	Y.T.
8 00,000	13,69,795	1 06,970	36 810	17,347	F. W. Heilgers & Co., (Private)Ltd	South Karanpura	9½	10	0 4	0 8	0 8		3,9	H.
10 00,000	12,950	80,82 289	19,49,503	—4,07,745	Villiers Ltd.	Standard	28½	10	2 0	1 8	1 0		3,9	H.
3,80,000	2,80,000	19,47,986	14 61,956	44,167	Williamson Magor & Co. Ltd. ..	Tatcher	3½	5	*Nil*				6,12	H.
40,98 000		48,96,386	18,91,548	2,984	Hindustan Investment Corpn., Ltd	Union	14½	10	1 12	0 12	*Nil*		9	Y.
7,00,000	1,55,190	55,22 183	32,06,961	123	Macneill & Barry Ltd.	Western Bengal	6½	10	0 6	0 6	0 8		6,12	H.
						West Jaintia	11½	10	*Nil*	*Nil*	*Nil*		3	Y.
													6,12	H.

‡—Managed by the board of directors. ‡ Less income-tax. (a) Okra Mills have paid dividend at Rs. 10½ on bonus shares, for the year, 1955. * Intending bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s For seven month ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Alliance and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

SCHEME FOR IMPROVEMENT OF INDIAN COASTAL SHIPPING—I

(*Concluded from page 366*)

(*e*) Rail head terminals. Approximate volume of cargo available.

As a result the following dimensions and special features are suggested:

Motor Cargo Vessel (*Ambar Jahaj*): Gross Tons: 265 tons. net tons: 127, D. W. 310 tons and cargo carrying capacity: 273 tons. Loaded Mean Draft 9 feet. Sea Speed 8 knots. Load Line. Classification. (Government of India).

Hull Design: (Dutch coaster type) Engines and accommodation aft. Built up hull, open shelter deck, raised forecastle head and peak tanks. If built of steel, the vessel could have ballast tanks and on inducement carry vegetable oil in bulk.

Material: Could be built of wood, steel, or composite construction. Both wood and steel are expensive. but, owing to shortage of steel, wooden coasters could be built. A new feature that may be att

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16 00 000	1,08,00,000	11,36,301	Allahabad Bank	{356	100	18 0‡	18 0‡			12	Y.P.
14,50,000				185	50	0 0‡	9 0‡				
1,01 000				115cd	100	6 8	7 8	6 8	3 12‡	6,12	H
32,46,180	14,37,000	12,375	Andhra Bank	85cd	70	3 4	3 12	4 8 4/6	2 10‡		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	105	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	214N	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,02 00,000	18 26,630	Bank of India	172	50	7 0	7 0	8 0	3 0‡	6,12	E.L.Y.
15 30,375	75,00 000	60,636	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	28	50	1 8	2 0	2 0		12	Y.
50,00,000	8e 00,000	1,79,254	Bank of Mysore	255cd	100	16 0‡	16 0‡	16 0‡		12	Y.
81,21,700	88,73,018	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 0	2 0		6	Y.T.
15,00 000	3e,00,000	19,801	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12 00,000	2,483	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,62,11,875				{54‡	25	3 0	3 0	3 0	1 8‡		
$2,42,375 'A'	4,01,81,217	18,40 359	Central Bank of India Ltd. ..	{58	25	3 0	3 0	3 0	1 8‡	12	E.L.Y.
50,00,000	31 00,000	1,76 386	Devkaran Nanjee Banking Co. ..	45‡	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00 000	1,00 00,000	1,05,896	Habib Bank (F)	72N	20	4 0	4 0			12	Y.
50 00,000	26,00,000	1,66,278	Hind Bank	88‡	50	1 4	1 8	2 0		12	Y.
1,25,00 000	16,43,000	15,819	Hindustan Commercial Bank ..	13‡	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	12‡	50	Nil	Nil			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	6 0‡	5 0		9	Y.
24,00,000				{206	100	12 0‡	12 0‡	12 0	6 8‡		
16,00,000	79,75,000	1,45,140	Indian Bank	190	95	10 8‡	10 12‡	10 12‡	6 2‡	6,12	I.L.H.
16,20,000				148	70	7 8‡	7 8‡	7 12‡	4 8‡		
49,19,875	30,00,000	2,28,299	Indian Overseas Bank	152	100	6 0	6 0	7 8		12	Y.
2,25,000				{42‡	100(A)	Nil	Nil				
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	Nil	Nil			6,12	H.
10,00,000				25‡	50(C)	Nil	Nil				
97,50,000	97,50,000	2,85,108	Punjab National Bank	95	25	3 0	3 0	3 8	2 0‡	12	Y.
1,00 00,000	23,80,000	43,597	Travancore Bank	188	25	3 0	3 0	3 8		12	Y.
40,00 000	35,00,000	1,96,238	Union Bank of India	78	5	0 5‡	0 5‡	0 6		12	Y.
6,00,00,000	95,00,000	27 761	United Commercial Bank	59‡	50	3 0	3 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-18-3	£1	14†	15†	15†		12	E.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7‡	£5	8†	8†	8†		12	E.L.Y.
[H.K. $25,000,000	H.K. $128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	£90‡	£1	H.K. $125	5*	5*	5*	2*1	12	Y.
17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-13-3	£5	A	14†	15†	12†		12	E.L.Y.
£1,437,296 'B'				£1-6-3	£1	B	5†	5†	5†		12	E.L.Y.
£875,000 'A'				£4-0-6	A	£2‡	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4 0-6	B	£2‡	14†	14†	14†		12	E.L.Y.
£750,000 'C'				—	C	£1	14†	14†	14†			
£2,861,563	£3,104,687	£342,158	National Bank of India	£1-0-8	sh.	12‡	16†	15†	15†		12	E.L.Y.

‡ Includes bonus. † Less Tax. (F) Pakistan Currency. R-1—Reserve liability on shares. ††O.B. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1926	99‡	1st June 1963
4,00 000	5‡	1st March and 15th September.	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00 000	5‡	30th June and 30th December .	Ramnagger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10 00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	101	27th December .. 1952-62
10,00 000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20 00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April 1956-61
38,00,000	4‡	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	96‡	1st November .. 1959-64
COAL						
20,00,000	4‡	30th April and 31st October ..	Bharat Collieries	1944	95‡	30th June .. 1956
30,00,000	4‡	30th June and 31st December ..	Burrakar Coal Co.	1947	91‡	30th June .. 1967(c)
50,00,000	5‡	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(c)‡
COTTON						
8,50,000	5‡	30th June and 31st December ..	Rasanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4‡	10th May and 10th November ..	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Parkinham and Carnatic	1952	101‡	1st March .. 1972(c)
13,68,000	5‡		Jayshree Textiles	1949	80N	1st January .. 1956-59
99,90,000	5	1st June	Tata Mills	1951	100‡	1966-71
ELECTRICS						
10,00,000	4‡	31st March and 30th September	Agra Electric Supply Co. Ltd. ..	1950	95	31st March .. 1965(a)
1,20,00,000	4‡	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100‡	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98‡	1st October .. 1968
12,00,000	4‡	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,80,80 400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd	1950	100	1st January .. 1970(c)
15,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co. Ltd.	1945	86‡	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Cherrial) Electric Supply Co., Ltd	1951	96	30th June .. 1976(c)
4,95,000	5‡	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	15th July .. 1957-61
2,00,000	5‡	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1958-63
4,63,800	4‡	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July .. 1970
1,50,00,000	4	1st April and 1st October ..	Tata Power		98‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5‡	30th June and 31st December ..	Britannia Engineering	1948	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India) Ltd. ..	1928	99	30th June .. 1958
80,00,000	5‡	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1943	101‡	1st July .. 1957-62
61,146,600	4‡	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December .. 1966(ii)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)‡
JUTE						
12,00,000	5‡	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5‡	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	96	31st December .. 1964
10,00,000	4‡	30th June and 31st December ..	Bengal Jute Mill Co. Ltd.	1945	93‡	30th June .. 1960
8,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July .. 1959
15,00,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1966
15,00,000	5‡	31st March and 30th September	Delhousie Jute Co.	1954	99	31st March .. 1969(a)
5,00,000	5	15th January and 15th July ..	Empire	1951	94‡	15th July .. 1966(c)
15,00,000	5‡	1st January and 1st July ..	Hukumchand	1947	92‡	30th June .. 1957
5,00,000	5‡	31st March and 30th September.	Howrah Jute Mills Co. Ltd.	1950	99	31st March .. 1970
15,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	96‡	31st December .. 1964(c)
15,00,000	5‡	30th June and 31st December ..	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4‡	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd	1939	93	14th May 1959
22,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1945	93	30th June .. 1956
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. (Ltd. ..	1950	91	5th September .. 1965(a)
8,00,000	4‡	14th March and 14th September.	Soorah Jutes	1937	96	14th September .. 1957
12 00,000	4‡	30th June and 31st December ..	Union	1937	96‡	30th June .. 1957
30,00,000	5‡	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£50,000	6	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	90N	1st July 1956
£350,000	4‡	1st January and 1st July ..	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter
£189,363	5	1st April and 1st October ..	Katakhal-Lalabazar Railway	1923	£77‡N	1st October .. 1974
6,50,000	3‡	30th June and 31st December ..	Kathiawar-Delhi-Saharanpur Railway	1945	90‡	31st December .. 1959(c)
£200,000	4‡	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£86‡N	Any time on six months' notice (c)
£3,26,697	4‡	1st March and 1st September ..	Scindia Steam Navigation	1949	96	1st September .. 1963
PLANTING						
10,00,000	5‡	30th June and 31st December ..	Consolidated Coffe	1952	102‡	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea		101	1st April 1958-68
1,80,700	5‡	31st March and 30th September.	Teakoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st Decem .. 1965
26,80,000	4‡	1st January and 1st July ..	Associated Hotels of India	1948	86	31st December .. 1962
4,80,800	4	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1962
200,00,000	6‡	1st March and 1st September ..	Burmah-Shell	1954	103‡	1st September .. 1964-69(a)
100,00,000	5‡	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1953	102	1st October .. 1970
21,00,000	5‡	1st February and 1st August ..	Cowringhee Properties	1915	92	1st February .. 1964
30,92,000	4‡	1st July and 1st January ..	Dhe Buildings (Calcutta) Ltd. ..	1936	89‡	1st July 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1960
30,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	1966
50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1950	102	1st January .. 1971(c)††
17,75,000	5	15th March and 15th September.	Indian Cable Co., Ltd.	1954	105	30th June .. 1960(a)‡
23,08,500	4	31st March and 30th September.	Mentor Chemical Industries	1949	96	 1964
45,00,000	4	30th June and 31st December ..	Martin Burn Ltd. (Convertible Notes)	1946	520	30th September .. 1976(c)
			McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(c)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1977
50,00,000	5‡	30th June and 31st December ..	National Rayon	1955	103	30th June 1965-70
60,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. .. 1961(a)
100,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91‡	31st December .. 1959
90,00,000	5‡	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 8 months' notice at any time at 8 per cent. premium. (c) Option to repay on 8 months' notice at ‡ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs 101 per cent. after 10 years or at Rs 100-8 per cent. after 12 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1956. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. ‡ Redeemable out of a cumulative sinking fund of ‡‡ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to red em a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 19[illegible]

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd August, 1956.

—	Closing quotations 16-8-1956	High	Low	Closing quotations 23-8-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	220	221‡	218‡	220‡
Apollo (2)	3-3‡	3‡	3-3‡	3-3‡
Bombay Dyeing (250)	691‡	701‡	687‡	693‡
Bradbury (50)	277‡	281‡	270	270
Central India (100)	163	171	162‡	167
Century Mills (100)	607‡	608‡	602‡	605
Colaba (100)	102	103	101‡	103
Edward Textile (200)	350	360	350	360
Elphinstone (50)	65	65‡	64‡	65
Finlay (100)	370‡	385‡	373‡	382
Gokak (100)	254	254	250	250
Ind. Unit. Deld. (1)	2-10‡	2-10‡	2-9‡	2‡
Ind. Untd. Ord. (10)	14‡	14‡	13‡	14‡
Indore Malwa (100)	168‡	168‡	165	165‡
Khatau (100)	278‡	278‡	276‡	278
Kohinoor (100)	393	401	390‡	400
Lakshmi (250)	740	745	740	745
Madhusudhan (100)	130	—	—	130
Minerva Mills (100)	111‡	—	—	111‡
Model Nagpur (250)	180‡	185	180	185
Mcrarji (100)	271‡	272‡	267‡	272‡
Mysore (50)	136‡	137‡	135	137‡
National Rayons (100)	274‡	273‡	268	271‡
New City (100)	190	188‡	185	188‡
New Great (100)	260	262	260	260
Phoenix (100)	165	166‡	163‡	163‡
Podar Mills (100)	190xd	192‡	190	190
Sassoon Silk (10)	12	14	12	14
Sassoon Spg. (10)	45	—	—	45
Sholapur (1,000)	1,750	1,750	1,700	1,700
Shrinivas (100)	247‡	247‡	241‡	243‡
Simplex (50)	215‡	215‡	212	214‡
Standard (100)	405	495	491‡	491‡
Svadeshi (100)	270	277	269‡	276
Swan (100)	485‡	495	487‡	487‡
Tata Mills (25)	64‡	64‡	62‡	63
Vishnu (100)	191‡	193‡	191‡	193‡
Western India (1,000)	5,125	—	—	5,125
BANKS				
Bank of India (50)	172	172	171‡	172
Bank of Baroda (50)	104‡	105	104‡	105
Central (25)	55	55‡	54‡	54‡
Dena Bank (50)	58	—	—	58
Punjab National (25)	43‡	—	—	43‡
Union Bank (5)	60‡	—	—	60‡
United Com. (50)	7‡	7‡	7‡	7‡
	59	59‡	59	59
ELECTRIC COS.				
Ahmedabad (100)	99‡	100	98‡	
Amalgamated (10)	11-2‡	11-2‡	11-1‡	59‡
Andhra Valley (1,000)	1,237‡	1,248‡	1,237	11-1‡
Bom. Sub-El. (100)	110‡	111‡	110‡	1,247‡
Surat (100)	119‡	119‡	118‡	111‡
Tata Hydro (100)	120	122‡	120	119‡
Tata Power (1,000)	1,810	1,835	1,812‡	120
				1,820
INSURANCE COS.				
British India (10)	15	—	—	
Empire of India (100)	875	14	14	
Ind. Mercantile (20)	44	—	—	14xd
Jupiter (15)	5‡	—	—	375
New India (15)	49‡	6	5‡	44
Oriental (200)	49‡	49	48‡	6
Universal (10)	3 820	—	—	48‡
Vulcan (10)	12‡	—	—	3,820
	17	—	—	12‡
STEEL COS.				17
Ind. Iron (10)	—	—	—	
Tata Steel Ord. (75)	37-‡	37‡	37‡	
	211	213‡	211	37‡
SUGAR COS.				213
Belapur (50)	—	—	—	
Bhorsal (10)	254	255‡	253‡	
Phaltan (50)	17‡	—	—	255‡
Walchand Ind. (100)	169	170	162	17‡
	273‡	273‡	271‡	169
CEMENT COS.				273‡
Associated Cts. (100)	202	204	202‡	
Dalmiya (100)	205‡	205	204	203‡
MISCELLANEOUS				204
Alcock Ashdown (100)	355	355	349‡	
Bom. Burmah (125)	761‡	774‡	754‡	345
Do. (New) (50)	286‡	292‡	286‡	771‡
Br. T. Petrol (4 sh.)	4-3‡	4-3‡	4-2‡	290
C. P. Elec. (100)	10-11‡	10‡	10‡	4‡
Indian Copper (9 sh.)	80	80	79‡	10‡
Ind. Inv. Tr. (100)	7‡	7‡	7‡	79‡
Kamp (200)	76‡	77	76‡	7-5‡
Killicks (100)	185	185	176‡	76‡
Polson (100)	178	178	170‡	183‡
Port Canning (100)	181‡	179‡	178‡	179‡
Premier Con. (80)	8‡	—	—	181‡
Scindia (20)	211‡	9	8‡	9
G. Shipping (10)	10-6‡	217	207‡	217
Shivranjan (10)	10‡	10‡	10‡	10-4‡
Tata Chemicals (10)	91	10‡	10‡	10‡
Tata Locomotive (100)	20-7‡	92‡	90‡	90‡
Tata Ry. Elec. (100)	174‡	20-14‡	20-8‡	20-11‡
W. I. Match (100)	57xd	179	174‡	177‡
	186‡	57‡	56‡	56‡
		186‡	183‡	184‡

Gross Yield

GOVERNMENT SECURITIES	16-8-1956	Earlier Redemption	Later Redemption	23-8-1956
2½% 1961	Rs.	—	3 96	Rs.
2½% 1962	93‡	—	3 74	93‡
2½% 1963	94‡	—	3 74	94‡
3 % 1957	93‡	—	3 80	93‡
3 % 1958	92‡	—	4 00	92‡
3 % 1960-61	90‡	—	3 13	90‡
3 % 1964	99‡	—	3 24	99‡
3 % 1964-65	98‡	3 63	3 42	98‡
3 % 1966-68	95	—	3 72	95
3 % 1970-75	95	3 82	3 66	96
3 % 1979-80	93‡	3 82	3 70	94‡
3 % 1986 Con. Loan	90‡	3 81	3 73	93‡
4 % 1960-70	75‡	—	3 99*	90‡
4½% 1958-aaaa ..	101	3 73	3 91	75‡
3½% 1961 N.P. Bonds	102‡	2 94	4 20	100‡
3½% 1964 N.P. Loan	99‡	—	3 92	102‡
3½% 1965 N.P. Bonds	98‡	—	3 89	99‡
3½% 1966 N.P. Bonds	98‡	—	3 89	98‡
3½% 1967N. P. Bonds	98	—	3 89	98‡
3½% 1974	98‡	—	3 64	97‡
	98‡	—	3 87	98‡

BRITISH GOVERNMENT SECURITIES

	Closing quotations 15-8-1956 £			Closing quotations 21-8-1956 £
2½% Brit. Consols		—	—	
3% Savings Bonds 1965-75	52‡	—	—	53‡
3% War Loan 1955-59	72‡	—	—	
3½% War Loan	94‡	—	—	74‡
4% Victory Bonds 1976	70‡	—	—	94‡
4% Funding 1960-90	90‡	—	—	72‡
	87‡	—	—	90‡
		—	—	87‡

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

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PLANTATION INDUSTRY

THE plantation industry ranks high among the industries which are vital to the economy of India. Being an agro-industry, it is highly labour-intensive. Its direct employment potential is, perhaps, the largest and, thanks to the high standard of amenities for labour and hygienic conditions that are now being maintained, the environments of work are ideal. Those who doubt this statement are welcome to make a comparative study of the data relating to birth, death, sickness, literacy, housing and medical facilities in the large-scale plantation areas with those for the neighbouring parts in their respective States or for India as a whole. On such a study, they will find that the plantation areas stand a favourable comparison with the rest. Besides being a source of large-scale employment of a gainful nature under ideal conditions, the plantation industry derives its importance as a valuable earner of foreign exchange and of large sums of money to the Exchequer by way of taxes. Another factor that adds to its importance is that it provides two mild and yet cheap beverages, without which life in this modern world will become dull, if not dreary, and one strategic commodity, namely, rubber, which is finding increasing uses in transport and industry.

Although the industry's utility to the economy is understood by the Government, the planters have found it necessary to look to the Government often for its support and appeal to the public for its sympathy. The reason why this is so was ably stated by Mr. W. W. Kilgour in the course of his presidental address at the sixty-third annual conference of the United Planters' Association of Southern India (U.P.A.S.I.) held at Coonoor on Wednesday last. The conference was inaugurated by His Highness the Rajpramukh of Mysore State, the birth place of coffee in India. Mr. Kilgour's address was characterised by commendable moderateness in tone and humility of approach. He sought the understanding of the Government and workers not as a spokesman of employers but as a servant of industry. By and large, it was a factual statement of the problems confronting the plantation industry, particularly of South India. Considering that this industry in the South covers various products besides tea, unlike its counterpart in North India which consists almost entirely of tea, the addresses of Mr. Kilgour and Mr. M. M. Varghese, Chairman of the Planting Committee, are of considerable interest to those who wish to have a sound knowledge of this industry. Describing the industry as a "vital and integral part" of Indian economy and the U.P.A.S.I. itself as the servant of the industry, Mr. Kilgour stated that it was their duty to the industry as a whole to place their views before the Government as and when required. Such advice as the Association gave was received. In the true spirit of co-operation for the good of all those engaged in the industry.

From the economic angle, it must be stated that the cost of production is an aspect which should engage the immediate, as well as the proximate, consideration of every business man and industrialist. It is a particularly important aspect for those who are primary producers and who have to place their produce in a competitive market. The central theme of Mr. Kilgour's address was, appropriately enough, a study of the cost of production in relation to Government policy. Planters, he said, were never really free from the fear of a rising cost of production and he thought that this was a theme which merited more consideration at the hands of the Government and the trade unions than it has received in the past. "The cost of production," observed Mr. Kilgour, "is a hard fundamental economic factor that no amount of political and ideological speechifying or legislation can eliminate. In fact, cost of production has got us all, at whatever level we work for the industry, in its cold calculating clutches."

Having thus impressively emphasised the cost aspect, Mr. Kilgour rightly proceeded to state the various channels through which the cost of production has been allowed to rise. Improved employment conditions and welfare provisions for labour, higher taxation and rise in the cost of materials were some of the factors which are steadily pushing up the production cost. As though this is not sufficient, the industry has been told that further costly measures connected with labour welfare are to be enforced, although, when the Plantation Labour Act was first mooted, the industry had gained the impression that no further obligations in this field would be imposed. Mr. Kilgour's pertinent observations on this subject should command attention and sympathy, for, as everyone knows, the Plantation Labour Act is certainly not an omnibus piece of legislation that it was intended to be, replacing all previous or existing legislations in the field of plantation labour. And what is, perhaps, more important is that this Act is still by no means the last legislation of this sort. Nor does all this spate of legislation appear to have been strictly necessary for the plantation industry, because, as Mr. Kilgour pointed out, even the I.L.O., which zealously guards the workers' right throughout the free world, has given a good certificate of the conditions of work found in Indian plantations. Thus, the report of the third session of the International Labour Organisation Committee on Work on Plantations, held at Geneva in October 1955, clearly states that almost the whole of the recommendations on working and employment conditions adopted by the Committee for implementation in plantations throughout the world are already in force in the plantation industry in India.

These remarks of the I.L.O. Committee raise the question whether it is not necessary to cry a halt at least now to any further legislation favouring plantation labour. Relief in this respect would surely mean a great help to the industry at the present juncture. In making this statement, we are not unaware of the possible reactions to it in certain quarters, particularly labour leaders and some sections of Administration. It may be pointed out by them that planters are exaggerating the increase in costs and as proof of their contention may refer to the financial results of tea companies and the big dividends that are being declared by many of them. This, however, is a misleading argument, because, apart from the fact that the financial results relate to the past and the dividends to a capital structure incomparably small in relation to the capital employed, the warning sounded by Mr. Kilgour relates to the future. The full effect of the cost of the various fresh burdens that have been imposed on the industry is yet to be felt on the profits of the industry and will increasing

as labour charges. Those who levy taxes on plantation industry seem to think that it is a milch cow which can be subjected to endless strain. They are, of course, wrong in thinking thus and must study past history to be convinced. Mr. Kilgour instanced the case of China which, by the introduction of heavy imposts on the export of its tea, accidentally gave India and Ceylon the golden opportunity of extending their operations in world tea markets at its expense, and finally gave India the position of the largest producer and exporter of tea in the world. Today, other countries are entering the field and, where India, Ceylon and Indonesia were virtually the sole producers of tea a quarter of a century ago, there will soon be a considerable increase in the number of producers by the addition of East Africa, Nyassaland, South America, New Guinea, Australia, Russia and Iran, while Indonesia also will return to its pre-war scale of production. Undaunted by dry weather, even Egypt is said to be trying to grow tea on a commercial scale. India has, therefore, no reason to assume that its position as the largest producer of tea is unassailable.

Consideration of cost of production and labour legislation naturally leads one to the relevant question of the industry's attitude towards trade unions. The plantation industry, it will be remembered, is one in which there is considerable trade union activity. While Mr. Kilgour categorically stated that the U.P.A.S.I. would welcome healthy trade union organisation in the plantation industry, he uttered a warning that rivalry, fostered by a number of unions striving for supremacy or of unions being used for political ends, would benefit no one. As a practical representative of employers, he said that he would like to see one union for one industry and the exclusion of non-employees from among union executives. These remarks are realistic, in the light of our own knowledge of the troubles recently experienced in South India by reason of discord and rivalry among different unions operating in the plantation industry.

Apart from problems of cost and labour, the plantations of South India are facing other problems relating mainly to production and marketing and these were touched upon by both Mr. Kilgour and Mr. Varghese. Referring to the economics of tea industry, Mr. Varghese drew attention to the somewhat rapid and alarming decline in tea prices witnessed in 1955. This decline in price and the possibility of its recurrence have set the industry thinking as to what should be done to arrest such a development in future. There was evidence to show that the recession in 1955 was in part due to an excess of world supplies over world demand. Once again, Mr. Varghese stated, the industry's thoughts went back to the measures which were adopted to cope with similar situations in the past, and particularly to a scheme to restrict crop production. North Indian associations of planters were especially keen to adopt some form of crop regulation, as that was, in their view, the most practical and effective method of dealing with the problem. But such a method had already been tried in South India during the slump of the 'thirties and, under present conditions, it would hardly be regarded as suitable or desirable. Today, voluntary regulation could bring no cure, unless it was tried on an international level. Mr. Varghese pointed out that there was at present no international agreement, nor even a gentleman's agreement, by which the producing countries could co-operate in a scheme of this sort. He opined that there was no point in India trying to adopt a voluntary crop regulation scheme unilaterally and yielding ground to other countries which did not believe in such a scheme either now or in the future.

These arguments of Mr. Varghese are sound as far as they go, but the question is what is South India's solution to the threat of overproduction. While disapproving any suggestion of voluntary regulation, Mr. Varghese stated that quantitative restriction should be caused not by any artificial process of cutting down the crop on a straight percentage basis, but rather from a natural process of reducing the production of inferior quality teas which could not be sold for a profit. This pre-supposes that good quality teas will always command a premium in the world markets, and, judging from the market and price trends in recent months, the assumption is not unwarranted. It is only quality teas that are commanding a good market at profitable rates, while most of the poor teas are selling below cost. We are accordingly inclined to feel that the suggestion outlined by Mr. Varghese is practical and merits an honest trial not only in the South, where medium quality teas predominate, but also in the North, where more of high quality is being grown. It is obvious that there can be no other basis except quality on which tea can stand competition in the world markets of the future, and it is just as well that India uses the present opportunity to secure a steady improvement in the quality of its tea.

EXPORT CREDIT INSURANCE

THE rapid growth of India's export trade, the continuing change in the composition of the trade towards a larger proportion of semi-finished and finished goods (as against mere raw materials), and the emergence of the buyers' market are the three principal factors which invest the recent attempt by the Government of India to institute a scheme of export credit insurance with a new significance.

Although when the idea was first mooted, about seven years ago, the response was distinctly discouraging, there has more recently been a wider as well as a livelier appreciation of the importance of covering export risks. The trade and industrial organisations, without officially committing themselves, have by and large realised what a well-organised scheme of export credit insurance could do in order to promote exports. Obviously, it is this response that has encouraged the Export Credit Guarantee Committee (Chairman: Mr. T. C. Kapur) to take a constructive view of its task and recommend a modest scheme of export credit insurance.

A scheme of export credit insurance or, as it is sometimes called, export credit guarantee, is intended to offer to the exporter in a country cover against risk of loss arising from such factors as political instability in the importing country or insolvency of the buyer. Like all forms of insurance, export credit insurance can work successfully only if it acquires a large clientele that will enable it to average and spread the risks. The Export Credit Guarantee Committee, the report of which was released last week, has rightly emphasised that the organisation undertaking export credit insurance should have "as wide a spread of risk by countries, by traders, by buyers and over time, as possible, in order to ensure that it operates on a sound basis." This is, indeed, the crux of the whole matter. But the Committee has been so impressed by the opposition to compulsion voiced by several trade organisations and witnesses that it has found it necessary to advocate only "voluntary credit insurance." Thus, it will be open, under the scheme the Committee has drawn, for an exporter to avail himself of the facility of credit insurance or not. But will a voluntary scheme command the necessary clientele that will permit the scheme to be operated economically and successfully? In a brief, but well-thought-out note of dissent, Mr. S. C. Roy, a member of the Committee, has emphasised precisely this point. His contention is that the scheme should be made compulsory, or, alternatively, the Export Credit Corporation, which, according to the Committee is to be a State-owned one, should confine itself to covering only political risks, leaving the other risks to be covered by private enterprise. While Mr. Roy's analysis of the problem is both clear and commendable, the fact must be faced that private enterprise has not so far shown any readiness to start an organisation for covering even internal credit risks, let alone export credit risks. In these circumstances, the Committee has obviously had no choice in the matter but to recommend a "voluntary" scheme of credit insurance under the auspices of a State-owned corporation. The Committee is, however, alive to the need for gradually widening the spread of risks. With this end in view, it has advocated that the scheme could be made compulsory once it becomes popular and a substantial body of exporters in any particular line of exports demands the application of the "compulsion" principle of insurance to that line.

Since the scheme is to be a "voluntary" one, it should be obvious that its success will depend only on its intrinsic merits. From this point of view, the scheme, though it does not cover all the risks which the witnesses appearing before the Committee wanted it to assume, offers a reasonably wide coverage. Besides covering the risk of the insolvency of the buyer and war and civil war risks, which any scheme worth the name of export credit insurance ought necessarily to cover, the scheme is so designed as to include diversion risk (arising out of interruption or diversion of voyage to the exporting countries), import control risk (due to the cancellation of import or exchange licence of the buyer) and the risk of repudiation or default by the buyer. It will also cover, during the pre-shipment period, the risk of non-renewal or cancellation of the export licence or the imposition of fresh restrictions on the export of goods. In special circumstances, the scheme will also cover c.i.f. risks arising out of an increase in freight or insurance rates, risks of exports on consignment basis and expenses incurred on market surveys, publicity and other promotional measures. But the scheme will not cover exchange fluctuation and devaluation risks, and, during the pre-shipment period, ban on restrictions on the import of raw material or semi-manufactured goods which may be necessary to manufacture the goods to be exported, imposition of a new export duty or changes in export duties, non-availability of railway transport, shipping space or berthing space for steamers and strikes.

Although the risks the scheme covers are wide enough, it is a moot point whether they are the risks which frequently beset export trade. This again is an important issue which will help determine the popularity of the scheme. Perhaps, there can be no finality about the extent of the risks the scheme should cover, for nothing will prevent the assumption of larger and wider risks after a period of successful working of the scheme. Again, the scheme envisages the assumption by the Indian Corporation of 80 per cent. of commercial risks and 85 per cent. of political risks, the balance in each case is to be borne by the insured. The principle of allocation of risks rests on the consideration that, in its absence, there will be a tendency towards over-trading on the part of exporters. But the Indian interests actually wanted a higher percentage of risks to be assumed by the organisation than the level now advocated by the Committee. This, however, is a minor detail, for the magnitude of the risks covered could be increased at a later date through suitable adjustments in premium rates.

Indeed, in the ultimate analysis, it is the premium rates that will determine the success of the scheme. The information on this subject is scanty, because premium rates are regarded as a matter of utmost secrecy in all countries. Even so, the Committee would have done well to calculate at least the probable range of premium rates under Indian conditions on the basis of the information it has collected from the overseas countries, for that would have enabled exporting interests in India to have some idea of the financial implications of a scheme of this kind. But the Committee has given no indication whatever of the premium rates, though it is true that, so far as India is concerned, there is difficulty in arriving at any particular level of rates, in advance. The Committee has, however, recognised that the rates must be low if the scheme is to succeed. It remains to be seen whether the rates will be sufficiently low to prove attractive to exporters. A vicious circle is involved here, for, unless the scheme becomes popular, premium rates cannot be lowered, whereas the popularity of the scheme itself will depend on the premiums being low. What makes us underline the importance of premium rates is that one class of exporters (textile exporters), in the course of their evidence before the Committee, has held that they will not be able to pay even ½ per cent. by way of premium, whereas the premium rate for an exporter with a medium-sized business even in the U.K., with all its rich traditions of export trade, is said to work out at about 1 per cent.

From the broader angle of the country's export trade, what is the role of export credit insurance? There is no doubt that such a scheme is or could be a valuable aid to export trade. But it is easy to over-estimate its significance, for export trade is essentially a matter of price and quality rather than the availability of export credits or of facilities to cover certain kinds of export risks. Nevertheless, it must be admitted that, in a world where many countries possess or will soon have export credit insurance facilities, India will face a severe handicap through absence of similar facilities. Even now, the Committee has gone on record by stating that it has been brought to its notice that "in one foreign market, Indian goods are not being preferred, because Indian exporters insist on letters of credit being opened." A scheme of the kind, now formulated by the Committee, could prevent loss of export trade on such avoidable ground. Further, it will encourage the exporters to trade more vigorously with foreign countries and also to undertake and finance special expert promotion measures on an extensive scale.

FEAR OF RISE IN CLOTH EXCISE DUTY UPSETS MARKETS

REPORT ON TEA NOT BEARISH—T.I.S.CO. MEETING

THURSDAY, 5 P.M.

MARKET GOSSIP

ALL markets have followed a distinctly downward trend this week. Prices of commodities began to drop first, to be followed by bullion and shares. The prospects of a hot war over the Suez Canal having receded, speculators who had gone long in them began to square up their outstandings. The successful conclusion of a commodity agreement by India with the U.S., under which it is assured of a supply of 3.5 million tons of wheat, 600,000 bales (of 400 lbs. each) of cotton, 200,000 tons of rice, six million lbs. of tobacco and some quantity of milk powder in the next three years, has also checked the bullish fervour in markets. The main significance of this agreement to Indian economy is obvious. It is that the chances of heavy inflation, consequent upon the large-scale development expenditure envisaged in the Second Plan, are now less than they were before. The Government's capacity to deal with the disturbing rise in the prices of foodgrains has been visibly strengthened and, to that extent, it should induce confidence among the people and discourage hoarding by traders. Another significance of this agreement is that India's relations with the U.S. have not suffered so much as had been generally believed and that, once the Suez Canal dispute is satisfactorily settled, the scope for economic assistance from Western nations will improve perceptibly.

More than the commodity agreement with the U.S. referred to above, the fear of a stiff increase in the excise duty on cloth has played havoc both in the cotton and the share markets. While the Government can do anything at any time, this fear seems to have been inspired by interested parties. There is a section in the cotton market which is very eager to see that the Jarilla hedge contract does not go above Rs. 700 per candy, lest it should evoke the ire of the Government. This section is, therefore, doing everything possible to keep the futures prices depressed. It would not be surprising, therefore, if the rumour of an increase in excise duty had emanated from this source. It is even likely that this section may have actually advised the Government to resort to this method, in order to push down cotton values. In any case, it is interesting to note that, in recent weeks, the rumour relating to the excise duty has always been stronger in the cotton market than in the share market.

While cotton futures have dropped substantially during the past few days, values in the ready cotton market are still quite steady. If there is any basis in this rumour, mills will have stayed their purchases and prices of ready cotton will have gone down. A week ago, Jarilla March futures stood at Rs. 706 and Vijay April at Rs. 832-8. Today, they are at Rs. 681 and Rs. 810-8, respectively. In other words, the former has receded by Rs. 25 and the latter by Rs. 22 per candy. There has, however, been no comparable fall in ready cottons and the disparity between the futures and the spot is so ridiculously large as to make the former the laughing stock of the cotton world. The fictitious character of the hedge contract will be self evident when it is remembered that even 11/16" cotton is commanding a premium in the ready market over the Jarilla contract the basis of which is 25/32" staple. It is needless to add that, if the rumour about excise duty were to prove false, there might be a big jump in cotton futures, unless, of course, reports about the new crop were to turn out to be extremely bearish in the meantime.

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An increase in excise duty on cloth is not warranted. Some time ago, there was a proposal to replace the sales tax by a Union excise the proceeds of which will be distributed by the Centre to the States later on, the idea being to prevent evasion of sales tax believed to be on a fairly large scale. It, however, seems that the majority of State Governments are averse to this proposal. What then are the grounds on which the excise duty on cloth can be raised? One is that the mills are making much bigger profits than they should. Another is that the price of cotton requires to be reduced. A third one is the need for discouraging domestic consumption of mill-made cloth, so that the mills may be forced to export more cloth. A fourth one is that the handloom industry requires still greater protection.

None of these grounds sounds convincing to us. The assumption that mills are making excessive profits may not be wholly true. On the contrary, several coarse and medium count mills are said to be getting a margin of profit which is only 75 or 80 per cent. of what they could get in 1955. The reasons for this are two, namely, higher raw cotton prices and increased labour charges, owing to enhanced dearness allowance necessitated by a rise in the cost of living index. The fine and superfine mills may be faring better than they did last year, but the incidence of excise duty on these products is already so high that to raise it further would be scandalous. In any case, even conceding, for argument's sake, that the mills are making big profits, the better way to mop up the excess profit would be to introduce an excess profits tax rather than enhance the excise duty. In times such as the present one, when the demand for mill-made goods is tending to exceed the supplies available for domestic consumption, any increase in excise duty will be easily passed on to consumers either by a corresponding increase in the price of cloth or by a further reduction in quality or by both the means where convenient.

For this very reason, the suggested or contemplated step will not have any material and sustained effect on cotton prices either. It may scare the bulls for a while, as the rumour has already done, but that will only prove to be a passing phase. If the object of bringing down the prices of cotton to well below the present ceilings is to be achieved, then the Government should resort to direct methods, such as, lowering the ceilings, procurement of cotton from the growers and distribution among the mills through the quota system. In other words, the physical controls should be reintroduced. There is, however, no need for resorting to such a drastic course, as the present ceilings for cotton are not unduly high. What may be required if the current crop turns out to be very inadequate is prevention of a runaway increase in cotton values. This object can be served by arranging for larger imports. The steps now taken to import U.S. surplus cotton may themselves prove sufficient for this purpose.

The argument that exports of cloth can be stimulated by enhancing the excise duty as a sort of penalty on the mills that fall a victim to the temptation of an attractive domestic market is a dubious one. What if the mills prefer to pay this excise, in order to sell in the domestic market rather than strive to find export outlets for their manufactures? At a time when there is a sellers' market inside the country, the task should present no insuperable difficulty. A factor that may make the mills choose the domestic market is the stiff competition in export markets and that at a time when their competitive capacity has been greatly impaired by (1) the rise in Indian cotton prices, in the face of a fall in world cotton prices which has strengthened the ability of foreign cotton mills to compete effectively, and (2) a decline in the productivity of workers. In distressing contrast to the improvement in that of workers in Lancashire and Japan. In any case, it sounds strange to be told that consumers of cloth in a poor country like India should be asked to pay more, so that their counterparts in other parts of the world could get Indian cloth cheap.

Equally dubious is the contention that a still higher excise duty is needed, in order to protect the handloom industry. There is already a closed market for the latter, thanks to the ceiling on the production of mill-made cloth. If it is unable to expand even under the present state of buoyancy in the cloth market and the large subsidy that is already being given at the expense of mill-made cloth, it does not deserve any further protection. If the authorities were to decide in favour of such protection, they would only encourage the handloom industry to become an even more uneconomic unit.

Whatever may be the grounds on which excise duty is raised, the result will mean dearer cloth and/or poorer quality for consumers. This in turn will raise the cost of living and occasion a corresponding fall in living standards, as cloth is an item of necessity, next only to food. If the cost of living goes up, the cost of implementing the second Plan will also increase. In fine, such a step will conceivably lead to a vicious circle. Thus, looked at from any angle, an increase in excise duty, which is already very high in all conscience, will prove to be a case of remedy becoming worse than the malady it seeks to cure.

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The share market seems to have placed an unduly alarming interpretation on some of the recommendations of the Plantation Enquiry Commission pertaining to distribution of profits to shareholders and issue of bonus shares. The report of this Commission has already been outdated by many developments subsequent to its drafting. Or, if it had been drafted only after these developments, then its authors have apparently failed to take note of them. To give an instance. Referring to managing agents' remuneration, the Commission says that it is based partly on a percentage of gross sales and partly on a percentage of gross profits and that, besides, a specific minimum in each case has also been prescribed. That this is not the position at present every one knows, because the new Company Law has drastically reduced the managing agents' remuneration and curtailed the scope for profit-sharing arrangements for working directors. Similarly, the restriction suggested by the Commission in regard to issue of bonus shares is also already in force. The Commission has suggested that no tea company should be allowed to write up its paid-up capital by issue of bonus shares from reserves created out of revaluation of its assets. There is nothing novel in this suggestion. The Controller of Capital Issues has been following this criterion for a long time in the case of companies belonging to all industries. But for this condition, the number of companies issuing bonus shares will have sharply gone up by now. Indeed, the conditions to ge fulfilled for issuing bonus shares under Capital Issues Control order are far more rigorous than the simple one advocated by the Plantation Enquiry Commission.

As regards dividend, the Commission has not, so far as we can see from the detailed summary of its report—the full text is not available at the time of writing—has not proposed a ceiling on dividends at 50 per cent. of their present levels as has been reported by some. All that it has said is that "the withdrawal from reserves, other than dividend equalisation reserve, for the purpose of declaring dividends is unsound and should cease." We do not think that this recommendation, even if accepted by the Government and enforced by it, need be interpreted in such a bearish fashion as has been done by a few commentators. In the first place, no company, least of all a tea company, will pay a dividend from reserves when its current profits are satisfactory. Secondly, the proposal made by the Commission is meant to be applied only when the tea industry makes no profit and has to fall back on the reserves built up in the past. Neither the current position of the industry nor the immediate future is so bad as all that. Thirdly, it is a moot point whether the recommendation of the Commission will be legally valid. And, fourthly, we do not think that the Governent will impose a control on dividends of tea companies alone in such an arbitrary fashion. The case for a limitation of dividend will hold good, only if labour agrees to a freeze on its emoluments.

A careful study of the summary of the Commission's report gives rise to the impression that it is more favourable to genuine investors than is generally assumed. Some of the curbs proposed by it are aimed at (1) preventing speculation in tea estates and their cornering by "money bags" with the aim of making quick profits and (2) improving the stability of tea industry. The Commission's suggestion for a contribution of Rs. 50 per acre to a specific fund under the control of the Tea Board is for the purpose of ensuring rehabilitation of tea gardens which are old. This proposal will not affect those tea companies which have already built up sufficient reserves for this purpose. In short, there is nothing very adverse in the Commission's report that will affect the investors in shares of first class and soundly managed tea companies. On the contrary, the Commission has put forward a few suggestions, which, if accepted by the Government, will give some relief in the taxes paid by the industry, as well as enhance its scope for getting finance from banks on favourable terms. All this does not mean that the Commission's report is free from controversial issues. There are quite a few of them, but they concern the managements of tea companies and dealers in tea more than the investors. Incidentally, it may be mentioned that the Commission's report had found premature publication in a section of the Madras Press. And yet it had no effect on tea shares on the Madras Stock Exchange which is a far more important market for tea scrips than the Bombay Stock Exchange. Indeed, several tea scrips, especially those belonging to the Peirce Leslie Group, had registered a perceptible rise in their value.

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A notable feature of the proceedings of this year's annual meeting of the Tata Iron and Steel Co., Ltd.—the Chairman's speech is published in full elsewhere—was the keen interest evinced by many shareholders in getting the maximum return from the Company by way of either dividend or bonus shares. And many ingenious suggestions were put forward by them for this purpose. They were particularly anxious about the dividend for the current year (1956-57), in view of the recent issue of new shares, on which further calls would be made in the coming months. Some of them wanted to know when exactly the calls would come. One of them suggested that the new shares should be made *pari passu* with the old one before 31st March 1957. In his reply to the shareholders, Mr. J. R. D. Tata, the Chairman, said that an extra dividend could come only out of the additional profit the Company made on the extra steel produced. So far as the current year is concerned, he drew the attention of the shareholders to his remarks on this issue at the last annual general meeting. He had then stated that there was no reason why, pending the completion of the project, the return on the enlarged capital on the basis of the then market values could not be maintained, that is, at a level which would give a yield of 5 per cent. Illustrating this statement by giving an example, Mr. Tata said that, on the Rs. 35 paid-up share, the return on a 5 per cent. yield basis would be Re. 1-12 per annum. The Company had already been paying a dividend of Rs. 10-8 per share. Thus, the total dividend on the increased capital would be at the rate of Rs. 12-4 per share which would be distributed in proportion to the paid-up value of the shares. This would mean that the old shares would get Rs. 9-3 per share and the new share Rs. 3-1. The distribution on the new shares would be made up of a tax-free dividend of Rs. 2-1 and an interest of Re. 1 per share.

As regards the two calls that are pending, Mr. Tata said that the first one would be made by the end of 1956 and the other some time next year. It was evident from Mr. Tata's reply that the new shares would not be made *pari passu* with the old ones by the end of March 1957.

Some of the shareholders reminded the Chairman of the fact that next year the Company would be completing 50 years and desired that a Jubilee bonus should be issued to the shareholders. Several suggestions were made by them in this connection. One of them said that, after all the calls on the new shares were paid, the premium collected on them would work out to Rs. 15 per share on all the shares. This sum along with a part of the reserves, could be utilised for raising the paid-up value of ordinary shares to Rs. 100 per share. In other words, he wanted the share premiums to be capitalised next year. Another shareholder drew the Chairman's attention that the premium collected some years back on the now extinguished deferred shares could be utilised to issue bonus shares. Yet another suggestion made was that the Company should distribute its holdings of Tata Locomotive shares as bonus to the shareholders of the T.I.S.Co. A fourth suggestion was that the existing shares of Rs. 75 each should be split up into shares of Rs. 25 each before issuing bonus shares. One of the share-

(*Continued on page 439*)

SHARP REACTION IN EQUITIES

HEAVY SELLING AT CLOSE

(From Our Own Correspondents)

BOMBAY, 30*th August*

AN all-round heavy selling pressure witnessed today, particularly in textiles, following rumours of an impending increase in excise duty on cloth, was the outstanding feature of trading on the Stock Exchange during the week under review. The wave of selling not only brought down equities over a wide front well below the best levels of the week but also resulted in a sizable loss over the week. During the earlier part of the week, conditions were quite cheerful, as the bout of bullish activity noted for some weeks past gathered fresh momentum in the new account, which opened on Monday last, and pushed up several leading scrips to new high levels. The encouraging tempo of industrial activity, schemes by a number of industrial houses to expand their lines of activity, the efforts of the Government to check rise in prices of agricultural commodities by building up adequate reserves and continued flow of good corporate news were all factors which sustained the bullish enthusiasm. The sharp gains recorded, as a consequence, were more than wiped out in the heavy shakeout which ensued today.

In the steels section, Tata Ordinaries, after an initial softening from Rs. 213 to Rs. 211-4, shot up to Rs. 216-8 in the new account. Today, however, they slipped back to Rs. 212-12. Indian Irons were marked down from Rs. 37-11 to Rs. 36-14½ before gaining strength to Rs. 37-7½. At the close, they gave way to Rs. 36-10.

Among textiles, Bombay Dyeings were a little erratic. After receding from Rs. 693-12 to Rs. 676-14, they rallied to a new high of Rs. 702-8, but, in the reaction which set in today, they fell to Rs. 677-8. Centurys which touched a high of Rs. 607-12, as against the previous week's close of Rs. 605, receded to Rs. 584-8. Kohinoors slumped to Rs. 379, after moving up from Rs. 400 to Rs. 402. Central Indias were marked down by Rs. 8 to Rs. 159, Finlays by Rs. 8 to Rs. 374, Gokaks by Rs. 2-8 to Rs. 248 and Indu Ordinaries by As. 9½ to Rs. 13-10½. Khataus provided one of the exceptions with a rise of Rs. 18-12 to Rs. 297-8. Minervas shed Rs. 5-10 to Rs. 105-10. Shree Niwas lost Rs. 3-12 to Rs. 240. Simplex hardened from Rs. 214-8 to Rs. 220, but receded to Rs. 213-8 at the close. Standards dropped Rs. 17-8 to Rs. 473-12. Swadeshis Rs. 14 to Rs. 262. Swans Rs. 10 to Rs. 477-8. Tatas Rs. 3 to Rs. 60 and Vishnus Rs. 3-12 to Rs. 190.

Banks were featureless with very little activity. Barodas were done at Rs. 102 *ex-div.*, as against Rs. 105 *cum-div.*, a week ago. Centrals changed hands at Rs. 53 *ex-div.*, as against Rs. 54-8 *cum-div.* Bank of Indias were unchanged at Rs. 172, while United Commercials were As. 8 lower at Rs. 58-8.

Miscellaneous section followed the pattern of the market, with a sharp reaction today wiping out the earlier gains. In the sugar group, Belapurs moved up from Rs. 255-8 to Rs. 259, but receded today to Rs. 254-8. Phaltans were maintained on balance at Rs. 169, while Walchandnagars managed to close with a gain of Rs. 3-12 at Rs. 277-8. In the cement group, A.C.Cs. were taken up from Rs. 203-4 to Rs. 209 before being pushed back to Rs. 205-4. Digvijays were steady at Rs. 204-12. Dalmias were a shade lower at Rs. 15-6, while Ashokas were unchanged at Rs. 12-6. Among engineering and mining shares, Alcocks showed a gain of Rs. 2-8 at Rs. 347-8. Tata Locomotives advanced from Rs. 173-12 to Rs. 185-8, but slipped back to Rs. 176 at the close. Premier Constructions declined by Rs. 2-8 to Rs. 214-8. Larsen and Toubros were lower by As. 4 at Rs. 18-8. Shivrajpurs moved down by Rs. 3-4 to Rs. 87-8. Indian Coppers gained a fraction to Rs. 7-4.

In the shipping and transport group, Scindias were marked down from Rs. 19-3 to Rs. 18-10, while Great Easterns were held at Rs. 19-12. Premier Automobiles gave way from Rs. 111-8 to Rs. 109 and Hindusthan Motors from Rs. 10-5 to Rs. 10-1. Among other industrials, Bombay Burmahs provided a feature with a rise from Rs. 771-4 to Rs. 800, but, in the reaction today, they came down to Rs. 762-8. National Rayons closed at Rs. 265, after rising from Rs. 271-8 to Rs. 275-8. Sen-Raleighs were marked up by As. 8 at Rs. 15. Tata Chemicals shed As. 11½ to Rs. 20, while Dhrangadhra gained Re. 1 to Rs. 139. Tata Oils were steady at Rs. 57. Wimcos were done Re. 1-4 lower at Rs. 183-2.

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Calcutta Stock Exchange

CALCUTTA, 28*th August*

The appearance of the Calcutta Stock Exchange during the week under review was somewhat bright, in contrast to the dull conditions noted last week. Induced by good corporate news, traders evinced interest in business and equity prices tended to look up. Jute shares, in particular, encountered sustained buying support, following firm advices from jute goods market. Coal shares also came in for some business at higher rates. Several miscellaneous industrials, too, had buyers. Engineering and mining shares were steady. Tea shares, however, were neglected on account of lack of follow-up support. The general undertone of the market was steady.

Further gains were recorded in the jute section. Anglo-Indias firmed up by Rs. 8 to Rs. 188. Unions rallied Rs. 6 to Rs. 163. Nationals advanced by As. 10 to Rs. 26-8. Howrahs gathered As. 8 to Rs. 24-1. Bengals were done at Rs. 16-5 and Reliance at Rs. 10-5.

Among coal shares, Burrakurs hardened by As. 10 to Rs. 15-3. Western Bengals gained an anna to Rs. 7-10. Central Indias were fully maintained at Rs. 7-8. Bengals found purchasers at Rs. 542. Karanpuras at Rs. 119. Raneegunjes at Rs. 13-5 and Standards at Rs. 23.

In the engineering section, Braithwaite and Cos. registered a rise of Re. 1-2 to Rs. 30-12 on capital reorganisation news. Indian Standard Wagons were well supported and improved by a rupee to Rs. 202. Bhartia Electric Steels were better by an anna at Rs. 18-12. Indian Irons, however, eased by As. 3 to Rs. 37-4. Jessop and Cos. and Textile Machinerys were transacted at Rs. 34 and Rs. 23-9, respectively.

Among mining shares, Burma Mines gathered an anna to Rs. 3-6. Indian Coppers were firm at Rs. 6-14. Business at Rs. 2-10 was reported in Consolidated Tins. Tavoy Tins changed hands at As. 14.

Among miscellaneous industrials, Indian Cables attracted good attention of operators and advanced by Re. 1-6 to Rs. 34-8. Interim dividend rumours lent support to India Steamships which spurted by As. 9 to Rs. 9-12. Dunlop Rubbers rose by As. 8 to Rs. 29-13 on investment enquiry. Indian Aluminiums gained As. 4 to Rs. 24-9. Calcutta Electrics were fully maintained at Rs. 13-14, B.B. Petrols at Rs. 4-4 and National Insulated Cables at Rs. 25-14.

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Madras Stock Exchange

MADRAS, 28*th August*

The Madras Stock Exchange maintained its air of buoyancy during the week and values continued to push their way upwards. There were renewed expectations of inflationary pressure gathering momentum, thanks to persistent high tempo of industrial investment and enlarged retail sales. The consensus of opinion among market circles would appear to be that companies might generally pay out a higher proportion of earnings to shareholders. Investment demand for shares, as a result, broadened greatly. In fact, there was a scramble for scrips of leading companies, the offerings of which were somewhat restricted.

Trading in textile section was particularly quite hectic, the chief inspiring factor being the continued excellent domestic offtake of cloth. Even rumours of an upward revision in excise duty on cloth failed to have any effect. Premiers provided the brightest spot, their quotation forging ahead from Rs. 232 *ex-div.* to Rs. 253 *ex-div.* Radhakrishnas jumped up by Rs. 15 to Rs. 375. Coimbatore Cottons and R.C. Ambikas rallied Rs. 10 each to Rs. 392-8 and Rs. 285, respectively. Dhanalakshmis advanced by Rs. 7-8 to Rs. 435. Palani Andavar 'A's rose by Rs. 4 to Rs. 172, Cannanores by Rs. 3 to Rs. 193, Kotharis by Rs. 2-2 to Rs. 21-2 and Vasantas by Rs. 2 to Rs. 345.

Rubber shares were keenly sought in the planting section. Thamarapallys picked up Re. 1-8 to Rs. 31-8. Travancore Rubbers and Vaikundams spurted by Re. 1-4 each to Rs. 26-4 and Rs. 35, respectively. Cochin Malabars scored a gain of As. 14 to Rs. 13 *cum-div.* Malankaras strengthened by As. 8 to Rs. 35-12. Tea shares ruled steady. Kil Kotagiris hardened by As. 4 to Rs. 9-3. Lucky Valleys gathered As. 8 to Rs. 14-8. Chembras were better by an anna at Rs. 5-1 *cum-div.* Among coffee shares, Rajendras elicited good enquiries from buyers and climbed up by As. 12 to Rs. 10-8. Kumergodes put on As. 3-9 to Rs. 7-13. Mysore Coffees were firm at Rs. 3-1-6. Consolidated Coffees, however, receded by As. 4-6 to Rs. 22-7-6. Coffee Lands were also lower by As. 4 at Rs. 27.

In the miscellaneous section, Textools received buying support and advanced by Rs. 2 to Rs. 217. Jeypore Minings increased by Re. 1-8 to Rs. 181-8 and India Cements by Re. 1-2 to Rs. 33 *ex-right.* Rallis rose by Re. 1 to Rs. 42-8. Mysore Papers gained a like amount to Rs. 20-4 *cum-div.* Mysore Lamps moved up by As. 12 to Rs. 15 *ex-div.* F.A.C.Ts. gathered As. 8 to Rs. 7-5 and Mettur Chemicals As. 7 to Rs. 10-13 *cum-div.* (final). Travancore Rayons rose by As. 5 to Rs. 16-3.

(Concluded from next column)

this does not mean that monetary policy in the coming weeks will not be dragged into the oratorical limelight.

President Eisenhower's renomination and that of Vice-President Nixon gave a lift to the stock markets. After a decline of four to five days, quotations rallied. An optimistic feeling was also generated by the somewhat peaceful conclusion of the Suez Canal conference. Public opinion here is that the London discussions, just concluded, with their relatively mild recommendations, have removed much of the danger of open military conflict. Even Soviet Russia's position was considered reasonable as a whole, as well as that of Prime Minister Nehru of India. Therefore, the general atmosphere at the moment is one of supreme confidence in the future, domestically and internationally. It should help business and industry and general business conditions which have now fully recovered from the statistical effects of the steel strike.—*All Rights Reserved.*

AMERICAN LETTER

DISCOUNT RATE RAISED

MARKETS REGAIN CONFIDENCE

From Our Special Correspondent

NEW YORK, 23*rd August*

THE two major political conventions of both the Republican and the Democratic Parties in the United States have concluded with the expected results. President Eisenhower and Vice-President Richard Nixon were renominated to their respective offices virtually unanimously. Mr. Adlai Stevenson, former Governor of Illinois, and Senator Estes Kefauver, were nominated to the respective posts by the Democratic Party with a considerable majority. The Democratic convention was exciting and wrought with dissension over civil rights and other issues. Since the South of the U.S. is traditionally Democratic and has for generations practiced segregation of whites from non-whites, the civil right dispute is understandable, particularly because of the U.S. Supreme Court decision ordering the ending of segregation.

The nomination of Mr. Stevenson was also a slap in the face of former President Harry Truman who had advocated the nomination of Governor Harriman of New York. The latter received only some 200 votes out of more than 1,300. Mr. Harriman was relying on the support of Mr. Truman, but greatly overestimated his voice and that of his principal political advisor Carmen de Sapio, who heads a New York political organisation known as Tammany Hall which in the past enjoyed a somewhat unsavoury reputation. Perhaps, the most amazing aspect was that Mr. Truman disappeared as a "has been" from the political scene, while other ex-Presidents have remained quite influential. Moreover, he made quite a mistake in saying Mr. Stevenson could not win.

The Republican convention, on the other hand, could not have been more harmonious. President Eisenhower received a tremendous ovation at his Party's San Francisco gathering. The Republicans benefited by the mistakes made by the Democrats a week previously at Chicago. The President's popularity even in Democratic quarters was brought out by the statement from the floor that Mr. Eisenhower had been offered the Democratic nomination for President by Mr. Truman in 1948. Republican prestige also rose because of such accomplishments as the balancing of the Federal Budget, expansion of social security and the success in keeping inflation at a minimum by wise monetary policy and the freeing of many previous controls. As of this writing, there can hardly be any doubt that Mr. Eisenhower will be re-elected, unless there is another serious relapse in his health which is unpredictable, but certainly not probable.

Fight Against Inflation

The fight against inflation continued in the last few days and weeks. The Federal Reserve banks, at least more than one half of the twelve, have raised their discount rate to 3 per cent. from 2½ per cent. The remaining banks are expected to follow suit. There have also been increases in the prime lending rate of commercial banks which now stands at 4 per cent., and also boosts in rates for commercial paper, bankers acceptances and brokers' loans. The general tightening is based on the potential inflationary aspect of higher industrial wages and prices, higher employment, the new Federal highway construction programme and high bank loans to business, industry and agriculture.

Holders of about 40 million savings accounts of all descriptions are expected to benefit from higher interest rates. Quite a number of the savings banks in New York State now pay 3 per cent. on depositors' balances and moves are now under way to boost that rate to 3½ per cent. between now and the end of the year. American corporations will benefit as well. Banks are apt to reap higher earnings on all classes of indebtedness and so will insurance companies, investment companies and others, so far as securities' income is concerned. Mutual savings banks' deposits reached a new high of $29,261 million on 31st July, but the $76 million increase for the month was somewhat lower than in previous months. This may reflect withdrawals made during the steel strike by families who were out of income during that period.

Borrowings have risen as well. The sharp increase in loans by banks to business was reported to be one of the primary elements which prompted the Federal Reserve Board to tighten the credit reins. Among individuals, too, there has been a gain in indebtedness, but there have been offsetting boosts in savings. Incomes have been rising and so have been prices on a long list of items. Recent wage-price boosts in the steel, aluminium, rubber and other industries represent the eleventh round in the potentially inflationary spiral in the post-war period which higher interest rates and official credit policy desire to stem.

It is generally agreed that monetary policy will be a hot political issue in the forthcoming Presidential election, but, obviously, only the end result of relative stability counts. It is somewhat ironical to recall that, in January and February last, many people believed the Federal Reserve was going to ease money to help "re-elect the Republican Administration." On the basis of all factors under consideration, it is quite obvious that the credit authorities and the private markets in their moves for tighter money acted merely on the basis of bare facts with no political motives in mind. However,

(Continued in previous column)

NEWS IN BRIEF

A CHINESE agricultural delegation is to visit India next month to study Indian methods of farming. The team will stay in India for about two months.

The Uttar Pradesh State Flood Control Board has approved of a Rs. 14-crore scheme for the construction of a reservoir on the river Rapti in Nepal, 50 miles east of Nepalganj.

The Government of India has received a gift of tube-well drilling equipment worth about Rs. 16 lakhs from the U.S. Government under the Indo-American Aid Programme.

A factory for the manufacture of railway rolling stock, including railway wagons, will soon be established at Santragachi in Howrah district. It will be a private venture and give employment to 2,300 persons.

According to Mr. B. N. Datar, Deputy Minister for Home Affairs, the Government of India has set apart Rs. 5 lakhs for setting up a technical institute in Imphal, in Manipur, for imparting technical training to tribal students.

A special Soviet delegation is expected in India soon to finalise the contract regarding the shipment of 350,000 tons of Russian steel to this country in 1957. The steel is to be supplied in accordance with the terms of the Indo-Soviet trade agreement.

A Rs. 2½-crore scheme for starting a shipbuilding yard in Cochin has been put forward by the private sector for the consideration of the Travancore-Cochin Government. The yard proposes to manufacture boats of capacity of 3,000 to 4,000 tons.

Mr. M. C. Shah, Union Minister for Revenue and Civil Expenditure, introduced in the Lok Sabha on 27th August a Bill seeking to make the Public Debt Act of 1944 applicable to securities issued by the Governments of Part B States other than Jammu and Kashmir.

The Government of Madras has sanctioned the opening of five *parishramalayas* in the State for training spinners in the production of yarn on Ambar Charkas. Each *parishramalaya* will train 400 persons per year during four courses of three months duration. The scheme is expected to cost nearly Rs. 9 lakhs.

A team of technical experts from West Germany is expected to visit India in September to work out details of the Technical Institute which the latter had offered to set up in India. The team would also discuss matters relating to the offer of scholarships for Indians by the West German Government and Universities.

The Government of Madras has sanctioned the proposal submitted by the Chief Engineer for the erection of two auxiliary power houses, one at the foot of the Papanasam Dam and the other at the Pykara Dam. The installed capacity of the two power houses will be 4,000 k.w. and 3,000 k.w., their estimated cost being Rs. 40.8 lakhs and Rs. 27.2 lakhs, respectively.

The Government of India proposes to send abroad a delegation to study the system of associating labour with management of industries obtaining in a number of European countries, particularly Yugoslavia. The delegation will include representatives of the various employing ministries, such as Railway and Production, and possibly some nominees of selected State enterprises as well.

The South Viet Nam trade delegation, which is touring the country, at present, held discussions with the Committee of Administration of the Cotton Textiles Export Promotion Council. Mr. N. H. Chau, leader of the delegation, told the Council that his country would be willing to receive more cotton goods from India, if the supplies were regular. India is already receiving the most-favoured-nation treatment from South Viet Nam.

The Union Government will set up at Kargali, in Bihar, the biggest coal washery in the East, with a capacity of washing 500 tons of coaking coal per hour. Mr. A. B. Guha, Chief Mining Engineer, Government of India, recently visited Tokyo for finalising the details for the construction of the plant with a Japanese film. The venture is estimated to cost Rs. 1.56 crores and will be completed by January 1958. Eight Indian experts will be sent to Japan to study the technique of operating the washery.

Experiments for growing tea in Egypt are reported to have proved successful, causing concern to Indian exporters. It is feared that any attempt to grow tea on a commercial scale in Egypt would give a severe blow to the exports from India. It is learned, however, that no large-scale cultivation of tea in Egypt is contemplated at present. Cultivation of tea on a commercial scale in that country is considered difficult, because Egypt is practically a rainless country.

A tentative agreement has been reached by the Government of India to terminate the partnership of the Oerlikons, the Swiss firm, with the Government in the Hindusthan Machine Tools Factory, Bangalore. This was disclosed by Mr. Satish Chandra, Union Minister for Production, in the course of a press interview, at Bombay. He said that, after the partnership was terminated, Oerlikons would function only as technical advisers to the factory.

The cost of the three steel plants at Rourkela, Bhilai and Durgapur is expected to exceed the present estimate of Rs. 350 crores by Rs. 40 to Rs. 50 crores on account of the rise in costs. With the rise in the international prices of steel and other materials, the external cost of the Durgapur and the Rourkela plants, in particular, is likely to go up as they require more steel. The internal cost of the three plants will also be affected by the rise in civil engineering costs within the country.

The Railway Board has booked capacity with Indian wagon manufacturers for 17,500 goods wagons under the rolling stock programme for 1957-58. The total cost of these wagons is estimated to be about Rs. 22 crores. Coach building capacity in the country has also been booked for the manufacture of 700 coaches, including motor and parcel vans. The Railway Board has also placed orders for 767 petrol tank wagons, the entire capacity in the country, for the manufacture of this type of wagons. An order for 423 tank wagons has also been placed with a firm in Italy, whilst a British firm secured an order for nine cranes of five-ton capacity each.

The Hindustan Shipyard at Visakhapatnam has increased its production in 1955-56 by nearly 17 per cent., as compared with the previous year. The total production during the year was valued at Rs. 2.46 crores, as against Rs. 2.1 crores in 1954-55. The first two diesel ships of modern type were completed and delivered during the year, and third ship in the series was also ready by the end of the year. Despite considerable difficulties in the supply of essential materials like steel and cement, the Shipyard made remarkable progress during the year in executing its development plan. The fourth berth for shipbuilding was completed and a new keel was laid on it. Two travelling cranes of 4/8 tons capacity were erected—one on the berths and the other on the fitting-out jetty. The Machine Shop was augmented by a 10-ton crane and four lathes. Four overhead travelling cranes, a plate bending roll, an oxy-planing and cutting machine, a megatome profile cutting machine and a beam bending machine were added to the Hull Shop. The Plumbing Shop had its share of additional machinery. A new 3,000 c.ft. giant air compressor was also put into commission.

* * * *

From Abroad

A British company will invest £1 million at Daulatpur in Pakistan for the manufacture of jute carpets. The mill will have 500 looms and is expected to go into production within a year.

The Afghan National Assembly has approved of the agreement for a $100 million loan granted by the Soviet Government to the Afghan Government. The agreement was signed on 28th January 1956.

A British Company, namely, Portals of Laverstoka Mills, Witchurch, Hants has been awarded a contract worth £663,716 for the supply of bank note paper to the Reserve Bank of India.

Pakistan has signed a trade agreement with Czechoslovakia for one year renewable at short notice. Under the agreement, Pakistan will buy machinery, iron and steel, newsprint, diesel-generators and a number of other finished goods.

New Soft Coal (lignite) deposits, estimated at 30 million tons have been found near Zagreb, the capital of the Republic of Croatia. The coal from the new deposits will be shortly exploited to supply a new power plant in the suburbs of Zagreb.

China, which is making a strong bid to top the Soviet Union in the Middle East trade and economic penetration, has acquired 12,000 square feet, or the largest floor space among over 30 countries attending this year's third international Syrian Trade Fair at Damascus.

A Franco-Brazilian trade agreement signed at Rio de Janeiro provides for the inclusion of France in the Hague Club group of countries trading multilaterally with Brazil. Under the agreement, France will be committed to take at least 800,000 bags of coffee annually.

Canada's wheat carry-over at the beginning of the 1956-57 crop year on 1st August amounted to 527.5 million bushels, or 27.8 million bushels over the 499.7 million bushels on hand at the end of the previous year. The record carry-over was 601.7 million bushels in 1954.

The Japanese Atomic Energy Commission is planning a larger budget for a programme to put *Japan in the forefront* of atomic development for industry. It is understood that the Commission will ask the Government to approve a £12 million budget for the coming year. The current budget is £3.6 million.

Due to a temporary shortage of sterling, the Soviet Union may delay placing orders for September and October rubber shipments from London. The business booked for July is still incomplete. Eight to ten thousand tons of rubber from the East are due in London for August transhipment to the Soviet Union.

The Sheikdom of Kuwait has asked for the transfer of 600 million pounds sterling of its oil revenues from Britain to Kuwait. The British Government is reported to have answered that a month's time is necessary to examine the transfer of Kuwait's credit from the British bank, where they are now deposited, to the Kuwait Bank.

Some important relaxations in currency restrictions were made by the Bank Deutscher Lander last week. As a result residents of West Germany can now transact forward dealings at foreign bourses. As far as the German bourses are concerned, however, the ban imposed in 1931 continues. Besides, German residents may pay hard currencies for soft currency shares and securities. Moreover, the difference between "authorised" banks and others has been abolished. Consequently, all German banks are now permitted to deal in foreign currencies or open accounts abroad.

The Mexican concern, *Celulosa de Chihuahua*, S.A., one of the largest engaged in the manufacture of cellulose and paper, has signed an agreement with Kinberly Clark Corporation of the U.S., according to which the latter will give technical assistance to the Mexican undertaking. American technicians and machinery will be placed at the disposal of the firm and Mexican specialists will be trained by the U.S. firm. American experts will advise on the planning of the conservation of Mexican timber reserves, as well as on sales organisation.

The Norwegian Government is to take measures to ensure that the cost of living does not rise above the level of 150. Earlier this year, the Government had indicated that the cost of living index would be kept steady at this level. To secure this, the price of milk would be cut from 1st September four pence a pint by means of an additional annual subsidy of £2,000,000. The cut, it is estimated, will lower the living cost index by almost one point. As part of a longer-term scheme to keep down prices, the Government is also considering to put more foreign goods on the market by free-listing footwear and clothing and certain categories of raw materials and machinery. A more elastic policy for the import of fruit, vegetables, and meat is also contemplated. The increased supply of imported goods, it is expected, would stimulate competition and encourage reduced profit margins.

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PERSONAL

MR. R. N. Thapar, Secretary, Union Ministry of Food and Agriculture, has returned after a three-week tour of China.

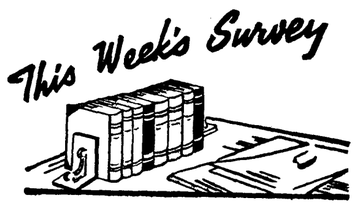
Mr. Sudhir Kumar Sen, Chairman of Sen-Raleigh Industries of India Ltd., Calcutta, has been elected President of the Cycle Manufacturers Association for the year 1956-57.

Mr. Luis de Olivares y Bruguera, Count de Artaza, has been appointed Ambassador Extraordinary and Minister Plenipotentiary of Spain to India.

Mr. C. D. Deshmukh, former Finance Minister, has resigned his membership of Lok Sabha on his appointment as Chairman of the University Grants Commission.

Mr. H. V. R. Iengar, Secretary, Union Ministry of Commerce and Industry, has been appointed Chairman of the State Bank of India, in succession to Dr. John Matthai. Pending his taking over charge, Mr. Vaikunt Lal Mehta, Vice-Chairman of the Bank, will carry on the duties of the Chairman.

Mr. U. K. Ghosal, I.C.S., Chairman of the Tea Board, Mr. J. P. H. Bent, Chairman of the Indian Tea Association, Calcutta, and Mr. N. M. Lingam, M.P. will form the delegation of the Tea Board to the meetings of the Tea Councils of the U.S. and Canada. The delegation of which Mr. Ghosal will be the leader will leave for the U.S. in the second week of September.



BUSINESS COMMUNITY

THE business community in India feels aggrieved that it is not being consulted by the Government even on matters which affect it. It is obviously finding it difficult to adjust itself to the new political set-up under which it has no voice in the shaping of policies. For a long time, it enjoyed special representation in legislatures. With the advent of freedom, and the new democratic Constitution, this had to be abolished. But at no time was there so much need for this kind of representation than now, thanks to the increasing pace of economic and industrial legislation.

Perhaps, the need for such representation arises also from another consideration. In the legislative bodies, the business men are frequently made the target of uncritical and wholly unjustifiable attacks. In the absence of representatives of the business community, these criticisms go practically unanswered. As Mr. S. Anantharamakrishnan, a leading South Indian industrial and business man, who was inaugurating the third Anti-Multipoint Sales-tax Conference at Madras, pointed out the "stock of business men is very low in the estimation of the public, because there has been so much propaganda to the effect that the merchants are very bad people, black-marketeers and that they never pay the taxes and so on." He contrasted the position in India with that in foreign countries where business men are highly respected. He reminded the public that the merchant community had been there, serving the people long before the politician came and had also contributed in a significant measure to the freedom movement. He deplored that the private sector, which was by far the biggest economic sector responsible for 95 per cent. of the economic activity in the country, should be repeatedly subjected to attacks of a derogatory nature by politicians; he calculated that, in the Madras State alone, there were 20 million business men or nearly one-quarter of the population. He advised the business community to secure proper representation both at the Centre and in the States.

There is no doubt that, unless the business men are willing to come out of their ivory towers and place their case before the public, they will soon face ignominous neglect, if not extinction. Their case also deserves to be presented at the highest legislative councils. In this connection, Mr. Anantharamakrishnan referred to the clause in the electoral rules which practically prevented business men from becoming legislators. The clause says that the persons who have any dealings with the Government cannot stand for elections. As Mr. Anantharamakrishnan put it, the "dealings" with the Government could be interpreted to mean even a "small postal contract costing Rs. 50."

Surely, this clause deserves to be changed in the interests of the business community, nay, of democracy itself. For one thing, the growth of Governmental activity, implied in the accepted goal of socialist pattern of society, will mean that it will become more and more difficult for people not to have any business "dealings" with the Government. This will reduce the section of the public from which the candidates for legislatures can be drawn. Secondly, it is absurd to impose such a special disability only on the business community. Laws are passed affecting all sections of the public, the lawyers, the doctors and so on, and nobody contends that these classes of persons should not take part in legislative work. Indeed, at the time the Constitution was framed the criticism was made—how amply justified it has been that the lawyers had got together and evolved a Constitution which would yield them a harvest of briefs.

Finally, the clause deserves to be changed in the interests of efficient functioning of democracy itself. Business men, by nature, conviction and experience, are men of the earth. They have more intimate knowledge of the people than any other section of the public. They are men who are schooled in the business of life, who have faced knocks, tribulations and suffering, and can normally be expected to take correct and realistic decisions. They would be an asset to any political party, to the Government itself, especially when its main function in future will be economic. Indeed, are not the Government spokesmen paying an unconscious tribute to business men when they repeatedly emphasise that public enterprises should be administered in a "business-like" manner? Why then prevent men who have done "business" all their life from becoming legislators? Whichever way the matter is looked at, it should be clear that the electoral rule which seeks to prevent business community from contesting the elections deserves to be changed.

INFRUCTUOUS EXPENDITURE

It is not ideological considerations alone that influence the Governmental economic policies in India; sometimes, superstition and belief in occult powers, too, have their sway. The Government of Madhya Bharat, for instance, incurred last year an expenditure of Rs. 2.46 lakhs, not a small sum for a poor country, in digging a well at a site selected not by an expert but by a person possessing occult powers, according to the audit report for 1955. The work on the well was commenced in October 1951, but was given up after two years, when it became evident that the yield of water from the well would not be adequate. By then, a sum of Rs. 1.68 lakhs (excluding Rs. 78,000 representing the cost of machinery) had already been spent. This is certainly an "infructuous" expenditure. What is worse, the Government is reported to have sought to absolve itself of the responsibility by stating that the work was in the nature of an experiment undertaken with the *bona fide* intention of making water available to the public at a low cost.

Another instance of financial irregularity of the Madhya Bharat Government cited in the audit report relates to the extra expenditure of Rs. 1,18,450 incurred without adopting the tender system. For the construction of quarters estimated to cost Rs. 17 lakhs, the Government first invited tenders. About 14 tenders were received and all were rejected. The Government then came out with a contract based on a more or less *ad hoc* schedule of rates. The very object of inviting tenders was thus defeated. The loss would be even more, if account were taken of further work valued at Rs. 8,87,900 allotted in November 1949 and 1950 to contractors who had not responded to the original invitation for tenders. In several cases, the rates given in accordance with the aforesaid schedule were higher than the lowest tendered rates and, in a few cases, higher than the highest tendered rates. As a result, the contractors who tendered lower rates were paid substantially higher amounts. The main reason adduced by the Government for this unusual procedure, is expeditious completion of works. But this is hardly convincing, since there was a delay from 3 to 12 months in the matter of the completion of the project. Even if the Government had considered it administratively necessary to distribute the work among several contractors for expeditious execution, it could have, as the audit report points out, done so either at the lowest tender rates, or, if some of them were unworkable, by giving the contract at the next higher rates.

PRODUCTIVITY EXPERIMENTS

An enlightened section of both management and labour has consistently held that there is scope as well as need for raising the productivity of labour and that any rise in wages should be related to such increases. Normally, one associates increased productivity with the installation of labour-saving machinery or harder work or more hours of work. But, as those conversant with efficiency systems of management only know too well, it is possible to increase productivity of labour by a more rational use of even the available equipment. This view gains additional support from the almost astounding results of the work carried out by the I.L.O. productivity team in India. The team, a summary of the final report of which is published in the July issue of the *Indian Labour Gazette*, was able to increase the productivity of engineering labour in Calcutta by 200 per cent. and of textile labour in Bombay and Ahmedabad by 5 to 250 per cent.

The I.L.O. team, which consisted of five experts from the U.K., came to India in December 1952 and carried out its experiments in Bombay and Calcutta during the years 1952-54. The experts advised several units, such as Bombay Telephone Workshop, Sindri Fertiliser Factory, Hindusthan Shipyard, Vidarbha Mills and Integral Coach Factory on matters relating to productivity. But its main work was done in Bombay and Calcutta. The Mission divided itself into two teams of two experts each, one team taking up engineering industry in Calcutta and the other textile industry in Bombay and Ahmedabad. The Calcutta team attached itself to five engineering firms. It trained five trade unionists and eight technicians. In order to avoid retrenchment, emphasis was placed on the desirability of studying processes which were "bottlenecks" in production and on products for which there was an unsatisfied demand. The aim of the team was to find more effective methods of working, ways of reducing waste of equipment, power and materials. In general, it is claimed that the Mission could increase productivity upto three times the original level, though nothing more was done than re-arranging lay-outs and work places and providing simple jigs and fixtures.

The Bombay team started pilot productivity studies in three mills each in Bombay and Ahmedabad. It trained some selected employees of the mills in handling of materials, method study, motion economy, work measurement and principles of incentives. As the large majority of processes in the textile industry are machine-controlled, the improvement of machine utilisation was of the first importance for the team. Much gain in output and quality of product was effected through better maintenance of equipment. Increases in actual or anticipated output, as stated at the outset, ranged from 5 to 250 per cent.

On the basis of the tangible results achieved in Bombay, Ahmedabad and Calcutta, the team has made the following suggestions:

(1) Substantial increases in productivity could be achieved without capital investment.

(2) Work study techniques can be applied in India with marked success in raising output and wages and reducing physical effort.

(3) The improvement of working conditions is a highly important factor in raising productivity and can often, by itself, lead to large increases.

An important point made out by the I.L.O. team is that, since 40 per cent. of the wages bill in typical Indian factories have been established by awards of Industrial Courts without the aid of work measurement or job evaluation, the resultant anomalies in the relationship between earnings and work have an adverse effect on incentives. It has, therefore, recommended that a thorough study should be made in each industry of relative levels of wages; such a study could materially assist in fixation of minimum wages in a scientific manner. It also recommends that consideration should be given to an extension of the system of payment by results, such as piecework system of wages, to jobs which have been traditionally paid on a time-work basis. The team is against the present system of paying an annual profit bonus which raises controversy every year. It feels that that this form of profit-sharing could, with advantage, be replaced by equitable payment by result schemes, with payment on a weekly basis, which would give the workers as much as the present awards. Other notable suggestions of the team include improvement of physical conditions, proper selection, education and training of supervisory staff, introduction of adequate machine maintenance procedures and, in the textile industry, greater flexibility in the allocation of duties among different jobs.

Finally, the team has emphasised that attitudes conducive to higher productivity can only prevail, if human relations within the enterprise are based on mutual respect. It is also necessary, according to the team, to convince the workers that modern techniques to raise productivity will not only be used to improve their earnings and conditions of work but also that their employment opportunities, far from being diminished, will be directly or indirectly increased. While commending the team's suggestions and recommendations to the attention of all the interests concerned, we would urge the Government of India to publish the full report of the Mission's work in India, for we are sure that it would prove to be of great value to all industrial managements.

KHARAGPUR INSTITUTE

The Central Government's decision to accord national importance to the Indian Institute of Technology, Kharagpur (West Bengal), deserves to be commended. The official Bill declaring the Institute to be an institution of such importance was passed by the Lok Sabha on Saturday last. The Institute, it will be recalled, started functioning in 1952 and is one of the four regional institutes for higher technology. Established on the lines of the Massachusetts Institute of Technology in the U.S., it seeks to meet the country's need of engineers and technologists. About 1,200 students are at present studying or doing post-graduate research at the Institute. A distinguishing feature of the Institute is that it not only imparts training in specialised subjects but also carries on research of the highest order. It is, therefore, only appropriate that the Institute, as Dr. Mono Mohan Das, Union Deputy Minister for Education, rightly pointed out while moving the Bill for consideration, should have an honourable status in the country and that can be conferred only by the supreme legislature of the land.

The Bill seeks to retain the individuality of the Institute by declaring it to be an institution of national importance under Entry 64 in List I, Schedule Seven of the Constitution. The Institute will develop patterns of teaching in undergraduate and post-graduate, as well as of research in various branches of engineering and technology. It will also have the power to grant degrees, diplomas and other academic distinctions. The Institute will maintain the departments covering various fields of engineering and technology for training different types of technical personnel. Finances required by the Institute for exercise of its powers and discharge of its functions shall be payable by the Central Government in the shape of grant-in-aid each year. Since the development of the Institute will be according to the programme approved by the Government, the funds will be in accordance with proposals accepted by the Government of India, and will depend on the number of courses and departments which may be opened by the Institute as determined by the Government to fulfil its obligation to the industrial needs of the nation.

There was a brief but interesting debate on the Bill. While some members availed themselves of the opportunity to criticise the way in which the Education Ministry had been tackling educational issues, a few others put forward pertinent suggestions to improve and widen the scope of technical education in the country. Special mention may be made of the suggestion relating to the reduction in the fees charged by the technical institutions. It is common knowledge that several institutes charge fees which are too high to enable children of low-income groups to receive technical education. Mention may also be made of the plea for immediately setting up a number of high-grade technical institutions in the various regions. The institutions should provide facilities on an extensive scale for advanced work and research in various branches of engineering and technology, in order to meet the increasing needs of well-trained personnel, arising out of the implementation of the development programmes for industry and agriculture. Alluding to this, Dr. Das revealed—and this is reassuring—that the Government had decided to open five more engineering colleges and 21 technical schools. He further revealed that it was proposed to establish the Western Technological Institute during the first half of the second Plan period and the southern and northern ones in the second half.

PLANT PROTECTION

The importance of pest control and eradication of plant diseases in effectively increasing the total agricultural production was rightly stressed by the Union Minister for Agriculture, Dr. Punjabrao Deshmukh in his inaugural address to the Plant Protection Conference, held this week at New Delhi. The Conference of State Ministers of Agriculture, held at Mussoorie last June, it may be recalled, came to the unanimous conclusion that, in the higher target of 16.4 million tons as against the 10-million-ton target laid down in the Plan, the plant protection measures alone could account for one million tons. It is gratifying to be told that, with improved methods in protection and technique and with our own increasing knowledge and experience gained as a result of the various Community Projects and National Extension Service Blocks, even the average farmer now thinks in terms of protecting his crops from pests and diseases.

Be that as it may, the problem is whether the cultivator really gets the advice and attention which he deserves and whether adequate machinery exists in all the States to control the outbreak of plant diseases. This question was raised by the Minister himself in his address. In this connection, it may be mentioned that the Central Directorate of Plant Protection, Quarantine and Storage was established in 1946. Since then, practically all the States have established plant protection organisations of their own and the importance of this aspect of agricultural activity has been increasingly recognised by the Governments, the Planning Commission, farmers and others. Further, during these last ten years, four Plant Protection Conferences have been convened, the last of which was held in April 1952.

(*Continued on page* 439)

GOVERNMENT OF UTTAR PRADESH

FINANCE (BUDGET) DEPARTMENT

Dated Lucknow, August 10, 1956

PRESS NOTE

4 Per cent. Uttar Pradesh State Development Loan 1968

The Government of Uttar Pradesh are floating a loan of Rs. eight crores in order to finance their irrigation works, electricity projects and other State development schemes. The main terms of the loan are that the issue price will be Rs. 99-8-0 for every Rs. 100 of the loan applied for. The loan will have a currency of twelve years from 3rd September 1956 and will be repaid at par on 3rd September, 1968 and will bear interest at the rate of 4 per cent. per annum from 3rd September, 1956 payable half-yearly on 3rd March and 3rd September and is subject to income-tax. Subscriptions for the loan can be made in the form of cash or cheque, and will be received at the branches and treasury pay offices of the State Bank of India in Uttar Pradesh, the Government treasuries and sub-treasuries in the State of Uttar Pradesh where there is no branch or treasury pay office of the State Bank of India and at the offices of the Reserve Bank of India at Bombay, Calcutta, Delhi, Madras and Bangalore.

Full details of the terms of the loan are contained in Finance Department Notification No. B-6453/X—88-1956, dated August 10, 1956, copies of which, along with the application form are obtainable at the receiving offices mentioned above.

2. *Financial Position of the Government of Uttar Pradesh*—

Revenue Position—The revenue receipts and expenditure and the surpluses for the last twelve years are as follows:

(Figures are in lakhs of rupees)

	Revenue receipts	Revenue expenditure	Surplus (+)
1944-45	2,747	2,330	+417
1945-46	2,995	2,551	+444
1946-47	3,265	3,061	+204
1947-48	3,876	3,771	+105
1948-49	4,920	4,729	+191
1949-50	5,626	5,626	..
1950-51	5,189	5,184	+5
1951-52	5,556	5,550	+6
1952-53	6,483	6,483	..
1953-54	7,564	7,281	+283
1954-55	7,819	7,713	+106
1955-56	8,451	8,330	+121

The major portion of the revenue surpluses was put into various reserve funds. During 1949-50 and 1952-53, revenue expenditure exceeded revenue receipts because of large expenditure on Development Schemes and the gap in those years was covered by withdrawals from the Revenue Reserve Fund.

Balances in the Reserve Funds—The balances at the credit of the various reserve funds at the end of 1955-56 were 78 lakhs in the U.P. Road Fund, 73 lakhs in the Hospitals Fund, 4 lakhs in the Famine Relief Fund, 1,118 lakhs in the Revenue Reserve Fund, 18 lakhs in the Sugar Research and Labour Housing Fund, 2,913 lakhs in Zamindari Abolition Fund, 10 lakhs in the Depreciation Reserve Fund—Irrigation, 179 lakhs in the Depreciation Reserve Fund—Government Bus Services, 333 lakhs in the Depreciation Reserve Fund—Electricity, 12 lakhs in Contingency Reserve Fund—Electricity and 48 lakhs in the Depreciation Reserve Fund—Cement Factory. Some of these are invested in Government of India Securities. The total balance in these Reserve Funds amounts to 4,786 lakhs.

Debt Position—On March 31, 1956 the debt of Uttar Pradesh amounted to 13,382 lakhs consisting of 1,053 lakhs representing the consolidated debt due to the Central Government and 8,123 lakhs taken from that Government for development purposes and 828 lakhs for Relief and Rehabilitation Schemes *plus* 3,209 lakhs representing the amount of public loans floated by this Government from time to time *plus* 169 lakhs as Uttar Pradesh Encumbered Estates Act Bonds. Apart from this the State Government have also issued Zamindari Abolition Compensation Bonds of the face value of Rs. 3,304 lakhs the liability on account of which will be met, by annual equated instalments, from the extra revenue from Zamindari Abolition over a period of 40 years. Sinking Funds for all the public loans and the loans taken from the Central Government for development purposes have been formed and they are invested in Government of India Securities.

Assets of the Government.—Against the outstanding debt of 13,382 lakhs there are assets in the form of the Ganga, Yamuna and Sarda Canals, various other small canals, the State tube-wells and the Hydro-Electric Grid, Electric Supply undertakings, Cement Factory and Government Bus Services, in which about 11,607 lakhs have been invested. Another asset is the balance due to Uttar Pradesh Government on account of loans and advances amounting to 3,220 lakhs. Besides these, there are a large number of buildings and roads for which no separate capital accounts are maintained.

State Balance at the close of 1955-56.—The Uttar Pradesh Government had a free cash balance of 1,397 lakhs at the end of 1955-56.

FOOT NOTE.—The accounts for 1955-56 have not yet been closed finally. The figures for 1955-56 mentioned in the Press Note are based on the March (Final) 1956 Accounts as revised up-to-date by the Accountant General, Uttar Pradesh.

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INDIA TO SIGN ANOTHER LONG-TERM LOAN AGREEMENT WITH THE U.S.

BUSINESS MEN ON STATE TRADING

From A Special Correspondent

NEW DELHI, *28th August*

ENQUIRIES made in the Ministry of Finance reveal that the Government of India will soon enter into an agreement with the United States for obtaining a loan of $360 million (Rs. 172 crores) for the purchase of surplus American farm products, particularly wheat and cotton. Under the specific terms of the agreement, which is most likely to be signed today, it is provided that India will take 3.5 million metric tons of American wheat and 600,000 bales (400 lbs. each) of long-staple cotton over a three-year period. In addition, India will also purchase 200,000 tons of rice from the U.S.A. during the current year. Other commodities covered by the agreement are 6 million lbs. of tobacco and a quota of dairy products. This long-term loan is to be repaid by India over a period of 40 years and the rate of interest is also comparatively lower than what prevails in the U.S.

DELHI LETTER

Despite the seeming differences of views between India and the U.S. on certain political matters, there appears to be an abiding co-operation between the two countries in the economic field. The present agreement is another instance in point. It may be remembered that a similar wheat loan agreement, entered into by India with the U.S.A. in 1952 when India was facing an acute scarcity of food, had been responsible to a large extent for helping India steer clear of the difficulties then. Once again, when India is facing a temporary crisis in foodgrains consequent upon floods and other natural havocs, the present American agricultural loan will be quite welcome.

It will also be remembered that the Government of India has already concluded an agreement with Burma for the purchase of about two million tons of rice to be spread over the next five years. The agreement with America will definitely strengthen the Indian economy, especially on the important food front. The supplies of American wheat and cotton will be made in the next three years, at any rate before the end of July 1959. In other words, the Government will be sure of having five million tons of wheat and rice so that it can build up its food reserve which will enable it to tide over any unforeseen difficulties. While the supply of wheat and American cotton will serve to mop up the surplus purchasing power in the country and strengthen the hands of the Government in controlling possible inflationary trends, the conclusion of the rice agreement with Burma for obtaining two million tons of rice from that country will also help the Government in expanding its export trade with Burma. This is a welcome feature, especially when it is to be borne in mind that, during the last one or two years, India's export trade with Burma has suffered considerably on account of the inroads made therein by many foreign countries, particularly by Japan.

Internal Output to be Raised

The Government of India, however, does not appear to be content merely by trying to safeguard its economy through concluding trade and loan agreements with Burma and America in regard to its food supplies. The Agriculture Ministry, as also the Planning Commission, is very much alive to the motto that 'self help is the best help.' Both of them are anxious to become more and more self-reliant, if not self-sufficient, and they feel that the best way to maintain a steady and satisfactory price level in the country will be by stepping up the indigenous output of not only foodgrains but also other cash crops and many other industrial consumer goods. Beginning from the first week of September, a series of meetings and individual consultations have been planned between the Central Government and the concerned State authorities with a view to studying detailed plans for stepping up agricultural production in the country. These meetings are naturally the follow-up of the conference of Agriculture Ministers of the Centre and the States held in Mussoorie sometime in May last where the Planning Commission's spokesmen emphasised the need for increasing the country's level of agricultural production by 40 per cent. as compared with 15 per cent. originally contemplated by the Agriculture Ministry.

Even now there are considerable misgivings in Government circles as to whether the Agriculture Ministry will be capable of achieving the target of a 40 per cent. increase as laid down by the Planning Commission. It is to be hoped that the series of forthcoming conferences with the representatives of different States will come to brass tacks with the problem, instead of indulging in vague deliberations and exchange of platitudes.

The Agriculture Ministry will also consider the question of stepping up the output of important cash crops like oilseeds, jute and cotton on which the economy of India depends to a considerable extent. It is realised in Government circles that, although it may be difficult for the country to step up production of foodgrains to the extent of 40 per cent., any success achieved in this sphere will considerably help India to maintain and stabilise its economy. There may be some shortfalls but even so a moderate rise above the original target will enable the Government to step up its exports as well as help it conserve its exchange resources to a large extent.

No Setback to be Allowed

The Planning Commission is anxious that the proposed reorganisation of States should not interfere with the implementation of its schemes for increasing food production in the country. The Commission is now understood to be actively engaged in a rational study of the entire matter in relation to the reorganisation of States, with a view to avoiding possible setbacks and offering new suggestions to minimise, if not totally avoid, such setbacks. These views of the Planning Commission will also be put forth to the representatives of the State Agriculture Ministries in the forthcoming series of conferences.

Indications are that, in the financial sphere, the Government's aims and aspirations are likely to be more than fulfilled, particularly in respect of external finances. The second Five-year Plan, for instance, has fixed a target of Rs. 800 crores for external aid in the next five years. At the present time, the possibility of help from foreign countries towards the implementation of the Plan is becoming brighter with the conclusion of the wheat loan agreement with the United States Government. It may also be mentioned here that the Government of India has also secured assistance from other foreign countries for financing its development plans. The U.K., for example, is to give Rs. 20 crores as loan and another sum of Rs. 15 crores as export credit in connection with the Durgapur steel plant. The U.S.A. has offered Rs. 40 crores for the purchase of commodities and for equipment for development programmes. The U.S.S.R. has offered financial aid to the extent of Rs. 63 crores as export credit for setting up the Bhilai steel plant. The U.S.A. and Commonwealth countries have also made available other considerable amounts of money as grants. In addition to Rs. 36 crores to Tatas, the International Bank has yet to give Rs. 26 crores for other specific projects under the second Five-year Plan. Against the background of these developments and the annual financial aid of about Rs. 50 crores to India by the U.S. Government under its foreign aid programme, India will be in a good position in the coming few years so far as its external financial position for implementation of the second Five-year Plan is concerned.

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State Trading

A rather disquieting development, which is expected to have definite repercussions on the country's economy, is the fact that the private trade is very much worried over the Government's recent decision to enlarge its sphere of State Trading in a number of directions. Particular mention should be made of the misgivings of private traders in respect of the decision of the Government in the so-called encroachments on the rights of the trader in dealing with the distribution of cement and the export of manganese and iron ores. During the last week, a series of meetings were held in New Delhi under the auspices of the Federation of Indian Chambers of Commerce and Industry during which the spokesmen of private trade tried to impress forcibly on the inherent incapacity of the Government of India to enlarge its State Trading activities in the present circumstances. Addressing the trade interests, Mr. B. M. Chinai, Vice-President of the Federation, gave details of the changing conditions not only in India but all over the world where the State had been slowly encroaching into the sphere of private enterprise. Although Mr. Chinai was not completely against State Trading by Government, he nonetheless laid emphasis again and again on the necessity for the Government to take the established private enterprise and traders into confidence. His suggestions, though critical of the ways of the Government, were not destructive. On the contrary, he tried to put forward certain constructive ideas to the Government, so that private trade also could be associated with Governmental activities, thereby enabling the nation to reap the full benefits accruing from State Trading.

Full Co-operation Offered

Mr. Chinai desired that the Government should make use of the existing channels of established private trade and utilise their services for implementing their schemes. What he deprecated was the tendency of the Government to go ahead and go on discrediting the private enterprise altogether. This attitude of the Government, in his opinion, as it may well be in the opinion of scores of others also, involve the Government in unforeseen whirlpools, with the result that, due to lack of adequate knowledge and experience in trade matters, the Government might get entrapped into a mesh. He, therefore, proposed that there should be a consultative body of important private traders in which the leading exporters should be associated to the largest extent possible. His contention was that, in negotiating with foreign Governments, particularly in regard to the disposal of important minerals like manganese, iron ore, etc., the Government of India might not be in a position to get first hand knowledge of the state of world markets in view of its inadequate experience and lack of knowledge in this specialised field.

The Federation's Vice-President emphasised this idea and pointed out that the existing exporters, who have already established valuable and longstanding contacts in almost all export markets of the world, should be fully associated with Governmental activities in the field of State Trading. This would certainly go a long way towards strengthening the hands of the Government and enable the State to widen its sphere of activities to the best advantage of the nation. It may be mentioned, in this connection, that it will not be in the Government's own interests to ignore the offer of co-operation by private traders. If the Government keeps insisting on its full pound of flesh, the private interests would be constrained to seek other remedies. It is possible that, if the Government were to expand its octopus in the sphere of trading, the private trade will also try to put its spokes and take up the matter with the Supreme Court. The Constitution of India fully guarantees freedom of trade to the citizens of the country and this issue may have to be fought out in the highest judicial court in India one of these days.

STATE FINANCIAL CORPORATIONS (AMENDMENT) BILL

SOME PROVISIONS EXPLAINED

THE Bill to amend the State Financial Corporations Act, 1951, which was introduced in Lok Sabha on 30th July 1956, was taken up for discussion on the 24th inst. But the consideration of the Bill was postponed without a time limit by the Deputy Speaker, who was in the Chair, for a technical reason. Immediately after Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, had finished his long introductory speech setting out the main features of the Bill, some members complained that the information about the working of the various State Financial Corporations had been made available to the House only on the previous day, thereby not giving sufficient time to the members for making a proper study of it. The Deputy Speaker agreed that this grievance was a legitimate one. The House then adopted a motion moved by one of the members for postponement of further discussion.

The main objects of the amending measure are: (1) to remove certain difficulties experienced in the actual working of the Act during the last few years; (2) to enable a group of two or more States to establish, by agreement among themselves, a joint financial corporation for them; (3) to provide for the extension of the jurisdiction of an existing financial corporation of a State to another State by agreement; (4) to empower the State Financial Corporations to undertake agency functions on behalf of the Central Government, a State Government or the Industrial Finance Corporation of India; (5) to enable the State Financial Corporations to take short-term loans from the Reserve Bank; (6) to provide for the grant of financial accommodation by the Corporations to small-scale and cottage industries, not having sufficient tangible assets, against the guarantee of a State Government or a scheduled bank or a co-operative bank; (7) to vest the Corporations with certain powers for the efficient management of the industrial concerns taken over by them; and (8) to empower the Reserve Bank to carry out, at the instance of the Central Government, inspection of the working of State Financial Corporations.

Before making a detailed analysis of the various provisions of the Bill which seek to achieve the aforesaid objects, it will be useful to refer here to the background to the Bill. The State Financial Corporations Act was passed in 1951, in order to enable the State Governments to establish Financial Corporations for providing long-term credit to small scale and medium-scale industries. Since then, 13 such Financial Corporations have been established, some of them having worked for three years and some only for a few months. Their total authorised capital is about Rs. 25 crores and their issued and subscribed capital a little over Rs. 10 crores. Out of the subscribed capital, the State Governments have taken Rs. 4.33 crores, the Reserve Bank has subscribed Rs. 1.70 crores, Scheduled banks, insurance companies and other investment institutions have together taken Rs. 3.72 crores and some private parties Rs. 53 lakhs.

Role of State Financial Corporations

The main objectives of the second Five-year Plan are rapid industrialisation, increase in national income, creation of more employment and removal of disparity in income and wealth. While the rapid industrialisation of the country is sought to be achieved mainly through the help of basic and big industries, it is recognised that small- and medium-scale industries have also an important role to play in this drive. Moreover, the Planners feel that the small- and medium-scale industries are better suited to create more employment and to remove the disparity in incomes. They have, accordingly, given some special importance to them. In order to enable these industries to play their assigned role, they have to be given financial aid of a long-term nature, especially in view of the fact they will find it difficult to raise the required funds from the capital market. So far as the big industries are concerned, their requirements of long-term loans are being met by the Industrial Finance Corporation of India, the National Industrial Development Corporation and the Industrial Credit and Investment Corporation. As regards the small- and medium-scale industries, only the Financial Corporation in that particular State is in a position to help. In addition to the State Financial Corporations, the Government of India has started, under the Commerce and Industry Ministry, an organisation, called the Small-scale Industries Corporation, to help the small-scale industries, but its sphere of activities is entirely different from that of the former. Moreover, the small- and medium-scale industries are scattered over the whole country and it is not possible for a central organisation, such as the Small-scale Industries Corporation, to render appropriate aid to all of them. The State Financial Corporations are, therefore, better suited for the purpose and will be of much use.

Referring to the functions of these various Corporations, in his speech on the Bill, Mr. Guha said that there was no risk of overlapping of their functions. He said that the I.F.C. did not give any loan less than Rs. 10 lakhs, which was just the maximum which the State Financial Corporation could give. The latter gave loans up to as low an amount as even Rs. 10,000 or Rs. 20,000. The Minister was not quite correct in saying that the I.F.C. granted loans less than Rs. 10 lakhs. A perusal of the I.F.C.'s annual reports will show that there have been cases where they have granted loans in amounts far less than the minimum mentioned by him. Similarly, many State Financial Corporations do not give loans for less than Rs. 75,000, as the Director for State Aid to Industries looks after the applications for loans smaller than that amount.

Defects in Act

Speaking on the working of the State Financial Corporations during the last two or three years, the Minister said that he could not claim that their working had been very much satisfactory. He added that they had not been able to render any considerable financial help to small-scale and medium-scale industries. In reply to a question by a member, the Minister said that the total amount disbursed by them so far to small-scale industries was a little over Rs. 2 crores. The failure of these Corporations to render adequate financial aid was attributed by the Minister partly to the "defects" in the provisions of the Act itself and partly to the structure and nature of the small-scale industries themselves. He said that these industries were not so well organised and that they had not got the appropriate machinery to approach the Corporations for aid. One of the objects of the Bill is to remove these defects.

Referring to the "defects" in the Act, Mr. Guha observed:

"About two years ago, this matter came before the Reserve Bank. I think the Members will recollect that on a number of occasions questions have been put in this House about the working of these corporations, and the House expressed on many occasions its dissatisfaction about the working of these Corporations. So, the whole matter was taken up by the Reserve Bank. It convened a conference of the representatives of the different State Financial Corporations, and certain recommendations were made. The main function that the Reserve Bank has been performing is to help these State Financial Corporations and to arrange a sort of co-ordination. Though there is no such provision as yet in the Act, all these Corporations voluntarily agreed to have some periodical inspection by the Reserve Bank, so that the defects in their working may be examined by the Reserve Bank and rectified. The different State Governments also welcomed the intervention by the Reserve Bank in this matter. This will just show that all these Corporations, as well as the different State Governments, were really eager that these Corporations may do their assigned duty in a proper manner."

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Now to the main provisions of the Bill. Clause 2 of the Bill seeks to widen the scope of the activities of the State Financial Corporations. In the definition of the various kinds of industries which are entitled to get financial aid from the Corporations, the term "processing of goods" has been found to be somewhat ambiguous and it is not sure what industry will come under this definition directly. It is, therefore, proposed to give a wider, but precise definition of this term, so as to include "any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation." As a result of this wider definition, the State Financial Corporations will be able to decide which of the industries will be legally entitled to get help from them. The removal of this handicap on the working of the Corporations will also enable them to widen much of their financial activities and also to help the different industries in getting the necessary aid from the Corporations.

Clause 4 of the Bill is a new provision which seeks to enable a group of two or more States to establish, by agreement among themselves, a joint financial corporation for them. As it is, some of the States, including Part C States, are experiencing some difficulty in establishing separate financial corporations of their own. The Delhi State, for instance, is not in a position to maintain a separate Financial Corporation of its own. It is, therefore, proposed to have a Joint Corporation for the Delhi and the Punjab States. The new provision in the Bill will enable several such States to join together and set up combined corporation. The participating States will also enter into an agreement under this clause providing, among other things, for: (a) the fixation of the authorised capital of the Joint Financial Corporation, the number of fully paid-up shares into which it shall be divided, and the allocation among the participating States of the shares to be distributed under clause (a) of sub-section (3) of Section 4; (b) the sharing of the liability for the guarantee under section 6 or section 7; (c) the number of directors to be nominated to the Board by each participating State Government; (d) the apportionment among the participating States of expenditure in connection with the Joint Financial Corporation; (e) the division among the participating States of the surplus profits payable by the Joint Financial Corporation under sub-section (3) of section 35; (f) determining which of the participating State Governments shall exercise the several functions of the State Government under this Act, and references in this Act to the State Government, in relation to the Joint Financial Corporation, shall, save as otherwise expressly provided, be construed accordingly.

Extension of Jurisdiction

Another provision in the Bill which is of a similar nature (as that of clause 4) is contained in clause 24. This provides for the extension of the jurisdiction of a State Financial Corporation to other States by agreement. Under this clause, where a Financial Corporation has been established for any State and any other State desires that the Corporation should serve its needs, the States, after consultation with the Reserve Bank, can enter into an agreement for such extension of jurisdiction. They can also enter into an agreement similar to the one under clause 4.

Clause 6 seeks to amend Section 7 of the principal Act, in order to enable the State Financial Corporations to borrow money from the Reserve Bank. The main Act provides for raising capital by the issue and sale of bonds and debentures, and also by accepting deposits from the public. Issue of further capital and raising money by sale of bonds and debentures would, the Minister explained, mean a permanent liability on the Corporations to give dividend or interest. Such methods are not, therefore, suited for raising the necessary funds in an emergency. In such cases, the Corporation will be entitled to take a short-term loan from the Reserve Bank for a period of not exceeding 90 days, against the securities of the Central or State Governments.

Clause 9 provides for the removal of the managing director of a Corporation from his office by the State Government, after consulting the Board, before the expiry of his term of office, which under the Act is fixed at four years. He will however, be given an opportunity to show cause against his removal and to give an explanation to the charges levelled against him.

Agency Function

Clause 12 is an important provision, amending Section 25 of the principal Act. Under sub-clause (a) of the Clause, the State Financial Corporations will be given agency functions, that is,

(*Continued on page 439*)

INFLATION IN AUSTRALIA

WAGE-PEGGING AND SELECTIVE PRICE CONTROLS FAVOURED

IT is the economic stability of the individual countries comprising the sterling area that is more important today than anything else for the economic progress of the Commonwealth as a whole. The pattern of relationship of these countries, which formerly belonged to the same Empire, has been so developed that any economic disturbance in any part of this area is likely to upset the equilibrium in other countries. More especially, in the context of the huge plans of economic development taken in hand by a number of countries of this area, the future of sterling area depends upon the economic stability of individual member-countries. The Sydney Conference of the Commonwealth Finance Ministers held early in 1954 took pains to emphasise this important aspect. More recently, the Conference of Commonwealth Prime Ministers reaffirmed the need for stable economic condition in the Commonwealth.

Much water, however, has flowed under the bridge since the Sydney Conference. Inflationary forces have been active in almost all the Commonwealth countries, though in varying degree, with the result that there has been a considerable depletion of the gold and dollar reserves of the sterling area as a whole. At $2,405 million as at the end of July last, these reserves are down by $612 million as compared with June 1954, that is, four months after the Sydney Conference. At one time, that is by the end of 1955, the reserves were as low as $2,120 million, the improvement witnessed since then being due to the efforts made by Britain to arrest the deterioration in the situation. The country to be hit most by inflation and, therefore, the greatest contributor to the drop in the central reserves of the sterling area is Britain. This country has, however, been trying to hold inflation at bay for the past one year. Though it has not yet succeeded, there are enough indications that it has made good progress in that direction. But a Commonwealth country that is still in the grip of inflation is Australia. In fact, this country seems to be worse off than any other belonging to this group, excepting perhaps Pakistan. New Zealand has nearly succeeded in bringing this evil under control. In India, it is just raising its head. In Canada (a Commonwealth country but not a member of the sterling area), too, inflation is active, and the Bank rate there was raised a few days ago to keep it under check. It is, however, not so acute as in Australia, where the State Governments have not so far agreed upon a common programme of action against the evil. Indeed, the malady of inflation is said to be so acute that a certain section of public opinion in Australia is rather critical of Australian Prime Minister's prolonged stay in Britain. It is of the view that Mr. Menzies should be at Home dealing with inflation rather than undertake the thankless task pulling out Britain's chestnut out of Suez fire.

The Problem

In a nutshell, the present difficulties of Australia are persistent adverse balance of payments, high and rising costs in industry as a result of increasing wages, and high expenditures. The adverse balance of payments has been continuing month after month almost without interruption for nearly two years now. In 1953, Australia imported £A510.5 million worth of goods and exported goods worth as much as £A850 million in 1955, so that it had a favourable balance of no less than £A339.5 million. In 1955, however, the imports aggregated as much as £A841 million, while exports declined to £A760.4, giving rise to an adverse balance of as much as £A81.3 million. This adverse trend still continues. For the first quarter of 1956 alone the deficit was as high as £A50 million. As a result of this continuing deficit in the external payments position, Australia's gold and dollar holdings sharply declined, from $1,362 million in 1953 to as low as $835 million by the end of 1955.

The chief factors contributing to the worsening situation were, on the one hand, the high and rising costs of industry at home in the face of lower prices in the export markets, resulting in a decline in exports, and, on the other, the increasing development and defence expenditures, which necessitated larger imports. The quarterly adjustments of wages in some States followed by increasing costs in industry and in prices have set in motion a wage-price spiral. While the wholesale prices increased between 1953 and March 1956 by as much as 5 per cent. Wages in the manufacturing industries increased between 1953 and December 1955 by no less than 13 per cent. The cost of living again, increased by 7 per cent. between 1953 and January 1956 and in the month of June alone by as much as 2½ per cent. The Federal Arbitration Court's recent decision to grant an increase of 10s. in the basic wage, and the quarterly automatic adjustments in the wages of workers applied by a majority of State Governments have further accentuated the problem. Moreover, the prospects for reducing expenditure do not appear to be bright. The drain on the National Welfare Fund, as a result of a general increase in the pension rate and in the number of retiring persons, is expected to be one of the main factors responsible for an increase in expenditure. Defence demands are also rising owing to general cost increases. The provisional estimate of defence expenditure is £A17 million more than in the previous year. The recent international developments arising from the nationalisation of the Suez Canal may give further fillip to defence expenditure.

Measures Taken

In order to arrest the disturbing economic trends, a number of measures have been taken by the Commonwealth Government as also by certain States. The principal among them are import restrictions, in the realm of foreign trade, and increased sales-taxes and excises and credit restrictions, in the fiscal field. But the results achieved by the fiscal measures have been largely nullified, by the influence of wage-price spiral. The restrictions on imports have, however, helped to reduce the adverse trade balance, but this policy has accentuated the high costs of Australian secondary industry, through the shelter provided by quantitative import controls as well as high tariffs.

The crux of the problem is thus wage-price spiral. The increase of 2½ per cent. in the cost of living in June gave a new urgency to the problem. At the root of the problem is the resort by a majority of the States to the Federal courts awards granting automatic quarterly wage adjustments which cover about half the Australian work force.

Very recently, the State Chief Ministers and the acting Prime Minister of the Commonwealth met in conference to resolve this problem. The Treasury believes that wage-pegging would restore the stability which the country enjoyed for more than a year after the Federal Court had discontinued the automatic adjustments of wages in 1953. Certain States, however, hold the view that wage-pegging alone will not suffice, unless accompanied by ceilings on prices and profits. New South Wales, for instance, called for a series of measures, including control over prices and capital issues, abolition of payroll tax, introduction of excess profits tax, and a review of the existing scale of immigration, and imposition of restrictions to curb luxury imports with simultaneous measures to make available basic raw materials. The Acting Prime Minister, representing the Commonwealth Government at the Conference, pointed out that the Commonwealth wanted an orderly, rational and harmonious system of fixing wages to overcome the near chaotic situation caused by disparities between Federal and State wages. The broad approach should be, he went on, to seek a remedy to the problem through stimulating production and restraining excessive demand. He further maintained that the proper way was to cure the condition of excessive demand from which excessive profits sprang. He, however, suggested that private managements should re-examine their policies on profit margins and mark-ups.

Ceilings on Profits and Prices

While, thus, the stand taken by the acting Premier is sound logic, the views expressed by certain State Governments, chiefly, Victoria and New South Wales, which did not toe the line of the majority of the members at the Conference, that wage-pegging should be accompanied by a ceiling on profits and prices in order to spread the burden and to "prevent the value being drained out of the pegged-wages by new burst of inflation," deserves utmost consideration. The fact that there is some disillusionment among the workers—although they are not agreeable to pegging—about the value of wage increases which continually generate a new crop of higher prices, has already been stressed. Wage-pegging, therefore, in the absence of limitation on prices and profits is likely to hit the workers hard. Furthermore, under the conditions obtaining in Australia, no one remedy can be fool-proof or a panacea to the malady. Advocates of price control, for instance, argue that the cost of living was the greatest during the period when free trading was continued. Nevertheless, it has its own limitations. For example, it is reported that substantial increases in prices took place, despite controls in limited fields, in a number of States including those in which wages remained pegged.

Be that as it may, the decision of a majority of the State Premiers at the Conference to introduce wage-pegging along with selective price controls is to be welcomed. To render the fight effective, it is necessary that there should be a collective front of all the States, on the one hand, and an attack from all the angles with such weapons as control of capital issues, excess profits tax and the like, on the other. In order to keep up the supply of essential articles adequate and their prices under check, it will be necessary to relax the import restrictions applicable to such goods.

The views recently expressed by Mr. W. S. Reid, Chairman of the Commercial Bank of Australia, are quite pertinent. He said that import restrictions of the present dimensions were clearly unhealthy for the economy, because they tend to reduce standards of living and increase costs by removing the stimulus of competition. Further, curtailment of expenditure by the Government is no less important. As Mr. Reid pointed out, no purpose can be served by asking the banks to pursue a monetary policy which, in effect, led to the curtailment of only private spending but not that of the Government.

As a compromise between the majority and minority views among the States, it is suggested that wage-pegging should be followed by regular reviews of basic wage by the Federal Court on the basis of the capacity of the industry to pay. This method, it is rightly stated, would ensure wage justice, while freeing the economy from the dangers inherent in automatic adjustments. It is to be hoped that the minority states would see the wisdom of this suggestion and fall in line with majority in order to make the fight against the inflationary menace effective.

A serious drawback in Australia is that the Commonwealth Government lacks the power to enforce its policy. Although it has the power to determine the amount of loan allocations for the works programmes of States and can refuse to reimburse the budget deficits in certain circumstances, on a wide variety of issues it is obliged, constitutionally, to seek the agreement of the member-States. For instance, despite the fact that the Commonwealth Government sees the virtue of capital issues control in the present conditions, it has not been able to bring round all the States to its view. On an emergency occasion like the present one, there is need for quick and concerted action before it is too late. It is to be hoped that the Commonwealth Government will succeed in its endeavours and bring economic stability to the country at an early date.

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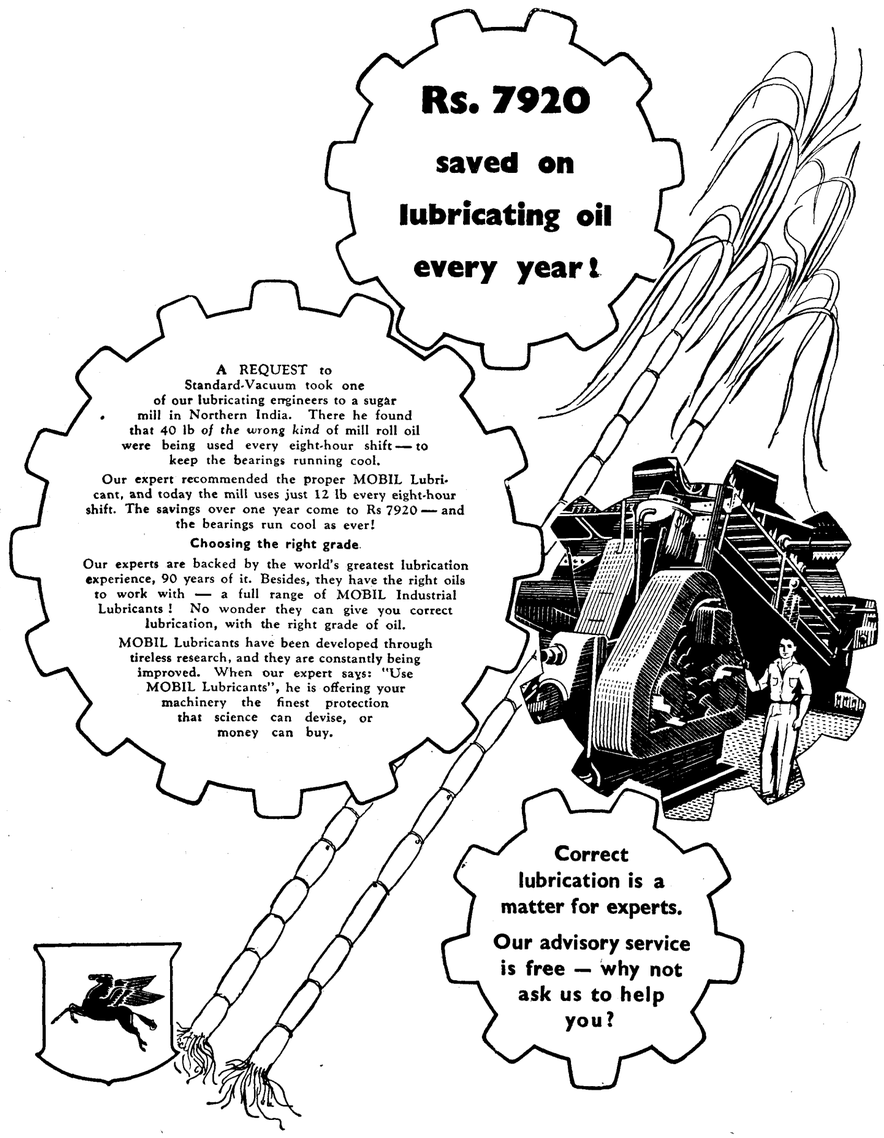

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WORK OF EMPIRE COTTON GROWING CORPORATION

U.K.'S DEPENDENCE ON U.S. REDUCED

THE Empire Cotton Growing Corporation, since its inception in the early twenties of the present century, has been doing commendable work in fostering the development of cotton cultivation in the Dominions, Colonies and protected territories of Britain. It has already achieved a substantial measure of success in this direction, and this has helped Britain to reduce its dependence on the U.S. cotton. The mills in Lancashire are now increasingly depending for their supplies of cotton on colonial territories. Thus, during the period between 1st August 1955 and 31st April 1956, over a quarter of the cotton used in Britain was supplied by Sudan (now an independent country) and Nigeria alone. The territories served by the Corporation now produce nearly 1.25 million bales. Although this is a comparatively small portion of the total world crop, it accounts for a very large proportion of the total consumed by Lancashire.

In order to understand, in full measure, the significance of this development, one has only to refer to the position that obtained a few decades ago. In the early years of the present century, about 75 per cent. of the cotton consumed in Britain came from the U.S. The cotton trade was naturally concerned at this dependence on one country for its raw material. It was felt that unfavourable climatic conditions or an unexpectedly severe attack of pests or diseases could seriously interrupt supplies and that it was only by broadening the basis of supply by extending cotton growing to other countries that such dangers could be overcome. These considerations invested the question of cotton growing in the Empire territories with a measure of urgency and steps were promptly taken to tackle it. The establishment of the Empire Cotton Growing Corporation in 1921 was one of them.

The Corporation was established, in the words of its Royal Charter, with the object of "extending and promoting in the interests of our empire the growing and cultivation of cotton in our Dominions, Colonies, Protectorates, Protected States and in any country or place over which we have or may have any mandate or control." A capital grant of nearly one million pounds was provided by the Government, supplemented by a levy on all cotton spun in the country. This levy has since 1948 been replaced by an annual grant from the Cotton Board which itself collects a levy from the cotton industry. Since the British Cotton Growing Association was already in existence to deal with the commercial side, the Corporation concentrated on research and experimentation, so that new cotton growing industries could be built on sure and firm foundations in suitable territories. The Corporation realised that its objects could best be achieved, not by attempting to grow cotton on a large scale by itself but by encouraging others, particularly the native peasants, to produce the crop. Much of its work has, therefore, been accomplished behind the scenes, by giving a helping hand here and an occasional push there, quite apart from undertaking with the Corporation's own staff much of the basic research work necessary for the evolution of new varieties. The ultimate aim of the Corporation is to increase the yield of cotton lint, whilst retaining the lint quality unchanged where it already meets the market demand and improving quality where it does not do so. Although the aim is thus simple, the work involved is extremely complex, embracing trials and research on all aspects of cotton growing from the preparation of the land before sowing to the testing of the lint after harvesting.

A nucleus of experienced officers was first obtained chiefly from the Indian Agricultural Service and a scheme of awarding studentships for specialised training was started, in order to produce a steady flow of trained men not only for the Corporation's service but also to supplement the staffs of the Colonial Agricultural Departments. Between 1921 and 1952, £86,000 has been spent by the Corporation in training men and in grants to the Imperial College of Tropical Agriculture, Trinidad. Over a hundred men have been trained in this way. In the early years, the Corporation also stationed officers in almost all territories in the Empire, where cotton appeared to offer possibilities.

In order to avoid unnecessary duplication of works and also to take advantage of the facilities provided by the local departments of agriculture, the members of the Corporation's staff work on Government Experiment Stations. Much of the work of the Corporation has dealt with the production of new strains. Farmers everywhere (and Africa is no exception to this) are naturally reluctant to adopt new methods until they are certain that they are an improvement on their present well tried practice. It is, therefore, a slow and laborious task. But the introduction of a new and higher yielding variety calls for no such change at all in the existing methods of cultivation. The Corporation believes that the evolving of new strains and popularising it among the farmers offer the greatest chance of an immediate return with the least dislocation to existing arrangement. Accordingly, efforts were directed to evolve new strains. Whenever new strains are produced, it is essential to make sure that the lint will be suitable for the requirements of the spinners and so samples are sent to the Shirley Institute for spinning tests and reports on fibre characteristics. The results of these tests enable the cotton breeders to eliminate plants with poor lints and concentrate their efforts on the most promising strains.

Apart from this direct aid, the Corporation has also helped, if only indirectly, in many other fields. Its total expenditure, in the 31 years since it was established till 1952, has amounted to £2.5 million, of which some £750,000 was contributed by the cotton industry by means of a levy or in the form of a grant from the Cotton Board. Of the total of £2,500,000, some £150,000 have been spent on cotton development in Sudan, £189,000 in East Africa, £250,000 in Central Africa, £73,000 in Nigeria and £25,000 in Australia.

The cumulative effect of all these measures has been a progressively higher output in the cotton growing regions with which the Corporation has been concerned. Average annual production (in bales of 400 lbs.) in the three-year period 1918 to 1921 in the regions was only 117,000 bales. By 1942-45, it had increased over five times and during the period 1948-51 the average annual production stood at 923,000 bales, representing an increase of about 800 per cent. In the season 1954-55, for the second year in succession, production in areas where the members of the staff has been stationed aggregated over 1.2 million bales.

This increase in production of cotton in the Empire territories has enabled Lancashire to reduce its dependence on the U.S. for the supply of raw cotton and the position today is vastly different from what it was when the Corporation was founded. Whereas in 1921-22 over two million bales or 70 per cent. of the cotton used in Lancashire came from the U.S., this had dropped to 1 million or 38 per cent. immediately before the war and had fallen still further to just over half a million or 28 per cent. in 1954-55. In the same period, the consumption of cotton from Sudan, East Africa and Nigeria increased from 82,000 bales to well over half a million bales.

The following table shows the progress made in cotton production in the individual territories after the establishment of the Corporation.

(In bales of 400 lbs.)

	1954-55	1944-45	1934-35	1924-25
Sudan	486,063	374,296	296,121	44,912
Uuganda	299,935	272,064	253,242	196,038
Kenya	12,963	5,384	8,773	2,250
Tanganyika	120,588*	40,421	58,540	21,724
Nyasaland	15,407	8,302	21,006	7,718
S. Rhodesia	402	1,227	566	4,907
S. Africa and Swaziland	41,000	338	2,966	16,936
Nigeria	187,741†	15,893	58,851	39,137
W. Indies	6,377	4,525	4,720	4,186
Others	..	4,040	23,186	22,715
Total ..	1,203,892**	726,400	727,981	360,523

*Estimate. **Estimated. † Exports only.

The expansion in output has been obtained not only by increasing the area under cotton but also by improving the per acre yield. A precise calculation of yield per acre is difficult, because, in most territories of Africa, cotton is grown by peasant cultivators on small and scattered holdings and, what is more, cotton is usually interplanted with other crops. Some idea of the yield can, however, be obtained from the following table:

(Yields of lint in lbs. per acre)

	1951-52	1952-53	1953-54	1954-55
Sudan—				
Gazira—irrigated	313	474	536	440
Gash and Tokar—flood ..	122	144	125	125
American—rain-grown ..	127	111	118	112
Uganda—rain-grown	100	86	98	69
Kenya-Nyanza Province—rain-grown	93	53	56	60
Tanganyika-Lake Province—rain-grown	169	168	167	142
Nyasaland—rain-grown ..	111	103	97	110
Aden—flood	293	461	434	286
W. Indies—rain-grown ..	147	152	127	176
Cyprus—rain-grown	81	102	135	134
Queensland—mixed	132	205	165	141

From what has been stated in the foregoing paragraphs it is clean that the British cotton textile industry has a direct interest in the continuance of the Corporation's work, in order (1) to ensure supplies of cotton from the sterling areas, (2) to encourage the partners in the work—Colonial Governments and others—to continue the grants they make for this purpose, and (3) to influence the policy which governs the types of cotton produced so that the lint may continue to suit British needs. In view of the U.S. cotton surplus disposal policy, the Corporation will have the additional responsibility of helping Commonwealth cotton to maintain its position. In the words of the President of the British Board of Trade "a period of intensive competition may well follow the U.S. decision to sell cotton for export at lower prices than the domestic price." In this context, Commonwealth cottons, as the President himself recognised, will be faced with the task of not only maintaining but improving their quality and consistency.

HANDLOOM INDUSTRY

Whatever may be the considerations underlying the Government of India's policy for the development of handloom industry, it must be said that, so long as handloom weavers are scattered and lack organisation, their conditions will continue to be none-too-happy. Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, did well to emphasise this aspect once again, when he addressed the special meeting of the All-India Handloom Board at Bombay on Sunday last. The Government, he declared, was determined to see that the lot of the weaver was improved and, for the purpose, "every weaver must come within an organisation; the co-operative movement is the only movement which will help him." Incidentally, the special meeting of the Board was called to consider the methods to be adopted for producing an additional quantity of 700 million yards of cloth though the handloom sector during the three years ending March 1959.

Judging by the progress of expenditure on the development of handloom industry up to March last, Mr. Krishnamachari claimed that, by and large, the State Governments had done well; the work done in the last three years had produced some good cumulatively, though the progress varied from place to place. Nevertheless, he admitted that what had been done fell short of what ought to have been done and that there was considerable leeway to be made up. In this connection, he alluded to four specific suggestions put forward by some members of the Board for augmenting output of handloom cloth. These are: (1) Provision of working capital at an enhanced rate of Rs. 300 per loom for all looms within the co-operative fold; (2) a planned programme of replacing as many existing pitlooms as possible by frame fly-shuttle looms; (3) liberalisation of loans for marketing; and (4) grant of short-term financial assistance to weavers' co-operative societies, in order to maintain production during slack seasons.

The Commerce and Industry Minister agreed that all looms should be eligible for working capital at a uniform rate. He also agreed that it might be necessary to give financial aid for repairing or improving houses of weavers, with a view to accommodating frame fly-shuttle looms. In fact, he assured that the Government would consider such cases sympathetically.

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ANOMALIES IN INTERNATIONAL COTTON SITUATION

WAGE CUT FOR WEAVERS PROPOSED

From A Special Correspondent

MANCHESTER, 21*st August*

MANCHESTER LETTER

EVENTS in the American and American type futures contracts in Liverpool have been attracting the attention of traders since the beginning of the month due to the narrowing of the difference between near and distant positions. This development has resulted in quotations being more in line than at any time for over a year past. It has even been suggested that distant months may shortly be offered at a premium compared with nearby deliveries.

Such a state of affairs has not existed since the early part of 1955 when the gap between current month quotations and future deliveries began to widen perceptibly. It has always been a maxim in the industry that futures at a discount tend to curb the enterprise of buyers of yarn and cloth and it has certainly been so over the past twelve months and more. A change in the situation, bringing a revival in demand, would be a very agreeable prospect for producers.

The strength of forward quotations in the futures market has followed more trade calling and scattered buying pressure. Business has not been extensive but the opinion is gaining ground that the world surplus of supplies is being stabilised, if not substantially reduced.

The latest summary of the international cotton situation contains a number of anomalies which may conceivably be straightened out during the course of the new season. The carryover figure at the beginning of August was nearly 22 million bales, an increase of 1.4 million bales during last season. Supplies are now twice as large as at the time of the Korean crisis and are equal to nine months' consumption at the current rate.

An extra 3 million bales has been added to the volume of stocks in the United States which are now around 14.5 million bales. This is the largest carryover on record, exceeding the previous peak of 13 million bales in 1939. On the other hand stocks outside of the United States fell last season by nearly 2 million bales to 7.4 million bales. This was the lowest carryover figure since the International Cotton Advisory Committee began keeping records.

Distribution of Cotton

Total arrivals of raw cotton in this country during the season just ended were not appreciably affected by the continuing uncertainty over price levels and the abundance of supplies held in producing areas. Imports were a little lower than in the previous season and the level of purchases is now distinctly smaller than in years gone by.

Considerable interest is always taken in the variations which occur in the quantity of cotton secured from the ever more numerous list of supplying countries. As the table below shows, the trend last season was away from the traditional cotton growing areas and towards the countries which have only recently undertaken this form of agriculture:

(In bales)

	1955-56	1954-55	1953-54
American	270,349	475,700	427,349
Mexican	139,918	81,510	39,035
Nicaraguan	15,952	10,767	*
Brazilian	165,177	194,698	216,448
Argentine	1,913	52,742	44,448
Peruvian	66,571	40,654	102,133
Egyptian	24,507	40,835	139,441
Sudan	222,612	136,570	209,048
East African	42,556	37,628	98,289
Nigerian	167,210	135,039	220,033
Congo	44,301	20,673	†
Turkish	3,504	2,778	†
Syrian	33,503	52,256	*
Pakistan	66,140	72,870	105,063
Indian	75,986	37,382	27,577
Russian	62,267	89 700	*
Others	105,341	95,840	126,502
Total ..	1,510,807	1,578,232	1,755,366

* Included in "others." † Included in "Nigerian."

In view of the many uncertainties connected with the American cotton position during last season and the anticipation of lower prices, the fall in the quantity of United States cotton imported is no surprise. On the other hand, Mexico has provided increasing supplies of comparable qualities, although the purchases from South American sources have noticeably declined compared with recent seasons.

Egypt is another old-established cotton growing centre the offerings of which are being neglected by former customers. Supplies of Egyptian staple have been sold in fair quantities to Eastern European countries during the season, but the mills using this cotton have not always been located in these countries. Lancashire firms have renewed their purchases of Commonwealth cotton, in particular from the Sudan and West Africa. A noticeable increase has taken place in arrivals of Indian cotton.

Wage Cut Proposed

Employers in the Lancashire textile weaving industry have again urged their case for wage reductions for up to 25,000 rayon weaving operatives at a joint meeting with trade union officials. It is the first attempt to cut wages in the industry since 1932.

After a meeting in Manchester lasting about an hour it was announced in a joint statement that the trade union representatives would examine the employers' statements and attend a further joint meeting to give their reply. The statement disclosed that the gross wages of some operatives would be affected to the extent of about 15 per cent. In other cases it would be less.

The employers' application is confined to rayon weavers whose earnings are still linked to the old uniform list system of payment. This system provides special premium payments up to 40 per cent. higher than in cotton weaving. At the time of their introduction rayon was a comparatively new textile fibre and the employers' case is that this no longer applies and that the present differential is not justified.

The employers first tabled their application nine months ago and officials of the Weavers' Amalgamation have since made it clear they will oppose it. Their argument is that instead of clinging to the old uniform list system, which provides few incentives, employers should modernise and re-equip their plants and adopt the system of payment suggested by the Cotton Manufacturing Commission.

No Workers' Bonus

More than 4,500 workers employed by Tootal, Ltd., the giant £11,000,000 Manchester textile group, are the latest to suffer from the Lancashire mill slump. Instead of sharing in a £75,000-pay-out from profits, as they did last year, there will be no 1956 bonus, the directors of the Company have announced.

The group's profit-sharing scheme is dependent on the amount of dividend paid to shareholders. This has been cut from 10 per cent. to 7½ per cent., and means, an official of the Company said, that there will be no bonus for the employees.

Difficult trading conditions in the textile industry more than halved the untaxed earnings of the Company in the past twelve months, according to the Directors' report. After charging £17,253 for taxation, against £520,018, net profit for the year was £182,953, against £338,483.

In the past six years £465,684 has been distributed in bonuses under Tootal's profit-sharing scheme.

Careers in Cotton

A new mill apprentice training scheme which opens the door to £1,000-a-year jobs has been welcomed by the Manchester-based Textile Officials' Association. "It is apparent that unless the youth of today know what possibilities the future holds for them in an industry it will not command their respect," said the Association in a report.

In the past there has been nothing in the trade's "shopwindow" to attract young people, especially boys. Employment advisers had never been in a position to tell these potential heads of department what the trade offered to those seeking advancement.

The apprentice scheme has been introduced by the Lancashire Cotton Corporation, the world's biggest spinning group. Six apprentices will be accepted in the initial stages. Apprentices will attend Bolton or Oldham technical colleges for one day a week and one or more evenings at the Company's expense. Practical training in the mill will dovetail with the technical college courses and apprentices will be members of the mill staff.—*All Rights Reserved.*

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SUGAR UNDER SECOND FIVE-YEAR PLAN

CAPACITY TO BE STEPPED UP BY 760,000 TONS AT A COST OF RS. 51 CRORES

THE tempo of activity in the sugar trade will be considerably accelerated in the next five years. So ambitious is the scheme of development drawn up for the sugar industry, the full details of which are now available, thanks to the publication of the *Programmes of Industrial Development* (1956-61) by the Planning Commission. The sugar industry is one of the six industries which account for the largest outlay. Thus, out of the aggregate expenditure of Rs. 1,094 crores earmarked for industrial expansion in the public and private sectors, the share of this industry comes to Rs. 51 crores, or 4·7 per cent. of the total. The amount represents an increase of as much as Rs. 46 crores as compared with the estimated actual investment of Rs. 5 crores in the first Plan period. It will be spent on the implementation of schemes for augmenting the rated capacity of the industry by 760,000 tons, in order to achieve the capacity target of 2.5 million tons and the production target of 2.25 million tons by 1960-61. The capacity, it may be noted, is calculated on the basis of an average working season of 120 days and sugar recovery of 10 per cent. In addition to this amount, the cost of replacing old machinery and modernising the equipment of the existing units is placed at about Rs. 50 crores, as against Rs. 10 crores incurred during the first Plan period for normal repairs, minor additions, modernisation, change in process, etc. The establishment of the additional capacity of 760,000 tons of sugar is expected to provide employment to nearly 30,000 persons.

The first Five-year Plan, it will be recalled, did not envisage any expansion in the rated capacity of the sugar industry. For the Planning Commission considered that the capacity of 1.54 million tons (1950-51) was quite sufficient to meet the total estimated requirements of 1.5 million tons at the end of the Plan period (1955-56). It was accordingly visualised that no new sugar factories need be set up during the Plan period. Emphasis was, of course, laid on adoption of measures designed to utilise the idle capacity by shifting the unfavourably located units to more suitable sites, to expand uneconomic units, and to raise the supply of sugarcane to mills, so that the average number of working days might be increased from 100 to 120. The planners' estimate of sugar consumption, however, proved wrong. Following decontrol of sugar towards the end of 1952, consumption began to rise steeply and touched a high of 1.81 million tons in 1953-54. In order to bridge the wide gap between demand and production, large quantities of sugar had to be imported.

Policy Reviewed

Thanks to the changed situation thus, the policy of restricted development was reviewed in 1954 and it was decided to license additional capacity freely, so as to augment the capacity of the industry to not less than 2.0 million tons, which, it was presumed, would be sufficient to give a production of 1.8 million tons of sugar per annum for meeting fully the requirements of the country under conditions of decontrol. Accordingly, licences were issued for the establishment of 43 new sugar factories and substantial expansion of 42 existing units. The total additional capacity approved up to the end of March 1956, amounted to 725,000 tons. Of this, a capacity of 85,000 tons went into production in 1955-56. A capacity of 220,000 tons is expected to come up in 1956-57, about 250,000 tons in 1957-58 and the balance of 170,000 tons in the following years. The State-wise distribution of the additional capacity licensed is indicated below:

	Sugar factories existing in 1955-56		New factories	Expansions	Additional capacity licensed (000 tons)
	No.	Capacity* (000 tons)			
U.P.	73	803	2	22	175
Bihar	30	344	..	3	12
Bombay	16	158	17	7	228
Andhra	10	75	4	4	71
Madras	6	55	7	..	73
Madhya Bharat	5	30	..	..	..
P.E.P.S.U.	3	27	..	1	4
Hyderabad	2	41	2	1	25
Mysore	2	24	4	1	43
W. Bengal	2	19	2	1	20
Rajasthan	2	13	..	..	..
Orissa	2	4	..	1	4
Punjab	1	30	3	1	55
Travancore	1	6	..	..	..
Saurashtra	1	5	..	..	..
Vindhya Pradesh	1	1	..	..	..
Assam	1	1	2	..	71
Chief Commissioners' States	2	17	..	..	..
Total	160	1,743	43	42	726

* Calculated on the basis of an average working season of 120 days and sugar recovery of 10 per cent.

A special feature of the additional capacity licensed is the provision for establishing a large number of cane-growers' co-operative sugar factories. Of the 43 new factories proposed to be set up, 22 are co-operative enterprises—14 in Bombay State, 3 in the Punjab, 2 in Mysore and 1 each in Uttar Pradesh, Madras and Assam.

The crushing capacity of sugar factories operating in the country varies from 220 tons to 3,200 tons of sugarcane per day. Under present day working conditions, a factory with a crushing capacity of 700-800 tons of cane is considered to be an economic unit. In the first Plan period, three uneconomic units expanded their capacity to 700 tons and above. Of the 143 mills which worked during 1955-56, 31 mills had capacities below 700 tons. Nine of these have been granted licences for raising their capacity above 700 tons. A majority of factories which remained idle during 1955-56 have a capacity below the economic level.

Co-operative Ventures

The aggregate capacity of sugar industry as on 1st April 1956 stood as already stated, at 1.74 million tons of sugar. When the unutilised licensed capacity of 640,000 tons—out of the approved capacity of 725,000 tons—is installed, the annual capacity of the industry will be about 2.38 million tons. The Planning Commission has approved in principle the establishment of 35 co-operative sugar mills on the basis of proposals put forward by the various State Governments for inclusion in the second Plan. Two of these have already been licensed. The remaining 33 units are expected to add a capacity of another 330,000 tons, raising the total capacity to 2.71 million tons, including the idle factories' capacity of 50,000 tons.

With regard to the licensing of additional capacity, it has been decided to permit generally the expansion of existing mills, provided enough sugarcane is available in the factory area and to give, in the case of new factories, preference to growers' co-operatives, particularly those sponsored by the State Governments in accordance with their approved development programmes. Nevertheless, it is emphasised that the licensing policy should remain open and that every application, whether co-operative or private, should be examined on its merits. At the same time, it is stressed that licences for new factories must be granted only when it is known that sufficient supplies of cane are already available or are expected to be available within a reasonable period around the proposed sites. It is further stated that, in granting licences, preference must be given to States in which there has been no or inadequate development of sugar industry or in regions, such as the Tarai area in Uttar Pradesh, where the sugarcane grown cannot be utilised for any other purpose.

Rehabilitation

In the development programme for the sugar industry, the Planning Commission has done well to attach special importance to the problem of replacement of old and worn-out machinery. This is only as it should be. As we have ourselves pointed out on more than one occasion, several factories have machinery and equipment most of which were purchased about twenty years ago. During the Second World War and the period immediately following, even normal replacements could not be carried out, as the parts were not easily available. The prices of sugar machinery were and are still high and substantially large funds are required to carry out replacements on any significant scale. The total cost of replacement is estimated by the Commission at Rs. 50 crores.

The Planning Commission has also drawn attention to the need for encouraging conversion of sugarcane-crushing plants from steam drive to electric operation. The heat economy of several factories, it is pointed out, is not properly balanced. Consequently, the factories not only turn their entire production of bagasse for raising steam for processing sugar and for generating power but also consume appreciable quantities of extra fuel in the form of coal and firewood. To the extent improvement in this matter is effected, the cost of sugar production will be reduced, surplus bagasse released for setting up subsidiary industries and the country's transport system relieved of the strain of carrying extra fuel to the sugar factories.

COAL MINING IN U.S.S.R.

PROGRESS TOWARDS COMPLETE AUTOMATISATION

THE Indo-Soviet economic co-operation in the sphere of coal mining envisages the stay in this country of a group of Soviet experts for a period of six months, with a view to rendering technical aid by training Indian engineers to handle the new coal drilling equipment which the Soviet Union has undertaken to supply to this country. The first consignment of such drilling equipment was recently shipped to India for use in the State coal mines and consisted of twenty rigs, including boring machines for test drilling and self-propelled drilling installations. It is noteworthy that consultation and aid on the part of Soviet specialists are not included in the price of machinery and are given free of charge.

The outfit of test drilling included in the aforesaid shipment is said to be of an improved design and exploitation qualities. It is said to be the best model of a mobile unit. It is also said to be a compact unit, equipped with all the necessary drilling tools, so that its installation at a new drilling spot takes very little time. This unit, it is further claimed, has won wide international recognition. It has been displayed at many industrial exhibitions and received a high rating of experts in various countries. Argentine and Lebanon are among the latest countries which have purchased such outfits.

The growing popularity of Soviet equipment for coal mining is evidently due to the substantial progress made in that country in the manufacture of the most modern machinery, necessitated by its bid to automatise completely coal mining. Not only has mechanisation fundamentally changed the conditions of work in mines but also raised labour productivity manifold. The cutting machine does the work of scores of miners and the coal "combine," that is a combination of machines performing several operations simultaneously, does the work of even more. An idea of its production efficiency can be had from the fact that it is capable of producing as much coal in a month as three miners working by hand can produce in three and a half years. Coal production in the U.S.S.R. now amounts to 390 million tons per annum. During the last five years, labour productivity increased by 25 per cent. and cost of production per ton of coal was reduced by 14 per cent.

The use of "combines" in coal mining is not however, free from short-comings. Besides consuming a lot of electricity, it results in 40 to 50 per cent. of the seam turning into small bits or coal dust in the process of extraction. Scientists are, therefore, seeking persistently new and more economical ways of extracting coal. The "combines" do the work of cutting, breaking up and loading the coal on the conveyor. Though these operations are important by themselves, there are other important processes of production, such, for instance, as the timbering and transportation of coal. The mechanisation of these processes also is being attempted. Numerous types of conveyors for transporting coal have been developed and are being tested.

Before long, the Soviet coal industry will be using extensively a new type of machine which will make it possible to automatise completely all labour-consuming processes. Energetic steps are being taken to develop a unit consisting of a set of machines simultaneously extracting, loading and hauling the coal and combined in a single design with mobile mechanised props. Operation of all the mechanisms is to be centralised and handled by the operation with one or two assistants from a control panel located in the nearest drift. The world's first mining unit of this kind has already been designed and built. When the whole process of coal mining is thus automatised, there will be no people at the "face," for the first time in the history of coal mining. That day is said to be not far off.

Another important step forward in the mining of coal in the U.S.S.R. will be the use of water for extraction. Plans have been drawn up for building in the Urals the first two mines to extract coal by hydraulic methods. Each mine is designed for a daily output of 1,000 tons of coal. The breaking and extraction of coal will be affected by water fed at a pressure of 40 atmospheres. From the coal station located underground at a depth of 100 to 150 metres, the pulp will be brought up to the surface by suction pumps to be sintered and dehydrated there. The Soviet Union's sixth Five-year Plan provides for the introduction of the hydraulic method of coal mining on a fairly large-scale. the quantity expected to be produced by 1960 being 12 mn. tons.

TEA CONTROL AND MARKETING IN 1955-56

U.P.A.S.I.'S ANNUAL REPORT

THE many problems which confronted the plantation industry of South India during the past twelve months and the manner in which they were dealt with are described exhaustively in the Annual Report of the United Planters' Association of Southern India which held its sixty-third annual conference in Coonoor, Nilgiris, this week.

Scientific research in tea appears to have received special consideration during the year. We see from the Report that the Tea Board has recently approved and forwarded to the Government of India a scheme of expansion of research which involves a capital grant from the Board to the U.P.A.S.I. of a sum of Rs. 14,66.900. This sum would be used to establish a central research station and a sub-station in one of the tea districts.

Referring to tea control and marketing, the Report states that, pending the finalisation of the new rules for the grant of permits for extension of tea areas, applications for permission to extend tea areas were being dealt with under the provisions of the Indian Tea Licensing Committee (New Planting) Rules of 1951. But the Association has drawn the Board's attention to the fact that a number of members are unable to make preparations for new planting until the general policy with regard to extensions is actually known.

Early this year, the Tea Board had drawn up a scheme for the licensing of packers, distributors and exporters of tea with the object of keeping under check the sale, distribution and export of sub-standard teas. It was intended that the scheme of licensing should, in the first instance, be enforced only on two categories, the packers and the exporters. The Association had informed the Tea Board that, while it fully recognised the need for some form of control over dealings of sub-standard teas, it did not consider that the scheme as proposed would help this object. In the first place, it would be improper to exclude distributors initially from the scheme, as to do so would not only be unfair discrimination against packers and distributors but would also imply that distributors were not concerned so much in the sale of adulterated or sub-standard teas. It was also pointed out that, in respect of details, the scheme placed many unnecessary restrictions on trading, and that it would adversely affect the marketing and distribution of tea, particularly in the rural areas. The Board had now appointed a sub-committee to go into the scheme with a view to simplify the procedure and to apprehend the real offenders involved in the sale, distribution and export of sub-standard teas, without undue harassment of the honest dealer.

The Report deals exhaustively with the efforts made by the Association to secure a suitable revision in the scales of the present export duty and particularly a reduction, if not the abolition, of the minimum rate of 4 annas a lb. The present system of levy has placed South Indian tea at a considerable disadvantage, because of the fact that, for several months since January 1955, South India teas had fetched prices which were considerably below those fetched by North India teas and yet South India teas have had to pay the same rate of duty. The Association had also proposed suitable revision in the scales of duty so as to ensure that no duty would have to be paid when the price of tea was uneconomically low. The Government had, however, replied in April 1956 that it was not feasible to have different rates of duty for North and South India and that, the market having firmed up, they did not consider that the present level of duty was calculated to hinder the exports or to deny a fair return to the producer.

Imports of tea machinery into India being rigidly controlled, the growers of tea had difficulty in obtaining certain types of machinery. The Tea Board had declined to recommend applications from planters for certain machinery on the ground that these were available from indigenous manufacturers. Some planters had, however, complained that the machinery were either not obtainable in India in the exact sizes required, or if they were available, the manufacturers were taking an unduly long time to make the supplies.

ANNUAL MEETING OF SEN-RALEIGH INDUSTRIES OF INDIA LIMITED

MR. S. K. SEN ON INDIAN BICYCLE INDUSTRY

THE view that India will soon take its place amongst the premier bicycle manufacturing and consuming countries in the world was expressed by Mr. Sudhir Kumar Sen, Chairman of Sen-Raleigh Industries of India Ltd., in his address to the shareholders of the Company at their Sixth Ordinary General Meeting held in Calcutta on 28th August 1956. He also disclosed that, in order to make its contribution in the fulfilment of the plan for the industry's development under the second Five-year Plan, the Company had applied to the Government for permission to increase its production to 200,000 bicycles per annum and 500,000 sets of components. Mr. Sen indicated that a further call on the shareholders would be made to meet a part of the finances required.

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

"It is my pleasant duty to place before you the accounts for the year ended 30th September 1955. You will no doubt agree with me that the Company has made definite strides during this year. The results are encouraging and satisfactory.

"The net turnover recorded a further increase from the previous figure of Rs. 88,20,000 to Rs. 1,12,95,110—an increase of Rs. 24,75,110 over the previous year's sales. The net profit for the period has risen by over Rs. 6.5 lakhs to Rs. 11,07,056 and this has fulfilled the expectation held out in my speech last year about the early payment of ordinary dividends. Operating results this year have allowed your Directors to recommend payment of the first Dividend of 6 per cent. free of income-tax for the ordinary shares of the Company, whilst maintaining payment of the 5 per cent. tax-free dividend on preference shares. This has been made possible after writing off all previous losses, initiating the creation of a general reserve, and writing off normal depreciation. The total depreciation written off in four years of operation has been to the extent of Rs. 21 lakhs.

"Another notable event benefiting the shareholders has been the acceptance of the shares of the Company by the Native Share and Stock Brokers' Association for enlistment on the Bombay Stock Exchange. Members will be pleased to learn that reports from Bombay indicate that the ordinary shares have been at a premium since enlistment.

"The shares of the first and second issue, not being fully paid up, have been forfeited and steps have also been taken, to re-issue the forfeited shares out of the first issue.

A Welcome Feature

"A welcome feature of the bicycle trade in 1955 appeared to be the acceptance by the Indian market of Indian bicycles as a mainstay of the trade. This resulted in profit margins being established on almost all Indian products as opposed to the feature in previous years when the profit arose mainly from the very restricted imports, and the Indian products were held to be a secondary source of supply.

"This reorientation of thought amongst the Indian traders was a necessary corollary for further expansion and consolidation of the Indian bicycle industry. I have often called for a realistic attitude and objective for dealers, and I am glad to say that within my lifetime I have lived to see the day when the Indian bicycle is standing on its own, in quality and consumer demand, against all comers, and returning a reasonable profit to dealers.

"Your Company closed the year with record orders on its books for both bicycles and components. All products recorded increased sales, and orders, as usual, were in excess of production capacity in all lines, except in the case of bicycle chains. The position in regard to chains had been affected due to large imports at low rates of duty, under various heads other than as bicycle accessories, and this had created a glut on the market. Repeated and continuous representations to Government have produced some check on such activities, and it is hoped that the position regarding chains will improve in the near future. It is admitted that our chains stand supreme for quality, endurance and value.

Government's Import Policy

"Government policies regarding imports continued to follow the pattern set in 1954 of fairly liberal licences for bicycles and components. Liberalisation to this level, however, did not affect the indigenous manufacturers' sales to any great extent, although the imports did bring down profit margins on the imported bicycle range. If, however, the experiment is continued, it may endanger production by the Indian industry, and care should be taken by the Government in framing future import policies, so that the expanding industry is not affected adversely. The demand for bicycle in this country has grown continuously over the past few years, and the year 1955 was not only a record production year for your Company but also for the Indian industry. With a production of about 550,000 cycles, and an import of 150,000 bicycles, the consumption of bicycles this year constitutes an all-India record.

"All indications are that India will take its place amongst the premier bicycle manufacturing and consuming countries in the World, and I am glad to say that bicycles have been given reasonable prominence in the second Five-year Plan by the Indian Government. The Development Council for Bicycles, a body formed some years ago by the Government of India, representing industry, trade and consumers, to advise on the Indian bicycle industry to the Commerce and Industries Ministry, had been asked to submit to the Indian Government its views on what targets should be framed for the bicycle industry in the second Five-year Plan, and a target of 1.25 million bicycles to be made in India by 1961 was advocated by the Council and accepted by the Planning Commission. Your Company expects to play a prominent part in the fulfilment of the Second Plan as it has done in the First. To this end, applications have been made some time back to the Government of India for increases in capacity to be allowed to your Company to raise production in the bicycle wing to 200,000 bicycles, and the component wing to half a million sets of components. Plans for such expansion are already under active preparation at associate factories in the U.K. and the continent at the instance of your Directors.

Finance for Expansion Plan

"These expansion plans, along with the plan for manufacture of freewheels, and bottom bracket axles, for which plant is now in order, or on the way, will make further calls on the capital of the Company, and it has been thought prudent by your Directors to approach the Industrial Finance Corporation for a further loan of at least Rs. 15 lakhs. They have also considered the advisability of getting the balance of the Company's share capital subscribed.

"All the expansions are expected to take place within the second Five-year Plan period, and to help in the implementation of these plans, Mr. L. C. Clarkson, Works Director of Raleigh Industries Limited, visited India early in 1956 for a first-hand assessment of the situation.

"Whilst considering the second Five-year Plan, your Company has also considered the wider aspects of the Government's policy for raising the standard of living in the country and, as its contribution on the social side, has planned an extension of housing benefits to cover the majority of its Asansol factory workers at Kanyapur. A start was made with 200 houses last year, of which 144 have already been built, and 56 are help up due to the cement shortage. Further quarters for housing executive staff, clerical staff and workers are expected to be developed during the Plan period.

Small-scale vs. Large-scale Industries

"Encouragement of the small-scale and cottage industries and co-operatives as a policy

(*Continued on page 439*)

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STEEL AND ITS FIVE CHIEF RIVALS

THEIR RESPECTIVE COMPETITIVE QUALITIES

NOW that India has practically finalised the initial arrangements towards increasing the production of steel from the present 1.25 million tons to over six million tons by 1960-61, it is of the utmost importance that steel does not lose its position of technical excellence. This is not, of course, a matter on which one's wishes could be the determining factor. Much will depend on the trend of steel prices. If prices of steel moved up steeply, then there would be some consumer resistance to the use of steel. In this respect, India is fortunate, in that it possesses abundant supplies of high-grade ore and economic location of other raw materials. So, there is no immediate danger of the cost of steel going up to unduly high levels. But the fact is that steel cannot be considered in isolation. Other materials, notably, aluminium, are actively engaged in competing with steel for consumer preference.

What inroads have these materials made into the steel market? To what extent are they a threat to steel? These are difficult questions and perhaps no definite answer could be given to them, what with the continuing technical progress in this field and the complex nature of the inter-relationship of these metals. But the steel interests will no doubt feel gratified by the verdict of the Economic Commission for Europe which, in a report entitled *Steel and its Alternatives*, avers that the inroads made by alternative materials into steel are quantitatively small and will probably remain so in the near future. The report, however, warns that there is considerable and growing competition.

What are the comparative advantages and disadvantages of steel and its five chief competitors, namely, aluminium, plastics, asbestos-cement, concrete and timber? All the five materials, the report notes, are lighter than steel, and all, except wood, have a higher corrosion resistance. As regards heat resistance, all materials concerned, except perhaps concrete, are inferior to steel and this applies to strength and elasticity.

Complex Factors

While a variety of complex factors go into the estimation of relative prices, aluminium, generally speaking, is considerably more expensive than steel; so are plastics, though, with many important developments recently, it seems likely that the price ratio will tend to narrow; asbestos-cement is less expensive as is concrete (and both are more limited in use); timber has become steadily more expensive in relation to steel and there is no reason to expect a reversal of this trend. As a rough generalisation, the E.C.E. report states, it may be assumed that installation cost will be normally lower for all the competing materials owing to their lightness, although the degree of difference is bound to vary according to the material. Maintenance cost (largely dependent on corrosion resistance) of all materials, except timber, will generally be lower than that of commercial steel. The main points where competitive materials have the advantage over steel, the report says, are: price for equal volume as compared with price for equal weight, installation and maintenance cost.

Steel has met some resistance from prestressed concrete in the sphere of bridge building. Other construction work in which substitutes are used for steel include reservoirs for water, gas and oil; hangars and industrial buildings, poles and towers, and residences. In noting the advances of other materials in use in this field, one should remember that these materials also compete among themselves. In the motor vehicle industry aluminium and plastics have so far been the principal competitors with steel, their main advantages being lightness and resistance to corrosion, though steel is far stronger and appreciably cheaper. In the manufacture of commercial vehicle bodies, a variety of factors tends to offset the higher cost of aluminium or plastics. First, the saving of deadweight increases the payload; secondly, there is a decrease in maintenance cost; thirdly in many European countries, where commercial vehicles are taxed on the basis of weight and horse-power, any saving in weight reduces the tax.

These advantages apply less to passenger car bodies, since their weight saving is only slightly reflected in lower costs. Up to now, plastics have been little used in production of passenger car bodies. But there are certain advantages such as lightness, lower tooling costs and streamlining which are clearly substantial and their influence on the decisions of motor car manufacturers will grow if prices of reinforced plastics decline relatively to steel sheets. The competition which confronts steel in railways arises mainly from aluminium rolling-stock and from timber and concrete sleepers. Again, plastics have played but a minor role. The principal value of the competing materials has been in their lightness, a factor which also influences their position in shipbuilding.

In shipbuilding, steel competes with aluminium and on a smaller scale with plastics. Timber also was a competitor in the past, but, by now, the respective fields of steel and timber have been more or less established. In the future, a three-sided competition among steel, aluminium and plastics may be expected. In addition to its advantage of lightness, aluminium has high corrosion resistance and wide possibilities of prefabricaton. These advantages are offset by a number of disadvantages, mainly that of low strength. Plastics have been used so far mainly in the construction of light craft such as sport boats and barges used on inland waterways demanding small craft.

Tubes

Only recently have tubes begun to be manufactured from materials other than steel or cast iron, that is, from asbestos-cement, plastics and aluminium, the report declares. Asbestos-cement piping has been used for some time for carrying wafer. The corrosive effect of oil on cement does not allow its use as an oil carrier and its low tensile strength is against its use as gas piping. Aluminium tubes have been used on only a very small-scale. An experimenter in the United States has however, produced an aluminium oil pipe which is claimed to be cheaper than steel pipe. Tubes made from plastics are coming into use on an ever-increasing scale. The chief materials are polythene, polyvinylchloride and butyrate. They have served mainly for cold water, seldom for oil, since their strength and heat resistance are relatively low. However, these technical shortcomings may be overcome sooner or later as new products are developed.

No definite answer is, however, possible for the question as to the precise amount of steel displaced by the competing materials. Yet in the sector of the steel industry making thin flats and tubes, competition, it is stated, is not insignificant. The report recognises that the steel industry is well placed to meet the competition from other materials. In any case, it should be clear that it is all to the good of consumers that such competition should exist, for it is only under such conditions that there will be marked incentive for producers to reduce production costs.

OIL AND NATURAL GAS COMMISSION

A high-power oil and Natural Gas Commission has been set up by the Government of India to undertake exploration, exploitation and refining of mineral oil. Mr. K. D. Malaviya, the Union Minister for Natural Resources will be the Chairman of the Commission, while its two other members will be Mr. A. M. N. Ghosh, Director, Oil and Natural Gas Directorate, and Mr. C. S. Menon, Joint Secretary, Ministry of Finance. The Commission, which will absorb the Directorate of Oil and Natural Gas, will have its headquarters in Dehra Dun. It will be armed with powers of administration and implementation of the agreement between the Government and the oil companies for joint operations. It has been empowered to inspect the oil fields held by private concessionaires for ensuring systematic development of India's oil wealth.

The Commission will conduct geological and geophysical surveys, drilling and prospecting independently or with other Government or private organisations to prove and estimate the workable reserves of oil deposits. It will organise laboratory investigations in connection with the work of exploration, production or refining of oil, collect and publish statistics relating to oil and natural gas, and maintain information regarding world production, trade, mining rules and other related matters. Excepting certain investigations for petroleum carried out by the Geological Survey of India as part of its normal field programme, geophysical surveys, prospecting and exploitation of oil reserves have so far been carried out entirely by foreign oil companies.

NEW AIR PORTS

Eight new aerodromes are expected to be constructed during the period of the second Five-year Plan—at Calcutta (for use of the Calcutta Flying Clubs), Hubli, Shillong, Nowgong, Ratnagiri, Bhagalpur, Behalia and Kozhikode. This information was given by Mr. Raj Bahadur, Deputy Communications Minister, in reply to a question in Rajya Sabha. He added that two airfields—one at Malda and the other at Haldwani—would be ready by 1958.

INDO-STANVAC OIL PROJECT

DRILLING OPERATIONS TO COMMENCE

AN intensive search for oil in West Bengal will commence shortly, thanks to the Indo-Stanvac Petroleum project. A drilling rig of the latest design for use in the State, according to Mr. T. T. Conger, General Manager of Standard-Vacuum Producing Division, has been ordered from the U.S. This rig, he further stated, was "tailor-made to meet the specific needs of the area." The site for commencing drilling operations has not yet been chosen. But this selection is expected to be made shortly.

The Indo-Stanvac oil project is the result of an agreement concluded between the Government of India and the Standard-Vacuum Oil Company in 1953, in order to explore jointly, and if successful, produce oil in an area of 10,000 square miles in W. Bengal. One of the first requirements of any exploration is uncontested title to sub-soil rights. Such rights were not established until April 1955, when, as a result of the West Bengal Estates Acquisition Act, these titles became vested in the Government of Bengal. Even before this legislation was passed, the Stanvac had commenced preliminary surveys. Thus, the reconnaissance gravity meter surveys were commenced in May 1954 and seismic surveys in December 1954. But these surveys, it is stated, have not revealed the "probable existence of outstanding geological features where oil might be found and more extensive and detailed investigations have been necessary." The Government is expected to issue exploring licences for the Indo-Stanvac Project in the near future and subsequently a prospecting licence will be applied for.

The preliminary surveys have been carried out by the Stanvac at a cost of about Rs. 1.25 crores. It is believed that, when drilling commences, much heavier investments will be involved. The drilling rig and equipment alone will cost about Rs. 40 lakhs, while other expenditure will be incurred in the purchase of local equipment and supplies. It remains to be seen whether success will soon attend these drilling operations. Even in regions where drilling operations have been undertaken extensively and considerable knowledge of the local and regional geological picture is at hand, the ratio of success to failure is very small—about one in nine. Perhaps, the ratio will be much less in West Bengal. For, in this basin, described as a "wildcat" territory, there has never been a deep test well and the knowledge of the existing sub-surface geological conditions is practically *nil*. Based on experiences generally accepted elsewhere, the ratio of success to failure will be at least one in twenty.

The drilling project will be manned by qualified and experienced American and Indian drilling technicians. The overseas personnel will be hand-picked experts in drilling with years of experience and they will aid in the training of Indians. The whole project new employs about 300 skilled and semi-skilled workers. This number includes 28 Indian technicians and 10 foreign technicians. The 28 Indian technicians are undergoing on-the-job training in field camps and in geophysical and geological offices. The Stanvac has also sent four Indians to foreign countries for additional training in highly specialised fields. An additional eight Indian technicians are also being trained in the U.S. by a Stanvac's drilling contractor; these personnel will, however, be under no obligation to the Stanvac on their return to India. The Company has also made available to the Government of India the services of Mr. G. F. Kaufman, an expert with 30 years' experience in the business of oil search in Mexico, South America, Indonesia, India and the U.S.

Ships from India, Pakistan, and Ceylon will benefit from the deep-water berths at Dar-es-Salaam, Tanganyika (East Africa), which is now operating as an open port, although the official opening ceremony will not take place until the visit of Princess Margaret on 8th October. The official take-over of the deep-water berths and installations by East African Railways and Harbours from a British firm of consulting engineers was effected on 1st August, last. The largest transit shed in East Africa forms part of the £4.000,000 deep-water quay installation at Dar-es-Salaam. The Tanganyika Shed—as it will be known—is considerably longer than two football pitches placed end to end. With a length of 975 ft., together with a width of 150 ft., the shed provides 146,250 sq. ft. of floor space for cargo handling. The shed is spanned by structural steel trusses that obviate the use of pillars. Under the roof are double-storeyed customs offices and inspection rooms.

NEW PRODUCTS AND PROCESSES

New Milling Process for Vegetable Oil

A NEW solvent-extraction process for producing vegetable oils has been developed by the United States Department of Agriculture (U.S.D.A.) economies. According to U.S.D.A. scientists the new process saves both time and money, increases the yield of oil from the raw materials, yields high quality oils and is especially suitable for use in small and medium-sized mills. The present method of solvent-extracting vegetable oils from oilseeds requires many steps including moisture adjustment, cooking, cooling and pre-pressing. These steps are expensive and special machinery and extra labour and power are required, especially in the processing of high-fat-content oilseeds such as peanuts, sesame and castor beans. The new process eliminates the need for pre-pressing high-oil-content seeds and reduces initial installation and power costs. It also requires a low proportion of the solvent (hexane) to oilseed meats, as well as smaller solvent equipment than with present conventional processes. In the new filtration-extraction process, the oilseeds are rolled, cooked and crisped in the equipment used for the conventional hydraulic and screw-press mills. Only minor additions and modifications are needed. Specific conditions suiting each oilseed are selected for these operations. This processing yields a granular material in which the objectionable "fines"—material that is too finely crushed—are consolidated into larger agglomerates. This granular material is soaked with an oil-solvent mixture to dissolve the oil and then put on a vacuum filter. The strong oil-solvent mixture is separated from the meal in the filter and refiltered through the meal bed to reduce its "fines" content. The meal remaining on the filter is washed and drained several times before its removal. It then contains only 25 to 30 per cent. of solvent and its oil content is one per cent. or less. The solvent is removed from the oil and meal in conventional equipment now generally used.

Case-hardening

Following a successful running-in period the E.N.V. Engineering Company of Willesden, London, N.W. 10, has taken into full production a new £55,000 mechanised gas carburising furnace for case-hardening gears and other components. The furnace, which has been constructed and installed by Birlec of Tyburn Road, Erdington, Birmingham, 24, has a rated output of 600 lbs. of work per hour and at present about 30 tons of components pass through it each week. Material treated at E.N.V. Engineering consists of a variety of transmission gears for motor vehicles, industrial machinery, aero-engines and marine drives. The gears are loaded on 18-inch square heat-resisting trays which are moved through the furnace on three parallel tracks. Each tray is capable of carrying up to 150 lbs. of gears. The furnace is heated by means of gas-fired radiant tubes arranged transversely above and below the conveyor tracks. Full output is obtained with a gas consumption of about 4,200 cubic feet per hour. Carburising atmosphere is formed from propane gas supplied by Shell-Mex and B.P. which delivers it to storage tanks by means of road tank wagons. A feature of the furnace is the extent of mechanisation and automatic control which has been incorporated in the work handling system and which enables the plant to be run at full output with only two men. Designed by Birlec for a specified range of duties, the new furnace is claimed to be particularly suitable for the flow-line requirements of factories engaged in the large-scale production of gears. It has been developed from a series of mechanised heat treatment furnaces and is stated to bring the carburising process into line with modern ideas on methods of production.

Paper-covered Wood

The U.S. Department of Agriculture's forest products laboratory at Madison, Wisconsin, has developed a paper-covered wood that has many qualities of Grade A lumbers. Low-grade lumber covered with resin-impregnated paper, it can be used for house siding, house trim, cabinet partitions, shelving, panelling, signboards and many other uses. The paper cover makes the use of cheaper lumber possible, masking such defects as knots, pitch pockets and splits. In tests, paper glued to pine wood reduced lateral swelling 25 to 40 per cent. When glued on oak, one layer of paper overlay reduced swelling 20 per cent. and a double layer 35 per cent. The paper-covered wood cannot be resawed or planed, limiting its commercial use to finished products. However, at present low-grade species of trees are growing faster in the U.S. than they are being used. This and other new uses which make it profitable to cut these trees allows foresters to make room for growing better trees.

Wheat Yields

Tests conducted with the co-operation of growers in the Columbia Basin wheat growing area of the United States Northwest by Oregon State College and U.S. Department of Agriculture, agricultural scientists have disclosed that nitrogen fertilisers improved both yield and quality of the soft white wheats grown in the area. In experiments last year it was found that protein content, important because millers and bakers prefer soft white wheats with protein levels from 8 to 10 per cent., was increased when nitrogen fertiliser was added to the soil. Wheat on test plots receiving no nitrogen contained less than eight per cent. protein —lower than millers and bakers prefer—despite a season drier than normal, a condition when protein levels are usually higher. In plots where nitrogen was added both yields and protein content rose appreciably, the protein level satisfying milling and baking requirements.

4 PER CENT. STATE GOVERNMENTS LOANS

			Issue Price.
(1)	Government of Andhra	Rs. 600 lakhs	Rs. 99-8 per cent.
(2)	Government of Bihar	Rs. 200 lakhs	Rs. 99-4 per cent.
(3)	Government of Bombay	Rs. 750 lakhs	Rs. 100-0 per cent.
(4)	Government of Hyderabad	Rs. 200 lakhs	Rs. 99-8 per cent.
(5)	Government of Madhya Bharat	Rs. 100 lakhs	Rs. 99-4 per cent.
(6)	Government of Madhya Pradesh	Rs. 150 lakhs	Rs. 99-4 per cent.
(7)	Government of Madras	Rs. 1,250 lakhs	Rs. 99-12 per cent.
(8)	Government of Mysore	Rs. 400 lakhs	Rs. 99-8 per cent.
(9)	Government of Orissa	Rs. 300 lakhs	Rs. 99-4 per cent.
(10)	Government of Punjab	Rs. 200 lakhs	Rs. 99-4 per cent.
(11)	Government of Rajasthan	Rs. 300 lakhs	Rs. 99-8 per cent.
(12)	Government of Saurashtra	Rs. 250 lakhs	Rs. 99-8 per cent.
(13)	Government of Travancore-Cochin ..	Rs. 200 lakhs	Rs. 99-4 per cent.
(14)	Government of Uttar Pradesh	Rs. 800 lakhs	Rs. 99-8 per cent.
(15)	Government of West Bengal	Rs. 700 lakhs	Rs. 100-0 per cent.

All the State Governments reserve the right to retain subscriptions upto ten per cent. in excess of the notified amount.

All the above loans will be repaid at par on 3rd September 1968 except that of the Government of Bombay which will be repaid at par on 3rd September 1970.

THE LOANS WILL OPEN FOR SUBSCRIPTION ON 3RD SEPTEMBER 1956 AND CLOSE ON 10TH SEPTEMBER 1956 OR EARLIER WITHOUT NOTICE AS SOON AS SUBSCRIPTIONS APPROXIMATE TO THE AMOUNT OF EACH ISSUE.

All the loans will bear interest from 3rd September 1956.

Subscriptions may be in the form of CASH/CHEQUE in respect of all the loans.

3% BOMBAY GOVERNMENT LOAN 1956, 3% MADHYA PRADESH LOAN 1956 and 3% MADRAS GOVERNMENT LOAN 1956 will be accepted AT PAR for conversion into the new loan of the Government concerned; interest on the securities of the respective loans tendered for conversion will be paid upto and including 2nd September 1956.

3½% TRAVANCORE GOVERNMENT LOAN 1956 will be accepted at PAR for conversion into the new loan of that Government. In addition to the interest due on securities of that loan tendered for conversion, tenderers will be paid interest at the rate of 4 per cent. per annum on the amount of the principal of such securities from 16th August 1956 to 2nd September 1956 inclusive.

APPLICATIONS FOR ALL THE LOANS WILL BE RECEIVED AT THE OFFICES OF THE RESERVE BANK OF INDIA AT BOMBAY, CALCUTTA, DELHI, MADRAS AND BANGALORE.

APPLICATIONS will also be received at PLACES WITHIN THE RESPECTIVE STATES as follows:—

(i) At the branches of the State Bank of India and at Treasuries and Sub-Treasuries in the case of Andhra, Bihar, Bombay, Madhya Pradesh, Madras, Orissa, Punjab, Rajasthan, Saurashtra and Uttar Pradesh loans.

(ii) At the branches of the State Bank of India in the case of West Bengal loan.

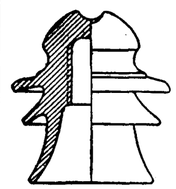
(iii) At the branches of the State Bank of India and at District Treasuries only in the case of Madhya Bharat loan.

(iv) At the branches and Treasury Pay Offices of the Hyderabad State Bank and at Treasuries and Sub-Treasuries in the Hyderabad State in the case of Hyderabad loan.

(v) At the branches of the Bank of Mysore Ltd., in the Mysore State except at Bangalore and at Taluk Treasuries in the Mysore State at places where there is no branch of the Bank of Mysore Ltd., in the case of Mysore loan.

(vi) At Treasuries and Sub-Treasuries only in the case of Travancore-Cochin loan.

Copies of Notifications and Application Forms may be obtained at any Receiving Office.



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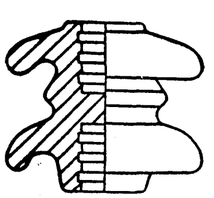


LABOUR AND WAGES POLICY

IMPLICATIONS OF DEMAND FOR OMNIBUS INCREASE IN PAY-PACKET

THE two important issues in the sphere of labour, which continue to attract attention, are the impact of the Industrial Disputes (Miscellaneous Provisions Amendment) Bill on the future course of labour policy and the implications of the demand of industrial workers for a straight increase of 25 per cent. in their wages. The Bill, which has now been passed by both the Houses of Parliament makes, as is well known, several far-reaching changes in the machinery for the settlement of industrial disputes. The other issue, namely, the demand for a wage rise is the subject of active discussion, for the demand is being voiced by several sections of labour opinion backed by the I.N.T.U.C., the most influential labour union.

Among the changes introduced by the Bill, mention must be made of the abolition of the Appellate Tribunal. During the discussion of the Bill in the Rajya Sabha, Mr. Shriyans Prasad Jain expressed the fear that, as a consequence of the abolition of the Appellate authority in labour disputes, industrial awards might vary from State to State or even within the same State. He suggested that, in order to ensure that the awards of industrial courts were impartial and free from executive influence, the judges of the courts should be appointed by the High Courts rather than by the State Governments. This suggestion was, however, not acceptable to the Government. Replying to the debate, the Union Deputy Minister for Labour, Mr. Abid Ali said that the appointment of judges for tribunals should be the job of the Government and that this responsibility could not be abdicated in favour of the courts. Defending the provision about the Government's powers to modify awards, he hoped that there would be no occasion in future to use the powers. He pointed out that, so far the Central Government had used these powers only once and the State Governments of the U.P., Assam and Travancore-Cochin on one occasion each.

The two issues, namely, the abolition of the Appellate Tribunal and the selection of personnel for industrial courts, were also discussed by Mr. Naval H. Tata, Vice-President of the Indian Merchants' Chamber, Bombay, in the course of his speech at the quarterly meeting of the Chamber held last week. After emphasising that he was particularly concerned at the absence of any provision for appeal against the decisions given by any sector of the three-tier system, namely, Labour courts, Industrial Tribunals and National Tribunals, Mr. Tata said:

"It is too much to expect of a quasi-judicial authority, however competent it may be, that its decisions would invariably be free from doubt and that, therefore, there would be no scope or room for a review of such decisions from the point of view of the parties aggrieved. In the light of past experience, it is reasonable to suggest that unless there is some machinery for reviewing the decisions of various tribunals which are sought to be brought into existence by the new legislation, at least on occasions when there is a miscarriage of justice, the future course of industrial relations in the country is bound to be seriously affected. While there are many who feel that the abolition of the Appellate Tribunal would result in bringing about conditions under which the essential factor of uniformity in the underlying principles governing industrial awards and decisions would be seriously jeopardised, I would, at this stage, particularly like to emphasise that Government should be persuaded to incorporate, at an early date, changes designed to permit a procedure for review whenever found necessary over the decisions of the new system of tribunals. There is also the question of the choice of the presiding officers for the new Tribunals; in terms of the provisions of the Bill, they are to be appointed by Government. It is but appropriate that Government should announce that they would be guided by a convention in terms of which all such appointments should be made by the Chief Justice of the High Court or the Chief Justice of the Supreme Court, as the case may be. Under the Bill, Government have power to reject an award made by a tribunal, or modify the same if Government feel that it will not be expedient, on public grounds, to give effect to it. Here also, Government should agree to develop a convention under which awards of Tribunals would not be varied except through a judicial review. It is a matter for disappointment that suggestions made by representative organisations for achieving changes in the above directions have not been given due consideration by the Ministry of Labour."

Clearly, the abolition of the Appellate Tribunal casts a special responsibility on the Government to ensure that the awards follow a certain pattern, that there are no significant differences in the awards given, in different States or in respect of awards in any particular State. This involves not only the selection of proper personnel, of men with a judicial outlook and some knowledge of industrial conditions to man the industrial courts but also the evolution of a body of agreed norms or principles which command a wide measure of support from both employers and employees. It is obviously in the interests of all the three principal parties concerned, the Government, the employers and the employees, that such a body of principles should be evolved, so that it could serve as a basis for reference by the tribunals in deciding industrial disputes.

An immediate issue is the demand by the workers for a 25 per cent. increase in wages. While this demand, as stated at the outset, continues to be made by the representatives of labour, the Government unfortunately continues to maintain its attitude of silence towards this issue. Analysing the implications of the demand, Mr. Murarji J. Vaidya, President of the Chamber, said:

"If the anticipated increase in national income is to be counterbalanced and frittered away by an immediate wage increase, the consumer will gain no benefit and industry as a whole will be worse off than it is at the moment. In a country like the U.K., they had the wisdom in the immediate post-war period to agree upon the freezing of wage level. A similar wage truce or freezing of wage levels is called for in India also, if we are not to dissipate the advantages gained through increase in national output, on the one hand, by uncalled for concessions to only a small and vocal section of the community, on the other. It might be argued that, when we are expecting labour to agree to a wage level freezing in the interests of preventing a rise in the cost structure of the manufacturing industries in the context of the existing inflationary trends manufacturers themselves should give the necessary lead by checking their own share of the benefits resulting from industry in the shape of profits. I may point out here that this is already done by the introduction of a graduated penal tax on additional dividends which, besides checking large distribution of profits, would automatically lead to a greater quantum of profits being ploughed back for developmental purposes. Only to the extent that we are able to preserve the gains for the benefit of the community as a whole, without clamouring for sectional advantages, shall we be able to make a real contribution to the building up and growth of a stable and solid economic structure of the India of our dreams."

Although no employer will or should suggest that there should be no increase in wages at all, it is certainly reasonable to contend that an omnibus increase of the type now demanded by certain sections of labour opinion would distort the pattern of industrial costs, and introduce grave complications in the wage structure. It would also distort wage differentials in each industry and thereby lead to considerable discontentment among the ranks of labour itself. In any case, the problem is much too complex to be solved by the simple expedient of a straight rise in wages. From this point of view, it is certainly deplorable that the Government has not yet defined its attitude towards this demand. Its silence is interpreted in some quarters to mean that it has accepted the demand and is only awaiting a favourable opportunity to spring a surprise on the country by means of an ordinance.

INDUSTRIAL HYGIENE

With the expansion of the pace of industrialisation there has arisen a need for investigating the problems of industrial hygiene. This subject has only recently attracted attention. It is, however, gratifying to note that the Tatas, in keeping with their tradition of enlightened management, are running an industrial health department. The report of the working of this department for the year 1955, covering five Tatas factories, Ahmedabad Advance Mills, Svadeshi Mills, Tata Mills, Tata Oil Mills, Sewri and Tata Chemicals, Mithapur, will be read with interest. The total clientele served by the department comes to about 18,000 and the staff employed consists of 9 doctors, 7 safety engineers and three training officers.

The introductory note to the report makes a very interesting reading. It rightly points out that the adage, "health is wealth" is nowhere more true than in industry. It adds: "But there are many in industry who are not in full health. Most of them have little idea of their disability as they somehow go through their daily chores. Besides, the cause of their ill-health is often as subtle as it is complex. It may be physical, mental or social in nature, or a puzzling combination of all the above factors. Not to solve the puzzle is to let loose tensions which may breed discontent, misunderstandings, disputes and lowered production. To tackle it is to enter an obstacle race.

An important factor which hinders production is employee absenteeism. Here, the report makes an interesting distinction between actual absenteeism and invisible absenteeism. It says:

"The absence is invisible when an employee is present in person but not in terms of production. One of the aims of industrial medicine is to help the production drive by removing as many causes of absenteeism as possible. India is fast industrialising, for increased production is the need of the hour. There is no lack of enthusiasm or talent, and money is being found; but the snag here is man with his many and changing moods. His mother-tongue is human values, while the language of industrial management is logic. Logic without human values makes so little sense to the industrial worker that he often holds up the best plans of efficiency engineers even though sound logic and good intentions may have gone in their framing. Researches, however, have been made and many studies indicate that the worker readily responds to all projects which aim to increase his efficiency through work studies, wage systems, promotion schemes, merit-rating schemes, financial incentives and so on, when those sponsoring such schemes take the trouble of considering the human aspects of such studies and schemes."

The report points out that technology leads to what it calls "management logics" of policies, costs, methods, standards, controls and so on. But the worker must understand the need to meet standards, the need to be cost-conscious, the need to be quality-conscious and safety conscious, and the need for co-operation. He can only do so when his sentiments, values and assumptions receive due consideration. It, therefore, stresses that "the major problem of industrial relations is with the minds of men." It adds "but body and mind are Siamese Twins. The behind-the-scene interplay between them is intimate. Moreover, both are acutely sensitive to their physical and social surroundings. Nor is that all. Man's many interests vary from time to time and place to place in rhythm with the changing environment, yet all of them have to be served if the target is his total health, and the target cannot be lowered if industry is to prosper."

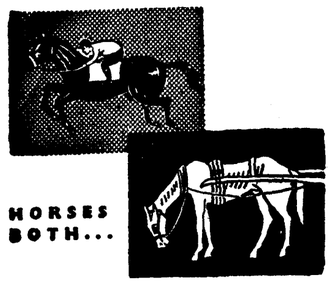
WORKERS IN VANASPATI INDUSTRY

Though unknown to Indian industrialists about 30 years ago, the *vanaspati* ghee industry has today come of age. The second largest food-processing industry in the country, next only to sugar, it now provides employment to some 125,000. The number of *vanaspati* factories has doubled since the achievement of independence—from a total of 24 factories in 1947, to 46 in 1950 and 48 in 1954. *Vanaspati* provides direct or indirect employment to about 75,000 workers, while about 50,000 dealers are engaged in the trade of selling the produce. It was introduced in India, through imports, after the First World War. It became popular, and the first factory for its manufacture was set up in 1930. Subsequently, the levy of an import duty gave impetus to the industry, and more factories came into being. Increased demand from the armed forces as well as the civilians during the Second World War provided further impetus to the industry. In 1954, there were 48 factories in India with a capital investment of about Rs. 25 crores and an annual production capacity of about 335,000 tons.

In 955, the Labour Bureau of the Government of India conducted a survey into the working conditions in the industry. The Bureau issued a questionnaire to 30 factories, of which 23 responded. The rates of wages vary from factory to factory and State to State. The average earnings were the highest in Bombay (Rs. 1,114-5-1), followed by Delhi (1,086-10-8), Madras (1,027-12-3) and West Bengal (1,002-11-11). During 1954, the average earnings of a worker were Rs. 816-10-3. Most of the factories observe a 45-hour week in the continuous process shift and 48-hour general shift. All units grant weekly holidays and varying leave privileges. Fourteen units provide housing facilities to their workers, while two paid house rent allowance and another two paid shift allowance. An equal number of units maintained well-equipped first-aid dispensaries, while five others depend upon the Employees' Insurance Scheme. Thirteen units run canteens and six provide educational facilities for the children of their workers. Co-operatives are run by six units. Provident Fund facilities exist in 13 units. All units, except one each in Bombay and Madhya Pradesh, have framed standing orders to regulate working conditions. Eleven units have works committees. Trade union organisations exists in 15 factories; only four of these unions are not recognised by the managements.

The Union Government has decided to extend the piece-rate system of wages for port workers to the Calcutta and Madras ports, since the system, enforced in Bombay had resulted in a "marked" improvement in the loading and unloading rates in Bombay. This information was given by the Deputy Minister for Transport, Mr. O. V. Alagesan, in the Lok Sabha.

In reply to another question, Mr. Alagesan said that the Government had appointed a special officer to consider the question of introduction of the incentive-bonus scheme, now prevailing in the Chittaranjan Workshop, to other railway workshops. The Railways, according to Mr. Abid Ali, Deputy Minister for Labour, are now considering the question of associating labour with management through the formation of management councils.



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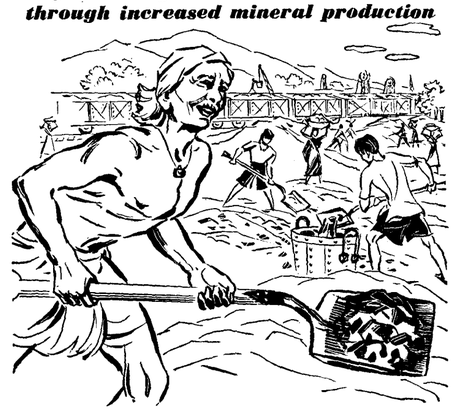

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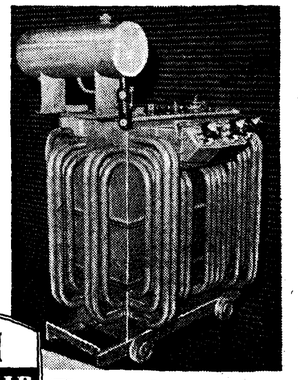

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BILATERAL TRADE AND EXPORT PROMOTION POLICIES

SOME RECENT TRENDS REVIEWED

IN our last issue, we dealt with some of the changes in the commercial policies in different countries in the course of the article entitled "Liberalisation of Trade Restrictions." Some notable changes, which took place in 1955 occurred in the spheres of Bilateral Trade Agreements and Export Promotion and to these changes, too, attention deserves to be drawn. A feature of the trends has been the change witnessed in the character of the bilateral agreements. Although the number of such agreements is almost the same as before, comparatively few of them have been designed to balance the total trade between the partners, as was the case in the earlier post-war years. A number of agreements negotiated, especially between East European countries and China, however, covered the whole range of trade between the partners. Morover, as a result of the increasing transferability of the currencies, the enjoyment by certain countries still using bilateralism as a major method of commercial policy of the reciprocal advantages inherent to such agreements has become difficult. The Report of the G.A.T.T. points out that, although the scope and rigidity of bilateral trade was further reduced in 1955 and there was a general awareness of the limited advantages that would accrue from them, the general elimination of such agreements was not within sight, chiefly because of the desire of some of the countries to maintain their exports as well as export prices, and to protect themselves, in the absence of a general renunciation of the bilateral arrangements by all the countries, against competition.

A distinctive feature of the developments during the year making for the avoidance of rigidity and inconveniences attending on the bilateral agreements was that of bringing more than two parties into payments relationships. The partly convertible D-Mark of the Federal Republic of Germany, for instance, which was transferable for current payments among a number of countries previously, was made further transferable among some more countries during the period under review. Finland, again, entered into what are called "flexible agreements" with a number of E.P.U. countries, according to which it could make payments for imports from any of them out of its export earnings from them.

More Turnover

Turning to the discussion of some significant developments in various parts of the world, the Report points out that trade agreements concluded between Western European countries aimed generally at increasing the trade volume in the sectors of the imports which remained under restriction. In certain cases, increasing trade resulted also from the substitution of volume quotas for quotas expressed earlier in value. Motor cars which remained under restriction in many European countries, for example, figured prominently in the bilateral arrangements between many of them. Certain of them, such as Norway and Sweden, also negotiated for increased imports of cars from the U.S.S.R. and Czechoslovakia. Although, again, a large proportion of the trade between Western European countries and Latin American countries still conformed to bilateral pattern, a number of agreements concluded during the year reflected a tendency towards liberalisation, as, for instance, in the agreement between Chile and Switzerland. In the Far East, too, there was a reduction in the proportion of trade conducted by Japan through bilateral clearing or barter. It had thus modified a number of its payments agreements including those with Germany, Italy and Sweden.

Turning to the Communist bloc countries which practise State trading, the Report observes that they had, during the year, entered into a number of bilateral agreements with other countries. Several Eastern European countries, for instance, concluded agreements with Yugoslavia, and the U.S.S.R. with Austria. "With these developments," the Report observes, "the net work of bilateral trade arrangements between East and West European countries became all but complete." East European trade, moreover, expanded most noticeably with Asia, Middle East and to some extent Latin America. The year 1955 will also be remembered for the re-orientation effected in the trade policies of the Communist bloc countries in relation to Asia, Middle East and Latin America. Increasing technical aid to these nations was also the result of the new policies. An agreement signed between the U.S.S.R. and Israel provided for the exchange of petroleum products for fruits. Under another arrangement, the U.S.S.R. agreed to supply investment goods to Syria in exchange for cotton, wool and other products.

Export Promotion

Discussing the trends in export promotion the Report submits, that studies in regard to export promotion, which falls into three divisions, namely, subsidies, export incentive schemes, and programmes for the disposal of surplus stocks, were limited for want of authoritative statements from most Governments. The information obtained, however, indicated that there was no substantial increase either in the level or in the scope of direct export subsidies.

In the field of export incentives, however, a number of measures involved the remission of direct taxes, the refund of social welfare charges, export trade guarantees, long- and short-term advances to exporters on favourable terms, schemes for currency retention and import entitlement, and preferential rates for the conversion of export earnings into domestic currency. A number of O.E.E.C. countries either reduced or abolished some of these incentives in compliance with the decision taken by the Council of the O.E.E.C. in January 1955 calling for the abolition of certain types of artificial aids. Some of the aids so withdrawn were the remission of income and profit taxes on exported products, refund of the fiscal charges on wages. But certain export credit guarantee and insurance schemes still remained in many European countries. Government Finance Departments in some countries issued directives to the banking system to make more liberal advances to firms manufacturing for export.

In Asia and Latin America, the steps directed at increasing the exports included exemption from the corporation tax on profits in respect of export transactions, provision of credit at rates cheaper than those prevailing in the market, supply of raw materials and the like. In Latin America, moreover, multiple conversion arrangements were provided to facilitate the conversion of foreign currency proceeds at favourable rates. Certain bilateral agreements also provided for guaranteed prices which were lower than those prevailing in the country of export.

As regards disposal of surpluses, the report rightly points out that agricultural price support policies followed by certain Governments led to the accumulation of large surplus stocks of many basic commodities. It adds that "the mere existence of these stocks and the manner of their disposal are likely to have an unsettling effect on international trade, and are therefore of great concern to countries exporting commodities involved." The Canadian Government, for example, supported the domestic butter market by offering to buy all surpluses. It also gave support to wheat. While the price prevailing at home was as high as 58 cents per pound, Canada sold to Czechoslovakia 314,000 lbs. of butter at 37 cents per pound. France also sold substantial quantities of wheat below the guaranteed domestic price. In the U.S., the stocks held by the Government under the Commodity Credit Corporation were valued at $6 billion at the end of 1955. The disposal of stocks of the value of $1,100 million abroad in the calendar year 1955 was carried out under two legislative Acts, namely the Agricultural Trade Development and Assistance Act, 1954 and Section 402 of the Mutual Security Act. Under the former Act, the U.S. contracted with 22 countries to dispose of commodities worth as much as $504 million in 1955. Under the second Act, again, disposals were valued at $355 million. The items mainly included wheat, cotton, food-grains, rice and tobacco.

It will thus be seen that, over the whole year, there was a certain measure of relaxation in the sphere of trade restrictions and flexibility in the sphere of bilateral trade agreements. It is to be hoped that this progress would be maintained in future and that it will be possible for the countries to reach a stage of freer trade and freer convertibility which are the *sine qua non* of economic stability and prosperity in the world.

FOREIGN EXCHANGE FOR SECOND PLAN

EXPANSION OF EXPORTS URGED

THE view that the success of the second Five-year Plan would depend to a large extent on measures taken to augment the availability of foreign exchange was expressed by Mr. K. P. Goenka in the course of his presidential address at the first quarterly general meeting of the Indian Chamber of Commerce, Calcutta, recently. Discussing the possibility of achieving the targets fixed in the Plan, he pointed out that the Plan itself was not over-ambitious. In view of the expanding industrial and agricultural production witnessed in the country during the period of the first Plan, it should be possible, provided the economic policies of the Government were conducive to the growth of industry and business, to muster the necessary resources for the implementation of the Plan. He felt that extension of the five-year period of the Plan to six or seven years would only slow down the pace of development which was not desirable.

Alluding to the large gap of Rs. 650 crores in foreign exchange resources in the Plan even after taking into account the present foreign exchange reserves and external assistance; he said that the gap gave rise to great concern, particularly because exports were not increasing at the desired rate. To add to this, the cost of imported plant and machinery was also rising continually which would further increase the strain on the meagre foreign exchange resources. Discounting the possibility of obtaining foreign capital to the extent adequate enough to cover this gap, he went on to add that the fulfilment of the targets in the industrial sector would be seriously jeopardised, if the gap was not made up. The framework of the Plan, he ventured to suggest, reflected thus a weakness, inasmuch as no adequate attention was paid for augmenting the country's foreign exchange resources.

Balance of Trade

Discussing the possibility of bridging the gap in the current balance of trade, Mr. Goenka pointed out that, during the last three years, the deficit in the country's trade balance had been on the increase continuously, because of increase in imports for purposes of development during the first Plan and of less than proportionate increase in the exports. The problem, therefore, could be tackled in two ways. In the first place, export trade in the commodities which India was in a position to supply should be expanded and, secondly, imports of those goods which were made available, or could be made available with expansions of the existing units internally, should, at the same time, be restricted. Dwelling further on the question of expanding exports, Mr. Goenka stressed that, in recent years, there had been no substantial expansion in exports, despite the steps taken by the Government in that direction. Cotton textile exports, for example, dropped by as much as 6 per cent. during the first quarter of 1956 as compared with those of the corresponding period last year. Moreover, Japanese competition and the ceiling imposed on the production of mill cloth combined to produce adverse effects. On the export trade, he pertinently remarked in this connection, "it is difficult to reconcile the limitations imposed on the production of mill cloth with a policy of encouraging exports which is bound to curtail internal supplies." He, however, welcomed the decision taken by the Commerce and Industry Ministry to allow installation of additional looms in textile mills for export purposes, and pointed out that any measures which tended to push up the cost of production of the industry should be avoided. He also hoped that Government's anxiety to develop cottage industries would not result in such measures as might cause permanent harm to the long-term interests of this vital industry.

Turning to jute manufactures which are another item of major exports, Mr. Goenka welcomed the recent decision for sealing 12½ per cent. looms as a step in the right direction. While pointing out that competition in that field had been increasing, he suggested the need for devising measures which would give outright assistance to the industry for developing its export trade. He further stressed the need for taking permanent measures for keeping the production of the industry at its optimum level. Referring to tea which was another important item of exports, the speaker emphasised the need for adequate propaganda abroad and pointed out

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THE VULCAN INSURANCE COMPANY LIMITED

THIRTY-SIXTH ANNUAL MEETING

CHAIRMAN ASKS FOR CLEAR ASSURANCE OF NO NATIONALISATION OF GENERAL INSURANCE

THE Thirty-sixth Annual General Meeting of the Vulcan Insurance Company Ltd. was held at Bombay on 24th August 1956 under the Chairmanship of Sir Behram N. Karanjia, Kt. The following is a summary of the Chairman's speech on the occasion and the proceedings of the meeting:

The Chairman, Sir Behram N. Karanjia, Kt., before dealing with the Company's activities during the year, referred to the great and irreparable loss suffered by the Company by the sad and untimely death of Shri Mangaldas B. Mehta in January last and paid a great tribute to the late Shri Mangaldas, who was a Director of the Company for about 20 years and Chairman of the Company after the death of Shri J. C. Setalvad in 1951, and said that Shri Mangaldas was a tower of strength to all his colleagues on the board and his wise guidance was of great value and assistance in the present growth of the Company.

Sir Behram N. Karanjia thanked his colleagues on the Board for having elected him as the Chairman of the Company and hoped that the same confidence would be placed in him as had been done in the late Shri Mangaldas and Shri Setalvad in carrying out the responsible and onerous work of the Company.

Nationalisation of Life Insurance

Referring to the nationalisation of life insurance business by Ordinance issued by the Government in January last, he said it had been the most important event affecting the insurance industry, although it did not affect directly the companies transacting general insurance business.

While nationalising life insurance business Mr. C. D. Deshmukh, the then Finance Minister, made it clear on behalf of the Government that the Government had no intention to nationalise general insurance industry. He, however, said that they were aware of the malpractices in the general insurance business and, if there was no significant improvement, the Government might have to re-examine the question. Such constant threat made it difficult for companies to plan and organise their working ahead to meet their responsibilities of handling much larger business and cope up with the rapid industrialisation taking place under the second Five-year Plan. Therefore, Sir Karanjia urged the Government to make a categorical assurance that general insurance industry will remain in private sector like many other industries, so that the companies can conserve their resources and go ahead with their future programme of expansion and development. He suggested that the Government through the Executive Committee can set standards, with a view to preventing any unhealthy practices, and requested all insurers should co-operate in order to make the working clean and sound.

He further referred to the Re-insurance Corporation, which is shortly coming into being, and said that it would be a source of strength to the national economy as it would save a lot of foreign exchange. He added that the Vulcan Insurance Company would be one of its promoters having agreed to subscribe to share capital. Eighty per cent. thereof would be in the hands of Indian insurers and twenty per cent. in the hands of foreign insurers. It will try to build up reinsurance relations in foreign countries.

He informed that the Head Office building under construction would be ready for occupation early next year, if not by the end of the year.

"Pool" Business

"Another question which has been seriously disturbing the insurance trade as a whole" Sir Karanjia said "is that Government intend to dissolve the Indian Insurance Companies' Association Pool and pass on that business to the three Companies which are subsidiaries of the newly established Life Insurance Corporation." Proceeding, he observed:

"You are aware that your late Chairman and Founder of the Company Shri J. C. Setalvad, played a very important part in the formation of the 'Pool' by which the insurance business emanating from the Government and semi-Government sources was secured for all Indian Insurance Companies through the 'Pool.' In view of the declared policy of the Government that whenever in an industry where both the private and public sector bodies are functioning, the Government will, it is hoped, adopt a non-discriminatory attitude in its patronage, because, after all, both are indigenous and deserve the support of the Government irrespective of who owns it or manages it. The Central and States Government business which was catered for by the 'Pool' has been distributed in an equitable manner between all the Indian companies. In fairness and equity, therefore, the Government should continue to distribute the 'Pool' business amongst those Companies, as was done hithertofore, instead of giving preference only to companies which are now owned by the new Life Insurance Corporation and thus do justice to the insurers in the private sector as per their declared policy and I appeal to the Government not to exclude the companies working under the private sector from getting the benefits of the Government business, but to continue the present distribution of the said business of 'Pool' undisturbed.

Income Higher

Referring to the Company's accounts he said that there had been an all-round increase in the premium income of all the departments; the expenses of management and commission, however, showed a slight increase which could not be avoided.

After providing the reserves for unexpired risks at 50 per cent. in the fire and miscellaneous departments and 100 per cent. in the marine department and additional reserves, as shown in the accounts, the Company made a profit of Rs. 4,07,448 in the fire department, Rs. 17,533 in the marine department and Rs. 38,677 in the miscellaneous department. He pointed out that a slight change was made in the presentation of the balance-sheet, as a result of eliminating some of the reserves under various headings which had been transferred to one account as 'general reserve' amounting to Rs. 12,80,000 and departmental reserves aggregate Rs. 22,85,246. The total profit in all departments amounted to Rs. 4,63,678, which he said, would be considered satisfactory.

"The income from Investment showed steady increase as the market value thereof is well over book value; however, the Directors considered it prudent to write off Rs. 24,733 as depreciation on investments that have actually depreciated. As already stated in the report, the investments have been written down to book value or market value whichever is less and the amount standing to the credit of investment reserve is now transferred to general reserve.

"The total income from interest, dividends and rent after deduction of income-tax thereon amounted to Rs. 2,23,776.

"After making necessary provision for other expenses, loss on sale of investments, etc., a sum of Rs. 6,78,470 has been transferred to profit and loss appropriation account subject to taxation. A provision of Rs. 5,60,000 has been made in the profit and loss appropriation account as reserve for taxation for the assessment years 1955-56 and 1956-57.

"Total net premium income from all the departments has increased to Rs. 32,04,151 from Rs. 30,09,583 in the previous year, while the total reserves of the Company, including the departmental reserves, amounted to Rs. 36,22,250 against Rs. 34,14,614 in the previous year, that is about 113.04 per cent. of the premium income of the Company."

In response to the requests of several shareholders at the last Annual General Meeting, the Directors recommended an increase in dividend to Re. 1-4 per share from Re. 1 in the past. The Chairman said that shareholders would find the working of the Company satisfactory showing and maintaining good results.

In view of satisfactory results, two months' salary by way of bonus was granted to the officers and the members of the permanent administrative staff. He placed on record the appreciation of work done by the General Manager, officials and staff both at the Head Office and branches and by the agents and field workers.

Shareholders' Tribute

Shri Gulabchand M. Shah, a shareholder of the Company, associated himself in expressing tribute paid to the late Shri Mangaldas who regarded the Company as his own. He congratulated the Company for maintaining good results and increasing dividend and said that this is one of the few companies in India which can be regarded as truly a well established concern. He welcomed the new Chairman and hoped he would give fruitful service to the Company for years to come.

Shri Gulabchand made a request to consider issuing bonus share in view of the Company having built up general reserve of Rs. 12,80,000 apart from other additional reserves against a paid-up capital of Rs. 15,99,270 and the Chairman replied that the suggestion will be considered by the Board.

In view of the hand bills handed over to some of the shareholders by some members of the Staff it was enquired of the Chairman as regards increase asked for in their emoluments. It was replied that it was already being considered and the needful will be shortly done.

The report and accounts were adopted. Dividend of Re. 1-4 per share was sanctioned. Sir Behram N. Karanjia, Kt., and R. B. Seth Rajkumarsingh Hukamchandji were re-elected Directors. Messrs. N. M. Raiji & Co. were appointed auditors and bonus was sanctioned to the officers and administrative staff.

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that Government's policy could influence, to a great extent, the competitive power of the industry through a change in its policy affecting labour, wages, taxation, and such other measures as having a bearing on the cost of production.

Mr. Goenka made a number of valuable suggestions for expansion of exports, such as sending of trade missions abroad, standardisation of exportable products, and expansion of the propaganda machinery in foreign countries. He further pointed out that, in many countries, Indian goods were hardly known and the limited machinery of the Government and the trade officers were not sufficient to cope with the problem. The speaker suggested, therefore, the setting up of permanent showrooms displaying Indian products in all prominent centres abroad.

Closely connected with the question of the country's foreign exchange deficit is the need for creating favourable climate to attract more foreign investment into the country. In this context, double taxable relief demands special consideration. Alluding to this, Mr. Goenka said that it was also necessary to create favourable conditions for the existing foreign enterprises to retain their interests in the country. Mr. Goenka observed that, at a time when all possible efforts were needed to develop India's export trade and mobilise all possible sources of energy and initiative of trade and industry towards that end, the decision of the Government to set up a State Trading Corporation to take over export trade of certain commodities was not helpful. He felt that State trading at this stage, besides dislocating the existing trade channels, would not result in augmenting the quantum of trade in any way. He hoped that, in view of the need for expanding the country's exports, the Government would reconsider the whole issue in all its aspects before it decides upon a policy of extending the activities of the State Trading Corporation.

In conclusion, Mr. Goenka stated that the achievements of the targets of the second Five-year Plan would necessitate the maximum effort of the nation, and, in that context, any controversy between the public and the private sector was out of place. He rightly pointed out that, so long as the development of the country's economy was the goal, all sections of the people had to give their best towards the fulfilment of the objective. The second Plan was thus a challenge to all sections, and a failure to implement it would lower the prestige of the country as a whole.

TATA IRON AND STEEL COMPANY, LIMITED

J. R. D. TATA'S SPEECH AT FORTY-NINTH ANNUAL GENERAL MEETING

TASK OF ECONOMIC DEVELOPMENT IS NOT BEYOND THE CAPACITY OF FREE ENTERPRISE

THE following is the speech of the Chairman, Mr. J. R. D. Tata, delivered at the Forty-ninth Annual General Meeting of the shareholders of the Tata Iron and Steel Company, Limited, on Thursday, 30th August 1956:

'LADIES AND GENTLEMEN,

"Much has happened, since our last Annual Meeting, to confirm the views on economic trends to which I had given expression in previous speeches. You will recall that, in these speeches, I had, apart from dealing with events and problems directly concerning our Company, taken a great deal of your time in sharing with you my hopes, doubts and fears about some of the economic policies of our Government. In particular, I had sounded a note of warning against some developments which seemed to me to threaten the balance of the mixed economy to which I thought we were committed: for instance, the trend towards a highly centralised form of State "capitalism;" the nationalisation of Life Insurance; the use of ordinances as a means of implementing economic policies; the frequent recourse to Constitutional amendments; and some of the provisions of the new Companies Act.

"While pointing to the dangers inherent in such developments, I had consistently made it clear that free enterprise in India unreservedly accepted the national objectives of increased production and equitable distribution and was anxious to co-operate with Government in the building of a practical Welfare State in which State enterprise and free enterprise joined hands in the common task.

Concentration of Economic Power

"If I took such pains to elaborate my views on these matters, it was not only because I felt that they were of vital interest to you as shareholders of this Company, but also because I hoped, that what I had to say might, perhaps, have a hearing in quarters where policy was fashioned. While I do not wish to waste your time in any repetition of the views previously expressed, I feel I must reiterate the concern with which I and many others view the ever increasing centralisation of economic power in the hands of Government.

"Nearly fifty years ago Woodrow Wilson said:

> 'The history of liberty is the history of the limitations of governmental power, not the increase of it. When we resist. . . . concentration of power, we resist the powers of death, because concentration of power is what always precedes the destruction of human liberties.'

"We are witnessing in India an uninterrupted growth of Governmental power in the economic field and are already well on the way to a strange and unnatural combination of political democracy and economic autocracy. The question that should agitate the minds of all of us is whether our political freedoms can long survive if our economic freedoms continue to be whittled away. Once all economic power is centred in Government, will it not be found equally necessary to curtail other freedoms in the interests of the people? Although there may be no danger that the able men in power today, motivated as they are by democratic ideals, will abuse their powers, history shows that the danger lies in the very existence of unlimited power which may one day fall into less worthy hands.

Nationalisation of Life Insurance

"The extent to which Government's economic powers can be exercised was strikingly demonstrated during the year by the sudden nationalisation of Life Insurance. Although spokesmen of Government have stated in the past that ideology played no part in the formulation of their economic policies, it is noteworthy that, during the debate in Parliament on the Life Insurance Corporation Bill, the then Finance Minister said:

> 'There was no need for Government to make out a case that private enterprise had failed in order to effect nationalisation. Nationalisation could be justified on grounds of ideology and philosophy.'

"This statement, coupled with the fact that every practical object which the Government sought to achieve could have been secured without recourse to nationalisation, must lead to the conclusion that political or ideological considerations were largely responsible for the measure and that they are likely to motivate future economic decisions. The fact that, in normal times, the Government should have invoked emergency powers to implement this decision by ordinance, without first consulting Parliament and sounding public opinion, cannot but add to one's uneasiness.

State Trading

"Another cause for apprehension lies in the recent entry of the State into the field of trading. During the brief period of its existence, the State Trading Corporation has already taken over or entered trading in a number of important commodities and, through its operations, Government are in a position to exercise powers of control over the whole field of industry even more sweeping than those they already possess.

Private Sector's Performance

"We are told that, in India, capitalism has failed to deliver the goods, that it has shown no initiative and that it cannot, in an economically backward country like ours, produce the dynamic results obtained in the highly developed economies of the West. So, it is argued, it must be replaced by socialism which, alone, can produce results. This view seems to overlook a number of facts such as that the Private Sector has fulfilled and in some cases exceeded its production quotas under the first Five-year Plan; that private enterprise in India has not up to now had the freedom of action and the incentives it enjoys in the countries where it has proved so strikingly successful; and that there is enough evidence available that the introduction of socialism of the kind, and by the means, contemplated in India has not proved an unqualified success in other countries. Still, even if we accept the premise that the magnitude and urgency of the task in India render its performance beyond the capacity of free enterprise alone, the correct solution, which until not so long ago seemed to have been accepted by Government, lies in a mixed economy in which both free enterprise and State Enterprise are harnessed to the country's needs.

"I feel the charge that free enterprise in India has shown no initiative in recent years is particularly hard to take. I for one am in fact surprised at the amount of initiative displayed considering the discouragement and disincentives to which it has been subjected. While saying this, it is only fair that I should acknowledge the help and advice which industry in the private sector has received in recent years from our dynamic Minister for Commerce and Industry. It is a measure of the man that his socialistic views have not prevented him or his Ministry from extending assistance to industries in need of it for purposes of agreed schemes of development. Without his encouragement and quickness of decision, our Two Million Ton Project might not have come into being or would still be at the stage of discussion and correspondence. We are grateful to him for his support.

"Indian industry needs no compulsion to induce it to collaborate with Government or to make its full contribution to the economic development of the country. It is prepared to take the necessary risks and to make the necessary sacrifices, but it asks to be left in reasonable peace to do its allotted job.

Indian Companies Act, 1956

"Instead, the restrictions from which it suffered in the past have been aggravated by the new Companies Act. While the many wholesome provisions enacted for the protection of the investor are to be welcomed, the strait-jacket into which the Act places Management goes beyond all reasonable requirements. Those of you who have taken the trouble to study this Act will appreciate the waste of time and energy caused by a number of its provisions as illustrated by the thirteen pages of the notice and its annexure in this year's Report as compared to the one-page notice in previous years.

"The Act has gone to extraordinary lengths in its attempt to regulate the operations of joint stock companies, including such provisions as those pertaining to family relationships, of which no less than eighty-six degrees, both legitimate and illegitimate, have been covered in the relevant section. The Act is not only the cause of much waste of time and energy but also of much avoidable expense. In a country in which there is such a dearth of administrative personnel—in some places a total absence of it—to care for the basic needs of the people in the countryside, it is sad to see so much administrative machinery and expenditure diverted to such relatively unproductive ends.

Agreement on National Objectives

"To sum up this part of my speech, let me say that we all realise that, since Independence, our Government have performed a tremendous task. Faced with an unprecedented array of political, economic and social problems, they have discharged with ability, devotion and success an appalling burden of responsibility. We also realise that their task in the coming years will remain a formidable one; that the success of India's plans of economic development is essential to the future prosperity and happiness of our people. We, in the industrial and business field, are, therefore, at one with Government in their objective of a prosperous, democratic and happy nation emerging from the years of toil ahead. Where we differ is in the respective roles of the State and of the individual in the economic activity of the nation. We sincerely feel that some of Government's policies are based on economic theories on capitalism and socialism which no longer fit the facts, if ever they did. They seem to ignore the lessons of the social and economic experiments undertaken elsewhere in the world during the last few decades; for instance, the fact that, apart from the U.S., countries in Europe, which have relied largely on free enterprise and given it the necessary support and encouragement, have achieved not only economic prosperity but also, through realistic fiscal and administrative measures, the socialist dream of an equalitarian Welfare State.

Financial Results

"Coming to matters of more direct and immediate concern to us, you may wish me to amplify the briéf reference in the Report to the profits and to tell you something about the progress of our expansion scheme and also about the important understanding we have reached with the Tata Workers' Union which was widely publicised in the Press.

"The financial results of the year's operations were characterised by a decrease of Rs. 34 lakhs in disposable profit largely due to lower sales of ferro-manganese and by the large accretions—exceeding Rs. 4 crores—to the Plant Rehabilitation and Development Fund and the Development Reserve under Government's new retention price scheme. No ferro-manganese was produced during the year under review and, as a result, the tonnage despatched was some 10,000 tons less than in the previous year. We have upto now been making ferro-manganese in our blast furnace plant and primarily for our own consumption, only the surplus being sold. For operational reasons, ferro-manganese is made intermittently and sales have, therefore, been themselves intermittent. Last year's sales were exceptionally large. Once the electric ferro-manganese plant which we are now in the process of building at our Joda manganese mines is completed and in operation in the latter half of 1958, ferro-manganese will no longer be made in the blast furnaces, the whole capacity of which will be reserved for the manufacture of pig iron. Some of the output of the Joda plant will be for sale, but, in view of our greatly increased requirements for steel making, the tonnage available will be relatively small until the plant's capacity is increased.

"As shareholders will have noticed, the amounts set aside this year for Plant Rehabilitation and Development and to the Development Reserve exceed the corresponding provisions of the previous year by nearly Rs. 3 crores, of which Rs. 2.28 crores represents the net increase in retention prices after taxes and Rs. 68 lakhs the additional tax saving on the Development Rebate. The increase of about a crore in the provision for taxes is itself mainly in respect of the additional price element.

"Ever since the war, we have protested both to the Tariff Commission and to the Government of India against the excessively low retention prices enforced on the steel industry, which made it impossible for the industry to set aside monies for development or to attract fresh capital. We pointed out that the difference between the retention prices and the imported prices amounted *each year* to a figure which far exceeded the total value of protection received by the industry during the whole of the seventeen years in which protective duties were imposed. We are happy that at long last Government have adopted a price policy which has enabled the industry to undertake a large-scale expansion.

"The Development Rebate granted from last year for tax purposes, in accordance with the recommendation of the Taxation Inquiry Commission, will provide out of tax savings a further valuable source of development finance. We are grateful to Government for their realistic policies which will result in immense benefits to the country in the years to come.

Two Million Ton Programme

"Our expansion scheme, although still largely at the preparatory stage, made considerable progress since the last Annual General Meeting. I then stated that the preliminary studies made of the proposal to increase our ingot capacity from 1.3 million tons per annum, which we expected to reach on the completion of the current Modernisation and Expansion Programme, to two million tons, indicated that the project was sound, could be completed within three years and would require about Rs. 60 crores to be spent on the new plant.

"Our main efforts in the subsequent months were directed at the two principal objectives of entering into the necessary engineering, construction and purchase contracts and of securing the funds required to finance the project.

Appointment of Kaiser Engineers

"The technical preparations were completed in record time. It was clear from the start that to complete a project this magnitude and complexity under three years would require a high degree of co-ordination of its various parts and phases for which it was essential to place under a single organisation the responsibility for all the engineering, procurement, construction and supervision services. We, therefore, entered into a contract with two Divisions of the Henry J. Kaiser Corporation of Oakland, California, known for their industrial and engineering experience and their ability to get things done quickly.

"Even while the agreement with Kaiser's was being negotiated, much of the preliminary work was begun and world-wide inquiries sent out for the major items of plant and machinery included in the programme. The first orders for the principal items, such as the three main rolling mills and electrical equipment, were placed as early as March 1956. A group of Tata engineers were sent to Oakland, the headquarters of Kaiser's, and a Kaiser team began to be built up at Jamshedpur from February 1956. Today, some 55 members of the Kaiser Organisation are already at work in Jamshedpur and their number will grow to about 100 at the peak of construction activities. The Indian work force engaged on the project will similarly grow to a maximum of 6,000 men.

"The completion of the entire project in a matter of two and a half years will be an unequalled achievement in the industrial field in India. While Kaiser's may have under-estimated some of the local problems and difficulties, we have every hope they will be able to adhere to their time-table.

"Rail and road transport difficulties, bottlenecks in steel fabrication and congestion in the Calcutta Docks are amongst potential sources of delay which will require constant and sustained attention. On the other hand, our chances of completing the job in time are improved by the co-operation and assistance extended to us from the start by the Ministry of Commerce and Industry and also by the Finance Ministry in general and the Exchange Control Department of the Reserve Bank in particular, in the expeditious disposal of innumerable applications, requests and references submitted to them. We are grateful to them all for their assistance.

Project Cost

"With the disposal of the main technical issues of the project, the procurement of the large funds required to finance it became the main subject of attention and effort on our part. In my speech last year, I mentioned a figure of approximately Rs. 60 crores as the estimated cost of the new plant. This figure was based on rough estimates which proved commendably accurate, as the final figure including contingencies now comes to Rs. 62 crores. This, however, represents only the estimated cost of the new plant itself, including the cost of all the work and services entrusted to Kaiser's. In addition, a certain amount of related work has to be undertaken departmentally by the Company. This includes such things as site clearing, modifications to existing shops and mills to tie them into the Two Million Ton Programme, the provision of rolling stock and other items. These will cost a total of approximately Rs. 9 crores, spread over a period of four years upto and including 1959-60. In addition, approximately Rs. 2.65 crores will be spent on the collieries and ore mines and quarries to meet the added requirements of the expanded programme, and about Rs. 2 crores on the electric ferro-manganese plant, to which I referred earlier in my speech. The total thus comes to Rs. 75 crores, which, however, does not represent the full measure of the Company's estimated capital expenditure during the five years from April 1955 to March 1960, as it does not include such items as the cost of completing the current Modernisation and Expansion Programme, annual renewals and replacements, our investments in the Indian Tube Company and a new refractories company and other ancillary schemes.

World Bank Loan

"I stated in my speech last year that a good part of the moneys to be spent on the new plant would have to be raised in the form of a loan from abroad. In consultation with the Government of India, who kindly agreed to sponsor an application to the International Bank for Reconstruction and Development, popularly known as the World Bank, discussions were initiated with the President and other officials of the Bank in February this year. These were followed by detailed negotiations and the presentation of a formidable mass of data, and finally by the signature, on the 26th June 1956, of an agreement for a loan of 75 million dollars, equivalent to Rs. 36 crores, in various currencies and on the principal terms mentioned in the body of the Report. A striking aspect of this loan, from which we may well derive satisfaction, is the fact that it is the largest loan granted upto now by the World Bank to an industrial undertaking anywhere in the world and also the largest single loan granted for any purpose to any country in Asia.

"While it is true that the loan is guaranteed by the Government of India, the financial strength and credit-worthiness of the Company, painstakingly built up by the conservative financial policies followed all these years, was a major factor in the Bank's ready acceptance of our proposals.

"One aspect of the negotiations with the Bank which I should like to mention is the remarkable speed at which they were conducted and concluded. We are thankful to Mr. Eugene Black, the distinguished President of the Bank, and to his associates for so kindly expediting, in response to our request, the detailed and complex procedures which the Bank normally follows in disposing of loan applications. Their co-operation was, I believe, another reflection of their confidence in the Company and its Management.

"This loan and the additional share capital, for the issue of which you passed the necessary resolutions earlier this year, will provide us with about Rs. 50 crores out of the Rs. 75 crores required for the Two Million Ton Programme. The balance of about Rs. 25 crores will be secured from retained earnings accruing to the Plant Rehabilitation Fund and the Development Reserve between 1955-56 and 1959-60 and, from further borrowings. The funds required to finance the other items of capital expenditure, to which I have referred earlier in my speech, will be met largely from internal resources and borrowings.

Agreement with the Union

"A brief reference has been made in the Report to the conclusion during the past year of a comprehensive agreement between the Company and the Tata Workers' Union. This Agreement, which seeks to place the relationship between the two parties on a still firmer foundation of goodwill and mutual security, sets out the rights and obligations of the Company and the Union and records agreement on a number of outstanding issues. A special feature of this Agreement was that it contained an important declaration of intention to bring about a closer association of employees with Management in the working of the industry.

Association of Employees

"In furtherance of that provision, the Company and the Union subsequently held further discussions and reached complete agreement on the subject. Under a Supplemental Agreement signed on 4th August 1956, the considerable machinery already in existence at Jamshedpur for joint consultation will be rationalised and, with the exclusion of matters concerned with collective bargaining or grievance procedures, will be brought within a three-tier structure of Consultative Councils. These will be set up for all departments of the plant, for the Works and the Town as a whole, and finally, at the top Management level where a Consultative Council of Management will provide a meeting ground for consultation and for an exchange of views on the general working of the Company and the industry. While the functions of these Councils will all be of an advisory character and Management will remain, as before, in control of the Company's affairs, due weight will naturally be given to the views and recommendations of the Councils.

"The subject of associating employees with Management is admittedly a difficult and controversial one. It has been the subject of considerable attention and discussion on the part of Government and the Planning Commission who have expressed themselves in favour of the principle, and also of the Joint Consultative Board of Industry to whom the task of formulating specific proposals has been entrusted.

"The question whether the Company should not have waited until an all-India policy had been evolved on the subject was discussed by the Company's Board who ultimately decided to ratify the draft agreement. This decision, which I am convinced was right, is in consonance with the accepted view that freely negotiated agreements are much to be preferred to imposed settlements. The Agreement was negotiated in a fine spirit of mutual frankness and co-operation and represents an honest attempt to devise means of understanding each other better and working closer together. I have every hope that it will prove workable in practice, provided both parties respect the intentions recorded in the Agreement and try to read into its provisions neither more nor less than they contain. This will apply particularly to the Joint Consultative Council of Management.

No Fetters on the Council

"So far as we are concerned, we shall not seek to fetter the discretion of this Council in discussing such matters as will enable its members, and particularly those representing labour, to acquire a better understanding of the industry and its problems. At the same time, the Company has no intention of surrendering its managerial functions and responsibilities. I for one do not believe in the concept prevalent in some labour circles that factories, whether owned by the State or by shareholders, should ultimately be handed over to workers who would provide both the labour and management of the enterprise. In my opinion, such a view is both unsound and impractical, and its pursuit can only lead to barren disagreements and ultimate disillusion.

"The Management of mechanised industries is becoming more and more complex and requires increasingly high standards of technical and administrative experience and competence. Any worker, however humble his beginnings may have been in the industry employing him, should have the opportunity of rising in the organisation, his progress being determined by merit and his ability to discharge his allotted responsibilities. But this obviously implies that at a certain stage such a worker leaves the ranks of labour and becomes part of Management. This is a very different proposition from that of handing over the management of a factory to the workers collectively.

"I hope, therefore, that time and energy will not be wasted in a fruitless pursuit of the concept of workers' management which is unworkable, except possibly in very small-scale industries run on co-operative lines.

"Having said that, I should perhaps mention that somewhat different considerations may

apply to functions concerned primarily with the fulfilment of individual and social life within the industrial community as distinct from functions and activities directly concerned with production, sales, finance or administration. Jamshedpur is for our employees a place in which to live as well as to work. The Jamshedpur community is now nearly half a century old. Many of its members were born, have taken up jobs and founded families there, and I believe there is ample talent, interest and civic sense to be found among them which could be harnessed to constructive and responsible work of a civic nature. For instance, many of the activities of the city could well be guided by its own citizens within clearly laid down budgets and procedures. So long as the Steel Company furnishes the funds required for running the town, it would naturally retain financial control. Real democracy works from the roots up and we, as a Company, should welcome and encourage opportunities to develop the democratic qualities involved in collective work selflessly undertaken in the interests of the community.

"To sum up, I feel that, in entering upon these agreements with the Union, we have crossed the threshold of a new era of co-operation and goodwill in our relations with our employees at Jamshedpur. We have not undertaken this experiment in a vainglorious desire to be pioneers or to set ourselves up as an example to others. We have done so in a spirit of humility.

"We have already come a long way in developing sound industrial relations at Jamshedpur for which I feel both the Management and the leadership of the Union deserve credit. We have not by any means solved all our problems; discipline, morale and productivity are not yet what they should be. No doubt, our standards of management themselves can be further improved; but I think it can be said that the present Management of the Company and of the Union have the will to co-operate for the good of the industry and the country as a whole. I am confident that, with this background, the experiment is well worth trying. If we succeed, nothing but good can come of it for all concerned, including shareholders and employees. If we fail, little harm will have been done so long as the failure will not have been due to lack of goodwill.

"We shall, in the next few years, have many difficult problems to face as a result of the expansion of our plant and operations. I believe the burden will be the lighter for its being shared by those who work for and with us.

"Ending on this note, I should like on your behalf to thank all the members of our Management, staff and labour force throughout the Organisation for the excellent work they have put in during the past year."

Note.—This is not a report of the proceedings at the above Annual Meeting, of which proceedings a separate report will be published.

4%

BOMBAY STATE DEVELOPMENT LOAN, 1970

ISSUE PRICE Rs. 100 PER CENT.

OPEN ON THE 3rd SEPT. 1956

The loan will be closed as soon as a total of approximately Rs. 750 lakhs has been subscribed, and in any case not later than the close of business on the 10th September 1956.

The applications will be received at the offices of the Reserve Bank of India, Bombay, Calcutta, Delhi, Madras and Bangalore, at the branches of the State Bank of India in the State of Bombay and at the treasuries and sub-treasuries in the State of Bombay.

Full particulars can be obtained at any of the offices of the Reserve Bank of India or branches of the State Bank of India or at any treasury or sub-treasury in the State of Bombay.

Notices

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

ALWAYE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of the shareholders of the above Company will be held at the Registered Office of the Company at Eloor, Alwaye, on Friday the 14th of September 1956, at 4-00 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December 1955.
2. To elect Directors in place of those who retire in rotation and/or otherwise.
3. To pass special and ordinary resolutions as per notice annexed to the Balance Sheet.

By Order of the Board,
SESHASAYEE BROTHERS (TRAVANCORE) PRIVATE LTD.,
Managing Agents.

UDYOGAMANDAL POST,
28th July 1956.

Note.—(1) The transfer Books of the Company will be closed from 24th August 1956 to 14th September 1956, both days inclusive.

(2) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

THE JAIPUR UDYOG LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company at Sawai Madhopur on Wednesday, the 24th October 1956 at 4-30 p.m. to receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st March 1956, to declare dividends at 3 per cent. on Preference Shares and 12½ per cent. on Ordinary Shares, to elect a Director in place of the retiring one and to appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from 28th September 1956 to 24th October 1956 (both days inclusive).

By Order of the Board,
M. L. RATHI,
Secretary.

SAWAI MADHOPUR, 20th *August* 1956.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

FURTHER TO THE NOTICE DATED 9TH August 1956, members are advised that the Forty-fifth Annual General Meeting of The Imperial Tobacco Company of India Limited, will be held at Virginia House, 37 Chowringhee, Calcutta, on the 14th September 1956, *at 3-30 p.m.*

By Order of the Board,
B. GRANGER PEARSON,
Assistant Secretary.

22nd August 1956.
VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA.



Trade with Australia and New Zealand

Business men trading with Australia and New Zealand are invited to use the complete banking service of the Bank of New South Wales.

The oldest and largest joint-stock bank operating in Australia and New Zealand, the Bank of New South Wales keeps in close touch with local conditions through over 850 branches and agencies (sub-branches) in Australia, New Zealand, Fiji, Papua and New Guinea. It is thus particularly well equipped to provide enquirers overseas with a full picture of the local business and rural scene.

Ask your bankers to consult and use

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British and Foreign Department, Sydney, Australia

(INCORPORATED IN NEW SOUTH WALES WITH LIMITED LIABILITY)

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THE BANK OF MYSORE LTD.

(ESTABLISHED 1913)

(Incorporated in Mysore State, Liability of members limited.)

Bankers to the Government of Mysore

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

Head Office: BANGALORE

BOMBAY BRANCH: 24-26, Dalal Street.

Branches at:—Arsikere (Bangalore)—(1) City, (2) Chickpet, (3) Fort, (4) Lady Curzon Road, (5) South Parade), Basarpet, Bhadravati, Bellary, Channapatna, Chickballapur, Chickmagalur, Chintamani, Chitaldroog, Coimbatore, Cochin, Davangere, Hassan, Kolar, Krishnarajanagar, Madras, Mandya, Madanapalle, Mysore (Market Branch—Mysore), Gorgaum, Sagar, Sakleapur, Shimoga, Tipur and Tumkur.

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

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

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

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

EVERY KIND OF BANKING BUSINESS UNDERTAKEN.

P. R. KRISHNA IYER, *Branch Manager.* B. V. NARAYANA REDDY, *General Manager.*

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED

9, BAKEHOUSE LANE, FORT, BOMBAY—1.

(ESTABLISHED IN 1911)

Chairman; SHRI RAMANLAL G. SARAIYA, O.B.E.

Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

			Rs.
PAID-UP SHARE CAPITAL:			
Subscribed by the Shareholders ..	..	Rs. 35,23,700	
Subscribed by the Government of Bombay ..	..	Rs. 26,00,000	61,23,700
RESERVE AND OTHER FUNDS ..	..		61,83,900
TOTAL DEPOSITS ..	..	..	10,79,88,000
WORKING CAPITAL ..	..	..	13,35,24,000

BRANCHES 60 IN 14 DISTRICTS

Collection arrangements in many of the important cities of the Indian Union. Deposits of all kinds accepted. Terms on application.

V. P. VARDE, *Hon. Managing Director.*

INSURE

against Loss or Damage by

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(Incorporated in England)

(The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA

Telephone: 22-4315

Telegrams: "YULINSURE"



Please sign that light bill, Mr. Accountant!

But have a look at it for a moment. How much electricity did you use last month? And how much did you use *before* you installed Fluorescent Lighting? Your bills are now about *one-third* of your previous bills, aren't they? How did this happen?
Your technical staff will tell you that Philips Fluorescent Lamps and Fittings provide more than *three times* as much light with the same consumption of electricity! And the light given by these lamps is even, glare-free. Working tests have proved that Philips Fluorescent Lamps, used with quality control gear, have an average burning life of 7,500 hours.
Good judgement to switch to Philips Fluorescent Lamps and Fittings!

PHILIPS

'TL' Fluorescent Lamps and Fittings

make light work for you!

Expert service for you—Call in the Philips Lighting Service Bureau to examine your existing lighting installations. You will find that they are trained experts, happy to place their long experience in shop, factory and office lighting at your disposal—their services are free of charge.

PHILIPS

P.55

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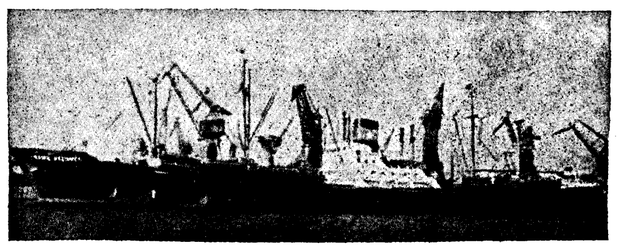

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S. S. INDIAN SHIPPER
S. S. INDIAN RENOWN
S. S. INDIAN ENDEAVOUR
S. S. INDIAN EXPORTER
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PORT SUDAN, PORT SAID, ALEXANDRIA, LONDON, LIVERPOOL, DUNDEE, ANTWERP, ROTTERDAM, HAMBURG, BREMEN and other ports.

Regular cargo service between INDIA-U.K.- CONTINENT and also INDIAN COASTAL service

Managing Agents:- LIONEL EDWARDS LTD., D-1, CLIVE BUILDINGS, CALCUTTA-1.

INDIAN COPPER'S RESULTS EXCELLENT

DIVIDEND RAISED FURTHER—OUTLOOK BRIGHT

THE consistent rise in the world price of copper, the maintenance of a high production standard and satisfactory despatches are the factors that were responsible for the remarkable progress made by the Indian Copper Corporation Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot & Co.. Ltd., Calcutta) during the year ended 31st December 1955. The gross profit has jumped up from £966,469 in the previous year to £1,585,326 during the year under review, creating a fresh record in the annals of the Corporation. It may be noted here that the 1954 profit itself was a record fill then, having been attained after two years of successive decline in prices.

Quite in conformity with the sizable increase in earnings, the distribution to shareholders has been sharply stepped up from 25 per cent. paid for last year to 45 per cent. free of income-tax. The distribution, however, is made up of a dividend of 20 per cent. and a bonus of 25 per cent., against the previous year's classification of 15 per cent. dividend and 10 per cent. bonus. There is some significance in the composition of the return on capital in this manner. It is that, while only a dividend of 20 per cent. can legitimately be expected to be repeated in the coming years, the balance of 25 per cent. representing bonus is the result of fortuitous circumstances, which may not continue for long. Indeed, the Directors do not expect these boom conditions in copper trade to continue for any appreciable length of time which sentiment has found expression in their reference to the rapid decline in the world price for copper to approximately two-thirds of the peak reached.

As in the case of last year, the higher distribution has been proposed only after making proportionately larger allocations for depreciations, taxation and reserves as could be seen from the following comparative table:

(In thousands of £'s sterling)

—	For the year ended 31st December			
	1955	1954	1953	1952
Net sale proceeds and adjustment of stocks	2,745	2,409	1,401	1,986
Other income	274	182	98	151
Expenses	1,434	1,264	1,060	1,413
Gross profit	1,585	966	439	724
Managing Agents' remuneration	110	68	28	37
Depreciation	175	100	90	115
Taxation	683	284	171	265
Net profit	617	534	150	307
General reserve	200	150	75	185
Provision for gratuities and superannuation	..	120	..	..
Dividend	411 (D. 20% +B. 25%)	229 (D. 15% +B. 10%)	91 (D. 10%)	114 (D. 12½%)
Carry forward	117	112	76	93

D—Dividend and B—Bonus.

Full provision has been made for depreciation and the general reserve has been further strengthened by an addition of £200,000. This policy has been justified by the Chairman thus: "Although the liquid resources of the Corporation are at present satisfactory, further heavy capital expenditure is anticipated during the next few years in order to develop the mine."

During the year, the mill treated 381,896 short tons of ore, averaging 2.311 per cent. copper, as compared with 367,737 short tons, averaging 2.352 per cent. copper, for the previous year. Against 33,737 short dry tons of an average value of 24.755 per cent. copper in 1954, the concentration plant produced 34,127 short dry tons of concentrates of an average value of 24.942 per cent. during the year. The output of refined copper amounting to 7,281 tons was 81 tons above the record production in 1936 and 120 tons more than the output in the previous year. The overall recovery from ore to refined copper was better at 93.007 per cent., as against 92.61 per cent. in 1954. The output of rolled products was only 5,769 long tons, as compared with 6,261 long tons in the previous year.

Despatches of products for sale during the year under review amounted to 10,791 long tons (including 4,028 tons of copper ingots) as compared to 8,800 tons (including 4,290 tons of copper ingots) during the previous year. The average selling prices of the Company's products during the past four years were as follows:

	(£ per ton)			
	1955	1954	1953	1952
Copper ingots	309	233	222	241
Rolled brass	243	230	228	270
Yellow metal circles ...	266	241	241	281
Rolled copper	357	288	251	275

There was no restriction on the export of kyanite ore and the despatches totalled 19,234 tons, as against 12,012 tons in the previous year. The average export price was maintained at approximately £20 per ton.

The latest balance-sheet of the Company discloses a sound financial position. The reserves and surplus aggregate £1,572,583, as against a paid-up capital of £914,200. The gross value of the block is £21,32,083 of which mining rights and permanent works account for £73,399 and buildings, machinery, plant, etc. for £2,058,684. The additions during the year to buildings, machinery and plant amount to £99,496 and on shaft sinking £3,82,873. The written down book value of the fixed assets is £876,054, the aggregate depreciation provided so far being £1,256,029. The current assets amount to £3,063,090 of which the liquid assets alone (investments and cash balances) total £1,376,169 and cover the current liabilities and provisions (£1,054,805) and reserve for taxation (£397,556) by a considerable margin.

Commenting on the proposed capitalisation of a part of the reserves, the Directors state as follows:

"Your directors consider that the present issued capital does not really represent the actual capital position of the Company and they consider it desirable to increase the Company's issued capital. As the Company has adequate funds to the credit of its general reserve account, your directors recommend that such reserves to the value of £457,100 be capitalised and that this amount be utilised as a special capital bonus, free of income-tax, to be satisfied by an issue of 4,571,000 new shares of 2s. each, credited as fully paid-up, to the holders at the close of business on 2nd November 1956, of 9,142,000 units of stock of 2s. each of the Company at present issued in the proportion of one new share of 2s. for every two units of stock of 2s. each then held by them and that the units of stock into which these new shares will be converted on allotment pursuant to the resolution of the Company in general meeting dated the 10th September 1947, shall rank in all respects *pari passu* with the existing units of stock, save and except that they will not participate in dividends declared prior to the date of allotment of these new shares.

"In order to permit the issue of these shares, it will be necessary to increase the authorised capital of the Company and the directors recommend for your approval that the capital be increased from £1,000,000 to £2,000,000 by the creation of 10,000,000 new shares of 2s. each."

The Company is going ahead with its plans for developing its mines still further. Thus, an extensive programme of prospecting and development has been prepared which has already made sufficient headway in conformity with the principles underlying the second Five-year Plan. The expansion programme is mainly directed towards increasing the output of the mines and, if the results of the present exploration are encouraging, it is pound to result in making the country less dependent on imports of this metal. Considerable development in depth has been effected in the existing Mosaboni mine during the year under review in order to counteract the diminution of ore reserves in the adjoining mine the life of which is limited. An actual increase in production will depend upon the success of prospecting now in progress to the worth of present working area. Such schemes of expansion reflect the confidence of the Company's management in the future. Apparently, it is satisfied with the Government's recent industrial policy announcement which allows the private sector to operate certain industries, including copper, belonging to schedule A, that is, industries which are primarily, if not exclusively, meant to be owned and operated by the public sector.

The 2s. fully paid-up shares are being currently quoted at Rs. 7-5 *cum-div.* On an *ex-div.* basis and taking the dividend at 45 per cent., the yield on the shares works out to 8.76 per cent. per annum, free of tax.

EASTERN SHIPPING CORPORATION

The Government of India formally took over the management of the Rs. 10-crore Eastern Shipping Corporation Ltd., in Bombay, on the 16th inst., from the Scindia Steam Navigation Company, which was managing the Corporation since its inception in March 1950.

The Managing Agency of the Scindias was declared terminated as from the 15th inst. and the management of the Corporation was taken over by Mr. R. R. Saxena who has been appointed by the Government as the new Managing Director.

The Eastern Shipping Corporation, which has a fleet of six ships at present, operates passenger and cargo services to the ports of British East Africa and to ports in East Asia and Australia.

In a statement issued on the occasion of the taking over of the management, Mr. Saxena said that the intention of the Government in taking over the Corporation was to cater to the needs of the interests of the trade and to strengthen the overseas shipping services of the Corporation.

IMPERIAL TOBACCO'S PROFIT RISES SHARPLY

LARGE ADDITION TO RESERVES

IMPRESSIVE are the results of working of the Imperial Tobacco Company of India Ltd. (Chairman, Board of Directors: Mr. G. H. J. Clarke, Calcutta) during the year ended 31st March 1956. The gross profit has jumped up from Rs. 363.57 lakhs to Rs. 415.71 lakhs and this rise follows an increase of Rs. 58.65 lakhs recorded in the previous year. Thus, in the course of the last two years alone, the profit has gone up by no less than Rs. 110.79 lakhs or over 36 per cent. Such an encouraging performance during the year under review has not, however, been accompanied by an increase in the distribution to the shareholders.

The final dividend of 4 per cent., together with the two interims of 2 per cent. each, makes the total distribution for the year 8 per cent. This is the same as that paid for 1954-55, after having been raised from 6 per cent. paid for 1953-54. The decision of the Directors to maintain the dividend at 8 per cent., despite the sizable expansion in earnings noted above, may be viewed with some disappointment by the shareholders, but the heavy incidence of taxation and the need for building up substantial reserves do not permit of an increase in the dividend level. Further, in a company of the size of the Imperial Tobacco, with a huge capital structure, a rise in dividend of even one half of one per cent. would require quite a few lakhs.

Although the gross profit is higher by Rs. 52.14 lakhs, the net profit, at Rs. 186.71 lakhs, shows an increase of only Rs. 17.84 lakhs over the year. This is due to the increase in the provision for depreciation from Rs. 45.39 lakhs to Rs. 49.12 lakhs and that for taxation from Rs. 149.31 lakhs to Rs. 179.88 lakhs. The allocation to the reserves has been raised from Rs. 48.68 lakhs to Rs. 65.50 lakhs. The transfer to the capital reserve has been cut from Rs. 3.68 lakhs to Rs. 0.50 lakh, while that to the fixed asset and stock replacement reserve has been raised from Rs. 25 lakhs to Rs. 35 lakhs. Such a large allocation to this reserve is justifiable, because, in a competitive industry such as the tobacco, the maintenance of adequate stocks of good quality raw materials and periodic replacement of existing machinery by the latest types, in order to maintain the productive efficiency, call for large investment. The future expansion of the Company also calls for adequate resources and the Directors have, accordingly, strengthened the general reserve by adding Rs. 30 lakhs out of the year's profit, as against Rs. 20 lakhs set aside last year. These allocations leave a sum of only Rs. 121.21 lakhs, which is hardly sufficient even to maintain the dividend at 8 per cent. and the Directors have had to a draw, albeit on a very small scale, on the surplus brought in from the previous year. Thus, the dividend absorbs Rs. 121.28 lakhs, leaving to be carried forward Rs. 24.94 lakhs, as against Rs. 25.01 lakhs brought in.

The successful efforts of the Company to maintain the profit-margin by increasing the volume of sales is reflected in the rise in sale proceeds from Rs. 28.44 crores to Rs. 30.36 crores. It must, however, be noted that the increase (Rs. 1.92 crores) does not compare favourably with that (Rs. 3.01 crores) noted in the previous year, indicating evidently the keen competition which the Company is facing. The expansion in sale proceeds has been offset to a substantial extent by the rise in the cost of goods sold from Rs. 21.44 crores to Rs. 22.59 crores and in other expenses from Rs. 3.56 crores to Rs. 3.85 crores.

The balance-sheet of the Company as on 31st March 1956 shows that the total assets stand at Rs. 26.48 crores, of which goodwill and trade marks (at cost) account for Rs. 4.90 crores and written down value of fixed assets for Rs. 2.52 crores. The gross value of the fixed assets amounts to Rs. 4.15 crores, including an addition of Rs. 87 lakhs during the year, and this has been written down by Rs. 1.63 crores. The large addition to the block account justifies the Directors' decision to place to the fixed asset and stock replacement reserve as much as Rs. 35 lakhs out of the year's profit. Investments amount to Rs. 95.49 lakhs (having gone up from Rs. 33.81 lakhs at the end of March 1955), of which those in Government securities (at market value) alone account for Rs. 91.22 lakhs. The other current assets aggregate Rs. 18.09 crores, including stocks of raw materials and manufactured goods at Rs. 8.69 crores, debts and advances at Rs. 4.33 crores and cash balances at Rs. 4.52 crores. The current liabilities and provision for taxation aggregate Rs. 3.18 crores. The net assets thus amount to Rs. 23.30 crores and these are represented by paid-up capital amounting to Rs. 15.16 crores and reserves and surplus Rs. 8.14 crores. Of the reserves, general reserve accounts for Rs. 4.50 crores and fixed asset and stock replacement reserves for Rs. 2.85 crores. It will be seen from the above figures that cash balances alone more than adequately cover the current liabilities and the provision for taxation.

The outlook for the Company depends to a large extent on the economic prosperity of the country. To the extent to which the second Five-year Plan succeeds in making even the remotest villages share the prosperity, the Company can also look forward to increasing its business. There are, however, some adverse factors also, such as the heavy taxation of tobacco products, the keen competition in the industry, etc. Further, the industry is a highly specialised one and the need for maintaining the quality of the products calls for huge liquid resources. In view of these factors, the Company cannot be expected to be very liberal in the matter of distribution of dividends.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 16 *cum-div.* (final div. 4 per cent.). On an *ex-div.*, basis the dividend for the past year provides a yield of 5.13 per cent. per annum, free of income-tax.

SONE VALLEY RAISES DIVIDEND

A modest increase in dividend from 5 per cent. for 1954 to 6 per cent. is the outstanding feature of the working of the Sone Valley Portland Cement Company Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) for the year ended 31st December 1955. This increase represents a reversal of the downward trend which had commenced three years earlier. It may be noted here that the Company had paid a dividend of 10 per cent. for 1952, 7½ per cent. for 1953 and 5 per cent. for 1954. In contrast to the trend of dividend, that of profit, however, is still declining. The gross profit has fallen from Rs. 12.76 lakhs in 1954 to Rs. 12.40 lakhs. Although this by itself is not very significant and is practically negligible, what is most disheartening is the steady downward trend in profits, now for the fourth year in succession. The net sale proceeds and the manufacturing as well as other expenses stand almost at the same levels as those for the previous year. Indeed, the manufacturing expenses would have even gone higher, if adequate care had not been taken to keep the cost of raising of coal from the Hutar Colliery under control.

The net profit, after making a lower provision for depreciation at Rs. 3.66 lakhs, as against Rs. 4.12 lakhs for the previous year and Rs. 2.35 lakhs for taxation against Rs. 3.18 lakhs, stands higher at Rs. 5.53 lakhs against Rs. 4.57 lakhs. While the Directors had made no allocation to the reserves from the profits for the previous year, the higher net profit for 1955 has enabled them to credit the reserve for railway claims with Rs. 25,000, general reserve Rs. 1 lakh and the reserve for rehabilitation of plant and machinery Rs. 25,000. The higher dividend at 6 per cent. absorbs Rs. 4.50 lakhs, as against Rs. 3.75 lakhs in the previous year which was the lowest during the preceding four years.

The table shown below will enable a comparative study of the Company's trading and financial results during the past four years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net) ..	125.08	126.26	111.53	132.72
Stocks	0.77	0.83	2.76	3.93
Manufacturing expenses ..	104.60	110.99	93.54	155.78
Other expenses	8.47	1.13	4.80	1.98
Gross profit	12.40	12.76	18.11	22.75
Managing Agents' remuneration	0.36	0.36	0.94	1.23
Depreciation	3.66	4.12	3.97	4.00
Taxation	2.35	3.18	2.00	6.00
Net profit	5.53	4.57	6.20	10.57
Transfer from reserves ..	..	1.00	..	..
To reserves	1.50	1.00	0.90	3.50
To write off development and prospecting expenses ..	..	..	..	..
Dividend	4.50 (6%)	3.75 (5%)	5.62 (7½%)	7.50 (10%)
Carry forward	0.42	0.88	0.06	0.39

The Company's production and despatches of cement have progressively declined, now for the fourth year in succession with 1951 as the base year, as will be seen from the following figures:

(*In tons*)

	1955	1954	1953	1952
Production ...	195,000	196,910	213,900	232,640
Despatches ...	195,374	200,227	210,878	238,657

It will be remembered that the corresponding figures for production and despatches for 1951 were 250,330 and 245,082 tons, respectively.

Renovation of plant and machinery was carried out during the year. The erection of Kiln No. 4 intended as a stand-by for the old No. 1 Kiln still in production, was completed towards the end of the year under review. The retention price for the Company's cement has been fixed by Government at Rs. 50-4 per ton exclusive of excise duty and cost of packing which is the same return f.o.r. Works as at present.

There has been no change in paid-up capital of the Company at Rs. 75 lakhs. As against this, the reserves and surplus amount to Rs. 22.87 lakhs. There has been an addition of Rs. 8.89 lakhs to the fixed capital expenditure during 1955, bringing the total value of the block account to Rs. 191.72 lakhs. This has been written down to a book value of Rs. 46.27 lakhs. In addition to the capital expenditure just mentioned, the Company has spent during the year Rs. 2.17 lakhs on renovation and remodification of plant and machinery, the total expenditure incurred on this account up to the end of the year being Rs. 11.54 lakhs. The prospecting and development expenditure on Hutar coalfield amounts to Rs. 2.14 lakhs. The current assets aggregate Rs. 79.73 lakhs, while the current liabilities and provision for taxation at Rs. 41.80 lakhs are just above half of such assets.

The Rs. 5 paid-up shares of the Company are being currently placed at Rs. 9-2 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 3.4 per cent. per annum, free of tax.

The introduction of State trading in cement on a uniform destination price basis with effect from 1st July 1956, will not affect the Company's profit, for the price payable for the Company's production provides for the same rate of return as before. The only changes that have occurred as a result of State trading are that consumers all over India will get cement at a uniform price, namely, Rs. 102-8 per ton, as against varying prices in the past and that the selling agents have come under the employ of the State Trading Corporation on a contract basis for two years.

UNIVERSAL FIRE AND GENERAL

The audited accounts of the Universal Fire and General Insurance Co., Ltd. (Managing Director: Mr. I. U. Patel, Bombay) for the year ended 31st December 1955, show that the aggregate net premium income from the Company's general insurance business has been nearly maintained at the previous year's level amounting as it does to Rs. 26.51 lakhs, as against Rs. 26.58 lakhs in 1954—despite the setback in the fire premium income. The profit for the year has, however, recorded a sizable increase, after providing for the higher losses in the miscellaneous and marine departments, and this has enabled the Directors not only to strengthen the reserves further but also to declare a higher dividend of Re. 1-8 per share (of Rs. 10 each), as against Re. 1 per share paid for 1954.

An analysis of the working of individual departments shows that the net premium income of the fire department has slightly gone down from Rs. 19.85 lakhs to Rs. 17.47 lakhs. To some extent, this is due to a reduction in premium rates effected in the earlier part of the year. Claims paid and outstanding amount to Rs. 6.65 lakhs, as against Rs. 6.73 lakhs in 1954. As a result of the decline in premium income, however, the claims ratio has gone up from 33.92 per cent. to 38.06 per cent. After providing reserves at 50 per cent. amounting to Rs. 8.74 lakhs and an additional reserve of Rs. 65,000, the profit for the year amounts to Rs. 2.32 lakhs, as against Rs. 1.17 lakhs for the previous year. The net premium income of the miscellaneous department has gone up from Rs. 6.08 lakhs to Rs. 7.68 lakhs. The claims ratio has fallen slightly from 59.9 per cent. (Rs. 3.64 lakhs) to 52.8 per cent. (Rs. 4.06 lakhs). After maintaining reserves for unexpired risks at 50 per cent. (Rs. 3.84 lakhs), the loss for the year has risen from Rs. 9,825 to Rs. 84,083. This department, as the Chairman pointed out in his speech at the recent annual meeting of the Company, "is the one branch of our business which continues to cause headaches and heartaches not only to us but to almost all the other insurers in the country." The net premium income of the marine department stands higher at Rs. 1.35 lakhs, as against Rs. 64,910. The loss ratio has also fallen from 55.45 per cent. (Rs. 35,990) to 41.47 per cent. (Rs. 56,149). After providing for reserves at 50 per cent. (Rs. 64,697), the loss for the year amounts to Rs. 22,826, having risen from Rs. 13,047 for 1954.

After providing for the losses in the miscellaneous and marine departments, the year's working has resulted in a profit of Rs. 1.89 lakhs, as against Rs. 1.30 lakhs in 1954. The reserve for taxation has been raised from Rs. 50,000 to Rs. 60,000. In addition, the general reserve has been strengthened by Rs. 30,000 (as against *nil*). The dividend has been raised from 10 per cent. to 15 per cent. This is the third year in succession for which the dividend is being stepped up.

The total reserves of the Company as at the close of 1955 amount to Rs. 15.53 lakhs, of which general reserve accounts for Rs. 1.44 lakhs, fire reserve for Rs. 9.39 lakhs, miscellaneous reserve for Rs. 3.84 lakhs and marine reserve for Rs. 0.68 lakh.

CENTRAL INDIA INSURANCE CO., LTD.

A further improvement in premium income and underwriting profit is the outstanding feature in the working of the Central India Insurance Co., Ltd. (Managing Director: Mr. Rajendra Singh Bhandari, Indore) during the year ended 31st December 1955. The net premium income of the fire department, which had improved from Rs. 1.33 lakhs in 1953 to Rs. 2.64 lakhs in 1954, rose further to Rs. 3.31 lakhs during the year under review. The percentage of claims, which had fallen from 27.8 per cent. in 1953 to 16.6 per cent. in 1954, however, slightly increased to 21.2 per cent. The reserve for unexpired risks has been increased from Rs. 1.06 lakhs in 1954 to Rs. 1.32 lakhs in 1955. The net premium income of the miscellaneous department, which had similarly increased from Rs. 1.25 lakhs in 1953 to Rs. 1.73 lakhs in 1954, recorded a further increase to Rs. 3.15 lakhs during the year under review. The percentage of claims, however, rose from 32.5 per cent. to 36.0 per cent. The reserve for unexpired risks has been sharply stepped up from Rs. 69,065 in 1954 to Rs. 1.26 lakhs in 1955.

The net underwriting profits of the two departments together amounted to Rs. 53,257, as compared with Rs. 41,406 for 1954 and Rs. 16,527 for 1953. After providing Rs. 25,000 for doubtful debts (same as in the previous year) and Rs. 30,000 (Rs. 20,000 a year ago) for general reserve, the Directors have declared a maiden dividend of As. 8 per share, free of tax. The Company's paid-up capital stands at Rs. 9.84 lakhs supplemented by reserves and surplus amounting to Rs. 2.12 lakhs, fire fund Rs. 1.32 lakhs and miscellaneous fund Rs. 1.26 lakhs.

During the year under review, the Company's life business was transferred to the Indian Mercantile Insurance Company Ltd.

STANDARD-VACUUM REFINING CO., OF INDIA LTD.

The operations of the Standard-Vacuum Refining Company of India Ltd. during the year ended 31st December 1955 have resulted in a net surplus of Rs. 85.67 lakhs, after making provision for deferred taxation. This represents a return of 3.71 per cent. on the Company's gross business income and 5.06 per cent. on capital employed at the year-end. The Directors have recommended that no dividend be paid to common shareholders for the year under review.

During the year the refinery at Trombay processed 8,395,753 barrels (1,125,472 tons) fuel products to meet the country's expanding oil requirements, the main items distributed in the order of their volume being motor gasoline, industrial fuel oil, diesel oils and kerosene. Sales of refinery products amounted to 278,457,614. Imperial gallons, of which the internal consumption alone accounted for 233,987,532 gallons. The entire balance of 44,470,082 gallons was exported. A sum of Rs. 7.43 crores was paid to the Government of India by way of excise duty. The Company's programme of rapid Indianisation of staff for responsible posts is making commendable progress.

The gross investment representing the Company's total property and assets at the end of the year stood at Rs. 18.29 crores, which included new capital investment during the year to the tune of Rs. 65.82 lakhs for completing the initial refinery construction programme and to add a catalytic polymerization plant.

COMPANY MEETINGS AND DIVIDENDS

BALMADIES PLANTATIONS LTD. Annual General Meeting, Madras, 10th September 1956. Dividend: As. 3 1/5 per share. Transfer books will remain closed from 3rd to 10th September 1956, both days inclusive.

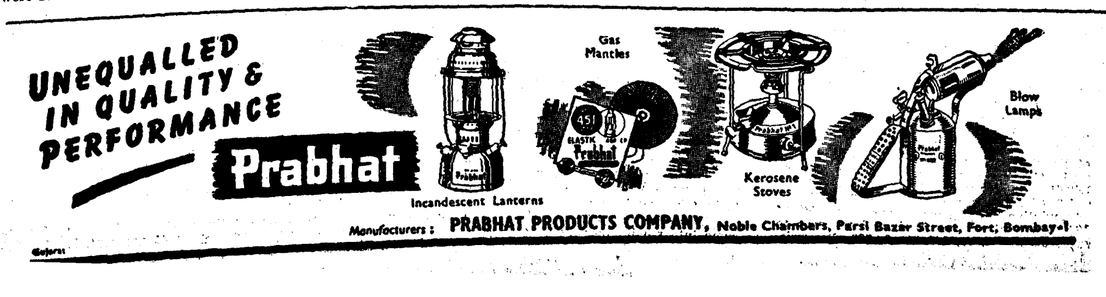
MADRAS SAFE DEPOSIT CO., LTD. Annual General Meeting, Madras, 10th September 1956. Dividend: Rs. 3-4 per share. Transfer books will remain closed from 3rd to 10th September 1956, both days inclusive.

INDIA PAPER PULP CO., LTD. Annual General Meeting, Calcutta, 17th September 1956. Dividend: As. 11 1/5 per share. Transfer books will remain closed from 3rd to 17th September 1956, both days inclusive.

DEHRI ROHTAS LIGHT RAILWAY CO., LTD. Annual General Meeting, Dalmianagar, 21st September 1956. Dividend: Re. 1-4 per share. Transfer books will remain closed from 6th to 14th September 1956, both days inclusive.

KESORAM COTTON MILLS LTD. Annual General Meeting, Calcutta, 28th September 1956. Dividend: Re. 1 per ordinary share. Transfer books will remain closed from 15th to 28th September 1956, both days inclusive.

ESTRELA BATTERIES LTD. Annual General Meeting, Bombay, 28th September 1956. Transfer books remain closed from 30th August to 28th September 1956, both days inclusive.



INDIA PAPER TO ERECT NEW MILL

RESULTS OF MYSORE SPINNING ENCOURAGING

India Paper Pulp Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co. Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; and this fact has been commented on by the auditors in their report.

After providing Rs. 2,90,000 (Rs. 2,70,000) for depreciation and Rs. 3,15,000 (Rs. 1,70,000) for taxation, there is a balance at the credit of profit and loss account of Rs. 3,41,441 (Rs. 1,53,366). Rs. 83,945 (Rs. 2,34,329) has been brought forward and Rs. 30,000 (Rs. 33,000) has been credited in respect of the excess taxation provisions in previous years, making the balance available for distribution of Rs. 4,55,387 (Rs. 4,20,695). From this the directors recommend a dividend of 7 (7½ per cent. for the half-year absorbing Rs. 4,41,000 (Rs. 2,10,000) and leaving Rs. 14,387 (Rs. 2,10,695) to be carried forward.

Hitherto half-yearly accounts have been issued by this Company to its shareholders, but in the opinion of the board of directors this is no longer practicable in view of the provisions of the Companies Act, 1956, regarding annual general meetings and the accounts to be presented at such meetings. Accordingly yearly accounts will be issued in future, commencing with those for the year ending 31st March 1957. This will not preclude the payment of half-yearly dividends, subject to the Company's results permitting, as the Company's Articles authorise the payment of interim dividends. It is therefore the Board's intention to consider the payment of interim dividends in the light of the Company's results up to 30th September, each year.

Production and sales during the half-year ended 31st March 1956 remained at the same level as in the preceding half-year. The higher provision for taxation is due to the fact that it was necessary to provide in these accounts for additional supertax on the dividends for two half-years.

Shipment of the main plant under the Mill Expansion Scheme is expected to commence towards the middle of next year, but the Board regret that all work on the extension of factory buildings is at present held up owing to a general shortage of cement and steel in the country.

Although a final decision has not yet been reached regarding the proposed new pulp mill, negotiations with the Government of Assam, where it is proposed to erect the pulp mill, have now reached an advanced stage, and the Board hope to be able to give shareholders further details of this project shortly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Block ...	35,79,359
Reserves ...	66,05,611	Work-in-progress ...	64,737
Provision for taxation ...	5,74,052	Stock of paper and wrapper	5,48,607
Liabilities ...	17,69,645	Stock of raw materials	12,53,484
Profit and loss account ...	14,387	Coal and stores	8,70,685
		Goods in transit ...	1,42,577
		Debts, deposits and advances ...	33,23,852
		Cash ...	54,80,394
	Rs. 1,52,63,695		Rs. 1,52,63,695

Mysore Spinning and Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. N. Sirur and Co. Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 29th February 1956.

The Company's operations during the year show a profit of Rs. 8,35,919 (Rs. 5,11,702) after charging a sum of Rs. 43,013, being the bonus paid to the clerical, technical and supervisory staff of the mills in respect of the two years ended 28th February 1954 and 28th February 1955. Adding to this profit the balance of Rs. 23,708 (Rs. 22,997) brought forward from the previous year's account, the total comes to Rs. 8,59,627 (debit of Rs. 11,283 after deducting Rs. 5,45,982 paid to workers as per award of Industrial Tribunal).

From this sum the directors have declared an *ad-interim* dividend of Rs. 3 (Rs. 3) per share on 49,670 ordinary shares, absorbing Rs. 1,49,010 (Rs. 1,49,010 from reserve fund) and an *ad-interim* dividend of Re. 1-2 (Re. 1-2) per share (less income-tax) on 14,901 4½ per cent. cumulative preference shares absorbing Rs. 16,764 (Rs. 16,764 from reserve fund). They have also allocated to depreciation on buildings Rs. 53,808 (Rs. 35,084 from reserve fund), depreciation on machinery Rs. 2,87,732 (Rs. 2,23,396 from reserve fund) and to reserve fund Rs. 18,488 (*nil*) leaving a balance of Rs. 3,33,825. The directors propose to dispose of the same as under:—

Final dividend of Rs. 3 (Rs. 3) per share and a bonus of Rs. 3 (*nil*) per share for the year on 49,670 ordinary shares of Rs. 50 each (making a total of Rs. 9 (Rs. 6) per ordinary share for the year or 18 (12) per cent. per annum Rs. 2,98,020 (Rs. 1,49,010 out of reserve fund), final dividend of Re. 1-2 (Re. 1-2) per share on 14,901—4½ per cent. cumulative preference shares Rs. 16,764 (Rs. 16,764 out of reserve fund) and to carry to next year's account Rs. 19,041 (Rs. 23,708 after writing off the debit balance of Rs. 1,77,057, in profit and loss account). In the previous year the directors transferred Rs. 6,25,019 out of reserve fund to profit and loss account, in order to pay dividends and write off loss.

As it is estimated that the Company will have no assessable profits for the year under report because of the depreciation allowance and development rebate admissible under the Indian Income-tax Act, the profits of the Company may not be liable to income-tax. It is therefore decided not to deduct income-tax on the final dividend payable on the 4½ per cent. cumulative preference shares.

As regards the *ad-interim* dividend already declared and made payable from 1st February 1956, the directors are considering as to how the income-tax already deducted therefrom should be dealt with.

With reference to the remark made by the auditors in their report to the shareholders that "as the Company's financial year ends on the 29th February 1956, the balance sheet and profit and loss account have been drawn up in accordance with the Indian Companies Act, 1913, and, therefore, do not give the information required by the *Companies Act, 1956*, in the manner so required," the directors have to state that the old form adopted for the balance sheet and profit and loss account for the year under report accords with the clarification issued by the Central Government in that behalf and gives all the information as heretofore.

It will be observed that a sum of Rs. 1,512 being the expenditure incurred on construction of quarters for labour during the year under report, has been transferred from labour colony fund to reserve fund. With this addition, and with Rs. 18,488 transferred from profit and loss account this year, the reserve fund now stands at Rs. 41,50,000.

Although trading conditions in the cloth trade were more satisfactory than in the previous year, the demand and prices realised for yarn were poor and improved only with the turn of the year.

The mill property and stocks are insured for the sum of Rs. 3,20,28,090 and the profits and standing charges for Rs. 1,04,00,000 for 24 months' benefit (that is Rs. 52,00,000 annually) out of which wages/salaries estimated at Rs. 76,00,000 are covered 100 per cent. for the initial 15 weeks and 25 per cent. for the remaining 89 weeks of the 24 months' benefit period.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	32,29,960	Block ...	43,79,635
Reserves ...	30,54,035	Stock-in-trade	52,93,926
Provision for taxation ...	3,09,871	Stores and spare parts	11,04,442
Liabilities ...	63,85,386	Loose tools	56,986
Profit and loss account ...	3,33,825	Debts, deposits and advances ...	13,99,571
		Investments	30,02,707
		Cash ...	75,810
	Rs. 1,53,13,077		Rs 1,53,13,077

Balmadies Plantations Ltd.

The directors of the above Company (Managing Agents: Messrs. Planting Agencies (Private) Ltd., Madras) submit the audited accounts of the Company for the year ended 31st May 1956.

The result of the Company's working for the period under review is a profit of Rs. 67,002 (Rs. 47,474). To this has to be added a sum of Rs. 22,734 (Rs. 34,760), being the balance brought forward making a total of Rs. 89,736 (Rs. 82,234). The directors have appropriated to taxation reserve Rs. 32,000 (Rs. 25,000) leaving a balance of Rs. 57,736 (Rs. 57,234) which they recommend be appropriated as follows:—

To pay a dividend of 6 per cent. per annum tax-free on the preference shares for the year ended 31st May 1956, Rs. 4,500 (Rs. 4,500) and to pay a dividend of 10 (15) per cent. on the increased capital of the ordinary shares Rs. 30,000 (Rs. 30,000) leaving a balance of Rs. 23,236 (Rs. 22,734) to be carried forward to next year.

Crop.—The crop harvested during the year under review was 1,577½ (1,044) cwts. as against an estimated crop of 1,300 cwts. This was a record crop for this estate. The crop has been valued at a conservative rate of Rs. 2-2-0 per point. The Government are allowing larger quantities of coffee for export and hence a higher realisation per point may be expected.

Estate expenditure.—The total crop of 1,577½ cwts. was harvested at a cost of Rs. 122-12-8 (Rs. 148-3-7) per cwt. This large expenditure was due to heavy manuring, rejuvenation work, a full spraying programme and certain cultivation practices adopted during the year, with a view to raise the estate yield. So far, yields on the lower average levels were being harvested resulting only in marginal profits. A crop of over 75 to 80 tons a year is anticipated in future years owing to the intensive cultivation methods now being adopted.

Capital expenditure.—As mentioned in our last report, the school building and a teachers'-*cum*-midwives' quarters were completed at a cost of Rs. 8,000 and the school has been functioning from July 1953. With the construction of these buildings, the estate has provided labour amenities satisfactorily. All the labourers are now housed in quarters conforming to the Government standards. The building of four more tenements may require to be taken up later on.

New clearings.—The 1952 new clearing will come into partial bearing next year.

Estimate for 1956-57.—A conservative estimate of 55 tons at a cost of Rs. 138 per cwt. has been made for this year. This low estimate is due to the new leaf rot disease that suddenly appeared during the year. Steps have been taken to keep the disease under control.

General.—Due to the deletion of Rule No. 10 of the Madras Agricultural Income-tax Act, the Company had to pay Rs. 36,146 as agricultural income-tax for the year 1954-55. But the tax liability for 1956-57 season is considerably less.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ..	3,75,000	Block ...	3,61,144
Reserves	1,60,000	Stores ...	9,962
Provision for taxation ..	41,938	Debts, deposits and advances ...	1,67,370
Liabilities ...	16,308	Investments	23,865
Profit and loss account ..	57,736	Cash ...	88,641
Rs.	6,50,982	Rs.	6,50,982

West Coast Paper Mills Ltd.

The directors of the above Company (Chairman: Mr. Gobindlall Bangur, Bombay) submit the audited accounts of the Company for the period ended 30th June 1956.

In terms of the prospectus, a sum of Rs. 2 lakhs has been paid as underwriting commission to The Industrial Credit and Investment Corporation of India Ltd. on the Public Issue of Rs. 1 crore and Rs. 98,620 as brokerage to various brokers, banks and investment corporation, etc.

The directors inform, that they have been able to obtain the services of Mr. H. K. Collinge of a well-known firm of international repute, Messrs. Lignicell Limited of Canada, as technical consultant for the Company and Government's approval has been received.

The Company has entered into an agreement with the Government of Bombay for the lease of forest ranges and other concessions, which was executed on 13th August 1955, and consequently the Company was allotted 200 acres of land near Dandeli, the factory site of the Company. The lease of land is for a period of 30 years renewable for a further term of 60 years with such covenants, provisos and stipulations as may be agreed upon between the lessor and the lessee.

The Company's representative has visited Europe during the period under review and has almost finalised, in consultation with the technical persons, practically all the orders for plant and machinery, and the directors expect the same will begin to arrive in India early next year. According to schedule chalked out, the plant is expected to come into operation by middle of 1958. Whether it shall be possible to adhere to this programme depends on various factors, many of which are beyond control.

It may be of interest to note that as per our earlier plans the Company was to have pulp and paper at 60 tons per day, but after technical consultations and looking to the increased demand of the paper products, it was decided to arrange the purchases of machineries in such a way that at the next stage of expansion of the Company's plants, the production of the pulp and paper can be increased to 90 tons per day. The above contemplated increase in capacity resulted in the increase of cost of the plants to a bigger investment. However, it was thought fit as it would reduce the cost per ton as well as increase the production with smaller investments at that stage. The prices of the plant and machinery have also increased due to increase in the cost of labour and materials in Europe. The total cost of the project as a result of these changes has increased from Rs. 3 crores to Rs. 4 crores approximately. In order to cover part of this increase provision has been made for deferred payment to machinery suppliers of Rs. 90 lakhs instead of Rs. 40 lakhs as mentioned in the prospectus. The mortgage deed for the loan of rupees one crore sanctioned by The Industrial Finance Corporation is under progress of finalisation.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	80,00,000	Block ...	6,67,464
Calls received in advance	9,375	Stores, loose tools, etc.	4,67,947
Liabilities ...	2,16,627	Debts, deposits and advances ...	48,27,193
		Miscellaneous expenditure and losses	4,81,057
		Net revenue expenditure	2,52,039
		Investments	3,97,690
		Cash ...	1,32,612
Rs.	82,26,002	Rs.	82,26,002

Orissa Cement Ltd.

The directors of the above Company (Managing Agents: Messrs. Dalmia Agencies Private Ltd., Rajgangpur) submit the audited accounts of the Company for the year ended 31st December 1955.

The production during the year has been well maintained. The working results of the Company during the year under report after providing for all expenses of operation and depreciation, show a profit of Rs. 45,25,706. Out of this amount, the directors propose to set aside for meeting income-tax liabilities, a sum of Rs. 15,50,000, this leaves for distribution among shareholders Rs. 29,75,706. The directors recommend that the following amount be distributed among shareholders as dividend:—

On 40,000 fully paid cumulative preference shares of Rs. 100 each at 4½ per cent. Rs. 1,80,000 and on 6,78,650 fully paid ordinary shares of Rs. 10 each at Re. 1-4 per share Rs. 8,48,312, leaving out of the current year's profit a surplus of Rs. 19,47,394. According to the decisions of the shareholders in the last annual general meeting, out of the last year's profits amounting to Rs. 35,09,456, a sum of Rs. 7,48,726 was utilised in payments of arrears of dividend upto 31st December 1954 and a sum of Rs. 5,10,000 was set aside and carried over for payment of dividend to ordinary shareholders, and the balance of Rs. 22,50,730 were set off against accumulated losses of Rs. 35,95,921, leaving a balance loss of Rs. 13,45,191 to be carried over. Out of the above referred sum of Rs. 5,10,000 set aside for dividend to ordinary shareholders, the directors declared a dividend of As. 12 per ordinary share which absorbed a sum of Rs. 5,08,988, leaving a surplus of Rs. 1,012, which was retransferred to profit and loss account and set against the carried over loss of Rs. 13,45,191, leaving a balance of Rs. 13,44,179 to be set off and adjusted against future profits, which the directors hope, will find approval of the shareholders. The directors propose to completely write off the balance accumulated losses of Rs. 13,44,179 against the surplus of Rs. 19,47,394 of the accounting year 1955 left over after making a provision of dividends as referred above and the balance surplus of Rs. 6,03,215 is proposed to be carried over to next year.

The completion of the extension of the Cement Works has been slightly delayed due to not getting the kiln shells ordered in India in pursuance of the policy of the Government of India, which ultimately had to be ordered in Europe and are received very recently. The extension plant is expected to go into production by the end of this year.

The Company has also undertaken to put up a modern refractory plant in collaboration with some German experts, which will have a capacity of annual production of 80,000 tons to cater the growing needs of the country in general and the steel plants in particular.

The Company is also sponsoring jointly with Dalmia Cement (Bharat) Ltd., by subscribing to the capital of Dalmia Iron and Steel Ltd., to establish a cast iron and steel foundry in Calcutta to manufacture special heat resisting and wear resisting parts of the cement machineries.

To finance all these schemes, the Company is taking a secured loan of rupees one crore from the Industrial Finance Corporation of India and has also decided to offer for subscription the balance issued and unsubscribed ordinary share capital, thus increasing its ordinary subscribed and paid up capital to rupees one crore which will be offered in the first instance to the shareholders of the Company, for which a separate circular is already issued. The directors further propose that out of the 50,000 issued preference shares, the 10,000 shares which remain unsubscribed, be cancelled.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,07,86,500	Block ...	93,44,645
Reserves ...	32,02,416	Expenses on construction in-progress	8,37,976
Liabilities ...	52,44,377	Stock-in-trade	5,56,978
Profit and loss account ...	31,81,527	Stores, etc.	69,43,026
		Other assets	1,308
		Debts, deposits and advances ...	21,13,291
		Investments	80,529
		Cash ...	25,37,067
Rs.	2,24,14,820	Rs.	2,24,14,820

India Linoleums Ltd.

The directors of the above Company (Secretary: Mr. R. K. Chhaochharia, Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1956.

The accounts show a profit of Rs. 6,18,915 earned during the year. After adjusting this sum against the debit balance of Rs. 7,12,719 brought forward from the previous year, there remains a net debit balance of Rs. 93,804 in the profit and loss account which the directors feel, should be carried forward.

On account of there being a debit balance still to be carried forward, it has not been possible this year also to provide depreciation in the accounts. The total amount of unabsorbed depreciation carried forward is thus Rs. 19,14,857.

Sales of finished goods show further improvement during the year. Bulk of the sales were effected for internal consumption while some exports were also made to overseas countries. The closing stock of finished goods has been taken at estimated realisable value.

Messrs. Hindustan Investment Corporation Ltd., resigned their office as managing agents of the Company with effect from 1st April, 1956, and this was approved by the shareholders in the Extra-ordinary General Meeting held on 31st March, 1956. At the request of the directors, the managing agents have agreed to forgo their commission on profits for the year 1955-56.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	27,84,411
Liabilities ...	19,37,540	Stock-in-trade	9,07,375
		Stores ...	1,07,538
		Debts, deposits and advances ...	5,15,050
		Cash ...	29,362
		Profit and loss account ...	93,804
Rs.	44,37,540	Rs.	44,37,540

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

ANNUAL GENERAL MEETING OF THE APOLLO MILLS LIMITED

CHAIRMAN OUTLINES MODERNISATION PLAN

ADDRESSING the shareholders of the Apollo Mills Limited, at their Thirty-sixth Ordinary General Meeting, held at Bombay on 23rd August 1956, Mr. C. P. Wadia, Chairman of the Company, disclosed that the Company had applied to the Central Government for permission to install 500 automatic looms, in pursuance of the scheme for renovation and modernisation undertaken by it. He added that the Directors believed that, if the scheme visualised by them was successfully implemented, the shareholders could look forward to a good future for the Company.

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

"GENTLEMEN,

"The audited financial accounts for the year ended 31st December 1955 and Directors' report have been in your hands for some time past and I believe I have your permission to take them as read.

"At the outset, I feel compelled to refer to the most unfortunate, premature and tragic demise of our Labour Officer, Mr. D. W. Kale, who was assaulted by some persons while travelling in a car with the Manager and the Engineer on the 4th instant, subsequent to the workers having adopted 'go-slow' tactics from 19th July 1956, on the issue of bonus for the year 1954. The management took all steps to persuade the workers to resume normal working, but, as all methods of pursuasion failed, were reluctantly compelled to put up a notice of closure and, in fact, the Mill was closed on and from 29th July 1956, but has resumed normal working from the 13th instant. The Directors wish to express their feelings of condolence and sympathy to the bereaved family of our Labour Officer, who died while discharging his duties and I have no doubt that you will all associate yourselves with one voice in the expressions of such sympathy and condolence. The late Mr. Kale had given complete satisfaction in the discharge of his duties which he carried out impartially and judiciously and he was an ideal liaison between the management and the workers and a true friend of both. It is a great pity that the Company should have been deprived of his services in such tragic circumstances. As a mark of respect to his memory and a tribute to his departed soul, I would request all of you to unanimously join in our expression of sorrow by all of us standing in silence for two minutes.

"You must have observed that the profit of Rs. 10,65,689 is arrived at after deducting a sum of Rs. 1,17,209 being the debit balance of last year and also after adjusting about Rs. 2,00,000 for bonus and difference in D.F.A. and increments to the mill clerical staff for past years and these figures, when compared with those of the last year, will be found by you to be satisfactory.

Modernisation Programme

"You are aware that the Directors, being alive to the necessity of modernisation of your Mills plant and machinery with a view to reducing the cost of manufacture, have undertaken the task of rehabilitation and renovation and replacement of the existing machinery by modern machinery consistent with the resources of the Company. This piece of information has already been made known to you in the Directors' report. Since then, the Directors have put in an application to the Central Government for permission to install 500 automatic looms for expansion under the new scheme of the Government of India allowing increase in loomage. If the Company's application were granted, wholly or substantially, for which every effort is being made by the Directors, it will result in the expansion to the extent of 50 per cent. of the present capacity and this will go a long way to reduce the manufacturing cost and thus increase the earning capacity of the Mills. The Directors hope that even if the full number of looms applied for be not granted, they will be definitely allotted a portion thereof. I believe our position justifies the hope that our application will be granted in its entirety, since we have recently replaced winding, warping and sizing with modern automatic machines and have also replaced ring frames with new ones so that the yarn produced with these new ring frames will stand the test of working the automatic looms. Much will, therefore, depend on the decision of the Government in this behalf. Apart from what has been reported in the Directors' report, this would involve additional capital expenditure for which arrangements will have to be made by the Directors. The Directors believe, if the scheme visualised by them is successfully implemented, you can look forward to a good future of the Company.

Dividend

"You must have observed from the Directors' report that a provision has been made for the rehabilitation and development fund from this year's profit, which is in consonance with the general policy of the Directors. I hope that the raising of the dividend from As. 2 declared last year to As. 3 this year will meet with your full satisfaction. The Directors have, after due consideration of all factors and with the full benefit of the shareholders at heart, thought it fit to resist the temptation to declare a larger dividend which you may think might be justified by the profits of the year. But we do urge upon you a long-range view of the capacity of the Company to maintain a healthy condition of its finances and to keep up the dividends in leaner years, particularly in view of uncertainty of future events and the fulfilment of the ambitious expansion programme envisaged by the Directors.

"The total number of spindles and looms worked during the year was 41,143,232 and 800,438, respectively, while the total number worked for the preceding year was 36,411,964 and 799,427, respectively.

"Consequent upon the coming into force of the Companies Act, 1956, certain resolutions have become necessary as mentioned in the notice of the Meeting. The explanatory notes for those resolutions, as required by the provisions of the Act, have also been submitted to the shareholders and I feel it is unnecessary for me to recapitulate them here.

"I would like to express my thanks to the technical, administrative and other personnel who have worked for the institution with zeal and devotion to duty for the common benefit of the workers and shareholders.

"Before I move that the Directors' report, the profit and loss account and the balance-sheet for the year ended 31st December 1955, be adopted I would answer questions that may be put by you relating to the accounts under review."

All the resolutions proposed at the Ordinary General Meeting were unanimously passed by the shareholders.

THE BANK OF BARODA LIMITED

SAFE DEPOSIT LOCKERS

in different sizes available at the Bank's

RECLAMATION BRANCH
Mafatlal House
Backbay Reclamation
Bombay 1

N. M. CHOKSHI,
General Manager.

Lockheed Aircraft engineers believe they have developed the world's tiniest television camera. The camera measures 1¾ by 2 by 5 inches. The midget telecaster weighing one and a half pounds can relay to a 27-inch screen inside test planes. It will enable test pilots and engineers to view immediately operations in hard-to-see spots such as landing gears. Such operations as landing gear raising and lowering against the slip-stream now are photographed by movie cameras and viewed later. The television camera is designed to detect any trouble without delay.

Notices

THE SINGARENI COLLIERIES COMPANY, LIMITED

(Incorporated in Hyderabad-Deccan)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Annual General Meeting of the Shareholders of The Singareni Collieries Co., Ltd., will be held on Friday the 21st September 1956, at 3-30 p.m., at the Registered Office of the Company, "Meher Manzil," Red Hills, Hyderabad-Deccan, to transact the following business:—

1. To read the Minutes of the Thirty-fourth Annual General Meeting of the Company held on 16th September 1955.
2. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December 1955.
3. To sanction the declaration of a Dividend.
4. To approve donations paid by your Directors.
5. To appoint Directors in place of—
   (1) Dr. G. S. Melkote
   (2) Mr. S. J. Tarapore
   (3) Mr. M. R. Patny

   who retire in accordance with Section 256(1) and (2) of the Companies Act, 1956, and being eligible offer themselves for re-election.
6. To appoint the Auditors for the current year, viz., 1956, and fix their remuneration, subject to the approval of the Central Government in accordance with Section 619(2) of the Companies Act, 1956.
7. To consider and if thought fit to pass the following Ordinary Resolution:—

   "Resolved that consent of the Company be and is hereby given to the future borrowings by the Board of Directors from time to time of all monies deemed by it to be requisite or proper for the carrying on of the business of the Company notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate paid-up capital of the Company "and its free reserves, that is to say, reserves not set apart from any specific purposes."
8. To consider and if thought fit to pass the following Special Resolution:—

   "Resolved that all contracts already entered into as from 1st April 1956 or to be entered into in future by the Company with Messrs. Praga Tools Corporation Ltd. and Nizam Sugar Factory Ltd., who are the associates in pursuance of Sub-Section 4 (b) (ii) of Section 2 of Indian Companies Act, 1956, of the Industrial Trust Fund, The Secretaries of the Company, for the supply of coal to them on the usual terms and conditions, viz., f.o.r. Collieries and payment of the value of supplies in advance, be and are hereby approved as also any contracts already made by the Company as from the aforesaid date or to be made in future with Messrs. Praga Tools Corporation Ltd., on the usual terms of payment after satisfactory verification of materials on receipt at Collieries' site provided that the prices or amounts charged to the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and provided further that if credit is to be afforded to the above said concerns for the supply of coal to them, the Industrial Trust Fund or the said concerns shall make payment to the Company within one month from the date of supply."

EXPLANATORY STATEMENT

Ordinary Resolution 7

The Expansion Scheme of the Company, for raising the production to 3 million tons by 1961 at an estimated cost of Rs. 9.28 crores has been included by the Government of India under the Public Sector in the second Five-year Plan. For this purpose loans will have to be taken from the Government of India and other sources.

As per the new Companies Act, 1956, the Board of Directors cannot without the consent of the shareholders in General Meeting borrow from time to time monies in excess of the limits as laid down in Section 293(1) (*d*) of the above Act.

Special Resolution 8

The Company has to enter into transaction for selling coal to the companies referred to in the Resolution and for purchasing machinery parts from Praga Tools Corporation, associates of the Industrial Trust Fund, Secretaries of the Company. Contracts for such transactions can be entered into only with the approval of shareholders of the Company in General Meeting in pursuance of Section 360 of the Companies Act, 1956.

9. To transact any other business that may be brought forward by the Chairman.

The Transfer Books of the Company will remain closed for the purpose of dividend from 8th to 21st September 1956 (both days inclusive).

By Order of the Board,
For and on behalf of
THE SINGARENI COLLIERIES CO., LTD.,
INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
R. DWARKA PERSHAD,
Secretaries.

"MEHER MANZIL,"
RED HILLS,
HYDERABAD-DECCAN,
22nd *August* 1956.

Note.—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of himself, and that a proxy need not be a member.

2. Subject to the Directors' recommendation being accepted, Dividend Warrants will be posted on 15th October 1956.

3. Shareholders are requested to give immediate notice to the Company of any change of address.

KESORAM COTTON MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company, at 8, Royal Exchange Place, Calcutta, on Friday the 28th September 1956, at 3-00 p.m., to transact the following business—

(*a*) to receive and consider the Directors' Report and pass the Audited Accounts of the Company for the year ended 31st March 1956,

(*b*) to declare Dividends on Preference and Ordinary Shares,

(*c*) to elect Directors in place of Shri Ramkumar Bhuwalka and Shri Hiralal Somani, who retire by rotation,

(*d*) to appoint Auditors for the current year and to fix their remuneration,

(*e*) to approve and confirm the payment of donation of Rs. 2,27,775, details of which will be placed in the General Meeting,

(*f*) as a special business, to consider and if thought fit, to pass the following ordinary resolution with or without any modification:—

"RESOLVED that the Company do hereby approve of and consent to the appointment of Messrs. Poddar Auto Dealers of Exhibition Road, Patna, as the Sole Selling Agents of the Company for the sale of Company's goods in Nepal for a term of two years with effect from 1st day of May 1956 on the terms and conditions contained in the agreement of even date entered into by the Company with them."

(*g*) to transact any other business that may be brought forward with the permission of the Chairman.

The Share Transfer Register will be closed from 15th September to the 28th September 1956, both days inclusive.

By Order of the Directors,
BIRLA BROTHERS PRIVATE LIMITED,
Managing Agents.

CALCUTTA, 21st *August*, 1956.

N.B.—The Directors have recommended the following Dividends on Preference Shares at 7 per cent. free of Income-tax, on Ordinary Shares at Re. 1 per share free of Income-tax.

If dividends on shares as recommended by the Directors are declared in the meeting, the Dividends will be payable to the Registered Shareholders whose names appear in the Company's Register on 28th September, 1956 or to their order or to their bankers. No application need be sent for the dividends as the Dividend Warrants will be posted to them within three months from the date of declaration.

The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the above meeting.

The member entitled to attend and vote at the above meeting is entitled to appoint proxy to attend and vote in place of himself and a proxy need not be a member.

Explanatory statement in regard to special business to be transacted at the meeting.

The party mentioned in the ordinary resolution has been appointed Sole Selling Agent for Nepal. The agreement entered into with them is open to the members for inspection at the registered office of the Company during business hours. In compliance of the Section 294 of the Companies Act, 1956, the agreement will be placed before the shareholders at the above meeting.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

THE DIRECTORS OF THE CALCUTTA Tramways Company Limited announce that the result of the working for the year ended 31st December, 1955, was as follows:—

		£
The Revenue for the year, after transferring £80,000 to Renewals and Replacements Account was ...		206,018
Against this total has been debited		
Provision for taxation ...	83,000	
Debenture Interest ...	24,517	
	£107,517	
Less: Tax deducted from Debenture Interest less tax on Investment Income ...	10,698	96,819
Leaving a balance for the year of ... ... to be applied as follows, in accordance with the Agreement dated 30th August, 1951, between the Governor of the State of West Bengal and the Company.		109,199
To Shareholders' Account	87,457	
Balance to Special Reserve Account	21,742	£109,199
The amount credited to Shareholders' Account as above is ... ... out of which is payable:—		87,457
Cost of 1st Debenture Stock purchased for cancellation	£ 3,902	
Second Debenture Stock Redemption	5,904	
Dividend on Preference Shares less Tax ...	7,187	
Interim Dividend of 3½ per cent. f.o.t. on Ordinary Shares	24,500	
Proposed Final Dividend of 5 per cent. f.o.t. on Ordinary Shares ...	35,000	76,493
Leaving to be carried forwardon on Shareholders' Account		£10,964

The Annual General Meeting will be held at Winchester House, Old Broad Street, London, E.C.2, at twelve o'clock noon on Tuesday the 9th October 1956, on which day the warrants for the dividend, if sanctioned, will be posted.

The Ordinary Share Transfer Books will be closed from the 26th September to 9th October 1956, inclusive.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4 MISSION ROW EXTENSION,
CALCUTTA, 23rd *August*, 1956.

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 29th *August*

The short-term money market experienced fairly comfortable conditions during the week under review, thanks to the large influx of funds from upcountry centres. Though the demand for bank credit had not abated, the supplies were large enough to enable banks to get their requirements from the market to meet the demand without much difficulty. There was, however, no change in short-term interest rates, which were well maintained at the levels noted in the previous week.

Inter-bank call money rate was unchanged at 3½ per cent., but business continued to be done at 3 per cent. also after clearing hours. House money at call was placed at 3½ per cent. and short-term deposits at 3½ per cent. for one to three months and at 3½ to 3¾ per cent. for four to six months.

A shrinkage of Rs. 13.82 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 24th August 1956. Notes held in the Banking Department are slightly higher by Rs. 40 lakhs, so that the decline in total notes issued is of the order of Rs. 13.42 crores. This is covered by a fall of Rs. 14.90 crores in rupee securities and a rise of Rs. 1.48 crores in rupee coin. In the Banking Department, deposits of the Central Government have gone up by Rs. 7.86 crores and of banks by Rs. 2 crores. On the assets side, balances held abroad have declined by Rs. 5.61 crores and so also loans and advances other than to Governments by Rs. 5.81 crores. Of the latter, advances to Scheduled banks against usance bills account for Rs. 2.64 crores.

The Scheduled banks' statement for the week ended 17th August 1956 shows a rise of Rs. 5.22 crores in demand deposits and of Rs. 0.91 crore in time deposits. There has also been an increase of Rs. 1.11 crores in inter-bank borrowings, while borrowings from the Reserve Bank have declined by Rs. 3.72 crores, of which those against usance bills account for Rs. 3.17 crores. On the assets side, advances are lower by no more than Rs. 0.51 crore. Inland bills purchased and discounted have fallen by Rs. 1.72 crores and foreign bills by Rs. 0.49 crore. A rise of Rs. 3.27 crores is noted in cash balances, of Rs. 0.44 crore in balances with other banks in current account and of Rs. 2.28 crores in money at call and short notice.

With only a few days to go for the opening of the lists for State Governments' new loans, the Gilt-edged market was devoid of any interest. The listless conditions witnessed in the previous weeks persisted during the week under review also. The medium and long-dated issues of the Central Government and some of the State loans, particularly 4 per cent. 1963 and 1964, were on offer. In the absence of any buyers, however, there was very little activity in the market.

In tune with the current trend of the market, the Reserve Bank of India reduced during the week its buying rate for 3 per cent. 1957 by an anna to Rs. 99-12 and of 3 per cent. 1958 to Rs. 99-9 after payment of half-yearly interest. 3 per cent. 1986 Conversion Loan had sellers, after a rise of an anna to Rs. 75-2 earlier in the week. 3 per cent. 1970-75 was marked down by an anna to Rs. 90-1. 3 per cent. 1966-68 proved an exception, with a rise of an anna to Rs. 93-4. 3 per cent. 1964 and 1963-65 attracted sellers at Rs. 94-15 and Rs. 94-14, respectively. 3 per cent. 1959-61 was stagnant at Rs. 98. 3½ per cent. 1962 was featureless at Rs. 98, 3½ per cent. 1961 at Rs. 99-6 and 3½ per cent. 1964 at Rs. 98-11. 3½ per cent. 1965 was on offer at Rs. 98-9 and 3½ per cent. 1967 and 3¾ per cent. 1974 at Rs. 98-7. Among State loans, 4 per cent. Madras 1963 and 1964 shed an anna each to Rs. 100-2 on predominance of sellers. A similar recession was noted in 4 per cent. U.P. 1963 and 1964 at Rs. 100-2.

In the foreign exchange section, there was no change in the rupee-U.S. dollar exchange rates, banks' selling rate being Rs. 480¾ per $100 and their buying rate Rs. 477 per $100, despite the weakness of selling abroad. In New York, spot sterling reacted from $2.78-7/16-2.78-9/16, to $2.78-3/16-2.78-5/16, before closing at $2.78¼-2.78⅜. Three months' forward shed 3c. to $2.77-2.77⅛. Transferable sterling receded from 275.40-275.50 cents to 275.30-275.40 cents.

WOOL PRICES MAINTAINED

DELHI, 21st *August*

The heavy rains still restricted arrivals into the wool market. The U.S. which was active in the beginning of this month has shown no interest lately. As this is the holiday period for many U.K. mills, demand from there is small. Prices are firm, in spite of lack of demand. The rates prevailing at Delhi as on the 17th inst. were: Superior White Rs. 3-4 to Rs. 3-5, Yellow Rs. 2-10 to Rs. 2-11 per lb. f.o.r. Delhi; Grey Rs. 100 per maund.

Bradford, U.K. (10-8-56): The Suez dispute had little effect on the Bradford market until this week, but top quotations have now been raised protectively by about 1*d.* per lb. In the London futures market, there has been some hardening in the prices as a result of the crisis, but this has been limited and the danger of a hold-up in supplies of wool has not been regarded as great by the trade as a whole.

Australia: The opening sale at Melbourne has been cancelled, owing to delay in the shearing and in the transportation of wool, reports the London Committee of the National Council of Wool Selling Brokers in Australia. The sales at Sydney and Perth will open on the 27th inst., as scheduled.

New Zealand Crutching Sales: At Wanganui on the 2nd inst., values were slightly easier at the opening, but there was good competition from the United States, Britain and Australia. At Napier, prices were slightly higher than at Wanganui, with the United States the main buyer.

BULLION DRIFTS LOWER

(From Our Own Correspondent)

BOMBAY, 29th *August*

Trading in the bullion market was characterised by narrow movements in prices. The underlying trend was, however, downward, thus maintaining the recession—albeit small—for the second week in succession.

Early in the week, silver staged a mild spurt on encouraging offtake in the ready section and on apprehensions about the Suez Canal issue, but this rise proved short-lived and a setback soon set in. The weakness of commodity markets, reports of arrivals of Tibetan coins in Calcutta and fears that ready demand might not improve until after three or four weeks induced profit-taking. Consequently, the closing prices were well below the week's best levels.

Gold also exhibited a firm trend at the opening of the week, thanks to good offtake in the ready section. Subsequently, it moved down in the absence of any incentive and in sympathy with silver. Rumours of large unauthorised arrivals in the country also exerted a bearish influence on the metal. The seizure of about 32,500 tolas of contraband gold near Cannanore, North Malabar, had only a temporary bullish effect on the market.

The market remained closed today on account of *Janmashtami*.

Silver forward (23rd August settlement) advanced from Rs. 171-15 to Rs. 172-13 before the settlement ran out at Rs. 172-4. The next settlement (22nd September) hardened from Rs. 172-11 to Rs. 173-10, but soon reacted to Rs. 172-1 on Saturday. On Monday this week, however, it rebounded to Rs. 172-15, but only to finish lower yesterday at Rs. 172-6.

Ready silver (.996 Mint) improved from Rs. 171-15 to Rs. 173-2, but gave way to Rs. 172-2 at the close.

The floating stocks of silver are estimated at 2,200 bars. The daily average offtake was 25 bars.

Gold forward (21st September) moved up early in the week from Rs. 103-9 to Rs. 103-13, but languished yesterday to Rs. 102-10, the lowest level in the past four weeks.

Ready gold closed Re. 1-3 lower at Rs. 102-10, after an early advance to Rs. 104-1.

The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,000 tolas and the offtake also was of the same order.

In New York, silver maintained its level of 90¾c. In London also, silver prices were unchanged at 78¾d. for both spot and forward. Gold, on the other hand, gained strength from 251s. 3¾d. to 251s. 6¾d., but at the close shaded off a little to 251s. 5¼d.

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

	28-8-56	Highest	Lowest	22-8-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	102 10	104 1	102 9	103 13
Forward*	102 10	103 15	102 9	103 9
Sovereign	67 4	—	—	67 0
SILVER				
Ready (.996 fine Mint) ..	172 2	173 2	171 13	171 15
Forward†	172 6	173 10	172 1	172 11
London Silver Ready ..	78¾d.	—	—	78¾d.
London Forward	78¾d.	—	—	78¾d.
London Gold	251s. 5¼d.	251s. 6¾d.	251s. 5¼d.	251s. 3¾d.
New York Ready	90¾c.	—	—	90¾c.

* 21st September settlement.
† 22nd September settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 27th *August*

The kip market ruled firm, though several U.K. importers were cautious and did not follow the prices at origin. As values advanced by 10 per cent. on the levels ruling in April last, and U.K. dressers were not been able to obtain an equivalent increase for their productions, it was believed that prices had reached top levels, and a setback was not ruled out. E.I. tanners were paying high prices in the raw centres in the hope of obtaining increases for their tanned productions.

Arrivals of kips into the local bazaar were moderate and clearances steady. There was good call for cow calf, but no demand for F.A.Q. buff calf.

There was good clearance of tanned sheep skins, presumably for shipment to Japan, and fair demand for top grades in superfine tannages of goat skins in all weights, but sellers required lower grades also to be sold combined.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 25th *August*

During the week under review, the hides and skins markets ruled fully steady, despite considerable new arrivals of the main categories of wet salted cow and buff. The main purchasers were the local tanners and the Madras dealers. Offtake of goat and sheep was not as heavy as that in the previous earlier week.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 200 and 3rd grade Rs. 150 per score; wet salted buff 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat 1st grade Rs. 170 and 2nd grade Rs. 160 per 100 pieces; sheep 1st grade Rs. 200 and 2nd grade Rs. 160 per 100 pieces.

COTTON FUTURES WEAK

(From Our Own Correspondent)

BOMBAY, 28th *August*

It looks as though the morale of the cotton futures market has been lost once again. The market is now in the grip of bears, while the bulls who were hitherto powerful have receded to the background. There are thick and persistent rumours of an upward revision in excise duty on mill cloth. There are also apprehensions of Government intervention in cotton trade; the Forward Markets Commission is reported to have expressed concern over the recent rise in cotton prices. "The Government," to quote one report, "is keeping a watch on the price trends in the cotton and cloth markets and has already all the arrows in the armoury." On top of these, expectations of a setback in world cotton prices following news regarding American cotton subsidy have imparted weakness to the market. Naturally enough, adroit shorts have seized the opportunity to hammer down values. On the other side, the bulls are nervously liquidating their stocks, thanks to reports of favourable weather conditions in the cotton growing tracts and of the new crop moving fast in the Punjab.

Over the week, M.G. Jarilla March Contract has dropped as much as Rs. 19-4 and Vijay April Contract Rs. 17-8. Jarilla March opened the week at Rs. 704 and, on nervous long liquidation, toppled down to Rs. 685-4 yesterday before closing at Rs. 685-8. Vijay April stood at Rs. 831 on the opening day, as against Rs. 832-8 last week-end. The Contract was subjected to sustained bear pressure and slumped to Rs. 815 today, at which rate it wound up the week.

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

(In rupees per candy of 784 lbs.)

	28-8-56	Highest	Lowest	22-8-56
Jarilla (March) ...	685¼	705½	685¼	704¾
Vijay (April) ...	815	832	815	832½

The spot cotton market depicted a distinctly easy note. Mill enquiries for Indian varieties were generally somewhat slack. The delivery contract bases suffered a break. Exportable styles failed to evoke adequate interest. Shippers, it is said, have not been able to make much progress with regard to sales of cotton against the revalidation of unutilised export quotas issued in the current season. This is attributed to the fact that the styles permitted for export, namely, cotton stapling ¾" and below, do not attract foreign buyers at the current advanced prices on account of paucity of supplies and the high export duty of Rs. 100 per candy. Foreign cottons were neglected, with the exception of Sudan varieties which attracted some attention. The latest available prices—in rupees per candy of 784 lbs.—from the spot cotton market at Sewri, the figures in brackets giving last week-end rates, are given below:

Bengal *Deshi* 720 (720); Berar Jarilla 780 (785); Khandesh 790 (800); Vijay 965 (975); Oomra *Deshi* 750 (750); Moglai 740 (740); *Delivery contracts*: Khandesh 197/3 December 115 (123), Berar 102 (106). Moglai 35 (44) on Jarilla; 320 F December 72 (76), 216 F 97 (102) and Vijay 13/16 February-March 58 (68) on Vijay.

Of much importance to the cotton market is the Pakistan Government's decision to raise the export duty on *Deshi* and Comilla varieties by Rs. 20 to Rs. 80 per bale. The rise in duty, some traders point out, has brightened the export prospects for Indian cotton. Others, however, feel that the export business in Indian cotton is difficult for the present, on account of the heavy unofficial premia demanded for export licences, which are said to be around Rs. 150 per candy for Bengals and Rs. 30 for other varieties. With regard to the cut in the export duty on Pakistan cotton from Rs. 135 to Rs. 115 per bale, cotton circles are of the opinion that it may not induce importers to buy this cotton, which is still costlier than comparable indigenous varieties.

At its meeting held on Friday, the East Indian Cotton Association approved of regulations for dealings in foreign cotton imported into India. One of the regulations provides for arbitration in India by the Association in case of any dispute between the importer and the exporter. The present by-laws of the Association, it may be noted here, do not provide for such arbitration and disputes are being referred to the Liverpool Cotton Exchange for arbitration. The by-laws of the Association will suitably be changed after the Forward Markets Commission gives its sanction.

The ban on imports of American cotton continues and nothing definite is still known as to when it will be lifted. Licences covering about 12,500 bales of American cotton issued recently under Trade Notice 160 dated 17th July 1956, have been issued *pro rata* and applicants have received licences for only 73 per cent. of the quantity applied for. This, it is stated, has caused great difficulty for shippers due to disruption of freight arrangements and it is hoped that the balance licences will be issued without further delay.

The firm trend noted in the Karachi cotton market in the last three weeks abated this week. In fact, the market ruled bearish. The upward revision in export duty on *deshi* cotton—from Rs. 60 to Rs. 80 per bale—announced by the Pakistan Government was the chief unhelpful factor. The reduction of Rs. 20 to Rs. 115 in the duty on staple cotton also failed to influence the sentiment of the operators, who thought that the reduction was not quite sufficient to encourage enlarge overseas demand, what with growing competition in world markets. Current crop styles were neglected N.T.R.G. January delivery fell by Re. 1-15 to Rs. 75 per 82 lbs. March delivery receded by Re. 1-6 to Rs. 74-6. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Punjab *Deshi* 88; 4F Roller 77-8; S.G. 80; Punjab Roller 79; S.G. 82; 289F N.T. Roller 78; S.G. 80; 289F Punjab Roller 83; S.G. 89.

The Alexandria cotton futures market continued to present a cheerful tone. Traders showed renewed interest in buying cotton from farmers, induced by the suspension of sales by the Egyptian Cotton Commission and lower ideas of 1956-57 cotton crop. The buying fervour was also fanned by reports that the Egyptian Government would permit reimbursement in rupees in respect of cotton exports to India for any sterling amount outstanding against shipments already made. The Government is also expected to accept 100 per cent. in rupees for cotton shipped during September 1956. The latest available rates—in tallaris per lb.—from the Alexandria cotton futures market are given below:

Karnak: November 102.03; January 99.38; March 98.38; *Ashmouni*: August (deleted); October 73.33; December 73.03.

There was no development worth noting in the Liverpool cotton futures market during the week under review. Business put through was restricted. American mixed growth contracts came in for some mill fixing and trade support, while Egyptians were idle and Sudans were quiet with buying limits at lower rates unattractive to sellers. The following are the latest available quotations—in pence per lb. —from Liverpool:

American cotton 1" staple contract: October-November 24.80; December-January 24.65; March-April 24.25; May-June 24.35; July-August 24.25; *American mixed growth contract*: October-November 24.85; December-January 24.70; March-April 24.50; May-June 24.45; July-August 24.45; *Egyptian Karnak*: November-December 54.20; January-February and March-April 54.25; *Sudan contract*: September-October 48.15 November-December 48.00; January-February 47.70.

The gains recorded by cotton futures at New York in the last two weeks were further extended this week on trade buying in near-month and commission house demand for May and later deliveries. The upturn in current crops reflected continued lack of aggressive hedging and lower crop ideas, while the Soil Bank programme influenced buying in far distants.

The U.S. Commodity Credit Corporation sold 157,400 bales of cotton against bids received on the 21st inst., bringing the total quantity sold to-date to 3,277.641 bales. The Agriculture Department has authorised Burma to buy U.S. cotton worth $14.25 million covering about 100,000 bales against Burmese currency. Of this quantity, 65,200 bales will be shipped to Japan. 17,380 bales to the U.K. and 17,300 bales to West Germany. These countries will manufacture textiles for shipment to Burma.

The following are the latest available quotations from New York, as compared with those six days and fourteen days before:

(In cents per lb.)

	27-8-56	21-8-56	13-8-56
Spot	34.45	34.35	34.45
October	33.70	33.55	33.43
December	33.76	33.49	33.35
March	33.64	33.25	33.20

RAYON YARN MOVES UP

(From Our Own Correspondent)

BOMBAY, 28*th August*

Trading in the yarn market during the week under review was characterised by distinct firmness in rayon yarns, the prices of which registered an improvement. Operators were interested in extending their commitments on expectation of enlarged demand from powerlooms in Surat. The expectation was based on the report that the Chief Controller of Imports had reduced the import quota of factories not registered under the Factories Act. The result of the reduction, it was said, was that about 8,000 powerlooms out of the 15,000 in Surat would get a half-yearly import quota of the value of only Rs. 150 per loom, as against their original quota of Rs. 1,000. Staple fibre yarns, however, was easy, owing to slackness in buying enquiries. Cotton yarns were also easy, thanks to weak advices from the cotton market.

Snia rayon yarn (120 dull cones) for August delivery climbed up by Rs. 5 to Rs. 783. October delivery hardened by Rs. 4 to Rs. 798. In the spot section, National Rayons 120 Bt. cones 1st grade met with good buying support and advanced by 18 pies to Rs. 3-14-3. 150 Bt cones 1st grade was fully maintained at Rs. 3-6-6. Among indigenous yarns, 120 Italy gathered half an anna to Rs. 3-15. 120 Japan was firm at Rs. 3-13 and 150 Italy at Rs. 4-1-6. 150 Japan, however, came in for selling and lost six pies to Rs. 4-2.

Spot indigenous 40 x 2 staple fibre yarns staged a retreat due to selling pressure. Citys receded by 15 pies to Rs. 3-7-3. Kohinoors lost nine pies to Rs. 3-9-9. New Greats and Centurys both eased by three pies to Rs. 3-8. Foreign yarns (80 x 2) were somewhat favoured at higher prices. Paramounts picked up As. 2 to Rs. 6-6-6. Fujis, K'Suns and H'Races rose by an anna each to Rs. 6-4-6, Rs. 6-12 and Rs. 6-2, respectively. Suicos and S'Sellos were firm at Rs. 6-2. Staple fibre yarn (40 x 2) October delivery declined by a rupee to Rs. 675. August delivery was quiet at Rs. 665.

In the cotton yarn section, sixty counts were subjected to selling Raghuvamshis shed As. 8 to Rs. 38. Finlays eased by As. 4 to Rs. 62-6 and Moderns by As. 2 to Rs. 62-14. Among 80s, Mahendras gave way from Rs. 73-4 to Rs. 72. Moderns lost As. 4 to Rs. 70. Elphinstones were unchanged at Rs. 69 and Seksarias at Rs. 55. Deals in 20s were put through at lower levels, Moderns losing As. 2 to Rs. 19-8 and Hinds an anna to Rs. 19-9. Among 10s, Moderns declined by As. 2 to Rs. 15-1. Podars and Elphinstones were dull at Rs. 14-14 and Rs. 14-12; respectively. Thirty counts Maduras eased by an anna to Rs. 24-12 and Apollos were unaltered at Rs. 23. Among 40s, Maduras decreased by As. 2 to Rs. 29-10. Moderns lost an anna to Rs. 29-7. Minaxis, however, received special buying support and strengthened by As. 6 to Rs. 29-4.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days and fourteen days before:

	28-8-1956	22-8-1956	14-8-1956
Art Silk yarn **(per case of 200 lbs.)—**	**Rs. a.**	**Rs. a.**	**Rs. a.**
120 Dull Cone Snia August ..	783 0	778 0	785 0
October ..	798 0	794 0	801 0
120 Japan (per lb.)	3 13	3 13	3 13
150 Japan (per lb.)	4 2	4 2½	4 3
120 Italy (per lb.)	3 15	3 14½	3 14½
150 Italy (per lb.)	4 1½	4 1½	4 0
Staple fibre yarn **(per case of 200 lbs.)—**			
40 x 2 August	665 0	664 0	652 0
40 x 2 October	675 0	676 0	661 0
40 x 2 New Great (per lb.) ..	3 8	3 8½	3 6½
40 x 2 Century (per lb.) ..	3 8	3 8½	3 6½
40 x 2 City (per lb.)	3 7½	3 8½	3 6½
Cotton yarn **(per bundle of 10 lbs.)—**			
10s Podar	14 14	14 14	15 0
20s Hind	19 9	19 10	19 10
30s Apollo	23 0	23 0	22 12
40s Minaxi	29 4	29 14	29 8
60s Raghuvamshi	58 0	58 8	58 12
80s Mahendra	72 0	73 4	73 4

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 29*th August*

The oilseeds market reflected on the whole an easy trend over the week under review. In the groundnut section, weaker advices in the upcountry markets following favourable weather conditions and the apprehensions regarding further Governmental actions to check the buoyancy of the produce markets were chiefly responsible for the setback. The hedge pressure from the producing areas accentuated the situation. In the castorseed section, on the other hand, sustained liquidation by the longs in view of the approaching maturity of the September 1956 contract was chiefly responsible for the reaction, though the prices offered some measure of resistance to the downtrend under the influence of the demand from some shippers-cum-speculators and also of the fair prospects of export business in the castor oil with the U.S.A. Moreover, linseed section, having remained soft during the greater part of the week, made some headway towards the close of the week on reports of depletion of stocks resulting from brisk buying by up-country consuming centres. Higher prices of linseed oilcake have also increased the crushers' demand for spot goods, while reports of rise in rapeseed and rapeseed oil prices helped the trend. The market, however, closed on a steady tone, especially, in castorseed section.

Groundnut February contract after finishing the previous week at Rs. 139-10 started this week at Rs. 139-2. It declined, however, to the low figure of Rs. 133-12 at the end. In the spot section, Bold shed Re. 1 to Rs. 33-11, while December-January fell by Re. 1-2 to Rs. 26-15. Groundnut oil ex-mill lost, on the other hand, As. 8 at Rs. 18-6, and R/R followed suit with a loss of As. 6.

September delivery in the castorseed section opened the week steady at Rs. 144-14, that is, Re. 1 higher than the closing level the previous day. But, it declined to the lowest level of the week at Rs. 140-8 on 25th and on bear covering moved up again to a high of Rs. 145-2 on 28th before finishing at Rs. 143-6. It, thus, lost only As. 8 over the week. May contract, however, declined steadily from Rs. 129-12 in the previous week to Rs. 124-12 at the close of the week, representing a steep fall of Rs. 5. In the spot section, in contrast to the trend in futures, Bold Ready remained steady, while Ready Madras and Ready Kanpur put on As. 4 each at Rs. 28-12 and Rs. 27-8 respectively over the week. Oil B.S.S. and oil commercials both declined by As. 5 each at Rs. 18-6.

Among other seeds, *kardi* seed bold Ready shed As. 6 at Rs. 18-6 and *niger* seed Ready and Madras too, eased by As. 8 to Rs. 28 and Rs. 28-8, respectively.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	28-8-1956	22-8-1956	14-8-1956
Groundnuts—	**Rs. a.**	**Rs. a.**	**Rs. a.**
February 1957	133 12	139 10	141 10
Khandesh Quality Ready (per cwt.)	34 8	35 12	36 0
Aug-Sept.	33 2	33 10	34 12
Linseed—			
Bold Ready (per cwt.) ..	31 10	31 6	32 4
Aug-Sept.	31 8	31 6	32 6
Castorseeds—			
September	143 6	148 14	152 12
Madras (per cwt.)	28 12	28 8	30 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 6	19 2	19 14
Castor Oil—			
Commercial (per quarter) ..	15 7	15 12	16 6
Linseed Oil—			
Ready	17 0	17 8	18 8

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 29*th August*

The sugar market ruled distinctly bearish during the week under review. The ex-mill quotations of sugar fell by Re. 1-8 to Rs. 2 per bag in Bombay-Deccan and by As. 4 to As. 6 in the North, following the release of 160,000 tons of sugar for sale in free market. The local traders were, therefore, forced to accept lower rates for their offerings. The fall in sugar prices would have been more marked but for reduced arrivals of indigenous sugar into the market, which aggregated 13,600 bags, as against 18,700 bags in the week before and 21,200 bags in the week preceding the latter.

In the spot section, British refined sugar receded by As. 12 to Rs. 91-4 per bag of 2 cwts. Among indigenous sugar, medium grain declined by As. 8 to Rs. 90½-Rs. 93½. Large grain was quiet at Rs. 95-Rs. 101 and small grain at Rs. 89.

Asho delivery contract for 'C' grade sugar was subjected to selling and slipped by As. 6 to Rs. 91, with sellers at that price.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

By the third week of July 1956, all the sugar mills in India had stopped crushing for the season 1955-56, according to the Indian Sugar Mills' Association. The aggregate production of sugar in the season is finally estimated at 1,857,015 tons, as against 1,583,000 tons during 1954-55. In the month of July, about 8,127 tons of sugar were produced.

The total offtake of sugar from factories during the nine months ended July 1956, amounted to 1,270.000 tons, which represents a rise of 437,000 tons as compared with the offtake of 833,000 tons in the corresponding period of 1954-55. During the month of July alone, the offtake was 175,000 tons, as against 124,000 tons a year before.

The closing stocks of indigenous sugar as on 31st July 1956, aggregated 991,000 tons, the figure for the same date last year being 788,000 tons.

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, 28*th August*

Malabar black pepper, after ruling steady during the earlier part of the week following some selective purchases by New York, ruled quiet with prices tending lower for want of further support from overseas. New York is reported to be restricting its buying to shipments by named steamers or afloats only. Some of the Indian holders, therefore, are shipping part of their stock as unsold consignments and are selling them either as afloat or by named steamers. So far they are successful in marketing their consignments without difficulty. This has apparently helped the local market to maintain itself as they replace such sales by buying forward locally. But, once New York stopped buying, it was feared that the market in New York as well as in India would go down owing to pressure of selling by exporters both for their consignments and nearby shipments. When the afloats were not sold, they (Indian shippers) would try to hedge their unsold parcels by selling forward in the local market. This would, most likely, affect the market.

Since a week or two listless conditions prevailed in our market. It seems that the market is having a pause before turning a corner. It may be either upwards or downwards. Presumably, the Suez development, despite the conclusion of the 22-Nation London conference, is still exercising its influence on sentiment.

The general opinion of the majority among the traders, however, is reported to be veering round to the bear side for the following reasons (among others), provided the Suez crisis does not worsen in the meanwhile:

(1) Approaching new season of Malabar black and consequent selling pressure of old crop by growers; (2) news of the sale of about 1,000 tons of Lampong by Indonesia to China-Russia—further sale is also reported to be under negotiation; (3) introduction of bonus system for the export of pepper in Indonesia; (4) shipment of unsold consignments to New York and Europe by Singapore, Indian and Indonesian interests as spot prices there are said to be attractively higher than those for the shipments; (5) recent heavy purchases by overseas consumers and importers in view of the disturbed political development resulting from the Suez crisis; (6) fear of Dock strike in the U.S.A. during the month of October; (7) higher estimate of production of Sarawak Pepper; and (8) overbought conditions of the exporters in almost all the supplying markets, most of the shortsales having been covered during the recent rise.

The only relieving features of the market are the low prices of pepper, the present tight position of spot stock in New York and consequent chances of development of better Autumn demand.

In the earlier part of the week, New York bought a few parcels by the named steamers at $0.31 to $0.31¾. These purchases by the New York dealers are reported to be a replacement against earlier buyings which remained unshipped by one of the defaulting Madras shippers.

Alleppey is reported quiet at Rs. 775 with sellers anxious but small buyers. Garbled at Cochin moved between Rs. 132½ and Rs. 137½. In delivery section trading is neglected as new buying is absent. Everybody is waiting for a new development.

Following are today's nominal quotations: Ready delivery Rs. 102 per Bengal maund; September delivery Rs. 715-25 and October delivery Rs. 710-20 per candy of 5¼ cwts.

FANNINGS IN KEEN DEMAND

(Messrs. Forbes, Ewart & Figgis (Private) Ltd.)

COCHIN, 24*th August*

Almost 1,450,000 lbs. were on offer in Sale 24 which was held on Wednesday, 22nd August. Quality showed an all round improvement, particularly amongst the low medium and medium teas. There was some attractive high grown teas with

flavour catalogued. From the outset there was a very strong general demand and buyers competed keenly for fannings grades. Low medium teas sold well and prices advanced by an anna to As. 2. Medium teas were rather irregular, but improved quality were often dearer. Best liquoring teas were extremely well supported and, in particular, fannings grades. Advances of As. 4 to As. 6 per lb. were registered and occasionally higher rates. Middle East type fannings and tippy teas sold well and must be quoted dearer. There was a good demand for whole leaf grades and prices advanced. The following are the quotations:—

	1956 Rs. a. p.	Rs. a. p.
Plain B.P.	1 5 0	
Low medium B.O.P. ...	1 10 0	to 1 11 0
Medium B.O.P.	1 12 6	to 1 14 6
Good B.O.P.	2 4 0	to 2 5 0
Well made black leaf O.P. ...	2 10 0	

London Market.—Sale of 20th August 1956:—Strong demand between 8s. and 10s. for C.T.Cs. from Assam. Heavy withdrawals of plain tea.

Sale of 21st August 1956:—Best strong others easier.

Colombo Market:—*Sale of 20th August 1956*:—Fair demand. Generally lower, except for good liquoring fannings.

Sale of 21st August 1956: Active and generally dearer, particularly better qualities. Persian Gulf types slightly easier.

Calcutta Market:—*Export*. 52,926 packages. Less general demand. Strongest feature commonest and Egyptian types. Remainder easier, especially where quality declined.

Internal:—16,400 packages dust. Strong general demand, particularly Middle-East types. Cachars dooars medium Assams advanced As. 1 to As. 2. Grainy C.T.Cs. well supported. Other types this category upto As. 4 easier nonwithered dooars As. 2 to As. 3 dearer.

Dust Sale 'Q':—Offerings in Dust Sale Q which was held on Thursday, 23rd August amounted to 4,50,000 lbs. The sale opened to a very strong general demand and prices were As. 2 to As. 3 dearer for all types. Good medium dusts and best liquoring sold well. Middle East types met strong competition and were As. 4 to As. 6 dearer.

Export Quota:—After touching 30 pies in Calcutta, the market receded to 27 pies and there are now sellers at this figure.

Forthcoming Auctions:—Sale No. 25 will be held on 4th September and Dust Sale R on 11th September.

JUTE BUOYANT

(From Our Own Correspondent)

CALCUTTA, 28*th August*

A state of buoyancy prevailed in the jute markets during the week under review. There was a flood of orders from overseas buyers for both hessian and heavy goods. There was covering demand from shippers. In the circumstances, speculators were fully active. The result was a sizable addition to prices of jute goods, and such made possible simultaneous business in raw jute and jute goods after a long time. Speculators anticipated a further increase in prices, but sober elements thought that, once the first rush was over, the rates would decline and steady around somewhere mid-way between the present highest levels and the recent lowest from where the uptrend commenced. In the present enthusiasm, the news report that, during the month of July, burlap consumption in the United States declined by 1 million yards to 61 million yards was hardly taken notice of. It became known that stocks were lower and, since the decision of mills to further curtail production, a good many orders for hessian from the U.S. has been received. When these orders are executed, they will strengthen the stocks in the U.S. which had been depleted by the low buying during recent months. By and all, the decision of mills to reseal from mid-September the remaining 5 per cent. of the looms that had been unsealed is once again putting the industry on a healthy basis; but, in the market, the fears that, if prices move up further, substitutes may make inroads are also heard.

Another factor which caused the report of lower consumption in the U.S. last month pale into insignificance was the fact that consumption from January to July at 476 million yards was higher by 11 million yards, as compared with the figure for the corresponding period of 1955. In view of the higher activity in the market, the month of August is naturally expected to be a good shipping period, the impact of which will be shown in the stock figures that will be available early next month. Traders look forward to these figures with considerable interest. But, as stocks of hessian and sacking goods are considerable, it would be several months before the decline in production and the better demand begin to have any perceptible effect on the stocks.

Contrary to expectations, raw jute prices also moved up, the gain being about one point for most constructions. It had been anticipated earlier that prices would decline, on the assumption that, when the cut in production was enforced, mills' requirements of raw jute would fall by 125,000 maunds a month. But the opposite trend was due to lower arrivals of the fibre from Pakistan. Imports from East Bengal would further be affected, for, in pursuance of its aim to place as many impediments as possible in the way of India importing raw jute from Pakistan and apparently knowing that Indian mills are now realizing better prices for their products (the fact that, in recent months, mills had suffered heavy losses and that the present high prices are giving them only an opportunity to work on an economic basis need not be taken into account by Pakistan, as also the extreme unlikelihood that the present prices for goods would stabilised), the Pakistan Government has raised the export duty on cuttings from Rs. 5 to Rs. 10 a bale of 400 lbs. with effect from the 23rd inst. It will be remembered that this variety of Pakistani jute is bought by Indian mills in great quantities. There is no change in the export duty on *habbi jabbi* which is classified as long jute for purposes of export. This is also a variety of Pakistani jute imported into India in large quantities. But the duty on cut ropes, however, has been stepped up from Rs. 5 to Rs. 10 per bale of 400 lbs. The Indo-Pakistani trade agreement expiring by the end of this month is likely to be extended by a couple of months before its renewal. This was stated here on Friday last by Mr. C. C. Desai, Indian Commissioner in Pakistan, but his further statement that Pakistani views on the Indian proposal had not been received was another factor for the uptrend in raw jute prices. Arrivals of the indigenous fibre have, however, tended to improve, but prices in outstations are above Calcutta's parity.

In jute goods, there was profit-taking earlier, after which prices began to rise. Moreover, there was moderate covering demand which raised ready B. twills to Rs. 108-8 from Rs. 107-10, and hessian 40"×10 oz. to Rs. 40-13 from Rs. 40-6. Mills displayed no eagerness to sell, but covering demand continued. Genuine business was also effected. All this put up B. twills to Rs. 110-6 and hessian 40"×10 oz. to Rs. 41 on Wednesday. On the following day, B. twills gained further to Rs. 108 but hessian 40"×10 oz. was unchanged at Rs. 41. On Friday and Saturday, there was heavy speculative activity, and prices registered a substantial gain. B. twills ready advanced to Rs. 110-6 and hessian 40"×10 oz. to Rs. 42-4. Yesterday, the market opened on quiet tone, but soon after speculative support raised the quotations. Thus, ready 40"×10 oz. hessian gained further to Rs. 42-8 and B. twills to Rs. 110-12.

Forward rates also kept pace with the upward trend. But there was a difference between the upward movements for these positions in the two constructions. While B. twills forwards were higher than the ready, 40"×10 oz. hessian for all forward positions was lower than the ready rate. This feature was noticeable throughout the uptrend of this week. Thus, January-March B. twills and hessian were earlier quoted at Rs. 109-8 and Rs. 40-12, respectively, as against Rs. 108-8 and Rs. 40-13 for the ready goods. Later, the forwards rose to Rs. 111-12 and Rs. 41-14, respectively, as against Rs. 110-12 and Rs. 42-8 for the ready goods.

The factors responsible for the rise in raw jute prices have already been dealt with., Local *daissee* advanced from Rs. 29-8 to Rs. 30-8, Assam Upper from Rs. 28-8 to Rs. 30, and Indian northern from Rs. 28-8 to Rs. 30, all basis bottoms.

TEAS EASY

(From Our Own Correspondent)

CALCUTTA, 28*th August*

With the prospect of a peaceful settlement over the Suez Canal dispute, easier conditions were in evidence during the export sale yesterday. Earlier it had been felt that, since the possibility of Egypt entering into negotiations with the Western powers to discuss the latter's demand for internationalisation of the Suez Canal was not bright, shippers would like to see through the Canal as much tea as possible during the interval. If, however, in the event of shipments taking the way of the Cape of Good Hope, it had been foreseen that there would naturally be an increase in prices for ready tea in London. However, this is now a remote possibility, as the Canal continues to be free and is likely to remain so.

The tea industry is awaiting fuller details of the recommendations of the Plantation Inquiry Commission. From the summary published, it is not clear what the Commission has suggested to place the industry on a healthier foundation. However, what is commonly known is that cost of production has gone higher with increased labour wages and other statutory obligations. The Government of India can do away with the export duty on tea in the same way it had abolished the duty on jute goods; this would go a long way in placing with the industry some funds for modernisation.

Offerings during yesterday's auctions aggregated 56,900 packages. The fair general demand evinced at the opening of the sale was only a temporary feature. However, buyers for internal consumption were fairly active, and this resulted in prices for fannings and common brokens moving up. There was strong support for fannings with useful sizes and prices for these gained noticeably. On the other hand, mediums brokens gave way by 2 to 4 annas a lb. Keen competition was offered to the very best C.T.C. fannings. However, C.T.C. brokens and the fannings of an ordinary description received less support and lost by as much as 4 to 6 annas. Although there was good support, prices for good liquorings eased. Stylish leaf grades were steady, but Darjeelings were a quiet market. Tippy teas also eased. The quotations per lb. were: best C.T.C. Assam B.P. Rs. 3-8 to Rs. 3-10, medium Assam B.P. Rs. 2-1 to Rs. 2-3, plain B.P. Re. 1-9-6 to Re. 1-10, and clean black pekoe Re. 1-14.

In the sales for internal consumption, dusts offered totalled 16,180 packages. Conditions were steady, as there was strong demand. Grainy C.T.C. teas were bought at firm rates, while the rest of this category eased by As. 4. Good support was given to medium Assams, clean Cachar Dooars, and black leafy teas, prices of all of which improved by As. 1 to As. 2. The rates per lb. were: best Assam C.T.C. Rs. 3 to Rs. 3-8, medium Assam C.T.C. Rs. 2-10 to Rs. 2-14, medium Assam grainy Re. 1-15 to Rs. 2, and medium Dooars Re. 1-11 to Re. 1-12.

Rates for leaf grades were also steady. The quantity on offer aggregated 1,066 chests.

UPTREND IN METALS ARRESTED

(From Our Own Correspondent)

CALCUTTA, 28*th August*

With the possibility of a breakdown in the relationship among the Big Powers over the Suez Canal affair receding to the background, the uptrend in the prices of base metals was arrested. Stockists of manufactured goods cried halt to their activity and began to delay accepting deliveries from manufacturers. From Rs. 220, electrolytic copper lost to Rs. 218, but the subsequent recovery on the London Metal Exchange made good the local loss and the price was again quoted at Rs. 220. The same trend was in evidence in I.C.C. fire-refined ingots, which, although usually lower than the rate for the electrolytic material, were priced at par with the latter, in view of the good demand for the indigenous copper. Clean wire scrap also realised as much as Rs. 220, in view of the shortage in this. Tin ready improved to Rs. 526 from Rs. 523 and the local quotation was several points above the replacement cost. The withdrawal of the threat of strike in Malayan mines did not have any effect on Singapore quotations, as the demand for higher wages would be taken up by the employees and the principle of collective bargaining applied. From Rs. 67, electrolytic zinc gave way to Rs. 66-8. Activity was little, and this was reflective of the good supply position in this metal. Lead was quoted at Rs. 83 with consumers putting off entering into commitments.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 27*th August*

Foodgrains prices tended to slide down, following the Government's decision to open more than 10,000 fair price shops in the country for the distribution of wheat and rice in a bid to arrest the upward trend in prices. The latest revised Government plan envisages the distribution of imported foodgrains throughout the country to eliminate local shortage and over 50,000 tons of wheat have already been sent to various States and the stocks with the Government are claimed to be fully adequate to implement the revised policy.

Wheat prices recorded a fall during the week to Rs. 15 per maund for average quality and to Rs. 16-4 for farm quality. Selling pressure by Government at Delhi and arrivals of 1,000 tons of wheat for such sale at Meerut have been the main depressing factors. Local arrivals during the week were small, the average being 50 maunds daily and part of the local demand was met by imported wheat from Delhi. Local stock was put at 81 *khaties*.

Rice prices ruled slightly depressed, on reports that heavy rains during the week had proved beneficial to standing paddy crops. Gram prices lost As. 8 to Rs. 12 for *desi* quality and to Rs. 12-8 for Punjabi quality, and stocks were heavy at 131 *khaties*. Barley and *bejhar* prices eased in sympathy with wheat and gram prices and expectations of early arrivals of new *kharif* crops. Barley was quoted at Rs. 12 and *bejhar* at Rs. 11-12 per maund. Prices of *jowar*, *guwar* and *bajra* were depressed on want of buying enquiry.

Ready pulse prices also eased on want of support at high prices. Peas *dara* was quoted at Rs. 11-12 and white quality at Rs. 13-4, with stock position unchanged at 58 *khaties*. *Arhar* lost As. 4 to Rs. 12-4, with heavy stock position at 100 *khaties*. Prices of other pulses also recorded modest fall in all sections. *Urd* was done at Rs. 18 to Rs. 19, *moong* at Rs. 13-12, *massoor* at Rs. 15.

Pulses futures declined in all sections. The quotations as on Monday were very near the lowest levels of the week, on continued bear pressure from Bombay and Punjab.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 27*th August*

The sugar market ruled quiet during the week, despite better offtake from factories. The supply position of sugar is easy, following further release of 160,000 tons for free sale by the Government. The total releases in the current season are now put at 1,296,000 tons. Total production of indigenous sugar during the season ending July 1956 was 1,857,015 tons, as against 1,583,000 tons during the previous season and the closing stocks with the factories as on 31st July were 991,000 tons, as against 788,000 tons at the close of the previous season. Owing to the latest heavy rains which have proved beneficial to cane crop, the standing cane is making satisfactory progress and increased production is expected, as the sugarcane acreage has gone up by about 16 per cent. Mill delivery prices moved within fractional limits. The latest quotations as on Monday were: Jaswant Rs. 28-10, Simbhauli Rs. 28-12, Mowana Rs. 29 to Rs. 30, Daurala Rs. 29-4 to Rs 30, Amroha Rs. 28-3, Bijnore Rs. 28-4, Mansoorpur Rs. 29 to Rs. 30, Rampur Rs. 31, retail Rs. 30-10 per maund.

The *khandsari* market ruled depressed, thanks to poor demand. Inferior grades were quoted at Rs. 20 to Rs. 23 and superior at Rs. 24 to Rs. 27 per maund.

Despite good demand from Madhya Bharat, which alone recorded an offtake of eight wagons during the week mostly of wet quality, ready *gur* prices showed a downward trend. Dry quality lost As. 4 to Rs. 13 and wet kotha quality to Rs. 11 per maund. The fall in ready *gur* prices was due to better crop prospects and fall in future prices. Local stock were lower at about 22,000 maunds.

Gur fagun future delivery prices registered a steep fall during the week on bear pressure influenced by good rain reports. Opening at the highest level of the week at Rs. 11-1-3, prices recorded a fall in successive sessions and stood today at near the worst level of the week at Rs. 10-1-9.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	4½	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	3
Bolivia	30th Sept., 1950	6	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1935	6	4½
Colombia	18th July, 1933	6	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	23rd May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	1st March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	15th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	12th Feb., 1954	4	5½
U.S.S.R.	1st July, 1938	3	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 24th August, 1956		Week ended 17th August, 1556	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,85,472	61,65,31,000	1,80,547	36,99,18,000
Calcutta	1,55,325	54,31,79,000	1,49,835	54,74,22,765
Madras	82,827	9,92,60,202	66,016	9,44,64,886
All Centres—				
1953-54*		2,659,000		5,595,400,000
1954-55*		2,885,000		6,041,200,000
May 1956		3,485,000		7,10,51,00,000
June		3,202,000		6,59,59,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 24th August, 1956

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		61,58,36,000
(2) Other Governments		5,70,40,000
(b) Banks		55,44,26,000
(c) Others		12,49,80,000
Bills Payable		5,71,78,000
Other Liabilities		13,18,14,000
	Rupees	180,12,54,000

Assets	Rs.	Rs.
Notes		24,04,72,000
Rupee Coin*		12,12,000
Subsidiary Coin		7,24,000
Bills Purchased and Discounted—		
(a) Internal		.....
(b) External		.....
(c) Government Treasury Bills		3,00,14,000
Balances held abroad**		29,78,56,000
Loans and Advances to Governments		7,64,35,000
Other Loans and Advances		54,97,74,000
Investments		50,13,22,000
Other Assets		11,34,45,000
	Rupees	180,12,54,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 28,12,38,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 223,35,53,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	24,04,72,000	
Notes in circulation	1431,61,51,000	
Total Notes issued		1455,66,23,000
Total Liabilities		1455,66,23,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	606,67,54,000	
Total of A		646,69,25,000
B. Rupee Coin		115,25,48,000
Government of India Rupee Securities		
Internal Bills of Exchange and other commercial paper		693,71,50,000
Total Assets		1455,66,23,000

Ratio of Total of A to Liabilities: 44·426 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 17th Aug., 1956

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		15,89,78,000
(ii) Other demand liabilities		623,85,64,000
2. Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		3,14,55,000
(ii) Other time liabilities		456,37,08,000
3. Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		3,70,73,000
(ii) Time liabilities		
4. Cash in India		37,62,49,000
5. Balances with the Reserve Bank in India		50,41,11,000
6. Balances with other banks in current account in India		10,94,05,000
7. Money at call and short notice in India		21,64,85,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		361,21,74,000
9. Advances in India		594,66,51,000
10. Inland Bills purchased and discounted in India		95,69,88,000
11. Foreign Bills purchased and discounted in India		46,08,00,000

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

EXCHANGE RATES

	28th August, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	1-5⅛	1-5⅛
Bombay on New York—		
Sellers T.T. D.D.	480¾	480¾
Buyers T.T.	473	473
London on New York	2.781-2 78¾	2.78¼-2.78⅛
London on Paris	982	982
London on Berne	12.17½-12.18	12.17-12.17½
New York on London	2.781-2.78⅛	2.78¼-2.78⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of crores (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,981	245
Burma	1954	19.24	Kyats 8,905	890	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	¥. 6,148,000	8,153	922
Philippines	1954	21.44	₱s. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,766
Canada	1954	15 20	$ 18,751	9 190	6,046
France	1954	43.84	Fr.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,800	12,734	2,570
Italy	1954	47.87	Lr. 9,718,000	7,880	1,648
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 38,630	5,544	4,912
Netherlands	1954	10.62	Grs. 21,060	5,040	3,458
Denmark	1954	4.41	Kr. 23,374	1,610	3,564
Switzerland	1954	4 92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 17th August, 1956

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	30,39,44,000
(b) Provincial Governments	9,23,55,000
(c) Banks	20,97,70,000
(d) Others	4,04,66,000
	56,69,000
Bills Payable	8,06,50,000
Other Liabilities	
Rupees	79,28,56,000

Assets	Rs.
Notes	9,95,90,000
Rupee Coin	9,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	63,16,000
Loans and Advances to Governments	.....
Provincial Governments' Debtor Balances	.....
Other Loans and Advances	4,77,75,000
Investments	50,99,98,000
Other Assets	12,91,50,000
Rupees	79,28,56,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,95,90,000	
Notes in circulation	282,70,87,000	
Total Notes issued		292,66,77,000
Total Liabilities		292,66,77,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	11,88,41,000	
Silver Bullion		
Sterling Securities	96,64,02,000	
Government of India Securities	16,63,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	167,68,26,000
B. Rupee Coin	6,43,51,000	
Government of Pakistan Securities	112,64,94,000	
Internal bills of exchange and other commercial paper	.....	119,08,45,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,69,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets		292,66,77,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 59·21 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	17th Aug., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1445.44	1451.78	1460.01	1297.98
Notes held in Banking Department	35.05	23.60	25.95	25.20	31.39
Foreign Securities	59.50	606.68	616.68	616.68	637.04
Rupee Securities	37.39	708.62	708.62	718.56	543.69
Banking Department					
Deposits of:					
Government of India	14.89	53.72	54.04	83.42	90.95
Other Governments	..	5.58	9 38	13.69	25.80
Balances held abroad	10.08	34.39	32.02	47.06	85.30
SCHEDULED BANKS					
Demand Liabilities	134.36	644.75	637 86	633.57	601.39
		(15.00)†	(14 22)†	(9.26)†	(8.69)†
Time Liabilities	108.24	460.02	459 67	454.87	407 54
		(3.15)†	(3 71)†	(3.35)†	(3.84)†
Borrowings from Reserve Bank	..	40.37	44 58	54.00	21.66
		(80.76)‡	(93.94)‡	(38.29)‡	(11.64)‡
Borrowings from State Bank	..	6.71	7.15	6.29	11.25
Cash in India	6.70	37.62	35.52	38.41	34.49
Balances with Reserve Bank	15.52	8.98	8.17	9.60	9.57
Balances with other banks in current accounts in India	..	10.94	10.50	10.31	10.46
Money at call and short notice in India	..	21.65	19.36	12.34	15.95
Investments (at book value)	..	361.22	361.48	351.23	376.03
Advances and bills	105.09	736.44	739.16	744.70	620.15
STATE BANK					
Deposits	87.76	224.61	222.83	220.71	214.86
Investments	51.99	106.19	106 29	100.57	105.66
Advances	30.35	125.25	127.14	130.31	112.50
Cash	14.69	18.17	17.42	16.57	19 67

† Borrowings from Banks excluding the Reserve Bank and the State Bank
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	May,		Two months, April and May	
	1955	1956	1955	1956
Import Duties				
Revenue	9 42	10.39	18 30	19 85
Protective	0.74	1.10	1.49	2 07
On surplus disposals	..	..	..	..
Total Import duties	10.16	11.49	19 79	21.92
Export Duties	2 45	1 92	4 75	3 64
Land Customs	0 07	0 21	0 28	0 25
Miscellaneous	0 07	0 10	0 12	0 17
Gross total customs	12 75	13 72	24 93	25 98
Refunds and drawbacks	0 40	0 23	0 64	0 38
Net Customs	12 35	13 49	24 29	25 60
Gross excise	11 30	14 37	22 24	26 29
Refunds	0.45	0 14	0 55	0 23
Net Excise	10.85	14 23	21 69	26.06
Net total of customs and excise†	23.20	27.72	45.98	51.66

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 17th August, 1956

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	224,81,05,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	8,50,00,000
Bills Payable	.. ..	5,33,40,000
Bills for Collection being Bills Receivable as per contra	.. ..	63,91,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	15,30,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	5,85,38,000
Total ..	Rs.	257,06,54,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank	..	14,49,03,000
Balances with other Banks	..	3,67,75,000
Money at Call and Short Notice	..	46,67,000
INVESTMENTS:		
Government and other Trustee Securities	94,78,70,000	
Other Authorised Investments	11,45,02,000	106,18,72,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	91,60,81,000	
Bills Discounted and Purchased	33,64,58,000	125,25,39,000
Bills Receivable being Bills for Collection as per contra		63,91,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		15,30,000
Premises less Depreciation		1,16,47,000
Furniture and Fixtures less Depreciation		53,97,000
Other Assets (including Inter-Office Adjustments)		4,49,30,000
Total ..	Rs.	257,06,54,000

† Figures are provisional. * Revised.
(a) Not known in one case. § Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.2
1953-54	648	6,976.8	5,577.7
1954-55	696	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
1955	686	698.7	568.2
March 1955	690	691.1	563.9
April "	691	706.5	569.3
May "	696	716.1	576.1
June "	700	724.8	583.2
July "	705	708.9	574.4
August "	707	719.8	587.1
September "	716	720.7	591.9
October "	721	725.5	597.0
November "	724	735.7	648.0
December "	..	..	..
1956 January	731	757.2	621.8
February "	739	749 9	622.0
March "	715	800.0	651.0
April "	701	730.8	643.8

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

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@@											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings©	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.62	65	2.62	63.66	84.17	1,16.55	92.03	— 31.07	7.55	25.54	..	..	..	..	..
1953-54	4.70	1.62	4.09	27.27	1,24.64	1,34.94	1,30.83	— 36.25	5.57	37 15	7.40E	7 28	55††	54	..
1954-55	3.76	1.98	5.48	27.19	1,44.36	1,56.15	1,57.26	— 35.27	4.79	41.25	9.86	16.37	45	95	..
May 1955	4.52	36	5 24	2.01	1,27.94	11.82	1,34.24	— 36.64	41	37.29	66	3.51	4	61	..
June "	4.44	13	5.13	2.09	1,29.49	12.26	1,36.26	— 36.76	37	38.33	84	3.32	4	61	..
July "	4.36	12	5.15	2.27	1,31.28	12.80	1,40.33	— 36.85	41	38.54	91	10.19	4	99	..
August "	4.19	24	5.17	2.09	1,32.83	12.25	1,43.80	— 36.96	29	38.87	88	11.90	3	99	..
September "	4.21	13	5.20	2.04	1,34.88	12.40	1,46.91	— 37.11	44	39.28	84	11.80	4	77	..
October "	4.14	10	5.21	2.11	1,36.88	11.85	1,48.99	— 38.23	46	39.68	80	12.49	5	79	..
November "	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.34	43	40.05	83	13.20	5	80	..
December "	4.00	18	5.26	2.56	1,39.48	12.94	1,53.44	— 38.45	36	40.34	88	13.98	4	88	..
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.73	3	91	..
February "	3.82	16	5.20	2.33	1,42.37	12.87	1,56.19	— 38.66	39	40.85	88	15.57	2	93	..
March "	3.76	33	5.48	2.82	1,44.36	23.64	1,67.86	— 38.87	36	41.25	88	16.37	3	95	..
April "	3.69	21	5.54	2.19	1,45.85	14.64	1,71.08	— 38.96	34	41.51	82	17.18	3	98	..
May "	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	— 39.05	38	41.82	85	17.91	2	1,00	..
June "	..	..	..	..	..	..	..	..	38	42 11	..	..	..	..	..

* At the end of period.
†Issued from 16th May 1954.
‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
@Progressive net repayments at the end of period from 15th August 1947.
†† Relating to nine months from July, 1954. § From July, 1954.
E-Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SEGURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 20-8-'55	21-7-'56	11-8-'56	18-8-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91.1	90.9	90 8
1. Government of India	90.7	90.9	90.7	90.5
2. Indian States	95.4	96.8	96.8	96.8
3. Municipal, Port Trust, etc.	89.5	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.4	100.3	100.4
1. Electricity	102.2	101.3	101.3	101.3
2. Jute	93.9	97.5	97.5	97.5
3. Plantations	99.1	99.3	99.3	99.3
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	100.9	100.9	100.8	100 8
PREFERENCE SHARES	87.7	85.3	85.4	85.3
1. Electricity	90 7	90.2	91.0	91 0
2. Cotton	80.0	83.4	84.5	85.1
3. Jute	85 4	81.7	81.7	80 5
4. Coal	92.7	84.6	84.9	83.7
5. Iron and Steel	91-3	88.3	88 6	88 7
6. Sugar	84 5	84.2	84.2	84.4
7. Paper	88.5	82 2	81.9	81.9
8. Plantations	98.9	100.2	101.6	101.5
9. Miscellaneous	85.1	81.6	81.4	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	122.9	125.7	127.0	127 9
(a) Financial	90.7	92.6	95.0	95 2
1. Banks	88.5	92 8	95.7	95.0
2. Insurance	105.3	92.0	91.6	91.0
3. Investment Trust	90.8	91.4	91.9	91 8
(b) Public Utilities	114.5	113 7	113 9	114.3
1. Electricity	122.6	114.5	114.4	114.1
2. Shipping and other Transport	102.4	120.1	120.4	122.6
3. Railways	89 2	84.3	85.3	86 2
(c) Manufacturing industries	130.3	135.9	138.2	139.8
1. Cotton, Woollen and Silk	114.1	139.3	143.4	145.7
2. Jute	107.2	72.5	73 3	73.6
3. Iron and Steel	163.4	155.9	158.8	160 9
4. Paper	244.3	277.7	275.4	273.4
5. Cement	161.9	183 1	183 1	186.1
6. General Engineering	190 8	193.9	194.0	194.2
7. Sugar and Breweries	105.4	106 6	107.2	107.6
8. Chemicals	140.3	150.3	149.5	150.5
(d) Non-Manufacturing industries	168.7	165.8	163.5	162 7
1. Coal	83.5	79 7	78.5	78.6
2. Mining and Oil	235 9	253.0	254.1	252.6
3. Plantations	191 8	181.5	177 2	176.2
(e) Miscellaneous	100.5	102.3	102.3	103.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.4	90.5	90.3	90.2
2. Calcutta	90.5	91.0	90.9	90.6
3. Madras	91.1	91.4	91.2	91.1
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	99.7	99.7	99.7
2. Calcutta	101.6	100.8	100.7	100.7
3. Madras	100.1	100.2	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	93.8	89.5	89.9	89.9
2. Calcutta	83.2	80.1	80.0	79.8
3. Madras	95.3	96.1	97.0	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	125.2	138.4	139.2	140.8
2. Calcutta	115.7	108.7	108.9	109.4
3. Madras	117.6	138.1	139.1	140.4
4. Delhi	135.0	139.8	144.7	144.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,243	3,226,961
1953	772	456,607	3,882,608
1954	840	477,185	3,372,630
1955	1,166	527,767	5,987,548
April 1954	101	24,902	207,347
May "	80	40,078	216,062
June "	82	21,589	305,078
July "	122	30,189	277,422
August "	97	51,090	352,257
September "	88	41,724	276,294
October "	62	25,115	229,701
November "	101	24,454	362,743
December "	95	49,038	322,807
January 1955†	98	38,370	144,302
February "	112	70,042	334,606
March "	105	32,432	332,275
April "	120	38,441	261,776
May "	152	91,269	1,144,011
June "	111	55,260	660,402
July "	236	90,218	533,999
August "	251	92,419	580,031
September "	134	47,800	214,214
October "	99	48,909	178,112
November "	129	45,277	329,550
December "	108	61,920	353,555
January* 1956†	123	69,605	790,711
February* "	147	135,053	688,689
March* "	144	81,467	522,719
April* "	115	61,729(a)	527,523(a)
May "	..	..	..

† Provisional. * Revised.
§ Current at any time during the month.
(a) Not known in one case.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	11th Aug., 1956	4th Aug., 1956	13th Aug., 1955	July, 1956	July, 1955	Percentage of increase (+) or decrease (—) in July, 1956 as compared with July, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	397.7	391.5 R	315.1	380.3	309.7	+22.8	313.2	339.8
Cereals	59	502	502 R	374	434	359	+34 8	372	381
Pulses	8	391	385	236	378	272	+39.0	289	280
Others	33	264*	253	238	248	246	+ 0.8	235	291
Industrial Raw Materials	(18)	497.4	493.2	406.5	492.1	408 2	+20.6	419.8	438.2
Fibres	53	474	470	415	477	415	+14.9	429	447
Oil seeds	30	566	549	336	534	391	+36.6	398	424
Minerals	10	486	516	418	511	422	+21.1	427	423
Others	7	422	421	420	420	417	+ 0.7	431	427
Semi-Manufactures	(17)	405.0	400.4	328.0	395.3	329.6	+19.9	338.2	350.3
Leather	8	383	387	331	395	355	+11.3	378	376
Mineral oils	13	208	208	201	208	201	+ 3.5	207	221
Vegetable oils	16	576	565	396	548	393	+37.2	399 R	433
Cotton yarn	35	495	483	406	477	406	+17 5	422	454
Metals	18	330	329	257	327	256	+27.7	264	240
Oil cakes	5	457	462	330	433	333	+30.0	338	331
Others	5	361	361	330	362	329	+10.0	336	312
Manufactured Articles	(30)	387.2	385.7	371.5	385 7	370.9	+ 4.0	372.9	377.4 R
Textiles	64	420	419	408	419	406	+ 3.2	408	421
Jute	11	390*	383	426	387	417	— 7.2	418	448
Cotton	45	430*	430*	402*	430*	402*	+ 7.0	403*	415*
Rayon and Silk	6	470*	470*	474*	474*	461*	+ 2.7	495*	469*
Woollen	2	266	266	278	264	282	— 6.4	284	311
Metal products	17	388	388	352	388	352	+10.2	359	340
Others	19	294	291	236	291	236	+ 1.7	285	236
Miscellaneous	(4)	567 0	563.7	582.8	560.4	562.6	— 0.4	548.4	612.4
All Commodities	(100)	417.9	413.8 R	356.8	409.0	355 6	+ 15.0	380.4	377.5

R=Revised. * Estimated.
Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1955																		
May	403	252	97	194	176	550†	591	269	130	..	333	456	364	330	357	429	406	276

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage		Outturn	
	Forecast / Unit	1955–56	1954–55	1955–56	1954–55
Cereals—					
Rice	final tons	76,253	75,949	25,474	24,531
Wheat	final ,,	29,225	27,517	8,348	8,778
Jowar	final ,,	42,721	43,446	6,940	9,093
Bajra	final ,,	27,025	27,983	3,400	3,421
Barley	final ,,	8,145	8,309	2,721	2,870
Maize	final ,,	8,909	9,311	2,519	2,939
Ragi	final ,,	5,627	5,711	1,844	1,646
Small millets	final ,,	13,095	13,799	2,103	2,456
Total cereals	final tons	211,000	212,025	53,349	55,734
Pulses—					
Gram	final tons	22,002	22,047	4,865	5,393
Tur	final ,,	5,757	5,944	1,814	1,588
Other Kharif pulses §	final ,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final ,,	10,579	10,590	1,858	1,959
Total pulses	final tons	55,100	55,300	10,187	10,870
Oilseeds—					
Groundnut	final tons	12,585	13,548	3,804	4,128
Castorseed	final ,,	1,462	1,304	126	124
Sesamum	final ,,	5,738	6,501	458	586
Rape and Mustard	final ,,	6,262	6,025	832	1,019
Linseed	final ,,	3,424	3,354	376	382
Total oilseeds	final tons	29,471	30,822	5,596	6,242
Fibres—					
Cotton*	final bales	20,230	18,684	3,993	4,227
Jute†	final ,,	1,581	1,243	4,137	2,228
Mesta†	final ,,	618	528	1,201	1,018
Other crops—					
Potato	final tons	..	665	..	1,762
Sugarcane	final ,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final ,,	37	35	15	14
Pepper (Black)	final ,,	214	208	27	26
Chillies (Dry)	final ,,	1,492	1,523	340	363
Tobacco	3rd ,,	893	824	249	235

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1956	94.1
	Corresponding month, 1955	84.1
	Twelve months ended June 1956	1,094.9
	Corresponding period, 1955	1,003.24
Stocks	At the end of July, 1956	135.8
	Corresponding month, 1955	81.5
		(In 000 bags)
Exports (Jute Bags)	Week ended 21st July, 1956	893
	Corresponding week, 1955	9,013
	From 1st Jan., to 21st July, 1956	215,187
	Corresponding period, 1955	248,684
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 21st July, 1956	2,130
	Corresponding week, 1955	11,631
	From 1st Jan., to 21st July, 1956	638,730
	Corresponding period, 1955	634,888
	RAW JUTE	(In lakh bales)
Consumption by Mills†	July, 1956 (in lakh bales)	5.46
	Corresponding month, 1955	4.88
	Twelve months ended June, 1956	63.51
	Corresponding period, 1955	58.19

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1952	11,88,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
February 1955	93,500	84,500	63,900
March ,,	95 000	89,300	66,100
April ,,	95,100	88,000	66,200
May ,,	94,200	87,500	65,600
June ,,	91,700	80,900	62,500
July ,,	94,900	84,300	64,300
February 1956	97,500	89,500	67,700
March ,,	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
May ,,	96,600	89,400	66,300
June ,,	94,900	89,900	64,400
July ,,	94,400	91,300	65,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	5,36,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,260	3,97,300
Do. 31st March, 1955	7 15,949	5,33,240	4,59,093
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,13,861
,, ,, ,, Dec., 1954	1,85,068	1,34,201	1,20,616
,, ,, ,, Mar., 1955	1,86,108	1,49,828	1,16,186
,, ,, ,, June, 1955	1,85,605	1,34,823	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,, ,, Dec., 1955	1,80,750	1,34,290	1,05,762
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,806	1,17,710	92,600

FOREIGN TRADE OF INDIA

Particulars	May, 1955	May, 1956	Two months April and May 1955	Two months April and May 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	6,92	2,72	15,39	5,72
Raw materials	13,68	14,58	25,57	25,37
Manufactures	23,42	30,06	57,58	49,20
Other items	19	22	25	51
Total*	49,21	67,58	99,04	125,20
By land	2,03	1,06	3,56	2,92
Total Imports	51,24	68,64	102,60	128,12
Exports :				
By sea and air—				
Foodstuffs	7,07	11,79	14,48	23,26
Raw materials	13,93	11,70	26,31	20,59
Manufactures	22,20	20,17	42,12	35,05
Other items	35	33	65	53
Total	43,56	43,99	82,56	82,49
By land	48	33	99	73
Total Exports	44,04	44,32	83,55	83,27
Total Re-exports	41	89	55	1,75
Balance of trade in merchandise	6,81	22,40	18,26	43,12
Balance of transactions in private treasure	..	1	1	2
Total visible balance of trade	6,81	22,41	18,27	43,14
Imports : ‡				
Total Overseth countries	22,55	29,90	47,11	53,08
Total Foreign countries	22,05	37,68	51,98	72,22
Exports : ‡				
Total Overseth countries	20,11	23,80	37,55	42,89
Total Foreign countries	23,45	20,19	44,91	39,60

* Excludes the values of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
May 1955	2,031	442	158	40	23	12	15	4	77	66	7	48	4	23
June ,,	2,973	662	237	55	33	17	19	6	37	98	11	73	7	34
July ,,	3,973	890	324	73	41	22	23	8	52	130	14	100	12	43
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	158	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	28	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	21	2	10
May ,,	2,227	470	116	44	25	11	25	3	115	70	5	60	5	21

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 23rd Aug., 1956	5,243(J)
	Corresponding week, 1955	39,248(J)
	1st Sept. to 23rd Aug., 1955-56	1,841,434*
	Corresponding period, 1954-55	2,095,826*
Cotton Exports	Week ended 23rd Aug., 1956	2,601‡
	Corresponding week, 1955	18,141
	1st Sept. to 23rd Aug., 1955-56	530,921‡
	Corresponding period, 1954-55	434,140
Mill Consumption (Estimated)	1st Sept. to 23rd Aug., 1955-56	1,231,128
	Corresponding period, 1954-55	1,225,991
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 23rd Aug., 1956	545,530
	Corresponding date, 1955	745,435
Cotton Exports from Bombay (by sea)	During May, 1956	24,951‖
	1st Sept., '55 to 31st May, 1956	648,148
	1st Sept. '54 to 31st May, 1955	272,980
Karachi (Pakistan)—		
Receipts	1st Sept. to 9th Aug., 1955-56	1,301,267
	Corresponding period, 1954-55	1,240,214
Exports	1st Sept. to 9th Aug., 1955-56	949,184
	Corresponding period, 1954-55	854,477

Particulars	From 1st Sept. 1955 to 20th Aug., 1956 Bales	From 1st Sept. 1954 to 20th Aug., 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	59,492	42,154
Continent	34,803	66,078
Hongkong	33,106	20,629
China	57,484	5,903
Japan	295,234	117,012
U.S.A.	3,734	17,064
Other Countries	2,926	2,587
Total to all foreign countries	536,779	271,127
Coastal Ports	103,905	152,006
Total	640,684‖	423,133

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	May, 1956	349,420
Foreign		55,154
Indian	Nine months ended May, 1956	3,260,021
Foreign		445,857
Indian	Same Period 1955	3,054,708
Foreign		491,257
Stocks (Mills and Bleachers)—		
Indian	As on 31st May, 1956	1,687,257
Foreign		219,318
Indian	As on 31st May, 1955	1,587,398
Foreign		145,907
Cotton Pressed in India† (In running bales)	Week ended 10th Aug., 1956	1,345
	Corresponding week, 1955	12,419
	1st Sept. to 10th Aug., 1955-56	3,555,413
	Corresponding period, 1954-55	4,504,314

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Koda and Yellow Pickings, etc. ‖ Includes Koda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	100 11/16
2½ % Loan	1938-39	1,16,17,46,000	1966-68	94½
2½ % Fg. Loan	1950	30,33,10,800	* 1964	95
2½ % Fg. Loan	1949	1,10,11,79,900	1965-68	93½
2½ % V. Loan	1944	33,54,89,000	1957	99⅞
2½ % Loan	1945	1,15,05,88,600	1970-75	90½
2½ % Nat'l. V. Loan	1945	1,13,55,54,000	1965-70	98½
2½ % Loan	1951	50,85,63,000	1958	99⅛
2½ % Loan	1946	45,63,07,900	1960	96⅜
2½ % Loan	1946	57,00,00,000	1951	98⅛
2½ % Loan	1946	14,77,48,000	1972	93⅛
2½ % Loan	1947	75,86,72,000	1962	93⅛
2½ % Loan (W.P. Bonds)	1953	75,29,00,000	1961	99½
2½ % N.P. Loan	1954	1,58,17,34,000	1964	98⅛
2½ % N.P. Bonds (2nd Series)	1955	1,08,67,92,000	1965	98⅛
3 %	1956	57,27,00,000	1962	97⅛
3½ % N. P. Bonds	1956	33,82,00,000	1967	93⅛
3½ %	1956	66,64,00,000	1974	93⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	76½ 75½
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,73,000	1958-68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1997	99½
4 % Bombay	1942	2,97,18,000	15th Aug. 1958	99⅞
3 % Bombay	1948	3,06,49,000	15th Aug. 1958	96⅛
3 % Bombay	1949	5,53,56,000	1st Aug. 1963	94⅛
3 % Bombay	1950	2,57,82,000	31st July 1964	96⅜
3½ % Bombay	1953	5,93,25,000	17th Sept. 1963	98⅛
4 % Bombay	1953	5,42,28,000	15th July 1963	101⅛
4 % Bombay	1955	8,55,87,000	1st Aug. 1964	101⅛
4 % Bombay	1955	10,09,21,000	1st Sept. 1965	100⅜
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99⅛
4 % Cochin	1946	1,00,00,000	16th Dec. 1958-68	98⅛
4 % Gujarat	1956	70,00,000	1st June 1956-61	99⅛
4 % Howrah Bridge (New)	1956-57	1,98,98,700	1956-66	95⅛
4 % Hyderabad	1955	5,15,12,000	1st Sept. 1967	99⅛
2½ % Madras	1929	1,33,55,600	21st June 1959	99⅛
2½ % Madras	1943	1,35,10,900	14th Sept. 1956	99⅛
3 % Madras	1944	1,97,58,800	15th Aug. 1958	98⅜
3 % Madras	1945	2,76,44,900	14th Sept. 1960	96-3/8
3½ % Madras	1946	3,21,77,200	1st Sept. 1961	93⅛
3½ % Madras	1950	4,32,25,400	31st July 1962	96⅛
3½ % Madras	1951	5,01,49,300	17th Sept. 1962	97⅛
4 % Madras	1952	10,23,58,900	15th July 1963	100⅛
4 % Madras	1953	5,54,31,200	1st Aug. 1964	100⅛
4 % Madras	1954	7,00,00,000	1st Sept. 1965	99-3/8
4 % Mysore(J)	1923	2,85,85,500	1st Dec. 1958-68	101½
4 % Mysore(J)	1924	5,99,72,900	30th April 1956-61	99⅛
4 % Mysore	1947	6,08,08,700	15th Jan. 1958	99⅜
4 % Mysore	1948	3,33,47,000	15th July 1963	100⅛
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99⅜
3 % M.P.	1943	88,54,200	15th Sept. 1956	99⅛
3 % M.P.	1944	82,69,800	15th Aug. 1958	98⅛
3 % M.P.	1945	2,68,28,900	15th Sept. 1964	93
3 % M.P.	1946	1,01,44,700	31st July 1960	96⅛
3½ % M.P.	1951	1,58,19,100	17th Sept. 1962	98
4 % M.P.	1952	1,10,18,000	15th July 1963	100⅛
4 % M.P.	1954	1,65,12,000	1st Sept. 1967	99⅛
3 % Punjab**	1936-44	8,49,87,200	18th Aug. 1956	98⅜
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,96,81,600	14th Sept. 1960	97⅛
4 % Saurashtra	1953	5,61,61,500	1st Sept. 1967	99⅛
2½ % Travancore	1938	50,00,000	16th Aug. 1956	99⅛
4 % Travancore-Cochin	1956	2,25,00,000	15th July 1963	100-1/8
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	99⅜
3 % U.P.	1944	5,87,11,000	15th Aug. 1958	99⅛
3 % U.P.	1945	2,17,39,700	14th Sept. 1956	99⅛
2½ % U.P.	1946	2,82,33,600	1st Sept. 1961	93⅛
4 % U.P.	1951	1,91,02,000	17th Sept. 1962	98⅛
4 % U.P.	1953	6,11,45,300	1st Sept. 1963	100⅛
4 % U.P.	1954	6,65,15,500	15th July 1963	100⅛
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 25,50,000	4	1904	1964	Rs.
25,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99⅛N
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,25,675	4	1912	1960	D
80,00,000	4	1913	1974	100¾N
88,25,000	4	1914	1975	100⅝
24,55,000	3	1915	1965-66	
55,00,000	4	1915	1975	
61,61,600	4	1922	1960	
11,51,000	4	1924	1960	
10,28,900	3½	1926	1960	
85,00,000	3½	1929	1959	
12,50,000	3½	1930	1960	D
12,50,000	3½	1931	1961	
12,50,000	3½	1932	1962	
24,55,000	3½	1935	1965-66	
15,00,000	3½	1936	1966	
10,00,000	3½	1938	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,34,300	4	1914	1974	Rs. 99
76,90,100	4	1915	1975	99
1,58,00,000‡†		1921	1981	93
49,03,500‡†		1921	1981	144N
99,31,600	5½	1926	1956-86	100½
99,84,900‖	5	1926	1956-86	100½
1,45,53,000	5	1927	1957-87	102
1,49,30,000	5	1928	1958-88	99
80,00,000	4½	1931	1961	96
25,00,000	5	1932	1962	97½
25,00,000	5½	1935	1965-85	99
50,00,000	5	1945	1975	98
50,00,000	5	1946	1976	98
50,00,000	5	1947	1977	98½
2,50,00,000	3½	1948	1978	88
4,00,00,000	3½	1950	1965	98½
2,50,00,000	3½	1951	1966	94½
2,00,00,000	3½	1952	1967	94
1,50,00,000	3½	1953	1968	93½
2,00,00,000	3½	1954	1969	93½
1,50,00,000‡	4	1955	1970	93½
2,50,00,000†	4	1956	1986	97½
STERLING LOANS				
£382,600	5	1922	1952-82	£79
£901,000	5	1924	1954-84	£79½
£385,100	5½	1932	1962	£91½
MADRAS				
Rs. $1,47,100	2½	1947	1977	Rs.
9,85,000	3	1947	1977	
5,00,000	3	1948	1978	A
45,00,000‖	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
50,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
30,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
50,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1955-79	112N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	5	1927	1961-70	96N
10,00,000	3	1938	1958	
STERLING LOANS				
£566,600		1909	1969	£95½N
£333,000		1910	1970	£95½N
CALCUTTA				
Rs. 55,00,000	5½	1929	1959	Rs. 107
50,00,000	5	1924	1964	99½
25,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968-88	90
60,00,000	4	1952	1962	99½
50,00,000	4	1956	1966	99

MUNICIPAL LOANS

Amount				
Rs.		**BOMBAY**		Rs.
20,50,800	4	1912-15	1974	100½
15,00,000	5	1920	1955	112N
25,00,000	5	1920	1955	112N
3,45,500	5	1924-59	1959	to
26,21,500	5	1929	1959	102½
3,25,00,000	3½	1934	1964	90
2,50,98,000	3½	1940	1979	85
4,00,98,000	3½	1940	1965	92½
2,50,00,000	4	1948	1988	100½
2,00,00,000	3½	1951	1966	97½
1,50,00,000	4	1952	1962	100½
2,50,00,000	4	1953	1968	100½
1,50,00,000	4	1954	1969	100½
2,50,00,000†	4	1955	1967	100½
		CALCUTTA		
56,00,000	5	1923	1953	102
25,00,000	5	1929	1959	108
25,00,000	5	1930	1960	102½
10,00,000	5½	1932	1962	98
23,21,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
47,50,000	3	1937	1967	91
15,56,800	4	1939	1956	98½
15,56,800	4	1939	1956	98½
15,56,800	4	1939	1956	98½
16,56,800	3½	1941	1961	97½
66,56,800	3½	1951	1966	97½
87,56,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
		MADRAS		
Rs. 15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
3½ % W. Bengal	1951	1,75,08,000	17th Sept. 1963	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	2,50,25,000	15th July 1963	100½
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100

‡—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Inscribed Stock. † Loans held entirely by the Trustees. ‖ Quotations in Pak. Currency. ** Rupee Counterparts.
†Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
§ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free for first 7 years. ¶—Interest free for first 12 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	£5,00,000	1901	6	Mar. sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5¶	Dec. ..	70N	100
Carow & Co.	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar	7,00,000	1920	7	July Apr.	6½	5
†East India Distilleries	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	102	100
Savalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	9⅜	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	110	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100½
Karanpura Collieries	9,87,500	1946	6½(a)	.. ..	64	75(pp)
†Khas Kajora	3,00,000	1913	7	Mar. Sept.	4½N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2 00,000	1898-99	6½	Apr. Oct.	105	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	123	100
Basauti Cotton	5,00,000	1938	6½	Nov. ..	8	100
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99	100
Bowrah 'A'	6,00,000	1900	8	Feb. Aug.	126	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	66	100
Bradbury	14,75,000	1919	7	June Dec.	72	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	145	100
Cambodias	1,00,000	1928	7	Apr. ..	118½	100
Central India	50,00,000	1912	5	Apr. Oct.	500	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	104½	100
Elgin	11,00,000	1912	8	May Nov.	133	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	89½	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly P=Company has Preference shares. T=Company has Debentures N=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	62,567	76,28,421	48,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	3-1½d	2	0 4(e)	0 2(e)			12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	50,696	1,021	B. R. Cotton Mills	64	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,50,98,000	2,99,72,778	4,02,85,445	3,29,99,273	75,129	Nowrosjee Wadia & Sons, Ltd.	2,51,016	4,565	Bombay Dyeing & Mfg. ..	696½	250	22 8*	20 0	25 0*	7 8	12	Y.
10,00,000	28,74,382	58,81,896	52,57,495	91,711	Ramnarain Sons, Ltd. ..	44,784	860	Bradbury Mills	275	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,09 42,800	2,63,96,826	2,81,88,264	1,97,06,117	6,24,956	Birla Bros., Ltd.	1,26,344	2,698	Century Sp. & Mfg. ..	605	100	22 0	22 0	22 0		12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33,08,697	V. J. Vilani (Chairman and Managing Director) ..	40,668	798	Colaba Land & Mill	102	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,38,470	31,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,528	680	Cocrla Spg. & Wvg.	161½	100	7 8	7 8	7 8		3	Y.
16,00,000	24,36,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,992	..	Dawn Mills	183½	50	6 0	6 0	15 0		12	Y.
24,00,000	27,75,000	72,60,731	64,73,794	30,168	Puranmal Radhakishan & Co.	40,084	928	Edward Textiles	360	200	15 0	15 0			12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,31,354	M.	41,800	886	Elphinstone Spg. & Wvg. ..	65	50	*Nil*	8 0	5 0		12	Y.
50,00,000	70,11,875	1,23,88,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,332	784	Finlay Mills	882	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Managing Director) ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	6,325	1,000	225 0*	225 0	300 0	75 0†	3	Y.P.
16,000					Thackersey Mooljee & Co. ..				992½	250	56 4*	56 4	75 0	18 12½		
2,00,00,0000	62,50,899	4,68,15,552	3,39,00,000	1,98,112	Agarwal & Co.	2,38,812	6,412	India United Mills	14-2½	2½	0 10D.	0 10	*Nil*	0 15	12	Y.
50,00,0001									0 10D.	2½	0 1D.	0 1	*Nil*	0 3		
8,65,000	74,24,043	1,80,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,075N	1,000	225 0*	225 0	300 0		3	Y.P.
35,000									—	500	112 8*	112 8	150 0			
59,85,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg..	295	100	10 0	8 0	10 0		6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,58,14,796	33,580	Killick Industries Ltd. ..	1,20,564	1,846	Kohinoor Mills	397	100	20 0*	18 0	18 0	6 0†	12	Y.
22,18,050	41,06,720	1,18,74,348	56,39,115	31,670	D. Situr & Co., Ltd. ..	49,500	644	Modern Mills	87N	50	5 0	5 0	8 0*		10	Y.T.
51 75,000	36,82,000	2,06,28,597	1,52,81,153	26,751	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	273½	100	12 0	14 0	14 0		6	Y.P.
1,87,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,055	Chimal & Co., Private Ltd. ..	..	..	National Rayon Corporation ..	275½	100	9 0	10 0	12 0		12	Y.
24,00,000	24,50,000	76,57,353	45,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,544	422	New City of Bombay Mfg. ..	188½	100	10 0	10 0	10 0		12	Y.
30 00,000	14,61,250	92,85,599	61,42,741	4,280	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Eg. & Wvg. ..	260	100	10 0	7 8	10 0		12	Y.P.
48,00,000	36,62,273	1,49,08,112	99,59,911	1,26,864	Ramnarain Sons, Ltd. ..	60,208	1,190	Phoenix Mills	183½	100	8 0	8 0	10 0		12	Y.
40,00,000	45,70,396	89,56,049	23,00,000	3,92,677	Podar Sons, Ltd.	52,600	950	Podar Mills	187½	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,72,154	Sassoon & Alliance Silk Mill	14	10	Sassoon & Alliance Silk Mill	14	10	0 12	0 8			12	Y.
37,70,000	82,80,605	1,92,68,251	1,59,71,824	24,820	David Sassoon & Co., Ltd. ..	61,608	1,254	Sassoon Spg. & Wvg.	45	10	1 4	1 12	1 12		12	Y.
80,00,000	47,70,081	90,20,868	56,27,925	1,47,422	M. G. Investment Corporation, Ltd.	56,886	1,640	Shree Niwas Cotton Mills ..	247½	100	14 0	14 0	12 0		12	Y.P.
42,00 000	38,09,179	98,73,309	73,63,752	98,017	Marwar Textiles (*Agency*) *Ltd.* ..											
					Forbes, Forbes Campbell & Co., Ltd.											
37,80,000	2,23,15,720	2,51,28,629	1,87,85,474	12,888	Maneklal Gagabhai & Sons ..	52,036	1,653	Standard Mills	490	100	20 0	20 0	20 0		12	Y.P.
59,85,700	84,69,716	2,22,97,547	1,19,01 892	67,611	Tata Industries Ltd. ..	62,036	2,000	Svadeshi Mills	272½	100	16 0	8 0	12 0		12	Y.
36,00,000	66,82,465	1,28,99,971	81,62,715	1,51,080	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	487½	100	20 0	20 0	25 0		12	Y.
65,57,000	51,96,876	1,77,34,889	68,44,553	48,486	Tata Industries Ltd. ..	62,096	1,800	Tata Mills	61½	100	2 0	2 0	3 0		12	Y.T.P.
12,00,000	62,35,709	1,15,36 438	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,186	1,209	Western India Spg. & Mfg.	5,126	1,000	225 0*	225 0	300 0	75 01	3	Y.

AHMEDABAD

83,00,000	21,11,650	1,36,28,272	60 47,202	5,408	Tata Industries, Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	212	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	94,58,068	94,37,898	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd. ..	44,220	912	Arvuna Mills	872½	100	20 0*	20 0	30 0		12	Y.
26,25,000	2,50,84,504	1,66,65,504	1 16,00,000	72,768	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,398½	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	1,21,75,000	96,34,384	72,25,000	2,46,889	Mangaldas & Bros., Ltd. ..	37,114	892	Arvyodya Ginning & Mfg.	640	200	15 0	15 0	15 0*		12	Y.P.
12,00,000	1,18,89,033	84 56,972	66,54,953	69,606	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,190	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35,76,233	4 61,25,552	2,88,68 344	2,81,712	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	644½	125	18 0	18 0			3	Y.P.
62,37,000	24,53,000	1,21,06,843	39,25,000	2,760	Tricumlal Bhoglal & Co., Ltd.	45,836	866	New Commercial Mills ..	2,037½	1,000	70 0	70 0	80 0		12	Y.
39,00,000	72,59,436	1,32,09,332	96,26,989	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	1,040	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,68,197	37,86,317	16,688	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	590	100	30 0*	30 0*	20 0		12	Y.P.
12 50,000	1,14,77,470	86,29,439	60,39,883	....	Lalbhai Dalpatbhai & Co. ..	32,328	636	Raipur Mfg.	1,145	100	25 0	25 0	35 0*		12	Y.P.
22,50,000	14,78,207	1,07,01,469	71,42,908	17,24,749	Lalubhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	355	100	9 0	9 0	*Nil*		12	Y.P.
28,98,150	2,02,34,638	1,76,92,842	1,52,75,000	8,22,290	Harivallabhdas Kalidas & Co.	94,116	1,783	Shri Ambica Mills	736	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,31,268	78,06,018	66,54,701	18,592	Mafatlal Chandulal & Co., (Ahmedabad) Ltd. ..	36,624	720	Shorrock Spg. & Mfg. ..	670	100	20 0	25 0*	25 0		12	Y.
83,00,000	90,84,191	1,09,66,008	78,25,291	34,644	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,32,800	84,23,069	21,01,810	1,09,030	Calcutta *Agency, Ltd.* ..	18,044	356	Basanti Cotton Mills	7½	10	0 4	0 8			12	Y.P.T.
7,11,250	3,40,775	43,42,381	25,07,597	98,788	Bengal Textile Agency, Ltd. ..	32,544	936	Bengal Luxmi Cotton Mills ..	41N	40	*Nil*	4 0	4 0		3	Y.
6,00,000	22,72,414	59,08,142	49,09,000	—23,47,378	Kettlewell Bullen & Co., Ltd.	42,672	841	Bowreah Cotton Mills	172	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,571	1 04,86,558	70,76,377	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	308	100	*Nil*	*Nil*	*Nil*		6,12	H.
1,80,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,483	Birla Brothers, Ltd. ..	70,384	1,990	Kesoram Cotton Mills	19½	10	1 12	0 14	0 14		3	Y.P.
19,47,7504	7.45 000	47,06,298	24,48,352	1 094	Hazaremull Heeralall ..	23,036	795	Rampooria Cotton Mills	16N	10	0 10	0 10	1 0		6	Y.
5,00,0003									21N	1D	*Nil*	*Nil*	0-5 11/25			

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60.27,191	29,09,649	—8,54,233	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	12	10	*Nil*	*Nil*			12	Y.P.T.
71,94,000	35,91,264	1,84,91 580	50,78,582	1,86,043	Industrial Trust Fund ..	36,186	708	Asam Jahi Mills	94	100	6 0	*Nil*	3 8(c)		9	Y.
40,50,000	3,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen Cotton and Silk Mills	595	100	25 0	30 0	30 0	10 01	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	9½	10	0 *Nil*	*Nil*			6,12	H.P.T.
15,00,000	1,99,48,251	1,19,14,402	87 78,992	4,25,221	Birla Brothers, Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	304N	10	8 0	8 0	8 0		3	Y.
1,78,47,500	1,76,52,000	6,35,09,203	3,52,22,180	2,26,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic ..	207½	100	10 0	10 0	10 0		12	Y.T.
20,00,000	20 00,000	39,59,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	26,706	..	Camelia Mills	98	10	10 0	10 0	10 0	4 01	12	Y.P.
15,00,000	5,11,500	48,30,928	24,68,361	8,994	K. Damodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	102	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,61,429	69,40,829	61,52,878	26,787	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	9	5	0 9	0 8	*Nil*	0 4	3	Y.
12,00,000	20,60,000	84,68,396	27,86,527	34,164	R. Bhema Naidu & Co. ..	28,264	..	Coimbatore Cotton Mills ..	224½	100	20 0	25 0	35 0		12	Y.
20,00,000	19,95,000	86 59,430	24,25,921	14,823	T. R. N. Naidu & Co. ..	23,788	..	Coimbatore Pioneer Mills ..	385	100	15 0	20 0	20 0		6	Y.P.
20 76,900	4,10,314	1,15,51,599	82,06,019	15,584	E. G. S. Naidu & Co. ..	72,822	407	Coimbatore Spg. & Wvg. ..	122½	50	8 0s	6 0	....		12	Y.
45,87,500	52,83,449	2,48,18,409	1,58,09,888	5,763	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	164	100	5 0	5 0	8 0		6	Y.P.
8,38,56,225	2 55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills ..	40½N	2½	0 2 4/5	0 3 5/5	0 3 5/5		12	Y.P.T.
1,00,563									0 10D.	0 1	*Nil*	*Nil*	0 1			
24,24,800	25,47,678	52,74,245	88,26,682	6,864	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mills	435	100	20 0	30 0	30 0		12	Y.
68,00,000	66,33,350	1,52,16,832	1,29,71,631	98,386	Begg, Sutherland & Co., Ltd.	49,332	1,198	Edaia Mills	224½	100	10 0	10 0	12 0		12	Y.
48,81,000	35,22,175	1,00,55,167	68,05,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	250	100	17 0	13 0	15 0		12	Y.
50,00,000	6,16,447	1,33,91,983	1,12,28,576	9,651	L. L. Sekharia, Esq. (Chairman)	51,180	1,420	Indore Malwa United	166½	100	6 0	6 0	9 0		12	Y.
8,90 000	10,65,688	31,06,569	18,48,155	2,079	G. V. Naidu & Co., Ltd. ..	24,288	..	Janardhana Mills	124½	50	4 0	6 0	10 0		6	Y.P.
24,00,000	16 25,000	78,88,886	26,50,000	29,382	Kothari & Sons	43,000	300	Kothari Textiles	20	10	0 8	0 8	1 0		6	Y.P.
33,00,000	83,80,135	1,48,82,650	1,12,54,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	747½	250	37 8	33 12	42 8		12	Y.P.
35,64,100	66,55,960	1,61,16,090	95,51,437	6,51,654	G. K. Naidu & Co.	55,908	201	Lakshmi Mills	554½	50	1 12	2 0	2 8	12 8	3	Y.
17,82,050									127	25	2 8	5 0	6 4	6 4		
1,76,02,480	4,18,31,878	5,73,76,126	3,58,74,019	18,56,818	A. & F. Harvey Ltd. ..	5,00,000	..	Madura Mills	15	5	0 8	8 0	8 0		12	Y.
12,00 000	4,17,368	28,26,768	16,72,262	99,078	A. L. A. S. Chettiar and Others.	22,452	100	Mahadev Spg. & Wvg.	113	100	8 0	8 0	12 0		12	Y.
60,00,000	69,00,000	62 79,627	48,29,784	45,885	W. A. Beardsell & Co., Ltd. ..	24,720	608	Mettur Industries Ltd. ..	492½	100	12 8	22 8*	35 0	42 8	3	Y.
29,80,884	19,81,581	89,75,246	49,94,788	16,588	N. Situr & Co. Private Ltd.	39,896	704	Minerva Mills	106½	100	7 0*	5 0	6 0		12	Y.
94,81,950	27,24,404	1,51,21,118	78,51,598	—7,44,883	Kasalal Abhchand Dadabhoy & Co.	51,340	1,180	Model Mills (Nasgpur) ..	180	250	7 8*	5 0	5 0(c)		12	Y.P.
30,00,000	52,19,600	1,55,39,272	1,05,91,651	—7 77 290	Indian Textile Syndicate Ltd.	58,240	1,284	Muir Mills	96N	100					12	Y.P.
24,88,500	50,54,035	1,10,98,742	67,14,107	19,041	N. Situr & Co., Ltd. ..	50,480	500	Mysore Spg. & Mfg.	136½	50	10 0*	8 8*	8 0(c)	9 0*	12	Y.
18,61,780	1,000	29,41,719	15,25,288	—1,92,850	K. Suryanarayana Rao, Esq., Manager	6,000	..	Mysore Spun Silk Mills ..	7½	10	*Nil*	*Nil*	*Nil*		3	Y.
22,89,8850	25,02,583	1,04,27,293	58,90,719	—43,53,087	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2½	O. 2½	*Nil*	*Nil*			12	Y.P.
5,07,0941									2½	D. 1	*Nil*	*Nil*				
87,19,600	53,48,220	1,69,99 989	61,91,861	74,722	Industrial Trust Fund ..	37,788	856	Osmanshahi Mills	92	100	4 0	*Nil*	2 8(c)		9	Y.
4,00,000A	6,50,000	39,12,549	28,46,016	14,609	Bhagbyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	168	50A	12 0	12 0	18 0		12	Y.P.
6,00,000B									235	75B	18 0	18 0	18 0			
10,00,000	1,65,000	84,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	96	100	*Nil*	*Nil*	4 0(c)		12	Y.
16,81,200A	22,75,000	88,80 150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	365	100A	8 0	16 0	20 0		12	Y.
8,40,600B									180	50B	4 0	8 0	10 0			
15 00,000	30,00,000	48,74,198	25,94,337	11,081	R. S. Naidu & Sons	35,472	..	Rajalakshmi Mills	198	50	7 8	10 0	12 0		12	Y.P.
32,29,225	12 40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	160	100	6 0	9 0	10 0		12	Y.
60,00,000	62,41,588	1,00,23,423	35,44,914	—19,16,725	J. P. Srivastava & Sons (Rampur)	34,582	600	Raza Textiles	88N	10	*Nil*	*Nil*			12	Y.P.
16 00,000	1,60,39,516	2,86,37,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,222	2,234	Sholapoor Spg. & Wvg. ..	1,700	1,000	*Nil*	*Nil*			3	Y.P.T.
										500						
36,66,700	17,10,000	81,44,272	65,62,816	1,09,148	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	120	50	4 0*	4 8	5 0	7 0	3	Y.
25,14,900	3,00,348	36,18,909	17,72,000	—2,46,777	Gopalrao Madhav & Co., Ltd.	17,550	440	Shree Sujlon Mills	100	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,11,50,237	96,00,567	73,44,734	81,27,588	Birla Brothers, Ltd. ..	38,556	1,324	Sudal Cotton Mills	102N	10	4 0	5 0	6 0		3	Y.
17 50,00000	2,50,00,000	4,54,40,847	1,70,83,150	7,09,079	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	12	10D.	0 8	0 12	0 12		12	Y.P.
1,00,00,000PC									12½	10T.	0-0 14 2/5	1-2 3/5	1-2 2/5			
12,96,670	80,14,788	5,80,55,317	1,37 16,775	2,88,771	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	10½	10	0 8	0 10	0 12		12	Y.P.T.
21,00,000	8,78,833	17,39,161	11,57,336	1,568	Mooljee Ramjee & Sons ..	17,600	..	Trichinopoly Mills	14½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.T.
21,00,000	24,50,000	71,29,723	40,66,166	56,000	E. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	848	100	12 0	16 0	20 0		12	Y.
83,00,000	34,48,971	1,54,67,132	1,06,10,288	83,126	Bombay Co., Ltd. ..	46,490	1,351	Vishnu Cotton	191½	100	4 0	4 0	8 0		12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1955.

‡ The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs.50 each in August 1952.

Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,009	1,19,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	13xd	5	*Nil*	*Nil*	0 6	0 6	5	Y.P.
16,30,630	13,88,917	27,20,861	14,67,212	8,143	*Mr. K. G. Khanna*	Dyer Meakin Breweries	6	5	0 8	0 8	0 9	0 9	3	Y.
£580,000	£925,777	£1,302,583	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	31½xd	A. £1	A. 16sh.	Sh. 1 8/8	Sh. 1 3/5	Sh. 1 8/5	Sh 1	Y.
								B. £1	8h. 4	Sh. 5 4/5	Sh. 5	Sh. 4		
6,00,000	9,50,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq (Chairman)	United Breweries	190½	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,27,700A	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	—	A. 100	10 0*	10 0	10 0*		12	Y.P.T
39,79,920B							15½	B. 10	1 0*	1 0	1 0*			
45,14,6000	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	11	C. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,9760								D. 1						
13,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	207½	100	9 8	8 8	10 0		7	Y.
60,00,0000	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	15½	O. 10	1 0	1 0	1 0	1 4	12	Y.P.
26,50,0000							5½	O. 2½	0 4	0 4	0 5			
5,00,0000							4½	D. 1	0 1-3/5	0-1 3/5	0 2			
61,91,0300	14,00,000	1,46,54,800	47,05,770	3,31,548	Essen Ltd.	India Cements Ltd.	32½	O. 25	*Nil*	1 4	1 14		3	Y.P.
7,00,000D							6 4xr	D. 5	*Nil*	0 4	0 4			
67,26,500	31,41,985	1,33,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd. ..	Orissa Cement Ltd.	16½	10	0 12	1 4			12	Y.P.
88,93,275	44,00,000	2,04,20,192	86,99,096	2,78,525	Shree Laxmi Agents Ltd. .. .

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	110	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	70,71,808	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	255	10	12 0	14 0	1 6 2/5	0 11 1/5	2,9	H.
25,00,000	16,12,800	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	20½d	10	1 0*	0 12*	0 12*		2	Y.
1,46,82,500	2,09,26,541	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	40¼	10	2 0	0 15	1 2		2,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	1 8	1 8	0 10½		6,12	H.P.T.
20,00,000 18,00,000'A'. }	6,50,000	95,83,644	61,01,926	13,795	Baloria & Co.	Star Paper Mills	11⅞ 11⅞	O. 10 A .10	0 12 0 12	0 12 0 12	1 4 1 4	}	2,9	H.P.T.
56,00,000A. 56,04,800B. 4,87,500F.D. }	2,22,75,945	5,80,42,527	2,21,32,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	41½ 41½ 4⅞	A. 10 B. 10 F.O. 2½	2 0*	1 8	2 0*		3,9	H.P.
PRESSING														
8,00,000	6,12,265	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	2 0	4 0	*Nil*		6	Y.
4,50,000	1,00,000	6,89,526	4,73,056	2,254	Fyne & Sons	Camperdown	88N	100	7 0				7	Y.
5,00,000	1,95,000	10,91,811	9,80,877	13,957	Andrew Yule & Co.	Central Hydraulic‡	135	100	4 0	5 0	5 0		6	Y
PROPERTY AND LAND														
19,96,780O. } 2,00,000D. }	6,98,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½	O. 10	0 11½	0 9 2/8	0 9 3/5		9	Y.P.
80,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	8½	D. 1	0 6	*Nil*	0 9 3/5		4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34	100	1 8	4 0	3 0	*Nil*	4	Y.P
SAW MILLS AND TIMBER														
13,99,998	23,05,545	31,61,533	10,78,833	—5,14,537	Bird & Co. Private Ltd. ..	Assam Saw Mills	5½	2	*Nil*	*Nil*	*Nil*		9	f
50,00,000	4,13,57,280	3,33,90,882	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	793½	Old125	15 0	20 0	37-8	11-4⅛	5	Y.
42,00,000							2093½	New50	6 0	8 0	16-0	4-8⅛		
6,00,000		7,25,569	7,26,267	—4,69,907	Jardine Henderson Ltd. ..	Bengal Timber Trading	35N	100	*Nil*	*Nil*			6	Y.
20,00,000	21,15,487	19,00,295	14,25,250	2,76,519	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	30½	10	2 8	F 12	3 0		9	Y
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	39,45,224	29,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7⅜	5	*Nil*	0 12	0 1		6	Y.
12,50,000A. 3,00,000B. }	29,18,856	49,46,285	33,16,660	15,50,000	Narang Bros. & Co. Ltd. ..	Basti Sugar	147½N 134N	A. 100 B. 10	10 0 1 0	10 0 1 0			4	Y.
19,49,056	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	12½	10	0 12	0 12	0 12		9	Y.
15,00,000	15,90,296	16,40,479	11,77,841	15,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.
32,00,000	28,37,080	1,56,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	9	10	*Nil*	0 12	0 4		6	Y.P.T.
30,00,000	57,83,651	1,08,44,647	54,52,451	32,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0	0 12	0 12		10	Y.P.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	26⅜	10	1 0	1 0	1 8		8	Y.
5,99,452	6,18,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			8	Y.T.
56,00,000A. 19,00,000O. }	33,00,000	75,94,377	55,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	285N 100	A. 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*		6	Y.P.
12,00,000	8,61,001	75,81,309	42 63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65N	80	*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,14,058	34,94,612	19,35,333	1,364	Cotton Agents Ltd.	New India Sugar Mills	32N	40	*Nil*	*Nil*	2 4		6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros. Ltd.	New Savan	42N	10	2 8	2 8	2 8		6	Y.
18,87,500A. 2,71,875B. }	49,60,297	87,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	6¾ 240N	10 100	0 4 20 0	0 4 20 0	0 4 20 0		6	Y.
77,45,850	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	60N 162N	25 100	5 0 0 11 0	6 0 0 11 0	6 0 0 11 0		7	Y.P.
12,00,000	12,74,223	28,77,669	19,95,028	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	115N	100	10 0	10 0			10	Y.
9,00,000	17,54,359	37,55,808	20,57,249	6,371	Begg, Sutherland & Co., Ltd.	Partabpore Co.	17N	10	1 0	0 12	0 12		10	Y.P.
8,00,000	5,31,129	26,43,262	21-70,524	5,234	M.	Ryam Sugar	20½	10	0 8	0 8	*Nil*		8	Y.P.
11,00,000	18,36,779	38,65,583	22,92,180	6,477	M.	Samastipur Central Sugar ..	13	10	0 8	0 8	*Nil*		6	Y.
40,00,000	22,88,560	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13⅜	10	1 8	1 8	1 12		6	Y.P.T.
9,99,950	61,822	27,15,126	12,50,252	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..								6	Y.
7,95,468	18,82,940	31,60,785	17,68,083	1,06,227	Karamchand Thapar & Bros	N. K. Jain & Co., Ltd.	4⅜	10	*Nil*	*Nil*			6	Y.P.
16,00,000	7,66,589	32,69,951	26,58,926	20,564	James Finlay & Co., Ltd. ..	United Provinces Sugar	15⅛	10	0 8	1 4	1 8		9	Y.
Other Centres														
46,99,750	74,53,470	1,50,12,876	1,08,10,261	90,042	W. H. Brady & Co., Ltd.	Belapur Company	25½	50	16 0	16 0	16 0		9	Y.
17,50,000	9,24,292	33,03,879	21,86,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	17½	10	0 10	1 0	1 0		9	Y.P.
15,98,900	2,45,841	30,19,958	20,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	76N	100	*Nil*	*Nil*			6	Y.P.
47,94,920	14,00,000	80,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	Y.P.
22,57,620	41,37,060	41,95,605	20,78,418	1,402	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	145N	10	1 0	1 0			10	Y.
19,55,300O. } 2,87,190D. }	69,50,000	95,96,952	31,00,978	48,494	V Ramakrishna, Sons Ltd. ..	K. C. P. Ltd.	127½ Q.100	100 Y 8	1 8 Y 8	1 8 Y 8	7 8		6	Y.P.
81,79,250	96,00,001	1,31,37,677	78,17,780	2,90,240	S. Muniasahappa, Esq. (Managing Director) ..			D. 10	10 0	10 0	10 0			
50,00,000	45,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Mysore Sugar	48	10	2 0	2 0	2 0		6	Y.
16,59,980	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Pitalsa Sugar	172	50	6 0	8 0	8 0		9	Y.
20,00,000O. } 4,00,000D. }	21,76,092	89,12,138	58,50,383	64,612	Walchand & Co., Ltd.	Ramnagar Cane and Sugar ..	268½ 140N	100 O. 50	9 0 *Nil*	9 0 2 8	9 0		9	Y.P.T.
19,99,508	44,88,457	47,06,689	21,78,094	4,525	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	72N	D. 10	*Nil*	*Nil*	0 1 1/5		9	Y.P.
80,00,000	10,87,776	99,76,254	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	154N	10	1 0	0 12			10	Y.
1,01,00,000	71,97,993	1,99,96,443	1,15,32,429	1,31,172	M.	Walchandnagar Industries ..	14½	10	*Nil*	*Nil*			7	Y.
							282½	100	14 0	16 0	18 0		9	Y.P.T
TRANSPORT														
20,00,000	1,00,59 022	1,24,00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	10 0	7 8	7 8		16	Y.P.
1,00,00,000	19,87,619	4,41,55,864	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		13	Y.S
50 00,000	24,35,338	2,50,21,298	82,65,705	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.									
5655,580	4960,378	45,515,631	43,344,773	421,866	Killburn & Co., Ltd.	Great Eastern Shipping Co.	19½	10	1 0	1 0	*Nil*		6	Y.P
3,25,00,000	74,99,223	7,93,25,462	1,81,55,690	1,28,061	Lionel Edwards Ltd.	India General Navigation & Rly. Co.	113	510	*Nil*	Sh. 1 0			13	Y.P.
2,40,19,975	5,94,93,081	18,56,63,413	4,34,44,800	2,78,688	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	19½	20	0 12	*Nil*	*Nil*	0 8	6	Y.P.
2,40,8500. } 10,250P.O. }	19,68,268	11,55,483	7,29,969	1,34,493	R. R. Aiyer, Esq. (Managet.) ..	Walford Transport Ltd.	24 1½	O. 1 P.O. 1	as. 1 9/25	1 22/25	as. 2 0/25 as. 1 9/25	1 10/25 as. 12 2/25	12	Y
UNCLASSIFIED (Bombay)														
3,40,000	77,000	9,58,521	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	39 0		9	Y.
13,98,880	2,04,178	22,26,474	90,000	1,99,351	M.	Bombay-Uganda	62½	80	5 0	4 8	*Nil*		12	Y.
25,00,000	1,00,000	22,87,514⅜		225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	12	25	0 12	0 12	0 12	0 13	3	Y.
14,93,840	3,42,332	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	33	50	4 0	3 0	3 0		8	Y.P.
19,99,250	19,47,356	1,22,03,504⅜	....	2,83,126	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 8	4 8	4 8		12	Y
99 99,975	85,08,351	85,10,399	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	178	100	10 0	11 0	11 0	4 0	6	Y
8,67,29,800A. 19,00,000B. }	5,28,634	2,87,32,373	1,25,90,202	5,86,717	Auto-Auto Ltd.	Premier Automobiles	110½	A.100 B. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
10,21,250	5 53,505	13,96,065	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22	25	2 0	2 0	2 0		12	Y.
2,75,00,000	78,75,000	3,03,67,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	188½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	56,24,847	7,24,668	3,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47 50,000 2,50,000 }	17,00,000	1,95,40 704	65,00 000	2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	11½ 6f	O. 10 D. 2½	*Nil*	*Nil*	*Nil*		6	Y.P.T.
30,00,000	35,05,079	32,06,626	21,94,951	3,43,951	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	24½	10	1 4	1 4	2 0*		8	Y.
20,00,000	8,85,000	35,39,494	20,85,060	1,16,905	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 0	1 0*	1 0*		6	Y.
20,00,000	27 47,883	1,01,49,337	39,87,330	32,683	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	10½	10	0 8 1/5	0 8 1/5	0 0 2/5		3	Y.P.T.
80,01,400	1,16,55,000	67,47,111	33,97,111	5,03,129	O. T Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	172	100	20 0*	18 0*	12 8		12	Y.
12,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	26xd	10	1 8	2 8	2 4	5⅞	6,12	Y.
80,00,000	7,95,480	62 57,994⅛		1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4	1 7	9	Y.P.
45,97,220	30,11,814	1,10,56,424	33,37,339	1,79,277	K. Jellas Sons, Esq. (Mg. Director) ..	Britannia Biscuits	15½	10	0 8	1 0	1 0	1 0	3	Y.P.T.
3,20,00,000	1,16,11,800	2,82,03,905	2,24,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	108	5	0 9	0 9	1 0		12	Y.P.T.
1,88,80,000	17,34,264	2,03,27,223‡		12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	11½	10	0 4 1/5	0 3 1/5	0 9	1 6	3	Y.P.T.
3,75,00,000	3,14,96,174	5,53,23,086	2,20,82,990	11,71,886	Cecil Stack Esq. Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	29½	10	1 8	1 8	1 8		12	Y. P.T.
51,26,000	54 12,212	1,42,47,668‡‡	....	3,06,185	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	139	100	10 0	9 0	9 0		8	Y.P.T.
14,00,000	10,08,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	187	100	10 0	7 8	7 8		8	N
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	14⅛	10	7 8	7 8	1 1 6 2/5		9	Y.P.T.
30,00,000	13,17,354	78,75,802	31,19,064	45,995	B. P. S. Syndicate	Great Eastern Hotel	240	250	15 0	4 4	6 8		12	Y.
30,17,900	13,68,886	66,39,233	59,24,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	152xd	100	8 0	10 0	10 0		12	Y.P.T.
4,96,12,850	2,92,450	2,56,34,606	94,58,719	5,19,435	Birla Bros., Ltd.	Hindustan Motors	104	10	*Nil*	*Nil*	*Nil*		8	Y.
1,50,00,000	46,77,754	4,19,74 246	1,74,76,663	9,19,674	E. B. Greenwood (Mg. Director)	Indian Aluminium Co.	24½	10	*Nil*	*Nil*	9 0		12	Y.P.
1,58,39,120	1,20,50,000	1,55,72,891	57,17,651	28,98,463	A. E. Driessen, Esq.	Indian Cables	84½	10	1 0*	1 0*	1 0*		8	Y.P.T.
5,970	5,85,000	15,40,506	8,56,116	52,616	G. S. Moulton & Co. (India) Ltd	Indian Rubber Manufactures ..	16½	10	0 12	0 8	0 8		8	Y.P.
15,16,00,000	7,80,02,692	4,15,59,161	1,63,28,877	24,94,274	Mr. G. B. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	15½	10		0 9 3/5	0 12 4/5	0 12 4/5	8	Y.
2,00,00,000 3,24,00000. }	55,29,566	84,82,960	8,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	99½	100	7 8	7 8	7 8		6	Y.
66,000D. 48,00,00000. }	1,91,892	5,94,080	3,58,758	2,668	James & Co. Private Ltd. ..	Macfarlane & Co.	2½ D. 2	D. 2	*Nil*	*Nil*			8	Y
5,50,00000. }	78,01,900	25,16,760	7,97,301	1,87,884	A. T. Dolg, Esq. (Mg. Director)	McLeod & Co.	218N	O.100 D.O.10	10 0 8 8	17 0 8 8	1 1 2/5		12	Y.P.
1,27,58,000	60,54,276	92,58,051	11,84,226	2,08,456	T. Leslie Martin, Esq. (Mg Director)	Martin Burn Ltd.	23½	10	1 8*	1 8*	1 8*		12	Y.P.
1,15,00,000	55,50,000	1,88,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	29½	10	1 0	1 0	1 4	1 10	9	Y.P.
6,85,725	1,43,868	7,81,449	2,60,987	—15,239	Osala Glass Works Ltd.	Mysore Glass and Enamel Works	4⅜	10	*Nil*	*Nil*			6	Y.P.
6,86,250	9,18,696	11,18,541	5,51,038	440	M/s. J. L. D'Sa (Controller) ..	Mysore Lamps Works	15	10	1 0	1 0	0 12	0 14 2/5	12	Y.
10,00,000	1,33,000	15,15,188	9,10,038	20,916	T. Shamma, Esq. (Chairman) ..	Mysore Tobacco	18-9½	10	1 0	1 4	1 0		8	Y.P.
40,00,000	51,31,179	59,09,527	29,20,190	2,22,222	Associated Industrial Development Co., Ltd.								8	Y.T.
79,97,000	81,15,337	1,14,74,878	52,77,582	9,05,480	B. N. Elias & Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		8	Y.
2,85,00,000	7,25,165	1,38,49,091	40,24,102	—62,99,179	M. P. A. Paspatti, Esq.	National Tobacco Co.	13½	10	*Nil*	0 12			8	Y.P.
1,72,24,400	1,51,20,526	7,56,34,289	2,47,94,270	4,91,824	Sahu Jain Ltd.	Ballis (India) Ltd.	42	100	*Nil*	*Nil*	*Nil*		12	Y.P.
40,00,000	28,60,594	1,16,78,870	70,99,087	5,30,976	C. W. Stephenson, Esq.	Bohtas Industries	22½	10	1 4	1 8	1 8		10	Y.P.T.
75 00,000	54,13,860	17,49,816‡	5,53,635	2,65,280	R. H. D. Campbell, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 4	1 8		6	Y.P.
9,98,380	....	14,99,289	2,84,580	....	Osala Bros., Ltd.	Shaw Wallace & Co., Ltd.	13½xd	10	1 0	1 4	1 0		6	Y.P.
						Travancore Osala Glass	3⅛	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ⅌ Investments at cost. * Includes bonus. ‡ On old capital. ‖ Exceeding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,73,517	....	McLeod & Co., Ltd.	325	Amlookie	380	100	25 0	30 0			12	Y.P.
5,50,000	3,43,350	10,59,932	2,42,099	77,477	B. K. Kasoria, Esq.	429	Ananda (Assam) Tea	45½	10	1 4	7 8			12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	2 8	8 0*			12	Y.
5,50,000	11,21,541	10,95,977	6,44,367	93,038	McLeod & Co., Ltd.	513	Baghmari	25½	10	*Nil*	3 8			12	Y.
8,10,000	8,50,000	11,89,193	3,89,461	93,033	Andrew Yule & Co., Ltd.	369	Bazmazia	37½	10	2 8	3 0			12	Y.
3,30,000	4,65,000	10,11,265	6,46,265	18,304	National Tea Corporation	569	Bateli	24½	5	2 0	4 0	2 0		12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Beltan	54½	10	2 0	10 0*			12	Y.
16 50,000	20,60,000	58,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	5,967	Bihnauth	23½	10	3 8				12	Y.
8,00,000	3,53,500	10,49,416	2,08,130	61,229	Octavius Steel & Co., Ltd. ..	485	Bokakhat	24	10	*Nil*	1 0			12	Y.
7,50,000	6,58,400	8,92,337	2,83,050	1,44,106	McLeod & Co., Ltd.	450	Bormah Jan Tea	31½	10	0 12	3 8			12	Y.P.T.
25,00,000	11,93,045	73,30,473	19,42,493	20,008	Brook Bond India Ltd.	2,834	Brooke Bond	21⅜	10	0 8	1 4			6	Y.P.
35,00,000	65,000	11,19,254	1,96,013	5,543	McLeod & Co., Ltd.	382	Dejoo Valley	50½	10	1 0	6 0			12	Y.
3,00,000	4,00,486	6,56,963	1,35,593	51,859	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	412	100	20 0	40 0			12	Y.
5,00,000	10,99,000	23,64,194	16,84,471	44,551	James Warren & Co., Ltd. ..	630	Dhekalchat	22½	10	1 8	2 8			12	Y.
7,53,440	9,87,983	22,73,420	4,17,348	2,779	James Finlay & Co., Ltd.	644	Dhuneeri	24	10	2 0	5 0			12	Y.P.
4,58,970	3,95,000	10,93,259	3,77,383	54,692	McLeod & Co., Ltd.	458	Dibrugarh	26½	10	1 0	4 0			12	Y.
4,50,000	6,75,000	9,00,334	2,06,317	55,532	Williamson Magor & Co., Ltd.	511	Dilmakhai	37	10	4 8	8 0			12	Y.P.
2,36,700	6,50,000	10,29,006	5,54,006	54,550	Williamson Magor & Co., Ltd.	615	Dilmaghey	35½	10	4 0	8 0			12	Y.P.
6,50,500	8,93,000	19,85,851	12,54,016	78,633	Williamson Magor & Co., Ltd.	1,160	Hast India Tea	23½	10	2 8	4 8			12	Y.
10,00,000	5,40,000	23,25,513	9,78,218	5,997	L. C. Kanoi, Esq.	407	Gillapukri	34	10	1 12	3 0			12	Y.
3,50,000	5,05,000	8,25,214	4,30,235	5,997	Williamson Magor & Co., Ltd.	546	Gohpur	27½	10	2 8	5 0			12	Y.
3,38,000	7,20,000	15,56,000	7,55,090	93,218	Octavius Steel & Co., Ltd. ..	1,912	Grob	40⅜	A 10	3 0	5 0			12	Y.
A. 7,41,540 B. 2,21,185 }	15,26

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,80,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Belmadies Plantations	4¼cd	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar	12¼cd	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,80,000	15,80,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries). ..	Coffee Lands and Industries ..	27½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	62,72,750	1 07,57,543	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	22½	10	1 8	1 12	2 4		8	Y.P.T.
4,00,000	2,75,708	9,55,957	48,744	7,754	Associated Planters Ltd.	Cotiansd Plantations	22½	10	1 8	1 8	1 12*		8	Y.P.T.
18,00,000	9,30,643	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd.	Highland Produce	17	10	1 4	2 8	2 0		8	Y.P.
4,00,000	10,98,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd.	Kalpetta Estates	35½	10	2 0	2 0	2 12		12	Y.P.
9,00,000	7,25,329	18,44,917	2,55,893	.....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	36	10	5 8	2 4	2 8		4	Y.P.
27,00,000	29,11,062	77,71,161	5,84,890	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	22½	10	1 8	1 12*	2 8	2 0	3	Y.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nenmeny Rubber	24½cd	10	0 12	1 8	1 8		12	Y.P.
2,00,000	2,99,588	7,20,895	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	17¼	10	1 0	0 12			12	Y.P.T.
19,45,980	24,00,991	41,19,708	13,04,557	40,399	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates ..	5¾	2	0 3½	0 9 3/5	0 6 2/5		12	Y.P.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	27½	10	1 12*	1 12*	2 0		10	Y.P.T.
2,65,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	Savamalai Estates Ltd.	25½	10	3 0	2 8	2 0		8	Y.P.
10,00,000	3,98,340	22,01,120	1,85,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11¾	10	0 14 2/5	0 12	0 14 2/5		11	Y.
6,10,200	5,37,767	30,934	14,887	A. V. George & Co., Ltd.	Thamarayally Rubber	30	10	3 0	3 0	3 0		12	Y.P.T.	
6,00,000	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	23	10	1 0	0 12	0 12		12	Y.P.
6,00,000	75,491	9,79,479	3,25,517	9,745	Rapen Thomas, Esq. (Mg. Director)	Travancore Rubbers	24½	10	0 4½	0 1 3/5	0 2		9	Y.
41,00,000	14,30,799	76,52,300	8,58,151	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13	10	2 0	2 0	3 0		12	Y.
20,00,000	.....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	13	10	1 0	1 8	1 4		12	Y.P.T.
6,25,580	6,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd.	Vaikundam (Travancore) Rubber ..	25	10	3 0	3 0	4 0		12	Y.
6,95,000	87,259	3,55,239	17,483	9,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13¾	10	2 0	1 8	2 0		12	Y.
								10	1 0	1 8	2 0		8	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12¼	10	1 0	1 10	0 6f		3,9	H.T.P.
6,00,000	10,25,000	51,65,438	30,98,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6,12	H.T.P.
30 00,000	9,25,000	1,17,61,827	98,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance..	125	100	5 0	12 0	6 0		6,12	H.P.
40 80,000	72,00,000	3,72,98,855	1,87,90,000	1,25,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	188	100	12 8	7 8	8 8		3,9	H.P.
20,00,000	42,94,285	1,73,44,642	88,94,396	9,758	Bird & Co., Ltd.	810	Auckland	118	100	4 0	3 8	10 0		3,9	H.P.T.
8,00,000	22,84,887	96,73,016	65,16,094	15,350	Jardine Henderson & Co.	959	Bally	156	100	4 0	Nil	3 8		3,9	H.P.
£275,000	£681,523	£1,56,539	£1,003,237	£44,858	Sir John H. Barder (Chairman)	1,889	Barnagore	148¾	£5	£1 0	sh.15	sh.15		3,9	Y.P.
82,00,000	82,30,128	92,27,342	49,23 231	1,006	Andrew Yule & Co., Ltd.	820	Belvedere	101	100	15 0	10 0	7 8		6,12	H.P.
45,00,000	33,48,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	16¾	10	1 4	1 0	1 2		3,9	H.P.
91,26,000	2,17,45,333	2,34,10,478	1,45,32,651	4,37,893	Birla Bros., Ltd.	1,373	Birla	18¾	10	3 0	1 0	1 0	1 0	3	Y.P.T.
34,00,000	27,37,926	1,12,57,557	72,25,930	2,371	Andrew Yule & Co., Ltd.	991	Budge-Budge	145	100	10 0	9 0	7 8		3	Y.P.
7 47,580	3,29,640	43,00,831	31,53,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9¾	10	Nil	0 12	Nil f		4,10	H.P.
18,00,000	30,46,234	87,18,571	61,48,795	6,348	Andrew Yule & Co., Ltd.	616	Caledonian	180	100	12 0	9 0	6 8		6,12	H.P.T.
59,16,400	98,58,404	2,22,41,517	1,07,45,003	30,808	James Finlay & Co., Ltd.	690	Champdany	167	100	6 0	3 0	10 0		5,11	H.
15,95,000	29,39,282	81,34,655	56,60,175	2,616	Andrew Yule & Co., Ltd.	530	Cheviot	193¾	100	12 0	14 0	10 0		3,9	H.
30,15,000	31,00,000	64,10,063	47,77,690	1,32,949	McLeod & Co., Ltd.	590	Chitavalsah	148	100	1 12	1 2	1 6		5,11	H.P.
24,00,000	24,00,000	76,74,716	66,82,553	1,07,142	Bhree Krishna Investment Co., Ltd.	969	Clive	15	10	Nil	Nil	1-4x		6,12	H.T.P.
31,49,200	61,22,878	1,34,26,320	64,46,601	1,986	Bird & Co., Ltd.	766	Dalhousie	103	100	4 0	2 8	4 0		3	Y.P.
25,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	190½	100	20 0	12 0	10 0		3,9	H.P.T.
15,00,000	24,50,000	33,33,570	30,80,760	78,204	McLeod & Co., Ltd.	500	Empire	18¾	10	1 0	1 4	1 4		3,9	H.P.
21,00,000	60,60,960	2,70,39,034	1,89,10,148	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	380	100	Nil	5 0	15 0	7½f	6,12	H.T.P.
21,00,000	13,00,000	97,88 074	54,63,092	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	22	10	5 0	2 0	2 0	0 12iK	3,9	H.T.P.
16,80,000	25,00,000	71,72,763	43,43,602	—74,098	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	75	100	Nil	0	2 8		3,9	H.P.
24,00,000	33,38,409	2,12,33,183	1,65,13,216	57,206	Mcneill & Barry Ltd.	1,300	Gouripore	15	200	15 0	Nil	..		12	Y.
40,00,000	45,66,234	49,20,898	29,10,124	10,06,222	Andrew Yule & Co., Ltd.	1,394	Hastings	254	100	3 12	10 0	15 0		3,9	H.P.
16,80,000	15,91,856	65,52,705	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	1,078	Hastings	10	10	10	10	11 8		3	Y.P.
65,52,500	51,32,961	1,82,27,584	1,07,81,984	11,463	Jardine Henderson Ltd.	720	Hooghly	25	10	1 4	0 8	1 4		3	Y.P.
25,50,000	33,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	1,940	Howrah	24¾	10	1 8	1 4	0 14		3,9	H.P.T.
C. 87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M. — — —	2,272	Hukumchand	20¾	10	1 4	2 0	2 0		3	Y.P.T.
D. 20,000						1,076	India	150	O. 125	6 4	3 2	4 11			
24,00,000								—	D. 1	0 4/5	0 2/5	0 3/5		3,9	H.
B. 19 20,000	16,50,000	1,37,65,836	1,24,18,026	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	1344	100	9 0	8 0	2 8			
30,00,000								132	'B' 100	9 0	8 0	2 8		6,12	H.P.
B 24,00,000	7,00,000	1,33,86 300	1 00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	92	100	7 8	6 8	1 0			
51,00,000	53,00,000	1,22,91 697	53,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	82	'B' 100	7 8	6 8	1 0		6,12	H.P.
54,00,000	33,33,375	1,71,52,712	1,16,91,627	1,02,192	Anderson Wright Ltd.	1,580	Khardah	250	100	15 0	20 0	17 8		6,12	H.P.
46,00,000	1,04,27,157	2,31,57,487	1,13,99,745	12,710	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	137	100	17 8	12 8	11 0		3,9	H.
24,48,000	49,37,087	1,39,82,288	80,56,707	16,707	Bird & Co., Ltd.	921	Lansdowne	174	100	9 0	7 0	13 0		3,9	H.P.T.
32,00,000	56 89,479	1,16,02,741	64,06,985	2,154	Bird & Co., Ltd.	1,283	Magna	114	100	7 0	2 0	7 0		3,9	H.P.
29,98,900	39,98,900	1,39,83,450	80,56,707	10,614	W. F. Heilgers & Co (Private) Ltd.	1,283	Magna	119	100	5 0	3 0	8 0		3,9	H.
20,00,000	16,55,000	89,01,563	18,21,709	—8,12,366	H. V. Low & Co., Ltd.	815	Naihati	88	100	12 8	8 0	10 0		3,9	H.
45,00,000	49,20,898	89,10,124	10,06,222	70,654	Andrew Yule & Co., Ltd.	1,394	Nasarpara	17½xd	10	Nil	Nil	Nil		3,9	H.P.T.
26 25,000	26,25,000	27,79,022	20,54,909	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	26¼	10	2 0	2 0	1 12		4,10	H.P.
15,75,500	48,95,164	1,17,87,858	48,50,655	46,362	Bird & Co., Ltd.	1,765	New Centralf	17¾	10	24 0	17 0	1 8		6,12	H.P.T.
66,79,500	35,30,793	2,12,59,053	1,30,27,324	58,373	Mcneill & Barry Ltd.	567	Northbrook	24	10	1 8	1 4	1 8		3,9	H.P.T.
24,91,000	26,81,049	72,46,385	50,35,499	1,744	Andrew Yule & Co., Ltd.	1,092	Nuddea	42½	50	0 8	0 8	1 0		3,9	H.
25,00,000	6,28,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	801	Orient	149	100	12 0	10 0	9 0		5,11	H.P.
20,00,000	1,44,598	24,56,880	8,89,180	—12,15,988	Birla Bros. Ltd.	400	Prestdency	6	10	0 2	0 2	..		3,9	H.P.
49,50,000	1,62,723	1,34,06,577	89,82,544	5,09,580	Jardine Henderson Ltd.	305	Rameshwara	6¾	10	Nil	Nil	Nil		3,9	H.P.
£600,000	£1,095,713	£1,245,244	.....	£58,994	Thomas Duff & Co. (India) Ltd.	1,276	Reliance	10½	10	0 8	Nil	Nil		3,9	H.P.T.
20,00,000	18,18,193	1,04,50,653	75,85,838	4,667	Bagaria More & Co., Ltd.	2,018	Samnuggur	10¼	41	10%	10%	8%£1		12	Y.P.
14,00,000	11,25,000	66 11,794	30,79,224	5,166	Hindustan Investment Corporation.	911	Shree Ambica	16	10	1 0	1 0	1 0	8f	3,9	H.P.
28,19,800	42,44 180	1,30,76,167	81,18,645	—2,75,591	Bird & Co., Ltd.	401	Soorah	17	10	0 8	1 0	1 8		12	Y.P.T.
£600,000	£925,119	£1,137,600	.....	£83,548	Thomas Duff & Co. (India), Ltd.	450	Standard	103	100	2 0	2 0	1 0		3,9	H.P.
25,00,600	26,14 825	1,85,40,099	61,71,617	14,518	Bird & Co., Ltd.	1,794	Titaghur	91	10	10%	10%	8%£1		12	Y.P.
£400,000	£688,035	£1,124,819	.....	£80,501	Thomas Duff & Co. (India) Ltd.	1,326	Union	163	100	5 0	5 0	10 0		3,9	H.P.T.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co. Ltd.	457	Victoria	9¼	£1	10%	10%	8%£1		12	Y.P.
							Waverley	5¾	1	0 1	0 8	0 8		6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	33,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23¾	10	1 0	1 4	1 6		3,9	H.
12,00,000	8,62,573	28,78,477	26,18 477	22,708	Jardine Henderson Ltd.	Bararee Coke	22¾	10	1 6 2/5	1 7 1/5	1 7 1/5		3,9	H.
49,850	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhaldee	61N	10	0 12	0 12	0 12		6,12	H.
1,00,00,000	1 40,49,223	5,91,92,514	3,05,77,326	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	542	200	32 8*	30 0*	35 0*		4,10	H.P.
25,97,000	4,75,358	37,70,192	22,77,364	13,498	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		6,12	H.P.
40,00,000	8,00,000	13,30,06 679	71,05,188	27,423	H. V. Low & Co., Ltd.	Bhalgora	6¾	10	0 8	..	..		3	Y.
7,15,000	15,11,080	52,62,538	37,37,88,500	—1,87,446	Sahu Jain Ltd.	Bharat Collieries	7¾	10	0 12	0 10	0 10		6	Y.T.P.
16,00,000	16,17,986	66,14,856	39,99,841	—79,196	F. W. Heilgers & Co. (Private)Ltd.	Bhutiabarasree	18¾	10	Nil	Nil	Nil		6,12	H.
7,80,000	24 29,000	48,39,608	26,53 408	84,207	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12	10	..	..	..		6,12	H.T.
90,92,480	1,75,17,502	4,19 21,370	1 85,17,846	1,86,596	F. W. Heilgers & Co., Ltd.	Borree	23	10	2 12	2 0	2 0		6,12	H.P.T.
49,97,750		39 62,720	3,82,645	1,16,379	Bird & Co., Ltd.	Burrakur	15¾	10	0 12	0 9	0 10		6,12	H.P.T.
8,00,000	18 54,302	49,10,414	32,68,954	14,079	Hindustan Investment Corpn., Ltd.	Central India	4¼	10	0 4	0 4	0 4		3	Y.
6,00,000	1,48,676	7,29,439(K)	.....	2,189	M. — — —	Central Kurkend	11N	10	1 2	..	..		6,12	H.
16 00,000	1,20,000	55,67,321	28,91,190	—2,42,279	F. W. Heilgers & Co. Private Ltd	Churlia	2¾	4	0 2	0 2	0 11		6,12	H.
£540,000	£380,553	£936,945	£702,277	£59,767	Mcneill & Barry Ltd.	Dhemo Main	8	10	Nil	Nil	Nil 1		6,12	H.T.
29,48,760	76,84,250	2,38,97,499	2,87 14,367	93,266	Jardine Henderson Ltd.	East Indian	31¼	£1	2 8	2 8	3 0		4	Y.
10,00,000	2,15,000	10,76,564	3,73,963	11,271	Mcneill & Barry Ltd.	Equitable	31¾	10	1 8	1 8	0 12‡		6,12	H.P.T.
12,00,000	1,22,000	39,02,565	20,99,324	2,228	Bhatter's Agency Ltd.	Ghusick and Manlia	14¾N	10	0 8	0 8	..		3	Y.
8,00,000	5,72,000	21,43,067	18,61,214	55,461	Kilnich Industries Ltd.	Hingarh-Rampur	4¼	90	3 0	Nil	2 4		6	Y.
22,00,000	1,12,060	16,15,546	24,74,412	—5,57,293	Mcneill & Barry Ltd.	Hurriladih	22	10	1 8	1 12	1 4‡		6,12	H.
3,80,000	3,45,579	13,54,857	7,23,658	.....	Bajpai Trust Ltd.	Jogta Coal	2¾	10	Nil	Nil	..		12	Y.P.
20,00,000	17,825	29,07,891	2,43,150	2,661	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	2 12	Nil	Nil		3,8	H.
5,00,000	15,60,000	46,77,583	36,47,985	1,58,474	Bird & Co., Ltd.	Karampura Collieries	119	100	Nil	Nil	2 8		2	Y.P.
1,88,400	5,72,960	15,65,561	5,72,960	—3,60,236	Andrew Yule & Co., Ltd.	Katras Jherriah	59	10	4 0	4 0	5 8		1,7	H.
11,00,240	84,814	16,72,961	10,41,863	—41,229	Bargwal & Co.	Khas Kajora	31N	10	Nil	Nil	..		6,12	H.P.
9 00,000	11,86,418	18,56,268	22,97,987	2,855	H. V. Low & Co., Ltd.	Kuardi	4¼N	10	Nil	Nil	..		6	Y.
7,48,240	2,00,000	13,19,473	11,996	4,660	Lakurka	Lakurka	10N	10	0 8	0 4	..		4	Y.
7,00 900	26,617	10,58 740	5,50,296	4,660	Nasira	Nasira	7	10	0 8	0 8	..		12	Y.
17,74,230	20 01,763	1,19,78,883	88,63,066	94,383	Amritlal Ojha & Co., Ltd.	New Banadeopur	10N	10	0 12	1 4	..		3,9	H.
6,00,000	75,000	23,54,607	17,07,588	22,33	Andrew Yule & Co., Ltd.	New Beerbhoom	10¾	10	1 0	1 2	1 0		4,10	H.P.
1,15,000	2,85,193	13,07,219	8,64,731	15,950	Octavius Steel & Co., Ltd.	New Manbhoom	10¾	10	Nil	Nil	Nil		3,9	H.
1,57,500					Andrew Yule & Co., Ltd.	North West	16¾N	10	0 4	Nil	1 6	0 12f	3,9	H.
7,50,000	19 21,853	5,17,656	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	7¾	10	0 3	Nil	1 0½	0 9f		
10 00,000	1,10,000	39,70,562	17,99,956	2,303	K. C. Thapar & Bros.	Oriental Coal	14¾	10	2 0	1 0	1 0		6,12	H.P.
2,24,000	10,562	17,52,187	8,30,795	8,018	Deepchand Kishenlall	Parasea	9¾	10	0 4	0 12			12	Y.P.
15,78,200	16 00,000	47,70,275	35,30,275	33,343	Shaw Wallace & Co., Ltd.	Panch Valley	22¾	10	1 4	0 12			6,12	H.P.
23,99,500	19 17,105	1,23,09,898	85,50,365	33,343	H. B. Elias & Co., Ltd.	Ramagunge	13¾	10	1 10	1 10	1 8		3,9	H.
13,50,000	8 58,266	35,36,765	27,78,764	28,521	Shaw Wallace & Co., Ltd.	Rewa	22¾	10	Nil 2 0	0 10	0 10		5,9	H.
20,00,000	2,00,000	44,25,586	18,72,118	2,20,178	Jaipuria Sons Ltd.	Samla Collieries	14N	10	2 0	1 6	0 14		6,12	H.
2,50,000	1,95,502	12,79,456	11 070	1,237	M. — — —	Searsole	9¾N	10	0 8	0 12	1 0		3	Y.
2,80,000	8 86,926	29 99 490	19,07 296	49,299	Andrew Yule & Co., Ltd.	Seebpore	29¾	25	0 10	0 10	0 12		12	Y.
5,00,000	5 81,289	22 491	28 887	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9¼N	7	1 12	2 0	2 8		1	Y.
*3,21,450	16,96,050	8,86,71,101	2,88,88,501	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	10¾	10	Nil	0 11 1/5			6,12	H.T.
17,50,000	10,84,616	37,66,108	18,14,999	—81,883	Bird & Co. Ltd.	South Karanpura	9¾	10	0 4	0 2	0 2		12	Y.T.
8 00,000	13 69,995	1 09,270	28,310	—1,37,347	F. W. Heilgers & Co., (Private)Ltd.	Standard	23	10	2 0	1 8	1 0		3,9	H.
16 00,000	12,950	30,82 289	15,48,502	—4,07,745	Villiers Ltd.	Talcher	8¾	10	Nil	..	..		6,12	H.
6 00,000	2,80,000	19,47,264	14,81,955	44,167	Williamson Magor & Co. Ltd. ..	Union	14¾	10	1 12	0 12	Nil 1		9	Y.
49 96 000		49,06,856	18,91,545	2,094	Hindustan Investment Corpn., Ltd.	Western Bengal	7¾	10	0 6	0 6	0 8		6,12	H.
7,00,000	1,58,190	55 22 183	23,66,361	123	Mcneill & Barry Ltd.	West Jamuria	11¾	10	Nil	Nil	Nil 1		6,12	H.

M.—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares (e For seven months ended 31st March 1954
* New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET GOSSIP

(*Concluded from page 399*)

olders proposed that the shares of Tata Locomotive eld by the T.I.S.Co. could be sold to the share- olders of the latter company.

In his reply, Mr. Tata said that the share- olders' suggestion for commemorating the Golden ubilee of the Company would be carefully con- idered by the Directors. Referring to the premium ollected on the old deferred shares, he observed hat this had been used in the past for writing down ome asset. He was not, however, sure and pro- nised to look into the question. As regards the roposal for the distribution of Tata Locomotive hares, the tax position was explained by Mr. J. D. hoksi, Vice-Chairman of the Company. He said hat, if instead of dividend, the Company were to istribute the shares of the Tata Locomotive, it ould be construed as a dividend and be taxed as uch. As regards the sale of these shares to the .I.S.Co. holders, Mr. Choksi said that it would be ifficult to do so without infringing the law, as the umber of Tata Locomotive shares held by the .I.S.Co. fell very much short of the number of hareholders in the latter.

The other points from Mr. Tata's replies to the hareholders' queries which will be of interest to eaders of this column are as follows:

Out of the new capital issue, only 27,265 shares orth Rs. 9 lakhs have not been applied for. The ompany does not propose to take any action for he present in respect of their allotment. It is uite possible that the shareholders who have not pplied may come forward later on. There is there- ore, no question of Government interference in espect of the allotment of these shares or their ale in the open market.

The Company's investment in the Indian Tube ompany aggregates Rs. 1.47 crores and will go up o Rs. 3.20 crores. If and when the Indian Tube Co. xpands and issues fresh capital, it will be offered o the public.

No penalty clause or incentive

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	347xd	100	18 0‡	18 0‡			12	Y.P.
14,50,000				161xd	50	9 0‡	9 0‡				
1,01,000	14,37,000	12,375	Andhra Bank	115ed	100	6 8	7 8	6 8	3 12‡	6.12	H
82,46,150				85ed	70	3 4	3 12	4 8 4/5	2 10‡		
1,80,00,000	1,38,00,000	2,35,545	Bank of Baroda	102xd	50	3 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	211N	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,62,00,000	12 26,630	Bank of India	172‡	50	7 0	7 0	8 0	3 0‡	6.12	B.L.Y.
15,30,375	28,00,000	60,686	Bank of Indore	52N	35	3 0	3 0	3 8		12	Y.
40,00,000	19,00,000	41,779	Bank of Jaipur	28	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	257xd	100	16 0‡	16 0‡	16 0‡		12	Y.
41,31,700	58,75,015	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.T.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	80	50	4 4	4 8	5 0		12	F.Y.
7,50,000	12,00,000	2,488	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,93,17,875				53	25	3 0	3 0	3 0	1 8‡	12	B.L.Y.
56,42,875 'A'	4,01,81,217	18,40,859	Central Bank of India Ltd. ..	56‡	25	3 0	3 0	3 0	1 8‡		
50,00,030	31,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	43‡	50	3 0	2 0	2 0	1 4‡	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0			12	Y.
50,00,000	18,00,000	1,05,378	Hind Bank	38‡	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,48,000	16,910	Hindustan Commercial Bank ..	14‡	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	12‡	50	Nil	Nil			12	Y.
75,00,000	76,00,000	1,04,406	††Hyderabad State Bank ..	89N	100	5 0	6 0‡	5 0		9	Y.
15,00,000	19,75,000	1,45,140	Indian Bank	208	100	12 0‡	12 0‡	12 0	6 8‡	12	B.L.H.
				192‡	95	10 8‡	10 8‡	10 12‡	6 2‡	6.12	
15,00,000				148	70	7 8‡	7 8‡	7 12‡	4 8‡		
48,19,375	30,00,000	2,28,299	Indian Overseas Bank	153	100	6 0	6 0	7 8		12	Y.
2,25,000				42‡	100(A)	Nil	Nil				
4,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	Nil	Nil			6.12	H.
16,00,000				25	50(C)	Nil	Nil				
97,50,000	97,50,000	2,85,108	Punjab National Bank	90‡	25	2 0	2 0	2 8	2 0‡	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	18‡	25	0 10	0 12	1 0		12	Y.
40,00,000	32,00,000	1,96,288	Union Bank of India	7‡	5	0 5‡	0 5‡	0 6		12	Y.
2,00,00,000	65,00,000	27 761	United Commercial Bank ..	58‡	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£406,875	Chartered Bank of India, Australia and China	£1-17-6	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,850,000	£60,917	Eastern Bank	£7‡	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $120,000,000	H.K. $10,006,689	Hongkong and Shanghai Banking Corporation	$91‡	H.K. $125	5*	5*	5*	2*1	12	R.L.Y.
£17,906,198 'A'											
£1,437,396 'B'	£15,000,000	£558,006	Lloyds Bank	£2-18-8	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A'				£1-6-3	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'B'	£1,750 000	£219,572	Mercantile Bank of India ..	£4-1-0	A £2½	14†	14†	14†		12	R.L.Y.
£750,000 'C'				£4-1-0	B £2½	14†	14†	14†			
£2,551,563	£3,104,687	£242,158	National Bank of India	—	C £1	14†	14†	14†			
				£0-19-9	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99‡	1st June 1963
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnagar Cane & Sugar Co., Ltd.	1936	90‡	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
35,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	90‡	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95‡	30th June .. 1956
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91‡	30th June .. 1967(e)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1963(e)‡
COTTON						
6,56,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	30th May and 30th November ..	Bengal-Nagpur	1897	99‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic ..	1952	101‡	1st March .. .. 1973(e)
12,68,000	5½		Jaysbree Textiles	1949	90N	1st January 1956-59
99 90,000	5	1st June	Tata Mills	1951	100‡	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100‡	14th June .. 1960
98,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98‡	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1940	94	31st December .. 1964(e)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(e)
25,00,000	4	30th June and 31st December ..	Cawnpore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1976
18,00,000	5	1st January and 1st July ..	Giria (Jherriah) Electric Supply Co., Ltd	1951	96	30th June .. 1978(e)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1956-60
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1953-58
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1979
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	99‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1948	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1939	99	30th June .. 1958
50,00,000	5½	15th September and 15th March.	Indian Iron and Steel Co. (2nd mortgage)	1942	101‡	1st July 1957-62
2,16,800	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1926	97	31st December .. 1956(H)
10,00,000	4	31st March and 30th September	Kirloskar Engineering Works Ltd.	1946	97	31st March .. 1971
1 50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101‡	1st October .. 1966-86
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)‡
JUTE						
13,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June ..	Anglo-Oriental Jute Co., Ltd. ..	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	93‡	30th June .. 1960
5,00,000	5	31st January and 31st July ..	Calcutta	1940	90	31st July 1959
10,00,000	5	30th June and 31st December ..	Caledonian Jute Mills	1941	96	30th June .. 1960
12,50,000	5½	31st March and 30th September	Dalhousie Jute Co.	1940	96‡	31st March .. 1959(e)
3,86,000	5	15th January and 15th July ..	Empire(e)	1951	94‡	15th July .. .. 1956(e)
20,00,000	7½	1st January and 1st July ..	Hukumchand	1947	92‡	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd. ..	1939	97‡	31st March .. 1970
25,00,000	6	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1940	96‡	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December ..	Kelhati	1952	98	31st March .. 1967(e)
5,00,000	4½	14th November and 14th May ..	Khardaha Jute Mills Co., Ltd	1939	98	14th May 1959
20,00,000	6	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
5,00,000	6	30th June and 31st December ..	Prasiddeay	1948	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd. ..	1950	91	30th September .. 1965(e)
8,00,000	4½	14th March and 14th September	Scorah Jute(e)	1927	96	14th September .. 1957
13,00,000	4½	30th June and 31st December ..	Union	1937	96‡	30th June .. 1957
18,00,000	3½	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	6	1st January and 1st July ..	Barasat-Basirhat Light Railway	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October ..		1933	£77‡N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90‡	31st December .. 1956(c)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	Any time on six months' notice (e)
4,55,24,697	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1940	96	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1952	102‡	1st July 1967-82
15,50,000	6	31st March and 30th September.	Nilgiri Tea		102‡	1st April 1956-66
1,50,750	5½	31st March and 30th September.	Teakoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1946	98	31st Decem .. 1966
20,50,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1942	86	31st December .. 1962
4,50,000	5½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
4,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	103‡	1st September .. 1964
2,50,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	102‡	1st October .. 1964-69(a)
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
20,25,000	4½	1st July and 1st January ..	Ives Buildings (Calcutta) Ltd. ..	1936	90‡	1st July 1966
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87‡	15th September .. 1960
1,50,00,000	6	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1966
1,50,00,000	6	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	102	1st January .. 1971(e)††
1,50,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1963(e)‡
17,75,000	5	15th March and 15th September.	Motor Chemical Industries ..	1949	95‡	 1964
23,03,250	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	535	30th September .. 1976(a)
45,20,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(a)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	(per note) 90N	1st April .. 1971
1,50,00,000	6½	30th June and 31st December ..	National Rayons	1953	103	30th June .. 1963-78
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1961(e)
1,50,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91‡	31st December .. 1956
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1952	104‡	1st May .. .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-8-1954 but before 1-2-1957 and ½ per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-6-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡ Redeemable at par at a cumulative sinking fund of 1½ per cent. per annum, commencing in 1941 by purchases at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1954 onwards. The Company has option to red eem a debenture at 102 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th August, 1956.

	Closing quotations 23-8-1956	High	Low	Closing quotations 30-8-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	220‡	220‡	215	215
Apollo (2)	3-3‡	3-3‡	3	3xd
Bombay Dyeing (250)	693‡	702‡	667‡	667‡
Bradbury (50)	270	275	268‡	268‡
Central India (100)	167	166	159	159
Century Mills (100)	605	607‡	584‡	584‡
Colaba (100)	103	102	101‡	101‡
Edward Textile (200)	360	365	360	365
Elphinstone (50)	65	—	—	65
Finlay (100)	882	884	373	374
Gokak (100)	250‡	251	247	248
Ind. Unid. Detd. (1)	2‡	2‡	2-6‡	2-6‡
Ind. Unid. Ord. (10)	14‡	14-5‡	13‡	13-10‡
Indore Malwa (100)	166‡	168‡	160	160
Khatau (100)	278	302‡	276‡	297‡
Kohinoor (100)	400	402	379	379
Lakshmi (250)	745	752‡	745	752‡
Madhusudhan (100)	130	132‡	130	131‡
Minerva Mills (100)	111‡	111‡	105‡	105‡
Model Nagpur (250)	185	191‡	180	191‡
Morarji (100)	272‡	273‡	272‡	273‡
Mysore (50)	157‡	136‡	135‡	135‡
National Rayons (100)	271‡	275‡	265	265
New City (100)	188‡	—	—	188‡
New Great (100)	260	260	259‡	260
Phoenix (100)	163‡	170	163‡	163‡
Podar Mills (100)	190	188‡	187‡	187‡
Sassoon Bpg. (10)	14	—	—	14
Sholapur (1,000)	46	46	45	46
Shrinivas (100)	1,700	—	—	1,700
Simplex (50)	243‡	250	238‡	240
Standard (100)	219‡	220	218	218‡
Svadashi (100)	473‡	492‡	473‡	473‡
Swan (100)	262	276	262	262
Tata Mill (25)	477‡	492‡	476‡	477‡
Vishnu (100)	60	63	60	60xd
Western India (1,000)	193‡	193‡	190	190
	5,125	—	—	5,125
BANKS				
Bank of India (50)	172	172‡	171‡	172
Bank of Baroda (50)	105	105	102	102xd
Central (25)	54‡	53‡	52‡	53xd
Central 'A' (25)	56	—	—	56‡xd
Dena Bank (50)	43‡	—	—	43‡
Punjab National (25)	60‡	—	—	60‡
Union Bank (5)	7‡	7‡	7‡	7‡
United Com. (50)	59	59‡	58‡	59‡
ELECTRIC COS.				
Ahmedabad (100)	59‡	100	98‡	99‡
Amalgamated (10)	11-1‡	—	—	11-1‡
Andhra Valley (1,000)	1,247‡	1,247‡	1,242‡	1,242‡
Bom. Sub-El. (100)	111‡	110‡	110	110‡
Surat (100)	119‡	120	119‡	119‡
Tata Hydro (100)	128	129	128	128
Tata Power (1,000)	1,320	1,320	1,305	1,305
INSURANCE COS.				
British India (10)	14xd	14‡	14	14
Empire of India (100)	375	—	—	375
Ind. Mercantile (200)	44	—	—	44
Jupiter (15)	6	6‡	6	6‡
New India (15)	48‡	48‡	47‡	48
Oriental (200)	3,650	3,650	3,640	3,650
Universal (10)	12‡	—	—	12‡
Vulcan (10)	17	—	—	17
STEEL COS.				
Ind. Iron (10)	87‡	87-8‡	86‡	86‡
Tata Steel Ord. (75)	213	216‡	211‡	212‡
SUGAR COS.				
Belapur (50)	255‡	259	254	254‡
Bhopal (10)	17‡	—	—	17‡
Phaltan (50)	169	173‡	168‡	169
Walchand Ind. (100)	273‡	286‡	271‡	277‡
CEMENT COS.				
Associated Cts. (100)	208‡	209	201‡	205‡
Dwarjay (100)	204	205‡	203	204‡
MISCELLANEOUS				
Alcock Ashdown (100)	845	855	843‡	847‡
Bom. Burmah (125)	771‡	800	762‡	765‡
Do. (New) (50)	290	297‡	285	295‡
Br. B. Petrol (4 sh.)	4‡	4-4‡	4-1‡	4‡
C. P. Ely. (100)	10‡	10‡	10‡	10‡
Indian Copper (5 sh.)	7‡	—	—	7‡
Ind. Inv. Tr. (100)	7-5‡	7-5‡	7-3‡	7‡
Kamp (200)	78‡	76‡	76	76‡
Hilicks (100)	182‡	—	—	182‡
Polson (100)	179‡	179	177‡	178
Port Canning (100)	181‡	—	—	180
Premier Cn. (50)	9	8‡	8	8
Scindia (200)	217	224	214‡	214‡
G. E. Shipping (10)	19‡	19‡	18‡	18‡
Shivraipur (10)	10‡	—	—	10‡
Tata Chemicals (10)	90‡	90	86	87‡
Tata Locomotive (100)	20-11‡	20	20	20
Tata Oil (25)	176‡	185‡	174‡	176
W. I. Match (100)	58‡	58‡	56‡	57
	184‡	184‡	182‡	183‡

GOVERNMENT SECURITIES	24-8-1956	Barlow Redemption	Later Redemption	30-8-1956
		Gross Yield		
	Rs.	—	—	Rs.
2½% 1961	93‡	—	3.96	93‡
2½% 1962	95‡	—	3.74	95‡
2½% 1963-65	93‡	—	3.80	93‡
2½% 1964-66	89‡	—	3.90	89‡
2½% 1967	99‡	—	4.00	82‡
2½% 1968	99‡	—	3.25	99‡
3% 1955-60	94‡	3.88	3.24	99‡
3% 1964	95	3.70	3.42	95‡
3% 1963-66	94‡	3.88	3.72	95
3% 1966-86	94‡	3.83	3.67	94‡
3% 1970-75	90‡	3.92	3.70	93‡
3% 1986 Con. Loan	75‡	—	3.73	90‡
4% 1960-70	100‡	3.75	3.99*	75‡
4½% 1958-68**	102‡	3.94	3.91	100‡
2½% 1961 N.P. Bonds	99‡	—	4.20	102‡
2½% 1964 N.P. Loan	98‡	—	3.64	99‡
2½% 1945 N.P. Bonds	98‡	—	3.69	98‡
3½% 1962	97‡	—	3.69	98‡
3½% 1967 N. P. Bonds	98‡	—	3.64	98‡
3½% 1974	98‡	—	3.67	98‡
		—	3.87	98‡

BRITISH GOVERNMENT SECURITIES

	Closing quotations 20-8-1956 £				Closing quotations 27-8-1956 £
2½% Brit. Consols	50‡	—	—	—	—
4% Victory Bonds 1958-75	73‡	—	—	—	55‡
3% War Loan 1955-59	94‡	—	—	—	74‡
3½% War Loan	71‡	—	—	—	94‡
4% Victory Bonds 1976	90‡	—	—	—	71‡
4% Funding 1960-90	87‡	—	—	—	90‡
		—	—	—	87‡

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Right.

COMMERCE

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

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17 SEP 1956

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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COTTON TEXTILE POLICY FAILS

THE sharp increase in excise duties on all varieties of mill-made cloth which came into force from the 1st inst. is a natural sequel to the unsound textile policy of the Government of India. It is a case of one wrong step leading to another. In its undue anxiety to expand employment in the handloom sector, the Government decided, much against the advice of practical-minded persons and well-meaning friends from abroad, to ban all expansion in the weaving capacity of mills. This was a retrograde step, because the population was rising and a large programme of development was undertaken, resulting in a perceptible rise in the volume of money in circulation. Against this background, any other country would have automatically taken suitable steps to bring about a quick increase in the supply of an essential consumption item such as cloth at reasonable prices. But the powers-that-be in India decided in their wisdom to rely on the unorganised, ill-equipped, low-productive handlooms. They refused to listen to the advice, repeatedly given, that the handlooms would not be able to step up their production at reasonable cost and *in good time* to catch up with the steadily expanding demand. It is for their folly that people have to pay more now for the cloth which they cannot do without.

Many, of course, had thought

encouraged the Government to resort to it. Another factor that may have encouraged the Government to follow this policy is that the vast majority of politicians, labour leaders and demagogues have been outdoing the Government in propagating the policy of preventing expansion of mill industry and of boosting the handloom industry. As a result, the only people who can make the masses conscious of the basic defects in the Government's cotton textile policy will not try to do so. All this, however, does not answer the criticism that the measure is a very inequitable one to the vast majority of the people.

An equitable method of restricting consumption to available supply of cloth would be direct controls, that is, control on production, prices and distribution, as well as rationing at the retail end. A shorter version will be opening of fair price shops. These expedients, however, were tried in the past and found wanting. They led to black-marketing and corruption from top to bottom. Every one was tired of it and none, except academicians and the leftists who fish in troubled waters, will welcome it. The public's experience of controls is so bitter that it would rather prefer to pay a higher price for cloth than accept rationing. If controls were introduced, instead of being busy with productive efforts, the Administration also would be wasting its time over unproductive measures. Further, controls invariably result in a fall in production. What is more, rationing of mill cloth will adversely affect the long-term future of handloom industry, for it is a more effective form of advertisement for mill-made cloth than any other. Considering all this, it is not surprising that the Government is strongly opposed to the re-introduction of controls and rationing.

As the more equitable method of distributing the available supply of cloth among the people (that is, through physical controls and rationing) is not a practicable proposition and as it is not right to make the poor pay a price determined by the law of supply and demand in a sellers' market, the only solution open to the Government is to allow the mill sector to expand rapidly, for it is only this sector that can make available cloth at a price which the vast majority of people can afford to pay. It is no use depending upon the handlooms to fill the yawning gap between supply and demand. They will not be able to deliver the goods in time and at a price consistent with the capacity of consumers to pay. Clearly, the experiment tried during the past four years has provided enough evidence to conclude that the policy of reserving markets for handlooms by pegging mill production has let down the people. It has not only made cloth needlessly costlier for the domestic consumer but has also jeopardised the export trade in cloth at a time when India needs more foreign exchange. Besides, it has led to a fall in the quality of cloth and provides a premium on inefficiency. If things continue at this rate, there will be a marked deterioration in the health of this premier industry. And it will soon go the way the jute industry, another premier industry and important foreign exchange earner, has gone. It will thus be suicidal for the country to persist in following the present foolish textile policy.

ECONOMIC FREEDOM

SPEAKING at the annual general meeting of the Tata Iron and Steel Co., Ltd., the Chairman, Mr. J. R. D. Tata, felt that the charge that free enterprise in India had shown no initiative in recent years was particularly hard to take, for, he was, in fact, "surprised at the amount of initiative displayed, considering the discouragement and disincentives to which it has been subjected." Mr. Tata has, indeed, put the whole issue in a nutshell. Those who make such sweeping charges against private enterprise, ignoring all its positive achievements, will do well to consider the serious handicaps under which it has had to work in the past.

What these critics badly need is a pair of well-tested historical glasses. They obviously ignore the fact that free enterprise has never had a fair or free field in this country at all. India missed the bus of the first industrial revolution, because its onset elsewhere in the world synchronised with great internal turmoils, leading eventually to political domination by an alien power. For nearly a century and a half, the energy of the best of our men was canalised along political and agitational channels. Consequently, no economic progress comparable with that in the West could be made. The leading political party in the country, the Congress, itself recognised that economic progress had to await political freedom. Nevertheless, it was during this period that Indian enterprise, working under very heavy odds sufficient to crush the bravest of *entrepreneurs*, built up some of India's leading industries, such as textiles, iron and steel and shipping. In those palmy far-off days, the Congress and the few brave spirits that were engaged in economic enterprise worked hand in hand, both moved by the same patriotic motive of raising India's living standards. It was tacitly recognised that political freedom, though it had necessarily to be the immediate objective, was a means to an end, the end being wider opportunities for social and economic progress. This climate lasted right down to the time of India's independence.

It is now less than a decade since India became free. Now, this is the only period during which free enterprise may be said to have functioned under conditions of political freedom. In judging its performance during this period, it is well to bear in mind at least two important considerations. In the first place, a decade is hardly a very long period in the history of a nation. The progress made by free enterprise within this brief span cannot certainly be compared to what has been achieved by its counterpart in other countries which have enjoyed several centuries of political freedom and State patronage. In the economic race, India has had a late start. Further, it has also been handicapped by the fact that, whereas, in other countries, all the welfare legislation, restrictive of enterprise, came at the end of a long period of economic prosperity, such legislation has been enforced in this country even before a reasonable level of prosperity has been achieved. This is not intended as a criticism of welfare legislation but is mentioned only as a factor to be taken into account for making a sober assessment of its impact on Indian economy.

The second consideration, which must be borne in mind in judging the performance of free enterprise in India, is whether it has been free at all. In other words, has political freedom brought more freedom for economic enterprise? How free has free enterprise been in the last few years? This is by no means an academic question, for the whole issue impinges on the practical work-a-day world of business men and industrialists. It is well to recall that, at the time of the attainment of independence by this country, the whole world was so busy repairing the damages of the war that it could not spare even a nut or a bolt, let alone elaborate plant and equipment, for India. The best that Indian enterprise could do was to keep the blue-prints for economic progress ready, so that it could translate them into action as soon as world conditions permitted it to do so. But, before it could do anything of the kind, the whole climate for economic enterprise in India underwent a startling change. The Government felt that it must have a larger share in the country's economic activity. "Mixed Economy" was a phrase that held the field till only a few years ago. Although many men doubted whether such a dichotomy of economic functions was strictly necessary—there used to be some lively debates over the respective proportions of the two ingredients in that mixture—Indian enterprise was perfectly willing to play its allotted role under the new dispensation, leaving the Government to pursue what it considered to be the best for the country. In the last two years, the phrase "mixed economy" too has been abandoned, its place having been taken by a more sonorous but less precise "socialist pattern of society." And, it is in the name of socialism that the Government has repeatedly assailed the private sector not only by compelling it to work under a series of crippling legislative enactments but also by directly invading its sphere through such measures as State Trading and the nationalisation of a part of commercial banking and the whole of life insurance. And it is not by these measures alone that the Government has curbed free enterprise. For, in many authoritative pronouncements, it has abundantly made it clear that free enterprise is only tolerated, not wanted, and that the only freedom it will have is to hand over its activity to the Government as and when it is called upon to do so.

It is against this background that one has to assess the achievements of free enterprise in this country. Undeterred by the handicaps to which it has been subject, Indian *entrepreneurs* have gone full steam ahead. They have more than fulfilled their share allotted to them under the first Five-year Plan. The industries which they have started or expanded are so numerous and embrace so wide a range that it will be difficult to name one which was open to the private sector to exploit and to which this sector has not turned its attention. Indeed, nearly all the industrial progress that has been made by this country can be attributed only to this sector. What is surprising is not that it should not have accomplished more but that it should have achieved what it has—and that, in the face of some of the vilest propaganda by political extremists and much lack of sympathy, if not active antipathy on the part of the Government.

And yet, it is this enterprise that is now sought to be discredited. This would not be a serious matter at all, if its displacement were calculated to lead to the achievement of certain higher values. Actually, the danger is that the country would lose, through the displacement of free enterprise, not only economic efficiency—a large enough consideration in itself—but also the values that one generally associates with a democratic set-up. The question is whether the State should be allowed to grow at the expense of the individual and all the men turned into wage earners working for a system of State capitalism. Should the State be allowed to add to its unquestioned political power all the capacity for controlling the economic destinies of individuals? Should the State be allowed to bestride the economic world like a colossus? These are the doubts that one is compelled to entertain by the recent trends in Governmental policy. Mr. Tata did no more than voice these sentiments when he said:

> "We are witnessing in India an uninterrupted growth of Governmental power in the economic field and are already well on the way to a strange and unnatural combination of political democracy and economic autocracy. The question that should agitate the minds of all of us is whether our political freedoms can long survive if our economic freedom continue to be whittled away. Once all economic power is centred in Government, will it not be found equally necessary to curtail other freedoms in the interests of the people? Although there may be no danger that the able men in power today, motivated as they are by democratic ideals, will abuse their powers, history shows that the danger lies in the very existence of unlimited power which may one day fall into less worthy hands."

Mr. Tata has raised certain fundamental issues, the settlement of which brooks no delay. The danger that the large powers which the Government is acquiring day after day—no session of Parliament ends without passing some legislation or other which tantamounts to a clear encroachment on the freedom of individuals—might fall easily into less "worthy hands" should make the ruling party more conscious of the need for preserving democratic values in this country. In many countries, the historical paradox has been that the men who successfully fought tyranny and fought for freedom have been among those most eager to forge new fetters for the people. It is to be hoped that the Congress Party will so conduct the affairs of the country that a similar charge will not be brought against it by posterity.

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MINING RULES FAVOURABLY MODIFIED

THURSDAY, 5 P.M.

THE consensus of opinion in the country is that, in asking Mr. T. T. Krishnamachari to take over the Finance portfolio at the Centre, Mr. Nehru has acted wisely. Indeed, even when it became clear that Mr. C. D. Deshmukh's exit from the Cabinet was inevitable, it was widely believed that T.T.K., as he is affectionately called, would be asked to take his place. It was, therefore, a matter for surprise when Mr. Nehru himself took over the responsibility from Mr. Deshmukh. The inference from this action was that he preferred to leave T.T.K. where he was and find out some one else for managing the Finance Ministry, because none seriously expected him to carry this onerous burden for long in addition to his heavy duties as the Prime Minister and Minister for External Affairs. It was felt that he might ask Mr. Morarji Desai to come over to the Centre, after the problem of reorganisation of States was satisfactorily settled, either as the Finance Minister or as the Home Minister, in case Mr. G. B. Pant was willing to shift to the Finance Ministry. Perhaps, the happenings in Gujerat after the decision to have a bigger bilingual Bombay State and the subsequent fast of Mr. Morarji Desai, had changed Mr. Nehru's mind. Since the bilingual Bombay State is a vast one, Mr. Nehru might have felt that Mr. Desai should continue to be its Chief Minister at least for some more years. That at any rate is the view of many people in this city. It is also possible that Mr. Pant might have been reluctant to take over the heavy responsibility of piloting the second Plan successfully, in view of his advancing age and delicate health.

MARKET GOSSIP

Even if either of them had been chosen for the Finance Ministership, it would not have been a happy decision. Although Mr. Morarji Desai has proved himself as an able administrator and a strong disciplinarian, he has not all the equipment necessary to be a successful Finance Minister. He is not an economist and his sense of idealism will be a liability rather than an asset. As for Mr. Pant, his age and health are a serious handicap to preside over such a key ministry as Finance. It is, therefore, gratifying to find that neither of the two was asked to handle the Finance portfolio and that Mr. Nehru's choice ultimately fell on the most suitable person available in the Party. T.T.K. has proved his mettle as Minister for Commerce and Industry, a Ministry which had been the target of criticism both in and outside Parliament before he took it over but which is now praised as the most efficient one at the Centre. He is a practical economist. But this does not mean that his knowledge of economic theory is poor. He has, perhaps, read more books on economics than many Doctors of Economics have done. His good grasp of economic problems is evident from the realistic decisions he took on such issues as protection for domestic industries, Imperial Preference and those arising from India's association with the G.A.T.T. He has also vision. It was he who was the first to think in terms of 12 million tons of cement and 6 million tons of steel as targets for the second Five-year Plan. When he first mentioned these figures, even the best brains in the Planning Commission were sceptical. But now the country is actually going ahead with plans for achieving these goals. An unsolicited tribute to T.T.K. was paid by Mr. J. R. D. Tata the other day when he addressed the shareholders of the T.I.S.Co. Said Mr. Tata:

> "I feel the charge that free enterprise in India has shown no initiative in recent years is particularly hard to take. I for one am in fact surprised at the amount of initiative displayed considering the discouragement and disincentives to which it has been subjected. While saying this, it is only fair that I should acknowledge the help and advice which industry in the private sector has received in recent years from our dynamic Minister for Commerce and Industry. It is a measure of the man that his socialistic views have not prevented him or his Ministry from extending assistance to industries in need of it for purposes of agreed schemes of development. Without his encouragement and quickness of decision, our two million ton project might not have come into being or would still be at the stage of discussion and correspondence. We are grateful to him for his support."

T.T.K. is a tough negotiator, as many foreign commercial and industrial delegations which have visited this country to enter into business deals will testify. Even the Russians realised it when the question of finalising the deal on the Bhilai steel plant fell to his lot. In fact, one of T.T.K.'s uncontradicted claims is that he has, as the Minister for Commerce and Industry, helped many an Indian business man to revise in his favour the deal already concluded by him with foreigners for technical collaboration and supply of capital in part. He has done a lot, through persuasion, for Indianising a part of the administrative staff of foreign concerns. He has also succeeded in inducing some of the exclusively foreign-owned industrial concerns operating in this country to give an opportunity to Indian investors to participate in their prosperity. Although this has meant repatriation of some foreign capital from the country at a time when it is badly needed, it has brought about a welcome increase in the number of blue-chips quoted on the Indian Stock Exchanges.

Although T.T.K. is not a cent per cent. Congress Party man—we do not think he ever actively participated in any of the Civil Disobedience Movements aimed at freeing the country from foreign rule—he has done more than any fullfledged Congress man to give as practical a shape as possible to the ruling party's vague and unrealistic economic policies and programmes. Evidence of this will be found in the practical steps he has taken for stimulating employment in rural areas and semi-urban centres through small-scale and cottage industries. It was he who first propagated the idea of socialisation of the economy without actual nationalisation. His approach is this: Why should the State own a concern when it can effectively direct its working through suitable controls? Left to himself, it is unlikely that he would have nationalised either the Imperial Bank of India or life insurance, although at one time in the past he used to advocate that course. He is fully conscious of the weaknesses of the Government to run industrial concerns. It is significant that, though he was the "jailor of private enterprise," as he once aptly described himself, he did not commit the mistake of taking over any of the badly managed concerns, even though he had enough powers and excuses for doing so. Some of the cotton mills, for instance, had placed themselves in a position to evoke State-ownership. The introduction of the State Trading Corporation is an instance of his experiment at socialisation without ownership. This action of his has, of course, come in for a considerable amount of justifiable criticism from the business community, but he seems to have met many of these criticisms quietly by yielding back to the private sector a part of the ground which he had hurriedly occupied on the ore export front.

T.T.K. started his business career as a salesman and made a remarkable success of it. This experience has stood him in good stead in his political career too. Not only has he been able to put through many successful business deals as the Minister for Commerce and Industry but he has also done the work of a Public Relations Officer for the Government more efficiently than the Minister for Broadcasting and Information. He has a knack for getting on with journalists and maintaining most cordial relations with them without letting out a single State secret to them. Similarly, he has successfully sold the idea of socialist pattern of society to many foreign observers from the West. He has made them believe that, as private enterprise in India is not sufficiently enterprising in establishing heavy industries, it has become necessary for the State to plan, promote and establish such industries.

In espousing the cause of the ruling party and in trying to defend some of its dubious economic policies, T.T.K. has said many harsh things about the private sector and taken certain measures which have hurt that sector in many places. All the same, there is no doubt that he has done so much for the private sector that many of his critics in the Congress Party and in the Government regard him as a great friend of private enterprise. It is also true to say that many in the business world regard him as one who knows his job and has helped them to increase their effective contribution to the economic well-being of the country.

It is now fairly public knowledge that T.T.K. is a man of strong likes and dislikes and that he is particularly harsh on those who try to be smart with him. On such occasions, he is apt to disregard even well laid-down rules, let alone conventions, and use the discretionary powers vested in him as a Minister in a ruthless manner. His handling of the controversy over futures trading in cotton towards the close of 1955 and early this year is an instance in point. Another instance was provided by his rough handling of the plantation industry some two years ago. This particular trait of his, coupled with his knowledge of business methods, has evoked a certain amount of fear among the business community. It will indeed be no exaggeration to say that a part of the respect he commands in the commercial world is due to the fear complex which he has engendered among businessmen. As a believer in action, T.T.K. is not a stickler for orthodoxy. This is his strength and weakness alike. His success as the Finance Minister will depend, to a large extent, on the manner in which he displays this quality.

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Unfortunately for T.T.K., his very first act as the Finance Minister had to be an unpleasant one for the public, in general, and the markets, in particular. It fell to his lot to announce a large increase in the excise duty on an essential article such as cloth which is calculated to net in an additional revenue of Rs. 17.5 crores to the Exchequer in the remaining six months of the current fiscal year. This action aroused considerable opposition even among the Congress Members of Parliament, but he finally succeeded in getting the support of his party. It has been criticised by almost all sections of the Press also. T.T.K. is, however, not to be blamed for this proposal, because it is the direct outcome of a defective cotton textile policy of his party which he has been trying to implement in an adroit manner. As many are aware, he is not a wholehearted supporter of this policy. He has many mental reservations about it. Perhaps, he is not true to himself by pursuing a policy which he knows very well is defective in many respects. But, in politics, one has to compromise, if one is to survive as a successful leader. That is exactly what he has done.

T.T.K. has assumed charge of the country's finances at a time when inflationary tendencies are rife. He is almost in the same position as Sir Jeremy Raisman was shortly after the outbreak of war. If he is to keep inflation under effective control, he cannot be a friend of the bulls in the markets. The bears will be his bosom friends. The increase in excise duty on cloth has already cost the bulls on the Stock Exchanges and in the commodity markets fairly heavily. Many are wondering whether he will give any more shocks to them. Will he raise the interest rates? Will he tighten the credit further? Will he impose more taxes? These are some of the questions that are now worrying the operators and have engendered a feeling of hesitancy in the markets.

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Investors in India have been understandably chary of risking their money in certain mining enterprises. This is as it should be, considering that all mining operations carry a certain element of risk, and, even where they are demonstrably successful, they are essentially concerned with a wasting asset. But the investors' disinclination also stems from the uncertainties about the Government's mineral policy. For one thing, the recent amendment of the Constitution has exposed mining rights to a new risk. The Constitution has now been amended to the effect that no law providing for the extinguishment or modification of any rights accruing by virtue of any agreement, lease or licence for the purpose of searching for, or mining any mineral or mineral oil or the premature termination or cancellation of any such agreement shall be deemed to be void on the ground that it is inconsistent with the rights to property guaranteed by the Constitution. Further, even if compensation is paid for premature cancellation of a lease, the issues relating to the quantum of compensation cannot be taken to the courts. Secondly, the latest Industrial Policy Resolution makes certain major changes in the Government's mineral policy. Under this Resolution, the minerals and mining processes, the future development of which will be the sole responsibility of the State are: iron and steel, heavy plant and machinery for mining, coal and lignite, mineral oils, mining of iron ore, chrome ore, gypsum, sulphur, gold and diamond, mining and processing of copper, lead, zinc, molybdenum and wolfram. Next comes the list of minerals or mining industries which will be progressively State-owned and in which the State will take the initiative in establishing new undertakings but in which the private enterprise will also be expected to supplement the effort of the State. This list includes all other minerals (except the minor minerals as defined in Mining Concession Rules), aluminium, non-ferrous metals not included in the first category and manufacture of ferro-alloys and tool steels.

It should thus be clear that a very wide field is reserved for the public sector and that the State has also large powers for entering into a wide range of mining industries. Nationalisation is a potential threat to many of these industries. In this connection, it is interesting to note what the Union Minister for Natural Resources, Mr. K. D. Malaviya, stated, in the course of the debate on Mining Concession Rules, in the Lok Sabha, last week. Mr. Malaviya said: "Personally, left to me, I would have nationalised more mines and in a more expeditious way than we are able to do at present. That is my view. But the national trend is visible and cannot be resisted by either a group of members or even by the Government." Investors would probably hope and pray that things were not entirely left to Mr. Malaviya. But his statement indicates the Government's mood, its intentions and the objectives of its policy, though no nationalisation is presumably contemplated immediately.

So much for the broad lines of the Government's mineral policy. These are certainly not calculated to inspire confidence in the minds of existing or potential investors. The Mining Concession Rules which were adopted by the Lok Sabha last week, however, belong to a different category. Generally speaking, investors need not be unduly perturbed by these Rules, which are designed to place mining leases on a more scientific basis. The Government is certainly on firm ground when it insists that such leases should conform to a certain pattern. There is no doubt that some chaos has prevailed in this field. Many holders of mining leases have adopted a sort of "dog in the mine" policy. They will neither exploit the leases they hold nor sell them to those who will. Also, some of these leases were obtained many years ago and for unconscionably long periods. Mr. Malaviya quoted an instance of a lease which had been granted to a particular party for 999 years. Again, in the Ranchi District (Bihar State), a party had won a lease, covering an area of 15,200 acres, for a period of 95 years; during the last 22 years, that party had prospected only an area of 37.8 acres. Briefly, the Mining Concession Rules seek to fix the area for a mining lease at 10 square miles and the maximum duration of a lease at 30 years, with rights of renewal. Explaining the scope of these Rules, Mr. Malaviya said: "The Rules do not contemplate any rigid enforcement of the 10-sq. mile limit. The idea is that the case of each lease will be considered on merits with reference to the potentiality of the area and the technical workability of the mines. All these will be taken into consideration against the background that, if a large area lies unnecessarily and undesirably with one party, it should be curtailed to the standard unit of 10 square miles." He revealed that, in framing the Rules, the Mineral Advisory Board, on which important mining interests were represented, was consulted and some of the Rules had been re-drafted, in order to accommodate the suggestions made by the private sector.

The Government's mineral policy is defective not by reason of the Mineral Concession Rules it seeks to enforce, but by its failure to provide the necessary fiscal and other incentives to prospectors and its decision to reserve for itself the right to exploit a very wide range of minerals. This decision, which stems mainly from the ideological bias of the Government, carries its own danger. For it may well happen that the Government, in its turn, will also play the "dog in the mine" policy, refusing others entry into mining and itself being unable to exploit the mineral wealth to the full.

EQUITIES RETREAT

HIGHER EXCISE DUTY ON CLOTH INDUCES SELLING

(From Our Own Correspondents)

BOMBAY, *6th September*

THE two outstanding events of the week under review, which were greeted by the share markets in a divergent manner, were the appointment of Mr. T. T. Krishnamachari as Finance Minister, Government of India, in succession to Mr. C. D. Deshmukh, and the levy of higher excise duty on cloth. While Mr. Krishnamachari's choice as Finance Minister was generally welcomed in commercial and trade circles, his almost first act as Finance Minister, namely, the heavy increase in the excise duty on mill-made cotton cloth in order to check the recent rise in cloth prices and to mop up the extra profits of mills, was not to their liking. Though this higher levy was anticipated in market circles last week itself, as was indicated by the selling pressure in textile shares on Thursday last week, there were quite a few who were inclined to take these rumours as baseless. To such operators, the introduction of the Bill in Lok Sabha. on Friday last, came as a shock and brought forth fresh selling pressure in textile shares on Monday and Tuesday this week, the only two days on which the Stock Exchange remained open during the week under review. Further recession in textile shares was, however, checked by the fact that the news had already been discounted in prices. Moreover, trading on the Stock Exchange during the week was interrupted by four holidays, that is 31st August, 1st, 5th and 6th September, which restricted the selling pressure.

In the steel section, Tata Ordinaries (which were listed *ex-div.* on 31st August) were done at Rs. 202-4 *ex-div.* on the 3rd inst. before closing at Rs. 199-12 *ex-div.* (div. Rs. 10-8). as against Rs. 212-12 *cum-div.* a week ago. Indian Irons slipped down from Rs. 36-10 to Rs. 36-3½ before finishing at Rs. 36-5½.

Textiles, as is only to be expected, bore the brunt of the selling pressure. Bombay Dyeings, which had been hammered down from a high of Rs. 702-8 to Rs. 687-8 towards the close of the previous week, were further pushed down this week to a low of Rs. 647-8. The closing was, however, a shade better at Rs. 653-12. The drop in Bombay Dyeings was not as much as that in Century which shed Rs. 18 over the week to Rs. 566-8. This disparity was due to the fact that Century, as a producer of fine and superfine quality cloth, would be worse affected if it is unable to pass on the levy to the consumers, while Bombay Dyeings would not be much affected, because the bulk of the mills production is exported. Kohinoors declined from Rs. 379 to Rs. 365-8. Central Indias dropped Rs. 5-8 to Rs. 153-8, Finlays Rs. 18-8 to Rs. 355-8, Gokaks Rs. 4 to Rs. 244 and Indu Ordinaries As. 11 to Rs. 12-15½. Khataus fell by Rs. 41-4 to Rs. 256-4, Minervas by Rs. 3-2 to Rs. 102-8, and Models by Rs. 7-8 to Rs. 183-12. New City lost Rs. 5-10 to Rs. 183-2 and New Greats Rs. 8 to Rs. 252. Podar Mills declined by Rs. 11-4 to Rs. 176-4, Phœnix by Rs. 3-12 to Rs. 160 and Shree Niwas by Rs. 8-12 to Rs. 231-4. Simplex moved down by Rs. 4 to Rs. 209-8. Standards by Rs. 11-4 to Rs. 462-8, Svadeshis by Rs. 8-8 to Rs. 253-8, Swans by Rs. 27-8 to Rs. 450 and Tata Mills by Rs. 3-8 to Rs. 56-8.

Bank shares were again featureless. Transactions were few and variations in prices were negligible. Barodas were done a rupee lower at Rs. 101. Bank of Indias, however, gained As. 8 to Rs. 172-8, while Centrals were unchanged at Rs. 53 and their 'A' ordinaries were done As. 8 lower at Rs. 56. United Commercials changed hands As. 8 lower at Rs. 58.

Insurance shares also ruled dull, with hardly any activity. New Indias were unchanged at Rs. 48, Orientals at Rs. 3,650 and Industrial Prudentials at Rs. 31 *ex-div.*

Transactions in electricity shares were few and far between. Where, however, business was put through it was in favour of buyers. Ahmedabad Electrics were done As. 10 lower at Rs. 99-1. Bombay Suburbans shed Rs. 5 to Rs. 110-5. Surat Electrics were unchanged at Rs. 119-6 and Tata Hydros at Rs. 128. Tata Powers were bid Rs. 7-8 lower at Rs. 1,297-8, while Andhra Valleys were maintained at Rs. 1,242-8.

Miscellaneous section ruled quiet, with the general trend of prices downward. In the sugar group, Belapurs were hammered down from Rs. 254-8 to Rs. 249. Phaltans declined by Rs. 6 to Rs. 163 and Walchandnagars by Rs. 7-8 to Rs. 270. Bhopal Sugars were, however, unchanged on balance at Rs. 17-12. Among cement shares, Associated Cements received some support and were lifted up from Rs. 205-4 to Rs. 207-8. The closing was, however, lower at Rs. 205-8. Digvijays gave way from Rs. 204-12 to Rs. 200-4. Ashoka Cements were As. 2 lower at Rs. 12-4. as also Dalmia Cements at Rs. 15-4. Among engineering and mining shares, Alcocks closed Re. 1-4 lower at Rs. 346-4. Tata Locomotives shed Rs. 2 to Rs. 174. Premier Constructions were steady at Rs. 215 and Larsen and Toubros at Rs. 18-7. Mukund Irons were done As. 6 lower at Rs. 13-10. as also Kamani Engineerings at Rs. 6-8. Shivrajpurs were marked down by Rs. 3-8 to Rs. 84. Indian Coppers shed an anna to Rs. 7-3. B.B. Petrols declined by As. 5½ to Rs. 3-12½.

In the shipping and transport group, Scindias attracted some support early in the week and rose from Rs. 18-10 to Rs. 19-4, but reacted at the close to Rs. 18-13½. Great Eastern Shippings shed As. 4 to Rs. 19-8, while India Steamships were done As. 3 better at Rs. 9-13. Premier Automobiles changed hands Re. 1-8 lower at Rs. 107-8, while Hindustan Motors held ground at Rs. 10-1. Among miscellaneous industrials. Bombay Burmahs (old), after an initial recovery from Rs. 762-8 *cum-div.* to Rs. 770 *ex-div.* (div. Rs. 11-4) reacted to Rs. 736-4 before advancing to Rs. 750 at the close. National Rayons were initially marked up from Rs. 265 to Rs. 270, but this improvement proved short-lived, the shares receding to Rs. 263 at the close. Dharamsi Chemicals were unchanged at Rs. 51, while Tata Chemicals declined by As. 5 to Rs. 19-11 Dhrangadhra Chemicals were steady at Rs. 139-8. Tata Oils shed Rs. 2 to Rs. 55 and Wimcos Rs. 3-2 to Rs. 180.

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Calcutta Stock Exchange

CALCUTTA, *5th September*

Steady conditions were in evidence on the Calcutta Stock Exchange on Thursday and Friday last, but since Monday the undertone was somewhat quiet. Mr. T. T. Krishnamachari's appointment as Finance Minister was a special cause for the earlier steadiness since it was anticipated that in formulating Government's financial policy he would have a better appreciation of the pits and pinnacles of private enterprise than his predecessor. Mr. Krishnamachari established new standards in the Commerce and Industry Ministry, and the speed with which he pushed up schemes encouraged the operators and the investors alike to look to the future with more confidence.

The earlier steadiness was, however, short-lived, as the steep rise in the rate of excise duties on cloth announced on Saturday last acted bearishly, on the fear that the duties might affect the profits of mills. The Plantation Enquiry Commission's recommendation to limit dividends, as well as to permit repatriation of profits after ensuring necessary financial provision for replanting also caused selling pressure for a time. In spite of the encouraging reports from the jute goods market and the subsequent decline in fibre prices, jute shares recorded some recession mainly by way of profit-taking.

(An interesting news of the week in this part of the world was the opening of a stock exchange in Narayanganj in East Pakistan on 1st September. It will deal in shares of jute mills, paper mills, public utility concerns, and tea gardens. Active members on the exchange number 34 with provision to have 16 more. The exchange, styled as the East Pakistan Stock Exchange Association Ltd., has an authorised capital of Rs. 3 lakhs divided into 150 shares of Rs. 2,000 each.)

For reasons already stated, textile shares were marked down. From Rs. 19-11, Kesorams lost to Rs. 18-12. At Rs. 27-10, Elgin Mills disclosed a loss of almost one point, Cawnpores, however, were unchanged at Rs. 9, while Bowreahs changed hands at Rs. 150, as against Rs. 171 previously.

Coals were quiet. Contrary to earlier expectations, the proposal to amalgamate the Burrakur Coal Co. and the Standard Coal Co. has not yet been finalised. This caused selling pressure in Burrakurs which gradually lost to Rs. 14-10 from Rs. 15-5, while Standards gained to Rs. 23-14 from Rs. 23. Khatras Jherriahs came to business at the unchanged rate of Rs. 60-8, while Raneegunges were quiet at Rs. 13-5. Equitables moved down from Rs. 31-5 to Rs. 30-12.

Good counters in jutes attracted funds and gains were recorded. On interested support, Northbrooks were raised to Rs. 27-8 from Rs. 26-4, and Unions realised Rs. 166, as against Rs. 163 previously. New Centrals were wanted at Rs. 17-2, but subsequently fell to Rs. 16-9. On the other hand, Nationals declined to Rs. 24-12 from Rs. 26-7 and Champdanies to Rs. 165 from Rs. 167.

In common with the general trend, minings also looked down. Indian Coppers were pushed down to Rs. 6-11 from Rs. 6-14, and Burma Mines to Rs. 3-2 from Rs. 3-6.

Among engineering shares, Indian Irons opened at Rs. 36-15 and, after moving narrowly either way, declined to close at Rs. 36-5 on profit-taking. Braithwaites were, however, fractionally better at Rs. 31-4, as were Texmacos at Rs. 24-4. On fresh support, Jessop & Cos. looked up to Rs. 34-6 from Rs. 34-2 before easing to Rs. 33-12.

Tea shares were shown less interest. Teliaparas were unchanged at Rs. 220, with Brook Bonds declining to Rs. 21 from Rs. 21-8. Dhelakhats were extremely quiet at Rs. 22-8. Dauracherras were bought at Rs. 15, as against Rs. 15-9 previously.

The usually steady miscellaneous industrials were also affected by the generally dull wave. However, selected counters touched higher levels. Indian Aluminiums were pushed further to Rs. 25-1 from Rs. 24-9, and National Carbons received attention at Rs. 29-4. Associated Hotels were for a time higher at Rs. 11-6 before closing at Rs. 11. From Rs. 18-8 Calcutta Tramways hardened to Rs. 19-4. At Rs. 12-14, Aluminium Corporations picked up Re. 1-6. India Steamships were fully steady at Rs. 9-12.

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Madras Stock Exchange

MADRAS, *4th September*

The air of buoyancy noted on the Madras Stock Exchange in the past fortnight abated during the week under review. In fact, the market ruled distinctly bearish. The operators were inclined to feel that the chances of heavy inflation had receded, at any rate for the time being. This belief was based on the recession of the danger of a hot war over the Suez Canal and the Government's determination to take energetic measures to check the rising tendency in prices. It is, however, not so much these factors as the steep upward revision in export duty on mill cloth and fears of lower yields from plantation companies as a result of the implementation of the Plantation Enquiry Commission's recommendations that imparted weakness to the market. Selling pressure was quite pronounced and equity values suffered a setback over a wide front.

In the planting section, rubber shares were particularly depressed. Nilamburs were on offer at Rs. 17-4 *cum-div.*, as against Rs. 17-4. despite the announcement of higher dividend by the directors of the Nilambur Rubber Co., Ltd., of 15 per cent. for 1955, which compares favourably with 10 per cent. for 1954. Malankaras climbed down by As. 12 to Rs. 35, Midlands by As. 11 to Rs. 21-9 and Rajagiris by As. 10 to Rs. 26-8. Thirumbadis dropped As. 2-6 to Rs. 2-6-6. Kailas receded by 18 pies to Rs. 7-9 *cum div.* Pullangodes lost an anna to Rs. 4-8-6. Tea shares were also subjected to selling. Nilgiris slumped from Rs. 13-2 *ex-div.* to Rs. 12-10 cum-div., reflecting operator's keen dissatisfaction at the greatly reduced dividend of 6¼ per cent. for the year ended March 1956, as against 15 per cent. for the previous year. Kil-Kotagiris fell by As. 6-6 to Rs. 8-12-6. Neelamalais slipped by As. 5 to Rs. 7-14. Devasholas, Peermades and Waterfalls declined by As. 4 each to Rs. 25, Rs. 36-8 and Rs. 6-15, respectively. Talayar Teas eased by As. 3 to Rs. 13-10. Ouchterlonys lost a like amount to Rs. 5-8-6. Coffee shares, too, lacked support. Consolidateds were hammered down by As. 13-6 to Rs. 21-10. Coffee Lands were pushed back to Rs. 26-10 from the last week-end rate of Rs. 27. Kadurs were quiet at Rs. 2-12 *ex-div.* Mysore Coffees, however, were somewhat favoured As. 2 higher at Rs. 3-3-6.

Textile shares reacted adversely to the enhanced excise duty on cloth. Coimbatore Spinnings retreated from Rs. 122 *ex-div.* to Rs. 118 *cum-div.*, notwithstanding the higher dividend of 16 per cent. for 1955, as against 12 per cent. for 1954. Cannanores dropped Rs. 3 to Rs. 190. Lakshmis and Metturs fell by Rs. 2-8 each, the former to Rs. 250 and the latter to Rs. 490. Loyals receded by Re. 1-12 to Rs. 57-8. Rajalakshmis lost Re. 1-8 to Rs. 190. Janardhanas. Pankajas, Vijayakumars and Vijayamohinis declined by a rupee each to Rs. 124, Rs. 94-8, Rs. 147-8 and Rs. 93-8. *respectively.* Cauvery Spinnings eased by As. 4 to Rs. 14 *cum-div.* Bangalore Woollens were done at Rs. 582-8 *ex-div.*, as against Rs. 595 cum-div.

Sugar shares were neglected. Kirlampudis receded by a rupee to Rs. 43. E.I.D.'s declined by As. 4 to Rs. 31-8. Deccans suffered a loss of As. 2 to Rs. 12-14 *ex-div.* Travancores eased by an anna to Rs. 14-9. Jeypores were quiet at Rs. 14. The Jeypore Sugar Co., Ltd. has announced that it will receive applications or renunciation letters from sellers up to the 20th inst. for the issue of 100,000 ordinary shares of Rs. 10 each at par.

Among miscellaneous industrials, Mysore Spuns were subjected to selling and moved down by As. 6 to Rs. 6-13. Aluminium Industries and Mysore Papers declined by As. 6 each to Rs. 22-12 *cum-div.* (final) and Rs. 19-14 *cum-div.*, respectively. Bruntons gave way from Rs. 6-12 to Rs. 6-8 F.A.C.Ts lost As. 3-6 to Rs. 7-1-6.

KOLAR GOLD MINING COMPANIES

Replying to a short-notice question in the Lok Sabha on Friday last week, the Minister for Natural Resources and Scientific Research, Mr. K. D. Malaviya stated that negotiations between the Mysore Government and the Kolar Gold Mining Companies in regard to compensation to the latter had not yet been completed. Proceeding, the Minister said that, on a reference by the Mysore Government of certain questions regarding the workability of the mines to the Central Government, a committee of experts deputed by the Government of India had submitted a report after visiting the mines. This had to be considered by the Mysore Government. Replying to another question, the Minister stated that the higher compensation recommended by the Central Government was due to certain other factors which were again referred to them by the Mysore Government. Intervening in the debate, the Prime Minister stated that the question of compensation was decided on certain principles taking into account the question of working the mines efficiently. Mr. Malaviya also stated that the Government had not thought of appointing a committee to fix compensation.

That additional depreciation is permissible for five years in regard to new buildings, plant or machinery erected after 31st March 1948 according to Section 10(2) (VI-A) of the Income-tax Act, in spite of the business changing hands, was the ruling given by the Chief Justice and Mr. Justice Tendolkar of the Bombay High Court. The dispute arose as a result of the Parle Bottling Co., Ltd., claiming normal depreciation allowance for the assessment year 1953-54, and in addition, the additional depreciation allowance under the above section on the basis of the written down value of the machinery and plant of the Parle Bottling Company which it took over.

In the accounts in brief of the West Coast Paper Mills Ltd., as on 30th June 1956, published on page 424 of our issue dated 1st September 1956, the cash balances were shown as Rs. 1,32,612, whereas they should have been Rs. 11,32,612.

NEWS IN BRIEF

ESTATE duty collections in India during 1955 aggregated Rs. 1.44 crores.

Train lighting dynamos of the value of Rs. 15 lakhs were manufactured in India during 1955.

The Government proposes to enact a comprehensive law for regulating the working conditions of motor transport employees.

The Soviet Union purchased 500 tons of Indian coffee during January-August 1956, as against an export allocation of about 8,000 tons from the 1955-56 crop.

India's contribution to the F.A.O. for 1955 works out to $267,995. Of this, $10,850 are due to India out of F.A.O.'s working capital Fund. The balance of $257,145 (Rs. 12,24,500) has been paid to the organisation.

The Uttar Pradesh Handloom Board has accepted a proposal to introduce powerlooms in the State and has decided to ask the Industries Department of the State Government to work out the details of the scheme.

Production and consumption of indigenous rubber in India in July last increased by 246 tons and 247 tons, respectively, over those of the previous month. The quantity of imported rubber during the month was 847 tons.

The Government of India is considering a proposal to set up a factory to manufacture basic refractories to the extent of 30,000 tons annually. The details of the factory are yet to be finalised. The present output of refractories in the country is 280,000 tons.

The Government of India has issued a notification fixing the price of teas for the purpose of determining the export duty at Rs. 2-11-5 per lb., as against Rs. 2-8-5 per lb. in force from 1st August. There is, however, no change in the existing rate of duty of annas six per lb.

A special cell has been set up in the Ministry of Commerce and Industry, headed by Mr. U. K. Ghosal, Chairman of the Tea Board, to examine the recommendations of the Plantation Enquiry Commission on the tea industry and to consider action to be taken by the Government on them.

The Employees' State Insurance Scheme is to be implemented in five industrial areas of the Travancore-Cochin State. The Scheme will be inaugurated on the 16th inst. at Quilon, Alleppey, Alwaye, Ernakulam and Trichur and will benefit 31,000 employees working in about 200 factories.

Following the suggestion of Dr. Nicholas Kaldor, the well-known British tax expert, the Ministry of Finance has deputed three officers, namely, Mr. N. H. Nagvi, Mr. S. Chandrasekhar and Mr. A. K. Mukherji to visit the U.S., Sweden and Japan to study the working of tax systems in those countries.

The Governments of India and Pakistan have decided to extend the present Indo-Pakistan trade agreement, which was concluded in July 1955 and was operative until 31st August, for a further period of two months. The extension is being made pending the completion of negotiations for a new agreement between the two countries.

A Development Co-ordination Cell has been set up as part of the Railway Equipment Directorate of the Railway Board to assist in the development of specialised railway equipment manufacture in the country and to provide technical guidance to prospective manufacturers. A recommendation that such a cell should be set up was recently made by the Railway Equipment Committee.

The Select Committee on the Electricity (Supply) Amendment Bill met on 31st August at New Delhi and decided that interested bodies desirous of submitting memoranda on the Bill to it should send 50 copies each of their memoranda to the Secretary, Lok Sabha Secretariat, Parliament House, New Delhi, so as to reach him on or before 8th October 1956. The Committee will meet next on 19th October 1956.

Messrs. Gannon Dunkerley & Co., Ltd., Bombay, will shortly be putting up a factory to manufacture 50,000 liquified petroleum gas cylinders. This factory is expected to go into production sometime in the second half of 1957. It will involve a capital investment of about Rs. 15 lakhs. These cylinders will be used for marketing gas, a by-product of oil refinery, and will save a good amount of foreign exchange. The factory will have technical assistance from a U.K. firm.

The Hindustan Aircraft Factory is expected to produce 300 light weight, all-metal, welded integral railway coaches per annum within five years from now under an agreement between the factory and a West German firm signed on 21st August at New Delhi. The entire coaches will be manufactured at the Factory. The agreement with the German firm covers manufacture of the rolling stock of different types, including integral coaches, providing technical assistance and training of a number of the factory's personnel in West Germany.

Pending the final agreement on the question of sharing of waters of the Tungabhadra between the Governments of Hyderabad, Andhra and Mysore, a tentative agreement has been reached between the Governments of Andhra and Mysore to share the waters flowing through the low level canal in the ratio of 5:4. In regard to the water flowing through the high level canal, a final agreement has been reached between the Governments of Andhra and Mysore to share the waters in the ratio of 65:35.

India and Canada concluded a convention on 30th August, at Ottawa, concerning the priority of patents and invention. It provides that India and Canada will extend, reciprocally, the provisions of each country's legislation with regard to extensive protection of patents to citizens of the other contracting party and to the bodies incorporated or registered under its appropriate legislation. Thus the benefits of the Indian Patents and Designs Act will be enjoyed by Canadian citizens and incorporated bodies and, likewise, the benefits of the Canadian Patents and Designs Act by Indian citizens and incorporated bodies. The convention will come into force after three months.

* * * *

From Abroad

According to President Ngo Dinh Diem, South Viet Nam has decided to join the I.M.F. and the World Bank.

At the request of the Portuguese Government, South Africa has agreed to make available 4,000 tons of coal at the Portuguese East African Port of Lourenco Marques during the second half of October for shipment to Goa for its railways.

The Thailand Government has appointed a Committee to seek a revision of the agreement with the Shell and Standard-Vacuum Oil Companies which would, in effect, end the fuel oil trade monopoly now enjoyed by the two enterprises in Thailand.

With a view to meeting its urgent requirements of bags, the Pakistan Government has frozen all stocks of 'B' twills in East and West Pakistan. Exports of 'B' twills against licences already issued are, however, allowed, but the future licensing policy is yet to be determined.

British oil experts will attend meetings due to be held in New York to discuss ways of meeting any oil famine that may be caused by an interruption of tanker and pipeline supplies from the Middle East. It will be recalled that thirteen U.S. oil companies established a "Middle East Emergency Committee" shortly after Egypt nationalised the Suez Canal.

An order for 12,000 tons of electrically welded oil pipes, valued at $2.5 million, has been received by the Middle-East Tube Company Acre, Israel, from the Texas Oil Company of the United States. The same company is also producing pipelines for the Haifa-Tel Aviv pipeline as well as pipes for the Israeli Oil Prospectors' Company.

Italy will sign an agreement with the World Bank under which the latter will grant the former a loan of $70 million. The Bank has already granted loans for developing Southern Italy amounting to $90 million. The proposed loan will be utilised mainly for the realisation of large industrial development projects, including the construction of a Fiat Motor Company assembly plant near Naples.

The National Bulk Carriers, Inc., the United States Shipowners' Company, has announced that it would step-up construction in a Japanese shipyard of giant oil tankers which would render the Suez Canal obsolete as far as oil transportation is concerned. The Company has already launched an 84,700-ton oil tanker and is building another of the same type. In addition, the Company also plans to seek the Japanese Government's authorisation to build four 87,000-ton tankers.

According to the *Journal of Commerce*, a new source of capital for overseas subsidiaries of U.S. Corporations is being opened up in more than 25 foreign countries. The money will come from $1,000 million worth of foreign currencies which the U.S. has accumulated by the sale of surplus farm commodities. Instructions had been sent to all foreign aid missions and embassies to work out arrangements, where possible, with the foreign governments concerned to make part of these funds available for loans to affiliates of U.S. companies.

The main effect of the Suez Canal crisis on Hongkong has been a tendency for some importers to specify that goods should not be despatched from Europe in British or French vessels. There is also a strong disinclination to place orders with the U.K. and Europe. Enquiries for raw materials have been switched over to Japan and the U.S. Lately, however, a steadier tendency has set in, influenced partly by high hopes of a peaceful settlement, and partly by the rise in the value of dollar and the shortage of raw materials in Japan.

World beer consumption during 1955 rose by 179 million gallons. or 2.8 per cent. to 6,520 million gallons according to figures prepared by the National Trade Development Association, the joint organisation of brewers and licensed victuallers. The biggest actual increase in consumption was in Western Germany, where the total rose by 75.7 million gallons over the year to 774.4 gallons. Consumption in the U.S.—the largest individual consumer—rose by 37.6 million gallons to 2,166.6 million gallons, while French consumption increased by 37.3 million gallons to 226.1 million. Consumption in the U.K., where beer carries the heaviest taxation, also rose by 11.9 million gallons to 901.8 million gallons.

Vickers-Armstrongs (shipbuilders) has won a £10 million contract from Orient Steam Navigation Company to build a 40,000-ton passenger liner—the largest to the built in the U.K. since the Queen Elizabeth was ordered. The ship, which will come into service in 1960, will be used on the U.K.-Australia route which it will cover in three weeks—a week less than the fastest liners on service at present. A feature of the liner will be that all the superstructure will be built from aluminium instead of steel, thus saving 1,000 tons in weight. The Peninsular and Oriental Steam Navigation Company, which controls the Orient Steam Navigation, is also planning to build a 40,000-ton passenger liner to be plied on the same route.

PERSONAL

MR. H. C. Kothari has been re-elected Chairman of the Association of Planters of the State of Madras for the year 1956-57.

Mr. M. S. Calderwood, a leading planter of Travancore-Cochin, has been elected President of the U.P.A.S.I. for the year 1956-57.

Dr. J. N. Mukherjee, Scientist and Palit Professor of Chemistry, Calcutta University, has been appointed member of the Union Public Service Commission.

Sardar Swaran Singh, Minister for Works, Housing and Supply, has been appointed to hold charge, in addition, of the Ministry of Commerce and Consumer Industries.

Mr. C. V. Narasimhan, the newly appointed Executive Secretary, E.C.A.F.E., in succession to Dr. P. S. Lokanathan, assumed charge on 1st September 1956.

Mr. T. T. Krishnamachari, Minister for Finance and Iron and Steel and Mr. V. K. Krishna Menon, Minister without Portfolio, have been appointed Members of the Planning Commission.

Mr. Govind Ballabh Pant, Union Minister for Home Affairs, has been appointed to hold charge, in addition, of the Ministry of Heavy Industries, with effect from 1st September 1956.

Dr. G. Watts Padwick of the Central Agricultural Control of Imperial Chemical Industries Ltd. has been appointed a Director of Plant Protection Limited with effect from 1st September 1956.

Mr. D. P. Karmarkar, Minister for Trade, and Mr. Nityanand Kanungo, Minister for Consumer Industries, will be attached to the Ministry of Commerce and Consumer Industries and Mr. M. M. Shah, Minister for Heavy Industries, will be attached to the Ministry of Heavy Industries.

Mr. T. T. Krishnamachari, Minister for Commerce and Industry and Iron and Steel, relinquished charge of the Ministry of Commerce and Industry and took charge of the Ministry of Finance from the Prime Minister from the 1st inst. He will thus hold charge of the Ministries of Finance and Iron and Steel.

Mr. H. M. Patel, I.C.S., Secretary, Union Ministry of Finance, has been appointed Chairman of the Life Insurance Corporation of India. Messrs. L. S. Vaidyanathan and A. Rajagopalan have been appointed Managing Directors of the Corporation. The Executive Committee of the Corporation will consist of: Mr. H. M. Patel (Chairman), Mr. Mohammed Hasham Premji, Mr. Dhiren Mitra, Mr. L. S. Vaidyanathan and Mr. A. Rajagopalan. The members of the Investment Committee are: Messrs. H. M. Patel, K. R. P. Shroff, H. T. Parikh, Chaturvedi, L. K. Zha, K. R. P. Ayyangar and L. S. Vaidyanathan.

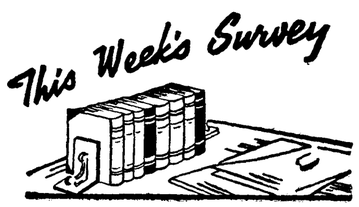
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *5th September*

Insurance in India

The Indian Insurance Year Book for 1930 is the first of the series issued by the Indian Actuary to the Government of India. A redeeming feature of the publication is the omission from it of any criticism, such as we have been accustomed to, under the regime of Mr. H. G. W. Meikle, the first incumbent of the office. A hue and cry was raised about this time last year when, in the last publication under his care—that is, the year book for 1929—Mr. Meikle pointed out certain defects of indigenous concerns with his own comments on them and the Indian Insurance Institute of Calcutta submitted a representation to the Government of India stoutly protesting against the inclusion in an official blue book of remarks concerning a particular class of concerns which the Indian Insurance Institute considered as uncharitable and invidious. The Indian Actuary has been more wary and has made his publication a mere mine of information which every blue book published by the Government of India should be. Mr. N. Mukherji, the present Actuary, is, however, constrained to observe that, although most of the indigenous companies transact life assurance business on scientific principle, there are still some which carry on business on the dividing plan under which the sum assured is not fixed, but depends on the division of a portion of each year's premium income amongst the claims arising in that year. This form of life assurance business, the Actuary says, is unsound. The life assurance business of indigenous companies has steadily increased during the past ten years; but ample leeway has yet to be made up if India is to hold its own in comparison with other countries of the world.



LIFE INSURANCE CORPORATION

THE Life Insurance Corporation of India commenced its career on the 1st inst., a bank holiday for Bombay, where its Head Office is situated. Whether such a quiet beginning is auspicious or not is a matter for concern to those who are superstitious. But the fact remains that insurance has now become a part of the activities of a mighty Government, though technically it will be a distinct and separate function of the State-owned Corporation. Thus, the first stage of the process of nationalisation, which began on 19th January 1956 with the promulgation of the Life Insurance (Emergency Provisions) Ordinance, has been completed. The Government as well as the employees of the former privately-owned insurance companies, both high and low, deserve to be congratulated on the successful manner in which they have effected the transition from private to nationalised life insurance. The task of integrating the business of 180 life insurance offices, of varying sizes, was by no means easy. And it called for the highest qualities of administration. Even now, much remains to be done in the sphere of integration of staff, for there is considerable discontentment in the ranks of employees. Given goodwill, on the part of the staff, and some imaginative handling, on the part of the authorities, it should be still possible to work out smoothly the details of staff integration. In his broadcast on the eve of nationalisation of life insurance, Mr. Manilal C. Shah, the Union Minister for Revenue and Civil Expenditure, appealed to the employees to make the new set-up a great success. This co-operation, we are sure, will not be denied, considering that the employees themselves have been among the interests which were ardent advocates of nationalisation.

Mr. Shah, however, struck a somewhat disharmonious, if not exactly a jarring note, when he said that this "socialist experiment in a hitherto untried field will engender in some quarters goodwill, in others the opposite feeling." Perhaps, the Minister had in mind the private sector when he referred to "some quarters." It is true that the private sector was stoutly opposed to nationalisation of life insurance and is even now not convinced that the decision was correct. But it is not so uncharitable as to harbour "opposite feeling" towards what after all is a national decision, taken by an elected Parliament. The Corporation may enter upon its duties with no fear of "ill-will" from any quarter. There might be some indifference, but no ill-will. For, in a country where democratic traditions are not so deep-rooted, the danger that a nationalised institution has to encounter is public apathy. "It is a Government affair, none of our concern," may aptly sum up the general public attitude. The Government, by refusing to provide for elected representatives of policy-holders in the Corporation, has given no scope for that healthy public interest in the Corporation's affairs which would continually make the organisation responsive to people's needs.

Obviously, it will be the duty of the Corporation to conduct itself in a manner which will inspire confidence and enthusiasm in the public mind. Its success will naturally be judged by five standards—expansion of business, reduction in lapses, lower expenses, higher bonus rates and better service. These are the standards by which the private insurance was judged and, according to the Government, was found wanting. It is by these standards that the Corporation will be judged. And it would be unchivalrous on the part of the Government to refuse to be judged by them.

WAGE BOARDS

The Central Government has decided to set up wage boards for individual industries. To start with, the boards will be constituted for industries chosen from among the industries covered under the Employees' Provident Fund Act. The Act, which formerly covered only six industries, namely, cement, cigarette, electrical, mechanical or general engineering products, iron and steel, paper and textiles, has been extended with effect from 31st July 1956, to a group of 14 industries. These industries include matches, edible oils and fats, printing processes, tea, rubber and rubber products, sugar, electricity, glass, glass products, stoneware pipes, sanitary wares, electrical porcelain insulators, refractories and tiles. Referring to the constitution of wage boards, Mr. Abid Ali, Union Deputy Minister for Labour, said in Parliament the other day that the State Governments were being consulted as to the industries for which such boards should be established. The authorities concerned, he added, had been instructed to make arrangements for collecting data for the various industries and it was only after the collection of data had sufficiently advanced that the wage boards would be set up.

An analysis of the causes responsible for industrial disputes will reveal that wages and allied matters are the major source of friction between employers and employees. It is common knowledge that the existing machinery for the settlement of disputes, namely, the Industrial Tribunals, has not succeeded in satisfying either of the parties concerned. A more acceptable machinery for settling wage disputes will, as the Planning Commission has rightly recognised, be one which gives the parties themselves a more responsible role in arriving at decisions. Surely, an authority such as a tripartite wage board, consisting of an equal number of representatives of employers and workers and an independent chairman, will ensure more acceptable decisions.

It is not, however, clear what the functions of the wage boards are going to be. If the boards are intended to go into the question of wage structure in the different industries, the danger is that each wage board will lay down a schedule of wages which will have no relation to the overall wage structure in the country. In other words, there will be no co-ordinated wage pattern for industry as a whole. From this point of view, a wage commission, which could settle the broad principles of wages, would have been welcome, for such a commission would simplify the wage boards' task of fixing wages for workers in different industries on lines consistent with the general economic picture of India.

EXPORT OF ORES

It is gratifying to note that the Government of India has conceded an important demand put forward by owners of manganese and iron ore mines and shippers of these ores to the effect that the Government's export policy should be formulated on an annual basis. Thus, the export quotas of iron and manganese ores granted for the half-year ending December 1956—on the basis of two-thirds of quotas allotted in the second half of last year—have been doubled. Secondly, the period of validity of the doubled quotas is extended up to 30th June next. The mine-owners and shippers are permitted to select either of the two basic periods, namely, July-December 1955 and January-June 1956, whichever is more advantageous to them. The firms are not required to choose the same basic period for all the ports. Again the Government has recognised the need for extending to mine-owners, who made no shipments on their own account in the past, facilities for moving ores to the ports in areas where transport situation is not too tight. This question is said to be engaging the attention of the Government and an announcement will be made in due course.

With the aforesaid revision in the export policy for iron and manganese ores, the mine-owners and shippers are, of course, now in a somewhat better position to plan their mining, contracting and booking of freight. Even so, one wonders if the Government could not have done away with the system of quotas. By doing so, the Government would have given the mine-owners and shippers full freedom to augment exports of iron and manganese ores, thereby improving the much-needed foreign exchange earnings. For, even after the doubling of quotas to private traders, the balance left for the State Trading Corporation is a fairly large one. The Government has now sought to continue the system of quotas and also to impose export duties on manganese ore, though it must be admitted that there should be no difficulty in passing on the burden to buyers abroad.

The new export duty is being levied on manganese ore with manganese-content of 39 per cent. and over. The rates of duty per ton—these came into effect from the 1st inst.—are Rs. 10 for ore with manganese-content of 39 per cent. but not exceeding 40 per cent., Rs. 20 for ore with manganese-content above 40 per cent. but not exceeding 44 per cent., and Rs. 30 for ore with manganese-content exceeding 44 per cent. The imposition of export duty on manganese ores will help earn larger foreign exchange, as well as mop up a part of the large profits that middle men were said to be making, and thus meet one of the Government's allegations against private trade that the latter has been bringing less foreign exchange than India's ores can get. Incidentally, it may be asked whether, in view of the fact that the Government has now taken steps to increase foreign exchange earnings, as well as its revenue, it could not give up its stand in favour of a progressive extension of the activities of the State Trading Corporation in the export trade in ores.

BURMA'S ECONOMY

The progress achieved in Burma during 1955-56 in the economic field should be a matter for special gratification to its close neighbour, India. For some time past, Burma's economy deteriorated and called for stringent measures, chiefly in the sphere of international trade. The highlights of the survey of the economic position during 1955-56 presented by the Burmese Finance Minister to the Chamber of Deputies are the improvements witnessed in the level of exchange reserves and in the exports of rice. The exchange reserves improved from the level of Rs. 51.6 crores—the lowest for the last four years—to Rs. 65 to Rs. 70 crores at the end of the financial year. This betterment was mainly due to the drawings from the I.M.F., and, secondly, to the increased sales of rice abroad. The arrangement made for a sterling loan from India, although it was not found necessary to draw upon it, provided more freedom of action, than would have been possible otherwise. Other noteworthy developments during the year were the agreement concluded with World Bank for a long-term loan of $20 million intended for effecting improvements in the port of Rangoon and for rehabilitation of the Railways. Besides, an agreement was also reached with the U.S.A. for the supply of Rs. 10 crores worth of surplus agricultural products in Burmese currency.

In the field of exports, it is stated that rice marketing was extremely successful. Burma exported, during the year under review, 1.8 million tons of rice. Another noteworthy deal concluded was for the export of rice to the tune of 2 million tons to India during the ensuing four years. Barter credits are expected to be no more than Rs. 6 crores by the end of 1955-56. This should be a specially heartening piece of information to India. For, as the survey rightly points out, this would make it easier for Burma to select sources of supply for its consumer and capital goods without the need to commit itself for a number of years beforehand. Moreover, it would render the existence of import restrictions largely superfluous.

Turning to imports, the survey notes that the increase in the import prices had been checked to a large extent. It was, however, felt necessary to bring them under further control by importing a large volume of textiles and other consumer goods. The survey has also stressed the need for checking hoarding and speculation in order to bring down prices.

During the year under review, appreciable rises in farm output have also been recorded. The survey has noted with satisfaction the establishment of a pharmaceutical plant, two sugar mills and a teak-packing plant in the industrial sector.

It is to be hoped that the progress made by Burma will be maintained as well as improved. Incidentally, it would strengthen the economic link between India and Burma which is being forged by the trade agreement that is being concluded between the two countries.

POSTAL RATES IN NAYA PAISA

In about less than a year from now, India will join the group of more than 50 countries in the world which have the decimal system of coinage in vogue. It will be remembered that, the Indian Coinage (Amendment) Act, 1955 was passed by Parliament in August of last year. The new coins which will be known as naya paisa will have denominations of 1, 2, 5, 10, 25, 50 and 100 naye paise, a rupee being equal to 100 naye paise. The introduction of this new system on 1st April 1957 which is supposed to replace entirely the present system in three years is bound to bring in its train several new changes in the existing order of things, one of which will be that in the postal rates. Accordingly, a Bill specifying the postage rates in terms of naye paise for letters, postcards, registered newspapers and other categories of postal articles was introduced in the Lok Sabha on 27th August 1956 by the Minister for Communications, Mr. Jagjiwan Ram, and was adopted by the House on Saturday the 1st inst. after a brief debate lasting for a few minutes. The Bill which seeks to give effect to the new rates by amending the First Schedule of the Indian Post Office Act, 1898 has an explanatory note which states that, in fixing the rates, the principle kept in view was that there should be an approximate equivalence between the new rates and the existing rates.

The new rates will be as follows:

Letters: For a weight not exceeding one tola—13 naye paise, for every tola, or fraction thereof exceeding one tola—6 naye paise.

Postcards: Single—5 naye paise, reply 10 naye paise.

Book, pattern and sample packets: For the first five tolas or fraction thereof—six naye paise; for every additional two and a half tolas or fraction thereof in excess of five tolas—three naye paise.

Registered Newspapers: For a weight not exceeding 10 tolas—two naye paise, for a weight exceeding 10 tolas and not exceeding 20 tolas—three naye paise, and for every 20 tolas or fraction thereof, exceeding 20 tolas—three naye paise; in the case of more than one copy of the same issue of a registered newspaper being carried in the same packet—for a weight not exceeding 10 tolas—three naye paise, for every additional five tolas, or fraction thereof in excess of 10 tolas—two naye paise, provided that such packet shall not be delivered at any addressee's residence but shall be given to a recognised agent at the post office.

Parcels: For a weight not exceeding 40 tolas—50 naye paise, for every 40 tolas, or fraction thereof, exceeding 40 tolas—50 naye paise.

In the course of the debate on the Bill, Mr. Raj Bahadur, Minister in the Ministry of Communications, said it was not possible to give the exact equivalents of the present rates. The Government had, therefore, rounded off the figures. In doing that, it became necessary to increase the rates in some cases and lower it in others. In the case of letters not exceeding one tola, for instance, there would be an increase of 4 per cent. Inland letter cards would rise by 6.6 per cent. and registered envelopes by 15 per cent. On the other hand, the rate for letters weighing more than a tola would decrease by 4 per cent.

The new rates have, however, been criticised on the ground that they constitute a new burden on the poor man. Thus, commenting on the new postage rates, no less a person than Mr. C. Rajagopalachari observes that the principle of approximate equivalence envisaged in the Bill would be at the expense of the poor man who would be the hardest hit all over the country. Substantiating this view, he states that, while at present three rupees will buy 64 postcards, in future they will fetch only 60 postcards. Again, a one-tola letter which in terms of the new money now costs 12½ naye paise will in future cost 13 naye paise. He, therefore, advocates that the changes in troublesome fractions should, instead of being forced at the bottom, be made at the top where it could be done with less trouble and at no cost.

Similarly, Mr. A. R. Bhat, President of the Indian Languages Newspapers' Association, contends that the new rates would increase the burden on newspapers by 33 per cent. in the first slab. He further says that, while the increase in postal rate for newspapers which would operate on the introduction of naya paisa would adversely affect almost all daily newspapers, it would do so more in the case of papers of smaller size. He, therefore, suggests that, if the first slab of 10 tolas was changed to five tolas with the rate at one naya paisa, the small and medium papers giving not more than eight standard demi-size pages would not be adversely affected by the change. It is to be hoped that Government would give due consideration to some of these genuine criticisms and devise such measures as would save the common man from bearing the heaviest part of the burden of the changeover to the new system of coinage.

A co-operative match factory is to be set up at Banaras for which the Government of India has sanctioned Rs. 2.85 lakhs. The factory will provide employment to about 500 women in the lower income groups. Its production is expected to be 500 gross matches per day. This is the seventh co-operative match factory to be sanctioned by the Government of India so far. The other factories already sanctioned are at Allahabad, Perambur, (near Madras), Vijayawada, Musheerabad and Asafnagar (Hyderabad) and Poona. The Government of India has given 50 per cent. of the capital expenditure as grant and the balance as loan, while the entire working capital required by these factories is advanced as loan.

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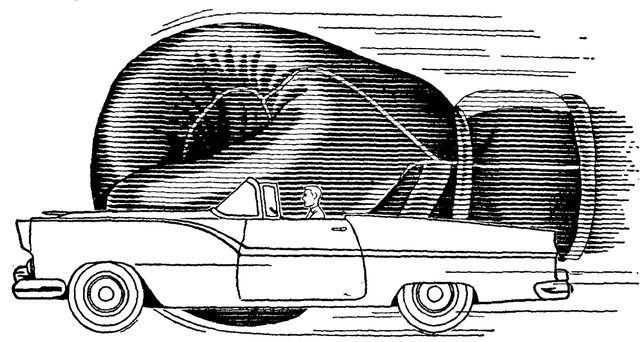

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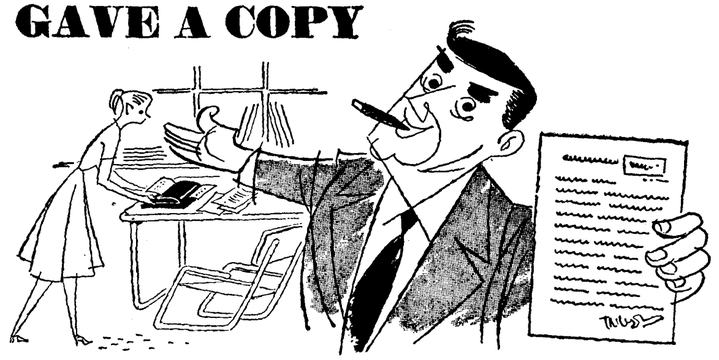

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9.9

LATEST ECONOMIC TRENDS IN U.S.

EMPLOYMENT TOUCHES RECORD HIGH LEVEL

DESCRIBING the latest economic trends in the U.S., the September issue of the *Monthly Letter* of the First National City Bank of New York observes as follows:

"The seasonal revival of business activity which usually gathers speed after Labour Day promises to be intensified this year by the after-effects of the steel strike. Where the strike caused slow-downs, industry is now busy catching up. Prices and incomes are rising, and in general optimism is more pronounced than it was earlier this year. The recent tightening of credit has not touched off a wave of pessimism as it did in the spring; instead, many regard these moves as a confirmation that good times lie ahead—times so good that they require restraint to keep them from getting out of hand.

"One reason for this feeling of optimism is the ease with which most of the economy rode out the steel strike. Total employment set a new record in July, and, on a seasonally adjusted basis, so did retail sales and construction activity. Despite the strike, overall industrial output dipped only 3½ per cent. Fortunately, most steel-consuming firms had sufficient stock on hand to maintain production during July; manufacturers of machinery and most other producers' equipment and consumer durable goods increased their rates of output on a seasonally adjusted basis.

"The speedy resumption of steelmaking and the continuing heavy retail demand promise a boost in overall production in August and September. The steel industry's recovery has been as rapid as repairs and wildcat strikes would permit; by the end of August its operations were back to 96.5 per cent. of capacity. Retail sales in August appear to have held close to the record levels of the preceding three months, and Government officials predict that August employment figures will show another new peak.

"Inevitably, the strike intensified the difficulty which certain industries were having in obtaining the types of steel needed. Heavy goods lines generally are plagued with unbalanced steel stocks and uncertain delivery schedules. It will be many months before this situation is cleared up, particularly in structural steel.

Sixty-six Million Jobs

"Total civilian employment rose to 66,655,000 persons in July, the greatest number in the nation's history. Altogether, 152,000 more people had jobs than in June and 1,660,000 more than in July 1955. The Census Bureau includes in these employment totals all persons who have jobs but who currently are not working because of vacation, illness, or strikes. However, even if the striking steelworkers had been excluded, employment would still have been a million or more above last year's level.

"Some persons view with concern the fact that unemployment still totalled 2,833,000 persons in July, equivalent to 4.1 per cent. of the civilian labour force, and was 362,000 greater than in July 1955. A closer look at the figures, however, shows that the growth of unemployment is a misleading indicator of economic trends. Actually, the increase in employment during the past year has been 300,000 greater than the overall growth in the population of working age, although normally only part of this added population would enter the labour force. During the last 12 months, the civilian labour force has increased by more than 2 million, nearly triple the usual annual increase. Over and above population growth, the prospect of high wages and plentiful jobs has attracted into the labour force since July 1955 about 360,000 teenagers and 369,000 women 20 years of age and over. Most, but not all, of these added job-seekers have succeeded in finding work, but nearly 90 per cent. of the net increase in unemployment has come from these two groups. The 'unemployment problem' then has not involved a failure of employment opportunities to expand, but a superabundance of job-seekers, many of them inexperienced or temporary workers.

"Between record-breaking employment and the pattern of substantial wage boosts which reached its climax with the steel settlement, it is a little wonder that consumer income is setting new records. In June, personal income achieved the seasonally adjusted annual rate of $324 billion, topping June 1955 by $18 billion. As might be expected, consumer expenditures also have risen to new heights. However, roughly one third of the advance in dollar sales during the first half of 1956 represented higher prices rather than increased physical volume. The question now is: How much of the widely anticipated increase in consumer buying power in the months ahead will be dissipated on rising prices and how much will be left to support a growing volume of production?

"Business news in recent weeks has been highlighted by numerous announcements of price increases at both wholesale and retail. The most important of these was the boost in steel prices, averaging $8.50 per ton or 6.25 per cent., announced by U.S. Steel on 6th August. Other steel producers soon followed. Prices and wages in the aluminium industry also advanced during August, while prices of several basic commodities firmed during the Suez crisis.

"A great many durable goods producers found in the steel price rise an opportunity for catching up with other cost increases—labour, raw materials, and freight—and by the end of August prices were up for a wide range of products, from small components to heavy machinery. However, the price advance is still far from being general, even among steel-consuming industries. Depending on their competitive situation, some firms are absorbing higher costs, others are marking time until they can determine the full extent of their cost increases, and still others, as in the automobile industry, are holding the line on prices of current models but plan higher prices on forthcoming new models.

"Consumer prices have tended higher. After three years of virtual stability, during which the

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Our customary London Letter appears on page 481.

B.L.S. consumer price index fluctuated fractionally within an overall range of 1 per cent., prices have risen 2 per cent. in the three months ended 15th July to a new record. Officials anticipate a further but more moderate rise in August. The three-month rise has been due primarily to a jump of 5 per cent. in retail food prices, but prices in other major categories have also been edging upward. The rise in the cost of living has brought automatic wage increases of 3 to 5 cents to about 1,250,000 workers in the automobile, aircraft, electrical machinery, and other industries with escalator clauses in their union contracts. These higher wages will in turn add to the cost-push and demand-pull for still higher prices.

"It remains to be seen how much of the recent price increases in steel and other basic commodities will seep through the economy to the retail level. The inflationary potential of such basic price boosts is largely a matter of the speed and the intensity with which they spread and the extent to which they are absorbed. The experience at wholesale shows that, between 1947 and July 1956, prices of steel mill products rose 80 per cent. (not including the latest price boost), while prices of producers' finished goods increased 48 per cent. Consumer durable goods prices rose only 26 per cent. at wholesale. At retail the rise has been much less, reflecting a narrowing of distributors' margins.

"Part of the explanation for the slower rise in prices of consumer and producer durable goods than in steel prices lies in the greater overall stability of other costs. In addition, producers have limited price increases on many of these products because of highly competitive conditions and consumer resistance. Where increases in efficiency and productivity have lowered unit costs, higher steel prices have often been wholly or partially absorbed; even in firms where such cost-cutting has not occurred, competitive pressures have often forced absorption of higher materials costs at the expense of profit margins.

"Some observers have viewed this squeeze on profits as imperiling the high rate of business investment which has been one of the mainstays of our prosperity. However, a substantial share of expenditures on new plant and equipment—probably a larger share than is generally realised—goes for modernisation and replacement of existing facilities rather than for expansion of capacity. Business men have recognised increasingly in recent years that to stay competitive they must redesign products, provide newer machinery, streamline operations, and otherwise promote greater efficiency and productivity.

"At any rate, there is little indication as yet that rising prices, pinched profit margins, or tight money policies are causing a measurable reduction in the current capital goods boom. Nor is inventory reduction likely to be much of a brake on business activity in the second half. The general atmosphere of rising prices, employment, and income, heavy demand from consumers, business, and Government, and widespread optimism and confidence seldom goes hand-in-hand with inventory liquidation. It is more likely to lead to an inventory build-up, accentuating the strain on the nation's resources of manpower, materials, and industrial capacity, and adding to the pressure on credit.

Interest Rates Up

"Effective 24th August, the Federal Reserve Board approved increases from 2½ to 3 per cent. in the discount rates of the New York, Chicago, Philadelphia, and Richmond Reserve Banks. By the end of the month the 3 per cent. rate, which had prevailed for the San Francisco and Minneapolis Districts since 13th April had become applicable to member bank borrowings throughout the country. The 3 per cent. rate is the highest for New York since May, 1933. Prior to 1930, 3 per cent. was the bottom of the range of discount rate fluctuations. Under boom conditions, the rate went as high as 6 per cent. in 1929 and 7 per cent. in 1920.

"The move of the Federal Reserve authorities to a uniform 3 per cent. discount rate level did not come as any great surprise. It was a relief to bankers and brokers who had become fearful of an advance beyond 3 per cent. The announcement came after open market money rates, bank loans rates, and bond yields had completed general upward adjustments under the pressure of insatiable demands for credit.

"Under the weight of credit demands, beyond their ability to meet, principal banks, beginning 21st August in Boston, raised their loan rate to prime commercial customers from 3½ to 4 per cent. More particularly under the influence of the Treasury borrowing, short-term open market rates worked upwards, in many cases to the highest levels since 1933. New issues of 91-day Treasury bills were awarded at rates up to 2.83 per cent., exceeding the previous peak of 2.79 per cent. in April. Bankers acceptances were moved up ⅜ per cent.; commercial paper ¼ per cent.

"In the background of these latest money rate advances is the unparalleled size of construction programmes which continue to demand more funds than are being saved. In 1955, it was individual borrowing to buy homes and cars that overstrained the credit supply. This year business borrowings, to cover record plant and equipment programmes, have been the central feature. This loan expansion raises a question whether the restrictive credit policy is really working. In this connection, it needs to be borne in mind that the Federal Reserve authorities did not seriously attempt to restrain credit until last summer and by that time expansion had developed such momentum that it has not been easy to slow. It needs also to be borne in mind that the objective of the authorities is not to kill off the boom but simply to hold credit expansion within limits consistent with a stable price level.

"That business loans should be rising in the face of a restrictive credit policy, and, despite the discouragement of rate increases, is evidence of the force of credit demands—not to mention the fact that commercial lending is the primary business of commercial banks. We will never know how much larger the business loan expansion would have been in the absence of a restrictive policy. Banks feel the effects in the restraint imposed on the growth of their deposit resources, in the higher rates they must offer competitively for savings deposits, in the increased losses they must take when they sell bonds, and in the culling they must do over the excess of loan applications. Borrowers feel the effects through higher interest costs, difficulties in raising funds, and advice from lenders that they need more equity in their projects.

"The whole process helps build a soundly growing economy, in which the saver gets a fair return, the borrower is discouraged from overextending himself, savings and investment are held in balance, and the stability of the economy as a whole is sustained."

GADGETS TO SPUR SAVINGS

NO SUBSTITUTE FOR SOUND MONEY

[India needs a vast amount of savings for raising the living standards of its teeming millions. Realising full well that the task which they have set before the nation is beyond its current rate of savings, its planners have programmed to find a part of the resources through "deficit financing", a respectable term coined by this country to cover inflationary financing. This has given rise to a tendency among people who know what inflation means to the purchasing power of the currency to take a cynical view of the future. The prospect of a fall in the future value of money deters them from saving. On the contrary, it encourages them to spend more and live well. Fear of inflation thus renders the Government's task of collecting savings more difficult. In such circumstances, is there any effective method for garnering savings and, if so, what is it? An answer to this question will be found in the following article, culled from the September issue of the Monthly Bank Letter *published by the First National City Bank of New York. The writer traces, in a very interesting manner, the various methods tried by several countries to stimulate savings among the people and to attract them for purposes of investment. His review is a timely contribution of great relevance to India.* —ED.]

MOST every youngster considers *Robinson Crusoe* a top-flight adventure story. Few young readers are aware, however, that Daniel Defoe's Eighteenth Century novel also presents a crude illustration of one of the oldest economic principles: the contribution savings make to a rising living standard. By saving some of his fish catch over a period of time. Robinson Crusoe was able to spend his days building a boat instead of having to go fishing. When the boat was completed he could catch more fish in less time and was free to build a house.

The same basic principle applies in the Twentieth Century. Economic prosperity and growth depend on the availability of money savings. Business relies on savings to help finance plants and equipment needed to produce and distribute an expanding volume of goods. Savings invested in mortgage loans make possible wider home ownership. Governments tap savings with bond issues to pay for their multifarious projects.

If Crusoe saved too little he went hungry. If we save too little in the complicated modern world, we experience our deprivations by shortages of goods in the market and rising prices.

The post-war period has been one of growing scarcity of saving, pretty much throughout the world. The trouble is that, while increased saving has been discouraged by low interest rates and inflation, programmes to utilise saving have grown apace. People want to have their cake and eat it too: spend current incomes to the full and also enjoy the things that have to be financed with borrowed money.

Economists in many countries are busy devising schemes to invigorate savings habits, and some of these schemes are being given practical trial. The most orthodox method is to let interest rates rise, giving a practical financial inducement to postponement of expenditure and creating a greater deterrent to borrowing. That is what has happened, for example, in this country, in Canada, and generally in Europe and Latin America.

Special Expedients

Where income is taxed heavily, even interest rates that seem high may not amount to much after tax. Thus tax incentives sometimes have been brought into play. Great Britain, for instance, is exempting from income-tax interest up to $42 a year on savings deposits. Sweden last year began offering tax-free bonuses to savers which go as high as 20 per cent. for savings kept in a bank for five years. West German officials have proposed that taxpayers be allowed special deductions based on the amount of their savings. A scheme of this sort—developing out of efforts of U.S. railway employees to gain tax concessions on retirement contributions—was discussed but voted down by the House Ways and Means Committee earlier this summer.

Enjoying a new vogue is the loan with a lottery feature. Although there are differences from country to country, the principle is the same: bondholders are eligible for prizes if their names get pulled out of a hat. This means, of course, that many bondholders get no return on their savings, or, at best, a considerably smaller interest payment than if no lottery feature was attached.

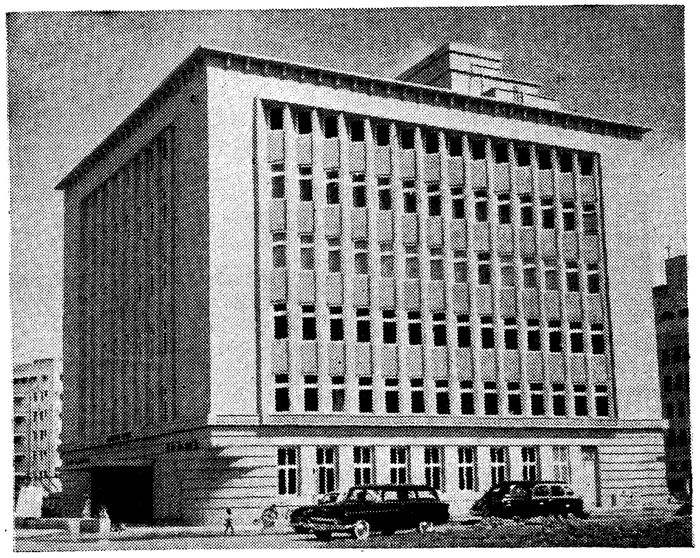
Great Britain is the latest major country to adopt the lottery bond. In November, the British Treasury will appeal to the gambling instinct of Britons with a $2.80 savings bond (no interest paid) which will pay off (for a few lucky winners) with top tax-free prizes of $2,800 and a number of smaller prizes. Belgium has raised some $300 million with lottery bonds since the end of World War II. A lottery bond issue in Greece offers a top prize of $50,000 in cash. Russia raises roubles with a lottery bond which offers a number of small prizes. Other European countries that have sought savings via the lottery bond route include Norway, France, Italy, Finland, West Germany, Sweden, and Denmark.

Additional ways of attracting savings have been devised so as to appeal to people who have doubts about the future value of their currency. The idea is to offer protection against an inflationary spiral which would reduce the real value of money savings.

France, for instance, has been suffering from inflation for a long time, partly as a result of continuous Government deficit financing. Many Frenchmen have found gold the safest and surest store of value. In these circumstances the Pinay Government in 1952 issued a loan with the redemption value linked to the free market price of gold coin. Increased prices would be reflected in the market price of gold and hence in the value of the bond. The state-owned Societe d'Electricite issued bonds in 1952-54 with the value, as well as the annual interest, varying with the price of electric energy. The nationalised coal mines and railroads have issued bonds linked to the wholesale price of coal and to passenger coach fares. And last May the French Government sold "growth" bonds—interest payments are to be revised annually in line with increases in national industrial output.

In Finland, nearly all financial institutions give their depositors the choice between ordinary savings deposits and deposits which pay a lower rate of interest but are linked to a price index. In similar fashion, the Finnish Government last year sold bonds the value of which was tied to wholesale prices. If the wholesale price index in September of any year, for instance, is 5 per cent. higher than the September 1955 index, the face value of the bonds as well as the interest payments will be increased by a corresponding 5 per cent.

(*Continued on page 491*)



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EGYPT'S FINANCIAL DIFFICULTIES

EASTERN NATIONS RALLY TO ITS AID

EGYPT'S Achilles' heel is its economic dependency to a great extent on the West. Britain and France have thus hit Egypt in its most vulnerable spot when they froze Egypt's sterling balances and bank accounts. A similar action by the U.S. has made Egypt's position more difficult. This should be an eye-opener to the weaker nations, especially in Asia, which are in the habit of tying themselves up economically wholly with the West. So long as nations depend largely on a particular bloc for trade, capital and other things essential for economic development, the danger to their freedom of action continues, as is now being witnessed in the case of Egypt.

As a result of the blocking of its balances by the U.K., the U.S. and France, Egypt has lost all access to the foreign exchange reserves it normally reckons to fall back upon for making good the deficits in its balance of payments. The deficits were as high as £30 million per annum in recent years. Besides, its exclusion from the sterling transferable system has deprived it the use of sterling as a medium of exchange for conducting its trade with other countries. As a consequence of it, it has been denied credit facilities in sterling normally provided by the British banks to finance its trade. In these circumstances, the only course left open for Egypt is to draw upon its non-sterling reserves, chiefly made up of gold and dollars—which together were of the order of £80 million—for covering the payments gap and meeting the commitments, arising from its exclusion from the sterling transferable account. But the problem facing Egypt has become all the more serious, as the U.S. authorities, following the British announcement, have temporarily frozen the Egyptian Government's and Suez Canal Company's funds in the American banks.

The steps, thus taken by the U.K. and France, followed by the U.S., have been further strengthened by the co-operation extended to them by the majority of other Western countries, which, on their part, refrained from doing anything that would weaken the impact of the steps already taken by their allies.

The Eastern nations, however, have rallied to Egypt's aid. Japan, for instance, has announced that it will permit to defer payment for its exports to Egypt. Indonesia also has expressed its willingness to defer payments for its exports. India has announced that Egypt would be free to finance the whole of its trade with it in Rupees and that the Government would take all necessary steps to maintain the trade in the event of the Suez affairs becoming still more complicated. Besides, China has expressed its determination to maintain its trade with Egypt by paying for the Egyptian cotton in Swiss francs, instead of in sterling as has been the case hitherto. It has also credited the Egyptian account with the Swiss banks with 20 million francs to help it overcome the financial difficulties. Syria has entered into an agreement with Egypt under which both will co-operate closely in economic and financial matters. With this end in view, they have decided to float a new bank, the Bank of Syria and Egypt and a Syria-Egypt Foreign Trade Company. Furthermore, Egypt is reported to have made new arrangements to finance the cotton crop which the French and British banks used to finance prior to the Suez imbroglio. The Government itself is advancing a loan of £10 million to the Agricultural Credit Corporation for this purpose. The Egyptian banks will be asked to supply the balance needed for financing the crop. With a view to conserving its foreign exchange resources, Egypt has begun to refuse licences for import of the U.S. goods, a step which the U.S. propagandists are describing as a retaliatory measure to the U.S. freeze order.

In view of the various 'neutralising' measures taken by the Eastern nations, commentators in the West find it exceedingly difficult to assess the ultimate effect of the sterling freeze applied by Britain and its Atlantic friends. It is, nevertheless, pointed out that the combined effect of Eastern nations' help could be considerable. It is, however, stated that, although Egypt may succeed to emerge unscathed from the economic sanctions applied by the West in the short-term, its financial situation in the long-term may become worse, in case it fails to come to an agreement with the West on the main issue. In the first place, Egyptian economy is too much tied up with the pound sterling to enable it resort to other channels readily. Secondly, it is largely dependent on Western products, particularly spare parts for western-made machinery with which Egyptian industry is equipped. Above all, the prospects of obtaining Western capital and know-how for economic development at home will grow dim.

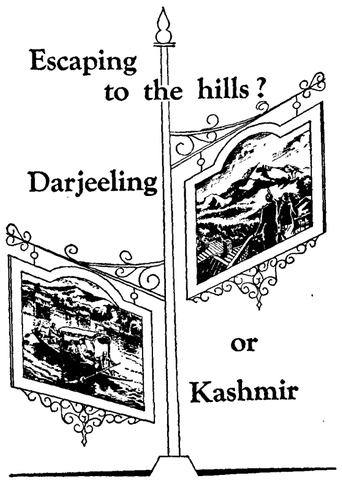
American commentators have lost no time in giving expression to certain fears they have been entertaining in connection with the new trends taking shape in Egypt's trade relations with the Soviet bloc. They point out that the deal entered into with the Soviet bloc countries by President Nasser, which has mortgaged Egyptian cotton—accounting for 85 per cent. of its total exports—that is yet to be grown for the supply of arms and other goods, will make Egypt in course of time an economic dependency of Moscow. A columnist of the *New York Times* goes so far as to say, that "the consequences for the West eventually could cause more troubles than has been stirred up by the Suez trouble." Moreover, it is further stated that nearly 28 per cent. of Egyptian exports are now going to the Soviet bloc countries, in return for only 11 per cent. of its imports. This would make Egypt more and more vulnerable to the communist pressure. Close on the heels of this columnist's reading of the situation comes the news from Moscow that Egypt and Russia are soon expected to sign an agreement providing for "comprehensive development and consolidation of ties . . . in all domains of culture."

Western commentators are largely right when they say that Egypt's trading with the communist bloc at an abnormal level in relation to its poor economy will reduce it to the position of an economic dependent. For it is common knowledge now to what level the West is trying to reduce Egypt, because of its dependence on it. If, therefore, Egypt is trying to diversify its customers, is it not largely because of the lesson taught by the West itself?

INFLATIONARY FORCES IN THE U.S.

Signs of inflationary pressure in the American economy have been clear enough for some months past to call for timely measures. Consumer prices during July rose by 0.7 per cent. to a record level of 117. In view of the rises witnessed during the two preceding months, it is stated that the July increase means pay rises of 5 to 6 cents an hour for 1½ million workers. Moreover, further increases in food, rent, transportation and recreation costs are also within sight. On top of all this, farm prices have been on the increase for the past six months. Further, the soil bank programme is expected to add $250 million to the purchasing power of the farmers. Wage settlements in various industries such as steel, rubber, and aluminium are likely to increase further the purchasing power of the people. Steel workers

(*Continued in next column*)



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STATE FINANCIAL CORPORATIONS BILL

LOK SABHA PASSES MEASURE

THE State Financial Corporations (Amendment) Bill, the discussion on which was postponed for a few days, as reported in these columns last week, was passed by the Lok Sabha on 30th August 1956, after a three-hour debate. The main objects of the Bill are: (1) to remove certain difficulties experienced in the actual working of the Act during the last few years; (2) to enable a group of two or more States to establish by agreement among themselves a joint financial corporation for them and (3) to provide for the grant of financial accommodation by the Corporation to small-scale and cottage industries not having sufficient tangible assets against the guarantee of a State Government, or a scheduled bank or a co-operative bank.

Opening the debate, Mr. G. L. Bansal drew the attention of the Government that the State Financial Corporations set up so far had not functioned efficiently. He also complained that their administrative expenditure had been high, as compared with that of the Industrial Finance Corporation of India or similar Corporations in other countries like the U.K. He, therefore, suggested that these State Financial Corporations be integrated with the State Bank of India. The State Bank was already granting short-term credit to industrial and commercial houses and it could also grant medium- and long-term loans. He further suggested that the State Bank could organise three separate sections—commercial, industrial and agricultural—to look after the requirements of the respective sectors of the economy.

Dr. Lanka Sundaram said that the paramount obligations undertaken by the Government to help the medium- and small-scale industries during the second Plan would be met by the present Bill. He, however, felt that the rate of interest charged by the various State Corporations, ranging from 5½ per cent. to 7 per cent. was so high that small-scale industries could not afford to pay them. He, therefore, suggested that these Corporations should charge uniformly low rates of interest in all States.

A few other members also complained about the high rates of interest charged by the Corporations. They said that so many restrictions were being placed by the Corporations that the applicants were "completely disabled to take advantage of the credit facilities" offered to them.

Replying to the debate, Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, drew the members' attention that the expense ratio of the Corporations could go down only after the third or the fourth year of their working. In support of this contention, he pointed out that the expense ratios of the Finance Corporations of the Punjab, Bombay and West Bengal had been going down year after year. Answering the criticism that the rates of interest were high, Mr. Guha said that these rates depended on the Bank rate and the rates at which even an organised industry could get loans from a commercial bank. They could not, therefore, be considered high. Anyway, there had been no cases of major default in the repayment of the instalment of principals or in the payment of interest on the part of those who had taken loans from the Corporations. The Government, the Minister said, was anxious to establish some uniformity in the working of the State Corporations and that was why the Reserve Bank was being brought into the picture. The Reserve Bank would conduct annual inspections of the activities of the Corporations.

(*Concluded from previous column*)

alone are expected to get as much as $300 million more during the ensuing twelve months.

Capital expenditure on new factories at $36 billion—$5 billion more than in the previous year—is expected to increase the prices of many building materials. In the sphere of industrial production, total employment is reaching new records. As a result of all-round increases this year, personal disposable income for the six months was calculated at $282.5 billion, that is, $18 billion more than in 1955.

It was time to hold the inflationary forces in check. The first step was taken by commercial banks in the country which raised the prime rate—the interest charged to their biggest customers—from 3½ per cent. to 4 per cent. This was followed by the other banks which raised the rate on broker loans from 4 to 4½ per cent. The Central banking authority, too, followed up quickly. The Federal Reserve discount rate was raised on 23rd August from 2½ per cent. to 3 per cent. in five Reserve districts. This was the sixth time for the discount rate to be raised since April 1955 when it was only 1½ per cent. The new rate is expected to become applicable in all the twelve districts in two weeks from the date of announcement.

GROSS PRODUCT AND PRIVATE CONSUMPTION EXPENDITURE

TRENDS IN FREE WORLD ANALYSED

BY far the best indicator of economic growth is the rate of increase in the gross national product, while the percentage of this increase that goes into private consumption expenditure gives a measure of the consumers' welfare under any form of economic order. Statistics regarding gross product and private consumption expenditure of different countries are thus invaluable in the comparative study of the growth trends of its economies and the welfare of the consumers. In making available the relevant data, the Statistical Office of the United Nations is doing a distinct service to the cause of scientific studies of economic progress. It is interesting to note in this connection, that the June issue of the *Monthly Bulletin of Statistics*, published by the Statistical Office of the United Nations, gives an illuminating account of the trends in gross product and private consumption expenditure in the free world.

The article notes a long-term rising trend in real *per capita* product in the majority of countries. But real *per capita* private consumption expenditure, though rising simultaneously, is not keeping pace with the rate of expansion of the former. This growing divergence between product and consumption is attributed mainly to the substantial rise in defence expenditure and the increased outlay on gross fixed capital formation. A comparison of private consumption expenditure in various countries, though difficult because of the presence of a multiplicity of concepts and classifications, reveals (1) a relative stability in the proportion of total private consumption expenditure allotted for food, (2) a decline in the percentage of expenditure on rent, and (3) a fall in the proportion of expenditure on household operations.

U.S. and Canada

In the U.S. and Canada, the long-term growth in real *per capita* product* has averaged 2 per cent. per annum. But, during the war years 1939-45, annual *per capita* growth was substantially higher at 3 per cent. per annum, because the war necessitated the operation of the economy at a higher level of output. In the post-war years, however, the historic growth trend has been resumed. In both the countries, the real *per capita* private consumption has generally paralleled the long-term movement in *per capita* product, albeit at a slower rate of growth. But the gulf between growth of product and consumption tended to widen during the war years due to two reasons. In the first place, the expenditure on national security increased substantially during the war period. Secondly, the outlay on gross fixed capital formation also increased and this trend has continued even after the war. In the four years 1950-54, these two elements of final expenditure have accounted for 13 per cent. and 16 per cent., respectively, of the gross national product in the U.S. and 8 per cent. and 22 per cent., respectively, in Canada.

In Western Europe, the real *per capita* product dropped sharply during the war years mainly due to the destruction of the productive machinery of the belligerent countries. But, by 1950, owing to the rapid progress of post-war reconstruction programme, most countries had regained their post-war level, the figure for the region as a whole being 4 per cent. higher in 1950 than in 1938. During the period of reconstruction between 1945 and 1950, the *per capita* product had expanded at as high a rate as 7 per cent. per annum. The rate of growth for Western Europe as a whole has since been maintained at 3 per cent. per annum. Over the period 1950-54, the gains in *per capita* product have ranged from 5 per cent. in Denmark to 32 per cent. in West Germany.

Real *per capita* private consumption for the whole region has developed correspondingly since 1950, but not to the same extent as the *per capita* product. Measured against 1938, the latter has improved by 20 per cent. during the period 1950-54, whereas the former showed an increase of only 12 per cent. over the same period. This divergence is explained largely by the greater expansion in gross fixed capital formation and by the relative rise in defence expenditure. The latter two components of final expenditure now constitute about 17 per cent. and 6 per cent. respectively, of the gross product of the region.

*The terms "real product" and "real consumption" are used to denote the value of gross product and private consumption expenditure at constant market prices, respectively.

The rise in real *per capita* product has averaged 4 per cent. per annum in Latin American countries in the post-war period till 1951. This expansion has since been followed by a levelling off in the rate of growth at less than one per cent. per annum. *Per capita* private consumption has developed more slowly in the immediate post-war years, due, principally, to the rapid rise in general Government consumption expenditure and gross fixed capital formation. A serious handicap in the expansion of *per capita* consumption in Latin America, as in other underdeveloped countries, is the annual rate of increase of its population. Latin America has to contend with an annual increment in population of 2.5 per cent., as compared with 1.6 per cent. in North America, 1.4 per cent. in South-East Asia and 0.8 per cent. in Western Europe.

In E.-S. Asia

In South-East Asia, trends vary from country to country and, consequently, overall averages for the regions tend to be misleading. Judging from the available data, it appears that expansion of real *per capita* product and consumption in recent years has been limited to Japan, the Philippines, Ceylon, and Burma.† As compared with 1938, real *per capita* product was 82 per cent. greater in Ceylon in 1954 and 58 per cent. higher in Thailand in 1953. The *per capita* product of Japan and Burma in 1954 was 11 per cent. and 31 per cent. short of their pre-war levels. The annual rate of growth of agricultural production over the last six years is estimated at two per cent. for the entire South-East Asian region. But, taken in conjunction with the annual increment in population, this implies that *per capita* gain per annum in agricultural production has been somewhat less than one per cent. Unfortunately, the publication under reference does not give data relating to *per capita* consumption. Accordingly, the picture about Asia is incomplete.

A precise comparison of the distribution of private consumption expenditure of different countries is rendered difficult by the differences in concepts and classifications adopted by various nations. However, in making this comparison, some general points deserve to be noted. In the first place, the distributions do not reflect accurately the disposition of real resources in meeting consumer demand. The absolute figures from which the percentages are derived are values at market prices and not at factor cost. They, therefore, include elements of indirect taxes and subsidies which vary from country to country. For example, in the U.K., the outlay on beverages and tobacco constituted 16 per cent. of total private consumption expenditure in 1954. Recalculated on a factor cost basis, the figure falls to 8 per cent. as a result of the exclusion of the high excise taxes.

† In the case of India, while the real *per capita* product is estimated to have increased by 8 per cent. over the period 1948-53, real *per capita* consumption appears to have remained virtually constant.

Secondly, certain types of expenditures which are classed as capital outlay in one country are treated as consumption expenditure in others. In Australia, for instance, purchase of private cars is treated as capital formation and is not, therefore, included in consumption expenditure, whereas most other countries regard it as consumer expenditure on a durable commodity. Thirdly, the provision of educational health and other services is, in varying degrees among countries, a matter of state initiative rather than of private purchase. A relatively low percentage of "personnel care and health expenses" will be found in countries where the provision of health services is mainly the responsibilty of the State.

Despite these limitations, the available data indicate many interesting developments. Thus, the proporton of total private consumption expenditure allotted for food during the period under review, has been relatively stable for countries like Australia, Canada, West Germany, Norway, Ireland, Sweden, the U.K. and the U.S., though the relative proportion has differed considerably from country to country. Again, in the majority of Western European countries, a substantial decline has been evident in the percentage of private consumption expenditure on rent. This reflects, in a large measure, State intervention directed towards the control of rents and housing development. Finally, the pattern of spending has been characterised by a drop in the proportion of expenditure devoted to household operation in many countries, due mainly to a reduction in purchase of domestic services.

The following table gives the level of real *per capita* gross product and private consumption in 1954 for a large number of free countries:

"Per capita" Gross Product and Consumption

1950=100

Countries	*Gross product*	*Private consumption*
North America	106	103
United States	106	103
Canada	102	103
Latin America	105	107
Western Europe	116	112
Austria	124	118
Belgium	110	101
Denmark	105	103
Finland	117	118
France	114	116
Germany (Western)	132	127
Greece	124	115
Italy	120	118
Netherlands	111	103
Norway	110	109
Portugal	105	96
Sweden	110	106
Turkey	115	..
United Kingdom	111	105
South-East Asia	..	..
Burma	131 (1)	126
Ceylon	107 (1)	104
India (3)	107 (1)	..
Japan (3)	133 (1)	137
Korea (South) (4)	84	89
Malaya	75 (1)	89
Pakistan (3)	92 (2)	..
Philippines	119 (1)	124
Thailand (3)	92 (1)	..

Note :—The figures for individual countries represent indexes of *per capita* gross national product and private consumption expenditure in constant market prices.

(1) Gross domestic product at market prices.
(2) Net domestic product at market prices.
(3) Indices refer to 1953.
(4) 1949=100.



RAISING PRODUCTIVITY OF HANDLOOMS

AGITATION AGAINST POWERLOOMS TAKES POLITICAL TURN

IT now looks as though the Government of India's policy for raising the productivity and incomes of handloom weavers through the introduction of powerlooms may receive a distinct setback. For the policy has evoked a bitter attack not merely from the self-appointed handloom leaders but also from the political parties. In fact, the agitation against the policy has taken a full-fledged political turn, completely divorced from economic considerations. At this meeting held at Bhavani in Coimbatore District, the Executive Committee of the Tamil Nad Congress expressed itself against the introduction of powerlooms. The Committee decided to urge the All-India Congress Committee not to give effect to the policy, in view of the stiff opposition from weavers to the move. No further reasons for the decision have been disclosed. From the Press report, it is gathered that the Committee felt that the problem was of great concern to the weavers of the whole of South India, as there were more handlooms in this region than those in the rest of the country. The views found favour with Acharya Vinoba Bhave and Mr. C. Rajagopalachari. Both of them have opposed the Central Government's move to introduce powerlooms.

It is not the Congress leaders of Tamil Nad alone who have launched the agitation against powerlooms; the communists also have joined hands. A communist-sponsored meeting of the representatives of handloom weavers from all over Madras State, held at Kancheepuram recently, passed resolutions opposing the introduction of powerlooms and automatic looms. The present policy of the Government, it was declared, was detrimental to the interests of handloom weavers.

In the meantime, some of the non-official members of All-India Handloom Board have reiterated their threat to resign jointly, if the Government is not prepared to give up its latest policy. Characterising the scheme of replacing handlooms with powerlooms as "unwanted and harmful," Mr. M. Somappa observed in Bombay the other day: "The scheme is calculated to put out of employment large sections of weavers and thus further worsen the economic position of several million people who are dependent on the handloom industry, particularly at this juncture, when the industry is being rehabilitated and is capable of meeting the entire additional demand for cloth, anticipated towards the end of the second Five-year Plan."

Deplorable

The continued agitation against the introduction of powerlooms in the handloom industry is deplorable. As this journal has ere now pointed out, the conditions of weavers have not improved much, despite all the encouragement and assistance given by the powers-that-be. For, since the industry is labour-intensive, the productivity is at a low level, so that production is uneconomic. It is computed that, on an average, a weaver cannot weave more than 6 yards of cloth per day on a handloom, while he can weave as many as 30 yards on a powerloom. If, therefore, the handlooms are to be made a more economic means of production and the incomes of those engaged in it are to be stepped up, their productivity must be raised. The only surest way of doing so is to convert them into powerlooms. Such a change-over is an inevitable stage in the improvement of production techniques, in order to enable the weaver to secure higher earnings and raise his standard of living.

It is very unfortunate that this simple, fundamental aspect is being overlooked by those who claim to represent the handloom industry. Do these interests want to perpetuate handloom weaving as a permanently depressed occupation, depending on heavy subsidies from the State and based on low wages? Surely, the weavers cannot for all time look to the Government and continue to eat out its hand. Further, how long do they expect the consumers and cotton growers to make sacrifices? Are not the latter two, who outnumber the weavers, to get a square deal? What is wanted, therefore, is a long-range plan for the rehabilitation of handloom industry and for placing it on a solid foundation. The introduction of powerlooms is part of such a plan. After all, it must be remembered that the solution to the handloom industry lies in the production of attractive cloth at a cost which is within the purchasing power of the consumer.

The apprehensions expressed by the handloom industry that the introduction of powerlooms would result in a large-scale displacement of weavers and the progressive elimination of the industry are clearly exaggerated. As was pointed out in these columns a few days ago, the additional production of cloth on the handlooms envisaged in the second Plan will require more hands for processing and for other activities such as marketing. Moreover, the conversion will not and cannot take place overnight; it will have to be gradual. The Government of India has repeatedly given the assurance that the conversion programme will be so phased as to avoid any competition between powerlooms and handlooms and unemployment among the weavers.

Assurance Reiterated

Explaining the position to Pressmen at Madras last week, Mr. M. Bhaktavatsalam, Minister for Industry, Madras, reiterated the assurance that, if the introduction of powerlooms were to prove prejudicial to the interests of weavers, his Government would not hesitate even to withdraw the steps taken by it. In this connection, the Minister observed:

"There are more than five lakhs of handlooms, according to the statistics collected by the organisations of weavers. Before the introduction of the Cess Fund, there had been 96,000 handlooms under the co-operative societies and this number has now increased to 1,57,000. Another 5,000 looms will come under the co-operative societies shortly. As against this increase, production of cloth by weavers in the co-operative sphere has trebled itself. The Government of India, which has made substantial allotment to the tune of Rs. 5 crores for the rehabilitation of weavers in the second Five-year Plan, is agreeable to this allotment being spent even during the first three years. Therefore, there cannot be any reasonable apprehension. It is needless to add that the Government which has been taking so much interest in the permanent rehabilitation of the handlooms would adopt any measure that might injure the interests of the weavers. Repeated assurances have been given that nothing will be done to affect a single weaver or a pie of his wages."

The above statement of Mr. Bhaktavatsalam should dispel the doubts and fears expressed by the so-called spokesmen of the handloom industry about the conversion scheme. They would do well to realise that, to the extent, technological improvements are effected in the handloom industry, production will rise, cost will decline, demand will grow and with that employment also.

EXCISE DUTY ON CLOTH

In conformity with its declared policy of keeping a close watch on the movement of prices and mopping up of excessive profits as and when they arise, the Government of India announced on 31st August an upward revision in the excise duty on cotton cloth. This action was endorsed by the Lok Sabha on the 3rd inst. after a critical debate. The statement of objects and reasons of the Bill embodying the new proposals observes that, as a result of the increase in agricultural prices and the adoption of restrictive policies in respect of production of cloth in the mill sector, the prices of cloth have been increasing in recent times, resulting in excessive profits for the trade and industry at the expense of the consumer. The statement further says that the increase has been particularly marked in the case of medium and coarse varieties of cloth, which account for more than 80 per cent. of the consumption of cotton textiles in the country. Hence the Bill proposes to double the duty on medium cloth from the existing rate of one anna per square yard to two annas and that on coarse varieties—other than *dhotis* and *saris*—from one anna per square yard to one anna and six pies. No change is made in the existing duty of six pies per square yard on *dhotis* and *saris* of the coarse type. The prevailing duty of 2½ annas on superfine cloth will be raised to 4 annas and that on fine cloth by one and a quarter anna to three annas a square yard. All duties are exclusive of handloom cess and came into effect at mid-night on 31st August. These duties are expected to bring in an additional revenue of Rs. 17.5 crores to the Central Exchequer in the remaining part of the current financial year.

Introducing the Bill in the Lok Sabha, Mr. T. T. Krishnamachari, Finance Minister, observed that the duties had been so designed as to act as a brake on the rise in prices in the present state of the market.

A feature of the Bill is that it provides for a ceiling of As. 4 per square yard on coarse and medium count cloth and As. 6 per square yard on fine and superfine cloth. The Government is thus given power to vary the rates of duties in an upward direction through executive action.

As a sequel to the rise in the excise duties on mill-made cloth, the Government has also enhanced the compounded levy in respect of cotton cloth produced on powerlooms, in conformity with the increase in the basic rates. A Press note issued by the Ministry of Finance indicates that the revised rates will be Rs. 50, Rs. 40 and Rs. 30 per loom per shift, per month according to the number of looms employed. Manufacturers employing not more than four looms will, however, continue to be exempt from this levy.

COTTON TEXTILES IN PAKISTAN

A Press report from Karachi avers that grey cloth and cotton yarns produced in Pakistan are steadily capturing markets in the Far East, the Middle East and the U.K. Encouraged by the recent excellent performance, a delegation of both officials and traders, it is said, will shortly be proceeding to explore the possibilities of expanding exports in Burma, Thailand, Malaya, Indonesia, Persian Gulf Ports, Iraq and Saudi Arabia. The Press report even avers that, price-wise, Pakistan yarns and grey cloth have been able to squeeze out the Indian products from some of their markets.

It is rather difficult to believe the report. True, the capacity of the cotton textile industry in Pakistan has considerably expanded in recent years, leading to a marked rise in output of textiles. Nevertheless, the gap between supplies available and the actual domestic requirements was until recently quite wide. One, therefore, wonders if Pakistan is really in a position to export textiles and that at competitive rates.

Be that as it may, the textile industry in Pakistan is now reported to be producing cloth at an annual rate of 455 million yards, as against 127.5 million yards in 1951. The rise in production has followed an expansion in loomage, from 5,984 in 1951 to 26,000 in 1955-56. The rate of yarn output is estimated at 275-300 million yards, which compares favourably with about 55 to 60 million lbs. four years before. Of this quantity, about 110 million lbs. are said to represent exportable surplus. The total number of spindles installed in Pakistan is estimated at 1.7 million, as against 333,126 in 1951. The capital invested in the industry is approximately Rs. 60 crores.

This notable expansion in the size of the textile industry must be attributed to three factors. First, there has been a severe restriction on imports; in the past two shipping periods, no licences for cloth imports were issued. Secondly, the industry is protected by an import duty of 60 per cent. *plus* sales tax. Thirdly, the industry has been able to get a liberal supply of cotton of appropriate quality and staple length at relatively low prices.

The prices of cotton textiles manufactured in Pakistan, it is claimed, have suffered a fall in the past year. Grey long cloth (Adamji 30") is said to be now available at As. 9 per yard, as against As. 10 a year before. Similarly, twenty counts cotton yarns are now quoted at Rs. 18 per bundle of 10 lbs., as against Rs. 18-8. This trend is in sharp contrast to that in India where prices have been rising.

HANDLOOM DESIGNS

Mr. Julian Seeber, a well-known American fashion designer, who has been invited by the Government of Bihar to advise it on handloom designs, has offered some constructive suggestions for consideration by the Union Government to make handloom products popular in foreign markets, particularly in the United States. During his thirteen months' stay in India, Mr. Seeber toured the entire country, acquainted himself with the problems and prospects of the handloom industry, and worked at various handloom centres, including those in Malabar and Bihar. Having thus obtained an idea of the potentialities of the industry, he has expressed his belief that American markets could absorb millions of yards of Indian handloom products. But he hastens to add that the American consumer is rather "fastidious" about his taste and the price payable for the fabrics. Mr. Seeber, therefore, has urged the Government of India to undertake a "little bit of market research" in America before instructing the handloom producers in this country on the vast and ready markets remaining to be tapped there. He has also emphasised that there must be a planned production of goods of the required quality to ensure to the foreign consumer a steady supply of the cloth he requires. Expressing the desirability of a mixed group of handloom experts visiting the United States to study consumer requirements there, Mr. Seeber observes: "Your producers must know what we want and it is not enough if your Government and a few experts know our requirements. Sending officials and some higher-ups to study window-dressing will not solve your problems."

According to Mr. Nityananda Kanungo, Union Minister for Consumer Industries, in the month of June 1956, about 170 composite textile mills were working three shifts, 98 mills two shifts and nine mills one shift. Of the spinning mills, 54 were working three shifts, 51 mills two shifts and 10 mills one shift. The following table gives the number of looms and spindles worked in different shifts.

Shifts	*Looms*	*Spindles*
3 shifts	51,106	4,976,818
2 shifts	171,434	10,168,910
1 shift	182,535	10,579,096

Replying to a question in the Lok Sabha, Mr. K. C. Reddy, Minister for Production, said that the Government of Assam had taken steps to establish a spun-silk mill of 3,000 spindles. He disclosed that a Japanese silk expert had been invited to prepare the scheme for the spun-silk mill and that the Government of India had also agreed to contribute towards the capital cost. The Minister also said that similar proposals from the Governments of Bihar, West Bengal and Jammu and Kashmir for the establishment of spun-silk mills were under the consideration of the Central Silk Board.

BRITISH FIRM TO MANUFACTURE NON-WOVEN FABRICS

IMPORTS OF CLOTH MAINTAINED

By Our Special Correspondent

MANCHESTER, *28th August*

MANCHESTER LETTER

A DEVELOPMENT which may be of far-reaching importance to the British textile industry has been announced in Manchester by Tootal Ltd., the £10 million group. In his annual review the Chairman, Mr. A. V. Symons, announces that the group is in the process of forming a new British company to undertake the manufacture in Britain of non-woven fabrics in conjunction with the American concern, West Point Manufacturing Co., of Georgia.

The idea of bonded fabrics has been discussed for some time past in textile circles but the fact that a group of the standing of Tootal Ltd. should embark on actual production is considered to be of great significance for the British textile industry. "For many years we have felt that sooner or later the laborious processes involved in the spinning and weaving of cloth, which date back to time immemorial, must give way to the inventive mind of modern times," stated Mr. Symons in his announcement. The Transatlantic link-up put at the disposal of Tootals the "very considerable know-how" in this field of the American company. The association would be of "great value" in the future.

A spokesman of Tootal would not go beyond the official statement but it is understood that production of non-woven fabrics is likely to start in about twelve months' time. The implications of a method of textile manufacture which dispenses with the traditional spinning and weaving processes have not yet been examined in detail in the British textile industry. While it is recognised that there can be no large-scale change-over in the near future to this revolutionary system it is clear that great new issues, both technical and social, are looming before the textile industries of the world as science and technology march forward.

Trade Situation

Leaders of the trade unions in the Lancashire cotton industry are to summon another special conference of members to discuss the situation in the industry. This was announced following a meeting of the legislative council of the United Textile Factory Workers' Association, the central assembly of the cotton unions. The conference will take place in November and will be attended by 230 delegates from the mills, each of them representing about 1,000 workers.

Mr. Harold Bradley, secretary of the legislative council, said the conference would discuss recent moves to alleviate the plight of the cotton industry and the possibility of further action.

The council had decided to postpone for the time being consideration of a suggestion that a monster petition calling for Government help and signed by everyone in the industry should be organised and sent to Whitehall.

Sir Raymond Streat, Chairman of the Cotton Board, described the position of the industry as "serious but not calamitous." The industry had many problems but they were not problems which could not be solved. Conditions had been worse before.

He said the industry's export trade was facing difficulties but the specially formed cotton exports committee, made up of the Board of Trade on the one hand and the cotton industry on the other, had already helped the situation and would continue to do so.

Sir Raymond said the first impact of the cotton industry's £250,000 publicity campaign to promote sales of British cottons would "break" in September. He was not in a position to enlarge on that statement at the moment.

Imports of Cloth

Little change has recently occurred in the flow of overseas cloth into British ports. The volume of goods arriving in this country has been fully maintained, with imports of loom-state cotton cloth at 164,193,000 square yards for the seven months, against 180,642,000 yards, and finished cloth at 21,813,000 square yards against 17,164,000 yards. Larger shipments of rayon fabric continue to be received, bringing the aggregate total to 47,283,000 square yards against 33,866,000 yards.

Arrivals of grey cloth from India have now just exceeded the level at the end of July last year, being 85,481,000 square yards against 85,070,000 yards. Supplies from Hong Kong have been equally well sustained at 31,093,000 yards against 31,533,000 yards. Japan's share of imports into Britain, however, has continued to decline from 47,595,000 yards to 22,240,000 yards. Arrivals from unspecified "other foreign countries" have been doubled this year at 13,561,000 square yards.

The cost of imports of cotton goods in the seven months has now for the first time this year exceeded the amount spent on foreign material in 1955. To the end of July imports were valued at £15,107,468 against £15,023,501.

Home and Export Trade

Supplies of cloth available for distribution in the first half of the year show a marked decline from the quantity passing through the pipeline in recent similar periods. The reduction can be attributed wholly to the fall in output, which has resulted in production of cotton and rayon cloth being lower than at any time since 1952. Due to other factors, however, the supply of goods surplus to export requirements, and therefore available for the home trade, remains at a level comparable with the last year or two.

The following table indicates the latest comparative supply and distribution statistics for cotton and rayon goods:

(In million yards)

Year	Output (*a*)	Imports (*b*)	Total (*a*) & (*b*)	Exports	Balance for Home Trade
1937 ..	4,122	75	4,197	2,001	2,196
1947 ..	2,012	174	2,186	639	1,547
1948 ..	2,440	248	2,688	966	1,722
1949 ..	2,592	400	2,992	1,078	1,914
1950 ..	2,840	342	3,182	1,017	2,165
1951 ..	2,960	476	3,436	1,105	2,331
1952 ..	2,102	210	2,402	871	1,531
1953 ..	2,632	143	2,775	895	1,880
1954 ..	2,775	395	3,170	812	2,298
1955 ..	2,479	365	2,844	688	2,156
6 months					
1953 ..	1,280	70	1,350	420	930
1954 ..	1,438	142	1,580	439	1,141
1955 ..	1,350	200	1,550	351	1,199
1956 ..	1,215	201	1,416	301	1,115

Part of the falling off in production of Lancashire-made cloth has been offset by the continued high level, of imports, chiefly from India and Hong Kong. But the continued decline in export trade has been marked. As there is nothing in the existing outlook to indicate any likely expansion in business for overseas markets, the volume of cloth disposable for various purposes domestically is dependent on local production and the steady flow of imports.

There has been some comment during recent months on the maintenance of output in view of the disappointing reports from distributors as to the offtake. Although supply shortages would not appear to be imminent from these figures, the situation is complicated by the persistent labour losses which make any assessment of future prospects extremely hazardous should there be any large-scale revival in demand.

The quantity of goods in stock or in the pipeline is fully adequate to meet current needs and would withstand some pressure for supplies. Whether output could be increased sufficiently to keep delivery dates relatively short in the event of a sudden call for goods arising remains to be seen.

Exports

The best that can be said about the latest overseas trade returns is that the figures relating to cotton goods have not shown any further deterioration. Lancashire traders are fully aware of the many hampering developments which have caused the curtailment of shipments over a long period and there is no evidence for the belief that conditions will improve in the near future—if at all. Meanwhile, the struggle persists, but the outlook cannot be regarded as at all encouraging.

In the seven months to the end of July the value of cotton yarn and manufactured goods exported was £51,823,388 against £57,598,541 in the corresponding period a year ago. Most of the decline is accounted for by the continued reduction in the quantity of piecegoods sold in foreign markets. The volume so far this year has shrunk from 323,287,000 square yards to 276,884,000 square yards, the respective values being £51,703,732 and £35,708,375.

From month to month the position of the leading consumers of these goods shows little change, with Commonwealth countries still the main buyers but the quantities involved tending to decline. Australia has, for example, taken 49,000,000 square yards against more than 61,000,000 yards and shipments to Nigeria and the Gold Coast are little more than half their 1955 level, being 28,000,000 yards against 54,500,000 square yards.—*All Rights Reserved.*

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OUTLOOK FOR WORLD COTTON IN THE CURRENT SEASON

CONSUMPTION TREND ENCOURAGING

AN objective appraisal of the prospects for world cotton in the new season, which began on 1st August last, necessitates an analysis of its supply in relation to the demand for consumption and the stock position obtaining at present. The beginning of the new season happily coincides with a period which holds out promise of increased economic activity which is likely to be reflected in the tempo of cotton consumption. Though the outlook for consumption in the new season is encouraging, the overall outlook for cotton is not very bright, unless the consumption goes up to a much greater extent than is envisaged now or the output registers a decline. As the scope for any marked rise in consumption is, however, distant, the performance of the cotton trade will depend, to a large extent, on the possible outturn of the 1956-57 (current) season's crop. It will be interesting, therefore, to project the production prospects in the current season, based on the results of the previous season and the preliminary estimates for this season.

The most distinguishing feature of the 1955-56 cotton crop, according to the latest review of the cotton situation by the International Cotton Advisory Committee, Washington, was the tremendous increase in yields per acre in the United States, while, outside the United States, yields registered a marked deterioration. Thus, while the United States achieved an all-time record yield of 417 pounds per acre, yield in the rest of the free world declined from 177 lbs. per acre in 1954-55 to 165 lbs. in 1955-56. The comparison is particularly striking when taken in the context of the actual acreage statistics. In the United States area under cotton in 1955-56 declined from 19.2 million acres to 17.5 million acres. Though the acreage was thus lower, the exceptional yields resulted in an increment in production of about 1 million bales (running bales) over the previous year's figure of 13.6 million bales. In contrast, countries outside the United States increased the area under the crop by about 3.5 million acres but their output was only 15.8 million bales (of 478 lbs. each), as compared with 15.9 million bales in the previous season.

The record yield of the United States is attributed to extremely favourable weather, reduced planting on marginal land, more intensive cultivation, heavy use of fertiliser and light pest and insect infestation. Reduced yeld per acre in the rest of the world, notably in India, Brazil, Argentina and the Central American Republics was mostly due to inopportune rains. Moreover, the fact that acreage increased sharply probably had the effect of bringing more marginal land into production, which also tended to lower average yields. In fact, Egypt and Argentina recorded their lowest yields of the post-war period, whereas yield per acre in Mexico, though it dropped sharply from the peak level of the preceding year, was still the second highest on record.

To turn now to the current season. It is reported that acreage under cotton has been reduced in three principal producing countries, namely, the United States, Egypt and Mexico. In countries like Brazil, Uganda, Tanganyika and Sudan, an increase in acreage has been reported. The actual outturn of the crop will, however, depend on the yield per acre.

The first cotton report of the United States, issued on 9th July, placed acreage in cultivation as on 1st July at 16,962,000 acres. This is three per cent. less than the 17,506,000 acres under the crop in the previous season and 5,784,000 acres less than the ten-year (1945-54) average of 22,746,000. In fact, it is significant to note that the 1956-57 acreage is the smallest since the early 1880's. According to the report, growers planted the highest percentage allotments on record—97.3 per cent. as against 96.4 per cent. in 1955-56 and 92.4 per cent. in 1954-55. Weather conditions at the time of planting are also said to have been favourable. Much needed rains were received in late July. In the extreme South Texas, prospects are very good for an increased outturn over the last year. The Far West continues to report excellent progress and a record yield is predicted in this high yielding, irrigated area. Though the danger of boll weevil infestation is not yet over, poisoning and dusting operations have so far been effective. It may be mentioned here that the U.S. Agriculture Department's first (8th August) crop estimate places the current season's outturn at 13.55 million bales (500 lbs.), as against the 1955-56 crop of 14.72 million bales.

Outside the United States small reductions in acreage appear to be general. In Mexico, area under cotton has fallen from about 2.6 million acres in 1955-56 to 2.2 million in the current season. The principal reductions are in Sonora-Sinaloa and Mexicali regions. The average yield, however, is expected to be somewhat higher than in 1955-56. Accordingly, production is tentatively placed at roughly 2 million bales, as compared with 2.2 million in the previous season. On this basis, some 1.5 million bales would be available for export.

Reduction in acreage is noted in Egypt also. The first estimate of the Egyptian Government placed the 1956-57 area at 1,716,000 acres, as against 1,885,000 acres in the previous season—a decline of about nine per cent. Elsewhere in the Middle East, acreage is reported to have declined in Turkey and early estimates place the crop at about 550,000 bales, as compared with 600,000 in 1955-56. If the actual production more or less approximates to this estimate, Turkey will have very little cotton for export from the new crop as the needs of its domestic textile industry are rapidly approaching the estimated production. Based on present conditions, Iran and Greece should be able to maintain the *status quo*, the outturn approximating 280,000 bales in each country, the same as in the previous season. In Syria and Spain, due to increased acreage, production may reach new records. Prospects are for an increase of about 10 to 20 per cent. In North Brazil, whereas, in Central America, though the acreage is reported to be less, outturn is likely to exceed the previous years, because the latter was a record poor crop.

Crop progress in India and Pakistan, as is well known, is satisfactory and should weather conditions continue to remain favourable, a better crop than the previous one is likely to be harvested. Outturn in the current season is expected to aggregate about 5 million bales (400 lbs. each) in India and 1.8 million bales (400 lbs. each) in Pakistan. Though little information is available regarding the colonial areas of Africa, indications are that the new season will be characterised by a marked improvement in output. It is reported that early plantings were running well ahead of the previous year in Uganda and prospects are good for a possible record crop in Tanganyika. In view of the favourable statistical position of extra long-staple cotton, acreage is unlikely to be reduced in Sudan.

From what has been said above, it is clear that, in the new season, there is likely to be a fall in the total output of cotton, as a result of reduction in the acreage under the crop. But the validity of this statement depends upon an important variable, that is, the yield per acre, which in its turn is the result of an inter-play of various factors climatic as well as technological. If the yield remains the same as before, a less aggregate output is likely to result, at least in many of the major producing countries.

As regards consumption, the season just ended is expected to have registered a record consumption aggregating 28.2 million bales. In fact, this is about half a million bales more than the 1954-55 figure and represents a increase of 4.5 million bales over the post-war base year of 1949-50. It may be noted, incidentally, that much of the rise in consumption of world cotton has been due to accelerated activity in Japanese textile mills. As against this factor of increased consumption, the overall supply position in cotton is twice as large as at the time of the Korean crisis. At present rates of consumption, available raw cotton would be sufficient to keep the world's spinning machinery at work for nine months without any additional supplies. The U.S. with its stocks of 14.5 million bales, has the largest carryover on record, but, in other areas, a drop of nearly 2 million bales last season has reduced the end of season surplus to 7.4 million bales.

The outlook for consumption in the current season appears, on present reckoning, to be bright. World population has been increasing and business conditions in general are satisfactory, so that there is every reason to hope for a steady increase in the demand for textiles which would necessarily be reflected in the tempo of cotton consumption. Though it is true that many of the leading cotton consuming countries have suffered loss of export markets, this is more than offset by the growth of cotton textile industries in many of the underdeveloped countries. Another factor which is likely to boost consumption is the fall in the price of cotton over the season. This will increase its competitiveness *vis-a-vis* other natural and artificial fibres.

MILL CONSUMPTION OF COTTON

The textile mills in India consumed 351,109 bales of indigenous cotton and 52,156 bales of foreign cotton during the month of June 1956, as compared with 345,169 bales and 47,713 bales, respectively, in the same month of the previous season, according to the statistics compiled by the Office of the Textile Commissioner.

The following table gives an idea of the trend of cotton consumption during the first ten months of the 1955-56 season in juxtaposition was that of the 1954-55 season.

	1955-56		1954-55	
	Indian	Foreign	Indian	Foreign
September	382,979	45,174	328,024	60,784
October	385,910	45,938	311,315	55,006
November	352,671	42,881	348,917	62,113
December	397,245	51,650	363,458	59,501
January	353,259	49,606	348,638	57,336
February	348,949	52,195	322,573	50,051
March	347,759	51,951	350,124	51,149
April	341,829	51,278	345,889	47,182
May	349,420	55,184	335,770	48,145
June	351,109	52,156	345,169	47,713
Total ..	3,611,130	498,013	3,399,877	538,980

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PROTECTION FOR U.K. COTTON MILLS

NO JUSTIFICATION FOR AGITATION IN LANCASHIRE AGAINST INDIA

By Neville N. Wadia

ONCE again, the agitation against imports of Indian cotton piecegoods into Britain has gained prominence in the British press. It, therefore, seems desirable to present some of the facts from the Indian angle to the British public.

Soon after the publication of my article in *The Manchester Guardian* on 4th January 1955, which was generally supported by a conciliatory editorial, Lancashire sent a delegation to this country, under the leadership of the Hon. Mr. Angus D. Campbell, in order to undertake a market survey for British textiles and to secure a reduction of import duties. The talks that ensued were most cordial and there was a genuine desire on the part of both the Government of India and the Indian producers to understand and accommodate Lancashire's plea for the liberalisation of imports of British textiles into this country.

As a result of these negotiations, the Indian Government scaled down the import duties from rates of between 60 per cent. and 80 per cent. to a level of 25 per cent. This was India's second major concession which was preceded in September 1954 by the abolition of quota restrictions on imports of cotton piecegoods into this country. Evidently, the British mission was satisfied with the Indian gesture and, at the time of its departure, expressed the belief that, under these conditions, Lancashire would be able to send between 10 to 15 million yards of cloth per annum to this country. These expectations are now being realised, as shipments of British piecegoods during the last two months are at the rate of over 12 million yards a year.

As for Indian exports to the United Kingdom, the delegation was concerned with the apparently rapid increase in shipments rather than with the level at which they stood at the time of the delegation's visit. Exports from India to the U.K. in 1955 actually show a drop of 16 per cent. as compared with 1954. It is interesting to note that 95 per cent. of our exports are grey goods and, therefore, require to be processed before use. During the talks with the mission, it was agreed that the new arrangement should be tried for a period of twelve months, whereafter it could be brought up for review. However, it was not long before Lancashire resumed her agitation and made further representations to the Board of Trade to curtail imports of Indian cloth.

No Unfair Advantage

Basically, the British industry's case against India is twofold. It holds that the Indian Mill Industry enjoys an "unfair advantage" by having access to cheap home-grown cotton and by paying low wages to its workers. Let us see how far these charges are tenable.

Since the British delegation was in India last year, there has been a radical change in the position regarding Indian cotton. In April 1956, the price of American middling 15/16", quoted in Liverpool, was 31*d.* per lb., while the quotation in Bombay at that time for an equivalent Indian cotton, namely, Vijay, was approximately 16.1*d.* Today, the prices of these two cottons are 24*d.* and 22½*d.*, respectively, showing a negligible difference of 1½*d.* per lb. Surely, for a country which grows its own cotton, this cannot be said to be anything but a normal advantage.

Already the drop in the prices of American cotton has been reflected in the sharp cuts announced on 1st August by the Yarn Spinners' Association. The subsequent reduction in prices of Lancashire cloth will greatly help to improve her competitive power both in the home and in the export markets.

Again, the number of workers employed for a unit of production is in the ratio of 1 in Lancashire to 3.5 in India. According to the latest available data (Ministry of Labour *Gazette*, September 1955), the average weekly wage of a Lancashire operative is £7/6 or Rs. 410 per month of 26 working days. The earnings of a Bombay mill worker are Rs. 119 for the same period, so that, in order to achieve an equivalent output, the Bombay mills are required to pay Rs. 416, as against Rs. 410 by the U.K. industry. In addition, they have to pay an annual bonus, ranging from 15 days' to three months' basic wage—a burden from which Lancashire is free.

The Indian mill industry is not, therefore, a low-wage cost industry. Its real advantage over its British counterpart consists in the greater use that is being made of its productive equipment. Nearly all cotton mills in India work two or more shifts, despite the fact that the plant and machinery of many of them are old and worn out. By such intensive working, they are in a position to reduce their overhead and depreciation charges.

But in Lancashire a large number of mills work only one shift which inevitably deprives them of the benefit of economic production. The statistics, issued by the International Federation of Cotton and Allied Textile Industries, regarding the average hours worked per spindle in the United Kingdom and in other textile producing countries provide an illuminating study in contrast. In the twelve months ended 31st July 1955, the number of spindle-hours worked was:

U.S.A.	5,498.58
Germany	3,497.37
Japan	4,375.68
India	5,494.80
U.K.	1,676.56

The following comparative statistics regarding the number of idle looms and weekly average hours worked as on 31st January 1955 bring out equally vividly the extent to which Lancashire has been making inadequate use of its equipment:

	Idle Looms.	*Weekly average hours worked.*
U.S.A.	17,588	112.03
Germany	15,169	56.69
Japan	12,195	78.49
India	15,331	91.54
U.K.	66,005	37.57

Turning now to modernisation of plant and machinery, although in recent years Lancashire has taken big steps forward in that direction, it has still a good deal of leeway to make up. The Cotton Board's recent pamphlet, entitled *The Cotton Industry and the Consequences of Unlimited Imports*, shows that as much as 47 per cent. of the total spindleage in Lancashire still consists of mules. Meanwhile, the textile industries of the United States, Japan and Europe have forged ahead by adopting modern machinery and methods on a large-scale.

Rearguard Action

This point has been well brought out by Mr. R. V. Stevens in *The Director* for May 1956. He points out that Lancashire has been fighting a rearguard action even against the so-called high-cost industries of Germany, Belgium and Holland. To quote the author: "Even in markets from which low-cost competition is almost absent, the industry is being outstripped." This, he says, is the sorriest part of the story.

To give one more example, in an instructive report prepared after his recent visit to the United States, a senior technician of an important Indian mill points out that, although the American mills pay astoundingly high wages to their operatives, they are in a position to economise on their production costs by making the fullest use of modern techniques. A mill in South Carolina visited by him has 72,768 spindles and 1,900 looms, but it employs only 826 operatives for all the three shifts worked. With the aid of efficient machinery and with a minimum labour force, this unit is able to keep its costs to the absolute minimum.

I have cited these examples, not to sit in judgment on the state of the British cotton industry, but to show that imports of Indian cloth into the United Kingdom have by no means been solely responsible for the difficulties experienced by Lancashire. It is, moreover, wrong to say that the plight of Lancashire is desperate—a statement which is not borne out by last year's company results. According to an independent analysis, the average profit of 60 spinning mills in 1955 was £27,745 per company, as compared with an average of £31,226 for 67 companies in 1954 and £27,546 for 79 firms in 1953. Cloth manufacturers announced equally good results in 1955. The profits of 27 weaving concerns showed an average of £42,285 per company, as compared with £40,920 in 1954.

Indian Exports Falling

An explanation of recent developments in India will perhaps help to allay the apprehensions of Lancashire. During the last five years, the Indian cotton mills were virtually prevented from expanding their weaving capacity as part of the Government's policy of encouraging the handloom weaver. Meanwhile, under the impact of the first Five-year Plan, there has been a steady increase in the domestic consumption of cloth. With mill production showing no appreciable increase, the pressure of demand in the home market on available supplies has been so effective that India's export trade in cloth has suffered a setback. The fall in exports is most noticeable in the current year. Since cotton piecegoods are among the major earners of foreign exchange, of which this country is in great need for financing its development schemes, the Government of India has felt constrained to review its textile policy. Last June, it was decided to permit the mills to acquire 14,600 automatic looms in order to produce 350 million yards of cloth for export. Perhaps, several years must elapse before the industry is in a position to take full advantage of the concession. In these circumstances, Lancashire's assumption that India enjoys a formidable competitive advantage over it has no foundation in fact.

Need for Broader View

Before I conclude, I would like to make an earnest appeal to Lancashire to take a broader view of Indo-British trade relations. Cloth is just one of the numerous items that figure in the business dealings of the two countries. In the five months from January to May 1956, imports of British goods into India were of the value of £71 million, while Indian exports to that country amounted to £63 million.

India's second Five-year Plan lays great emphasis on the development of basic industries and for this purpose it will be necessary to import machinery and equipment averaging £200 million a year. Both on account of its intimate and long-standing relations with this country and the high quality of its engineering products, Britain can confidently look forward to securing a fair share of India's orders for capital goods. Already a consortium of British steel firms has agreed to build a large steel plant in this country at a cost of £80 million. The mutual interests of the two countries should, I suggest, be viewed from this wider perspective.

In view of the large amounts of foreign exchange required for the second Five-year Plan, the import programme will have to be scrutinised very carefully. India will not be able to afford any appreciable increase in the import of consumer goods such as textiles.

During the recent visit of the Indian Prime Minister to London, Sir Anthony Eden is reported to have suggested that talks should be held between the textile interests of the two countries. As their relationship has always been most cordial, discussions on this question and on many other problems of mutual interest are bound to be most useful.

EXPORT CREDIT GUARANTEE

The report of the Export Credit Guarantee Committee, as is now well-known, envisages the setting up of an Export Credit Corporation and the assumption by that body of 80 per cent. of commercial risks and 85 per cent. of political risks, the balance in each case being borne by the insured. The Corporation will not cover exchange fluctuation and devaluation risks, and, during the pre-shipment period, ban or restrictions on the import of raw material or semi-manufactured goods which may be necessary to manufacture the goods to be exported, imposition of a new export duty or changes in export duties, non-availability of railway transport, shipping space or berthing space for steamers and strikes. Again, the scheme is only intended to be voluntary and no compulsion is envisaged.

Commenting on the above proposals, the Federation of Indian Chambers of Commerce, in a communication addressed to the Ministry of Commerce and Industry, suggests that the risks arising out of non-availability of transport or enhancement of export duties subsequent to entering into a contract should be covered by the proposed scheme. It also feels that the percentage of cover in guarantees against risk, recommended by the Committee, is rather rigid. It suggests, instead, a slab system of risk coverage. It would like the Corporation to assume variable proportions of risks at the option of the exporter. The suggested slabs are 25 per cent., 50 per cent. or 75 per cent. of invoice value, the premium depending upon the extent of the cover demanded. On the question whether the scheme should be optional or compulsory, the Federation points out that an element of compulsion may be necessary, in order that the Corporation may stabilise itself and become self-supporting in as short a time as possible. Referring to the exclusion of imposition or increase in export duties and non-availability of transport from the risks proposed to be covered by the Corporation, the Federation observes that, during certain periods, many export interests feel that these are the only two risks worth covering, inasmuch as shortages in transport have become frequent and export duties an established and variable device of the tax system.

FIRST ALL-INDIA CONFERENCE OF "GUR-KHANDSARI" PRODUCERS

MECHANISATION OF MANUFACTURE IMPERATIVE

WHEN the representatives of the *gur-khandsari* industry revealed some days ago their intention to convene for the first time an all-India Conference, one thought that their object was to bring pressure on the authorities to accord greater importance to this industry at the cost of the white sugar sector. This expectation has, however, happily not proved correct. It is gratifying to find that the Conference, held at Lucknow last week, generally took a realistic view of the problems confronting the industry, although there were one or two speakers who put forward a fantastic suggestion for levying a cess on white sugar to finance the development of *gur-khandsari* industry. The credit for this must be given to Mr. V. L. Mehta, Chairman of the All-India Khadi and Village Industries Board, who presided over the Conference. In the course of his address, Mr. Mehta emphasised that the *gur-khandsari* sector worked as complementary to the white sugar sector.

There is considerable force in the statement. The second Five-year Plan envisages that, along with the increase in the output of white sugar, the production of *gur-khandsari* also will rise and that the latter will continue to be the most important means of cane disposal. In the Plan, the target of sugarcane production is fixed at 77 million tons. Of this quantity, the factories will consume only 25 million tons. while 39 million tons will be utilised by the cottage sector for producing 4 million tons of *gur* and *rab*. It means an increase of 1.2 million tons over the present production of 2.8 million tons. The total production of 4 million tons of *gur-khandsari* is expected to be quite sufficient to meet the domestic requirements fully and even make available some quantity for export.

None-too-Happy

It will be evident from the above account that the *gur-khandsari* industry plays a vital role in the country's economy. As it is, the industry consumes as much as 58 per cent. of the sugarcane grown. It provides direct employment to about 2.1 million persons on a seasonal basis and to 70,000 on a whole-time basis in the rural parts. The aggregate value of production is estimated at Rs. 100 crores, if not more. Despite such importance, the conditions actually obtaining in the industry at present are none-too-happy. As Mr. Mehta said, the methods of manufacture are crude and wasteful; in all areas, the industry is unorganised; modern facilities for stocking and transport are non-existent; and marketing is in the hands of middlemen. In view of these defects, the All-India Khadi and Village Industries Board has done well to lay stress on improvement in the quality of *gur-khandsari* and reduction in costs. The development programme drawn up by the Board thus aims at:

Augmenting output by 20 per cent. through the introduction of improved types of *kolhus* giving extraction of 65 to 70 per cent., as against 55 per cent. generally obtained on the *kolhus* now in use in most parts of the country; this is estimated to result in an additional income of Rs. 18 crores per annum to the cane-grower.

Improving the quality by the use of juice clarificants, better types of pans and furnaces; even a *premium* of Rs. 2 per maund for quality is expected to add another Rs. 18 crores a year to the income of the cane-grower.

Raising the general level of the price for *gur*, the methods adopted being regulation of supplies, avoidance of a glut of *gur* in markets by providing facilities for storing *gur*, linking prices of *gur* to those of white sugar, and export to foreign countries; the additional income arising from this is put at Rs. 18 crores.

The development programme for the *gur-khandsari* industry must be examined in the light of the Karve Committee's findings. The Committee has frankly admitted that it is difficult to foresee any large shift in demand in favour of either *gur* or *khandsari* and that the *gur-khandsari* industry offers relatively small and unimportant opportunities of additional employment. It, therefore, lays greater stress on the need for improving the quality of the product and reducing costs through technical improvement of the process of manufacture. Mr. Mehta did well to draw the attention of the Conference to this aspect. He observed: "An urgent need of the industry is to chalk out a detailed programme for research and investigation to improve the technique of manufacture at various stages—crushing, boiling, juice clarification, crystallisation and centrifuging. Valuable work has already been done by the Council of Agricultural Research, the Departments of Agriculture of various States, the Indian Institute of Sugar Technology, Kanpur, and other institutions. But there is need for further work in all directions. The problems facing the industry should be sorted and assigned to different institutions—departmental and private—and to universities. All of them should thus help the Board in improving the technique and making its programme of development better more effective and beneficial both to the producer and to the consumer."

As readers are aware, the waste involved in the production of *gur-khandsari* is very large. Thus, when cane is crushed for making *gur-khandsari* in cottage units, the sugar recovered is considerably less, being 6 per cent., as against the recovery of 10 per cent. obtained when it is crushed in factories for making white sugar. The loss of sugar is of the order of 40 per cent. There is, therefore, no exaggeration in the statement of Mr. C. B. Gupta, U.P.'s Minister for Industries, Planning and Civil Supplies, that the *gur-khandsari* industry practises wasteful methods, leading to colossal waste. There was, he said, vast room for improvement; "as the industry is worked intensively and extensively at disintegrated scale, any improvement, however small it may be, will mean a considerable addition to the income of cane-growers."

The Main Objective

If the *gur-khandsari* sector of the sugar industry is to be made more economic, it is imperative that manufacture must be mechanised through introduction of power-driven crushers. This, indeed, should be the main objective of the planners. Equally imperative are the need for adopting measures designed to (1) improve pans and other equipment on the technical side; (2) improve the keeping quality of *gur*, cleanliness in the places of production, proper storage and packing; and (3) standardise quality on the marketing side. The initiative for taking such tangible steps must come from the industry itself. All that the Governments—Central and State—can do is to render financial assistance and tender technical advice.

At the end of its three-day session, the All-India *Gur-Khandsari* Conference passed an important resolution urging the State Governments either to exempt the product from payment of sales tax or to grant such relief as is possible. The Conference further wanted the Central and State Warehousing Corporations to give preference to *gur-khandsari* co-operative organisations while considering proposals for financial and other assistance towards construction and management of godowns at prominent centres. It was emphasised, in this connection, that the godowns constructed for the storage of other commodities cannot be utilised for stocking *gur-khandsari* products. The Conference also put forward three other suggestions. First, adequate wagon facilities must be given for the transport of *gur-khandsari* and the possibilities of providing insulated wagons must be explored. Secondly, the Village Industries Board should examine the possibilities of *gur* exports to foreign countries through the Indian trade commissioners. Thirdly, the Central Government should collect statistics relating to *gur* industry with regard to production, recovery and employment.

SUGARCANE DEVELOPMENT

Two important decisions pertaining to sugarcane development during 1956-57 were taken by the agricultural officers of the Central and State Governments at their conference held in New Delhi recently. First, the target of the total area that is to be covered by the scheme for intensive manuring of sugarcane crop is fixed at 1.5 million acres. In the previous two seasons—1955-56 and 1954-55—only 806,000 acres and 179,000 acres had been covered. Secondly, efforts should be made to step up cane yields by the adoption of better methods of cultivation and guarding against cane pests, diseases, etc. The officers also discussed issues relating to the district-wise State targets for cane development, means of achieving them, allotment of and transport facilities for various fertilisers, utilisation of loans granted by the Union Government under the Sugar Development Schemes, and application of suitable fertiliser mixture to the crop for augmenting the per-acre yields.

COAL TRIBUNAL'S AWARD

IMPLEMENTATION NOT SMOOTH

ALTHOUGH more than three months have elapsed since the All-India Industrial Tribunal (Colliery Disputes) gave its award—the announcement was made on 26th May 1956—it would appear that the award has still not been implemented in right earnest. Thus, replying to a question by Mr. R. K. Malaviya in the Rajya Sabha the other day, Mr. Abid Ali, Union Deputy Minister for Labour, revealed that some strike notices had been received from coal workers over the alleged non-implementation or wrong implementation of the award. In this connection, Mr. Abid Ali alluded to a number of complaints received from workers. These relate to (1) increase in work-load, the monthly workers being placed on weekly pay-rolls; (2) change of designation of workers, with a view to placing them in lower categories; (3) discontinuance of some existing facilities such as light allowance, supply of kerosene oil and screening allowances; (4) non-payment of underground allowance and arrears for the period from 26th May-25th June, 1956, and (5) improper deduction of house rent, piece-rated women workers being paid less than men workers.

It is rather difficult to say how far and to what extent these complaints are true. If they are true, it perhaps indicates that the burden imposed by the award on the collieries is so heavy that the collieries have not been able to meet the demands of workers fully. Nevertheless, the fact remains that the implementation of the award cannot be avoided in the interest of industrial peace. It is gratifying to be told that the Employers' Organisation has agreed to implement the award and has advised its members accordingly. The industrial relations machinery has been holding discussions with employers and workmen, with a view to facilitating early implementation of the award by all the collieries. If necessary, tripartite meetings will also be held.

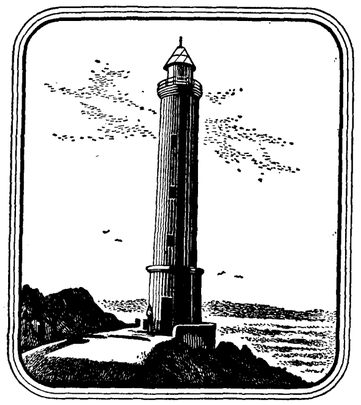
Commendable Gesture

Mr. R. K. Malaviya asked the Labour Minister whether it was not a fact that, due to wrong implementation of the award, monthly-rated staff and most of the engineering and skilled workers had been affected, and that they had refused to accept payment. To this question, Mr. Abid Ali stated that the complaints had been referred to the Conciliation Officers and the Regional Labour Commissioners. Mr. Abid Ali also disclosed that the colliery owners had agreed to extend the benefits of the award to the workers in coke-oven plants also. Although this question is not covered by the award, the gesture of colliery owners, is, indeed, commendable. Mr. Abid Ali offered the Government's good offices to see that other workers also benefited, if cases of workers not covered by the award were brought to the notice of the Government.

The colliery workers are somewhat dissatisfied with the Provident Fund facilities accorded to them under a separate scheme. Drawing attention to this aspect, a communist member from Andhra said in Lok Sabha that service in the case of coal workers was counted only from the date they became members of their Provident Fund scheme, while it was counted, in the case of workers coming under the Employees' Provident Fund Scheme, from the date of joining work. The member, therefore, urged for the adoption of more social security schemes for colliery workers. The aforesaid criticism was completely disputed by Mr. Abid Ali who said: "Only those who have put in one year's service can join the Employees' Provident Fund Scheme, while, in the case of colliery workers, they are entitled to join the scheme if they have put in 54 days of service. There is also a board of trustees with regard to the Provident Fund for coal workers. Whatever suggestions the trustees make unanimously, the Government will be prepared to accept." The Minister further said that no representation was given to the All-India Trade Union Congress on the board of trustees, as it failed to supply information about the membership of their unions, in spite of repeated reminders. He claimed that the colliery workers were satisfied with what the Government was doing for them.

The proposal to have a uniform price for coal all over the country is under the examination of the Government of India. The principle has already been accepted in the case of iron and steel, cement and fertilisers. The proposal for a uniform coal price is being examined consequent on the recommendations made by the Railway Equipment Committee and the Estimates Committee.

AGA



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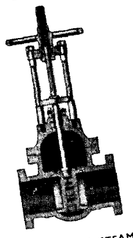

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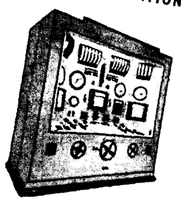

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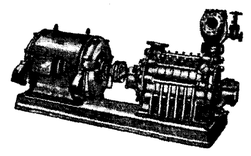

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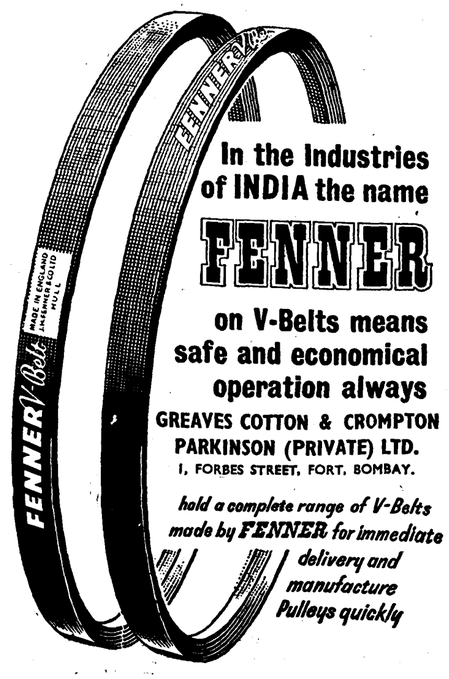

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MARKETING OF INDIAN COFFEE

PROBLEMS TO BE FACED BY THE BOARD

THE season 1955-56 is an eventful one for Indian coffee industry in that production during the season was a record one at 33.500 tons. This is very largely the result of the utmost care and attention paid during the past several years and the improved strains of coffee established in the industry. There has no doubt been an increase in the area under coffee since 1946 and, according to the latest figures, the area under this plantation has exceeded 252,000 acres. With the increase in output of coffee and the prospects of further rise in production in the coming years, the problem which is agitating most of the planters is that relating to the marketing of the excess production. It is to this problem that Mr. M. M. Varghese, Chairman of the Planting Committee, referred at length in his address to the annual conference of U.P.A.S.I. last week.

The industry has normally been used to handling 18.000 to 22,000 tons of coffee and the present output of over 33,000 tons has proved to be more than the channels of movement, all the way from the estates to the market, can bear. Mr. Varghese, therefore, did well in drawing the attention of the planners to this problem of transport and in asking them to deal with it adequately. There were quite a few other problems also to which Mr. Varghese referred in his speech. With a larger output, he said, the producers have to be paid a larger sum of money, because a part of the increase is also shared by the small producers who are usually paid in advance on the delivery of their crops. The transport and the curing works have to handle and store a much bigger crop than they have been accustomed to and the Board has to market a larger quantity of coffee. These in their turn create a series of new problems.

Irrespective of its size—even if it doubles itself—the entire crop comes to the pool only within the course of four or five months. Thus, in December 1955, the new season's crop started coming in and the subsequent arrivals were so large that the stock built up in the subsequent period were unusually high. It is quite possible, as Mr. Varghese pointed out, that crops may be even higher in future and it is, therefore, of utmost importance that the marketing policy of the Coffee Board should take care of its disposals sufficiently early in time, so that an undue accumulation of stocks does not take place, thereby creating, perhaps, some deterioration even in quality, which, were it to happen, would badly damage the high reputation which Indian coffee enjoys.

Surplus Coffee

Internal consumption of coffee has no doubt been going up and is expected to exceed 23,000 tons during the current season. Even if this estimate were realised, it would still leave a substantial surplus to be carried over to the new season or to be disposed of during the rest of the season. The problem is thus one of disposing of the surplus coffee. Even if this question is answered to the satisfaction of the planters, there is still one more, namely, that relating to the export policy. It is being asked whether the Board should not decide on its export allocations in the first two months of the new year, so that the bulk or a substantial part of the surplus, is disposed of before the rains. As it is, the Board has made a preliminary estimate of 34,000 tons in June and, assuming that it is not an underestimate of the same magnitude as last year's, planters feel that they will have about 10,000 tons in excess of the probable requirements within the country.

Viewed against this background, the report that the Coffee Board is actively considering ways and means of not only promoting the internal market to take care of at least a part of the increasing crop but also to find an export market is gratifying. It shows that the Coffee Board is seized of the problem.

A survey of the world coffee market at the present time shows that, contrary to earlier expectations, world price of coffee has been rising. One cause for this increase in world price is said to be the adverse weather conditions in the Latin American countries and the consequent reduction in world supplies. But, for the adverse weather in Latin America, the world coffee market would have made a plunge; it is still feared in some quarters that it may do so in any of the coming years. It is in order to meet this threat that South American producers propose to organise a world coffee council to regulate supplies to consuming centres. Producers in Africa have already agreed to join the council.

Expanding Output

So far as India is concerned, it is in a fortunate position both to expand its production and to absorb the increased output, thanks to its large population and the high quality of its coffee. A survey is being conducted by a special officer to determine suitable areas for coffee expansion. He has also been deputed to the Andamans to explore the possibilities of planting coffee in those Islands. The Coffee Board has drawn up three five-year plans for the development of coffee. When the plans were drawn up, the estimated average production was taken as 26,000 tons, made up of 18,000 tons *arabica* and 8,000 tons *robusta*. Basing itself on this figure, the Board fixed the following targets for coffee production for the three five-year period ending 1970:

Expected Increase

(Tons)

	Arabica	Robusta	Total	Arabica	Robusta	Total
At the end of 1st five-year period—1960 ..	21,900	13,790	35,690	3,900	5,790	9,690
At the end of 2nd five-year period—1965 ..	27,700	19,520	47,220	9,700	11,520	21,220
At the end of 3rd five-year period—1970 ..	37,700	21,520	59,220	19,700	13,520	33,220

Thus, the plan envisages an increase of 9,690 tons, 21,220 tons and 33,220 tons, respectively, at the end of each of the five-year periods as shown above.

Under the programme of monetary aid, it is estimated that, during the first five years ending 1960, 44,800 acres (*arabica* 31,000 and *robusta* 13,800) will come under intensive cultivation and the area to be brought under new cultivation will be 16,700 acres (*arabica* 14,000 and *robusta* 2,700). In addition, it is expected that during this period, by voluntary effort a further 95,000 acres of coffee will come under intensive cultivation and about 7,000 acres more will be planted with new coffee. So, during the five-year period under reference, the sum total of the area expected to be brought under intensive cultivation is 139,800 acres and under new coffee 23,700 acres. The loan aid for extension of acreage by opening new areas is for the present limited to existing coffee growers only.

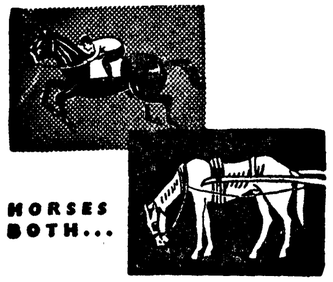
COCONUT CULTIVATION IN INDIA

The area under coconut cultivation in India has increased by 8 per cent. between 1948-49 and 1954-55, that is, from 1.461.000 acres to 1.577.000 acres. During the same period, the increase in production is 22 per cent. that is, from 3 148 million nuts to 3,855 million nuts. Thus, both the acreage and the yield per acre have recorded an increase. Under the second Five-year Plan Rs. 92 lakhs have been allotted to coconut cultivation, of which Rs. 40 lakhs are for research schemes and Rs. 52 lakhs for developmental expenditure. The results of research schemes will reach the cultivators through the Community Projects and National Extension Service Schemes which between themselves will cover the whole country by the end of the second Five-year Plan.

These facts about the Indian Coconut were disclosed by Mr. Ajit Prasad Jain, Minister for Agriculture, in his reply to the debate in the Raja Sabha on the Indian Coconut Committee (Amendment) Bill on the 1st inst. The Bill, which seeks mainly to effect changes in the structure of the Committee and enlarge its membership, was passed after an hour's debate as passed by the Lok Sabha earlier. Some of the members availed themselves of the opportunity to impress upon the Minister to ensure to the cultivators adequate return on the cultivation of coconuts. Some others drew the Minister's attention to the affliction of trees in Travancore-Cochin by the leaf and root disease. They wanted that the results of the Committee's research should be carried to the cultivators.

Mr. Jain, in his reply, said that control of pests and diseases by means of spraying on a no-profit-no-loss basis had been undertaken since October 1949. A scheme had also been submitted by the T.-C. State Government for spraying at a cost of about Rs. 25 lakhs and this was under the consideration of the Central Government. Mr. Jain said that he was aware that the cultivator must get ade-

(*Continued on page 470*)



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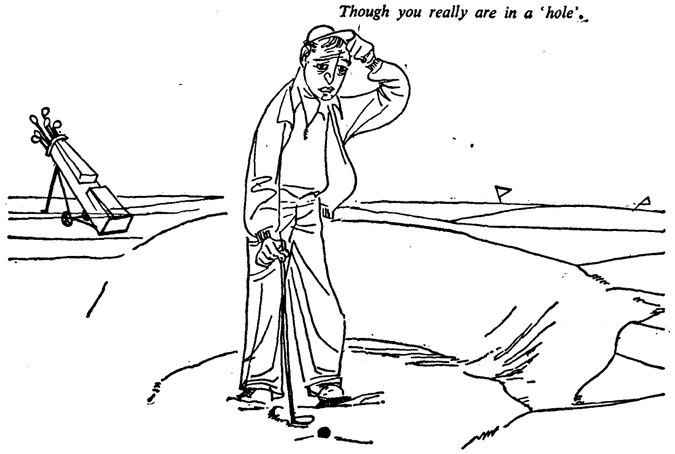

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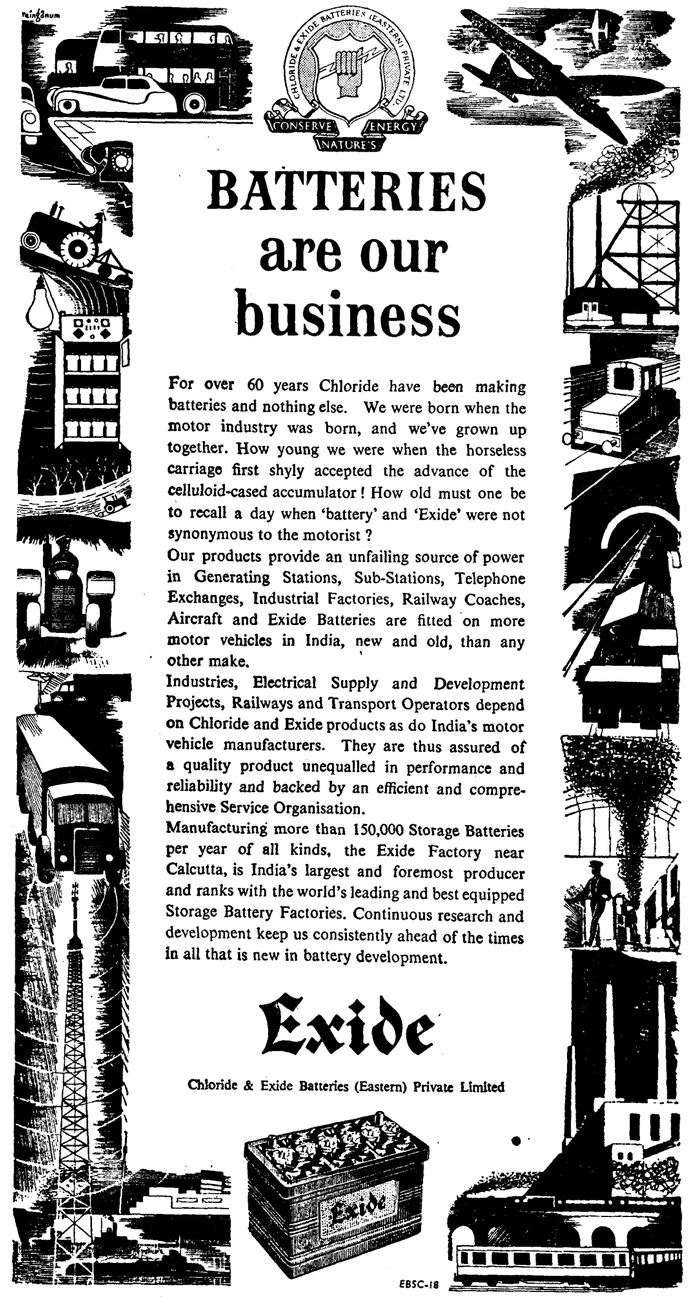

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PROGRESS OF INDIAN SHIPPING

AMPLE SCOPE FOR DEVELOPMENT IN PRIVATE SECTOR

AS in many other fields of economic activity in India so in the sphere of shipping, the principle of mixed economy has been adopted, both public and the private sectors being jointly responsible for the development of the shipping services. But this feature continues to cause misgivings in the public mind, especially in the minds of the existing as well as potential investors, for it is feared that the public sector may grow not only in relation to the private sector but even at the expense of the latter. These fears have increased ever since the Planning Commission declared that the Government should participate in the equity capital of concerns rather give them money as loans. Since the Indian shipping industry, like its counterpart in all parts of the world, continues to receive State aid in the form of loans, the Planning Commission's observations have been generally interpreted to mean that the Government must not only expand shipping on its own but also become a partner in the private shipping concerns. This is not a climate in which private investor can enthusiastically risk his savings in an industry in which the return even otherwise is very low. In this context, it is reassuring to note that the Union Railway and Transport Minister, Mr. Lal Bahadur Shastri, affirmed, in the course of his speech at the annual meeting of the Indian National Steamship Owners' Association, held last week at Bombay, that the private sector had "ample scope" to expand and develop within the high target of two million tons set by the Shipping Policy Committee.

Challenge

While Mr. Shastri's statement was thus reassuring to a degree, it must be noted that he also warned that the Government could not be expected to remain inactive if the response from the private sector to the call for expansion was not encouraging. In that case, the Government, he said, would have to make a "combined and determined effort to build up our shipping industry so as to attain more than one million tons gross during the second Plan itself, besides, of course, the addition to it of tanker tonnage." He added:

"Any fine distinction between the public and private sectors, in so far as the development of shipping is concerned, does not appeal to me. The basic problem is increase in the tonnage and both the sectors, public and private, have to achieve that objective. This, as you are all aware, is in full consonance with the Government's Industrial Policy Resolution. The Government has to step in, because the problem does not brook any further delay and time is of the essence of the matter."

We would urge the private sector to take this friendly challenge in the right spirit and show that it is capable of expanding the mercantile marine. At the same time, the Government should recognise that the record of private enterprise in the sphere of shipping, as that great master of shipping problems, Mr. M. A. Master, pointed out in the course of an article in *Commerce*, dated 25th August 1956, is not inconsiderable. Indeed, given the necessary incentive and the kind of assistance which the industry in other countries has received from their Governments, there is no doubt that the private sector in Indian Shipping too will be able to show an even more brilliant record than it has been able to establish so far or the public sector, which has two shipping corporations now, is capable of. From this point of view, it is noteworthy that Mr. Shastri has himself recognised that the Indian shipping industry has had to contend against certain special difficulties. For, he said: "I am aware of the special problems which confront the shipping companies in regard to acquisition of additional tonnage. Prices have rocketted sky-high and naturally, the Indian shipowners expect the Government to afford financial assistance on more liberalised terms than at present."

Terms for Loans

The Minister also recognised that the shipowners have an "arguable case" for liberalisation of terms for loans to be given under the second Plan period. He revealed that this question was now engaging the serious attention of the Government. Further, he averred that he could "categorically assure private shipping companies that adequate loan money would be at their disposal for acquisition of tonnage." Indeed, he was not "much worried" over the allotment made to the Transport Ministry for shipping, as he believed in "doing the work first and then asking for more funds." He declared: "If we are able to show results in the next two years, I have no doubt that more funds would be forthcoming. I personally believe in less criticism and more of work in every direction." Again, he said he would "state clearly" that it is not the Government's intention that "shipping in the public sector should run in competition on routes on which existing private shipping companies have established themselves." There is no doubt that these are very reassuring words. It is to be hoped that the Government will at all times be willing to implement these assurances and that the private sector, on its part, will prove itself worthy, as in the past, of the Government's confidence in its ability and the help given by the Exchequer.

Missed The Bus?

Mr. Shastri then referred to the progress of Indian shipping. At the beginning of the first Plan, India had 390,707 G.R.T., while the Plan aimed at a target of 600,000 tons. By the end of March 1956, India's actual tonnage stood at 480,000 G.R.T. while a further 120.000 tons gross are expected to be added to it before the middle of next year. The second Plan aims at an addition of 300,000 tons gross (besides the provision for the obsolescence of 90,000 tons gross) so as to reach the target of 900,000 tons gross. Mr. Shastri emphasised that it was most important that steps should be taken to acquire additional tonnage so as to achieve the target. This, he said, was all the more important in the context of India's expanding overseas trade and the difficulties that are now being experienced in finding adequate shipping space for the large orders of such goods as machinery, equipment and iron and steel that are being placed in foreign countries both on Government and private account. He, therefore, stressed that the acquisition of tonnage should be "accelerated." Although the Government, as well as the private shipowners, thus realise the importance of augmenting India's tonnage, the facts of the international shipping situation do not permit rapid acquisition of new tonnage. As Mr. Vasant J. Sheth pointed out:

"The international boom is there, but having no shipping strength we are unable to take advantage of it. Nay, the boom is a source of weakness for us, because it has brought about a great rise in tonnage prices and we are unable to add tonnage at a fast pace. The shipbuilding berths practically all the world over have been booked for our second Five-year Plan period and we cannot purchase second-hand ships except at very prohibitive prices. It is an unfortunate coincidence that development plans for the second Five-year Plan and the generous offer of assistance by the Government perhaps on a more favourable basis have come at a time when there is great scramble for tonnage all the world over. I am afraid, it looks as if we have missed the bus, unless we are fortunate enough to receive the assistance of foreign Governments in the acquisition of tonnage."

A somewhat disturbing aspect of the development of Indian shipping is that the progress on the "coastal" front is really not as rapid as one would wish. Mr. A. Ramaswami Mudaliar, Chairman of the Association, made a pointed reference to this aspect of the problem. He pointed out that it was significant that the "tonnage expected to be added in the first Plan period in coastal shipping fell short by 63,000 tons but the tonnage expected by the overseas shipping went up by nearly 55,000 tons." This is something of a paradox for the coastal routes offer a sheltered market, whereas the overseas routes are open to international competition. Explaining this paradox, Mr. Mudaliar attributed the lack of progress on the coastal front to the fact that the general freight available for coastal shipping was gradually declining, while the costs of operation as well as of those of new or second-hand ships had gone up. It is to be hoped that the Government, which controls the freight rates, will take a realistic view of the problem. Mr. Shastri, on his part, expressed the hope that it would be possible for the Government to come to a definite conclusion as soon as the Rail-Sea Co-ordination Committee, now engaged in the task of studying the problem, submitted its report.

As regards overseas shipping, Mr. Mudaliar admitted that the Government's favourable loan policy had been a turning point in its development. But overseas shipping had its special difficulties which arise from the fact that it meets competition on an international plane. In this connection, he made a special appeal to Indian shippers. He said: "While I acknowledge with gratitude the patriotism of many of the Indian shippers, I must, however, confess that we are still to make much leeway in this direction, especially in relation to the patriotism of foreign shippers which is exploited for the benefit of their national shipping." This appeal should evoke, as it deserves to get, a sympathetic response from all exporters, Indian and foreign alike.

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NAGARJUNA SAGAR DAM

The Nagarjuna Sagar Control Board, at its meeting held at Kurnool last week, decided that the Dam should be built of rubble masonry and that 1:4 of cement mortar could be used for its construction in parts where the principal compression did not exceed 15 tons per square foot; on the upstream face of the Dam, a higher mixture 1:3 with Pozzolana would be desirable, even though the stress were below 15 tons. This decision was taken after an examination of the report of a Committee which had been set up to investigate whether the Dam should be of the masonry type or of the concrete type. The chief reasons which, according to the Chairman of the Central Water and Power Commission, Mr. Kunwar Sain, who attended the meeting of the Control Board, prompted the Committee to recommend masonry type of construction are: the saving in overall cost to the tune of Rs. 4 to Rs. 5 crores, the saving in consumption of cement, a scarce commodity, less equipment requiring the expenditure of foreign exchange and increased employment opportunities for considerable manual labour available in the vicinity of the Dam. It would further appear that the Committee has stressed that, by mechanising the means of supplying stone and mortar to the project site, it should be possible to complete the construction of the Dam in ten years, as against the probable period of eight to nine years if the Dam were constructed in concrete.

NEW G.E.C. AUTOMATIC ANNOUNCER

A novel automatic announcing system which can reproduce, at the touch of a button, any one of 25 pre-recorded announcements or signals, which can then be relayed over a loudspeaker system, has been developed by the General Electric Co., Ltd., represented in India by the General Electric Co. of India Private Ltd. In this system, the messages are recorded side by side on a special loop of 3 in. wide magnetic tape, and the appropriate one selected by push-button when required. To make the system fully automatic, particular announcements such as shift changes, meal breaks or other messages can be triggered off by a master clock mechanism without the need for any human attendance. Also, of course, the push-button can be mounted remotely from the instrument so that the announcements, emergency calls such as fire alarms, or whatever broadcast is desired can be initiated from other parts of the premises.

The automatic announcer, it is stated, was originally developed by the G.E.C. for British Railways (Eastern Region) and first installed at Stratford Station. In this installation the platform announcements for passengers are automatically initiated by the trains themselves, first as they approach the station and then again as they come to a standstill at the platform. Equipment of this type has now been adapted for general industrial use and may be applied in any situation where numbers of routine broadcasts have to be repeated fairly frequently.

The paper-backed magnetic tape used is made in the form of a continuous loop 3½ in. wide, which normally lasts 30 seconds. Special loops can be supplied, however, having any duration between 10 seconds and about 4 minutes. A short length of metallic foil is spliced in at the point where the two ends of the loop join. At the end of the announcement the foil completes the circuit between two contact fingers, automatically switching off the mechanism and preparing it for the next announcement.

NEW PRODUCTS AND PROCESSES

Lightweight Engine

AMERICAN Motors Corporation has developed a V-4 engine that is said to result in great savings in space and weight in motor power plants. It can be produced in units of two, four, six and eight cylinders, either V-type or horizontally opposed, according to the company. Lightness is increased by extensive use of aluminium. The new V-4 occupies only about half the space of a conventional car engine. In U.S. terms the horse-power is 62. The displacement is 108 cubic inches, and the compression ratio 7.5 to 1. The engine is air-cooled. American Motors expects to find a market for its new engine in small passenger or commercial vehicles, in airborne military vehicles, and as power for stationary equipment, such as generators. The company reports that extensive military field tests have been carried out with it.

Telephone for the Deaf

A telephone which looks like a normal desk model has been devised for use by deaf persons. It is being made by Siemens Brothers and Co. (Siemens House, 3, Avon Trading Estate, Avonmore Road, West Kensington, London, W. 14). This development has been made possible by the use of a junction transistor, a small germanium crystal triode, which enables the large amplifier generally used in conjunction with the telephone instrument to be dispensed with. The miniature amplifier in the new instrument is powered by a small torch battery which is also contained within the telephone. No external wires are required and the only noticeable difference is a small volume control knob on the top of the instrument. This enables the level of speech at the receiver to be adjusted to the needs of the individual user.

A New Coal Mining Unit

A new coal mining unit of the "DU-1" type has just been tested in the Donets basin in the U.S.S.R. This type of machine consists of a narrow span combine, which extracts at high speed a strip of coal layer one metre long, of a self-propelled conveyor, hinged props and support for the caving in of the roof. The use of timber for propping is almost completely eliminated and many manual operations are abandoned altogether. It has been decided to manufacture 100 similar units for Donets basin mines. The design of the "DU-1" unit is one of the new items of work lately completed by the designers of the "Dongiprouglemash" institute. The "Donbass-7" combine, also designed at the institute, has been tested in the Kuznetsk basin. This combine is used for mining coal in medium depth strata 1.8 to 2.8 metres high.

Outside Lifts

A firm on the West Coast, known as Glass Elevator, Inc., of San Diego, California, is marketing lifts that operate on the outside instead of the inside of buildings. The claim is made that this results in substantial space saving indoors. The first installation has been made at the El Cortez Hotel, in San Diego. It cost about $100.000, and carries passengers up 15 storeys to two roof lounges. It has been in operation since last April. The lift is of the hydraulic-ram type. To create additional safety conditions, a "stabiliser" rides midway between the elevator car and the ground. The cab is of Plexiglass, so that passengers can enjoy the view in transit. Glass Elevator, Inc., is now prepared to make other installations. It expects to use the hydraulic-ram system up to 25 storeys high. Beyond that, lifts can be installed using exterior cables.

Electronic Brains

Giant electronic brains are "growing up." They no longer have to be spoon-fed their information but are being equipped with automatic devices with which to feed themselves, according to Dr. Nicholas Metropolis of the Los Alamos Scientific Laboratories in the United States. Many computers are now "fast, flexible and faithful" enough to process experimental evidence directly, thus relieving scientists of time-consuming routine chores, Dr. Metropolis said. Electronic brains are now important laboratory tools, he added. At the University of California, they are being used to calculate what happens when atoms are bombarded with electrified particles. At Los Alamos, a computor is making calculations in "eighteen-dimensional space" in an attempt to tell what happens when charged particles called pions hit the nuclei of hydrogen atoms. The aim of this research, Dr. Metropolis said, is not to produce a complicated set of numbers, but "to extract a simple idea" from such numbers which will tell scientists more about the structure of matter.

Using Low-grade Iron Ore

Recently perfected methods of mining and processing taconite, or low-grade iron-bearing rock, have created a new large-scale industry in the United States. The new method will make it possible to use an estimated 5,000,000,000 tons of taconite in the Lake Superior region. Until recently taconite, one of the hardest substances known to man, was too difficult to quarry. Now, a searing flame makes holes for blasting. After blasting, the rock is pulverized. The iron dust is separated and rolled into small pellets which are hardened by heating. The pellets have a 62 per cent. iron content, which is much higher than most natural ores.

Better Insecticides

Radioactive materials—peaceful products of atomic energy—are now being used in the United States to tag insecticides. The purpose is to develop new insecticides that will be more effective than those now in use. Some stubborn insects have resisted all the insecticides that are now available. By adding a tiny amount of a radioactive material to an insecticide, scientists can follow its course through an insect's body. This research yields clues as to how an insect can convert a poisonous

(Continued in third column)

ANNUAL MEETING OF SONE VALLEY PORTLAND CEMENT CO., LTD.

CHAIRMAN, MR. ANANDILALL PODDAR, OUTLINES EXPANSION PROGRAMME

PRESIDING over the Annual General Meeting of the Sone Valley Portland Cement Company Ltd., held at 36 Chowringhee, Calcutta, on 31st August 1956, Mr. Anandilall Poddar, M.L.A., Chairman of the Company, observed as follows:

"GENTLEMEN,

"It gives me great pleasure in extending to you a hearty welcome to this, the thirty-third Annual General Meeting of your Company. The Directors' Report and the Audited Balance Sheet and Profit and Loss Accounts of the Company for the year ended 31st December 1955, have been in your hands for some time. I seek your permission to take them as read.

"During the last few months, following the enforcement of the Companies Act, 1956, there has been some change in the administration of the Company. Messrs. Martin Burn Ltd., the Managing Agents during the year under review, tendered their resignation and, from the 1st August 1956, the active management has been taken over by your Board of Directors. Some of the earlier Directors who resigned or could not continue under the new Companies Act were replaced by new Directors and the change over was effected with the utmost co-operation of Messrs. Martin Burn Ltd., for which I want to place on record our sincere thanks and appreciation of their good offices. Your Directors will endeavour to maintain the progress and the high standard of management in conducting the affairs of the Company which was achieved by Messrs. Martin Burn Ltd., as the Managing Agents and on the excellent foundations laid. It will be their privilege to forge ahead with schemes for substantial renovation and considerable expansion.

Role of Cement

"You are aware of the plans for rapid industrialisation and large-scale development in the Indian economy during the Second and subsequent Five-Year periods. It is, perhaps, needless for me to state that, in the building up of the New India of our dreams, cement has to play a leading role and, in appreciation of its great importance, the target of cement production is being further raised for the Second Five-year Plan from 125 lakh tons to 200 lakh tons per year, realising the assured future of the industry and fully conscious of the part your Company has to perform in contributing to the economic advancement of our motherland and with your good wishes I hope I give you some satisfaction to know that your Directors have already set afoot measures to achieve that end.

"It is just a month we have been called upon to manage the affairs of the Company directly and, during the period, we have felt that, in order to ensure more economic working and reduce the costs which have been high due mainly to worn out machinery requiring constant repairs, the present machinery require thorough overhaul and renovation. Immediate steps have been taken accordingly. You are aware that the Company produced in 1953 210,878 tons of cement. This went down to 196,190 in 1954 and to 195,000 tons in 1955. The main reason for this setback was the wear and tear of the plant and machinery due to age. There is a limit to what a smart jockey can do to spurt on an aged and run-down horse. Your Directors have set themselves to renew and repair the existing machinery without delay and they hope to regain the earier efficiency in a few months, so that, by the time we meet again, we shall be able to report having exceeded the maximum of annual production achieved in the Company's years of prosperity.

Slag-Cement Works

"We are not going to rest on our oars at that and we are looking ahead with schemes for substantial expansion and development. Negotiations have been initiated for additions to the plant at Japla, with a view to raising the capacity by another 750 tons and the setting up of a suitable Slag-Cement Works in West Bengal near Durgapur, capable of utilising about 500 tons of slag from the Durgapur Steel Works and about 200 tons of clinkers or limestone from Japla, in co-operation with the Steel Project and the Government, is under active consideration. As soon as the necessary encouragement from the Government of West Bengal and the licence from the Government of India are secured, we propose to go ahead with our Slag-Cement project.

"The finances of your Company also need rehabilitation and, immediately after assumption of the management on the 1st of August last, your Directors have intimated to the Government of India their readiness to accept the addition of Rs. 4 per ton on our production by way of rehabilitation price, which, the previous management did not like to accept. We are expecting the official confirmation of this payment very shortly and just at present I am not in a position to give you the news. On the assumption of our estimated production of 2,00,000 tons a year, this addition to the retention price so far allowed will mean an additional revenue income of Rs. 8,00,000 a year.

"In addition to our efforts to increase our income and resources in various ways, your Directors have already approached the Industrial Finance Corporation for suitable assistance in putting our rehabilitation and expansion schemes into early action and we confidently hope that ample support both from Private and from Public Sectors will be forthcoming.

State Trading

"As has been mentioned in the Directors' Report, the distribution of cement in the Indian market has been taken over by the State Trading Corporation from the 1st of July last under circumstances explained therein. The Cement Industry of India cannot but view the encroachment into this field by a Government machinery with dismay and the dangers have been duly represented. We shall be prepared to extend our full co-operation to Government, however, and we hope the authorities will appreciate at least two things vital to us in this regard.

"You are aware of the high reputation acquired and always maintained by the product of your works in their 'Rohtas' Brand cement, which, in normal times, always fetched a higher price in the market and had never failed to attract customers. It is not understood how far your Company can be remunerated by the State Trading Corporation for manufacturing a high quality material and your Directors are thinking of making proper representation in that regard.

"Representations have already been made to the Government for a suitable revision of the retention price for cement ex-factory, as determined on the basis of the Tariff Commission in 1954, in view of the substantial increase in the items of costs, particularly for coal, wages and railway freight as also the threatened increase in the price of gypsum since the examination of the costing by the Commission two years ago. Should our representations succeed, and there is no reason why they should not be found reasonable, the future of cement industry generally and of your Company in particular will be doubly assured.

"Gentlemen, with your co-operation, we hope to be able to present you with a better account of ourselves next year and I thank you for the interest you have shown in coming over to this meeting this day.

"I also take this opportunity to convey the thanks of the Directors to all the staff and labour of the Sone Valley Portland Cement Company with whose co-operation and active service this Company has forged ahead of all such concerns in the country and on whom the future success will also largely depend. I thank you all."

(Concluded from first column)

substance into a harmless one. Scientists then may be able to develop poisonous insecticides that the insect will not be able to resist.

Paint for Asbestos-Cement Products

The painting of products made from asbestos-cement presents special difficulties. It must be correctly primed and, according to the Turners Asbestos Cement Company, Trafford Park, Manchester, 17, a chlorinated rubber-based paint should be used. This company has recently produced a special type of finish for asbestos-cement called Colourglaze finish. It is available in a range of 14 colours and when applied gives the appearance of a glazed surface. It is stated that due to its chemical composition the finish bonds to the asbestos-cement and does not readily fade or wear. It is at present being made available on rainwater goods, roofing products, soil pipes and bath panels.

LIFE INSURANCE CORPORATION INAUGURATED

THIRTY-THREE DIVISIONAL OFFICES SET UP

IN the history of Indian life insurance, 1st September 1956 will go down as an important landmark, in that it signifies the end of the era of free enterprise in the field and the birth of total State monopoly. It was on that day that the Government-owned Life Insurance Corporation was brought into formal existence, thereby completing the first stage of the process of nationalisation of life insurance which commenced on 19th January 1956 with the promulgation of the Life Insurance (Emergency Provisions) Ordinance. The day was marked by a country-wide advertisement campaign, acquainting the people with the birth of the Corporation with a singularly reassuring motto *Yogakshemam Vahamyaham*—"I bring security." Appropriately enough, the occasion of the inauguration of the Corporation was regarded as a solemn one, for it denotes the commencement of an experiment in nationalisation which is without a precedent or a parallel in any country in the world.

Nearly all the messages received on the occasion stressed the significance of the event of nationalisation of life insurance and the great responsibility that rests on the persons in charge of the Life Insurance Corporation. The President, Dr. Rajendra Prasad, in the course of the message, stated that the Corporation had set before itself "high and difficult" objectives. He added:

"Thus, while on the one hand it will encourage the habit of thrift among the people and help them to provide against the rainy day, it will, on the other hand, enhance the resources at the disposal of the Government for the economic development of the country. Its expansion will mean that life insurance has been carried to every corner of the country and that the savings of the people are being mobilised for nationalised activities. It is an experiment on a colossal scale in a new field and will demand and should be able to command the best that all employed in it can offer to make it successful."

The Corporation, the Union Vice-President, Dr. S. Radhakrishnan was happy to note, was being set up, in order to "consolidate the progress already made by the insurance business, to remove the weaknesses which have crept into it and to improve its character." Prime Minister Nehru said that life insurance had a fairly long history in India, and, in the course of these years, a number of great organisations were built up by private enterprise. And yet, it was true, he said, that, "compared to many other countries, progress made in India was not great." He added:

"At the beginning of this year, the Government of India took a significant step in declaring that life insurance would in future be a State concern. Since then, many steps have been taken to give effect to this declaration. Life insurance thus becomes one of the major State undertakings in India. It is an important step in our march towards a socialist society. Its objective will be to serve the individual as well as the State. The profit motive goes out of it and the service motive becomes much more dominant. I trust that this Corporation will serve an ever-increasing number of our people and will do this work in the true spirit of service."

"Business-like Manner"

In his message, the new Finance Minister of the Union Government, Mr. T. T. Krishnamachari, said it was of the utmost importance that the adventure should succeed not only because it was an attempt at enlarging the public sector, but also because of the benefits that insurance at reasonable rates with sufficient guarantee could afford to the common man in India. The Chief Minister of Bombay State, Mr. Morarji Desai, stressed that the establishment of the Life Insurance Corporation was a unique venture without a parallel and had immense possibilities. He hoped that the institution would be conducted in a "business-like manner." He added: "No doubt, this is a monopoly now, but it is a public monopoly and as such it will be answerable to the public for its deeds .... I have no doubt that the Corporation will know its great responsibility and discharge it efficiently in the interest of our nation."

The Corporation, now established, takes over the business of life insurance in the country. When the Life Insurance (Emergency Provisions) Ordinance was promulgated, it was only the management of the life offices—180 insurance companies and 70 provident societies, with a total business in force and total funds amounting to Rs. 1,250 crores and Rs. 380 crores, respectively —which vested in the Government of India and not the ownership. For purposes of management, the Government appointed custodians to administer the companies on its behalf. Thereafter, the Government got the Life Insurance Bill passed by Parliament. The Act provided for the Corporation to be brought into being on an "Appointed Day" to be fixed by the Government. Accordingly, it was decided that 1st September should be the date on which the Corporation should come into existence. It is in terms of this decision and in accordance with the provisions of the Act that the Corporation has been set up and started functioning as a separate entity but owned by the Government.

Managing Directors

The Corporation consists of 15 members with Mr. H. M. Patel, Secretary to the Ministry of Finance, as Chairman. The other members of the Corporation are: Messrs. Mohammed Hasham Premji, D. G. Karve, Dhiren Mitra, S. M. Ramakrishna Rao, C. K. Jain, V. L. Mehta, Raghuraj Swarup, L. K. Jha, I.C.S., B. K. Kaul, I.C.S., L. S. Vaidyanathan, A. Rajagopalan, K. R. Srinivasan, V. H. Vora and D. P. Guzdar. Among these members, the last-mentioned five, namely, Mr. Vaidyanathan, Mr. Rajagopalan, Mr. Srinivasan, Mr. Vora and Mr. Guzdar will be full-time employees of the Corporation. Section 20 of the Act provides for the appointment of one or more persons to be Managing Directors or Directors of the Corporation. It would appear that it has been suggested to the Corporation that Mr. Vaidyanathan and Mr. Rajagopalan may be appointed as Managing Directors and that Mr. Srinivasan, Mr. Vora and Mr. Guzdar may be designated as Executive Directors. It is believed that the Corporation will take up the question of these appointments at its first meeting. It is also expected that the Corporation will establish a convention in terms of which the three Executive Directors will not exercise their right to vote.

The Act, as is now well known, divides the country into five zones—the Central Zone, the Eastern Zone, the Southern Zone, the Western Zone, and the Northern Zone, with the headquarters at Kanpur, Calcutta, Madras, Bombay and Delhi, respectively. The head office of the Corporation will be located at Bombay. Under each zone, there will be several divisional and branch offices. To begin with, it has been proposed to have 33 divisional offices and about 180 branch offices in all under them. The divisional offices will be located at the following centres:

Central Zone: Lucknow, Agra, Banaras, Indore and Jabalpore.

Eastern Zone: Calcutta, Jalpaiguri, Asansol, Patna, Muzzafarpur, Jamshedpur, Gauhati and Cuttack.

Southern Zone: Bangalore, Udipi, Madras, Coimbatore, Madurai, Trivandrum, Hyderabad and Masulipatam.

Western Zone: Bombay, Poona, Nasik, Satara, Nagpur, Ahmedabad, Surat and Rajkot.

Northern Zone: Delhi, Jullundur, Ambala and Ajmer.

Obviously, much preparatory work was necessary in connection with the setting up of the Corporation and of the divisional and branch offices. It would appear that a comprehensive review of office procedure was undertaken, and, as a result, an office manual has been drawn up. Forms of accounts have been devised. In the past, the working of the insurance companies had been highly centralised. Practically all work was being done at the head offices, the branches being concerned mostly with the procuration of new business. The authorities of the Corporation have now decided that the divisional offices should be responsible for the servicing of the policies. For all practical purposes, a divisional office will be the equivalent of the head office of a medium-sized insurance company, the only important difference being that it will not be concerned with the investment of funds. The one consideration in deciding the question of the location of the divisional and branch offices has been that the policyholders, wherever they might be living, would have some office or the other of the Corporation not far from their place of residence. This has been done with a view to bringing insurance facilities within the easy reach of the actual as well as the potential clientele the Corporation is intended to serve.

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F. K. F. NARIMAN • General Manager

VULCAN INSURANCE CO., LTD.

The report and accounts of the Vulcan Insurance Company Ltd. (General Manager: Mr. K. C. Desai, Bombay) for the year ended 31st December 1955, reflects an all-round increase in the premium income of the Company. Thus, the net premium income from the three general departments—fire, marine and miscellaneous—amounted to Rs. 32.04 lakhs in 1955, as against Rs. 30.09 lakhs in the previous year. The underwriting profit, however, was again lower this year at Rs. 4.63 lakhs, as compared with Rs. 4.94 lakhs in 1954. A dividend of Re. 1-4 per share (of Rs. 10 paid up), free of income-tax, as against Re. 1 per share, free of income-tax, for the previous year has been declared.

The following table shows the working of the Company during the three years ended 31st December 1955:

(Rs. in lakhs)

	1955	1954	1953
Fire Department			
Net premium income	22.50	20.92	22.80
Net claims paid and outstanding	6.93	8.02	8.69
	% (30.81)	(38.35)	(38.98)
Commission and expenses	11.03	9.85	10.13
	% (49.02)	(47.08)	(45.43)
Profit	4.07	4.11	4.24
Fire fund	14.70	13.71	19.40
Marine Department			
Net premium income	2.65	2.57	2.37
Net claims paid and outstanding	1.39	1.25	0.55
	% (52.30)	(48.61)	(23.25)
Commission and expenses	1.05	0.84	0.93
	% (39.66)	(32.08)	(39.12)
Profit	0.17	0.34	0.26
Marine fund	2.92	2.71	2.37
Miscellaneous Department			
Net premium income	6.89	6.59	6.71
Net claims paid and outstanding	3.15	3.37	3.28
	% (45.72)	(51.23)	(48.95)
Commission and expenses	2.28	2.90	3.01
	% (47.57)	(43.97)	(44.82)
Profit	0.39	0.49	0.66
Miscellaneous fund	5.23	4.73	4.45

The Directors' policy of strengthening the reserves of the Company is again reflected in their creation of an additional reserve to the tune of Rs. 13,600 in the marine department in addition to the usual 100 per cent. reserve for unexpired risks. Similarly, in the accident department, an additional reserve of Rs. 1.79 lakhs, besides the customary reserve for unexpired risks amounting to 50 per cent. of the premium income, has been created.

The balance of the profit and loss appropriation account was Rs. 6.78 lakhs which together with Rs. 2.81 lakhs brought forward from the previous year's account aggregated in all Rs. 9.60 lakhs. The provision for taxation amounted to Rs. 5.60 lakhs; transfer to general reserve absorbed Rs. 50,000, to additional reserve in the accident department Rs. 35,900, to additional reserve in the marine department Rs. 13,600 and to gratuity reserve Rs. 15,000. The payment of a dividend of Re. 1-4 per share took up Rs. 1.91 lakhs, leaving a balance of Rs. 38,775 to be carried forward.

The financial position of the Company continues to be strong. As against a paid-up capital of Rs. 15.99 lakhs, it has reserves and funds amounting to Rs. 35.75 lakhs. This includes the fire fund of Rs. 14.70 lakhs, marine fund of Rs. 2.92 lakhs and miscellaneous fund of Rs. 5.23 lakhs.

INSOLVENT INSURANCE FIRMS

Replying to a question in the Lok Sabha, as to what steps the Government proposed to take, in order to safeguard the interests of policyholders of such Indian life offices as had been found insolvent, the Union Minister for Revenue and Civil Expenditure, Mr. M. C. Shah said that steps had been taken to get valuations made of the companies of doubtful financial standing. He stated that the Life Insurance Corporation would study these valuations and, if they disclosed insolvency, submit for consideration of policy contracts of the companies concerned. The Government, he recalled, had already given the assurance that such cases would be dealt with as generously as possible.

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Capital Issued and Fully Paid up .. Hk. $25,000,000
Reserve Funds .. .. .. Stg. £ 8,000,000
Reserve Liability of Members .. Hk. $25,000,000

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CAMBODIA: Phnom-Penh
CEYLON: Colombo
CHINA: Shanghai
DJAWA (JAVA): Djakarta, Surabaja
EUROPE: Hamburg, Paris
HONG KONG: Hong Kong, Kowloon, Mongkok, North Point
INDIA: Bombay, Calcutta
JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Singapore, Singapore (Orchard Road), Sungei Patani, Teluk Anson
NORTH BORNEO: Brunei Town, Jesselton, Kuala Belait, Sandakan, Tawau
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(Incorporated in India)

(Established 1934)

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INDORE

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Subscribed Capital .. .. „ 30,60,750
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SCHEME FOR IMPROVING COASTAL SHIPPING—II

ECONOMIC ASPECTS OF "AMBAR JAHAJ" DISCUSSED

By U. Shanker Rao

IN the first article published a fortnight ago, we had discussed the difficulties of coastal transportation and had explained how the introduction of a new type of a small, shallow drafted, handy, cargo carrier—the *Ambar Jahaj* (Universal Ship)—could help to co-ordinate rail/sea movement and improve traffic facilities in coastal shipping and sailing vessel industry. Let us now consider the economic aspects of the *Ambar Jahaj*, how it can help to standardise trade practices, prevent anti-social elements, malpractices, and above all tackle the "problem of problems"—jettisoning. The primary advantage of the *Ambar Jahaj* is that it can be operated on the basis of sailing vessel economy. Essentially designed to improve traffic conditions by providing the industry with an efficient, reliable, seaworthy, carrier that can be covered for all marine risks, the *Ambar Jahaj* lends itself for co-operative ownership and operation. Thus, its introduction would mean a scientific improvement of the present type of country craft, without disturbing the present economic structure of the industry. On the contrary, it would constitute a valuable auxiliary to our coastal steamers and the railways and meet the increasing demands of transportation in the second Plan.

Economic Stability—First Requisite

No one doubts the utility of sailing vessel traffic. Especially for a country like India with a vast coast line and a number of small ports, some of them situated up rivers and creeks, estuaries and bays, the sailing vessel is, indeed, the only answer. But, with a sizable gap in our coastal shipping—from 25 to 30 ships—to attain coastal self-sufficiency, the whole industry can achieve amazing economic value and tackle in a seaman-like manner the innumerable contingencies and eventualities that arise in our transport economy from day to day.

Whatever be the outcome of the Suez Canal dispute, it will inevitably mean a further demand for coastal tonnage and an increase in our transport requirements. The first essential to stabilise the sailing vessel industry would be to put it on a sound economic basis. It is, therefore, essential to show to the industry how the *Ambar Jahaj* can be operated in the present trades and routes followed by sailing vessels and yet earn a handsome return for the capital invested. In order to illustrate this, a typical route which has considerable traffic potentialities, if worked on a regular basis, is taken—the Bombay-Mangalore route. Mangalore comes under our new classification of minor ports—the 10 ft. Class—where a shallow drafted vessel drawing 9 feet could enter inside the port and discharge at the jetty taking advantage of the terminal rail-head, instead of lying 3 miles outside the port.

Operating Cost: Gross Income

Bombay-Mangalore route: Distance 388 miles. (No railway link at present).

Current freight range (1955 season) at Rs. 10 to Rs. 25 a ton for sailing vessels. Conference rates (higher) for steamers.

Working on an average flat rate of Rs. 15 a ton as freight, the *Ambar Jahaj* with 275 tons capacity, would earn: 275×15=Rs. 4.125.

Round trip Bombay-Mangalore: Rs. 8,250.

Average of three round trips a month: Rs. 8,250 ×3=Rs. 24,750.

Working for eight months in the season: Rs. 1,98,000 (gross income).

Working Expenses

	Rs.
1. Depreciation at 5 per cent. per annum on the capital cost of the vessel, namely, Rs. 5.00.000 ...	25,000
2. Insurance on hull at 1 per cent. ...	5,000
3. Interest on borrowed capital at 6 per cent. per annum. repaid at Rs. 25,000 yearly	15,000
4. Interest on working capital of Rs. 25.000 at 6 per cent. per annum.	1,500
5. Port. pilotage and custom dues ...	1,000
6. Registration, licence fees	2,500
7. Cost of eight crew at Rs. 3.000 per month	36.000
8. Cost of fuel at 1.200 gallons per trip and oil at 75 gallons per trip. 24 trips per year	31.000
9. Annual survey, dry docking, repairs, etc.	5.000
10. Office, agency and brokerage ...	5.000
11. Stores and water	1,000
Total working expenses ...	1,28.000
Freight earnings on 24 trips ...	1.98.000
Surplus	70.000

The annual surplus of Rs. 70,000 subject to income-tax, would represent a gross yield of 14 per cent. per annum on the invested capital.

N.B.—In working out the expenses for running the *Ambar Jahaj* (at present non-existent), a common base had to be derived from the running expenses of a modern coastal steamer now running between Bombay and Colombo and the large Kotiya class of mechanised sailing vessel. A further basis for calculating the costs was also made from the running expenses of certain ex-naval vessels already running on the coast. Such vessels have been converted for commercial use and are, more or less, of the same size as the *Ambar Jahaj*, except that the latter has a larger cargo carrying capacity.

2. A number of items not generally included in the present sailing vessel economy have been included, as it is expected that, with the introduction of a better class of standardised vessel, it would attract the higher freighted cargo. Only the *minimum* freights have been considered and are based on what mechanised sailing vessels would get.
3. An *Ambar Jahaj* would be able to get a higher rate than a sailing vessel but lower than the conference rates for a coastal steamer.
4. Coastal freights (conference rates) are charged for delivery outside Mangalore port in barges in open sea.
5. Shippers save lighterage and handling charges Rs. 5 to Rs. 8 a ton. This saving will apply to any port of the 10 ft. class. Ninety per cent. of damage and pilferage is in between shore and ship—now avoided in *Ambar Jahaj*.
6. Though office, agency, and brokerage have been mentioned, sailing vessels do not maintain an office. Most of the cargo is arranged through *dalals*. The income from an *Ambar Jahaj* is capable of keeping a small office or contacts with brokers, so as to avoid middle men.
7. Similarly, for pilotage, annual survey, dry docking, and other contingencies, as the vessel would have a Load Line and carry all the prescribed L.S.A. and conform to the requirements of the Mercantile Marine Department.
8. The *Ambar Jahaj* can operate in the monsoon—if not on the West Coast—at least on the East Coast. Earnings have been calculated for eight months only but higher income is possible if a vessel is run for 12 months of the year.

Financial Outlay

Cost of *Ambar Jahaj*—First prototype Estimated at Rs. 6,00,000.

Subsequent cost to private sector at Rs. 5,00,000.

Government loan for new construction or parity price as in the case of Vizag built ships at 75 per cent. of new cost or Rs. 3.3 lakhs approximately.

Balance from private sector Rs. 2,00,000.

Operating surplus for *Ambar Jahaj* per season Rs. 70,000.

The calculations, made above, though purely hypothetical, have been made more on the basis of a small Home Trade vessel running on the coast and yet show a surplus of Rs. 70.000. From the evidence submitted before the Sailing Vessel Committee, the conclusion was that, inspite of sufficient cargo being available for carriage, the industry was in a poor state of economic condition, confused, disrupted, and not much of a paying proposition. The initial cost of the *Ambar Jahaj* could be cut down by pre-fabrication, the use of Tata's untested steel, simple machinery, and other measures. The first prototype of any type of vessel would need a higher initial cost. The U.S. Maritime Commission, for example, had made a considerable provision in its budget for the first prototypes of the various classes of vessels and the subsequent prices paid by individual operators who had taken most of the Liberty and Victory type vessels on Bare Boat Charter was only one-twentieth of the original cost.

European Coaster Economy

While considering the economic possibilities of working the *Ambar Jahaj* in our coastal transport, it would be relevant to refer here to certain aspects of the European coaster in British and Continental trades. The Groningen district, in Holland, is the cradle of the European coaster. Prior to the War, there were only 250 vessels in the Netherlands. Today, there are some 850 vessels under the Dutch flag. Similarly, there has been considerable expansion in coaster ownership in the Scandinavian countries, Norway and Denmark, as well as in Belgium and West Germany. Indeed after the war, the coaster was the backbone of maritime transport and had contributed in no small manner for the rapid recovery and great industrialisation of European economy. Many continental ports had suffered war damage and the coaster provided cheap and easy communications carrying raw materials, distributing Marshall Aid and E.R.P. cargoes, and helped to re-habilitate all phases of commercial life.

The primary success of the coaster as an efficient, commercial-cargo, carrier, which in Europe can compete with land, air, rail, and larger ships of the conference lines, lies in the fact that the vessel is run on co-operative lines. The captain-owner is the principal operator. Crew generally consist of family members or alternatively from men selected by the captain. Few are certified hands, with the exception of the captain and mate. On vessels under 300 tons gross, no engineer is taken but only an oilman as the engines are operated from the bridge by the captain himself. These aids reduce running costs. W/T for communication with either the shore or agent is done by the captain of the vessel. There are no regular working hours or "watches" as on board larger ships and the crew is reduced to the minimum. But, on every trip, there is a bonus for the crew if employed on a salary basis or alternatively a "share" in the total profits.

All coasters have very good accommodation, food and living conditions. Vessels are classed under the Lloyds or Bureau Veritas and conform to all international regulations, modern navigation equipment, radar, and can undertake even Atlantic voyages. Size range is between 250 to 750 tons. For practical purposes, the coaster observes a rule of thumb basis for its earning capacity—one mile per ton—and a coaster's tonnage more or less, regulates its trading range. In our case, the *Ambar Jahaj*, a 300 ton vessel, could have a range of 300 miles but not confine to any definite limits and can go further on inducement.

Credit Facilities

A feature that has helped the rapid expansion of coaster operation is the provision of initial credit facilities for building new tonnage. Captain-owners have their credit co-operative societies and loans are available through banks, insurance companies, and shipyards. Shipyards in Europe take a prominent part in supplying the initial outlay—a feature now absent in India—as most of the shipyards here are generally repairing yards and, with the exception of tugs and barges, no coasters or cargo vessels have been built. Like the system of long-term chartering in the oil trade it is not uncommon for a shipyard on the Continent to build a new vessel for a captain for which there was only a small initial payment. Easy payments and good credit facilities have been some of the important factors of the coaster economy. For example, a well-known shipyard in Holland builds coasters on easy payments and the following is an illustration of how the payment for new tonnage may be made:

25 per cent. when the order is passed for building a vessel.

20 per cent. when the keel is laid.

20 per cent. when two-thirds of the frames have been fitted.

25 per cent. when the vessel is launched.

10 per cent. when the vessel is delivered.

Other aids to financing is through the Ship Mortgage Banks. In the post-war years, owing to lack of finance, Continental Governments copied the well-known American system of giving vessels on Bare Boat Charter terms to the captain and his groups. The best investment that is expected from the captain is his individual reputation for integrity, honesty, and business knowledge. Co-operative working reduces the heavy "overheads" and what is more the long delays which have become a part and parcel of big ship operation.

Coats Quoted

Finally, in order to understand the competitive nature and the value of the coaster in European shipping economy, it would be relevant to quote the words of Mr. J. W. Coats, the late Chairman of the Short Sea Liners Section of the U.K. Chamber of Shipping. Mr. Coats, while speaking in relation to a demand by Conference-members for putting up freights on the U.K. Coast, had said:

"Naturally, the question of a general increase in freight rates has been under consideration, and it is felt that the time will soon arrive, when we shall be forced to do something about it, but uptill now, competition, especially by small motor vessels, in the Short Sea Liners Trades has *increased to such an extent as to make the various Conferences hesitate to increase their rates.* This competition is felt in various ways. For example, a small tramp can take a full cargo of, say, not more than 200 tons at an f.i.o. rate and outside operators have been able to charter these small vessels at rates which enable them to run services to and from the Continent and underquote the Conference rates."

An interesting counterpart of the European coaster, a legacy of the Dutch trade—is the large number of small motor schooners and others operating in Singapore, Malaya, and Borneo. Popularly known as "copra vessels," they are run on many inter-island trades and serve a useful purpose. The Straits Steamship Company, one of the largest shipping concerns in the Far East, have a fleet of coasters ranging from 200 to 500 tons running in the Far East.

In India, the sailing vessel is run on a similar basis as the European coaster. But poor returns and an uneconomic type of craft have made conditions in the industry precarious. But one encouraging factor is that the bulk of seamen and others engaged in the industry from time immemorial are, indeed, a fine type of people, honest, god-fearing, and hard working. Their knowledge of seamanship and navigation is good and thus an important feature that is already provided by the industry is trained personnel who can undertake the operation of the new *Ambar Jahaj*.

Comparative Efficiency: "Ambar Jahaj" *versus* Rail Wagon

Since one of the primary objects of this scheme is to relieve pressure upon the railways by diverting traffic to sea movement, it would be relevant to compare the efficiency of the *Ambar Jahaj with that of a rail wagon.*

The Sorley Committee in 1942, in its enquiry into sailing vessel traffic on the West Coast of India, had calculated that a railway wagon per ton was 12 times more efficient as a country craft per ton. This enormous difference in efficiency between a rail wagon and a country craft was attributed to quicker turn round, faster speed of railways, uniformity of control by railway managements, fixed tariffs known to consignors and consignees in advance, and certainity of bookings.

The Committee had also estimated that the carrying coefficient of the country craft was only 7 tons per registered ton. The Committee attempted to raise this to 9 tons per registered ton. The consequent effect of such increase was to improve the carrying capacity of the country craft fleet by 400.000 tons per season, that is, if each of the 200,000 tons of craft then plying (1942) on the coast could take an extra 2 tons during the 7½ months of the sailing season.

The *Ambar Jahaj*, which has been specially designed so as not to suffer from any of the inherent and chronic handicaps of the present day sailing vessels, would be comparatively far superior and efficient than a country craft. The "lay up" in the monsoon is an economic handicap as its earning power is very much reduced—only approximately to 8 to 9 months of the year. Fears regarding working in monsoons for small craft are very much exaggerated in India. Normal weather, as was experienced this year in Bombay, is not a dangerous state of weather and small vessels can ply in coastal services. The apprehensions are a legacy of the old Haji Kassem days on the West Coast when ships were laid up for the duration of the monsoon. This, incidentally, was not due to the seaworthiness of the ships, but because *the ports had to be closed down* owing to lack of communications for landing passengers and goods in the small ports, which had no harbour facilities. For example, it was demonstrated during the War that many vessels of the Bombay Steam Navigation Company, which were usually laid up for the monsoon, were extensively used in many theatres of the War, right through the year, on light patrol, mine sweeping, and as escort vessels by the navy. This would show that there is little danger in working in the monsoons. Moreover, our monsoons are more or less a "settled" state of weather with wind force hardly going beyond 5, moderate sea and swell, barometer 29.56. This kind of weather in Europe is only taken as "half a gale" and all fishing boats and cargo coasters carry out their normal work. There is no such thing as "laying up" in Europe for weather, as gales can spring up at any time of the year in the Channel or round the British Isles unlike our monsoons which have definite seasons.

Carrying Efficiency

On a fair estimate, the carrying efficiency of the *Ambar Jahaj* as compared with a rail wagon is as follows:

One *Ambar Jahaj* (275 tons) is equivalent of 12½ B.G. rail wagons, or 14 B.G. tank wagons, or 15 M.G. rail wagons.

Current prices of rolling stock for comparison with Ambar Jahaj—

B.G. locomotive—Rs. 5 lakhs.

M.G. locomotive—Rs. 3 lakhs.

Cost of *Ambar Jahaj*—Rs. 5 lakhs.

B.G. wagon—Rs. 10,000.
B.G. tank wagon—Rs. 17,800.
M.G. tank wagon—Rs. 24,500. } (For carriage of oil in bulk)

At current prices, the cost of railway rolling stock for carrying 1 million tons of traffic amounts to Rs. 4½ crores.

Average cost of constructing one mile of rail track—Rs. 7 lakhs.

Average cost of constructing one mile of hard crust road as per Nagpur Plan—Rs. 85,000.

Foreign exchange needed to rehabilitate railways—Rs. 425 crores.

Ambar Jahaj: Can be put to service right now —On the basis of sailing vessel economy—without undertaking large-scale port improvement, dredging, or conservancy schemes offering immediate relief to railways, major ports, coastal shipping, and all transport problems of the day.

Speed of *Ambar Jahaj* at eight knots full load —192 miles a day.

Wagon miles per day—43.3 for B.G.
Wagon miles per day—28.4 for M.G.
Average goods haul (miles)—239.
Average goods train speed (miles per hour)—10.1 B.G. and 8.7 M.G.

Speed of Vizag built ships—10 knots first year, and nine knots subsequent speed.

Speed of present coastal steamers—nine knots and under.

Sailing vessels—20 miles a day (average) Bombay-Cochin run.

The Railway Board has recently introduced its new slogan "Wagons Must Work Faster," with a view to closing to the largest practical extent the present uncovered gap between freight traffic likely to develop under the Second Plan period and the resources available for carrying it. Express goods trains have been proposed. However the present timings are of relevant interest:

Calcutta-Madras coal movement—15 to 20 days.

Bombay-Saurashtra—10 days.

Bombay-Calcutta—20 days.

In the case of the *Ambar Jahaj*, it would be able to provide "jetty to jetty" service, that is, it can go where a sailing vessel can go now, as its shallow draft is less than a large *Kotiya*. New links, rail-*cum*-sea, could be opened up on a regular and reliable basis and services operated, say, between Bombay/Mangalore; Bombay/Saurashtra; Mangalore/Saurashtra; Cochin/Tuticorin; Madras/Vizag/Calcutta; Mangalore/Laccadive Isles; Madras/Andamans.

Conclusions

To sum up, the *Ambar Jahaj* Scheme would help the following:

(1) Develop and expand sailing vessel traffic now needing considerable organisation and stabilisation into a valuable ancillary marine industry;

(2) facilitate rail-*cum*-sea movement and relieve pressure on the railways. The railways could enable consignors "through booking" facilities and thus help to divert considerable quantities of goods to sea movement;

(3) increase the capacity of our major ports by providing regular feeder services between *major* and *minor* ports;

(4) utilise the present rail heads in minor ports;

(5) meet the needs of the trade and industry in "smalls" who have to depend now, in the absence of suitable and reliable ships, primarily upon railways. The pattern of internal trade is movement in "smalls". Owing to the larger size of our present day coastal ships, movement in "smalls" cannot be extended to coastal transport;

(6) increase employment facilities, for one of the basic requirements for a sound national shipping policy is the existence of good auxiliary marine industries;

(7) build up a small but useful merchant fleet that has high strategic value. Every coaster of the *Ambar Jahaj* type can be converted almost overnight into an efficient anti-aircraft defence vessel, mine sweeper, naval supply tender, and undertake light coastal defence services; and

(8) phasing of imports to avoid congestion. Importing vessels could be classified into two categories: (*a*) vessels with cargoes that can discharge outside into lighters or direct into the *Ambar Jahaj*; (*b*) vessels that have cargoes that have to go into docks. "Off loading" into the *Ambar Jahaj* would provide a new service, as there is a considerable shortage of lighters and tugs, both in Calcutta and Bombay.

Besides the foregoing, commodities for export could also be sent in bulk and the *Ambar Jahaj* could go along side the exporting vessel and unload directly into the vessel, a facility which would be of especial help to our export drive. Further, special types of the *Ambar Jahaj* could be built for carrying ore, coal, and cement in bulk and thus provide the State Trading Corporation with a new class of cargo carrier which can cut down handling costs and delay.

IMPORTS OF STEEL

The imports of steel, according to the Minister for Heavy Industries, Mr. M. M. Shah, have so far been satisfactory. Replying to a question on the subject in the Lok Sabha, Mr. Shah said that, out of a million tons of steel ordered from abroad, so far about 854.595 tons had already arrived. These imports included 147,000 tons from the U.K., 136.000 tons from Japan, and 93.000 tons from Russia. Mr. Shah informed the House that an agreement had been concluded with a West German firm in March 1956, for the import of 205,000 tons during 1956-58, of which 45.000 tons would be supplied during the current year, 8,000 tons next year and the same quantity in 1958.

CYCLOSTEEL

A new process for making a crude form of steel without the use of blast furnaces, it is stated, has been discovered by the British research scientists. The details of the process were given recently by Sir Charles Goodeve, Director of the British Iron and Steel Research Institute. Under the new process, known as the "Cyclosteel" process, fine drops of liquid iron ore are heated to 1,600 degrees C. and blown through a hot reducing gas (powdered coal and oxygen). As a result of this process, a crude form of steel is formed. It is, however, pointed out that the process is still in the experimental stage and not yet within the scope of commercial feasibility. But it is reported to have "good chances of coming off" as a commercial process.

NATIONAL HIGHWAYS

The Rajya Sabha passed, last week, a Bill declaring 13,800 miles of existing highways as national highways to enable their effective maintenance by the Central Government. The Bill has already been passed by the Lok Sabha. During the debate on the Bill, the Deputy Minister for Transport, Mr. O. V. Alagesan revealed that the question of formulating a regular physical plan for road transport was engaging the attention of the Government. He said that his Ministry would shortly appoint a special officer to prepare a plan, comprising not only national highways but also other categories of roads. The plan, he said, might be included in the third Five-year Plan.

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RECOMMENDATIONS OF PLANTATION ENQUIRY COMMISSION ON TEA

NEED FOR REPLANTING FUND AND LOWER RETAIL PRICES

IN April 1954, the Government of India appointed a Plantation Enquiry Commission, under the Commissions of Enquiry Act 1952, to make a comprehensive study of the economic condition and problems of three plantation industries, namely, tea, coffee and rubber and to suggest remedies. This was an omnibus body of three persons, consisting of Mr. P. M. Menon, I.C.S., as chairman, and Mr. K. G. Sivaswamy and Prof. M. V. Mathur as members. It was asked to submit its report within a year, but, even after plodding for over two years, it could complete its report only on one industry, namely, tea. This report was presented to both houses of Parliament on 28th August 1956, with a summary thereof released to the press. The full text of the report has not yet reached our hands, but, according to the Press summary, the Commission expects tea production in the country to rise to 710 million lbs. per year by the end of the second Plan, an increase of about 45.5 million lbs. over the present level of production. One of the members—Mr. Sivaswamy—has appended a minute of dissent to the Report.

While we have to defer our comments on the report until the receipt of the full text of the Report, we give below the official summary thereof in response to numerous enquiries from our readers for fuller information about the Commission's recommendations:

India's First Place in Tea

The tea industry provides direct employment to over a million workers in the country and is, thus, the largest employer of organised labour. The Report says that, although the internal consumption of tea in India has been progressively increasing during the last few years, the major part of the production is exported. India occupies the first place both in acreage and production, amongst the principal tea-producing countries of the world who participate in international trade. The large volume of exports gives the industry a place of great importance in Indian economy as a substantial earner of foreign exchange. The tea industry is also the mainstay of the plywood industry.

In North India, the Dooars and Terai region of West Bengal has the highest yield per acre and Ranchi the lowest, excluding Almora. In South India the yield is highest in the Anamalis. Unlike North India, tea is made throughout the year in the South.

Commenting on the structure of the tea industry in India, the Commission observes that the total capital investment in tea is estimated at Rs. 113.06 crores. Of this Rs. 40.51 crores (35.8 per cent.) is Indian and Rs. 72.55 crores (64.2 per cent.) non-Indian. Between 1939 and 1953, the figures of shareholdings reveal an overall fall of 10.4 per cent. in the shareholdings of the non-Indian sector and a corresponding rise in the Indian sector.

Concentration in Industry

Thirteen leading agency houses in Calcutta control over 75 per cent. of the tea production in North India. Out of these, seven companies control more than 50 per cent. and five companies as much as 36 per cent. of production. Eight agency houses of producers in Calcutta and their associate firms purchased over 50 per cent. of the tea at the Calcutta auctions in 1954. The retail distribution of tea in India is controlled by two leading firms to the extent of 85 per cent. The Commission points out that in an industry in which capital is so largely in the hands of foreign business houses and 75 per cent. of the production is controlled directly by a limited number of agents of these firms. it is inevitable that there will be a high degree of concentration.

The proportion of reserves to total assets in 1953 was higher in the Indian group than in the non-Indian group. The growth in the paid-up capital from 1939 to 1953 for the companies under various types of managements shows that the increase is not very significant. What little increase there has been is also wholly accounted for by the issue of bonus shares or rise in the face value of the share.

The Commission feels that there is need for exercise of more rigid scrutiny before sanctioning new capital issues, especially in cases arising out of purchase of proprietary estates, conversion of sterling companies into rupee companies and issue of bonus shares as a consequence of revaluation of fixed assets. It points out that the growth in the internal resources of the companies has not been commensurate with the needs of the industry in respect of maintaining the fixed assets in the normal condition. A limitation of dividend by half would itself have enabled most companies to increase their internal resources by about 25 per cent.

Cost of Production

Discussing the question of cost of production of tea in India the Commission reports that the cost in 1950 was Rs. 118.15 per hundred pounds which gradually rose to Rs. 140.36 in 1952, but decreased to Rs. 131 per hundred pounds in 1953. The Report says that the cost was generally higher in sterling and non-Indian rupee estates than in Indian estates. The highest total cost was among sterling companies, Rs. 135.66 per hundred pounds in 1953. while the cost of the Director-controlled Indian public limited companies was the lowest at Rs. 102.11.

The Commission finds that, after a certain point, there is no decrease in the cost of production as a result of an increase in the size or yield of estate. It points out that, in tea estates, most of the operations relating to cultivation and gathering of crop, etc., are done by hand and, therefore, the possibility of significant reduction in cost by increasing the size of the estate is limited. It, therefore, feels that to bring about economy in cost of production the size of the estate should be related to managerial efficiency and the crop required to maintain a tea factory. The Commission's conclusion is that the optimum size for a tea estate may be anywhere between 800 to 1,000 acres. This will mean employment for about 1,000 to 1,500 labourers, which is almost as much as an efficient estate manager can supervise.

Need for Reduction

The Commission observes that the future of the tea industry is closely linked with the cost of production. India has to produce good quality tea at reasonable cost in order to face successfully the growing competition in international market and to develop. as far as possible, the internal market also. It, therefore, says that increased production per acre should be achieved by the improved method of production and increased productivity of labour. It points out that "General Charges" and "Payment to Labour" form the largest parts of the total cost of tea production. The Commission suggests the following measures to reduce the cost of general charges:

(1) a decrease in the remuneration paid to managing agents and secretaries, (2) abolition of the commission paid to managers. etc. (and instead giving them a consolidated salary). (3) increasing Indianisation of managerial personnel and reduction in the number of the non-Indian managerial personnel to the minimum and (4) rationalising of the salary structure of the managerial cadre.

The Commission has recommended that the Tea Board should undertake a well-planned and regular study of cost data for keeping the industry informed about its economic efficiency and competitive position. A "Cost of Production" Section should be set up in the Tea Board for this purpose.

Replanting Fund

Alluding to the maintenance and upkeep of tea bushes, the Commission observes that, in spite of the need for a programme of replanting for the very existence of the industry in the long run, progress has been tardy. The Commission feels that each tea garden should be required to lay aside every year a certain sum of money for the purpose of financing programmes of replanting. In the area covered by the replies received, as much as 28.79 per cent. of the plants are more than 55 years old. having been planted before 1900. Assuming the economic life of a tea bush to be sixty years all this area will be due for replanting without undue delay. The larger proportion of old plants, i.e., those planted before 1900 are under non-Indian ownership.

The Commission has, therefore, recommended that the Tea Board should draw up, in consultation with the producers, a programme of phased replanting as well as replacement and renewal of machinery and equipment. Government should ensure that the tea gardens make the necessary financial provision for this programme before they declare dividends or repatriate profits. The Tea Board should appoint development staff to assist the States in framing such programmes and to co-ordinate and implement them.

Another suggestion of the commission is that Government should arm itself with powers to make investigations and issue directions necessary for the proper maintenance of fixed assets including replanting in any tea estate. It has recommended that a Tea Replanting Fund should be created in the Tea Board to which each garden should contribute Rs. 50 per acre every year. The amount would be held in the Fund by the Tea Board to the credit of the garden concerned. Tea gardens should be allowed to withdraw from the fund such amounts as may be necessary for the purpose of replanting according to a programme approved by the Tea Board. The scheme may be applied only to gardens of 100 acres and above. As the major portion of the acreage and production are accounted for by estates over 100 acres the scheme will cover 96.1 per cent. of the total acreage and 99 per cent. of the production in the country.

The figure of Rs. 50 per acre has been arrived at by the Commission only as an approximation, and on the basis of the cost of replanting an acre and tending it for five years before plucking being taken at Rs. 3,000 and the economic life of a tea bush at 60 years. It says that a detailed investigation should be made by the Tea Board regarding a suitable figure.

The Commission has further recommended that when tea gardens of 100 acres or more are sold the approval of the Tea Board should be obtained. The Board should make an assessment of the age of the tea bushes in different blocks of the garden and the money required to finance the replanting of the existing bushes at the end of the economic life. The contribution to the Replanting Fund, based on this assessment, by the new buyer of an estate should be prescribed as a condition necessary for his registration by the Tea Board. Also in the case of sales of sterling capital estates repatriation of sale proceeds should be permitted by the Reserve Bank of India only after it has ascertained from the Tea Board that the necessary contribution to the Replanting Fund for the estate has been made.

Financial Help

After examining the financial requirements of the industry, the Commission says that the yearly average of the working capital requirements for the three years 1951 to 1953 for North India works out to Rs. 1,290 per acre and for South India Rs. 727 per acre. Apart from their own resources like reserves and advances by managing agents. the external sources of finance on which the Companies and other large producers depend are the commercial banks and brokers. The total bank advances during the three years ending 1953 were on the average Rs. 36.82 crores per year. The advances made by brokers, though much smaller than those made by the banks, were not inconsiderable.

The Commission observes that the urgency, adequacy and availability of finance for every agricultural producer emphasised in the Report of the Committee of All-India Rural Credit Survey have equal application to the tea industry. It considers the levy by some of the banks of a charge on gross sale proceeds in addition to interests as unjustified and recommends that the Reserve Bank should use its good offices with the banks and if necessary, use legal powers for the discontinuance of the levy. The Commission is of the opinion that the financial difficulties of the Indian Section of the industry can only be removed by the State Bank providing finance in an abundant measure. It. therefore, recommends that in its programme of extension of branches the States Bank should give high priority to opening of branches in tea plantation areas.

It also recommends that the Industrial Finance Corporation and the Finance Corporations of the States in which the tea gardens are situated should meet the needs for long-term finance. It has also made recommendations for redemption of past debts of tea estates. The Commission has also suggested that the State Finance Corporations should appoint a panel of experts in consultation with the Tea Board to evolve a common policy in the matter of grant of loans. The Tea Board should also have a Plantation Finance Committee to keep a close watch on the financial needs of the tea industry. It feels that the response of the capital market to debentures issued by tea companies should be favourable and recommends that tea companies should tap this source of finance for future capital in an increasing measure.

Primary Sales

Dwelling upon the marketing of tea—primary sales—the Commission observes that the brokers have come to occupy an unusually strong position in the marketing of tea in Calcutta. The business is concentrated in a few hands. There is every reason to think that the valuation of the broker, which in his dual capacity, he communicates both to the seller and the prospective buyer, plays an important part in deciding the relative prices of the produce at the auctions. The Commission, therefore, recommends that the selling and buying brokers should be separate. They should not be connected in any way with the management or be a major shareholder in any tea estate or have any connection with the trade and exports of tea.

The Commission has recommended that the Tea Board should assume the functions of regulating the sale of tea in the Cochin and Calcutta auctions. The rules governing the auction, sales and other matters pertaining to the primary marketing of tea should be made by the Tea Board. The Commission has suggested that the Tea Board, in conformity with its objectives of promoting co-operative effort among growers and manufacturers, should give every facility to producers for co-operative marketing of tea. The Board should also go into the matter of warehousing and brokerage charges about which complaints have been made. The tea exported under forward contracts and direct sales should be included within the ceiling prescribed for direct shipments to London.

Export Quotas

The Commission recommends that the export quota system should be abolished. This will affect to some extent the income of the small producers. The Commission has made recommendations that these producers should be granted assistance like subsidised issues of manures and supplies of equipment accompanied by technical assistance.

Regarding the retail distribution of tea, the Commission finds that packed tea sold in India was on the average 52.94 per cent. of the total amount of tea estimated to be available for internal consumption during the four years 1951 to 1954. The effect of a higher rate of excise duty on tea sold in packages than on loose tea has been to stimulate the retail distribution of tea in loose form rather than in packages. The Commission considers this to be undesirable since it has the effect of stimulating the distribution of an article of human consumption in a less hygienic form. It has, therefore, recommended that the differential rates of excise duties on packed and loose tea should be abolished and the old uniform rate of duty of three annas per lb. on all tea restored. The Commission has also recommended that for all producers whose total production does not exceed 5,000 lbs., a year, the excise duty should continue to be levied at the present rate of one anna per lb. only.

Reduction in Price

The Commission feels that, if blenders reduce their overheads and quantum of profits, at least in respect of the popular grades, it will give fillip to increased consumption of tea internally which is very necessary to bring stability to the industry. The prices are high and need to be reduced if internal consumption is to be increased. The Tea Board should make arrangements for packing and distribution under its own distinguishing labels, 50 per cent. of the quantity of dust tea now packed and sold in India. Distribution can be arranged by the Tea Board through its tea houses as well as by ordinary commercial channels.

The Commission has recommended that the Tea Board should make a special investigation of the difficulties under which the smaller packaging firms are suffering so that positive steps should be taken to increase their competitive capacity. In its opinion ceilings on the production of existing concerns as well as the units which may be established hereafter should be fixed at the average of the last three years' production or six million lbs.. whichever is more. Blenders co-operatives should be organised and promoted in every way. The Commission has stressed that the objective should be to ensure that tea is vended only in package form within the shortest possible time. Regarding adulteration the Commission emphasises that the administration of food laws should be pursued with vigour and recommends that the tea waste rules should be promulgated and enforced at an early date.

Managing Agents

Examining the profits earned by the industry, the Commission says that generally speaking the ratio of gross profit to total capital employed in the industry has been high. Regarding the remuneration paid to managing agents, the Commission says it is based partly on a percentage of gross sales and partly on a percentage of profits, a specific minimum in each case also being sometimes prescribed. This, the Commission says, results in substantial payment having to be made as managing agents' commission, even when profits are low or non-existent as in 1951 and 1952. The managers and senior staff are also in most cases paid a commission based on profits. The report says that there was a higher increase in profits between 1946 and 1953 as compared with profits between 1939 and 1946. Indian companies showed a higher increase than sterling and non-Indian companies which is explained only by the high production cost of sterling and rupee non-Indian companies. The Commission says that withdrawals from reserves other than dividend equalisation reserve for the purpose of declaring dividends is unsound and should cease.

As regards taxation, the Commission has made several recommendations. For determining the world price of tea for fixation of the slab for export duty, instead of taking only the previous month's weighted average of the London auction prices, the previous six months average may be taken. The rules and conditions regarding the levy of agricultural income-tax on tea plantations in different States should be made uniform. The Central income-tax authorities should collect both taxes and pass on the agricultural portion of the collection to the States. Sales tax on tea which figures in inter-State commerce should be made Central. The Commission has also recommended the abolition of the tax of one anna per lb. levied on all tea consigned to any dealer in the Municipal limits of Calcutta and the districts of 24 Parganas and Howrah as this is inconsistent with the policy of encouraging the auctions in Calcutta. The abolition of the levy made by the Government of Assam on tea moved by road or inland waterways in the State is also recommended.

Labour Welfare

Alluding to labour welfare, the Commission has recommended the setting up of a Plantation Labour Welfare Organisation controlled by the Central Government. The Commission has estimated the total cost of providing the required number of standard houses for tea labour both in the North and the South at Rs. 60 crores on the basis of Rs. 2,000 for a new house and Rs. 1,000 for remodelling an old house. It, however, thinks that a reduction in the cost may be possible if locally procurable building materials could be used wherever possible. The Commission feels that considering the magnitude of the capital expenditure for housing, the matter should be discussed with the Planning authorities in the country and co-related to other capital expenditure.

The Commission anticipates a net addition of Rs. 50.63 per acre per year, to the internal resources of the companies in the next five years. It thinks that this is a rather limited amount to meet the obligations under the Plantation Labour Act and to meet the other important needs of the industry. This will have to be taken into consideration in phasing the implementation of the Plantation Labour Act. The Commission has recommended that the plantation industry should be eligible for loans under the industrial housing scheme.

Regarding the payment of bonus, which has been a source of industrial disputes in recent years, the Commission says that any scheme that may be evolved should incorporate the following essential requirements:

(1) Depreciation allowance should be separately funded and drawn upon only for expenditure on replacement and renewal of fixed assets; (2) the tea Re-planting Fund should be set apart; (3) after providing for taxation, a statutory reserve for meeting developmental expenditure and unforeseen charges should be built up; (4) a minimum dividend should be provided for as a percentage on share capital from what is left over; and (5) the remainder should be divided between the shareholders and labour and staff according to a suitable formula, the details of which should be worked out.

As regards the working of tea companies, the Commission says that when co-operative institutions, as recommended by it, for supplies, insurance and marketing are fully developed and financial assistance is provided by the State Bank of India and State Finance Corporations, the need for managing agency system in the tea industry should disappear. It has recommended that remuneration to staff should take the form of a fixed salary. It has suggested that the Tea Board should be empowered to examine cases of disproportionately highly paid staff working in tea companies and when necessary exert its influence in reducing the disparities that exist at present. It has recommended that an increasing number of Indians should be appointed in the managerial cadre of the tea companies. All tea plantation companies should be required to seek the permission of the Controller of Capital Issues before increasing their capital.

Sale of Estates

As to the sale of tea estates, the Commission observes that a good many tea estates owned by foreign companies and individuals have been purchased by Indian nationals and in the majority of these estates, which included also the marginal ones, re-planting was overdue at the time of sale for which the buyers often made no provision. If a return of at least four per cent. on the purchase price per acre is to be obtained over a long period, the prices paid in some of these cases were excessive. The Commission recommends that. if a seller or the prospective buyer so desire, the Tea Board should send its expert evaluator to assess the price of the Tea estate. The Commission has emphasised that the buyer should be aware of his obligations to the workers employed and take responsibility for their continued employment on the same terms as before. There should be a stipulation in the deed of transfer that the buyer takes this responsibility.

International Tea Agreement

After studying the working of the International Tea Agreement, the Commission says that the restrictions imposed by the agreement do not appear to have hampered normal expansion of the tea industry in India since even the extension of acreage permitted under the agreement has not been fully utilised. But the increase in production of tea during the period was much more than proportionate to the increase in acreage. The Commission thinks it would be desirable to continue the machinery provided by the International Tea Agreement, so that all problems of the industry concerning production and absorption may be kept under constant and close study by the international committee. The Commission, however, says that while entering into an international agreement the power should be reserved to enable the Government to allow the necessary expansion of cultivation in new areas to take place without restriction.

The Commission has repeatedly emphasised the need for efforts for a steady increase in consumption of tea in the internal market. In its opinion, the potentialities of the internal market are very great and a large and growing internal market is necessary for the stability of the industry. For promotion of exports, it suggests that the Tea Board should appoint an Export Promotion Committee consisting mainly of exporters of tea to look after the expansion of Indian tea sales abroad. It has suggested that a Marketing and Tea Promotion Directorate should be set up in the Tea Board which will make studies of various marketing problems in India and abroad.

Transport Facilities

For improvement in transport facilities, the Commission has recommended that the Central Water and Power Commission should investigate the existence of shifting sands in the Brahmaputra which sometimes cause unexpected and abnormal delays in the navigable channels. Attention of the Railway authority has been drawn to the need of keeping the line connecting Dhubri with the Central Dooars free from breaching to provide an alternative river route to Calcutta even when the rail route is disrupted. The Commission has also recommended that at Stations where there are bookings of tea, covered accommodation should be provided for tea awaiting despatch. Only leak-proof wagons should be used for the transport of tea.

The Commission points out that there is considerable room for improvement in the road communication in many parts of the tea districts. Regarding South India, the Commission says the main difficulty is about shortage of wagons in

(*Continued on page 491*)

Notices

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

EXPLANATORY STATEMENT

ON 21ST AUGUST 1956 THE COMPANY posted to its shareholders with the Report and Accounts for the year ended 31st March 1956 a Notice dated 9th August 1956 convening the Forty-fifth Annual General Meeting of the Company on 14th September 1956.

By an accidental omission, the hour of the Meeting was not specified in the Notice but the Company posted a further Notice dated 22nd August 1956 specifying the hour of the Meeting as 3.30 p.m.

The Directors' attention has since been drawn by certain of the shareholders to the fact that the further Notice dated 22nd August 1956 did not give them twenty-one days' notice of the Meeting to be held on 14th September 1956. The Directors have now been advised that the Notice convening the Meeting, including the further Notice, is not sufficient and that any proceedings on the basis of such Notices will not be valid.

The Directors have decided that a fresh and new Notice should be issued calling the Forty-fifth Annual General Meeting and they do hereby issue such Notice in the terms following:—

NOTICE OF MEETING

NOTICE is hereby given that the Forty-fifth Annual General Meeting of The Imperial Tobacco Company of India Limited will be held at Virginia House, 37, Chowringhee, Calcutta, on 27th September 1956 at 9 a.m., for the following purposes:

1. To receive and adopt the Statement of Accounts and Balance Sheet and the Reports of the Directors and Auditors thereon.
2. If considered desirable to declare a dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

In accordance with the Notice already issued and dated 9th August 1956, the share transfer books of the Company have been closed from 28th August to 14th September 1956, both days inclusive, and further notice is now given that the share transfer books of the Company will remain closed from 15th September to 26th September 1956, both days inclusive.

By Order of the Board,

B. GRANGER PEARSON,
Assistant Secretary.

3rd September 1956.
VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA.

Notes.—The dividend, if approved, will now be paid on 28th September 1956 and not on 25th September 1956, to the shareholders whose names are registered in the books of the Company on 26th September 1956, and not on 14th September 1956, or to their mandatees. Transfers received in order at the registered office of the Company by 27th August 1956, remain in time to be passed for payment of the dividend to the transferees.

Shareholders are again requested to notify the Company immediately of any change in address.

A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

The Statement of Accounts and Balance Sheet and the Reports of the Directors and Auditors thereon were forwarded to shareholders on 21st August 1956.

THE MYSORE SPUN SILK MILLS LIMITED
CHANNAPATNA

NOTICE

THE TWENTIETH ANNUAL GENERAL Meeting of the Shareholders of the above Company will be held at 3-30 p.m., on SATURDAY the 29th September 1956, at the Company's Registered Office, Channapatna, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1956.
2. To elect two Directors in place of
   (i) Shri K. H. Srinivasan, and
   (ii) Shri M. S. Ganesha Aiyar who retire by rotation. Shri K. H. Srinivasan being eligible offers himself for re-election. Shri M. S. Ganesha Aiyar who has attained the age of 73 years exceeds the age limit prescribed in Section 280 of the Companies Act, 1956, does not seek re-election.
3. To appoint Auditors for the year 1956-57 and fix their remuneration.
4. SPECIAL BUSINESS: Special Notice:—To consider and if thought fit, to pass the Ordinary Resolution to authorise the Directors of the Company, to borrow moneys with or without security and without limit.
5. SPECIAL BUSINESS: Special Notice:—To consider and if thought fit, to pass the Special Resolution regarding the re-appointment, as Salesman, of Shri Mahomed Pir, who is a relative of Shri K. Shamsuddin Khan, Chairman of the Board of Directors of the Company.
6. SPECIAL BUSINESS: Special Notice:—To consider and if thought fit, to pass the Special Resolution regarding the payment of an honorarium of Rs. 150 per mensem to Shri K. Shamsuddin Khan, Chairman of the Board of Directors of the Company.
7. SPECIAL BUSINESS: Special Notice:—To consider and if thought fit, to pass the Ordinary Resolution fixing the hours of inspection of Company's Registers and documents by the persons entitled thereto under the provisions of the Companies Act, 1956.
8. SPECIAL BUSINESS: Special Notice:—To consider and if thought fit, to pass the Special Resolution amending the Articles of Association of the Company.

(Full details about the Special and Ordinary Resolutions noted above and explanatory statement under Section 173 of the Indian Companies Act, 1956, have been furnished in the Notice sent to all the Shareholders of the Company).

By Order of the Board,

R. SURYANARAYANA RAO,
Manager.

CHANNAPATNA, 24*th August* 1956.

Note.—1. The Share Transfer Books of the Company will be closed from 15th September 1956 to 29th September 1956 (both days inclusive).

2. Every Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and *a proxy need not be a member.*

3. Shareholders are requested to communicate the change of address if any for record in the registers.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 21st September 1956 to the 1st October 1956, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) PRIVATE LTD.,
Secretaries.

CALCUTTA, 4*th September* 1956.

THE KAILAS RUBBER COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 13th Annual General Meeting of the Company will be held at Ancheril Bank Buildings, Kottayam, T.-C. State, at 11 a.m., on Saturday, 29th September 1956, to transact the usual business and some items of special business mentioned in the notice sent to the Shareholders individually.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

The Share Transfer Books will be closed from 18th to 29th September 1956, both days inclusive.

The 30 per cent. dividend on the Ordinary Shares recommended by the Directors, when declared, will be paid on 29th October 1956, to the Shareholders, who are in the register on 29th September 1956.

By Order of the Board,

For THE KAILAS RUBBER CO., LTD.,
For A. V. GEORGE & CO., LTD.,
A. J. MATHEW,
Secretary,
Managing Agents.

KOTTAYAM, 23*rd August* 1956.

THE KARANPURA COLLIERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Saturday, the 29th September 1956, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the year ended 29th February 1956, declaring the Dividends recommended by the Directors, electing a Director and appointing Auditors.

The Share Transfer Registers of the Company will be closed from the 15th to the 29th September 1956, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 30*th August* 1956.

Note.—(1) A member entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend or vote in his stead. Such Proxy need not be a member of the Company.

(2) The Dividend, if sanctioned, will be paid on or after 6th October 1956, to those shareholders so entitled whose names appear in the Company's books on 29th September 1956, or to their mandatees. No application for Dividend Warrants will be necessary.

THE KARANPURA COLLIERIES LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on 30th August 1956, the following Dividends were recommended to be paid for the year ended 29th February 1956.

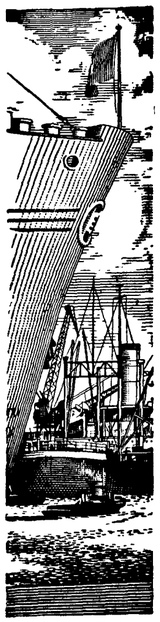
On Cumulative Preference Shares (After deduction of Income-tax payable by the Company) at 5½ per cent. per annum.

On Ordinary Shares (without deduction for Income-tax payable by the Company) at 5 per cent. per annum.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.



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NEW PUBLICATIONS

Structure of Indian Industries. By Dr. M. M. Mehta. Published by: Popular Book Depot, Bombay-7. Pages: 340. Price: Rs. 22-8.

IT has been an established practice among the economists, at least of this country, to explain the economic trends by reference to theoretical generalisations; seldom is any attempt made to test the theories themselves in the light of new data. Deductive reasoning has dominated inductive evidence. This state of affairs is not very helpful either to economic theory or economic policy. Dr. M. M. Mehta's attempt in this book at an inductive and exploratory inquiry into Indian industries is, therefore, a welcome one.

Dr. Mehta divides the book for purposes of study into three parts. In the first part, a study of the size of industries is made in all its aspects. The second part deals with the question of localisation. Both the problems of size and localisation are tackled with reference to their relationship with profits and costs of production. The third part deals with a question which has usually provided material for slogans and demagogy in this country—financial and administrative integration of industrial units.

An inconclusive discussion on the appropriate unit for measuring the size obliges the author to take technical equipment as the least objectionable. An examination of the cotton textile industry reveals that units of different sizes exist in the industry at different centres and at different periods. Thus, in Bombay, there has been a secular trend towards the increase in the number of mills having 45,000 to 50,000 spindles. In the case of composite mills, the ratio of 40 spindles to one loom is more and more pronounced. The Ahmedabad industry presents different figures, though the tendency on the part of small individual units to grow into bigger ones has been common to both Bombay and Ahmedabad. The author then proceeds to similar examination of other industries though the data he has used for the study do not belong to the same year. The broad conclusions that emerge from his study are that there has been, in recent years, a tendency on the part of industrial units to grow into larger sizes, that the mortality rate is higher among the smaller units, and that, during each period and in each industry, one or more than one "typical" size units existed along with units of widely varying sizes.

After demonstrating how the discovery of the existence and extent of the relationship between size and ratio of profit is beset with many difficulties, Dr. Mehta nevertheless points out that, except in the cotton textile industry, there is a high degree of correlation between size and rate of return on the equity capital. There is no inevitable or perfect positive correlation between the two as the rate of profit is determined by many factors besides the size. A study of the relationship between the size and the cost of production confirms the traditional view that there is a negative correlationship between the two, the degree of such relationship, however, depending upon various circumstances.

Dr. Mehta's discussion of the location yields the interesting conclusion that the market-localised industries offer the greatest scope for dispersal and decentralisation. This fact is of great significance to a policy of regional planning. All the seven industries selected for study are highly localised industries—jute and paper in Bengal, sugar in U.P. and cotton textile in Bombay, iron and steel and coal in Bihar and Bengal and cement in Madhya Pradesh. Though the recent trends are towards wider dispersal of productive activity, there is no uniformity in the trends of different industries—consumer industries showing a greater tendency for dispersal.

According to Dr. Mehta, the "most striking feature of India's industrial development has been the concentration of ownership and control in fewer hands and in fewer establishments." He argues that the managing agency system has led to this centralisation of commercial activities and complains that the concentration has grown mainly through expansion and not through amalgamation or absorption. He has given figures to illustrate how few directors and managing agents control large number of undertakings. The question whether, under the prevalent conditions in India, development could have taken place on other lines is, of course, outside the scope of the book.

The sources of Dr. Mehta's massive data are mainly the published balance-sheets and profit and loss accounts of the companies, year-books for investors and reports of manufacturers' associations. There has been no attempt to study the industry at close quarters. Such an attempt would have furnished highly interesting and significant information. A study of the structure of industry should be deemed inadequate without reference to such aspects as the nature of block capital and the capital-output ratios.

In a study of this kind, it is inevitable that the author should slip into an occasional logical or statistical error. He blames the A.C.C. for avoiding all competition between factories under their management, thus failing to see the basic reason for the birth of A.C.C. He says none of the cement factories outside the A.C.C. and Dalmia group has a capacity of more than 70,000 tons (p. 63)—Andhra Cement has a capacity of over 90,000 tons, India Cements of 1,00,000 tons, and Shree Digvijaya of two lakh tons. His reference to National Radio and Engineering Co. Ltd. and Pickers Ltd., as the subsidiaries of Investment Corporation of India makes one suspect that his sources are out of date by at least six years.

In spite of these blemishes, the book can claim to be a scholarly study. Dr. Mehta's treatment of the subject in this book is more lucid than in his earlier book on the cotton textile industry. However, there is likely to be an opinion other than that of the publishers on the price of the book.

Problems in Business Administration. By Thomas Cicchino Raymond. Published by: MacGraw-Hill Book Company, New York. Pages: 372. Price: $5.50.

In any social science, the importance of theory can hardly be exaggerated. A study of theory helps to discipline one's mind and to build up an attitude which enables one to see things in their proper perspective. It is a method by which one can work out the implications of a given situation or action. But it is possible for theory to degenerate too easily into fanciful imagination. A corrective to this tendency is to be found in what is called "case method," since laboratory experiments are denied to social sciences. The study of "precedents" in law is one example of the "case method."

Prof. Raymond, in the book under review, has attempted at analysis, by the case method, of problems in business administration, where in fact this method is of the greatest utility. After introductory remarks explaining the significance and importance of the case method, Prof. Raymond shows the working of the case method—how the facts of the problem are to be shifted and sorted, how to pin-point the central issue and then how to use the relevant data for arriving at the solution.

The task appears fairly easy, essentially a function of the commonsense. That is the impression the author himself helps to create by the simple cases given by him at the beginning. As the reader is, however, led from the simple to the complex cases, he is made to realise the exacting nature of the problems and the necessity of rigorous application of the case method. The cases themselves have been organised in four increasingly complex groups which both test and strengthen the analytical ability of the reader. To the students of business administration, this book, which is in a sense the product of Harvard Business School, is invaluable. They will find in it a useful aid in developing "a way of thinking logically and meaningfully in a given situation," which is the function of the case method.

Indian Non-ferrous Metals, Directory and Handbook, 1956. Edited by Mr. C. G. Chandrasekhar. Published by: Indian Non-ferrous Metals Manufacturers' Association, India Exchange, Calcutta, 1. Price: Rs. 10.

This Directory is undoubtedly a valuable contribution to the literature on non-ferrous metal industry in India. The role of non-ferrous metals in the development of any nation is so significant that it needs hardly any elaborate description. Suffice it to say that these metals are in extensive use in the electric, machine tools, bicycle, diesel engines, power driven pumps, textile machinery, hurricane lanterns, grinding wheel, paints and varnishes, glass, metal box and a host of other industries. In India, the use of these metals on a large-scale is only of recent origin, their main development having taken place during and since the Second World War. In the smelting, rolling, alloying, extruding and drawing sections, the non-ferrous metals industry is estimated to account for a capital investment of about Rs. 20 to Rs. 25 crores, excluding the capital employed in some important fabricating sections. It employs directly about 25,000 persons who receive by way of wages and allowances about Rs. 3 crores.

In spite of the notable contribution, the industry's importance has not gained the recognition that is due to it. This is possibly due to two reasons, namely, the comparatively recent origin of the industry in India and lack of adequate data on the industry. The latter lacuna may be said to have been made up to a considerable extent by the publication of the Directory under review.

The chief merit of the Directory lies in the series of articles, it contains on the various aspects of the non-ferrous metal industry written by men who, by reason of their close association with the use of various metals, can speak with authority. Dr. M. S. Krishnan writes on Appraisal of Resources on Metallic Ores. Mr. G. C. Mitter has contributed an article on the role of this industry in the Second Plan. A number of officers connected with the State-owned industries have described how far their respective factories are utilising the varous metals.

The section devoted to statistics relating to production, consumption and trade has enhanced the usefulness of the volume. Besides, the publication contains a list of metal associations in India and abroad. The chapter "Who is who" in non-ferrous metallurgical industry in India introduces the men who have made a mark in the field.

Investors' Encyclopaedia 1955-56. Compiled by Messrs. Kothari and Sons, Share, Stock and Exchange Brokers, Madras. Pages: 1,725. Price: Rs. 20. Postage Rs. 3 extra.

The task of compiling a useful reference book giving information about almost all leading joint stock companies all over India is an arduous one and the firm of Messrs. Kothari & Sons has well and truly earned the gratitude of investors throughout the country by publishing an authentic and complete reference work consistently every year for over two decades now. What is more gratifying is the fact that no effort is being spared to enhance the utility of the publication year after year by adding more companies and including additional information relating to companies.

The latest edition of the above publication is the nineteenth one of its series and has proved true to the name encyclopaedia. It runs to about 1,800 pages, as against just over 1,400 pages in the previous edition and less than 200 pages in the first edition in 1936. The enlargement of the volume over these years gives also an idea of the growth of the investment market in India. Besides retaining all the useful features of the previous editions, the latest one contains several new ones. The general review of economic conditions during 1955, given at the beginning of the book, provides details about the draft second Five-year Plan, a brief history of Company Law in India and a synopsis of the Companies Act 1956. The chapter on State enterprises run on commercial lines, which was introduced in the previous edition, has been revised and made more comprehensive. The introduction to each section giving a review of industries has been brought more up-to-date. Some charts and graphs relating to main economic indicators, index of industrial production of leading industries, foreign trade and money supply have also been included in the latest edition.

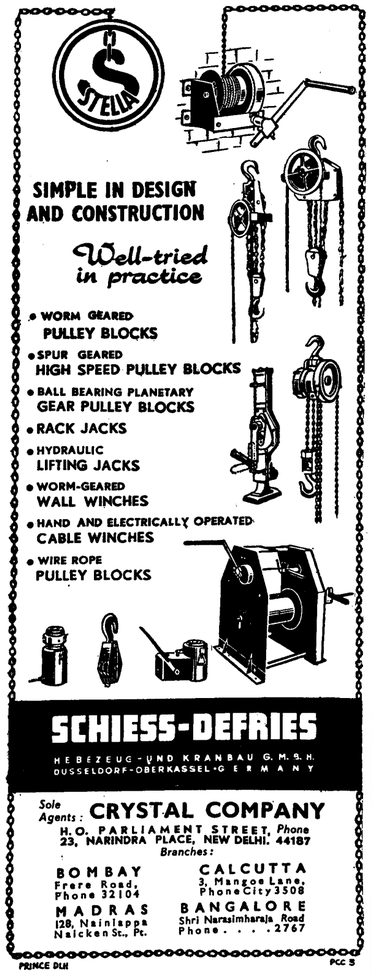
PLANTING

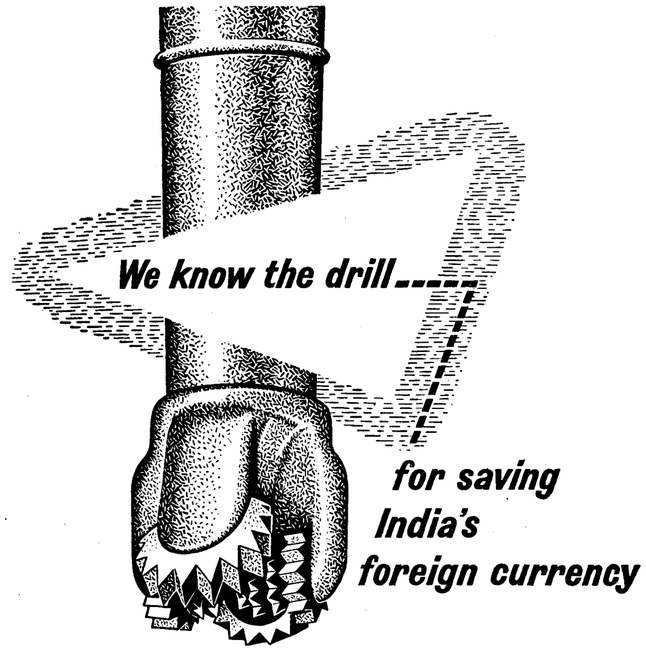
(*Concluded from page* 458)

quate return if he was to be encouraged to grow more. The question was whether they should achieve this through manipulation of imports and duty or by price support. As regards the former, there were both immediate and long-term issues. He would, however, assure the House that he would look into it immediately. The question of price support raised a number of complicated issues. The Government had occasionally given some price support for agricultural commodities, but he would confess, not on any national scale.

TEA EXPORT

The Government of India has fixed a ceiling of 160 million lbs. of tea out of the 1956-57 North Indian crop for export abroad for the purpose of auction. The Government does not, however, propose, for the time being, to prescribe a ceiling for the South Indian tea, an adequately high proportion of which is already being sold at the Cochin auctions.





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Scientists and engineers are keeping Assam's oil industry working at full pressure to produce as much oil as possible from our own oilfields. Additional wells are constantly being drilled, yet even in an established area they are not always productive; in spite of modern knowledge and equipment, successful drilling still remains something of a gamble.

But no effort is spared to find oil and turn it into the fuel, lubricants and by-products which are so vital to the progress and prosperity of India.

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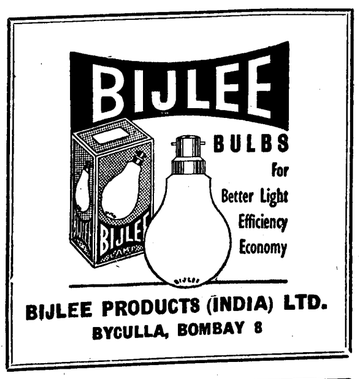

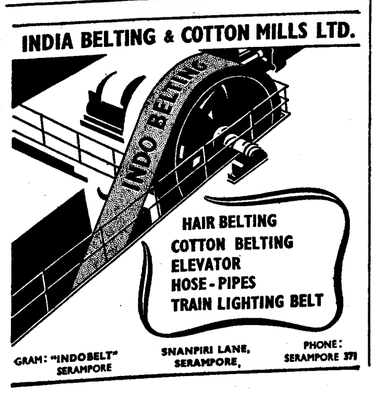

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INDO-BURMESE TRADE

SOME RECENT TRENDS AND PROSPECTS

FOR many decades, indeed till the Japanese occupation of Burma during the Second World War, Burma had been the traditional exporter of rice to India. It is not far from the truth to say that, to a great extent, the economies of India and Burma had been complementary to each other—not only because of certain historical circumstances, but also of their geographical position. Burma exported to India before the war about half of its export surplus of as much as 3 million to 3.5 million tons of rice annually, besides a number of products such as mineral oils, teak, lead, zinc, tin, silver and wolfram. India, on its part, exported a number of manufactured goods, spices and vegetable oils. After 1947, when the political conditions in both India and Burma became favourable, trade between the two neighbours increased. In the year 1949, for instance, Burmese exports to India were as high as Rs. 35 crores and its imports from India were of the order of about Rs. 10 crores as against Rs. 25.9 crores and Rs. 10.3 crores, respectively, in 1938. The complementary character of these two economies is no less significant today than it was a decade or so ago. On the contrary, the advance that is being made in India industrially and technologically will enable it to meet the demands of Asia, in general, and Burma, in particular, for both manufactured goods and technical know-how to an increasing degree in the years ahead. In course of time, India will even be able to supply plant and machinery to its neighbours. Besides, the capacity of Burma, as the nearest neighbour excepting Pakistan, to export many materials India is in need of, places that country in a distinct category by itself. India's need for adequate reserves of foodgrains when it is embarking on an ambitious programme of industrialisation involving large investments and deficit financing cannot be overemphasised. Only a few days ago, the World Bank Mission pointed out the importance of having sufficient foodgrain reserves at the disposal of the Government in order to offset any increase in their prices in the country. Burma is also capable of supplying non-ferrous metals and timber which Indian engineering industries will require when they expand. There is thus great scope for co-operation between Burma and India in the economic field to their mutual benefit. This is all the more easy to achieve because of the great similarity in the policies that are being pursued by them in the sphere of international politics.

Declining Trend

In the context of the growing need for economic co-operation between Burma and India, the declining trend witnessed in recent years in the trade between them is a matter for great concern. The following table illustrates clearly the trend of trade between the two countries from 1950-51 to 1955-56:

(In crores of rupees)

	Exports to Burma	Imports from Burma
1950-51	22.00	18.80
1951-52	19.55	23.48
1952-53	22.16	26.44
1953-54	20.81	17.49
1954-55	16.06	57.32
1955-56	12.39	9.55

As will be seen from the table, the value of exports to Burma declined from Rs. 22.16 crores in 1952-53 to as low as Rs. 12.39 crores in 1955-56. At the same time, the value of imports from Burma also fell, except in the year 1954-55, from a high level of Rs. 26.44 crores in 1952-53 to a none-too-impressive figure of Rs. 9.55 crores in 1955-56. The causes for this marked decline are many. First, the policy of food self-sufficiency adopted by India in March 1949 resulted in a drastic cut in imports of foodgrains generally. Secondly, the high price of rice obtaining in Burma during the early fifties acted as a damper. Nevertheless, the Government of India was able to conclude a deal only after prolonged negotiations with the Burmese Government. The deal provided for export by India to Burma of cotton textiles, Jute manufactures, iron and steel products, hosiery, rayon and leather goods, coal, paper and fish, and import by India of rice, pulses, lead and teak. Both these factors, namely, India's restrictive import policy and the high level of prices prevailing in Burma, compelled Burma to seek markets for its surplus produce elsewhere, chiefly in Japan and the communist countries, which generally insisted on barter deals. As a result, Burma's trade with them staged a remarkable expansion during the last few years. The trade arrangement concluded between Burma and Japan in December 1953 provided for long-term purchases of rice by Japan from Burma. Japan, accordingly, imported 300,000 tons of Burmese rice in 1954, 240,000 tons in 1955 and 263,600 tons in 1956. Moreover, since resumption of trade between them after the war, both exports and imports have staged a remarkable expansion as can be gathered from the following table:

(In million £s)

	Japan's exports to Burma	Japan's imports from Burma
1950	4.9	7.1
1951	6.2	8.1
1952	6.9	7.9
1953	11.6	17.3
1954	16.7	20.2
1955	11.5	13.2
1956 (Jan.-April) ..	3.9	0.8

Thus, while Japanese exports rose in value from £4.9 million in 1950 to £16.7 million in 1954—an increase of as much as 3.4 times—its imports also went up by 2.8 times from £7.1 million in 1950 to £20.2 million in 1954. In 1955, however, there was a slight fall in the value of trade, because of the application of import restrictions and suspension of the O.G.L. system by the Government of Burma—which, incidentally, was another contributory factor for the fall in the trade between Burma and India in recent months—following the deterioration in its international balance of payments position, consequent on the world-wide increase in rice production in 1953 and 1954.

Japanese Competition

This brings us to two more causes for the decline of trade between India and Burma: the emergence of Japan as a competitor to India, and the improvement witnessed in the production of foodgrains in India itself in 1953 and 1954 as a result of the policies adopted under the First Five-year Plan. Of the three countries that principally trade with Burma, Japan constitutes the more powerful competitor to India both because of its highly developed industrial economy and of its readiness to purchase Burmese rice in exchange for her own goods supplied at very competitive rates. Japan's leading export items to Burma are, thus, textile products, which account for more than 50 per cent. of the total value of its exports. Other Japanese exports such as metal products, machinery, canned fish, etc., do not, however, affect, at any rate in the present circumstances, India's trade with Burma to any appreciable extent. India's position *vis-a-vis* Japan in the sphere of textile trade with Burma can be more clearly seen from the fact that, while India could export no more than 14.41 million yards of cotton cloth in 1955, as against 40 million yards in 1954 and 89.66 million yards in 1953, Japan succeeded in exporting as much as 68.12 million yards in 1954. Furthermore, while India's export to Burma during the first quarter of this year, despite the purchases made by the Burmese Mission early this year of 6.9 million yards of Indian cloth, were only 7.2 million yards, Japan's exports amounted during the same period to no less than 15.8 million yards.

Above all, India's attainment of the targets, fixed for the First Plan for foodgrains, much ahead of the schedule obviated the necessity of large-scale imports of foodgrains after 1953. Thus, while the imports of foodgrains were of the order of 4.7 million tons in 1950, they were less than a million tons during the past two years. In respect of rice alone, there was an improvement of as much as 4.5 million tons in India's production over the Plan period.

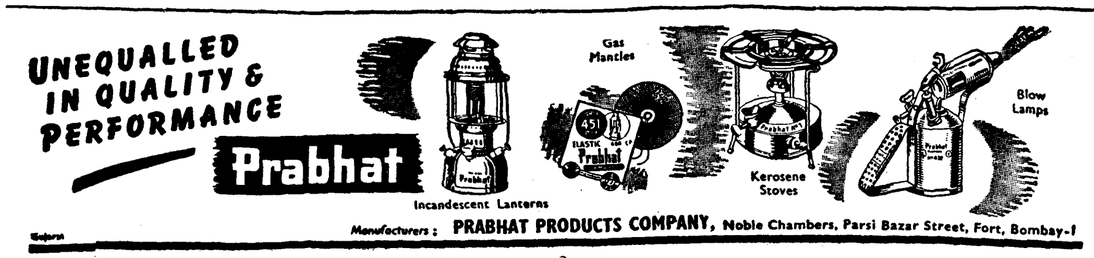
This does not mean that there is no scope for imports of foodgrains in the future. Far from it. The impact of the unpredictable natural forces such as the monsoon and the floods on the execution of the Plan cannot be underestimated. In view of the heavy expenditure to the tune of as much as Rs. 7,000 crores, by the public and the private sectors together, as envisaged in the Second Plan, commonsense dictates that adequate reserves of foodgrains should be built up to offset any unfavourable price trends resulting from widespread failure of or damage to crops, in order to ensure the success of the Plan programmes. In this context, the agreements signed last week between the Governments of the U.S.A. and India for the supply by the latter of 3.7 million tons of foodgrains is a matter of great relief. So also is the deal between Burma and India concluded in May last, according to which Burma will export to India during the Second Plan period 2 million tons of rice.

New Trade Agreement

At the time this deal was signed, it was agreed between the two countries that a fresh, comprehensive trade agreement designed to step up the volume of trade between them "to as high a level as practicable" should be concluded. In order to fulfil this understanding, the Burmese Deputy Prime Minister, Mr. Sao Hkunhkie, has arrived in New Delhi. When this agreement is concluded, it will open out new opportunities for the expansion of trade between the two countries. It is expected that the new pact, the draft of which is very nearly complete at the time of writing, will be valid, as the earlier one, for five years. At the same time, it is stated, an attempt will be made to achieve balance of trade. This means that Burma will have to import more goods from India, estimated at Rs. 18 crores annually, to pay for its exports of rice. India, on its part, should explore the possibilities of stepping up its exports to Burma. It is considered likely that the Government of India may make a major concession to Burma by agreeing to sell iron and steel products, although they are in short supply in India itself. The greatest scope, however, is for expanding exports of textiles and other manufactured goods, jute manufactures, oils, spices, shoes, hardware, that is, things which Burma needs. What is of paramount importance, in this context, is the removal of trade restrictions in the direction of which Burma has already made some headway after the improvement it has witnessed in its balance of payments position since Autumn 1955. The loan of Rs. 20 crores given by India in October last coupled with that of $19.35 million given by the World Bank must have already improved the foreign exchange position of Burma to an appreciable extent.

Certain Handicaps

The Indian businessmen have been experiencing some difficulties in carrying on their trade with Burma. These should be removed as another step towards expansion of trade. It is stated that a great difficulty confronting Indians intending to visit Burma is the one relating to issue of fresh visas on the strength of the time-barred re-entry visas. Absence of direct sailing facilities from Madras to Rangoon is also stated to have been responsible for much inconvenience to businessmen. It is further complained that repatriation of money is the most important problem facing them. Sometimes remittances of current earnings were not allowed, although import licences were given by the Government of Burma. A few days ago, coir exporters in Alleppey brought to the notice of Mr. Mehrotra, the Indian Ambassador-Designate to Burma, that the steamship companies refused to lift their cargo for Rangoon for the reason that the cargo occupies more space in relation to its weight. This grievance incidentally reminds us that the biggest of all the handicaps to Indo-Burma trade is inadequacy of shipping. If India is to compete effectively in Burma with such advanced maritime nations as Japan and the U.K., it must expand, without any delay whatever, its mercantile marine. The time has come when India should not depend upon foreign shipping for adjacent trades. Be that as it may, Mr. Lalji Mehrotra, the Ambassador-Designate to Burma, has done well to assure the business community in India of his fullest co-operation in their efforts to expand trade with Burma, in his speeches delivered a few days ago at the Southern India Chamber of Commerce and elsewhere. As he rightly pointed out, Indian businessmen should, instead of merely sending samples and literature about their goods to Burma, must pay frequent visits to the country and examine the problem there itself. It is to be hoped that the new trade agreement between India and Burma, now on the anvil, will usher in a new era of trade for both the parties. It is needless to add that India's economic prosperity depends not only on its own economic stability but on that of its neighbours as well. It is in this light that the new trade agreement should be regarded as a further step towards closer economic co-operation between the two countries.



WORLD INDUSTRIAL PRODUCTION UP

The industrial production of the world excluding the U.S.S.R., China Mainland and Eastern Europe in the first quarter of 1956 was 6 per cent. to 7 per cent. higher than in the corresponding quarter of 1955, according to the United Nations *Monthly Bulletin of Statistics* for July. The index number of industrial production for the period under review stood at 114, the base year being 1953. This level, however, represents a slight decline, as compared with the levels in the last three quarters of 1955. Further, the rate at which output expanded in 1955 slackened somewhat during the period under review and indications are not lacking to show that this trend must have continued during the second quarter of 1956 also.

Turning to raw materials, the *Bulletin* says that, except for tin and rubber, the production of basic industrial raw materials increased over that of the first quarter of 1955. Principal among these raw materials were coal, crude petroleum, cement, pig iron, copper, zinc, aluminium and electricity. The greatest increases were witnessed in pig iron and steel, the quarterly tonnage production figures being 41 million and 59 million, respectively. This represents an increase of 12 per cent. for steel and 13 per cent. for pig iron over the corresponding quarter of 1955. In the United States alone, the output of pig iron and steel rose by as much as 17 per cent. and 19 per cent. respectively, whereas, in the rest of the world, they rose by 10 per cent. and 9 per cent. Copper production at 726 thousand metric tons, also exceeded that of any other quarter.

Aluminium production continued to rise during the period under review, with the output being 11 per cent. higher than that the corresponding period in 1955. It was, however, slightly lower than the record level reached in the third quarter of 1955. A significant feature was that the gains in the production in the U.S. were sufficient to offset the seasonal drop in Western Europe.

In regard to coal and petroleum, the *Bulletin* points out that the production of both during the quarter under review as compared with the first quarter of 1955 increased in the same proportion. In the U.S. however, proportion of the increase was higher in respect of coal. In the case of petroleum, the reverse was true, owing to the accelerated production in countries other than the United States.

SCOPE FOR STRAWBOARD IN BOMBAY

The Government of Bombay has announced that applications from prospecting industrialists interested in establishing strawboard factories in West Khandesh District will be received by the Chief Conservator of Forests, Bombay State, Poona, till the end of December 1956.

As a result of investigations conducted by the Forests Department of the State Government, it is found that Nawapur and Sangvi in West Khandesh command very favourable conditions for locating the factories. In the first place, the adjoining grass lands and forests of West Khandesh District offer an adequate potential supply of coarse grasses of suitable varieties for the operation of strawboard factories of a capacity of as much as 16 tons per day.

It is further found that other raw materials required for the industry will also be available easily. A reconnaissance survey of the area within a radius of 20 to 25 miles surrounding Nawapur and Sangvi revealed that about 10,000 tons of dry grass would be available annually for a factory at Nawapur, and as much as 7,000 tons per annum for the one at Sangvi.

Another very important advantage offered by the aforesaid two places is that they are centrally situated within the regions providing the supply of raw materials. Nawapur is served by the Tapti Valley Railway and is connected by roads to Ahwa (Dangs Division) and Sadado (Vyara Division). Similarly, Sangvi is situated on the main Bombay-Agra Road connected with Nardava railhead at a distance of about 33 miles. Furthermore, the proximity of the places to the sources of water supply—Nawapur to Bhangawali and Sangvi to Arunavati—ensures adequate supplies of water. There is a possibility of producing electricity, too, at moderate rates.

The Government of Bombay is prepared to consider the question of granting concession to parties willing to establish strawboard factories. They should, however, inspect the areas and satisfy themselves about the conditions, such as the supply of raw materials and skilled labour, before submitting their proposals. The applications, it is stated, should also include a complete scheme explaining the location of the factory, financial and technical ability to complete the undertaking, and the concessions needed by the party for the right of collection of grass from the Government-owned areas. The Government, it is further stated, proposes to call regular tenders if sufficient response is forthcoming from interested parties.

METRIC SYSTEM OF WEIGHTS

The Standards of Weights and Measures Bill, 1956, has been referred to a Select Committee of both the Houses of Parliament as a result of the recommendation of the Lok Sabha already agreed to by the Rajya Sabha. Mr. Kanungo, Minister for Commerce and Industry, moving the motion for reference, pointed out that the Bill would bring about the introduction of uniform system of weights and measures based on the metric system all over the country. At present different units of weights and measures prevailed in different parts of the country. Absence of uniformity gave rise to the exploitation of the masses and hampered trade. Besides, the system had already been adopted by 70 countries in the world. He further recommend that the system, together with the decimalisation of coinage, would be in the best interests of trade and industry of the country, especially in view of the programme of industrialisation taken in hand by the country. He further stated that the transition to the metric system would be gradual. A maximum period of ten years had been provided for the complete adoption of this system.

TRADE PACT WITH INDONESIA EXTENDED

The trade agreement which was concluded between the Government of India and Indonesia on 30th January 1953, and was extended later to 30th June 1956 has been further extended for another six months, that is, up to the end of December 1956.

The agreement envisaged the export to Indonesia mainly of jute goods, cotton textiles, non-essential oils, chemicals, light machinery and engineering goods, and imports from that country, mainly of coconut and palm oils, spices, tin, rubber and timber.

Indian exports to Indonesia increased in value from Rs. 6.6 crores in 1953-54 to Rs. 11.6 crores in 1955-56. Imports have slightly declined from Rs. 1.51 crores in 1953-54 to Rs. 1.46 crores in 1955-56. In 1954-55 they amounted to only Rs. 81 lakhs.

It is, however, felt that the prospects for Indian exports to Indonesia are not as bright as they have been before for the reason that further exchange restrictions are likely to follow as a result of the deterioration in the Indonesian balance of payments position in recent months. It may be recalled that, about a year ago, the Indonesian Government had adopted a policy of encouraging heavy imports with a view to bringing down domestic prices.

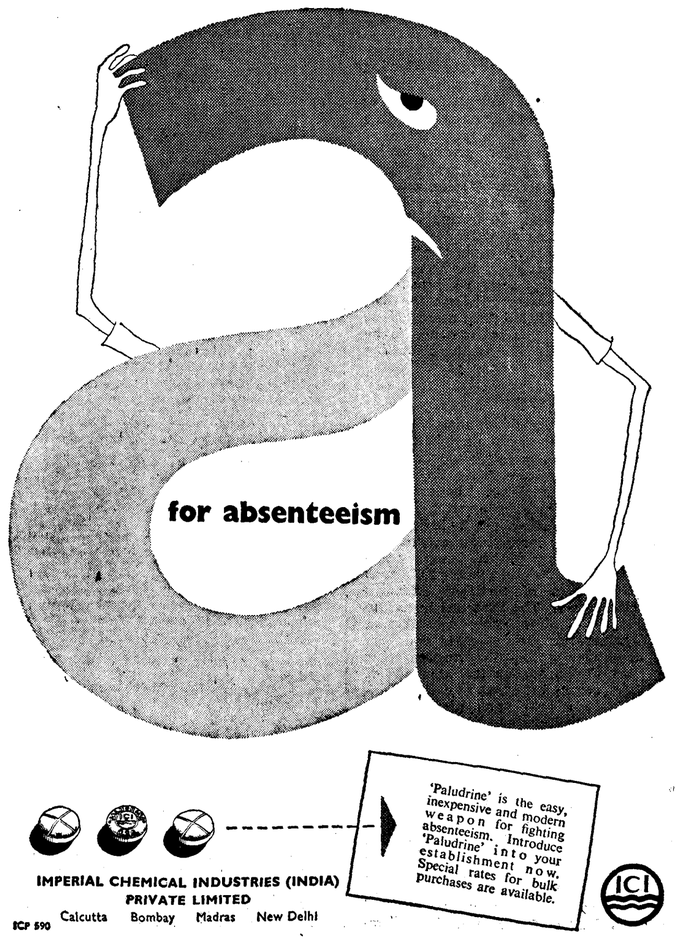
TRADE BALANCE ADVERSE

The visible adverse trade balance of India for the first quarter of 1956 was Rs. 60.78 crores, as against Rs. 21.42 crores for the corresponding period of 1955. It represents an increase of as much as Rs. 39.36 crores.

The rise in adverse trade balance was mainly due to the increase in merchandise imports which were valued at Rs. 192.3 crores during the quarter ended June 1956 as compared with Rs. 153.9 crores in the corresponding quarter of last year.

Fall in exports also contributed to some extent in raising the adverse balance of trade. Total exports during the quarter under review were valued at Rs. 131.6 crores, as against Rs. 132.5 crores in the same quarter of the previous year.

Imports of gold and silver were placed at Rs. 500,000 as compared with Rs. 200,000 in the second quarter of last year.



F.A.C.T. EARNS MORE BUT NO DIVIDEND YET

NEW EXPANSION PROGRAMME UNDERTAKEN

AN impressive rise in production, particularly of the main products, thanks to the uninterrupted and requisite supply of electric power even during the summer months, is the outstanding feature of the working of the Fertilisers and Chemicals, Travancore Ltd., Alwaye [Managing Agents: Messrs. Seshasayee Brothers (Travancore), Ltd., Alwaye] during the year ended 31st December 1955. Consequent upon higher production, the gross profit for the year has gone up substantially from Rs. 26.70 lakhs for 1954 to Rs. 42.04 lakhs for the year. After setting aside Rs. 1.55 lakhs for managing agents' remuneration and Rs. 26.51 lakhs for depreciation as against Rs. 26.40 lakhs in the previous year, the net profit stands at Rs. 13.97 lakhs, against the previous year's meagre sum of Rs. 30,258. The Directors have thought it prudent to pass over the dividend once again, in order to consolidate the resources of the Company. Accordingly, the entire net profit of Rs. 13.97 lakhs has been utilised to reduce the previous year's losses aggregating Rs. 44.67 lakhs to the present figure of Rs. 30.69 lakhs. It looks, therefore, that the shareholders can look forward to more heartening news only after the entire losses are wiped out. But they can have the satisfaction that the Company has turned the corner.

The table shown hereunder will give an insight into the Company's working during the past four years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	188.26	203.49	89.68	97.86
Manufacturing cost of goods sold	137.04	167.95	73.23	78.96
Other expenses	10.07	9.64	9.18	8.43
Gross profit	42.04	26.70	8.03	12.35
Managing Agents' remuneration	1.55			
Depreciation	26.51	26.40	27.08	28.16
Net profit (+) or loss (—) ..	+13.97	+0.30	—19.05	—15.82
Carry forward	—30.69	—44.67	—44.97	—25.92

During the year under review, the production of ammonia at 12,660 tons, besides setting a new record, was also 860 tons in excess of the rated capacity of the plant. The major portion of this chemical was used in the manufacture of 42,757 tons of ammonium sulphate, which is also the highest to be produced so far. The balance of ammonia, left over after direct sales, was utilised to produce 1,622 tons of ammonium chloride, a new addition to the Company's list of products. The production of 40,977 tons of sulphuric acid during the year, as against 34,375 tons produced in the previous year, also constituted a fresh record for the Company. The production of superphosphate, however, fell from the 1954 figure of 15,340 tons to 10,716 tons; nevertheless, the Directors consider this performance to be quite satisfactory, in the light of the prevailing market conditions during the past year.

Development

The Directors feel confident that a regular offtake is assured for ammonium sulphate, since the trend of Government's policy appears to be to continue the Central Fertiliser Pool of the Food and Agricultural Ministry. The lower production in superphosphate by about 5,000 tons was due to poor offtake occasioned by lower foodgrain prices and fairly large stocks carried forward from the previous years. The Company was also able to manufacture and market 2,596 tons of different varieties of fertiliser mixtures against specific orders. The Directors intend to develop this field of activity, by offering balanced fertilisers for different food and cash crops, with suitable technical advice on their use. They are of the opinion that this line of business offers scope for expanding the Company's activity on firm foundations, as it will enable the agriculturists to use fertilisers on a scientific basis and with a full knowledge of its value. The Company justly feels proud that it is the only manufacturer in India for ammonium chloride which is used largely in the manufacture of dry cells and also in the galvanising industry. The world-famous Imperial Chemical Industries (Indian) Ltd. has been appointed as the selling agents for the Company's products. The Travancore-Cochin Chemicals (Private) Ltd., in which this Company holds shares to the tune of Rs. 25 lakhs, also recorded satisfactory progress and declared a dividend of 5 per cent. This Company is now producing to rated capacity and its profits are likely to increase in future years.

The F.A.C.T. has a scheme for expanding its activities. Commenting on this scheme, the Directors say:

"The scheme for expansion of our ammonia plant for doubling existing capacity and for the utilisation of the additional ammonia for producing increased quantities of ammonium sulphate and another new product, namely, ammonium phosphate, has already been sanctioned by the Government of India. Out of the total estimated expenditure of Rs. 256 lakhs, the Government of India has arranged through the Industrial Finance Corporation of India to advance us a loan of Rs. 206 lakhs. The Directors are confident of making up the balance from the Company's own resources. Global tenders have been called for the supply of plant and machinery. As on date, we have placed orders for four items of plant, totalling in value about Rs. 42 lakhs. Orders for the rest of the items will also be placed shortly. From the deliveries promised by the various suppliers, we feel confident of bringing the schemes of expansion into fruition by the middle of 1958."

Financial Position

The Company is engaged in the manufacture of basic chemicals, as opposed to consumer goods industry. This is an industry the establishment of which is a very difficult task for an underdeveloped country like India. It will take several years for an industry of this type to be firmly and soundly established. A company engaged in such an industry is, therefore, bound to go through several years of adverse financial results before beginning to make both ends meet, pay dividends and build up reserves. It is against this background that one should view the balance-sheet of the F.A.C.T. as at the end of 31st December 1955. It faithfully reflects the hard days experienced by the Company in its initial years. The Company has a paid-up capital of about Rs. 345.98 lakhs, all in ordinary shares of Rs. 10 each. It has no reserves at all, barring a small sum of Rs. 35,566 representing forfeited shares and plant maintenance reserve. Its liabilities aggregate Rs. 99.39 lakhs. There is a net accumulated loss of Rs. 30.69 lakhs yet to be wiped out. Its block account has been written down from Rs. 422.53 lakhs to Rs. 229.81 lakhs. There is yet an expenditure of Rs. 92,775 by way of commission on shares to be wiped out, while development expenses remaining to be capitalised is Rs. 30,226. Current assets aggregate Rs. 183.99 lakhs of which Rs. 25 lakhs are in shares of Travancore Chemicals and Rs. 13.29 lakhs in cash. In short, the picture presented by the balance sheet is that of a company still in its early stages of growth.

From the foregoing account, the reader, however, should not jump to the conclusion that the Company's financial position is unsound. It is engaged in an industry which holds forth promises of getting increased attention both from the Government as well as the people in the years to come. With the implementation of the expansion schemes that the Directors have in mind, the Company is sure to make commendable progress in the years ahead and show better financial results. That several investors share this view is borne out by the fact that, in recent weeks, the value of the Company's shares, which are regularly quoted on the Madras Stock Exchange, has tended to attain a considerable degree of stability in the neighbourhood of Rs. 7-4, as against Rs. 6-8 a year ago.

SEN-RALEIGH FARES BETTER

The working results of Sen-Raleigh Industries of India Ltd., for the year ended 30th September 1955, as disclosed by its report and accounts for that year, make encouraging reading. They show that the Company must have made remarkable progress during the year. Sales were higher and so also profit. The financial results were so handsome that it was possible for the Company to pay a modest maiden dividend of 6 per cent. on ordinary shares, as also to commence building up reserves.

Owing to a change in the format of the profit and loss account—the one in the report under review is more informative than its predecessor—it is not possible to make our customary comparative study of the results. But, from such information as is available, it is clear that the Company's performance in 1954-55 was excellent. The net profit has gone up by Rs. 6.52 lakhs to Rs. 11.07 lakhs, as compared with 1953-54. It is noteworthy that this striking increase has been achieved after setting aside a considerably larger sum—Rs. 5.68 lakhs, as against Rs. 3.76 lakhs in 1953-54—for depreciation.

After writing off all previous losses amounting to Rs. 6.03 lakhs and maintaining the preference dividends at 5 per cent., a maiden dividend of 6 per cent., free of tax, on the ordinary shares has been declared. This absorbs Rs. 3.18 lakhs. A general reserve with an initial appropriation of Rs. 50,000 has been created, leaving a balance of Rs. 20,690 to be carried forward to the next year. As the profits of the Company are still not taxable, no provision has been made for taxation.

Sales during 1954-55 increased by Rs. 24.75 lakhs, that is from Rs. 88.20 lakhs to Rs. 112.95 lakhs. The Company is very optimistic about the future for the cycle industry in India, in general, and about its own part and performance, in particular. This has been quite confidently expressed by the Chairman, Mr. Sudhir Kumar Sen, in his address to the shareholders at their sixth ordinary general meeting held in Calcutta on 28th August 1956, thus:

"A welcome feature of the bicycle trade in 1955 appeared to be the acceptance by the Indian market of Indian bicycles as a mainstay of the trade. This reorientation of thought amongst the Indian traders was a necessary corollary for further expansion and consolidation of the Indian bicycle industry.

"Your Company closed the year with record orders on its books for both bicycles and components. All products recorded increased sales, and orders, as usual, were in excess of production capacity in all lines, except in the case of bicycle chains. It is admitted that our chains stand supreme for quality, endurance and value."

The Company has an ambitious scheme of expansion during the second Five-year Plan to cope with the rapidly growing increase in the demand for this vital and cheap form of transport which has been rightly described as a poor man's vehicle. Referring to this aspect, the Chairman observes:

"Your Company expects to play a prominent part in the fulfilment of the second Plan as it has done in the first. To this end, applications have been made some time back to the Government of India for increases in capacity to be allowed to your Company to raise production in the bicycle wing to 200,000 bicycles, and the component wing to half a million sets of components. Plans for such expansion are already under active preparation at associate factories in the U.K. and the Continent at the instance of your Directors."

As for the funds required to finance the expansion, the Chairman revealed that a part would be met by borrowing Rs. 15 lakhs from the Industrial Finance Corporation and the balance by issuing the remaining part of the unissued capital.

The paid-up capital of the Company as on 30th September last, stands at Rs. 79.27 lakhs, the issued capital being Rs. 100 lakhs. There is a nucleus of reserves at Rs. 70,690. Fixed assets of the gross value of Rs. 121.59 lakhs have been reduced to Rs. 100.71 lakhs by providing a depreciation of Rs. 20.88 lakhs. Assets in course of erection stand at Rs. 4.44 lakhs. Current assets, excluding investments at Rs. 13.87 lakhs, amount to Rs. 81.05 lakhs. The Company has supplemented its capital by secured loans of the order of Rs. 70.26 lakhs, of which Rs. 38 lakhs are loans from the I.F.C., the balance being from a commercial bank. Its current liabilities aggregate Rs. 50.16 lakhs.

A notable event benefiting the shareholders is that the shares of their company are at present listed on the Bombay Stock Exchange. The Rs. 10 paid-up ordinary shares are currently quoting in the neighbourhood of Rs. 15, at which rate, and on the basis of a dividend of 6 per cent., the yield on them works out to 4 per cent. per annum. This low yield on scrip belonging to a new industry reflects the investors' confidence in the outlook for the Company and their hopes of higher dividend in the years to come.

COMPANY LAW AT WORK IN 1955-56

The year ended 31st March 1956 is a significant one in the history of Indian Company Law for more than one reason. It represents the final year of the first Five-year Plan and the final one in which the old Companies Act of 1913 was at work. The statistics relating to joint-stock companies for the year should, therefore, serve as a useful indicator of the progress of private enterprise during this year as well as in the first Five-year Plan period. During the year under review, as many as 1,448 new companies were formed, but with a total paid-up capital of only Rs. 3.14 crores. The number of companies formed compares favourably with 1,203 in 1954-55, 1,193 in 1953-54 and 1,333 in 1952-53. The new registrations formed in 1955-56 are the largest on record since 1951-52 during which year 1,866 new companies were floated.

The paid-up capital of the newly registered companies during 1955-56 is, however, very small at Rs. 3.14 crores and is less than a third of that of those which went into liquidation. It may be noted here that as many as 846 companies with a paid-up capital of Rs. 10.69 crores went into liquidation during the year. The existing companies (excluding the new incorporations) reported an increase of Rs. 43.72 crores in their capital. It is not clear as to how much of this increase is due to issue of bonus shares by capitalisation of reserves and how much issue of new capital by way of preference and ordinary shares.

The total number of joint-stock companies at work at the end of the fiscal year 1955-56 was 30,381, with a paid-up capital of Rs. 1,019 crores. This number is, however, likely to be still less, as some of the companies that have gone into liquidation have not been reported by the Registrars in the subsequent months. The total paid-up capital of companies at work, namely, Rs. 1,019 crores, may also show a change as a result of late reports in respect of liquidation cases and change in capital position of companies.

During the first Five-year Plan period, there has been a net increase of over 1,800 companies in the total number of companies at work and of Rs. 244 crores in their paid-up capital.

The total number of newly registered private companies is several times larger than that of public companies registered during the year. Thus, as against 186 public companies, as many 1,262 private ones were registered during 1955-56, the corresponding figures for the previous year being 219 and 984, respectively. This shows that the proportion of public companies in the private sector to the total is tending to go down.

Of the new registrations during 1955-56, those in the combined "processing and manufacturing" divisions accounted for 536 and those in the "commerce" (trade and finance) division for 528, with a total authorised capital of Rs. 109.17 crores and Rs. 29.06 crores, respectively. These groups together accounted for 73 per cent. of the total number and 88 per cent. of the total authorised capital of all the new incorporations. State-wise distribution of these registrations was as follows:

West Bengal 533	Bombay 252
Madras 192	Delhi 139
Travancore-Cochin 61	U.P. 40
Madhya Pradesh 39	Punjab 30

It will be noted that the first four States themselves account for about 77 per cent. of the newly registered companies. Of the new companies registered in 1955-56, 25 companies, all private, were managing agency ones, two of these with an authorised capital of Rs. 25 lakhs each, and one with an authorised capital of Rs. 15 lakhs. The authorised capitals of 19 of them range between Rs. 1 lakh and Rs. 5 lakhs; the remaining three have an authorised capital of less than Rs. 1 lakh. It is noteworthy that, of the 1,448 newly registered companies, only 31 were promoted by managing agents. The distribution of the companies registered in 1955-56 according to the size of their capital is as follows:

Authorised capital	*No. of companies*
Rs. 1 crore and above	16
Rs. 50 lakhs-Rs. 1 crore	12
Rs. 25 lakhs-Rs. 50 lakhs	28
Rs. 10 lakhs-Rs. 25 lakhs	76
Rs. 5 lakhs-Rs. 10 lakhs	69
Rs. 1 lakh-Rs. 5 lakhs	558
Up to Rs. 1 lakh	689
Total ...	1,448

It has been observed that the new companies tend to concentrate in two size strata particularly, that is, Rs. 50,000-Rs. 1 lakh and Rs. 4 lakhs-Rs. 5 lakhs, the number of companies in the two size groups being 386 and 376, respectively.

The number of giant floatations with an authorised capital of Rs. 1 crore and above for the year was only 26, as against 42 in the preceding year. The more notable among them were: Nangal Fertilisers and Chemicals (with an authorised capital of Rs. 30 crores), Indian Viscose Corporation (with an authorised capital of Rs. 10 crores), Hindustan Vehicles, Dalmia Iron and Steel, Sahaya Properties and Investment, Atic Industries and Sahu Glass Companies (all with an authorised capital of Rs. 5 crores each).

Of the 846 companies which ceased to work during 1955-56, 555 were private and 291 public companies, their total paid-up capital being Rs. 4.11 crores and Rs. 6.58 crores, respectively. The largest number of liquidations during the year was recorded in the industrial group "commerce (trade and finance)", the exact number being 384 companies, with a paid-up capital of Rs. 2.70 crores. Liquidations in the combined industrial groups, "processing and manufacturing" amounted to 266 with a total paid-up capital of Rs. 3.45 crores. In terms of number, these two groups accounted for 77 per cent. and in terms of the paid-up capital 58 per cent. of the total. The largest number of liquidations reported was in Bombay with 154, followed by Delhi with 131. In U.P., 99 companies ceased to work during the year, in West Bengal 71 and in the Punjab 69.

LOANS TO DIRECTORS

The Ministry of Finance (Department of Company Law Administration) has been receiving applications from companies seeking approval of the Government under sections 295 and 372-373 of the Companies Act, 1956, respectively, to their granting loans to their Directors etc. and to their investments in other companies belonging to the same group. The applications do not always contain all the information required by Government and consequently their disposal is often delayed. The Companies are accordingly advised, in their own interest, to ensure that their applications are accompanied by as full information as possible, on the lines broadly indicated below.

In respect of a loan which attracts the disabilities specified in sub-section (1) of section 295 of the Act, the lending company should furnish full details as to the purpose for which the loan was or is to be granted, the terms of the loan, including agreements relating thereto, if any specifying the rate of interest chargeable on the loan, the period within which it is to be recovered and the security on the basis of which the loan was granted, the balance-sheets and profit and loss accounts of the lending and the borrowing companies for the latest three financial years together with the Memoranda and the Articles of Association of the Companies, and any other information having a bearing on the loan transaction. The applicant company should also indicate whether the transaction attracts the provisions of section 370 of the Act, and if it does, a certified copy of the special resolution of the lending company authorising the grant of the loan should invariably accompany the application. A statement to the effect that all the remaining requirements of the Act in so far as they have a bearing on the loan transaction have been complied with, should also be furnished.

Applications for fresh investments under section 372 or for the continuance of investments under section 373 of the Act should furnish information regarding the subscribed capital of the investing company and the subscribed capital of the company in shares of which the investments have been, or are to be, made. The nominal value of all investments made in the other companies and in the companies belonging to the same group should also be clearly stated. In the case of appli-

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Points From The Chair

Export of Soaps to Foreign Countries

"IT is a matter of pride to the Company that, as a result of recent visit paid by senior sales executives both to the Middle East and the Far East countries, our products are slowly finding their way to far flung places extending from the Fiji Islands to Accra in the Gold Coast and Lagos in Nigeria. I may add that, while the volume of foreign business is still quite small, the prospects for marketing Indian toilet soap and hydrogenated oils in foreign markets are promising and rapid progress can be made, if consumer goods like soap, perfumery products and vanaspati are included in several trade agreements which the Government of India annually enter into with the governments of various foreign countries. One of the most important events of the past year for the Company was the acquisition of a soap factory at Calcutta. This unit, which is expected to go into production shortly, will provide a valuable addition to our productive capacity at a time when we may confidently expect the demand for soap in the country to rise from year to year. Apart from the opportunity to increase production, the possibility of making despatches to markets in West Bengal, Assam and Bihar from a factory located in Calcutta will result in substantial economies in freight charges and will help in promoting further sales through speedier deliveries."

J. R. D. TATA,
Tata Oil Mills Co., Ltd.

Private Sector's Performance

"We are told that, in India, capitalism has failed to deliver the goods, that it has shown no initiative and that it cannot, in an economically backward country like ours, produce the dynamic results obtained in the highly developed economies of the West. So, it is argued, it must be replaced by socialism which, alone, can produce results. This view seems to overlook a number of facts such as that the Private Sector has fulfilled and in some cases exceeded its production quotas under the first Five-year Plan; that private enterprise in India has not up to now had the freedom of action and the incentives it enjoys in the countries where it has proved so strikingly successful; and that there is enough evidence available that the introduction of socialism of the kind, and by the means, contemplated in India has not proved an unqualified success in other countries. Still, even if we accept the premise that the magnitude and urgency of the task in India render its performance beyond the capacity of free enterprise alone, the correct solution, which until not so long ago seemed to have been accepted by Government, lies in a mixed economy in which both free enterprise and State Enterprise are harnessed to the country's needs."

J. R. D. TATA,
Tata Iron and Steel Co., Ltd.

Cycle Consumption Rising

"The demand for bicycle in this country has grown continuously over the past few years, and the year 1955 was not only a record production year for your Company but also for the Indian industry. With a production of about 550,000 cycles, and an import of 150,000 bicycles, the consumption of bicycles this year constitutes an all-India record. All indications are that India will take its place amongst the premier bicycle manufacturing and consuming countries in the World, and I am glad to say that bicycles have been given reasonable prominence in the second Five-year Plan by the Indian Government. The Development Council for Bicycles, a body formed some years ago by the Government of India, representing industry, trade and consumers to advise on the Indian bicycle industry to the Commerce and Industries Ministry, had been asked to submit to the Indian Government its views on what targets should be framed for the bicycle industry in the second Five-year Plan, and a target of 1.25 million bicycles to be made in India by 1961 was advocated by the Council and accepted by the Planning Commission. Your Company expects to play a prominent part in the fulfilment of the Second Plan as it has done in the First. To this end, applications have been made some time back to the Government of India for increases in capacity to be allowed to your Company to raise production in the bicycle wing to 200,000 bicycles, and the component wing to half a million sets of components. Plans for such expansion are already under active preparation at associate factories in the U.K. and the continent at the instance of your Directors."

S. K. SEN,
Sen-Raleigh Industries of India Ltd.

Plea for Revision of Cement Price

"Representations have already been made to the Government for a suitable revision of the retention price for cement ex-factory, as determined on the basis of the Tariff Commission in 1954, in view of the substantial increase in the items of costs, particularly for coal, wages and railway freight as also the threatened increase in the price of gypsum since the examination of the costing by the Commission two years ago. Should our representations succeed, and there is no reason why they should not be found reasonable, the future of cement industry generally and of your Company in particular will be doubly assured."

ANANDILALL PODDAR,
Sone Valley Portland Cement Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

PUSSIMBING TEA CO., LTD. Annual General Meeting, Calcutta, 19th September 1956. Dividend: *Nil*. Transfer books remain closed from 6th to 19th September 1956, both days inclusive.

SINGARENI COLLIERIES LTD. Annual General Meeting, Hyderabad-Deccan, 21st September 1956. Transfer books will remain closed from 8th to 21st September 1956, both days inclusive.

NATIONAL CARBON CO. (INDIA) LTD. Annual General Meeting, Calcutta, 21st September 1956. Dividend: Rs. 3-8 per share (includes interim dividend of Rs. 2 per share). Transfer books remain closed from 1st to 21st September 1956, both days inclusive.

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 27th September 1956. Dividend: As. 12 per share. Transfer books will remain closed from 12th to 27th September 1956, both days inclusive.

BRITISH PAINTS (INDIA) LTD. Annual General Meeting, Calcutta, 27th September 1956. Transfer books will remain closed from 21st to 27th September 1956, both days inclusive.

BENGAL ENAMEL WORKS LTD. Annual General Meeting, Calcutta, 28th September 1956.

DILARAM TEA CO., LTD. Annual General Meeting, Calcutta, 28th September 1956. Transfer books will remain closed from 20th to 28th September 1956, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 28th September 1956. Transfer books remain closed from 3rd to 29th September 1956, both days inclusive.

JOGTA COAL CO., LTD. Annual General Meeting, Calcutta, 29th September 1956. Transfer books will remain closed from 12th to 28th September 1956, both days inclusive.

KARANPURA COLLIERIES LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: 5 per cent. Transfer books will remain closed from 15th to 29th September 1956, both days inclusive.

MYSORE CHEMICALS AND FERTILISERS LTD. Annual General Meeting, Mysore, 29th September 1956. Dividend: As. 8 per share. Transfer books will remain closed from 14th to 29th September 1956, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Annual General Meeting, London, 9th October 1956. Dividend: 8¼ per cent. (3¼ per cent. interim plus 5 per cent. final). Transfer books will remain closed from 26th September to 9th October 1956, both days inclusive.

JAIPUR UDYOG LTD. Annual General Meeting, Sawai Madhopur, 24th October 1956. Dividend: 12½ per cent. on ordinary shares. Transfer books will remain closed from 28th September to 24th October 1956, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Interim dividend of As. 12 per share, for the year ending 31st December 1956. Transfer books will remain closed from 21st to 30th September 1956, both days inclusive.

HOOGRAJULI (ASSAM) TEA CO., LTD. Dividend of As. 8 per share, for the year ended 31st December 1955. Transfer books will remain closed from 20th to 26th September 1956, both days inclusive.

RANE (MADRAS) LTD. Dividend of As. 12 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 20th September to 4th October 1956, both days inclusive.

BINNY AND CO. (MADRAS) LTD. Interim dividend of Rs. 4 per ordinary share, for the year ending 31st December 1956.

BUCKINGHAM AND CARNATIC CO., LTD. Interim dividend of Rs. 4 per ordinary share, for the year ending 31st December 1956.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Interim dividend of Rs. 10 per ordinary share, for the year ending 31st December 1956.

KAILAS RUBBER CO., LTD. Dividend of As. 9-3/5 (30 per cent.) per ordinary share, for the year ended 28th February 1956. Transfer books will remain closed from 18th to 29th September 1956, both days inclusive.

UNITED NILGIRI TEA ESTATES CO., LTD. Final dividend of 10 per cent. on the increased capital (making a total of 26 per cent. on the old capital for the year) for the year ended 31st March 1956. Transfer books will remain closed from 17th September to 9th October 1956, both days inclusive.

BANARHAT TEA CO., LTD. Dividend of Rs. 25 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 13th to 28th September 1956, both days inclusive.

BISRA STONE LIME CO., LTD. Dividend of As. 14 per share for the half-year ended 30th September 1955.

ORISSA MINERALS DEVELOPMENT CO., LTD. Dividend of Re. 1 per share, for the half-year ended 31st December 1955.

NATIONAL CO., LTD. Dividend of As. 6 per ordinary share, for the half-year ended 30th April 1956.

PROFIT OF FORT WILLIAM JUTE LOWER

MYSORE CHEMICALS MAINTAIN DIVIDEND

Fort William Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

The net result after providing for the sum of Rs. 1,60,143 (Rs. 2,26,470) for depreciation reveals a profit of Rs. 4,35,579 (Rs. 6.14.178) and adding to it the previous balance of Rs. 1,16,743 (Rs. 71,285) there remains a credit of Rs. 5,52,322 (Rs. 6,85,463).

The directors recommend disbursement of this sum as detailed hereunder:—

Transfer to general reserve account Rs. 2,25,000 (Rs. 4,00,000), dividend on 10,000 7 per cent. cumulative preference shares for the half-year ended 31st March 1956. at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000), dividend on 2,10,000 (14,000), ordinary shares of Rs. 10 (Rs. 100) each for the half-year ended 31st March 1956, at As. 12 (Rs. 10) per share Rs. 1,57,500 (Rs. 1,45,000) and carrying forward Rs. 1,34,822 (Rs. 1,10,463).

Jute stocks are shown at cost. Sold stock of goods have been calculated at contract price and the remaining have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed upto the close of December 1955, and thereafter 2½ per cent. of the looms were unsealed on 9th January 1956, and another 5 per cent. were allowed to be unsealed on 20th February 1956, leaving thereby 5 per cent. of the total looms sealed. Again, due to the heavy accumulation of manufactured goods 2½ per cent. of the looms were re-sealed with effect from 16th July 1956.

Due to the damage of crops on account of heavy rains and also due to an increase in the demand of raw jute following the unsealing of looms, the prices of raw material remained at a proportionately higher level. It was therefore not possible to transact business to secure simultaneously a fair margin of profit in finished goods. The unsealing of looms also caused overseas buyers of manufactured goods to reduce their purchases as they expected a fall in prices due to increase in production. The Award given by the Third Labour Tribunal also affected the position of the Industry adversely.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	43,24,382
Reserves ...	13,00,000	Block-in-progress ...	32,551
Provision for taxation ...	75,000	Stock-in-trade ...	42,76,862
Liabilities ...	65,01,053	Stores and spare gears	5,97,216
Profit and loss account ...	1,34,822	Debts, deposits and advances ...	16,46,660
		Investments	1,09,107
		Cash ...	1,24,097
Rs.	1,11,10,875	Rs.	1,11,10,875

Mysore Chemicals and Fertilisers, Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. K. Narayanaswamy, Bangalore) submit the audited accounts of the Company for the year ended 31st March 1956.

The directors regret to state that due to the fusing out of the heater assembly in the Ammonia Plant, there was a shut-down for a continuous period of about 2½ months between May and July 1955. This handicap was keenly felt as the production of ammonia and consequently ammonium sulphate suffered a fall in production. The other units at the Factory worked satisfactorily during the year.

The products of the Company had to face keen competition in the market and it was found necessary to make a reduction in selling prices in line with the market rates. But for this, the results of the working of the Company would have been far more satisfactory. Nevertheless, the loss in production was made up, as far as possible, to meet the continued demand for the Company's products especially ammonia and superphosphate. The stock position in respect of essential raw materials and important spare parts continued to be satisfactory.

The erection of the new motor generator set has been completed and trial runs will commence shortly. Erection of the new cell plant has also progressed satisfactorily.

The financial result of the Company for the year ended 31st March, 1956 has resulted in a net profit of Rs. 1.15.666 (Rs. 1,36,639), after making provision for depreciation and for payment of income and super-tax amounting to Rs. 1,81.814 (Rs. 2,38,270). It is considered that the provision for income-tax and super-tax now made in the accounts will be sufficient to meet the liability. Along with a sum of Rs. 13.880 (Rs. 1,302) brought forward from the accounts of the previous year, the total sum available for distribution is Rs. 1.29,546 (Rs. 1,37,941). Of this the directors recommend the following appropriation:—

To declare a dividend of 5 (5) per cent. free of income-tax for the year ended 31st March, 1956 absorbing Rs. 1.24,061 (Rs. 1,24,061) and to carry forward a sum of Rs. 5,485 (Rs. 13,880).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,81,220	Block ...	22,24,399
Reserves ...	6,88,000	Stock - in - trade ...	5,25,120
Provision for income - tax and super-tax ...	2,30,000	Stores and spares ...	11,21,598
Liabilities ...	17,23,419	Debts, deposits and advances ...	9,53,073
Profit and loss account ...	1,29,546	Investments	2,81,407
		Cash ...	1,46,588
Rs.	52,52,185	Rs.	52,52,185

Madras Safe Deposit Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kothari & Sons, Madras) submit the audited accounts of the Company for the year ended 30th June 1956.

The result of the Company's working for the year ended 30th June 1956 is a profit of Rs. 26.369 (Rs. 9,355) after adding the amount brought forward from last year of Rs. 572 (Rs. 1,704) there is a total sum of Rs. 26,941 (Rs. 11.059). The directors have made the following appropriations:—

To provision made for depreciation Rs. 5,358 (nil), to provision for taxes Rs. 8.737 (Rs. 2.000) and to deferred revenue expenditure written off Rs. 3,987 (preliminary expenses written of Rs. 2,061) there is an available balance of Rs. 8.859 (Rs. 6,998) the directors recommend the payment of a dividend of Rs. 3-4 (Rs. 3-4) per share (4-1/16) per cent. on the paid-up capital of the Company, absorbing Rs. 6.426 (Rs. 6,426) leaving a balance of Rs. 2,433 (Rs. 572) to be carried forward to next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,58,190	Block ...	83,686
Calls in advance ...	220	Debts, deposits and advances ...	1,038
Provision for taxation ...	10,737	Investments	1,10,870
Liabilities ...	55.297	Cash ...	37,709
Profit and loss account ...	8,859		
Rs.	2,33,303	Rs.	2,33,303

Pussimbing Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Private, Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

General:—Severe hail early in April, 1955, destroyed a substantial part of the early, quality teas and loss of crop was assessed at 28,880 pounds, the total crop for the year being 1,27,541 (1,58,740) pounds.

The total net average sale price, including value of export rights sold, was As. 42.51 (As. 58.67) and the total working cost per pound of tea produced was As. 47.28 (As. 35.98).

Working costs were enhanced by the short crop made and by the increase of 1½ annas in the daily wages of labourers agreed to by the Industry from the 1st April and the further increase of 2 annas per day imposed by Government Notification from the 1st July. These increases cost some 2.6 annas per pound of tea produced during the year and will cost some 3.4 annas per pound in a full year. In addition early in 1956, in consultation with Government and the Labour Unions, the Industry was obliged to agree to retrospective payment of bonus to labour for the years 1953 and 1954, in respect of which the directors have provided Rs. 21,382 in the accounts under review, equal to 2.68 annas per pound of tea.

The gross profit for the year is Rs. 21,490 (Rs. 2,16,234) and after reserving for staff expenses, income-tax adjustments and depreciation of assets, and allowing for the bonus to labour referred to above and the other adjustments shown, there is a net loss of Rs. 17.201 (net profit of Rs. 1,42,391 after provision for taxation, reserves, etc.) and a final credit balance on this account of Rs. 14,068 (Rs. 1,09,169 from which the directors paid preference dividends up to 1954 and a dividend of 10 per cent. on ordinary shares, leaving a carry forward of Rs. 31,269) which the directors propose to carry forward to 1956.

Estimates for 1956 have been based on a crop of 2,000 maunds at a total revenue cost of Rs. 4,05,339, equal to 40.53 annas per pound inclusive of the recent additional imposition of West Bengal Entry Tax of one anna per pound. Since these estimates were prepared the estate has again suffered heavy hail damage amounting to 26,038 pounds of tea and a large proportion of the second flush teas has again been destroyed. Production costs have now reached such a high level that the Company can hope to pave its way only if the estate can produce a reasonable crop of teas of a high quality.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,10,000	Block ...	4,30,000
Reserves ...	2,07,813	Stock of 1955 crop ...	84,936
Provision for taxation ...	44,941	Stores and supplies ...	51,976
Liabilities ...	62,868	Debts and advances ...	32,107
Profit and loss account ...	14,068	Investments	47,678
		Cash ...	92,993
Rs.	7,39,690	Rs.	7,39,690

Jaybirpara (Dooars) Tea Co., Ltd.

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

The application to the Controller of Capital Issues for permission to capitalise a sum of Rs. 3,50,000 out of the amount standing to the credit of general reserve, referred to in the directors' last report, was granted in September 1955, and the issued and subscribed capital of the Company has been increased by the addition of 35,000 new shares of Rs. 10 each, issued as fully paid up to shareholders at the rate of one new share for every share held by them on 16th November 1955.

As the accounts relate to a period which ended before the introduction of the Companies Act. 1956, they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the auditors in their report.

Early in the present year it was agreed with Government that a bonus should be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of this bonus has been included in the 1955 accounts.

After providing Rs. 36.892 (Rs. 38,943) for depreciation. Rs. 99,604 for the 1953 and 1954 labour bonus and making sundry adjustments, the year's results show a loss of Rs. 2,13,207 (profit of Rs. 7,17,491). After bringing in the balance of Rs. 1.02,323 (Rs. 42,331) from last year, there remains a balance of Rs. 1,10.884 (credit of Rs. 1.02,323 after paying dividend at Rs. 6-8 per share absorbing Rs. 2,27,500) at the debit of profit and loss account. The directors recommend that no dividend be declared and that the debit balance in the profit and loss account be carried forward.

In February, 1955, after agreement between labour and employer's representatives on the West Bengal Minimum Wages Advisory Committee for tea garden labour in the Dooars and Terai, labour and staff wages were increased with retrospective effect to 1st January 1953.

The planted area suffered from serious flooding a few years ago. the full effects of which have only recently been felt. Steps have been taken to counteract the damage caused and it is hoped that this action will result in better crops. In addition, essential flood protection work has been undertaken.

A crop of 5,780 maunds was secured and sold at an average price of Re. 1-12-6 per lb. This compares with a crop of 6,080 maunds manufactured in 1954, which sold at an average price of Rs. 3-6-3 per lb. The tea market fell sharply during the course of the season and in consequence, there was a considerable reduction in the prices obtained for the 1955 crop in comparison with the prices realised the previous season.

Estimates for the current season have been framed for a crop of 7,000 maunds to cost Rs. 9,31,726. Crop to the 14th of July, 1956, amounted to 2,332 maunds compared with 1,383 maunds secured to the same date last year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	5.18,809
Reserves ...	5,15,000	Stock-in-trade	3,96,994
Provision for taxation ...	1,11,562	Stores ...	1,71,558
Liabilities ...	5,41,560	Debts, deposits and advances ...	2,26.367
		Investments	3,73,100
		Cash ...	70,410
		Profit and loss account ...	1,10.884
Rs.	18.68,122	Rs.	18.68,122

Mim Tea Co., Ltd.

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

As the accounts relate to a period which ended before the introduction of the Companies Act. 1956, they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the auditors in their report.

Early in the present year it was agreed with Government that a bonus should be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of this bonus has been included in the 1955 accounts.

The taxation provision in these accounts is made on the basis that the amount of the 1953 and 1954 labour bonus will be allowed as a charge in the tax assessment for the year. Provision has also been made in these accounts for the estimated amount of labour bonus due to be paid in respect of the year ended 31st December, 1955.

After providing Rs. 9.816 (Rs. 11,390) for depreciation, Rs. 26,193 for the 1953 and 1954 labour bonus, and making sundry adjustments, the year's results show a profit of Rs. 65,269 (Rs. 2.10.365). After bringing in the balance of Rs. 38,037 (Rs. 17.272) from last year, providing Rs. 17.000 (Rs. 66 000) for taxation and transferring Rs. 40,000 (Rs. 60,000) to general reserve, there remains a balance of Rs. 46,306 (Rs. 1.01,637) at the credit of profit and loss account. From this the directors recommend the payment of a dividend of Rs. 15 (Rs. 40) per share, absorbing Rs. 23,850 (Rs. 63,600) and leaving a balance of Rs. 22.456 (Rs. 38,037) to be carried forward.

The dividend equalisation and hail insurance reserves have been transferred to general reserve.

During the year labour wages were twice increased with retrospective effect, and this is reflected in the accounts.

A crop of 2,068 maunds was secured, which has been sold at an average price of Rs. 3-2-6 per lb. This compares with a crop of 2.276 maunds manufactured in season 1954, which sold at an average price of Rs. 3-14-4 per lb. The tea market fell sharply during the course of the season and in consequence, there was a considerable reduction in the prices obtained for the 1955 crop, in comparison with the prices realised the previous season.

Estimates for the current season have been framed for a crop of 2,300 maunds to cost Rs. 4,53.725 and, provided normal weather conditions prevail, it is hoped that this crop will be secured. Crop to the 14th July, 1956, amounted to 1,299 maunds compared with 1,262 maunds to the same date the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,59 000	Block ...	2.06.770
Reserves ...	3,50,239	Stock-in-trade	1,86,615
Provision for taxation ...	47.611	Stores ...	76,104
Liabilities ...	1,16.926	Debts, deposits and advances ...	33.681
Profit and loss account ...	22,456	Investments	75.627
		Cash ...	1.17,435
Rs.	6.96,232	Rs.	6.96,232

Mysore Lamp Works Ltd.

The Controller of the above Company (Mr. J. L. D'Sa, Bangalore) submit the audited accounts of the Company for the year ended 31st March 1956.

The accounts show a net profit of Rs. 53,420 after providing for depreciation, income and super-taxes. This with the carry over of Rs. 1,082 from previous year and an appropriation of Rs. 15,000 from the dividend equalisation fund, will amount to a sum of Rs. 69,502 available for distribution, and this will be disposed of as under:—

To payment of dividend on preference shares at 4 per cent. per annum for the year ended 31st March 1956, free of income-tax Rs. 10,000, to payment of dividend on ordinary shares at 9 (7½) per cent. for the year ended 31st March 1956 Rs. 59,063 and to carry forward to next year Rs. 440.

During the year under report the production was a little lower than last year, as there was some delay in getting some raw materials due to transport and wagon difficulties from Calcutta, especially during the last three months. The sales were much more than the production. There was reduction of stocks on hand. The result of working during the year has been satisfactory.

Adequate stocks of raw materials have been built up importing them well in advance for maintaining the future production programme.

The Controller informs that the Government of Mysore have been pleased to order to re-vest the management of the Company with the Board of Directors.

Good progress made by the Company in all directions after it was vested with the Controller appointed by the State Government. When the management of the Company re-vests with the Board of Directors, it will certainly be in a very sound position.

The railway carriage lamps and general service lamps have passed the tests at Government test house, Alipore, and the Company is now on the Government of India Rate Contract and supplying lamps to several State and Government departments.

The Company has also taken up manufacture of high wattage lamps upto 1,500 watt and also coiled coil lamps which have been well received by the market. The Company proposes to take up the manufacture of fluorescent lamps as a measure of expansion. Necessary steps to implement the expansion is being taken.

The advisory board has recommended the utilisation of the "Premium on Shares" for issue of bonus shares in the proportion of one share for every three ordinary shares. This matter has also been taken up with the concerned Governments for sanction.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,06,250	Block ...	5,67,503
Reserves ...	9,33,696	Raw materials	4,58,631
Provision for taxation ...	84,109	Finished lamps	3,12,000
Liabilities ...	55,473	Stores and spare parts	71,450
Profit and loss account ...	54,502	Loose tools, etc.	9,840
		Work-in-progress ...	4,600
		Other assets	870
		Debts, deposits and advances ...	5,32,627
		Cash ...	76,509
Rs.	20,34,030	Rs.	20,34,030

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

QUESTION HOUR IN PARLIAMENT

Uranium

URANIUM has been found as a minor constituent of the mineral monazite in the river bed sands of the Arra river in Bundu area in Ranchi district.

* * * *

Swimming Pool Reactor

The cost of the swimming pool reactor which recently went into operation in Bombay is estimated at Rs. 26 lakhs. The cost does not include the cost of fuel elements which have been obtained on hire from the U.K. Atomic Energy Commission.

—*Jawaharlal Nehru*

Sterling Balances

The Government of India has been informed officially by the U.K. Government of the restrictions placed by them on Egyptian holdings of sterling. Britain's blocking of these sterling balances should have no direct effect on Indo-Egyptian trade, but, if *any difficulties* arise, the Government will take such steps as it considers necessary to maintain the flow of trade between the two countries. Under the arrangement arrived at to implement the trade agreement between India and Egypt, all payments in respect of exports from Egypt to India are to be made in Indian rupees. Forty per cent. of such rupees have to be spent on purchases in India, while the remaining 60 per cent. may, if Egypt so desires, be converted into sterling. As the entire trade between Egypt and India is thus financed in rupee, the restrictions placed by the U.K. Government on Egypt's holdings of sterling should have no direct effect on Indo-Egyptian trade.

—B. R. Bhagat

Smuggling from Goa

Smuggling of goods from Goa into India and *vice versa* has considerably decreased after the sealing of the Indo-Goa border by the Government of India. Up to 30th June, 1,680 persons were detected while smuggling. They were departmentally dealt with and no prosecution was launched. The goods smuggled generally from India to Goa are tea, tobacco and spices, while those smuggled into India are liquor, gold and luxury articles.

—*A. C. Guha*

State Trading Corporation

The State Trading Corporation has not established any agency in foreign countries. The foreign countries which have their State trading agencies in India are Bulgaria, Czechoslovakia, East Germany, Hungary, Rumania and Soviet Union.

* * * *

Spices Export to Russia

Spices are the best foreign exchange earner commodity exported to Russia during 1955-56. India shipped Rs. 162 lakhs worth of spices to this country.

—*T. T. Krishnamachari*

Coffee Growing

By the end of the year, two Government of India experts who have been deputed to investigate the possibilities of growing coffee in the Andamans and Nicobar Islands will finish their labours.

* * * *

Rubber Production

The second Five-year Plan envisages an extensive programme of improving and extending natural rubber production. But it is very difficult to produce natural rubber in large quantities needed for the country's requirements during such a short period. Hence the importance of synthetic rubber. The country's requirements of rubber in 1960 are expected to rise to between 30,000 to 35,000 tons of natural rubber and some 20,000 tons of synthetic rubber.

* * * *

Synthetic Rubber Plant

A proposal to set up a synthetic rubber factory in India is at present being seriously considered by the Government. A team of foreign experts is at present in the country for preparing a project report. While synthetic rubber cannot be made from sugar molasses, power alcohol produced from the molasses can be one of the alternative raw materials for the manufacture of butadiene, which, on copolymerization with styrene, would yield synthetic rubber. The question of manufacture of synthetic rubber, based on possible resources in India for butadiene and styrene, is under examination. A general survey of production capacity of power alcohol in the country has revealed that Uttar Pradesh produces about 80 per cent. of the total of 17 million galions. The establishment of the proposed plant may cost about Rs. 12.5 crores. Synthetic rubber so produced, it is estimated, will cost three annas per lb. less than natural rubber.

—*M. M. Shah*

Cycle Tyre Prices

In the next few weeks, the prices of cycle tyres in the country will begin to come down. A foreign firm has been given a licence to import cycle tyres, because the tyres to be imported by this firm are the cheapest available in such quantities. The imports have been arranged to bring down the prices of tyres in the country.

—*Nityanand Kanungo*

Manufacture of Marine Engines

A scheme for setting up a factory for the manufacture of engines for ships during the second Plan period is now being considered by the Government. In addition to marine engines, the factory will also manufacture certain types of diesel engines.

* * * *

Fertiliser Factory in Bombay

The feasibility of setting up a fertiliser factory in Bombay as a State project is under the Government's examination.

—*K. C. Reddy*

Labour and Railway Administration

The railways are now considering the question of associating labour with management through the formation of management councils. The Planning Commission has recommended widening the scope of the association of employees with the management by providing for their participation in the management through management councils. Questions as to the precise scope and manner of such participation are now being considered.

* * * *

Payment of Wages

Whenever possible, the Government is trying to adopt the piece-rate system in regard to payments of wages. This system has been introduced in the Bombay Port. Experience shows that workers get more under this system and, in certain cases, they got more than twice the wages they were getting previously. The adoption of the principle of wages according to work is not restricted to any particular industry. It is possible to work a piece-rate system, while, in certain others, wage payments have to be made on time-rate basis. The principle of piece-rates has been adopted in varying degrees in a number of industries like cotton textiles, potteries, printing presses, paper and sugar.

—*Abid Ali*

Second Shipping Corporation

The second shipping corporation, known as the Western Shipping Corporation (Private) Ltd., which was registered in Bombay on 22nd June, is expected to acquire some 12 vessels during the second P'an period for running regular shipping services in the India-Persian Gulf, India-Red Sea and India-Poland routes. The authorised capital of the Corporation is Rs. 10 crores, but the paid-up capital will be Rs. 3.5 crores for the time being. The Government will undertake to bear the losses of the new Corporation for the first five years, as it does in the case of the Eastern Shipping Corporation. Each ship to be acquired by the Corporation will cost about Rs. 1 crore and the tonnage will be from 8.000 to 10,000.

* * * *

Import of Rail Cars

The Railway Ministry has placed orders for the import of 24 rail cars from Australia against 1956-57 rolling stock programme under the Colombo Plan. No orders for the import of such cars were placed either in 1954-55 or 1955-56. We are importing these cars because we had no arrangement to manufacture them in India, although we would very much like to manufacture them here. These cars introduced as an experimental measure are intended to reduce overcrowding in trains.

* * * *

Indian Shipping

India at present carries only five to six per cent. of its overseas trade in its own ships and the aim is to increase this to 10 or 12 per cent. by the end of the second Plan period. The ultimate aim is that the country should carry 50 per cent. of its overseas trade in its own vessels. The figure may be approximately correct. Coastal shipping companies are given permission to charter vessels under certain conditions when the need arises. The total quantity of steel, cement, machinery and foodgrains to be imported into India by ships in the next two or three years is not expected to exceed 4 million tons a year. All the available Indian ships are expected to find full employment during the second Plan period.

* * * *

Incentive Bonus for Railway Staff

The Government is considering the suggestion of the Estimates Committee that the system of incentives and bonuses prevalent in the Russian railways should be introduced in the Indian railways. The incentive bonus scheme in the Chittaranjan Locomotive Factory is working satisfactorily. The Railway Ministry wants to extend the scheme to other railway workshops and a special officer is going into this question. There is no intention to apply the scheme to the running staff of the railways.

—*O. V. Alagesan*

Sulphur Extraction

The Government is encouraging and will continue to encourage the private sector to extract sulphur from pyrites. There are no sulphur deposits in Shahabad district in Bihar. However, there are deposits of iron pyrites in this district in which sulphur combines with iron existed. The areas in this district in which such deposits exist are mostly held by private lessees.

—*K. D. Malaviya*

Linking up of India's River Systems

The Central Water and Power Commission is studying the possible linking of Indian river systems for development of waterways. Proposals for the linking of some of the east-flowing and west-flowing rivers have been studied and an estimate has been prepared for preliminary investigations of these schemes. The investigations will take about three years.

—*Ajit Prasad Jain*

Notices

THE JAY SHREE TEA GARDENS LIMITED

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

CIRCULAR TO SHAREHOLDERS

Re: Issue of 29,285 Redeemable Cumulative Preference Shares of Rs. 100 each.

Dear Sir (s)/Madam,

THE DIRECTORS OF YOUR COMPANY have decided to issue 29,285 Preference Shares of Rs. 100 each forming a part of the unissued capital of the Company on the following terms and conditions.

1. That the Preference Shares shall be issued at par.
2. That the Preference Shares shall carry a fixed Cumulative Preferential Dividend at 6 per cent. per annum free of Income-tax payable on the capital for the time being paid up thereon and shall rank for dividend and return of capital in priority to the Ordinary Shares.
3. That the Preference Shares shall be redeemable at par definitely on the 31st December 1968.

The Shareholders of the Company whose names shall appear on the Share Register on the 1st October 1956 will be entitled to one such Preference Share for every 20 Ordinary Shares held by them ignoring the fractions if any. The Shareholders may also apply for additional Shares which will be allotted if available at the discretion of the Directors.

The amount payable on Application has been fixed at Rs. 25 per share which must be paid with the Application. Another sum of Rs. 25 shall be payable on allotment. The balance amount of Rs. 50 shall be payable only after 30th June 1957 for which a prior notice of one month will be given by the Company.

As the Shareholders of ..... Ordinary Shares in the Company you are entitled to the claim an allotment of ..... Preference Shares of Rs. 100 each and your claim must be made to the Company by the 15th November 1956.

Annexed to this circular is a form of application coloured Green, which should be filled in for the number of shares you are entitled to or less and sent to the above address.

Further, should you desire to transfer your rights, either wholly or in part you must sign the "Form of Renunciation" (Coloured Pink) attached herewith and your nominee/s, who must be of full age, must (instead of you) sign the Application Form 'B' (Coloured Pink) and forward the same to the above address.

Should you desire an allotment of shares in excess of the number you are entitled to claim, you should fill in and send the form of Application, (Coloured Yellow) for additional shares, which is also annexed hereto. The necessary payment must accompany the forms.

According to the provisions of the Companies Act, 1956, shares out of the above issue not taken up by the Shareholders will be disposed off by the Directors as they may consider more beneficial to the Company.

All applications by you or your nominees for shares along with the requisite remittance in accordance with the above offer must be received at the above address of the Company by 15th November 1956. The Directors can, if they so desire, extend this date. Applications received after the aforesaid date will not be entertained.

Yours faithfully,

By Order of the Board,
BIRLA BROTHERS PRIVATE LIMITED,
Managing Agents.

"INDIA EXCHANGE,"
CALCUTTA-1, 31*st August* 1956.

Note.—1. The allotment of the shares under this offer to non-resident Shareholders is subject to prior approval of the Reserve Bank of India.

2. Shareholders holding less than 20 ordinary shares may also apply in the form of Application coloured Yellow.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-ninth Annual General Meeting of Members of The Reliance Jute Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Thursday the 27th September 1956, at 11-30 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st March 1956, and the Balance Sheet as at that date.
(2) To elect a Director.
(3) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 13th September to 27th September 1956, both days inclusive.

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

CALCUTTA, 24*th August* 1956.

Note.—A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.

HOWRAH MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and thirty-first Annual General Meeting of Members of Howrah Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 28th September 1956, at 12-00 noon for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st March 1956, and the Balance Sheet as at that date.
(2) To declare Dividends.
(3) To elect a Director.
(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 14th September to 28th September 1956, both days inclusive.

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

CALCUTTA, 24*th August* 1956.

Note.—(*a*) A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.

(*b*) Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 28th day of September 1956, or to their Mandatees. No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

NOTICE

THE BOARD OF DIRECTORS OF THE COMpany in their Meeting held on 24th August 1956, have declared an interim dividend at As. 12 per share on the Ordinary Shares of the Company for the current year. The dividend will be payable to the registered Shareholders as on the 30th September 1956.

The Share Transfer Books of the Company will remain closed from 21st September to 30th September 1956, both days inclusive.

SAHU JAIN LIMITED,
Managing Agents.

CALCUTTA, 28*th August* 1956.

BALLY JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-sixth Annual General Meeting of Members of Bally Jute Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 28th September 1956, at 12-30 p.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st March 1956, and the Balance Sheet as at that date.
(2) To declare a Dividend on the Preference Shares.
(3) To elect a Director.
(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from the 14th September 1956 to 28th September 1956, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA, 24*th August* 1956.

Note.—(*a*) A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.

(*b*) Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 28th day of September 1956, or to their Mandatees. No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

COMPANY AFFAIRS

(*Concluded from page* 474)

cations for the continuance of investments made after 1st April 1952 and prior to 1st April 1956 particulars of **the investments made before** 1st April 1952 and those made after that date should be separately furnished showing the exact date on which each such investment was made. A certified copy of the resolution of the investing company authorising the investment, the balance-sheets and the profit and loss accounts for the latest three financial years of each of the companies concerned including **the investing company, their** Memoranda and Articles of Association and the rates at which the shares were acquired should also be furnished stating **whether the shares are quoted on the Stock Exchange.**

It should be noted that under the provisions of sub-section (3) of section 295 of the Act, approval of the Central Government to all the loans outstanding at the commencement of the Act is to be obtained by 30th September 1956; otherwise, recovery of the loans will have to be enforced within the stipulated period. Approval to the continuance of investments under section 373 of the Act has also to be obtained by 30th September 1956 at the latest, failing which the investing company will have to dispose of such investments before 1st April 1958.

The Companies are, therefore, advised to take stock of their position urgently. If the facts warrant their applying for Government's approval to the loans granted by them or the investments made by them, they should send up their applications, without delay, addressing them to the Secretary to the Government of India, Ministry of Finance, Department of Company Law Administration, New Delhi.

COMPANIES REFUSAL OR FAILURE TO REGISTER TRANSFER OF SHARES

The procedure to be adopted in preferring appeals to Government against refusal by a public company or a private company which is a subsidiary of a public company to register a transfer or transmission of shares or failure on its part to send notice of such refusal within the period stipulated in Section 111 of the Companies Act, has been laid down. Every such appeal should be stamped with a Court fee stamp of Rs. 2 and should be addressed to the Secretary to the Government of India, Ministry of Finance, Department of Company Law Administration, New Delhi. The appeal need not be in any special form, but it should set out the material facts clearly and should show the exact grievance of the appellant. If the appeal is against the failure of the company to send the notice of refusal of transfer within two months from the date of transmission of the application, the exact date on which the application for transfer was delivered to the company should be mentioned. In the case of an appeal against refusal to register a transfer or transmission, the appeal should show the date on which the company refused to register the transfer or transmissions and it should also state whether the share certificates, together with the transfer deed duly executed by the transferor as well as the transferee, were lodged with the company. The appellant should set out the grounds on which he challenges the decision of the company and specify the reliefs which he claims. The appeal should invariably be supported by an affidavit, supporting all the allegations of fact. Once an appeal has been disposed of by the Central Government, there is no further right of appeal or representation.

STRINGENCY IN MONEY

(*From Our Own Correspondent*)

BOMBAY, 5*th September*

The fairly comfortable conditions noted in the short-term money market last week proved to be a short-lived affair. With the entry of as many as 13 States into the capital market with their large borrowing programmes aggregating Rs. 64 crores, all available surplus funds with institutional lenders were drained off. The result was that an acute shortage of money was felt. Banks were not able to get their day-to-day call money requirements and had to get the requisite funds from either the Reserve Bank or the State Bank of India. Inter-bank call money was keenly bid at 3½ per cent. among all sections of banks. House money at call was placed at 3½ per cent. and short-term deposits at 3½ per cent. for one to three months and at 3¼ to 3⅜ per cent. for four to six months.

The Reserve Bank's statement for the week ended 31st August 1956 shows a shrinkage of Rs. 7.10 crores in notes in circulation, bringing the aggregate fall during three consecutive weeks to Rs. 27.27 crores. Notes held in the Banking Department are higher by Rs. 8.59 crores, so that the rise in total notes issued is Rs. 1.48 crores. This is covered by a corresponding increase in the rupee coin. In the Banking Department, deposits of the Central Government have gone up by Rs. 4.18 crores, while those of other Governments have declined by Rs. 2.80 crores. Deposits of banks are also higher by Rs. 1.12 crores. On the assets side, there has been a decline of Rs. 3.85 crores in balances held abroad. Loans and advances to Governments show a rise of only Rs. 42 lakhs. Other loans and advances have, on the other hand, declined by Rs. 2.82 crores. Of these loans, outstanding advances to Scheduled banks against usance bills account for a drop of Rs. 6.12 crores.

The Scheduled banks' statement for the week ended 24th August 1956 shows an increase of Rs. 8.60 crores in demand deposits and of Rs. 2.04 crores in time deposits. Inter-bank borrowings are also higher by Rs. 96 lakhs, while borrowings from the Reserve Bank have declined by Rs. 6.24 crores, of which those against usance bills account for Rs. 2.64 crores. On the assets side, advances continue to show a downward trend with a further drop of Rs. 2.85 crores. Bills purchased and discounted have, on the other hand, gone up by Rs. 2.42 crores. Investments are also higher by Rs. 80 lakhs. Cash balances show only small variation, but money at call and short notice show a rise of Rs. 2 crores.

The outstanding development of the week under review in the Gilt-edged market was, of course, the opening on the 3rd inst. of the list for 13 State loans for an aggregate sum of Rs. 64 crores. Of these, the lists for six issues have been closed at the time of writing. The relevant particulars relating to these are:

(In crores of rupees)

State	Amount Invited	Amount Offered
Madras	12.50	16.01
Bombay	7.50	7.50
Travancore-Cochin	2.00	Over 2.00
Madhya Bharat	1.00	Over 1.00
Rajasthan	3.00	3.11
Saurashtra	2.50	3.65

Of these loans, the Madras issue was the most outstanding success, having been over-subscribed to the tune of about Rs. 3.50 crores or 28 per cent. on the opening day itself. The State Government has decided to retain 10 per cent. more than the amount called for. In other words, it will retain up to Rs. 13.75 crores and return the balance to the subscribers, full allotments being made for subscriptions of Rs. 10,000 and less. Subscribers to the Rajasthan loan will receive full allotment. Applications up to and including Rs. 10,000 to the Saurashtra loan will receive full allotment and subscribers for amounts over Rs. 10,000 will receive allotment at approximately 75 per cent., subject to a minimum allotment of Rs. 10,000.

The Gilt-edged market was devoid of any interest and business was almost at a standstill. Most of the issues were on offer and prices tended to sag all-round, the only exception being the 3 per cent. 1986 Conversion loan, which, on some support, gained As. 4 to Rs. 75-6. 3 per cent. 1957 and 1958 held their own at Rs. 99-12 and Rs. 99-9, respectively, which were the Reserve Bank's support level. But 3 per cent. 1959-61 was on offer at Rs. 98. 3 per cent. 1963-65 sagged by As. 2 to Rs. 94-12 and even at that price did not attract support. 3 per cent. 1964 also declined by As. 2 to Rs. 94-13. 3 per cent. 1966-68 had sellers at Rs. 93-4, 3 per cent. 1970-75 an anna lower at Rs. 90. 3½ per cent. 1962 was quiet at Rs. 98 and 3½ per cent. 1961 dropped an anna to Rs. 99-5. Among the 3½ per cent. loans, 1964 was quoted at Rs. 98-11, 1965 at Rs. 98-8 and 1967 at Rs. 98-7. The new 3½ per cent. 1974 had some buyers at Rs. 98-7. Among the State loans, 4 per cent. 1967 Madras and U.P. shed As. 2 each to Rs. 99-8 and Rs. 99-9, respectively.

HIDES FIRM

(*From Our Own Correspondent*)

KANPUR, 2*nd September*

Firm conditions prevailed in the hides and skins market during the week under review. New arrivals were less, thanks to bottleneck of transport. The Madrasi dealers were a shade lukewarm in their demand on lighter variety of cow and goat. The main purchasers were the local tanners.

The latest available quotations are: Wet salted cow, 1st grade Rs. 345 and 2nd grade Rs. 250 per score; wet salted buff, 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat, 1st grade Rs. 200 and 2nd grade Rs. 140 per 100 pieces; sheep, 1st grade Rs. 200 and 2nd grade Rs. 165 per 100 pieces.

SILVER FIRM

(*From Our Own Correspondent*)

BOMBAY, 5*th September*

Trading in the bullion market was interrupted twice during the week under review, once on the 1st inst. on account of *Khordad Sal* and again today on account of a Jain festival. During this short week, after an initial dull, but quiet, trend, there was a flare-up in silver, lifting it to the highest level since the middle of May last. Gold also ruled better in sympathy with silver. The fair-sized demand in the ready section, too, helped the yellow metal to remain buoyant.

Earlier in the week, silver ruled quiet and prices drifted lower in continuation of the previous week's recession. On Monday this week, however, strong rumours from Calcutta to the effect that the Tibetan authorities proposed to restrict the export of silver coins to India allowing it only on a strictly barter basis against cloth and commodities, caused a strident advance. Though the lack of official confirmation of these rumours led to some profit-taking, the absence of any denial from official sources was itself interpreted bullishly and prices in the local market were rigged up.

Silver for forward delivery (22nd September) dipped from Rs. 172-6 to Rs. 171-5 earlier in the week, before gaining strength yesterday to Rs. 174-11, the highest point to be touched since 16th May last. The closing yesterday was, however, a shade lower at Rs. 174-6.

Ready silver (.996 Mint) moved down from Rs. 172-2 to Rs. 171-1 before gaining to Rs. 174-3 yesterday. The closing was done lower at Rs. 173-14.

The floating stocks are estimated at 2,200 bars. The daily average offtake was 25 bars.

Gold forward (21st September) fluctuated within a narrow range between Rs. 103-8 and Rs. 102-5, but closed on balance better at Rs. 103-6, as against Rs. 102-10 last week.

Ready gold was on par with the forward. Thus, it closed at Rs. 103-6, as compared with Rs. 102-10 a week ago.

The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,500 tolas. The daily average offtake was also of the same order.

In New York, silver was unchanged at 90¾c. In London, too, silver prices held their own at 78¾d. for both spot and forward. Gold moved within a narrow groove, but, on balance, there was no change at 251s. 5½d.

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

	4-9-56	Highest	Lowest	28-8-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 6	103 8	102 5	102 10
Forward*	103 6	103 8	102 5	102 10
Sovereign	67 4	67 4	67 0	67 4
SILVER				
Ready (.996 fine Mint) ..	173 14	174 3	171 1	172 2
Forward†	174 6	174 11	171 5	172 6
London Silver Ready	78¾d.	—	—	78¾d.
London Forward ..	78¾d.	—	—	78¾d.
London Gold	251s.5½d.	251s.5½d.	251s.5½d.	251s.5½d.
New York Ready	90¾c.	—	—	90¾c.

* 21st September settlement.
† 22nd September settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

STRONG DEMAND FOR TEAS

(*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*)

COCHIN, 31*st August*

Due to the transition to fortnightly sales and the U.P.A.S.I. meetings in Coonoor, there have been no auctions in Cochin this week. The market continues firm and very little tea remains unsold. Quantities for coming auctions are as follows:—

Sale No. 25 ... ... 1,250,000 lbs.
Dust Sale R ... ... 550,000 lbs.

London Market.—*Sale of 27th August* 1956:—Best Assams in strong demand between 9*s.* and 12*s.* Market for plain tea weaker.

Sale of 28th August 1956.—Following last sale trend.

Colombo Market.—*Sale of 27th August* 1956:—Better liquoring sorts dearer. Powdery dusts and stalky broken mixeds easier.

Sale of 28th August 1956:—Active demand. Much dearer rates. High and medium grown, particularly Dimbula B.O.Ps. low-growns generally ten cents dearer. Orange pekoes active.

Calcutta Market.—*Export*:—With the exception of commonest sorts and Middle East types, market irregularly easier, especially for best liquoring, which showed marked decline.

Internal:—17,500 packages dust. Good general demand. Middle East strongest feature. Other types opened dearer closed anna easier. Best C.T.Cs. four annas easier medium C.T.Cs. about steady. 864 leaf. General demand at irregular rates generally easier.

Export Quota:—The market has been much quieter and the present quotation is 25 pies nominal with very little business done.

Forthcoming Auctions:—Sale No. 25 will be held on Tuesday, 4th September. Dust Sale 'R' on Tuesday, 11th September.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale No.* 25:—1,250,000 lbs. Strong general demand. Commons low medium brokens As. 1 to As. 2 dearer. Fannings, particularly Middle East, considerably dearer. Best liquoring irregular, following quality. Whole leaf dearer."

COTTON FUTURES EASY

(*From Our Own Correspondent*)

BOMBAY, 5*th September*

A distinctly bearish trend was noted in the futures market during the major part of the week under review. This trend is attributed to three factors, namely, the conclusion of the Indo-U.S. agreement (signed on the 29th of August) which provides for the import of about six lakh bales of American cotton as economic aid, the upward revision of the excise duty on cloth and encouraging weather reports from most of the producing areas which indicate the prospects of a good crop for the new season. The cumulative effect of these factors has been a sharp break in values of both the futures contracts in cotton. Towards the close of the week, however, there was a slight improvement, mainly due to short-covering.

Under the impact of the Indo-U.S. agreement, the Jarilla contract opened the week ten points lower at 682½ and ruled more or less easy on the same and the following day, with the rates fluctuating within a very narrow limit. The announcement regarding the enhancement of the excise duty was made on 31st August but its impact on the market was felt only on the 3rd inst., since the market was closed on the 1st and 2nd inst. On 3*rd inst.* when the market opened, the Jarilla contract was initially quoted at Rs. 679 and slumped still further to Rs. 676½ towards the close of the day's session. The Vijay contract which stood at Rs. 820½ on 30th August receded to Rs. 810½ on 3rd inst. It is felt that the break in values would have been more marked but for the fact that, for some time now, trade circles were expecting a downward revision of the duty, though a doubling of the duty on medium cloth came as a surprise. Moreover, the market has developed a "wait and watch" attitude, pending a clearer picture of the impact of new excise duty. To a certain extent, this has prevented the market from deteriorating further. A recovery in values was, however, evident towards the close of the week. The demoralising effect of the new excise duties has been partially checked thanks to encouraging reports from the spot section and the cloth market. The Jarilla contract after having fallen to Rs. 675 on the 3rd inst. improved to Rs. 684 the next day before closing today at Rs. 681¾. The Vijay contract which had touched a low of Rs. 809½ on 3rd inst. improved to Rs. 816½ on 4th inst. though it finished the week slightly lower at Rs. 815.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	5-9-36	*Highest*	*Lowest*	22-8-56
Jarilla (March) ...	681¾	684	675	685½
Vijay (April) ...	815	822	809½	815

In the spot market at Sewri, prices of domestic styles ruled steady. There was good spinner demand for local stocks of Surtis, Jayadhar, 320F and Khandesh 197/3. There was also greater interest in new crop styles. Reports from upcountry centres indicate that earlier fears of damage to the crop in many areas on account of heavy rains are largely exaggerated. It is, however, held that the marketing season may be delayed by about three weeks in some areas and the quality might suffer in a few others.

In the foreign section, East African varieties continue to evoke good buying demand and consequently their prices have gone up. Some transactions are reported to have been made in Gezira Sudans and Pima Grade I 1-9/16" for September-October shipment. Some small business, it is stated, was also put through in Elpaso styles. There has been only limited interest in Egyptians, but some mills are reported to have been buying Americans. A section of the trade believes that the Government will make available adequate licences for U.S. cotton shortly. The latest available prices—in rupees per candy of 784 lbs.—from the spot market at Sewri are given below:

Bengal *Deshi* 720; Berar Jarilla 780; Khandesh 790; Vijay 965; Oomra *Deshi* 750; Moglai 740. *Delivery contracts*: Khandesh 197/3 December 118, Berar 107 and Moglai 37 on Jarilla 320F December 73, 216F 98 and Vijay 13/16" February-March 69 on Vijay.

The Joint Chief Controller of Imports has invited applications for licences on the usual lines for U.S. cotton stapling 1.1/16" and above under the Indo-Burma-U.S.A. Tripartite agreement. The issue of permits will be in the order of priority of shipment months than on priority in the dates of recent applications. The shipment months will depend on the period specified in the purchase authorisation to be issued by the United States. This programme stipulates that raw cotton from the U.S.A. will not be imported into India until cotton textiles and/or yarn of equivalent value have been shipped from India to Burma. The issue of permits will, therefore, be governed by the credits opened for cotton textiles by the Burmese importers of textiles. In this programme the importer is required to open a rupee letter of credit with the State Bank of India calculated at the parity rate of exchange prevailing when the rupee letter of credit is actually opened. Much anxiety has been caused to importers by this clause, which does not give any protection against a serious exchange risk in the event of a rupee devaluation between the period when the sale is made and the credit opened. It is hoped that Government will take this risk on themselves for cotton as they have done for steel.

The Karachi cotton market put on a somewhat cheerful appearance, in contrast to the bearish trend noted last week. This was due to the abatement of the selling pressure which followed after the upward revision of export duty on *deshi* cotton. The reduction of Rs. 20 to Rs. 115 in the duty on staple cotton, though it failed to provide any immediate improvement in prices, appears to have influenced the sentiment of operators who lent support to the market. Enquiries from abroad were,

however, limited and local mill demand also was slack. N.T. R.G. January delivery improved by As. 7 to Rs. 75-5 whilst March delivery advanced by As. 5 to Rs. 74-6. In the spot section, the *deshi* styles have improved slightly. The following are the latest available spot rates—in rupees per 82 lbs. —for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 97-8; Punjab *Deshi* 88-8; 4F Punjab Roller 77-12; S.G. 79-8; L.S.S. Punjab Roller 78-8; S.G. 80-12; N.T. R.G. 78; S.G. 79-8; 289F Punjab Roller 82-4; S.G. 87-8.

The firm trend noted in the Alexandria cotton futures last week continued unabated during the week under review also. The chief helpful factors have been the easing of the payments position in respect of cotton exports to India and expectation of a lower crop for the current season due to reduced acreage. Traders continue to show keen interest in purchases of cotton from farmers. But appreciation in price has been more marked in the case of long staple contracts. The latest available rates—in tallaris per lb.—from the Alexandria cotton futures market are given below, the figures in brackets being the last week-end rates:

Karnak: November 104.4 (102.03); January 101.50 (99.38); March 100.8 (98.38). *Ashmouni*: October 73.1 (73.33); December 73.2 (73.03); February 73.75.

Some small improvement was recorded by the Liverpool cotton market. Support from commission houses and mill-fixing were the chief factors which influenced the steady trend. Sudan contract was firm on small trade buying and hedging. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton 1" staple contract: October-November 25.05; December-January 24.75; March-April 24.55; May-June 24.45; July-August 24.40. *American cotton mixed growth contract*: October-November 25.15; December-January 24.80; March-April 24.60; May-June 24.45; July-August 24.35. *Egyptian Karnak contract*: November-December 55.70; January-February 55.65; March-April 55.65. Sudan cotton contract: September-October 48.25; November-December 48.0; January-February 47.80.

Steady conditions were witnessed in the New York cotton market during the week under review. Short-covering and trade demand seemed to maintain the steady trend which had commenced last week. It would appear that private estimates place the current season's crop at a level lower than the official estimate. Thus, traders estimate the 1956-57 season's crop at 13,092,000 *bales* as against the last official estimate of 13,552,000 bales.

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

(In cents per lb.)

	4-9-56	27-8-56	21-8-56
Spot	34.45	34.45	34.35
October	33.75	33.70	33.55
December	33.85	33.76	33.49
March	33.81	33.64	33.25

COTTON YARN STEADY

(From Our Own Correspondent)

BOMBAY, 5th *September*

The local cotton yarn market remained steady. The enhancement of the excise duty on mill cloth was, of course, a bullish factor for the market. But the operators noted that the cotton prices had declined. Further, the operators preferred to await the precise reaction of the yarn consuming centres to the changes in the excise duty. The rayon section of the market was dull, turnover being limited. The staple fibre section ruled quiet, thanks to lack of sustained improvement in demand.

Rayon Yarn (120 dull cones) for October delivery, which had hardened to Rs. 798 last week, receded to Rs. 796. In the spot section, National Rayons 120 Bt. cones 1st grade was slightly lower at Rs. 3-13-3 while 150 Bt. cones 1st grade was maintained at Rs. 3-6-6.

Among staple fibre yarns, Citys receded by 6 pies to Rs. 3-6-9. Kohinoors lost a similar amount to Rs. 3-8-3. New Greats and Centurys were also somewhat easier at Rs. 3-7 and Rs. 3-7-9 respectively. Foreign yarns were also quoted lower. Paramount declined from Rs. 6-6-6 to Rs. 6-4 and Fujis from Rs. 6-4-6 to Rs. 6-4. Staple fibre yarn (40 x 2) October delivery declined by Rs. 7 to Rs. 668.

In the cotton yarn section, among 60s, Moderns declined by As. 2 to Rs. 62-12 and Finlays also lost a similar amount Rs. 62-4. Among 80s, Mahindras were firm at Rs. 72. 20s, Hind were better at Rs. 19-10. Among 30s, Maduras advanced by As. 2 to Rs. 24-14. Minaxis 40s were somewhat lower at Rs. 29.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those on 28th August and 22nd August:

	5-9-1956	28-8-1956	22-8-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia October ..	796 0	798 0	794 0
120 Japan (per lb.)	3 12½	3 13	3 13
150 Japan (per lb.)	4 1½	4 2	4 2½
120 Italy (per lb.)	3 14	3 15	3 14½
150 Italy (per lb.)	4 0½	4 1½	4 1½
Staple fibre yarn (per case of 200 lbs.)—			
40 × 2 October	668 0	675 0	676 0
40 × 2 New Great (per lb.) ..	3 7	3 8	3 8½
40 × 2 Century (per lb.) ..	3 7½	3 8	3 8½
40 × 2 City (per lb.)	3 6½	3 7½	3 8½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	14 12	14 14	14 14
20s Hind	19 10	19 9	19 10
30s Apollo	22 12	23 0	23 0
40s Minaxi	29 0	29 4	28 14
60s Raghuvamshi	58 4	58 0	58 8
80s Mahendra	72 0	72 0	73 4

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 5th *September*

The oilseeds market reflected an easy trend during the week under review. The market which ruled steady on 30th August, the first day of the week, on profit-taking at lower rates, reacted during the succeeding two sessions as a result of persistent offerings from upcountry operators caused by beneficial rains in oilseeds producing areas. Further, the Union Agriculture Minister's statement in Lok Sabha that prices of foodgrains would be reduced in two week's time has further affected the sentiment of the operators. The market, however, put on a slightly cheerful note on the 4th inst., on bear-covering. The market, nevertheless, lost further ground today under the leadership of groundnut as a result of selling pressure from upcountry operators.

Groundnut February contract, having finished the previous week at Rs. 133-12, started the week under review, on a cheerful note, and touched a high level of Rs. 134-12 on 30th August. On slow but persistent selling pressure, it went down to Rs. 129-0 on the 3rd instant, but rose again on 4th instant to Rs. 130-12, before falling further down to Rs. 126-9 at the close. It thus lost over the week as much as Rs. 7-3. In the spot section, however, Bold and August-September, reflected a slight improvement on demand from crushers, but Bold December-January and Khandesh quality lost As. 13 and Rs. 6 respectively at Rs. 26-2 and Rs. 34-0, Groundnut oil ex-mill was quoted at Rs. 18-12.

In castorseed futures, September contract closed the week at Rs. 138-6 as against Rs. 143-6 last week, losing over the week no less than Rs. 5. The May 1957 contract, too, followed a similar trend, having lost over the week as much as Rs. 3-4 at at Rs. 121-8. In the spot section Bold Ready shed Re. 1 at Rs. 27-10 and Ready Madras Re. 1-2 at Rs. 27-10. Oil B. S. S. and Oil Commercial were done respectively at Rs. 16-8 and Rs. 15-8.

Linseed May 1957 kept on a sympathetic movement with the groundnut futures. It lost over the week Rs. 2 at Rs. 25-0. In the spot section, on the other hand, Bold declined by Re. 1-4 at Rs. 30-6 and August-September went down by Re. 1-2 at Rs. 30-6. February-March, too, fell by Re. 1 to Rs. 27-2. Linseed oil Ready was quoted at Rs. 17-4.

Among others, *Kardi* seed Bold Ready and August-September shed As. 8 each at Rs. 17-14. *Niger* seed Ready was quoted at Rs. 27-12, and Madras at Rs. 28, that is, As. 4 lower, or As. 8 lower than a week ago.

Replying to a question in the Lok Sabha, the Minister for Commerce and Industry, Mr. Nityanand Kanungo stated that the excise duty imposed on edible oils in the last budget had not been passed to the consumers. He further stated that the production of edible oils in the country was 4.6 million tons short of the requirements at 6 million tons. In reply to another question, he said that the quantum for the export of controlled varieties of oils would be determined after a review of the crop position, internal requirements and price trends.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	5-9-1956	28-8-1956	22-8-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	126 9	133 12	139 10
Khandesh Quality Ready (per cwt.)	34 0	34 8	35 12
Aug.-Sept.	33 4	33 2	33 10
Linseed—			
Bold Ready (per cwt.) ..	30 6	31 10	31 6
Aug.-Sept.	30 6	31 8	31 6
Castorseeds—			
September	138 6	143 6	143 14
Madras (per cwt.) ..	27 10	28 12	28 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 12 with ex	18 6	19 2
Castor Oil—			
Commercial (per quarter) ..	15 8 with ex	15 7	15 12
Linseed Oil—			
Ready	17 4 with ex	17 0	17 8

SUGAR WEAK

(From Our Own Correspondent)

BOMBAY, 5th *September*

The sugar market continued its downward march under sustained selling pressure and satisfactory arrivals during the week under review. Manufacturers were keen on disposing of their released stocks, as the commencement of the new crushing season is not very far off. Accordingly, ex-mill quotations dipped by a couple of rupees in the Bombay-Deccan and by about As. 4 to As. 6 per maund in the North.

Arrivals of indigenous sugar during the week under review amounted to 16,200 bags. The prices for small, medium and large grain sizes at the time of writing are: Rs. 88, Rs. 89-Rs. 91 and Rs. 92-Rs. 100 per bag, respectively, including sales tax. British refined sugar finds buyers in small lots at Rs. 91 per bag, excluding sales tax.

In the forward section, *Asho* delivery contract for C grade sugar improved at one time from Rs. 91 to Rs. 91-6 but receded to Rs. 91-2 and remains neglected today at this price.

The undertone of the market in all sections is perceptibly weak.

SUGAR DRIFTS LOWER

(From Our Own Correspondent)

HAPUR, 3rd *September*

Despite better offtake to consuming areas, mill delivery prices of sugar drifted lower. The decline in prices reflected easy supply position and anxiety of mills to part with their stocks, following a further release of 160,000 tons of sugar for sale in the free market by the Government. The latest heavy rains in west U.P., which is a prominent cane-producing area, and the reported increase of 16 per cent. in sugarcane acreage over last year were the two factors which were expected to help increase sugarcane production in the coming season. The mill delivery prices of sugar as on Monday were:

Jaswant Rs. 28-7; Simbhauli Rs. 28-12; Mawana Rs. 28-4 to Rs. 29-4; Daurala Rs. 29-4 to Rs. 30-4; Amroha Rs. 28-2; Bijnore Rs. 28-2; Mansoorpur Rs. 28-6 to Rs. 29-8; Rampur Rs. 31; retail Rs. 30-10.

The *khandsari* market continued to rule dull and depressed, thanks to good stocks and poor buying enquiry. Prices varied between Rs. 23 to Rs. 27 per maund, according to quality.

Ready *gur* also drifted lower. Dry quality was quoted at Rs. 12 per maund, wet *kotha* quality at Rs. 10-12. The fall in prices was due chiefly to appreciable fall in future prices on continued bear pressure, influenced by good crop prospects. Local stock was fast going down and was estimated at 22,000 maunds, mostly of the *kotha* quality.

Gur fagun delivery declined and was quoted today at Rs. 9-14-6, as against the week's opening of Rs. 10-1-9 and the lowest rate of Rs. 9-11-6. The small recovery towards the week-end was due to profit realisations at lowest levels.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 3rd *September*

Quietly easy conditions prevailed in the foodgrains market during the week. Mr. A. P. Jain, Union Food Minister, announced in the Rajya Sabha that the Government was in a position to meet any contingency that might arise not only during the year but also in future. This was on the basis of stocks with the Government and the arrangements for heavy imports. The Government's decision to distribute imported wheat and rice through retailers in order to prevent profiteering through diversion of stocks also acted as a bearish factor. The Government has already opened over 5,000 fair price shops and more will be opened in needy areas. The Government has further decided to supply wheat to millers directly on conditions that it would sell flour at Rs. 16 per maund in retail.

Wheat prices slided down to Rs. 14-10 per maund for average quality and farm quality was quoted at Rs. 16 per maund. Unnerved by the Union Food Minister's warning that the Government had now arrived at a stage when it could beat down the trade which had been playing foul, stockists began to release supplies to the market, with the result that wheat arrivals went up to 250 maunds. Outside buying enquiry was slack and wheat stock position was unchanged at 81 *khaties*. All over the flood and drought affected areas of U.P. and deficit areas of hill districts and five big KAVAL towns of the State, a large number of fair price shops have already been opened. Rice prices also recorded modest fall during the week and new crop which was reported progressing satisfactorily is now in need of rains.

Gram prices receded by As. 12 per maund to Rs. 11-4 for *desi* quality and to Rs. 12-4 for Punjabi quality, with heavy stocks at 136 *khaties*. With the beginning of the arrivals of new maize crop, prices of all coarse grains recorded decline during the week. Barley was done at Rs. 11-12, *bejhar* at Rs. 11-4, maize new at Rs. 12-4, *bajra* as Rs. 12 and *guwar* at Rs. 10 per maund.

Pulses also recorded a fall in prices for want of buying enquiry at prevailing rates. Peas *dara* green was quoted at Rs. 11-4 and white quality at Rs. 12-6 per maund. Stocks were unchanged at 58 *khaties*. *Arhar* was quoted As. 8 lower at Rs. 12 per maund, with heavy stocks at 130 *khaties*. Prices of other pulses also eased slightly during the week.

Pulses futures recorded an appreciable fall during the week in line with prices in the ready section and on active bear pressure from Punjab and Bombay. The latest quotations as on Monday were very near the lowest of the week; peas *bhadon* Rs. 10-15-6 and *mangsir* Rs. 11-1; peas white *bhadon* Rs. 11, *mangsir* Rs. 11-7; *arhar bhadon* Rs. 11-11-6, *mangsir* Rs. 12-3; *guwar maha* Rs. 8-12 and *urd maha* Rs. 14-11.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 3rd *September*

There was no change in the tempo of U.K. kip buying. Importers were said to be unable to follow Madras asking prices which were 2d. dearer. It is not unlikely that offers will be available shortly at a penny less than last week. And it is to be seen if the U.K. dressers will be interested in these levels. There was less demand for low grade cow hides for inland trade. The market for cow calf, buff calf and buff hides was unchanged.

In the local market, arrivals of tanned skins were moderate and clearances good. There was fair demand for superior tannages in goat skins and price increases were paid for shipment business during the week under review.

In the London August auctions, prices of goat skins mostly realised July levels but rejections were cleared at low prices. The sale of tanned sheep skins were expected to be taken up this week.

WET HARVEST

RECORD UNTIMELY RAINS

From Our Own Correspondent

LONDON, 1st *September*

THE British Association for the Advancement of Science, the coming Trade Union Congress and the weather have competed for interest this week—but the coldness and wetness of this summer, even in a country used to cold and wet summers, has been so exceptional that, perhaps, it should be given pride of place as a topic. This August, it has rained every day and in quantities which have put most of the records for fifty years back to shame! There have been storms of exceptional severity, especially in the second half of the month, and temperatures have even dropped below freezing point at night. All this as spelt severe losses for the English farmers. The county of Kent, which has succeeded in creating an all-time meteorological record with snow falls in the middle of summer, has suffered with severe hail storms which threshed the *standing* grain in the fields. A more usual trouble throughout the Southern and Eastern Counties (which are the principal grain growing areas in this country) has been a flattening of the corn by wind and rain. It is the practice in agriculture nowadays to sow green crops such as clover for cattle with the corn, these crops maturing after the corn has been cut, but, in a summer such as this, the flattened corn is often submerged beneath the growing green crop and even the best of combine-harvesters will have difficulty in saving it.

LONDON LETTER

The lack of sunshine has, of course, set the whole harvest back and that in itself creates difficulties and expense for farmers. The whole story will not have been told even when the last of this unfortunate grain harvest has been gathered in, for much hay wanted as food for cattle in the winter has been lost and the full seriousness of this will not appear for many months.

Fortunately, since the war, a wet harvest does not mean as much grain loss as it would have done in previous years for tremendous strides have been made in the drying of grain. Moreover, the Government during and after the war put up a number of drying plants and built a group of large silos holding up to 5,000 tons each which can save the most moisture sodden grain and hold it for a market. The Government, however, committed to the quest for "freedom" sought latterly to disband its silo organisation and sold to the flour millers such of the drying plants and silos as they were able to find buyers for. But only where these plants offered a particular attraction to the flour millers were they bought and the majority were closed down by the Government.

This illustrates the anomaly of the grain trade in this country, for soft English wheat is not liked by the flour millers for more than between 10 per cent. and 20 per cent. of their mix, the rest being harder imported wheat. During and after the war, the millers were often obliged to use 40 per cent. and more of English wheat, though they reckoned that the keeping qualities of the loaf were somewhat reduced as a result. Now even though marginal grain costs dollars in this country, the millers have been allowed to have their way and reduce their consumption of English wheat. With their supplies assured one way or the other, they have no need to maintain plants to rescue the English harvest, while, for the farmers, there is no profit in running drying and storing plants. The answer is, of course, co-operative ownership of these plants or their operation by a central authority, losses being made good by a levy which could be borne by the millers. The economic justification for this is of course the dollar saving but nothing, in fact, has been done and this year the Government have had to open up their drying plants and silos at their own expense to avoid the scandal of a wasted harvest. What they will do another year remains to be seen, as it is their firm intention to get out of any form of business enterprise, but, perhaps, this harvest will serve as a useful reminder of how bad conditions can be for agriculture in this country and how it behoves all interested in its future to take steps to deal with the worst of conditions.—*All Rights Reserved.*

The Tennessee Valley Authority of the U.S.A. has placed an order with the English Electric Company for two British-made transformers for the Johnsonville Steam Plant in Tennessee. The order follows a previous contract placed with the British company and the two together is valued at one million dollars.

FINANCIAL HELP TO U.S. SMALL BUSINESS

ROLE OF LOCAL INSTITUTIONS

SMALL business in the United States often receives financial help from two typically American organisations. Both of these financial institutions the development credit corporation and the community industrial foundation, arose out of the American economic ferment as spontaneous creations of civic-minded citizens. These people foresaw the need for such financial corporations, on behalf of the state, on the one hand, and of the local community, on the other. Neither organisation in its origin, was Government inspired. Both are non-profit organisations.

The state-wide institutions, known as development credit corporations, were first established in the six New England States during the post-war period, but have now spread to other states. The specific function of these corporations is to pool loan funds advanced to them by financial institutions and to grant intermediate and long-term loans to small businesses which are considered good risks, but which have been unable to obtain money from other sources. A basic principle of the state development corporations is that they do not compete with commercial banking institutions, but rather supplement the latter's activities. From the point of view of the small businessman who is a prospective borrower, an important feature of credit corporations is that, unlike most commercial lending institutions, they do not always require collateral security in the form of some kind of capital. Also, the fact that the credit corporation will provide financing to new and expanding small businesses tends to make venture capital available to these enterprises from other sources as well. Frequently, a loan applicant who is assured of financial aid by a credit corporation finds that banking facilities and other lending sources are then willing to supply part of his requirements.

Although the various state credit corporations made it clear to prospective investors that the corporations would use any profits for operating purposes—especially as a reserve to cover losses—the corporations' stock found a ready market. Apparently, investors purchased the stock in view of the overall prosperity of the state, which would be of indirect benefit to all the citizens, rather than with a view to making a direct personal profit. The Federal Government Agency, the Small Business Administration, co-operates with both state-wide and local development corporations and makes loans in participation with them.

The second of these remarkable financial institutions is the *community* industrial foundation. These local industrial foundations have been in existence in various parts of the country for many years. They co-operate, rather than compete, with the state development credit corporations. A community industrial foundation is an organisation of civic-minded persons—businessmen, bankers, lawyers, and others—who are interested in solving the economic and industrial problems of their community. These foundations have proved effective in dealing both with an immediate crisis growing out of the closing or removal of a plant or mill which provided employment for many persons in a community, or a need for long-range industrial development and growth of a community, especially in regard to increased industrial diversification.

The *average* foundation is a non-profit organisation, with the stockholders benefiting indirectly through increased business activity in the community due to the expansion of payrolls. Most foundations do not have paid staffs, relying instead on services contributed by staff members of the local Chamber of Commerce or by officers of the foundation.

Since small business is an integral factor in the U.S. economy, these two financial institutions, in furthering the growth and expansion of industry on a state-wide and local level, have at the same time furthered the growth and expansion of small business.

The Brazilian Government oil company, Petrobras, has announced a big new oil drilling programme aimed at cutting the need for imports of petroleum. According to Col. Januario Nunez, head of Petrobras, 1,454 new wells would be drilled in the next four years at a cost of $420 million. Petrobras would itself be able to finance about half of this amount through its share of import duties and taxes on foreign oil and the tax on automobile licence plates, while the rest would have to come from the Federal Government.



In recent years approximately 6,00,00,000 square feet of Shalimar Tar roofing materials, made in India, from Indian materials by Indian labour, have been used by Public Authorities, Industry and individual house owners, on the roofs of their properties—The demand increases yearly.

Shalimar Tar have built and are now operating the only high speed continuous machine for manufacturing roofing felt in India.

Remember Shalimar Tarfelt for the Roofs of India

SHALIMAR TAR PRODUCTS (1935) LTD.
6, Lyons Range, Calcutta 1. Branches DELHI, BOMBAY, LUCKNOW, AMBALA.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	3½	3
Bolivia	30th Sept., 1950	5	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	3	2½
Chile	15th June, 1955	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	1st May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	26th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	26th April, 1950	4½	4
Japan	10th Aug., 1955	8.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	10th Oct., 1956	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July 1948	..	3
Peru	15th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July 1954	4	3½
Sweden	19th April, 1955	3½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	16th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	18th May, 1956	4½	5½

CLEARING HOUSE RETURNS

Centre	Week ended 31st August, 1956		Week ended 24th August, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,43,687	56,44,67,000	2,85,472	61,85,31,000
Calcutta	1,48,192	54,65,47,848	1,55,325	54,81,79,000
Madras	77,706	10,26,88,775	83,827	9,92,60,202
All Centres— 1955-56*	..	..	3,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
May 1956	..	..	3,485,000	7,10,51,00,000
June 1955	..	..	3,202,000	6,59,59,00,000

* Average of months

Reserve Bank of India

Statement of Affairs for the week ended 31st August, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	65,76,52,000
(2) Other Governments	2,90,75,000
(b) Banks	56,55,99,000
(c) Others	12,26,98,000
Bills Payable	5,52,58,000
Other Liabilities	12,55,55,000
Rupees	183,58,37,000

ASSETS	Rs.
Notes	32,63,47,000
Rupee Coin	11,54,000
Subsidiary Coin	7,69,000
Bills Purchased and Discounted—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	3,86,55,000
Balances held abroad*	24,93,63,000
Loans and Advances to Governments	6,06,35,000
Other Loans and Advances	52,16,14,000
Investments	50,12,20,000
Other Assets	11,60,60,000
Rupees	183,58,37,000

* Includes Cash and Short-term Securities.

(1) The Item 'Other Loans and Advances' includes Rs. 22,00,33,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 232 07,58,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	32,63,47,000	
Notes in circulation	1424,51,15,000	
Total Notes issued		1457,14,62,000
Total Liabilities		1457,14,62,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	606,67,54,000	
Total of A		646,69,25,000
B. Rupee Coin		116,73,87,000
Government of India Rupee Securities		693,71,50,000
Internal Bills of Exchange and other commercial paper	.....	.....
Total Assets		1457,14,62,000

Ratio of Total of A to Liabilities: 44.381 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 24th Aug., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	17,00,88,000
(ii) Other demand liabilities	637,46,12,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,99,55,000
(ii) Other time liabilities	458,90,89,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	6,34,49,000
(ii) Time liabilities	.....
4. Cash in India	37,53,06,000
5. Balances with the Reserve Bank in India	50,72,31,000
6. Balances with other banks in current account in India	10,97,95,000
7. Money at call and short notice in India	23,64,95,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	362,01,72,000
9. Advances in India	591,81,30,000
10. Inland Bills purchased and discounted in India	98,16,49,000
11. Foreign Bills purchased and discounted in India	46,03,11,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	5th September, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D.	480‡	480‡
Buyers T.T.	473	473
London on New York	2.781-2 78‡	2.781-2 78‡
London on Paris	982	982
London on Berne	12.19-12.10‡	12.17‡-12.18
New York on London	2.78 1/4-2.78 1/4	2.781-2.78‡

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19 24	Kyats 3,905	390	204
Ceylon	1954	8.88	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,183	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,765
Canada	1954	15.20	$ 18,751	9 190	6,046
France	1954	42.84	F.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,500	12,734	2,570
Italy	1954	47.07	Lr. 9,718,000	7,380	1,548
Norway	1954	3.39	Kr. 18,424	1,230	3,688
Sweden	1954	7.21	Kr. 38,630	3,544	4,918
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,874	1,610	3,654
Switzerland	1954	4 92	Sw Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 24th August, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits—	
(a) Central Government	31,40,47,000
(b) Provincial Governments	10,79 75,000
(c) Banks	20,73,21,000
(d) Others	3,37,25,000
Bills Payable	46,07,000
Other Liabilities	7,18 64,000
Rupees	79,95,39,000

ASSETS	Rs.
Notes	12,03,15,000
Rupee Coin	10,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	1,18,77,000
Loans and Advances to Governments	.....
Provincial Governments' Debtor Balances	.....
Other Loans and Advances	4,43 75,000
Investments	52,93 05,000
Other Assets	9,41,41,000
Rupees	79,95,39,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,03,15,000	
Notes in circulation	280,52,27,000	
Total Notes issued		292,55,42,000
Total Liabilities		292,55,42,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,38,41,000	
Silver Bullion	.....	
Sterling Securities	96,64,02,000	
Government of India Securities	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,32,16,000	
Government of Pakistan Securities	112,64,94,000	
Internal bills of exchange and other commercial paper	.....	
		167,68,26,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	.....	292,55,42,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 59.23 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	24th Aug., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1431.62	1445.44	1444.28	1285.09
Notes held in Banking Department	35.05	24 05	23.65	32.99	30.73
Foreign Securities	59.50	606 68	606.68	616.68	622.04
Rupee Securities	87.39	693.72	708.62	708.62	543.69
Banking Department					
Deposits of:					
Government of India	14.89	61.58	53.72	76.16	104.65
Other Governments	..	5 70	5.58	6.84	36.42
Balances held abroad	10.08	28.79	34.39	42.75	95.50
SCHEDULED BANKS					
Demand Liabilities	134.86	654.47	644.75	639.68	608.07
		(17.01)†	(15.90)†	(11.66)†	(8.85)†
Time Liabilities	108.24	461.90	460.02	456.97	409.06
Borrowings from		(8.84)†	(8.15)†	(8.56)†	(8.59)†
Reserve Bank	..	34.63	40.87	47.27	16.48
		(23.12)‡	(30.70)‡	(34.85)‡	(12.14)‡
Borrowings from State Bank	..	6.34	6.71	5.75	5.75
Cash in India	6.70	37.53	37.62	37.91	33.27
Balances with Reserve Bank	25.17	50.72	50.41	50.38	50.23
Excess over statutory limits	15.52	8.76	8.98	9.26	11.65
Balances with other banks in current account in India	..	10.98	10.94	10.26	10.19
Money at call and short notice in India	..	23.65	21.65	15.52	18.19
Investments (at book value)	105.09	362.02	361.22	353.39	378.28
Advances and bills		736.01	736.44	740.32	606.20
STATE BANK					
Deposits	87.76	226.64	224.61	221.31	214.72
Investments	51.99	106 19	106.19	100.52	107.42
Advances	30.85	123.77	125.25	126.44	103.89
Cash	14.69	18 37	18.17	18.33	19 39

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	June,		Three months, April to June	
	1955	1956	1955	1956
Import Duties				
Revenue	9 92	9.87	28.22	29 72
Protective	0.82	1.04	2.31	3 10
On surplus disposals	..	..	..	0.03
Total import duties	10.74	10.91	30 53	32.85
Export Duties	2.77	1.77	7.56	5 59
Land Customs	0 04	0 19	0.80	0 44
Miscellaneous	0 07	0 07	0 20	0 25
Gross total customs	13 62	12 94	38.59	39 13
Refunds and drawbacks	0 14	0 21	0.78	0 59
Net Customs	13.48	12 73	37.81	38 54
Gross excise	12 75	14 94	35.62	41.05
Refunds	0 58	0 11	1.14	0 34
Net Excise	12.17	14.83	34.48	40.71
Net total of customs and excise†	25 65	27.56	74.29	79.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 17th August, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	224,61,05,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	8,50,00,000
Bills Payable	.. ..	5,38,40,000
Bills for Collection being Bills Receivable as per contra	.. ..	63,91,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	15,30,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	5,85,38,000
Total ..	Rs.	257,06,54,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	14,49,03,000
Balances with other Banks	..	5,67,76,000
Money at Call and Short Notice	..	46,67,000
INVESTMENTS:		
Government and other Trustee Securities	94,73,70,000	
Other Authorised Investments	11,45,02,000	
		106,18,72,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	91,60,81,000	
Bills Discounted and Purchased	33,64,58,000	
		125,25,39,000
Bills Receivable being Bills for Collection as per contra	.. ..	63,91,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	15,30,000
Premises less Depreciation	.. ..	1,16,47,000
Furniture and Fixtures less Depreciation	.. ..	53,97,000
Other Assets (including Inter-Office Adjustments)	.. ..	4,49,30,000
Total ..	Rs.	257,06,54,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Receipts*	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1955-56	6.62	65	3.26	23.66	84.17	1,13.25	92.03	— 31.07	7.55	25.64	..	..	..	..	..
1954-55	4.70	1.62	4.99	27.37	1,24.64	1,24.24	1,50.88	— 26.25	5.57	37.15	7.40E	7.88	— 54	5½‡	54
1955-56	3.76	1.98	5.48	27.19	1,44.36	1,58.15	1,97.26	— 38.37	4.79	41.25	9.86	16.37	45	45	95
May 1955	4.52	36	5.24	2.01	1,27.94	11.88	1,24.24	— 36.64	41	37.89	66	8.51	4	61	
June ,,	4.44	13	5.15	2.05	1,29.49	12.26	1,26.26	— 36.76	37	38.22	84	9.32	5	66	
July ,,	4.36	13	5.16	2.27	1,31.28	12.80	1,40.38	— 36.85	41	38.54	91	10.19	4	69	
August ,,	4.29	13	5.17	2.09	1,32.92	12.35	1,40.91	— 36.96	29	38.87	88	11.00	4	72	
September ,,	4.21	13	5.20	2.54	1,34.68	12.40	1,46.91	— 37.13	44	39.23	94	11.80	4	75	
October ,,	4.14	10	5.21	2.11	1,36.58	11.24	1,48.90	— 38.23	46	39.58	80	12.49	5	79	
November ,,	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.54	43	40.05	83	13.20	5	80	
December ,,	4.00	18	5.26	2.48	1,39.48	12.94	1,52.44	— 38.44	38	40.34	88	13.98	4	83	
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.73	3	86	
February ,,	3.83	16	5.22	2.33	1,42.37	12.87	1,56.19	— 38.66	29	40.95	83	15.57	3	89	
March ,,	3.76	23	5.18	2.82	1,44.36	23.64	1,67.56	— 38.87	36	41.25	88	16.37	3	92	
April ,,	3.69	24	5.54	2.19	1,45.55	14.54	1,71.06	— 38.96	34	41.51	82	17.18	3	95	
May ,,	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	— 39.05	33	41.82	85	17.91	2	98	
June ,,	..	..	..	..	..	..	..	..	33	42.11	..	..	..	1,00	

* At the end of period.

‖ Issued from 10th May 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

E—Relating to eleven months from May 1954.

§ From July, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 27-8-'55	23-7-'56	18-8-'56	25-8-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	91.1	90.8	90.7
1. Government of India	90.7	90.9	90.5	90.5
2. Indian States	96.4	96.8	96.8	96.8
3. Municipal, Port Trust, etc.	89 4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.4	100.6	100.3
1. Electricity	102.2	101.3	101.3	101.3
2. Jute	98.9	97.5	97.5	97.5
3. Plantations	99.1	99.3	99.3	99.2
4. Sugar	99.0	98.5	98.5	98.6
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.7	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	100.9	100.9	100.8	100.8
PREFERENCE SHARES	87.7	85.1	85.3	85.0
1. Electricity	95.9	90.7	91.0	91.0
2. Cotton	79.9	83.5	85.1	84.8
3. Jute	85.7	81.4	80.5	79.1
4. Coal	93.3	85.2	83.7	83.6
5. Iron and Steel	91.0	88.5	88.7	88.6
6. Sugar	84.9	84.2	84.4	84.4
7. Paper	87.6	81.9	81.9	81.9
8. Plantations	99.6	100.9	101.5	101.3
9. Miscellaneous	85.2	80.9	81.4	81.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	126.4	125.7	127.9	128.5
(a) Financial	91.0	94.1	95.2	95.1
1. Banks	88.4	94.4	96.0	96.1
2. Insurance	107.0	92.9	91.0	89.8
3. Investment Trust	98.7	93.8	91.8	91.1
(b) Public Utilities	115.6	113 6	114.3	114.4
1. Electricity	123.3	114.7	114.1	114.4
2. Shipping and other Transport	105.0	119.1	122.6	122.4
3. Railways	89.2	84.6	86.2	86.2
(c) Manufacturing industries.	131.4	135.7	139.8	140.7
1. Cotton, Woollen and Silk	115.1	140.2	145.7	146.5
2. Jute	105.7	71.7	73.6	75.0
3. Iron and Steel	166.4	154.8	160.9	161.4
4. Paper	248.2	274.9	273.4	271.3
5. Cement	163.2	180.7	186.1	187.8
6. General Engineering	194.2	193.1	194.2	195.5
7. Sugar and Breweries	106.3	106.5	107.3	109.3
8. Chemicals	143.2	149.9	150.5	151.3
(d) Non-Manufacturing Industries	174.2	184.5	182.7	182.7
1. Coal	83.9	78.8	78.6	78.8
2. Mining and Oil	252.1	252.0	252.6	250.8
3. Plantations	196.1	179.8	178.2	179.7
(e) Miscellaneous	101.1	102.4	103.4	104.2
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.3	90.5	90.2	90.2
2. Calcutta	90.8	91.0	90.6	90.6
3. Madras	91.2	91.4	91.1	91.0
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	99.7	99.7	99.7
2. Calcutta	101.5	100.7	100.7	100.7
3. Madras	100.1	100.2	100.2	100.1
PREFERENCE SHARES:				
1. Bombay	92.1	89.8	89.9	89.9
2. Calcutta	83.3	79.7	79.8	79.8
3. Madras	95.9	96.4	97.0	97.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	126.4	137.0	140.8	141.1
2. Calcutta	117.1	108.3	109.4	110.0
3. Madras	119.3	138.6	140.4	141.6
4. Delhi	138.1	140.8	144.9	144.5

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‖	Number of workers involved.	Number of man-days lost
1951	1,071	691,821	8,818,928
1952	963	809,243	8,335,961
1953	772	466,607	8,388,038
1954	840	477,138	3,372,630
1955	1,166	627,767	5,697,848
April 1954	101	34,963	207,247
May ,,	80	40,073	215,063
June ,,	88	21,589	205,078
July ,,	122	30,189	277,492
August ,,	79	51,090	323,387
September ,,	97	50,414	353,878
October ,,	88	41,724	276,294
November ,,	62	25,115	239,701
December ,,	101	54,455	262,742
January 1956†	95	49,038	322,807
February ,,	91	35,370	144,802
March ,,	112	70,042	334,996
April ,,	105	35,432	333,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	92,519	580,031
October ,,	134	47,000	214,214
November ,,	99	48,609	178,112
December ,,	129	45,277	239,550
January* 1956†	108	61,200	353,555
February* ,,	123	69,605	790,711
March* ,,	147	135,053	688,689
April* ,,	144	81,467	522,719
May ,,	115	61,729(a)	527,523(a)

† Figures are provisional. * Revised.

(a) Not known in one case. ‖ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,875.5	5,573.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
March 1955	686	698.7	568.3
April ,,	690	691.1	563.9
May ,,	691	705.5	569.5
June ,,	696	716.3	576.1
July ,,	700	724.8	588.3
August ,,	705	709.8	574.4
September ,,	707	719.3	587.1
October ,,	716	730.7	591.9
November ,,	721	725.5	597.0
December ,,	724	735.7	648.0
January 1956	731	757.2	631.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8

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

At the end of period. § From July, 1954.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	18th Aug., 1956	11th Aug., 1956	20th Aug., 1955	July, 1956	July, 1955	Percentage of increase (+) or decrease (—) in July, 1956 as compared with July, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	401.1	397.7	320.5	380.3	309.7	+22.8	313.2	339.8
Cereals	69	505	502	385	434	359	+34 8	372	381
Pulses	8	410	391	295	378	272	+39.0	289	280
Others	33	264	264*	237	248	246	+ 0.8	235	291
Industrial Raw Materials	(12)	505.1	497.7 R	405.6	492.1	408 2	+20.6	419.6	436.2
Fibres	53	475	474	415	477	415	+14.9	429	447
Oil seeds	30	582	566	385	534	391	+36.6	398	424
Minerals	10	515	488 R	414	511	422	+21.1	427	422
Others	17	426	425 R	419	420	417	+ 0.7	431	427
Semi-Manufactures	(17)	409.5	405.0	326 3	395.3	329.6	+19.8	338.2	350.3
Leather	3	381	383	338	395	331	+19.3	378	376
Mineral oils	13	208	208	201	208	201	+ 3.5	207	221
Vegetable oils	16	606	576	333	546	398	+37.2	389 R	433
Cotton yarn	35	493*	495	405*	477	403	+17.5	422	454
Metals	18	329	330	257	327	256	+27.7	254	240
Oil cakes	6	479	467	333	433	333	+30.0	338	381
Others	5	361	361	330	362	329	+10.0	336	312
Manufactured Articles	(30)	388.0	387.2	371.2	385.7	370.9	+ 4.0	372.9	377.6 R
Textiles	64	422	420	407	419	406	+ 3.2	408	421
Jute	11	398	390*	423	387	417	— 7.2	418	443
Cotton	45	430*	430*	402*	430*	402*	+ 7.0	403*	415*
Rayon and Silk	6	470*	470*	474*	461*	474*	— 2.7	485*	469*
Woollen	2	286	286	278	264	283	— 6.4	284	311
Metal products	17	393	388	352	398	352	+10 2	359	340
Others	19	293	294	286	291	286	+ 1.7	285	286
Miscellaneous	(4)	564.6	567.0	563.2	580.4	562.6	— 0.4	548.4	612.4
All Commodities	(100)	421.1	417.9	358.5	409.0	358 8	+ 15.0	380.4	377.5

R—Revised. * Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Tobacco	Raw Cotton	Raw Jutel	Groundnut	Linseed	Coalf	Jute manufactures	Cotton manufactures	Iron and steel
1955	403	352	97

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—							
Rice	.. ..	final	tons	76,253	75,949	25,474	24,531
Wheat	.. ..	final	,,	29,225	27,517	8,348	8,778
Jowar	.. ..	final	,,	42,721	43,446	6,940	9,093
Bajra	.. ..	final	,,	27,025	27,985	3,400	3,421
Barley	.. ..	final	,,	8,145	8,309	2,721	2,870
Maize	.. ..	final	,,	8,909	9,311	2,519	2,939
Ragi	.. ..	final	,,	5,627	5,711	1,844	1,646
Small millets	..	final	,,	13,095	13,799	2,103	2,456
Total cereals	..	final	tons	211,000	212,025	53,349	55,734
Pulses—							
Gram	.. ..	final	tons	22,092	22,047	4,865	5,393
Tur	.. ..	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses †		final	,,	15,862	16,719	1,650	1,830
Rabi pulses†		final	,,	10,579	10,590	1,858	1,959
Total pulses	..	final	tons	56,100	55,300	10,187	10,870
Oilseeds—							
Groundnut†	..	final	tons	12,585	13,548	3,804	4,128
Castorseed	..	final	,,	1,462	1,394	126	124
Sesamum	..	final	,,	5,738	6,501	458	589
Rape and Mustard		final	,,	6,262	6,025	832	1,019
Linseed	.. ..	final	,,	3,424	3,354	376	392
Total oilseeds	..	final	tons	29,471	30,822	5,596	6,242
Fibres—							
Cotton*	.. ..	final	bales	20,230	18,684	3,998	4,227
Jute†	.. ..	final	,,	1,581	1,243	4,187	2,928
Mesta†	.. ..	final	,,	618	528	1,501	1,018
Other crops—							
Potato	.. ..	final	tons	..	655	..	1,762
Sugarcane	.. ..	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	..	final	,,	37	35	15	14
Pepper (Black)	..	final	,,	214	208	27	26
Chillies (Dry)	..	final	,,	1,492	1,523	240	363
Tobacco	..	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1956	94.1
	Corresponding month, 1955 ..	84.1
	Twelve months ended June 1956	1,094.9
	Corresponding period, 1955 ..	1,003.24
Stocks	At the *end of July*, 1956 ..	135.8
	Corresponding month, 1955 ..	91.5
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 28th July, 1956 ..	11,921
	Corresponding week, 1955 ..	11,359
	From 1st Jan., to 28th July, 1956	227,108
	Corresponding period, 1955 ..	260,043
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 28th July, 1956 ..	13,309
	Corresponding week, 1955 ..	63,711
	From 1st Jan., to 28th July, 1956	652,539
	Corresponding period, 1955 ..	698,599
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	July, 1956 (in lakh bales) ..	5.46
	Corresponding month, 1955 ..	4.38
	Twelve months ended June, 1956	63.51
	Corresponding period, 1955 ..	58.19

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended 31st March, 1953	..	11,58,000	10,61,906	7,91,800
Do. 31st March, 1954	..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	..	11,54,400	10,43,900	7,81,200
Do. 31st March, 1956	..	11,55,900	10,62,100	7,97,800
March 1955	..	96,000	89,300	66,100
April ,,	..	95,100	88,000	66,200
May ,,	..	94,200	87,500	5,600
June ,,	..	91,700	80,900	62,800
July ,,	..	84,900	78,400	64,300
August ,,	..	92,500	83,900	63,700
March 1956	..	1,03,300	96,200	69,900
April ,,	..	1,00,000	87,200	64,800
May ,,	..	96,500	88,400	66,300
June ,,	..	94,900	89,900	64,400
July ,,	..	94,400	91,800	65,500
August ,,	..	97,800	88,000	66,000
Indian Iron and Steel Co., Ltd.				
Year ended 31st March, 1953	..	6,26,719	4,21,460	3,12,940
Do. 31st March, 1954	..	5,80,020	5,17,390	2,93,448
Do. 31st March, 1955	..	7,15,949	5,28,240	4,59,092
Do. 31st March, 1956	..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.		1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954		1,80,018	1,29,741	1,12,961
,, ,, ,, Dec., 1954		1,85,952	1,32,801	1,20,616
,, ,, ,, Mar., 1955		1,66,106	1,48,828	1,18,194
,, ,, ,, June, 1955.		1,85,605	1,34,332	1,16,581
,, ,, ,, Sept., 1955		1,76,181	1,30,629	1,08,714
,, ,, ,, Dec., 1955		1,90,750	1,32,896	1,15,153
,, ,, ,, Mar., 1956		1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956		1,48,806	1,17,710	92,909

FOREIGN TRADE OF INDIA

Particulars	May, 1955	May, 1956	Two months April and May 1955	Two months April and May 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	6.92	2.72	15.39	5.72
Raw materials	13.63	14.58	26.57	25.87
Manufactures	28.42	50.06	57.38	93.20
Other items	..	..	..	..
Total* ..	49.21	67.55	99.04	125.30
By land	2.08	1.06	3.66	2.92
Total Imports ..	51.24	68.64	102.60	128.22
Exports :				
By sea and air—				
Foodstuffs	7.07	11.79	14.48	23.26
Raw materials	13.93	11.70	25.31	20.59
Manufactures	22.20	20.17	42.12	38.06
Other items	30	33	35	58
Total ..	43.50	45.99	82.56	82.49
By land	48	33	99	78
Total Exports ..	44.04	44.82	83.55	83.27
Total Re-exports ..	41	89	88	1.75
Balance of trade in merchandise ..	— 6.81	— 23.40	— 18.26	— 43.12
Balance of transactions in private treasure	..	1	1	2
Total visible balance of trade ..	— 6.81	— 23.41	— 18.27	— 43.14
Imports : ‡				
Total C'wealth countries ..	22.56	29.90	47.11	58.08
Total Foreign countries ..	28.65	37.63	51.93	72.22
Exports : ‡				
Total C'wealth countries ..	20.11	23.80	37.65	42.89
Total Foreign countries ..	23.46	20.19	44.91	39.80

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	940	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,519	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	123
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
May 1955	2,031	442	168	40	23	12	15	4	77	66	7	48	4	28
June ,, ...	2,973	662	237	55	33	17	19	6	37	98	11	73	7	34
July ,, ...	3,073	690	324	75	41	22	23	8	52	130	14	100	12	48
August ,, ...	4,982	1,129	412	98	49	27	29	11	66	154	18	126	15	62
September ,, ...	3,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ...	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,, ...	3,082	1,844	644	135	68	44	77	17	111	264	27	206	33	104
December ,, ...	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,, ...	11,548	2,541	883	190	97	62	132	27	355	374	38	298	45	136
March ,, ...	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ...	1,135	237	82	18	12	5	15	3	64	34	2	27	2	10
May ,, ...	2,227	470	116	44	25	11	31	3	115	70	5	60	5	21

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. = 2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955. *Source* :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 30th Aug., 1956 ..	10,352(J)
	Corresponding week, 1955 ..	29,154(J)
	1st Sept. to 30th Aug., 1955-56 ..	1,851,336*
	Corresponding period, 1954-55 ..	2,124,980*
Cotton Exports ..	Week ended 30th Aug., 1956 ..	4,587†
	Corresponding week, 1955 ..	24,731
	1st Sept. to 30th Aug., 1955-56 ..	585,508‡
	Corresponding period, 1954-55 ..	468,871
Mill Consumption (Estimated) ..	1st Sept. to 30th Aug., 1955-56 ..	1,254,573
	Corresponding period, 1954-55 ..	1,246,316
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 30th Aug., 1956	525,254
	Corresponding date, 1955 ..	724,733
Cotton Exports from Bombay (by sea)	During June, 1956	36,806§
	1st Sept., '55 to 30th June, 1956	584,949
	1st Sept. '54 to 30th June, 1955	304,296
Karachi (Pakistan)—		
Receipts	1st Sept. to 16th Aug., 1955-56 ..	1,301,321
	Corresponding period, 1954-55 ..	1,243,697
Exports	1st Sept. to 15th Aug., 1955-56 ..	951,520
	Corresponding period, 1954-55	897,883

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Period	From 1st Sept. 1955 to 27th Aug., 1956 Bales	From 1st Sept. 1954 to 27th Aug., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	59,811	44,652
Continent ..	34,903	70,185
Hongkong ..	33,106	24,523
China	57,484	5,603
Japan	297,688	126,316
U.S.A.	3,676	17,115
Other Countries ..	2,976	2,687
Total to all foreign countries ..	539,494	291,081
Coastal Ports ..	106,605	153,551
Total	646,099§	444,632

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	June, 1956	351,109
Foreign		52,156
Indian	Ten months ended June, 1956	3,511,130
Foreign		498,013
Indian	Same Period 1955	3,399,877
Foreign		538,980
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1956 ..	1,705,627
Foreign		228,767
Indian	As on 30th June, 1955 ..	1,687,456
Foreign		161,098
	Week ended 24th Aug., 1956 ..	186
Cotton Pressed in India (in running bales)	Corresponding week, 1955 ..	11,979
	1st Sept. to 24th Aug., 1955-56 ..	4,582,522
	Corresponding period, 1954-55	4,532,522

‡ Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1938–43	63,30,26,000	1960-70	100¾
2½ % Loan	1938–59	1,16,17,46,000	1966-05	94½
2½ % Loan	1935	80,33,10,000	1964	96
3 % Fd. Loan	1942	1,10,11,78,600	1966-68	98½
2½ % V. Loan	1944	88,54,89,000	1957	99¾
2½ % Loan	1945	1,18,85,83,600	1970-75	90
2½ % 3rd V. Loan	1945	1,18,66,64,000	1960-61	98½
2½ % Loan	1951	50,35,63,000	1958	99½
2½ % Loan	1948	45,65,97,000	1960	96½
2½ % Loan	1946	97,00,69,000	1961	93½
2½ % Loan	1946	14,77,48,000	1976	82½
2½ % Loan	1947	75,86,72,000	1962	93¼
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98½
3½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98¼
3½%	1956	57,27,00,000	1962	97⅜
3½ % N. P. Bonds	1956	85,82,00,000	1967	98½
3½%	1956	66,64,00,000	1974	98¼
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months' notice. On 30th September, 1986 or later at option of Government after three months' notice.	76½
3 % Loan	1948	2,48,91,47,000		75½
REPATRIATE STERLING LOANS				
4½% Loan	1923	5,85,73,000	1958-68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
2 % Bombay	1948	2,97,18,000	14th Sept. 1956	99½
2 % Bombay	1948	3,06,66,000	15th Aug. 1958	98½
2 % Bombay	1949	5,53,56,000	1st Aug. 1959	94½
2 % Bombay	1950	2,87,62,000	31st July 1960	96½
2 % Bombay	1951	2,95,25,000	17th Sept. 1962	96½
4 % Bombay	1953	5,42,35,000	15th July 1963	101½
4 % Bombay	1955	3,55,87,000	1st Aug. 1964	101½
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100½
4 % Bihar	1945	1,50,06,000	1st Sept. 1956	99½
3 % Cochin	1945	1,00,00,000	15th Aug. 1966-86	98
3½% Howrah Bridge (New)	1936–37	70,00,000	1st June 1956-61	99½
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99½
2 % Madhya	1949	1,22,05,000	21st June 1959	95½
2 % Madras	1945	1,25,10,000	14th Sept. 1956	99½
2 % Madras	1945	1,97,25,000	15th Aug. 1958	98½
2 % Madras	1945	2,78,44,000	14th Sept. 1960	96–97
2½ % Madras	1946	3,81,77,000	1st Sept. 1961	93½
2 % Madras	1949	4,66,35,400	21st July 1966	96½
4 % Madras	1951	3,91,49,200	15th Sept. 1962	98½
4 % Madras	1953	10,88,45,000	16th July 1963	100½
4 % Madras	1954	5,24,31,200	1st Aug. 1964	100½
4 % Madras	1954	7,00,00,000	1st Sept. 1967	99–99½
4 % Mysore§§	1936	3,85,35,200	1st Dec. 1956-61	101½
4 % Mysore§§	1936	5,00,72,900	20th April 1956-61	99½
4 % Mysore	1947	5,06,66,700	28th Jan. 1966	99½
4 % Mysore	1953	3,35,47,900	15th July 1963	100½
4 % Mysore	1955	5,54,94,000	1st Sept. 1967	99½
2 % M.P.	1945	96,54,200	14th Sept. 1956	99½
2 % M.P.	1945	93,99,800	15th Aug. 1958	98½
2 % M.P.	1945	2,26,28,800	15th Sept. 1964	96½
2 % M.P.	1950	1,01,44,700	31st July 1960	95½
2½ % M.P.	1951	1,52,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	16th July 1963	101½
4 % M.P.	1955	1,53,12,000	1st Sept. 1967	99½
4 % Punjab**	1936–46	3,49,87,200	15th Aug. 1958	98½
2 % Punjab**	1945	3,49,78,200	15th Aug. 1958	98½
2 % Punjab**	1945	2,96,81,600	14th Sept. 1960	97½
4 % Rajasthan	1955	3,61,66,000	1st Sept. 1967	99½
4 % Travancore-Cochin	1955	50,00,000	16th Aug. 1964	99½
2 % U.P.	1945	3,25,60,000	15th July 1963	100–1½
2 % U.P.	1946	1,57,74,000	15th Sept. 1961-66	96½
2 % U.P.	1946	2,87,11,000	14th Aug. 1956	99½
2 % U.P.	1945	2,17,89,700	15th Sept. 1958	96½
2½ % U.P.	1946	2,26,28,600	1st Sept. 1961	93½
2½ % U.P.	1951	1,91,05,000	17th Sept. 1962	98½
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	100½
4 % U.P.	1953	6,65,15,500	15th July 1963	100½
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
36,50,000	4	1904	1964	
25,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1969	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,19,00,000	4	1912	1973	
14,85,878	4	1913*	1969	D
80,00,000	4	1913	1974	100½N
68,25,000	4	1914	1974	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
11,61,000	4	1924*	1960	
11,61,000	4	1924*	1969	
10,25,000	2½	1925*	1960	
35,00,000	3	1926*	1959	D
12,50,000	3	1926*	1960	
12,50,000	3	1931*	1961	
12,50,000	3	1932*	1962	
14,55,000	3	1933*	1975	
15,00,000	3	1936*	1966	
48,04,986	3	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,826	4	1914	1974	99
76,36,186	4	1915	1975	99
1,50,00,000(C)	3††	1921	1961	82
1,00,07,200(C)	5½	1923	1982	144N
98,31,500	5½	1926	1956–86	100½
99,94,500§	5	1926	1956–86	100½
1,49,43,100§§	5	1927	1957–87	102
1,49,36,000	5	1928	1958–88	101
80,00,000	4½	1931	1991	86
98,00,800	5½	1935	1965	97½
50,00,000	4	1937	1958–88	90
50,00,000	5	1945	1985	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84½
50,00,000	3½	1946	1986	78
50,00,000	3½	1947	1977	79½
50,00,000	3½	1948	1978	80½
50,00,000	3½	1948	1988	77
1,00,00,000	3	1949	1989	97
1,00,00,000	3	1949	1989	97
1,00,00,000	3	1950	1990	96½
1,00,00,000	3	1950	1990	96½
50,00,000	3	1951	1991	91½
1,50,00,000	3½	1951	1991	91½
50,00,000	4	1953	1963	100
50,00,000	4	1953	1963	88½
90,00,000	4	1954	1965	88½
77,00,000(C)	4	1956	1986	97½
STERLING LOANS				
£393,000	3	1923	1953–63	67½
£901,000	5	1924	1954–64	87½‡
£825,100	5½	1932	1992	89½‡
MADRAS				
Rs.				Rs.
31,47,100	2½	1947	1977	
9,88,000	3	1947	1977	▲
3,00,000	3	1949	1979	
85,80,000(C)	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
50,00,000	4	1901	1961	
50,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½N
50,00,000	4	1905	1965	
50,00,000	4	1906	1966	
15,00,000	4	1907	1967	
50,00,000	4	1908	1968	
50,00,000	4	1912	1972	
18,00,004	4	1913	1973	
50,00,000	4	1914	1974	97½N
40,00,000	4	1916	1976	
40,00,000	4	1919	1957–79	112N
96,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	112N
25,00,000	5	1927	1957–70	98N
10,00,000	5	1934	1946	
STERLING LOANS				
£566,600		1909	1969	£95½N
£333,000		1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1924	1964	99½
35,00,000	2½	1925	1955	94
30,00,000	3	1926	1956	90
50,00,000	3	1927	1957	91
30,00,000	3	1928	1963–88	90
96,00,000	4	1952	1992	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,40,000	4	1912–15	1974	99½
15,00,000	5	1920	1956	113N
15,00,000	5	1923	1953–58	113N
8,45,500	5	1923	1954–59	to
24,21,500	5	1929	1959	102½
4,50,00,000	3½	1947	1977	82½
2,50,00,000	2½	1949	1979	86½
4,09,99,000	2½	1950	1965	92½
1,50,00,000	3	1951	1966	100
2,50,00,000	2½	1951	1980	97½
1,50,00,000	4	1952	1962	100
2,50,00,000	4	1953	1963	100½
1,00,00,000†	4	1954	1966	100½
2,50,00,000	4	1955	1967	100½
CALCUTTA				
Rs.				Rs.
35,00,000	5	1928	1958	108
25,00,000	5	1929	1957	107
25,00,000	5	1929	1955	102½
10,00,000	5	1930	1960	108
25,21,600	5½	1935	1965	94
60,00,000	3	1936	1966	90
47,50,000	3	1937	1967	90
15,50,200	3	1938	1968	90
16,56,800	4	1939	1957	98½
16,56,800	4	1939	1958	98½
18,50,000	3	1940	1970	90½
17,64,400	2½	1942	1972	90½
21,10,000	2½	1943	1973	90½
15,49,000	2½	1944	1960	97½
15,50,000	2½	1945	1961	97½
66,85,000	3½	1951	1981	97½
87,95,000	4	1952	1982	99½
75,50,000	4½	1954	1979	99½
				100
MADRAS				
Rs.				Rs.
18,60,000	3½	1951	1961	107½
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% W. Bengal	1951	1,75,00,000	17th Sept. 1961	98½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	2,50,23,000	15th July 1963	100½
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100½

*Nominal.

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Super Counterparts.
†† Bombay State Transport. †† Rate of interest reduced from 6 to 2 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1956. §—Interest free for 12 years. §§—Interest-free for Bank P...

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5½	Dec. ..	70N	100
Garow & Co.	8,00,000(D)	1875	6½	Mar Sept.	100	100
Cawnpore Sugar Works ..	10,00,000	1905–24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar A''	7,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries ..	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnagger Cane	4,00,000	1933–36	6	Aug. ..	102	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	93N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borea	4,00,000	1896–97	6½	Oct. Apr.	110	100
Burrakur (1st) .. ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly P=Company has Preference shares. T=Company has Debentures N=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, "A shares and "B" shares—these are indicated by the same letters "A and "B" under the columns "Paid-up Ordinary Capital" and "Paid-up per share."

Accounts—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the month of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2-15/16	2	0 4(c)	0 2(c)			12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,555	—5,97,129	M.	50,596	1,021	B. B. Cotton Mills	64	100	Nil	Nil	Nil		12	Y.P.T.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,69,273	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	653½	250	22 8*	20 0	25 0*	7 8½	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	860	Bradbury Mills	283½	50	100 0†	75 0†	12 8	20 0	3	H.
1,00,42,800	2,65,96,928	2,81,83,264	1,97,06,117	6,84,956	Birla Bros., Ltd.	1,26,344	2,018	Century Spg. & Mfg.	566½	100	22 0	22 0	22 0		12	Y.
49,00,000	25,42,325	1,19,99,766	65,07,035	—33,08,697	V. J. Patel (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	101¼	100	Nil	Nil	Nil		6,12	H.P.T.
25,00,000	11,38,470	31,39,786	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	80,826	680	Cortis Spg. & Wvg.	140	100	7 8	7 8	7 8		3	Y.
16,00,000	24,36,896	69,10,851	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,092	..	Dawn Mills	188½	50	6 0	6 0	15 0		12	Y.
24,00,000	27,75,000	73,40,731	64,73,724	80,168	Puranmal Radhakishan & Co.	50,064	928	Elgin Mills	366	200	15 0	15 0			12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,21,354	M.	41,300	896	Elphinstone Spg. & Wvg.	62	50	Nil	3 0	5 0		12	Y.P.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,190	James Finlay & Co., Ltd.	49,382	784	Finlay Mills	355½	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,525	1,000	225 0*	225 0	300 0	75 01	3	Y.P.
16,000									990½	250	56 4*	56 4	75 0	18 12½		
?,00,00,000									12-15½	0 100.	0 10	Nil	0 15			
50,00,000D	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,412	India United Mills	24	0 1D.	0 1	Nil	0 3		12	Y.
8,65,000									5,075N	1,000	225 0*	225 0	300 0			
35,000	74,24,048	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	—	500	112 8*	112 8	150 0		3	Y.P.
59,35,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	256½	100	10 0	8 0	10 0		6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,995	2,68,14,796	33,980	Killick Industries Ltd.	1,20,504	1,846	Robinson Mills	365½	100	20 0*	18 0	18 0		12	Y.P.
22,13,050	41,06,720	1,18,74,348	55,99,115	21,870	N. Sirur & Co., Ltd.	49,100	644	Modern Mills	50	50	5 0	5 0	8 0*	6 01	10	Y.T.
51,75,000	36,32,000	2,06,23,597	1,53,81,153	26,751	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	273½	100	12 0	14 0	14 0		12	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05 00,000	5,12,085	Chimal & Co., Private Ltd.	..	..	National Rayon Corporation	263	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,044	432	New City of Bombay Mfg.	183½	100	10 0	10 0	10 0		12	Y.
30 00,000	14,61,250	92,85,599	61 42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	252	100	10 0	7 8	10 0		12	Y.
46,00,000	36,62,273	1,49,05,112	99,59,511	1,26,364	Ramnarain Sons, Ltd.	60,208	1,190	Phoenix Mills	160	100	8 0	8 0	10 0		12	Y.P.
40,00,000	45,70,390	39,55,049	23,00,000	3,92,677	Podar Sons, Ltd.	32,600	930	Podar Mills	176½	100	10 0	10 0	12 0*		12	Y.
5,00,000	8,16,999	21,21,621	19,01,340	—1,72,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	14	10	0 12	0 8			12	Y.P.
37,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	61,068	1,254	Sassoon Spg. & Wvg.	46	10	1 4	1 12	1 12		12	Y.
80,00,000	47 70,061	90,20,958	56,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,886	1,640	Shree Niwas Cotton Mills	213½	100	14 0	14 0	12 0		12	Y.P.
42,00,000	33,02,179	98,78,809	73,63,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,076	Simplex Mills	209½	50	15 0	11 0	10 0	12 0	3	Y.
87,80,000	2,28,15,720	2,51,23,699	1,37,85,474	12,833	Maratlal Gacaibhai & Sons	52,036	1,633	Standard Mills	462½	100	20 0	20 0	20 0		12	Y.P.
99,85,700	84,69,716	2,28,87,547	1,19,01 899	67,611	Tata Industries Ltd.	72,236	2,000	Sundesahi Mills	253½	100	15 0	8 0	12 0		12	Y.P.
35,00,000	56,33 465	1,28,99,971	81,52,715	1,61,035	James Finlay & Co., Ltd.	38,828	552	Swan Mills	450	100	20 0	20 0	25 0		12	Y.
65,57,000	31,96,376	1,77,34,339	68,44,553	48,485	Tata Industries Ltd.	42,096	1,800	Tata Mills	56½	25	1 8	2 8	4 0		12	Y.T.P
12,00,000	62,55,709	1,16,36 436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	5,125	1,000	225 0*	225 0	300 0	75 01	3	Y.
AHMEDABAD																
33,00,000	21,11,650	1,36,23,272	60 47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	215	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	94,58,068	94,37,368	76 10,164	27,288	P. M. Hutheesing & Sons, Ltd.	44,220	912	Aruna Mills	1,160	100	20 0*	20 0	30 0		12	Y.I.
26,25,000	2,55,39,694	1,96,55,504	1 16,00,000	62,448	Arvind Mills	72,768	1,216	Arvind Mills	1,278	100	25 0	25 0	35 0*		12	Y.P.
20 00,000	31,75,000	96,34,584	72 25,000	2,46,889	Mangaldas & Bros., Ltd.	37,764	592	Aryodaya Ginning & Mfg.	640	200	15 0	15 0	25 0*		12	Y.P.
12 00,000	1,18,39,033	84 56,974	66,64,953	69,806	Laibhai Dalpatbhai & Co.	37,368	914	Asoka Mills	1,100	100	25 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35,76,233	4,61,35,353	2,33,98,944	2,31,717	Ramkrishna and Premchand Ltd.	1,30,120	2,573	Calico	565½	125	18 0	18 0	....		3	Y.P.
62,87,000	24,53,000	1,21,06,843	89,25,000	2,760	Tricumlal Bhoglial & Co., Ltd.	45,836	866	New Commercial Mills	2,037½	1,000	70 0	70 0	80 0		3	Y.P.
89,00 000	72,58,436	1,32,09,232	96,26,962	19,221	Maratlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	965	125	35 0	35 0	35 0		12	Y.P.
10,00,000	58,48,000	50,58,197	37,93,317	16,658	Jagabhai Bhoglial Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	580	100	30 0*	30 0*	30 0		12	Y.
12 50,000	1,14,77,470	86,29,439	60,39,883	....	Laibhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	1,100	100	25 0	25 0	30 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,803	17,34,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	345	100	9 0	9 0	35 0*		12	Y.I.
25,98,150	2,02,34,558	1,52,75,000	1,94,05,536	3,29,290	Harivallabhdas Kalidas & Co.	1,73,738	3,051	Shri Ambika Mills	652	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Maratlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	640	100	20 0	25 0*	25 0		12	Y.P.
23,00,000	90,84,191	1,09,66,008	78,35,291	34,644	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	1,32,800	84,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.	13,044	956	Basanti Cotton Mills	7½	10	0 4	0 8			12	Y.P.T
7,11,280	5,40,775	43,42,881	25,67,597	98,783	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills	41N	40	Nil	4 0	4 0		3	Y.P.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,378	Kettlewell Bullen & Co., Ltd.	42,672	841	Bowreah Cotton Mills	150	100	Nil	Nil	Nil		6,12	H.P
19,00,000	23,17,571	1,06,88,555	70,76,377	1,57,951	Kettlewell Bullen & Co., Ltd.	42,944	618	Dunbar Mills	300	100	Nil	Nil	8		6,12	H.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,483	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	18½	10	1 12	0 14	0 14		3	H.
19,47,7500	7,45 000	47,06,298	24,48,352	1 094	Hazareemull Heeralall	28,036	795	Rampooria Cotton Mills	16½N	10	0 8	0 10	1 0		3	Y.P.
5,00,000D									21N	1D	Nil	Nil	0-5 11/25		6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,191	29,09,648	—6,54,238	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	12	10	Nil	Nil			12	Y.P.T
71,94,000	35,91,254	1,84,91,950	50,78,562	1,86,483	Industrial Trust Fund	36,136	708	Azam Jahi Mills	93	100	6 0	Nil	8 8(c)		9	Y.
40,50,000	2,00,58,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen Cotton and Silk Mills	582½	100	25 0	30 0	30 0	10 01	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9½	10	0 4	Nil†			6,12	H.P.T.
15.00.000	1,09,48,251	1 19,14,492	87 78,992	4,25,221	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	30½N	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,76,52,500	6,38,09,203	3,52,32,180	2,38,446	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	200xd	100	10 0	10 0	10 0		3	Y.
20,00,000	30,00,000	89,69,354	52,56,351	27,584	Peirce, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	14½	10	0 12	Nil	0 8	4 01	12	Y.P.T.
15,00,000	5,11,500	48,80,929	24,63,361	8,994	K. Damodaran, Esq.	17,496	591	Cannanore Spg. & Wvg.	190	100	12 0	20 0	12 8		12	Y.P.
80,00,000	20,51,420	69,40,829	61,72,376	38,767	Begg, Sutherland & Co., Ltd.	28,706	591	Cawnpore Textiles	9	5	0 9	0 8	Nil	0 4	3	Y.
12,00,000	20,00,000	84,68,396	67,36,527	34,164	B. Biberan Naidu & Co.	23,864	..	Coimbatore Cotton Mills	392½	100	20 0	25 0	25 0		6	Y.
20,00,000	19,95,000	86 59,430	24,25,021	23,738	..	23,738	..	Coimbatore Pioneer Mills	335	100	15 0	20 0	25 0		12	Y.
20 76,900	4,19,814	1,15,51,599	82,06,019	19,884	R. G. S. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg.	122	50	3 0s	6 0	20 0		6	Y.P.
46,87,500	52,32,449	2,46,18,409	1,58,09,888	3,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	158½	100	5 0	2 0	5 0		12	Y.
8,38,36,225	2 55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	40½N	25	1 0	2 0	4 0		6	Y.P
1,00,568									24	0 2 4/5	0 3 8/5	0 3 8/5	0 3 8/5		6	Y.P.T.
24,34,800	25,47,678	52,74,245	38,26,582	5,884	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	435	100	20 0	30 0	30 0		12	Y.
1,78,47,800	66,83,300	1,52,16,382	1,01,77,631	68,356	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	284	100	17 0	13 0	15 0		9	Y.P.
48,81,000	35,22,175	1,00,65,167	68,05,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	244	100	17 0	13 0	15 0		12	Y.P.
50,00,000	6,16,447	1,33,91,958	1,12,28,576	9,581	K. L. Seksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	150	100	6 0	6 0	15 0		12	Y.
8,90,000	10,65,883	31,06,669	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,822	..	Janardana Mills	125	50	8 0	5 0	10 0		12	Y.
24,00,000	16 25,000	78,88,868	26,50,000	29,382	Kothari & Sons	43,000	300	Kothari Textiles	20½	10	0 8	0 8	1 0		6	Y.
32,00,000	68,30,135	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	752½	250	37 8	33 12	42 8		12	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	260	50	5 0	10 0	12 8	12 8	3	Y.
17,82,050									127	25	2 8	5 0	6 4	6 4		
1,75,02,480	4,13,81,878	5,73,76,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	522	15	3 0	3 0	3 0		3	Y.P.
12,00 000	4,17,363	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and others	22,592	100	Malabar Spg. & Wvg.	112	200	3 0	Nil			12	Y.
60,00,000	69,00,000	63 79 037	43,29,758	46,588	W. J. Bennell & Co., Ltd.	24,720	608	Mettur Industries Ltd.	490	100	12 0	22 8*	35 0	42 8	3	Y.
29,80,884	19,61,581	89,75,246	49,94,738	16,588	N. Sirur & Co. Private Ltd.	29,896	704	Minerva Mills	102½	100	7 0*	5 0(c)	6 0		12	Y.
24,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Bansilal Abirchand Dadabhoy & Co.	51,340	948	Model Mills (Nagpur)	183½	250	7 8*	5 0(c)			12	Y.
80,00,000	52,19,000	1,53,39,272	1,05,91,851	—7 7 290	Indian Textile Syndicate Ltd.	86,840	1,234	Muir Mills	95N	100		5 0(c)			6	Y.
24,38,500	50,64,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd.	50,480	500	Mysore Spg. & Mfg.	183½	50	10 0*	8 8*	6 0(c)	9 0*	12	Y.P.
13,61,780	1,000	29 41,719	15,25,288	—1,92,850	R. Suryanarayana Rao, Esq., Manager	6,000	..	Mysore Spun Silk Mills	6½	10	Nil	Nil	Nil		2	Y.P.
23,89,8820	25,62,583	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2½	0. 2½	Nil	Nil			3	Y.
3,07,096D									—	D. 1	Nil	Nil				
37,19,600	55,48,220	1,69,99 989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	91	100	4 0	Nil	2 8(c)		12	Y.P
4,00,000A									168	100A	12 0	12 0	12 0			
6,00,000B	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,024	..	Palani Andavar Mills	235	75B	18 0	18 0	18 0		9	Y.
15,00,000	1,65,000	84,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	94½	100	Nil	4 0(c)			12	Y.P.
16,51,800A	22,75,000	83,60 150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	375	100A	8 0	16 0	20 0		12	Y.
8,40,000B									180	50B	4 0	8 0	10 0		12	Y.
15 00 000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	25,472	..	Rajalakshmi Mills	190	50	7 8	10 0	10 0		12	Y.
22,29,625	12 40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,860	..	Rayalaseema Mills	160	100	6 0	9 0	10 0		12	Y.P.
60,00,000	62,41,566	1,60,25 432	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur)	24,582	600	Raza Textiles	9½N	10	Nil	Nil			12	Y.
16.00,000	1,60,89,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg.	1,700	1,000	Nil	Nil			12	Y.P.
36,69,700	17,10,000	81,44,272	55,63,318	1,09,148	B. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	129	500	4 0*	4 8	5 0	7 0	3	Y.P.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	Nil	Nil			3	Y.
15,00,000	3,11,90,237	96,09,567	72,44,724	51,27,588	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	102N	10	4 0	5 0	6 0		3	Y.
17,50,000									11½	100.	6 8	8 12	9 12			
4?5,00,000P	2,80,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	124	10P.O.	0-14 2/5	1-2 2/5	0-12 2/5		12	Y.
1,00,00,000									16½	10	0 8	0 10				
18,98,670	30,14,788	3,80,55,317	1,27 16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	14½	10	0-11 1/5	0-14 2/5	1-2 2/5		12	Y.P.
21,00,000	5,76,332	17,39,181	11,57,336	1,508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	270	10	12 0	15 0	20 0		12	Y.T.
32,00,000	34,50,000	71,88,723	40,62,186	56,000	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	345	100	12 0	15 0	20 0		12	Y.
	34,42,971	1,64,67,122	1,05,10,238	23,125	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	190	100	4 0	4 0	8 0		12	Y.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1956

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs.50 each in August 1955.

‡ Calico Mills have changed the accounting year from December to March. The stest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
19,92,000	17,54,000	1,10,30,170	54,33,974	1,12,385	Parry & Co., Ltd.	Deccan Sugar & Abkhari	13	5	Nil	Nil	0 8	0 4½	5	Y.P.
16,20,680	18,88,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9		3	Y.
4580,000	4926,777	61,302,585	4566,540	456,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	31½xd	A. 10ch. B. 21	Sh. 1 3/8 Sh. 4	Sh. 1 2/5 Sh. 5	Sh 1 3/5	Sh1 1	9	Y.P
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq (Chairman)	United Breweries	190½	75	15 0	15 0	15 0		3	Y
CEMENT														
11,27,700A	18,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	—	A. 100	10 0*	10 0	10 0*			
29,72,080B							15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6000	13,13,132	1,44,65,792	53,43,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	Nil	Nil	Nil		3	Y.P.T.
4,70,976D							1½	D. 1						
11,71,66,205	5,49,40,618	24,90,99,271	8,74,71,582	5,63,770	Cement Agencies Ltd.	Associated Cement Companies	205½	10	9 8	8 8	10 0		7	Y.
60,00,0000.							15½	O. 10	1 0	1 0	1 4			
26,50,0000.	60,02,261	96,09,838	34,70,030	2,87,995	Dalmia Cement (Bharat)		6	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000D.							1½	D. 1	0 1-3/5	0-1 3/5	0 2			
61,91,0300.	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	33xr	O. 25	Nil	1 4	1 14			
7,50,000D.							6½xr	D. 5	Nil	0 4	0 8		3	Y.P.
67,35,500	31,41,985	1,33,13,049	39,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14½	10		0 12	1 4		12	Y.P.
89,93,275	44,90,000	2,04,20,193	89,20,988	3,75,529	Shree Lakmi Agents Ltd.	Shree Digvijay Cement	202½	100	6 0	8 8	8 8		12	Y.P.
75,00,000	22,45,000	1,91,72,337	1,45,45,476	41,941	Martin Burn Ltd.	Sonevalley Portland Cement	8½	5	0 6	0 4	0-4 4/5		12	Y.
50,00,000	....	1,04,83,117	39,26,502	15,36,802	Essel Ltd.	Travancore Cements Ltd.	10½	10	0 8	0 10	0 10		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,85,000	63,15,303	33,02,683	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4	0 4		12	Y.
10,00,000	25,12,725	57,20,295	23,28,355	9,142	Bird & Co., Ltd.	Biara Stone Lime Co.	40N	10	1 6	1 6	0 14f		3, 9	H.
£914,200	£1,455,500	£2,132,033	£1,256,029	£117,033	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7½	Sh. 2	2.4d.	64.*	10.8d.*		12	Y.
O. 15,00.000	24,32,396	43,81,247	12,21,311	17,339	Bird & Co., Ltd.	Karanpura Development	21½	10	Nil	Nil	1 0		6,12	H.
F. 5,00.000											3 0			
8,00,000	2,96.000	9,09.017	5,43,377	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	11xd	10	0 12	0 8	0 12	1 0*	3	Y.
20,00,000	54,49,599	45,11,204	24,33,930	1,05,033	Bird & Co., Ltd.	Orissa Minerals	26½

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	110	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	19½cd	10	1 0*	0 12*	0 12*	1 0*	3	Y.
46,82,500	2,09,26,641	4,27,02,365	1,02,48,953	2,29,489	Birla Bros.	Orient Paper	40½	10	2 0	0 15	1 2		3,9	H.P.T.
25,07,295	62,26,687	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18½	10	1 8	1 8	0 10½		6,12	H.P.T.
1,00,000 } 20,000'A.' }	6,50,000	95,88,644	61,01,926	13,795	Baloria & Co.	Star Paper Mills	{ 11½ 11½	O. 10 A .10	0 12 0 12	0 12 0 12	1 4 1 4	}	3,9	H.P.T.
1,00,000A. 4,80B. 7,80P.O. }	3,22,75,945	5,80,42,527	2,21,32,243	95,684	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd. ..	{ 41½ 41½ 4½	A. 10 B. 10 P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4	}	3,9	H.P.
PRESSING														
6,60,006	9,12,265	15,78,486	11,12,581	—65,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	9 0	4 0	[Nil]		6	Y.
4,80,000	1,00,000	6,99,526	4,73,064	2,554	Camperdown	Camperdown	88N	100	7 0	5 0	5 0		7	Y.
5,00,000	1,95,000	10,91,811	9,30,277	12,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
1,00,1800. } 1,00,000D. }	6,98,332	43,52,570	22,63,279	36,000	S.'A. Basil, Hon. d[others'(Directors)	Humayun Properties	{ 13½ 2½	O. 10 D. 10	6 11½ 0	0 2 3/5	0 3 3/5 0 3 3/5		9	Y.P.
60,00,000	18,07,274	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Fort Canning Land	8½	100	1 8	1 8	Nil		4	Y.
94,00,000	36,71,674	95,09,208	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	88½	100	1 8	4 0	2 0		4	Y.P.
SAW MILLS AND TIMBER														
18,29,998	28,05,545	31,61,533	10,73,883	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	Nil	Nil	Nil		9	Y
50,00,000 } 42,00,000 }	4,18,57,280	3,85,90,682	1,47,61,351	61,996	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	{ 750 275	Old125 New50	15 0 6 0	20 0 8 0	37-8 15-0	11 41 4 81	6	Y.
6,00,000	....	7,85,609	7,26,267	—4,60,907	Jardine Henderson Ltd.	Bengal Timber Trading	85N	100	Nil	Nil	Nil		6	Y.P.
20,00,000	21,15,487	19,00,295	14,34,560	2,76,919	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	39½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	29,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	0 12	0 1		6	Y.
2,00,000A. 5,00,000B. }	29,18,856	49,46,285	33,16,660	16,50,000	Basti Sugar	Narang Bros. & Co. Ltd.	{ 147N 13N	A. 100 B. 10	10 0 1 0	10 0 1 0			4	Y.
19,49,050	5,50,000	23,35,389	24,41,301	51,985	Rangir Bros., Ltd.	Belsund Sugar	12½	7½	0 12	0 12	0 12		9	Y.
15,00,000	12,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	29,37,050	1,35,90,775	99,57,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	9½	10	Nil	0 12	0 4		6	Y.P.T.
80,00,000	57,83,551	1,08,44,547	54,32,451	82,022	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	18	10	2 0	0 12	0 12		10	Y.P.
15,00,000	88,04,891	72,85,757	58,46,902	24,018	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	25	10	1 0	1 0	1 8		6	Y.
5,99,452	6,18,562	24,58,586	15,32,747	45,804	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			3	Y.T.
6,00,000A. 3,00,000C. }	32,00,000	75,94,817	56,00,000	63,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	{ 285N 100	A 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*	}	6	Y.P.
12,00,000	8,61,001	75,81,809	43 68,455	27,926	Khaitan & Dwarkaa & Co.	Kesar Sugar	{ 65N 85N	80 40	Nil Nil	Nil Nil	4 8 4 8	}	7	Y.P.
7,89,100	23,14,068	24,24,612	19,35,533	1,864	Cotton Agents Ltd.	New India Sugar Mills	42N	10	2 8	2 8			5	Y.T.
11,00,000	4,30,000	43,21,480	24,87,558	6,185	Karamchand Thapar & Bros., Ltd. ..	New Savan	6½	10	0 4	0 4			5	Y.
9,87,500A. 5,71,875B. }	49,60,297	67,74,122	31,56,900	5,317	Cotton Agents Ltd	New Swadeshi Sugar Mill	240N 56	100	20 0 5 0	20 0 5 0	20 0 5 0		6	Y.
77,45,250	58,18,150	1,56,90,446	95,00,000	5,540	Cotton Agents Ltd.	North Sugar	162N	100	11 0	11 0	11 0		7	Y.P.
15,00,000	12,74,223	26,77,662	19,35,922	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	115N	100	10 0	10 0			10	Y.
9,00,000	17,64,349	27,55,808	20,57,249	8,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17N	10	1 0	0 12	0 12		10	Y.P.
8,00,000	5,31,129	26,43,262	21 70,524	5,234	M.	Ryam Sugar	20½	10	0 8	0 8	Nil		6	Y.P.
11,99,000	16,36,779	35,63,583	22,92,130	9,477	M.	Samastipur Central Sugar	13	10	0 8	0 8	Nil		8	Y.
40,00,000	23,55,560	1,25,32,110	62,59,321	24,045	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	13	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,825	27,15,126	13,60,862	—9,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	Nil	Nil	[Nil]		6	Y.
7,95,462	18,82,940	31,60,725	17,48,086	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	15½	10	2 0*	1 6*			6	Y.
9,15,000O. 4,40,000D. }	47,592	27,42,197	11,46,776	—16,14,603	H. K. Jain & Co., Ltd.	South Behar Sugar	{ 1N 8N	O. 10 D. 2½	Nil Nil	Nil Nil			10	Y.P.
8,00,000	21,91,635	98,42,062	57,49,784	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd.	United Provinces Sugar	21½	10	0 8	1 4	1 8		9	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,576	1,03,10,221	99,042	W. H. Brady & Co., Ltd.	Belapur Company	249	50	16 0	16 0	16 0		9	Y.
17,50,000	9,24,292	33,03,879	21,36,723	4,092	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	17½	10	0 12	0 12	1 0		9	Y.P.
15,93,900	3,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	70N	100	Nil	Nil			9	Y.P.
47,94,920	14,00,000	30,54,997	18,71,128	5,22,518	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries	16½	10	2 8	1 12	1 6 2/5		9	Y.P.
23,57,620	41,27,060	41,95,605	20,73,418	1,403	Govan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	1 0	1 0	1 0		10	Y.
6,82,200O. } 2,87,190D. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	{ 127½ 125	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0	}	6	Y.P.
21,79,280	85,00,001	1,31,37,677	78,17,782	2,90,340	S. Muniasamiappa, Esq. (Managing Director) ..	Mysore Sugar	47	10	2 0	2 0	2 0		6	Y.
50,00,000	48,49,681	1,08,28,164	59,35,509	11,063	Mahatlal, Ajita and Kantilal Ltd. ..	Phaltan Sugar	165	50	5 0	8 0	8 0		6	Y.
16,59,230	35,50,880	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnagore Cane and Sugar	27½	10	1 8	1 8	2 0		6	Y.
6,00,000O. } 4,00,000D. }	31,76,092	89,12,138	58,60,883	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	{ 140N Nil	O. 50 D. 10	Nil Nil	2 8 Nil	9 0 Nil	}	9	Y.P.T.
19,99,656	44,88,457	47,06,689	21,73,094	4,834	Govan Bros. (Rampur), Ltd.	Rasa Sugar	154N	10	1 0	0 12	0 11/5		10	Y.
80,00,000	10,87,776	59,76,354	17,87,159	—22,224	Parry & Co., Ltd.	Travancore Sugars	14½	10	Nil	Nil			10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,16,32,422	1,81,172	M.	Walchandnagar Industries	270	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,702	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145½	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,61,65,864	1,85,06,519	1,54,926	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.P.
60,00,000	54,55,338	1,50,31,393	93,85,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	19½	10	1 0	1 0	Nil		4	Y.
6455,580	6960,878	65,515,631	42,944,772	231,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	115	610	Nil	Sh. 1 0	Nil		6	Y.P.
1,25,00,000	74,99,223	7,28,35,463	1,51,54,690	1,25,061	Lionel Edwards Ltd.	India Steamship Co.	9½	10	Nil	Nil	Nil		12	Y.P.
1,40,19,678	6,94,93,081	18,36,63,418	4,84,44,800	2,73,683	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	18-18½	28	0 12	0 6	0 8	0 8	3	Y.P.
2,40,8000. } 10,200P.O. }	19,68,266	11,55,483	7,29,969	1,34,493	R. B. Aiyar, Esq. (Manager).. ..	Watford Transport Ltd.	{ 2½ 1½	O. 1 P.O. 1	as. 1 2/25 as. 1 0/25	1 22/25 1 10/25	as. 2 6/25 as. 1 22 5/5		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	2,56,521	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	22 0	22 0	39 0		9	Y.
15,98,860	2,04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	50	5 0	4 8	Nil		3	Y.
35,00,000	1,00,000	22,57,81423	....	225	Pranlal D. Kanjee, Esq.	Devkaran Nanji Investment Co. ..	12	25	0 12	0 12	0 12	0 12	13	Y.
14,36,840	3,43,585	25,00,000	17,76,000	4,116	Chocolat Menier Ltd.	Estrela Batteries	33	50	Nil	Nil	Nil		3	Y.
99,99,250	19,47,386	1,23,03,50425	....	2,33,126	Premchand Roychand & Sons ..	Industrial Investment Trust	76½	100	4 8	4 8	4 8		12	Y.P.
99 99,975	85,06,851	25,10,899	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	178½	100	10 0	11 0	11 0	4 0	6	Y
97,68,800A. 10,00,000B. }	5,28,884	3,87,33,373	1,28,80,393	5,56,717	Premier Automobiles	Premier Automobiles	{ 107½ 5	A.100 B. 10	Nil Nil	Nil Nil	Nil Nil		6	Y.
10,71,250	5 63,606	13,96,065	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd.	22	20	1 0	1 0	2 0		12	Y.
3,75,00,000	79,75,000	3,03,57,181	1,63,71,846	5,51,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	180	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	59,24,847	7,24,668	3,07,198	26,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	850	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	17,00,000	1,95,40 704	65,90 000	2,583	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	{ 12½ 6½	O. 10 D. 2½	Nil	Nil	Nil		3	Y.P.T.
2,50,000														
80,00,000	35,05,079	32,06,629	21,24,951	2,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	24½	10	1 4	1 4	1 4 6*		3	Y.
20 00,000	8 85,000	35,39,494	20,85,000	1,18 893	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 0*	1 0*	1 0*		12	Y.
20,00,000	27 47,583	1,01,49,127	39,87,780	52,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India	11	10	0 8 1/5	0 8 1/5	0 12/5		3	Y.P.T.
80,01,400	1,16,53,000	67,47,111	35,97,111	5,08,129	O. T Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	172	100	20 0*	13 0[	12 8		12	Y.
13,00,000	9,10,008	21,37,448	24,05,445	76,230	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	30	10	1 8	2 8	2 4		6,12	Y.
20 00,000	7,95,480	62 57 99415		1,15 707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.
45,97,020	30,11,814	1,10,56,424	33,87,859	1,79,277	K. Julian Scott Esq. (Mg. Director) ..	Britannia Biscuits	15½	10	0 8	1 0	1 0	1 0	9	Y.P.
2,25,00,000	1,16,11,804	2,82,02,903	2,24,14,167	—57,86,884	Sir Robert Menzies	British India Corporation Ltd. ..	10½	5	0 4	0 8	Nil		12	Y.P.T.
1,25,00,000	17,34,454	2,58,27,2823	....	16,76,022	Andrew Yule & Co., Ltd.	Clive Row Investment	11½	10	0 4 1/5	0 8 1/5	0 9	1 6	3	Y.
1,60,00,000	3,14,86,174	5,15,52,036	3,20,33,990	11,71,486	Cecil Stask Esq. Mg Director) ..	Dunlop Rubber (India) Ltd.	20½	10	1 8	1 8	1 8		12	Y.
81,26,000	54 12,312	1,42,47,6688	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	146	100	9 0	9 0	9 0		12	Y.P.T.
14,80,800	10,08,000	33 81,772	18,39,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd., ...	186	100	9 0	7 8	7 8		9	Y.
60,00,000	48,00,000	19,27,655	8,06,572	1,51,800	J. F. H. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	14½	10	1 0	1 0	1 4 3/5		9	K
20,00,000	18,17,354	78,72,303	31,10,564	45,908	B. P. R. Syndicate	Great Eastern Hotel	240	250	15 0	15 0	15 0		3	Y.P.
30,17,900	13,35,386	36,59,253	59,34,567	83,505	Birla Brothers Private Ltd.	Hind Cycles	152xd	100	7 8	10 0	10 0		3	Y.
4,90,12,350	2,92,450	3,56,34,606	94,58,719	5,19,485	Birla Bros. Ltd	Hindustan Motors	10½	10	Nil	Nil	Nil		12	Y.P.T.
1,50,00,000	46,77,754	4,19,74,246	1,74,76,623	6,18,074	M. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	24½	10	Nil	Nil	9 0		12	Y.
1,00,00,000	1,20,60,000	1,58,75,251	57,17,951	32,96,403	S. J. Woodley, Esq. (Mg. Director)	Indian Rubber Manufacturers ..	35½	10	1 0*	1 0*	1 0*		12	Y.P.
2,87,970	5,88,006	16,40,508	9,84 116	82,616	G. S. Moulton & Co. (India) Ltd.	Imperial Tobacco Co. of India Ltd.	16½	10	0 12	0 8	0 8		3	Y.P.
25,16,00,000	7,89,02,592	4,15,59,461	1,65,28,877	24,04,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	15½	10	..	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.
6,00,00,000	58,39,588	84,82,960	3,60,060	4,70,107	G. M. Mastiholi, Esq.	Jardine Henderson	98	100	7 8	7 8	7 8		12	Y.
4,84,0000. } 90,000D. }	1,91,892	5,94,080	3,53,758	2,668	Mackarians & Co.	Mackarians & Co.	{ 2½ 2½	O. 5 D. 1	Nil	Nil			3	Y
40,00,000O. 3,00,000D. }	72,01,900	25,16,760	7,07,901	1,87,884	A. T. Dolg, Esq. (Mg. Director) ..	McLeod & Co.	218N	O.100 D.O.10	10 0 1 0	17 0 1 0 3/5			3	Y
1,27,53,000	60,54,276	92,56,061	11,84,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	23½	10	1 0*	1 6	1 18*		12	Y.P.
1,15,00,000	55,50,000	1,88,27,978	78,00,778	16,54,249	H. Chigwell Jones, Esq. (Chairman) ..	Meiai Roy Co. of India, Ltd. ..	29½	10	1 0	1 0	1 4		9	Y.P.
3,33,255	1,93,888	7,11,480	3,80,987	—15,239	Oasis Glass Works Ltd.	Mysore Glass and Enamel Works ..	4½	Nil	Nil	Nil		1 10	3	Y.P.
4,56,250	9,16,696	11,18,541	5,51,033	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 12	12	Y.P.
10,00,000	1,93,000	15,16,188	8,10,286	29,916	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	19-0½	10	1 0	1 4	1 0	0 14 2/5	3	Y.P.
40,00,000	81,31,178	99,09,527	39,30,193	2,72,952	Associated Industrial Development Co., Ltd	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		3	Y.P.
79,97,000	81,15,337	1,14,74,578	52,77,526	9,06,490	B. N. Elias & Co., Ltd.	National Tobacco Co.	18½	10	Nil	0 8			3	Y.
2,25,00,000	7,25,188	1,58,49,091	46,16,369	—63,93,176	M. F. Pagnelli, Esq.	Ralli's (India) Ltd.	42	100	Nil	Nil	Nil		12	Y.P.
1,75,54,400	1,21,20,308	7,56,24,698	3,47,94,970	4,91,984	Sahu Jain Ltd.	Robtas Industries	22½	10	1 4	1 8	Nil		12	Y.P.
40,00,000	98,60,594	1,18,79,870	70,99,987	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 8	1 8	1 8		12	Y.P.
75,00,000	54,13,560	17,40,2168	7,56,283	2,65,280	R. E. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 4	1 0		6	Y.P.
2,96,880		7,99,229	5,54,240		Cycle Corpn., Ltd.	Travancore Cycle Glass	8½	10	Nil	Nil	Nil		12	Y.

Y.—Managed by Board of Directors. ▣ Investments at cost. * Includes bonus. ‡ On old capital. ‡‡ Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ Indis Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	8,59,087	4,78,517	....	McLeod & Co., Ltd.	825	Amlekie	380	100	25 0	30 0			12	Y.P.
2,50,000	5,43,250	10,62,902	2,42,089	77,477	B. K. Kasoria, Esq.	429	Ananda (Assam) Tea	45½	10	1 4	7 81			12	Y.
3,50,000	6,43,250	10,47,044	3,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	2 8	8 0*			12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	24½	10	Nil	3 8			12	Y.
8,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd. ..	378	Basmatia	37½	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65 000	10,11,265	6,40,285	18,304	National Tea Corporation	589	Batell	24½	5	2 0	4 0	2 0		12	Y.
3,20,000	3,70,000	9,80,784	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	55½	10	2 0	3 0	10 0*		12	Y.
10 50,000	20,60,000	23,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,987	Bhimnath	23½	10	3 8				12	Y.
6,00 000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd. ..	435	Bokakhat	24	10	Nil	1 0			12	Y.
87,50,000	6,52,400	8,92,937	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	21½	10	0 12	3 8			12	Y.P.T.
35,00,000	11,92,045	73,80,473	19,49,495	2,06,028	Brook Bond India Ltd.	2,834	Brooke Bond	20½	10	2 8	3 0			6	Y.P.
1,20,000	4,00,426	5,55,963	1,85,593	8,543	McLeod & Co., Ltd.	282	Dejoo Valley	50½	10	1 0	6 0			12	Y.
6,00,000	10,99,000	20,64,194	10,84,471	81,859	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	412	100	20 0	40 0			12	Y.
7,53,440	9,87,983	22,79,480	4,17,366	44,551	James Warren & Co., Ltd.	630	Dhalakhat	22½	10	1 8	3 8			12	Y.
4,68,970	3,95,000	10,93,359	3,77,333	2,779	James Finlay & Co., Ltd.	644	Dhunseri	24	10	2 0	5 0			12	Y.P.
4,50,000	5,75,000	9,00,834	2,06,817	54,692	McLeod & Co., Ltd.	468	Dibrugarh	25½	10	1 0	4 0			12	Y.
2,86,700	6,60,000	10,52,066	5,54,006	56,532	Williamson Magor & Co., Ltd.	611	Dimakusi	37	10	4 8	6 0			12	Y.P.
5,60,500	8,28,000	19,38,651	13,54,016	64,380	Williamson Magor & Co., Ltd.	615	Duflaghur	36½	10	4 0	5 0			12	Y.P.
10,00,000	6,40,000	32,25,813	9,78,312	78,438	Williamson Magor & Co., Ltd.	1,160	East India Tea	23½	10	2 8	3 8			12	Y.
25,00,000	5,05,000	8,50,314	4,30,255	5,997	L. C. Kanoi, Esq.	407	Gillapukri	34	10	1 12	3 0			12	Y.
2,25,000	7,25,000	15,56,099	7,25,000	56,214	Williamson Magor & Co., Ltd.	546	Golapur .. ..

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	1,60,000	3,02,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	4½d	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar	12½d	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,60,195	52,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Consolidated Coffee	20⅛	10	0 4 4/5	2 8	1 12 4/6		6	Y.P.T.
71,55,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq.	Cottanad Plantations	22⅛	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,70,708	5,55,957	45,764	7,754	Associated Planters Ltd.	Highland Produce	16½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd.	Kaipettia Estates	9½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd.	Malankara Rubber	35	10	2 0	2 0	2 12		4	Y.P.
8,00,000	7,25,329	13,44,917	2,55,893	.....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	35	10	5 8	2 4	2 4		3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	22½	10	1 8	1 12*	2 8	2 0	3	Y.P.
2,50,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Neanmeny Rubber	22½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,90,689	7,20,995	44,185	5,690	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0			12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,899	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates ..	5-8½	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	27	10	1 12*	1 12*	2 0		6	Y.P.
3,66,780	5,00,000	6,70,359	92,117	71,542	Peirce, Leslie & Co., Ltd.	Savannai Estates Ltd.	25½	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,540	22,01,120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd.	Thamarapally Rubber	30	10	8 0	3 0	3 0		12	Y.P.
6,10,200	8,00,005	8,91,561	60,585	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 1 3/5	10%	8%11	18	Y.
4,00,000	72,491	9,79,479	3,23,517	8,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	26½	10	2 0	2 0	3 0	2 0	12	Y.
41,00,000	14,30,799	76,82,800	8,68,181	3,71,088	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000	.....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	39½	25	2 0	1 8	1 0		12	Y.
6,25,580	5,40,070	3,51,488	10,158	40,780	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber	85	10	2 0	2 4	2 8		12	Y.
5,35,000	87,259	3,56,259	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,28,050	53,99,939	3,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12	10	1 0	1 10	0 6‡		5, 9	H.T.P.
6,00,000	10,25,000	51,65,438	35,93,577	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6, 12	H.P.T.
30 00,000	9,25,000	1,17,61,827	98,76,089	23,103	McLeod & Co., Ltd.	1,264	Alliance	133	100	5 0	12 0	6 0		6, 12	H.P.
42 20,700	72,00,000	2,72,98,535	1,87,90,000	1,35,973	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	188	100	12 8	7 8	8 8		5, 9	H.P.
40 00,000	42,94,235	1,73,44,642	83,94,326	9,783	Bird & Co., Ltd.	810	Auckland	118	100	4 0	3 8	10 0		3, 9	H.P.T.
30,00,000	22,28,327	96,73,016	65,16,094	16,350	Jardine Henderson & Co.	959	Bally	158	100	4 0	*Nil*	3 8		5, 9	H.P.
£275,000	£681,528	£1,556,589	£1,008,227	£64,888	Sir John H. Barber (Chairman) ..	1,389	Barnagore	148½	£5	£1 0	*sh.15*	*sh.15*		3	Y.P.
23,00,000	32,80,123	92,27,342	49,08 231	1,008	Andrew Yule & Co., Ltd.	820	Belvedere	161	100	15 0	10 0	7 8		6, 12	H.P.
45,00,000	28,42,000	57,08,172	31 23 574	2,85,100	Soorajmull Nagarmull	600	Bengal	161	10	1 4	1 2	1 2		6, 12	H.P.T.
91,26,000	2,17,45,383	3,34,10,402	1,45,32,651	6,37,893	Birla Bros., Ltd.	1,873	Birla	18	10	3 0	1 0	1 0	1 0	3	Y.P.
36,00,000	27,87,926	1,12,57,557	72,25,936	3,271	Andrew Yule & Co., Ltd.	1,145	Budge-Budge	145	100	10 0	9 0	7 8		6, 12	H.P.
7,47,380	3,29,640	43,90,983	31,53,654	—2,77,865	Davenport & Sons	502	Calcutta Jute Mfg.	9½	10	*Nil*	0 12	*Nil*		4, 10	H.P.T.
18,00,000	30,46,234	87,13,871	41,48,795	6,248	Andrew Yule & Co., Ltd.	616	Caledonian	180	100	12 0	9 0	6 8		6, 12	H.P.T.
59,16,400	98,58,404	2,22,41,517	1,07,46,003	,80,505	James Finlay & Co., Ltd.	1,709	Champdany	165	100	6 0	3 0	10 0		5, 11	H.
14,95,000	23,80,282	81,34,655	56,60,176	5,616	Andrew Yule & Co., Ltd.	580	Cherrios	130½	100	12 0	14 0	10 0		5, 9	H.
80,15,000	31,00,000	64,10,065	47,77,600	1,32 949	McLeod & Co., Ltd.	1,709	Chitavalsah	148	10	1 12	1 2	1 6		5, 11	H.P.
24,00,000	24,00,000	78,22,716	36,22,963	2,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	16	10	*Nil*	*Nil*	1-4s		6, 12	H.T.P.
31,49,200	61,22,973	1,34,36,320	54,46,801	1,998	Bird & Co., Ltd.	766	Dalhousie	102	100	4 0	2 8	4 0		3	Y.P.
88,00,000	44,74,179	75,56,999	47,05,110	15,918	Andrew Yule & Co., Ltd.	779	Delta	197	100	20 0	12 0	10 0		5, 9	H.P.T.
15,00,000	34,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	18½	10	1 0	1 4	1 4		5, 11	H.P.
21,00,000	60,60,960	2,70,39,034	1,89,10,198	1,80,415	Ketilewil Bullen & Co., Ltd. ..	1,884	Fort Gloster	880	100	*Nil*	5 0	15 0	7½	5, 12	H.P.T.
21,00,000	13,00,000	97,38,074	54,63,692	1,54,822	Bangur Bros., Ltd.	1,014	Fort William	274	10	5 0	*Nil*	20 0	0 12½	5, 9	H.T.P.
84,82,100	1,86,021	2,02,72,498	1,82,66,883	64,782	Macneill & Barry Ltd.	1,709	Ganges Mfg.	74½	100	*Nil*	0 8	2 8		3, 9	H.P.
10,80,000	23,00,000	71,52,963	48,43,693	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	900	100	15 0	*Nil*			12	Y.
24,00,000	23,38,409	1,18,33,183	1,05,19,218	57,226	Macneill & Barry Ltd.	1,294	Gouripore	255	100	3 12	10 0	15 0		3, 9	H.P.
40,00,000	35,68,224	99,08,990	87,35,999	3,37,745	Bangur Bros., Ltd.	1,678	Hastings	114N	100	10 0	10 0	11 8		3, 9	H.P.
16,80,000	18,91,856	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoogly	25½	10	1 4	0 8	1 4		3, 9	Y.P.
45,63,500	51,82,961	1,82,27,584	1,07,51,864	11,468	Jardine Henderson Ltd.	2,840	Howrah	24½	10	1 8	1 4	0 14		3, 9	H.P.T.
56,50,000	25,00,000	2,58,15,927	1,54,15 927	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	20⅝	10	3 0	2 0	2 0		3	Y.P.T.
6. 87,00,000	16,55,858	1,25,66,655	78,55,428	7,781	M. — —	1,076	India	143	O. 125	6 4	3 2	4 11			
D. 30,00,000									D. 1	0 4/5	0 2/5	0 8/5		3, 9	H.
24,00,000	16,50,000	1,37,58,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	135½	100	9 0	8 0	9 0			
B. 19 20,000								132	'B' 100	9 0	8 0	2 8		6, 12	H.P.
30,00,000	7,00,000	1,32,86 800	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanarrah	97	100	7 8	6 8	1 0			
B 24,00,000								82	'B' 100	7 8	6 8	1 0		6, 12	H.P.
31 00,000	58,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	246	100	15 0	20 0	17 8		6, 12	H.P.
54,00,000	28,83,978	1,71,54,716	1 16,91,627	1,02,192	Anderson Wright Ltd.	1,580	Khardah	187	100	17 8	12 8	11 0		3, 9	H.P.
48,00,000	1,04,57,157	2,31,37,457	1,75,29,755	82,710	F. W. Heilgers & Co. (Private) Ltd.	1,350	Kinnison	173	100	8 0	7 0	13 0		3, 9	H.P.T.
24,48,000	49,37,087	1,39,82,388	80,55,727	10,707	Bird & Co., Ltd.	921	Lansdowne	114	100	7 0	6 0	7 0		3, 9	H.P.
58 09,400	58 69,479	1,16,03,741	84,05,985	2,184	Bird & Co., Ltd.	840	Lawrence	118	100	5 0	6 0	6 0		3, 9	H.P.
31,55,350	25,04,415	1,01,01,063	1,44,49,504	10,614	Megna	1,283	Megna	93½	100	5 0	2 8	3 12		3, 9	H.
29,98,900	35 14,415	1,84,76,420	98,81,408	—8 19,282	F. W. Heilgers & Co (Private) Ltd.	815	Naihati	90½	100	*Nil*	*Nil*	*Nil*		3, 9	H.
20,00,000	16,55,000	29,01,563	16,51,709	17,816	Howrah Trading Co., Ltd.	426	Naskarpara	17½	10	0 5	1 2	0 10½		3, 9	H.P.
34,00,000	45,29,286	29,13,184	10,06,222	70,464	Andrew Yule & Co., Ltd.	852	National	24½	10	2 0	2 0	1 12		4, 10	H.P.
26 25,000	26,25,000	27,71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	318	Nellimarla Jute	12½	10	1 12	1 8	1 0		4, 10	H.P.T.
85,50,000	2,71,44,342	4,29,15,627	96,26,548	9 71,293	Sahu Jain Ltd.	1,765	New Centrait	16½	10	17 8	17 8	11 8		6, 12	H.P.T.
16,79,500	48,95,164	1 17,37,588	48,50,955	46,662	Bird & Co., Ltd.	567	Northbrook	27½	10	1 2	1 4	1 8	0 12½	18	Y.P.
16,79,500	28,80,703	1,12,69,606	1,09,37,804	58,272	Macneill & Barry Ltd.	1,092	Nuddea	42½	10	1 8	0 8	1 0		3, 9	H.P.T.
24,91,000	26,91,049	72,46,585	50,85,696	5 784	Andrew Yule & Co., Ltd.	601	Orient	14½	10	1 8	1 8	1 8		3, 9	H.
25,00,000	6,28,490	80,36,437	65,22,166	61,595	McLeod & Co., Ltd.	490	Presidency	5½	5	0 2	0 3	9 6		5, 11	H.P.
20,00,000	1,44,926	25,56,180	3,39,130	—12,15,882	Mills Stores, Ltd.	306	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*		5, 11	H.
49 50,000	1,52,723	1,34 06,577	59,38,544	5,09,680	Jardine Henderson Ltd.	1,276	Reliance	10½	10	0 8	*Nil*	*Nil*		3, 9	H.P.
£600,000	£1 093,713	£1,245,244		£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	10½	£1	10%	*Nil*	*Nil*		3, 9	H.P.T.
30,00,000	18,15,198	1,04,50,053	75,85,888	4,697	Bagaria More & Co., Ltd.	911	Shree Ambica	2½	10	0 8	1 0	10%	8%11	18	Y.P.
14,00,000	11,29,000	66 11,794	38,79 294	3,166	Hindustan Investment Corporation.	401	Soorah	14½	10	0 8	1 0	0 8		3, 9	H.P.
25,19,600	42,44 180	1,30,76,167	51,18,868	—2,78,291	Bird & Co., Ltd.	450	Standard	16	10	0 8	1 0	1 8		12	Y.P.T.
£600,000	£925,119	£1,137,660		£83,548	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	39½	£1	10%	10%	8%11		3, 9	H.P.
25,98,500	85,14 823	1,95,40,009	81,71,817	14,518	Bird & Co., Ltd.	1,286	Union	165	100	5 0	6 0	10 0		3, 9	H.P.T.
£400,000	£688,085	£1,124,819		£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	9½	£1	10%	10%	8%11		3, 9	H.P.T.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	5½	1	0 1	0 8	0 8		12	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	68,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23⅛	10	1 0	1 4	1 8		5, 9	H.
12,00,000	8,62,573	58,76,477	36,18 477	22,708	Jardine Henderson Ltd.	Barazee Coke	20	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4,49,350	70,000	8,49,159	3,49,159	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatidee	6¼N	10	*Nil*	0 12			6, 12	H.
90,00,000	1 40 49,223	5,91,92,114	2,93,77,326	7,31,541	Andrew Yule & Co., Ltd.	Bengal Coal	539	200	32 8*	*30 0**	35 0*		6, 12	H.
1,25,000	4,77,174	24,81,805	24,39,968	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	*Nil*	*Nil*	*Nil*		4, 10	H.P.
15,97,000	4,78,858	27,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8				6, 12	H.P.
40,00,000	5,00,000	1,39,06 983	71 05,186	27,433	Sahu Jain Ltd.	Bharat Collieries	7½	10	0 12	0 10	0 10		9	
7,15,000	15,11,080	52,62,536	37,38,500	—1,87,446	F. W. Heilgers & Co. (Private)Ltd.	Boulanbazare	13½	10	*Nil*	*Nil*	*Nil*		3	Y.T.P.
16,00,000	16,17,986	48,14,866	29,99,841	—79 196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12½	10					6, 12	H.
7,50 000	24 29,603	42,39 603	26,53 408	84,262	F. W. Heilgers & Co., Ltd.	Borrea	23	10	2 12	2 0	2 0		6, 12	H.L.
90,92,480	1,75,17,502	4,19 21,370	1,85,17,846	1,15,376	Bird & Co., Ltd.	Burrakur	14½	10	0 12	0 9	0 10		6, 12	H.
49,97,750	.....	39 02,720	3,82 645	14,019	Hindustan Investment Corpn., Ltd.	Central India	7½	10	0 4	0 4	0 4		6, 12	H.P.T.
6,00,000	13 64,302	49,10 414	32,63,954	82,768	M. — —	Central Kurkend	11½N	10	1 12				3	Y.
5,00,000	1 48,676	7,28,458(k)	.....	8,179	F. W. Heilgers & Co. Private Ltd	Churia	22	4	0 2	0 2	0 11		6, 12	H.
16 00,000	1,20,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8	10	*Nil*	*Nil*	*Nil* 1		6, 12	H.P.
£240,000	£380,553	£956,945	£702,277	£59,787	Jardine Henderson, Ltd.	East Indian	31½	10	2 8	2 8	3 0		4	Y.
32 48,760	76,84,260	2,62,97,498	2,87 14,567	98,266	Macneill & Barry Ltd.	Equitable	30½	10	1 8	1 8	0 12½		6, 12	H.P.T.
10,00,000	2,15,000	10,76,864	3,78,968	11,278	Bhatter's Agency Ltd.	Ghusick and Muslia	14½N	10	0 8	0 8			3	Y.
2,00,000	6,75,000	31,42,057	18,61,714	66,461	Killick Industries Ltd.	Hingir-Rampur	41½	60	3 0	*Nil*	2 4		6	Y.P.
22,00,000	1,12,640	24,74,412	6,18,147	—5,57,298	Macneill & Barry Ltd.	Hurriladih	22	10	1 8	1 12	1 4½		6, 12	H.
2,50,000	3,45,579	13 54,857	7,23,858	.....	Rajpala Transt Ltd.	Jogta Coal	2½	10	*Nil*	*Nil*			12	Y.P.
20,00,000	17 325	29,07,391	3,43,150	2,661	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	2 12	*Nil*	*Nil*		3, 9	H.
9,00,000	16,50,000	45,77,553	38,42,985	1,35,474	Bird & Co., Ltd.	Karanpura Collieries	119½	100	*Nil*	*Nil*	2 8		3, 9	Y.P.
1,38,400	5,72,960	12,85,941	5,72,960	—1,50,236	Andrew Yule & Co., Ltd.	Katras Jherriah	60½	10	4 0	4 0	5 8		1, 7	H.
11 00,540	64,314	16,72,961	10,41 563	—41,320	Kettlewil & Co.	Khas Kajora	3¼N	10	*Nil*	*Nil*			6, 12	H.P.
9 00,000	11,86,415	28,60,268	22,97,987	2,255	Macneill & Barry Ltd.	Kusdi	4½N	10	*Nil*	*Nil*			3	Y.
7,48,240	2,00,000	12,18,478	6,25 178	11,096	H. V. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 4			4	Y.
2,00 000	26,617	10,33 740	5 20 295	4,540	Tantia Brothers Ltd.	Nasira	7	10	0 8	0 8			12	Y.
17 76 250	20,01 762	1,19 78,853	88 63,066	94,383	Amritlal Dutt & Co., Ltd.	New Rasadeopur	10N	10	0 12	1 4			3, 9	H.
6,00,000		73,000	29,54,607	17,07,588	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	1 0	1 2	1 0		3, 10	H.P.
1,15,000				22,33	Octavius Steel & Co., Ltd.	New Manbhoom	10½	10	*Nil*	*Nil*	*Nil*		6, 9	H.
1,57,500	2,85,193	13,07,219	8,64,731	15,956	Andrew Yule & Co. Ltd.	North West	16½N	10	0 4	*Nil*	1 0	0 12½	3, 9	H.
1,80,000		12,21,883	5,17,666	3,97,668			7½	10	0 8	*Nil*	1 0½	0 9½		
10,00,000		1,10,000	39 70,662	17,99,668	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 0	1 0	1 0		6, 12	H.P.
6,84,000		10 862	17,52,187	6,80 796	K. C. Tirpar & Bros.	Oriental Coal	10N	10	0 8	0 8			12	Y.P.
18,75,000		16 00,000	47 70 275	25 30,275	Deepchand Kishenlall	Parasea	14½	10	0 4	0 12			9, 12	H.P.
32 99,800		19 17,105	1 23 09,993	25,50,855	Shaw Wallace & Co., Ltd.	Peach Valley	22½	10	1 10	1 10	1 8		3, 9	H.
13,50,000		8 58,585	35,36,765	37,72,764	N. E. Khan & Co., Ltd.	Ramagunge	13½	10	*Nil*	*Nil*	0 10		3, 9	H.
30,00 000		3,90,000	44,25,588	18,78,178	Shaw Wallace & Co., Ltd.	Rewa	22½	10	2 0	1 6	0 14		6, 12	H.
2,50,000		1,80,802	12 78,480	12,21,237	Saipuria Sons Ltd.	Samla Collieries	14N	10	0 8	0 12	1 0		3, 9	Y.
2,80,000		3 38,596	23 09 499	19,07 296	M. — —	Searsole	3½N	2½	0 10	0 10	0 12		1	Y.
5,00,000		5 51,289	28 491	28 867	Andrew Yule & Co., Ltd.	Seebpore	25½	7	1 12	2 0	2 8		6, 12	H.P.
68,21,450		16,96 060	8,83,71,101	2,85,68,501	F. W. Heilgers & Co. Private Ltd.	Sendra	11½	10	*Nil*	0 2	0 4		6, 12	H.T.
					Industrial Trust Fund (Govern- ment of Hyderabad)									
17,50,000		10,84,016	37,50,103	15,14,980		Singareni	10½	10	*Nil*	0 11 1/5			12	Y.T.
2,50,000		13,99,995	1 09,570	28,510	Bird & Co., Ltd.	South Karanpura	9½	10	0 4	0 2	0 2		3, 8	H.
19 00,000		12,950	1 28,329	17,347	F. W. Heilgers & Co., (Private)Ltd.	Standard	23½	10	2 0	1 8	1 0		3, 9	H.
2,50,000		2,50,000	13,45,362	—4,07,748	Tatchar	Tatcher	8½	£1	10%				6, 12	H.
30,00 000			19,47,965	14,81,886	Williamson Magor & Co., Ltd. ..	Union	14½	10	1 12	0 12	*Nil* 1		9	Y.
20,00 000			42,06,886	18,91,545	Hindustan Investment Corpn., Ltd.	Western Bengal	7	10	0 8	0 6	0 8		6, 12	H.
7,00,000		1,52,190	84,28 188	82,86,961	Macneill & Barry Ltd.	West Jamuria	11½	10	*Nil*	*Nil*	*Nil* 1		6, 12	H.

B—Managed by the board of directors. ‡ Less income-tax. (a) Clive Mills have paid dividend at As. 10/- on bonus shares, for the year, 1955. * Including bonus. (k) Investments.

(l) Making up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s For seven months ended 31st March 1956.

† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

GADGETS TO SPUR SAVINGS

(*Concluded from page 449*)

Though some of these schemes may serve as expedients while confidence is restored in money, none of them has been spectacularly successful. Under reasonably ordered conditions people will respond to the opportunity to realise better interest rates and tax exemptions. They can enjoy dreams of winning lottery prizes.

But, when inflation is rampant, the value of any promise to pay in the future becomes suspect. Formula bonds, such as those linked to price indexes, cannot fully overcome the repulsion people feel toward distant claims for money of shrinking value. Many a potential buyer—even if he has the talent for arithmetic—will not take the trouble to figure out how the gadget works and how it may fail him. He may well doubt whether the borrower will have the means and the will to perform upon an obligation of unknown magnitude. He may suspect the integrity of the Government statisticians whose elaborate calcul

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
16 00,000	1,06,00,000	11,36,801	Allahabad Bank	347xd	100	18 0‡	18 0‡			12	Y.P.
14,50,000				161xd	50	9 0‡	9 0‡				
1,01,000				116cd	100	6 8	7 8	6 8	3 12‡	6,12	H
$2,46,150	14,87,000	12,375	Andhra Bank	85cd	70	3 4	3 12	4 8 4/5	2 10‡		
1,00,00,000	1,25,00,000	3,35,546	Bank of Baroda	102	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	21¼N	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,63 00,000	18 26,630	Bank of India	172‡	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,80,375	28,00,000	60,638	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	28	50	1 8	2 0	2 0		12	Y.
50,00,000	34,00,000	1,79,254	Bank of Mysore	257‡cd	100	16 0‡	16 0‡	16 0‡		12	Y.
61,31,700	48,78,018	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.T.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		Y.P.	R.L.Y.
2,84,11,875 †	4,01,81,317	16,40 859	Central Bank of India Ltd. ..	53	25	3 0	3 0	3 0	1 8‡	12	Y.
$2,42,875 'A'				56	25	3 0	3 0	3 0	1 8‡		
50,00,050	31,00,000	1,76,386	Devkaran Nanjee Banking Co.† ..	45‡	50	2 0	2 8	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (F)	72N	20	4 0	4 0			12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	88‡	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	14‡	50	Nil	Nil			12	Y.
50,00,000	1,87,50,000	2,771	Hindustan Mercantile Bank ..	12‡	50	Nil	Nil			12	Y.
75,00,000	75,00,000	1,94,405	††Hyderabad State Bank ..	89N	100	5 0	6 0‡	5 0		9	Y.
24,00,000				209	100	12 0‡	12 0‡	12 0	6 8‡		
16,00,000	79,75,000	1,45,140	Indian Bank	195	95	10 9‡	10 9‡	10 12‡	6 2‡	6,12	R.L.H.
12,50,000				149‡	70	7 3‡	7 3‡	7 12‡	4 8‡		
49,19,375	30,00,000	2,28,799	Indian Overseas Bank	153	100	6 0	6 0	7 8		12	Y.
2,25,000				42‡	100(A)	Nil	Nil				
4,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	Nil	Nil			6,12	H.
10,00,000				25	50(C)	2 0	Nil				
87,50,000	97,50,000	2,35,106	Punjab National Bank	60‡	25	2 0	2 0	2 8	2 0‡	12	Y.
1,00,00,000	25,00,000	45,597	Travancore Bank	18‡	25	2 10	2 12	1 8		12	Y.
40,00,000	25,00,000	1,96,228	Union Bank of India	7‡	5	0 5‡	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank ..	58	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£3,000,000	£405,375	Chartered Bank of India, Australia and China	£1-16-3	£1	14†	15†	15†		12	R.L.Y.
				£7‡	£5	8†	8†	8†			
£1,000,000	£1,250,000	£69,917	Eastern Bank							12	R.L.Y.
H.K. $25,000,000	H.K. $12,500,000	H.K. $ 10,666,689	Hongkong and Shanghai Banking Corporation	$91‡	H.K. $125	5*	5*	5*	2*‡	12	Y.
£17,946,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-14-0	£5 A	14†	15†	12†		12	R.L.Y.
£1,437,596 'B'				£1-6-3	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'A'				£4-1-0	£1 A	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-1-0	£1 B	14†	14†	14†		12	R.L.Y.
£750,000 'C'				—	£1 C	14†	14†	14†			
£3,861,563	£3,104,687	£343,153	National Bank of India	£1-0-9	£1 sh. 12‡	16†	15†	15†		12	R.L.Y.

£ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
10,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99‡	1st June .. 1963
4,00,000	5‡	1st March and 15th September..	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5‡	30th June and 30th December ..	Ramnagar Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10 00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1955-56
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-60
$6 00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April .. 1956-61
$5,00,000	4‡	1st May and 1st November ..	Walchandnagar Industries (New)	1941	96‡	1st November .. 1956-64
COAL						
20,00,000	4‡	30th April and 31st October ..	Bharat Collieries	1944	95‡	30th June .. 1956
20,00,000	4‡	30th June and 31st December ..	Barrakar Coal Co.	1947	91‡	30th June .. 1967(a)
50,00,000	5‡	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
COTTON						
3,50,000	5‡	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4‡	10th May and 10th November ..	Bengal-Nagpur	1947	98‡	15th November .. 1956(b)
60,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1942	101‡	1st March .. 1972(c)
12,50,000	5‡	.. .. ..	Jaybree Textiles	—	90N	1st January .. 1965-69
$9 90,000	5	1st June	Tata Mills	1951	100‡	 1966-71
ELECTRICS						
10,00,000	4‡	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1968(a)
1,25,00,000	4‡	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	..	100‡	14th June .. 1960
98,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98‡	1st October .. 1950
12,00,000	4‡	30th June and 31st December ..	Banaras Electric Light and Power Co., Ltd.	1948	94	31st December .. 1964(c)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(a)
25,00,000	4	30th June and 31st December ..	Cawnpore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Mica (Sharisha) Electric Supply Co., Ltd.	1951	96	15th July 1957-61
4,85,000	5‡	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	1st October .. 1960-64
2,00,000	5‡	31st March and 30th September	South Madras Electric Supply ..	1939	94	30th September .. 1961-66
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	1st July 1956-61
5,00,000	4‡	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power	—	93‡	15th September .. 1965-76
ENGINEERING						
5,00,000	5‡	30th June and 31st December ..	Britannia Engineering	1948	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1952	99	30th June .. 1959
20,00,000	5‡	15th September and 15th March.	Indian Hume Pipe (Reserve) ..	1941	101‡	1st July 1957-62
$1,148,800	4‡	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1938	£97	31st December .. 1966(d)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1951	101‡	1st October .. 1968-69
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(c)‡
JUTE						
12,00,000	5‡	1st October and 1st April ..	Aparpara	1939	99	31st March .. 1959
6,00,000	5‡	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	5‡	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	98‡	30th June .. 1960
9,00,000	5	31st January and 1st July ..	Calcutta	1949	90	31st July 1959
10,00,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1962
18,48,000	5‡	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1969(c)
8,56,000	5	15th January and 15th July ..	Empire	1951	94‡	15th July .. .. 1966(c)
35,00,000	5‡	1st January and 1st July ..	Hastings	1947	92‡	30th June .. 1957
20,00,000	5‡	31st March and 30th September.	Howrah Jute Mills Co. Ltd. ..	1955	97‡	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96‡	31st December .. 1964(c)
25,00,000	5‡	30th June and 31st December ..	Kelhati	1952	98	31st March .. 1967(c)
5,00,000	4‡	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd	1938	98	14th May .. 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	86	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Pressmanay	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(e)
6,00,000	4‡	14th March and 14th September.	Seorah Jute	1937	96	14th September .. 1957
12,00,000	4‡	30th June and 31st December.	Victoria	1937	96‡	30th June .. 1957
16,00,000	5‡	31st January and 31st July ..	Waverly	1925	58	31st July 1969
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	6	1st January and 1st July ..	Barasat-Basirhat Light Railway	1939	£80N	1st July 1956
$350,000	4‡	1st January and 1st July ..	Calcutta Tramways	1900	£56‡N	At 106% at any time on 6 months' notice or at par or every seventh year thereafter
£189,982	5	1st April and 1st October ..		1933	£77‡N	1st October .. 1974
4,50,000	2‡	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90‡	31st December .. 1956(c)
£200,000	4‡	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1926	£85‡N	Any time on six months' notice (e)
£33,34,697	4‡	1st March and 1st September ..	Scindia Steam Navigation ..	1949	98	1st September .. 1968‡
PLANTING						
10,00,000	5‡	30th June and 31st December ..	Consolidated Coffe	1952	102‡	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	—	100‡	1st April 1958-62
1,50,750	5‡	31st March and 30th September.	Teakoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
12,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st Decem .. 1966
4,00,000	4‡	1st January and 1st July ..	Associated Hotels of India ..	1948	86	31st December .. 1964
2,25,000	4‡	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
10,00,000	5‡	1st March and 1st September ..	Burmah-Shell	1954	103‡	1st September .. 1964-69(a)
25,00,000	5‡	1st April and 1st October ..	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October .. 1970
21,25,000	5‡	1st February and 1st August ..	Carrington Properties	1952	92	1st February .. 1964
10,00,000	4‡	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd.	1938	89‡	1st July 1958
4,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87‡	15th September .. 1966
1,50,000	4	31st March and 30th September.	Dalusa Cement Ltd.	1946	92	 1960
1,00,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd.	1950	102	1st January .. 1971(c)††
1,00,00,000	5‡	1st January and 1st July ..	Indian Cables Co., Ltd.	1954	105	30th June .. 1969(c)‡
37,37,500	5	15th March and 15th September.	Mercer Chemical Industries ..	1940	95‡	 1962
25,00,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	535	30th September .. 1967
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1973(c)
					(per note)	
15,00,000	5	1st April and 1st October ..	Mesnelli and Barry Ltd.	1951	90N	1st April .. 1971
4,00,00,000	4‡	30th June and 31st December ..	National Rayon	1955	103	30th June .. 1965-70
1,00,00,000	5‡	31st March and 30th September.	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December ..	Ralias Industries Ltd.	1946	93‡	31st December .. 1956
1,00,00,000	5‡	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at £ per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and ¼ per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 16 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,00,00,000 debentures will be redeemed at a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings, from 1st ... 1956 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 3rd January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th September, 1956.

—	Closing quotations 30-8-1956	High	Low	Closing quotations 4-9-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	215	—	—	215
Apollo (2)	3xd	3-0‡	2-14‡	2-15‡
Bombay Dyeing (250)	667‡	664‡	647‡	653‡
Bradbury (50)	268‡	265‡	262‡	262‡
Central India (100)	159	159	153‡	153‡
Century Mills (100)	584‡	576	559	560‡
Colaba (100)	101‡	—	—	101‡
Edward Textile (200)	365	—	—	365
Elphinstone (50)	65	62	60	62
Finlay (100)	374	367	353	356‡
Gokak (100)	248	247‡	242	244
Ind. Unsd. Defd. (1)	2-6‡	2-6‡	2-3‡	2‡
Ind. Unsd. Ord. (10)	13-10‡	13‡	12‡	12-15‡
Indore Malwa (100)	160	160‡	147‡	150
Khatau (100)	297‡	295	283‡	286‡
Kohinoor (100)	379	375	362	365‡
Lakshmi (250)	752‡	—	—	752‡
Madhusudhan (100)	131‡	—	—	131‡
Minerva Mills (100)	105‡	102‡	100	102‡
Model Nagpur (250)	191‡	191‡	183‡	183‡
Morarji (100)	273‡	—	—	273‡
Mysore (50)	135‡	135‡	133‡	133‡
National Rayons (100)	265	270	262	263
New City (100)	188‡	186‡	183‡	183‡
New Great (100)	260	255	252	252
Phoenix (100)	163‡	—	—	160
Podar Mills (100)	187‡	187‡	175	176‡
Rasoom Silk (10)	14	—	—	14
Rasoom Spg. (10)	46	—	—	46
Sholapur (100)	1,700	—	—	1,700
Shrinivas (100)	240	237‡	227‡	231‡
Simplex (50)	213‡	213‡	206	209‡
Standard (100)	473‡	483‡	460	462‡
Svadeshi (100)	262	264	251	253‡
Swan (100)	477‡	457‡	450	450
Tata Mill (25)	60	59‡	55	56‡
Wahid (100)	190	—	—	190
Western India (1,000)	5,125	—	—	5,125
BANKS				
Bank of India (50)	172	173‡	171‡	172‡
Bank of Baroda (56)	102xd	102	101	101
Central (25)	53xd	53‡	52‡	53
Central 'A' (25)	56‡xd	58	56	56
Dena Bank (50)	45‡	—	—	45‡
Punjab National (25)	60‡	—	—	60‡
Union Bank (5)	7‡	7‡	7‡	7‡
United Com. (50)	58‡	58‡	58	58
ELECTRIC COS				
Ahmedabad (100)	99‡	99‡	98‡	99‡
Amalgamated (10)	11-1‡	—	—	11-1‡
Andhra Valley (1,000)	1,242‡	—	—	1,242‡
Bom. Suburban (100)	110‡	110‡	110	110‡
Surat (100)	119‡	—	—	119‡
Tata Hydro (100)	128	—	—	128
Tata Power (1,000)	1,305	1,305	1,295	1,297‡
INSURANCE COS.				
British India (10)	14	—	—	14
Empire of India (100)	875	—	—	875
Ind. Mercantile (50)	44	—	—	44
Jupiter (15)	6‡	—	—	6‡
New India (15)	48	—	—	48
Oriental (200)	3,650	—	—	3,650
Universal (10)	12‡	—	—	12‡
Vulcan (10)	17	—	—	17
STEEL COS.				
Ind. Iron (10)	36‡	36-12‡	36-3‡	36-5‡
Tata Steel Ord. (75)	212‡	202‡	198‡	199‡xd
SUGAR COS.				
Belapur (50)	254‡	254	248	249
Bhopal (10)	17‡	—	—	17‡
Phaltan (56)	169	167‡	161	163
Walchand Ind. (100)	277‡	276‡	268‡	270
CEMENT COS.				
Associated Cts. (100)	205‡	207‡	203‡	203‡
Dalmia (100)	204‡	204	200‡	200‡
MISCELLANEOUS				
Alcock Ashdown (100)	347‡	346‡	342‡	346‡
Bom. Burmah (125)	762‡	770	736‡	750xd
Do. (New) (50)	286‡	280	275	275xd
Br. B. Petrol (4 sh.)	4‡	4-0‡	3‡	3-12
Br. I. Corpn. (5)	10‡	10‡	10‡	10‡
C. P. Rly. (100)	79‡	—	—	79‡
Indian Copper (2 sh.)	7‡	7‡	7‡	7‡
Ind. Inv. Tr. (100)	76‡	—	—	76‡
Kamp (200)	188‡	—	—	188‡
Killick (100)	178	178‡	178	178‡
Poison (100)	180	—	—	175
Port Canning (100)	8	—	—	8‡
Premier Con. (30)	21‡	220	211	215
Scindia (20)	18‡	19‡	18‡	18-1‡
G. E. Shipping (10)	19‡	19‡	19‡	19‡
Shivrajpur (10)	87‡	87	83	84
Tata Chemicals (10)	20	20‡	19‡	19‡
Tata Locomotive (100)	176	178‡	170‡	174
Tata Oil (25)	57	57	53‡	55
W. I. Match (100)	183‡	183‡	180	180

GOVERNMENT SECURITIES	30-8-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	4-9-1956
	Rs.			Rs.
2½% 1961	98‡	—	3.96	98‡
2½% 1960	96‡	—	3.74	96‡
2½% 1962	98‡	—	3.80	98‡
2½% 1974	82‡	—	4.00	82‡
3% 1957	99‡	—	3.25	99‡
3% 1958	99‡	—	3.24	99‡
3% 1959-61	98‡	3.70	3.42	98‡
3% 1964	95	—	3.72	95
3% 1965-65	94‡	3.84	3.67	94‡
3% 1966-68	93‡	3.88	3.70	93‡
3% 1970-75	90‡	3.92	3.74	90
3% 1984 Con. Loan	75‡	—	3.99*	75‡
4% 1960-70	100‡	3.75	3.91	100‡
4½% 1958-68**	102‡	3.94	3.80	102‡
2½% 1961 N.P. Bonds	99‡	—	3.66	99‡
2½% 1964 N.P. Loan	98‡	—	3.69	98‡
2½% 1964 N.P. Bonds	98‡	—	3.70	98‡
3½% 1962	97‡	—	3.64	97‡
3½% 1967 N. P. Bonds	98‡	—	3.67	98‡
3½% 1974	98‡	—	3.87	98‡

BRITISH GOVERNMENT SECURITIES

	Closing quotations 24-8-1956 £			Closing quotations 31-8-1956 £
2½% Brit. Consols	52‡	—	—	52‡
3% Savings Bonds 1965-75	73‡	—	—	74‡
3% War Loan 1964-69	94‡	—	—	94‡
3½% War Loan	71‡	—	—	70‡
4% Victory Bonds	90‡	—	—	90‡
4% Funding 1960-90	87‡	—	—	87‡

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Right.

18 SEP 1956 GOVERNMENT OF MADRAS

COMMERCE

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

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TARGETS FOR FOODGRAINS

THE recent rise in foodgrain prices has served to focus much public attention on the question of increased food production. The Government is understandably uneasy over the prospect of higher prices for foodgrains which would rob the people of much of their enthusiasm for the second Plan. The first Plan evoked considerable support from the public, because its progress brought with it freedom from a wide range of controls. Surely, the average citizen would like to see this trend continue through the period of the second Plan. In any case, should shortages in foodgrains develop and thereby necessitate larger imports of food, it would render the already difficult foreign exchange position more difficult. These considerations have lent to the problem of raising food output a new sense of urgency which contrasts with the sense of virtual complacency which prevailed a few months ago, when the Government even toyed with the idea of earning an additional Rs. 400 crores of foreign exchange through exports of foodgrains.

The Planning Commission feels that the target of 75 million tons for foodgrains to be reached by 1960-61, which represents a 15 per cent. increase over the 1955-56 level of 65.0 million tons, is an underestimate of the country's ability and that the target should be at least 40 per cent. over the current levels of output. At the last conference of State Food Ministers, held at Mussoorie, the question was thoroughly discussed. But the consensus of opinion was that, though food output could be increased by 25 per cent., it was difficult to accomplish a 40 per cent. increase without additional financial resources which the Planning Commission was generally unwilling to give. Now, Mr. Nehru revealed in the Lok Sabha a few days ago that he had written to the Chief Ministers of the States suggesting that they were not likely to receive additional allotment of funds but that they must strive to increase food output. He stated that the Government's aim was that food production should be increased by 30 to 35 per cent.

Mr. Nehru explained the Government's stand on the question of food output in the course of the debate on the Plan in the Rajya Sabha this week. He averred that agriculture was of "very vital importance" and that "our basic prosperity depends on agriculture." He wondered why the average yields in this country, which were comparatively very low, could not go up by 30 to 35 per cent. After emphasising the importance of intensive cultivation and the wider use of natural manures, he revealed that the Government had proposed to divert the attention of the Community Projects and National Extension Services, which would soon cover some 1,470 blocks (as against 1,160 blocks at present) or 110 million people in the villages, to intensified agriculture. He declared: "It is my firm conviction that we can make very considerable progress on the food front, without additional money but with a little more expenditure of brain-power and muscle-power."

In considering the issue of increased food output, one should not overlook the basic character of India's agricultural economy, namely, its dependence on monsoon. Despite all the major and minor irrigation works constructed in recent years, the fact remains that the irrigated area forms only 20 per cent. of the total cultivated area, though, during the period of the second Plan, this proportion is expected to rise to 30 per cent. When a large part of the land is thus exposed to the vagaries of the monsoon, the burden of the responsibility for increasing food production will necessarily fall on irrigated land. Indeed, this land may have to carry a heavier burden, if monsoon should fail in any year or in any consecutive years. In the short-run, the solution to the problem of raising output should be sought through intensified use of irrigated land and extension of minor irrigation facilities to cover as large an area as possible.

Judging from past experience, there is no reason why the increase in food production could not go beyond the 15 per cent. level now envisaged in the second Plan. In 1950-51, the irrigated area at 51 million acres formed 17.5 per cent. of the total cultivated area and the output of food in the country was some 54 million tons. By 1955-56, the country could increase its output by 11 million tons over the 1950-51 level, an increase of about 20 per cent; between these two years, the irrigated area moved up by about 32 per cent. During the period of the second Plan, the irrigated area is expected to go up to 88 million acres which would form about 30 per cent. of the total cultivated area. This represents an increase of about 31 per cent. in irrigated area over the existing land under irrigation. Such a large addition to irrigated area ought to result in a better increase in food output than what is now envisaged.

Much progress could and should be done within the existing allocation of Rs. 341 crores to agriculture. Nevertheless, it may be wondered whether a 40 per cent. increase in food output could be achieved without further expenditure or allotment. In the absence of fresh allotment of resources, the problem of the most efficient utilisation of available financial resources assumes a new significance. For one thing, efforts must be made to re-draw the pattern of expenditure on agriculture, so that money is diverted primarily to those sectors which could most readily show results through increased production of foodgrains. The allotment of Rs. 341 crores to agriculture is made up of Rs. 170 crores for agricultural programmes, Rs. 56 crores for animal husbandry, Rs. 47 crores for forests, Rs. 12 crores for fisheries, Rs. 47 crores for co-operation and Rs. 9 crores for miscellaneous expenditure. It is this pattern that must be reorganised, with a view to devoting larger resources to productive agricultural programmes.

Again, food output can be more easily and more rapidly augmented through the adoption of better agricultural practices, including the use of improved varieties of seeds, fertilisers and farmyard manure and more efficient implements. It is to this aspect of the food problem that greater attention and resources should be diverted. Above all, minor irrigation projects should receive far more attention than in the past. It is not clear whether the Government has collected fresh data about the census of wells in the country. A few years ago, it was computed that there were 3.5 million wells in India. May be, the number is larger now than what it was then. In any case, many of them would need improvement. Perhaps, it is not as widely realised as it should be that an improved well means an addition of 2 acres to irrigated area; about five acres, served by a well, could give an additional ton of foodgrains. Efforts should also be made to tap small surface streams. The fact that the supply of power will increase from 3.4 million kw. to 6.9 million kw. during the period of the second Plan indicates that there is great scope for installing electrically-operated water-lifting appliances.

A point that cannot be entirely ignored is that the adoption of improved agricultural practices by the farmers implies additional expenditure for the farmer. Unless sufficient incentives are provided, the farmer is unlikely to incur this additional expenditure. Mr. Nehru cited the instance of community projects where yields had increased by 25 per cent. These projects have absorbed large dozes of capital. How could the rest of the

and they have gone up since he raised the excise duties—he would step up the duties further. The higher the price of cloth, the greater the excise duties and *vice versa* is his policy. In other words, he wants the cloth prices to go down and says, in the same breath, that people should not consume more cloth. Surely, if cloth prices fall, the demand for cloth will increase, other things remaining equal. There is thus a fundamental contradiction in the Government's policy.

A little more elucidation is, perhaps, necessary for the benefit of those to whom this contradiction is not clear. Elsewhere in this issue, the Government's account of the background to the increase in excise duties is published. It will be seen therefrom that, despite the rise in the prices of cloth in recent months, the *per capita* consumption of cloth has tended to rise over 16 yards and that the pace of expansion in *per capita* consumption so far in the current year has been rather swift. The Government's contention is that the country cannot afford this rate of expansion in consumption, as enough cloth is not being produced and as the country cannot afford to divert any sizable amount of its savings to encourage an increase in the capacity of mills to produce more cloth for domestic consumption. Apparently, the Government would even welcome a reduction in the present *per capita* consumption of cloth, so that more cloth would be available for export. If this objective is to be secured, the price of cloth should go higher and not come down, or the prices of other essentials, such as food, should go up, so that less money would be available for buying cloth. Inasmuch as the Government is reluctant to resort to production and distribution controls for inhibiting consumption and is doing everything possible to deflate foodgrain prices, the other alternative is to push up the prices of cloth to such levels as would automatically achieve this objective. Why then talk of measures for bringing down prices of cloth? Why blame the millowners and the dealers if they transfer the incidence of enhanced excise duties to consumers?

The trouble with the Government is that it wants to have the cake and eat it at the same time. It does not want people to buy more cloth and yet it wants them to feel happy over the situation. In order to see that people do not buy more cloth, it wants to tax consumption through higher excise duties, but objects to manufacturers and dealers transferring the burden to consumers. How can a policy with such a fundamental contradiction work? If cloth consumption is to be restrained without adopting rationing, the only way of achieving it is to keep the consumer prices of cloth high. It will then be necessary to ensure that the sacrifice which the consumer is asked to make in the form of high prices does not go to swell the income of mill workers, cotton growers, millowners and distributors of finished goods. This will call for not only high excise duties but also a high rate of direct tax on millowners and the dealers, in other words, an excess profit tax. In effect, the Government ought to be able to make more money than it is now doing.

In highlighting the contradiction in the Government's approach and suggesting a remedy, we do not mean that the Government's main textile policy is right. That policy, as we have pointed out ere now, is basically wrong. It is cruel to load such a heavy percentage of tax as the Government is now doing on an essential article like cloth. It is no use telling the public that the Government has been forced to do so by circumstances. None except the Government is responsible for the present circumstances. The scarcity of cloth which threatens to become severe in the months to come is its creation. It has underestimated people's propensity for cloth consumption and overestimated the capacity of handlooms to deliver the goods. Its assumption that, by restricting mill production of cloth, more avenues of employment for the unemployed can be found has not been proved by events. This is not surprising, because hand weaving is not a profession to which all and sundry will take. Only a weaver's son will probably prefer to be a weaver. Neither a carpenter's son, nor that of a cobbler, nor that of a teacher, or of a railway or any factory worker will take to it. This is true of *Ambar Charka* as well. But they will all not mind joining a mill either as a spinner or a weaver or any other modern means of production. It has been proved time and again that the vast amount that is being spent for sustaining and fostering handloom weaving and spinning would provide more employment opportunities if it were expended on other occupations such as housing, transport and consumer goods industries. The present textile policy is thus inflicting a severe two-fold loss on the people. First, valuable financial resources are being utilised in channels which do not fetch adequate return in terms of gainful employment. Secondly, the people have to lower their living standards needlessly.

In saying all this, we do not suggest that adequate assistance of a suitable type should not be given to handloom industry or that hand spinning should not be encouraged in areas and in circumstances where no other gainful occupation can be found. But what is being done for this limited purpose is more than necessary and detrimental to the masses as a whole. The interests of these cottage industries can be adequately safeguarded without placing a restriction on mill spinning and mill weaving. There is no salvation for the people of this country, unless the Government realises the aforesaid stark economic facts and gives encouragement to cotton mill industry to expand its capacity and production. It is just a delusion to think that a sum of Rs. 30 or Rs. 40 crores that will be required to expand mill production will stand in the way of implementing the projects for heavy industries. On the contrary, such an investment will help the country to spend more on heavy industries. Assuming, for instance, the Government had allowed the mill industry to expand its capacity by 1,000 to 1,500 million yards in the first Five-year Plan, one can easily imagine the comfortable position in which the country would find itself today. In such an event, there would be a *per capita* availability of 18 yards, besides 1,200 to 1,500 million yards available for export, that is, the country would have enough cloth not only for meeting the rising level of domestic consumption but also for ensuring maximum exports. It would have permitted the country to implement a bigger second Plan than the present one. The question of resources would have presented no difficulty, for, as against an investment of Rs. 2,356 crores envisaged in the first Plan, only Rs. 2,000 crores could be spent. The authors of the second Plan claim it to be dynamic. If this claim is true, then they should learn from their past mistake and allow the mill industry to expand on the lines recommended by its spokesmen after considerable deliberation.

A NOTABLE AGREEMENT

NO subject figures more prominently in industrial disputes in this country than the claim for bonus by the workers. Nor does any other subject arouse keener controversy. Indeed, bonus disputes have so far vitiated the atmosphere of industrial relations that it looks as though the workers could be sooner persuaded to abandon their right to better wages than give up the claim for bonus. Some of the recent attempts at settling this issue—those made by the Millowners' Associations at Bombay and Ahmedabad, for instance—are designed only to reach some amicable agreement on the question of bonus over a period of years rather than to relate these additional earnings to productivity as such. From this point of view, the second five-year agreement reached between the Indian Aluminium Co., Ltd., Calcutta, and its workers, represented by the Indian Aluminium Belur Works Employees' Union, deserves special notice, for it contains, besides the no-strike guarantee given by the workers, an unequivocal declaration of the essential unsoundness of the principle of relating bonus to profits.

Since the agreement breaks new ground in industrial relations, and thus marks a welcome departure from the beaten track, it seems necessary to quote the relevant section—Section 38 of Article VII—in the agreement between the Company and the Union. It states:

> "The payment of bonus on Company's earnings or profit is not considered a sound or satisfactory principle by either party. It is felt by both the parties that relating bonus to production which is directly linked up with workers' effort is a better and more satisfactory principle. In consideration of the above, it is agreed that bonus will not be related to Company's profits or earnings but will only be related to and paid on plant efficiency and output."

The foregoing extract states a valid case against relating bonus to profits. The case, as is well known, rests on the ground that profits are not necessarily made through the efficiency of the workers alone but are dependent on a multitude of factors, such as the efficiency of the plant, organising ability of the management, fiscal policy of the State and the ever-changing market conditions. Nor are the losses suffered by an industrial unit necessarily due to the inefficiency of labour, for even the best managements can do nothing in the face of a declining market or an unfavourable fiscal climate. Further, some managements are so chronically inefficient or the machinery of some industrial units are so old and worn out that they will be unable to produce profitable results even with the best of labour force. And yet, neither managements nor workers have on the whole been able or willing to give up the unwholesome war-time legacy of relating bonus to profits. Even labour tribunals have, by and large, been compelled to recognise profits as the only basis for the determination of bonus. Thus, this evil practice, blessed by the industrial tribunals, recognised by the managements and demanded by the workers, continues to foul the atmosphere of industrial relations. The Indian Aluminium Company and the union of the workers in this enterprise, therefore, deserve to be congratulated on their abandoning the principle of bonus based on profit and adopting, instead, the principle of bonus based on production.

The two schemes incorporated in the agreement are the monthly production bonus scheme and the annual productivity bonus scheme. The first of these is based on every month's overall plant efficiency and recovery. Briefly, certain norms have been laid down for determining such efficiency. A 10 per cent. improvement above this efficiency line will entitle the workers to an additional 1½ per cent. of their total earnings, a 15 per cent. extra efficiency to 2 per cent. of total earnings for each 1 per cent. extra efficiency, and a 15-25 per cent. extra efficiency for 2½ per cent. of total earnings for each 1 per cent. extra efficiency. In addition to this monthly production bonus, the workers will receive an annual productivity bonus. The quantum of the annual bonus will depend upon the overall output. The Company's works at Belur now produces about 6,000 tons of aluminium. At this level, the workers will be entitled to an annual bonus of 8.33 per cent. of their annual earnings. This bonus will rise, in accordance with a graph which forms part of the agreement, to 16.67 per cent. of the earnings at an output of 9,000 tons. Thus, the annual bonus will vary from year to year in proportion to the total annual output.

It should be obvious that a bonus scheme of this kind cannot work in the absence of mutually agreed norms of efficiency and standards of performance. Such norms and standards have been set in the Company's works at all machine centres through a process of job evaluation in which the workers were actively associated with the management. Indeed, it is on the basis of a scientific system of job evaluation that the wage structure in the Company has been formulated. Besides, the agreement has recorded not only the mutually agreed schedule of wages but also a wide range of other benefits. Such benefits include the supply of subsidised canteen food (As. 5 per meal), subsidised grain benefits and free tea and, to the workers on night shift, free tiffin. The Company has already instituted a system of contributory Provident Fund (6¼ per cent. either way) and has agreed to institute a system of gratuity at the rate of half a month's salary for every completed year of service. This gratuity is payable at the retirement age of fifty-five.

There is a provision in the agreement for mutual consultation at several levels. There are no less than five committees—the joint personnel relations committee, the joint production committee, the joint job evaluation committee, the joint standards committee and the [illegible] committee—on each of which the [illegible] and the union are equally represent[illegible] also an elaborate grievance procedu[illegible] ance will first be handled by the su[illegible] by the foreman, next by the super[illegible] finally by the personnel superinter[illegible] worker is not satisfied with the decision given at any of these levels, he will be heard by the joint personnel relations committee. As a last resort, he may, of course, exercise his legal right to take the matter to the State Labour Directorate.

It is small wonder, then, that the Union, which has secured an agreement so favourable to it, should have acknowledged the management's responsibility to maintain discipline and efficiency in the plant and its right (subject to grievance procedure) to hire, discipline and discharge employees for a just cause. It is also not surprising that the Union has agreed that it will not initiate or support any strike or slow-down of work. The working of this agreement, which is a significant experiment in a dynamic and pragmatic philosophy of industrial relations, will be watched with considerable interest in the country.

DOWNWARD TREND IN MARKETS CEASES

CLOTH PRICES—GERMAN BANK RATE—HOTEL INDUSTRY—MEXICAN COFFEE

THURSDAY, 5 P.M.

MARKET GOSSIP

ALL the markets have recovered from the initial shock of the increase in the excise duties on cloth and of the various frightening pronouncements made by the new Finance Minister and the Food Minister on the upward trend in price levels throughout the country. In the share markets, though the trend is still hesitant and bulls have liquidated a good part of their holdings, today's closing rates are well above the lowest levels touched a couple of days ago. Even the textiles, which are vitally affected by the excise duty decision, are at a respectable distance from the bottom. A good part of this modest rally towards the close is probably due to bear covering, for there is yet no sign of bulls having regained their confidence. At the same time, it must be said that there does not appear to have been much liquidation on investors' account. Sooner or later, there may be some buying by the Life Insurance Corporation which had reserved its resources in the past two months for investment in Central and State Government loans. These issues are now out of its way.

While it is true that the technical position of the market has a great say in determining the immediate prospects for equities and while this position may not be quite healthy in respect of some leading speculative counters such as Tata Steels, Indian Irons, Bombay Dyeings and Bombay Burmahs, the Government's decision on cloth excise duties affects only the mill industry and not the rest of the industries. There has been no change in the circumstances which influence the prospects for iron and steel, engineering, chemical, cement, sugar, rubber and plantation industries. All these are doing pretty well. Jute and coal industries are no worse off. If anything, they are in a slightly better position today. True, conditions in the ports are, once again, becoming difficult, owing to unrest among dock labour. But that is about all, so far as the debit side is concerned.

The new Finance Minister, T.T.K., has made several speeches on economic policies during the past one week. Shorn of the verbiage, which abound in these speeches, they point to no fundamental departure in the policies so far pursued. The Government is anxious to keep off rigid controls on production and distribution. Its hands are already full with many administrative problems and management of the industrial and financial undertakings it owns. There is likely to be no change in taxation before the next budget. Likewise, in the monetary sphere, there is little prospect of the Bank rate being put up as an anti-inflationary device, while selective credit controls aimed at preventing hoarding of manufactures and raw materials are possible. But even in introducing such controls care would be taken to see that industrial production is not adversely affected.

A great drive is being launched to increase food production and to keep prices of essentials under control. The signing of a $350-million loan-aid agreement with the U.S. two weeks before is a guarantee against any runaway increase in prices and cost of living. This means that the chances of attaining higher levels of production with a considerable amount of stability in price levels are better now than they were a month ago. The fissiperous tendencies within the country unleashed by the States Reorganisation Scheme have been brought under control. And, what is more encouraging, the authorities have learned a lesson from the recent linguistic disturbances, as witness the reported shelving of the highly controversial report of the Language Commission and the welcome stress by Mr. Nehru on the importance of English. There seems to be a determination at least in the Centre that nothing should be allowed to detract the attention of the people and the Administration from the urgent necessity of implementing the programmes for economic development. Given peace at the international level, there is no doubt that India will make swift strides on the economic front in the next five or six years. There is thus no cause for investors to lose their heart. Even if taxes were increased, as they might be, the net effect in a growing economy would be for the better.

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Despite the threats held out by the Food Minister and his forecast that foodgrain markets would crash, steady to firm trend prevails in grains and pulses. Among the commodities, oilseeds have made a remarkable recovery from the low levels to which they had dipped last week. And today's closing rates for groundnuts and castorseeds are well above those a fortnight ago. The same is the case with the futures section of the cotton market, too. After going down from Rs. 705 to Rs. 675 during the past two weeks, Jarilla (March) finished today at Rs. 691. In the ready cotton section, it was not difficult to sell at best rates even when the futures swiftly retreated. Its undertone now is fully firm. It will thus be seen that even the sharp increase in excise duty has not had any sustained bearish effect on cotton. This is an indication of the sound statistical position of Indian cotton. It is quite possible that values in the futures section in cotton would have moved up still higher but for the marked fall in equities on the stock exchange. It is a well-known fact that a speculator dabbles simultaneously in more than one market.

The Government of India has decided to resort to a novel method for bringing down cloth prices. It proposes to publish fair prices for certain chosen popular and representative varieties of cloth and give wide publicity to them, with an appeal to the public not to pay more than these prices. But this is an experiment in price control the practical value of which is dubious. In India, cloth is being produced in hundreds of varieties and fixation of fair prices for a few varieties is not going to provide much assistance to the public. Further, it will be next to impossible to convey the fair prices to every nook and corner of this vast country. Again, in a sellers' market, those who are in need of cloth cannot dictate their prices. On such festival occasions as *Pooja*, *Divali* and *Sankaranthi*, when most people replenish their wardrobe, cloth is bound to be brought at whatever prices it is available.

Although the list of fair prices will not be of much help to the public, it will become very handy to the politicians, labour leaders and propagandists for giving a bad name to millowners and trade, indeed, to the whole business community. They will, once again, be accused of profiteering at the expense of poor people. Thus, a new stick has been produced with which the private sector will be beaten and branded in public.

In their own interest, the millowners will do well to revive the practice of marking on every piece of cloth, if not on every yard, the amount of excise duty paid per yard. We made a mistake last week in assuming that this practice was being continued. It was abandoned soon after price control was withdrawn. It is now printing the excise duty only on the bales and not on every piece. By marking the excise duty and cess on the face of every piece of cloth, the industry will enable the public to know how much it is paying by way of these taxes to the Central Government alone. The revival of this practice may cost the industry a little more but it is worthwhile incurring that charge.

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In a world of rising Bank rates it is an event of no small importance that W. Germany should have thought it necessary to reduce its Bank rate. Most countries have had to face the threat of inflation and to raise their bank rates, in order to stem the boom. W. Germany's Central Bank Council, however, announced last week its decision to reduce the discount rate from 5½ per cent. to 5 per cent. and the rate for advances from 6½ per cent. to 6 per cent.

At first sight, it might look as though West Germany is somewhat concerned over the prospect of a recession in economic activity. A closer look at the country's economy will, however, reveal that its economy continues to be strong and buoyant as ever. Indeed, the country's currency is one of the strongest in the world today. Most of the industries are reported to be doing very well. The output of automobiles is 19 per cent. higher than last year, steel output 9.5 per cent. higher and mechanical engineering goods production about 20 per cent. higher. These trends are not indicative of a recession which needs to be fought with a lowering of the Bank rate.

Why, then, has W. Germany reduced the Bank rate? It would appear that the authorities have noted with some concern the recent slight decline in building activity. Even here, it is not so much the actual decline as the threat of a decline that has worried the authorities. Thus, the number of houses under construction is reported to be the same as last year but contracts on hand are less, so that it is feared that building activity might slow down next year. It is this fear of a slackening in building trade—although all other sectors of the economy are in good shape—that has induced the authorities to take a decision in favour of a lower Bank rate.

Incidentally, this decision shows what great importance the authorities in that country attach to the maintenance of building activity on a high level. Be that as it may, the primary reason why building trade shows signs of recession is that it finds it difficult to raise money on its 5½ per cent. debentures in a market where industrial debentures carry as high a rate as 8 per cent. Clearly, W. Germany is still a land of high money rates, the recent reduction in Bank rate notwithstanding.

Further, it must be noted that the Bank rate was raised twice during the course of the current calendar year—once, from 3½ per cent. to 4½ per cent. in March and then from 4½ per cent. to 5½ per cent. in May. Thus, the ½ per cent. reduction, now effected only partially annuls the increase in Bank rate that has taken place this year. At its latest rate, namely, 5 per cent. it is still 1½ per cent. above the rate early in the year.

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India has often been described as a paradise for tourism, but not until recent years has any concerted effort been made to attract tourists and provide amenities for them. Besides being a centre of attraction for tourists, India has in recent years been attracting many foreign visitors. This is due to many reasons. In the first instance, politically, India's stature among the nations of the world has risen considerably and many nations are looking to India for guidance. This naturally induces political leaders from many countries to pay frequent visits to India. Secondly, on the economic front also our country has made and is still making vast strides. It is on the threshold of launching a large number of modern heavy industries for which it is seeking the assistance of developed countries. India's trade with foreign countries is, therefore, steadily rising. Expansion of economic activity thus naturally attracts a number of foreign industrialists, traders, financiers, technicians, etc. Exchange of cultural missions and visits of educationalists and sportsmen have also grown in recent years. All these mean the promotion of tourism. It is a happy augury that the Government of India itself has taken steps to encourage tourism as a valuable means of earning foreign exchange and initiated several measures to make it a success.

In the expansion of tourism, the hotel industry has an important role to play. New Delhi, as the capital of India and as a city of international reputation, and Srinagar, as a first class holiday resort, offer great attraction for developing this industry. As it is, the hotel accommodation in New Delhi and Srinagar is very limited and the pressure on such accommodation is bound to grow in the years to come. The present accommodation in hotels in Delhi is only 900 rooms and, in the estimate of the Union Ministry of Transport, at least another 1,100 rooms are required. There is, therefore, considerable scope for developing hotel industry in the capital alone. In order, however, to attract foreign tourists and make them as comfortable as they are in their own countries, the amenities to be provided in the hotels must be most modern. Thus, there is a large scope for new ventures in this field and it is to fit into this situation that the East India Hotels Ltd., a public limited company, formed in 1949, under the managing agency of Oberoi Hotels (India) Private Ltd., Calcutta, has drawn out proposals for expanding its activity.

The Company will have a new hotel project at New Delhi and will also purchase the Oberoi Palace Hotel at Srinagar. The hotel project at New Delhi will be a small town in itself and is expected to have 200 rooms with 375 beds equipped with all modern amenities. The Oberoi Palace Hotel started functioning in June 1955 and has the reputation of being one of the finest resort hotels in the world. In order to finance these two projects, the Company will come out, in a few days, with a public issue of capital.

The authorised capital of the Company is Rs. 2 crores, made up of 100,000 6 per cent. (tax-free) cumulative preference shares of Rs. 100 each and 1,000,000 ordinary shares of Rs. 10 each. Of this, 100,756 ordinary shares of Rs. 10 each have so far been issued. It is now proposed to issue 30,000 6 per cent. tax-free cumulative preference shares of Rs. 100 each and 599,244 ordinary shares of Rs. 10 each. This will bring the issued capital to Rs. 1 crore, made up of 30,000 preference shares of Rs. 100 each and 700,000 ordinary shares of Rs. 10 each. Of the present issue, the promoter of the Company, Mr. M. S. Oberoi, and his friends will take up 99,244 ordinary shares of Rs. 10 each and 150,000 ordinary shares will be allotted to the owners of the Oberoi Palace Hotel as part of the purchase price of Rs. 15,10,655—the small balance being payable in cash. Accordingly, only the remaining 350,000 ordinary shares of Rs. 10 each and 30,000 preference shares of Rs. 100 each are available for public subscription. A sum of Rs. 25 per preference share and Rs. 2-8 per ordinary share are payable on application and like sums on first call, the balance being callable in two equal instalments. The Company is likely to raise a debenture capital of Rs. 25 lakhs later on.

In view of the vast scope and good prospects, the Directors expect to earn a gross profit of about Rs. 34 lakhs even in the first year after the completion of its project, which, after providing for depreciation and taxation and setting aside Rs. 6.50 lakhs to the reserve fund and sinking fund, will be sufficient to pay the preference dividend and declare a dividend of 15 per cent. on ordinary shares. The profit estimate has been made on the basis of 60 per cent. average occupancy of the hotel and taking into account depreciation relief. In the course of the next five years, the average occupancy is expected to grow to 90 per cent. and the corresponding increase in earnings, it is expected, will more than compensate the incidence of higher tax from the sixth year onwards and thus enable the Company to maintain the dividend, if not raise it.

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The Forward Markets Commission has had discussions with the representatives of sugar trade in Bombay for regulating forward trading in this commodity. The Commission's task here does not seem to be an easy one, because the Bombay sugar traders are not a united lot. For some years now, there have been two associations, namely, the Bombay Sugar Merchants' Association and the Shakar Vyapari Mandal Ltd. Although these Associations are supposed to represent only the trade, they are dominated by a handful of individuals who have a dual role as both producers and dealers. Since no amicable understanding could be reached among them, it may be necessary for the Forward Markets Commission to impose its decision on the trade. It is a pity that, even when faced with the prospect of control by the State, the sugar traders are unable to sink their differences and forge themselves into one body to safeguard their interests and clear the deck for clean forward trading which will raise them in the estimation of the public sector.

Lack of unity among the Bombay sugar traders is also responsible for their not getting representation on the Development Council for Sugar industry which was recently reconstituted. In fact, the first meeting of the reconstituted Council was held some weeks ago. The Government's reported decision not to give this seat to one who plays the dual role of a producer and a dealer is highly commendable, and it is to be hoped that it will not change its mind due to any pressure tactics. If it was thought necessary to give separate representation for sugar trade on the Development Council, it would not be in keeping with that decision to fill that place by selecting a person who is both a sugar millowner and a merchant, for such a person will view a given problem more from the angle of a producer than that of a trader. It is true that a merchant is [illegible]

(*Continued on page* 543)

EQUITIES RULE EASY

HEAVY DROP IN TEXTILES

(From Our Own Correspondents)

BOMBAY, 13*th September*

FOR the third week in succession the share market was easy, with an all-round setback in values, under the leadership of textile shares. The general economic outlook for the country on which the operators had pinned their faith and rigged up equity prices three weeks back did not undergo any change for the worse during this period; in fact, the overall conditions continue to be promising with better opportunities for various domestic industries, particularly steel, cement, capital equipment, etc. Nevertheless, there were no signs during the week under review of restoration of the confidence of the operators which had been badly shaken in the previous two weeks.

There was a heavy shake-out in the earlier half of the week on account of cut-loss liquidation by leading operators and end-of-account considerations. The new account did not show any change for the better in sentiment. On the other hand, there was a further setback on Monday this week, following the Finance Minister's statement in Parliament on Saturday last to the effect that price controls on cloth would be reimposed, if the upward trend in prices continued. He also announced that the Government would publish within a few days fair prices for cloth and hoped that the public would refuse to pay more. Although many of the millowners in Ahmedabad and Bombay announced, in the meantime, their decision to bear the additional excise duties themselves without passing them on to the consumers, it did not serve to improve matters, as it would mean a cut in their profit-margin. The heavy selling pressure in textile counters affected sentiment in other sections also. Yesterday, however, there was a slight recovery on abatement of selling and scattered replacement buying. This improvement was more than wiped out in many counters today and the undertone at the close was quiet.

In the steel section, Tata Ordinaries gave way from Rs. 199-12 to Rs. 192-12. After a recovery to Rs. 197-4, they retreated to Rs. 195-8 at the close. Indian Irons dipped from Rs. 36-5½ to Rs. 35, but closed at Rs. 35-6½.

Among textiles, Bombay Dyeings slumped from Rs. 653-12 to Rs. 626-4 before gaining to Rs. 642-8. The closing was, however, lower at Rs. 635. Century retreated from Rs. 566-8 to Rs. 547, but finished at Rs. 553-8. Kohinoors were marked down from Rs. 365-8 to Rs. 350-8, but the loss was very nearly recouped when they closed today at Rs. 364-8. Central Indias were lower by Re. 1 at Rs. 152-8. Colabas shed Rs. 7 to Rs. 94-8, Dawns Rs. 18-2 to Rs. 165-10 and Edward Textiles Rs. 15 to Rs. 350. Finlays declined by Rs. 2 to Rs. 353-8, Gokaks by Re. 1-8 to Rs. 242-8 and Indu Ordinaries by As. 8½ to Rs. 12-7. Indore Malwas provided one of the exceptions with a rise of Rs. 1-14 to Rs. 151-12, as also Khataus with a gain of Rs. 2-8 to Rs. 258-12. Lakshmis shed Rs. 27-8 to Rs. 725, Minervas Rs. 4 to Rs. 98-8, Models Rs. 5 to Rs. 178-12 and Mysore Spinnings Rs. 13-12 to Rs. 120. New Greats moved down by Rs. 2 to Rs. 250, New Kaiser-I-Hinds by Rs. 17-8 to Rs. 127-8 and Podars by Rs. 3-12 to Rs. 172-8. Shree Niwas lost Rs. 6-4 to Rs. 225. Simplex Rs. 3-8 to Rs. 206, while Standards gained Rs. 18-12 to Rs. 481-4. Svadeshis were marked down by Rs. 5-8 to Rs. 248, while Swans gathered Rs. 2-8 to Rs. 452-8.

Bank shares were also quiet. Barodas lost Re. 1-8 to Rs. 99-8 and Centrals Re. 1-8 to Rs. 51-8. Despite the announcement of the bonus issue, Bank of Indias did not attract support and were dull at Rs. 172. Punjab Nationals dropped Rs. 3 to Rs. 57-8. United Commercials were quiet at Rs. 57-8.

Insurance shares attracted some selling and prices were on the low side. New Indias eased by Re. 1-8 to Rs. 46-8. Empire of Indias shed Rs. 25 to Rs. 350 and Vulcans were done Re. 1 lower at Rs. 16. British India Generals were unchanged at Rs. 14.

Electricity shares displayed a weak tone. Ahmedabad Electrics were down by As. 15 at Rs. 98-2. Bombay Suburbans were done Re. 1-14 lower at Rs. 108-7. Surat Electrics lost As. 10 to Rs. 118-12. Tata Hydros shed Re. 1 to Rs. 127. Tata Powers Rs. 12-8 to Rs. 1.285 and Andhra Valleys Rs. 10 to Rs. 1,232-8.

Miscellaneous section moved in sympathy with the general trend. In the sugar group, Belapurs shed Re. 1-8 to Rs. 247-8 and Phaltans Re. 1 to Rs. 162, while Walchandnagars showed no change on balance at Rs. 270. Among cements, A.C.C., after receding from Rs. 205-8 to Rs. 198-4, recouped to Rs. 202 at the close. Digvijays were a fraction better at Rs. 200-12. Dalmias were As. 2 lower at Rs. 13-2. In the engineering and mining group, Alcocks moved down by Rs. 5 to Rs. 341-4 and Tata Locomotives by Rs. 3-8 to Rs. 170-8. Premier Constructions, however, provided a feature with a rise of Rs. 4 to Rs. 219. Shivrajpur Syndicates also were in the limelight with a gain of Rs. 2 to Rs. 86. Indian Coppers were steady at Rs. 7-5 and B.B. Petrols at Rs. 3-13½.

In the shipping and transport group, Scindias were better by As. 2½ at Rs. 19 and Great Easterns by As. 12 at Rs. 20-4. Premier Automobiles declined by Re. 1 to Rs. 106-8, while Hindustan Motors were fairly steady at Rs. 10. Among miscellaneous industrials, Bombay Burmahs (old) slumped from Rs. 750 to Rs. 718-12 before recovering to Rs. 734-6 at the close. National Rayons were lower by only Rs. 2 at Rs. 261, although they touched at one time a low of Rs. 249. B.I.Cs, were quiet at Rs. 10-4. Dhrangadhra Chemicals gathered Rs. 2-8 to Rs. 142, while Tata Chemicals were done As. 5 lower at Rs. 19-6. Tata Oils gained Re. 1 to Rs. 56.

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Calcutta Stock Exchange

CALCUTTA, 12*th September*

Trading on the Calcutta Stock Exchange during the week under review was devoid of cheer and, in the resultant lethargy, prices declined. In view of the proximity of the long spell of *Pooja* holidays, operators desired to lessen commitments. The general trend affected even jute shares which, notwithstanding report of a substantial decline in stocks of finished goods with mills and moderate gains in prices of jute goods, gave way to lower levels. Ordinarily, the higher trend in commodity markets should have imparted cheer to trading on the Stock Exchange, but the continuance of the upward trend in prices of essential commodities and the steep rise in cloth prices, following the enhancement of excise duties, caused caution, thanks to fears that these rises might give rise to labour demands and industrial costs might go up. Another factor for the caution was the higher carry-forward charges.

A further decline in prices in textile shares was recorded. Kesorams gave way from Rs. 18-14 to Rs. 18-1, while Jayshrees at Rs. 7-8 were fully steady. Elgin Mills, after weakening to Rs. 27-6 from Rs. 27-10, recovered yesterday to Rs. 27-14. Bengal-Nagpurs moved down by As. 6 to Rs. 9-6. Dunbars were hammered down to Rs. 277, as against Rs. 302 previously.

Among coals, Burrakurs were the centre of attraction and, in the several transactions that followed, the price picked up to Rs. 16-6 from Rs. 14-12 but closed higher at Rs. 15-12. At Rs. 9-12, South Karanpuras were better for some time, but, subsequently, declined to Rs. 9-9. Khatras Jherriahs encountered good support and rose by Re. 1-8 to Rs. 62. Central Indias remained steady at Rs. 7-9. On the other hand, Equitables declined by As. 4 to Rs. 30-6. Standards lost a like amount to Rs. 23-4.

Judging from the encouraging reports in the jute goods market, activity in jutes was poor. But one solid cause why operators did not rush in to accept offers of jutes at the existing lower levels was their belief that the present higher prices for jute goods would not be maintained. As a result, they desired to wait before increasing their commitments, and the forthcoming holidays added rhyme to reason. Howrahs declined by As. 8 to Rs. 23-12, following the publication of a not-too-encouraging working report. However, on subsequent covering demand, the rate recovered to Rs. 24-11. Champadanys changed hands at Rs. 159, as against Rs. 165. Indias were enquired at Rs. 143-8, as against Rs. 141 previously, and Kinnisons at Rs. 179-8, as against Rs. 178. Northbrooks were shown interest and at Rs. 27-8 held a firm ground. New Centrals hovered around Rs. 16-7, after being earlier at Rs. 16-13.

In consonance with the general trend, engineering scrips eased. Jessop and Cos. were for most part of the week quiet at Rs. 33-12 before recovering to Rs. 34-2 yesterday. Braithwaites were done lower by As. 12 at Rs. 30-4. National Irons, however, were an exceptionally striking feature and rose from Rs. 7-12 to Rs. 8-11. Indian Irons opened at Rs. 36-7 and, following heavy selling, gave way to Rs. 35-1. There was some amount of bear-covering at this stage, but, in the general weakness, the rate could not recover beyond Rs. 35-7.

Excepting for some selected features, miscellaneous industrials were quiet. Indian Aluminiums gathered further strength at Rs. 25 and Aluminium Corporations were maintained at Rs. 12-11. Dunlop Rubbers were steady at Rs. 29-10, as were Sone Valley Cements at Rs. 8-11. National Carbons were bought at rates from Rs. 29 to Rs. 29-6, with British Burma Petroleums being fractionally better at Rs. 4 for a time before closing at Rs. 3-12. Assam Saws were unchanged at Rs. 4-10. India Steamships continued to be steady at Rs. 9-12. India Pulps eased by As. 2 to Rs. 25-4. Titaghur Papers dropped As. 14 to Rs. 40-2. From Rs. 40-2, Orient Papers fell to Rs. 39-10. Calcutta Tramways, however, continued to meet with demand and changed hands at Rs. 19-1 before sagging to Rs. 18-10. From Rs. 23-13, Martin Burns were pushed up to Rs. 24-7, and Indian Coppers continued to demand attention at Rs. 6-13.

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Madras Stock Exchange

MADRAS, 11*th September*

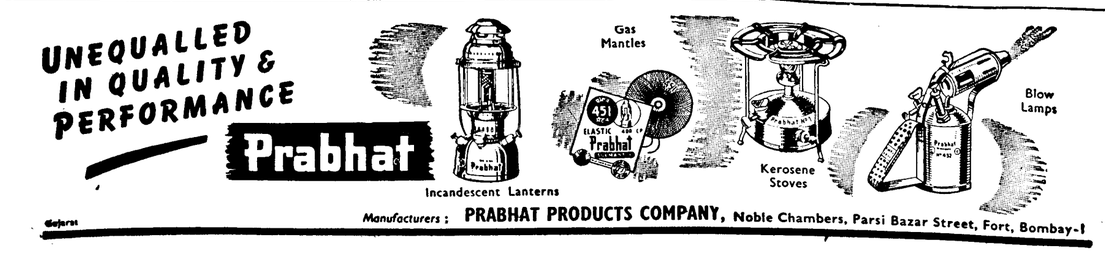
The Madras Stock Exchange ruled distinctly easy during the week under review also and there was a further drop in values. Selling was very much pronounced in the textile section, the chief bearish influences being enhanced excise duty on mill cloth and fears of re-imposition of controls. Tea, rubber and coffee shares were subjected to continued pressure of offerings, induced by the Plantation Enquiry Commission's recommendation to limit dividends, as well as to permit repatriation of profits only after ensuring necessary financial provision for replanting. Lack of support accounted for a dull tone in sugars. In sympathy with the general trend, miscellaneous industrials lost ground.

Values of most textile shares staged a setback. Ranga Vilas were the worst sufferer, their quotation tumbling down by Rs. 7 to Rs. 99 *ex-div.* Coimbatore Spinnings fell by Rs. 5 to Rs. 113 *cum-div.* Metturs dropped a like amount to Rs. 485. Rajapalayams and Vasantas receded by Rs. 4 each to Rs. 166 and Rs. 341, respectively. Venkateses decreased by Rs. 3 to Rs. 180. Bangalore Woollens, Coimbatore Cottons and Loyals lost Rs. 2-8 each to Rs. 580, Rs. 390 and Rs. 55, respectively. Janardhanas and Krishnarajendras finished each Rs. 2 lower, the former at Rs. 122 and the latter at Rs. 127. Lakshmis declined by a rupee to Rs. 249. Buckinghams were done at Rs. 201, Kotharis at Rs. 19-6, Maduras at Rs. 51-8, Pankajas at Rs. 94, Premiers at Rs. 253-8, Vijayakumars at Rs. 148 and Virudhunagars at Rs. 40; all these rates were As. 8 lower as compared with the last week-end rates.

There was a wave of selling in tea company shares. Mlamallays slipped by Re. 1-12 to Rs. 64. Udayagiris were hammered down by Re. 1-2 to Rs. 17-12. Talayar Teas slumped from Rs. 13-10 to Rs. 13-5-6 *cum-div.* (final), reflecting operators keen disappointment over dividend. The directors of the Talayar Tea Co., Ltd. have recommended a final dividend of 6¼ per cent. for the year ended 31st March 1956, making a total of 12½ per cent., as compared with 16¼ per cent. for the previous year. Peermades receded by As. 12 to Rs. 35-12. Stanes Amalgamateds and Twyfords declined by As. 8 each to Rs. 26 and Rs. 21-8, respectively. Among rubber shares, Travancore Rubbers dropped As. 12 to Rs. 25-8. Rajagiris recorded a loss of As. 6 to Rs. 26-2. Vaikundams gave way from Rs. 35 to Rs. 34-12. Thirumbadis were a shade easy at Rs. 2-6 Malankaras were done at Rs. 36-4 *cum-div.*, as against Rs. 35. The directors of the Malankara Rubber and Produce Co., Ltd. have declared a dividend of 32½ per cent. on ordinary shares for the year ended March 1956, which compares favourably with 22½ per cent. for the previous year. Coffee shares were generally neglected. Consolidateds declined by As. 2 to Rs. 21-8. Amalgamateds were quiet at Rs. 12-10, as also Coffee Lands at Rs. 26-10. Kadurs at Rs. 2-12 *ex-div.* and Mysores at Rs. 3-3-6.

Sugar shares succumbed to the general weakness. E.I.D.'s receded by As. 6 to Rs. 31-2. Travancores lost As. 3 to Rs. 14-6. Deccans eased by As. 2 to Rs. 12-12. Jeypores were dull at Rs. 14, K.C.P.'s at Rs. 127-8 and Vizags at Rs. 7-2. United Breweries, however, evoked special [illegible] and advanced by Rs. 5 to Rs. 200.

In the miscellaneous section, [illegible] neglected, the quotation sliding dow[illegible] Rs. 6-2. Aluminium Industries and Da[illegible] shed As. 4 each to Rs. 22-8 *cum-d*[illegible] Rs. 15-8, respectively. Mysore Golds[illegible] on offer As. 3 lower at Rs. 2-6. Andhr[illegible] lost As. 2 to Rs. 15-12. F.A.C.Ts eased by an anna to Rs. 7-0-6. A. V. Thomas (Allep.) gave way from Rs. 16-14 to Rs. 16-4 *cum-div.* The directors of the Company have announced a dividend of 10 per cent. for the year 1955, same as that paid last year.



NEWS IN BRIEF

THE Railway Board has decided to send two railway officers to Japan for a six-month training in steel casting under the technical co-operation scheme of the Colombo Plan.

The Soviet Government has offered to send a team of experts to discuss and examine in detail India's requirements of optical glasses. Some Russian experts, who are already working on a preliminary project report, are of the opinion that an economic plant for optical and opthalmic glass should be of a minimum capacity of 250 tons.

The Chittaranjan Locomotive Works, which recently turned out the 400th locomotive, touched a new production peak by completing 14 locomotives during August 1956. The output at Chittaranjan has increased rapidly from 6 locomotives per month in the early part of 1954 to ten per month during January to June 1955. Thereafter, production increased to 11 locomotives per month and subsequently 12 per month.

The Government of India has sanctioned a new housing scheme for coal miners, under which 30,000 two-roomed houses will be built within the next five or six years. The entire cost of the construction will be met out of the Coal Mines Labour Welfare Fund. The land for the construction of houses will be provided by colliery-owners who will also be responsible for the maintenance of the building while the workers will be charged a rent of Re. 2 per mensem.

A new trading body, an amalgamation of Delhi's three exchanges, namely, the Punjab Exchange, the Uttar Bharat Exchange and the Vishnu Exchange has been registered under the name of Rajdhani Grains and Jaggery Exchange Ltd. The capital of the new exchange is proposed at Rs. 5 lakhs divided into 1,000 shares of Rs. 500 each. It is learnt that no shareholder will hold more than five shares in the trading body. The security for trading members and brokers will be Rs. 5,000 and Rs. 500, respectively.

The expert committee on the synthetic oil project has submitted its report. The Committee is believed to have recommended a project for the production of about 800,000 tons of soft coke and 121,500 tons of synthetic petrol per annum—about 15 per cent. of the estimated requirements of motor petrol of the country at a cost of Rs. 20 crores which includes the capital requirements for coal production and a miners' colony. The use of about 1.2 million tons of non-coking coal per annum, from the Jambad seam has also been suggested.

Four more wagon building firms have been licensed by the Railway Board in addition to the three already sanctioned to the private sector. The firms will set up plants in Madras, Bharatpur, Kanpur and Bareilly. Each of these plants will be capable of manufacturing 1,000 wagons a year and the capacity will be progressively increased after three years. These firms are expected to manufacture all the components of freight wagons, excepting steel castings, and help the railways reach self-sufficiency in the matter of wagons in the next three years.

A private limited company, entirely owned by the Government of India, has been registered at Gwalior to take over the control and management of Government's heavy electrical equipment project. The Company, to be known as the Heavy Electricals (Private) Ltd., will have an authorised capital of Rs. 30 crores. The factory, to be located at Bhopal, is being designed to manufacture hydraulic turbines and generators, transformers, static capacitors, switchboards and control desks, traction motors, industrial motors of 200 h.p. and above and other items.

The Union Government has deputed Mr. M. S. Venkataraman, Cochin Port Administrative Officer, to study the working methods in the major ports of the U.K. and the Continent. During his stay there, Mr. Venkataraman will study, among other things, the loading and unloading of cargo like iron and steel, heavy lifts and the like, so that the techniques employed for their quick clearance could be adopted in India's major ports to expedite the turnround of ships so as to cope with the heavy transport movement expected in the second Plan period.

According to Dr. Homi J. Bhabha, Chairman of the Atomic Energy Commission, the possibility of manufacturing heavy water, used as moderator in atomic reactors, at Sindri has been investigated and a decision on the project is expected to be taken soon. He said that the fact that much of India's large requirements of ammonium sulphate or nitrate was to be manufactured in State-owned fertiliser plants would make it possible for the country to produce very considerable quantities of heavy water as a by-product in due course. Production of heavy water at the Nangal fertiliser plant, now under construction, is expected to begin by 1960.

The Government of India has decided to construct and maintain consumer price index numbers for agricultural labourers as required under the Minimum Wages Act. It is felt that the fixation of minimum wage in the agricultural sector should bear a relation to the rural cost of living. The working class consumer price index numbers, which are at present being issued, relate only to industrial workers. The Directorate of National Sample Survey has been entrusted with the collection of weekly retail prices for 76 selected commodities from 3,600 villages, the latter being the number of villages to be sampled in a year at the rate of 300 villages every month.

A 28-member Purchase Advisory Council has been set up by the Government of India, with Sardar Swaran Singh, Minister for Supply as Chairman, in co-operation with the industrial and trading community. The Council has the same status as the import and export advisory councils and will channelise governmental purchases from the manufacturing industries, including cottage and village industries. The Council will have five representatives of the Federation of Indian Chambers of Commerce and Industry and three from the Associated Chambers of Commerce and Industry, in addition to representatives of the Union Ministries of Commerce and Industry, Defence, Production, Railways, Communications and Finance.

Investigations of the Neiveli lignite field have revealed a concentration of 200 million tons of lignite in an area where conditions are favourable for mining. The technical consultants Messrs. Powel Duffryn have estimated that the deposits in this area will last 57 years at anannual rate of production of 3.5 million tons. The investigations have also proved the feasibility of economic mining. The cost of mining the lignite is placed at Rs. 5 to Rs. 5-8 per ton *plus* a pumping cost of Rs. 1-9 per ton. The estimate is within the limits prescribed by the Fertiliser Production Committee for ensuring the economic manufacture of fertilisers at Neiveli. It is felt that the cost of production can be lowered by about a rupee per ton if the output is stepped up.

The Assam Oil Company has announced that Well No. 15 in Tengakhat, Hugrijan prospecting licence area, has been completed without striking oil. Since mid-1953 eighteen wells have been completed in the alluvial areas of the Brahmaputra Valley of Upper Assam. Among these four wells, including the Tengakhat well, failed to find oil. The effect of this disappointing result is that the extent of the oil-bearing area to the north-west of the original discovery well at Nahorkatiya is less than was expected. Meanwhile, Well No. 19, situated on the North of the discovery well, is drilling ahead. Work on other new locations is also in progress. Arrangements to test Well No. 1 at Moran, a tea area between Sibsagar and Lakhimpur Sub-divisions, are in hand. This is the deepest well drilled in this sub-continent, being 13,739 feet (nearly 2½ miles) deep.

* * * *

From Abroad

The Egyptian Commerce Minister has announced that the Government has banned all imports from Britain.

The United States Steel Corporation has filed applications for tax assistance for a $94.4 million expansion programme of its Fairless Works at Morris Ville.

A record 66,752,000 persons held jobs in the U.S. during August, 1956. The number of unemployed aggregated 2,195,000 in mid-August, as compared with 2,833,000 in July.

Ceylon's House of Representatives has passed a Government Bill seeking to set up a 15-member Planning Council, with the Prime Minister as Chairman, to direct the Island's economic activities. The Bill now goes to the Senate.

During the period January to July 1956, Ceylon had a favourable trade balance of the order of Rs. 8.86 crores, due mainly to heavy shipments of rubber to China and the general rise in export of rubber and tea.

Two major Ceylon tea workers' unions have threatened a nation-wide strike, unless their demands for gratuities are met. Already 2,200 tea workers are striking at Matugama for a gratuity at the rate of one month's pay for every year of service.

The amount of Norwegian merchant tonnage increased by 188,000 gross tons in the second quarter of this year. In the first quarter, it increased by 142,000 tons. By the end of June, the merchant fleet numbered 6,182 vessels of 8,097,000 gross tons.

An impressive increase in United States Synthetic Rubber stocks from about 170,000 tons at the end of June to about 188,000 tons at the end of July is reported by the Natural Rubber Bureau. This compares with a stock of only 102,000 tons of natural rubber.

Ceylon, Japan and Egypt may enter into a trilateral trade agreement to enable Egypt to overcome sterling difficulties preventing it from buying tea from Ceylon. The arrangement contemplated will enable Egypt to buy tea from Ceylon and repay with credits which it has earned in Japan through cotton sales.

A Norwegian trade and industrial delegation, under the chairmanship of the Trade Minister, Arne Skaug, has left Oslo for Moscow. The delegation which had been invited by the Soviet Union will spend a fortnight there, visiting Kharkov, Stalingrad, Gorki and Leningrad and Moscow.

According to the Ministry of Labour, total unemployed persons in Britain on 13th August last was 267,000, an increase of 28,000 over the mid-July total. Those unemployed represented 1.2 per cent. of the estimated number employed, compared with 0.9 per cent. in August 1955. The total working population of Britain was estimated at the end of July at 24 million.

Contracts worth more than £2,000,000 have been awarded to British firms for work in connection with the Zambezi hydro-electric project at Kariba, in the Federation of Rhodesia and Nyasaland. One British company has received a contract for the supply and installation of switchgear at Kariba and various sub-stations to the value of £2.1 million.

President Eisenhower has formed a citizens' committee to "review United States foreign aid programmes and to make recommendations as to the future policy of the government." The group will be headed by Mr. Benjamin Fairless, a former president of the U.S. Steel Corporation, and other members are to be named later.

PERSONAL

MR. C. Ramasubban, Member, Tariff Commission, whose term of office is due to expire on 15th November 1956, has been re-appointed as Member for a further term of three years.

Dr. Nagendra Singh, Director-General of Shipping, who is the leader of the tripartite Indian delegation to the forthcoming Preparatory Maritime Conference of the I.L.O. in London, left for the U.K. on Sunday last.

Mr. T. Swaminathan, Minister for Economic Affairs, Office of the Indian High Commissioner in London, has arrived in India on a month's visit for routine consultations.

Mr. K. F. Harding, General Manager and Secretary of the Prince Rupert Fisherman's Co-operative, Prince Rupert, British Columbia, Canada, has been appointed by the Food and Agricultural Organisation, Rome, as a fish marketing economist in India.

Mr. K. D. Malaviya, Union Minister for Natural Resources, is leading a delegation of geologists and geophysicists to Canada, United States, France, Holland and the U.K. The delegation will study the working of the petroleum industry and petroleum laws in these countries.

Dr. Sudhir Sen, formerly Secretary of the Damodar Valley Corporation and later General Manager of the Great Eastern Shipping Co., Ltd., has been appointed Director of the Programme Division of Technical Assistance Board, United Nations. Dr. Sen left for New York last week to take up the appointment.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 12*th September*

Jute Mills

In accordance with an agreement entered into by all the jute mills in Bengal, excepting one or two small establishments, the working hours of the mills were reduced from 60 to 54 hours a week with effect from June 30, 1930, with one week off per month until the end of December 1930. From April 1 to June 29, 1930, multiple shift mills worked 4 days of 12½ hours, and 4 days of 13½ hours and one day of 12 hours in alternate weeks and single-shift mills worked either 5 days of 11 hours and one of 5 hours per week, or 6 days of 10 hours. From June 30, 1930 to March 1, 1931, multiple shift mills worked 4 days of 13½ hours, while single shift mills worked either 4 days of 11 hours and one day of 10 hours or 5 days of 10 hours each per week, and from March 22 to March 31, 1931, multiple shift mills worked 2 days of 13½ hours and one day of 13 hours per week and single shift mills worked 4 days of 10 hours per week. From July 28, 1930 to February 28, 1931, all the mills were, entirely closed down for eight weeks spread evenly over that period. With effect from March 2, 1931, 15 per cent. of the looms in the membership of the Indian Jute Mills' Association were sealed. The number of looms at work in jute mills in the membership of the Association on January 1, 1931, was 57,357, as against 50,297 on January 1, 1930. The supply of labour in jute mills was plentiful throughout the year; but the value of jute mills machinery imported fell from Rs. 142.55 lakhs to Rs. 81.28 lakhs.

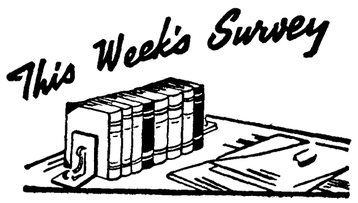
The U.S. Export-Import Bank has announced that it will consider loans for overseas buyers of agricultural surpluses in situations where credit is not readily available from customary commercial sources. Such loans would be for six months to one year, with longer terms permitted under special circumstances. The new financing is available for export of fifteen commodities including cotton, rice and wheat.

The West African Lines Shipping Conference, which serves shipping routes between the U.K., Europe and the West Coast of Africa, has decided, in spite of rising cost, to stabilise the general level of freight rates till 31st March 1957. An announcement by the Conference pointed out that, since September 1955, the Conference lines have maintained a standstill on the general level of freight rates.

The Thai Government is planning to build two oil refineries at an estimated total cost of 23 million ticals. Crude oil resources have been discovered in some areas of Thailand which, according to Government experts, are of high grade and would yield 20 per cent. benzine and 30 per cent. of lubricating oil. A Japanese company has expressed interest in this venture and has offered to build the refineries and to supply the necessary technical know-how.

Two major tea blenders in Britain, Brooke Bond and J. Lyons and Co., have announced increases in the retail prices of their top-trade teas as a result of the rise in the London auction prices of the highest quality teas. Brooke Bond is to put up the price of two of its teas by 4*d.* a pound in the middle of this month and Lyons and Co. is increasing the price of its orange label tea by 4*d.* a pound as soon as stocks at the present price run out.

According to a F.A.O. report, circulated to the members of the 22-nation F.A.O. Council, world agricultural output rose by about three per cent. in 1955-56, as compared with the previous year; but the main increases were in the areas most troubled by surpluses. Output rose considerably in North America for the past three years, despite acreage limitations in the United States. In the rest of the world, increases were smaller, though the Far East registered its largest gain for some years. "Production developments in 1955-56 thus," observes the report "did nothing to reduce the long-standing inequalities between the well-fed and under-fed regions."



EQUIPMENT FOR RIVER PROJECTS

THE spate of criticism about the working of river-valley projects, which has emanated from Public Accounts and Estimates Committees and Audit Reports, has generally centred round nugatory or wasteful expenditure, and irregularities in the maintenance of stores records. Yet another criticism is that much of the equipment used on the projects is imported from abroad and that no serious attempt has been made to manufacture them in the country. In this context, the report of the Rates and Costs Committee (Chairman: Mr. P. C. Agarwal, Retired Chief Engineer, Uttar Pradesh) will be welcomed, for it makes several suggestions designed to place the execution of the projects on a more regular and economical basis.

The Committee, which was appointed two years ago, was asked to recommend a schedule of rates which could be used as a basis for all projects with such modifications as *might* be necessary, having regard to local conditions; to draw up a standard analysis of rates of main items of work, to examine the causes which made for differences in rates and to suggest a uniform cost control organisation for adoption on river valley projects. It was also asked to draft account rules and forms for the maintenance of stores, special tools and plant and machinery. The Committee, which has covered all this ground in its report, is said to have made an on-the-spot study of several projects including the Bhakra Nangal, Mayurakshi, Hirakud, D.V.C., Gangapur, Mata Tila Dam and Tungabhadra. Indeed, the Committee has examined the working of at least one project in each of the States in which important projects are located. Both the Government and the Comptroller and Auditor-General are now engaged in examining the Committee's recommendations.

The advisability of standardising the principal items of construction equipment for river valley project and starting their manufacture either in the public or private sector, or through the co-operation of both has been stressed by the Committee. There are, according to the Committee, large possibilities of developing the manufacture of such equipment within the country. This is a notable recommendation, for few countries can boast of such a large number of river valley projects as India. And it would certainly add to the industrial potential within the country if some of the equipment used on these projects could be manufactured domestically. It might even be possible to find a market for surplus plant and machinery in other neighbouring countries which also have included many irrigation and power projects in their plans. Obviously, before any such manufacture is undertaken, it is necessary to standardise the equipment used in the projects.

An attempt at evolving some standards for the use of equipment has been made by the Committee. Thus, it has worked out figures for the standard output of principal machines, such as shovels, draglines, tractor dozers and motorised scrapers, and the use-rates of different types of machinery per hour. The practices in vogue in the U.S., Canada, France, the U.K., Australia, New Zealand, Denmark and Israel for measuring the life of a construction equipment and methods of charging expenditure have been compared. Appropriately enough, the Committee has stressed the necessity for carrying out detailed investigations before a project is taken up and for proper planning and estimating before a project is sanctioned. It has laid down a typical organisation for a large project and a list of points to be borne in mind in selecting contractors and drafting documents.

A notable suggestion of the Committee which deserves early adoption is that manuals on costing and stores should be drawn up and its recommendations codified, so that a uniform pattern may be adopted on all projects. The Committee has also recommended the preparation of a perpetual inventory of stores, the standardisation of allowances for major repairs and overhauls of equipment and the reduction of provision for contingencies for work. It also feels that a central clearing house should be established soon for expeditious disposal of surplus equipment and stores.

It is noteworthy that the Committee has emphasised that incentive to workers on all projects should be provided through payment of over-time, bonus and recognition of merit. It has also stressed the need for better housing facilities for labour at sites of work, for that would lead to greater efficiency. This object, it is stated, could be achieved by effecting economy in the provision for accommodation for officers which, in its opinion, is rather on the high side. There is no doubt that this recommendation of the Committee deserves the attention of the project authorities in the country. It might, however, be difficult to adopt the suggestion in its entirety, in view of the fact that, whereas thousands of workers are employed in a project during the period of its construction, only a few of them would be needed after the work is completed. This might conceivably lead to considerable wastage of resources spent on housing. Perhaps, this could be minimised through construction of low-cost tenements for labour or the use of prefabricated houses which can be shifted from place to place.

SALES TAX

The long-drawn-out controversy over sales tax in Uttar Pradesh seems to have ended, thanks to the sense of realism displayed by Hafiz Mohammed Ibrahim, the State's Finance Minister. The Sales Tax (Third *Amendment*) Bill, passed by the U.P. Assembly on Saturday last, seeks to do away with sales tax on foodgrains with effect from 1st October next. It, however, provides for the levy of an exemption fee, to be collected from dealers. The levy will be on a graded scale, ranging from a minimum of Rs. 150 in the case of dealers with a gross annual turnover of up to Rs. 25,000 to a maximum of Rs. 8,000 in respect of dealers with a turnover of over Rs. 4 lakhs. The burden of exemption fee, it is claimed, is negligible being in no case more than three pies per rupee. In addition to the withdrawal of sales tax on foodgrains, the Finance Minister of Uttar Pradesh has announced reduction in sales tax on *atta, suji* and *maida* from six pies per rupee at multi-point to three pies at single-point. The State Government had already allowed a rebate of 50 per cent. on sales tax on cloth imported from other States and reduced the licence fees charged from dealers.

The aforesaid move of the U.P.'s Finance Minister is commendable, inasmuch as it indicates his recognition of the handicaps to which the State's industrial and business community had been subject through the original proposals. It was on 1st April 1956, it will be recalled, that the U.P. Government enhanced the sales tax at the instance of the Government of India and the Planning Commission. This step evoked widespread protest from the mercantile community which took recourse to *hartals* and demonstrations. A series of representations—as many as 1,200—was made to the Government and more than 100 deputations, representing different sections of the public, met the Government. The Sales Tax Inquiry Committee set up by the State Government also considered the question in detail. These developments induced the Government to announce the following concessions:

Exemption from payment of sales tax on articles such as salt, books, exercise books, newsprint, groundnut oil, sand'e oil, inorganic manures, bran, fodder, *chuni, sali* and coarse grains like *jowar*;

reduction in rates of tax on agricultural implements, bicycles, tricycles, perambulators, paper, non-ferrous metal, medicines and jute goods; and

upward revision in the taxable limit from Rs. 10,000 to Rs. 12,000, the dealers with sales ranging from Rs. 12 000 to Rs. 15,000 being given the option to compound the sale.

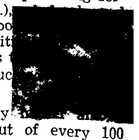
Despite these concessions, the traders continued the agitation and urged the authorities to withdraw sales tax on foodgrains and raw materials. A similar agitation was launched in several other States too. Even in Parliament, members expressed "grave concern" about the levy of sales tax on essential goods during the debate on the Bill to amend the Constitution. Some members urged the Centre to retain the powers it now has with regard to sales tax on goods essential for the life of the community, particularly foodgrains, salt, milk, fodder and coarse cloth. It was contended that sales tax on such goods amounted to taxing the very poorest in the land. In view of the widespread anxiety felt in both Houses of Parliament, Mr. Jawaharlal Nehru, in his capacity as Finance Minister, addressed a semi-official letter to the State Chief Ministers, impressing upon the latter the desirability of placing the least possible burden on the poor in respect of the levy of sales tax on the necessaries of life. "I have no doubt," Mr. Nehru said, "that the State Governments having the interests of common man very much at heart, will themselves be desirous of placing the least possible burden on the poor in respect of the necessaries of life and will, therefore, ensure that their sales tax legislation reflects this objective."

Presumably, the U.P. Government's decision has been influenced by this letter. And it remains to be seen what action other State Governments are prepared to take as a result of Mr. Nehru's advice. The need for a realistic attitude, designed to keep the burden of sales tax on the consumer to the minimum, cannot be over-emphasised. The working of the sales tax administration in the States is far from satisfactory. In several cases, the assessment according to the judgment of Sales Tax Officers is reported to be causing "havoc" on commercial classes. What is wanted is a proper enunciation of principles for the levy and administration of sales tax or purchase tax. The power to formulate the principles, as the Federation of the Indian Chambers of Commerce and Industry points out in a brochure just published, must vest in Parliament. The Federation has also rightly urged that no sales or purchase tax should be levied on transactions in the course of export outside or import into the country and on inter-State transactions between registered dealers. If, however, it is decided that essential articles and raw materials of importance in the course of inter-State trade should be taxed, the Central control to regulate the tax, it is suggested, may be so exercised as to merge this tax with some other levy.

URBAN LIVING

There is a common belief in India that the urban population is in very affluent circumstances. The belief is not only unfounded but also incorrect. A clear evidence of this is provided by the socio-economic survey of the city of Calcutta, conducted by the Departments of Economics in co-operation with the Statistics Department of the Calcutta University at the request of the Planning Commission's Research Programmes Committee. The findings of the Survey, which covered 4,923 households containing 14,664 persons, reveal that as much as 36 per cent. of the population belonging to the lower income groups lives below the poverty line, the average *per capita* income being less than Rs. 30 per month. Not more than about 38.7 per cent. of the population consists of earners and each earner has to support, on an average, 3.7 dependents. One out of every ten persons in the age group 15-59 is unemployed, excluding the voluntarily unemployed. No further evidence is required to prove that the opportunities of employment which induced large-scale migration of population from rural to urban areas have shrunk. In fact, there is, as this journal pointed out on an *earlier* occasion, a new proletariat in cities, hungry for houses, dissatisfied with their incomes and eager for jobs.

Be that as it may, the Calcutta survey shows that about 66 per cent. of the households earns incomes up to a maximum of only Rs. 100 per month, while the percentage of persons enjoying a monthly income of Rs. 750 or above is a bare 2.2. Among the earners, wage or salary earners account for 70 per cent. and self-employed persons for 25 per cent., a characteristic feature of all urban areas. A little less than 30 per cent. of earners is engaged in manufacturing operations, the rest being employed in providing services of all kinds (32 per cent.), retail trade (22 per cent.), transpo and construction and public utilit The occupational pattern shows a definite preference of the educ the "white collar" jobs.



Unemployment is generally women than among men. Out of every 100 women seeking jobs, only 14 have been able to find one and out of every 100 persons in the age-group 15-24 seeking jobs, 63 are unemployed.

Again, housing conditions are said to be extremely deplorable. The average room-space per head comes to only 30 sq. ft. for more than 42 per cent. of households and to 30-80 sq. ft. for 31 per cent. of households. The single-member households have on an average about one-eighth of a room to live in. Among households containing two or more members, about 61 per cent. has no separate kitchen, 50 per cent. no bathroom, 28 per cent. no water tap and 6 per cent. no latrine.

Of the total number of people above 14 years, married men and women account for 69 per cent. and 84 per cent., respectively. A mother has on an average 3.79 children. When the monthly income of the father is at least Rs. 300 or

the higher the income, the smaller is the size of the family. The trend is just the opposite in the case of the income levels below Rs. 300.

ROLE OF ENGLISH

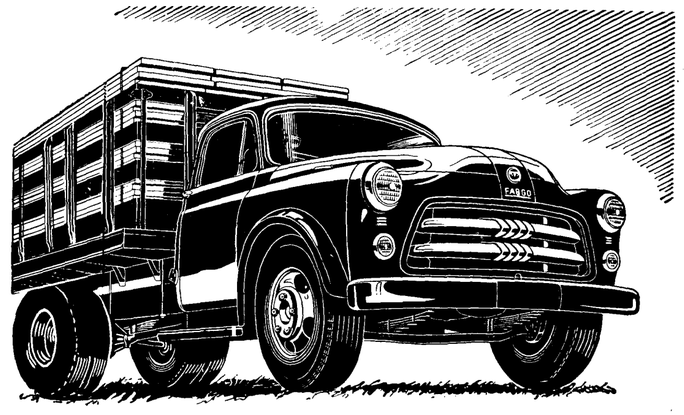
It is not as widely realised as it should be that any hasty abolition of English in the schools and colleges with no thought being given to the problem of its effective replacement would create an educational vacuum, fraught with grave dangers to academic and technological standards. There is a wide-spread feeling that the recent changes in the educational sphere, which were all designed to reduce the importance formerly given to the study of English, have already led to considerable lowering of standards of educational attainment. Further, the exaggerated emphasis, placed on regional languages, it is to be feared, lies at the root of much of the heightened sense of regional loyalties among students today. Nobody, of course, suggests that English language should hold the field for ever or that it should continue indefinitely as the medium of instruction in all educational institutions. Only, its replacement must be gradual, every stage being carefully planned. Further, the whole issue must be tackled on an all-India basis, so that the country could have a truly national system of education. There is no use contending that even in countries like Japan, Russia and China, all education is given in mother-tongue. In the first place, those countries do not have the kind of multi-lingual problem which India is confronted with. Secondly, they have not had to face the problem of a change-over from one medium of instruction to another. Again, the development of the languages in those countries, particularly in Japan and Russia, took place along with the progress of science and technology, so that the literatures could develop in a natural manner without the problem of having to absorb a whole dictionary of technical words. India's educational problems are, in many ways, peculiar to itself. And it would be the height of folly to ignore them in any effort to solve them.

From this point of view, it is gratifying to note that the recent Conference of State Education Ministers, held at New Delhi, took very constructive and realistic decisions. Addressing the Conference, Mr. Nehru declared that technical training should continue to be given in English in the foreseeable future. If it were given in Hindi, he said, the trainees would be "inadequately trained." He added:

"It is patent to me that this manpower for industrial, scientific and agricultural purposes cannot be trained in any Indian language in the foreseeable future. It is absolutely clear to me that it is not an arguable matter that the scientific and technological training has to be given in English. I am talking about now and not about ten or 15 years hence. It does not, therefore, become a question of choice. It is an absolute necessity. You will not get through your plan, if you do not do it."

Proceeding, he pointed out that English was being taught to more and more people even in countries like the Soviet Union and China. Referring to his choice of English as the medium of instruction, he said: "We are naturally driven to English, principally because we know it a good deal, we have people who can teach it, and because it is the most important language in the world today." He recalled that English in India had served as unifying link in the past and added: "Now the question is if you push out English, does Hindi fully take its place? I hope it will. I am sure it will. But I wish to avoid the danger of one unifying factor being pushed out without another unifying factor fully taking its place. In that event, there will be a gap, a hiatus." The Union Minister for Education, Maulana Azad, also struck the same note. He regarded it as a challenge of the times that English should be kept as a compulsory subject and as the medium of instruction in the universities for some time more.

It is to be hoped that the State Governments will make such changes in their educational policies as will be in conformity with the sentiments expressed by Mr. Nehru and Mr. Azad and the broad principles approved by the Conference. It is well to recognise that in the next few years, every child in India has to grow up in a trilingual educational atmosphere—well-versed in regional language and with a reasonable mastery over Hindi and English. It is necessary to remind those who think that this would mean a very great strain on students that a similar training is not unknown in foreign countries and that, at any rate, a certain additional strain is inescapable in the context of the educational and political transition through which India is passing.



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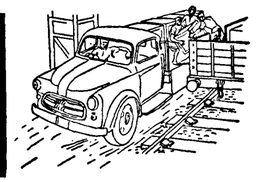

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From A Special Correspondent

NEW DELHI, 11*th September*

DELHI LETTER

DURING discussions on the second Five-year Plan in the Rajya Sabha the other day, most of the speakers emphasised one particular fact, namely, the dangers of deficit finance and the sharp rise in the price level in the country during the last few months. There was, however, a certain amount of lack of appreciation about the bright trends of the country's economy, particularly in the industrial field. Industrial production now stands nearly 50 per cent. higher than in the 1951-52 base period; as compared with the corresponding months of the last year, production is now reported to be about 10 to 15 per cent. higher in most industries. This progress is being made possible as a result of the increased inflow of machinery which now averages about Rs. 12.5 crores per month. Since there has been a progressive rise in machinery imports in recent months, it is expected that the total figure for 1956-57 would exceed Rs. 175 crores, as compared with Rs. 108 crores for the previous year. Generally speaking, engineering industry is reported to be doing very well, in view of the special pains taken by the present Finance Minister in his capacity as Minister for Commerce and Industry for the last few years to import as much steel from foreign countries as is practicable.

Only this week, the Minister for Heavy Industries, Mr. Shah revealed that the Government had already made arrangements to import 1.4 million tons of steel on Government account from the U.S.S.R., the U.K. Poland, China, Belgium, Japan and West Germany. How sharp the imports of steel from foreign countries will be, can be seen from the latest import figures available up to the end of June. For the first three months of 1956-57, steel imports were valued at Rs. 32.5 crores, as against Rs. 11.2 crores for the corresponding months in the previous year. In view of the heavy commitments that the Government has already made, it is possible that imports of steel for the current fiscal year will go up to a higher level of Rs. 150 crores.

Raw Materials

There has been a progressive rise in the imports of certain industrial raw materials, such as chemicals, drugs etc. Again, another indication of the increased industrial activity in the country may be found from the increased imports of non-ferrous metals, the imports of which for the first three months of the current fiscal year were valued at Rs. 8.4 crores as compared with Rs. 5.3 crores for the corresponding months of the preceding year. Similarly, there has been an increase in the imports of vehicles, the value of which has gone up from Rs. 11.3 crores to Rs. 15.7 crores for the first quarter of 1956-57. Incidentally, this shows that the Government has been extremely keen to augment the haulage capacity of the country in order to meet the heavy transport requirements under the Plan.

In the course of its discussions on the second Five-year Plan, the Upper House also brought forth a vigorous reply from Government's spokesmen, particularly from the Finance Minister. Even a cursory study of his speech on the occasion will reveal that Mr. T. T. Krishnamachari, has taken considerable pains to meet the arguments of his opponents by a cautious and persuasive reply rather than brush—as he sometimes would do in the past—by some sweeping and ironical observation. He explained the crux of the problems facing the country which are threefold: namely, the foreign exchange, the general price pattern and the question of finding adequate technical personnel for manning the various industries. He showed considerable awareness of the difficulties confronting the country generally. He wanted to impress upon the Members of Parliament and through them, the general public of the country, that his policy in future would be flexible and not a rigid one. He pointed out that the financial outlay of Rs. 4,800 crores for the second Plan would not be the last word on the subject and that this level of investment might be adjusted from time to time according to the needs and requirements facing the economy of the country as implementation of the second Plan proceeds.

The Finance Minister stated that what oppressed him most today was not so much the paucity of internal resources for the fulfilment of the Plan but rather other conditions which would hamper the progress of the Plan, particularly the question of foreign exchange and price pattern. Reading between the lines of this statement, it appears that Mr. Krishnamachari had in mind the capacity of the Government to augment its internal resources for financing the second Plan. Perhaps, he has largely been emboldened to take an optimistic view of internal resources as a result of the recent success of the borrowing programme of Central Government as also that of the States Governments. He appears to be of the view that the Government's capacity to mop up surplus purchasing power by way of higher taxation is considerable and that ultimately the revenue resources as well as the borrowing programmes will considerably diminish the volume of deficit finance in the coming months.

Estimates

There is already a belief that the Planning Commission, in working out the revenue estimates for the Plan, has purposely underestimated the possible revenue increases. Perhaps, this was done in accordance with the customary practice that has been obtaining in the Government of India's Finance Ministry which has been showing a propensity always to underestimate revenue and overestimate expenditure. Now that the new Finance Minister has already revealed that the Government would not hesitate to increase certain indirect taxation in order to inhibit consumption, it is possible that indirect taxation, particularly on consumer goods, will in the coming few months be stepped up.

Another indication provided by the Finance Minister is that the Government will also be imposing certain new taxes in order to supplement its income. The Finance Ministry, it is believed, is studying seriously Prof. Kaldor's recommendations, particularly in regard to his suggestion for the imposition of a general annual property tax. The approach of Mr. Krishnamachari is very pragmatic. He might reduce the present high direct taxes on personal incomes and try to compensate it by the levy of an annual property tax.

The Finance Minister's approach to the implementation of the second Five-year Plan will be allsided. Since flexibility has become almost the cardinal feature of the plan, the Government is now reconsidering the various expenditure schedules of the Plan, trying to give priority to such of those schemes as can be implemented with greater speed and as will be able to show solid results. Emphasis has again been placed on certain industries which have considerable potentialities to conserve foreign exchange resources. In this connection, mention may be made of the possibilities of setting up machine building plants and also the expansion of certain basic industries which would involve another Rs. 100 crores or so in the coming years.

Foreign Exchange

Another topic which the Finance Minister dealt with in his speech was that of foreign exchange. In recent months there has been a gradual but substantial decline in the Government's sterling balances. During the last three years, these balances were very steady around Rs. 730 crores. The latest figure of Rs. 631 crores is the lowest figure on record. A decline of nearly Rs. 100 crores in the sterling balances within the last three or four months is naturally bound to cause some anxiety in Government circles. However, there is a feeling that the Government's position would be considerably strengthened as a result of the latest Indo-American Wheat-Loan programme. At the same time, it is also possible that the Government might consider the question of filling up this gap through extra efforts which are still in an embryonic stage. It is possible that the Government of India might be able to secure more long-term loans from the U.S. by next year or so as a result of the easing of the international tension.

In another direction also, the Government has been taking pains to ensure the successful implementation of the Plan, that is, by stabilising the general price level in the country. No doubt, the general wholesale price index has gone up to a high level of 420. Ways and means as to how to achieve the objective of bringing down the level of prices are being studied at the highest level in the Government of India. The import of foodgrains from foreign countries and loan programmes have now become a recognised part of the Government's armoury. Another is the increase in the indirect taxes to inhibit consumption. A third possible measure would be an increase in the import duties of certain luxury goods. In order to co-ordinate all these policies of the Government it is now considered likely that the Planning Commission will be expanded appreciably with a view to making some of its new members devote greater attention to the maintenance of a stable price pattern in the country and to keeping a close watch on the progress of implementation of the Plan. The necessity for increasing the strength of the Planning Commission has been felt because of the growing awareness in official circles that smooth working of the Plan would require a balanced implementation of the projects envisaged therein and an achievement of this objective is much more difficult than was originally anticipated.

Indeed, for purposes of ensuring a harmonious development of the agricultural and industrial sectors of the country's economy, it is being increasingly realised that almost a day-to-day watch is imperative because of the inescapable inter-dependence of the two. The Prime Minister is reported to have urged that the strength of the Planning Commission be raised to nine members. When the full contingent is recruited, there will be five wholetime members of the Planning Commission. The other four, being Ministers of the Cabinet—Mr. Nehru, Mr. G. L. Nanda, Mr. T. T. Krishnamachari and Mr. V. K. Krishna Menon—cannot be expected to devote their full time and attention to the working of the Commission by virtue of their necessity to look after their respective ministries in the Government.

REVOLT AT BRIGHTON

ECONOMIC POLICY CONDEMNED

From Our Own Correspondent

LONDON, 8*th September*

LONDON LETTER

WHEN the Conservative Government came back to power in the early part of this decade, the Trade Unions adopted the policy of friendly working with the Government whatever its politics might be. That period has come to an end this week and the change of policy has been due to the change of leadership of the largest Union in this country—the Transport and General Workers Union. Ever since the war, that Union has been led by men often regarded as right-wingers. The new leader, on the other hand, is not only militant but commands respect inside and outside the Union movement. He has led his Union, followed by another great Union (that of the Railway men) to put up a critical motion on wage policy which was carried by the whole Trade Union Congress in their annual meeting at Brighton this week.

This motion in effect is a challenge to the Government policy on wage restraint. The Unions are committed instead to consider all applications for wage increases "prudently and sensibly" in the light of all the circumstances of the firms concerned and the general economic climate.

But clearly the balance of power within the Trade Union movement could not have shifted to lead them to make this drastic break with the past if Government policy had not also appeared to be veering away from making wage restraint practicable. The Trade Unions have now given notice they cannot accept a "free economy" in which prices, profits and dividends can rise without control, while only wages are subject to a firm policy which could be applied through the employers and the men's organisations. The Trade Union Congress has decided to condemn Government economic policy and to declare that the Unions cannot allow their members to be used to rescue it. Their alternative is a return to a controlled economy. A controlled or planned economy will, in the view of the Unions, divert investment into the most remunerative channels, lead to greater industrial efficiency and adequate emphasis on exports without imperilling wage structure. If restraint and control are to be applied in all sectors of the economy, then the Unions will admit that wages can be subject to equal control.

But the Unions have gone even a step further; they are not content to indicate the broad lines within which they think the country's economic policy should be framed. They are asking for a closer relationship with management. The recent disputes on redundancy caused by automation have given the lead: the Unions will now expect always to be properly consulted about automation; will always demand compensation for loss of employment and adequate notice to enable displaced men to find fresh jobs. Many managements in this country regard these demands as perfectly proper and, indeed, they already consult the Unions as a matter of course on such matters. The lack of sympathy with the British Motor Corporation over the redundancy situation is evidence that the Unions are not going to be hammering at a brick wall in this matter of consultation. Broad econo[illegible] will be another matter, for they wi[illegible] head-on conflict with the Governm[illegible] scarcely likely to be able to concede [illegible] control over prices, profits and divi[illegible] the Chancellor of the Exchequer like[illegible] pared to direct investment into "the places," for it is a cardinal principle of Tory policy that the "right places" must find themselves! Finally, the Chancellor, having just adopted the policy of exercising control over the nationalised industries because he can claim that that is part of the Government's normal function, is not likely to relinquish that control until it can be brought into line with a comparable control over all aspects of industry.

The Government will, of course, seek to keep out of industrial trouble in the coming wage battles, but will it be able to avoid the repercussions of rising wages on its avowed policy of economic freedom?—*All Rights Reserved.*

TRENDS IN INDIAN ECONOMY ENCOURAGING

RESERVE BANK DIRECTORS' SURVEY

THE latest annual report of the Central Board of Directors of the Reserve Bank of India, that for the year ended 30th June 1956, is of special significance for two reasons. First, the report covers a period which marked the close of the first Five-year Plan and gives a review of the progress in the implementation of the Plan not merely in the last year but also during the entire Plan period. Secondly, the report ventures to assess the prospects of success for the second Five-year Plan, with an emphasis on the need for effective "appropriate adjustments" in the pace and pattern of planned development and in the fiscal and monetary policies from time to time.

The Report views the developments in India's economy in a somewhat longer perspective. Basing itself on the principal economic indicators over the past five years, the Report broadly concludes that India has been able to combine, in a substantial measure, economic development with financial stability. Among the main features of this phase of economic growth, mention is made of the increasing outlays under the Plan, gains in industrial and agricultural production, stability in external balance of payments position as a whole, and better flow of savings which imparted strength to the capital market. Apart from all these, an important factor that contributed to the total satisfactory result was the adoption of judicious fiscal and monetary policies.

The aforesaid brief account of economic development, though heartening, should not by any means diminish, as the Report itself rightly warns, the need for "a careful and continuous assessment of the current economic situation, with a view to making appropriate adjustments in the pace and pattern of planned development and in the fiscal and monetary policies from time to time." It is precisely in this context that one has to examine the role of deficit financing. The second Plan provides for deficit financing of the order of Rs. 1,200 crores. This sum is considered by some economists to be very excessive and raises the risk of heavy inflation. Already, the rise in money supply has tended to outpace the rise in production levels and economic activity. The report no doubt frankly admits it, but observes that, if the 25 per cent. rise in foodgrains production contemplated in the Plan were to be attained, it would make a significant contribution to stability in the economy against the inflationary repercussions of deficit financing. Nevertheless, the Report warns that, in finding the additional resources for agriculture, the overall size of the Plan should not be further increased, inasmuch as that would impose an undue strain on the economy.

No Serious Threat

The Report is inclined to feel that there may not be a serious threat to the country's financial stability. This statement is, however, qualified by two 'ifs', namely, that the targets of additional taxation and borrowing are achieved and the volume of deficit financing (Rs. 1,200 crores) remains as the outside limit, as also by a proviso that agricultural and industrial production expands "at a satisfactory rate". In this connection, it lays strong emphasis on the importance of an adequate increase in the production of food and other essential articles like cloth. For it says:

"A big rise in development expenditure would be reflected in addition to large numbers of small incomes and hence in a considerable increase in the demand for, and pressure on prices of, articles of mass consumption like food and cloth. Such increase in demand might be directed in advanced industrialised communities to luxuries and semi-luxury articles, but, in an under-fed and ill-clothed country such as ours, there is likely to be a particularly heavy impact on the prices of essential commodities. These results are likely to occur even if there is a corresponding increase in taxation as new or additional incomes will accrue to parts of the population whose demand for elementary necessities is high, while taxation will, in the main, reduce consumption of less essential commodities. The additional demand for consumer goods arising out of development expenditure will be the larger, the bigger the gap between expenditure and tax and loan receipts, namely, deficit financing."

To revert to the review of developments in India's economy during the Plan period. According to the review, the national income of the country is estimated to have risen by 18 per cent. over the period 1951-56, thus showing a larger rate of increase than was originally anticipated. Much the greater part of the increase, however, occurred in the first three years of the Plan. It has been estimated that national income in real terms improved by only 1.3 per cent. in 1954-55, as against 6.0 per cent. in 1953-54. The setback to the pace of rise in national income must be attributed to the downward trend in agricultural production. The index of agricultural output (Base 1949-50=100), which went up from 95.6 in 1950-51 to a record high of 114.1 in 1953-54, declined to 113.9 in 1954-55. The revised index for 1954-55 is put at 116.4, and the provisional index for 1955-56 at 113.7.

Industrial production has been steadily on the upgrade in the last few years. During 1955-56, the average index of production (1951=100) recorded a rise of 8 per cent. The rise has been shared by almost all major groups of industries in the public as well as the private sectors. Commenting on the trend, the Report says: "The continuous rise in industrial production has been one of the heartening features of the Indian economy in recent years, and it may be expected that this process will be assisted forward, with the broadening of the industrial base under the second Five-year Plan."

Trend of Prices

The year 1955-56 witnessed an almost continuous upward trend in prices, in contrast to the sharp decline in the previous year. The general index of wholesale prices (August 1939 =100) at the end of June 1956 stood as high as 402, representing a rise of 16.7 per cent., as compared with the figure of 345 a year before. In 1954-55, it will be recalled, there was a net decline of 10 per cent. in prices. The average for 1955-56 was, of course, only 2.2 per cent. higher than that for 1954-55. The advance in prices has been reflected in living costs, the all-India working class consumer price index (1949=100) having risen from 93 in June 1955 to 103 in April 1956. The continued price advance is attributed mainly to the decline in agricultural output, especially of foodgrains, larger exports of certain industrial raw materials, and increase in the demand resulting from the large expansion in investment expenditure and a rise in incomes, not to speak of the speculative influences.

Judging the price situation from the point of view of long-term prospects, the Report takes into account two sets of considerations. On the one hand, the increase in developmental outlay, met in part by deficit financing, may be expected to exert an upward pressure on prices. On the other hand, there will be the important countervailing factor of increased agricultural and industrial production. A policy of maintaining buffer stocks, assisted by an extensive warehousing programme, should also help to moderate fluctuations in agricultural prices. Against the background of the recent rise in prices and with the prospect of deficit financing in the next few years, therefore, the attainment of a substantial increase in agricultural output, besides procurement of larger supplies of agricultural commodities from abroad, will, it is said, acquire added significance. As already stated, continued vigilance and appropriate flexibility in fiscal and monetary policies will also be called for.

Monetary and Credit Expansion

The monetary and credit expansion during the year under review was quite substantial. Money supply with the public (excluding State Governments' deposits with the Reserve Bank) went up by Rs. 214 crores—or by 10.8 per cent.—to a total of Rs. 2,191 crores. The net rise over the entire first five-year Plan period was Rs. 206 crores. This resulted from an initial phase of contraction to the extent of Rs. 214 crores in the first two years, followed by a progressive rise in the next three years by an aggregate of Rs. 420 crores. Of the increase in money supply during 1955-56, expansion in currency accounted for about four-fifths. The main expansionary factors were deficit financing by Government and the rise in bank credit, the balance of payments impact being slightly contractionist. Scheduled Bank credit during the year recorded a sharp rise of Rs. 149 crores to Rs. 759 crores, as compared with an increase of Rs. 60 crores in 1954-55, though the net deposit liabilities were higher by only Rs. 98 crores. The higher level of banking activity reflects largely the impact of growing economic activity under the Plan.

The Report refers next to the rising scale of investment outlays under the Plan and the increasing deficit financing of Government expenditure. Plan outlays rose moderately from Rs. 259 crores in 1951-52 to Rs. 273 crores in 1952-53 and Rs. 340 crores in 1953-54, or a total of Rs. 872 crores in the first three years. There was a substantial stepping up subsequently to about Rs. 475 crores in 1954-55 and Rs. 600 crores in 1955-56. The aggregate outlay thus comes to Rs. 1,947 crores. During the five years 1951-56, the combined deficit of the Central and State Governments, as measured by the actual net addition to the Treasury bill holdings of the Reserve Bank and the draft on Government cash balances, was a little less than Rs. 400 crores. The total tax revenue of the Central and the State Governments was Rs. 735 crores in 1955-56, as against Rs. 635 crores in 1950-51. The aggregate net market borrowings during the Plan period exceeded the target of Rs. 115 crores by Rs. 62 crores; they will still be higher at Rs. 250 crores, if the sales of securities effected from the cash balance investment accounts of Governments and by the Reserve Bank from its portfolios are taken account. Small savings collections amounted to Rs. 235 crores, Rs. 10 crores more than the target.

Alluding to the borrowing target fixed in the second Plan—Rs. 1,200 crores—the Report urges that a borrowing programme of this order requires a vigorous drive. It, of course, realises that the borrowing operations will doubtless be facilitated by the substantial measure of deficit financing that is contemplated. Nevertheless, it emphasises that, since all the Plan estimates are based on the assumption of constant (1955-56) prices, the borrowing programme, like the taxation programme, should be more appropriately considered, apart from the influence of budgetary deficits.

Flow of Capital

While precise and complete data regarding capital issues for the private sector are not available, the total of new issues amounting to Rs. 1 crore and over each was about Rs. 20 crores in 1955-56, as against Rs. 16 crores in the previous year. Alluding to this, the Report points out that the experience in regard to new issues and self-financing of new investment and replacements in recent years justifies a measure of confidence regarding the sources of financing fixed capital investment in industry during the second Plan period. In its opinion, the resources available to the private sector from new issues and self-financing will be augmented, to some extent, by assistance from the various financial institutions set up by the State in recent years. Even so, the Report considers that it will be necessary to continue to pay attention to stimulating the flow of capital—foreign and domestic—into industry and to distribution of profits, with due regard to the needs of the private sector for replacement, modernisation and expansion.

The Report expects that the overall balance of payments for the year as a whole (July 1955-June 1956) may show a deficit on current account of the order of Rs. 20 crores, after taking into account receipt of official grants, as against a surplus of Rs. 23 crores in the preceding year. The deficit during the year was the result of a surplus of Rs. 20 crores in the first nine months (July 1955-March 1956) for which data are available and an estimated deficit of about Rs. 40 crores in the last quarter (April-June 1956). The last quarter's deficit is partly due to seasonal factors.

On the objectives of the second Plan, the Report avers that, while, appropriately enough, there is accent on labour-intensive schemes in certain sectors, it is axiomatic that, in the longer run, the volume of employment can rise, and that of unemployment or under-employment diminish, only as a result of, and in broad relation to, economic development. According to it, if the second Plan has more and bigger problems to face, it has also started with the advantage of much experience being accumulated and many gains consolidated. Not the least important among the results achieved by the first Plan is said to be the overall economic and financial stability of the country since 1952. Indeed, the Report is of the view that the stage is well set for the very considerable effort represented by the second Plan. Nevertheless, the Report concludes on a note of caution by calling for measures which, without unduly affecting price stability, will help step up effectively both investment and savings, on the one hand, and output and employment, on the other.

DEVELOPMENTS IN BANKING WORLD

BASE FOR PROVIDING INSTITUTIONAL CREDIT WIDENED

THE Report of the Central Board of Directors of the Reserve Bank of India for the year ended 30th June 1956 brings out certain significant developments in the spheres of banking, industrial finance and co-operative credit. An important aspect of planned economic growth, says the Report, is the building up and strengthening of financial and credit institutions for mobilisation and channelling of resources. In this context, as the Report rightly observes, "a significant development which might well be regarded as opening a new chapter in the evolution of Indian banking was the establishment of the State Bank of India on 1st July 1955." Within four months of the acquisition of the bank, the payment of compensation to the shareholders of the Imperial Bank of India was substantially completed and the bulk of the share capital of the new institution now stands vested in the Reserve Bank. The immediate objective set before the State Bank is the vigorous expansion of branches—by as many as 400 over a period of five years. As a first step in this direction, as many as 32 new branches have been opened during the year under review. This compares with only 63 branches opened by the Imperial Bank, out of an approved list of 114 centres, in the four-year period beginning from 1st July 1951. A notable feature of this expansion programme is the provision made in the Statute governing the State Bank of India for the establishment of an Integrated Development Fund, in order to make specific provision for initial losses on unremunerative branches opened in the public interest. The dividends payable to the Reserve Bank of India on that part of its shareholding which is equal to 55 per cent. of the total issued capital of the State Bank are credited to this Fund. The amount so credited to the Fund amounted to as much as Rs. 24.75 lakhs during the year, being the proportionate profits for the half year.

The full significance of the State Bank to the country's economic development cannot be foreseen now, states the Report. Its establishment coincides with a crucial stage in the country's economic development. Its potentialities for growth and expansion, and the opportunities open for it for mobilising resources, are far beyond those at any time open to its predecessors. Besides, its role *vis-a-vis* the private sector will be one of "undiminished usefulness and importance." Moreover, in view of the special responsibilities cast upon it, "there cannot be the least doubt that the State Bank will not merely continue to be the foremost commercial banking institution of the country, but will grow in size, stature and significance." A striking aspect, furthermore, of the charter of the State Bank is that it reconciles, by making provision to cover the losses resulting from the uneconomic part of branch expansion, the seeming contradiction between sound business principles, on the one hand, and public interest, on the other. Stating that this is only one of many examples of how a reconciliation can in practice be effected between the two sets of considerations involved, the Report observes:

"With mutual understanding, commonness of purpose and co-ordination of action—in other words with the fullest co-operation—between the Government of India, the Reserve Bank and the State Bank, there is little doubt that such a synthesis can be achieved and that the State Bank, complementing the functions of the Reserve Bank in an essential sphere, can emerge as a powerful instrument of public policy, including that of planned development, while at the same time maintaining the highest standards of commercial banking."

Industrial Finance

Reviewing the developments in the sphere of industrial finance, the Report points out that the institutional machinery for fostering industrial growth is becoming increasingly effective. The Industrial Finance Corporation of India, for instance, sanctioned during the year loans aggregating Rs. 13.4 crores to 41 industrial concerns, as against Rs. 7.1 crores sanctioned to not more than 23 concerns in the preceding year. Moreover, State Financial Corporations established under the State Financial Corporations Act, 1951, have been established in two more States, namely, Andhra and Orissa, thus raising their total number to 13. A still more significant event was the second conference of the representatives of the State Financial Corporations held in November 1955 under the auspices of the Reserve Bank, at which were discussed the question of co-ordinating their activities with those institutions engaged in financing small-scale industries, and other matters which go to augment the usefulness of the corporations. An important outcome of the conference was the agreement reached to launch a few pilot schemes in selected centres, with a view to evolving a workable plan of co-ordination. The schemes are, accordingly, designed to pool the resources of the institutions and to eliminate the chances of diverse agencies lending to the same borrowing unit. Such pilot projects have already been started since then on the initiation of the State Bank of India in a number of places including Bombay, Surat, Coimbatore and Delhi.

Besides, the Industrial Credit and Investment Corporation of India gave considerable attention to underwriting capital, while the National Industrial Development Corporation Private Ltd., for the activities of which a provision of Rs. 55 crores is made in the second Plan, was engaged during the year in conducting detailed investigations into various projects. Moreover, the third corporation, namely, the National Small-Scale Industries Corporation Private Ltd., which was set up for financing small-scale industries, started functioning in September 1955, and has introduced a scheme of hire purchase for equipment needed by the small industries.

Rural Credit

In the sphere of agricultural finance, the notable development was the creation of two Funds, namely, the National Agricultural Credit (Long-term Operations) Fund, and the National Agricultural Credit (Stabilisation) Fund, as recommended by the All-India Rural Credit Survey Committee. It will be recalled that, in order to give effect to these recommendations, the Reserve Bank of India Act was amended in 1955. The former Fund was constituted on 3rd February 1956 with an initial sum of Rs. 10 crores, and the latter on 30th June 1956 with a contribution of Rs. 1 crore. The former Fund has also received the Bank's first annual contribution of Rs. 5 crores. Another landmark in the field of rural credit was the passing of the Agricultural Produce (Development and Warehousing) Corporations Act, 1956. Provision has also been made for the grant of loans and advances by the Reserve Bank to the Warehousing Corporations established under the Act.

The question of reorganisation of co-operative institutions, apex and central, in the context of the reorganisation of States has come to the forefront. Following the recommendations of the Standing Advisory Committee on Agricultural Credit, an informal conference of the representatives of the appropriate Governments was held in May 1956 by the Reserve Bank. The conference formulated a series of principles of reorganisation on an agreed basis and set up four *ad hoc* committees for different regions, in order to work out detailed schemes of reorganisation of the co-operative institutions.

A noteworthy feature during the year under review was the increase witnessed in the scale of assistance provided by the Reserve Bank to co-operative banks for seasonal agricultural operations and marketing of crops at the concessional rate of 2 per cent. below the Bank Rate. Thus, 19 apex banks received as much as Rs. 29.64 crores in 1955-56 as against Rs. 21.21 crores sanctioned to 15 banks during 1954-55. The outstandings of the Reserve Bank credit to State Co-operative Banks at the end of the year stood at Rs. 12.98 crores, as compared with Rs. 8.11 crores at the end of last year. Besides, 10 apex banks were also sanctioned medium-term loans amounting to Rs. 1.40 crores during the year. What, however, is a new feature of these loans is that not more than a quarter of such loans might be for more than five years, while the balance could be for three years only.

Inspection of co-operative banks, both apex and central, continued during the year. Of the 44 co-operative banks inspected, 34 were central banks and 10 were apex banks. No mention is made in the report about the results of these inspections, whether all of them were found to be working satisfactorily, whether there were any defects and, if so, their magnitude.

In the sphere of training of co-operative personnel, two new centres were established during the year, one at Indore and the other at Meerut, for the training of intermediate personnel. Besides, eight training centres are now functioning for the training of co-operative officers for the National Extension Service Blocks. Moreover, in order to meet the needs of the States for trained personnel in such specialised fields as marketing, in the context of the second Plan, *ad hoc* courses on co-operative marketing were organised at two regional training centres, namely, Poona and Meerut. A special course on land mortgage banking has also been started at Madras.

In the sphere of commercial banks, further progress was noted in the direction of strengthening the banking system through the enforcement of the provisions of the Banking Companies Act, 1949. Under Section 22 of this Act eleven banks were granted licences—chiefly because of the improvement in their position witnessed as a result of the supervision carried out by the Reserve Bank—to carry on banking business in India, making the total number of banks holding licences 47. In addition, there are three other State-associated banks and the State Bank of India to which the provisions of section 22 are not applicable. The total deposits of these 51 banks, it may be noted, account for nearly 90 per cent. of the total deposits of all the Scheduled and non-Scheduled banks in India. Of the banks—to the tune of 429—whose applications for licences are pending with the Reserve Bank, 402 are submitting their periodical reports to the Bank. It is pointed out that the delay in granting licences has been due to the Bank's desire to safeguard the interests of depositors.

The policy of systematic inspection of banks taken up in 1949 was carried still further during the year under review. As many as 30 Scheduled banks and 165 non-scheduled banks were inspected. Of them, 16 were inspected for the first time for ascertaining their eligibility for licences to carry on banking business and 175 were re-inspected. Besides, the inspection of three State-owned or—controlled banks was also carried out with a view to deciding their future set-up. The periodical inspection of the banks, the Report states, has enabled the Bank to find out the defects in their working, and suggest suitable remedies for improvement. A heartening feature was the co-operative attitude adopted by the banks. Barring a few exceptions, most of the banks, the report observes, have taken expeditious and effective steps to rectify the defects noted in their operations by the Reserve Bank's inspectors. These banks, according to the report, have come to realise that inspections help to promote their own stability and the interests of their depositors, and have therefore, offered an increasing measure of co-operation.

Certain exemptions, such as those relating to minimum capital requirements and maintenance of certain percentage of liquid assets, continued to be granted to certain banks, in order to mitigate their difficulties. These apart, there was also considerable progress in respect of transfer facilities provided to Scheduled banks and State Co-operative banks. As a first step towards implementing the recommendations of the Shroff Committee, arrangements were made to provide transfer facilities twice a week, instead of once, to all Scheduled banks and State Co-operative banks. For this purpose, the co-operation of the State Bank of India, the Hyderabad State Bank and the Bank of Mysore was sought and they have readily agreed. It may be noted that these banks are the agents of the Reserve Bank. Four non-Scheduled banks were also included in the approved list for the purpose of these facilities, while one non-Scheduled bank was excluded.

During the year under review, according to the Report, 23 banks—9 in Travancore-Cochin, 6 in Bombay, 2 in U.P. and one each in Punjab (D), Saurashtra, Hyderabad, Madras, Mysore and West Bengal—went into liquidation. Of these, 10 were ordered to be wound up by the Courts and the rest were wound up voluntarily. Two banks applied for inclusion in the Second Schedule to the Reserve Bank of India Act; these applications, as also four earlier ones, are under consideration. No bank was excluded from the Second Schedule during the year, nor was any bank inspected during the year specifically for determining its eligibility to be retained in the Schedule. 34 new offices were opened during the year at places which were not formerly served by commercial banks, raising the total number of offices of scheduled banks in the Indian Union to 2,909 as at the end of the year.

Finally, referring to the progress made by the Bankers Training College inaugurated in September 1954 to impart training in practical banking to the supervisory staff of commercial banks, the report observes that the College since its inception has completed nine courses of training, each of eight weeks' duration, and has so far trained 210 bank officials drawn from different parts of the country. Encouraged by the response which the College has evoked from banks, the Advisory Council of the College has recommended that the College should be placed on a permanent basis; the matter is under the consideration of the Bank.

"The Government of India has deferred for the present the question of integrating the Bank of Bikaner, the Bank of Jaipur and the Bank of Rajasthan with the State Bank of India, as it raises a number of difficult problems to w[illegible] will have to be sought before final [illegible] taken. The main determining factor [illegible] gration is the extension of rural credi[illegible] facilities in rural areas." Thus state[illegible] for Revenue and Defence Expenditu[illegible] Guha, in reply to a question in the [illegible] the integration of State Banks.



Another member asked what spec[illegible] tions weighed with the Government for taking over the State Bank of Hyderabad, while leaving other State Banks. Mr. Nehru, who was then acting as Finance Minister, said in reply: "The question of taking over these other banks is in a sense under consideration. Because of various factors—like the splitting up of the State, etc.—it had been thought fit to take over the Hyderabad State Bank just now. There are two other banks in Saurashtra and Patiala which are State Banks completely. The question arises whether these should be attached to the Reserve Bank or the State Bank of India; but for the moment the Government has decided not to take them over. I have no doubt, however, that steps will be taken about them later on."

A member asked as to what were the special difficulties encountered in taking over all these State Banks as recommended by the Rural Credit Survey Committee. Mr. Guha said that the main difficulty was for the Reserve Bank or the State Bank to find trained personnel to run these banks. There was a certain standard which the State Bank and the Reserve Bank had to keep up. These State Banks did not conform to these standards.

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INTERNATIONAL FINANCE CORPORATION

OPERATING POLICIES AND PROCEDURES

IT is widely recognised that one of the easiest and quickest ways of promoting economic development in the well developed free economics is to encourage and spread competitive private enterprises. In less developed areas, the task is not so easy. But development through private enterprise is to be preferred, in order to ensure that the future for democratic system is not endangered. Every effort should be made to encourage local *entrepreneurs* to undertake establishment of industries. The task of development will be easier if steps are taken to attract private capital and technology from the more developed countries. This will be advantageous to the developed countries also, in that it provides them with opportunities for "expansion of markets, creation of new sources of raw materials and profitable investment capital." It is with the object of furthering economic development by promoting private enterprise that the International Finance Corporation was formed in July this year.

There are so many institutions which have been rendering such service, but the International Finance Corporation (I.F.C.) is unique by itself, being a public international organisation supported by a large number of Governments, solely for aiding private enterprise. It is an affiliate of the International Bank for Reconstruction and Development, but it is a separate legal entity and its funds are entirely separate and distinct from those of the Bank. Membership in the I.F.C. is, however, open only to Governments which are members of the Bank. Its authorised capital amounts to U.S. $100 million, of which $78.4 million have so far (up to 10th August 1956) been subscribed by the Governments of 32 countries. A number of other countries, which are members of the World Bank, are in process of joining. India agreed to be a member of the I.F.C. long before many other countries and has subscribed $4.43 million to its capital stock. Some of the other important member-countries and their subscriptions to the capital stock are as follows:

(In 000's $)

Country	*Subscription*
United States	35,168
U.K.	14,400
France	5,815
Germany	3,655
Canada	3,600
Japan	2,769
Australia	2,215
Pakistan	1,108
Sweden	1,108

N.B.—The subscriptions of other countries which have so far joined are less than $1 million each.

Having thus got a substantial part of its capital subscribed, the I.F.C. is now ready to commence operations. It is, however, desirous of informing the world financial and industrial community about the types of investment which it is interested in making and about the information required from enterprises wishing to attract the investment of its (I.F.C.'s) funds. With this object in view, it has published a booklet outlining its operating policies and procedures for the guidance of persons who may like to apply to the I.F.C. for assistance in the establishment or expansion of productive private enterprises. The I.F.C. does not intend, the booklet explains, keeping its policies and procedures rigid, but will review and modify them, within the limits of its charter, from time to time as experience or changing circumstances suggest.

The I.F.C. proposes to attain its objective of furthering economic development by (1) investing in productive private enterprises, in association with private investors and without government guarantee of repayment, in cases where sufficient private capital is not available on reasonable terms; (2) serving as a clearing house to bring together investment opportunities, private capital (both foreign and domestic) and experienced management; and (3) helping to stimulate the productive investment of private capital, both domestic and foreign.

Describing the types of investment which are eligible for financing by the I.F.C., the booklet says that the I.F.C. will consider only such proposals as will contribute to the development of the economy of the country in which the enterprise is located. Enterprises financed by the I.F.C. must be located in a member country, including any dependent territories. The I.F.C. desires to concentrate in its early years on investments in less developed member countries and in dependent overseas territories of member countries. It will finance operations in association with private investors, that is, where private capital is being invested at or about the same time. In every case, it must be satisfied that private investors have contributed as large a share of the funds required as can reasonably be expected—ordinarily more than 50 per cent.—and that the balance is not available from other private sources on reasonable terms. It will invest in association with either local or foreign private investors or both. In fact, it will welcome proposals involving private investment from both local and foreign investors. The I.F.C. will normally entertain, in the initial stage of its operations and subject to review from time to time, investment proposals from an enterprise in which the total new investment is at least U.S. $500,000 or its equivalent and its own share of investment is at least U.S. $100,000 or its equivalent.

The enterprises eligible for financing from the I.F.C. are industrial, agricultural, financial, commercial and other private business, provided their operations are productive in character. The I.F.C. will, however, prefer, in its early years, to invest mostly in predominantly industrial enterprises. It will not normally invest in basic public utilities, such as electric power, transportation, irrigation, reclamation and drainage projects which are usually financed by the World Bank.

It will finance only private enterprises. It will not invest in undertakings which are government-owned and operated or in the management of which the Government participates to any significant extent. This does not mean that it will not finance enterprises in which public funds have been invested. Such enterprises are also eligible provided they are, despite the Government interest, essentially private in character. Whether any particular enterprise meets this test will depend upon the facts of the case.

The main criteria which will govern the choice of eligible enterprise for financing by the I.F.C. are: (i) the extent to which the I.F.C. participation would bring about the investment of private capital by other investors; (ii) the estimated profitability of the investment both to the I.F.C. and to its associates; and (iii) the prospective contribution of the investment to the I.F.C.'s objective of building up a reasonably diversified portfolio. Unlike the World Bank, I.F.C. when satisfied that the enterprise is productive in character, will customarily not investigate its developmental priority as against other possible investments in the same country.

Explaining the forms and methods of financing, the booklet says that the I.F.C. is authorised to invest in any form it deems appropriate, with the exception of capital stocks or shares. Thus, its investments will be in the form of loans, but not the conventional fixed interest loans. As it is expected to revolve its funds by sale of its investments, the I.F.C. will obtain securities or contractual rights of a character attractive to private investors. In other words, it will obtain the rights to subscribe to capital stock or shares or to convert the investment into stock or shares, which can easily be sold to private investors. By acquiring such rights, the I.F.C. will be in a position to realise capital profits by selling successful investments and thus to offset losses, build up reserves and enlarge its funds for investment in other enterprises. Thus, it can, without locking up its funds in one enterprise, go on rotating them and expand its activities. It will usually wish to provide at least a substantial part of its funds in any enterprise on a basis approximating venture capital and to obtain financial returns appropriate to that type of investment.

No policy of uniform interest rates for its loans will be followed, the rate of interest being determined in each case by the relevant factors, including the risks involved and the nature and extent of any rights to participation in profits and to conversion or subscription to stock. The usual period of maturity of its loans will be five to fifteen years. The loans will be disbursed with or without security. The amount of loan will be given in a lump sum or in agreed instalments.

(*Continued on page 543*)

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WOOL—THE INTERNATIONAL FIBRE

ITS DEVELOPMENT IN INDIA AND ABROAD

SINCE the earliest days of history, wool has played an increasingly active part in the social and economic development of the world. Today, it is perhaps the most important single commodity in international commerce. Wool has no substitute. No other fibre is easier to spin and dye, and there is no comparison with the graceful comfort and all-weather protection of woollen clothing. The finest furnishing fabrics and carpets are of wool too. Indeed, the age-old pre-eminence of wool remains unchallenged, and this is partly due to the unceasing research in chemistry, physics, biology and engineering to improve the fibre's use and usefulness.

In India, hand spinning and weaving of wool has been carried on since time immemorial. Today, the handloom (woollen) industry is scattered all over the country, and, although the extent and structure of this industry cannot be assessed precisely, the Government of India's Fact Finding Committee has estimated that there are about 100,000 handlooms engaged on wool in the Republic. In addition, there are handlooms which produce carpets of complex designs and shades to meet the specific demands of internal and external markets. Seventy-five per cent. of the woollen handloom industry is concentrated in Northern India in the Provinces of U.P., East Punjab (specially Kulu Valley), Himachal Pradesh, Kalimpong, Kashmir and Rajasthan. The main reason for this is the demand for wool goods arising from the cold climate generally experienced during winter in Northern India.

This valuable industry caters for our clothing in winter by producing blankets, durries, carpets, druggets, tweeds, shawls, lohis, coatings, pattus, scarfs, etc. Some knitted goods, such as socks, pullovers, jerseys, etc., are also produced on a small scale. Apart from satisfying civilian needs, the industry is also invaluable for India's Defence requirements. During the last World War, for instance, the industry supplied thousands of barrack blankets and fabrics to clothe Indian forces fighting in many theatres of war. The industry also has its place in our export trade. The shawls and carpets of Srinagar, Amritsar and Mirzapur and the druggets of Mysore and Bellary are sent as far as the U.K. and the United States, thus earning valuable foreign exchange and enhancing India's reputation for quality goods.

It is the hereditary skill and craftsmanship displayed by India's artisans which enables this cottage industry to maintain its share in the export trade. Thousands of namdas (floor rugs) from Kashmir and druggets from Mysore are exported to the U.S.A., and England is one of the largest markets for Indian floor coverings. It is important, therefore, that the industry be helped, not only for the sake of the country's export trade but also for keeping the cottage workers fully employed.

Wool's importance in India's economy cannot be exaggerated. According to latest available statistics, there are no less than 38 million sheep in India, producing about 60 million lbs. of wool per annum. About 24 million lbs. of the indigenous raw wool is used in the country, the remainder being exported. Clothing types of wool are now imported to the extent of about 18 million lbs. per annum. No wonder that, in the second Five-year Plan, a sum of Rs. 1.5 crores has been provided for sheep and wool development in India. It is proposed to establish 396 sheep and wool extension centres and some sheep breeding farms in different regions.

Definition of Wool

What is wool? Wool is primarily the fibre of the coat of the sheep or lamb. In order to ensure that the public are not misled when buying wool yarns and fabrics, many countries have prepared standard definitions for wool goods, or their Governments have passed Labelling Acts making it compulsory to indicate the wool content of all textiles containing wool which are sold to the public. Thus, the British Standards Institution have established definitions stating that the terms "wool," "woollen" and "worsted" denotes cloths made *wholly* of the wool fibre, apart from an allowance of up to 7 per cent. for decorative threads such as are used in men's suitings. Countries like the United States, Australia, South Africa and New Zealand have Wool Labelling Acts which ensure that the wool fibre content is stated on all wool textiles sold. Prosecutions are undertaken in cases where the goods are falsely labelled and the "good name" and generally recognised value of the wool fibre is thereby preserved.

Wool fibres grow out of the tube-like depressions, known as follicles, in the skin of the sheep. At the base of the follicle, cells are continually being formed, and as they pass upwards through the follicle, they are hardened and consolidated into a fibre.

The raw fleece of the sheep contains a variety of impurities, such as wool wax, suint (or sweat derived from the sweat glands), vegetable matter (such as seeds or burrs), earthy matter (like sand and dung) and moisture. The amount of contamination present in greasy wool varies from sheep to sheep, and the accurate assessment of the yield of clean wool which may be expected from a given lot of greasy wool is only possible after years of training. Most wool is sold in the greasy state, but before manufacture it is cleaned by washing in a solution of soap and soda at a temperature which is just warm enough to melt the grease; the suint, which is water soluble, dissolves and the wool wax is emulsified by the soap during the scouring process, while the dirt falls away as soon as these sticky components are removed. Some of the vegetable matter remains in the scoured wool and this is removed when the wool is opened in the subsequent carding process; or, if burrs are present in large quantity, by carbonising before carding or in the woven cloth. Carbonising consists of immersing the wool in dilute sulphuric acid, followed by drying and baking. By this means, the burrs are reduced to powder, but the fibre is virtually undamaged.

Carpet Wools

Carpet wools, of which India produces a large amount, are treated somewhat differently. The greasy wool is often washed in plain water before selling. Carbonising is not usually employed for the burry wools, since it tends to reduce the "springiness" so essential to carpet wools. The burrs are separated by three methods considered most economical and successful: by cutting with hand scissors; by threshing the burr by lash beating on a stone plate, and by putting the burry wool into a deburring machine. The first method is more common and thought to be better than the other two.

The wool fibre is, as mentioned already, built up from the cells which are formed at the base of the follicle. The outer cells of the fibre are different from those within; they are flattened and overlap one another to form the imbricated scale layer (or cuticle, as it is called). The scale layer encloses the "cortex," which consists of elongated cells, each about one two-fiftieth of an inch long. These cells cannot easily be seen when the fibre is examined under microscope, but they have been isolated by treating wool with bacteria and enzymes which dissolve away the cementing substance between them. The fibre breaks down into its component cells, which can then be examined under the microscope. In coarse fibres, there is often a hollow tube running up the centre of the fibre which is called the "medulla." Although this is not particularly a disadvantage in carpet wools, in many types of clothing wool such fibres are objectionable and breeders usually attempt to eliminate them or reduce them in number.

The value of wool on the whole increases with its fineness, that is, with decreasing fibre diameter, because there is a direct connection between the fineness of fibres and the fineness of the yarn into which they can be spun. The natural wave or crimp in wool fibres is also important, especially in knitting yarns, since it keeps the fibres apart, thus giving a light and open texture to the knitted garment. Normally, the number of crimps per inch increases with increasing fineness of fibre. A wise wool grower, therefore, pays special attention to both fineness of fibre and regularity of crimp in selecting animals for breeding purposes.

When a wool fibre is stretched slowly in water, it can be taken to 30 per cent. extension without breaking, and when it is released, it will return to its original length. The high elasticity of wool plays an important part in wool clothing and wool carpets, giving good resistance to wear and ability to recover from creasing.

In the manufacture of blankets, the fabric is consolidated by milling before the surface is raised with teasles, or wire, to form a light, fluffy, cover. Now the warmth of a blanket, like that of any fabric, depends fundamentally on the air it contains. It is the air which acts as the insulator, but the air must be so sub-divided into tiny pockets that heat cannot be lost by the movement of large volumes of air (called "convection"). The milling and raising processes together build up a fabric of great thickness but which comprises a multitude of tiny pockets of air, and the degree of sub-divisions of the air is enhanced by the natural waviness of the fibres. It is because milling is only possible with animal fibres that all other fibres are difficult to convert into fabrics as warm as those composed of wool. For instance, even if a fabric of the same lightness and thickness as a wool blanket were made from cotton, and even if it could be arranged that the contained air were sub-divided into pockets in the same way as with wool, the warmth of the fabric would not survive washing, because cotton hairs do not have the high elasticity and strength of wool fibres in water. Hence the motto: "There is No Substitute For Wool."

Wool is warm in cold weather, mainly because the fabric thickness and the entrapped air provide an excellent insulator for the warmth of the body. On the other hand, wool is also cool when the fabric is made light and porous, so air can move freely around the body. Wool's absorbency helps in maintaining coolness and comfort in summer time. Technologists have urged discarding the myth of wool being only warm, on the ground that lightweight, porous, absorbent fabrics are being made of wool and these are cool and comfortable.

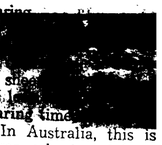
Wool Growing

Pasture and grazing management are important features of the woolgrower's operations. The woolgrower has, first of all, to establish his flock by breeding and selection and supply it with food and water, the raw material which the sheep converts into wool.

Maintenance of sheep is not an easy proposition. The animal must be protected from such natural enemies as the dingo (a wild dog), external parasites like the blowfly, and minute internal parasites and bacteria, which cause serious diseases in sheep. In modern, organised sheep-growing centres, these natural enemies are checked by such methods as the erection of dog-proof fencing and extermination by trapping, and treatment for diseases by vaccines. Even so, the way and form in which the raw material is supplied to the sheep affects their growth considerably.

To provide each sheep with economic sufficiency under natural conditions demands judgment of "carrying capacity" of the pasture. The carrying capacity of an area of land is the number of sheep which can be maintained continuously on the herbage produced under average seasonal conditions—largely as measured by rainfall. If this is overestimated, there will be losses from starvation in drought years; if underestimated, too much feed will go to waste in good years. It is a pity that such an important factor is ignored by Indian wool-growers. This is, however, largely due to the fact that sheep growing is not practised on a large-scale. In places like Australia, where wool growing is a big national industry, the greatest thought is bestowed on the question of carrying capacity. Having grown this sheep feed, every precaution is also taken to ensure that it is consumed by one's own sheep and not by others or by rabbits or other vermin.

Wool Shearing



After feeding, shearing [illegible] important phase of wo[illegible] management and running [illegible] property and flock of 5,000 sh[illegible] the full time services of at l[illegible] two other men, but, at shearing time[illegible] have further assistance. In Australia, this is provided by teams of shearers who travel from property to property, throughout the districts of the country as the season progresses.

As in India, Australia's climatic conditions also differ from place to place. But they have qualified contractors engaged for shearing, who have usually a team consisting of shearers, shed hands for picking up, skirting and rolling, piece pickers, pressers for baling the wool, a wool classer and machine expert, and a shearer's cook.

A shearing machine works on the same principle as the barber's clippers, and are power-driven through a flexible drive. As the fleece is shorn, it falls away from the sheep in one piece. This is picked up by a shed hand in a special way, is thrown with the outside upwards, on to a table where it is skirted. Skirting in-

(Continued on page 543)

CLOTH AND YARN MARKETS STAGNANT

TEXTILE TRENDS—USES OF MAN-MADE FIBRES

From A Special Correspondent

MANCHESTER LETTER

MANCHESTER, *4th September*

AFTER signs of a little more activity in the early part of last month conditions in the Manchester market for cotton yarn and cloth have relapsed into the inertia which has been so apparent for a long time past. To some extent this must be attributed to the unsettled foreign political situation, as export trade cannot be expected to flourish when world affairs are in such a state of chaos.

Unfortunately activity at home has not broadened on the lines anticipated when prices for American type yarns were reduced in line with the cheaper rates ruling for the supplies of United States cotton shortly due to arrive in this country. The initial impetus of the buying movement which took place some weeks ago has slackened and the continuation of the unseasonable weather has had its dampening effect on the offtake in textiles from the retail shops throughout the country.

Taking the all-round position, the price level for manufactured articles is certainly more attractive now than a little time ago. Buyers continue to display more interest in replacements of certain goods when prices and delivery terms are requested for fresh contracts. The volume of actual business, however, remains very patchy. The experience of individual producers varies substantially from firm to firm and from district to district.

A fair amount of comment has taken place in trade circles on the statement made by Mr. A. V. Symons, Chairman of Tootal Ltd., in relating to the unsatisfactory conditions prevailing within the industry. The vigour displayed in dealing with the situation has been generally admired and the action in reducing the number of employees is likely to be followed out in numerous other instances unless there is a sharp change in the current atmosphere of trading.

Some surprise has been expressed that the percentage of workers whose services have been dispensed with has been as much as one-fifth of the group's labour force but this example shows what can be done when ruthless pruning of expenditure and surplus manpower is carried out. Other firms may well take notice of this development when considering their own plans for consolidation.

Bonded Fabrics

Plans now being drawn up by a leading Lancashire textile group to produce fabrics which pass through neither loom nor spindle have not as yet caused any consternation locally among either employers or workers. An industry which has long been conditioned to warnings that the end is in sight, due to the forces of economics or "revolutionary" scientific advances, merely admits there "might be something" in a process which virtually by-passes the 1,500 spinning and weaving mills in the industry.

The conception of "non-woven fabrics," in which fibres are bonded or felted together by chemical or physical means, is not new but interest in the idea has been quickened by the practical steps towards production now being taken.

In Lancashire, only one company, Tootal Ltd., has publicly announced its intention to start producing non-woven fabrics but it is probable that its rivals are also closely examining the costs and possibilities in relation to conventional fabrics. The Tootal company is associated with the West Point Manufacturing Company of Georgia, U.S.A. in forming a new British company for producing non-woven fabrics by West Point's processes.

The Tootal technique is likely to be on similar lines to that planned by Bradford Dyers' Association at a new plant located on the other side of the Pennines at Halifax. In June it was announced that a new company had been formed for this purpose and "great developments in non-woven fabrics for a large variety of end-uses" were foreshadowed.

Despite this forecast the belief is that non-woven fabrics will compete in a limited field only, probably with medium and lower quality goods. There is no fear among the trade union leaders that Lancashire's 250,000 spinning and weaving operatives face widespread redundancy. The union view is summed up by Mr. Lewis Wright, General Secretary of the Amalgamated Weavers' Association, in the statement: "It is doubtful whether it could have any serious impact for many years." But the process was "technically feasible" and there was no doubt that this type of fabricated cloth—perhaps in the form of sheetings and soft furnishings—would displace conventional cloths in some directions.

Labour Losses

Conflicting ideas on the treatment which should be meted out to an industry which is compelled to relinquish its labour force by slow degrees in small numbers and one which dismisses thousands at a time have been freely debated since the recession in the industrial Midlands. Lancashire operatives who have suffered redundancy over the past year or two are justifiably aggrieved at the concessions made in other quarters.

Nor have their leaders been silent while the controversy has persisted. The tendency has been to blame the Government and its spokesmen rather that the employers, whose difficulties are understood by the trade unions.

Frequent estimates have been made as to the number of mills which have lately closed due to the slump. Mr. William Roberts, President of the United Textile Factory Workers' Association, has put the figure at 170 since the labour force stood at its post-war peak of 321,000.

"Now we are almost back to the number of operatives employed during the compulsory concentration during the war," he told members of the Bolton Cardroom Association, in his capacity as secretary. "But we are still Europe's largest textile industry, which has installed proportionately more modern equipment than any of our European competitors. We have a standard of efficiency to meet the demands of the home market and for a continuation of our substantial contribution to exports, provided the industry is not continually weakened by influences outside its control."

Attacking those who criticise the cotton industry as being "uninformed about its operation and its achievements," Mr. Roberts declared that modernisation, planned maintenance and modern productive methods had followed the rebuilding of the labour force. In the past, the trade had been accused of "shouting before it was hurt," but irreparable harm had been done to it by outside influences, leading to the loss of nearly 75,000 operatives.

For only the second time since February, the Lancashire spinning industry had a manpower gain of full-time workers in the week ended 4th August. Cotton Board returns showed a net gain of 41 full-time workers and 10 part-timers. This recruitment followed a non-stop sequence of losses during which the mills lost more than 3,000 workers. Yarn production in the first week in August aggregated 13,750,000 lbs. compared with 14,490,000 lbs. in the previous week. Output was affected by Wakes holidays at Preston, Accrington, Chorley, Blackburn and elsewhere.

World Cloth Supplies

A brief survey of available supplies of cotton and rayon cloth and the trend of consumption of Lancashire-made textiles was contained in this letter a week ago. It is now possible to compare the position of the main producers in other parts of the world. The following table is concerned only with cotton cloth and the figures for 1956 are estimated at an annual rate, based on the experience of the early months of the year.

(In million yards)

	Production	Imports	Exports	Balance
United Kingdom—				
1953	1,864	99	709	1,254
1954	1,993	267	637	1,623
1955	1,781	300	555	1,526
1956	1,673	320	474	1,519
United States—				
1953	10,203	61	621	9,643
1954	9,776	74	605	9,245
1955	10,100	133	542	9,691
1956	10,944	253	558	10,639
Japan—				
1953	2,709	..	917	1,792
1954	3,046	..	1,280	1,766
1955	2,814	..	1,139	1,675
1956	3,093	..	1,308	1,790
India—				
1953	4,878	4	654	4,228
1954	4,998	4	861	4,141
1955	5,094	7	749	4,352
1956	5,044	15	717	4,342

From the above figures it can be observed that Lancashire's one-time importance is dwindling as its export trade declines. Imports are very much larger than those of other countries although the growing arrivals of Japanese cloth in the United States present a problem for American manufacturers. In comparison with total output in the United States, however, imports are still minute.

But the variations in the experience of the two Western countries are in marked contrast to the steadiness of availability of supplies in the Eastern nations. Japan in particular has maintained its production over the years under review and exports have achieved a consistently high level. It is open to doubt whether India will continue its progress in the face of the lower world cotton prices now in operation but its opportunities of greater industrialisation are almost limitless.

Man-made Fibres

Even those directly concerned with textiles are not always fully aware of the wide application of the numerous fibres now at their disposal. The broad range of uses covers such an extensive field of products that the pioneers of textile manufacturing in this country would be astounded at the development of their ideas.

Original work in this direction was undertaken by the first processors of the natural fibres, but with the arrival of synthetics a vast new field of endeavour has been opened. Research has not only widened the opportunities for a multitude of fresh uses, but has been able on occasions to educate the ultimate consumer into thinking along the latest progressive lines.

Many of the uses to which these fibres are put follow experiments in finding out the best properties of each, so that they can be combined to give the most advantages finished product. But this continued application of the best methods of bringing top quality goods to the buyer—commendable as it is—is far from the end of the matter. More significant developments still are daily being investigated by those responsible for probing the possible extension of various fibre uses.

Certain types of timber and metal are in danger of being exhausted by the ever-increasing pace of the use of these products in industry. Adequate alternatives, rather than mere substitutes, must be found, particularly in the case of high-grade seasoned timber, where the shortage is already becoming acute. Mr. E. Butterworth, industrial uses officer in Courtaulds Use-Development Organisation, has lately disclosed that the use of a cellulosic material, with certain thermo-setting resins, gives products which can be worked like wood, have a strength equal to mild steel and are competitively priced.

In this case, the use of viscose rayon in its many forms has been found satisfactory while viscose staple fabrics and high tenacity viscose are giving extremely good results in providing alternatives to metal bearings. In some instances these fibre products have been found to outlast metal by three or four times, with lower co-efficients of friction, leading to considerable power savings. To the layman looking for the first time at such extensions of the textile world, the possibilities seem enormous. Handling such a solid substance, it is hard to believe that it sprang from the same basic fibre which offers dresswear and clothing in so many different guises.

Yet fabric bearings are light, cheap and non-corroding, qualities which should lead to a wide extension in their use. One metallurgist has indeed predicted that they will ultimately replace non-ferrous bearings in many applications. On such an assumption, and the clear progress being made in this direction, it is possible to join Mr. Butterworth in his claim that the textile industry is going to play its part more and more, not in clothing, but in the products of industry.—*All Rights Reserved.*

TEXTILE SALES

Wholesale textile sales in the U.K. recorded a steep seasonal fall in July 1956, but were at the same level as in July of last year and were higher than for any other July since 1951. Statistics prepared by the Wholesale Textile Association in collaboration with the Bank of England showed the sales index (1950=100) at 71 for July as against 83 for June. In women's and children's wear, the fall was from 80 to 70 but this was also the same as a year ago. Men's and boys' wear showed a steeper decline, from 91 to 75, although piecegoods recorded only a limited fall, from 57 to 53 which was 9.5 per cent. above a year ago. For the first seven months of this year total sales were 5.2 per cent. greater than in the same period of 1955. The only decline, 6.3 per cent. was in gloves. Sports and travel goods had the largest increase, 14.4 per cent. Following the seasonal pattern, stocks rose appreciably in July and were at their highest level since September 1954. Compared with a year ago they were up by 7.2 per cent., but in three sections—piecegoods furnishings and sports and travel—stocks were smaller than last year.

COTTON IN SECOND FIVE-YEAR PLAN

INDIAN CENTRAL COTTON COMMITTEE REVISES TARGET

FOR the second time in about a year, the target for cotton under the second Plan has been found to need revision. The Indian Central Cotton Committee, at its seventy-fourth meeting held last week, under the Chairmanship of Mr. M. S. Randhawa, I.C.S., Vice-President, Indian Council of Agricultural Research, and Additional Secretary to the Union Ministry of Food and Agriculture, has raised the target of cotton production in the second Plan from 5.86 million bales to 6.5 million bales. The considerations which influenced this upward revision of the target are the need for stepping up of the production of cotton textiles, the rising demand from overseas countries for certain qualities of Indian cotton, the growing extra factory consumption and the necessity for a comfortable carryover.

It may be recalled, in this connection, that the target for cotton production tentatively fixed by the secod Plan was 5.5 million bales. This is about 31 per cent. over the target fixed under the first Plan, namely, 4.23 million bales. The National Development Council had agreed that, while the targets for agricultural production in the draft Plan should stand for the time being, the various States should be consulted again, with a view to working out practical steps to achieve higher targets. It was felt that these higher targets were required to meet the domestic needs, to eliminate imports and to provide against the possibility of inflation arising from the investment outlay envisaged in the second Plan. At the Conference of the State Ministers of Agriculture at Mussoorie in June last, a working target of 5.86 million bales was accepted, with the recommendation that the States should make every effort to raise the target to 6.1 million bales. Taking into consideration the factors mentioned above, the Indian Central Cotton Committee has further raised the target to 6.5 million bales. Alluding to the methods to be followed for achieving this target, Mr. Randhawa, in the course of the Presidential address, observed that increased reliance should be placed on extension of irrigation, the use of improved seed and more fertilisers, and better agronomical practices.

Mr. Randhawa noted that the Committee's recommendation that all important cotton growing States should set up State Cotton Committees to review the progress of cotton extension schemes and problems had met with general approval. Referring to the problem of growing long-staple cotton, he pointed out that the demand for such cotton was steadily rising on account of the increasing demand for finer cloth following the improvement in the standard of living of the people. This, he said, indicated the need for paying greater attention to the production of long-staple varieties. Efforts made hitherto in this respect have met with considerable success, as is evident from the increasing proportion of long and medium-staple varieties in the country's total production. In 1955-56, according to official estimates, output of long-staple cotton was 1.5 million bales, of medium-staple 1.8 million bales and of short staple 0.7 million bales. As compared with the base year 1950-51, production of long-staple cotton increased by 123 per cent. and of medium-staple by 23 per cent. It is, however, true that the country is not yet in a position to do without imports of long-staple cotton. In 1954-55, 380,000 bales of staple length 1.1/16″ to 1⅛″ valued at Rs. 28.74 crores and 234,000 lakh bales of cotton of staple length 1.3/16″ and above valued at Rs. 24.64 crores were imported into the country. This highlights the need for accelerating cotton improvement work designed to evolve better strains of cotton. By intensive research work, it should be possible, as Mr. Randhawa observed, to raise cotton of staple length of 1.1/16″ to 1⅛″ which will bring a substantial saving of foreign exchange to the country. At the same time, Mr. Randhawa did well to recognise that short-staple cotton such as Bengal *Deshi* and Assam Comilla have their special importance for mixing of cotton and wool. The export demand for such cottons is also increasing, and as such they are valuable earners of foreign exchange. The cultivation of such cotton should, therefore, be encouraged, though not at the expense of long and medium-staple cottons. The Committee has recommended that the production of these should be stimulated in Assam, Tripura, Rajasthan, Andhra and the sub-montane areas of the Punjab.

Crop Estimation

Referring to the present system of crop estimation, Mr. Randhawa observed that it was far from satisfactory, because of the existence of a wide divergence between the official and trade estimates. For instance, while the official estimate of production of cotton in 1955-56 was 3.9 million bales, the trade estimate was 4.6 million bales. Though the technique of crop estimation by random sampling currently in use is the best available method at present, the unreliability of the revenue records in some States results in distortion of the ultimate results. While this calls for improvement of the revenue agency which collects statistics of cotton production and acreage at the village level, there is also the need for taking into consideration factors like road-borne transport of cotton, extra factory consumption, stocks in transit and stocks held by trade. There is need for a comprehensive scheme in which all the factors involved in the assessment of actual production should be considered. In this connection, Mr. Randhawa suggested the Constitution of a Sub-Committee consisting of the Agricultural Commissioner, Government of India, statistical adviser to the Indian Council of Agricultural Research, representatives of the National Sample Survey and the Directorate of Economics and Statistics of the Union Ministry of Food and Agriculture and the Secretary of the Central Cotton Committee. This suggestion was accepted at the meeting. The Sub-Committee, now set up, will review (1) the results of crop-estimating surveys by random sampling method now in operation, (2) the present methods of forecasting the crop, (3) study various factors involved in the estimation of the actual crop, and (4) suggest ways and means of effecting improvements in the accuracy of cotton statistics.

Reviewing the progress of research, Mr. Randhawa observed that a measure of success had been achieved in developing the idea of Regional Research Stations to deal with the problems of cotton and its rotation crops such as oilseeds and millets. A special Sub-committee, which had been asked to examine this question, has proposed 9 main stations and 8 sub-stations. A total expenditure of Rs. 72 lakhs is envisaged for a period of five years of which Rs. 60 lakhs would be recurring and 12 lakhs non-recurring. This expenditure would be shared between the Indian Central Cotton Committee, Indian Central Oilseeds Committee and the Indian Council of Agricultural Research in the ratio of 2:2:1. The Regional Research Stations will deal with the fundamental problems of cyto-genetics, physiology, plant pathology, entomology as well as agronomy. All schemes relating to these subjects would be incorporated in the working of the Regional Research Stations. When these Regional Research Stations are organised and start functioning, it will be an important landmark in agricultural research in the country.

The Committee, in the course of its deliberations, took note of an important finding of the Mysore Physiological Scheme, namely, that Egyptian cotton did not respond to the application of nitrogen and that better yields were obtained only when nitrogen was supplemented with either phosphate or potash or both. It was also found that enhanced yield would result when the crop was sprayed with a-naphthaleneacetic-acid. In the experiments conducted in the Punjab, an increased yield of 82 lbs. per acre was obtained at an initial cost of the chemical of Rs. 4. These results show that the methods deserve to be widely publicised among the cultivators to obtain increased yields. The Committee also reviewed the commendable work which had been done at Surat where two Indo-American Cottons, namely, 170-Co.2 and 134-Co.2M., which possess a staple of 1.1/16″ and above and which are comparable, to some extent, to imported American and East African Cottons were evolved. These have proved to be very popular with cultivators, with the result that the area under these particular varieties has increased from 79,000 acres in 1954-55 to 230,000 acres in 1955-56.

Pursuant to a suggestion made at the last meeting, the Committee collected some useful information regarding areas which have received irrigation under the projects which have been completed and the projects which are under construction and would be completed during the second Plan period. Under the projects which have been recently completed, 213,000 acres have been brought under irrigation and an area of 1,053,000 acres would be brought under irrigation in the projects which are under construction. The additional production of cotton that is likely to result from these areas is estimated at 600,000 bales. By the spread of irrigation, it is believed, cultivation of long-staple cotton would receive impetus, thus benefiting both the cultivator and the industry, the former by enhanced revenue and the latter by ready supply of suitable strains necessary for weaving finer cloth.

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BACKGROUND FOR THE INCREASE IN CLOTH EXCISE DUTIES

GOVERNMENT'S EXPLANATION

THE following is the full text of the note circulated by the Finance Ministry, Government of India, to Members of Parliament, when it increased the excise duties on cloth with effect from 1st September 1956, in order to enable them to view the increases in their proper perspective:

"Consumption estimates of cloth, its availability, and its prices have been, for some time, matters of wide public interest. This Note seeks to give some figures in respect of these three matters. No attempt is being made to deal with future trends.

"The consumption figures indicate a sharp upward trend. In this connection, we have to take into account the increase in demand arising out of three seasonal factors, *Puja* demand, the *Diwali* demand and the *Sankranthi* demand (in South India). If the expectations on this account materialise, the average *per capita* consumption at the end of this year would rise further than what has been indicated in this Note, on the basis of January-July figures for 1956.

"The increase in the availability of cloth over these seven months has been indicated and these do not go forward at the same rate as the demand. Prices have an intimate relation to demand. This explains a steady increase in prices since the beginning of this year and a slowing down of this trend during the monsoon months when the demand for cloth slows down. An upward trend in the prices is more than probable if, as it is expected, the demand exceeds the supply.

Availability of Cloth "Per Capita"

"The table below gives an idea of the availability of cloth in relation to the population from the year 1939-40 onwards. This table takes into account the production of cloth by all the sectors of the textile industry—the mills, powerlooms and handlooms—and the availability has been calculated after deducting exports (and during the War years, the Defence requirements).

Year	Availability of cloth (in mill. yds.)	Population (in millions)	Availability *per capita* (in yards)
1939-40*	6,074	384	15.75
1940-41*	6,029	389	15.75
1941-42*	5,608	394	14.25
1942-43*	3,987	399	10.00
1943-44*	5,470	404	13.50
1944-45*	5,379	409	13.12
1945-46*	5,051	414	12.20
1946-47*	4,828	419	11.50
1947-48*	4,762	424	11.25
1948	5,279	342	15.1
1949	4,911	347	13.9
1950	3,478	352	9.7
1951	4,238	357	11.7
1952	5,275	362	14.4
1953	5,566	367	15.0
1954	5,586	372	15.0
1955	5,980	377	15.9

* Undivided India.

"It will be seen that there has been a steady increase in consumption of cloth from 1951 onwards. The effect of the various developmental schemes taken up under the first Five-year Plan and the general increase in the standard of living has led to an accelerated demand for cloth. In 1955, the *per capita* consumption worked out to nearly 15.9 yards. For the first seven months January-July 1956, the total availability of cloth after deduction exports was 3,710 million yards. This would give a *per capita* figure for the year at about 16.8 yards. The increase from the 1955 figure is as such as 0.9 yards per head.

Decline in Stocks

"Production of cloth has increased and mill production in the first seven months of the year was 3,056 million yards. The July figure was an all-time record of 478 million yards. But production has not kept pace with the increase in demand and there has been a continuous decline in stocks held with the mills as shown below:

(In bales)

Year	Average production of cloth per month	Stocks of cloth with the mills
December, 1952	255,000	278,580
,, 1953	271,000	336,377
,, 1954	278,000	302,022
,, 1955	283,000	171,689
,, 1956		
From January 1956, the fall in stocks have been specially marked as follows:—		
January, 1956	144,366	
February, 1956	113,154	
March, 1956	145,511	Average cloth production 291,000 bales a month.
April, 1956	126,857	
May, 1956	112,312	
June, 1956	132,460	
July, 1956	138,367	
August 18th, 1956	148,678	

"Production in July was 318,000 bales, whilst stocks at present are only 148,678 bales which relative to this figure, is less than two weeks' production. In normal times, the mills usually carry about five to six weeks' production.

Equal Demand for Handloom Cloth

"Production of cloth by the handloom industry has increased from 1,200 million yards in 1952 to 1,480 million yards in 1955. The figure for the first six months of 1956 is already 802 million yards and indicates an increasing rate of production. The total figures of production in the five Apex Co-operative Societies in Madras, Andhra, Hyderabad, U.P. and Bihar are as follows:

(In million yards)

Period	Production
July-September, 1955	36.3
October-December, 1955	41.8
January-March, 1956	55.2

"The demand for handloom cloth has kept pace with production and sales in these five Co-operatives increased over this perod from 34 million yards to 52 million yards.

Increase in Prices

"Cloth prices were finally decontrolled about the middle of 1953. The average price of cloth calculated in annas per lb. of yarn woven for the different periods have been as follows:

Year	Coarse	Medium	Fine	Superfine
August, 1953	37.4	39.74	80.00	143.07
January, 1954	39.6	48.38	69.89	128.98
January, 1955	37.95	43.32	65.60	127.05

"From January 1956, the rise in prices has been particularly steep:

(In annas per lb. of yarn woven)

——	Coarse	Medium	Fine	Superfine
January, 1956	39.60	46.13	65.60	142.37
April, 1956	45.50	58.88	75.67	158.50
August, 1956	47.06	66.95	83.00	166.00
Increase since January 1956	+7.46	+20.82	+17.4	+23.63

"The prices of cloth given in the 'Statement of Objects and Reasons' appended to the Central Excises and Salt (Amendment) Bill 1956 are actual wholesale prices in annas per pound of yarn woven. The cotton mix price is the price in annas of cotton required for producing the cloth. The difference between the two figures represents the manufacturing cost of cloth and the current profits of the mill and of the wholesaler. The figures are based on the wholesale prices ruling in the first week of each month. It will be observed that the difference has been steadily increasing and, as the manufacturing cost has remained more or less the same, it clearly indicates an increase in the profit of the mill and the wholesaler.

"For some representative varieties of cloth, the figures are as follows. It is emphasised that these represent the wholesale prices and not retail prices:

Description	Category	Wholesale price now ruling in the market		
		January, 1956	August, 1956	Increase
		Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Drill, bleached	Coarse	0 13 3	0 14 3	+0 1 0
2. Drill, bleached and mercerised	,,	1 7 6	1 8 3	+0 0 9
3. Longcloth	Medium	1 1 0	1 2 6	+0 1 6
4. *Dhoti* (10 yds.)	,,	7 14 0	8 12 0	+0 14 0
5. *Saris* (10 yds.)	,,	7 0 0	8 0 0	+1 0 0
6. Longcloth	Fine	1 0 9	1 2 6	+0 1 9
7. *Dhotis*	Superfine	18 0 0	19 4 0	+1 4 0
8. Voiles	,,	1 4 6	1 7 6	+0 3 0

"The price of cloth is dependent on various factors of which the price of cotton is the biggest. When prices were controlled, the Tariff Board had worked out an appropriate formula under which the fair ex-mill price of cloth was calculated. This formula had taken into account the prices of cotton, the manufacturing cost, and a return of 6 per cent. on the Gross Block to the millowner. To this was added a margin of upto about 15 per cent. for retail sale. For certain areas like Assam involving higher cost of transport and freight, margin was allowed upto 20 per cent. The fair wholesaler's margin out of this was normally considered to be about 3 per cent. A comparison is given below as to what would be the wholesale price calculated on the Tariff Board formula, and the actual prevailing wholesale prices at present. This would show the extra profits now being made over and above what may be considered as fair selling prices:

Description	Category	Fair wholesale price on the basis of Tariff Board Formula	Wholesale price now ruling in the market (August, 1956)	Extra margin available to the industry and trade
		Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Drill, bleached	Coarse	0 11 8	0 14 3	+0 2 7
2. Drill, bleached and mercerised	,,	1 1 5	1 8 3	+0 6 10
3. Longcloth	Medium	1 0 8	1 2 6	+0 1 10
4. *Dhoti* (10 yds.)	,,	8 0 10	8 12 0	+0 11 2
5. *Saris* (10 yds.)	,,	7 0 6	8 0 0	+0 15 6
6. Longcloth	Fine	1 0 2	1 2 6	+0 2 4
7. *Dhotis*	Superfine	16 2 0	19 4 0	+3 2 0
8. Voiles	,,	1 5 6	1 7 6	+0 2 0

"The result of the increased demand and the high profits being made by the industry and trade has been a diversion of cloth from exports to our internal markets. The actual exports of mill-made cloth in 1955 have declined by more than a 100 million yards as shown below with a consequent fall in foreign exchange earnings.

Year	Yards in million	Foreign exchange earned in rupees through exports
1954	810	66.9 Crores
1955	693	57.43 ,,

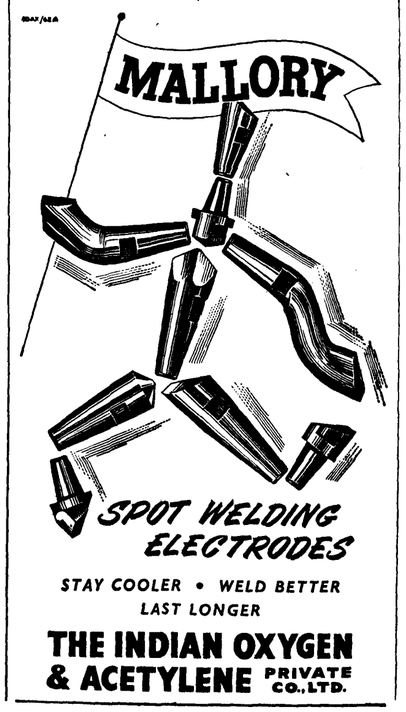
"The decline in exports has continued in 1956 is indicated below:

For the first six months of 1955 .. 362 million yards
For the first six months of 1956 .. 342 ,, ,,

"In the second Five-year Plan period, a target of 1,000 million yards have been envisaged, as this is an important item for earning Foreign Exchange resources for the Plan requirements."

An official review of the progress made in the implementation of the development programme for the handloom industry during the period September 1953-March 1956 reveals that a sum of Rs. 10.9 crores had been sanctioned by the Central Government to the State Governments for various schemes. The actual expenditure incurred, however, was less, being Rs. 9.65 crores, representing about 88.6 per cent. of the funds made available. A greater part of the amount spent was on the provision of working capital for the weavers' co-operative societies. The number of weavers brought into the co-operative fold increased from 682,000 in September 1953 to 1,027,000 in March 1956.

The Government of India has decided to give a substantial grant to weavers for the purchase of frame looms which will enable a higher rate of production. It has also decided to give financial assistance for rehabilitating and enlarging weavers' houses, especially, as it will be necessary in many cases to enable the installation of frame looms.



DEVELOPMENT OF SUGAR INDUSTRY IN BIHAR

A "MASTER PLAN" UNDER WAY

WHAT is described as a "Master Plan" for the development of sugar industry in Bihar is now being prepared by the State Government. This was disclosed by Mr. Mahesh Prasad Sinha, Industries Minister of Bihar, in the course of his address at a conference of the representatives of sugar millowners and cane growers held at Ranchi recently. The proposed "Master Plan," it is said, covers both the sectors of Bihar's sugar economy, namely, manufacture of white sugar and cultivation of sugarcane. The Plan is designed not only to expand and stabilise the sugar industry but also to ensure a fair price to the cane growers. In order to improve the working of sugar factories, the existing Sugar Factories Control Act of 1937 will be replaced by a new one. A Bill seeking to do this is expected to be introduced in the next session of the State Legislature.

The anxiety of the Bihar Government to improve the conditions obtaining in the sugar industry of the State is understandable. This industry is one of the major industries in the State. It earns for the exchequer a large amount of revenue every year by way of cess on cane crushed in mills and sales tax on sugar distributed for consumption. Moreover, to the extent the position of mills improves, the lot of the cane growers also will be better. The Government of Bihar, just as that of any other State, is only too eager to take any step for winning the favour of the cane growers, what with the next General Election drawing nearer. After all, it must be remembered that sugarcane is a commodity with plenty of votes to back it.

Political motives apart, the need for taking energetic measures for improving the conditions in the agricultural sector of the Bihar sugar industry cannot be overemphasised. Notwithstanding all the stress laid on cane development in the past few years, the fact remains that the progress actually made so far is none-too-encouraging. The average per acre yield of cane grown in the State has continued to be deplorably low, being 7.7 tons, as against the all-India average of 13.0 tons. The quality of cane is also very poor; during 1955-56, the average recovery per cent. of sugar in cane is estimated at 9.78, which compares unfavourably with 10.22 in the previous season and 10.32 in 1951-52. Incidentally, it may be noted that, in the 1955-56 season, about 379,000 acres were devoted to cane cultivation, the total output of cane being 2.92 million tons. The corresponding figures for the previous season were 327,000 acres and 2.48 million tons. It is the poor yield of sugar per acre that poses a serious problem in respect of the future development of sugar industry in Bihar. Dr. S. K. Sinha, the State's Chief Minister, who inaugurated the conference, did well, therefore, to draw attention to this aspect. Dr. Sinha urged that increased efforts were being made by all agencies, including the Government, to raise the yield of cane and improve the quality.

Intensifying Cultivation

How can the per acre yield of sugar be stepped up in Bihar? The answer to the question lies in schemes for intensifying cultivation of cane. These include provision of better and cheaper irrigation facilities, establishment of seed nurseries, distribution of disease-free and improved varieties of seed-cane, supply of manures and fertilisers, control of pests and diseases, organisation of demonstrations, and crop competitions. In this connection, the two specific suggestions put forward by the representatives of cane growers at the Ranchi conference deserve special mention. First, the State Government should reduce the present high water rates with a view to enabling the cane growers to make a larger use of water from tube-wells. The Bihata Sugar Factory, for instance, supplies water to growers at almost one-fourth of the Government rates. Mr. Shanti Prasad Jain, a leading sugar industrialist, even went to the extent of proposing that some of the sugar mills were prepared to take over the Government-sponsored tube-wells and supply water to cultivators at the rate at which the Bihata Factory was supplying from its own tube-wells. He added that the sugar factories were prepared to pay a reasonable amount of interest to the Government on the capital outlay over the tube-wells. Secondly, the State Government should constitute a fund out of which loans can be granted to small cane growers for the purchase of better seeds manure, etc., required for raising the yield per acre.

While the aforesaid schemes are of great value, they cannot be implemented with success, so long as the sugarcane growing areas are scattered and fragmented. In order to remove this drawback, the Bihar Government should enable the factories to purchase on leasehold basis the agricultural land in their neighbourhood and lease them back to the *ryots* in that area on the distinct understanding that the latter would grow sugarcane on the lines suggested by the factories and under their supervision. This arrangement, in our view, is a better alternative to farmers' co-operatives, in that it will ensure to the agriculturists the availability of modern means of growing sugarcane. It is also a form of co-operation, in that it constitutes concerted action by the crushers and growers of sugarcane. For the information of the interested parties in Bihar, we may add that this method is already being tried by a sugar company in South India where pressure on land is as high as in Bihar and as such large blocs of cultivable fresh land are not available for developing self-owned plantations on the lines of Bomaby-Deccan. It may be further mentioned in this connection that, in the second Five-year Plan, the Planning Commission has exempted sugarcane farms operated by sugar factories from ceilings on holdings that may be prescribed by the State Governments.

It is also necessary that the present defective policy of linking the price of sugarcane only to weight, instead of to both weight and quality, must be changed. Unless the prices paid for cane bear some relation to sugar recovery, neither the growers will have the requisite incentive to plant improved varieties of cane nor the sugar mills will have the encouragement necessary for expanding the industry to keep pace with the growing demand for sugar. Speaking on behalf of sugar millowners at the Ranchi conference, Mr. K. K. Birla rightly insisted that the price of cane must be fixed on the basis of quality. There are, of course, several practical difficulties to be overcome before the system can be successfully worked. To some of these, Mr. N. K. Narain, a representative of cane growers, alluded. These are small size of individual farms, large number of small cultivators, ignorance and illiteracy of growers, and suspicion in the minds of growers about the *bona fide* of sugar millowners. But these difficulties are not insurmountable.

In conclusion, a brief review of the latest position of sugar industry in Bihar may not be out of place. There are at present 30 mills in this State, with an aggregate annual capacity of 344,000 tons (calculated on the basis of an average working season of 120 days and sugar recovery of 10 per cent). Three sugar mills have been granted licences for an aggregate additional capacity of 12,000 tons. The number of factories which worked during the 1955-56 season was 28, the total quantity of sugar produced being 335,000 tons. The duration of crushing season was 138 days, that is, 44 days more than in 1954-55.

WORLD SUGAR

The setback which the world sugar markets suffered immediately after the International Sugar Council announced restoration of the remaining cut in member-countries' export tonnages and reallocation of the renounced quotas on 30th July last has gathered further momentum. Cuban raw sugar (f.o.b. Cuba) at New York now stands at 3.25 cents per lb.—the World Sugar Agreement minimum—as against 3.41 cents a month ago. The decline in prices reflects the availability of "too much sugar" in the world market. "Cuban houses," to quote a report, "appear to be trying to sell their increased allocations in a hurry, while the competition of those holding sugar against the various Cuban barter deals has accentuated the decline."

The world sugar trade circles expect that the downward trend in prices will be maintained for the time being. The future direction of the world market will, however, depend on the beet crop harvest. Alluding to this in their latest review, Messrs. J. V. Drake & Co., mention reports of the prospect of late beet crops and damage caused by the continued wet and unseasonably cold weather on the Continent. The Belgian crop is reported to be definitely poor. In Holland, the Government is already said to have taken over about 10,000 tons of imported raw beef sugar and cane sugar, originally bought for export, to be allocated against home trade requirements, as it is feared that the domestic crop will be very late. Western Germany also reports the prospect of a bad crop, some 100,000 tons under previous estimates.

UTILISATION OF COAL RESOURCES

TASK BEFORE NEW COUNCIL

THE inaugural meeting of the Coal Council was held in New Delhi on the 4th inst. under the Chairmanship of Mr. K. C. Reddy, Union Minister for Production. The Coal Council, it will be recalled, was formed, in accordance with the Government's resolution, to review the development, utilisation and conservation of the coal resources of the country. As the planning for coal production is inter-linked with many aspects of industrial planning, the Government came to the conclusion that a closely integrated action should be pursued, in order to achieve the most fruitful use of all available coal resources. This is sought to be achieved through the newly constituted Coal Council.

The Coal Council, of which the Union Minister for Production is Chairman, consists of the Deputy Minister for Production, Dr. J. C. Ghosh (Member of the Planning Commission), Secretaries of the Ministries of Production, Finance (Expenditure), Iron and Steel, Irrigation and Power and Natural Resources and Scientific Research, Director of Scientific and Industrial Research, Member, Railway Board (Transportation), the Coal Controller, the Chief Executive Officer of the Lignite Project, and three representatives of the private sector in the coal industry to begin with. The main function of the Council is to make reviews and studies of the programmes for the development, utilisation and conservation of the coal resources. The Council, in the words of Mr. K. C. Reddy, is "a sort of brains trust for the coal industry and will serve as a link between the policymakers and the consumers." It will study the problem of resources, demand, metallurgical requirements, transport and power needs, industrial and domestic requirements of coal, coal-based chemical industries and organisation in relation to the coal industry. The inauguration of the Coal Council will be followed by the establishment of a coal corporation to manage the State collieries. With the setting up of this corporation, the old proposal to have a National Coal Commission, as suggested by the Indian Coalfields Committee of 1946, which had the support of private colliery owners also, will be given up, because the future development of India's coal resources now rests mainly with the public sector.

The output of coal during 1955 amounted to 38 million tons, the bulk of which is from collieries in the private sector, the public sector accounting for only 4.5 million tons. Under the second Five-year Plan, the production is expected to be raised to 60 million tons in 1960-61. Of the proposed increase of 22 million tons, 12 million tons is expected to come from collieries in the public sector, either already existing or to be newly opened, and the balance is to be raised by the private sector.

Not Easy

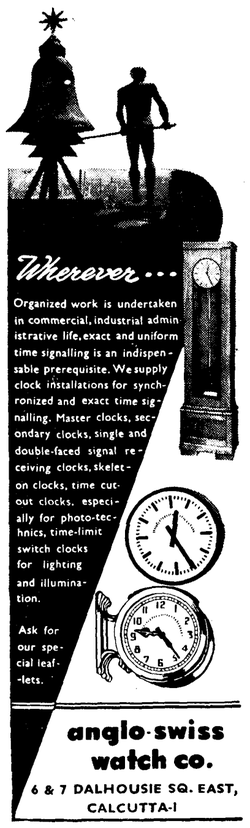
Viewed against this background, the task before the new Coal Council is not an easy one. Referring to the onerous responsibility which lies ahead of it, Mr. K. C. Reddy said that the proposed increase in coal production under the second Five-year Plan was only a modest beginning for much larger increases during the subsequent period. According to one estimate, the production of coal in India might have to be raised to 150 million tons under the third Plan to meet the rapidly increasing requirements of industry.

An essential part of overa[illegible] creased production and uti[illegible] Reddy observed, an accurate [illegible] sources, that is, the quality [illegible] coking and non-coking coal av[illegible] production had to be brought [illegible] manner and, in the interest of the best exploitation and utilisation of the country's resources, it would be necessary greatly to extend the action in the direction of enforcing stowing and various other measures for conservation.

"It has already been decided, in principle, by the Government," the Minister proceeding observed "that all metallurgical coal should be washed and reserved for metallurgical and other uses for which non-coking coal cannot be used. This is, however, only a first step and it will be necessary to consider and tackle problems connected with the washing of non-coking coal also. Production of low grade coal has to be stepped up to prevent the use of metallurgical coal for non-metallurgical purposes."

Closely connected with the aforesaid problem of conservation is that of transport. The

(*Continued on page 533*)



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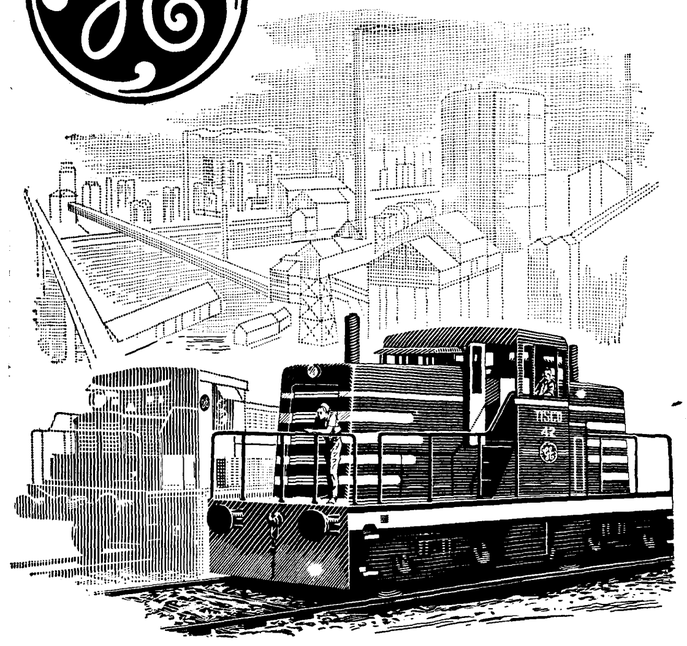

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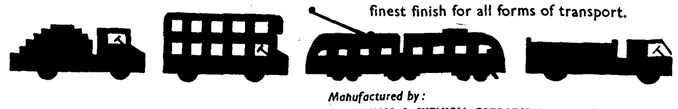

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JUTE GOODS STOCKS DECLINE SIZABLY

SHOULD OUTPUT REMAIN RESTRICTED?

A SHARP fall of 15,800 tons in the stocks of manufactured goods with jute mills in India is disclosed by the usual monthly statistics as on 31st August 1956. The total stocks as on that day amount to 122,100 tons, having declined from 137,900 tons as on 31st July 1956. Thus, August has witnessed the reversal of the upward trend in stocks noted since 31st October 1955. The decline of stocks last month compares very favourably, from the point of view of the industry, with the rise of 10,900 tons noted at the close of July last and has served to wipe out, to a large extent, the accumulations that took place during the previous two months. Nevertheless, the latest month-end stocks are substantially higher than those a year ago, as will be seen from the following table:

Jute Goods Stock

(In tons)

	As on 31st Aug. 1956	As on 31st July 1956	As on 30th June 1956	As on 31st Aug., 1955
Hessian	28,500	38,500	37,500	41,600
Sacking	88,200	93,200	83,000	34,400
Others	5,400	6,200	6,500	3,200
Total ..	122,100	137,900	127,000	79,200

As will be seen from the above table, the decline in stocks has been shared by all the varieties of goods manufactured, although the bulk of it is accounted for by hessian, the stocks of which are lower by 10,000 tons. At 28,500 tons, the stocks of hessian represent the lowest level for the past three months. The stocks of sacking are lower by 5,000 tons and this shrinkage is due, to a large extent, to the upward revision of the July stock figures. It may be noted that the preliminary figures as on 31st July 1956 showed that the stocks of sacking amounted to 91,110 tons (on the basis of which the end-of-August stocks would have shown a decline of only 2,900 tons) and these stand revised to 93,200 tons. Notwithstanding this revision, the stocks of sacking at the end of August are higher than those at the close of June 1956. As compared with those a year ago, sackings disclose an increase of 53,800 tons and this is mainly responsible for the rise in stocks of all manufactured goods over the year.

As the figures of production for the month of August are not yet available, it is very difficult to say to what extent the decline in stocks is due to a shrinkage in output, following the re-sealing of 2½ per cent. of the looms with effect from 16th July last, the full effect of which was not felt in July. It will be noted that August was the first full month in which 2½ per cent. of the looms remained sealed, after the unsealing of 7½ per cent. of the looms in two successive stages—2½ per cent. with effect from 10th January last and further 5 per cent. from 20th February onwards. Be that as it may, a decline in production must have contributed to some extent to the fall in stocks. A satisfactory increase in offtake from overseas and higher internal consumption are also said to be main contributory factors. The rise in prices of gunnies following the re-sealing of 2½ per cent. in July and the announcement regarding the further re-sealing of 5 per cent. from 17th September, would appear to have speeded up the shipment of manufactured goods. No figures of despatches of goods for export and for internal consumption during the month of August are yet available, but the following statistics of shipments from the Port of Calcutta during the last three months disclose an encouraging trend:

(In tons)

	August	July	June
Hessian	42,521	33,924	33,931
Sacking	46,390	32,867	30,054

If the present encouraging trend of offtake of jute goods from Calcutta continues during the rest of the current month, stocks at the end of September will be down still further. The output of jute goods itself is likely to be less, for, apart from the fact that the number of looms working will be down by 5 per cent. from the 17th inst., the 2½ per cent. addition to the looms sealed, which was in force during the whole of August, is being continued.

Now that stocks have already shrunk by 15,800 tons and those of hessians, in particular, are standing at a very low level, the question arises whether the I.J.M.A. will reverse its earlier decision to put into cold storage another 5 per cent. of the looms from the 17th inst. There are no indications yet that it will. The industry seems to be of the view that even the stocks as at the close of last month are pretty high, though a section of the traders do not concur with that view. The latter argue that the present restrictive policy will only push up the price of jute goods and thereby encourage the overseas buyers, who had recently begun to renew their interest in Indian jute goods because of their relative cheapness, to turn their attention, once again, to jute goods of other countries and/or to substitute packing materials. While the I.J.M.A. may not concur with this view, it is possible that it may decide to switch over more looms to hessians.

Pakistan's Counteraction

While the prevailing circumstances might have justified the decision of the industry to cut its production, subsequent events have shown that the days when it can prop itself up in this manner are definitely over and that, by restricting its production, it will only be making a gift of its markets to its competitors. Much of the financial advantage which it hoped to reap has been lost, owing to a strategic move made by Pakistan. India still depends on Pakistan for a nearly a third of its requirements of jute. A few days after the I.J.M.A. decided to lower its production with a view to getting better prices for its goods, the Pakistan Government put up the export duties on some of the principal varieties of raw jute usually bought by India. Thus, the duty on cuttings and ropes was raised, with effect from 23rd August, from Rs. 5 to Rs. 10 per bale and that on habi-jabi from Rs. 5 to Rs. 20 per bale. The effect of this step is that not only the cost of Pakistan jute to Indian jute mills has increased but the price of Indian jute also has been ruling steady, instead of going down, as it would have done, had the decision to cut production of jute goods not been accompanied by Pakistan's counteraction. While it is true that the trend of raw jute prices will largely depend upon the size of the new jute crop, there is no doubt that the action taken by Pakistan has added to the handicaps of Indian jute mills. There is no short-cut to prosperity for the Indian jute industry. The only salvation for it lies in improving its efficiency and quoting rates which will compare favourably with those of its competitors.

THAI PRODUCTION OF JUTE BAGS

Production of gunny bags by the three factories in Thailand is reported to be of the order of 4 to 5 million bags annually, but the locally produced bags are not popular because of their poor quality and high price, reports *Jute Bulletin* of the Indian Central Jute Committee.

Imports of gunny bags into Thailand have been restricted by a Government notification compelling importers to buy at least one-third of their requirements from domestic sources. Thailand's requirements are mainly for gunny bags, estimated at between 18 million and 20 million per annum. These bags are used largely for packing rice for both export and domestic use. For the latter purpose even used bags are acceptable and imported in considerable quantities. Hitherto, the bags have been exclusively imported from India, either directly or through other buyers of rice from Singapore and Hong Kong. Gunnies are also used for packing brown sugar, soya beans, etc. A small quantity of imported hessian cloth is used for baling sheet rubber. Canvas and hemp bags are also imported but the quantity is negligible.

BELGIAN JUTE PRODUCTION DROPS

Decline in exports of the carpet type hessian to the United States during 1956 has been the main factor responsible for a progressive reduction in Belgian production of jute manufactures, reports *Jute Bulletin* of the Indian Central Jute Committee. Jute cloth output in May 1956 was about 3,000 tons, as compared with the last year's monthly average of 3,513 tons. Production of jute yarn in May dropped to 6,038 tons from 6,433 tons in April and 7,960 tons in March. The average monthly figure for 1955 was 6,546 tons. Raw jute imports during May aggregated 43,500 tons, which along with current stocks would be sufficient for about four months' production.

NETHERLANDS JUTE STATISTICS

The Netherlands imported 800,000 new bags in May 1956, as compared with 2.5 million in April. Used bags imported in May were 2.4 million, as against 1.5 million in the previous month. There was no export of new bags in May, but 1.8 million used bags were shipped. April exports amounted to 100,000 new and 1.6 million used bags. Total internal consumption of bags in May was of the order of 1.7 million, of which 500,000 were new and 1.2 million used, as compared with an aggregate of 5.5 million in April (3.5 million new and 2 million used).

RUBBER PRODUCTION

SCHEMES FOR EXPANSION

THE perceptible rise in consumption of rubber in India during the past few years is one of the indices of the industrial development in the country. The demand for rubber has grown to such an extent that domestic production is not able to meet it and the gap is being met by imports. In 1955, production amounted to 22,500 tons, while consumption was of the order of 27,550 tons. For the current year, production and consumption are estimated at about 24,000 tons and 30,000 tons, respectively. In view of the large-scale industrial development planned for the years to come, the demand for rubber will surely rise to a substantial extent. The consumption target envisaged in the second Five-year Plan is 40,000 tons.

This Plan did not, however, fix any production target for the rubber industry. A final decision on the development programme was left to be taken after the Plantation Enquiry Commission submitted its report. The Commission, even after two years of labour, has not submitted its report on rubber. Meanwhile, a scheme for replanting 70,000 acres of old rubber area in ten years (the present area under rubber cultivation is 207,240 acres) has been draw up by the Rubber Board, and has received the approval of the Government of India. The scheme provides for the grant of a subsidy at varying rates and is expected to be implemented in 1957. It is estimated that, when the scheme is implemented, production of rubber will go up to 36,600 tons by about 1974.

Under the scheme, small growers are defined as those whose estates do not exceed 50 acres in area and they will be given a subsidy ranging from Rs. 400 per acre for the first five acres to Rs. 325 per acre for over 15 acres. Large growers are defined as those whose estates exceed 50 acres in area. They will be given a subsidy ranging from Rs. 300 per acre for the first 20 acres to Rs. 250 per acre for over 50 acres. Various conditions have been imposed on the planters for the receipt of this subsidy. Permits containing instructions regarding replanting will be issued to those who are eligible for the subsidy. Rubber instructors will be appointed to advise permit-holders on all matters relating to replanting under the scheme.

Scheme Welcomed

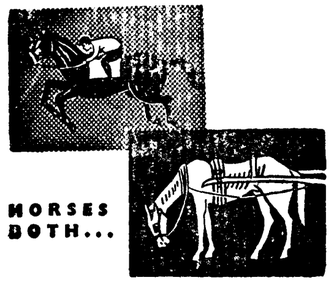
Commenting on the replanting scheme, Mr. M. M. Varghese, Chairman of the Planting Committee, pointed out, in his address at the annual general meeting of the U.P.A.S.I. held recently at Coonoor: "Having regard to the fact that nearly 80 per cent. of the present area is under unselected, low yielding rubber, planted from 1902 onwards, and also to the fact that more than half the trees in this area have outlived their economic life, the replanting scheme, if implemented properly, will go a long way towards stabilising the raw rubber industry during the next 10 years."

The Rubber Board has also submitted a scheme for extension of the area under rubber by 100,000 acres, but the Government has not yet given its approval to this scheme. In the meantime, the Government, according to the *Programmes for Industrial Development*, published by the Planning Commission, proposes to bring, during the next five years, an additional 10,000 acres under cultivation of better yielding varieties of rubber, that is [redacted] acres per year. This schem[redacted] an additional production [redacted] tons of rubber by 1974. Thus, [redacted] of rubber will be available eight[redacted]

In effect, the programmes [redacted] of a long-term nature. They will not materially augment production of raw rubber in the immediate future. Their benefits are expected to accrue only from the third Plan period onwards. In other words, during the second Plan period, rubber production will not materially increase over the present level of 23,000 tons, while consumption, as already said, is envisaged to touch 40,000 tons in 1960-61.

There is also a suggestion for the cultivation of rubber in the Andamans and Nicobar Islands. The Rubber Board is said to have already decided upon deputing its Rubber Production Commissioner to visit these Islands and to make a report. Some rubber is already being grown in these Islands and it may well be proved that they can have a much larger acreage which will substantially contribute to attainment of self-sufficiency by India in this vital raw materials.

(*Continued on page 543*)



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WORLD STEEL POSITION IN 1955

OUTPUT REACHES RECORD LEVEL

A REMARKABLE feature of the trends in post-war world economy is the rapid increase in the production and consumption of steel which serves as an indication of the rising tempo of industrialisation all the world over. The increase in steel output, it is noteworthy, was not confined to a country or two, for it was shared by nearly all the steel-producing countries of the world. The net effect of all this improvement, as an illuminating account of the world steel trends in the *Steel Review*, published by the British Iron and Steel Federation, shows, is that, in 1955, world steel output touched a record level of 265 million long tons, as against 220 million tons in the previous year and an annual average of a mere 121 million tons in the pre-war years 1937-38. Thus, the output in 1955 was 20.7 per cent. above the level in 1954 and as high as 120 per cent. above that in 1937-38.

The following table gives the world steel production in 1953, 1954 and 1955:

Estimated World Crude Steel Production
1953-55

(Million tons of 2,240 lbs.)

Producing country	1953*	1954	1955†
U.S.A.	99.65	78.85	104.50
United Kingdom	17.61	18.52	19.79
Canada	3.68	2.85	4.46
Australia	1.83	2.14	2.21
India	1.51	1.68	1.70
South Africa	1.22	1.36	1.50
Federation of Rhodesia and Nyasaland	0.02	0.03	0.03
Pakistan	0.01	0.01	0.02
Total Commonwealth (including U.K.)	25.88	26.59	29.71
Western Germany	15.18	17.16	21.00
France	9.84	10.46	12.30
Belgium	4.43	4.89	5.81
Luxembourg	2.62	2.78	3.17
Italy	3.44	4.14	5.31
Saar	2.64	2.76	3.12
Netherlands	0.85	0.91	0.96
Total E.C.S.C.	39.00	43.10	51.76
Austria	1.26	1.63	1.79
Sweden	1.73	1.81	2.09
Spain	0.88	1.08	1.18
Yugoslavia	0.51	0.61	0.79
Denmark	0.18	0.20	0.23
Switzerland	0.15	0.15	0.17
Turkey	0.16	0.17	0.19
Finland	0.15	0.17	0.18
Norway	0.11	0.12	0.16
Greece	0.04	0.04	0.05
Irish Republic	0.02	0.03	0.03
Total Other Western Europe	5.19	6.01	6.86
U.S.S.R.	37.24	40.75	44.59
Czechoslovakia	4.36	4.53	4.82
Poland	3.54	3.90	4.37
Eastern Germany	2.16	2.33	2.56
Hungary	1.52	1.47	1.57
Rumania	0.71	0.62	0.75
Total Eastern Europe	49.53	53.60	58.66
Brazil	1.00	1.13	1.09
Mexico	0.42	0.45	0.49
Argentina	0.03	0.05	0.05
Chile	0.31	0.32	0.30
Columbia	0.01	0.13	0.15
Peru	0.01	0.01	0.01
Venezuela	0.01	0.01	0.01
Total Latin America	1.79	2.00	2.10
Japan	7.54	7.63	9.26
Other countries—			
China (including Manchuria)	1.90	2.19	2.59
Egypt	0.01	0.02	0.04
Total All Other Countries	9.45	9.84	11.89
Grand Total	230.49	219.99	265.48

* Revised. † Provisional.

The sharp increase in steel output in 1955, which can be seen from the table above reflects the general pressure of demand associated with the world-wide boom. Of the total increase of 45.5 million tons over 1954, higher American output accounted for 25.7 million tons. But this phenomenal rise in the U.S. reflected the recovery from the sharp fall in output during the 1954 recession rather than a true increase in capacity. The U.S., however, accounted for nearly two-fifths of total world steel production last year. Commonwealth steel production (including Britain's) rose by 3.1 million tons, from 26.6 to 29.7 million tons. Two-thirds of the total was produced in Britain, where output at 19.8 millions was 1.3 million tons above the 1954 level.

In Western Europe (excluding Britain), the total output rose by 9.5 million tons over 1954, to 58.6 million tons. West Germany, with an output of 21.0 million tons, passed Britain to become the world's third largest steel maker, thus regaining its pre-war position. Steel production increased in the Soviet group also, but the increase was small. The output of this group rose from 53.6 million tons to 58.66 million tons. Russian output, which increased from 40.8 to 44.6 million tons, provided the bulk of this increase. No sizable advances were recorded by the other Eastern European steel producers.

In the rest of the world, Japanese output rose by 1.6 million tons to 9.3 million tons and Chinese output by 0.4 million to 2.6 million tons. Production in Latin America, which had more than doubled between 1948 and 1954, declined fractionally in 1955 due to setbacks in Brazil and Chile.

A comparison of the regional steel production in 1955 with that in the pre-war years shows some notable changes. The overall output, as stated already, increased by 120 per cent. in 1955, as compared with the 1937-38 average. The U.S.'s share in world steel output, which was 32.6 per cent. in pre-war years, rose to 39.3 per cent. in 1955. The Soviet group's share also increased from 18.2 per cent. to 22.1 per cent. On the other hand, the share of the Commonwealth fell from 12.7 per cent. to 11.2 per cent. despite the fact that its output rose from 15.35 million tons to 29.71 million tons. In the U.K. alone, production increased by 70 per cent. over this period, though its share in world production fell from 9.7 to 7.5 per cent. Commenting on the validity of this comparison between the role of the U.K. and that of the U.S. in world steel output, the journal points out that two points must be borne in mind. In the first place, the choice of the year 1937-38, it is stated, favours the U.S. American steel production in those years was still 30 per cent. below its 1929 level, whereas the U.K. production was 20 per cent. above, so that the U.S. started with a much greater reservoir of underemployed capacity which could be brought in to increase production. Secondly, the period 1937-38 to 1955 also favours the U.S. For a third of this period, there was a war-time ban on all development in the U.K. steel industry, while the U.S. capacity was being vigorously expanded with Government assistance, and recently the U.S. industry has received preferential treatment from the tax authorities.

The following table gives the region-wise steel production in 1937-38 (average) and in 1955:

Regional Steel Production

Region	Average 1937-38		1955		Increase 1937-38 —1955
	Million tons	%	Million tons	%	%
U.S.A.	39.46	32.6	104.50	39.3	165
Commonwealth (including U.K.)	15.35	12.7	29.71	11.2	94
W. Europe (excluding U.K.)	37.42	30.9	58.62	22.1	57
Soviet Group	22.04	18.2	58.66	22.1	166
Latin America	0.15	0.1	2.10	0.8	1,300
Other countries	6.58	5.5	11.89	4.5	82
Total World	121.00	100.0	265.48	100.0	120

A reasonably reliable index of the industrial progress of a country is generally furnished by the quantum of steel consumption per head. From this point of view, it is noteworthy that in 1954—the latest year for which information is to hand—the U.S. leads the world with the per *capita* consumption of 1,053 lbs., followed by 781 lbs. in Sweden and 732 lbs. in the U.K. The following table gives the consumption of steel per head in different countries in 1937-38 (average), 1952, 1953 and 1954:

Apparent Consumption of Steel Per Head
(In ingot lbs.)

Country	Average 1937-38	1952	1953	1954
U.S.A.	640	1,134	1,372	1,053
Sweden	532	777	704	781
U.K.	493	701	708	732
Germany	600	661	652	730
Canada	396	732	698	541
Australia	428	688	548	532
Belgium-Luxembourg	353	518	465	531
Netherlands	333	398	447	480
France	289	524	414	449
Italy	123	187	192	224
Japan	195	127	169	160

It will be seen from the table above that the level of *per capita* consumption in Germany in 1954, at 730 lbs., was close to the British consumption level. Consumption per head in European Coal and Steel Community as a whole was only 483 lbs. During the year 1955, the *per capita* consumption in the U.K. is reported to have risen to 801 lbs. Firm estimates are not available for other countries. But it is expected that similar or faster advances will have been achieved in the U.S. and in the European Coal and Steel Community.

ECONOMIC EFFECTS OF ELECTRICITY

Few urban-born citizens, who generally take electricity for granted, know with what great relief the villagers receive the extension of electricity to their region. To the rural people, electricity means not only improved lighting conditions but a valuable aid to agriculture itself. The economic effects of electricity have, however, not been studied as intensively as they should be. From this point of view, the survey of a village in the Punjab, carried out by the Board of Economic Inquiry, Punjab, makes interesting reading.

The village Reroo (near Jullundur City), which was chosen for survey, has a cultivated area of 408 acres, out of a total area of 463 acres and a population of 1,107 persons. The main source of irrigation is the electric-operated pumping sets which irrigates 263 acres, the rest of the land being irrigated by the Persian wheels. One effect of the advent of electricity is that the rental value of the land served by electric pumping sets goes up. Thus, in Reroo, the rental value of the land served by these pumping sets is Rs. 350-400 per acre, as against Rs. 200-250, the rental value of land under Persian wheels.

The authors of the Survey have drawn certain very interesting conclusions. In the first place, they observe that electric power is cheaper than bullock power. Secondly, the water output of a pumping set is more than double that of a bullock-drawn Persian wheel. The cultivators in the village have reported a 10 per cent. increase in crop as a result of increased water supply. Thirdly, since electric pumps can be worked for longer hours than bullocks, there is an indirect incentive for more intensive cultivation and crop rotation. Fourthly, the draught animals, for which the work on the Persian wheels is an exhausting occupation, are now in an improved physical condition. They are put to increased ploughing and carting work.

Among the non-economic effects of electricity, mention must be made of impetus to education in the village. It would appear that formerly parents were tempted to get work for their children for driving the bullocks on the Persian wheels. Now children are kept at schools. The village is, of course, well-lighted. This has led to elimination of cases of theft of ploughs and other farm implements.

ELECTRONIC VALVE

Small rods of tantalum metal only a fraction of an inch long immersed in liquid helium are the basic elements of a new simple-to-manufacture type of miniature of electronic valve. The new valve which is currently being developed in the U.S. will, like the transistor crystal valve, have a considerably smaller power consumption than conventional thermionic valves. Indeed, it is estimated that less than a watt of electrical power would be required to operate the mathematical elements of a large electronic digital computer (electronic brain) built with these tantalum and helium valves. Considerable quantities of ad[illegible] however, presumably be nee[illegible] the refrigeration units [illegible] order to keep the tant[illegible] a cold enough temperature to m[illegible] in a liquid state.

This problem will not, ho[illegible] signers of computers and other [illegible] utilising these new valves with any insuperable refrigeration problems since the size of the tantalum helium units is such that all the several thousands of valves contained in a large digital computer could, it is estimated, be contained within the space of a cubic foot. The operation of the tantalum rod valves which have been named "cryotrons" by their U.S. inventors, depends on the fact that the tantalum rods become electrically "superconductive" when they are placed in the liquid helium. Yet this superconductivity is eliminated when an electric current is passed through the single strand of wire which is wound round the single tantalum rod of each valve unit.

A British company has introduced a new mechanical apple-peeler and corer. The machine is claimed to be entirely automatic, and peels apples quickly and efficiently in one operation, leaving well-trimmed fruit ready for use. It is hand-operated, and as the peel it takes off is wafer-thin, there is a minimum waste of fruit. The firm has been manufacturing kitchen utensils, accessories, and fitments for the last 100 years.

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NEW PRODUCTS AND PROCESSES

Fruit Toffees

PREPARATION of confectionery from fruits is one way of fruit preservation. Only semi-solid or pasty fruit confections such as jams, pastes and purees are, however, being prepared from fruits at present. A hardened fruit confection with a toffee texture is not known to be prepared in India or elsewhere from fruits. Investigations, carried out on the economic utilization of fruits by the Central Food Technological Research Institute, Mysore, have resulted in a process by which a high class new product can be prepared in the form of toffee from fruits such as banana, jack fruit, guava, papaya, mango, etc. The product possesses the nutrients, eating qualities and other essential characteristics of the non-fruit toffees available in the market. It also possesses the pleasant flavour and nutritive constituents of the fruits from which it is prepared. The process, the details of which are available from the National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi, 1, consists in treating the edible portion of the ripe fruit with a mild solution of potassium meta-bi-sulphite, making it into a fine pulp and concentrating the same by evaporation to the requisite consistency. Ingredients like sugar, milk powder and edible fat are then mixed with the pulp, and the mixture is heated to bring the mass to a calculated weight. The hot mass is then transferred to a smooth surface smeared with an edible oil. Any desired flavouring material is added at this stage. After rolling the mass to the desired thickness it is allowed to cool to the setting stage. The cut pieces are subsequently dried in a current of hot air so as to reduce the moisture content to 4-8 per cent. The pieces are then wrapped into suitable wrapping material and packed in air-tight containers. The types of fruits which can be used in the preparation of the product are grown extensively in India and sugar and milk are also readily available. The process has been tested on a laboratory pilot plant. The equipment required is simple and easily available.

Cadmium Plating Metal Alloys

A number of important developments in the application of cadmium platings to metal alloys have taken place recently in both the U.S. and the U.K. Thus a new process for plating aluminium and aluminium alloys, with cadmium has been developed in the U.S. In this process the aluminium part is cleaned and etched and then plated with zinc by an immersion process. It is then subsequently first electrolytically plated with either nickel, or copper, and then plated with cadmium in a cyanide bath. Finally, it is coated with chromate, bleached with an alkali and baked. The resulting cadmium plating is said to be "perfect" in the majority of cases, although some failures due to blistering occur. Cadmium plating gives aluminium alloys, steel alloys and a number of other materials which are important structural materials in the aircraft industry, exceptional resistance to corrosion at high temperatures. Indeed in the case of one steel alloy which is used in the manufacture of jet engine parts, satisfactory operation and resistance to corrosion at temperatures of up to 540 degrees Centigrade has been achieved by applying an electroplated coating of nickel and cadmium diffused at 330 degrees Centigrade.

Graphite Batteries

Electric batteries with an exceptionally long working life may be manufactured from electrically charged graphite within a few years if experiments now being carried out are successful. The electrically charged graphite which it is hoped to use for the manufacture of these batteries is a by-product of nuclear reactor furnace construction. It is, in fact, graphite which has been used as "moderator" material in a nuclear reactor, and thus exposed to radio-active radiation over a number of years, but which is, for one reason or another, no longer required. During its period of use inside the reactor furnace considerable quantities of energy are stored up in the graphite and it is this energy which the scientists who are working on the problem believe they can harness in a form suitable for powering torches, small electric motors, radio receivers and similar devices. Although most of the graphite used to build experimental reactor furnaces can be re-used (thirty tons of graphite blocks used by Enrico Fermi in the construction of the first nuclear furnace built in 1942 are now in use as moderator material for a new sub-critical reactor at the U.S. Argonne National Laboratory) it is expected that considerable quantities of this electrically charged graphite will become available within the next ten years.

Corrosion Resistant Filters

A range of new tetrafluorethylene plaster filter materials, designed for use in industrial filtration processes where especially severe corrosive operating conditions occur, has been developed by E.I. du Pont de Nemours, of the U.S. The new materials, which are at present being manufactured in a pilot plant in the U.S., can be used generally at temperatures of up to 400 degrees Fahrenheit and, under special conditions, at temperatures of up to 550 degrees Fahrenheit. Since they are built up from tetrafluorethylene fibres assembled in the form of felts, they are virtually inert to strong acids and bases and can, it is claimed, be boiled for long periods in such corrosive chemicals as fuming sulphuric acid, fuming nitric acid and aqua regia. They will not absorb water. They also have a low coefficient of friction and other materials will not adhere to them. The tetrafluorethylene felt filters can, therefore, be used under conditions where most other industrial materials would prove unsuitable or would have only a short operating life. They are also said to be exceptionally easy to clean. Moreover, when these felts are impregnated with "Teflon" resin they can, suggest experiments, be successfully used as gasket materials where gaskets capable of withstanding hot corrosive conditions are required.

Coal Coatings

Considerable increases in the rate of operation of industrial condensers may be achieved as the result of experiments on the development and use of durable coal coatings for condenser tubes. The coatings, which are being tested in the laboratories of the British Coal Utilisation Research Association, cause the steam flowing over them to condense in the form of drops instead of in the form of a thin film. The rate of condensation is governed by the rate of heat transfer at the surface of the condenser tubes and it is significant that in some of these experiments the rate at which the heat was transferred was increased by as much as 55 per cent. when the experimental coal coatings were applied. These coatings, which are made from extracts obtained with the aid of organic solvents, are strongly water repellent and have a longer working life than other condenser tube coatings designed to have a similar function which have so far been examined in the U.K. They are bonded on to the condenser tubes by means of a baking process similar to that used for enamels.

A New Process for Metal Extraction

Even the most difficult elements to extract can be obtained from ores and from other refractory materials by means of a process now being developed in a U.S. laboratory. The process, which depends on the use of high intensity electrical arcs, has already been used successfully in the laboratory to extract manganese from rhodonite at a very low cost. Although temperatures of the order of 18,000 degrees Fahrenheit are achieved during the extraction process, only very small amounts of electricity are consumed. These range from three kilowatt hours to six kilowatt hours per pound of material extracted. The very high temperatures, on whose occurrence the success of the extraction depends, are obtained by combining the ore with from 15 per cent. to 20 per cent. of carbon and then forming it into a consumable anode (positive electrode). When the electrical current is applied this anode made from the ore and carbon is vapourised and the rapidly dispersing vapour passes through a "superheated" area, which it itself helps to create, within which it is decomposed into its elemental form. The pure separated metal can then be collected. Full-scale experiments are now to be undertaken in which the process will be used to undertake the extraction of commercial quantities of a variety of metals which are difficult to obtain by conventional extraction processes.

Pick-up Head with Diamond Needle

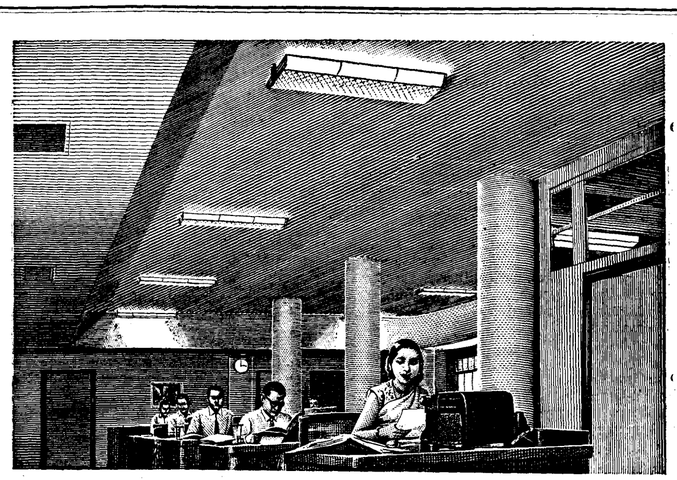
A factory, [Philips N.V., Eindhoven (Holland)], makes a pick-up head with a diamond needle, which fits with three contact points into any record player, record changer or radio gramophone manufactured by the concern. The diamond needle is ground in a special manner by the factory itself. The advantages of using this diamond needle are: a considerably longer life, especially of long-playing records, and pure sound reproduction. The diamond needle is suitable for a frequency range of up to 14,000 Hz. and is practically not subject to wear. The loose pick-up head with the diamond needle, protected with a plastic cap, is supplied in a metal case with a diamond motif.

Typewriter With a "Memory"

A tape-operated electric typewriter developed in the United States makes it possible to "store" information which later has to be retyped and to retype the information automatically when the time comes to do so. The machine is useful for such jobs as storing and retyping, when needed, the inside addressing of a letter and the same information for the envelope. Called the Flexowriter, the machine has a recorder unit which records typewritten messages by punching holes in a tape. There is also a reproducer unit which "reads" the punched tape and actuates the typewriter keyboard automatically, thus typing out whatever is recorded on the tape. The machine types information at the rate of 100 words a minute.

Automatic Helmsman

A Marconi Marine "Martinet" automatic helmsman has been installed in a new trawler, the *Strathallan*. Built by Livingstone and Co., Peterhead, for Mr. Norman Lyle, the vessel will be able to maintain a steady course without manual aid while under the control of the "Martinet" equipment. This equipment incorporates a magnetic north-seeking device able to detect the smallest deviation from a set course: information of any deviation is passed to a reversible motor chain-coupled to the steering wheel and the motor will automatically apply the correct amount of opposing helm to keep the vessel on course. The "Martinet" was among other equipment demonstrated by Marconi Marine at an exhibition at Lowestoft of electronic aids employed by modern fishing vessels. It is also to be installed in two seine net vessels being built at Buckie for Basil Parkes Esquire, of Hull.



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DOCK LABOUR'S DEMANDS

STRIKE NOTICES SERVED IN BOMBAY AND CALCUTTA

ALL is not quiet on the dock front. In both Bombay and Calcutta, the workers are reported to have served notices on the authorities concerned, stating that work would be stopped with effect from 15th October 1956, if their demands were not conceded before 15th September. In Bombay, the notices have been served by the Bombay Port Trust General Workers' Union and the Transport Dock Workers' Union and in Calcutta, by the Port Shramik Union. The serving of the notices is in response to the call made by the All-India Port and Dock Workers' Federation. The Bombay unions' demands include gratuity, provident fund for the workers, revision of pay-scale and immediate payment of certain arrears claimed by the workers. The Calcutta Union's demands include, besides those made by the other units of the All-India Port and Dock Workers' Federation, the dropping of the Port Commissioner's Employees' Conduct Rules which, it alleges, is dictatorial.

In the context of the necessity for large imports of capital and consumer goods under the second Five-year Plan, a strike by the dock workers would cause considerable damage to the national economy. It is, therefore, of the utmost importance that they should explore all possible avenues of settlement. In this connection, it is well to recall what the Union Minister for Railways and Transport, Mr. Lal Bahadur Shastri had to say on the question of dock labour's demands at the recent meeting of the Indian National Steamship Owners' Association. Mr. Shastri said that any talk or threat of strike, at the present juncture, seemed "so incongruous." At the same time, he recognised that there were "problems relating to dock, stevedore and shore workers which have to be gone into." But he averred that these problems should be considered in a "systematic and rational" way. It is to be hoped that the labour leaders will agree and the stevedores and other interests will not deny such a "systematic and rational" consideration of the dock workers' demands. In any case, a strike should be avoided at all costs.

Mr. Shastri himself conceded that there were certain urgent demands which should be "tackled at the earliest." He referred particularly to lack of uniformity in pay scales, leave rules and provident fund benefits. He revealed that the Government had decided to appoint a team of two officers who would visit each port, collect material from the Port Trust authorities as well as from the Union representatives and make recommendations designed to introduce uniformity in these matters.

Demands

The list of demands which have been made by the All-India Port and Dock Workers' Federation, however, embraces a wide range of subjects. These demands include:

(1) The existing scale prescribed for unskilled workers by the Port authorities namely Rs. 30-35 should be revised to Rs. 40-2-60 and that all other grades of all other class III and class IV categories of workers should be revised in the light of the revision of the said basic scale for unskilled workers taking into consideration the nature of work and the responsibility of the different types of work. Dearness allowance should be adequately increased. Compensatory allowance should be considered as pay or wage for all porposes. All night work in the ports and docks of India should not be of more than six hours per shift. (2) Overtime work beyond normal scheduled duty hours and work on weekly offs and holidays should be compensated at double the ordinary rates of wages including all allowances. (3) The benefits of the provisions of the Minimum Wages Act, Workmen's Compensation Act, Payment of Wages Act and Industrial Employment (Standing Orders) Act should be extended to such of the port and dock workers as have not been covered by the same. (4) There should be uniform leave facilities for all the port and dock workers in all the ports, irrespective of length of service or the rate of pay. The suggested leave facilities are: (a) Earned leave 1/11th of duty, which should include weekly offs, holidays and authorised leave. (b) Twenty days' half wages leave per year of service. (c) Fifteen days' casual leave with full wages. (d) Injury leave for periods of absence from duty on account of injury during duty with full wages upto four months. (5) Adequate housing schemes should be undertaken and promptly executed to provide all port and dock workers with rent-free quarters. (6) Port and dock workers should be made eligible to contribute to the provident fund at 8-1/3 per cent. of gross total earnings in a month, the employers contributing a like amount. (7) Port and dock workers should be entitled to get one month's pay for every year of their service as gratuity irrespective of the cause of termination of employment and length of service. (8) The right of getting railway and/or steamer pass and P.T.O. facility to all port and dock workers should be restored; this facility should be extended to all other port and dock workers. (9) All port and dock workers whether monthly rated, daily rated, permanent, temporary or casual should be granted weekly off with wages.

Piece-rate System

The Federation also demands the removal of certain defects which are stated to have been detected in the working of the piece-rate system. This system, it may be recalled, was a sequel to the implementation of the award of the Labour Appellate Tribunal. By and large, this system has proved beneficial to the workers. The Union Deputy Minister for Transport, Mr. O. V. Alagesan, recently averred in the Lok Sabha that, since the time the system was enforced in Bombay, there was a "marked improvement" in the loading and unloading rates in Bombay port. In view of the success of this scheme, he announced that the Government had decided to extend the piece-rate system to the workers in the Calcutta and Madras ports. The Federation, however, alleges that, in actual practice, the working of the system has revealed certain defects. In order to remove these defects, it has suggested several measures which include the following:

(1) The piece-rated workers should be provided with piece-rate diaries wherein entries shall be made showing details of idle time, time-rate work, datum line, double hook work and the number of packages handled and the entries thus made shall be duly certified by the tally clerks concerned in the case of port trust shore gangs and crane drivers and by tally clerks, foremen and/or chargemen in the case of stevedore workers. (2) Multiple hook allowance should be paid to the piece-rated workers without any deductions. (3) Idle time allowance on account of opening and closing of hatches should be paid. (4) Piece-rated workers should not be shifted from one hatch to another or from one ship to another ship. (5) Idle time timings of stevedore workers should be equal to the idle time timings of the port trust workers. (6) Except in the case of shifting of cargo the time-rate timings of the stevedore workers should be equal to the port trust time-rate timings. (7) If import cargo of a sling placed on the wharf cannot be cleared by the port trust shore workers because of difficulties on account of tally, weighment, space in the transit shed or in the open, gear, hand carts, four-wheeled trucks, mobile crane, tractor or long carry, the time lost between the clearance of the last package of the sling in question and the landing of the next sling which should be landed on the wharf after the clearance of the last package of the first sling, should be treated as idle time both for the stevedore workers and the Port Trust workers. (8) Wage slips should be issued to the workers at work spot during working hours within 24 hours. (9) A comprehensive list showing items of time-rated cargo under the general head "Hazardous Cargo" and "Iron and Steel Cargo" should be issued to the workers in the languages understood by them. (10) Two tally clerks per hook should be employed on case cargo and iron and steel cargo.

There is no gainsaying the fact that piece-rate system has resulted in both improved output at the docks and higher earnings for the workers. If the Federation now alleges that certain defects have been noticed in its working, it is presumably due to a feeling among the workers that they do not receive what they think they ought to get. In other words, this seems to be a question of the confidence of the workers in the employers. From this point of view, the employers will do well to see that the workers not only get what they ought to get but realise at every stage that no injustice is being done to them. From this point of view, it may be desirable to accept the Federation's suggestion that a joint committee, providing for equal representation for the employers and the workers should be appointed in order to supervise effectively the working of the piece-rate system in all its details.



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FIRE — MARINE — ACCIDENT

Mr. Shastri's Appeal

At the same time, the leaders of dock labour will do well to respond to the appeal made by Mr. Lal Bahadur Shastri, who said:

"I would like to appeal to the workers and their unions to adopt and pursue the course of mutual discussion and negotiation only and give up all talks of strife and discord. The shipping industry is passing through a critical period and, if it is not able to build itself up in the coming few years —which is not possible, unless the workers fully co-operate—our country will lag behind and its future will be jeopardised. We have to go ahead at a brisk space, if we want to catch up with others and, therefore, there is no room for any kind of go-slow methods or stoppage of work."

While we concede that the legitimate demands of workers should be met, we would urge their leaders to bear in mind certain general considerations when they put forward their demands. In the first place, even the bitterest critic of the Government's labour policy must admit that the lot of the dock worker has improved greatly in recent years, thanks to the series of measures already adopted by the Government. Secondly, the wages and other emoluments of dock labour, cannot be considered in isolation. They must bear some relation to the general level of incomes in the country. It cannot be seriously contended that the dock workers' wages make an unfavourable comparison with wages in other trades and industries. Thirdly, a dock strike is a far more serious matter than a strike in any other industry or service. It would hold up plans of national reconstruction. It would also strengthen the overseas shipping companies' case for an increase in freight rates and weaken the Government's hands in preventing such an increase. It was only the Government of India's intervention that prevented last year an increase in freight rates by the foreign lines. Finally, a dock strike would mean a further fillip to the present inflationary forces in the country, for it would result in a reduced supply of goods and imported raw materials. It would also hold up imports of foodgrains which are also urgently needed in order to reverse the rising trend in food prices. For these reasons, such a strike would win very little public sympathy and not even that of their confreres in other walks of life. Further, of what avail would it be to the dock workers if their action resulted in an all-round rise in prices?

NATIONAL COUNCIL

The Government of India, in consultation with the State Governments, has decided to set up a National Council for training in vocational trades. It will function as a Central agency advising the Government on the policy for training craftsmen and on co-ordinating vocational training of national importance throughout the country. It will bring about uniformity of standards in training, award certificates of proficiency and arrange for training on an all-India basis. The Council will work under the chairmanship of the Minister for Labour or the Deputy Labour Minister and will have among its members, representatives of the Ministries of the Central Government, one representative of each of the States and Union Territories which have their own departments of industries and technical education, five representatives each of employers' organisations, workers' organisations, professional and learned bodies, and one representative of the All-India Council for Technical Education. The Secretariat will be provided by the Directorate of Training, Directorate General of Resettlement and Employment, Ministry of Labour.

The Council is being set up as a result of the recommendations of the National Trades Certification Investigation Committee (of which Mr. M. Ananthasayanam Ayyangar, now Speaker of the Lok Sabha, was Chairman) and the Training and Employment Services Organisation Committee (otherwise known as the Shiva Rao Committee). The Ananthasayanam Ayyangar Committee, which was appointed in pursuance of a recommendation of the All-India Council for Technical Education, unanimously recommended that an All-India Trades Certification Board be set up as a central agency for co-ordinating craftsmen training programmes, bringing about uniformity of standards and awarding national certificates of proficiency. This step, it was considered, would be in the interests of both industry and the workers inasmuch as it would ensure that those who held the national certificates possessed a minimum recognised degree of skill and would, in addition, facilitate mobility of tradesmen and their employment. The Training and Employment Services Organisation Committee generally supported the earlier Committee's recommendation. With the Central Government's decision to transfer the administration of the Union Labour Ministry's Training Centres to the control of the State Governments concerned, the need for central co-ordination in regard to policy and standards has been accentuated. When the transfer is effected, the Central Government will retain for themselves only the functions of co-ordination of craftsmen training and laying down training policy. In consequence, there will be need for a central agency to advise both the Centre and the States in regard to their responsibilities relating to craftsmen training.

LABOUR IN MINERAL OIL INDUSTRY

India's mineral oil industry employed 7,997 workers during 1955. As compared with 1952, the number increased by 2.7 per cent. The increase in the supervisory and clerical staff was, however, 19 per cent. As against two units engaged in the production of mineral oil in the pre-partition area, India has only one now—Assam Oil Company in Digboi. The average number of workers employed through contractors was 1,574 in 1955, as compared with 1,440 in 1952 and 1,926 in 1950. Woman labour was conspicuous by its absence under the contract system.

Wages in the industry range between Rs. 5-8 per day with an annual increment of As. 4 for a gang headman to Re. 1-7 with an annual increment of one anna for an unskilled labourer. The rates of dearness allowance admissible to the employees of the Company are: Rs. 50 for daily rated workers drawing salary up to Rs. 49; Rs. 52-8 for workers drawing between Rs. 50 and Rs. 100, and thereafter in slab between Rs. 101 to Rs. 150—90 per cent. of basic salary.

For the monthly-rated workers, the rate of dearness allowance was Rs. 52-8 for salaries between Rs. 50 and Rs. 100; 90 per cent. of basic salary between Rs. 101 to Rs. 150; 45 per cent. of basic salary in the slab between Rs. 151 and Rs. 200, and thereafter, in slab 22½ per cent. of basic salary over Rs. 200.

In December 1955, there were different types of quarters built by the Company at Digboi and Tinsukia for its workers. The number of these quarters was 3,597 for Digboi and 233 for Tinsukia. The percentage of employees living in Company quarters was 57 at Digboi and 39 at Tinsukia. No rent is being charged by the Company for these quarters. The Company has been encouraging its employees to build their own houses on its land or in settlement area by giving advance from house allowance. In 1955, about 9 per cent. of the employees in Digboi and 12 per cent. in Tinsukia were living in houses which they had built for themselves with the aid of the Company.

The Company has two types of provident funds. The first, which is known as the "subsidiary provident fund," is meant for employees earning up to Rs. 200 a month. The rate of contribution to this fund is 8½ per cent. for both the employees and the Company. The other fund, called the "Provident and Insurance Fund," is for employees who earn more than Rs. 200 per month and are not of covenanted status. Both employers and employees contribute 5 per cent. of salary to this fund. As on 31st December, 1955, 898 monthly-rated and 6,059 daily-rated employees were members of the subsidiary provident fund scheme and 303 employees were members of the provident fund and insurance fund scheme.

EMPLOYEES' PROVIDENT FUND

The Government of India has decided to extend the Employees' Provident Funds Act, 1952, to cover another 54,000 workers in about 200 factories, from 30th September 1956. The Act, which came into force on 1st November 1952, now covers over 20 lakh workers employed in 3,600 factories all over the country. The four more industries, to which the Act has been extended, are: (1) heavy and fine chemicals, including fertilisers, turpentine, rosin, medical and pharmaceutical preparations, toilet preparations, soaps, inks, intermediates, dyes, colour lakes and toners and fatty acids; (2) indigo; (3) lac including shellac and (4) non-edible vegetable and animal oil and fats.

The Rajya Sabha rejected last week a private member's Bill to amend the Employees' Provident Fund Act with a view to enhancing the rate of contribution of both employees and employers to 8-1/3 per cent. and exempting employees receiving as wages Rs. 45 or less per month from making any contribution. The Deputy Labour Minister, Mr. Abid Ali, said that the Government's first concern was to bring all the workers under the Provident Fund Scheme. After that was accomplished they could think of increasing the rate of Provident Fund contribution. The Planning Commission had already taken note of this matter and they wanted to have a more detailed study. It was good that workers should get more but they should not have schemes or standards of Provident Fund which would compel industries to close. No real well-wisher of workers, he said, would like such a thing to happen.



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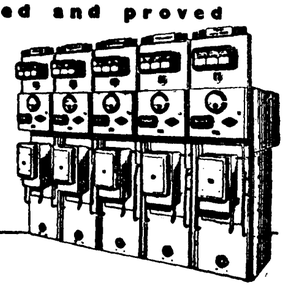

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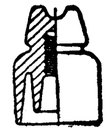

INDIAN COPPER CORPORATION LIMITED

CHAIRMAN, MR. J. F. E. d'A. WILLIS, EXPLAINS EXPANSION PROGRAMME

THE factors which had contributed to the record results achieved by the Indian Copper Corporation Ltd., during 1955 were explained by Mr. J. F. E. d'A. Willis, Chairman, in the course of his speech at the Thirty-second Annual General Meeting of the Corporation held at Calcutta on 12th September 1956. The Chairman also explained the expansion programme, which was being prepared by the Corporation. He said that the programme was aimed at increasing considerably the present output of the mines. While no immediate results could be anticipated from the programme, it would, according to him, contribute substantially towards making India less dependent on imports of this important metal, copper.

The following is the full text of Mr. d'A. Willis' speech:

"The results achieved, as you will observe from the profit and loss account, far exceed those for the previous year which have hitherto constituted a record in the annals of the Corporation and are directly attributable to the consistent rise in the world price of copper. The maintenance of a high production standard and satisfactory despatches also played an important part in achieving these results. Although these high world prices for copper continued into early 1956, there has since been a rapid decline to approximately two-thirds of the peak reached.

Accounts

"Before proceeding to a detailed survey of the accounts, I would draw your attention to a change which has been made this year in the grouping of the fixed assets in the balance-sheet. On this occasion those items which are allowed for statutory depreciation have been amalgamated, while mining rights and permanent works, on which depreciation is not allowed at present, continue to be shown separately.

"The profit for the year, before providing for taxation, depreciation and reserves amounted to £1,474,804, as compared with £898,382 in 1954. Provision for taxation, at £683,046, includes £47,424 for taxation on the dividend and bonus for the year 1954 paid in 1955, and on the interim dividend for 1955 paid in February 1956, together with a provision of £47,424 for taxation on the proposed final dividend and bonus for the year 1955.

"Full provision has been made for depreciation and £200,000 has been allocated to general reserve, as against £150,000 last year. Although the liquid resources of the Corporation are at present satisfactory, further heavy capital expenditure is anticipated during the next few years in order to develop the mine.

"After making these provisions there remains a sum of £416,758, to which has to be added £111,715 brought forward from last year, giving a total of £528,473. Out of this, your Directors are pleased to be able to recommend the payment of a final dividend of 10 per cent. and a bonus of 25 per cent. both free of income-tax which, together with the interim dividend of 10 per cent., absorbs £411,390, leaving £117,083 to be carried forward to next year.

"With the rapid decline in the world price of copper, the results for the current year, although so far satisfactory, are unlikely to approach those for 1955.

"In order that the issued capital of the Company might be brought more into line with the capital employed in the business, an application for the capitalisation of a portion of the reserves of the Company was submitted to the Government of India and Her Majesty's Treasury, United Kingdom. An issue of one unit of stock for each two units held has since been sanctioned.

Copper Leases and Operating Results

"A detailed review of the year's operations is given in your General Manager's report, which may be seen during office hours at the Company's Head Office. The production of refined copper at 7,281 long tons was a record in the Corporation's history. Despatches were good and operating costs satisfactory, although slightly higher than the previous year.

"*Development.*—Lateral development was again restricted, but development in depth continued satisfactorily.

"*Ore Reserves.*—Although the estimated reserves now stand at 3,330,090 short tons, as compared with 3,369,286 short tons at the end of the previous year, this is considered satisfactory in the circumstances of restricted lateral development. Good progress is being made with the development in depth, which should eventually provide extensive lateral development, resulting in a substantial increase in ore reserves.

Sales

"In spite of the high price of copper, the demand was good and prices increased accordingly. The demand for brass sheets, however, remained steady with a less spectacular rise in price. The average selling prices of the Company's products during the year, as compared to the previous year, were as follows:—

	1955	1954
	(per ton)	
Copper Ingots	£309	£233
Rolled Brass	£245	£230
Yellow Metal Circles	£266	£241
Rolled Copper	£357	£288

"The export of this ore continued to be unrestricted, which permitted larger despatches amounting to 19,234 tons, as compared to 12,012 tons in the previous year. The demand in world markets was satisfactory and the export price maintained at approximately £20 per ton f.o.b. Calcutta.

"The civil suit brought by the Bihar Government against the Corporation for alleged breaches and forfeiture of the lease, claiming Rs. 1 crore damages, together with the civil suit brought by the Company against the Bihar Government for specific performance to renew their lease which expired on 31st January 1955, were made analogous and came up for hearing in the Subordinate Judge's Court, Patna, during August 1955. The hearing of the case was completed in early February 1956 and judgment delivered in favour of the Company in both suits in early May 1956.

Labour

"The rivalry between the Unions at the mines and works continues and a number of lightning hartals with one strike of 24 hours at the mine took place. The Mosaboni Union submitted a strike notice in May, as a result of which their demands were, by agreement between the Corporation and the Union, submitted to adjudication, with the proviso that the award on such adjudication would be made binding on both parties for three years. Up to date the Tribunal proceedings have not taken place.

General

"In conformity with the underlying principles of the second Five-year Plan, an extensive programme of prospecting and development has been prepared and is already well advanced. This expansion programme is aimed at increasing considerably the present output of the mines and whilst no immediate results can be anticipated, it is hoped, provided the results of the present exploration are satisfactory, that by the end of the present Plan your Company will have substantially contributed towards making India less dependent on imports of this important metal.

"During the year under review considerable development in depth has been effected in the existing Mosaboni Mine, utilising the newly constructed circular shaft to which my predecessor referred in his address last year. Development in depth on the scale at present envisaged will permit of extensive lateral development, but only to the extent as will counteract the diminution of ore reserves at the adjoining Badia Mine whose life is limited. Any expansion in output, therefore, must be derived from other areas and it is with this in mind that prospecting on an extensive scale is in progress to the north of the present working area.

"With the Government of India's recent industrial policy announcement, it is satisfactory to note that existing industries in Schedule A, which includes copper, will be permitted to remain in the private sector and that this does not preclude their expansion.

Staff

"A very high standard of efficiency has again been maintained both at the mines and the works and our thanks are due to all members of the staff for the excellent service they have rendered to the Corporation."



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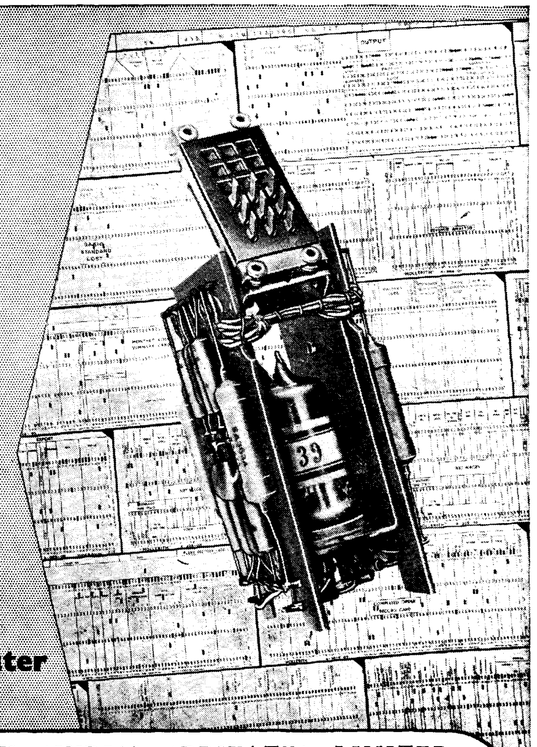

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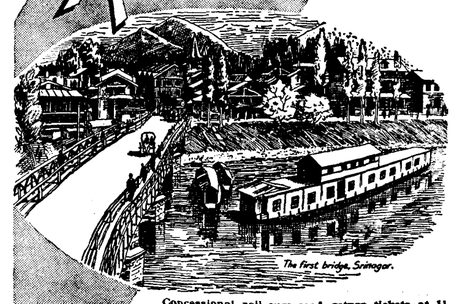

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SCHEME FOR IMPROVING COASTAL SHIPPING—III

PLAN FOR OPERATING "AMBAR JAHAJ"

By U. Shanker Rao

WE had so far discussed the technical and economic aspects of introducing a new type of cargo vessel—the *Ambar Jahaj*—with a view to improving traffic conditions in the sailing vessel industry, relieving pressure on the railways, and facilitating diversion of goods from the railways to coastal movement. Let us now work out a plan for operating the *Ambar Jahaj* scheme.

In November last year, the Transport Minister had appealed to Indian shipowners to plan for the purchase of 25 to 30 ships more, so as to fill the existing gap in our coastal shipping. As a result of rail-sea co-ordination, effects of industrialisation in the second Plan, together with the gap in our present requirements, the total tonnage needed to handle India's coastal and adjacent trades would be approximately 600,000 g.r.t. From the present position in the international situation, particularly since the Canal Dispute, it is doubtful if India would be able to get her badly needed ships in time to carry out the targets in the second Plan. In the circumstances, why not chalk out a programme to fill the present gap by building wooden coasters of the *Ambar Jahaj* type? This would help ease the situation in coastal transport and also relieve the better class of our present coastal tonnage to engage in adjacent trades or for any other purpose where bigger ships are needed.

The present emergency calls for a new outlook and the laying down of a national shipping policy where the value of small craft is fully recognised. Even as conditions are at present, the sailing vessel industry, in spite of its many inherent difficulties and economic handicaps, carries more than half of our total volume of coastal trade. In 1955, while coastal steamers had carried 28.5 lakh tons of cargo, the sailing vessels had transported 15.5 lakh tons. Working only on average freight of Rs. 15 a ton (where the freight ranges from Rs. 6 to Rs. 45 a ton) the total freight earned by the industry had been a little over Rs. 232.5 lakhs. Obviously, with more efficient vessels and a planned programme for its development, the industry could cope with the growing demands on coastal transportation and help fill the existing gap in our coastal requirements within a much shorter period and with far-reaching results in our national transport economy.

Need for Maritime Commission

A question that naturally comes to one's mind is whether, in the present economic conditions of the sailing vessel industry, languishing all along for want of capital resources, it could, on its own strength, be in a position to take the initiative and invest in new tonnage—the *Ambar Jahaj*. This would never be practicable in the present circumstances. What, then, is the answer? To follow the example of other maritime countries who had suffered from such initial handicaps and who had devised schemes for encouraging private enterprise to enter shipping.

Paradoxical as it may seem, though America had such vast resources and industrial wealth together with a democratic political system for her government, yet her shipping had never been a commercial success in her early days. Both her Pacific and Atlantic seaborne trade was largely carried by Japanese, Continental, and British ships and America's national shipping was only an apology. This fact was a constant reminder of what placid complacency could result in allowing others to monopolise the lucrative trade under the very nose of the Americans. In 1936, President Roosevelt set up an enquiry to investigate the state of affairs in the American mercantile marine and, as a result, the Merchant Marine Act of 1936 was passed by the Congress. This Act was the great Magna Carta of America's sea power and was the strategic backbone for the eventual success of the Second War.

One of the principal features of this Act was the formation of the U.S. Maritime Commission. The Commission laid down a basic policy of large-scale shipbuilding, introduced standardisation in construction, and above all provided a scheme for bare-boat chartering of State-owned ships for private operators. Here was a happy blending of both public and private sectors and channelised financial resources for the ultimate good of the country.

Indian shipping today suffers from similar difficulties and bear a parallel to what was prevalent in America before the passing of the Merchant Marine Act of 1936. As early as at the time of the Shipping Reconstruction Committee, where a target of 2 million was vaguely laid down, its major handicap had been lack of adequate tonnage—whether for overseas trade, coastal transport, or even in the matter of tugs and lighters for harbours. In the circumstances, an essential need is to set up an Indian Maritime Commission which would undertake large-scale construction programme of standardised cargo vessels and later hire out such vessels to private enterprise.

Large-scale building of bigger ships would obviously be well nigh impossible. The capacity of the Vizag Yard is hardly four to six ships a year and, although there is provision to increase this figure to 12 ships a year, yet it would hardly tackle the problem of filling the present gap in coastal tonnage. On the contrary, large-scale construction of small vessels of the *Ambar Jahaj* type is definitely possible. Modern methods of prefabrication, numbered plates, frames, and bulkheads, whether for wood or steel vessels, can be introduced and vessels of the *Ambar Jahaj* type assembled in the present yards where sailing vessels and country craft are being built. This would also help build up the foundations for a sound shipbuilding policy and encourage local talent and subsidiary marine industries. With cargoes waiting in every port, and rail bookings often restricted for want of wagons, every *Ambar Jahaj* has a commercial future and would bring in handsome dividends to its owner.

Bare-boat Chartering

In order to enable introduction and operation of the *Ambar Jahaj* in the sailing vessel industry, it would be necessary to follow the successful method adopted in the U.S.A. and other maritime countries. Popularly known as Bare-Boat Chartering, it made it possible for private enterprise, to own a first class type of carrier, on the possession of only the working capital. Thus, for example, it was possible to run a Liberty vessel worth $582,833 on a monthly charter rate of only $7,285. Bare-Boat chartering was adopted by Japan, Italy, and several other nations with commendable success. It proved to be the backbone for future development and expansion of national shipping.

The adoption of this system is strongly recommended for stabilising conditions in the sailing vessel industry in India. More than cheap, monetary loans or other kind of subsidy, what is necessary is to provide a reliable type of cargo carrier that could be operated in the present economy of the industry. This would help solve the problem of initial finance which has been one of the principal difficulties in the way of expansion. Bare-Boat chartering of an *Ambar Jahaj* would mean that an owner or a group of merchants or groups of seafarers already engaged in the industry could set up a small shipping company with a working capital of Rs. 25,000. Tindel-owners, who can raise a part of this capital or alternatively offer their present sailing vessel as mortgage, could also operate an *Ambar Jahaj* on a co-operative basis.

Operation of the "Ambar Jahaj" Scheme

The following suggestions are made for operating the *Ambar Jahaj* scheme:

1. Under the ægis of an Indian Maritime Commission, built 3 vessels in a recognised shipyard embodying all the features necessary for a modern cargo coaster. Wood, steel, and one of composite construction. These three would be the first prototypes of the proposed *Ambar Jahaj*.

2. Charter such vessels to private enterprise. Many organisations in the sailing vessel industry have become inactive for want of capital resources. The provision of new vessels, only on Bare-Boat charter rates would give a form of state aid or subsidy and such organisations can then operate them in their present sailing vessel economy.

3. The Maritime Commission should build, at a later stage, a fleet of 100 vessels of the *Ambar Jahaj* type. A two-year construction programme is suggested, with a target of 50 vessels per year, 100 vessels would meet a large part of coastal requirements and help to fill the present gap in tonnage.

4. In the second Plan, a total of Rs. 40 lakhs has been provided for the mechanisation of sailing vessels. New construction of sailing vessels has not been undertaken since the War. This would mean putting new engines in old vessels and although some of the present vessels could be suitably mechanised, yet such mechanisation would have doubtful results. It is suggested that a small part of this Rs. 40 lakh provision be earmarked for the *Ambar Jahaj* scheme, for the construction of the three prototypes, and for chartering such vessels to private operators.

5. Divide the coastal traffic into zones based on major terminal ports so as to enable rail-*cum*-sea movement. Rail traffic is already divided into seven zones. Coastal zones would help to supplement such rail division, co-ordinate rail-sail movement, and appreciably relieve wagon shortage. The railways would then be able to work out future programmes as coastal movement would be carried out by small vessels just as efficiently as a rail wagon and on a contract basis.

6. Undertake a survey of minor ports on the suggested basis of 10 ft. classification of minor ports.

7. Small improvements in navigational facilities are necessary in order to allow the regular use of shallow drafted vessels of the *Ambar Jahaj* type. Survey of the navigation channel, leading lines, and tide gauge would be needed, in order to ensure safe passage for powered vessels. Conservancy improvements in minor ports can be carried out without incurring heavy capital investment.

Scrapping of Old Sailing Vessels

There is today no organised scheme for scrapping old tonnage either of coastal steamers or sailing vessels. Out of 70 coastal steamers, 32 ships are over 20 years old. Old ships, whether steamers or sailing vessels, incur heavy maintenance expenses.

With a view to scrapping unseaworthy sailing vessels, it is suggested that a scheme may be evolved under the Maritime Commission which could offer facilities for replacing old sailing vessels with the new type of *Ambar Jahaj*. Terms and arrangements mutually suited to the commission and the industry could be worked after consultation with the trade and other interests. Scrapping old vessels would be of a voluntary nature, so that no serious disturbance in the economic structure of the industry may be experienced. Facilities for scrapping old tonnage were provided in Japan, Italy, and Germany soon after the War.

Role of Private Enterprise

Operation of the *Ambar Jahaj* offers a wide scope for private enterprise. It is a small-scale marine industry. The recent amendment in the State Financial Corporation Act is a welcome move and a step in the right direction. Regular coastal services, now absent, for the carriage of coal, oil, cement, ores, and other goods would offer scope for decentralisation of shipping making it possible to run small shipping companies. The following details will show how, with wagon shortage, an *Ambar Jahaj* could take its place in certain movements along the coast, and how private enterprise could venture out into new trades:

1. *Coastal Rail Out-Agency*: There are a number of routes where the railways could grant a coastal rail out-agency contract. This is a practice followed and now worked with road transport. It could similarly be done in coastal movement and the railways use vessels belonging to private parties for relieving wagon shortage. The *Ambar Jahaj*, owing to its small and handy nature, and having an equivalent efficiency as a rail wagon, would find it economical and encourage diversion of rail goods to sea movement. With a reliable type of carrier, the railways could have a contract and recognise such parties whose Bill of Ladi[illegible] same value as a Railway Recei[illegible]

Rail out-agency systems ha[illegible] torily in the Malabar Back [illegible] absence of a rail link betwee[illegible] Quilon was provided by a fleet [illegible] Similarly, in Assam, the Joint-S[illegible] work in co-ordination with the ra[illegible] may be established as such agencies would be exclusively for the carriage of rail goods. Coastal out-agencies are now not known in coastal shipping and its introduction would be a welcome step.

2. The State Trading Corporation would need feeder services. Private operators of the *Ambar Jahaj* could come to working arrangements for supplying transport. There is, today, considerable shortage of tugs and lighters in big ports like Calcutta, Madras, and Bombay. Some of the lighterage concerns are also in the hands of non-Indians. An *Ambar Jahaj* could also serve as a large lighter and enable "off loading" or "overside discharge" so as to provide direct service. Private parties could undertake this kind of work.

3. *Movement of coastal shipments of oil*: The petroleum industry is yet in its infancy in India. While much attention has now been paid for development of a tanker fleet, an aspect which hold out good prospects for private enterprise is in the movement of oil by small tankers of the *Ambar Jahaj* class. The following statement shows the scope for running new coastal services carrying oil direct from the refineries for distribution along the coast:

(In 1,000 gallons)

Place	1955 Quantity	How moved now
Bombay-Mangalore-Hassan.	20,000	From Trombay Refinery to Cochin by large tanker and then by rail in tank wagons.
Bombay-Cambay-Saurashtra ports.	8,000	By rail and country craft (in tins and drums—frequent leakage, jettisoning).
Bombay-Tuticorin ..	15,000	By large tanker to Cochin, later on by tank barges from Ernakulam to Quilon by backwaters and then by rail in tank wagons (metre-gauge).
Vizag-Coconada ..	6,000	By rail in tank wagons.
Vizag-Bezwada ..	6,000	By rail in tank wagons.
Vizag-Paradwip ..	8,000	By rail through Cuttack.
Bombay-Konkan ports..	5,000	By country craft in tins and drums.
Total number of tank wagons available in 1955		5,400 tank wagons.
Present requirements, even after taking into consideration the demands of the Second Plan		6,900 " "
Present shortage in tank wagons ..		1,500 tank wagons.
Estimated demand in the Second Plan..		10,000 " "

After the opening of the Naharkatiya (Assam) oil refinery, which has been estimated to have an annual production of 2 million tons, there would be further need to use small tankers for coastal shipments of oil, in Calcutta/Orissa areas, irrespective of where the refinery is finally installed. The oil companies would welcome distribution of their products by recognised concerns and could enter into long-term chartering of such fleets of vessels of the *Ambar Jahaj* class.

Coal by "Ambar Jahaj"

The following statistics relating to movement of coal from Bengal and Bihar coalfields by rail wagons to South India would show the scope for running vessels of the *Ambar Jahaj* type for carrying coastal shipments of coal:

(In tons)

Destination	Railways	Bunkers	Industries	Total
Madras	305,915	31,055	60,739	397,709
Cuddalore	166,399	..	5,888	172,287
Tuticorin	148,456	..	26,945	175,401
Cochin	216,867	8,799	8,275	233,941
Total ..	837,637	39,854	101,847	979,338

The total number of coal wagons sent to South Indian States for industrial consumption by all routes from West Bengal and Bihar coalfields is as follows:

Madras	8,671 wagons
Mysore	2,786 "
Travancore-Cochin	239 "
Total ..	11,696 wagons

The present approximate monthly demand of the South Indian States is as follows:

Madras	2,030 wagons
Mysore	420 "
Travancore-Cochin	50 "
Total ..	2,500 wagons
Annual demand for coal wagons ..	30,000 wagons
Present wagon supply	11,696 "
Gap in wagon supply ..	18,304 wagons

This means that roughly 18,000 wagons a year, or 1,500 wagons a month, or about 50 wagons a day are in short supply. This gap is expected to increase to about 72 wagons a day, out of which 15 wagons will be for the expansion of Mysore Iron and Steel Works, 4 wagons for the expansion of cement companies and the rest for other industries.

A difficulty experienced by consumers in South India is with regards to shipments of coal in small quantities from Calcutta. At present consumers have to rely for their small requirements on the railways. Coastal ships are at present big and carry only full loads of 6,500 to 8,000 tons of coal in one shipment. This does not meet the needs of consumers in South India who want in quantities ranging from 50 to 100 tons. The *Ambar Jahaj* could carry small quantities as the rail wagons do and offer direct shipments to any of the minor ports other than Madras or [illegible]

[illegible] following statement would [illegible] sition in transport require-

[illegible] ..	..	25 to 30 ships.
[illegible] wagons ..	..	18,304 wagons a year.
Gap in tank wagons ..	..	1,500 tank wagons.

In the final analysis, what would eventually fackle the target of coastal self-sufficiency is by our own construction in our own yards with our own material, a modern fleet of efficient vessels tailored to suit local needs, making minor ports a major asset, and assisting rail-sea co-ordination. State-aided shipping corporations have been covered for losses for the first five years of their inception. Many facilities have been given to shipowners. In order to introduce the *Ambar Jahaj* in our coastal transport, it may be necessary, in the initial stage, to have new legislation, so as to make it possible for operating the *Ambar Jahaj* on the basis of sailing vessel economy. This would facilitate interchange of crews, cut down operating costs, and enable working the vessel by marine co-operatives, a feature that needs development and encouragement in our shipping industry.—*All Rights Reserved.*

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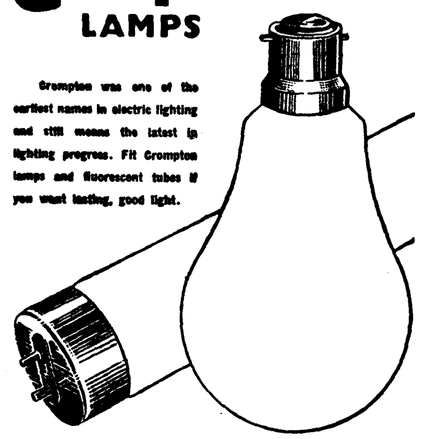

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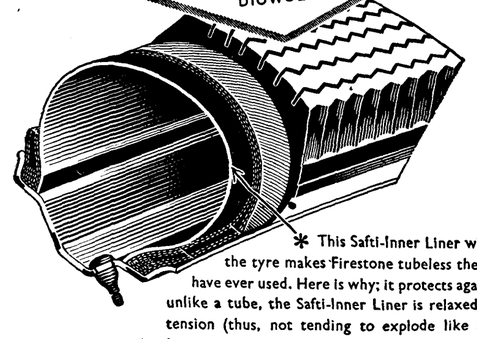

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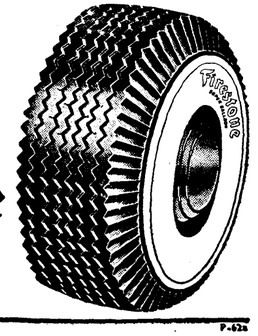

Firestone

TUBELESS TYRES

P-62a

Notice

THE BANK OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Mahatma Gandhi Road, Fort, Bombay, on Thursday, the 11th October, 1956, at 4 o'clock in the afternoon, to elect two Directors and to consider and if thought fit to pass with or without amendment the following resolutions, as Special or Ordinary, as specified below.

SPECIAL RESOLUTIONS

1. RESOLVED that Article 74 of the Company's Articles of Association be and it is hereby deleted and in its place and stead the following be and it is hereby substituted as Article 74:—

"74. (a) Upon a show of hands every member present in person or if a body corporate either through a representative appointed under the provisions of section 187 of the Companies Act, 1956, or by proxy, shall have one vote.

(b) Upon a poll the voting right of a member shall be in proportion to his or its share of the paid-up equity capital of the Company."

2. RESOLVED that Article 126 of the Company's Articles of Association be and it is hereby deleted and in its place and stead the following be and it is hereby substituted as Article 126:—

"126. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or in part by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of the Company or paid-up shares, debentures, or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution and, where any difficulty arises in regard to the distribution, they may settle the same as they think expedient and, in particular, may issue fractional certificates and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend or bonus as may seem expedient to the Directors."

3. RESOLVED that after Article 132 of the Company's Articles of Association the following be inserted as heading and Articles 132A and 132B respectively:—

CAPITALISATION OF PROFITS

"132A. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve funds or accounts or to the credit of the profit and loss account or otherwise available for distribution and, accordingly, that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full either at par or at premium unissued shares or debentures of the Company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportions aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution."

"132B. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue of fully-paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such members."

4. RESOLVED that Article 87 of the Company's Articles of Association be and it is hereby deleted and in its place and stead the following be and it is hereby substituted as Article 87:—

Remuneration

"87. (a) The remuneration of the Directors shall be as fixed by a general meeting and may be by way of fees for meetings attended or monthly payments or otherwise as may be fixed by the general meeting. The remuneration of the Directors shall, in so far as it consists of a monthly payment, as may be fixed by the general meeting, be deemed to accrue from day to day;

(b) Until otherwise resolved by a general meeting:

(i) the Chairman of the Board of Directors shall be entitled to the sum of Rs. 200 and each of the other Directors shall be entitled to the sum of Rs. 150 for every meeting of the Board which he attends.

(ii) Each of the Directors (including the Chairman) shall be entitled to the sum of Rs. 75 for every meeting of any committee or sub-committee of Directors which he attends;

Payment of Expenses

(c) In addition to the remuneration payable to them in pursuance of the Act or these Articles, the Directors may be paid all travelling, hotel and other expenses properly incurred by them:

(i) in attending and returning from meetings of the Board of Directors or any committee or sub-committee thereof, or

(ii) in connection with the business of the Company."

ORDINARY RESOLUTIONS

5. RESOLVED that the capital of the Company be increased to Rs. 5,50,00,000/- (Rupees five crores and fifty lakhs) by the creation of 1,00,000 new shares of the face value of Rs. 50/- each.

6. RESOLVED that the said 1,00,000 new shares of the face value of Rs. 50/- each shall be subject to the Memorandum and Articles of Association of the Company and shall, subject thereto, rank for dividend on profits and in all other respects *pari passu* with the existing 5,00,000 shares of the Company of the face value of Rs. 100/- each, of which Rs. 50/- only are paid-up, save that the new shares shall not be entitled to participate in any dividend declared or to be declared for any period prior to the 1st January, 1957.

7. RESOLVED that it is desirable to convert into share capital Rs. 50,00,000/- (Rupees fifty lakhs) out of the sum of Rs. 2,00,00,000/- (Rupees two crores) which represents premiums on previous issues of shares and which forms parts of the Reserve Fund of Rs. 3,52,00,000/- and, accordingly, that a special capital bonus of Rs. 50,00,000/- be and is hereby declared AND that the said sum of Rs. 50,00,000/- be transferred from the Reserve Fund to share capital and that such bonus be applied on behalf of the persons who on the 8th day of November, 1956, were holders of the existing 5,00,000 shares of the Company (of the face value of Rs. 100/- each of which Rs. 50/- only are paid-up) in payment in full for the aforesaid 1,00,000 newly created shares of the Company (of the face value of Rs. 50/- each) and that such 1,00,000 shares credited as fully-paid be accordingly allotted to such persons respectively in the proportion of *One* such new share (of the face value of Rs. 50/- each) for every *Five* of the said existing shares (of the face value of Rs. 100/- each on which Rs. 50/- only are paid-up) then held by such persons respectively and that the shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such shareholder and not as income.

8. RESOLVED that no fractional certificates be issued to members but that the shares remaining after the allotment of one new share for five existing shares is made be allotted and issued as the Directors deem fit to any person or persons (including any one or more of themselves and/or any one or more of the employees of the Bank) for the purpose of being sold and the sale-proceeds, less expenses of sale, divided proportionately amongst the members who would otherwise have been entitled to a fraction or fractions of such new shares.

9. RESOLVED that any member entitled as aforesaid to the said new shares shall have the right either to accept all or any of the said new shares or to renounce (upon signing a renunciation in such form as shall be prescribed by the Directors) his right to all or any of the said new shares in favour of a nominee or nominees. Provided that such nominee or nominees shall be a member or members of the Company or be a person or persons approved of by the Directors of the Company and that such nominee or nominees shall sign an acceptance of the shares so renounced in such form as shall be prescribed by the Directors and that any such renunciation by a member and acceptance by a nominee shall be effective only if made upon forms to be supplied by the Company and lodged duly completed with the Company within the time prescribed by the Directors.

10. RESOLVED that the Directors shall have the right in their absolute discretion to reject any application for the new shares by a nominee or nominees not being a member of the Company and to refuse allotment to any such nominee or nominees not approved of by them without assigning any reason.

11. RESOLVED that for the purpose of giving effect to the foregoing resolutions Nos. 7 to 10 the Directors are authorised to give such directions as may be necessary and to settle any questions or difficulties that may arise in regard to the issue and distribution of the new shares as they think fit.

12. RESOLVED that the certificates for new shares to be allotted as aforesaid be issued within 9 months of the allotment thereof.

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13. RESOLVED that:—

(a) The duly appointed Auditors of the Company, Messrs. A. F. Ferguson & Co., Chartered Accountants, and Messrs. S. B. Billimoria & Co., Chartered Accountants, be and they are hereby authorised to restrict their audit to the accounts of the Company at its Head Office and not to audit the accounts at the branches either within or outside India.

(b) Notwithstanding the authority aforesaid the Auditors shall be entitled at such times as may be agreed upon between themselves to visit for any one of them at least once in every financial year every branch in India for test inspection and that a report on such test inspection shall be submitted to the General Manager of the Bank and that for such work the Auditors shall be paid all out-of-pocket expenses that they may incur for travelling, board and lodging and otherwise and that such payment shall be in addition to the remuneration fixed for the said Auditors.

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14. RESOLVED that pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, the Directors be and they are hereby authorised to borrow from time to time such sum or sums of money as they may in their absolute discretion think fit notwithstanding that the amounts borrowed may either by themselves or together with any other sum or sums already borrowed and outstanding be in excess of the Company's paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

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15. RESOLVED that pursuant to the provisions in that behalf contained in section 281 and other relevant provisions of the Companies Act, 1956, Mr. Ambalal Sarabhai, who has attained the age of 66 years, be and he is hereby elected and appointed a Director of the Company AND it is hereby specifically declared that the age limit for Directors prescribed by section 280 of the said Act shall not apply to him.

16. RESOLVED that pursuant to the provisions in that behalf contained in section 281 and other relevant provisions of the Companies Act, 1956, Sir Vithal N. Chandavarkar, who has attained the age of 68 years, be and he is hereby elected and appointed a Director of the Company AND it is hereby specifically declared that the age limit for Directors prescribed by section 280 of the said Act shall not apply to him.

Dated at Bombay this 12th day of September 1956.

By Order of the Board of Directors,

T. R. LALWANI,
Acting General Manager,
THE BANK OF INDIA LIMITED.

Note:—(1) Resolutions 1 to 4 will be proposed as Special Resolutions. Resolutions 5 to 16 will be proposed as Ordinary Resolutions.

(2) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

(3) The transfer books of the Company will remain closed from 30th October 1956, to 8th [redacted] days inclusive).

[redacted] under section 173 (2) of [redacted] 1956, in respect of the [redacted] Resolutions.

[redacted] NS Nos. 5 to 12:—

1. At the last annual general meeting held on the 8th day of March 1956, shareholders were informed that the Directors considered that the completion of fifty years of the Bank's life should be marked by the issue to the shareholders of one bonus share of Rs. 50 fully-paid for each five shares of the Bank and that it was proposed to make an application to the Central Government for the necessary consent. Such consent has been applied for and obtained and the Bank has now become entitled to convert into share capital a sum of Rs. 50,00,000 (Rupees fifty lakhs) out of that portion of the Reserve Fund which represents premiums received on previous issues of shares and to apply this sum of Rs. 50,00,000 to the issue to shareholders of 1,00,000 new shares of the face value of Rs. 50 each fully-paid in the ratio of one such new share for every five existing shares of the Bank.

2. The consent of the Central Government has been obtained to the said issue of bonus shares by an Order No. R 108-CCI/56-451 dated 10th July 1956, of which a complete copy is open for inspection by the members at the Head Office of the Company between 11 a.m. and 4 p.m. on all working days except Saturdays and between 11 a.m. and 1-30 p.m. on Saturdays. The Central Government has stated that it must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

3. The Directors are placing before the shareholders for their consideration resolutions required for carrying into effect the scheme for the issue of bonus shares as aforesaid. It will be necessary, for this purpose, to increase the capital of the Company from Rs. 5,00,00,000 (Rupees five crores) to Rs. 5,50,00,000 (Rupees five crores and fifty lakhs) and to create 1,00,000 new shares of the face value of Rs. 50 each which shall be deemed to be fully paid-up. These shares will, subject to the Memorandum and Articles of Association, be entitled to participate in dividend on profits and in all other respects *pari passu* with the existing 5,00,000 shares of the Company of the face value of Rs. 100 each, on which Rs. 50 have been paid, except that the new shares will not be entitled to participate in any dividend declared or to be declared for any period prior to 1st January 1957.

4. Having regard to the difficulties which would be experienced by the issue of fractional certificates, the Directors have proposed that no fractional certificates shall be issued to shareholders but that the shares remaining after the allotment of one new share for five existing shares shall be sold and the net sale proceeds divided proportionately amongst the members who would otherwise have been entitled to a fraction or fractions of such new shares.

5. Resolutions Nos. 5 to 12 (both inclusive) are recommended to be passed for the purpose of carrying out the scheme for the issue of bonus shares as aforesaid.

RE: RESOLUTIONS Nos. 1, 2 and 3

6. The Articles of Association of the Bank also require certain alterations for the purpose of enabling the aforesaid scheme to be put into effect. Therefore, the existing Article 126 is proposed to be amended by providing for distribution of assets also by way of a bonus and new Articles 132A and 132B are proposed to be added for the purpose of enabling capitalisation of profits. Article 74 relating to voting rights is proposed to be amended to bring it into line with section 87 of the Companies Act, 1956. This amendment is deemed necessary in view of the fact that the new shares will be fully paid-up shares of Rs. 50 each which is also their face value while the existing shares are of the face value of Rs. 100 each and have an uncalled liability of Rs. 50 per share.

7. Resolutions Nos. 1, 2 and 3 are recommended to be passed for amending the Articles in manner aforesaid.

RE: RESOLUTION No. 4

8. The Articles regarding the remuneration of the Directors are also recommended to be revised. The existing Articles 87 and 106 of the Bank's Articles of Association provide for remuneration of the Directors. Having regard to the considerable increase in the business of the Bank, the work of the Directors has correspondingly increased. The Directors' remuneration at present is Rs. 125 for the Chairman and Rs. 100 for every other Director for every meeting of the Board attended by him or them respectively. Each of the Directors, including the Chairman, is also entitled to a remuneration of Rs. 25 for every meeting of a committee of Directors attended by him. It is proposed that the remuneration presently paid to the Directors should be increased as mentioned in Resolution No. 4 and that they may be entitled to draw travelling expenses when they are called to attend meetings of the Board or of any committee or sub-committee thereof.

9. Section 310 of the Companies Act, 1956, provides for the approval of the Central Government being obtained in the case of any amendment of any provision in the Articles of Association which has the effect of increasing the remuneration of the Directors. It is suggested that the shareholders consider the amendments now proposed by Resolution No. 4 in the existing Article 87. An application is being made to the Central Government for approval to the proposed increase in the remuneration and the resolution for increase in the remuneration will be effective only upon such approval being obtained. Until such approval is obtained, the existing abovementioned remuneration will continue to be paid.

RE: RESOLUTION No. 13

10. Resolution No. 13 is proposed to meet the requirements of section 228 of the Companies Act, 1956.

RE: RESOLUTION No. 14

11. Resolution No. 14 is proposed to meet the requirements of section 293 (1) (d) of the Companies Act, 1956. The Bank may have occasion to borrow in excess of the limits prescribed by the said section and it is, therefore, desirable to give the necessary powers to the Board for that purpose.

RE: RESOLUTIONS Nos. 15 and 16

12. Mr. Ambalal Sarabhai has been a Director of your Bank since 1919 and has rendered meritorious services to the Bank. In particular, he has been responsible to a large degree for the development of the Bank's business at Ahmedabad. Because Mr. Ambalal Sarabhai and Mr. Madanmohan Mangaldas were members of the Bank's Local Committee at Ahmedabad and were entitled to receive a remuneration of Rs. 50 for each meeting of the said Local Committee, the Bank has been advised by Counsel that they may be deemed to have vacated their seats as Directors by virtue of the provisions of section 314 of the Companies Act, 1956. Mr. Madanmohan Mangaldas has been re-appointed a Director by the Board under their powers in this behalf. Because Mr. Ambalal Sarabhai has attained the age of 66 years, his appointment and election as a Director require the approval of the Company by a resolution passed in general meeting, specifically declaring that the age limit prescribed by section 280 of the Act shall not apply to him.

13. The Board also propose to invite Sir Vithal N. Chandavarkar to join the Board as a Director. Sir Vithal Chandavarkar is a well known industrialist whose association with the Bank should prove to be of considerable value. He has attained the age of 68 years and, therefore, in his case also, his appointment as a Director requires the approval of the Company by a resolution in general meeting, specifically declaring that the age limit prescribed by section 280 of the Act shall not apply to him.

14. Special notices of the resolutions proposing Mr. Ambalal Sarabhai and Sir Vithal N. Chandavarkar as required by the Act have been received.

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15. The abovementioned Special and Ordinary Resolutions are commended to the shareholders for their consideration and if approved for being passed. The only interest of the Directors and of Mr. D. R. Thom, General Manager of the Bank, in the resolutions regarding bonus shares is that each of them is a shareholder and member of the Company and, as such, interested in the issue of bonus shares. The Directors are also interested in the resolution regarding amendment of the Articles to permit an increase in their remuneration.

Dated at Bombay this 12th day of September 1956.

By Order of the Board of Directors,

T. R. LALWANI,
Acting General Manager,
THE BANK OF INDIA LIMITED.

Notices

THE EQUITABLE COAL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 5th October 1956, at 3.00 p.m. for the following purposes:—

1. To receive and consider the Directors' and Auditors' Reports, the Profit and Loss Account for the half-year ended 31st December 1955, and the Balance Sheet as at that date.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. *As Special Business*:

   To consider and, if thought fit, to pass, with or without amendment, the following Resolution:—

   (As an Ordinary Resolution).

   "RESOLVED that the Board of Directors be and is hereby authorised with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 28th September to 5th October 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *7th September*, 1956.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

EXPLANATORY STATEMENT

Item No. 5.—By the provisions of Section 293(1) (d) of the Companies Act, 1956, the Directors without the consent of the Company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

GILLANDERS ARBUTHNOT & COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Preference Share Register of Members of the Company will be closed from the 24th September to the 1st October 1956, both days inclusive, for payment on the latter date of an Interim Dividend on the Preference Shares of the Company at Rs. 2-8 per share, less Income-tax, on account of the year ending the 31st March 1957.

Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,
J. F. E. d'A. WILLIS,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *4th September* 1956.

THE DHEMO MAIN COLLIERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 5th October, 1956, at 2.30 p.m. for the following purposes:—

1. To receive and consider the Directors' and Auditors' Reports, the Profit and Loss Account for the half-year ended 31st December 1955, and the Balance Sheet as at that date.
2. To elect a Director.
3. To appoint Auditors and to fix their remuneration.
4. *As Special Business*:
   To consider and, if thought fit, to pass, with or without amendment, the following Resolution:—

   (As an Ordinary Resolution).

   "RESOLVED that the Board of Directors be and is hereby authorised with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 28th September to 5th October, 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *7th September*, 1956.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

EXPLANATORY STATEMENT

Item No. 4.—By the provisions of Section 293(1) (d) of the Companies Act, 1956, the Directors without the consent of the Company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

THE CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, "Stephen House," fourth floor, No. 4, Dalhousie Square East, Calcutta, at 3 p.m. on Monday the 8th October 1956, for the purpose of receiving the Report of the Directors and the Managing Agents, passing the audited accounts for the half-year ended 31st December 1955, declaring the Dividend on Preference shares, electing a Director and appointing Auditors.

The Transfer Register of the Company will be closed from 28th September 1956 to 8th October 1956, both days inclusive.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE," 4TH FLOOR,
4, DALHOUSIE SQUARE EAST,
CALCUTTA, *27th August* 1956.

Note.—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

(2) The Dividend, if sanctioned, will be paid to those shareholders so entitled whose names appear in the Company's books on the 8th October 1956, or to their mandatees.

THE HURRILADIH COAL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 5th October, 1956, at 2.45 p.m. for the following purposes:—

1. To receive and consider the Directors' and Auditors' Reports, the Profit and Loss Account for the half-year ended 31st December 1955, and the Balance Sheet as at that date.
2. To declare a Dividend.
3. To elect a Director.
4. To appoint Auditors and to fix their remuneration.
5. *As Special Business*:
   To consider and, if thought fit, to pass, with or without amendment, the following Resolution:—
   (As an Ordinary Resolution).
   "RESOLVED that the Board of Directors be and is hereby authorised with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 28th September to 5th October, 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER.
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *7th September*, 1956.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

EXPLANATORY STATEMENT

Item No. 5.—By the provisions of Section 293(1) (d) of the Companies Act, 1956, the Directors without the consent of the Company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

THE BOMBAY STATE CO-OPERATIVE BANK, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Ordinary General Meeting of the Bank will be held at the Registered Office of the Bank, 9, Bakehouse Lane, Fort, Bombay, on Saturday the 2nd September 1956, at 2 p.m. (S.T.), to transact the following business:—

1. To adopt the Report of the Directors and the Audited Statements of Accounts of the Bank for the year ending 30th June 1956.
2. To declare a Dividend.
3. To appoint Auditors and to fix their remuneration.
4. To amend Bye-laws 2 (e) and 72 (as per notice sent to Shareholders).

By Order of the Board,
Y. B. GAITONDE,
Manager.

BOMBAY, 28*th August* 1956.

The Transfer Books of the Bank will be closed from 17th September 1956 to 29th September 1956, both days inclusive.

The Dividend when declared will be payable at the Bombay Office on and after Monday the 8th October 1956, to those shareholders whose names stand on the Register on the 15th September 1956.

men at the helm...

BOARD OF DIRECTORS

Shri Shanti Prasad Jain (Chairman)
R. B. Dr. Maharaj Krishna Kapur
Shri Chiranji Lal Bajorla
Shri Kamalnayan Bajaj
Pandit J. N. Bhan
Shri Shital Prasad Jain
Lala Jaswantrai Churamani
Shri Keshab Chander

R. L. Tuli - Offtng. General Manager

THE PUNJAB NATIONAL BANK LTD.

Head Office : Delhi

SIXTYONE YEARS STRONG IN SERVICE

THE HIND BANK LIMITED
Head Office: CALCUTTA

Chairman:
Mr. K. P. GOENKA

General Manager:
S. D. PARDIWALLA

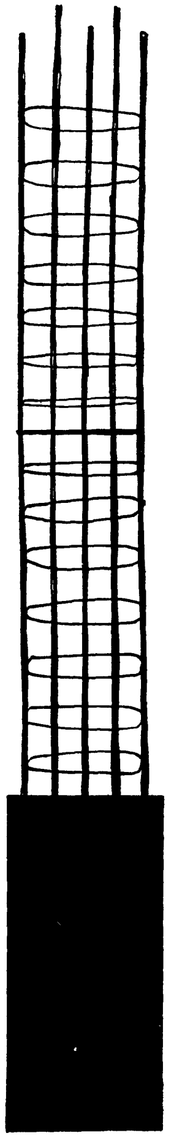
Paid-up Capital - - Rs. 50,00,000
Reserve Fund - - Rs. 26,00,000

COMPLETE BANKING SERVICE OFFERED

Transacting all kinds of Foreign Exchange Business.

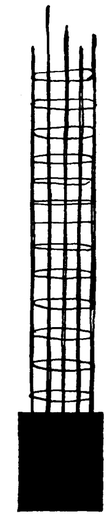
Bombay Office:
Sir Pherozshah Mehta Road
BOMBAY 1

S. L. MEHTA, *Manager.*



Mukand makes reinforced concrete...

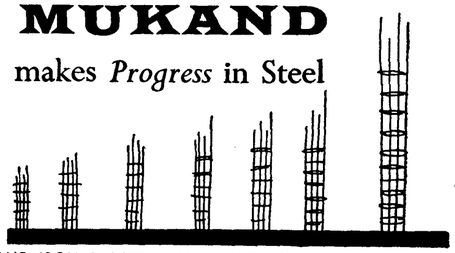




It's perfectly true... even though we're not in the concrete business. For we manufacture and supply the rolled steel bars which reinforce concrete and make possible the construction of dams, factories, homes and offices all over the country.

Last year we produced over twenty thousand tons of rolled steel bars and this year our target is 40,000 tons to meet the increasing demand from the public and private sectors. By 1961, we are confident of producing 1,20,000 tons. In fact, our steel rolling mills—the largest in Western India—are working round the clock, putting the steel in concrete.

MUKAND
makes *Progress* in Steel



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INDIA STEAMSHIP CO., LTD.

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S. S. INDIAN PIONEER
S. S. INDIAN TRADER
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S. S. INDIAN RENOWN
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PORT SUDAN, PORT SAID, ALEXANDRIA, LONDON, LIVERPOOL, DUNDEE, ANTWERP, ROTTERDAM, HAMBURG, BREMEN and other ports.

Regular cargo service between INDIA-U.K.- CONTINENT and also INDIAN COASTAL service

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n Bank
ia Limited
OLLO STREET, FORT, BOMBAY-1
(Estd. 1919)

We have pleasure to announce that our

HYDERABAD (DN.) BRANCH
WILL BE OPENED AT
SIDDIAMBER BAZAAR,
HYDERABAD (DN.)
ON
SATURDAY
15th September, 1956.

VIJAYAWADA AND DELHI BRANCHES WILL BE OPENED SHORTLY

F. K. F. NARIMAN • General Manager

MONOPOLY CAPITALISM IN INDIA?

STUDY OF THE SITUATION REVEALS NO SIGN OF IT

AS a result of the programmes adopted under the first Five-year Plan, Indian industry has come to enjoy certain special advantages in the form of general stimulus to prices and restrictions on imports of consumer goods which have tended to reduce competition between industries within the country as well as competition from without. Consequently, certain boom conditions have come to prevail, making it easier for *entrepreneurs*, especially those who are already in the field, and who have command over resources, to make large profits. The general boom conditions have also given rise to certain socially undesirable consequences. In the first place, the incentive for improvement in efficiency has become weak. Secondly, prices, especially those of the essential articles have tended to rise. In these circumstances, it is sometimes suggested that the entire section of the organised industries has become the equivalent of "monopoly capitalism." In an illuminating article entitled "Some Structural Aspects of Industry," the *Tata Quarterly* of April-July 1956, has made a successful attempt at repudiating this suggestion with facts and figures.

The article sets out to consider whether any of the essential elements which constitute monopoly are present in the conditions obtaining in India today. One or more of the elements that go to make monopoly are: (i) An understanding among the rival producers in an industry for the establishment of monopoly power, (ii) deliberate attempts to bar entry to new comers in the field, (iii) organised effort to drive out, through unfair means, present or prospective competitors, and (iv) deliberate reduction of output with a view to securing abnormally high profits by raising prices.

Diversification of Industry

The first indication that no such monopolistic conditions prevails in India is evidenced by the diversification of industry which has come about in recent years. While, before World War II, industrial development was confined to fields such as cotton textiles, jute, iron and steel, cement and the like, under the impetus provided by the War, a host of other industries, including engineering and heavy chemicals, grew up. After an interval of a few years, following the post-war boom, the first Five-year Plan gave further fillip to the establishment of industries in new fields such as automobiles, radio receivers and the like. "All these new industries," the article points out, "may be said to be the product of investors reaction to war-time shortages, post-war quantitative restrictions on imports and Government's active interest in fostering the development of a diversified industry." Despite this diversification, the number of units remained small in various lines. It is so not because of any wilful design of some promoters. The development of the units depend on various factors such as the performance of the pioneering unit, and scope of development in the immediate future. In fact, the article says, the pace at which the number of units has multiplied in recent years should be a strong indication of the absence of monopolistic tendencies.

In the hurricane lantern industry, for instance, the number of units rose from six to eleven, while the capacity increased from one to 3.6 million between 1947-50. In the radio receivers industry, to take another example, the number of units increased from two to eleven during the same period. In diesel engines, again, the number rose eightfold between 1947 and 1953. It is often the existence of large idle capacity of the existing units that largely determines the expansion of the number of units in any line. According to the Planning Commission, the percentages of unused to total capacities in some principal new industries in 1953 were 34 in electric fans, 63 in radio receivers, 80 in automobiles, 37 in bicycles, and 72 in diesel engines. This excessive capacity—which was never brought into use—should, however, be distinguished from the capacity in disuse—deliberately kept in disuse by a monopolistic—prevalent under monopolistic conditions. This excessive capacity came into existence, not because of monopoly, but, on the contrary due to "individuals making their own expansion programmes optimistically and without consideration of what the similar plans of others might lead to." Another indication of the individualistic actions of the producers is provided by the following quotation quoted in the article from the Annual Report of the Ministry of Commerce and Industry:

> "One of the main weaknesses of the pattern of industrial development in the country has been the tendency on the part of each individual unit to set up the capacity needed for the entire range of its production. This meant that, even while idle capacity existed in the country for making particular components, fresh capacity of the same type was being created."

Production

In the realm of production, again, no monopolistic tendencies could be pointed out. In almost all the industries, old as well as new, the production at present is very much higher than what it was at the end of the war or at the beginning of the Plan. This fact brings out, as the article says, a fundamental point, namely, that production-trend has reacted in a normal fashion to the market conditions. Except for the decline in production witnessed in 1950 in 13 industries following the influx of imported goods, and in 1951 in certain others as a result of inadequate supply of raw materials, the production of all the industries continued to raise ever since the Government, with the co-operation of capital and labour, set out in 1947 to increase the production. The tempo gained further momentum during the first Plan, and the Plan expectations have been more than fulfilled.

It is necessary, furthermore, to examine whether Indian industry is free from monopoly practices. The article divides such practices into two broad divisions: Firstly, those that create conditions for monopoly to flourish, such as barring entry to newcomers, uneconomic price-cuts, etc., and, secondly those that exploit the situation so created, like restricting production, raising prices, etc. As for the restriction of newcomers, it is entirely the business of the Government which, under the provisions of the Industries (Development and Regulation) Act, 1951, regulates the expansion of old or establishment of new industries in conformity with the programmes of planned development. Besides, the scrutiny of the applications takes place according to well-defined principles, and the procedure of reviewing the decisions of the Licensing Committee, by a nine-member Sub-committee of the Central Advisory Council rules out any possibility of influencing the decisions of the Committee. During the last five years, for instance, applications were rejected if the Committee was satisfied that there was an excess capacity existing in the related industries. They were also rejected on the grounds such as of non-availability of transport facilities or raw materials. This is borne out by facts. Thus, in the three years ended 1955, of the 1,440 applications received by the Ministry of Commerce and Industry, only 1,142 applicants were granted licences. And, of the 298 rejected cases, 236 belonged to the group of industries called "restrictive group," that is, those which had adequate or more than adequate capacity at the commencement of the Plan, in the opinion of the Planning Commission. Thus, as the article points out, the licensing system might have been instrumental, in some measure, in suppressing competition, though the extent of such suppression cannot be indicated. But this does not mean that the Government was going out of its way to create monopolistic conditions. For the Planning Commission was ready to sanction all the schemes pertaining to fields in which it desired expansion.

Monopoly Practices

Turning to the other aspect of monopoly practices, the article points out that, of the prices of the three types of maufactured goods—namely, closely regulated key industries, young protected industries and old established ordinary industries —monopoly pricing has been clearly out of the question in the first category. The first category of industries which includes steel, cement, locomotives, etc., has never experienced the difficulty of disposing of its entire output. In the case of these industries, the Government not only fixes the prices, but also arranges for the distribution of their products. Further, they expanded their production during the last five years to the extent permitted by the Government. In respect of industries belonging to the second category, namely, protected industries, domestic prices are kept higher than they would otherwise be by a deliberate policy of the Government. Even if a manufacturer, following excessive demand for his products, takes "undue advantage" of protection by charging excessive prices, he cannot be deemed to be charging monopoly prices. For he is like any other manufacturer, who raises the prices simply because the demand has exceeded the supply. But, in actual practice, no industry charges such undue prices. "To take an overall view," the article says, "the continued existence of substantial unutilised capacity in the majority of the young protected industries suggests that protecton was not sufficiently effective for them or that the intended price margin was not accruing in actual practice."

The last category comprises old industries such as cotton, tea, jute, soap, etc. A characteristic feature of the price-trends in these industries is that the market forces of supply and demand largely determine the prices from time to time. Excepting for the sharp increases in the prices of sugar and cotton manufactures in 1949-50, which were largely due to the policy of control followed by the Government during and after the war, there is, the article claims, no instance in the history of price movements to indicate monopoly pricing among these industries. The collaboration among jute producers is limited to uniform sealing of a given proportion of looms with the Government approval only and in certain circumstances. This is true of tea and coffee industries also. Besides, the prices of jute textiles are set by international forces. So also, domestic markets determine the prices of the products of the other old established industries.

From the foregoing arguments so clearly presented by the *Tata Quarterly*, it can be seen that the charge of monopoly capitalism labelled against the entire sector of organised industry in India is unwarranted. The *Quarterly*, however, rightly concedes that, the implementation of development plans in India has undoubtedly some undesirable aspects which must be recognised as such and avoided as far as possible. The chief among these are the higher consumer prices and an improvement in the relative position of the entrepreneurial sections of the community. Nevertheless, it goes on to add, that the Government is not oblivious to these unfavourable features. It keeps a close watch over the prices of essential articles and, in some cases, levies sectional excise duties to take away what are called "unearned" increments to profits in particular industries. At the same time, the direct taxes also are aimed at counteracting the extraordinary accumulation of wealth. Besides, the Government also gives encouragement to outsiders to enter the field and forces an improvement in the competitive position of the newcomers. If, despite what is being done to counteract some of the inevitably undesirable effects of economic expansion on the Society, some of them lurk in the economy, it is neither fair nor unrealistic to attribute them to business men.



PRODUCTION UP IN E.C.A.F.E. REGION

The highlights of economic development in Asia in the half-year ended 21st March 1956 were moderate increases in industrial and agricultural production, reductions in trade deficits and improvements in gold and dollar reserves, according to the latest review of the Asian economic situation published by the E.C.A.F.E.

In the realm of prices, three different trends are noted by the review. In the first place, in certain countries, namely, Cambodia, Taiwan, Indonesia, South Korea Thailand and South Viet Nam, continued price increases were witnessed, chiefly due to military and other non-developmental Government expenditures financed by heavy budget deficits. Secondly, in certain other countries, principally Ceylon, Japan and the Philippines, prices remained stable, mainly because of the disinflationary policies pursued by them. Finally, in Burma, India, Malaya and Pakistan, a downward trend in prices was in evidence in 1955, but in the first quarter of 1956, they remained stable or moved slightly upwards.

In the sphere of agricultural production, an increase of as much as 2.1 per cent. was witnessed in the output of cereals. Generally, favourable weather conditions were greatly helpful to Governments in their efforts to stimulate food production. The production of rice alone (in the region excluding China) increased by 7 per cent. and was very near the record level of 1953-54. While in China and Japan bumper outputs were recorded, in Indonesia and Pakistan production was lower than in the previous year. In India, although the increase in the production of rice was as much as a million tons, it was more than offset by a decline of no less than 3 million tons in the output of other cereals, chiefly millets, sorghum and maize.

Consequently, India, Pakistan and Indonesia were obliged to import sizable quantities of foodgrains in order to keep in check the increases in domestic prices. In Burma, on the other hand, a surplus of two million tons of rice—70 per cent. of which, however, had already been committed by contracts by the end of 1955—was estimated for 1956. Thailand exported rice to the tune of 500,000 tons in the first five months of 1956, as against 604,000 tons in the corresponding period last year.

Turning to the developments in the sphere of export commodities, the review notes with satisfaction the increases recorded in 1955 and in the first quarter of 1956. The production of tea and rubber reached new levels. Jute production also rose to touch the record level witnessed in 1951-52. Copra and sugar production, too, increased but only moderately. Cotton, however, showed a decline. In China, on the contrary, cotton production was reported to have risen by 43 per cent.

Foreign exchange position of the countries exporting rubber greatly improved during the period under review, as a result of the high level of exports attained at favourable prices. Jute and sugar exports also helped the foreign exchange position, though to a lesser extent. Exports of tea, from India, Pakistan and Indonesia, declined, while those from Ceylon increased.

[redacted]velopments in the field of in-
[redacted]e review points out that pro-
[redacted] continued to increase at a
[redacted]e world rate, while in India,
[redacted] rate of expansion was nearly
[redacted] In India, the rate of increase
[redacted]on for the period 1951-55 was
[redacted] In Japan industrial expansion
was accentuated by the export demands. A noteworthy feature was that shipments by Japan increased at a higher rate than production.

Turning to trade, the review remarks that, during 1955, the trade of E.C.A.F.E. countries increased by 15.6 per cent. to $8,326 million in exports and by 5 per cent to $8,632 million in imports. A remarkable feature was that the trade deficit was reduced by 70.1 per cent. in 1955. As a result of the increasing imports during the first quarter of 1956, however, the deficit increased slightly again.

MINISTRY OF HEAVY INDUSTRIES

The broad division of responsibility between the Ministry of Heavy Industries and the Ministry of Commerce and Consumer Industries, which have been created in place of the Ministry of Commerce and Industry, is outlined below:

The Ministry of Heavy Industries will be generally responsible for industrial policy as a whole. The administration of the Industries (Development and Regulation) Act will remain with this Ministry and all applications under the Act, whether for substantial expansion or for setting up new undertakings, should be addressed to this Ministry. The Ministry of Heavy Industries will be responsible also for all producer goods industries including iron and steel and non-ferrous metals; chemicals and pharmaceuticals; machine building industries, including machine tools, engineering industries, cement and automobiles.

The Ministry of Commerce and Consumer Industries will deal with all subjects relating to foreign trade and commerce and import and export control.

Besides, this Ministry would be responsible for small-scale industries and handloom industry, all textile industries, production of consumer goods by light engineering industries like bicycles, sewing machines, cutlery, domestic electrical appliances, wood-screws, bolts and nuts, and for all other common consumer items like soaps and other toilet articles, matches, leather and rubber manufactures, glassware and crockery, paints and varnishes and plastic goods. It will also be in charge of the plantation industries, viz., tea, coffee and rubber.

Where there is any doubt about any particular item of industry, letters and correspondence may in the first place be sent to the Ministry of Heavy Industries.

INDO-BURMA TRADE AGREEMENT

The Indo-Burma Trade Agreement which was concluded on 5th September 1956, and has come into force from that day, will be welcomed by all business interests in both the countries. Apart from the normal feature that both the Governments should give all necessary facilities for export or import, as the case may be, of the items specifically stated (and also those not specifically stated) in the agreement, a noteworthy feature is that both the Governments, in view of the common problem of foreign exchange confronting them, have agreed to take necessary steps to achieve as near a balance in their trade as may be feasible. And in this connection, and also with a view to achieving expansion and diversification of trade between the two, each Government has agreed to give fullest consideration to the suggestions of the other. Suggestions by either of the parties offered in respect of export of commodities in short supply will also be given utmost consideration. Other terms include according of favourable treatment to each other's commerce, and exploring of ways and means for the most economical and convenient transportation of commodities between them, and promoting the development of and interest in shipping.

The agreement is to run for five years, subject to such modification as may be agreed upon between the two parties at the beginning of each calendar year.

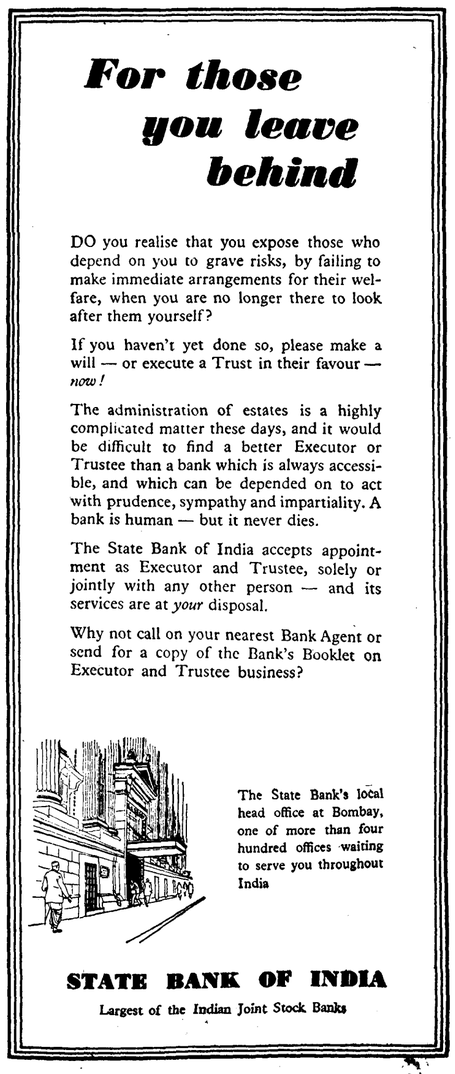
The groups of commodities for export from India include textiles, food, agricultural products, chemical products and soaps, engineering goods, electrical goods, household and building requirements, hardware, scientific instruments of all types, rubber manufactures, leather manufactures, handicrafts and cottage industry products, stationery and paper and other miscellaneous items.

Commodities for export from Burma to India include, chiefly, rice, beans and pulses, maize, teak, certain non-ferrous metals, precious and semi-precious stones and certain others.

INDO-AUSTRIAN TRADE PACT

The Indo-Austrian Trade Agreement which was originally signed on 9th December 1952, and which, as per the latest extension on 29th December 1955, was valid till 30th June 1956, has been extended up to 30th June 1957, according to a Press Note issued by the Ministry of Commerce and Industry. In terms of the exchange of letters between the two Governments, the Australian Federal Government has agreed to license freely import into Austria from India of tea, carpets, sports goods, hydrogenated oil, raw cotton, castor oil, coir, coir yarns, fibre for brushes and brooms, handicraft manufactures of ivory, brass, horn and brocade, iron ore, manganese ore, mica, shellac, linseed oil, myrobalans, spices, cashewnuts and tanned leather.

The Austrian Government has also agreed to license import of cotton fabrics, unbleached, to the extent of 20,000 lbs. from India.



TEXMACO'S PROGRESS EXCELLENT

PROFITS MORE THAN DOUBLED

IF the impressive rise in the market value of the ordinary shares of the Textile Machinery Corporation (Managing Agents: Messrs. Birla Brothers, Private Ltd., Calcutta) in the middle of 1955 to Rs. 19-10 *ex-div.* was any indication of the steady and rapid growth the Company was making, the rate of Rs. 23-8 *cum-div.* quoted at present (10th September) is a deserving testimony to the further steady onward march of the Company. The accounts of the Company for the year ended 31st December 1955 show that the gross profit for the year at Rs. 57.97 lakhs is more than double that for the previous year at Rs. 26.62 lakhs. Again, it will not be out of place to state, in this connection, that even the previous year's profit of Rs. 26.62 lakhs was more than double the gross profit of 1951 at Rs. 12.76 lakhs.

The Directors, however, have thought it prudent only to maintain the dividend at 10 per cent., the level for the previous year, instead of stepping it up by 2½ per cent. every year as used to be their practice since 1951. Another feature worthy of comment is that, while, in the past several years, the directors did not allocate anything to the reserves, they have made a handsome beginning in that direction this year. Thus, they have set apart Rs. 5 lakhs for plant rehabilitation, Rs. 7.23 lakhs for general reserve, Rs. 2.75 lakhs as provision for disputed claims, and Rs. 15,000 for contingencies, the aggregate sum conserved being Rs. 15.13 lakhs. The Directors have thus justified our hope, expressed in our review last year that, "having stepped up the dividend now to a very decent level, the Directors would follow a steady dividend policy and build up reserves." The transfers to reserves, it may be noted, have not been at the expense of essential provisions. On the contrary, the amounts earmarked for these purposes are actually higher. Thus, a sum of Rs. 20.0 lakhs has been credited to depreciation account as against Rs. 15.0 lakhs in the past year and Rs. 11.0 lakhs for taxation as against a meagre Rs. 0.13 lakh, provided out of the 1954 profit. Another notable feature that deserves to be recorded here is the voluntary sacrifice made by the managing agents to strengthen the Company's financial position by charging only 50 per cent. of the Commission on profits due to them for 1955.

The following comparative table, presenting the salient features of the Company's working during the past four years, gives a bird's eye-view of its progress:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	234.27	141.53	87.69*	103.09
Other income	3.13	..	..	..
Closing stocks	47.00	18.13	22.65	16.76
Manufacturing expenses	174.92	91.20	55.13	46.49
Other expenses	33.39	21.68	19.94	20.70
Gross profit	57.97	26.62	20.15	15.39
Managing Agents' commission	4.31	2.18	..	..
Provision for—				
Depreciation	20.00	15.00	12.50	12.00
Taxation	11.00	0.13	..	..
Net profit	22.66	9.32	7.65	3.39
Debenture issue expenses written off	..	..	0.69	..
To reserves	15.13	..	0.05†	..
Dividends—				
5½ per cent. preference	1.77	2.20	2.20	2.20
Ordinary	6.00 (10%)	6.00 (10%)	4.50 (7½%)	3.00 (5%)
Carry forward	1.23	1.43	0.36	0.15

* Net value.

† Provision for bad and doubtful debts.

During the year under review, a steady increase in production and sales was noticed in the textile machinery and in the boiler and heavy engineering divisions. The year also witnessed the approval by the Government of India of the terms of the Company's agreement with Messrs. Howa Machinery Ltd., Nagoya, for technical collaboration in the manufacture of the entire range of cotton spinning machinery. The starting of planning out production of carding engines marked the first step in the implementation of the expansion programme. A team of experts has been sent down by the Company's Japanese collaborators. Much progress has been made in production and the first batch of Texmaco-Howa Cards is expected to be put on the market within another 3-4 months. The Company has also received the Government's approval of the terms of the agreement with Messrs. Kanai Juyo Kogyo, Ltd., Japan, for technical collaboration in the manufacture of card clothing which is an important accessory of carding engines.

Building work for the manufacture of jute mill machinery is nearing completion. Plant and machinery ordered out from abroad are being received and installation work is in progress. For this purpose, an agreement for technical collaboration has been entered into with Messrs. Fairbairn Lawson Combe Barbour, Ltd. of Leeds, England. The work undertaken on the hydraulic dam projects at Rupar and Hirakud was satisfactorily completed. Similarly, work on the production of locomotive boilers during the year was satisfactory. Negotiations were finalised with such world-famous organisations as Messrs. Combustion Engineering Inc., New York, for establishing collaboration for the manufacture of water tube boilers and with Messrs. Stork-Werkspoor, Amsterdam, for producing sugar mills plant. Erection of the steel foundry plant was completed during the year and the plant was put into commission towards the end of the year.

The Company's balance-sheet as on 31st December 1955 when read in conjunction with its predecessor, reveals an increase in the capital structure consequent upon the funds required to finance the expansion schemes outlined above. Thus, the authorised capital has been increased from Rs. 1½ crores to Rs. 4 crores by the creation of 1,400,000 new shares of Rs. 10 each and 110,000 shares of Rs. 100 each. Out of this, shares of the face value of Rs. 90 lakhs were issued as ordinary shares of Rs. 10 each and these were fully subscribed. Consequently, the issued capital has gone up from Rs. 1,00,00,000 to Rs. 1,90,00,000. The paid-up capital, however, remains unchanged, evidently because at the close of the year the subscription money must have been just coming in. Evidence of this is available from the fact that the balance sheet contains an item, "share application money awaiting allotment" with Rs. 32,50,060 to its credit. Besides shareholders' capital, the Company has debentures to the tune of Rs. 40 lakhs carrying interest at the rate of 6 per cent. and redeemable on 31st December 1960 and making a prior charge to the tune of Rs. 2.40 lakhs on the profit by way of interest. The reserve for taxation stands at Rs. 11.0 lakhs. The reserves and surplus aggregate only Rs. 21.05 lakhs. The current liabilities total Rs. 117.11 lakhs. There has been an addition of Rs. 43.06 lakhs to the gross block during the year, bringing the total value of the block account to Rs. 198.53 lakhs. As against this, the provision for depreciation built up so far is Rs. 90.12 lakhs. The current assets amount to Rs. 213.29 lakhs, and exceed the current liabilities and the tax provision by a considerable margin.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 23-8 *cum-div.* on an *ex-div.* basis, and taking the dividend at 10 per cent., the yield on the shares works out to 4.4 per cent. per annum, free of tax. The all-round improvement in the Company's working from year to year and the energetic measures that have been taken by the management to expand its production, in collaboration with foreign specialists in the various lines in which the Company is interested, encourage one to entertain hopes of better results in the coming years. It may be noted, in this connection, that the Company is engaged in the field of heavy machinery industry the prospects for which are bright, in view of the large programme for industrialisation of the country envisaged in the second Five-year Plan.

NATIONAL CARBON COMPANY

On 23rd December 1955, the National Carbon Company (India) Ltd. (Managing Director: Mr. J. R. Galloway, Calcutta) was converted into a public limited company in order to afford an opportunity to the Indian public to participate in its progress and expansion. This was done by offering to the public a large part of the share capital that was being held by a few foreign investors. Since then, the shares of the Company have been an active counter on the Indian Stock Exchanges. The report and accounts of the Company for the year ended 25th December 1955, show that the Company has a very promising and bright future in the years ahead. There are indications that the Company will play a decisive part in the economic and industrial growth of the country when the schemes of expansion which the Directors have in mind are put through.

During the year, the Company's factories at both Calcutta and Madras achieved good production and the sales for the year amounted to Rs. 451.77 lakhs. The gross profit was Rs. 94.51 lakhs, out of which the Directors have provided Rs. 7.69 lakhs for depreciation and Rs. 36.66 lakhs for taxation. It may be mentioned, in this connection, that before the Company was converted on 23rd December 1955 into a public organisation, the Directors had declared an interim dividend at 20 per cent. and a

(*Continued on next page*)

MYSORE PAPER REPORTS GOOD PROGRESS

DIVIDEND RAISED

THE Mysore Paper Mills, Ltd. (Government Director and Chairman: Mr. T. Shamanna, Bangalore) has recorded substantial progress in its working during the year ended 31st March 1956. From Rs. 12.72 lakhs for the previous year, the gross profit has increased to Rs. 15.95 lakhs, that is, by Rs. 3.23 lakhs or 25.2 per cent. Commensurate with the increase in the gross profit, the net profit has also increased from Rs. 3.74 lakhs to Rs. 5.12 lakhs after providing for depreciation Rs. 10.84 lakhs as against Rs. 8.98 lakhs set apart in the previous year. This has enabled the Company to step up its dividend from 7½ per cent. given in the previous year to 10 per cent. for the year under review. It will be remembered that this enhanced rate of dividend was declared for the trading year 1953, after which it was lowered to 7½ per cent. for 1954 and 1955.

A feature of the appropriation of profit is that, as in the previous year, the Company has set apart a sizable sum of Rs. 2 lakhs to a reserve, entitled the Industrial Finance Corporation Loan Redemption Fund. The Company, it may be noted here, has taken a loan of Rs. 48.50 lakhs from this Corporation. Another feature is the establishment of a gratuity reserve with an initial credit of Rs. 50,000. For the second year in succession, no additions have been made to either general or other shareholders' reserves.

The following table provides a comparative study of the Company's working during the four years ended 31st March 1956:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	87.92	68.51	61.92	64.14
Closing stocks	6.92	5.36	1.98	2.62
Raw materials, stores, power and fuel consumed	50.36	40.05	29.62	22.94
Manufacturing and other expenses	24.94	20.74	20.90	27.40
Gross profit	15.95	12.72	11.99	16.43
Provision for—				
Depreciation	10.84	8.98	8.07	6.09
Taxation	..	..	1.50	5.30
Net profit	5.12	3.74	2.42	5.05
Transfer to—				
I. F. Corporation loan redemption fund	2.00	2.00	..	..
Reserves	..	..	0.63	2.50
Provision for gratuity	0.50	..	..	..
Dividend	2.50 (D. 6¼% + B. 3¾%)	1.87 (D. 6¼% + B. 1¼%)	1.87 (D. 6¼% + B. 1¼%)	2.50 (D. 6¼% + B. 3¾%)
Carry forward	0.47	0.35	0.49	0.57

D.—Dividend. B.—Bonus.

No provision has been made for taxation this year also as the Company has no assessable income, evidently because of the large development expenditure that is being incurred by it. During the year, the Company's production and sales made further improvement, the latter recording an increase from Rs. 68.51 lakhs in the previous year to Rs. 87.92 lakhs. The Directors, however, point out that, during the year under review also, there was a decline in selling prices and the frequent railway booking restrictions which were experienced in the previous year continued, making movement of paper difficult.

Commenting on the progress of the expansion scheme that is being implemented by the Company, the directors observe thus:

"The pace of progress in the implementation of the expansion scheme was maintained. Additional equipment of the value of Rs. 5.44 lakhs for stepping up pulp-production has been installed and taken to service and this has contributed to the increase in paper production by about 25 per cent. during the year. Further, auxiliary equipment which would secure greater efficiency is under erection and the work is nearing completion. With the commissioning to service of this equipment, it is expected that costs of production would be considerably reduced."

The balance sheet of the Company shows no change in the paid-up capital of Rs. 25 lakhs, all in ordinary shares of Rs. 10 each fully paid-up. Reserves and other funds total Rs. 20.59 lakhs. These resources are supplemented by a fixed loan of Rs. 48.50 lakhs from the I.F.C., thereby making sufficient funds available for financing the Company's expansion programme. As against a gross block of Rs. 1.43 crores, depreciation provided so far aggregates Rs. 67.08 lakhs, leaving a net block of Rs. 76.54 lakhs. The additions to the block during the year were of the order of Rs. 7.49 lakhs. The current assets aggregate Rs. 47.67 lakhs, while the current liabilities, excluding the I.F.C. loan, amount to Rs. 28.77 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are currently quoted at Rs. 19-14 *cum-div.*, at which rate and on the basis of the latest dividend the yield works out to 5.3 per cent. per annum.

PERIA KARAMALAI TEA AND PRODUCE CO., LTD.

CHAIRMAN'S ADDRESS

ADDRESSING the shareholders of the Peria Karamalai Tea and Produce Co., Ltd., at their Forty-third Annual General Meeting held at Kozhikode, Malabar, on 3rd September 1956, Mr. W. W. Kilgour, Chairman of the Company, explained that the Directors were able to repeat the dividend for 1955-56 at the same rate as for the previous year, despite the sharp fall in profit, because of their confidence in the future of the Company. The prospects for the future he said, depended entirely on the weather. Given favourable weather, he was confident that a crop of 4.12 million lbs. was easily within the capacity of the Company's estates.

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

"GENTLEMEN,

"The Directors' report and audited accounts for the year ended 31st March 1956, have been in your hands now for the requisite time and will, I am sure, commend themselves to you; but, if further information on any item is required, I shall do my best to supply it at the appropriate stage.

"We could hardly expect to repeat last year's wonderfully prosperous results, when tea prices were booming, but it is a matter for great satisfaction that your Directors are sufficiently confident in the future of the Company to recommend the same rate of dividend as last year, even though the profit available for distribution after providing for taxation is lower by Rs. 8,64,655 this year.

"The average price realised for our tea was 1.97 annas less than in 1954-55, but, in complete contrast with last season, the margin separating the values of the upper and lower grades of tea was very large, and, producing good quality tea as we do, we have found this discriminating market to our advantage.

"The estimated crop of 3,950,000 lbs., as I forecast in my address to you last year, was comfortably exceeded and a new record crop for the Company has been established. Nonetheless, the long spell of dry weather at the end of last season, undoubtedly, robbed us of achieving our goal of a 4 million pound crop. Our Visiting Agent, Mr. I. D. Edward, reports that the estates are all in splendid order and all works are up to date, and it is interesting to record his opinion that, with the successful application of the two cultural policies of blister blight control and early monsoon pruning, he anticipates enhanced crops, whenever the season is not adverse.

"Our cost of production is slightly higher than last season, due to the negotiated settlement of additional bonus to labour for the years 1952-53-54.

"In furtherance of the Board's plan of development, new clearings are being prepared for planting in tea and, together with the 50 acres planted up last season, we shall, by the end of next year, have extended our tea area by new clearings totalling 170 acres. Capital improvements, amounting to just under 8 lakhs during the year, have been largely used to the betterment of living conditions for our staff and labour, and the machinery in our factories is being kept up to date to deal with the very large crops that

[redacted] to the prospects for the current [redacted]nths to end July crop harvest is [redacted]evel with the estimate to date [redacted]The prospects for the future [redacted]pon the weather, particularly [redacted]North-East monsoon showers, but with favourable weather, I am confident that the estimated crop for the year of 4,120,000 lbs. is easily within the capacity of our estates to produce."

DHOLE & CO.
RINGWORM and ECZEMA OINTMENT
BARNAGORE · CALCUTTA

Points From The Chair

Ploughing Back in Shipping Industry

"THE very essence of liner shipping is to provide services to shippers on as stable a basis as circumstances permit. Clearly, those services must be related to costs, both as to capital and operational, but when increases in liner freight rates are unavoidable, they rarely become effective until long after the increased costs are painfully established facts. Increases in operating costs are demonstrable, but the actual increase in capital costs, and the consequential effects thereof, flow through the whole structure of shipping finance. The vital necessity is to retain, or plough back—to use a more popular phrase—sufficient of our net earnings to provide for the replacement of our wasting assets. But here again the bogy of taxation raises its head as any increase in earnings creates an increased liability for taxation as a first charge."

SIR ERNEST H. MURRANT,
Furness, Withy & Co., Ltd.

Automation in Industries

"So much nonsense has been talked and written on this subject that it may be worthwhile to state this Company's practical experience of it. The word 'automation' is used to cover methods whereby an article, in the course of its manufacture, is transferred automatically through a series of machines on which various processes are performed without manual intervention and often under the control of electronic devices. This definition accurately describes the method by which the great majority of our metallic containers are now being made. It isn't new! The method has been in use in our factories for more than 30 years and most of our cans are now made by it at speeds up to 400 a minute. We expect very soon to operate such machinery at much higher speeds. There remain many specialised items of production to which this method cannot be applied and which will require a large labour force. Over the period, and particularly during the last ten years, automation has led to a transformation of our industrial processes with results which we expected. In the first place, the market for our goods has enormously expanded and canned foods are now an every day necessity in every home. Secondly, the number of people employed in making the tin cans has increased greatly, and—I may add—not only in this country but throughout the world, . . . Automation, so far as we are concerned, has not only provided more work but also more highly skilled work which is correspondingly more satisfying to the individual and more remunerative to him. It may be that where automation has to be introduced on a large-scale, some dislocation is inevitable, but I am sure that it will be short lived. I am absolutely convinced that automation is something which should be welcomed by the working people of this country, not only in their capacity as producers, but also in their capacity as consumers. It is far too often forgotten that the people who make the goods are the people who buy or use them. It is in their real interest to press for every known mechanical aid to production."

SIR ROBERT BARLOW,
Metal Box Co., Ltd.

(*Concluded from previous page*)

second interim dividend at 12½ per cent. which, in effect, amounted to a final dividend and were paid to the then shareholders. The interim and final dividends together absorbed Rs. 40.25 lakhs. The balance of Rs. 9.92 lakhs along with the previous year's balance of Rs. 6.54 lakhs making a total of Rs. 16.46 lakhs is carried forward to the current year. The Directors' decision not to recommend any further dividend for the year ended 25th December 1955 is in accordance with the terms on which the shares of the Company were offered to the public.

It will be recalled that on conversion into a public company, an issue of 400,000 ordinary shares of Rs. 10 each was offered to the Indian public at Rs. 19-8-0 per share. This issue was heavily oversubscribed. In addition, shares were sold by the Union Carbide and Carbon Corporation, New York, U.S.A., and this sale together with the issue has resulted in 40 per cent. of the shares of the Company being held by the public in India.

On 1st March 1955, the battery products became subject, for the first time, to an excise duty of 10 per cent. of the sales value. The amount of excise duty paid to the Government by the Company alone in 1955 was of the order of Rs. 29.14 lakhs.

On the operations side, improvement was noticeable in the new and growing fields of industrial products and hearing-aid batteries. A new type of heavy duty radio battery, the X-825, designed to meet the needs of the Community Listening Scheme of All-India Radio was produced for the first time in quantity during the year.

The Company's expansion programme includes the establishment of a Zinc Rolling Mill, a flashlight case plant and a chemicals plant. Construction of the Zinc Rolling Mill, commenced in 1955 at Alipore, Calcutta, is making satisfactory progress. This will be operated as Metals and Ores Company, a division of N.C.I., and is expected to commence production during the latter part of 1956. Work on the flashlight case plant and the chemicals plant is in the design stages and negotiations for sites for these units are in progress.

The subscribed capital of the Company as on 25th December 1955, is Rs. 1.60 crores in 1,600,000 ordinary shares of Rs. 10 each. Reserve and surplus amount to Rs. 56.62 lakhs. The goodwill is shown at cost at Rs. 30 lakhs and the fixed assets valued at cost at Rs. 1.07 crores stand written down to Rs. 65.56 lakhs. The current assets aggregate Rs. 207.96 lakhs, while the current liabilities and the provision for taxation amount to Rs. 86.90 lakhs.

COMPANY MEETINGS AND DIVIDENDS

BASMATIA TEA CO., LTD. Annual General Meeting, Calcutta, 20th September 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 6th to 20th September 1956, both days inclusive.

NEW INDIA INVESTMENT CORPORATION LTD. Annual General Meeting, Calcutta, 24th September 1956. Dividend: Rs. 3-12 per share. Transfer books remain closed from 15th to 24th September 1956, both days inclusive.

TEXTILE MACHINERY CORPORATION LTD. Annual General Meeting, Belgharia, 24-Parganas, West Bengal, 24th September 1956. Dividend: Re. 1 per share. Transfer books remain closed from 11th to 24th September 1956, both days inclusive.

GIELLE TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1956. Dividend: *Nil.* Transfer books remain closed from 13th to 26th September 1956, both days inclusive.

HOOGRAJULI (ASSAM) TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1956. Dividend: As. 8 per share. Transfer books will remain closed from 20th to 26th September 1956, both days inclusive.

JHANSI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 27th September 1956. Dividend: As. 11 per share. Transfer books remain closed from 15th to 30th September 1956, both days inclusive.

WESTERN BENGAL COALFIELDS LTD. Annual General Meeting, Calcutta, 27th September 1956. Dividend: As. 8 per share. Transfer books remain closed from 13th to 27th September 1956, both days inclusive.

SIJUAH (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 27th September 1956. Dividend: As. 12 per share. Transfer books remain closed from 12th to 27th September 1956, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 27th September 1956. Dividend: *Nil.* Transfer books remain closed from 13th to 27th September 1956, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 28th September 1956. Dividend: Rs. 18 per share. Transfer books remain closed from 3rd to 29th September 1956, both days inclusive.

BALLY JUTE CO., LTD. Annual General Meeting, Calcutta, 28th September 1956. Dividend: *Nil.* Transfer books remain closed from 14th to 28th September 1956, both days inclusive.

HOWRAH MILLS CO., LTD. Annual General Meeting, Calcutta, 28th September 1956. Dividend: Rs. 4 per share. Transfer books remain closed from 14th to 28th September 1956, both days inclusive.

AGARPARA TEA CO., LTD. Half-yearly General Meeting, Calcutta, 28th September 1956. Dividend: As. 4 per share. Transfer books will remain closed from 22nd to 28th September 1956, both days inclusive.

CLIVE BUILDINGS (CALCUTTA) LTD. Annual General Meeting, Calcutta, 28th September 1956. Dividend: Rs. 6 per share, on ordinary and management shares. Transfer books will remain closed from 21st to 28th September 1956, both days inclusive.

BANARHAT TEA CO., LTD. Annual General Meeting, Calcutta, 28th September 1956. Dividend: Rs. 25 per share. Transfer books remain closed from 13th to 28th September 1956, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Annual General Meeting, Kundara, Travancore-Cochin State, 29th September 1956. Dividend: Re. 1-4 per ordinary share and As. 6¼ per share, on ordinary shares of the last issue eligible for dividend from 1st December 1955. Transfer books will remain closed from 17th to 29th September 1956, both days inclusive.

BENGAL NAGPUR COAL CO., LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: *Nil.* Transfer books will remain closed from 20th to 29th September 1956, both days inclusive.

BATELI TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 22nd to 29th September 1956, both days inclusive.

BELGACHI TEA CO., LTD., Annual General Meeting, Calcutta, 29th September 1956. Dividend: Rs. 10 per share. Transfer books will remain closed from 22nd to 29th September 1956, both days inclusive.

KAILAS RUBBER CO., LTD. Annual General Meeting, Kottayam, 29th September 1956. Dividend: As. 9 3/5 (30 per cent.) per share. Transfer books will remain closed from 18th to 29th September 1956, both days inclusive.

COMPANY REGISTRATIONS

EVEREST CEMENT AND CONSTRUCTION CO., LTD. (First Director: Mr. Sawalram More.) Business: Manufacture of Cement, lime, etc. Authorised capital: Rs. 2,00,00,000. Public company. Address: Bhawani Bhawan, Napean Sea Road, Bombay, 6.

AGENCY ORGANISATION PRIVATE LTD. (First Director: Mr. P. B. Mehta.) Business: General merchants and commission agents. Authorised capital: Rs. 5,00,000. Private company. Address: Kamani Chambers, Nicol Road, Ballard Estate, Fort, Bombay.

THAKKER AMBALAL RANCHHODDAS PRIVATE LTD. (First Director: Mr. M. Ambalal Thakkar.) Business: General merchants, importers and exporters. Authorised capital: Rs. 10,00,000. Private company. The registered office of the Company will be situated in the State of Bombay.

BHARAT CONTAINERS PRIVATE LTD. (Managing Director: Mr. N. M. Kamte.) Business: Manufacture of containers of metal, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Cecil Court, Lansdowne Road, Apollo Bunder, Bombay.

EDWARD TEXTILES RAISES DIVIDEND

SHARP FALL IN PROFIT OF BANARHAT TEA

Edward Textiles, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Puranmal Bubna Sons, Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit for the year after making provision for the depreciation in the accounts amounts to Rs. 9,19,475 (Rs. 5,18.679). To this sum is added the balance brought forward from the last year's account of Rs. 30,168 (Rs. 16.489), making a total sum of Rs. 9,49,643 (Rs. 5,35,168). The following allocations have been made for the undermentioned purposes:—

To provision for taxation Rs. 3,60,000 (Rs. 2.50,000) and to dividend on 17,000 ordinary shares at Rs. 18 (Rs. 15) per share free of income-tax Rs. 3,06,000 (Rs. 2,55,000). leaving a balance to be carried forward of Rs. 2,83.643 (Rs. 30,168).

As per the Labour Appellate Tribunal Award a sum of Rs. 1.05,438 as bonus for the year 1952 being the shortfall to employees and a sum of Rs. 1,97,121 for further D.F.A. for the past years had to be paid during the year under report and to that extent the profits of the year have been affected.

An agreement was recently arrived at between the member mills of Millowners' Association, Bombay, and the Rashtriya Mill Mazdoor Sangh regarding the payment of bonus to the employees for the years 1953 to 1957. As per formula adopted in the said agreement, the company which is a member of the said Association will have to pay bonus, and accordingly provisions have been made in the accounts for the year 1955.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,00,000	Block ...	20,53,484
Reserves ...	40.06,485	Stock-in-trade	37,55,096
Provision for taxation ...	4,16,334	Stores and spare parts	5,06.451
Liabilities ...	26,21,403	Goods-in-transit ...	2,18,202
Profit and loss appropriation account	2.83,643	Debts, deposits and advances ...	7.41,285
		Investments	17,66,148
		Cash ...	16.87.199
	Rs. 1,07.27.865		Rs. 1,07.27.865

Banarhat Tea Co., Ltd.

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

The application to the Controller of Capital Issues for permission to capitalise a sum of Rs. 12,00,000 out of the amount standing to the credit of general reserve. referred to in the last report, was granted in September 1955, and the issued and subscribed capital of the Company has been increased by the addition of 12,000 new ordinary shares of Rs. 100 each issued as fully paid to ordinary shareholders at the rate of four new ordinary shares for every five ordinary shares held by them on 9th November 1955.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956. they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the auditors in their report.

Early in the present year it was agreed with Government that a bonus should be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of this bonus has been included in the 1955 accounts.

The taxation provision in these accounts is made on the basis that the amount of the 1953 and 1954 labour bonus will be allowed as a charge in the tax assessment for the year. Provision has also been made in these account for the estimated amount of labour bonus due to be paid in respect of the year ended 31st December 1955. The auditors have commented on both these points in their report.

After providing Rs. 1,63,245 (Rs. 1,63,857) for depreciation. Rs. 3,15,768 for the 1953 and 1954 labour bonus and making sundry adjustments, the year's results show a profit of Rs. 11,23,882 (Rs. 51,07.307). After bringing in the balance of Rs. 6,86,721 (Rs. 3,55.415) carried forward from the previous year, providing Rs. 5,00,000 (Rs. 16.50,000) for taxation and transferring Rs. 2,00,000 (Rs. 13.00,000) to general reserve, there remains a balance of Rs. 11,10,603 (Rs. 25,12,722) at the credit of profit and loss account. From this the directors recommend the payment of a preference dividend of Rs. 6-8 (Rs. 6-8) per share, absorbing Rs. 26,000 (Rs. 26,000) and a dividend on the ordinary shares of Rs. 25 (Rs. 120) per share, absorbing Rs. 6,75,000 (Rs. 18,00,000). leaving a balance of Rs. 4.09,603 (Rs. 6,86,722) to be carried forward.

In February 1955, after agreement between labour and employers' representatives on the West Bengal Minimum Wages Advisory Committee for tea garden labour in the Dooars and Terai, labour and staff wages were increased with retrospective effect to 1st January 1955, and this reflected in the accounts.

A crop of 38,367 maunds was secured and sold at an average price of Re. 1-15-10 per lb. This compares with a crop of 38,521 maunds manufactured in 1954, which sold at an average price of Rs. 3-3-3 per lb. The tea market fell sharply during the course of the season and in consequence, there was a considerable reduction in the prices obtained for the 1955 crop, in comparison with the record prices realised the previous season.

Estimates for the current season have been framed for a crop of 41,500 maunds to cost Rs. 44,17,062. Crop to the 31st July 1956, amounted to 17,083 maunds compared with 14,073 maunds secured to the same date last year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31.00,000	Block ...	19,11,197
Reserves ...	24,25,000	Stock-in-trade	28,05,328
Provision for taxation ...	10,54,397	Stores ...	6,98,249
Liabilities ...	22,32,442	Debts, deposits and advances ...	10,41,085
Profit and loss account ...	4,09,604	Investments	21,38,102
		Cash ...	6,27,482
	Rs. 92,21,443		Rs. 92,21,443

Basmatia Tea Co., Ltd.

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

The application to the Controller of Capital Issues for permission to capitalise a sum of Rs. 1,70,000 out of the amount standing to the credit of general reserve, referred to in the last report, was granted in September 1955, and the issued and subscribed capital of the Company has been increased by the addition of 17,000 new shares of Rs. 10 each, issued as fully paid up to shareholders at the rate of one new share for every two shares held by them on 9th November 1955.

After providing Rs. 78.373 (Rs. 91,365) for depreciation, Rs. 85,161 for the 1953 and 1954 labour bonus, Rs. 3,277 (Rs. 12.404) for directors' commission and making sundry adjustments, the year's results show a profit of Rs. 2,15,202 (Rs. 8,14,519). After bringing in the balance of Rs. 93,033 (Rs. 70,514) from last year, providing a net amount of Rs. 1.03,000 (Rs. 3,20,000) for taxation and transferring Rs. 60,000 (Rs. 2.00,000) to general reserve, there remains a balance of Rs. 1.43.235 (Rs. 3,65,033) at the credit of profit and loss account. From this the directors recommend the payment of a dividend of Re. 1-8 (Rs. 8) per share, absorbing Rs. 76,500 (Rs. 2.72,000) and leaving a balance of Rs. 66,735 (Rs. 93,033) to be carried forward.

A record crop of 7,782 maunds was secured and sold at an average price of Rs. 2-2-3 per lb. This compares with a crop of 6,617 maunds manufactured in 1954, which sold at an average price of Rs. 3-3-2 per lb. The tea market fell sharply during the course of the season, as regards poorer quality teas, and under the circumstances, it is considered that the Company's teas sold at satisfactory prices. A satisfactory crop of tea seed was secured and sold.

Estimates for the current season have been framed for a crop of 8,000 maunds to cost Rs. 10.27.816. Weather conditions at the garden were not favourable at the beginning of the present season, and crop is likely to fall short of the estimated quantity by a small amount. Crop to the 7th August 1956, amounted to 2,822 maunds compared with 3.395 maunds secured to the same date last year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3.10,000	Block ...	7,66,273
Reserves ...	9,10,000	Stock-in-trade	8,29,129
Provision for taxation ...	2,89,379	Stores ...	81,149
Liabilities ...	6,37,920	Debts, deposits and advances ...	2.03,150
Profit and loss account ...	66,736	Investments	76,609
		Cash ...	4.57,725
	Rs. 24,14,035		Rs. 24,14,035

Hoolungooree Tea Co., Ltd.

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

THE
BANK OF JAIPUR
LIMITED
Treasurers to
The Rajasthan Government
Chairman
Shri RAMNATH A. PODAR

Authorised Capital	.. Rs. 2,00,00,000
Issued and Subscribed Capital	.. Rs. 1,00,00,000
Paid-up Capital	.. Rs. 50,00,000
Reserve and Other Funds ..	.. Rs. 20,25,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI, *General Manager.*

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; this has been commented upon by the auditors in their report.

Early in the present year it was agreed with Government that a bonus should be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of this bonus has been included in the 1955 accounts.

The taxation provision in these accounts is made on the basis that the amount of the 1953 and 1954 labour bonus will be allowed as a charge in the tax assessment for the year. Provision has also been made in these accounts for the estimated amount of labour bonus due to be paid in respect of the year ended 31st December 1955.

After providing Rs. 91,194 (Rs. 96.567) for depreciation, Rs. 1,85,559 for the 1953 and 1954 labour bonus, and making sundry adjustments, the year's results show a profit of Rs. 1,61,843 (Rs. 14,08,813). After bringing in the balance of Rs. 1.45,234 (Rs. 24,921) from last year, providing Rs. 98,000 (Rs. 5,60,000) for taxation, and transferring Rs. 70.000 (Rs. 2,50,000) to general reserve, there remains a balance of Rs. 1,39,077 (Rs. 623,734) at the credit of profit and loss account. From this the directors recommend the payment of a dividend of Rs. 7-8 (Rs. 55) per share, absorbing Rs. 65,250 (Rs. 4,78,500) and leaving a balance of Rs. 73,827 (Rs. 1.45,234) to be carried forward.

A crop of 13,327 maunds was secured, and sold at an average price of Rs. 2-5-6 per lb. This compares with a crop of 12,120 maunds manufactured in 1954. which sold at an average price of Rs. 3-6-6 per lb. The tea market fell sharply during the course of the season, as regards poorer quality teas, and in the circumstances it is considered that the Company's teas sold at satisfactory prices.

Estimates for the current season have been framed for a crop of 14,500 maunds to cost Rs. 20,20.544. Crop to the 21st July 1956, amounted to 4.290 maunds compared with 4,176 maunds secured to the same date last year. It is hoped that the estimated crop will be secured.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,70.000	Block ...	8,77,697
Reserves ...	12,17,716	Stock-in-trade	9,39,956
Provision for taxation ...	4,13.373	Stores ...	1,40,679
Liabilities ...	9,62,594	Debts and advances ...	4,97,912
Profit and loss account ...	73,827	Investments	3,07,995
		Cash ...	7,73,271
	Rs. 35.37,510		Rs. 35,37,510

Kailas Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co. Ltd., Kottayam) submit the audited accounts of the Company for the year ended 29th February 1956.

Estates and acreage.—Kutikul Estate was purchased on 5th September 1955 for Rs. 14,00,000. The total acreage of the estates are 1.555.66 acres. All the estates are reported to be in good condition.

Crop and prices.—The rubber crop harvested during the year was 7,89,527 (5,00.871). lbs. at an estate cost of 56.42 (52.12) cents per pound. The crop estimated for 1956-57 is 10,05.000 lbs. at 67.95 cents per pound. The average price realised was 154.45 cents per pound. A portion of the Paalali Estate crop was sold as ammoniated latex and that of Kutikul Estate as crepe sole.

Capital.—To provide funds for the purchase of Kutikul Estate Rs. 11.85,500 was raised by the issue of debentures of the face value of Rs. 6.00.000 bearing interest at 6 per cent. per annum free of Indian income-tax and 2,92,750 ordinary shares of Rs. 2 each. Seven hundred shares were allotted since the closing of the accounts. Out of the 3 lakhs right shares offered, 7.250 shares of Rs. 2 each have not been subscribed for by shareholders. The cash balance of the Company has been utilised for the balance purchase price of the Kutikul Estate.

The net profit after providing for taxes, depreciation, managing agents' remuneration is Rs. 3,65.819 (Rs. 2,22,417). To this has to be added the balance from last year of Rs. 1,42,730 (Rs. 70,313) making a total of Rs. 5.08,549 (Rs. 2,92,730). From this amount the directors recommend the payment of a dividend of 30 (25) per cent. (the dividend for the new issue from the respective dates of allotment) absorbing Rs. 2,50,628 (Rs. 1,50,000) and transfer to debenture redemption fund Rs. 1,00.000 (*nil*) leaving a balance of Rs. 1.57,921 (Rs. 1,42,730) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,84,100	Block ...	26,41.044
Application money on shares unallotted ...	1,600	Stock-in-trade	2,54,580
Debentures	6.00.000	Stores and spare parts	38,840
Reserves ...	8,27,988	Livestock and vehicles	17,152
Provision for taxation ...	1,42.938	Debts, deposits and advances ...	3,285
Liabilities ...	1,50,072	Cash ...	4,60,346
Profit and loss account ...	5.08,549		
	Rs. 34,15,247		Rs. 34,15,247

New India Investment Corporation Ltd.

The directors of the above Company (Secretaries: Messrs. Ramdutt Ramkissendas, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit of Rs. 5,44,149 to which is added Rs. 29,108 being the amount brought forward from the previous year making a total of Rs. 5.73.257. The directors propose to allocate as follows:—

To general reserve Rs. 1,60,000, to reserve for taxation Rs. 2.50,000, to pay a dividend at Rs. 3-12 per share free of tax Rs. 1,16,580 and to carry forward Rs. 46,677.

As was reported in last report for the year 1952 the Company had ceased to be recognised as an Investment Trust Company and consequently on the advice of the lawyers the profit realised from the sale of securities held by the Company is being shown as a separate item in the profit and loss account. The market value of the Company's investments exceeds the book value by Rs. 9.94,910. No progress could be made in the taxation position of the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23.32.100	Block ...	1,287
Reserves ...	7,52,391	Investments	32,85,933
Provision for taxation ...	4,05.618	Debts and advances ...	10,92.465
Liabilities ...	9,02,702	Cash ...	59,803
Profit and loss account ...	46,677		
	Rs. 44.39,488		Rs. 44.39,488

Agarpara Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Private Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

After making necessary adjustments for taxation and transferring Rs. 5,00.000 (*nil*) from general reserve, there is a balance of Rs. 2,52,202 (Rs. 3,63.973) at the credit of profit and loss account from which the directors recommend payment of a dividend on 10,000 preference shares at 7 per cent. per annum free of income-tax Rs. 35,000 (Rs. 35,000), payment of a dividend on 6,00,000 ordinary shares at 5 (7½) per cent. per annum free of income-tax Rs. 1,50,000 (Rs. 2,25.000) and to carry forward to next period Rs. 67,202 (Rs. 1,03,973).

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the looms sealed.

Owing to the disparity between the prices of raw jute and manufactured goods, trading conditions were extremely difficult throughout the period under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00.000	Block ...	48.35,462
Debentures ...	12.00,000	Capital expenditure in progress	95,356
Reserves ...	49,50,000	Stocks ...	33,13,752
Provision for taxation ...	8,81,915	Stores ...	8,84,438
Liabilities ...	20,65,362	Debts, deposits and advances ...	35,00,555
Profit and loss account ...	67,202	Investments	4,14,464
		Cash ...	31,20,452
	Rs. 1,61.64.479		Rs. 1,61,64,479

Sri Ranga Vilas Ginning, Spinning and Weaving Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. P. S. Govindaswamy Naidu and Sons, Coimbatore) submitted the audited accounts of the Company for the year ended 31st December 1955.

The year's trading has resulted in a net profit of Rs. 4,60,941 (Rs. 3,85,932) after deducting all the working expenses including bonus and after providing normal and additional depreciation of Rs. 1,61,079 (Rs. 1,32,718). This with Rs. 982 (Rs. 5,099) brought forward from the previous year, amounts to Rs. 4,61,923 (Rs. 2,90,267) which the directors appropriated as under:—

To transfer to machinery replacement reserve Rs. 2,00,000 (nil), to pay a dividend at the rate of 16 (12) per cent. (free of income-tax) on ordinary share capital of the company Rs. 2,40,400 (Rs. 1,80,300) and balance to be carried forward to next year Rs. 21,523 (Rs. 982 after providing [illegible] on and Rs. 70,000 to general [illegible]ked for 307 days during the [illegible]rs. The present installed capa-[illegible]2 spindles of which only 2,968 the rest are old ones, and installed is 88. During the only 2,968 new spindles were erected and commissioned to work. The old machineries are being reconditioned. Due to the age and condition of the machineries the mills could not get better profits. In the circumstances, the profits earned should be considered satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15.02.500	Block ...	19,26,014
Reserves ...	16,33,178	Stock-in-trade	18,43,251
Provision for taxation ...	2.46.427	Stores and spare parts, etc. ...	1,46,573
Liabilities ...	24,54,134	Other assets	6,224
Profit and loss account ...	21,523	Debts and advances ...	4,96.455
		Investments	8,17,334
		Cash ...	6,21,911
	Rs. 58.57,762		Rs. 58.57,762

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

QUESTION HOUR IN PARLIAMENT

Industrial Finance Corporation

LOANS amounting to Rs. 6,91,50,000 were sanctioned by the Industrial Finance Corporation of India during the period 1st April 1955 to 27th August 1956. Of this amount, Rs. 1,39,98 521 have already been disbursed. The number of applications rejected is 4.

* * * *

Small Savings

The total number of authorised agents working at present in the country under the voluntary small savings schemes is 22,803.

—*A. C. Guha*

Life Insurance

Life insurance companies in India transacted Rs. 17 crores more of business during the first six months after nationalisation than they did in the corresponding period last year. The business actually obtained during the period 19th January to 30th June 1956 amounted to Rs. 95.13 crores, as compared with Rs. 78.3 crores a year before.

—*M. C. Shah*

Automatic Looms

The Government has no intention of having a phased programme for replacing existing mill looms by the latest automatic looms. A proposal has, however, been accepted for the introduction of 14.000 odd automatic looms, the cloth manufactured out of them being ear-marked for export purposes. If cloth produced on these looms is not exported and is allowed for internal sale, a levy of a duty of As. 2 per square yard will be levied. This penal duty should be high enough to discourage internal sale. The installation of automatic looms will lead not so much to higher production but to production of better quality cloth. Before the introduction of the looms, it should be certified that no displacement of labour will take place. (The question of introducing automatic looms everywhere requires a good deal of thinking. We believe higher techniques lead ultimately to higher employment. But taking a step of that type may, perhaps, lead to unemployment. All this has to be carefully thought out and staggered, because the human consideration is important.—Jawaharlal Nehru)

* * * *

Drug Team to Russia

The Government of India has decided to send to Soviet Russia a team of officials and non-officials to study the production techniques of drugs and allied industries. The team will also visit Italy, East and West Germany and Switzerland.

* * * *

Industrial Estates

The Government will give preference to backward areas while giving financial advance to set up industrial estates. The bulk of the Central assistance will be in the form of loans and a portion will be given as grant.

* * * *

Jute Mill Looms

Since May last year, 12½ per cent. of the total looms of jute mills had remained sealed. On 9th January 1956, 2½ per cent. of looms were unsealed and a further 5 per cent. on 20th February, leaving only 5 per cent. looms still out of use. The sealing off of 5 per cent. of the looms by Indian jute mills will result in lowering of production by about 5,000 tons per month but is not likely to affect the employment position of permanent workers in the jute mills. The main reasons advanced by the Indian Jute Mills' Association for the sealing off have been production of jute goods in excess of demand and steady accumulation of stocks resulting in a depression of prices to uneconomic level.

—*Nityanand Kanungo*

Import of Drugs

The approximate value of drugs, dyestuffs and chemicals imported into India every year is Rs. 15 crores, Rs. 15 crores and Rs. 20 crores, respectively.

* * * *

Glider and Helicopters

The Government of India has granted permission to a Calcutta firm for the manufacture of gliders. The same firm has also applied for permission to produce helicopters and radio-controlled target aircraft. The permission has not been granted.

—*M. M. Shah*

Spun Silk Mills

The Governments of Assam, West Bengal, Bihar and Jammu and Kashmir are contemplating the setting up of spun silk mills each of 3,000 spindles in their respective States during the second Five-year Plan period.

—*K. C. Reddy*

Methanol Plant

The Soviet experts who came to India in June last have reported that a methanol plant available in the country is on the whole in a fairly good condition and it can after repairs be installed at Sindri for the manufacture of methanol and ammonia.

* * *

Optical Glass Manufacture

The Government proposes to set up an optical glass plant with a capacity of 50 tons per annum. If possible, an ophthalmic glass plant of the capacity of about 250 tons will also be set up.

* * *

Government Collieries

Out of the eight Government collieries running at a loss during 1953-54, two have since started yielding profits. Again, out of the three collieries yielding profit in the same year, one has shown loss in subsequent years, because of the flooding of mines.

—*Satish Chandra*

Output of Lead and Zinc Ore

The daily output of zinc and lead ore in India is 300 tons at present. The Government has advised the Company working the mines at Zawar to increase it to 1,000 tons by 1960 or earlier.

* * * *

Ilmenite and Rutile Ores

India's reserves of ilmenite and rutile ores from which titanium is extracted are of the order of 300-350 million tons. Deposits of ilmenite sands are found mainly in Travancore-Cochin and Bombay. In Travancore-Cochin, six factories have been set up to exploit the sand deposits. In Bombay, the State Government has granted five mining leases and four prospecting licences for the development and working of the sand deposits.

* * * *

Gold in W. Bengal

Small particles and occasional tiny nuggets of gold were noticed in black sands in parts of Bankura district in West Bengal by the Geological Survey of India in the course of systematic geological mapping and preliminary mineral investigation. The specific areas where the sands are available are near the confluence of the Kasai river and the Kumari nadi, north of Ambikanagar in the Kasai river to the north-west of Simli, east of Chirkunkanali-Mahespur village, in an irrigation canal about half a mile south-west of Jorakend village, and near Keshra village. It is understood that local gold washers recover a small quantity of gold every year by panning the black sands at several places.

—*K. D. Malaviya*

Unloading Machines at Bombay Harbour

Opposition from labour interests has prevented the mechanical discharge plant installed at the Bombay harbour from being used till now for the expeditious unloading of imported foodgrains. The use of the plant would have meant throwing out of employment 90 workers per each shirt. The question of utilising the plant in some other port is being considered.

* * * *

Foodgrain Elevators

The Government of India has entered into an agreement with the U.S. Technical Co-operative Mission for the supply of two elevators for foodgrains. The capacity of each elevator will be 10,000 tons. The estimated erection cost of the two units is Rs. 10 lakhs. The cost of annual upkeep and maintenance is estimated at 2 per cent. of the capital cost.

—*Abid Ali*

Earnings from Tourism

Tourism brought about Rs. 10 crores of foreign exchange to India in 1955-56, according to an announcement by the Reserve Bank of India. The question of opening a training school in hoteliering (to enable provision of improved facilities to tourists) is under active consideration.

—*Dr. M. M. Das*

Educated Unemployed

The Study Group appointed by the Planning Commission estimated that the total number of educated unemployed in the country towards the end of 1955 was about 550.000. Among them. about 126,000 were graduates, 59,000 were undergraduates and the rest matriculates.

—*S. N. Mishra*

Railway Administration

The Government has initiated action on all the recommendations contained in the 33rd report of the Estimates Committee but has finalised in the case of only five items. The Efficiency Bureau of the railway administration has been asked to go into the recommendations of all the important committees on railways, with a view to implementing them as far as possible. It will not be possible for the railways to convert all the narrow gauge lines into broad gauge ones in the next few years. Some of the private companies who own narrow gauge lines are working at a loss. If they wind up their companies, the Government will consider whether to build new lines in these areas or to take them over.

* * * *

Shipping Target

India will be able to add "considerably" to its shipping tonnage in the next few years and it may even exceed the target (of 9,00.000 tons) at the end of the second Plan. The difficulties standing in the way of acquiring more shipping tonnage are non-availability of new ships for immediate delivery and high price of second-hand ships. (The Indian shipowners have acquired for the coastal trade five ships of about 19,000 G.R.T. and the Government of India has purchased one ship of 2,238 tons for the India-Andamans trade. This is since the appeal made by the Transport Minister in November last to Indian shipowners to purchase 25 to 30 ships within a short period to fill the existing gap in the Indian coastal shipping—Shah Nawaz Khan).

—*Lal Bahadur Shastri*

Grow-More-Food

A sum of Rs. 23.64 crores has been sanctioned by way of loans and grants to the various States in the current financial year for the Grow-more-food schemes. Andhra has been allotted the maximum amount, that is, Rs. 5.38 crores. Madras comes second with Rs. 3.72 crores and U.P. with Rs. 2.83 crores.

—*Ajit Prasad Jain*

Cotton Cultivation

If irrigation facilities are available, long staple cotton can be grown all over India. Wherever these facilities are available, we are taking steps to grow it. There are three schemes for breeding long-staple cotton, and schemes for multiplication and distribution of seeds of improved varieties of cotton in Punjab.

—*Dr. Punjabrao Deshmukh*

Notices

THE WEST JAMURIA COAL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, the 5th October, 1956, at 3.15 p.m. for the following purposes:—

1. To receive and consider the Directors' and Auditors' Reports, the Profit and Loss Account for the half-year ended 31st December 1955, and the Balance Sheet as at that date.
2. To elect a Director.
3. To appoint Auditors and to fix their remuneration.
4. *As Special Business*:

   To consider and, if thought fit, to pass, with or without amendment, the following Resolution:—

   (As an Ordinary Resolution).

   "RESOLVED that the Board of Directors be and is hereby authorised with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 28th September to 5th October, 1956, both days inclusive.

By Order of the Board,

MACNEILL & BARRY LTD.,

A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *7th September*, 1956.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

EXPLANATORY STATEMENT

Item No. 4.—By the provisions of Section 293(1) (d) of the Companies Act, 1956, the Directors without the consent of the Company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 30th September 1956. The Preference Share Registers will be closed from the 24th September to the 30th September 1956, both days inclusive. Payment will be made on or after 10th October 1956, to those Preference Shareholders whose names appear on the Company's Registers on the 30th September 1956, or in accordance with their instructions.

By Order of the Board,

L. K. SEN CHOWDHRY,
Acting Secretary.

12, MISSION ROW,
CALCUTTA,
10th September 1956.

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INTEREST for the half-year ending 30th September 1956, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 30th September 1956, or in accordance with their instructions.

L. K. SEN CHOWDHRY,
Acting Secretary.

12, MISSION ROW,
CALCUTTA,
10th September 1956.

THE JOONKTOLLEE TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-second Annual Ordinary General Meeting of the Company will be held at the Registered Office, No. 21, Strand Road, Calcutta, on Friday the 28th September 1956, at 4-00 p.m. for the following purposes:—

(1) To receive the Report of the Directors and to pass the Audited Accounts for the year ended 31st December 1955.

(2) To declare a Dividend.

(3) To elect a Director; Mr. C. D. Wilson retires by rotation but, being eligible, offers himself for re-election.

(4) To elect Auditors for the current year and to fix their remuneration.

(5) To transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from the 15th September to the 28th September 1956, both days inclusive.

By Order of the Board,

KETTLEWELL BULLEN & CO., LTD.,
Managing Agents.

CALCUTTA, *4th September* 1956.

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

THE MOTHOLA COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-second Annual Ordinary General Meeting of the Company will be held at the Registered Office, No. 21, Strand Road, Calcutta, on Friday the 28th September 1956, at 4-5 p.m. for the following purposes:—

(1) To receive the Report of the Directors and to pass the Audited Accounts for the year ended 31st December 1955.

(2) To declare a Dividend.

(3) To elect a Director; Mr. C. D. Wilson retires by rotation but, being eligible, offers himself for re-election.

(4) To elect Auditors for the current year and to fix their remuneration.

(5) To transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from the 15th September to the 28th September 1956, both days inclusive.

By Order of the Board,

KETTLEWELL BULLEN & CO., LTD.,
Managing Agents.

CALCUTTA, *4th September*, 1956.

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

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED

(Incorporated in England)
Liability of Members Limited.

DIVIDEND

THE FOLLOWING FINAL DIVIDEND HAS been recommended for the year ended 31st March 1956, payable on the 12th October 1956:—

On the Preference Shares 2½ per cent. (Two Shillings and six pence per share) less U.K. Income-tax of eight shillings and six pence in the £ Sterling.

Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 28th September 1956, or to their Mandatees.

Dividend Warrants to Members on the Calcutta Register will be made payable in Calcutta.

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

The preference Share Transfer Books will be closed from the 15th September 1956 to 28th September 1956, both days inclusive.

By Order of the Board,

JARDINE HENDERSON, LIMITED.,

D. FORDWOOD,
Secretary,
Agents.

4, CLIVE ROW,
CALCUTTA, *6th September* 1956.

THE KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED

DIVIDENDS ON PREFERENCE AND ORDINARY SHARES

THE DIRECTORS HAVE RECOMMENDED Dividends of Rs. 4 per Share (free of Income Tax) on 4 per cent. Cumulative Preference Shares and Rs. 10 per Share (free of Income Tax) on Ordinary Shares for the year ended 30th June 1956, payable to Members, whose names appear in the Register of Members on 8th October 1956.

The Share Transfer Books of the Company will be closed from Monday the 8th October 1956 to Friday the 26th October 1956 (both days inclusive).

By Order of the Board of Directors,

LALDAS TRIBHOWANDAS,
Secretary.

BOMBAY, *3rd September* 1956.

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting (being the Sixty-sixth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 2, Netaji Subhas Road, Calcutta, on 4th October 1956, at 12 noon, for the following purposes:—

(1) To receive and consider the Audited Accounts for the half-year ended 31st March 1956, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To declare a Dividend.

(3) To appoint Directors in the place of those retiring.

(4) To appoint Auditors and fix their remuneration.

The Share Register of the Company will be closed from 19th September to 4th October 1956, both days inclusive.

By Order of the Board,

JAMES FINLAY & CO., LTD.,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *7th September* 1956.

Note:—(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.

(2) The dividend, if declared, will be paid on or after the 4th October 1956, to those shareholders so entitled, whose names appear in the Company's Books on the 4th October 1956, or to their mandatees.

GILT-EDGED DEPRESSED

(From Our Own Correspondent)

BOMBAY, *12th September*

The stringency in the short-term money market which set in last week, following subscriptions to the State loans, persisted during the week under review also. This state of affairs was due more to the paucity of floating funds, all available supplies having been drained off by the State loans, than to any notable expansion in trade demand for money. The result was that banks had to get their requirements from the Reserve Bank to meet whatever demand there was for accommodation. The interest rates, therefore, remained unchanged at self-same rates.

Inter-bank call money was bid at 3¼ per cent. among all sections of banks. House money at call was taken at 3¼ per cent. and short-term deposits at 3½ per cent. for one to three months and at 3¾ to 3⅞ per cent. for four to six months.

After a break of three weeks, there has again been a sharp rise of Rs. 15.67 crores in notes in circulation during the week ended 7th September 1956. Disclosing this, the Reserve Bank's statement for the week shows a drop of Rs. 16.38 crores in notes held in the Banking Department and of Rs. 71 lakhs in total notes issued. On the assets side, there has been a decline of Rs. 9.94 crores in foreign securities, a corresponding increase in rupee securities and a drop of Rs. 71 lakhs in rupee coin. In the Banking Department, a decline of Rs. 6.91 crores is noted in deposits of the Central Government. Reflective of the subscriptions to the State loans received during the week under review is the rise of Rs. 13.82 crores in deposits of other Governments. Deposits of banks are lower by only Rs. 40 lakhs. On the assets side, balances held abroad have gone up by Rs. 9.28 crores. Loans and advances to Governments are lower by Rs. 2.74 crores, while other loans and advances are higher by Rs. 22.35 crores. Of the latter, outstanding advances to Scheduled banks against usance bills account for a rise of Rs. 2.39 crores. Fresh advances to banks against these bills during the week amount to Rs. 6.39 crores, but repayments have been of the order of Rs. 4 crores. Investments have gone up by Rs. 1.69 crores and Government Treasury Bills purchased and discounted by Rs. 2.28 crores.

Small variations in deposits of Scheduled banks are disclosed by their statement for the week ended 31st August 1956. Demand deposits are higher by only Rs. 25 lakhs, while time deposits are lower by Rs. 49 lakhs. Borrowings from the Reserve Bank have gone down by Rs. 3.63 crores, while those from the State Bank show a rise of Rs. 91 lakhs. A further decline of Rs. 4.12 crores is noted in advances, while inland bills purchased and discounted have risen by Rs. 3.41 crores. A fractional decline is noted in foreign bills purchased and discounted. Investments are lower by Rs. 60 lakhs. Cash balances and balances with other banks have risen by Rs. 99 lakhs and Rs. 79 lakhs, respectively, while money at call and short notice have gone down by Rs. 1.26 crores.

The success of the State loans has taken the Gilt-edged market by surprise. The lists for six State loans were closed last week, while those for the other nine State loans were closed by Monday the 10th inst. Of the 15 loans, ten were over-subscribed. The full list of subscriptions (the amount invited and accepted being given in brackets) is as follows:

(In crores of rupees)

State	*Amount offered*
Andhra	7.52 (6.00)
Bihar	2.12 (2.00)
Bombay	8.06 (7.50)
Hyderabad	2.13 (2.00)
Madhya Bharat	1.39 (1.00)
Madhya Pradesh	1.58 (1.50)
Madras	16.81 (12.50)*
Mysore	4.10 (4.00)
Orissa	3.03 (3.00)
Punjab	2.11 (2.00)
Rajasthan	3.10 (3.00)
Saurashtra	3.65 (2.50)
Travancore-Cochin	2.24 (2.00)
Uttar Pradesh	9.10 (8.00)
West Bengal	7.12 (7.00)

* In the case of Madras, the amount accepted was Rs. 13.75 crores, as it exercised the option to retain 10 per cent. of subscriptions in excess of the amount invited.

[redacted] from the above that the aggre- [redacted] Rs. 74.06 crores, as against [redacted]. Thus, while the total loans [redacted] Centre and State Governments [redacted]ted to Rs. 214 crores, the [redacted] aggregated over Rs. 224 [redacted]. Despite the success of the new State loans, the Gilt-edged market ruled distinctly quiet due to the persistent offerings of the existing Central and State loans. Sellers predominated and losses were widespread, particularly in the medium and long-dated issues. There was very little business passing and even at the lower levels buyers were not readily forthcoming. The notable exceptions to the general trend were provided by the 3¾ per cent. 1974 Loan, which attracted some buyers at Rs. 98-7. 3 per cent. 1957 and 1958 were unchanged at the Reserve Bank's support level of Rs. 99-12 and Rs. 99-8, respectively. 3 per cent. 1959-61 was on offer at Rs. 98. 3 per cent. 1963-65 dropped As. 2 to Rs. 94-10 and 3 per cent. 1964 As. 3 to Rs. 94-10. 3 per cent. 1966-68 sagged by As. 2 to Rs. 93-2. 3 per cent. 1970-75 was the worst sufferer with a drop of As. 6 to Rs. 89-10 and had sellers even at that level. 3 per cent. 1986 Conversion Loan was on offer at Rs. 75-6. 3½ per cent. 1962 shed an anna to Rs. 97-15. 3½ per cent. 1961 As. 3 to Rs. 99-2. 3¾ per cent. 1964 As. 2 to Rs. 98-9, 3½ per cent. 1965 As. 2 to Rs. 98-6 and 3¾ per cent. 1967 an anna to Rs. 98-7. Among the new State loans, Madras, Andhra and U.P. issues were quoted As. 4 below the issue prices. Other loans were held at their issue prices.

SILVER REACTS

(From Our Own Correspondent)

BOMBAY, *12th September*

In distinct contrast to the firm trend noted in the previous week, the silver section of the bullion market ruled quiet during the week under review on revival of offerings. Gold, on the other hand, was fairly steady, with fluctuations confined to a narrow range.

Early in the week, silver displayed some strength on persistent bull support and the upward trend in prices noted in the previous week gathered momentum, the earlier reports that the export of silver from Tibet would be banned having proved correct. It was learned from the Indian Political Officer in Tibet that the Chinese authorities had banned the export of Chinese silver dollars from Tibet to India. This improvement, however, was not sustained for long, as two leading operators resumed heavy offerings on rumours that negotiations were going on with the Chinese authorities for the revival of imports of coins. There were also rumours that a large quantity of coins had already arrived in India, though they had not come into the market.

In the gold section also, there were heavy selling on what has now become a periodical rumour that the Reserve Bank might sell in the open market the smuggled gold seized by the authorities. But such selling pressure did not bring about a recession in prices, because the demand in the ready section was good and a leading bull operator had the courage to buy in forward, despite the above rumour.

Silver forward (22nd September settlement) advanced from Rs. 174-6 to Rs. 175-4 before receding today to a low of Rs. 172-3. The closing was, however, a shade better at Rs. 172-11. Business in the next settlement began on Friday last at Rs. 175 and, after moving up to Rs. 176, gave way to Rs. 173-1 and closed at Rs. 173-9.

Ready silver (.996 Mint) hardened from Rs. 173-14 to Rs. 175, before moving down to Rs. 172-10 at the close.

The floating stocks of silver are estimated at 2,400 bars. The daily average offtake was 20 bars.

Gold for forward delivery (21st September settlement) moved between Rs. 103-7 and Rs. 102-8, before winding up at Rs. 103. Business in the next settlement opened at Rs. 103-5 and, after declining to Rs. 102-2, it closed at Rs. 102-10.

Ready gold fluctuated between Rs. 103-6 and Rs. 102-8 and finished at Rs. 103-5.

The following stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 3,500 tolas on an average.

In New York, silver was unchanged at 90¾c. In London, too, silver prices held their own at 78¾d. for both spot and forward. Gold, on the other hand, hardened from 251s. 5d. to 251s. 7½d. before closing at 251s. 7d.

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

	12-9-56	Highest	Lowest	4-9-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 5	103 6	102 8	103 6
Forward*	103 0	103 2	102 8	103 6
Sovereign	67 8	67 8	67 4	67 4
SILVER				
Ready (.996 fine Mint)* ..	172 10	175 0	172 2	173 14
Forward†	172 11	175 4	172 3	174 6
London Silver Ready ..	78¾d.	—	—	78¾d.
London Forward	78¾d.	—	—	78¾d.
London Gold	251s.7d.	251s.7½d.	251s.5½d.	251s.5½d.
New York Ready	90¾c.	—	—	90¾c.

* 21st September settlement.
† 22nd September settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

KIPS WEAK

(From Our Own Correspondent)

MADRAS, *11th September*

Arrivals of kips into the market have been more than usual and offtake moderate. Prices locally are weak but are higher than U.K. levels by one to two annas per lb. U.K. buyers are keeping out of the market, probably expecting that E.I. tanners will reduce their prices. This is not unlikely, as in the past this has happened. Whenever importers had desisted from buying, stock holders at this end gave way for financial reasons.

Prices of tanned goat and sheep skins for market qualities have remained weak, while those of superior tannages firm. In the London public sales, prices of prime sheep advanced by 2 to 3 shillings, middle class by one shilling and commons were unchanged on July levels.

HIDES FIRM

(From Our Own Correspondent)

KANPUR, *9th September*

During the week under review, the conditions of the hides and skins market were more or less similar to those prevailing last week. New arrivals were comparatively lower. Madras dealers were very active for the lighter variety of cow. The main purchasers, however, were the local tanners. The undertone of the market was firm.

The latest available quotations are: Wet salted cow 1st grade Rs. 280 and 2nd grade Rs. 200 to Rs. 240 per score; wet salted buff 1st grade 2 lb. 2 ozs. and 2nd grade 2 lb. 4 ozs. per rupee; goat 1st grade Rs. 170 and 2nd grade Rs. 140 to Rs. 135 per 100 pieces; sheep 1st grade Rs. 200 and 2nd grade Rs. 160 per 100 pieces.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, *12th September*

The cotton futures market had a short week for it remained closed on the 6th and 8th inst. they being public holidays. During this limited period steady conditions prevailed in the market with prices moving in a narrow groove. The market was still under the influence of the enhanced excise duty on cloth and encouraging weather reports. Prospect of a good crop in the current season bearishly affected the market. On the other hand, the Government of India's decision, announced on Friday, to licence freely for export such varieties as Assams, Comillas, Zoda cotton and the encouraging trend in cotton consumption by mills had a bullish effect. Under the impact of these two sets of influence, the market ruled steady.

The Jarilla contract opened the week two points higher at Rs. 683½ and after having fallen to Rs. 682½ advanced to Rs. 686¼ on renewed buying support. Under the influence of the Government of India's announcement relating to export of cotton, the contract moved up to Rs. 689 on the 10th inst. and finished the day after a sharp fall to Rs. 683. Again, the rates improved to Rs. 687 yesterday and after falling to Rs. 683½ today, advanced to close at Rs. 687.

The Vijay contract opened the week at Rs. 816½ and followed an irregular trend, with prices fluctuating between Rs. 815 and Rs. 820. Today, however, the contract slumped to Rs. 811½ on heavy selling before closing the day's session at Rs. 815.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	12-9-56	*Highest*	*Lowest*	5-9-56
Jarilla (March) ...	687	689	681	681½
Vijay (April) ...	815	820	811½	815

The spot market at Sewri continued to remain active. Attention was turned from the old to new crop cottons and mills were buying the latter on a fairly large scale following the news that the Government may ask mills to work three shifts to increase production of cloth. Vijay, Kala, Berar and Khandesh evoked inquiries. In the foreign section, East African cotton attracted the attention of some Ahmedabad mills. Spot lots of Sudanese cotton continued to evoke interest and its price ruled firm. The demand for Egyptian cotton was limited in view of the possibility of more American cotton coming into this country. The latest available rates—in rupees per candy of 784 lbs.—from Sewri are given below:

Bengal *Deshi* 710; Berar Jarilla 780; Khandesh 790; Vijay 960; Oomra *Deshi* 750; Moglai 740. *Delivery Contracts*: Khandesh 197/3 December delivery 117, Berar 109 and Moglai 40 'on' Jarilla; 320F 70, 216F 92, and Vijay 13/16 Ferbuary-March 67 'on' Vijay.

The Government of India has decided to licence freely for export Assams and Comillas, Zoda cotton, cotton pickings and sweepings, yellow pickings and cotton linters, during the 1956-57 cotton season, to all permissible destinations other than the Portuguese possessions in India and Tibet. Licensing will be done by an endorsement on shipping bills which should be duly accompanied by an application in the prescribed form quoting a valid income-tax verification certificate—registration—exemption number and a Treasury challan in token of having paid the appropriate licence fee. In the case of exports of cotton linters, sweepings, pickings, and yellow pickings, it will be necessary for the exporters to produce a certification from the *ad hoc* committee that the variety of cotton sought to be exported represents the particular type of cotton. As regards export of Zoda cotton, exporters will have to produce a certificate from the *ad hoc* committee to the effect that the cotton sought to be exported is Zoda cotton. Export of Cocanada cotton will not be allowed for the present.

The Karachi cotton market ruled steady during the week under review. Though the market was adversely affected by the Government of India's decision to permit export of Assams and Comillas, this effect was more than counter balanced by the fair enquiry in new *deshi* crop which is believed to be on China account. Another bullish factor was the fear of damage caused to the crop by the recent floods in Sind and other low lying areas. N.T.R.G. January delivery put on As. 5 to Rs. 75-10 while March position improved from the last week's closing of Rs. 74-6 to Rs. 74-9. The spot section, however, was easy owing to lack of spinner demand. The following are the latest available spot rates—in Rs. per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 96; Punjab *Deshi* 88; 4F Punjab Roller 78-6; S.G. 79-6; L.S.S. Punjab Roller 78-6; S.G. 80-10; N.T.R.G. 78-2; S.G. 79-10; 289F Roller 82-2; S.G. 87-10.

In contrast to the firm trend noted last week Alexandria futures market ruled generally easy this week though values of medium staple Ashmouni were more or less steady. The chief bearish factors responsible for this downward drift in values were the prospect of a 1 200,000 bales (of 720 lbs.) crop in the current season as compared with only 1,011,796 bales in the season just ended. Further crop progress continues to be good due to favourable weather. In Upper Egypt picking is reported to be general and in Lower Egypt picking of Giza 30 has started. The general expectation is that a higher yield will result in both the regions. The estimated carryover as at the beginning of this season, which began on the 1st of this month, is placed at 167,039 bales. It is understood that of this quantity, some 37,000 bales have already been sold for export. Most of the balance is with the Egyptian Cotton Commission and is not available for sale whereas and some are earmarked for local consumption in September-October. The carryover stock, available for further export sales, are however neg-

ligible. The latest available rates—in tallaris per lb. —from the Alexandria futures market are given below:

Karnak: November 101.90; January 101.15; March 100.5. *Ashmouni*: October 73.40; December 73.45; February 74.20.

Sizable improvements were recorded by the Liverpool cotton market. Trade and commission house buying and mill fixation were responsible for this rally in prices. The bulk of the increased inquiry for both ready and shipment cotton has been for U.S. and Mexican descriptions. Brazilian Sao Paulo, Peruvian and Nigerian styles received some inquiries. Business in Indian and Pakistan styles consisted of a small trade in new crop *Oomra* and Punjab *Deshi*. Egyptian contract advanced on purchases by a prominent spot house.

Even though steady conditions were witnessed in the New York cotton market earlier in the week, due mainly to trade buying in current crop and commission house demand, values slipped back later on publication of the crop forecast on the 10th inst. which was not as low as was generally expected. The selling which followed eventually subsided and the market rallied on trade buying and short covering with the result that the lost ground was recovered.

The U.S. Department of Agriculture forecast, on the 10th inst., the current year's crop at 13,115 000 bales of 500 pounds gross weight on the basis of conditions as on 1st September. The estimate is 437,000 bales less than the 13,552,000 bales forecast a month ago. It compares with last year's production of 14,721,000 bales and the ten-year (1945-1954) average of 13,098.000 bales. The Department disclosed that the condition of the crop on 1st September averaged 75 per cent. of normal, as compared with 81 per cent. a year ago.

The Foreign Agricultural Service of the United States Department of Agriculture announced on the 30th of last month Procurement Authorisation No. 3308 favouring India for $3,850,000 to cover purchases of U.S. cotton. The Authorisation is issued under the U.S.-Indo-Burma Tripartite Agreement. India will export textiles to Burma of the value of the U.S. Authorisation and will get instead U.S. cotton of equivalent value. The contracting period under the Authorisation runs from 6th September to the 30th of March 1957 for shipments to be completed by the 30th April 1957.

A further quantity of 208,484 bales of surplus U.S. Government-owned cotton was sold for export against bids received on 4th September, bringing the total quantity sold by the Commodity Credit Corporation to 3.486 125 bales. The average price was 26.14 cents per lb., basis Middling 1" at average location, while the minimum price for midd. 15/16" remained unchanged at 25 cents.

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

(In cents per lb.)

	12-9-56	4-9-56	27-8-56
Spot	34.40	34.45	34.45
October	33.80	33.75	33.70
December	33.88	33.85	33.76
March	33.80	33.81	33.64

YARNS LOOK DOWN

(From Our Own Correspondent)

BOMBAY, 12*th September*

The yarn market presented a distinctly easy trend during the week under review. Offtake of all kinds of yarns by handlooms and powerlooms was low; it was expected that the offtake would be lower still, what with the Government's move to take steps to curb inflationary tendencies. Rayon yarns were particularly depressed, thanks to considerable slackness in demand. Even the reported rise of 2 pence per lb. in the prices of rayon yarns by the Continental manufacturers failed to have any effect. In sympathy, staple fibre yarns were also depressed. Turnover in cotton yarns was greatly restricted, with values tending to look down.

Snia rayon yarn (120 dull cones) for October delivery was subjected to sustained selling pressure and dropped Rs. 8 to Rs. 788. December delivery fell by Rs. 5 to Rs. 800 today. In the spot section, 120 deniers Japan declined by half an anna to Rs. 3-12. 150 Japan was neglected at Rs. 3-14, as also 120 Italy at Rs. 3-14. 150 Italy, however, was a shade better at Rs. 4-1. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade receded by 18 pies to Rs. 3-4-6. 120 Bt. cones 1st grade retreated from Rs. 3-13-3 to Rs. 3-12.

Foreign staple fibre yarns (80 x 2) prices suffered a setback, as the increased offerings found no ready buyers. Paramounts climbed down by As. 2-3 to Rs. 6-1-9. K'Suns and Fujis decreased by As. 2 each to Rs. 6-9 and Rs. 6-2, respectively. S'Sellos lost an anna to Rs. 6. Suicos were quiet at Rs. 7-2. Among indigenous yarns (40 x 2). Centurys eased by three pies to Rs. 3-7-6. New Greats were dull at Rs. 3-7 and Kohinoors at Rs. 3-8-3. Staple fibre yarn (40 x 2) for December delivery receded by Rs. 2 to Rs. 676 today. Over the week, October delivery were lower by a rupee at Rs. 667.

Forty counts cotton yarns came in for selling at reduced rates. Maduras were the worst sufferers, their quotation moving down by As. 12 to Rs. 28-8. Moderns slipped by As. 8 to Rs. 29. Minaxis fell by As. 6 to Rs. 28-10. Deals in 60s were put through at lower rates. Moderns. Raghuvamshis and Finlays losing As. 4 each to Rs. 62-8, Rs. 58, and Rs. 62. respectively. Among 10s. Elphinstones declined by As. 2 to Rs. 14-8. Podars eased by an anna to Rs. 14-10. Twenty counts Moderns retreated from Rs. 19-10 to Rs. 19-6. Hinds were done at Rs. 19-10, same as last week. Among 80s, Mahendras were unaltered at Rs. 72. Moderns, however, were somewhat favoured and the price rose by As. 8 to Rs. 70.

* * * *

Addressing the second annual general meeting of the Bombay Yarn Merchants' Association and Exchange Ltd., held on Tuesday this week, Mr. Kantilal Nahalchand, President of the Association, urged the need for allowing export of cotton yarn through established exporters. Otherwise, he warned that the overseas markets would be lost. Mr. Kantilal objected to the formation of the State Trading Corporation which, he declared, would lead to an "annihilation" of normal trade channels, thereby creating an economic crisis. He alluded to the failure of industries run by the Government and said: "The Government officials may be able enough for administrative work, but it is only the experienced industrialists and merchants who are the best personnel to handle the industries efficiently." In his opinion, the various restrictions imposed by the Government on limited companies and the managing agency system had hampered the progress of trade and commerce, which was also handicapped by heavy taxation. Incidentally, Mr. Kantilal sounded a note of warning against any heavy doze of deficit financing. If inflationary tendency were to persist during the second Plan period, it would become "impossible for the common man to get out of the vicious circle thus created."

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	12-9-1956	5-9-1956	28-8-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia October ..	788 0	796 0	798 0
120 Dull Cone Snia December	800 0	—	—
120 Japan (per lb.)	3 12	3 12½	3 13
150 Japan (per lb.)	4 1½	4 1½	4 2
120 Italy (per lb.)	3 14	3 14	3 15
150 Italy (per lb.)	4 1	4 0½	4 1½
Staple fibre yarn (per case of 200 lbs.)—			
40 × 2 October	667 0	668 0	675 0
40 × 2 December	676 0	—	—
40 × 2 New Great (per lb.) ..	3 7	3 7	3 8
40 × 2 Century (per lb.) ..	3 7½	3 7½	3 8
40 × 2 City (per lb.)	3 7	3 6½	3 7½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	14 11	14 12	14 14
20s Hind	19 10	19 10	19 9
30s Apollo	22 13	22 12	23 0
40s Minaxi	28 10	29 0	29 4
60s Raghuvamshi	58 0	58 4	58 0
80s Mahendra	72 0	72 0	72 0

OILSEEDS CHEERFUL

(From Our Own Correspondent)

BOMBAY, 12*th September*

The oilseeds market reflected a cheerful tone during the week under review. The market was officially closed on 6th and 8th inst. on account of *Khordad Sal* and *Ganesh Chathurthi* respectively.

On the opening day of the week namely 7th instant, the conditions in the market were characterised by buoyant sentiments, thanks to the encouraging advices from the U.P. and the Punjab markets. Besides, the insurance of tenders to the tune of only 400 candies in the maturing castorseed September evoked large-scale bear covering in futures as well as in specific delivery contracts of all oilseeds. The support lent by crushers in the spot groundnut section also assisted the bullish sentiment. The market, however, received a nominal setback on 11th instant owing to uncertainty about the Government's measures to check the rising trend of food prices. Sentiment was also affected by the reports of beneficial weather conditions in the producing areas. But the setback was only short lived; and the market, excepting linseed, recovered partly in sympathy with the cotton futures and mainly owing to the tense international situation. The market closed today with a firm undertone.

In the groundnut section, the February (futures) contract opened the week under review at Rs. 129-8 and moved up gradually to Rs. 132-8 on Monday the 10th instant. Despite the slight setback on the following day for the reasons stated earlier, it climbed higher towards the close of the week and finished up at Rs. 133 today, gaining, thus, as much as Rs. 6-7 over the week. In the spot section, Bold F.A.Q. and August-September, both put on Re. 1 at Rs. 34-8. Coromandal and Kandesh quality were also up by Re. 1 each at Rs. 35. Groundnut oil ex-mill increased by As. 6 to Rs. 19-2 and Railway Receipt by As. 7 to Rs. 18-15.

Castorseed Sept. contract, on the other hand, spurted from its opening quotation of Rs. 138-4 to Rs. 143-8 on 10th instant. It, however, declined to Rs. 140-8 on next day before recovering again to Rs. 142 at the close today. It has thus gained Rs. 3-10 over the week. May 1957 contract, moreover, was done at Rs. 124-6 at the close today, which is Rs. 2-14 higher than the closing rate a week ago. In the spot section, Ready Madras was done As. 6 higher at Rs. 28, and Kanpur As. 4 higher at Rs. 26-12. Oil B.S.S. and Oil Commercial were fractionally higher at Rs. 16-10 and Rs. 15-12 respectively.

Linseed May 1957 contract, however, did not reflect much activity. Although it opened the week at Rs. 25-13, it went up to Rs. 26-14 towards the middle of the week in sympathy with groundnut and castorseed, and also as a result of demand from upcountry centres. Profit-taking at this level induced a weaker trend. It was quoted at Rs. 26-2 at the close of the market today. In the spot section, Bold Ready, moreover, was a shade higher, having improved from Rs. 30-6 to Rs. 30-10. October-November, too, put on As. 4 at Rs. 30-12. Linseed oil Ready was higher by As. 2 at Rs. 17-6.

Among other seeds, *kardi* seed, Bold Ready, was up by As. 6 at Rs. 18-4. So also August-September. *Niger* seed Ready and Madras improved by As. 8 and As. 4 respectively to Rs. 28-4.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	12-9-1956	5-9-1956	28-8-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	133 0	126 9	133 12
Khandesh Quality Ready (per cwt.)	35 0	34 0	34 8
Aug.-Sept.	34 8	33 4	33 2
Linseed—			
May 1957	26 2		
Bold Ready (per cwt.) ..	30 10	30 6	31 10
Aug.-Sept.	30 10	30 6	31 8
Castorseeds—			
September	142 0	138 6	143 6
Madras (per cwt.)	28 0	27 10	28 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 2	18 12	18 6
Castor oil—			
Commercial (per quarter) ..	15 12	15 8	15 7
Linseed oil—			
Ready	17 6	17 4	17 0

SUGAR DECLINES FURTHER

(From Our Own Correspondent)

BOMBAY, 12*th September*

The bearish trend noted in the sugar market in the last two weeks gathered further momentum during the week under review. Selling was quite sustained, thanks to reports of satisfactory stock position in consuming centres and terminal markets. There was, besides, a continued fall in ex-mill quotations for sugar, by a rupee per bag in the Deccan and by As. 4 in the north. The optimistic forecasts relating to sugar production in the ensuing season also acted as a damper.

In the forward section, *Asho* delivery contract for 'C' grade sugar receded from Rs. 91-2 to Rs. 90-10 per bag. There were sellers at this price today.

In the spot section, large grain indigenous sugar dropped Rs. 2 to Rs. 92-Rs. 98. Small grain was unchanged at Rs. 88. as also medium grain at Rs. 89-Rs. 91. British refined sugar was a shade easy at Rs. 91.

Arrivals of indigenous sugar into the market were larger than in the previous week. They amounted to 18,700 bags, as against 16,200 bags.

Offtake of sugar from mills last month was quite satisfactory. Consequently, the consuming centres and terminal markets are reported to have built up large stocks. In view of this and on expectation of a marked rise in sugar output in the coming season which is due to commence from 1st November, trade circles are greatly reluctant to enter into fresh commitments at the ruling ex-mill quotations. It is, therefore, pointed out that, barring unforeseen circumstances, there is no evidence to indicate any rise in the existing spot prices of sugar. On the contrary, an overall fall of about Re. 1-8 per bag in ex-mill quotations is expected.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

* * * *

The aggregate closing stocks of sugar with the factories as on 1st July 1956 amounted to 1,157,000 tons, as against 911,000 tons on the same day last year. The estimated demand for the period July-November 1956 is put at 800,000 tons. The total quantity of sugar despatched from the mills in Uttar Pradesh and Bihar during the eight months ended June 1956 was 779,000 tons, which represents a rise of 326,000 tons, as compared with the corresponding period of the previous season.

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, 12*th September*

We did not issue our weekly letter on pepper for the week ended 5th September, as the period was short because of intervening holidays and was shorn of any noteworthy activities.

Malabar black pepper during the fortnight ruled quiet, with prices drifting lower in view of paucity of inquiries from New York. Spot in New York is reported to be weak at $0.33, the highest being $0.37½, under pressure of heavy arrivals of about 1,800 tons from all sources during August. Shipments of unsold consignments from all the sources acted as one of the main depressing influences for the spot market.

Singapore, after touching Str.$85, went down to Str.$82 to improve to Str.$84 with small business in a quiet market. Lampong, however, was comparatively steady with prices moving between $0.29 and $0.29½.

In view of the smallness of buying inquiries by the exporters, growers at Alleppey reduced their price from Rs. 775 to Rs. 737½ to stimulate business but exporters did not evince much interest. Garbled at Cochin moved between Rs. 127½ and Rs. 130. Weakness in other commodities like rice and wheat, following the steps taken by the Indian Government to check the adverse effects of inflation also acted as a damper. Conflicting reports on Suez are responsible for the present uncertainty. Reports regarding the recent rain in Travancore-Cochin area are generally welcomed by the growers and it is believed that the crop may not be as small as was anticipated earlier. However, reports from North Malabar are still conflicting and traders are giving out their own estimates according to their book positions. As a matter of fact, crop estimate of pepper is always a guess work and one guess is as good as another.

The future of the market now hinges around the Suez question. Barring the Suez, there seems to be no other factor which can lift the prices of pepper as the present supply is considered sufficient, if not more, to cover world consumption, particularly when everybody is buying hand to mouth and nobody wants to accumulate stocks.

October-December changed hands from $0.28½ to $0.29¾ while delivery for September and October, after going down to Rs. 680 and 685, improved to Rs. 700 and Rs. 705 respectively under pressure of short-covering and some trade buying on the Suez news.

Today's nominal quotations are:— Ready delivery Rs. 101 per Bengal maund, September delivery Rs. 695-700 and October delivery Rs. 705-710 per candy of 5¼ cwts.

TEA PRICES ADVANCE

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 6*th September*

Approximately 1.250.000 lbs. were on offer in Sale No. 25 which was held on Tuesday, 4th September. Quality continued to show a slight improvement and there were some useful teas on offer from all districts. The sale opened to a strong general demand and plain and low medium brokens advanced by 1 to 2 annas per lb. Medium brokens were irregular, but were dearer with improved quality. All fannings grades, in particular, Middle East types, sold well. The latter must be quoted considerably dearer, advances of As. 8 to As. 10 being registered. Best liquoring teas sold well, but buyers followed quality closely. High grown fannings were again a strong feature and met with keen competition. Whole leaf teas were well supported at dearer rates. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	... 1 6 6
Low medium B.O.P.	... 1 12 0
	to 1 13 0
Medium B.O.P.	... 1 14 0
	to 1 15 0
Good B.O.P.	... 2 10 0
	to 2 12 0
Well made black leaf O.P.	... 2 12 0

London Market.—Sale of 3rd September 1956:—Dearer tendency all classes.

Sale of 4th September 1956:—Dearer tendency.

Colombo Market.—Sale of 3rd September 1956:—Strong demand. Rather dearer rates, particularly better qualities.

Sale of 4th September 1956:—Strong demand. Dearer rates high and medium grown but best dimbulas irregular. Middle East declined ten cents.

Calcutta Market.—Export:—49 844 packages. Good general demand at generally lower rates.

Internal:—14,900 dust. Good general demand. Strongest feature Middle East types. Commons and mediums generally half to one anna dearer. C.T.Cs. weakest feature As. 2 to As. 4 easier. 1,000 leaf. Good general demand at about last rates.

Export Quota:—There has been a further decline in the market and with weak support the quotation stands at 21 pies.

Forthcoming Auctions:—Sale No. 26 will be held on Tuesday, 18th September.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Dust sale R*:—550,000 lbs. Strong and excited demand. Market irregularly As. 2 to As. 4 dearer all round. Middle East types advanced with strong support."

JUTE GOODS LOOK UP

(From Our Own Correspondent)

CALCUTTA, 11*th September*

Jute goods recorded two distinct trends during the week under review. Earlier, on heavy speculative selling, prices gave way; subsequently, however, the decline was not only made good but prices closed at the highest levels for the week. This was the result of the announcement of the stock position of goods on Thursday last. On the other hand, raw jute prices continued to decline throughout the week, following reports of an improvement in arrivals in most agencies. The decline in stocks of goods with mills as at the end of August did not come as a surprise. For it had been anticipated. The month of August evidenced considerable activity by shippers and the decision of mills to curtail production to bring down stocks to a more manageable figure resulted in a wave of buying by overseas interests. The stocks of hessian declined by 10.000 tons, or 26 per cent. to 28,500 tons, sacking by 5 000 tons, or 5 per cent. to 88,200 tons, and miscellaneous corrections by 800 tons, or 13 per cent. to 5,400 tons, the decline thus amounted to 15,800 tons. With a rapid fall has, indeed, been and it is expected that, with tinuing in the export market, it before stocks are reduced con- in production is to commence and the output figure would be onth onwards.

A redeeming feature of this week was the decline in raw jute prices. However, whether prices would be stabilised at lower levels is difficult to say. Usually, at the beginning of the season prices move down, and that is what is happening at the present time also. But a speciality during this season is the encouraging crop reports and the expectation of a substantial increase in fibre output.

The area under jute has increased to 1.634,000 acres from 1,425.000 acres in the past year. In terms of percentage, the addition to acreage comes to 14.7 which should be regarded as highly satisfactory. The report carrying this information stated that most of the increase has been in Bihar, with Tripura and Uttar Pradesh contributing small percentages. It is unfortunate that no increase in acreage has been reported in West Bengal, the home State of the jute industry and trade. For most of the jute grown in areas other than West Bengal is inferior in quality of which types there is no scarcity. With the difficulties now being experienced in the imports of good quality jute from East Pakistan, the future of jute industry in India can be ensured only when India can grow sufficient jute of the superior type fit for the production of hessian without mixing with the poor quality jute. It should be remembered that hessian is the dollar earner and the mainstay of the industry.

The jute goods market opened the week with speculators very active as sellers. Actual business, however, was naturally little. Prices gave way. Thus, ready 40"×10 oz. hessian declined to Rs. 42-1 from Rs. 42-4 and B. twills to Rs. 111-8 from Rs. 112-6. This was on Tuesday last. On the following day also, the quiet trend continued; however, whispers regarding the nature of the unannounced stock position went round and made speculators think twice before selling. This prevented prices from falling further. By Friday, the details of the stock position had become known, and prices began to recover. Shippers also showed interest, and, by the week-end, ready 40"×10 oz. hessian had scored to Rs. 42-14 and B. twills to Rs. 112 Covering business was done yesterday on a great scale, and shippers showed the keenest interest ever. Ready 40"×10 oz. hessian, therefore, rose to as high as Rs. 43-9 with ready B. twills reaching Rs. 113-6. Forward positions in B. twills continued to be quoted at premiums, the extent varying for each delivery. The premium on Oct.-Dec. goods varied from As. 12 to Re. 1, and that for Jan-March from As. 4 to As. 8, while delivery within one month was higher by As. 8. Excepting for September goods, forward goods in hessian were lower. Jan.-March was Re. 1 cheaper than the ready position, but one month delivery goods were higher by a few annas.

Raw jute prices eased. This followed the anxiety of sellers to enter into commitments and more arrivals in agencies. Most constructions had eased by Re. 1 a maund, but, with the subsequent rise in goods, raw jute recovered by As. 8. Upper Assam bottoms declined to Rs. 28 from Rs. 29 but later steadied up to Rs. 28-8. Local daissee bottoms were priced at Rs. 29-8, after falling to Rs. 29 from Rs. 30.

BASE METALS RULE FIRM

(From Our Own Correspondent)

CALCUTTA, 11*th September*

The stalemate over an agreed solution to the Suez Canal dispute, rising price trends in overseas markets, and the gathering momentum of industrial activity within the country—these were the factors which engendered steady conditions in the metal market during the week under review. Prices of base metals were fully firm. Reports of stoppage of work in the Rhodesian mines following labour troubles and the possibility of operations being suspended in the Garfield smelter in the United States contributed to moderate price gains in New York. The improvement was noted on the London Metal Exchange, too, and spot copper at £309 had at one time gained by £3½. Locally, there was good demand for electrolytic wire bars, and there was no difficulty for importers to dispose of new arrivals which were greater than earlier anticipations. Electrolytic copper was fully steady at Rs. 218. The scrap market was as usual lively. Fire-refined copper was no longer at par with the electrolytic material. Tin was in good demand, and the price gained to Rs. 528 from Rs. 524. For a time, electrolytic zinc was higher at Rs. 67 but, in view of the satisfactory supply position, returned to Rs. 66-8. Lead was unchanged at Rs. 83.

FAIR DEMAND FOR EXPORT TEAS

(From Our Own Correspondent)

CALCUTTA, 11*th September*

Although demand during the export sale held yesterday was moderate, prices did not show any improvement. The Government of India's announcement, placing a ceiling for shipments of tea for auction in the Mincing Lane sales in London for 1956-57, has caused some surprise to gardens, traders and shippers alike. The ceiling is 160 million lbs., which has apparently been fixed judging from last season's direct shipments having totalled 162 million lbs. There is no ceiling for shipments of South Indian tea direct to London for auctions.

True, the Government's policy is to encourage the auctioning of as much indigenous tea as possible in Calcutta and Cochin. However, all producing countries participate in the London auctions, and buyers there can satisfy their requirements fully; as such there is no reason why they should turn more of their attention to Calcutta. In this view, it will be remembered that last season's ceiling, which was 140 million lbs. had to be withdrawn by New Delhi in February 1956 when it was found that stocks in Calcutta were increasing and warehousing was becoming a grave problem. It is clear that, in deciding to fix a ceiling again this season, the Government has been encouraged by the increase in the quantity of tea sold in Calcutta auctions during the last season. For the sales totalled 334,161.000 lbs., as against 299 671,000 lbs. in 1954-55, the increase in export sales being 75,336,000 lbs. to 250,332,000 lbs.

Another factor, which must have encouraged New Delhi should be the reports of lower output figures for most other producing countries and the substantial increase in North Indian production during this season. In this view, it is possible that London buyers may turn more attention to Calcutta auctions during this season. Moreover, the ceiling is more or less the same as the quantity that was shipped to Mincing Lane last year. Taking these factors into consideration, it is most unlikely that the Government would find it necessary to review its decision later in this season.

The freezing of Egyptian sterling by Great Britain has caused a serious problem for Ceylon, as the latter can no longer export tea to Egypt and receive payment. There being no payment problem between India and Egypt—for trade between the two countries is a two-way traffic—and Ceylon being unable to receive payment for its exports to Egypt in any currency other than sterling, it was expected that India could increase its tea exports to Egypt. However, this possibility is now receding to the background, as, during this week, there have been reports of Ceylon attempting to persuade Egypt to make payments in Japanese currency for Ceylonese tea.

The offerings during yesterday's export sales aggregated 47.500 packages. As stated earlier, there was fair demand. But prices for medium brokens declined by an anna to As. 2 and, in spite of good demand, B.O.Ps. and O.Fs. lost by As. 2 to As. 4. Keen competition was offered to the good C.T.C. Assams. The balance of the C.T.Cs consisted of ordinary rain descriptions and prices fell by As. 2 to As. 4. The strongest feature of the sale was clean black fannings, the prices of which improved by As. 2 to As. 4. Non-withers Dooars were also paid considerable attention and rose by several annas. The commonest teas, clean commons and low mediums, were all steady. Among Darjeelings on offer, the plainer teas were in good demand, but the flavoury lots were quiet. Whole leaf grades were also steady, but the stylish sorts received poor support and often declined. An irregular trend was in evidence in tippy teas. The quotations were: best C.T.C. Assam B.P. Rs. 3 to Rs. 3-4, medium Assam B.P. Re. 1-14 to Rs. 2, plain B.P. Re. 1 to Re. 1-9-6, and clean black pekoe Re. 1-14.

A mixed trend was in evidence during the internal sale held last week. Dusts offerings aggregated 14.900 chests, which met with a good general demand. Good support was given by Middle East buyers for the black teas on offer. Among C.T.Cs. there were a few lots possessing the second flush grainy character, and these realised prices higher by half anna to one anna. However, other C.T.Cs lost As. 2 to As. 4. On the other hand, medium and common teas advanced by ½ to 1 anna. Quotations were: best Assam C.T.C. Rs. 3-2 to Rs. 3-6, medium Assam C.T.C. Rs. 2-12, medium Assam grainy dust Re. 1-15 to Rs. 2, and medium Dooars Re. 1-12 to Re. 1-12-6.

Leaf offerings totalled 1,019 packages. Demand being good, prices were better. Green teas on offer were, however, hardly wanted.

COAL

(*Concluded from page* 508)

Minister was quite conscious of the immensity of the task when he said:

"Transport resources are already subject to strain and it will be an immense task for the railways to keep pace with the fast-increasing transport requirements. Coal constitutes a very substantial part of the total volume of goods moved by the railways and a good proportion of this is moved for the requirements of the railways themselves. Steps, by which the quantity of coal to be moved can be reduced, should be studied by the Council. There are various measures, which can be adopted, including measures to utilise coal, as far as possible, close to the site of its production, for thermal generation of electricity and to transmit such electrical energy to the point of consumption."

Coal and products of coal carbonisation, Mr. Reddy pointed, constituted the starting point for a whole host of chemical industries. It was, he added, a drawback in our present economy that, for various reasons, it had not been possible to establish as many coal-based chemical industries as we would like to have. In this connection, the Minister drew attention to the practice in West Germany where mining of coal was integrated with the chemical uses of coal.

It will be seen from the foregoing summary of Mr. Reddy's speech that the Government is not wanting in ambition. The appointment of the Council is evidence of its keenness to translate its plans into action. But the limiting factors are two: (1) the absence of technical and administrative personnel to draw up practicable plans and to implement them efficiently and thoroughly; and (2) inadequate supply of transport. The proposal to convert coal into electric power right at the site of coal production and then transfer the power to centres where it is needed may be a solution to the transport bottlenecks, but it is a moot point whether this method can be economically followed so far as the power needs of distant centres are concerned. It must, however, be conceded that, to the extent that this method results in a saving of transport utilised for carrying coal to the areas adjacent to coalfields more transport capacity will become available for long distance traffic.

It is too late in the day to question the wisdom of the Government's decision to assume responsibility for the bulk of the increase in the production of coal envisaged in the second Plan. Enough has been said on the capacity of the public sector to reach the goal which it has chosen for itself, despite well-meaning advice to the contrary. It will not be in the national interest to keep harping upon the weaknesses of the public sector. All that one should do now is to wait and see whether the public sector fulfils within the given time the commitments it has undertaken. It is, however, to be hoped that, if at any time in future, the Government finds that it is not making satisfactory progress in this direction, it will not allow prestige to stand in the way of reversing its policy and allowing the private sector to expand in this sphere.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1938	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1935	4	4½
Colombia	18th July, 1938	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands ..	24th Aug., 1956	3	3½
New Zealand ..	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	3½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom ..	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	6	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany ..	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 7th September, 1956		Week ended 31st August, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,51,044	75,34,51,000	2,43,687	56,44,67,000
Calcutta ..	1,74,428	69,97,74,071	1,48,192	54,85,47,845
Madras ..	88,235	12,79,04,570	77,706	10,26,88,775
All Centres—				
1953-54* ..	..	..	2,669,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
May 1956 ..	..	..	3,483,000	7,10,51,00,000
June ..	..	..	3,202,000	6,59,59,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 7th Sept., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund ..	15,00,00,000
National Agricultural Credit (Stabilisation) Fund ..	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	58,85,79,000
(2) Other Governments	16,72,50,000
(b) Banks	56,15,66,000
(c) Others	18,01,28,000
Bills Payable	10,26,44,000
Other Liabilities	14,02,67,000
Rupees ..	200,04,34,000

ASSETS	Rs.
Notes	16,25,09,000
Rupee Coin	6,70,000
Subsidiary Coin	8,37,000
Bills Purchased and Discounted—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	6,14,73,000
Balances held abroad*	34,21,96,000
Loans and Advances to Governments	5,32,35,000
Other Loans and Advances	74,50,79,000
Investments	51,80,80,000
Other Assets	11,63,49,000
Rupees ..	200,04,34,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 24,39,83,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 238,46,53,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,25,09,000	
Notes in circulation	1440,18,34,000	
Total Notes issued		1456,43,43,000
Total Liabilities ..	.....	1456,43,43,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities	596,73,79,000	
Total of A ..		636,75,50,000
B. Rupee Coin		116,02,67,000
Government of India Rupee Securities ..		703,65,26,000
Internal Bills of Exchange and other commercial paper ..	.....	.....
Total Assets ..		1456,43,43,000

Ratio of Total of A to Liabilities: 43·720 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 31st Aug., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	17,02,76,000
(ii) Other demand liabilities ..	637,71,19,000
2 Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	2,89,55,000
(ii) Other time liabilities	458,41,96,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,25,46,000
(ii) Time liabilities	.....
4. Cash in India	37,58,06,000
5. Balances with the Reserve Bank in India ..	51,66,56,000
6. Balances with other banks in current account in India	11,77,29,000
7. Money at call and short notice in India ..	22,39,02,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	361,41,61,000
9. Advances in India	587,69,69,000
10. Inland Bills purchased and discounted in India ..	101,57,60,000
11. Foreign Bills purchased and discounted in India	45,86,73,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	11th September, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot .. s.	1-5⅝	1 5⅝
Sellers T.T. D.D. upto six months .. s.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months .. s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months .. s.	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480½	480½
Buyers T.T. .. Rs.	473	473
London on New York .. $	2.78½-2.78½	2.78½-2.78½
London on Paris .. Frs.	982	982
London on Berne .. Sw. Frs.	12.19-12.19½	12.19-12.19½
New York on London .. $	2.78⅜-2.78⅜	2.78⅜-2.78⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India† ..	'54-'55	378.07	..	10,170	269
Pakistan ..	'55-'56	78.81	..	1,931	245
Burma ..	1954	19.24	Kyats 3,905	890	204
Ceylon ..	1954	8.38	..	477	569
Japan ..	1954	88.20	Y. 6,148,000	8,133	922
Philippines ..	1954	21.44	Ps. 7,438	1,770	826
New Zealand ..	1954	2.09	£ (N.Z.) 962	1,070	5,119
Australia ..	1954	8.99	£ (A) 3,957	4,220	4,694
U.K. ..	1954	50.78	£ 15,718	20,950	4,100
U.S.A. ..	1954	162.41	$ 299,700	142,370	8,766
Canada ..	1954	15.50	$ 9,190	5,040	6,046
France ..	1954	42.84	F.Fr. 11,408,000	15,640	3,650
W. Germany ..	1954	49.52	Dm. 112,300	12,734	2,570
Italy ..	1954	47.67	L. 9,718,000	7,389	1,545
Norway ..	1954	3.39	Kr. 18,424	1,230	3,638
Sweden ..	1954	7.21	Kr. 38,630	3,544	4,912
Netherlands ..	1954	10.62	Grs. 21,080	2,640	2,488
Denmark ..	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland ..	1954	4 92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 31st August, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits—	
(a) Central Government	28,06,17,000
(b) Provincial Governments	13,05,58,000
(c) Banks	21,62,72,000
(d) Others	3,38,17,000
Bills Payable	45,99,000
Other Liabilities	7,16,02,000
Rupees ..	79,74,65,000

ASSETS	Rs.
Notes	12,02,76,000
Rupee Coin	10,000
Subsidiary Coin	15,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	1,13,31,000
Loans and Advances to Governments	.....
Provincial Governments' Debtor Balances ..	.....
Other Loans and Advances	4,67,50,000
Investments	52,20,59,000
Other Assets	9,10,24,000
Rupees ..	79,74,65,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,62,76,000	
Notes in circulation	280,22,87,000	
Total Notes issued	.....	292,85,63,000
Total Liabilities	.....	292,85,63,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,33,41,000	
Silver Bullion	.....	
Sterling Securities	96,64,02,000	
Government of India Securities ..	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,62,37,000	167,68,26,000
Government of Pakistan Securities ..	112,64,94,000	
Internal bills of exchange and other commercial paper ..	.....	
II. Held with the Reserve Bank of India pending transfer to Pakistan—		119,27,31,000
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities ..	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets ..	.....	292,85,63,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 59·17 per cent.

COMPARATIVE BANKING STATISTICS

In crores or Rupees

	1st Sept., 1939 (pre-war)	31st Aug., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.87	1424.51	1431.62	1447.15	1292.99
Notes held in Banking Department ..	35.05	32.63	24.05	30.29	22.33
Foreign Securities ..	59.50	606.68	606.68	616.68	656.82
Rupee Securities ..	87.89	693.72	693.72	708.62	508.91
Banking Department					
Deposits of:					
(Government of India.	14.89	65.77	61.58	61.05	64.38
Other Governments.	..	2.91	5.70	3.86	40.16
Balances held abroad	10.08	24.94	28.79	36.79	63.10
SCHEDULED BANKS					
Demand Liabilities..	134.36	654.74 (17.05)†	654.47 (17.01)†	636.08 (12.82)†	601.81 (8.14)†
Time Liabilities ..	102.24	461.32	461.90	458.03	409.78
Borrowings from Reserve Bank ..	..	(2.90)† 30.99 (22.00)‡	(3.00)† 34.63 (22.12)‡	(3.86)† 30.56 (25.34)‡	(2.94)† 20.62 (13.66)‡
Borrowings from State Bank ..	..	7.25	6.34	6.95	10.42
Cash in India ..	6.70	37.58	37.53	36.01	33.18
Balances with Reserve Bank ..	25.17	51.67	50.72	49.56	56.76
Excess over statutory limits ..	15.52	9.71	8.76	8.60	18.48
Balances with other banks in current account in India..	..	11.77	10.98	10.19	10.79
Money at call and short notice in India	..	22.39	23.65	17.30	15.97
Investments (at book value) ..	..	361.42	362.02	361.35	379.45
Advances and bills..	105.09	735.14	736.01	739.05	614.17
STATE BANK					
Deposits	37.76	229.07	226.64	223.05	215.49
Investments	51.99	106.18	106.19	106.08	107.51
Advances	80.85	124.22	123.77	126.34	107.05
Cash	14.69	18.06	18.37	14.43	22.41
Borrowings from Banks excluding the Reserve Bank and the State Bank.					
Borrowings against usance bills and promissory notes.					

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	June,		Three months, April to June	
	1955	1956	1955	1956
Import Duties				
Revenue	9.92	9.87	28.22	29.72
Protective	0.82	1.04	2.31	3.10
On surplus disposals ..	..	..	..	0.03
Total import duties ..	10.74	10.91	30.53	32.85
Export Duties ..	2.77	7.77	7.56	5.59
Land Customs ..	0.04	0.19	0.30	0.44
Miscellaneous ..	0.07	0.07	0.20	0.25
Gross total customs ..	13.62	12.94	38.59	39.13
Refunds and drawbacks ..	0.14	0.21	0.78	0.59
Net Customs ..	13.48	12.73	37.81	38.54
Gross excise	12.75	14.94	35.62	41.05
Refunds	0.58	0.11	1.14	0.34
Net Excise	12.17	14.83	34.48	40.71
Net total of customs and excise†	25.65	27.56	74.29	79.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 7th Sept., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5 62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		231,33,05,000
Borrowings from Other Banking Companies, Agents, etc.		.....
Bills Payable		4,59,70,000
Bills for Collection being Bills Receivable as per contra		68,70,000
Acceptances, Endorsements and Other Obligations per contra		13,21,000
Other Liabilities (including Inter-Office Adjustments)		22,14,20,000
Total .. Rs.		270,86,36,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16,54,26,000
Balances with other Banks ..		3,27,30,000
Money at Call and Short Notice ..		1,86,67,000
INVESTMENTS:		
Government and other Trustee Securities 94,73,79,000		
Other Authorised Investments .. 11 55,05,000		106,28,84,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc. .. 100,62,84,000		
Bills Discounted and Purchased . 33,30,15,000		133,92,99,000
Bills Receivable being Bills for Collection as per contra		68,70,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra..		13,21,000
Premises less Depreciation ..		1,16,48,000
Furniture and Fixtures less Depreciation		55,36,000
Other Assets (including Inter-Office Adjustments)		6,42,55,000
Total .. Rs.		270,86,36,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖															
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1953-54	6.88	55	2.26	23.66	84.17	1,18.35	92.03	—	31.07	7.55	25.54	..	..	..	..
1954-55	4.70	1.02	4.99	27.27	1,24.64	1,34.94	1,30.88	—	26.25	5.57	27.15	7,40E	7 88	55††	..
1955-56	3.76	1.98	5.48	27.19	1,44.35	1,58.15	1,57.28	—	28.37	4.79	41.25	9.86	16.37	45	84
June 1955 ..	4.44	13	5.13	2.09	1,29.49	13.26	1,30.36	—	26.76	27	28.28	84	9.82	5	95
July ,, ..	4.26	12	5.16	2.27	1,31.28	12.80	1,40.28	—	26.85	41	28.54	91	10.19	4	65
August ,, ..	4.29	13	5.17	2.09	1,32 82	12.25	1,48.80	—	26.96	29	28.87	88	11.00	3	69
September ,, ..	4.21	12	5.20	2.54	1,34.86	12.40	1,45.81	—	27.11	44	29.28	94	11.80	4	72
October ,, ..	4.14	10	5.21	2.11	1,35.38	11.84	1,43.99	—	28.23	46	29.68	80	12.49	5	75
November ,, ..	4.07	10	5.21	1.98	1,37.08	11.25	1,50.40	—	28.84	43	40.05	83	13.20	5	80
December ,, ..	4.00	18	6.20	2.45	1,39.48	18.94	1,52.44	—	28.44	26	40.84	88	13.98	4	85
January 1956 ..	3.91	14	5.24	2.02	1 40 78	12.16	1,54.14	—	28.55	22	40 81	84	14,78	3	91
February ,, ..	3.83	16	5.30	2 33	1,42,37	12,57	1,56,19	—	28.96	39	40,96	93	15,57	2	93
March ,, ..	3.76	23	5.48	2.82	1 44.86	23.64	1,67,86	—	28.87	36	41.25	93	16,37	3	98
April ,, ..	3.69	24	5.54	2.19	1 45,85	14.54	1,71.08	—	28.96	34	41,51	82	17,18	3	95
May ,, ..	3 61	21	5.54	2.49	1,47 58	14.77	1,73.05	—	29 05	38	41.82	85	17,91	3	98
June ,, ..	3,54	28	5,55	2,70	1,49,48	15,24	1,76,09	—	39,15	38	42 11	92	18,75	4	1,06
July ,, ..	..	..	..	..	..	..	..	—	..	38	42,42	..	..	4	1,04

* At the end of period.

†Issued from 10th May 1954.

‖ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡ Relating to nine months from July, 1954.

§ From July, 1954.

E-Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 3-9-'55	4-8-'56	25-8-'56	1-9-'56*
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	90.9	91.0	90.7	90.7
1. Government of India..	90.7	90.8	90.5	90.5
2. Indian States ..	95.4	96.8	96.8	96.8
3. Municipal, Port Trust, etc.	89 4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.3	100.3	100.3
1. Electricity	102.0	101.2	101.3	101.3
2. Jute	98.9	97.5	97.5	97.5
3. Plantations	99.1	99.3	99.2	99.2
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering ..	100.9	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	100.9	100.9	100.8	100.8
PREFERENCE SHARES ..	87.5	85.2	85.0	84.9
1. Electricity	95.9	90.8	91.0	91.0
2. Cotton	79.8	83.9	84.8	84.7
3. Jute	85.6	81.2	79.1	78.4
4. Coal	93.2	85.2	83.6	83.6
5. Iron and Steel ..	90.2	88.5	88.6	88.8
6. Sugar	84.9	84.2	84.4	84.1
7. Paper	86.7	81.9	81.9	81.9
8. Plantations	99.7	101.4	101.3	101.7
9. Miscellaneous	85.0	81.0	81.5	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	123 9	126.3	128 5	128.6
(a) Financial	90.8	94.8	95.1	95.2
1. Banks	88.0	95.4	95.1	95.1
2. Insurance	107.9	92.9	89.8	89.3
3. Investment Trust..	93.8	91.0	91.1	90.9
(b) Public Utilities ..	113.7	114.4	114.0	114.0
1. Electricity	123.0	114.5	114.4	114.4
2. Shipping and other Transport	103.5	119.7	122.4	120.8
3. Railways	89.1	85.4	86.2	85.8
(c) Manufacturing industries.	120.3	138.8	140.7	141.2
1. Cotton, Woollen and Silk	114.9	141.2	145.5	146.6
2. Jute	104.4	72 1	75.0	76.3
3. Iron and Steel ..	163.3	157.9	161.4	160.6
4. Paper	243.4	276.1	271.3	269.1
5. Cement	161.2	181.2	187.8	190.2
6. General Engineering	193 6	192.9	195.5	197.9
7. Sugar and Breweries	105.5	107.4	109.3	109.9
8. Chemicals	142.6	149.7	151.3	152.6
(d) Non-Manufacturing industries	176.4	163.8	162.7	162.8
1. Coal	84.0	73.7	75.8	79.3
2. Mining and Oil ..	252.7	252.7	250.8	249.0
3. Plantations ..	200 1	178.1	176.7	176.8
(e) Miscellaneous	101.0	102.4	104.2	104.0
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.8	90.5	90.8	90.8
2. Calcutta	90.9	90.9	90.8	90.8
3. Madras	91.2	91.3	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	99.7	99.7	99.7
2. Calcutta	101.4	100.7	100.7	100.7
3. Madras	100.1	100.2	100.1	100.1
PREFERENCE SHARES:				
1. Bombay	91.5	89.8	89.9	90 0
2. Calcutta	83.2	79.7	79.8	79.0
3. Madras	95.7	96.7	97.2	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	125.0	138.2	141.1	140.7
2. Calcutta	117.2	108.5	110.0	110.5
3. Madras	138.4	138.8	141.6	142.1
4. Delhi	136.4	143.5	144.5	143.5

*Provisional.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes †	Number of workers involved.	Number of man-days lost
1951	1,071	491,321	3,819,928
1952	962	809,343	3,338,961
1953	773	456,407	3,525,606
1954	840	477,138	3,372,530
1955	1,166	527,767	5,097,845
April 1954 ..	101	34,968	267,247
May ,, ..	80	40,073	216,063
June ,, ..	88	21,589	308,978
July ,, ..	122	39,189	277,492
August ,, ..	79	51,090	322,887
September ,, ..	97	50,414	382,578
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	220,701
December ,, ..	101	54,495	242,768
January 1955†..	95	49,038	322,307
February ,, ..	91	38,370	144,802
March ,, ..	112	70,042	334,696
April ,, ..	105	32,432	338,275
May ,, ..	120	68,441	961,776
June ,, ..	152	91,269	1,144,011
July ,, ..	111	55,260	660,492
August ,, ..	236	90,218	533,999
September ,, ..	251	92,619	580,031
October ,, ..	184	47,600	314,214
November ,, ..	99	48,609	178,112
December ,, ..	129	45,277	239,550
[illegible]	108	61,200	353,555
[illegible]	123	69,905	760,711
[illegible]	147	135,053	688,589
[illegible]	144	81,467	522,719
[illegible]	115	61,729(a)	527,528(a)

[illegible]nal. * Revised.

[illegible]case. ‡ Current at any time during the month.

ENERGY GENERATED AND SOLD*

[illegible]s millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,184.3
1953-54	648	6,978.8	5,878.7
1954-55	686	7,760.9	6,519.2
1955-56	715	8,805.8	7,185.8
April 1955 ..	690	691.1	583.9
May ,, ..	691	705.5	599.8
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	588.3
August ,, ..	705	705.9	574.4
September ,, ..	707	719.3	587.1
October ..	721	720.7	591.9
November ,, ..	721	725.5	597.0
December ,, ..	734	785.7	643.0
January 1956 ..	731	757.2	631.8
February ,, ..	730	749.9	623.0
March ,, ..	715	800.0	651.0
April ,, ..	701	780.8	643.8
May ,, ..	701	825.8	669.1

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

At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	25th Aug., 1956	18th Aug., 1956	27th Aug., 1955	July, 1956	July, 1955	Percentage of increase (+) or decrease (−) in July, 1956 as compared with July, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	399.1	401.1	318.5	380.3	309.7	+22.8	313.2	339.8
Cereals	59	512	505	386	484	359	+34 8	372	381
Pulses	8	406	410	267	378	272	+39.0	289	280
Others	33	255	264	236	243	246	+ 0.8	235	291
Industrial Raw Materials ..	(12)	505.6	505.1	404.7	492.1	408 2	+20.6	419.8	436.2
Fibres	53	477	475	414	477	415	+14.9	429	447
Oil seeds	30	581	582	380	534	391	+36.6	393	424
Minerals	10	513	515	422	511	422	+21.1	427	422
Others	7	423	426	419	420	417	+ 0.7	431	427
Semi-Manufactures	(17)	411.1	409.5	325.0	395.3	329.6	+19.9	338.2	350.3
Leather	8	372	381	337	395	355	+11.3	378	376

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	9,940	9,093
Bajra	final	,,	27,625	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,969	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,660	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	6,737	6,944	1,814	1,688
Other Kharif pulses ‡	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,500	1,358	1,950
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,292	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,654	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,028
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	...	665	...	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1956	94.1
	Corresponding month, 1955	84.1
	Twelve months ended June 1956	1,094.9
	Corresponding period 1955	1,003.24
Stocks	As the end of July, 1956	122.1
	Corresponding month, 1955	79.2
		(In 000 bags)
Exports (Jute Bags)	Week ended 4th Aug., 1956	18,239
	Corresponding week, 1955	12,155
	From 1st Jan., to 4th Aug., 1956	245,347
	Corresponding period, 1955	272,198
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 4th Aug., 1956	89,008
	Corresponding week, 1955	7,184
	From 1st Jan., to 4th Aug., 1956	741,247
	Corresponding period, 1955	705,783
	RAW JUTE	(In lakh bales)
Consumption by Mills†	July, 1956 (In lakh bales)	5.46
	Corresponding month 1955	4.88
	Twelve months ended June, 1956	63.51
	Corresponding period, 1955	58.19

* From Calcutta † Estimated.

IRON AND STEEL PRODUCTION (In tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended 31st March 1953		11,58,000	10,61,900	7,91,800
Do. 31st March, 1954		11,54,000	10,70,200	7,80,000
Do. 31st March, 1955		11,34,400	10,42,900	7,91,200
Do. 31st March, 1956		11,58,900	10,62,100	7,97,800
March 1955		96,000	89,300	66,100
April ,,		95,100	89,000	66,200
May ,,		94,200	87,500	5,800
June ,,		91,700	80,900	62,600
July ,,		94,900	84,300	64,300
August ,,		92,500	83,900	63,700
March 1956		1,03,300	96,200	69,900
April ,,		1,00,900	87,200	64,300
May ,,		96,600	89,400	66,300
June ,,		94,900	89,900	64,400
July ,,		94,100	91,300	65,500
August ,,		97,800	88,000	66,000
Indian Iron and Steel Co., Ltd.				
Year ended 31st March, 1953		6,26,710	4,31,460	3,12,940
Do. 31st March, 1954		5,80,020	5,49,980	2,92,460
Do. 31st March, 1955		7,15,949	5,54,240	4,59,093
Do. 31st March, 1956		7,06,986	5,81,505	4,50,607
Three months ended June, 1954		1,82,770	1,17,870	1,07,489
,, ,, ,,	8-pt., 1954	1,80,018	1,39,741	1,12,961
,, ,, ,,	Dec., 1954	1,88,052	1,36,801	1,20,616
,, ,, ,,	Mar., 1955	1,65,108	1,48,828	1,18,136
,, ,, ,,	June, 1955	1,85,605	1,84,338	1,16,381
,, ,, ,,	Sept., 1955	1,76,181	1,80,630	1,08,714
,, ,, ,,	Dec., 1955	1,80,750	1 24,996	1,06,752
,, ,, ,,	Mar., 1956	1,64,450	1,19,106	1,19,306
,, ,, ,,	June, 1956	1,44,300	1,17,710	92,509

FOREIGN TRADE OF INDIA

Particulars	May, 1955 (Rs. (lakhs))	May, 1956 (Rs. (lakhs))	Two months April and May 1955 (Rs. (lakhs))	Two months April and May 1956 (Rs. (lakhs))
Imports :				
By sea and air—				
Foodstuffs	6.92	2,72	15,39	5,72
Raw materials	13,68	14,58	25 57	25,87
Manufactures	28,42	50,06	57,83	93,20
Other items	1.9	4	51	94
Total*	49,21	67,58	99,04	125,30
By land	2,03	1,06	3,56	2, 2
Total Imports	51,24	68,64	102,60	128,22
Exports :				
By sea and air—				
Foodstuffs	7,07	11,79	14,48	23,26
Raw materials	13,93	11,70	25,31	20,59
Manufactures	22,0	20,17	42,12	38,06
Other Items	36	33	65	54
Total	43,56	45,99	82,56	82,49
By land	48	33	99	78
Total Exports	44,04	44,32	83,55	83,27
Total Re-exports	41	89	83	1,75
Balance of trade in merchandise	6,81	—23,40	—18,26	—43,12
Balance of transactions in private treasure	—	1	1	2
Total visible balance of trade	6,81	—23,41	—18,27	—43,14
Imports : ‡				
Total C'wealth countries	22,56	29,90	47,11	53,08
Total Foreign countries	26,65	37,68	51,93	72,22
Exports : ‡				
Total C'wealth countries	20.11	23,80	37,65	42,89
Total Foreign countries	23,45	20,19	44,91	39,90

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	196	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
June 1955	2,973	662	237	55	33	17	19	6	37	98	11	73	7	34
July ,,	3,073	890	324	78	41	22	23	8	52	130	14	100	12	48
August ,,	4,092	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	78
October ,,	7,012	1,607	585	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,092	1,844	644	138	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	288	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	238	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,145	257	82	23	12	7	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 6th Sept., 1956	9,002(3)
	Corresponding week 1955	31,462(3)
	1st Sept. to 6th Sept., 1956	9,002*
	Corresponding period 1955	31,462*
Cotton Exports	Week ended 6th Sept., 1956	3,581‡
	Corresponding week 1955	—
	1st Sept. to 6th Sept., 1956	3,581‡
	Corresponding period 1955	24,869‡
Mill Consumption (Estimated)	1st Sept. to 6th Sept., 1956	20 100
	Corresponding period 1955	28,000
Stock (with exporters dealers and mills) in Bombay (Estimated)	On 6th Sept., 1956	498,957
	Corresponding date, 1955	937,178
Cotton Exports from Bombay (by sea)	During June, 1956	36 805
	1st Sept., 55 to 30th June, 1956	684,949
	1st Sept. 54 to 30th June, 1955	804,296
Karachi (Pakistan)—		
Receipts	1st Sept. to 31st Aug., 1955-56	1,301,344
	Corresponding period, 1954-55	1,246,783
Exports	1st Sept. to 31st Aug., 1955-56	969,560
	Corresponding period, 1954-55	929,783

Particulars	From 1st Sept to 10th Sept., 1956 Bales	From 1st Sept., to 10th Sept., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	—	1 710
Continent	—	8 302
Hongkong	—	3,354
China	—	23,069
Japan	1,632	12 178
U.S.A.	—	456
Other Countries	—	750
Total to all foreign countries	1,632	50,459
Coastal Ports	2,794	3,804
Total	4,426§	54 263

Particulars	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	June, 1956	851.109
Foreign		52 156
Indian	Ten months ended June, 1956	3,611,130
Foreign		498,013
Indian	Same Period 1955	3,399,877
Foreign		535,850
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1956	1,705 627
Foreign		223,757
Indian	As on 30th June, 1955	1,637 456
Foreign		161,998
Cotton Pressed in India (In running bales)	Week ended 31st Aug., 1956	4,029
	Corresponding week 1955	266,728
	1st Sept. to 31st Aug., 1955-56	3,990,995
	Corresponding period 1954-55	4,729,250

J—By Rail and Sea. † Incomplete * By Rail Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	100⅜
3 % Loan	1938-39	1 15,17,46,000	1963-65	94⅜
3 % Loan	1950	30,33,10,000	1964	94⅜
3 % Fd. Loan	1943	1,10,11,70,000	1956-68	93⅜
2½ % Nat. Loan	1944	33,54,55,000	1957	89⅜
3 % Loan	1945	1,15,30,83,000	1970-75	89⅜
2½ % 2nd V. Loan	1945	1,18,65,64,000	1959-61	98
3 % Loan	1951	50,85,63,000	1964	99⅜
2½ % Loan	1945	45,58,67,000	1960	93⅜
2½ % Loan	1946	57,00 69,000	1961	93⅜
2½ % Loan	1948	14,77,48,000	1976	82⅜
2½ % Loan	1947	75,96,72,000	1962	93⅜
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99⅜
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98⅜
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99⅜
3½ %	1956	57,27,00,000	1962	97⅜
3½ % N. P. Bonds	1956	33,82,00,000	1967	97⅜
3½ %	1956	66,64,00,000	1974	98⅜
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,600	At option of Government after three months notice. On September, 1985 or after at option of Government after three months' notice	75§
3 % Loan	1946	2,48,91,47,000		75§
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,73,000	1958-68***	102§
STATE LOANS				
4 % Andhra	1956	4,50,00,000	1st Sept. 1967	99⅛
4 % Andhra	1956	6,00,00,000	1968	99⅛
3 % Bombay	1943	2,97,15,000	15th Sept. 1956	99⅜
3 % Bombay	1944	2,06,66,000	15th Aug. 1956	99⅜
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94⅜
3 % Bombay	1950	2,87,32,000	31st July 1960	96⅜
3 % Bombay	1951	2,95,25,000	17th Sept 1962	94⅜
4 % Bombay	1953	5,42,25,000	15th July 1963	101⅛
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	101⅛
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100⅛
4 % Bombay	1956	7,50,00,000	1968	100⅛
4 % Bihar	1956	1,00,00,000	1st Sept. 1967	99⅛
4 % Bihar	1956	1,00,00,000	16th Dec. 1955-Sept. 1968	99⅛
3½ % Cochin	1956	70 00 000	1st June 1956-81	99⅛
4½ % Hyderabad (Silver) New	1956-57	1,05,96,700	1956-66	95⅛
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99⅛
3 % Madras	1929	1,25,55,500	21st June 1956	96⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99⅛
3 % Madras	1944	1,97,98,000	15th Aug. 1956	99⅛
3 % Madras	1945	2,74,44,000	14th Sept 1956	96½
3½ % Madras	1946	3 81,77,200	1st Sept. 1961	93
3 % Madras	1950	4,38,25,400	31st July 1960	96⅛
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	10 38,53,000	15th July 1963	100⅛
4 % Madras	1952	5,24,81,000	1st Aug. 1964	100⅛
4 % Madras	1955	7,00,00,000	1st Sept 1967	99⅛
4 % Madras	1956	12,50,00,000	1968	99⅛
3 % Mysore(1)	1932	4,99,50,000	1st Dec. 1956-62	101⅛
3 % Mysore(2)	1936	5,99 72,900	30th Sept. 1956-61	99⅛
3 % Mysore	1947	5,00,05,700	25th Jan. 1958	99⅛
3 % Mysore	1953	3,18,47,700	15th July 1963	100⅛
4 % Mysore	1955	3,54,94,000	1st Sept 1967	99⅛
4 % Mysore	1956	4,00,00,000	1968	99⅛
3 % M.P.	1943	90,94,500	14th Sept. 1956	99⅛
3 % M.P.	1944	92 56,000	14th Aug. 1956	98⅛
3 % M.P.	1946	2 03,25,800	15th Sept 1956	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95⅛
3½ % M.P.	1951	1 07 11 700	17th Sept 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	100⅛
4 % M.P.	1952	1,83,12,000	1st Sept 1967	99⅛
4 % M.P.	1956	1,50,00,000	1968	99⅛
4 % Maharashtra	1956	3,61,96,000	1st Sept 1967	99⅛
3½ % Travancore	1938	50, 81,000	16th Aug. 1956	99⅛
4 % Travancore-Cochin	1956	3,00,00,000	15th July 1968	100-1⅛
4 % Trav.-Cochin	1956	2,00,00,000	1968	99⅛
3 % U.P.	1937	1,57,21,100	15th Sept 1956-58	99⅛
3 % U.P.	1944	2,87,11,000	15th Aug. 1956	98⅛
3 % U.P.	1945	2,47,79,70	14th Sept 1956	98⅛
3½ % U.P.	1946	2,00,00,000	1st Sept 1961	93⅛
3½ % U.P.	1951	1,91,02,000	17th Sept 1962	98⅛
4 % U.P.	1952	6, 0,00,000	1st Aug. 1964	100⅛
4 % U.P.	1953	5,65,15,500	15th July 1963	100⅛
4 % U.P.	1955	9,52,54,000	1st Sept 1967	99⅛
4 % U.P.	1956	8,00,00,000	1968	99⅛

ABBREVIATIONS.
A—Held by Government or India. B—Taxes up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(I)—Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. §—Interest free to first 15 years. ¶—Interest free for first 5 years.

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36 50,000	4	1904	1954	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1958	99⅛N
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,476	4	1913*	1960	D
80,00,000	4	1913	1974	100⅜N
88,25,000	4	1914	1976	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,51 000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	5½	1926*	1960	
85,00,000	5½	1926*	1959	D
12,50,000	5½	1928*	1960	
12,50,000	5½	1928*	1961	
15,50,000	5½	1932*	1962	
24,58,000	5½	1935*	1975	
15,00,000	5½	1936*	1966	
48,04 000	5½	1936*	1960	
10,00 000	5½	1938*	1968	
7,00,000	5½	1941	1971	
CALCUTTA				
Rs.				Rs
90,34,800	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000	4††	1921	1981	82
68 02,300C	6½	1921	1981	144N
98,21,600	5½	1926	1956-86	100⅛
99,84,500B	5	1926	1956-86	100⅛
1,49,49,500B	5	1927	1957-87	102
1,49,30,000	5	1928	1958-88	103
80,00,000	4½	1941	1968	95
60 00 000	3½	1925	1955	97⅛
25,00,000	3	1938	1963-68	90
1,00,00,000	3	1945	2005	74
50,00,000	3	1945	1975	65
80,00,000	3	1946	1976	84⅛
80 00,000	3	19 6	2006	74
80,00 000	3	1947	1977	79⅛
80,00,000	3	1948	1978	83⅛
1,00,00,000	3	1949	1956	97
1,00,00,000	3	1950	1960	97
50,00,000C	3	1950	1960	85
1,00,00,000	3	1950	1960	85⅛
1,00,00,000	3	1950	1960	85
50 00,000	3	1951	1961	84⅛
1,50,00,000	3½	1951	1961	90
50,00 000	4	1952	1962	90
50 00 000	4	1953	1963	89⅛
77,00,000C	4	1954	1965	98
		1956	1986	97⅛
STERLING LOANS				
£392,800	5	1922	1952-82	£79
£501,100	5	1924	1954-84	£79½
£835,100	5½	1932	1962	£81½
MADRAS				
Rs.				Rs.
$1,47,189	3½	1947	1977	
9,86,000	3	1947	1977	A
5,00 000	3	1949	1979	
65,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay. able	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1902	1947	
50,00,000	4	1903	1963	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	97⅛N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97⅛N
25 00 000	4	1915	1957-79	118N
10,00,000	4	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3	1938	1968	
		STERLING LOANS		
£566,600		1909	1969	£95⅛
£333,000		1910	1970	£95⅛
Rs		**CALCUTTA**		Rs
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅛
85,00,000	5½	1935	1965	94
30,00,000	5	1936	1966	90
50,00,000	3	1937	1962	91
80,00,000	3	1938	1968-69	90
80 00 000	4	1952	1962	99⅛
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.		BOMBAY		Rs
20,60,000	4	1918-19	1974	99⅛
10,00,000	5	1920	1980	113N
25,00,000	5	1928	1958	104
8,45,000	5	1929	1954-59	to
28,21,500	5	1929	1959	102⅛
8,25 00 000	3½	1947	1977	86⅛
2,50,00,000	3½	1949	1979	86⅛
2,50,00,000	3½	1950	1955	96⅛
2,50,00,000	4	1952	1964	99⅛
2,00,00,000	3½	1951	1966	97⅛
1,50,00,000	4	1953	1963	99⅛
1,00,00,000†	4	1953	1968	99⅛
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100⅛
Rs.		CALCUTTA		Rs.
26 00,000	5	1928	1958	103
25,00,000	5	1929	1957	102
25,00,000	5	1929	1959	102⅛
10,00,000	5½	1932	1962	100
33,91,000	5½	1935	1965	94
60,00,000	5	1936	1966	90
47,50,000	3	1938	1968	90
15,56,800	4	1939	1948	99⅛
15,54,000	3½	1942	1959	99⅛
15,56 800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	99⅛
31,10,000	3½	1943	1973	97⅛
15,49 000	3½	1951	1972	97
16,33,000	3½	1951	1961	97
66,00,000	3½	1951	1966	97⅛
87,36,000	4	1952	1968	97⅛
72,50,000	4½	1954	1979	99⅛
Rs		MADRAS		Rs
18,00,000	3½	1951	1961	107⅜
15,00,000	3½	1952	1962	107⅜ N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1 75,00,000	17th Sept. 1963	98⅛
4 % W. Bengal	1952	2 00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	2,50,00,000	15th July 1963	100⅛
4 % W. Bengal	1955	7,58,72,000	1st Sept 1967	100⅛
4 % W. Bengal	1956	7,00,00,000	1968	100

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. apt.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5 00,000	1931	5†	Dec.	70N	100
Carew & Co.	3,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar A	7,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries	220,0000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	68	100
Purtabpore Co.	6,00,000	1922	10	Oct.	15	10
Ramnagger Cane	4,00,000	1933-36	6	Aug.	102	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	8½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Apr. Oct.	106⅛	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1946	6(a)		7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100⅛
Karanpura Collieries	9,87,500	1946	5½(a)		64	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	4½N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2 00,000	1896-99	6½	Apr. Oct.	105	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	123	100
Basauti Cotton	5,00,000	1938	6½	Nov.	8	10
Bengal-Nagpur	3,30

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly P=Company has Preference shares. T=Company has Debentures N=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, e and 12, for instance, indicate the end of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	5,62,728	90,10,670	48,05,372	96,639	Rajputana Textiles (Agencies) Ltd.	56,008	808	Apollo Mills	2½	2	0 4(e)	0 2(e)	0 8		12	Y.
40,00,000	24,00,040	1,35,52,007	72,25,665	50,506	M.	64	1,021	T. R. Cotton Mills	64	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,60,273	78,120	Nowrosjee Wadia & Sons, Ltd.	4,85,[illegible]		Bombay Dyeing & Mfg.	637½	250	22 8*	20 0	25 0*	7 8‡	3	Y.P.T.
10,00,000	28,74,892	58,81,886	58,57,495	91,711	Ramnarain Sons, Ltd.	44,784	860	Bradbury Mills	227½xd	50	100 0†	75 0†	12 8	20 0	12	Y.
1,09,47,800	2,85,98,826	2,81,33,264	1,97,06,117	6,34,056	Birla Bros., Ltd.	1,26,344	2,016	Century Sjg. & Mfg. ..	557½	100	22 0	22 0	22 0		12	Y.P.
49,00,000	25,42,826	1,19,99,766	65,07,085	—38,08,697	V. J. Hari (Chairman and Managing Director)	40,668	798	Colaba Land & Mill ..	94½	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,38,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	80,528	(80	Coorla Spg. & Wvg. ..	140	100	7 8	7 8	7 8		12	Y.
16,00,000	24,30,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,092	..	Dawn Mills	50	50	6 0	6 0	15 0		3	Y.
34,00,000	40,06,485	76,75,267	56,21,788	2,88,643	Puranmal Bubna Sons. ..	50,064	928	Edward Textiles ..	345	200	15 0	15 0	18 0		12	Y.
29,90,050	11,81,238	1,09,78,649	60,74,224	1,81,354	M.	41,300	886	Elphinstone Spg. & Wvg.	61	50	*Nil*	3 0	5 0		12	Y.
80,00,000	70,11,576	1,25,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,382	784	Finlay Mills	354	100	16 0	16 0	20 0		12	Y.P.
11,84,000	76,64,589	1,27,76,310	99,11,500	9,223	Thackersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,325	1,000	225 0*	225 0	300 0	75 0‡	12	Y.
16,000									992½	250	56 4*	56 4	76 0	18 12‡	3	Y.P.
5,00,00,000D	62,50,899	4,68,15,552	3,39,00,000	1,98,112	Agarwal & Co.	2,38,812	6,412	India United Mills ..	12½	0 100.	0 10	*Nil*	0 15		12	Y.
5,55,000									2-2½	0 1D.	0 1	*Nil*	0 3			
55,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,102	Indian Mfg.	5,076N	1,000	225 0*	225 0	300 0		3	
59,85,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg.	265½	500	112 8*	112 8	150 0		3	Y.P.
1,00,00,000	1,21,50,000	3,56,88,995	2,68,14,796	38,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	361	100	20 0*	18 0	18 0	6 0‡	6	Y.P.
22,12,050	41,06,720	1,18,74,348	58,99,116	81,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	110N	50	5 0	5 0	8 0*		12	Y.
51,75,000	36,62,000	2,06,33,597	1,53,51,153	26,751	Puranmal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	265	100	12 0	14 0	14 0		6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,086	Chimal & Co., Private Ltd. ..	..	..	National Rayon Corporation	261½	100	9 0	10 0	12 0		6	Y.P.
24,00,000	24,50,000	76,57,858	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,944	452	New City of Bombay Mfg.	183½	100	10 0	10 0	12 0		12	Y.P.
30,00,000	14,51,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Sjg. & Wvg. ..	250	100	10 0	7 8	10 0		12	Y.
48,00,000	35,62,278	1,49,08,112	99,59,511	1,26,364	Ramnarain Sons, Ltd. ..	60,208	1,190	Phenix Mills	147½	100	8 0	8 0	10 0		12	Y.P.
40,00,000	45,70,390	89,85,049	28,00,000	3,02,677	Podar Sons, Ltd.	32,600	930	Podar Mills	170	100	10 0	10 0	10 0		12	Y.
5,00,000	3,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	18½	10	0 12	0 8	10 0*		12	Y.P.
37,70,000	52,80,605	1 02,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	6[illegible],606	1,254	Sassoon Spg. & Wvg. ..	354	10	1 4	1 12	1 12		12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,686	1,640	Shree Niwas Cotton Mills ..	228½	100	14 0	14 0	12 0		12	Y.
42,00,000	33,02,179	98,78,309	73,58,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills	207½	50	15 0	11 0	10 0		12	Y.J.
57,80,000	2,23,15,720	2,51,28,699	1,37,85,474	12,888	Mafatlal Gagalbhai & Sons ..	52,086	1,633	Standard Mills	462½	100	20 0	20 0	30 0		3	Y.
90,86,700	84,69,716	2,58,67,647	1,19,01,899	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	251½	100	16 0	8 0	12 0		12	Y.P.
24,00,000	55,82,465	1,25,99,971	81,52,715	1,61,080	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	437½	100	20 0	20 0	25 0		12	Y.
58,98,150	2,02,56,588	1,76,99,842	1,22,75,000	4,23,290	Tata Industries Ltd.	62,092	1,800	Tata Mills	1,200	100	25 0	25 0	40 0		12	Y.P.
19,52,500	62,31,268	78,08,018	66,84,701	19,592	Harivallabhdas Kalidas & Co.	94,116	1,788	Shri Ambica Mills	632	50	18 0	20 0	27 0*		12	Y.P.
				15,592	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.											
88,00,000	90,84,191	1,09,66,008	78,35,291	34,644	Haridas Achratlal & Co., Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	640	100	20 0	25 0*	25 0		12	Y.
						36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.

AHMEDABAD

33,00,000	21,11,650	1,36,23,272	60 47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	215	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	24,58,068	94,37,398	76,10,164	27,288	P. M. Futhesing & Sons, Ltd.	44,220	912	Aruna Mills	730	100	20 0*	20 0	30 0		12	Y.
26,25,000	2,55,30,994	1,96,66,504	1,16,00,000	72,768	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,238	100	25 0	25 0	35 0*		12	Y.
20,00,000	31,75,000	96,84,884	72,25,000	2,46,889	Manaklas & Bros., Ltd. ..	37,114	892	Arvindava Ginning & Mfg. ..	640	200	12 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	84,56,974	66,64,953	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,040	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	2,35,76,232	4,61,25,852	2,88,68,344	2,81,712	Karamchand Premchand Ltd.	1,39,120	2,572	Calico	551½	125	18 0	18 0	....		12	Y.J.
62,87,000	24,53,000	1,21,06,843	99,25,000	2,760	Tricumal Bhoglal & Co., Ltd.	45,836	866	New Commercial Mills	2,087½	1,000	70 0	70 0	80 0	‡30 0‡	3	Y.J.
39,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	884	New Shorrock Spg. & Wvg. ..	960	125	35 0	35 0	35 0		12	Y.J.
10,00,000	58,48,000	50,68,197	37,98,317	16,058	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	580	100	30 0*	30 0*	20 0		12	Y.
12,50,000	1,14,77,470	86,29,480	60,39,688	....	Lalbhai Dalpatbhai & Co. ..	22,828	636	Rajpur Mfg.	1,080	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,808	17,24,749	Lalubhai Gordhandas Ltd.	33,156	648	Rohit Mills	302½	100	9 0	9 0	*Nil*		12	Y.P.
28,98,150	2,02,56,588	1,76,99,842	1,22,75,000	4,23,290	Harivallabhdas Kalidas & Co.	94,116	1,788	Shri Ambica Mills	632	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,31,268	78,08,018	66,84,701	19,592	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.											
88,00,000	90,84,191	1,09,66,008	78,35,291	34,644	Haridas Achratlal & Co., Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	640	100	20 0	25 0*	25 0		12	Y.
						36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

4,00,000	1,38,800	34,23,060	21,01,810	1,08,080	Calcutta Agency, Ltd.	13,044	356	Bassnil Cotton Mills	6½xd	10	0 4	0 8			12	Y.J.T.
7,11,250	3,40,779	43,42,381	25,67,597	99,783	Bengal Textile Agency, Ltd. ..	52,544	926	Bengal Lusmi Cotton Mills ..	41N	40	*Nil*	4 0	4 0		3	Y.
5,00,000	22,72,414	39,08,142	51,49,000	—28,47,378	Kettlewell Bullen & Co., Ltd.	42,172	941	Berrowah Cotton Mills ..	150	100	*Nil*	*Nil*	*Nil*		6,12	H.P
19,00,000	26,17,671	1 04,88,558	70,76,377	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	284	100	*Nil*	*Nil*	6 8		6,12	H.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd.	70,384	‡1,990	Kesoram Cotton Mills	18‡	10	1 12	0 14	0 14		6	Y.P.
19,47,7500	7,45 000	47,06,298	24,48,852	1 094	Hazaremull Heeralall	23,036	795	Kamporia Cotton Mills	164N	10	0 8	0 10	1 0		6	Y.
5,00,000D									24N	10	*Nil*	*Nil*	0-5 11/25			

SOUTH INDIA AND OTHER CENTRES

16,00,000	9,00,000	60,27,191	29,09,649	—8,54,238	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	12	10	*Nil*	*Nil*	*Nil*		12	Y.P.T
71,94,000	28,91,264	1,84,91,550	50,78,582	1,26,048	Industrial Trust Fund	36,136	708	Azam Jahi Mills	90	100	6 0	*Nil*	*Nil*	3 8(c)	12	Y
40,50,000	2,60,65,745	3,24,98,906	2,42,38,258	2,58,549	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen Cotton and Silk Mills	580	100	25 0	30 0	30 0	10 0‡	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	9‡	10	0 ‡	*Nil*	*Nil*		6,12	H.P.T.
15,00,000	1,09,48,251	1 19,14,492	87 78,992	4,25,221	Birla Brothers, Ltd.	89,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,76,52,500	6,38,09,208	3,52,32,180	2,58,445	Binny & Co. (Madras), Ltd.	1,20,256	2,787	Buckingham & Carnatic ..	201	100	10 0	10 0	10 0	4 0‡	12	Y.P.T.
15,00,000	5,11,500	49,80,929	24,66,361	27,508	Peirce, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	14	10	*Nil*	*Nil*	*Nil*		3	Y.P.
80,00,000	29,51,420	69,40,829	51,72,376	36,767	S. Damodaram, Esq.	17,496	..	Cannanore Spg. & Wvg. ..	194	100	12 0	20 0	12 0	15 0	3	Y.
12,00,000	20,00,000	34,65,896	27,86,527	34,164	Begg, Sutherland & Co., Ltd.	26,796	591	Cawnpore Textiles	8‡	5	0 9	0 8	*Nil*	0 4	3	Y.
20,00,000	19,95,000	39,59,430	24,25,921	16,823	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	330	100	20 0	25 0	25 0		12	Y.
20 76,900	4,19,814	1,15,51,599	82,06,019	16,823	T. R. N. Naidu & Co.	28,736	..	Coimbatore Pioneer Mills ..	336	100	15 0	20 0	20 0		12	Y.
46,87,500	52,83,449	2,48,18,409	1,58,09,888	3,703	Tata Industries Ltd.	72,822	407	Coimbatore Spg. & Wvg. ..	113	50	3 0s	6 0	....		3	Y.P.
8,58,56,225	2 55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,186	2,354	Central India	1,15,188	1,000	225 0*	225 0	300 0		6	Y.P.
1,00,563									168	100	5 0	2 0	3 0			
24,34,800	25,47,678	52,74,245	36,26,882	6,864	M. N. Chettiar & Sons	32,568	201	Delhi Cloth & General Mills	40½ N	25	1 12	2 4	2 8		6	Y.P.T.
60,00,000	66,85,860	1,52,16,332	1,29,71,631	98,384	Begg, Sutherland & Co., Ltd.	48,452	1,198	Dhanalakshmi Mills	485	100	20 0	30 0	30 0		12	Y.
48,81,000	35,22,175	1,00,55,167	68,05,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Elgin Mills	274	10	1 0	1 0	1 0		9	Y.
50,00,000	6,16,447	1,33,91,953	1,12,28,576	9,951	K. L. Seksaria, Esq. (Chairman)	40,000	1,420	Gokak Mills	242½	100	17 0	13 0	15 0		12	Y.P.
8,90,000	10,05,883	31,05,569	19,48,155	3,079	G. V. Naidu & Co., Ltd. ..	24,828	..	Indore Malwa United	168½	100	6 0	6 0	9 0		12	Y.
24,00,000	10 25,000	78,88,888	26,50,000	29,325	Kothari & Sons	45,000	800	Janardana Mills	122	100	5 0	5 0	10 0		12	Y.
32,00,000	68,80,185	1,48,62,650	1,12,84,204	14,744	Kothari Textiles	49,000	1,219	Lakhamni Cotton Mfg.	19‡	10	0 8	0 8	0 10		6	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,487	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	726½	250	37 8	38 12	42 8		9	Y.P.
17,82,050									246	50	5 0	10 0	12 8	12 8‡	12	Y.P.
1,75,02,480	4,13,81,878	5,78,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	127	25	2 8	5 0	6 4	6 4‡	3	Y.
12,00 000	4,17,263	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Brothers	22,592	100	Malabar Spg. & Wvg.	51½	15	3 0	8 0	8 0		12	Y.
60,00,000	69,00,000	63,70,627	43,29,754	45,388	W. A. Beardsell & Co., Ltd.	24,720	608	Mettur Industries Ltd. ..	112	200	8 0	*Nil*	*Nil*		12	Y.
29,50,884	19,51,561	89,75,240	49,94,788	16,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	485	100	12 8	22 8*	25 0*	42 8	3	Y.
94,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Banalal Abirchand Dadabhoy & Co.	51,840	948	Model Mills (Nagpur)	100	100	7 0*	5 0(c)	6 0		12	Y.
20,00,000	52,19,600	1,53,39,272	1,05,91,651	—7 77 290	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	280	7 8*	5 0(c)				6	Y.
24,88,500	50,60,385	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd.	60,480	500	Mysore Spg. & Mfg.	95N	100	9 0	8 0*	6 0(c)	9 0*	12	Y.P.
13,61,780	1,000	29 41,719	15,25,283	—1,02,550	R. Suryanarayana Rao Esq., Manager.	6,000	..	Mysore Spun Silk Mills ..	120	50	10 0*	8 8*	6 0(c)		2	Y.P.
22,89,882	25,62,833	1,04,27,203	58,90,719	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	6½	10	*Nil*	*Nil*	*Nil*		3	Y.
3,07,000D									2½	Q. 2½	*Nil*	*Nil*				
37,19,600	55,48,220	1,69,99 989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	—	D. 1	*Nil*	*Nil*	*Nil*		12	Y.P
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	88	100	4 0	*Nil*	*Nil*	2 8(c)	9	Y.
6,00,000B									172	50A	12 0	12 0	12 0			
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,987	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	235	75B	18 0	18 0	18 0		12	Y.P.
16,81,200A	22,75,000	83,60 150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,864	301	Radhakrishna Mills	94	100	*Nil*	*Nil*	4 0(c)		12	Y.
8,40,600B									376	100A	8 0	16 0	20 0			
15 00,000	20,00,000	48,74,198	25,94,837	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	180	50B	4 0	8 0	10 0		12	Y.
22,29,625	12 40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,800	600	Rayalaseema Mills	187	50	7 8	10 0	10 0		12	Y.P.
60,00,000	62,41,568	1,00,28,428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,582	600	Raza Textiles	160	100	6 0	9 0	10 0		12	Y.
16 00,000	1,60,89,516	2,80,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,282	2,234	Sholapoor Spg. & Wvg. ..	84N	10	*Nil*	*Nil*			12	Y.
36,60,700	17,10,000	51,44,272	25,63,818	1,00,148	B. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	1,700	1,000	*Nil*	*Nil*	*Nil*		12	Y.P.
26,14,800	2,60,246	10,19,905	17,78,000	—1,00,277	Gopaldas Lilladhar & Co., Ltd.	17,860	440	Shree Sejlan Mills	120	500	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,11,90,237	96,09,567	78,44,724	31,27,588	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	106	50	4 0	5 0	6 0		3	Y.
17 50,00000	2,80,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	102N	100	8 0	10 0	12 0		3	Y.
1,50,00000	80,14,788	8,80,55,817	1,27 16,775	2,63,771	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	113‡	100	10 0	10 0	12 0		12	Y.
1,00,00,000	18,98,670	5,78,332	17,29,181	11,57,886	Mooljee Ramjee & Sons ..	17,600	..	Trichinopoly Mills	124	10	0-11 1/5	0-14 2/5	0 12		12	Y.P.
21,00,000	34,50,000	71,83,723	40,63,168	56,000	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	345	100	12 0	15 0	20 0		12	Y.
32,00,000	34,43,971	1,64,67,122	1,05,10,238	23,125	Bombay Co., Ltd.	46,490	1,231	Vishnu Cotton	190	100	4 0	4 0	8 0		12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (e) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1955.

‡ The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs.50 each in August 1953.

Calico Mills have changed the accounting year from December to March. The stest dividend is for fifteen months ended 31st March 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,80,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	13	5	*Nil*	*Nil*	0 8	0 4‡	5	Y.P.
16,20,630	18,88,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 8		3	Y.
£350,000	£925,777	£1,302,585	£566,540	£50,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	31½	A. 16sh. B. 6‡	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 5 4/5	Sh. 1 3/5 Sh. 6	Sh. 1	9	Y.P.
6,00,000	9,50,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	190‡	75	15 0	15 0	15 0		3	Y
CEMENT														
11,27,700A	15,06,123	83,25,520	44,19,160	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	—	A. 100	10 0*	10 0*	10 0*		12	Y.P.T.
89,79,080B							15‡	B. 10	1 0*	1 0	1 0*			
43,14,6000	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	C. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
14,70,976D							1‡	D. 1						
21,71,04,908	5,49,40,618	24,90,99,271	8,74,71,582	5,63,770	Cement Agencies Ltd.	Associated Cement Companies	203‡	100	9 8	8 8	10 0		7	Y.
60,00,0000							15‡	O. 10	1 0	1 0	1 4			
26,50,0000	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	5‡	O. 1‡	0 4	0 4	0 5		12	Y.P.
5,00,000D.							1‡	D. 1	0 1-3/5	0-1 3/5	0 2			
61,91,0300	14,00,000	1,46,64,600	47,05,770	8,31,546	Essen Ltd.	India Cements Ltd.	33xr	O. 25	*Nil*	1 4	1 14		3	Y.P.
17,50,000D.							6 4xr	D. 5	*Nil*	0 4	0 6			
57,36,300	31,41,985	1,83,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd. ..	Orissa Cement Ltd.	200‡	10	0 9 12	1 6			12	Y.P.
88,93,275	44,50,000	2,04,20,193	86,29,995

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	110	25	1 0	3 2	4 11		6,12	H.P.T.
63,00,000	66,05 611	1,15,51,257	79,71,808	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	25½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20,12,500	1,43,61 701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	19½cd	10	1 0*	0 12*	0 12*	1 0*	8	Y.
1,46,82,500	2,09,26,641	4,37,02,365	1,02,98,953	2,29,489	Birla Bros.	Orient Paper	40	10	2 0	0 15	1 2		3,9	H.P.T
1,35,07,295	62,28,637	1,45,54,422	87,31,557	1,31,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	17½	10	1 8	1 8	0 10½		6,12	H.P.T.
80,00,000							11⅛	O. 10	0 12	0 12	1 4			
3,00,000 'A' }	6,50,000	95,83,644	61,01,926	13,795	Baloria & Co.	Star Paper Mills	11⅛	A .10	0 12	0 12	1 4		3,9	H.P.T.
16,00,000A.							40½	A. 10	2 0*	1 8	2 0*			
14,04,800B. }	$22,75,945	$,80,42,527	$,21,82,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.							3,9	H.P.
37,500P.O.							40½	B. 10	2 0*	1 8	2 0*			
							4¼	P.O. 2½	0 4	0 4	0 4			
PRESSING														
6,00,000	6,12,865	15,75,488	11,15,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	$ 0	4 0	*Nil*		6	Y.
4,50,000	1,00,000	6,89,526	4,73,056	9,354	Fyne & Sons	Camperdown	88N	100	7 0				7	Y.
3,00,000	1,95,000	10,91,311	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,1800. }	6,98,322	43,52,576	23,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½	O. 10	0 11½	0 03/5	0 9 3/5			
2,00,000D. }							2½	D. 1	0 4/5	*Nil*	0 9 3/5		9	Y.P.
50,00,000	18,07,874	84,29,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	9½	100	1 8	1 8	*Nil*		4	Y.
24,00,000	36,71,574	80,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	38½	100	1 8	4 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	28,05,545	31,61,533	10,78,832	—5,14,587	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	*Nil*	*Nil*	*Nil*		9	f
50,00,000	4,13,57,380	$,35,90,662	61,990	Wallace & Co	Bombay-Burmah Trading Corps.	749xd	Old126	15 0	20 0	37-8	11 4½		5	Y.
42,00,000							270xd	New50	6 0	8 0	15-0	4 8½		
6 00,000	....	7,28,569	7,28,297	—4,89,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	*Nil*	*Nil*			6	Y.P.
20,00,000	21,15,487	19,00,295	14,58,560	2,76,619	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	40½	10	2 8	2 12	3 0		9	Y
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	$9,45,224	28,07,228	$0,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7⅜	5	*Nil*	0 12	0 1		6	Y.
12 00 000A. }	29,18,856	49,46,285	23,16,660	15,80,000	Narang Bros. & Co. Ltd.	Basti Sugar	147¼N	A. 100	10 0	10 0			6	Y.
3,00,000B. }							13¾N	B. 10	1 0	1 0			4	Y.
19,49,150	3,50,000	33,35,389	24,41,301	51,985	Banaur Bros., Ltd.	Belsund Sugar	12½	7½	0 12	0 12	0 12		6	Y.
15,00,000	13,90,295	19,40 479	11 77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	16N	10	1 8	1 8	1 8		6	Y.P.
32 00 000	28,37,080	1 86 90,775	92 27,801	12,445	Glodstone Lyall & Co., Ltd. ..	Carew & Co.	9½	10	*Nil*	0 12	0 4		6	Y.P.T.
30,00,000	57,83,551	1,08 44 647	84 52,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	18	10	2 0	0 12	0 12		10	Y.P.
18,00,000	58,04,891	72 65 757	53 46 902	24,019	Pegg Sutherland & Co., Ltd. ..	Champarun Sugar	25	10	1 0	1 0	1 8		6	Y.
5,99,452	6,18,963	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			8	Y.T.
50,00 000A. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	285N	'A 100	15 0*	15 0*	15 0*		6	Y.P.
19,00,000O. }							14½	O. 100	15 0*	15 0*	15 0*			
12 00,000	8,61,001	75,51,809	42 62,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N	80	*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,14,068	84,94,612	19,35,233	1,854	Cotton Agents Ltd.	New India Sugar Mills	32N	40	*Nil*	*Nil*	2 4			
11,00 000	4,20,000	43,21,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 4	0 8	2 8		5	Y.P.T.
10,87,500A. }	49 60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0		6	Y.
2,71,875B. }							60N	25	5 0	5 0	5 0			
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Ondh Sugar	162N	100	11 0	11 0	11 0		7	Y.P.
12 00 000	12 74,223	18,77,669	19 95,928	55 000	Narang Bros & Co., Ltd.	Punjab Sugar	115N	100	10 0	10 0			10	Y.
9,00,000	17 64,389	28,57,249	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17N	10	1 0	0 12	0 12		10	Y.P.
5,00,000	5,51,129	20,43,262	21,70 924	5,234	M.	Ryam Sugar	20N	10	0 8	0 8	*Nil*		6	Y.P.
11 99,000	18,56,779	48,68,583	22 92 180	8,477	M.	Samastipur Centra' Sugar ..	13	10	0 8	0 8	*Nil*		6	Y.
40,00,000	22,68 560	1,35,20,110	62,59,521	84 046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13	10	1 8	1 8	1 12		8	Y.P.T.
9,99,250	61,825	27,15,125	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. M. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
7,98,462	18,82,940	31,60,735	17,98,008	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	15N	10	2 0*	1 8*			8	Y.T.
9,15,000O. }	47,592	37,42,197	11,46,778	—16,14,603	R K. Jain & Co., Ltd...	South Behar Sugar	13N	O. 10	*Nil*	*Nil*			10	Y.P.
4,40,000D. }							8N	D. 5½	*Nil*	*Nil*				
1,00,000	21,91 685	96,42,062	57,49,754	82,981	Cotton Agents Ltd.	Upper Ganges Sugar	76N	10	2 8	2 8	2 8		6	Y.P.
16,00,000	7,66,589	32,59,951	26,68,926	20,564	James Finlay & Co., Ltd	United Provinces Sugar	21½	10	0 8	1 4	1 8		9	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	240½	50	16 0	16 0	16 0		9	Y
17,50 000	9 24,292	33,08,879	21,86,782	4,592	A H Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	17½	10	0 10	1 0	1 0		9	Y.P.
16,98,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd	Gwalior Sugar	76N	100	*Nil*	*Nil*			9	Y.P.
47,94,920	14,00,000	80,54,997	18,71,128	5,22,818	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/8		9	Y.P.
23,57,620	41,27,060	41,95,804	20,79,418	1,403	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	14½N	10	1 0	1 8			10	Y
19,82,200O. }	69,50,000	96,98,952	31,00,078	48,494	V Ramakrishna Sons Ltd	K C. P. Ltd.	12½	O.100	7 8	8 0	7 8		6	Y.P.
9,87,190D. }							125	D. 10	10 0	10 0	10 0			
21,79,280	95,00,001	1,21,87,677	78,17,780	2,90,240	S. Muniswamappa Esq. (Managing Director)	Mysore Sugar	47	10	2 0	2 0	2 0		6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11,068	Mahilal, Apte and Kantilal Ltd.	Phaltan Sugar	163	50	6 0	8 0	8 0		9	Y.
16 00,820	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	27½	10	2 0	1 8	2 0		8	Y.
20,00,0000 }	21,76,092	89,12,188	58,60,888	66,612	Walchand & Co. Ltd.	Ravalgaon Sugar Farm	170N	O. 50	*Nil*	*Nil*	0 1 1/8		9	V.P.T.
4,00,000D. }							7N	D. 10	*Nil*	*Nil*				
19,99 608	44,88,457	47,06,689	21,73,094	4,898	Govan Bros. (Rampur), Ltd ..	Raza Sugar	15½N	10	1 0	0 12			10	Y
80 00 000	10 87,776	59,76,254	17,87,159	—82,224	Parry & Co., Ltd.	Travancore Sugars	14½	10	*Nil*	*Nil*			6	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,52,428	1,81,172	M.	Walchandnagar Industries ..	27¾	100	14 0	16 0	18 0		7	Y.P.
TRANSPORT														
20 00 000	1,00,69 622	1,24 00,703	15 56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145½	100	10 0	7 8	7 8		16	Y.P.
2,00 00,000	15 87,619	4,41,65 864	1,85,09,819	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50 00 000	24,89,388	2,50,21 296	82,55,795	1,47,959	A. H Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	20½	10	1 0	1 0	*Nil*		6	Y.P.
4655 580	4960,878	45,51,631	32,844,772	521,866	Killburn & Co., Ltd.	India General Navigation & Rly. Co.	115	£10	*Nil*	2h 1 0			8	Y.P.
3,33,00,000	74 99,233	7,93 25 482	1,81,56,900	1,28,061	Lloyd Edwards Ltd.	India Steamship Co.	11½	10	0 8	*Nil*	*Nil*	0 8	12	Y.P.
9,40,19 675	6,94,02,081	16,86,68,418	4,34,44,800	3,78,688	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	19½	20	0 12	0 8	0 8		8	Y.P.
6,46,8000. }	19,68,266	11,55,483	7,29,969	1,84,493	R. B. Alver, Esq. (Manager)	Watford Transport Ltd.	2¾	O. 1	as. 12 2/5	1 12/5	as. 2 0/25		6	Y.P.
10,200P.O. }							1½	P.O. 1	as. 1 9/25	1 19/25	as. 123 /5		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,32,563	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	$2 0	$2 0	0		9	Y.
15 98,860	2,04,178	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	80	5 0	4 8	*Nil*		13	Y.
25,00,000	1,00,000	22,87,314	*Nil*	225	Framjal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	12	25	1 0	0 12	0 12	0 12	9	Y.
14,99,940	3,48 583	29,00,500	17,76,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	33	50	*Nil*	3 0	2 0		3	Y.P.
99,99,250	19,47,386	1,22,03,60445		2,82,126	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 8	4 8	4 8		12	Y
99 99,975	85,06,851	85,10,899	9 31 529	6,154	K. G. Mitne, Esq. (Mg. Director)	Killick Industries	172	100	10 0	11 0	11 0	4 0	6	Y
197,02,800A. }	5,28,634	2,87,33,272	1,25,90,262	5,56,717	Asco-Auto Ltd	Premier Automobiles	107	A.100	*Nil*	*Nil*	*Nil*		6	Y.
10,00,000B. }							—	B. 10	*Nil*	*Nil*	*Nil*			
10,21,200	5 58,606	13,06,085	11,06,085	10,884	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22	20	2 0	2 0	2 0		12	Y.
2,75,00,000	72 75,000	3,03,37,181	1,03,71,546	5,61 984	T. H. Rydin, Esq.(Managing Director)	Western India Match Co.	180	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,547	7,24,468	2,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47 50,000 }	17,00,000	1,95,40 704	65,00 000	2,582	J K. Industries Ltd	Aluminium Corporation of India Ltd..	12½	O. 10	*Nil*	*Nil*	*Nil*			
2 50 000 }							6¼	D. 5					9	Y.P.T.
40,00,000	28,25,000	56,26,345	21,56,000	64,537	Seshasayee Bros. (Travancore) Ltd. ..	Aluminium Industries Ltd.	10	10	1 4	1 4	1 4	1 4	3	Y.
80,00,000	35,00,079	21,06,624	21,06,961	1,042	Tatas Mortison & Co., Ltd. ..	Assam Bros. Ltd	24½	10	1 4	1 4	2 0*		8	
20 00,000	8 55,000	46,89,424	20 85,960	1,18 295	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	11½	10	0 12	0 12	0 12		6	
14,00,000	27 47,898	1,01,49,337	39,37,850	32,683	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	71½	10	0 2 1/5	0 2 1/5	0 0 2/5		8	F.T.
80,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	172	100	80 0*	12 01	12 8		12	Y.
12 00 000	9,10,000	21 37 448	24,05,448	76,880	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	80	10	1 8	2 8	2 4		6,12	Y.
20 00,000	7,95,430	62 67 994½		1,15 707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.
45,97,020	30,11,814	1,10,56,424	33,87,639	1,79,277	E. Julius Peers Esq. (Mg. Director) ..	Britannia Biscuits	16½	10	1 0	1 0	1 0	1 0	8	Y.P.
2,25 00 000	1,16 11,000	2 82 08,945	2,24,14,167	—27,36,664	Sir Robert Menzies	British India Corporation Ltd. ..	10½	5	0 8	0 8	*Nil*		12	Y.P.T.
1,80,00,000	17,34,264	2,08,27,2838		18,76,082	Andrew Yule & Co., Ltd.	Clive Row Investment	11½	10	0 4 1/5	0 2 1/5	0 9	1 0	12	Y.P.
1,80,00,000	3,14,86,174	6,15 42 536	2,20 82,990	11,71 666	Cesi Stack Esq. Mg Director) ..	Dunlop Rubber (India) Ltd. ..	20½	10	1 0	1 8	1 8		6	Y.
51,26,000	64 12,212	1,42,47,6682	....	8,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	145	100	10 0	0 12			8	Y.T.
14,00,000	10,05,000	53 81,772	18,89,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	186	100	12 0	7 8	7 8		6	Y.P.
68,00,000	42 00,000	19,57,688	8,06,872	1,61,366	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	14½	10	10 0	7 8	7 8		8	R
30,00 000	13 17,554	78,75,802	31,19,064	46,995	R P R Syndicate	Great Eastern Hotel	240	250	15 0	7 0	7 0		8	Y.P.
30,17,200	13,66,585	47,61,258	20,24,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	45	10	2 8	4 4	6 4		8	Y.
4,96,18,880	2,97,450	8,66,84,606	84,62,719	5,19,488	Birla Bros Ltd	Hindustan Motors	152½xd	100	8 0	10 0	10 0		12	V.P.T.
1 80,00,000	46,77 784	4,19,74 246	1,74,76 053	6,18,074	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	25	10	*Nil*	*Nil*	*Nil*		8	Y.
1,82,50,220	1 20 50,000	1,24,72,191	57,17,651	22,96 462	B. J. Woodiss, Esq. (Mg. Director) ..	Indian Cables	25	10	1 0*	1 0*	1 0*		10	Y.P.
87,97,970	5,88,000	18,46,308	12,81,110	52,814	G. S. Scantlebury & Co. (India) Ltd.	Indian Rubber Manufacturers ..	16½	10	0 12	0 8	0 8		8	Y.P.T.
15,16,00,000	7,89,02,692	4,15,59,461	1,63,28,877	24,94,274	Mr. G. H. J Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	164	100	*Nil*	*Nil*	*Nil*		8	Y.P.
4,40,00,000	58,39,566	34,23,960	5,60,060	4,70,107	G. M. Mackinlay Esq.	Jardine Henderson	98	100	7 8	7 8	7 8		8	Y.T.
5,94,0000 }	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Mastariane & Co.	2½	D. 5	*Nil*	*Nil*			8	Y
99 0000 }							2½N	D. 10						
68,00,0000. }	73,01,900	25,16,766	7,97,961	1,87,884	A. T. Dole, Esq. (Mg. Director) ..	McLeod & Co.	210N	O.100	10 0	17 0			12	Y.P.
6,00 0000. }								D.O.10	0 0	1 1 3/8				
1 87 50,000	80,54 276	92,86,051	11,84,226	2,08 456	T. Leslie Marth, Esq. (Mg Director) ..	Martin Burn Ltd.	24½	10	1 4	1 8	1 12*		9	Y.P.
1,15,00,000	55,50,000	1,88,37 973	78,00,772	16,34,249	H. Chunnil Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	29½	10	1 0	1 0	1 4	1 10	9	Y.P.
6 33 750	3,53,334	7,51,548	2,60,967	—18,288	Chloride Silam Works Ltd	Mysore Glass and Enamel Works	4½	10	*Nil*	*Nil*			12	Y.P.
9,34 280	9,18,696	11,18,541	5,51 088	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15xd	10	1 0	1 0	0 12	0 14 2/5	12	Y.
10,00,000	1,33,000	15,18,198	8,10,626	20,916	T Shamanna, Esq. (Chairman) ..	Mysore Tobacco	14½	10	1 0	1 4	1 0		8	Y.P.
68,00,000	91,31,173	98,09,887	88,90,130	2,22,982	Associated Industrial Development Co., Ltd.	National Insulated Cable Co...	25½	10	1 0	1 0	1 8*		8	Y.T.
79,97,000	91,15,337	1,14,74,878	52,77,562	9,08,480	R. B. Sims & Co., Ltd.	National Tobacco Co.	13½	10	*Nil*	0 8			8	Y.T.
2,50,00,000	7,29,195	1,55,49,291	60,34,199	—65,96,179	M. P. A. Pasquali, Esq.	Rallis (India) Ltd.	42	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,12,24,400	1,31,20,816	7,56,24,889	3,47,94,976	4,91,264	Saha Jain Ltd.	Rohtas Industries	22½	10	1 4	1 8	1 8		8	Y.P.
40,00,000	26,89,594	1,18,78,970	70,99,687	8,10,975	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 8	1 8	1 8		8	Y.P.
75 00 000	54,15,866	17,49,8161	5,52,825	3,55,280	R. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	13½	10	1 4	1 4	1 0		6	Y.P.
9,98,360		12,97,975	3,44,867	—82,284	Travancore Tools Ltd.	Travancore Plate Glass	10½	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. • Includes bonus. ‡ On old capital. § Nominal Rs. 1,49,92,000 shares represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	8,59,057	4,78,517	....	McLeod & Co., Ltd	325	Amlokie	375	100	25 0	30 0			12	Y.P.
2,50,000	3,43,350	10,99,903	2,42,989	77,477	K. K. Kanoria, Esq.	420	Ananda (Assam) Tea	45	10	1 4	7 8			12	Y.
3,50,000	6,43,250	10,47,044	3,03,058	72,998	Gillanders Arbuthnot & Co., Ltd...	420	Ananda Bag	47	10	2 8	3 0*			12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	23½	10	*Nil*	3 8			12	Y.
3,10,000	9,10,000	12,35,982	4,59,390	66,735	Andrew Yule & Co., Ltd.	373	Baimasia	39½xd	10	2 8	3 0	1 8		12	Y.
3,30,000	4,65 000	11,03,776	7,13,759	50,293	National Tea Corporation ..	570	Bateli	25	5	2 0	4 0	2 8		12	Y.
3,20,000	3,70,000	9,80,764	3,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	55	10	2 0	10 0*			12	Y.
16 50,000	20,50,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,067	Bishnauth	22½	10	2 8				12	Y.
6,00,000	2,53,500	10,49,416	2,09,130	90,286	Octavius Steel & Co., Ltd. ..	485	Bokakhat	11½	*Nil*	1 0				12	Y.
37,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	20	10	0 12	3 8			12	Y.P.T.
66,00,000	11,92,045	73,30,472	19,49,496	26,093	Brook Bond India Ltd.	2,834	Brooke Bond	20½	10	0 8	1 4			6	Y.P.
51,20,000	4,00,435	5,55,963	1,85,593	6,543	McLeod & Co., Ltd.	332	Dejoo Valley	20	100	5 0	6 0			12	Y.
6,00,000	10,99,000	26,64,194	16,84,471	51,859	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	411	100	20 0	40 0			12	Y.
7,53,440	9,87,982	22,73,420	4,17,846	44,551	James Warren & Co., Ltd. ..	620	Dhekakhat	22½	10	1 8	2 8			12	Y.
4,68,970	3,95,000	10,93,269	3,77,333	5,779	James Finlay & Co., Ltd.	544	Dhunseri	22	10	1 0	5 0			12	Y.P.
4,50,000	5,75,000	9,09,334	2,06,317	54,992	McLeod & Co., Ltd.	458	Dibrugarh	25½	10	1 0	4 9			12	Y.
2,36,700	6,80,000	10,29,066	5,54,066	55,532	Williamson Magor & Co., Ltd.	611	Dimakusi	32½	10	1 8	6 0			12

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	4 4cd	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar	12½d	8	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,80,195	32,07,456	5,25,906	1,21,959	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	20½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1 07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	21⅞	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,754	7,754	Associated Planters Ltd.	Cottanad Plantations	22½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,000	4,94,158	40,543	A. V. Thomas & Co., Ltd.	Highland Produce	17⅜	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd.	Kalpetta Estates	24½	10	2 0	2 0	2 12		4	Y.P.
3,00 000	7,28,329	18,44,917	2,55,893	.....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	35cd	10	5 8	2 4	2 4		3	Y.
27,00,000	29,11,092	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	21½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35 000	3,31 000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Neumeny Rubber	222xd	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,08,500	7,81,435	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	17½cd	10	1 0	1 0	1 8		12	Y.P.
19 45,380	24,00,991	41,19,708	12,04,557	40,396	Peirce, Leslie & Co., Ltd.	Ouchterlonev Valley Estates ..	5¾	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
13,50 000	7 80,000	40,92,283	3,61,077	7,461	A. V. Thomas & Co., Ltd.	Rajaguri Rubber	20½	10	1 12*	1 12*	2 0		6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	Savanalai Estates Ltd.	25½	10	3 0	2 8	1 12		11	Y.
10,00 000	3,98,340	22,01,120	1,85,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11¼	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
2,50,000	2,87,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd.	Thamaraiyalli Rubber	31¼	10	3 0	3 0	3 0		12	Y.P.
6,10 200	3,00,005	8,91,561	60,585	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2¾	1	0 4¾	0 3 0	0 2		9	Y.
6,00,000	75,491	9 79,479	3,23,517	3 745	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubbers	25½	10	2 2	2 0	3 0		12	Y.
41,00,000	14,30,799	78,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12⅜	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000	.....	27,70,782	6,45,960	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	30⅜	25	3 0	5 0	4 0		12	Y.
6,28,580	5,40,670	8,51,488	10,128	40,780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	34½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13⅜	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11¼	10	1 0	1 10	0 10		3, 9	H.T.P.
6,00,000	10,25,000	51,65,438	36 93 877	1,38 329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		3, 12	H.T.
20 00,000	6,25,000	93,76,069	23,103	1,24,664	McLeod & Co., Ltd.	1,264	Alliance	135	100	5 0	12 0	6 0		6, 12	H.P.
40 00,000	72,00,000	2,72,98,335	1,87,30,000	1,83,973	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	184	100	12 8	7 8	8 8		3, 9	H.P.
20,00,000	42,94,285	1,73,44,642	88,94 396	9,783	Bird & Co., Ltd.	810	Auckland	122	100	4 0	3 8	10 0		3, 9	H.P.T.
2275,000	23,80,918	96,91,416	65,05,004	65,302	Jardine Henderson & Co.	959	Bally	153	100	4 0	Nil	3 8	Nil †	3, 9	H.P.
28,000,000	1631,523	21,66,539	21 003,227	884,788	Sir John H. Burder (Chairman) ..	1,389	Barnagore	142	25	£1 0	sh.15	sh.15		3	Y.P.
48,00,000	32,80,123	92,27,342	49,93,251	1,006	Andrew Yule & Co., Ltd.	820	Belvedere	158	100	15 0	10 0	7 8		6, 12	H.P.
91,25,000	2,17,48,383	3,54,10,402	1,45,32,651	4,37,393	Birla Bros., Ltd.	1,573	Bengal	16¼	10	1 4	1 2	1 8		6	Y.P.T.
86,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Birla	18⅜	10	3 0	1 0	1 0	1 0	3	Y.P.
7,47,380	3,29,640	43,00,831	31,53,654	—2,77,865	Dayaram & Sons	502	Budge-Budge	138	100	10 0	9 0	7 8		4, 10	H.P.
19,00,000	30,46,234	87,13,871	61,48,798	6,248	Andrew Yule & Co., Ltd.	616	Caledonian	180	100	12 0	9 0	6 8		6, 12	H.P.T.
59,16,400	98,58,404	2,22,41,517	1,07,46,003	380,506	James Finlay & Co., Ltd.	600	Champdany	160	100	6 0	3 0	10 0		5, 11	H.
10,95,000	28,39,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd.	580	Cheviot	190	100	12 0	14 0	10 0		3, 9	H.
24,00,000	31,00,000	84,10,068	47,77,690	1,32 949	McLeod & Co., Ltd.	600	Chitavalsah	144	10	1 12	1 2	1 6		5, 11	H.P.
24,00,000	1,22,000	78,22,718	56,22,953	1,97,142	Shree Krishna Investment Co., Ltd.	969	Clive	144	10	Nil	Nil	1-4±		6, 12	H.P.T.
61,49,200	61,22,582	1,84,26,320	64,46,501	1,994	Bird & Co., Ltd.	766	Dalhousie	101	100	4 0	2 8	4 0		3	Y.
38,00,000	44,74,179	75,56,299	47,00,110	12,912	Andrew Yule & Co., Ltd.	779	Delta	190	100	20 0	12 0	10 0		3, 9	H.P.T.
15,00,000	3 45 579	58,50,760	39,30,760	78,304	McLeod & Co., Ltd.	500	Empire	19	10	1 0	1 4	1 4		3, 11	H.
21,00,000	60,60,960	2,70,39,034	1,80,10,198	1,80,415	Ketilwerd Bullen & Co., Ltd. ..	1,884	Fort Gloster	375N	100	Nil	5 0	15 0	7½	6, 12	R.T.P.
21,00,000	13,00,000	97,88 074	54,63,592	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	225xd	100	5 0	20 0	10 0	0 12½	3, 9	H.P.T.
14,32,100	1,66,021	1,81,72,498	1,32,38,383	84,782	Mansell & Barry Ltd.	1,709	Ganges Mfg.	72	100	Nil	0 8	2 8		3, 9	H.T.P.
10,80,000	28,00,000	71,92,988	48,45,992	—74,093	Gillanders Arbuthnot & Co., Ltd.	807	Gondalpara	890	500	15 0	Nil			12	Y.
24,00,000	33,38,409	3,12,35,182	1,65,13,216	57,208	Macneill & Barry Ltd.	1,394	Gouripore	252	100	8 12	10 0	15 0		3, 9	H.P.
65,00,000	65,58,224	99,08,890	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	11 8		4, 10	H.P.
16,80,000	18,91,856	65,91,206	46,20,918	44,543	Gillanders Arbuthnot & Co., Ltd.	732	Hoogbly	25	10	1 4	0 8	1 4		6, 12	H.P.T.
42,62,500	49,64,372	1,82,66,485	1,10,52,708	57,035	Jardine Henderson Ltd.	1,940	Howrah	153	10	1 8	1 4	1 8		3, 9	H.P.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	26⅞	10	3 0	1 4	2 0	0 4±	3, 9	H.P.T.
27,00,000	16,55,558	1,23,66,655	78,55,428	7,721	M. —	1,076	India	144	O. 125	6 4	3 2	4 11		3, 9	Y.P.T.
24,00,000									D. 1	0 4/5	0 2/5	0 8/5			
B. 12,00,000	16,50,000	1,87,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	135	100	9 0	9 0	9 0		3, 9	H.
30,00,000								132	'B' 100	9 0	8 0	2 8		6, 12	H.P.
B 24,00,000	7,00,000	1,32,86 200	1 00 46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	97	100	7 8	6 8	1 0			
21 00,000	53,00,000	1,22,91,697	63,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	250	100	15 0	20 0	17 8		6, 12	H.P.
54,00,000	23,83,375	1,71,52,716	1,16 91,627	1,02,102	Anderson Wright Ltd.	1,593	Khardah	145	100	17 8	12 8	11 0		3, 9	H.P.
48,00,000	1,04,37,157	2,31,57,487	1,12,99,755	56,710	F. W. Heitgers & Co. (Private) Ltd.	1,250	Kinnison	108	100	7 0	7 0	13 0		3, 9	H.P.T.
45,45,000	49,37,087	1,39,82,283	80,88,707	10,707	Bird & Co., Ltd.	931	Lansdowne	110	100	5 0	6 0	6 0		3, 9	H.P.
91,35,200	25,04,412	2,01 00,662	1,24 49 804	10,614	M —	1,283	Manna	87	100	5 8	2 8	8 12		3, 9	H.P.
39,96,900	39 14,415	1,84,76,420	98,81,406	—8,19,288	F. W. Heitgers & Co. (Private) Ltd.	815	Nalhati	90	100	Nil	Nil			3, 9	H.
20,00,000	15,55,000	89,01,583	48,21,709	18,21,709	Andrew Yule & Co., Ltd.	425	Naskarpara	15xd	10	0 5	1 2	0 10½		4, 10	H.T.
24,00,000	43,29,328	89,10 124	10,06,222	70,854	Andrew Yule & Co., Ltd.	852	National	25⅛	10	2 0	2 0	1 12		4, 10	H.P.
27 25,000	26,25,000	27,71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	1 12	1 0	1 0		4, 10	H.P.
13,80,000	2,71,44,542	4,39,15,627	96,26,500	87,726	Bata India Ltd.	1,765	New Central†	16⅜	10	24 0	17 0	11 8		6, 12	H.P.T.
16,79,500	48,95,164	1 17,27 858	48,80,555	46 862	Bird & Co., Ltd.	867	Northbrook	27½	10	1 8	2 0	1 8	0 12½	3	Y.P.
66,79,500	28,30,762	2,12,89,508	1,39,27,804	58,272	Macneill & Barry Ltd.	1,092	Nuddea	40½	10	2 0	1 4	1 8		3, 9	H.P.T.
24,91,000	26,91,049	72,46,285	50,85,590	5 744	Andrew Yule & Co., Ltd.	601	Orient	145	100	12 0	10 0	9 0		3, 9	H.
28,00,000	6,28,490	80,86,437	65,22,186	51,595	McLeod & Co., Ltd.	400	Presidency		50	3 0	2 0	3 0		3, 11	H.P.
20,00,000	1,44,986	28,56,882	8,89,130	—13,15,988	Birla Bros. Ltd.	305	Rameshwara		50	Nil	Nil	Nil		4, 12	H.T.
49 50,000	5,82,465	1,23,85,029	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance		10½	10 0	8 Nil	1 8		3, 9	H.P.
£600,000	£1 098,718	£1,245,244	.....	£5,594	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur		11¼	41 10%	10%	8%†1	Nil †	3, 12	H.P.T.
30,00,000	13,12,193	1,04,60,653	75,85,838	4,667	Nazaris More & Co. Ltd.	911	Shree Ambica		16	10 0	8 1	0 8		12	Y.P.
14,00,000	11,35,000	66,11,794	38,79 294	8,156	Hindustan Investment Corporation.	401	Soorah		16	10 0	8 1	0 8		3, 9	H.P.
35,19,600	42,44 180	1 80,76,167	81,18,563	—8 73,870	Bird & Co., Ltd.	650	Standard		100	10 0	8 1	0 8		6, 12	H.P.
£600,000	£925,119	£1,137,660	.....	£83,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur		11¾	41 10%	10%	8%†1		12	Y.P.
25,98 600	88,14 822	1,95,40,099	81,71,617	14,518	Bird & Co., Ltd.	1,826	Union		25	10%	10%	8%†1		3, 9	H.P.
£400,000	£688,035	£1,124,819	.....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria		100	10 0	6	10 0		12	Y.P.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	Mcleod & Co., Ltd.	457	Waverley		5¼	41 10%	10%	8%†1		3, 9	H.P.T.
									1	0 1	0 8	0 8		6, 12	H.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	88,12,991	51,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23	10	1 0	1 4	1 6		3, 9	H.
12,00 000	8,62,573	38,78,477	36,13,427	32,708	Jardine Henderson Ltd.	Barares Coke	20	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4 49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¾N	10	0 12	0 12			3, 9	H.
1,00,00,000	1,40 49 225	5,91 92,614	3,98,77,326	7,31,568	Andrew Yule & Co., Ltd.	Bengal Coal	536	200	30 0*	30 0*	35 0*		6, 12	H.
2,25,000	4,22,669	24,81,732	22,33,534	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		4, 10	H.P.
40,00,000	8,00,000	1,34,08 662	71 05,186	27,483	F. W. Low & Co., Ltd.	Bhalgora	6¾	10	0 8				6, 12	H.P.
7,15 000	10,11,533	52,62,333	37,38,500	—1,27,446	Sahu Jain Ltd.	Bharat Collieries	7⅞	10	0 12	0 10	0 10		3	Y.
16,00,000	16,17,936	48,14,856	28,14,856	39,99,341	F. W. Heitgers & Co. (Private)Ltd.	Bhulanbararee	13⅜N	10	Nil	Nil	Nil		6	Y.T.P.
7,50 000	24 29,026	43,39 603	26,55 408	84,207	Ramjarch Industries (Coal) Co. ..	Bokaro-Ramgur	12	10					3, 12	H.
20,92,180	1,75,17,502	4 10 21,870	1,85,17,846	1,15,376	F. W. Heitgers & Co., Ltd.	Borea	24½	10	2 12	2 0	2 0		6, 13	H.T.
49,07,750		89 62,720	3,82,645	14,019	Bird & Co., Ltd.	Burrakur	15⅜	10	0 12	0 9	0 10		6, 12	H.P.
8,80,000	13 54,302	49 10 414	32,63,954	82,768	Hindustan Investment Corpn., Ltd.	Central India	9¾	10	0 12	0 9	0 10		6, 12	H.P.T.
6,00,000	1,48,676	7,28,456(K)	3,129	1,29,279	M —	Central Kurkend	12N	10	0 4	0 4	0 4		3	Y.
16 00,000	1,20,000	52,67,321	28,91,190	—2,43,279	F. W. Heitgers & Co. Private Ltd	Charlia	2¾	1	1 2				6, 12	Y.
£240,000	£380,553	£936,945	£702,277	£59,787	Macneill & Barry Ltd.	Dhemo Main	8	10	0 8	0 2	0 11		6, 12	H.
20,63,760	76,84,250	3,89,97,499	2,87 14,367	98,266	Jardine Henderson Ltd.	East Indian	32	25	Nil	Nil	Nil		6, 12	H.T.
10,00,000	2,15,000	10,76,964	8,78,968	11,278	Macneill & Barry Ltd.	Equitable	30½	10	2 8	2 8	3 0		3, 9	H.
12,00,000	1,22,000	89,02,565	20,99,824	5,226	Bhaskar's Agency Ltd.	Ghusick and Mualia	14¾N	10	1 8	1 8	0 12½		4, 12	H.P.T.
8,00,000	6,75,000	21,43,057	18 61,214	65,461	Killick Industries Ltd.	Hingir-Rampur	14½	10	0 8	0 8			3	Y.
12,00,000	1,12,000	24,74,412	6,18,046	—5,57,293	Macneill & Barry Ltd.	Hurriladih	22	50	3 0	Nil	2 4		6	Y.T.
3,50,000	3 45 579	18 54,857	7,23,658	.....	Rajpale Trust Ltd.	Jogta Coal	2½	10	1 8	1 12	1 4½		6, 12	H.
20,00,000	1,77,175	28,80,683	4,65,140	6,905	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	Nil	Nil			12	Y.
5,00,000	16,60,000	46,77,533	36,47,985	1,85,474	Bird & Co., Ltd.	Karanpura Collieries	118	100	2 12	Nil	Nil		3, 9	H.
1,38,400	5,72,960	12,85,941	5,73,960	—1,60,236	Andrew Yule & Co., Ltd.	Katras Jherriah	62	10	Nil	Nil	2 8	5 0	3	H.
17 00,240	64,314	16,72,961	10,41 863	—41,820	Herlwala & Co.	Khas Kajora	4	4	4 0	5 8	5 8		1, 7	H.
9 00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Kuardi	3¾N	10	Nil				6, 12	H.P.
7 48,240	2,00,000	9,23,179	11 096	1,01,083	H. V. Low & Co., Ltd.	Lakurka	4¾	10	Nil	Nil			6	Y.
7,00 000	26,617	10,33 740	5 20 295	4,580	Tantia Jhera Ltd.	Nasira	10N	10	0 4				4	Y.
17 78 280	20,01 762	1,19 78,853	88 63,066	94,383	Amritlal Ojha & Co., Ltd.	New Ranadeopur	7	10	0 8				12	Y.
6,00,000	75,000	28,54,607	17,07,588	22,33	Andrew Yule & Co., Ltd.	New Beerbhoom	9¾N	10	0 12	1 4			3, 9	H.
1,15,000	2,85,193	13,07,219	8,64,731	15,950	Octavius Steel & Co., Ltd.	New Manbhoom	19½	10	1 0	1 2	1 0		4, 10	H.P.
1,57,500					Andrew Yule & Co., Ltd.	North West	17¾N	10	Nil	Nil	Nil		3, 9	H.
7,50,000	12 21 858	5,17,666	3 07,666	56,646	F. W. Heitgers & Co. (Private) Ltd.	Ondal	16N	10	0 4	Nil	1 0½	0 9½	3, 9	H.
10 00 000	1,10,000	39 70,662	17,99,668	3,809	K. C. Turner & Bros.	Oriental Coal	7½	10	0 8	Nil	1 0			
8,54,000	10 862	17,52,137	8,30 795	3 018	Deepchand Kishenlall	Parsora	9N	10	0 6	0 8	1 0		6, 12	H.P.
18 75 000	16 00 000	47 70 275	25 30,275	33 343	Shaw Wallace & Co., Ltd.	Peach Valley	14½	10	0 4	0 12			12	Y.T.
22 90,500	19 17,105	1,23 99,693	85,50,855	1,05,846	N. B. Elias & Co., Ltd.	Ramegunge	22½	10	1 10	1 10	1 8		6, 12	H.P.
13,50 000	8 53,365	85,36,765	57 72,764	1,29,021	Shaw Wallace & Co., Ltd.	Rewa	12⅜	10	Nil	0 8	0 10		3, 9	H.
20 00 000	8,90,000	44,28,584	18,73 118	2,20,178	Jaipuria Sons Ltd.	Samla Collieries	22½xd	10	2 0	1 6	0 14		3, 9	H.
2,50,000	1,95,802	18 78 480	12,21,257	21 070	M —	Searsole	14¾N	10	0 8	0 12	1 0		6, 12	H.
2 50,000	2 80,506	29 99 490	19,07 296	49 299	Andrew Yule & Co., Ltd.	Seebpore	6N	10	0 10	0 10	0 12		12	Y.
3,00,000	5 31,289	.....	2x 491	7,508	F. W. Heitgers & Co. Private Ltd.	Sendra	9¾	1	1 12	2 0	2 8		1	Y.
65 21,450	16,96 050	3,82,71,101	2,85,68,501	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	10¾cd	10	Nil	0 2	0 4		6, 12	H.T.
17,50,000	10,84,016	87,86,102	15,14,990	—51 582	Bird & Co. Ltd.	South Karanpura	9¾	10	0 11 1/5					
9 00,000	13,59 395	1 09,570	26,510	17,347	F. W. Heitgers & Co., (Private) Ltd.	Standard	23½	10	0 4	0 2	0 2		12	Y.T.
10 00 000	12 950	30,82 209	15,45,502	—4,07,745	Villiers Ltd.	Talcher	2	10	2 8	1 8	1 0		3, 8	H.
2,50 000	2,80,000	14,47,965	14 81,955	44 187	Williamson Magor & Co., Ltd. ..	Union	3¾	1	Nil				6, 12	H.
49,98,000	87,094	55,86,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	14	10	1 12	0 12	Nil †		9	Y.
7 00 000	1,30,190	55 22 133	23 66 951	122	Macneill & Barry Ltd.	West Jamuria	6¾xd	10	0 6	0 6	0 8	0 8	3	Y.
							11¾	10	Nil	Nil	Nil †		3	H.
													6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.

(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s For seven months ended 31st March 1954.

† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET GOSSIP

(*Concluded from page 495*)

completely divorced from the industry, but, when it comes to a question of deciding any particular issue, where the interests of the trade and the industry are not identical, his stress may be based on considerations different from those of a millowner.

It remains to be seen as to how long the Government is going to wait for both the associations to merge into one body and nominate a person to represent them on the Development Council. If these associations are unable to make up their minds, the Government will be justified in choosing a representative from the trade who, in its opinion, enjoys the confidence and support of the majority of merchants.

* * * *

Consumers of coffee in the world will heave a sigh of relief at the report that Mexico, one of the world's leading coffee producing countries proposes to expand its coffee output. In fact, one of the striking features of that country's post-war economy has been the steady expansion of coffee production. From 59,027 tons in 1949 its output has grown to a record of about 93,000 tons in 1955. It is now proposed to raise this crop still further. The Mexican domestic market absorbs 13 per cent. of the output and, of the balance, the greater part is being sold to the U.S. As many as 17 other countries buy Mexican coffee. In 1955, the total export amounted to over 1.1 million bags valued at $106 million and, during the current year, up to 26th August, they aggregated 842,651 bags valued at $87 million.

One reason why Mexico is planning to raise the output of coffee is the uncertainty about the outlook for its cotton export. Cotton is its main export commodity at present and coffee occupies the second place far behind. The Mexican authorities feel that the rise in production of coffee will make up for the possible loss from the declining exports of cotton. They are aware that the price of coffee will decline after August 1957, but they propose to meet the situation by improving the quality of their coffee. This is proposed to be achieved by several means. First, more scientific methods of production will be adopted. Secondly, increased credits will be provided for making technical improvements. Third

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,60,000 / 1,01,000	1,06,00,000	11,86,801	Allahabad Bank	348 / 164 / 120cd / 85cd	100 / 50 / 100 / 70	18 0‡ / 9 0‡ / 6 8 / 3 12	18 0‡ / 9 0‡ / 7 8 / 3 12	6 8 / 4 8 4/5 / 3 12‡ / 2 10‡		12 / 12 / 12 / 6,12	Y.P. / H
82,46,180	14,37,000	12,375	Andhra Bank	90½xd	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
1,00,00,000	1,25,00,000	3,55,546	Bank of Baroda	25	25	0 12	0 12	0 14		12	Y.
50,00,000	50,50,000	1,159	Bank of Bikaner	21¼N	50	1 0	1 0	3 0	3 0‡	6,12	R.L.Y.
2,50,00,000	3,58,00,000	18 26,630	Bank of India	171	50	7 0	7 0	8 0		12	Y.
15,30,375	28,00,000	60,686	Bank of Indore	58N	25	3 0	3 0	3 8		12	Y.
30,00,000	19,00,000	41,779	Bank of Jaipur	28	50	1 8	2 0	2 0		12	Y.
50,00,000	34,00,000	4,10,228	Bank of Mysore	257½cd	100	16 0‡	16 0‡	16 0‡	8 0*	12	Y.P.
61,21,700	58,75,013	10,089	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		12	P.Y.
19,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	Y.P.
7,50,000	13,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	5 0‡	5 0	5 8‡		12	R.L.Y.
2,05,11,875 / 52,42,375 'A'	4,01,81,217	18,40 859	Central Bank of India Ltd.	52½ / 56	25	3 0	3 0	3 0	1 8‡	12	
50,00,030	31,00,000	1,76,386	Devkaran Nanjee Banking Co.	43½	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (F)	72N	20	4 0	4 0			12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	38½	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,45,000	16,919	Hindustan Commercial Bank	14‡	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13½	50	Nil	Nil			12	Y.
75,00,000	75,00,000	1,04,405	††Hyderabad State Bank	80N	100	5 0	6 0‡	5 0		9	Y.
24,00,000 / 18,00,000	79,75,000	1,45,140	Indian Bank	209 / 195 / 149½	100 / 95 / 70	12 0‡ / 10 8½ / 7 8½	12 0‡ / 10 8½ / 7 8½	12 0 / 10 12½ / 7 12½	6 8‡ / 6 2½ / 4 8½	6,12	R.L.H.
16,20,000	2,28,299	Indian Overseas Bank	152	100	6 0	6 0	7 8		12	Y.	
49,19,875 / 2,25,000 / 6,50,000 / 10,00,000	50,00,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½ / 11 / 126 / 50(C)	190(A) / 25(B) / Nil	Nil / Nil / Nil			6,12	H.
37,50,000	97,50,000	2,35,103	Punjab National Bank	57½	25	2 0	3 0	3 8	2 0‡	12	Y.
1,00,00,000	25,80,000	43,597	Travancore Bank	18½	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,228	Union Bank of India	7	5	0 5‡	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank	57½	50	3 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-15-6 / £7½	£1 / £5	14† / 8†	15† / 8†	15† / 8†		12	R.L.Y.
£1,000,000	£1,350,000	£69,917	Eastern Bank							12	R.L.Y.
H.K. $25,000,000	H.K.$198,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	$90½	H.K. $125	5*	5*	5*	2*‡	12	Y.
£17,966,195 'A' / £1,437,296 'B'	£15,000,000	£558,006	Lloyds Bank	£2-13-9 / £1-6-3	£5 A / £1 B	14† / 5†	15† / 5†	12† / 5†		12	R.L.Y.
£375,000 'A' / £375,000 'B' / £750,000 'C'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0 / £4-0-0 / — / £1-0-9	A £2½ / B £2½ / C £1 / sh. 12½	14† / 14† / 14† / 16†	14† / 14† / 14† / 15†	14† / 14† / 14† / 15†		12	R.L.Y.
£2,851,563	£3,104,687	£842,158	National Bank of India							12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1958
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	90‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64‡
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	96‡	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co	1947	91‡	30th June .. 1967(a)
30,00,000	5½	15th June and 15th December	Equitable Coal Co	1958	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101‡	1st March .. 1972(a)
12,50,000	5½		Jayshree Textiles	1949	90N	1st January .. 1956-59
39 90,000	5	1st June — — —	Tata Mills	1951	100‡	 1960-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100‡	14th June .. 1960
98,85,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
15,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970
15,00,000	5	1st January and 1st July	Sirsa (Dhartiali) Electric Supply Co., Ltd	1951	96	30th June .. 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1956-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September .. 1956-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July 1956-61
47,73,000	5	1st April and 1st October	Tata Power		108	1st July 1970
2,50,00,000	4	1st April and 1st October	Tata Power		—	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1948	99	31st December .. 1959
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1925	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	101‡	1st July 1957-62
£1,146,500	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£97	31st December .. 1966(‡‡)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101‡	1st October 1966-66
40,00,000	6	31st December — —	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)‡
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills		96	30th June .. 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1960(a)
5,80,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. .. 1966(a)
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92‡	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	97½	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	96‡	31st December .. 1964(a)
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	92	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96‡	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	88‡	31st July 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October	Katakhal-Lalabazar Railway	1923	£77‡N	1st October .. 1974 / 31st December .. 1959(c)
6,50,000	5½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	Any time on six months' notice (c)
£200,000	4½	30th June and 31st December	Scindia Steam Navigation	1949	96	1st September .. 1968
£4,53,26,597	4‡	1st March and 1st September				
PLANTING						
19,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102½	1st July 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea — — —	—	100½	1st April 1958-62
1,89,700	5½	31st March and 30th September	Teakoy — — —	1944	100	31st March .. 1949-56
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st Decem .. 1955
26,50,000	4‡	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1958‡
4,00,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1967‡
5,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103‡	1st September .. 1964-66(a)*
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October .. 1970
21,50,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1970
30,72,000	4‡	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1922	86‡	1st July 1956
20,00,000	4	16th March and 16th September	Dalhousie Properties	1946	87‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	 1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	102	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,75,000	5	15th March and 15th September	Mysore Chemical Industries	1948	95‡	 1964
25,05,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	585	30th September .. 1976(c)
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(c)
75,00,000	5	1st April and 1st October	Maxwell and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	108	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1961(a)
1,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	1946	91‡	31st December .. 1959
4,82,00,000	5‡	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 5 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1955. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1966 onwards. The Company has option to redeem debenture at 101 per cent. on 1st May 1968, on six months' notice. §§ Option to repay at par on 3 months' notice, on or after 1st January 1963.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th September, 1956.

—	Closing quotations 4-9-1956	High	Low	Closing quotations 13-9-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	215	—	—	215
Apollo (2)	2-15½	2 3/8	2-11½	2 3/8
Bombay Dyeing (250)	633½	653½	626½	635
Bradbury (50)	262½	266½	226½	226½xd
Central India (100)	153½	154	145½	152½
Century Mills (100)	566½	565½	547	553½
Colaba (100)	101½	101½	94½	94½
Edward Textile (200)	365	365	345	350
Elphinstone (50)	62	61	60	61
Finlay (100)	355½	355	340	353½
Gokak (100)	244	243½	237	242½
Ind. Untd. Defd. (1)	2½	2½	2-1½	2-3½
Ind. Untd. Ord. (10)	12-15½	12 1/8	12-2½	12 3/8
Indore Malwa (100)	150	152½	137½	151½
Khatau (100)	256½	262½	237½	258½
Kohinoor (100)	365½	365½	350½	364½
Lakshmi (250)	752½	752½	725	735
Madhusudhan (100)	131½	—	—	131½
Minerva Mills (100)	102½	102½	98½	98½
Model Nagpur (250)	183½	183½	178½	178½
Mcrarji (100)	273½	273½	265	265
Mysore (50)	133½	133½	120	120
National Rayons (100)	263	263½	240	261
New City (100)	183½	—	—	183½
New Great (100)	252	250	245	250
Phoenix (100)	160	151½	147½	147½
Podar Mills (100)	176½	175	165	172½
Sassoon Silk (10)	14	—	—	13½
Sassoon Spg. (10)	46	—	—	45
Shahstar (1,000)	1,700	—	—	1,700
Shrinivas (100)	231½	230	214½	225
Simplex (50)	209½	208½	199	206
Standard (100)	462½	485	451½	481½
Svadeshi (100)	253½	253½	242½	248
Swan (100)	450	452½	432½	452½
Tata Mill (25)	56½	59½	54½	57
Thakur (100)	190	—	—	190
Western India (1,000)	5,125	—	—	5,125
BANKS				
Bank of India (50)	172½	172½	171	172
Bank of Baroda (50)	101	100½	99	99½
Central (25)	53	53	51½	51½
Central 'A' (25)	56	56½	56	56
Dena Bank (50)	43½	—	—	43½
Punjab National (25)	60½	60½	57	57½
Union Bank (5)	7½	7 1/8	7½	7 1/8
United Com. (50)	58	—	—	57½
ELECTRIC COS.				
Ahmedabad (100)	99½	98½	97 1/8	98½
Amalgamated (10)	11-1½	—	—	11-1½
Andhra Valley (1,000)	1,242½	1,240	1,232½	1,232½
Bom. Sub-El. (100)	110 1/8	110 1/8	108 1/8	108 1/8
Surat (100)	110½	110½	118½	118½
Tata Hydro (100)	128	128	126½	127
Tata Power (1,000)	1,297½	1,295	1,282½	1,285
INSURANCE COS.				
British India (10)	14	14	13½	14
Empire of India (100)	375	375	350	350
Ind. Mercantile (30)	44	—	—	44
Jupiter (15)	6½	6½	6½	6½
New India (15)	48	47½	46	46½
Oriental (200)	3,650	—	—	3,650
Universal (10)	12½	—	—	12½
Vulcan (10)	17	17	15½	16
STEEL COS.				
Ind. Iron (10)	36-5½	35½	35	35-6½
Tata Steel Ord. (75)	196½xd	196½	192½	195½
SUGAR COS.				
Belapur (50)	249	250½	239½	247½
Bhopal (10)	17½	—	—	17½
Phaltan (50)	163	164	156	163
Walchand Ind. (100)	270	273½	261½	270
CEMENT COS.				
Associated Cts. (100)	205½	204	198½	202
Digvijay (100)	200½	201½	196	200½
MISCELLANEOUS				
Alcock Ashdown (100)	346½	345	332½	341½
Bom. Burmah (125)	750xd	752½	718½	734½
Do. (New) (50)	275xd	280	263½	270
Dr. P. Petrol (4 sh.)	3-12½	3-14½	3-10½	3-13½
Br. I. Corpn. (5)	10½	10 1/8	10	10½
C. P. Rly. (100)	79½	79½	75	75
Indian Copper (2 sh.)	7 1/8	7-5½	6-15½	7 1/8
Ind. Inv. Tr. (100)	76½	77	76½	76½
Kemp (200)	183½	—	—	183½
Killicks (100)	178½	178½	169½	172
Polson (100)	175	—	—	175
Port Canning (100)	8½	8½	8	8½
Premier Con. (20)	215	222	210	219
Scindia (20)	18-18½	19 1/8	18-5½	19
G. E. Shipping (10)	19½	20½	19 1/8	20½
Shivrajpur (10)	84	86	83	86
Tata Chemicals (10)	19 1/8	19½	18½	19½
Tata Locomotive (100)	174	175	166	170½
Tata (10)	55	56½	53½	56
W. I. Match (100)	180	181½	180	180

GOVERNMENT SECURITIES	5-9-1956	Gross Yield Earlier Redemption	Later Redemption	13-9-1956
	Rs.			Rs.
2½% 1961	93 1/8	—	3.96	93 1/8
2½% 1960	96½	—	3.74	96½
2½% 1962	93½	—	3.80	93½
2½% 1970	83½	—	4.00	83½
3 % 1957	99½	—	3.25	99½
3 % 1958	99 1/8	—	3.24	99 1/8
3 % 1959-61	98	3.70	3.75	98
3 % 1964	95	—	3.76	94 1/8
3 % 1965-85	94½	3.84	3.71	94½
3 % 1966-86	93½	3.82	3.71	93½
3 % 1970-76	89½	3.95	3.77	89 1/8
3 % 1986 Con. Loan	75½	—	3.98*	75½
4 % 1960-70	100½	3.75	3.91	100½
4½% 1955-68**	102½	3.94	4.22	102½
2½% 1961 N.P. Bonds	99½	—	3.64	99½
2½% 1964 N.P. Loan	98½	—	3.71	98½
2½% 1965 N.P. Bonds	96½	—	3.70	98½
3½% 1962	97½	—	3.64	97½
3½% 1967 N. P. Bonds	98½	—	3.67	98½
3½% 1974	98½	—	3.87	98½

BRITISH GOVERNMENT SECURITIES

	Closing quotations 31-8-1956 £	High	Low	Closing quotations 6-9-1956 £
2½% Brit. Consols	52½	—	—	51 1/8
3% War Loan Bonds 1955-75	74 1/8	—	—	73½
3% War Loan 1955-59	94½	—	—	94½
4½% War Loan	70½	—	—	70½
4% Victory Bonds 1976	90½	—	—	90½
4% Funding 1960-90	87½	—	—	87½

* Current Income x.d.—Ex-dividend. **Rupee Counterparts. Ex-Right.

COMMERCE

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

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ONE PRICE FOR COAL—NOT A WISE MOVE

IT is heartening to find that the Government is keenly alive to the importance of developing those regions of India which have remained economically backward as compared with the more developed areas such as Bombay and Bengal. Its anxiety in this respect is born of growing pressure from the underdeveloped areas, many of which are heavily populated. It is very refreshing to note that these areas are not quite prepared to be satisfied with facilities for establishment of cottage or small-scale industries, but want heavy, as well as large-scale factory, industries. A significant feature of this agitation is that it is being made more and more by the political leaders of the regions concerned, especially those belonging to the party in power, than by the representatives of business community. That shows that the majority of people realise the advantages of modern industrialisation *vis-a-vis* those of the outmoded traditional cottage industries. It is a moot point whether the Central Government will have taken notice of the claims of the backward areas had they been urged only by chambers of commerce.

While the concern now being shown by the Central Government for reducing the disparities in levels of development between different regions and for bringing about decentralisation of industries is thus quite understandable and not altogether undesirable, there is reason to fear that it may induce them to follow economic policies of a dubious nature. One of the characteristic features of the Government's economic policies has been that of robbing the prosperous Peter to support the indigent Paul, irrespective of the consequences to Peter and the reasons for Paul's indigence. This feature is visible, for instance, in the policy relating to handlooms and cotton mills, as also to co-operative sugar factories and those owned by joint-stock companies. Such a policy is likely to be adopted for raising the economic standards of the underdeveloped regions also. Thus, the developed areas may be asked to meet directly a part of the cost of raising the backward areas to their level.

One of the means chosen for this purpose is equalisation of freight rates for essential commodities by pooling the rates on an all-India basis. This method seeks to eliminate natural or geographical handicaps of certain regions for establishing industries. The basic principle underlying this method is to subsidise long-distance movement of goods and commodities at the cost of shorter hauls; that is, industries which have been established in certain regions for reasons of geographical advantage from the point of view of easy availability of raw materials and fuel and as such enjoy the benefits conferred by nature should pay something towards the cost of establishing industries elsewhere not so richly endowed by nature. While the adoption of this method is justifiable in the case of strategic industries or for developing certain scarce resources not found in a more suitable place elsewhere in the country, it is not desirable to follow it merely for the purpose of creating employment opportunities.

The principle of fixing uniform prices for essential raw materials through a system of freight pool has already been applied to cement, steel, and pig iron, in the hope that it will facilitate establishment of industries in the Southern, South Eastern, Northern and North Western regions which are relatively backward industrially. To what extent this policy will help these regions to get over geographical handicaps for establishing certain types of industries remains to be seen. Similarly, whether the additional cost that is paid by consumers and industries which have benefited by locational advantages is worthwhile is a debatable point. When such is the case, Mr. K. C. Reddy, Production Minister, revealed last Saturday at a Press Conference in New Delhi, that his Ministry was working out a scheme for making coal and salt also available at uniform prices throughout the country. It will be unwise on the part of the Government to proceed with this scheme, before the success of the policy already adopted in respect of the other three aforesaid raw materials is fully established.

It is true that the principle of uniform prices is already in vogue in respect of many finished goods such as medicines, chemicals, toilet articles, tinned products, biscuits and sweets. But these goods are on a different footing, in that they occupy less transport space. Further, the object in fixing uniform prices is to stimulate consumption and expand the markets. The case of fertilisers, a finished bulk commodity, which is also being sold at a uniform price, is an exception. Here, the object is to stimulate agricultural production which has an important bearing on the country's economy. The application of a uniform price to bulk, essential raw materials is a different matter, because its effect on the overall cost structure of the economy will be profound and the disadvantages may more than outweigh the advantages.

The case seems to be particularly weak when applied to coal. In the case of cement, the dispersal of production is fairly widespread. In the case of steel, the situation was different from that of coal. The consumer prices for steel were being fixed on the basis of those prevailing in the ports, as, in the historical past, the domestic producers of steel had to compete with imported steel. Consequently, the consumer of steel in or near Jamshedpur, the home of Indian steel, had to pay a higher price than his counterpart in Bombay or Calcutta. Accordingly, the then prevailing price structure of steel placed even States like the Punjab and Uttar Pradesh at a disadvantage in regard to development of engineering industries, though conditions were favourable for it in other respects. In the case of coal, however, production is concentrated mostly in Bengal and Bihar and to some extent in Hyderabad. If and when new mines are opened up, Madhya Pradesh also will figure as an important producer of coal. Even then, the picture will not undergo any material change.

And the cost of subsidy which the consumers of coal situated near the collieries will have to bear for the sake of a uniform price all over this vast sub-continent will be fairly heavy. Coal is the most important source of fuel for a considerable section of India's major industries that are now situated in the coal-belt and that are planned to come into existence in this area in the near future. Iron and steel, fertilisers, cement, locomotives, and a number of products of heavy and light engineering industries would all go up in cost and this in turn would influence the cost of other goods in an upward direction, if the Production Ministry's scheme for uniform price for coal for the whole country were to be enforced. In fine, the danger of such a scheme aggravating the cost inflation would be real. It is needless to add that the underdeveloped parts of the country also would not be free from this danger.

This is not the first time that we hear about the Production Ministry's move to fix a uniform price for coal for the whole of India. The Ministry has been toying with the idea for quite some time. It has already been considered by some of the leading Chambers of Commerce and rejected by them on the ground that it is capable of doing more harm than good. The Federation of Indian Chambers of Commerce and Industry, for instance, has expressed its views on this subject thus:

> "... The freight pool system would violate one of the accepted tenets of railway rates policy, namely, that it is not the function of the railways to equalise the geographical advantages which are naturally enjoyed by certain industries. Further, even though it may be found necessary to subsidise long-distance traffic in essential commodities, those who move their raw materials over short distances should not be penalised and called upon to bear the cost of subsidy."

The qualification which the Federation has made at the end, it must be added here, is not a feasible proposition, inasmuch as the Government is not prepared to foot the subsidy bill from out of its revenue. Nor will it be a desirable thing to do, even if the Government is willing, as we shall presently show.

There is no certainty that the mere fact that the price of coal will be available throughout India at one price will stimulate industrialisation in the underdeveloped regions. For the high price of coal is only one of the several causes for a region being industrially backward. Nor is it the most formidable of the handicaps to which these regions are subject. Indeed, the severest handicap is lack of transport facilities. Among the other handicaps, mention may be made of lack of *entrepreneurs*, inadequate savings, scarcity of technical skill, and disadvantageous situation from the point of view of supply of other essential materials. So long as steps are not taken to remove these handicaps, fixation of a uniform price for coal will fail to serve the purpose. On the contrary, it will result in additional burden to other industries and consumers for nothing. The best way to bring about industrialisation of underdeveloped areas is to provide direct inducements to *entrepreneurs* to establish in these regions those industries for which conditions are favourable. Tax concessions, supply of power and water at favourable rates, procurement of land at economic cost, and prompt provision of transport facilities are some of the surest ways in which investment in these regions can be induced. It is an illusion to think that a mere readjustment of freight rates on the lines now contemplated will do the trick. In any case, now that a special committee, known as Railway Freight Structure Enquiry Committee, is examining the problem, the Production Ministry will do well to await the Committee's recommendations instead of going ahead with its scheme.

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LEAD

BACKWARD CLASSES

ALTHOUGH the Hindu civilisation has many achievements to its credit in the realm of abstract thinking, it must be admitted that the Hindu genius has woefully failed to prevent the fragmentation of social structure. The Hindu society has for long been divided and subdivided, so that many observers have wondered how it is held together at all. The caste system, based on ineluctable birth, continues to vitiate social and political life. Recognised as the most serious of India's social evils, the caste system has miraculously survived all the military and cultural invasions from abroad. Apart from the three main castes—the priests, the warrior-class and the trading caste, with their thousand-and-odd divisions—the great mass of the community is divided into innumerable castes. There is a caste for each profession or a profession for each caste—the washerman's caste, the barber's caste, the fisherman's caste and so on.

In the last few decades, it was, perhaps, inevitable that Indian leaders, absorbed as they were in the fight for political independence, should have allowed social reform to take a secondary place. With the advent of freedom, one expected a more energetic onslaught on the evil. But the unrest that followed the partition of the country delayed it. All that they did was to declare in the Constitution in the most unequivocal manner their faith in the *fundamental* equality of man. The country has no reason to regret, nor will it ever forget, that one of the chief architects of Indian Constitution was Dr. B. R. Ambedkar, a man from the most backward and the most suppressed of Indian castes. But constitutional guarantees cannot by themselves usher in an era of equality. Democracy is a way of life, not a mere political system. So long as democracy is not practised in social intercourse, India will continue to be a land of split personalities, of those who preach equality abroad and practise inequality at home.

Realising the importance of providing an impetus to the backward classes—in the Indian context, they are almost indistinguishable from certain castes—the Government of India, in its first Five-year Plan, set apart Rs. 39 crores. In the second Plan, the provision has been stepped up to Rs. 91 crores. To those who know the magnitude of the problem of backward classes it needs no reiteration that the outlay errs on the side of parsimony, rather than generosity. Neglecting for a moment the upper strata of the backward classes, the scheduled castes and tribes, the lowliest of the low, number some 74 millions —scheduled castes 51 millions, scheduled tribes 19 millions and the so-called "criminal" tribes four millions. It is against this background that one should examine the recommendations of the Backward Classes Commission (Chairman: Kaka Kalelkar) which was constituted three years ago by the Government to investigate, and report on the measures for improving, the conditions of backward classes. The Government has now announced its acceptance of nearly all the suggestions made in the Commission's report which was submitted early last year.

The Commission has correctly assessed the problem, in that it has throughout emphasised that the position of the backward classes, an essentially rural community, can be improved only through effecting an improvement in their economic status. A large part of the Commission's report is devoted to a description of the economic measures which the State must pursue in the interests of the backward classes. It is noteworthy that the Commission has stressed the need for communications in rural areas, price support for agricultural produce, cattle insurance and liberal supply of credit for farmers. But this section, giving a detailed account of what the Government should do, reads more like the report of the All-India Village and Khadi Industries Board. There is the same monotonous plea for village industries and handicrafts, for khadi and handloom, for restriction on the production of the mills, and, in short, all those cure-all economic remedies patented by the advocates of cottage industries.

Now, the question is whether the "cottage industry" approach is a genuine solution to the problem of the backward classes. Those who advocate it will do well to contrast the conditions of the backward classes in isolated villages with those which are to be found in the industrial townships. It will then be found that these townships provide a ground where the backward classes are able to lift themselves from their original backward state. This is true both of the large industrial centres, such as Jamshedpur or Sindri, and of the agro-industrial centres, like Walchandnagar. Here are facilities for larger community life, better amenities for all-round development of the individual. It is not, of course, suggested that urbanisation can or should be carried to the point of extinction of all rural life. But in a country where the *per capita* availability of cultivated land is as low as 84 cents and continues to shrink as a result of increase in population, there is a valid case for reducing the population dependent on the land. What is now required is that agriculture should be made a profitable occupation for a greatly reduced population of farmers and the rest of the backward classes should be urbanised through provision of fuller and better employment in gainful industries and services. In other words, the solution to the problem lies only in a more rapid industrialisation of the country on modern lines.

In the final analysis, it will be found that, while the so-called village industries will keep the community backward for all time to come, the large-scale mechanised industries will offer opportunities for a better and fuller life. The weaver caste will continue to remain the weaver caste so long as the handloom industry is maintained as a vested interest for that caste. The village *ghani* will perpetually keep the oilman's caste where it is today. And that abominable invention, the hand-made paper, will keep the backward classes literally illiterate. It is only the machine that will break the age-old tyranny of the caste system, release the backward classes from their bondage to meaningless traditions and open out a wider vista of life. In Europe, it may be noted, it was the industrial revolution that broke the medieval organisation of virtual slave labour, made better life possible for millions of men and women who were steeped till then in ignorance and poverty. Similarly, science and technology alone can bring emancipation to the backward classes in this country.

STATE ENTERPRISES

WHAT is the extent of the public accountability of the so-called "public" or State enterprises? How far do they conform to public interest? How much control does the public have over these enterprises? These questions are not of mere academic significance, for, in the context of the contemplated expansion of the public sector, they acquire a relevance of no mean order. Some of these State enterprises are giant organisations and whatever might be the ideological basis on which they rest, they ought certainly to function with an eye to public interest and in a way that would convince the public that they are accountable to it in the last resort. There is no use contending that Parliament or State Legislatures, as the case may be, has a final voice in the running of these enterprises, for a busy Parliament or State legislature cannot be expected to devote more than a few minutes of its legislative time to any one of these enterprises. Much, therefore, depends on the way they are set up and administered.

Against this background, it is worthwhile to refer to some of the basic and fundamental issues which Mr. C. H. Bhabha, a well-known business man and an ex-Minister for Commerce, Government of India, raised in the course of his speech on State enterprises at the Rotary Club, Bombay, this week. Mr. Bhabha subjected the working of these enterprises to a critical examination and pointed out how they were free from healthy restrictions, on the one hand, and suffered from unhealthy interference, on the other. Thus, many of these State enterprises, he said, were governed by Section 620 of the Indian Companies Act which empowered the Government to exempt them from several sections of this massive legislation. He asked whether it was not discrimination to exempt them from the Act and averred that such exemption was "not only unwarranted and unusual but also positively injurious to the interest of the nationals engaged in similar economic enterprises." Again, some of these ventures had claimed and secured protection from the strict adherence to legislative enactments like the labour laws. They were also free from rent control legislation and were, therefore, legally entitled to charge "any fantastic rentals for their properties."

Some of these State-owned enterprises are registered as private limited companies, despite the fact that it is public money that is involved in these units. They are thus free from the obligation to comply with the very vital and complicated sections of the Indian Companies Act which are applicable to the public limited companies. This makes it difficult, as Mr. Bhabha said, for the "average man to evaluate the working results of these ventures, since the profit and loss account need not be filed by them." He asked: "Can it then not be said that the right of the citizen is sought to be quietly taken away or negatived through this procedure?" He complained that even the audit, performed by the Government Audit Department, was too "perfunctory" to be of any use. In any case, even this examination now seems to be resented by the administrators of the State-owned enterprises and they can cite in their favour the criticism of the Government audit by Dr. Appleby.

There is also another feature of the working of these corporations which robs them of their "public" character still further. Many of them are treated merely as subordinate offices of the Government Secretariat, instead of as autonomous corporations, free from detailed controls by the Government. Mr. Bhabha pointed out that an "unparalleled threat facing these enterprises these days is the all-too-frequent interference in its normal functioning from the most unwanted and undesirable quarters." It is true that non-officials are sometimes represented on the boards of these enterprises. But, as Mr. Bhabha stated in effect, they have no effective say in the administration of these units. Again, political expediency is allowed to influence their commercial policies. Mr. Bhabha cited an instance where an "order for an important asset costing over a million pounds was placed with a source which did not have the necessary experience and background for that purpose and for a delivery of 2½ years hence, as against offers at round the same price from experienced sources which quoted a delivery of 1½ years from the date of placing the order." He pointed out how the provisions of the Indian Companies Act could be invoked against the directors of a public company if they were a party to a similar decision.

Mr. Bhabha rightly condemned the tendency on the part of the authorities to treat these State enterprises as a "refuge or dump heap of party men and relatives and others connected with the powers-that-be." In this connection, he cited the instance of a State enterprise which found that, before it could fill vacancies for three or four junior officers, for which over 3,000 applications had been received, it had to encounter "wire pulling, recommendatory letters and even semi-directives from no less than two dozen highly placed politicians and bureaucrats." He deplored that, in the running of these institutions, some of the "worst features of jobbery and nepotism occasionally noticeable in the Governmental machinery itself seem to be injected with a great vigour and at a very heavy cost to the nation."

From what has been said above, it should be clear that the so-called public enterprises are in no way conducive to social welfare. And yet, they are established on certain ideological grounds. How weak these grounds are will be evident from the following extract, which Mr. Bhabha quoted from Gandhiji's writings:

> "I look upon an increase in the power of the State with the greatest fear, because, while apparently doing good by minimising exploitation, it does the greatest harm to mankind by destroying individuality which lies at the root of all progress. The State represents violence in a concentrated and organised form. The individual has a soul, but, as the State is a soulless machine, it can never be weaned from violence to which it owes its very existence. It is my firm conviction that, if the State suppressed capitalism by violence, it will be caught in the coils of violence itself and fail to develop non-violence at any time. What I would personally prefer would be not a centralisation of power in the hands of the State but an extension of the sense of trusteeship, as in my opinion, the violence of private ownership is less injurious than the violence of the State. However, if it is unavoidable, I would support a minimum of State-ownership. What I disapprove of is an organisation based on force which a State is. Voluntary organisation there must be."

These views, it is significant, were expressed by Gandhiji not in the initial years of his struggle against the British Raj, but shortly before his tragic death, when the Congress Party was in full power. Apparently, he counted even communal fury, of which he was himself the victim, as a matter of less consequence than the violence that must result from an excessive increase in the power of the State. He obviously felt that the growth in the economic power of the State would destroy the soul of the nation. And yet, it is such a powerful State that is now sought to be created by his very followers.

SHARES FINISH BETTER AFTER MOVING IRREGULARLY

CLOTH PRICES—INSURANCE—SONE VALLEY

THURSDAY, 5 P.M.

THERE have been no new developments of note in the markets this week. The trend is fairly steady in shares, bullion and commodities. Day-to-day fluctuations in values there have certainly been, but within narrow limits, the net change over the week showing fractional gains. Among the shares, bargain hunting was a special feature of the week. This was confined mainly to small-priced scrips, belonging to miscellaneous industrial section. Notable among these were Larsen and Toubro, Indian Copper, Indian Aluminium, Mahindra-Mahindra, Tata Chemical, New Central Jute, Scindia Steam, India Steam and Mukund Irons. The support extended to these scrips reflects investors' confidence in the future. The trend of the active popular scrips also points to the same conclusion. Despite the heaviest increase in cloth excise duties, the vast majority of textile shares, speculative and non-speculative alike, in Bombay, as well as Madras, have managed to edge forward. The same is true of iron and steels, cement, and rayons. Even after bouts of selling and buying, Bombay Burmahs have made a strident recovery.

MARKET GOSSIP

In the light of what we wrote in these columns last week, this behaviour of the share market should not be a matter for surprise to readers. It may be noted that, after what we said last week, there have been a few developments which would have ordinarily scared the market but have failed to do so. There was the tightening of credit facilities for cloth, yarn, cereals and pulses. For a while some were afraid that the credit squeeze might be extended to include trading in shares also and that the Bank rate might be stepped up. But this fear soon vanished. Then, there was Mr. Krishnamachari's statement that further taxation must be imposed to find the money needed for financing the second Plan. This, too, has had only a passing effect on equities. The latest development is the deterioration in the Suez situation pointing to a deadlock and a trial of strength between the powers involved. Although this development is really disturbing, the market seems to be taking it in a bullish light.

In describing the position of the share market thus, we should not be misunderstood to mean that investors should blindly go into the market and buy any scrip they like. They have to exercise proper discretion and caution. They must not discard the well-recognised criterion of sound management, satisfactory financial position, good dividend record and a level of yield that offers a margin for any possible fall in values. The yield consideration should be relaxed only in regard to what are known as "growth shares," that is, scrips of companies which have just begun to grow and have plenty of scope for expansion or of those which are well-established and have taken on hand programmes for further growth.

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The Suez situation has, once again, worsened and requires to be carefully watched by operators. To view the latest developments in bullish light is not altogether right. The danger of a hot war over the Canal has, of course, receded far to the background, thanks to Britain's decision not to use force against Egypt and to abide by the verdict of the United Nations, if and when a reference of the dispute is made to that supreme world body. But, as was feared by us, an economic war against Egypt is in the offing. The U.S., the U.K. and France have proposed a solution—the Canal Users' Organisation —which is not acceptable to Egypt. No Government with any self-respect will accept a proposal which violates its rights of sovereignty. So, full-fledged economic sanctions against Egypt are being thought of. The first step in this direction will be the boycott of the Suez Canal, a weapon similar to the one which Gandhiji planned, perfected and wielded successfully against the British rule over India. Such a boycott by Western powers will adversely affect the Indian economy to a considerable extent. It will add to the cost of India's imports, while reducing foreign exchange receipts on its exports, because of the higher freight, insurance and interest charges payable on the shipments that will be sent through the longer Cape route. There may also be long delays in receiving the goods, because there will be a shortage of shipping. India's discomfort would increase, if the entire Arab world were to join hands with Egypt and retaliate by interfering with the flow of oil. All this means that the financial results of those industries which are dependent upon imported raw materials, stores, etc., and upon export markets for the sale of their production may be hit, especially if the economic war happens to be a prolonged affair. If India had its own ships in sufficient numbers, the position would have been different. But the Government did not pay adequate attention to development of overseas shipping, with the result that it is now at the mercy of the world maritime powers. It is to be hoped that at least now the Government realises the fatal mistake it has made in neglecting the mercantile marine.

If the economic war against Egypt is allowed to go on for a long time, there is a danger of its yielding place to a shooting war. The use of the weapon of economic boycott by a group of powers to settle an international dispute is more difficult than its use by a colonial country against its ruler. When Gandhiji used the boycott weapon and launched a movement of non-violence, he was always ready to withdraw them when he found that they threatened to end in bloody violence. Such a judicious application of the weapon of non-violence is something foreign to the Western powers. Considerations of prestige will stand in their way. Further, they may not know when to withdraw the weapon gracefully. Or it is possible that the Egyptian Government might get provoked and retaliate with violence when driven to a corner. This in turn might lead to a hot war. The situation is thus full of disturbing possibilities.

* * * *

The Government of India has already launched the publicity campaign against "profiteering" in cloth. Advertisements are appearing in Bengal papers carrying the Government's notional fair prices for 20 varieties of cloth. The millowners and cloth dealers contend that these prices are well below their costs. The dealers, in particular, argue that, if they were to sell their stocks on the basis of these prices, they would lose heavily. The Government's contention may be that the dealers must adjust their losses on these stocks against their previous profits.

The mill industry and the trade have made no vigorous protests against either the increase in excise duties or the publication of fair prices which have no relation to their respective costs. They know very well that what the Government has done is not quite correct and yet no formal protests in the public have been forthcoming. It is true that a dealer here or a millowner there has criticised the Government's action. But not a single millowners' association nor that of cloth merchants has issued a statement to the public so far, challenging the facts and figures given by the Government in Parliament. This silence on their part has been interpreted by a section of the Press and the public that the trade and the mills are guilty of profiteering.

While it is not our intention to hold brief for either the trade or the mills, we have come across certain evidence which shows that the Finance Ministry has badly bungled in estimating the profits that the trade or the industry were supposed to be making. Information collected from the Bombay cloth trade reveals that, in calculating the fair retail price, the Government has not made due allowance for all the taxes to which cloth is subjected. One of the fine *dhotis* included in the fair-price list, for instance, is priced at Rs. 9-8 per pair of 10 yards. The dealers point out that they have bought this *dhoti* from the mills at Rs. 7-6, without excise duty. Excise duty at the new rate on this pair of *dhoti* works out to Rs. 2-7-8¾. Sales tax at the rate of one anna per rupee, the rate prevalent in U.P., where this quality is popular, works out to As. 9-6. Railway freight and other handling charges amount to As. 4 per pair. Accordingly, the retail cost of the said pair of *dhoti*, without taking into account the profit-margin due to the wholesaler, semi-wholesaler in Kanpur and the retailer in that city, comes to Rs. 10-11-2¾, that is, Re. 1-3-2¾ more than the fair price announced by the Government. Even on the basis of the 14 per cent. margin of profit allowed to the trade during the control days, at least a rupee has to be added to the cost of Rs. 10-11-2¾ mentioned above. This shows the extent to which the trade would be hit, if it were to sell the cloth at the prices announced by the Government. Even if the mills were to bear the entire incidence of the additional excise duty, the dealers would be left with no profit.

Enquiries made with another mill, the long cloth of which is shown at Re. 1-3 per yard in the fair price list, reveal that the price gives no profit-margin at all even to the mill after adding the excise duty to the cost of production. Accordingly, if it is to sell at a price which will give a profit-margin of 14 per cent. to the trade and also enable the consumer to get the cloth at the fair price mentioned by the Government, then it will have to work at a serious loss.

The sum and substance of what has been stated above is that the Government is advising the public to expect cloth to be sold to it at prices which leave little or no margin of profit to the mills or the trade. It is, therefore, most unlikely that public will get cloth at such prices. The public is thus being given false expectations. Its disappointment will ultimately force the Government to reintroduce price controls.

* * * *

While justifying the increase in the excise duties, the Finance Minister said in the Lok Sabha thus:

> "On Saturday, we sent out somebody to make some purchases of those articles for which we have fair price figures. It is not that these things were arbitrarily chosen. We have some figures with us and I should like to give you some idea of the gap that exists today. The ex-mill price for Crown Mills *Samrat dhotis* is Rs. 7-4-0; the fair retail price in Delhi, taking into account the wholesaler's and retailer's profit, cost of transport, sales-tax, etc. would be Rs. 8-5-0 and the actual price in Delhi on Saturday was Rs. 10-8. Here, the difference between the fair price, which should normally be charged, and the price actually charged is more than Rs. 2. It may be that, in our working out the fair price, one anna more should have been added or the price should be one anna less, but there is a very big difference in prices on a cloth like the fine *dhotis*.
>
> "The same thing is there with regard to *saris*. The India United Mills 50×71 *saris*, medium, mill price is Rs. 8-13-3; fair price in Delhi would be about Rs. 7-13-3, but, actually, the price on Saturday was Rs. 9-0-0. Here, it is a question of more than Re. 1-2-0 being charged above the fair price."

CONFUSION OVER THE CANAL

From Our Own Correspondent

LONDON, *15th September*

LONDON LETTER

THE City is more disturbed over the Suez situation now than it was a fortnight ago; principally because the passage of time appears to be increasing instead of reducing the confusion over the trend of events, but it is significant that the general atmosphere is more cheerful whenever there is an impression that there will be no resort to force, and less cheerful when the prospect is one of strong action! The general temper of the City has not, of course, been helped by the rather worse trading returns shown for August and the decline in the gold reserves.

A study of the Press here shows divergences of views as wide as those revealed in Parliament. Broadly, of course, the two schools are the one that believes in bringing the case to the United Nations and abiding by its decision or lack of decision, and the other which believes that, if satisfaction cannot be obtained through the United Nations, it may have to be brought about "in other ways." But the adherents of the latter school appear by no means clear as to what those "other ways" should be, and it is significant that the Government itself is not prepared to commit itself to any precise statements. And yet it has become increasingly clear that the Prime Minister's personal fate depends upon a satisfactory outcome of the dispute—satisfactory in the sense that a solution would have to ensure over-riding security for the users of the Canal. Any solution which put the national Sovereignty of Egypt above security for the users would, in the eyes of the Government supporters, spell doom for the British Premier.

The other significant feature is that the *Times*, which a fortnight ago led the battalions of "a resort to force in the last instance," has gradually withdrawn from such an open position, advocates an appeal to United Nations as a necessary next step, even though it is doubtful of the result of such an appeal, and will say no more than that the decisions on what must be done after that stage cannot be anticipated. With the recall of Parliament, the *Times* has appreciated that the country is at the least evenly divided on what the ultimate sanctions might be. The *Daily Mirror*, the paper with the largest circulation in the country, found the best headline of the week in Sir Anthony Eden's family motto "si sit prudentia"—"if there be but prudence"!

It is only gradually becoming widely appreciated how important the activities of the "Users Association" may turn out to be. It is now reported that convoys are to be formed at each end of the Canal, manned by pilots of the "Users Association," ready to make a passage through the Canal in about a fortnight's time. Obviously, this will force a showdown, but it is nevertheless possible that the nature of the showdown is only to enable a precise case to be presented to the United Nations. Meanwhile, Lloyds Underwriters have increased the insurance on goods passing through the Canal from the normal 2/- per £100 to 5/- per £100, which, in all the circumstances, cannot be considered drastic. The final commentary on the affair is that the leader of the opposition can still affect to be unaware of the Government's ultimate intentions. Will they or will they not use force in the last resort *outside* the United Nations? The answer to that question is not known, but, if the past weeks have done nothing else, they have made it abundantly clear to the Government that the use of force other than in accordance with a decision of the United Nations, would divide the country profoundly.—*All Rights Reserved.*

We have since had these figures checked up with the trade. This was possible, because T. T. K. was good enough to give the names of cloth bought by his men. Our enquiry shows that the figure of Rs. 7-4 per pair *Samrat dhoti* mentioned by him as the ex-mill price is perfectly correct. But where he has gone wrong is the fact that this ex-mill price excludes the excise duty amounting to Re. 1-8-6 per pair (at the rate before the increase). The same is the case in regard to the India United Mills *sari*, on which the excise duty was of the order of As. 15 per *sari*. So, the big difference between the fair price assumed by him and the actual price paid by him will be practically wiped out if allowance is made, as it should have been made, to the excise duties mentioned here. It, therefore, looks as though T. T. K. has been misled by some official who forgot the fact that the ex-mill prices noted by him were exclusive of the excise duties. Indeed, a section of the cloth trade is amazed that the Finance Ministry should make such serious factual mistakes and levy taxes on the basis of such wrong data.

If all that has been stated above is correct, it seems to us that either the Government should reduce the rate of excise duties or the recent increases in them will have to be passed on to the consumers; if the mills and dealers are to make a fair profit. If neither becomes possible, the mills' profit will have to shrink appreciably.

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Contrary to the earlier decision by the Government, the Life Insurance Corporation itself has decided to undertake the life business in foreign countries. This was revealed by Mr. H. M. Patel, the Chairman of the Corporation, a few days ago. The Government, it may be recalled, had been told that the nationalisation of insurance would mean the virtual disappearance of the invisible income through the foreign life business of the Indian insurance companies. When it decided, in the face

(*Continued on page 595*)

EQUITIES HESITANT

TEXTILES MARKED UP

(From Our Own Correspondents)

BOMBAY, *20th September*

FOR the first time after nearly four weeks equities on the Stock Exchange were not subjected to heavy selling pressure during the week under review. Although there was no marked recovery, except in the case of selective counters, the absence of any depressing factors itself helped sentiment. Nevertheless, the undertone was hesitant and price fluctuations were narrow. The volume of business also was small, reflecting the operators' reluctance to enter into fresh commitments.

The encouraging note on the achievements of the first Five-year Plan contained in the annual report of the Reserve Bank of India and the international political situation in respect of the Suez Canal crisis provided the main bullish factors. But the effect of these developments was counteracted by the restrictions imposed by the Reserve Bank on bank advances against cloth and grain, the Finance Minister's hint of a direct tax on profits in addition to sales tax and excise duties, the possibility of increased taxation to meet the entire gap in the internal resources for the second Plan, as the "scope for taxation was by no means exhausted," and the prospect of introducing strategic controls at selective points coupled with restrictions on movement and some form of controlled distribution. Selective counters, such as Centurys, Kohinoors, National Rayons, Bombay Burmahs, Tata Locomotives, etc., however, encountered speculative support and they scored fair-sized gains over the week.

In the steel section, Tata Ordinaries after hardening from Rs. 195-8 to Rs. 197-4 gave way to Rs. 194-8 and closed at Rs. 195. Indian Irons came up from Rs. 35-6½ to Rs. 35-11½ before receding to close at Rs. 35-2.

Textiles, which were subjected to heavy selling in the previous four weeks, ruled steady on the cessation of pressure and bear covering. Some of them were even able to score some gains. Bombay Dyeings were rather erratic moving between Rs. 640-10 and Rs. 628-12 and closed at Rs. 634-6, as against Rs. 635 a week ago. Centurys received special attention on reports that the Company's rayon plant would go into production in a few weeks' time and, after an advance from Rs. 553-8 *cum-div.* to Rs. 556-8 *ex-div.* (div. Rs. 8 per share), wound up at Rs. 552 *ex-div.* Kohinoors edged forward from Rs. 364-8 to Rs. 371, but closed at Rs. 368-8. Central Indias were fairly steady at Rs. 152 and Finlays at Rs. 354, while Gokaks gained Rs. 2 to Rs. 244-8. Indu Ordinaries were well held at Rs. 12-8. Indore Malwas recorded a rise of Rs. 3-12 to Rs. 155-10, While Khataus shed Rs. 6-4 to Rs. 252-8. Models were done Rs. 3-12 better at Rs. 182-8, Mysore Spinnings Rs. 2-8 higher at Rs. 122-8 and New Kaiser-I-Hinds Rs. 5 better at Rs. 132-8. Podars changed hands Rs. 2-8 higher at Rs. 175. Sassoon Spinnings gathered Rs. 2 to Rs. 47 and Sholapoors Rs. 100 to Rs. 1,800. Shree Niwas were steady at Rs. 224-6 and Simplex at Rs. 205-8. Standards picked up Rs. 3-12 to Rs. 485 and Svadeshis Rs. 8-8 to Rs. 256-8. Tatas were a shade better at Rs. 57-8.

Business in bank shares was somewhat restricted and the trend was not uniform. Thus, Barodas *gained a fraction to Rs. 100 and* Centrals Re. 1 to Rs. 52-8, while Centrals *(new)* were unchanged at Rs. 56. Bank of Indias dropped As. 8 to Rs. 171-8 and United Commercials Re. 1-8 to Rs. 56.

Insurance shares also were listless and the undertone was quiet. New Indias declined further by Re. 1-8 to Rs. 45. British India Generals were done As. 2 lower at Rs. 13-14 and Jupiters As. 4 to Rs. 6. Vulcans had business at the self-same rate of Rs. 16.

Electricity shares displayed a better tone. Ahmedabad Electrics were done at Rs. 96-4 *ex-div.* (div. Rs. 2-8), as against Rs. 98-2 *cum-div.* last week. Bombay Suburbans gained As. 15 to Rs. 109-6, while Surats were well held at Rs. 118-12. Tata Hydros were unchanged at Rs. 127. Andhra Valleys shed Rs. 8-12 to Rs. 1,223-12, while Tata Powers gained Rs. 15 to Rs. 1,300.

In the miscellaneous *section, sugar shares were* featureless, though the undertone was steady. Belapurs moved between Rs. 245 and Rs. 248-8, before closing As. 8 lower at Rs. 247. Bhopals also were lower by As. 10 at Rs. 17-2. *Phaltans moved* up by Re. 1 to Rs. 163 and Walchandnagars by Re. 1-4 to Rs. 271-4. Little of note occurred in the cement group. Associated Cements rallied earlier in the week from Rs. 202 to Rs. 204-8, but shed most of the gain when they closed at Rs. 202-4. Digvijays finished at Rs. 200-8, as against Rs. 200-12. Dalmias were unchanged at Rs. 15-2 and Orissas at Rs. 13-10, while Ashokas were a shade better at Rs. 12-4. In the engineering and mining group, Alcocks, recovered to gain Rs. 3-12 to Rs. 345 and Tata Locomotives Rs. 2-8 to Rs. 173. Premier Constructions were, however, lower by Rs 2 at Rs. 217. Mahindra and Mahindras stood As. 4 higher at Rs. 16-2 and Larsen and Toubros rose by As. 12 to Rs. 19-12 on reports that the Company had decided to issue new ordinary shares at par to the existing shareholders in the ratio of one share for every eight held by them. Shivrajpurs were marked up further by Re. 1-8 to Rs. 87-8 and Indian Coppers by As. 2 to Rs. 7-7, while B.B. Petrols were just steady at Rs. 3-13½.

In the shipping and transport group, Scindias hardened from Rs. 19 to Rs. 19-6, but moved back to Rs. 19-2½ at the close. Great Easterns shed As. 2 to Rs. 20-2. Premier Automobiles were steady at Rs. 107, while Hindustan Motors were dull at Rs. 9-14. Among other miscellaneous scrips, Bombay Burmahs (old) provided a feature with a jump from Rs. 734-6 to Rs. 758-12, on rumours about capital reconstruction, but profit-taking erased a part of the gain when they closed at Rs. 745-10. National Rayons, on buying by knowledgable sources, appreciated from Rs. 261 to Rs. 268, but closed at Rs. 265-12. B.I.Cs were done a rupee higher at Rs. 11-4. Tata Chemicals received some support and gained As. 14 to Rs. 20-4 on rumours about maiden dividend. Tata Oils were steady at Rs. 55-12. Wimcos advanced by Re. 1-4 to Rs. 181-4.

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Calcutta Stock Exchange

CALCUTTA, *19th September*

Although the volume of business put through on the Calcutta Stock Exchange during the week under review was not such as to call for the comment that conditions were better, it should be said that the lower levels attracted buying support and a note of recovery resulted. Nevertheless, there was no desire on the part of operators to extend commitments, in view of the forthcoming *Puja* holidays. The deepening of the Suez Canal crisis, the announcement in London by the Far Eastern Conference lines of the immediate introduction of a 15 per cent. surcharge on all commodity freight rates for possible delays in the passage of ships through the Canal, and the Prime Minister's concern over the difficulties that would come in India's way in the country's import and export trade (on which hangs like a Damocles' sword the success of the second Plan) should hostilities result over the Canal issue, were all factors that operators and investors took into account. Naturally, these dampened their enthusiasm.

The Prime Minister's and the Finance Minister's confidence in the country's ability to see the second Plan through was noted, but any change in sentiment that would have followed Mr. T. T. Krishnamachari's declared preference to check the rise in prices by appeal to people to consume less rather than by the re-introduction of the much-hated rationing system was prevented by the Finance Minister's reminder to the commercial community that the uncovered gap (Rs. 850 crores) would have to be found through additional taxation. New Delhi's apparent inclination to increase indirect taxation to mop up additional purchasing power that would be released by the gathering tempo of the Plan, it was feared, would lead to lower purchases and lower consumption and consequently to a glut in supplies of manufactured goods.

Although bulls could have put to good use the continuance of good demand for jute goods and the possibility of better working results for mills during the current accounting period, no abnormal interest was in evidence for jute shares. The discouraging results announced for the Bird-Heilgers group of mills and the Macneill and Barry mills for the half-year ended March last cooled down sentiment for a time, although subsequently a pick-up in selected counters was recorded. New Centrals had slumped to Rs. 16-10 before recovering to Rs. 17, while Anglo-Indias were better at Rs. 193. Nationals were unchanged at Rs. 25-12, but Bally were shown interest at Rs. 160, as against Rs. 156 previously. From Rs. 242 Gourepores recovered to Rs. 248. Indias, at Rs. 145, were better by one point.

Sentiment in coal shares was far from lively and the strike in as many as 24 of the 26 collieries in the Raneegunj area over the recent Tribunal Award, which had accorded substantial additions to the wages of workers, drove away what little buying support there was. Equitables were unchanged at Rs. 30-6, Central Indias being quiet at Rs. 7-7. Burrakurs receded from Rs. 15-12 to Rs. 15-5. However, East Indias recovered to Rs. 32-14 from Rs. 32-5.

A mixed trend was recorded in the textiles section. Thus, while Dunbars were raised to Rs. 279 from Rs. 275, Kesorams sagged to Rs. 17-9 from Rs. 18-2. Elgin Mills were fractionally lower at Rs. 27-6, but Cawnpores were fractionally better at Rs. 8-15.

Among minings, Indian Coppers met with unsatisfied demand and rose to Rs. 7-1 from Rs. 6-13. Burma Mines were steady at Rs. 3-3, although business was also recorded at Rs. 3-1. In the Chemicals group, Alkali and Chemicals were for a time fractionally better at Rs. 23. Cement shares were held firm at around previous levels, Sone Valley changing hands at Rs. 8-13 and Asokas at Rs. 12-4.

In common with the general behaviour of the market, engineerings also recorded a recovery. Indian Irons recovered to Rs. 35-13 from Rs. 35-7, but profit-taking soon erased the recovery. A strong current raised Indian Standard Wagons to as high as Rs. 212 from Rs. 205, and another feature was the improvement in Jessops which, on interested buying, gained to quote Rs. 37-3 from Rs. 34-8; at each stage of the rise the gains were fully consolidated. On moderate support, Richardson & Cruddas forged ahead to Rs. 26-8 from Rs. 25-9. National Irons, at Rs. 8-10, maintained the improvement recorded last week. Hooghly Dockings were dealt with at the unchanged rate of Rs. 140.

Teas were quiet, as the higher output figure for the month of August caused fears of a glut in supplies of the inferior varieties of tea. From Rs. 23-13, Hansquas were marked down to Rs. 23-8, and, at Rs. 20-2, Brooke Bonds lost nearly a point.

Among miscellaneous industrials, India Steamships were a star feature. The price rose to quote a high of Rs. 10-8 from Rs. 9-12, and at Rs. 36-9 Indian Cables added one point. B.I. Corporations were also equally a strong feature and improved to Rs. 11-1 from Rs. 10-6. F. & C. Oslers met with interested support to raise the quotation to Rs. 11-14 from Rs. 10-13. Following labour troubles and a subsequent lock-out National Rollings were on offer at Rs. 11-6. Bengal Flour Mills were buoyant and the rate steadily rose to Rs. 38-4 from Rs. 30-3. National Carbons continued to be steady at Rs. 29-8 and Aluminium Corporations has business at the firm rate of Rs. 12-10.

* * * *

Madras Stock Exchange

MADRAS, *18th September*

For the third week in succession, the Madras Stock Exchange depicted a bearish trend. The textile section was particularly weak, thanks to continued selling pressure induced by fears of reduced profits, following reports that the mills would be forced to bear the incidence of increased excise duty themselves. Tea shares lacked support in the absence of any encouraging development. Sugar shares were neglected on reports of heavy unsold stocks of sugar with the mills. Buyers in the miscellaneous section were scarce and several counters suffered a setback. Rubber and coffee shares, however, proved an exception, in that they elicited good enquiries which lifted up the prices. The general undertone of the market was distinctly easy.

Three companies announced their dividends for the year ended March 1956 during the week. These are: (1) Mysore Tobacco Co., Ltd. 15 per cent. (as against 10 per cent. for the previous year; (2) Kurchermala Plantations Ltd. 6¼ per cent. (7½ per cent.); (3) General Papers Ltd. 6¼ per cent. (6¼ per cent.). The Panchura Estates Ltd. has announced a dividend of 30 per cent. for the year ended June 1956, as against 40 per cent. for the previous year. The Singareni Collieries Ltd. has declared a dividend of 7½ per cent. for 1955, as against 7 per cent. for 1954. The Coimbatore Kamala Mills Ltd. and the Mysore Spun Silk Mills Ltd. have again passed over dividends for 1955 and the year ended March 1956, respectively.

Offerings of textile shares were quite large, while buyers were not enthusiastic about entering into fresh commitments, so that values staged a retreat. Coimbatore Pioneers and Metturs dropped Rs. 5 each to Rs. 330 and Rs. 480, respectively. Rayalaseemas fell by Rs. 4 to Rs. 156. Radhakrishna 'B's climbed down by Rs. 3 to Rs. 177. Coimbatore Spinnings, Janardhanas, Pankajas and Rajalakshmis receded by Rs. 2 each to Rs. 111 *cum-div.*, Rs. 120, Rs. 92 and Rs. 185, respectively. Ranga Frenchs shed a like amount to Rs. 115. Vasantas lost a rupee to Rs. 340. A similar loss was suffered by Venkatesas which were done at Rs. 34. Ashers, however, met with special buying support and rallied Rs. 7 to Rs. 232. Kaleeswars were also well favoured Rs. 2-8 higher at Rs. 335. Despite the passing over of dividend, Coimbatore Cottons firmed up by Rs. 2-8 to Rs. 392-8.

In the planting section, tea shares gave way. Mlamallays were subjected to selling and fell by a rupee to Rs. 63. Emerald Valleys declined by As. 6 to Rs. 8-6. Nonsuch Teas went down by As. 5 to Rs. 28-7. Peermades receded by As. 4 to Rs. 35-8. Nilgiri Teas suffered a loss of As. 3 to Rs. 12-6 *cum-div.* Rubber shares, as already stated, evoked enquiries and registered an improvement in prices. Kalasas advanced by As. 8 to Rs. 16-12 *cum-div.* Cochin Malabars put on As. 5 to Rs. 12-5. Rajagiris hardened by As. 4 to Rs. 26-6. Vaikundams and Thamarapallys both rose by a like amount to Rs. 35 and Rs. 31-8, respectively. Among coffee shares, Coffee Lands received good support and spurted As. 10 to Rs. 27-4. Rajendras were better by As. 4 at Rs. 11-7. Amalgamateds were firm at Rs. 12-10.

Sugar shares were depressed. Kirlampudis shed a rupee to Rs. 42. Deccans declined by As. 10 to Rs. 12-2. Mysores receded by As. 4 to Rs. 46-12. Indias and Travancores eased by an anna each, the former to Rs. 16-15 and the latter to Rs. 14-5. E.I.D.'s, however, were somewhat favoured, their quotation rising from Rs. 31-2 to Rs. 31-8.

Among miscellaneous industrials, Rallis came in for heavy selling and were marked down by Re. 1-8 to Rs. 41-8. Aluminium Industries were neglected at Rs. 21-12 *cum-div.*, as against Rs. 22-8 *cum-div.* Mysore Chromes slipped by As. 5 to Rs. 5-5. Mysore Lamps suffered a loss of As. 4 to Rs. 15. India Steel Rollings eased by As. 2 to Rs. 15-2. Binnys, on the other hand, had buyers Rs. 3 higher at Rs. 190. Indian Aluminiums rose by As. 15 to Rs. 25-9. India Cements improved by As. 15 to Rs. 34-4, Singarenis by As. 8 to Rs. 11-4 *cum-div.* and Standard Motors by As. 4 to Rs. 11-10 *ex-right.*

NEWS IN BRIEF

EXPORTS of pepper from India during August was about 1,500 tons raising the total for the first eight months of 1956 to 14,000 tons which is higher than the figure reached in any of the previous five years.

Benefits amounting to Rs. 4.95 lakhs were paid to the industrial workers in Greater Bombay under the Employees State Insurance Scheme, during July last. This sum brings the total amount paid since the inception of the scheme in October 1954 to Rs. 67.95 lakhs.

India and Ceylon signed an agreement on 10th September for the avoidance of double taxation on income. Under the agreement, the income arising in one country will be taxed by the Government of that country and relief or exemption from tax on such income will be given by the country in which the recipient is resident. In the case of certain transactions where the income arises in both countries, profits will be taxed at an agreed proportion.

The second Madras State Co-operative Housing Conference held on 15th September adopted resolutions urging the Government to refix the ratio of share capital and the loan of the members of housing societies at 1 : 9, instead of 1 : 4 and to enhance the Government loan limit to Rs. 12,000, as against Rs. 10,000 prevailing at present. It also urged the Government to charge interest on loans to housing societies at the same rate at which the Government borrows.

Three Regional Food Laboratories are being established in the State of Madhya Pradesh during the second Five-year Plan period. These laboratories, which will be located at Jabalpur, Raipur and Amaravati, will do analysis of all articles of food for which standards of purity have been prescribed under the prevention of Food Adulteration Act. The Central Government will share 75 per cent. of the non-recurring expenditure and 50 per cent. of the recurring expenditure.

The Government of India has recently constituted a Family Planning Board for formulating proposals to popularise the family planning programmes, to carry out research in that line, and to consider other measures in that regard. A provision of Rs. 65 lakhs has been made by the Ministry of Health for programmes of research in family planning. A centre has been opened in the Indian Cancer Research Centre, Bombay, for the testing of simple economical contraceptives suited to our country. It is proposed to establish 300 family planning clinics—one each for a population of 50,000—in all big cities and major towns. In small towns and rural areas, about 1,800 clinics will be opened gradually in association with the primary health centres. The establishment of a central training and clinical institute and a rural training unit near Bangalore is also under consideration.

Following negotiations lasting for three months, representatives of the Silk and Art Silk Mills Association and the Mill Mazdoor Sabha—the representative workers' union of the silk textile industry in Bombay—have arrived at a settlement over the payment of bonus for the year 1955, 1956 and 1957. The three-year agreement provides for a minimum of ten days' basic wages as bonus for every worker in the silk textile industry, and has put a ceiling of three months' basic wages on the bonus to be paid to workers of profit-making mills. Under the terms of another agreement, even those mills whose disputes with their employees on the issue of bonus for 1954 are pending before the Conciliator will have to pay the workers bonus for that year equivalent to ten days' minimum of the basic wages drawn during the year and a maximum of three months' basic wages. Both the parties have agreed to appoint an umpire to whom any dispute relating to payment of bonus to workers will be referred.

* * * *

From Abroad

Russia will give Indonesia aid amounting to $100 under an agreement signed on the 15th inst.

It is now estimated that there are about 35,000 prospective car buyers in Norway hoping to obtain a new car. Of these, about 25,000 have submitted requests for a licence to buy a new private car, and about 10,000 want a commercial vehicle.

According to Pakistani Ministry of Finance, Pakistan's balance of payments for the period January to June 1956 shows a surplus of Rs. 17.11 crores. Total receipts during the period were Rs. 110.99 crores and total payments amounted to Rs. 93.88 crores.

Anglo-Japanese talks for the conclusion of a new trade and payments agreement between Japan and Britain will open in London early next month. Japan had asked for the postponement of the talks until mid-October, but the British Government replied that it preferred an earlier date.

The Far Eastern Conference lines announced on 17th September the immediate introduction of a 15 per cent. surcharge on all commodity freight rates "because of the delays which will occur" in passing through the Suez Canal. The surcharge will be imposed on freighters from British and North Continental Ports.

The Norwegian shipowners, the firms of Peder Melsom and Wilh. Wilhelmsen, have ordered two 33,000-ton tankers to be delivered in 1960 and 1961. The hulls will be built at the Stord Wharf near Haugesund on the west coast of Norway, a new wharf which has been considerably extended since the war, and the engines will be built and installed at Akers Mek. Verksted, Oslo.

According to Pittsburgh Consolidated Coal Company, the laying of 110 miles of pipe for the first coal carrying pipeline in the U.S. has been completed. The line, scheduled to go into operation early next year, will deliver coal from the mines to the power station of the Cleveland Electric Illuminating Company at the rate of 150 tons per hour. Three pumping stations along the route will push a mixture of half fine coal and half water through the line.

The Barton (Manchester) factory of Platt Brothers, which is part of the Textile Machinery Makers group, is to be closed down by the end of the year. About 1,750 men are employed at the Barton works, which was taken over by Platt Brothers shortly after the war for the production of carding machines. The decision to close the plant was taken by the group's central joint production committee at a meeting last week. Production will be transferred to factories at Oldham, Accrington, and Bolton.

A contract to spray 50,000 acres of cotton in the Sudan has been awarded to a British aviation firm, Crop Culture (Aerial), by the Sudan Gezira Board. The Board is the body controlling the Sudan Republic's national cotton growing scheme and has pioneered the aerial application of chemicals to control cotton pests in the Sudan, where some of the world's highest quality cotton is grown. Crop Culture (Aerial) also has additional contracts for a further 18,000 acres from private cotton-growing organisations.

The Krupp-owned Weser shipyard has decided to go over to a five-day week as a result of the introduction of the 45-hour week in the whole engineering industry of Germany as from 1st October 1956, except in Bavaria where it will operate from 1st January 1957. This will be done in five nine-hour shifts. An agreement in principle has been reached between management and workers in the coal industry for reducing the working-time from 45 to 42 hours per week, by making every second Saturday a free day.

The U.S. Department of Agriculture has issued to India an authorisation to finance the purchase of $56,380,000 worth of American wheat or wheat flour. The wheat authorisation stems from the agreement signed between India and the United States on 29th August which provides for the sale for Indian currency of more than $300 million worth of U.S. agricultural commodities.

PERSONAL

DR. Aaro Pakaslathi has been appointed Envoy Extraordinary and Minister Plenipotentiary of Finland to India.

Mr. B. N. Kaul, Principal Private Secretary to the Prime Minister, has been appointed Ambassador of India to Belgium and concurrently India's Minister to Luxemburg.

Mr. N. M. Choksey, General Manager of the Bank of Baroda Ltd., left for the U.K. on a business tour of the U.K., the Continent and the Middle East, including the Sudan.

Mr. B. N. Chakravarty, at present Indian High Commissioner in Ceylon, will soon relinquish that post to take up office as Special Secretary in the Ministry of External Affairs.

Mr. E. Parker, who is the Bombay Director of Imperial Chemical Industries (India) Private Limited, has been elected Vice-President of the Bombay Chamber of Commerce and Industry. He will hold office until the next Annual General Meeting of the Chamber.

Mr. S. K. Dey, Administrator of Community Projects Administration, has been appointed Minister for Community Development, following the constitution of the Administration into a separate Ministry. He will hold the rank of a Cabinet Minister while not being a member of the Cabinet.

Dr. A. T. A. Learmonth, lecturer in geography at Liverpool University, will assist the Indian Statistical Institute, particularly in the Institute's geographical field surveys, required by the Government of India in connection with national planning. Dr. Learmonth's services have been availed of under the Technical Co-operation Scheme of the Colombo Plan.

Mr. B. Rama Rau, Governor of the Reserve Bank of India and leader of the Indian delegation to the meeting of the International Monetary Fund and the World Bank, has left for London *en route* to Washington. The other members of the delegation include Mr. B. K. Nehru, Joint Secretary, Union Finance Ministry, Mr. B. Venkatappiah, Deputy Governor of the Reserve Bank and Mr. P. P. Shrivastava.

'ENGLISH ELECTRIC'

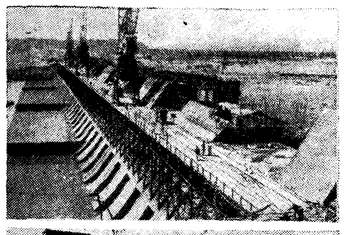
Plays a Vital Role in India's Development

The English Electric Company's plant plays an important part in the generation of electricity from water power in India. Francis reaction, impulse and vertical feathering-propeller water-turbines and alternators have been installed at many of the major Hydro-electric stations such as Bhira Power Station, Bombay, Mettur Power Station, Madras, Khatima Power Station, U. P. etc.

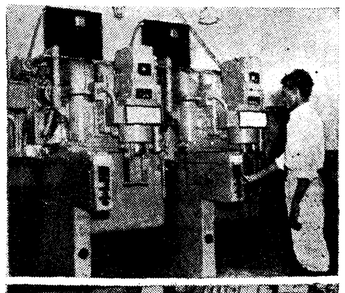
Many steam turbo-alternator sets have also been supplied for a wide variety of installations, including power stations, chemical works, textile mills, railways and collieries.

Several million KVA of transformers have been supplied for operation in India and all the recent substations of the Calcutta Electric Supply Corporation are equipped with 'English Electric' Units.

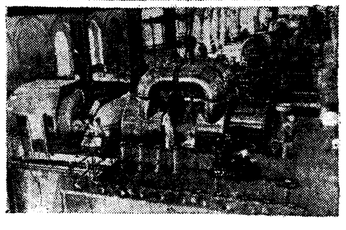
Eleven substations of the Bhakra-Nangal Grid are being completely equipped with 'English Electric' Transformers and associated switchgear.



HIRAKUD DAM PROJECT, ORISSA: For this Project the English Electric Company is supplying two generating units, each unit consisting of a 52,000 H.P. Vertical Shaft Feathering Propeller Turbine coupled to a 37,500 kW semi-umbrella type generator.



OIL REFINERY, TROMBAY, BOMBAY: All the transformers totalling over 20,000 KVA capacity together with the associated high and low tension switchgear were supplied by the English Electric Company to the Standard-Vacuum Refinery at Trombay. The illustration shows two of the 5-panels 22 kV 500 MVA Switchgear installed at the Refinery.

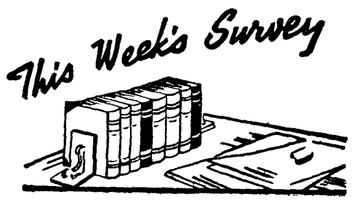


RIVERSIDE POWER HOUSE, KANPUR: 'English Electric' Steam Turbo-Alternator Sets are installed at this Power House. The associated Transformers and Switchgear are also supplied by 'English Electric'.

THE ENGLISH ELECTRIC COMPANY LIMITED

(Incorporated in England. Liability of Members Limited.)

EEX 22 CALCUTTA BOMBAY MADRAS NEW DELHI LUCKNOW



BUSINESS CYCLES AND U.S. ECONOMY

THE view that the development of improved monetary policy, which had taken place in the U.S. today, made a repetition of the "great depression" of 'thirties unlikely, though fluctuations in the nation's economy might continue, was expressed by Prof. McCracken, Michigan University's chief expert on business conditions, in the course of an address delivered about two weeks ago before the American Statistical Association. There is, as the economic history of the free world since the last great depression testifies, much force in this view. Great success has rightly been claimed for the automatic stabilisers in the monetary world which are largely based on the "unorthodox" concepts of Keynes and other economists of his school of thought. But the need remains for newer and ever newer "stabilisers" to control the fluctuation in the modern economies which are characterised by their dynamism and ever-growing complexities. For, as the learned Professor pointed out, the introduction of automatic stabilisers in the economy had not removed the human element in fluctuations. It is this element, characterised by a behaviour conforming to a pattern of "conditioned reflexes," that sets at naught all prior calculations and the efficacy of the stabilisers. Unless methods are evolved to control the human element, built-in stabilisers alone will not be sufficient to bring about or safeguard the stability of the economy. There is, thus, a growing necessity not only for fuller and timely use of the automatic stabilisers but also for going beyond them, if economic stability is to be ensured in the era of automation and "atomism." Another limitation to reliance on automatic features of fiscal operations, as the erudite Professor has pointed out, is that, beyond a certain point, "what is done to make fiscal policy more automatically effective is inconsistent with what should, be done to foster and encourage economic growth."

In this connection, Mr. McCracken said that there was no escape from substantial reliance on changes in private and Government policy which required specific *ad hoc* decisions which would have an important bearing on the national economy. He further added: "It is because we cannot rely entirely on automatic stabilisers that discretionary decisions and actions must remain an important part of any stabilisation programme." The present tight monetary policy of the Federal Reserve Board, according to Mr. McCracken, kept the steel prices more moderate than they might have been. But he warned that if credit remained too tight for too long a business recession and unemployment might result. At the same time, he recognised that a passive policy by the Board in applying credit restraint now would encourage further inflation. The steel strike and the wage increase that followed it have already led to price increases. Prices of steel were increased by 6.25 per cent. A number of industries has also announced increases in the prices of their products. The General Electric Company, for instance, increased factory prices by two to six per cent. on five of its television set models. Other allied industries such as R.C.A., Emerson and Philco have already marked up their prices. Other industries, which have effected price increases for their products include those manufacturing refrigerators, wringer washers, laundry appliances, cement, liquid chlorine, industrial rubber, chemicals and dyes. As a columnist in the *New York Times* put it, the upward price surge has swept across the economy as a whole and is affecting commodities and products of every type. What, however, is of grave concern is the admission by the officials that the end of the rise is not in sight. Moreover, a slow erosion of the value of dollar has been taking place. While the dollar lost a third of its value between 1929 and 1956, in the year to date, alone, it is said to have lost 3 per cent.

The spiral is thus gaining momentum despite the fact that the Federal Reserve Board has increased its discount rate to the highest level since 1933, and the banks have lifted their rates to near-record highs. It remains to be seen how far the automatic stabilisers to which Prof. McCracken referred, can succeed in arresting inflation. One school of thought is said to be optimistic about the efficacy of the monetary measures. Another school, however, is reported to hold a contrary view. This school holds that, because of high taxes, the Government itself pays "a little more than half the interest charge, and a 6 per cent. rate really costs a business man only 3 per cent." Moreover, if borrowed money is to become so expensive that it might by itself slow down inflation, this school says, the "prime rate would have to go up to 12 per cent. or higher." But such a development is unthinkable in the U.S.

The question of inflation in the U.S. needs special examination, for an inflationary spiral in that country may well set in motion similar spirals round the world. In this connection, the factors listed by Prof. McCracken as contributing to economic stability deserve attention. He called for a better execution of credit and fiscal policy, better budgeting by business, and confidence in the growth of the economy—all contributing to a more stable pattern of capital outlay. Again, he stressed the need for curbing consumption. He also suggested increased market research by private business, tending to reduce waste of productive resources. Finally, he emphasised the organisation of a comprehensive scheme of statistical and economic intelligence which could show weak spots in business before they reach crisis proportions.

URBANISATION IN ASIA

The deliberations of the United Nations Seminar on Urbanisation in Asia held at Bangkok recently serve to indicate clearly the magnitude of the problem of population drift from villages to towns. Urbanisation—the increase in the number of towns and the density of urban population—is fairly widespread in nearly all the countries of Asia. Since the second World War, it has been so rapid that it is said to have outpaced the rate of economic development; this has caused a considerable degree of what is called "over-urbanisation," which, in turn, has brought with it a multitude of social and physical problems. The symptoms of the malady caused by over-urbanisation are inadequate housing, the almost complete absence of mass sanitary facilities, and presence of filth, squalor, repugnant odours, disease and high mortality. It is, however, not so much these symptoms as the fact that the drift of population from villages to towns will increase on an unprecedented scale as industrialisation gathers momentum. This drift invests the Governments of Asian countries with a special responsibility for taking energetic steps to ameliorate the conditions of social and economic hardship resulting from urbanisation.

The data on urbanisation in Asia furnished at the Bangkok Seminar reveal that the number of large cities and the size of city population in Asia is greater than either in Europe or North America. Although the process of urbanisation began much later in Asia than in Europe, it is noteworthy that the number of cities with 100,000 or more inhabitants in Asia is 289, as against 116 in North America and 261 in Europe. Of the world's city dwellers, one-third live in Asia, one-fourth in Europe and one-seventh in North America. The proportion of city dwellers to total population is, however, smaller in Asia than in any other Continent, except Africa. Thus, while in the world as a whole, 21 per cent. of the population resides in cities of 20,000 persons or more, the percentage figure for Asia is only 15, as against 21 in Central America and the Caribbean area, 26 in South America, 31 in the U.S.S.R., 35 in Europe (excluding the U.S.S.R.), 42 in North America and 47 in Oceania. The exodus of population from villages to cities in the West has been due largely to industrialisation and attractions of cities, whereas, in Asia, the exodus has been caused mainly by overcrowding of country-sides, low living standards in villages, and sometimes conditions of physical insecurity (wars, civil disturbances, political partition and refugee movements).

In drawing attention to the problem of urbanisation, the U.N. Seminar at Bangkok did not, however, overlook the consideration that the growth of population in urban and industrial centres is inevitable, because it goes hand in hand with economic development. On the contrary, the Seminar fully recognised it, as witness its following remarks:

"If Governments are bent on economic development, as they are, they must also be prepared to face the consequences and attempt to mitigate the effects resulting from an increased flow of village populations into towns. Urbanisation produces a new way of life. As traditional patterns of belief and behaviour tend to be broken down, the accelerated social change is usually accompanied by social disorganisation. But it is also followed by advances in culture and civilisation."

There is considerable force in the aforesaid observations. The participants of the Seminar—mostly social scientists, economists and administrators from 15 countries and various non-Governmental organisations—did well to recommend international co-ordination of research in urbanisation and to urge the establishment of a world financial agency, such as the S.U.N.F.E.D., for providing long-term loans to tackle the problems of urbanisation. Special stress was laid on proposals for dissemination of accurate information about urban living and working conditions among villagers, expansion of vocational training, extension of employment services, and provision of better and more ample housing. The last-mentioned item is of utmost importance, considering that housing situation in the countries of Asia is worse than anywhere else in the world. It is true that the Governments are assuming increasing responsibility for the planning and execution of housing and community improvement programmes. But much more remains to be done in this sphere. Incidentally, housing is, as the Bangkok Seminar rightly stated, only another aspect of the problem of saving and investment, for it is the ambition of almost every individual to own a house. From this point of view, fiscal and other incentives, apart from increasing the supply of housing materials, have a definite role to play in any scheme designed to solve the housing problem in cities.

EXPORT TRADE

There is no exaggeration whatever in the claim made by Mr. Purshottamdas R. Ashar, President of the All-India Exporters' Association, at the six-monthly meeting of the Association held in Bombay on Wednesday last, that the private sector can handle the country's export business much more efficiently than any Governmental agency can ever do. This statement requires to be specially emphasised in the present context of the direct incursion of this State into the trading activity through the State Trading Corporation, with its scope extending, besides the trade with communist countries, to exports of such items as iron and manganese ores which are mostly with non-communist countries. The experience of State trading during the war years is none-too-encouraging and the Government's decision to revert to it now only tantamounts to partial nationalisation of the trading function of the business community which forms a vital link in the nation's economic chain. If, therefore, the Government does not restrict the activities of the Corporation to certain well-defined spheres only and leave the rest of the field free for the private sector to operate, the whole commercial fabric of our society will, as Mr. Ashar aptly pointed out, be upset and some 15,000-20,000 export-import business houses operating in the country will be dislocated.

After all, where is the need for the State to rush in to do export business? Is the existing trade mechanism inadequate for the job? The posers were impressively answered by Mr. Ashar. He said: "In spite of the various handicaps, the private sector in the export trade has given a very good account of itself. The exporters of their own accord have explored new fields and new countries, and, thanks to their pioneering efforts, various Indian goods and products find their place in the world markets today."

The Exporters' Association President drew particular attention to the disquieting situation on the cotton textile export front and averred that "our first and foremost problem today is to prevent the dwindling exports." Otherwise, he warned, there would be a further setback to foreign exchange earnings which would adversely affect the task of national reconstruction. In the considered opinion of Mr. Ashar, the solution is production and more production through all the channels available. He rightly said that the production must be increased "to keep pace with the increased demand at home and to maintain the export markets." He approvingly quoted the Prime Minister who has said that "it is a wrong policy to prevent mills from producing more, just to help handloom industry" and that, "when the whole world is following the most efficient and up-to-date techniques of production, India cannot lag behind." The result of restricting mill production is creation of a shortage of cloth for domestic consumption as well as for export purposes.

Mr. Ashar was afraid that the increase in excise duty would ultimately pass on to the voiceless consumer. He, therefore, called for quick "remedial and equitable measures." One such measure would, in his view, be to permit more mills to start third shift, with the condition that the extra production should be reserved for export only. According to our information, however, the scope for third-shift working is greatly limited, owing to the fact that the plant and machinery of a large number of mills are so old that they cannot stand the extra strain involved. Indeed, the trading conditions in the cloth market for the past several months have been so attractive that many mills have already taken to third-shift working of their own accord. If, despite these conditions, others have not resorted to third-shift, it must be because they are unable to do so. In these circumstances, the additional condition, namely, "for export only," will not work. On the contrary, it will create fresh problems.

AUSTRALIA'S IMPORT POLICY

Since the imposition of restrictions on imports by the Australian Government in 1952, India's exports to this country have been at a low ebb. The aggregate value of goods and commodities shipped from India to Australia during 1955-56 was Rs. 24.81 crores, as against Rs. 46.63 crores in 1951-52, representing a drop of as much as 47 per cent. India is not the only country adversely affected by the Australia's restrictive import policy; several others are also said to have been similarly affected. Evidence of this is provided by the statement of the Australian Tariff Board—made in the latest annual report—that the intensification of import restriction is gradually stripping Australia of its prestige as a stable member of a group of countries to which freedom of international trade is important. The Board has refuted the idea that the nation should make itself less dependent on imports. For, in its opinion, Australia depends so much on exports that there has to be full recognition of the damage to export possibilities from the continued restriction on imports. Further, restrictions on imports create conditions which lead to inflation.

According to the Australian Tariff Board, two main tasks of major importance are now facing the country—(1) to arrest inflation and (2) to reach a position of international credit in fact, as also in principle. The Board does not find any sign yet of stability in economic foundations on which it may be possible—using long-term plans —to construct national solvency. It feels that the anti-inflationary measures taken by the Commonwealth Government have still to produce results. In this connection, the Board has put forward three specific measures for tackling inflation. First, there must be a national productivity drive, similar to the campaign that has been proceeding in the U.K. for the past eight years. Secondly, the pay-roll tax levied right at the base of the cost structure must be removed. Thirdly, generous depreciation allowances should be given to the domestic industries, with a view to enabling the latter to compete more effectively with their overseas confreres.

PAPER INDUSTRY

In a country of India's size and low percentage of literacy, there is certainly a vast scope for development of the paper industry. Recent trends in the industry show that production has continuously expanded. During the period of the first Plan, the output of paper and paper boards increased from 114,000 tons in 1950-51 to some 187,000 tons in 1955-56, though it was slightly below the target of 200,000 tons fixed in the Plan. Newsprint is now being produced by only one unit, the Nepa Mills. But its capacity at 30,000 tons—actual production in 1955-56 was far less, about 4,200 tons—is a fraction of the current demand estimated at about 75,000 tons. Installed capacity for strawboards and other boards is estimated at 59,380 tons and is well above the target of 52,600 tons set in the first Plan. Production, however, is now running at an annual rate of only 30,000 tons, thanks to absence of any significant increase in demand for strawboards. For paper and paper board, newsprint and strawboard, the second Plan envisages targets of 450,000 tons, 60,000 tons and 59,300 tons in terms of annual rated capacity and 350,000 tons, 60,000 tons and 35,000-40,000 tons in terms of production, respectively.

It will be seen from the data relating to targets that it is in respect of the paper and paper board section of the industry that the Planning Commission visualises a very large increase in production. The output of paper and paper board is thus to be raised from the present 187,000 tons to 350,000 tons by 1960-61. This would require a sizable increase in the supply of raw materials and in transport capacity for carrying raw materials and stores to centres of production and finished product to the consuming centres. Small wonder, then, that Mr. Gangaprasad Birla, President of the Indian Paper Mills Association, Calcutta, thought it fit to emphasise, in the course of his speech at the annual meeting of the Association, held this week, the importance of augmenting the supply of raw materials for the industry and search for alternative raw materials. Mr. Birla complained that "no significant headway seems to have been made in the direction of ensuring a continuous supply of raw materials at reasonable rates. He also stressed the need for pursuing research in the utilisation of alternative raw materials for the paper industry. In this connection, he hoped that the Government would facilitate the larger utilisation of bagasse for the manufacture of newsprint and paper.

Realising the importance of examining the raw material aspect of the paper industry, the Government has already set up a committee of officials to advise it on the preparation of a basic plan for the expansion of the industry from the point of view of raw material supply. This committee, it is stated, will suggest measures designed to stimulate the cultivation of fast-growing species of timber, such as eucalyptus, wattle, and paper-mulbery and of reeds like *eta* and *arundonex*. While welcoming the appointment of this Committee, Mr. Birla deplored that no representation had been given to the industry on it. If it is not too late for the Government to alter its plans, it will perhaps do well to accept Mr. Birla's suggestion so that the industry will have an opportunity to make available to the Committee its views on the raw material problems. After all, the industry knows where the raw material shoe pinches it most.

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WINDOW DRESSING FOR ELECTIONS?

RE-ARRANGEMENT OF PRIORITIES IN THE PLAN LIKELY

From A Special Correspondent

NEW DELHI, 18*th September*

DELHI LETTER

WITH the general elections drawing closer day by day, certain Ministries of the Government of India are trying to boost up their achievements and their plans for the purpose of convincing the general public with a creditable record in their office. A perceptible impact of this sort of development has already been felt in the course of the last few weeks, even in the proceedings of Parliament. Ministers of the Cabinet entrusted with developmental work particularly, have been trying to expand the targets in regard to the implementation of the Five-year Plan. For instance, the new Finance Minister, Mr. T. T. Krishnamachari, has already hinted that the total expenditure in the second Five-year Plan would not be restricted to the limit of Rs. 4,800 crores and that it would come very near to Rs. 5,600 crores as was originally contemplated in the Plan-frame. In the course of his speeches recently in Parliament, he pointed out that the target figure in regard to the steel plants would have to be increased further by about Rs. 60 crores on account of various modifications in the proposed plants and also as a result of the unforeseen rise in the prices of plant and machinery.

Another new item of expenditure which he proposed was about building up of the machine plant industry which would cost about Rs. 100 crores. Besides, he also visualised an extra expenditure of another Rs. 40 crores in respect of the petroleum industry and another Rs. 30 to Rs. 40 crores for the purpose of atomic energy development. In other words, for the said purposes alone the Finance Minister has visualised an extra expenditure of about Rs. 250 crores over the targeted figure.

This tendency was in evidence even during the first Plan period itself. It would be remembered that when the first Plan was finally framed, the total financial outlay was put at about Rs. 1,800 crores. Thereafter, this targeted expenditure was gradually raised to about Rs. 2,300 crores. Now that the total expenditure in the first Plan is calculated at about Rs. 2,000 crores, the achievement of the first Plan must be considered greater than originally conceived. There has been a rise of nearly 14 per cent. from the originally targeted expenditure of about Rs. 1,800 crores.

Bigger Expenditure

Similarly, the same tendency is now growing in other sections also. And the Ministers concerned are trying to speak in terms of bigger expenditure. This feeling is evident from the recent speeches made by at least two other Ministers in charge of developmental activities. The other day, Mr. M. M. Shah, Minister for Heavy Industries speaking about the development of heavy chemical industries chalked out certain ambitious targets and said that he would like to expand the targets laid down for this purpose in the second Plan. With a view to achieving self-sufficiency in most of the basic chemicals by the end of the second Plan period, Mr. Shah said: "We hope that, with the co-operation of the industries, the Government and the consuming public, we will be able to outstrip all these targets, if possible within the first two or three years of the Plan, in most cases. Heavy chemical and engineering industries are the key to the industrialisation of the country." He also enumerated some of the targets of production fixed in respect of ammonium sulphate, superphosphate, sulphuric acid, soda ash, caustic soda, ammonium chloride, D.D.T., calcium carbide, sodium bicarbonate and several other basic chemicals. His point was that, in any backward economy, "the emphasis has rightly to be placed on industries, particularly heavy engineering industries, heavy chemical industries, on manufacture of capital goods, manufacture of industrial raw materials and on products essential for the manufacture of consumer goods."

Mr. K. C. Reddy, Production Minister, too, has not been found lacking in this respect of enhancing his programmes of developmental projects. There has been a feeling that the achievements of the Production Ministry have not been very spectacular, despite the fact that the Sindri Fertiliser Factory has been pronounced to be a signal success, particularly from the Government's point of view. It is, perhaps with a view to dispelling some of these misgivings entertained by a section of the public that Mr. Reddy came out with a press conference on Saturday last, pointing out the basic requirements of the country in respect of fertilisers, coal, machine tools, shipbuilding, heavy electrical industry, etc.

Fertilisers

In regard to fertilisers, he stated that the targets laid down in the second Plan have to be substantially increased if India were to forge ahead with its plan of increasing the internal foodgrains output by 30 to 40 per cent. He, therefore, urged that two more additional fertiliser plants over and above the three proposed in the second Plan might be necessary to meet the country's requirements of nitrogenous fertilisers. Of late, India is annually importing about 200,000 tons of nitrogenous fertilisers, the cost of which was much more than that produced in the country. He also detailed how the Nangal Fertiliser Factory would produce 200,000 tons of nitrogenous fertilisers per year, particularly ammonium nitrate, and how the Sindri Factory's present capacity would be raised by 60 per cent.; and how the factory proposed to be set up at Rourkela would produce 80,000 tons of nitrogenous fertilisers.

He also pointed out that, with an additional capital cost of about Rs. 5 lakhs, the output of the Hindustan Machine Tools, Bangalore, would be stepped up two and a half times—from 400 to 1,000 lathes or diversified equivalent machine tools per annum, the factory working three shifts instead of two to achieve this target.

Shipbuilding

In respect of shipbuilding, Mr. Reddy said that the second shipbuilding yard might be set up in the country in the next two or three years and a nucleus of 500 to 600 technical personnel required for the purpose would be trained in the Hindustan Shipyard. Negotiations were also afoot, he said, with a foreign firm of technical consultants for the manufacture of marine diesel engines in the country. He was also hopeful of the building of a dry dock at Visakhapatnam which would save the country a lot of expenditure now being incurred on sending ships to Calcutta or Colombo for dry docking which roughly works out to Rs. 40,000 per ship.

The Government is also working on a scheme to equalise freight incidence on coal and salt, with a view to making these two commodities available all over the country at more or less uniform prices. This scheme might require a subsidy to consumers in far off regions and the Government is already thinking in terms of collecting this amount by way of a surcharge on nearby consumers. Although it would not be possible to have a complete or perfect equalisation, the Government's decision on this matter is almost imminent. The Railways, the largest consumers of coal, would not be much affected by the equalisation, because what they would lose in some places would be made up in others. In the case of other consumers like the Sindri Fertiliser Factory, because the industry is not spread out, equalisation in coal freight would make an appreciable difference, with the result that the cost of fertilisers might go up, meaning a higher price for the agriculturist in respect of his fertiliser requirements.

From the foregoing it will be seen that Ministers at the Centre do not seem to think with any sense of finality about the plan. Their idea still appears to be to change things according to circumstances and conveniences and not to follow a particular pattern.

T. T. K. on the Plan

Some of the statements of the Finance Minister in the recent debate on the second Five-year Plan in Parliament, if read between the lines, would indicate the policy which the Government is likely to follow in the coming months. The Finance Minister stated, for instance, that the main task in implementing the plan as a whole was to reduce to the minimum non-developmental outlays, cut down expenditures in certain others for the purpose of raising resources required and in general increase the effectiveness of the large investments that were being made both in the public and the private sectors so as to increase the output all along the line. In another context, the Finance Minister stated that "there should be regulation on the rate of increase in consumption, primarily, and restriction, incidentally, for short periods as a compromise which we seek to achieve, having regard to the needs of consumption, availability of capital, cost of building up necessary transport facilities and possibilities of acquiring and multiplying the know-how required. The essence of progress is increase in production and increased productivity per unit of resources."

Generally, therefore, it appears that the idea of the Government is to concentrate on the development of such industries and such projects as would fructify during the period of the second Plan itself and to augment the resources of the Government as far as practicable. At the same time, it is indicated in the Prime Minister's speech that Government would like to take up such industries as would conserve exchange resources. It is likely, therefore, that the Russian report regarding the establishment of machine-building industries would be given a very high priority in the coming months, so as to enable the Government to manufacture as much machinery as practicable in the country itself. In other words, the Government is anxious that, as soon as higher production of steel becomes possible from the newly established Government steel factories as well as from the private industries, the country should be in a position to absorb without difficulty the higher steel output. In order to achieve this, the Government would be taking all steps possible in this regard.

Mr. Nehru's Regret

The Prime Minister also regretted in the course of his speech that the Government did not give sufficient attention during the first Plan period and even before it to the development of the steel industry in the private sector. In other words, he implied that the Government now feels that, if Tatas and Indian Iron and Steel industry had been given proper encouragement towards development after 1947 or 1948, many of the problems which were facing the Government now, would not have been felt. The Government does not like to commit the same mistake, once again, and therefore it is anxious that the country should build up many of the important machine building industries which would lessen India's dependence on foreign countries.

From the Finance Minister's speech another thing that is evident is this: that there would be a shift in the emphasis of Government's policy in regard to priorities of development. Now that the Government is thinking of devoting greater attention on the development of essential industries, it is not likely to pay as much attention and care for the development or expansion of social services in the coming years as it as planned to do. Although the Government has stated that it would be providing loans for building houses, particularly for the low income group in a number of cities, it is likely to slow down this expenditure in the coming months by various devices. In view of the shortage of steel and cement in the country, the Government is not anxious that this sector should also compete with it in the available quantity of steel and cement. Similarly, the educational side of expenditure outlined in the Plan might also receive a short shift as had been the case in the first Plan. Many of the country's health schemes might also in a like manner be relegated to the background comparatively.

Side by side, the Government will be giving considerable encouragement to some of the consumer industries in the private sector. There is already a talk in Government circles that the target of production in regard to cotton textiles was grossly underestimated and that every effort should be made to increase the output of cloth by another 1,000 million yards or so. In this, it is the mill industry which will have the lion's share, inasmuch as it is the only industry that is capable of giving concrete results as quickly as possible. Similarly, it is possible that many other consumer industries such as bicycles, sewing machines, electric fans, etc., will all receive further inducement from the Government in order to augment their output, so that higher production would enable the Government to fight inflationary tendencies in the country.

EXCISE DUTIES AND TEXTILE POLICY

URGENT NEED FOR RE-THINKING

By An Economist

THE passage of the textile excise duties bill through Parliament last week marks only the first in a series of evil consequences that are likely to flow from the so-called Common Production Programme in the field of cotton textiles. The new Finance Minister, who, in piloting his first money bill through Parliament, met with strong criticism even from his own party men was, in real sense, made the scapegoat of the ill-conceived and untenable textile policy of the Government of India which has given rise to difficult situation and an unpalatable solution. The Finance Minister's bill was by itself the best remedy in a bad situation. But the fundamental point remains that since the forces which have made the situation bad will continue to operate and gather momentum, an increasingly serious shape of things will emerge in future, calling for even more drastic remedies than the present measure. When that is so, even the best conceivable solution must prove only a temporary palliative. The real cure lies in finding out an alternative to the present textile policy which, while bringing about a better balance between demand and supply, would be consistent with the need for providing larger employment opportunities in the textile industry as a whole.

The raising of excise duties, in a situation characterised by high demand pressures against inadequate supply, is like a tactical retreat on the battlefield, whereby an army, instead of falling swiftly before the advancing enemy, voluntarily withdraws in order to build up a strong defence line. The excise duties are only to slow down the onslaught of inflation till the defences in the form of improved supplies are ready. But, if the present textile policy continues to be there as a hindrance to the expansion of supplies, then the excise duties only serve the purpose of an 'orderly withdrawal' and cannot bring the advance of inflation to an end.

The policy of raising excise duties on mill cloth was recommended by the Karve Committee on Small Industries. The philosophy behind their suggestion was that, since the policy of non-expansion in the mill sector would lead to restriction of competition and larger profits accruing to the existing units, additional excise duties should be levied on mill production to net in a part of these extra profits. If that were to be the sole purpose of raising excise duties, a better solution would have been, as was pointed out by some in Parliament during the discussion on the bill, the levy of a high excess profits tax. But the more significant function of the excise duties is to slow down the pace of inflation in the textile economy. Excess profits tax cannot be a substitute for the excise duties, when the object is partial containment of the rising price spiral.

Russian Experiment

The method of raising excise duties in consequence or anticipation of a rise in prices is a time-honoured device, which was used for the first time in, probably, Soviet Russia about two decades ago. To meet a situation of shortage of consumer goods in a period of high-pitched development, they had taken to rationing. Since rationing gave rise to what later went by the name of black-marketing and various forms of corruption, a sort of strong repressed inflation became prevalent. This repressed inflation was considered to be worse in many ways than the open inflation which rationing had intended to check. The evil produced by rationing was considered to be worse than the evil rationing tried to combat. That was one of the reasons which led the Soviet authorities to abolish rationing and instead to maintain a balance between demand and supply by making necessary changes in the rates of commodity taxation. Those in India who suggest that Government should resort to price and distribution should realise that this is not going to solve the problem of shortage. It created new problems, even in a regimented economy like that of Russia.

The claim that by raising excise duties inflation can at least partly be held at bay looks, on a superficial examination, ridiculous to many. We are familiar with alteration of tariff duties as a device of insulating internal market against foreign influences and giving stability to the domestic level of prices. But excise duties have never been used in India with the specific purpose of containing internal inflation. The common man knows that, when duties are raised, the whole array of prices goes up. In this sense, increase in excise duties is associated with price inflation. To make a claim that these duties check inflation appears, *prima facie*, a travesty of truth. But actually this is not so.

Trade Demand and Consumer Demand

It is common knowledge that prices in the modern economic world are formed not so much by the consumer demand and the producer's supply but by the expectations of the intermediary merchants and dealers. Inflationary anticipations of the huge development expenditure under the second Plan based on a large share of deficit financing, coupled with the Government policy to freeze mill production at the present level of production, are enough to generate a strong expectation among the mercantile community that the next few years are going to be a period of continuously rising textile prices. The handsome profits envisaged in such a situation induce the existing dealers to hold larger inventories of stocks, and also new dealers are attracted towards the textile trade. The result is that the trade demand gets greatly inflated. The greater the unanimity of opinion in the market about the future rise in prices, the greater is the increase in the trade demand.

In a situation that confronts the textile market now, the increase in trade demand appears to be more important than the increase in consumer demand. Since the increase in trade demand is born of profit expectations, any fiscal measure aimed at reducing the possibility of profits of trade is bound to check the increase in inventory demand and thus succeed in the partial containment of inflationary tendencies. If direct controls on prices and distribution are ruled out, there is no way of moderating the trade profits, except by increasing the excise duties *in anticipation of* a rise in prices. Rise in prices is inevitable, given the present textile policy. But when the rise in prices is Government-sponsored, resulting in additional revenue to Government instead of additional profits for the trade, there is restriction of not only the consumer demand but also the trader demand for larger inventory stocks. When, on the other hand, the rise in prices is not Government-sponsored but trade-manipulated, there is restriction of consumer demand but at the same time expansion of trade demand. Thus, the Government-sponsored inflation is a restraint on further inflation; the trade-manipulated inflation lays the seed for further inflation, and ultimately results in 'runaway' inflation.

This 'controlled' inflation that results from higher excise duties, although hitting hard the poorer sections of the population, does not otherwise impede in any serious manner the growth of the economy. But the free or runaway inflation apart from inflicting much larger suffering on the people, threatens to throw the economy out of gear.

Another Advantage

Another way in which the levy of higher excise duties in a situation of high pressure on limited supplies reduces the intensity of inflation is through the reduction of money supply with the public. By substituting Government revenues for trade profits, these duties reduce the money in circulation among the public, and curtail the ability of the traders to increase their working stocks.

The effect of excise duties through this route is, however, not likely to be significant. When the offtake of mill cloth by consumer is increasingly brisk and supply is frozen at the existing level of production, the rise in traders' inventories takes the form of not physical stocks but more forward contracts with the mills. Therefore, those in Parliament who suggested that control on bank credit to cloth dealers would have a wholesome effect would realise that this measure is not going to be of much avail. Moreover, restriction of bank credit would mean that these dealers would try to meet their financial requirements from the public against inducement of a higher rate of interest two or three times that offered by the Government. This would affect the borrowing programme of the Government. The basic factor is that the profit possibilities of the traders should be reduced. This can be done only by the levy of anticipatory excise duties. When the profits of traders are reduced, the profits of the millowners are automatically reduced, because producers derive their profits from the traders.

Stimulus to Exports

Excise duties have also the advantage of keeping up the stimulus to export trade. The high profitability of internal trade has of late served as a disincentive to export and has jeopardised the foreign trade in cotton textiles. The reduced profitability that will follow higher excise duties will help in restoring the high tempo of textile export drive.

Thus, on an overall view, excise duties appear to be the best weapon for tackling a situation of high demand and inadequate supplies. Price and distribution control, excess profits tax, selective credit control are all inferior recipes. They are either ineffective, or lead to problems of their own. Even the excise duties, which are the best remedy, can only mitigate the evil; they do not eliminate the evil. In the face of these difficulties of finding a satisfactory solution to the problem created by the present textile policy, one is driven to re-examine the justification for that policy itself.

It has been consistently pointed out, ever since the Kanungo Committee made its report, that the freezing of mill production, which commands the first preference of the consumers, and leaving the entire new demand to be met by the handloom cloth, which is only the second choice and often not even that, would make mill cloth a highly scarce product in relation to the demand for it. The Government has not paid heed to this logic till now. Even now that the first manifestations of this scarcity have appeared, the Government is trying to remedy the situation by the palliative of the anticipatory excise duties. Like a pigeon, who on sight of a cat closes his eyes and exposes itself to the cat's attack, Government is not facing the realities and has exposed the economy to the onslaught of inflation in a sphere which represents the most vital necessity of life next only to food.

Veritable Famine Ahead

It can easily be foreseen that, if the "common production programme" continues in its present form in the next five years, there will be a veritable famine of mill cloth. It will be sold well ahead of being produced; people would wait for next arrivals of mill cloth but would not go in for the handloom cloth. Although cloth is a necessity, yet it is bought not merely with the object of covering one's body but for gaining distinction among fellow beings. For that reason, mill produce, by virtue of better quality, appearance and finish, will always be the coveted cloth of the people, in spite of a substantial price disadvantage as compared with the handloom cloth.

Apart from the quality factor, the very knowledge that mill cloth is scarce has the psychological effect of creating a strong bias in favour of it. The incidence of higher income levels of the people is likely to fall largely on mill cloth. If in the face of this, the production of mill cloth for internal consumption remains frozen, it is not difficult to see that, in a period of five years, the Finance Minister may be called upon to increase excise duties at least half a dozen times. Thus, excise duties, which appear to be the best of all available solutions, and promise to cope with the situation in the short-run, may not prove a satisfactory answer to the problem on a more extended view of things.

Inflation of cloth prices, even though of the controlled type in the sense explained above, will force the Government to curtail its expenditure on heavy and basic industry and also on some employment-giving projects. That would mean the negation of the very two purposes for which the "common production programme" has been formulated—namely, larger employment and larger expansion of basic industries. On the one hand, the Government is anxious to minimise the inflationary potential of the investment programme; on the other hand, it adopts policies which, as is clear now, are bound to lead to serious inflation. This contradiction between objectives and policies will have to be removed, if not now two years hence.

Employment Consideration

The greatest justification of the "common production programme" in its present form is derived from the consideration of employment. The employment potential of mill production is smaller, as compared with that in the handloom sector for two main reasons:

(i) For a given volume of output, the wage fund (i.e., total disbursement of wages) is smaller in the mill sector, because a part of the value of the final product goes towards the remuneration of capital. In the handloom sector, the share of capital in the total value of the

(*Continued on page* 595)

PAKISTAN'S BALANCE OF PAYMENTS POSITION BETTER

BANK RATE NOT TO BE RAISED

AN interesting and informative account of the economic trends in Pakistan was presented by Mr. Abdul Qadir, Governor, State Bank of Pakistan, in his speech at the eighth annual general meeting of the Bank held at Karachi on 7th September 1956. After briefly surveying the general economic situation, he discussed the banking and monetary problems at some considerable length. His observations reveal that, following devaluation in August 1955, Pakistan's economy has attained a considerable amount of stability, though inflation and scarcity of food still remain to be conquered. They further reveal that Pakistan is markedly underbanked, though the quality of commercial banking has improved, owing to weeding out of badly managed banks, that the State Bank of Pakistan is taking energetic measures to expand commercial banking and widen the monetised sector of the economy and that plans are afoot to set up separate credit institutions to take care of the financial needs of agriculture and industry. A noteworthy feature of Pakistan's monetary management is the absence of slavish imitation of the fiscal and monetary policies and programmes adopted by the rest of the free world. Thus, realising full well that its economy is predominantly agricultural, and that too not thoroughly organised, and that implementation of development plans requires low interest rates, the central banking authority has steadfastly stuck to a Bank rate of 3 per cent., even though the fashion in the rest of the free world has been to resort to monetary discipline and higher bank rate for bringing inflation under control. The Governor of the State Bank of Pakistan gave a satisfactory explanation in his speech for not raising the Bank rate. The best solution to inflation in Pakistan lies in increased supply of consumer goods, preferably through domestic production, reduction in the unproductive military expenditure, development of irrigation and power facilities for increasing agricultural, particularly food, production, removal of transport bottlenecks and above all, the establishment of a stable administration. Although Mr. Qadir did not prescribe this solution in such a clear-cut manner, it is quite evident from the qualifications with which he phrased his description of Pakistan's economy and its problems.

Tempo of Development

Mr. Qadir's survey discloses a marked improvement in several directions in the economy of Pakistan during 1955-56. The tempo of development gathered momentum, the index of industrial production having risen from 285 in 1954 to 350 in 1955. Self-sufficiency was achieved in respect of several consumer goods and a substantial export capacity was developed in cotton textiles and jute manufactures. Internal prices of cotton and jute, the most important cash crop and export merchandise of Pakistan, remained substantially higher than in recent years. The balance of payments position underwent a substantial change for the better. These favourable features were, however, offset to some extent by an acute scarcity of foodgrains brought about by floods that damaged the crops severely. This led to higher prices and inflicted considerable hardship on the masses.

The banking and monetary trends broadly reflected the expansion in industrial activity and foreign trade. Bank credit recorded an increase of Rs. 3.15 crores over the year. Chiefly owing to the higher rupee value of foreign trade transactions, the bank credit increased by Rs. 39.74 crores during the 1955-56 busy season. The bulk of this increase was offset in the subsequent slack season. Bank deposits reached a record level of about Rs. 200 crores, reflecting an increase of as much as Rs. 20.54 crores over the year. The increase in money supply was of the order of Rs. 61.03 crores, as against Rs. 25.34 crores during the preceding year.

The most impressive of all the developments took place in the sphere of balance of payments. The resources of "gold, dollar and sterling" increased by $82.5 million during 1955-56 to $292.9 million at the close of June 1956. As against this, the level of these resources in September 1954, that is, a year before devaluation in August 1955, was only $169.4 million. The current account surplus at $70.5 million during the year under review was the highest for any year since 1950-51 and represented an improvement of $69.4 million over the previous year. This improvement, the Governor pointed out was the more noteworthy because it had been brought about mainly by foreign exchange earnings.

Foreign Exchange

The foreign exchange position was strengthened, as already mentioned, by the marked expansion in the exports of jute, jute manufactures, and cotton manufactures and other products facilitated by the devaluation of the currency and other export promotion measures. The Governor, however, warned that the uncertainty in the international cotton market and the large-scale imports of foodgrains, involving substantial foreign exchange expenditure, were factors to be reckoned with and call for caution.

Turning to the impact of devaluation on the economy of the country, Mr. Abdul Qadir stated that, though devaluation was a long-term measure, there were indications that the change in the par value of the Pakistan rupee had had favourable effect on the commodity markets and the balance of payments position. The devaluation decision, he said, helped the markets chiefly jute and cotton, to recover from the spell of the depressive influences, and had thereby benefited the agriculturist.

The most notable effect of devaluation was on the export trade. "The immediate effect of devaluation, the Governor said, was to lower the prices of our export commodities in terms of foreign currencies. Though the rupee prices tended to go up and export duties on major commodities were also increased, the rise in most cases was not proportionate to the change in the exchange rate. As a result, all our major export commodities became cheaper in the foreign markets. Even in the case of jute despite the continuance of minimum export prices, the average export price during 1955-56, was, in terms of foreign currencies, 12 per cent. lower than in the preceding year. The decline in cotton export prices was even sharper and they came down by 17 per cent. during the year. The foreign demand for these commodities reacted favourably to the reduction in their prices. Jute exports which had varied between 51 and 52 lakh bales in the last few years increased to 57 lakh bales during 1955-56. It was signficant that almost the entire exportable surplus had been disposed of by the end of the year. The movement of cotton exports was similarly facilitated as a larger supply this year was sold without any difficulty."

Turning to the trends in money supply, the Governor pointed out that it had registered a net increase of Rs. 61.03 crores during 1955-56 as against only Rs. 25.34 crores in the previous year. The large increase was attributed, chiefly, to the expansionist influence exerted by devaluation, the surplus in the balance of payments, and the deficit financing by the State. All this, Mr. Abdul Qadir stressed, definitely implied a substantial expansion in money demand, and, in the absence of a commensurate increase in the supply of consumer goods, the price level had come under pressure. The deterioration in food position gave further fillip to the rise in the prices of foodgrains. He emphasised, in this connection, the necessity to hold the price level in check if the living standards were to be protected and development was to proceed smoothly.

Self-sufficiency

The first step towards getting a grip over the upward trend in prices was the expansion of food production. "Unless self-sufficiency is achieved in foodgrains," Mr. Qadir emphasised, "the progress in other sectors of the economy will of necessity be seriously handicapped. Another step was the expansion of the supply of consumer goods. Although this could be done in two ways, namely, either through expansion of domestic production or more liberal imports, the application of the latter course was limited by the availability of foreign exchange resources. He, therefore, stressed that the country should concentrate on stepping up the domestic output of consumer goods. It was at the same time necessary to make the goods available to the consumer at reasonable prices. This would be possible only if steps were taken to rationalise the cost-structure of the domestic industry.

While conceding that it would also be necessary to take other measures for curbing effective demand in order to check the rise in prices, Mr. Qadir felt that raising the Bank Rate was not an appropriate measure, in the present stage of Pakistan's economy. On a balancing of advantages and disadvantages of a higher Bank rate, it was found that it would be better to keep the Bank rate unchanged for the present. In his view the increase in the level of activity in Pakistan was not the result of excessive credit creation, but of other factors such as favourable balance of payments position and large Governmental outlay. Besides, the efficacy of the Bank rate weapon was limited (even if it could curb expansion in bank credit) by the absence of developed short-term money market and a network of commercial banks spread all over the country. That was not all. Its application might even operate against the objective of achieving a rapid increase in the national income, for a higher Bank Rate would restrict investment in the private sector. "In fact", continued Mr. Qadir, "the State Bank feels that, instead of restricting credit to the private sector, the present situation demands increase in credit facilities for productive purposes." The State Bank had, therefore, been following a policy of expanding credit facilities cautiously.

In view of the limited scope for monetary measures, the Governor of the State Bank pointed out, the role of the fiscal measures assumed added significance. It was also very essential, according to him, that spending should be curtailed. If this was not possible in the public sector, then the public had no alternative but to tighten its belt, reduce consumption and increase savings.

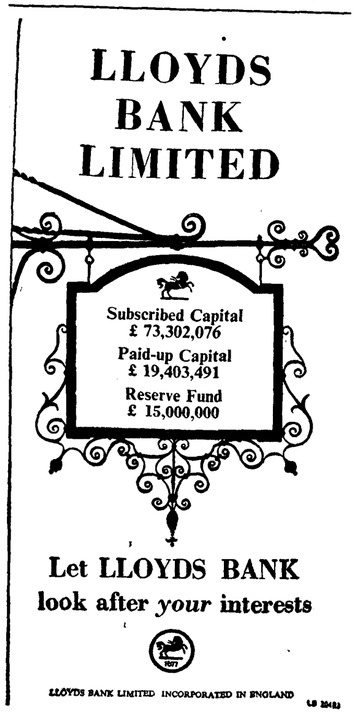
Extension of Banking Facilities

Dealing with the issue of extending banking and credit facilities, the Governor observed:

"The country has now entered the phase of planned economic development and to achieve fruitful results, it is necessary to ensure that the growth of banking is in line with the overall national requirements. Though the development of banking and credit institutions does not by itself guarantee economic development, the adequacy and efficiency with which they perform their task have an important bearing upon the development process. If properly developed, they can assist significantly in increasing domestic production and in transferring resources from consumption to investment."

A gratifying feature in the sphere of commercial banking was the quantitative expansion by the well-established sound Pakistan banks, on the one hand, and the weeding out of certain unsound banks, on the other. The banking system, he pointed out, had adjusted itself to the changing conditions of the economy. But further extension of branch banking, especially into the interior of the country—which was not generally preferred by the banks now—was badly needed, in order to spread banking habit and credit facilities to the rural and semi-urban areas. In this direction, the speaker claimed that the State Bank was trying to do whatever it could. He said that steps had been taken to train young men in the theory and practice of banking. Moreover, a list of important district centres and *mandis* which had no banking facilities, had been drawn up, in order to give

(*Continued on page 585*)



CAPITAL ISSUES IN PRIVATE SECTOR SINCE 1948

ORDINARY SHARES PREDOMINATE

THE period 1948-56 is a notable one in the industrial development of India, for the growth of industries in the intervening years was mainly governed by the first industrial policy of the Government of India, before it was revised in April 1956. Prior to the enunciation of the first industrial policy, in the years following war and the Partition, the capital market was in a state of suspended animation due to apprehension caused among businessmen and industrialists by threats of nationalisation. The industrial policy resolution, however, subdued these fears to some extent and there was again a revival of activity in the capital market. A fairly large number of capital issues was successfully made thereafter, though the amount of capital raised was much less than in the latter part of war and early post-war years.

An idea of the extent to which the private sector in industry has made its own contribution to the economic development during the years 1948-56, governed by the terms of the industrial policy and within the framework of the first Five-year Plan, can be had from a valuable study of capital issues undertaken by the Division of Monetary Research of the Department of Research and Statistics and published in an article in the latest issue of the *Reserve Bank of India Bulletin*.

The above study of capital issues is based on the data published by the Controller of Capital Issues, the statistics of joint-stock companies published by the Government of India, various year-books and periodical reviews published by stock and share brokers, financial journals, etc. Nevertheless, the study is not exhaustive on account of several limitations, but it brings out a fair idea of the trend of new issues during the period under study. According to the data published by the Controller of Capital Issues (which do not cover capital issues of Rs. 5 lakhs and below during a year, as there is no control on them since December 1946), the total number of applications for capital issues during the eight years 1948-55 was 2,836 for an aggregate sum of Rs. 904 crores, of which 2,302 were sanctioned for a total of Rs. 680 crores or 75 per cent. of the amount applied for. Of these, sanctions for industrial issues accounted for 1,320 applications for Rs. 512.1 crores, while those for non-industrial issues amounted to Rs. 168.2 crores covering 982 applications. Sanctions for initial issues of new companies accounted for Rs. 260 crores or 38.2 per cent. of the total and those for further issues by existing companies for Rs. 420 crores (including bonus issues amounting to Rs. 92 crores) or 61.8 per cent. The data published by the Controller of Capital Issues do not, however, give the amounts of capital offered to the public and actually raised.

The statistics of joint-stock companies published by the Government (which relate to the financial year) reveal an increase in the number of companies (private and public limited) from 22,675 at the end of March 1948 to 30,381 (estimated) at the close of 1955-56. Their paid-up capital (excluding debenture and other miscellaneous issue) has risen from Rs. 570 crores to Rs. 1,019 crores, the increase during the first Five-year Plan period alone amounting to Rs. 244 crores. The figures relating to capital have been arrived at after deducting the capital of companies which went into liquidation, their total amounting to Rs. 83 crores. These figures include fresh issues, as well as bonus issues. Separate data relating to public and private limited companies are available only from 1950-51 onwards. These disclose that the number of public companies has declined from 12,568 at the end of 1950-51 to 9,954 on 31st March 1956, while their paid-up capital has risen from Rs. 567 crores to Rs. 684 crores. The number of private companies has gone up from 15,964 to 20,427 and their paid-up capital from Rs. 209 crores to Rs. 335 crores.

The study of actual issues from data available from other sources is also subject to several limitations. In the first instance, the data relating to private companies are not available. Secondly, issues below Rs. 5 lakhs are not included. Thirdly, some of the issues might not have been fully called up on the date of compilation of data. Fourthly, the premiums collected on capital issues are often credited to reserves. Subject to these limitations, the study covers about 600 issues for an aggregate sum of about Rs. 188 crores from January 1948 to June 1956, of which bonus issues amounted to Rs. 53 crores and fresh capital raised from the market Rs. 134.6 crores. Of the latter, ordinary capital accounted for Rs. 67.7 crores, preference for Rs. 26.5 crores and debenture for Rs. 40.4 crores. Thus, it will be noted that the issue of ordinary capital predominated. The year-by-year analysis of the issues does not, however, show a uniform trend, this being accounted for by the conditions obtaining then.

The period under review witnessed two distinct phases in respect of capital issues. From the years 1948 to 1952, there was a decline in issues, the amount of fresh capital raised having fallen from Rs. 21.9 crores in 1948 to Rs. 4.7 crores in 1952. Thereafter, there was a marked revival, activity gathering momentum in the years 1954 and 1955 and in the first half of 1956. As compared with Rs. 4.7 crores in 1952, the amount issued in 1954 aggregated Rs. 21.7 crores, in 1955 Rs. 19.4 crores and in the first half of the current year Rs. 16.5 crores. The flare-up of activity during the last three years is mainly due to the "intensification of the national endeavour to accelerate economic development under the Five-year Plans, providing for substantial outlay in the public sector, partly deficit-financed." It is also partly due to the "improvement in current profits and dividends of companies." The various measures initiated by the Government, such as the grant of development rate, the setting up of institutions for providing industrial finance, the permission given to the State Bank of India for investing its funds in approved debentures of joint-stock companies, etc., were also responsible for the general improvement in the capital market since 1953.

An industry-wise distribution of fresh capital from January 1948 to June 1956 makes an interesting study, as will be seen from the table at foot of column 1. It will be noted from the said table that engineering and iron and steel industries accounted for the largest capital, followed by electricity, oil and textiles. An industry-wise breakdown of the new issues into ordinary preference and debenture capital on a year-to-year basis reveals that almost all the major industries raised capital through ordinary shares, electricity and cement industries showing a marked preference for equity capital. Shipping and oil industries raised it more by way of debentures and engineering industries more by way of preference issues. The rate of interest on debentures varied from 4 per cent. to 5½ per cent. (taxable). Most of the preference issues were tax-free, cumulative and redeemable, the rate of interest ranging from 5 to 6 per cent.

As already indicated, bonus issues formed a significant portion of the total capital issued during the period, such amounting to Rs. 53 crores or 28 per cent. This brings out clearly the relatively important role played by retained profits in financing the private industrial investment. This conclusion is also borne out by the statistics of new industrial issues during the first Five-year Plan period given in the report on *Second Five-year Plan*, and the studies conducted by the Taxation Enquiry Commission, as well as the Reserve Bank of India. During the first Five-year Plan period, new industrial issues by industries covered in the Plan (excluding bonus issues) amounted to Rs. 40 crores, as against Rs. 150 crores of internal resources. The Tax Commission's study related to 492 companies with an aggregate paid-up capital of Rs. 252 crores in 1951-52. This revealed that, during the years 1946-51, the fresh capital (excluding capitalisation of reserves) raised by these companies amounted to Rs. 53 crores, while internal finance (retained profits) aggregated Rs. 69 crores. The Reserve Bank's study covering 771 companies with paid-up capital amounting to Rs. 376 crores in 1953 disclosed that during 1951-53, fresh capital issues accounted for Rs. 26 crores and internal finance for Rs. 42 crores.

The above statistics are convincing and provide an answer to the critics of the private sector that the resources of this sector are being frittered away by distributing huge dividends, instead of being conserved and used for the development of industries.

Industry-wise Distribution of Fresh Capital, 1948—June 1956

(In crores of rupees)

Industry-group	Ordinary	Preference	Debenture	Total
Engineering and Iron and Steel	10.7	11.1	4.4	26.2
Electricity	13.5	1.1	6.0	20.6
Cotton Textiles ..	7.0	2.8	5.2	14.5
Cement	2.6	0.4	..	3.0
Paper	4.4	2.9	1.3	8.6
Chemicals	4.4	2.0	..	6.4
Shipping	3.5	0.3	5.0	8.8
Bank	2.1	..	..	2.1
Jute	1.7	..	1.3	3.0
Sugar	0.8	0.6	0.1	1.5
Coal	0.9	0.7	0.8	2.4
Plantation	2.0	..	0.6	2.6
Insurance	0.4	..	..	0.4
Oil	..	0.8	14.0	14.8
Trading	2.3	0.8	..	3.1
Transport	2.0	..	..	2.0
Tobacco	1.2	..	..	1.2
All others	8.2	3.5	1.7	13.4
Total ..	67.7	26.5	40.4	134.6

BANK OF MYSORE LTD.

The working of the Bank of Mysore, Ltd. (General Manager: Mr. B. V. Narayana Reddy, Bangalore) during the half-year ended 30th June 1956 has resulted in a slightly higher profit than that for the corresponding periods of the previous two years, but the rise in profit is not commensurate with the expansion in turn-over and the increase in gross income. This is due to the mount-

(*Continued on page 585*)



RAYON AND STAPLE FIBRE INDUSTRY IN SECOND PLAN

APPRECIABLE EXPANSION ENVISAGED

THE programme for development of rayon and staple fibre industry included in the second Five-year Plan envisages an appreciable expansion in the capacity of the industry. Thus, the capacity target fixed for rayon filament to be attained in 1960-61, is 68.3 million lbs., which represents a rise of as much as 206 per cent. as compared with the capacity of 22.3 million lbs. in 1955-56. Similarly, the capacity target fixed for staple fibre is high, being 32 million lbs., as against 16 million lbs. What is more, practically the entire capacity is expected to be utilised. In other words, by 1960-61, India will be producing at the rate of 68 million lbs. of rayon filament and 32 million lbs. of staple fibre; the actual production of these during 1955-56 was only 15.7 million lbs. and 13.2 million lbs., respectively. The development programme also includes a specific scheme for manufacturing chemical pulp, a principal raw material for the viscose process rayon production. The targets for capacity and production of pulp are both fixed at 30,000 tons per annum. The expansion required to achieve the targets is estimated to involve an investment outlay of about Rs. 24 crores and to provide direct employment to 4,500-5,000 additional persons.

Capacity

The capacity of 68.3 million lbs. of rayon filament has been determined on the basis of schemes which have already been approved and consists of 60 million lbs. of viscose rayon and 8 million lbs. of acetate variety. This figure falls short of the target suggested by the Development Council by 12 million lbs. Explaining why it is not in favour of a bigger target, the Planning Commission observes, in the report entitled *Programmes of Industrial Development*, as follows:

"In considering any further expansion in this industry, due account has to be taken of such factors as the dependence of the industry on imported raw materials, the capital-intensive character of the industry and the comparatively low priority it enjoys in the schemes of development envisaged during the second Plan. While in the case of essential industries, development can be envisaged to the point of self-sufficiency, in the case of the rayon industry, which primarily caters to the requirements of a limited section of the population, it is doubtful whether a high priority can be attached to further expansion during the second Plan and diversion thereto permitted of resources which might be better employed elsewhere. *Prima facie* such a course might be justified, if it gave a stimulus to ancillary industrial development and the exploitation of raw materials available within the country, but not if it accentuates the strain on foreign exchange by requiring the import of raw materials.

"In the light of these considerations, it would seem that further expansion of capacity in the manufacture of rayon filament should be in terms of cellulose acetate filament, since the two primary raw materials, namely, cotton linters and alcohol, are available within the country and its manufacture would give a stimulus to their production. Cellulose acetate filament production would also give an opportunity for a better dispersal of the rayon industry. In this connection, it is important that a study be made of the various factors which would contribute to the consumption of cellulose acetate filament on a substantial scale in the coming years. If, on a further study of this aspect by the Development Council for the Art Silk Industry, it is found impracticable to step up the consumption of cellulose acetate filament to a level of more than 8.0 million lbs. proposed to be developed by the Sirsilk, it might become necessary to allow further organisation of capacity for viscose rayon. The advantage of such a step has to be balanced against the strain on foreign exchange on account of imports of sulphur and chemical pulp that would be caused by it. The location of chemical pulp plant would have some influence on the location of viscose rayon plant, particularly if the latter is in proximity to consumption centres for rayon filament and it would, therefore, be desirable to defer consideration of schemes for further expansion of the rayon industry until the studies initiated by the N.I.D.C. lead to some positive conclusions on this subject.

"In view of the several major issues pending consideration, the development programme envisages for the present a target of 68 million lbs. of rayon filament by 1960-61. It is, however, recommended that proposals for expansion of capacity of cellulose acetate filament should be considered on merits on account of the several advantages which its production secures to the national economy.

"If the Development Council's estimate of the expansion of demand for art silk cloth during the next five years is correct, then, according to the programme envisaged above, it will not be possible to meet the entire requirements of rayon from indigenous sources. The extent to which imports of rayon could be permitted would depend on the exact level of demand and the foreign exchange resources available from time to time."

The proposed increase of 46 million lbs. in the capacity of rayon producing sector during the second Plan period will be achieved mostly by the establishment of new units, which together account for 33.6 million lbs. The proposed new units, the figures in brackets giving capacity in million lbs. are: Century Rayons, Bombay (9.6); M. J. Vaidya (8.0); Kesoram Cotton Mills, Calcutta (8.0); Sahu Jain, Calcutta (4.0); and J. K. Commercial Corporation, Kanpur (4.0). The balance of 13.4 million lbs. of the rise in capacity is to be achieved through the expansion of the existing units, namely, the National Rayon Corporation, Bombay, to 19.5 million lbs., Sirsilk, Hyderabad, to 8.0 million lbs. and Travancore Rayons to 7.2 million lbs. Excepting Sirsilk, all the aforesaid units—existing and proposed—are intended to produce the viscose type of rayon, while Sirsilk will manufacture acetate type of yarn. As regards staple fibre, the only programme for increased production is the expansion scheme of the Gwalior Rayon Manufacturing (Weaving) Company. With improved operation, its present capacity is reckoned at about 16.0 million lbs. which will be doubled in the next five years.

Raw Materials

The requirements of raw materials for the production of 60 million lbs. of viscose rayon, 8 million lbs. of acetate rayon and 32 million lbs. of staple fibre are: Rayon grade pulp 47,200 tons, cotton linters 3,200 tons, alcohol, 1.6 million gallons, caustic soda 42,000 tons, sulphur 34,000 tons. The entire requirements of pulp are at present met by imports. It is envisaged that one or two units for the manufacture of chemical pulp will be set up during the Plan period under the auspices of the National Industrial Development Corporation. This will, to some extent, reduce the dependence of the industry on imports. The programme for cotton seed crushing takes into account the requirements of cotton linters by the rayon industry. With regard to caustic soda which has to be of special grade, the entire requirements are expected to be met from indigenous sources. Alcohol will also be available from domestic sources. Sulphur, however, will have to be imported.

The bulk of the demand for rayon comes from the weaving industry. The industry consumes mostly yarn ranging from 75 to 200 deniers, the consumption of higher deniers being limited. The requirements of rubber tyre industry are for the higher deniers. The present production of rayon in India is confined within the range of 100 to 150 deniers. Since the existing capacity is far short of the requirements, there has been no special difficulty in the offtake of indigenous product, although its range is narrow. The requirements for finer as well as coarser varieties are met by imports. Within the overall capacity target fixed in the Plan, attention, it is said, has to be paid for diversifying production, in order to meet the demand for types not hitherto produced. The tyre industry needs special types of rayon which are entirely being imported. The demand for rayon from this industry is expected to rise from 3.5-4 million lbs. to 5 million lbs. by 1960-61. The possibility of developing suitable types of rayon acceptable to the tyre industry must be explored.

Weaving

The development programme for rayon textiles does not, however, envisage any further expansion in the weaving capacity for art silk. For the Planning Commission considers that the existing capacity is far in excess of the anticipated requirements of art silk cloth. "The industry," to quote it, "is now in a position to meet all the varieties of art silk cloth expected to be in demand during the second Plan period." The total capacity of the art silk weaving industry, including that of the handloom sector reckoned at 150,000 looms, is estimated at 465 million yards, on the basis of operation on a single shift and 300 days a year, the average capacity of a powerloom being about 20 yards of cloth per shift. As against this quantity, the estimated consumption requirements by 1960-61 amount to 360 million yards, made up of domestic consumption 350 million yards and exports 10 million yards. Incidentally, it may be noted that the actual number of powerlooms weaving art silk registered with the Textile Commissioner's Office on 1st January 1955 was 35,965. Licences have been issued for the installation of over 3,500 powerlooms, which will increase the total number of looms to about 40,000. In addition, there are several handlooms—estimated at 150,000—producing art silk fabrics, mainly mixed fabrics. On an average, four handlooms are considered as equivalent to one powerloom for purposes of assessing capacity.

The actual production of art silk fabrics has been much below the estimated capacity of 466 million yards. The average annual rate of production in the last three years was 245 million yards, inclusive of the output of handloom sector, reckoned on an average of 6 million yards. Allowing for the defaulting units which are not reported and taking into account the production from the handloom sector, the current level of art silk fabrics output is estimated at 275 million yards per annum, the quantity of yarn consumed being about 55 million lbs.

The Development Council for the Art Silk Industry has suggested a target of 350 million yards of art silk cloth to be achieved by 1960-61. The target amounts to an increase of about 20 per cent. in the present *per capita* consumption of art silk fabrics. Commenting on the demand for art silk cloth, the Planning Commission points out that such is generally confined to the middle class in urban areas, but it is conceivable that, in the absence of any restrictions, demand would show an upward trend of the magnitude envisaged by the Council. On the other hand, art silk fabrics can be regarded as luxury or semi-luxury articles and it is questionable, says the Planning Commission, whether full provision should necessarily be made for a vast expansion of their consumption.

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CONCERN AGAIN EXPRESSED OVER IMPORTS OF CLOTH

TRAINING SCHEME FOR MILL OFFICERS

From A Special Correspondent

MANCHESTER, 11*th September*

THE Lancashire textile industry will be reduced to "a mere fraction of its present mutilated size" unless action is taken to remedy the present situation regarding large duty-free imports of cotton cloth from India, the Executive Council of the Operative Spinners' Amalgamation has stated in its latest report.

MANCHESTER LETTER

Contrasting the duty-free imports into this country with the imposition of a duty of 25 to 30 per cent. on Lancashire exports to India, the report said: "The present situation which gives all the advantages to one party cannot, in common fairness, be allowed to continue indefinitely."

Since the attention of the President of the Board of Trade was first called to the position in August 1954, Lancashire mills had lost 38,200 workers. "There must surely be a stage when a halt must be called, but judged by the attitude of the Government the time for this has evidently not arrived," commented the report.

Referring to the suggestion made by the Prime Minister, Sir Anthony Eden, that joint discussions should take place between the textile industries of the two countries, the report said there appeared to be no reason to doubt that these would be held as soon as details had been agreed but first observations from India indicated that Lancashire's representations might have a very cool reception.

The latest available figures of cloth imports from India, covering the first seven months of this year, show arrivals of more than 85,000,000 yards.

"Cotton's New Look"

Arrangements have now been published for this year's conference of textile executives and trade union officials organised by the Cotton Board which is again to be held in Harrogate in mid-October. From a preliminary glance at the plans the accent is to be on the future, the authorities clearly recognising the fact that Lancashire needs to keep in constant touch with new developments in order to keep ahead of their rivals in the fiercely competitive field of textile manufacture and distribution.

This year's theme is to be "Cotton's New Look." Distinguished speakers will deal with up-to-date facilities for training and education as well as the application of science and trade promotion. In view of recent developments leading to greater consolidation within the trade the contribution by Mr. W. T. Shackleton on the structure of the industry should provide the basis for an important discussion. Also full of interest is likely to be the paper on the challenge to management under the conditions now prevailing to be given by Mr. Fred Wood, president of the Master Spinners' Federation.

Although opinions in Lancashire differ as to the gains arising from the series of conferences held from year to year by the Cotton Board, those who attend always testify to their efficient organisation. They provide a platform for intelligent debate on vital problems affecting the industry's future. The numbers visiting Harrogate this year may be smaller than in the past due to the contraction of the trade but the views expressed are likely to be just as lively as in previous gatherings of the same kind.

Productivity Plans

Tired of hiding its light under a bushel, the Productivity Centre of the Cotton Board is determined to make the industry aware of its efforts. A series of research experiments to provide a new form of operative training technique has been carried out and a new course for training mill officers is to open early next month. This concerns the spinning section of the industry, following the successful experiments carried out in weaving on the same lines.

Among the benefits of this training are that the time used in bringing the efforts of trainees to a pitch comparable with experienced workers has been reduced—in some cases as much as halved. Also curtailed in the amount of spoiled work, as waste is normally concentrated into the initial learning period of up to ten days. Many individual training methods accept as inevitable a certain amount of sub-standard work but in prevailing market conditions the importance of minimising this factor can be appreciated.

A well organised training scheme has the additional advantage of enabling higher earnings to be obtained by "green" labour in a relatively short-time, so stimulating recruitment. The Cotton Board is now engaged on experiments to see how far specialised operative training can help to improve the performance and equality of younger existing operatives. Their work has been found on occasions to be below average but the initial results of these attempts to improve their work by re-training are encouraging.

Spending on Clothes

Evidence confirming the frequently asserted view that textiles are losing ground in the battle to attract the British customer at home from other goods is contained in official statistics recently published. Last year, for example, it is estimated that expenditure on women's, girls' and infants' wear reached an all-time record of over £700,000,000 against £644,000,000 in the previous year and only £246,000,000 in 1938. But despite this large rise in the value of goods sold the proportion of expenditure on apparel spent by the individual consumer has not altered substantially compared with before the war.

Whereas in 1938 consumers were spending 13.44*d.* of each £1 of their income on clothing of this kind, last year the figure had fallen to 13.16*d.* Clothes rationing in 1946 had reduced the corresponding amount to 11.8*d.* but the post-war spending boom followed, bringing the proportion to 14.7*d.* per £ in 1949.

As indication of the scope still available for textile manufacturers and distributors the volume of clothing sold in 1955 was the highest yet recorded. The index figure reached 126, as compared with the basic level of 100 in 1948.

Another aspect of the situation which should influence the consumer is that clothing remains relatively cheaper than any other basic commodity. From the 100-point index number in 1948 prices rose to 120 in 1951 but had receded to 117 by last year. The promotional campaign shortly to be launched on behalf of the cotton trade might do well to bring home to the public the fact that apparel goods offer better value for money than almost all other products in this inflationary era.

Lowest Yarn Return

Cotton and rayon yarn production, curtailed by holiday stoppages in Lancashire mill towns, touched its lowest level this year in the third week of August.

Cotton Board figures showed production of 10,950,000 lb., a drop of more than 3,000,000 lb. on the previous week but only 310,000 lb. lower than a year ago. Operatives in Ashton, Royton, Rochdale, Shaw and Stockport were on holiday during the week.

The drift of labour from the mills caused a loss of a further 163 full-time spinning operatives, bringing the manpower fall since the beginning of the year to more than 3,500.

Synthetics

Guidance for the housewife, to assist her in selecting the most suitable of the new synthetic fabrics for her purpose, is the theme of a conference of 200 textile men meeting in Gothenburg, Sweden, on 1st October 1956. The discussion will centre on the better labelling of these fabrics. Twenty-two papers will be presented by experts from eleven countries, including Britain, the United States, Japan and several European nations.

"Although the shopper has now far more variety to choose from compared with the days of her mother and grandmother, life is much more complicated for her," said a spokesman of the International Rayon and Synthetic Fibre Committee, which is organising the conference. "This is due to the rapid advance of new fibres, new finishes and improved techniques in fabric structure."

The conference plans a scientific approach to the whole policy of marketing the new textiles to enable the public, the shopkeeper, laundries and dry-cleaners to make the best of the numerous developments provided by science and technology.—*All Rights Reserved.*

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INDIA'S INTERNATIONAL TRADE IN COTTON

EXPORTS TOUCH NEW PEAK

ALTHOUGH India's international trade in cotton forms only a small proportion of the total cotton produced and consumed in this country, it is, nevertheless, important in two respects. First, though attempts at producing long-staple cotton necessary for the manufacture of finer cloth are progressing satisfactorily, it cannot be said that India has as yet attained a stage in which it can do without imports of foreign cotton. Secondly, cotton exports are an important source of foreign exchange for this country. This aspect, especially in the context of the second Plan involving a large expenditure of foreign exchange, assumes a special significance.

Viewed against this background, it is highly encouraging to find that cotton exports from India during the 1955-56 season which ended on 31st August last recorded an all-time high since the Partition. Total exports during the period, according to statistics now available, aggregate about 600,000 bales, as compared with 330,000 bales in the previous season. This expansion in exports is mainly due to a liberal policy followed by the Government in issuing export licences after reviewing, from time to time, the statistical position of cotton. In this connection, it may be observed that, as early as in the middle of the season, Mr. T. T. Krishnamachari, the then Minister for Commerce and Industry, had predicted that India was well on the way to becoming a net exporter of raw cotton. The current season's export figures fully bear out the Minister's prediction. The following table gives the country-wise exports of cotton during the season under review, as compared with the 1954-55 season:

(In bales of 400 lbs.)

	1955-56	1954-55
Japan	223,484	143,541
Continent	81,927	76,390
U.K.	58,095	46,821
China	57,484	14,979
Hong Kong	30,094	25,239
U.S.A.	3,755	18,960
Others	2,514	2,762
	457,353	328,692
Zoda, yellow pickings, etc., for which destinational figures are not available	121,000	†
Total ..	578,353	328,692

† Included in the total above.

An analysis of the figures relating to country-wise offtake reveals some interesting facts. Out of the total offtake of 578,353 bales in the season under review, Japan accounted for 223,484 bales as compared with only 143,541 bales in the previous season. China will probably become one of India's leading customers for cotton. Its purchase of Indian cotton, which stood at 14,979 bales in the 1954-55 season, shot up to 57,484 bales. The U.K. bought 58,095 bales, as compared with 46,821 bales in the 1954-55 season. A significant point to note is that the only individual country to show a decline in the offtake was the United States.

In marked contrast to the improvement in exports, there has been a slight decline in imports. To a large extent, this reflects the trend towards increased consumption of Indian cotton on the part of the mills owing to its relative cheapness. Imports of cotton in the 1955-56 season aggregated 598,030 bales, as against 625,672 bales in the previous season. Though quantitatively the decline is not much, it shows a welcome trend, in that the dependence of mills in India on foreign growths is being reduced. Further, a reduction in imports, whether it is in respect of cotton or any other commodity, is greatly welcome as it reduces the strain on the country's payments position. The following table gives the main sources of India's imports of cotton in the 1955-56 season, along with those in the previous season:

(In bales of 400 lbs.)

	1955-56	1954-55
East African	223,037	287,442
Egyptian	219,273	152,397
Sudan	132,798	81,764
Pakistan	117	255
U.S.A.	14,783	102,267
Others	8,022	1,557
Total ..	598,030	625,672

As is evident from the table above, East African styles continued to dominate India's imports, even though the share of Egyptian cotton showed a remarkable improvement. Now that India has contracted to import 600,000 bales of American cotton over a period of three years, as part of the Indo-American aid agreement, the imports of cotton from the U.S. may show a substantial increase in the current season. It remains to be seen to what extent this will adversely affect the imports of East African or other varieties of cotton. Again, if the Suez Canal crisis is prolonged and gets worse, there is also the danger that it may affect India's imports of Egyptian cotton.

A factor which may have a considerable effect on the future course of India's foreign trade in cotton is the recent revision of the target for cotton in the second Plan. The Indian Central Cotton Committee, as we pointed out last week, has recommended that the target for cotton output should be raised to 6.5 million bales, as against the 5.5 million bales originally contemplated and 4.23 million bales fixed in the first Plan. If the new target were attained—and there is no reason why it should prove difficult of attainment—it would enable India to step up its exports of cotton. Further, if during the next few years, the quality of the crop in terms of staple length were also improved, it would enable the country to reduce its dependence on foreign cotton.

TRIANGULAR DEAL IN COTTON

It is common knowledge now that the mounting stocks of surplus cotton with the Commodity Credit Corporation has forced the United States Department of Agriculture to devise new methods of disposal which would, at the same time, cause minimum disturbance to world markets. One such method is the conclusion of triangular deals which would enable the United States to supply raw cotton to needy countries which, in turn, would exchange it against cotton textiles and/or yarn with some other countries. Such deals have already been concluded with India and Burma, Britain and Indonesia, Japan and Burma and Britain and Pakistan.

The latest triangular deal is the one between U.S., Britain and Pakistan and it is supplementary to the United Kingdom-Pakistan Agreement of 29th April 1955. Under the latter agreement, $5 million worth of cotton textiles were supplied by the U.K. to Pakistan in return for raw cotton to an equivalent value made available by the United States as part of its economic aid programme. Under the supplementary arrangement further quantities of cotton yarn and woven goods, up to a maximum value of $1.32 million, will be supplied by the United Kingdom to Pakistan with payment, as before, in United States raw cotton.

The agreement stipulates that both the textiles and the raw cotton must be shipped not later than 30th September. Business will be conducted broadly on lines similar to those under the original agreement, but the U.K. exporters participating in it will, under this agreement as with future deals, be required to give an undertaking to the British Government for arranging that the raw cotton to balance the value of their exports will be imported within the time allowed.

EGYPTIAN COTTON

Quite in keeping with the general trend noticed in many of the major producing countries, the area under cotton in Egypt is expected to register a decline in the current season. Thus, the first acreage estimate of the Egyptian Government places the area under the crop in 1956-57 at 1,652,877 feddans, as compared with 1,815,697 feddans in the previous season. A notable feature of this season's crop, it may be observed, is the substantial increase in the area under Menoufi at the expense of Karnak. Thus, whereas the area under the latter has declined from 786,328 feddans to 607,862 feddans, Menoufi has registered a three-fold increase from 53,177 feddans to 156,696 feddans. The area under Giza 30, Giza 47 and Giza 31 (Rendere) has increased from 326,698 feddans, 1,169 feddans and 3,749 feddans to 333,212 feddans, 1,302 feddans and 16,084 feddans, respectively, in the current season, whereas in respect of Ashmouni it has declined from 644,234 feddans to 536,966 feddans.

It is, however, significant that, though there is a substantial shrinkage in the area under cotton, the outturn of the crop is expected to exceed the 1955-56 production. The new crop is estimated around 1,200,000 bales (of 720 lbs.), as against only 994,000 bales in the previous season. Favourable weather conditions and satisfactory crop progress, noted hitherto, point to a substantial increase in the yield, per acre resulting in higher aggregate output. The quality-wise breakdown of the new crop estimate is indicated below:—

(In bales of 720 lbs.)	Bales
Karnak	375,000
Menoufi	135,000
Giza 30	200,000
Ashmouni	480,000
Dandara and others	15,000

Despite the anticipated increase in outturn, the supply position is not expected to show any marked improvement. This is because of the very low carry over estimated at 49,500 bales, as compared with 280,000 bales a year before.

AFGHAN COTTON

The possibility of further trade in cotton between Afghanistan and Germany is indicated by the increased transport facilities *via* Russia that has now become available. Germany used to buy from Afghanistan sizable quantities of cotton which in 1954 aggregated 2,400 tons. But the principal obstacle in the way of smooth trade between the two countries has been transport difficulties. German freight ships have to unload the cargoes either in a port at Baltic Sea or at a port in Black Sea from where they are transported by rail to Afghanistan and *vice versa* in the case of goods which are exported from Afghanistan. This involves not only much delay in transport but also higher freight charges. Export of cotton to Germany which stood at a record of 2,400 tons in 1954 declined to 900 tons in 1955. This may be attributed in part to difficulties of transport and partly to the high price which prevailed in Afghanistan during the period.

Now that transport through Russia has become possible, at least one principal obstacle has been removed and there is every possibility of a spurt in cotton trade between the two nations. The latest Afghan export statistics show that half of its cotton production, currently placed at 90,000 bales (of 500 lbs. each) is exported.

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CHEMBRA PEAK ESTATES LIMITED

PROCEEDINGS OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

MR. W. W. KILGOUR LOOKS FORWARD TO THE CURRENT SEASON WITH CONFIDENCE

THE Twenty-fourth Annual General Meeting of the shareholders of the Chembra Peak Estates Ltd. was held at the Registered Office of the Company in Kozhikode at 2 p.m. on Monday, 3rd September 1956.

Mr. W. W. Kilgour presided.

The notice convening the meeting was taken as read.

The representative of the Managing Agents and Secretaries having read the report of the auditors, the Chairman addressed the meeting as follows:—

"GENTLEMEN,

"The Directors' report and audited accounts for the year ended 31st March 1956 have been in your hands for the requisite time and, with your permission, I propose to take these as read, but I shall be glad to answer any queries later on.

"In a year when the Company has been fortunate enough to harvest such excellent crops under favourable weather conditions, the profit resulting from the year's working is less than half that of the previous year when crops of both tea and coffee were considerably lower. The reason, as you will already have seen from the Directors' report, is that the average price realised for our tea was As. 8.69 per lb. *less* than in 1954-55. The year has thus been remarkable for this exemplification of the steep fluctuations of fortune to which all plantation industries are prone—not the least, the tea industry which, I sometimes think, as one legislative burden after another comes to be heaped upon it, is too often regarded as a sponge with infinite capacity to absorb whatever fresh impost is squeezed into it.

"When I addressed you last year I reminded you of the crisis through which the Company passed in 1952-53 because of the slump in tea prices and adverse weather conditions resulting in a very poor tea crop indeed and it is undoubtedly low elevation teas which are the most sensitive of all to market sentiment.

Economies in Working

"Our cost of production last year was As. 3 per lb. lower than the previous year. You will have read what the tea visiting Agent had said about the response to the kindly treatment of the past 2 or 3 years and we cannot contemplate any reduction in the cost of our sound cultivation programme, as this will only depress crops and hasten disaster. We are, nevertheless, constantly on the watch to make economies in working wherever possible consistent with efficient working, but taxation and the provisions of amenities on an ever increasing scale to meet the requirements expected of us by Government rules are a heavy burden upon our resources. We are still unable to achieve our aim to accumulate cash investments as a portion of Company's reserve and the cash position for day to day working is not very easy.

"However, the steady development of the estate, which has taken place despite these difficulties, has continued and will be pressed on so that at least so far as cropping capacity is concerned the Company may be placed on a firm footing. The complete electrification of the factory now being finalised will result in far greater efficiency in working in that department and it is our steady policy to improve the living conditions of our staff and labour to the standard required of us.

Prospects

"Now to turn to the prospects for the current year, in the four months to end July, we have harvested a satisfactory crop of 532,544 lbs., which is 72,544 lbs. ahead of estimate to date. The prospects for the remaining monsoon months are good and the blister blight control measures now adopted as a routine measure over the whole estate ensure that there is no crop lost from this disease. The coffee crop prospects are excellent and there is every indication at present that the estimated crop of 200 tons will be harvested.

"I consider that we can look forward to 1956-57 with some confidence.

"In conclusion, I would like to record our thanks to all the employees of the Company for the hard work put in during the year and, in particular, our thanks to the General Manager, Mr. I. D. Edward, for his good work and for the encouraging results which are now resulting from his skilful handling of the estate, the staff and labour."

The Directors' report and accounts for the year ended 31st March 1956, were approved and adopted, and a dividend of 10 per cent. was declared.

The retiring Director, Mr. K. N. Narayana Iyer, was re-elected to the Board.

Messrs. Fraser and Ross were reappointed auditors.

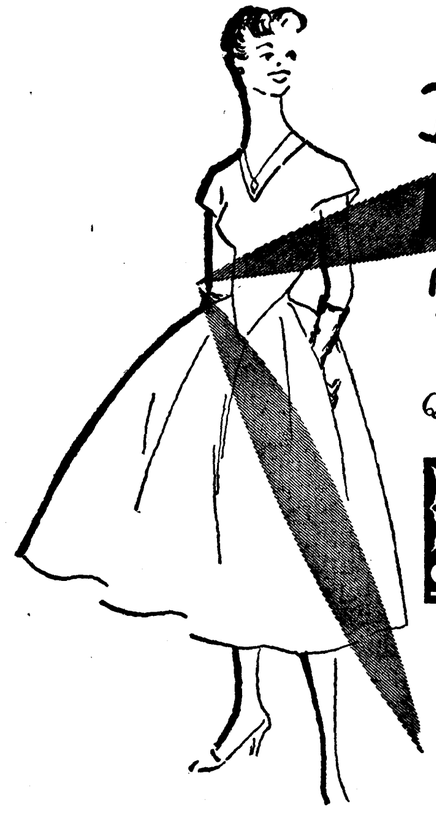
The meeting terminated with a vote of thanks to the Chair.

CEYLON'S TEA INDUSTRY

Ceylon's tea acreage fell by 10,000 acres in the year ended 31st March 1956, according to the annual report of the Ceylon Tea Controller. At that time, the area under cultivation was 565,500 acres. The decline followed the closing of a number of uneconomic estates.

Total tea production for the year was 360.9 million lbs. as compared with 377.5 million lbs. during 1954-55. Average yield per acre was 638 lbs. as compared with 656 lbs. in the previous year. The decline is attributed to severe frosts in the highlands and drought in lower regions.

Exports amounted to 365 million lbs. (including stocks carried over from the previous year), as compared with 350 million lbs. Shipments to the London tea market were 90.42 million lbs.



SUGAR INDUSTRY IN UTTAR PRADESH

FACT FINDING COMMITTEE'S SUGGESTIONS FOR IMPROVEMENT

SEVERAL recommendations of far-reaching importance to the sugar economy of Uttar Pradesh have been made by the Fact Finding Committee for Industrial Expansion in the U.P. in its report submitted to the State Government recently. The Committee, it will be recalled, was appointed some time in February last to consider the ways and means of helping the development of industries in the State. It was headed by that the well-known industrial magnate, Mr. B. M. Birla, and consisted, among others, of Mr. Padampat Singhania, Mr. Mangturam Jaipuria, Mr. K. K. Birla and Lala Ram Ratan Gupta. The Committee was asked by the U.P. Government to bear in mind, in particular, the need for reducing the pressure of population on land, ensuring steady industrialisation of the State, and liquidating unemployment and poverty.

The Press version of the U.P. Fact Finding Committee's report reveals that special attention has been paid to the problems of sugar industry. This is only as it should be, considering the vital role which this industry plays in the economic set-up of Uttar Pradesh. There are in this State 73 sugar mills, providing direct employment to as many as 90,000 persons, not to speak of the indirect employment of a large number of people engaged in the sugar trade, subsidiary industries, transport, and in industries supplying stores and other materials. The aggregate revenue derived by the State Government in the form of cane cess alone is of the order of Rs. 3.50 crores (revised estimate for 1955-56). The industry produces every year sugar worth more than Rs. 72 crores. The total amount paid for cane by the factories to cultivators comes to about Rs. 36 crores and that paid as salary wages, etc., to workers to approximately Rs. 8 crores.

No Justification

Viewed thus, the Birla Committee has, indeed, done well to recognise the sugar industry as a leading industry in Uttar Pradesh and to stress the necessity for energetic measures for stabilising the conditions obtaining in it. But the Committee is not right in urging for an expansion in the capacity of the sugar industry by another 500,000 tons. As it is, the industry is heavily concentrated in Uttar Pradesh, although the sub-tropical climate of the State is not so suitable for cane development as the tropical climate of South India. Even now, this State accounts for more than 51 per cent. of India's total rated capacity of 1,743,000 tons, the actual capacity being estimated at 893,000 tons. The State has already been allowed to expand its capacity by 175,000 tons through the setting up of two new mills and the expansion of 22 existing units.

The state of sugarcane cultivation in the U.P. is very backward and does not justify any addition to the capacity of sugar industry. Not only is the yield of cane per acre very low but the sucrose-content of cane is also considerably less than that in several areas in the Deccan and South India. On an average, one acre of land devoted to cane cultivation in the U.P. gives an yield of only 12 tons, as against the all-India average of 14 tons and of 28 tons in Bombay, 27 tons in Andhra, 26 tons in Madras and 22 tons in Hyderabad. Likewise, the recovery per cent. of sugar in cane is low, the average being 9.89, which is below the all-India average figure of 9.95 and compares even more unfavourably with 11.68 for Bombay and 10.21 for Hyderabad. In fact, the sugarcane economy is so backward that there are several factories in the U.P., especially in the eastern region, which have not been able to crush for a reasonable period, thanks to the lack of regular and adequate supplies of cane at an economic price. If, therefore, the capacity of the sugar industry in the State were to be augmented further, there would be a more intensified competition for securing cane supplies, and this in turn lead to a further rise in prices.

The Birla Committee has, however, done well to urge for a gradual reduction in the cess on sugarcane crushed by mills, so that only a small charge is retained for purposes of cane development work. This recommendation, though it is addressed to the U.P. Government, applies with equal force to other States as well. Nowhere in the world is cane subjected to such a heavy cess —as much as 15 per cent.—as in India. The imposition of cess on cane tantamounts to taxing a raw material which, as the former Tariff Board (1950) rightly pointed out, is wrong in principle and is particularly objectionable when levied on the raw material of an industry like sugar with which the consumers all over the country are concerned. Since, however, the cess has become a part of the structure of State taxation, all that one can expect is a downward revision in the rate, consistent with the requirements of cane development programme. Incidentally, the Committee has suggested the realisation of cane cess at the time of lifting sugar from the factory premises and not when cane enters the factory gates as at present. The implementation of this suggestion will help the sugar mills considerably, as the mills in the U.P. have to carry forward a major portion of the total sugar stocks in the country.

Two Other Proposals

The Birla Committee has put forward two more notable proposals. First, freight charges on sugarcane must be lowered to an equitable level. This is considered necessary, for the sugar mills in Uttar Pradesh purchase cane mainly from small growers; factory-owned farm cane constitutes only a minor part of the total cane crushed by the factories. Secondly, the rural areas where the sugar mills are situated should be provided with metalled roads. The implementation of this proposal will help not only the mills but also the agriculturists who will be able to transport their cane crop to the mills more easily and quickly.

The U.P. Fact Finding Committee has paid special attention to the uneconomic working of some sugar factories, particularly in the eastern region. According to the Committee, ten or twelve of these factories require to be shifted to better sites in the western region. For this purpose, facilities in the form of exemption of cane cess for two years and a short-term loan of Rs. 10 lakhs, with a maximum of Rs. 20 lakhs in deserving cases, should be provided. In future, no factory must be allowed within a radius of 50 miles of any existing unit, so that cane supplies are assured to all of them. With regard to the idle factories in the U.P., it is stated that the measures suggested for shifting the uneconomic units should be able to solve the problem to some extent. It has, therefore, been recommended that, in case idle factories desire to shift to better sites, assistance as is made available to the uneconomic factories should be given to them.

COIMBATORE CANES IN CULTIVATION

In the present context of a new era in the expansion of sugar industry, cane development assumes special importance. But cane development work is somewhat handicapped by the highly decentralised and scattered nature of cultivation. There are thousands and thousands of farmers cultivating cane in tiny bits of land scattered throughout the country. If, therefore, cane development work is to be intensified, it is imperative that research workers and agriculturists are supplied with descriptive information relating to the varieties of cane, so that they may be correctly identified in the field and the seed material kept pure. This need is amply met by the second revised and enlarged edition of the publication *Coimbatore Canes in Cultivation*, brought out by the Indian Central Sugar Committee, 20, Rohtak, New Delhi. (Authors: Mr. N. L. Dutt and Dr. J. Thuljaram Rao. Price Rs. 25 net.)

The publication includes descriptions, agricultural characteristics and illustrations of the improved Coimbatore canes in cultivation in India, besides a few important varieties bred at other stations. These descriptions, etc., will enable the cultivator to choose the right type of cane which will best respond to the local conditions of soil and climate. A brief account of the stem epidermal pattern of varieties, including a separate key covering the epidermal pattern, is also given. A revised map sharing the area under cane varieties during the year 1952-53 is attached. In view of the useful nature of the publication, it would, as the Union Food and Agriculture Minister has aptly said in his foreword to the publication, be worthwhile translating this book in the various regional languages, so that the information contained therein may reach the cultivator in the language which he knows.

The U.P. Government has appointed a committee to determine the bonus payable by the vacuum pan sugar factories in the State for the season 1955-56. The committee has been asked to submit its recommendations within two months. Besides determining bonus, the committee will also enquire into payment of retaining allowance to their workmen by the factories, for the off-season 1956. It will also explore the possibility of an agreement with regard to bonus for the season 1954-55, retaining allowance for the off-season 1955 and for arrears of previous years, if any, and grant of leave to their workmen by factories, indicating the types and scales of leave to be given to the workers and the terms and conditions on which it should be given.

NEIVELI LIGNITE PROJECT

PRELIMINARY INVESTIGATIONS SUCCESSFUL

ONE of the main reasons for South India lagging behind the other parts of the country in regard to industrial development is acute fuel shortage. The discovery of lignite deposits at Neiveli in South Arcot has, however, held out hopes of removing this obstacle and of opening up new vistas of opportunities for economic development of the Southern region. For the Neiveli lignite project is a multi-purpose one; besides providing adequate lignite for development of electric power, it promises to yield industrial and domestic fuel, and also serve as a source of numerous by-products which can be developed as industries of their own. It will also release a large amount of underground water that can be used for purposes of irrigation.

In view of the immense possibilities the lignite project holds out, a high priority has been accorded to it in the second Five-year Plan. A notable feature of this project is that nowhere in the world does lignite occur over strata containing water under as high a pressure as in Neiveli. It is, therefore, necessary to control the water pressure, lest the water should heave the lignite up, break through and flood the mine. The Government of India, accordingly, wanted to conduct preliminary investigations regarding the feasibility of controlling the water pressure and making the project a commercial proposition. The preliminary investigations, according to an announcement by the Ministry of Production last week, have been successfully concluded and these have shown that it is possible economically to reduce the water level below the lignite bed sufficiently by pumping it out to permit the safe mining of lignite. Having thus satisfied itself that it is possible to make the project a successful commercial proposition, the Government of India has now formally decided to implement the multi-purpose project.

Orders for Machinery

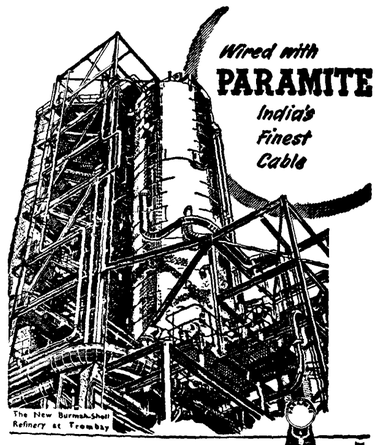
The Government will begin implementation of the mining part of the project immediately. Plans for the mining of lignite have been finalised in consultation with the technical consultants for the project, Messrs. Powell Duffryn Technical Services Ltd., a British firm, whose services were originally obtained under the Colombo Plan for the preparation of a preliminary project report. The firm was later on appointed technical consultants. Orders worth Rs. 1.5 crores have been placed with firms in the U.S. and the U.K. for equipment, including dumpers, shovels and trucks. Further orders worth Rs. 2 crores will be placed with a West German firm for the supply of specialised mining equipment, including excavators and spreaders.

The mining of lignite on a commercial scale will begin early in 1960 and the generation of power will also start at about the same time. For this purpose, work has been started on the designing of a power plant to be based on the Neiveli lignite. The power generated will be supplied to the Madras electric grid. The production of fertilisers is expected to start six months after the mining of lignite and generation of power and the production of lignite briquettes will start thereafter.

Total Deposits

The project, it may be recalled, envisages the extraction of 3.5 million tons of lignite per annum, which will be used for (1) generation of power in a station of 211,000 kw. capacity, (2) production of about 380,000 tons of carbonised briquettes per annum (which will be utilised as industrial and domestic fuel) and production of 70,000 tons of fertilisers per annum in the form of urea and/or sulphate nitrate of a fixed nitrogen. The Technical Consultants have estimated the lignite deposits in the Neiveli area to last for 57 years at an annual rate of production of 3.5 million tons.

The project, when completed, is estimated to cost Rs. 68.85 crores, as against which a provision of Rs. 52 crores has already been made in the second Plan. The additional resources may be provided in the light of the actual requirements and the progress achieved in the implementation of the projects. The cost of mining lignite is estimated at Rs. 5 to Rs. 5-8 per ton, besides a pumping cost of Re. 1-9 per ton. It is felt that the cost of production can be lowered by about a rupee per ton if the quantum of production is stepped up.



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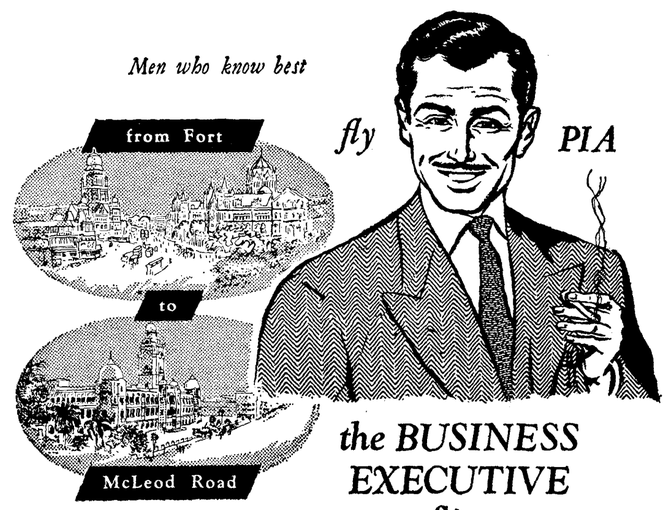

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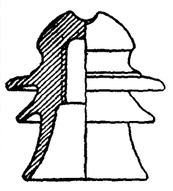

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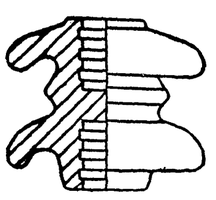

NORTH INDIAN TEA CROP RISES SHARPLY

SUGGESTIONS TO RESTRICT PRODUCTION

TEA circles in Calcutta seem to be somewhat perturbed by the announcement of a larger North Indian tea crop for the month of August, although it has not so far had any serious effect on tea prices. The output of tea in North India during August amounted to 99.7 million lbs., which is 12.25 million lbs. more than that in the corresponding month of last year. This brings the crop for the current season so far (April to August) to 305.3 million lbs., an increase of 22.75 million lbs. over that at the end of August 1955. It is also 29.75 million lbs. more than the average for the last three seasons. The South Indian tea crop for August is estimated at 8.91 million lbs., as compared with the actual output of 11.30 million lbs. in the corresponding month of 1955, bringing the total (estimated) crop for the period January-August 1956 to 81.58 million lbs., a decline of 5.49 million lbs. from that (actual) for the corresponding period of last year.

At the end of July last the total production of the five major tea producing countries was only 6.3 million lbs. more (at 573.3 million lbs.) than that (567 million lbs.) a year before. The North Indian crop for August has now raised the excess to 18.5 million lbs. If, however, the South Indian estimate for August turns out to be correct, then the excess would be 13 million lbs. How far the output figures of the other producing countries would affect either way this excess is difficult to say at present. For, assuming that the present trend of production of all the countries continues for the rest of the season, a sizable surplus production can be anticipated, unless weather conditions deteriorate and come to the rescue of tea producers.

In the meantime, the anxiety of producers over the increasing output is understandable, particularly in the context of the irregular price trend during the current season so far. No doubt, better quality teas are in good demand and are sold well, but common and poor quality teas, which account for the bulk of the output, have not been fetching remunerative prices. It is stated that as the sales so far of the North Indian tea aggregate only 20 per cent. of the year's total crop, the remaining crop is likely to have a depressing effect on prices in the coming months.

Another factor which has darkened the gloom further is the recent restriction on the shipment of North Indian tea for auction at London to 160 million lbs. because this will mean a heavy strain on the already limited warehousing capacity in Calcutta, particularly when the crop happens to be bigger than expected. The third factor which has increased the industry's anxiety is the latest situation in respect of the Suez Canal crisis. If, for any reason, the traffic through the Suez Canal is adversely affected, it is feared that the prices in India will drop substantially on account of accumulation of stocks, even though there may be a corresponding spurt in London due to scarcity. How far this prospect will induce an increased demand in the next few weeks for stockpiling purposes remains to be seen.

Restriction on Crop

It is rumoured that, in the circumstances, referred to above, certain quarters in Calcutta favour restrictions on the size of the crop. One of the suggestions for this purpose is that plucking should be stopped at the end of November. Another suggestion is that the producers should come to an agreement under which each garden would destroy 2 per cent. of the remaining North Indian crop on the gardens. The suggestion to destroy the tea that is already grown or produced is, to say the least, a misguided and reprehensible one. It is in no way different from the policy of destruction of surplus coffee and wheat followed by certain American countries in the Great Depression of the 'thirties, a policy which was roundly condemned by many countries in the world. It is to be hoped that no responsible section of tea industry would countenance such a retrograde solution, which, if adopted, would bring down India in the estimation of the rest of the world and injure the goodwill of the Indian people to plantation industry. In fact it would inflict a slur on the private sector as a whole.

It is true that the sale of residual teas will have a depressing effect on the general level of prices and consumers will not have a good brew of tea. But the object can be effectively served by careful plucking. A poor country like India cannot afford to destroy the crop already grown and produced. The reaction of the tea producers to this suggestion is not yet known, but we are convinced that at least section of them, though they belong to the South, is one with us in opposing the artificial process of restricting the crop.

Speaking at the recent annual meeting of the U.P.A.S.I., Mr. M. M. Varghese, Chairman of the Planting Committee, referred to the subject of voluntary crop regulation and explained the stand of South Indian tea producers against it. He said:

"The somewhat rapid and alarming decline in tea prices since the beginning of 1955 set the industry thinking as to what should be done to arrest the recession. There was evidence to show that the recession was in part due to an excess of world supplies over world demand which had occurred through the year. Once again, the industry's thoughts went back to the measures which were adopted to cope with similar situations in the past, and particularly to a scheme to restrict crop production. North Indian associations were especially keen to adopt some form of crop regulation as that was, in their view, the most practical and effective method of dealing with the problem. This could not be taken up, however, because it was known that Government would not accept any proposals for quantitative restrictions, unless they were related to positive measures for the improvement in quality. The remedy of crop regulation has been tried in South India during the slump of the thirties, but under present circumstances, it can hardly be regarded as suitable or desirable. Today, voluntary regulation can bring no cure, unless it is tried on an international level. There is at present no international agreement, nor even a gentlemen's agreement by which the producing countries could co-operate in a scheme of this sort. That being so, there is no point in India trying to adopt a voluntary crop regulation scheme unilaterally, and yielding ground to other countries which do not believe in such a scheme.

"The stand taken by South India was that voluntary regulation was really not necessary. We believed that quantitative restriction should be caused not by an artificial process of cutting down the crop on a percentage basis, but rather by a natural process of reducing the production of inferior quality teas which could not be sold for a profit. It is with this view that we have decided upon finer plucking, as a means to sustain the quality of our teas."

It can be inferred from the speech of Mr. Varghese, that the South Indian producers will not subscribe to the proposal of destroying the crop when they are clearly opposed even to any form of artificial crop regulation. It may be said that the South Indian producers are not faced with a larger output of tea as the North Indian producers, but it may be pointed out that the excess production in the North will have its repercussions on South Indian tea prices as well and, as such, they will also be equally affected by a larger tea crop.



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OUTPUT OF JUTE GOODS IN AUGUST

LOWEST SINCE JANUARY LAST

MONDAY this week (17th September) witnessed the implementation of the Indian Jute Mills Association's earlier decision to re-seal an additional 5 per cent. of the looms of its member-mills, just two months after the re-sealing of 2½ per cent. of the looms with effect from 16th July last. This has brought the total number of idle looms to 12½ per cent. of the total. Thus, the I.J.M.A. has not modified its decision, despite the notable improvement in the trading conditions during the past few weeks. Evidently, it wants to consolidate the position of its member-mills in the light of these conditions. Also, the revival of overseas buyers' interest in Indian jute goods, despite the higher prices quoted for them as compared with those of Pakistan goods, seems to have convinced the mills that the availability of supplies in Pakistan must have considerably diminished and that it is no use adding to world stocks of jute goods by India again expanding its production. To do so at the present juncture would only mean placing the producers of goods at the mercy of buyers. It is stated that, for some days past, the overseas buyers, who had formerly been reluctant to buy Indian goods on account of their higher prices, have been particularly active in Indian markets and that Indian mills have booked fairly heavy orders for forward shipment at higher levels. The sudden burst of activity by foreign buyers is also accounted for by unconfirmed rumours that the Pakistan Government has instructed the country's mills that the bulk of their sacking production is required for internal consumption and permission for exports will be given only after the internal needs are satisfied.

The past month, namely, August 1956, was the first full month with 2½ per cent. of the looms sealed. The effect of this is, as is naturally to be expected, a drop in production. Thus, the total production in August 1956 amounted to 89,600 tons, as compared with 94,100 tons in the previous month and 98,900 tons in June 1956. This is the third month in succession when the output has shrunk, having fallen from 101,700 tons in May 1956. It may be noted here that the fall in output during August, at 4,500 tons, as less than that in the previous month, whereas it should be more, because the idle capacity of the mills during August was greater than in July. This is presumably due to the fact that number of hours worked during the month was somewhat higher at 203.5, as compared with 200.5 in July.

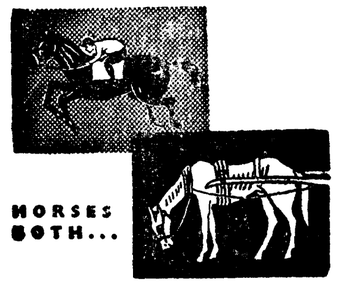
The production in August is the lowest since January this year, when it amounted to 89,600 tons, but is still 8,200 tons more than that in the corresponding month of 1955, as will be seen from the following comparative table:

(In tons)

	August, 1956	July, 1956	June, 1956	August, 1955
Hessian	35,400	34,300	35,000	33,200
Sackings	48,200	52,900	57,300	43,700
Others	6,000	6,900	6,600	4,500
Total	89,600	94,100	98,900	81,400

The decline in production is mainly accounted for by sackings, the output of which in August represents the lowest since October 1955. It is, however, higher than that in the corresponding month of 1955 by 4,500 tons. It may be recalled that the fall in stocks of sackings at the end of August was only of the order of 5,000 tons, which shows that the decline in stocks in this variety was mostly due to lower production. In the case of hessians, however, it is significant to note that the production for the month under review was actually higher by 1,100 tons over the previous month, notwithstanding the fact that 2½ per cent. of the total looms remained idle during the whole month, while they were so for only half the month in July. The decline in sackings and the rise in hessians as noted above suggest that the jute mills must have devoted more looms to hessians at the expense of sackings in which the stocks have been heavy.

Now that the I.J.M.A. has implemented its decision to re-seal 5 per cent. more of the looms from Monday last, the production for the current month should show a more substantial fall than has been the case last month. If, at the same time, the present improved offtake also continues, there is no reason to doubt that the stocks of jute goods with the mills would dwindle rapidly. In some quarters, it is expected that, by the end of November, the stocks will be equal to about only three weeks' production, a level considered as the normal.



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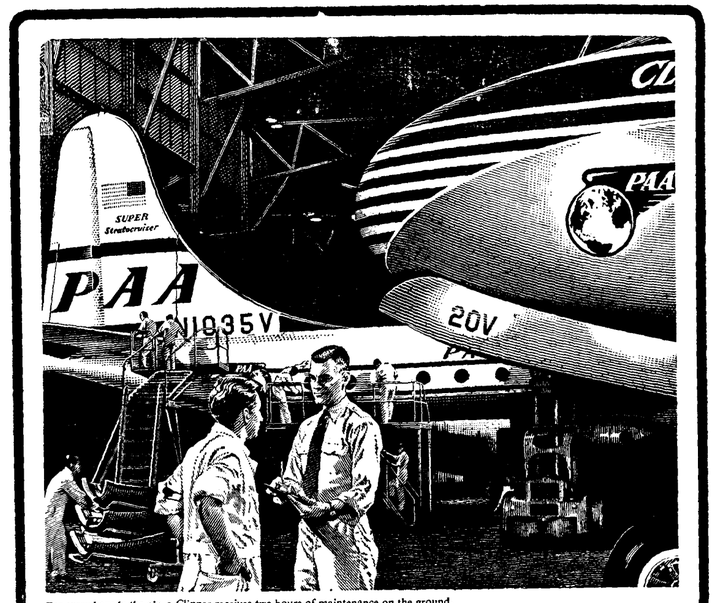

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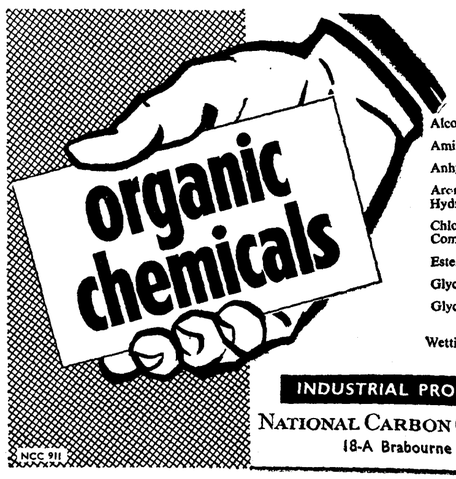

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PROGRESS OF SHIPBUILDING

MOVE TO ESTABLISH A SECOND YARD

MUCH commendable progress has been made by India in the sphere of construction of ships, thanks to the far-sightedness of the private sector which first visualised the need as well as the importance of building ships in India and established the first shipbuilding yard, at Visakhapatnam. Although it has been taken over by the Government, it now remains the only large shipbuilding yard in the country. More recently, however, both the Government and Parliamentary opinion have been reported to be keen on establishing at an early date a second shipbuilding yard—that is, in addition to the one at Visakhapatnam. If this move materialises, India will have added significantly to its shipbuilding capacity.

The Hindusthan Shipyard, Visakhapatnam, is the only shipbuilding unit in the country which went into the public sector with effect from March, 1952, when the Government of India acquired a major controlling interest in it and formed a new company, entitled the Hindusthan Shipyard Ltd. At the beginning of the first Plan, the Shipyard had only two building berths, equipped to construct ships of 5,500-15,000 tons deadweight capacity. This capacity was far below an economic size. The first Plan envisaged the building of ships of the total tonnage of 150 000 dw.t. (equivalent to 100,000 G.R.T.) and the expansion of the capacity of the shipyard to 50,000 dw.t. The original programme was, however, modified on the advice of the French shipbuilding firm, A.C.L. The modified Rs. 1.96-crore programme aimed at increasing the capacity from 2½ ships of 8,000 dw.t. each year to 6 ships of the same capacity. This programme is being implemented. By April, 1956, the Shipyard had completed and delivered nine vessels with a total tonnage of 70,000 dw.t.

The production programme of the Shipyard in the second Plan has necessarily to be related to the offtake of ships in the next five years. The target for total shipping tonnage at the end of the Plan is set at 901,707 tons—coastal and adjacent trade 412,200 tons, overseas 405,507 tons, tramps 60,000 tons, tankers 23,000 tons and salvage tug 1,000 tons. Now, it is estimated that, during the second Plan, the expenditure on the Shipyard will amount to Rs. 9.02 crores, inclusive of a construction subsidy of Rs. 5 crores on ships built at the Shipyard and Rs. one crore for further expansion of the shipyard to build 8 to 12 ships per year.

Two Phases

It is, however, provided that actual expansion will be undertaken in two phases. The completion of the first phase will enable the shipyard to deliver per year six ships of the old type or 4 of the modern type; in terms of tonnage, it will amount to 75,000-90,000 G.R.T. for the five years of the second Plan. The second phase will raise the production target to 8 to 12 ships per year. The actual implementation of this programme to raise the capacity to 8 to 12 ships per year, it is stated, will be taken up after undertaking a review of the position in 1957.

The Government examined the question of further augmenting the capacity for building ships. Such expansion, it was felt, could be secured (*a*) through further increasing the capacity of the shipyard, and (*b*) through the establishment of a second shipyard. Referring to this aspect of the problem, the Planning Commission, in its report, *Programmes of Industrial Development*, stated:

"The establishment of a second shipyard would be justified if the offtake of ships is likely to be sufficiently high. It is envisaged that conditions of offtake will be favourable under the third Plan for the following reasons:

(*a*) The provision for expansion of shipping in the public sector as well as the private sector will have to be substantially higher in the third Plan, and

(*b*) The cost of ships can be expected to come down with supplies of steel at reasonably low prices arising from the increased availability of domestic steel as well as the availability of plates for the required specification.

"In view of the desirability of establishing a second shipyard under the third Plan, it is necessary to initiate sufficiently in advance the steps for the training of personnel and for the preparatory work including selection of an appropriate site for the yard. A token provision of Rs. 75 lakhs has been made in the second Plan for this purpose in addition to Rs. 902.8 lakhs referred to earlier."

Obviously, it is now felt by the authorities that the establishment of the second shipyard cannot be delayed until the period of the third Plan. The Government has presumably been influenced in its decision to add a second string to its shipbuilding bow by the continuing difficulties in the matter of obtaining ships in overseas countries and the urgency of the need to augment India's shipping tonnage. As one spokesman of shipowners, Mr. Vasant J. Sheth, put it, at the recent annual meeting of the Indian National Shipowners' Association, the "shipbuilding berths practically all the world over have been booked for our second Five-year Plan period and we cannot purchase second-hand ships at very prohibitive prices."

Mr. Reddy's Statement

It would appear that the Union Minister for Production, Mr. K. C. Reddy told a joint meeting of the standing committees of the Congress Parliamentary Party, held on 30th August, at New Delhi that the second yard, which is estimated to cost Rs. 2 crores, will be established in the next two or three years. Among the three claimant-centres for location of the shipyard, namely, Karwar, Cochin and Calcutta, the first is regarded as the most eligible one by virtue of its being the best natural port on the West Coast. During the period of the second Plan, according to Mr. Reddy's revelation, in the course of a Press Conference, held at New Delhi last week, all preparatory work necessary for the establishment of a second shipyard will be carried out. A nucleus of about 500 to 600 technicians, he said, will be trained at the Visakhapatnam yard. At the same time, the Government will select technical consultants for the second yard. Leading shipbuilding firms are already being approached for this purpose. He further stated that negotiations to select a firm of technical consultants for the manufacture of marine diesel engines had also been started.

It is believed that Mr. Reddy informed the meeting of the Congress Parliamentary Party, referred to above, that the Government was also contemplating the establishment of yet another yard at Cochin for building small ships of 3,000 to 4,000 tons. In this connection, it is noteworthy that a press report from Trivandrum averred that a Rs. 2½-crore scheme for starting a shipbuilding yard, at Cochin for manufacture of vessels of the capacity of 3,000 to 4,000 tons has been put forward from the private sector to the Travancore-Cochin Government. If this report is correct, it is not clear whether the Government has examined the scheme put forward by the private sector. Although shipbuilding is included in the State-sector under the Government's industrial policy, there is no reason why the private sector should not be allowed to make smaller ships and be given the same subsidy and other facilities made available to the Government-sponsored shipyards. Further, the Government will do well to examine what steps it could take to encourage the construction of small coastal vessels of the kind envisaged by the author of a series of articles on "Ambar Jahaj" which have appeared in this journal in its past few issues.

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TRANSPORT OF OIL

ALTERNATIVES TO SUEZ

THE importance of the Suez Canal as the largest man-made international waterway carrying a variety of merchandise from raw materials to finished goods from and to Europe, Asia and the Far East cannot be over-emphasised. While the character of the goods passing through the Canal covers a diversity of items, by far the largest proportion of cargoes shipped through this waterway consists of oil and oil products. Some idea of the magnitude of the flow of this important commodity can be obtained when it is realised that, in 1955, the share of oil alone was 65 per cent. of the total volume of traffic through the Canal.

In the context of the present critical world situation occasioned by the recent Suez Canal crisis, the problem of finding alternative routes for the transport of oil from the Middle East has become the subject of much discussion and speculation in the West. Even if there were no dispute over the Suez Canal, it would still be better to think of developing alternative routes, because the world trade is expanding so fast that the quantum of traffic would be beyond the capacity of the Canal. It would be so even after making allowance for the Canal's expansion. To take the oil alone, for example. It is estimated that Europe may need 200 million tons of Middle East oil a year by the late nineteen sixties and the U.S., about 70 million tons, that is, two and a half times as much as in 1955. Even if the most ambitious plans for enlarging the Suez were carried out, it might be capable of handling only about 130 million tons of oil in 10 or 12 years' time.

There are now three methods by which this difficulty can be surmounted. The first is the replacement of the present tankers of 20,000 tons or slightly over that by "super-tankers" of thrice or four times the present capacity and to operate these super-tankers via the Cape of Good Hope. When present tanker orders are completed, 30 per cent. of the world's total tanker tonnage will consist of super-tankers of over 30,000 tons. The largest tanker in service today is one of 85,000 tons. One of 100,000 tons is on the stocks, and several more tankers of 60,000 tons or over, have been ordered. For the movement of oil over long distances, sea transport, by far, appears to be cheaper than transport by pipeline. Even though the cost of transporting oil by tanker is constantly changing, it has been found from experience that the higher the tonnage, the lesser the cost of transportation. But this solution is also not without its difficulties. Thus, there are not many shipyards in the world which can build tankers of more than 70,000 tons. The next difficulty is that of unloading and berthing of super-tankers. Even so, the building and operating economies of a super-tanker, it is stated, are very attractive and is a much cheaper way of carrying oil round the Cape of Good Hope over long distances to West America and the ports of northern Europe. In fact, the economies in operating very large tankers are so attractive that it is already cheaper per ton of oil to send a big tanker round the Cape to the U.S. fully loaded than to send a medium-sized tanker through the Canal.

The second alternative for carrying this vital commodity lies in adding to or increasing the existing pipeline capacity. The present capacity of the pipelines from Iraq and Saudi Arabia to the Mediterranean is about 40 million tons. The capacity of the Trans-Arabian pipeline is now being raised to 20 million tons and could be increased to 25 million tons. The Iraq Petroleum Company has plans to add 9 million tons to its pipeline to Tripoli by partly looping the line and has also considered the possibility of gaining another 7½ million tons by diverting its Haifa pipeline to Sidon. If all these schemes were completed, it would raise the total throughput of the Mediterranean pipeline terminals to about 66 million tons. It must, however, be noted that even on the most favourable interpretation of the potentialities of existing schemes, the Canal and the present pipeline system together would not handle as much as 200 million tons as compared with a projected demand of 270 million tons.

Another scheme, which has been suggested, is the construction of a pipeline from the Persian Gulf to the Mediterranean. Such a pipeline, it is stated, might go some way towards meeting the oil requirements which might develop by 1960. This pipeline would link the oilfields of Kuwait, Southern Iraq, and possibly Persia with the Turkish port of Iskenderun. The

(*Continued on page 595*)

NEW PRODUCTS AND PROCESSES

Fruit Juice Powder

A PROCESS for the production of fruit juice powders from mangoes, oranges and papayas has been developed at the Central Food Technological Research Institute, Mysore. The process consists in concentrating the pretreated juice, mixing with powdered sugar, fortifying where necessary with vitamins, mineral salts, colours, flavours, fruit acids, etc. and subjecting the pasty mass to obtain shreds, flakes or pellets. Drying could be done in an ordinary cabinet drier or in vacuum driers. The dried material is powdered and suitably packed. The method has been found to be equally useful for orange juice and fruit pulps like those of mango, papayas, jack fruit and guava. The process has been successfully worked out on a semi-pilot plant scale. Further details about the process are available from the National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi-1.

New Electronic Banking System

A new electronic banking system which is to be introduced at the Union Dimes Savings Bank, New York, will, it is claimed, not only greatly increase the efficiency of book-keeping and reduce the amount of labour required for this and other banking operations, but will also occupy far less space than that currently occupied by the conventional semi-automatic equipment now in use. The new equipment, which will be completely automatic, will carry the register of accounts and other data necessary for the complete automation of the book-keeping and accounting system in a series of magnetic "memories." The entire system, which has been installed by the U.S. Tele-register Corporation [which is also responsible for the operation of the automatic electronic seat reservation system used at La Guardia airport, New York], will occupy a space of only 700 square feet of floor space as against the 3,000 square feet of floor space occupied by the present equipment.

Lighting Device

Electronic devices which will react to the level of daylight and will switch on the lights when darkness falls have been developed for use in blocks of flats and private houses. Mounted on an outside wall they will switch on the lights as soon as it is dark enough to cause eyestrain. As soon as it becomes lighter they switch the lights off. The switches are to be shown by The General Electric Company (Magnet House, Kingsway, London, W.C.2) at the Fuel Efficiency Exhibition which opens at Olympia, London, on 2nd October. Incorporated in the new switch is an antimony photocell and variations in the amount of light falling on it cause it to emit a signal. This signal is amplified by a triode valve to operate a relay which switches the lighting on or off. The sensitivity of the photocell can be varied so that the relays will operate at any required degree of daylight.

Prefabricated Concrete

The growing use of pre-fabricated concrete structural elements in building has led to the development of a number of processes for speeding up the production cycle of these units. One method, developed in a variety of different forms in different countries, depends on the use of steam curing techniques which are specially adapted so as to fit production schedules. Thus in Poland a system has been evolved in which the steam curing cycle is split into three separate operations, each of which is carried out at a different station. At the same time the timing of the individual operations is arranged so that they do not last more than eight hours. The process, which involves the addition of 2 per cent. by weight of calcium chloride to the concrete mixture and which is suitable for use with Portland cements of brand numbers 250 and 350, is said to lead to a considerable quickening of the curing operation and a comparable increase in output. The elimination of the low pressure chamber stage of the curing process (which normally lasts 12 hours) is, it is claimed, only one of the several useful features of the process.

Visible Tape Recordings

A simple process by means of which the magnetic recordings on used recording tapes can be made visible for examination, has been developed by scientists at the Pennsylvania State university. The process, which can be used to obtain either temporary of permanent images, and which was described in a recent issue of the scientific journal "Nature," depends on the drawing of the used tape through a thin layer of ferro-magnetic powder spread over some smooth paper. This ferro-magnetic powder clings firmly to those areas of the tape which have been magnetically orientated [that is to say, the areas of the tape bearing the record of the sounds recorded] and when the loose powder has been blown away or shaken off, a clearly visible image of the recording remains. This visible image can then be either photographed or, alternatively, it can be removed from the tape and transferred to the surface of a strip of transparent adhesive tape simply by applying the magnetic tape bearing the ferro-magnetic powder record to the sticky surface of the tape. Visible recordings made in this manner can be read easily in much the same way as oscillograms since the spacing of the dark bands on the tape caused by the presence of the ferro-magnetic powder is directly related to the frequency and temporal distribution of the sound and sound pulses and to the intensity of the sound.



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The following is an extract from Mr. Tennetti Viswanatham's letter, which will speak to the merits of the book as well as the authors of the same.

"The Ready Referencer published by John and Row is indeed a very valuable book. It is a clear analysis of the provisions of the new Act. It brings together the changes in their logical sequences so that the Directors and Managing Agents can immediately lay their finger on the required provisions whenever they are in doubt as to what is to be done or what the Law on the subject is. Besides, the Referencer is of even greater value to the Lawyer, as one can expect it to be, coming as it does from John and Row, who have been distinguished specialists on Company Law. Likewise the Bench should find it invaluable."

(Sd.) TENNETTI VISWANATHAM,
Chairman, Advisory Commission
(Company Law Administration).

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RATIONALISING PAY SCALES OF INSURANCE STAFF

UNION LEADERS' DISSATISFACTION

THE integration of the pay and service conditions of the 27,000 full-time employees of the formerly private-owned 250 units of life insurance offices has, as was only to be expected, proved to be a difficult task for the Government. Ever since nationalisation of life insurance was decided upon, official spokesmen have repeatedly given the assurance that the staff had nothing to fear from nationalisation of life insurance and exhorted the workers to give their loyalty and devoted work to the new set-up. Against this background, it is somewhat deplorable that the Government has been unable to carry conviction to the representatives of the staff in so far as the new pay-scales are concerned.

The new pay-scales and service conditions, applicable to the employees of Life Insurance Corporation, are:

(1) *Superintendents*: Rs. 200-20-500.

(2) *Section heads and head clerks*: Same as assistants with an additional special pay, namely, Rs. 25 p.m. during first five years of service as section head or head clerk Rs. 30 p.m. during the next five years of such service, and Rs. 35 p.m. thereafter. Section heads would be in Central, Zonal and Divisional Offices and head clerks in branch offices. Head cashiers would be in the superintendent's grade.

(3) *Stenographers*: Same as assistants with an additional special pay for persons selected for work with senior officers. Such special pay will be: Stenographer to Chairman Rs. 50 p.m.; Stenographer to Directors Rs. 40 p.m.; and Stenographer to Zonal Manager, Deputy Zonal Manager and Senior Officers at Central Office Rs. 30 p.m. Stenographers should have a minimum speed of 120 per minute in shorthand.

(4) *Assistants*: Rs. 90-10-210-E.B.-15-300.

(5) *Clerks*: Rs. 55-5-80-6-104-E.B.-7-160-E.B.-10-220. Typists and Steno-typists would be in this grade but steno-typists having a speed of not less than 80 words per minute in shorthand would get an additional special pay of Rs. 25 per month. Wherever an efficiency bar is indicated in the pay scale, further increments will accrue only when the E.B. is removed which will be done if the employee holds prescribed qualifications or on his successfully completing prescribed tests.

Subordinate Staff

(6) *Drivers*: Rs. 60-3-90.

(7) *Daftries*: Rs. 40-3-70.

(8) *Head peons and liftman*: Same as Sepoys, Chaprasis and Hamals with an additional special pay of Rs. 5 p.m.

(9) *Sepoys, chaprasis and hamals*: Rs. 30-2-60.

(10) *Sweepers*: Rs. 26-2-60.

Dearness Allowance

(Applicable to employees in all grades)
B.S.=Basic Salary; D.A.=Dearness Allowance.

B.S. less than Rs. 51—D.A. Rs. 40; B.S. Rs. 51 to Rs. 100—D.A. Rs. 50; B.S. Rs. 101 to Rs. 150—D.A. Rs. 55; B.S. Rs. 151 to Rs. 200—D.A. Rs. 60; B.S. Rs. 201 to Rs. 250—D.A. Rs. 65; B.S. Rs. 251 to Rs. 300—D.A. Rs. 70; B.S. Rs. 301 to Rs. 400—D.A. Rs. 75; B.S. Rs. 401 to Rs. 500—D.A. Rs. 80.

City Compensatory Allowances

In addition to the pay and special pay as above, employees working in certain cities will receive city compensatory allowances on the following scale:

	At Delhi, Kanpur, Calcutta, Madras and Bombay	At other cities with a population of more than 3 lakhs as per 1951 census
Superintendents ..	Rs. 30	Rs. 20
Assistants and clerks	Rs. 20	Rs. 10
Subordinate staff ...	Rs. 5	Rs. 5

City compensatory allowances are not applicable to present employees whose total emoluments (salary, dearness allowance and other allowances) exceed the minimum pay, special pay, dearness allowances and city allowances applicable to them according to their scales.

Other Conditions

Working hours: The normal hours of work for all employees other than subordinate staff at all the offices of the Corporation shall be 6¼ hours on week days and 3½ hours on Saturdays. The hours of work for the subordinate staff shall be 7¼ hours on week days and 4½ hours on Saturdays. The actual hours for each Office in each Zone will be fixed by the Zonal Manager according to local conditions.

Leave: (i) *Casual leave*: 15 days in a calendar year but not more than five days at a time and to be availed after sanction by the appropriate authority; (ii) *Privilege leave*: 1/11th of active service—maximum accumulation 120 days including accrued privilege leave on the Appointed Day. Maximum three months in any period of 12 months; (iii) *Sick leave*: 15 days for each year of service subject to a maximum of three months with full pay and six months with half pay throughout the full period of service. Period of service and sick leave taken with the insurer in whose service the employee was on the Appointed Day will also be taken into account. Sick leave will be granted only on medical certificates from Doctors appointed by the Corporation for the purpose.

Provident Fund: All confirmed employees will contribute to a Provident Fund at 8-1/3 per cent. of their salary with an equal contribution by the Corporation. A separate Trust will be established.

Retirement: *Normal Age of Retirement*: 55 extensible on continued fitness by one year at a time upto age 60.

Gratuity: One month's terminal basic pay for each year of service subject to a maximum of 15 months' payable on normal retirement or retirement on grounds of health after ten years of service or on death whilst in service. Service with the insurer in whose service the employee was on the Appointed Day shall count towards the qualifying period.

Existing Scales

The intention of the authorities is to fit the pay-scales of the employees into the above scales. A notable feature of the Government's decision is that, if the maximum pay of the scale applicable to an employee prior to the Appointed Day (the date of the inauguration of the Corporation) happens to be more favourable to him than the maximum now allowed, he will be allowed to retain the benefit of the original scale. In other words, the original maximum, if it is favourable to the employees, will be fully protected. Another notable feature is the provision of only one grade for fitting in all existing employees including those who are now in the low grades, known as record clerks or filing clerks. There is, it is stated, a large number of employees—about 2,000 to 2,500 or one-sixth of the total number of the employees in the lower cadres—whose salaries will have to be upgraded in order to bring their emoluments to the minimum in the new cadre now announced. Again, provident fund and retirement benefits are now being made applicable to all employees, including a large number of employees who did not so far enjoy these benefits. Although the normal age of retirement is fixed at 55, the Government's intention, it is stated, is that all those who are fit to carry on their work will have their service extended from year to year until they complete 60 years of age. Finally, all the employees have been assured of a definite grade which not all of them possessed formerly. In any case, employees are allowed to supplement as before, their income, if they choose, by canvassing life business. Indeed, many of the employees have so far been adding to their income in this manner. It is also noteworthy that though integration of life offices ought to result in—and perhaps, has resulted in—surplus staff, the authorities have not sought to retrench any employee.

Nevertheless, the two important unions, namely, the All-India Insurance Employees' Association and the All-India Life Insurance Employees' Association have expressed their disappointment over the new pay scale. An abortive attempt was made by some members of Parliament to move an adjournment motion in the Lok Sabha. The Union Finance Minister, Mr. T. T. Krishnamachari, stated that he and the Secretary to the Ministry had gone into the whole scheme of pay-scales and found that they had "rather done well to the insurance employees." Nevertheless, mass rallies and demonstrations have been held in different centres. Presumably, this arises from the fact that the salary scales, as one spokesman for staff is said to have put it, are "much below the expectations of the employees." This is not a valid criticism, for all pay-scales all the world over are always, and have always been, below "expectations" of the employees. The question is whether they meet the reasonable demands of the workers.

In trying to find an answer to what constitutes the "reasonable" demand for insurance staff, a few broad considerations have to be borne in mind. In the first place, nationalisation of an industry is bound to lead to integration of pay-scales and all such integration, however, wisely conceived, will certainly occasion some painful process of readjustment. It is, however, necessary to keep the inconvenience and hardship inevitable in rationalisation to a minimum. Secondly, no pay-scale can be regarded in isolation. All pay-scales have to be considered in relation to one another. From this point of view, the new pay-scales do not compare unfavourably with many of the scales in Central and State Government services.

The employees, however, contend that they must be given the pay-scales which are applicable to the Reserve Bank employees. This demand stems from the consideration that both the Reserve Bank and the Life Insurance Corporation are nationalised financial institutions. But it is overlooked that the Reserve Bank was a compact unit before it was nationalised whereas nationalisation of insurance has meant the integration of no less than 250 units. Further, the standards of recruitment to the Reserve Bank service have always been higher than in life offices. It has been computed that, among the insurance staff, non-matriculates form as much as 20 per cent. of the total staff. Again, the Reserve Bank's work is less "commercial" than that of the Insurance Corporation. In any case, the Bank does not have to deal with any class of persons comparable to the policy-holders in life insurance. In one sense, the insurance employees are better placed than the employees of the Reserve Bank, in that the former have an opportunity to augment their regular salary by canvassing life business.

Bonus

Nevertheless, the authorities will do well to consider the genuine grievances of the employees and see how best they could be redressed. It is quite likely that there are employees who have been connected with insurance for many long years and who were not employed by any insurance office immediately preceding the date of nationalisation. The authorities must collect data about such employees, examine their experience and see whether they cannot be fitted into the work of the Corporation. Many of the employees are naturally sore over the point that they will hereafter miss the bonus. But it is part of the Government's policy not to grant bonus to the employees of nationalised institutions. But the authorities, it is stated, have recognised that most employees had come to look upon bonus as a definite part of their remuneration and that the sudden stoppage of the bonus will find many employees in a difficult position. Their intention is that the amount which was being paid as bonus should still be made available to the employees in some form or other and they have decided to set up a Staff Amenities Fund. They have also announced their decision to make an *ad hoc ex gratia* bonus of 75 per cent. of the average bonus for the last three years. They should now announce what amounts will be credited to the Fund and how it will be administered. Moreover, in fitting the emolument of the employees to the new pay-scale, the authorities seek to protect any excess above the pay to which an employee will be entitled by treating such excess as his personal pay. But it should be clear that this method will adversely affect the provident fund, gratuity

(*Continued on page* 595)

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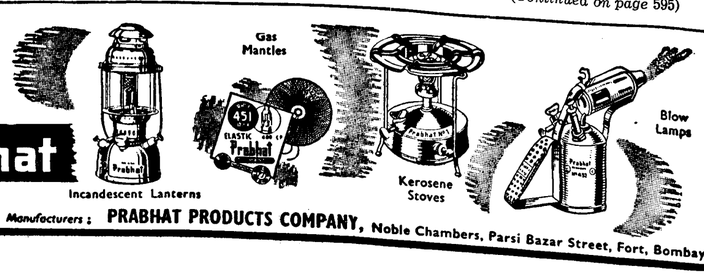

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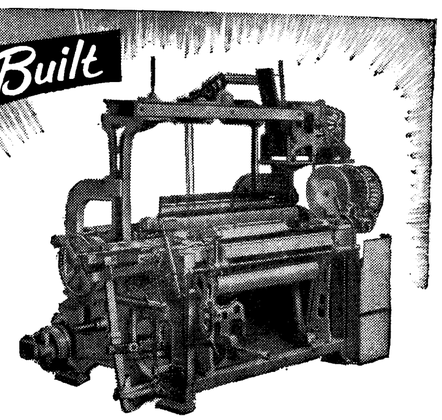

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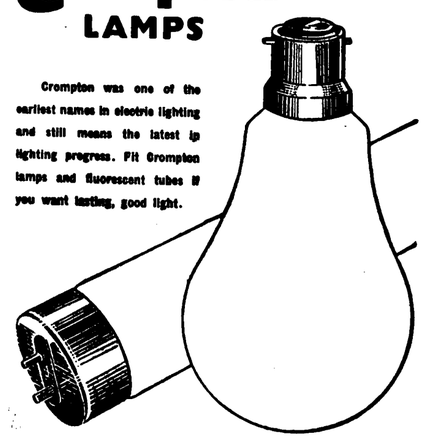

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SRI. B. M. KRISHNAN, I.A.S., Secretary to Government of Mysore, Finance Department, Mysore Government Nominee
SRI. G. BALASUBRAMANIAN, Reserve Bank of India Nominee.

REPORT OF THE DIRECTORS OF THE BANK OF MYSORE, LTD. FOR THE HALF-YEAR ENDED 30TH JUNE 1956

The Directors have pleasure in submitting to the Shareholders an interim Balance Sheet and Profit and Loss Statement as at 30th June, 1956. The Auditors' Report is also annexed.

The result of the Bank's working for the half-year is a surplus of Rs. 8,87,290-13-9, which sum added to the balance brought forward from 31st December, 1955, viz., Rs. 1,81,937-2-1, amounts to Rs. 10,69,227-15-10 as the sum available for distribution, which the Directors have disposed of as follows :—

	Rs.	a.	p.
In payment of an interim Dividend at the rate of 12 per cent. per annum and a Bonus at the rate of 4 per cent. per annum free of Income-tax	4,00,000	0	0
Transferred to Reserve for Income-tax and Super-tax	2,50,000	0	0
Carried forward to next account	4,19,227	15	10
Total .. Rs.	10,69,227	15	10

The Directors hope that the result of the working for the half-year will be considered satisfactory.

The interim Dividend will be payable on and after 4th September, 1956.

By Order of the Board,
B. V. NARAYANA REDDY,
General Manager.

THE BANK OF MYSORE, LIMITED,
AVENUE ROAD, BANGALORE CITY,
2nd August, 1956.

BALANCE SHEET AS AT 30th JUNE, 1956.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—1,00,000 shares of Rs. 100 each	1,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP IN CASH—50,000 shares of Rs. 100 each				50,00,000	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund	37,29,387	0	0			
Share Premium	46,70,613	0	0			
				84,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	3,77,71,241	8	11			
Thrift and Savings Bank Deposits	2,37,25,966	3	7			
Current Accounts, Contingency Accounts, etc. (including provision for Depreciation on Investments Rs. 9,83,255-0-8)	4,71,96,157	8	8			
				10,86,93,365	5	2
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
5. Bills Payable				9,90,764	12	10
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	60,01,135	7	5			
(ii) Payable outside India	2,08,407	13	11			
				62,09,543	4	5
7. Other Liabilities—						
Provision for Income-tax and Super-tax	20,18,571	15	6			
Staff Gratuity Fund	7,30,377	0	2			
Unclaimed Dividends	1,34,156	7	8			
Sundries Payable	5,34,318	10	5			
Rebate on Bills Discounted	27,163	14	0			
Branch Adjustments	21,55,392	10	5			
				55,99,980	10	2
8. Acceptances, Endorsements and Other Obligations per contra				33,90,693	8	9
9. Profit and Loss—						
Balance as per last Balance Sheet				11,13,254	4	1
Less—Appropriated to—Dividend Account .. 4,00,000 0 0; Provision for Income-tax and Super-tax .. 2,50,000 0 0; Bonus to Staff .. 2,31,317 2 0				9,31,317	2	0
				1,81,937	2	1
ADD—Profit for the half-year ended 30th June 1956 before providing for Taxation				8,87,290	13	9
				10,69,227	15	10
10. Contingent Liabilities—	Rs.	a.	p.			
(i) Claims against the Banking Company not acknowledged as debts	24,277	15	2			
(ii) Money for which the Banking Company is contingently liable showing separately the amount of any guarantee given by the Banking Company, on behalf of directors or officers :— (a) Guarantee given on behalf of directors or officers Nil; (b) Guarantee given on behalf of others	51,213	5	0			
(iii) Arrears of cumulative preference dividends	Nil					
(iv) Liability on Bills of Exchange re-discounted	Nil					
(v) Liability on account of outstanding Forward Exchange contracts	Nil					
Total .. Rs.				18,93,53,475	10	1

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with the Reserve Bank and State Bank (including Foreign Currency Notes)				89,74,709	9	8
2. Balances in Current Accounts with Other Banks— (i) In India	10,02,508	3	6			
(ii) Outside India	2,79,595	4	8			
				12,82,103	8	2
3. Money at Call and Short Notice				22,25,000	0	0
4. Investments (at or below cost)—Rs. 3,63,78,600 of the Central and State Government Bonds and other Trustee Securities (Market Value Rs. 3,59,70,019-10-6)				3,66,11,123	5	10
Full provision for the difference between the market value and the cost of the investments has been made as *per contra* (The above Investments include securities to the value of Rs. 7,31,000-0-0 held on behalf of the Staff Gratuity Fund)						
5. Advances (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)— I. Loans, Cash Credits, Overdraits, etc.— (i) In India Rs. 6,62,01,016 13 3; (ii) Outside India Nil	6,62,01,016	13	3			
II. Bills Discounted and Purchased— (i) Payable in India 98,13,228 6 5; (ii) Payable outside India 4,30,373 15 3	1,02,43,602	5	8			
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the Banking Company is fully secured	6,02,78,306	4	3	7,64,44,619	2	11
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security (including Rs. 1,15,23,370-10-5 on joint and several signatures)	1,60,25,079	11	3			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors	1,41,233	3	5			
(iv) Debts considered doubtful or bad, not provided for	Nil					
Total .. Rs.	7,64,44,619	2	11			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons (Fully Secured Rs. 8,75,826-10-3, Unsecured due by Officers Rs. 2,191-15-0)	8,78,018	9	3			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	36,87,800	3	4			
(vii) Maximum total amount of advances, including temporary advances made at any time during the half-year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	13,43,792	8	0			
(viii) Maximum total amount of advances, including temporary advances, granted during the half-year to the companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	44,44,967	13	11			
(ix) Due from Banking Companies	6,96,237	13	5			
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India 60,01,135 7 5; (ii) Payable outside India 2,08,407 13 11	62,09,543	5	4			
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				33,90,693	8	9
8. Premises less Depreciation— At cost as at 31st December, 1955	27,11,571	11	0			
Additions during the half-year	1,58,312	6	3			
	28,69,884	1	3			
LESS—Depreciation to date	7,62,884	1	3			
				21,07,000	0	0
9. Furniture and Fixtures— At cost as at 31st December, 1955	6,54,318	2	9			
Additions during the half-year	74,037	5	3			
	7,28,355	8	0			
LESS—Deductions during the half-year	132	7	6			
	7,28,223	0	6			
LESS—Depreciation to date	3,68,223	0	6			
				3,60,000	0	0
10. Other Assets— Other Properties— At cost as at 31st December, 1955 Rs. 58,519 6 1; Additions during the half-year 4,341 0 0	62,860	6	1			
Balances with Mysore Government Treasuries	21,129	14	8			
Advance Payment of Income-tax and Super-tax	12,76,758	8	0			
Interest accrued on Investments and Commission	3,09,205	11	8			
Deposit with Government Departments	3,086	9	0			
				16,77,041	1	5
11. Non-Banking Assets— Acquired in satisfaction of claims— Lands and Buildings at cost as on 31-12-1955 12,860 0 0; LESS—Depreciation to date 618 0 0				11,742	0	0
Total .. Rs.				18,93,53,475	10	1

(Continued on page)

PRODUCTION IN ASIA EXPANDS

PRICE LEVELS TEND TO RISE

[A brief reference to economic conditions in Asia and Far East was made in our last issue. Since then, further information has become available, and this has enabled us to publish on this page a more detailed summary of economic trends in the E.C.A.F.E. region of which India is a part.—ED.*]*

A SLIGHT increase in agricultural and industrial production, reduced trade deficits, and improvements in the gold and foreign assets position were the main features marking economic development in Asian countries in the half-year period up to 31st March 1956, according to the latest review of the Asian economic situation, published by the secretariat of the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.). Although economic conditions continued to improve on the whole, the economic development was uneven from country to country and within the various fields of economic activities. Cereal and rice production reportedly reached new records in 1955-56 in mainland China and Japan; and significant production increases were achieved in rubber, raw cotton, raw jute and tea, while production of sugar and copra rose only moderately.

Industrial production in early 1956 continued to increase at about the same pace as in previous years in India, Pakistan and the Philippines. The tempo also appears to have increased in mainland China (after a slowing down in 1955) and in Japan.

Exports from Asian countries (excluding Afghanistan, mainland China, south Korea and Nepal for which detailed trade statistics are not available) showed a greater expansion than in imports, mainly due to larger deliveries of rubber, and of manufactured goods—particularly capital goods—from Japan. The trade deficits of most countries of the region tended to decline in 1955, but were moving upward again in early 1956, due both to a rise in imports and a fall in exports. Japan and India between them accounted for 88 per cent. of the net trade deficit in the first quarter of 1956.

Price Trends

Trend of price levels was uneven from country to country. In 1955, there were continued price increases in Cambodia, China: Taiwan, Indonesia, south Korea, Thailand, and south Viet-Nam (mainly due to military and other non-developmental Government expenditures financed by heavy budget deficits, and in the case of Thailand due to improved exports and some tightening of consumer goods imports). Prices remained stable in Ceylon, Japan and the Philippines (mainly because of deflationary policies), and in mainland China (mainly due to the rationing of essential consumer goods, made necessary by the high rate of capital formation). Burma, India, Malaya and Pakistan experienced a downward price trend in 1955, but in 1956 prices tended to remain stable, or move slightly up.

Favourable weather conditions and various Government efforts to stimulate food production resulted in 1955-56 in an increase by 2.1 per cent. in the cereal production in the E.C.A.F.E. region (excluding mainland China). Production of rice, the main staple food in the region, increased by 7 per cent. and closely approached the record output of 1953-54. but the situation varied considerably in different countries. Mainland China reported a bumper harvest, and so did Japan. In Indonesia and Pakistan, harvests were lower than in the previous year, and in Indonesia reduction in the rice crop was aggravated by a sharp decline in maize production. In India, the increase of about 1 million tons in rice production was more than offset by the decline of about 3 million tons in the production of millets, sorghum and maize. According to official figures, the total production of foodgrains (including root crops) increased in mainland China in 1955 by 9 per cent. to 184 million tons, while paddy production is said to have increased by 5 million tons.

Cereals

The shortfalls in cereal production in India, Indonesia and Pakistan and the consequent sharp increase in domestic prices in these countries made necessary sizable imports to meet current consumption needs, thus focussing attention on the need for building up reserve stocks.

Rice supplies available for export in the surplus countries of the region are expected to come up to the level of the previous year. Burma estimates a rice surplus of about 2 million tons for 1956, with about 70 per cent. of the surplus already committed by contracts by end of 1955. Thai rice exports in the first five months of 1956 are estimated at about 500,000 tons, as against 604,000 tons in the same period last year. Although the 1955-56 crop was good, some supply difficulties were experienced, probably because of transport bottlenecks and hoarding by middlemen. The export premium was reduced from Baht 935 per ton to Baht 600. The increase in the rice production in mainland China by 5 million tons was attributed to satisfactory weather conditions and to various Government measures, including improvements in rice cultures, better irrigation facilities and the increase in the number of co-operatives (said to total 1.09 million agricultural producers co-operatives covering 90 per cent. of the peasants by end of March 1956).

Cereal production in the E.C.A.F.E. region (excluding mainland China) during the last years is shown below:

(Quantity in thousand tons)

	1934-35 to 1938-39 average	1948-49 to 1952-53 average	1953-54	1954-55	1955-56 (provisional)
Rice—					
Milled equivalent	64,080	65,757	75,214	70,342	75,124
Wheat	12,129	13,353	11,497	13,511	13,578
Other cereals	26,444	24,037	31,171	32,424	29,995
Total	102,653	101,147	117,882	116,277	118,697

Source: FAO except for the 1955-56 figures in respect of India which are from national sources.

Most of the export commodities showed increases in production and exports during 1955 and the first quarter of 1956. Tea and rubber production attained new heights, and jute production was probably about the same as during the record year of 1951-52. Copra and sugar production also increased, albeit moderately. Cotton alone showed a decline, except in mainland China (where the 1955 production was reported to be 1,518,000 tons, an increase of 43 per cent. over the previous year).

Even more important than increases in production were the sharp increases in export. Rubber exports approached closely the 1951 peak and, helped by higher prices, brought in considerably larger foreign exchange earnings. Increases in the exports of cotton, jute and sugar also assisted foreign exchange earnings, despite relatively lower prices. Tea exports from India, Indonesia and Pakistan were lower, but Ceylon succeeded in increasing both the volume and value of her tea exports. In early 1956, exports remained at about the same level but the general market situation appeared to have weakened.

Industrial Production

Industrial production in Pakistan continued to increase at a rate in excess of the increase in world industrial production, while the rate of increase in China, India, Japan and the Philippines approximated the world level. In China, industrial production on the mainland rose by only 8 per cent. in 1955, as compared with an increase of 17 per cent. in 1954. This decline in the pace of increase in industrial production was mainly due to short supply of raw materials, particularly raw cotton, tobacco and jute (caused by the great flood of 1954). The total increase in industrial production in India is put at 35 per cent. for the period 1951-55; a still greater expansion is planned for the second Five-year Plan beginning April 1956.

Industrial production in Japan continued and slightly accentuated its upward trend, mainly because of larger export demands. It is noteworthy that producers' shipments increased more sharply than production, so that manufacturing industries could reduce their stocks of finished goods.

The rapid expansion in both industrial capacity and production continued in Pakistan in 1955. The country has become self-sufficient in a number of consumer goods, for instance, cotton textiles, footwear, matches, low-grade papers and soap.

Trade and Payments

In 1955, trade of the E.C.A.F.E. countries showed an increase by 15.6 per cent. to $8,326 million in exports and by 5 per cent. to 8,622 million for imports in 1955. The trade deficit was reduced by 70.1 per cent. Almost two-thirds of the increase in export earnings was accounted for by Japan (iron and steel products, machinery and chemicals) and Malaya (rubber). The increase in Japanese exports can be explained largely by the competitive prices resulting from the Governments deflationary policy, while the rise in rubber earnings was due to a higher demand in the United States and other indus-

(*Continued on page* 585)

THE BANK OF MYSORE, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE HALF-YEAR ENDED 30TH JUNE, 1956

EXPENDITURE	Rs.	a.	p.	INCOME (Less Provision made during the half-year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	10,23,692	11	5	1. Interest and Discount	27,31,623	1	5
2. Salaries and Allowances, Provident and Gratuity Fund Contributions (including General Manager's Salary and Allowances Rs. 14,400)	10,07,204	1	2	2. Commission, Exchange and Brokerage	4,52,021	1	9
3. Directors' Fees and Allowances	18,427	10	0	3. Rents	11,895	2	6
4. Rent, Taxes, Insurance, Lighting, etc.	89,039	5	6	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	16,762	0	10
5. Law Charges	4,739	5	10	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Postages, Telegrams and Stamps	23,827	4	6	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Auditors' Fees	6,000	0	0	7. Other Receipts	Nil		
8. Depreciation on and Repairs to the Banking Company's Property	64,264	0	11				
9. Stationery, Printing, Advertisement, etc.	57,520	7	6				
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil						
11. Other Expenditure	20,395	9	11				
12. Balance of Profit before providing for Taxation carried to Balance Sheet	8,87,290	13	9				
Total .. Rs.	32,12,301	6	6	Total .. Rs.	32,12,301	6	6

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF MYSORE, LIMITED.

We have audited the Balance Sheet as at 30th June, 1956, and Profit and Loss Account for the half-year ended that date of The Bank of Mysore, Ltd., with the accounts maintained by the Bank and report that :

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
(b) Such information and explanations have been found to be satisfactory.
(c) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank.
(d) The returns received from the Branches have been found adequate for the purposes of our audit.
(e) The Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of account and returns.
(f) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, and the Banking Companies Act, 1949, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 30th June, 1956, and the Profit and Loss Account gives a true and fair view of the Profit for the half-year ended 30th June, 1956.
(g) We are of the opinion that proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.

S. R. MANDRE,
B. K. RAMADHYANI & CO.,
R. E. KOTRE & CO.,
FRASER & ROSS,
Chartered Accountants.

BANGALORE, *4th August*, 1956.

L. S. VENKAJI RAO, *Chairman.*
P. SUBBARAMA CHETTY,
D. M. SHANKARAPPA,
A. R. BADRINARAYAN,
G. V. RUDRAPPA,
S. RAMANATHAN,
S. M. RAMAKRISHNA RAO,
K. SUBBA RAO RAMASWAMY,
B. M. KRISHNAN,
G. BALASUBRAMANIAN,
J. L. KUNDU,
M. V. VEERAPPA,
Directors.

SHANKAR JAVALY,
Chief Accountant.

B. V. NARAYANA REDDY,
General Manager.

A copy of this Prospectus having attached thereto the documents required by Section 60 of the Companies Act, 1956 has been filed with the Registrar of Companies, West Bengal.

An application will be made to the Stock Exchange at Bombay, for permission to deal in the shares now being offered and in due course for an official quotation.

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

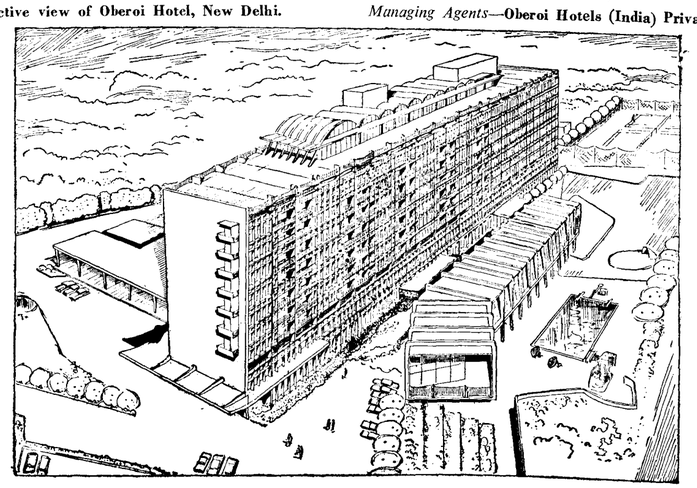
The subscription list will open at 10-30 a.m. on the 24th day of September, 1956, and will remain open until the 8th day of October, 1956, unless closed earlier at the discretion of the Directors, but not before the 3rd day of October, 1956.

PROSPECTUS OF

THE EAST INDIA HOTELS LTD.

(INCORPORATED UNDER THE INDIAN COMPANIES ACT VII OF 1913.)

Perspective view of Oberoi Hotel, New Delhi. *Managing Agents*—**Oberoi Hotels (India) Private Ltd.**



AUTHORISED CAPITAL	**Rs. 2,00,00,000**
Divided into :	
(1) 1,00,000 6 per cent. tax-free Cumulative Preference Shares of Rs. 100 each	Rs. 1,00,00,000
(2) 10,00,000 Ordinary Shares of Rs. 10 each	Rs. 1,00,00,000
	Rs. 2,00,00,000
ISSUED	
1,00,756 Ordinary Shares of Rs. 10 each (Paid-up Shares Rs. 55,128)	Rs. 10,07,560
NOW BEING ISSUED	
30,000 6 per cent. tax-free Cumulative Preference Shares of Rs. 100 each at par	Rs. 30,00,000
and	
5,99,244 Ordinary Shares of Rs. 10 each at par	Rs. 59,92,440
	Rs. 1,00,00,000

Of this, it is agreed that Rai Bahadur M. S. Oberoi and his friends will take up 99,244 Ordinary Shares of Rs. 10 each *at par* by subscription in cash.

Further, it is agreed that with regard to the purchase of the immovable and movable assets of the Vendor Company appertaining to its hotel known as Oberoi Palace Hotel at Srinagar at their cost price for a total consideration of Rs. 15,10,654-14-3, Rs. 15,00,000 will be paid and satisfied by allotment of 1,50,000 Ordinary Shares of Rs. 10 each at par and the balance, i.e., Rs. 10,654-14-3 will be payable in cash to the Vendor Company.

PRESENT ISSUE

The remaining 3,50,000 Ordinary Shares of Rs. 10 each and 30,000 6 per cent. (free of Income-tax) Cumulative Preference Shares of Rs. 100 each are offered for public subscription.

The amount payable in respect of the Preference and Ordinary Shares is as follows :

Rs. 25-0-0 per Preference Share on application, and

Rs. 25-0-0 per Preference Share on first call and the balance in two equal instalments provided that there shall be intervals of not less than two months each between calls and between application and first call.

Rs. 2-8-0 per Ordinary Share on application, and

Rs. 2-8-0 per Ordinary Share on first call and the balance in two equal instalments provided that there shall be intervals of not less than two months each between calls and between application and the first call.

Applications must be for a minimum of 5 Preference Shares or multiples thereof and 10 Ordinary Shares or multiples thereof.

Prospectuses and application forms will be available from the Brokers to this issue and from the following Banks and their Branch Offices and the Registered Office of the Company :—

1. State Bank of India, Chandni Chowk, Delhi.
2. Central Bank of India Ltd., Chandni Chowk, Delhi.
3. Punjab National Bank Ltd., Civil Lines, Delhi.
4. Mercantile Bank of India Ltd., Chandni Chowk, Delhi.

Completed application forms along with payment must be delivered before the close of the subscription list to any of the Brokers to this issue or the Banks, or the Registered Office of the Company.

Where no allotment is made, the deposit will be returned in full and where a partial allotment is made, the unutilised balance will be returned. The Directors reserve the right to refuse any application wholly or in part without assigning any reason. Failure to pay any amount due on the shares allotted, when due, will render previous payments and shares liable to forfeiture. The shares when issued will be subject to the Memorandum and Articles of Association of the Company, a copy of which may be inspected at the Registered Office of the Company during office hours. The share Certificates will be issued within 3 months of the date of allotment.

DIRECTORS :

1. **Sir DHIREN MITRA, Kt.,** 2 Hunger-ford Street, Calcutta. *Industrialist.* Director of Central Board of the Reserve Bank of India, Central Board of the Indian Life Ins. Corpn., Member, State Bank of India, Eastern Area, West Bengal Financial Corpn., Angelo Bros. Ltd., Mahindra & Mahindra Ltd., & others.
2. **Mr. M. L. KHAITAN,** 226/1 Lower Circular Road, Calcutta. *Solicitor.* Director of Bata Shoe Co., Ltd., Associated Hotels of India Ltd., South India Insurance Co., Ltd., Shree Digvijaya Woollen Mills Ltd., Chowringhee Properties Ltd., & others.
3. **Mr. RAMNIWAS RAMNARAIN RUIA,** Bank Street, Bombay. *Industrialist.* Director of The Finlay Mills Ltd., The New India Assurance Co., Ltd., The Bank of India Ltd., Andhra Valley Power Supply Co., Ltd., The Phoenix Mills Ltd., & others.
4. **Mr. MURARJI VAIDYA,** Industrial Estates, Lalbaug, Bombay. *Merchant.* Director of Polsons Ltd., The National Electrical Industries Ltd., The Crescent Iron & Steel Corpn. Ltd., The Bombay Silk Mills Ltd., The Indian Surveyors Ltd., & others.
5. **Mr. M. A. CHIDAMBARAM,** Chettinad House, Raja Annamalaipuram, Madras. *Merchant.* Director of South India Insurance Co., Ltd., Indian Aluminium Co., Ltd., Automobile Products of India Ltd., Southern India Chamber of Commerce, Madras Industrial Investment Corporation Ltd., & others.
6. **Rai Bahadur M. S. OBEROI,** Maiden's Hotel, Delhi. *Merchant.* Director of Associated Hotels of India Ltd., Chowringhee Properties Ltd., Indian Trade & General Ins. Co., Ltd., Hotels (1938) Private Ltd., Mercury Travels (I) Private Ltd., & others.
7. **Sir USHA NATH SEN,** Western Court, New Delhi. *Merchant.* Director of Associated Hotels of India Ltd., Solan Breweries Ltd., New Victoria Mills Ltd., Indian Institute of Public Opinion, & others.
8. **Mr. T. R. OBEROI,** Hotel Imperial, New Delhi. *Merchant.* Director of Associated Hotels of India Ltd., Northern India Caterers Private Ltd., Hotels (1938) Private Ltd., Mercury Travels (I) Private Ltd., Everest Hotels Ltd., & others.

BANKERS :

1. STATE BANK OF INDIA, Chandni Chowk, Delhi.
2. CENTRAL BANK OF INDIA LTD., Chandni Chowk, Delhi.
3. PUNJAB NATIONAL BANK LTD., Civil Lines, Delhi.
4. MERCANTILE BANK OF INDIA LTD., Chandni Chowk, Delhi.

STATUTORY AUDITORS :

G. BASU & CO., Chartered Accountants, Calcutta.

BRANCH AUDITORS :

A. F. FERGUSON & CO., Chartered Accountants, New Delhi.

BROKERS :

MERWANJEE BOMANJEE DALAL, Allahabad Bank Building, Apollo Street, Fort, Bombay—1.
BATLIVALA AND KARANI, Union Bank Building, Dalal Street, Fort, Bombay—1.
STEWART & CO., 7, Royal Exchange Place, Calcutta.
HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Parliament Street, Post Box No. 300, New Delhi.
DALAL & CO., National Insurance Buildings, Madras—1.

MANAGING AGENTS :

OBEROI HOTELS (INDIA) PRIVATE LTD., Calcutta.

SOLICITORS :

ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta.

REGISTERED OFFICE :

17-B, CHOWRINGHEE ROAD, Calcutta.

DIVIDEND, CAPITAL AND VOTING RIGHTS.

The following is a summary of the rights, privileges and restrictions attached to the Preference and Ordinary Shares of the Company and of the limitations upon borrowings and the creation of further shares.

Dividends : The profits which the Company may determine to distribute in respect of any financial year or any other period shall be applied, first, in paying the holders of the Preference Shares a fixed cumulative preferential dividend at the rate of 6 per cent. per annum (free of Income-tax) on the capital for the time being paid up thereon and the balance of the said profits shall be distributed amongst the holders of the Ordinary Shares in proportion to the amounts paid up on the Ordinary Shares held by them respectively.

Capital : The assets available for distribution to members whether on a liquidation or not shall be applied, first in repaying the shareholders of the Preference Shares the amounts paid up on such Preference Shares together with a sum equal to any arrears or deficiency of the fixed dividend thereon whether declared or not, upto the commencement of the winding up. The Preference Shares do not confer on the holders any further right to participate in the assets or profits of the Company. The balance of the assets shall be distributed amongst the holders of the Ordinary Shares in proportion to the amount paid up on the Ordinary Shares held by them respectively.

Voting : The Preference Shares entitle the holders to receive notices of any General Meeting, but do not entitle them to vote thereat unless

(1) the dividend on the Preference Shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting, or

(2) the business of the meeting includes the consideration of a resolution which directly affects the rights attached to the Preference Shares. (A resolution for winding up the Company or for the repayment or reduction of its share capital will be deemed directly to affect the rights attached to the Preference Shares.)

On a show of hands every member entitled to vote who (being an individual) is present in person, or by proxy, or (being a corporation) is present by a representative, or by proxy shall have one vote. On a poll, the voting rights in respect of the Ordinary and Preference Shares will be as specified in Section 87 of the Companies Act, 1956. No member will be entitled to be present or vote either personally or by proxy at any meeting in respect of the shares registered in his name on which any calls or other sums presently payable have not been paid or in regard to which the Company has and has exercised any right or lien.

Variation of Rights : The special rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class but not otherwise.

Restrictions on Transfer of Shares : There are no restrictions on the transfer of fully paid shares, but the Directors may decline to register any transfer of partly paid shares to a person of whom they do not approve and may also refuse to register any transfer of shares on which the Company has a lien.

Borrowings : Subject to the restriction imposed by Section 293 of the Companies Act, 1956, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities.

PROSPECTUS

Objects : The East India Hotels Limited was incorporated on the 26th May 1949, for the object set out in the Memorandum of Association generally and in particular to run the business of Hotels and Restaurants and their allied trades.

The Hotel Project at New Delhi : The hotel project at New Delhi will include public rooms, such as Lounge, Grill Room, Dining Room, Banquet Room, Conference Room, Swimming Pool, Shops, Restaurants, Nightclubs, etc. The hotel will be fully airconditioned and centrally heated and will be built and equipped on the most modern western lines. There will be ancillary establishments such as bakery, confectionery, laundry, ice and mineral water factories, etc. This hotel will be a small town in itself, and is expected to have 200 rooms with 375 beds and will be one of the best anywhere. Apart from this, the project will provide employment for a large number of persons. It is thought that the project itself will contribute a relatively fair percentage to the country's earnings of foreign exchange. A plot of land well situated on Mathura Road, in New Delhi has been allotted to the Company by the Government of India. This land has been acquired for the construction of this modern 9 storeyed hotel building with a height of 109 feet. The terms of the contract will be found under the heading "Contracts Relating to Properties" of the Prospectus.

Oberoi Palace Hotel, Srinagar : The plans include the purchase from Hotels (1938) Pvt. Ltd., of the immovable and movable assets comprised in Oberoi Palace Hotel at Srinagar, Kashmir. Negotiations for the purpose have been completed with the Vendor Company. The Vendor Company has agreed to permit the Company to use the name "OBEROI PALACE HOTEL" in connection with the latter's hotel at Srinagar, without charging anything for the same. The Oberoi Palace Hotel started functioning from the middle of June 1955 and has been accepted as one of the finest resort hotels in the world. Important persons in the international travel market and international personalities such as Marshal Bulganin and Mr. Nikolai Khrushchev of the Soviet Union, who recently stayed at this hotel have spoken highly of it. The Oberoi Palace Hotel is housed in the former Palace of Maharaja Hari Singh, and is situated on the Dal Lake and is spread over 50 acres of land with accommodation for 150 beds. It is luxuriously furnished and has a commanding view of the Lake and mountains. It is today fulfilling the needs of a first class hotel in Kashmir. Its initial success is indicative of how areas develop with improved facilities. During the period since its inception, the hotel has been full most of the time. Rai Bahadur Oberoi has secured a ten years' lease with two options of renewal for ten years each to operate the Oberoi Palace Hotel in the former Palace which has been altered, renovated, and improved for the purpose of operating as a hotel. The following is the summary of the capital expenditure incurred in this respect :

	Rs.	a.	p.
Furniture, Fittings, Cutlery, Crockery, Linen, etc.	6,22,563	12	9
Machinery and Boilers, etc. ..	42,927	6	6
Electric Installation	85,377	11	3
Sanitary Installation	2,81,823	13	0
New Wing Construction	4,73,962	2	9
Expenses for lease of Palace and Orchard	4,000	0	0

Auditors Certificate : This is to certify that the above assets appear in the books of Hotels (1938) Private Ltd. at values noted against each item.

PROSPECTS :

Scope for more Hotels : There is a growing need for hotels in both New Delhi and Srinagar. The present hotel accommodation in these two cities is quite inadequate to serve the increasing number of tourists and visitors. The existing hotels are consistently full and invariably there is difficulty in securing accommodation.

This is particularly so in New Delhi which is now ranked as one of the great political capitals of the world. This shortage of accommodation in the city, for instance, was acutely felt during the rush connected with the Indian Industries Fair in December last. **The present accommodation in hotels in Delhi is 900 rooms. In the opinion of the Ministry of Transport, Tourist Division, Government of India, another 1,100 rooms are required. With the completion of our new hotel and another which is in the process of construction in New Delhi, only 50 per cent. of this demand will be met. Therefore, there is scope for 500 more rooms to meet the total demand.**

In the coming years the strain on hotel accommodation, especially both at Delhi and Srinagar, is likely to grow worse. On account of developments which are taking place, in the political, economic and cultural spheres, the number of visitors, travellers and tourists from abroad is expected to increase considerably.

Political Missions : Politically, India's stature among the nations of the world has grown immensely. In Asia, India has come to occupy a dominant position. Nations of both the East and the West are looking to Delhi for giving a lead to establish world peace. Consequently, the country is being frequently visited by distinguished statesmen of the world. Visits of foreign Ambassadors and representatives of U.N. bodies, such as the Economic Co-operation for Asia and the Far East, the World Health Organisation, the International Monetary Fund, the International Bank for Reconstruction and Development and the International Labour Organisation, to India and its capital have been on the increase year after year. It is also well known that last year, a large number of distinguished state guests travelled through India, including Marshal Tito, the King of Saudi Arabia, the King and Queen of Nepal, the heads of the U.S.S.R. Government, the Shah and Queen of Iran, Mr. John Foster Dulles, the U.S. Secretary of State, and Lord and Lady Mountbatten.

Trade Missions : Economically India has made large strides. Her agriculture, industry, trade, banking and insurance have recorded notable progress. The country is just on the threshold of launching further huge development schemes under the Second Five-year Plan. This has attracted foreign businessmen, financiers, technicians, trade missions, etc., to visit the country for establishing business contacts and securing orders for their home products. The visits particularly of trade delegations in recent years to India have resulted in creating an atmosphere which augurs well for laying the foundations for expansion of not only trade with outside countries but also tourism. In this expansion, the hotel industry has scope for playing an important role in future. Locally, too, the growth of industry has led to the establishment of innumerable sales organisations, whose representatives have become a lucrative source of rich clientele for first class hotels.

Cultural Missions : Exchange of cultural missions, visits of foreign scientists and educationists and the number of tourists have all grown. Not only have these exerted pressure on hotel accommodation in important business centres, but have increased the number of banquets, luncheons, dinners, receptions, etc., to be catered for by hotels. Luxury hotels, properly furnished and fully equipped to satisfy even the most fastidious and discriminating guests who attend these functions are few and far between in the country, and this offers wide scope for entry into this field as proposed by The East India Hotels Limited.

Foreign Market : The enormous expansion in airline traffic during the past decade also clearly indicates that the people of the world have become travel conscious. Thus, in 1945, the world airlines carried 9.3 million passengers over 375 million miles. By 1955, the figure increased to 69 million passengers and 1,40? million miles respectively. A major contributory factor to this expansion in tourism has been the enormous rise in family incomes especially in America. In the U.S. alone there are 14 million families with incomes sufficient to finance a round-the-world tour once during their adult life. This is mainly responsible for the growth in the number of U.S. tourists to different parts of the world as stated below:—

TURKEY	In 1951, Turkish Customs recorded 370 North Americans as entering the country. By 1955, this number increased to 13,000.
EGYPT	In 1951, the records indicated 3,700 North Americans as entering the country. By 1955, this number had increased to 23,000.
JAPAN	In 1951, 700 North Americans visited Japan. In 1954, the number was 44,300.
AUSTRIA	61,800 North Americans visited Austria in 1951. By 1955, the number had increased to 1,19,000.
ITALY	In 1952, 3,94,000 North Americans visited Italy, and in 1953 the figure was 5,54,000.

Statistics relating to earnings of foreign exchange from tourist traffic by these countries are not available. An idea as to such potentialities of tourism may, however, be had from the earnings of Japan. In 1952, dollar receipts from tourism in that country amounted to $8.2 million. This figure rose to $33.00 million in 1953 and $39.00 million in 1954.

Pleasure and business travel has become one of the world's largest businesses and also one of the most lucrative. The satisfying of the basic needs, interests, and desires of tourists provides the key to unlock the barriers impounding tourist traffic and increase foreign exchange earnings.

International Airlines from the U.K. and U.S.A. have placed orders for a very big number of jet airliners for delivery in 1958. Each of these aircraft will be capable of, it is stated, carrying annually the same number of Trans-Atlantic passengers as the s.s. *Queen Mary*. This provides an indication as to the prospects of expansion of tourism in future.

India, too, is sure to benefit by this expansion in the volume of international traffic. It is expected that there will be an increase of 200 per cent. in such traffic in Delhi by 1960. The hotel industry in Delhi will have to equip itself to meet this demand by increasing the hotel accommodation to a corresponding extent.

Government's Interest in Tourism : The Government of India has recognised the importance of making tourists comfortable. It has initiated several measures in this direction. It has sought to encourage establishment of up-to-date hotels and has striven to make travel comfortable by improving air and rail transport facilities and freeing the travellers from vexatious restrictions and cumbersome formalities. The Government has opened a number of tourist centres both in India and abroad for assisting travellers.

The Kashmir Government, too, is taking keen interest in encouraging tourism as it has proved an important source of earning foreign exchange. According to the Director of the Tourists Department of the State, 55,000 tourists visited Kashmir in 1955. During the current year 1,00,000 tourists are expected. The State Government is making adequate accommodation and transport arrangements for tourists. Ropeways are being built to link Tanmarg and Gulmarg. At Srinagar, a tourist centre, one of the biggest in the world, will soon be opened. The State Government proposes to open yacht clubs in various places in co-operation with foreign clubs, and arrangements are being made to revive winter sports on the pre-1947 scale. The State Government has earmarked Rs. 105 lakhs in the second Five-year Plan for providing facilities to tourists.

In short, the growing volume of tourism, the shortage of hotel accommodation, the dearth of luxurious hotels, and the Government's desire to extend assistance to the hotel industry, today offer a large scope for new ventures and it is to fit into this situation that the East India Hotels Ltd. has been formed.

Promoters : The promoter of the Company is Rai Bahadur M. S. Oberoi. He is not receiving any profit or remuneration for his services as such. Rai

Bahadur Oberoi has paid on behalf of the Company a sum of Rs. 7.77.000 to meet certain payments in advance to the Government, Building Contractor and Architects. He will be entitled to be reimbursed these amounts by the Company and to be indemnified by the Company against all liabilities in respect of contracts entered into on behalf of the Company.

Backing of Oberoi Group: The two hotels will have the backing of the Oberoi Hotel Chain having an international reputation and contacts, particularly with travel agents in Europe and U.S.A. It is very difficult for a single hotel to attain success on its own efforts, whereas a combine, with all the advantages of group management, will bring success and security to the investors. The East India Hotels Ltd., will have the full benefit of this international combine. The management of the two hotels of The East India Hotels Ltd., will be entrusted to the Managing Agents subject to the provisions of the Companies Act, 1956. The Managing Agents will not charge any remuneration for the first year of its operation.

OBEROI HOTELS

INDIA

1. Hotel Imperial, New Delhi.
2. Hotel Cecil, Simla.
3. Maiden's Hotel, Delhi.
4. Swiss Hotel, Delhi.
5. Hotel Mount View, Chandigarh.
6. Grand Hotel, Calcutta.
7. Hotel Mount Everest, Darjeeling.
8. Palm Beach Hotel, Gopalpur-on-sea.
9. Oberoi Palace Hotel, Srinagar, Kashmir.
10. Clarke's Hotel, Simla.

PAKISTAN

11. Faletti's Hotel, Lahore.
12. Flashman's Hotel, Rawalpindi.
13. Dean's Hotel, Peshawar.
14. Cecil Hotel, Murree.

Comprising the largest chain of 14 luxurious hotels in the East, the Oberoi Group has, by offering every facility for convenience and comfort, come to be recognised as the home for international travellers. It is known for its personalised service, cordial hospitality, and friendliness throughout the globe. And Mr. Oberoi as the Chief Executive of the Management of these hotels brings with him to The East India Hotels Ltd., a rich and varied experience acquired over a period of years. Under his supervision and management, the promotion of this Company should prove to be a successful venture from the very inception of its operation. It will also have the benefit of experience of some of the staff now under the employ of Mr. Oberoi to look after the interest of the Company in the initial stages. In order to keep in line with the policy of Indianisation, there is also a scheme under consideration to send young people for training to hotel schools abroad, so that the Company may have experienced and trained personnel on its staff.

Co-operation of Inter-Continental Hotels Corporation (U.S.A.): Inter-Continental Hotels Corporation, which is a wholly-owned subsidiary Company of Pan American World Airways, was formed some years ago at the instance of the American Government, particularly to provide technical assistance in connection with planning, construction, financing and operation of new hotels abroad. Pursuant to the policy of the U.S. Government of furthering the economic development of friendly foreign nations, The International Co-operation Administration had commissioned Pan American World Airways to conduct technical assistance programmes with several countries.

Pan American World Airways is the only airline at present operating a complete round-the-world service. India, and particularly New Delhi, are a highlight of a round-the-world trip. Pan American makes 5 round-the-world flights each week in each direction serving 84 countries and providing 80 per cent. of the total requirements of American tourists in this respect. It has established modern first class hotels in many parts of the world to meet the comfort and requirements of its passengers.

Pan American World Airways will be operating new jet aircraft on their round-the-world services from 1958. Other airline companies will also be operating similar aircraft. Each of these aircraft has a carrying capacity of 120 passengers, which is a 100 per cent. increase on the carrying capacity of the existing aircraft. A preliminary survey indicates that a 200 per cent. increase in tourist traffic may be anticipated as compared to 1955. Pan American World Airways is anxious to obtain first class hotel accommodation in India, operated to American standards. This Company will be in a position to provide such accommodation for the use of airline passengers and their crews.

The promoters are at present negotiating with Inter-Continental Hotels Corporation with the object of securing its patronage for the hotels under the management of Oberoi Hotels (India) Private Ltd. in New Delhi and also with the object of getting the benefit of their latest technical know-how. These arrangements will materially assist the new Company by ensuring a regular flow of visitors to the hotels. The arrangements will also provide for training of Indian operational personnel in the U.S.A. and Inter-Continental Hotels will loan their technical staff if required during the initial period of operation. The Company may be provided with facilities to use the tele-type system of reservation throughout the 400 offices of Pan American World Airways.

SPECIAL PRIVILEGES FOR SUBSCRIBERS: Every subscriber to Preference and Ordinary Shares will be issued with the Oberoi Gold Card on request. The holders of the Gold Card will be entitled to all the amenities and particularly to a discount of 10 per cent. on room charges at the Company's hotels at New Delhi, Srinagar, and at other places where hotels may be built or acquired in the future. Moreover, the holder of an Oberoi Gold Card will be entitled to the same discount, i.e., 10 per cent. on room charges at all the other hotels in the Oberoi Group, throughout India and Pakistan. Besides, the discount of 10 per cent. on room charges, and other facilities and amenities, Gold Card holders will be assured of receiving exceptional personal service and attention at the Company's hotels and all the other hotels in the Oberoi Group in India and Pakistan. This unique service will indeed give the holder of a Gold Card a proprietory interest when staying at any of these hotels. A Gold Card will be valid for 5 years from the date of issue. In the case of companies, they will be required to nominate one person who will be entitled to the use and privileges of the Gold Card. In the case of individuals or others holding shares in joint names, only the first named holder will be entitled to the use of the privileges of the Gold Card.

PROCEEDS OF ISSUE

The entire project in Delhi and Kashmir will cost Rs. 1.25.00.000 when fully developed with all ancillary establishments. The immediate requirements are Rs. 1.00.00.000 but it must be emphasised that within this outlay the project is a completely finished entity and will in no way be handicapped in its operation without the ancillaries which will be added at a later stage but which will undoubtedly enhance the efficiency and earnings of the project. This total capitalisation cost will be provided as under:

(A) **By Share Capital**

30,000 6 per cent. tax free Cumulative Preference Shares of Rs. 100 each ...	Rs.	30,00.000
7,00.000 Ordinary Shares of Rs. 10 each	Rs.	70.00,000
	Rs.	1,00,00,000

(B) It is proposed to raise Rs. 25 lakhs or thereabouts by the issue of debentures or by borrowing from the Company's Bankers or other sources on the security of its assets as may be decided by the Directors of the Company. The Directors expect that such a loan can be obtained at a rate not exceeding 6 per cent. per annum depending on the market conditions. The present intention is to raise the loan at a later date when the project is completed or is nearing completion and is operating at nearly full capacity, so that its earnings are sufficient not only to ensure payment of interest on the amount borrowed but also to set apart a sum of Rs. 2½ lakhs per annum towards the repayment of the loan.

(C) The working capital which is estimated at about Rs. 4.40.000 will be provided partly from the profit of the Company in running the hotel at Srinagar and partly lend by the Managing Agents free of interest.

The proceeds of the funds are proposed to be expended in the following manner:

		Rs.
(a)	Construction of Hotel in New Delhi—	
	Land and Building	54,81,210
	Electrical and Sanitary Installations, Lifts, Air-conditioning (estimated).	33,00,000
	Furniture, Crockery, Cutlery, Glassware, Carpets, Kitchen Utensils, Linen, Cooking Ranges, Laundry Plant, etc., (estimated)	19,68,790
(b)	Assets of OBEROI PALACE HOTEL, SRINAGAR	15,10,655
(c)	Expenses to this Issue	3,00,000
(d)	Working Capital (estimated) ..	4,39,345
		1,30,00,000

ESTIMATES OF PROFITS

A general idea of profits, which a representative unit in the hotel industry can earn, can be had from the results of the working of the Hotel Imperial, New Delhi, of the Oberoi Hotel Group. An abstract of income and expenditure of this hotel for the years 1952-53, 1953-54, 1954-55 and 1955-56 is given in the table below. The figures are taken from the books maintained by Associated Hotels of India Ltd. which owns the hotel.

HOTEL IMPERIAL, NEW DELHI

Total Number of Beds: 150 Average Occupancy: 92%

(Rupees in lakhs)

	1952-53	1953-54	1954-55	1955-56
Income:				
Board and Lodging, etc...	21.17	21.85	24.03	26.53
Rental and Miscellaneous Receipts etc.	1.94	1.79	2.68	3.09
Sale of Liquor ..	6.11	6.06	6.55	7.33
	29.22	29.70	33.26	36.95
Expenses:				
Food, Establishment, Rent, Taxes, Insurance and Miscellaneous	20.28	20.34	23.23	20.27
	8.94	9.36	10.03	16.68

Profit:

It will be seen from the above table that the percentage of expenses to income was 69.3 in 1952-53, 68.4 in 1953-54, 69.8 in 1954-55 and 54.8 in 1955-56 leaving thereof a profit margin of about 30 per cent. in the 3 years, 1952-53, 1953-54 and 1954-55 and about 45 per cent. in 1955-56.

The proposed New Delhi hotel will contain 200 rooms with 375 beds. The average number of residents is estimated at 230 per day in the year.

In the Oberoi Palace Hotel, Srinagar, there are 90 rooms with a provision of 150 beds. The average number of residents works out to 80 per day for a period of 8½ months.

The estimated profits calculated on the basis on the average occupancy in both the hotels are shown in the proforma income and expenditure statement below, for the first year after the completion of the project.

(Rupees in lakhs)

	New Delhi Hotel	*Palace Hotel Srinagar*	*Total*
Total Accommodation ..	375 Beds	150 Beds	
Average Occupancy ..	60%	55%	
Income:			
Board and Lodging ..	41.00	5.75	46.75
Food sale, Rental, Laundry and Miscellaneous Receipts	13.10	0.85	13.95
Sale of Liquor	Nil	1.00	1.00
	54.10	7.60	61.70
Expenditure:			
Food, Establishment, Rent, Taxes, Insurance and Miscellaneous	22.48	5.85	28.33
Gross Profit	31.62	1.75	33.37

If the loan of Rs. 25 lakhs is raised by the Company, the position of Profit and Loss will be as follows:—

Gross Profit		33.37
Less Appropriations:		
Overhead Expenses of Head Office	0.61	
Interest on Loan	1.50	
Depreciation	5.00	7.11
		26.26
Less Tax payable @ 43% of the assessable profits	5.56	
Tax on Dividend in excess of 6%	1.06	6.62
Net Profit		19.64
Sinking Fund for Loan		2.50
		17.14
Preference Share Dividend at 6%	1.80	
Ordinary Share Dividend at 15%	10.50	12.30
		4.84
Reserve Fund		4.00
Carried over		0.84

It will be seen from the above statement that the Company can expect to earn an income of Rs. 61.70 lakhs in the first year after the completion of the project, as against the expenditure of Rs. 28.33 lakhs, leaving a gross profit of Rs. 33.37 lakhs. Of the latter, a sum of Rs. 13.73 lakhs is appropriated for interest on loan, depreciation, taxation at the present rate, and overheads. The estimated net profit available for distribution to shareholders would be Rs. 19.64 lakhs.

Preference Dividend Cover: On the basis of an estimated net profit of Rs. 19.64 lakhs, the dividend on the 6 per cent. Tax-free Cumulative Preference Shares will be covered over 7¼ times by earnings.

After deducting from the estimated net profit of Rs. 19.64 lakhs, the sum required for payment of dividend on Preference Share Capital, the balance of profit represents a return of 25.5 per cent. on the amount of the issued Ordinary Share Capital. After providing a reserve of Rs. 4 lakhs and a sinking fund of Rs. 2,50.000 every year, the Company according to the above Profit and Loss account will be in a position to **declare a dividend of 15 per cent. Free of Tax to the Ordinary Shareholders.**

The above estimate for the first year is made at 60 per cent., average occupancy and taking into account the depreciation relief for the first five years. In the course of the next five years, the average occupancy is expected to rise to 80 to 90 per cent. which means an increase in the income by nearly 40 to 50 per cent. The consequent increase in earnings will more than compensate the Company for the higher incidence of tax from the sixth year, owing to the discontinuance of the development rebate thus enabling it to maintain, or perhaps even raise the dividend.

WINE PROFITS: The above profit, it may be noted, does not include profits on liquor sales in the New Delhi Hotel in view of the possibility of enforcement of prohibition there. Even if prohibition is introduced, the Company is likely to continue its sales of liquor to residents, permit holders and foreigners. If this additional income is taken into account, the earnings would be higher and will enable the Company to pay still higher dividends.

STATUTORY AND GENERAL INFORMATION

Minimum Subscription: The minimum subscription in respect of the present issue on which the Directors will proceed to allot is Rs. 30,00.000.

1.	Purchase Price of Property..Rs. 11,78,000 Paid .. „ 6,17,000	Rs. 5,61,000
2.	Preliminary Expenses..	„ 20,000
3.	The Repayment of any money borrowed by the Company in respect of the foregoing matters..	„ 7,77,000
4.	Working Capital ..	„ 4,40,000
5.	Any other Expenditure stating nature and purpose thereof and the estimated amount in each case: (To complete 100 rooms furnished and equipped).. ..	„ 27,02,000
		Rs. 45,00,000
	Less—Working Capital to be met out of Company's fund and advance from Managing Agents	Rs. 5,00,000
	Shares already allotted ..	„ 10,00,000
		„ 15,00,000
		Rs. 30,00,000

Contracts Relating to Property: 1. The Government has allotted to the Company a plot of land measuring 6.32 acres in New Delhi for the construction of a new hotel building on international standards.

The plot is situated near the Delhi-Mathura Road and Wellesley Road crossing in the north east corner adjoining the Golf Club.

The terms and conditions under which this plot of land is being leased to the Company are specified by the Land and Development Officer, New Delhi in his letter No. O-L dated 17th December 1955, addressed to the Company. The Lease will be completed in due course. This includes the following:—

(a) The Company is required to pay for the land as under:—
  (i) For the area measuring about 5.46 acres at Rs. 2,00,000 per acre which comes to Rs. 10,92,000 plus Rs. 27,300 as annual ground rent at 2½ per cent. of the premium.
  (ii) For the area measuring about 0.86 acres at Rs. 1,00,000 per acre which comes to Rs. 86,000 plus Rs. 2,150 as annual ground rent at 2½ per cent. of the premium.

(b) Only one-third of the area measuring 5.46 acres will be built over and the remaining area shall be left for gardens, roads, car parks, etc. An area of about 0.86 acres will be converted into a lake and adjoining garden.

The construction of the building has already been taken in hand. A part of the building is intended to be completed by October and the entire project by mid-1957.

2. Agreement for Sale dated the 31st August 1956, and made between Hotels (1938) Private Ltd., of the first part and Rai Bahadur M. S. Oberoi of the second part and the Company of the third part.

This agreement provides for the purchase by the Company from Hotels (1938) Private Ltd. of the assets comprised in the latter's hotel at Srinagar at a price of Rs. 15,10,654-14-3 which will be paid and satisfied by the Company by the issue of and allotment of Rs. 15 lakhs in its 1,50,000 Ordinary Shares of Rs. 10 each at par credited as fully paid up and the balance, i.e., Rs. 10,654-14-3 will be payable in cash. The sale is subject to the consent of Yuvaraj Karan Singh the landlord to the assignment of the properties, comprised in two leases, dated 17th June 1954, and the 12th November 1954, in favour of the Company. As these leases stand in the name of Rai Bahadur M. S. Oberoi, he has been made a party to the Agreement. Rai Bahadur M. S. Oberoi and T. R. Oberoi who are the Directors of the Company are also Directors of the Vendor Company.

Expenses to this Issue: The estimated amount of the preliminary expenses including brokerage and commission is Rs. 3,00,000.

Directors' Qualification and Remuneration: The qualification of a Director shall be the holding in his own name or jointly with any other person of shares in the Company of the nominal value of Rs. 5,000. Each Director will be paid out of the Company's funds by way of remuneration a fee of Rs. 64 for attending each Board Meeting. The Directors will be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending to and returning from the meetings of the Board on Committees of the Board and otherwise in the execution of their duties as Directors. All other remunerations, if any, will be determined in accordance with the Company's Articles and the Companies Act. A Director who performs extra service or goes or resides away from Calcutta for any purpose of the Company may subject to Sections 198, 309 and 310 of the Act be paid such extra remuneration as the Board of Directors may determine. The Managing Agents can subject to Section 255 of the Act appoint two ex-officio Directors where the number of Directors exceeds five and one ex-officio Director where the number does not exceed five.

Managing Directors: The Board may subject to Sections 316 and 317 of the Act appoint one or more Managing Directors of the Company. Such Managing Director will, subject to Section 255 of the Act, not be liable to retire by rotation but will cease to be a Managing Director if he ceases to be a Director. He will, subject to Sections 309, 310 and 311 of the Act, receive such remuneration as the Company may determine in general meeting. The Company will not appoint Managing Directors as long as it has Managing Agents.

Managing Agents: Oberoi Hotels (India) Private Ltd. are the Managing Agents of the Company by virtue of the Agreement dated 26th May 1949. They receive by way of remuneration for their services a commission of 10 per cent. on the nett profits and are entitled to be reimbursed all expenses incurred on behalf of the Company. Such remuneration is subject to the provisions of the Companies Act. The subscribed capital of the Managing Agents is Rupees Four Thousand divided into Four Hundred Ordinary Shares of Rupees Ten each.

Interest of Directors: Sir U. N. Sen and Mr. M. L. Khaitan are Directors of Associated Hotels of India Ltd., of which Hotels (1938) Pvt. Ltd. (the vendor in respect of assets comprised in its hotel at Srinagar) is a subsidiary. Rai Bahadur M. S. Oberoi is a Director of Oberoi Hotels (India) Pvt. Ltd., the Managing Agents of the Company and of Associated Hotels of India Ltd., and Hotels (1938) Pvt. Ltd. Mr. T. R. Oberoi is a Director of Oberoi Hotels (India) Pvt. Ltd., Associated Hotels of India Ltd., and Hotels (1938) Pvt. Ltd.

Consent: The consent in writing of the Auditors, Bankers, Brokers and Legal Advisers to the Company to act in their respective capacities have been obtained. The Auditors, Messrs. G. Basu & Co., have given and have not withdrawn their consent to the inclusion of their report and certificate in this Prospectus in the context in which they appear.

The foregoing written consents and copies of the contracts mentioned below have been attached to the copy of the Prospectus which has been delivered to the Registrar of Companies, West Bengal, for registration.

Contracts: The following Contracts (apart from contracts entered into in the ordinary course of business) have been entered into by or on behalf of the Company and are or may be material.

(a) Agreement for the same dated the 31st August 1956 and appearing under the heading "Contracts relating to Property" of this Prospectus.

(b) Letter dated 17th December 1955, from the Land and Development Officer, New Delhi, setting out terms and conditions of the lease of the land in New Delhi.

(c) Correspondence with Messrs. Uttam Singh Duggal and Co., Ltd., Delhi, Building Contractors for the construction of the hotel building.

(d) Correspondence between Rai Bahadur M. S. Oberoi and Inter-Continental Hotels Corporation.

(e) Managing Agency Agreement dated the 26th May, 1949 between The East India Hotels Ltd. and Oberoi Hotels (India) Private Limited, regarding the Managing Agency terms, remuneration, etc.

Brokers: Brokerage at the rate of As. 4 per Ordinary Share of Rs. 10 each and Re. 1 per Preference Share of Rs. 100 each will be paid to recognised brokers on allotments made in respect of applications bearing their stamps.

Messrs. Merwanjee Bomanjee Dalal and Messrs. Harbans Singh Mehta & Co., are the Managing Brokers to this issue and will be in addition entitled to a commission of one anna per Ordinary Share and eight annas per Preference Share on all shares subscribed by the public.

AUDITORS' REPORT

We have examined the accounts of East India Hotels Ltd., for the five years ended 31st March 1956, and in accordance with the provisions of clause 24 of Part II of Schedule II of the Companies Act, 1956, we report as follows:

The profit and loss account of the Company for these years were set out hereunder and have been arrived at after charging all expenses.

THE EAST INDIA HOTELS LTD.

	Year ended				
31st March	1956	1955	1954	1953	1952
Income	Nil	Nil	Nil	Nil	Nil
Expenses ...	8,092	256	270	270	6,191
Loss	8,092	256	270	270	6,191

We further report that no dividends have been paid in respect of any of the five years ended upto 31st March 1956. The nett assets of the Company as at 31st March 1956, as disclosed by the audited balance sheet as at that date were as follows:—

Current Assets	Rs.
Advance to contractors	1,932
Current account with Managing Agents ...	7,798
Balance with bank	139
	9,869
Preliminary expenses	13,125
	22,994
Less **Current Liabilities and Provisions**	
Sundry creditors	1,665
Nett assets on 31st March 1956	21,329

Nett assets of Rs. 21,329 shown above are represented by:—

	Rs.
Share capital of 1,00,756 Ordinary Shares of Rs. 10 each, As. 8 per share called up ...	50,378
Calls received in advance	4,750
	55,128
Less debit balance in profit and loss account.	33,799
	21,329

G. BASU & CO.,
Auditors.

Inspection: Copies of Memorandum and Articles of the Company, the consent order of the Central Government, the Auditors' Report and Certificate and the Contract and correspondence referred to above and copies of the balance sheets and profit and loss accounts on which the Auditors' Report is based may be inspected at the Registered Office of the Company on any working day during business hours until the subscription list is closed.

Dated the 14th September 1956.

Signed by the following Directors:—

Sir Dhiren Mitra, Kt.
Mr. M. L. Khaitan
Mr. Ramniwas Ramnarain
Mr. Murarji Vaidya
Rai Bahadur M. S. Oberoi
Sir Usha Nath Sen
Mr. T. R. Oberoi

Dated the 14th September 1956.

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Notices

THE GOUREPORE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday the 9th October 1956, at 11.00 a.m., for the following purposes:—

AGENDA

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the half-year ended 31st March 1956 and the Balance Sheet as at that date.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. *As Special Business*:
   (i) To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as a Special Resolution:—
   "RESOLVED that the Articles of Association of the Company be altered in manner following:—
   (*a*) In the first line of Article 82 the word "twice" shall be deleted and the word "once" be substituted therefor.
   (*b*) In the first line of Article 181 the word "twice" shall be deleted and the word "once" be substituted therefor."
   (ii) To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as an Ordinary Resolution:—
   "RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the monies, already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 30th September to 9th October 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *6th September* 1956.

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

EXPLANATORY STATEMENT

(1) *Item No.* 5 (i).—Articles 82 and 181 of the Articles of Association of the Company provide that twice in every year, the books shall be examined and the correctness of the Balance Sheet and Profit and Loss Account ascertained by Auditors, and that the same shall be laid before General Meetings which shall be held twice in every calendar year. In accordance with these requirements of the Articles, the accounts have been closed half-yearly and a Profit and Loss Account in respect of each half-yearly period ending on the 30th September and the 31st March in each year and the Balance Sheet at each date has been laid before the Company in General Meeting. Under the provisions of the Companies Act, 1956, each such half-yearly period will be a financial year and as a result the usual half-yearly General Meetings will each be deemed to be an "annual general meeting" within the meaning of the Act. In consequence (*inter alia*) the Directors liable to retire by rotation and the Auditors will retire half-yearly. Your Directors, having carefully considered the matter and the difficulties attending the preparation of the accounts in conformity with the provisions of the Act, the additional work and expense which will be involved in adding an Annual General Meeting in each half-year, recommend that the accounts be closed once only on the 31st March to be laid before the Company at an Annual General Meeting in each calendar year, and that the Articles be amended to give effect to such recommendation.

Neither the Directors nor the Managing Agents will derive any benefit in respect of their remuneration by reason of this change and interim dividends may, subject to trading results, be declared by your Directors under Article 162.

(2) *Item No.* 5 (ii).—By the provisions of Section 293(i) (d) of the Companies Act, 1956, the Directors without the consent of the company in general meeting cannot borrow monies in excess of this statutory limit being the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for the Directors to borrow for the purposes of the Company in excess of this statutory limit but subject always to Article 65 of the Articles of Association of the Company. The presently proposed resolution will, in effect, restore the position which prevailed prior to the 1st April 1956.

THE GANGES MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT A general meeting of the Members of the above Company, being an Annual General Meeting within the meaning of the Companies Act, 1956, will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday the 9th October 1956, at 10.30 a.m., for the following purposes:—

AGENDA

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the half-year ended 31st March 1956 and the Balance Sheet as at that date.
2. To elect Directors.
3. To appoint Auditors and fix their remuneration.
4. *As Special Business*:
   To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as an Ordinary Resolution:—
   "RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 30th September to 9th October 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA. *6th September* 1956.

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

EXPLANATORY STATEMENT

Item No. 4.—By the provisions of Section 293(1) (d) of the Companies Act, 1956, the Directors without the consent of the Company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

THE NUDDEA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday the 9th October 1956, at 11.30 a.m., for the following purposes:—

AGENDA

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the half-year ended 31st March 1956 and the Balance Sheet as at that date.
2. To elect Directors.
3. To appoint Auditors and fix their remuneration.
4. *As Special Business*:
   To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as an Ordinary Resolution:—
   "RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 30th September to 9th October 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *6th September* 1956.

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

EXPLANATORY STATEMENT

Item No. 4.—By the provisions of Section 293(1) (d) of the Companies Act, 1956, the Directors without the consent of the company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

THE MYSORE SPINNING AND MANUFACTURING CO., LTD.

NOTICE OF EIGHTY-SEVENTH DIVIDEND

NOTICE IS HEREBY GIVEN THAT A FINAL Dividend of Rs. 3 per share and a Bonus of Rs. 3 per share on the Ordinary Shares of Rs. 50 each and a final dividend of Re. 1-2-0 per share on the 4½ per cent. Cumulative Preference Shares of Rs. 50 each for the year ended 29th February 1956, sanctioned by the shareholders at the Sixty-third Annual General Meeting held on the 13th September 1956 are made payable at the State Bank of India, Bombay, on and after Wednesday the 26th September, 1956, to those shareholders whose names stood on the Register of Members on the 18th August 1956.

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

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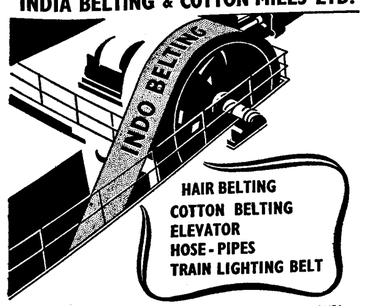

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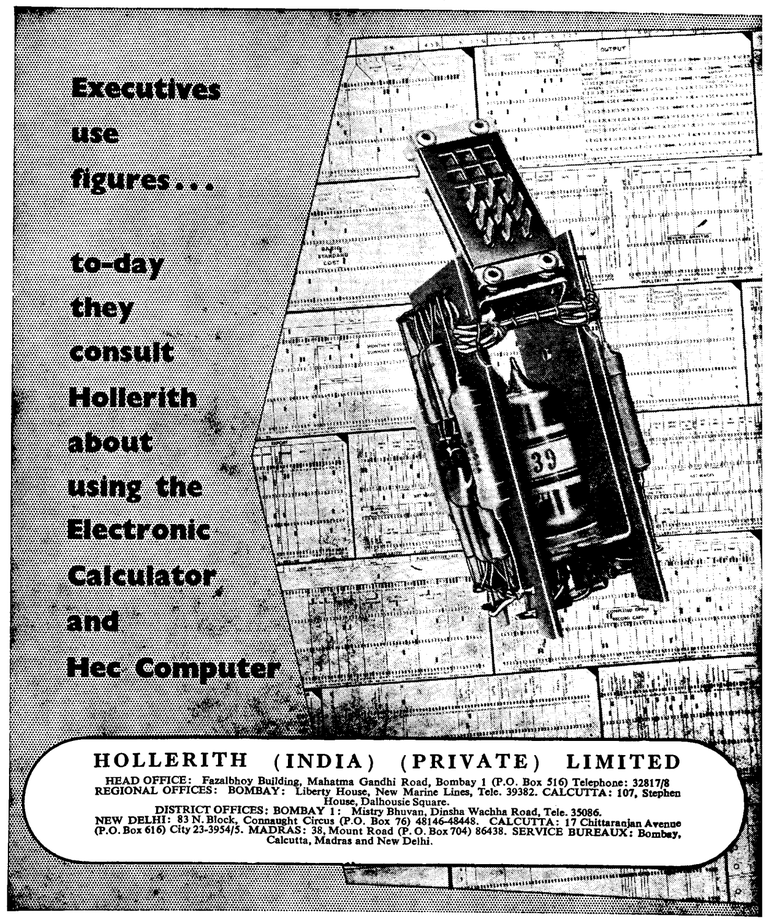

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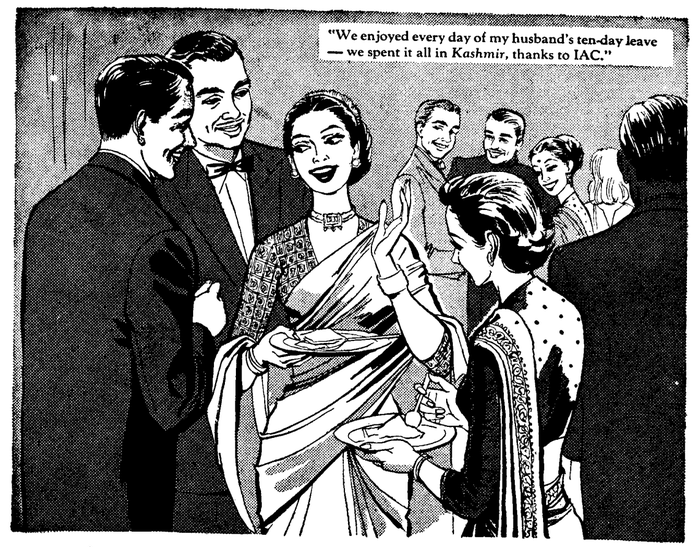

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SELF-SUFFICIENCY IN BASIC CHEMICALS

INTEGRATED APPROACH STRESSED

"HEAVY engineering and chemical industries are the key to industrialisation of any country." Thus observed Mr. Manubhai Shaw, Minister for Heavy Industries, Government of India, addressing the sixth meeting of the Development Council for Heavy Chemicals (Alkalis) held at Calcutta in the second week of this month. Indeed, the importance of the heavy chemicals, such as fertilisers, sulphuric acid, soda ash, caustic soda and a host of others, in the context of the huge plans of agricultural and industrial expansion contemplated, cannot be overemphasised. For the programmes for agricultural development formulated for the second Plan period envisage that increased use of manures and fertilisers alone should account for a quarter of the additional production planned. Moreover, adequate supply of heavy chemicals is a *sine qua non* for the establishment and expansion of such industries as iron and steel, ferro manganese, paper and paperboard, newsprint, rayon, petroleum, glass and others. Besides, production of heavy chemicals indigenously would also obviate the necessity of their imports, thus giving scope for utilisation of the limited foreign exchange resources for other essential things.

The development of heavy chemical industries, as a result of the impetus given by the present Government during recent years, has been encouraging. Protective duties were in force, for instance, on imports of caustic soda till the emergence of Korean war boom in 1951 and, in pursuance of the recommendations of the Tariff Commission in 1954, protection was once again granted till 1958. Soda ash industry to take another example, has been enjoying protection since 1953. In addition to tariff protection, these industries were sheltered against foreign competition through a severe restriction and regulation of imports. The efforts of the Governments, Central and the States, to raise the production of nitrogenous and phosphatic fertilisers through the establishment of the Sindri Fertiliser Factory and the F.A.C.T. are common knowledge. Consequently, the production of heavy chemicals between 1946 and 1955 has substantially increased as the following figures indicate:

	1946 Tons	1955 Tons
Sulphuric Acid	60,000	165,000
Ammonium Sulphate	22,460	393,100
Superphosphate	4,500	74,165
Caustic Soda	2,900	34,250
Soda Ash	12,000	77,270
Liquid Chlorine	2,900	14,580

Reviewing this progress, Mr. Manubhai Shaw rightly pointed out: "This progress is particularly gratifying, because, unless development of production of such basic chemicals essential for the production of diverse producer goods moves faster than in the other spheres of industry, it will not be possible for our economy to accelerate the tempo of industrialisation."

Estimated Requirements

In view of the programmes of development taken in hand in various sectors, the requirements of the heavy chemicals are expected to increase fast—in some cases, by as many as four to five times the present requirements—by 1960-61. The following table gives the estimated requirements of a few chemicals for 1960-61 as compared with those for 1955-56:

	1955-56 Tons	1960-61 Tons
Ammonium Sulphate	610,000	1,600,000
Superphosphate	120,000	720,000
Sulphuric Acid	160,000	470,000
Soda Ash	120,600	230,000
Caustic Soda	83,700	141,000

The targets for 1960-61 have been fixed largely with a view to making India self-sufficient in most of the heavy chemicals. The following targets for 1961, as compared with those for 1955 and for 1951, of some industries, clearly reflect the magnitude of the development programme in heavy chemicals during the second Plan:

(In tons)

	1951	1955	*Targets for 1961*
Ammonium Sulphate	52,804	393,095	1,600,000
Superphosphate	61,020	74,165	720,000
Sulphuric Acid	106,932	164,842	470,000
Soda Ash	47,532	77,272	230,000
Caustic Soda	14,724	34,253	135,400
Liquid Chlorine	5,268	11,577	17,000
Bleaching Powder	3,588	2,693	15,000
Bichromates	3,271	2,929	6,000
Sodium Bicarbonate	1,630	4,125	5,000
Potassium Chlorate	1,593	2,135	3,800
Calcium Carbide	*Nil*	3,110	24,000

Drawing the attention of the Development Council to the need for self-sufficiency in basic chemicals in the course of his address, Mr. Manubhai Shaw emphasised that the targets were only tentative and that they represented the minima and not the maxima. "We hope," he went on to add, "that with the co-operation of the industries and the Government and the consuming public, we will be able to outstrip all these targets, if possible within the first two or three years of the Plan in most cases." The importance of reaching these targets is all the more heightened because of the high targets fixed for some of the engineering and other industries which use the heavy chemicals. The following table provides a glimpse into the pace of expansion envisaged in some such industries:

		1955-56	1960-61
Steel	Tons	1,380,000	4,300,000
Pig Iron	,,	380,000	760,000
Ferro Manganese	,,	23,000	180,000
Aluminium	,,	7,500	25,000 to 30,000
Paper and Paperboard	,,	200,000	450,000
Newsprint	,,	4,200	60,000
Rayon	Million lbs.	15	68
Staple Fibre	,,	16.2	32
Chemical Pulp	,,	..	30,000
Petroleum	Million tons	3.6	4.3
Penicillin	Mill. Mega units	6.6	40
Sulpha Drugs	Kgs.	*N.A.*	450,000
P.A.S.	,,	*N.A.*	113,300
Synthetic Moulding Powder	Tons	725	11,400
Vanaspati	,,	270,700	400,000
Soap	,,	200,000	300,000

Against this background may be viewed some of the developments in recent years—reviewed by Mr. Shaw in the course of his address—in some of the heavy chemical industries.

Ammonium Sulphate

A development of great importance in the ammonium sulphate industry was the establishment of the Sindri Fertiliser factory, with a production capacity of 1,000 tons of ammonium sulphate per day. Apart from helping conservation of much needed foreign exchange, the production at home of ammonium sulphate has also helped to increase agricultural production considerably. "From a technological angle," the Minister further pointed out, "it has created confidence in the success of State enterprises and of big technological projects in the country."

Steps that have been taken to expand the production of fertilisers include increasing the capacity of and initiation of the production of new varieties such as urea, ammonium nitrate, ammonium phosphate, etc., in the two large factories, namely, the Sindri Fertilisers and the Travancore Fertilisers, popularly known as the F.A.C.T. Besides, it is proposed to start another fertiliser factory in Bhakra-Nangal, where hydrogen for ammonia synthesis will be manufactured by the electrolytic process in cells specially designed which will facilitate simultaneous production of heavy water intended to be used as a moderator in atomic reactors. The nitrogen requirements will be met from a liquid air plant. A noteworthy feature of the proposed factory at Rourkela is that the large quantities of coke-oven gas rendered surplus as a result of the adoption of L.D. process of steel making by the proposed steel factory can be used for the production of nitrogenous fertilisers at low cost. In addition, nitrogen will be available at practically no cost from the liquid air plant which will be installed for meeting the oxygen requirements of the steel plant. Another source of chemical fertiliser will be the lignite project at Neiveli. This project is so modelled as to produce synthesis gas for the production of ammonia.

Superphosphate

Turning to the production of superphosphate, Mr. Shaw remarked that it had not been satisfactory for sometime, chiefly because of the high cost of sulphuric acid. The Government has, however, succeeded in bringing down prices of the acid to some extent with the co-operation of the manufacturers. Following the reduction in prices, the Government's efforts to issue licences to new units have borne fruit. Consequently, as against 14 units with an overall capacity of 47,000 (P_2O_5) tons of superphosphate existing in 1955, new licences for an additional capacity of as much as 60,000 (P_2O_5) tons to seven factories, including the expansions under the Industries (Development and Regulation) Act, have been issued. Thus, the gap that remains to be covered to achieve the target is only of the order of 3,000 (P_2O_5) tons.

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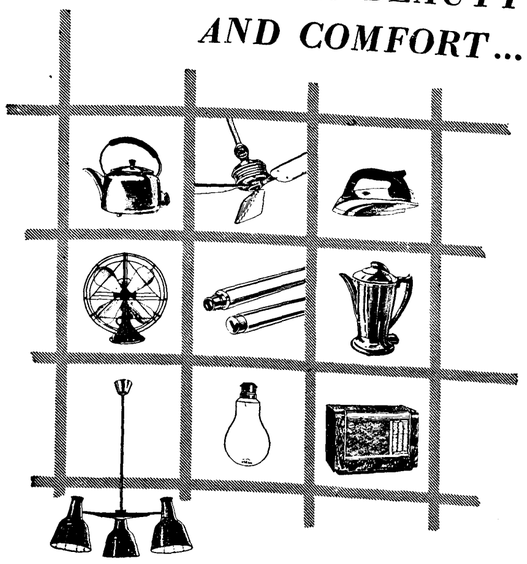

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In respect of sulphuric acid, licences have been issued to as many as 14 units—some of them being for the expansion of the existing units—for an additional capacity of 240,000 tons, as against the present 37 units of the capacity of 245,000 tons per annum, leaving a gap of only 15,000 tons per annum. The raising of the size of the unit to 50 tons per day, is designed to bring down the cost of production. Besides, the prices of sulphuric acid are also regulated by linking them with imported sulphur. In order to reduce the country's dependence on imports, the Government is also considering the question of producing sulphur from such indigenous raw materials as pyrites, gypsum and sodium sulphate.

Soda Ash

In addition to the two soda ash factories of an annual capacity of 90,000 tons existing today, it is proposed to establish shortly two more factories. One of them will be at Porbundar with a capacity of 200 tons—subsequently to be stepped up to 400 tons—per day. This project will be implemented by Jiyajeerao Cotton Mills Ltd., belonging to the House of Birlas. The Tata Chemicals Ltd., also is taking steps to expand its existing capacity to 200 tons per day at the first instance and to 400 tons per day subsequently. A third unit for the production of soda ash through modified Solvay process has also been licensed. This will be established by Sahu Chemicals Ltd., Dalmianagar. In addition to these, the Dhrangadhra Chemical Co., Ltd., has been given a licence to put up a factory at Tuticorin in South India with an annual capacity of 36,000 tons. Although the production thus contemplated may be enough to meet the expected demand, the Minister for Heavy Industries warned that it was necessary to watch closely the consumption trends and be in readiness to expand production further in case the demand tended to outstrip production.

Another important item is caustic soc While the present capacity in the 12 units is only 45,000 tons, licences for an additional production of as much as 113,000 tons—some of which will come from the expansion of the existing units—have been issued.

Turning to chlorine, the Minister remarked that there was no proper utilisation of it. Though the demand for chlorine, in view of the expansion envisaged in a number of industries such as paper, chlorine based chemicals, textiles, rare earth chlorides, D.D.T., drugs, dyestuffs and plastics, there would still be unutilised chlorine. He, therefore, called upon the Development Council to give adequate attention to the problem of developing industries for utilising the surplus chlorine. He further pointed out that, in regard to other chemicals such as dyestuffs, drugs and pharmaceuticals, it was the desire of the Government to manufacture the required quantities in the country itself. It may be recalled in this connection that a general survey of the potentialities of the country has already been made by a team of experts from England, Germany, Italy and the U.S.S.R.

State Trading

Dwelling upon imports worth as much as Rs. 200 lakhs in the case of soda ash and of Rs. 350 lakhs in the case of caustic soda, the Minister observed that the Government had recently brought these two items within the scope of State Trading Corporation, with a view to procuring them at the lowest possible rates in the world markets and passing on the benefit of lower prices to a large number of consuming industries. An important feature of the distribution of these commodities is that imports are being arranged at Government level. Besides, the quantities that are being imported will be sufficient to constitute buffer stocks for six months in the country. Moreover, the distribution will be so broad-based as to cause no difficulty for any manufacturing unit in obtaining its requirements of soda at a reasonable price. This step is expected to stimulate consumption. The Minister, however, pointed out that a close check on the demand and prices of these commodities and a periodical review of the demand position was necessary and would be maintained.

Turning to the price aspect of certain products the manufacturers of which are enjoying protection, Mr. Shaw admitted that their production costs were higher than those in other countries and that production of these chemicals, as compared with that in other advanced countries was negligible. One of the esssential steps to achieve a gradual reduction in prices which alone would stimulate consumption and demand for these products was to expand the size of the units and to locate them at the most favourable areas, particularly with reference to raw materials, power, etc. Besides, it would also be necessary, he added, to develop integrated manufacture of miscellaneous chemicals with a view to utilising every by-product and all the waste products available in these industries. He promised to see that the Government gave every possible encouragement for the development of the units in that direction. He further felt that units of economic size ancillary to some of the chemical industries, as, for instance, rayon, pulp, newsprint, etc., should also be allowed to manufacture some of the chemicals which they needed, so that they might derive the benefits of low cost production of an integrated unit.

Dispersal of Units

The Minister alluded to transport difficulties experienced by the heavy chemical industries. In this connection, he remarked that it would be very wise to consider dispersal of the manufacturing units in various regions, having regard to considerations such as proximity to consuming centres and raw materials, so as to avoid cross movement of products. He called upon the Council to bear these aspects in mind in planning for heavy chemical industries. As regards technical personnel, the Minister pointed out that, in view of the increasing need for them, it was necessary that the industries themselves should come forward to train in their factories artisans, apprentices, operators, supervisors, etc. He made the specific suggestion that the industries could train a minimum percentage, say, five, of the normal strength of the personnel. He further called upon the experienced technicians of the industries to devote a few hours every week to helping the authorities concerned for drawing up industrial projects for the districts in which they were working. By doing so, they would be helping the country to go a long way towards surveying the actual potentialities in various districts and regions. This suggestion merits the attention of the scientists and engineers spread all over the country.

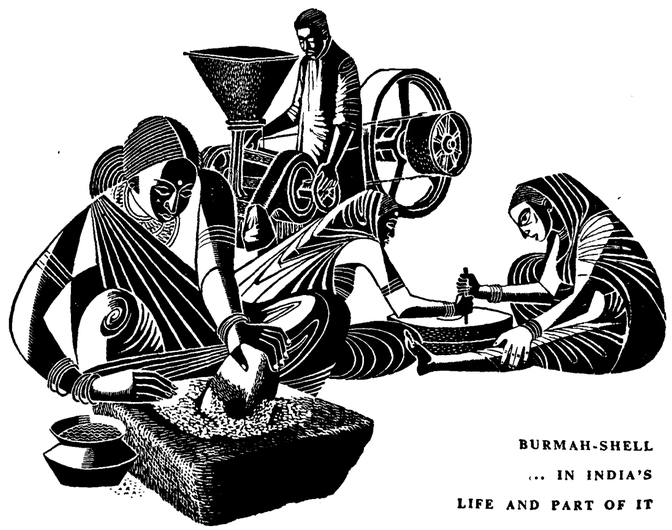
CHEMICAL FERTILISERS

On the basis of the latest information available on performance keeping and other qualities of the different nitrogenous fertilisers, the types and the quantities of fertilisers to be manufactured in the different factories are being reconsidered and the import programme is adjusted by the Government of India, with a view to popularising the utilisation of the new fertilisers which are to be produced in the country. The new fertilisers—urea, ammonium sulphate, nitrate, calcium, ammonium nitrate—are more economical in that the cost per unit of nitrogen in these is less than in ammonium sulphate. Urea and ammonium sulphate nitrate being more concentrated, cost less in transport and handling. Agronomic experiments have shown that these new fertilisers generally behave as sources of nitrogen as well as ammonium sulphate.

The Power to do work

Energy means the power to do work, and India needs all the energy she can get if the targets of the Second Five Year Plan are to be fulfilled. The proportion of *commercial* energy—that is to say, coal, electricity and oil—to the whole energy system is still extremely low in India. Nevertheless, it is beginning to have its impact on traditional methods and ways of life, even in remote rural areas.

The contribution made by oil in the commercial energy pattern in India has increased by 100% since 1948. Oil is the most flexible source of energy available... it is, in fact, 'packaged power' in an easily handled form. It is our job to maintain and extend a distribution organization which will ensure that *energy from oil* flows to all parts of the country cheaply, efficiently and in sufficient quantities.



BURMAH-SHELL

... IN INDIA'S LIFE AND PART OF IT

PROFIT OF ALUMINIUM INDUSTRIES SHRINKS

OUTLOOK, HOWEVER, PROMISING

A SUBSTANTIAL drop of Rs. 10.13 lakhs in gross profit to Rs. 16.96 lakhs is disclosed by the audited accounts of the Aluminium Industries Ltd. (Managing Agents: Messrs. Seshasayee Brothers (Travancore) Private Ltd., Kundara, Travancore-Cochin State) for the year ended 31st March 1956. This decline, which not only more than offsets the increase of Rs. 9.32 lakhs recorded in the previous year but also reverses the upward trend that began in 1953-54, is due to extraneous factors beyond the control of the management, as we shall presently explain. It has, no doubt, affected the allocations to the reserves so very essential in view of the projects for expansion taken up on hand, but it has not affected the distribution to the shareholders. In fact, the dividend is maintained on a higher capital.

The net profit for the year under review amounts to Rs. 7.39 lakhs, as compared with Rs. 12.64 lakhs for the previous year. Consequently, the Directors have reduced the allocation to the general reserve from Rs. 5 lakhs to Rs. 2.50 lakhs and that to the deferred taxation reserve from Rs. 4.25 lakhs to Rs. 0.50 lakh, while maintaining the transfer to the dividend equalisation fund at Rs. 0.75 lakh. The dividend is, however, maintained at 12½ per cent. per annum for the sixth year in succession. The latest dividend has again been on a higher capital, raised in 1955 by the issue of 150,000 shares of Rs. 10 each. It must, however, be noted that the new issue ranks for dividend only from 1st December 1955. The maintenance of dividend on a higher capital may seem inconsistent with the shrinkage in profit, but this can be justified on good grounds. In the first place, the drop in profit is due to a temporary factor. Secondly, the outlook for the current year is good. Thirdly, the profit, though smaller than in 1954-55, is sufficiently large to cover the proposed dividend by an ample margin. And finally, as the Company has embarked upon a large expansion project and is in need of further large finances, it has to offer at least a decent return to attract sufficient capital from the existing shareholders, as well as from new ones.

The trend of progress of the Company during the past three years is duly reflected in the following table giving the salient features of its working results:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	208.52	185.67	130.56	111.43
Manufacturing and selling expenses	184.01	153.00	108.99	99.31
Other expenses	7.04	5.65	3.80	2.99
Gross profit	16.96	27.00	17.77	9.21
Managing Agents' remuneration	1.33	2.71	1.81	0.85
Depreciation	5.74	5.44	3.51	2.45
Taxation	2.50	6.30	4.99	1.70
Net profit	7.39	12.64	7.45	4.21
To reserves	3.75	10.00	5.00	2.50
Dividend	3.75	2.71	2.50	1.95
	(12½%)	(12½%)	(12½%)	(12½%)
Carry forward	0.65	0.76	0.82	0.87

How the money was spent (percentage of earnings)

Raw materials	78.03	72.54	73.74	77.02
Repairs and maintenance	5.07	5.12	3.29	3.76
Selling expenses	1.81	1.33	2.75	1.85
Administration	0.93	1.73	1.84	1.15
Interest and bank charges	2.13	1.41	1.54	1.51
Employees	3.86	4.19	3.65	3.33
Depreciation	2.75	2.94	2.69	2.20
Government	1.88	3.93	4.11	4.41
Retained in business	1.74	5.35	4.48	3.02
Dividend	1.80	1.46	1.91	1.75

The rise in sale proceeds is in consonance with the increase in production, but it is very much less than that noted in the previous year. The production of aluminium cables during the year (besides a full range of cable accessories) amounted to 17,460 miles, as compared with 13,812 miles in 1954-55 and 6,515 miles in 1953-54. Thus, the pace of the output slackened somewhat in 1955-56. This was due to the world shortage of aluminium consequent upon loss of production in Canada occasioned by unfavourable weather. The short supply in aluminium was extreme in the latter half of the year under review and led to a sharp rise in prices. This is duly reflected in the increase of Rs. 31.01 lakhs in manufacturing and selling expenses. Of the rise of about Rs. 2 lakhs in other expenses, interest and bank charges alone account for Rs. 1.82 lakhs.

Giving an account of the present supply position in respect of aluminium and of the progress of the manufacturing project on hand, as also of the new scheme to be taken up, the Directors observe in their latest report as follows:

"Your Directors are happy to record that, at the time of writing, the supply position is easing and the prices are stabilising. The full installed capacity and facilities at Kundara can, therefore, be fully utilised hereafter. The Company's order book is full and the entire output will be easily absorbed against the urgent requirements of our country.

"The insulated aluminium cable project is progressing according to schedule. Most of the plant and machinery has arrived at Kundara and production is expected to commence by January 1957. The Government of India have granted us a licence to manufacture a special type of insulated aluminium cable also which was not included in the original licence and the manufacture of this new product is expected to commence by May 1957. The additional share capital of Rs. 15 lakhs raised in 1955 was utilised for financing these projects and for working capital requirements.

"Your Directors are happy to announce that our scheme for establishing a rod rolling mill at Hirakud in Orissa State has been approved and licensed by the Government of India. The Orissa activities will be located close to the 10,000-ton aluminium smelter now being constructed at Hirakud by the Indian Aluminium Company, Ltd., in order to ensure easy raw material availability. With the completion of these new manufacturing facilities in Orissa, your Company will be in an even better position to cater to the aluminium cable markets in Central India. The anticipated time of completion of this project is approximately two years. The matter of financing this venture is now engaging the attention of your Directors and their proposals will be intimated to you shortly."

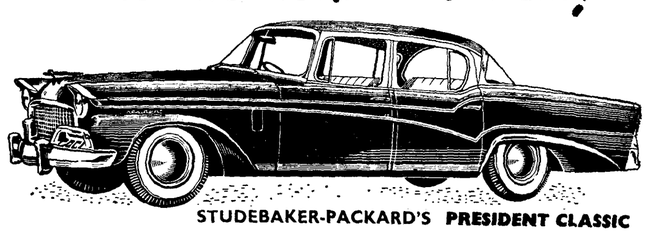
From the above quotation, it will be noted that the prospects for the Company are encouraging.

As a first step towards issuing fresh shares for financing the rod rolling mill project at Hirakud, the Directors have considered it necessary to double the authorised capital from the present level of Rs. 50 lakhs to Rs. 1 crore.

The latest balance-sheet of the Company shows that the reserves and surplus amount to Rs. 28.89 lakhs, supplementing a paid-up capital of Rs. 40 lakhs. The gross block of the value of Rs. 56.26 lakhs, including an addition of Rs. 7.79 lakhs during the year, stands written down to Rs. 34.70 lakhs. The current assets aggregate Rs. 138.25 lakhs, as against which current liabilities amount to only Rs. 104.06 lakhs.

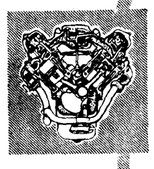
Incomparable

IS THE WORD FOR THEM!



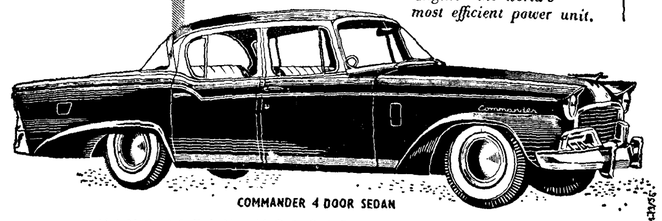
STUDEBAKER-PACKARD'S PRESIDENT CLASSIC

In any setting—in the midst of a traffic stream or parked anywhere—these are the cars that eclipse all others for elegant styling and performance. They are literally *incomparable*. Several unique Studebaker-Packard features, such as, new Pyramid-Design low-level ride, Safety-Action brakes, Safe-Lock doors, 'Cyclops-Eye' speedometer and many others impart exclusive superiority to these cars in the matter of riding comfort and driving safety.



For extra luxury and comfort these cars can now be fitted with an airconditioning unit — at a small extra cost...a new feature in Indian motoring.

The only big cars now available in India that are fitted with the latest Studebaker V8 (Overhead Valve) Engine—the world's most efficient power unit.



COMMANDER 4 DOOR SEDAN

HINDUSTAN MOTORS LTD CALCUTTA

DEALERS:

Agra ; Ajmer ; Ahmedabad ; Allahabad ; Baroda ; Bangalore ; Bombay ; Bareilly ; Banaras ; Calcutta ; Cuttack ; Coimbatore ; Dibrugarh ; Dehra Dun ; Dhanbad ; Indore ; Jaipur ; Jodhpur ; Jalgaon ; Jorhat ; Jamshedpur ; Jullundur City ; Jammu ; Kanpur ; Kolhapur ; Lucknow ; Madras ; Madura ; Mangalore; Nasik ; Nagpur ; New Delhi ; Nepal ; Patna ; Poona ; Rajkot ; Ranchi ; Sambalpur ; Shillong ; Secunderabad ; Silchar ; Srinagar ; Tezpur ; Tiruchirapalli ; Trivandrum ; Vijayawada ; Vizianagram.

Considering the fact that the Company is of a post-war origin and that it commenced production only in 1950 (when it amounted to 174 miles of cable), the progress which it has so far made is commendable and inspires confidence in its capacity to fare well in the coming years.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 22 *cum-div.* (final div. As. 10 per share). On an *ex-div.* basis, the dividend for the year under review offers a yield of 5.8 per cent. per annum, free of income-tax.

The management of the Company deserves to be complimented for the informative and interesting manner in which it continues to present the report and statement of accounts. The charts and the statistical tables accompanying the report will enable the shareholders easily to follow the Company's progress. Now that the private sector in industry is being criticised, as though it is a monopoly of few persons possessing huge financial resources, information given by the companies about the number of shareholders and the extent of their holdings is particularly valuable. Such information, if properly brought to the notice of the public, will serve to remove much of the misunderstanding about the composition of the private sector in industry that is being sedulously created by a section of politicians. In the case of the Aluminium Industries Ltd., its paid-up capital of Rs. 40 lakhs, as at the end of March last, is being held by as many as 1,338 persons (as against 1,191 a year before). Of these, 829 persons hold shares worth less than Rs. 1,000, 395 persons hold shares worth between Rs. 1,001 and Rs. 5,000, 64 persons between Rs. 5,001 and Rs. 10,000, 26 persons between Rs. 10,001 to Rs. 20,000 and 24 persons above Rs. 20,001. Now that the Company has been firmly established and is participating in an industry with promising future, we have no doubt that more and more investors will evince an interest in its shares and thereby swell the number of persons owning it.

DEHRI-ROHTAS' PROFITS UP

The working of the Dehri-Rohtas Light Railway Company Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar) during the year ended 31st March 1956 discloses a steady improvement. The gross profit, which amounted to Rs. 9.34 lakhs for 1953-54 and rose to Rs. 10.23 lakhs for 1954-55, has made a further modest increase to Rs. 10.41 lakhs for the year under review. Commensurate with this improvement, the net profit which had increased from Rs. 2.48 lakhs for 1953-54 to Rs. 2.86 lakhs for 1954-55 has risen to Rs. 3.43 lakhs for 1955-56. This sum has been arrived at after providing for managing agents' commission at Rs. 0.80 lakh (Rs. 0.63 lakh), depreciation at Rs. 3.18 lakhs (Rs. 4.47 lakhs) and taxation at Rs. 3.00 lakhs (Rs. 2.25 lakhs). In conformity with the rise in profit, the rate of dividend also has been progressively raised year after year. The dividend, which was stepped up to 10 per cent. for 1954-55 from 7½ per cent. for 1953-54 has been enhanced again to 12½ per cent. for 1955-56. This, however, has not been done at the expense of any allocation to the reserves which has been maintained at the previous year's level of Rs. 50,000. The dividend of 12½ per cent. or Re. 1-4 per share absorbs Rs. 2.81 lakhs, as against Rs. 2.25 lakhs, leaving a balance of Rs. 37,914 to be carried forward, as against Rs. 26,753 brought in.

The Company's progress in the manufacture of wagons has been quite encouraging. During the year under review, 30 four wheeler open wagons were manufactured and put on line. Construction of 90 more wagons is being done. The two ZB locomotives on order are expected to be received shortly. Out of the 18 miles private siding under construction, 10 miles siding has been completed and the balance is expected to be done before the end of the current financial year. The Directors hope that the larger volume of traffic flowing from cement factories in the region served by the Company would be reflected in the Company's earnings during the current year. Accordingly, they anticipate a bright future for the Company.

The balance sheet of the Company as at 31st March 1956 shows the capital unchanged at Rs. 22.53 lakhs. Besides shareholders' capital, the Company has also 5½ per cent. debentures to the tune of Rs. 15.0 lakhs secured by land, buildings, plant, machinery, rolling stock and permanent way of the Company. The Company has also secured loans from the Bihar Government of the order of Rs. 5 lakhs. These resources are supplemented by reserves and surplus aggregating Rs. 13.88 lakhs. The gross block, with additions during the year of the value of Rs. 1.55 lakhs, stands at Rs. 62.21 lakhs. Against this, the provision for depreciation aggregates Rs. 26.18 lakhs. The current assets amount to Rs. 30.72 lakhs, exceeding the current liabilities and provision for taxation of the order of Rs. 10.34 lakhs, by as much as Rs. 20.38 lakhs.

(Concluded from next column)

Rs. 164.07 lakhs and cover the current liabilities and provision for taxation by a fair margin.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 10-12 *cum-div.* On an *ex-div.* basis, and taking the dividend at 7½ per cent., the yield on the shares works out to 7½ per cent. per annum, free of tax.

SINGARENI COLLIERIES' BUMPER PROFIT

DIVIDEND RAISED FURTHER

A FURTHER record output of coal far in excess of the previous year's raisings, which were themselves a record, without a proportionate increase in overall costs as witnessed in the previous year, and an adequate wagon supply for the movement of coal were the factors responsible for the pleasing results of the Singareni Collieries Co. Ltd. (Secretaries: Industrial Trust Fund, Government of Hyderabad) for the year ended 31st December 1955. The Company's fresh record profit outstripping the previous year's record has not only enabled it to wipe out completely the remnants of loss carried over from 1953 but has also made it possible to raise the dividend further to 7½ per cent. from 7 per cent. declared for 1954. It might be remembered that even the previous 7 per cent. rate was something which the Company had not paid during the past nearly quarter of a century of its history. With the present increase, the dividend has now almost reached the highest rate of 8 per cent. per annum declared for 1929.

The gross profit has made a strident advance from Rs. 42.23 lakhs in 1954 to Rs. 53.40 lakhs during the year under review. After providing a higher provision for depreciation at Rs. 32.12 lakhs as against Rs. 25.53 lakhs and Rs. 7.50 lakhs for taxation as against Rs. 7.70 lakhs in the previous year, the net profit stands at the distinctly impressive figure of Rs. 13.78 lakhs, that is Rs. 4.78 lakhs above the 1954 profit of Rs. 9 lakhs. The provision for payment of bonus to staff other than workers has been raised from Rs. 1.50 lakhs to Rs. 1.75 lakhs, while the transfer to workmen's compensation fund has been maintained at Rs. 1 lakh. Besides, the dividend equalisation fund has also been enriched with Rs. 1.75 lakhs. After wiping out the last vestige of loss at Rs. 4.47 lakhs, a small sum of Rs. 7,000 is being carried over.

The following comparative table brings out the essential features of the Company's working results for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	311.50	293.22	253.20	283.08
Colliery and other expenses	254.06	253.78	240.89	248.30
Gross profit	53.40	42.23	14.67	36.23
Depreciation	32.12	25.53	23.28	21.95
Taxation	7.50	7.70	..	6.20
Net profit (+) or loss (—)	+13.78	+9.00	—8.61	+8.08
Refund of income-tax	..	..	1.47	..
Provision for bad and doubtful debts	..	0.05	..	..
To reserves	2.75	1.00	..	3.50
,, bonus (other than to workers)	1.75	1.50	..	1.00
,, dividend	4.74	4.42	..	3.16
	(7½%)	(7%)		(5%)
Carry forward	0.07	—4.47	—0.49	+0.66

The Company's output of coal during the year amounted to 15.26 lakh tons, having risen from 12.72 lakh tons in 1953 and 14.58 lakh tons in 1954. This was due to the cordial labour relations that existed throughout the year in two of the mines. An illegal strike for about 1½ months in the third mine, however, curtailed production by about 70,000 tons. The year's output is higher than the 1954 output, which had exceeded the previous highest production of 13.75 lakh tons in 1952. However, the working expenses have only increased from Rs. 253.78 lakhs to Rs. 264.94 lakhs. The original expansion scheme to raise the output to 2 million tons per year by 1958 has been revised to produce 3 million tons per year by 1961-62. This portion of the scheme has been accepted by the Government of India under the public sector in the second Five-year Plan and is estimated to cost Rs. 9 crores.

Despatches of coal during the year amounted to 14.62 lakh tons, as compared with 13.57 lakh tons in 1954 and 11.69 lakh tons in 1953.

The reserves and surplus of the Company as at the close of 1955 amount to Rs. 23.84 lakhs, as against a paid-up capital of Rs. 63.21 lakhs. These reserves include a capital reserve of Rs. 1.36 lakhs representing the subsidy received from the Government towards the construction of pithead baths and workmen's quarters. The entire debenture liability of Rs. 10.79 lakhs has been liquidated. The provision for taxation stands at Rs. 18.48 lakhs. The current liabilities (excluding employees' provident fund contributions amounting to Rs. 35.45 lakhs) aggregate Rs. 188.77 lakhs of which Rs. 121.86 lakhs represent loans from the Hyderabad Government. The gross block of the value of Rs. 472.98 lakhs has been provided with a depreciation fund of Rs. 317.80 lakhs. The current assets aggregate

(Continued in previous column)

COMPANY MEETINGS AND DIVIDENDS

A. V. THOMAS AND CO., LTD. Annual General Meeting, Alleppey, 28th September 1956. Dividend: Re. 1 per share. Transfer books remains closed from 22nd to 28th September 1956, both days inclusive.

MIRZAPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 28th September 1956. Dividend: As. 8 per share. Transfer books remain closed from 21st to 28th September 1956, both days inclusive.

MOTHOLA CO., LTD. Annual General Meeting, Calcutta, 28th September 1956. Dividend: Rs. 50 per share. Transfer books remain closed from 15th to 28th September 1956, both days inclusive.

CHITTARANJAN COTTON MILLS LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: Nil. Transfer books remain closed from 15th to 29th September 1956, both days inclusive.

MYSORE SPUN SILK MILLS LTD. Annual General Meeting, Channapatna, 29th September 1956. Dividend: Nil. Transfer books remain closed from 15th to 29th September 1956, both days inclusive.

NILAMBUR RUBBER CO., LTD. Annual General Meeting, Tamaracherry, Pudupadi, 29th September 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 22nd to 29th September 1956, both days inclusive.

RUNGLEE RUNGLIOT TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1956. Transfer books remain closed from 20th to 29th September 1956, both days inclusive.

KARIKODE RUBBERS (1945) LTD. Annual General Meeting, Palai, 29th September 1956. Dividend: Re. 1 1/5 per share. Transfer books remain closed from 22nd to 29th September 1956, both days inclusive.

KARANPURA COLLIERIES LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 15th to 29th September 1956, both days inclusive.

RUNGAMATEE TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: Rs. 10 per share. Transfer books remain closed from 20th to 29th September 1956, both days inclusive.

POOBONG TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: Nil. Transfer books remain closed from 20th to 29th September 1956, both days inclusive.

NAGAISUREE TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1956. Dividend: Rs. 7-8 per share. Transfer books remain closed from 20th to 29th September 1956, both days inclusive.

RAMESHWARA JUTE MILLS LTD. Annual General Meeting, Muktapur, P.O. Samastipur (Dharbhanga), 1st October 1956. Dividend: Nil. Transfer books remain closed from 17th September to 1st October 1956, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 4th October 1956. Dividend: Re. 1 per share. Transfer books remain closed from 20th September to 4th October 1956, both days inclusive.

BISRA STONE LIME CO., LTD. Half-yearly General Meeting, Calcutta, 4th October 1956. Dividend: As. 14 per share. Transfer books remain closed from 20th September to 4th October 1956, both days inclusive.

CHAMPDANY JUTE CO., LTD. Annual General Meeting, Calcutta, 4th October 1956. Dividend: Rs. 2 per share. Transfer books remain closed from 19th September to 4th October 1956, both days inclusive.

WEST JAMURIA COAL CO., LTD. Annual General Meeting, Calcutta, 5th October 1956. Transfer books will remain closed from 28th September to 5th October 1956, both days inclusive.

LAWRENCE JUTE CO., LTD. Annual General Meeting, Calcutta, 5th October, 1956. Dividend: Nil. Transfer books remain closed from 21st September to 5th October 1956, both days inclusive.

NILGIRI TEA ESTATES LTD. Annual General Meeting, Nilgiris, 15th October 1956. Dividend: As. 10 per ordinary share. Transfer books will remain closed from 5th to 15th October 1956, both days inclusive.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Dividend of Rs. 10 per ordinary share, free of income-tax, for the year ended 30th June 1956, payable on 29th October 1956. Transfer books will remain closed from 8th to 26th October 1956, both days inclusive.

COMPANY REGISTRATIONS

RADHAKRISHNA RAMNARAIN PRIVATE LTD. (First Director: Mr. R. Ramnarayan Ruia.) Business: Dealers in real estates and lands. Authorised capital: Rs. 20,00,000. Private company. Address: State Bank of India Building Annexe, Bank Street, Fort, Bombay.

ENGINEERING RAW MATERIALS CONSUMERS' CORPN. PRIVATE LTD. (First Director: Mr. B. Gulabchand.) Business: To protect and promote interests of producers and consumers in iron, steel and other materials. Authorised capital: Rs. 10,00,000. Private company. Address: Brabourne Stadium 87, Veerariman Road, Bombay.

EASTERN CIRCUIT PRIVATE LTD. (First Director: Mr. K. K. Kapur.) Business: Motion picture production. Authorised capital: Rs. 5,00,000. Private company. Registered office of the Company will be situated in the State of Bombay.

OVER PRODUCTION AND LACK OF DEMAND AFFECT LAWRENCE JUTE

PROFIT OF ORISSA MINERALS HIGHER

Lawrence Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

After providing Rs. 48,912 (Rs. 47,598) for depreciation, the profit and loss account shows a loss of Rs. 1,33,361 (profit of Rs. 2,76,742). This loss is reduced by the amount brought forward from previous half-year of Rs. 2,154 (Rs. 12,683), transfer from equalisation of dividends reserve Rs. 1,20,000 (*nil*) and transfer from general reserve Rs. 60,000 (*nil*) leaving an available balance of Rs. 48,793 (Rs. 1,99,425 after transferring Rs. 65,000 to plant renovation reserve, Rs. 25,000 to jute stock reserve and adding Rs. 12,683 brought forward from the previous half-year). The directors propose to dispose of this amount as follows:—

In paying a dividend on the "A" preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 17,500 (Rs. 17,500), in paying a dividend on the "B" preference shares at the rate of 5½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,500 (Rs. 27,500) and in carrying forward Rs. 3,793 (Rs. 14,440 after paying ordinary dividend at Rs. 5 per share absorbing Rs. 1,39,985).

Stocks of jute have been valued at cost and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours weekly with 12½ per cent. of the total looms sealed up to the week ended 7th January 1956. With effect from 9th January 1956, 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. were unsealed, leaving 5 per cent. of the total looms sealed.

The labour situation throughout the period remained quiet and the complement at the mill was maintained at full strength.

The directors have to advise that subscriptions to the 5½ per cent. debenture loan to finance the electrification and modernisation scheme amount to Rs. 19,29,000 at the time of this report.

With regard to the scheme for electrification and partial modernisation of the mill, orders have been placed and completion of the scheme is expected by the middle of 1957.

There is no progress regarding the claim for sales tax referred to in the last report. The representations made by the I.J.M.A. are under the consideration of the Central Government and a final decision is expected at an early date. During the period under review, demands have been received from the West Bengal sales tax authorities for interest totalling Rs. 49,687 on original sales tax accounts. The demands have been rejected, as the directors do not consider the Company is liable to pay such interest in view of the fact that Government have admitted liability for sales tax itself.

Disbursements for sick leave payments under the State Insurance Scheme continued to be substantial and in December 1955, reached a peak of Rs. 16,000 for the month. Thereafter an improvement was apparent and by the end of the half-year figures had been brought within reasonable limits. The directors add that the liability of employers of mills in Calcutta and Howrah districts to pay sick leave benefit and also maternity benefit ceased as from 12th May 1956.

A particularly serious situation faces the Indian jute industry since the cost of raw jute is completely out of line with the prices obtainable for finished goods. This is due to over production and lack of demand, particularly in heavy goods. The situation is aggravated by the increasing production in Pakistan whose mills are in a strong competitive position due to cheaper raw materials, lower wages and an internal market in which high profits are obtainable. Production is also increasing in other countries mainly in the Middle East and Asia, whose policy is to produce as far as possible their own requirements.

While supplies of raw jute were sufficient, for the needs of the industry during the period under review, prices were high in relation to goods and this position has been made worse in recent months, due mainly to the unsealing of looms mentioned above. It is clear there is a shortage of jute which will not be relieved while production continues at such a high level.

Up to the end of 1955 stocks of finished goods in the Indian industry continued to decline, but thereafter each month brought a substantial increase and by the end of the period under review, combined stocks of hessian and sacking had risen to 95,200 tons and by the end of July, 1956 to 135,800 tons. This is a further proof, if proof were needed, that the world is suffering from the production of jute goods which are in excess of demand.

When looms were unsealed in January and February, 1956, there were indications that Russia would come into the market with substantial orders for jute goods, but the quantity bought so far has not come up to expectations and has not justified the increase in productive capacity.

The Argentine has been pursuing a policy of reducing stocks and has not made any considerable purchase. The United States have been buying sparingly and exploiting to the full the discount on goods in the near position. Overseas buyers generally have been unwilling to buy forward in the expectation that cheaper goods can be had by waiting.

It is satisfactory to record that the internal consumption of jute goods has risen to 190,000 tons during the year ending the 30th June 1956, though this represents only approximately 17 per cent. of the total production of the industry.

Towards the end of May it was announced that Government had under consideration the fixation of minimum prices for jute goods both with a view to increasing earnings of foreign exchange and to ensuring economic prices to manufacturers. For a variety of reasons the idea was abandoned.

The directors are pleased to report, however, that action to correct the situation has been taken which involves the re-sealing of looms and restores the position to that of the 7th January 1956. 2½ per cent. of the looms of member mills of the I.J.M.A. were sealed from the 16th July 1956 and a further 5 per cent. will be sealed from the 17th September 1956.

Estimates of the quantity of new crop jute available in India and Pakistan are not such as give expectation of any substantial surplus, and it is hoped that the cut in production which will be achieved by sealing looms, will have the result of reducing raw jute prices and simultaneously raising the price of goods, so that profitable trading will once more be possible.

During the period under review the directors purchased from Bird & Co. (Private), Ltd. 646 shares in Becker Gray & Co. (1930) (Private), Ltd. The Company is an old established exporter of jute goods with valuable world-wide contacts and is a regular purchaser from the Company. The directors consider that the mill should be in much closer touch with consuming markets than in the past in view of the increased competition from Pakistan and other countries, and Becker Gray & Co. (1930) (Private), Ltd. is a convenient vehicle for this purpose.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	43,00,000	Block ...	51,71,483
Debentures ...	19,09,000	Capital expenditure in progress ...	2,64,913
Reserves ...	55,75,192	Oil and coal	42,367
Provision for taxation ...	67,259	Stock-in-trade	16,94,397
Liabilities ...	8,26,719	Stores and spare gear	9,76,409
Profit and loss account ...	3,793	Debts, deposits and advances ...	20,67,162
		Investments	4,96,463
		Cash ...	19,58,769
Rs.	1,26,81,963	Rs.	1,26,81,963

Orissa Minerals Development Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

Iron ore.—Raisings were 1,91,184 (3,03,531) tons compared with 2,20,283 tons in the previous half-year. Despatches amounted to 2,14,729 (3,10,459) tons, showing a slight fall in comparison with 2,24,788 tons in the previous half year. Raisings and despatches continued to be low because of labour trouble at the mines. The steel works' order was maintained in the Company's books at 40,000 tons per month, during this period.

Shipments to Japan fell to 20,745 (19,002) tons as compared with 48,811 tons for the previous period, this decrease was due partly to lower raisings and partly to shortage of railway transport.

Manganese ore.—Raisings fell from 38,720 (22,948) tons in the previous period to 29,146 tons. Sales, however, recorded an increase from 16,959 tons to 22,107 (27,388) tons and were only restricted by the shortage of wagons.

Manganese dioxide.—Raisings fell still further to 800 (1,649) tons from the figure of 1,068 tons during the previous half-year. Sales, however, increased to 1,711 (1,074) tons as compared to 1,547 tons in the previous half-year. Proving still continues by trial pitting.

Market.—The market continued to improve and the prices at which the various grades could be sold during the period under review were satisfactory. Unfortunately, full advantage could not be taken of this due to the shortage of wagons.

Transport.—As is usual, transport showed a seasonal improvement during this half-year in comparison with the previous half-year but, as stated above, is still far from satisfactory.

Labour.—As stated above, troubled relations with labour affected output during the period under review. This culminated in all illegal strike on the 20th April 1956, and the Company accordingly declared a lock-out which was lifted on the 25th June 1956. The situation is still by no means normal and it will be some time before the usual output figures will be reached.

State Trading Corporation.—The formation of this venture of Government into the normal trading fields of the so-called private sector is bound to have a deleterious effect on the Company's future. When the State Trading Corporation was originally set up, Government announced that the intention was to conduct trading on a Government to Government basis and mainly with the Iron Curtain countries and thus break new ground. This intention was soon abandoned however and the State Trading Corporation having been allotted 33⅓ of the total export quota of ores for the six months ending 31st December 1956, is now engaging in ordinary trading and exporting. Apart from the effect on the Company, reports from abroad indicate the unsettling effect, this incursion has had on buyers and in the long run appears detrimental to the interests of the country as a whole.

Bolani area.—The managing agents have been in discussion with the Government of India as to the best method of exploiting the large deposits of ore in the Bolani area with particular reference to the increasing demand which will arise from the new Steel Works now in course of construction or sanctioned. Agreement has been reached in principle on the formation of a new Company in conjunction with Government in which the Company will have a substantial interest, and of which the managing agents will act as secretaries and treasurers. It is hoped that the necessary formalities will be completed shortly and that the details can be released early to shareholders.

During the half-year the share of profit from the Eastern Shipping Syndicate amounts to Rs. 50,209 (Rs. 40,920) and this has been included in the accounts.

The profit and loss account, after making provisions on account of depreciation Rs. 88,323 (Rs. 85,447), taxation Rs. 1,00,000 (Rs. 70,000), staff and workmen's accidents and compensation Rs. 15,112 (Rs. 21,863) tax contingency Rs. 44,600 (Rs. 38,815) and development rebate Rs. 6,540 (Rs. 18,064) shows a profit of Rs. 2,73,782 (Rs. 1,53,415). To this is added, the amount brought forward from the previous half-year of Rs. 1,05,053 (Rs. 1,39,969) making a total of Rs. 3,78,835 (Rs. 2,91,384). After deducting from this, the amount transferred to mechanisation reserve of Rs. 60,000 (*nil*) there is an available balance of Rs. 3,18,835 (Rs. 2,91,384). The directors propose to dispose of this as follows:—

In paying a dividend on 200,000 ordinary shares at the rate of 20 (20) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,00,000 (Rs. 2,00,000) and in carrying forward Rs. 1,18,835 (Rs. 91,384).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	22,45,037
Reserves ...	35,64,097	Capital work-in-progress	92,459
Provision for taxation ...	8,88,182	Stock-in-trade	12,12,592
Liabilities ...	25,52,517	Stores and spare gear	6,63,819
Profit and loss account ...	1,18,835	Debts, deposits and advances ...	16,57,107
		Investments	30,36,926
		Cash ...	2,15,691
Rs.	91,23,631	Rs.	91,23,631

Bisra Stone Lime Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

Raisings of limestone during the period amounted to 4,15,913 (4,28,081) tons, a slight decrease over the raisings of 4,28,051 tons during the previous half-year. Sales amounted to 4,19,797 (3,99,642) tons, as against 4,02,222 tons previously. The wagon supply position showed an improvement, but is still irregular and supplies are frequently below our requirements.

Production of dolomite was maintained at the same rate as in the previous half-year and a total of 15,978 (19,281) tons was raised. Sales, however, increased considerably, the tonnage sold being 18,502 (20,712), as against 13,978 tons previously.

Output of lime decreased slightly by 51,593 mds. to 6,29,390 (6,16,358) mds. Sales, however, increased from 4,64,419 mds. to 5,64,899 (5,71,474) mds. Sales and output are still controlled by the supply of wagons. The directors are pleased to report a considerable improvement.

In the half-year ended 31st March 1952, the net proceeds Rs. 2,25,803 arising from sub-lease of the Lanjiberna properties were credited to capital reserve account. On the advice of the Company's auditors, Rs. 1,12,243 has been transferred from capital reserve account to the credit of profit and loss account and a corresponding amount has been taken to provision for taxation, being income-tax and super-tax thereon paid by the Company and against which the Company has lodged an appeal.

The profit and loss account, after making provisions on account of depreciation Rs. 41,405 (Rs. 49,019), taxation Rs. 3,82,243 (Rs. 1,40,000), quarry overhang Rs. 51,989 (Rs. 53,510) staff and workmen's accidents and compensation Rs. 13,497 (Rs. 13,980) and tax contingency Rs. 16,000 (Rs. 17,000) shows a profit of Rs. 2,15,804 (Rs. 1,83,499). To this amount is added the amount brought forward from previous half-year of Rs. 9,142 (Rs. 8,804) and amount transferred from capital reserve Rs. 1,12,243 (*nil*), making a total of Rs. 3,37,189 (Rs. 1,92,303). From this amount the directors have transferred to water supply reserve Rs. 50,000 (*nil*) and to mechanisation reserve Rs. 1,75,000 (Rs. 75,000) leaving an available balance of Rs. 1,12,189 (Rs. 1,17,303). The directors propose to dispose of this amount as follows:

By payment of a dividend of As. 14 (As. 14) per share (without deduction for income-tax paid by the Company) absorbing Rs. 87,500 (Rs. 87,500) and by carrying forward Rs. 24,689 (Rs. 29,803).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	24,13,755
Reserves ...	26,53,750	Capital work-in-progress	99,521
Provision for taxation ...	4,67,801	Stock of limestone and dolomite	2,05,556
Liabilities ...	13,00,828	Stores and spare gear	6,33,471
Profit and loss account ...	24,689	Stores-in-transit ...	28,966
		Debts and advances ...	15,85,079
		Investments ...	3,004
		Cash ...	4,77,716
Rs.	54,47,068	Rs.	54,47,068

Kumardhubi Fireclay and Silica Works, Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit and loss account after allowing for sundry charges, providing for depreciation, taxation, placing Rs. 41,500 (Rs. 35,000) to the reserve for tax contingency, Rs. 50,000 (Rs. 50,000) to the reserve for plant renovation, Rs. 1,30,000 (Rs. 1,20,000) to general reserve, Rs. 3,500 Rs. 50,000 (*nil*) to debenture redemption reserve and including the sum of Rs. 41,767 (Rs. 20,480) including the sum of Rs. 41,767 (Rs. 20,480) brought forward from the previous year shows a credit balance of Rs. 3,04,629 (Rs. 2,21,992), which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 14,000 (Rs. 14,000), in paying a dividend on the redeemable preference shares at the rate of 5½ per cent. per annum, after deduction of income-tax paid by the Company Rs. 16,225 (Rs. 16,225), in paying a dividend on the ordinary shares at the rate of Re. 1-8 (Re. 1-8) per share, without any deduction for income-tax paid by the Company Rs. 2,25,000 (Rs. 1,50,000) and in carrying forward Rs. 49,404 (Rs. 41,767).

The ordinary dividend at Re. 1-8 per share for the year ended 31st December 1955, absorbing Rs. 2,25,000 is on the increased capital of Rs. 15,00,000. Last year the ordinary capital was only Rs. 10,00,000.

The combined output of firebricks and silica bricks exceeded the record established in the previous year. The expansion of the firebrick section is now well advanced and the first new tunnel kiln is expected to be in operation at the end of this year. This will mark the completion of Stage I expansion programme.

The position of the order book is most satisfactory and the directors are now obliged to quote for distant deliveries. With three new steel plants to go up in the country, the drectors expect demand to exceed supply during the second Five-year Plan period.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	70,89,200
Debentures	20,00,000	Capital works in progress	6,60,549
Reserves ...	72,13,923	Stock-in-trade	12,22,282
Provision for taxation ...	2,45,987	Stores and spare gear	13,45,197
Liabilities ...	25,16,012	Debts, deposits and advances ...	35,95,771
Profit and loss account ...	49,404	Investments	34,391
		Cash ...	1,79,936
Rs.	1,41,27,326	Rs.	1,41,27,326

Rungamattee Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a profit of Rs. 2,69,794 (Rs. 7,02,954). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 2,19,322 (Rs. 4,49,247) of which the directors have transferred Rs. 50,000 (Rs. 1,25,000) to revenue reserve and Rs. 30,000 (Rs. 1,00,000) to buildings and machinery reserve. The directors recommend that a dividend of 20 (35) per cent. be declared at the annual general meeting, leaving Rs. 34,322 (Rs. 40,497) to be carried forward.

Crop amounted to 9,075 maunds as compared with 8,460 maunds in 1954. The average selling price realised was Re. 1-13-3 per lb. as against Rs. 2-9-11 per lb. in the previous year. The planted area remains at 688.45 acres.

Estimates for 1956 provide for a crop of 7,500 maunds at an outlay of Rs. 8,77,832, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,25,000	Block ...	8,87,291
Reserves ...	10,42,956	Stock-in-trade	8,05,353
Provision for taxation ...	3,30,309	Stores and supplies ...	20,814
Liabilities ...	3,63,620	Debts, deposits and advances ...	1,64,992
Profit and loss account ...	34,322	Investments	4,14,458
		Cash ...	23,299
Rs.	23,16,207	Rs.	23,16,207

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

Notices

THE GANGES ROPE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday the 9th October 1956, at 12.00 noon for the following purposes:—

AGENDA

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the half-year ended 31st March 1956 and the Balance Sheet as at that date.
2. To declare a Dividend.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.
5. *As Special Business:*

   To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as an Ordinary Resolution:—

   "RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 30th September to 9th October 1956, both days inclusive.

By Order of the Board,

MACNEILL & BARRY LTD.,

A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *6th September* 1956.

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

EXPLANATORY STATEMENT

Item No. 5.—By the provisions of Section 293(1)(d) of the Companies Act, 1956, the Directors without the consent of the company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT IN compliance with several requests the Board of Directors have extended the date of closing of Share Transfer Books. The Share Transfer Books of the Company will now remain closed from 5th October to 15th October 1956, both days inclusive (instead of from 21st September to 30th September 1956) and the interim dividend of Annas -/12/- per Ordinary Share will be payable to the registered shareholders as on the 5th October 1956.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, *12th September* 1956.

THE COCHIN STATE POWER AND LIGHT CORPORATION, LTD.

(Incorporated in Travancore-Cochin)

Registered Office:
"Cable House," 70, Feet Road, ERNAKULAM.

Branch Office:
20, Second Line Beach, MADRAS-1.

Notice of the Twentieth Annual General Meeting of Shareholders

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING of the Shareholders of the Cochin State Power and Light Corporation, Ltd., will be held at the Registered Office of the Company at "Cable House," 70 Feet Road, Ernakulam, on Monday the 15th October 1956, at 1 o'clock in the afternoon to consider the following:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1956.
2. To declare a Dividend.
3. To elect:

   (i) a Director in the place of Mr. G. A. Krishnamurti retiring by rotation;

   (ii) a Director in the place of Mr. S. S. Koder retiring by rotation; and

   (iii) to appoint Sri S. S. Thiyagaraja Mudaliar as a Director of the Company pursuant to Section 261 of the Companies Act, 1956 and if thought fit to pass the following resolution which will be proposed as a special resolution, in respect of which a special notice as required by Section 261 of the said Act has been received by the Company and the relative explanatory note concerning which is set out below:—

   "RESOLVED that Sri S. S. Thiyagaraja Mudaliar, who is a Director and member of Messrs. Chandrie & Co. (Private) Ltd., and is retiring under Section 261 of the Companies Act, be and is hereby re-elected as a Director of the Company."
4. To appoint Auditors for the official year 1956-57 and to fix their remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 6th October 1956 to 15th October 1956, both days inclusive.

By Order of the Board,

For CHANDRIE & Co. (PRIVATE) LTD.,

S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, 27*th August* 1956.

Note.—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of himself, and that a proxy need not be a member.

(*b*) Sri S. S. Thiyagaraja Mudaliar is a Director and member of Messrs. Chandrie & Co. (Private) Ltd., who are the Managing Agents of the Company. The Managing Agents are entitled to appoint two persons as the Directors of the Company. Mr. S. Viswanatha Mudaliar has been so appointed and if the loan with the Travancore-Cochin Financial Corporation, is put through, the Managing Agents will appoint a nominee of that Corporation as a Director of the Company. There is already a Government Director on the Board and a nominee of the Financial Corporation will also be an independent Director though he will be nominated by the Managing Agents.

Sri S. S. Thiyagaraja Mudaliar was elected as a Director of the Company at its Annual General Meeting held on 1st September 1955, and will not vacate his office this year but for the provisions of Section 261 (4) of the Companies Act. The Directors feel that his services to the Company as a Director will be highly beneficial to the Company and hence, recommend his appointment as required under Section 261 of the Act.

(*c*) The Dividend Warrants will be posted on or after 20th October 1956, to the Members whose names stand on the Register of Members on the 5th October 1956, if the dividend is sanctioned at the General Meeting.

QUESTION HOUR IN PARLIAMENT

Rise in Prices

THE Government has not seen any clear indication yet that creation of additional money is acting as an incentive for raising prices. The main contributory factors for the rise in prices are a fall (though small) in the production of foodgrains, particularly of coarse grains; increased incomes and purchasing power resulting from the increased tempo of developmental expenditure; and speculative hoarding of stocks of foodgrains. The State Governments are watching the situation. If we find that hoarding is generally practised, the obvious course is to freeze the hoarders' stocks.

* * * *

Foreign Exchange Reserves

The Government is going into the question of why the pace of reduction in its foreign exchange reserves has been more rapid in recent months than was anticipated. During the first Five-year Plan period, the net fall in the country's foreign exchange resources was Rs. 73.12 crores. During the second Plan, the figure is expected to be of the order of Rs. 200 crores. At the end of the first Plan, the country's foreign exchange resources stood at Rs. 761.74 crores. During the first two months since the second Plan period began, that is, April and May 1956, the reserves fell by Rs. 26.06 crores. Figures of fall in foreign exchange reserves as a whole are not available for subsequent months, but sterling balances—which constitute the major part of these reserves—fell by Rs. 53.71 crores during the months of June and July 1956. This pace of reduction is more than what had been anticipated and Government is looking into the matter. The latest sterling balances reserves are of the order of Rs. 600-odd crores.

* * * *

Indo-U.S. Agricultural Pact

The purpose of the Indo-U.S. agricultural commodity agreement is to enable the Government of India to build up adequate stocks of foodgrains so that they will be in a position to take effective steps to counter any undue rise in prices of foodgrains in India. In releasing stocks of these imported grains, the Government will take care to ensure that agricultural prices do not fall to uneconomic levels. India has entered into the agreement on the basis that the utilisation of the amount will be for purposes which are beneficial to this country and which are mutually agreed upon. In the event of failure of the two Governments to reach such agreement, the United States Government may use it for purposes authorised by Section 104 of the United States Agricultural Trade Development and Assistance Act.

—*T. T. Krishnamachari*

Indo-Egypt Trade Agreement

No agreement has been entered into between India and Egypt, under which trade payments between the two countries shall now cease to be made in sterling.

* * * *

Insurance Field Workers

Any stipulation that appointment of insurance field staff will be terminated or salaries revised, if the business procured is less than a specified figure, will not offend the Code of Conduct laid down for big insurers. Where, however, the salary is really in the nature of commission for business procured, it is not in conformity with the code.

—*B. R. Bhagat*

Dearness Allowance

The Government does not propose to enhance the rate of dearness allowance admissible to Central Government employees.

—*M. C. Shah*

Japanese Competition in Trade

As regards Japan, discussions have taken place with a view to reaching an understanding for safeguarding Indian industries and Indian exports against unfair competition. Pending such an understanding, the Government of India has refrained from assuming any obligations in respect to Japanese trade either under the general agreement on tariffs and trade or under any other agreement. The officials of the Governments of India and Japan have arranged to meet in Tokyo periodically to consider the difficulties in the assessment of compensation claims of Indian residents in Japan who have suffered damages to property during the last war. Meanwhile, negotiations for the settlement of broader issues of a more general nature are proceeding at diplomatic level.

—*Sardar Swaran Singh*

Irrigation and Power Projects

Out of 201 major and medium irrigation projects included in the second Five-year Plan, project reports for 80 schemes have so far been received for scrutiny in the Central Water and Power Commission, which has examined 57 schemes. Of these, 20 schemes have been found to be lacking in detailed technical investigations and financial assessment. The total number of power projects included in the second Plan is 184, out of which project reports for 128 projects have been received by the C.W. and P.C. None of the projects received in the Commission is found to be lacking in detailed technical investigations and economic assessment. Investigations are being carried out by the respective State Governments and it is not possible to give any definite information as to when they will be completed.

Bhakra-Nangal Project

The Bhakra-Nangal project, originally estimated to cost Rs. 75 crores in 1946, is now estimated to cost Rs. 173.54 crores, according to revised estimates which, however, are not yet final. The increase in the revised estimate is due to the widening of the scope of the project and the additional items now provided such as (1) installation of an additional unit at each of the two power houses at Ganguwal and Kotla, (2) installation of additional four units at Bhakra, (3) additional civil works required at the right bank power house, and (4) additional provision for various power transmission lines.

—*Jaisukhlal Hathi*

India's Trade Through Suez

Over two-thirds of India's total foreign trade in 1955-56 valued at about Rs. 1,240 crores passed through the Suez Canal. If the total Indian imports in 1955-56 valued at Rs. 650 crores (c.i.f.), imports which passed through the Suez Canal are estimated to be worth Rs. 462 crores. Of the total exports during the same year valued at Rs. 591 crores (f.o.b.), the exports which passed through the Canal are estimated at Rs. 393 crores. The total ocean freight paid on Indian trade passing through the Canal amounted to Rs. 36.9 to Rs. 39 crores. On Indian exports through the Canal, the freight bill was estimated at Rs. 31.4 to Rs. 33.4 crores. India's overseas trade has not been hampered by the nationalisation of Suez Canal. There was the possibility of trade being hampered if the United Kingdom blocked Egypt's sterling balance. But a loan of Rs. 5 crores was given to Egypt from the Reserve Bank of India and this enabled India to maintain its trade.

* * * *

British Textiles

The Government is watching the trend of British textile imports into India during the last twelve months. After the import duty on cotton textiles was reduced in May 1956, there has been a rise in the imports of cotton textiles from the U.K. A delegation representing the U.K. cotton textile industry is likely to visit India in the near future to have discussions in this respect.

* * * *

Textile Exports

The Indian textile exports have been adversely affected in foreign textile markets as a result of Japanese competition. Japanese competition is felt in all Asian, West African and Australian markets. The countries are Burma, Ceylon, Hong Kong, Indonesia, Iraq, Iran, Malaya, Pakistan, the Philippines, Syria, British West Africa, Canada, Australia and Thailand.

—*D. P. Karmarkar*

Man-Power Directorate

The Government of India is considering a proposal to set up a Man-power Directorate, but no decision has yet been reached.

—*M. M. Shah*

Automatic Looms

By 15th August 1956, 112 textile mills in different States had applied for permission to install a total of 28,094 automatic looms for manufacture of cloth for export. The applications are under consideration. Mills from Madras have asked for 11,255 looms, from Bombay 5,773 looms, from the Punjab and P.E.P.S.U. 2,588 looms and from Uttar Pradesh 2,156 looms. Applications have also been received from West Bengal, Andhra, Travancore-Cochin, Rajasthan, Madhya Pradesh, Saurashtra, Mysore, Orissa, Madhya Bharat and Bhopal.

—*Nityanand Kanungo*

Railway Wagons

It is hoped that it will be possible to meet the country's requirements of railway wagons from indigenous production by the end of the second Five-year Plan period.

—*Lal Bahadur Shastri*

Indian Shipping

The Government cargo available for Indian ships at some foreign ports is of such dimensions that they are finding it difficult to lift all of them. Indian shipping companies have been asked to increase their present tonnage, in order to be able to lift this cargo. Twenty-seven Indian ships are at present engaged in the Indo-U.K. trade and there is no difficulty for them in getting adequate cargo.

—*Shah Nawaz Khan*

Foodgrain Imports

The proposed purchase of foodgrains from the U.S. will not affect India's programme of foodgrain imports from other countries.

* * * *

Grow-more-Food Campaign

A total expenditure of Rs. 112.63 crores was incurred on the Grow-more-Food Campaign during 1950-51 to 1955-56, and a total quantity of 52.28 lakhs tons of additional foodgrains was achieved through it. About Rs. 1,773.34 lakhs had been sanctioned to the State of Punjab from 1947-48 to 1955-56 by way of loans and grants for Grow-more-Food schemes including tube-well schemes, out of which Rs. 1,209.77 lakhs was utilised by the State Government during the same period. He also stated that an amount of Rs. 59.76 lakhs had already been sanctioned during the year 1956-57 and a further amount of Rs. 61.79 lakhs is likely to be sanctioned.

—*Ajit Prasad Jain*

Notices

THE COIMBATORE SPINNING AND WEAVING COMPANY, LIMITED

POST BOX No. 24, COIMBATORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 68th Annual General Meeting of the Shareholders of the Company will be held at its Registered Office, at Palmgrove Road, Coimbatore, on Saturday the 29th September 1956, at 3 p.m., for the purpose of transacting the usual business, viz.:

(i) To receive and adopt the Directors' and Auditors' Reports, the Audited Balance Sheet as at 31st December 1955, the Profit and Loss Account and the Profit and Loss Appropriation Account for the year ending 31st December 1955.

(ii) To declare a Dividend.

(iii) To appoint an Auditor or Auditors for the current year viz., 1956, and to fix his or their remuneration.

(iv) To elect Directors

and for the purpose of passing certain special and ordinary resolutions required under the Companies Act, 1956, in respect of which the necessary notice has been given in the agenda sent to the Shareholders.

Note.—(1) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy. The Proxy need not be a member under the Companies Act, 1956.

(2) The Share Transfer Book of the Company will be closed from 19th September 1956 to 29th September 1956, both days inclusive.

By Order of the Board,
For THE COIMBATORE SPINNING & WEAVING Co., LTD.,
For R. G. S. NAIDU & Co.,
(Sd.) V. GOPAL NAIDU,
Partner,
Agents and Secretaries.

COIMBATORE, *3rd September* 1956.

DEPUTY DIRECTOR, WORKS, RAILWAY BOARD

TENDER NOTICE

TENDERS ARE INVITED FROM ESTABLISHED foundries in India only for the supply of Cast Iron C.S.T. 9 Sleeper Plates, Broad Gauge, to be supplied by 30th May 1957.

2. Approximately 75,000 tons of imported pig iron will be available for allotment up to 75 per cent. of the quantity ordered on firms who will be expected to make up the remaining raw materials and melting losses by obtaining scrap or other materials available in the market. No such materials will ordinarily be supplied by Railways, but should the Railway find any such scrap available with them they will have the option to ask the suppliers to take over the scrap with suitable adjustment in prices if required.

3. Applications for copies of tender documents should be made to the Deputy Director, Works, Railway Board, New Delhi. Tender documents embodying conditions of supply and contract and relevant drawings will be supplied at Rs. 10 per set and will be available for sale from 19th September 1956, onwards on any working day during office hours.

4. Tenders will be received upto 13.00 hours on 19th October 1956, and opened in the office of the Railway Board, New Delhi, at 15.00 hours on the same day.

P. R. CHOPRA,
Deputy Director, Works,
Railway Board.

NEW DELHI, *12th September* 1956.

MACNEILL AND BARRY LIMITED

NOTICE IS HEREBY GIVEN THAT PAYMENT of the Half-yearly Interest on the 5 per cent. Debenture Stock 1966-71 of the Company will be made on 1st October 1956 to those Stockholders whose names appear on the Company's Register on that date or in accordance with their instructions.

MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA-1, *12th September* 1956.

STRINGENCY IN MONEY PERSISTS

(*From Our Own Correspondent*)

BOMBAY, *19th September*

Activity in the short-term money market during the week under review remained restricted, due to scarcity of floating funds. The half-yearly payment of interest on some of the Central and State loans which fell due during the week did not seem to have eased the situation, because the effect of this supply was more than offset by the demand for money for income-tax payment. Consequently, the stringency continued to persist and interest rates held their levels.

Inter-bank call money was stationary at 3½ per cent. among all sections of banks. House money at call also was maintained at 3½ per cent. and short-term deposits at 3½ per cent. for one to three months and at 3¼ to 3⅜ per cent. for four to six months.

A contraction of Rs. 7.74 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 14th September 1956. This is in contrast to the expansion of Rs. 15.67 crores noted in the previous week. Notes held in the Banking Department are higher by Rs. 8.79 crores. Total notes have, consequently, risen by Rs. 1.05 crores, which is covered by a similar increase in the rupee coin. In the Banking Department, deposits of the Central Government show a sharp rise of Rs. 14.55 crores and those of the other Governments a further increase of Rs. 2.82 crores. Deposits of banks, on the other hand, have declined by Rs. 2.44 crores and those of others by Rs. 3.62 crores. A fall of Rs. 1.08 crores is noted in balances held abroad. Loans and advances other than to Governments are higher by Rs. 2.22 crores, following the rise of Rs. 6.50 crores in outstanding advances to Scheduled banks against usance bills. Fresh advances to banks against these bills during the week amount to Rs. 9.73 crores, while repayments are of the order of only Rs. 3.23 crores.

The Scheduled banks' statement for the week ended 7th September 1956, disclose a sharp fall of Rs. 8.04 crores in demand deposits and of Rs. 1.68 crores in time deposits. Inter-bank borrowings are also lower by Rs. 7.91 crores, while borrowings from the Reserve Bank and the State Bank have gone up by Rs. 21.25 crores and Rs. 5.44 crores, respectively. The shrinkage in deposits and the rise in borrowings from the Reserve Bank and the State Bank are duly reflected, on the assets side, in the sharp rise of Rs. 29.03 crores in advances. Bills purchased and discounted have, however, declined by Rs. 5.70 crores. Investments have been strengthened by Rs. 4.96 crores. Cash balances are lower by Rs. 49 lakhs, balances with other banks in current account by Rs. 1.50 crores and money at call and short notice by Rs. 9.79 crores.

Quiet conditions continued to prevail in the Gilt-edged market during the week under review also, with most of the issues attracting sellers and some of them sagging further. 3 per cent. 1986 Conversion Loan was on offer at Rs. 75-3 after payment of interest, while a week ago it was steady at Rs. 75-6 *cum*-voucher. 3 per cent. 1959-61 had sellers an anna lower at Rs. 97-15. 3 per cent. 1963-65 dropped As. 2 to Rs. 94-8, but the lower level did not attract buyers. 3 per cent. 1964 had sellers at Rs. 94-10, while 3 per cent. 1966-68 was sought for at Rs. 93-2. 3 per cent. 1970-75 shed an anna to Rs. 89-9. 3½ 1962 was on offer at Rs. 97-15, 3½ per cent. 1961 at Rs. 99-2 and 3½ per cent. 1964 at Rs. 98-9. 3½ per cent. 1965 had buyers a shade better at Rs. 98-6½. 3½ per cent. 1967 and 3½ per cent. 1974 were on offer at Rs. 98-7. Among the State loans, 4 per cent. 1970 shed an anna to Rs. 99-15, Madras 1968 declined further by As. 4 to Rs. 99-4 and Andhra 1968 by a similar extent to Rs. 99.

In the foreign exchange section, the rupee ruled steady in terms of the U.S. dollar, in consonance with the trend of the sterling in London. The selling rate of ready dollars was maintained at Rs. 481½ per $100, while the buying rate moved between Rs. 477 and Rs. 477½ per $100. In London, spot sterling moved between $2.78-5/16-2.78-7/16 and $2.78-3/16-2.78-5/16. Three months' forward declined a little from $2.76-11/16-2.76-13/16 to $2.76-9/16-2.76-11/16, while transferable sterling gained from 275.10-275.20 cents to 275.25-273.35 cents.

KIPS GIVE WAY

(*From Our Own Correspondent*)

MADRAS, *17th September*

Trading for shipment with the U.K. in kips was selective and emphasis was on medium and heavy weights. Light weights in F.A.Q. marks were dull. Prices in the local market were a shade weaker as compared with last week. There was moderate clearance of cow hides and good offtake of buff hides. Tanned cow calf and buff calf market was unchanged, as arrivals were of poor quality and selection. Towards the close of the week, markets looked firm.

It is reported that U.K. Government has released some of its stocks to the trade at prices lower than the current asking levels at origin and further details are awaited with interest. It looks as though prices will not be allowed to be pushed higher without justification.

In the tanned skins section, prices ruled quiet, and might ease slightly, as the markets have remained in very firm tension for several weeks.

The shipping position causes great concern to exporters, as the merchants find that several steamers receive berthing orders only after waiting in the roads for over a week, due to congestion in the sheds.

BULLION STEADY

(*From Our Own Correspondent*)

BOMBAY, *19th September*

Narrow, but irregular, movements in prices characterised trading in the bullion market during the week under review. The undertone was, however, fairly steady. The trend in silver early in the week was mainly influenced by absence of any confirmation of the rumours that negotiations were going on with Chinese authorities for import of silver coins. Subsequently, however, in the absence of fresh support and small offerings, prices backed away a little. Towards the close again, there was a modest recovery. Gold ruled fairly steady during the major part of the week, with a fractional marking up in values, but, at the close, there was a slight setback on renewed rumours about sale of gold by the Reserve Bank from stocks made up of seized contraband metal.

Silver for forward delivery (22nd September settlement) gained from Rs. 172-11 to Rs. 173 early in the week, before reacting to Rs. 171-15 on Monday. Today, however, it gathered strength to Rs. 172-14 and closed at Rs. 172-10. The next settlement moved between Rs. 173-12 and Rs. 172-12, before closing at Rs. 173-7.

Ready silver (.996 Mint) was unchanged on balance at Rs. 172-10, the highest and the lowest levels touched being Rs. 173-0 and Rs. 171-15. The floating stocks of silver are reported to be 2,400 bars. The daily average offtake was 25 bars.

Forward gold (21st September), hardened from Rs. 103 to Rs. 103-5, but gave way to Rs. 102-12 at the close. The next settlement advanced from Rs. 102-10 to Rs. 103-5, but retreated to Rs. 102-13 at the close. It may be noted that the carry forward charges, which were in favour of bulls at As. 6 at the close of the previous week, narrowed down to *nil* this morning, before turning against them to an anna at the close.

Ready gold moved between Rs. 103-8 and Rs. 102-13 before closing As. 5 lower on balance at Rs. 103. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was of the order of 2,000 tolas on an average.

In New York, silver held its ground at 90⅜c. In line with this, London prices also were unchanged at 78⅜d. for both spot and forward. London gold shaded off from 251s. 7¾d. to 251s. 6¾d. early in the week, but gained back to 251s. 7¾d. yesterday.

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

	19-9-56	Highest	Lowest	12-9-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 0	103 8	102 13	103 5
Forward*	102 12	103 5	102 10	103 0
Sovereign	67 0	67 8	67 0	67 8
SILVER				
Ready (.996 fine Mint) ..	172 10	173 0	171 15	172 10
Forward†	172 10	173 0	171 15	172 11
London Silver Ready ..	78¾d.	—	—	78¾d.
London Forward	78¾d.	—	—	78¾d.
London Gold	251s. 7¾d.	251s. 7¾d.	251s. 6¾d.	251s. 7d.
New York Silver	90⅜c.	—	—	90⅜c.

* 21st September settlement.
† 22nd September settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

BEST LIQUORING DUST TEAS DEARER

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *13th September*

Almost 550,000 lbs. were on offer in Dust Sale 'R' which was held on Tuesday, 11th September. From the outset there was a strong and excited demand which eased slightly towards the close. With spirited bidding, prices were irregularly As. 2 to As. 4 dearer for all types. Best liquoring dusts were well supported and advanced in price. Middle East buyers were active and these types must be quoted dearer.

London Market—Sale of 10th September 1956.—Much dearer tendency as sale progressed.

Sale of 11th September 1956.—Market dearer tendency.

Colombo Market—Sale of 10th September 1956.—Dusts and good liquoring fannings dearer. Others unchanged.

Sale of 11th September 1956.—Strong demand. Medium and light liquoring highgrown B.O.P.s easier, but others dearer, particularly fannings.

Calcutta Market —Export.—Inspite increased crop figure 23 million for August, good general demand. Commons steady. Mediums As. 1 to As. 2 easier. Better liquoring As. 2 to As. 4 lower.

Internal.—17,790 packages dust. Good general demand. Middle East types strongest feature. C.T.Cs As. 2 to As. 4 easier. Other descriptions fully firm to dearer. 843 packages leaf. Good demand at irregular rates.

Export Quota.—The market remains quiet and the quotation is unchanged at 21 pies (nominal).

Forthcoming Auctions.—Dust Sale 'S' will be held on Tuesday, 25th September.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:—

"*Sale* 26.—1,400,000 lbs. Very strong general demand for everything, particularly good tea. Low medium and medium As. 2 to As. 4 dearer. Best liquoring up to a rupee over valuation. Whole leaf very strong and dearer Middle East types good enquiry at rather lower rates."

COTTON FUTURES FIRM

(*From Our Own Correspondent*)

BOMBAY, *19th September*

A firm trend was in evidence in the cotton futures market during the week under review, although there was a slight reaction at the close today. The firmness was aided chiefly by expectation of a rise in prices of cotton based on fears of deterioration in the Suez situation. There were reports of mills being eager to stock the available lots of good quality cotton at prevailing prices and to cover new crop cotton, too. Buying support ensued as a consequence and cotton futures prices moved upward. Increased rates, of course, evoked scattered speculative long liquidation. Nevertheless, today's closing rates stood higher than those at the end of last week.

M. G. Jarilla (March 1957) Contract opened the week firm at Rs. 688-8, as against Rs. 687 last weekend. The Contract came in for continuous short-covering induced by good demand in ready cotton and advanced to Rs. 694-8 on Saturday. The rise in prices attracted realising pressure which, however, was well absorbed by professional support. Today, the Contract stood firm at Rs. 692-8 following the Government of India's decision to revalidate shipment of half the quantity remaining unshipped against export licences issued last season, but receded to Rs. 691-8 at the close due to profit-taking. The net gain over the week was Rs. 4-8. M. G. Vijay (April 1957) Contract opened Rs. 4 higher at Rs. 819 and climbed up to Rs. 824-8 before closing at Rs. 818-8. The net gain over the week was Rs. 3-8.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	19-9-56	High	Low	12-9-56
Jarilla (March) ...	691½	694½	687	687
Vijay (April) ...	818½	824½	815	815

Activity in the spot market at Sewri was quite brisk, with keen buying of new crop cotton by both mills and shippers. Berar, Khandesh and Vijay were specially sought. A fairly large quantity of Punjab 320F was reported to have been purchased by mills. Delivery contracts encountered good enquiries, and staple transactions were put through in Bengal, Vijay and Khandesh. Exportable styles met with enlarged demand, thanks to Government's announcement regarding the unshipped quantity of cotton licensed for export in the previous season. Shippers' attention was mainly on Bengal *Deshi* and C.P. I, II, and *Deshi*. In the import section, some enquiries were noted for Egyptian cotton, but actual business done was not known.

The latest available rates—in rupees per candy of 784 lbs.—from Sewri are given below:

Bengal *Deshi* 705; Berar Jarilla 780; Khandesh 790; Vijay 955; Oomra *Deshi* 760; *Moglai* 745. Delivery contracts. Khandesh 197/3; December delivery 121; Berar 111 and Moglai 40 'on' Jarilla; 320F 71, 216F 100 and Vijay 13/16" February-March 80 'on' Vijay.

Yesterday, the Joint Chief Controller of Exports, Bombay, issued a notification regarding export of raw cotton. According to the notification, applications for the revalidation of shipment of half the quantity remaining unshipped against export licences for Indian cotton issued during the previous cotton season will be entertained in respect of two types of cases up to the end of next month. First, applications enclosing documentary evidence to show that firm commitments with foreign buyers have been entered into prior to 31st August 1956 for shipment of half the quantity remaining unshipped. Secondly, applications enclosing documentary evidence to show that firm commitments with foreign buyers have been entered into for September-October 1956 shipments in respect of half the quantity remaining unshipped.

On the advice of the Forward Markets Commission, the Government of India has granted recognition to the Central India Cotton Association Ltd., Indore, for conducting forward trading in cotton (and cottonseed) for a period of three years. The Association will provide hedging facilities for cotton (and cottonseed) produced in Madhya Pradesh, Madhya Bharat and the adjacent districts of Rajasthan. The Association will conduct forward trading in cotton through two rings, one at Indore and the other at Ujjain (and in cottonseed through the ring at Ujjain). The desirability of continuing trading through two rings will be reviewed by the Commission at the end of one year, in the light of such data as might then become available. Trading will begin as soon as necessary arrangements are completed.

Conditions in the Karachi cotton market were distinctly bearish during the week. Poor offtake and fears of American competition were the chief depressing factors. There was also the fear of the possibility of increased competition from Indian Assams and Comillas, the permission for the export of which was announced by the Government of India last week. The latest announcement of revalidating export of unutilised licences granted last season also imparted weakness. All these factors led to selling and cotton prices drifted lower. N.T.R.G. January delivery dropped As. 11 to Rs. 74-15. March position receded by As. 10 to Rs. 73-15. The spot prices of Pakistan cotton staged a retreat. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties prevailing at Karachi:

Sind *Deshi* 96; Punjab *Deshi* 88; 4F Roller 77-12; S.G. 79-4; Punjab Roller 78-4; S.G. 80-4; 289F N.T. Roller 78-4; S.G. 78-12; 289F Punjab Roller 82-4; S.G. 86-4.

The Alexandria cotton futures market continued to rule easy. Local mill and trade buying was slack. Overseas enquiries were also small. The Egyptian Misr Bank has announced that it will finance the Egyptian cotton crop during the ensuing season

(which is due to commence on 1st October next), instead of foreign banks "which might refuse" to do so. The following are the latest available rates —in tallaris per lb.—from the Alexandria cotton futures market, the figures in brackets giving last week's rates:

Karnak: November 100.85 (101.90); January 100.40 (101.15); March 99.80 (100.5). Ashmouni: October 72.30 (73.40); December 72.30 (73.45); February 72.85 (74.20).

The offtake of Sudan cotton at the recent auctions of the Gezira Board was moderate. Liverpool spinners were reported to have evinced active interest in Sudans; large sales were made to them by private holders. There has been no further change in the Board's reserve prices for cotton.

The Liverpool cotton futures market put on a quiet appearance. Trading was restricted by the Suez situation to occasional hedging and inter-month switching. The quotations for 1" staple American cotton contracts and mixed growth contracts tended to look down. The Sudan contract, however, rose sharply on trade buying which absorbed hedge selling. The Egyptian contract also recorded a rise in prices, following renewed bidding by a local spot house which found no sellers. The following are a few latest available rates—in pence per lb.—from the Liverpool cotton futures market:

American contract (1" staple): October-November 24.95; December-January 24.85; March-April 24.85; Sudan September-October 49.85.

After exhibiting an easy trend on the first two days of the week, the New York cotton futures market staged a recovery on the 14th inst. which gathered momentum on Tuesday. The initial easiness was due to scattered liquidation, hedge selling in near-months and profit-taking in later deliveries. The market, however, picked up some strength subsequently, as commission house buying and short covering and uncovering of stoploss orders found contracts scarce. Demand was attributed partly to the possibility of a Democratic Congress next year.

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

(In cents per lb.)

	18-9-56	11-9-56	4-9-56
Spot	34.45	34.40	34.45
October	33.79	33.80	33.75
December	33.79	33.88	33.85
March	33.72	33.80	33.81

STAPLE FIBRE YARN RECEDES

(From Our Own Correspondent)

BOMBAY, 19*th September*

There was a sharp fall in prices in the staple fibre yarn section during the week under review. The decline followed a wave of selling which was brought about by disquieting advices from various consuming centres. Stocks of staple fibre yarn in these centres were reported to have considerably increased, leading to limited offtake. In fact, there were reports that many stockists were trying to unload their holdings. The forward rayon yarn section also ruled distinctly easy, notwithstanding the possibility of enhanced prices for imported yarns on account of the Suez situation. The spot section, however, exhibited a somewhat steady trend, thanks to depletion of ready stocks. Cotton yarns were irregular, with business passing limited and prices moving narrowly.

Staple fibre yarn (40×2) for October delivery was subjected to sustained selling pressure and dropped Rs. 8 to Rs. 659. December delivery fell by a like amount to Rs. 668. In the spot section, foreign yarns (80×2) staged a retreat. Fujis slipped by 18 pies to Rs. 6-0-6. K'Suns receded by an anna to Rs. 6-8. Paramounts lost nine pies to Rs. 6-0-6. Among indigenous yarns (40×2), Citys eased by three pies to Rs. 3-6-9. New Greats were dull at Rs. 3-7 and Centurys at Rs. 3-7-6. Kohinoors were transacted at Rs. 3-8-6.

Snia rayon yarn (120 dull cones) for December delivery gave way from Rs. 800 to Rs. 797. October position declined by a rupee to Rs. 787. Spot yarns, however, registered an improvement in prices, owing to buying support in the wake of limited offerings. 120 Italys advanced by an anna to Rs. 3-15. 120 Japan rose by nine pies to Rs. 3-12-9. 150 Japan gathered three pies to Rs. 4-1-6. 150 Italy was firm at Rs. 4-1. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade increased by nine pies to Rs. 3-12-9. 150 Bt. cones 1st grade put on half an anna to Rs. 3-5.

Ten counts cotton yarns came in for selling and suffered a setback. Moderns and Elphinstones fell by As. 2 each to Rs. 15 and Rs. 14-10, respectively. Podars shed an anna to Rs. 14-10. Thirty counts also tended to move down. Maduras decreased by As. 2 to Rs. 24-12. Apollos lost an anna to Rs. 22-12. Sixty counts, on the other hand, elicited enquiries at higher rates. Maduras spurted by a rupee to Rs. 29-8. Moderns gained As. 4 to Rs. 29-4. Among 80s, Moderns improved by a rupee to Rs. 71. Mahendras were firm at Rs. 72. Sixty counts Raghuvamshis scored a rise of As. 8 to Rs. 58-8. Moderns were fully maintained at Rs. 62-8 and Finlays at Rs. 62. Among 20s, Hinds were unchanged at Rs. 19-10, as also Apollos at Rs. 19-6.

Imports of art silk yarn into Bombay port during the month of August 1956 were larger than in the previous month. They aggregated 3,631,761 lbs., as against 3,531,342 lbs. Imports of staple fibre yarn were also larger, being 62,873 lbs., as compared with 54,104 lbs. There was, however, a marked fall in the imports of staple fibre, from 2,817,306 lbs. in July to 2,384,428 lbs. in August. During the month under review, 1,271,920 lbs. of woollen yarn and 63,199 lbs. of cotton yarn were imported, the corresponding figures for the previous month being 1,545,129 lbs. and 86,576 lbs.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	19-9-1956	12-9-1956	5-9-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia October ..	787 0	788 0	796 0
120 Dull Cone Snia December	797 0	800 0	—
120 Japan (per lb.)	3 12½	3 12	3 12½
150 Japan (per lb.)	4 1½	4 1½	4 1½
120 Italy (per lb.)	3 15	3 14	3 14
150 Italy (per lb.)	4 1	4 1	4 0½
Staple fibre yarn (per case of 200 lbs.)—			
40×2 October	659 0	667 0	668 0
40×2 December	668 0	676 0	—
40×2 New Great (per lb.) ..	3 7	3 7	3 7
40×2 Century (per lb.) ..	3 7½	3 7½	3 7½
40×2 *City* (per lb.)	3 6½	3 7	3 6½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	14 10	14 11	14 12
20s Hind	19 10	19 10	19 10
30s Apollo	22 12	22 13	22 12
40s Minaxi	28 8	28 10	29 0
60s Raghuvamshi	58 8	58 0	58 4
80s Mahendra	72 0	72 0	72 0

GROUNDNUT EASY

(From Our Own Correspondent)

BOMBAY, 19*th September*

Irregular movements were witnessed in the oilseeds market during the week under review. It was cheerful during the first three sessions of the week as a result of speculative buying. The international situation also gave its own quota of spur to the market. But, under the leadership of groundnut, the market reacted following reports of beneficial rains in Saurashtra and other producing centres, and long liquidation. While groundnut lost sizably, castorseed was only sympathetically lower. Today, however, castorseed recovered on bear covering while groundnut continued to maintain an easy trend on further reports of favourable weather in the producing areas.

In the groundnut futures section, February contract opened the week at Rs. 134-8 and spurted to Rs. 135-6 on 15th inst. On the following days, however, it receded to Rs. 132-4, thus losing over the week as much as Rs. 2. In the spot section, too, Bold F.A.Q. shed As. 4 at Rs. 34-4 and Coromandal As. 4 at Rs. 34-8. Groundnut oil ex-mill was a shade lower at Rs. 18-14, while Railway Receipt lost As. 5 at Rs. 18-10.

The September contract, in the castorseed section, having opened the week at Rs. 143, finished up today at Rs. 146-12 after narrow fluctuations, thus gaining over the week Rs. 4-12. May 1957 contract, too, put on over the week as much as Rs. 2-6 at Rs. 126-12. In the spot section, Ready Madras rose by As. 12 at Rs. 28-12, and Kanpur by a similar amount. Oil B.S.S. increased by As. 7 to Rs. 17-1 and Oil Commercial by As. 5 to Rs. 16-1.

In the linseed section, May 1957 contract opened the week at Rs. 26-13 and rose to Rs. 28-12 on the following day. Subsequently, however, it reacted and closed today almost at the same level, namely, Rs. 26-12. In the spot section, however, Bold Ready advanced by As. 10 to Rs. 26-12 and October-November by As. 2 to Rs. 30-10. Linseed oil Ready was quoted at Rs. 17, i.e., As. 6 lower than last week.

Among other seeds, *kardi* seed showed no change at Rs. 18-6 while *niger* seed Madras improved by As. 4 at Rs. 28-8.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	19-9-1956	12-9-1956	5-9-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	132 4	133 0	126 0
Khandesh Quality Ready (per cwt.)	34 8	35 0	34 0
Dec.-Jan.	26 11	34 8	33 4
Linseed—			
May 1957	26 12	26 2	—
Bold Ready (per cwt.) ..	30 8	30 10	30 6
Oct.-Nov.	30 10	30 10	30 6
Castorseeds—			
September	146 12	142 0	138 6
Madras (per cwt.)	28 12	28 0	27 10
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 14	19 2	18 12
Castor oil—			
Commercial (per quarter) ..	16 1	15 12	15 8
Linseed oil—			
Ready	17 0	17 6	17 4

SUGAR QUIET

(From Our Own Correspondent)

BOMBAY, 19*th September*

The sugar market was thick with rumours of a possible upward revision in the excise duty on sugar. The rumours were based on the Finance Minister's statement in Parliament stressing the need for raising more funds and his justification for raising the excise duty on mill cloth. Induced by these rumours, the bull operators lent sustained support to *Asho* delivery contract for 'C' grade sugar which spurted by As. 6 to Rs. 91. The improvement was, however, short-lived and, following consistent bear-hammering, the quotation fell to Rs. 90-7. The bears refused to give credence to reports of an increase excise duty on sugar, as they felt that sugar was already a heavily taxed item of food. They would appear to feel that, if the rumours of higher excise duty were to prove wrong, *Asho* delivery contract would move down to below Rs. 90 per bag before the month was out.

The spot sugar section ruled quiet. Small grain sugar was unchanged at Rs. 88, as also medium grain at Rs. 89-Rs. 91 and large grain at Rs. 92-Rs. 98. British refined sugar was neglected at Rs. 91 per bag of 2 cwts.

Arrivals of indigenous sugar into the market during the week were larger than in the preceding two weeks. They amounted to 20,700 bags, as against 18,700 bags a week before and 16,200 bags a fortnight before.

Movement of sugar is considered to be quite satisfactory, thanks to availability of wagons without much difficulty. The terminal markets and distributing centres have adequate stocks of sugar to meet the post-monsoon and festive demands. The mills are also having still an unsold stock of over 700,000 tons of sugar; they have now become keen sellers, with a view to clearing their godowns before the next crushing season commences. Incidentally, the usual monthly release of sugar for sale in free market is expected to be announced early next week.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

DECLINE IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 19*th September*

During the earlier part of the week under review, following the news of some deterioration in the Suez situation, there was a revival of activity in Malabar black pepper. Prices showed improvement in sympathy with New York the price for the spot rose from $0.33½ to $0.35. The news of the sale of 130 tons to East Germany and Czechoslovakia by the Indian pepper delegation, which is on tour in Eastern Europe, proved a supporting factor. China is also reported to have bought about 300 tons.

Prices in Alleppey went up to Rs. 781½ and in Cochin to Rs. 136½ under pressure of covering by exporters. In the later part of the week, however, prices again dropped on the withdrawal of buyers, coupled with the news of an increase of 15 per cent. in the freight rate to Europe. There are chances of similar increase in the freight to U.S.A. also.

Until recently, India depended for its marketing of pepper mainly upon the U.S.A. The Indian Government, in order to encourage diversification of the export of Malabar black pepper and cashew nuts, has sent a trade delegation to East European countries with a view to popularising and assessing the possibility of trade with them. Since last two years, Russia and China are India's regular buyers and, if other Communist countries are also persuaded to take interest in Malabar pepper, India will be less dependent upon America in future. However, it should be noted that the competition from Sarawak in Europe is very keen and the prices for Malabar black are dearer by about Rs. 20 per cwt. Unless the prices of Indian pepper are slashed down in line with Sarawak, Indian export to Europe might not improve appreciably. The Indian Government should, therefore, try to encourage the planters to increase the production of pepper. The output has so far failed to improve in spite of very high prices in the recent years.

In A.S.T.A. section September delivery, after improving to $0.31½ receded to $0.30. October-December declined from $0.30½ to $0.29. In delivery section, prices for October and December, after touching Rs. 730 and Rs. 705, came down to Rs. 690 and Rs. 675 respectively.

Following are today's nominal quotations:—Ready delivery Rs. 100 per Bengal maund; October Rs. 690-700, and December Rs. 675.85 per candy of 5¼ cwts.

JUTES FIRM

(From Our Own Correspondent)

CALCUTTA, 18*th September*

Fully steady conditions were in evidence in both the jute goods and raw jute markets during the week under review. Good business at hardening rates was done in goods for export. Bear-covering was on a large-scale, while bulls also were keen buyers. Indeed, there was profit-taking but the strong buying spree arrested the down-trend and prices closed higher on balance. Close on the heels of the publication of the stock figures last week, which aided the bullish trend, the output figure for the month of August was available during this week. The latter only added to the strength of the market. August being the first full month following the re-sealing of 2½ per cent. of the looms as from the middle of July, the combined output at 89,600 tons was naturally lower by 4,500 tons as compared with July. However, hessian was higher by 1,100 tons at 35,400 tons but sacking declined to 48,200 tons from 52,900 tons. The increase in hessian was naturally due to the transfer of some sacking looms to the production of hessian. However, such transfer of looms cannot be continued for long, since the demand for sacking also has of late considerably improved. During recent months, foreign buyers of sacking goods had turned their attention to mills in Pakistan whose prices were lower than those quoted for the Indian goods. But Pakistani mills have now been told by the Government that their production of sacking would be required to meet internal needs and that only after full satisfaction of domestic requirements applications for export licenses would be considered. This has naturally brought back to Calcutta foreign buyers from Dacca.

By all means, the month of August witnessed considerable activity in the jute goods market. Foreign buyers, who had been waiting in the fond hope that prices would give way, had to place orders after orders in a rising market. During this week also, good business for export was done. Foreign business is expected to increase, and prices are expected to steady at higher levels. Moreover, the Suez Canal crisis and the determination of Western Powers to force down the hands of Egypt to agree to international control of the Canal add strength to the market. Including the production of 89,600 tons, the total availability of goods during the month

of August was 227,500 tons of all constructions. Deducting from this the August-end stock of 122,100 tons, demand during the month was of the order of 105,400 tons, which, it should be noted, was more than the production by 15,800 tons. August was, therefore, the first month after an interval of several months when demand exceeded production. From this month, production is expected to be much lower by virtue of the re-sealing of 5 per cent. of the looms as from yesterday; at the same time, the demand is expected to improve further. So by about the end of this year, it is expected that stocks would have been brought down to equal to about a month's production.

Ready 40"×10 oz. hessian opened at Rs. 43-9 at which rate a good amount of covering business took place. Speculators indulged in profit-taking. Heavy goods were not in demand, but prices were steady in sympathy with hessian. Ready B. twills were priced at Rs. 113-6 which was brought down to Rs. 113-4 on profit-taking. On Wednesday, mills showed a keen desire to sell and speculators continued to take profits. Both these circumstances prevented the prices from moving up, but the good genuine demand had taken the ready rate for 40"×10 oz. hessian to Rs. 43-11, with B. twills being maintained at Rs. 113-6. The rates remained unchanged on Thursday, but picked up on Friday following heavy speculative buying. Ready B. twills spurted to Rs. 114-12 and hessian 40"×10 oz. to Rs. 43-14. The week-end saw a fractional recession from the highest levels touched on Friday, as ready 40"×10 oz. closed at Rs. 43-13 and ready B. twills at Rs. 114-10. During yesterday, there was considerable activity in the market and ready B. twills spurted to Rs. 115-6 and hessian 40"×10 oz. to Rs. 44. The higher levels encouraged mills to enter into commitments in the forward positions, and, for this reason, B. twills January-March, for the first time in the past few weeks, were quoted a few annas lower than the ready. However, October-December positions continued to be quoted at a premium, this being six annas throughout the week.

Moderate support was accorded to raw jute by Mills. Prices improved by Re. 1 to Rs. 2. Latest quotations are given below:

	Middles	Bottoms	
Indian:			
Assam Upper ...	33 0	30 8	Sept.-Oct.
Northern ...	33 0	30 8	"
Daissee	33 8	31 0	"
Murshidabad ...	33 0	29 8	"
Western ...	32 8	30 0	"
Jungli	31 8	29 0	"
Orissa	33 8	31 0	"
Uttar Pradesh ...	31 8	29 0	"
Daissee mesta ...	31 8	29 0	"
Bimli f.a.q. ...	Rs. 29-0		"
Pucca bales 1st marks ready ...	Rs. 192-8 per bale.		

TEA STRONG

(From Our Own Correspondent)

CALCUTTA, 18*th September*

All teas received strong support during the export auctions held yesterday. Higher prices earned at the auctions held in London for the week ended 14th September were a factor for the rise in prices yesterday. Bids were made both for shipment and for internal consumption. Despite the immediate introduction of a 15 per cent. surcharge on all commodity freight rates by the Far Eastern Lines to compensate for the possible delay for passage of ships through the Suez Canal, shipments of tea to Great Britain are expected to increase. For stocks there are low, and, when the Canal continues to be free from hostilities, British stockists would naturally desire to add to their inventories, for, in the event of an emergency, prices in London were bound to move up.

In the meantime, however, the publication of the August output figure of North Indian tea gardens has caused a certain amount of thinking in market and industry circles, and the fear that, before the year is out, the tea industry would be in the grip of a crisis similar to the one of recent memory is expressed in certain quarters. Output in August was 99.7 million lbs. which has brought the production so far for this year to 305.3 million lbs. which is 22.9 million lbs. higher than the figure for the corresponding period of last year. Adding the North Indian production, world output has been pushed up by 18.5 million lbs. Up to the end of July, the increase was by 6 million lbs. only and the noticeable difference now has been due to the remarkable increase in the August output of North Indian gardens.

Some in the market hold that a crisis is inevitable, unless a world war comes to the rescue. However, the possibility of a war is remote, as from London reports it is clear that the present intention of the British and French Governments is to force Egypt only through measures other than the much dreaded war. That being so, the sober elements in the market have already begun putting forward suggestions before the industry with a view to preventing the feared crisis. It has been suggested that gardens should destroy 2 per cent. of the output, so that the supply of residue type teas would be more or less equal to demand. In addition to this, gardens should once again self-impose on themselves restrictions on production. In this connection, the desirability of gardens discontinuing production from November for the rest of the year is also mentioned. These suggestions are well worth the consideration of the Indian Tea Association when it is remembered that so far only one-fifth of the North Indian tea output has been disposed of and that the price trend for common and inferior teas in the auctions has not so far been to the advantage of the gardens. The poor quality types form the majority of production, and a glut in their supplies would certainly push down prices further, so that gardens would feel the pinch.

Offerings yesterday aggregated 55,500 packages. Early in the sale, demand gave signs of falling, but, as the sale progressed, buyers displayed considerable interest and prices were pushed up as a result. Medium fannings were fully firm, and the prices of the lots possessing black colour and useful liquors advanced. There was more demand for medium brokens, and prices for Assam B.O.Ps. and O.Ps. of normal manufacture gained. Commonest teas rose by one to two annas, and low medium brokens gained by one anna. The poorer fibrous teas rose by several annas, but the best C.T.C. Assams were often quiet. Stylish B.P.Ss. advanced by 2 annas, and a higher trend was noticeable in the poorer whole leaf grades. On the other hand, leaf teas were easy by As. 2. Darjeelings declined by As. 2 to As. 4 but tippy teas enjoyed good support. The quotations per lb. were: best C.T.C. Assam B.P. Rs. 3 to Rs. 3-4, medium Assam B.P. Re. 1-14 to Rs. 2, plain B.P. Re. 1-9 to Re. 1-9-6, and clean black pekoe Re. 1-13 to Re. 1-14.

Export quota was offered at 24 pies. Some rights changed hands at the beginning but towards the close buyers were difficult to be found.

The star feature during the internal sale held last week, when dusts offered totalled 17,790 packages, was clean black leafy teas on strong support by buyers on behalf of the Middle East. Keen competition was offered to the best C.T.Cs. on offer, but C.T.C. teas which did not come under the "best" were quiet, and lost As. 2 to As. 4. There was good demand at firm rates for all other types on offer. The rates per lb. were: best Assam C.T.C. Rs. 3 to Rs. 3-4, medium Assam C.T.C. Rs. 2-10, medium Assam grainy dust Rs. 2, and medium Dooars Re. 1-12-6.

LINSEED BETTER

(Messrs. A. Bradley and Co.)

CALCUTTA, 17*th September*

Slightly better conditions were noted in the linseed market towards the close of the week and prices displayed a small rise. Arrivals from producing centres were very scarce and were likely to remain so for some time, owing to heavy rains up-country. Sellers were rather reserved and, with buyers unwilling to pay high prices owing to very poor demand for linseed oil, very little business was reported during the week. The oil market remained inactive and offtake was very poor. There were few enquiries at lower prices.

The latest available quotation for September-October is Rs. 23-8 per maund.

PRODUCTION IN ASIA EXPANDS

(Concluded from page 569)

trialised countries. However, the trade deficit rose again during the first quarter of 1956, mainly because of rising imports (Hong Kong, India, Indonesia, Japan, Malaya and Pakistan) and falling exports (Ceylon, Indonesia, Japan, North Borneo, Thailand and Viet-Nam).

The total value of imports and exports in E.C.A.F.E. countries* is shown below:

(Million dollars)

	Imports	Exports	Balance of Trade
1951	9,440	9,737	+ 297
1952	9,294	7,654	— 1,640
1953	8,467	6,898	— 1,569
1954	8,219	7,206	— 1,010
1955	8,922	8,326	— 596
January-March	2,088	1,975	— 113
April-June	2,130	1,931	— 199
July-September	2,079	2,128	+ 49
October-December ..	2,323	2,292	— 31
1956†—			
January-March	2,414	2,178†	— 236

* Comprising Burma, Cambodia, Ceylon, China, Taiwan, Hong Kong, India, Indonesia, Japan, Laos, Malaya and British Borneo, Pakistan, the Philippines, Thailand and Viet-Nam (South).

† Figures for Burma, Cambodia, Laos and Sarawak are estimates based on the last quarter of 1955. For Burma exports relate to estimates based on the returns of first two months.

Preliminary statistics report that the value of trade between mainland China and the U.S.S.R. and countries of Eastern Europe increased in 1955 by nearly 30 per cent. and with the rest of the world by over 25 per cent. Over 90 per cent. of China's 1955 imports were taken up by factory equipment, machine tools, agricultural machines and other means of production. A loan of 2.5 billion roubles was given by the U.S.S.R. to mainland China in April 1956 for the import of capital equipment and supplies for 55 new industrial enterprises.

BANKING

(Concluded from page 554)

priority to the opening of branches of banks in these places. In addition, remittance facilities to member banks had been liberalised by the Bank.

Referring to agricultural credit, the Governor pointed out that the co-operative banks had been allowed to borrow from the State Bank on liberal terms. Besides, the limits sanctioned to various co-operative banks had also been increased. In order to give further fillip to the co-operatives, the State Bank had decided to charge a concessional rate of interest at 1½ per cent. against agricultural paper, on the condition that the benefit was passed on to the ultimate borrower. Another noteworthy development was the socio-economic surveys started in the rural areas by the Dacca and the Punjab Universities with the assistance of the State Bank and the Asia foundation. The survey is expected to bring out important data relating to rural indebtedness, credit conditions, land tenure, etc., which would be of much value to formulating rural credit policies. A still more important step in this field was the scheme sponsored by the State Bank for the creation of an Agricultural Bank. A Bill for bringing this body into existence is expected to go before the next session of the National Assembly.

Special steps were being taken to provide industrial finance also by establishing an Industrial Bank. A World Bank Mission visited Pakistan in April this year to examine the scheme. On its recommendation, a Steering Committee has been set up to draft the constitution of the proposed institution and to make preliminary arrangements for its incorporation.

The Bank's income during the year amounted to Rs. 376.03 lakhs and expenditure to Rs. 162.50 lakhs, leaving a net profit of Rs. 213.53 lakhs. The profit was the highest earned by the Bank for any year so far, and, consequently, it declared a higher dividend of 4½ per cent., as against the previous fixed rate of 4 per cent.

(Concluded from page 555)

ing level of expenses, which is not a peculiar feature of the Bank of Mysore alone but common to all banks. The profit (before providing for taxation) amounts to Rs. 8.87 lakhs, as compared with Rs. 8.69 lakhs for the first half of 1955 and Rs. 8.67 lakhs for the corresponding six months of 1954. It is, however, lower than that (Rs. 9.08 lakhs) for the half-year ended June 1953.

From Rs. 13.23 crores on 30th June 1955, the Bank's balance-sheet total has gone up to Rs. 13.93 crores. The gross income also has gone up from Rs. 29.49 lakhs to Rs. 32.12 lakhs. This rise in income is mainly accounted for by interest and discount earned, such having increased from Rs. 24.61 lakhs to Rs. 27.32 lakhs. Commission and exchange are, however, a shade lower at Rs. 4.52 lakhs, as compared with Rs. 4.78 lakhs for the half-year ended June 1955. Interest paid is Rs. 1.02 lakhs more at Rs. 10.24 lakhs, and expenses have gone up by Rs. 1.19 lakhs to Rs. 12.37 lakhs.

Out of the profit of Rs. 8.87 lakhs the Directors have set aside Rs. 2.50 lakhs to the reserve for income-tax and super-tax, as against Rs. 3.50 lakhs provided a year ago. No provision for contingencies has been made, while a year ago a sum of Rs. 1 lakh had been allocated for this purpose. The distribution to the shareholders is, however, unchanged at 16 per cent. per annum, made up of a dividend of 12 per cent. and a bonus of 4 per cent., a rate which is being maintained with effect from the half-year ended 31st December 1946, when it was stepped up from 14 per cent. per annum, by raising the bonus part of the distribution from 2 per cent. to 4 per cent. per annum. A point that needs to be noted here is that, in the intervening years, the paid-up capital was raised from Rs. 40 lakhs to Rs. 50 lakhs. The distribution to the shareholders absorbs Rs. 4 lakhs, leaving a surplus of Rs. 4.19 lakhs to be carried forward to the current half-year, as against Rs. 2.61 lakhs brought in.

The following comparative table, presenting the synopses of the balance-sheets as at the close of the last four half-years, brings out the progress in the financial position of the Bank in recent years:

(In lakhs of rupees)

	As on			
—	30-6-56	31-12-55	30-6-55	31-12-54
Capital	50.00	50.00	50.00	50.00
Reserves	84.00	84.00	84.00	84.00
Deposits—				
Fixed	377.71	400.49	409.07	344.65
Thrift and savings	237.26	223.23	214.65	200.99
Current, contingency, etc. ..	471.96	431.65	428.16	453.32
Advances (including money at call)	786.70	752.33	721.47	710.19
Investments	366.11	383.83	335.35	299.85
Cash balances	103.17	91.24	160.97	172.53
Acceptances, endorsements, etc. (contra)	33.91	14.09	24.24	25.57
Bills for collection (contra) ..	62.09	9.75	50.03	61.48
Balance-sheet total	1,393.53	1,345.75	1,323.57	1,305.08
Ratio to deposits of—	%	%	%	%
Advances	72.4	71.3	68.6	71.1
Investments	33.7	36.7	31.9	30.0
Cash	9.5	8.6	15.3	17.3

The total deposits of the Bank have risen by Rs. 31.57 lakhs over the six months under review, thus maintaining the upward trend since 31st December 1953. The pace of increase is, however, slower than that in the corresponding half-year of 1955, when the rise was as much as Rs. 53.02 lakhs. It is significant that the rise is mainly accounted for by the current and contingency accounts, which are higher by Rs. 40.31 lakhs and thrift and savings deposits which have gone up by Rs. 14.03 lakhs. Fixed deposits, on the other hand, have declined by Rs. 22.78 lakhs, in distinct contrast to a rise of Rs. 64.52 lakhs noted a year before and to the general trend of bank deposits. The expansion in deposit resources has been utilised to increase the main revenue-yielding asset, namely, advances. The market value of the investments is lower by Rs. 6 lakhs than the book value, but this is more than amply covered by provision for depreciation on investments to the tune of Rs. 9.33 lakhs.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	5½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	4	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1936	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1956	5	5½
Ecuador	18th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	26th May, 1954	3½	4
Italy	6th April, 1950	4	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan., 1944	3	3½
South Africa	20th Sept., 1956	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	3½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 14th September, 1956		Week ended 7th September, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,78,654	58,47,12,000	2,51,044	75,34,51,000
Calcutta	1,74,210	61,25,00,379	1,74,428	69,07,74,671
Madras	82,314	10,80,54,615	88,235	12,79,04,870
All Centres—				
1953-54*	.. .. ..		2,669,000	5,595,400,000
1954-55*	.. .. ..		2,885,000	6,041,200,000
May 1955	.. .. ..		3,483,000	7,10,51,00,000
June "	.. .. ..		3,202,000	6,59,59,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 14th Sept., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	73,40,53,000
(2) Other Governments	19,54,40,000
(b) Banks	53,71,69,000
(c) Others	14,36,90,000
Bills Payable	8,45,77,000
Other Liabilities	14,40,59,000
Rupees	209,92,18,000

ASSETS	Rs.
Notes	25,04,01,000
Rupee Coin	6,76,000
Subsidiary Coin	9,05,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,96,08,000
Balances held abroad*	33,14,26,000
Loans and Advances to Governments	5,07,35,000
Other Loans and Advances	76,78,10,000
Investments	92,18,75,000
Other Assets	11,62,77,000
Rupees	209,92,18,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 30,89,66,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 248,19,55,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,04,01,000	
Notes in circulation	1432,44,57,000	
Total Notes issued		1457,48,58,000
Total Liabilities		1457,48,58,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	596,73,79,000	
Total of A		636,75,50,000
B. Rupee Coin		117,07,82,000
Government of India Rupee Securities		703,65,26,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1457,48,58,000

Ratio of Total of A to Liabilities: 43.689 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 7th Sept., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	9,70,91,000
(ii) Other demand liabilities	629,67,39,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,30,80,000
(ii) Other time liabilities	456,73,38,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	12,69,61,000
(ii) Time liabilities	....
4. Cash in India	35,51,66,000
5. Balances with the Reserve Bank in India	53,24,48,000
6. Balances with other banks in current account in India	10,27,40,000
7. Money at call and short notice in India	12,59,54,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	386,37,51,000
9. Advances in India	616,72,35,000
10. Inland Bills purchased and discounted in India	96,15,38,000
11. Foreign Bills purchased and discounted in India	46,58,33,000

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

EXCHANGE RATES

	18th September, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot *s.*	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months *s.*	1-5⅜	1-5⅜
Buyers T.T. spot to nine months *s.*	1-6¼	1-6¼
Buyers T.T. 10 to 12 months *s.*	1-6☆	1-6☆
Bombay on New York—		
Sellers T.T. D.D. Rs.	480‡	480‡
Buyers T.T. Rs.	479	473
London on New York $	2.781-2.783	2.781-2.783
London on Paris Frs.	982	982
London on Berne Sw. Frs.	12.101-12.104	12.10-12.104
New York on London $	2.78⅛-2.78⅜	2.78⅛-2.78⅜

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	¥. 6,148,000	6,183	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 902	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,768
Canada	1954	16.80	$ 18,751	9,190	5,046
France	1954	42.84	F.Fr. 11,498,000	15,840	3,650
W. Germany	1954	49.52	Dm. 112,800	12,734	2,570
Italy	1954	47.67	Lr. 9,713,000	7,890	1,544
Norway	1954	3.89	Kr. 18,424	1,330	3,688
Sweden	1954	7.21	Kr. 38,630	3,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 31st August, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	28,06,17,000
(b) Provincial Governments	13,05,58,000
(c) Banks	21,62,72,000
(d) Others	3,38,17,000
Bills Payable	45,99,000
Other Liabilities	7,16,02,000
Rupees	79,74,65,000

ASSETS	Rs.
Notes	12,62,76,000
Rupee Coin	10,000
Subsidiary Coin	15,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,18,31,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	4,67,50,000
Investments	52,20,59,000
Other Assets	9,10,24,000
Rupees	79,74,65,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,62,76,000	
Notes in circulation	280,22,87,000	
Total Notes issued	....	292,85,63,000
Total Liabilities	....	292,85,63,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	96,64,02,000	
Government of India Securities	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,62,37,000	167,68,26,000
Government of Pakistan Securities	112,64,94,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		119,27,31,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		292,85,63,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 59.17 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	7th Sept., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1440.18	1424.51	1451.78	1301.65
Notes held by Banking Department	35.05	16.25	32.63	25.95	13.42
Foreign Securities	59.50	596.74	606.68	616.68	671.82
Rupee Securities	37.39	703.65	693.72	708.62	493.91
Banking Department					
Deposits of:					
Government of India	14.89	58.86	65.77	54.04	58.47
Other Governments	..	16.73	2.91	9.38	13.93
Balances held abroad	10.08	34.22	24.94	32.02	49.23
SCHEDULED BANKS					
Demand Liabilities	134.36	639.38	654.74	637.86	599.76
		(9.71)†	(17.03)†	(14.22)†	(9.01)†
Time Liabilities	102.24	459.04	461.32	459.67	413.25
		(2.31)†	(2.00)†	(3.71)†	(2.84)†
Borrowings from Reserve Bank	..	52.25	30.99	44.58	16.33
		(24.40)‡	(22.00)‡	(33.94)‡	(12.32)‡
Borrowings from State Bank	..	12.70	7.25	7.15	8.21
Cash in India	6.70	35.51	37.58	35.52	33.67
Balances with Reserve Bank	25.17	53.24	51.67	49.25	48.28
Excess over statutory limits	15.52	12.10	9.71	8.17	10.03
Balances with other banks in current account in India	..	10 27	11.77	10.50	10.40
Money at call and short notice in India	..	12.60	22.39	19.36	16.90
Investments (at book value)	105.09	366.38	361.42	361.43	380.97
Advances and bills		758.46	735.14	739.16	609.97
STATE BANK					
Deposits	87.76	231.33	229.07	222.83	211.86
Investments	51.99	106.29	106.18	106.29	108.09
Advances	80.85	133.93	124.22	127.14	105.27
Cash	14.69	19.82	18.06	17.42	17.15

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	June,		Three months, April to June	
	1955	1956	1955	1956
Import Duties				
Revenue	9.92	9.87	28.22	29.72
Protective	0.52	1.04	2.81	3.10
On surplus disposals		—		0.03
Total Import duties	10.74	10.91	30.53	32.85
Export Duties	2.77	1.77	7.56	5.59
Land Customs	0.04	0.19	0.30	0.44
Miscellaneous	0.07	0.07	0.20	0.25
Gross total customs	13.62	12.94	38.59	39.13
Refunds and drawbacks	0.74	0.21	2.76	0.59
Net Customs	13.48	12.73	37.81	38.54
Gross excise	12.75	14.94	35.62	41.05
Refunds	0.58	0.11	1.14	0.34
Net Excise	12.17	14.83	34.48	40.71
Net total of customs and excise†	25.65	27.56	74.29	79.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 14th Sept., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	228,21,46,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	6,50,00,000
Bills Payable		4,42,51,000
Bills for Collection being Bills Receivable as per contra	..	74,33,000
Acceptances, Endorsements and Other Obligations per contra	..	13,00,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	16,87,04,000
Total ..	Rs.	268,85,84,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	15,03,96,000
Balances with other Banks	..	3,71,29,000
Money at Call and Short Notice	..	1,80,00,000
INVESTMENTS:		
Government and other Trustee Securities	95,85,44,000	
Other Authorised Investments	11,55,95,000	
		107,41,39,000
ADVANCES,		
Loans, Cash Credits, Overdrafts, etc.	100,64,58,000	
Bills Discounted and Purchased	32,55,98,000	
		133,20,51,000
Bills Receivable being Bills for Collection as per contra		74,33,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		13,00,000
Premises less Depreciation		1,16,49,000
Furniture and Fixtures less Depreciation		55,77,000
Other Assets (including Inter-Office Adjustments)		5,09,10,000
Total ..	Rs.	268,85,84,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-year Annuity Certificates ‡	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1953-54	6.88	65	3.26	23.66	84.17	1,18.88	92.08	—	81.07	7.55	25.84				
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,24.94	1,30.88	—	86.25	5.57	27.15	7.40‡‡	7.88	5‡‡	5
1955-56	3.76	1.98	5.48	27.19	1,44.86	1,55.15	1,57.88	—	88.37	4.79	41.25	9.86	16.37	45	45
June 1955	4.44	12	5.13	2.09	1,29.49	13.28	1,36.26	—	86.76	37	38.23	84	9.32	5	5
July "	4.26	12	5.16	2.27	1,31.26	13.80	1,40.28	—	86.85	41	38.64	91	10.19	4	69
August "	4.09	14	5.17	2.09	1,33.23	12.25	1,43.90	—	86.96	39	38.27	84	11.00	3	72
September "	4.31	12	5.20	2.54	1,34.88	14.40	1,46.91	—	87.11	44	39.28	94	11.94	5	75
October "	4.14	10	5.21	2.11	1,35.38	11.24	1,48.09	—	88.28	48	39.88	80	12.49	5	80
November "	4.07	10	5.21	1.96	1,37.68	11.25	1,50.40	—	88.34	45	40.05	83	13.20	5	85
December "	4.00	15	5.26	2.65	1,39.48	13.04	1,52.44	—	88.44	36	40.34	88	13.98	4	88
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	—	88.55	32	40.51	84	14.78	3	91
February "	3.83	15	5.30	2.33	1,42.37	13.57	1,56.19	—	88.66	30	40.96	93	15.87	3	94
March "	3.76	23	5.48	2.92	1,44.36	23.64	1,67.88	—	88.87	28	41.25	88	16.87	3	96
April "	3.69	24	5.54	2.19	1,45.55	14.54	1,71.06	—	88.96	24	41.51	82	17.18	3	98
May "	3.61	21	5.54	2.40	1,47.56	14.77	1,73.55	—	89.05	28	41.82	85	17.91	2	1.00
June "	3.54	28	5.55	2.70	1,49.48	15.24	1,76.09	—	39.15	38	45.11	92	18.75	4	1.04
July "	..	..	..	..	..	..	..	—	..	38	45.42	..	..	..	..

* At the end of period.
@ Progressive net repayments at the end of period from 15th August 1947.
‡ Issued from 10th May 1954.
‡‡ Relating to nine months from July, 1954.
§ From July, 1954.
§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition bearings of Indian investors.
‡‡ Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 10-9-'55	11-8-'56	1-9-'56	8-9-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	96.8	90.9	90.7	90.7
1. Government of India	90.7	90.7	90.5	90.5
2. Indian States	96.4	96.8	96.8	96.8
3. Municipal, Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.3	100.3	100.3
1. Electricity	102.0	101.3	101.3	101.3
2. Jute	98.9	97.5	97.5	97.5
3. Plantations	99.1	99.3	99.2	98.8
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	100.9	100.8	100.8	100.8
PREFERENCE SHARES	87.3	85.4	84.9	83.7
1. Electricity	96.0	91.0	91.0	91.0
2. Cotton	79.8	84.5	84.7	84.0
3. Jute	85.9	81.1	78.4	76.3
4. Coal	92.5	84.9	83.6	83.6
5. Iron and Steel	89.5	88.6	88.8	85.0
6. Sugar	84.9	84.2	84.1	82.2
7. Paper	86.7	81.4	81.9	81.9
8. Plantations	99.4	101.6	101.7	101.9
9. Miscellaneous	85.0	81.4	81.4	81.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	122.5	127.0	126.6	126.8
(a) Financial	90.0	95.0	95.2	94.6
1. Banks	87.3	95.0	95.2	95.6
2. Insurance	106.9	91.6	89.3	89.0
3. Investment Trust	93.8	91.9	90.9	91.0
(b) Public Utilities	114.4	113.9	114.0	113.0
1. Electricity	122.8	114.4	114.4	113.4
2. Shipping and other Transport	101.5	120.4	120.8	119.7
3. Railways	88.8	85.8	85.8	85.2
(c) Manufacturing industries	128.8	138.2	141.2	138.9
1. Cotton, Woollen and Silk	114.5	143.4	146.6	143.4
2. Jute	102.3	73.3	76.3	76.3
3. Iron and Steel	160.4	158.8	160.6	156.1
4. Paper	237.2	275.4	269.1	267.4
5. Cement	180.0	183.1	190.2	188.9
6. General Engineering	189.8	194.0	197.9	197.8
7. Sugar and Breweries	105.2	107.2	109.9	108.8
8. Chemicals	142.0	149.5	152.6	150.8
(d) Non-Manufacturing industries	173.7	163.5	162.6	159.9
1. Coal	83.7	78.5	79.3	79.8
2. Mining and Oil	243.1	254.1	249.0	242.9
3. Plantations	198.8	177.2	176.8	173.7
(e) Miscellaneous	99.9	102.3	104.0	103.0
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.8	90.3	90.2	90.2
2. Calcutta	90.8	90.8	90.6	90.6
3. Madras	91.1	91.2	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	99.7	99.7	99.7
2. Calcutta	101.4	100.7	100.7	100.7
3. Madras	100.1	100.2	100.1	99.9
PREFERENCE SHARES				
1. Bombay	91.0	89.9	90.0	87.2
2. Calcutta	83.2	80.0	79.0	78.6
3. Madras	95.6	97.0	97.4	97.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	123.4	139.2	140.7	136.8
1. Bombay	115.9	108.9	110.5	110.2
2. Calcutta	117.9	139.1	142.1	140.3
3. Madras	134.0	144.7	143.5	141.5
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes †	Number of workers involved.	Number of man-days lost
1951	1,071	691,331	8,818,928
1952	963	809,243	8,336,961
1953	772	466,667	9,383,606
1954	840	477,158	5,378,630
1955	1,166	527,767	5,597,848
April 1954	101	54,963	207,247
May "	80	40,073	216,068
June "	82	21,589	805,078
July "	122	30,189	277,492
August "	79	51,000	322,587
September "	97	50,414	363,878
October "	88	41,724	276,204
November "	62	35,115	239,701
December "	101	54,455	262,783
January 1955†	95	49,038	322,807
February "	91	33,370	144,302
March "	112	70,042	334,606
April "	105	32,432	333,275
May "	120	68,441	961,776
June "	152	91,269	1,144,011
July "	111	55,260	660,492
August "	256	90,218	533,999
September "	251	92,619	580,031
October "	134	47,600	314,214
November "	99	48,609	174,112
December "	129	45,276	239,550
January* 1956†	108	61,200	353,555
February* "	123	69,605	790,711
March* "	147	135,053	688,688
April* "	144	81,467	522,719
May "	115	61,729(a)	527,528(a)

† Figures are provisional. * Revised.
(a) Not known in one case. § Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,801.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
April 1955	690	691.1	563.9
May "	691	706.5	569.3
June "	696	718.3	576.1
July "	700	724.5	588.8
August "	705	706.9	574.4
September "	707	719.8	587.1
October "	716	730.7	591.9
November "	721	733.5	597.0
December "	734	753.7	643.0
January 1956	731	757.2	621.8
February "	727	749.9	623.0
March "	715	800.0	651.0
April "	701	780.8	643.8
May "	701	825.8	669.1

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	1st Sept., 1956	25th Aug., 1956	3rd Sept., 1955	July, 1956	July, 1955	Percentage of increase (+) or decrease (−) in July, 1956 as compared with July, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	395.9	397.9 R		380.3	309.7	+22.8	313.2	339.8
Cereals	69	511	509 R	385	484	359	+34.8	372	381
Pulses	8	396	406	273	378	272	+39.0	289	280
Others	33	251	255	235	248	246	+ 0.8	235	291
Industrial Raw Materials	(12)	510.7	505.6	393.1	492.1	408.2	+20.6	419.8	436.2
Fibres	53	484	477	397	477	415	+14.9	429	447
Oil seeds	30	580	581	375	534	391	+36.6	398	424
Minerals	10	528	513	415	511	422	+21.1	427	422
Others	7	424	423	418	420	417	+ 0.7	431	427
Semi-Manufactures	(17)	410.3	411.1	325.5	385.3	329.6	+16.9	338.2	350.3
Leather	3	374	372	338	395	355	+11.3	378	376
Mineral oils	13	208	208	202	208	201	+ 3.5	207	221
Vegetable oils	16	605	615	371	546	393	+37.2	389 R	433
Cotton yarn	35	504	503	406	477	406	+17.5	422	454
Metals	19	329	329	258	327	256	+27.7	264	240
Oil cakes	5	479	487	335	433	333	+30.0	338	381
Others	5	361	361	330	362	329	+10.0	336	312
Manufactured Articles	(39)	391.2	389.8 R	368.6	385.7	370.9	+ 4.0	372.9	377.4 R
Textiles	64	427	425	403	419	406	+ 3.2	408	421
Jute	11	419	407	397	417	407	+ 2.5	418	448
Cotton	45	432*	432*	402*	430*	402*	+ 7.0	408*	415*
Rayon and Silk	6	476*	476*	474*	461*	474*	— 2.7	455*	460*
Woollen	2	266	266	278	264	282	— 6.4	264	287
Metal products	17	388	392	388	352	319	+10.2	359	340
Others	19	294	294	286	291	286	+ 1.7	285	286
Miscellaneous	(4)	564.8	565.0	561.8	580.4	582.6	— 0.6	546.4	612.4
All Commodities	(100)	421.5	421.0 R	354.7	409.0	355.6	+ 15.0	366.4	377.6

R.=Revised.
Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactured	Cotton manufactured†	Iron and Steel
1955																		
June	411	366	108	194	182	564†	592	266	137	774†	376	433	367	334†	257	415	404	374
July	455	416†	121	206	216	531	615†	266

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,370
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,314	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses†	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,733	6,501	458	589
Rape and Mustard	final	,,	6,252	6,025	832	1,019
Linseed	final	,,	3,424	3,364	376	382
Total oilseeds	final	tons	29,471	30,832	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,993	4,227
Jute†	final	,,	1,581	1,243	4,187	2,928
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	2nd	tons	658	633	1,643	1,543
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	255

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August, 1956	89.6
	Corresponding month, 1955	81.4
	Two months ended Aug., 1956	183.7
	Corresponding period, 1955	165.5
Stocks	As the end of Aug., 1956	122.1
	Corresponding month, 1955	79.3
		(In 000 bags)
Exports (Jute Bags)	Week ended 11th Aug., 1956	15,902
	Corresponding week, 1955	10,327
	From 1st Jan., to 11th Aug., 1956	260,949
	Corresponding period, 1955	232,523
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 11th Aug., 1956	76,904
	Corresponding week, 1955	65,684
	From 1st Jan., to 11th Aug., 1956	818,451
	Corresponding period, 1955	771,467
	RAW JUTE	(In lakh bales)
Consumption by Mills†	Aug., 1956 (in lakh bales)	5.20
	Corresponding month, 1955	4.72
	Two months ended Aug., 1956	10.65
	Corresponding period, 1955	9.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,45,900	10,42,900	7,91,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
March 1955	95,000	89,300	66,100
April ,,	95,100	88,000	66,200
May ,,	94,200	87,500	5,600
June ,,	91,700	80,900	62,600
July ,,	94,900	94,800	64,300
August ,,	92,500	83,900	63,700
March 1956	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
May ,,	96,500	89,400	66,300
June ,,	94,900	89,900	64,400
July ,,	94,400	91,300	65,500
August ,,	97,800	88,000	65,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	2,86,710	4,31,460	3,12,940
Do. 31st March, 1954	3,40,020	4,91,010	3,92,430
Do. 31st March, 1955	7,15,949	5,38,240	4,59,093
Do. 31st March, 1956	7,06,958	5,31,505	4,50,607
Three months ended June, 1954	1,83,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,661
,, ,, ,, Dec., 1954	1,88,058	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,86,108	1,43,828	1,18,186
,, ,, June, 1955	1,85,605	1,34,888	1,16,251
,, ,, Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,, Dec., 1955	1,80,750	1,40,750	1,08,743
,, ,, Mar., 1956	1,94,450	1,41,846	1,19,860
,, ,, June, 1956	1,48,806	1,17,710	92,609

FOREIGN TRADE OF INDIA

Particulars	June, 1955 (Rs. lakhs)	June, 1956 (Rs. lakhs)	Three months April to June 1955 (Rs. lakhs)	Three months April to June 1956 (Rs. lakhs)
Imports :				
By sea and air—				
Foodstuffs	4,56	2,75	19,96	8,48
Raw materials	13,05	13,74	38,62	39,61
Manufactures	31,45	46,23	89,28	139,41
Other Items	45	33	50	96
Total*	49,30	63,17	148,45	188,46
By land	1,04	1,05	5,49	3,96
Total Imports	51,34	64,22	153,94	192,42
Exports :				
By sea and air—				
Foodstuffs	11,93	13,84	26,41	37,10
Raw materials	15,10	11,45	40,41	32,04
Manufactures	19,27	19,52	61,39	57,59
Other Items	24	30	1,90	87
Total	46,54	45,11	129,20	127,60
By land	89	43	1,88	1,21
Total Exports	47,53	45,54	131,08	128,81
Total Re-exports	66	1,02	1,49	2,77
Balance of trade in merchandise	3,14	17,63	21,40	60,73
Balance of transactions in private treasure	1	8	2	5
Total visible balance of trade	3,15	17,66	21,42	60,78
Imports : ‡				
Total C'wealth countries	23,64	26,73	70,75	77,15
Total Foreign countries	25,76	36,44	77,70	111,31
Exports : ‡				
Total C'wealth countries	26,01	22,36	63,65	64,10
Total Foreign countries	20,63	22,75	65,55	63,50

* Includes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
June 1955	2,973	662	237	55	33	17	19	6	37	98	11	73	7	34
July ,,	3,073	690	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	63	164	18	126	16	62
September ,,	5,081	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	208	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	808	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	138	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to *M. G.* Wagons (1 BG.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 13th Sept., 1956	12,366(J)
	Corresponding week, 1955	25,218(J)
	1st Sept. to 13th Sept., 1956	21,368*
	Corresponding period, 1955	56,680*
Cotton Exports	Week ended 13th Sept., 1956	2,844‡
	Corresponding week, 1955	24,869‡
	1st Sept. to 13th Sept., 1956	6,425‡
	Corresponding period, 1955	75,283‡
Mill Consumption (Estimated)	1st Sept. to 13th Sept., 1956	43,550
	Corresponding period, 1955	52,500
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 13th Sept., 1956	477,227
	Corresponding date, 1955	831,601
Cotton Exports from Bombay (by sea)	During June, 1956	36,806§
	1st Sept., '55 to 30th June, 1956	684,949
	1st Sept. '54 to 30th June, 1955	804,296
Karachi (Pakistan)—		
Receipts	1st Sept. to 31st Aug., 1955-56	1,301,344
	Corresponding period, 1954-55	1,246,783
Exports	1st Sept. to 31st Aug., 1955-56	909,560
	Corresponding period, 1954-55	929,783

Particulars	From 1st Sept. to 10th Sept., 1956 (Bales)	From 1st Sept., to 10th Sept., 1955 (Bales)
From Bombay Cotton Shipments to—		
United Kingdom	—	1,710
Continent	—	8,362
Hongkong	—	3,954
China	—	23,069
Japan	1,632	12,178
U.S.A.	—	456
Other Countries	—	750
Total to all foreign countries	1,632	50,459
Coastal Ports	2,794	3,804
Total	4,426§	54,263
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	June, 1956	351,109
Foreign		62,156
Indian	Ten months ended June, 1956	3,611,130
Foreign		498,013
Indian	Same Period 1955	3,399,277
Foreign		538,980
Stocks (Mills and Elsewhere)		
Indian	As on 30th June, 1956	1,705,627
Foreign		223,757
Indian	As on 30th June, 1955	1,637,466
Foreign		161,068
Cotton Pressed in India (In running bales)	Week ended 31st Aug., 1956	4,629
	Corresponding week, 1955	266,728
	1st Sept. to 31st Aug., 1955-56	3,990,055
	Corresponding period, 1954-55	4,799,250

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-28	63,30,26,000	1960-70	100‡
2½ % Loan	1935-39	1,16,17,46,000	1963-65	94‡
2½ % Loan	1950	20,38,10,000	1964	94‡
2½ % Fg. Loan	1942	1,10,11,78,000	1966-68	98‡
2½ % T. Loan	1944	23,54,59,000	1957	98‡
2½ % Loan	1945	1,15,05,88,000	1970-75	89½
2½ % Nd V. Loan	1945	1,18,65,54,000	1959-61	98
2½ % Loan	1946	50,35,65,000	1948	99½
2½ % Loan	1946	45,68,07,000	1960	96‡
2½ % Loan	1946	57,00,09,000	1961	93½
2½ % Loan	1946	14,77,48,000	1962	93½
2½ % Loan	1947	75,86,72,000	1962	93½
2½ % Loan (N.P. Bonds)	1953	75,20,00,000	1961	99½
2½ % N.P. Loan	1954	1,58,17,34,000	1964	98½
2½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1964	98‡
3½ %	1956	57,27,00,000	1962	97½
3½ % N. P. Bonds	1956	33,82,00,000	1967	98½
3½ %	1956	66,64,00,000	1974	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	75½
3 % Loan	1946	2,48,91,47,000		75‡
REPATRIATE STERLING LOANS				
4½ % Loan	1923	5,85,73,000	1953-55***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
4 % Andhra	1956	6,00,00,000	1968	98‡
3 % Bombay	1948	2,97,16,000	14th Sept. 1956	99‡
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98‡
3 % Bombay	1949	5,53,56,000	1st Aug. 1968	94‡
3 % Bombay	1950	2,87,32,000	15th Aug. 1960	96‡
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	93½
4 % Bombay	1952	5,42,28,000	16th July 1962	101
4 % Bombay	1953	3,55,57,000	1st Aug. 1964	101‡
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100½
2 % Bombay	1956	7,50,00,000	1970	100
3 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99‡
2½ % Cochin	1936	70,09,000	1st June 1956-61	99½
3 % Hewran Bridge (New)	1936-37	1,95,96,700	1956-66	95‡
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99½
3 % Madras	1949	1,53,95,500	21st June 1959	99½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98½
3 % Madras	1945	3,78,44,000	14th Sept. 1956	96-5½
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93
4 % Madras	1948	4,33,34,400	31st July 1960	98½
2½ % Madras	1951	3,01,49,300	17th Sept. 1962	97
4 % Madras	1952	10,53,63,800	15th July 1962	99½
4 % Madras	1953	4,34,61,800	1st Aug. 1964	99½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Madras	1956	12,50,00,000	1968	99½
4 % Mysore	1953	2,95,85,300	1st Dec. 1953-63	101½
4 % Mysore	1954	4,99,72,900	30th April 1960-61	99½
3 % Mysore	1947	3,08,08,700	25th Jan. 1958	99½
4 % Mysore	1953	3,32,47,000	15th July 1963	100½
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99½
4 % Mysore	1956	4,00,00,000	1968	99½
3 % M.P.	1943	50,54,200	14th Sept. 1956	99‡
3 % M.P.	1944	58,59,800	15th Aug. 1958	98‡
3 % M.P.	1948	2,08,25,800	15th Sept. 1964	98‡
3 % M.P.	1950	1,01,44,700	31st July 1960	96‡
2½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1952	1,10,18,000	14th July 1962	99‡
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99‡
4 % M.P.	1956	1,50,00,000	1968	99‡
3 % Marmahtra	1944	3,61,56,000	1st Sept. 1967	99‡
3 % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1952	3,35,60,000	15th July 1962	100-1½
4 % Trav.-Cochin	1956	2,00,00,000	1968	99½
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	99‡
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98‡
3 % U.P.	1945	2,17,89,700	14th Sept. 1956	98‡
2½ % U.P.	1946	2,30,93,600	1st Sept. 1961	93‡
2½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97‡
4 % U.P.	1952	4,45,59,000	1st Aug. 1964	100‡
4 % U.P.	1953	3,65,15,500	15th July 1963	100‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99½
4 % U.P.	1956	8,00,00,000	1968	99‡

PORT TRUST LOANS

Amount	Interest	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
26,50,000	4	1904	1964	
25,00,000	4	1904	1964	
15,00,000	4	1906	1965	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1969	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,25,876	4	1912*	1960	D
80,00,000	4	1912	1974	100½N
38,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,51,000	4	1915*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
25,00,000	3½	1926*	1959	
12,50,000	3½	1927*	1959	D
12,50,000	3½	1931*	1961	
13,25,000	3½	1932*	1962	
24,53,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
20,24,500	4	1914	1974	99
78,90,100	4	1915	1975	99
1,50,00,000©	4††	1921	1981	98
68,02,300©	5½	1921	1981	144N
93,31,600	5½	1926	1956-86	100½
99,84,5400B	5	1926	1956-86	100½
1,49,42,900B	5	1927	1957-87	102
1,49,80,000	5	1928	1958-88	103
80,00,000	4½	1931	1991	95
40,00,000	5	1935	1995	97½
25,00,000	5	1938	1958-68	99
50,00,000	5	1945	2005	74
50,00,000	5	1945	1975	85
50,00,000	5	1946	1976	84‡
50,00,000	5	1948	2008	74
50,00,000	3½	1947	1977	79½
50,00,000	3½	1948	1978	83‡
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97
50,00,000©	3	1950	1980	88
1,00,00,900	3	1950	1960	95½
1,00,00,000	3	1950	1980	90½
50,00,000	3	1951	1981	84½
1,50,00,000	3½	1951	1981	90½
50,00,000	4	1952	1962	100
90,00,000	4	1955	1965	98
77,00,0000	4	1956	1986	97‡
STERLING LOANS				
£393,600	5	1922	1952-82	670
£901,000	5	1924	1954-84	670‡
£886,100	5½	1932	1962	681‡
MADRAS				
Rs.				Rs.
81,47,100	4½	1947	1977	
9,85,000	3	1947	1977	A
5,00,000	3	1949	1979	
45,50,000©	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				**BOMBAY**
Rs.				Rs.
50,00,000	4	1899	1959	106
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
50,00,000	4	1907	1967	
25,00,000	4	1908	1968	
50,00,000	4	1912	1972	
50,00,000	4	1912	1972	
50,00,000	4	1912	1972	97½N
25,00,000	4	1914	1974	
40,00,000	4	1916	1976	112N
65,00,000	6	1919	1957-79	
25,00,000	5	1920	1955-86	116N
25,00,000	5	1926	1956-86	116N
10,00,000	5	1927	1961-70	98N
		1966		
STERLING LOANS				
£566,600		1909	1959	89½N
£333,000		1910	1970	89½N
Rs		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99‡
25,00,000	3	1935	1965	94
50,00,000	3	1936	1966	90
20,00,000	3	1937	1967	91
40,00,000	3	1947	1962-82	90
1,02,00,000	3	1952	1962	99‡
		1956	1968	99

MUNICIPAL LOANS

Rs.				**BOMBAY**	Rs.
20,60,000	4	1913-15	1974	95½	
10,00,000	5	1920	1980	113N	
25,00,000	5	1928	1958	104	
25,00,000	5	1928	1958-59	104	
20,21,500	5	1929	1959	102½	
4,35,00,000	3½	1947	1977	86‡	
2,50,00,000	3½	1948	1978	86‡	
4,00,00,000	3½	1950	1980	86‡	
2,50,00,000	4	1952	1964	99‡	
5,00,00,000	4	1953	1965	97‡	
1,30,00,000	4	1954	1966	97‡	
1,00,00,000*	4	1952	1964	100	
1,00,00,000*	4	1954	1966	100	
2,50,00,000	4	1955	1967	100½	
Rs.		**CALCUTTA**		Rs.	
25,00,000	5	1928	1958	105	
25,00,000	5	1929	1957	105	
10,00,000	5½	1932	1962	102‡	
60,00,000	5	1932	1962	104	
15,58,300	4	1938	1958	99‡	
15,58,300	4	1939	1959	99‡	
15,58,300	4	1940	1960	99‡	
17,64,400	3½	1940	1957	99‡	
21,10,000	3½	1942	1958	99‡	
15,49,000	3½	1951	1972	99	
16,85,000	3½	1951	1972	99	
66,35,000	3½	1951	1961	97‡	
87,86,000	4	1952	1962	99‡	
72,50,000	4½	1954	1979	99‡	
Rs.		**MADRAS**		Rs.	
15,00,000	3½	1951	1961	107	
15,00,000	3½	1952	1962	107½N	

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs
3½ % W. Bengal	1951	1,75,06,000	17th Sept. 1962	98‡
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100‡
4 % W. Bengal	1953	2,50,22,000	15th July 1963	100‡
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100
4 % W. Bengal	1956	7,00,00,000	1968	100

***These shares carry the right of a preferential dividend at the rate of 3 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

†Only 6 per cent. out of the 10 per cent. dividend is cumulative.

††In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 5 per cent. per annum and also to participate in further dividend of 3 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

†††These shares can be redeemed at Rs. 105 at any time by special resolution.

‡This company carry the right to cumulative dividend of 7 per cent. and of any surplus profits available after 10 per cent. ordinary capital.

§These shares are entitled to receive 25 per cent. of the divisible profits in addition to the Dividend Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co. Ltd.

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. **Rupee Counterparts
‡Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1946. |—Interest free to first 7 years. ‡—Interest free for first 5 years.
§—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1375	6½	Mar Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar	7,00,000	1920	7	July Apr.	5½	5
¶East India Distilleries	£200,000	1397	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933-36	6	Aug. ..	102	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	20,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8‡	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	106½	100
Burrakur (1st)	22,93,800	1901-19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100‡
Karanpura Collieries	9,97,500	1946	5½(a)	.. ..	64	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	44N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Onda

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BOMBAY CITY AND ISLAND

50,00,000	5,62,728	90,10,670	43,05,872	96,939	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apoli Mills	2-18½	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,88,52,007	72,25,655	—6,97,199	M.	63113	250	Bombay Dyeing & Mfg.	250	50	22 8*	20 0	25 0*	7 8i	12	Y.
2,50,98,000	2,99,72,778	4,02,56,445	3,29,69,273	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	860	Bradbury Mills	220	50	100 0†	75 0†	12 8	20 0	3	Y.P.
10,00,000	25,74,892	58,81,886	53,57,495	91,731	Hanmanrain Sons, Ltd.	44,784	914	Century Spg. & Mfg. ..	547½xd	100	22 0	22 0	22 0		12	Y.
12,00,000	1,18,29,083	84,55,974	69,64,953	6,54,166	Birla Jee, Jute, Ltd. ..	1,26,544	2,618									
1,37,50,000	3,55,76,233	4 61,55,852	2,58,68 444	2 31,712	Chairman and Managing Director)	—35,08,597		Kamani Brothers (India) Ltd. ..								
52,87,000	24,53 000	1,21,06,843	89,25,000	2 760	Trikumlal Bhoglal & Co., Ltd.	40,636	798	Kohinoor Mills	100	100	7 8	7 8	7 8		12	Y.
39,00 000	72,52,436	1,32,09,232	96,26,962	19,221	Manilal Chandulal & Co., Ltd.	61,152	864	Coorla Spg. & Wvg. ..	163½	100	7 8	7 8	7 8		8	Y.
10,00,000	58,48,000	50,58,197	37,38,317	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Dawn Mills	167½	50	6 0	6 0	15 0		12	Y.
					Lalbhai Dalpatbhai & Co. ..	24,840	636	Edward Textiles	50	50	3 0	3 0	5 0		12	Y.
12,50,000	1,14,77,470	86,29,439	60,39,883		Lalbhai Dalpatbhai & Co. ..	33,156	648	Elphinstone Spg. & Wvg.	386	100	16 0	16 0	20 0		12	Y.I.
32,50,000	14,76,207	1,07,01,469	71,42,503	17,34,749	Lalbhai Dalpatbhai & Co. ..	94,116	1,788	Finlay Mills	784	100	16 0	16 0	20 0		12	Y.I.
23,98,150	2,08,34,535	1,75,92,842	1,52,75,000	3,28,290	Harivallabh das Kakkaa & Co.			Hindoostan Spg. & Wvg. Mills	6,200xd	1,000	225 0	225 0	300 0	75 0‡	3	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co., (of Ahmedabad) Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	640	100	20 0	25 0*	25 0*	880 0‡	12	Y.
					Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	505	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

4,00,000	1,32,800	84,23,089	21,01,810	1,03,080	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	61xd	10	0 4	0 8			12	Y.P.T
7,11,280	5,40,775	48,42 881	25,67,597	98,783	Bengal Textile Agency, Ltd.	32,544	636	Bengal Luxmi Cotton Mills	46N	40	Nil	4 0	4 0		3	Y
6,00,000	22,72,414	69,08,142	51,49,000	—23,47 378	Kettlewell Bullen & Co., Ltd.	42,272	841	Bowrah Cotton Mills ..	150	100	Nil	Nil	Nil		6,12	H.
19,00,000	28,17,571	1,04,88,558	70,75,377	1,37,695	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	279	100	Nil	Nil	5 8		6,12	H.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd. ..	76,384	1,960	Kesoram Cotton Mills ..	154N	10	1 12	0 14	2 14		3	Y.P.
19,47,7500	7,45,000	47,06,298	24,48,852	1 094	Hazareemull Heeralall ..	23,036	795	Rampooria Cotton Mills ..	21N	10	Nil	Nil	Nil	0-5 11/28‡	6	Y.
5,00,000‡										1D						

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,27,191	29,09,648	—8,54,333	Ramia & Co., Ltd.	50,000	..	Alagarpa Textiles (Cochin) Ltd.	11½	10	Nil	Nil			12	Y.P.T.
71,94,000	35,01,554	1,81,04,089	1,50,78,582	1,86,043	Industrial Trust Fund ..	86,186	708	Azam Jahi Mills	90	100	6 0	Nil	3 8(c)		9	Y
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras) Ltd.	40,068	1,157	Bangalore Woollen: Cotton and Silk Mills	580	100	25 0	30 0	30 0	10 0‡	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,896	810	Bengal-Nagpur Cotton Mills	9½	10	0 4	Nil†			6,12	H.P.T.
						29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	Nil	3 0	3 0		3	Y.
15,00,000	1,09,48,251	1 19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd. ..	1,20,856	2,787	Buckingham & Carnatic ..	200‡	100	10 0	10 0	10 0		3	Y.
1,78,47,800	1,76,52,500	6,35,09,208	3,52,32,193	2,58,446	Binny & Co. (Madras) Ltd.	38,706	..	Cambodia Mills	14½	10	0 12	Nil	0 8		12	Y.P.T.
20,00,000	20,00,000	99,49,354	21,66,351	27,598	Peirce, Leslie & Co., Ltd. ..	17,466	..	Cannanore Spg. & Wvg. ..	190	100	12 0	20 0	12 0	15 0	3	Y.P.
15,00,000	5,11,800	48,50,929	24,63,361	8,994	K. Damodaram, Esq. ..	22,796	591	Cawnpore Textiles	6½	5	0 9	0 6	Nil	0 4	3	Y.
80,00,000	29,51,420	69,40,889	51,72,978	34,164	R. Ibhemma Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	392½	100	20 0	25 0	25 0		3	Y.
12,00,000	22,00,000	34,65,599	27,86,527	14,323	T. R. N. Naidu & Co. ..	23,788	400	Coimbatore Pioneer Mills ..	320	100	16 0	20 0	20 0		3	Y.
20,00,000	19,95,000	36,59,480	24,25,921	14,323	T. R. N. Naidu & Co. ..	13,722	407	Coimbatore Spg. & Wvg. ..	111cd	Nil	Nil	6	6		6	Y.
20 76,900	4,19,814	1,15,51,599	82 06,019	18,864	B. G. R. Naidu & Co. ..	15,188	2,062	Central India	151	100	5 0	2 0	5 0		12	Y.
48,87,500	55,32,449	1,45,18,409	1,35,09,884	3,708	Tata Industries, Ltd. ..					100	1 12	2 4	2 4		6	Y.P
8,35,50,225	2 55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,686	2,354	Delhi Cloth & General Mills ..	41	25	0 2 4½	0 3 2½	0 3 2½		6	Y.P.T.
1,00,568										100	20 0	8 0	20 0			
24,84,800	25 47,878	52,74,245	38,26,682	6,564	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mills	435	100	10 0	10 0	10 0		12	Y.
63,00,000	66,33,360	1,52,15,832	1,29,71,631	48,462	Pegg, Sutherland & Co., Ltd.	48,462	1,798	Elgin Mills	274	10	1 0	1 0	1 0		9	Y.P.
48,81,000	35,22,175	1,00,55,167	68,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,214	1,420	Indore Malwa United ..	148½	100	17 0	18 0	15 0		12	Y.
50,00,000	5,15,447	1,33,31,968	1,12,22,576	9,951	K. L. Seshasaria, Esq. (Chairman)	24,628	..	Janardana Mills	120	100	6 0	6 0	9 0		12	Y.
8 90,000	10,55,888	81,05,569	18,48,155	2 079	G. V. Naidu & Co., Ltd. ..	24,628	800	Kothari Textiles	194	50	4 8	5 0	5 0		12	Y.
24,00,000	16 25,000	78,88,858	26,50,000	29,332	Kothari & Sons	43,000	1,219	Lakshmi Cotton Mfg. ..	722½	50	0 8	0 8	1 0		6	Y.P.
32,00,000	68,80,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd. ..	61,972				250	37 8	38 12	42 8		12	Y.P.
35,54,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co. ..	85,908	201	Lakshmi Mills	250	50	5 0	10 0	12 8	12 8	3	Y.
17,52,050									1257	25	2 8	5 0	6 4	6 4		
1,75,02,480	4,18,81,878	6,78,76,126	3,58,74,319	18,36,813	A. & F. Harvey Ltd. ..	5,00,000	..	Madura Mills	52	15	8 0	8 0	8 0		12	Y.
12,00,000	4,17,853	22,37,786	16,72,262	—99,078	A. L. A. R. S. Chettiar and 2 others.	22,592	100	Malabar Spg. & Wvg. ..	113	200	8 0	Nil	Nil		12	Y.
60,00,000	69,00,000	63 79 627	45,29,784	45,886	W. A. Beardsell & Co. Ltd. ..	24,720	608	Mettur Industries Ltd. ..	480	100	12 8	22 8*	35 0	42 8	3	Y.
29,80,884	19,61,581	89,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd.	39,986	704	Minerva Mills	98½	100	7 0*	5 0 (c)	6 0		12	Y.
94,91,850	27,24,404	1,61,29,116	1,05,91,651	—7,44,982	Sanlal Abirchand Dadabhoy & Co.	51,840	948	Model Mills (Nagpur) ..	258	7 8*	5 0 (c)	6 0			12	Y.
30,00,000	58,19,500	1,53,39 272	67,14,107	—7 77 290	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	95N	100					12	Y.P.
24,93,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd. ..	50,480	500	Mysore Spg. & Mfg. ..	120	50	10 0*	8 8*	6 0(c)	9 0*	12	Y.P.
18,61,780	6,600	29,25,252	15,12,701	—1,50,653	Sir Sunnarayana Rao. Esq., Manager.	6,000	..	Mysore Spun Silk Mills ..	6½	10	Nil	Nil	Nil	Nil	3	Y.
22,89,882‡	25,62,533	1,04,27,293	58,90,719	—43,58,087	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	24	0. 2½	Nil	Nil			12	Y.P
3,07,096D										D. 2½	Nil	Nil				
67,19,600	55,48,220	1,09,99 989	61,91,861	74,722	Industrial Trust Fund ..	37,788	856	Osmanshahi Mills	88	100	4 0	Nil	2 8(c)		9	Y.
4,00,000A	6,50,000	39,12,549	22,46,016	14,609	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills ..	172	50A	12 0	12 0	12 0		12	Y.P.
6,00,000B									225	75B	18 0	18 0	18 0			
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	92	100	Nil	Nil	4 8(c)		12	Y.
16,81,200A	22,75,000	83,80 150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	276	100A	8 0	16 0	20 0		12	Y.
8,40,000B									177	50B	4 0	8 0	10 0			
15 00,000	30,00,000	48,74,198	25,94,337	11,081	R. R. Naidu & Sons ..	35,472	..	Rajalakshmi Mills	185	50	7 8	10 0	10 0		12	Y.P.
22,50,625	12 40,000	40,14,000	19,08,147	14,860	Rayalaseema Development Co.	14,860	..	Rayalaseema Mills	156	100	6 0	9 0	10 0		12	Y.P.
60,00,000	62,41,568	1,00,25 428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	95,282	2,224	Sholapoor Spg. & Wvg. ..	1,700	1,000	Nil	Nil			12	Y.P.
										500	Nil	Nil				
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Moraraka & Co.	51,668	292	Sri Krishnarajendra Mills	127	50	4 0*	4 8	5 0	7 0	3	Y.
86,69,700	17,10,000	81,44,272	65,68,818	1,00,148	H. N. Pallegar, Esq. ..	17,880	440	Shree Sajjan Mills	80N	100	Nil	Nil			3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	35,556	1,242	Sutlej Cotton Mills	102N	10	4 0	5 0	6 0		3	Y.
15,00,000	3,11,90,237	96,00,567	72,44,784	81,27,588	Birla Brothers, Ltd. ..					100	0 8	0 12	0 12			
17 50,000‡	2,80,00,000	4,54,40,847	1,70,83,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	11½	10F.D.	0-14 2/5	1-2 2/5	1-2 2/5		12	Y.P.
1 50,00,000									12½					1-2 2/5		
1,00,00,000	50,15,788	5,80,15,217	1,27,16,775	2,63,771	Ernesta & Sons (Travancore), Ltd.			Travancore Rayons ..	16	10	0 8	0 10	0 12		12	Y.
15,96,870	5,75,332	17,39,181	11,57,336	1,508	Mooljee Ramjee & Sons ..	17,600	..	Trichinopoly Mills	18½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.T.
24,50,000	8,79,332	17,39,181	11,57,336	45,974	T. R. S. Chetty & Brothers	46,000	1,331	Vasanta Mills	340	100	12 0	15 0	20 0		12	Y.
21,00,000	34,43,971	1,64,67,122	1,05,10,238	28,125	Bombay Co., Ltd. ..	46,490		Vishnu Cotton	190	100	4 0	4 0	8 0		12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (S) For six months ended 31st December, 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BREWERIES AND DISTILLERIES

19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	12½	5	Nil	Nil	0 8	0 4i	5	Y.P.
16,30,680	18,38,017	27,26,361	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	8	5	0 8	0 8	0 9		3	Y.
£980,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	31½ —	A. 15sh. B. £1	8h. 1 8/8 8h. 4	8h. 1 3/5 8h. 5	8h. 1 3/5 8h. 6	8h. 1	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	200	75	15 0	15 0	15 0		3	Y

CEMENT

11,27,700A	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	15½	A. 100	10 0*	10 0	10 0*		12	Y.P.T.
89,79,030B							7½	B. 10	1 0*	1 0	1 0*			
43,14,600C	13,13,132	1,44,65,792	53,43,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	1½	D. 1	Nil	Nil	Nil		3	Y.P.T.
14,70,976D							—							
2,71,96,208	5,49,40,618	24,90,99,371	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	201½	100	9 8	8 8	10 6		7	Y.
60,00,0000.							15½	O. 10	1 0	1 0	1 6			
26,50,0000.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	5½	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,0000.							5½	D. 1	0 1-3/5	0-1 2/5	0 2			
61,91,030C.							33xc	O. 25	Nil	1 0	1 14			
17,50,000D.	14,00,000	1,46,64,000	47,05,770	2,31,546	Essen Ltd.	India Cements Ltd.	6½xr	D. 5	Nil	6 4	6 6		3	Y.P.
67,36,500	31,41,985	1,33,15,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd. ..	14	10		0 12	1 4		12	Y.P.
89,99,375	44,56,000	2,04,20,193	86,99,095	6,75,925	M.	Shree Digvijay Cement ..	200½	100	6 0	8 8	8 8		12	Y.P.
75,00,000	22,45,000	1,91,72,337	1,45,45,476	41,041	Martin Burn Ltd.	Sonevalley Portland Cement	88	5	0 6	0 6	0-4 4/5		12	Y.P.
50,00,000	a.....	1,04,63,117	39,26,502	15,36,802	Essel Ltd.	Travancore Cements Ltd. ..	10½	10	0 8	0 10	0 10		12	Y.

CERAMIC; MINING AND QUARRYING

31,70,655	2,85,000	63,15,303	33,02,633	12,631	Bharat Ram Bhagat & Co. ..	Bengal Potteries	3½	2½	0 3½	0 4	0 4		12	Y.
10,00,000	26,53,750	57,72,897	33,59,142	24,689	Bird & Co., Ltd.	Bisra Stone Lime Co.	40N	10	1 6	1 6	1 12		3, 9	H.
£914,200	£1,455,500	£2,132,083	£1,256,029	£117,083	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation ..	7-7½	Sh. 2	2.6d.	6d.*	10.8d.*		12	Y.
O. 15,00,000	24,32,396	43,81,247	12,21,311	17,889	Bird & Co., Ltd.	Karanpura Development ..	20½	10	Nil	Nil	1 0		6,12	H.
F. 5,00,000											3 0			
6,00,000	2,96,000	9,09,017	5,43,827	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12	10	0 12	0 8	0 12	1 0*	3	Y.
20,00,000	35,54,097	47,65,023	25,19,986	1,18,835	Bird & Co., Ltd.	Orissa Minerals	26	10	4 0	2 0	2 0*		6,12	H.
6,00,000	8,62,360	30,62,815	20,25,104	7,622	R. K. Agarwala & Brothers ..	Reliance Firebrick & Pottery	20½	10	0 4	Nil			2,8	H.
7,00,000	57,30,000	44,10,972	20,73,805	21,661	Killick Industries Ltd. ..	Shivrajpur Syndicate	87	10	8 0*	8 0*	8 0*		11	Y.

CHEMICAL

32,41,200	50,33,883	85,56,870	44,34,349	57,300	Bhailal Amin & Sons, Ltd. ..	Alembic Chemical Works Co. ..	119½	100	8 0	8 0	8 0		12	Y.P.
62,00,000	42,71,272	1,89,39,160	88,97,818	1,19,168	Imperial Chem. Ind. (India), Ltd.	Alkali and Chem. Corpn. of India	23	10	0 9 3/5	0 9 3/5	0 12 4/5		9	Y.P.
1,87,45,500	.....	2,17,74,684	2 58,896	25,582	Lalbhai Sons & Co.	Atul Products Ltd.	100	100	Nil	Nil	5 4		12	Y.
45,63,700	45,29,426	1,35,74,286	55,25,010	11,71,234	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar. ..	100	100	6 0	6 0	6 0	6 0	4	Y.P.
21,50,000	41,82,560	1,36,86,144	37,96,388	47,892	Sahu Bros. (Saurashtra), Ltd.	Dhrangadhra Chemicals ..	145	100	12 0	12 0	12 0		12	Y.
48,97,740	35,566	4,22,53,184	1,92,72,443	—30,69,441	Seshasayee Bros. (Travancore), Ltd.	F. A. C. T.	7-2½	100	Nil	Nil	Nil		12	Y.
12,00,000	6,39,311	24,54,331	11,29,753	9,698	S. V. S. Iyer (General Manager)	Kemp & Co.	180	100	20 0	12 0	12 0		3	Y.
40,50,000	13,03,361	1,00,59,940	48,71,427	8,153	Seshasayee Bros. (Travancore), Ltd.	Mettur Chemicals	10½	10	Nil	0 5	0 10	0 12	3	Y.P.T.
24,31,220	6,88,000	53,84,204	31,59,805	5,435	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	9½cd.	10	0 10	0 8	0 8	0 8	3	Y.
3,00,000	4,00,000	6,80,038	3,79,549	97,410	M.	Mysore Chemical Mfrs.	2½‡	10	1 0	1 4	2 0	2 0	3	Y.P.
1,50,00,000	10,45,904	17,91,240	13,51,979	83,868	Sir Robert Menzies (Chairman)	Smith, Stanistreet & Co. ..	11X R.N.	5	0 8	0 8	0 8		3	Y.P.
1,81,69,810	6,889	3,09,71,944	1,13,60,000	57,597	Tata Industries Ltd.	Tata Chemicals	20 ‡	10	Nil	Nil	Nil		6	Y.P.T

ELECTRIC (Bombay State)

99,96,000	69,90,563	13,10,89,116	2 03,79 107	188	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95 ½	100	6 8	6 8	5 0		9	Y.
87,41,850							97½	50						
72,50,000	11,54 257	1,80,92,858	37,68,266	14,85,1837	Consolidated Electric Works Ltd.	Amalgamated Electricity Co., Ltd.	7 ½	10	0 12	0 12	0 12	0 6i	3	Y.P.
3,02,77,000	42,70,602	5,76,25,707	2,13,45,213	25,735	Tata Hydro-Electric Agencies Ltd.	Andhra Valley Power Supply Co.	1,223‡	1,000	75 0	75 0	75 0	30 0i	6	Y.P.T.
1,74,99,700	41,44,769	2,62,21,687	58,57,388	45	Killick Industries Ltd.	Bombay Suburban Electric Supply	1200	1,000		56 4	75 0		3	Y.
7,07,020	1,39,040	14,97,733	7,18,912	614	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	109‡	100	7 0	7 0	7 0	7 0	3	Y.
85,89,000	26,70,817	1,06,82,803	41,63,016	2,184	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	11	10	0 12	0 12			12	Y.P.
55,69,125	17,57,592	1,13,94,906	52,93,598	5,071	Killick Industries Ltd.	Surat Electricity	131½	100	8 0	10 0			12	Y.P.
2,40,00,000	58,29,984	4,42,21,483	1,41,65,808	21,171	Tata Hydro-Electric Agencies Ltd.	Tata Hydro-Electric Power Supply	113½	100	7 0	7 0	7 0		12	Y.P.T.
							127	100	7 8	7 8	7 8	8 0i	6	Y.P.
5,15,36,000	1,36,30,071	10,74,60,903	2,68,93,988	27,952	Tata Hydro-Electric Agencies Ltd.	Tata Power Co.	1,297‡	1,000	75 0	75 0	75 0	30 0i	3	Y.P.T.
							1,248‡	1,000		56 4	75 0		6	Y.P.T.

West Bengal and Other Centres

19,99,004	32,82,793	77,17,222	29,94,487	46,084	Martin Burn Ltd.	Agra Electric Supply Co. Ltd.	158	100	10 0	10 0	10 0		3, 9	H.
8,00,000	10,71,148	41,81,039	15,78,411	19,748	Martin Burn Ltd.	Bareilly Electric Supply ..	14½	10	0 15	1 0	1 0		6, 12	H.T.
17,00,000	29,22,869	35,43,735	35,28,088	38,507	Martin Burn Ltd.	Benares Electric Light & Power Co.	18	10	1 4	1 4	1 4		6, 12	H.T.
5,91,486	6,84,165	12,22,847	7,55,033	41,816	Octavius

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	110	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	70,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	25½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	19½cd	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros.	Orient Paper	39½	10	2 0	0 15	1 2		3,9	H.P.T
1,35,07,295	62,28,687	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18	10	1 8	1 8	0 10½		6,12	H.P.T.
20,00,000 / 30,00,000'A.'	6,50,000	95,88,044	61,01,926	13,795	Baloria & Co.	Star Paper Mills	11½ / 11½	O. 10 / A .10	0 12 / 0 12	0 12 / 1 4	1 4 / 1 4		3,9	H.P.T.
46,00,000A. / 66,04,800B. / 4,37,500P.O.	3,22,75,945	5,80,42,527	3,21,82,342	95,684	F. W. Heligers & Co., Ltd. ..	Titaghur[Paper]Mills[Co.,]Ltd. ..	40½ / 40½ / 4½	A. 10 / B. 10 / P.O. 2½	2 0* / 2 0* / 0 4	1 8 / 1 8 / 0 4	2 0* / 2 0* / 0 4		3,9	H.P.
PRESSING														
5,00,000	6,12,265	15,78,488	11,13,691	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	9 0	4 0	*Nil*		6	Y.
4,80,000	1,00,000	6,89,526	4,73,054	2,854	Pyne & Sons	Camperdown	88N	100	7 0				7	Y.
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
16,96,180O. / 3,00,000D.	6,98,332	43,52,570	23,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½ / 2½	O. 10 / D. 1	0 11½ / 0 2/5	0 9 3/5 / 0 9 3/5			9	Y.P.
20,00,000	18,07,374	34,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	34	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,71,674	96,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34½	100	1 8	4 0	3 0		4	Y.
SAW MILLS AND TIMBER														
43,99,998	23,05,545	31,61,533	10,78,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	*Nil*					
50,00,000 / 42,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,999	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	743½ / 275	Old125 / New50	20 0 / 6 0	20 0 / 6 0	*Nil* / 27-8	11 41 / 4 81	9	f
6,00,000		7,38,569	1,76,287	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	36N	100	*Nil*	*Nil*	15-0		5	Y
20,00,000	21,15,487	19,00,295	14,38,560	2,76,619	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	40½	10	2 8	2 12	3 0		6 / 9	Y.P. / Y
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	29,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	*Nil*	8 12				
12,00,000A. / 8,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co. Ltd.	Basti Sugar	147½N / 13½N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	0 1		6	Y.
19,49,050	8,50,000	33,35,889	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	12½	7½	0 12	1 0			4	Y.
15,00,000	13,90,295	15,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	16N	10	1 8	0 12	0 12		9	Y.
32,00,000	28,37,080	1,36,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	*Nil*	0 12	1 8		6	Y.P.
80,00,000	57,88,651	1,08,44,547	54,32,451	82,028	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0	0 12	0 4		6	Y.P.T.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	28½	10	1 0	0 12	0 12		10	Y.P.
5,99,452	6,15,562	24,56,580	15,33,747	46,804	Karamchand Thapar & Bros.	Deoria Sugar	10N	10	1 0	0 12	1 8		6	Y.
66,00,000A. / 22,00,000C.	32,00,000	75,24,877	56,00,000	62,419	Baehiraj & Co., Ltd.	Hindustan Sugar Mills	28½N / 100	A 100 / O. 100	15 0* / 15 0*	15 0* / 15 0*	15 0* / 15 0*		8 / 6	Y.T. / Y.P.
12,00,000	8,61,001	75,51,309	42 63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	60N	80	*Nil*	*Nil*	*Nil*			
7,99,100	22,14,068	24,24,612	19,35,688	1,864	Cotton Agents Ltd.	New India Sugar Mills	92N	40	*Nil*	*Nil*	4 8		4 / 7	Y. / Y.P.
11,00,000	4,82,000	43,21,480	24,97,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	42N	10	2 8	2 8	2 8		6	Y.
46,87,500A. / 9,71,875B.	49 60,297	67,74,122	21,58,900	5,317	Cotton Agents Ltd	New Swadeshi Sugar Mill	6N / 240½ / 60N	10 / 100 / 25	0 4 / 20 0 / 5 0	0 4 / 20 0 / 5 0	20 0		5 / 6	Y. / Y.
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	162N	100	11 0	11 0	11 0		6	Y.
12,00,000	12,74,223	28,77,659	19,95,228	56,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	115N	100	10 0	10 0			7	Y.P.
9,00,000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	17N	10	1 0	0 12	0 12		10	Y.
8,00,000	5,31,129	26,43,582	21,70,524	5,234	M.	Ryam Sugar	20½	10	0 8	*Nil*	*Nil*		6	Y.P.
11,99,000	18,86,779	39,68,583	22,92,180	8,477	M.	Samastipur Central Sugar ..	13	10	0 8	0 8	*Nil*		6	Y.P.
40,00,000	22,68,560	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12½	10	1 8	0 8	*Nil*		6	Y.P.
9,99,950	61,825	27,15,126	12,50,852	—6,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		8	Y.P.T.
7,95,462	18,82,940	31,60,735	17,48,068	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	15½	10	2 0*	1 8*	*Nil*		6	Y.
9,15,000O. / 4,40,000D.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 2½N	O. 10 / D. 25	*Nil* / *Nil*	*Nil* / *Nil*	1 8* / *Nil*		8 / 10	Y.T. / Y.P.
9,00,000	21,91,685	96,42,062	57,49,754	62,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	100	10 0	10 0	10 0			
16,00,000	7,56,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd. ..	United Provinces Sugar	21½	10	0 8	1 4	1 8		6 / 9	Y.P. / Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd. ..	Belapur Company	248	50	16 0	16 0	16 0		9	Y.
1,50,000	9,24,292	33,05,879	21,86,723	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	17½	10	1 0	1 0	1 0		9	Y
15,98,900	3,45,842	89,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	76N	100	*Nil*	*Nil*			9	Y.P.
47,94,920	14,00,000	80,54,907	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	Y.P.
88,57,620	45,51,080	42,51,227	21,95,927	18,645	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	14½N	10	1 0	1 8			9	Y.P
2,87,190D.	69,50,600	99,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd ..	K. C. P. Ltd.	127½ / 138½	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0	1 0 / 10 0		10	Y.
A. 21,79,280	66,00,001	1,31,37,677	78,17,780	2,90,240	S. Muniswamappe. Esq. (Managing Director)	Mysore Sugar	46½	10	2 0	2 0	2 0		6	Y.P.
50,00,000	48,49,631	1,06,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phalton Sugar	162½	50	6 0	8 0	8 0		6	Y.
16,59,980	35,50,830	56,11,940	29,77,241	20,849	Anderson Wright Ltd.	Ramnugger Cane and Sugar ..	27½	10	2 0	1 8	2 0		9	Y.
30,00,000C. / 4,00,000D.	21,76,092	89,12,138	58,60,883	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	170N / 7N	O. 50 / D. 10	*Nil* / *Nil*	2 8 / *Nil*	2 8 / *Nil*		8	Y.P.T.
19,99,600	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	16N	D. 10	*Nil*	*Nil*	0 11 1/5		9	Y.P.T.
60,00,000	10,97,776	59,76,254	17,97,159	—8,2,254	Parry & Co., Ltd.	Travancore Sugars	15½N	10	1 0	0 12	1 0		10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,425	1,31,172	M.	Walchandnagar Industries ..	27½	100	14 0	16 0	18 0		7	Y.P.
TRANSPORT													9	Y.P.T
20,00,000	1,00,69 622	1,24,00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam-Steamship Co. ..	145½	100	10 0	7 8	7 8		10	Y.P.
1,20,00,000	15,37,619	4,41,55,564	1,85,00,519	1,54,925	Dhanbaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
80 00,000	34,85,688	2,50,81,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	20	10	1 0	1 0	*Nil*		12	Y.
5555,580	2960,878	5515,021	2,844,772	221,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	115	£10	*Nil*	Rs. 1 0	*Nil*		6	Y.P
2,25,00,000	74,99,223	7,93,25 462	1,81,55,690	1,28,061	Lionel Edwards Ltd.	India Steamship Co.	10½	10	0 8	*Nil*	*Nil*	0 8	12	Y.P.
2,40,00,000	6,94,92,081	18,36,65,418	4,34,44,800	2,78,683	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co. ..	10-14	20	0 12	0 8			8	Y.P.
10,200P.O.	19,68,268	11,56,488	7,29,969	1,34,493	R. B. Aiyer, Esq. (Manager)	Walford Transport Ltd.	2½ / 1½	O. 1 / P.O. 1	as. 1 9/25	1 22/2	as. 2 6/25 / as. 1 9/25	as. 1 3/25	6 / 12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	2,56,521	4,22,566	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	32 0		9	Y.
15,00,000	2,04,173	2,29,474	150,000	1,99,351	M.	Bombay-Uganda	62½	50	5 0	4 0	4 0		9	Y.
25,00,000	1,00,000	22,87,214§§	....	225	Pranlal D. Nanjee, Esq.	Dwarkesh Nanji Investment Co.	12	25	0 12	0 8	0 12	0 13	3	Y.
14,98,340	3,48,583	22,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	33	50	*Nil*	3 0	2 0		3	Y.P.
99,99,250	19,47,996	1,25,03,604§§	....	2,88,186	Premchand Roychand & Sons	Industrial Investment Trust ..	76½	50	*Nil*	8 0	9 0		8	Y.P.
99 99,975	35 08 851	35,10,899	9 81 529	6,184	K. G. Mitne, Esq. (Mg. Director)	Killick Industries	175	100	10 0	11 0	11 0	4 0	6	Y
97,28,800A. / 10,00,000B.	5,28,684	9,87,33,373	1,25,90,292	5,86,717	Aero-Auto Ltd	Premier Automobiles	108	A.100 / B. 10	*Nil*	*Nil*	*Nil*		6	Y
1,21,20,)	5 63,605	13,96,065	11,66,085	10,884	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22	20	3 0	3 0	3 0		6	Y.
2,75,00,000	78,75,000	3,03,67,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	1514	100	11 0*	11 0*	11 0*		12	Y.
48,00,000	55,24,847	7,24,668	2,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 / 2,50,000	17,00,000	1,96,40 704	65,00,000	2,582	J. K. Industries, Ltd.	Aluminium Corporation of India Ltd.	12½ / 5½	O. 10 / D. 2½	*Nil*	*Nil*	*Nil*			
40,00,000	28,25,000	56,26,345	21,56,600	64,587	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd. ..	21½cd	10	1 4	1 4	1 4		8	Y.
20,00,000	25,06,079	28,06,628	21,94,951	1,15,707	Turner Morrison & Co., Ltd. ..	Angalo Bros., Ltd.	25½	10	1 4	1 4	2 0*		4	Y.
30,00,000	8,85,005	35,39,494	20,85,060	1,18 995	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 4*	1 4*	1 4*		12	Y
20,00,000	27 47,888	1,01,49,337	29,37,380	23,683	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	11½	10	0 8 1/5	0 8 1/5	0 6 2/5		12	Y
20,01,400	1,16,58,000	67,47,111	33,07,111	5,03,129	O. T. Jenkins, Esq; (Director) ..	Balmer Lawrie & Co., Ltd. ..	174	100	20 0*	13 0‡	12 8		12	Y.P.T
22,00,000	9,10,000	21,37,443	24,05,448	76,580	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	30	10	1 8	2 8	2 4		6,12	Y.
10,00,000	7,95,480	62 57,994§§	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.
45,97,020	30,11,814	1,10,56,424	33,37,389	1,79,277	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	15½	10	1 4	1 4	1 4		6,12	Y.
2,25,00,000	1,16,11,500	2,82,02,906	2,24,14,167	—27,80,584	Sir Robert Menzies	British India Corporation Ltd. ..	15½	10	0 8	1 0	1 0		8	Y.P.
1,25,50,000	17,34,264	2,02,37,883§§	....	15,76,051	Lindsay Yule & Co., Ltd. ..	Clive Row Investment	8	5	0 8	0 1	1 0		8	Y.P.T.
2,00,00,000	3,14,66,174	5,15,52,036	2,20,52,990	11,71,886	Cecil Hawk Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	11½	10	0 4 1/5	0 8 1/5	0 9 ..	1 6	8	Y.P.
21,26,000	64 13,212	1,42,47,668§§	....	3,06,138	Bird & Co. (Private) Ltd. ..	Eastern Investments Ltd.	20½	10	1 0	0 12	1 8		12	Y.P.
14,00,400	10,03,800	33,81,772	18,80,772	37,194	MacKetti & Barry Ltd.	Ganges Rope Co., Ltd.	146½	100	9 0	9 0	12 8		12	Y.P.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,866	J. F. H. d'A. Wills, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	186	100	10 0	7 8	7 8		12	Y.P.
30,00,000	13,17,564	78,75,302	31,19,064	46,995	B. F. R. Syndicate	Great Eastern Hotel	14½	10	1 0	1 0	1 0		8	Y.
30,17,900	13,66,896	56,30,283	30,24,587	85,602	Birla Brothers Private Ltd. ..	Hind Cycles	240	250	7 8	7 8	7 8		3	H
2,96,13,250	2,92,450	5,86,84,508	94,52,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	152½	100	15 0	4 4	6 4		3	Y.P.
1,20,00,000	46,77,764	4,16,74,246	1,74,76,663	6,18,074	H. S. Greenwood (Mg. Director)	Indian Aluminium Co.	9½	10	0 8	10 0	10 0		12	Y.
1,25,25,250	1,20,50,000	1,58,78,891	57,17,651	25,96,462	E. J. Woodley, Esq. (Mg. Director)	Indian Cables	20½XR	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,87,970	1,83,000	5,83,000	3,81,000	2,61,000	G. S. Mackillop & Co. (India) Ltd.	Indian Rubber Manufacturers ..	17½	10	1 0*	1 0*	1 4*		8	Y.
15,10,00,000	7,89,02,692	4,15,59,461	1,68,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	17½	10	0 12	0 8	0 8		12	Y.P.
1,50,00,000	55,29,556	34,83,960	5,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	15½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,24,000C. / 66,000D.	1,91,592	5,94,030	3,58,758	2,668	James & Co. Private Ltd. ..	Macfarlane & Co.	97	100	7 8	7 8	7 8		3	Y.
1,50,00,000 / 2,00,00,000D.	78,01,900	25,16,766	7,97,301	1,97,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	2½N / 218N	O. 5 / D. 1 / O.100 / D.O.10	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		8	Y
1,87,58,000	60,54,276	92,58,051	11,34,226	2,03,456	T. Leslie Marth, Esq. (Mg. Director)	Martin Burn Ltd.	215	10	10 0	17 0	1 8 1/5		9	Y.
1,15,00,000	55,50,000	1,88,37,978	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	25	10	1 0*	1 0*	1 0*	1 12*	12	Y.P.
6,25,750	1,85,588	7,81,448	90,057	—15,129	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	29½	10	1 0	1 0	1 0		9	Y.P.
6,56,250	9,18,696	11,18,541	5,51,088	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	42	10	*Nil*	*Nil*	1 4	1 10	8	Y.P.
10,00,000	1,23,000	15,18,188	8,10,628	20,916	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	15	10	1 0	1 0	0 12	0 14 2/5	12	Y.P.
40,00,000	61,21,179	89,09,587	39,90,120	2,22,382	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	15½cd	10	1 0	1 4	1 0		8	Y.P.
78,97,000	31,15,337	1,14,74,878	52,77,562	9,03,480	B. N. Elias & Co., Ltd.	National Tobacco Co.	25½	10	1 0	1 0	1 8*		12	Y.P.
2,25,00,000	7,25,185	1,85,49,231	60,34,109	—69,99,179	M. P. A. Paspatti, Esq.	Rallis (India) Ltd.	18½	10	*Nil*	0 8			12	Y.P.
2,72,84,400	1,21,20,308	7,56,24,389	3,47,64,970	4,91,284	Sahu Jain Ltd.	Rohtas Industries	404	100	*Nil*	*Nil*	*Nil*		12	Y.T.
45,00,000	26,60,594	1,18,78,870	70,99,687	5,10,275	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22½	10	1 4	1 8	1 8		12	Y.P.
75,00,000	54,18,560	17,49,316§§	5,58,635	9,65,280	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd	17½	10	1 8	1 8	1 8		12	Y.P.
9,98,980	....	14,29,289	2,54,480	....	....	Ogale Bros., Ltd.	8½	10	*Nil*	*Nil*	*Nil*		12	Y.P.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. ‖ Excluding Rs. 1,49,03,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,11,774	9,59,067	4,78,517	....	McLeod & Co., Ltd.	825	Amlackie	375	100	25 0	30 0			12	Y.P.
3,50,000	3,43,250	10,69,902	2,42,069	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45	10	1 4	7 8			12	Y.
3,50,000	3,43,250	10,47,044	3,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	47	10	2 8	8 0*			12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	518	Baghmari	23½	10	*Nil*	3 8			12	Y.
3,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd. ..	378	Basmasia	36½xd	10	2 8	3 0	1 8		12	Y.
3,30,000	4,65,000	11,68,773	7,13,709	50,398	National Tea Corporation ..	570	Batell	24½cd	5	2 0	4 0	2 8		12	Y.
3,20,000	3,70,000	9,60,754	3,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	55	10	2 0	10 0*			12	Y.
16 50,000	20,60,000	52,30,169	23,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	23½	10	3 8				12	Y.
6,00,000	2,53,500	10,48,416	2,08,130	61,929	Octavius Steel & Co., Ltd. ..	485	Bokakhat	21½	10	*Nil*	1 0			12	Y.
7,50,000	6,52,400	9,92,237	3,33,060	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	20	10	0 12	2 8			12	Y.P.T.
55,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	20½	10	0 8	1 4			6	Y.P.
1,20,000	4,00,426	5,55,963	1,85,593	6,643	McLeod & Co., Ltd.	252	Dejoo Valley	50	10	1 0	6 0			12	Y.
5,00,000	10,99,000	26,84,194	16,84,471	51,858	Jardine Henderson Ltd.	1,230	Dimalee & Parbattia	411	100	20 0	40 0			12	Y.
7,53,440	9,87,983	22,73,420	4,17,846	44,651	James Warren & Co., Ltd. ..	620	Dhalakhat	20 ‖	10	1 8	2 8			12	Y.
4,68,970	3,95,000	10,93,269	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	22	10	2 0	5 0			12	Y.P.
5,00,000	5,75,000	9,00,834	2,00,317	54,992	McLeod & Co., Ltd.	458	Dibrugarh	24½	10	1 0	4 0			12	Y.
2,36,700	3,60,000	10,39,066	5,54,006	55,532	Williamson Magor & Co., Ltd.	611	Dimakusi	32½	10	4 8	5 0			12	Y.P.
5,80,500	8,82,000	19,86,351	13,24,016	64,350	Williamson Magor & Co., Ltd.	615	Duffaghur	35½	10	4 0	5 0			12	Y.P.
10,00,000	8,40,000	22,25,315	9,78,318	78,638	Williamson Magor & Co., Ltd.	1,160	East India Tea .. ..

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Manager Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	1,50,000	3,02,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	4½xd	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	40,25,353	4,71,363	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	12½	5	0 12	0 12	0 12	0 12	2	Y.P.
18,90,000	15,80,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	*Coffee Lands and Industries* ..	27½	10	0 4 4/5	2 8	1 12+6/5		6	Y.P.T.
71,55,000	63,72,750	1 07,57,343	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	21½	10	1 8	1 12	2 4		6	Y.P.T.
4,90,000	2,76,708	5,55,957	48,754	7,754	Associated Planters Ltd. ..	Cottanad Plantations	22½	10	1 8	1 8	1 12*		8	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	17½	10	1 4	2 8	2 0		12	Y.P.
4,80,000	10,98,963	17,78,326	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	34	10	2 0	2 0	2 12		4	Y.P.
9,00,000	7,28,328	18,44,917	2,55,893		K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	36½cd	10	5 8	2 4	2 4		8	Y.
27,00,000	29,11,062	77,71,181	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	21½	10	1 8	1 12*	2 8	2 0	8	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	22½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,590	7,81,436	60,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	17½cd	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,90,991	41,19,708	13,04,957	40,899	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	2	10	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
18,40,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	26½	10	1 12*	1 12*	2 0		6	Y.P.
2,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd. ..	Savumalai Estates Ltd.	25½	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,240	22,01,120	1,35,829	2,081	East India Agencies	Teekoy Rubber (India) Ltd. ..	12½	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
3,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	31½	10	3 0	2 0	3 0		12	Y.P.
6,10,200	3,00,005	9,91,551	60,466	24,920	Peirce, Leslie & Co., Ltd. ..	Trumbadi Rubber Co., Ltd. ..	2-6½	1	0 4½	0 1 3/5	0 2		8	Y.
5,00,000	.....	9,79,479	3,23,517	3,745	Harrisons & Crossfield Ltd. ..	Travancore Rubbers	25½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,80,799	76,82,300	8,68,181	8,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	1 9	1 8	1 4		12	Y.P.T.
20,00,000	.....	27,70,782	6,45,980	27,927	F. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	38½	25	3 0	5 0	4 0		12	Y.
6,28,680	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	35	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,339	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		8	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	875	Agarpara	11½	10	1 0	1 4	1 6		3, 9	H.T.P.
6,00,000	10,25,000	51,05,438	30,93,877	1,38,329	McLeod & Co., Ltd.	448	Alexandra	206	100	2 8	7 8	10 0		6, 12	H.P.T.
30 00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,284	Alliance	136	100	5 0	12 0	6 0		6, 12	H.
49 50 700	75,00,000	2,72,98,335	1,87,90,000	1,93,978	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	193	100	12 8	7 8	8 8		6, 12	H.P.
40,00,000	19,14,551	1,78,37,000	92,01,344	11,377	Bird & Co., Ltd.	910	Auckland	125	100	4 0	3 8	10 0	1 0 0	4,10	H.P.
30,00,000	23,80,918	98,91,416	65,05,094	65,302	Jardine Henderson & Co. ..	959	Bally	160	100	4 0	*Nil*	3 8	*Nil*	3, 9	H.P.T.
£275,000	£631,522	£1,556,549	£1,008,227	664,856	Sir John H. Burder (Chairman)	1,888	Barnagore	142	£5	£1 0	sh.15	sh.15		3, 9	H.P.
80,000,000	82,30,121	92,37,343	49,56,251	1,06	Andrew Yule & Co., Ltd. ..	320	Belvedere	158	100	*15 0*	*10 0*	7 8		6, 12	H.P.
45,00,000	33,45,000	57,03,172	31,26,574	2,65,100	Soorajmull Nagarmull	600	Bengal	16½	10	1 4	1 2	1 2		6	Y.P.T.
91,25,000	2,17,48,383	3,24,10,402	1,45,32,651	4,87,893	Birla Bros., Ltd.	1,373	Birla	18½	10	3 0	1 2	1 10	1 0	3, 9	Y.P.
86,66,000	27,37,828	1,13,57,557	72,35,030	3,271	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	137	100	10 0	9 0	7 8		4, 10	H.P.
7,47,880	3,29,640	43,00,881	31,53,654	—2,77,865	Duncans Agencies Ltd. ..	503	Calcutta Jute Mfg. ..	10	10	*Nil*	0 12	*Nil*		6, 12	H.P.T.
13,50,000	30,46,234	87,18,271	41,48,795	6,248	Andrew Yule & Co., Ltd. ..	616	Caledonian	180	100	12 0	9 0	6 8		5, 11	H.
59,18,400	95,49,238	2,23,08,709	1,11,09,802	19,010	James Finlay & Co., Ltd. ..	600	Champdany	163xd	100	6 0	3 0	10 0	2 0 f	5, 9	H.
15,98,000	25,80,258	61,24,685	26,80,176	2,615	Andrew Yule & Co., Ltd. ..	530	Chavlok	191	100	12 0	14 0	10 0		5, 11	H.P.
20,18,000	31,00,000	54,10,668	47,77,590	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	148	10	1 12	1 2	1 6		6, 12	H.T.P.
24,00,000	24,00,000	78,22,716	66,22,968	1,67,142	Shree Krishna Investment Co., Ltd.	968	Clive	142	10	*Nil*	*Nil*	*1-4*			Y.P.
31,49,200	46,05,252	1,17,35,454	46,04,772	—2,20,845	Bird & Co., Ltd.	766	Dalhousie	101	100	4 0	2 8	4 0	*Nil*	3, 9	H.T.P.
28,00,000	44,74,179	75,55,699	47,00,110	75,912	Andrew Yule & Co., Ltd. ..	779	Delta	190½	100	20 0	12 0	10 0		5, 11	H.P.
15,00,000	24,50,000	32,62,679	59,80,760	78,204	McLeod & Co., Ltd.	506	Empire	19	10	1 0	1 0	1 0		6, 12	H.T.P.
21,00,000	20,60,000	2,70,39,034	1,80,10,196	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	378N	100	*Nil*	5 0	15 0	*7½f*	3, 9	H.P.T.
21,00,000	13,00,000	97,98,074	1,34,832	1,34,832	Bangur Bros., Ltd.	1,014	Fort William	22xd	10	5 0	20 0	20 0	0 12½	3, 9	H.T.P.
84,32,100	1,66,021	3,08,72,498	1,82,58,885	84,732	Macneill & Barry Ltd.	1,709	Ganges Mfg.	70	100	*Nil*	0 8	2 8		3, 9	H.P.
10,80,000	28,00,000	71,52,963	48,43,892	—74,098	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	890	100	15 0	*Nil*	..		12	Y.
24,00,000	33,85,409	8,12,57,128	1,66,18,216	67,326	Macneill & Barry Ltd.	1,894	Gouripore	253	100	3 12	10 0	15 0		3, 9	H.P.
40,00,000	55,58,234	99,05,880	57,38,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	11 0		3	Y.P.
18,30,000	18,91,856	85,91,206	48,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	730	Hooghly	25	10	1 4	0 8	1 4		4, 10	H.T.
28,53,500	49,64,372	1,82,02,488	1,10,52,708	57,935	Jardine Henderson Ltd.	1,440	Howrah	24½	10	1 8	1 4	0 14	0 4½	3, 9	H.P.
52,50,000	33,00,000	2,58,15,937	1,64,15 937	1 19,762	Ramdutt Ramkissendas	2,272	Hukumchand	29½	10	2 0	2 0	2 0		3, 9	H.P.T.
67,90,000	16,55,558	1,23,66,855	78,55,438	7,731	M. — — — ..	1,076	India	145	6 4	3 2	4 11			3	Y.P.T.
20,000								D. 1	0 4/5	0 2/5	0 8/5				
24,00,000	16,50,000	1,37,65,836	1,24,18,036	80,624	Jardine Henderson Ltd.	1,797	Kamarhatty	139	100	9 0	8 0	2 8		3, 9	H.
19,20,000								132	100	9 0	8 0	2 8			
30,00,000								97	100	7 8	6 8	1 0		6, 12	H.P
24,00,000	7,00,000	1,33,86 300	1 00,45,425	83,115	Jardine Henderson Ltd.	1,527	Kankinarrah	87	100	7 8	6 8	1 0		6, 12	H.P.
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	250	100	15 0	20 0	17 8		6, 12	H.P.
54,00,000	23,83,275	1,71,52,716	1 16,91,627	1,02,192	Anderson Wright Ltd.	1,520	Khardah	150	100	7 0	2 0	7 0	*Nil*	3, 9	H.P.
48,00,000	1,08,90,860	2,44,37,044	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	181	100	9 0	7 0	13 0	6 0 f	3, 9	H.P.T.
24,48,000	39,51,564	1,11,32,345	47,99,345	—2,12,719	Bird & Co., Ltd.	931	Lansdowne	102	100	7 0	2 0	7 0	*Nil*	3, 9	H.P.
28,00,000	55,75,192	1,16,29,380	64,57,997	340	Bird & Co., Ltd.	1,000	Lawrence	112	100	6 0	6 0	6 0	*Nil*	3, 9	H.P.
81,85,200	25,04,412	2,01 00,683	1,44 49 804	10,614	M. — — — ..	1,283	Megna	87½	100	5 0	2 8	3 12		3, 9	H.P.
39,98,500	38,49,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	816	Naihati	90	100	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
18,00,000	18,55,000	39,01,553	13,31,709	17,914	Howrah Trading Co., Ltd. ..	435	Naskarpara	12xd	10	0 5	1 2	0 10		3	Y.P.
58,90,000	45,39,336	39,10,124	10,06,228	70,554	Andrew Yule & Co., Ltd. ..	852	National	254	10	2 8	2 0	2 12		4, 10	H.T.
26,25,000	26,25,000	27,71,022	20,24,909	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	1 12	1 8	1 0		4, 10	H.P.
45,50,000	2,71,44,542	4,26,18 627	96,28,648	6 71,295	Sahu Jain Ltd.	1,765	New Central†	17	10	1 4	2 8	2 0		6, 12	H.T.
16,79,500	48,95,154	1,17,87,888	48,80,655	46,882	Bird & Co., Ltd.	567	Northbrook	28½	10	2 4	1 8	1 8	0 12½	12	Y.P.
66,75,500	25,80,795	2,13,69,608	1,38,37,804	53,573	Macneill & Barry Ltd.	1,092	Nuddea	39	50	0 8	0 8	1 8		3, 9	H.P.T.
26,91,000	26,91,049	72,46,885	50,16,995	5 762	Andrew Yule & Co., Ltd. ..	601	Orient	148½	100	12 0	10 0	9 0	2 0	3, 9	H.
23,50,000	3,31,000	14 16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	400	Premiedency	5½	5	0 0	0 3	*Nil*	*Nil*	5, 11	H.P.
3,00,000	2,68,590	7,81,436	60,977	5,110	Associated Planters Ltd. ..	205	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.T.
19,45,980	24,90,991	41,19,708	13,04,957	40,899	Peirce, Leslie & Co., Ltd. ..	1,276	Reliance	104	10	0 8	*Nil*	*Nil*	*Nil*	3	H.P.
£600,000	£1,098,718	£1,245,244	.....	£58,964	Thomas Duff & Co. (India) Ltd. ..	2,018	Ramnuggur	51	10%	10%	8%£1	*Nil*	*Nil*	3, 9	H.T.P.
30,00,000	18,12,102	1,04,60,653	75,85,838	4,667	Begaria More & Co., Ltd. ..	911	Shree Ambica	16	10	1 0	1 0	1 0		12	Y.P.
14,00,000	11,25,000	66 11,794	38,79,294	3,156	Hindustan Investment Corporation.	401	Soorah	16	10	0 8	1 0	1 8		6, 9	H.P.
25,19,000	42,72,182	1,27,13,246	55,23,439	—4,87,139	Bird & Co., Ltd.	856	Standard	16	10	0 8	1 0	1 8		6, 12	Y.P.T.
£600,000	£925,119	*£1,137,660*	.....	£83,548	Thomas Duff & Co. (India), Ltd..	1,744	Titaghur	95	100	2 0	2 0	1 0	*Nil*	3, 9	H.P.T.
35,98,000	88,06,723	2,00,00,808	84,28,958	18,334	Bird & Co., Ltd.	1,228	Union	111	10	10%	10%	8%£1		12	Y.P.
£400,000	£668,085	£1,124,319	.....	£80,561	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	162	100	5 0	5 0	5 10	1 0 f	3, 9	H.P.T.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	61	10	10%	10%	8%£1		12	Y.P.
									1	0 1	0 8	0 3		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	58,12,991	31,77,891	26,053	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	28	10	1 0	1 4	1 6		3, 9	H.
12,80,000	8,52,578	28,78,477	26,13,477	25,706	Jardine Henderson Ltd. ..	Bararee Coke	20	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4,49,850	70,000	3,49,159	3,49,366	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6½N	10	0 12	0 12	0 6 0		6, 12	H.
1,00,00,000	1 40,49,233	2,91,92,214	2,05,77,826	7,31,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	530	200	32 8	30 0	36 0*		4,10	H.P.
15,97,000	4,73,358	37,70,192	22,77,364		Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	*Nil*	*Nil*	*Nil*		6, 12	H.P.
40,80,000	3,00,000	1,39,08 662	71,05,196	13,486	Shaw Wallace & Co., Ltd. ..	Bhalgora	6½	10	0 8				3	Y.
25,00,000	15,11,000	56,62,635	37,38,500	7,48,000	Andrew Yule & Co., Ltd. ..	Bharat Collieries	7½	10	0 12	0 10	0 10		6	Y.P.T.
14,00,000	16,17,936	48,14,856	30,98,841	—79,196	F. W. Heilgers & Co. (Private)Ltd.	Bhulanbararee	134N	10	*Nil*	*Nil*	*Nil*		6, 12	H.P.
7,50,000	24,29,026	43,30,603	26,53,406	94,207	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12	10		1 2	1 2		6, 12	H.T.
90,92,450	1,76,17,602	4,10 37,470	1,85,17,646	1,15,376	F. W. Heilgers & Co., Ltd. ..	Borree	24½	10	2 12	2 0	2 0		6, 12	H.P.
49,97,750	.....	89 62,720	3,82,645	14,019	Bird & Co., Ltd.	Burrakur	15½	10	0 12	0 9	0 10		6, 12	H.P.
6,90,000	13,54,302	49,10,414	32,63,954	33,788	Andrew Yule & Co., Ltd. ..	Central India	7½	10	0 4	0 4	0 4		3	Y.P.
6,00,000	1,43,576	7,59,433(k)	.....	1,606	F. W. Heilgers & Co. Private Ltd.	Central Kurkend	11½N	10					3	H.
19,00,000	1,20,000	52,67,531	38,91,190	—2,43,279	Macneill & Barry Ltd.	Charilia	2½	4	0 2	0 2	0 1½		6, 12	H.
£540,000	£580,553	£936,945	£702,277	£59,787	Jardine Henderson, Ltd. ..	Dhemo Main	8	10	*Nil*	*Nil*	*Nil*		6, 12	H.
19,48,760	76,84,250	3,59,27,499	2,87,14,567	99,266	Macneill & Barry Ltd.	East Indian	22½	61	2 8	2 8	3 0		4	Y.
10,00,000	3,15,000	10,70,564	3,73,962	11,373	Bhatdee Tarsuny Ltd.	Equitable	30½	10	1 8	1 8	0 12½		6, 12	H.P.T.
12,00,000	1,23,000	39,02,585	30,99,324	2,228	Killick Industries Ltd.	Ghusick and Musilia	14½N	10	0 8	0 8			3	Y.
5,00,000	6,75,000	31,48,057	19,61,214	65,451	Macneill & Barry Ltd.	Hingir-Rampur	61½	50	3 0	*Nil*	2 4		6	Y.P.
22,00,000	1,13,000	24,74,452	6,18,546	—5,57,336	Rajpala Trust Ltd.	Hurriladih	22	10	1 8	1 12	1 4½		6, 12	H.
3,50,000	3,45,579	13,54,857	7,23,658		Andrew Yule & Co., Ltd. ..	Jogta Coal	2½	10	*Nil*	*Nil*			3	Y.P.
20,00,800	1,77,175	28,80,633	4,65,140	5,065	Bird & Co., Ltd.	Kalapahari	18½	10	2 12	*Nil*	*Nil*		12	Y.P.
5,00,000	16,60,000	46,77,533	36,47,965	1,33,474	Andrew Yule & Co., Ltd. ..	Karanpura Collieries ..	118	100	*Nil*	*Nil*	2 8	5 0	3, 5	H.
1,18,400	5,72,960	12,85,941	5,72,960	—2,60,226	Heriwala & Co.	Khas Kajora	6½	10	4 0	4 0	5 8		2	Y.P.
11,00,240	64,314	16,72,961	10,41 868	—41,220	H. V. Low & Co., Ltd. ..	Khardi	3½N	10	*Nil*	*Nil*			1, 7	H.
9,00,000	11,86,418	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd. ..	Lakurka	4N	10	*Nil*	*Nil*			6, 12	H.P.
7,48,240	3,00,000	12,18,472	11,096	9,23,179	Tantia Brothers Ltd.	Loyabad	10N	10	0 8	0 4			6	Y.
7,00 000	25,617	10,33 740	5,20 295	4,560	Amritlal Ojha & Co. Ltd. ..	Mahuda	7	10	0 8	0 8			6	Y.
17,76,220	20,01,768	1,19,78,853	68,63,666	94,888	Andrew Yule & Co., Ltd. ..	New Beerbhoom	9½N	10	0 12	1 4			12	Y.
6,00,000	75,000	28,54,607	17,07,588	22,733	Octavius Steel & Co., Ltd. ..	New Mashbhoom	10½	10	1 0	1 2	1 0		3, 9	H.
1,15,000	2,85,193	13,07,219	8,64,731	15,050	Andrew Yule & Co., Ltd.	North West	12½N	10	*Nil*	*Nil*	*Nil*		3, 9	H.
1,57,500							16N	10	0 4	*Nil*	1 6	0 12f		
7,50,000	12,21,853	5,17,666	5,97,666	55,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	7½	10	0 3	*Nil*	1 0	0 6f	3, 9	H.
10,00,000	1,10,000	29,70,564	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	14½	10	2 0	1 0	1 0		6, 12	H.P.
6,54,000	10 862	17,52,187	8,30,795	8 018	Deepchand Kishenlall	Parasea	14½	10	0 6	0 8			3, 9	H.
18,75,000	16 00,000	47,70,275	35,30,275	13,343	Shaw Wallace & Co., Ltd. ..	Pench Valley	22½	10	0 4	0 12			12	Y.T.
22 99,200	19 17,105	1 23 09,933	95,50,955	16 846	N. B. Elias & Co., Ltd.	Ramnagunge	13½	10	1 10	1 10	1 8		6, 12	H.P.
13,50,000	9 53,385	35,36,765	27,78,764	28,621	Shaw Wallace & Co., Ltd. ..	Rewa	22½	10	0 8	0 8	0 10		3, 9	H.
20,00 000	3,90,000	44,28,585	16,78,118	2,80,176	Jaipuria Sons Ltd.	Samla Collieries	14½N	10	2 0	1 6	0 14		3, 9	H.
2,50,000	1,95,802	13,74,490	12,21,227	31 070	M. — — — ..	Searsole	8½	10	0 8	0 12	1 0		6, 12	H.
2,80,000	3,86,598	29 99 490	19,07 296	45,299	Andrew Yule & Co., Ltd. ..	Seebpore	29½	10	0 10	0 10	0 12		12	Y.
6,00,000	6 81,289	52 491	28 887	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	10N	10	1 12	2 0	2 8		3	Y.
63,21,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	111xd	10	*Nil*	*Nil*	2 4		6, 12	H.T.
17,50,000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co. Ltd.	South Karanpura	9½	10	0 4	0 2	0 12		12	Y.T.
8,00,000	19,69,395	1 09,570	26,510	17,347	F. W. Heilgers & Co., (Private) Ltd.	Standard	22½	10	2 0	1 8	1 0		2, 8	H.
10,00,000	12,800	30,28 299	15,43,502	—4,07,745	Villiers Ltd.	Talcher	6½	10	*Nil*				6, 12	H.
2,50,000	2 80,000	19,47,985	14,81,955	44,167	Williamson Magor & Co., Ltd.	Union	14½	10	1 12				9	Y.
40,98,000	67,084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	6½xd	10	0 6	0 6	*Nil*		6, 12	H.
7,00,000	1,89,190	55,22,153	22,66,981	122	Macneill & Barry Ltd.	West Jamuria	11½	10	*Nil*	*Nil*	*Nil*	0 8	3	Y.
													6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) *Olive Mills* have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (b) Investments.
(f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,80,000 shares are bonus shares. (k) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

EXCISE DUTIES AND TEXTILE POLICY

(*Concluded from page 553*)

final product is relatively small. Moreover, in the *mill* sector, the prices of cloth being lower, the value of the final product is less than in the *handloom* sector. This has its repercussions on the respective wage funds.

(ii) The wage fund in the mill sector is distributed among the *smaller number* of people, since the wage rate is higher.

If the wage rates in the two sectors are equated, the difference in their employment potential would, to a large extent, vanish. At present, wages in the mill sector are at least three times the wages of a fully employed craftsman on the handloom. The breaking up of a normal shift in a mill into three smaller shifts would increase the employment *potential of mill* production threefold at wage rates equal to those *earned in the handloom* sector. This simple arrangement, which is perfectly workable, exposes the *fallacy* of a vast and complex set-up of things which is designed artificially to promote the expansion of the *handloom* sector.

When the machinery and equipment used in the mill sector is produced within the country itself, as is largely the case

be somewhat arbitrary and would continually create frustration and disappointment. Finally, even if Indian insurers were allowed by the Government of India to transact business abroad and the foreign countries too accepted them, it is a moot point whether Indian insurers would be able to make a success of their foreign business. Deprived of the cushion provided by their large domestic business through nationalisation, they would find it difficult to sell life policies in countries where other insurers, with the backing of their domestic business, would offer a stiff competition to Indian insurers. Presumably, these considerations have weighed with the Government in reversing its original decision to permit Indian insurers of its choice to function as life insurers in foreign countries.

But it is doubtful whether the Corporation itself will succeed in retrieving the lost ground. The question of reciprocity applies as much to the Corporation as to any other insurer. If foreign insurers cannot do life business in India, it is difficult to see how the Corporation will be allowed to function in foreign countries. Already, Pakistan has "unregistered" Indian insurers. Mr. Patel revealed that the Corporation was making a fresh application for registration. It remains to be seen what action the Pakistan Government will take on this application. It is believed that the Corporation will also find it difficult to gain entry into Burma and Ceylon. Perhaps, it will be able to operate in countries which do not have insurance offices of their own. But even here, sooner or later, the question of reciprocity is bound to arise, as and when insurance offices are established in those countries. In other words, India may well have to give up all hopes of doing any life business in foreign countries. This is part of the price the country has to pay for the doubtful benefit of nationalisation of life insurance.

* * * *

There has been a spurt in the value of the Sone Valley Cement shares during the week under review from Rs. 8-12 to Rs. 9-1. This is presumably due to optimism about the outlook for the Company following the renovation and expansion plans which are to be undertaken by the Directors shortly, a brief account of which was given by the Chairman, Mr. Anandilall Poddar, at the recent annual general meeting of the Company. That the additional production resulting therefrom will surely be absorbed is evident from the fact that, despite the increased production of cement programmed under the second Five-year Plan, there will be a shortage.

The Company's production, it may be recalled, declined from 210,878 tons in 1953 to 195,000 tons in 1955. This was mainly due to the wear and tear of the plant and machinery. The Directors have taken up the programme of renovating and renewing the machinery in right earnest and are confident of restoring the former productive efficiency within a few months and of raising the output within a year above the annual production achieved in the Company's years of prosperity.

An account of the Company's scheme for expansion and development was given by Mr. Poddar in his speech. It is proposed to make additions to the plant at Japla, with a view to raising its daily capacity by 750 tons. It is also proposed to set up a suitable slag-cement plant near Durgapur in West Bengal, for utilising about 500 tons of slag from the Durgapur Steel Works and about 200 tons of clinkers or limestone from Japla. The slag-cement plant will be set up in co-operation with the Government.

All these plans will require large finances and the Directors have approached the Industrial Finance Corporation for suitable assistance. Further, a sum of over Rs. 8 lakhs per year will be available if the Government of India sanctions the rehabilitation allowance of Rs. 4 per ton on the Company's production, which was originally offered to the Company, but was declined by the previous management. After the changeover in the management on 1st August 1956—a development which has not been widely noticed in this part of the country—the Directors intimated to the Government of their willingness to accept this offer, subject to all the conditions attached to the offer. It will be recalled that the previous management, namely, Messrs. Martin Burn Ltd., was unwilling to accept the allowance on the ground that the strings tagged on to it adversely affected the prospects of shareholders receiving a reasonable return on their investment. Apparently, the present management which is by a Board of Directors and not through managing agents, does not subscribe to that view. It is probably not incorrect in feeling so, considering that the other cement companies which were prepared to accept Government control have not been worse off for it.

Incidentally, it will be recalled that the main condition attached by the Government in giving the rehabilitation allowance to the cement companies was that it should be credited to a separate fund and that no withdrawal from this fund could be made without the previous sanction of the Government. This condition was contrary to the recommendations of the Tariff Commission and was considered—very rightly too—to be an unwarranted interference with the freedom of the private sector. Nevertheless, the managements of all cement companies, except that of Sone Valley, meekly surrendered to the pressure from the Ministry of Commerce and Industry. This incident is not recalled in order to criticise the present management of the Sone Valley for reversing the stand taken by its predecessor, but only to show the utter lack of unity in the private sector even for the purpose of protecting the fundamental principles of free enterprise.

It may be mentioned in passing that the changeover in the management of the Company has been smooth. It has been effected, we are told, with the active co-operation of the previous management. The handsome tribute paid by Mr. Poddar to Messrs. Martin Burn Ltd. in his speech suggests that the whole arrangement must have been put through in a friendly spirit.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,06,00,000	11,36,801	Allahabad Bank	348	100	18 0	18 0			12	Y.P.
14,50,000				164	50	9 0	9 0				
1,01,000	14,37,000	12,375	Andhra Bank	116½	100	6 8	7 8	6 8	3 12½	12	H
82,46,180				82½	70	3 4	3 12	4 8 4/5	2 10½	6,12	
1,80,00,000	1,25,00,000	2,35,546	Bank of Baroda	100	50	6 0	6 0	6 0	3 0	12	Y.
80,00,000	20,50,000	1,159	Bank of Bikaner	21¼N	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,53,00,000	13 26,530	Bank of India	171½	50	7 0	7 0	8 0	3 0	6,12	R.L.Y.
15,30,375	25,00,000	60,634	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
80,96,000	10,00,000	41,779	Bank of Jaipur	32	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	240½	100	16 0	16 0	16 0	8 0*	12	Y.
61,21,700	58,72,012	10,069	Bombay State Co-operative Bank.	57N	50	3 8	2 0	2 0		12	Y.
18,00,000	29,00,000	19,801	Canara Bank Ltd.	86	50	4 8	4 8	5 0		6	Y.T.
7,50,000	13,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0		12	P.Y.
2,92,11,875	4,01,81,217	18,40 859	Central Bank of India Ltd. ..	52½	25	3 0	3 0	3 0	1 8½	12	Y.P.
$2,42,875 'A'				66	25	3 0	3 0	3 0	1 8½	12	R.L.Y.
50,00,030	31,00,006	1,76,386	Devkaran Nanjee Banking Co. ..	42½	50	2 0	2 0	2 8	1 4½		
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0			12	Y.
50,00,000	26,00,000	1,46,278	Hind Bank	39½	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,319	Hindustan Commercial Bank ..	14¾	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13½	50	Nil	Nil			12	Y.
75,00,000	76,00,000	1,94,405	††Hyderabad State Bank ..	80N	100	5 0	6 0	5 0		12	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	211	100	12 0	12 0	12 0	6 8‡	12	R.L.H.
18,00,000				196	95	10 8½	10 8½	10 12½	6 2½	6,12	
18,20,000				140½	70	7 8½	7 8½	7 12½	4 8½		
49,19,878	80,00,000	2,28,299	Indian Overseas Bank	151½	100	6 0	6 0	7 8		12	Y.
2,25,000				42½	100(A)	Nil	Nil				
6,50,000	5,64,500	—1,13,440	Inde-Commercial Bank	11	25(B)	Nil	Nil			6,12	H.
10,00,000				25	50(C)	2 8	Nil				
87,50,000	97,50,000	2,35,108	Punjab National Bank	57½	25	3 0	3 0	3 8	2 0‡	12	Y.
1,00,00,000	23,80,000	48,597	Travancore Bank	18½	25	0 10	0 12	1 0		12	Y.
40,00,000	25,00,800	1,96,228	Union Bank of India	7½	5	0 5½	0 5½	0 6		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank ..	56½	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-15-3	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£59,917	Eastern Bank	£7½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$128,000,000	H.K. $ 10,066,689	Hongkong and Shanghai Banking Corporation	$90	H.K. $125	5*	5*	5*	2*1	12	Y.
£17,066,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-13-9	£5 A	14†	15†	12†		12	R.L.Y.
£1,437,398 'B'				£1-6-3	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'A'				£4-0-6	A £5‡	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-0-6	B £5‡	14†	14†	14†			
$720,000 'C'				—	C £1	14†	14†	14†		12	R.L.Y.
£2,351,562	£3,104,687	£342,158	National Bank of India	£1-1-1½	sh. 12½	16†	16†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-I—Reserve liability on shares. ††O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	90½	1st June .. .. 1963‖
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnagger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-68
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	96½	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June 1956
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91½	30th June .. .. 1957(e)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100½	14th December .. 1969(e)‖
COTTON						
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	98½	15th November .. 1956(5)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	101‡	1st March .. .. 1972(e)
18,48,000	5½		Jayshree Textiles	1949	90N	1st January 1956-59
99 90,000	5	1st June	Tata Mills	1951	100½	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		104½	14th June .. 1969
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98‡	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(e)
2,32,80,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(e)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	86‡	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Jharriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(e)
4,50,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97½	15th July .. 1976(e)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94	30th September .. 1958-62
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94½	1st July 1956-61
47,78,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1970
‡ 50,00,000	4	1st April and 1st October ..	Tata Power		93‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering‖	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1948	99	30th June .. 1958
80,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	101‡	1st July 1957-62
61,14,400	4½	1st January and 1st July ..	Mysore Iron and Steel Co. (1st mortgage).	1936	£97	31st December .. 1964(15)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	87	31st May 1971
1 50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101‡	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(e)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1938	99	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Anglo-India Jute Co., Ltd.	1946	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1948	93‡	30th June .. 1969
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1969
10,00,000	5	30th June and 31st December ..	Champdany Jute Mills	1951	96	30th June .. 1966
12,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1969(e)
8,50,000	5	15th January and 15th July ..	Empire	1951	94‡	15th July .. .. 1969(e)
30,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92‡	30th June .. 1967
20,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd. ..	1953	97‡	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96‡	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	98	31st March .. 1967(e)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd ..	1939	93	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
5,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	91	5th September .. 1965(e)
8,00,000	4½	14th March and 14th September.	Rishra Jute	1937	96	14th September .. 1957
12,50,000	4½	30th June and 31st December..	Union	1937	96½	30th June .. 1957
16,00,000	5‡	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	90N	1st July 1956
$350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	$66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
$189,363	5	1st April and 1st October ..		1933	$77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90½	31st December .. 1956(e)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (e)
4,85,95,697	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	99‡	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffee	1952	102½	1st July 1967-69
12,50,000	6	31st March and 30th September.	Highfield Tea		100‡	1st April 1962-69
1,99,750	5½	31st March and 30th September.	Teokay	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1942	98	31st Decem .. 1965
26,25,000	4½	1st January and 1st July ..	Associated Metals of India	1941	98	31st December .. 1962
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1945	98	31st December .. 1963
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1937	97	30th June .. 1957
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1954	103½	1st September .. 1957
21,25,000	5½	1st February and 1st August ..	Chemicals & Fibres Properties ..	1938	102½	1st October .. 1971-86(e)
50,02,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1915	92	1st February .. 1970
30,00,000	4	15th March and 15th September.	Dalhousie Properties	1936	89½	1st July 1964
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	87½	15th September .. 1966
1,20,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1946	92	31st December .. 1968
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1950	102	 1969
17,75,000	5	15th March and 15th September.	Mettur Chemical Industries	1954	105	1st January .. 1971(e)‖
25,05,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1949	95‡	30th June .. 1969(e)‖
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1946	535	 1964
				1947	470	30th September .. 1970(e)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.		(per note)	31st December .. 1972‖
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1951	90N	1st April 1977
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1955	103	30th June 1961-76
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1951	97‡	31st March 1961-76
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1948	91‡	15th December .. 1959
				1953	104‡	1st May .. .. 1965(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (i) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at 1 per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 15 years or at Rs. 100-8 per cent. after 13 years. ‡ Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debentures outstanding on 1-9-1965 will be redeemed on that date with options to redeem at intervening dates at 101 per cent. on 1-9-1965. ‖ Redeemable out of a cumulative sinking fund of 15 per cent. per annum commencing in 1941 by drawings at par plus interest from time to time. ‡‡ Redeemable with annual drawings at par from 1961 to 1965 and by purchase at or below par from 1966 onwards. The Company has exercised its option to redeem on 1-5-1956 by drawings at par.

1 OCT 1956 GOVERNMENT OF MADRAS

COMMERCE

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

VOL. XCIII. No. 2378 BOMBAY, 29th SEPTEMBER 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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IS THE I.M.F. A FAILURE?

THE end of the first decade of the Brettonwoods Twins sees the world in a better economic situation than it was when they were born. There may be room for differences of opinion about the extent to which these two international financial organisations—the International Monetary Fund and the International Bank for Reconstruction and Development—have helped the world to attain an improved economic status. But there is no doubt that they have played a key role in the world economic progress. The Bank has rendered solid assistance to several countries, including a number of underdeveloped nations, by providing funds and know-how for expanding and establishing basic services and for raising the output of basic materials. The Fund's contribution may be less spectacular, but it is not less important for that reason. Until about 1952, the balance of payments problems of several countries were of such great magnitude that they were beyond the available resources of the Fund. They had, therefore, to be solved by other means. The free world has to be grateful to the U.S. for stepping in to close the gap and for rendering generous assistance without which the ravages of the war could not have been repaired in a remarkably short period. After the reconstruction of the war-shattered economies with American help, the nations of the free world have succeeded in minding their affairs without having to resort to the use of the Fund's resources on any significant scale. That is no reason to cast any aspersions on the utility of the Fund.

In fact, the restricted activity of the Fund as a lender is an index of the improvement in the balance of payments position of the world. The Fund is after all a lender in the last resort. Its balances represent a reserve for emergencies. If its resources are intact and not tied up through overextended commitments to member-countries, there is room for viewing the prospects for world trade with confidence. The fact that the I.M.F. has enough funds at its disposal to come to their help will enable member-countries to pursue a policy of fewer restrictions on trade and payments. Again, the consideration that the I.M.F. will come to their rescue in times of emergency only if they follow sound economic policies has a healthy influence on the Governments of member-countries and restrains their temptation to resort to unsound practices. The Fund offers a valuable forum for a discussion of economic policies and methods followed by its members, as well as for exchanging ideas on this subject. It has helped to avoid competitive adjustments in the external value of national currencies and thereby ensured stability in foreign exchange rates for such long periods as the world had not known before the second World War. It has been instrumental, to a considerable extent, to the revival of faith among Governments in the efficacy of monetary and fiscal measures, as opposed to physical controls and rationing, for restoring economic stability. Its contributions are thus of such a nature that they cannot be measured in terms of rupees, annas and pies, as is possible to assess those of the World Bank.

It is true that the I.M.F.'s goal of multilateral convertibility of currencies has not yet materialised. But the world as it has been since the war is different from the one envisaged by those who conceived and brought the Fund into existence. Nevertheless, the fact remains that the broad objectives of the Fund are being realised. More and more countries have now come to believe in them, as witness the increase in the number of its members. Only a few days ago, Argentina, a country which took to the system of the multiple exchange rates even before the war and which preferred to stay out of the Brettonwoods organisations, has now become a member of these bodies. In almost all parts of the free world, especially in the industrial countries of the West, there has been a growing faith in monetary discipline and a pronounced reluctance to adopt physical controls. It is noteworthy that, despite a severe pressure on the balance of payments position in 1955, the British Government has preferred to rely on monetary and fiscal measures to combat inflation and to reduce the deficit on trade account rather than re-impose restrictions on imports and place direct curbs on domestic consumption.

The experience of the Western countries during the last three or four years in gradually eliminating the discriminatory restrictions on imports has enabled them to appreciate the superior virtues of monetary and fiscal weapons. They now realise that, in the sphere of international trade, the move towards liberal multilateral trading arrangements carries with it the benefits to be gained by buying imports on a strictly competitive basis, unaffected by currency considerations, and that it tests the ability of the economies concerned to make the adjustments required if their positions as sellers in competitive markets are to be maintained and strengthened. They also realise that, in the domestic sphere, the "anonymous control" through high interest rates, supplemented by stiffening credit restrictions and heavier taxation, is a more desirable method of bringing inflationary pressures under control than direct restrictions by the State, because it will serve to achieve the object without penalising efficiency and honesty and placing a premium on inefficiency and reward for dishonesty. In a modern, egalitarian, society, where the voice of multitude counts, it will undoubtedly be extremely difficult to implement such a policy and to carry it to its logical conclusion, without the Government of the day becoming unpopular. It must, however, be said to the credit of the present Governments of Western countries that they are giving the flexible monetary and fiscal policies a fair trial with confidence born of conviction.

Enough evidence to support this conclusion is available in the latest annual report of the Fund. The report shows that, in most of the Western countries, interest rates have been pushed up to levels which are the highest to be seen in the past quarter of a century. It is noteworthy that both long-term and short-term interest rates are at their peak when the boom is at its height. This is proof enough, if proof were needed, to show that the classical weapon is being put to use. Its application has not been without some results. There has, for instance, been a check on further price increases. A large measure of stability attained in the commodity markets of the world during the past year is not a mere coincidence; it may be attributed at least partly to the stiffer monetary policies adopted by these countries. We in India know very well how the prices of many of our export commodities have been influenced by higher interest rates in Europe.

The Fund's report also shows that, though the surplus in the overall payments balance of the rest of the world with the U.S. was somewhat less in 1955 than it had been in 1954, progress in extending multilateral trade and payments was well maintained. Although there has been no addition to the list of Fund members which have established formal convertibility of their currencies, there has been a further relaxation of exchange restrictions, and extension of transferability of important currencies. Substantial progress has been possible even in countries which have been handicapped by

obstacles to free entry of their exports to the markets of some industrial countries. The U.S. Government, too, has been giving strong support to various elements of liberal trade policy. There has, of course, been an increase in the number of bilateral arrangements, especially as a result of the emergence of the communist countries in the scene of world trade. There have also been a few triangular deals consequent upon the efforts of the U.S. to dispose of its agricultural surpluses. But, by and large, these developments have neither retarded the growth of world trade nor affected the progress of free trade, apparently because of the large increase in production. It will thus be seen that, whereas there has been less talk of convertibility during the past twelve months, there has almost been a continuous progress in that direction through relaxation of exchange restrictions and more trade liberalisation.

Encouraging as this trend is, the future is not free from some disturbing features. Two of them at least are very serious and require the careful attention of the Western countries, if the faith in the efficacy of monetary and fiscal weapons built up during the past few years is not to be shattered. A paradox of the world economic situation in 1955-56 has been the emergence of inflationary pressures in the wake of an increase in industrial production and agricultural surpluses. The main reasons for these pressures are two; one is increased Governmental expenditure in a number of countries which is not amenable to monetary restrictions such as credit controls and higher bank rate; and the other is the continuing upward pressure of costs due to wage increases which have tended to go even beyond the limits set by the improvement in productivity. If the Governments fail to keep their expenditures within proper limits, even the modest degree of stability obtained in the past two years will be undone. The result will be no different, if they fail to prevent wage levels from getting out of control. In modern democracies, where labour is strong and well organised, there is a limit up to which monetary weapons can effectively prevent wage increases. They have to be supplemented by self-restraint by individuals, as well as by wise leadership of employers and employees alike. It remains to be seen whether these qualities will be forthcoming in an adequate measure at least in the big industrial countries of the West in order to avert a setback in their march towards multilateral trade and convertibility of currencies. Their new entanglement, following the dispute with Egypt over the Suez Canal, however, gives rise to a serious doubt whether they will be able to overcome the aforesaid two dangers in good time. But their failure to do so can be no reflection on the I.M.F. and its ideals.

ATOMIC ENERGY

EVER since President Eisenhower struck a constructive note on world atomic co-operation in December 1953, world's statesmen have been trying to hammer out the details of the agency which could facilitate such co-operation. The International Atomic Energy Conference, now in session, at New York, for considering the statute of the International Atomic Agency, is making a sincere effort at reaching an accord over the statute. It is hardly to be expected that the way towards the realisation of this objective would be smooth, what with the divergent political predilections of the world's great powers, not to mention the differences of opinion even among the less advanced nations. Nevertheless, it is gratifying to note that there is today a much better appreciation of the need for, as well as the urgency of, promoting the peaceful uses of atomic energy than there was at any time since scientists showed that atomic energy had as much a beneficent value as a baneful one.

It is now more than two-and-a-half years since President Eisenhower called for the establishment of an organisation devoted to peaceful uses of atomic energy "to serve the needs rather than the fears of mankind." His proposal called for nations having supplies of atomic material to contribute to an international pool. The pool is to be used to help other countries all over the world to develop atomic power plants. For a long time, it appeared that nothing could be done in this direction, so long as the U.S.S.R. was not prepared to offer its wholehearted co-operation. But the summit conference, held in Geneva in July 1955, cleared this bottleneck, for, at that Conference, Mr. Bulganin was reported to have agreed that the Soviet Union would be prepared to contribute atomic fuel, if an agency to handle it was created. This paved the way for the International Conference on the Peaceful Uses of Atomic Energy, which was held in Geneva in August 1955.

This Conference, which was rightly described by Dr. H. J. Bhabha, Chairman of the India's Atomic Energy Commission, in the course of a recent A.I.R. broadcast, as a "milestone in world history," brought forward for free and open discussion many subjects in the field of atomic energy which had till then been kept under strict secrecy. It re-established direct channels of communication between scientists working in the field—channels which had been interrupted since the beginning of the second World War. The Conference, as Mr. Dag Hammarskjoeld, the U.N.'s Secretary-General, described it, was "a memorable unfreezing" of atomic information. After this Conference, a group of twelve countries—Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Portugal, South Africa, the U.S.S.R., the U.K. and the U.S.—was asked to participate in a working level meeting in Washington to prepare a draft statute for the agency. The draft statute was prepared in April last and it is this statute that is now being considered by the 57-nation Atomic Energy Conference at Washington. It is believed that an informal target date of 26th October has been agreed upon for completing the work on the statute.

The importance of reaching an agreement on the setting up of the Atomic Energy Agency was stressed by Mr. Dag Hammarskjoeld. He said: "It has become increasingly clear that, by acting together, we may be able to put atomic energy to peaceful uses in such a way as to help create economic and social conditions where many of the present reasons for tension and conflict would be eliminated." He revealed that the formulation of the draft statute had been characterised by a "spirit of friendly give and take" with an earnest desire for mutual understanding and agreement. The Agency, which the statute seeks to set up, is designed to promote and foster the use of atomic energy for power, medical research and other peaceful purposes. The draft statute itself provides that the Agency will come into being when 18 nations have ratified it. In the interim period between the conclusion of the Conference and the setting up of the Agency, a preparatory commission will be at work on certain preliminary problems connected with the establishment of the Agency. So far as the headquarters of the Agency is concerned, it is stated that the Government of Austria has offered a site in Vienna.

Some changes are likely to be made in the draft statute before it is finally approved. India has taken a leading part in suggesting improvements in the original draft. The suggested improvements include the stipulation that, in allocating the resources, the special needs of underdeveloped countries should be borne in mind, and the provision that facilities and plants already existing in a particular region would be utilised for the Agency's purpose. The Agency, it has been urged, should not make assistance to members subject to any political, military or other conditions incompatible with the statute. Yet another direction in which India is making its influence felt is in respect of larger representation for underdeveloped countries on the Governing Board of the Agency. The Asian-African seats on the Board are stated to have been increased to six, with the possibility of one more, out of twenty-three.

A hitch has developed over the magnitude of the safeguards which must be provided in the statute for the functioning of the Agency. The need for safeguards arises from the consideration that atomic energy, to quote the words of Mr. James J. Wadsworth, the U.S. representative at the Conference, is "uniquely dangerous as well as uniquely promising; the fuel for a reactor can be made into the explosive of a bomb—the radiation which cures can also kill." Precautions against misuse of the energy are, therefore, necessary in the interests of promoting the peaceful applications of the energy. Nevertheless, India holds that the safeguards, now proposed, go beyond the needs of security. As Mr. Bhabha pointed out, the "proposed safeguards requiring accountability for the source materials, uranium and thorium, when supplied by the Agency, in a world in which thousands of tons of these materials are sold from one country to another, avowedly for use in military programmes, are clearly unfair and arouse the fear in many that the result, if not the intention, will be to create a uranium cartel." He added: "Fissionable material will be the future fuel for electric power generation in the world, and to require such material to be turned over to the Agency by countries receiving aid is to give the Agency power to interfere in the economic life of such countries." Clearly, the Conference must not, in its understandable anxiety to prevent misuse of atomic energy, create conditions under which peaceful applications of the energy will be rendered well-nigh impossible. After all, safeguards must be conceived so as to protect a precious asset for better use and not in a manner that will deny it through disuse.

A GREAT SHIPPING ENTERPRISE

A METHOD of studying history, the value of which is not perhaps as widely realised as it should be, is to study the growth of great commercial enterprises. Some of these enterprises offer a good ground for historical research and reflection. One such is the British India Steam Navigation Co., Ltd. (B.I.), which celebrates its centenary this year. The story of the growth of this Company reads almost like a romance. In 1847, one Mr. William Mackinnon from Campbelltown (Scotland) came to India and soon met a fellow townsman, Mr. Robert Mackenzie. When the two Scotsmen met—one would perhaps add, "as was only to be expected" —they talked about the prospects for business in India. Out of that friendship was born the trading firm, the Mackinnon Mackenzie, a household name in many parts of this country. Realising that ships would aid their trading activities, the partners soon bought and chartered a few sailing vessels. It was a case of ships following trade. In 1853, Mr. Mackenzie lost his life in a shipwreck while on his way from Australia and thus died in "saddle," as the later history of the firm shows. Meanwhile, the East India Company had offered and the firm had accepted the business of carrying mail between India and Burma. The Calcutta and Burma Steam Navigation Co., Ltd., which was the forerunner of the now famous B.I., was formed in 1856 and it then could boast of no more than a couple of screw steamers.

During the last four decades of the last century, the Company's progress was rapid. This followed the undertaking, given in 1862, by the B.I. ships to carry mail service in the Persian Gulf—a really hazardous enterprise in those days of piracy in this region. The opening of the Suez Canal in 1869 opened out a new vista of opportunities. Again, the B.I.'s undertaking to carry mail service between Aden and Zanzibar, which commenced in 1872, enabled the Company's ships to participate in the growing trade with African ports. Mr. Mackinnon, before he died in 1893, had thus firmly laid the foundations of a large and prosperous shipping enterprise. But it was left to the genius of Mr. James Lyle Mackay (who afterwards became famous as Lord Inchcape) to consolidate and extend the great legacy left to his charge. Having started life as an assistant in the firm, he soon acquired by dint of hard work and his undoubted abilities an irresistible power in the direction of the Company's affairs. It was Lord Inchcape, by far the most powerful of the men who have appeared in world shipping history, who brought about, in 1914, the merger of the P. & O. and B. I. interests and presided over the combined enterprise as its Chairman. He lived through a difficult period in the Company's history, as indeed in the history of the world—the first World War—and brought the Company to a high watermark of shipping efficiency; he died in 1932. The present Chairman, Sir William Crawford Currie, like his great predecessor, Lord Inchcape, has had to steer the Company through the storm of the second World War.

From two tiny steamers to a fleet of 63 vessels with a total tonnage of 472,000 is the story of the century-old B.I. But behind this impressive development lies the patient effort and enterprise of generations of loyal workers. This is true of all great commercial enterprises in the world. Governments and political opinions may come and go. But the free enterprise of man goes on for ever, translating castles in air into enduring monuments on earth. Man must, of course, be free, both politically and economically, before he can perform this task.

SHARE MARKETS BRIGHT AGAIN

BANK RATE—STERLING—GOLD PRICE—FREE TRADE IN WEST EUROPE

THURSDAY, 5 P.M.

MARKET GOSSIP

CONTRARY to the conclusion in some quarters that the bullish phase in the share markets has come to an end for the present, the equities have registered further gains. Fluctuations in values are now less erratic; if anything, they point to a steadily rising trend. Even textile scrips have participated in this rise. Sentiment is slowly changing in favour of bulls, which shows that the effects of the recent shock given by the Government by steeply stepping up the excise duties on cloth have been practically overcome. The prospects of a fairly good number of new issues by the existing concerns as well as by companies that are proposed to be floated in the near future have had no adverse effects on the current equities. On the contrary, they have served to revive confidence in them. This may be due to three reasons. First, if *entrepreneurs* are prepared to take risks and start new industries or expand the existing ones, there is no reason why investors should feel disheartened. Secondly, if new concerns belonging to an existing industry, as, for instance, rayon or chemicals, can hope to make profits and pay a decent return to their shareholders, the existing units belonging to the same industry should be able to do even better. Thirdly, the Capital Issues Control seems to be more liberal nowadays in deciding the terms of new issues of the existing concerns than it was when sanctioning the request of the T.I.S.Co. and the I.I.S.Co. The scales of premium on such issues seem to have been lowered; in some cases, even though the company is already paying a dividend, no premium is insisted upon. In fact, the Controller has no objection to the existing companies attaching a certain amount of bonus element to their new issues, in order to make them fairly attractive to investors.

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Once again, there was a rumour this week that an increase in the Bank rate was imminent. But it died, again, as quickly as in the previous two weeks. Obviously, the bears have been trying to exploit the situation. The extension of credit control to cloth and yarn a fortnight ago has created a fear that the authorities might not hesitate to push up the interest rates, in order to arrest any further rise in price levels. The climate is thus suitable for setting afloat such rumours and making money at the expense of the credulous public. But, as was pointed out in these columns two weeks ago, the authorities are unlikely to be thinking on lines of stiffening interest rates. The central banking authority has just taken powers to introduce effective curbs on credit creation by the organised section of the money market. It would naturally like to use them and see whether the situation could not be improved, before raising the cost of money which would affect not only the trade and industry but also the Government itself, as its burden of interest charges also would rise. Moreover, in his reply to the debate on the Plan in Parliament, Mr. T. T. Krishnamachari, made some significant observations which are quite relevant to this subject. He observed as follows:

"Government do not think that the recent trends in prices, in money supply and in the balance of payments need in themselves cause undue or immediate anxiety. These trends, however, are indicative of the sort of stresses that might develop in the course of the implementation of the Plan. They must not be allowed to persist and should be prevented to the extent possible and corrected if they cannot be prevented. The question is not one of meeting a temporary adverse turn somehow; it is one of getting on to and maintaining in the face of increasing pressures generated by the Plan a new and more stable position of equilibrium.

"It is possible to equate demand and supply by slowing down investment. Such a policy would, however, be contrary to the expansionist approach of the Plan. Development is, in the last analysis, a process of generating new and cumulatively increasing demands and of finding ways and means, through a more effective deployment of resources, of increasing the supplies available for the system. Remedial action at this juncture should not be such as would inhibit the deeper and more abiding trends which the Plan is seeking to establish. A downward revision of the Plan has, therefore, to be ruled out.

"In the present situation, a general credit squeeze is not warranted. Selective control of bank credit, with a view to checking speculative investment has, however, to continue and will be strengthened as and when necessary so as not to affect adversely genuine investment in the private sector.

If the above statement is analysed to its logical conclusion, the only inference possible is that the Government does not find any necessity for increasing the Bank rate *at present*. If, in the opinion of the Finance Minister, a general credit squeeze is not warranted, and if he feels that selective credit controls will be sufficient, it means that an increase in the Bank rate is not warranted. Strictly speaking, the Bank rate comes within the category of measures taken to bring about a general credit squeeze and not under selective credit controls. It is regarded throughout the Western world as "anonymous control"; and, unlike selective credit controls, it affects credits for all purposes.

All this does not mean that at no time in future the Bank rate will be increased. If conditions change and there is a sharp all-round rise in prices due to excessive speculation and hoarding, the Government may put up the Bank rate. There is no indication yet of such a situation developing in the near future.

Of course, one should not jump to the conclusion that at present there is no case at all for a higher Bank rate. Indeed, a convincing case in favour of a rise can be made out. But it is a question of how those in the seats of power feel about it.

While it seems safe to think that the authorities are not in favour of enhancing the Bank rate at present, a stage has already been reached when the rates of interest on small savings should be revised in an upward direction. Since the fixation of these rates years ago, the cost of money has gone up considerably and the sources of investment which are alternative to the Government's issues for small savers have become much more attractive than they were before. It would not be surprising, therefore, if sooner or later the Government were to increase the return on these investments.

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It would appear that spreading doubts and rumour mongering are by no means the monopoly of Dalal Street. In fact, Throgmorton Street, London, seems to be more reckless than Dalal Street in this respect. While none in this country is inclined to believe that a devaluation of sterling is being contemplated, tongues in the city of London are said to be wagging, as will be seen from our "London Letter" published elsewhere in this issue. The growing pressure on sterling in the foreign exchange markets of Europe, the recent losses of gold, the consequences of the Suez, the continued wage-prices spiral, the Chancellor of the Exchequer's disinclination to raise the Bank rate any further—all these have been quoted in support of the doubt about Britain's ability to hold the value of the pound at the current parity of $2.80 per £. In anticipation of devaluation, the gold shares on the London Stock Exchange have been active and firm in an otherwise falling market. It is true that the Union of South Africa will be voicing at the I.M.F. meeting its customary annual demand for an increase in the dollar price of gold. But nobody believes that it will receive any attention. Accordingly, it is not so much the revival of this demand by South Africa as the rumour of devaluation of sterling which is said to have put new life among the speculators in gold shares.

The causes mentioned above in support of doubts about sterling are, however, no justification for devaluation. While it is true that Britain witnessed a setback in balance of payments last month and that British labour is pressing hard for more wages, disregarding the appeals from the Government, it must not be forgotten that Britain's payments position today is much better than it was early in the year. It is by no means in such a tight corner as to write down the external value of its currency. There is no doubt that a devaluation of the pound at this stage would be, as a noted British Economist, Sir Oscar Hobson, observes, a disaster to Britain.

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The demand for a higher dollar price for gold by South Africa is based on the grounds that the cost of mining has gone up and that when the price of almost every other commodity has advanced, there is no reason why gold alone should remain pegged at $35 per fine ounce, a level determined some 22 years ago. There may be some force in these arguments, especially the one based on the cost of production. The devaluation of 1949, of course, meant a 40 per cent. increase in the sterling price of gold received by the producers in South Africa, but this advantage has been practically lost through a steep rise in production costs. According to South Africa's new Finance Minister, Mr. J. F. Naude, unless the gold price goes up, 17 South African mines will have to close down. Notwithstanding these claims, the fact remains that, in 1955, gold production in South Africa went up, following expansion of mining in the Orange Free State, where the output doubled (in terms of value) from $38.3 million to $76.6 million. It is also expected that, if the supply of African labour were maintained, production in the whole of the Union would increase further.

Whatever may be the contention of South Africa, the dollar price of gold will ultimately depend upon the U.S. Government. And a decision by America on this subject is not an easy matter, for there is an elaborate process that has to be gone through. With the Presidential election due in less than 40 days, there is not the ghost of a chance of the U.S. heeding to South Africa's demand now.

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By far the most notable development in the history of post-war world is the movement towards economic collaboration. The Marshall Aid, the O.E.E.C. the World Bank, the I.M.F. and all the other specialised agencies of the United Nations bear, of course, ample testimony to this trend. But an equally significant trend is the economic co-operation between neighbouring countries. In Europe, the first great fruit of such co-operation was the European steel and coal community. The idea of possessing a common pool from which the depleted assets of the European railways can be made good is soon to be given a practical shape. The formation of a "Green Pool" under which the agricultural production of the West European countries are to be pooled together in order to ensure its profitable utilisation and a fair return to the farmer that will induce him to grow more has also been under discussion for some time now. But these developments do not exhaust the potentialities of economic co-operation. Indeed, there is a great movement towards setting up a free trade zone in Europe, from which all tariff barriers are to disappear gradually and over a period. Thus, economic nationalism of the pre-war variety is dying a slow death in Western Europe. But its eventual disappearance does not seem to be in great doubt. It is not possible to dismiss this as a new-fangled idea born of European idealism. The fact that the U.K.—a country which has always had its feet firmly planted on earth—has shown signs of its willingness to join the free trade zone must serve to show that it is not all a distant dream, but a possibility within the bounds of practicability.

What do the planners of this move visualise in the near future? They are working towards a common market of six leading countries—France, Germany, Italy and the Benelux trio. It is true that the French attitude towards the proposal is still a little uncertain. Its opposition, however, is now reported to be much less strong than what it was last year. But what is perhaps more to the point—the U.K., hitherto regarded as the most insular of the nations to any pull for an integration with Europe because of its connections with the far-flung Commonwealth, is reported to be more willing than in the past to participate in the free trade zone. Britain's change in attitude stems from the consideration that, if Germany gained access to the European free market while it stood aloof, it would mean a severe setback to Britain's trade with the Continent. A careful, though necessarily preliminary, study of the advantages and the disadvantages of joining this group has been made in the U.K. While the official study of the problem is, perhaps, something of a continuing process, it is noteworthy that the Federation of British Industries is now working on the proposals to bring Britain into W. European free trade zone.

Why does the U.K. favour this move? What happens, in the event of Britain joining the free trade zone, to Commonwealth trade, Imperial Preference and high tariffs? These are all obviously important questions, in which India too is interested. Apparently, these issues have been considered and it has been found that they are not insuperable obstacles to Britain's participation in European free trade zone. It is stated that Britain should favour this move, because, while the Commonwealth trade is somewhat static, the European trade is a steadily growing variety. Thus, whereas imports into the Commonwealth have ranged around $12,000 million per year, those into the region, covered by the six European countries, have expanded by $8,000 million to $19,000 million during the five years ended 1955. Britain would be denying itself a great deal if it were kept out of this growing market. On the other hand, its imports from the Commonwealth consist chiefly of primary products which do not compete with the industrial goods exported by European countries. So far as the Imperial preference is concerned, the London *Economist* calls it a "wasting asset, eaten into (1) by rising prices which lower the real value of absolute rates of duty that G.A.T.T. forbids governments to raise, (2) by the independent trading policies of the ever more numerous former dependencies, (3) by the difficulties of Australia with its balance of payments and (4) by Canada's gradual adoption of free trade policies." Thus, Britain is not, perhaps, unduly perturbed by the prospect of having to give up Imperial Preference.

Yet another consideration which makes Britain (a relatively high tariff country as compared with the rest of Europe, regard with favour the idea of joining the free trade zone is that no automatic, immediate lifting of tariffs is contemplated by the sponsors of the idea. What the proposal contemplates is a gradual abolition of tariffs over a period of, say, 15 years. At first, a 10 per cent. cut in tariffs will be effected, followed by a succession of five further 10 per cent. cuts at intervals of 18 months. The remaining 40 per cent. would be eliminated in a period between three and six years. In any case, suitable escape clauses, it is believed, would be built into any agreement that may be eventually reached, in order to provide for balance of payments crises. The F.B.I., it is stated, is working on an escape clause which would exclude a wide range of agricultural and horticultural produce from the operation of the common European market, plus a very limited selection of industrial goods.

The effect of all these new arrangements on India's trade deserves to be studied. It is, however, true that the effect would not be immediately felt. But it might conceivably affect Britain's exports to India. For, if it finds the European market more remunerative than the Indian, it might send more goods to Europe than to India. Again, if Britain decides to give up Imperial Preference, India may find it more difficult to sell certain goods to the U.K., notably its textiles. But, on the whole, the Commonwealth is not likely to be seriously affected through the creation of a free trade zone in Western Europe, even if Britain were to be a part to it.

ORIENT PAPER MILLS

The Directors have decided to raise further capital by the issue of 50,000 5½ per cent., tax-free cumulative redeemable preference shares of Rs. 100 each. The shares will be offered, in the first instance, to all the existing shareholders (including holders of preference shares) of the Company, in proportion to the nominal value of the shares held by them. With the aforesaid issue, the total preference capital of the Company will stand raised to Rs. 180 lakhs.

The proceeds of the issue is to meet the additional funds required for the implementation of the Company's modernisation and expansion programme. The necessary sanction of the Controller of Capital Issues has been obtained for the issue.

EQUITIES STAGE A RECOVERY

UNDERTONE FIRM

(From Our Own Correspondents)

BOMBAY, 27*th September*

EQUITIES on the Stock Exchange displayed a steady to firm tone during the week under review. Though there was no widening of the activity to a notable extent, sentiment was distinctly better than in the previous week, except for a moderate and short-lived setback on Tuesday this week. Operators' enthusiasm was chilled to some extent on that day by the Union Commerce and Industry Ministry's order prohibiting textile mills from stocking more than one month's average production and the wholesale dealers from holding more than three months stocks. The selling pressure which ensued on this account was short-lived, presumably due to the clarification made by the Government of the above order. News of fresh issues by some of the leading industrial concerns, prospects of more such rights issues, the lower *budla* rates in the last settlement and absence of any new unfavourable factors induced revival of speculative support and leading industrial scrips advanced sizably. The undertone at the close was firm.

In the steel section, Tata Ordinaries advanced from Rs. 195 to Rs. 198-12 on Monday this week. After a recession to Rs. 1,962-12 on Tuesday, the scrips rallied to close at Rs. 200-4. Indian Irons came up from Rs. 35-2 to Rs. 36-1½.

Textiles fared well on the whole and the gains in some of the counters were marked. Bombay Dyeings rallied from Rs. 634-6 to Rs. 646-4 before dipping to Rs. 633-12 on Tuesday. Subsequently, however, they appreciated to touch Rs. 648-12 at the close. Centurys were again well supported. After an initial rise from Rs. 552 to Rs. 561, the shares reacted for a while to Rs. 550, but again gained ground to Rs. 567-8 at the close. Kohinoors were comparatively sluggish moving within a smaller range. Advancing from Rs. 368-8 to Rs. 371, the shares slipped back to Rs. 363, before again recovering to Rs. 369 at the close. Central Indias gained on balance Re. 1 to Rs. 158 and Colabas Rs. 2-8 to Rs. 97-4, while Finlays were marked down by Rs. 2 to Rs. 352. Indu Ordinaries gathered just an anna to Rs. 12-9, while Khataus picked up Rs. 2-8 to Rs. 255. Mafatlals Rs. 5 to Rs. 420 and Models Rs. 10 to Rs. 192-8. New Greats were steady at Rs. 250-8, but New City fell by Rs. 8-2 to Rs. 173. Shree Niwas Cottons were steady at Rs. 225, while Simplex moved between Rs. 206 and Rs. 202-8 before closing at Rs. 205. Standards moved up by Rs. 8-12 to Rs. 493-12 and Svadeshis by Rs. 2 to Rs. 258-8. Tatas were a fraction better at Rs. 58, while Vishnus suffered a drop of Rs. 5 to Rs. 185. Azam Jahis appreciated by Rs. 4 to Rs. 94 and Osmanshahis by Rs. 3 to Rs. 91.

Bank shares were steady with the trend on the high side, though transactions were still on a small scale. Barodas advanced by Rs. 2 to Rs. 102. Centrals were As. 8 higher at Rs. 53, while their new shares were unchanged at Rs. 56. Bank of Indias gained Re. 1 to Rs. 172-8 and United Commercials Re. 1-8 to Rs. 57-8.

Business in insurance shares was far from lively, but the tone was steady. Small enquiries were noted in New Indias which rose by As. 12 to Rs. 45-12. Vulcans changed hands As. 4 higher at Rs. 16-4. British India Generals were As. 2 lower at Rs. 13-12.

In the electricity section, only the Tata Hydro Group shares were firm and made further gains, while the other counters were neglected. Ahmedabad Electrics shaded off from Rs. 96-4 to Rs. 95-15, while Bombay Suburbans and Surats just managed to hold their ground at Rs. 109-6 and Rs. 118-12, respectively. Tata Hydros recorded a rise of Rs. 4 to Rs. 131. Tata Powers jumped from Rs. 1,300 to Rs. 1,325 and their new shares from Rs. 1,248-12 to Rs. 1,270. Andhra Valleys gained Rs. 18-12 to Rs. 1,242-8, but the rise in their new shares was spectacular, the gain being Rs. 97-8 at Rs. 1,297-8.

Miscellaneous section shared the improvement in general sentiment. In the sugar group, Belapurs provided a firm feature with an advance from Rs. 247 to Rs. 254. Bhopals rose by As. 14 to Rs. 18 and Phaltans by Rs. 5-8 to Rs. 168-8. Walchandnagars moved up by Re. 1-14 to Rs. 273-2. Among cement shares, Associated Cements were steady gaining Re. 1 to Rs. 203-4. Digvijays jumped by Rs. 5 to Rs. 205-8 on the announcement of the proposal to issue new capital. Ashoka Cements were up by As. 6 at Rs. 12-10, while Dalmias were unchanged at Rs. 15-2 and Orissas changed hands As. 2½ lower at Rs. 13-7½. Among the engineering and mining shares, Alcocks were erratic, but closed on balance without any change at Rs. 345. Tata Locomotives were irregular moving between Rs. 176 and Rs. 171, but finished Re. 1-8 higher at Rs. 174-8. Premier Constructions disclosed no change at Rs. 217. Mahindra and Mahindras were steady at Rs. 16-3. Larsen and Toubros were done at Rs. 19 *ex*-right, as against Rs. 19-12 *cum*-right a week ago. Shivrajpurs were featureless at Rs. 88, while Indian Coppers gained As. 2½ to Rs. 7-9½. B.B. Petrols were steady at Rs. 3-13½.

Shipping shares were in the limelight, following the announcement by the Great Eastern Shipping Co. of a new issue at par to the existing shareholders. The Company's shares rallied by Re. 1-8 to Rs. 21-10. Scindias came up from Rs. 19-2½ to Rs. 19-9 before closing at Rs. 19-8. India Steamships were marked up by As. 3 to Rs. 10-8 on expectations that the final dividend for the year ended March 1956 would be As. 8 per share, making a total of Re. 1 for the year. Premier Automobiles reacted by Rs. 2-8 to Rs. 104, while Hindustans were a shade better at Rs. 10. Among the other miscellaneous scrips, Bombay Burmahs (old), after an initial rise from Rs. 745-10 to Rs. 754-6, slipped back to Rs. 743-12. Latterly, however, they gathered strength to Rs. 758-12. British India Generals were done As. 4 higher at Rs. 11-8. National Rayons gained Rs. 5-12 to Rs. 271-8. Tata Chemicals were a shade quiet at Rs. 20-2. Amar Dye-Chems put on As. 8 to Rs. 120-8. Tata Oils were taken up As. 12 higher at Rs. 56-8, while Wimcos were listless at Rs. 180-10.

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Calcutta Stock Exchange

CALCUTTA, 26*th September*

Prices were steady on the Calcutta Stock Exchange during the week under review, but, although general interest was limited—this was a clear sign of the setting in of the usual pre-*Pooja* dullness—there were quite a few features. Trading was indeed cautious, but there were ready buyers at hardening rates for first class scrips that were on offer in view of the *Pooja* consideration. Encouragement can certainly be derived from the impetus which industrial development is receiving; but in market circles there was the fear that, as in the case of textile industry, if an industry was showing signs of making more profits, the Government might claim a good portion by imposing additional levies.

The strike in the 24 of the 26 collieries in the Raneegunj area is continuing, and if this is not settled soon the loss of production there, would certainly be felt by gas companies, public utility concerns and other industries dependent on power and fuel. The dock workers all over India are threatening to choose the last mighty constitutional weapon in their hands, and, if a strike results, much damage can be caused to the country's import and export trade, which will check the pace of the progress of the Plan.

A general *hartal* in this part of the country has become a usual feature of life, and one was staged yesterday to protest against the rise in prices of essential commodities. Stoppage of work, in which managements of factories and workshops cannot participate and have to keep open their establishments for all those willing to work, causes considerable wastage and tells upon the working results of the relative accounting period. When such *hartals* are so often repeated the seriousness can be imagined. With the elections so near, it cannot be that the *hartal*-fever has ended. All these uncertainties have naturally restricted investible funds, and in stock market circles concern over the success of capital issues of private companies, sanction for which was naturally held over by the Government in view of the State and Central loans, is entertained. The market was closed yesterday on account of the general *hartal*.

Very few transactions were recorded in the coal section, the demand of colliery workers for more benefits dampening enthusiasm. The loss of daily output of 10,000 tons in the collieries in the Raneegunj area as a result of the strike was also gravely noted. After opening at Rs. 15-8, Burrakurs encountered support at rates up to Rs. 16-1, shading off subsequently to Rs. 15-13. From the previous rate of Rs. 22 Hurriladihs were taken to Rs. 23-7 following the publication of a satisfactory working report for the half-year to December 1955 and the maintenance of the dividend at 12.5 per cent., as against 10 per cent. for the corresponding previous half-year. From Rs. 13-5 Raneegunjs declined to Rs. 13-3, while Bengals, in transactions of small lots, realised Rs. 507, as against Rs. 530.

The general dullness affected jutes also, inasmuch as business was restricted. All the same, in selective attention, a few features were recorded. Anglo-Indias were fully firm at Rs. 193, but Ganges declined to Rs. 67 from Rs. 72 a week ago, following the passing over of dividend for the half-year ended March last. New Centrals, at Rs. 17, put on As. 2, while Nationals recovered to Rs. 25-8 from Rs. 25-4.

Teas lacked enthusiasm earlier in the week, but following the strong trend in Monday's export auctions steadiness was in evidence. Bormahjans were fractionally better at Rs. 21-14, as were Hansquas at Rs. 24. Interest in Hasimaras pushed the rate to Rs. 32-2 from Rs. 31-12 and Hantaparas to Rs. 198 from Rs. 193-8. Patrakolas were bought at Rs. 202, as against Rs. 199 previously and Methonis at Rs. 22-7, as against Rs. 21-15. Dibrugarhs recovered to Rs. 24-8 from Rs. 24-1 and Betjans to Rs. 56-8 from Rs. 56-2. On interested buying, Brahmapootras rose to Rs. 9-3 from Rs. 8-9, and at Rs. 35 Gillapukris were steady.

Among cements, Sone Valleys were lifted to Rs. 9-2 from Rs. 8-13. In the mining group Indian Coppers continued to be fully steady at Rs. 7-1, while Metal Corporations sagged to Rs. 11-3 from Rs. 11-9. Shipping shares were spot-lighted with India Steamships touching a further high of Rs. 10-9, while in the oil group Indo-Burmah petroleums recovered to Rs. 10-12 from Rs. 40-9. Further interest was shown to Alkali and Chemicals in the chemical section, and the scrip was fractionally better at Rs. 23-8.

Paper shares were in the market's dull corner, with Titaghurs going down to Rs. 39-8 from Rs. 40-4. From Rs. 39-7 at one time Orients had improved from Rs. 39-7 to Rs. 39-15 but closed lower at Rs. 39-10. India Pulps lost to Rs. 25-3 from Rs. 25-8, but Shree Gopals remained unchanged at Rs. 18.

Hooghly Dockings were the star feature in the engineering section on interested buying. From Rs. 140 the rate forged ahead to touch a high of Rs. 151-8 and at each stage of the rise considerable strength was depicted. Burn & Cos. were a close second and from a previous rate of Rs. 358 the quotation hardened to Rs. 372. From Rs. 26-8 Richardson & Cruddas advanced to Rs. 27-10 before closing at Rs. 27-8. Texmacos were fractionally better at Rs. 23-11 and Jessops improved to Rs. 37-12 from Rs. 37-3. Indian Irons opened at Rs. 35-3 and recovered to Rs. 36-1 before closing at Rs. 35-14.

Better attention was shown to miscellaneous industrials. F. & C. Oslers improved further to Rs. 12-1 from Rs. 11-14 and Osler Electric Lamps to Rs. 5-5 from Rs. 5. Indian Wood Products were lifted to Rs. 44-12 from Rs. 40-8. National Carbons strengthened to Rs. 29-14 from Rs. 29-8 finishing at Rs. 29-10. Following continuance of the lock-out on labour troubles, National Rollings were quiet at Rs. 11-4, while Niccos were fractionally better at Rs. 26. B.I. Corporations rose further to Rs. 11-8 from Rs. 11-1, while Indian Cables receded to Rs. 35-12 from Rs. 36-9. Electric Constructions were unchanged at Rs. 13-8, but Dunlop Rubbers, at Rs. 30-2, added As. 9.

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Madras Stock Exchange

MADRAS, 25*th September*

The Madras Stock Exchange put on a dull appearance during the week under review. In the absence of any encouraging development, operators did not evince much interest in fresh business. Turnover was, therefore, restricted, with prices moving narrowly. Professional buying support was lent to a few select shares, the prices of which tended to move up. Among them, Bank of Mysores, United Breweries, Lakshmis (textiles) and T. Stanes turned out to be bright counters.

In the textile section, Metturs were subjected to heavy selling and climbed down by Rs. 10 to Rs. 47. Janardhanas dropped Rs. 4 to Rs. 116-8. Ranga Villas fell by Rs. 2-8 to Rs. 95, Pankajas by Rs. 2 to Rs. 90, Vijayakumars by Re. 1-8 to Rs. 145-8 and Vijayamohinis by Re. 1 to Rs. 93. Lakshmis, however, were well favoured, their quotation advancing by Rs. 5-8 to Rs. 258-8. Rajapalayams picked up Rs. 3 to Rs. 169. Bangalore Woollens had buyers Rs. 2-8 higher at Rs. 582-8. Rajalakshmis hardened by Rs. 2 to Rs. 187. Buckinghams gathered Re. 1-8 to Rs. 202. Cannanores and Premiers rose by a rupee each to Rs. 189 and Rs. 254-8, respectively.

Tea shares in the planting section were neglected for want of support, notwithstanding report of higher prices at the recent auctions in Cochin and Calcutta. Mlamallays were particularly depressed, the value receding by Rs. 3 to Rs. 60. Peermades shed Re. 1-6 to Rs. 34-2. Kalasas slipped by As. 10 to Rs. 16-2 *cum-div.* Haileyburias lost As. 4 to Rs. 27. Nonsuch Teas eased by an anna to Rs. 28-6. Coffee shares were quiet. Balmadies gave way from Rs. 4-4 to Rs. 4 Consolidateds decreased by an anna to Rs. 21-10. Amalgamateds were unchanged at Rs. 12-10, as also Coffee Lands at Rs. 27-4. Among rubber shares, Nilamburs found buyers As. 10 higher at Rs. 18-6 *cum-div.* Vaikundams put on As. 8 to Rs. 35-8. But Pullangodes were a shade easy at Rs. 4-7.

Sugar shares staged a retreat. Kirlampudis were the worst sufferer; the quotation slumped by Rs. 5 to Rs. 37. E.I.Ds. declined by As. 4 to Rs. 31-4. Deccans receded by As. 2 to Rs. 12. Travancores lost an anna to Rs. 14-4. United Breweries, however, met with good enquiries and moved up by Rs. 6 to Rs. 206.

COMPANY INTELLIGENCE

Shree Digvijay Cement

The Directors of Shree Digvijay Cement Co., Ltd. propose to raise fresh capital by the issue of both ordinary and preference shares. The proceeds of the issue, which is said to have received the sanction of the Controller of Capital Issues, will be utilised for financing the second extension plant and the expansion of other facilities required for that purpose. The second extension plant, which will go into operation shortly is designed to increase the rated capacity of the factory from 230,000 tons to 430,000 tons per annum.

According to the terms laid down by the Controller, the Company will offer 45,000 ordinary shares of Rs. 100 each at a premium of Rs. 17-8 per share for cash to the existing ordinary shareholders in the ratio of one new ordinary share for every two existing ordinary shares. With this issue, the issued ordinary capital of the Company will be raised from Rs. 90 lakhs to Rs. 135 lakhs.

Further, the Company has been permitted to issue 40,000 5 per cent., tax-free, redeemable cumulative preference shares of Rs. 100 each at par for cash. This will be offered, in the first instance, to the holders of the existing preference shares in the ratio of one new share for every existing share, thus doubling the preference capital from Rs. 40 lakhs to Rs. 80 lakhs.

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Great Eastern Shipping

The Controller of Capital Issues has approved the proposal of the Great Eastern Shipping Co., Ltd. to issue new ordinary share capital amounting to Rs. 60 lakhs, made up of 600,000 shares of Rs. 10 each. The new shares will be issued at par to the holders of the existing ordinary shareholders in the ratio of one such new share for every existing share. The Directors propose to call Rs. 5 per share on the new shares early in 1957 and the balance early in 1958.

NEWS IN BRIEF

TEA consumption in India is estimated to have increased to 206 million lbs. in 1955-56, as compared with 183 million lbs. in 1954-55.

The Government of India has decided to remove the export duty of Rs. 250 per ton leviable on linseed oil, with immediate effect.

The recently established State Trading Corporation has so far contracted business worth over Rs. 15 crores—Rs. 8 crores worth of exports and over Rs. 7 crores worth of imports.

As a result of the visit of Mr. K. D. Malaviya, Union Minister for Natural Resources and Scientific Research to Canada, the latter may help India in undertaking airborne surveys for mineral oil.

The Central Minimum Wages Advisory Board, at its recent meeting, has recommended the fixation of hours of work and rest intervals for agricultural labour, as in the case of industrial labour covered by the Minimum Wages Act, 1948.

The Government of India has decided to constitute a National Film Board and a Film Finance Corporation to help the development of the motion picture industry. The Film Finance Corporation will initially have a capital of Rs. 1 crore.

The Union Ministry of Food has perfected arrangements to supply the South Indian markets with 60,000 tons of rice in the next few days. A network of 3,000 fair price shops have been opened in South India during the last few days.

The Government of India has agreed to invest about Rs. 1 crore in Praga Tools Corporation and assume joint control over it. The State Government is a major shareholder in the Corporation which manufactures machine tools.

Soviet Russia has agreed to purchase shoes valued at Rs. 1 crore from India. The export will be channelled through the State Trading Corporation. This is the first time that a communist country is placing a substantial order for Indian consumer goods.

The Railway Board has set up a committee of three senior engineers to examine the amenities now available to Class III passengers inside compartments, and to make recommendations in regard to any improvements considered necessary.

The sanction of the Government of India has been obtained for the recently concluded agreement between the Wolf Electric Tools Ltd., London and Rallis India Ltd., Bombay, under which, the latter will assemble and progressively manufacture Wolf electric tools in India using, as far as possible, indigenous material.

The Industrial Finance Corporation of India has advanced loans to the extent of Rs. 15 crores for the development of various industries in the country in the year ended 30th June 1956. The total amount of loans given by the Corporation, up to this period, to 154 industrial units is Rs. 43.20 crores.

The Government of India has decided to constitute a National Savings Advisory Committee for co-ordinating the activities of State Committees and giving the benefit of its advice and active participation in the running of the movement. The Committee, which will have its headquarters in Delhi, will consist of 14 members, with Mr. S. K. Patil M.P. as Chairman.

The U.S. Department of Agriculture has authorised the sale of 44.5 million dollars worth of milled rice to India and Pakistan in their national currencies. The authorisations are made under previously announced agreements. The 26.4 million dollar authorisation for India covers about 4.4 million cwt. of milled rice and 18.1 million dollar one for Pakistan about 2.9 million cwt.

According to Mr. K. S. Sundararajan, Member of the Revenue Board, a total sum of Rs. 5 crores is expected to be collected as estate duty by the end of this year since October 1953, when the Estate Duty Act came into force. In the first year of its operation, the total collection was Rs. 80 lakhs, while last year it was about Rs. 1.60 crores and for the current year it is expected to be about Rs. 2.5 crores.

The State Trading Corporation has placed orders for 20,000 tons of cheap but standard quality cement from Spanish Morocco and Switzerland. Another 100,000 tons will be supplied by the Pakistan Industrial Development Corporation and 100,000 tons by Poland. Soviet Russia and Czechoslovakia have contracted to supply about 200,000 tons, half of which may actually be imported only in 1957.

Encouraged by the enthusiastic response received by the Forum of Free Enterprise, recently established at Bombay, its sponsors have decided to start a full-fledged organisation at Calcutta, where a working group has already been established. Requests to open centres have been received from various other centres also, particularly from Madras, Delhi, Bangalore. These requests are under consideration.

A programme to provide whole-time employment to 4,000 persons in the cottage soap industry, using non-edible oils, has been approved by the Government of India. The programme will also provide employment to a lakh of workers for two months. Financial assistance, amounting to Rs. 46.41 lakhs, has been sanctioned by the Union Ministry of Production to the All-India Khadi and Village Industries Board for implementing the programme in the current financial year.

The Government of India is examining a proposal to establish a fourth State-owned fertiliser plant in Bombay, based on the Burmah-Shell and Stanvac refinery gases. A proposal to this effect was contained in the report of the Fertiliser Production Committee, but was not pursued beyond the initial stages as it was decided to locate the three new plants to be set up at Nangal, Rourkela and Neiveli. In view of the increased demand for fertilisers that is likely to flow from an upward revision of agricultural targets, as also the need to save foreign exchange on the import of fertilisers, it is now felt that a further expansion of fertiliser production capacity, over and above what is provided for in the plan, may be warranted.

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From Abroad

Argentina became a member of the I.M.F. and the World Bank on the 20th inst.

The Syrian Government has given permission to the German firm *Concordia* to search for oil in various parts of the country. An American company, James Menthall, is also prospecting for oil in northern Syria.

Japan's sterling balances at the end of August showed a further fall as compared with the end-July figure when they stood around £57 million. Non-official sources place the balance, as on 31st August, at £46 million.

Loans aggregating $375 million to 39 countries were made by the U.S. Export-Import Bank during the year ended 30th June 1956. The loans were made to finance exports of American equipment, commodities and services.

A Conference of Federal and State Officials held recently at Washington has agreed that the U.S. oil production could be easily increased by 1.1 million barrels a day to meet a shortage in Western Europe if the Suez Canal is closed and supplies to Europe stop.

The Royal Netherlands Blast Furnaces and Steel Factories Ltd. is to erect a new steel factory according to the oxygen process successfully carried through in four factories in Austria, Canada and U.S. When the new plant is completed, the concern will have a capacity of 800,000 tons of Martin Steel and 300,000 tons of oxygen steel.

The World Bank announced on the 20th inst. approval of two loans, aggregating $31 million, for electric power expansion in Austria. The projects to be financed are part of a programme to meet the increasing demands of Austrian industry and to supply additional power for export to neighbouring countries.

The Governors of the central banks of Commonwealth countries are expected to meet in London, early next month, to discuss the recent experiences of monetary policy. Their meeting will supplement the regular exchange of informal visits and correspondence between the Bank of England and the other Commonwealth central banks.

Professors Kai Siegbahn and Per Ohlin of the Uppsala University, Sweden, have expressed the view that energy from sea water by fusion of hydrogen atoms at million degree temperatures may be the future solution of the world's power problems. The two scientists have been studying this problem independently of American and Soviet researchers.

According to an official announcement by the W. German Ministry of Economic Affairs, with effect from 15th October West German residents are permitted to buy from banks foreign currencies, for travel purposes in unlimited amounts. This applies also to dollars and other freely convertible currencies. Foreign visitors to Germany may also import currency freely and take it out of the country when leaving.

According to Government estimates, the U.S. capital goods boom is continuing at a record pace. The outlays for new plant and equipment are expected to have advanced to a new record yearly rate of $36,260 million in the current quarter. Present indications are that it will climb still higher to a $38,000 million rate in the final four months of the year. Spending in 1956 now is expected to aggregate $35,313 million. This is 23 per cent. more than the previous high rate of $28,701 million reached in 1955.

Sir John Teasdale, Chairman of the Australian Wheat Board has announced that the Board would be "seriously inconvenienced," unless the Suez Canal problem is settled within a month, because from now to November the Board has a heavy programme. It would be commiting, he said, breaches of contract if it sold wheat and then could not find ships to export it. British shipowners, he added, were reluctant to send ships into the Indian Ocean till the Suez dispute was settled.

The Premier of South Australia, Mr. T. Playford, recently announced that his Government would grant permission for a new uranium mine in the Crocker's Well region, about 70 miles north-west of Radium Hill. Investigations had revealed the existence of large deposits of uranium capable of open-cut mining; this could mean that Crocker's Well might replace Radium Hill as the biggest producer of uranium in the State. Meanwhile negotiations are proceeding for the sale overseas of large amounts of uranium extracted from the mines at Radium Hill.

PERSONAL

MR. R. D. Birla and Mr. G. D. Birla, both of whom had been to Europe, returned to India this week.

Dr. Punjabrao Deshmukh, Union Minister for Agriculture, left Bombay for Zurich *en route* to Moscow last Monday, to study collective co-operative farming in the U.S.S.R. for two weeks.

Mr. S. Ranganathan, I.C.S., formerly Joint-Secretary in the Ministry of Works, Housing and Supply, took charge this week as Secretary of the new Ministry of Commerce and Consumer Industries.

Mr. Michael L. Hoffman, European economic correspondent of the *New York Times*, has been appointed new director of the World Bank's Economic Development Institute, *vice* Professor A. K. Cairncross of Glasgow University.

Sardar K. M. Panikkar, formerly Indian Ambassador to China and Egypt, has been appointed Indian Ambassador to France in succession to Sardar H. S. Malik. He will assume charge of his assignment in December.

Mr. M. C. Dixit, one of the three survivors of the "Kashmir Princess" crash, has been appointed Director of Training and Licensing in the Civil Aviation Department, Government of India, New Delhi. He took charge of his new office this Monday.

Mr. P. G. Bhagat, lately Director-General, India Store Department, London, and subsequently, General Manager, Turner Hoare & Co., Ltd., Bombay, has been appointed Managing Director, the Hindustan Steel (Private) Ltd., Calcutta, *vice* Mr. S. N. Mozumdar, I.C.S., who has proceeded on leave preparatory to retirement.

Dr. Per Jacobsson, the noted Swedish economist, has been appointed Managing Director of the International Monetary Fund. He will take up his new duties in November and will also serve as Chairman of the Board and Executive Director, succeeding Mr. Ivar Rooth, also of Sweden, who retires on 3rd October 1956.

Mr. K. C. Reddy, Union Minister for Production, will leave for a three-week tour of the Soviet Union, West Germany and the United Kingdom on 10th October. He will undertake an intimate study of the production of coal and fertilisers, State management of industrial undertakings and employer-employee relations in those countries.

Mr. Binay Ranjan Sen, Indian Ambassador to Japan, was elected at the F.A.O. Conference in Rome, Director-General of the United Nations Food and Agricultural Organisation on the third ballot by 42 votes to 29 for the Dutch Agricultural Minister, Mr. S. L. Mansholt. Mr. Sen is the first Asian ever to be chosen as head of a United Nations specialised agency. He is F.A.O's fourth Director-General. Two of his predecessors were Americans and the first incumbent a Briton.

"COMMERCE" 1931

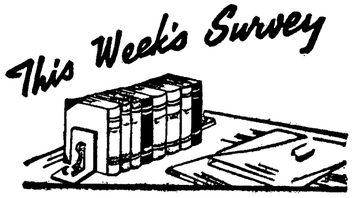
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 26*th September*

Gold Standard

Britain is off the gold standard; that is, Britain has decided to suspend temporarily—say, for six months—the operation of sub-section two of section one of the Gold Standard Act of 1925 which fixes the price at which the Bank of England may sell gold. This drastic step has been necessitated by heavy withdrawals of gold from the Bank of England on foreign account. Since the middle of July last funds amounting to more than two hundred million sterling have been withdrawn from the London market. During the last few days withdrawals of foreign balances had so sharply accelerated that the Government felt bound to take the above-mentioned decision. But is the gold standard the ideal standard of value or exchange? Speaking at a meeting of the Farmers' Club at the Royal United Service Institution, Whitehall, some months ago, Sir Josiah Stamp attributed the fall in prices to the gold standard. "We are suffering very much at the present time because of a terrific fall in prices generally. We all agree," Sir Josiah went on, "that that terrific fall has had some extraordinary effects on industry. It has presented a very large increase of value to a certain class of people. The purchasing power has been shifted from one class to another. That has attacked the very mainspring of industry. We say that this is due to the gold standard. Supposing we had never known the gold standard, then some other standard would have been found. The standard of value might have been based on some natural products."

Representatives of U.S. bicycle, distilling and other manufacturing associations have protested against low import duties on foreign goods. The Kentucky Distillers' Association point out that there are inequities in the trade of American and Scotch whiskies because Scotch whisky enters the U.S. in unlimited quantities, subject to normal import duties, while American whisky is virtually banned altogether from the U.K. under the latter's restrictive trade practices. The Bicycle Manufacturers' Association complains that the domestic industry has been seriously injured by large volumes of bicycle imports.



LAC INDUSTRY

THE Silver Jubilee celebrations of the Indian Lac Cess Committee, held at Ranchi last week, provided an opportunity both for recording the achievements of the Committee and for emphasising the imperative need for setting the lac industry on a sound and secure footing. The conditions obtaining in the industry continue to be very distressing. The production of lac, especially of the best variety—that is, *kusmi* lac—has suffered a setback of late. The prices of lac are extremely unstable, thanks to speculation by traders, elasticity of demand for shellac, and its dependence on a very large number of industries which use lac and, therefore, on the general economic conditions in the countries where the lac-consuming industries are situated. It may be mentioned here that almost 92 per cent. of the lac produced is exported abroad. Indian lac is said to be facing a severe competition not merely from the low-priced Siamese lac but also from the synthetic materials for which billions of dollars are being spent on propaganda and technical services. Indeed, Indian lac, it is stated, now faces "a crisis of the greatest dimension; never before during its chequered career, spread over the past two centuries, has such a menace threatened to wipe out its very existence."

The none-too-happy position of the lac industry is certainly very unfortunate, considering that lac plays a significant role in the country's economy. Lac is a source of subsidiary income to a large number of cultivators in Bihar, Madhya Pradesh, Orissa, Vindhya Pradesh and Assam. In many areas, cultivation of lac is an important source of income to the backward tribes, particularly *adivasis*. What is more, lac is one of the major earners of foreign exchange in India, the average annual value of exports being nearly Rs. 10 to Rs. 11 crores. Again, lac is a valuable raw material which has innumerable uses, the chief among them being gramophone records, electrical goods, varnish, hats, sealing wax, adhesives, printing ink, metalware, oil cloth, resin cloth, rubber composition, linoleum, laminated paper, plastic goods, shoe and nail polish, bangles, and ammunitions. It is this multifarious role played by the lac industry which imparts urgency to framing a scheme for development and expansion. Any improvement in the industry from any point of view and at any stage, as Mr. R. R. Diwakar, Governor of Bihar, aptly stated when he inaugurated the Silver Jubilee celebrations, is bound to benefit the primary producers of the commodity. Otherwise, the country may, as Mr. M. S. Randhawa, I.C.S., President of the Indian Lac Cess Committee, warned in the course of his welcome speech, be deprived of not only export trade to the tune of about Rs. 11 crores per year but even the internal benefits from the use of lac.

The biggest problem facing the Indian lac industry is that of stabilisation of prices. The Government of India has, of course, banned futures trading in seedlac and shellac (except those on non-transferable specific delivery basis), with effect from 27th December 1954. But speculation in trade still exists. Dr. Punjabrao Deshmukh, Union Minister for Agriculture, was, therefore, right when he said, in the course of a broadcast talk the other day, that control over speculation should be rigidly exercised in future, the other measure suggested being regulation of prices by fixing minimum and maximum prices. Dr. Deshmukh also stressed that the problem of prices could be tackled by stepping up output which is "a pre-requisite to normal and sound trading in lac." Viewed thus, it is gratifying to note that the second Five-year Plan envisages an increase of 45 per cent. in the production of lac, from 1.1 million maunds to 1.55 million maunds. Higher production is proposed to be achieved through the establishment of 50 regional broodlac farms, imparting of technical knowledge of lac cultivation, intensified publicity campaign to popularise lac growing and planting of lac hosts in all suitable areas.

Simultaneously with the implementation of the scheme for augmenting production of lac, the internal market for the consumption of lac and lac products must be expanded. This aspect was very forcefully emphasised by Mr. Diwakar. He said: "At present, only 8 per cent. of the lac produced in India is consumed within the country, while 92 per cent. of it is exported abroad. A lot of the exported lac comes back to India after processing for which we pay through our nose ... export consists of valuable raw material which can be utilised in the country not only for processing but also for manufacturing a number of useful products which can be consumed within the country and also exported abroad."

There is considerable force in these observations. With the industrialisation of the country and improved standard of living, there seems no reason why internal consumption of seedlac and shellac should not move up. It must, however, be stressed that a high level of lac consumption can be sustained only if the quality and the price of lac and lac products compare favourably with the imported substitutes, especially the synthetics. The Government's decision to set up regional testing laboratories at important manufacturing centres for effecting improvement in the quality of goods produced by factories must, therefore, be widely welcomed. Equally welcome are the proposals relating to establishment of suitable godowns for storing seedlac and shellac and formulation of international standards of quality.

TRACTOR CULTIVATION

The results of an investigation conducted by the Board of Economic Enquiry, Punjab, into the economics of tractor cultivation make interesting reading. In many parts of this country, tractors are being increasingly used in cultivation. This is part of the increased interest which farmers have shown in better cultural practices. Nevertheless, it must be admitted that tractors have not made as big a headway as in certain other countries. The Punjab had 971 tractors in 1952, of which 867 were private-owned. It is believed that this number must have increased further by now. Among the reasons which have led to the increase in tractor cultivation in the Punjab, mention must be made of the impetus given to the use of tractors through the need for breaking large tract of culturable waste land and acute shortage of labour in the immediate post-partition period. The high level prices of agricultural commodities obtainable in the past few years is also said to have contributed much to the popularity of tractors in farms.

Discussing the economics of tractor cultivation and the prospects for a wider use of tractors, the report emphasises that the mechanisation of agriculture in India is still faced with the traditional difficulties arising out of inadequate supply of spare parts and repair service. It says: "The situation can be better imagined than described when a tractor goes out of order during the busy season and a part to be replaced is not available in the market or still worse, if the part is there but no technician is competent to do the job." It has rightly stressed that the first condition for a wider use of tractors is the availability of spare parts and technical guidance.

The report recognises that the tractors help reduce costs of agricultural production, besides improving the efficiency of farming operations. It, however, sounds a note of warning that an indiscriminate use of tractors may conceivably lead to the deterioration of soil due to exhaustion of the nutrient elements in the soil. Again, it advocates the institution of an extensive technical service designed to educate farmers in scientific agronomic practices. A defect in tractor cultivation is that it reduces the number of animals on farms and thereby the availability of farmyard manure. It says: "The supply of manure at a tractor-operated farm decreases substantially and this deficiency is badly felt by those who use tractors." But this problem is not entirely insoluble. For, as the report itself points out, the solution of the problem lies in the increased use of compost manure or oilseed cake as manure. In any case, as against the disadvantage that could come through the loss of farmyard manure must be set the advantage that the community derives through the fact that the employment of tractors leads to less land being devoted to fodder crops. This is because tractors reduce the need for keeping a large number of animals on the farm. Thus, only a relatively less acreage is necessary for cultivation of fodder crops. Larger areas, therefore, become available for cultivation of food and cash crops. As a result of tractor cultivation, there is, as the report says, an increase in the marketable surplus of farm produce.

Finally, the question of tractor cultivation is linked with the Government's land policy. So long as this policy is designed to bring about increased fragmentation of land rather than promote consolidation, there will be no incentive to employ mechanised cultivation. After all, the use of mechanised devices in agriculture implies the existence of large farm. It is only large and extensive farms owned by farsighted and intelligent farmers that can facilitate the use of modern methods in agriculture. The report rightly stresses that "the size of the farm and a consequent volume of work should be sufficient to justify the investment on farm machinery." Referring to collective or co-operative farming which may facilitate the increased use of tractors, the report says that the chief difficulty in undertaking such farming is that of convincing the peasants about the virtue of common ownership. The report concludes by stating that, although the tractors are likely to be more popular in the next few years, "the practicability of their completely replacing the bullock labour in the whole country borders on impossibility in the existing circumstances." In the context of the present trends in land reform legislation, in particular, this conclusion seems irrefutable.

MANAGEMENT TECHNIQUE

An interesting question in the General Economics paper set for the I.A.S. examination held recently was this: "It is not more hours or days of work that is required in India, but greater returns for the labour put in. How far would you accept this as an assessment of the employment problem in India?" Evidently, the framer of the question must have had at the back of his mind the normal reaction of labour to the phrase "increase in productivity," namely, the assumption that it would lead to a reduction in the numbers employed. That such an attitude is not only unfounded but absolutely wrong was impressively brought out by Mr. J. M. Shrinagesh, General Manager, Hindustan Aircraft (Private) Ltd., Bangalore, while inaugurating the Madras Institute of Management the other day. Increased productivity meant, Mr. Shrinagesh declared, an enlarged share to workmen of the fruits of increased productivity, including lower price of consumer goods. Elucidating this aspect, he observed:

> "If we were to persuade labour that increased productivity is one of the most essential requirements of the next Five-year Plan, not for the nation as a whole but for wage earners themselves, and if we could make it clear that any breath of inflation will result mainly in wage earners being partly deprived of the fruits of their labour, we would have gone a long way towards the attainment of the goal which we have set before us in our new Plan. ... We in India have to increase productivity very rapidly during the next five years, if we should ensure that there will be no inflation in the near future. Hence stable economy can be brought about by increasing productivity in respect of both capital and consumer goods."

The need for augmenting productivity cannot be stressed too strongly. It is common knowledge that production per man-hour in India is deplorably low as compared with most western countries and even with China. One of the means for securing higher productivity is improvement in management technique. Mr. Shrinagesh, therefore, did well to urge that, in the management field, it was not only in the teaching of management technique but also in the dissemination of the principles of management and in the training of executives that the main task lay. It lay also in the training of labour in an attitude and an approach conducive to increased productivity. The success of the Madras Institute of Management will be judged by the extent to which these objectives are fulfilled. The Institute, we are told, has been formed for the promotion and development of sound management in business and industry by encouraging the appreciation and application of good management philosophy and practice. It will spread knowledge of better management technique through exchange of information among members, and through discussions, demonstrations and plant visits. It will also organise lectures, impart training designed to improve managerial and supervisory skills, and conduct research in specific fields.

The approach of the Madras Institute of Management is sound and there is no doubt that it will be able to play a useful role. The very fact that an institute of this type has been set up indicates the awareness of the progress and development that the country is making in the business and industrial fields and the necessity to have a trained personnel for the management of industries.

FISH PRODUCTION

Although the main element in the world agricultural situation today is the emergence of surpluses, as a result of the failure of consumption to keep pace with production, it is undeniable that world food production will have to be greatly stepped up if the potential demand in many underdeveloped parts of the world were to become effective. In any case, so far as India is concerned, the need for increasing food production is particularly urgent, in view of the fact that the higher incomes that will be generated by the second Plan would be largely absorbed by primary requirements, namely, food and cloth. It may be difficult for India to reach the new targets for foodgrains. But it should be less difficult to augment food production by raising that valuable adjunct to grains and pulses, fish. After all, from an acre of water may be raised almost as much food as from an acre of land. And it costs less to raise fish than to raise crops. Further, there is no fear of exhaustion of fish resources as there is of soil fertility. The sea and other water resources are almost inexhaustible. During the period of the first Plan, the output of fish is believed to have risen by 10 per cent. to an annual rate of 1.1 million tons. Obviously, it should be possible to raise this level still further. Viewed in this context it will not be difficult to appreciate the importance of the All-India Fisheries Conference covened at Madras by the Union Ministry of Agriculture.

Addressing the Conference, Dr. P. S. Deshmukh, Union Minister for Agriculture, revealed that, as against India's need for about 4 million tons of fish on the basis of nutritional standards, the current production amounted only to 1.1 million tons, thereby leaving a wide gap. The Government hopes that a 50 per cent. increase in fish production over a period of about 10 years is a task within the bounds of practical accomplishment. It is gratifying to note that, in conformity with this plan, the Union Government has provided about Rs. 4 crores for the central schemes and Rs. 8 crores for the State schemes in the second Plan, as against only Rs. 1 crore and Rs. 4.13 crores, respectively, provided in the first Plan. Again, while in the first Five-year Plan emphasis was laid on schemes for overcoming food shortages, the objective of the second Plan is to increase the *per capita* consumption of food. Also, it is proposed to ensure that the fishing industry develops on modern and scientific lines. By these means, it is estimated that fish production would go up to 1.4 million tons at the end of the second Plan, as against 1.1 million tons at the end of the first Plan period. The problem is being tackled from various angles like fisheries research and extension, improving conditions of fishing and fishermen, fish-production from inland waters and the sea, fish marketing and utilisation of fish resources.

The whole situation certainly calls for a concerted and co-ordinated effort on the part of all the interests concerned. As it is, except for Madras State, which has done commendable pioneering work over a number of years, fisheries development has been taken up in most parts of the country only in recent years. One of the principal difficulties in implementing the plans is the lack of adequate trained personnel at all levels. Efforts are being made to overcome this handicap by taking help from abroad. Dr. Deshmukh stated that "fairly generous assistance" had been received from foreign countries like the U.S.A., Norway and F.A.O. in the development of fisheries and marketing of fish.

Simultaneously with the schemes for increasing the production of fish, the necessity for improving the lot of the fishermen who are leading a hand-to-mouth existence deserves consideration. The vast majority of them depend on middlemen for meeting their domestic needs and securing their production requisites. Very often they are in debt and have to pledge their catch in advance. Mr. Sri Prakasa, the Madras Governor, therefore, rightly stressed that the Conference should not overlook the human aspect of the problem and should devote its attention to those who caught fish, braving the seas and the weather.

The various methods for increasing fish production, which were considered at the Conference, included development of inland fisheries, extension of the area and time of operations both within and outside the coastal belt by installing engines to boats and introducing more suitable types of mechanised craft, marketing and storage facilities and development of research. For the development of inland fisheries, efforts have been made in almost all States to introduce fish farming on a large-scale. A large variety of fish suitable for cultivation in ponds and other impounded waters are available in the country. Special studies are being made on these species at the Central Inland Fisheries Research Station at which is also arranging to supply fish seed to the deficit States. The large reservoirs which are being constructed in connection with the river valley projects, as well as the numerous village ponds and tanks, offer good scope for development of fisheries. For instance, the Mettur reservoir in Madras, it is stated, can now produce about 5 tons of fish per day. Similar work has been initiated or is being planned for a number of other reservoirs. In their plans, the States have provided about Rs. 5 crores for the further development of inland fisheries alone.

In sea-fishing, mechanisation of existing craft in Bombay has resulted in a three- or four-fold increase in catch. India has received much assistance from the F.A.O. experts and the Norwegian Foundation in the matter of designing improved types of boats and fishing from powered boats. By using such equipment, some maritime States are reported to have achieved satisfactory results. Exploratory fishing with trawlers, conducted by the Central Government from Bombay and by West Bengal Government from Calcutta, has given much-needed information on the fishing grounds and fishing season. It is now proposed to establish more such stations on both east and west coasts.

The problem of marketing of fish is a rather complicated one. Co-operative marketing has not made much progress on account of the poor financial condition of co-operative societies. Efforts are being made to organise multi-purpose co-operative societies for improving the socio-economic conditions of fishermen and assisting them to undertake co-operative fish marketing. Attention is being given to the needs of the industry for transport and storage facilities. Under the Indo-Norwegian Project co-operation programme, a fishing community development project has been established in Travancore-Cochin and is functioning successfully in improving the economic, health and sanitary conditions of the fishermen community in the project area. The Government is setting up a number of fishery training centres in the country to provide the necessary technical personnel for implementing the various activities.

The Madras Governor suggested that the method of "closed sea" by which years ago fishing was allowed only during particular seasons should be reintroduced so as to protect various species of fish. Deep sea fishing stations are now functioning on the west coast in Cochin, and on the east coast at Visakhapatnam. Research in fish technology is being carried on by the State Governments of Bombay, Madras, Orissa, Travancore-Cochin and West Bengal. It is proposed to establish a central fisheries technological research institute during the second Plan to carry out investigations into not only the various aspects of the industry but also the utilisation of fish and other marine products and for establishing commodity standards and grades for marketing and inspection. In this connection, the Conference did well to recommend the establishment of a Central Board of Fisheries, with a standing committee to increase and co-ordinate fisheries research and developmental action in the country.

INDIAN GOVERNMENT AUDIT

WHY AND WHAT FOR?

By K. Ramamurthi, M.A. (Econ.)

CERTAIN remarks of the former Union Finance Minister over the question of audit of the Life Insurance Corporation by the Comptroller and Auditor-General of India and some of the recent criticisms of the function of audit by the American Expert on Public Administration, Dr. Paul H. Appleby, have necessitated a careful re-appraisal of the role and functions of audit. Nobody can cavil at the latter's valuable suggestions to reform the Indian administrative structure, and they are really worth deep study and speedy implemention. It is difficult to disagree with the learned Doctor when he says that "there is no lack of idealism or great vision in India or its Government but far too much of the dynamism and imagination characterising the setting up of objectives is smothered in procedures dominated by small thinking. It is as it should be, as we have with relentless selectivity winnowed out the grain and retained the chaff only of the administrative procedures of the British regime. In keeping with the spirit of the times, the whole frame work, therefore, requires thorough overhauling and reorientation. In order to suit the socialistic pattern of society which we envisage, the complicated and differentiating rules and regulations should be drastically revised and simplified. It is heartening to find that this process is already under way. Apart from all these reforms the choice and training of the right type of men to man the administrative machinery is also paramount. That the right type of men cannot always be had through the medium of competitive examinations only is also an accepted fact in advanced countries.

As the Planning Commission have succinctly put it in their Second Five-fear Plan, "If the administrative machinery, both at the Centre and the State, did its work with efficiency and integrity and with a sence of urgency and purpose, the success of the Second Plan would be fully assured. Thus, in a very real sense, the Second Five-year Plan resolves itself into a series of well-defined administrative tasks." It is in this context that Dr. Appleby's suggestions are most valuable and interesting. "The extraordinary evasion of individual responsibility" and the "tempo in which a calendar has more relevance than a clock" should, of course, give place to a sense of urgency and greater individual responsibility for decisions and actions at all levels of administration.

Controversial Ground

But it is only in his appraisal of the functions of the Comptroller and Auditor General of India that Dr. Appleby treads a rather unfamiliar and a somewhat controversial ground. Anyone familiar with the nature, significance and achievements of audit in the past and the present would think twice before subscribing to the banal view that the function of audit is a strictly negative one. It is, of course, a fact that the Government audit is a financial audit and not an administrative audit and that audit criticism is limited to financial criticism based on the accounts. It is, however, the duty of audit to bring to notice wastefulness in public administration and infructuous expenditure. Dr. Appleby's view that "it is a necessary but a highly pedestrian function with a narrow perspective and very limited usefulness" cannot be substantiated. One has only to glance through the pages of Audit Reports on Appropriation Accounts to have an idea of the innumerable cases of misappropriation of public funds and infructuous expenditure reported by audit as a result of its findings. The maintenance of a high standard of public financial morality and sound financial administration has been the constant endeavour of audit all along. Such a view as that of Dr. Appleby does not envisage the fundamental object of an audit department which is to secure value for the tax-payers' money by seeing that expenditure is not irregularly and wastefully incurred. Anyone interested in productivity, that is, the best possible utilisation of resources cannot fail to appreciate the role of audit and to accord to it the position of honour and prestige it deserves. It is not, therefore, surprising that Parliament has attached due importance to the role of the Comptroller and Auditor-General of India and accorded to him the status of an independent constitutional authority.

If the work of enforcing economy is to be done with efficiency, human nature being what it is, it cannot be left to those whose power and reputation depend upon spending; it must be given to somebody else to do whose whole work it will be and whose power and reputation will depend upon his efficiency in economising. Hence the need for a division of functions and thus, out of the three agencies of financial control, audit functions in a dual role both on behalf of the Executive (Finance Ministry/Department) and on behalf of the Legislature/Parliament.

In spite of the fact that it has been saddled all along with the executive responsibility of keeping accounts in Civil and Posts and Telegraphs Departments, much has been done by audit to focus attention on possible sources of leakage of public funds and to pinpoint irregular practices. The role of audit has been the positive one of suggesting and helping to take corrective action in the light of past experience and not merely a negative or pedestrian one of watching the mere application of rules and

(*Continued on page 637*)

PLANNING COMMISSION PREOCCUPIED WITH PRODUCTION

FOOD AND COTTAGE INDUSTRIES FRONTS RECEIVING GREAT ATTENTION

By A Special Correspondent

NEW DELHI, *25th September*

DELHI LETTER

WHILE by and large greater importance has been given to the development of heavy industries in India during the second Five-year Plan, practical experience appears to have convinced the Planning Commission and other experts that they could not afford to ignore the food front. This is particularly so, when repeatedly the Prime Minister and other Ministers in the Central Government have emphasised the urgency of increasing the output of foodgrains by about 35 per cent. to 40 per cent. more in the coming five years. The Prime Minister has also made it perfectly clear that, in his opinion, if all the people co-operated, our present troubles would not be so serious and we could produce a large surplus quantity of food and other agricultural produce so as to pay for what we import from abroad. He has also said that, instead of paying *for* food, we should pay *in* food for the machines and other materials that we have to get from abroad.

Both in theory and practice, to quote the Prime Minister again, there appears to be not the slightest difficulty in increasing our agricultural production by 40 per cent. in the next five years, not by mechanised methods but by adopting simple things, with such things as better seeds, better manure, better implements, simple and better ploughs and all that and by paying a little more attention to some of the modern knowledge.

Shift in Emphasis

It appears that ever since this statement by the Prime Minister, the Planning Commission has been trying to shift the emphasis from one aspect of the Plan to another. While the Ministers in charge of Heavy Industries, Production, and Iron and Steel have begun to give more importance to the manufacture of plant and machinery and to the other vital industrial raw materials, the Planning Commission has been attempting to re-orient the developmental schemes, particularly in regard to small-scale and other industries. This aspect is becoming almost daily evident to the onlooker going around the offices of the Planning Commission. Since productivity has become the keynote of the Government's policy, the Government is anxious to bring about greater production as quickly as possible, in order to offset the deleterious effects of inflation. It is from this angle that the Prime Minister decided, only last week, to create a separate ministry to be in charge of Community Development Projects and National Development Schemes and to place the Ministry under the care of Mr. S. K. Dey. Mr. Dey has already won sufficient reputation and praise as an organiser and it is expected that the mantle of organising agricultural production and bringing about quick results will fall on him. As a matter of fact, Mr. Dey has already taken to himself this serious and difficult task. In case he is able to bring about the desired results, it will be another achievement to his credit.

Stress on Co-operatives

The present thoughts of the Planning Commission are revolving on the axis of Community Development Projects and National Development Schemes. The Commission now believes that, in any case, these Community Projects, if given further stimulus and encouragement, would be capable of yielding encouraging results in the not distant future. The scope of the Community Projects is being developed in such a way as to include in the schemes the development of agricultural projects, irrigation plans, cottage and small-scale industries, etc. The Commission hopes to generate much more local enthusiasm among the people, with a view to achieving greater results, particularly in the development of small-scale industries, through the system of industrial co-operatives and expansion of irrigation schemes, through community labour and Governmental assistance and guidance. As a matter of fact, the Prime Minister has mentioned the urgent need for developing co-operatives, particularly agrarian co-operatives.

As days pass by, it appears that conviction is growing with the Government to the effect that small and medium irrigation schemes are capable of giving greater and quicker results than many of the grandiose multi-purpose projects. For instance, during the first Five-year Plan period, the additional area irrigated by major and medium irrigation works is put at 6.3 million acres, whereas the area irrigated from all sources in 1950-51 was 51.5 million acres. An addition of 10 million acres is estimated to be irrigated from minor irrigation works alone during the first Plan. Thus, it is felt that, whereas the major and medium irrigation projects during the first Plan were able to bring only 6.3 million acres under irrigation, the minor irrigation projects alone were able to achieve greater credit to the extent of bringing under irrigation nearly 10 million acres. In terms of expenditure also, the first Plan provided for seven irrigation projects costing more than Rs. 30 crores; six irrigation projects costing between Rs. 10 crores and Rs. 30 crores; four costing between Rs. 5 crores and Rs. 10 crores; and 50 costing between Rs. 1 crore to Rs. 5 crores each. All these were major and medium irrigation projects, while there were 200 minor irrigation projects, which together cost them a little less than Rs. 1 crore. Still what has been the result? The achievement of the minor irrigation projects has been telling. Therefore, the Planning Commission has gradually come round to the view that there is great need for a careful balance between the major and the minor irrigation schemes, which are both complementary in character and scope.

Now that the Government of India wants to increase agricultural production by 35 to 40 per cent., the Planning Commission has directed all the State Governments to give greater emphasis to the medium and minor irrigation schemes. With a smaller expenditure, the Government hopes to bring a larger area under irrigation. At the same time, it believes that these schemes can also generate greater local enthusiasm among the people, who will no doubt be asked to co-operate with Government officials for achieving greater and quicker results. In these respects, the Government feels that Community Projects and National Development schemes, if expanded to wider areas and given proper guidance and direction, will be able to show impressive results during the coming years.

The necessity for augmenting production has become an unavoidable feature with the Government and this is being reflected not only in the agricultural sector but in the industrial sector as well. In the Agricultural sector, for instance, besides increasing production of foodgrains, the Government is now compelled to have a greater output of raw cotton. Now that the Government's target of textile production is being stepped up by another 1,000 million yards, the necessity for increasing raw cotton production to about 65 lakh bales has become imperative. Since certain Government spokesmen have been trying to impress upon the public by saying that production of yarn by Ambar Charka will increase considerably, they have to make available larger stocks of staple cotton for several cottage industries projects also.

Cottage and Small Industries

With a view to giving a fillip to small-scale industries, the Government has decided to set up near Delhi a workshop for the manufacture of quality machine tools designed for use by small-scale industries. The West German Government has offered to assist the Government of India in this respect both by giving equipment and by supplying necessary technical personnel to operate the workshop. This decision, it is gathered, has been taken by the Government, because of the recent trends of marked shortages of certain consumer goods and the consequent perils of inflation. Plans are also under way for training 200 officers in service institutes to be built by Government. As many as 40 foreign experts will be recruited as part of the drive to secure an adequate number of technical personnel. These small-scale industries, it has been planned, would be distributed in different regions which provide special facilities for particular type of industries. As many as 30 extension service centres are expected to benefit by this arrangement. These extension service centres alone would cost the Government nearly Rs. 91 lakhs.

Although the Government has earmarked about Rs. 200 crores to be spent on cottage industries in the coming five years and the Prime Minister has stated that cottage industries should be located with increased amounts in case they showed greater absorbable capacity during the Plan period, the present indications are that there is not much possibility for the enlargement of this sector of the industry. As a matter of fact, doubts are being expressed in informed official circles as to whether this sector of industries will be able to absorb even the allotted modest figure of Rs. 200 crores. Nevertheless, the Government is anxious to give a fillip to the development of cottage industries in almost all the States.

It is a well-known fact that the Punjab has already earned great reputation through the development of cottage industries during the last few years. The causes for this might be many; but it must be mentioned here that the refugees have displayed a remarkable zeal and adaptation to set up well-sized cottage industries with small beginnings. It is this sort of zeal and enthusiasm which the Government wants to see spreading to other States. Already, the spokesmen of small-scale industries have been impressing upon the Directors of Cottage and Small-scale Industries of the States that they should show greater initiative and encourage the local people to take up to the development of these industries.



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ECONOMIC IMPLICATIONS OF USING THE CAPE ROUTE

ADVERSE EFFECT ON EASTERN NATIONS' DEVELOPMENT PLANS

By Patrick Seale

THE Suez Canal crisis is at its peak. Decisions taken in the next few days may vitally affect not only the future of the waterway, but also the rate of economic development of much of the Middle East and Asia. A vast change in the pattern of world trade and communications is being planned which would mean at least a slow death for Egypt's canal zone—now the country's most prosperous area—a sharp fall in revenue for the Middle Eastern oil-producing countries, and a severe dislocation of the industrial plans of India, Pakistan, and Ceylon.

The issues are clear-cut. President Nasser has not budged from his thesis that the management and control of the Suez Canal must be his alone. Faced with this display of cutdated nationalism, the traditional users of the canal are unwilling to trust their vital trade to Colonel Nasser's political good faith and managerial competence. They have, therefore, made plans which, at substantial short-term cost to themselves, will at least free them from Egyptian pressure.

President Nasser has fatally underestimated two factors. The first is the importance of establishing a basis of confidence if economic collaboration is to be successful. The second is the great ingenuity and flexibility of the Western industrial and trading machine in adapting itself to outside dangers.

In the last few weeks, evidence of this flexibility has been reported almost daily, and plans to by-pass the Suez Canal in favour of the route round the Cape of Good Hope have been gathering momentum. Committees in Europe and America have made detailed arrangements to divert Western Hemisphere oil to Europe should a drop in Middle Eastern supplies follow a boycott of the canal. Washington estimates that U.S. surplus oil capacity could easily meet these needs. Some 26 U.S. reserve-fleet tankers could be brought into transatlantic service.

Construction of supertankers—too large for the canal, in any case, and capable of rounding the Cape economically—has been given greater urgency. The latest reports suggest the U.S. Government would contemplate subsidising the building of giant tankers. Already some 300 such tankers are under construction in world shipyards. Britain is giving active attention to a £13,000,000 plan to build at Milford Haven, Wales, a terminal capable of accommodating such giants.

Meanwhile, atomic-power plans are to be speeded to relieve undue dependence upon oil. Arrangements for the provisioning, bunkering, and watering of ships diverted round the Cape are being finalised. Plans to provide more bunkering points in Durban harbour have been put into operation. Dakar, in French West Africa—claiming 30 berthing-places—has been reminding transit ships that it is one of the cheapest refuelling ports, because of low freight charges, for carrying oil from the refineries of Curacao, in the Caribbean. But what of the effect of these changes on Egypt's Middle Eastern and Asian friends? Excepting Egypt herself, it is for these countries that the Suez crisis carries most menace.

Cargoes to India

Almost half the southbound cargoes through the Suez in 1955 consisted of machinery and manufactured metals. India, Pakistan, Burma, and Ceylon received by that route 1,250,000 tons of machinery and metal manufactures. Almost 700,000 tons went to South-East Asia, and a slightly smaller amount to the Persian Gulf States. Other southbound cargoes included 2,500,000 tons of fertiliser—largely destined for Asian agricultural programmes.

India's second Five-year Plan, now in its early stages, is threatened with dislocation, if ships carrying vital industrial machinery for her are forced round the Cape. More than 65 per cent. of India's foreign trade passes through the canal, as opposed to only 18 per cent. of Britain's. The important point is that only a fraction of India's trade is carried in Indian ships. Foreign tonnage is mainly provided by British, Norwegian, Dutch, Japanese, and the U.S. shipping lines.

Reports from India estimate that about 90 per cent. of industrial equipment, steel plant, and other basic accessories for her second Five-year Plan is yet to be shipped. In the short term, the port of Bombay and the Indian economy are likely to suffer a severe damage through rise in freight rates, delay in the dispatch and delivery of foreign mail, and dislocation of passenger traffic due to vessels making transhipment at Colombo.

All these factors apply equally to the neighbouring countries. Passengers to the Far East will be hit by the 25 per cent. surcharge that the P. & O. line has just introduced as a result of the Cape diversion, while Colombo port itself will lose an estimated £10,000 of business for every large liner that by-passes it on its Cape route to Australia.

Strain on Egypt's Economy

But, of course, the port to suffer most will be Port Said. Once one of the busiest harbours in the world and the subject of ambitious development plans by the Egyptian Government, Port Said is now threatened with decline. Not only are local business men, shipping agents, and suppliers faced with bankruptcy, but the major effect of the U.S. support for the proposed canal users' association will be to deny Egypt the dollars now being paid to her "under protest" as canal dues. Without this source of hard currency—and denied the use of sterling—Egypt's slender reserves will be under great strain.

Apart from countries dependent for development and trade on Western equipment and shipping, the main victims of President Nasser's intransigence will be the Middle East oil producers. The Cape route could carry less than half as much oil as the canal has been carrying. The U.S. oil producers are eager to make up this difference. The net result would be a cut in Middle Eastern output. It is estimated that there would be a drop of nearly one-third in total Middle Eastern oil output and royalties, and of about half in those fields that depend most on the canal outlet.

Support to President Nasser is liable to prove very expensive to the Middle East, when it is realised that the total oil revenues of the Arab States last year exceeded $1,000 million, of which about $880,000,000 went in direct payments to Governments. But more important even than the short-term loss of income for the Arab Governments is the loss of confidence which President Nasser's policy has had on the investing public the world over. The victims of this policy are the underdeveloped countries—Egypt prominent among them—who must depend on foreign capital for their development for many years ahead.

Experts of the European Coal-Steel Community have declared that an interruption in the Suez Canal traffic need not cause an oil shortage in Western Europe. A study released by the Community's High Authority said that, if the Canal were closed, West Europe's oil needs could be met by (1) re-routing 20 million tons a year from West Asia round South Africa, (2) increasing imports from North America and Venezuela by 30 to 40 million tons a year and (3) using existing pipelines from West Asia to the Mediterranean. Already 40 million tons of oil by-pass the Suez Canal through pipelines every year. The experts said, however, that tankers now held in mothball reserve in the United States might have to be recommissioned to ensure additional shipments from the United States and Venezuela.

If pilot-scale operations, now under way, are successful, a culture pearl industry will soon be established in north-west Australia which will, it is expected, earn substantial amounts of dollars. The project is jointly sponsored by Australian, American and Japanese interests, and a culture farm has been established on the south-east coast of Augustus Island, about 200 miles north of the port of Broome, Western Australia. A Japanese firm, the Nippon Pearl Company Ltd. of Tokyo, will provide about half the capital, specialists, and a specially designed vessel to transport live oyster shell from Australian luggers to the culture farm. The bulk of the culture pearls will be exported to the United States.

THE SKELETON IN THE CUPBOARD

From Our Own Correspondent

LONDON, *22nd September*

LONDON LETTER

MR. Macmillan's visit to New York for the meeting of the World Bank and the International Monetary Fund has inevitably started up again whispers of devaluation. And the fact that the New York meeting is to be followed by one of the Commonwealth Finance Ministers in London will add savour to the talk! Fingers are being pointed at the August gold loss—admittedly largely the result of Suez—and the likely affect on this country's invisible payments of greatly increased shipping charges if much traffic has to be diverted round the Cape. Although the Chancellor declared in a speech to his Constituents this week that "after all we are not doing so badly with our present mixture of controls and freedom," this is not likely to still suspicions and may be rather taken as indicative of the Chancellor's blindness to the hidden crisis.

As over the Suez, so over the attitude to Labour, Government supporters are divided. There are the hard-headed men who say that the dismissals of men in the engineering and allied industries for the first time since the war, are going to give employers the whip hand again to talk back to the Trade Unions if there are any further demands for wage increases. But the Chancellor himself is not of this persuasion, as evidenced by the conciliatory tones he is at present using in a forlorn attempt to woo back his wandering Trade Union flock. He is calling out to them that, in spite of the hot temper of Brighton, really he and the Trade Unions all want the same things. What we wanted, he said, was surely "a free economy sensibly operated and subjected to the minimum amount of control." This is certainly what Mr. Macmillan has wanted but what does it mean? Mr. Macmillan thinks that it may mean some control over building (strange talk this from the man who boasted he would achieve 300,000 houses a year and did it by removing controls on building) and some more on imports. But his heart is not even in these two sops. He is not convinced that building controls will do any good and he is afraid that import controls may cause more unemployment than they prevent by robbing industry of essential materials.

He barely referred to his famous monetary controls—has he lost faith in them?—but he made it clear that his real belief lies in the restraint of wage claims. In a telling sentence he pointed out that, since 1945, production has increased only about 30 per cent. while money incomes had gone up by about 90 per cent. That was the explanation of the rise in prices and of inflation. But, in his view, wage earners had had the best out of this development, since, in the last five years alone, workers' money incomes had gone up by about 45 per cent. while prices had increased about 25 per cent. He calculated that wage earners had accordingly received a net gain in real wages of 15 per cent. in five years. The Chancellor argues that it is common ground with him and the Trade Unions that increased prosperity can only come about through increased production.

The Chancellor is not prepared to do more than let things take their course, maintaining his credit squeeze and may be, in due time, paying lip service to the ideas of some controls over inessential building and inessential imports. It has even been suggested that he will look again at the idea of a capital gains tax and may even make some further attack on business expenses. But what his opponents consider necessary are physical controls to force investment into the export industries and away from inessentials. All this is regarded as too drastic by Mr. Macmillan—if only the workers are sensible about wages everything will be all right. He has misread the lesson of Brighton, when the Trade Unions have, for the first time since the Conservative Government took office, turned their backs on co-operation with that Government. The Trade Unions want tough measures that attack speculative gains whether in the commodity markets or on the Stock Exchange. They want measures that hurt non-Trade Unionists as much as the Trade Unionists—then and then only will they accept wage restraint. It remains to be seen whether the results of the Chancellor's two forthcoming Conferences will force him to do something about his skeleton in the cupboard.—*All Rights Reserved.*

WORLD BANK COMPLETES TEN YEARS

RECORD NET INCOME IN 1955-56

THE year ended 30th June 1956, marks an important landmark in the history of the International Bank for Reconstruction and Development, familiarly known as the World Bank, in that it marks the completion of not only another year of successful operations but also the first decade of the Bank's very useful service. As if in commemoration of the occasion, the Bank earned a record net income of $29.2 million for the year, in which its activities were further extended. The number of countries and territories which received loan assistance from the Bank increased from 14 (in the previous year) to 20 and the number of loans from 20 to 26, although the amount of loans granted was slightly lower at $396 million, as against $410 million in 1954-55. Its membership advanced from 56 to 58, following the admission of Afghanistan and Korea to its fold. Consequently, the subscribed capital also rose from $9,028 million to $9,050.5 million.

In establishing its position in international finance and widening the scope of its activities, as the Directors point out in their report, the Bank has been greatly helped by the striking improvements which have taken place in the general economic environment. During the year under review, there were signs of a slight slackening in economic growth in the second six months; nevertheless, over the world as a whole, more people enjoyed more real wealth during the year than at any previous time in history.

As stated earlier, the Bank granted during the year ended 30th June last 26 loans to 20 countries and territories for an aggregate sum of $396 million, bringing the total loan commitments since the commencement of operations in 1946 to $2,720 million in 42 countries. The notable features of the Bank's lending operations during the year were: (1) there was increased activity in Asia, where the total amount lent was $166 million; (2) the size of individual projects assisted was larger than in the previous year; and (3)the Bank supported to a greater extent development programmes than single projects.

Six New Borrowers

Of the 20 countries and territories to which loans were granted during the year, six were new borrowers—Algeria, Burma, Guatemala, Haiti, Honduras and Lebanon. Seventy per cent. of the year's lending was for the development of electric power and transportation, and the remainder for industry and agriculture.

A total of $175 million was lent for electric power projects which will add more than a million kilowatts to generating capacity in eight countries. The largest of these was for the Kariba Gorge project in the Federation of Rhodesia and Nyasaland, where the Bank loan was $80 million, the largest yet made for a single project. The seven other power loans were in Algeria, Lebanon, Finland, Norway, Ecuador, Nicaragua and Uruguay.

Loans for transport improvements—roads, railroads and ports—amounted to $127 million, of which $52 million was lent for roads in Colombia, Guatemala, Haiti, Honduras, Panama and Peru. Loans granted for roads were mainly for the purpose of maintenance; for the Bank believes that "it can often contribute most effectively to economic growth in underdeveloped countries by first assisting in the establishment, equipment and training of efficient road maintenance services, rather than by financing new construction." Three loans aggregating $43 million were made for railway improvements in Thailand, Burma and South Africa, and three loans for a total sum of $32 million for improvement or reconstruction of the main ports of Pakistan, Burma and Nicaragua.

A total of $93 million was lent for industry in India, Japan and Pakistan. Included in this amount was a $75 million loan to the Tata Iron and Steel Co., Ltd. of India, the largest loan the Bank has ever made for industry and the largest to an Asian country. Several of Japan's key industries were assisted by the Bank with loans for their modernisation programmes, and, in Pakistan, the industrial loan was made to a pulp and paper mill which uses local bamboo as its raw material.

A part of the $27 million-loan for a multipurpose project in Lebanon was allocated for the construction of irrigation works which will permit the development of agriculture along the coast, and a $1.5 million loan was made in Nicaragua for the purchase of agricultural equipment and materials.

The Bank's net income for the year was the highest yet recorded; it amounted to $29.2 million, as compared with $24.7 million in the preceding year. The total reserves rose to $228 million as at the end of the year. Repayments of loan principal, including some payments made in advance, amounted to over $48 million during the year. These included both payments to the Bank and to investors who had purchased parts of loans from the Bank's portfolio. Disbursements on loans were $284 million, a slight rise over last year, bringing total disbursements to $1,964 million. About 40 per cent. of the year's expenditures were in Europe, 50 per cent. in the United States and the remainder in Canada and other countries.

Total additions to lendable funds amounted to $253 million; of this amount, $129 million was made available by member countries in new releases for lending from their subscriptions to the Bank's capital, an amount three times larger than was released last year. The Bank's annual report emphasises the need for further unrestricted releases of these subscriptions.

Another important source of loan funds was the sale of parts of the Bank's loans to banks and other investors. While this year's total of $72 million fell below last year's record figure of $99 million, because of tighter market conditions, there was a larger number of participations in loans at the time they were made. These participations contributed $14 million toward total sales and occurred in 18 of the 26 loans made during the year. The Report points out that investors outside the United States have become increasingly interested in the purchase of parts of Bank loans, which now aggregate $276 million; 57 per cent. has been purchased by investors outside the United States, as compared with 43 per cent. by United States investors.

The Bank interest charges are based upon the estimated cost of borrowing by the Bank at the time a loan is made. The general rise in money rates in the world's major capital markets, therefore, led to increases in the Bank's interest charges toward the end of the fiscal year, returning them to the level of late 1953. Interest on long-term loans rose to 5 per cent., an increase of ¼ per cent.; on shorter-term loans, the increases were between ¼ per cent. and ½ per cent. Corresponding changes were made in the prices at which the Bank sold loans from its portfolio.

The Report cites illustrative examples of progress made during the year by the Bank's borrowers in carrying forward projects and programmes financed by loans made in previous years. A 200-mile rail link was completed to provide a land-locked area of the Federation of Rhodesia and Nyasaland with a new outlet to the sea, thus expediting foreign trade. About half the Federation's copper exports already are being carried on the new rail connection. The French West Africa was receiving final deliveries of diesel locomotives which are replacing steam locomotives and reducing operating costs by about $4,500 per locomotive per month. The main construction works were completed during the year of a barrage and navigation lock on the Chao Phya, Thailand's major river artery. This project will eventually provide irrigation for about 2¼ million acres of land. The first natural gas pipe line in South Asia came into operation in West Pakistan. The gas is now being delivered from the Sui gas field to industrial consumers in the Karachi area, 350 miles to the south, and consumption is rising. This new source of energy is of particular importance to Pakistan, which had been dependent almost entirely on imported fuels. In Iraq, a barrage across the Tigris River was completed in time to prevent flood damage to Baghdad and the surrounding area during the season of high water in the spring of 1956. The Bank's loan for this project was repaid early in 1955, in advance of the due date. In Belgium, the Baudouin Lock, at the approaches to Antwerp, was completed. It can handle four 10,000-ton vessels at a time and has eliminated costly delays to shipping using the port. The construction of a network of good primary roads in Nicaragua is now nearing completion. The opening of a new road link has already reduced by three-quarters the cost of transporting coffee to the Matagalpa market from the surrounding hills. In Peru, new grain handling and storage equipment came into operation in the Port of Callao. This completed a modernisation programme which has made Callao one of the most efficient ports in Latin America.

Advisory Services

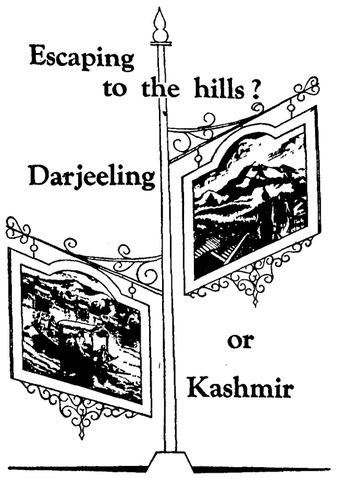
During the year, the Bank continued its advisory services to member countries, chiefly by means of advisory missions on particular aspects of development. The Bank also stationed resident representatives in several countries, and helped other member countries to obtain specialists for economic development work.

In its discussion of the technical assistance activities of the Bank, the Report states that the effectiveness of the Bank's general survey missions, now fourteen in all, is becoming more apparent. While total results cannot be assessed, a number of specific accomplishments can be attributed in whole or in part to the work of the missions, such as the highway programmes in Colombia and Honduras, railway rehabilitation in Jamaica, the passage of income-tax legislation in Nicaragua, changes in the education programme in Malaya, the reorganisation of development institutions in Nigeria, the preparation of a five-year investment programme in Guatemala and the reorganisation of public debt administration in Syria. According to the Report, one of the most important results of the general survey missions is the influence they have exerted in favour of a co-ordinated, long-term approach to development problems.

The Economic Development Institute, sponsored by the Bank with the financial support of the Ford and the Rockefeller Foundations, held its first six months' course during the year. The Institute aims at contributing to an improvement of the quality of economic management in Government by gathering together selected groups of officials from less developed countries for each course of Seminars. The first course was attended by 14 senior economic officials from as many member countries or territories in Latin America, Asia, Africa and Europe. The second course, with about 20 participants, will begin next month in Washington.

The International Bank for Reconstruction and Development has granted a loan of $3 million to the Central Bank of Costa Rica. The loan is for a term of seven years and bears interest at 4¾ per cent., including the statutory commission of 1 per cent. Amortisation of the loan will begin on 1st October 1958.

The loan is the first one to be granted by the Bank to Costa Rica and is guaranteed by the Government of that country. It will be utilised by the Central Bank of Costa Rica for granting loans for the development of agriculture and light industry. The Chemical Corn Exchange Bank of New York is participating in the loan without the World Bank's guarantee, to the extent of $366,000 representing the first maturity and half of the second maturity which fall due on 1st October 1958 and 1st April 1959, respectively.



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WORLD PAYMENTS DEVELOPMENTS

I.M.F. REPORTS IMPROVEMENT

THE Annual Report of the International Monetary Fund for the year ended 30th April 1956, reports continued improvement in the international payments situation. Progress in extending multilateral trade has been maintained by further relaxation of restrictions, increased transferability of important currencies and lessening resort to discrimination to correct adverse balance of trade. These favourable developments have taken place in the context of increased industrial production and trade which have by now recovered from the dislocation caused by the Second War. For many agricultural products, the problem during the year under review was one of surpluses, not of shortages. This increased economic activity was accompanied by strong inflationary pressures in many countries, not all of which have been able to keep these pressures under check. The early post-war reluctance of Governments to take preventive or corrective internal measures has partly died down; there has been a gradual awareness of the utility of flexible monetary and fiscal policies.

Three important facts must be taken into account while assessing future developments in the field of international payments. First, the external expenditure of the U.S. Government, which has, in recent years, tended to become more stable, still remains the main prop to the improvement in the world balance of payments position. Since 1950, the U.S. Government expenditure abroad has provided nearly twenty-five per cent. of the dollars available to the world; in 1955 alone the U.S. Government spent $4.8 billion abroad. While one need not fear drastic changes in the U.S. aid programme in the near future, it would be dangerous to other countries to base their foreign trade policy decisions on the assumption of an uninterrupted flow of such aid.

Secondly, the export earnings of countries mainly exporting primary commodities have been subject to wide variations and these countries ran into balance of payments difficulties in 1955. They have to strike a balance between the need for building up external reserves and the need for accelerating economic development by utilising a larger proportion of such reserves.

Agricultural Surpluses

Thirdly, there is the problem of agricultural surpluses created, partly at least, by policies designed to give support to farm prices. The policy of the U.S., in particular, is of great consequence to other countries who may, on the one hand, be benefited by the sale or grant of these surpluses by the U.S. for development projects, and, on the other, may be hit by the loss of their own export markets or by fall in the prices. The general policy of the U.S. Government has, however, been to consider the interests of other countries before disposing of agricultural surplus.

World industrial production outside the Soviet area rose by 10 per cent. in 1955. This increase was the net result of different rates of increase in different countries. In the U.S.A., for instance production rose by 11 per cent., while the U.K. registered a rise of just 9 per cent. The change in relation to 1953 would, however, be more favourable to the U.K. Referring to this development the I.M.F. Report says:

"The expansion was made possible not only by an increase in employment, which set the stage for substantial wage increases, but also by an increase in productivity, which helped to moderate the effect of these increases on prices. In the United States, output was recovering from the level to which it had been reduced by the 1953-54 recession and the recovery was relatively unhampered by supply difficulties. In Western Europe, the expansion was a continuation of an already flourishing boom, and in several sectors tended to come up against limitations of productive capacity necessitating greater reliance on imports."

There was also considerable expansion both in the volume and the value of world trade. The volume of imports of industrial countries as a whole rose by over 12 per cent. The high degree of demand pressure and the lessening severity of import restrictions in the O.E.E.C. countries were responsible for a higher rise—14 per cent.—in their imports than in those of the U.S.A., where with a slower rise in demand and a larger part of it being met internally, the imports rose by just about 10 per cent. over the previous year.

Two important features distinguished the foreign trade of the industrial countries during 1955. First, this was a period of rising production and incomes; therefore imports of manufactures rose more sharply than imports of other commodities. Secondly, there was a tendency among the industrial countries to trade among themselves in semi-manufactures and foodstuffs, thereby reducing the share of the primary producing countries in world trade. Since 1953, the tendency of exports of industrial countries to rise more sharply than those of primary countries has been accentuated. Expansion of agricultural production in industrial countries is an important contributing factor towards this phenomenon. Other factors like substitution of synthetic for primary raw materials and the declining importance of food in total consumption have also contributed to this phenomenon.

Exports and imports of primary producing countries as a whole increased by 6-7 per cent., though this increase was unevenly distributed among different countries of the group. Commenting on the gains of trade, the I.M.F. Report states that, with the rise in world demand during the year, the export proceeds of the countries exporting tropical foodstuffs actually declined, while those of countries exporting other agricultural products increased only slightly. Oil producing countries and countries of diversified exports, exported roughly in proportion to world industrial production and world trade, while countries exporting rubber and non-ferrous metal increased exports at a rate greater than that of any but the most exceptional industrial countries.

Thanks to the "thaw" in the cold war, trade between the U.S.S.R. and its satellite countries, on the one hand, and the rest of the world, on the other, expanded considerably during the year under review, though much of such trade took place within the framework of bilateral arrangements. Exports of the Soviet area rose by 25 per cent. and imports by 10 per cent., which rate resembles the rate of growth of trade of industrial countries rather than of primary countries. Trade of the Soviet area with the primary producing countries did not register any significant change, the major part of the increased trade being with industrial Western Europe.

Reporting on the broad trends of exports of industrial countries, the I.M.F. Report says:

"There were large changes from 1954 to 1955 in the relative positions in world markets of the main countries exporting manufactured products, and in their competitiveness. There appears to have been a broad, though far from perfect, inverse correlation between changes in the shares of these countries in the total exports of important industrial countries, and changes in their relative export prices. In certain countries, demand factors or elements of competitive strength other than price appear to have exerted some influence."

Balance of Payments

An increase of $1.7 billion in gold and dollar reserves outside the U.S.A. and Soviet area, expanding payments surplus of Continental Europe, a decrease in reserves of the United Kingdom and a deteriorating balance of payments position of primary producing countries—these were the broad developments in the world payments situation during 1955. The rise in gold and dollar reserves was not so much due to the rest of the world's payments surplus with the United States as due to other factors such as more current production and private dishoarding of gold. In fact, there was a decline in the rest of the world's payments surplus with the United States during the year under review, thanks to the greater rise in output and income elsewhere than in the United States.

A widespread decline in the severity of dollar restrictions did not result in the expansion of U.S. exports, probably because of the growth of the fundamental competitive strength of other industrial countries *vis-a-vis* the United States. The I.M.F. points out:

"The answer to the question whether a 'dollar problem' may be said to have persisted in 1955 is, to a large extent, a matter of definition. The increase of $1.2 billion in 1955 in the gold and dollar holdings of other countries as a result of transactions with the United States falls short of the sums provided by the U.S. Government to the rest of the world by way of grants ($1.9 billion) and loans ($0.7 billion). Probably, however, only a small proportion of these sums is of the nature of balance of payments assistance and, while some of the remainder may also be temporary, an abrupt decline in the aggregate amount received by the rest of the world as a whole is probably not to be expected. Moreover, a reduction of some of the U.S. special payments to other countries might involve a more or less corresponding reduction of their imports. On the other hand, discriminatory restrictions maintained, though in greatly reduced intensity, on dollar imports probably still have a considerable effect upon U.S. transactions with the rest of the world, the magnitude of which cannot, however, be precisely estimated."

The balance of payments position of the O.E.E.C. countries and Japan showed substantial improvement; but the deterioration in that of United Kingdom exceeded this improvement, resulting in little change of the aggregate position of industrial countries. The mounting surplus of W. Germany in 1953 had threatened the payments position of other countries; in 1955, however, this threat receded, as W. Germany's surplus declined due to increased imports.

The U.K. imports rose more than its exports resulting in the depletion of reserves. In addition to the high demand pressure, flight from sterling due to a temporary loss of confidence contributed to the difficulties of the United Kingdom which were partly offset by a sharp decline in the net capital outflow. That could hardly relieve the pressure on the U.K. reserves as such movement took place mainly within the sterling area itself.

Actually the experience in 1955 showed that capital movements could not be relied upon to mitigate short-term disequilibria in international payments. Differences in interest rates created by the U.K.'s dear money policy did not induce a significant inflow of funds, the inflow being perhaps determined by consideration of exchange risk, besides that of profitability. Canada's relation with the U.S. was of the reverse order, because of the absence of exchange risks. Easy credit conditions prevailing in Canada tended to reduce capital imports from the U.S., where credit policy was firmer. In the second half of the year, Canada also tightened its credit policy, allowing an inflow of funds which prevented the exchange rate from declining further from the low level to which it had been brought earlier.

Corrective Measures

Corrective measures varied according to whether the countries were in deficit or surplus. The former category of countries increasingly used internal and external financial policies in preference to commercial or exchange restrictions. Countries like France and W. Germany, which had surplus accounts, liberalised their imports; besides W. Germany also allowed some degree of monetary expansion. The U.S.A. continued to spend abroad on Government account to offset surpluses on private account.

The primary producing countries were, however, not in a position to use disinflationary policies to offset payments deficit; and there was also disinclination to use import restrictions. Reliance was rather placed on changes in exchange structure or customs duties, only occasionally accompanied by changes in internal monetary policies. Where chronic inflation had led to highly over-valued currencies, resort was taken to devaluation as in Argentina or to flexible exchange rates as in Chile.

Prospects

Prospects for the balance of payments of non-dollar industrial countries depend in the main on two factors—on how far they will be able to keep inflationary pressures within their boundaries under check and how far the U.S. will continue on the tide of boom and, secondly, on the steadiness, if not on the increase, of U.S. Government expenditure abroad. On balance, the I.M.F. feels that, except the U.K., the industrial countries will be able to avoid any substantial deterioration in their payments position.

There will, however, be a slackening in the rate of growth of output and income in these countries which will adversely affect the prices of primary commodities. There is also little reason to expect any general support for primary product prices from an acceleration of inventory accumulation. But there is a likelihood of the supply of some foodstuffs and raw materials increasing.

It is in a situation of this kind that the Fund will continue to strive for a fully multilateral system. The convertibility of sterling is, of course, the key to such a system. The setback received by sterling during the year has made the prospects of convertibility remote. The Fund, therefore, urges its members to diminish the use of restrictive and discriminatory practices, and offers its resources to the membernations for moving towards convertibility or overcoming temporary payments difficulties.

Discussing at some length the balance of payments prospects the Report observes:

"The following considerations suggest that, in looking to the future, a broad distinction should be

(*Continued on page 647*)

UNIFORM STANDARD CONTRACT FOR CLOTH EXPORTS

ALL SALES OF PIECEGOODS BY MILLS TO SHIPPERS COVERED

WITH effect from 1st October next, all exports of cotton textiles manufactured by mills in India will conform to a new uniform standard contract, prepared by the Cotton Textiles Export Promotion Council. The Government of India's acceptance of this Contract was announced by the Textile Commissioner on the 11th inst. The Contract will be applicable to sales of piecegoods for export between mills and the exporters buying for export. Any agreement entered into in accordance with the terms of the Contract shall be binding on buyers and sellers, subject to such requirements as are agreed upon and such variations as become obligatory.

The successful formulation of the aforesaid Standard Contract for export may be said to terminate a long-drawn-out controversy over the issue between millowners and exporters. There have been serious differences of opinion with regard to the nature and content of a contract governing sales of textiles by mills to shippers. It will be recalled that, after considerable deliberation by the Millowners' Association, Bombay, a standard contract form was finally evolved in February 1951. The form, together with the set of special arbitration rules in regard to disputes, was subsequently revised as a result of certain suggestions received from the export trade. The revised form underwent further modifications. Despite these modifications, the form was not found acceptable to all the exporters, many of whom felt that complaints from buyers abroad could not be met and solved satisfactorily on the basis of that Contract. The All-India Exporters' Association, Bombay, prepared its own draft contract for export on the basis of the Millowners' Association's contract. This, however, was not accepted by the millowners.

In view of the lack of agreement over the standard contract for textile export thus, Mr. T. T. Krishnamachari, the then Union Minister for Commerce and Industry, had, on more than one occasion, declared that, if the parties were to fail to come to an agreement, the Government would itself take up the question of evolving a contract. The Cotton Textiles Export Promotion Council appointed a sub-committee to go into the question and prepare a standard contract form which would be acceptable to mills and exporters alike. The Contract which will be enforced with effect from 1st October next has been evolved by this sub-committee.

The Standard Contract stipulates that the quality of cloth should be in accordance with the signed basis sample which the seller is required to supply to the buyer; the minimum number of samples for each consignment is fixed at one full width half-yard sample for five bales of grey cloth; one full width half-yard sample for five bales of coarse, medium and fine bleached dyed printed and fancy goods; one half-yard sample for every two bales of superfine goods. The seller's export packing shall be according to the Textile Commissioner's existing notification. The responsibility for all risks arising from the seller using any labels, trade marks, trade numbers, etc., supplied or indicated or desired by the buyer rests entirely on the buyer. Unless otherwise stated, the price quoted in the Contract is exclusive of all taxes—sales, export, excise, etc.

Future Delivery

In the case of textiles sold for future delivery, the period of which extends to two months or more, the Standard Contract has laid down certain conditions. Thus, the seller shall supply the textiles in approximately equal lots per month and the buyer shall, before the end of each calendar month, take delivery, of, and pay for in cash against delivery, as many bales approximating to the quantity specified in the Contract as shall have been made ready during that month; there shall be one delivery in a month. Further, the textiles will be deliverable in equal monthly lots; the seller shall deliver at least 75 per cent. of the equal lot every month but shall be bound to supply, in the last month of the stipulated delivery period, all the bales under the Contract then remaining undelivered. The buyer shall give complete stamping and packing instructions, if any, at least one calendar month before the due date of the first delivery against this Contract.

The Contract provides that, in the event of default in payment and delivery by the buyer, the seller may refuse to make any further delivery. If, on the other hand, the seller fails to effect delivery against payment already made, the buyer may refuse to make further payment against this Contract. As and when textiles are ready for delivery in accordance with the provisions of the Contract, the seller is required to notify the buyer in writing the number and particulars of the bales ready for delivery and the buyers shall take delivery of the same within eight days from the receipt of the seller's notice. If, however, the delivery is not taken by the buyer, the goods will be appropriated towards the Contract. From the date of such appropriation, the goods shall be held by the seller for the account of the buyer and at his sole risk as regards loss, damage, deterioration or otherwise. The price of textiles *plus* all charges carry interest in favour of the seller at the rate of 6 per cent. per annum. The seller will be entitled, at his sole discretion and after giving not less than seven days' written notice to the buyer, to sell the textiles either by public auction and/or private sale. If the net sale proceeds are less than the amount due to the seller, the buyer should pay the difference at Bombay on demand. The seller must keep the textiles insured against all risks at the cost of the buyer from the date of appropriation. In respect of all textiles the delivery of which is not taken by the buyer within 14 days after the due date, the buyer will have to pay to the seller on demand As. 8 per bale per month for godown rent and As. 4 for insurance, calculated from the expiry of such period of 14 days to the date on which actual delivery is taken.

Extension of Period

The seller is not responsible for delays or non-shipment due to strikes, lock-outs, accidents, breakdown of machinery, lack of shipment space availability or any other factors interfering with the manufacture or shipment of textiles in Contract. Where the seller is unable to effect delivery of any textiles within the specified delivery period, the time for delivery shall be deemed to have been extended by a period reasonably required by the seller not exceeding 45 days and the mutual obligations of the seller and the buyer except for the time of delivery being so extended shall remain the same as before. The seller should, however, give notice of this fact to the buyer within a reasonable time of the occurrence of the event justifying the extension, and in any event before the original due date of delivery. Should a period longer than 45 days over the contracted delivery time become necessary to effect delivery on the part of the seller in pursuance of this clause, the seller shall intimate the buyer in writing of the time required by him the option of either accepting the whole or a part of the belated portion without any statement in price or by giving one week's notice in writing to the seller of his intention to do so, to cancel the contract in respect of the goods then remaining to be manufactured. Should it become impracticable for the seller in pursuance of this clause to manufacture the goods and deliver the same even with the buyer agreeing to accept late delivery, the seller will be entitled to claim cancellation of the undelivered portion and no claim for damages will lie against him for non-delivery. The seller seeking advantage of this clause shall, if required, furnish certificates in duplicate to be issued by the regional Millowners' Association certifying that the delay or non-fulfilment is caused by the aforesaid condition.

Under the Standard Contract, the buyer is not entitled to any claim for allowance or otherwise in regard to the condition of goods, when once the goods have left the mill premises or the seller's godowns, unless the buyer proves that the damage was done at the mill premises. The claim must be lodged within 45 days after the goods reach the port of destination or within five months from the date of delivery from the mill godown, whichever is earlier. The buyer is also not entitled to any claim for allowance on the ground that the goods delivered are not in accordance with the Contract, unless notice in writing of the intention to make claim is given to the seller within the aforesaid periods. Again, the buyer has no claim whatsoever against the seller in respect of goods being destroyed or so damaged by fire, water, etc., beyond the control of the seller, as to render them unmerchantable while stored at the mills or godowns of seller pending due date of delivery; the contract in respect of such goods shall be deemed to have been cancelled by mutual consent. But, if the price of such goods has been paid earlier, the buyer shall be entitled to a refund thereof.

Settlement of Disputes

The Standard Contract also provides for the settlement of disputes between mills and exporters. Accordingly, the disputes will be referred to arbitration in accordance with the rules—for the time being in force—as applicable to piecegoods for export and which will be framed by the Millowners' Association, Bombay, in consultation with the exporters' representatives. It is specifically stressed in this connection that nothing in the rules or arbitration or any implication thereof which runs counter to the terms and conditions of the Contract shall be applied thereto. As a result of any defect in the supply or a variation in the observance of the Contract terms, should the arbitrators award that the buyer shall pay for and take delivery of goods with the payment by the seller of any allowance or compensation and/or on the compliance by the seller of any other conditions, such award will be obligatory on the part of both the parties.

With the enforcement of the Standard Contract exclusively for exports of cotton textiles, one of the major handicaps that have all along been standing in the way of export trade will be removed. The contract form now in vogue which applies to all sales of cloth for both export and domestic consumption is not comprehensive and gives rise to many complications in the event of disputes with foreign buyers. The Standard Contract, coupled with the ITEX scheme for pre-shipment examination of cotton textiles, will go a long way towards eliminating the large number of complaints from overseas buyers. Much, of course, will depend on the willing co-operation extended by the millowners and exporters in the implementation of the Standard Contract.

SILK INDUSTRY IN RUSSIA

The silk industry of Leninabad (Russia) has launched an ambitious scheme for augmenting output of silk through modernisation. The total outlay for the next five years is fixed at as much as 125 million roubles (Rs. 14.9 crores), as against only 36 million roubles (Rs. 4.3 crores) in the last quinquennium. The scheme envisages creation of healthy and safe working conditions, mechanisation and automation of production, and adoption of new techniques. The implementation of the modernisation scheme in the last five years, it is claimed, has already resulted in a distinct improvement in productivity. To quote one report:

"Operating two old machines, a worker in the dyeing and finishing mill dyes 5,000 metres of textiles, whereas the new machine handles as much as 15,000 metres in one shift. Production of silk demands high speeds, especially in winding and reeling. Hitherto 8,000-9,000 spindle revolutions per minute were considered the peak of efficiency. A faster machine produced at Leningrad does 12,000 spindle-revolutions per minute. The spindle is pushed aside and stopped automatically when the thread breaks. The new machine has successfully passed its production test at the Leninabad mills. Automatic machines are replacing the old weaving looms. Their productivity is higher by 30 per cent. and the operator is able to take care of a doubled number of looms. Automats for the drying chambers have been built at the reeling mill. The reinforcing chambers have been made completely automatic at the winding mill. T.V. equipment mounted in the control offices makes it possible to keep the work of all the machines and looms under constant control. . . . Automation will raise the productivity of labour by 700 per cent."

Side by side with the modernisation of silk mills, special attention is being paid to impart advanced training to workers. In 1955, more than 2,000 men and women workers graduated from various vocational institutes. There is an evening textile school from which about 300 young specialists are expected to graduate in the coming five years.

The silk output in the Leningrad mills is now running at a rate of 60,000 metres (66,000 yards), as against 2,000 (2,200 yards) metres before the war. The total output comes to nearly 20,000 kilometres (about 22 million yards) which can produce about 7 million ladies' frocks.

TYPES OF WOOL

While not less than 200 breeds of sheep are known to exist in the world, for commercial purposes, their wool is broadly classified under four main groups, namely, (1) merino, (2) British, (3) crossbred and (4) carpet wools. Though each type is further divided under many sub-groups, this main classification will serve to indicate the general quality and utilisation.

Merino Types: The Merino, which represents the first quality of wool put in the market, is produced by the breed of sheep known by that name.

(*Continued on page 637*)

WORLD-WIDE TREND TOWARDS MORE AUTOMATIC LOOMS

EFFECT OF SUEZ CRISIS ON U.K.'S TEXTILE SITUATION DISCUSSED

From A Special Correspondent

MANCHESTER, 18*th September*

MANCHESTER LETTER

CONTRACTION in the size of the cotton industry is not confined solely to this country, although the latest loom statistics published by the International Cotton Federation show that the reduction in weaving machinery is most noticeable in the United Kingdom, where the number of looms in place has declined by 21,214 during the year to the end of January. Other European countries show a similar trend, French looms falling by 21,105, Belgian by 11,070, German by 9,930 and Italian by 7,905.

In contrast, the mills in Asia continue their expansionist projects. All the major increases took place in this area, with Japan in the forefront, showing a rise of 32,479 looms over the year. Turkey has installed 8,022 more machines and Pakistan 3,479, but a slight reduction of about 500 looms has occurred in India.

Future plans include the erection of nearly 30,000 more looms this year, of which over 17,000 are in Asia. In addition, a further 23,000 new looms are already scheduled for installation during the next two years—more than half of them in Asiatic countries.

World manufacturers of cotton textiles have slightly reduced their total available machinery by 19,127 looms but the switch to automatics continues. Ordinary looms in place fell by 51,242, but automatics increased by 30,907 and those with automatic attachments by 1,208.

European mills not only continue to work their machinery at the lowest level of activity but had more idle looms than any other area. The average weekly hours worked in Europe was 62.19 compared with 111.88 in Asia. Britain remained the "black-spot" with machinery operating only 36.87 hours a week and 76,242 idle looms. Others unfavourably situated were Italy, the machinery of which worked 39.65 hours and whose idle looms numbered 36,647 and French mills working 51.77 hours with 33,026 looms disengaged.

At the other end of the scale, Hong Kong maintained almost "round-the-clock" working at 146.66 hours. India operated 100.63 hours a week and reported 14,111 looms idle, while in Japan the machinery worked 88.42 hours with 67,195 looms stopped.

Suez—Economic Aspects

Traders in Lancashire in conjunction with business men in many other parts of the world have been watching with anxiety the progress of the dispute over the Suez Canal. Certain aspects of the developments, whatever the result of the immediate tension, must have long-term repercussions on the trade outlook, as they provide a basis for an entirely new shipping situation—not only to and from the East but throughout the world.

The most important single result arising from the changed situation in the Suez Canal area is that the confidence of its users in the future running of this waterway has been severely shaken. As a direct consequence consultations have already taken place among interested parties in order to divert sea traffic on the longer route round the Cape.

Transport

In such circumstances the cost of transport, and thereby of raw materials and finished goods, must obviously be raised. This, in itself, is a further blow to this country's already precarious national finances. From the local viewpoint, Lancashire textile exports would be additionally penalised in the struggle to maintain overseas trade in which we are already lagging.

But the increased cost of transit of goods must affect all countries concerned in shipping their products. In this case, it could well be that the price of imported cloth from India and Hong Kong would be raised to a level which would make it no longer economic as a purchase for home distribution.

The situation must also have an important bearing on the purchase of raw cotton supplies. Whereas, in recent years, considerable reliance has been placed on imports from the Sudan and some East African territories, the tendency would be to obtain alternative growths, involving less uncertain transport routes. To those who have worked so hard to stimulate the use of such types of cotton over the years this setback would be a grievous blow, but Lancashire spinners cannot afford to risk interference with the flow of their raw material at such a time.

Since the current crisis began nearly two months ago the trend of prices for Egyptian and Sudan cotton in the Liverpool market has been steadily upward. The table below indicates the rise that has taken place (in pence per lb.):

	Futures			Spot		
	American Oct./Nov.	Egyptian Nov./Dec.	Sudan Sept./Oct.	American 1 inch	Egyptian Karnak FGF	Sudan Sakel 6
July 26 ..	24.25	53.05	45.05	28.25	63.00	48.75
,, 27 ..	24.30	52.80	48.15	27.75	63.00	48.75
Aug. 3 ..	24.85	52.50	48.50	27.75	63.00	49.50
,, 10 ..	25.22	52.80	48.40	27.75	63.00	50.00
,, 17 ..	25.00	54.00	48.50	27.50	63.00	50.00
,, 24 ..	24.65	54.30	48.15	27.00	63.00	50.00
,, 31 ..	24.90	55.00	48.25	26.50	63.00	50.00
Sept. 7 ..	25.25	55.85	48.10	26.60	63.00	50.00
,, 14 ..	24.90	57.50	49.80	26.60	63.00	51.00

Already, there are signs that the danger of being caught with low stocks of cotton has been recognised and that steps are being taken to adjust the position. The visible supply of cotton held in Liverpool and Manchester, plus the quantity afloat, has risen sharply during the past few weeks.

At the beginning of August, visible supplies amounted to only 168,000 bales, but a build-up of stocks has been proceeding ever since, so that the total last week had reached 234,000 bales. Of this the major quantities were of American and Sudan cotton, including 20,000 bales of Sudanese qualities at sea for the United Kingdom. Stocks of the American staple included 62,000 bales in Liverpool and Manchester and 25,000 bales afloat. Only negligible quantities of Egyptian cotton are held in this country and fresh shipments have, of course, ceased for the time being.

The general attitude of trades throughout these weeks of mounting tension has been to cover necessary purchases without commiting themselves to any appreciable extent. Forward buying has rarely been for excessive quantities of yarn or cloth and a tendency to await events has been widespread. At the same time, the opinion is equally widely held that prices are unlikely to fall while so much uncertainty as to the future prevails. This being so, opportunities of securing goods on reasonable terms have not been missed but the full productive capacity of the industry, allowing for the severe wastage of workers, is by no means being utilised.

Factory Show-down Protest

As 500 workers from the Barton factory of Platt Bros.—the textile machinery firm—staged a protest march through Manchester streets last week the firm announced: "The factory will be closed down by the end of the year."

Men downed tools for half a day to take part in the march as a protest against the proposal to shut the factory, which employs 1,750 workers.

The marchers carried placards saying the shut-down would throw 2,000 out of work. They were led by local officials of the Amalgamated Engineering Union carrying the red and blue union banner.

At a mass meeting on a blitzed site on the city outskirts, they were told the march was the start of a campaign to keep the factory open and the union would back the campaign.

Mr. H. Scanlon, a Manchester official of the A.E.U. said the matter would be referred to the District Committee of the Confederation of Shipbuilding and Engineering Unions.

More School-leavers Join Cotton

Although there has been little break in the sequence of man-power losses by the cotton textile industry, the returns of summer school-leavers entering the spinning and weaving mills show an improvement on the corresponding period of last year.

In the period June-August, the industry recruited 1,029 school-leavers. They comprise 301 boys, equal to 4.7 per cent. of all school-leavers in the cotton area, and 728 girls, equal to 11.6 per cent. The percentages last year were 3.7 and 11.4—*All Rights Reserved.*

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COTTON PRODUCTION IN THE U.S.

SMALLER CROP EXPECTED THIS SEASON

THE U.S. cotton occupies so important a place in the international trade in the fibre that any change in the statistical position of cotton in that country is sure to have profound repercussions on the world markets. Naturally enough, the second official forecast of the U.S.'s 1956-57 crop, released on 10th September, has evoked much interest in cotton circles the world over. And this season's crop estimate was awaited with more than usual interest because the trade was anxious to know the effect of the Soil Bank Programme on cotton cultivation in the U.S.

The estimate places the acreage under cotton in the current season at 15.6 million acres, as compared with 16.9 million acres in the previous season. This reduction in acreage may be attributed principally to the operation of the Soil Bank Programme. Though the Programme, designed to control production of farm crops by offering farmers cash inducement to hold some of the productive acreage in reserve, was initiated too late in the planting season to help producers, it had some effect in the desired direction. Thus, the acreage held over by cotton producers this season is 7.7 per cent., as compared with only 3.3 per cent. in the previous season.

The outturn of the crop in the current season, according to the estimate, is expected to aggregate 13.1 million bales. This is 437,000 bales less than the previous month's estimate and compares with 14.7 million bales in the 1955-56 season. It may be recalled here that the 1955-56 season was a very good one with the yield reaching an all-time record of 417 lbs. per acre. The higher yield was accounted for by the extremely favourable weather, reduced plantings on marginal land, more intensive cultivation, heavy use of fertiliser and light pest and insect infestation. During the current season also, the yield is expected to be good because the reduced acreage may lift more of the marginal land from cotton cultivation thus contributing to a higher average per acre yield. This month's crop forecast places the yield at 402 lbs. per acre, as compared with 394 lbs. a month ago. The crop is also reported to be progressing satisfactorily. According to the United States Department of Agriculture, cotton in New Mexico, Arizona, California and the irrigated areas of North-west Texas continued to make excellent progress in August, though in certain regions like Oklahoma, Carolina, Georgia and Alabama adverse weather conditions have affected the production prospects. On the whole, the condition of crop is reckoned to be 75 per cent. of normal as against 82 in the last season. Whether yield per acre in the current season will equal or exceed last season's figure remains to be seen; but present indications are that it is not likely to fall far short. The fall in production of about 1.6 million bales is, therefore, expected to result mainly from the reduction in acreage induced by the Soil Bank Programme.

Stocks Outside U.S. Low

If one takes into consideration the production prospects in the U.S., the stock position of cotton and the trends in world consumption, it will be seen that the future of cotton trade in the current season is not as gloomy as it was once made out to be. It is true that stocks of cotton in the hands of American shippers have mounted and that there has been increasing pressure to sell these stocks. Stocks have increased by more than 3 million bales in the past twelve months. At the same time, it must be recognised that the consumers outside the U.S. are by no means over-stocked since there was a continued reduction of inventories for which the uncertainty regarding American policy itself has contributed. European countries, and particularly the U.K. took substantially less cotton, users showing a general reluctance to buy more than their immediate needs. Hence stocks outside the U.S. have fallen by nearly 2 million bales to about 7.4 million. There are also signs that U.S. stocks may be reduced to more manageable proportions as a result of the competitive bid programme introduced by the Government. So far, more than 3.5 million bales of C.C.C. held cotton have been sold for export and the authorities hope that their aim of shipping 5 million bales in this way during the current season will be achieved. World consumption of cotton in the season just ended was at a record level of 28 million bales, mainly because large quantities were absorbed in U.S. and Asia. The trend is likely to be maintained or even improved because of the rapid economic progress that is being made in many of the underdeveloped countries.

A factor that is not as widely recognised as it should be is that though the U.S. export sales programme may have the effect of depressing the world markets it tends to lower prices for cotton and thereby increases the competitiveness of cotton in relation to man-made fibres. Recent developments, it is stated, have, after some years when conditions have been all against the natural fibre, brought the price level of cotton within the competitive range.

Leaders of the American cotton industry appear to favour a drastic revision of the existing policy. It is felt that there has been an excessive interference of politics in the making of decisions relating to agricultural policy. The need for freeing the industry from Government controls has been emphasised in several quarters. Some observers favour the establishment of a non-partisan Cotton Board consisting of representatives of the industry and the Department of Agriculture to decide the policy, to supervise the implementation of programmes for cotton and generally to run the trade in a business-like manner. But there is general agreement regarding the necessity for working down the present surplus stocks to manageable levels. It is also recognised that, from the point of view of the users of the material and in the long-term interest of the trade, the prices of cotton must come down. The interests concerned, it is felt, must gear themselves to a gradual decline in the price of cotton over the years and that this trend must be regarded, not as a calamity, but as a healthy development. At the same time there is a growing awareness that, having regard to the interest of other cotton producing countries, any sound solution to the long-term problems involved must be gradual rather than abrupt.

CO-OPERATIVE MARKETING OF COTTON

With the object of ensuring better returns to the producer of cotton and removing the hardships he is subjected to under present marketing conditions, the U.P. Government is actively exploring the possibilities of processing and marketing of cotton on a co-operative basis in some of the major cotton growing areas of the State. An officer of the Co-operative Department has already been deputed to conduct some preliminary investigations and to study the economic and other aspects of establishing a cotton ginning factory. It is proposed to start co-operative marketing societies in some selected districts such as Bulandshahr, Aligarh, Agra, and Mathura. The organisational pattern of a marketing society will be the same as envisaged in the All India Rural Credit Survey Report and adopted by the second Five-year Plan. There will be a marketing society at the headquarters of a *Mandi* with an area of operation roughly approximating to the area of the *Mandi*. Normally, it will cover about 200 villages.

In order to link up co-operative marketing with credit activities there will also be set up a number of large-sized credit societies, roughly covering an area of 25 to 30 villages, affiliated to the marketing society. The basis of lending to the farmers to meet the crop needs will be liberalised under this scheme. Loans to a member will approximate one-third of the expected income from the entire crop. The costs to be included for determining the income, on the basis of which loans are to be made, will be expenses for seeds, fertilisers, rent, irrigation labour, etc. The crop loans will thus correspond approximately to the cash outlay for cultivation. The Society will also arrange for the supply of seeds, fertilisers, etc., if the cultivators so desire. At the time of receiving crop loans the cultivators will have to execute a contract with the credit society to the effect that their produce will be marketed through the marketing society to which the credit society may be affiliated. The marketing society will arrange for the sale of the produce of the member-cultivator at the fairest possible price at the local *Mandi* or some other *Mandi* where rates may be favourable.

The marketing society will also give warehousing facilities for the producer. In this case the society will advance to the cultivator loans up to 75 per cent. of the prevailing market value of the produce minus the loan advanced by the large sized credit society. When the produce is finally disposed of, the Society will pay the balance less godown charges and other incidental expenses. The Government hopes that, by these measures, a fair price will be ensured to the farmers which will, in turn, stimulate greater production.



THE INCOMPARABLE MIDDLE EAST

ITS IMPORTANCE AS SOURCE OF OIL

[The sedimentary belt of the Middle East, where fewer than 1,500 wells have been drilled so far, is by no means yet exhaustively exporled. Surveying the future prospects of the area in a paper before the recent World Power Conference, Mr. P. T. Cox of B.P. foresaw that future search there will probably double present proved reserves—already nearly two-thirds those of the free world—giving an ultimate total of 200,000 million barrels. The geological features favouring vast accumulations of oil in the Middle East are unique and no other area is expected to rival it as the major future source of oil supply for the world.]

WHILE probably nearly half the oil in the U.S.A. is already used up, only seven per cent. of the larger volume of oil so far found in the Middle East has been produced and half the oil in the Middle East is, perhaps, still to be found. If Middle East proved reserves—nearly two-thirds of those of the free world—are added to past production, the region has so far provided more discovered oil than the whole of North America. But it is distinctive in other ways too. Its oil resources are on quite a different scale from those of other places: the yield per well, the size of the individual field, the richness of a zone. Geological circumstances so favourable to oil accumulation as are here found are unique, and future search elsewhere, although it will often be successful in its degree, will hardly find anything like this.

Dazzled by the richness of the resources discovered, one forgets how late, owing to its distance from industrial consuming centres, and how unintensively the vast areas of the Middle East have been explored. Including both exploration and development wells, a total of less than 1,500 wells have been drilled in search of oil in the Middle East, as compared with more than a thousand times as many in the U.S.A. Over 13,000 barrels of oil have been proved per foot drilled in the Middle East, as compared with between 20 and 30 barrels in the U.S.A., and between 600 and 700 barrels in Venezuela. Probably no other area has proved even as much as 1,000 barrels of oil per foot drilled in search of it.

Unique Combination

A unique combination of several geological factors has made the rewards of exploration so high. For, although the Middle East shares with many other oilfield regions the characteristic of being part of a major sedimentary trough which has been subsequently subjected to compressive mountain building deformation, in the Middle East the characteristic of sedimentation, the structure, and the timing of crustal movements have been peculiarly auspicious for oil. Marine sediments were deposited for an unusually long time without periods of extensive exposure to erosion or of deposition of continental-type sediments. The sedimentary layers comprise great thicknesses of marls, rich in organic remains, which make good oil source rocks; its limestone and sands form excellent reservoirs; and, most significantly, there is a recurrence of effective cap rocks. That so much of the oil generated has been retained is due to the region's very long tranquil geological history.

On the other hand it is due to the late Tertiary crustal disturbances—when the Zagros and Taurus mountain ranges were born—that the oil is so accessible. These movements formed large trap structures in which great accumulations of oil could take place. Also they exposed enough of the sedimentary blanket overlying the crystalline basement to allow oilfields to be found and developed largely by geological methods. Yet, even vaster oil accumulations than exist today probably existed in the Pliocene age, and have been lost by exposure of the reservoir to erosion. For this reason, the mountain belt of Iraq and Iran has been appropriately called "a gigantic oilfield graveyard."

Less exploration drilling per field discovered and per unit volume of oil proved than elsewhere is expected to continue to be a feature of the Middle East until all the major anticlinal structures in the region have been tested. After that stage has been reached, a sharp falling off in discovery rates, compared with those of other important oil producing regions, is anticipated. It is unlikely, however, that any other region will ever approach the Middle East in magnitude of total reserves.

The Oil Belt

The oilfield belt of the Middle East comprises a very big area. It is crescent or boomerang-shaped, is some 1,200 miles long, and is about 500 miles in width. Occupying some 600,000 square miles, it may be defined as the tract where there is a cover of sedimentary rocks which varies in thickness from rather less than 10,000 ft. to about 50,000 ft. Structurally, this belt consists of two fairly distinct parts: (a) a zone of rather pronounced folding which corresponds for part of its length with the foothills ranges of the Zagros mountains and embraces the fields of Iran and northern Iraq; (b) a foreland zone of gently warped structures in which the fields of southern Iraq, Kuwait and eastern Saudi Arabia lie. Throughout the length of the Persian Gulf, the boundary separating the foothills and foreland zone lies under the sea.

The oilfields already proved lie in the centre of the sedimentary crescent and lie partly in the foothills and partly in the foreland zones. Altogether 35 oilfields, some with two or more separate reservoirs, have been found in the Middle East, of which 21 are on production, and 3 are now being connected for production (Safaniya in Saudi Arabia, and Jambur and Bai Hassan, both in northern Iraq). In the remainder, either the crude is too heavy, or the oil accumulations are not worth development in the circumstances of the Middle East.

The two greatest fields yet found in terms of proved capacity are the 140-mile long Ghawar field in Saudi Arabia—probably the largest in the world—and the Burgan field in Kuwait. Next comes Kirkuk in Iraq. Other great fields are Masjid-i-Sulaiman (the first field in the Middle East, discovered in 1908), Haft Kel, Agha Jari and Gach Saran in Iran, Abqaiq in Saudi Arabia, Dukhan in Qatar, and Zubair and Rumaila in southern Iraq. In these eleven fields lie over 90 per cent. of the Middle East's present total of proved reserves which, excluding those of the non-commercial fields, are given by the author as at 1st January 1955, as over 92,000 million barrels or 12,600 million tons. Saudi Arabia is assessed at 35,000 million (compared with 30,000 million for the U.S.A.), followed by Kuwait at 28,000 million. Iraq 14,000 million, Iran 13,000 million and Qatar 1,500 million. It is a striking fact that the Middle East could meet the whole world's demand for oil for some years without drawing much more than 5 per cent. annually from its existing proved reserves.

The Future

But what of further discoveries in the future? Where and in what order of volume will more oil be found in the region? Oilfields so far discovered and developed are fairly divided between the foothills and foreland zones, but in terms of proved reserves the forelands fields in total hold more than twice as much oil as those of the foothills. All the fields so far discovered lie in a triangle which occupies less than a quarter of the oilfield belt of sedimentary rocks already mentioned and lies roughly in the middle of this belt within which it would be reasonable to search for further oilfields.

To the north-west of this triangle lies a much broader zone of foothills type of folding, in which is Syria, southernmost Turkey, western Iraq and Jordan. No commercial production has yet been found in this area (but a small field has recently been found in Israel to its south-west). Nine of this area's more promising and representative structures have been tested by drilling and there is no evidence to show why these were not productive since potential source rocks, reservoir rocks and cover rocks were all represented in the sedimentary sequence. While some oil may still be found in the area, in view of the negative results so far obtained it would be unduly optimistic to consider the ultimate reserves of this zone appreciable.

The area to the south-east of the triangle consisting of part of Persia and the Persian Gulf, the Rub' al-Khali of Saudi Arabia and the shaikhdoms of the Trucial Coast, has also not yet yielded commercial oil production, although oil shows have been found in some of the test wells drilled on five structure within it; two others are now being drilled. This area differs geologically in several important respects from the area within our triangle. But it cannot be regarded as adequately tested so far, and its prospects on the evidence available are rated highly. Its ultimate reserves must be regarded as significant, possibly of the order of one-fifth those of the central segment of the sedimentary belt.

It is, however, in the central segment (including part of the foreland adjacent to the triangle), extending over some 200,000 sq. miles, and within which lie the existing proved fields, that the most important future finds are to be looked for. Within the foothills zone alone there are more than 50 known but untested structures which may contain oil-bearing reservoirs, and it is also reasonable to expect that in the foreland region there are some tens of untested, and in many cases as yet undetected, anticlinal structures. It is unlikely that as much as half the oil-bearing structures of this segment have yet been tested.

In attempting to evaluate its ultimate reserves, one cannot rule out the possibility that the present proved reserves are substantially less than half the ultimate yield. Nevertheless, there are considerations which suggest that discovery in this segment may have reached the half-way mark and that its ultimate reserves might in fact fall short of 200,000 million barrels.

Thus far, this central segment has yielded already some 200,000 barrels of discovered oil per cubic mile of effective sediments. This yield is of the same order as that of California, the maximum for any sedimentary basin of the U.S.A. but probably less than that of the Apsheron Peninsula (Baku area) in Russia. Ultimately the area might prove richer but there is no reason yet to suppose that source rocks in the Middle East have been abnormally prolific of oil.

Average Yield

Supposing an average yield over all three segments of the sedimentary belt of some 100,000 barrels per cubic mile of effective sediments, it may fairly be said, in Mr. Cox's opinion, that ultimate reserves of the Middle East region as a whole are likely to be of the order of 200,000 million barrels. That this figure of ultimate reserves, based as it is on the stated geological considerations, is in fact a modest and conservative estimate of the area's ultimate reserves is suggested by the fact that it is of the same order as that put forward by the American geologist, Mr. Wallace E. Pratt, for *proved* reserves in the Middle East, i.e., known oil recoverable under today's economic conditions.

All such figures are necessarily speculative and, as Mr. Cox says, there is much to be said for avoiding figures and using only qualitative phrases when speaking of ultimate reserves. Whatever the figure that may be put to the Middle East's resources, it is head and shoulders above other existing producing regions, and the combination of geological circumstances found in the Middle East make it appear unlikely that any other area will ever achieve a comparable position.

Nevertheless, the Middle East has some disadvantages. The quality of the crude suffers from its high sulphur content, and the relatively low quality of straight-run gasoline produced from it told against Middle East oil in earlier years. This, however, has been largely offset by advances in refining techniques and by the growing demand for middle distillates. The remoteness from main consuming centres which for so long delayed the realisation and development of Middle East resources remains also a disadvantage, involving a long sea haul, and the use of long pipelines through transit countries. Climatic conditions also involve much abnormal expenditure. The natural difficulties for oilfield development and for building pipelines are, however, less than in regions of high rainfall and dense forests.

Another disadvantage affecting the Middle East is the cost of providing, in much greater degree than elsewhere, ancillary services to oil operations, e.g., trunk roads, water, health and welfare services, etc. Thirty years ago, this expense could be accepted as no serious economic handicap. But, with the rising wages in recent years, without a proportionate rise in output *per capita*, the situation has changed. Indeed, the principal problem for the future is costs. From the point of view of availability, the place of the Middle East as a supplier of oil is amply assured. But, in the face of rising labour costs, one of the principal problems in future will be to maintain the Middle East's competitive position to take advantage of the oil wealth nature has so lavishly bestowed on it.—*Petroleum Press Service.*

IMPROVING EFFICIENCY OF SUGAR PRODUCTION

MUCH NEEDS TO BE DONE ON FARMS

THERE is no other industry in India excepting the sugar industry the fortunes of which are so closely linked to the primary stage of the manufacturing activity, that is, production of raw material. Sugarcane accounts for as much as two-thirds of the aggregate cost of sugar manufacture. Indeed, sugar is, as it is aptly described, made in the field, not in the factory. It is this peculiar characteristic of the sugar industry which imparts urgency to the need for focussing utmost attention on sugarcane research and development. The urgency is all the greater in the present context when the industry stands on the threshold of a new era of expansion. The *successful* implementation of the programme for the development of sugar industry included in the second Five-year Plan will depend, to a great extent, on the progress achieved in the sphere of sugarcane cultivation. The word "successful" has been advisedly italicised, with a view to stressing the fact that the production target for sugar should not only be hit fully but be hit at an economic cost. In other words, the sugar industry must be in a position to make available adequate quantities of sugar at a price which suits the pockets of the common man. Such is possible only if the industry is assured of regular supplies of high sucrose-content cane at a reasonable price.

Viewed thus, it is, indeed, gratifying that, in its report submitted to the Government of India, the Indian sugar delegation to Australia and Indonesia has devoted a special chapter for the study of the possibilities of augmenting per-acre yield of sugar. The delegation attributes much of the success of sugar industry in Australia and Indonesia to the high efficiency attained on the farms. According to it, these countries have evolved varieties of sugarcane which give high tonnage, are resistant to disease and possess a high sugar-content. They are grown on farms in accordance with cultural practices and fertiliser schemes carefully selected to suit soil and climatic conditions prevailing in the different parts of the countries. Effective measures are taken to prevent losses occurring through pests and diseases. Thanks to all these measures, the conditions obtaining in the sugarcane economy of Australia and Indonesia are considerably encouraging *vis-a-vis* India, as the following figures clearly show:

	India	Australia	Indonesia
Average sugar-content of cane (per cent.)	12.3	15.1	13.4
Quantity of cane required for making one ton of sugar (tons)..	10.1	7.2	8.7
Yield of cane per acre (tons) ..	13.0	26.3	40.5
Yield of sugar per acre (tons) ..	1.6	3.9	5.5

The foregoing figures reveal that there remains much to be done in India to improve the efficiency of sugar production on the farms. The sugar delegation to Australia and Indonesia has put forward several notable proposals designed to bring about an improvement in the yield of sugar per acre. At the outset, it urges that the Coimbatore Sugarcane Breeding Institute must be directed to devote greater attention to evolving cane varieties possessing high sugar-content and which are resistant to diseases common in different tracts. The breeding of new varieties and their introduction, however, take a long time. It is, therefore, suggested that selected high sugar-yielding varieties from Australia, Java and other countries may be obtained for trial in the country; if found successful, they may be introduced in regions most suitable for their cultivation.

Testing of Varieties

The sugar delegation has drawn special attention to the need for introducing the system of testing new varieties on the farmers' fields. At present, a large number of varieties are evolved at the Coimbatore Institute. As soon as particular varieties are considered promising, they are handed over to the State Departments of Agriculture for trial at the local sugarcane research stations. When they are satisfied, the selected varieties are tried on small plots belonging to cultivators. In Australia and Java, promising canes are tried on farmers' fields within three or four years of their breeding. The test plots are properly laid out and it is obligatory on the part of the owner to submit results to the experimental stations. Commending this method, the delegation observes: "The method seems to be more practical, inasmuch as the new variety receives a larger and more satisfactory trial during the same period under varying conditions of soil and climate. The system will help in expediting establishment of new varieties in India."

Closely allied to this proposal are three other recommendations made by the delegation. First, the work of analysing the cane soils in different parts of the country should be intensified, with a view to classifying them and preparing suitable fertiliser schemes. Secondly, the extension services responsible for advising cane growers in the matter of adopting cultivation practices and implementing fertiliser schemes should be strengthened. The practice of holding field days for giving practical demonstrations of proper cultivation methods may be adopted. Thirdly, an all-India journal giving the latest information on methods of cane cultivation and describing in simple language the most recent developments which will be of interest to the sugarcane grower must be started.

Another important recommendation made by the sugar delegation relates to the setting up of cane pest and disease control boards on the Australian pattern in every sugarcane growing district which has one or more sugar factories. These may be opened under either the State Departments of Agriculture or the Cane Commissioners. Such boards, it is said, have contributed much towards the control of pests and diseases in Australia, thereby increasing appreciably the production of sugarcane and sugar per acre. In this connection, stress is laid on the State Departments of Agriculture or Cane Commissioners being authorised to specify varieties which can be grown in factory zones. It is claimed that the institution of such a system will, besides checking the damage caused by pests and diseases, greatly help in improving the quality of cane supplied to factories.

Planned Harvesting

The sugar delegation has further emphasised the introduction of a system of planned harvesting of sugarcane according to maturity in factory zones, as is the custom in Australia and Java. Under this system, the cane staff of the factories will survey the fields a few months before the crushing season and determine the possible time of maturity of cane in particular fields by examining the juices with the help of pocket refractometers. In accordance with the maturity charts furnished by the staff, the societies will distribute cane supply *Purjis* to the farmers.

The aforesaid series of measures are no doubt of great value. But the point is whether they can be implemented successfully, what with the sugarcane growing areas being widely scattered and fragmented. This is a serious handicap. The sugar delegation would have done well to indicate the definite lines on which this handicap can be removed. One of the possible ways of removing this drawback lies, as we pointed out on an earlier occasion, in the State Governments enabling the sugar mills to purchase on leasehold basis the agricultural land in their neighbourhood and lease them back to the *ryots* in that area on the distinct understanding that the latter will grow sugarcane on the lines suggested by the factories and under their supervision.

EXPANDING FUTURE FOR BAGASSE

Bagasse—the fibrous residue remaining after crushing juice from sugarcane stalks—may soon have as much commercial utility from the standpoint of tonnage as the sugar. Processes developed by the U.S. Department of Agriculture (U.S.D.A.) recently have produced both bleached and unbleached pulps suitable for corrugated boxboards, newsprint and fine papers. These processes can be applied economically to make paper from whole bagasse or, even better, from pith-free bagasse fibre.

Until very recent years, bagasse was a waste product that cluttered the areas around sugar mills, as only part of it could be used as fuel for the mill's boilers. Only in the last few years has its full potential value been realised. Experimental mills have shown that newsprint could be produced from it on a commercial basis. The new processes expand this use and add fine papers and paperboards to the growing list of products which can be made from its fibres.

The supply of bagasse is immense, when considered on a world-wide basis. More than a pound of bagasse accumulates for every pound of sugar produced. The world's population uses almost 50,000 million pounds of sugar, most of it in foods and confections. Thus more than 50,000 million pounds of bagasse are available for the growing variety of industrial applications.

Bagasse is made up of two kinds of tissue, principally. Hard, strong fibres form the outer covering of the cane and give it the strength to keep it upright in the field during the growing season. Inside are the pith cells that contain the sugar juices. The pith cells lack fibrous structure and strength. Their removal allows the most effective use of the outer fibre. Manufacture of paper from bagasse has long been possible, but it has been unable to compete with wood-pulp paper economically and technologically, because older ways of separating the pith from the outer fibre were impractical and much of the fibre was destroyed.

The U.S.D.A. researchers, therefore, developed the mechano-chemical process, a highly practical method which already has been fully tested on a commercial scale. It separates the pulp with inconsequential loss of the fibre and makes the pulp itself available for commercial uses. The process makes possible greater yields of high-quality bagasse pulps at comparatively low costs.

Extended semi-commercial scale studies made at the New York State College of Forestry at Syracuse, New York, were recently completed. These proved that both fine bleached papers and newsprint, as well as superior corrugated board for packing and boxes and liner for container boards, can be made from bagasse pulped and separated from pith by the mechano-chemical process. The same products, the studies proved, can also be made from blends of separate bagasse pulp and kraft wood pulp.

Nine hundred thousand tons of bagasse are produced annually in Louisiana and Florida, major cane-producing States. In those States, some of the bagasse is being processed into poultry litter. This business is more profitable than using the bagasse for sugar mill fuel and has been increasing in volume each year. The potential market for bagasse litter is indicated by the 13.3 million tons of all types of poultry litter used in the United States and the continued growth and increase in importance of poultry for egg production and meat in the nation.

Another sugar extraction by-product, blackstrap molasses—the syrupy residue of sugarcane juice left after extraction—is looming greater as a valuable factor in the production of sugarcane. Its importance as a livestock feed has been expanding and the potential market for its use in this manner is estimated at nearly 1,000 million gallons a year. In this connection, one of the most promising methods for using pith is in taking advantage of its capability for high absorption of blackstrap molasses, three times higher than for many common absorbents. The pith can be used as a dry-form molasses carrier in feeds. More than 70 per cent. of the blackstrap produced in the United States can be mixed with pith to produce a solid, easily transportable, high-energy feed ingredient that livestock relish.

If the sugar industry itself undertakes the recovery of these by-products, formerly largely wasted, a maximum profit can result. The mills could separate the pith and fibre, sell the fibre to paper mills, and combine the dried pith with blackstrap molasses to make a valuable ingredient for livestock feeds. The by-products could be a most important factor in offsetting sugar mill operating costs.

LICENCES FOR NEW SUGAR MILLS

The Union Government has laid down the broad principles governing the issue of licences for the setting up of new sugar mills and for substantial expansion of existing units. The principles are as follows:

New units: Co-operative factories will be allowed to be established in areas where sugarcane sufficient for a mill of 800-1,000 tons daily cane-crushing capacity is grown and the promoters have collected a substantial amount as share capital. The factories at sites where sugarcane cannot be utilised for any purpose other than sugar, such as the Terai areas of Uttar Pradesh, will be favourably considered. Applications from private and joint-stock concerns for new factories will be considered on merits as before. Also to be considered are schemes for sugar mills having special features and where large supplies of bagasse are sufficient to sustain a paper mill.

Expansion of units: The existing factories with a daily cane-crushing capacity of less than 1,000 tons will be allowed to expand up to 1,000 tons. The units in which the mill and boiling sections are not balanced at present will be permitted to have a balancing equipment, in order to achieve a daily crushing capacity of up to 2,000 tons.

SUGAR IN U.K.

State trading in sugar will terminate with effect from 1st January next. Thereafter, imports of sugar for home consumption will return to private trade. The purchase of raw sugar for re-export as such and for re-export as refined sugar is already in private hands. The Sugar Act, which received the Royal Assent in July 1956, is designed to reconcile free import of sugar for domestic use with price guarantees to Commonwealth sugar producers under the Commonwealth Sugar Agreement. The Sugar Act envisages the setting up of a Sugar Board—the Board will commence functioning from the beginning of 1957—which, while not itself handling sugar, will buy at negotiated prices from Commonwealth producers and then sell in the country of origin to traders at commercial prices. In the U.K., it will make such payments to the British Sugar Corporation as are needed to implement the price guarantees for home-grown sugar-beet. Import licensing arrangements for sugar will be made by the Board of Trade in due course. In order to enable the Sugar Board to balance its accounts in carrying out its functions as principals, a surcharge will be applied to all sugar from the appointed day.

COAL PRODUCTION IN SECOND PLAN

PUBLIC SECTOR'S PRELIMINARY STEPS

IT is now six months since the work under the second Five-year Plan was commenced and a sufficient period has, therefore, elapsed to review the preparatory measures taken by the Government to implement the schemes for development of coal industry. Mr. K. C. Reddy, Union Minister for Production, did well in taking the opportunity of outlining the progress made so far with the programmes of development in some of the important enterprises coming under his ministry, such as coal, lignite fertilisers and machine-tools, at a Press Conference held on the 15th inst. He expressed robust confidence in the ability of the public sector to fulfil the expansion and production targets set for it under the Plan.

So far as coal is concerned, the output target specified in the second Plan, as readers are already aware, is 60 million tons per annum, as against the present production of 38 million tons. Of the additional production, the public sector will raise 12 million tons and the private sector 10 million tons. The production in the public sector will mostly come from new mines to be established. The new collieries will produce about 10 million tons; the existing State collieries will raise an additional 500,000 tons and the Singareni Collieries (largely owned by the Hyderabad State Government) 1.5 million tons. The present production of metallurgical coal amounts to 13.5 million tons per annum, while the requirements of this variety of coal by the iron and steel projects are estimated at 16 million tons and the gap will be filled up during the second Plan period.

The existing State collieries and the new collieries to be established will be owned and managed by a Government-owned company, under the Ministry of Production. The Company, which has recently been registered, is known as the Hindustan Coal Corporation, with an authorised capital of Rs. 50 crores. Its headquarters will be at Ranchi. The Minister for Production is the Chairman of the Board of Directors, which includes officials and non-officials, including a director with special knowledge of labour problems. In addition to the formation of a company to own and run the State Collieries (old and new), the Ministry of Production has already set up a Coal Council to deal with all problems connected with coal, such as estimation of reserves, production, distribution, utilisation, recovery of by-products, etc. It will shortly constitute four committees to deal with different aspects.

The areas selected for mining of coal in the public sector are Korba and Jhilimili-Bisrampur in Madhya Pradesh and Kathara and Karanpura in Bihar. Prospecting operations have begun in Korba and Karanpura areas. The opening of a pilot quarry has been sanctioned and extraction of coal from this quarry is expected to begin by January 1957; the monthly output from this field will be 30,000 tons. Plans to work the Ghordewa Seam, which contains good quality coal, and from which 20,000 tons per month are to be raised have been prepared. The coal from this seam will be supplied mainly to the Bhilai Steel Plant. A railway line has already been constructed to link this field with the main highway and is now open for goods traffic. In the Korba venture, the Madhya Pradesh Government will be a partner along with the Union Government and will contribute one-third of the total capital expenditure. A consultative committee consisting of five representatives of the Central Government and three of the State Government has been set up to review the progress of this project.

Drilling has commenced in Kathara and extraction of coal is expected to begin in the current financial year. Drilling and prospecting in Karanpura are proceeding and production is likely to start next year. As regards Jhilimili-Bisrampur area, reliable results of earlier drilling show that this area promises to yield non-coking coal of very good quality. A scheme for extending railway facilities to this coalfield has been prepared by the Railway Board.

Most of the areas selected by the Government of India for starting new collieries are covered by mining leases or prospecting licences. In order to enable it to start operations in these areas, the Government will shortly introduce legislation to acquire these rights from private lessees. The Bill will lay down the principles of compensation for such acquisition. So far as the rights of State Governments in the minerals are concerned they will remain intact and the Central Government will work the mines as the State Governments' lessees.

The success of the Government's venture to produce the bulk of the additional coal necessary in the next five years depends to a large extent on the availability of the necessary technical personnel, preparation of project report and working plans by experts and the installation of up-to-date plant and machinery. According to Mr. K. C. Reddy, the Government has so far sanctioned the opening of four training centres at Kargali, Giridih, Talcher and Kurasia at a cost of Rs. 28 lakhs. Additional centres will be open in some other centres also. A team of Russian experts is expected to visit India in October to help the Government in planning the development of the Korba coalfield. The team will also study the project report and working plans already prepared by an Indian team of mining engineers and suggest the type of machinery to be used and working methods to be adopted. Another Russian team of machinery experts is expected to come to India to advise the Government on the establishment of plants for the manufacture of coal mining equipment. This team will work in collaboration with the main U.S.S.R. team already in India to study and advise the Government on the manufacture of heavy machinery. In addition to the coal mining equipment to be manufactured in India, machinery worth Rs. 30 crores will be imported for coal production. Orders have already been placed with a Japanese firm for the supply of a coal washing plant and its installation at Bokara-Kargali colliery at a cost of Rs. 1.64 crores. Proposals are being considered by the Ministry of Iron and Steel for setting up two additional washeries apart from the one proposed to be set up with the Durgapur steel plant.

Details about the Neiveli lignite project in South Arcot (which is being high priority), to which also Mr. Reddy referred in his Press Conference, were given in this column last week. The management and control of the project, the Minister said, would be entrusted to a Government-owned company to be incorporated under the Indian Companies Act 1956.

The Minister also made a brief reference to the private sector of the coal industry. He said that the production plans of this sector were being closely watched by the Coal Controller. On the basis of a study of these plans, the Coal Controller had prepared a transport plan for the additional coal to be moved from different colliery groups. This plan had been communicated to the Railway Board.

STRIKE IN RANIGANJ COALFIELDS

More than a week has elapsed since the strike in the collieries in the Raniganj area over a wage dispute commenced and the situation is said to have deteriorated during the last three or four days. Two workers unions, namely, the Colliery Mazdoor Sabha and the Colliery Mazdoor Congress, had given notice of strike in 26 collieries in Raniganj, with effect from the 17th inst. So far, however, only 23 collieries, involving about 50,000 workers, have been affected by the strike.

The main demands of the two unions are: (1) the wages of workers not benefited by the Award of the All-India Industrial Tribunal should be increased by 40 per cent. on the combined total of basic wages and dearness allowances, the basic wages including cash concession and the value of free rice supplied; (2) grading of all categories of workers; (3) service to be considered in placing a man in the scale of pay; and (4) stoppage of victimisation. The management of the Collieries concerned could not concede these demands.

The 26 collieries on which the strike notice had been served, it is stated, account for 14 per cent. India's entire coal production and over 50 per cent. of high-grade selected coals. Thus, the strike seriously affects production of high grade coal essential for industries. According to a spokesman of the industry, if the strike lingers for more than a week (as it has done now), the supply of coal to industries would be very much affected. The collieries affected are under the management of Messrs. Andrew Yule & Co., Ltd. and Messrs. Macneill & Barry & Co., Ltd.

COAL RESEARCH IN U.K.

Research scientists in coal in the U.K. are conducting experiments on a new method of conveying coal from pits by pumping the coal along with water through pipes. If the experiments succeed, the whole output of even the largest colliery in the U.K. can be pumped up the shaft through a small pipe. New pipe lines will have to be sunk from the surface to points near the face as it advanced and this process will simplify underground transport a great deal.

Work is also going ahead on a process which is capable of converting small coal of any volatile content, except anthracite, into briquettes that may be used for a wide variety of domestic and industrial purposes.

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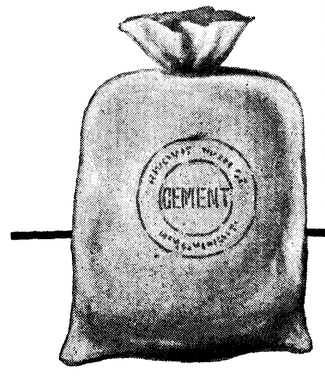



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ROLE OF SOUTH INDIAN PLANTING INDUSTRY IN THE ECONOMY

ACHIEVEMENTS IN FIRST PLAN PERIOD

AMONG the industries which have contributed to the development of India's economy, mention deserves to be made—though it has seldom been made very effectively—of the contribution by the plantation industry. The magnitude of the investment sunk in this industry, the very large revenues it earns for the States and the Centre the number of persons for whom it provides employment and the amount of foreign exchange it earns for the country are all indicators of its contribution to the wealth of the nation. Despite the important place it has carved for itself in the national economy, the plantation industry was not included in the first Five-year Plan. In the second Plan it has been assigned an insignificant place. This does not minimise the industry's importance. The industry has made a notable progress during the first Plan period, sharing the aspirations of the nation and marches towards the goal of a prosperous and economically powerful India.

The United Planters' Association of Southern India, Coonoor, has, therefore, done well in bringing out a brochure, *The Plan and Planting*, outlining the progress made by the industry during the first Plan period. The study is, however, confined only to the three main plantation crops of South India, namely, tea, coffee and rubber, which are relatively better organised plantation crops. Nevertheless, the facts and figures set out in the brochure provide a sufficient idea of the magnitude of the industry's efforts and achievements during the Plan period. They also bear testimony to the "health" of the plantation system of agriculture.

The special feature of the plantation crops which distinguishes them from other agricultural crops is that they are not short-term crops and an investment in them does not give immediate return. Tea takes about eight years from the time of planting to the time a fair crop is yielded. Rubber takes ten years and coffee about six years. This is true whether increased production is attempted by new planting or by replanting. It is, therefore, difficult to Plan development of plantation crops on a five-year basis and measure its progress. The progress achieved during the first Five-year Plan period is thus the result of earlier efforts.

New planting and replanting of tea are under statutory control in conformity with an International Agreement, to which India is a party. The area under tea in South India was increased by only 3 per cent. during the years 1950-54. Rubber and coffee are under no such restriction and can be freely planted. The acreage under coffee rose by 16.4 per cent. during the five years 1950-51 to 1954-55 and that under rubber by less than 6.4 per cent.

The increase in production of tea during the past five years was 31 per cent. Coffee also recorded a rise of 31 per cent. and rubber 31.2 per cent. It must be noted here that the increases in production of the three crops have not come out of the areas newly planted during the period mentioned above. The increase in production and that in yield per acre were the cumulative effect of scientific management and progressive use of better strains of planting material in earlier years. Thanks to the special attention devoted to experiment and research for keeping the crops free from pests and diseases, development of healthy and high-yielding strains of plant material and improved cultural practices, the yield per acre of tea rose by 600 lbs. in 1950-51 to 770 lbs. in 1954-55 or by 28.3 per cent., coffee from 181 lbs. to 236 lbs. or by 30 per cent. and rubber from 258 lbs. to 277 lbs. or by 7.3 per cent.

The industry's functions as an earner of foreign exchange and a provider of employment are of the utmost importance. In order to export a crop and earn foreign exchange, the industry must produce the crop in excess of internal consumption. With a rising level of internal demand, the industry must keep up its pace of expansion so that it may be able to feed the export markets also. In this respect, tea, among the plantation crops, holds the top position. During 1955, shipments of tea from South India alone amounted to 78.24 million lbs. or 20.4 per cent. more than in 1951. The increase in foreign exchange earned was Rs. 21.8 crores or 70 per cent. over 1951. The rapid rise in internal consumption and the changes in production from year to year have reduced the quantity of coffee available for export. Nevertheless, exports of coffee rose from 3,700 tons in 1950-51 to 9,600 tons in 1954-56 and the earnings from exports from Rs. 1.35 crores to Rs. 7.3 crores. The achievement of rubber as an export crop is very modest, because rubber has long ceased to be an important export commodity of India. The output of this strategic commodity is not sufficient to feed the rapidly expanding manufacturing industries of the country, despite the rise of 31.2 per cent. in production during the past five years alone. However, some varieties of rubber are exported in order to relieve short-term accumulation of stocks.

The number of persons employed in the South Indian tea industry rose by about 36,000 or 18 per cent. and that in coffee plantations by 27,600. The employment in rubber estates increased by 7 per cent. from 1951 up to the middle of 1955. Since then there has been a sudden rise in employment following the launching of the replanting programme, but no estimate of it has so far been made.

Besides giving more attention to increasing the area under cultivation as well as the crop outturn, the planters have taken care to promote the welfare of its employees. The results achieved in this direction are commendable in the context of the successive rises in wages in the plantations and the equally sustained increases in taxation imposed on the industry. The wages of south Indian plantation labour have risen on an average by 34 per cent. during the last five years. This calculation excludes the increase in workers' earnings due to the guarantee of work assured throughout the year. Incidentally, it may be noted that nowhere else in the world an industry of an agricultural nature provides guarantee of work throughout the year. The introduction of annual holidays with wages and the payment of bonus are also not taken into account in the above calculation. Referring to the amenities provided to the plantation labour, the brochure says:

"The plantation industry has a unique record in the matter of providing a comprehensive range of amenities for its workers. In quality, number and range, these amenities have been generally and substantially improved during the period of the first national Plan. More and better hospitals, schools and houses have been provided. Fewer workers are falling ill and they are going to better and more numerous hospitals. More workers' children are going to schools and they are going to better schools. A large number of the younger children are being looked after in the more numerous and improved type of creches. Today the capital outlay required to house and provide the labour with the full range of standard amenities is approximately a fourth of the total capital required to develop a new estate."

The industry has thus made striking and many-sided progress during the first Plan period. The planters feel confident that this progress will be maintained during the next Plan period also. Much of the benefit of the additions to acreage during the first Five-year Plan will become increasingly evident during the next five years as the new acreage comes into bearing. Plans for further increased production of tea, coffee and rubber are being considered. Workers' welfare also continues to receive top priority.

CASH COMPENSATION TO ASSAM TEA LABOUR

The Supreme Court has dismissed the appeal filed by the Indian Tea Association, representing all tea gardens in Assam, and upheld the decision of the Labour Appellate Tribunal which held that the workers were entitled to receive cash compensation for the reduction in the quantity of articles of food supplied at concessional rates, in addition to the minimum wages fixed by the Government of Assam under the Minimum Wages Act.

Before February 1950 the workers in tea estates of Assam were being supplied rice at concessional rates at 5 seers per week per adult male worker. In November 1950, the Government reduced the quantity of rice so supplied to a worker to 3½ seers per week and thereupon the workers claimed cash compensation for this reduction. The dispute, which arose out of this claim, was referred to the Industrial Tribunal, Assam, and the Tribunal fixed the rate of cash compensation payable by the estates.

On 11th March 1952, the Government of Assam fixed the minimum wages of workmen employed in the tea gardens of Assam at certain rates. The minimum wages, which were to come into force with effect from 30th March 1952, consisted of basic wages and dearness allowance at the rates specified by the Government. The rates were, however, exclusive of concessions enjoyed by the workers in respect of supplies of foodstuffs and other essential commodities and amenities. The Government stipulated that these concessions and amenities should continue unaffected.

The minimum wages so fixed by the Government exceeded the total of the cash wages which the employers were paying to their workmen and the value of the concession at which rice was being supplied, as also the amount of compensation for the cut in rice ration. The employers, therefore, contended that the Government's minimum wage notification had the effect of absorbing their cash compensation in the cash minimum wage that had been determined and that they were under no obligation to pay, after the date of this notification, i.e., 11th March 1952, the compensation for the rice cut over and above the minimum wages fixed by the Government.

The workmen, on the other hand, claimed that they should continue to get the cash compensation that had hitherto been paid to them for the reduction in rice ration. The dispute which thus arose between the employers and their workmen was referred by the Government of Assam for adjudication by the Industrial Tribunal, Assam. The Tribunal by its award published on 6th August 1952 upheld the contention of the employers and held that when the minimum wages were fixed by the Government the employers were not under an obligation to pay compensation for the rice cut. The workmen preferred an appeal against this to the Labour Appellate Tribunal.

The Labour Appellate Tribunal by its award given on 2nd April 1954 held that the compensation for the rice cut had at the time of the notification issued on 11th March 1952 become an amenity and that the Government not only fixed the basic wages and dearness allowance but also preserved all the amenities which the workmen were enjoying and, therefore, they would be entitled to cash compensation for the rice cut as long as the cut remained in force in addition to the minimum wages.

Thereafter the Indian Tea Association came in appeal to the Supreme Court by way of special leave granted under Article 136 of the Constitution. In dismissing the appeal, Mr. Justice Bhagwati, who delivered the judgment of the court, after examining all the arguments advanced on behalf of the appellants, said that they were of the opinion that the conclusion reached by the Labour Appellate Tribunal in the award under appeal was correct.

WORLD RUBBER STATISTICS

World production of natural rubber in July this year, disclosed a sharp rise as compared with that for the previous month, while consumption declined, according to the latest figures issued by the International Rubber Study Group. Output in July aggregated 162,500 tons, as compared with 145,000 tons in June. Consumption amounted to 145,000 tons, as against 155,000 tons. The production in July brings the total output for the first seven months of this year to 1,015,000 tons, while consumption amounted to 1,097,500 tons. Stocks at the end of the period aggregated 817,500 tons, a decline of 67,500 tons since 1st January.

The January-July consumption figure included estimated imports into the U.S.S.R. of 75,925 long tons and into China of 42,450 long tons. In the month of July, imports into these two countries were estimated at 9,650 long tons and 6,900 long tons, respectively.

Reported exports of rubber from Indonesia during July 1956 amounted to 58,715 long tons, of which 15,836 long tons were reported as being of estate origin. On the basis of the normal monthly allowance of 2,500 long tons for non-reported exports, total Indonesian exports in July amounted to 61,215 long tons, giving a total of 346,860 long tons during the first seven months of 1956.

The United States imported 54.9 million lbs. of tea during the first half of this year, as compared with 56.6 million lbs. in the corresponding six months of 1955. Of this quantity, India accounted for 19.5 million lbs., as against 22.9 million lbs. a year ago, while the share of Ceylon rose from 17.8 million lbs. to 23.5 million lbs.

The imports of tea by the U.K. during the first seven months of the year increased to 315.4 million lbs. from 291.2 million lbs. in January-July 1955. India and Ceylon were the largest exporters to the U.K. during this period, the former accounting for 178.6 million lbs. (as against 155.2 million lbs.) and the latter for 79 million lbs. (73 million lbs.).

Rubber plantations now are being established in the Portuguese Congo, which forms part of the province of Angola. These will, in a few years time, be capable of supplying the entire natural rubber requirements of metropolitan Portugal.

Last year metropolitan Portugal imported 8,520 tons of natural rubber. Of this 5,577 tons came from Portuguese Guinea and the remaining 2,943 tons from British West Africa.

Reports from Luanda, the capital of Angola indicate that Mabor is to construct a tyre factory, with an annual capacity of 2,000 tons, on the outskirts of that city.

The production of tea in Pakistan rose to 8.2 million lbs. in August 1956, from 7.8 million lbs. in the corresponding month of last year. It is, however, slightly lower than that of 8.5 million lbs. produced in August 1954. The total production for the period April-August 1956, aggregated 28.7 million lbs., as against 25.6 million lbs. and 29.4 and 1954, respectively.

Brazil's exportable crop of coffee in 1955-56, according to one estimate, amounted to 25.3 million bags, excluding stocks held on Government account, of which about 17 million bags were exported. After meeting the requirements of domestic consumers, stocks amounting to 11.3 million bags were carried forward to the current year.

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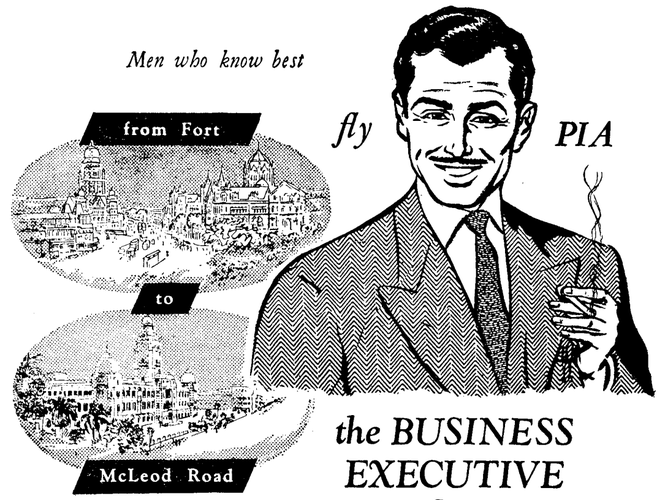

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STEEL IN THE SECOND PLAN

DETAILS OF THE PROGRAMME

NOTHING brings out more clearly the great importance which the Planning Commission attaches to steel production than the fact that the expansion programme for steel in the public and the private sectors at a cost of Rs. 462 crores accounts for as much as 43 per cent. of the total investment under large-scale industries in the second Five-year Plan. All this investment is designed to raise the current output of saleable steel of some 1.3 million tons to 4.3 million tons by 1960-61.

The first Plan included the expansion and modernisation scheme of the Tata Iron and Steel Co. (TISCo) for raising the production capacity to 931,000 tons of saleable steel and the expansion scheme of the Indian Iron and Steel Co. (IISCo) for raising the production of saleable steel and pig iron to 700,000 tons and 400,000 tons or alternatively to 620,000 tons and 500,000 tons respectively, by the end of 1957. The Plan also visualised the expansion of the Mysore Iron and Steel Works to a capacity of 100,000 tons of finished steel to be achieved before 1956. During the period of the first Plan, the major programmes completed by the TISCo comprise the new Simon carves battery of coke-ovens and the re-building of the 'D' blast furnace. The subsections for receiving power from the Damodar Valley Corporation were also completed. The IISCo has completed the major extensions visualised in 1950, namely, the Morgan mill, boiler plant and ash-handling equipment. The increase in production, at the Mysore Iron and Steel Works was mainly in respect of pig iron. The following table summarises the increase in production of saleable steel and pig iron over the period of the first Plan.

(In 000 tons)

	1951-52	1955-56
Saleable Steel:		
TISCO	799.0	797.8
IISCO	264.0	452.9
Mysore Iron and Steel Works	30.5	35.0
Total ..	1,093.5	1,285.7
Pig Iron:		
TISCO	1,129.0	1,156.0
IISCO	694.1	707.0
Mysore Iron and Steel Works	23.0	52.4
Total ..	1,846.1	1,915.4

Much preparatory work was done during the period of the first Plan towards the establishment of three steel plants in the public sector—the Rourkela (Orissa) plant with which is associated the German Combine of Krupps and Demag, the Bhilai (Madhya Pradesh) plant which the Russian participation is envisaged and the Durgapur (West Bengal) steel plant in which a consortium of leading British steel and allied interests is participating. These plants, as is well known, now form part of the steel programme in the second Five-year Plan. The Rourkela and the Bhilai steel plants are expected to go into production by the end of 1959 and the Durgapur plant by the end of 1960. The ingot capacity of each of these steel plants will be one million tons. The capacity for pig iron output will be 945,000 tons in Rourkela, 1,100,000 tons in Bhilai and 1,275,000 tons in Durgapur, while the capacity for finished steel will be 720,000 tons in Rourkela, 770,000 tons in Bhilai and 790,000 tons in Durgapur. The surplus of pig iron which will be available for sale is, of course, limited; it will be about 30,000 tons in Rourkela, 300,000 tons in Bhilai and 350,000 tons in Durgapur. The plans for the lay-out of the three steel plants have taken into account the possibility of further expansion in later years. Thus, the Bhilai steel plant provides for ultimate expansion up to 2.5 million tons of ingots per annum and the Rourkela and the Durgapur plants to about 1.25 million tons of ingots each. So far as the Mysore Iron and Steel Works are concerned, the capacity of the works is expected to reach 100,000 tons of finished steel.

Some of the special features of the three Government-owned steel plants are:

(1) The coke-ovens and blast furnaces are visualised in terms of units of not less than 1,000 tons daily capacity; (2) utilisation of washed coals and blends of coking and non-coking coals in the interest of conservation of metallurgical coals and establishment of a washery of 360 tons hourly capacity at Durgapur; (3) provision for sintering plants at Bhilai and Durgapur in case it is decided to establish them at a later date; (4) use of high top pressure techniques in blast furnace operations; (5) design of the blooming mill and soaking pits in the Durgapur steel plant to handle steel ingots of seven tons weight; (6) adoption of the Linz-Donawitz (LD) oxygen blowing process in the steel melting shop at Rourkela; (7) installation of a rolling mill of modern design at Rourkela for hot and cold rolling including a broad strip mill for strips up to 1.525 mm. in width, with an annual capacity for 720,000 tons of flat products; and (8) separation of hydrogen from the coke-oven gas for being used for ammonia synthesis in the fertiliser factory to be attached to the Rourkela steel plant.

The coke-ovens at all the steel plants are to be equipped for the recovery of crude benzol. Its further rectification into benzene, toluene, xylene, etc. is envisaged at Bhilai and Durgapur. As regards the by-product, ammonia, its fixation in the form of ammonium sulphate is provided at Bhilai and Durgapur and installation of contact sulphuric acid plants is included in the by-product recovery plant equipment. The developments envisaged at Bhilai also include the distillation of by-product coal-tar and the recovery of different organic compounds present in it. Details relating to by-product recovery are discussed under the coal carbonisation industry.

A rising level of steel output is envisaged in the two steel units in the private sector. The TISCo is expected to reach a total saleable steel output of 800,000 tons in 1956-57, 900,000 tons in 1957-58, 1,200,000 tons in 1958-59, 1,500,000 tons in 1959-61. During this period, the IISCo's output will be raised to 300,000 tons, 375,000 tons, 520,000 tons, 640,000 tons and 800,000 tons, respectively.

Pig iron supplies are, however, expected to be limited during 1956-57 and 1957-58, for, during these years, with the expansion of steel production by the TISCo and the IISCo, larger quantities will be consumed for steel melting. But in 1957, about 177,000 tons of pig iron will become available and in 1958, about 243,000 tons. The position is expected to improve thereafter, so that the availability of pig iron for sale, after all the programmes have been implemented, is expected to be some 660,000 tons—870,000 tons, made up of: TISCo 60,000—70,000 tons (off-grade), IISCo 100,000 tons; Rourkela 50,000 tons (off-grade); Bhilai 100,000—300,000 tons and Durgapur 350,000 tons.

The development of the steel industry involves, of course, the utilisation of a wide range of raw materials, such as iron ore, coal, manganese ore and limestone. The annual requirements of raw materials and electric power for the four plants in the public sector and the two plants in the private sector are given below:

(In million tons)

	Rourkela	Bhilai	Durgapur	Mysore Works	TISCO	IISCO
Coal	1.60	1.79	1.83	0.05	3.50	2.47
Iron ore	1.70	1.94	1.94	0.2	3.20	2.18
Manganese ore ..	0.11	0.03	0.06	..	0.06	0.04
Limestone ..	0.52	0.55	0.62	..	0.90	0.65
Dolomite	0.03	0.01	0.42	..	0.09	0.04
Electric power† ..	85	50	40	98	118	36

† In 000 k.w.

The estimated cost of the three plants in the public sector is about Rs. 353 crores, including the foreign exchange requirements of Rs. 228 crores. The total estimated cost of each plant, with the figures in brackets indicating the requirements of foreign exchange, is: Rourkela Rs. 128 crores (Rs. 89 crores), Bhilai Rs. 110 crores (Rs. 67.5 crores) and Durgapur Rs. 115 crores (Rs. 72 crores). More recently, the fear has been expressed that these estimates may have to be revised upwards, thanks to rise in prices. Be that as it may, the expansion scheme of the Mysore Iron and Steel Works is expected to cost Rs. 6 crores. In the private sector, the expansion scheme of the TISCo will cost Rs. 102.5 crores, of which the expenditure in the creation of new assets (as distinguished from expenditure on replacements and repayments of loans, etc.) is Rs. 85 crores, the corresponding figures for the IISCo being Rs. 49.2 crores and Rs. 42.5 crores, respectively.

GAS OUT OF COW-DUNG

The Indian Agricultural Research Institute has set up in villages around Delhi seven gas plants which manufacture gas out of cow-dung. This is the result of the research carried out at the Institute. This research work showed that, when moist dung is fermented in an enclosed vessel, a combustible gas, called methane, is obtained. One pound of dung yields as much as one cubic foot of this gas, so that a farmer having four to six animals could get about 100 cubic feet of gas from the dung voided in a day. This would suffice for cooking for an average family of four to six members. The process, however, involves no loss of the important manurial constituents of the dung which will still be available for being utilised as manure.

The gas plant consists of a metallic drum, about five feet in diameter and four feet in height, placed over a 15 feet deep well where cow-dung is collected for fermentation. The gas arising from this fermentation is collected in the drum which is kept in balance and under a regulated pressure by means of weights. The gas so collected is carried in a tube to a burner, on which cooking is done. The rate of gas production varies with atmospheric temperature and is higher in summer than in winter. On an average, however, it works out at about one cubic foot of gas for a pound of cow-dung added. One hundred pounds of cow-dung daily, mixed with an equal quantity of water, produce about 100 cubic feet of gas per day.

The operation of the plant is quite simple, and, beyond daily feeding of dung, no other attention is needed. The spent dung slurry automatically overflows from the tank and gets collected in shallow trenches built around it, ready for use in the fields. It is significant that this material does not attract flies and could be allowed to dry without causing any nuisance of smell and fly breeding. For such ideas intended for universal adoption the severest tests are necessary. It will, naturally, take some time before all the implications of this important new invention can be fully realised.

Initial capital outlay in the shape of pits, drums, pipes and gas burners is another major factor. Initial high costs—the present field models with a life span of 15 to 20 years cost about Rs. 250—may stand in the way of the acceptance of this excellent device. Research on methods to reduce the cost continues. Perhaps a larger model, co-operatively run, serving the need of an entire village could cut down the cost to make the idea sufficiently attractive to the village people. And larger models, the research scientists say, could be constructed on the same pattern as the pilot plants.

In the case of bigger installations, in addition to heating, the gas could be used for household lighting (in gas lamps) or for operating gas engines to run small-scale machinery or even motors to produce electricity.

JAPAN'S MERCHANT FLEET

In view of the fact that shipping interests all over the world are now making great efforts to construct new ships in order to make the most of the unusual prosperity prevailing in the freight markets, the Japan Shipowners' Association is reported to have arrived at the conclusion that about 8,870,000 tons gross would be the proper size of Japan's merchant fleet in the future. The highest peacetime tonnage of Japan's merchant fleet was 5,629,845 g.r.t. which was in June 1939. At present the strength of her merchant fleet is running around 4,000,000 tons and hitherto the objective had been to attain the pre-war tonnage of about 6,000,000 tons.

The shipping interests are also reported to be urging the construction of about 800,000 tons gross of new tonnage in the nine months from July 1957 to end of March 1958, including the ships to be built under the 13th shipbuilding programme. The yards in Japan are however stated to be in a position to construct only 600,000 tons for Japanese owners during the period. At the end of June last, Japan had 129 ships totalling 1,116,490 gross tons under construction in her yards, of which as much as 851,708 tons were for export.

HEAVY ELECTRICALS

The Heavy Electricals (Private) Ltd., owned entirely by the Government of India, has now been registered in Gwalior to take over the control of the Government's heavy electrical equipment project at Bhopal. The authorised capital of the Company is Rs. 30 crores. It may be recalled that Mr. K. C. Reddy, Minister for Production, stated, in the course of his recent Press conference, in New Delhi, that the factory would be designed to manufacture turbines, generators, transformers, static capacitators, circuit breakers, switch boards and control desks, small and medium-sized motors, traction motors, insulating materials, etc. The technical consultants for the project are the Associated Electrical Industries Ltd. A delegation of Indian engineers, which visited the U.K. in April-May this year, has submitted a report to the Government. The report has been accepted. But a detailed project report relating to the work in the factory is due by 30th November 1956. The recruitment of engineers, who will be given specialised training in the factories of the technical consultants in the U.K. is being taken in hand.

HINDUSTHAN AIRCRAFT

The expansion programme undertaken by the Hindusthan Aircraft Factory provides for the overhauling of aircraft and the manufacture of fighter aircraft, jet aero-engines and rail-coaches. In a Press interview, at Bangalore, Mr. Shrinagesh, Managing Director of the Factory, stated that the Factory would begin manufacturing gas-turbine aero-engines and Gnat fighter aircraft by the end of the second Five-year Plan. As regards over-haul of aircraft, he revealed that only specialised work would be undertaken at the Factory and that centres for overhaul would be established at Cochin and elsewhere. The Factory would build standard-type rail coaches but would keep the manufacturing unit flexible, in order to undertake the manufacture of electric and diesel trains as well.

The General Electric Co. of India Private Ltd., Calcutta, who are the agents of Permali Ltd., England, presented recently the film "Clear Road Ahead" to the officials of the Eastern Railway and South Eastern Railway. The film "Clear Road Ahead" has been produced by Permali Ltd. to depict the meticulous care taken during the manufacture of the Permali insulated rail joint which is used to insulate sections of the railway track, where track circuits are employed, and also to illustrate how widely this joint is used on railways in India, Great Britain, Australia, Canada, France, Norway and Sweden. The track circuit is a vital link in electrical signalling on railways and the film illustrates how well the Permali insulated rail joint stood upto the most arduous service and climatic conditions.

NEW PRODUCTS AND PROCESSES

Fruit Pulp Sheets and Slabs

THE pulp of fruits like mango and jack fruit is usually sundried or dehydrated by other artificial means in many parts of the country. The tough leathery product obtained by these indigenous methods, although brown in colour and inferior in quality is a favourite of children and youngsters alike. A process to obtain a fruit pulp of uniform and smooth texture, having bright colour and appearance and delectable taste and flavour has been worked out by the Central Food Technological Research Institute, Mysore. A soft fruit beverage which can also find a ready market, is obtained as a by-product. The process which is marketed by the National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi-1, involves the steeping of the edible portion of the fruit in sugar solution (containing citric acid, if necessary) and steaming for 15-30 minutes. After standing overnight with addition of sulphur dioxide, where necessary, the fruit is strained and passed through a pulping machine. The fine pulp obtained is spread on trays and dried in the sun or in a cabinet drier at 140-145° F. The thin dried sheets are cut into pieces of suitable size, pressed into slabs of desired thickness or made into rolls and packed suitably in airtight containers. The process of manufacture is quite simple and can be easily started as an integral part of a fruit preservation factory. Equipment required for this purpose can be conveniently fabricated in the country. Pilot plant trials with pulps of jack fruit, mango, etc., have been carried out successfully and operating details and economics of the process have been fully established.

Special Hearing Aids

An electro-acoustic articles factory, Audium Electro-acoustishe Industrie N.V., Singel 160, Amsterdam C. (Holland), has put on the market some new types of hearing aids, which to a large extent meet the requirements of good hearing quality, small size and low weight. They are handsomely designed and are supplied in a de luxe case. One type excels by its very high hearing qualities. It is fitted with a sixfold tone and limitation control, contains four transistors and weighs 71 grammes (2½ oz.). Another type of hearing aid is of an exceptionally small and light design (it weighs no more than 38 grammes=1.34 oz.); it contains three transistors and one transformer. This apparatus is specially intended for ladies, who can, for instance, wear it under their hair. In addition to these models, this factory also makes *hearing spectacles*, which have four very small transistors in the side-pieces. This hearing aid is thus absolutely inconspicuous.

Calcium Cyclamate

A chemical works, Chefaro N.V., Keileweg 8 (Post Box 6014), Rotterdam W. (Holland), which already produces the new synthetic sweetener, sodium cyclamate, has now also taken in hand the manufacture of calcium cyclamate. Although the cyclamates are higher in price than saccharin, there are numerous diabetics who prefer them to saccharin because of their purer taste, which is retained when they are cooked along with foodstuffs. For those who have to keep to a salt-less diet, calcium cyclamate is more suitable than sodium cyclamate.

Non-fading Gold-coloured Aluminium

Details have recently been released of a new method of producing non-fading gold-coloured aluminium in a variety of shades and tones. The colour is brought out, without the use of dyes or other colouring materials, by anodizing under readily controlled conditions. It may be varied from pale straw to deeper gold and gold-bronze tones, and the finish may be either bright or satin. The process, which has been developed and patented by the Kaiser Aluminium and Chemical Corporation, in California, imparts a sunfast gold colour of great permanence, well suited to a wide range of exterior architectural applications, motor car fittings, furniture and domestic appliances. The alloy will soon be commercially available in sheet form and development work now in progress is designed to adapt the gold coloured alloy to products in other forms, such as extrusions.

New Antibiotic

A new antibiotic drug, expected to be a major weapon in treating germ-caused diseases, has been developed by Chas, Pfizer and Company. The company reports that the drug, sigmamycin, has been found effective against a wider range of disease bacteria than any other drug. Sigmamycin is a combination of a new antibiotic, called both cleandomycin and metromycin, and the older antibiotic tetracycline. In clinical tests, the company reports, sigmamycin has been especially effective against germs which cause some types of pneumonia, blood poisoning and intestinal infections among other ailments.

Hypersonic Wind Tunnel

Ohio State University engineers are building a hypersonic wind tunnel that will be able to blow heated air at a speed of 3,700 miles per hour. The builders hope it will help them overcome one of the greatest barriers to space travel—heat. Heat generated by friction at hypersonic speeds (more than five times the speed of sound) is enough to make some present-day metals act like soft putty. The tunnel will enable engineers to stimulate conditions encountered at Hypersonic speeds.

ANNUAL MEETING OF THE SINGARENI COLLIERIES COMPANY LTD.

DR. G. S. MELKOTE ON THE TASK AHEAD

THE Thirty-fifth Ordinary General Meeting of the Singareni Collieries Company, Ltd. was held in Hyderabad-Deccan, on 21st September 1956. Addressing the shareholders on the occasion, Dr. G. S. Melkote, Minister for P.W.D. and Labour, Government of Hyderabad, and Chairman of the Company, referred to the programme for raising the output of the Company's collieries from 1.5 million tons to 3 million tons per year during the second Five-year Plan period. The period would, he said, be one of test for all serving the Company and forecast a period of "severe economics" ahead.

The following is the full text of Dr. Melkote's speech:

"GENTLEMEN,

"This is the Thirty-fifth Ordinary General Meeting of the shareholders of the Singareni Collieries Co., Ltd., and I have great pleasure in welcoming you particularly, because this is the last time that I shall be addressing you as Chairman. The annual report and accounts have been in your hands for some time and I take it that you have found time to peruse them critically. Last year, I claimed that we had achieved record results in the Company's history, but, as you must have already noticed, the results of this year are an appreciable improvement even over the results of the last year.

Plan for Future

"We have undertaken, as our contribution towards industrialisation programme under the second Five-year Plan, to raise the output of coal from our coalfields from 1.5 million tons to 3.0 million tons per year. This, in conjunction with production of lignite from Neivelli, will just suffice to meet the requirements of the South. This programme of self-sufficiency will also relieve the strain on rail transport system, as it will minimise long haulage of coal from the northern coalfields, except for coal of a special quality required for special industrial needs. The Government of India have agreed to help to finance it. The task, however, is not easy, considering that we will have to put in six to seven new mines and that it takes twelve months or so of boring operations to prospect the country and locate the site of a mine and three years more to develop it. We will be pouring in money for all that time without seeing any return therefrom. This will be a period of test for all of us when we will have to brace ourselves up with hard work with strict adherence to time-table and tighten our belts for severe economies to be achieved. I have, however, no doubt that, with a keen desire noticeable in every one to serve the country to the best of his ability and play one's part in the mighty venture on which the country has launched, the task will not be found insurmountable.

Labour Relations

"We have undertaken yet another responsibility. In giving its award, the All-India Industrial Tribunal (Colliery Disputes) observed: 'The Singareni Collieries Company, Ltd. with a progressive outlook that it has brought to bear upon their working are bound to continue their effort in the direction as thereby they would be doing service to themselves, the workmen and the industry at large.' We are indeed appreciative of the good word used for our Company as having a progressive outlook, but the truth is that the recent price increase sanctioned by the Government of India does not cover the increase in the cost of production due to increase in wages awarded by the Tribunal. We shall, however, endeavour to bridge the differences by scientific planning, use of machinery, improved working conditions, incentives to workers, designed to increase their productivity, without corresponding increase in physical effort. We are of the firm conviction that in the long run the higher earnings as a result of incentives to workers will lead to higher standard of living and in turn increase the urge for greater productivity. We shall go forth with this faith to achieve our object of reduction in costs. I feel I should, on behalf of the management and myself, offer our hearty congratulations to all sections of employees for the achievement of a substantial increase in wages and dearness allowance. This naturally has brought about a feeling of satisfaction and I am sure would be an incentive for increased production in days to come and with no strife whatsoever. Let me wish them all better and more prosperous days and days of contentment and happiness and improved amenities in every direction.

Selling Price

"The Company has always maintained that their task is to reconcile and balance judiciously the three separate interests, i.e., of workers, the investors and customers. I have explained above how the interests of investors and the workers have been served and there remains the interest of consumers. In my last year's speech I said that your Company had reduced prices of certain grades of coal giving consumers a recurring annual benefit of Rs. 2.67 lakhs. During the year the price of slack coal was reduced by Re. 1 a ton giving the consumers a further annual recurring benefit of Rs. 2.14 lakhs. This is something of which we can be proud, as you will no doubt recollect that in all other coalfields the price of coal was increased by As. 3 a ton with effect from 18th July 1955 to meet the additional cost of the liberalised Provident Fund Rules introduced by the Government. We have not only met this additional liability from our own resources but actually passed on a reduction in the price of slack coal.

Management and Staff

"Finally a word about the staff and management. On the 12th of August I was invited to inaugurate the work on *Gautam Khani* at Kothagudium and here indeed I saw a real manifestation of *esprit de corps*. What impressed me most was the realisation amongst all grades that their own welfare was directly linked with the welfare of the Company. There was keenness on the part of every one to co-operate with the management as they seemed confident that they will get a fair share of the cake in the end. I was not, therefore, surprised when I was told that the Secretary of the Union, while welcoming the recent award, has assured us that 'with the immediate implementation of the Tribunal Award the workers would make every effort to increase the output and maintain industrial peace for the benefit of one and all.'

"In these days, when it is the fashion for labour organisations to run down management simply because it is management, the existence of an understanding between the colliery union and the management I noticed is most heartening and I would like to congratulate both the management and the workers therefor. From the experience I have gained as Labour Minister, I am confident that a necessary prerequisite to mutual understanding between labour and management is better and higher morale in the organisation, better team work and better efficiency which will be all reflected in ultimate lower costs.

"As I have said, this is the last time I am addressing you as Chairman of your Company and I am glad to be able to record, there has been progressive improvement since 1952, except for the break in 1953 when we had a general strike in all our coalfields on the issue of demonetisation of *Halli* currency. I have no doubt that with the able management at the top, with the excellent team of officers, with understanding workers, and with your support the Company will grow from strength to strength."

BRITAIN'S NEW COKE PLANT

The National Coal Board's new £10 million coke plant at Wingerworth, near Chesterfield, U.K., will be opened on 30th October. Designed to produce 1,400 tons of coke a day, the new carbonisation and chemical plant will also provide 27 million cubic feet of gas monthly for domestic consumption: ammonium sulphate, naphthalene, benzole, sulphuric acid, pitch and tar. It is the most completely integrated installation in Britain and one of the biggest in Europe. The 2,000 tons of coal a day which will be carbonised will come from local mines, and will be suitable for conversion to smokeless fuel.

PARTICIPATION OF LABOUR IN MANAGEMENT

SOME NOTABLE SCHEMES ADOPTED IN WESTERN COUNTRIES

IN recent months, much discussion has taken place over the subject of participation of labour in the management of industrial enterprises. It is being increasingly realised that one of the effective ways of improving productivity and reducing industrial tension is to associate representatives of labour with management in the determination of certain policies as well as in their administration. This is not, however, an entirely new idea, for, in many western countries, it has been tried and found largely successful, particularly in the war and post-war years.

Recognising the importance of associating labour in management, the Planning Commission, in the report on the second Five-year Plan, observed that such a measure "would help in (a) promoting increased productivity for the general benefit of the enterprise, the employees and the community, (b) giving employees a better understanding of their role in the working of the industry and of the process of production and (c) satisfying the workers' urge for self-expression, thus leading to industrial peace, better relations and increasing co-operation." All this, the Commission said, could be achieved by providing for councils of management, consisting of representatives of management, technicians and workers. The Commission observed:

"It should be the responsibility of the management to supply to such a council of management a fair and correct statement of all relevant information which would enable the council to function effectively. A council of management should be entitled to discuss various matters pertaining to the establishment and to recommend steps for its better working. Matters which fall within the purview of collective bargaining should, however, be excluded from the scope of discussion in the council. To begin with, the proposal should be tried out in large establishments of organised industries. The pace of advance should be regulated and any extension of the scheme should be in the light of the experience gained."

Two weeks ago, we referred to the scheme for the association of labour in management, which has been adopted by the Indian Aluminium Co., Ltd. of Calcutta as part of the five-year agreement between the Company and the workers. Similarly, the principle of the association of workers in management, it may be recalled, was built into the agreement which the management of the Tata Iron and Steel Co., Ltd. concluded with its workers in January last. In pursuance of this principle, the Company concluded last month a supplemental agreement providing for the setting up of joint departmental councils, joint works council, joint town council and joint consultative council of management. All these councils will have equal number of representatives of workers and management. For each department of the works, there will be a joint department council to study the production problem and to advise on steps necessary at departmental level to promote and rationalise production. The joint works council will study operational results and current and long-term production problems of the works as a whole. The joint town council will deal with social welfare and other activities in the town. Finally, there is the joint consultative council of management. It will advise the management on all matters concerning the working of the industry in the fields of production and welfare. Although it may also deal with financial and economic matters, it will not concern itself with questions affecting the relations of the Company with its shareholders or managerial staff or taxes or other matters of a confidential nature. These agreements break a fresh and welcome ground in the sphere of industrial relations in India and their working will naturally be watched with interest.

Against this background, a brief review of the existing schemes in Yugoslavia, Germany and France, which appears in the July issue of the *Indian Labour Gazette*, makes interesting reading. In Yugoslavia, active participation of labour in the management and administration of public undertakings started from the year 1950 when the Federal Assembly passed the basic law on the management of State economic enterprises and higher economic associations by the workers' collectives. The basic law of 1950 envisages the administration of the undertakings through two elected bodies of workers, namely, the workers' council and the management committee. The workers of an undertaking first elect, from amongst themselves, a workers' council and the latter elects a managing committee. The council approves the plans, decides on the general policies and formulates the rules and regulations of the undertaking. It also decides on the manner of the distribution of profits. The management committee which is the executive body determines the manner in which the production plans should be carried out and is responsible for the day-to-day administration of the undertaking.

In Germany, labour participation in management is governed by two legislative enactments, the Co-determination Law, 1951 and the Works Constitution Act, 1952. The 1951 Act is applicable to all large undertakings normally employing more than a thousand persons. Their administration is to be carried out by two boards, namely, the board of supervision and the managing board. The former decides the policies and the latter executes them. The 1952 Act is applicable to all undertakings which are not covered by the previous Act. The Act provides, among other things, for the establishment of works councils and economic committees.

No adequate data about the success of the co-determination system, it is stated, are available. It would, however, appear that an on-the-spot investigation, conducted in 1953, into the working of the co-determination system in two steel companies, employing about 33,000 workers, revealed that the system can function satisfactorily at least in periods of good business activity. Many important conclusions emerged from this investigation. There was a general atmosphere of mutual trust and collaboration between workers and management, seldom found to the same degree in other industries. Decisions by the managing board were arrived at unanimously, instead of a majority vote, indicating a spirit of true partnership. The position of the labour director was not an incongruous one and he commanded a position of influence even though he was in a minority. There was evidence of psychological and economic gains to the workers. Among the economic gains were increased wages, better and more welfare benefits and greater job security as compared to undertakings where the system of co-determination did not prevail.

In France, labour participation in management is highly developed in the public sector than in the private sector. In the private sector there is no direct participation of labour in management. In the public sector, the right of workers to participate in the management in the nationalised industries has been clearly laid down in the various nationalisation laws. The method of labour participation in management differs from industry to industry. The representatives of workers are included in the industry at different levels, viz., industry, undertaking and unit.

In communist countries, too, great stress has been laid on association of workers with management. Thus, Mr. Halina Kowalska, of the International Labour Office, in the course of the article on "Productivity in Planned Economies of Eastern Europe," in the August, 1956 issue of the *International Labour Review* observes that, in the communist countries, the management of the enterprise, the party organisation and the trade union concerned, are all charged with encouraging and assisting workers' participation in planning, in general, and in the productivity programmes, in particular. The workers directly participate in the elaboration of plans at the level of enterprise, plant department, or workshop. Their main contribution, he says, "seems to be to indicate sources of waste of materials, to suggest preventive measures, to elaborate methods for organisational and technical improvement, and to establish schedules for the repair of equipment." They also participate in establishing the principles of systems of payment by results and in setting norms of work and piece and bonus rates. A direct and indirect influence by workers on these matters is also exercised by means of workers' suggestion schemes and the socialist work competition movement. Under the workers' suggestion scheme, the workers who offer constructive suggestions are generously rewarded. The socialist work competition movement or the socialist emulation movement aims at promoting a spirit of emulation among individuals, teams and groups of workers.

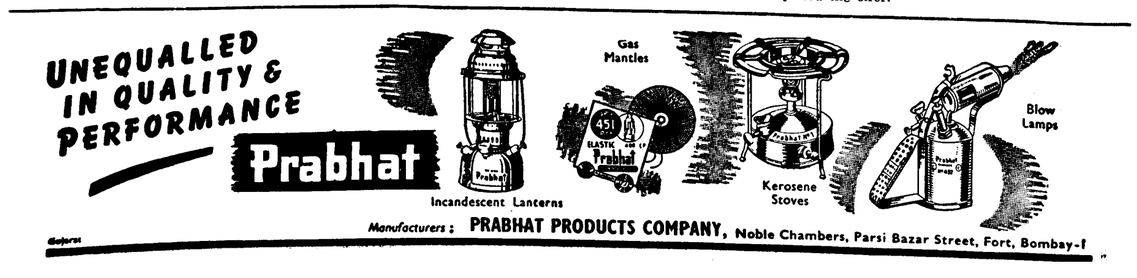
Wage Policy in Outline. By R. G. Gokhale. Published by The National Institute of Labour Management, Bombay, Price As. 12.

Within a brief compass of about 40 pages, Mr. R. G. Gokhale, who as the Labour Officer of the Millowners Association for several years has become a master of labour problems, has discussed clearly and comprehensively a host of issues relating to the formulation of a wage policy. In the context of the recent persistent demand by labour for an increase in wages, Mr. Gokhale's book has a certain topical significance. In any case, now that the country is committed to the second Five-year Plan, with its emphasis on large and heavy industries, there is need to keep the wage problems under continuous and expert scrutiny. Mr. Gokhale, with his intimate knowledge of, and experience in handling, labour problems, spotlights some of the major considerations which must be borne in mind in evolving a sound wage policy. He admits that the "formulation of a wage policy is an extremely difficult proposition and cannot be tackled in isolation." A wage policy, he rightly insists, must be related to employment, production plans and price policies adopted by the Government.

Mr. Gokhale makes a balanced approach to the problem. Thus, he emphasises that in fixing a schedule of wages, the human needs of the worker should be taken into account and recognition accorded to such factors as differences in skill, strain of work and training period involved. At the same time, a wage policy should be based on the capacity of the industry to pay, productivity of labour, level of national income and wages in other sectors, like agriculture, employment and price levels. Surely, in fixing wages, much harm may be done through ignoring any one or more of these vital considerations. We commend Mr. Gokhale's brief treatment of the subject to all students of labour problems.

The Bombay Port Trust General Workers Union, the Transport and Dock Workers Union, and the Bombay Port Trust Employees Union, which together claim a membership of 17,000 workers, gave notice to port authorities of their intention to go on general strike with effect from 14th October, 1956. Their demands, which were reviewed in these columns two weeks ago, include revision of pay scales, better leave and other facilities.

The Government has declared that the services of the assistant harbour masters as essential under the Essential Services (Maintenance) Order. This has been done to forestall the strike by these officers in Calcutta. When this issue was raised in the Lok Sabha, early this month—two adjournment motions on it were ruled out by the Speaker—the Union Minister for Transport, Mr. Lal Bahadur Shastri, said that the Government would accept the recommendations of the Tribunal to which the harbour masters' demands had been referred. He disclosed that he had himself offered them concessions which would give them an additional remuneration of Rs. 125-200 per month but they had rejected the offer.



TEXTILE MACHINERY CORPORATION LIMITED

SIXTEENTH ANNUAL GENERAL MEETING

MR. K. K. BIRLA SURVEYS COMPANY'S ACTIVITIES

ADDRESSING the shareholders of the Textile Machinery Corporation Ltd. at their Sixteenth Annual General Meeting held at Belgharia, 24-Paraganas, West Bengal, on 24th September 1956, Mr. K. K. Birla, Chairman, referred to the achievements of the Company in expanding the scope of its activities. Several agreements with reputed foreign concerns have been entered into, in order to secure technical know-how for producing new articles. The Company, Mr. Birla said, intended to make these new articles on a fairly substantial scale.

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

"LADIES & GENTLEMEN,

"It gives me great pleasure to welcome you to this annual meeting of the Textile Machinery Corporation Ltd. The Directors' report and the audited accounts and balance-sheet for the year ended 31st December 1955, are already with you and, with your permission, I will take them as read.

"From the Directors' report you will see that our Company has been making steady progress; we have widened the scope of our activities. Several agreements have been entered into with reputed foreign concerns, by means of which we have secured technical know-how for producing certain new articles, namely, items of cotton spinning machinery, card clothing, jute spinning machinery, water tube boilers and sugar mill machinery, all of which we intend to make on a fairly substantial scale. These expansion schemes, as you may well imagine, will require additional financial outlay and for this purpose the authorised capital of our Company has been increased during the year from Rs. 1.5 crores to Rs. 4 crores and the paid-up capital from Rs. 1 crore to Rs. 1.9 crores.

"In our cotton textile machinery division we have raised our output of ring spinning frames and spares in order to cope with the present demand within the country. This higher demand arises out of the revised policy of the Government of India in regard to expansion of spindleage and loomage in cotton mills. Several mills have been permitted to expand and new mills are being set up. Installation of automatic looms has also been permitted. These are welcome signs of a change in the outlook of our national planners which the mills, as well as machinery makers, have been waiting for after a considerable period of stagnation. One hopes that the increase in activity this new policy has engendered will be sustained and that the Government will create the necessary conditions to make it stay. The time is now ripe for a review of the capacity existing in this country for the manufacture of looms and ring frames and the capacity now being created for back processes machinery. The indigenous manufacturing interests have shown commendable speed in the past in availing themselves of opportunities for increasing their ranges of production. They have the resources and they are prepared to expand further and we hope they will.

Cotton Ring Spinning Frames

"Our cotton ring spinning frame production, as I have mentioned earlier, is on a much higher scale than hitherto. We are applying the latest methods in production control calculated to ensure maximum utilisation of plant capacity and economies in consumption of material. There has been a substantial improvement in the quality of our frames. A statistical quality control unit has been started here whose work has in a very large measure helped to locate and eliminate flaws developing at the different stages of manufacture. We are glad also to note that standard specifications for component parts including those of our products are being evolved by the technical sub-committees constituted by the Indian Standards Institution.

"Our carding engine production, in which we are being assisted by our Japanese collaborators, Messrs. Howa Machinery Ltd., is progressing satisfactorily. The first batch of our carding engines, which we hope to put on the market within a few months, will have a small proportion of imported components. A year hence we expect to make complete carding engines in our own works.

"I have already referred to card clothing as a new line to be undertaken by us. A separate factory has to be set up for this purpose. Our Japanese collaborators in this project, Messrs. Kanai Juyo Kogyo Ltd., will soon be sending here a team of experts to help us in choosing a suitable factory site and also to install the plant. We shall have sufficient capacity installed to produce a fairly big portion of the indigenous demand for card clothing.

"In our jute mill machinery project we have made a start on spinning frames. We shall be making only a few frames this year with a portion of their components made by our collaborators, Messrs. Fairbairn Lawson Combe Barbour Ltd., Leeds. Side by side with this, we are planning for large-scale manufacture and for progressive increases in the proportion of components to be made here.

"Jute mills in the country have a big programme for rehabilitation of plant and we hope to be able to supply a fairly substantial portion of their requirements in this.

"Our boiler and heavy engineering division has also been working satisfactorily. We have been making industrial boilers till now of the Shell type only. We shall soon be making water tube boilers also. We have entered into an agreement with Combustion Engineering Inc. of New York for technical collaboration in this project. For the railways we are making locomotive boilers.

Wagon Production

"Our wagon production is now on a sound footing. In the current year we shall be changing over from metre gauge to broad gauge wagons. We have some capacity for passenger coaching underframes too; this line will be developed after we have secured an order for this item from the railways. There are certain other lines as well of railway equipment which we hope to develop by and by. The railways have done a very useful service to manufacturing interests by opening show rooms displaying the goods they import. We are grateful to them and to the Railway Equipment Committee for their very many helpful suggestions.

"In structural steel work, our boiler and heavy engineering division, encouraged by the results of its work in fabricating the sluice gates for the Rupar head works of the Bhakra Nangal Project—the longest barrage gates in India—has now undertaken fabrication of radial spillway gates for the Panchet Hill Project of the D.V.C. In this highly specialised work we are being aided, as in the past, by Messrs. Voest of Austria. Besides this, we are making structural parts for steel plants—bustle pipes, hot blast stove shells, Tyuere jackets, Detarrar casings, etc.

"Sugar mill machinery will be an additional line of manufacture in the boiler and heavy engineering division. In this we shall work in collaboration with Messrs. Stork-Werkspoor, Amsterdam, the world's foremost makers of sugar mill machinery. For this and our other expansion schemes we are constructing new shops and installing additional plant.

"Our steel foundry division was set up with a view to achieving self-sufficiency in steel castings and mild steel and special steel sections required for our own different lines of production. We are now making castings as well as ingots. We shall shortly be installing a rolling mill for rolling mild and special alloy steel sections. The possibilities of further expansion are being closely watched.

"One unsatisfactory feature about our current production and expansion plans is the shortages we now find of pig iron, steel and cement. On account of these shortages we have not been able to proceed with our work at a pace we would have liked to. We are, however, assured that these difficulties will soon be tided over since the Government, being seized of the situation, have taken steps to import these materials on their account.

"Pig iron imported on the Government account is proposed to be sold at a uniform subsidised rate on the same lines as imported steel. As regards indigenous steel, the advantage we had till now of cheap prices at the major ports will no longer be available to us. Indigenous steel is now being sold at a slightly higher, but uniform price, at all rail-head stations. As fairly big consumers of indigenous steel we shall hereafter be paying more for this commodity. Since, however, this price equalisation scheme was conceived in the interests of consumers all over the country we welcome it as such. Industrial units like ours situated at or near major ports will suffer a freight disadvantage in the matter of long distance haulage of their finished products. Since they have forgone the slight advantage they initially held in cheaper steel we feel it is but reasonable that they get some concession in the matter of railway-transportation costs of their goods for long distance haulage.

"The shortage of trained technical personnel is another problem which we, in common with all engineering concerns, have to contend with at present. We need to quickly make up an adequate quota of technical personnel to man our new divisions. We have recruited and are still recruiting graduate engineers who will undergo intensive training in our different manufacturing lines. Some of the foremen and assistant foremen at present working in engineering industries have not had the advantage of a basic engineering education. They could do better by equipping themselves with the necessary theoretical back-ground. In this connection we had some time back made a proposal to the Government of West Bengal for establishing an Institute of Engineering for training foremen. The Government have accepted this proposal and your Company has already donated a sum of Rs. 2½ lakhs towards this establishment and it will be making further donations with your approval according to necessity. This institution will impart basic theoretical and practical knowledge enough for men of the foreman category and it is hoped that our own employees along with those of other engineering concerns will derive some benefit out of it.

Industrial Policy

"In the revised Industrial Policy Resolution of the Government of India announced this year vast reservations have been made for development exclusively by the State of certain industries. I mention specially heavy castings and forgings of iron and steel, heavy plant and machinery for the manufacture of machine tools and mining and also the machine tool industry as amongst the categories thus reserved. I do not feel that the reasons that have impelled the Government to reserve iron and steel, mineral oils, shipbuilding, etc. will apply with equal force to the industries I have named. These are relatively smaller industries that private enterprise can quickly build up under the watchful eye of the State's development departments. For rapid development both in quantity and quality these industries would do better under conditions of free competitions. At any rate, the private sector should not be shut out of these altogether.

"But a few years back our engineering industries were languishing in hopes of matching their output to their installed capacities through increased offtake. We seem now to have got out of that rut and some of us have even had a taste of foreign markets. We now have an engineering export promotion council making surveys of export potential in overseas markets. Our country is likely to have a surplus of steel within a few years which can be utilised in making exportable goods and with our low priced steel we should be able to hold our own in the foreign markets for our wares.

"Ladies and Gentlemen, before I conclude I would like to express our thanks and appreciation to the officers, members of the staff and the workers for their unremitting efforts in sustaining the progress of your Company."

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JAY ENGINEERING WORKS REPORT ALL-ROUND PROGRESS

PROCEEDINGS OF ANNUAL GENERAL MEETING

LALA SHRI RAM'S SUGGESTION FOR PROMOTING EXPORTS

THE Annual General Meeting of the shareholders of the Jay Engineering Works Ltd. was held at Calcutta on 14th September 1956. Addressing the shareholders on the occasion, Lala Shri Ram, Chairman of the Company, made a brief review of the all-round progress made by the Company during the past year. He also outlined the steps taken to expand the factory to produce electric fans and disclosed that the Industrial Finance Corporation of India had sanctioned another loan of Rs. 30 lakhs to finance the expansion plans. Lala Shri Ram appealed that a conference of railways, industry, trade and labour should be convened by the Government of India to consider how exports could be encouraged.

The following is the full text of Lala Shri Ram's speech:

"GENTLEMEN,

"With your permission, I will take the balance-sheet and profit and loss account and the Directors' report as read.

"We are meeting almost after a year, and I am glad to say that the past year has been of continued greater success and greater service, which is evident from the figures given below:—

Particulars	*Year ended 31st March*	
	1955	1956
	Rs.	Rs.
Sales	2,23,95,049	3,05,31,764
Profits	18,78,517	27,26,497
Payment to labour ...	54,27,552	63,52,919
Number of workers ...	2,639	2,934
Number of Usha embroidery and tailoring schools: ... and students ...	120 8,000	150 11,000

"The average of monthly production last year of sewing machines was 9,026 in number and the highest in one month was 12,012, as compared to the monthly average of 6,476 in the previous year and the highest of 9,241 in a particular month. The average production of electric fans last year was 6,939 in number, as compared to 4,478 in the previous year.

"During this year, the Directors decided to discontinue the manufacture of hurricane lanterns. The building and most of the machines have been utilised for other purposes.

"The Bhela enamel factory has been shifted to Chhindwara and has started working there.

"I told you last year that the definition of Section 23A of the Indian Income-tax Act was so modified, as to create serious difficulties, in paying back our loans, even to the Industrial Finance Corporation of India. We had applied for exemption. So far no decision has been arrived at.

"Last year, I said that we intended to produce a table fan and sell it for about Rs. 60. I am glad that these fans have been put on the market. We hope within the next few months to put a 36" ceiling fan on the market for about Rs. 100.

Expansion of Fan Factory

"I am glad to say that we have acquired about 75 *bighas* of land at a distance of about 3 miles from our present site, at a cost of roughly about Rs. 4 lakhs. We have already built the necessary roads, boundry wall and a bridge, and covered an area of about 1¾ lakhs sq. ft. The machinery is being shifted there, and it is hoped that by the end of December we will be making there about 6,000 fans per month, in addition to about 8,000 fans in the existing factory. The fan section will be completely shifted to the new site by next year, when we hope to be making about 25,000 fans a month.

"During the year, the Government of India has been good enough to give us licence for expansion of the fan factory capacity from 10,000 to 26,500 fans per month and of the sewing machine factory from 10,000 a month to 25,000 a month.

"For the expansion of these factories more finance was required, and the Industrial Finance Corporation of India has kindly sanctioned another loan of Rs. 30 lakhs.

"Orders has already been placed for machinery for the expansion of the fan factory, and the balancing of the existing sewing machine factory.

"The needle plant has been shipped from Europe and we hope that before the end of this financial year it will be in full swing.

"A four storeyed building has been put up for housing the tool room, design office, development and research department, training school, etc.

Selling Prices Unchanged

"Although due to increase in the price of various raw materials the cost of raw materials of sewing machines has gone up by over 20 per cent. and of fans by over 10 per cent., we are, however, selling these at the old prices and have not increased the rates.

"I have to point out that very great difficulty is being experienced since sometime on account of very poor and unstable quality of the pig iron and of hard coke.

"The Government of India recently announced its policy about uniformity in the prices of steel and pig iron of both Indian and imported. While this has helped the industries which are away from port towns and is welcome, so far as the exports are concerned, I would suggest that on the engineering goods exported, the prices of raw materials, whether pig iron or steel, should be charged on the basis of the indigenous prices. While the difference in cost to the pool will be negligible, it will be a great help towards export of these goods.

"While the Government of India has been good enough to accept the principle of a drawback of customs duty on goods exported, the procedure is so complicated and so difficult that it is almost impossible to get any refund. It entails a lot of work for the Government without doing any good to the industry. I, therefore, suggest that it should not be very difficult to devise on an *ad hoc* basis the amount of draw-back duty paid on such articles as are exported, whether they are fans, sewing machines or oil engines or any other items. This would very considerably reduce the complicated procedure, which is being followed now, and make it possible for the industry to get the draw-back duty amount.

Efforts to Increase Exports

"We, industrialists, owe a duty to our country in helping it to secure as much foreign exchange as can be possible. I feel that there is room for considerable increase in the export of general engineering goods. The markets should be explored for proper assessment and every effort made to increase the exports.

"Like various other countries, it would be a good thing if the Government of India called a conference of railways, industry, trade, labour. etc., to consider seriously as to how exports could be encouraged and helped. I do hope that the authorities will give the suggestion of mine due thought.

"I am conscious of the small contribution at present of the general engineering industry to our export trade, but I am sure that, in our national drive to conserve and augment our foreign exchange resources, we cannot afford to neglect even a small contribution and I am equally certain that there is very great scope for proper encouragement and for the export of engineering goods.

Earnings of Workers

"The earnings of our workers are steadily going up, and for the last year they received in the shape of *Puja* bonus and profit-sharing an amount equal to 5½ months wages, which is the highest in India.

"A few years back we started giving work to poor families and refugees outside the factory. It helped them in making a good living. In other places men skilled or unskilled find employment, and the number of such people has greatly increased and may be in the neighbourhood of about 1,500 working outside our factory premises.

"We are also going ahead with our policy for recruiting educated people. In the previous year we had 358 matriculates and now on 31st August 1956 we have 600. We think the scheme has been very successful.

"In the end, I have pleasure in conveying my thanks to and my appreciation of the work done by all my colleagues."

Proceedings

After the speech of the Chairman, the audited accounts of the Company for the year ended the 31st March 1956, were passed. A dividend of 10 per cent., free of income-tax, was declared in respect of the equity or ordinary shares of the Company.

Thereafter the following resolutions were passed unanimously:—

1. *As ordinary resolutions*:
   (*a*) Mr. L. P. Singhania and Mr. M. G. Bhagat, who retired by rotation, were re-elected as Directors of the Company.
   (*b*) Messrs. H. P. Khandelwal & Co. Chartered Accountants, were re-appointed auditors of the Company for the year 1956-57 at a remuneration of Rs. 20,000.
   (*c*) Declaring that the age-limit prescribed in Section 280 of the Companies Act, 1956, shall not apply to Mr. D. N. Sen.
   (*d*) Approving and consenting to the renewal of the agreements and/or appointments of 146 sole selling agents in India and abroad, a list whereof was included in the notice to the shareholders;
   (*e*) Consenting to the Board of Directors contributing and/or subscribing amounts to any national, political, charitable, benevolent, public, general and other funds, not directly relating to the business of the Company or the welfare of its employees, the aggregate whereof in any financial year may exceed Rs. 25,000 or 5 per cent. of the average of the Company's net profits during the immediately preceding three financial years; whichever is greater; and
   (*f*) Providing that various books, registers and documents of the Company shall be kept open for inspection by shareholders and others during certain hours.
2. *As special resolutions*:
   (*a*) Electing and appointing Mr. M. G. Bhagat a Director of the Company and approving the appointment of Mr. D. N. Sen, Mr. K. L. Poddar and Mr. B. K. Rohatgi as Directors of the Company, and providing that the said gentlemen do continue as Directors until they retire.
   (*b*) Authorising the Managing Agents and the associates of the Managing Agents to retain commission and other remunerations, etc., in terms of section 359 of the Companies Act, 1956; and
   (*c*) Approving the contracts which are or may be entered into between the Company and India Electric Works Limited, for supply of goods by the latter under Section 360 of the Companies Act, 1956.

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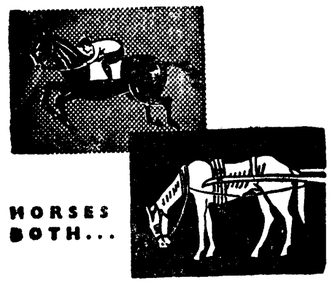

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GROSSING UP OF DIVIDENDS UNDER SECTION 16(2)

LEGISLATIVE INTENTION DISCUSSED

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

THE amendment of Section 16(2) of the Income Tax Act, which deals with grossing up of dividends, has led to a spate of controversy about the true intention of the Government. Does the Government by this amendment retrospectively desire to sabotage the previous position taken by the Income Tax Department or perpetuate it by a retrospective legislation? The wording of the amendment and the use of certain phraseology are likely to give edge to the controversy on either side, for the amendment at first sight seems capable of an interpretation that will suit either side.

We shall try to analyse this section in some detail in order to see which view is the true one and is in consonance with the underlying principle of the declaration of dividend and the tax paid by the company thereon. The controversial sub-section says:

"For the purposes of inclusion in the total income of an assessee any dividend shall be deemed to be income of the previous year in which it is paid, credited or distributed or deemed to have been paid, credited or distributed to him, and shall be increased to such amount as would, if income-tax (but not super-tax) at the rate applicable to the total income of the company without taking into account any rebate allowed or additional income-tax charged for the financial year in which the dividend is paid, credited or distributed or deemed to have been paid, credited or distributed, were deducted therefrom, be equal to the amount of the dividend:

Provided that when the sum out of which the dividend has been paid, credited or distributed or deemed to have been paid, credited or distributed includes (i) any profits and gains of the company not included in its total income, or (ii) any income of the company on which income-tax was not payable, or (iii) any amount attributable to any allowance made in computing the profits and gains of the company, the increase to be made under this section shall be calculated only upon such proportion of the dividend as the said sum after deduction of the inclusions enumerated above bears to the whole of that sum."

The substantative part of the Section provides that:

(a) for the inclusion of dividend in the total income, (b) dividend shall be deemed to be income of the previous year in which it is paid, credited or distributed and (c) shall be increased to such an amount as would if income-tax (but not super-tax) at the rate applicable to the total income of the company (without taking into account any rebate allowed or additional income-tax charged) for the financial year in which dividend is paid, credited or distributed were deducted therefrom, be equal to the amount of the dividend.

Total Income

There are two things to be noticed here. First, the Section does not deal with the "total income" of the company, but the "total income" of the shareholder. Secondly, it deals not with the fact, but with the fiction of making the dividend distributed as artificially deemed to be dividend of the previous year in which it is paid or distributed. The fiction of law as to the "previous year" was necessary for the following reasons:

(i) A dividend, when declared, is declared not necessarily out of the current year's profits only. The divisible profit is an amalgamation of the profits made during the year plus the carry forward of profit brought forward from the last year. (ii) These profits may further be replenished by drawing upon past reserves, such as dividend equalisation fund, etc.

Therefore, when such profits are distributed in a year, should the shareholder return the profits as the income of the year in which they were earned or the income of the year in which they were declared? Although shareholders are participants of the profits of the company as proprietors, their right to the aliquot part of profit does not arise until the company declares it as dividend. A debt is created against the company as from that date. To set right this possible doubt, namely, that the profit distributed is not the profit of one year only, the law will regard all such distribution as having been deemed to be income of the year in which the dividend is paid, distributed or credited.

Having created the fiction about the year in which dividend is to be returned as income of the shareholder, sub-section (2) goes on to provide for the process of grossing it up, i.e., increasing such dividend by an amount of income-tax (not super-tax) paid by the company. This process is imperative in terms of Section 49B. This section provides that any income-tax paid by the company, if the conditions of the Section are fulfilled, it shall be deemed to be paid by the company on behalf of the shareholders. Therefore, it becomes necessary to find what income-tax has been paid by the company on behalf of the shareholders in regard to the profits distributed as dividend. In the case of a company, all the profits of which have always been subjected to tax, no difficulty arises. But such an ideal position of simplicity is rarely found in practice for various reasons, among which mention may be made of the following:

(1) Profits of the company may not wholly be taxable; part of which may be agricultural and as such exempt from tax. Such profits may not enter the total income, if it were available for distribution as dividend. (2) The income of the company, though it may enter the total income, may have earned an exemption under certain specific provisions, e.g., profits of a company exempted under Section 15C. (3) The assessable income of the company may also suffer diminution by deduction of extra allowances in shape of depreciation, normal, extra or initial. If the company does not provide for all these allowances in its accounts at income-tax rate, there will be profit available for distribution measured by the difference between the actual income which is more and the assessable income which is less.

Anomalous Position

Under the substantive section, all profit distributed would have to be grossed up in order to give effect to Section 49B. But this would lead to an anomalous position. The section, therefore, logically provides modification of the effect of the substantive provision by adding a proviso in the following terms:

"Provided that when the sum out of which the dividend has been paid, credited or distributed or deemed to have been paid, credited or distributed includes (i) any profits and gains of the company not included in its total income, or (ii) any income of the company on which income-tax was not payable, or (iii) any amount attributable to any allowance made in computing the profits and gains of the company, the increase to be made under this section shall be calculated only upon such proportion of the dividend as the said sum after deduction of the inclusions enumerated above bears to the whole of that sum."

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We have already discussed the implication and the *raison d'etre* of this proviso. The proviso takes out from the dividend that portion of dividend which has been declared out of profits, the portion which:

(i) has not been included in the total income of the company, or (ii) on which the company has not paid income-tax, (a) by reason of profits though included in the total income have not borne any tax by reason of any specific exemption granted, e.g., exemption under Section 15C, or (b) by reason of allowances such as depreciation, development rebate, etc., in computing the profits of the company.

This portion of the dividend will not be eligible for grossing up.

The controversy that has arisen is centred round two points. In the main section, there is a reference to grossing up at the rate applicable to the company. This is interpreted—or was interpreted till the 1956 amendment thereof—as meaning the individual rate of each company instead of the rate applicable to the company as a class. The second point of controversy centres round the use of the word "total income" both in the substantive provision and in Clause (i) of the proviso.

Department's Argument

Let us consider this controversy. Does the rate relate to the individual rate of the company or the rate applicable to the company as a class? The Department argues that, prior to 1948, the article used in the Section was 'a' not 'the.' Therefore, in 1948, when this was altered, it must necessarily connote a change in the intention; a rate applicable to the class became the rate applicable to the company itself. To this the reply of the tax-payer is that it is not so. Under the Finance Act, 1948, a company had for the first time two rates—one, for the company, the profits of which did not exceed Rs. 25,000 and the other, for a company, the profits of which did exceed Rs. 25,000. The grossing up in the latter case was to be done at the full rate and grossing up in the former case was to be done at half the rate. But in either case, reference was to the company as a class—not as an individual company. That being so, the change of 'a' into 'the' cannot have the meaning that is attached by the Department to the individual rate of the company.

Further, the rates of company are flat rates —that is, rates that do not fluctuate with income. If this rate does not fluctuate—that is, increase with the income—it also equally does not reduce or decrease with the diminution of income. It attaches therefore to the company whatever may be the amount of profit. Such an amount may be infinite or zero, yet the rate will be the same. If this is true, then a flat rate applies to a positive income as well as negative income. The reason why one gets positive tax when one multiplies by positive figure or zero when one multiplies by zero is not the consequence of 'no rate,' but it is the consequence of the mathematical law, namely, a positive figure multiplied by a 'zero' must always result in a 'zero.' The Department argues that the flat rate can apply only to positive income, and not to negative income and, therefore, the negative result is obtained because there is no rate provided for *nil* income. This is absurd. There can be no such assumptions. If the rate applied to total income it must fluctuate with it. If it does not, then, it means that the rate is an uniform rate to be applied to profits of the company whatever they may be.

Another Hurdle

The next hurdle to be crossed is whether the use of the word "total income" in Clause (i) of the proviso can lead to the construction that it is the total income of the previous year. If it is the total income of the previous year, it can restrict the grossing up to such profits as are comprised in the total income of one year only. But this is not correct for more than one reason. Profits distributed are normally never restricted to one year. It always has an element of a carry forward from the last year—apart from the fact that, at times, the company may draw upon its dividend equalisation fund account to maintain a particular rate of dividend. It cannot be the intention to render nugatory the provision of Section 49B. If profits are distributed in the same year it will be susceptible to the process of grossing up. If the profits are taxed, but carried forward for future needs, it will not be so susceptible. This seems to be an anomalous position. It seems the most reasonable view to take is that profits on which benefit of Section 49B is conferred are the profits which have been once taxed and, when they are distributed the fiction of law should apply, namely, the company is deemed to have paid tax on behalf of the shareholder.

Next let us refer to definition of "total income" in the Act. Section 2(15) defines it as follows:

"Total income" means total amount of income, profits and gains referred to in sub-section (1) of section 4 computed in the manner laid down in this Act, and "total world income" includes all income, profits and gains wherever accruing or arising, except income to which under the provisions of sub-section (3) of section 4, this Act does not apply and except any capital gain which is not includible in the total income of an assessee."

In this, there is a reference to Section 4(1). Now, this Section reads:

"Subject to the provisions of this Act, the total income of any previous year of any person includes all income, profits and gains from whatever source derived."

Therefore, total income is the total of income of any such previous year. Clause (i) of the proviso, after substituting the above definition, would read thus:

"any profits and gains of the company not included in the total amount of income computed in the manner laid down in the Act for any previous year."

Total Income

Another aspect of this question may be examined in support of my thesis that the new Section 16(2) enables grossing up of dividends even if they are declared out of taxed profits of the previous years. Proviso Clause (i) excludes "any profits and gains of the Company not included in its total income" for the benefit of grossing up. Now, if we interpret the word "total income" or the income of the company during the previous year, it will mean that anything that has not been included in the total income shall be excluded. "Total income" is a concept of income during one year only. It takes no count of income of the prior years. And, therefore, income drawn upon for dividend out of previous taxed profits will also be excluded. This means that Clause (i) will be interpreted to exclude not only that which is not included in the total income, but also that which cannot, in the very nature of things, be included in the total income. Law should not be interpreted in a way that would impose a condition impossible of fulfilment. It would be punishing a company for something which cannot be done, namely, to include in the total income items which do not and cannot pertain to the income of the year. This suggests that the Clause (i), along with (ii) and (iii) in the proviso, refer not to the total income as the income of the previous year preceding the financial year, but any "previous year." Such an interpretation is in consonance with the definition of total income and also carries out the intention of the legislature, namely, not to deprive the shareholders of the benefit of Section 49B.

Thus, it becomes crystal clear that the Clause has no such restrictive meaning as is sought to be given by the proponent of the Departmental view. If Clause (i) is to mean total income of any previous year, not necessarily the year previous to the assessment year, the Clause (ii) and (iii) must mean income or allowances of any previous year.

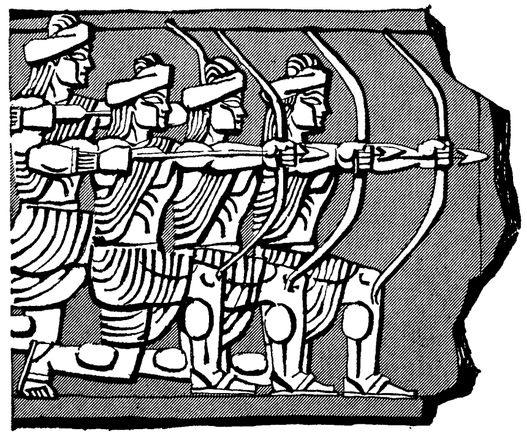
Previous Decisions

This section has been given a retrospective effect in these words. "This proviso shall be deemed always to have been substituted." The effect of this will be that all the decisions already given under the old Act will have to be interpreted for its validity in terms of this amended Section and not the Section under which they were actually decided. If the true construction of this Section, read with its proviso, is that the Government intends to give grossing right to dividend declared out of both current as well as past profits drawn upon for distribution, provided these profits have been subjected to tax in that year or previously, the amendment will bring relief to those to whom this right at present is refused. But if the construction is that the benefit should be granted only if the company has paid any tax during the current year it will have effectively scotched all such claims—though this may seem unfair on the principle embodied in Section 49B. We can only wait and see further development or litigation on this Section.

As one reads the ever-growing fiscal legislation, one cannot but cry with Alice in the Wonderland—as the years pass, the situation is becoming curiouser and curiouser—until we cannot see the wood for the trees. One may agree with Thomas Grey when he said that "where ignorance is bliss, it is folly to be wise." The spurt of new legislation does not bring knowledge but only makes confusion worse confounded.

Surprise at Thermopylae

When Xerxes, the mighty Persian emperor, invaded Greece in 480 B.C. he had with him a company of Indian archers. These Indian archers used a new weapon—a steel-tipped arrow which had been brought all the way from India. History records that the Greek army was surprised by the superior arms of Xerxes and was defeated in the battle of Thermopylae.



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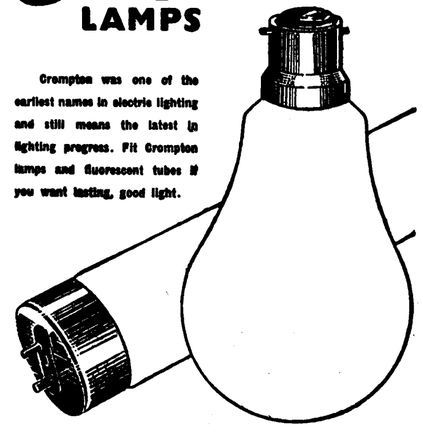

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PROBLEM OF ROLLING STOCK OF EUROPEAN RAILWAYS

JOINT EFFORT MADE AT SOLVING IT

[It is not only the Indian railways that are faced with the difficult problem of financing the replacement and expansion of their rolling stock. European railways, which suffered grievous damage during the war, are in the same plight. Among the methods by which the European railways are trying to overcome the problem mention must be made of the proposal for the formation of a joint corporation, the "Eurofima," by the leading national railways in Europe. An interesting account of the genesis of the idea of a joint corporation and of how it proposes to help the railways appears in the latest issue of Swiss Bank Corporation Bulletin *which is bound to be read with interest in this country.—*ED.]

NORMALLY, railway goods trucks have a life of about 35-40 years. About 42 per cent. of the freight rolling stock of the railways of Europe have reached that age. A count made by the International Union of Railways, at the beginning of 1954, showed that, of a total of 940,000 trucks, 140,000 or 15 per cent. were more than 45 years old. 390,000 or 42 per cent. were more than 36 years old. All of these urgently need replacement. In 1953, only 11,500 new trucks were overhauled, that is, about 1.2 per cent. of all the freight rolling stock. Everywhere in Europe, the state of the railway passenger cars is essentially the same as that of the trucks.

This deplorable condition of the railway rolling stock of Europe is primarily a consequence of the devastation wrought by war. Since the end of the war, the renewal of the railway rolling stock of Europe has been essentially a problem of finance. In many European countries, the railways are either state-owned or state-controlled. Because of the severe competition from motorised roadway transport, the railways in most European countries now earn no profits out of which new rolling stock might be paid for. That means that the investment capital needed to keep the railways efficiently equipped must, as a rule, come out of the state budget.

Until now, most of the capital that the state Governments have been able to place at the disposal of the railways in post-war years has been needed to repair tracks and rebuild bridges, stations and shunting yards, very little being left to renew rolling stock. On the other hand, the expansion of industrial production and the substantial increase of intra-European trade since 1950 mean that the railways have had to transport far more freight than formerly. Wear and tear on the railway rolling stock have therefore been abnormally heavy. From now onwards, the rate at which old rolling stock must be scrapped will be faster than ever.

What amount of capital would be needed to re-equip the railways of Europe with new freight rolling stock? In 1953, the railway administrations of ten western European countries agreed, as an emergency measure, to form a pool of railway freight stock for common use, so as to be able to economise with cars and thereby cope with all demands for transport. By the Europ-agreement, as it was called, these ten European countries pooled 160,000 trucks for use anywhere as required within the ten contracting countries. By this means, the return of empty trucks to the country of origin was virtually eliminated, so that the quantity of goods transported by each truck was much greater than previously. This arrangement worked excellently, but wore out the old trucks faster than ever. The problem of renewing the rolling stock remained unsolved.

Rolling Stock

As far back as 1951, the French state railways took the initiative in proposing co-operation among all the railway administrations of Europe in financing the purchase of new railway rolling stock jointly. The snag was that none of the countries concerned, except Switzerland, could provide investment capital. At a meeting of the representatives of the railway administrations concerned, held in Brussels in 1952, the plan of forming an "equipment trust," similar to those existing in the U.S.A., was discussed. This plan was submitted for examination to a "Study Group" created in Paris in October 1953, and included representatives of seven railway administrations and ten great European banks. The plan approved was that a joint stock company should be formed with ample resources to place orders with the truck-building industries for the construction of new rolling stock, that the member railways of the group would be able to buy on the hire-purchase system. Each country was to pay an annual rent for the use of the rolling stock supplied, plus a charge to cover depreciation. At the end of 20 years, the rolling stock would have been paid for and written off, passing into the ownership of the railway administration concerned. This was at that time but a proposal.

On 20th October 1955, however, 14 European countries agreed definitely to form a joint stock company along these lines, to be known as Eurofima—the European company for the financing the purchase of railway rolling stock. The avowed object of these agreements was, first of all, to renew the 160,000 freight trucks already in common use by the Europ-pool.

As each new truck costs about 25,000 Swiss francs, and the plan envisaged the replacement of old trucks at the rate of about 4,000 yearly, the cost would be no less than 100,000,000 Swiss francs each year. Even at that rate, a period of 40 years would elapse before the whole of the 160,000 trucks used by the Europ-pool would be replaced. But in 1954, the total number of trucks circulating in Europe was 940,000, quite half of which needed replacement forthwith. The scarcity of investment capital in Europe prevents the renewal of old trucks being made any quicker. It does not seem to be possible, for the time being in Europe, to mobilise more investment capital than this yearly for this purpose. But the amount of 100,000,000 Swiss francs would be enough at the start while experience was being gained.

Capital

Eurofima is to be registered in Switzerland with headquarters in Basle. The authorised capital of the company will be 50,000,000 Swiss francs. All shares are to be fully paid up. But the shares are of two kinds: "A" shares are to be paid for in cash, "B" shares paid for in the form of trucks for common use. The fourteen member countries contribute in accordance with the following schedule:

—	"A"	"B"	Total number of shares	Total nominal capital subscribed
				(In Swiss francs)
German Federal Railways ..	130	1,170	1,300	13,000,000
French National Railways ..	130	1,170	1,300	13,000,000
Italian State Railways ..	70	630	700	7,000,000
Belgian State Railways ..	60	490	550	5,500,000
Swiss Federal Railways ..	475	..	475	4,750,000
Netherlands Railway Co. ..	30	270	300	3,000,000
Swedish State Railways ..	100	..	100	1,000,000
Spanish State Railways ..	25	..	25	250,000
Luxembourg National Railways ..	100	..	100	1,000,000
Yugoslav Railways ..	100	..	100	1,000,000
Portuguese State Railways ..	20	..	20	200,000
Austrian Federal Railways ..	10	..	10	100,000
Danish State Railways ..	10	..	10	100,000
Norwegian State Railways ..	10	..	10	100,000
Total ..	1,270	8,730	5,000	50,000,000

Chiefly for geographical reasons, Great Britain, Greece and Turkey will not become shareholders in Eurofima for the time being. At the beginning, the cash assets of Eurofima will be 12,700,000 Swiss francs, while the assets in rolling stock will be equivalent to 37,300,000 Swiss francs in value. First of all, Eurofima will rent to Germany, France, Italy, Belgium and Holland the trucks that each of these countries have handed over to Eurofima in place of a cash payment. It will charge each of these countries a yearly rental for the use of these trucks, plus a charge for amortisation, so that, at the end of ten years, the trucks would have been paid for in full and their value written off, the trucks then becoming again the property of the respective countries, while the capital these trucks represented would have been converted into cash. Until fully paid for, these trucks will remain the property of Eurofima. If any country defaults in its payments, the rolling stock would revert to Eurofima without that country having any right to reimbursement of the cash payments already made.

The company will not aim at making high profits or accumulating cash reserves. Dividends are never to exceed 4 per cent. in any one year, payable to the individual railway administrations of the member countries. At the outset, the Company is to use its own cash capital, amounting to 12,700,000 Swiss francs, to place orders with the truck-building industries in the member countries, buying where the terms are most favourable. Later on, a programme will be drawn up periodically in advance, fixing the scope of the orders to be placed. One estimate envisages the amount to be invested yearly at 100 million Swiss francs. Almost the entire amount would at first have to be raised by the issue of long-term loans, most of them presumably in Switzerland. That raises the question of the nature of the security the company would be able to give. The basis for the arrangement is:

(1) Obligations to Eurofima would be a first charge on all revenues of the administrations of the individual member railways. (2) The Government of each member country would be responsible for the full amount of all obligations of its railway administration to Eurofima. (3) Should any member country default, all the other members would be responsible to Eurofima, each to the full amount of its share of the capital. (4) The life of Eurofima has by statute been fixed at fifty years.

Long-term Contracts

On such a basis, the credit of Eurofima as a joint stock company would be sound enough to permit its entering into important long-range contracts with the makers of railway rolling stock. All types could then be standardised and made in long series, hence at the lowest possible cost. For the time being, only freight trucks will be ordered, but ultimately Eurofima expects to order passenger cars also for the member countries. Any member country that wishes to do so will be free to place orders on its own account for the construction of railway rolling stock. Legally, Eurofima has no kind of monopoly. But few railway companies in Europe at present have any capital to invest. Nor could many raise capital by the issue of bonds. Virtually, therefore, Eurofima will have a very strong position in the market.

One important fact is that the Swiss Federal Railways do not intend to make any use of the credit obtainable from Eurofima as long as the cost of new rolling stock can be met out of their own budget. As this budget has shown a substantial surplus each year for several years in succession, the presumption is that the Swiss Federal Railways will make no demands whatever on the financial resources of Eurofima. Switzerland was chosen as the headquarters of Eurofima, firstly because of its central position in Europe, secondly because Switzerland was ready to make substantial fiscal concessions to Eurofima to avoid multiple taxation and thirdly because, if Eurofima is registered in Switzerland, the company would operate under Swiss law and Swiss courts be competent to deal with claims brought against the company. Complications might otherwise arise when, for example, funds raised by the issue of loans in one country were used to order rolling stock in a second country for delivery to a third country.

Looked at broadly, the operation of Eurofima by fourteen countries jointly would be a very definite advance towards the common goal of the economic integration of Europe.

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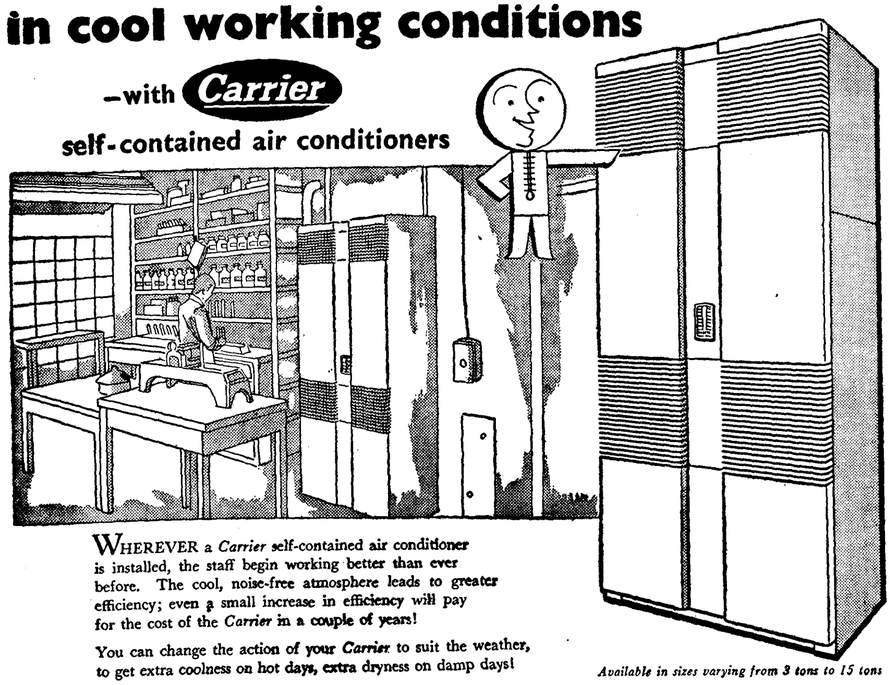

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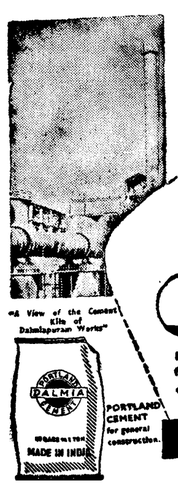

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Notices

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday the 15th day of October 1956, at 12-10 p.m., to consider, and if thought fit, to pass the following Resolutions, and Resolution No. 1 will be proposed as a Special Resolution:—

Resolution No. 1 (*As a Special Resolution*).

That the Articles of Association of the Company be altered in manner following:—

(1) Articles 53 and 54 shall be deleted and the following New Article 53 substituted therefor:

"In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956, and subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Board of Directors. Such general meetings shall be styled 'Annual General Meetings' and shall be specified as such in the Notices convening these meetings. All other meetings of the Company shall be styled Extraordinary General Meetings."

(2) Article 63 shall be deleted and the following New Article 63 substituted therefor:

"The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Board of Directors and of the Auditors, to appoint Directors in place of those retiring by rotation, to appoint Auditors and determine the manner in which they shall be remunerated, and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business."

(3) Articles 126, 127 and 128 shall be deleted and the following New Article 126 substituted therefor:

"At every Annual General Meeting the Board of Directors shall lay before the Company a Profit and Loss Account made up to the 31st December in the preceding year and a Balance Sheet as at that date and such Profit and Loss Account and Balance Sheet shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Companies Act, 1956, so far as they are applicable to the Company, but save as aforesaid, the Board of Directors shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than they may deem expedient."

(4) Article 129 shall be deleted and the following New Article 129 substituted therefor:

"Once at least in every year the Accounts of the Company shall be examined and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more Auditor or Auditors."

(5) Article 130 shall be deleted and the following New Article 130 substituted therefor:

"The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Companies Act 1956."

Resolution No. 2 (*As an Ordinary Resolution*).

"That pursuant to and for the purposes of compliance with the provisions contained in Section 293(1)(*d*) of the Companies Act, 1956, this meeting hereby consents, such consent to be effective as on and from the 1st April 1956, to the Board of Directors of the Company borrowing monies for the purposes of the Company notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose."

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

CALCUTTA, 17*th September* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Monday the 15th day of October 1956, at 12 noon, to consider, and if thought fit, to pass the following Resolutions, and Resolution No. 1 will be proposed as a Special Resolution:—

Resolution No. 1 (*As a Special Resolution*).

That the Articles of Association of the Company be altered in manner following:—

(1) Articles 53 and 54 shall be deleted and the following New Article 53 substituted therefor:

"In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166 (1) of the Companies Act, 1956, and subject to the provisions of Section 166 (2) of that Act, at such times and places as may be determined by the Board of Directors. Such general meetings shall be styled 'Annual General Meetings' and shall be specified as such in the Notices convening these meetings. All other meetings of the Company shall be styled Extraordinary General Meetings."

(2) Article 63 shall be deleted and the following New Article 63 substituted therefor:

"The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Board of Directors and of the Auditors, to appoint Directors in place of those retiring by rotation, to appoint Auditors and determine the manner in which they shall be remunerated, and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business."

(3) Articles 126, 127 and 128 shall be deleted and the following New Article 126 substituted therefor:

"At every Annual General Meeting the Board of Directors shall lay before the Company a Profit and Loss Account made up to the 31st December in the preceding year and a Balance Sheet as at that date and such Profit and Loss Account and Balance Sheet shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Companies Act, 1956, so far as they are applicable to the Company, but save as aforesaid, the Board of Directors shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than they may deem expedient."

(4) Article 129 shall be deleted and the following New Article 129 substituted therefor:

"Once at least in every year the Accounts of the Company shall be examined and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more Auditor or Auditors."

(5) Article 130 shall be deleted and the following New Article 130 substituted therefor:

"The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Companies Act, 1956."

Resolution No. 2 (*As an Ordinary Resolution*).

"That pursuant to and for the purposes of compliance with the provisions contained in Section 293 (1) (*d*) of the Companies Act, 1956, this meeting hereby consents, such consent to be effective as on and from the 1st April 1956, to the Board of Directors of the Company borrowing monies for the purposes of the Company notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose."

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

CALCUTTA, 17*th September* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

ORIENT PAPER MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the ORIENT PAPER MILLS LIMITED, will be held on Monday, the 15th October 1956, at 3 p.m., at 8, Royal Exchange Place, Calcutta, to consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

"RESOLVED that 50,000 5½ per cent. (Tax Free) Cumulative Redeemable Preference Shares of Rs. 100 each be further issued and offered, in the first instance, to all the existing shareholders (including holders of Preference Shares) in the Company in proportion to the nominal value of the shares held by them, ignoring fractions, if any, on such other terms and conditions as may be attached to the said shares, by the Board of Directors of the Company in its discretion."

Explanatory Statement:—It is proposed to raise capital by issue of preference shares to meet the necessity of further funds in connection with the implementation of the modernisation and expansion programme of the Company, and to offer the said shares, in the first instance, to the shareholders (including holders of Preference Shares) as required under the Capital Sanction Order No. R.I.-CCI/54 dated 21st December 1954, granted by the Controller of Capital Issues, New Delhi. Accordingly, the resolution has been proposed to obtain the requisite sanction of the shareholders of the Company. The Capital Sanction Order, referred to above, can be inspected at the above address during business hours.

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

8, ROYAL EXCHANGE PLACE,
CALCUTTA, 15*th September* 1956.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member.

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Working Funds
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Chairman
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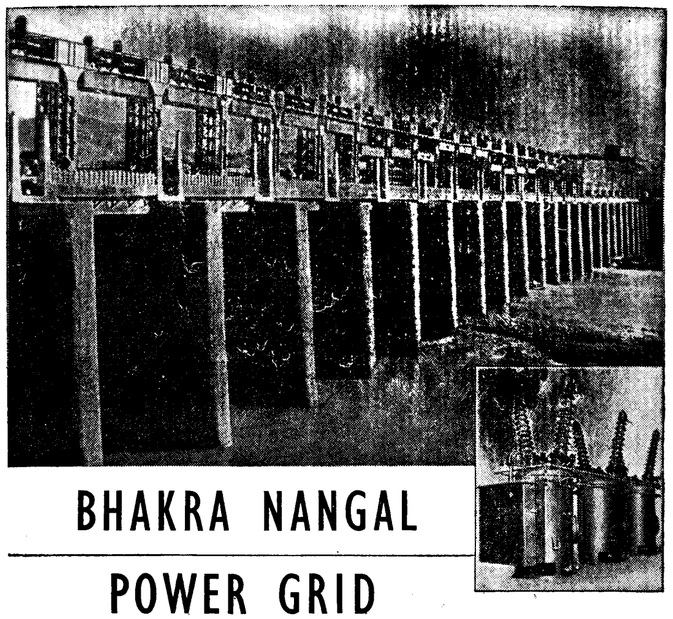

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STORES PURCHASE BY GOVERNMENT

SMALL-SCALE INDUSTRIES TO BE ENCOURAGED

IT will be recalled that, in February 1956, the Government of India acted promptly in accepting, by and large, the recommendations of the Stores Purchase Committee which submitted its report in March 1955, on the working of the Central Purchase Organisation. One of the important recommendations accepted by the Government was that a Purchase Advisory Council, consisting of the representatives of the Union and the State Governments and of various organisations of Commerce and Industry, should be set up, in order to make the Central Purchase Organisation more effective and responsive in its relations to the industrial and trading community. The first meeting of the Council, formed in accordance with the recommendations of the Stores Purchase Committee, was held in New Delhi only on the 18th inst. It is gratifying to note from the inaugural address of Sardar Swaran Singh, Union Minister for Works, Housing and Supply, and Chairman of the Conference, that, as a result of the steps that are being taken by the Government to implement the recommendations of the Committee, the efficiency of this Organisation (Central Purchase Organisation) has shown some signs of improvement. He, however, readily admitted that there was "considerable scope for further improvement," and gave the assurance that the Organisation would always be responsive to suggestions for improvement and that it would take action to eliminate the defects that might be found.

The Stores Purchase Committee which went into the scope and functions of the Central Purchase Organisation was completely convinced of the need for its continuance. It felt that it should be strengthened so that it could progressively and effectively undertake the purchase of specialised equipment hitherto purchased by the indentors, and serve the needs of departments of Government, including statutory authorities, river valley projects and State-owned industrial and other enterprises. In view of this increasing importance of this Organisation in the context of the development plans envisaged in the second Plan, no other body can impart to it greater strength and responsiveness than the Advisory Council, composed of, as it does, representatives of trade and industry besides the Governments. It will not be vain to expect, therefore, that, with the establishment of this Council, the objectives of the Government, expressed by the Hon'ble Minister in the course of his address, namely, to try and make the Central Purchase Organisation is really effective and efficient instrument for purchase of Government requirements, and, to ensure that the policy followed by the Organisation encouraged indigenous manufacture of stores purchased by the Government, will be realised, through the co-operative efforts of all concerned. And the Minister was only voicing a common feeling when he observed: "I have no doubt that such a co-operation will be readily forthcoming."

Encouraging Indigenous Production

In the course of his address, Sardar Swaran Singh expressed the hope that the co-operation of the industrial and trading community would help the Organisation, besides making it an efficient and effective instrument for undertaking all Government's purchases, in encouraging the indigenous production of Stores which the Government had been importing hitherto. He pointed out further that the Council could review from time to time the progress made by the Government in implementing its policy of substituting indigenous products for imported stores. While emphasising, in this connection, that the C.P.O. (Central Purchase Organisation) could play an important role in implementing a policy of purchasing at least a part of their requirements from the Small-scale Industries Corporation and the All-India Khadi and Village Industries Board, consistent with economy, quality and deliveries, he pointed out that the large-scale industries should appreciate that small-scale industries formed an integral part of the economy, and that they should also be allowed full scope for playing their part in raising the standards of living of the people in the rural areas. And for fulfilling their role, he went on to add, the small-scale industries must necessarily expect the fullest support from the large-scale industries. In all advanced countries, including the U.S.A. and Japan, he further stressed, small business was an essential part of the country's economy in supplying not only Government's requirements of stores which they were capable of manufacturing, but also in serving as an ancillary industry to the larger industries in respect of manufacture and supply of large variety of components required by the industry.

Analysing the causes for the delay from the time tenders are received till full payment is made, he listed two principal reasons. In the first place, very often suppliers failed to quote strictly in compliance with the terms of the invitation to tender. Secondly, again, it was failure on their part to adhere strictly to the conditions of the contract, particularly in the matter of delivery. These gave rise to persistent and prolonged delays in supplies, operational inefficiency, prevalence of idle labour in workshops and protracted correspondence and, consequently, delay in payment of bills. This had a cumulative affect on the execution of projects on hand.

The discussions in the Purchase Advisory Council, following the address of the Chairman, largely centred on those issues and difficulties the solution of which would ultimately lead to the fulfilment of the two fundamental objectives of the Government's Stores Purchase Policy. Thus, emphasis was rightly laid, among other things, on the need for tenders to conform strictly to the terms of invitation to tender, the desirability for large industries to utilise the services of small industries for manufacture of components in the interests of rational industrialisation, steps to encourage indigenous manufacture of stores that are still being imported, and understanding between the Government and the industry regarding the former's precise requirements and the latter's capacity to meet them.

Stricter Enforcement

Certain valuable suggestions emerged from the discussion. It was suggested that the Government should be stricter in enforcing contractual terms. It was also pointed out, quite rightly, that the list of contractors should be restricted only to those manufacturers who had the requisite capacity. Another notable suggestion was that suitable penalty, providing for automatic percentage rebate in price, should be levied if delivery dates were not adhered to unless such non-adherence was due to circumstances beyond the control of suppliers. The representatives of trade and industry also urged that the Government should, as far as possible, furnish complete specifications of the products it needs. Another pertinent suggestion made at the meeting was that the Government, in order to enable the industries to cope with its demands, should try to phase its purchases on the lines at present adopted by the Railway Ministry. The need for advance and detailed information about the requirements of the Government was also stressed. The tendency on the part of certain manufacturers to overestimate their capacity to supply the Government's requirements was roundly condemned.

But on an important subject namely, that of evolving a method through which the activities of the small-scale industries could be co-ordinated with those of large-scale industries, the Council did not put forward any concrete suggestions. The Council, nevertheless, recognised the desirability of tapping the capacity of the small-scale sector for making the components needed by the large-scale units. It was pointed out, in this connection, that circumstances had not been conducive to such an association so far. The time limit given by the Government for fulfilling the orders and the specifications laid down by it were not encouraging enough to the suppliers to go out of their way and get their requirements from small-scale producers. While the suppliers were on the look-out for ready availability of cheaper components, Government was also laying stress on timely deliveries. This difficulty can, however, be obviated, if, as was pointed out, judicious phasing of the purchases by the Government is arranged. In view of the importance given to the small-scale industries in the second Plan and the amount allotted for their development, it is all the more imperative that a workable arrangement should be evolved to bring the larger and smaller industries together in meeting the fast-increasing requirements of the Government. Moreover, the impact of a scientifically conceived, judiciously phased and efficiently operated programme of Stores Purchase on the employment situation at the present juncture cannot be underestimated. It is to be hoped that the numerous suggestions made at the Council's meeting the other day will be given utmost consideration and a practical and purposeful policy of Stores Purchase will be formulated, in order to make the achievement of the objectives easier and quicker.

TREND OF INDIA'S TRADE WITH JAPAN

FUTURE HOLDS POSSIBILITIES OF EXPANSION

COMMERCIAL relations between India and Japan date back to many centuries. But they were never more important than they are today. Indeed, if the developments in the post-war era are of any guidance, it is that Japan, as the only industrially advanced country in Asia, could play a vital role in the economic development of Asian countries, in general, and India, as a country with a relatively better-developed economy, in particular. Nevertheless, the volume of trade passing between India and Japan in recent years has not been great as it should be. This certainly calls for careful scrutiny.

The rapid industrialisation of India, and the consequent need for importing plant, machinery and other equipment give Japan a great scope for improving its trade with India. From this point of view, the Japanese unofficial trade delegation, headed by Mr. Takasugi, which is now in India, will be widely welcomed. Both India and Japan will do well to agree upon the best means of exploiting the possibilities of effecting a larger volume of trade to their mutual advantage. In this connection, the article on the recent trends in Indo-Japanese trade, entitled "Trade between Japan and India," which appears in the July issue of the *Monthly Circular* of the Mitsubishi Economic Research Institute, Tokyo, will be read with interest.

Shift in the Pattern

In the post-war era, there have been perceptible shifts in the pattern of India's foreign trade. This has been primarily due to the far-reaching changes in the structure of its economy. Having represented a typical colonial economy for many decades, India underwent considerable changes during the war and in the immediate post-war years. A slow but persistent emphasis on industrialisation had been in evidence. But the attainment of Independence in 1947 and the plans of economic development taken up more recently, have prepared the ground for further changes in the basic structure of the economy. Thus, while, on the one hand, India has ceased to be entirely an exporter of raw materials and primary products, and importer of finished and semi-finished goods, it has become, on the other, a net importer of foodgrains, besides becoming a large-scale importer of machinery and other equipment. It has also become an exporter of many light manufactured goods, including textiles. Yet another important shift is that a remarkable diversification of its customers has come about in recent years. This has led to the changes in the geographical distribution of India's trade. The U.K., for example, has lost the place of pride it enjoyed in India's foreign trade. At the same time, certain other countries, chiefly, the U.S., Western Germany, Australia, the U.S.S.R., Singapore and Egypt, have gained in importance in their trade with India.

Japan Suffers

In this process of what may be called "reshuffling," Japan too has suffered. Japan's trade with India in 1938, for instance, was of the order of 9.3 per cent. of India's total trade. Japan thus occupied a fourth place in order of importance, next only to the U.K., the U.S. and Burma. In 1948, however, the proportion of Japan's share in India's trade was less than 2 per cent. In the subsequent years, as a result of the relaxation of import restrictions in India, the level of trade improved gradually until, in 1955, the level stood around 4.3 per cent. In actual figures, while Indian exports to Japan were of the order of $68.8 million in 1938, they dwindled to $13.8 million in 1948 and gradually recovered to $56.6 million in 1953 and again receded to $34.7 million in 1954. In the year 1955, however, they stood at about $53 million. On the other hand, while the imports from Japan in 1938 amounted to $82.6 million, they declined to $19.2 million in 1948. They, however, improved to $75 million in 1949, but declined subsequently to $15.6 million in 1950. They were nevertheless of the value of only $34.6 million in 1954 and $62 million in 1955. But that is not all.

Viewed against the background of the expanding overall trade of India, a glimpse into which is provided by the table, (given below), the value of trade passing between the two countries is by no means very significant.

(In $ millions)

	India			
	Exports		Imports	
	Total	To Japan	Total	From Japan
1937	704.7	68.8	659.6	82.6
1938	616.7	53.9	566.5	56.1
1948	1,371.0	13.8	2,029.7	19.2
1949	1,265.7	10.6	1,925.4	74.8
1950	1,171.9	15.7	1,137.0	15.6
1951	1,645.8	38.5	1,792.7	47.3
1952	1,298.8	53.6	1,695.4	41.9
1953	1,116.2	56.6	1,200.7	26.1
1954	1,181.3	34.7	1,234.5	34.6
1955	1,243.0*	53.0*	1,347.0*	62.0*

* Approximate figures.

Composition of Trade

The other aspect of the shift in India's foreign trade is reflected, as already stated above, in the changes in the nature of goods participating in such trade. Thus, in 1938, 64 per cent. of India's exports consisted of foodstuffs, raw materials and 60 per cent. of the imports represented manufactured and semi-manufactured goods. Besides, only 30 per cent. of the exports were accounted for by the manufactured goods, including jute and cotton manufactures. In sharp contrast to this, in 1954, exports of foodstuffs, raw materials and non-manufactured goods accounted for only 48 per cent. and those of manufactured goods stood at 45 per cent. of the total. Moreover, imports of manufactured and semi-manufactured goods decreased from 60 per cent. to 50 per cent. between the two years, while those of foodstuffs, raw materials and the like increased from 35 per cent. to 45 per cent. during the same period. These changes serve to show that the process of India's industrialisation is gaining increasing momentum. Thus, 90 per cent. of the manufactured goods, exported in 1954, for instance, were light industry products, such as cotton yarn, cotton fabrics, jute fabrics and the like. Imports of capital goods, on the other hand, steadily increased, their percentage to the total imports having gone up from 30 per cent. in 1953 to 33 per cent. in 1955.

This aspect of the change in the economy had a profound impact on the trade between India and Japan. In 1935, for example, Japanese imports to India were dominated by textiles and yarns of cotton, rayon and silk, which accounted for 80 per cent. Other exports included metal manufactures such as galvanised sheets, wire rods, copper, potteries, glassware, textile machinery and other sundry machinery. Exports from India, moreover, comprised mostly of cotton and jute (86 per cent.), pig iron (4.2 per cent.), lead and other non-ferrous metals (1.9 per cent.) and iron and steel scrap (1.5 per cent.). In recent years, however, Japan's exports of capital goods have steadily increased, while those of consumer goods have declined, the percentage of capital goods to total exports in the three years, beginning from 1953 and in the first four months of 1956 being 50, 61, 78 and 82 respectively. A noteworthy feature of this trend is that, nearly 80 per cent. of Japan's total exports of rolling stock in 1955, and nearly 20 per cent. of iron and steel in January-April 1956 were for India.

A cursory examination of the trends in the last few years will bring out some very significant features. Japanese exports to India, which were of the order of $52 million in 1951 declined by 30 per cent. to $37 million in 1952 and further to $27 million in 1953, consequent on the application of import restrictions by India. What is, however, significant is that, while rayon filament yarn accounted for 40 per cent. of its exports in 1951, in 1952, its proportion declined to a quarter of the former level. On the other hand, in 1952, the exports of iron and steel and certain steel materials, such as billets, pipes, thick plates, increased by 4.8 times their level in 1951. In 1953, however, exports of machinery sharply declined as a result of the import restrictions applied by India, competition of Western European countries and deficient competitive power of Japan. Japan's exports, however, staged subsequently a remarkable improvement from $27 million in 1953 to $44 million in 1954 and as much as twice that value in 1955. The trend towards expansion in exports of machinery to India gained further momentum during 1955. Capital goods occupied, for example, 60 per cent. of the exports in 1954 (1.7 times as much as in 1953), non-ferrous metals (8.4 times) and machinery (2.1 times). At the same time, the exports of textiles remained increasingly inactive.

Indian Exports

As regards exports from India to Japan, the picture has been somewhat different. In 1952, they were as high as $72 million, that is, 40 per cent. higher than those in 1951, and increased slightly to $75 million in 1953 and, declined to $52 million in 1954. They nevertheless rose by 50 per cent. in 1955. The exports of salt, iron and steel scrap, iron ore, cotton and coal have markedly increased over the levels of the previous year. Although in 1954 there was a decline in the exports of iron ore and steel scrap, they once again staged a recovery in 1955.

The following two tables give the items which have figured prominently in Indo-Japanese trade in 1953, 1954, 1955 and January-April 1956:

(In $ 1,000)

—	Japan's imports from India			
	1953	1954	1955	1956 (Jan.–Apr.)
Oilseeds	48	103	2,995	83
Raw cotton	14,964	15,705	32,593	13,103
Salt	2,447	1,044	1,773	1,597
Iron ore ..	7,637	12,595	18,270	13,300
Iron and steel (scrap) .	20,151	6,812	6,024	3,892
Non-ferrous metal ore .	4,374	4,899	4,731	2,592

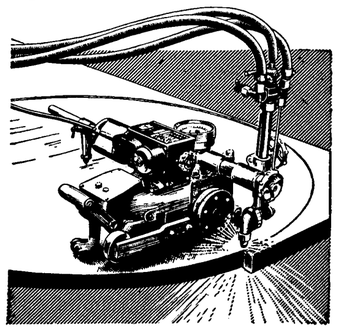
(In $ 1,000)

—	Japan's exports to India			
	1953	1954	1955	1956 (Jan.–Apr.)
Timber	387	502	651	247
Paper	15	1,613	1,479	303
Chemical fibre (yarn) ..	3,663	2,961	2,163	1,211
" " (fabrics)	289	982	2,333	603
Iron and steel ..	9,587	16,610	34,135	15,189
Non-ferrous metals ..	234	1,068	2,928	633
Machinery	3,978	8,177	28,872	11,508

What is the scope of future expansion of trade between the two countries? Clearly, the importance of India to Japan, as the article already referred to above has rightly stated, lies in the fact that India alone, among the countries of Asia, provides an expanding market for the capital goods of Japan. The increased need for capital equipment is unquestionable in the light of the programmes of industrialisation taken in hand in India. Further, the need for obtaining such equipment from as large a number of competent countries as possible has been increasingly felt, thanks to foreign exchange considerations and the increase in the emphasis laid on trade rather than loans and grants-in-aid. The scope for economic co-operation is thus very wide.

Much depends, however, on the creation of the necessary "climate" for the expansion of Indo-Japanese trade. It should be possible to enlarge the scope of technical co-operation between the two countries and joint-investment by Japan in India. At the same time, necessary steps should be taken in the form of expanding transportation facilities, such as shipping. The desirability of increasing economic co-operation between India and Japan, as the two leading countries in Asia, apart from China, for their mutual benefit and for the benefit of the rest of Asia cannot be overemphasised. It is to be hoped that the visit to India of the Japanese trade mission will be a prelude to such co-operation.

OXYGEN



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REGIONAL LABORATORIES IN INDIA

The establishment of Regional Research Laboratories, a Coal Survey Station at Hyderabad and an institute for design and fabrication of pilot plant, were some of the proposals approved by the Board and the Governing Body of the Council of Scientific and Industrial Research which met at New Delhi on 19th and 20th September under the Chairmanship of Mr. Nehru. The Governing Council felt that there was need for regional laboratories in the country for the study of scientific and technological problems in the regions. It was also decided that, for better co-ordination with national laboratories, these laboratories should function under the Council of Scientific and Industrial Research. The Central Laboratories in Hyderabad have already been taken over for development into a regional research laboratory.

The Governing Body approved of the establishment of a Regional Coal Survey Station at Hyderabad to conduct a comprehensive physical and chemical survey of the Godavari Valley Coal Fields under the supervision of the Central Fuel Research Institute. There are at present 5 regional coal survey stations functioning under the Fuel Research Institute, one each at Jharia, Raniganj, Ranchi, Bilaspur and Jorhat covering all the major coal fields in the north.

The Governing Council also decided that a well-equipped and well-manned laboratory should be set up for the design and fabrication of pilot plant in India. At present, there was a dearth of technical personnel in the country for this purpose and considerable difficulties were being experienced in the design and fabrication of pilot plant which were essential in the translation of laboratory researches to industrial practice. A planning committee would be set up to work out the details of the proposed institution. It was further decided that investigations into the utilisation of bitterns left after the manufacture of common salt at Sambhar Lake should be taken up. The bitterns, thrown away now as waste, contain valuable chemicals which could be used for a number of industries. A planning committee has been asked to submit concrete proposals for undertaking this research and setting up a research station. The Governing Body of the Council has also set up two other planning committees to prepare specific schemes for the establishment of a Public Health Engineering Research Institute and an Aeronautical Research and Development Centre for preparing a comprehensive programme of research in the engineering aspects of public health and aeronautics respectively. On the recommendation of its research advisory committees, the Council has approved over forty projects of research in various research institutions and universities in the country. These projects which will be placed under experts in respective institutions, cover the fields of plastics, chemistry, pharmaceuticals and drugs, physics, biology, roads and buildings, applied mechanics, electrical and aeronautical engineering.

Symposia on the following subjects were proposed to be held during the year:

(i) Cellulose research; (ii) curing and preservation of raw hides and skins; (iii) mineral beneficiation and extractive metallurgical techniques; and (iv) utilisation of Indian medicinal plants.

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JARDINE HENDERSON JUTE GROUP DISAPPOINTS AGAIN

HOWRAH MAINTAINS DIVIDEND, BUT RELIANCE AND BALLY PASS OVER

THE financial results of the three jute companies under the management of Messrs. Jardine Henderson Ltd., Calcutta, namely, the Howrah Mills Company Ltd., the Reliance Jute Mills Company Ltd. and the Bally Jute Company Ltd., for the half-year ended 31st March 1956, are disappointing and show that the Companies have not yet turned the corner. The poor results were occasioned by the same trying and difficult trading conditions which existed during the preceding six months and which continued during the period under review. The quick stages in which the idle looms in the industry were put to use at the Government's behest proved a great disadvantage, instead of an advantage, as they led to a narrowing of the profit-margins. Between 9th January 1956 and 20th February 1956, 7½ per cent. out of the 12½ per cent. of the total complement of looms which had remained sealed, were put to work. This decision was taken because of the rapid fall in stocks of jute goods during the last half of 1955 and in expectation of a sharp rise in demand, mainly from Russia. This expectation failed to materialise and the increase in production soon converted the jute goods market in favour of buyers. At the same time, the increase in the demand for raw jute consequent upon the expansion in production, resulted in a sharp rise in the price of raw jute. The jute mills were thus in the unenviable position of having to pay higher prices for raw jute and of not being able to pass on the increase in the cost of their raw material to buyers of jute goods, because the latter were in a better bargaining position. In the face of mounting stocks, buyers snugly sat quiet and took their requirements on a hand-to-mouth basis at prices that suited them. The speculators took advantage of the situation to depress the prices of jute goods and push up the prices of raw jute, thereby aggravating the difficulties of jute mills. It was only after mid-July that the Government agreed to a reversal of the earlier steps and, between 16th July and 17th September, all the unsealed looms were sealed again, so that the position now is what it was up to 9th January 1956, namely, the mills are working at 48 hours a week with 12½ per cent. of its loom complement kept idle. But the experiment has cost the jute mills dearly. Not only the profits for the half-year ended March 1956 have been affected but also those for the subsequent half-year. One should not, therefore, be surprised if the vast majority of jute companies were to report poor financial results for the six months ended September 1956 as well.

A study of the table published at the foot of this page showing the working of the Companies during the past three half-years will give an idea of the deterioration in their results. Despite higher production, the sale proceeds of all the three companies are markedly lower. The accumulation of stocks is evident from the rise in the value of closing stocks. The fact that costs remained high is borne out by the disproportionate fall (as compared with that in sale proceeds) in the manufacturing expenses of Howrah and Bally and by the actual increase in those of Reliance. The effect of adverse results on the finances of the companies under reference is revealed by the depletion of the reserves and other provisions built up in the past in order to wipe out the losses suffered during the half-year under review.

The Howrah Mills which suffered a loss of Rs. 0.78 lakh in the previous half-year has made a slight recovery to Rs. 1.98 lakhs by way of gross profit. This is, however, far below the gross profit of Rs. 11.49 lakhs made in the corresponding six months of 1955. The net loss is lower at Rs. 1.21 lakhs, as against a net loss of Rs. 5.22 lakhs in the previous half-year, but compares very unfavourably with a net profit of Rs. 6.43 lakhs in the corresponding six months of 1955.

As compared with Howrah, the Reliance Jute has fared even worse. It has sustained a gross loss of Rs. 6.50 lakhs and a net loss of Rs. 6.59 lakhs without providing anything for depreciation, for which purpose a Rs. 75,000 and Rs. 1,00,000 had been set apart in the two preceding half-years. This is in distressing contrast to the comparatively smaller losses experienced in the previous half-year and the modest gains made in the period preceding to that. The Bally Jute has made a slight improvement with a gross profit of Rs. 1.25 lakhs, as against Rs. 0.14 lakh, and a net profit of Rs. 0.23 lakh, as against a net loss of Rs. 0.61 lakh made in the preceding half-year. But, as in the case of Howrah, these results pale into insignificance as compared with this Company's showing in the corresponding half-year of 1955, when it reported a gross profit of Rs. 3.84 lakhs and a net profit of Rs. 1.68 lakhs.

In spite of the unfavourable working conditions, the Directors of the Howrah have proposed to repeat the dividend at 5 per cent. per annum, to which level it was drastically cut six months ago from 12½ per cent. per annum paid for the previous four half-years in succession. Even this has been effected only by drawing from the reserves. A sum of Rs. 4 lakhs has been withdrawn from the reserves of which Rs. 3 lakhs are from machinery renewal reserve and Rs. 1 lakh from general reserve.

The net loss of Rs. 6.59 lakhs suffered by the Reliance Jute has not been covered. With the negative balance of Rs. 5.10 lakhs brought in from the previous half-year, a big total loss of Rs. 11.72 lakhs is being carried forward. Naturally, with such a large debit balance, both the preference and the ordinary dividends have had to be skipped over. This is the fifth half-year in succession for which the Company's ordinary shareholders have received no return on their investment.

The Directors of the Bally Jute have drawn a sum of Rs. 1 lakh from the general reserve and have utilised it for paying the preference dividend. The ordinary dividend, which had been restored only during the half-year ended 31st March 1955 after a break of three half-years, has had to be suspended again. In view of the unsatisfactory trading results for the half-year under review, the Managing Agents of the Company have waived Rs. 1.30 lakhs of their commission. The Directors have also waived absolutely their entire commission on the profits of the Company for the period.

The latest balance-sheet of the Howrah Mills shows that the reserves and surplus stand at Rs. 50.21 lakhs, as against a paid-up capital of Rs. 91.87 lakhs. There is a debenture liability arising out of the 5½ per cent. debentures 1965-70, amounting to Rs. 30.61 lakhs. The provision for taxation stands at Rs. 2.81 lakhs. The current liabilities aggregate Rs. 83.56 lakhs. The gross block of the value of Rs. 182.65 lakhs stands written down to Rs. 72.13 lakhs, besides which there is a capital expenditure in progress aggregating Rs. 53.26 lakhs. The current assets amount to Rs. 133.67 lakhs and provide a good coverage to the current liabilities and the provision for taxation mentioned above.

The modernisation of No. 1 Howrah Mill is going on rapidly. All the hessian machinery has now been erected and must be in full production now. All sacking units have been received and satisfactory progress is being made with the dismantling of the old machinery and erection of the new.

The reserves of the Reliance Jute aggregate only Rs. 5.82 lakhs, as against a paid-up capital of Rs. 69.50 lakhs. Even the small reserves just mentioned include such contingency reserves as pension scheme, Superannuation Fund, and labour Superannuation and Welfare Fund aggregating Rs. 3.69 lakhs. These are more a liability than reserves. The debenture liability amounts to Rs. 25.47 lakhs. The provision for taxation, at Rs. 0.37 lakh and the current liabilities, at Rs. 52.54 lakhs are adequately covered by current assets amounting to Rs. 77.32 lakhs. As already said, there is a debit balance of Rs. 11.72 lakhs being accumulated losses, besides a contingent liability of Rs. 70,000 representing arrears of preference dividend. The gross block of the value of Rs. 124.16 lakhs has been written down to Rs. 64.68 lakhs. The Company's application to the National Industrial Development Corporation for a loan of Rs. 25 lakhs for financing its modernisation scheme is still under consideration and the final decision is awaited.

Against a paid-up capital of Rs. 40 lakhs, the Bally Jute has reserves and surplus amounting to Rs. 25.11 lakhs. The gross block, at Rs. 96.92 lakhs, has been written down to Rs. 31.26 lakhs. The current assets amounting to Rs. 59.85 lakhs exceed the current liabilities and the provision for taxation, aggregating Rs. 26.65 lakhs by a fair margin.

PODAR MILLS LTD.

The decline of Rs. 1.74 lakhs to Rs. 12.09 lakhs in the gross profit of the Podar Mills Ltd. for the year ended 31st December 1955, to which a reference was made in our issue dated 4th August 1956, was due to debiting in the year's accounts a sum of Rs. 4.50 lakhs representing the bonus to labour for 1955 (in addition to that for 1954 and further bonus for 1952 and 1953) following the signing of the bonus agreement between the Company and the representative Labour Union. Explaining this to the shareholders at their recent annual general meeting, the Company's Chairman, Mr. Ramnath A. Podar, said that the usual practice of the Company in the past was to debit the amount of bonus in the following year when it was actually paid. When the bonus question was not decided in the following year, a provision of an approximate bonus amount for the previous year was made. As aforesaid, however, since the bonus liability for 1955 according to the agreement was ascertainable, it became incumbent that this provision should be made in the accounts for 1955 itself. It is clear from the Chairman's explanation that, if the Company had followed the usual practice, the profit for 1955 would have been higher. In fact, the Chairman revealed that the working profit for the year was about 20 per cent. higher than that for 1954.

Mr. Podar disclosed that a sum of Rs. 12 lakhs would be spent on rehabilitation during the current year. Besides, the Company was trying to start a third shift on a rationalised basis by converting 350 ordinary looms into automatic looms (adding to the present 200 automatic looms). He also disclosed that the Company was planning to add a further 10,000 new spindles to its present capacity.

INDIAN ALUMINIUM CO., LTD.

The Directors of Indian Aluminium Company Ltd. has decided upon a rights issue of new ordinary shares in the Company. It is proposed to issue 411,000 new ordinary shares of Rs. 10 each at a premium of Rs. 2-8, i.e., at Rs. 12-8 per share to the holders of existing ordinary shares.

In order to permit increased Indian participation in the new issue, the Canadian shareholder, Aluminium Limited, which holds approximately 87 per cent. of the existing ordinary shares, has renounced its right to subscribe for shares in excess of 50 per cent. of the new issue, and has agreed to limit its subscription to 205,500 shares only. The remaining 205,500 shares are being offered to the other ordinary shareholders in the proportion of one new share for one existing share held.

DUNLOP RUBBER

The Dunlop Rubber Co. (India) Ltd., announces important extensions to its manufacturing facilities in India. The existing factory at Sahaganj near Calcutta is being expanded to give increased output of truck and bus tyres, cycle tyres, cycle rims, general rubber goods and Dunlopillo. An entirely new plant is to be established in South India, probably near Madras, where sites are at present being surveyed. It is planned to manufacture truck, bus and cycle tyres there, principally for the needs of the South Indian market. The factory is expected to be in operation in about 2 years' time.

(In lakhs of rupees)

—	HOWRAH			RELIANCE			BALLY		
	For the half-year ended			For the half-year ended			For the half-year ended		
	31-3-1956	30-9-1955	31-3-1955	31-3-1956	30-9-1955	31-3-1955	31-3-1956	30-9-1955	31-3-1955
Sale proceeds	162.89	208.78	181.95	97.75	113.25	108.83	79.26	94.02	79.47
Stocks	41.09	29.07	47.63	30.60	17.56	19.75	22.65	15.22	19.75
Manufacturing expenses	126.58	140.16	141.95	93.21	81.52	78.14	62.10	65.64	80.46
Other expenses	46.55	51.42	48.39	34.10	33.66	31.83	23.69	23.84	23.07
Gross profit (+) or loss (—)	+1.98	—0.78	+11.49	—6.50	—3.88	+3.07	+1.25	+0.14	+3.84
Managing Agents' remuneration	0.19	0.19	1.56	0.09	0.09	0.48	0.52	0.25	0.83
Depreciation	3.00	4.25	2.50	..	0.75	1.00	0.50	0.50	0.75
Taxation	..	..	1.00	..	..	0.55	..	..	0.58
Net profit (+) or loss (—)	—1.21	—5.22	+6.43	—6.59	—4.72	+1.03	+0.23	—0.61	+1.68
Transfer from reserves and provisions	4.28	8.00	2.50	0.02	..	..	1.00	2.00	..
To reserves and provisions	0.05	1.03	4.50	0.05	0.84	..	0.03	0.61	0.37
Dividends—									
Preference	0.92	0.92	0.92	..	..	0.70	0.70	0.70	0.70
Ordinary	1.64	1.64	4.10	..	..	..	..	..	0.70
	(5% p.a.)	(5% p.a.)	(12½% p.a.)						(7% p.a.)
Carry forward	0.57	0.11	0.92	—11.72	—5.10	0.46	0.65	0.15	0.08

KALASA TEA PRUNES DIVIDEND

PROFIT LOWER

THE strength displayed by the shares (Rs. 9 fully paid-up) of the Kalasa Tea and Produce Company, Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode) in recent weeks with a rise in values from Rs. 16 to Rs. 16-12, despite the cut in dividend for the year ended 31st March 1956, from 15 per cent. to 10 per cent., shows that the shareholders are fully satisfied with the financial results of the Company for the year. There are two main reasons for their satisfaction. In the first instance, the results for the year under review are not strictly comparable with those for the previous year, because the earnings for 1954-55 did not represent the result of the year's trading alone, as will be explained presently. Secondly, with a heavy drop in tea prices during the past year, a fall in earnings and dividend was almost a certainty.

The gross profit of the Company for the year under review amounts to Rs. 1.25 lakhs, as against Rs. 5.09 lakhs for 1954-55. The profit for the previous year, it may be noted here, included a non-trading receipt of Rs. 3.23 lakhs being the claim settled by insurance company under loss of profit policy, on account of the destruction of the estates tea factory by fire in March 1954. Towards the close of that year, a new factory was built and only a small quantity of manufactured tea could be sold. Before the construction of the new factory, the tea crop was sold to other estates as green leaf, while the entire crop of the year under review has been sold as manufactured tea. Again, the profit for the year under review does not include the earnings from coffee (except for a small sum representing the excess realised on the previous two seasons' stock valuation), as the Company's coffee estate was sold with effect from 1st April 1955.

The net profit amounts to Rs. 70.266, as compared with Rs. 2.73 lakhs for 1954-55. No addition to the reserves has been made, except for a very small provision for bad and doubtful debts. The dividend has been cut from 15 per cent. to 10 per cent., thus restoring it to the level paid for 1953-54 and 1952-53.

The following comparative table presents the salient features of the Company's working results for the past four years:

—	For the year ended 31st March			
	1956	1955	1954	1953
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of crop	5,03,844	3,25,837	5,42,286	4,33,325
Stocks	1,10,148	27,622	26,438	1,23,789
Other income	4,233	4,50,650	34,438	5,951
Estate expenditure	4,43,482	2,82,335	4,40,570	4,33,404
Other expenses	42,698	11,709	13,206	11,083
Gross profit	1,25,165	5,09,471	1,40,382	1,17,679
Managing Agents' and Secretaries' commission	11,679	7,732	13,994	8,823
Depreciation	54,899	21,070	14,720	13,609
Taxation	..	1,98,100	6,500	20,000
Net profit	70,266	2,72,815	1,05,168	74,309
To reserves	368	1,50,341	58,444	50,938
Dividend	54,000	81,000	54,000	54,000
	(10%)	(15%)	(10%)	(10%)
Carry forward	72,775	56,877	15,403	22,679
Crop of tea (in lbs.)	311,281*	974,856†	312,973*	289,373*
		13,145*		
Crop of coffee (in lbs.)	..	160	238	137
Cost of tea per lb. Rs.	1 6 9	..	1 4 4	1 5 3
Price realised per lb. of tea ,,	1 15 8	..	1 12 9	1 13 3

* Manufactured tea. † Green leaf.

The crop for 1955-56 is one of the largest in the history of the Company, having been exceeded only once by that for 1953-54 when a record crop of 312,973 lbs. was produced. A crop of 379,000 lbs. is expected to be harvested in 1956-57 at a cost of 145 cents per lb. The Company was allotted 207,425 lbs. export quota for the season 1955-56, which is 69.3 per cent. of the best crop basis. A similar percentage allotment is expected for the current season and a provisional allotment of 40 per cent., that is, 119,726 lbs., has been made so far.

The Company's financial position, as seen from its latest balance-sheet, is quite satisfactory. The paid-up capital of Rs. 5.40 lakhs is supplemented by reserves and surplus aggregating Rs. 7.23 lakhs. The Company issued during the year 7 per cent. (taxable) first mortgage debenture stocks of the value of Rs. 3 lakhs, which were fully subscribed. The gross block of the value of Rs. 11.88 lakhs (including development expenditure amounting to Rs. 2.97 lakhs and capital works in progress Rs. 13,901) stands written down to Rs. 10.77 lakhs. The current assets aggregate Rs. 7.70 lakhs, of which cash balances alone, accounting for Rs. 4.57 lakhs, more than adequately cover the current liabilities and provision for taxation amounting to Rs. 2.78 lakhs in the aggregate.

Points From The Chair

Co-operation in Second Plan

"THE importance of the co-operative system of organisation has been emphasised by the Planning Commission in the Second Plan. But one fails to find an integral place for it in the Community Development and National Extension Programmes and in the policies of State Governments regarding rehabilitation programmes and aids to rural economy such as Tagavi advances. The tendency is to entrust the Community Development and National Extension Programmes to Government officials of the Revenue Department. It is felt that so long as these programmes have to depend upon such external assistance, the urge to development will stop as soon as the external stimulus is withdrawn. It is, therefore, necessary to accept the co-operative structure as an integral part of the Community Development and the National Extension Programmes. In the preparation of detailed programmes for the second Five-year Plan, the State Governments, I submit, should place greater reliance on the village co-operatives for carrying out the Community Development and National Extension Programmes, instead of looking to a large number of *ad hoc*, non-statutory and non-elective bodies, which may have the effect of indirectly weakening the co-operative institutions."

R. G. SARAIYA,
Bombay State Co-operative Bank Ltd.

Freight Concession for Industries Near Ports

"Pig iron imported on Government account is proposed to be sold at a uniform subsidised rate on the same lines as imported steel. As regards indigenous steel the advantage we had till now of cheap prices at the major ports will no longer be available to us. Indigenous steel is now being sold at a slightly higher, but uniform, price at all rail-head stations. As fairly big consumers of indigenous steel we shall hereafter be paying more for this commodity. Since, however, this price equalisation scheme was conceived in the interests of consumers all over the country we welcome it as such Industrial units like ours situated at or near major ports will suffer a freight disadvantage in the matter of long distance haulage of their finished products. Since they have foregone the slight advantage they initially held in cheaper steel we feel it is but reasonable that they get some concession in the matter of railway-transaction costs of their goods for long distance haulage."

K. K. BIRLA,
Textile Machinery Corporation Ltd.

Copper Prices in 1955

"Cash copper on the London Metal Exchange rose from £295 a ton at the beginning of 1955 to £404 10s. on 15th December and finished the year at £400 a ton. Strikes at producing plants were, even more than in 1954, a big factor in forcing up the price. In 1955, they caused the loss of at least 130,000 tons of output: 40,000 tons in Northern Rhodesia in January and February, 75,000 tons in the U.S.A. in July and August and 15,000 tons in Chile in December. The great need of the copper industry now, and for some time past, is for higher output and it is to be hoped that strike losses will prove less burdensome this year. Stockpiling of copper was not a big market factor in 1955. The U.K. Government released 65,000 tons of copper during the year and probably this more than offset intake by the U.S. authorities. The American producers raised their price in stages during the year to 43 cents, which was generally adopted from 1st September. It is equivalent to £344 a ton, compared with the higher London prices quoted above."

WALTER GARDNER,
Amalgamated Metal Corporation.

Refund of Draw-back Customs Duty

"While the Government of India have been good enough to accept the principle of a draw-back of custom duty on goods exported, but the procedure is so complicated and so difficult that it is almost impossible to get any refund. It entails a lot of work for the Government without doing any good to the industry. I, therefore, suggest that it should not be very difficult to devise an *ad hoc* basis the amount of draw-back duty paid on such articles as are exported, whether they are fans, sewing machines or oil engines or any other items. This would very considerably reduce the complicated procedure, which is being followed now, and make it possible for the industry to get the draw-back-duty amount."

LALA SHRI RAM,
Jay Engineering Works Ltd.

Manufacture of Mine-lighting Equipment in India

"I am glad to report that our Indian Company, following the increasing mechanisation of the mines there, is receiving satisfactory orders for the supply of mine-lighting equipment. An increasing proportion of our mining equipment for this market is now being manufactured in our works at Madras, and I am glad to take this opportunity to pay a tribute to the high standard of Indian workmanship. As, in the near future, increasing local supplies of suitable materials become available, the major portion of our production of such equipment will be of Indian manufacture. To cope with increased requirements in the area, an extension is currently being made to the Madras premises."

JOHN OLDHAM,
Oldham & Son Ltd.

COMPANY MEETINGS AND DIVIDENDS

DHEMO MAIN COLLIERIES LTD. Annual General Meeting, Calcutta, 5th October 1956. Dividend: *Nil*. Transfer books remain closed from 28th September to 5th October 1956, both days inclusive.

EQUITABLE COAL CO., LTD. Annual General Meeting, Calcutta, 5th October 1956. Dividend: As. 12 per share. Transfer books remain closed from 28th September to 5th October 1956, both days inclusive.

HURRILADIH COAL CO., LTD. Annual General Meeting, Calcutta, 5th October 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 28th September to 5th October 1956, both days inclusive.

WEST JAMURIA COAL CO., LTD. Annual General Meeting, Calcutta, 5th October 1956. Dividend: *Nil*. Transfer books remain closed from 28th September to 5th October 1956, both days inclusive.

TEZPORE TEA CO., LTD. Annual General Meeting, Calcutta, 8th October 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 27th September to 8th October 1956, both days inclusive.

GANGES MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: *Nil*. Transfer books will remain closed from 30th September to 9th October 1956, both days inclusive.

GOUREPORE CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 30th September to 9th October 1956, both days inclusive.

NUDDEA MILLS CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: *Nil*. Transfer books will remain closed from 30th September to 9th October 1956, both days inclusive.

HATTIKHIRA TEA CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: As. 12 per share. Transfer books will remain closed from 1st to 9th October 1956, both days inclusive.

GANGES ROPE CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Transfer books remain closed from 30th September to 9th October 1956, both days inclusive.

MANGALORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: Interim-dividend 2½ per cent. for the year ended 31st March 1956 and an interim-dividend of 5 per cent. for six months ending 30th September 1956. Transfer books remain closed from 25th September to 4th October 1956, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Annual General Meeting, Mangalore, 10th October 1956. Dividend: As. 14 2/5 per share. Transfer books remain closed from 29th September to 10th October 1956, both days inclusive.

MALANKARA RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, 11th October 1956. Dividend: Rs. 3-4 per share. Transfer books remain closed from 28th September to 11th October 1956, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, 15th October 1956. Dividend: As. 8-2/5 per share (final). Transfer books will remain closed from 6th to 15th October 1956, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Interim-dividend of As. 12 per share. Transfer books will remain closed from 5th to 15th October 1956, both days inclusive.

MYSORE TOBACCO CO., LTD. Dividend of Re. 1-8 per share, for the year ended 31st March 1956. Transfer books will remain closed from 16th to 27th October 1956, both days inclusive.

VELLIMALAI RUBBER CO., LTD. Dividend of As. 12 per share, for the year ended 29th February 1956. Transfer books will remain closed from 10th to 15th October 1956, both days inclusive.

GENERAL PAPERS LTD. Dividend of As. 10 per share, for the year ended 31st March 1956. Transfer books will remain closed from 6th to 20th October 1956, both days inclusive.

KURCHERMALA PLANTATIONS LTD. Dividend of As. 10 per share, for the year ended 31st March 1956. Transfer books will remain closed from 12th to 26th October 1956, both days inclusive.

PANCHURA ESTATES LTD. Dividend of As. 4 4/5 per share, for the year ended 30th June 1956. Transfer books will remain closed from 13th to 22nd October 1956, both days inclusive.

MALABAR AGRICULTURAL CO., LTD. Dividend of Re. 1 per share, for the year ended 31st December 1955. Transfer books remain closed from 22nd to 29th September 1956, both days inclusive.

COMPANY REGISTRATIONS

SAWHNYSONS (BOMBAY) PRIVATE LTD. (Chairman: Mr. C. P. Sawhny.) Business: Producing and refining petroleum and its products. Authorised capital: Rs. 15,00,000. Private company. Address: Royal Cinema Building, 1st Floor, Apollo Pier Road, Fort, Bombay.

AUTOMANS FINANCE PRIVATE LTD. (Managing Director: Mr. N. K. Mehta.) Business: To advance loans. Authorised capital: Rs. 5,00,000. Private company. Address: 13/15 Tamarind Lane, Fort, Bombay.

DEWANS FINANCE PRIVATE LTD. (First Director: Mr. Dewan Rajendranath.) Business: To advance loans. Authorised capital: Rs. 5,00,000. Private company. Address: 13/15, Tamarind Lane, Fort, Bombay.

CHAMPDANY JUTE SUFFERS LOSS

MALANKARA RUBBER STEPS UP DIVIDEND

Champdany Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. James Finlay & Co. Ltd., Calcutta) submit the audited accounts of the Company for the six months ended 31st March 1956.

The accounts show a loss of Rs. 1,80,359 (profit Rs. 3,12,391) after charging Rs. 4,36,139 (Rs. 2,97,681) for depreciation and taking credit for Rs. 14,211 (*nil*) on account of the unutilised balance of the sales tax contingencies reserve. After bringing forward the credit balance of Rs. 1,30,505 (Rs. 22,542) *from* the previous half-year, the directors have transferred the balance of *rehabilitation* reserve Rs. 14,84,926 (*nil*) making a total of Rs. 16,15,431. From this sum, they have transferred to the general reserve Rs. 12,97,734 (*nil*) and have written off the loss for the half-year of Rs. 1,80,359 leaving an amount available for distribution Rs. 1,37,338 (Rs. 3,34,933). They recommend that a dividend at the rate of 4 (8) per cent. per annum should be paid, leaving a balance of Rs. 19,010, (Rs. 98,277) to be carried forward.

With the completion of the modernisation programme at the Mills last year, it has been considered that the balance of Rs. 14,84,926 under the rehabilitation reserve which had been built up in the past, need no longer be retained as such.

It is recorded that the managing agents have voluntarily forgone Rs. 1,00,000 from the remuneration accruing to them for the half-year under review.

In view of the provisions of the Companies Act, 1956, *relating to accounts* and annual general meetings, the accounts will be presented annually in future in respect of financial years ending on 31st March. The directors shall, however, review the results of working as soon as possible after 30th September each year and thereafter, declare such interim dividends as, in their opinion, may be justified in the circumstances.

During the later portion of the half-year under report the prices of raw jute and manufactured goods were each at levels which made simultaneous business at a profit very rarely possible. The results are, therefore, less satisfactory than was expected at the time the directors submitted their previous half-yearly report. The market prices for raw jute and those for manufactured *goods have* continued to remain at unremunerative levels and the working of the Company's Mills since the commencement of the new financial year has not in consequence been altogether profitable. Production has been maintained at a *high level and costs* have been kept as low as possible.

Buildings and machinery continue to be maintained in good *condition* and repair.

In accordance with the provisions of the Indian Jute Mills Association's Working Time Agreement, the Mills worked 48 hours per week during the period under report, while 2½ per cent. of the total loomage was unsealed and brought into production on 9th January 1956; a further 5 per cent. was unsealed on 20th February 1956, leaving a balance of 5 per cent. sealed. Subsequently, in an effort to bring production more into line with the quantity of raw material available and so reduce the disparity between raw jute prices and those obtainable for manufactured goods, 2½ per cent. of the total loomage was re-sealed and taken out of production on 16th July 1956. A further 5 per cent. of total loomage will be re-sealed on 17th September 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,16,400	Block ...	1,11,38,967
Reserves ...	95,49,238	Stocks ...	90,05,132
Provision for taxation ...	—	Stores and spares ...	8,00,842
Liabilities ...	80,78,521	Debts, deposits and advances ...	23,57,198
Profit and loss account ...	19,010	Investments ..	2,08,844
		Cash	52,186
Rs.	2,35,63,169	Rs.	2,35,63,169

Malankara Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. John Sons' Estates and Agencies (Private) Ltd., Kottayam) submit the audited *accounts of the Company for the year ended* 31st March 1956.

Rubber—The crop harvested during the season was 6,86,083 lbs., at an estate cost of 51.72 cents per lb. compared to 5,79,744 lbs. at 58.82 cents per lb. during the previous season. The average price obtained for the season's rubber was 145 (129.02) *cents* per lb. including excise duty. The price of rubber was increased by Rs. 5-12 per 100 lbs. from 24th September 1955 and with effect from 1st August 1955 the excise duty on rubber was also increased by Rs. 5-12 per 100 lbs. The decrease in cost of production is mainly due to the high crop obtained during the season owing to favourable weather conditions and also due to the effect of the successful spraying and dusting of almost the whole area with copper sulphate solution and cuprosana dust respectively.

Cocoanut—The crop for the season was 6,84,078 (3,81,354) nuts. The crop obtained from the cocoanut area of Malankara estate was lower than that obtained for the previous season. But the crop for the season from the Jungle Ore Estate was almost the same as in the previous season. The average price obtained for this season was Rs. 15.33 per 100 nuts compared to Rs. 16.65 per 100 nuts obtained for the previous season's crop.

Pepper—The crop collected from pepper areas during the season was 12,811 (6,630) lbs. including rejections.

The net profit for the season was Rs. 3,46,670 (Rs. 2,23,703) after writing down depreciation on buildings, machinery etc, and lorry amounting to Rs. 26,979 (Rs. 24,019) and after providing Rs. 2,15,000 (Rs. 1,40,000) against income-tax and super-tax both agricultural and non-agricultural, for the assessment year 1956-57 and also Rs. 6,237 (Rs. 1,566) against short provision of income-tax for assessment year 1955-56.

The total capital expenditure during the season was Rs. 80,588 (Rs. 63,776) of which Rs. 72,001 (Rs. 58,284) was spent for buildings, machinery, *furniture, cocoanut shed etc.* and Rs. 8,587 (Rs. 5,492) for replanting rubber in 35 (16.75) acres during the season.

The directors recommend that a dividend of 32½ (22½) per cent. amounting to Rs. 2,92,500 (Rs. 2,02,500) be paid free of State and Central income-tax payable at source, to those shareholders whose names appear in the *register on* the date of the general meeting and to transfer the balance amount of Rs. 54,170 (Rs. 35,456) to general reserve account to cover part of the capital expenditure incurred.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	16,42,808
Reserves ...	7,63,785	Debts and advances ...	58,976
Provision for taxation ...	2,11,434	Stock ...	60,761
Liabilities ...	1,05,144	Cash and other balances ...	5,64,488
Profit and loss account ...	3,46,670		
Rs.	23,27,033	Rs.	23,27,033

Dalhousie Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

After providing Rs. 1,14,537 (Rs. 49,000) for depreciation the profit and loss account shows a loss of Rs. 2,22,841 (profit of Rs. 2,23,415) which is reduced by the amount brought forward from the previous half-year of Rs. 1,996 (Rs. 15,344) leaving a net loss of Rs. 2,20,845 (credit of Rs. 11,882 after transferring Rs. 50,000 to general reserve, Rs. 30,000 to jute stock reserve, paying a dividend of 7 per cent. per annum on preference shares absorbing Rs. 52,500 and ordinary dividend at Rs. 3 per share absorbing Rs. 94,377) and this amount the directors recommend should be carried forward.

Stocks of jute have been valued at cost and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours weekly with 12½ per cent. of the total looms sealed up to the week ended 7th January 1956. With effect from 9th January 1956, 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. were unsealed, leaving 5 per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,49,200	Block ...	71,30,679
Debentures ...	20,48,000	Capital expenditure-in-progress ...	12,87,431
Reserves ...	46,65,252	Stock-in-trade ...	19,33,013
Liabilities ...	30,12,098	Stores and spare gear	9,76,009
		Oil and coal	39,140
		Debts, deposits and advances ...	21,79,971
		Investments	5,91,100
		Cash ...	16,362
		Profit and loss account ...	2,20,845
Rs.	1,43,74,550	Rs.	1,43,74,550

Standard Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

After providing Rs. 2,04,776 (Rs. 54,442) for depreciation, the profit and loss account shows a loss of Rs. 2,11,836 (profit of Rs. 70,879) to which is to be added the loss brought forward from previous half-year of Rs. 2,75,291 (credit of Rs. 1,112) leaving a net loss of Rs. 4,87,127 (Rs. 19,821) after paying preference dividend at 6 per cent. per annum, absorbing Rs. 27,000 and ordinary dividend at Re. 1 per share, absorbing Rs. 25,170, and this amount the directors recommend should be carried forward.

Stocks of jute have been valued at cost and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours weekly with 12½ per cent. of the total looms sealed up to the week ended 7th January 1956. With effect from 9th January 1956 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. were unsealed, leaving 5 per cent. of the total looms sealed.

The electrification of steam auxiliaries at the mill was completed by *end* February 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,19,600	Block ...	74,14,807
Debentures ...	25,00,000	Capital expenditure-in-progress ...	9,527
Reserves ...	42,72,182	Stock-in-trade ...	23,91,981
Liabilities ...	30,72,283	Stores and spare gear	9,86,526
		Oil and coal	29,426
		Debts, deposits and advances ...	14,63,572
		Investments	4,58,318
		Cash ...	22,781
		Profit and loss account ...	4,87,127
Rs.	1,32,64,065	Rs.	1,32,64,065

Hoograjuli (Assam) Tea Co., Ltd.

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

The application to the Controller of Capital Issues for permission to capitalise a sum of Rs. 3,00,000 out of the amount standing to the credit of the general reserve, referred to in our last report, was granted in September 1955, and the issued and subscribed capital of the Company has been increased by the *addition of 30,000* new shares of Rs. 10 each, issued as fully paid-up to shareholders at the rate of three new shares for every two shares held by them on 9th November 1955.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the 1913 Companies Act; this has been *commented upon by* the auditors in their Report.

Early in the present year it was agreed with Government that a bonus should be paid to tea garden labour in respect of seasons 1953 and 1954, and the cost of *this bonus* has been included in the 1955 accounts.

The taxation provision in these accounts is made on the basis that the amount of the 1953 and 1954 labour bonus will be allowed as a charge in the tax assessment for the year.

After providing Rs. 47,851 (Rs. 42,491) for depreciation, Rs. 94,090 (Rs. 2,40,000) for the 1953 and 1954 labour bonus and making sundry adjustments, *the year's* results show a loss of Rs. 57,932 (credit of Rs. 1,46,748 after paying interim dividend of Rs. 3-8 per share absorbing Rs. 70,000). After *bringing in* the balance of Rs. 84,780 (Rs. 48,032) from last year, there remains a balance of Rs. 26,849 (Rs. 1,94,780) at the credit of profit and loss account. From this the directors recommend the payment of a dividend of As. 8 (final dividend of Rs. 5-8) per share, absorbing Rs. 25,000 (Rs. 1,10,000) leaving a balance of Rs. 1,849 (Rs. 84,780) to be carried forward.

A crop of 5,838 maunds was secured and sold at an average price of Re. 1-11-5 per lb. This compares with a crop of 5,834 maunds manufactured in 1954, which sold at an average price of Rs. 3-1-5 per lb. The tea market fell sharply during the course of the season, as regards poorer quality teas, and unfortunately the teas produced by the Company were below the normal standard. This was due to a fault in a drying machine that could not be rectified until the end of the season. The machine is now working efficiently.

Estimates for the current season have been framed for a crop of 6,250 maunds to cost Rs. 8,58,103. Crop to the 7th August 1956, amounted to 2,241 maunds compared with 1,851 maunds secured to the same date last year. It is expected that the estimated crop will be secured, provided normal weather conditions prevail.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	5,29,731
Reserves ...	5,75,000	Stock-in trade	4,37,053
Provision for taxation ...	1,53,047	Stores ...	1,29,614
Liabilities ...	2,74,180	Debts, deposits and advances ...	1,70,370
Profit and loss account ...	1,848	Investments	52,187
		Cash ...	1,85,120
Rs.	15,04,075	Rs.	15,04,075

Mothola Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts of the Company after providing for taxation and after writing off for depreciation Rs. 19,145 (Rs. 42,153) show a profit of Rs. 1,42,932 (Rs. 4,08,551) to which is added the balance brought *forward from* the last account of Rs. 53,033 (Rs. 16,982), giving a total of Rs. 1,95,964 (Rs. 4,25,533). Out of this there will be transferred to reserve account Rs. 50,000 (Rs. 2,75,000) leaving for disposal a sum of Rs. 1,45,964 (Rs. 1,50,533). On 21st December 1955 an interim dividend of 10 (15) per cent. was declared, amounting to Rs. 15,000 (Rs. 22,500). From the balance of Rs. 1,30,964 (Rs. 1,28,033), the directors recommend the payment of a final dividend of 40 (50) per cent. absorbing Rs. 60,000 (Rs. 75,000) leaving a balance to be carried forward of Rs. 70,964 (Rs. 53,033).

It is considered that the amount of Rs. 50,000 standing at the credit of labour welfare reserve in the balance sheet is no longer required. This amount is therefore transferred to the credit of reserve account.

Season 1955.—The International Tea Agreement expired during the year has not yet renewed. The Government of India, however, declared the export allotment for the year 1955-56 at 480 million pounds representing 69.3 per cent. on the crop basis of the tea estates in this country.

The production was exceptionally high and reached a record level whilst the demand from the overseas markets was extremely poor, resulting in the accumulation of huge stock. Until last August the tea offered for export *in the Calcutta auctions* received fair support at reasonable prices, but since then the prices started to fall. The internal market also coincided with the trend of the export market, and offerings although less than last year were disposed of at irregular prices. *It is to be* noted that during the year there was an impressive demand for selective best liquoring and tippy grades whilst buyers showed less interest towards poor standard teas.

The cost of production during the year was increased by As. 5.09 per lb. than last year mainly owing to increase in plucking rates, enhancement of pay scale of clerical staff, increase in rates of Assam Road Tax, implementation of bonus agreement in respect of garden clerical staff and labour and introduction of provident fund scheme.

Cultivation.—The area under tea plantation was reduced further by slightly above one acre on account of erosion; the plucking was extended to 370 (371) acres giving an average yield of 18.89 (18.29) mds. per acre. A further nursery was also put out and 3 (17) acres were replanted.

Crop.—The total outturn amounted to 6,996 *(6,638) mds. representing an increase of* 280 (177) mds. The average price realised was As. 36.24 per lb. as compared with As. 51.68 per lb. last year.

Season 1956.—The octroi levy announced by the West Bengal Government last year on tea entering into Calcutta together with certain welfare measures are expected to be implemented this year, which will add further to the current cost of production.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Block ...	3,67,463
Reserves ...	7,22,434	Stock of tea	5,38,104
Provision for taxation ...	3,44,430	Debts and advances ...	53,020
Liabilities ...	3,35,108	Other assets	85,043
Profit and loss account ...	1,80,964	Investments	2,01,967
		Cash ...	4,87,339
Rs.	17,32,936	Rs.	17,32,936

Poobong Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a loss of Rs. 51,963 (profit of Rs. 1,80,965). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 60,000 from revenue reserve account, there is a balance at *credit of that account* of Rs. 406 (Rs. 10,089 after paying a dividend of 15 per cent. absorbing Rs. 45,000 and transfer to buildings and machinery reserve Rs. 45,000), which it is proposed to carry forward.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

The result of the season's working is disappointing owing to the greatly increased cost of statutory concessions to labour, unfavourable growing conditions and hail damage, resulting in both a loss in crop and a deterioration in the quality of the garden produce, combined with adverse market conditions.

Crop weighed out at 2,060 maunds, as compared with 2,109 maunds in 1954 and the average selling price was Rs. 2-5-11 per lb. as against Rs. 3-6-5 per lb. in the previous year. The planted area remains at 500.43 acres.

Estimates for 1956 provide for a crop of 2,200 maunds at an outlay of Rs. 4,73,860, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	3,83,087
Reserves ...	4,09,567	Stock-in-trade	1,36,965
Provision for taxation ...	54,247	Stores and supplies ...	43,928
Liabilities ...	91,771	Debts, deposits and advances ...	20,946
Profit and loss account ...	406	Investments	2,18,952
		Cash ...	52,133
Rs.	8,55,991	Rs.	8,55,991

Belgachi Tea Co., Ltd.

The directors of the above Company (Managing Agents: National Tea Corporation, Calcutta) submit the audited accounts *of the Company* for the year ended 31st December 1955.

Crop.—The season opened with early rains and fair prospects. Rainfall was well distributed almost throughout the whole season. In terms of

favourable conditions that prevailed during the year a total crop of 4,17,643 (3,23,610) pounds of tea was made, of which 1,38,759 pounds was sold in export market, 8,832 pounds was sold in the internal market and the rest was disposed of locally. The gross average export sale price was As. 28.00 (As. 39.44), the gross average internal sale price As. 22.72 (As. 29.64) and the total net average sale price As. 25.24 (As. 29.67). Total working *costs* per pound of tea produced was As. 16.09 (As. 18.11).

Dearness and other cash allowances, etc., to staff and labour cost some Rs. 76,097 as against Rs. 80,337 paid last year. Under the Delhi Agreement a sum of Rs. 15,905 was paid to labour as part bonus for the years 1953-54, and it is estimated to pay a further sum of Rs. 4,234 under the said agreement.

The *gross profit for the year* is Rs. 2,16,556 (Rs. 2,39,099) and after allowing for taxation and other appropriations and taking into account the *dividend from the subsidiary shown* there is a net profit of Rs. 2,49,487 (Rs. 1,48,951) and a final balance on this account of Rs. 2,87,352 (Rs. 1,72,865). The directors recommend to pay a *dividend of 100* (40) per cent. absorbing Rs. 2,50,000 (Rs. 1,00,000) *and carry forward* to 1956 Rs. 37,352 (Rs. 37,865).

The directors are of the opinion that it will be for the benefit of the Company, as also for the members, if the payment of dividend be made not in cash, but by giving to the members shares of the Bateli Tea Co., Ltd. It is for the members to decide whether the dividends should be paid in cash and/or in the said shares. It may be stated here that the Company is at present holding 46,687 shares of the Bateli Tea Co., Ltd. and the market value of the said shares is Rs. 25 per share. If the members, as recommended by the directors, approve of the payment of dividend at Rs. 10 per share, then a member holding five shares of the Company will be entitled to get two shares of the Bateli Tea Co., Ltd. as dividend. *It will, however, not be advisable* to split the shares of the Bateli Tea Co., Ltd., and the directors, therefore, recommend that in case any member holding shares in the Company which are less than five shares or any share which is not a multiple of five, *will be paid dividend in cash.* The directors further recommend that in case any member does not want to accept in payment of dividend shares of the Bateli Tea Co., Ltd., the dividend payable to him may be paid to him in cash.

Estimates for 1956 have been based on a crop of 5,000 maunds at a total working cost of Rs. 4,33,238.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,000	Block ...	1,59,000
Reserves ...	3,40,000	Stock of 1955 crop ...	1,69,622
Provision for taxation ...	3,04,545	Stores and supplies ...	62,818
Liabilities ...	5,36,869	Debts, deposits and advances ...	44,520
Profit and loss account ...	2,87,352	Investments	12,43,675
		Cash ...	39,131
Rs.	17,18,766	Rs.	17,18,766

Nagaisuree Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) *submit the audited accounts* of the Company for the year ended 31st December 1955.

The *accounts* disclose a profit of Rs. 1,48,498 (Rs. 13,50,639). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 1,85,298 (Rs. 10,39,227), of which the directors have transferred Rs. 65,000 (Rs. 3,25,000) to revenue reserve. The directors recommend that a dividend of 7½ (40) per cent. be declared at the annual general meeting leaving Rs. 48,298 (Rs. 80,227) to be carried forward.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve representing the present written down value of these assets has been opened.

Crop weighed out at 12,237 maunds as compared with 14,619 maunds in 1954 and the average selling price was Re. 1-12-1 per lb. as against Rs. 2-12-5 per lb. in the previous year. Planted area remains at 1,124.90 acres.

Estimates for 1956 provide for a crop of 12,500 maunds at an outlay of Rs. 14,86,223, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,60,000	Block ...	15,71,067
Reserves ...	18,15,032	Stock-in-trade	11,36,238
Provision for taxation ...	1,85,986	Stores and supplies	1,15,640
Liabilities ...	8,22,991	Tea seed sales receivable	300
Profit and loss account ...	48,298	Debts, deposits and advances ...	1,68,055
		Investments	7,37,168
		Cash ...	1,03,839
Rs.	38,32,307	Rs.	38,32,307

Bengal-Nagpur Coal Co., Ltd.

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

As the accounts relate to a period which ended before the introduction of the Companies Act 1956, they have been prepared in accordance with the 1913 Companies Act; and this fact has been commented upon by the auditors in their report.

After providing Rs. 4,905 (Rs. 16,025) for depreciation and crediting an excess liabilities provision of Rs. 2,000, the accounts for the half-year show a loss of Rs. 50,567. After adding the debit balance brought forward from the previous half-year, there is a total of Rs. 1,07,984 at the debit of profit and loss account which is being carried forward. Rs. 3,938 (Rs. 15,750) has been transferred from the general reserve and the directors recommend that the preference dividend for the half-year ended 31st December 1955, be paid *out of it.*

Raisings by the contractor during the half-year amounted to 5,053 tons, and despatches, *including those made on the contractor's account,* were 5,312 tons. Since the end of the period under review the particular area covered by this raising contract has been worked out.

The directors have been giving their detailed consideration to future plans for the working of further areas in the Bhuggutdih property, and applications in this connection are at present pending with the Coal Board. It is the Board's intention that the new workings *should be started* as soon as permission is received from the Coal Board, and that raisings should thereafter be maintained. The Coal Board have recently indicated that sandstowing should be undertaken generally in No. 10 seam, and this matter is also being considered by the Directors.

At an Extraordinary General Meeting of shareholders held on 19th April 1956, it was resolved to reduce the capital of the Company by repaying the preference share capital.

Hitherto half-yearly accounts have been issued, by this Company to its shareholders, but in the opinion of the Board of directors this is no longer practicable in view of the provisions of the Companies Act, 1956, *regarding annual general* meetings and the accounts to be presented at such meetings. Accordingly yearly accounts will be issued in future, *commencing with* those for the year ending 31st December 1956. This will not preclude the payment of half-yearly dividends, subject to the Company's results permitting, as the Company's Articles authorise the payment of interim dividends. It *is, therefore, the Board's* intention to consider the payment of interim dividends in the light of the Company's results up to 30th June each year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,37,500	Block ...	2,48,198
Reserves* ...	4,22,669	Stock of coal	1,452
Provision for taxation and cesses ...	3,009	*Debts and advances* ...	2,28,425
Liabilities ...	79,375	Investments	1,28,533
		Cash ...	*2,35,945*
Rs.	8,42,553	Rs.	8,42,553

*Reserves are shown after deducting Rs. 1,07,984, being the debit balance in the profit and loss account.

Straw Products Ltd.

The directors of the above Company (Managing Agents: Messrs. J. K. Agents Private Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

During the year after meeting all the expenses and charges and taking into account bonus to workers and staff, provision for depreciation, remuneration to directors, *and managing agents' commission* and remuneration, the Company has made a net profit of Rs. 4,03,078 which together with the balance brought forward from the last year's account of Rs. 42,925 makes a total of Rs. 4,46,003. The directors recommend the disposal of this amount as under:—

To provision for taxation Rs. 1,30,000 to pay dividend at Re. 1 (As. 8) per share on 1,50,000 (1,50,000) shares free of tax, equivalent to 10 (5) per cent. Rs. 1,50,000 (Rs. 75,000), transfer to general reserve Rs. 1,50,000 and balance to be carried forward to next year Rs. 16,003 (Rs. 42,925).

During the year under review, the production and sales of the Company's products have been satisfactory, and labour relations have been cordial.

Order for necessary pulping machinery as well as paper-cum-board machine had been placed from abroad during last year, which will increase production by another 15 tons per day and will include better quality of boardr and paper, such as duplex, triplex, corrugating and packing papers. The partial delivery of the *machines* has commenced. Total plant is expected to be received before the end of 1956, and after erection, it is expected to go into production by the first quarter of 1957, thus adding substantially to the earning capacity of the Company and increasing production to almost double the present quantity. The *Company has further plans for* expansion of the existing board machine to increase its capacity by nearly 50 per cent.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	66,89,865
Reserves ...	20,00,000	Stock-in-trade	1,46,439
Capital reserve	60,40,654	Raw materials, stores and spare parts ...	5,12,781
Provision for taxation ...	1,81,976	Other assets	4,411
Liabilities ...	5,05,443	Debts, deposits and advances ...	4,78,175
Profit and loss account ...	3,16,003	Investments	21,26,629
		Cash ...	5,85,776
Rs.	1,05,44,076	Rs.	1,05,44,076

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

Notices

MACHINERY MANUFACTURERS CORPORATION LIMITED

NOTICE

THE TENTH ORDINARY GENERAL MEETING OF MACHINERY MANUFACTURERS CORPORATION LIMITED, will be held on Friday, 19th October 1956, at 4.00 p.m., at the Registered Office of the Company, Gateway Building, Apollo Bunder, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the period ended 31st March 1956.
2. To declare a Dividend.
3. To elect Directors in place of Mr. M. M. Parekh, Mr. Jal H. Mehta, and Mr. M. A. Chidambaram, who retire from the Board under Article 114 of the Articles of Association of the Company, but are eligible for re-election.
4. To pass an Ordinary Resolution waiving the age limit prescribed under section 280 of the Companies Act, 1956, in respect of Sir Sobha Singh.
5. To pass the Ordinary and Special Resolutons, details of which, with an Explanatory Statement as required under section 173 of the Companies Act, 1956, have been posted to the shareholders.
6. To appoint Auditors for the current year and to fix their remuneration.

For and on behalf of the Directors,
MACHINERY MANUFACTURERS CORPORATION LIMITED,
K. C. MAHINDRA,
Chairman.

BOMBAY, 10*th August* 1956.

Note.—(i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.

(ii) The Transfer Books of the Company will be closed from 1st October 1956 to 19th October 1956, both days inclusive.

(iii) Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 19th October 1956. No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

TO ALL SHAREHOLDERS OF MACHINERY MANUFACTURERS CORPORATION LIMITED AND IN PARTICULAR TO:—

Mrs. Maryam Akhund, Bai Bachubai Sorabji Anklesaria, Messrs. British Cotton Growers Association Ltd., Mrs. Tehmina Hormasji Dalal, Mr. C. De Sousa. Mr. Nadarshaw M. Dinshaw, Mr. R. C. Fernandes, Hon'ble Mr. Gulam Mohamed, Mr. Tikamdas Wadhumal, Mr. Sorabji Hormusji Shahookar, Dr. (Miss) Shaikh Amna, Mr. Zaka Rahmatulla, Mr. Barkatullah Khan, Mr. William Dick Brown, Mr. Andrew Dollar Gillespie, Mr. Donald Gladding, Major Alastair Cameron, Mr. Mirza Ahmed Ispahani, Sir William Roberts. Major General Shura Shum Shere Jung Bahadur Rana, Mr. Nootan Deb Pant, Mr. Mahendra Prasad, Sardar Soma Prasad Upadhya, Senior Comdg. General Baber Shum Shere, Mr. Pitamber Prasad Pantha, Messrs. John Inglis Company Limited, Rokia Sultan, Sogra Sultan, Khatija Begum, Robaba Khanum, Mr. John Lees, Mr. William Lindsay, Mrs. Stella Byrne, Mr. G. B. Gilby, Mono Shum Shere Jung Bahadur Rana, Major General Nara Shum Shere Jung Bahadur Rana, Mian Aziz Ahmed Khan Bhatti, Rani Jagdamba Kumari Debi, Padma Narsingha Rana, Mohamed Khalil Serage, Bahadur Shum Shere Jung, Maj. General Krishna Shum Shere Jung Bahadur Rana, H. H. Maharani Gamvir Kumari, Bibudhandra Prasad and Mr. Keshava Ram Bhandary.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Tuesday the 23rd day of October 1956, at 12 noon, to consider, and if thought fit, to pass the following Resolution, which will be proposed as a Special Resolution, namely:—

That the Articles of Association of the Company be altered in manner following:—

(1) Articles 55, 56 and 57 shall be deleted and the following New Article 55 substituted therefor:

"In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Companies Act, 1956, and subject to the provisions of Section 166(2) of that Act, at such times and places as may be determined by the Board of Directors. Such general meetings shall be styled 'Annual General Meetings' and shall be specified as such in the notices convening these meetings. All other meetings of the Company shall be styled Extraordinary General Meetings."

(2) Article 63 shall be deleted and the following New Article 63 substituted therefor:

"The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet, and the Reports of the Board of Directors and of the Auditors, to appoint Directors in place of those retiring by rotation, to appoint Auditors and determine the manner in which they shall be remunerated, and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special business."

(3) Articles 86 and 87 shall be deleted and the following New Article 86 substituted therefor:

"At every Annual General Meeting the Board of Directors shall lay before the Company a Profit and Loss Account made up to the 31st December in the preceding year and a Balance Sheet as at that date and such Profit and Loss Account and Balance Sheet shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Companies Act, 1956, so far as they are applicable to the Company, but save as aforesaid, the Board of Directors shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than they may deem expedient."

(4) Articles 88, 89 and 90 shall be deleted and the following New Articles 88 and 89 substituted therefor:

"88. Once at least in every year the Accounts of the Company shall be examined and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more Auditor or Auditors."

"89. The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Companies Act, 1956."

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

CALCUTTA, 24*th September* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ended 30th September 1956.

The Preference Share Registers will be closed from the 5th to the 10th October 1956, both days inclusive. Payment will be made on or after the 1st November 1956, to those Preference Shareholders whose names are on the Company's Register on the 10th October 1956, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 27*th September* 1956.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

BY ADVERTISEMENT IN NEWSPAPERS IN September 1955 and also in the Directors' Report for the year ended 31st December 1955, shareholders were informed that the date for conversion of fractional certificates of the 1949 and 1954 issues into whole Ordinary shares had been extended to the 30th September 1956.

The Directors have decided to further extend the date by which such fractional certificates of both the 1949 and 1954 issues should be presented for conversion into Ordinary shares to the 30th September 1957.

Holders of fractional certificates of the 1949 issue are particularly requested to note that no further extension of time will be allowed in respect of these certificates.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 25*th September* 1956.

Premier Mills (Cbe) Ltd.

The directors of the above Company (Managing Agents: Messrs. K. Narayanaswamy Naidu & Co., Coimbatore) submitted the audited accounts of the Company for the year ended 31st March 1956.

The working of the Company has been highly satisfactory. This has been possible by the judicious buying and selling policy adopted by the managing agents and also by the favourable yarn prices.

Orders have been placed for 12,000 spindles and delivery is expected in a couple of months. The buildings necessary to house the same are complete and the directors therefore hope that they will be able to work the full complement of 33,000 spindles by about the middle of the current year.

After meeting all working expenses and providing Rs. 4,92,363 towards depreciation, the year's working has resulted in a net profit of Rs. 5,76,256. Adding to this balance of profit carried forward from the previous year amounting to Rs. 10,291 and deducting therefrom the balance of income-tax payable amounting to Rs. 21,139, there is a sum of Rs. 5,65,408 to the credit of profit and loss account. The directors have recommended the following appropriations from the above sum.

To pay a tax-free dividend of 15 per cent. to the shareholders Rs. 1,87,500, to provide for taxes Rs. 2,75,000, to transfer to general reserve Rs. 1,00,000, and to carry forward to next year Rs. 2,908.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	12,50,000	Block ...	21,47,216
Reserves ...	3,50,000	Stock-in-trade	14,97,358
Provision for taxation ...	2,75,000	Stores ...	2,05,157
Liabilities ...	23,41,664	Debts, deposits and advances ...	3,48,859
Profit and loss account ...	2,908	Cash ...	20,982
Rs.	42,19,572	Rs.	42,19,572

GILT-EDGED DULL

(From Our Own Correspondent)

BOMBAY, 26*th September*

The short-term money market has continued to be stringent, with hardly any improvement in turnover. Though there was no increase in the demand for funds the available supplies were not sufficiently large to meet even the day-to-day requirements of banks. Consequently, there was no fall in interest rates.

Inter-bank call money was bid at the self-same rate of 3½ per cent. among all sections of banks. House money at call was also placed at 3½ per cent. and short-term deposits were offered 3¾ per cent. for one to three months and 3¼ to 3⅜ per cent for four to six months.

A further decline of Rs. 14.74 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 21st September 1956. This brings the total contraction for the past two weeks to Rs. 22.48 crores. Notes held in the Banking Department have risen by Rs. 6.52 crores during the week under review, so that there is a fall of Rs. 8.22 crores in the total notes issued. This decline is covered on the assets side by a decrease of Rs. 9.94 crores in rupee securities and an increase of Rs. 1.72 crores in rupee coin. In the Banking Department, deposits of the Central Government show a fall of Rs. 5.97 crores, while those of the other Governments are up by Rs. 4.41 crores. Deposits of banks are lower by Rs. 1.17 crores. A decline of Rs. 6.74 crores is noted in balances held abroad and of Rs. 2.23 crores in loans and advances to Governments. Other loans and advances have jumped up by Rs. 13.95 crores, of which outstanding advances to Scheduled banks against usance bills alone account for Rs. 9.75 crores. Fresh advances to banks against these bills during the week amount to Rs. 18.67 crores, probably the largest amount advanced in any one week so far, while repayments amounted to Rs. 8.92 crores. There has been a reduction of Rs. 9.82 crores in investments during the week.

The Scheduled banks' statement for the week ended 14th September 1956, shows a fall of Rs. 1.82 crores in demand deposits and a rise of Rs. 1.72 crores in time deposits. Inter-bank borrowings are up by Rs. 1.38 crores and borrowings from the Reserve Bank by Rs. 1.80 crores. In distinct contrast to the increase of Rs. 29.03 crores in advances noted in the previous week, there has been a drop of Rs. 4.21 crores in the week under review. Bills purchased and discounted have also declined by Rs. 2.46 crores. Investments are up by Rs. 4.76 crores. While cash balances do not disclose any marked variation, money at call and short notice show a rise of Rs. 1.85 crores.

The Gilt-edged market displayed dull conditions during the week under review, with the volume of business remaining at a low ebb. The undertone was, however, a shade steady following scattered enquiries from institutional investors.

3 per cent. 1959-61 was in request at Rs. 97-15, while 3 per cent. 1963-65, after declining by an anna to Rs. 94-7, remained at that level. 3 per cent. 1964 was nominally placed at Rs. 94-10, while 3 per cent. 1966-68 stood unchanged at Rs. 93-2. 3 per cent. 1970-75 attracted some sellers at Rs. 89-8, while 3 per cent. 1986 Conversion Loan attracted buyers an anna lower at Rs. 75-2. 3½ per cent. 1962 held its own at Rs. 97-15. 3¼ per cent. 1961 was on offer at Rs. 99-2 and 3¼ per cent. 1964 at Rs. 98-9. 3¼ per cent. 1965 was a shade better at Rs. 98-7. 3¼ per cent. 1967 was wanted at Rs. 98-7. 3¾ 1974 gained an anna to Rs. 98-8. Among State loans also, there was not much activity, but 4 per cent. 1968 Madras and U.P. loans had buyers As. 2 lower at Rs. 99-2.

In the foreign exchange section, the rupee held its own in terms of the U.S. dollar, the selling rate for ready dollars being unchanged at Rs. 481¼ per $100 and the buying rate at Rs. 477 per $100. In London, sterling ruled steady, the spot sterling gaining ground from $2.78.5/16-2.78.7/16 to $2.78⅞-2.78¾. Three months' forward closed unchanged at $2.76.9/16-2.76.11/16, while transferable sterling was marked up from 275.25-275.35 cents to 275.80-275.90 cents.

WOOL FIRM

DELHI, 21st September

During the past fortnight, the wool market has been eagerly awaiting the Government of India's announcement of its export policy for the new half-year beginning on 1st October. With the trade adopting a wait-and-see attitude, very little export business has been done. The turnover in foreign trade has, therefore, been very small.

The Liverpool auction of the September series ended on the 12th inst. Prices of best white and yellow remained unchanged. Medium and irregular greys advanced by 5 per cent. Of the 8,700 bales of Indian and Pakistani wool offered, only 1,667 bales were sold.

The Delhi raw wool market has remained firm, with daily arrivals averaging 200 to 250 maunds. The latest quotations (per lb., f.o.r. Bombay) are: Yellow (Delhi, Beawar and Punjab qualities) Rs. 2-11 to Rs. 2-12-6; Greys (raw condition) Re. 1-4; Light grey Re. 1-7 to Re. 1-8; White (nominal stock) Rs. 3-5.

Sydney, Australia (13-9-56): On the 10th inst., values were generally firm up to 5 per cent. higher than at the opening sale of the season, finer qualities being up to 5 per cent. dearer, broader qualities 5 to 7½ per cent., and comebacks and crossbreds 2½ to 5 per cent. dearer. There was an almost complete clearance of the 16,700 bales offered, under strong competition from Britain and the Continent and increased activity by Japan. As the week advanced, prices continued firm. Offerings at the Melbourne sale scheduled for the 17th to 20th inst. were increased from 50,000 bales to 60,000 bales. The Brisbane sale for 1st to 4th October will be held as scheduled, and an additional sale will be held from 15th to 18th October.

London (13-9-56): At the opening of the London wool sales yesterday, competition was keen and widespread, and prices of all descriptions advanced from closing rates at the July series. Prices of Australian greasy merinos, mostly topmaking styles, and of fleece and skirtings were 10 per cent. dearer. Greasy comebacks and fine crossbreds advanced by 10 per cent. and at times 15 per cent. New Zealand greasy crossbreds sold strongly. Slipes were generally 7½ per cent. dearer.

Exeter, U.K. (11-9-56): There was full clearance under keen competition, with values for fine topmaking descriptions 5 per cent. higher than at Bradford on 29th August.

Hawick, Scotland (6-9-56): Prices at the first Scottish wool sale of the season were rather in advance of those at last season's closing sale in June. A total of 2,423,600 lbs. of fleece wool was offered by the Committee of Scottish Wool Brokers, acting on behalf of the British Wool Marketing Board. Bidding was brisk, and all wools were sold with the exception of 11 lots of blackface.

Bradford, U.K. (14-9-56): Developments in the international situation this week have further increased the desire to see the current season's wool shipped as soon as possible and in the largest quantities possible, since the increased threat of delays in shipping emphasise the low level of stocks at the moment. There was in the first two weeks of the new season no strong buying movement on the part of the home trade, and most spinners covered their requirements before the season opened at the end of August. This week, however, topmakers have reported increased activity on the part of buyers, one or two of whom appear to have delayed placing orders, in view of higher prices, and are now being compelled to come into the market. The rising trend of prices, which shows no signs of slackening for the present, is inevitably accompanied by better business than would be the case, if prices showed a tendency to decline and all sections are booked well ahead.

Cape Town, South Africa (10-9-56): Values of fine quality wools moved in sellers' favour and the offerings of 4,700 bales were cleared under general competition.

BULLION LISTLESS

(From Our Own Correspondent)

BOMBAY, 26*th September*

Dull conditions prevailed in the bullion market during the week under review, with fluctuations confined to a narrow range. In silver, the trend was slightly downwards in the earlier half of the week. In the absence of any fresh incentives, operators were not inclined to enter into fresh commitments, although there was no selling pressure on that account. The demand in the ready section was also a bit slack. As the week drew to a close, however, there was a slight recovery on improved demand. This was particularly the case with the white metal.

Gold remained stagnant almost throughout the week, but the undertone was very steady. Just before the close, there was a slight marking up in price in sympathy with silver.

Silver for forward delivery (22nd September settlement) shaded off from Rs. 172-10 to Rs. 172-4 before the settlement ran out at Rs. 172-8. The next settlement (20th October) receded from Rs. 173-7 to Rs. 172-15 before hardening to Rs. 174-6 at the close.

Ready silver (.996 Mint) moved down from Rs. 172-10 to Rs. 172-3, but gained ground to Rs. 174 at the close. The floating stocks of silver are estimated at 2,400 bars. The daily average offtake was 20 bars.

Forward gold (21st September settlement) softened from Rs. 102-12 to Rs. 102-9 before the settlement ran out at Rs. 102-14. The next settlement (19th October) moved between Rs. 102-11 and Rs. 103-2 before finishing As. 9 higher at Rs. 103-6.

Ready gold advanced from Rs. 103 to Rs. 103-8. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,000 tolas and the offtake was also of the same order.

In New York, silver was unchanged at 90⅜c., while London prices, after maintaining them at 78⅛d. till Monday this week, spurted yesterday to 79¼d. for both spot and forward. London gold dipped slightly from 251s. 7½d. to 251s. 6⅜d. early in the week, but recovered to 251s. 7d. later in the week.

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

	26-9-56	Highest	Lowest	19-9-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 8	103 9	102 13	103 0
Forward*	103 6	103 7	102 11	102 13
Sovereign	67 8	67 8	67 4	67 0
SILVER				
Ready (.996 fine Mint) ..	174 0	174 1	172 3	172 10
Forward†	174 6	174 7	172 15	173 7
London Silver Ready ..	79¼d.	79¼d.	78⅛d.	78⅛d.
London Forward	79¼d.	79¼d.	78⅛d.	78⅛d.
London Gold	251s. 7d.	251s. 7½d.	251s. 6⅜d.	251s. 7½d.
New York Silver	90⅜c.	—	—	90⅜c.

* 19th October settlement.
† 20th October settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, 26*th September*

Although earlier in the week a firm trend was depicted by the cotton futures market, in later sessions, easy conditions prevailed. The firmness was due to mill buying based on the expectation of favourable changes in textile policy. But other factors soon intervened to affect the market adversely. Reports of good weather, with prospect of a larger crop out-turn and the curb on credit initiated by the Reserve Bank acted bearishly on the market. On top of it came the announcement regarding restrictions imposed on the minimum stocks of cloth that mills should have, which also affected the earlier strength of the market. The earlier gains were wiped out, and over the week, there was no notable change in prices.

M. G. Jarilla (March 1957) contract opened the week at Rs. 693¼, two points higher than last week's closing rate and advanced to Rs. 697 on the following day due to extension of mill buying. On reports of good weather and credit curtailment initiated by the Reserve Bank, the contract came under selling pressure, with the result, that values slipped back to Rs. 687½ on the 24th inst. The Contract again improved to Rs. 691½ today and closed at the same rate. M. G. Vijay (April 1957) contract opened at Rs. 821, as against Rs. 818¾ last week. After having advanced to Rs. 824 on the 21st inst., it began its downward drift, touching a low of Rs. 815 yesterday. It again improved to Rs. 821 today but dropped to Rs. 813½ before closing at Rs. 821.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	26-9-56	*High*	*Low*	19-9-56
Jarilla (March) ...	691½	697	686½	691½
Vijay (April) ...	821	824½	813½	818½

There was brisk activity in the spot section earlier in the week, but towards the close, trading was restricted, following Government's announcement regarding limitation of stocks. During the opening sessions Ahmedabad mills purchased substantial quantities of Khandesh and Berar varieties. The prices of delivery contracts were steady. A leading Bombay textile group was credited with having purchased about three to four thousand bales of cotton stapling 25/32" at around Rs. 82 'on', on the 24th inst. In the export section Bengal *Deshi* was still greatly favoured, while the prices of Oomra *Deshi* and Kala were maintained. In the foreign section activity was moderate. B.P. 52 was quoted today at Rs. 1,720, as against Rs. 1,740 last week-end. A sizable quantity of American cotton stapling 1.5/32" was done at Rs. 1,450.

The latest available rates—in rupees per candy of 784 lbs.—from Sewri are given below, the figures in brackets being the last week-end rates:

Bengal *Deshi* 700 (705); Berar Jarilla 770 (780); Khandesh 780 (790); Vijay 955 (955); Oomra *Deshi* 750 (760); Moglai 730 (745). *Delivery Contracts*: Khandesh 197/3 December 120 (121), Berar 109 (111); Moglai 39 (40) 'on' Jarilla; 320F December 80 (71), 216F 102 (100); Vijay 13/16" February-March 69 'on' Vijay.

In contrast to the bearish trend noted last week, Karachi cotton market depicted a steady trend during the week under review. This steadiness was aided by the improved enquiries for N.T. and *Deshi* new crop. Modest gains were made by both the futures contracts. N.T.R.G. January delivery, which had closed at Rs. 74-15 last week improved to Rs. 75-6 yesterday. The March position also advanced fractionally to Rs. 73-15. The spot section ruled steady and values were on a par with last week's rates. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 96; Punjab *Deshi* 88; 4F Roller 77-13; S.G. 79-5; L.S.S. Punjab Roller 78-5; S.G. 80-5; N.T.R.G. 78-5; S.G. 78-13; 289F Punjab Roller 82-5; S.G. 86-5.

Conditions in the Alexandria cotton futures market were distinctly better. Earlier in the week, cotton futures displayed a firm trend attributed mainly to speculative buying in November and December pushing their rates to as high as 106.1 tallaris per lb. and 105.25 tallaris per lb., respectively, on the 22nd inst. Afterwards, the rates slipped back owing to selling pressure induced by the high prices. Nevertheless, yesterday's closing quotations were appreciably higher than the rates, last week. The latest available rates—in tallaris per lb.—from the Alexandria cotton futures market are given below:

Karnak: November 102.90; January 102.20; March 101.40. *Ashmouni*: October 72.25; December 72.40; February 72.60.

Fair gains were recorded by the cotton market at Liverpool. Mill demand for ready and shipment cotton was confined mostly to American and Sudan cotton. All available descriptions of Sudan cotton have found a ready market owing to the freezing of Egyptian styles. Due to the relative cheapness of cotton purchased from the C.C.C. stocks most other American type growths are not attracting the attention of traders. Sizable purchases of East African and Belgian Congo cotton were also reported. Nigerian styles also evoked considerable attention, believed to be for prompt shipment. The following are the latest available rates—in pence per lb.—from Liverpool:

American Contract (1" *staple*): October-November 25.20; December-January 24.95; March-April 24.90; May-June 24.87. *American Cotton Mixed Growth Contract*: October-November 25.4; December-January 25.15; March-April 25; May-June 24.9. *Egyptian Karnak Cotton*: November-December 58.30; January-February 58.25; March-April 58.25. *Sudan Cotton Contract*: September-October 49.20; November-December 49.50; January-February 49.25.

Prices in the New York cotton futures market have fluctuated narrowly in quiet trading characterised by scattered hedging and liquidation which was offset by trade buying and short-covering. As a result, values ruled more or less steady. According to the estimates of the U.S. Department of Agriculture cotton exports are expected to more than double during the marketing year 1956-57. C.C.C. sales, against bids accepted on 18th September, aggregated 329,230 bales, at an average price of 26.22 cents, basis middling 1" at average location, the minimum price for middling 15/16" remaining unchanged at 25 cents. Sales by the Corporation now amount to 3,815,355 ba'es. Further bids for Government-owned cotton will be accepted on 2nd October.

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

(In cents per lb.)

	25-9-56	18-9-56	11-9-56
Spot	34.55	34.45	34.40
October	34.00	33.79	33.80
December	33.99	33.79	33.88
March	34.07	33.72	33.80

• • • •

Addressing a group of cotton traders the other day, at Bombay, Mr. Seton Ross, a well-known authority on cotton and Associate Publisher of the *Cotton Trade Journal*, Memphis (U.S.A.) has expressed the view that cotton prices in the United States must come down to adjust themselves to world demand and purchasing power. This, he pointed out, is necessary in order to bring about some form of equilibrium between the supply and demand, the absence of which has been the bane of cotton trade throughout its recent history. He drew attention to the fact that a lower price, while increasing the competitive capacity of cotton against artificial fibres, would also stimulate its consumption, thus strengthening the demand for cotton. Emphasising the need to evolve a realistic cotton policy on the part of the United States and to run the industry in a more business-like manner, he suggested the formation of a non-political cotton board to deal with the problems. This, according to him, will go a long way towards taking cotton out of political pressure. He also stressed the need for reorganising the Soil Bank Programme of the United States.

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 26*th September*

During the week under review, the oilseeds market ruled slightly easy. At the commencement of the week, persistent reports of demand for castor oil from overseas markets had a tonic effect on the castorseed section. Besides, a tight hold on the maturing contract by a bull operator and brisk support of exporters on the spot section, gave further strength to the castorseed. Sympathetic movements were witnessed in the groundnut and linseed sections. Subsequently, the strong rumours that the Government was about to reduce export duties on linseed oil, boosted the linseed quotations. Very soon, however, realising pressure followed in linseed. In addition, reports of favourable weather in the groundnut and castorseed producing areas had an adverse affect on the new crop, while the current crop positions remained comparatively better. Today, however, the market improved slightly on scattered bear covering.

As a result of abolition of export duty on the linseed oil, which had made Indian oil unsaleable abroad, it was pointed out, export position would improve. Competition from Canada and Argentina is, however, regarded as a factor to be reckoned with. Following the abolition of duty, Britain reduced its quotation from £120 to £113 per ton. It is pointed out that, on the basis of current prices, export business is not remunerative. But the abolition, it is stated, was intended to make linseed oil appear competitive to the prospective Communist buyers.

In the groundnut futures section, the February contract rose from Rs. 133-8 at the beginning of the week to Rs. 135 on the second day. Later on, however, it reacted to a level of Rs. 129-12 on the 24th instant. Subsequently, it rose again moderately and finished up at Rs. 131-14. In the spot section, however, a different trend prevailed as a result of a concentration of the holdings. Bold F.A.Q. put on Re. 1-8 at Rs. 35-12. Coromandal and Khandesh quality also increased by As. 4 each at Rs. 34-12. Groundnut oil ex-mill and Railway Receipt, on the other hand, were lower by As. 5 and As. 3 at Rs. 18-9 and Rs. 18-7 respectively.

Castorseed September (futures) which opened the week at Rs. 148 on the 20th instant., climbed up steadily to Rs. 153 on the following day. However, it declined to Rs. 144 on the 25th instant. But today, it finished up at Rs. 146, losing over the week As. 12. May contract which opened the week at Rs. 127-8 touched Rs. 130 the next day, but receded to Rs. 123-4 on the 25th. There was a moderate recovery today to Rs. 124. It thus lost over the week Rs. 2-12. In the spot section, the same trend was evident. Madras and Kanpur quality lost As. 8 each at Rs. 28-4 and Rs. 27 respectively. Oil B.S.S. and Oil Commercial, too, were a shade lower at Rs. 16-14 and Rs. 15-14 respectively.

In the linseed section, May 1957 contract spurted to Rs. 27-12 on the 21st from Rs. 26-12, on the 20th. In the following days, however, it slowly declined and was quoted today at Rs. 26-8. It thus lost over the week As. 4. In the spot section, however, Bold Ready was As. 6 higher at Rs. 31. October-November, too, put on As. 6 at Rs. 31. Linseed oil Ready was done at Rs. 17-4, that is, As. 4 higher.

Among other seeds, *kardi* seed Bold Ready and October-November lost As. 12 each at Rs. 17-8. *Niger* seed Ready and Madras shed As. 12 and Re. 1 respectively at Rs. 27-4 and Rs. 27-8.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks.

	26-9-1956	19-9-1956	12-9-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	131 14	132 4	133 0
Khandesh Quality Ready (per cwt.)	34 12	34 8	35 0
Dec.-Jan.	26 4	26 11	34 8
Linseed—			
May 1957	26 8	26 12	26 2
Bold Ready (per cwt.) ..	31 0	30 8	30 10
Oct.-Nov.	31 0	30 10	30 10
Castorseeds—			
September	146 0	146 12	142 0
Madras (per cwt.)	28 4	28 12	28 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 9	18 14	19 2
Castor oil—			
Commercial (per quarter) ..	15 14	16 1	15 12
Linseed oil—			
Ready	17 4	17 0	17 6

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 26*th September*

The yarn market ruled distinctly bearish during the week under review. The chief factor which adversely affected the sentiment of operators was the scarcity of floating funds, thanks to the policy of credit squeeze. There were also apprehensions of the Central Government taking stringent measures to check the upward trend in commodity prices. Nor were advices from consuming centres quite encouraging. Traders, therefore, were more eager to lighten their stocks, while buyers were very hesitant to extend their commitments, with the result that yarn prices climbed down. Staple fibre yarns were particularly depressed, thanks to reports of heavy accumulations of stocks in the important consuming centres all over the country, especially in the Punjab.

Staple fibre yarn (80 x 2) for December delivery was subjected to considerable selling pressure and the quotation toppled down by Rs. 26 to Rs. 642. October delivery slumped by Rs. 22 to Rs. 637. In the spot section, foreign yarns (80 x 2) suffered sizable losses. S'Sellos fell by As. 3 to Rs. 5-13. K'Suns dropped As. 2 to Rs. 6-6. Paramounts gave way from Rs. 6-0-6 to Rs. 5-15. Fujis lost an anna to Rs. 5-15-6. Among indigenous yarns (40 x 2), Citys receded by 15 pies to Rs. 3-5-6. Kohinoors declined by an anna to Rs. 3-7-6. New Greats and Centurys were quoted 9 pies lower each at Rs. 3-6-3 and Rs. 3-6-9, respectively.

There was a wave of selling in rayon yarns also. Snia rayon yarn (120 dull cones) for October contract was hammered down by Rs. 18 to Rs. 769. December position decreased by Rs. 16 to Rs. 783. Spot 120 Italy and 150 Italy retreated by As. 2 each, the former to Rs. 3-13 and the latter to Rs. 3-15. 120 Japan eased by nine pies to Rs. 3-12. 150 Japan was neglected at Rs. 4-1-6. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade slipped by 15 pies to Rs. 3-3-9. 120 Bt. cones 1st grade lost a similar amount to Rs. 3-11-6.

In the cotton yarn section, forty counts encountered selling and recorded losses. Minaxis receded by As. 5 to Rs. 28-3. Moderns declined by As. 4 to Rs. 29. Maduras eased by As. 2 to Rs. 29-6. Among 60s, Moderns dropped As. 8 to Rs. 62. Finlays fell by As. 4 to Rs. 61-12. Deals in twenty counts were put through at reduced rates, Hinds receding by As. 4 to Rs. 19-6 and Moderns by an anna to Rs. 19-5. Among 30s, Maduras eased by As. 4 to Rs. 24-8. Eighty counts were dull, Mahendras being quoted at Rs. 72 and Moderns at Rs. 71. Ten counts, however, were somewhat favoured. Podars rose by As. 3 to Rs. 14-13. Moderns and Elphinstones gained an anna each to Rs. 15-1 and Rs. 14-11, respectively.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	26-9-1956	19-9-1956	12-9-1956
Art Silk yarn **(per case of 200 lbs.)—**	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia October ..	769 0	787 0	788 0
120 Dull Cone Snia December	783 0	797 0	800 0
120 Japan (per lb.)	3 12	3 12½	3 12
150 Japan (per lb.)	4 1½	4 1½	4 1½
120 Italy (per lb.)	3 13	3 15	3 14
150 Italy (per lb.)	3 15	4 1	4 1
Staple fibre yarn **(per case of 200 lbs.)—**			
40×2 October	637 0	659 0	667 0
40×2 December	642 0	668 0	676 0
40×2 New Great (per lb.) ..	3 6½	3 7	3 7
40×2 Century (per lb.) ..	3 6½	3 7½	3 7½
40×2 City (per lb.)	3 6½	3 6½	3 7
Cotton yarn **(per bundle of 10 lbs.)—**			
10s Podar	14 13	14 10	14 11
20s Hind	19 6	19 10	19 10
30s Madura	24 8	24 12	24 14
40s Minaxi	28 3	28 8	28 10
60s Rashuvamahi	58 12	58 8	58 0
80s Mahendra	72 0	72 0	72 0

SUGAR DEPRESSED

(From Our Own Correspondent)

BOMBAY, 26*th September*

Depressed conditions prevailed in the sugar market during the week under review. Arrivals of indigenous sugar were considerable, being as much as 35,500 bags, as against 20,700 bags a week before. Such large arrivals in the face of scarcity of storage accommodation and stringency in the money market occasioned distress selling and a perceptible fall in prices. The drop of Re. 1-8 per bag in the *ex*-mill quotation in the Bombay-Deccan and of As. 12 in North India accentuated the downward trend in prices. The recession in sugar prices would have been more marked but for the delay in the issue of the normal monthly release of sugar for sale in free market which was due early in the week.

In the spot section, small grain indigenous sugar dropped a rupee to Rs. 87 per bag. Medium grain fell by a like amount to Rs. 88-Rs. 90. Large grain was neglected at Rs. 92-Rs. 97, as against Rs. 92-Rs. 98. In sympathy with indigenous sugar, British refined sugar slipped by As. 8 to Rs. 90-8 per 2 cwts.

Asho delivery contract for 'C' grade sugar ruled firm at Rs. 90-4 in the earlier sessions, thanks to bull support induced by delay in the monthly release of sugar and renewed rumours of an upward revision in excise duty. Thereafter, however, continued huge arrivals and distress selling in the spot section brought about selling at bulge. The contract was hovering around Rs. 89-14 today.

In contrast to the aforesaid trend, there was a rise of Re. 1-8 per bag in the price of sugar at Calcutta during the week. The rise followed keen buying enquiries, influenced by reports of substantial damage to sugar stocks with Bihar factories and dislocation of movement of sugar from Bihar to Calcutta.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

TEA PRICES DEARER

(Messrs. Forbes, Ewart & Figgis (Private) Ltd.)

COCHIN, 20*th September*

There were some 1,400,000 lbs. on offer in Sale No. 26 which was held on Tuesday, 18th September. Quality was well maintained and showed some improvement amongst the low medium and medium teas. From the outset there was a very strong general demand for all types and, in particular, good liquoring teas. Low medium and medium brokens and fannings were irregularly As. 2 to As. 4 dearer, with buyers showing preference for bright coloury liquors. Best liquoring high-grown teas met with keen competition and prices advanced considerably. Rates As. 8 to As. 10 above valuations were not uncommon. Fannings grades in particular sold well. Whole leaf teas were very well supported, particularly high-grown Pekoes and Flowery Pekoes. There was a useful enquiry for Middle East types at rather lower rates. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 8 6
Low medium B.O.P. ...	1 14 0 to 1 15 0
Medium B.O.P.	2 1 0 to 2 3 0
Good B.O.P.	3 0 0 (nominal)
Well made black leaf O.P.	2 12 0

The average price realised for the sale was Rs. 2-4-11 per lb., as compared with Rs. 2-1 per lb. for the corresponding sale of 1955.

London Market: Sale of 17th September 1956.—Dearer market all descriptions.

Sale of 18th September 1956:—Lowest two pence. Best six pence dearer.

Colombo Market: Sale of 17th September 1956:—Good demand. Firm rates, except stalk. Good liquoring fannings dearer.

Sale of 18th September 1956:—Active but irregular. High and medium generally dearer, except light liquoring and inferior qualities. Middle East slightly lower.

Calcutta Market: Export:—56,386 packages. Good tea and poorest sorts in strong demand. Others started weaker, but strengthened as sale progressed.

Internal:—15,900 dust. Met strong general demand, improved as sale progressed. Middle East types fully firm. Best C.T.Cs. dearer. Poorer C.T.Cs. easier. Commons and mediums As. 1 to As. 2 dearer. Residue types very strong, several annas dearer.

Export Quota:—There has been a firmer tone and the market improved to 23 pies at which figure some business has been done.

Forthcoming Auctions:—Sale No. 27 will be held on Wednesday, 3rd October.

As we go to press, Messrs. Forbes, Ewart, and Figgis (Private) Ltd. wire:

"*Dust Sale S*:—500,000 lbs. Good demand, but prices irregular. Medium dusts fully firm, occasionally dearer. Best liquoring about steady. Commons irregularly and occasionally easier. Middle East strong and dearer."

LINSEED BETTER

(Messrs. A. Bradley and Co.)

CALCUTTA, 24*th September*

After a fairly quiet week linseed prices firmed up towards the close, following the Government of India's announcement of the removal of export duty on linseed oil. This decision is especially welcome owing to the lifeless condition which has prevailed in the oil market ever since the duty was imposed early in the year. Although it is hoped that exports will shortly commence, local prices are still somewhat higher than the current U.K. rate of £116 per ton.

The initial local reaction has displayed an advance of As. 8 per maund on seeds prices, and one rupee per maund on oil. With conditions as yet unsettled, little activity has been recorded at these levels. Seeds are still very scarce, and only small quantities are available from time to time. The latest available quotation for September-October is Rs. 24 per maund.

HIDES ARRIVALS MODERATE

(From Our Own Correspondent)

MADRAS, 24*th September*

Arrivals of tanned cow hides were moderate and clearances by shippers fair-sized. Prices were slightly easy. U.K. buying was small and importers were trying to buy F.A.Q. marks at lower prices which have been resisted so far. Holders of stocks are likely to accept lower levels in case sailings to U.K. are few and far between.

There was good call for superior tanned goat skins 11/12 lbs. run at 12*s.* to 12*s.* 6*d.* and fifths at 8*s.* 6*d.* to 9*s.* Light weights were not easily saleable Arrivals of adulterated qualities tanned goat and sheep skins were small and met with ready clearance.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 23*rd September*

During the week under review, the hides and skins market ruled steady. New arrivals were not as considerable as those in the previous week. Demand for high grade buff was keen. The Madras dealers were, however, lukewarm this week. Messrs. Cooper Allens were the main purchasers.

The latest available quotations are: Wet salted cow 1st grade Rs. 360 to Rs. 380, 2nd grade Rs. 260 to Rs. 280 and 3rd grade Rs. 140 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces; sheep skins Rs. 200 per 100 pieces.

TEXTILES

(Concluded from page 608)

The original home of merino is Spain, but, due to its excellent wool-yielding qualities, the breed is now found in all the principal wool-growing countries of the world. Owing to changes in climate, soil and management, each country has developed its own distinct type. The principal merino breeds of today are the Spanish, Rambouillet (or French), Saxony, Siberian, Australian, American, South American and Cape (or South African).

British Types: The British type of wool is coarser than merino, but is classed as medium in the wool trade. It is obtained from about 40 district breeds of sheep in Great Britain. Some of the breeds like Lincoln, Cotswold etc., produce very long staples measuring from 8 to 15 inches in length. Climatic conditions in the U.K. are not favourable for rearing Merino sheep.

Crossbred Types. The crossbred, as the name suggests, is the offspring obtained by the mating of a ram and an ewe of two different breeds. Different breeds of British sheep (mutton type) have been selected in different parts of the world for crossing with merino (wool type). The most important countries where it has been possible to develop and fix their type of sheep are South America, New Zealand, U.S.A. and Australia. Crossbred wool is finer (though not so fine as merino) with longer staple.

Carpet Types: Unimproved sheep found in Asia, Russia, North Africa and some parts of Southern Europe produce a fleece which is light, coarse, uneven and kempy. The wool from these sheep is known in the trade as carpet wool. Indian wool is classified in international markets as "East India Carpet Wool." Carpet wool, as found in India, although inferior to the types described in the previous paragraphs, should not, however, be considered as fit only for making carpets and low grade blankets.

FUTURE FOR WOOL

The future for wool is as great as it was at any time in the past, according to Mr. Ewen M. Waterman, Commonwealth Wool Adviser and Member of the Australian Wool Bureau. In support of this view, Mr. Waterman mentions increased world population, longer life expectancy and improved living standards, as the major factors which will influence the demand for wool in the coming years. World population has risen from 1,500 million at the beginning of the present century to 2,600 million; it is expected to touch 4,000 million at the end of the century. The wool growers, he says, should continue their efforts to augment supplies, in order to meet the growing demand of this increasing population. Referring, in particular, to the eastern market, Mr. Waterman observes:

"The eastern market will have a great influence on wool use in the future. There has already been a spectacular development in Japan's domestic consumption of wool. Before World War I, only 10 per cent. of Japanese people assumed western modes of dress, but the figure has now risen to 70 per cent. This is reflected in Australia's export trade. Shipments of wool to Japan in the July 1955-May 1956 period aggregated 169.9 million lbs., as compared with 111.8 million lbs. in the same period last year. The U.K. took 252 million lbs., as compared with 265 million lbs., in the same period. It will be a serious matter, if Australia fails to meet this expanding market, but I feel that, given a clear picture of what is required, the industry will not be found wanting."

A new process for softening cotton textiles and a variety of textiles produced from man-made fibres so as to give them a silky, smooth texture and a better drape has been developed by the American Cynamid Company, 30, Rockefeller Plaza, New York. The process, it is said, depends on the chemical treatment of the fibres with a special chemical compound called "Cyanatex SB-100" and improves the sewing properties of the treated fibres. The chemical is claimed to be extremely resistant to scorching and to yellowing, while, at the same time, being compatible with the starches, salts and other similar materials used in textile finishing.

INDIAN GOVERNMENT AUDIT

(Concluded from page 603)

orders. Both in the matter of acting as financial adviser to Government and in its helpful suggestions and constant assistance in the field of budgetary and financial control, the audit has been remarkably useful and its perspective has been wide.

The mammoth schemes launched under the Five-year Plans involving as they do enormous outlay of public money, along with the ever-widening public sector with its expanding commercial activities, demand a greater independence for audit than is the case now. The transfer of accounting functions to the Ministries under the general direction of Finance suggested now by Dr. Appleby has long ago been contemplated by our Government and the Comptroller and Auditor-General of India in their scheme of separation of audit and accounts which is already on the anvil. This very necessary reform needs only to be accelerated, in order to enable audit to enjoy greater independence. It is the financial engine that drives the State along; and it is public opinion and public criticism that keep the engine working smoothly and at full vigour.

Audit is keeping the Parliament informed of its findings in the form of Audit Reports. It is in investigating the sources of wastages and irregularities and, in educating the public opinion to get the best out of the administrative machinery, the role of audit is really very significant. Even though it is not the function of audit to range over the field of administration and to suggest how Government may better be conducted, the usefulness of audit to administration can never be gainsaid.

Dr. Appleby finds fault with Parliament for the "exaggerated importance" given to audit. In this connection, a peep into the British practice is revealing. Prof. Hilton Young beautifully summarises the activity of the House of Commons working with the Auditor General's brief:—"The House of Commons is not content with a merely formal reception of the Appropriation Accounts. It is not content to take it for granted that its directions as to the appropriation of public funds have been carried out; it imposes upon itself the tasks of careful and minute scrutiny of accounts, of enquiry into all irregularities and of admonition and in the case of final need, of punishment of peccant officials." It will not be correct to argue, as Dr. Appleby has done, that, by this process, the Parliament increases the timidity of public servants at all levels, making them unwilling to take responsibility for decisions. The remedy is not to condemn audit as useless or to suggest limitation of the role of audit but to improve the quality of the administration and to instil in the minds of the administrators the supreme virtue of integrity and honesty and a greater sense of urgency and purpose as the Planning Commission has already proposed. If this administrative reform becomes an accomplished reality (if at all!), then audit will naturally find itself in a limited role (without anybody's suggestion), as occasions for audit criticism will then become far too few.

(Concluded from next column)

(1) Increase in production of Thailand, (2) decline in import of lac from Thailand to India and the establishment of direct export trade in lac by Thailand with the U.S.A., (3) uncertain prices of lac, (4) lack of proper standards, (5) competition from synthetic products, and (6) small consumption in India.

In order to compete successfully with Thai lac and synthetic products, it is necessary to be able to supply lac of standard quantity at low and stable prices. And, in order to keep the prices low, it is necessary to expand production.

An Export Promotion Council for lac is being set up to devise ways and means for raising exports of lac. When these schemes start functioning, it is hoped that there will be an expansion in the market for lac, and the difficulties which the lac trade is experiencing in foreign markets will be minimised to a considerable extent.

According to a survey of developments during the first half of 1956, by the *Goteborgs Bank* the expansion in Sweden's industry continues at a somewhat slower pace than in the past few years. This is primarily due to the decline in the timber industry, while the output of consumer goods has shown a trend to stagnate. The expansion in the engineering industry, taken as a whole, is higher than the average. Building activities have remained on a practically undhanged level.

LAC IN EXPORT TRADE

ANALYSIS OF FIGURES FOR 1931-56

By Dr. S. R. Sen

ECONOMIC AND STATISTICAL ADVISER, MINISTRY OF FOOD AND AGRICULTURE

LAC is one of the few Indian commodities which are meant mostly for export. In fact, it is one of our principal export commodities. Almost 95 per cent. of the lac produced is exported to different countries, of which the more important are the U.S.A., the U.K., Germany, Hong Kong, Italy, France, Japan, China, Sweden, Brazil, the Argentine, and the U.S.S.R. It, therefore, contributes substantially to our foreign exchange earnings.

This commodity is exported mostly in the form of seedlac and shellac (including buttonlac). It is also exported as sticklac, kirilac and refuselac. The percentage share of the value of exports of lac to the total value of exports varied from 0.92 in 1938-39 to 3.75 in 1946-47. Its position in the export list also varied from 5th-6th in 1946-50 to 14th-15th in 1935-39. Usually, it occupies the 10th-11th position.

Exports of lac were higher in the years 1936-37, when 8,33,964 cwts. were exported. Other years in which exports exceeded 7,00,000 cwts. were 1933-34, 1939-40 and 1941-42. In point of value, the year 1951-52 was the best as lac worth Rs. 14,84,03,599, was exported. Other years in which the value received exceeded Rs. 100 million were 1946-47, 1950-51, and 1954-55.

The lowest exports were in the years 1943-44 and 1942-43 when 2,36,029 cwts. and 3,21,257 cwts. only were exported. The value received was very low in the year 1931-33, 1934-35, 1936-40 when it was below Rs. 20 million.

The variations in quantity in the 25 years have been much less than the variations in value. The total quantity exported in most years falls between 4,00,000 and 7,00,000 cwts. but the value fluctuates (leaving out the extreme years) from Rs. 20 million to Rs. 90 million. In point of total values, the period under review can be divided into two distinct periods, namely, 1931-46 and 1946-56.

The value in the first period has been below Rs. 50 million, whereas, in the latter period, it was above Rs. 65 million. But there is no such dividing line for total quantities.

Shellac and Buttonlac

The table below shows the percentage share of exports of shell and buttonlac in the last two quinquennia:

Five-yearly average exports of different kinds of lac in cwts. (Percentage to total in brackets)

Period	Shell and Button	Seedlac	Sticklac	Others	Total
1931-36 ..	3,80,816 (71)	1,18,434 (22)	7,254 (1.3)	30,815 (5.7)	5,37,319
1936-41 ..	4,41,945 (63.2)	2,25,407 (32.2)	2,107 (0.3)	30,021 (4.3)	6,99,381
1941-46 ..	3,13,835 (71.5)	1,14,055 (26.2)	108 (0.3)	10,243 (2.0)	4,39,142
1946-51 ..	3,57,012 (63.2)	1,64,410 (29.1)	1,155 (0.2)	42,294 (7.5)	5,65,480
1951-56 ..	3,48,875 (57.8)	1,95,453 (32.4)	3,674 (0.6)	55,320 (9.2)	6,03,122

Exports to different countries are set forth in the table below:

Five-yearly average exports of all kinds of lac to the U.S.A., the U.K. and other countries in cwts. and the percentage share of each to the total exports from India

Period	U.S.A.	U.K.	Other Countries	Total
1931-36	1,73,626 (32.3)	1,72,678 (35.6)	1,91,015 (100.0)	5,37,319 (100.0)
1936-41	3,76,370 (53.8)	1,20,213 (17.2)	2,02,798 (29.0)	6,99,381 (100.0)
1941-46	3,20,078 (72.9)	76,864 (17.5)	42,205 (9.6)	4,39,147 (100.0)
1946-51	2,77,276 (49.0)	1,39,543 (24.7)	1,48,661 (26.3)	5,65,480 (100.0)
1951-56	2,38,043 (39.5)	1,19,719 (19.8)	2,45,360 (40.7)	6,03,122 (100.0)

There have been some notable changes in the position of exports between pre-war and post-war years, e.g., the U.S.S.R., who was not taking any lac, has started taking substantial quantities and the volume of exports to Hong Kong, China, Indonesia and Australia appears to have considerably increased. Further, exports to Belgium and the Netherlands have considerably gone down in the post-war years. Germany has always been the chief buyer of Kiri, Molamma and other kinds of refused lac and its exports of shellac have considerably decreased.

Competition from Synthetic Resins

In recent years, Indian lac has been facing competition from Thai lac and synthetic resins. The Indian lac trade suffers in competition against these products because of the following reasons:

(*Continued in previous column*)

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	6	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1938	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1949	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	1	1½
Turkey	6th June, 1956	4½	6
United Kingdom	15th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Aug., 1956	3½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 21st September, 1956		Week ended 14th September, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,08,357	66,36,70,000	2,78,654	58,47,12,000
Calcutta	1,73,186	67,33,74,217	1,74,219	61,25,00,379
Madras	84,808	10,84,79,075	82,314	10,80,54,615
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
May 1956	..	..	3,483,000	7,10,51,00,000
June	..	..	3,202,000	6,59,57,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 21st Sept., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		67,43,25,000
(2) Other Governments		23,95,18,000
(b) Banks		52,55,03,000
(c) Others		13,86,55,000
Bills Payable		8,87,03,000
Other Liabilities		17,08,26,000
	Rupees	209,69,60,000

ASSETS	Rs.	Rs.
Notes		31,56,16,000
Rupee Coin		11,32,000
Subsidiary Coin		10,28,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		4,05,48,000
Balances held abroad*		26,39,82,000
Loans and Advances to Governments		2,84,35,000
Other Loans and Advances		90,66,61,000
Investments		42,36,82,000
Other Assets		11,56,26,000
	Rupees	209,69,60,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 40,64,58,000 advanced to Scheduled banks against nuance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against nuance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 266,87,15,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	31,56,16,000	
Notes in circulation	1417,70,83,000	
Total Notes issued		1449,26,99,000
Total Liabilities		1449,26,99,000

ASSETS	Rs.	Rs.
A Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	596,73,70,000	
Total of A		636,75,50,000
B. Rupee Coin		118,79,98,000
Government of India Rupee Securities		603,71,51,000
Internal Bills of Exchange and other commercial paper	....	
Total Assets		1449,26,99,000

Ratio of Total of A to Liabilities : 43·936 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 14th Sept., 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	11,28,96,000
(ii) Other demand liabilities	627,85,34,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,10,80,000
(ii) Other time liabilities	458,45,82,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	12,60,10,000
(ii) Time liabilities	....
4. Cash in India	37,27,81,000
5. Balances with the Reserve Bank in India	51,09,01,000
6. Balances with other banks in current account in India	10,25,61,000
7. Money at call and short notice in India	14,44,58,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	371,13,96,000
9. Advances in India	612,51,13,000
10. Inland Bills purchased and discounted in India	92,37,18,000
11. Foreign Bills purchased and discounted in India	46,40,88,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	26th September, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-5¼	1-5¼
Buyers T.T. 10 to 12 months	1-5¼	1-5¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	480‡	480‡
Buyers T.T. Rs.	473	473
London on New York $	2.78¼-2.78‡	2.78¼-2.78‡
London on Paris Frs.	981‡	982
London on Berne Sw. Frs.	12.21¼-12.21¾	12.19½-12.19¾
New York on London $	2.78‡-2.78‡	2.78⅛-2.78⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,981	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.33	..	477	569
Japan	1954	88.20	Y. 6,148,800	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 892	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162 41	$ 299,700	142,370	8,766
Canada	1954	15 20	$ 18,751	9,190	6,044
France	1954	43.84	F.Fr. 11,498,000	15,040	3,650
W. Germany	1954	49.52	Dm. 112,860	12,734	2,570
Italy	1954	47.07	Lr. 9,718,000	7,880	1,542
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 38,630	3,344	4,912
Netherlands	1954	10.62	Grs. 21,060	2,240	2,483
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4 92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source : United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 14th Sept., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	35,46,81,000
(b) Provincial Governments	7,88,10,000
(c) Banks	16,10,74,000
(d) Others	5,31,92,000
Bills Payable	45,48,000
Other Liabilities	7,81,70,000
Rupees	79,04,75,000

ASSETS	Rs.
Notes	7,03,15,000
Rupee Coin	11,000
Subsidiary Coin	16,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,63,35,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	6,36,95,000
Investments	52,85,88,000
Other Assets	10,15,15,000
Rupees	79,04,75,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,03,15,000	
Notes in circulation	285,43,74,000	
Total Notes issued	....	292,46,89,000
Total Liabilities	....	292,46,89,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	11,38,41,000	
Silver Bullion	....	
Sterling Securities	93,44,02,000	
Government of India Securities	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,23,63,000	164,48,26,000
Government of Pakistan Securities	115,84,94,000	
Internal bills of exchange and other commercial paper	....	122,08,57,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,99,000	
Rupee Coin	29,51,000	
	....	5,90,06,000
Total Assets	....	292,46,89,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 58·16 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	14th Sept., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1432.45	1440.18	1445.44	1293.35
Notes held in Banking Department	35.05	25.04	16.25	23.65	22.69
Foreign Securities	59.50	596.74	596.74	606.68	671.82
Rupee Securities	37.39	703.65	703.65	708.62	493.92
Banking Department					
Deposits of :					
Government of India	14.89	73.41	58.86	53.72	61.96
Other Governments	..	19.54	16.73	5.58	13.43
Balances held abroad	10.08	33.14	34.22	34.39	48.23
SCHEDULED BANKS					
Demand Liabilities	134.36	639.14	639.38	644.75	599.15
		(11.29)†	(9.71)†	(15.90)†	(7.53)†
Time Liabilities	102.24	460.57	459.04	460.02	412.62
		(2.11)†	(2.31)†	(3.15)†	(3.30)†
Borrowings from Reserve Bank	..	54.05	52.25	40.87	17.37
		(30.90)‡	(24.40)‡	(30.76)‡	(12.02)‡
Borrowings from State Bank	..	12.60	12.70	6.71	7.69
Cash in India	6.70	37.28	35.51	37.62	33.04
Balances with Reserve Bank	25.17	51.09	53.24	50.41	49.27
Excess over statutory limits	15.52	9.92	12.10	8.98	11.06
Balances with other banks in current account in India	..	10.26	10.27	10.94	10.09
Money at call and short notice in India	..	14 45	12.60	21.65	14.82
Investments (at book value)	25.17	371·14	366.38	361.22	383.37
Advances and bills	105.09	751.70	758 46	736.44	605.46
STATE BANK					
Deposits	..	87.76	228.21	231.33	224.61	215.97
Investments	..	51.99	107.41	106.29	106.19	109.21
Advances	..	30.35	133.21	133.93	125.25	103.14
Cash	..	14.69	15.04	19.82	18.17	20.57

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against nuance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	June,		Three months, April to June	
	1955	1956	1955	1956
Import Duties				
Revenue	9.92	9.87	28.22	29.72
Protective	0.82	1.04	2.81	3.10
On surplus disposals	..	..	..	0.03
Total import duties	10.74	10.91	30.53	32.85
Export Duties	2.77	1.77	7.56	5.59
Land Customs	0.04	0.19	0.30	0.44
Miscellaneous	0.07	0.07	0.20	0.25
Gross total customs	13.62	12.94	38.59	39.13
Refunds and drawbacks	0.14	0.21	0.78	0.59
Net Customs	13.48	12.73	37.81	38.54
Gross excise	12.75	14.94	35.62	41.05
Refunds	0.58	0.11	1.14	0.34
Net Excise	12.17	14.83	34.48	40.71
Net total of customs and excise†	25.65	27.56	74.29	79.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 21st Sept., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	227,36,13,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	16,00,00,000
Bills Payable	.. ..	4,44,88,000
Bills for Collection being Bills Receivable as per contra	.. ..	78,59,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	12,91,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	5,81,89,000
Total .. Rs.		266,51,90,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	13,82,50,000
Balances with other Banks	..	3,32,66,000
Money at Call and Short Notice	..	1,26,67,000
INVESTMENTS :		
Government and other Trustee Securities	95,36,30,000	
Other Authorised Investments	11,61,13,000	
		107,47,43,000
ADVANCES :		
Loans Cash Credits, Overdrafts, etc.	99,36,40,000	
Bills Discounted and Purchased	32,30,29,000	
		131,66,69,000
Bills Receivable being Bills for Collection as per contra	.. ..	78,59,000
Constituents' Liabilities for Acceptances Endorsements and Other Obligations per contra	.. ..	12,91,000
Premises less Depreciation	.. ..	1,16,49,000
Furniture and Fixtures less Depreciation	.. ..	55,45,000
Other Assets (including Inter-Office Adjustments)	.. ..	6,32,51,000
Total .. Rs.		266,51,90,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates 5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,48	65	3,26	23,66	84,17	1,18,85	92,03	—	31,07	7,55	25,64	..	..	..	..
1954-55	4,70	1,52	4,99	27,27	1,24,64	1,24,94	1,50,88	—	36,25	5,57	37,15	..	..	..	..
1955-56	3,76	1,98	5,48	27,19	1,44,80	1,26,15	1,67,26	—	38,37	4,79	41,25	9,86	16,37	45	95
June 1955	4,44	13	5,12	2,09	1,29,49	13,26	1,36,26	—	36,76	57	38,22	84	9,32	5	65
July ,,	4,36	12	5,15	2,27	1,31,28	12,80	1 40,03	—	36,85	41	38,54	91	10,19	4	69
August ,,	4,29	12	5,17	2,09	1,32,82	12,25	1,42,80	—	36,96	39	38,97	88	11,00	3	72
September ,,	4,21	13	5,20	2,54	1,34,88	12,40	1,46,91	—	37,11	44	39,28	94	11,87	3	75
October ,,	4,14	10	5,21	2,17	1,36,38	11,84	1,49,96	—	38,23	46	39,68	80	12,49	5	75
November ,,	4,07	10	5,21	1,98	1,37,48	11,25	1,50,40	—	38,34	43	40,05	83	13,20	5	88
December ,,	4,00	13	5,26	2,48	1,39,48	12,94	1,52,44	—	38,44	36	40 24	88	13,98	4	88
January 1956	3,91	14	5,24	2,02	1,40 78	12,16	1,54,14	—	38,55	32	40 61	84	14,78	3	91
February ,,	3,83	16	5,29	2,33	1,42,37	12,57	1,56,19	—	38,66	39	40,95	93	15,57	3	93
March ,,	3,76	33	5,48	2,82	1,44,36	23,54	1,67,96	—	38,87	26	41,25	88	16,37	3	95
April ,,	3,69	24	5,54	2,19	1,46,35	14,64	1,71,08	—	38,96	24	41,51	82	17,13	3	98
May ,,	3 61	21	5,54	2,49	1,47,38	14,77	1,73,05	—	39,05	38	41,82	85	17,91	3	1,00
June ,,	3,54	28	5,55	2,70	1,49,48	15,24	1,75,09	—	39,15	38	42,11	92	18,75	3	1,04
July ,,	..	..	..	..	..	..	..	..	..	..	42,42	..	..	3	1,04

* At the end of period.

‡ Issued from 10th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 17-9-'56	18-8-'56	8-9-'56	15-9-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.8	90.8	90.7	90.7
1. Government of India	90.7	90.5	90.5	90.5
2. Indian States	96.4	96.8	96.8	96.8
3. Municipal, Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.4	100.3	100.3
1. Electricity	102.0	101.3	101·3	101.3
2. Jute	99.1	97.5	97.5	97.5
3. Plantations	99.1	99.3	98·8	98.8
4. Sugar	99.0	98.6	98·5	98.5
5. Coal	90.6	90.6	90·6	90.6
6. General Engineering	100.9	100.9	100·9	100.9
7. Shipping	100.9	101.8	101·8	101.8
8. Others	101.0	100.8	100·8	100.8
PREFERENCE SHARES	87.0	85.3	83.7	83.5
1. Electricity	96.0	91.0	91·0	90.8
2. Cotton	79.3	85.1	84·0	84.3
3. Jute	86.4	80.5	78·3	77.4
4. Coal	92.6	83.7	83·6	83.6
5. Iron and Steel	83.0	88.7	85·9	84.7
6. Sugar	84.9	84.4	82·2	82.2
7. Paper	85.9	81.9	81·9	81.9
8. Plantations	99.3	101.5	101·9	102.2
9. Miscellaneous	84.9	81.4	81·2	81.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	122.3	127.9	126.8	126.0
(a) Financial	93.7	95.2	94.6	94.2
1. Banks	96.9	96.0	95·6	95.2
2. Insurance	106.7	91.0	89·0	88.3
3. Investment Trust	93.9	91.8	91·0	92.3
(b) Public Utilities	115.2	114.3	113.0	113.0
1. Electricity	123.9	114.1	113·4	113.4
2. Shipping and other Transport	102.7	122.6	119.7	120.1
3. Railways	88.7	86.2	85·2	83.7
(c) Manufacturing industries	128.3	139.8	138.9	137.5
1. Cotton, Woollen and Silk	114.3	145.7	143.4	140.9
2. Jute	100.5	73.6	76·3	76.3
3. Iron and Steel	159.6	160.9	158·1	155.1
4. Paper	234.4	273.4	267·4	265.9
5. Cement	162.7	186.1	188·0	187.2
6. General Engineering	189.2	194.2	197·8	196.9
7. Sugar and Breweries	105.1	107.6	108·8	108.6
8. Chemicals	141.5	150.5	150·8	150.2
(d) Non-Manufacturing industries	173.7	182.7	159.9	159.1
1. Coal	83.2	78.6	79·8	79.7
2. Mining and Oil	244.1	252.6	242·9	242.8
3. Plantations	198.7	176.2	173·7	172.2
(e) Miscellaneous	99.8	103.4	103.0	102.8
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.3	90.2	90·2	90.1
2. Calcutta	90.8	90.6	90·6	90.6
3. Madras	91.1	91.1	91·0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.5	99.7	99·7	99.7
2. Calcutta	101.5	100.7	100·7	100.7
3. Madras	100.2	100.2	99·9	99.9
PREFERENCE SHARES :				
1. Bombay	90.0	89.9	87·2	86.9
2. Calcutta	83.2	79.8	78·6	78.2
3. Madras	95.9	97.0	97·1	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	124.0	140.8	136·8	135.1
2. Calcutta	115.2	109.4	110·2	110.1
3. Madras	117.9	140.4	140·3	139.3
4. Delhi	133.0	144.9	141·5	140.7

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,821	3,518,928
1952	963	809,243	3,326,901
1953	772	456,607	3,582,668
1954	840	477,138	3,372,630
1955	1,166	527,767	5,097,845
April 1954	101	34,963	327,547
May ,,	90	40,073	216,062
June ,,	82	21,589	305,078
July ,,	122	30,189	277,492
August ,,	79	51,099	322,857
September ,,	97	50,414	345,876
October ,,	88	41,724	276,294
November ,,	62	25,118	239,701
December ,,	101	54,456	262,748
January 1955†	95	49,038	322,507
February ,,	91	38,370	144,302
March ,,	112	70,042	334,696
April ,,	105	32,432	333,275
May ,,	150	68,441	961,774
June ,,	153	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	92,619	580,031
October ,,	194	47,600	214,214
November ,,	99	48,509	178,112
December ,,	129	45,277	239,550
January 1956†	108	61,200	353,555
February ,,	123	66,905	700,711
March ,,	147	135,053	688,889
April ,,	144	81,467	522,719
May ,,	115	61,729(a)	527,528(a)

† Figures are provisional. * Revised.

(a) Not known in one case. § Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns@	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.2
1953-54	646	6,875.8	5,575.7
1954-55	686	7,760.9	6,319.5
1955-56	715	8,805.8	7,185.8
April 1955	690	691.1	563.9
May ,,	691	706.5	580.3
June ,,	696	716.2	576.1
July ,,	700	724.8	583.2
August ,,	706	706.9	574.4
September ,,	707	719.3	587.1
October ,,	716	730.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0
April ,,	707	780.8	643.8
May ,,	701	825.8	669.1

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

@ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	Weight	8th Sept., 1956	1st Sept., 1956	10th Sept., 1955	August, 1956	August, 1955	Percentage of increase (+) or decrease (—) in Aug., 1956 as compared with Aug., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	395.5	395.9	315.2	397.0 R	317.5	+25.0	313.2	339.8
Cereals	59	511	511	382	504 R	378	+33.3	372	381
Pulses	8	395	396	263	397 R	281	+41.3	280	280
Others	33	250	251	233	259	239	+ 8.4	235	291
Industrial Raw Materials	(18)	508.3	510.7	392.8	500.5	406.4	+ 3.8	419.8	436.2
Fibres	53	481	484	395	474	413	+14.8	429	447
Oil seeds	30	578	580	375	569	383	+48.6	398	424
Minerals	10	529	528	419	509	417	+ 22.3	427	428
Others	7	422	424	421	424	419	+ 1.2	451	427
Semi-Manufactures	(17)	408.6	410.3	324.1	406.4	328.1	+24.9	338.2	360.3
Leather	3	375	374	327	381	333	+ 12.7	378	376
Mineral oils	13	208	208	202	208	201	+ 3.5	207	221
Vegetable oils	16	585	605	362	590	382	+54.5	580 R	433
Cotton yarn	35	505	504	407	495	406	+21.9	422	454
Metals	18	329	329	259	329	257	+28.0	264	240
Oil cakes	5	489	479	342	474	331	+43.2	325	381
Others	5	361	361	330	361	329	+ 9.7	336	312
Manufactured Articles	(30)	391.4	391.2	388.7	387.7	371.2	+ 4.4	372.9	377.4 R
Textiles	64	427	427	403	421	407	+ 3.4	408	421
Jute	4	432	419	398	395	423	+ 6.6	418	448
Cotton	45	432*	432*	402*	431*	402*	+ 7.2	403*	415*
Rayon and Silk	6	470*	470*	474*	470*	474*	— 0.8	485*	469*
Woollen	3	278	278	398	278	398	+ 4.3	284	311
Metal products	17	388	388	352	388	352	+10.2	359	340
Others	19	294	294	286	293	286	+ 2.4	285	286
Miscellaneous	(4)	552.4	564.8	554.2	565.3 R	563.1	+ 0.4	548.6	612.4
All Commodities	(100)	420.4	421.5	353.3	418.5 R	357.2	+ 17.2	380.4	377.5

R=Revised. * Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage			Outturn	
	Forecast	Unit	1955–56	1954–55	1955–56	1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	6,757	6,044	1,514	1,588
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	2nd	tons	658	633	1,643	1,543
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August, 1956	89.6
	Corresponding month, 1955	81.4
	Two months ended Aug., 1956	183.7
	Corresponding period, 1955	165.5
Stocks	At the end of Aug., 1956	122.1
	Corresponding month, 1955	79.2
		(In 000 bags)
Exports (Jute Bags)	Week ended 18th Aug., 1956	5,138
	Corresponding week, 1955	2,428
	From 1st Jan., to 18th Aug., 1956	266,087
	Corresponding period, 1955	234,953
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 18th Aug., 1956	53,351
	Corresponding week, 1955	16,404
	From 1st Jan., to 18th Aug., 1956	871,892
	Corresponding period, 1955	787,961
	RAW JUTE	(In lakh bales)
Consumption by Mills†	Aug., 1956 (in lakh bales)	5.20
	Corresponding month, 1955	4.72
	Two months ended Aug., 1956	10.65
	Corresponding period, 1955	9.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,000	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
March 1955	95,000	89,300	66,100
April ,,	95,100	85,000	65,200
May ,,	94,200	87,500	5,500
June ,,	91,700	80,900	62,600
July ,,	94,900	84,300	64,300
August ,,	92,500	83,000	63,700
March 1956	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
May ,,	96,600	89,400	66,300
June ,,	94,900	89,900	64,400
July ,,	94,400	91,300	65,500
August ,,	97,800	88,000	66,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	5,40,980	2,98,440
Do. 31st March, 1955	7,19,940	5,82,520	4,59,093
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,653	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,106	1,48,822	1,18,186
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,680	1,08,714
,, ,, ,, Dec., 1955	1,80,750	1,24,996	1,05,742
,, ,, ,, Mar., 1956	1,84,450	1,41,946	1,19,360
,, ,, ,, June, 1956	1,48,806	1,17,710	92,509

FOREIGN TRADE OF INDIA

Particulars	June, 1955 (Rs. lakhs)	June, 1956 (Rs. lakhs)	Three months April to June 1955 (Rs. lakhs)	Three months April to June 1956 (Rs. lakhs)
Imports :				
By sea and air—				
Foodstuffs	4,56	2,75	19,96	8,48
Raw materials	13,05	13,74	38,62	39,61
Manufactures	31,45	46,23	89,28	139,41
Other items	34	45	1,90	96
Total*	49,40	63,17	148,45	188,46
By land	1,94	1,05	5,49	3,96
Total Imports	51,34	64,22	153,94	192,42
Exports :				
By sea and air—				
Foodstuffs	11,93	13,84	26,41	37,10
Raw materials	15,10	11,45	40,41	32,04
Manufactures	19,27	19,52	61,39	57,59
Other items	34	30	1,00	87
Total	46,64	45,11	129,20	127,60
By land	89	43	1,88	1,21
Total Exports	47,53	45,54	131,08	128,81
Total Re-exports	66	1,02	1,49	2,77
Balance of trade in merchandise	3,14	—17,63	—21,40	—60,73
Balance of transactions in private treasure	1	3	2	5
Total visible balance of trade	3,15	—17,66	—21,42	—60,78
Imports : ‡				
Total C'wealth countries	23,64	25,73	70,75	77,15
Total Foreign countries	25,76	36,44	77,70	111,31
Exports : ‡				
Total C'wealth countries	26,01	22,36	63,65	64,10
Total Foreign countries	20,63	22,75	65,55	63,50

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952–53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953–54	11,082	2,512	899	153	92	61	152	16	190	344	28	245	47	175
1954–55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	129
1955–56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
June 1955	2,973	662	237	55	33	17	19	6	37	98	11	73	7	34
July ,,	3,073	690	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,382	1,129	412	88	49	27	30	11	88	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,648	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	5	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 20th Sept., 1956	9,988(J)
	Corresponding week, 1955	18,773(J)
	1st Sept. to 20th Sept., 1956	31,356*
	Corresponding period, 1955	75,453*
Cotton Exports	Week ended 20th Sept., 1956	2,496‡
	Corresponding week, 1955	23,803‡
	1st Sept. to 20th Sept., 1956	8,921‡
	Corresponding period, 1955	99,086‡
Mill Consumption (Estimated)	1st Sept. to 20th Sept., 1956	67,000
	Corresponding period, 1955	77,000
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 20th Sept., 1956	453,669
	Corresponding date, 1955	846,278
Cotton Exports from Bombay (by sea)	During June, 1956	36,806§
	1st Sept., '55 to 30th June, 1956	684,949
	1st Sept. '54 to 30th June, 1955	304,296
Karachi (Pakistan)—		
Receipts	1st Sept. to 13th Sept., 1956	128,700
	Corresponding period, 1955	90,713
Exports	1st Sept. to 13th Sept., 1956	18,929
	Corresponding period, 1955	11,944

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept to 24th Sept., 1956 Bales	From 1st Sept., to 24th Sept., 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	462	5,550
Continent	10	18,536
Hongkong	—	9,023
China	2,505	34,451
Japan	5,420	25,965
U.S.A.	—	756
Other Countries	160	1,195
Total to all foreign countries	8,557	95,476
Coastal Ports	3,445	10,973
Total	12,002§	106,449

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	June, 1956	851,109
Foreign		62,156
Indian	Ten months ended June, 1956	3,611,130
Foreign		498,013
Indian	Same Period 1955	3,399,877
Foreign		638,080
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1956	1,705,627
Foreign		273,757
Indian	As on 30th June, 1955	1,637,456
Foreign		161,098
Cotton Pressed in India† (In running bales)	Week ended 14th Sept., 1956	289
	Corresponding week, 1955	7,078
	1st Sept. to 14th Sept., 1956	4,054
	Corresponding period, 1955	17,877

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926–28	63,30,26,000	1960–70	100‡
3 % Loan	1928–29	1,16,17,46,000	1963–65	94½
3 % Loan	1950	30,38,10,000	1964	94‡
2½ % Rs. Loan	1943	1,10,11,70,000	1956–68	99½
3 % V. Loan	1944	33,54,89,000	1957	99‡
3 % Loan	1945	1,18,06,83,000	1970–75	89½
2½ % Bnd V. Loan	1945	1,13,85,16,000	1950–61	97½
2 % Loan	1951	60,35,63,000	1958	99‡
2½ % Loan	1946	45,63,07,000	1960	96‡
2½ % Loan	1946	57,00,69,000	1961	93½
2½ % Loan	1946	14,77,48,000	1972	93½
2½ % Loan	1947	75,86,72,000	1962	93½
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
2½ % N. P. Bonds	1954	1,58,17,34,000	1964	98½
2½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98‡
3½%	1956	57,27,00,000	1962	97½
3½% N. P. Bonds	1956	23,32,00,000	1967	98½
3½%	1956	66,64,00,000	1974	98½
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	75½
3 % Loan	1948	2,48,91,47,000		75½
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958–68***	102‡
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
4 % Andhra	1956	6,00,00,000	1968	98½
3 % Bombay	1944	3,06,56,000	15th Aug. 1958	98½
3 % Bombay	1949	1,53,53,000	1st Aug. 1962	94‡
3 % Bombay	1950	2,87,82,000	1st July 1960	96‡
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	98‡
2½ % Bombay	1953	3,42,28,000	15th July 1962	101‡
4 % Bombay	1953	3,55,37,000	1st Aug. 1964	101‡
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100‡
4 % Bombay	1956	7,50,00,000	1970	99½
4 % Bihar	1955	1,00,00,000	1st Sept. 1967	99‡
4 % Bihar	1956	2,00,00,000	1968	99‡
3 % Cochin	1944	1,00,00,000	16th Dec. 1958–68	98½
3 % Cochin	1946	70,09,000	1st June 1956–61	99‡
3 % Howrah Bridge (New)	1936–37	1,98,96,700	1956–66	95‡
4 % Hyderabad	1955	2,12,45,000	1st Sept. 1967	99‡
4 % Madras	1939	1,23,95,000	21st June 1959	99‡
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98½
3 % Madras	1945	2,75,44,900	14th Sept. 1960	96½
3 % Madras	1946	2,81,7100	1st Sept. 1961	93‡
3½ % Madras	1950	4,25,25,400	21st July 1960	96½
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	10,35,65,800	15th July 1962	100
4 % Madras	1953	5,34,31,200	1st Aug. 1964	100
4 % Madras	1955	7,00,06,000	1st Sept. 1967	99½
4 % Madras	1956	12,50,00,000	1968	99‡
4 % Mysore(J)	1953	2,95,55,200	1st Dec. 1958–63	101‡
4 % Mysore(J)	1956	5,99,72,900	30th April 1956–61	99½
3 % Mysore	1947	5,06,05,700	25th Jan. 1958	99½
4 % Mysore	1953	3,38,47,700	15th July 1962	100
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99‡
4 % Mysore	1956	4,00,00,000	1968	99‡
3 % M.P.	1944	92,80,900	15th Aug. 1958	98½
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95‡
3½ % M.P.	1951	1,02 18 100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1962	100
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99‡
4 % M.P.	1956	1,50,00,000	1968	99‡
4 % Saurashtra	1955	3,51,95,000	1st Sept. 1967	99½
4% Trav. Cochin	1953	3,25,60 000	15th July 1962	100–1‡
4 % Trav. Cochin	1956	2,00,00,000	1968	99‡
3 % U.P.	1944	1,57,14,000	15th Sept. 1961–66	90‡
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98‡
3 % U.P.	1948	2,17,89,700	14th Sept. 1960	96‡
3 % U.P.	1948	2,80,23,600	1st Sept. 1961	93½
2½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98‡
4 % U.P.	1953	6,11,45,200	15th July 1962	100‡
4 % U.P.	1953	5,85,15,800	1st Aug. 1964	100‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99½
4 % U.P.	1956	8,00,00,000	1968	99‡
4 % Rajasthan	1956	3,00,00,000	1968	99‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
56,50,000	4	1904	1954	
55,00,000	4	1905	1955	
15,00,000	4	1906	1967	
44,00,000	4	1907	1958	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1970	
58,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,376	4	1913*	1960	D
90,00,000	4	1914	1974	100‡N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
41,61,000	4	1922*	1960	
11,81,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1960	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1934*	1974	
24,58,008	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,34,000	3½	1938*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,34,200	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000C	4	1921	1981	99
68,02,300C	6½	1921	1981	144N
98,31,500	5	1939	1956–88	100‡
99,54,500B	5	1926	1956–88	100‡
1,49,48,500B	5	1927	1957–87	102
1,49,30,000	5	1928	1958–88	103
80,00,000	4½	1931	1965	95
80,00,400	3½	1935	1965	97½
20,00,000	3½	1938	1963–68	90
50,00,000	3	1945	1965	74
40,00,000	3	1945	1975	88
40,00,000	3	1946	1976	84‡
50,00,000	3	1946	2006	74
40,00,000	2½	1947	1977	79‡
50,00,000	3	1948	1978	83‡
40,00,000	3	1949	1949	97
50,00,000C	3	1949	1979	97
1,00,00,000	3	1950	1980	82
1,00,00,000	3	1950	1980	95‡
50,00,000	3	1950	1981	82
50,00,000	3	1951	1981	81‡
1,50,00,000	3½	1951	1961	96‡
50,00,000	4	1953	1983	100
50 00 000	4	1953	1983	89½
90 00,000	4	1955	1985	98
77,00,000C	4½	1956	1986	97‡
STERLING LOANS				
£892,500	5	1923	1953–83	£79
£401,000	5	1924	1954–84	£79‡
£835,100	5½	1932	1962	£91½
MADRAS				
Rs.				Rs.
21,47,100	3½	1947	1977	
9,88,000	3	1947	1977	A
2,00,000	3	1948	1978	
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
Rs.				
BOMBAY				
50,00,000	4	1899	1959	100
20,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
75,00,000	4	1906	1966	
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	
55,00,000	4	1911	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
55,00,000	4	1915	1975	
40,00,000	5	1916	1976	
66,00,000	6	1919	1957–79	113N
65,00,000	6	1920	1958–80	
25,00,000	6	1926	1956–86	115N
25,00,000	4	1927	1957–79	98N
10,00,000	3	1938	1966	
STERLING LOANS				
£566,500		1909	1959	£95½N
£333,000		1910	1970	£95½N
CALCUTTA				
Rs.				
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99‡
50,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1966	90
20,00,000	3	1938	1963–68	91
50,00,000	3	1952	1962	99‡
1,02,00,000‡	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
Rs.				
BOMBAY				
20,60,000	4	1919–16	1974	99‡
10,00,000	5	1920	1960	113N
10,00,000	5	1928	1958	
5,45,500	5	1929	1954–59	} to
26,21,500	5	1929	1959	103‡
8,25,00,000	3½	1947	1977	86‡
2,50,00,000	3½	1949	1979	86‡
2,50,00,000	3½	1950	1980	82
2,50,00,000	4	1952	1964	99‡
2,00,00,000	3½	1951	1966	97‡
1,50,00,000	4	1953	1963	99‡
1,00,00,000‡	4	1953	1964	100
1,00,00,000‡	4	1954	1966	100
2,50,00,000	4	1955	1967	100‡
CALCUTTA				
Rs.				Rs.
36,00,000	5	1928	1958	108
25,00,000	5	1929	1957	102
25,00,000	5	1929	1959	102‡
16,00,000	5½	1929	1959	108
33,91,000	3½	1935	1965	94
50,00,000	3	1938	1966	90
47,50,000	3	1938	1966	90
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1957	99‡
15,49,500	4	1939	1958	99‡
16,32,000	3½	1951	1966	97
66,88,000	3½	1951	1966	97‡
37,50,000	4	1952	1962	99‡
72,50,000	4½	1952	1979	100
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98‡
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100‡
4 % W. Bengal	1953	2,80,23,000	15th July 1962	100‡
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100‡
4 % W. Bengal	1956	7,00,00,000	1968	100

‡—Nominal.

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domicile Loan not marketable
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. †—Interest free to first 12 years. ‡—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Al'ahabad Bank	15,00,000	1901	6	Mar. Sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	3,00,000(b)	1875	6½	Mar Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar A'	5,00,000	1920	7	July Apr.	6½	5
†East India Distilleries	£200,000	1897	7	Jan. July	17‡	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Puritshpore Co.	8,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933–36	6	Aug. ..	102	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	76N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	88	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1948	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	5,00,000	1926–27	6½	Oct. Apr.	103	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	8	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100‡
Karanpura Collieries	9,97,500	1946	5½(a)	.. ..	65	75(p)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	44N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Onda	2,00,000§	1895–99	6½	Apr. Oct.	105	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	107‡	100
Bangalore	5,00,000	1934	6	Jan. July	123	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	126	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	86	100
Bradbury	14,75,000	1919	7	June D

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. f.=Accounts *published half-yearly*. P.=Company has *Preference* shares. T.=Company has Debentures. n.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for *first* half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the *months of June and December*, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of *land*, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and *stands for* the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year *they represent* the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,723	90,10,670	48,05,872	96,889	Rajputana Textiles (Agencies) Ltd.	56,008	808	Apollo Mills	2-13¼	2	0 4(c).	0 2(c)	0 3		12	Y.
40,00,000	24,00,000	1,88,58,007	72,25,655	—8,97,129	M.	60,596	1,021	B. B. Cotton Mills	60	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,26,000	2,90,78,776	4,98,38,445	3,29,66,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,655	Bombay Dyeing & Mfg.	645	250	22 8*	20 0	25 0*	7 8‡	12	Y.
10,00,000	23,74,398	53,31,286	38,57,495	91,711	Ramnarain Sons, Ltd.	44,784	600	Bradbury Mills	2283	50	100 0†	75 0†	12 8	20 0	12	Y.P.
1,92,42,800	2,90,96,226	2,81,88,244	1,97,06,117	6,34,956	Birla Bros., Ltd.	1,26,244	2,608	Century Spg. & Mfg.	556	100	22 0	22 0	22 0		12	Y.
49,00,000	25,42,286	1,19,99,756	85,07,085	—33,08,057	V. J. Hari (Chairman and Managing Director)	40,668	796	Colaba Land & Mill	94½	100	*Nil*	*Nil*			12	Y.
26,00,000	11,38,470	81,39,239	48,80,041	30,755	Cowasjee Jehangir & Co., Ltd.	56,626	680	Coorla Spg. & Wvg.	161½	100	7 8	7 8	7 8		12	Y.
16,00,000	24,86,298	59,10,863	54,56,041	9,17,076	Ramnarain Sons, Ltd.	49,992		Dawn Mills	107½	50	6 0	6 0	15 0		3	Y.
24,00,000	40,06,485	76,76,247	54,21,759	2,85,243	Parannal Bubna Sons.	80,284	928	E. ward Textiles	325	200	15 0	15 0	18 0		12	Y.
20,35,550	11,81,233	1,09,78,649	80,74,324	1,31,354	M.	92	50	Elphinstone Spg. & Wvg.	92	*Nil*	8 0	6 0	6 0		12	Y.P.
50,00,000	70,11,875	1,28,85,515	74,17,807	1,67,199	James Finlay & Co., Ltd.	49,252	784	Finlay Mills	3552	100	16 0	16 0	20 0		12	Y.
11,84,000	76,64,530	1,27,76,310	99,11,500	9,222	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,200xd	1,000	225 0*	225 0	300 0	75 0‡	3	Y.P.
16,000									992½	250	56 4*	56 4	75 0	18 12‡		
2,00,00,000	62,50,899	4,68,15,552	3,39,00,000	1,95,112	Agarwal & Co.	2,33,812	6,412	India United Mills	12½	0 10D.	10 10	*Nil*	0 15½		12	Y.
50,00,000D									2-2¼	0 1D.	0 1	*Nil*	0 3			
5,45,000	74,24,048	1,80,07,989	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,198	Indian Mfg.	5,000xd	1,000	225 0*	225 0	300 0		3	Y.P.
45,00,000									1,000	225 0*	125 8*	125 0	150 0			
58,25,000	40,58,451	2,37,18,607	1,62,08,045	25,585	Khatau Makanji & Co., Ltd.	57,740	1,508	Khatau Makanji Spg. & Wvg.	2383	100	10 0	8 0	10 0		6	Y.P.
1,00,00,000	1,37,50,000	5,58,38,098	2,48,14,796	38,280	Kilach Industries Ltd.	1,20,564	1,846	Kohinoor Mills	3872	100	20 0*	18 0	18 0	6 0‡	12	Y.
22,12,050	41,09,770	1,15,74,248	55,99,118	21,670	N. Sirry & Co., Ltd.	49,000	644	Modern Mills	1103½	50	5 0	5 0	8 0*		10	Y.P.
51,75,000	56,82,000	2,06,25,597	1,42,81,158	36,751	Premanl & Sons	70,416	1,682	Morarjee Goculdas Spg. & Wvg.	2683	100	12 0	14 0	14 0		6	Y.P.
1,57,74,400	33,41,004	6,84,71,098	2,05,00,000	6,12,046	Chinai & Co. Private Ltd.			National Rayon Corporation	2724	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,655	48,04,750	3,015	W. H. Brady & Co., Ltd.	45,044	432	New City of Bombay Mfg.	175	100	10 0	10 0	10 0		12	Y.
20,00,000	24,21,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	2504	100	10 0	10 0	10 0		12	Y.
45,00,000	26,62,272	1,49,08,112	99,59,511	1,38,884	Ramnarain Sons, Ltd.	90,206	1,190	Phoenix Mills	1511	100	8 0	8 0	10 0		12	Y.
40,00,000	48,70,390	92,55,049	53,00,000	3,92,517	Podar Sons, Ltd.	52,000	999	Podar Mills	1754	100	10 0	10 0	12 0*		12	Y.
15,00,000	5,16,099	21,21,621	19,01,340	—1,72,154	David Sassoon & Co., Ltd.	5,599	277	Sassoon & Alliance (dk Mill	184	10	0 12	0 8			12	Y.
37,70,000	82,80,605	1,02,65,251	1,59,71,884	24,230	M. G. Investment Corporation, Ltd.	80,006	1,284	Sassoon Spg. & Wvg.	464	10	1 4	1 12	1 12		12	Y.
50,00,000	47,70,061	80,20,968	55,27,225	1,47,422	Marwar Textiles (Agency) Ltd.	66,656	1,640	Shree Niwas Cotton Mills	2284	100	14 0	14 0	12 0		12	Y.P.
42,00,000	35,02,178	98,78,909	73,58,752	98,017	Tarsee Furbes Campbell & Co., Ltd.	54,840	1,276	Simplex Mills	204½	50	15 0	11 0	10 0		3	Y.
57,50,000	2,22,16,720	2,51,25,699	1,57,86,474	12,585	Mafatlal Gagalbhai & Sons	62,028	1,633	Standard Mills	4924	100	20 0	20 0	20 0	12 0	3	Y.P.
80,55,700	54,09,716	2,28,87,947	1,19,01,988	47,611	Tata Industries Ltd.	72,320	2,000	Textile Mills	287	100	10 0	8 0	12 0		12	Y.P.
30,00,000	55,33,465	1,25,99,971	81,82,715	1,81,686	James Finlay & Co., Ltd.	38,828	552	Swan Mills	4024	100	20 0	20 0	25 0		12	Y.
65,57,000	51,98,876	1,77,34,339	68,44,553	43,484	Tata Industries Ltd.	42,096	1,800	Tata Mills	574	25	1 8	2 8	4 0		12	Y.P.
12,00,000	62,45,709	1,16,86,426	81,90,000	2,816	Thackersey Mooljee Son & Co.	64,186	1,208	Western India Spg. & Mfg.	5,000xd	1,000	225 0*	225 0	300 0	75 0‡	3	Y.P.

AHMEDABAD

88,00,000	21,11,650	1,56,22,272	60,47,902	5,498	Tata Industries, Ltd.*	49,144	1,016	Ahmedabad Advance Mills	200	100	10 0*	8 0	7 0		6	Y.P.
10,00,000	24,58,069	94,37,398	76,10,164	27,338	P. M. Huthesing & Sons, Ltd.	44,220	912	Arvana Mills	180	100	20 0*	20 0	30 0		12	Y.P.
26,25,000	2,55,80,664	1,06,85,564	1 16,00,000	72,768	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,287	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	21,75,000	96,34,584†	72,22,000	2,46,889	Mangaldas & Bros., Ltd.	51,184	892	Aryodaya Ginning & Mfg.	640	200	15 0	15 0	15 0		12	Y.P.
12,00,000	1,18,59,022	84,56,977	62,64,642	66,296	Lalbhai Dalpatbhai & Co.	27,268	514	Asoka Mills	1,040	100	22 0*	22 0	30 0*		12	Y.P.
1,31,50,000	3,85,76,238	4,61,25,952	2,58,58,544	2 81,715	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	5554	125	18 0	10 0	15 0		12	Y.P.
62,57,000	24,58,000	1,21,06,843	89,25,500	2,760	Tribhuvandas Bhoglal & Co., Ltd.	45,886	866	New Commercial Mills	2,037½	1,000	70 0	70 0	80 0	30 0‡	3	Y.P.
20,00,000	72,55,410	1,32,20,324	96,35,940	19,227	Mafatlal Chandulal & Co., Ltd.	61,152	864	New Shorrock Spr. & Wvg.	965	125	35 0	35 0	35 0		12	Y.
10,00,000	53,48,000	90,88,197	37,89,317	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.											
12,50,000	1,14,77,470	88,29,499	60,39,333		Lalbhai Dalpatbhai & Co.	24,860	572	Natun Mills	580	100	30 0*	30 0*	20 0		12	Y.P.
62,50,000	14,78,207	1,07,01,469	71,42,309	17,34,749	Lalbhai Gordhandas Ltd.	32,238	626	Rohjar Mfg.	1080	100	25 0	25 0	35 0*		12	Y.P.
22,95,150	2,02,34,588	1,76,92,343	1,52,75,000	5,33,290	Harivallabhdas Kalidas & Co.	94,116	1,758	Shri Ambica Mills	654	50	20 0	20 0	27 0*		12	Y.P.
19,58,500	62,31,263	78,08,018	66,84,702	(15,592	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	26,624	720	Shorrock Spg. & Mfg.	640	100	20 0		25 0*		12	Y.
88,00,000	90,84,191	1,09,66,008	78,35,291	34,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,82,800	34,25,069	21,01,810	1,08,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6¾xd	10	0 4	0 6			12	Y.P.T.
7,11,250	5,46,775	43,42,381	25,67,597	98,788	Bengal Textile Agency, Ltd.	32,544	936	Bengal Lugmi Cotton Mills	40N	40	*Nil*	*Nil*			12	Y.
1,00,00,000	22,72,414	89,08,142	70,76,277	—83,47,178	Kettlewell Bullen & Co., Ltd.	42,572	641	Howrah Cotton Mills	156	100	*Nil*	*Nil*	4 0		6,12	B.P.
1,00,00,000	55,17,457	1,64,66,556	1,27,61,851	2,45,433	Kettlewell Bullen & Co., Ltd.	47,244	618	Dunbar Mills	278	100	*Nil*	*Nil*	*Nil*		6,12	H.
1,90,00,000	3,07,59,268	3,59,23,574	1,20,23,709	2,45,433	Birla Brothers, Ltd.	70,354	1,990	Kesoram Cotton Mills	16¾	10	1 12	0 14	0 14		3	Y.
19,47,7500									152N	10	0 8	*Nil*	*Nil*			
5,00,000D	7.45 000	47,06,298	24,48,352	1 094	Hazaresmull Heeralall	28,036	796	Rampoorla Cotton Mills	2½N	1D	*Nil*	0-6 1/2	1/2		3	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,27,191	29,09,648	—8,54,238	Ramla & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	11½	10	*Nil*	*Nil*			12	Y.P.T.
71,94,000	88,91,254	1,84,01,530	50,78,882	1,86,048	Industrial Trust Fund	86,186	708	Azam Jahi Mills	94	100	6 0	*Nil*			9	Y
40,50,000	2,00,68,745	3,24,98,908	2,43,88,258	2,35,649	Binny & Co. (Madras), Ltd.*	40,068	1,157	Bangalore Woollen: Cotton and Silk Mills	58½	100	25 0	30 0	30 0	10 0‡	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,133	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9½	10	*Nil*	*Nil*			6,12	H.P.T.
15,00,000	1,09,48,551	1 19,14,498	87,72,902	4,22,821	Birla Brothers, Ltd.	92,856	1,044	Birla Cotton Spg. & Wvg., Delhi	81N	10	3 0	3 0	4 0		3	Y.
1,72,47,500	1,76,52,500	6,38,09,208	3,58,82,183	2,55,444	Binny & Co. (Madras), Ltd.	1,20,956	2,787	Buckingham & Carnatic	208	100	10 0	8 0	8 0		3	Y.
30,00,000	20,00,000	89,98,354	21,66,251	27,593	Forbes, Leslie & Co., Ltd.	38,706		Cambodia Mills	48	100	10 0	10 0	10 0	4 0‡	12	Y.P.T.
15,00,000	3,11,508	48,60,275	24,68,161	8,994	K. Damodaran, Esq.	17,496		Canmanore Spg. & Wvg.	150	100	10 0	*Nil*	4 8		12	Y.P.
20,00,000	29,67,427	61,72,476	29,46,228	56,767	Pegg, Sutherland & Co., Ltd.	28,796	591	Carnegie Textiles	9	5	0 9	2 0	12 0	15 0	3	Y.
12,00,000	20,50,000	54,58,396	37,50,527	54,164	K. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	3924	100	20 0	20 0	*Nil*	8 0	3	Y.
20,00,000	19,96,000	56,59,470	34,25,921	14,322	T. R. N. Naidu & Co.	22,788		Coimbatore Pioneer Mills	320	100	25 0	25 0	25 0		12	Y.
20,75,000	4,19,514	1,15,51,499	85,06,018	18,584	S. G. S. Naidu & Co.	72,328	1,407	Coimbatore Spg. & Wvg.	1100d	100	15 0	20 0	20 0		6	Y.P.
45,87,750	52,22,449	2,48,18,409	1,58,09,985	3,708	Tata Industries, Ltd.	1,16,188	2,062	Central India	156	100	5 0	5 0	8 0		12	Y.
6,88,36,225	2 55,00,000	3,99,78,766	5,08,00,000	92,756	B. R. Charet Ram & Co., Ltd.	1,16,536	2,254	Delhi Cloth & General Mills	40½	25	1 15	2 4	2 4		6	Y.P.
1,00,753										24	0 2 4/5	0 2 8/5	0 2 8/5			
24,24,000	25,47,676	62,74,246	52,56,992	6,864	M. N. Chettiar & Sons	42,566	201	Dhanalakshmi Mills	46	100	20 0	20 0	30 0		12	Y.
68,00,000	66,23,860	1,82,15,329	1,29,71,951	99,336	Begg, Sutherland & Co., Ltd.	48,462	1,196	Elgin Mills	279	100	7 0	7 0	10 0		12	Y.
46,81,000	35,22,178	1,00,58,187	59,35,988	14,068	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	2433	100	12 0	12 0	12 0		6	Y.P.
53,00,000	9,16,447	1,83,21,984	1,15,25,876	9,441	K. R. Setsarin, Esq. (Chairman)	51,180	1,420	Indore Malwa United	1554	100	10 0	10 0	15 0		12	Y.
8,90,000	10,65,883	31,96,669	18,48,155	2,979	G. V. Naidu & Co., Ltd.	24,828		Janardana Mills	1164	100	6 0	6 0	8 0		12	Y.
24,00,000	18,25,008	78,88,246	26,50,808	29,882	Kothari & Sons	45,000	896	Kothari Textiles	193	50	4 8	5 0	10 0		12	Y.
22,00,000	68,80,185	1,48,62,658	1,12,84,204	14,744	Pondhay Cotton Mfg.	51,978	1,218	Lakshmi Cotton Mfg.	2224	10	0 8	0 8	0 8		12	Y.
22,00,000									2224	57	6 0	4 0	6 0		12	Y.P.
25,94,105	66,95,980	1,61,15,086	95,51,487	6,81,824	G. K. Naidu & Co.	55,906	201	Lakshmi Mills	2501	50	5 0	10 0	12 8		12	Y.P.
11,62,050									127	25	2 0	4 0	4 0			
1,76,02,480	4,16,61,679	3,72,75,124	3,38,76,019	13,66,818	A. & P. Harvey Ltd.	5,00,000		Madura Mills	62	10	0 8	0 8	0 8	12 8‡	3	Y.
12,00,000	4,17,562	29,25,759	19,78,243	—99,078	A. L. A. R. S. Chettiar and Others	22,592	100	Malabar Spg. & Wvg.	138	100	8 0	8 0	8 0	6 4‡	12	Y.
60,00,000	60,00,000	62,70,627	49,29,734	45,885	W. A. Beardsell & Co., Ltd.	24,720	608	Mettur Industries Ltd.	480	100	*Nil*				12	Y.
29,80,854	19,51,581	89,75,246	40,94,788	16,588	N. Sirry & Co. Private Ltd.	39,896	704	Minerva Mills	98½	100	22 8*	25 0	42 8		3	Y.
24,21,550	27,24,404	1,51,29,118	1,01,29,118	—7,44,382	Sandilal Ashoklal Desabhoy & Co.	51,340	948	Model Mills (Nagpur)	192½	256	7 8*	5 0	8 0		12	Y.
20,00,000	53,19,635	1,56,29,272	1,05,91,551	—7 77 280	Indian Textile Syndicate Ltd.	58,640	1,584	Muir Mills	96N	100	5 0	5 0(c)			12	Y.
24,25,000	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirry & Co., Ltd.	50,480	500	Mysore Spg. & Mfg.	116	50	10 0*	8 8*	9 0(c)	9 0*	12	Y.P.
12,61,760	6,600	29,25,252	16,12,761	—1,60,653	K. Nagarayana Rao, Esq., Manager.	6,000		Mysore Spun Silk Mills	8½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,89,882‡	25,62,533	1,04,27,293	58,90,719	—43,53,087	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	27	0. 2½	*Nil*	*Nil*	*Nil*		3	Y.
3,07,096D									7	D. 1	*Nil*	*Nil*				
67,19,500	55,48,220	1,86,99,980	61,91,861	74,722	Industrial Trust Fund	87,788	856	Osmanshahi Mills	91	100	4 0	*Nil*			12	Y.P
4,00,000A	6,50,000	59,12,549	23,46,024	14,869	Dhanalakshmi & Co.	29,924		Palani Andavar Mills	192	50A	8 0	12 0	2 8(c)		9	Y.
6,00,000B									225	75B	12 0	12 0	12 0			
15,00,000	1,65,000	34,16,017	17,49,076	—14,88,897	C. S. R. Mudaliar & Sons	30,796		Pankaja Mills Ltd.	90	100	18 0	16 0	16 0		12	Y.P.
16,31,200A	22,75,000	83,00,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	177	100A	*Nil*	*Nil*	4 0(c)		12	Y.
8,40,300B									127	50B	8 0	16 0	20 0			
15 00,000	30,00,000	48,74,198	25,94,337	11,381	B. R. Naidu & Sons	35,472		Rajalakshmi Mills	187	50	7 8	10 0	10 0		12	Y.P.
32,23,225	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,800		Rayalaseema Mills	156	100	6 0	9 0	10 0		12	Y.P.
80,00,000	62,41,568	1,00,25,425	35,44,914	—19,16,722	J. P. Srivastava & Sons (Rampur)	34,582	600	Raza Textiles	84N	10	*Nil*	*Nil*	*Nil*		12	Y.
16 00,000	1,80,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,222	2,234	Sholapoor Spg. & Wvg.	1,800	1,000	*Nil*	*Nil*			12	Y.P.
										500						
38,69,700	17,10,000	81,44,272	65,63,318	1,09,148	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	127	50	4 8*	4 8	5 0	7 0‡	3	Y.P.
26,14,800	2,00,248	25,18,906	17,73,000	—2,46,777	Gopaldas Visaldas & Co., Ltd.	27,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,11,90,257	56,00,567	78,44,784	81,27,763	Birla Brothers, Ltd.	35,556	1,242	Budhi Cotton Mills	102N	10	4 0	5 0	6 0		3	Y.
17,50,000D	2,30,00,000	4,54,40,847	1,70,63,169	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	114	100	8 0	10 0	12 0		12	Y.P.
7,50,000Pref									12½	10P.D.	0-14 2/5	1-2 2/5	1-2 2/5			
1,00,00,000	30,14,788	2,80,55,217	1,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	16½	10	0 8	0 10	0 12		12	Y.P.
13,36,370	9,75,333	77,36,151	11,27,356	1,508	Mooljee Ramjee & Sons	17,000		Trichinopoly Mills	184	10	0-11 1/6	0-14 2/5	0-14 2/5		12	Y.P.T.
21,00,000	24,50,000	71,88,722	40,68,168	55,000	B. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	840	100	12 0	15 0	20 0		12	Y.
32,00,000	34,42,971	1,54,67,122	1,06,10,238	22,126	Bombay Co. Ltd.	46,490	1,581	Vishnu Cotton	185	100	4 0	4 0	6 0		12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) *Paid out of reserves.* xd=Ex-dividend. (S) For six months ended 31st December, 1955.

† The dividends are on the *original shares* of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1955.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
19,92,000	17,54,000	1,19,80,170	54,33,974	1,13,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12	5	*Nil*	*Nil*	0 8	0 6‡	5	Y.P.
14,20,620	15,33,917	27,26,861	14,67,318	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 9		3	Y.
8580,000	4925,777	21,304,585	8566,540	456,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	31½	A. 16sh. B. 5l.	8h. 1 3/5 8h. 1 3/5	8h. 1 3/5	8h1 3/5	5h1 1	9	Y.P.
4,00,000	9,50,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	200	75	8h. 4 15 0	8h. 5 4/5 15 0	8h4 15 0		3	Y
CEMENT														
11,37,700A.														
28,79,920B.	13,06,128	83,25,620	44,19,160	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	A. 100 B. 10	10 0* 1 0*	12 0 1 8	10 0* 1 0*		12	Y.P.T.
43,14,6000.							7½	O. 10						
4,70,978D.	13,13,132	1,44,65,792	53,43,079	4,59,343	Eastern Corporation Ltd.			D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
13,71,66,206	5,49,40,618	24,00,99,271	8,74,71,583	5,62,779	Cement Agencies Ltd.	Associated Cement Companies	203	100	9 8	8 8	10 0		7	Y.
66,00,000O.							16½	O. 10	1 0	1 0	1 4			
26,50,000O.	60,02,261	96,09,858	34,70,030	2,87,995	Hazi Brothers Ltd.	Dalmia Cement (Bharat)	58	O. 25	0 4	0 4	0 4		12	Y.P.
5,00,000D.							52	D. 1	0 1-3/5	0-1 3/5	0 2			
61,91,030O.	14,00,000	1,46,54,690	47,05,770	3,31,546	Rasoo Ltd.	India Cements Ltd.	34½	O. 25	*Nil*	1 4	1 14‡		3	Y.P.
7,50,000D.							6¾xD.	D. 5	*Nil*	0 4	0 6‡			
67,85,500	31,41,985	1,33,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13¾	10		0 12	1 4		12	Y.P.
88,93,275	44,50,000	3,04,20,192	86,59,096	9,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	202½	100	8 0	8 8	8 8		12	Y.P.
75,00,000	22,45,000	1,01,72,337	1,46,45,479	41,941	M.	Seshayallev Portland Cement	10¾	5	0 6	0 6	0 6		12	Y.
50,00,000	....	1,04,63,117	59,26,502	15,26,802	Rasoi Ltd.	Travancore Cements Ltd.	10½	10	0 8	0 10	0 10		12	Y.
CERAMIC, MINING AND QUARRYING														
31,70,655	2,85,000	63,15,303	33,02,033	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries		3½		2½	0 4	0 4	12	Y.
10,00,000	26,58,740	57,72,897	33,59,142	24,689	Bird & Co., Ltd.	Biara Stone Lime Co.	40N	10	1 6	1 6	1 12		3, 9	H.
4914,206	21,455,500	23,132,083	21,256,029	2117,983	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	74	5h. 2	2.6d.	6d.*	10-3d.*		12	Y.
10,00,000O.									1 0					
5,00,000D.	24,32,396	43,31,247	12,21,311	17,33u	Bird & Co., Ltd.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105	25	1 9	3 2	4 11	-	6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25	10	12 0	14 0	1 6 2/5	0 11 1/5[1]	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	19½cd	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,09,26,641	4,37,02,365	1,02,98,953	2,29,489	Birla Bros.	Orient Paper	39½	10	2 0	0 15	1 2		3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,61,487	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18	10	1 8	1 8	0 10½		6,12	H.P.T.
80,00,000	6,50,000	95,33,644	61,01,926	13,795	Balaria & Co.	Star Paper Mills	11⅞	O. 10	0 12	0 12	1 4		3,9	H.P.T.
10,00,000 'A'							11¼	A .10	0 12	0 12	1 4			
56,00,000A.	8,22,75,945	5,80,42,527	3,21,32,342	95,584	F. W. Heilgers & Co. Ltd.	Titaghur Paper Mills Co. Ltd. ..	39½	A. 10	2 0*	1 8	2 0*		3,9	H.P.
54,04,800B.							39½	B. 10	2 0*	1 8	2 0*			
4,97 500P.O.							4½	P.O. 2½	0 4	0 4	0 4			
						PRESSING								
5,00,000	6,12,345	15,78,488	11,13,691	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	8 0	6 0	*Nil*		6	Y.
4,80,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	33N	100	7 0				7	Y.
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y
						PROPERTY AND LAND								
15,00,7800.	6,93,322	43,52,570	22,63,279	26,000	S. A. Basil, Esqu., & others (Directors)	Humayun Properties	13½	O. 10	0 11½	0 93/5	0 9 3/5		9	Y.P.
5,00,000D.							2½	D. 1	0 4/5	*Nil*	0 9 3/5			
60,00,000	18,07,274	84,59,704	15,00,000	540	David Sassoon & Co., Ltd.)	Fort Canning Land	8	100	1 8	*Nil*			4	Y.
24,00,000	26,71,574	92,09,808	1,19,461	66,064	Andrew Yule & Co.	Midnapore Zamindary	34½	100	1 8	4 0	3 0		4	Y.P.
						SAW MILLS AND TIMBER								
42,09,998	28,05,545	31,01,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	5	*Nil*	*Nil*	*Nil*			
50,00,000	4,15,57,280	3,55,90,682	1,47,51,851	61,999	Wallace & Co.	Bombay-Burmah Trading Corpn.	756½	Old 125	15 0	20 0	37-8	11 41[2]	9	Y
15,00,000							275	New 50	6 0	8 0	15-0	4 81[2]	5	Y
6,00,000	....	7,25,609	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	*Nil*	*Nil*			12	Y.
80,00,000	21,15,487	19,00,295	14,55,560	2,76,619	Gillanders Arbuthnot & Co Ltd	Indian Wood Products	44½	10	2 8	2 12	3 0		9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	15,41,237	29,45,224	23,97,923	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7⅝	5	*Nil*	0 12	0 1			
12,05,000A.	29,19,354	49,46,225	33,16,660	15,50,000	Narang Bros. & Co. Ltd.	Basti Sugar	150N	A. 100	10 0	10 0			6	Y.
2,00,000B.							133N	B. 10	1 0	1 0				
19,19,084	5,80,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	12½	7½	0 12	0 12			4	Y.
15,00,000	13,00,295	16,40,479	11,77,841	13,208	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	0 12		3	Y.
32,00,000	28,37,030	1,86,00,775	92,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8¾	10	*Nil*	0 12	0 4		6	Y.P.
30,00,000	57,85,651	1,05,44,047	64,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	20½	10	1 0	0 12	0 12		6	Y.P.T.
15,00,000	33,04,591	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	26½	10	1 0	1 0	0 12		10	Y.P.
5,99,452	6,18,562	24,58,580	15,32,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12	1 8		6	Y.
50,00,000A.	32,00,000	75,94,377	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	28½N	A 100	15 0*	15 0*	15 0*		8	Y.T.
18,00,000C.							100	O. 100	15 0*	15 0*	15 0*		6	Y.P.
							60N	80	*Nil*	*Nil*	4 8			
12,05,000	8,61,001	75,81,809	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	32N	40	*Nil*	*Nil*	2 4		7	Y.P.
7,89,100	22,14,068	24,94,612	19,25,532	1,364	Cotton Agents Ltd.	New India Sugar Mills	42N	10	2 8	2 8	2 8			
11,00,080	4,20,000	42,21,480	24,87,553	4,125	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 4	0 8	1 6 2/5		6	Y.P.T.
19,97,500A.	49,60,297	67,74,123	21,56,900	5,317	Cotton Agents Ltd	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0		6	Y.
2,71,875B.							60N	25	5 0	5 0	5 0			
77,45,250	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	162N	100	11 0	11 0	11 0		6	Y.
12,00,000	12,74,223	23,77,669	19,96,923	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	110N	100	10 0	10 0	11 0		7	Y.P.
9,00,000	37,55,308	37,55,308	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17	10	1 0	1 0	1 4	1 10	10	Y.
5,00,000	5,31,120	26,43,262	21,70,524	5,224	M.	Ryam Sugar	20½N	10	1 0	1 0	0 12		10	Y.P.
11,99,800	15,36,779	38,65,533	23,92,130	6,477	M.	Samastipur Central Sugar	12½	10	0 8	0 8	*Nil*		6	Y.P.
40,00,000	22,68,560	1,25,20,110	62,59,921	24,945	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12½	10	1 8	1 8	*Nil*		6	Y
9,99,950	61,335	27,15,125	12,60,382	H. K. Ghosh, Esq., and E. N. Datta, Esq. (Managing Directors)				10			1 12		9	Y.P.T.
7,95,462	13,82,940	21,60,735	17,68,068	1,06,227	Karamchand Thapar & Bros ..	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,000D.	47,592	27,42,197	11,46,779	—16,14,603	N. K. Jain & Co., Ltd	Shri Sitaram Sugar	15½	10	2 0*	1 8*			6	Y.
4,40,000D.							1N	D. 10	*Nil*	*Nil*				
8,00,000	21,91,625	26,42,063	17,49,754	22,931	Cotton Agents Ltd.	South Behar Sugar	4N	D 2½	*Nil*	*Nil*			10	Y.P.
15,00,000	7,66,589	32,09,951	25,68,926	20,564	James Finlay & Co., Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8			
						United Provinces Sugar	21	10	2 8	1 4	1 8		6	Y.
						Other Centres								
46,09,750	74,55,470	1,50,12,576	1,03,10,261	69,045	W. H. Brady & Co., Ltd.	Belapur Company	253	50	16 0	16 0	16 0		9	Y.
17,50,000	9,24,223	23,05,579	21,58,725	4,092	A. H. Bhiwandiwalla & Co.	Bengal Sugar Industries Ltd. ..	17½	10	0 10	1 0	1 0		6	Y.P.
15,99,000	3,45,545	39,19,953	30,01,146	51,992	Sir F. Sassoon & Sons (M.B.) Ltd.	Gwalior Sugar	73N	100	*Nil*	*Nil*			9	Y.P.
47,94,920	14,00,000	30,54,997	18,71,128	5,22,818	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	Y.P.
33,57,620	45,51,080	42,51,227	21,95,827	18,645	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	1 0	1 12			9	Y.P.
19,55,2000.	49,50,000	96,98,953	81,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	127½	O.100	7 0	7 0	7 0		10	Y.
3,97,190D.							138½	D. 10	10 0	10 0	10 0			
21,79,250	95,00,001	1,31,37,677	78,17,728	2,90,240	S. Muniswamiyya, Esq. (Managing Director)	Mysore Sugar	46½	10	2 0	2 0	2 0		6	Y.P.
50,00,000	48,40,631	1,08,28,164	59,35,509	11,063	Matalal, Apte and Kantilal Ltd.	Phaltan Sugar	168½	50	8 0	8 0	8 0		6	Y.
16,29,280	35,50,330	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramangum Cane and Sugar	27½	10	2 0	1 8	2 0		9	Y.
22,00,000D.							170N	O. 50	8 0	8 0	8 0		9	Y.P.T.
4,00,000D.	91,76,092	99,13,183	56,50,883	64,512	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	7N	D. 10	*Nil*	*Nil*	9 6			
19,99,600	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd.	Rana Sugar	154N	10	1 0	0 12	1 1 5/8		9	Y.P.T.
50,00,000	10,87,776	69,76,324	17,87,189	—32,224	Parry & Co., Ltd.	Travancore Sugars	14½	10	*Nil*	*Nil*	1 0		10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,81,172	M.	Walchandnagar Industries	271½	100	14 0	16 0	18 0		7	Y.
						TRANSPORT								
20,00,000	1,00,69,622	1,24,00,702	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co.	145½	100	10 0	7 8	7 8		10	Y.P.
1,80,00,000	15,37,619	4,41,55,864	1,85,00,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.P.
50,00,000	84,35,838	2,50,21,293	82,65,785	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	20½	10	1 0	1 0	*Nil*		6	Y.P.
£655,580	£960,878	£5,515,631	£3,344,772	£21,856	Kilburn & Co., Ltd.	India General Navigation & Ely. Co.	115	£10	*Nil*	Sh. 1 0			6	Y.P.
2,25,00,000	74,99,222	7,93,25,462	1,61,54,490	1,23,661	Lionel Edwards Ltd.	India Steamship Co.	10½	10	0 8	*Nil*			12	Y.P.
2,40,12,578	6,94,92,081	18,36,68,413	4,34,44,300	2,78,655	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	29½	20	0 12	0 8	0 8	0 8	12	Y.P.
5,40,9000.							2½							
16,200P.O.	19,68,266	11,55,468	7,29,969	1,84,493	R. B. Alyer, Esq. (Manager) ..	Watford Transport Ltd.	1¾	O. 1	as. 1 3/25	1 22/9	as. 2 6/25		12	Y
								P.O. 1	as. 1 0/25	1 19/25	as. 1 23 '25			
						UNCLASSIFIED (Bombay)								
2,40,000	77,000	2,56,621	4,22,668	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposits	600	200	33 0	33 0	33 0			
15,95,860	2,04,173	3,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	25	3 0	4 0	*Nil*		9	Y.
25,00,000	1,00,000	22,87,3145	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co. ..	11½	25	2 0	2 0	2 0		12	Y.
14,98,340	5,48,585	28,00,600	17,76,000	4,116	Choonilal Manilal Ltd.	Harrels Batteries	33	50	*Nil*	0 12	0 12	0 12	3	Y.
99,99,250	19,47,886	1,22,08,6045	....	2,83,126	Premchand Roychand & Sons ..	Industrial Investment Trust	76½	100	4 8	4 8	2 6		12	Y.
99 99,975	35,08,351	35,10,399	9 91 529	6,154	K. G. Misra, Esq. (Mg. Director)	Killick Industries	175	100	10 0	11 0	11 0	4 0	12	Y
2,07,02,800A.	5,28,634	2,87,32,373	1,25,90,292	5,86,717	Auto-Auto Ltd.	Premier Automobiles	104½	A.100	*Nil*	*Nil*	*Nil*		6	Y.
10,80,000B.							—	B. 10	*Nil*	*Nil*	*Nil*			
10,21,20)	5 63,605	13,06,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd.	22	20	1 0	2 0	2 0		6	Y.
2,75,00,000	72,75,000	3,08,57,181	1,63,71,945	9,61,954	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	180½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	54,24,347	7,84,462	3,07,106	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
						Other Centres								
47,50,000	17,00,000	1,95,40 704	65,00,000	2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	12½	O. 10	*Nil*	*Nil*	*Nil*			
2,50,000							5½	D. 5½						
40,00,000	28,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd.	Aluminium Industries Ltd.	21½cd	10	1 4	1 4	1 4			Y.P.T.
20,00,000	35,08,079	33,06,628	21,94,981	3,45,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	23½	10	1 4	1 4	2 0*	1 4	3	Y.
30,00,000	8,85,000	38,39,494	20,58,060	1,18,898	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4	1 4	2 0*		4	Y.
20,00,000	27 47,883	1,01,40,337	59,37,380	3,63,583	O. T. Hotels (India) Ltd.	Associated Hotels of India	12½	10	1 4	1 4	1 4		6	Y.
30,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	173	100	20 0*	13 0½	0 3 1/5	0 0 2/5	12	Y.P.T.
12,00,000	9,10,000	21,37,448	24,05,445	76,830	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	30	10	1 8	2 8	2 4		12	Y.
20,00,000	7,95,420	62 57,994[4]	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		6,12	Y.
45,97,020	30,11,814	1,10,56,424	33,87,889	1,79,277	Birla Bros., Ltd.	Britannia Biscuits	15½	10	1 4	1 4	1 4		9	Y.P.
3,20,00,000	1,16,11,800	2,23,03,904	2,24,14,167	—27,99,944	Birla Bros., Ltd.	British India Corporation Ltd. ..	11½	6	0 8	1 0	1 0	1 0	3	Y.P.T.
1,25,00,000	17,14,254	2,03,27,2225[5]	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	11½	10	0 8	0 9	*Nil*	1 0	12	Y.P.
1,50,00,000	3,14,86,174	5,15,52,035	2,20,82,990	11,71,486	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd.	30½	10	0 4 1/5	0 3 1/5	0 9	1 6	12	Y.P.
51,26,000	54 12,212	1,42,47,665[6]	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	1 8	1 8	1 8		12	Y.
									1 8	1 8	1 8			Y.T.
14,00,000	10,08,000	23,81,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	186	100	10 0	7 8	9 0		12	Y.P.
45,00,000	42,00,000	19,27,685	6,06,872	1,81,868	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd. ..	14	10	10 0	7 8	7 8		9	M
20,00,000	20,17,354	78,75,809	51,19,084	45,995	T. H. Rydin, Esq.	Great Eastern Hotel	240	250	15 0	4 0	1 6 2/5		6	
30,17,900	13,68,886	36,39,283	59,24,587	38,602	Birla Brothers Private Ltd.	Hind Cycles	159½xd	100	8 0	6 0	4 0		6	Y.P.
4,96,13,250	2,92,450	3,55,34,606	94,55,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	10	10	10 0	10 0	10 0		9	Y.
1,60,00,000	46,77,754	4,18,74,246	1,74,70,603	6,18,074	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	10½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
1,85,89,220	1 82,50,000	1,58,78,491	57,17,651	28,96 462	B. J. Woodley, Esq. (Mg. Director)	Indian Cables Co. Ltd.	30½	10	*Nil*	*Nil*	2 0	1 6	12	Y.
3,97,970	5,88,000	16,40,508	8,96,110	32,616	G. S. Moulton & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	17½	10	1 0*	1 0*	1 0*		12	Y.P.
15,16,00,000	7,89,02,602	4,16,59,461	1,63,28,877	24,92,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	10½	10	0 12	0 8	0 8		12	Y.P.T.
2,00,00,000	55,29,566	84,38,960	8,50,000	4,70,107	G. M. Mackinnon	Jardine Henderson	65	100	7 8	7 8	0 12 4/5	0 12 4/5	3	Y.
6,84,000C.	1,91,892	5,04,080	3,53,758	2,668	James & Co. Private Ltd.	Masfarlane & Co.	2½	O. 1	*Nil*	*Nil*	*Nil*		6	Y.
68,000D.							2½	D. 1						
49,00,0000.	73,01,900	25,16,760	7,97,301	1,97,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	218N	O.100	10 0	17 0			8	Y
5,00,000D.								D.O.10	0 8	1 3 1/5				
1,87 58,000	60,54,276	92,58,051	31,84,226	20,87,456	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	25½	10	1 0	1 8			12	Y.P.
1,16,00,000	55,50,000	1,88,37,972	76,00,772	16,54,240	F. Chiswell Jones, Esq (Chairman).	Metal Box Co. of India, Ltd.	28½	10	1 0	1 0	1 4	1 12*	6	Y.P.
6,25,000	1,18,558	7,81,449	3,80,987	—15,239	Ozaie Glass Works Ltd.	Mysore Glass and Enamel Works ..	4½	10	1 0	1 0	1 4	1 10	3	Y.P.
6,56,250	9,18,696	11,18,541	5,51 038	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15	10	*Nil*	*Nil*	1 4		3	Y.P.
10,00,000	1,33,000	15,18,188	8,10,826	80,816	T. Shamanna, Esq. (Chairman).	Mysore Tobacco	15½cd	10	1 0	1 0	0 12	0 12 4/5	3	Y.P.
40,00,000	51,21,172	59,06,527	59,80,120	2,23,282	Associated Industrial Development Co., Ltd.			10	1 0	1 4	1 0		12	Y.P.
						National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		9	Y.
79,97,000	31,15,337	1,14,74,878	52,77,583	9,03,430	B. N. Elias & Co., Ltd.	National Tobacco Co.	13½	10	*Nil*	*Nil*			8	Y.T.
2,25,00,000	1,37,185	1,58,49,031	40,14,109	—83,99,179	M. P. A. Pampatti, Esq.	Nallis (India) Ltd.	42	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,12,20,400	1,31,20,336	1,75,54,689	3,47,94,970	4,01,624	Sahu Jain Ltd.	Rohtas Industries	22½	10	1 4	1 8	1 8		9	Y.P.
40,00,000	23,60,594	1,18,78,870	70,99,587	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 4	1 8	1 8		12	Y.P.
70,00,000	54,13,860	17,49,8165	5,53,635	3,65,280	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 4	1 8		10	Y.P.T.
9,98,380	....	14,99,259	8,54,980	*Nil*	Ozaie Bros., Ltd.	Travancore Ozaie Glass	3½	10	*Nil*	*Nil*	*Nil*		12	Y.P.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	375	100	25 0	30 0				
3,50,000	3,43,250	10,60,902	3,42,089	77,477	R. K. Kanoria, Esq.	425	Ananda (Assam) Tea	45	10	1 4	7 3[1]			13	Y.
3,50,000	6,43,250	10,47,044	3,03,058	73,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	47	10	2 8	8 0*			13	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	23½	10	3 8	3 8			13	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Baemaita	36½xd	10	2 8	3 0	1 8		13	Y.
1,59,000	4,65,000	11,98,776	7,13,759	50,298	National Tea Corporation	570	Bateli	21½xd	5	2 0	4 0	2 8		13	Y.
2,99,900	3,00,000	4,78,614	1,38,614	45,849	Williamson Magor & Co. Ltd.	396	Betjan	56½	10	2 0	10 0*			13	Y.
1,00,000	1,07,500	1,96,281	48,281	11,513	Duncan Bros. & Co., Ltd.	205	Bishnauth	23	10	3 8				13	Y.
3,50,000	4,99,597	9,09,541	2,36,574	408	Duncan Bros. & Co., Ltd.	506	Bokakhat	21½	10	*Nil*	1 0			13	Y.
2,05,000	2,07,313	4,97,072	67,072	14,033	Davenport & Co., Ltd.	270	Borbheta	10½	10	*Nil*	1 0			13	Y.P.
1,40,000	4,65,653	3,63,503	1,94,446	23,918	Duncan Bros. & Co., Ltd.	241	Borjuli	390	100	17 8	50 0			13	Y.
2,50,000	1,95,352	3,87,771	1,03,353	19,197	Duncan Bros. & Co., Ltd.	389	Borjuli	12½	10	*Nil*	1 0			13	Y.
6,25,000	1,459	6,74,103	83,799	4,11,936	Hoare Miller & Co., Ltd.	747	Singell	24N	100						
9,00,000	85,000	11,19,254	1,94,013	3,596	Goenka & Co.	982	Singtom	6	10	*Nil*	0 8			13	Y.P.
3,00,000	2,00,000	6,33,367	1,45,887	24,051	Williamson Magor & Co., Ltd.	544	Dejoo .. ..

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,02,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Petroc, Leslie & Co., Ltd.	Cochin Malabar	12¼	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
15,80,000	15,80,195	32,37,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries)..	Coffee Lands and Industries ..	27½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,85,000	63,72,750	1 07,57,543	19,78,244	2,42,884	B. C. Paterson Esq.	Consolidated Coffee	21¾	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	22¼	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd.	Highland Produce	17½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,544	A. V. Thomas & Co., Ltd.	Kalpetta Estates	34	10	2 0	2 0	2 12		4	Y.P.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	36½cd	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	21¾	10	1 8	1 12*	2 8	2 0	3	Y.P.
2,25,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nenmeny Rubber	22¾	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,63,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	17½cd	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,899	Petroc, Leslie & Co., Ltd.	Ouchterloney Valley Estates ..	5-6½	2	6 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
15,50,000	7,90,000	40,92,233	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rajapatri Rubber	293	10	1 12*	1 12*	2 0		6	Y.P.
2,66,780	3,00,000	6,70,359	62,117	71,542	Petroc Leslie & Co., Ltd.	Savamalai Estates Ltd.	25½	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	12½	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
3,50,000	2,37,500	5,37,767	80,984	14,887	A. V. George & Co., Ltd.	Thamarayally Rubber	31¼	10	3 0	3 0	3 0		12	Y.P.
4,10,200	3,00,005	3,91,561	60,565	24,020	Hindustan Investment Corpn. ..	Tirumbadi Rubber Co., Ltd. ..	2-7½	1	0 4½	0 1 3/5	0 0 2		9	Y.
6,00,000	75,491	9,79,479	3,23,517	2,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	25½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,80,799	76,82,800	8,68,181	3,71,088	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000	....	27,70,782	6,40,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	38½	25	3 0	6 0	4 0		12	Y.
6,25,880	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber ..	35½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11¾	10	1 0	1 10	0 10		3, 9	H.T.P.
5,00,000	10,25,000	51,05,438	36,93,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		3, 9	H.T.P.
20 00,000	6,25,000	1,17,61,827	98,76,069	23,103	McLeod & Co., Ltd.	1,256	Alliance	135	100	5 0	12 0	8 0		6, 12	H.T.P.
49 20 700	72,00,000	3,72,38,336	1,23,978	1,23,978	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	193	100	12 8	7 8	8 0		6, 12	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Ltd.	810	Auckland	126	100	4 0	3 8	10 0		3, 9	H.P.
20,00,000	23,30,918	96,91,416	65,65,094	55,302	Jardine Henderson & Co.	959	Bally	160	100	4 0	*Nil*	3 8	*Nil* †	3, 9	H.P.
6375,000	6441,523	61,566,519	21,068,227	564,884	Sir John H. Forder (Chairman) ..	1,889	Barnagore	142	25	51 0	sh.15	sh.15		3	H.P.
26,00,000	32,80,128	92,27,842	49,92,521	1,006	Andrew Yule & Co., Ltd.	820	Belvedere	158	100	15 0	10 0	7 8		3	Y.P.
45,00,000	28,45,000	57,93,172	21,28,574	2,45,199	Seerajmull Nagarmull	600	Bengal	16¾	10	1 4	1 2	1 2		6, 12	H.P.
21,25,000	2,17,83,383	3,51,10,402	1,45,33,851	4,87,805	Birla Bros., Ltd.	1,873	Birla	18½	10	3 0	1 0	1 0		3	Y.P.T.
26,00,000	37,37,988	1,12,57,557	72,25,020	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	137	100	10 0	9 0	7 8	1 0	3	Y.P.
7,47,280	2,29,640	43,00,831	31,83,554	—2,77,365	Dayaram & Sons	502	Calcutta Jute Mfg.	9½	10	*Nil*	0 12	*Nil* †		4, 10	H.P.
15,00,000	39,45,234	87,18,871	41,43,795	6,848	Andrew Yule & Co., Ltd.	816	Caledonian	180	100	12 0	9 0	6 8		5, 12	H.T.P.
59,16,400	59,49,238	2,28,78,769	1,11,69,802	19,010	James Finlay & Co., Ltd.	600	Champdany	163xd	100	6 0	3 0	3 0	2 0 f	5, 11	H.
15,95,000	32,59,333	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd.	520	Cheviot	186	100	12 0	14 0	10 0		3, 9	H.
29,15,000	31,00,000	64,10,068	47,77,090	1,32,940	McLeod & Co., Ltd.	580	Chitavalsah	14¾	10	1 12	1 2	1 6		5, 11	H.P.
24,00,000	24,00,000	78,33,716	66,33,993	1,07,149	Shaw Wallace Investment Co., Ltd.	909	Clive	14¾	10	*Nil*	*Nil*	1-4s		6, 12	H.T.P.
21,49,200	46,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Ltd.	766	Dalhousie	101	100	4 0	2 8	4 0	*Nil* †	3	Y.P.
25,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	190½	100	20 0	12 0	10 0		3, 9	H.P.T.
15,00,000	24,50,000	82,05,879	59,80,760	78,204	McLeod & Co., Ltd.	919	Empire	19	100	1 0	1 4	1 4		3, 9	H.P.
21,00,000	60,80,980	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	375N	100	*Nil*	5 0	15 0	7½	6, 12	H.T.P.
21,00,000	13,00,000	97,88 074	54,63,692	1,34,832	Bangur Bros., Ltd.	1,014	Fort William	23xd	10	5 0	20 0	20 0	0 12K	3, 9	H.P.T.
84,32,100	....	2,11,07,224	1,32,83,825	—2,67,452	Mazeull & Barry Ltd.	1,709	Ganges Mfg.	70	100	*Nil*	0 8	2 8	*Nil* †	3, 9	H.T.P.
24,48,000	23,00,000	71,82,963	48,48,693	—74,093	Gillanders Arbuthnot & Co., Ltd.	807	Gondalpara	890	100	15 0	*Nil*	*Nil*		3, 9	H.P.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Mazeull & Barry Ltd.	1,394	Gourepore	252	100	3 12	10 0	15 0	2 8f	12	Y.
40,00,000	55,58,224	99,03,290	57,58,999	3,27,748	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	11 8		3, 9	H.P.
15,00,000	19,91,858	45,35,206	40,23,516	44,548	Gillanders Arbuthnot & Co., Ltd.	730	Hoogly	25	10	1 8	1 8	1 4		3, 9	H.
55,23,500	49,64,372	1,82,66,485	1,10,52,708	57,085	Jardine Henderson Ltd.	1,940	Howrah	24½	10	3 8	2 4	2 4		3	Y.P.
52,50,000	23,00,000	2,58,15,037	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	26¼	10	8 0	4 0	4 0	0 4f	3, 9	H.P.T.
57,00,000								7½		3 0	2 0	2 0			Y.P.T.
30,000	16,55,558	1,33,66,655	78,55,436	7,781	M —	1,076	India	146	O. 125	6 4	3 2	2 11		3	
24,00,000									D. 1	6 4/5	0 2/5	0 3/5			
19,20,000	16,50,000	1,37,53,836	1,54,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	139	100	9 0	8 0	2 8		3, 9	H.
60,00,000								135	'B' 100	9 0	8 0	2 8			
24,00,000	7,00,000	1,33,86 800	1 00,46,425	88,115	Jardine Henderson Ltd.	1,527	Kanknarrah	97	100	7 8	6 8	1 0		6, 12	H.P.
								97	'B' 100	7 8	6 8	1 0		6, 12	H.P.
21,00,000	53,00,008	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	708	Kelvin	246	100	15 0	20 0	17 8		6, 12	H.P.
54,00,000	23,33,376	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd	1,580	Khardah	150	100	17 8	12 8	11 0		6, 12	H.P.
48,00,000	1,08,90,380	2,44,37,944	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	181	100	7 0	7 0	13 0		3, 9	H.P.
24,48,000	39,51,564	11,32,345	47,99,245	—2,12,719	Bird & Co., Ltd.	931	Lansdowne	60	100	7 0	2 0	7 0	6 0 f	3, 9	H.P.T.
28,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Ltd.	840	Lawrence	112	100	5 0	6 0	6 0	*Nil* †	3, 9	H.P.
61,65,200	25,04,412	2,01,00,663	1,54 49,504	10,614	M.	1,283	Megna	87½	100	5 0	2 8	3 12	*Nil* †	3, 9	H.P.
29,98,000	38,40,147	1,84,31,466	1,01,37,772	—3,09,141	F. W. Heilgers & Co. (Private) Ltd.	816	Mahlani	90	100	*Nil*	*Nil*	*Nil*		3, 9	H.
20,00,000	15,55,000	59,01,563	18,31,709	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	16	10	0 6	1 2	0 10		3, 9	H.
55,00,000	43,39,324	89,10,124	10,06,223	70,554	Andrew Yule & Co., Ltd.	853	National	25½	10	2 0	2 0	1 12	0 10†	4, 10	H.T.
28,15,000	26,20,000	87,71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	816	Nellimarla Jute	12½	10	1 12	1 8	1 12		4, 10	H.P.
25,50,000	2,71,14,442	4,29,15,977	99,38,548	5,71,293	Sahu Jain Ltd.	1,765	New Central†	17	10	24 0	17 0	11 0		6, 12	H.P.T.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Ltd.	567	Northbrook	28½	10	1 8	1 8	1 8	0 12†	12	Y.P.
66,79,500	22,24,961	2,18,55,164	1,39,46,311	17,000	Mazeull & Barry Ltd.	1,993	Nuddea	39	10	1 12	1 4	1 8	1 8	3, 9	H.P.T.
24,91,000	28,91,049	72,46,858	50,85,599	5,795	Andrew Yule & Co., Ltd.	901	Orient	145½	100	12 0	10 0	9 0	*Nil* †	3, 9	H.
25,00,000	6,28,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	5½	5	0 0	0 8	....	....	5, 11	H.P.
20,00,000	2,49,781	26,97,878	8,59,150	—9,18,218	Birla Bros. Ltd.	208	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*		6, 12	H.T.
45,50,000	5,82,465	1,23,33,629	59,15,596	—11,12,434	Jardine Henderson Ltd.	1,274	Reliance	34	10	0 8	*Nil*	*Nil*	*Nil* †	3	H.T.
6500,000	61,093,718	81,245,244	....	658,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	11¼	10	10%	10%	8%11		3, 9	H.T.P.
80,00,000	18,12,195	1,04,60,653	75,85,838	4,667	Bagaria More & Co., Ltd.	911	Shree Ambica	16	10	0 8	1 0	0 8f		3, 9	Y.P.
14,00,000	11,95,000	66,11,794	38,79,394	3,156	Hindustan Investment Corporation.	491	Soorah	16	10	0 8	1 0	0 8†		3, 9	H.P.
25,19,600	42,72,182	1,27,38,246	53,23,439	—4,87,127	Bird & Co., Ltd.	650	Standard	96	100	8 0	8 0	1 8		12	Y.P.
5600,000	6925,119	81,137,660	....	683,548	Thomas Duff & Co. (India), Ltd..	1,794	Titaghar	11½	10	10%	10%	8%11	*Nil*	3, 9	H.T.P.
35,98,600	88,06,723	2,00,00,808	84,28,958	18,334	Bird & Co., Ltd.	1,526	Union	162	100	5 0	6 0	10		12	Y.P.
5400,000	6668,038	81,124,819	....	680,501	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	11	10	10%	10%	8%11	1 0 f	3, 9	H.P.T.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd	457	Waverley	5½	1	0 1	0 8	0 8		12	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25,50,000	24,50,000	38,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23	10	1 0	1 4	1 6			
12,00,008	8,62,573	35,78,477	36,18,477	22,708	Jardine Henderson Ltd.	Barares Coke	20	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4,49,850	70,000	8,49,169	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¼N	10	0 12	0 12			3, 9	H.
1,80,00,000	1 40,49,333	5,91,22,614	3,05,77,288	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	500cd	200	52 0	30 0*	35 0*		6, 12	H.
2,25,000	4,22,569	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	*Nil*	*Nil*	*Nil*		4, 10	H.
15,97,000	4,73,355	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	8	10	0 8				6, 12	H.P.
40,00,000	5,00,000	1,39,18,663	71,00,188	87,438	F. W. Heilgers & Co.	Bharat Collieries	7½	10	0 12	0 10	0 10		3	H.P.
7,15,000	15,11,080	52,62,838	37,35,500	—1,87,445	F. W. Heilgers & Co. (Private)Ltd.	Bhalukanaree	18¼N	10	*Nil*	*Nil*	*Nil*		3	Y.
16,00,000	16,17,936	65,14,856	39,99,541	—79,196	Ramgarh Industries (Coal) Co.	Bokare-Ramgur	12	10					6, 12	Y.T.P.
7,50,000	24,29,026	43,39,603	25,58,408	84,207	F. W. Heilgers & Co., Ltd.	Berren	24¼	10	2 12	2 0	2 0		6, 12	H.
90,92,450	1,76,17,902	4,19 51,870	1,85,17,846	1,15,276	Bird & Co., Ltd.	Burrakur	16½	10	0 12	0 8	0 10		6, 12	H.T.
49,27,750	....	39 62,752	2,82,645	14,019	Hindustan Investment Corpn., Ltd.	CentralIndia	7¾	10	0 4	0 4	0 4		6, 12	H.P.
8,00,000	13 54,302	49,10,414	32,83,954	93,788	M.	Central Kurkend	12¾N	10	1 2				6, 12	H.T.P.
6,00,000	1,45,576	7,35,436(k)	....	2,119	F. W. Heilgers & Co. Private Ltd.	Churia	21	10	4 0	0 2	0 11		3	Y.
16,00,000	....	53,81,704	29,81,276	—1,88,338	Mazeull & Barry Ltd.	Dhemo Main	8	10	*Nil*	*Nil*	*Nil*		6, 12	H.
6540,000	6380,553	6936,945	6782,877	659,767	Jardine Henderson, Ltd.	East Indian	33	51	2 8	2 8	*Nil*		6, 12	H.
29,63,760	83,55,049	4,04,51,977	2,39,25,665	82,379	Equitable	Equitable	30½	10	1 8	1 8	3 0		3	H.
10,00,000	2,15,000	10,76,564	3,75,963	11,272	Bhatter's Agency Ltd.	Ghanish and Manlia	16N	10	0 8	0 8	1 8		4	Y.
12,00,000	1,23,000	39,02,565	20,99,824	3,286	Kilnik Industries Ltd.	Hingir-Rampur	41½	50	3 0	*Nil*	2 4		6, 12	H.P.T.
3,00,000	7,25,000	22,07,121	19,89,341	45,983	Mazeull & Barry Ltd.	Hurriladih	23¾	10	1 8	1 12	2 8		3	Y.
22,00,000	1,12,000	34,74,412	8,15,846	—5,07,238	Rajpate Trust Ltd.	Jogta Coal	6	10	*Nil*	*Nil*			6	Y.P.
3,50,000	3,45,579	12,54,857	7,23,658	....	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	1 12	*Nil*			6, 12	H.
20,00,000	1,77,176	28,89,683	4,65,140	6,965	Bird & Co., Ltd.	Karampura Collieries	118	100	*Nil*	*Nil*	*Nil*		12	Y.P.
5,00,000	10,60,000	45,77,583	30,47,085	1,32,474	Andrew Yule & Co., Ltd.	Katras Jharriah	62	10	4 0	4 0	2 8	5	3, 8	H.
1,38,400	5,73,960	12,85,941	5,72,900	—2,66,286	Beriwala & Co.	Khas Kajora	32N	10	*Nil*	*Nil*	5 8		3	Y.P.
11,00,240	64,814	16,72,961	16,41,883	—41,320	H. V. Low & Co., Ltd.	Kuardi	4N	10	*Nil*	*Nil*			5, 11	H.
9,00,000	11,96,418	26,09,258	23,07,957	2,254	H. V. Low & Co., Ltd.	Lakarka	10N	10	0 8	0 8			6, 12	H.P.
7,45,240	3,00,000	15,18,473	9,33,179	11,096	Tantia Brothers Ltd.	Nazira	7½	10	0 8	0 4			3	Y.
7,00 000	26,617	10,33,740	5,20,926	4,460	Asurtial Ojha & Co., Ltd.	New Bamdeopur	9¼N	10	0 8	0 8			4	Y.
17,76,280	20,01,788	1,19,76,353	88,55,956	94,338	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	1 0	1 2			12	Y.
6,00,000	25,54,907	17,07,588	22,83	Octavius Steel & Co., Ltd.	New Manbhoom	11¼	10	*Nil*	*Nil*	1 0		3, 9	H.
1,15,000	2,85,198	13,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	17¼N	10	0 4	*Nil*	*Nil*		4, 10	H.P.
1,67,500	....	....	....	....	....	....	16N	10	0 8	*Nil*	1 6	0 12f	6, 8	H.
7,50,000	12,31,858	5,17,666	3,97,666	50,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 0	1 0	1 0	0 9f	3, 9	H.
10,00,000	1,10,000	39,70,562	17,99,658	2,809	K. C. Thapar & Bros.	Oriental Coal	9N	10	0 8	1 0	1 0		3, 9	H.
8,84,000	10,362	17,58,137	8,80,795	8,018	Deepchand Kishenlall	Parasea	14¼	10	0 4	0 8			6, 12	H.
15,75,000	16,00,000	47,70,375	35,80,575	23,243	Shaw Wallace & Co., Ltd.	Pench Valley	22¾	10	1 10	0 12			3, 9	H.P.
22,22,500	19,17,106	1,23,09,893	85,50,855	16,846	N. E. Elias & Co., Ltd.	Ranegunge	18¼	10	1 10	1 10	1 8		6, 12	H.P.
13,50,000	3,85,200	44,84,785	27,73,764	23,421	Shaw Wallace & Co., Ltd.	Rewa	23¼	10	1 8	1 8	1 10		3, 9	H.P.
20,00,000	3,90,000	44,26,585	30,30,118	2,20,745	Jaipuria Sons Ltd.	Sanhita Collieries	14¼N	10	0 8	0 12	1 0	1 4	3, 9	H.
2,50,000	1,95,802	13,78,930	12,31,287	21,076	M.	Searsole	8¼	10	0 10	0 12	1 0	1 2	6, 12	H.
2,80,000	8,36,506	29 99 490	19,07 296	49,200	Andrew Yule & Co., Ltd.	Seebpore	29½	7	1 12	1 0	1 12	1 4	3, 9	H.
4,00,000	5,31,289	52,491	28,807	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	10N	10	*Nil*	2 0	2 8		3	Y.
....	....	....	....	....	Industrial Trust Fund (Govern-				0 0	0 8	0 4		6, 12	H.P.
3,37,140	89,11,114	4,72,97,817	3,17,80,296	7,310	ment of Hyderabad)								6, 12	H.T.
17,50,000	10,84,016	37,86,108	18,14,990	—51,583	Singareni	South Karanpura	11¼cd	10	*Nil*	0 11 1/5	0 12			
5,00,000	13,59,295	1 09,570	26,510	17,347	Bird & Co., Ltd.	Standard	9½	10	0 4	0 2	0 2		12	Y.P.
10,00,000	12,950	30,32 289	16,45,508	—4,07,745	F. W. Heilgers & Co., (Private) Ltd.	Talcher	22½	10	2 0	1 8	1 8		3, 8	H.
10,00,000	2,80,000	19,47,283	14,31,955	44,167	Williamson Magor & Co., Ltd.	Union	3½	2½	*Nil*				6, 12	H.
3,50,000	....	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	14½	10	1 12	0 12	*Nil* †		3	Y.
49,98,000	57,084	1,46,871	28,81,698	—1,46,650	Macneill & Barry Ltd.	West Jamuria	6½	10	0 6	0 6	0 8		6, 12	H.
7,00,000	21,569	56,46,871	28,81,698	—1,46,650	Macneill & Barry Ltd.		11¼	10	*Nil*	*Nil*	*Nil*	0 8	3	Y.
													6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. • Including bonus. (k) Investments.

(1) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s For seven months ended 31st March 1954.

† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET REPORTS

JUTE ERRATIC

(From Our Own Correspondent)

C

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000	1,06,00,000	11,36,201	Allahabad Bank	348 / 164	100	18 0‡	18 0‡			12	Y.P.
1,61,000					50	9 0‡	9 0‡				
22,46,180	14,37,000	12,375	Andhra Bank	116‡	100	6 8	7 8	6 8	3 12‡	6,12	H
1,00,00,000	1,25,00,000	3,35,546	Bank of Baroda	82‡	70	3 4	3 12	4 8 4/5	2 10‡		
50,00,000	30,50,000	1,159	Bank of Bikaner	102	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
2,50,00,000	2,53,00,000	18 26,630	Bank of India	23	25	0 12	0 12	0 14		12	Y.
15,38,375	28,00,000	60,636	Bank of Indore	172‡	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	25N	25	3 0	3 0	3 8		12	Y.
50,00,000	34,00,000	4,19,228	Bank of Mysore	34	50	1 8	2 0	2 0		12	Y.
61,31,700	85,75,212	10,069	Bombay State Co-operative Bank	249‡	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	57N	50	3 8	2 0	3 0		6	Y.
1,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
2,05,11,875 / 2,42,87,5 'A'	4,01,31,217	18,40,359	Central Bank of India Ltd.	80‡ / 53	50	5 0‡	5 0	5 8‡		12	Y.P.
				56	25	2 0	2 0	3 0	1 8‡	12	R.L.Y.
56,06,330	31,00,000	1,76,386	Devkaran Nanjee Banking Co.	48‡	50	2 0	2 0	3 0	1 8‡		
1,00,00,000	1,06,00,000	1,05,895	Habib Bank (P)	72N	50	4 0	4 0			12	Y.
80,00,000	80,00,000	1,00,979	Hind Bank	90	50	1 8	1 8	3 0		12	Y.
1,35,00,000	15,40,000	14,819	Hindustan Commercial Bank	14‡	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13‡	50	Nil	Nil			12	Y.
75,00,000	75,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	6 0‡	5 0		9	Y.
94,50,000				212‡	100	12 0‡	12 0‡	12 0	6 8‡		
18,00,000	79,75,000	1,45,140	Indian Bank	196	95	10 9‡	10 9‡	10 12‡	6 2‡	6,12	R.L.H.
18,20,000				149‡	70	7 8‡	7 8‡	7 12‡	4 8‡		
49,19,575	30,00,000	2,28,299	Indian Overseas Bank	151‡	100	6 0	6 0	7 8		12	Y.
2,25,000	5,64,560	—1,12,440	Indo-Commercial Bank	42‡	100(A)	Nil	Nil			6,12	H.
6,50,000				11	25(B)	Nil	Nil				
10,00,000				25	50(C)	Nil	Nil				
97,50,000	97,50,000	2,35,108	Punjab National Bank	57	25	2 0	2 0	2 8	2 0‡	12	Y.
1,00 00,000	23,30,000	45,597	Travancore Bank	18‡	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,228	Union Bank of India	7‡	5	0 5‡	0 5‡	0 6		12	Y.
6,00,00,000	90,00,000	27 761	United Commercial Bank	56‡	50	2 0	2 8	3 12		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China		£1-15-3	£1	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank		£7‡	£5	8†	8†	8†	12	R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $10,605,589	Hongkong and Shanghai Banking Corporation		£00	H.K. $125	5•	5•	5•	2•1	12	Y.
£17,960,195 'A' / £1,457,896 'B'	$15,000,000	£588,006	Lloyds Bank		£2-14-0 / £1-6-3	£5 A / £1 B	14† / 5†	15† / 5†	12† / 5†		12	R.L.Y.
£875,000 'A'					£4-0-6	A £2‡	14†	14†	14†			
£875,000 'B'	£1,750,000	£219,372	Mercantile Bank of India		£4-0-6	B £2‡	14†	14†	14†		12	R.L.Y.
£750,000 'C'					£1	£1	14†	14†	14†			
£2,551,563	£3,106,687	£242,158	National Bank of India		£1-1-1‡	sh. 12‡	10†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. †† O.S. Currency. (I) Interim. • £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99‡	1st June .. 1958
4,00,000	5‡	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5‡	20th June and 20th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99‡	20th December .. 1956
19,80,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1953-63
20,00,000	5	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	96‡	1st November .. 1959-64
COAL						
20,00,000	4‡	20th April and 21st October	Bharat Collieries	1944	95‡	20th June .. 1956
20,00,000	4‡	20th June and 21st December	Burrakur Coal Co.	1947	97‡	20th June .. 1967(a)
50,00,000	5‡	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(a)
COTTON						
3,50,000	5‡	20th June and 21st December	Basanti Cotton Mills Ltd.	1942	85	20th April .. 1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1953	99	1st March .. 1972(a)
12,68,000	5‡		Jayshree Textiles	1949	90N	1st January .. 1956-59
89 90,000	5	1st June	Tata Mills	1951	100‡	 1966-71
ELECTRICS						
10,00,000	4‡	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100‡	14th June .. ..
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98‡	1st October .. 1969
12,96,000	4‡	20th June and 21st December	Bombay Electric Light and Power Co., Ltd.	1949	94	31st December .. 1959
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	99‡	1st January .. 1964(c)
25,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970(a)
50,00,000	4	1st January and 1st July	Ekma (Jharkhand) Electric Supply Co., Ltd.	1951	96	30th June .. 1970
4,95,000	5‡	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July .. 1976(a)
2,00,000	5‡	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1957-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September .. 1960-64
5,000	4‡	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1958-63
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1956-61
2,50,00,000	4	1st April and 1st October	Tata Power		93‡	15th September .. 1970
						1965-76
ENGINEERING						
5,00,000	5‡	30th June and 31st December	Britannia Engineering	1948	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	99	30th June .. 1958
30,00,000	5	15th September and 15th March	Indian Hume Pipe (Reserve)	1942	101‡	1st July .. 1958
61,146,500	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1937	97	31st December .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1961(d)
1 50,00,000	5	1st April and 1st October	Tata Locomotive	1950	102	1st October .. 1971
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960-65
						1960(a)
JUTE						
12,00,000	5‡	1st October and 1st April	Agarpara	1939	99	31st March .. 1969
6,00,000	5‡	30th June and 31st December	Alexandra	1939	99	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	99	31st December .. 1969
30,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1946	98‡	30th June .. 1964
9,00,000	5	31st January and 31st July	Caledonia	1949	90	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1959
18,68,000	5‡	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1968
8,96,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. 1969(a)
25,00,000	5‡	1st January and 1st July	Kamarhatand	1947	92‡	30th June .. 1960(a)
20,00,000	5‡	31st March and 30th September	Howrah Jute Mills Co. Ltd.	1955	97‡	31st March .. 1967
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd	1949	96‡	31st December .. 1970
35,00,000	5‡	30th June and 31st December	Kelhati	1953	98	31st March .. 1964(g)
5,00,000	4‡	14th November and 14th May	Kellimazia Jute Mills Co., Ltd	1939	93	14th May .. 1967(a)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1959
8,00,000	4‡	30th June and 31st December	Premier	1944	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(a)
8,00,000	4‡	14th March and 14th September	Seorah Jute	1937	96	14th September .. 1957
13,00,000	4‡	30th June and 31st December	Union	1937	96‡	30th June .. 1957
10,00,000	3‡	31st January and 31st July	Waverly	1925	83	31st July .. 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July 1956
£350,000	4‡	1st January and 1st July	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter
6189,368	5	1st April and 1st October		1933	£77‡N	1st October .. 1974
6,50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90‡	31st December .. 1959(c)
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	Any time on six months' notice (e)
4,58,26,697	4‡	1st March and 1st September	Scindia Steam Navigation	1949	95‡	1st September .. 1968
PLANTING						
10,00,000	5‡	30th June and 31st December	Consolidated Coffee	1953	102‡	1st July 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		100‡	1st April 1958-63
1,39,700	5‡	31st March and 30th September	Teokoy	1944	100,	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	93	31st Decem .. 1965
36,30,000	4‡	1st January and 1st July	Associated Hotels of India	1947	86	31st December .. 1965
4,99,100	4‡	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1966
3,00,00,000	5‡	1st March and 1st September	Burmah-Shell	1954	102	1st September .. 1957
2,00,00,000	5‡	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1956	102‡	1st October .. 1964-69(a)
21,00,000	5‡	1st February and 1st August	Clowringhee Properties	1937	92	1st February .. 1970
19,95,000	4‡	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89‡	1st July .. 1964
32,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1966
1,80,00,000	4	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	92	 1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	102	1st January .. 1960
1,00,00,000	5‡	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1971(e)††
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95‡	1969(e)‡
25,05,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	535	1964 ..
49,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470	1970(e)
					(Par note)	31st December .. 1972(e)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	96N	1st April 1971
1,50,00,000	5‡	30th June and 31st December	National Rayon	1955	103	30th June 1971
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1965-70
1,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	1946	91‡	31st December .. 1961(e)
4,00,00,000	5‡	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	103‡	1st May .. .. 1963(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-9-1954 but before 1-9-1957 and 1 per cent. premium on or after 1-9-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡‡ Rs. 99 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or [illegible] from 1st

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th September, 1956.

	Closing quotations 20-9-1956	High	Low	Closing quotations 27-9-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	200	201‡	199‡	200
Apollo (£)	2-13‡	2-14‡	2-13‡	2-14‡
Bombay Dyeing (250)	634‡	648‡	633‡	648‡
Bradbury (50)	220‡	219‡	216‡	217‡
Central India (100)	152	158	152‡	158
Century Mills (100)	552xd	567‡	550	567‡
Colaba (100)	94‡	97‡	94‡	97‡
Edward Textile (200)	325	330	300	322‡
Elphinstone (50)	61	63‡	61‡	63‡
Finlay (100)	354	355	351	352
Gokak (100)	244‡	245	243‡	243‡
Ind. Unid. Deld. (1)	2-3‡	2-4	2-3‡	2-3‡
Ind. Unid. Ord. (10)	12‡	12‡	12‡	12‡
Indore Malwa (100)	155‡	156‡	153‡	156‡
Khatau (100)	252‡	255	251‡	255
Kohinoor (100)	368‡	372	363	369
Lakshmi (250)	722‡	—	—	722‡
Madhusudhan (100)	131‡	—	—	131‡
Minerva Mills (100)	98‡	—	—	98‡
Modal Nagpur (250)	182‡	192‡	182‡	192‡
Morarji (100)	265	268‡	265	268‡
Mysore (50)	122‡	—	—	122‡
National Rayons (100)	265‡	274‡	265	271
New City (100)	183‡	183‡	175	175
New Great (100)	250	—	—	250‡
Phoenix (100)	148‡	151‡	150‡	151‡
Podar Mills (100)	175	176‡	175	175
Ramcon Silk (10)	13‡	98‡	—	13‡
Ramcon Spg. (10)	47	—	—	47
Sholapur (1,000)	1,800	—	—	1,800
Shrinivas (100)	224‡	228‡	221‡	225
Simplex (50)	205‡	206	202‡	205
Standard (100)	485	498‡	481‡	493‡
Swadeshi (100)	259‡	260	254	258‡
Swan (100)	445‡	452‡	445‡	452‡
Tata Mill (25)	56‡	58‡	56‡	58
Vishnu (100)	190	190	177‡	185
Western India (1,000)	5,125	—	—	5,125
BANKS				
Bank of India (50)	171‡	172‡	170‡	172‡
Bank of Baroda (56)	100	102	99‡	102
Central (25)	52‡	53	51‡	53
Central 'A' (25)	56	—	—	56‡
Dena Bank (50)	45‡	—	—	45‡
Punjab National (25)	57‡	57‡	57	57
Union Bank (5)	7‡	7‡	7-2‡	7-2‡
United Com. (50)	56	57‡	55‡	57‡
ELECTRIC COS.				
Ahmedabad (100)	96‡	—	—	95
Amalgamated (10)	11‡	95‡	95	11‡
Andhra Valley (1,000)	1,223‡	1,242‡	1,223‡	1,242‡
Bom. Sub-El. (100)	109‡	109‡	108‡	109‡
Surat (100)	118‡	119‡	118‡	118‡
Tata Hydro (100)	127	131	126‡	131
Tata Power (1,000)	1,300	1,325	1,297‡	1,325
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	350	—	—	350
Ind. Mercantile (50)	44	44‡	44	44
Jupiter (15)	6	—	—	6
New India (15)	45	—	—	45‡
Oriental (200)	3,650	46	44	3,650
Universal (10)	16	—	—	15‡
Vulcan (10)		16‡	16	16‡
STEEL COS.				
Ind. Iron (10)	35‡	36‡	35-2‡	36-1‡
Tata Steel Ord. (75)	195	200‡	195‡	200‡
SUGAR COS.				
Belapur (50)	247	259	24	25‡
Bhopal (10)	17‡	18	16‡	18
Dhatkal (50)	168	169	162	168‡
Walchand Ind. (100)	271‡	275	270	273‡
CEMENT COS.				
Associated Cts. (100)	202‡	203‡	201‡	203‡
Digvijay (100)	206‡	207	198‡	205‡
MISCELLANEOUS				
Alcock Ashdown (100)	345	347‡	341‡	345
Bom. Burmah (125)	745‡	760	743‡	758‡
Do. (New) (50)	276‡	277‡	275	277‡
Br. B. Petrol (4 sh.)	8-13‡	8-14‡	8-12‡	8-13‡
Br. I. Corpn. (5)	11‡	11-8‡	11-3‡	11‡
C. P. Ely. (100)	75	—	—	75
Indian Copper (2 sh.)	7‡	7-9‡	7-6‡	7-9‡
Ind. Inv. Tr. (100)	76‡	—	—	76‡
Kemp (200)	188‡	—	—	188‡
Killick (100)	175	175	173	174
Poison (100)	175	175	175	177‡
Port Canning (100)	8‡	177‡	8‡	8
Premier Con. (30)	217	8‡	213‡	217
Scindia (20)	19-2‡	21‡	19	19‡
G. E. Shipping (10)	20‡	19‡	20‡	21‡
Shivrajpur (10)	87‡	21‡	86‡	88
Tata Chemicals (10)	20‡	88	19‡	20‡
Tata Locomotive (100)	173	20-4‡	171	174‡
Tata Oil (25)	55‡	176	54‡	56‡
W. I. Match (100)	181‡	56‡	180‡	180‡

GOVERNMENT SECURITIES	21-9-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	27-9-1956
	Rs.			Rs.
2½% 1961	93‡	—	3.06	93‡
2½% 1962	96‡	—	3.74	96‡
2½% 1963-65	92‡	—	3.80	92‡
2½% 1964-66	88‡	—	4.00	88‡
2½% 1967	99‡	—	3.25	99‡
2½% 1968	99‡	—	3.24	99‡
2½% 1950-61	98	3.70	3.45	97‡
2½% 1964	94‡	—	3.70	94‡
2½% 1962-65	94‡	3.90	3.73	93‡
2½% 1965-67	93‡	3.85	3.71	93‡
2½% 1970-75	80‡	3.99	3.75	76‡
2½% 1984 Con. Loan	75‡	—	3.99•	100‡
4% 1960-70	100‡	3.80	3.83	102‡
4½% 1958-68••	102‡	2.95	4.22	99‡
3½% 1961 N.P. Bonds	96‡	—	3.70	98‡
3½% 1964 N.P. Loan	98‡	—	3.71	98‡
3½% 1965 N.P. Bonds	98‡	—	3.72	97‡
3½% 1966	97‡	—	3.64	96‡
3½% 1967 N. P. Bonds	98‡	—	3.67	96‡
3½% 1974	98‡	—	3.67	96‡

BRITISH GOVERNMENT SECURITIES	Closing quotations 17-9-1956 £			Closing quotations 24-9-1956 £
2½% Brit. Consols	51‡	—	—	51‡
3% Defence Bonds 1966-75	72‡	—	—	72‡
3% War Loan 1955-59	94‡	—	—	94‡
3½% War Loan	70‡	—	—	70‡
4% Victory Bonds 1976	90‡	—	—	90‡
4% Funding 1960-90	86‡	—	—	86‡

• Current Income x.d.—Ex-dividend. •• Rupee Counterparts. Ex-Eight.

COMMERCE

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

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AN UNWARRANTED AND HASTY STEP

IGNORING its more urgent tasks, the Mysore State Government has, on the eve of the reorganisation of the States, brought forward a Bill to nationalise the Kolar gold mines. Apparently, the uncertainties that surround the finances of the future Mysore State, the immensity of the tasks of administrative and financial integration which must follow the establishment of the new and enlarged State, and the need for conserving all available resources for purposes of development have not deterred the Government from giving effect to nationalisation of gold mines—a measure which has not been attempted anywhere in the world—a devotion and a priority which are worthy of a nobler cause. Nor has the Central Government, its own hands steeped in the Panna diamond mines, been able to exercise any restraint on the State Government's wholly unjustified move to nationalise the gold mines. The result is that the State Government is now engaged in getting the legislative consent for its decision to acquire the mining companies which have served the State for close upon three-quarters of a century.

There is, however, no gainsaying the fact that the Government's decision has the backing of the entire State legislature. But it is a different matter whether legislative or popular opinion could not have been changed through a more objective presentation of the gains and losses of nationalisation. As it is, the Government has never attempted to justify its decision to nationalise the mines, while the Opposition in the legislature, an assorted mixture of different political elements, has been only too eager to win cheap political popularity by showing the Government as being deplorably weak on the question of compensation. In this context, the Bill's passage through the legislature is a foregone conclusion. Thus, very soon, the gold mining industry in India, which accounts for some 212,000 ounces out of the total world (excluding U.S.S.R.) output of 27.15 million ounces, will become a State enterprise.

Briefly, the Bill, entitled Kolar Gold Mining Undertakings (Acquisition) Bill, 1956, seeks to vest in the State Government the ownership and control of the four Mysore gold mining companies which are operating in the Kolar gold field area. The total compensation payable to the companies is Rs. 164 lakhs; this excludes sterling assets of the companies to the tune of Rs. 50 lakhs. Compensation has been arrived at on the basis of average market value of the shares in the last 10 years. This amount is to be distributed among the four companies: the Mysore Gold Mining Co., Ltd. (Rs. 45.31 lakhs); Champion Reef Gold Mines of India Ltd. (Rs. 50.98 lakhs); Nandydroog Mines Ltd. (Rs. 60.37 lakhs) and Kolar Mines Power Station (Private) Ltd. (Rs. 7.33 lakhs). Of this compensation, 75 per cent. will be paid in cash on the vesting date and the balance within three months from the vesting date. It is not clear whether the issue of compensation is an agreed decision, for it is well known that the management once set the compensation at as high a level as Rs. 6 to Rs. 8 crores. Since compensation is not an issue that could be taken to the Court, the Government, it is to be hoped, has carried conviction to the management on the correctness of its valuation of assets and liabilities.

In the Bill, it is provided that, on such date as the Government may, by notification in the *Mysore Gazette*, specify (such date not being later than 30th November 1956), the undertakings of the companies concerned shall stand transferred to and vest in the State. The Government will honour all the commitments and agreements entered into by the companies. But, if it appears to the Government that any particular agreement was not reasonably necessary for the activities of the companies, it has the right to refer the matter to a court of law. This section will apply where any company has, after 18th June 1955 and before the vesting date, made any payment to a person without consideration or sold or disposed of any of its properties without consideration or for an inadequate consideration or paid excessive consideration in a transaction. The Bill also provides for referring any dispute in respect of a transaction to the arbitration of a single arbitrator to be appointed by agreement between the Government and the company.

The statement of objects and reasons appended to the Bill presents no convincing case for nationalisation. It merely records that the question of acquiring the Kolar gold mines has been under the consideration of the Government for some time now and quotes the resolution favouring nationalisation passed by the State legislature a year ago. The State's Finance Minister, Mr. H. Siddaveerappa, too, gave no valid reasons for this measure, beyond referring to the clear mandate for nationalisation received from the legislature. After narrating briefly the events, such as the 1949 agreement between the Companies and the Government, the discussions in the State legislature, the appointment of a Committee to investigate the working of the agreement, the decision to nationalise the mines, and the consultation between the State and the Centre over the question of compensation, the Minister averred that nationalisation was not the "be-all and end-all" of economic policy and that it was important that a nationalised undertaking should be worked well. And yet, it is difficult to avoid the impression that the State has consistently adopted the attitude that nationalisation was the be-all and end-all of its gold policy. Nationalisation of gold mines cannot be defended on the ground that the management was inefficient, or that it has adopted a policy that is detrimental to the interests of the country. These charges have not been made. It is true that there was a dispute over the working of the 1949 agreement between the Government and the management. But the agreement provided—and the management was ready to abide by the provision—for referring any dispute to arbitration. Even the Committee which investigated the working of the agreement did not advocate nationalisation. It is not as if nationalisation was an inevitable measure. Other ways were open to the Government to resolve the dispute.

If the contention is that the State was not willing to allow a vital national asset in the hands of foreign enterprise, it implies an attitude that is not conducive to the flow of foreign capital into the country. But, even here, it was not difficult for the Government to induce the management to associate progressively more and more Indian capital and technicians in the enterprise. Many well-established foreign concerns in this country such as the Imperial Tobacco and the National Carbon have adopted this course and, in the case of the Kolar gold mining companies, such a course would have been particularly easy, for they need fresh capital to exploit new sources of gold which have been discovered and Indian capital would have been forthcoming in ample measure. As it is, the Government has sought to nationalise the mines without examining the feasibility of any other alternative. The fact that a similar measure has not been adopted in any other part of the world should have induced a certain caution in the Government's enthusiasm for nationalising such a highly technical enterprise as gold mining.

Further, there is bound to be some confusion if and when new gold reserves are discovered in other parts of the country. For it is a moot point whether the Centre or the State in which the reserves are discovered should be allowed to exploit them. Why should diamond mines be owned by the Centre and the gold mines by a State Government? The Industrial Policy Resolution lists gold and diamond under Schedule A which specifies the industries in which all new units would be State-sponsored ones. It seems somewhat odd that the Centre should operate all new diamond mines, iron and manganese ore mines and coal mines, whereas the mining of gold, an international commodity of utmost importance to the banking and monetary world, should be undertaken by a State Government. In any case, Mysore's example in nationalising gold mining may well be a prelude to a movement by other State Governments to own and operate mines in their areas. Such a movement would make the confusion already caused by State trading in mineral ores worse confounded.

Above all, it is not known whether the State Government has made any attempt to retain the technical services of the present management. If gold mining were carried out efficiently, it could be a source of great wealth and employment opportunities. The known reserves are estimated to last for about 20 years in the case of Mysore Mines and Champion Reefs and for another 60 years in the case of Nandydroog Mines. Some promising new veins have also been struck in the region. In the context of the contemplated deficit financing, there is no danger of any fall in gold prices. Wisdom demands that the State Government should keep the technical services of the experienced management, in order to ensure that gold mining continues to be a profitable enterprise.

ON OTHER PAGES

MARK

this growing awareness of the need for and the value of economic co-operation between the haves and the have-nots, the position in this respect is not quite satisfactory and a lot more yet remains to be done. The have-nots complain that the haves are not doing all that they can to help them; similarly, the haves are sore that the have-nots have not done all that they should for attracting the flow of foreign capital. For the past several years, this has been the sum and substance of the speeches delivered at the annual general meetings of the World Bank on this subject. And the annual gathering of the Bank's Board of Governors held at Washington last week was no exception to it. Of the many that spoke on this occasion, Mr. B. Rama Rau, Governor of the Reserve Bank and India's representative on the Bank's Board, played the lead in singing the tune of the have-not nations, while Mr. Harold MacMillan, British Chancellor of the Exchequer, did it for the haves. And both of them made the mistake of looking at the problem only from their own respective angles. But a constructive contribution was made by Mr. Eugene R. Black, President of the World Bank, in his address to the gathering. In a forthright speech, Mr. Black brought out the defects in the attitudes of developed and underdeveloped countries and indicated the lines on which they should be remedied.

It must be said to the credit of Mr. Rama Rau that he effectively stated the case for greater attention by the World Bank to the needs of Asian countries. Speaking about India, in particular, he convincingly argued why a rapid development was imperative from the economic and political points of view. He said:

"We have established a democratic system based on adult suffrage. The masses, the majority of whom are ill-fed and ill-clothed, have become politically conscious. The 'pathetic contentment' of the masses, which a British statesman described many years ago as characteristic of rural India, has disappeared and there is evidently a new outlook on life and a demand for a higher standard of life. We have to demonstrate that, within the framework of a democratic structure, we can develop at a pace comparable to that in totalitarian countries."

The implication of the above quotation is that, if the Indian authorities fail to come up to the expectations of the public, democracy in India will be in danger. From this proceeds the argument that it is essential for the Western nations to come to the help of India.

Mr. Harold MacMillan did not deny the force of Mr. Rama Rau's argument, but he added a rider to it. He said:

"The plans and programmes for capital development in the underdeveloped countries can only be carried through with the aid of capital from abroad from the more developed countries. But it is obvious that this capital will not be made available, unless there is a foundation of international goodwill and trust and confidence that commercial and international agreements will be respected."

Evidently, Mr. MacMillan had in mind the nationalisation of the Suez Canal by Egypt. While it cannot be denied that it is necessary to create a congenial climate for attracting foreign capital, it will not be prudent for the developed countries to quote the Suez incident, or, for that matter, even the nationalisation of the Anglo-Iranian Oil Company by Iran, against the underdeveloped countries' plea for capital assistance. For both the cases have an unsavoury history behind them, for which the Western partners concerned are not free from blame. The nationalisation of these assets could have been avoided, if the latter countries had moved with the times and recognised the reasonable aspirations of the countries where the assets are situated. Both the cases are instances where considerations of power-politics and not economics were the main deciding factor. It would be most unfortunate for the world if the Western countries were to slow down their assistance to underdeveloped countries, simply because of these two instances of nationalisation. It is undoubtedly true that the countries in need of foreign capital should temper their national passions, but it is also equally true that the developed countries should not allow their political objectives to influence their attitude towards this question.

Both sides of the question of foreign capital for underdeveloped areas were fairly stated by Mr. Black. Pleading for objectivity on the part of the leaders of these areas in their development policy, he asked them to bear in mind that there were not enough foreign investors "clamouring at the gates of the less developed countries." This statement cannot be refuted. Almost in every part of the world, the rate of savings is lagging behind investment. With very few exceptions, the Western countries have scarcely enough savings today to finance their own investments. This is evident from the inflationary pressures that have developed in the Western world and the application of credit restraints. Consequently, unless the underdeveloped countries offer sufficient attraction, they will not be able to get enough foreign capital. They must recognise that the foreign investor is entitled to a fair return on his contribution and pay heed to the following advice of Mr. Black:

"The danger today is not that the foreign investor will ask too much of a developing country, but that the developing countries will do too little to attract him. Today, the foreign investor cannot go into a country, unless he is actually wanted by the people of the country. By indulging in the myth that the private investor is trying to force an entry to engage in some sort of evil exploitation, the less developed countries are cutting themselves off from one of the most productive sources of development assistance available to them. The capital and skills which the private investor brings with him may not be available from anyone else. Particularly, he brings with him the skills of industrial management—skills which have to be seen in action to be learned. If a country is bent on industrialising and having the benefits spread broadly among the people, it can do itself no better service than to seek out the private investor abroad who is willing to risk his capital on the chance of a fair return on a successful venture."

In tendering the aforesaid advice, the President of the World Bank was not oblivious of the fact that a lot of politics is involved in foreign investments. Nor did he forget that politics emanated from both the sides. This will be evident from the following quotation from his speech:

"When I speak of the importance of objectivity in development policy, I also mean disentangling that policy from conflicting short-term political aims. We all have to live with our politics. The problem is not to insulate development from politics but to distinguish what is good development politics from what is bad. And here my remarks apply equally to the industrialised countries and the less developed countries. For example, no leader in a developing country can afford not to set bold development goals; he must be responsive to his people. Yet no leader of a developing country can afford to set unrealistic goals and then disrupt the wole economy by trying to achieve them. This is the road to frustration. Similarly, in the industrialised countries, political leaders have a heavy responsibility to distinguish between short-term political advantage and the real long-term interest of their countries in the economic growth of the less developed areas of the world.

"Despite the existence of an unprecedented flow of development assistance out of the industrialised countries today, the real self-interest of these countries is all too often obscured by a welter of short-term political and economic aims. *All too often development assistance is seen merely as a means of buying diplomatic friends or military allies. As a result, all too often development assistance lacks continuity and provides an inadequate basis for the advance planning of development projects.*" (Italics ours.—ED.).

The last two sentences in the above quotation which we have set in italics clearly show that the World Bank President has spoken the truth and that courageously. They reveal that, for getting foreign capital, it is not enough if the underdeveloped countries alone set their house in order and change their attitude towards foreign investors; the industrialised countries also have to change their attitude. They should not try to exploit the less developed countries' hunger for capital to serve their short-term political objectives. In this context, one more paragraph from the speech of Mr. Black bears reproduction:

"I think the industrialised countries would do a useful service just by drawing a clear distinction between aid for economic purposes, and aid for military and other non-economic purposes. This would at least define the real area of their concern for growth in the underdeveloped world for its own sake. It is very much in the self-interest of the industrialised countries that they define this area of concern clearly. For, as I have said, a common concern with economic development for its own sake is certainly the best hope—possibly it is the only hope—of helping the great transformation going on in the less developed countries along lines compatible with the growth and security of people everywhere."

Our object in quoting such long passages from Mr. Black's speech is to show that, if only the U.S. and the U.K. had followed the criterion indicated by him in regard to their attitude towards economic development of Egypt, in particular, and the Middle East, in general, the present crisis in that part of the world might not have arisen.

It, of course, goes without saying that the less developed countries also should not try to make capital out of their plight in a world weary of war and divided by two conflicting ideologies. Those underdeveloped countries which have chosen democracy as their way of life should not overplay the argument that, unless the well developed democratic countries gave them generous assistance, they would be forced to embrace the totalitarian system. Nor should they try to play one power bloc against the other in the hope that they could get the best of both the worlds. To do so would tantamount to indulging in the dishonourable game of fishing in troubled waters. Such attempts never pay; on the contrary, they may cost the countries concerned dearly. Here, again, Egypt is a striking example. It is alleged that one reason why Britain and the U.S. suddenly withdrew their offer of economic assistance to Egypt was that President Nasser tried to play this game. If the Suez crisis has any lesson for the less developed countries, it is that they should scrupulously keep out of power-politics and also refrain from having high political ambitions, such as a desire to dominate over the neighbouring countries. This, of course, does not mean that they should remain silent spectators to any immoral acts that may be perpetrated by other powers.

Another very significant remark was made by Mr. Black when he said that "the old reasons for helping others help themselves to better their material lot need re-examination and re-articulation." It requires a certain amount of vision to appreciate the real meaning of this statement. The meaning will be clear when viewed in the context of his statement that "all too often development assistance is seen merely as a means of helping domestic manufacturers, producers and exporters find new business." It means that, if the richer countries of the world go on investing in the poorer countries only in the hope that thereby they would become richer still, they would be sadly disillusioned. Such an expectation would mean that the present disparity in incomes and standards between the developed and underdeveloped countries would last for ever. Surely, that cannot be, for there is a limit up to which certain countries can hope to be richer than others. Hopes are being held out by some leaders in the Western countries that the day when their workers will not have to work for more than three or four days in a week and yet be in a position to command a higher standard of living than they do at present is well within the practicability of the present generation. But, during this period, the underdeveloped countries cannot hope even to double their present miserable national incomes and that, too, after working six days in a week. If the old saying that prosperity is indivisible has not lost its force, can the world remain in peace for long with such disparities in incomes, living standards and leisure? The answer is obvious. The meaning of Mr. Black's remark is, therefore, clear. It is that the developed countries should help the less developed countries to move forward economically and socially, not in the hope that it will provide endless opportunities to amass vast wealth for themselves but in order to maintain even their present level of prosperity. And, accordingly, they should save more and invest a good part of their savings in the countries which are lagging behind, instead of expanding their domestic investments more and more. The present high rate of investments in Europe, America, Australia and Soviet Russia suggests that the industrialised countries are not yet alive to this aspect of economic development.

GOVERNMENT'S VERDICT ON I.I.S.CO.'S DIVIDEND NOT UNFAIR

MONEY MARKET—EXCHANGE BANKS—FREE TRADE

THURSDAY, 5 P.M.

MARKET GOSSIP

THE revival of bullish fervour in the share market witnessed in the previous two weeks has proved to be a short-lived affair. There has been a heavy all-round fall in equity values, following liquidation by disappointed bulls and fresh bear selling. A number of developments has conspired to bring about this fall. And these are listed here in the order of their importance. The rot began in the iron and steel section. There were some hopes that the Indian Iron and Steel Co., Ltd. might be able to pay a slightly higher dividend for 1955-56. Although these hopes were unwarranted, some operators would appear to have fallen victims to it. Consequently, when the Chairman of the Company announced to the public on Monday that the Company's application to the Government for permission to declare a higher dividend had been turned down by the authorities, they felt frustrated and decided to sell out their purchases. It may be noted, in this connection, that, of late, there has been a heavy overbought position in this scrip, as is evident from the continued heavy *budlis* which the bulls have had to pay in the recent fortnightly settlements. Another reason that must have induced the bulls to cut their losses and quit this counter is the prospect of having to pay still higher *budli* charges when the transfer books are closed, as they will be very soon, for declaring the dividend and raising the capital for which the Government has already given permission. Seeing the plight of the bulls, the bears must have been exploiting the situation as usual.

Close on the heels of the Government's decision on the dividend of Indian Irons, which had an adverse effect on the shares of the T.I.S.Co. also in sympathy, came the report that the ex-factory prices of cement produced by the new factories—such as the Digvijay Cement, Orissa Cement, India Cement, and Jaipur Udyog—had been substantially reduced. It is stated that the ex-factory prices have been reduced thus: Digvijay from Rs. 58 to Rs. 53-8, Jaipur Udyog from Rs. 57-8 to Rs. 53-8, Orissa from Rs. 57-8 to Rs. 54-8, India from Rs. 58 to Rs. 54-8 and U.P. State Unit from Rs. 61-8 to 54-8. In the case of Travancore and Mysore factories, however, an increase of Rs. 5-8 and Re. 1 is reported. Although no official notification announcing the cut seems to have been issued so far, the report appearing in a section of the daily Press has been taken by the market to be correct, especially as it has not been contradicted. As there appears to be no sound economic reason for so suddenly reducing the ex-factory prices of these new entrants, which have taken on hand large expansion programmes, this action of the Government has upset the confidence of investors. It has been interpreted as a move on the part of the authorities to favour its favourite child, the State Trading Corporation, which has been given the monopoly for distributing cement. The earlier belief that the S.T.C.'s invasion of the cement trade, all along held by the private sector, would be innocuous so far as the manufacturers are concerned has been belied. On the contrary, it has proved to be a case of the camel and the Arab, just as was anticipated in these columns. It is true that the ex-factory prices of the two old producers, namely, the A.C.C. and the Dalmia Cement, do not seem to have been cut, but who knows that they, too, will not be reduced later? It may be that the resources of the S.T.C. require to be enhanced, in order to subsidise the increasing volume of imported cement which cost far more than the domestic cement. But what certainty is there that this policy will not adversely affect the expansion of domestic production? Large sums of capital have to be invested for the purpose of increasing the domestic capacity. And, if monopolistic conditions are to be avoided in this basic industry, it is but right that the small factories should be given all encouragement to expand their capacity and become highly economic units. Again, was the Government's decision arbitrary or did it consult the Tariff Commission on this subject? In the interests of creating informed public opinion, the Government will do well to explain its action.

Meanwhile, the unexpected reduction in ex-factory cement prices has upset investors' confidence. Among the manufacturers and *entrepreneurs*, in general, it has given rise to a feeling of uncertainty about the Government's policy, while among the operators in the share market it has generated a fear that, in its anxiety to check inflationary influences, the Government might not hesitate to act boldly irrespective of the consequences to trade and industry.

This impression is confirmed by the manner in which, at the front, the Government has acted on the textile duties. It is common knowledge now that the excise duties on the cotton textiles were increased without a careful consideration of the pros and cons. When the Government realised the gravity of this would lead to an increase in the prices and the public were getting agitated over it, it rushed to announce fair prices for certain varieties of cloth and, in order to check profiteering in cloth. These prices were based on defective data and bore no relation to the cost incurred by the industry or the trade. This brought about a dislocation in the movement of cloth, because the majority in the trade refused to lift the goods from the mills, unless the latter agreed to bear the entire burden of excise duty. In fact, even now, the cloth trade is said to be virtually at a standstill. The trade and industry were hoping that they would get some relief from the Government after they had an opportunity to explain the position to the Finance Minister. They did get this chance last Sunday, when Mr. T. T. Krishnamachari paid a flying visit to this city. But nothing has come out of it, apparently because he has refused to budge even an inch. The trade and industry are sorely disappointed, for the anomalies arising from the Government's hasty and ill-considered action have been allowed to persist, to be corrected by the passage of time. In fine, they feel that the Government has been behaving like a sacred bull in a china shop.

Reports from the cloth market show that there has been a slight fall in the prices of cloth. The millowners are asserting that their profits for 1956 will be appreciably affected. The order on stocks that could be held by mills, if it were followed, would either back-fire on production or tell on their sale proceeds. In either case, their profits would be cut. All these considerations have begun to oppress the operators in cotton mill shares.

Among the other factors which have upset the share markets, mention may be made of the perceptible fall in the price of cotton, the downward trend in oilseeds and bullion, and the continued tightness of the money market.

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The circumstances in which the I.I.S.Co. approached the Government again for permission to increase the dividend and the grounds on which the Government refused it are set out in a circular letter by the Chairman—Mr. T. Leslie Martin—to the shareholders of the Company. The following are the main points from that circular:

(1) At the last annual general meeting of the Company, the shareholders had expressed a desire that the Board should request the Government again to permit the declaration of a higher dividend. The Board did so but got a negative reply.

(2) In May last, the Government refused the Company's request to raise fresh capital by the issue of ordinary shares at par to the existing shareholders. Instead, it insisted that these shares should be issued at a premium of Rs. 3-8 per share of Rs. 10 each.

(3) Since then, the Company had received numerous representations from its shareholders, expressing dissatisfaction over the restriction on the dividend and the fixation of a premium considered to be rather high by them.

(4) On 5th September 1956, the Company received a general representation from the shareholders on the aforesaid lines.

(5) The Company forwarded this representation to the Government for its sympathetic consideration and action. This was followed up by a visit to New Delhi by Mr. Biren Mookerjee, Governing Director of the Managing Agents and a director of the Company for personal consultations at the highest level. Mr. Mookerjee held discussions at the Ministerial level which extended over a period of six days.

(6) On 22nd September 1956, the Government wrote to the Company saying that "at this stage, it is unable to agree to any increase in the dividend rate."

(7) The reasons given by the Government for its decision are: (*a*) the Company has heavy debts; (*b*) it has a large expansion programme for which it requires more financial resources; (*c*) the Government has guaranteed the loan taken by the Company from the World Bank and has to guarantee another loan which it wants to take from the same source; and (*d*) the Government has given a large interest free loan. For these reasons, it will not be in the long-term interest of either the shareholders or the public to pay a higher dividend. The proper thing to do would be to conserve the resources. "Ultimately, the shareholders will have the full share of the increased profits. By continuing the rate of dividend at the present level for some time, the economic and financial position of the Company will be further strengthened and the Government is sure that, when shareholders fully appreciate this point, they will readily agree to give their fullest support to this policy."

(8) As regards the Company's contention that, while giving a loan to the Company, the Government did not make control over the dividend as a precedent to the grant of loan, the Government has observed that "it had been made clear to the Company, in the course of the loan negotiations, that the Government of India should be consulted in the matter of distribution of profits earned."

(9) The Government's reply has been given by Pandit Pant in his capacity as the Minister for Home Affairs and Heavy Industries.

(10) Pandit Pant has requested Mr. Biren Mookerjee to explain the Government's point of view to the shareholders.

It is now clear why the Company approached the Government again, even though it had been refused permission last year, and why the Government could not comply with the Company's request. In our view, the Government's explanation is quite convincing, and the shareholders are not right in pressing the management for a higher dividend, when the Company is still in the stage of growth and when its financial position is not yet stabilised. In view of its commitment to the World Bank and the grant of an interest-free loan from the public exchequer, the Government is entitled to have a say on the distribution of the Company's profits. Indeed, the case against the payment of higher dividend has been so strong all the time that it would be true to say that the majority of operators in the share market did not count upon any increase in the dividend. Incidentally, it is rather strange that hints about the possibility of a higher dividend began to appear in the share market only after the date of the Government's letter conveying its decision to the Company. On 20th September, the Company's shares were quoted in Bombay at Rs. 35-2. Next day, they rose to Rs. 35-10. On the 24th inst., they saw a peak of Rs. 36-0-6. Thereafter, they moved within a narrow range of As. 4. On the 26th inst., they suddenly dropped to Rs. 35-2-6 only to jump up again to Rs. 36 on the same day. They moved up further to Rs. 36-4-6 on the 28th inst., the recovery being due to revival of strong rumours of a higher dividend and, after gradually coming down to Rs. 35-12 on Monday the 1st inst., the scrip quickly retreated to close at Rs. 34-9 today. These movements warrant the inference that the market in this counter was lifted up first by somebody in the know of things by spreading misleading reports in order either to get out of previous commitments or to make a nice packet later by selling at the higher levels. There is, of course, nothing to be surprised about this, because it is public knowledge that there is no secret in New Delhi which cannot be had for a price.

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It now looks as though there is going to be no slack season for the short-term money market this year. In a few weeks, the marketing season will start; already the cotton crop has begun to move in the Punjab, albeit on a small scale. In view of the heavy sugarcane crop, the Government is anxious that the mills should begin crushing earlier than usual. There has been no slackening in the arrival of imports, while the Suez Canal crisis has given a special push to exports of certain commodities such as tea. The banks are thus busy, even though we are only in the first week of October. Normally, the busy season does not start before the middle of November. Supply of floating funds is next to nothing and the market is continually in the Bank. Conditions in the market are, therefore, stringent, with banks prepared to pay 3½ per cent. for call money, 3 per cent. for House money and the same rate for short-term deposits.

In recent years, between the months of July and November, there used to be at least some fall in short-term interest rates. So far this year, there has been no such fall, excepting that for a week or so in July, when the inter-bank call rate fell a little below 3 per cent. and even this happened only among the big banks. The main reason for this state of affairs has been the heavy borrowings by the Central and State Governments. These borrowings have drained off the money market not only all the surplus cash, but also a good part of the banks' capacity to create credit. The banks have had to take up a sizable block of these loans under pressure from and persuasion by the authorities. Besides, they have also had to finance at least half, if not more, of the subscriptions to State loans by others. In order to do so, they had to take large loans from the Reserve Bank, all of which have not yet been repaid. Of course, no bank will borrow from the Reserve Bank, unless it is absolutely necessary. It will do so only after using up all its available liquid resources.

If money is tight even in the first week of October, one can easily imagine that it will be dead tight when the forthcoming marketing season gathers momentum. People will do well to bear this point in mind, lest they should be told, once again, that the Exchange banks are the root of this problem. We thought that this myth had been exploded long ago, but we find that we are mistaken. Only a few days before, another banker, Mr. V. P. Varde, a leading co-operator, blamed the Exchange banks for the stringency in the money market. Referring to the keen competition for deposits among banks, he said there was a "mad race" among them for attracting deposits by offering fantastically high rates and had a dig at the Exchange banks by saying that "they have found it profitable to offer rates from 3½ per cent. to 4 per cent. for call and short deposits." Our enquiries go to show that Mr. Varde is not correct even about his facts, unless he means the rates quoted by joint-stock banks in the mofussil. But mofussil rates are no criterion; generally speaking, in these centres the Indian banks pay more than the Exchange banks, which, in any case, are mainly concentrated in Calcutta, Bombay and Madras.

Higher interest rates are a world-wide trend at present. The Indian economy is by no means so isolated from the world economy as to be free from the effects of this trend. True, we are living in a planned economy in India, but it is not a closed economy; nor is it a totalitarian one, where the State has absolute control over everything. All the same, the authorities have been successful in keeping down the interest rates well below those in many parts of the world or what they would be if the law of demand and supply had been allowed to have its say on the money market. The position of the money market would not have been more favourable to borrowers than what it is, if the Exchange banks had ceased to operate, for it is not these banks which import the higher money rates from the rest of the world to India; it is our foreign trade that does so. It is, therefore, unfair to lay the blame for the general increase in money rates at the door of the Exchange banks. On the contrary, it is well known that, because of the resources available to them abroad, they are able to utilise their entire borrowing in this country to finance Indian commerce and industry, instead of having to employ some of it for statutory deposits, investments, etc. This will also serve to dispel any notion that the Exchange banks use Indian funds outside this country.

(*Continued on page 695*)

EQUITIES RETREAT

HEAVY LIQUIDATION ALL ROUND

(From Our Own Correspondents)

BOMBAY, *4th October*

THE cheerful note witnessed on the Stock Exchange in the previous week proved to be a short-lived affair. For the equities succumbed to a shake out during the week under review, resulting in fair-sized losses over a wide range of counters, which more than wiped out the previous week's gains.

The change in sentiment was due to nervous liquidation, which was particularly more pronounced yesterday induced by rumours about the possibility of a rise in Bank rate. The other bearish factors which were responsible for the heavy marking down of values were: (1) the prospect of an increase in interest rate charged by the Industrial Finance Corporation on loans to industries; (2) the absence of any fruitful result from the Millowners' talk with the Finance Minister about *the excise duty on cloth*; (3) the Government of India's refusal to accede to the Indian Iron and Steel Company's request seeking permission for raising the dividend for the year ended 31st March 1956; and (4) the reported decision of the Government of India to reduce the ex-factory price of cement in respect of several factories. The undertone at the close was subdued.

In the steel section, Tata Ordinaries opened on a cheerful note and in a spell of brisk activity jumped from Rs. 200-4 to Rs. 201-12. Subsequently, however, a reactionary trend set in under heavy bull liquidation, bringing the price to a low of Rs. 195 today. The closing was a shade better at Rs. 196. After an early recovery from Rs. 36-1½ to Rs. 36-4½, Indian Irons retreated to Rs. 34-7½, the lowest since 30th April last, and closed at Rs. 34-9.

Textiles also suffered a sizable decline all round on bull liquidation. Bombay Dyeings reacted from Rs. 648-12 *cum-div.* to Rs. 628-2 *ex-div.* (div. Rs. 7-8) before gaining to Rs. 634-6. Centurys, which were well supported last week, met with heavy profit-taking and dropped from Rs. 567-8 to Rs. 552. The closing was better at Rs. 556. Kohinoors fell from Rs. 369 *cum-div.* to Rs. 353-8 *ex-div.* (div. Rs. 6), but finished higher at Rs. 356-4. Central Indias shed a rupee to Rs. 151, while Edward Textiles provided an exception with a sharp rise of Rs. 22-8 to Rs. 345 on interested buying. Finlays declined by Rs. 7 to Rs. 345 and Gokaks by Rs. 5-8 to Rs. 238. Indu Ordinaries changed hands As. 8 lower at Rs. 12-1. Indore Malwas were marked down by Re. 1-14 to Rs. 154-6, despite the increase in interim dividend *for the current year from Rs. 3* to Rs. 5 per share, Khataus receded by Rs. 5 to Rs. 250 and New Kaiser-I-Hinds by Rs. 5-10 to Rs. 127-8. New Greats were relatively steady at Rs. 250, while Sassoon Silks declined by Re. 1-4 to Rs. 12-4.

Activity in bank shares was restricted, but the undertone was steady. Barodas were maintained at Rs. 102, while Centrals were down by a rupee at Rs. 52. Centrals (New) showed no change at Rs. 56-8. Bank of Indias gathered a rupee to Rs. 173-8 and United Commercials changed hands As. 12 higher at Rs. 58-4.

In the electricity section, only selected issues, particularly among the Tata Hydro group, were in demand. Ahmedabad Electrics fell sharply from Rs. 95-15 to Rs. 94-11, while Bombay Suburbans gained As. 15 to Rs. 110-5 and Surats As. 5 to Rs. 119-1. Tata Hydros were well held at Rs. 131, while their New shares moved up from Rs. 121-8 to Rs. 125. Andhra Valleys were bid Rs. 12-8 higher at Rs. 1,255. Tata Powers, on the other hand, were marked down from Rs. 1,325 to Rs. 1,305.

Miscellaneous section was subdued in sympathy with the general weakness. In the sugar group, *Belapurs suffered a drop from* Rs. 254 to Rs. 248-8 before closing at Rs. 251-4. Bhopals were better on balance by As. 3 at Rs. 18-3, while Phaltans receded by Rs. 5 to Rs. 163-8. Shree Krishna Gyanodays, which were admitted on the Bombay list this week, were held at Rs 12-11. Walchandnagars shed Re. 1-14 to Rs. 271-4. Cement shares were on offer for reason stated above. Although Associated Cement's price was not affected by the cut, the shares were pushed down by Rs. 203-4 to Rs. 197-12, before they closed at Rs. 198-8. Digvijays suffered a drop of Rs. 10 to Rs. 195-8. Dalmia Cements were lower by As. 2 to Rs. 15 and Orissas by As. 1¼ to Rs 13-6. Ashoks were, however, better by As. 4 at Rs. 12-14. In the engineering and mining group, Alcocks gave way from Rs. 345 to Rs. 340 and Tata Locomotives from Rs. 174-8 to Rs. 166-8. Larsen and Toubros were steady at Rs. 19-1 and Mahindra and Mahindras at Rs. 16-2. Premier Constructions lost ground from Rs. 217 to Rs. 209. Shivrajpurs changed hands Rs. 2 lower at Rs. 86. Indian Coppers were done at Rs. 7-1 *ex-div.*, as against Rs. 7-9½ *cum-div.* (final div. As. 7½ per share). B. B. Petrols dropped from Rs. 3-13½ to Rs. 3-11¾.

Shipping shares, which were in the limelight last week, could not hold their own in the face of the general recession. Scindias, after an initial rise from Rs. 19-8 to Rs. 19-11, receded to Rs. 19-1. Great Easterns were lifted up from Rs. 21-10 to Rs. 23, following the increase in dividend from Re. 1 to Re. 1-8 for the year ended 30th June 1956, but receded to Rs. 21-14. India Steamships were held at Rs. 10-8. Premier Automobiles reacted from Rs. 104 to Rs. 101-8 and Hindustan Motors from Rs. 10 to Rs. 9-11. Among miscellaneous industrials, Bombay-Burmahs were on offer bringing the price down from Rs. 758-12 to Rs. 727-8 on reports that no decision had been taken on the capital reorganisation. The closing was a shade higher at Rs. 733-2. National Rayons fell from Rs. 174-8 to Rs. 166-8. B.I.Cs were lower by As. 7 at Rs. 11-1. Tata Chemicals shed As. 6 to Rs. 19-12, while Alembic Chemicals were done Re. 1-4 higher at Rs. 121-4. Tata Oils, after gaining ground from Rs. 56-8 to Rs. 58-4, moved down to Rs. 57. Wimcos were quiet at Rs. 178-12.

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Calcutta Stock Exchange

CALCUTTA, *3rd October*

The week under review on the Calcutta Stock Exchange witnessed fully steady conditions and such an unusual rally before the *Pooja* spell of holidays was aided by short-covering, good corporate news, and encouraging reports from Bombay. Working results of a few more engineering companies were announced during the week, and these naturally focussed the market's attention on the assured future of the engineering industry, for which Calcutta is the great centre of the country and which is, therefore, the backbone of industry in this part of the world and naturally of the Calcutta stock market. However, in contrast to this trend, speculative Indian Irons were hammered down on Monday when Mr. T. Leslie Martin, the Chairman of I.I.S.Co., announced the failure of his Company's efforts to persuade the Government of India to raise the dividend above the usual 10 per cent. in case working results permitted. New Delhi has reiterated its view that at present all resources should be mobilised for further expansion and repayment of loans to the Government and the World Bank. When these objectives are achieved, naturally the shareholder would be a beneficiary in the long-term.

Tea shares met with encouraging support during this week following the up-trend in tea auctions both in London and in Calcutta and the decision of the North-East Indian gardens to curtail production for a part of the rest of the plucking season as well as to destroy all residue teas considered unfit for sale in auctions. These steps would naturally bring about a better balance between demand and supply, as during recent months there had been a tremendous increase in production which naturally caused apprehensions in the market. There was a note of recovery in coals following the slight improvement in the strike situation in the Raneegunj coalfields, albeit the havoc caused by the recent floods in as many as 25 mines in the Raneegunj-Asansol area and the time and effort involved in restoring these mines to a working state. In jutes, selected counters forged ahead, while in miscellaneous industrials expansion plans set in in a fresh wave of investment buying. The prospects of a peaceful solution to the Suez Canal dispute and the suspension of the freight increase by the Far East Conference Lines also aided sentiment, but anxiety with regard to the unrest of the port workers was entertained. The market was closed yesterday on account of *Gandhi Jayanthi* and today on account of *Mahalaya*.

Engineering shares were the cynosure of all eyes in the market, and several counters added substantial improvements. For the year ended December last the dividend for Hooghly Dockings has been maintained at 12.5 per cent., despite a slight decrease in profits following diversion of funds for *expansional activities. In transactions*, the quotation reached a high of Rs. 148 from Rs. 142 finishing fully steady at Rs. 145. Indian Standard Wagons provided another favourite counter and the scrip recorded a further rise from Rs. 225 to Rs. 228. Investors derived considerable encouragement from the working results for the year ended March last for which a dividend of 30 per cent. (25 per cent.) has been announced. The Management of the Company are approaching the Government for permission to issue bonus shares in the proportion of one new ordinary share for each ordinary share issued.

Texmacos continued to meet with steady support at Rs. 23-8. The Corporation is not only making satisfactory progress in present lines of production such as metre gauge wagons, carding machines and boilers, but is embarking on a plan of production of fresh items such as cotton spinning machinery, card clothing, sugar and jute mills machinery, broad gauge wagons and water tube boilers. After touching Rs. 28-4 from Rs. 27-6, Richardson & Cruddas shaded off to Rs. 28, while Indian Galvanisings attracted special attention and were lifted from Rs. 21-8 to Rs. 23-10. Kumardhubis were dealt with at Rs. 9-14, as against Rs. 9-10 and Jessop & Cos., after hardening from Rs. 37-6 to Rs. 38-5, closed firm at Rs. 37-12. Indian Irons rose earlier from Rs. 36 to Rs. 36-5 on the possibility of an increased dividend for the year ended March last but sagged to Rs. 35-11 on Monday following the Chairman's announcement mentioned above. The announcement of the usual dividend of 10 per cent. in the next few days is anticipated.

In the miscellaneous industrial section, Dunlop Rubbers were in good form at Rs. 30, consequent on the announcement of the plan to increase output in the Calcutta Shahganj factory and to install a new plant near Madras to meet the demand of Dunlop products in South India. National Carbons touched Rs. 30-3 from Rs. 29-11, while National Rollings sagged further to Rs. 11-2 from Rs. 11-4 in the absence of any improvement in the labour situation to revoke the lock-out in a section of the mills. After last week's buoyancy, there was profit-taking in Indian Wood Products, which pulled the rate down to Rs. 47-8 from Rs. 48. Indian Aluminiums were fractionally better at Rs. 19-14 as were Osler Lamps at Rs. 5-6. Angelo Bros. were accorded more attention and the quotation was lifted up to Rs. 23-8 from Rs. 23-1. Indian Coppers continued to be fully firm and rose to a high of Rs. 7-3.

Sone Valleys, in the cement group, high-lighted attention and the rate improved to as high as Rs. 9-14 from Rs. 8-13. Asokhas also put on an improved appearance at Rs. 13, as against Rs. 12-11 earlier.

Further support was forthcoming to India Steamships, among shippings, and the rate soared from Rs. 10-6 to Rs. 10-15 by Friday before reclining to Rs. 10-10 on Monday. Port Shippings came to business at Rs. 17-10, as against Rs. 17-14 previously.

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Madras Stock Exchange

MADRAS, *1st October*

Barring bank shares and a few miscellaneous industrials which ruled firm on special buying support, the Madras Stock Exchange depicted distinctly easy conditions during the week under review. Tea shares encountered selling pressure induced by fears of reduced return on investment; the fears were based on the possibility of a fall in tea prices, following the recent restrictions on direct shipments for London auctions. Rubber shares lacked enquiries in the absence of any encouraging development. But coffee shares were somewhat firm. Activity in the textile section was restricted, with values drifting lower. For traders preferred to watch the trend of the piecegoods markets in the light of the order prohibiting textile mills from stocking more than one month's average production and the wholesalers from holding more than three months' stocks. Bank shares, however, recorded, as already stated, an improvement in values, thanks to buying by special quarters. Gold mining shares provided a bright spot; encouraged by increased compensation provided in the Mysore Government's Bill to nationalise gold mines, the shares staged an impressive rally.

Textile shares generally gave way. Metturs climbed down by Rs. 7-8 to Rs. 462-8. Coimbatore Pioneers dropped Rs. 5 to Rs. 525. Janardhanas fell by Rs. 3-8 to Rs. 113 and Ranga Vilas by Rs. 3 to Rs. 92. Loyals receded by Rs. 2 to Rs. 52-12. Rajadhunagars lost a rupee each to Rs. 186, Rs. 155 and Rs. 92 and Rs. 39, respectively. Kotharis declined by As. 14 to Rs. 18-6. Lakshmis and Venkatesas eased by As. 8 each to Rs. 258 and Rs. 180, respectively. Premiers, on the other hand, elicited good attention and rose by Rs. 5-8 to Rs. 260.

In the planting section, tea shares lost ground. Devasholas and Stanes Amalgamateds moved down by As. 4 each to Rs. 25-4 and Rs. 13-1 *cum-div.* (interim), respectively. Talayar Teas shed As. 3 to Rs. 13-1 *cum-div.* (final). Periakaramalais were lower by a similar sum at Rs. 9-14. Neelamalais decreased by As. 2 to Rs. 7-14. Among rubber shares, Cochin Malabars dropped As. 5 to Rs. 12. Malankaras and Vaikundams slipped by As. 4 each, the former to Rs. 36 *cum-div.* and the latter to Rs. 35-4. Vayitris were neglected at Rs. 2-10 *cum-div.*, as against Rs. 2-11. The directors of the Vayitri Plantations Ltd. have declared a dividend of 9 per cent. for the year ended 31st March 1956, same as last year. Among coffee shares, Rajendras hardened by As. 6 to Rs. 12. Kadur Coffees gathered As. 4 to Rs. 3. Amalgamateds were fully maintained at Rs. 12-10 and Coffee Lands at Rs. 27-4.

In the banking section, Bank of Mysores were well supported by some special quarters and the quotation advanced by Rs. 2-8 to Rs. 262-8. Indian Banks (Rs. 70 paids) improved by Rs. 2 to Rs. 154. Indian Overseas picked up Re. 1-8 to Rs. 153. Andhra Banks (Rs. 70 paids) were better by Re. 1-2 at Rs. 83-8.

Among miscellaneous industrials, Nundydroogs were keenly sought at Rs. 8-8 *ex-div.*, as against Rs. 6-12 *cum-div.* Champion Reefs rallied Re. 1-12 to Rs. 6-4. Mysore Golds (K.G.F.) put on As. 2-6 to Rs. 2-10. Rallis came in for enquiries and spurted by Rs. 2-4 to Rs. 44. Textools strengthened by Rs. 2 to Rs. 222. Singarenis gained As. 6 to Rs. 11-2. *India Steel Rollings*, however, receded by As. 3 to Rs. 14-14. F.A.C.Ts shed As. 2-3 to Rs. 7.

There was a jump of Rs. 9 to Rs. 215 in the quotation for United Breweries which were bid by professional interests. Other shares in the sugar section were unchanged at last week's levels.

TEXMACO

Reviewing the progress of the Textile Machinery Corporation Ltd., during the year 1955, our issue dated 15th September, *vide* page 526, stated that the Company's shares were being currently quoted at Rs. 23-8 *cum-div.* This is wrong. The rate of Rs. 23-8 does not include dividend of 10 per cent. For the year 1 Company paid only an interim dividend cent. which later became the dividend for year, as no further dividend was Assuming the market rate for the Rs. 23-8, the yield on the shares works per cent. per annum.

The Directors of Pan American World Airways Inc. have declared a dividend of 20 cents per share to stockholders of record at the close of business on 13th April 1956. This is the forty-sixth dividend paid by Pan American. A payment of 20 cents a share was made on 10th March 1956. Dividend payments have been made each year since 1941.

NEWS IN BRIEF

A PAPER mill will soon be set up either at Mettur or in Malabar at a cost of Rs. 3½ crores by a private agency. A German expert who recently studied the problem had recommended that the mill be located in Malabar where bamboo was available in plenty.

A Rs. 400-lakh scheme for taming the Makla river in Bihar has been formulated by the State Government. The scheme will help to irrigate 150,000 acres of land and save another 200,000 acres from floods. The Planning Commission's approval of the scheme is awaited.

The policy for export of raw wool has been reviewed by the Government of India in the light of the availability and the requirements of the indigenous industry and it has been decided to release a further quantity for export during the period October 1956 to 31st March 1957.

The Union Government has approved of a scheme for setting up a glass factory for the manufacture of scientific glass apparatus at the Guindy Industrial Estate, Madras. Estimated to cost Rs. 8 lakhs, the factory is expected to begin functioning from early next year. The factory will also produce glass tubes which are at present being obtained partly by imports and partly by indigenous production.

The Government of India has appointed an 11-member committee to advise on the location of the refinery for refining the crude oil produced in the Assam oil fields. Mr. S.S. Vasist, Adviser, Ministry of Railways, is the Chairman of the Committee which also includes two foreign representatives, one each from France and Rumania. The Committee has been asked to submit its report within two months.

An agreement for *ad hoc* transitional arrangements for the use of waters of the Indus system rivers till 31st March 1957 has been reached by India and Pakistan. The agreement provides for the continuance of arrangements for establishing *ad hoc* amounts for additional canal withdrawals by India from the three rivers Ravi, Beas and Sutlej on lines similar to those of the previous transitional agreements which ran from 1st April 1955 to 31st March 1956.

A number of industrial schemes for the manufacture of machinery and engineering goods has been approved by the Government of India. A Calcutta firm is to be allowed to set up a new undertaking in Howrah District; it proposes to make two cargo boats, four tugs and four barges per year, the capacity of vessels being 400 to 900 tons. A firm in Bombay is to be permitted to expand its capacity for the manufacture of cast iron spun pipes from 2,700 tons to 4,300 tons per year.

The Government of India has reviewed the policy for export of Madras-Mysore silk waste in the light of the availability and the requirements of the indigenous industry and has decided to allow the export of silk waste of Madras-Mysore origin by those holding stocks. Exports will be permitted by the Joint-Chief Controller of Imports and Exports, Madras, on production of stock returns showing stocks, as held on 5th September 1956 duly certified by the Director of Industries, Madras or the Director of Sericulture, Mysore.

A high level expert committee has been constituted by the Central Government to consider the reorganisation of the administrative services in the light of the need to accelerate State sponsored industrialisation. A senior member of the I.C.S., Mr. L. P. Singh, who was till recently Chief Secretary to the Government of Bihar, has been appointed officer on special duty in the Home Ministry to undertake the necessary enquiries. He will be assisted by a Consulting Committee, consisting of the secretaries of all the important ministries.

The control and management of State collieries, now being managed departmentally under the Ministry of Production, was transferred to the newly set-up National Coal Development Corporation on 1st October 1956. The Corporation, which is entirely Government-owned, was registered early this month at Ranchi as a private limited company, with an authorised capital of Rs. 50 crores. The Minister for Production, Mr. K. C. Reddy, is the Chairman of the Board of Directors of the Corporation and and Mr. R. S. Krishnaswamy, Coal Production and Development Commissioner, is its Managing Director.

A scheme for popularising the presentation of National Savings Certificate or National Plan Certificate as gifts on such happy occasions as marriage, birthdays, etc., has been drawn up by the Government of India. The scheme provides for the issue of gift coupons in attractive designs in denominations of Rs. 5 to Rs. 1,000. The recipient of the coupons will be entitled to get them exchanged into 12-year National Savings Certificates, or 10-year National Plan Certificates of their issue price, on application to any post office. In the event of the gift not materialising, the donor can convert the coupons into savings certificates or get refund, subject to certain conditions.

A Tele-communications Agreement was signed on 29th September between the Government of India and the Government of People's Republic of Poland. The Agreement provides for the exchange of wireless telegraphic messages and telephone calls, either State or private, between India and Poland and for the different rates to be charged for the different categories of telegrams and the apportionment of charges between the Tele-communication authorities of the two Governments. In so far as matters which are not specifically covered by the Agreement are concerned, the provisions of the International Telegraph and Telephone Regulations shall apply.

Representatives of the Government of India and the Associated Electrical Industries of Britain, who are technical consultants for the Government's heavy electrical equipment project, have agreed on the items to be manufactured during the first stage of production. The factory, which is being located near Bhopal, is expected to go into production by 1960 and will attain full capacity by 1967. A private limited company known as the Heavy Electricals (Private) Ltd., entirely owned by the Government of India, has been set up to control and manage the project. The schedule of manufacture includes A.C. and D.C. rotating machinery, rectifiers, transformers, switch-gears, traction and control gears, industrial control gears, D.C. motor starters, capacitors and water wheel turbines.

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From Abroad

The Swiss insurance companies have decided to levy a supplementary war risk premium of 0.25 per cent. on Suez Shipping Policies.

Following a request by the Union of Bank Employees, the French Ministry of Labour has decided to close all French banks on Saturdays, this winter.

Mr. Walter Reuther, President of the United Auto Workers' Union, has announced that the organisation has planned a campaign for a four-day week in 1958.

The rural family enterprise continues to be dominant in West Germany; 80 per cent. of the agricultural enterprises and the territory under cultivation are owned by small and medium-scale peasants.

The I.M.F. has granted Egypt an emergency loan of $15 million, which will be used for the purchase of wheat from Canada. A Fund spokesman said that the loan is fully covered by Egypt's contribution in gold to the Fund.

The capital of the International Synthetic Rubber Company in Britain, sponsored in November last jointly by Dunlop, Goodyear, Firestone and Michelin, is being increased. The Company is to handle a £7-million scheme to produce general purpose synthetic rubbers in the U.K.

The West German Bundestag (Lower House of Parliament) has approved of a 99-year interest free loan of 240 million marks to Yugoslavia. This is the main item in a treaty of economic co-operation between the two countries, ratified by the Bundestag.

Most of the so-called "people's owned farms" in the German Soviet Zone are working unprofitably. This was revealed by the East Berlin Ministry for Agriculture and Forestry which stated that last year about 85 per cent. out of the 535 farms of this kind did not reach the profit-target.

The Japanese Cabinet decided on 25th September to ease restrictions on exports to China within the framework of the relaxed embargo policies of Western European nations. Mr. Mamoru Shigemitsu, the Foreign Minister, said that the Government would adopt a "special permission" system for exports to China.

Five major shipping companies trading with the East (the Orient Line, the P. and O., Royal Inter Ocean, Shaw Savill and the British India) have increased their freight charges by 10 per cent. from 1st November. This increase will also apply to ports in the Persian Gulf, Ceylon, Burma and Pakistan.

Egypt and Libya have signed a one-year trade and payments agreement which provides for most-favoured nation treatment between the two countries. The agreement stipulates a mutual 25 per cent. reduction in customs duties and lays down that transit trade will be subject only to "fair and reasonable" internal duties.

Exports of the British aircraft industry during the first eight months of this year reached a new record level of over £73 million, about £7 million more than the figure for the whole of last year. Exports of complete aircraft amounted in value to £51½ million, engines £18½ million, and electrical equipment, tyres and instruments £3 million.

Japanese Government officials have observed that Japan will press for increased exports to the sterling area following the marked decline in its sterling balances. Its case will be put at Anglo-Japanese trade and payments talks to be opened in London shortly. Japan's sterling balances have declined to about £45 million from about £95 million a year ago.

Russia has agreed to grant Poland a credit of 100 million gold roubles at two per cent. annual interest. The credit includes supplies of copper, rubber, and fats and will be repaid by supplying goods to the Soviet Union between 1957 and 1960. Poland has also been granted a four to five years extension of payments of loans and credits received earlier and which are due for payment.

The United States first nuclear-powered merchant ship will be a passenger-cargo vessel with a service speed of 21 knots. The Maritime Administration and the Atomic Energy Commission have reached agreement on the type of vessel to be built at a cost estimated at $40 million. According to Mr. Clarence G. Morse, the maritime chief, the ship would be completed and put in operation before the end of 1959. The ship will have a dead weight capacity of about 12,000 tons.

The Institute of London Underwriters has reduced by 2s. 6d. per £100 the insurance rate for war, strike, riot and civil commotion risks on cargoes going through the Suez Canal and also to, from or transhipping at Egyptian Ports. This reduction follows two increases by the Institute since the Suez Canal was nationalised. The new rate means that through-Suez rates are now 2s. 6d. per cent. above the schedule issued by the Institute in July. It replaces last week's announcement of increases of 5s. per cent. above the July charges.

At a meeting of the Coal Committee of the U.N. Economic Commission for Europe, held recently at Geneva, all the main coal producing countries of Europe have agreed to pool their plans to increase their coal output. In view of the rising demands for energy in general, delegates agreed that measures should be taken to increase coal production in Europe, provided that it could be done economically. It was felt necessary to draw up an inventory of the intentions of Governments concernings policy as regards future coal production and trade. Producing countries agreed to send to the E.C.E. Secretariat detailed statements of their plans.

PERSONAL

MR. J. R. D. Tata, Chairman of Air-India International Corporation, returned to Bombay from London on Friday last. He attended the annual meeting of the International Air Transport Association held in Edinburgh last week.

Mr. John Fuller, head of the Hotel Management Department of the Bettersea Polytechnic, London, arrived in Bombay from London on Tuesday. He has been invited by the Ministry of Transport to advise them on the setting up of a centre to train executive staff for hotel management. He will be in India for three weeks.

Mr. Miguel Cuaderno of the Philippines was named Chairman of the Board of Governors of the 60-nation World Bank and the International Monetary Fund. He succeeded Senor Antonio Carillo Flores of Mexico in the post. Mr. Cuaderno who is an outstanding advocate of a hard money policy in his country, has long championed the cause of the less developed countries.

Mr. O. V. Alagesan, Deputy Minister for Railways and Transport, left Bombay for London on Tuesday this week on a five-week tour of the Continent. Besides attending the General Conference of the International Union of Official Tourists' Organisations in Vienna from 19th to 26th October, he will study the working of ports and will visit road research installations in Paris, London and West Germany.

Dr. I. Drogin, Vice-President (Technical Sales) of the United Carbon Inc., Charleston, West Virginia, accompanied by Mrs. Drogin, has arrived in India on an extended tour which will take him to all parts of the country. Dr. Drogin is a world authority on carbon black and rubber technology and is the author of numerous works on these subjects which have been translated into many languages. During his tour he hopes to visit all important users of carbon black and to acquaint himself both with the industries as they now are and with their plans for development and expansion under the Government's second Five-year Plan.

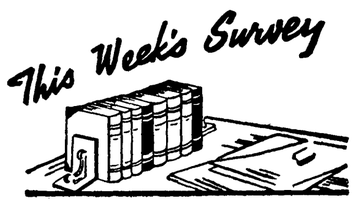
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *3rd October*

Rupee Gold and Rupee Sterling

The rupee-ratio is dead: Long live the rupee-ratio—that is the effect of the dramatic changes brought about by the promulgation of Ordinance No. 6 of 1931 and its immediate cancellation by Ordinance No. 7 of 1931. While the former effected a departure from the rupee-ratio at 1s. 6d. gold, the latter linked it to 1s. 6d. sterling. There was thus a conflict between the announcements of the Finance Member and of the Secretary of State for India; the interpretation of the former being that India would be allowed to fall away not only from gold, but also from sterling; while the latter definitely pegged the rupee to the sterling. The result was that while the Ordinance No. 6 temporarily relieved the Government of India from the obligation under the Currency Act of 1927 to sell gold or sterling, the Ordinance No. 7 provides for the sale of gold and sterling by the Government of India for the specific purpose of financing (1) normal trade requirements, excluding import of gold or silver coin or bullion; (2) contracts completed before 21st September 1931, and (3) reasonable personal or domestic purposes; but Government undertakes not to sell gold or sterling to liquidate over-sold exchange position of any bank in respect of any month subsequent to the month in which the demand for gold or sterling is made. Now, though the rupee-ratio is maintained intact in relation to the sterling, yet, as the latter has fallen in relation to foreign currencies to the extent of approximately 25 per cent., the rupee, in relation to the U.S.A. gold dollar, is no better than 1s. 1*d*. Thus, to all intents and purposes, the advocates of the sixteen pence ratio have obtained their wish so far as India's exchange is concerned with countries outside British India. There continues, however, still a sharp cleavage between the protagonists of sixteen-pence and those of eighteen-pence. This battle royal will never cease as economists, like doctors, will always differ in respect of both the diagnosis and the recipe.



BURMAH-SHELL'S GESTURE

THE Government of India has "gratefully accepted" the Burmah-Shell Refinery's "gesture of goodwill" in voluntarily surrendering the protection it had been given in the shape of a low excise duty. Under the agreement between the Government of India and the oil refinery companies, the Government had agreed to grant to the companies for a period of 10 years a "duty protection" of As. 2 per Imperial gallon. This protection is given by maintaining the duty on imported motor spirit at a level that is As. 2 higher than the excise duty levied on locally manufactured motor spirit. The object of this protection is to encourage oil refining in India. The Burmah-Shell Refinery Company, as a result of a recent appraisal of its financial position, has agreed voluntarily to give up this concession. The collection of excise duty at the enhanced rate began from 1st October 1956.

The Burmah-Shell's gesture will be widely welcomed in all quarters, particularly by the critics who have held that the oil refineries in this country are making excessive profits. It will be recalled that, in August last, the Speaker of the Lok Sabha allowed a half-hour discussion on the profits of refineries. Some members demanded even nationalisation of the refineries on the ground that their profits were high though it was never clear to others what connection there was between State-ownership and high profits. Replying to the discussion, Sardar Swaran Singh, the Union Minister for Works, Housing and Supply, pointed out that it was too soon to consider the question whether the concessions the Government had agreed to give to these companies were in any way excessive; after all, the companies had worked only for one year. The question could be reviewed, he said, after the companies had settled down to normal business. He added:

"If Government were to keep constant vigilance over the activities of these refineries, they could ensure that the oil companies do not derive undue advantage based on any technical or liberal reading of the agreements concerned. In fact, I am confident that, should a situation arise where the working of the refineries in practice produces more than a reasonable profit, the oil companies themselves could be persuaded—indeed, there is reason to believe that they might even voluntarily offer to do so—to adjust their retail prices or make such other changes as may be feasible, so that they derive no more than what may be a fair and reasonable return on their investment."

Sardar Swaran Singh's confidence in those who own the refineries has been fully justified by events. The Burmah-Shell's gesture, it is stated, will benefit the Government to the tune of Rs. 2.2 crores. Revealing this, Mr. K. C. Reddy, Union Minister for Production, in the course of a recent Press Conference, at New Delhi, expressed the hope that the other two refining companies, namely, the Stanvac and Caltex, would also make a similar gesture. It remains to be seen whether the financial position of these two companies will permit a similar gesture to be made. It has been computed that the gain to Central revenues through the surrender of protection by all the three companies would be of the order of Rs. 4.5 crores per year.

Be that as it may, the public is entitled to ask whether the benefit of the improved financial position of oil refineries, which permits a voluntary surrender of protection to be made, could not be passed on to consumers. In July last, when the question of "high" profits of oil refineries was raised in the Lok Sabha, Mr. Swaran Singh said that there was no intention to place any restrictions on the profits made by the oil refineries, but the question of price fixation for motor spirit required Government's approval. The obvious implication was that the Government would review the prices of motor spirit in the light of the profitability of its production. Indeed, Mr. Swaran Singh added that "as transport is very important, it is the Government's policy to ensure that supplies of oil are made available in all parts of the country at prices which are not excessive." The Government will do well to bear in mind the spirit of this assurance in determining its policy towards oil refineries.

NUCLEAR SHIPS

The Suez crisis is, indeed, a dark cloud. But it is not apparently without its silver lining. It has imparted a new sense of urgency in the application of nuclear research to shipbuilding industry. Many countries, which are now engaged in research on nuclear-powered ships, are believed to be giving top priority to their plans. These countries include the U.S., the U.K., France, Holland, Norway, Sweden, the U.S.S.R. and Japan. Five groups of companies in the U.K., and six such groups in the U.S. are stated to be working on designs for atomic engines for marine propulsion. A development that may conceivably speed up this movement towards atomic-power ships, is the three-power atomic pact, signed last week, by the U.S., the U.K. and Canada, under which the three countries have agreed on the mutual inter-change of rights in invention and discoveries in the atomic energy field.

It is, of course, too early to say when the efforts at making nuclear-powered ships and tankers will bear fruit. But, according to the scientific correspondent of the London *Financial Times*, the first such ships will be an American general purpose passenger steamer and a cargo ship and a Russian passenger and cargo-carrying ice-breaker. These ships, it is stated, are likely to make their maiden voyages in 1958, if not earlier. Norway and Sweden hope to complete their construction of atomic-powered ships by 1960-61. A Japanese firm is said to have submitted a Five-year Plan to the Japanese Government for the construction of a nuclear-powered tanker. In the U.K., several well-known engineering concerns, such as the Vickers Nuclear Engineering Company, Rolls-Royce and Foster-Wheeler, Richardsons Westgarth, are engaged in working out the industrial application of atomic energy. Nevertheless, the U.K. is on the whole said to be lagging behind other maritime countries in the development of nuclear ship propulsion, except in the case of the atom submarine project. Some new developments are, however, expected in the next 12 months.

No firm estimate about the cost or the operating expenses of nuclear powered ships is available at present. The cost of the atomic engines of a nuclear powered tanker is expected to be at least twice that of a conventional tanker. Two related problems are the weight of the ship and the cost of re-fuelling. Nuclear reactor furnaces must have bulky and heavy shielding. This will add considerably to the weight of the ships. But this problem is being tackled by research on special materials that will combine both light weight and efficient protection. In this connection, the use of a mixture of boron and aluminum or of special radiation resistant plastics is being tried. A welcome feature of nuclear-powered ships is the fact that they will not need frequent re-fuelling. These ships, once they are provided with the necessary fuel, will be able to do continuous voyage for 21 months to two years. At the same time, refuelling of nuclear reactor furnaces of the atomic engines could be an expensive process, involving special dock installations costing between £150,000 to £250,000 for remote control and radiation shielding equipment.



TERMINAL TAX

A notable measure now on Parliamentary anvil is the Terminal Tax on Railway Passengers Bill 1956. The Bill, which was introduced in the Lok Sabha on 13th September last by the Union Minister for Railways and Transport, empowers the Central Government to levy a terminal tax on passengers carried by railways to and from places of pilgrimage, *melas*, fairs, exhibitions, etc. The tax will be leviable in respect of every passenger ticket—single or return. It is subject to the maximum rates of Re. 1-8, Re. 1 and As. 8 in respect of every single ticket air-conditioned or first class, second class and third class, respectively, the rates for return ticket being double. There will be a free zone not exceeding a radius of forty miles, within which no tax will be imposed. Different rates of taxes, may, however, be fixed for long- and short-distance passengers.

There is nothing new or revolutionary in the levy of a terminal tax on passengers carried by railways. Whenever there has been any need for the levy of fresh terminal tax or for the enhancement of any of the existing terminal taxes (including pilgrim taxes), the practice has been to have recourse to the ordinance-making power of the President. In order to obviate the need for the issue of an ordinance on each such occasion for any fresh or increased levy, general legislation is desirable. This view has found favour with the different State Governments and various local bodies which, it is said, "have been pressing for such a general legislation for quite sometime past." The Taxation Enquiry Commission examined this question and supported the proposal for a levy of terminal tax at all places of pilgrimage on persons travelling by rail or road transport. The Commission also suggested imposition of a terminal tax at a low rate on long-distance passengers—the limit might be, say, 150 miles—in cities with a population of over 500,000. The Central Government has, however, decided to confine legislation for the levy of terminal tax to passengers carried by the railways only.

The proposed central levy of a terminal tax on passengers carried by railways to and from places of pilgrimage, fairs, *melas*, exhibitions, etc., need not evoke any opposition, inasmuch as the levy does not violate any accepted canons of taxation. When persons can incur a heavy expenditure for going all the way to and from places of pilgrimage, fairs, etc., there is no reason why they should mind paying a small amount as terminal tax. What is more, the persons visiting the aforesaid places enjoy various civic amenities provided by the Governments—Central and State—and the local bodies concerned. The latter especially are greatly in need of relief, since their finances are of an inelastic character and as such are too inadequate to meet the mounting expenditure on the provision of various civic amenities to visitors. Incidentally, it may be noted that the Bill does not contain any provision specifying how the proceeds of the proposed terminal tax will be distributed among the State Governments or the local bodies concerned.

While justifying the terminal tax, it must be emphasised that the incidence of such a tax should be very light. Considering that the rates

of pilgrim taxes now being levied are only a couple of annas per passenger, the maximum rates fixed in the Bill for third class single and return tickets, namely, As. 8 and Re. 1, respectively, are somewhat high. Since the terminal tax will be levied at nearly every important place in the country and since a person visits a number of places of pilgrimage, fairs, *melas* and exhibitions in one trip, Parliament will do well to lower the maximum rates to a more reasonable level.

MACHINE TOOLS

The management of the Hindustan Machine Tools Factory (H.M.T.) at Jalahalli (Bangalore) has now finalised the details of a diversified production programme. This was disclosed by Mr. M. K. Mathulla, the new Managing Director of the Factory, on the occasion of the visit to the Factory paid recently by the Union Production Minister, Mr. K. C. Reddy. The programme envisages manufacture of milling machines under a licensed agreement to be entered into shortly with certain German firms. Later on, the Factory will start producing radial drills and grinding machines. Meanwhile, the output of high-precision lathes has been stepped up; it will be at the rate of 20 per month before the end of the year, to be raised to 30 by the end of January 1957. Under the programme, the H.M.T. will be sending a number of skilled employees to foreign countries for training in the new types of machines proposed to be manufactured. Foreign firms have offered facilities for training the H.M.T. personnel. About 10 per cent. of the employees is already under training abroad and a batch of five or six will be sent shortly.

The move of the H.M.T.'s management to launch a diversified production programme, though belated, is to be welcomed. The high priority set for industrial machinery in the second Five-year Plan has brought to the fore the need for not merely accelerating the production of machine tools that are now being manufactured but also starting new lines of production. The progress on the machine tool project under the first Plan was, as the Planning Commission itself frankly admits, considerably behind schedule. The targets visualised in 1951 were scaled down in a subsequent review of the scheme, and the capacity of the H.M.T. was reduced from 1,600 lathes to 400 lathes per annum. The actual production fell considerably short of even the reduced target, the number of machine tools produced in 1955-56 being just 12!

In view of the none-too-satisfactory performance on the production front thus, one would surely watch with interest the activities of the H.M.T. in the coming five years. It is not, however, clear whether the production programme of the H.M.T. has been formulated with due regard to the lines of manufacture in which private machine tools producers are engaged. What is necessary is to ensure that both private and State-owned factories should together meet the country's demand for machine tools and that there is no avoidable duplication of effort and production. Be that as it may, so far as the H.M.T. is concerned, we are told that the original target of 400 lathes has been stepped up to 1,000 lathes, with an additional capital outlay of only Rs. 5 lakhs. The increased target is proposed to be hit through multiple-shift working of the Factory. The additional staff necessary, it is said, has been recruited recently, mainly from the surplus labour in the ordnance factories, who are under training in the training centre. The second shift has already been started in many departments. Under the scheme, the staff of the Factory is expected to be raised from 1,000 to 2,000.

Mr. Mathulla, in the course of a Press interview, claimed that, by the end of the second Plan (1960-61), the manufacture of precision lathes and other machines now contemplated would have gone up to such an extent that the foreign imports of such types would be unnecessary. According to him, the H.M.T. would be expanding the factory space and, very soon, a foundry at an estimated cost of Rs. 55 lakhs would be installed as an adjunct to the Factory. At present, all the castings, it is stated, are secured from different sources. The amount spent on the H.M.T. so far aggregates Rs. 5 crores. From next year, the Factory would, Mr. Mathulla declared, be on a self-supporting basis. If the past performance of the Factory is any criterion of its capacity, these claims appear to be unduly optimistic and there is justification for viewing them with scepticism. But, in view of the recent reorganisation of the past set up and the termination of the contract with the Swiss firm of technical consultants, who miserably failed to come up to expectations, it is possible that the Factory may fare better in future. Nevertheless, it remains to be seen whether all the expectations of Mr. Mathulla will be fulfilled.

COMMUNITY PROJECTS

There is no gainsaying the fact that the Community Projects have effected far-reaching changes in the rural areas of the country, which account for about 70 per cent. of India's population. The Community Project programme was first inaugurated on 2nd October 1952, so that it celebrates its fourth anniversary this week. The results achieved by the programme so far are, indeed, impressive. In terms of money, the people's contribution during these four years has been of the order of Rs. 26.13 crores, as against the Government's expenditure of Rs. 46.02 crores. In all, 557 Community Development Blocks and 603 National Extension Service Blocks, covering 1,57,347 villages with a population of 88.8 million have been in operation. One-fourth of the total villages of India and one out of every three villagers are said to be enjoying the benefits of the Programme. The number of villages enjoying the benefits of intensive development is stated to be on the increase as a result of the conversion of the N.E.S. into C.D. Blocks.

A characteristic feature of the programme is the emphasis laid on agriculture. Efforts have been made to educate the farmers in improved methods of agriculture. Till March this year, it is stated, 91,59,000 maunds of fertilisers, and 48,28,000 maunds of improved seeds were distributed. In the areas covered by the projects, more than 2 million acres of additional land was brought under irrigation. According to random surveys, the average yield of principal crop in the project areas is found to exceed that for the whole country by as much as 20 per cent. to 25 per cent. Besides, the new land reclaimed—to the extent of 11 lakh acres—has added 75 lakh maunds to the country's food production. Furthermore, the land under vegetable cultivation increased by 388,000 acres and that of fruit trees by 157,000 acres. In the sphere of animal husbandry, the authorities have opened 2,563 key village centres, besides supplying nearly 13,000 pedigree animals. People have shown great enthusiasm in the construction of roads. Till March this year, 38,000 miles of *kachcha* and 6,029 miles of *pucca* roads had been laid, and 22,000 miles of existing roads had been improved.

In the field of social welfare, again, the results are noteworthy. As many as 674 primary health centres, and 578 maternity and child welfare centres have come into existence. Moreover 107,000 wells have been either constructed or renovated under the scheme for provision of water supply. Again, 15,000 new basic schools have been opened in addition to the conversion of about 2,000 ordinary schools into the basic type. No less than 41,000 social education centres have been set up and about a million adults made literate. A noteworthy feature in the sphere of education is that the number of recreation centres and libraries has gone up to nearly 99,000. In the field of local self-Government, 11,540 *Panchayats*, and other statutory bodies, and 211,829 non-statutory bodies such as Village Councils, *Vikhash Mandals*, etc., have been set up. Again 33,000 new co-operative societies with 17 lakh new members have been started.

The training programme to provide the administration with the village level workers and extension workers has gone apace. Up to the middle of this year, no less than 14,446 village

(*Continued on page* 695)

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PROGRESS OF INDUSTRIAL FINANCE CORPORATION ENCOURAGING

LENDING RATE OF INTEREST TO BE RAISED?

From A Special Correspondent

NEW DELHI, *2nd October*

DELHI LETTER

DELHI today celebrated the eighty-eighth birthday anniversary of Mahatma Gandhi in the customary manner. On the eve of 2nd October, both the President and the Prime Minister visited Rajghat, the Samadhi of Mahatma Gandhi and paid reverential homage to the Father of the Nation. Befitting the occasion emphasis was given to the constructive aspects of Gandhiji's ideals and aspirations. There is a feeling of quiet confidence both among the ranks and the Ministers of the Government of India that the country is well set towards rapid progress in the coming years. The inflationary edge appears to have been considerably blunted as a result of the favourable monsoon that the country has received during the last three months and more. The output of *kharif* crop is expected to be much higher than in the last year. What is more gratifying is the fact that the higher yield is expected to be shared by both the commercial and other food crops.

Further, the rain last week which was well spread out over the Punjab, Rajasthan, U.P., etc., is expected to be beneficial to the forthcoming *rabi* crop in these parts. As a result, the Government is a little more optimistic than before that the prices of agricultural commodities will remain at a more stable level in the coming months.

Industrial Finance

On the industrial front also the news is heartening. Production of almost all the industries, major as well as minor, has been showing a steady increase. The private sector has been playing a creditable part in helping the Government to increase the output of industries to an appreciable extent. The fact that this sector of the industry has been active is evident from the latest annual report of the Industrial Finance Corporation. According to the report "industry is seeking the assistance of the Industrial Finance Corporation in an ever-increasing measure and the amounts of loans sanctioned by the Corporation has also been increasing." It is pointed out, for instance, that the aggregate amount of loans sanctioned during the year ending June 1956, was Rs. 15,13,00,000 which is more than double that of the previous year. Also applications received for loans during the year numbered 86, as against 46 in the previous year. The loans asked for during 1956 amounted to Rs. 27,70,01,800, as against a total of Rs. 11,27,00,000 in the previous year.

It is also significant to note that a little more than 50 per cent. of the applications for financial loans came from the more or less well established industries like sugar and textiles. The remaining applications were from other major industries such as engineering, chemicals, cement and paper. Another significant feature of the applications for loans last year was that by far a greater portion of the loans was sought by co-operative sugar factories located in Bombay, Mysore, Assam and the Punjab. The loans sanctioned to sugar co-operatives amounted to no less than Rs. 5.5 crores. This, it is claimed by officials in charge of the Industrial Finance Corporation, is evidence of the implementation of the Government's policy of encouraging the establishment of co-operative enterprises.

Disbursement Slow

The eighth annual report of the Corporation also gives details of the total loans granted to industries. Since its inception, the Corporation has sanctioned loans aggregating nearly Rs. 43.2 crores. Of this sum, the amount so far disbursed comes near about Rs. 16.75 crores, the balance still awaiting to be disbursed actually. The main hitch in disbursement, as was explained to the Press by the Chairman of the I.F.C., was that, under the multiple audit before hand, loans could not be disbursed, unless the Corporation was fully satisfied that the guarantees offered by the loanees were quite sound and adequate.

As far as repayment of the principal advanced to industrial concerns during the last eight years was concerned, the Chairman of the Corporation, Mr. K. R. K. Menon, said that, according to schedule, the total amount due to the Corporation at the end of the current year was Rs. 2,24,76,000, of which a sum of Rs. 1,68,70,152 had been received. The amount in default was Rs. 48,65,848, constituting 21.6 per cent. of the amount due. Only six companies accounted for the bulk of the default and the assets of one of these companies have been sold and those of another leased out. The Chairman said that the Corporation was contemplating similar action in respect of one or two of the other defaulters also.

The total amount of interest charged and to be received on loans sanctioned since the inception of the Corporation eight years ago stood at a little over Rs. 2,80,00,000, of which nearly Rs. 2.63 crores had been realised. The amount in default was Rs. 17,72,312, constituting less than 6.4 per cent. of the total amount due. The main defaulter in this respect had been the Sodepore Glass Works. Another company had been granted extension of time to pay the arrears of interest amounting to a little over Rs. 25,000.

It was claimed by the Chairman that, on the whole, the working of the Corporation for the year ended June 1956 had resulted in a profit of Rs. 32.68 lakhs, an increase of Rs. 8 lakhs over that for the previous year. The net profit was Rs. 22.50 lakhs, after setting aside a sum of Rs. 10.18 lakhs for taxation. Almost the entire sum of net profits, he said, had to be transferred to the reserve fund for bad and doubtful debts, in view of the anticipated loss in the account of the Sodepore Glass Works. Therefore, he said, "we have had to call upon the Central Government this year also to pay us a subvention, in order to enable us to pay the entire guaranteed dividend amounting to Rs. 11,25,000."

Chairman's Optimism

Mr. Menon, however, hoped that, "with the further provision that we shall make from the current year's profit towards bad and doubtful debts, there will be no need to set apart any amount in the succeeding years on this account. And, as we shall make a substantial saving in our tax liability on our current year's income, depending on the size of the amount that we are obliged to write off in the account of the Sodepore Glass Works, we anticipate that we will have sufficient balance left out of our profits this year to meet the guaranteed dividend to our shareholders without having recourse to a subvention from the Government of India."

Mr. Menon was taking this optimistic view mainly on two major grounds, namely, the increasing measure of appreciation on the part of industrialists of the country and of the co-operative societies on the ability of the Corporation to meet their needs in the matter of long-term loans and, secondly, the marked increase in the volume of industrial investment that is likely to materialise during the second Five-year Plan period. He pointed out at the Press Conference, held immediately after the General Body meeting of the shareholders of the Corporation on Saturday last, that the amounts asked for by way of loans during 1955-56 alone came nearly to Rs. 27.70 crores, as compared with Rs. 11.27 crores in 1954-55 and Rs. 9 crores in 1953-54. The annual average for all the previous seven years put together was only about Rs. 8.62 crores. This, he claimed, was a fair indication of the increasing amount of confidence which the industrial public was placing on the Corporation today.

The Chairman also revealed that, with a view to reducing the time-lag between sanction and disbursement of loans and also the legal charges to the borrowers, the Corporation had appointed its own full-time Law Officers at two of its branches, as an experimental measure. They would examine the title to properties to be mortgaged to the Corporation and draft the loan documents. If the experiment proved successful, he said, similar Law Officers would soon be appointed at the remaining branches of the Corporation.

In addition to this, in order to bring about a closer liaison between the Corporation and the Controller of Capital Issues in regard to loans and capital issues sanctioned to industrial concerns, a suitable procedure for mutual exchange of information has also been evolved. Some amendments were also made to the Industrial Finance Corporation Act in September 1955. By virtue of these amendments, power is now vested in the Corporation not merely to sell the property mortgaged to it but also, in suitable cases, to lease it, so that, after reimbursing itself its dues from the lease money, the Corporation will be in a position to return the property intact to the loanee concern whose shareholders will thereby be enabled to realise their investments.

Rate of Interest

The Chairman of the Corporation pointed out in his Press Conference that the rate of interest which the Corporation had been charging was 6½ per cent. He also indicated that there was a probability of revising this interest rate in the upward direction in the coming months. Although there is a provision that some concession be shown to the loanee for prompt payment of interest—the rebate for such prompt payment of interest is ½ per cent.—yet any upward revision of the interest rate over the present 6½ per cent. is not likely to be really helpful towards the development of risk-bearing industries. It is generally known that important key industries which require large capital, technical know-how, efficient management, etc., take a number of years for stabilising themselves. It is, therefore, a truism to say that, on an average, it takes nearly ten years for important key industries to be in a position to declare any reasonable dividend to the shareholders. If, therefore, the Government through the Industrial Finance Corporation is anxious to charge interest at 6½ to 7 per cent. per annum, it is doubtful whether any really risk-bearing industry will be capable of utilising the Government loans for its development. Again, by increasing the rate of interest, the Corporation will be setting up another bad example as this action on the part of the Government is bound to induce private commercial banks also to charge a higher rate of interest from their loanees.

Another result of the Government's policy would be to drive away more efficient concerns to seek financial assistance from some other source, as, for instance, from the Industrial Credit and Investment Corporation. As a matter of fact, when this correspondent put a question to the Chairman as to whether there had been any cases where loans given by the I.F.C. and the I.C.I.C. had overlapped, the Chairman tried to explain it away by saying that the loans might have been complementary and not overlapping. This is sufficient indication that, in future, big and more efficient industrial concerns would be tempted to approach the I.C.I.C. for loans rather than the I.F.C., because of their comparatively easier terms and less rigorous conditions. It is also thought possible that even some of the important banks may be able to offer better terms to well reputed concerns by way of accommodating them in a more practical and co-operative manner. If these things do happen, the I.F.C. would hurt itself by raising the rate of interest on its loans. It is the general wish and hope of the industrialists here that such a step would be not only unwarranted but even unwise and the Government would not persuade itself to be drawn into taking any such wrong action.

The Governments of India and West Germany have revised the annexure to the Indo-German Trade Agreement for the year 1956-57. The trade agreement which was signed on 31st March, is to remain in force for an indefinite period, but the annexure to it, containing quotas for Indian goods to be imported into Germany, is subject to revision every year. The Federal Republic of Germany admits imports of most commodities into Germany freely from India. For those commodities the imports of which are restricted, the Federal Republic of Germany has agreed to allot specific quotas for imports from India. Items for which such quotas were granted are cotton piecegoods, unbleached grey, coir mats and mattings, jute manufactures, miscellaneous items of textiles, leather tanned and finished and pineapple juice. The Federal Government has agreed to increase the quotas for imports of miscellaneous items of textiles and also to grant quotas for fresh items, such as twine, ropes, cordage and cable of jute and false jute, and canned fruits.

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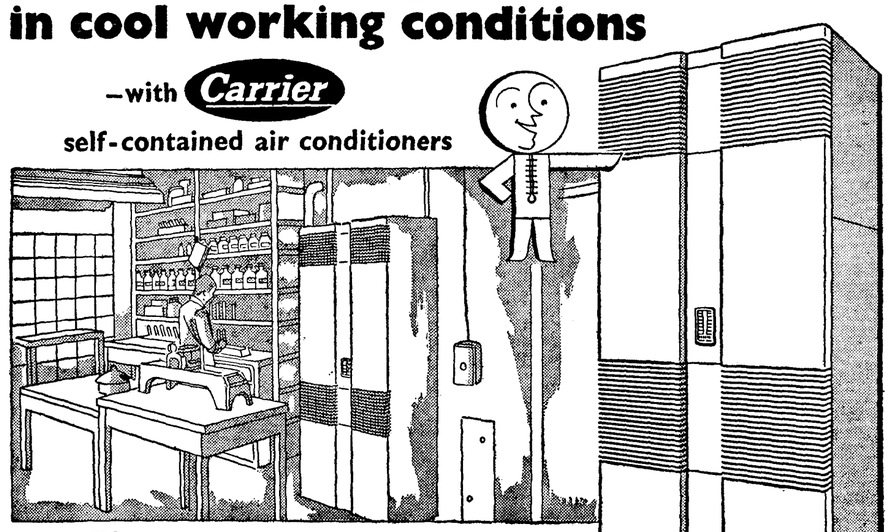

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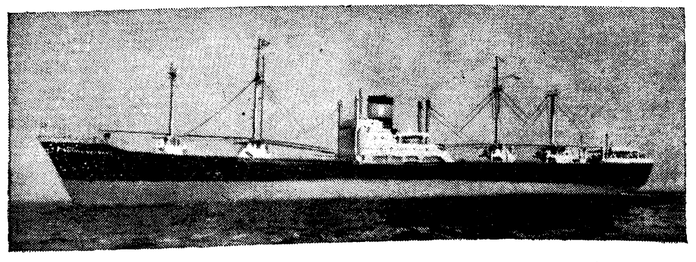

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BOMBAY STATE CO-OPERATIVE BANK

DEPOSITS AND LOANS INCREASE

HAVING recognised the "failure" of co-operation during the last fifty years of its existence even in the limited sphere it is supposed to have functioned, and having been convinced that co-operative agency alone is the most appropriate instrument for bringing about smooth economic improvement in the countryside, the All-India Rural Credit Survey Committee recommended the reorganisation and reorientation of the co-operative movement on certain lines, in order to make it inherently strong and dynamic to fulfil the new and increasing responsibilities proposed to be cast upon it. The Planning Commission, and the Government of India, which have accepted the recommendations of the Survey Committee have, consequently, laid great emphasis on Co-operative Development for which an amount of no less than Rs. 47 crores has been earmarked in the Second Plan. What is, however, a welcome feature is the adaptability shown by the leading co-operators in India in accepting modifications in the ideology of co-operation, chiefly in respect of the voluntary principle and State partnership, in order to make the co-operative movement an ideal instrument for raising the standard of living of the masses through democratic methods. Viewed against the background of these rapid 'basic' changes that have been taking place in the whole co-operative sector, more especially in the Bombay State which has been a pioneer in that sphere, the activities of the Bombay State Co-operative Bank, the forty-fifth ordinary annual general meeting of which was held on 22nd September in Bombay under the chairmanship of Mr. R. G. Saraiya, one of the foremost co-operators of India, is of special significance. In the year ended 30th June 1956, the Bank continued to make steady progress in all the spheres of its activities, especially in those of deposits and loan operations, resulting in substantial improvement in net profits, despite the fact that a number of societies indebted to the bank were under liquidation and a number of bank's branches had been closed down under the reorganisation schemes.

Co-operation and Second Plan

Discussing the role of co-operation in the Second Plan in the course of the presidential address, Mr. R. G. Saraiya, who needs no introduction to our readers, rightly observed:

"The importance of the co-operative system of organisation has been emphasised by the Planning Commission in the Second Plan. But one fails to find an integral p'ace for it in the Community Development and National Extension Programmes, and in the policies of State Governments regarding rehabilitation programmes and aids to rural economy such as Tagavi advances. The tendency is to entrust the Community Development and National Extension Programmes to Government officials of the Revenue Department. It is felt that so long as these programmes have to depend upon such external assistance, the urge to development will stop as soon as the external stimulus is withdrawn. It is, therefore, necessary to accept the co-operative structure as an integral part of the Community Development and the National Extension Programmes. In the preparation of detailed programmes for the Second Five-year Plan the State Governments, I submit, should p'ace greater reliance on the village co-operatives for carrying out the Community Development and National Extension Programmes, instead of looking to a large number of *ad hoc*, non-statutory and non-elective bodies, which may have the effect of indirectly weakening the co-operative institutions. Primary co-operatives form the smallest but the basic unit of economic democracy. They can play a vital role and establish direct and effective contact between Government and the masses. They can help in mobilising national resources, promoting and undertaking production programmes and decentralising industrial development."

There is much force in what Mr. Saraiya has taken pains to emphasise so clearly. For the philosophical basis of Community Development is co-operation, and no other agency than the co-operative movement is more suited to fulfill the aims of Community Development. But, in the present circumstances when the movement is not sufficiently developed to shoulder responsibilities in these new lines, it is not at all advisable to entrust the movement with this responsible task. Nevertheless, it should be the aim of the Government to associate the co-operative movement with the Community Development and N.E.S. Programmes more and more, in order that the Government can withdraw completely from the picture without causing dislocation, leaving the task to the movement. Moreover, multiplicity of bodies for various purposes within the villages will lead to further factions and party politics and strike at the root of co-operative development. Again, it calls for large number of able literate persons in the villages, who are few and far between.

Reviewing the targets fixed for the Second Plan for short-, medium- and long-term credits and large-sized societies, Mr. Saraiya warned that the policy of creating large-sized credit societies should not be pursued mechanically, but should be adjusted in the light of prevailing local conditions. Where small-sized societies were working efficiently, he stressed, they should not be disturbed nor should help be denied to them.

State-participation

Alluding to the role of State-participation in the co-operative institutions, the Chairman of the Bank welcomed the establishment of the National Agricultural Credit (Long-term Operations) Fund for facilitating such co-operation. He, however, complained that there was a tendency on the part of many State Governments to regard themselves only as lenders and not as partners in the co-operative ventures. He averred that this tendency was against the spirit of the recommendations of the Survey Committee, as partnership by the State, accepted after a good deal of heart-searching by the co-operative movement, implies a partnership in losses as well as profits, responsibilities as well as rights. It is difficult to agree with Mr. Saraiya entirely on this point. Mr. Saraiya is right in so far as he means that the State's non-participation in the risks of the institutions, in addition to their participation in the share capital, would not give sufficient incentive for them to implement risky policies, and that, so far as the execution of such policies recommended by the State Governments are concerned —as in the case of financing the Weavers' and Industrial Co-operatives—the States should also share in the losses arising from such implementation. But it is possible to argue that the application of the principle, namely, State-participation in all the losses, irrespective of whether they arise from the adoption of the Government's policies or not, entails the danger of impairing the co-operative character of the institutions. For it is sound logic to say that, when the Government is called upon to bear the losses arising from the activities of those institutions in the share capital of which it has participated, the Government can also claim a greater share than otherwise in the management and functioning of those institutions. Where then do co-operatives stand? Will it not be a major step in the direction of State management of co-operatives?

The working of the Bombay State Co-operative Bank during the year under review reflected notable improvements in various directions. The share capital of the Bank has increased by Rs. 21,900 to Rs. 61.45 lakhs following the affiliation of new institutions, and additional shares allotted to co-operative banks. Of this share capital, the Bombay Government accounts for a sum of Rs. 26 lakhs. The Bank's total subscriptions to the central financing agencies have increased during the year by Rs. 4.75 lakhs to Rs. 17 lakhs. Its Sinking Fund for debentures, despite the allowances made for the redemption of 1946-56 series and for the transfer of an equivalent amount to the bad and doubtful debts reserve, stood at Rs. 3.09 lakhs as against Rs. 4.40 lakhs in the previous year. Another important feature was that an amount of Rs. 7.14 lakhs was written off the bad and doubtful debts reserve, as it was found that amounts due from a number of societies, which were in liquidation prior to 1946, and from some individuals, who were previously regarded as doubtful could not be recovered. Consequently, the bad and doubtful debts reserve at Rs. 11.25 lakhs reflected a moderate decline over the previous year when it was as much as Rs. 16 lakhs. The overall reserve position, at Rs. 56.63 lakhs, however, showed a decrease of Rs. 5.90 lakhs only over the year 1954-55.

Deposits Go Up

Deposits showed a notable improvement during the year under review. They increased by Rs. 206.59 lakhs, as against Rs. 181.27 lakhs in the previous year to Rs 1,285.97 lakhs, despite the closing of some of the branches. A part of the increased was attributable to the amounts deposited by the new co-operative sugar factories of their share amounts received from the Government. The deposits with approved banks, cash on hand, and gilt-edged securities were of the order of 63.6 per cent. of the deposit liability. The bank maintained adequate fluid resources throughout the year.

In the sphere of loan operations, again, a marked expansion was witnessed, though, during the year, ten branches had been closed and their outstandings transferred to the District Central Banks. The total outstanding loans and credits, excluding those with societies under liquidation, rose by Rs. 102.24 lakhs to Rs. 552.68 lakhs. Of this, agricultural loans accounted for Rs. 284.72 lakhs, while advances to non-agricultural societies were of the tune of Rs. 276.73 lakhs. Moreover, while the former increased by Rs. 12.04 lakhs, the latter rose by Rs. 102.60 lakhs during the year, the striking expansion in the latter case being due, mainly, to the advances given to two co-operative sugar factories. Further, a welcome improvement in the overdues position of the societies was witnessed as a result of better recoveries from the societies following more favourable prices for agricultural products during the year. The outstandings at the close of the year of medium-term loans were Rs. 58,000 higher at Rs. 4.70 lakhs. The Bank was continuing its efforts to obtain fund from the Government for meeting the increasing demands for these loans.

Yet another significant development in the sphere of non-agricultural finance was the scheme drawn up by the Government for financing Weavers' and Industrial Co-operatives. The scheme provided for making available to these societies finance at concessional rates of interest in the form of (i) contribution to share capital (ii) provision of working capital, and (iii) provision of marketing finance, through the Central Financing Agencies. The Government has also agreed to share in the losses arising from such financing. Under this scheme, the Bank received during the year an amount of Rs. 6.78 lakhs from the Government.

Sugar Factories

The year also saw a notable advance in the establishment of co-operative sugar factories. In all, fourteen sugar factories, six of which are expected to start production in January 1957, have been registered, while six others are expected to start production in the 1957-58 season. The role of the State Co-operative Bank in promoting these factories was very impressive. It has provided the working capital for the sugar processing factories in addition to crop finance required by the members. Besides, it has also been approached to arrange for letters of credit to enable the factories to import machinery. It has also provided interim financial accommodation for customs and other charges for releasing the machinery when the shipments arrived. The amounts so guaranteed aggregated Rs. 150.12 lakhs. Since all these activities have been undertaken in consultation with the Ministers' Committee for Co-operative Sugar Factories, Mr. Saraiya hoped that the bank would not be let down if any difficulties arose in connection with those activities. Indeed, he urged that the Government should increase its participation, in view of the increasing costs of installing the factories.

Following the acceptance by the Bank of the policy of encouraging district central financing agencies, a number of branches of the Bank had been closed and their business turned over to the new agencies formed, during the year under review. Of the 12 branches at the close of the year, 29 branches worked at a deficit. The Chairman pointed out that the Bank, however, was not willing to close down uneconomic branches, in view of the general policy of providing banking facilities in the rural areas. The question has, therefore, been referred to the Government for its consideration.

Other major developments during the year include an expansion of Rs. 99.45 lakhs to Rs. 605.45 lakhs in the portfolio of 'Investments in Government Securities.' Owing to improvement in their market value, the difference between the book value and the market value was only Rs. 4.03 lakhs. Financial accommodation from the Reserve Bank of India under section 17(4)(a) was of the order of Rs. 170 lakhs for financing seasonal agricultural operations and marketing of crops. Further, drawings from the Reserve Bank under sections 17(4)(a) and 17(4)(c) were Rs. 477.42 lakhs. During the year again, interest received increased by Rs. 6.15 lakhs while interest paid rose by Rs. 4.72 lakhs. Cost of management, however, declined by Rs. 0.4 lakhs to Rs. 19.7 lakhs, mainly due to closing of some of the branches.

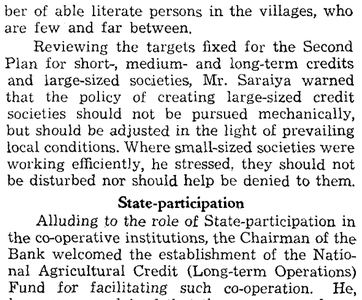
As a result of the favourable deposits, advances, and interest rates, the net profits of the Bank rose by Rs. 2.32 lakhs to Rs. 6,32,649. The sum available for distribution, including that brought forward, was Rs. 6,32,649. Consequently, a dividend of 5 per cent. could be comfortably declared, after carrying a sum of Rs. 67,832 to the statutory reserve fund, which was thus raised to Rs. 18.60 lakhs. It was also decided to utilise a sum of Rs. 50,000 to augment the agricultural finance reserve and a further sum of Rs. 35,000 to the staff gratuity reserve.

In his speech, Mr. Saraiya made an interesting observation on the role of marketing co-operatives also. He observed:

"We have been emphasising the urgency of creating efficient marketing organisations as a prerequisite for the planned development and progress of co-operative credit and agricultural production. In our experience rapid progress has been made in areas where efficient marketing arrangements are available. On the other hand, progress of recoveries is hampered in areas where such marketing organisations are lacking or are inefficient. An integrated scheme of economic development would be incomplete without efficient supply, marketing and processing co-operatives. Co-operative marketing can play an important role in the proper regulation of supply, prices and credit. A programme of price incentive, crop planning and rural development can be worked successfully only if a network of efficient marketing and warehousing organisations is established all over the country. It is necessary that certain standards of financial structure and managerial personnel, and certain patterns of co-operative marketing organisations at different levels, are laid down, and an apex institution to co-ordinate their marketing activities and to provide marketing intelligence and guidance is created without delay. Judged by the unsuccessful efforts in the past, it is obvious that the problems are complex and require a detailed scrutiny and a comprehensive solution. I, therefore, renew my request to the Government of Bombay to take urgent steps towards finding a solution to this problem."

Personnel

The success of the integrated scheme of rural credit recommended by the Survey Committee, depends in the ultimate analysis in no small measure on the availability of trained and efficient supervisory and managerial personnel. Inadequate steps in the direction of turning out trained supervisors can prove to be a serious set-back to the effective implementation of the scheme, and Mr. Saraiya was, therefore, right in emphasising this important aspect when he referred to the question of trained personnel. The co-operative training centres numbering eleven, already established in various parts of India, and the training college at Poona for managerial personnel, it is to be hoped, would be able to cope with the increasing demands for trained personnel. Co-operative field has not yet become an attractive one for very intelligent and efficient young men even if they do possess some measure of missionary zeal, which is so essential for the success of the Co-operative Movement. The chief reason for this state of affairs is that zeal alone is not the deciding factor. More and more of such people are drawn towards administrative jobs because of the better opportunities thrown open to them. In addition to the training facilities, if better prospects are also thrown open to the young men—which is very necessary because of the importance attached to the co-operative development—it should go a long way towards attracting the right type of young men to so important a sector as co-operation.



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LLOYDS BANK TO REORGANISE CAPITAL

The directors of the Lloyds Bank Ltd. sprang a surprise last week on the London Stock Exchange by announcing two important proposals. The one is to reorganise the existing capital structure of the Bank and the other is to increase in the final dividend for the current year. The reorganisation of capital, which is subject to the approval of the stock and shareholders of the Bank, has been decided upon, because the present share capital is not, in the Directors' opinion, in the most satisfactory form. At present, the Bank's capital is made up of two classes of shares, 'A' shares of £5 each, on which only £1-5 have been paid up, and 'B' stock of £1 each fully paid-up. The reorganisation is to be effected by cancelling the uncalled liability on the 'A' shares and by merging the 'B' stock with the 'A' shares in their converted form into one class of equity capital.

The authorised capital of the Bank is £74 million, made up of 14.5 million 'A' shares of £5 each and 1.5 million 'B' shares of £1 each. The paid-up capital is £19,403,495 made up of 14,372,956 'A' shares of £5 each, £1-5 paid-up per share, 1,437,296 'B' shares, converted into stock of £1 each and 4 'B' shares of £1 each fully paid-up. The 4 'B' shares of £1 each fully paid-up. The 4 'B' shares have been issued since the close of the last accounting year, in order to facilitate the proposed reorganisation. There is an uncalled liability amounting to £53,898,585 on the issued 'A' shares. This uncalled liability is only a reserve liability and can be called up only in the event of the winding-up of the Bank and that, too, only if necessary for meeting the liabilities of the Bank. The Directors consider that, under present conditions, such an eventuality can be disregarded. They are satisfied that the elimination of the reserve liability will, in no way, impair the Bank's credit and standing.

The reorganisation will, if approved by the shareholders (at their meeting convened for 19th October 1956), be carried out thus: (1) the uncalled liability of £3 15s. per share on the issued 'A' shares is to be cancelled, thus reducing each share to a nominal amount of £1-5 fully paid; (2) the 14,372,956 'A' shares of £1-5 will be first sub-divided and then consolidated into 17,966,195 shares of £1 each; (3) the face value of each 'B' stock, namely, £1 each, will be reduced to a nominal amount of 8s. 4d.; (4) the £598,875 of 'B' stock resulting from the above step will be converted into 598,875 'B' shares of £1 each; (5) all the rights, privileges and restrictions attached to the 'A' and 'B' shares are to be cancelled and the two classes of shares are to be amalgamated into one class of 18,565,070 shares of £1 each fully paid; (6) the unissued 'A' and 'B' shares will be cancelled, but the authorised capital will be restored to its present level of £74 million by the creation of the requisite number of further shares of £1 each. The sum of £838,425 accruing from the reduction in the face value of each 'B' stock from £1 to 8s. 4d. will be credited to the capital reserve.

The advantage of the scheme to the 'A' shareholders is that the market value of their holdings will go up. As it is, these shares are quoted at a price lower than they would otherwise command, on account of the existence of the reserve liability, although the chances of this liability being called up are almost nil. Secondly, many investors, particularly trusts, who are unwilling or are precluded from holding partly paid-up shares will invest their funds in the fully paid shares after the reorganisation. As regards 'B' stock, the dividend on them is now restricted to 5 per cent. while the 'A' shareholders have been receiving 12 per cent. per annum. The holders of 'B' stock do not enjoy priority in respect of dividends or return of capital. With the reorganisation of capital on the lines mentioned above, this discrimination between the two classes of shares will be eliminated.

The Directors propose to recommend a final dividend of 7 per cent. (actual) on the reorganised capital for the year ending 31st December 1956. An interim dividend of 6 per cent. (actual) on the existing 'A' shares and 2½ per cent. (actual) on the 'B' stock has already been paid for the year. If the capital reorganisation becomes effective, the return on the 'B' stock will increase from 5 per cent. to £5-8-4 per cent. Even if the scheme falls through, the Directors propose to recommend a final dividend of 7 per cent. (actual) on the existing 'A' shares for the current year, raising the total distribution for the year to 13 per cent. It may be noted here that a 13 per cent. dividend falls short of the 16-2/3 per cent. which the Lloyds shareholders received in 1929; their dividend was cut to 12 per cent. in 1932.

If the scheme is approved by the shareholders and sanctioned by the Court, the Directors propose to transfer from the contingency account to the general reserve a sum of £1,161,575, which together with the capital reserve of £838,425 created by the reduction in the face value of the 'B' stock, will bring the total of the Bank's published reserves to £17 million, as against an issued capital in the new form, of £18.6 million in fully paid shares of £1 each.



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TREND OF MILL CLOTH OUTPUT UPWARD

EXPORTS, HOWEVER, RECEDE

THE series of measures recently taken by the Central Government to meet the rising trend of cloth prices have set both the millowners and the traders thinking as to what further things are in store for the industry. There was first the upward revision in excise duty on cloth, followed, in quick succession, by the fixation of the so-called "fair" prices for cloth, extension of credit control to loans given to cloth traders, and limitation on the volume of cloth stocks held by mills and wholesale dealers. Will these measures achieve the objective in view, namely, smooth and regular flow of cloth at a reasonable price from mills to consumers? The answer is an emphatic "no." The aforesaid measures constitute only a shock treatment and not an effective solution. For the supply of cloth available in the country is not large enough to meet the growing domestic demand and exports. Surely, the remedy for the current disquieting cotton textile situation lies in augmenting mill cloth production.

Be that as it may, it must be said to the credit of the mills that they have spared no efforts to maintain a high level of textile production, notwithstanding the restrictive textile policy of the Government. The aggregate quantity of cloth produced during the first eight months of 1956 was 3.498 million yards, which represents a rise of over 4.3 per cent. as compared with 3,353 million yards produced in the corresponding period of 1955. The substantial rise in mill cloth output follows an improvement in yarn production. During the eight months ended August 1956, as much as 1,076 million lbs. of yarn came off the spindles, as against 1,062 million lbs. a year before.

The trend of cloth and yarn output in the mills during January-August 1956, as compared with that in the same period of 1955, is indicated below:

(Cloth in million yards; yarn in million lbs.)

	Cloth		Yarn	
	1956	1955	1956	1955
January	414	430	130	132
February	428	399	133	124
March	416	422	131	133
April	425	419	131	131
May	446	407	135	129
June	447	415	137	132
July	478	446	145	144
August	445	416	134	137
Total ..	3,498	3,353	1,076	1,062

In distinct contrast to the encouraging performance on the production front, exports of cotton textiles from India have suffered a severe setback. The total shipments of mill-made piecegoods in the first eight months of 1956 are estimated at not more than 483.0 million yards, which compare unfavourably with 574.9 million yards exported in the same period of the previous year. On this basis, the aggregate exports for the whole of 1956 may be put at about 725 million yards, as against 836 million yards in 1955. This estimate falls considerably short—as much as 275 million yards—of the export target of 1,000 million yards.

The downward trend in cotton cloth exports has been in keeping with the world-wide recession in cotton textile trade, thanks to a number of factors. Mention, for instance, may be made of the readjustment of trade in the various markets, suspension of open general licence by several countries, increased world trade in rayon and other synthetic fibre materials, and the manufacture of cloth for domestic consumption by some of the cotton-growing countries which were large importers of Indian cotton textiles. The keen competition from Japan, China and Soviet Russia in some of India's traditional markets in Asia and Africa has also adversely affected cloth exports from India. In addition to these factors, mention must be made of increased demand for cloth in the country and higher prices ruling in the internal market. It is the last-mentioned two factors and the need for filling the gap in the country's foreign exchange budget that impart urgency to the necessity for giving all encouragement for the mill-sector of the cotton textile industry to expand its productive capacity by installing latest up-to-date plant and machinery.

The following table shows the different varieties of mill cloth exported from India during the January-August periods of 1955 and 1956:

(In million yards)

	Total	Coarse	Medium	Fine	Superfine
1955					
January	63.9	9.5	51.2	2.3	0.9
February	69.5	7.8	59.0	1.4	1.3
March	72.8	14.6	53.0	2.8	2.4
April	76.2	16.4	51.8	4.8	3.2
May	71.2	16.0	48.4	4.7	2.1
June	77.2	19.2	52.1	3.9	2.0
July	77.5	17.2	54.5	4.0	1.8
August	66.6	15.1	46.7	3.0	1.8
Total ..	574.9	115.8	416.7	26.9	15.5
1956					
January	51.9	12.7	37.8	0.6	0.8
February	68.7	15.4	50.0	2.1	1.2
March	60.7	14.3	43.5	1.5	1.4
April	59.5	15.1	41.6	1.0	1.8
May	70.4	19.4	47.4	1.8	1.8
June	63.8	16.2	43.7	2.0	1.9
July	58.0	14.1	39.7	2.5	1.7
August	50.0	14.1	33.3	1.6	1.0
Total ..	483.0	121.3	337.0	13.1	11.6

It will be seen from the above figures that the decline in mill cloth exports during the first eight months of 1956, as compared with those in the previous year was shared by all varieties, excepting coarse counts. The fall in the case of medium variety was particularly great, being of the order of 79.7 million yards. Shipments of fine and superfine counts were lower by 13.8 million yards and 3.9 million yards, respectively. Coarse varieties, however, registered a rise in exports, although the rise was negligible, being 5.8 million yards.

HANDBOOK ON INDIAN COTTON INDUSTRY

This is a valuable handbook published by the Cotton Textiles Export Promotion Council, Cecil Court, Apollo Bunder, Bombay, 1 (Price: Rs. 2-8). The *Handbook* contains, besides a brief but interesting review of the latest trends in the Indian cotton mill industry and trade, complete lists of composite mills, spinning mills, textile processors and the different varieties of cloth produced by mills. It also gives the names of manufacturers of hosiery, tapes-webbings, tents and thread. At the end of the publication are given statistics pertaining to production and exports in recent years. The *Handbook* will, there is no doubt, prove as a useful directory which will assist the overseas importers, as well as exporters in India, in knowing the manufacturers of the particular types of textiles required by them.

HANDLOOM INDUSTRY

The Reserve Bank of India has agreed to provide funds to the co-operative banking institutions, in order to enable the latter to extend credit facilities for working capital to the handloom industry. This was announced by the Union Ministry of Commerce and Consumer Industries last week. It will be recalled that working capital was hitherto provided as loans to weavers' co-operative societies out of the Handloom Cess Fund; upto the end of March 1956, an amount of more than Rs. 5.6 crores had been sanctioned. It was, however, realised that credit would have to come from the normal co-operative banking institutions, since, with the increased production of handloom cloth under the second Five-year Plan, the need for such working capital would also rise very considerably.

The Reserve Bank has agreed to make available credit at a reduced rate of 2 per cent., which, together with the usual margins for the apex and district co-operative banks, will work out to 5 per cent. for the ultimate borrower. But the weavers' co-operative societies are to be enabled to get loans at only 3 per cent. The difference between the two rates will be given as a subsidy by the Central Government from the Cess Fund. With a view to ensuring sufficient credit, the Government has also agreed to bear a 50 per cent. share of individual losses arising from non-recovery of any such loan, subject to the prescribed overall ceiling. The remaining 50 per cent. of such losses would be borne by the State Governments and the Co-operative Banks concerned. The Government has also agreed to share with the State Government the cost of the additional staff that would be required to ensure adequate supervision and audit of accounts of the co-operative societies, and of the lending operations of the co-operative banks.

It is intended that these arrangements should come into force from 1st April 1957. Loans will continue to be disbursed from the Cess Fund as hitherto until that date and, where arrangements cannot be completed within this time, loans will also continue to be given from the Cess Fund till the end of September 1957.

SILK IN MYSORE

The decision of the Government of Mysore to acquire six sericulture factories run and managed by the Mysore Silk Filatures Ltd. was announced by Mr. H. Siddaveerappa, the State's Home Minister, in the Legislative Council on 26th September last. The factory at Siddlaghatta is, however, left out, because the Government does not, it is said, want to be expropriatory in its dealings. The decision to nationalise the sericulture industry is based on the following considerations:

The industry has a vital bearing on the economic development and well-being of the people. Nearly 10 per cent. of the total population of the State depends on sericulture in some way or other for their existence. With the formation of the new enlarged State of Mysore, Kollegal, now forming part of Madras State, will be attached to Mysore and, with the existing sericultural areas in Mysore and Kollegal, the new State will have about 80 to 85 per cent. of the silk producing area in the whole of India. The Government has come to the conclusion that, unless and until this vital industry is taken over and renovated, it will be in great jeopardy of almost being annihilated. It is, therefore, determined to place the industry on a stable footing.

Justifying the Government's decision, Mr. Siddaveerappa, however, assured that the purpose did not end with the mere taking over; the Government had to do quite a lot. In this connection, he observed: "We are lagging behind in respect of technical know-how. We have to purchase modernised machinery. We have to spend not less than Rs. 20 to Rs. 25 lakhs almost immediately and the Government do not wish to stint any amount in this regard. I am glad to say that the Union Production Minister has promised to give us any help, in order to make this industry a successful one." Alluding to the Spun Silk Mills at Chennapatna (now managed by a private limited company), the Minister said that it was not working well; the factory had to be placed on a sound footing. He personally felt that, in the larger interests of the State, the concern should be entrusted to the Government.

An agreement envisaging an increase in wages for the mill workers of Coimbatore has been reached between the South Indian Millowners' Association and the workers' representatives. Under the agreement, the basic wage of an ordinary unskilled worker has been raised from Rs. 26 to Rs. 30-1 per month. Semi-skilled workers such as spinners will get Rs. 37-6, as against Rs. 27-10 previously, plus a maximum of Rs. 8-2 as production bonus. The agreement covers about 40,000 workers employed in the 41 textile mills of Coimbatore area, the increase in wages amounting to Rs. 50 lakhs per annum. It is valid for a period of five years, with option to the parties to revise it after the expiry of three years with notice as provided.

A new machine for twisting kapron thread has been erected in the Marx factory at Leningrad. The spindles are set horizontally, instead of in the conventional vertical way. The advantage claimed for the machine is the saving of space. One tier of spindles, it is said, occupies 2½ times less space than in conventional twisting units, thereby making it possible to double the number of spindles in the units of the same size. The spindle is stated to be capable of considerably higher speed of as much as 18,000-20,000 revolutions per minute, that is, double the speed of the functioning equipment. Besides, the weight of the machine has been reduced from 8 to 6 tons.

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STRUCTURAL CHANGES IN COTTON MILL INDUSTRY

IMPORTS OF FINISHED GOODS MOVE UP

From Our Special Correspondent

MANCHESTER, 25*th September*

MANCHESTER LETTER

CONTRARY to some anticipations, the spate of mill deals, which was an important factor in the industry in Lancashire in 1955, has not continued on the same scale this year. Certain transactions have taken place and a number of firms have decided to withdraw from the trade altogether rather than continue the unequal struggle, but the movement has not been as pronounced as had been predicted. At the moment, seasonal influences may be holding up further developments of this kind but it would not be surprising if new mergers and financial arrangements were completed in the months that lie ahead.

Negotiations are known to have been proceeding in some cases and the possibility of terms being arranged is far from remote. Despite the slack state of trade the tendency among several of the bigger groups is to strengthen their position by the absorption of smaller units. Those which possess suitable mill buildings and machinery likely to fit in with the general organisation of the respective combines become an attractive proposition.

It is not surprising to learn that the adverse circumstances of recent years are causing much thought in the board rooms. Individual firms are having to review the future and their prospects with great care and, in a number of cases, an offer from a prospective buyer would be seriously considered.

Structurally the industry has lately tended to move in a vertical direction but in a different manner to the similar development which occurred soon after the war. Then it was noticeable that companies engaged in the later processing stages and in merchanting were anxious to secure productive capacity to ensure their supplies in a time of relative scarcity. Now the scene has altered in that the primary producers, chiefly in spinning, seem to believe that they can weather the storm more satisfactorily by launching into a wider sphere of activities.

Undiminished Flow

Although the outcry over foreign cloth imports has diminished there has been no corresponding reduction in the quantity of goods arriving in this country. Some slight adjustments have occurred in the style of textile fabrics being purchased abroad but the broad volume of imports has altered little compared with a year ago. To the end of August, total arrivals of cotton and rayon cloth amounted to 262,508,000 square yards, as against 265,390,000 yards in the same period of 1955.

Whereas some slackening has taken place in the imports of cotton grey cloth, from 207,226,000 yards to 185,955,000 yards, the amount of finished goods and ravon cloth has noticeably increased. Arrivals of finished cotton goods have risen from 19,934,000 yards to 24,259,000 yards and rayon fabric imported has gone up from 38,230,000 yards to 52,294,000 yards.

At the same time, exports of cotton and rayon goods from this country have been steadily declining so that the proportion of imports to exports has crept up from around 57 per cent. a year ago to 65 per cent. Total shipments to the end of August were 400,862,000 square yards, as against 462,206,000 yards a year ago.

Although the main source of cotton grey cloth supplies continues to be India with 94,404,000 yards, the quantity involved has dropped by 6,500,000 yards, but Hong Kong mills have sent an extra 1,000,000 yards at 36,526,000 square yards. Japan's shipments, however, have dwindled to less than half at 24,480,000 yards, as against 52,790,000 yards.

In the meantime, Lancashire exporters of cotton goods are still treading the downward path without signs of encouragement for the future. To the end of August, shipments earned £58,795,032, as against £66,715,457 a year ago and in all directions further ground was lost. Cloth exports during the period were 315,376,000 square yards, a fall of nearly 64,000,000 yards on last year. Yarn shipments, although still around the 1955 level at 23,655,609 lbs. were again unsatisfactory in August, the monthly total of 2,425,739 lbs. being the lowest since June, 1952, except when the dock strike intervened last year.

Protection Call

Mr. A. N. de Thier, former Chairman of Manchester's merchanting firm of Balstone, Cooke & Rayonese Ltd., told the annual meeting that with 190 mills shut down because of imports of cheap Asiatic cloth every textile board in Lancashire faced a hard task. Speaking from the floor of the meeting, he said: "Unless the Government takes some steps to protect Lancashire it is going to be a puzzle how to carry on."

Mr. E. G. Turner, the Chairman, appointed when Balstone, Cooke ran into difficulties, said active steps to reconstruct the capital were being taken and in the near future it was hoped to call an extraordinary meeting to make recommendations.

Leaders of Lancashire's 245,000 cotton workers have decided to press ahead with a claim for four weeks' paid holiday a year. "The claim will be presented to the employers when a suitable opportunity arises," said Mr. William Roberts. President, after a meeting of the Legislative Council of the United Textile Factory Workers' Association.

He said it was impossible to suggest when the claim would be put forward. It was a question of priorities. There were other matters which would have to be dealt with first.

A resolution calling on the legislative council to seek a month's holiday a year for cotton workers was passed at the annual conference of the United Textile Factory Workers' Association in May.

It could be a year or more before the issue is raised with the millowners. One resolution carried at the Association's 1955 conference has still to be acted upon.

Profit-sharing

The directors of Tootal Ltd., the Manchester textile group with mills at Bolton, are prepared to consider an amendment to the Company's profit-sharing scheme to give the employees a chance to obtain a bonus even in years when earnings are low. This was stated by the Chairman, Mr. Alan V. Symons, at the annual meeting in Manchester, when a shareholder pointed out that the most disappointing feature of the year's results was the fact that the operatives had received no bonus.

The profit-sharing scheme, which has been in operation for 37 years, is linked to the payment of an ordinary dividend to shareholders. Only on two previous occasions—during the 1920's—has a bonus been missed. At the moment so long as the directors recommend an ordinary dividend of more than 7½ per cent. a share-out of profits automatically follows. This year the dividend was reduced from 10 per cent. to 7½ per cent.

At the meeting it was suggested that the rate at which the bonus became payable should be lowered to 5 per cent. Mr. Symons said it would be a very complicated arrangement to alter the scheme, but that the Board would give the proposal very careful consideration.

Slight Labour Gain

Lancashire cotton spinning mills recorded their second biggest gain of full-time workers this year in the week ended 1st September. The Cotton Board announced in Manchester that the mills had recruited 87 more full-time spinning operatives than they lost. The only time this figure has been bettered was during a six-week run of manpower gains at the beginning of the year when the spinning section recorded a gain of 174 workers in the second week of January.

The figures show that although the gain in the week ended 1st September was partly offset by the loss of 40 part-time operatives, the spinning labour force has now increased to 97,080.

Of this number 88,200 were at work in the week under review when output of cotton, rayon and mixture yarn totalled 16,960,000 lbs. This was 60,000 lbs. more than in the corresponding week of 1955 and 4,920,000 lbs. more than in the previous week when holidays in four spinning areas curtailed production.—*All Rights Reserved.*

Indian textiles are reported to be losing ground in the New Zealand market due to keen competition from other countries. Last year cloth imports into New Zealand from India were valued at £505,104 as compared with £800,658 in 1954.

The drop in towel exports from India was one of the principal reasons for the general decline in textile exports to that country. Furnishing fabrics and household fabrics sold less last year than in 1954.

Besides Japan and Czechoslovakia, high quality furnishing fabrics from Belgium and Switzerland are making considerable headway in the New Zealand market. Hong Kong also figures in imports of textiles into that country.

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SUPPLY POSITION OF EXTRA LONG-STAPLE COTTON

FUTURE PROSPECTS ANALYSED

IT is hardly surprising that figures relating to aggregate free world stocks of cotton tend to obscure the important fact that the supply position of long-staple cotton in the current season is none-too-happy. Surveying the position in regard to the supply of this variety, the International Cotton Advisory Committee, Washington, observes that, despite a continuing disequilibrium between free world production and consumption in recent years, the cotton surplus situation in respect of certain grades and staples is by no means as acute as a mere reference to aggregate statistics might suggest.

The chief producers of extra long-staple cotton, by which is meant cotton stapling 1⅛" or more, in the free world are Egypt, Sudan, Peru and the United States. Extra long-staple cotton is no doubt grown in several other countries like West Indies and Aden, but their aggregate production, though expanding, represents only a small fraction of the free world total. An analysis of the supply of this type of cotton in the last three seasons in these countries shows that, while total free world production of cotton has been on the increase, production of extra long-staple cotton has remained quite constant. At the same time, exports of these staples (and presumably domestic consumption, too, have exceeded current production and the deficiency has been made up by drawing on stocks built up as a result of an exceptionally large crop in Egypt in 1952-53. At the end of that season, stocks in Egypt alone amounted to nearly half a million bales. Stocks in the main exporting countries, namely, Egypt, Sudan, Peru and the United States, aggregated 700,000 bales. As against this, on 1st August 1956, aggregate stocks of extra long-staple cotton were only 395,000 bales.

In the last three seasons, Egypt's exports were running at a rate higher than the annual rate of production. This has resulted in considerable reduction in stocks and, as on 1st August 1956, it is estimated to have been as low as 100,000 bales. Stocks in Sudan have also fallen to the lowest level for several seasons. Stocks in these two African countries and Peru now amount to only 285,000 bales, as compared with 685,000 bales three years ago. In striking contrast to this, stocks of extra long-staple cotton in the Untied States, excluding those in the defence stock pile, have risen from 33,000 bales in 1953 to 110,000 bales at the end of July 1956. In the present conditions of supply of extra long-staple cotton, this constitutes a useful increment to the free world supply of these cottons.

The following table gives an idea of the supply and distribution of extra long-staple cotton for the period 1952-53 to 1955-56.

(In 1,000 bales)

	1952-53	1953-54	1954-55	1955-56*
Stocks, August 1:				
Egypt	274	485	225	195
Sudan	75	185	175	248
Peru	10	15	15	15
United States	10	33	103	138
Total ..	369	718	518	596
Production:				
Egypt	925	507	531	552
Sudan	335	348	335	392
Peru	55	46	79	77
United States	94	65	41	43
Total ..	1,409	963	986	1,064
Supply:				
Egypt	1,199	992	756	747
Sudan	410	530	510	640
Peru	65	61	94	92
United States	104	97	144	181
Total ..	1,778	1,680	1,504	1,660
Consumption plus exports:				
Egypt	707	762	560	635
Sudan	220	342	262	480
Peru	50	45	75	75
United States	11	6	9	65
Total ..	988	1,155	906	1,255
Stocks, (July 31):				
Egypt	485	225	195	110
Sudan	185	175	248	160
Peru	15	15	15	15
United States	33	103	138	110
Total ..	718	518	596	395

* Estimate.

Another noteworthy feature is the significant change in the pattern of production of extra long-staples. Although Egypt continues to be the single largest producer of this cotton, its relative importance has declined considerably in the post-war years. Before the war, Egypt alone accounted for about 70 per cent. of the total free world supply, but, in the last three seasons Egypt's share has fallen to a little more than half the total producion. This has been due, mainly, to official control of acreage; but reduced yields have also been a contributing factor.

Production trends elsewhere is towards higher output, especially in Sudan and Peru, where the respective Governments have been actively engaged in the promotion of cotton growing. Production in Sudan is approaching double the pre-war level, while in Peru, irrigation developments have made possible an annual Pima/Karnak crop of 70,000 bales. Production in the United States, as is well known, has been restricted in recent times, but, even so, it exceeds double the pre-war figure.

Prices

In contrast to the downward trend in American-type cottons, prices of Egyptian-types have tended to harden. This is particularly true of extra long-staples and reflects the more balanced relationship between supply and demand. The market has been characterised by marked fluctuations during the season, prices rising steeply in March to May and then receding towards the end of season. Extra long-staple prices are, however, very much higher than a year ago. The following table gives the price trend of a few types of long-staple cotton during the season just ended:

Liverpool Spot Quotations

(Pence per lb.)

Monthly average	Egyptian Karnak F.G.	Sudan Sakels G5S	Peruvian Pima No. 1
1955: August	50.25	42.31	41.55
November	48.08	42.84	..
1956: February	53.25	44.38	42.50
May	74.35	54.50	52.75
June	66.30	53.94	54.50

Prospects

As regards production prospects for the 1956-57 season, the Committee observes that they are primarily dependent on what happens in Egypt. Acreage devoted to the Karnak and Menoufi varieties during the present season is estimated to have declined by 9 per cent. as compared with the last season. On the other hand, the prospects are for a noticeable improvement in yield which is likely to offset to a greater or less extent the reduction in acreage. Beyond this season, the production outlook here will depend on whether or not control of cotton acreage is continued, and much the same is true in the United States.

In Sudan and Peru, production increases are more long-term in nature and opportunities for an increase in acreage are more limited. Over a period of years, a sizable expansion of cotton acreage is planned in the Sudan. There is plenty of suitable land and no shortage of labour, and acreage could be easily doubled. But there are some limiting factors, namely, the availability of irrigation water and the level of cotton prices. Therefore, unless there is a significant increase in Egypt and to a lesser extent in the United States, it is doubtful if there will be any accelerated upward trend in production of extra long-staples in the foreseeable future.

In view of the much lower carry over on 1st August 1956, the total supply of these cottons during the present season is likely to be under last season, although, from the export viewpoint, this may be mitigated to some extent by the re-entry of the Untied States into the export market.

From the demand side, the unpredictable factor is what purchases will be made by the Communist countries, for any marked change in their activity can have a noticeable effect on the extra long-staple cotton situation. It may be, however, that, if the world demand holds up to last season's level, then the supply situation could become problematic.

The generally favourable outlook for cotton textile production during the present season may not apply with equal force in respect of the consumption of extra long-staples for one obvious reason. The increase in free world cotton consumption in recent years has originated in cotton producing countries, which, apart from the United States, consume little, or no extra long-staples. Therefore, any increase in aggregate free world consumption of cotton may not result in a proportionate increase in that of extra long-staples. Furthermore, extra long-staples are, perhaps, more vulnerable to competition from the synthetics. This must be qualified however, to the extent that these cottons are employed in mixed yarns and fabrics. In the U.S., for example, extra long-staples are often blended with the newer synthetics.

MORE AREA UNDER COTTON

The First All-India Estimate of Cotton for 1956-57 puts the current year's area at 14,602,000 acres, as against the adjusted first estimate of 13,175,000 acres for 1955-56, according to the Directorate of Economics and Statistics, Ministry of Food and Agriculture. This shows an increase of 1,427,000 acres or 10.8 per cent. in area during the current year as compared to last year.

Details according to (i) Trade descriptions and (ii) staple-length, of current and previous year's estimates are given below:—

(i) By Trade Descriptions

Variety	Area (thousand acres) 1956-57 (First Estimate)	1955-56 (Adjusted First Estimate)	Increase (+) or decrease (—) of Column (2) over Column (3)
(1)	(2)	(3)	(4)
Bengals	865	745	(+) 120
Americans	2,473	1,953	(+) 520
Jarilla (including Virnar)	2,925	2,610	(+) 315
Verum	323	294	(+) 29
H. 420 (including Malini M5-A)	432	466	(—) 34
Oomras	2,089	2,326	(—) 237
Hyderabad Gaorani ..	1,140	1,044	(+) 96
Malvi	1,316	1,234	(+) 82
Broach-Vijay	1,046	1,013	(+) 33
Surti-Suyog	482	482	..
Dholleras	958	566	(+) 392
Southerns	499	388	(+) 111
Comillas	54	54	..
Total ..	14,602	13,175	(+) 1,427

(ii) Staple-Lengths

Staple	Area (thousand acres) 1956-57 (First Estimate)	1955-56 (Adjusted First Estimate)	Increase (+) or decrease (—) of Column (2) over Column (3)
(1)	(2)	(3)	(4)
Long-staple	4,520	3,954	(+) 566
Medium-staple	6,855	5,919	(+) 936
Short-staple	3,227	3,302	(—) 75
Total ..	14,602	13,175	(+) 1,427

The overall increase in area during the current year has been shared by almost all the cotton growing States and is marked in Saurashtra, Bombay, Madhya Bharat, Hyderabad, Punjab, Rajasthan and Madhya Pradesh. The increase in area has been attributed to favourable weather conditions at the sowing time and to developmental schemes undertaken under the Cotton Extension Schemes. The increase has, however, been offset to a small extent by decreases reported by Bhopal, Bihar, Andhra and Tripura.

Among the different varieties of cotton, the increase in area has occurred mostly in Americans, Dholleras, Jarilla (including Virnar), Bengals and Southerns. A considerable decrease in acreage has, however, been reported in Oomras. As regards staple lengths major increases have been shared by medium- and long-staple varieties.

The information given in this Estimate relates generally to the period upto the end of July 1956. Till then, the condition of the crop was reported to be, on the whole, satisfactory. In parts of Bombay, however, the crop was reported to have been adversely affected by heavy and continuous rains and attack of insects and pests.

This Estimate does not cover the entire area sown to cotton crop during 1956-57. Past experience has shown that the area at the first estimate stage forms roughly 65 per cent. of the area under the crop finally reported.

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WORLD DEMAND AND SUPPLY OF MANGANESE

PROSPECTS FOR EXPANDING PRODUCTION ANALYSED

By Dr. R. M. Agarwal

IT has not been found possible to replace manganese by other metals capable of imparting the same properties to steel. The action of manganese is a complex one; it acts not only as a de-oxydising and de-sulphurising agent on steel, but combines with the latter to give it properties of resistance and ductility specially suitable for working it hot (particularly in the case of low carbon steels). The discovery of these properties has made it possible to reduce considerably the cost price of steel and to increase output by reducing the number of rejects in rolling and consequent waste of metal.

The technical conditions governing the use of manganese vary considerably not only from one country to another, but also in different undertakings of a given country.

The use of manganese can be considered under two headings:

(*a*) in the form of ore for making pig iron,

(*b*) in the form of ferro-manganese and/or spiegel for steel-making.

In modern steel mills, manganese is added near the end of steel making process in the form of an iron-manganese alloy, ferro-manganese, obtained by smelting high-grade ore in a blast or electric furnace. As a cleansing agent, it reduces the amount of oxygen remaining in steel and combines readily with sulphur to form manganese sulphide, which is less harmful. As an alloying element, it greatly increases the strength and toughness of steel without serious loss of ductility. Higher additions produce the well-known high manganese steel in which the manganese content is about 15 per cent. thus making the steel austenitic.

In cast iron, as in steel, manganese acts effectively as a deoxidizer and cleansing agent. When added in sufficient amount to cast iron, it tends to increase its strength, hardness, depth of chill, and resistance to wear.

Refined Ferro-manganese

Refined ferro-manganese, both low-carbon and medium-carbon grades, is advantageously used by many steel mills, especially those producing quality steels. The use of these refined manganese alloys gives greater control over the carbon content of the metal produced. It also results in great saving in time in producing low carbon steels. These alloys are commonly used in making structural and engineering steels, deep-drawing steels, stainless and tool steels. The utility of ferro-manganese in these applications is as a corrective in more quickly attaining the desired manganese and carbon content of the finished steel. If during the melting process, the rate of carbon decrease is slow, as is frequently the case in making low carbon steels, the use of refined ferro-manganese permits materials reduction of the time the melt is held in the furnace.

Under peacetime conditions, about 80 per cent. of manganese consumption is for this collective function. Special high manganese steel, which has extra high strength and resistance to shock and wear, accounts for the remainder, except for a little that goes into dry cells and chemicals.

The manganese supply problem centres around highgrade ore for the production of ferro-manganese. Use of ores containing less than 35 per cent. of manganese sharply increases the cost of making ferro-manganese. Use of ferro-manganese of grade below 70 per cent. in turn requires changes in steel making operation that increases the cost of producing finished steel. Measures to reduce consumption of high grade manganese ores by greater use of low-grade ores are generally uneconomic and are justified only when imports of high-grade ore are not freely available. Present costs and peacetime availabilities do not favour the use of low-grade ores.

It requires about 13 pounds of manganese to make a ton of crude steel. The average grade of manganese ore currently consumed is about 46 per cent. but almost 16 per cent. of the manganese content of the ore is lost in converting the ore to ferro-manganese, the alloy actually used in steel making process.

Expected Demand

If steel production in the United States approaches 150 million tons by 1975, as projected, the corresponding manganese requirement under current practices, will be about 2.5 million tons of ore of the grade now being used (46 per cent. average). If allowance is made for some increase in the production of high-manganese steels, 2.7 million tons may be required.

In 1950, free world steel producers outside the United States, with a steel output of 70 million ingot tons, consumed about 1.4 million tons of metallurgical-grade ore. Their manganese ore demand, expected to increase directly with steel production, will by 1975 be about 2.3 million tons as given below:

Free World Steel Production and Estimated Manganese Consumption in 1950 with Estimates for 1975

(Million short tons)

—	1950		1975	
	United States	Rest of the Free World	United States	Rest of the Free World
Steel production	100.00	70.00	150.00	140.00
Manganese ore requirement (including non-steel making uses)	1.80	1.40	2.70	2.30

The supply of manganese continues to cause some concern. Under the pressure of economic condition and owing to high price of manganese ore, special attention is being given to conservation of manganese by all principal users of this material, recovery of manganese slag, economy in use, search for substitute materials, use of low grade ores, and development of new mines. These measures have recently been given much consideration, because it is felt that increasing industrialisation in such countries as India and South Africa may force those countries to retain a larger part of their production for their own use.

The recovery of manganese from basic open-hearth slags could, if the process were developed commercially, be of revolutionary significance. If all the available raw materials were utilised, it would be possible to recover upto one half of present requirements of manganese. The cost of producing ferro-manganese by this process may be comparable with the present cost of producing it from imported ores.

Over 90 per cent. of the manganese ore consumed in the United States is imported; domestic supplies consist largely of very high grade materials derived from Montana copper-zinc-lead deposits supplemented by materials from sundry small mines and by-product operations.

Supply Position

The free world's supply of manganese now comes mainly from India and Africa. Indian output has gone largely to the United States, while North African output is absorbed by the European steel producing countries. The output from the Gold Coast and the Union of South Africa is divided between Europe and the United States. Somewhat over 10 per cent. of the United States' imports comes from Brazil and Cuba.

1950 World Production of Manganese Ore by Countries

Country	Thousand short tons	Per cent. of total
U.S.S.R.	1,500	32
Union of South Africa ..	717	15
Gold Coast (Exports) ..	645	14
India (Exports)	616	13
French Morocco	260	6
Brazil	150	3
Other countries	812	17
World Total ..	4,700	100

1950 World Production and Consumption of Manganese Ore by Regions

(Thousand short tons)

Region	Production	Apparent consumption
United States and Canada	111	1,882
Caribbean	101	14
South America	175	13
Western Europe	60	1,094
North Africa and Middle East ..	417	1
Central and South Africa ..	1,387	40
Free Asia (except Middle East)	784	210
Oceania	15	28
Soviet Sphere	1,650	1,650

Output from each of these sources has fluctuated considerably during the past 10 years. The Gold Coast has been the most stable producer, with present output just above the 1945-49 average and about 40 per cent. above the 1939-44 average. India's output rose sharply during the Second World War but declined 40 per cent. during the post-war period, until the political situation was stabilised. Recent expansion in French Morocco and the Union of South Africa has been vigorous, the 1950 output being two to three times the previous levels. During the war, Brazil and Cuba produced double their 1950 output.

The war-time market for each producer was governed by the needs of the Allies and the availability of shipping; in the post-war period, railroad capacity and potential Soviet competition have been the principal factors. In general, manganese production from the old producing countries—India, Gold Coast, and South Africa—has responded rather quickly to changes in demand. New production has also responded to the encouragement offered by an assured market.

Reserves

Of the major free world's producing countries, India's reserves clearly promise the longest life. Gold Coast reserves of high grade ore may be exhausted by 1975, if the present rate of production continues but other African and Brazilian reserves are large in relation to their present output.

Known Manganese Reserves of the Free World

(Million short tons of ore in place)

	High Grade (average 45% Mn.)	Low Grade (average 25% Mn.)
India	100	200
Africa:		
Union of South Africa	50	..
French Morocco	30	20
Belgian Congo	10	20
Gold Coast	10	20
Latin America:		
Brazil	50	..
Cuba	0.4	0.8
Other areas	16	27
Total ..	266	288

The outlook for increased production of manganese in response to rising demand is favourable. The expansion of manganese production is much less difficult and costly than other metals. Manganese ore usually occurs on or near the surface and is easily excavated by hand or power shovels. Furthermore, these ores do not require crushing and elaborate concen-

(*Continued on page 685*)

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TECHNOLOGICAL RESEARCH IN SUGAR

WORK OF KANPUR INSTITUTE TO BE INTENSIFIED

REVIEWING the progress of technological research in Indian sugar industry, we observed in these columns sometime ago—*vide* page 260 of *Commerce* dated 12th February 1955—that, while the research and development work of the Institute of Sugar Technology, Kanpur, was satisfactory, there was still a vast field which needed further and more intensive research. We had then urged that, in view of the importance of sugar industry—the second largest industry in the country—as also of the need for continuous research in the industry, the research and development wing of the Institute should be strengthened. It is, indeed, gratifying that this plea has been fully endorsed by the Advisory Board appointed by the Government of India to advise the Kanpur Institute on the problems of research work to be undertaken at the Institute and to review the progress from time to time. At its first meeting held in Kanpur recently, the Board said: "While the useful work already done by the Institute is to be appreciated, the tempo of research work must be further augmented. Considering the increasing need of the sugar industry for technical advice, the advisory work has also to be greatly increased." Having this objective in mind, the Board put forward several recommendations of vital importance.

One of the recommendations relates to the expansion of staff. As the Kanpur Institute is suffering from lack of adequate personnel, additional staff should, it is suggested, be immediately appointed, particularly in sugar technology and sugar engineering sections, so that there can be separate staff for advisory work and quite separate staff for teaching and research. Closely allied to this recommendation is the notable proposal that a chief designer and other necessary engineering staff must soon be appointed to look after the work relating to designing machinery units and re-modelling them which has considerably increased, thanks to the expansion that is taking place in the sugar industry.

Other Valuable Suggestions

Four more valuable suggestions were made by the Advisory Board. First, the question of treating the sugar factory effluents economically should be examined by the Institute. Secondly, three research fellowships must be instituted, so that the students passing out of the Institute can be trained in the methods of research which will prove of great benefit during their future career in the sugar industry. Thirdly, the Institute should examine the question of making available from Indian resources suitable quality of standard wire mesh screens for grading purposes. Fourthly, in order to enlarge the scope of training, the existing two-year course should be extended to two-and-a-half years.

The Board is of the view that the problems of research work proposed to be tackled at the Institute are fairly appropriate to the needs of the industry. It has, however, emphasised that the Indian Sugar Mills Association should take steps to ascertain the problems from different factories and to communicate the same to the Institute. The Board has done well to ask the Institute to issue a quarterly bulletin to be widely circulated, in order to keep the sugar industry in touch with the activities of the Institute. It is needless to stress here that the results of research undertaken at the Institute should reach the manufacturer at the factory without delay.

Activities Should Be Correlated

In the course of his address, Mr. T. C. Puri, I.C.S., Joint Secretary to the Union Food and Agriculture Ministry, and Chairman of the Advisory Board, stated that the Kanpur Institute of Sugar Technology was meant to serve the sugar industry, which was the second largest industry of the country; it was, therefore, essential that its activities should be correlated with the needs of the industry, besides the problems of research work to be tackled. Mr. Puri drew the attention of the Board to the size and the type of the experimental factory to be attached to the Institute. According to him, it was in this factory that large-scale progress of sugar production were tried out and students were trained. The existing factory of 35 tons capacity was too small a unit for this purpose and a bigger unit had to be thought of. He, however, pointed out that, while a 1,000-ton factory was considered to be an economic unit, the capacity would be too large for experimental purposes and would engage too much attention of the staff of the Institute.

The members of the Advisory Board felt that an experimental factory with a daily crushing capacity of 200 tons to 300 tons should meet the end in view. They appointed a sub-committee to draw up the most up-to-date specifications for the factory. An estimated expenditure of Rs. 75,000 required for removing the deficiencies of the existing experimental factory was approved.

Functions of the Institute

Incidentally, a brief review may be made of the work now being done by the Kanpur Institute. The functions of the Institute are threefold: (1) Research in sugar technology; (2) training of students in sugar technology; and (3) advisory service to factories on their day-to-day technical problems. The Institute devotes attention to applied, as well as fundamental, research on manufacturing techniques and utilisation of by-products. The trials of the new method of cane juice clarification evolved at the Institute on commercial scale have revealed that sugar of superior quality can be produced.

Among the notable results of research conducted by the Institute, mention may be made of a new method of re-heating massecuites employing electrical resistance heating, a simple formula for calculating practical power requirements in milling, a process for re-conditioning stiffened press cloth, and a new system of purification and modification of cane juice clarification. The electrical process of cane juice clarification, evolved by Prof. D. N. Ghosh of the Patna University, is being given a pilot plant scale trial at the experimental sugar factory. A study of *gur* in storage has also been undertaken on a small-scale. The Institute has prepared a fuel economy scheme which, it is claimed, reduces or eliminates the extra fuel consumption in the sugar mills.

SUGAR PRODUCTION AND STOCKS

The aggregate production of sugar in India during the current season (up to 15th September 1956) was 1,857,000 tons, as against 1,487,000 tons in the corresponding period of 1954-55. The total quantity despatched in the same period amounted to 1,525,000 tons, a rise of 488,000 tons as compared with the 1,037,000 tons despatched a year before.

The closing stocks with the factory as on 15th September 1956, aggregated 746,000 tons, as against 596,000 tons on the same date last year.

STANDARD FOR SUGAR MOLASSES

The Sugar Industry Sectional Committee of the Indian Standards Institution has decided to formulate an Indian standard specification for molasses, the main bye-product of the sugar industry. The decision was taken at the meeting of the Committee held at New Delhi the other day.

At its meeting the Committee also finalised four draft standards for (i) methods of test for vacuum pan sugar, (ii) specifications for cube sugar, (iii) icing sugar and (iv) refined sugar. The drafts will now be circulated for eliciting comments.

India exported during the first six months of 1956 less cane and palmyra *jaggery* than in the corresponding period of 1955, but earned a larger foreign exchange on this account. The quantity of *jaggery* that was actually sent out amounted to 12,024 tons, as against 12,396 tons a year before. The aggregate value of exports was Rs. 50.18 lakhs, which compares favourably with Rs. 44.82 lakhs.

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COAL PRODUCTION HIGHER

DESPATCHES ALSO MOVE UP

THE coal industry has been assigned an increase of 22 million tons in the production target to be attained in second Plan period. In 1955-56, the total production was 38 million tons, of which the private sector's share was about 34 million tons and the public sector's was over 4 million tons. Accordingly, by 1960-61 the total output should go up to 60 million tons. The trend of total production has no doubt been higher in recent years, the total output in 1955 being 38.2 million tons, as compared with 36.77 million tons in 1954 and 35.85 million tons in 1953. The output figures for the first seven months of the current year also show that the upward trend has so far been maintained in the current year. The bulk of the improvement has occurred in the private sector. The pace of increase is not, however, encouraging and, if this is all the pace that can be maintained during the coming years, it is doubtful whether even the private sector can reach the production-target. The industry cannot be blamed for such a slow progress, as at every stage, it is faced with fresh impediments, many of which are the outcome of the Government's defective policy.

The latest impediment is the strike of workers in the twenty-four collieries in Raniganj, which is about to enter its third week. Besides the fall in production which will result from the strike, many other industries, which depend on the metallurgical coal produced by these collieries, will also be affected.

The revert to the trend of production. The raisings during the seven months ended July 1956 amounted to 22.80 million tons, as compared with 22.14 million tons in the corresponding period of 1955. On the basis of the output for the first seven months, the total production for the whole year can be placed at 39 million tons. The actual output for the year will, however, be lower than this estimate as a result of the strike. If the strike continues for a month or more, then the total output for 1956 may even fall short of that attained in the previous year.

Despatches of coal during the current year were also higher than in 1955. The total despatches during January-July 1956 aggregated 19.94 million tons, as compared with 18.79 million tons in the corresponding period of 1955. On this basis, the total despatches for the year may work out to over 34 million tons, as against the actual quantity of 32.91 million tons despatched in 1955, 31.94 million tons in 1954 and 30.66 million tons in 1953.

The following are the monthly raisings and despatches during the first seven months of 1956, as compared with those in the corresponding period of 1955:

(In tons)

	Raisings		Despatches	
	1956	1955	1956	1955
January	3,196,089	3,152,967	2,788,689	2,671,573
February	3,346,389	3,248,578	2,690,633	2,502,267
March	3,360,456	3,304,154	2,835,244	2,764,112
April	3,223,355	3,233,135	2,864,950	2,693,664
May	3,314,435	3,175,335	2,871,114	2,743,546
June	3,196,937	3,074,872	2,877,245	2,658,339
July	3,167,406	2,956,326	3,010,020	2,755,971
Total ..	22,805,117	22,145,167	19,937,895	18,789,772

The raisings and despatches of coke (hard and soft) during the period under review were also higher. Raisings amounted to 926,135 tons, as against 904,966 tons in January-July 1955, and despatches 888,306 tons, as compared with 860,490 tons.

The improvement in raisings and despatches was to a large extent helped by the improvement in the supply of wagons. The daily average loadings in the Bengal-Bihar Coalfields during January-July 1956 were 3,361 wagons, as compared with 3,183 in the corresponding period of 1955.

The rising trend in production of coal has not, however, resulted in any increase in exports. On the contrary, there has been a fall. This decline is accounted for by the sharp fall in exports by land (solely to Pakistan). Thus, whereas the quantity of coal exported by sea during the half-year ended June 1956 amounted to 390,869 tons valued at Rs. 1.16 crores, as compared with 382,977 tons of the value of Rs. 1.14 crores in the first half of 1955, exports by land recorded a distinct fall from 521,525 tons in the first six months of 1955 to 432,838 tons in January-June 1956. In terms of value also, they were marked down from Rs. 1.47 crores to Rs. 1.17 crores.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

SPEECH OF MR. G. H. J. CLARKE AT THE ANNUAL GENERAL MEETING

THE Forty-fifth Annual General Meeting of the Imperial Tobacco Company of India Limited was held at Calcutta on 27th September 1956. Mr. G. H. J. Clarke, Chairman of the Company, who addressed the shareholders on the occasion, dwelt at length on the subject of taxation of tobacco and its products and indicated how damaging was the effect of the multiplicity of Central, State and local taxation at high rates on the industry as a whole and the economy of the country in general. He supported his predecessor's suggestion that the Governments concerned should consult the industry as to the best method of levying tax on tobacco and its products.

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

"LADIES AND GENTLEMEN:

"I have pleasure in welcoming you to this the Forty-Fifth Annual General Meeting of the Company.

"The meeting was originally convened for the 14th September 1956 and I wish to express the Board's regrets that the accidental omission of the hour of the meeting in the original Notice made deferment advisable in the interests of the shareholders. An explanatory statement has been sent to you.

"With your approval we shall take the Notice convening this Meeting, the Report of the Directors and the Accounts which have been circulated, as read and the Assistant Secretary will now read the Auditors' Report.

"Since the last Annual General Meeting, Mr. E. H. Hare has resigned from the Board after serving your Company for over 30 years, latterly as the Chairman of the Board.

"Mr. W. E. Nicholson, who had served, mainly in the tobacco growing areas of Southern India, for over 33 years, resigned from the Board early this year.

"We wish them both much happiness in well-earned retirement.

"Following Mr. Hare's resignation, I was elected Chairman in December 1955.

"In April of this year, Mr. C. N. Kirkus, Mr. N. Shiva Rao and Mr. E. G. Willis were appointed to the Board.

"These three gentlemen bring to their new duties and increased responsibilities an extensive experience and expert knowledge of your Company's business in its various aspects and they will, I know, make a substantial contribution to the progress of your Company.

"The Accounts in your possession give a comprehensive picture of the financial results of the Company's trading during the year under review and I believe you will regard these results as most satisfactory.

"In the tobacco industry, as in many others, the volume of sales is a decisive factor in contributing to a company's financial prosperity and I am pleased to report that the increase in sales volume, to which Mr. Hare referred in his speech last year, was fully maintained throughout the whole of the year now under review.

"That increase has called for further investment in both fixed and current assets as reflected in the Balance Sheet, although in the case of fixed assets some element of the increased investment was occasioned by higher costs of new machinery.

"Having regard to the fact that the bulk of the Company's investments are short-dated, that item on the Balance Sheet read with the cash position indicates a satisfactory degree of liquidity.

"Consequent upon the introduction, under the Finance Act, 1956, of a tax on distributed profits, provision has had to be made in the Accounts now presented for the tax liability in respect of the profits distributed by way of dividend out of the profits for the year to 31st March 1955, as well as in respect of the two interim dividends for the year under review, all of which were distributed during the year to 31st March 1956. The additional tax burden arising from these distributions amounts to Rs. 13,26,500 and is included in the charge for Income and Super Tax in the Profit and Loss Account, a charge which in total approximates very closely to the amount left available for disposal by the Board out of the results of the year's trading.

"The appropriations made by the Board and their recommendation as to the final dividend are set forth in the Report of the Directors on page 4 of the Report and Accounts, and, at this stage, I need only say that these appropriations continue to reflect the application of the Board's financial policy, to which Mr. Hare referred in some detail in his speech last year. The final dividend of 4 per cent., if approved, will now be payable on 28th September 1956.

"There are already evident to us all signs of a mild inflationary tendency in the country's economy and, whilst we welcome the broad aims of the Second Five-Year Plan, with its promise of a better standard of living for all in this land, it behoves us to have clearly in mind the implications that the execution of the Plan carries in the way of possible inflationary pressure at some points in the economy. It will, therefore, continue to be the policy of your Board to ensure that the Company's Reserves are maintained at a level adequate to safeguard the real capital position.

"I have referred earlier in my speech to the increased volume of sales during the year under review and to the benefit derived therefrom by the Company.

"The revenues of the Central Government have also benefited directly through the medium of increased collections of Tobacco and Cigarette Excise Duties on that greater volume of sales.

"It has always been the contention of the tobacco industry and of your Company, in particular, that frequent increases in the rates of taxation of tobacco products were bound to have an adverse effect on consumer demand. That point of view has been supported in the past when sudden, too frequent increases in Tobacco and Cigarette Excise Duties have severely inhibited the natural growth of sales in following years, with consequent adverse effect on the overall yield from such taxation to the revenues of the Central Government.

"In the year under review, the benefit accruing to the Central Government from increased collections of the duties has arisen, as I have said, directly from the increased volume of sales and gives support to the further contention of the industry that a satisfactory measure of increase in tax collections will arise naturally from an expanding volume of sales.

"There can be no question of challenging the right of a Government to tax tobacco and its products, but I do wish to support, most strongly, the point made by Mr. Hare in his speech last year that, in fairness to the consumer and in order to avoid any permanent damage to a sound revenue-producing source, the Government should consult with the tobacco industry as to the best method of applying the incidence of this type of taxation. Failure to do so not only harms the tobacco industry, as well as those it employs and those it serves, but also defeats the intention of Government.

"During the year under review, the States have continued to levy Sales Taxes on tobacco products at varying, though high, rates and it is greatly to be regretted that tobacco and tobacco products, already subject to high duties imposed by the Centre, have not yet been totally exempted from sales and local taxation.

"A high proportion of your Company's sales is made in the form of a single cigarette for a single coin and there can be no question but that a multiplicity of State and local taxation rates, on top of the Central duties, seriously hampers the growth of our industry and greatly restricts the yield from taxation to the Central Government.

"An example of a type of State taxation damaging to the tobacco industry as a whole and to the economy of this country is to be found in the Andhra Act of 1955 amending the Madras General Sales Tax and the Madras Tobacco (Taxation of Sales and Registration) Acts as applied to the State of Andhra. The 1955 Act imposed a tax at the rate of 7½ pies in the rupee on first purchases of certain varieties of raw tobacco. Not only does this impose an additional and heavy burden on cigarette manufacturers in this country but, at a time when competition in overseas markets is unusually keen, it places Indian grown tobaccos at a price disadvantage in these markets and may, therefore, seriously affect this country's valuable export trade in that commodity. The Government of Andhra State promised to review the operation of this tax; and it was greatly hoped that the tax would be removed in the overall interest. Such hopes, however, have been considerably dimmed by the passing of a further Act imposing a tax on country varieties of tobacco, formerly excluded; but however logical it may be to extend the application of the tax to all varieties of tobacco, the tax remains damaging to the industry as a whole and to the economy of this country.

"I have intentionally laid considerable emphasis on this subject of taxation of tobacco products because, whilst of vital interest to your Company, the effects of its application and incidence are of equal interest to the Central Government.

"The first five months of the current trading year again record an increase in sales volume, but I would remind you of the following factors which are likely to affect our costs and so offset the financial benefits of that increased volume.

"The effects of rising raw material costs have yet to be fully reflected in our production costs; in particular, we had to pay higher prices for leaf tobacco in Southern India this year and grade out-turns are likely to be disappointing.

"Furthermore, the mounting costs of wages and of the provision of amenities for our workers have an inflationary effect on production costs and unless these increased wages and amenities are matched by increased production on the part of those receiving them, the Company's prosperity, and theirs, must suffer.

"Relations between the Management and the workers have been very good throughout the year. Nevertheless, your Company, no doubt in common with other manufacturers, has suffered an occasional loss in production through the ill-advised tactics adopted by small groups of workers often without the support of their recognised labour union.

"In an industry so highly mechanised as ours, we have always set great store by the maintenance of a high standard of working conditions, of good relations with labour and the provision of adequate amenities; all of which further the aims and objectives of the Second Five-Year Plan; but we are entitled to expect that *all* workers will reciprocate by giving of their best to increase production.

"I must say that there is increasing and encouraging evidence that both workers and their representatives are beginning to share our conviction that such differences as may arise from time to time between factory managements and workers are more readily capable of settlement by direct negotiation rather than by the adoption of tactics which not only adversely affect overall output but also the earnings of the individual worker.

"Whilst, therefore, I am hopeful that rising costs of production will not offset the benefits of expanding sales, I would be failing in my duty to you if I did not warn you of the significance of the upward trend in costs. Your Directors have felt justified, however, in the light of the results of the first five months' trading of the current year, in declaring an Interim Dividend of 2 per cent., free of income-tax.

"I now beg formally to move the adoption of the Report and Accounts for the year ended 31st March 1956, including the payment on the 28th September next of a Final Dividend of 4 per cent., free of income-tax, on the issued Ordinary Shares of the Company.

"I shall now ask a member to second the Resolution and when that has been done, if anyone has any question to put or comment to make on the Accounts, it will be a convenient time to do so."

COFFEE DEVELOPMENT PLAN BEING IMPLEMENTED

REGIONAL OFFICES OPENED

THE Coffee Board has taken up in right earnest the task of implementing its fifteen-year development plan duly sanctioned by the Government of India, with the opening of five regional offices with effect from 1st October 1956. The plan, it will be recalled, envisages an increase of 9,600 tons in production by the end of the first Five-year period and 21,200 tons and 33,200 tons by the end of the second and third five-year periods, respectively. The additional production is sought to be achieved by a programme of intensive cultivation of the existing areas and fresh cultivation of additional acreage. Since the development plan extends over various districts of the existing States of Mysore, Madras and Travancore-Cochin, the need for regional offices at important centres has been found necessary.

The offices will function at the following centres with jurisdiction over the areas noted against each:

Headquarters	*Jurisdiction*
Chickmagalur	Chickmagalur, Hassan and Shimoga Districts.
Mercara	North and South Coorg.
Battagundu (Madurai District).	Madurai and Tinnevelley Districts and Travancore-Cochin State, excluding Nelliampathies.
Coimbatore	Districts of Coimbatore, Nilgiris and Salem and Nelliampathies in Travancore-Cochin State.
Kozhikode	Malabar District.

The aforesaid regional offices will be under a Development Officer whose headquarters will be at Bangalore in the Office of the Coffee Board.

The Board proposes to implement the development plan by giving monetary assistance to coffee growers. Such assistance will be of two kinds, namely, loans and accelerated pool payments. The loan aid will be given for intensive cultivation, as well as for opening out new areas to a limited extent. The loan for intensive cultivation will be given to planters in the 5 to 25 acre group at the rate of Rs. 500 per acre for *arabica* and at Rs. 375 per acre for *robusta* spread over a period of five years. For the 25 to 50 acre group (*arabica*), the loan will be granted at Rs. 750 per acre. The extension of acreage is subject to certain specified limitations based on the existing acreage. Loans for such extensions will be granted at Rs. 1,000 per acre for *arabica* and Rs. 750 per acre for *robusta* spread over five years.

Loan Aid to Existing Growers Only

The loan aid for extension of acreage by opening new areas is for the present limited to existing coffee growers only. In other words, those who want to take up cultivation of coffee by opening up new areas will not be entitled to receive loan aid from the Board. Loans will be granted only to registered coffee growers in the 5 to 25 acre group under *robusta* and 5 to 50 acre group under *arabica*. The group category will be decided according to the total planted area owned by the planter.

It will be noted from the foregoing that the present loan aid scheme is applicable only to planters having plots between 5 and 50 acres. Bigger growers will, however, receive larger advances against the value of their crop.

The terms and conditions of the loans are: (1) all loans will carry interest at the rate of 6¼ per cent. per annum, the interest being payable from the second year; (2) the principle is recoverable in five instalments beginning from the sixth year in the case of loans given for intensive cultivation and from the seventh year in the case of those for extension of existing areas; (3) loans will be granted only on the security by mortgage of the unencumbered estate and other immovable property acceptable to the Coffee Board, or where encumbered, if the person in whose favour the encumbrance exists agrees to substitute the Board's claim, in preference to his own, as the first charge; and (4) loans will be granted only if the Board's officers are satisfied that the estate can, by such aid, be profitably improved, or that the land is suited for the measures contemplated.

As regards the accelerated pool payment, planters in the 25 to 50 acre group will be eligible, provided they have not asked for the loan aid. Planters in the 50 to 100 acre group also will be eligible for this aid, as they are not entitled to receive loan aid as already indicated. The accelerated pool payments will be given to the extent of 85 per cent. of the value of coffee pooled in 1956-57 and these will be paid in instalments before the end of August 1957. Similar payments will be made for the next four seasons also. These advance payments will bear interest at the rate of 6¼ per cent., the same as that for the loan aid.

Rising Stocks

The Board has not been confining its activities only to the attainment of additional production targets. It has also at the same time been considering ways and means of promoting the internal consumption and finding export markets for absorbing the additional crop. In the meantime, reports from plantations indicate that growers are worried over the mounting level of stocks. The following figures of pool stocks at the beginning of each month and of the quantities disposed of (including those sold for export) are quoted in support of their contention:

(In tons)

1956	*Opening stock*	*Disposal*
January	7,559	2,185
February	13,388	1,796
March	20,308	2,234
April	26,473	2,566
May	27,079	2,978
June	25,985	3,329
July	22,088	2,691
August	19,547	3,553

The total quantity of coffee allowed for export so far amounts to 8,100 tons, almost all of which is said to have already been offered for sale. The balance of stocks, the planters say, is more than sufficient for meeting the requirements of domestic consumption for the next four months and the minimum required to be carried forward to the next season. The Board would do well to examine this problem, once again, and see that surplus stocks do not act as a deterrent to the progress of its development plan.

RUBBER STATISTICS

The production of rubber during the month of August 1956 amounted to 1,750 tons, as compared with 1,730 tons in the previous month and 1,756 tons in the corresponding month of 1955. This brings the total output for the first eight months of the current year to 13,111 tons, which compares with 12,255 tons in corresponding period of 1955. Consumption by manufacturers during the month under review, at 2,307 tons, shows a decline from 2,648 tons in July 1956, although it is slightly higher than that of 2,208 tons in August 1955. The total consumption for period January-August 1956 amounted to 19,154 tons, as compared with 18,226 tons in the corresponding period of the previous year. Thus, the increase in consumption has outpaced the rise in output, with the result that the gap between production and requirements has widened from 5,971 tons to 6,043 tons during the eight months. The stocks at the end of August have been marked down to 3,448 tons from 5,924 tons a year before.

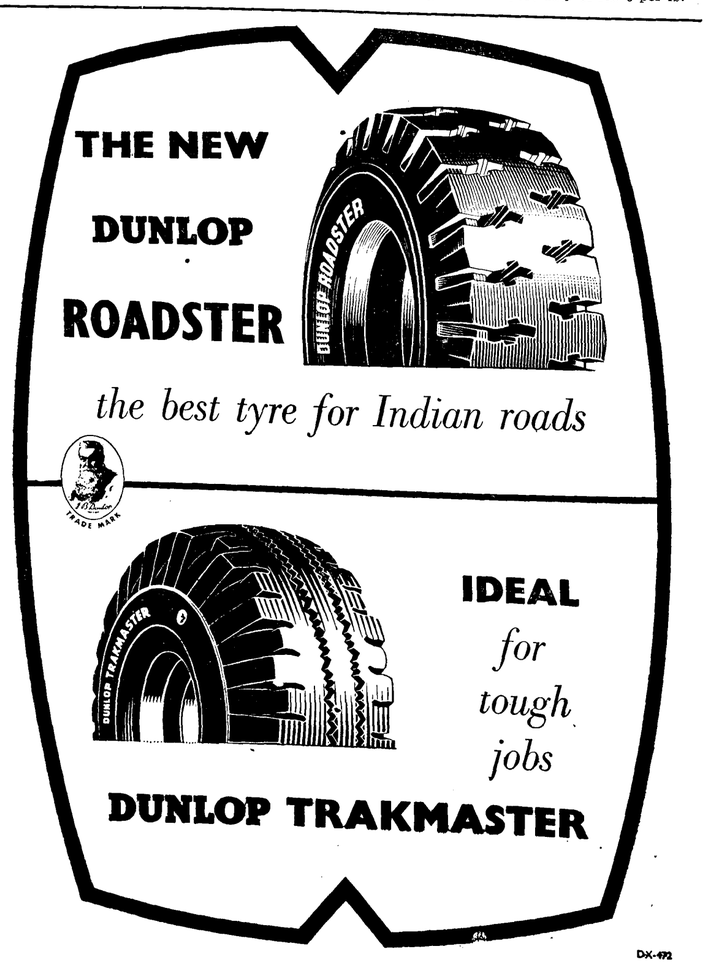
NORTH INDIAN TEA CROP TO BE RESTRICTED

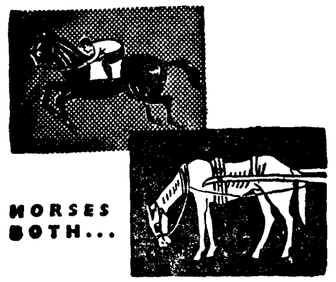
At a meeting of the Calcutta Tea Regulation Committee, which comprises the Tea Producing Associations of North East India, held in Calcutta on 27th September 1956, it was unanimously agreed that a substantial curtailment of the 1956 tea crop was necessary in order to regulate the crop against excessive supply. The dates from which members will be recommended to cease plucking will be advised shortly. It was also agreed that members should destroy all residual and waste teas of a quality unfit for sale in the auctions.

TEA EXPORT QUOTA

The Government of India has authorised the Tea Board to make a second interim release of export quota for the year 1956-57 to tea estates to the extent of 10 per cent. of their best crop basis, pending the final notification of the export allotment for the year. With this, the total release made so far for the year comes to 50 per cent. of the best crop basis.

The Government of India has fixed the price of tea for the purpose of determining the export duty at Rs. 3-3-9 per lb. for the month of October 1956, as against Rs. 2-11-5 per lb. in force from 1st September 1956. There is, however, no change in the existing rate of export duty of As. 6 per lb.





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Incorporated in the United Kingdom (Established 1863)
The Liability of Members is Limited
BANKERS TO THE GOVERNMENT IN KENYA, UGANDA, ZANZIBAR AND ADEN

Subscribed Capital **£4,562,500**
Paid-up Capital **£2,851,563**
Reserve Funds **£3,104,687**

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West End Office: 13, ST. JAMES'S SQUARE, LONDON, S.W. 1
BRANCHES:

INDIA	BURMA	TANGANYIKA TERRITORY	Naivasha (Sub-Branch to Nakuru)
Calcutta	Rangoon	Tanga	Kisumu
Chowringhee Calcutta	CEYLON	Daressalaam	Kakamega (Sub-Branch to Kisumu)
Bombay	Colombo	Mwanza	Eldoret
Madras	Kandy	Lindi	Kericho
Mount Road, Madras	Nuwara Eliya	Moshi	Sotik (Sub-Branch to Kericho)
Bangalore	ADEN	Mtwara	Nyeri
Amritsar	Camp, Aden	Mikindani (Sub-Branch to Mtwara)	UGANDA
Kanpur	Steamer Point, Aden	Bukoba	Entebbe
Delhi	Little Aden (Sub-Branch to Aden)	Mbeya	Fort Portal
New Delhi	SOMALILAND PROTECTORATE	KENYA	Kampala
Tuticorin	Hargeisa	Mombasa	Masaka
Cochin	Barbera	Nairobi	Jinja
PAKISTAN	ZANZIBAR ISLAND	Delamere Avenue, Nairobi	Kamuli (Sub-Branch to Jinja)
Karachi	Zanzibar	Thika	Mbale
Saddar Branch, Karachi		Nakuru	Tororo
Lahore			Soroti
Chittagong			Mbarara
Agrabad Rd., Chittagong			
Narayanganj			
Khulna			

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Maharma Gandhi Road, Fort, BOMBAY 1.

D. G. MOORE, Manager.



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Dougal Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
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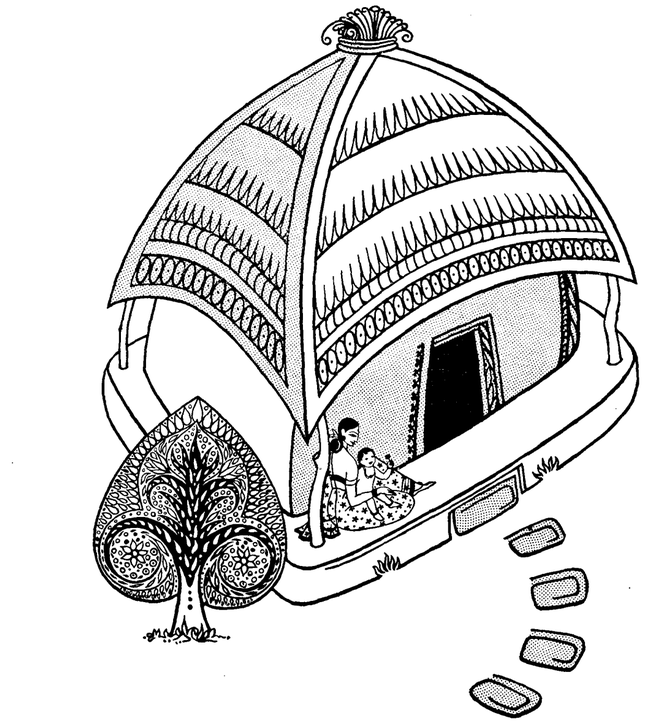

A roof over our heads—a place to rest, to shelter our families from the heat of the sun, from cold winds and driving rain—that is what we all need. Like food, a home is a basic necessity common to peoples of all countries.

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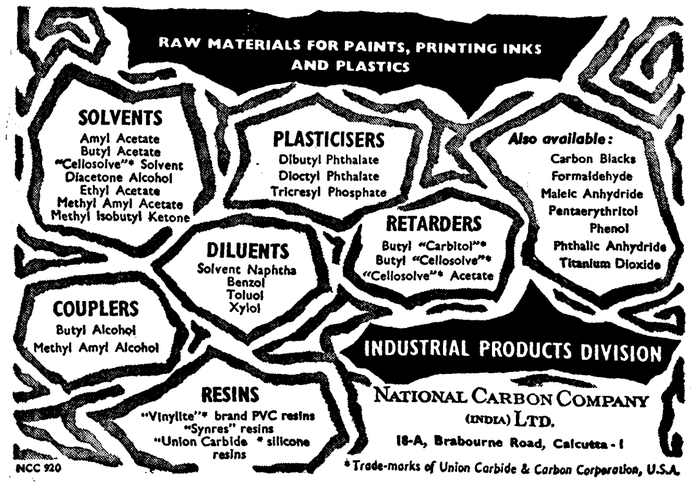

CAN ROAD TRANSPORT PROVIDE RELIEF TO RAILWAYS?

A CALL TO TRADERS AND ROAD TRANSPORT OPERATORS

By B. V. Vagh

VICE-PRESIDENT, INDIAN ROADS AND TRANSPORT DEVELOPMENT ASSN. LTD.

AN acknowledged development in the transportation of goods by road in other countries is the increasing employment of such multiple-unit vehicles as articulated vehicles, truck-trailer and tractor-trailer combinations. These, in effect, are miniature railways, which, within the radius of operation permissible on a road, carry, with the same motive power, larger loads, in one or more trailers than are possible on one chassis and are, therefore, more economical in transportation than trucks by themselves.

This development, which is bound to come to this country, has not yet attracted sufficient attention but the Motor Vehicles Act of 1940 provides for the employment of truck-trailer combinations and, in 1949, the Indian Roads Congress incorporated in its specification for "Dimensions and Weights of Road-Design Vehicles" optimum dimensions and loadings of such combinations for use on our roads. With the recent growth of the automobile industry in this country, the production of heavy-duty vehicles and an all round increase in the production of all commodities on account of our two five-year Plans, a time has come to call the attention of all concerned to this development, which, if planned for carefully, will play an important role in the implementation of our second Five-year Plan.

Unit Costs

The basic consideration in all services is the unit cost, which, in the case of transportation, is the cost per ton/mile of goods carried. Here, our present basis of comparison is the cost of transportation by railways. However, in this comparison two facts are generally overlooked. One is that railway freights are not based on the cost of carriage but on what a commodity can afford to pay and are, therefore, adjustible, if necessary. The other is that our present railway freights are not considered to be economic by many people, particularly independent observers like Mr. Galbraith and the World Bank Mission. The latter have observed that "it is clear that the provision made for depreciation in the past has been quite inadequate to meet replacement needs in full and we feel that the railways ought to be financing a much larger proportion of their current development programme out of their own resources." On the other hand, road costs are based on the cost of carriage and are fully economic in the sense that they cover all outgoings. Secondly, as a result of certain policies pursued by our Government in the past, road transport has been confined to feeder and zonal traffic only carrying small loads, operating over short distances and suffering from frequent stoppages. The general condition of our roads also was not very satisfactory in the past. Therefore, as a matter of sheer necessity, the present road transportation costs have been comparatively high.

Improved Conditions

However, conditions have changed and are changing rapidly. As against a minimum permissible laden vehicle weight of 14.500 lbs. which was in force in the country so far. the Council of the Indian Roads Congress has now agreed, at the instance of the writer, to a minimum laden weight of 18,000 lbs. which means a pay-load of 5 tons. Although this is insufficient for the wholesale use on all roads of a heavy-duty vehicle carrying 7½ tons of pay-load, that is, for a vehicle which is now produced in this country, still there are a number of roads on which it can ply and, therefore, for the time being it will be safe to base transportation costs on a laden weight of 18,000 lbs.

Then, a number of new bridges have been built, many have been strengthened and a large mileage of roads has been provided with improved surfaces. The geometric lay-out of many roads has also been improved permitting relatively greater speeds and necessitating fewer stoppages than before. Lastly, due to increased production all round during the first Plan, more freight is now available permitting a greater load factor. Thus, while a number of things still remains to be done in the sphere of roads and road transport, it is necessary to take account of what has been done and to profit by it in our transportation costs.

Feeder Traffic

Based on the conditions operating in the country in 1949, when petrol was rationed, the Motor Vehicles Taxation Enquiry Committee employed in their calculations of truck costs a load factor of two-thirds and a vehicle-mileage of 20,000 p.a. For the conditions of restricted laden weights then operating, the maximum pay-load of a normal truck was taken at less than 3½ tons. Lastly, Diesel-operation was not then much known, nor were heavy-duty vehicles available. Under this set of conditions, the rate per ton/mile then worked out to about 65 pies, which as compared with the then railway freights was naturally high. Under the altered conditions referred to above, the pay-load is 5 tons. and the load factor and annual mileage can be safely taken at three-fourths and 25,000, respectively. On this basis, the average cost per ton/mile now works out to about 53 pies for a petrol-driven vehicle and about 45 pies for a diesel-driven vehicle, although the initial cost of a truck is now over 50 per cent. more than that in 1949. Where a 7½ ton pay-load is permissible, the cost of a diesel-driven vehicle works out to about 37 pies per ton/mile. Therefore, against the old rate of about 65 pies, the current rate per ton/mile for feeder traffic works out to from 37 to 53 pies, depending on the size of a truck and fuel used. thus offering both an appreciable reduction and a wide choice.

Long-distance Traffic

But the development does not end there. The Deputy Minister for Transport has said in the Lok Sabha that competition between the railways and roadways is now a closed chapter in India and has referred to a ceiling in the level of State taxes, facilities for inter-State traffic and the need to adopt a liberal policy in respect of licensing for goods vehicles. All these facts, together with an improvement in the condition of our roads mentioned earlier, has opened the way to long-distance traffic by road. In this case for the same load factor and same conditions of loading the mileage per vehicle can be doubled. On this basis, the rates work out to from about 29 to 42 pies per ton/mile. Within this range. for a door-to-door service, a number of commodities at present carried by the railways can be handled by road transport, avoiding the present delays in obtaining railway wagons.

Truck-trailer Combinations

We have so far considered only trucks. All the trucks with a pay-load of from 5 to 7½ tons which are at present produced in this country are capable of carrying a trailer with in some cases nearly the same load as the truck itself. Trailers of this size are not yet being manufactured in this country but they are simple contraptions easy to produce. When the country can produce railway wagons at the rate of about 25,000 p.a. it goes without saying that it can very easily manufacture an equal number of trailers, if necessary. Based on the cost of railway wagons and the cost of trailers in other countries, their cost may work out to between one-fourth and one-third the cost of a truck and, in regard to operation, the experience in other countries is that the cost of operation of a truck-trailer combination may be about 40 per cent. higher than that of a truck. On a ton/mile basis, this works out to from about 22 to 33 pies assuming that a trailer carries only 80 per cent. of a truck's pay-load.

Summary

Thus. based on conditions operating at present, the ton/mile cost of road transport works out as follows:

Feeder Traffic—

Truck : 5 to 7½ tons pay-load : 37 to 53 pies per ton/mile.

Long-Distance Traffic—

Truck : 5 to 7½ tons pay-load : 29 to 42 pies per ton/mile.

Truck-Trailer 9 to 13½ tons pay-load : 22 to 33 pies per ton/mile.

It was mentioned recently on behalf of the Railway Board that, including incidentals, the cost per ton/mile by railway transport ranged from about As. 1-3/4th to As. 3-1/3rd, i.e., 21 to 40 pies in the case of certain essential commodities and raw materials. The reader can see for himself from the table given above that, on the basis of cost. many of these commodities can be handled by road transport also, if it is developed with a will to do so.

Trading Community

For no fault of theirs but due solely to Government policies in the past, our trading community and the general public have been wedded too much to the railway idea, so much so that today in our vocabulary the word "railways" has become synonimous with the word "transport." Due to this attitude, the country has reached a danger point in its transportation system and it is necessary to bring to its notice the following facts:

(i) Independent observers feel that the present railway rates are not economic.

(ii) With the need to develop the country rapidly and to reach quickly the goal of doubling our *per capita* income, it may be increasingly difficult for the country to spare for the railways nearly 25 per cent. of our total allotment on the Public Sector as in the second Plan.

(iii) A good deal of our investment on roads at present remains unutilised by not putting on them a number of vehicles commensurate with the carrying capacity of roads.

(iv) The automobile industry is expanding and is capable of further expansion and it is in the interests of the country to make full use of it.

(v) Leaving aside likely improvements and taking things as they are, road freights are comparable to railway freights, if truck-trailer combinations are used.

Hence, our trading community should take an interest in this line of development instead of relying solely on the railways.

Road Transport Operators

A word is also necessary to the transport operators. They have done a magnificent piece of work on the whole by developing road transport from a scratch. Inspite of nationalisation, private operators in the country handle practically all the goods traffic and about three-fourths of the passenger traffic. (These figures which were originally published by the writer in the *I.R.T.D.A. News Letter* of 16th October 1955 have now been confirmed by the Deputy Transport Minister in Lok Sabha on 11th August.). In terms of numbers, the ratio of nationalised to privately-owned buses and lorries is 1 to 10. This ratio will be still less by 1960-61. as a result of the slowing down of nationalisation. Therefore, the future lies in the hands of operators and it is up to them to study the development of truck-trailer combinations on the lines indicated above and show a way to the country.

At present, road transport operation is in the hands of people of limited means. Although, there is considerable scope for expanding this line, two factors have been preventing it, namely, Government restrictions on its use and the present level of prices of trucks. In a recent speech in Lok Sabha, the Deputy Minister for Transport has referred to a number of measures Government have on their hands to encourage the development of road transport. These measures are expected ultimately to remove these restrictions and pave the way for further expansion. But they will not solve the problem of vehicle costs. This Association has suggested to Government loans at a cheap rate of interest to operators and the Tariff Commission has been going into the question of prices of automobile vehicles. But the measure which will result in a substantial price reduction is in the hands of the operators themselves. It is to employ truck-trailer combinations or articulated vehicles instead of only trucks as at present. A combination of this type is estimated to cost about 30 per cent. more than a truck, which fact means that you get two vehicles at 1.3 times the cost of one, that is, 0.65 or, say, two-thirds of the cost per vehicle. Thus, the saving in initial cost per vehicle is about one-third, which is substantial.—*All Rights Reserved.*

INDIAN ENGINEERS IN THE U.S.S.R.

Indian engineers are undergoing professional training at the Giprokoks Institute, Kharkov, U.S.S.R., where a coking and chemical plant for the iron and steel works, now under construction in Bhilai was designed. During the four months training here they will study the principal elements of designing and the technological process to be applied at the new works in India. The Indian engineers will also study the organisational work at the Soviet coking and chemical plants.

NEW PRODUCTS AND PROCESSES

Rapid Weighing of Packed Goods

PACKAGED goods and rigid items can be weighed at rates up to 60 items per minute with a new portable electronic checkweigher made by The Solartron Electronic Group (Thames Ditton, Surrey). Weighing accuracy is said to be better than 0.2 per cent. and the equipment can be used in semi-automatic production lines or for high-speed percentage sample checkweighing in fully automatic, high-speed systems. The equipment is built into a console with a weighing head at the top. There are red, green and amber lights for routing the weighed products and there are also counters for checking the quantities of correct, under-weight and over-weight packages. Three sizes of weighing head with platforms made to suit the product being handled are available and nine standard models of the checkweigher are being made with maximum weighing capacities ranging from 0.12 ozs. to 70 ozs. Another development by Solartron is a checkweigher which can be incorporated into many types of production line and can weigh at rates up to 120 items per minute. This also has a claimed weighing accuracy of within 0.2 per cent. It can be used for either hand-controlled production lines or fully automatic arrangements and can be operated in conjunction with automatic equipment for rejecting over-weight and under-weight packages. Remote warning control devices may also be fitted.

Diamond Radiation Counters

A method for mounting diamonds in a miniature holder, which will enable the diamonds to be used as *pinpoint radiation counters*, has been successfully tried out in a series of experiments. The potential value of the process, which has been developed by Mr. F. Cotty of the Diamond Producers' Association, depends on the fact that radioactive radiation penetrates diamonds to approximately the same degree as human tissue, thus enabling a very accurate measure of the radiation dosage experienced under X-ray therapy treatment to be obtained. In the experiments conducted by Mr. Cotty the diamond to be used as the radiation source was drilled with a hole just large enough for a thin wire to be run through it and was fitted into the end of a thin hollow metal tube. In the finished counter the wire running through the diamond, which is insulated from the metal tube, acts as the anode while the metal tube acts as the earth potential. Steady counting rates of alpha and beta radiation sources were successfully obtained from diamond *radiation counters* prepared in this manner in the experiments, the counts being generated in the form of microvolt pulses of electricity. Although there are a number of technical difficulties in using diamonds as radioactive radiation counters, as for example the problem of obtaining diamonds of uniform behaviour, it is believed that these can be overcome.

Krupp's Steel Process

Methods of direct steel production from ore—that is, skipping the blast furnace stage—have come of age. Next year, the Krupp-Renn process will account for 180,000 tons of steel, that is about 0.8 per cent. of Germany's steel output. Three 120-yards long rotary kilns are being built at Salzgitter at a cost of 30 million marks, the first one to be ready by next month and the two others to follow shortly. The Krupp-Renn process (the name is derived from the teutonic word for "flow") consists briefly of reducing iron oxides in the rotary kiln to iron sponge at temperatures of 600 to 1,100 degrees centigrade. The iron sponge is then separated from the pasty slag by way of magnetic separators, and the small lumps of iron containing 92-97 per cent. Fe. are then fed into the steel furnace. No metallurgical coke is required. In Greece, for example, poorest lignite from the Ptolemais deposits is used as fuel for the nickel ore rotary kiln.

Semi-continuous Bronze Casting

Experiments which have resulted in the development of an improved method of semi-continuous bronze *casting* were discussed at a meeting of the Institute of Metals in Stuttgart. The work, which had led to the design and building of a relatively simple and inexpensive machine capable of producing higher quality bronze at a lower cost than traditional casting methods, was undertaken at the Tin Research Institute. The process depends on the use of a gas-heated reservoir mounted immediately above a graphite die through which the molten metal passes. The metal is then cooled with water and the cast bronze emerges from the bottom of the apparatus as either a rod, or a tube according to the type of die used. The speed at which casting may be carried out varies with the alloy used but speeds up to 12 and 15 inches of cast bronze per minute were attained during the experiments. One version of the system now in operation can produce bronze slabs of a standard suitable for rolling into springs for use in electrical switches and similar appliances.

Testing Mosquito Repellants

Research which has been carried out recently in Canada has demonstrated that the ability to absorb infra-red rays is an indication that a chemical compound is an effective mosquito repellant. The experiments which involved the testing of 6,241 chemicals as potential mosquito repellants was reported in a recent issue of the scientific journal *Nature*. The results of these experiments indicate, according to scientists of the British Columbia Research Council, that the basis of mosquito repellancy lies in the fact that a chemical absorbs infra-red near 21.7 millionths of a metre. The importance of these findings lies in the fact that they should enable large numbers of chemicals to be tested far more rapidly for possible mosquito repellant qualities than has hitherto been possible.

(This is only an announcement to the Members and not a Prospectus nor is it an invitation to the public or any section of the public to subscribe for shares.)

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AUTHORISED CAPITAL	**Rs. 25,00,000**
Divided as follows :—	
20,000 Ordinary Shares of Rs. 50 each	Rs. 10,00,000
15,000 six per cent. tax-free cumulative redeemable Preference Shares of Rs. 50 each	Rs. 7,50,000
15,000 Unclassified Shares of Rs. 50 each	Rs. 7,50,000
	Rs. 25,00,000
PAID-UP CAPITAL : 15,000 Ordinary Shares of Rs. 50 each	**Rs. 7,50,000**
CAPITAL TO BE ISSUED : 15,000 six per cent. tax-free cumulative redeemable Preference Shares of Rs. 50 each	**Rs. 7,50,000**

Issue of Preference Shares

The Company at its Extraordinary General Meeting held on 29th September 1956 has resolved that 15,000 six per cent. tax-free cumulative redeemable Preference Shares of Rs. 50 each be issued at par. These shares are being offered by the Directors to the Members on the Company's Register as on 1st October 1956, in the ratio of one Preference Share for one Ordinary Share held. The time limit given to the Members for exercising the option to apply for the Preference Shares is up to 15th November 1956. The Letters of Offer are expected to be posted on or about 15th October 1956 under Certificate of Posting. The consent of the Central Government has been obtained for issuing the aforesaid Preference Shares as well as for effecting a substantial expansion of the existing industrial undertaking.

Outline of The Project

The Second Five-year Plan states that emphasis will be placed on stepping up the production and export of cottonseed oil and oils from solvent extraction process. The Company's plan to establish a 60-ton solvent extraction plant at Hubli in the new Mysore State, as an adjunct to its existing cottonseed crushing unit there, is in line with this declared objective of the Plan. The Company's proposed change of name from "SUNDATTA COTTON-SEED UTILISATION LTD." to "SUNDATTA FOODS & FIBRES LTD." is also consistent with the intended diversification of its activities.

The following are the main products which the Company will manufacture:

(i) Cotton linters for the cellulose, acetate rayon and paper industries;

(ii) Fully refined and deodorised cottonseed and groundnut oil for edible consumer use;

(iii) Crude and semi-refined cottonseed oil for sale to hydrogenation plants and for export;

(iv) De-oiled groundnut meal for manurial purposes and for export;

(v) Lecithinated cottonseed meal and cubes for export and internal consumption; and

(vi) Fatty acids for soap and lubricating grease manufacture.

The total additional outlay on Fixed Assets for the establishment of the solvent extraction plant is estimated at Rs. 10 lakhs, of which approximately Rs. 7½ lakhs will be on plant and machinery, and Rs. 2½ lakhs on land and buildings. The solvent extraction plant is expected to go into production between October 1957 and April 1958.

Finance for Solvent Extraction Plant

The proceeds of the Preference Issue of Rs. 7½ lakhs now being offered to the shareholders will be utilised to finance the solvent extraction plant. This plant is of the outdoor prefabricated type, and is expected to cost approximately Rs. 7½ lakhs, excluding the advance payment of 10 per cent. of the c.i.f. New York price which is being paid to the manufacturers by the Company from its present internal resources.

The solvent extraction plant is of the latest type recently developed in the U.S.A., and is specifically designed for the direct extraction of cottonseed kernels without the use of mechanical pre-presses. With its establishment, not only would the cottonseed crushing operations gradually become more efficient because of the higher oil recovery, but, during the slack season for cottonseed, that is, from October to March, the solvent extraction plant would be usefully and profitably employed in the de-oiling of groundnut oilcake. This oilcake is produced on a large scale during this period by the many groundnut oil mills situated within a radius of 200 miles of Hubli.

Funds for Land and Buildings

The cost of land and buildings is estimated at Rs. 2½ lakhs. The funds required for this purpose are to be provided from subscriptions to the unsubscribed balance of Rs. 2½ lakhs remaining as on 1st October 1956 in the Ordinary Share Capital of the Company. This balance of Ordinary Capital forms part of the issue of Rs. 5 lakhs made in 1953 which was only partially subscribed. No active effort has recently been made to collect this outstanding balance, which remains at the disposal of the Directors who are confident of its early private collection.

Past Performance

The Company's working during the eighteen months up to the end of June 1956 has been satisfactory. The Company, at its Fourth Annual General Meeting held on 29th September 1956, declared a maiden dividend of 6 per cent. on the Ordinary Shares for the year 1955. The audited Statements of Accounts for that year have been in the hands of shareholders for some time now, and the net profit (subject to depreciation) of a little over Rs. 2 lakhs may be considered somewhat below normal in view of the sizable quantity of 11,000 tons of cottonseed crushed and the sales turnover of over Rs. 40 lakhs. But this was due to the poor quality of cottonseed last year owing to crop damage.

During the first six months of this year, the Company's mills at Hubli crushed a little over 5,000 tons of cottonseed, which has resulted in a net profit (subject to Audit) of over Rs. 1½ lakhs. The interim audited Statements of Accounts for the period January/June 1956 are under preparation, and will be separately sent to the shareholders with the Letter of Offer relating to the Preference issue. It may be stated that the current rate of profit is likely to be maintained in the second half of this year, barring unforeseen factors.

Future Working

With the establishment of the solvent extraction plant and the addition of some cottonseed preparatory machinery, the capacity of the existing cottonseed crushing unit is expected to increase gradually from the present 10,000 tons to 15,000 tons per annum during the active season of the year, namely, April to September, while an additional 10,000 tons per annum of groundnut oilcake is expected to be de-oiled in the solvent extraction plant during the slack season for cottonseed, that is, from October to March. Such a rationalisation in productive capacity will not only increase the earning capacity of the mills but also ensure full employment for the Company's staff.

The present working capital resources, augmented by recent profits, are considered sufficient for the proposed alternate six-monthly working on cottonseeds and groundnut oilcake. It may be noted here that the order for the solvent extraction plant is being placed on the basis that 60 per cent. of the c.i.f. New York price of the plant is to be financed on a deferred payment basis through the Export-Import Bank of Washington to whom an application is being made by the Company. If this materialises, a sum of about Rs. 3 lakhs will be available as additional short-term working capital, and this will reduce, to some extent, the dependence on temporary bank borrowings against commodities.

By Order of the Board,
N. D. SIRUR,
Managing Director.

BOMBAY, *dated 4th October 1956.*

FUTURE OF MOTOR INSURANCE

PROBLEM OF TARIFFS

THERE is no doubt that, with the rise in living standards and incomes contemplated under the second Five-year Plan, the prospects of a wider use of automobiles and, as a consequence of such wider use, the prospects for motor insurance are bright. At the end of the first Plan (1955-56), the annual production and consumption of motor cars and trucks were estimated at 25,000 and 23,000 respectively. In the second Five-year Plan, the target of production, to be reached in 1960-61, has been set at more than twice the 1955-56 level, at 57,000 motor cars and trucks per annum. It is estimated that the annual rate of consumption in 1960-61 will equal the target of production fixed for that year. This optimistic estimate is based on the trend of offtake of cars and trucks since 1953. During 1953, 1954 and 1955, the offtake of cars was 5,000, 5,806 and 10,166 respectively, while that of trucks was 4,400, 8,007 and 12,899 respectively. The demand for motor cycles is also expected to move up from a mere 5,000 in 1955-56 to about 11,000 in 1960-61.

The overall outlook for the volume of motor insurance is thus bright indeed. But it cannot be a matter for gratification for the insurers unless the claims experience and the costs of repairs and services also become favourable. From this point of view, it is noteworthy that, under the second Five-year Plan, the road development programme is expected to absorb about Rs. 270 crores. So far as motor insurance is concerned, what is of particular importance is the maintenance and improvement of roads. The Plan also contemplates the maintenance of roads in a state of good repair. As against the advantages to be derived from the increase in the number of vehicles and the improvement in the state of roads, the motor insurers have to contend against the threat of nationalisation of road transport and of certain lines of motor insurance. Further, they have also to face the loss arising out of the rising cost of repairs and services. In this connection, they will certainly welcome the efforts at standardisation of motor vehicles, in so far as such standardisation will augment the supply of spare parts and thereby reduce the cost of components of vehicles.

Nevertheless, the general problem is one of evolving an economic schedule of tariffs. Referring to this problem, Mr. B. M. Birla, Chairman of the Ruby General Insurance Co., Ltd., at the recent annual meeting of the Company, said:

"In spite of the selective underwriting policy adopted by the Company, I am sorry to observe that this department continues to show a loss. This is also the case with most other insurance companies. It is high time the accident associations took up the question of an upward revision and rates because of more private car traffic on the roads and the high cost of repairs and the premium rates having again fallen below the economic level."

The problem to which Mr. Birla has referred is not peculiar to India alone. In this context, it is worth recording what the General Manager of a leading French insurance office, Mr. R. Schmit, had to say on this subject of motor tariffs. He averred, according to the *Review*, that the French car insurance market was on the verge of catastrophe, thanks to the rising cost of claims. He, therefore, suggested a "floor" tariff, with the upgrading of premiums for bad drivers instead of a ceiling tariff. He said:

"For some years now we have witnessed a mad race between premiums and claims, always to the advantage of the latter, the adverse balance being a permanent one and the deficit amounting to an ever-increasing number of milliards. Can this balance be corrected? We must face the facts and admit that, with the present state of things, the answer is 'No.' It is already clear that the recent reassessment is insufficient and that, in any case, its effects will be only of short duration. The technical risks increase daily (faster vehicles, effect of the two-wheeler on traffic circulation, roads ill-suited to heavy traffic, etc.). The Courts consider the insurance companies as an inexhaustible source of money and they award considerable, and often arbitrary, compensation without a clearly-defined foundation. It is no longer a question of law but demagogy that prevails."

Mr. Schmit's proposal was designed to penalise the bad driver by adapting the tariff to the statistics his driving reveals. He said:

"At the present time, the rates applied result in complete confusion. Two drivers in the same category purchase identical new cars and both take out policies with the same insurance company. They will pay the same premium. Client A proves to be an excellent driver whilst B is an irresponsible and careless driver who causes a series of accidents. The insurance company will not be able, as the tariff now stands, to demand an increased premium from B. Its only recourse will be to annul the policy, but B will go to another company and will pay a maximum premium which will not exceed the one he paid to the other company. We live in the times of the 'ceiling rate' which is quite good enough to meet normal risks, but results in increasing uniformity of treatment between the good and the bad customer. A large number of insured persons thus have to bear between them the cost of bad distribution of the rates. The gravity of this position is proportionate to the frequency with which accidents occur and therefore also to the arrangements for road safety. It has become the accepted thing that 'the insurance company will pay.'

"The fact that the bad driver is not penalised constitutes a real premium onus on the accident itself. I am convinced that a change in the tariff system would mean an important contribution to the efforts made to improve road safety. Let us replace the 'ceiling' tariff by the 'floor' tariff, i.e., a basic tariff. Let us give the insurance companies the right to apply premium proportionate to the results obtained. Let us say, for instance, that apart from the accident claim admitted within the four-year period or from any other technical consideration which has served as a basis for fixing the 'floor tariff,' additional claims would imply progressive increases. After a given abnormal run of accidents, the 'red' tariff rates would be applicable to the insured. In this case, his schedule would be sent to the police and his 'grey card' would be endorsed accordingly. The policy authorities would take this into account when the driver is arrested for infringement of the tariff regulations. For example, the normal amount of the fine would be increased by a coefficient 'x.' The right of redemption would be given. After a period free from accidents, the driver would revert to the normal category and his premium would be progressively reduced. A centralised organisation for 'risks' would be created between all the companies.

"I am convinced that this project will receive the approval of the immense majority of drivers. The public bodies concerned with road safety and accident prevention will be able to determine the advantages to be gained from this arrangement in furtherance of their efforts. The burden of the insurance would be shared more equitably between all the users. The number of accidents would most certainly be reduced."

It may be worth examining whether the proposal which Mr. Schmit advocated is capable of adoption in India. General insurers in this country have, of course, the right to exclude in the policies they issue the claims arising out of a car driven by a named driver, such specific exclusion being based upon the driver's previous record of accidents. But insurers seldom exercise this right, because the competition in the market is so keen that they are unable to exercise it. Will it not, however, be better to work out a system of penalty for bad driving than to possess a right of exclusion which cannot be exercised? This is only one aspect of the problem of motor insurance; for the general issue is still one of a revision of tariffs to economic levels.

INSURANCE EMPLOYEES

From many parts of the country have come reports of mass meetings and demonstrations by employees of the Life Insurance Corporation to protest against the pay-scales fixed for them by the Corporation. The three-day convention of the All-India Life Insurance Employees' Association, which concluded recently, at Nagpur, suggested that joint committees of the representatives of the employees and the Corporation should be immediately set up in order to associate the former in the management of the industry and to formulate its major policies. It demanded that the Government should take at least the Reserve Bank pay-scales and service conditions as the basis for formulating a schedule of "living wage" for the insurance employees. It appealed to the Corporation to implement the practice of yearly bonus and valuation bonuses to its staff. Other demands of the Association include housing and medical aid benefits, compensation on transfer, confirmation of temporary employees and reinstatement of retrenched personnel.

The Working Committee of the All-India Insurance Employees Association, which held a three-day session at Bombay, adopted a resolution rejecting the scales of pay offered by the Corporation on the ground that they were "retrograde." Failing a peaceful settlement of the dispute by the end of October, 1956, the Committee called upon its affiliated units to prepare for a token strike in the first week of November. The unsatisfactory features of the new pay-scales, according to the Committee are: (1) It negatives the rights and privileges secured by employees through collective struggle; (2) it enforces "starvation" wages on employees of an industry which has the capacity to pay a much higher wage; (3) it deprives 80 per cent. of the employees of the existing grades which are far better than the new pay-scales and (4) it deprives employees of bonus and effects cuts on their basic wage, gratuity, provident fund and other benefits.

The main contention of the employees of the Corporation is that the staff will now get much less than what some of the leading companies were paying in pre-nationalisation days. In the following table are compared the total monthly emoluments which an employee would get during each year of service in accordance with the scales prevalent in a leading office—this is given in brackets—and the total emoluments now offered by the Corporation.

1st year (Rs. 142) Rs. 142; 2nd year (Rs. 152) Rs. 148; 3rd year (Rs. 162) Rs. 154; 4th year (Rs. 172) Rs. 160; 5th year (Rs. 180) Rs. 171; 6th year (Rs. 189) Rs. 178; 7th year (Rs. 198) Rs. 185; 8th year (Rs. 206) Rs. 192; 9th year (Rs. 215) Rs. 199; 10th year (Rs. 224) Rs. 206; 11th year (Rs. 233) Rs. 213; 12th year (Rs. 241) Rs. 225; 13th year (Rs. 250) Rs. 232; 14th year (Rs. 259) Rs. 242; 15th year (Rs. 268) Rs. 252; 16th year (Rs. 277) Rs. 262; 17th year (Rs. 289) Rs. 272; 18th year (Rs. 301) Rs. 287; 19th year (Rs. 313) Rs. 297; 20th year (Rs. 325) Rs. 307; 21st year (Rs. 337) Rs. 317 and 22nd year (Rs. 349) Rs. 324.

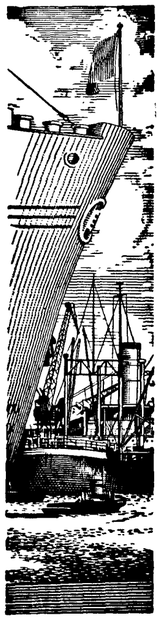
It is amputed that over a period of 25 years, an employee of the Corporation would get Rs. 61,788. This compares with Rs. 86,076 which an employee of the Reserve Bank will receive or Rs. 76,140 which an employee of the New India or Rs. 67,560 of the Oriental, or Rs. 75,828 of the Hindustan would have got in accordance with the scales which prevailed before nationalisation of life insurance.

HEALTH INSURANCE

The Employees' State Insurance Scheme, which now covers about a million workers, was extended to the Travancore-Cochin State with effect from the middle of September. Inaugurating the Scheme, the Rajpramukh of Travancore-Cochin stated that it was not enough if a welfare State ensured payment of fair wages and provided satisfactory conditions for the workers. It had also to see that the worker was protected against incidence of disease and disablement.

In Travancore-Cochin, the Scheme will apply to 31,000 workers employed in 200 factories in Alleppey, Ernakulam, Alwaye and Trichur. The medical benefits under the Scheme will be administered through 14 insurance dispensaries. Insurance courts are to be set up in different centres to provide adjudication machinery in respect of disputes under the Act.

The Employees' State Insurance Corporation has announced that additional sickness cash benefits would be available retrospectively from 1st June 1956 to insured persons suffering from tuberculosis. The additional sickness cash benefit will be payable to an insured person, who has been in continuous employment for a period of two years or more in a factory to which the benefit provisions of the Employees' State Insurance Act apply. This benefit will be granted for a maximum period of 18 weeks after an insured person has exhausted the normal sickness benefit of 56 days, at the rate of 12 annas per day or half the rate of sickness benefit, whichever is higher, provided that the rate of extended benefit does not exceed the full rate of sickness benefit. The extended medical benefit for T.B. cases will be granted to those who have been in continuous employment for three years or more and will be available for two consecutive benefit periods (about a year), following the date on which the insured person otherwise ceases to be entitled to medical benefit.



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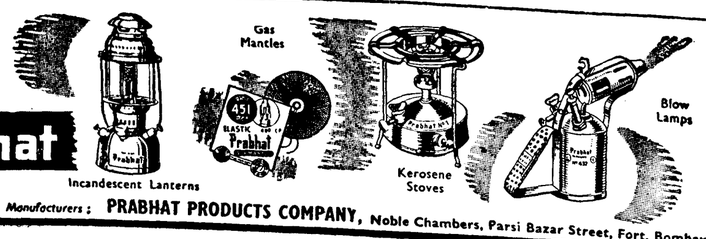

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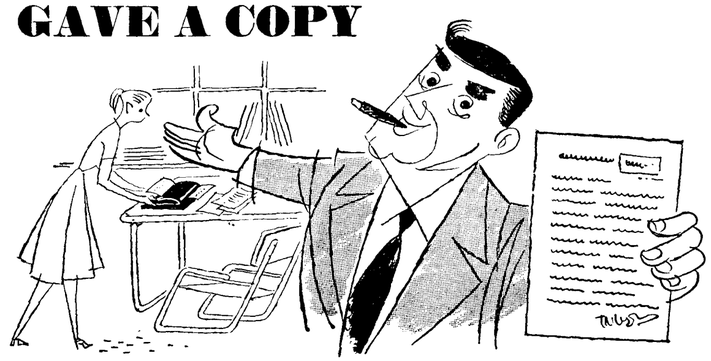

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READY REFERENCER ON THE INDIAN COMPANIES ACT, 1956
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The following is an extract from Mr. Tennetti Viswanatham's letter, which will speak to the merits of the book as well as the authors of the same.

"The Ready Referencer published by John and Row is indeed a very valuable book. It is a clear analysis of the provisions of the new Act. It brings together the changes in their logical sequences so that the Directors and Managing Agents can immediately lay their finger on the required provisions whenever they are in doubt as to what is to be done or what the Law on the subject is. Besides, the Referencer is of even greater value to the Lawyer, as one can expect it to be, coming as it does from John and Row, who have been distinguished specialists on Company Law. Likewise the Bench should find it invaluable."

(Sd.) TENNETTI VISWANATHAM,
Chairman, Advisory Commission (Company Law Administration).

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OUTLOOK FOR COMPANY HELD PROMISING

MR. T. SHAMANNA'S SPEECH AT THE ANNUAL GENERAL MEETING

THE optimistic view that, in the context of the heavy expenditure on educational and economic development programmes under the second Five-year Plan, the overall demand for paper that would be created in the coming years would be "distinctly favourable to the domestic paper industry" was expressed by Mr. T. Shamanna, Chairman of the Mysore Paper Mills Ltd., in the course of his speech, at the annual general meeting of the Company, held at Bangalore, on Thursday, 20th September 1956. As regards the future prospects for the Company, he said that as a result of the efforts made to increase production and reduce manufacturing costs the operations during the current year would yield "bright and promising results."

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

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the twenty-first ordinary general meeting of the shareholders of the Company and in presenting for your consideration, the report of the Directors and the audited balance-sheet for the year ended 31st March 1956. These have been circulated already and with your permission, I shall take them as read and proceed to review the salient features of the year's operations.

"I assumed charge of the office of the Chairman and Managing Director last March in succession to Mr. K. Narayanaswamy, Director of Industries and Commerce. Your Directors have placed on record their high appreciation of the valuable services rendered by him to the Company during the period he held the office of the Chairman and Managing Director and I am glad that his valuable assistance and advice are available to the Company as he continues to be a Government Director on your Board.

Raw Materials

"You were told at the last Meeting that the expansion of pulp plant for the production of pulp from indigenous raw materials was incomplete and that the equipment ordered for further developing the production of pulp and reducing its cost had been received and that erection work was progressing according to schedule. I am happy to be able to report that the pace of progress in the implementation of the expansion scheme was well maintained and additional equipment for stepping up pulp production has been installed and taken to service and this has largely contributed to the increase in paper production by about 25 per cent. As against machine production of 5,000 tons in 1954-55, the machine production in 1955-56 has been 6,500 tons. The increased production of pulp from indigenous raw materials has also resulted in reduction in the use of the expensive wood pulp.

"It has been our endeavour to successfully substitute the use of wood pulp by our pulp obtained from indigenous raw materials and limit the use of wood pulp primarily to impart to papers like bonds, ledgers and posters, the special physical characteristic required of them. I am indeed happy to say that we have achieved this to a very great extent in as much as corresponding to the progressive increase from year to year in the production of bamboo pulp, the consumption of wood pulp to feed one machine which in 1948-49 was 1,800 tons was reduced to 700 tons in 1955-56 even after the addition of the second paper machine.

Efficiency and Economy

"Further, it is stated in the Directors' report under review that auxiliary equipment which would secure greater efficiency and economy was under erection and the work was nearing completion. I am glad to say that this work has been completed a fortnight ago and the equipments such as the vacuum filters which help recovery of caustic soda, have been taken to service. The electrolyser and the soda recovery plant are working satisfactorily and have been contributing to the reduction in costs. It is hoped that with the installations and taking to service of the various machinery to step up production of pulp and reduce manufacturing costs, the operations of the current year would be bright and promising.

"I must here refer to the great difficulties in the matter of transport both for movement of raw materials to the mills and of finished paper from the mills to the consuming centres. This year also, arrangements had to be made frequently at Bangalore for transhipment of goods at Bangalore for want of through booking to Bhadravati from Madras and Mettur for movement of caustic soda and chlorine. In regard to coal, during the early part of the year, transport difficulties had threatened to impede the even flow of production, as the coal supplies had dwindled. Thanks to the helpful co-operation of the Railway authorities, the difficulties were tided over.

Demand for Paper

"There was further difficulty in that the demand for paper was not as strong as one could wish. In order to market the products, the selling prices of certain varieties of paper had to be reduced and other terms adjusted to suit the market conditions. The emergence of competitive conditions in the market compels us to resort to better advertisements, sales promotion, customer's service and display technique, to increase sales and I take this opportunity to assure you that the market trends are being carefully watched and our sales policy adjusted to suit the changing conditions.

"It has been a source of gratification to the Board of Directors, as it will no doubt be to you, that the financial results as disclosed by the balance-sheet and the profit and loss account are very satisfactory and register a further improvement and maintain the upward trend. During the year, we have provided Rs. 10,83,566 under depreciation and have paid by way of interest Rs. 2,94,429-8-0 as against Rs. 8,98,372 and and Rs. 2,90,153-4-0 respectively during the previous year. In spite of the abovementioned larger provision, the net profit for the year stands at Rs. 4,61,729-9-8, being Rs. 87,971-14-9 higher than in the previous year. This, I have no doubt you will agree, has justified the hope held out last year that with the increased output and consumption of larger quantities of indigenous pulp, better results would be forthcoming in the coming years.

"Your Directors have added Rs. 2 lakhs out of net profits to the Industrial Finance Corporation of India Loan Redemption Fund created last year. The Board have given very careful consideration to the question of declaration of dividend and though very prudent finance required maintenance of dividend at 7½ per cent. as in the two previous years, in response to the wishes of the shareholders expressed at the previous meetings, they have recommended declaration of a dividend of 6¼ per cent. plus bonus 3¾ per cent. absorbing Rs. 2,50,000 and have obtained approval of the Industrial Finance Corporation of India to recommend payment of a dividend of 10 per cent. I should also like to point out here that a sum of Rs. 50,000 has been provided in the accounts towards 'Gratuity' to meet part of our liability towards payment of retirement gratuity to our employees in accordance with the Industrial Award.

"In accordance with the provisions of the Employees Provident Fund Act, the funds of the provident fund have been separated from the Company's funds and have been transferred to the Provident Fund, which is managed by a Board of Trustees as required by law.

Industrial Relations

"Your Directors have accorded sanction to the payment of bonus of three months basic wages or salaries to the employees. A general good record of labour relationship has been maintained, though demands for additional amenities and benefits are being placed from time to time and due consideration is being given consistent with the resources of the Company.

"As you are well aware, the Indian Companies Act 1956 came into force from 1-4-1956 and certain Articles of our Articles of Association require to be amended to be in conformity with the law and a comprehensive resolution embodying all the changes will be placed before you for approval in due course.

Future Prospects

"Before I conclude, I wish to say a few words regarding the future development of our Mills. The Panel on Paper and Board, appointed by the Government of India, in 1945, to go into the question of post-war development of paper industry laid down that a 8,000 ton plant was the economic minimum and a unit falling below this minimum should be suitably expanded. Our scheme of expansion to step up production from 4,000 tons to 8,000 tons has been implemented and we hope to reach the target production during the current year. Several of the existing units are increasing their production capacity and new Mills are coming up. It is now considered that efficient operation under present-day conditions requires relatively large-scale production and opinion is expressed that for a unit to be efficient and economic the optimum figure should not be less than 16,000 tons. I do not propose to go into the question as to what constitutes an economic unit, but I think large-scale production in the long run would prove beneficial. In view of the heavy expenditure on educational and economic development programmes under the second Five-year Plan the overall demand for paper that would be created in the coming years would be distinctly favourable to domestic paper industry. Hence the desirability and necessity to increase the rated capacity from 8,000 tons to 16,000 tons should be considered and a comprehensive scheme with financial implications and prospect should be drawn up and it would be for you to extend your co-operation in finding the necessary funds, if and when the scheme is formulated.

"Your Directors warmly appreciate the loyal and willing co-operation received from all the employees of the Company.

"On behalf of the Board of Directors, I wish gratefully to acknowledge the continued assistance and encouragement received from the Government of Mysore and the Government of India and also to express our thanks to the Industrial Finance Corporation of India, for having acceded to our request to the declaration of 10 per cent. dividend.

"I also wish to express my grateful thanks to my colleagues on the Board for the uniform courtesy and co-operation that they have extended to me and their valuable advice.

"Gentlemen, with these observations, I now beg to move that:

"'The Directors' report, the audited balance-sheet and profit and loss account for the year ended 31st March 1956, be approved and adopted.'"

Note.—This is not a report of the proceedings at the above Annual Meeting, of which proceedings a separate report will be circularised.

BANCO DI ROMA

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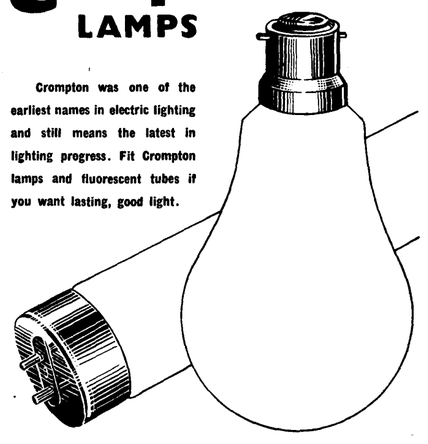

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NEW PUBLICATIONS

International Banking and Foreign Trade. Published for The Institute of Bankers by Europa Publications Ltd., 56, Bloomsbery Street, London, W.C. 1. Pages 226. Price: 20s.

THIS is a mixed bag of lectures revolving round the theme of foreign trade in the post-war period, written by academicians and practical bankers. They are important in that they give a summing up of post-war changes in foreign trade and economies of Western European countries. Being lectures delivered by practical bankers to practical bankers, they tend to be descriptive rather than analytical, and laudative or apologetic, rather than critical, about the happenings in their countries. They, therefore, fall short of the analysis of economic events given annually by the Chairmen of the British big five banks.

Mr. Dudley Stamp starts off the discussion with an account of the world's economic resources. His basic point is the F.A.O. theme about the increasing scarcity of food resources. What is more relevant, however, from the practical point of view is the maldistribution of supplies in relation to needs, an aspect that is also relevant to the foreign trade theme of the lectures. As should be obvious, this existence of surplus supplies in some areas and needs in others does not lead to trade under the existing price and trade mechanism. Other means, including sales for local currencies and downright gifts, become essential.

Two lectures, by Mr. Thompson-McCausland, deal with international trade institutions and international flow of capital. In both these respects, the post-war period differs radically from the pre-war period. Against the pre-war policy of cut-throat competition in foreign markets and closing of home markets, the post-war period has seen the Governments forced to follow a consistent trade policy. Export drives no longer create the mutual jealousies of the pre-war era, though as Sir Norman Kipping shows in a later lecture, the problem of export subsidies, of the German type of allowing an exporter to retain a part of his foreign sale proceeds or of the more brazen American type of sales for local currencies or at cheaper than home prices, or of the more universal type of guarantee of export risks and grant of long-term credit, has transferred the competition to other fields, about which controversy still exists. The flow of international capital is subject to two constraints—the balance of trade is not sufficiently favourable to allow for the necessary export of capital; and the flow that takes place is mostly on Government-to-Government level.

Messrs. Paul Bareau, Louis Camu, Herman Abs and Guido Carli deal with post-war economic developments in the U.K. (Exchange Control), Benelux, Western Germany, France, Italy and Switzerland (monetary policy). Developments in these countries varied according to the economic policies followed, though the same policy did not lead to identical results in different countries. The strick adherance to monetary discipline enabled Germany to expand output and trade, while Belgium failed to increase output to the same extent, and without suffering from inflation, remained a high cost economy, failing to expand trade. The U.K. and the Netherlands, which depended on physical controls, found it easier to expand output than to solve the balance of payments problem. France and Italy where both physical controls and monetary policy were not vigorously used, suffered from inflationary pressures and balance of payments difficulties, and in addition, failed to raise output substantially.

Mr. Bareau is satisfied with the U.K.'s progress towards convertibility of the pound sterling, and would favour a plunge into convertibility with a flexible pound—a "calculated risk" which is more likely not to pay off.

Mr. Copeman explains the role of insurance in promoting foreign trade. Sir Donald Anderson argues that shipping is being unfairly competed against by subsidised air transport. In the last two lectures, Mr. O. Kahn-Freund discusses the problem of conflict of laws and Lord Chorley, of the unification of commercial law.

The lectures vary considerably in quality, the best being those by Mr. Louis Camu, Mr. O. Kahn-Freund and Lord Chorley. Mr. Paul Bareau's plea for freeing sterling while making it convertible may not prove acceptable. Sterling is an international currency. If it were made convertible in order to widen its use it might create new problems, for flexible exchange rates might lead to reduction in international trade, both due to uncertainty of the exchange market and the imposition of higher tariffs or trade and exchange control which alone can make possible convertibility. The conflict between the attempts to make currencies convertible and to widen trade is real—at least under the present circumstances.

Would it be possible for the U.K. to achieve both these aims by a different kind of economic policy? The issues that would arise are discussed in the lectures on post-war France, Italy and Benelux. As the experience of these countries till 1955 and of the U.K. during 1955 and till now in 1956 shows, no single measure would have all the effects desired of it. If the Belgian experience was not enough, the recent economic history of the U.K. shows that monetary policy may be more effective in checking output than in checking inflationary pressures. At the same time, physical control measures, though they may achieve the immediate aim of correcting a balance of payment position, are not a long-term remedy and, as the experience of the Netherlands shows, would be effective only under very favourable circumstances. Mr. Louis Camu also gives a very interesting analysis of the problems of bringing about a customs union between two countries having different attitudes to economic policies.

Mr. O. Kahn-Freund details the attempt at applying uniform legal principles to international trade disputes to avoid conflicts of laws. These have been successful in the case of York-Antwerp Rules (general average loss on sea), Hague Rules (sea-carriers liability for goods received) and Warsaw Rules (transport of goods by air). There are other fields where the attempt to unify commercial law has not been as successful, as Lord Chorley shows. Evidently, the legal system has failed to keep pace with commercial and scientific advance, and a sensitive nationalism likes to identify sovereignty with the right to have its own legal system, even in commercial matters where uniformity in principles is more essential than their morality—which, in any case, has little relevance in commerce.

Most lectures deal with current problems of international trade, and, lacking an analytical basis, are likely to have an ephemeral value. They are, however, important as a summing up of the economic situation in the post-war Western Europe and as a snap-shot of the position in the second half of 1955. Their value to the immediate audience must have been much greater than to outsiders.

State Financing of Private Enterprise in Post-war India. By Dr. A. K. Datta Gupta. Published by Modern Book Agency, 10, College Square, Calcutta. Pages 188. Price: Rs. 9.

This book seeks to present, the writer says in the Preface, " a comprehensive, as far as possible detailed, and critical analysis of government financial help variously given to private enterprise after World War II in pursuance of a mixed-economy policy." The author includes, within the definition of private enterprise, agriculture, refugee rehabilitation, etc., and discusses all types of financial aid given by the State, whether in the form of loan, grant or subsidy.

Discussing industrial finance, Dr. Dutta Gupta says that gaps in such finance have not been measured and are not possible to be measured directly and indicates only in broad outline the breadth of capital and money markets. He then proceeds to point out the handicap of the Indian industries in the absence of issue houses without, however, proving it with the help of figures of undersubscribed new issues. The different sectors in the money market are not closely related and a multiplicity of interest rates prevails. There is inadequacy of banking resources, especially in the rural sector and this fact, together with low rate of savings, has been responsible for the scarcity of loanable funds.

The State has doubtless a great role to play in an economy like this and Dr. Datta Gupta has culled together the information regarding the various forms of State aid given in the post-war period. The Government has given direct and indirect financial assistance to shipping, aviation, housing, etc., and in certain cases, has set up statutory corporations for the purpose.

The author then proceeds to give an outline of the functions and working of the Industrial Finance Corporation, Industrial Credit and Investment Corporation of India Ltd., and National Industrial Development Corporation. He, however, treads on doubtful grounds when he criticises the I.F.C., for not having eliminated the financial difficulties of large-scale industry. The I.F.C. was not expected to do anything of that kind; it was designed to help the industries only when the latter were unable to raise capital from the normal sources. The I.F.C., however, has failed, as the author rightly points out, to utilise all its statutory powers and to pursue a policy of regional balancing of industries.

An appraisal of I.C.I.C.I. and N.I.D.C. could have been profitably made in the context of what the I.F.C. failed to do or could not do. Instead, the author gives a bare account of the two new Corporations, without any attempt at a critical examination of their powers and functions. One could have easily shown how the I.C.I.C.I., with the help of interest-free loan from the Government, can afford to underwrite new issues and participate in equity capital. It is difficult to see why more than two pages of information on some foreign corporations have been given, when there is no attempt to make any comparative study.

The book, originally written as a thesis for doctorate degree of Calcutta University, has tried to fulfil the limited function of bringing together the scattered information on the subject. Even here, it is too small to be comprehensive, and of course, it singularly lacks a vigorous analytical approach.

Population and Planned Parenthood in India. By Dr. S. Chandrasekhar. Published by G. Allen and Unwin, Ltd., Ruskin House, Museum Street, London. Pages 108. Price: 12s. 6d. net.

The problem of a continuously rising population has been engaging the attention of both laymen and experts, more particularly in underdeveloped countries where, by reason of their low standards of living, its adverse effects are likely to be felt most. The problem has assumed such an urgent character that it can be ignored only at the peril of the countries concerned. In the book under review, Dr. Chandrasekhar, who, as is well known, has done a great deal of valuable work in the field of population studies, has addressed himself to the task of analysing the Indian population problem in its various aspects, with particular reference to family planning.

An annual net addition of 4 or 5 million people to the existing population of about 370 million would not have constituted a serious problem for India, had the majority of the population been enjoying at least the minimum necessities of decent human existence. But the actual situation is far from that. Every addition to the existing population tends to push down further the low standard of living, unless it is offset by a marked increase in the production of food and other daily necessaries. The author is of the view that improvement in agricultural productivity and industrialisation, though they will be helpful, cannot by themselves solve the problem completely. He is also not optimistic about the possibility of migration of population, thanks to the presence of many political and cultural impediments. In the result, the only possible solution seems to be population control through planned parenthood. Nevertheless he is not unaware of the many difficulties to be surmounted —political, medical, psychological and administrative. He explores and answers, in successive chapters, the economic sociological, cultural, religious and administrative difficulties in the way of a wider adoption of contraception among the common people. The technical aspect of the question is also briefly dealt with.

As the Planning Commission observes, progress in the field of family planning depends, first, on creating a sufficiently strong motivation in favour of birth control, and, second, on providing acceptable, harmless, cheap and efficient methods. The diaphragm and jelly method, the best known so far, is costly and complicated as it involves individual medical examination and instruction requiring a competent doctor and too numerous clinics. Much of the success of a drive to popularise contraceptives depends, therefore, upon how far medical science will be able to devise a safe and simple method, such as an oral pill, which involves no genital manipulation. Research along this line is being done and the results are still awaited.

The book, despite its small size, is a useful addition to the literature on the subject. Statistical appendices and the index enhance the value of the book. A select bibliography, found at the end, will prove useful to those who intend to pursue the subject further. An introduction by Dr. Julian Huxley places the central issue of the book in the proper perspective. Dr. Huxley pays too a well-deserved tribute to the author when he says that the "book is an important contribution not only to Indian thinking but to world thinking on this central and overshadowing problem of our age."

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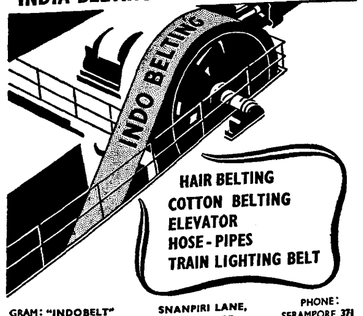

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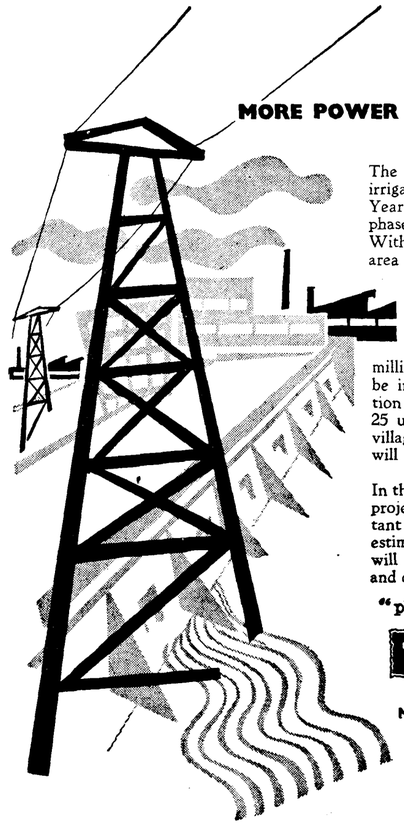
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INDIA'S FOREIGN TRADE DURING JANUARY-JUNE 1956

ADVERSE TRADE BALANCE INCREASES

THE figures relating to India's foreign trade during January-June 1956 are notable for more than one reason. In the first place, the picture of this trade during this period, which includes the last three months of the first Plan, and the first three months of the second Plan, reflects, by and large, the trend, pace and pattern of foreign trade that is most likely to follow in the five years ahead. Secondly, they also reflect as to where India stands in respect of its exports, and how much leeway has got to be made up if the problem of foreign exchange is not to be allowed to thwart the implementation of the Plan. So much for the significance of the trend of trade in the first half of the current year. As for the main features of the trend, both exports and imports were higher in value. But the increase in the latter was far greater than in the former, so that the adverse balance of trade became wider. To give the actual figures, imports rose from Rs. 323.55 crores in January-June 1955 to Rs. 393.75 crores in the first half of 1956, that is, a rise of Rs. 70.20 crores. Exports too advanced, but only by Rs. 4.16 crores, that is, from Rs. 283.34 crores to Rs. 287.50 crores. The deficit on trade account, therefore, widened from Rs. 40.21 crores to Rs. 106.25 crores. The following table gives a synoptic view of India's foreign trade (through land, sea and air) during January-June, 1956, as compared with that in the corresponding period of 1954 and 1955:

(Value *in crores of rupees*)

	January-June		
	1954	1955	1956
Imports	270.07	323.55	393.75
Exports	245.36	283.34	287.50
Deficit	—24.71	—40.21	—106.25

A welcome feature, however, was the improvement witnessed in the terms of trade. The general price index of exports increased from 84 (1952-1953=100) in May 1955 to 88 in May 1956, and, at the same time, the general price index of imports declined from 95 in May 1955 to 89 in May 1956, reflecting a significant betterment in the terms of trade (that is, the ratio of export price index to the import price index) from 88 in May 1955 to around 99 in May this year.

Exports

The trend of exports, as revealed by the figures given below, for January-June 1956, as compared with those for the corresponding periods of 1954 and 1955 is far from encouraging:

(Value in crores of rupees)

	For January-June		
	1954	1955	1956
Jute manufactures	55.98	60.74	42.07
Tea	34.58	48.16	43.26
Cotton manufactures	36.86	30.85	25.82
Metallic ores	11.67	7.58	8.99
Hides and skins	12.04	8.99	2.87
Raw cotton	8.77	13.58	16.33
Spices (mainly pepper)	9.35	6.63	4.48
Vegetable oils	2.33	22.60	27.80
Fruits and vegetables	5.26	6.41	8.92
Tobacco	3.33	4.12	4.60
Raw wool	4.26	3.59	5.06

N.B.—The foregoing figures cover only the sea- and air-borne trade.

It will be seen from the table that the exports of jute manufactures which staged a recovery in the first half of 1955 to Rs. 60.74 crores over the corresponding half-year of 1954, sharply declined to Rs. 42.07 in the period under review. This spectacular decline may be attributed chiefly, to the competition from other jute manufacturing countries, such as Pakistan and Britain, and the increasing use of substitute packing materials in the U.S. That this downward trend should persist despite the abolition of all export duties on jute manufactures is serious enough, and calls for careful examination of the question of export promotion and increasing the competitive position of the industry *vis-a-vis* other countries, especially in view of its great importance as number one dollar-earner. Tea, too, witnessed a similar decline, from Rs. 48.16 crores in January-June 1955 to Rs. 43.26 crores in the corresponding period of 1956. Cotton manufactures were no exception. The value of their exports steadily declined from Rs. 36.86 crores in the first half of 1954 to Rs. 25.82 in the January-June period of 1956, despite the fact that the Government adopted a policy of free licensing of exports of all varieties of cotton piecegoods, and had removed export duties on coarse cloth. The value of the metallic ores exported, however, slightly improved from Rs. 7.59 crores to Rs. 8.99 crores between January-June 1955 and the period under review.

Among other commodities, raw cotton exports improved from Rs. 13.58 crores to Rs. 16.33 crores, a factor that made for the increase being the liberal quota given by the Government for export of good short-staple and short-medium varieties, besides unrestricted exports of yellow pickings, zoda cotton and sweepings. All these varieties found ready buyers. Exports of vegetable oils, experienced a spectacular expansion once again, their value having gone up from a mere Rs. 2.33 crores in January-June 1954 to Rs. 22.66 crores in the same period of 1955 and still further to Rs. 27.80 crores in the period under review. This was chiefly due to the liberalisation measures adopted by the Government in December 1955 and in January 1956, with a view to earning more foreign exchange. Prominent among such measures were free licensing for export of castor oil, cottonseed oil, linseed oil, allotment of additional quotas in respect of coconut oil, and undecorticated cottonseed oilcake, and, free licensing of nigerseed and kardiseed oils and cakes. A substantial expansion in the value of exports of fruits and vegetables and raw wool was also witnessed during the period under review, a contributory factor in the case of wool being the sanction by the Government of an export quota of 35 per cent. (on the basis of half of the best year's exports) for established shippers, and an unspecified quota for new comers. Tobacco exports also recorded a moderate improvement.

Imports

While exports have shown only a modest rise, imports have gone up sharply. The value of foodgrains imported which was only second to that of machinery, declined from Rs. 33.49 crores in the first half of 1955 to as low a level as Rs. 3.27 crores during the period under review. In contrast to this, the value of machinery imported increased between the same periods from Rs. 48.24 crores to Rs. 72.45 crores, an increase of as much as Rs. 24.21 crores. Moreover, the imports of iron and steel manufactures which occupied only a sixth place in the first half of 1955 at a value of Rs. 20.13 crores came to occupy a second place at Rs. 57.67 crores, during the period under review. Vehicles is another item the value of the imports of which rose from Rs. 21.35 crores to Rs. 32.65 crores. The explanation for the huge expansion in respect of these imports can be found in the import policy for January-June 1956, announced by the Government in December 1955. The policy laid great emphasis on sustaining the rising tempo of industrialisation, and as such liberalisation was effected in respect of imports of industrial plant and machinery, and industrial raw materials. Enhancement of quotas was also effected for import of a number of small tools to meet the requirements of small-scale industries. Moreover, in May this year, import duty on pig-iron was removed. Besides, the relaxation effected in regard to imports of raw cotton of staple length ¾" and above from Pakistan, and of staple length ¾" to 1.1/16" up to a ceiling of 40,000 bales from both dollar and non-dollar areas also had its impact on the imports of raw cotton, which increased in value from Rs. 30.15 crores to Rs. 34.31 crores between the first six months of 1955 and those of 1956.

The following table shows the trend of imports of certain important items during January-June 1956, as compared with those for the corresponding periods in 1955 and 1954:

(In crores of rupees)

	For January-June		
	1954	1955	1956
Foodgrains	8.70	33.49	3.27
Machinery of all kinds	40.75	48.24	72.45
Oils (mineral, animal, etc.) ..	52.16	32.83	30.08
Raw cotton	35.86	30.15	34.31
Iron and steel manufactures ..	11.02	20.13	57.67
Vehicles	15.14	21.35	32.65
Chemicals and drugs	11.94	13.86	21.49
Metal manufactures (other than iron and steel)	10.03	11.76	15.50
Cutlery, hardware, etc.	7.79	10.11	13.23
Paper and paper board and stationery	6.52	7.04	8.40
Dyestuffs	0.65	0.70	8.70
Sugar	2.45	8.96	1.05

N.B.—The foregoing figures cover only the sea- and air-borne trade.

Apart from the other things explained above, as can be seen from the above table, chemicals and drugs are another important item the imports of which increased significantly from Rs. 13.86 crores in the first half of 1955 to Rs. 21.49 crores during the period under review. Imports of metal manufactures (other than iron and steel) and those of cutlery and hardware also increased substantially. In the case of sugar, however, there was a marked decline in imports from Rs. 8.96 crores to Rs. 1.05 crores between January-June 1955 and the period under review.

Geographical Distribution

The distribution of India's foreign trade among the various countries also underwent considerable changes during January-June 1956, as compared with the pattern of distribution that prevailed in the corresponding period of 1955. The following table shows at a glance the changes that have taken place between the first halves of 1954, 1955 and 1956:

(In crores of rupees)

	January-June		
	1954	1955	1956
Exports from India to:			
U.K.	65.97	74.88	83.94
U.S.	36.17	46.33	42.07
Australia	10.29	13.96	10.89
Japan	8.13	9.62	16.37
Canada	6.78	8.46	7.38
Ceylon	8.31	8.49	9.41
Burma	9.79	7.15	5.17
Italy	2.75	3.40	5.98
West Germany	8.53	8.29	6.53
Netherlands	4.44	9.47	6.27
Imports into India from:			
U.K.	75.46	77.60	105.07
U.S.	37.12	43.38	45.51
Burma	7.08	29.01	2.66
West Germany	16.45	23.45	35.66
Australia	5.31	14.24	3.93
Kenya	8.45	12.53	11.77
Japan	5.85	11.30	20.10
Italy	10.34	8.54	11.64
Singapore	8.27	7.10	7.27
Bahrein Islands	11.07	6.38	2.58
Netherlands	6.12	5.73	6.68
Canada	1.50	2.58	4.17

A noteworthy feature is that the trade with the U.K. has increased substantially. While exports to the U.K. increased from Rs. 78.88 crores to Rs. 83.94 crores between the first two halves of 1955 and 1956, the imports from the U.K. increased more spectacularly from Rs. 77.60 crores to Rs. 105.87 crores. In contrast to this trend, the overall trade with the U.S.A. slightly declined, with the exports from India having dropped from Rs. 46.33 crores to Rs. 42.07 crores, and the imports to India having gone up by about 2 crores only. Yet another notable development is the steep fall in the imports from Burma between the first two halves of 1955 and 1956 from Rs. 29.61 crores to Rs. 2.66 crores. The explanation for this can be found in the very low level of imports of foodgrains during the period under review. In the case of Japan, however, both the exports to and imports from it increased very substantially. Thus, while the exports to Japan rose from Rs. 9.62 crores to Rs. 16.37 crores, imports from the same source shot up from Rs. 11.39 crores to Rs. 20.10 crores. The exports to Western Germany on the other hand, moderately declined, but imports from it expanded by about 50 per cent., that is, from Rs. 23.45 crores to Rs. 35.66 crores. In the case of Australia both imports from and exports to it suffered. It may be noted in passing that about 56 per cent. of India's foreign trade during the first half of 1956 was with the important free countries in America, Europe and Australia.

IMPORT POLICY

The Government of India, in connection with replacing the current O.G.L. numbers 39, 40 and 41, which expired on 30th September 1956, reviewed the import policy in respect of the items covered by those numbers. O.G.L. numbers 44 and 45, which have replaced them came into effect from 1st October 1956, and will be valid upto the end of June 1957. The import of the items included in the former O.G.L. number 41 will be governed by the current import policy, already announced, for the licensing period July-December 1956. It may be recalled that the period of validity of O.G.L. number 43, covering imports from Pakistan, has already been extended up to the end of October 1956.

The considerations that weighed with the Government in reviewing the policy were the requirements of the second Plan, the desirability of saving foreign exchange, and the extent of the needs of those goods which are not produced indigenously. Consequently, certain important articles have been transferred from the O.G.L. to the licensing list. They include raw hemp, certain types of electrical generators and generating sets, paper, insulated power cables, wax, wood and timber, electro-medical apparatus and certain types of surgical instruments.

In the case of soft currency area also, certain items have been transferred from the O.G.L. to the licensing list. They include ship chains, raw sisal fibre, etc, certain types of machines worked by manual or animal labour, certain chemicals, pulses, certain types of office machines, printing and lithographic materials and components, and dairy and farming appliances.

The items that have been added to the O.G.L. include oxygen breathing apparatus, supplied air respirators, and mechanical filter respirators required as protective equipment for factory workers.

TAXING AGRICULTURAL INCOME OF SUGAR COMPANIES

INTERPRETATION OF RULE 23 OF INCOME-TAX ACT

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

RULE 23 of the Income Tax Rules was a subject of a keen controversy and debate in a recent case. None of the text books throw much light on the subject. It will, therefore, be interesting to study the rule in all its implications in this article.

Rule 23 reads as below:

(1) In the case of income, which is partially agricultural income as defined in section 2 and partially income chargeable to income-tax under the head "Business," in determining that part which is chargeable to income-tax, the market value of any agricultural produce which has been raised by the assessee or received by him as rent in kind and which has been utilised as a raw material in such business or the sale receipts of which are included in the accounts of the business shall be deducted, and no further deduction shall be made in respect of any expenditure incurred by the assessee as a cultivator or receiver of rent in kind.

(2) For the purposes of sub-rule (1) "market value" shall be deemed to be:

(*a*) Where agricultural produce is originally sold in the market in its raw state, or after application to it of any process ordinarily employed by a cultivator or receiver of rent in kind to render it fit to be taken to market, the value calculated according to the average price at which it has been so sold during the year previous to that in which the assessment is made.

(*b*) Where agricultural produce is not ordinarily sold in the market in its raw state, the aggregate of—

(1) the expenses of cultivation;

(2) the land revenue or rent paid for the area in which it was grown; and

(3) such amount as the Income-tax Officer finds, having regard to all the circumstances in each case, to represent a reasonable rate of profit on the sale of the produce in question as agricultural produce.

Let me analyse the first clause of the rule. It applies in a case:

(1) where the income is partially agricultural and

(2) as such partially chargeable to income-tax under the head of business.

Therefore, where the income is chargeable under the head business and by reason of exemption under Section 4(3) (viii) any part of such income as is deemed agricultural is to be excluded from the charge, how is the quantum of such agricultural income to be determined? The rule goes on, therefore, to say:

(1) in determining that which is chargeable to tax the market value of any agricultural produce:

(i) which has been raised by the assessee or received by him as rent in kind and

(ii) which has been utilised as raw material in such business or sale receipts of which are included in the accounts of business

shall be deducted and

(2) no further deduction shall be made in respect of any expenditure incurred by the assessee as a cultivator or receiver of rent in kind.

Market Value

Thus, in order to determine the amount of agricultural income included in the income from business, the market value of the agricultural produce transferred by the agricultural section to the non-agricultural section has to be ascertained.

The rule contemplates determining of the market value of agricultural produce in each of the following two cases:

(1) where agricultural produce has been raised by the assessee i.e., where he himself is a cultivator of agricultural produce or

(2) where agricultural produce has been received by the assessee as rent in kind i.e., where, although he does not himself cultivate, the rent he realises is a share of agricultural produce.

In each such case, if the agricultural produce has been utilised as raw material in such business, profits of which are taxable under Section 10 or the sale receipts of such produce form part of the accounts of the business, the sum determined on the basis of the market value of the produce shall be deducted; thus eliminating the agricultural element in the business profits which is exempted from the charge, leaving non-agricultural profits alone to be taxed. Having thus determined the quantum of agricultural income embedded in the business income, the rule goes on to provide that, in computing business income, no further deduction shall be made in respect of any expenditure incurred by the assessee as a cultivator or receiver of rent in kind. Since only one account is maintained, all agricultural expenses are also charged in the accounts of business and, therefore, the rule provides that such of the expenditure incurred by the assessee which relates to agriculture part shall not be deducted. In other words, it shall be added back in determining profits under Section 10.

Rule 23 Clause (2) defines what is "market value" for purposes of computation under Clause (1). This sub-rule falls in two parts (*a*) and (*b*). Part (*a*) deals with a case:

(1) where agricultural produce is originally sold in the market in its raw state or

(2) where agricultural produce is sold after application to it of any process ordinarily employed by the cultivator or receiver of rent in kind to render it fit to be taken to the market.

Part (*b*), on the other hand, deals with a case:

(3) where agricultural produce is not ordinarily sold in the market in its raw state.

The question that arises is what distinction is intended to be conveyed in the three phases of agricultural produce mentioned?

The Determining Factor

To me it appears that the determining factor is that you have not to look to what the assessee himself does with the produce but what—the produce itself is.

Is it a produce which is originally sold in the market in its raw state? e.g., grass, fruit—these products can be sold in the market in its original raw state. No process is required ordinarily to render it fit to be taken to the market. That is one type of agricultural product.

Next, is it a produce which requires some processing, ordinarily employed by the cultivator, in order to render it fit for being taken to market, e.g., the cereal products? The corn sheafs have to be gathered, then harvested then threshed and cleaned, before it could be sold as agricultural products.

Next, is it a produce which is ordinarily not saleable at all as such in its raw state; as a produce of land it has no saleable quality. It has to be transformed into a product by a manufacturing process (a process not ordinarily employed by a cultivator) e.g., tea leaves. Tea leaves as originally plucked has no market value in its raw state as green leaves. It has to be dried and processed before they become a marketable product.

The rule prescribes the mode of computation for each class as follows:

"Where agricultural produce is originally saleable in its raw state,

Or

"Where the same is saleable after application to it of any process ordinarily employed by the cultivator to render it fit for market."

In such cases, the market value shall be calculated according to the average price at which the product has been so sold during the year previous to that in which the assessment is levied.

The first question is does the average price refer to average price at which the produce was sold by the assessee or the average market price ruling in the market during the year previous to that in which the assessment is made?

It seems to me that it refers to the average market price ruling in the market during the previous year for which the assessment is made irrespective of the fact whether the assessee himself has sold during the previous year such produce in the market or not.

Against the sale proceeds, if any, realised by the assessee of the agricultural produce reflected in the business accounts, a set off is allowed for agricultural cost on the basis of average market price ruling during the previous year.

Where, however, the agricultural product has no marketable value in its raw state unless processed and not the ordinary process applied by the cultivator, but the special process of manufacturer e.g., tea, jute or indigo, then the market value shall be determined by adding up the following three factors:

(1) the expense of cultivation

(2) the land revenue or rent paid for the area in which it was grown and

(3) such amount as the Income Tax Officer finds having regard to all the *circumstances* in each case, to represent a reasonable rate of profit on sale of the produce in question as agricultural produce.

Having analysed the rule 23 in all its ramification let me now come to the controversy. The controversy ranges round the following question:

Is a Sugar Company, which has a plantation of sugarcane of its own, governed by Clause (*a*) or Clause (*b*)?

The income-tax appellate authorities seem to veer round to the view that, in the case of a sugar manufacturing company having a plantation, Clause (*b*) of the rule alone applies, not Clause (*a*).

Let me examine the validity of their arguments.

In the first place, they emphasise the words of rule (*a*) and (*b*) particularly the opening words which say:

"Where the agricultural produce is originally sold in the market" in contra distinction to the opening word of clause (*b*) which say:

"Where agricultural produce is not ordinarily sold in the market in its raw state."

They conclude that, in a sugarcane factory, the "sugarcane" is not ordinarily sold in its raw state in the market, but sugarcane is utilised for turning its juice into sugar by a manufacturing process. If, however, sugarcane plantation had been owned by the cultivator, he would have fallen under Clause (*a*). But because it is owned by sugar company, it falls under Clause (*b*).

The Fallacy

The fallacy in the argument lies in associating the process with the particular assessee instead of associating with the product itself. Rule states and intends to take the agricultural product by itself and asks the question: is it a produce which by, itself, as it is grown on land, saleable without any process? If so it falls under Clause (*a*). Next question is, is it an agricultural product which is required to be processed by a cultivator in order to make it fit for the market? Then also the rule says its computation falls under Clause (*a*).

It may be that agricultural produce may require a process; but what is the type of process? A process usually applied by a cultivator is to render it fit for market; then, it is Clause (*a*) that is attracted; but, if on the other hand, the process is a manufacturing process which transforms the raw state into a finished product, then it clearly falls under Clause (*b*).

Now as I have previously explained sugarcane grown by the Sugar Company is not a product which cannot be sold by itself in the raw state, if the assessee so chooses. The fact that he does not is immaterial. If the product is a product which can be sold in its raw state, my own opinion is that Clause (*a*) of rule 23 is attracted and not Clause (*b*) as contended by the appellate authorities. This view is strengthened and fortified by the long practice hitherto adopted by the Government in assessing Sugar Company and, further, it is the method which is least likely to create any anomaly or inequity in assessments—anomaly inasmuch as, if the sugarcane is sold in its raw state, it will not attract tax. Must the agricultural profit of a sugar company be computed on the basis of anything less than the price which would be realised if sugarcane were to be sold in its raw state, merely because the Company chooses not to sell it in its raw state, but transform it into sugar. The inequity lies in reducing by this method agricultural profit and artificially increasing the non-agricultural profit to a level, which is more than the profit the Company would have made if, instead of growing its own sugarcane, it had purchased the whole lot from the market. True, non-agricultural profit must approximate to the profit of a sugarcane factory depending entirely on sugarcane from outside purchases. But, surely, a sugar company ought not to be penalised if it grows sugarcane on its own farm, instead of depending on its supply from the market.

The controversy has started and, unless the Central Board of Revenue intervenes with executive instruction or the Court interpretes the meaning of Clause (*a*) and Clause (*b*) of Rule 23, the agitation that has started will not be settled finally one way or other.

KHATAU MILLS' PROFITS HIGHER

DIVIDEND MAINTAINED

FROM a year of comparatively lower earnings, the Khatau Makanji Spinning and Weaving Co., Ltd. (Agents: Khatau Makanji & Co., (Private) Ltd., Bombay) has marched to one of substantially higher earnings. Thus, its gross profit of Rs. 50.54 lakhs for the year ended 30th June 1956 is a distinct improvement over the previous year's low of Rs. 34.34 lakhs while it is even a shade better than the one for 1953-54 amounting to Rs. 50.48 lakhs. It would thus seem that the Company has regained the ground it lost in the preceding year. The net profit also, after providing for agents' commission at Rs. 4.33 lakhs as against Rs. 3.43 lakhs, depreciation at Rs. 15.93 lakhs (Rs. 18.70 lakhs which includes a development rebate of Rs. 5.70 lakhs) and a higher provision for taxation at Rs. 13 lakhs (Rs. 5 lakhs), has markedly improved from Rs. 7.21 lakhs for 1954-55 and Rs. 15.62 lakhs for 1953-54 to Rs. 17.28 lakhs for the year under review.

In sharp contrast to the previous year when no addition to the reserves was made, the satisfactory working of the Company during the year under review has permitted an allocation of a substantial sum of Rs. 8.90 lakhs. Of this sum, general reserve gets Rs. 1 lakh and development reserve Rs. 7.90 lakhs. The dividend on ordinary shares has been maintained at 10 per cent. to which level it had been stepped up in the previous year from the rate of 8 per cent. for 1953-54. Besides this, an additional dividend on ordinary shares at Rs. 2 for the year ended 30th June 1956 has been declared which takes away Rs. 1.20 lakhs. The directors state that, if the decision of the Board of Referees under Section 23-A of the Indian Income-tax Act on the Company's application is unfavourable, the Company may have to pay an additional dividend to shareholders for the year ended 30th June 1954. The exact amount of such dividend is, however, not stated.

The following comparative table presents the salient features of the Company's working during the four years ended 30th June 1956:

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Sale proceeds (gross)	426.54	416.99	385.35	379.53
Closing stocks of cloth, yarn and waste	73.51	69.97	59.44	51.50
Raw materials and stores consumed	221.44	222.11	205.82	225.98
Establishment and other expenses	158.91	171.40	137.62	128.06
Gross profit	50.54	34.34	50.48	25.73
Agents' commission	4.33	3.43	5.01	2.65
Depreciation	15.93	18.70*	17.10	18.15
Taxation	13.00	5.00	12.75	0.50
Net profit	17.28	7.21	15.62	4.43
To reserves	8.90	..	9.63	..
Dividends—				
4 per cent. preference ..	1.20	1.20	1.20	1.45
Ordinary	5.98	5.98	4.79	2.99
	11.20			
	(10%)	(10%)	(8%)†	(10%)
Carry forward	0.26	0.26	0.23	0.23

* Includes development rebate of Rs. 5.70 lakhs.
† On a capital of Rs. 59.85 lakhs doubled during the year by the capitalisation of Rs. 29,92,500 in March, 1954.
‡ Additional dividend on ordinary shares at Rs. 2 for the year ended 30th June, 1955.

It may be noted here that the chief contributory factor for the year's better results was the lower establishment and other expenses as compared with those for the previous year.

The directors justly claim that the Company's working during the year under review was satisfactory. In view of the heavy excise duty now in force and the high prices of Egyptian cotton, it is doubtful whether the Company's profits for the current year will be as satisfactory as those for 1955-56. In order to improve the working efficiency of the mill, orders have been placed for new machinery of the value of Rs. 37.79 lakhs. This is in addition to a sum of Rs. 38.65 lakhs already expended during 1955-56 on fixed assets, of which as much as Rs. 31.74 lakhs were on plant and machinery.

The balance-sheet of the Company as at June-end last reflects a healthy financial position. The paid-up capital is unchanged at Rs. 89.79 lakhs divided into 59,850 ordinary shares of Rs. 100 each, 29,925 4 per cent. (tax-free) cumulative preference shares of Rs. 100 each and a sum of Rs. 1,750 received from forfeited shares. The entire preference capital of Rs. 29.52 lakhs and Rs. 39.90 lakhs out of the ordinary capital represent bonus shares issued out of reserves. Despite such large capitalisation in the past, the reserves and surplus as at the close of the year stand at the impressive level of Rs. 55.34 lakhs. The provision for taxation stands at Rs. 8.09 lakhs. The secured loans from banks on the hypothecation of stock and stores guaranteed by Agents amount to Rs. 31.58 lakhs while other unsecured loans total Rs. 37.36 lakhs. Sundry creditors and other current liabilities stand at Rs. 90 lakhs. As already said, there has been an addition of Rs. 38.65 lakhs to the gross block during the year, bringing the total value of the block to Rs. 273.74 lakhs. The depreciation provided up to the end of the year of review amounts to Rs. 203.22 lakhs, so that the net block stands only at Rs. 70.51 lakhs. The current assets aggregate Rs. 241.69 lakhs, of which stock-in-trade represent Rs. 145.09 lakhs, stores, spares and loose tools Rs. 30.56 lakhs, debts, deposits and advances Rs. 47.59 lakhs, investments (at cost) Rs. 14.57 lakhs, and cash balances Rs. 3.87 lakhs. All these current assets exceed the current liabilities and the provision for taxation by as much as Rs. 74.66 lakhs. The investments mentioned here consist of holdings in Premier Automobiles and National Machinery Manufacturers.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 257-8 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 4 per cent. per annum, free of tax.

SUNDATTA COTTONSEED UTILISATION

The first Five-year Plan envisaged the development of cottonseed oil industry by the establishment of a few new plants capable of producing a minimum of 7,500 tons of oil and simultaneously 5 million lbs. of cotton linters. Accordingly, eight firms with a total annual capacity, in terms of cottonseed, of 83,200 tons were granted licences for crushing cottonseed only. These new units were in addition to a large number of mills which have been carrying on crushing of castorseed along with other seeds. As against the target of an additional 7,500 tons of cottonseed oil envisaged under the first Plan, the actual production in 1955-56 was about 9,000 tons, which compares with 5,000 tons at the beginning of the Plan period. In other words, the production in 1955-56 fell short of the target by 3,500 tons. Despite this shortfall the second Five-year Plan has raised the target of cottonseed oil production to 30,000 tons in 1960-61.

In view of the shortage of oils, it was considered necessary in the first Plan to encourage production of oil by solvent extraction of oilcakes and, accordingly, licences were granted for the installation of additional solvent extraction plants. The total annual capacity at the end of May 1956 was 391,500 tons in terms of oilcakes (equivalent to about 30,000 tons of oil). The current production of oil by these plants is, however, estimated at only 7,000 tons per annum. The second Five-year Plan has fixed a target of 64,000 tons of oil per annum through solvent extraction from oilcakes.

One of the units which were granted licences under the Industries (Development and Regulation) Act, 1951, for the production of cottonseed oil was the Sundatta Cottonseed Utilisation Ltd. with an annual capacity of 9,000 tons in terms of cottonseed. In view of the good prospects as indicated above, the Company proposes to increase its capacity of the existing cottonseed crushing plant to 15,000 tons of cottonseeds per annum during the active season of the year (April to September) and to set up a solvent extraction plant with a capacity of 10,000 tons groundnut oilcake per annum for producing oil during slack season for the availability of cottonseed. We are told that the groundnut oilcake will be readily available to the Company in large quantities in the neighbourhood of its own factory at Hubli. This plant is expected to go into production between October 1957 and April 1958.

The capital outlay for the establishment of the solvent extraction plant is Rs. 10 lakhs, of which Rs. 7.5 lakhs will be on the plant and machinery and the balance on land and buildings. The Directors of the Company propose to raise Rs. 7.5 lakhs by the issue of the unissued 15,000 6 per cent. tax-free cumulative redeemable preference shares of Rs. 50 each to the holders of the existing 15,000 ordinary shares at par. The present authorised capital is Rs. 25 lakhs, made up of 20,000 ordinary shares of Rs. 50 each, 15,000 6 per cent. tax-free cumulative redeemable preference shares of Rs. 50 each and 15,000 unclassified shares of Rs. 50 each. Of these shares, only 15,000 ordinary shares of Rs. 50 each have so far been issued and paid-up. The preference shares proposed to be issued will be offered to the holders of the existing 15,000 ordinary shares in the ratio of one preference share for one ordinary share. The balance of Rs. 2.5 lakhs required by the Company for land and building will later on be called up from the unsubscribed balance of the ordinary capital.

The Company's working during the year ended 31st December 1955 has been encouraging, in that it has resulted in a profit of Rs. 2.05 lakhs. After writing off the previous year's loss of Rs. 66,636, as well as the preliminary expenses and deferred revenue expenditure aggregating Rs. 17,263 and providing Rs. 75,000 for depreciation, the Directors have declared a maiden dividend of 6 per cent. for the year. During the year, the Company crushed 11,000 tons of cottonseeds. The profit of Rs. 2.05 lakhs earned in 1955 may be regarded by some as below normal, in view of the quantity of seeds crushed and the sales turnover of over Rs. 40 lakhs. This was, however, due to the poor quality of the cottonseed crushed which in turn was the result of damage to the crop. During the first six months of the current year, the Company's working is said to have been more satisfactory, the quantity of cottonseed crushed having exceeded 5,000 tons resulting in a net profit (subject to audit) of over Rs. 1.5 lakhs. This pace of progress is expected to be maintained in the current half-year also.

JAIPUR UDYOG RAISES DIVIDEND

The financial results of the Jaipur Udyog Ltd. (Chairman: Mr. S. P. Jain) for the year ended 31st March 1956 disclose steady progress. The Company has made a gross profit of Rs. 45.46 lakhs, as against Rs. 45.11 lakhs for 1954-55 and Rs. 30.01 lakhs for 1953-54. The net profit, after providing for depreciation at Rs. 20.22 lakhs (Rs. 20.39 lakhs for 1955 and Rs. 29.76 lakhs for 1954), amounts to Rs. 25.24 lakhs. This compares favourably with Rs. 24.72 lakhs for 1955 and a mere Rs. 25,346 for the year preceding to that. A sum of Rs. 4 lakhs has been transferred to general reserve. No such allocation had been made in the previous two years. The directors have proposed a higher dividend of Re. 1-4 per share, that is, 12½ per cent. on the ordinary shares, as against As. 12 per share, that is, 7½ per cent. in the previous year. The Company has also, from the profits for the year, made provision for the balance of arrears of dividend on 75,000 three per cent. cumulative preference shares amounting to Rs. 91,219. The year's distribution on ordinary shares at 12½ per cent. absorbs Rs. 18.75 lakhs, leaving a balance of Rs. 55,609, as against Rs. 1.23 lakhs in the previous year, to be carried forward.

The Company is engaged in the manufacture of cement. While no figures regarding actual production and stocks sold in terms of quantity are available, the sale proceeds give some idea about the Company's working. From Rs. 78 lakhs in 1954, sales rose to Rs. 155.19 lakhs in 1955 but slightly declined to Rs. 142.87 lakhs during the year under review. The year's working expenses include an amount of Rs. 2.96 lakhs distributed as bonus to the employees for the years 1953-54, 1954-55 and 1955-56. But for this, the Company would have shown even better results for 1955-56.

The directors state that the second cement plant with an annual production capacity of about 200,000 tons has been installed and that it would commence production soon. Most of the machinery for the third plant of similar capacity has been received and its erection work has started. This plant is expected to go into production by the middle of 1957. After this, the Company's production is expected to be over 600,000 tons of cement per annum. The directors are confident that a bright future is assured for the Company. An application for a loan of Rs. 1 crore has been made to the Industrial Finance Corporation of India for financing the Company's expansion programme. The loan arrangement is expected to be finalised soon.

The Company has an authorised capital of Rs. 5 crores. The balance sheet as at the end of March last shows the paid-up capital unchanged at Rs. 2.25 crores. A strange feature of this capital structure is the low-interest bearing preference shares of Rs. 100 each. There are 75,000 of them, entitled to a cumulative dividend of no more than 3 per cent. and that, too, taxable. The balance of capital consists of 1,500,000 ordinary shares of Rs. 10 each. Its reserves and surplus aggregate Rs. 4.81 lakhs. Loans secured from the Government of India under the subsidised industrial housing scheme by mortgage of the labour quarters (including land) constructed under the scheme amount to Rs. 2.17 lakhs. The current liabilities aggregate Rs. 95.47 lakhs. The gross block of the value of Rs. 336.89 lakhs has been written down to Rs. 266.89 lakhs. The additions, adjustments and transfers to the gross block during the year were of the order of Rs. 114.91 lakhs, while the total depreciation provided up to the end of the year of review was Rs. 70 lakhs. The current assets, which include a cash balance of Rs. 4.74 lakhs, amount to Rs. 61.47 lakhs.

In recent weeks, the ordinary shares of the Company have become a popular counter on the Bombay Stock Exchange. They are currently quoted at Rs. 13-8 per share, yielding 10.2 per cent. on the basis of the dividend for 1955-56.

MACHINERY CORPORATION FARES BETTER

The Machinery Manufacturers Corporation Ltd. (Managing Agents: Mahindra and Mahindra Ltd., Bombay) has reported better results for the year ended 31st March 1956. The profit for the year under review stands at Rs. 10.42 lakhs, as against Rs. 9.15 lakhs for 1954-55 and Rs. 1.25 lakhs for 1953-54. Similarly, sales which had improved from Rs. 26.11 lakhs in 1953-54 to Rs. 55.29 lakhs in 1954-55 have further risen to Rs. 65.03 lakhs during the year. The proceeds from outside contract jobs had fallen from Rs. 1.93 lakhs in 1954 to Rs. 82,800 in 1955 but have now risen again to Rs. 1.16 lakhs. As against Rs. 7.13 lakhs representing the depreciation provided for the year ended 31st March 1952 in the previous year, the year's allocation of Rs. 9.28 lakhs provides for depreciation in respect of the year 1952-53 and for the period from 1st April to 30th September 1953. The directors have recommended payment of arrears of dividends on special cumulative 4½ per cent. preference shares and cumulative 4 per cent. preference shares up to 31st March 1953. The balance of Rs. 68,562 has been carried forward to the balance-sheet in order to reduce the previous years' losses which now stand at Rs. 24.26 lakhs. The managing agents have again waived their claim to the commission on the net profits of the Corporation for the year under review.

The report states that the Corporation maintained a steady, all-round progress during the year under review. The total number of orders received during the year was for 704 cards, but of these, orders for 82 cards were cancelled. The Sonai Works manufactured a total of 550 cards during the year, as against 521 in the previous year. The number of cards despatched also increased from 512 in 1954-55 to 556 in 1955-56. Further orders for 251 cards have been received from April to end of July 1956.

The Company's foundry commenced working by the end of July 1956. Proposals for progressive expansion of the foundry to cover the full range of requirements are under active consideration. Two sets of cotton combing machinery manufactured by the Corporation's associates in the U.S.A. have been installed, and orders are in hand for further three sets.

The paid-up capital of the Company stands at Rs. 80.73 lakhs. There are no reserves. Loans secured from the Industrial Finance Corporation of India by the mortgage of the fixed assets of the Company amount to Rs. 44.55 lakhs while those secured from a commercial bank total Rs. 7.25 lakhs. Other current liabilities amount to Rs. 19.89 lakhs. The gross block of the value of Rs. 98.33 lakhs stands written down to Rs. 74.56 lakhs. Preliminary expenses and underwriting commission and brokerage amount to Rs. 12,398 and Rs. 89,109 respectively. The current assets amounting to Rs. 52.59 lakhs comprise general stores Rs. 2.19 lakhs, loose tools Rs. 5.65 lakhs, raw materials Rs. 6.56 lakhs, finished parts Rs. 6.41 lakhs, stock-in-trade Rs. 3.75 lakhs, work-in-progress Rs. 10.57 lakhs, goods-in-transit Rs. 1.91 lakhs, deferred revenue expenditure Rs. 38,355, debts, deposits and advances Rs. 13.95 lakhs, investments Rs. 21,400, and cash and other balances Rs. 99,940.

THE ANDHRA BANK LIMITED

Central Office, **MASULIPATAM.**

ABRIDGED BALANCE SHEET AS AT 30th JUNE 1956

LIABILITIES	Rs.	ASSETS	Rs.
Paid-up Capital	34,19,840	Cash	1,35,66,314
Reserve Fund and Other Reserves ..	15,40,000	Investments (at cost) (Trustee Securities)	2,70,45,215
Deposits	9,85,71,383	Shares, etc.	13,59,904
Borrowings	20,00,000	Advances	6,57,23,169
Bills Payable	12,70,537	Bills and Acceptances (as per contra).	86,74,195
Bills for Collection and Acceptances (as per contra)	86,74,195	Fixed and Other Assets	20,24,873
Other Liabilities	25,41,092		
Profit after transfer to Reserve but before Dividend	3,76,623		
Total .. Rs.	11,83,93,670	Total .. Rs.	11,83,93,670

Points From The Chair

Prospects for Paper Industry

"THE panel on paper and board appointed by the Government of India in 1945 to go into the question of post-war development of paper industry laid down that a 8,000-ton plant was the *economic minimum and a unit* falling below this *minimum should be suitably expanded.* Our scheme of expansion to step up production from 4,000 tons to 8,000 tons has been implemented and we hope to reach the target production during the *current year.* Several of the existing units are *increasing their production capacity* and new mills are coming up. It is now considered that efficient operation under present day conditions requires relatively large-scale production and opinion is expressed that for a unit to be efficient and economic *the optimum figure should not* be less than 16,000 tons. I do not propose to go into the question as to what constitutes an economic unit, but I think large-scale production in the long run would prove beneficial. In view of the heavy expenditure *on educational and economic* development programmes *under the second* Five-year Plan, the overall demand for paper that would be created in the coming years would be distinctly favourable to domestic paper industry. Hence, the desirability and necessity to increase the rated capacity from *8,000 tons to 16,000 tons should* be considered and a comprehensive scheme with financial implications and prospect should be drawn up and it would be for you to extend your co-operation in finding the necessary funds, if and when the scheme is formulated."

T. SHAMANNA,
Mysore Paper Mills, Ltd.

Tobacco Taxation

"An example of a type of State taxation damaging to the tobacco industry as a whole and to the economy of this country is to be found in the Andhra Act of 1955 amending the Madras Central Sales Tax and the Madras Tobacco (Taxation of Sales and Registration) Acts as applied to the State of Andhra. The 1955 Act imposed a tax at the rate of 7¼ pies in the rupee on first purchases of certain varieties of raw tobacco. Not only does this impose an additional and heavy burden on cigarette manufacturers in this country but, at a time when competition in overseas markets is unusually keen, it places Indian grown tobaccos at a price disadvantage in these markets and may, therefore, seriously affect this country's valuable export trade in that commodity. The Government of Andhra State promised to review the operation of this tax; and it was greatly hoped that the tax would be removed in the overall interest. Such hopes, however, have been considerably dimmed by the passing of a further Act imposing a tax on country varieties of tobacco, formerly excluded; but however logical it may be to extend the application of the tax to all varieties of tobacco, the tax remains damaging to the industry as a whole and to the economy of this country."

G. H. J. CLARKE,
Imperial Tobacco Company of India Ltd.

Dairy Industry in the U.K.

"In spite of the efforts of the National Milk Publicity Councils—joint undertakings of producers and purchasers of milk to foster increased liquid consumption—the rate of milk production continues to outpace liquid consumption, and this has resulted in an increase in the manufacture of milk products to a record level. The present system of price guarantees by the Government is somewhat obscure and many of us would like enlightment on the operation of the plan of payment. It is apparently designed to place a ceiling on milk production in Great Britain, as the Government no longer guarantees the full price for milk produced in excess of the target figure. Manufacture in excess of this figure will therefore, presumably have some depressing effect on the overall return per gallon to the producer. With the great improvement in breeding and feeding of dairy cows, lactation yields have risen markedly in recent years. In consequence, producers have found that higher production, although it involves increased manufacture, by no means signifies a reduction in net farm incomes. How much further milk producers will pursue this policy is impossible to forecast, but the uncertainty in the present position makes it difficult for the industry to make satisfactory plans for the future."

LEONARD MAGGS,
United Dairies Limited.

Selling Price of Coal

"The Company has always maintained that their task is to reconcile and balance judiciously the three separate interests, i.e., of workers, the investors and customers. I have explained above how the interests of investors and the workers have been served and there remains the interest of consumers. In my last year's speech I said that your Company had reduced prices of certain grades of coal giving consumers a recurring annual benefit of Rs. 2.67 lakhs. During the year the price of slack coal was reduced by Re. 1 a ton giving the consumers a further annual recurring benefit of Rs. 2.14 lakhs. This is something of which we can be proud, as you will no doubt recollect that in all other coalfields the price of coal was increased by As. 3 a ton with effect from 18th July 1955 to meet the additional cost of the liberalised Provident Fund Rules introduced by the Government. We have not only met this additional liability from our own resources but actually passed on a reduction in the price of slack coal."

DR. G. S. MELKOTE,
Singareni Collieries Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

HINGIR-RAMPUR COAL CO., LTD. Final dividend of Rs. 2-4 per ordinary share, for the year ended 30th June 1956. Transfer books will remain closed from 26th October to 7th November 1956, both days inclusive.

TEZPORE TEA CO., LTD. Annual General Meeting, Calcutta, 8th October 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 27th September to 8th October 1956, both days inclusive.

GANGES MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend : Nil. Transfer books remain closed from 30th September to 9th October 1956, both days inclusive.

GOUREPORE CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: Rs. 2-8 per share. Transfer books remain closed from 30th September to 9th October 1956, both days inclusive.

NUDDEA MILLS CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: Nil. Transfer books remain closed from 30th September to 9th October 1956, both days inclusive.

HATTIKHIRA TEA CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Dividend: As. 12 per share. Transfer books remain closed from 1st to 9th October 1956, both days inclusive.

GANGES ROPE CO., LTD. Annual General Meeting, Calcutta, 9th October 1956. Transfer books remain closed from 30th September to 9th October 1956, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Annual General Meeting, Mangalore, 10th October 1956. Dividend: As. 14 2/5 per share. Transfer books remain closed from 29th September to 10th October 1956, both days inclusive.

NILGIRI TEA ESTATES LTD. Annual General Meeting, Nilgiri, 15th October 1956. Dividend: As. 10 per ordinary share. Transfer books remain closed from 5th to 15th October 1956, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, 15th October 1956. Dividend: As. 3-2/5 per share (final). Transfer books remain closed from 6th to 15th October 1956, both days inclusive.

MACHINERY MANUFACTURERS CORPORATION LTD. Annual General Meeting, Bombay, 19th October 1956. Dividend: Nil. Transfer books remain closed from 1st to 19th October 1956, both days inclusive.

MYSORE GLASS AND ENAMEL WORKS LTD. Annual General Meeting, at the Company's glass works (Near Yesvantapur R.S.), 20th October 1956. Dividend: Nil. Transfer books will remain closed from 8th to 21st October 1956, both days inclusive.

INDIA CEMENTS LTD. Annual General Meeting, Madras, 22nd October 1956. Transfer books will remain closed from 7th to 22nd October 1956, both days inclusive.

PATHEMARA TEA CO., LTD. Annual General Meeting, Calcutta, 23rd October 1956. Transfer books will remain closed from 18th to 23rd October 1956, both days inclusive.

BEHARILAL RAMCHARAN COTTON MILLS LTD. Annual General Meeting, Bombay, 24th October 1956. Transfer books will remain closed from 10th to 25th October 1956, both days inclusive.

TELOIJAN TEA CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Transfer books will remain closed from 10th to 25th October 1956, both days inclusive.

BORMAH JAN TEA CO. (1936) LTD. Annual General Meeting, Calcutta, 25th October 1956. Transfer books will remain closed from 10th to 23th October 1956, both days inclusive.

BAGHMARI TEA CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Transfer books will remain closed from 10th to 25th October 1956, both days inclusive.

SUNGMA TEA CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Transfer books will remain closed from 10th to 25th October 1956, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend: 3½ per cent. (for the half-year ended 28th February 1956). Transfer books will remain closed from 11th to 25th October 1956, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend: 3½ per cent. (for the half-year ended 28th February 1956). Transfer books will remain closed from 11th to 25th October 1956, both days inclusive.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 26th October 1956. Dividend: Rs. 10 per share, payable on and after 29th October 1956. Transfer books will remain closed from 8th to 26th October 1956, both days inclusive.

TALAYAR TEA CO., LTD. Annual General Meeting, Kottayam, Travancore-Cochin, 29th October 1956. Dividend: Re. 1-4 per share (includes interim dividend of As. 10 per share). Transfer books will remain closed from 22nd October to 4th November 1956, both days inclusive.

COMPANY REGISTRATIONS

EXTRUSION PROCESS PRIVATE LTD. (Chairman: Mr. M. I. Patel.) Business: Manufacture of metal products. Authorised capital: Rs. 5,00,000. Private company. Address: "The Nest" H. F. Society, 4th Road, Jogeshwari, Bombay 42.

ADVANCE BUILDERS (INDIA) PRIVATE LTD. (First Director: Mr. S. K. Patel.) Business: Construction of all kinds. Authorised capital: Rs. 5,00,000. Private company. The registered office of the Company will be situated in the State of Bombay.

SALES AND EARNINGS OF TATA HYDRO GROUP IMPROVE

EQUITABLE COAL EARNS HANDSOME PROFIT

Andhra Valley Power Supply Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Tata Hydro-Electric Agencies Private Ltd., Bombay) present the annual report of the Company with the audited statement of accounts for the year ended 30th June 1956.

The profits, after providing for taxes, managing agents' remuneration and depreciation amounted to Rs. 34,34,996 (Rs. 28,79,171). After adding amount brought forward from last year's accounts, Rs. 25,735 (Rs. 50.253), income-tax recovered from dividends on preference shares Rs. 90,662 (Rs. 90,662) and surplus provision for taxation in previous year Rs. 84,733 (*Nil*) the amount available for disposal is Rs. 36,36,126 (Rs. 30,20,086). The directors have made the following appropriations therefrom.

To ad-interim dividend on preference shares at 7 per cent. per annum for the half-year ended 31st December 1955 Rs. 1,72,690 (Rs. 1,72,690) and on ordinary shares, including new shares, at 3 (3) per cent. per annum for the year ending 30th June 1956 Rs. 9,08,310 (Rs. 8,40,810); to contingencies reserve Rs. 3,08,914 (Rs. 2,88,128), to arrears of depreciation Rs. 1,26,745 (Rs. 1,26,745), to write off of intangible assets Rs. 14,175 (Rs. 2,073), to deferred taxation reserve Rs. 2,00,000 (Rs. 2,00,000), to general reserve Rs. 5,00,000 (Rs. 2,00,000), to gratuities reserve Rs. 1,88,290 (*Nil*) and to dividend reserve Rs. 11,75,155 (Rs. 11,63,905) leaving Rs. 41,847 (Rs. 25,735) to be carried forward. The directors recommend the following final dividends for the year ended 30th June 1956 to be paid, if declared at the annual general meeting, from the dividend reserve:—

A dividend at 7 per cent. per annum on preference shares for the half-year ended 30th June 1956 Rs. 1,72,690 (Rs. 1,72,690) and a dividend at 4¼ (4¼) per cent. per annum on ordinary shares, including new shares (less interest payable out of capital at 4 (4) per cent. per annum on such new shares, as sanctioned by Government) Rs. 3,60,000 (Rs. 2,70,000). (Dividend on preference shares is subject to deduction of income-tax).

Sales of Electricity.—The year under review recorded for the three hydro Companies the highest hydro generation as well as total energy sales (inclusive of thermal energy purchased). Past good monsoons had helped towards conserving greater hydro resources, with the result that during the year over 1,300 million units of energy could be generated. 322 (155) million additional units of thermal energy were taken from the Electricity Board's plant at Chola.

The total energy sales for the three Companies were 1,395 million units, besides which it was possible to return to the Railways nearly 45 million units, replacing in kind almost all the energy supplied by them during 1953-54. The sales of energy and revenues for the year for this Company, as compared with the previous three years were as follows:—

Year	Units sold	Revenue
		(in rupees)
1955-56	408,083,532*	1,26,85,764
1954-55	365,107,108**	1,08,89,525
1953-54	327,471,661***	89,27,942
1952-53	300,671,385	71,57,938

*Includes 85,345,517 thermal units sold.
**Includes 40,923,133 thermal units sold.
***Includes 28,333,041 thermal units sold.

Total gross revenue was higher by Rs. 16,89,089 (Rs. 19,86,396) this year due to an increase of Rs. 17,96,239 (Rs. 19,61,583) in revenue from energy sales, partially offset by a decrease of Rs. 1,07,150 in revenue from other sources, mainly interest on Government Securities, Deposits, etc. Total expenses amounted to Rs. 81,11,046, that is Rs. 10,83,264 more than those for the previous year, which is accounted for principally by an increase of (*a*) Rs. 8,32,409 in the cost of thermal power purchased, (*b*) Rs. 90,257 in retiring gratuities, (*c*) Rs. 76,023 in salaries and wages, (*d*) Rs. 74,713 in depreciation, (*e*) Rs. 61,565 in managing agents' remuneration, (*f*) Rs. 57,187 in stores, oils etc. consumed and (*g*) Rs. 40,479 in licence commission. This has been partly offset by a decrease of Rs. 1,34,664 in repairs and maintenance. The provision for taxes has increased by Rs. 50,000. Accordingly, the net profit for the year reflects an increase of Rs. 5,55,825 to Rs. 34,34,996 or 19 3 per cent. over that of the previous year.

Works:—Trombay Thermal Station

Progress on the construction of the first 50/62.5 mw. unit was satisfactory. Unless unexpected or undue delays take place in the completion of the final stages, the first unit should go into commercial operation during November 1956, to be followed by the second unit in April 1957.

New Transformers.—Two 30,000 kva. transformers were commissioned into service at Parel receiving station, thus ensuring adequate 22 kv. supplies to B.E.S.T. sub-stations. A third 16,000 kva. transformer was brought into service at Trombay to cater for supplies to the Oil Refineries, Indian Rare Earths and the Atomic Energy Reactor Plant in that area.

Works Projected.—To keep pace with the rapid industrial development in the Bombay-Poona region and consequent higher load demands expected with the commissioning of the Trombay Thermal Station, various measures have been taken to build up the system transmission and distribution capacities etc.

In addition to laying of some new feeders to meet increased load demands, plans are being worked out for reorganising and reinforcing the entire underground distribution network so as to relieve overloading of old cables which have been in service for long periods.

Loan from World Bank.—The trust deed for securing mortgage bonds in various currencies equivalent to $16,200,000 was executed on 4th November 1955, and the various other formalities set out in the loan agreement and the loan regulations having been completed, the World Bank declared the loan effective on 7th December 1955. The World Bank has advanced to the three Hydro Companies, mostly in reimbursement of the foreign exchange expended on the Trombay Project, an amount in various currencies equivalent to $7,242,955 upto end of August 1956.

Revision of tariffs.—Having regard to the cost of purchase of thermal energy from the Bombay Electricity Board and the quantum of energy which had to be taken from that source, it became clear soon after the beginning of the year 1955-56 that the Companies tariffs would require revision. In doing so, it was thought that it would be possible to eliminate the then existing surcharges. When the principal consumers of the Companies were consulted, they expressed the view that, pending the enactment of the Electricity (Supply) Amendment Bill, it would be preferable to continue the present tariffs, varying the thermal surcharge as may be required from time to time to meet increased costs on account of the purchase of thermal energy. The Bombay Electricity Board which was then approached, approved of the thermal surcharge being raised from 15 per cent. to 24½ per cent. effective 1st January 1956.

General Power Supply Position.—The power pool started in 1951 to make use of auxiliary generating sets in textile mills and factories, continued to operate and met to the extent required additional demands of consumers. The units generated from this source during the year were 8,560,407.

The Government of Bombay, having invited applications for allotment of the capacity of the first unit from Trombay, have received demands exceeding 1,22,000 kw. excluding certain reservations proposed by Government for their own requirements and for essential consumers. The applications are under scrutiny of Government. Indications are that the load demand will continue steadily to increase until it absorbs all the additional power to be produced from the two sets of Trombay.

Accounts in brief are as under.—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,52,05,750	Block ...	3,95,68,026
Debentures	98,28,000	Capital works under erection ...	1,38,73,462
Reserves ...	55,37,636	Stores, loose tools, etc.	22,09,191
Provision for taxation ...	34,48,039	Debts, • deposits and advances ...	62,44,727
Liabilities ...	1,45,27,100	Other assets	2,24,531
Profit and loss account ...	41,847	Investments	18,94,781
		Miscellaneous expenditure	28,82,659
		Cash ...	16,90,995
Rs.	6,85,88,372	Rs.	6,85,88,372

Tata Hydro-Electric Power Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tata Hydro-Electric Agencies Private Ltd., Bombay) present the annual report of the Company with the audited statement of accounts for the year ended 30th June 1956.

The profits, after providing for taxes, managing agents' remuneration and depreciation amounted to Rs. 27,95,640 (Rs. 25,00,587). After adding amount brought forward from last year's accounts, Rs. 21,171 (Rs. 35,234), income-tax recovered from dividends on preference shares Rs. 1,64,054 (Rs. 1,64,054) and surplus provision for taxation in previous year Rs. 1,24,968 (*nil*), the amount available for disposal is Rs. 31,05,833 (Rs. 26,99,875). The directors have made the following appropriations therefrom:—

To ad-interim dividend on preference shares at 7 per cent. per annum for the half-year ended 31st December 1955 Rs. 3,12,480 (Rs. 3,12,480) and on ordinary shares, including new shares, at 3 (3) per cent. per annum for the year ending 30th June 1956 Rs. 7,20,000 (Rs. 6,75,000); to contingencies reserve Rs. 2,36,141 (Rs. 2,21,107), to arrears of depreciation Rs. 37,259 (Rs. 37,259), to write off of intangible assets Rs. 62,955 (Rs. 62,878), to deferred taxation reserve Rs. 1,00,000 (Rs. 1,00,000), to general reserve Rs. 3,25,000 (Rs. 1,25,000), to gratuities reserve Rs. 1,35,686 (*nil*) and to dividend reserve Rs. 11,52,480 (Rs. 11,44,980) leaving Rs. 23,832 (Rs. 21,171) to be carried forward. The directors recommend the following final dividends for the year ended 30th June 1956, to be paid, if declared at the annual general meeting, from the dividend reserve:—

A dividend at 7 per cent. per annum on preference shares for the half-year ended 30th June 1956 Rs. 3,12,480 (Rs. 3,12,480) and a dividend at 4¼ (4) per cent. per annum on ordinary shares, including new shares (less interest payable out of capital at 4 (4) per cent. per annum on such new shares, as sanctioned by Government) Rs. 8,40,000 (Rs. 8,32,500). Add interest out of capital during construction on new ordinary shares at 4 (4) per cent. per annum Rs. 2,40,000 (Rs. 1,80,000). (Dividend on preference shares is subject to deduction of income-tax).

The sales of energy and revenues for the year for this Company, as compared with the previous (three) years were as follows:—

Year	Units sold	Revenue
		(In rupees)
1955-56	271,331,335*	84,34,884
1954-55	253,738,070**	75,68,863
1953-54	228,647,773***	62,33,853
1952-53	210,780,923	50,17,787

*Includes 56,897,011 thermal units sold.
**Includes 27,282,089 thermal units sold.
***Includes 18,888,694 thermal units sold.

Total gross revenue was higher by Rs. 8,56,844 this year due to an increase of Rs. 8,66,021 in revenue from energy sales, partially offset by a decrease of Rs. 9,177 in revenue from other sources.

Total expenses amounted to Rs. 54,40,214, that is, Rs. 7,86,791 more than those for the previous year, which is accounted for principally by an increase of (*a*) Rs. 5,54,937 in the cost of thermal power purchased, (*b*) Rs. 1,08,972 in interest on short-term loan, (*c*) Rs. 77,826 in retiring gratuities, (*d*) Rs. 59,828 in stores, oils, etc., consumed, (*e*) Rs. 44,385 in salaries and wages and (*f*) Rs. 38,852 in managing agents' remuneration. This has been partly offset by a decrease of Rs. 1,00,492 in repairs and maintenance. The provision for taxes has decreased by Rs. 2,25,000 on account of alteration in the basis of calculating excess dividend tax, under the Finance Act, 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,29,25,250	Block ...	3,24,35,965
Reserves ...	62,05,816	Capital works under erection ...	92,68,967
Provision for taxation ...	21,49,420	Stores, tools, etc.	20,94,123
Liabilities ...	1,36,14,783	Other assets	1,27,543
Profit and loss account ...	23,832	Debts, deposits and advances ...	45,49,810
		Miscellaneous expenditure	19,93,854
		Investments	41,40,217
		Cash ...	3,08,622
Rs.	5,49,19,101	Rs.	5,49,19,101

Tata Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tata Hydro-Electric Agencies Private Ltd., Bombay) present the annual report of the Company with the audited accounts for the year ended 30th June 1956.

The profits, after providing for taxes, managing agents' remuneration and depreciation amounted to Rs. 65,08,212 (Rs. 53,32,961). After adding amount brought forward from last year's accounts, Rs. 27,952 (Rs. 33,980), income-tax recovered from dividends on preference shares Rs. 1,71,222 (Rs. 1,71,222) and Rs. 2,73,080 (*nil*), the amount available for disposal is Rs. 69,80,466 (Rs. 55,38,163). The directors have made the following appropriations therefrom:—

To ad-interim dividend on preference shares at 7½ per cent. per annum for the half-year ended 31st December 1955 Rs. 3,26,138 (Rs. 3,26,137) and on ordinary shares, including new shares, at 3 per cent. per annum for the year ending 30th June 1956 Rs. 15,46,080 (Rs. 14,33,580), to contingencies reserve Rs. 3,00,000 (Rs. 5,37,305), to arrears of depreciation Rs. 9,516 (Rs. 9,522), to write off of intangible assets Rs. 62,272 (Rs. 27,160), to deferred taxation reserve Rs. 2,00,000 (Rs. 2,00,000), to general reserve Rs. 6,00,000 (Rs. 1,50,000), to reserve for special repairs Rs. 16,00,000 (Rs. 8,00,000), to gratuities reserve Rs. 2,57,670 (*nil*) and to dividend reserve Rs. 20,45,258 (Rs. 20,26,507) leaving Rs. 33,532 (Rs. 27,952) to be carried forward.

The directors recommend the following final dividends for the year ended 30th June 1956, to be paid, if declared at the annual general meeting, from the dividend reserve:—

A dividend at 7½ per cent. per annum on preference shares for the half-year ended 30th June 1956 Rs. 3,26,138 (Rs. 3,26,138) and a dividend at 4¼ (4¼) per cent. per annum on ordinary shares, including new shares (less interest payable out of capital at 4 (4) per cent. per annum on such new shares, as sanctioned by Government) Rs. 17,19,120 (Rs. 17,00,369). Add interest out of capital during construction on new ordinary shares at 4 (4) per cent. per annum Rs. 6,00,000 (Rs. 4,50,000). (Dividend on preference shares is subject to deduction of income-tax).

The sales of energy and revenues for the year for this Company, as compared with the previous three years were as follows:

Year	Units sold	Revenue
		(In rupees)
1955-56	715,472,339*	2,22,42,926
1954-55	643,845,182**	1,92,08,434
1953-54	581,119,441***	1,58,42,591
1952-53	536,452,309	1,27,70,451

*Includes 142,242,529 thermal units sold.
**Includes 68,205,222 thermal units sold.
***Includes 47,221,736 thermal units sold.

Total gross revenue at Rs. 2,26,28,148, was higher by Rs. 29,99,510 this year due to an increase of Rs. 30,34,492 in revenue from energy sales, partially offset by a decrease of Rs. 34,982 in revenue from other sources. Total expenses amounted to Rs. 1,39,09,936, that is, Rs. 20,14,259 more than those for the previous year, which is accounted for principally by an increase of (*a*) Rs. 13,87,342 in the cost of thermal power purchased, (*b*) Rs. 2,18,268 in managing agents' remuneration, (*c*) Rs. 1,25,554 in interest on short-term loan, (*d*) Rs. 1,24,354 in retiring gratuities, (*e*) Rs. 1,14,715 in depreciation, (*f*) Rs. 1,02,496 in stores, oils, etc., consumed, (*g*) Rs. 75,066 in salaries and wages, (*h*) Rs. 40,376 in miscellaneous charges and (*i*) Rs. 39,775 in interest on debentures. This has been partly offset by a decrease of Rs. 2,19,107 in repairs and maintenance. The provision for taxes has decreased by Rs. 1,90,000 on account of alteration in the basis of calculating excess dividend tax, under the Finance Act, 1956. Accordingly, the net profit for the year reflects an increase of Rs. 11,75,251 or 22.0 per cent. over that of the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,02,25,000	Block ...	8,62,52,579
Debentures ...	2,97,73,000	Capital works under erection ...	2,30,85,367
Reserves ...	1,67,24,050	Stores, loose tools, etc.	55,70,350
Provision for taxation ...	44,59,140	Other assets.	7,23,319
Liabilities ...	2,57,16,642	Debts, deposits and advances ...	1,13,13,070
Profit and loss account ...	33,532	Miscellaneous expenditure	30,58,972
		Investments	50,18,597
		Cash ...	19,09,110
Rs.	13,69,31,364	Rs.	13,69,31,364

Equitable Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submitted the accounts of the Company for the half-year ended 31st December 1955.

There was a profit before providing for depreciation, of Rs. 14,61,087 (Rs. 3,50,892). Deducting therefrom depreciation charged for the half-year of Rs. 6,00,000 (*nil*) and provision for cesses Rs. 70,000 (*nil*) there was a balance of Rs. 7,91,087 (Rs. 3,50,892). After adding the amount brought in from the previous account of Rs. 93,266 (Rs. 1,85,653), adjustments in respect of previous periods Rs. 31,530 (*nil*) and profit on sale of Hurriladih Power Station Rs. 64,836 (*nil*). There was an available balance for disposal of Rs. 9,80,719 (Rs. 5,36,545). The directors disposed of this amount as follows:—

By transfer to general development reserve Rs. 2,50,000 (*nil*), transfer to general reserve Rs. 4,00,000 (*nil*) payment of dividend on preference shares for the half-year at the rate of 6 per cent. per annum Rs. 12,000 (Rs. 12,000) payment of dividend on ordinary shares at the rate of 15 (15) per cent. per annum Rs. 2,22,282 (Rs. 2,22,282) payment of directors' commission on the above dividend Rs. 14,058 (Rs. 14,058) and leaving to be carried forward Rs. 82,379 (Rs. 14,058 after writing off Rs. 1,18,172 being debenture issue expenses).

Nett raisings during the half-year were 8,39,856 tons compared with 8,08,193 tons during the previous six months and 8,02,218 tons in the corresponding period of 1954. Despatches amounted to 8,72,996 tons against 8,35,129 tons and 8,51,251 tons during the preceding two half-years. Stocks totalled 65,918 tons compared with 83,344 tons at the end of the previous half-year and 1,05,387 tons as at 31st December 1954.

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

During the period under review, the Company took possession of Charanpur Colliery and the properties of Apcar Collieries Ltd. (In Voluntary Liquidation). The Company's raisings were thereby increased over those for the previous half-year and an improvement in wagon supplies effected a reduction in the stocks of coal at the Collieries.

The award of the All India Industrial Tribunal (Colliery—Disputes) is effective from 26th May and has granted substantial increases in wages. Production costs have increased sharply but controlled selling prices, in West Bengal and Bihar, have been increased, from 5th July, by only Rs. 3 per ton. This state of affairs will have an adverse effect upon the Company's trading results.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,63,760	Block ...	1,15,25,712
Debentures ...	50,00,000	Stock of coal ...	8,78,966
Reserves ...	83,55,049	Stores and spare gear	31,49,297
Provision for taxation and cesses	14,39,934	Plant and machinery unissued ...	22,33,158
Liabilities ...	1,56,50,987	Debts, deposits and advances ...	1,36,87,312
Profit and loss account	82,379	Investments	15,76,612
		Cash ...	8,41,052
Rs.	3,38,92,109	Rs.	3,38,92,109

Dhemo Main Collieries, Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December 1955.

There was a profit before providing for depreciation, of Rs. 22,110 (loss of Rs. 2,17,919). After deducting this from depreciation charged for the half-year Rs. 90,086 (Rs. 81,827) there was a loss of Rs. 67,976 (Rs. 1,36,092). After deducting therefrom adjustment in respect of previous years Rs. 7,937 (*nil*) leaving a balance of Rs. 60,039 (Rs. 1,36,092) and adding thereto the balance at debit of profit and loss account brought forward from previous half-year of Rs. 2,43,279 (Rs. 1,91,155) there was a net accumulated loss amounting to Rs. 3,03,318 (Rs. 3,14,080). After transferring the balance on replacement reserve account, of Rs. 1,20,000 (*nil*) there is a balance at debit of profit and loss account to be carried forward, of Rs. 1,83,318 (Rs. 3,14,080).

Net raisings during the half-year were 1,15,751 tons compared with 1,22,177 tons during the previous six months and 1,12,847 tons in the corresponding period of 1954. Despatches amounted to 1,21,401 tons against 1,26,096 tons and 1,19,769 tons during the preceding two half-years. Stocks totalled 3,321 tons on 31st December 1955.

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

Underground conditions at the Colliery continued to be very difficult and raisings for the half-year were 6,400 tons lower than for the previous period. This reduction is reflected in the Company's results for the period under review.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	24,00,428
Liabilities ...	25,83,126	Stock of coal	48,252
		Stores and spare gear	1,53,246
		Debts, deposits and advances ...	13,47,573
		Cash ...	50,309
		Profit and loss account ...	1,83,318
Rs.	41,83,126	Rs.	41,83,126

Hurriladih Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December 1955.

There was a profit before providing for depreciation, of Rs. 2,94,924 (Rs. 2,54,792). Deducting therefrom depreciation charged for the half-year Rs. 28,127 (Rs. 31,061) and provision for taxation Rs. 1,35,000 (Rs 80,000) there was a balance of Rs. 1,31,797 (Rs. 1,43,731). After adding the amount brought in from the previous account of Rs. 65,461 (Rs. 62,148) and adjustment in respect of previous periods Rs. 3,727 (*nil*) there was available for disposal a sum of Rs. 2,00,985 (Rs. 1,95,879 after providing Rs 10,000 for doubtful debts). The directors disposed of this sum as follows:—

By payment of a dividend for the half-year at the rate of 25 (20) per cent. per annum. Rs. 1,00,000 (Rs. 80,000), payment of directors' commission on the above dividend Rs. 5,000 (Rs. 4,000) and transfer to general reserve Rs. 50,000 (Rs. 50,000) leaving to be carried forward Rs. 45,985 (Rs. 61,879).

Net raisings during the half-year were 1,12,985 tons compared with 1,22,153 tons during the previous six months and 1,29,489 tons in the corresponding period of 1954. Despatches amounted to 1,19,796 tons against 1,23,632 tons and 1,36,169 tons during the preceding two half-years. Stocks totalled 3,792 tons on 31st December 1955.

Colliery.—The good condition of the Company's Colliery has been fully maintained. Good relations between labour and management continued throughout the period. Working of 16 Seam at the Colliery is now expected to be completed before the end of 1956 and it is intended to proceed with the development of 15A Seam in replacement of 16 Seam.

The award of the All India Industrial Tribunal (Colliery—Disputes) is effective from 26th May and has granted substantial increases in wages. Production costs have increased sharply but controlled selling prices, in West Bengal and Bihar, have been increased, from 5th July, by only Rs. 3 per ton. This state of affairs will have an adverse effect upon the Company's trading results.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	3,17,780
Reserves ...	7,25,000	Stock-in-trade ...	47,400
Provision for taxation ...	3,36,143	Stores ...	81,504
Liabilities ...	8,75,521	Debts, deposits and advances ...	15,43,540
Profit and loss account ...	45,985	Investments	49,658
		Cash ...	7,42,767
Rs.	27,82,649	Rs.	27,82,649

West Jamuria Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December 1955.

The accounts showed a loss before providing for depreciation, of Rs. 1,49,773 (Rs. 2,18,962). Adding thereto the depreciation charged for the half-year of Rs. 1,14,717 (Rs. 65,379) and provision for bad and doubtful debts Rs. 9,379 (Rs. 22,302) leaving a debit balance of Rs. 2,73,869 (Rs. 1,75,885). After deducting therefrom the credit balance brought forward from previous account of Rs. 122 (Rs. 582) and adjustments in respect of previous years Rs. 1,097 (*nil*) there was a net Accumulated Loss amounting to Rs. 2,72,650 (Rs. 99,029 after taking into account Rs. 76,274 being provision for taxation no longer required. After transferring the balance on development reserve account, of (Rs. 1,26,000) Rs. 37,000 from general reserve and Rs. 63,000 from development reserve) there is a balance at debit of profit and loss account to be carried forward, of Rs. 1,46,650 (credit of Rs. 971).

Net raisings during the half-year were 1,17,912 tons compared with 1,11,035 tons during the previous six months and 1,11,137 tons in the corresponding period of 1954. Despatches amounted to 1,33,466 tons against 1,01,287 and 95,580 tons during the preceding two half-years. Stocks totalled 9,239 tons on 31st December 1955.

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

In spite of improved despatches, West Jamuria Colliery continued to operate uneconomically during the period under review. Working results at Ackhalpur Colliery continue to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	32,65,173
Reserves ...	21,569	Stock-in-trade	1,29,468
Provision for taxation ...	1,716	Stores and spare gear	88,375
Liabilities ...	39,45,084	Debts, deposits and advances ...	9,77,223
		Cash ...	61,480
		Profit and loss account ...	1,46,650
Rs.	46,68,369	Rs.	46,68,369

Mysore Spun Silk Mills Ltd.

The directors of the above Company (Chairman: Mr. K. Shamsuddin Khan, Channapatna submitted the audited accounts of the Company for the year ended 31st March 1956.

The Mills worked to full capacity from the latter part of August 1955 only. It worked partially for the first four months of the year which resulted in a loss of about Rs. 30,000 (Rs. 4,54,581). By the end of the year, viz., 31st March 1956, the Company has, after wiping out the loss of the first 4 months, made a profit of about Rs. 42,000 without providing for depreciation. Considering the unfavourable market conditions for the finished products during the year, the result of the working is considered satisfactory and is also indicative of future progress.

Due to lack of adequate working capital during the year, the Mills undertook processing of raw materials for others delivering the finished products on payment of manufacturing charges. The said arrangement which proved beneficial to the Company, continued till the end of the year under report.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,61,780	Block ...	14,12,491
Reserves ...	6,600	Stock-in-trade	6,60,134
Provision for taxation ...	7,190	Stores, spares and tools etc.	3,36,868
Liabilities ...	15,20,919	Debts, deposits and advances ...	3,14,507
		Cash ...	21,836
		Profit and loss account ...	1,50,653
Rs.	28,96,489	Rs.	28,96,489

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

Notice

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2¾ per cent. per annum, less Indian Income-tax thereon, will be paid to the Registered holders as on the 22nd October 1956, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March 1957.

The Share Transfer Books of the Preference Shares will be closed from the 15th to the 22nd October 1956, both days inclusive.

By Order of the Board,

D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA 1, 1st *October* 1956.

Notices

THE NEW MONKHOOSHI TEA COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday the 30th October 1956, at 10-45 a.m. for the following purposes:—

AGENDA

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the year ended 31st December 1955, and the Balance Sheet as at that date.
2. To declare a Dividend.
3. To re-appoint by a resolution which will be proposed as a special resolution a Director who retires by rotation.

   Special notice to propose the undernoted resolution as a special resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company in which it is stated that Mr. H. Mackay Tallack is the Managing Director of the Managing Agents' Company and as such an associate of the Managing Agents within the meaning of the Act and a person who can only be appointed or re-appointed a Director of the Company by Special Resolution in conformity with Section 261 of the Act.

   To consider, and, if thought fit, to pass, with or without modification, the following resolution:—

   As a Special Resolution:

   "RESOLVED in conformity with Section 261 of the Companies Act, 1956, that Mr. H. Mackay Tallack be and is hereby re-appointed a Director of the Company liable to retirement by rotation."
4. To appoint Auditors and fix their remuneration.
5. *As Special Business*:

   To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as an Ordinary Resolution:—

   "RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the Ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 23rd to 30th October 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA—1, 21*st September* 1956.

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

EXPLANATORY STATEMENT

Item No. 5.—By the provisions of Section 293(1)(d) of the Companies Act, 1956, the Directors without the consent of the company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

THE NEW ASSAM VALLEY TEA COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday the 30th October 1956, at 10-30 a.m. for the following purposes:—

AGENDA

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the year ended 31st December 1955, and the Balance Sheet as at that date.
2. To declare a Dividend.
3. To re-appoint by a resolution which will be proposed as a special resolution a Director who retires by rotation.

   Special notice to propose the undernoted resolution as a special resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company in which it is stated that Mr. H. Mackay Tallack is the Managing Director of the Managing Agents' Company and as such an associate of the Managing Agents within the meaning of the Act and a person who can only be appointed or re-appointed a Director of the Company by Special Resolution in conformity with Section 261 of the Act.

   To consider, and, if thought fit, to pass, with or without modification, the following resolution:—

   As a Special Resolution:

   "RESOLVED in conformity with Section 261 of the Companies Act, 1956, that Mr. H. Mackay Tallack be and is hereby re-appointed a Director of the Company liable to retirement by rotation."
4. To appoint Auditors and fix their remuneration.
5. *As Special Business*:

   To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as an Ordinary Resolution:—

   "RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the Ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

The Share Transfer Books of the Company will be closed from 23rd to 30th October 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA—1, 21*st September* 1956.

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

EXPLANATORY STATEMENT

Item No. 5.—By the provisions of Section 293(1)(d) of the Companies Act, 1956, the Directors without the consent of the company in general meeting cannot borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves. An authority is therefore required for your Directors to borrow for the purposes of the Company in excess of this statutory limit. The Resolution is intended to provide that authority and to restore the position which prevailed under Article 65 prior to 1st April 1956.

HASTINGS MILL LIMITED

NOTICE

THE ANNUAL ORDINARY GENERAL MEETING of the Company will be held at the Registered Office, at 14, Netaji Subhas Road, Calcutta, on Monday the 29th October 1956, at 3-30 p.m. for the following purposes:—

(1) To receive and consider the Report of the Directors and to pass the audited accounts of the Company for the year ended 31st March 1956.

(2) To declare Dividends.

(3) To elect Directors.

(4) To appoint Auditors for the current year.

(5) As special business, to consider and if thought fit, to pass with or without modifications, the following resolution which will be proposed as ordinary resolution.

"RESOLVED that consent of the Company be and is hereby given to the Board of Directors to contribute and/or subscribe from time to time to any national, political, charitable, benevolent, public or general and other funds not directly relating to the business of the Company or the welfare of its employees, such amounts as may be considered proper by it notwithstanding that such amounts in any financial year may exceed Rs. 25,000 or 5 per cent. of the Company's average net profits, as determined in accordance with the provisions of the Companies Act, 1956, during the three financial years immediately proceeding, whichever is greater."

(6) To transact any other ordinary business of the Company.

The Share Transfer Books of the Company will remain closed from 16th October 1956, to 29th October 1956, both days inclusive.

By Order of the Board,
Per Pro BANGUR BROS. LTD.,
Sd/- B. D. BANGUR,
Managing Agents.

CALCUTTA, 24*th September* 1956.

N.B.—(i) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(ii) Explanatory statement in regard to special business to be transacted at the meeting.

The Board of Directors have to give contributions from time to time to various institutions including charitable and other funds not directly related to the business of the Company or to the welfare of its employees and which is at times in excess of the limits as laid down in Section 293 (i) (e) of the Companies Act, 1956. A resolution has, therefore, been proposed to authorise the Directors to contribute to such funds in excess of the above limits.

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1964-68 will be closed for transfers from 18th October to 31st October 1956 both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India,
Agents for the Standard-Vacuum Refining Co. of India Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1*st October* 1956.

MONEY STRINGENT

(From Our Own Correspondent)

BOMBAY, 3*rd October*

There was an acute shortage of funds in the short-term money market during the week under review also. With demand for bank credit still keen, banks had to seek temporary accommodation from the Reserve Bank. Interests rates were, therefore, unchanged at the previous week's levels.

Activity in inter-bank business was very much restricted in the absence of any surplus funds with banks. Call money rate among all sections of banks was nominally quoted at 3½ per cent. House money at call was in demand at 3¼ per cent. Short-term deposits were taken at 3½ per cent. for one to three months and at 3¼ to 3⅜ per cent. for four to six months.

The Reserve Bank of India's statement for the week ended 28th September 1956 discloses a further contraction of Rs. 8.48 crores in notes in circulation, bringing the total fall for the past three weeks to Rs. 30.96 crores. Notes held in the Banking Department were up by Rs. 9.75 crores, so that the rise in total notes issued was of the order of Rs. 1.27 crores. This is covered on the assets side by a similar increase in rupee coin. Foreign securities have declined by Rs. 10 crores, while a similar increase is noted in rupee securities. In the Banking Department, a rise of Rs. 3.95 crores is noted in the deposits of the Central Government and a decline of Rs. 4.89 crores in the deposits of other Governments. There has been an increase of Rs. 1.93 crores in balances held abroad, but loans and advances to Governments show no change. Other loans and advances have dropped by Rs. 3.87 crores, and this decline is mainly accounted for by the fall of Rs. 4.28 crores in outstanding advances to Scheduled banks against usance bills. Fresh borrowings by banks against these bills during the week amounted to Rs. 6.48 crores. There has been a further fall of Rs. 10.02 crores in investments.

The Scheduled banks' statement for the week ended 21st September 1956 shows a fall of Rs. 5.72 crores in demand deposits of banks, while time deposits are higher by Rs. 33 lakhs. Inter-bank borrowings are lower by Rs. 1.38 crores, while borrowings from Reserve Bank have gone up by Rs. 13.61 crores. A decrease of Rs. 2.25 crores is noted in advances, while inland bills purchased and discounted account for an increase of Rs. 2.88 crores. Investments have gone up by Rs. 2.34 crores, while total cash balances have declined by Rs. 3.08 crores and money at call and short notice by Rs. 2.52 crores.

The Gilt-edged market showed no signs of any improvement either in price or in activity during the week under review. The undertone was, however, fairly steady with prices of most of the securities well held. 3 per cent. 1957 and 1958 were maintained at Rs. 99-12 and Rs. 99-9, respectively. 3 per cent. 1959-61 held its ground at Rs. 97-15, 3 per cent. 1963-65 at Rs. 94-7 and 3 per cent. 1964 at Rs. 94-10. 3 per cent. 1966-68 was placed at Rs. 93 after payment of interest on 1st October, as against Rs. 93-2 *cum*-voucher a week ago. 3 per cent. 1970-75 changed hands As. 2 lower at Rs. 89-6. 3 per cent. 1986 Conversion Loan shed an anna to Rs. 75-1. 3½ per cent. 1962 was unchanged at Rs. 97-15, 3½ per cent. 1961 at Rs. 99-2, 3¼ per cent. 1964 at Rs. 98-9 and 3¼ per cent. 1965 at Rs. 98-7. 3½ per cent. 1967 gathered an anna to Rs. 98-8, while 3½ per cent. 1974 was stagnant at Rs. 98-8. Among the State loans, Madras 4 per cent. 1968 hardened by As. 2 to Rs. 99-4 and U.P. 1968 by an anna to Rs. 99-3.

In the foreign exchange section, the rupee ruled steady in terms of the U.S. dollar during the week. This was in sympathy with the strength of sterling in New York. Banks' selling rate of ready dollars was unchanged at Rs. 481¼ per $100, while their buying rate, after moving up from Rs. 477 to Rs. 477¼, declined to Rs. 476¾ per $100. In New York, spot sterling softened in the earlier part of the week from $2.78⅜—2.78½ to $2.78-3/16—2.78-5/16, but soon rallied back to $2.78⅜—2.78½. Three months' forward moved up from $2.76-9/16—2.76-11/16 to $2.76-11/16—2.76-13/16 and transferable sterling from 275.80—275.90 cents to 276.60—276.70 cents.

GOOD DEMAND FOR TEA

[*Messrs. Forbes, Ewart & Figgis (Private) Ltd.*]

COCHIN, 27*th September*

Approximately 500,000 lbs. were on offer in Dust Sale 'S' which was held on Tuesday, 25th September. There was a good demand, but prices were rather irregular. Commonest kinds were slightly easier, but medium dusts with coloury liquors were fully firm and occasionally dearer. Best liquoring dusts sold well at about last rates. Middle East types met with some competition and prices advanced.

London Market: *Sale of 24th September* 1956:—Market excited and much dearer for all descriptions. Plain and mediums 6*d.* to 8*d.* dearer.

Sale of 25th September 1956:—Irregularly 2*d.* to 6*d.* dearer.

Colombo Market: *Sale of 24th September* 1956:—Dearer, except stalky sorts. Good liquoring dusts and fannings show very sharp rise.

Sale of 25th September 1956:—Strong demand dearer rates all grades. Dimbulas advanced strongly late in auction.

Calcutta Market: *Export*:—58,775 packages. Better general demand. Strongest features commonest and best, particularly fannings grades.

Internal:—Sale postponed.

Export Quota:—The market has been rather quiet and the quotation now stands at 23 pies sellers.

Forthcoming Auctions:—Dust Sale 'T' will be held on Tuesday, 9th October.

BULLION MOVES DOWN

(From Our Own Correspondent)

BOMBAY, 3*rd October*

Trading on the Bullion exchange was far from lively during the week under review. The slight improvement in sentiment noted towards the close of the previous week gathered further strength early in the week under review, but was not sustained during the rest of the week.

Silver opened on a bright note with a further hardening of values on reports of good offtake in the ready section and demand from the Calcutta market. Subsequently, however, the bullish fervour received a setback, as the demand slackened due to rumours of arrivals of Tibetan Coins and talks of reduction of import duty on silver. Today again, the market ruled steady, in the absence of any confirmation of these rumours and prices moved up slightly.

Gold was lethargic throughout the week, in the absence of any encouraging factors. The undertone was quiet on account of a contraction in demand.

Forward silver (20th October settlement) moved up from Rs. 174-6 to Rs. 175 early in the week, but soon staged a retreat to Rs. 173-7 on Monday, thus wiping out the previous week's gain. Today, however, there was again a revival to Rs. 174-2.

Ready silver (.996 Mint), after an initial marking up from Rs. 174 to Rs. 174-10, gave way to Rs. 173-3. The closing was, however, better at Rs. 173-14. The floating stocks of silver are reported to be 2,100 bars, while the daily offtake during the week was 20 bars on an average.

Gold for forward delivery (19th October settlement) looked up from Rs. 103-6 to Rs. 103-12, but gave way to Rs. 102-13 before closing today at Rs. 103.

Ready gold declined from Rs. 103-8 to Rs. 102-13, after touching a high of Rs. 103-14 early in the week. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was no more than 2,500 tolas on an average.

In New York, silver price was marked up from 90.75c. to 90.875c. London prices also hardened from 79¾*d.* to 79⅞*d.* for both spot and forward. London gold advanced from 251*s.* 7*d.* to 251*s.* 8¼*d.* before giving way to 251*s.* 5½*d.*

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

	3-10-56	Highest	Lowest	26-9-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	102 13	103 14	102 10	103 8
Forward*	103 0	103 12	102 13	103 6
Sovereign	67 4	67 8	67 4	67 8
SILVER				
Ready (.996 fine Mint)	173 14	174 10	173 3	174 0
Forward†	174 2	175 0	173 7	174 6
London Silver Ready	79¾*d.*	79¾*d.*	79⅛*d.*	79¼*d.*
London Forward	79⅝*d.*	79¾*d.*	79⅛*d.*	79⅛*d.*
London Gold	251*s.* 5½*d.*	251*s.* 8¼*d.*	251*s.* 5½*d.*	251*s.* 7*d.*
New York Silver	90.875c.	90.875c.	90.75c.	90¼c.

* 19th October settlement.
† 20th October settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TANNED COW HIDES FIRM

(From Our Own Correspondent)

MADRAS, 1*st October*

There were more enquiries for tanned cow hides from the U.K. and arrivals into local market met with ready clearance. Lower selections, however, were difficult to sell and reduced prices, it was feared, had to be taken, if sales were to be forced. Light weights were comparatively weak, and the call for medium weight and heavies continued firm at last prices. Importers refused to increase their buying limits, despite shippers' offers at a penny over their last sales.

Demand for tanned cow calf and buff calf was poor, while buff hides were cleared steadily by exporters to the U.S.A.

In the tanned skins section, demand was a bit slow and lower selections were wanted at lower prices which the tanners were not anxious to take, in view of their well sold position.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 30*th September*

During the week under review, the conditions of the hides and skins market looked stabilised, despite certain railway dislocations owing to heavy rainfall in Bihar and Eastern U.P. There was heavy demand for upper grade buff and wet cow. It was reported that Messrs. Cooper Allens were in the market for high grade cow over some heavy orders for footwear received from abroad. The Madras dealers were in for lighter cow, goat and sheep. Fresh arrivals were ample.

The latest available quotations are: Wet salted cow 1st grade Rs. 360, 2nd grade Rs. 280 and 3rd grade Rs. 140 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces; sheep skins Rs. 200 per 100 pieces.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:—

"*Sale* 27:—1,150,000 lbs. Very strong demand, particularly medium sorts and Middle East types which are As. 2 to As. 4 dearer. Others irregularly dearer, but best sometimes below valuation."

COTTON FUTURES BEARISH

(From Our Own Correspondent)

BOMBAY, 3*rd October*

A distinctly bearish trend was witnessed in the cotton futures market in the week under review. It now appears as though the morale of the market has been undermined. The bearish trend was due, principally, to the Government's policy of restriction of mill stocks, the fear of an extension of the credit squeeze instituted by the monetary authorities and the prospect of a better crop in the current season. The limitation on stocks made mills cautious in their purchase of raw cotton and the credit squeeze led to the fear that banks would reduce advances against cotton crop. These considerations have induced heavy selling pressure with the result that cotton prices dipped sharply. The spot section which hitherto had remained firm also reacted sharply and the basis of popular varieties was down by five to ten points.

M. G. Jarilla (March 1957) opened the week at Rs. 691½, the same as the previous week's closing rate and fell back as profit-taking operations ensued. Continued bear hammering pushed the rates further down to Rs. 677, on Saturday. Thereafter, on heavy selling pressure, it began its downward march reaching as low as Rs. 669 today. However, rates improved slightly towards the end of session and closed at Rs. 671¾. M. G. Vijay (April 1957) opened one point lower at Rs. 820 and touched the low of Rs. 792 today, before closing the day's session at Rs. 794.

The following is the trend of prices for the two contracts during the week:

(In rupees per candy of 784 lbs.)

	3-10-56	High	Low	26-9-56
Jarilla (March) ...	671¾	691	669	691½
Vijay (April) ...	794	820	792	821

The weakness of the futures market was reflected in the spot section also which turned easy. Weak advices from Punjab, coupled with anxiety of farmers to sell their cotton in view of the difficulty of obtaining credit were responsible for this trend. Mills were reluctant to go in for cotton and dearth of enquiries pushed down prices.

In the export section there was only limited activity. There were inquiries for Bengals from Japan which maintained its price. China is reported to have been seeking Berar and C.P. *Deshi*. Some inquiries were also reported for Zoda. Delivery contracts too were easy.

In the foreign section interest was confined mainly to Pima. The market was thick with rumours that the Government might allow imports of 150,000 bales of American cotton out of the quantity of 500,000 bales provided for import under the recently concluded Indo-U.S. Trade Agreement. This quantity is expected to be imported through normal trade channels.

The latest available rates—in rupees per candy of 784 lbs.—from Sewri are given below:

Bengal *Deshi* 700; Berar Jarilla 770; Khandesh 780; Vijay 955; Oomra *Deshi* 740; Moglai 725. *Delivery Contracts*: Khandesh 197/3 December 110; Berar 95; Moglai 30 'on' Jarilla; 320 F December 68; 216 F 90; Vijay 13/16" February-March 62 'on' Vijay.

A firm trend was in evidence in the Karachi cotton market, attributed principally to the continued interest shown by Italy and Japan in certain varieties of Pakistan cotton. Mills also evinced considerable interest in new crop N.T. and a fair amount of business is also reported to have been done in new crop deshi. N.T.R.G. January, which had closed at Rs. 75-6 last week, put on Re. 1-1 over the week, while March position advanced from Rs. 74-10 last week to Rs. 75-9. Prices of spot lots have also shown considerable improvement. Exports from Karachi during the 1955-56 season were 969,560 bales (42 bales to Indian ports), as compared with 929,783 bales during the previous season. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 96-8 (96); Punjab *Deshi* 82; 4 F Punjab Roller 78-12; S.G. 80; L.S.S. Punjab R.G. 79; S.G. 81; N.T.R.G. 81-4; S.G. 84-12; 289 F Punjab R.G. 83.

Buoyant conditions prevailed in the Alexandria cotton market in the week under review. The rally in prices was due to encouraging inquiries from abroad. The U.S., Germany, Italy and Switzerland were principal buyers. Regarding crop prospects, it is reported that in both Upper and Lower Egypt picking has become general. The expectation, based on arrivals at Minet-el-Basal, is that Ashmount is better in all respects than last year, Karnak the same, and Menoufi irregular in staple and Giza 30 not as good in style and staple as last year. The latest available rates—in tallaris per lb.—from the Alexandria cotton futures market are given below, the figures in brackets being last week's closing quotations:

Karnak: November 107.25 (102.90); January 106.20 (102.20); March 105.4 (101.40). *Ashmouni*: October 79.15 (72.25); December 79.25 (72.40); February 79.70 (72.60).

Quiet conditions prevailed in the Liverpool cotton market during the period under review. Though there was fair demand for both ready and shipment cotton there no appreciable increase in prices was in evidence. By far the largest portion of the demand was attracted by U.S. styles. American shippers were still offering the lower grades and staples at very attractive rates. Trading in the Egyptian Karnak contracts continued to remain at a standstill due to the ban on Egyptian cotton imports. Business in Sudan cotton was also restricted owing to the continuing political uncertainty. The

following are the latest available rates—in pence per lb.—from Liverpool:

American one inch staple Contract: October-November 24.77; December-January 24.75; March-April 24.75; *Sudan Cotton Contract*: November December 50.15.

Prices in New York markets remained steady throughout the week and hedge pressure has not made itself felt, despite the increasing crop movement. However, on the 1st inst., a reactionary tendency was in evidence on scattered liquidation plus some New Orleans selling. It was met with trade buying and short covering. The weakness of Wall Street also adversely affected the market but trade houses offered the principal support which maintained values.

Meanwhile, it is expected that owing to the success of the surplus cotton export policy the Administration will continue these sales even after the target of five million bales for the season is reached. The prospects for further export sales are bright. An important section of the Trade and Industry, however, believes that the present procedure of liquidating surplus cotton is detrimental to the cotton marketing system. It is pointed out that while the programme had no significant effect on domestic prices, it has led to a sharp reduction in the volume of trading in the futures market.

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

(In cents per lb.)

	3-10-56	25-9-56	18-9-56
Spot	34.55	34.55	34.45
October	34.05	34.00	33.79
December	34.13	33.99	33.79
March	34.32	34.07	33.72

YARNS RECEDE FURTHER

(From Our Own Correspondent)

BOMBAY, *3rd October*

The last week's bearish tone of the yarn market gathered momentum this week. Selling pressure continued unabated and prices suffered a further setback. In particular, rayon yarns were adversely affected, thanks to reports of persistent downward trend in rayon fabrics prices and heavy accumulations of stocks with weaving mills. Staple fibre yarns were also depressed, on account of forced sales by several mills in the wake of slack demand from consuming centres. Cotton yarns, too, were neglected for want of buying support. The undertone of the market was weak.

Snia rayon yarn (120 dull cones) for October delivery dropped Rs. 9 to Rs. 760. December position fell by Rs. 8 to Rs. 775. 120 Japan and 150 Japan declined by half an anna each to Rs. 3-11-6 and Rs. 4-1, respectively. 150 Italy lost a like amount to Rs. 3-14-6. 120 Italy was dull at Rs. 3-3. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade slipped by nine pies to Rs. 3-3. 120 Bt. cones 1st grade receded by six pies to Rs. 3-11.

Staple fibre yarn (40×2) for October delivery moved down by Rs. 4 to Rs. 633. December contract retreated from Rs. 642 to Rs. 639. Among spot indigenous yarns, New Greats eased by six pies to Rs. 3-5-9. Centurys shed three pies to Rs. 3-6-6. Kohinoors were quiet at Rs. 3-7-6. Deals in foreign K'Suns (80×2) were put through an anna lower at Rs. 6-5. Paramounts and Fujis were both unchanged at Rs. 5-15.

In the cotton yarn section, sixty counts were subjected to selling. Finlays climbed down by As. 12 to Rs. 61. Raghuvamshis decreased by As. 6 to Rs. 58-6. Moderns lost As. 4 to Rs. 61-12. Among 40s, Maduras dropped As. 8 to Rs. 28-14. Minaxis receded by As. 4 to Rs. 27-15. There were transactions in 30s at reduced rates, Maduras declining by As. 8 to Rs. 24 and Apollos by As. 2 to Rs. 22-12. Among 10s, Moderns, Podars and Elphinstones shed an anna each to Rs. 15, Rs. 14-12 and Rs. 14-10, respectively. Among 80s, Mahendras lost As. 4 to Rs. 71-12. Moderns were unaltered at Rs. 71.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	3-10-1956	26-9-1956	19-9-1956
Art Silk yarn **(per case of 200 lbs.)—**	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia October ..	760 0	769 0	787 0
120 Dull Cone Snia December	775 0	783 0	797 0
120 Japan (per lb.)	3 11½	3 12	3 12½
150 Japan (per lb.)	4 1	4 1½	4 1¼
120 Italy (per lb.)	3 13	3 13	3 15
150 Italy (per lb.)	3 14½	3 15	4 1
Staple fibre yarn **(per case of 200 lbs.)—**			
40×2 October	633 0	637 0	659 0
40×2 December	639 0	642 0	668 0
40×2 New Great (per lb.) ..	3 5½	3 6¼	3 7
40×2 Century (per lb.) ..	3 6½	3 6¾	3 7¼
40×2 City (per lb.)	3 5½	3 5¾	3 6½
Cotton yarn **(per bundle of 10 lbs.)—**			
10s Podar	14 12	14 13	14 10
20s Hind	19 6	19 6	19 10
30s Madura	24 0	24 8	24 12
40s Minaxi	27 15	28 3	28 3
60s Raghuvamshi	58 6	58 12	58 3
80s Mahendra	71 12	72 0	72 0

OILSEEDS WEAK

(From Our Own Correspondent)

BOMBAY, *3rd October*

The oilseeds market ruled distinctly bearish during the week under review. After a steady start at the commencement of the week, the market was adversely affected by the reports of favourable weather condition in the producing areas. Weakness of the cotton market and lack of support helped the downtrend of prices. Bear-covering towards the close of the week, however, assisted some recovery in prices. At Madras also, the sentiment remained weak in the groundnut section, chiefly due to the prospects of early arrivals of new crop.

Groundnut February 1957 contract, which started the week at Rs. 132-2 came down gradually to Rs. 128 today, losing thereby as much as Rs. 3-14 over the week. In the spot section, Bold F.A.Q. shed Rs. 2-4 at Rs. 33-8, and Coramandal and Khandesh quality lost Re. 1-4 each at Rs. 33-8. Groundnut oil ex-mill, however, was fractionally higher at Rs. 18-10, while Railway Receipt came down to the last week's quotation at Rs. 18-7, after starting the week As. 3 higher.

In the castorseed section, the September contract was finally quoted at Rs. 142 or Rs. 4 lower than at the close of the previous week. Tenders to the tune of 11,400 candies were issued on 29th September, making a total of 37,000 candies. May 1957 contract, which began the week at Rs. 124, reached the lowest level of the week at Rs. 118 on the 1st October. Later, it improved slightly to Rs. 120-12. It has thus shed Rs. 3-10 over the week. In the spot section, Madras quality moved down from Rs. 28-4 to Rs. 27-14, and Kampur quality from Rs. 27 to Rs. 26-12. Oil B.S.S. lost As 4 at Rs. 16-10 though Commercial was unchanged at Rs. 15-14.

Linseed May 1957 opened the week at Rs. 26-8, but slowly slided down to Rs. 26-2 on the 1st inst. It, however, recovered to its former level at the close today. Bold Ready, however, moved slightly higher on demand from the crushers and put on As. 8 over the week at Rs. 31-8. Sutna Ready, too, put on As. 8 at Rs. 30, over the week. Linseed oil Ready, however, shed As. 2 at Rs. 17-2.

Among other seeds, *kardi* seed, Bold Ready and October-November declined by As. 6 each to Rs. 17-2. *Niger* seed Ready and Madras were each quoted As. 4 lower at Rs. 27 and Rs. 27-4 respectively.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	3-10-1956	26-9-1956	19-9-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	128 0	131 14	132 4
Khandesh Quality Ready (per cwt.)	33 8	34 12	34 8
Dec.-Jan.	—	26 4	26 11
Linseed—			
May 1957	26 8	26 8	26 12
Bold Ready (per cwt.) ..	31 8	31 0	30 8
Oct.-Nov.	31 8	31 0	30 10
Castorseeds—			
May 1957	120 6	146 0	146 12
Madras (per cwt.)	27 14	28 4	28 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 10	18 9	18 14
Castor oil—			
Commercial (per quarter) ..	15 14	15 14	16 1
Linseed oil—			
Ready	17 2	17 4	17 0

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, *3rd October*

A steady trend was in evidence in the sugar market during the week under review. The distress selling noted last week abated. In fact, there was some buying support for sugar, thanks to the delay in the issue of the normal monthly quota of sugar for sale in free market. Traders expected that the release might not be made till the beginning of next week. Reduced arrivals of indigenous sugar into the market also imparted some strength; arrivals during the week aggregated only 12,900 bags, as against 35,500 bags in the previous week and 20,700 bags two weeks before.

Spot-medium grain indigenous sugar improved by a rupee to Rs. 89-Rs. 90. Small grain was fully steady at Rs. 87 and large grain at Rs. 92-Rs. 97. British refined sugar was done at Rs. 90-8.

In the forward section, *Asho* delivery contract for 'C' grade sugar found buyers and rose by As. 8 to Rs. 89-12.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER DULL

(Messrs. Parekh and Co.)

BOMBAY, *3rd October*

Malabar black pepper has remained dull and depressed throughout the whole of last fortnight and the turnover has considerably fallen off on account of paucity of foreign enquiries. Except for a small business by way of short-covering, both bulls and bears lacked enthusiasm. Everybody awaited some new incentive. The fast-approaching new harvesting season was another weakening factor. Growers wanted to sell out their old holdings as much as they could before the arrival of the new crop, since they thought that if new crop was selling at lower price nobody was going to pay higher for the old crop except for an urgent need.

Heavier arrivals of pepper in New York during September against July and August shipments forced spot price to give in and it is now sel'ing at $0.30 without creating much interest among the grinders. The hope of some settlement in the threatening dock-strike at New York is, considered as one of the depressing factors for the spot market. When Sarawak spot in New York is selling on par with shipment for Lampong and/or Malabar, dealers there generally buy spot Sarawak for replacement against their sales of Lampong-Malabar. This naturally acts as a bar against fresh enquiries for shipment from India and Indonesia for some time and consequently tells upon the sellers in the producing countries who are accustomed to have foreign orders almost daily for supporting the market.

Alleppey, after touching Rs. 750, went down to Rs. 712½, while garbled at Cochin declined from Rs. 130 to Rs. 125. Arrivals of light berries are expected to begin soon. As a result, inland buying too has been depressed. Commission houses are looking for lower prices.

Despite good export during May to September, the Singapore market has failed to stabilise itself. The position in Indonesia is not clear for want of genuine information and hence uncertain. Therefore, the sentiment in pepper is at present bearish and unless some favourable development takes place the market is likely to go down.

In A.S.T.A. section, October shipment fluctuated between $0.29½ to $0.29 and November-December from $0.28½ to $0.28 without attracting much attention. In delivery section, prices are also moving narrowly with outside interest next to nothing.

Following are today's nominal quotations: Ready delivery Rs. 96 per Bengal maund; October Rs. 662½-667½ and November Rs. 655-60 per candy of 5½ cwts.

JUTE GOODS DROP

(From Our Own Correspondent)

CALCUTTA, *2nd October*

Prices of jute goods declined during the week, the reaction in sacking being more marked than in hessian. There was only limited support from foreign buyers and shippers, as it was evident that their immediate requirements had been fully met in the buoyancy that followed the recent decision of mills to curtail production. The upward trend had to be arrested, as there was an apprehension that prices might rise too high. In fact, prices of goods had advanced during recent weeks to such a level as to make production of mills only economic but not quite profitable. For raw jute also followed the trend of goods. During this week, despite the fall in the prices of jute goods and the restricted support to raw jute by mills, raw jute prices were maintained at previous levels. Prices of raw jute were steady in upcountry centres, and arrivals in Cossipore were absorbed almost immediately after clearance.

If mills are to work economically and prevent losses, there is no gainsaying the need for raw jute prices to go down further. However, for the present, the steady conditions across the border, the difficulty and the great delay in getting imports from Pakistan, and their effect on the local trend prevent prices for the domestic fibre from bearing a relation to the prices of jute goods. All those concerned with the jute industry have often stressed the imperative need for India to become self-sufficient in the matter of raw jute supplies, and this subject was naturally focussed at length by Mr. D. S. Kuthari when he addressed the Jute Brokers' Association in Calcutta on Saturday last.

The time has come for the Agriculture Departments of Assam, West Bengal and Uttar Pradesh to pay better attention to the growing of more jute. A great measure of success can be achieved even within the span of one season if more attention is paid to the distribution of improved seed, provision of better retting facilities, and wider publicity of literature in local languages relating to more scientific cultivation and to improvement of fibre yield.

During the week, a slight interest was shown in hessian by buyers on behalf of the Argentine. Usually, that country imports from India as much as 60,000 tons of jute goods a year, but, since stocks there are heavy, it was believed in Calcutta that Argentina's purchases during this year would be about 20,000 to 30,000 tons only. Australia was believed interested in woolpacks and for a time speculators were active. In the month of September, shipping was less impressive than in August, but it is expected that, in view of the lower output, stock figures, when published, would not unfavourably affect market sentiment. Between 1st and 25th September, sacking shipped was only 18,299 tons, as compared with 30,744 tons in the same period in August, and hessian shipped was 23,421 tons, as against 24,379 tons.

During last Tuesday, the market was closed on account of the hartal, and on Wednesday rates were fairly steady following interest shown by shippers as well as covering business. Ready B. twills were priced at Rs. 113-6 and hessian 40"×10 oz. at Rs. 43-7. However, follow-up business was not forthcoming, and speculators became disappointed. Therefore, B. twills sagged to Rs. 113-2 on Thursday and hessian 40"×10 oz. to Rs. 43-3. Lacking in support, the market trod a declining trend, and on Friday rates touched low levels. Mills were in no mood to enter the market for fear of prices going down further. In any case, during the recent upward trend, mills had sold considerably, and a good portion of their production has been booked for deliveries extending up to March next. Speculators were naturally inclined to lessen commitments and this, together with the lull in foreign buying, pushed down ready B. twills to Rs. 112-8 and hessian 40"×10 oz. to Rs. 43 on Friday. On Saturday, the rates were hardly changed. But yesterday, prices sagged further with B. twills and hessians standing at Rs. 111-4 and Rs. 42-12, respectively. The market is closed today (Mahatma Gandhi's birthday) and tomorrow (Mahalaya).

All forward positions also participated in the decline, and even the one-month delivery goods in both hessian and sacking lost the premium and were quoting at par with the ready goods. Jan-March B. twills gave way to Rs. 111-10 from Rs. 112-6, and Oct.-Dec. to Rs. 112-6 from Rs. 113-6. Both these positions in hessian 40"×10 oz. were priced at Rs. 41-10 and Rs. 42-7, as against Rs. 42 and Rs. 43 earlier.

Mills showed very little interest in raw jute. Sellers were not prepared to discount rates, in view of the steady trend in upcountry markets. However, with the easing of the flood situation, arrivals are bound to increase and it is expected that prices may move down. Indian northern bottoms were unchanged at Rs. 29 for most part of the week but declined yesterday to Rs. 28-8. So did Assam Upper bottoms; after being firm at Rs. 29, they eased to Rs. 28-8. Local daissees were, however, maintained firm at Rs. 29-8 throughout.

LINSEED REACTS

(Messrs. A. Bradley and Co.)

CALCUTTA, *1st October*

A further reaction following the removal of export duty on linseed oil has been observed, and prices are somewhat lower. Although seeds are very scarce, buyers are unable to pay high prices, owing to the poor offtake of oil. The oil section is dull. Following a decline in U.K. prices, a disparity of about £6 now prevails. The latest available quotation for Ready-October is Rs. 23-8 per maund.

TEA FIRM

(From Our Own Correspondent)

CALCUTTA, *2nd October*

Steady conditions prevailed during the internal auctions held last week, as demand for quality teas continued to be strong. Reports of keen competition during the tea sale in London on Wednesday last and the considerable strength of Doars tea there naturally boosted local sentiment. Reports of yesterday's sale in London have also been encouraging, and, although prices had eased at the beginning in view of a decline in quality, the good liquoring teas had advanced before the close of the auctions. It is clear that buyers on behalf of Great Britain are increasing their activity, for which one of the contributory causes is the withdrawal of the earlier decision by the Far Eastern Conference Lines to increase freight in order to compensate the shipping companies for the apprehended delay in the passage of the ships through the Canal following the refusal of European pilots to work for the nationalised Canal. Ships continue to pass through the Canal without any delay, and the Canal continues to be as free as before. British stockists naturally desire to get as much tea as possible through the Canal, when the going is good.

Trade circles have naturally welcomed the uptrend in export and internal tea auctions, but feel that the time has come for the Government to take some measures by which Indian tea would be able to stand the competition from other producing countries in foreign markets. Already, great attention to the tea industry is being paid in Japan, Iran, and China, where output is on the increase. The U.S.S.R. has a programme to produce more tea and, if reports are any guidance, the Argentine would, in the next few years, offer stiff competition inasmuch as it has planned to export as much as 30 million lbs. of tea by 1960.

One of the causes for the steady trend in export auctions during recent weeks has been the unusual entry of Russia to buy as much as 20 to 25 million lbs. of tea. But, as Russian production of tea would be stepped up to 390 million lbs. by the end of the sixth Five-year Plan Russia would by no means be a permanent customer of India. Pakistan is another producer country, which is planning to increase output to 75 million lbs. a year within the next ten years. Her present production is about 50 million lbs. a year.

One concrete way in which New Delhi can assist the industry is to abolish the export duty and advise the Assam and West Bengal Governments to do away with the movement and entry taxes. This industry is a major foreign exchange earner, and has been lately burdened with increased output costs. It is long since markets have turned to the advantage of buyers, and New Delhi has recognised this in the case of the jute and cotton textile industries. Now, the turn has come to tea. It should be stated here that, in the case of the jute industry, the Government abolished the export duties after scores of appeals from trade and industry to remove the duties and after these levies had priced out jute goods from world markets for a long time. Traders believe that the Government would have benefited from this sad experience and, therefore, hope for a timely response from New Delhi in the case of the tea industry.

In the meantime, the Government has announced that the export duty of As. 6 per pound remains unchanged, although, with the recent uptrend, the price of tea for the purpose of determining the export duty has been fixed at Rs. 3-3-9, as against Rs. 2-11-5 in force from 1st September 1956.

Note was taken of the Government of India's announcement making a second interim release of export quota for 1956-57 to tea estates to the extent of 10 per cent. of their crop, thus bringing the total releases so far to 50 per cent. Another announcement, which contributed to better conditions in the internal sales held on Wednesday last was the decision of the Calcutta Tea Regulation Committee, on which are represented tea producing associations of North-East India, to destroy all residual and waste teas of a quality unfit for sale at the auctions. The need to reduce the 1956 crop in order to arrive at a healthy balance between demand and supply was also agreed upon, and gardens in North-East India would soon be asked to cease plucking for the rest of the plucking season ending about 15th December. This decision follows the very large increase in North-Indian tea output during recent months, and the consequent decline in prices of certain grades of tea to below output costs.

During the sales for domestic consumption held last week, dusts offered totalled 16,372 chests. There was strong demand and prices of the better teas advanced. Clean black leaf teas were the strongest feature and added As. 2 to As. 3. Quality medium teas and the better commons realised prices higher by As. 1 to As. 2, while the other lots in this group gave way by one anna. Among C.T.C. Assams, the best lots were in good demand. The quotations were, best Assam C.T.C. Rs. 3-4 to Rs. 3-8, medium Assam C.T.C. Rs. 2-8, medium Dooars Rs. 2-1, and medium Assam grainy dust Rs. 2-2 to Rs. 2-3.

The number of packages of leaf grades on offer amounted to 887. Prices were fully firm following good demand.

FOODGRAINS QUIETLY EASY

(From Our Own Correspondent)

HAPUR, *1st October*

Quietly easy conditions prevailed in the foodgrains market during the week under review. Wheat and rice sales by the Government in different parts of the country, increased arrivals of the new *kharif* crop and the latest beneficial rains were responsible for the bearish trend. Reports of heavy damage to crops by the floods in east U.P. and Bihar, however, tended to check a further fall in prices.

Wheat average quality lost As. 6 to Rs. 14-12 per maund and farm quality was now transacted at Rs. 16-2 per maund. Local arrivals from the producing centres increased to an average of 200 maunds daily, as stockists were now reported to be anxious to liquidate their stocks, and offtake from fair price shops had also improved. Wheat stocks were now put at 80 *khaties* of 800 maunds each. With the arrival of the new paddy crop in small quantity in the rice producing areas in the North, prices of rice declined slightly to be quoted at: *Basmati* Rs. 23 to Rs. 30, *mainpuri* Rs. 19, *rangooni* Rs. 18-14 and coarse Rs. 15-8 per maund.

With increased arrivals of new maize crop—averaging 200 maunds daily—prices declined by As. 4 per maund to Rs. 11-8. Prices of other coarse grains also eased in sympathy. Arrivals of new *bajra* and *jowar* crop had not yet begun in the market and prices of old quality ruled quiet and unchanged. The week-end prices were: *Barley* Rs. 11-10, *bejhar* Rs. 11, *jowar* Rs. 13, *guwar* Rs. 9-12, *bajra* Rs. 12.

Pulses also disclosed a downward trend in line with the prices of other cereals and in sympathy with an appreciable fall in future prices. Peas *dara* was transacted at Rs. 11-5 and white quality at Rs. 12-6 per maund and stock position was 55 *khaties*. *Arhar* prices also eased to Rs. 12-4 per maund and stock went down to 91 *khaties*. Small demand for peas and *arhar* was only in the form of pulses from Madras side. Prices of other pulses also eased: *Urd* was quoted at Rs. 17 to Rs. 18-4, *moong* at Rs. 12-6 and *massor* at Rs. 14-8 per maund.

Pulses futures declined appreciably, due to continued bear pressure influenced by good rain reports. The latest quotations as on Monday were: Peas *mangsir* Rs. 10-12-9, peas white (gram) *mangsir* Rs. 11-4, *arhar mangsir* Rs. 11-11-6, *guwar maha* Rs. 9-8-6, *urd maha* Rs. 14-10-6, as against Rs. 11-6-3, Rs. 11-12, Rs. 12-8, Rs. 9-8 and Rs. 15-8, respectively, last week-end.

Fair to good rains have been received all over west U.P. towards the week-end. The rains are expected to enable timely sowings of the coming *rabi* crop. The standing *bajra* and *jowar* crop in some areas have been very much benefited.

SUGAR DRIFTS LOWER

(From Our Own Correspondent)

HAPUR, *1st October*

Sugar prices drifted lower on better supply position and poor offtake. The millowners were now reported to be anxious to part with their stocks, which were considerably heavy this year, they aggregated 746,000 tons as on 15th September, as against 596,000 tons at this time last year.

The latest rains have proved very beneficial to the standing cane crops and fair to good cane crop is expected in west U.P. Damage to the cane crop in east U.P. due to floods has been reported. Factories in west U.P. are expected to begin their season early and some of them may begin crushing by the middle of October.

The mill delivery prices of sugar as on Monday were Jaswant Rs. 28, Simbhauli Rs. 28-4, Mowana Rs. 27-12 to Rs. 28-8, Daurala Rs. 28-8 to Rs. 29-4, Amroha Rs. 27-10, Bijnore Rs. 27-10, Mansoorpur Rs. 27-14 to Rs. 29-4, Rampur Rs. 30-4, retail Rs. 30-4.

The *khandsari* sugar market continued to rule dull and depressed, in the absence of buying enquiry and good stock position. The latest prevailing prices are: *Khandsari* Rs. 23 to Rs. 26 per maund according to quality.

New *gur* arrivals, which averaged about 75 maunds during the major part of the week, declined towards the week-end due to rains. Old *gur* stock was put at about 17,500 maunds and outside demand was wanting, due to good stock position in the markets in the South, where new *gur* arrivals had also considerably increased. The latest prevailing prices are: New Rs. 12 to Rs. 13-8 per maund; old dry Rs. 11-8; wet *kotha* quality Rs. 9-12. *Gur fagun* futures declined during the week on bear pressure influenced by good rain reports, to be quoted at the worst level of the week at Rs. 9-14 today, as against the week's opening of Rs. 10-5-3.

WORLD DEMAND AND SUPPLY OF MANGANESE

(Concluded from page 663)

tration; a washing operation is usually sufficient to remove most of the waste material. The material is bulky and therefore transportation is a key factor.

One of the most pressing problems is the expansion of production in Brazil, where legal and political difficulties have been added to natural obstacles. Output over the past few years has been about one-third of production during the 1910's when the country supplied 20 per cent. of world's manganese. But large, newly discovered deposits at Urucum and Amapa are now being developed by steel companies of the United States with the assistance of loans and purchase guarantees made by the United States Government. Both deposits are very large and hold promise of yielding as much as 600,000 tons annually of high grade ore at a competitive cost. These projects are well started but need the cooperation of both the Brazilian and the United States Governments to be successfully developed.

African output has expanded so greatly within the last few years that it is difficult to judge whether further expansion is likely during the next decade. Given assurance of a steady market, good trade relations with the United States, and some improvements in rail transport and loading facilities, India can probably increase its output easily to about 30 per cent. above the 1950 level, provided it becomes its national policy to do so. If reserves were the sole consideration, Indian production could easily double.

Production Target for Manganese and Other Ores During the First and the Second Five-year Plans

	1950-51	1953-54	1955-56	1960-61
Coal (million tons) ..	32	36	37	60
Iron ore (million tons) ..	3	4	4	13
Mica (cwts.)	162	..	150	200
Manganese (million tons) ..	1	2	2	3.5

Manganese production is expected to rise by 75 per cent.

Out of a planned expenditure of Rs. 4,800 crores under the second Plan, no less than Rs. 75 crores will be spent on minerals and prospecting. This is expected to increase the national product by Rs. 150 crores or 58 per cent. during the second Plan period, as against Rs. 95 crores or 19 per cent. during the first Plan period.

Some 8 lakh persons are employed in mines at present. With output from mines increasing by some 50 per cent. in the second Plan, additional employment in mines during the next Plan period may be of order of 3 to 4 lakhs.

Outlook

Under present development plans, the free world's manganese output can probably increase from 3 million tons to 4 million tons of high-grade ore annually. Expansion to the full 5 million tons required by 1975 would demand major new mining projects. Available information on reserves and mining conditions indicates that such projects would not mean substantially higher costs. However, expansion programmes, involving considerable outlay, may require loans and long-term purchase contracts, particularly in view of the overhanging Soviet supplies.

Russia possesses over half of the known manganese ore reserves of the world and is producing twice the tonnage of any other country. It supplied more than a third of the United States manganese requirements upto 1938 and again in 1948, but by 1950 Soviet manganese exports to the free world virtually ceased. As steel companies cannot afford to gamble on manganese, free world manganese ore production has been expanding, but the possibility of the return of Soviet ore to world markets has slowed the process, though there is no specific indication that Soviet exports will be resumed within the foreseeable future.—*All Rights Reserved.*

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1953	4	4½
Colombia	18th July, 1933	6	4
Costa Rica	1st April, 1954	4	5
Denmark	9th May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	26th April 1950	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept. 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 28th September, 1956		Week ended 21st September, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,73,724	59,15,34,000	3,08,357	66,36,70,000
Calcutta	1,37,332	49,96,34,822	1,73,186	67,33,74,217
Madras	80,976	9,33,96,885	84,808	10,84,79,075
All Centres— 1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
July, 1956	..	..	3,203,000	6,60,86,00,000
August ,,	..	..	3,057,000	6,45,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 28th Sept., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		71,38,67,000
(2) Other Governments		19,05,62,000
(b) Banks		92,04,47,000
(c) Others		12,45,37,000
Bills Payable		8,57,09,000
Other Liabilities		17,37,79,000
	Rupees	207,49,21,000

ASSETS	Rs.
Notes	41,30,86,000
Rupee Coin	11,53,000
Subsidiary Coin	5,65,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,88,51,000
Balances held abroad*	28,32,59,000
Loans and Advances to Governments	2,84,35,000
Other Loans and Advances	86,81,31,000
Investments	32,34,24,000
Other Assets	11,80,17,000
Rupees	207,49,21,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 36,36,89,000 advances to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 273,34,06,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	41,30,86,000	
Notes in circulation	1409,23,17,000	
Total Notes issued		1450,54,03,000
Total Liabilities		1450,54,03,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	586,73,79,000	
Total of A		626,75,50,000
B. Rupee Coin		120,07,02,000
Government of India Rupee Securities		703,71,51,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1450,54,03,000

Ratio of Total of A to Liabilities : 43.208 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 21st Sept., 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	9,75,85,000
(ii) Other demand liabilities	622,12,95,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,25,80,000
(ii) Other time liabilities	458,79,96,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	11,08,41,000
(ii) Time liabilities	....
4. Cash in India	35,08,07,000
5. Balances with the Reserve Bank in India	49,30,26,000
6. Balances with other banks in current account in India	10,00,10,000
7. Money at call and short notice in India	11,92,21,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	373,47,82,000
9. Advances in India	610,25,89,000
10. Inland Bills purchased and discounted in India	95,79,40,000
11. Foreign Bills purchased and discounted in India	45,46,27,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	2nd October, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅜	1-6⅜
Bombay on New York—		
Sellers T.T. D.D. Rs.	480¼	480¼
Buyers T.T. Rs.	478	478
London on New York $	2.78¼-4.78¼	2.78¼-2.78¼
London on Paris Frs.	981¼	981¼
London on Berne Sw. Frs.	12.22½-12.22½	12.21½-12.21½
New York on London $	2.78¼-2.78¼	2.78¼-2.78¼

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.31	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,128	922
Philippines	1954	21.44	Ps. 7,428	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,766
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1954	42.84	F.Fr. 11,493,000	15,540	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,380	1,548
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 28,630	3,844	4,912
Netherlands	1954	10.63	Grs. 21,060	2,540	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw Fr. 22,910	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 21st Sept., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits :—		
(a) Central Government		33,65,49,000
(b) Provincial Governments		9,35,43,000
(c) Banks		15,85,15,000
(d) Others		4,65,27,000
Bills Payable		19,21,000
Other Liabilities		8,39,49,000
	Rupees	78,10,07,000

ASSETS	Rs.	Rs.
Notes		8,07,50,000
Rupee Coin		9,000
Subsidiary Coin		17,000
Bills Purchased and Discounted :—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		2,15,77,000
Loans and Advances to Governments		....
Provincial Governments' Debtor Balances		....
Other Loans and Advances		5,46,30,000
Investments		52,51,45,000
Other Assets		9,78,79,000
	Rupees	78,10,07,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,07,50,000	
Notes in circulation	284,42,62,000	
Total Notes issued	....	292,50,12,000
Total Liabilities	....	292,50,12,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Sterling Securities	92,50,70,000	
Government of India Securities	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,26,86,000	163 84,03,000
Government of Pakistan Securities	116,48,27,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan—		122,75,13,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		292,50,12,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.93 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	21st Sept., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1417.71	1432.45	1431.62	1285.69
Notes held in Banking Department	35.05	31.56	25.04	24.05	26.41
Foreign Securities	59.50	596.74	596.74	606.68	671.82
Rupee Securities	37.39	693.72	703.65	693.72	488.95
Banking Department					
Deposits of :					
Government of India	14.89	67.13	73.41	61.58	58.94
Other Governments	..	23.05	19.54	5.70	12.24
Balances held abroad	10.08	26.40	33.14	28.79	49.63
SCHEDULED BANKS					
Demand Liabilities	134.36	631.89	639.14	654.47	608.74
		(0.76)†	(11.29)†	(17.01)†	(12.09)†
Time Liabilities	102.24	461.05	460.57	461.30	415.23
		(2.26)†	(2.11)†	(6.34)†	(3.39)†
Borrowings from Reserve Bank	..	67.66	54.05	34.63	12.47
		(40.65)‡	(30.90)‡	(28.12)‡	(8.65)‡
Borrowings from State Bank	..	11.98	12.60	6.34	5.16
Cash in India	6.70	35.98	37.28	37.33	33.88
Balances with Reserve Bank	25.17	49.30	51.09	50.72	55.33
Excess over statutory limits	15.52	8.49	9.92	8.76	16.59
Balances with other banks in current account in India	..	10.00	10.26	10.98	10.64
Money at call and short notice in India	..	11 92	14 45	23.65	19.50
Investments (at book value)	105.09	373 48	371.14	362.02	381.44
		751 48	751.79	736.01	599.18
STATE BANK					
Deposits	87.76	227.36	228.21	226.64	216.32
Investments	51.99	107.47	107.41	106.19	109.25
Advances	30.35	131.67	133.21	123.77	98.78
Cash	14.69	17.52	15.04	18.37	24.01

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	June,		Three months, April to June	
	1955	1956	1955	1956
Import Duties :				
Revenue	9.92	9.87	28.22	29 72
Protective	0.82	1.04	2.31	3 10
On surplus disposals	—	—	—	0.03
Total import duties	10.74	10.91	30.53	32.85
Export Duties	2.77	1.77	7.56	5.59
Land Customs	0.04	0.19	0.30	0.44
Miscellaneous	0.07	0.07	0.20	0.25
Gross total customs	13.62	12.94	38.59	39.13
Refunds and drawbacks	0.14	0.21	0.78	0.59
Net Customs	13.48	12.73	37.81	38.54
Gross excises	12.75	14.94	35.62	41.05
Refunds	0.11	0.11	1.14	0.34
Net Excises	12.17	14.83	34.48	40.71
Net total of customs and excises	25.65	27.56	74.29	79.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 21st Sept., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	227,36,13,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	16,00,00,000
Bills Payable	.. ..	4,44,88,000
Bills for Collection being Bills Receivable as per contra	.. ..	78,59,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	12,91,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	5,81,89,000
Total ..	Rs.	266,51,90,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	13,82,50,000
Balances with other Banks	.. ..	3,32,66,000
Money at Call and Short Notice	.. ..	1,26,67,000
INVESTMENTS :		
Government and other Trustee Securities	 95,86,30,000	
Other Authorised Investments	.. 11,61,13,000	
		107,47,43,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	.. 99,36,40,000	
Bills Discounted and Purchased	.. 32,30,29,000	
		131,66,69,000
Bills Receivable being Bills for Collection as per contra	.. ..	78,59,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	12,91,000
Premises less Depreciation	.. ..	1,16,49,000
Furniture and Fixtures less Depreciation	.. ..	55,45,000
Other Assets (including Inter-Office Adjustments)	.. ..	6,32,51,000
Total ..	Rs.	266,51,90,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS§§											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	6-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.53	65	2.26	23.66	84.17	1,13.25	92.08	..	31.07	7.55	25.54	..	..	..	..
1954-55	4.70	1.62	4.99	27.27	1,24.54	1,84.94	1,30.88	..	36.25	5.57	37.15	..	..	..	..
1955-56	3.76	1.98	5.48	27.19	1,44.36	1,58.15	1,67.36	..	38.37	4.79	41.35	7.40‡	7.38	5½‡	54
July 1955	4.36	12	5.15	2.22	1,31.28	13.86	1,40.03	..	36.85	41	38.54	9.86	16.37	45	95
August ,,	4.29	13	5.17	2.09	1,32.82	12.55	1,43.89	..	36.96	39	38.87	91	10.19	4	69
September ,,	4.21	13	5.20	2.54	1,34.88	12.40	1,46.91	..	37.11	44	39.28	94	11.80	3	72
October ,,	4.14	10	5.21	2.11	1,36.38	11.25	1,48.99	..	37.23	45	39.53	80	12.49	5	75
November ,,	4.07	10	5.21	1.98	1,37.58	11.25	1,50.40	..	38.34	45	40.05	83	13.20	5	80
December ,,	4.00	18	5.26	2.58	1,39.48	12.94	1,52.44	..	38.44	36	40.34	88	13.93	4	84
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	..	38.55	32	40.61	84	14.73	3	87
February ,,	3.83	16	5.30	2.33	1,42.37	12.87	1,56.19	..	38.66	30	40.95	93	15.57	3	91
March ,,	3.76	33	5.43	2.22	1,44.26	12.84	1,57.86	..	38.87	36	41.25	88	16.37	3	93
April ,,	3.69	24	5.54	2.19	1,45.85	14.54	1,71.09	..	39.06	34	41.51	88	17.01	3	96
May ,,	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	..	39.05	33	41.82	85	17.91	2	98
June ,,	3.54	28	5.55	2.70	1,49.48	15.24	1,76.09	..	39.15	33	42.15	92	18.75	4	1,02
July ,,	3.48	43	5.81	2.78	1,51.53	14.61	1,80.05	..	39.24	38	42.42	1,01	19.68	4	1,07
August ,,	..	..	..	..	..	..	..	..	..	36	42.72	..	..	..	..

* At the end of period.

‡ Issued from 16th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

‡‡ Relating to nine months from July, 1954.

@ Progressive net repayments at the end of period from 15th August 1947.

§ From July, 1954.

E—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 24-9-'55	25-8-'56	15-9-'56	22-9-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.9	90.7	90.7	90.6
1. Government of India	90.7	90.5	90.5	90.4
2. Indian States	98.4	98.8	98.8	98.8
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.3	100.3	100.3
1. Electricity	102.1	101.3	101.3	101.3
2. Jute	98.2	97.5	97.5	97.5
3. Plantations	99.1	99.2	98.8	98.8
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.5
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	101.0	100.8	100.8	100.8
PREFERENCE SHARES	87.7	85.0	83.5	83.4
1. Electricity	96.1	91.0	90.8	90.9
2. Cotton	79.4	84.8	84.3	84.3
3. Jute	76.5	79.1	77.4	76.7
4. Coal	92.6	83.6	83.5	83.5
5. Iron and Steel	88.1	88.6	84.7	84.9
6. Sugar	84.9	84.4	82.2	82.2
7. Paper	85.9	81.9	81.9	81.9
8. Plantations	99.4	101.3	102.2	102.3
9. Miscellaneous	85.0	81.5	81.0	81.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	122.2	128.5	126.0	126.2
(a) Financial	89.5	95.1	94.2	94.5
1. Banks	96.6	97.1	95.2	95.4
2. Insurance	106.7	89.8	88.3	87.9
3. Investment Trust	94.6	91.1	92.3	96.2
(b) Public Utilities	117.0	114.4	113.9	113.2
1. Electricity	124.8	114.4	113.4	113.3
2. Shipping and other Transport	106.6	122.4	120.1	121.3
3. Railways	88.9	88.2	83.7	83.7
(c) Manufacturing industries.	127.8	140.7	137.5	137.5
1. Cotton, Woollen and Silk	114.7	146.5	140.9	140.8
2. Jute	99.6	75.0	76.3	76.2
3. Iron and Steel	157.4	161.4	155.1	155.2
4. Paper	234.0	271.3	265.9	265.3
5. Cement	192.4	187.8	187.2	187.6
6. General Engineering	186.6	195.5	196.9	197.7
7. Sugar and Breweries	105.2	109.3	108.6	108.7
8. Chemicals	141.1	151.3	150.7	151.4
(d) Non-Manufacturing industries	173.0	162.7	159.7	159.1
1. Coal	81.6	78.8	79.7	79.8
2. Mining and Oil	246.4	250.8	242.8	245.0
3. Plantations	197.3	176.7	172.2	171.3
(e) Miscellaneous	103.1	104.2	102.8	103.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.4	90.2	90.1	90.0
2. Calcutta	90.6	90.5	90.5	90.5
3. Madras	91.2	91.0	91.0	90.8
DEBENTURES OF INDUSTRIAL CONCERNS :	99.5	99.7	99.7	99.7
1. Bombay	101.5	100.7	100.7	100.7
2. Calcutta	100.2	100.1	99.9	99.9
3. Madras				
PREFERENCE SHARES :	90.1	89.9	86.9	87.1
1. Bombay	83.2	79.3	78.2	77.9
2. Calcutta	96.0	97.2	97.4	97.5
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :	124.1	141.1	135.1	135.3
1. Bombay	114.9	110.0	110.1	110.2
2. Calcutta	117.7	141.6	139.3	139.3
3. Madras	132.5	144.5	140.7	141.9
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	8,818,922
1952	963	809,443	3,326,961
1953	772	466,607	3,382,626
1954	840	477,183	3,573,630
1955	1,166	527,767	5,697,848
April 1954	101	34,963	207,247
May ,,	80	40,073	216,063
June ,,	82	21,589	305,078
July ,,	122	30,189	277,492
August ,,	79	51,090	325,887
September ,,	97	50,414	363,878
October ,,	88	41,724	276,294
November ,,	62	25,115	230,701
December ,,	101	54,455	262,762
January 1955†	95	49,038	322,807
February ,,	91	38,370	144,302
March ,,	112	70,042	334,696
April ,,	105	32,432	333,276
May ,,	120	68,441	961,776
June ,,	153	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	92,619	580,031
October ,,	99	47,600	214,214
November ,,	129	45,277	239,250
December ,,			353,555
January 1956†	108	61,200	790,711
February ,,	123	99,505	668,589
March ,,	147	135,053	922,719
April ,,	144	81,467	557,690
May ,,	133	63,384	443,577(b)
June ,,	100	63,179(a)	

† Figures are provisional. (a) Not known in four cases. § Current at any time during the month. (b) Not known in 9 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,801.4	5,184.2
1953-54	648	6,978.3	5,572.7
1954-55	715	7,760.9	6,319.2
1955-56	..	8,305.8	7,185.8
April 1955	690	691.1	563.9
May ,,	691	706.5	569.2
June ,,	696	716.3	576.1
July ,,	705	724.8	583.3
August ,,	706	708.9	574.4
September ,,	707	719.3	587.1
October ,,	716	730.7	591.9
November ,,	721	725.5	597.0
December ,,	724	785.7	648.0
January 1956	731	757.2	691.8
February ,,	729	749.9	622.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	796.5	658.5

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	15th Sept., 1956	8th Sept., 1956	17th Sept., 1955	August, 1956	August, 1955	Percentage of increase (+) or decrease (—) in Aug., 1956 as compared with Aug., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	391.5	395.0 R	312.0	397.0 R	317.5	+25.0	313.2	339.8
Cereals	59	506	511	378	504 R	378	+33.3	372	381
Pulses	8	393	395	268	397 R	281	+41.3	289	290
Others	33	247	249 R	230	259	239	+ 8.4	235	291
Industrial Raw Materials	(18)	506.4	508.6 R	401.0	500.5	406.4	+ 3.8	419.8	438.2
Fibres	53	479	481	411	474	413	+14.8	429	447
Oil seeds	30	573	579 R	374	580	383	+48.6	398	424
Minerals	10	517	520	419	509	417	+22.1	427	422
Others	7	422	422	420	424	419	+ 1.2	431	437
Semi-Manufactures	(17)	408.7	408.6	324.5	406.4	326.1	+24.8	338.2	350.3
Leather	8	373	375	329	381	338	+12.7	378	376
Mineral oils	13	208	208	202	208	201	+ 3.5	207	221
Vegetable oils	16	589	585	392	390	382	+54.5	433	438
Cotton yarn	35	503	505	408	495	406	+21.9	423	454
Metals	18	329	329	259	329	257	+28.0	254	240
Oil cakes	5	438	439	344	474	331	+43.2	338	351
Others	5	361	361	330	361	329	+ 9.7	336	312
Manufactured Articles	(30)	391.6	390.7 R	369.3	387.7	371.2	+ 4.4	372.9	377.4 R
Textiles	64	427	426 R	404	421	407	+ 3.4	408	421
Jute	11	430	422	404	395	423	— 6.6	418	448
Cotton	45	430*	430* R	402*	431*	402*	+ 7.2	408*	415*
Rayon and Silk	6	470*	470*	470*	474*	474*	— 0.8	455*	469*
Woollen	2	266	266	278	266	278	— 4.3	264	311
Metal products	17	388	388	352	388	352	+10.2	359	340
Others	19	295	295 R	286	293	286	+ 2.4	285	286
Miscellaneous	(4)	553.5	553.0 R	553.3	585.3 R	563.1	+ 0.4	549.4	612.4
All Commodities	(100)	418.9	420.1 R	353.7	418.5 R	357.2	+ 17.2	388.4	377.5

R—Revised. * Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

| Average of weeks. | Rice | Wheat | Jowar | Bajra | Gram | Tea | Co

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets ..	final	,,	13,095	13,799	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses†	final	,,	10,579	10,590	1,858	1,959
Total pulses ..	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut ..	final	tons	12,585	13,548	3,804	4,123
Castorseed ..	final	,,	1,462	1,394	126	124
Sesamum ..	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds ..	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,127	2,923
Mesta†	final	,,	618	523	1,201	1,018
Other crops—						
Potato	2nd	tons	658	633	1,643	1,543
Sugarcane ..	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry) ..	final	,,	37	35	15	14
Pepper (Black) ..	final	,,	214	208	27	26
Chillies (Dry) ..	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During August, 1956 ..	89.6
	Corresponding month, 1955 ..	81.4
	Two months ended Aug., 1956 ..	183.7
	Corresponding period, 1955 ..	165.5
Stocks	At the end of Aug., 1956 ..	122.1
	Corresponding month, 1955 ..	79.2
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 25th Aug., 1956 ..	2,703
	Corresponding week, 1955 ..	3,204
	From 1st Jan., to 25th Aug., 1956	268,880
	Corresponding period, 1955 ..	293,247
Exports* (Jute Cloth) ..		(In 000 yds.)
	Week ended 25th Aug., 1956 ..	5,500
	Corresponding week, 1955 ..	30,841
	From 1st Jan., to 25th Aug., 1956	272,202
	Corresponding period, 1955 ..	318,602
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	Aug., 1956 (in lakh bales) ..	5.20
	Corresponding month, 1955 ..	4.72
	Two months ended Aug., 1956 ..	10.65
	Corresponding period, 1955 ..	9.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956 ..	11,55,900	10,52,100	7,97,800
March 1955	95,000	89,300	66,100
April	85,100	88,000	64,200
May	94,200	87,500	5,600
June	91,700	80,900	62,600
July	94,900	84,300	64,800
August	92,500	83,900	63,700
March 1956 ..	1,03,800	96,200	69,900
April	1,00,000	87,200	64,200
May	96,600	89,400	66,300
June	94,900	89,900	66,400
July	94,400	91,800	65,500
August	97,800	88,000	66,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,56,710	4,81,460	3,12,940
Do. 31st March, 1954 ..	5,80,070	4,49,930	2,82,440
Do. 31st March, 1955 ..	7,15,940	5,23,240	4,09,083
Do. 31st March, 1956 ..	7,06,986	5,31,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,370	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,39,741	1,12,861
,, ,, ,, Dec., 1954.	1,88,853	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,85,108	1,42,328	1,18,136
,, ,, ,, June, 1955.	1,85,605	1,34,338	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,, ,, Dec., 1955	1,80,760	1,34,690	1,06,748
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,806	1,17,710	92,609

FOREIGN TRADE OF INDIA

Particulars	June, 1955	June, 1956	Three months April to June 1955	Three months April to June 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	4,56	2,75	19,96	8,48
Raw materials	13,05	13,74	38,62	39,61
Manufactures	31,45	46,23	89,28	139,41
Other items	74	82	59	96
Total*	49,40	63,17	148,45	188,46
By land	1,94	1,05	5,49	3,96
Total Imports ..	51,34	64,22	153,94	192,42
Exports :				
By sea and air—				
Foodstuffs	11,93	13,84	26,41	37,10
Raw materials	15,10	11,45	40,41	32,04
Manufactures	19,27	19,52	61,39	57,59
Other items	34	30	1,00	87
Total ..	46,64	45,11	129,20	127,80
By land	89	43	1,88	1,21
Total Exports ..	47,53	45,54	131,08	128,81
Total Re-exports ..	66	1,02	1,49	2,77
Balance of trade in merchandise	— 3,14	— 17,63	— 21,40	— 60,78
Balance of transactions in private treasure	— 1	— 3	— 2	— 5
Total visible balance of trade.	— 3,15	— 17,66	— 21,42	— 60,78
Imports : ‡				
Total C'wealth countries ..	23,64	26,78	70,75	77,15
Total Foreign countries ..	25,76	36,44	77,70	111,31
Exports : ‡				
Total C'wealth countries ..	26,01	22,86	63,65	64,10
Total Foreign countries ..	20,63	22,75	65,55	63,50

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	249	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	246	47	175
1954-55	11,782	2,709	886	184	93	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
July 1955	3,970	883	326	73	41	22	23	8	108	131	13	99	12	48
August ,, ..	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,, ..	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	208	33	104
December ,, ..	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956 ..	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,, ..	11,548	2,541	893	190	97	62	132	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	82	23	12	5	13	2	64	34	2	21	2	10
May ,, ..	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,, ..	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,, ..	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 27th Sept., 1956 ..	15,153(J)
	Corresponding week, 1955 ..	25,955(J)
	1st Sept. to 27th Sept., 1956 ..	46,509*
	Corresponding period, 1955 ..	1,01,408*
Cotton Exports ..	Week ended 27th Sept., 1956 ..	4,731‡
	Corresponding week, 1955 ..	20,173‡
	1st Sept. to 27th Sept., 1956 ..	13,652‡
	Corresponding period, 1955 ..	119,259‡
Mill Consumption .. (Estimated)	1st Sept. to 27th Sept., 1956 ..	94,000
	Corresponding period, 1955 ..	1,01,500
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 27th Sept., 1956 ..	420,243
	Corresponding date, 1955 ..	821,744
Cotton Exports from Bombay (by sea)	During July, 1956	17,544§
	1st Sept., '56 to 31st July, 1956	702,493
	1st Sept. '54 to 31st July, 1955	357,657
Karachi (Pakistan)—		
Receipts	1st Sept. to 13th Sept., 1956 ..	128,700
	Corresponding period, 1955 ..	90,713
Exports	1st Sept. to 13th Sept., 1956 ..	18,929
	Corresponding period, 1955 ..	11,944

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept to 24th Sept., 1956 Bales	From 1st Sept., to 24th Sept., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	462	5,550
Continent ..	10	18,536
Hongkong ..	—	9,023
China	2,505	34,451
Japan	5,420	25,965
U.S.A.	—	756
Other Countries ..	160	1,195
Total to all foreign countries ..	8,557	95,476
Coastal Ports	3,445	10,973
Tota	12,002§	106,449
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian		52,156
Foreign	June, 1956 ..	351,109
Indian	Ten months ended June, 1956	3,611,180
Foreign	Same Period 1955 ..	498,018
Indian		3,399,277
Foreign		588,980
Stocks (Mills and Elsewhere)—		
Indian	As on 30th June, 1956	1,705,627
Foreign		223,757
Indian	As on 30th June, 1955	1,537,456
Foreign		161,098
Cotton Pressed in India† (In running bales) ..	Week ended 14th Sept., 1956 ..	4,954
	Corresponding week, 1955 ..	7,078
	1st Sept. to 14th Sept., 1956 ..	4,954
	Corresponding period, 1955 ..	17,877

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-32	63,30,26,000	1956-70	100½
2½ % Loan	1933-39	1,18,17,46,000	1963-65	94⅞
2½ % Loan	1949	36,33,10,000	1964	94½
2½ % Nat. Defence Loan	1940	1,10,11,78,000	1964-66	95½
3 % V. Loan	1944	33,54,89,000	1957	99¼
3 % Loan	1945	1,18,86,58,000	1970-75	89½
2½ % Def. V. Loan	1946	1,12,05,54,000	1959-61	97⅜
3 % Loan	1951	50,35,65,000	1958	99¼
2½ % Loan	1946	45 63,07,000	1960	96½
2½ % Loan	1946	57,00,69,000	1961	95⅛
2½ % Loan	1946	14,77,48,000	1976	93½
2½ % Loan	1947	75,86,72,000	1962	93⅛
3½ % Loan (N.P. Bonds)	1955	75,29,90,000	1961	89½
3½ % N.P. Loan	1954	1,59,17,84,000	1964	98½
3½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98½
2½ %	1956	57,27,00,000	1962	97⅜
3½ % N. P. Bonds	1956	33,82,00,000	1967	98¼
3½ %	1956	66,64,00,000	1974	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,08,35,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	75½
3 % Loan	1946	2,48,91,47,000		75½
REPATRIATE STERLING LOANS				
4½% Loan	1923	5,85,73,000	1956-60***	102⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
4 % Andhra	1956	6,00,00,000	1968	98⅜
3 % Bombay	1948	3,06,56,000	15th Aug. 1958	98½
3 % Bombay	1948	5,53,56,000	1st Aug. 1962	94½
3 % Bombay	1950	2,87,82,000	31st July 1962	94½
3½% Bombay	1951	2,93,25,000	17th Sept. 1963	98½
3½% Bombay	1952	5,42,25,000	15th July 1963	101 ⅛
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	101 ⅛
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100 ⅛
4 % Bihar	1956	7,50,00,000	1970	99½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
3 % Bihar	1946	2,00,00,000	1968	98½
3½% Bihar	1944	1,00,00,000	15th Dec. 1955-58	98⅜
3½% Cochin	1956	79,09,000	1st June 1956-61	99½
3½% Mowrah Fibres (New)	1926-27	1,92,96,700	1956-66	95½
4 % Hyderabad	1955	5,12,48,000	1st Sept. 1967	99½
3 % Madras	1929	1,32,98,000	31st June 1958	96½
3 % Madras	1944	1,97,95,000	15th Aug. 1958	98⅜
3 % Madras	1945	2,74,44,000	14th Sept. 1959	96⅜
2½% Madras	1946	3,81,77,000	1st Sept. 1961	93½
3 % Madras	1946	4,25,25,400	31st July 1960	96⅛
3½% Madras	1951	3,01,49,500	17th Sept. 1963	97⅛
4 % Madras	1952	10 33,68,400	15th July 1963	99½
4 % Madras	1952	6,24,81,200	1st Aug. 1964	99½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Madras	1956	12,50,00,000	1968	99½
4 % Mysore(J)	1932	2,98,85,200	1st Dec. 1956-63	101½
4 % Mysore(J)	1935	5,99,72,900	30th April 1956-61	99½
3 % Mysore	1947	5,02,85,700	26th Jan. 1958	99⅛
3 % Mysore	1948	3,33,47,000	15th July 1958	99½
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99½
4 % Mysore	1956	4,00,00,000	1968	99½
3 % M.P.	1944	25 60,800	15th Aug. 1958	98½
3 % M.P.	1948	2,02,28,800	15th Sept. 1954	98
3 % M.P.	1949	1,01,44,700	31st July 1960	95½
3 % M.P.	1951	1,82 18 000	17th Sept. 1963	98
4 % M.P.	1952	1,10,18,000	14th July 1963	100
4 % M.P.	1956	1,63,12,000	1st Sept. 1967	99½
4 % Saurashtra	1955	1,50,00,000	1968	99½
4 % Saurashtra	1956	3,61,66,000	1st Sept. 1967	99½
4% Trav. Cochin	1953	2,50,00,000	1968	99½
4 % Trav. Cochin	1955	3,22,00,000	15th July 1963	99½
3 % U.P.	1946	2,00,00,000	1968	99½
3 % U.P.	1946	1,57,14,000	15th Sept. 1961-66	99½
3 % U.P.	1948	2,87,11,000	15th Aug. 1958	98½
3 % U.P.	1948	2,17,59,700	14th Sept. 1960	96½
3 % U.P.	1948	2,20,32,800	1st Sept. 1961	93½
4 % U.P.	1951	1,91,02,000	17th Sept. 1963	98½
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	100
4 % U.P.	1953	5,65,15,500	15th July 1963	100
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99½
4 % U.P.	1956	8,00,00,000	1968	99½
4 % Rajasthan	1956	3,00,00,000	1968	99½
3 % Orissa	1956	3,00,00,000	1968	99½
4 % M. Bharat	1953	1,00,00,000	1968	99½
4 % M. Bharat	1956	1,00,00,000	1963	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts
†Bombay State Transport. †† Rate of interest reduced from 4½ to 4 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 4½ to 4 per cent. with effect from 1st April, 1955. ‡—Nominal. §—Interest free for 10 years. §—Interest free for first 7 years.

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
25,50,000	4	1904	1964	Rs. 100
25,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
50,00,000	4	1908	1968	99½N
75,00,000	4	1909	1970	
40,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,376	4	1913*	1966	D
80,00,000	4	1913	1974	100½N
68,25,000	4	1914	1974	100N
10,00,000	4	1915*	1966	D
41,00,000	4	1915	1975	
41,61,000	4	1922*	1962	
11,51,000	4	1924*	1966	
10,32,000	4½	1926*	1966	
35,00,000	4½	1929*	1969	
13,50,000	4½	1930*	1960	D
13,50,000	4½	1931*	1961	
12,50,000	4½	1932*	1962	
24,58,000	4½	1935*	1975	
15,00,000	3½	1936*	1966	
45,54,000	3½	1936	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
98,34,300	4	1914	1974	99
76,99,100	4	1915	1975	99
1,50,00,000C	3½†	1921	1976	99
68,00,200C	4	1921	1981	144N
98,11,600	5	1956-58	100‡	
99,84,500‡	3½	1956-66	100‡	
1,49,47,500‡	5	1957	1957-87	100‡
1,49,30,000	5	1958	1958-88	100
50,00,000	3½	1961	1991	95
50,00,000	3½	1965	1975	97½
25,00,000	3½	1965-68	90	
1,00,00,000	3½	1945	1965	74
50,00,000	3½	1945	1975	85
50,00,000	3½	1946	1976	84½
50,00,000	3	1948	2,30?	74
50,00,000	3½	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97½
50,00,000C	3	1950	1960	95
1,00,00,000	3	1950	1980	85½
1,50,00,000	3	1950	1980	85½
99,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1961	96½
50,00,000	4	1953	1963	100
50,00,000	4	1953	1983	89
77,00,000C	4	1955	1985	98
	4	1956	1986	97½
STERLING LOANS				
£592,600	5	1923	1953-83	£79
£901,000	5	1924	1954-84	£79½
£833,100	6½	1932	1962	£91½
MADRAS				
Rs.				Rs.
$1,47,189	4½	1947	1977	A
9,88,000§	3	1947	1977	
8,66,000§	3	1949	1979	
45,00,000§	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
50,00,000	4	1899	1959	100
30,00,800	4	1901	1961	
30,00,800	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1964	97½N
15,00,000	4	1906	1966	
50,00,000	4	1907	1967	
30,00,000	4	1908	1967	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
50,00,000	4	1919	1957-79	118N
68,00,000	6	1925	1955-85	
25,00,000	6	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	4	1934	1964	
STERLING LOANS				
£566,600		1909	1969	£95½
£333,000		1910	1970	£95½
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1920	1959	107
50,00,000	4	1924	1964	99½
25,00,000	5½	1924	1964	94
30,00,000	5	1926	1966	90
50,00,000	5	1927	1967	90
30,00,000	5	1937	1963	91
80,00,000	4	1943	1963-68	90
1,02,00,000	4	1952	1962	99½
	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
20,60,000	4	1913-15	1974	99½
1,00,00,000	5	1928	1958	113N
1,00,00,000	5	1928	1958	104
8,45,500	5	1929	1959	to
32,21,500	5	1929	1959	105½
4,25,98,900	3½	1947	1977	86½
2,50,00,000	3½	1947	1977	86½
1,00,00,000	3½	1950	1980	86½
1,00,00,000	3½	1950	1980	86½
2,00,00,000	3½	1952	1982	99½
1,50,00,000	3½	1952	1982	99½
1,50,00,000	4	1953	1983	97½
1,00,00,000	4	1953	1983	97½
1,00,00,000	4	1954	1984	97½
2,50,00,000	4	1955	1985	100
	4	1956	1986	99½
CALCUTTA				
Rs.				Rs.
35,00,000	5	1925	1955	102
25,00,000	5	1925	1955	102
25,00,000	5	1929	1957	102½
10,00,000	5½	1932	1962	102
33,91,000	5½	1932	1962	94
60,00,000	5	1933	1963	90
47,50,000	5	1938	1968	90
15,56,500	4	1939	1956	99½
15,56,500	4	1940	1956	99½
17,44,400	3½	1942	1959	99½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1962	97
15,49,000	3½	1951	1961	97
66,88,000	3½	1951	1966	97½
87,35,000	4	1951	1962	99½
72,50,000	4½	1954	1979	100
				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1953	1963	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,06,000	17th Sept. 1966	98½
4 % W. Bengal	1953	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1955	2,50,23,000	15th July 1963	100½
4 % W. Bengal	1956	7,58,72,000	1st Sept. 1967	100
		7,00,00,000	1968	100

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Al'ahabad Bank	15,00,000	1901	6	Mar. Sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar ..	7,00,000	1920	7	July Apr.	6½	5
†East India Distilleries ..	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933-36	6	Aug. ..	102	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=*Company has* Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the yea in which the respective companies close *their* accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	5,62,728	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,008	698	Apollo Mills	2–13½	2	0 4(c)	0 2(c)	0 3		12	Y.
40,00,000	24,00,000	1,88,52,007	72,25,655	—5,97,129	M.	50,596	1,021	B. R. Cotton Mills ..	60	100	*Nil*	*Nil*	*Nil*		12	Y.
3,50,88,000	2,95,72,778	4,98,55,445	3,29,69,273	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg. ..	630‡	250	22 8*	20 0	25 0*	7 8‡	3	Y.P.T.
10,00,000	28,74,326	58,81,666	58,57,496	31,711	Ramnarain Sons, Ltd. ..	44,784	860	Bradbury Mills	21¾	10	1 0*	1 0	1 0	0 6	12	Y.
1,09,42,800	2,53,96,826	2,81,33,264	1,97,06,117	6,24,956	Birla Bros., Ltd. ..	1,26,344	2,098	Century Spg. & Mfg. ..	564	100	22 0	22 0	22 0	20 0	3	Y.P.
49,00,000	25,42,525	1,19,99,766	65,07,085	—33,08,097	V. J. Hilari (Chairman and Managing Director) ..	40,668	798	Colaba Land & Mill ..	972	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,38,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,528	680	Coorla Spg. & Wvg. ..	107½	100	7 8	7 8	7 8		12	Y.
16,00,000	24,36,896	99,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,992	..	Dawn Mills	167‡	100	7 8	7 8	7 8		12	Y.
24,00,000	40,06,485	78,78,267	54,21,782	2,25,443	Paranmal Bubna Sons. ..	50,084	928	E. ward Textiles ..	325	50	6 0	6 0	15 0		3	Y.
29,98,056	11,31,238	1,09,78,649	50,74,324	1,31,354	M.	41,800	886	Elphinstone Spg. & Wvg. ..	278	100	15 0	15 0	18 0		12	Y.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,332	784	Finlay Mills	634	50	*Nil*	3 0	5 0		12	Y.
11,34,000	76,64,580	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills ..	348	100	16 0	16 0	20 0		12	Y.P.
16,000									5,200xd	1,000	225 0*	225 0	300 0	75 0‡	12	Y.
2,99,00,000	62,50,899	4,68,15,552	3,39,00,000	1,98,112	Agarwal & Co.	2,33,812	6,413	India United Mills ..	992‡	250	56 4*	56 4	75 0	18 12‡	3	Y.P.
50,00,000									12‡	0 10D.	0 10	*Nil*	0 15			
8,65,000	74,24,048	1,80,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	2–0‡	0 1D.	1 *Nil*	0 3 *Nil*	0 3		12	Y.
35,000									5,000xd	1,000	225 0*	225 0	300 0	75 0‡		
59,85,000	55,07,831	2,73,73,670	2,03,22,138	26,328	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg. ..	532‡	500	112 8*	112 8	150 0		3	Y.P.
1,00,00,000	1,21,50,000	3,58,88,095	2,58,14,195	55,986	Kilnick Industries Ltd. ..	1,20,564	1,846	Kohinoor Mills	357xd	100	20 0*	8 0	10 0		3	Y.P.
22,13,058	41,06,720	1,18,74,848	55,99,115	31,670	N. Sirur & Co., Ltd. ..	49,056	644	Modern Mills	110N	100	20 0*	18 0	18 0	10 0	6	Y.P.
51 75,000	36,52,000	2,06,23,597	1,52,81,153	36,751	Pramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	2683	100	5 0	5 0	8 0*	6 0‡	12	Y.
1,87,74,400	88,41,004	6,34,71,095	3,12,32,276	5,12,085	Chinai & Co., Private Ltd. ..	2,00,00,000	..	National Rayon Corporation	263‡	100	12 0	14 0	14 0		10	Y.T.
24,08,000	24,50,000	76,57,853	46,04,750	3,016	W. H. Brady & Co., Ltd. ..	45,644	432	New City of Bombay Mfg. ..	175	100	9 0	10 0	12 0		12	Y.P.
30,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd. ..	49,012	1,015	New Great Sptg. & Wvg. ..	100	100	10 0	10 0	10 0		12	Y.P.
48,00,000	35,52,573	1,49,05,112	99,59,311	1,56,864	Ramnarain Sons, Ltd. ..	69,208	1,190	Phoenix Mills	250‡	100	10 0	7 8	10 0		12	Y.
48,00,000	45,70,390	89,55,049	33,00,000	5,22,877	Podar Sons, Ltd.	22,600	930	Podar Mills	151‡	100	8 0	8 0	10 0		12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,72,184	David Sassoon & Co., Ltd. ..	1,732	277	Sassoon & Alliance Silk Mill ..	173‡	100	10 0	10 0	12 0*		12	Y.
37,70,000	82,50,605	1 92,68,251	1,59,71,324	24,320	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	18xd	10	0 12	0 8			12	Y.P.
30,00,000	47,70,061	80,20,555	34,27,925	1,47,422	Maneklal Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	464	10	1 4	1 12	1 12		12	Y.
42,00,000	38,02,179	98,78,809	78,68,752	26,017	Forbes, Forbes Campbell & Co., Ltd.	48,216‡	100		14 0	100	14 0	12 0	12 0		12	Y.
37,80,000	2,23,15,720	2,51,28,699	1,37,85,474	12,833	Matalial Gazabhai & Sons ..	84,840	1,276	Simplex Mills	201	50	15 0	11 0	10 0		12	Y.P.
90,55,700	84,69,716	2,28,87,647	1,19,01,899	67,611	Tata Industries Ltd. ..	52,038	1,633	Standard Mills	472‡	100	20 0	20 0	20 0	12 0	3	Y.
56,00,000	56,33,465	1,28,99,971	81,62,715	1,51,080	James Finlay & Co., Ltd. ..	52,236	2,000	Swadeshi Mills	252	100	16 0	8 0	20 0		12	Y.
65,87,000	51,36,371	1,77,34,389	68,44,552	42,455	Tata Industries Ltd. ..	38,828	552	Swan Mills	462‡	100	20 0	20 0	25 0		12	Y.P.
12,00,000	62,55,709	1,16,36,436	31,90,000	2,096	Thackersey Mooljee & Co. ..	64,126	1,309	Tata Mills	67	25	1 0	1 0	1 0		12	Y.
				2,816	Thackersey Mooljee Sons & Co.			Western India Spg. & Mfg. ..	5,000xd	1,000	225 0*	225 0	300 0	75 0‡	12	Y.

AHMEDABAD

33,00,000	21,11,650	1,38,23,272	60 47,202	5,408	Tata Industries, Ltd.)	49,144	1,016	Ahmedabad Advance Mills ..	200	100	10 0*	5 0	7 0			
10,00,000	24,58,068	94,37,598	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	47,240	912	Arvind Mills	780	100	20 0*	20 0	30 0		6	Y.P.
38,35,000	2,85,30,000	1,05 65,504	1,16,00,000	72,768	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,312	100	20 0*	25 0	35 0*		12	Y.
20,00,000	31,75,000	96,84,384	72,25,000	2,40,338	Mangaldas & Bros., Ltd. ..	47,164	892	Aryodaya Ginning & Mfg. ..	640	100	15 0	15 0	25 0		12	Y.P.
12,00,000	1,18,39,032	84,56,974	69,54,983	69,806	Lalbhai Dalpatbhai & Co. ..	37,588	914	Asoka Mills	1,150	100	22 0*	22 0*	25 0*		12	Y.P.
1,57,50,000	3,35,76,238	4,61,25,852	2,88,68,344	2,81,712	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	1,150	100	22 0*	22 0*	30 0		12	Y.P.
62,87,000	24,58,000	1,21,06,543	59,35,000	2,760	Trivenlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills ..	125‡	50	18 0	18 0	18 0		12	Y.P.
30,00,000	72,52,436	1,32,09,282	96,26,963	19,222	Matalial Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	960	125	35 0	35 0	35 0	30 0‡	3	Y.P.
10,00,000	58,48,900	50,68,197	37,88,317	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.										12	Y.
12,50,000	1,14,77,470	86,29,489	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	24,840	572	Nutan Mills	580	100	30 0*	30 0*	20 0		12	Y.
22,50,000	14,78,207	1,07,01,409	71,42,808	17,24,748	Lalbhai Gordhandas Ltd. ..	52,528	1,000	Rajpur Mfg.	1,000	100	25 0	25 0	35 0*		12	Y.P.
26,98,160	2,02,54,538	1,76,92,842	1,52,75,008	3,23,290	Harivallabhdas Kalidas & Co.	53,156	648	Rohit Mills	820	100	9 0	9 0	12 0		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	(18,592	Matalial Chandulal & Co., (Ahmedabad) Ltd.	44,644	1,732	Shri Ambica Mills	665	50	18 0	20 0	*Nil* 27 0*		12	Y.P.
23,00,000	90,54,191	1,09,66,008	78,35,291		Ranchhodlal Amratlal & Co., Ltd.	36,176	780	Shorrock Spg. & Mfg. ..	640	100	20 0	25 0*	25 0		12	Y.P.
								Vijaya Mills	805	400	35 0*	35 0*	35 0		12	Y.
															12	Y.P.

WEST BENGAL

15,00,000																
7,11,280	1,32,800	84,22,060	21,01,810	1,08,080	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	6½xd	10	0 4	0 8				
6,00,000	76,40,776	1,43,48,251	25,67,597	98,788	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills ..	40N	40	*Nil*	4 0	*Nil*			
19,00,000	22,72,414	89,03,142	51,49,000	—32,47,378	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills ..	160	100	*Nil*	*Nil*	*Nil*	4 0	3	Y.P.T.
1,80,00,000	26,17,571	1,04,88,558	70,75,977	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	100	100	*Nil*	*Nil*	*Nil*	2 8	3	Y.
19,47,7500	2,07,59,266	3,59,23,374	1,20,25,799	2,45,435	Birla Brothers, Ltd. ..	70,384	1,990	Kesoram Cotton Mills ..	18	10	1 12	0 14	1 0	2 8	6,12	H.
5,00,000D	7,45,000	47,06,998	24,48,852	1 994	Hazaremull Heeralall ..	23,036	795	Rampooria Cotton Mills ..	15¾N	10	0 8	0 10	1 0	0-5 11/28	5	Y.P.
									2¾N	1D	*Nil*	*Nil*	*Nil*		6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,37,191	29,09,549	—3,54,236	Ramla & Co., Ltd. ..	50,000	..	Alagappa Textiles (Cochin) Ltd.	11½	10	*Nil*	*Nil*			12	Y.P.
71,94,000	25,91,264	1,24,91,580	50,78,548	1,86,043	Industrial Trust Fund ..	36,186	708	Anata Jahi Mills	94	100	6 0	*Nil*	8 8(c)		9	Y.P.T.
40,50,000	2,00,68,745	2,34,96,906	2,42,86,256	2,35,549	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen Cotton and Silk Mills	583‡	100	25 0	30 0	30 0	10 0	12	Y.
37,00,000	15,50,000	77,25,162	58,72,183	18,199	M.	22,936	810	Bengal-Nagpur Cotton Mills ..	9‡	10	0 4	*Nil*			12	Y.P.
35,00,000	1,09,46,251	1 19,14,428	87 78,902	4,25,321	Birla Brothers, Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg. Co., Delhi	81N	10	8 0	3 0	3 0		6,12	H.P.T.
1,78,47,800	1,70,77,776	6,33,29,500	4,55,72,180	2,65,448	Binny & Co. (Madras), Ltd.	2,57,280	2,787	Buckingham & Carnatic ..	202‡	100	10 0	10 0	10 0	4 0‡	3	Y.
20,00,000	20,00,000	39,98,154	21,68,151	57,598	Forbes, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	14‡	10	0 12	*Nil*	9 8		3	Y.
15,00,000	5,11,500	43,96,929	24,62,561	5,994	K. L. Damodaran, Esqr. ..	17,496	..	Cannanore Spg. & Wvg. ..	189	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,455	40,40,289	24,25,921	14,322	T. S. Naidu & Co. ..	28,864	..	Cawnpore Textiles ..	9	5	0 0	0 0	0 0	0 0‡	3	Y.
12,00,000	20,80,000	24,68,396	12,06,019	19,884	B. G. S. Naidu & Co. ..	22,788	393	Coimbatore Cotton Mills ..	100	20	25 0	25 0	25 0		3	Y.
30,00,000	19,96,000	36,59,430	24,25,921	14,322	T. S. Naidu & Co. ..	28,864	325	Coimbatore Pioneer Mills ..	100	15	20 0	20 0	20 0		12	Y.
20,76,000	4,19,2814	1,15,81,599	68,06,019	19,884	B. G. S. Naidu & Co. ..	22,788	407	Coimbatore Spg. & Wvg. ..	99xd	100	8 0	8 0			12	Y.P.
46,87,500	52,82,449	2,48,18,409	1,48,09,883	9,703	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	162	100	5 0	5 0	8 0		12	Y.
8,88,36,225	2 55,00,000	9,99,78,765	5,08,00,000	85,783	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills ..	40‡	25	1 12	2 4	2 4		6	Y.P.T.
1,00,563	25 47,678	52,74,245	38,28,583	4,564	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mills	4½	5	0 2½	0 3	0 3	0 3	6	Y.P.T.
24,24,800	66,32,560	1,52,16,382	1,29,71,681	96,286	Parry & Co., Ltd.	48,452	1,198	Elgin Mills	435	100	20 0	30 0	30 0	8 8‡	3	Y.
48,81,000	35,23,176	1,00,55,157	58,55,068	14,000	Forbes, Forbes Campbell & Co., Ltd.	47,076	..	Gokak Mills	27½	10	1 0	1 0	1 0		12	Y.
56,00,000	8,16,447	1,32,32,276	1,12,32,276	19,515	K. L. Bekraria, Esq. (Chairman)	51,180	1,420	Indore Malwa United ..	238	100	17 0	15 0	15 0		9	Y.P.
8,80,000	10,85,588	31,06,669	18,48,155	2,079	G. Y. Naidu & Co., Ltd. ..	24,828	..	Janardana Mills	163‡	100	6 0	6 0	9 0		12	Y.
24,00,000	16,25,000	78,86,868	26,50,000	99,882	Kothari & Sons	45,000	806	Kothari Textiles	118	50	4 8	6 0	9 0		12	Y.
23,00,000	63,80,185	1,45,62,660	1,12,54,204	14,744	Bombay Co., Ltd. ..	51,972	1,219	Lakshmi Cotton Mfg. ..	18‡	50	4 8	6 0	10 0		12	Y.
35,54,100	66,55,960	1,61,18,090	95,51,487	6,51,654	G. K. Naidu & Co. ..	35,908	201	Lakshmi Mills	722‡	250	37 8	33 12	42 8		12	Y.P.
17,82,050									258	50	5 0	10 0	12 8		12	Y.P.
1,79,22,480	4,18,81,878	5,78,76,126	18,86,313	A. & F. Harvey Ltd. ..	5,00,000	..	Madura Mills	136	25	2 8	5 0	6 0	12 8	12 8‡	12	Y.P.
12,00,000	4,37,563	23,26,768	16,75,262	—90,078	L. A. R. S. Chettiar and Others.	22,592	100	Malabar Spg. & Wvg. ..	51‡	15	2 8	5 0	6 0	6 4‡	3	Y.
60,00,000	60,00,000	68 79 627	48,29,784	45,885	W. A. Beardsell & Co. Ltd.	24,750	608	Mettur Industries Ltd. ..	143	200	8 0	*Nil*	8 0		12	Y.
29,80,884	19,61,551	1,06,75,243	49,54,785	10,588	N. Sirur & Co. Private Ltd.	33,896	704	Minerva Mills	462‡	100	12 8	22 8*	35 0		12	Y.
24,91,550	27,54,404	1,51,29,118	78,51,528	—7,44,382	Ramakrishnaiah Dadabhoy & Co.	51,840	948	Model Mills (Nagpur) ..	98‡	100	7 0*	5 0	6 0	4 8	12	Y.
30,00,000	52,19,500	1,53,39,272	1,05,91,651	—7 77 200	Indian Textile Syndicate Ltd.	88,540	1,884	Muir Mills	192‡	250	7 8*	5 0(c)			12	Y.
24,38,500	50,54,035	1,10,98,742	67,14,107	19,041	N. Sirur & Co., Ltd. ..	50,480	500	Mysore Spg. & Mfg. ..	95N	100		5 0(c)			12	Y.
13,61,780	6,000	29,25,252	15,12,761	—1,50,552	B. Suryanarayana Rao. Esq., Manager.	6,000	..	Mysore Spun Silk Mills ..	117‡	50	10 0*	8 8*	9 0(c)	9 0*	12	Y.P.
23,89,8820	25,62,583	1,04,27,293	58,90,719	—43,58,037	J. P. Srivastava & Sons. Ltd.	52,428	1,225	New Victoria Mills ..	6¾	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
3,07,096D									2‡	O. 24	*Nil*	*Nil*				
87,19,000	55,48,220	1,59,99 989	61,91,861	74,722	Industrial Trust Fund ..	37,788	856	Osmanabahi Mills	D. 1	D. 1	*Nil*	*Nil*			3	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	20,924	..	Palani Andavar Mills	91	100	*Nil*	*Nil*	2 8(c)		12	Y.P.
6,00,000B									272	50A	12 0	*Nil*	2 8(c)			
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	235	75B	18 0	12 0	12 0		9	Y.
16,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	100		18 0	18 0	18 0		12	Y.P.
8,40,000B									875	100	*Nil*	*Nil*	18 0			
15,00,000	30,00,000	48,74,198	25,94,337	17,081	B. R. Naidu & Sons ..	35,472	..	Rajalakshmi Mills	177	50A	8 0	16 0	20 0		12	Y.
22,29,625	12 40,000	40,14,000	18,05,147	29,850	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	186	50B	4 0	8 0	10 0		12	Y.
60,00,000	62,41,568	1,00,25,428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,582	600	Rasa Textiles	165	50	7 8	10 0	10 0		12	Y.
16,00,000	1,50,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,282	2,234	Sholapoor Spg. & Wvg. ..	84N	100	9 0	9 0	10 0		12	Y.P.
36,59,700	17,10,000	81,44,272	65,58,318	1,09,148	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	1,800	1,000	*Nil*	*Nil*			12	Y.
26,18,800	2,50,246	35,18,906	2,73,000	—2,46,727	Gopaldas Visaldhar & Co., Ltd.	17,380	440	Shree Sajjan Mills	600	100	*Nil*	*Nil*			12	Y.P.
15,00,000	3,11,90,237	96,09,567	78,44,724	31,27,588	Birla Brothers, Ltd. ..	35,556	1,242	Sutlej Cotton Mills	127	50	4 0*	*Nil*	4 8	5 0	7 0	3 Y.P.
17,50,000O									80N	100	*Nil*	*Nil*	*Nil*			
7,50,000P	2,30,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur ..	102N	10	4 0	5 0			3	Y.
1,00,00,000	80,14,788	3,80,55,317	1,27,16,775	2,68,771	Emcete & Sons (Travancore), Ltd.				12	100.	0 8	0 12	6 0		3	Y.
13,98,570	8,76,332	17,39,181	11,37,336	1,508	Moolchand Ramjee & Sons ..	17,600	..	Travancore Rayons	12½	10P.O.	0-14 2/5	1-2 2/5	0 12		3	Y.
21,00,000	34,50,000	71,38,723	40,65,168	56,000	R. K. S. Chetty & Brothers	48,974	270	Trichinopoly Mills	13¾	10	0 8	0 10	1-2 2/5		12	Y.P.
32,00,000	34,42,971	1,54,07,132	1,05,10,233	22,125	Bombay Co., Ltd. ..	46,490	1,331	Vasanta Mills	134	10	0-11 1/5	0-14 2/5	0 12		3	Y.
								Vishnu Cotton	340	100	12 0	6 0	14 2/5		12	Y.P.T.
									185	100	4 0	4 0	20 0		12	Y.
													8 0		12	Y.
															12	Y.P.
															12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (S) For six months ended 31st December, 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	12	5	*Nil*	*Nil*	0 8	0 4‡	5	Y.P.
16,20,630	18,38,917	27,26,561	14,67,213	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6½	5	0 8	0 8	0 0		3	Y.
8580,000	8925,777	21,302,586	2566,540	856,499	Parry's Holdings Ltd. ..	East India Distilleries and Sugar ..	31½	A. 16sh. B. 6d.	Sh. 1 3/6 Sh. 1 4/6	Sh. 1 3/5 Sh. 1 4/6	Sh1 3/5 Sh2	Sh1	9	Y.P.
6,00,000	9,50,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq (Chairman)	United Breweries	215	75	15 0	15 0	15 0		3	Y

CEMENT

51,27,660	13,06,128	83,25,620	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,600O, 4,70,976D	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	7½ 11	O. 10 D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
12,71,66,209	5,49,40,618	24,90,99,371	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	199	100	9 8	8 8	10 0		7	Y.
60,00,000O.							15½	O. 10	1 0	1 0	1 4			
26,50,000O, 5,00,000D.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	5¾	O. 2½ D. 1	0 4 0 1-3/5	0 6 0-13/5	0 5 0 2		12	Y.P.
61,91,030O. 7,60,000D.	14,00,000	1,46,64,600	47,05,770	3,31,546	Rasen Ltd.	India Cements Ltd.	5¾ 34‡cd 63‡d	O. 25 D. 5	*Nil* *Nil*	1 4 0 4	1 14 0 6		3	Y.P.
67,86,500	31,41,985	1,83,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13¾	10	0 12	1 4			12	Y.P.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,808	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	12 0	14 0	1 6 2/5	0 11 1/5‡	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	18¾	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,09,26,541	4,37,02,365	1,03,98,953	2,29,489	Birla Bros.	Orient Paper	39½	10	2 0	0 15	1 2		3,9	H.P.T.
1,85,07,295	62,28,637	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	17½	10	1 8	1 8	0 10‡		6,12	H.P.T.
20,00,000 } 10,00,000 A. }	6,50,000	95,88,644	61,01,926	13,795	Baleria's & Co.	Star Paper Mills	{ 11½ A. 10 11½ A. 10	0 12 0 12	0 12 0 12	1 4 1 4	}		3,9	H.P.T.
50,00,000 A. } 50,04,500 B. } 4,97 500 P.O. }	3,23,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co. Ltd.	Titaghur Paper Mills Co., Ltd. ..	{ 39½ B. 10 4½ P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4	}		3,9	H.P.
						PRESSING								
5,00,000	6,12,265	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	8 0	4 0	*Nil*		6	Y.
4,50,000	1,00,000	6,89,526	4,73,054	2,254	Pyne & Sons	Camperdown	88N	100	7 0	5 0			4	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		4	Y.
						PROPERTY AND LAND								
12,00,780 O. } 2,00,000 D. }	6,93,322	43,52,576	22,63,279	36,009	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 13½ 2½	O. 10 D. 1	0 11½ 0	0 9 3/5 *Nil*	0 9 3/5 0 9 3/5		9	Y.
30,00,000	18,07,374	34,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	8	100	1 8	1 8	1 8		9	Y.P.
24,00,000	36,71,574	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34½	100	1 8	4 0	2 0		4	Y.
						SAW MILLS AND TIMBER							4	Y.I.
49,99,998	28,05,545	31,61,533	10,73,333	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	2	*Nil*	*Nil*	*Nil*			
50,00,000 }	4,18,57,280	3,38,90,682	1,47,51,551	61,998	Wallace & Co.	Bombay-Burmah Trading Corpn.	736½	Old125	20 0	*Nil*	*Nil*		9	f
6,00,000 }	.....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	275½ 35N	New50	6 0	8 0	15-0	11 41 4 81	5	Y.
30,00,000	21,15,487	19,00,295	14,34,560	2,74,619	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	47½	10	*Nil* 2 8	*Nil* 2 12	*Nil* 3 0		8	Y.P.
						SUGAR (U.P. and Bihar)							9	Y
14,00,000	15,41,227	29,45,224	23,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	*Nil*					
12,00,000 A. } 3,00,000 B. }	29,18,856	49,46,355	33,16,660	15,50,000	Narang Bros. & Co. Ltd.	Basti Sugar	{ 150N A. 10 184N B. 10	10 0	10 0		0 12		6	Y.
19,49,056	5,50,000	23,35,359	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	12½	10	1 0	1 0			4	Y.
15,00,000	13,00,295	16,40,479	11,77,841	15,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	0 12	0 12	0 12		4	Y.
32,00,000	26,37,080	1,36,90,775	92,27,901	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	1 8	1 8	1 8		6	Y.
38,00,000	57,83,651	1,03,44,647	84,33,451	32,022	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	20½	10	*Nil*	0 12	0 4		6	Y.P.T.
12,00,000	38,04,991	72,82,757	58,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	26½	10	2 0	0 12	0 12		6	Y.P.T.
5,99,453	6,18,562	24,58,536	15,33,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	1 0	1 8		10	Y.P.
50,00,000 A. } 18,99,000 O. }	33,00,000	75,94,577	56,00,000	62,419	Bachhraj & Co., Ltd	Hindustan Sugar Mills	{ 285N 'A 100 100 O. 100	10 15 0* 15 0*	0 12 15 0* 15 0*	15 0*			8	Y.T.
12,00,000	8,61,001	75,81,809	42 63,455	37,926	Kilachand Devchand & Co. ..	Kesar Sugar	60N	20	*Nil*	*Nil*	15 0*		6	Y.P.
7,99,100	32,14,068	34,84,812	19,35,322	1,264	Cotton Agents Ltd.	New India Sugar Mills	32N	10	*Nil*	*Nil*	4 8		6,12	Y.
11,00,000	4,30,000	43,21,480	24,37,555	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	42N	10	2 8	2 8	2 8		7	Y.P.
25,37,500 A. } 2,71,875 B. }	49,60,297	67,74,123	51,56,900	5,317	Cotton Agents Ltd	New Swadeshi Sugar Mill ..	240N 60N	100 25	6 0	4 0	4 0		6	Y.
17,45,250	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	102N	100	20 0* 5 0	20 0* 5 0	20 0* 5 0		6	Y.
15,00,000	12,74,223	23,77,669	19,98,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	110N	100	11 0	11 0	11 0		7	Y.
9,00,000	17,54,369	27,85,808	20,57,349	5,871	Begg, Sutherland & Co., Ltd. ..	Puritabpore Co.	17	10	1 0	1 0			7	Y.P.
3,00,000	5,31,129	26,43,362	21,70,524	5,224	M.	Ryam Sugar	201N	10	0 12	0 12	0 12		10	Y.
11,99,800	18,86,779	38,85,883	22,92,120	6,477	M.	Samastipur Central Sugar	121	10	0 8	0 8	*Nil*		10	Y.P.
60,00,000	22,68,560	1,25,20,110	62,59,791	31,646	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	124	10	0 8	0 8	*Nil*		6	Y.P.
9,99,950	61,800	27,19,126	13,60,882	—4,37,886	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	12½	10	1 8	1 8	1 12		6	Y.
7,95,468	18,82,940	31,60,725	17,48,088	1,96,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	4½ 15½	10	*Nil*	*Nil*	*Nil*		8	Y.P.T.
9,15,000 O. } 4,40,000 D. }	47,592	27,42,197	11,46,776	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	{ 12N O. 10 D. 24	O. 10 D. 24	Nil Nil				8	Y.T.
8,00,000	21,91,635	26,42,062	17,49,784	22,821	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		10	Y.P.
16,00,000	7,66,589	32,59,951	20,68,926	20,554	James Finlay & Co., Ltd. ..	United Provinces Sugar	21	10	0 8	1 4	1 8		6	Y.P.
						Other Centres							9	Y.
46,99,750	74,53,470	1,50,12,576	1,03,10,241	99,043	W. M. Brady & Co., Ltd.	Belapur Company	251	50						
17,40,000	9,24,222	33,02,979	21,36,722	4,692	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	18½	10	1 0	1 0	1 8		9	Y.
15,98,900	2,45,841	39,19,958	30,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	78N	100	*Nil*	*Nil*	1 0		9	Y.P.
47,94,020	14,00,000	30,54,997	18,71,123	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/8		6	Y.P.
23,57,620	45,51,080	42,51,227	21,95,827	18,645	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	144N	10	1 8	1 8			9	Y.P.
19,65,20000. } 2,87,190D. }	69,50,000	96,99,952	81,60,978	48,494	V. Ramakrishna, Sons Ltd;	K. C. P. Ltd.	127½ 145	O.100 D. 10	1 0 10 0	1 0 10 0	1 0 10 0		10	Y.
21,79,280	95,00,001	1,81,57,677	78,17,780	2,99,240	S. Muniswamappa Esq. (Managing Director)	Mysore Sugar	46½	10	2 0	0 8	2 0		6	Y.P.
50,00,000	43,49,631	1,08,23,164	59,35,509	11,063	Mahalaxmi, Apte and Kantilal Ltd.	Phaltan Sugar	166	50	2 0	2 0	2 0		6	Y.
16,99,980	35,50,380	56,11,940	29,77,241	20,849	Andrew Wright Ltd.	Ramnagwa Cane and Sugar ..	27½	10	2 0	2 0	2 0		6	Y.
20,00,000 O. } 4,00,000 D. }	91,76,092	89,13,138	58,60,883	64,012	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	170N 7N	O. 10 D. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		8	Y.P.T.
19,99,990	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	154N	10	1 0	*Nil*	0 11/8		9	Y.P.T.
30,00,000	10,37,776	59,76,554	17,37,180	—39,224	Parry & Co., Ltd.	Travancore Sugars	44	10	0 12	0 12	1 0		10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31,172	M.	Walchandnagar Industries	272½	100	14 0	16 0	18 0		7	Y.
						TRANSPORT								Y.P.
20,00,000	1,00,69,522	1,24,00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145½	100	10 0	7 8	7 8		12	Y.P.
1,50,00,000	15,37,619	4,41,56,564	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50,00,000	24,85,532	2,50,21,295	68,65,705	1,47,959	Walchand & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	22½	10						
						India General Navigation & Rly. Co.	110	10	1 0	1 0	*Nil*		12	Y.
£655,580	£960,878	£5,515,621	£2,944,772	£21,866	Kilburn & Co., Ltd.	India Steamship Co.	104	£10	*Nil*	Sh. 1 0				
2,25,00,000	74,99,253	7,93,25,463	1,81,58,690	1,25,051	Lionel Edwards Ltd.	Scindia Steam Navigation Co. ..	10½	10	0 8	*Nil*	*Nil*		9	Y.P.
9,40,19,975	5,94,99,061	18,86,48,415	4,54,44,300	9,78,658	Nareshian Morarjee & Co. ..	Shipping Agency	19½	28	0 12		*Nil*	0 8	12	Y.P.
2,40,8000. } 10,900 P.O. }	19,68,266	11,55,483	7,29,969	1,84,493	B. R. Aiyar, Esq. (Manager) ..	Walford Transport Ltd.	2 1½	O. 1 P.O. 1	as. 1 2/25 as. 1 9/25	1 22/3 1 19/25	as. 2 6/25 as. 1 22 25		6	Y.P.
						UNCLASSIFIED (Bombay)							12	Y
2,40,000	77,000	9,56,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600							
13,98,860	2,04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	200	32	0	32 0	30 0			
25,00,000	1,00,000	22,37,31425	....	225	Pramlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	62½	25	5 0	4 8	*Nil*		9	Y.
14,98,940	3,49,585	1,23,08,000	17,75,000	4,110	Oriental Manilal Ltd.	Ratnala Batteries	11½	25	0 12	0 12	0 12	0 12	12	Y.
99,99,250	19,47,886	1,23,08,60445	....	2,83,126	Premchand Roychand & Sons ..	Industrial Investment Trust ..	38	50	*Nil*	1 8	2 0	0 12	12	Y.
99 99,975	35,08,351	35,10,899	9 81,529	6,154	K. G. Mhae, Esq. (Mg. Director)	Killick Industries	76	100	4 8	4 8	4 8		3	Y.P.
5,97,02,800 A. } 18,60,000 B. }	5,28,684	3,87,33,575	1,25,90,292	5,86,717	Asco-Auto Ltd.	Premier Automobiles	174½ 102	100	10 0	11 0	11 0	4 0	12	Y
10,31,250	5 63,500	13,96,065	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	A.100 B. 10 22	A.100 B. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y
2,75,00,000	2,75,00,000	3,03,57,181	1,68,71,540	8,01,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	179½	100	11 0	11 0	11 0		6	Y.
45,00,900	59,24,547	7,24,968	3,07,168	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
						Other Centres							12	Y.
47,50,000 } 2,50,000 }	17,00,000	1,95,40 704	65,00,000	2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	{ 12½ 52	O. 10 D. 24	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	28,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd. ..	Aluminium Industries Ltd.	29½xd	10	1 4	1 4	1 4			
30,00,000	35,05,079	52,06,628	21,94,991	3,42,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	23½	10	1 4	1 4	1 4	1 4	3	Y.P.T.
20,00,000	8 85,000	35,49,494	20,58,050	1,16,995	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co. Ltd.	20½	10	1 4	1 4	1 4		3	Y.
30,00,000	27 47,882	1,01,49,327	39,87,880	22,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India	12½	10	1 4	1 4	1 4		3	Y.
20,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T. Jenkins, Esq; (Director) ..	Balmer Lawrie & Co., Ltd.	173	10	0 8 1/5	0 8 1/5	0 6 2/5		3	Y.
12,00,000	9,10,000	31,87,448	24,05,448	76,830	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	30	10	2 0	1 8	0 12		12	Y.
20,00,000	7,05,480	62 57,994½	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 8	2 8	2 4		3	Y.P.T.
45,97,020	30,11,814	1,10,56,424	33,87,889	1,79,277	K. Julian Frost, Esq. (Mg. Director)	Britannia Biscuits	15½	10	1 4	1 4	1 4		12	Y.
8,25,00,000	1,16,11,800	2,52,03,908	2,24,14,167	—87,86,984	Sir Robert Menzies	British India Corporation Ltd. ..	11-1½	10	1 4	1 0	1 4	6,12	9	Y.
1,35,00,000	17,84,264	2,03,27,28255	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	5	10	0 8	1 0	1 0		9	Y.P.
1,50,00,000	3,14,86,174	5,15,52,035	2,20 82,990	11,71,486	Cecil Stark Esq. Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	20½	10	0 4 1/5	0 3 1/5	*Nil*	1 0	3	Y.P.T.
51,26,000	54 12,312	1,42,47,66655	....	3,06,185	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	1 8	1 8	1 8	1 6	12	Y.P.
14,60,800	10,08,000	33,81,772	18,89,778	87,194	MacNeill & Barry Ltd,.. ..	Ganges Rope Co., Ltd., ...	186	100	10 0	9 0	8 0		3	Y.T.
48,00,000	42,00,000	19,27,685	8,08,872	1,51,868	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	14½	10	10 0	7 8	7 8		12	Y.P.
20,00,000	13,17,854	78,75,809	31,19,064	45,995	B. F. S. Syndicate	Great Eastern Hotel	240	10	10 0	7 8	7 8		3	Y.P.
30,17,900	15,68,886	56,39,228	59,24,587	88,602	Birla Brothers Private Ltd.	Hind Cycles	252	25	1 4	1 4	1 4		3	
4,96,12,500	2,92,450	8,66,24,606	94,58,719	5,19,455	Birla Bros., Ltd.	Hindustan Motors	163½xd	10	15 0	1 0	1 4	6,12	8	Y.
1,80,00,000	45,77,754	1,15,74,266	1,74,76,663	1,03,490	Birla Bros., Ltd.	Indian Aluminium Co.	19½	10	1 0	1 0	10 0		3	Y.
1,53,20,225	1,20,80,000	1,55,73,201	57,17,651	33,96,465	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	35½	10	*Nil*	*Nil*	*Nil*		12	Y.T.
8,27,970	5,88,000	16,40,508	8,98,110	82,816	G. S. Monitou & Co. (India) Ltd.	Indian Rubber Manufacturers ..	17½	10	1 0*	1 0*	9 0		3	Y.
25,16,00,000	7,89,02,602	4,15,59,461	1,63,23,877	24,94,274	Mr. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	17½	10	0 12	0 8	5 0		12	Y.P.
5,00,00,000	58,39,956	84,38,060	8,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	15½	10		0 9 3/5	0 12 4/5	0 12 4/5	3	Y.P.T.
6,24,00000. } 66,000D. }	1,91,892	5,94,080	3,58,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	2½ 5	O. 5 D. 1	*Nil*	7 8	*Nil*	0 12 4/5	3	Y.P.
68,20,00000. } 5,00,000D. }	78,01,900	25,16,760	7,97,301	1,57,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	213N	O.100 D.O.10	10 0	17 0			3	Y.P.
1,57,58,000	60,54,976	92,58,051	11,84,226	2,03,456	T. Leslie Marth., Esq. (Mg. Director)	Martin Burn Ltd;	—		0 8	1 8				
1,15,00,000	55,55,000	1,68,57,978	78,00,772	16,24,249	N. Chaiwal Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	25½	10	1 4	1 3 1/5			12	Y.
6,35,585	1,55,250	7,88,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq. ..	Mysore Glass and Enamel Works	20½	10	1 0*	1 0	1 8*		3	Y.P.
6,45,230	9,18,696	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	4½	10	1 0	1 0	1 4		3	Y.
10,00,000	1,80,000	15,15,188	8,10,686	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	15	10	1 0	1 0	1 0 12	1 10	3	Y.P.
48,00,000	51,31,172	86,06,527	39,80,120	3,22,882	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	15½cd	10	1 0	1 0	1 0 12	0 14 2/5	3	Y.P.
70,97,000	31,15,337	1,14,74,878	52,77,862	9,08,480	R. N. Ritas & Co., Ltd.	National Tobacco Co.	26½	10	1 0	1 0	1 8*		3	Y.P.
2,82,00,000	7,25,185	1,58,49,001	40,14,108	—83,99,179	M. P. A. Pappatti, Esq.	Rallis (India) Ltd.	13½	10	1 4	1 8			12	Y.
1,75,24,400	1,81,20,206	1,56,54,680	3,47,94,970	4,91,324	Sahu Jain Ltd.	Rohtas Industries	42	100	*Nil*	0 8			3	Y.
40,00,000	99,20,564	1,04,75,870	70,99,587	1,18,976	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17	10	1 4	1 8	*Nil*		12	Y.
75,00,000	54,18,560	17,49,8165	5,53,635	3,55,280	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 8	1 8		12	Y.
9,99,980	....	14,99,269	2,54,456	....	Ogale Bros., Ltd.	Travancore Ogale Glass	31	10	1 0	1 4	1 0		6	Y.P.
							17	10	*Nil*	*Nil*	1 0		6	Y.
							166	10	2 0	2 0	2 0		6	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. ‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each. ‡ Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlackie	375	100	25 0	30 0			13	Y.P.
3,50,000	3,43,350	10,69,902	2,43,089	77,477	B. K. Kanoria, Esq.	420	Ananda (Assam) Tea	45½	10	1 4	7 8			13	Y.
3,50,000	4,43,250	12,47,044	3,03,053	73,998	Gillanders Arbuthnot & Co., Ltd...	430	Ananda Bag	47	10	2 8	8 0*			13	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	24½	10	*Nil*	3 8			13	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	373	Baonsata	36½xd	10	2 8	3 0	1 8		13	Y.
3,30,000	4,65,000	11,68,776	7,13,759	50,238	National Tea Corporation	570	Balail	24½	5	2 0	4 0	2 8		13	Y.
2,52,000	3,70,000	9,50,784	3,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Batjan	25½	10	2 0	10 0*			13	Y.
14,50,000	20,50,000	52,30,169	23,95,169	1,99,647	Williamson Magor & Co., Ltd.	3,967	Bishnauth	25½	10	2 8				13	Y.
4,00,000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd.	495	Bokakhat	21½	10	*Nil*	1 0			13	Y.
7,50,000	6,52,400	8,92,337	2,38,950	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	21½	10	0 12	3 8			13	Y.P.T.
35,00,000	11,92,045	73,80,473	19,49,496	28,092	Brooke Bond India Ltd.	2,334	Brooke Bond ..	20½	10	0 8	1 4			4	Y.P.
1,20,000	4,00,436	5,55,963	1,85,593	6,543	McLeod & Co., Ltd.	332	Dejoo Valley ..	50	10	1 0	6 0			13	Y.
6,00,000	10,99,000	22,82,154	10,34,471	1,85,859	Hardeo Hamdarson Ltd.	1,230	Dessai & Parbutties ..	411	100	20 0	40 0			13	Y.
7,59,440	9,87,983	23,72,420	4,17,846	44,551	James Warren & Co., Ltd. ..	620	Dhekiakhat	23½	10	1 8	2 8			13	Y.P.
4,68,970	3,95,000	10,93,269	2,77,382	8,779	James Finlay & Co., Ltd.	644	Dhunseri	22	10	2 0	4 0			13	Y.
4,50,000	6,75,000	9,00,884	2,06,817	54,021	McLeod & Co., Ltd.	453	Dibrugarh	24½	10	1 0	4 0			13	Y.P.
3,38,700	6,50,000	10,59,295	5,54,008	55,533	Williamson Magor & Co., Ltd.	611	Dimakusi	32½	10	1 4	3 8			13	Y.P.
5,00,500	8,88,000	19,85,851	13,84,016	64,360	Williamson Magor & Co

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
						PLANTING; PRODUCE AND RUBBER								
3,00,000	1,60,000	3,02,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	12	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
16,00,000	16,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	27½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1 07,67,845	19,79,244	2,42,884	B. C. Paterson Esq.	Consolidated Coffee	21 ⅞	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations	22½	10	1 8	1 8	1 12*		6	Y.P.
15,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	17	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,383	1,82,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	33½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	36½cd	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,940	A. V. Thomas & Co., Ltd. ..	Midland Rubber	20½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,25,000	3,31,900	14,16,774	1,67,177	18,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	22½	10	0 12	1 8	1 8		12	Y.P.T.
3,50,000	2,63,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	17½xd	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,899	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	6 ⅛	2	Nil	Nil	Nil		12	H.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	26½	10	1 12*	1 12*	2 0		6	Y.P.
3,56,780	3,00,000	6,70,359	92,177	77,542	Peirce Leslie & Co., Ltd. ..	Savumalai Estates Ltd.	25½	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	12½	10	0 14 2/5	0 12	0 14 2/5		12	Y.P.T.
2,50,000	2,37,500	5,37,767	30,034	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	31½	10	3 0	3 0	3 0		12	Y.P.
4,10,200	3,00,000	5,91,561	60,585	24,999	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-7½	1	0 4½	0 1 3/5	0 2		12	Y.
9,00,000	75,491	9,70,479	3,23,517	2,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	25½	10	2 0	2 0	3 0		9	Y.
41,00,000	14,30,799	76,84,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	1 0	1 8	1 4		12	Y.
20,00,000	.....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	38	25	3 0	5 0	4 0		12	Y.P.T.
8,25,580	5,49,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Valkandam (Travancore) Rubber ..	35½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,482	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13 ⅞	10	1 0	1 8	2 0		8	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11½xd	10	1 0	1 10	0 10		3, 9	H.T.P.
6,00,000	10,25,000	51,65,438	36,98,877	1,38,329	MeLeod & Co., Ltd.	1,264	Alexandra	200	100	2 8	7 8	10 0		6, 12	H.P.T.
30,00,000	6,25,000	1,17,61,327	93,76,069	23,103	MeLeod & Co., Ltd.	1,264	Alliance	135	100	5 0	12 0	6 0		3, 9	H.
1,60,00,000	1 40,49,223	3,91,92,814	3,95,77,226	7,51,583	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	193	100	12 8	7 8	10 0		6, 12	H.P.
40,00,000	43,17,951	1,78,37,979	92,01,344	11,377	Bird & Co., Ltd.	826	Auckland	126	100	4 0	3 8	10 0		4, 10	H.P.
20,00,000	23,80,918	66,91,416	65,65,094	66,302	Jardine Henderson & Co. ..	959	Bally	213	100	4 0	Nil	3 8	1 0 f	3, 9	H.P.T.
£375,000	£651,523	£1,454,589	£64,868	£7,307,287	Sir John H. Barder (Chairman) ..	1,899	Barnagore	142	£1	0 6d	0 8	Nil	Nil	3, 9	H.P.
32,000,000	32,80,128	92,27,242	49,28,221	1,005	Andrew Yule & Co., Ltd. ..	1,264	Belvedere	158	100	15 0	10 0	7 8		3	Y.P.
45,00,000	38,45,000	57,08,172	31,38,874	2,65,100	Seeralmull Nagarmull	600	Bengal	16 ⅛	10	1 4	1 2	1 2		6, 12	H.P.
21,26,000	2,17,45,383	2,34,10,402	1,45,22,851	4,27,203	Birla Bros., Ltd.	1,373	Birla	18	10	3 0	1 0	1 0		6	Y.P.T.
35,00,000	17,88,218	1,13,51,577	72,25,030	2,371	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	137	100	10 0	9 0	7 8	1 0	3	Y.
7,47,380	3,29,640	48,00,831	31,58,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg.	9 ⅜	10	Nil	0 12	Nil f		4, 10	H.P.
15,00,000	30,46,284	57,12,971	41,48,706	6,948	Andrew Yule & Co., Ltd. ..	616	Caledonian	180	100	12 0	9 0	6 8		6, 12	H.P.T.
50,16,400	95,49,238	2,23,35,769	1,11,69,892	19,0(1)	James Finlay & Co., Ltd. ..	600	Champdany	161	100	6 0	3 0	10 0	2 0 f	5, 11	H.
15,95,000	28,89,382	81,84,585	56,60,175	2,815	Andrew Yule & Co., Ltd. ..	580	Cheviot	186	100	12 0	14 0	10 0		3, 9	H.
30,15,000	31,00,000	64,10,068	47,77,690	1,52,949	MeLeod & Co., Ltd.	500	Chittavalah	10	100	1 12	1 2	1 6		5, 11	H.P.
24,00,000	24,00,000	72,23,716	64,13,982	1,97,143	Shaw Wallace Investment Co., Ltd.	969	Clive	141	10	Nil	Nil	1-4s		6, 12	H.T.P.
31,49,200	46,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Ltd.	786	Dalhousie	101	100	4 0	2 8	1 0	Nil	3	Y.P.
28,00,000	44,74,178	78,56,899	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	779	Delta	181	100	20 0	12 0	10 0		3, 9	H.P.T.
15,00,000	24,50,000	59,80,760	76,326	MeLeod & Co., Ltd.	500	Empire	19	10	1 0	1 4	1 4		6, 11	H.P.
21,00,000	60,60,961	2,70,39,054	1,89,10,198	1,80,415	Keilwearl Sullen & Co., Ltd.	1,884	Fort Gloster	363N	100	Nil	5 0	15 0	7½	6, 12	H.T.P.
21,00,000	15,00,000	97,88,074	54,65,592	1,84,832	Rangur Bros., Ltd.	1,014	Fort William	23xd	10	5 0	20 0	20 0	0 12½	3, 9	H.P.T.
34,32,100		2,11,07,224	1,32,88,895	—2,67,462	Mansell & Barry Ltd.	1,709	Ganges Mfg.	70	100	Nil	0 8	2 8	Nil	3, 9	H.T.P.
16,50,000	23,00,000	71,13,903	43,25,822	—74,993	Gillanders Arbuthnot & Co., Ltd.	807	Gondalpara	890	100	15 0	Nil	15 0		3, 11	H.P.
24,00,000	29,32,327	2,19,00,613	1,61,28,422	25,195	Mansell & Barry Ltd.	1,394	Gourspore	252	100	3 12	10 0	15 0	2 8f	12	Y.
46,90,000	55,88,224	99,05,880	57,88,999	2,27,748	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	11 8		3, 9	H.
15,80,000	19,91,456	46,21,206	44,52,916	44,548	Gillanders Arbuthnot & Co., Ltd.	730	Hoogly	25	10	1 4	0 8	1 4		3, 9	Y.P.
45,62,500	49,64,372	1,82,66,435	1,10,52,708	57,035	Jardine Henderson Ltd.	1,940	Howrah	24	10	1 8	1 0	1 14	0 4f	3	Y.P.
52,50,000	13,00,000	2,58,15,927	1,54,15 987	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	26½	10	3 0	2 0	2 0		3, 9	H.P.T.
87,00,000	16,55,558	1,23,06,555	76,56,428	7,731	M	1,076	India	146	100	6 4	3 2	4 11		3	Y.P.T.
20,000								D. 125	D. 1	0 4/5	0 2/5	0 3/5			
24,00,000	16,50,000	1,87,65,836	1,34,18,038	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	141	100	9 0	6 0	9 0		3, 9	H.
19 20,000								139	100	9 0	8 0	2 8			
30,00,000	7,00,000	1,82,86 800	1 00,46,425	88,115	Jardine Henderson Ltd.	1,527	Kankinarrah	97	100	7 8	6 8	1 0		6, 12	H.P.
24,00,000								95	100	7 8	6 8	1 0			
21 00,000	63,00,000	1,22,91,697	88,77,484	1,10,851	MeLeod & Co., Ltd.	705	Kelvin	248	100	15 0	9 0	6 8		6, 12	H.P.
54,00,000	23,83,875	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd	1,580	Khardah	150	100	17 8	12 0	17 8		6, 12	H.P.
48,00,000	1,08,00,860	2,44,37,044	1,15,66,122	41,687	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	181	100	9 0	7 0	13 0		3, 9	H.P.
24,48,000	39,51,264	1,11,32,245	47,99,245	—2,12,719	Bird & Co., Ltd.	981	Lansdowne	102	100	7 0	2 0	7 0	6 0 f	3, 9	H.P.T.
28,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Ltd.	840	Lawrence	107½	100	5 0	6 0	6 0	Nil	3, 9	H.P.T.
51,56,200	25,04,412	2,01 00,682	1,34 49 804	10,614	M	1,283	Magna	87½	100	5 0	2 8	8 12	Nil	3, 9	H.P.
29,98,900	38,40,147	1,84,01,466	1,01,37,572	—3,09,171	F. W. Heilgers & Co (Private) Ltd.	815	Mahalati	90	100	Nil	Nil	Nil		3, 9	H.
20,00,000	16,50,000	39,01,053	18,31,709	11,819	Howrah Trading Co., Ltd.	425	Naskarpara	16 ⅞	10	1 0	1 0	Nil	Nil	3	H.
35,00,000	43,29,236	29,10,124	10,86,222	70,554	Andrew Yule & Co., Ltd. ..	652	National	25½	10	2 0	2 0	1 12		4, 10	H.T.
26,25,000	26,25,000	27,71,022	20,34,909	1,08,251	MeLeod & Co., Ltd.	318	Nellimarla Jute	12 ⅛	10	1 12	1 8	1 8		4, 10	H.P.
35,50,000	9,71,44,343	4,29,15 627	96,28,548	6,71,293	Sahu Jain Ltd.	1,765	New Central	168xd	10	24 0	17 0	11 8		3, 12	H.P.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Ltd.	587	Northbrook	25 ⅛	10	1 2	1 4	1 8	0 12f	12	Y.P.
66,79,500	22,24,961	2,18,55,164	1,39,46,311	17,000	Mansell & Barry Ltd.	1,092	Nuddea	39	66	1 0	1 8	1 0	1 8f	3, 9	H.P.T.
24,91,000	29,91,049	78,45,255	50,85,890	4 784	Andrew Yule & Co., Ltd. ..	601	Orient	159	100	12 0	10 0	9 0	Nil	3, 9	H.
25,00,000	6,28,490	80,80,437	65,22,166	51,595	MeLeod & Co., Ltd.	400	Presidency	5½	5	0 2	0 2			3, 11	H.P.
20,00,000	2,49,731	26,97,878	8,99,190	—9,13,218	Birla Bros. Ltd.	205	Rameshwara	6¼	10	Nil	Nil	Nil		6, 12	H.T.
49 50,000	5,82,465	1,23,83,629	59,15,596	—11,72,234	Jardine Henderson Ltd.	1,276	Reliance	10½	10	0 5	Nil	Nil	Nil	3	H.
6590,000	61,063,713	61,245,244		658,904	Thomas Duff & Co. (India) Ltd.	2,013	Samnuggur	114	£1	10%	10%	3%£1	Nil t	3, 9	H.P.T.
30,00,000	18,12,193	1,04,60,658	75,85,838	4,667	Rasaris More & Co., Ltd. ..	911	Shree Ambica	16	10	0 8	1 0	0 8f		12	Y.
14,00,000	11,25,000	66 11,794	58,70,294	3,156	Hindustan Investment Corporation.	491	Soorah	16	10	0 8	1 0	1 8		5, 9	H.P.
25,19,600	42,72,183	1,27,38,340	53,23,439	—4,87,127	Bird & Co., Ltd.	660	Standard	96	100	2 0	2 0	1 0		3, 9	H.P.
£600,000	£926,119	£1,137,660		£83,548	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	11½	£1	10%	10%	8%£1	Nil	3, 9	H.P.T.
35,98,600	88,98,723	2,00,00,808	84,23,958	18,334	Bird & Co., Ltd.	1,326	Union	102	100	5 0	6 0	10 0		12	Y.P.
£400,000	£688,035	£1,124,319		£80,501	Thomas Duff & Co. (India) Ltd.	1,521	Victoria	11	£1	10%	10%	3%£1	1 0f	3, 9	H.P.T.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	MeLeod & Co., Ltd.	457	Waverley	5 ⅛	1	0 1	0 8	0 8		3	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	88,12,991	61,77,991	25,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23	10	1 0	1 4	1 6			
12,00,000	8,52,573	38,78,477	36,18,477	23,706	Jardine Henderson Ltd.	Bararee Coke	19½	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4,49,350	70,000	8,49,159	5,49,966	4,981	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6 ⅜N	10	0 12	0 12			3, 9	H.
1,60,00,000	1 40,49,223	3,91,92,814	3,95,77,226	7,51,583	Andrew Yule & Co., Ltd.	Bengal Coal	509xd	200	82 8*	30 0*	35 0*		6, 12	H.
2,25,000	4,22,569	24,51,732	22,33,534	....	B. V. Low & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		4, 10	H.
15,97,000	4,73 358	37,70,192	22,77,364	13,498	Shaw Wallace & Co., Ltd. ..	Bhalgora	6⅛	10	0 8				4, 10	H.P.
40,00,000	5,00,000	1,39,06 662	71,06,188	67,484	Sahu Jain Ltd.	Bharat Collieries	7½	10	0 12	0 10	0 10		6, 12	H.P.
7,15,000	15,11,000	58,62,838	37,35,000	—1,87,446	F. W. Heilgers & Co. (Private)Ltd.	Bhulanbararee	13¼N	10	Nil	Nil	Nil		3	
15,00,000	16,17,936	68,14,856	39,98,541	—79,196	Ramgarh Industries (Coal) Co/ ..	Bokaro-Ramgar	12	10					3	Y.P.
7,50,000	£4 29,026	43,39,603	26,63,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borree	24½	10	2 12	2 0	2 0		6, 12	H.
90,92,480	1,75,17,502	4,19 81,570	1,85,17,540	1,13,378	Bird & Co., Ltd.	Burrakur	1 0	10	0 12	0 0			6, 12	H.
49,97,750		39 62,720	5,33,645	14,019	Hindustan Investment Corpn., Ltd.	Central India	7 ⅛	10	0 0	0 4	0 10		6, 12	H.P.
3,00,000	13 54,302	49,10,414	33,69,954	32,765	M	Central Kurkend	12 ⅜N	10	1 2		0 4		12, 6	H.P.T.
6,00,000	1,43,676	7,38,450(k)	2,139	1,43,537	F. W. Heilgers & Co. Private Ltd.	Chanlia	2¼	4	0 2	0 2			6, 12	Y.
16,00,000		53,81,704	29,81,276	—1,83,318	Mansell & Barry Ltd.	Dhemo Main	8	10	Nil	Nil	0 11		6, 12	H.
5340,000	£280,558	£936,946	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	83½	£1	2 8	2 8	3 0		6, 12	H.
29,63,760	83,55,049	4,04,51,377	2,89,25,665	82,379	Mansell & Barry Ltd.	Equitable	30½	10	1 8	1 8	1 8		6, 12	H.P.
10,00,000	2,15,000	10,75,954	7,78,954	11,275	Bhatter's Agency Ltd.	Ghusick and Mauda	16¾	10	0 8	0 8	1 8		4	H.
13,00,000	1,22,000	49,02,585	30,99,324	3,226	Kilick Industries Ltd.	Hingir-Rampur	47½	50	3 0	Nil			3, 12	H.P.T.
8,00,000	7,25,000	22,07,121	13,39,341	45,985	Mansell & Barry Ltd.	Herrilodih	23½	10	1 8	1 12	2 4		3	Y.
22,00,000	1,12,000	24,74,413	5,18,446	—5,97,398	Rajpain Trust Ltd.	Jogta Coal	2 ⅜	10	Nil	Nil	2 8		6	Y.P.
2,50,000	3,45,579	18,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	18N	10	2 12	Nil			6, 12	Y.
20,00,000	1,77,175	28,89,683	4,65,140	6,965	Bird & Co., Ltd.	Karanpura Collieries ..	118	100	Nil	Nil	Nil		12	Y.P.
9,00,000	16,60,000	65,77,633	36,41,095	1,32,475	Andrew Yule & Co., Ltd. ..	Katras Jharriah	62	10	4 0	10 0	2 8	5	3, 6	H.
1,35,400	5,73,960	12,85,201	5,73,960	—2,60,236	Beriwala & Co.	Khas Kajora	28N	10	4 0	4 0	5 8		3	Y.P.
11,00,240	64,314	16,72,981	10,41,863	—41,339	H. V. Low & Co., Ltd.	Khasra	4N	10	Nil	Nil			3	H.
20,00,000	11,66,415	28,69,268	22,97,987	3,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	Nil	Nil			1, 7	H.
2,48,240	2,00,000	12,18,478	9,23,179	11,096	Tantia Brothers Ltd.	Nasira	7 ⅜	10	0 8	0 4			6, 12	H.P.
7,00,000	30,617	10,33 740	5,20,295	4,540	Amritlal Ojha & Co., Ltd. ..	New Ramadeopur ..	9¼N	10	0 8	0 8			4	Y.
17,76,280	20,01,763	1,19,75,853	88,63,006	22,823	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	0 12	1 4			12	Y.
6,00,000	75,000	28,54,607	17,07,658	15,950	Andrew Yule & Co., Ltd.	New Manbhoom	11 ⅛	10	1 0	1 2	1 0		3, 9	H.
1,15,000	2,85,193	13,07,219	8,64,731	56,666	F. W. Heilgers & Co. (Private) Ltd.	North West	17¼N	10	Nil	Nil	Nil		4, 10	H.P.
1,57,500							16N	10	0 6	Nil	1 6	0 12f	3, 9	H.
7,50,000	12,21,833	5,17,666	3,97,666	2,809	K. C. Thapar & Bros.	Ondal	7½	10	0 8	Nil	1 0	0 9f		
10,00,000	1,10,000	29,70,653	17,99,658	3 013	Deepchand Kishenlall	Oriental Coal	9¾	10	2 0	1 0	1 0	0 9f	3, 9	H.
5,34,000	10,00,572	17,52,137	8,30,795	33,343	Shaw Wallace & Co., Ltd. ..	Parasea	14½	10	0 8				6, 12	H.P.
15,75,000	16 00,000	47 70,275	25 30,275	16,846	N. B. Elias & Co., Ltd.	Pench Valley	22½	10	0 4	0 12			6, 12	H.P.
22 90,500	19 17,105	1,23 09,893	55,50,355	16,846	Shaw Wallace & Co., Ltd. ..	Rameshgunge	13 ⅛	10	1 0	1 10			12	Y.P.
12,50,000	8 53,755	35,36,755	27,73,764	28,421	Jalpuria Sons, Ltd.	Rewa	23½	10	Nil	0 8	1 8		6, 12	Y.P.
20,00,000	3,90,000	44,28,585	16,78,118	8,90,178		Samla Collieries	14 ⅜N	10	2 0	1 0	0 10		5, 9	H.P.
2,50,000	1,95,802	12 78,480	12,21,227	21 079	Andrew Yule & Co., Ltd. ..	Searsole	6N	10	0 8	0 12	0 14		3, 9	H.
2,80,000	2 55,000	29 99 400	19,07 296	49,299	F. W. Heilgers & Co. Private Ltd.	Seebpore	29½	10	0 10	0 10	1 0		6, 12	H.
8,00,000	6 31,299	52 491	28 857	7,503	Ramdutt Ramkissendas	Sendra	7	10	1 12	2 0	1 12		12	Y.
43,21,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Governm ent of Hyderabad)		10N	10	Nil	0 2	0 8		3	Y.
						Singareni	11½	10	Nil		0 4		6, 12	Y.
17,50,000	10,84,016	37,88,102	15,14,590	—51,583	Bird & Co. Ltd.	South Karanpura	9¼	10	0 11 1/5	0 12			6, 12	H.T.
2 00 000	18,59,395	1 09,570	26,510	17,347	F. W. Heilgers & Co., (Private) Ltd.	Standard	22½	10	0 4	0 2				
10 00,000	12,950	80,32 256	15,48,502	—4,07,745	Villiers Ltd	Talcher	3 ⅞	5	2 0	1 8			12	Y.
10 00,000	2,80,000	19,47,955	14,51,855	44,167	Williamson Magor & Co., Ltd.	Union	8¼	10	Nil		1 0		3, 6	H.
2 50,000	67,084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	14½	10	1 12	0 12			6, 12	H.
49,98,000	21,569	56,46,871	23,81,698	—1,46,650	Mancelli & Barry, Ltd.	West Jamuria	6¼	10	0 6	0 6	Nil t		3	H.
7,00,000							11⅛	10	Nil	Nil	0 8	0 8	6, 12	Y.
											Nil		3	H.
													6, 12	H.

M—Managed by the board of directors. † Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(j) Made up of an interim dividend of Re. 1-12 per share on 1,30,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,30,000 shares are bonus shares. (s For seven months ended 31st March 1954.
† New Central Jute Mills—Dividend for 1955 is on shares of Re. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

AMERICAN LETTER

U.S. ELECTIONS AND ECONOMY

From Our Own Correspondent

NEW YORK, 27th September

TWO main issues are the centre of attention on the domestic American scene these days. A third one is the Suez Canal crisis. The first two problems are the Presidential election campaign which is getting under way in earnest and the increasing cost of money. Rising interest rates are also becoming an election issue besides being an academic discussion subject of economists and practical business men. The opening guns have been fired in the forthcoming race for the White House by President Dwight D. Eisenhower and the Democratic contender, Mr. Adlai E. Stevenson. Mr. Eisenhower's attention, rightly or wrongly, has been focussed so far on the well-being of farmers in the United States.

Farm prices have declined for a number of years. The trend was reversed recently, but the Democratic opposition has been trying to make capital

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,40,000 / 1,01,000	1,06,60,000	11,36,301	Allahabad Bank	358 / 160 / 116½	100 / 50 / 100	18 0‡ / 0 0‡ / 6 8	18 0‡ / 9 0‡ / 7 8	6 8	3 12‡	12	Y.P.
82,46,180	14,37,000	12,375	Andhra Bank	83½	100	3 4	3 12	4 8 4/5	2 10‡	6.12	H
1,80,00,000	1,28,00,000	3,25,546	Bank of Baroda	102	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	23	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,52,00,000	18 26,630	Bank of India	172½	50	7 0	7 0	8 0	3 0‡	6.12	B.L.Y.
15,50,375	23,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	34	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	262½	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,81,700	58,73,015	10,069	Bombay State Co-operative Bank.	57N	50	3 8	2 0	3 0		6	Y.T.
10,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	13,00,000	2,433	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.E.
2,02,11,875 / $2,42,375 'A'	4,01,81,217	18,40 359	Central Bank of India Ltd. ..	51‡ / 66‡	25 / 25	3 0	3 0	3 0	1 8‡ / 1 8‡	12	B.L.Y.
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	43‡	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (F)	72N	20	4 0	4 0			12	Y.
50,00,000	26,00,000	1,46,278	Hind Bank	38‡	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank	14‡	50	*Nil*	*Nil*			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13‡	50	*Nil*	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	80N	100	5 0	6 0‡	5 0		12	Y.
24,00,000 / 18,00,000 / 18,00,000	79,75,000	1,45,140	Indian Bank	231 / 197 / 154	100 / 95 / 70	12 0‡ / 10 8‡ / 7 8‡	12 0‡ / 10 8‡ / 7 8‡	12 0 / 10 12‡ / 7 12‡	6 8‡ / 6 2‡ / 4 8‡	6.12	B.L.H.
49,19,375	50,00,000	2,25,299	Indian Overseas Bank	152	100	6 0	6 0	7 8		12	Y.
2,25,000 / 6,50,000	5,64,500	—1,19,440	Indo-Commercial Bank	42‡ / 10‡	100(A) / 25(B)	*Nil* / *Nil*	*Nil* / *Nil*			6.12	H.
10,00,000	97,50,000	2,35,103	Punjab National Bank	23‡ / 57	50(C) / 25	*Nil* / 3 9	*Nil* / 3 9	3 8	2 0‡	12	Y.
1,00 00,000	23,50,000	43,597	Travancore Bank	18‡	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,228	Union Bank of India	7‡	5	0 5‡	0 5‡	0 6		12	Y.
8,00,00,000	95,00,000	27 761	United Commercial Bank ..	55‡	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£465,375	Chartered Bank of India, Australia and China	£1-13-7½	£1	14†	15†	15†		12	S.L.Y.
£1,000,000	£1,250,000	£59,917	Eastern Bank	57½	£5	8†	8†	8†		12	S.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	£00½	H.K. $125	5*	5*	5*	2*½	12	Y.
£17,966,196 'A' / £1,437,696 'B' / £875,000 'A' / £875,000 'B' / £700,000 'C'	£15,000,000	£558,006	Lloyds Bank	£2-16-9 / £1-6-3 / £1-2-6 / £1-2-6 / —	£5 A / £1 B / A £2½ / B £2½ / C £1	14† / 3† / 14† / 14† / 14†	15† / 3† / 14† / 14† / 14†	12† / 3† / 14† / 14† / 14†		12	S.L.Y.
£3,561,543	£3,104,687	£343,158	National Bank of India	£1-1-0	sh. 12½	16†	16†	15†		12	S.L.Y.

‡ Includes bonus. † Less Tax. (F) Pakistan Currency. S.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99‡	1st June .. 1963
4,50,000	5½	1st March and 15th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1966
6,00,000	5½	30th June and 30th December ..	Ramnagar Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1956-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	96½	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
26,00,000	4½	30th June and 31st December ..	Barrakar Coal Co.	1947	91‡	30th June .. 1961(c)
56,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1963(c)†
COTTON						
8,50,000	5½	30th June and 31st December ..	Basanji Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	99	1st March .. .. 1972(c)
15,68,000	5½		Jaykaran Textiles	1949	NON	1st January 1956-59
39 90,000	5	1st June	Tata Mills	1951	100‡	 1956-71
ELECTRICS						
10,80,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd. ..	1950	95	31st March .. 1965(c)
1,58,60,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	1940	100½	14th June .. 1960
98,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98	1st October .. 1959
15,00,000	5½	30th June and 31st December ..	Bombay Electric Light and Power Co., Ltd.	1948	94	31st December .. 1964(c)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	99‡	1st January .. 1970(c)
25,00,000	4	30th June and 31st December ..	Cawnpore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970(c)
18,00,000	5	1st January and 1st July ..	Delhi (The.rish) Electric Supply Co., Ltd.	1951	96	30th June .. 1975(c)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October 1956-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1953-63
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,73,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power	....	93‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India) Ltd. ..	1928	99	30th June .. 1958
30,00,000	5½	15th September and 15th March.	Indian Iron and Steel Co. (1st mortgage)	1938	101‡	1st July 1957-62
61,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	97‡	31st December .. 1956(d)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1966
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	102	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(c)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co. Ltd.	1945	90	31st December .. 1959
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1937	98‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	96	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1959
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1964
8,56,000	5	15th January and 15th July ..	Empire	1951	94‡	31st March .. 1969(c)
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947	94‡	16th July .. .. 1966(c)
20,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1953	98‡	30th June .. 1957
25,00,000	5	30th June and 31st December ..	Jaganlal Jute Mills Co. Ltd. ..	1949	97‡	31st March .. 1970
25,00,000	5½	30th June and 31st December ..	Kamarhati Co., Ltd.	1948	96‡	31st December .. 1964(c)
5,00,000	4½	14th November and 14th May ..	Kelliharia Jute Mills Co., Ltd	1939	92	31st March .. 1967(c)
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	83	14th May 1959
8,00,000	4	30th June and 31st December ..	Prasdaney	1943	92	31st December .. 1964
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	91	30th June .. 1958
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	9th September .. 1965(c)
12,00,000	4½	30th June and 31st December.	Union	1937	96½	14th September .. 1957
10,00,000	3½	31st January and 31st July ..	Waverly	1925	88	30th June .. 1957
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,362	5	1st April and 1st October ..		1933	£77‡N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	90‡	31st December .. 1959(c)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£86‡N	Any time on six months' notice (c)
4,58,26,097	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	%05‡	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1959	102‡	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	....	100‡	1st April 1958-66
1,89,700	6½	31st March and 30th September.	Teakoy	1944	100	31st March .. 1959-69
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st Decem .. 1965
86,80,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	86	31st December .. 1962
4,50,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	102	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1953	102½	1st October .. 1964-69(a)
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties ..	1915	92	1st February .. 1964
19,95,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	91	1st July 1966
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87‡	15th September .. 1966
1,80,00,000	4	30th June and 31st December ..	Dalmia Cement Bharat Ltd. ..	1946	92	 1960
1,80,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1950	102	1st January .. 1969
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1971(c)††
17,75,000	4	15th March and 15th September.	Mewar Chemical Industries ..	1949	95‡	.... 1969(c)‡
58,03,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	85	30th September .. 1964
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1976(c)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	(per note) 98N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	108	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1941	97‡	31st March .. 1965-70
1,00,00,000	5	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91‡	31st December .. 1961(c)
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	108‡	1st May .. .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 2 months' notice at any time at 2 per cent. premium, after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. † With option to redeem at Rs. 101 per cent. after 15 years or at Rs. 100-8 per cent. after 15 years. ‡ Rs. 1,50,00,000 debentures will be redeemed as par annually by drawing from 1-6-1965. Any debentures outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. §§ Redeemable at par by annual drawings at per cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Option to repay at par on 6 months' notice, on or after 1st May 1964 onwards. The Company has option to redeem a debentures at 101 per cent. on 1st May 1963, on six months' notice. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th October, 1956.

—	Closing quotations 27-9-1956	High	Low	Closing quotations 4-10-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	200	200	193½	200
Apollo (2)	2–14½	2–14½	2	2–12½
Bombay Dyeing (250) ..	648½	650	628½	634½xd
Bradbury (50) ..	217½	217½	216½	217½
Central India (100) ..	158	160	150	151
Century Mills (100) ..	567½	567	551	556
Colaba (100)	97½	97½	96	96½
Edward Textile (200) ..	322½	355	322½	345
Elphinstone (50) ..	63½	63½	63	63
Finlay (100)	352	352	345	345
Gokak (100)	243½	243½	237½	238
Ind. Unsd. Debd. (1) ..	2–3‡	2–3‡	2–0‡	2–0‡
Ind. Untd. Ord. (10) ..	12‡	12‡	12–0‡	12‡
Indore Malwa (100) ..	156‡	157‡	152‡	154‡
Khatau (100)	255	257‡	250	250
Lakshmi (250)	369	366	353	356‡xd
Madhusudhan (100) ..	722½	729½	721‡	722½
Minerva Mills (100) ..	131‡	—	—	131‡
Modal Nagpur (250) ..	98‡	—	—	98‡
Morarji (100)	102‡	101‡	101‡	101‡
Mysore (50)	268‡	—	—	268‡
National Rayons (100) ..	122‡	122‡	117‡	117‡xd
New City (100)	271	270‡	261	263
New Great (100)	175	—	—	175
Phoenix (100)	250‡	250‡	250	250
Podar Mills (100)	151½	—	—	151½
Seasoon Silk (10) ..	175	176‡	173‡	173‡
Seasoon Spg. (10) ..	13‡	13‡	12‡	12‡
Sholapur (1,000) ..	47	—	—	47
Shrinivas (10)	1,800	—	—	1,800
Simplex (50)	225	225	216‡	218‡
Standard (100)	205	205‡	200‡	202
Svadeshi (100)	403‡	403‡	488‡	472‡
Swan (100)	258‡	260	250	251
Tata Mill (25)	452‡	—	—	452‡
Thakan (5)	58	58	56	56‡
Western India (1,000) ..	185	—	—	185
	5,125	—	—	5,125
BANKS				
Bank of India (50) ..	172‡	174‡	171‡	173‡
Bank of Baroda (50) ..	102	103	102	102
Central (25)	53	53‡	51‡	52
Central 'A' (25) ..	56‡	56‡	56	56‡
Dena Bank (50)	43‡	—	—	43‡
Punjab National (25) ..	57	57‡	57	57
Union Bank (5)	7–2‡	7‡	7‡	7‡
United Com. (50) ..	57‡	58‡	57‡	58‡
ELECTRIC COS.				
Ahmedabad (100) ..	95‡	96‡	94‡	94‡
Amalgamated (10) ..	11‡	11‡	11‡	11‡
Andhra Valley (1,000) ..	1,242‡	1,259‡	1,242‡	1,255
Bom. Suburban (100) ..	109‡	110‡	110	110‡
Surat (100)	109‡	110‡	110	110‡
Tata Hydro (100) ..	131	131‡	118‡	119‡
Tata Power (1,000) ..	1,325	1,335	1,310	1,315
INSURANCE COS.				
British India (10) ..	13‡	—	—	13‡
Empire of India (100) ..	350	—	—	350
Ind. Mercantile (20) ..	44	—	—	43‡
Jupiter (15)	6	44	43‡	6
New (15)	46‡	—	—	46
Oriental (200)	3,650	46	45	45‡
Universal (10)	12‡	—	—	3,650
Vulcan (10)	16‡	—	—	12‡
		16‡	15‡	16‡
STEEL COS.				
Ind. Iron (10)	36–1‡	36–4‡	34–7‡	34‡
Tata Steel Ord. (75) ..	200‡	201‡	195	196
SUGAR COS.				
Belapur (50)	254	250‡	248‡	251‡
Bhopal (10)	18	18‡	18–2‡	18‡
Dhaltan (50)	164‡	170‡	162‡	168‡
Walchand Ind. (100) ..	273‡	281‡	270	271‡
CEMENT COS.				
Associated Cts. (100) ..	203‡	204‡	197‡	198‡
Digvijay (100)	205‡	207‡	196	196‡
MISCELLANEOUS				
Alcock Ashdown (100) ..	345	345	337‡	340
Bom. Burmah (125) ..	758‡	758‡	727‡	733‡
Do. (New) (50) ..	277‡	277‡	—	276‡
Br. B. Petrol (4 sh.) ..	3–13‡	3–13‡	3‡	3–11‡
Br. I. Corpn. (5) ..	11‡	11–8‡	10‡	11‡
C. P. Rly. (100) ..	76	75	74‡	74‡
Indian Copper (2 sh.) ..	7–9‡	7–8‡	7‡	7‡
Ind. Iar. Tr. (100) ..	76‡	76‡	75	76
Kemp (200)	183‡	—	—	183‡
Killicks (100)	174	175	174	174‡
Port Canning (100) ..	177‡	—	—	177‡
Premier Con. (50) ..	8	8‡	8	8
Scindia (20)	217	217‡	205‡	209
G. I. Spinning (10) ..	19‡	19‡	18–15‡	19‡
Shivrajpur (10)	21‡	23	21‡	21‡
Tata Chemicals (10) ..	88	87‡	83	86
Tata Locomotive (100) ..	20‡	20–4‡	19‡	19‡
Tata Oil (125)	174‡	175	165	166‡
W. I. Match (100) ..	58‡	58‡	56‡	57
	180‡	181‡	178‡	178‡

GOVERNMENT SECURITIES	28-9-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	4-10-1956
	Rs.	—	—	Rs.
2½% 1961	98‡	—	3.96	98‡
2½% 1960	98‡	—	3.74	98‡
2½% 1962	98‡	—	3.80	98‡
2½% 1976	82‡	—	3.80	82‡
2½% 1957	99‡	—	4.00	99‡
2½% 1958	99‡	—	3.25	99‡
2½% 1956-61	97‡	3.71	3.24	99‡
2½% 1964	94‡	—	3.45	97‡
2½% 1963-65	94½	3.91	3.73	94‡
2½% 1966-68	93‡	3.85	3.71	94‡
2½% 1970-72	89‡	3.99	3.78	93‡
3% 1956 Com. Loan ..	75‡	—	4.00*	89‡
4% 1960-70	100‡	3.80	3.83	75
4% 1948-68** ..	102‡	3.95	4.22	100‡
3½% 1961 N.P. Bonds.	99‡	—	3.70	102‡
3½% 1964 N.P. Loan ..	98‡	—	3.71	99‡
3½% 1948 N.P. Bonds.	98‡	—	3.71	98‡
3½% 1962	97‡	—	3.84	98‡
3½% 1967 N. P. Bonds.	98‡	—	3.67	97‡
3½% 1974	98‡	—	3.67	98‡
		—	3.87	98‡

BRITISH GOVERNMENT SECURITIES	Closing quotations 24-9-1956 £	High £	Low £	Closing quotations 1-10-1956 £
2½% Brit. Consols. ..	51‡	—	—	51‡
3% Savings Bonds 1965-75	72‡	—	—	72‡
3% War Loan 1955-59.	94‡	—	—	94‡
4% Victory Bonds 1976	70‡	—	—	70‡
4% Funding 1960-90.	90‡	—	—	90‡
	86‡	—	—	84‡xd

* Current Income x.d.—Ex-dividend. **Rupee Counterparts. Ex-Rights.

COMMERCE

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

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WORLD BANK CHIEF'S SAGE COUNSEL

HE is not a true friend who is always pleasant. A banker, like a true friend, cannot always be pleasant to his client. And a client may ignore the banker's advice only at his peril. What makes a banker's advice so precious to his client is that it is based on enlightened self-interest and is calculated to advance the interests of both. A banker has, of course, no axe to grind in advising his client-friend, but he is not for that reason indifferent to his friend's welfare, because the latter's failure will cost him dearly. Further, a banker often knows more about the client's interests than the client himself. This is because a client, engrossed as he is in his own narrow affairs, will often be unable to look at them in their correct and broader perspective. Like the spectator who sees more of the game than the player, the banker is pre-eminently in a position to know what is wrong with his client's affairs and how best they could be set right. The World Bank's advice to India, expressed originally in a report submitted by a mission from the Bank and now reiterated by its President, Mr. Eugene Black, in a letter to the Union Finance Minister, Mr. T. T. Krishnamachari, bears all the imprint of a true banker's wise counsel to his valued client.

The World Bank Mission came, saw and was impressed with many things in India. But it also felt some misgivings. Although it did not say as much, it probably felt that some things were too good on paper to be translated into realities. Its reaction was that the second Plan was "somewhat too ambitious." It may be good political strategy that, in planning for 400 million people of a vast sub-continent, one should rather err on the side of ambition than achieve some small tidy results. It is, perhaps, best that a man's reach should exceed his grasp. But, then, no political party can afford to set unrealistic goals and disrupt the whole economy by trying to achieve them. To do so will be to invite disaster. So, even from the point of view of political exigencies, one cannot get away from realities. And the realities are shortage of capital resources, technical and administrative acumen and a host of other inhibiting factors. Mere ambition cannot overcome all obstacles or overcome them overnight. By and large, the Mission's advice was to set the pace of progress by the available motive power, to plan warily for the future so as to avoid the obvious pitfalls of inflation and frustration arising out of inadequate implementation of the Plan. The Bank's chief, Mr. Black, has reiterated this counsel—not a counsel of despair, nor a counsel of perfection, but a wise and practical counsel—in his letter to the Union Finance Minister. There are many little men in power in the world to whom any advice is distasteful. It is the measure of the man that Mr. Krishnamachari has acknowledged the fact that Mr. Black's advice has been given in "good faith."

It is easy enough for a critic, rather a cynic, to turn round and say that Mr. Black's advice contains nothing new nor anything unfamiliar to India's planners. But then, not all great things are new nor all new things valuable. Some valuable things do not suffer from reiteration. Mr. Black's observations belong to this category. His three main points are that enterprise must be encouraged, financial stability is too important a factor to be ignored and adequate transport facilities are vital to the success of India's second Plan. Mr. Black, in his address to the Board of Governors of the Bank last month, had said that there were several myths which he wanted to "clear way." The first myth was that "only governments can produce economic growth fast enough and of the right character." He conceded that there might be "no substitute for government in a great many instances when it comes to getting development off the ground." But he rightly insisted that it was a "dangerous myth to believe that economic development is a matter for government alone." He added: "The enthusiasm and potential contribution of every individual must be counted in a successful development programme. And that means leaving a wide area of freedom for individuals to follow their own development initiative and encouraging them to do so." The second myth, which was apt to becloud development policy, was that "inflation is a handy device for making development painless." He was glad to think that this myth was almost ready for burial for there was a "growing awareness of how inflation erodes savings, destroys the criterion for judging the soundness of investment, and plays havoc with a country's balance of payments."

Mr. Black's letter to the Union Finance Minister is a further elaboration of the views which the World Bank President expressed in his speech at the aforesaid annual meeting. He has thought it fit to emphasise, once again, his "conviction that India's interests lie in giving private enterprise, both Indian and foreign, every encouragement to make its maximum contribution to the development of economy, particularly in the industrial field." While he recognises that the Government itself must play an important role in India's economic development, he says that his "distinct" impression is that the potentialities of private enterprise are "commonly under-estimated in India and that its operations are subjected to unnecessary restrictions there." He points out that, "in a country which is short of capital and with limited resources of managerial and administrative talent, it is important that the respective roles of public and private enterprise should be fixed entirely on the basis which will ensure the most effective contribution of each to the economic development and not any theoretical concept of the role that each would play."

Clearly, what Mr. Black advocates is the pragmatic approach. Indeed, a few years ago, this was the Government's attitude to economic questions too. An impartial examination of the Government's achievements and failures in the recent past will reveal that, wherever the pragmatic approach has been given effect to, the Government has met with success and nearly all the failures can be traced to a departure from this approach. Thus, civil aviation and life insurance were nationalised in the face of definite and well-meant advice to keep them in the private sector. Civil aviation continues to run at a loss and the future of life insurance is by no means very bright. Similarly, in 1948, the Government decided to reserve, on ideological grounds, the field of further expansion in steel industry to itself and cold-douched the enthusiasm of the existing units in the private sector to add to their productive capacity. The result is that the country is now

tance of curbing inflation. Although the Government does not generally accept the thesis that the recent rise in prices is an inflationary symptom, it has been making strenuous efforts to fight it through imports of foodgrains and credit control. Nevertheless, it is to be feared that the Government is unable to get to the bottom of the mischief, which lies in the inability of agricultural and industrial production to keep pace with the rising demand. This inability is not entirely due to any inherent weakness in the domestic economy. For, to take an instance, the rise in cloth prices is due to an increase in demand which the organised cotton industry is deliberately prevented from meeting. Any other Government would welcome a rise in demand as a factor of considerable significance to the future of agriculture and industries. The Government of India, on its part, feels that it should curb the demand by artificial means rather than facilitate the increase in production that will absorb the rise in demand. Already, the Union Finance Minister has hinted at strategic controls, though he fully realises that controls are unwelcome to the public and also equally fully realises that controls, as all past experience shows, are never a permanent cure for inflation.

There is yet another evil which must flow from inflation. Any increase in inflationary forces will make it more difficult for this country to sell its goods abroad. Administrative controls may succeed in investing a national currency with a value which it does not possess. But, on the foreign exchange field, it is bound to be found out and its real worth exposed. This would be particularly unfortunate for this country now. For at no time in the past was the confidence of foreign investors in the value of the rupee more vital to the country's progress than now, thanks to the enormous amounts that would be needed to finance development. Even as things stand at present, the weakest spot in India's Plan is foreign exchange. From this point of view, Mr. Black has done well to emphasise that a "determined effort is called for to strengthen the competitive power of India's traditional export industries, particularly tea, jute and cotton textiles and to build up new exports, both manufactured and primary products." Further, he has drawn the Government's attention to the fact that, in some instances—for example, cotton textiles and vegetable oils—the official policies appear to have the effect of actively discouraging exports. Accordingly, he has urged the Government to reconsider these policies in view of the severe pressure on foreign exchange resources which is likely to persist throughout the coming period of intensive development in India.

It has, of late, become abundantly clear that transport might conceivably turn out to be the most serious of the obstacles to India's economic progress. Mr. Black's warning on the subject is as timely as it is forthright. He says: "We are struck by the extent to which lack of adequate transportation facilities threatens to constitute the bottleneck in the country's economic development." What is Mr. Black's remedy? Without necessarily suggesting an increase in the allocation under the Plan to railways, which he recognises to be substantial, Mr. Black recommends that, in view of the acute shortage of capital for development and very high import content of railway investment, attention should be given to the possibilities of improving operational efficiency of the railways and to encouraging road transport and coastal shipping; the latter between them should be capable of making considerably larger contribution than at present. It is to be hoped that the Government will accord the necessary priority to road transport and shipping, besides actively pursuing its own efforts at improving the operational efficiency of the railways. Whatever else may brook delay, transport cannot. And the sooner the Government succeeds in the task of broadening the bottlenecks the more effectively will it have paved the way for economic progress.

THE LANGUAGE ISSUE

MUCH has been said and written on the thorny issue of State language, but no satisfactory solution has yet been found. The doubt about the wisdom of having Hindi as the all-India State Language in another ten years, as provided in the Constitution, is growing, thanks mainly to the disturbances that followed the reorganisation of the States on linguistic lines and the fissiparous tendencies generated by it. Some of the top leaders of the country, including the Prime Minister Mr. Nehru, have begun to have second thoughts on this issue. A little over a month ago, in his address to the States' Education Ministers' conference, Mr. Nehru stressed the importance of English both as a medium of instruction for higher education, especially technical and scientific education, and as a means of international communication. It was agreed at this conference that English should be taught as a second compulsory subject even from the lower classes, so that students could gain adequate knowledge and command over it for receiving university education through that medium, and that effective steps should be taken forthwith to improve the standard of this language in schools and colleges. This appreciation of the value of English was born of the realisation that the decline in the standard of education as a whole in recent years was due to the neglect of English and that this deterioration in quality would have a deleterious effect on the pace of economic development. Mr. Nehru averred that it was patent that the manpower for industrial, scientific and agricultural progress could not be trained in any Indian language in the foreseeable future. "It is absolutely clear to me and it is not an arguable matter," he declared with a little vehemence, "that scientific and technological training has to be given in English. I am talking about now and not about 10 or 15 years hence. It does not, therefore, become a question of choice. It is an absolute necessity. You will not get through your Plan, if you do not do it."

While this stress on English has helped to clear the confusion that surrounded the future of its place in the scheme of education in India, it has not solved the equally important issue of all-India State Language. The general trend of thought among the leaders seems to be that, in view of the slow progress that is being made in the spreading of Hindi as an all-India language, it may be necessary to extend the period for English as the Union language by some years. But this, let it be noted, is only a trend of thought and not a certainty. There has been no decline whatever in the devotion of North Indian leaders to Hindi nor in their enthusiasm to make that language the lingua franca of India. In fact, in his address to the Education Ministers' Conference, Mr. Nehru did not say a word against Hindi. On the contrary, he maintained that "Hindi should be given every encouragement to grow and to be used for educational and administrative purposes, provided always that it grows on sound lines and not on superficial journalistic lines." He also added that he could not conceive of any foreign language being the State language of India.

There is, however, a large section of discerning public which feels that this attitude of top leaders is highly unrealistic, a view with which we concur. They are making the same mistake as they did on the issue of reorganisation of States on linguistic lines, namely, allowing sentiments, nursed on ill-digested thoughts, illogical reverence for the past, a bias against anything that is foreign and wrong notions of patriotism, to get the better of them. Although the parochial passions stirred by linguism have opened their eyes to the danger in forcing the language issue to the unity of India, they have not yet appreciated the need for evolving a rational solution. They seem to think that somehow the issue will solve itself and that time will point a way out. This is not a policy of convenience as some are inclined to believe, but one of drift, one that is not creditable to a nation which believes in planning and ordered, rapid growth. It is another instance of our national weakness, a tendency not to face squarely inconvenient issues. It is this weakness that encouraged the evil of linguism or provincialism. It will lead to a similar evil, if the issue of Union language is not satisfactorily tackled in good time. Delays, be it noted, always result in growth of vested interests.

Those who live in the North—these include almost all the top leaders of the Congress Party and the Ministers of the Central Government—are apt to minimise the danger, because the strongest opposition to Hindi being made the Union language comes from the South. But India is fortunate that one of its shrewdest politicians, Rajaji, happens to live in its southern part. Although it is now quite a few years since he retired from active politics and despite his advancing age, his love for India and humanity is so strong that he continues to take a lively interest in the difficult problems facing them. While it is true that not all the pronouncements of Rajaji have been sensible or realistic, it seems to us that what he said on the subject of Union language on Monday last constitutes a rational and the only practical solution. Addressing a students' gathering, Rajaji said that the language prevailing in a State should be the language of that State and that the language for inter-State communication as well as for communication between a State and the Centre should continue to be English and should not be replaced by Hindi. His thesis was that, in due course, both English and Hindi should be the Union languages. And he gave very good reasons in support of it.

Rajaji conceded that Hindi was the language of a vast majority of people in the country. Nevertheless, he did not want it to be the sole official language of India, for, in matters of administration, equal justice and expediency were very important matters. If Hindi were made the official language, he argued, it would not be fair to the large body of Tamil people—we would add to all non-Hindi people—living in a compact area who had studied English for 150 years. English to them was an asset and a possession and it would be an act of "grave injustice" if the people of Tamil Nad were ordered to manage their business in Hindi which they did not know. The logic of this argument cannot be denied by any impartial observer. Due to an accident of history, people all over the country have been accustomed to English as the State language. If it is a handicap to them for the reason that it is a foreign language, people in all parts of the country suffer from that handicap equally. If English is removed in favour of Hindi, the balance will be strongly tilted against a large section of the people. The latter will then nurse a grievance against the Hindi-speaking majority, a state of affairs which will not be conducive to the unity of India—a far more important consideration than devotion to any particular language of India. Further, as Rajaji rightly observed, if, in the Indian Union, any law or rule is enforced which brings great advantages to certain sections of people speaking a particular language and great disadvantages to millions of others who do not know that language, it will not be a just law; nor will the Union be a just democracy, for the concern of the Union should be fairness and equality for all, not merely for the majority.

There is, of course, nothing wrong in having more than one State language. Switzerland, the best democracy in the world, has three languages, namely, Italian, German and French. Similarly, Canada and Finland have two official languages. If these countries, the populations of which are very small as compared with India, can have more than one official language, there is no reason why India, with its vast population of about 370 million, speaking a score of languages, should not follow their example. There are at least over a dozen major languages in India and it will not be possible to have all of them as Union languages. Hence Rajaji's suggestion to have only two languages, Hindi and English, for this purpose, Hindi because it is the language of a majority of the people and English because it appeals to the vast minority of non-Hindi-speaking people, besides being already in vogue as a State language. All intelligent and educated men in India today know English and their ranks are fast increasing. Indeed, Rajaji's idea provides a very convenient way out of the language impasse into which India was driven by its leaders without much forethought when the Constitution was framed. Incidentally, it is, perhaps, not widely known that, even when the Constitution was on the anvil, there was considerable opposition to the ultimate abolition of English as the Union language and Hindi won its place by a majority of one vote. To retain English as Union language side by side with Hindi will thus be in accordance with the wishes of a vast number of the Constitution-makers. In any case, by giving equal place to English with Hindi, the Hindi-speaking regions do not lose anything; on the contrary, they will be in the happy position of being able to have the cake and eat it, because, besides the high status of Union language which their mother tongue will attain, they will also earn the goodwill and co-operation of the people in the South. A practical advantage of this solution will be that it will enable States like Madras, Kerala and Mysore to deal with the neighbouring States and with the Centre in English, while allowing Hindi-speaking people to do their business in their own language. Another great advantage will be that, as English is a world language, it will help India to maintain its international relations with ease and comfort, as also facilitate foreigners to take an intelligent interest in what is going on in this country. If India is not to become a closed book to the rest of the world and *vice versa*, if it is to hold a leading place among the comity of nations, if its international trade is to grow, if it wishes to have the active assistance of foreign capital for its economic development, in fine, if it is to attain the status of a modern industrial nation with progressive ideas, then it must not lower the present status of the English language, one of the few tangible advantages which it has gained as a result of 150 years of foreign rule.

NO CAUSE FOR INVESTORS GETTING JITTERY

T.T.K.'s Vain Threat To Cloth Trade—Two More "Blue Chips" Coming Soon

THURSDAY, 5 P.M.

MARKET GOSSIP

THE downward trend witnessed on the Stock Exchange last week gathered further momentum during this week. This was probably a case of a bear market feeding on itself. Any trend, once given impetus, lasts for a while. We all saw how and why confidence was rudely shaken last week. And, since then, there has been no change in the sentiment. When one is in a depressed mood, one is apt to view even bright developments in dark light or to exaggerate little things. In other words, when one is nervous, even minor events are sufficient to make one become unduly jittery. This is what happened during the week under report. Investors, therefore, should not be alarmed by the current trend of the market and liquidate their holdings indiscriminately at a loss. A typical instance of exaggeration was provided by the bearish interpretation given by the operators to the World Bank President's letter to Mr. T. T. Krishnamachari, India's Finance Minister. Such an interpretation, as we shall presently show, is unwarranted. On the contrary, it should be regarded as a bullish factor, for his advice to India, if followed, would occasion a more healthy economic development of the country and greater opportunities for the private sector.

Mr. Black has offered his criticisms of the Plan in a very friendly and constructive manner. He has advised the Government to give more encouragement to the private sector, and high priority to development of transport. He has asked the Government to devote greater attention to India's export industries such as textiles, oils, jute, tea and other plantations. He has told the Government to resort to deficit financing cautiously. All these suggestions are sound and there is no reason to believe that Mr. Nehru's Government will find any difficulty in heeding them. If it does, the results will be nothing but good for investors. But what if it turns a deaf ear to them? It will mean more inflation, more controls, more taxes, more profits, more of everything. From the long-range point of view, all these will mean a bad thing for investors, because a boom will one day burst. As one will not know when this will happen, one may suddenly suffer capital depreciation. But, from the short-range point of view, inflation will, sooner or later, bring a substantial appreciation in values, high taxes and strategic controls notwithstanding. So, in whichever way one may look at Mr. Black's letter to Mr. Krishnamachari, there is no cause for taking a pessimistic view of it.

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The frequent threats by Government spokesmen that they will extend the activities of the State Trading Corporation to this or that trade may make it difficult for one to believe that the Government will not restrict the scope for the private sector. The fact that Mr. Krishnamachari continues to swear by the handloom industry, despite the acknowledged urgent necessity for stepping up the supply of cloth as quickly as possible, may make one despair of Government's economic policy. But there are also indications that, gradually, the Government will realise the limitations of the public sector and allot more functions to the private sector.

In the first place, of late, Mr. Nehru has been telling his party men that it is not advisable to restrict factory production, in order to support cottage industries.

Secondly, the Government has already bitten much more that it can chew. It has simply not the administrative capacity to take on more commercial jobs.

Thirdly, even the Civilian clique, which, in its anxiety to grab more power and prestige, egged on the politicians to go ahead with their pet experiments in socialism, must have become tired and exhausted on account of overwork. With the exit of Mr. C. D. Deshmukh from the Central Government for good, this clique has lost a strong support for achieving its ambitions. The mess in which the country finds itself as a result of nationalisation of life insurance is mainly the work of Mr. Deshmukh, supported by this Civilian clique. In another two years, the Government and the ruling party will find out for themselves that the big things, which they have promised to do in the field of transport, industry and finance, cannot be achieved within the target date. Then, they are bound to give more work for the private sector.

Fourthly, the Government, which was at one time very strongly opposed to giving permission to Tatas for putting up two thermal power stations at Trombay and indulged in a prolonged controversy, which was finally settled in favour of Tatas only after the intervention of the World Bank, has now literally forced them to install a third thermal plant. It has been now officially announced by the Tata-Hydro Companies that the Bombay Electricity Board has sanctioned an expansion of the thermal generating station at Trombay by the installation of an additional 50/62.5 M.W. set. When this expansion is completed, the total generating capacity of the Trombay thermal power station will be raised from 100,000 to 150,000 kw. The cost of this expansion is estimated at about Rs. 6 crores and the Companies propose to proceed with the scheme as expeditiously as possible. As for the finance, we learn that the Government will do everything possible to help the Companies to raise the necessary resources.

Again, though Mr. Krishnamachari may swear by the handlooms and talk of expansion in production of cloth only through the decentralised sector, the law of demand and supply will compel him to relax. The Government can stick to its present cloth policy only if it pares down the development expenditure envisaged in the second Plan. It, however, does not propose to do so; if anything, it wants to raise the size of the Plan in terms of money from Rs. 4,800 crores to Rs. 5,200 crores. As there is going to be no reduction in the development expenditure, the demand for cloth and consumer goods is bound to go up to such an extent that the handlooms and powerlooms will be unable to cope with it. Public opinion, which is now indifferent towards the controversy handlooms *versus* cotton mills, will then become strongly critical of the Government's cotton textile policy.

If Mr. Krishnamachari and his colleagues are wise people, they should anticipate this development and take appropriate steps even now to avert an acute cloth famine two years hence. For, unlike food, an increase in cloth production cannot be brought about in one season. It will take at least two years to build the capacity for producing more cloth. That much time will be required for raising the additional quantity of cotton that will be necessary for increasing the cloth output. Further, unlike food, domestic supply of cloth cannot be supplemented by imports, as the country does not command sufficient foreign exchange resources to enjoy such a luxury. Moreover, large imports of cloth will be ridiculous and a negation of its policy of placing a ceiling on the domestic mill industry, in order to give protection to handlooms. Accordingly, it cannot be long before the Government changes its policy in favour of the mills. There are already reports in knowledgeable circles that a ten per cent. increase in the loomage of mills is being contemplated by the authorities.

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In his Press conference at Madras on Monday last, Mr. Krishnamachari he'd out a threat that, if the cloth traders did not behave properly, he would order the State Trading Corporation to take over their business. This threat is unwarranted, because he has already done enough to compel them to keep cloth moving. If there is a dislocation now, it is purely a temporary phase. After all, he has given the industry and the trade such a severe shock that it will take some time for them to recover from it and settle down to do business as usual. By announcing his notional fair prices, he has also put up the public against the trade and industry. It will tantamount to adding insult to injury, if he comes out with State trading in cloth on top of all the steps he has taken in the last one month.

Be that as it may, does Mr. Krishnamachari seriously believe that State trading in cloth will be successful? There are nearly 3,800 varieties of mill-made cloth and something like 4,200 million yards of such cloth will have to be distributed in a year. If the Governments were to undertake this job, they will have no time for doing anything else. It will be beyond their capacity and quite foolhardy of them to attempt it. State trading in cloth was tried on a small-scale in the past, resulting in heavy losses to State Governments. One has only to look at the civil expenditures of these Governments relating to the years 1946 to 1952 to realise how much money has gone down the drain on account of this business. Let not the people be misled into thinking that State trading will bring any net benefits to them. They may pay a few annas less for every yard of cloth, but they will be called upon to make good the Government's losses on such trading through higher taxes. So far as the party in power is concerned, it will become extremely unpopular, for State trading in cloth will open the flood-gates for corruption and nepotism. The whole thing sounds so unrealistic that we do not think Mr. Krishnamachari meant it seriously.

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The coming weeks will witness a spate of new capital issues from the private sector. Of these, two at least will be by foreign-owned and foreign-managed companies. These are Lever Brothers and Guest, Keen, Williams. Both the Companies have completed all the formalities and preparations for placing their issues on the market. They may announce their issues early next month and the lists are scheduled to open by about the middle of that month. It is just likely that the offer of Guest, Keen, Williams will precede that of Lever Brothers by a few days.

Both the Companies are now private limited companies. The scheme is to convert them into public limited companies by offering a part of their capital, all of which is now closely held by their foreign associate companies, to the Indian public. The object is to provide an opportunity to Indian investors to participate in the fortunes of these "India Limited" companies. It is well known that they have established themselves well in this country and have been making satisfactory profits. Their shares, when issued, will add to the number of "blue chips" quoted on the Indian Stock Exchanges.

About 5.9 lakh ordinary shares of Rs. 10 each, representing approximately 30 per cent. of its ordinary capital, will be offered by Guest, Keen, Williams Ltd. to Indian investors at a premium of Rs. 10 each. In other words, the issue price of this scrip will be Rs. 20 per share. Those who are in the know of the Company's affairs consider it as quite attractive both from the point of view of yield and prospects for capital appreciation. It is surmised that the yield will be very nearly 9 per cent. per annum, tax-free. The Company specialises in mechanical engineering, particularly in the manufacture of railway specialities. In its Bhandup Works at Bombay, which commenced manufacture in September 1953, the Company has the largest output of high class steel and brass wood screws in India.

The Lever Brothers' issue will consist of 5.5 lakh shares of Rs. 10 each, equal to 10 per cent. of the paid-up capital of the Company when it is converted into a public limited concern. The issue price, we learn, will be at Rs. 16-8 per share, that is, at a premium of Rs. 6-8. Knowledgeable circles say that the rate of premium is very low, considering that the Company is expected to pay a dividend which will give a yield of at least 10 per cent. per annum, tax-free. It may be noted that, since only 10 per cent. of the capital is offered to the public by the existing holders, the Company falls under section 23A of the Income-tax Act. We understand that the present holders wanted to offer the shares at a premium of Rs. 15 per share, but the Government forced it down to the figure mentioned above.

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The share market has reacted sharply to the World Bank President's letter to the Union Finance Minister. How far will Mr. Black's criticism of the Government's economic policies adversely affect the Bank's assistance to India's second Five-year Plan? This is not a mere academic question, for the successful implementation of the Plan depends largely on India's ability to cover the foreign exchange deficit, estimated at as much as Rs. 1,100 crores over the period of the second Plan; even this figure is said to be an underestimate. Allowing for withdrawals from the sterling balances to the tune of Rs. 200 crores, the net deficit is likely to be of the order of Rs. 900 crores, of which the foreign exchange requirements of the public sector alone account for Rs. 800 crores and those of the private sector Rs. 100 crores. Even if one takes into account the agreements with foreign countries which have been concluded for financing certain specific projects in the public sector, such as the three steel plants, it is computed that the public sector would need about Rs. 630 crores, in order to fulfil its obligations under the Plan. The Bank, as is well known, has been one of the major sources of foreign exchange to India. Thus, as on 30th June 1956, its loans to India aggregated $95 million, of which $48 million had been disbursed; besides this amount, the Bank has sanctioned a loan to the tune of $75 million for financing the T.I.S.Co's expansion programme.

It is in this context that one should assess the observations of Mr. Black, who, in his letter to the Finance Member, observes that the Bank believes that Indian economy has the capacity to develop basic strength which would "justify considerable increase in overseas borrowing during the next five years." But he adds:

"It is scarcely possible, however, for the Bank to commit itself to any specific figure for lending. We feel that we will have to consider the pace and scale of our further loan operations in India from time to time in the light of economic conditions and prospects, taking into consideration the economic policies which are pursued by your Government. On the one hand, we should have to take into account the extent and character of the impact on India's balance of payments of services of external debt contracted from sources other than the Bank. On the other hand, our disposition to lend would be favourably influenced by the amount of external financial assistance which India obtains without incurring the fixed foreign exchange obligations. I hope that we may contemplate development of close co-operative relationship between your Government and the Bank in which, from time to time, we shall mutually review the progress being made in execution of the second Five-year Plan and consider together further the role which the Bank may be able to play. For the present, I should like to assure you that the Bank is ready to embark forthwith on consideration and analysis of such further investment projects as your Government may desire to put forward."

It would be seen from the extract quoted above that the World Bank is not exactly averse to lending to India, though its loan operations will naturally be governed by the strength and resilience shown by the Indian economy from time to time. More specifically, the World Bank President has viewed favourably India's chances for obtaining aid for purposes of developing transport. Thus, he says that the problem of transport is one which has particularly engaged the attention of the Bank as well as the Government and of private interests throughout India. After emphasising the importance of raising the operational efficiency of the railways and of encouraging road transport and coastal shipping, Mr. Black says:

"I think that transportation could appropriately be regarded as top priority for any Bank financing that may be devoted to the second Five-year Plan. As preliminary detailed examination of projects in this field, I suggest that it would be useful if the general problem of transport in India could first be discussed between your Government and the Bank in the light of the study of the Indian railways which, I understand, has recently been carried out at your invitation by a team of American railway consultants."

It may be mentioned here that transport figures quite prominently in the Bank's loan operations. Thus, out of the Bank's total loans of $2,667 million, as on 30th June 1956, the loans given for transport purposes accounted for $656 million. The specific items of transport for which the Bank has lent financial assistances are: Railroads $348 million (of which $117 million to Africa and $80 million to Asia); shipping $12 million (entirely in Europe); ports and inland waterways $78 million (of which $34 million to Asia and $37 million to Europe); roads $168 million (of which $114 million to countries in W.

(Continued on page 747)

EQUITIES RETREAT FURTHER

NERVOUS SELLING IN TEXTILES

(From Our Own Correspondents)

BOMBAY, 11*th October*

FOR the second week in succession, the Stock Exchange ruled very much subdued. The frank criticisms on the Government of India's economic policies, made by the World Bank President in a letter addressed to the Union Finance Minister, adversely affected the sentiment of operators. The criticisms were interpreted to mean that the chances of India getting large World Bank loan had become slender. This feeling gave rise to all sorts of conjectures. Some thought that the Government might reduce the scale of deficit financing, while some others felt that the monetary and fiscal policies might be tightened. There were, of course, fears of increased tax burdens which gathered momentum with the recent pronouncements of the Finance Minister. In addition to these general bearish factors, the Government's decision to lower the *ex*-factory price of cement in the case of several companies, thick rumours of the State Trading Corporation taking over distribution of mill yarn to handlooms, and the Finance Minister's statement that the Government might enter the cloth trade if prices did not decline also imparted weakness to the market. Disquieting reports from piecegoods markets and bearish advices from Calcutta, too, acted as a damper. There was, therefore, persistent nervous liquidation by bulls, which, coupled with fresh speculative selling, brought about a further sharp reaction in equity values. The undertone of the market was weak.

In the steel section, Tata Steels were firm on the opening day at Rs. 196-8, as against Rs. 196 last week-end. Induced by continuous selling, they came down to Rs. 193 on Tuesday. After recovering to Rs. 195-8 yesterday, they relapsed again today to Rs. 193-4 before finishing at Rs. 193-12. Over the week, there was a loss of Rs. 2-4. Indian Irons began the week As. 4 higher at Rs. 34-13, but, for want of support, declined in the subsequent sessions to Rs. 34-4. After rising by As. 5, the shares retreated to Rs. 34-3 at the close today. The net loss over the week was As. 6.

Textiles suffered a severe setback, thanks to enlarged offerings in the wake of slackness in enquiries. Madhusudans moved down by Rs. 13-12 to Rs. 117-8. Bombay Dyeings dropped a like amount to Rs. 620-10. Laxmis fell by Rs. 12-8 to Rs. 710. B.R. Cottons slumped by Rs. 9-12 to Rs. 50-4. Bradburys declined by Rs. 8 to Rs 209-6, Centurys by Rs. 8 to Rs. 548, Dawns by Rs. 7-8 to Rs. 160 and Kohinoors by Rs. 7-4 to Rs. 349. Podars shed Rs. 5-4 to Rs. 167-8. Svadeshis lost Rs. 4-8 to Rs. 246-8, Shreenivas Rs. 3-12 to Rs. 215 and Finlays Rs. 3-8 to Rs. 341-8. Mafatlals, Mysores and Phœnix suffered a fall at Rs. 2 each to Rs. 417-8, Rs. 115 and Rs. 148-12, respectively. Central Indias eased by Rs. 2 to Rs. 149. Elphinstones were lower by Re. 1-8 at Rs. 61-8. A similar loss was suffered by Tata Mills which were done at Rs. 55. Models and New Kaisers decreased by Re. 1-4 each to Rs. 248-12, Rs. 190-10 and Rs. 126-4, respectively. Standards, however, were well supported and advanced by Rs. 2-8 to Rs. 475. Gokaks were also better by Rs. 2 at Rs. 240 and Indores by Re. 1-4 at Rs. 155-10.

Bank shares were dull and featureless. Barodas receded by As. 12 to Rs. 101-4. Punjab National's and United Commercials slipped by As. 8 each, the former to Rs. 56-8 and the latter to Rs. 57-12. Central Banks decreased by As. 4 to Rs. 51-12. Indias lost a like amount to Rs. 173-4. Unions were unchanged at Rs. 7-3.

Barring Bombay Suburbans and Ahmedabad Electrics which recorded a rise of Rs. 15 and As. 15 to Rs. 1,240 and Rs. 95-10, respectively, on special buying support, electricity shares failed to evoke the attention of operators and lost ground. Andhra Valleys came down by Rs. 15 to Rs. 1,240. Tata Powers fell by Rs. 5 to Rs. 1,310. Tata Hydros eased by As. 8 to Rs. 130-8. Surats declined by As. 3 to Rs. 118-12. Amalgamateds were a shade easy at Rs. 11-1.

Engineering and mining shares recorded a decline in values for want of support. Alcocks were sold at Rs. 335, as against Rs. 340. Premier Constructions retreated by Rs. 2-8 to Rs. 206-8. Larsen and Toubros receded by As. 5 to Rs. 18-12. Indian Coppers eased by an anna and a half to Rs. 6-15-6. B.B. Petrols lost nine pies to Rs. 3-11. Shivrajpurs were unaltered at Rs. 86. Tata Locomotives, however, strengthened by Rs. 2 to Rs. 168-8 on expectation of an early Government decision regarding prices of locomotives.

In the sugar group, Phaltans dropped Re. 1-8 to Rs. 162. Bhopals declined by As. 9 to Rs. 19-10. Belapurs gave way from Rs. 251-4 to Rs. 251. Cauverys were quiet at Rs. 50. Walchandnagars, on the other hand, had buyers Re. 1-14 higher at Rs. 273-2.

Cement shares suffered a further fall in price. Associated Cements climbed down by Rs. 4-4 to Rs. 194-4, notwithstanding the fact that the cut in *ex*-factory prices of cement does not apply to this Company. Digvijays fell by Rs. 3-8 to Rs. 192. Orissas lost 18 pies to Rs. 13-4-6.

Activity in the transport section was restricted. Scindias came in for selling and lost As. 4-6 to Rs. 18-12-6, while Great Easterns improved by As. 4 to Rs. 22-2. Premier Automobiles elicited good attention of some operators and picked up Re. 1-12 to Rs. 103-4. But Hindustan Motors eased by 18 pies to Rs. 9-9-6.

Among miscellaneous industrials, Bombay-Burmahs were adversely affected on renewed fears of delay in the implementation of the scheme of capital reorganisation. Old shares drifted lower from Rs. 733-2 to Rs. 718-2 and new shares from Rs. 276-4 to Rs. 266-14. National Rayons were subjected to heavy selling and dropped Rs. 8-12 to Rs. 254-4. Tata Oils declined by Rs. 2 to Rs. 55 and Killicks by Re. 1-8 to Rs. 175. Wimcos and Polsons eased by Re. 1-4 each to Rs. 177-8 and Rs. 176-4, respectively. India Investment Trusts lost a rupee to Rs. 75. Tata Chemicals decreased by As. 7 to Rs. 20-3. B.I.Cs, however, were in special request and rose by As. 3 to Rs. 11-4.

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Madras Stock Exchange

MADRAS, 9*th October*

The Madras Stock Exchange displayed a distinctly bearish trend during the week under review too. Traders would appear to be somewhat pessimistic about the returns from investment in industries. The pessimism is based on some of the recent pronouncements of the Union Finance Minister. The supply of funds seeking investment is rather limited, credit control measures are being tightened, and there are fears of upward revision in taxes. All these factors have chilled the enthusiasm of operators for fresh commitments. In fact, the general tendency seems to be to liquidate the existing holdings and, consequently, equity values continue to march downwards.

During the week under review, textiles were subjected to heavy selling on rumours of the Government fixing "fair" prices for yarn (as in the case of cloth) and the State Trading Corporation taking over the distribution of mill yarn to handlooms. Further, the Finance Minister's statement regarding the future of cloth prices induced holders of textile shares to sell them. Coffee shares also came in for selling, on bearish advices from the recent coffee auctions. Tea shares lacked enquiries, thanks to reports of overall production being in excess of world consumption and uneconomic prices fetched by common tea. Rubber shares were neglected, in the absence of any fresh incentives. Sugar shares suffered losses, following persistent weakness in sugar markets.

Textiles, as already stated, were subjected to heavy selling. Coimbatore Spinnings slumped by Rs. 9 to Rs. 90 *ex-div.* Bangalore Woollens dropped Rs. 8-8 to Rs. 575 and Ranga Vilas Rs 8 to Rs. 84. Metturs climbed down by Rs. 7-8 to Rs. 455. Buckinghams fell by Rs. 5-4 to Rs. 197-8, Janardhanas by Rs. 5 to Rs. 108 and Rajalakshmis by Rs. 4 to Rs. 182. Venkatesas decreased by Rs 2 to Rs. 178. Cannanores and Vijayamohinis lost a rupee each to Rs. 188 and Rs. 91, respectively. Ashers were unchanged at Rs. 232 *cum-div.* The Directors of the Asher Textiles Ltd. have declared a tax-free dividend of 15 per cent. for the year ended 30th June 1956, as against 12½ per cent. for the previous year.

Among coffee shares in the planting section, Cochin Malabars moved down by As 11 to Rs. 11-5. Consolidated Coffees shed As. 7 to Rs. 26-11. Shevaroys receded by As. 3-6 to Rs. 2-9-6. Anaparis and Kumergodes were done each As. 2 lower, the former at Rs. 4-13 and the latter at Rs. 7-4. Among tea shares, Coffee Lands retreated from Rs. 27-4 to Rs 26-11. Midlands fell by As. 8 to Rs. 20-6, Kil Kotagiris by As. 7 to Rs. 8-7 and Periakaramalais by As. 6-6 to Rs. 9-7-6. Peermades declined by As. 4 to Rs. 33-12. Twyfords lost a like amount to Rs. 20-12. United Nilgiris eased by As. 3 to Rs. 24-4 *cum-div.* (final). Devasholas, Kalasus and Perksides decreased by As. 2 each to Rs. 25-2, Rs. 16-2 *cum-div.* and Rs. 19-12, respectively. Among rubber shares, Mlamallays dropped a rupee to Rs. 59. Rajagiris slipped by As. 10 to Rs. 25-10. Vaikundams gave way from Rs. 34-12. Neelamalais changed hands lower at Rs. 7-9, as against Rs. 7-14, and Thirumbadis at Rs. 2-4-6, as against Rs. 3-7-6.

Deals in sugar shares were put through at reduced rates. Deccans fell by As. 6 to Rs. 11-10 E.I.Ds. receded by As 4 to Rs. 31. Jeypores lost As. 2 to Rs. 13-14. Indias eased by an anna to Rs. 16-14. United Breweries, however, elicited special buying support and rose by As. 2 to Rs. 217.

In the miscellaneous section, India Cements went down by Re. 1-8 to Rs 32-12 *cum-div.* (final). Mysore Papers were on offer As. 14 lower at Rs. 17-8. Travancore Rayons fell by As. 7 to Rs. 15-7. Aluminium Industries receded by As. 6 to Rs. 20 *ex-div.* F.A.C.Ts and Mettur Chemicals declined by As. 3 each to Rs. 6-13 and Rs. 10-4, respectively. Textools, on the other hand, encountered excellent buying enquiries and forged ahead from Rs. 222 to Rs. 235. Nundydroogs rallied Re. 1-14 to Rs. 10-6 *ex-div.* Champion Reefs spurted by Re. 1-2 to Rs. 7-6. Rallis advanced by As. 8 to Rs. 44-8. Singarenis gained a like sum to Rs. 11-10. Travancore Cements were better by As. 4-6 at Rs. 10-12-6

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Calcutta Stock Exchange

CALCUTTA, 9*th October*

Dull conditions prevailed on the Stock Exchange during the week under review. Interest in fresh business was lacking, in view of the *Puja* holidays which will commence from tomorrow. Volume of transactions put through was very small, with fluctuations in values confined to a narrow range, the general tendency being downward.

Jute and coal shares drifted lower, owing to slack enquiries. Among the former, Howrahs slipped by As. 9 to Rs. 23-3. Nationals and New Centrals suffered a loss of As. 6 each to Rs. 24-15 and Rs. 15-15, respectively. Among coals, Western Bengals declined by As. 3 to Rs. 6-4. Burrakurs eased by As. 2 to Rs. 15-13. Central Indias were quiet at Rs. 7-7. In the engineering section, Indian Irons fell by As. 6 to Rs. 34-7. National Irons receded by As. 4 to Rs. 8-5. Jessop & Cos., however, evoked very good attention, the quotation advancing by Re. 1-13 to Rs 39-1. Richardson and Cruddas gathered As. 11 to Rs. 28-3. Tea shares received some support. Patrokolas were in the limelight and jumped up by Rs. 19 to Rs. 231. Dhelakhats hardened by As. 4 to Rs. 23-14. Brooke Bonds were better by As. 2 at Rs. 22-8. Among miscellaneous shares, Jardine Hendersons moved down by Rs. 2-8 to Rs. 89. Indian Aluminiums shed a rupee to Rs. 18-8. National Tobaccos lost As. 4 to Rs. 75-4. Rohtas were quiet at Rs. 22-4 and Martin Burns at Rs. 24-12.

RESTRICTION OF CREDIT TO CLOTH TRADE

In a communication to the Reserve Bank of India, the Bihar Chamber of Commerce has urged the Bank to reconsider its directive to Scheduled banks to restrict credit facilities to cloth dealers, and to restore the margin of accommodation to the previous level. The Chamber has pointed out that reduction of the margin of accommodation by 10 per cent. as decided upon by the Bank will adversely affect the smooth movement of cloth from the mills to the market at a time when cloth is greatly needed. It is further of the view that the measure may produce a rise in the prices of cloth, instead of fall. It has argued that, if the aim of the Government is to curb hoarding, this can as well be achieved by the recent order of the Government prohibiting wholesale dealers from holding more than three months' stock in their possession at a time.

The last annual general meeting of the State Bank of Pakistan was held at Lahore and not at Karachi as was stated in column 1, page 554 of our issue dated 22nd September.

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NEWS IN BRIEF

UNDER the Women's Savings Campaign Scheme, launched three years ago, a sum of Rs. 4.82 crores has been collected so far. The scope of the campaign is proposed to be expanded considerably.

The first Inter-State Regional Seminar, organised by the Ministry of Community Development, was held at Junagadh in Saurashtra from 8th to 11th inst. The Seminar took stock of the economic, psychological and social impact of the Community Development Programmes.

The Travancore-Cochin Government has sanctioned the establishment of a co-operative central land mortgage bank for the New Kerala State. The bank will replace the existing Travancore Credit Bank, which will be liquidated. Its assets and liabilities will be transferred to the new bank.

The Assam Oil Company has announced that tests now being made at the Moran test well No. 1 have shown signs of oil but it is too early yet to say what the importance of these are. This well, drilled to a depth of 13,739 feet, more than 2½ miles, is the deepest well in the sub-continent and one of the deepest wells in Asia.

The Railway Board has decided to set up a fuel economy training centre at Dhanbad, in Bihar. The decision has been taken in pursuance of one of the recommendations of the Railway Fuel Economy Enquiry Committee which had suggested that a central training institute should be set up to give short courses of intensive training to locomotive and fuel inspectors in maintenance and operation of locomotives.

The Government of India has taken preliminary steps to carry out the inland water transport schemes included in the second Five-year Plan under which some 5,000 miles of river routes are proposed to be made navigable for modern power craft. Mr. K. S. Krishnan, an officer of the Calcutta Port, will be in charge of planning and designing structures and equipments needed to assist navigation.

An engineering and traffic appreciation survey is to be carried out by the Western Railway for a broad-gauge railway line of about 158 miles from Jhund to Malia and extending up to Jamnagar, in Saurashtra. Saurashtra is at present served by a network of metre-gauge railways and the object of the survey is to investigate the prospects of providing a direct link with the broad-gauge system in the rest of the country.

A new workshop for the manufacture of railway signalling and interlocking equipment is to be set up at Sabarmati, near Ahmedabad, at a cost of over Rs. 2.5 crores. The Western Railway at present has two signalling workshops at Ajmer and Mahalaxmi and a telecommunication workshop at Bombay. These are mainly engaged in repair and overhaul work. The new workshop will be equipped with both broad and metre-gauge slidings.

The Netherlands Minister for Food and Agriculture has handed over to the Government of India a plant for preparing bottled milk. It is a present to India by the Netherlands Dairy Machinery Manufacturers' Association. With this plant, it will be possible to prepare pasteurised, sterilised and recombined milk. The gift includes the accompanying laboratory also. The plant is meant for the Dairy Produce Research Institute at Karnal, where it will be used mainly for purposes of instruction.

Under an agreement between Messrs. Kokoku Rayon Pulp Company of Japan and Sahu Jain Ltd. of India, a team of Japanese experts recently visited Dalmianagar to explore the possibilities of starting a rayon grade pulp factory. The team will also make an extensive tour of the Himalayan forests, with a view to finding out coniferous wood necessary for the production of rayon pulp. The team is also visiting Dehra Dun to observe the results of research on wood.

The services of an eminent American dairy engineer have been sought to assist the West Bengal Government to prepare plans for a new dairy factory in Calcutta with a manufacturing capacity of 500,000 lbs. of milk per day. Construction of this second milk factory which is to be finished within the target year of 1959 is one of the important projects under the Rs. 6½-crore Greater Calcutta Milk Scheme. The Scheme, which will be completed with the financial assistance and collaboration of the F.A.O., envisages the augmentation of milk production for consumption tenfold.

The Eastern Shipping Corporation has decided to fall in line with the decision of the India-Australia Shipping Conferences to increase by 10 per cent. freight rates on cargo between India and Australia from 1st November. Mr. R. R. Saxena, Managing Director of the Corporation, observed that the Corporation, which is a member of the India-Australia Shipping Conference, had initially expressed disapproval of the surcharge proposal. However, it did not consider it advisable to fall out from the majority decision of the Conference. The Conference, he observed, has excluded cotton textiles from the operation of the surcharge.

In order to provide technical assistance to small-scale industries, the Ministry of Commerce and Consumer Industries will set up a number of extension centres in several industrial towns of the country. The extension centres, which will work under the guidance of the regional service institutes for small industries, will render advice on the introduction of improved machines and techniques, reduction in the cost of production and organisation of industries. The centres will also be equipped with workshops and common service facilities or testing laboratories. The Government has sanctioned Rs. 9.1 crores for the purchase of equipment and machinery. A number of machine tools are being acquired free from the U.S. under the Technical Co-operation Mission.

As a result of discussions held in New Delhi letters have been exchanged between the Government of India and the Japanese Government, extending, till 31st March 1957, the most-favoured-nation treatment accorded to each other in the Indo-Japanese Peace Treaty of 1952. It had provided that, pending the conclusion of agreements to place their trading and other commercial relations on a stable and friendly basis, the two countries would accord, on a reciprocal basis, for a period of four years, certain privileges to their nationals in trade, shipping, navigation, air traffic, etc. For various reasons it has not been possible so far to conclude the agreement envisaged in the Treaty and hence the latter's provisions are being extended.

* * * *

From Abroad

The Cairo Radio has reported that Saudi Arabia would grant Egypt a new credit of about $15 million.

A proposal to increase Pakistan's tea production from 54 million lbs. to 75 million lbs. a year has been adopted by the Pakistan Tea Board.

Details of a plan for an iron and steel plant to be set up in Pakistan are being prepared by Krupps of Essen. The cost of the plant is put at more than Rs. 60 crores (£45 million).

Japanese industrial interests have offered to buy Ceylon's entire annual output of ilmenite. According to present plans, 100,000 tons of ilmenite-bearing sands could be refined annually in Pulmodai in the Eastern Province of Ceylon.

France and West Germany announced recently that they have reached an agreement for the return of the Saar to the latter. A satisfactory solution of the problem of currency exchange in the Saar from French francs to West German marks has also been arrived at.

Output of Australian factories rose by 4 per cent. in the financial year 1955-56, as compared with the previous year. Three-quarters of the rise is attributable to the metal working industries, especially to motor vehicles and industrial machinery.

Soviet Russia has signed an agreement to supply 200,000 tons of wheat to Egypt which will cost Egypt 5,750,000 pounds (Egyptian). Egypt has already contracted to buy 200,000 tons of Russian wheat some time ago which means that it is due to receive 400,000 tons during the 1956-57 season. Egypt will pay in its own currency which will be used by Russia to purchase cotton and other cereals in Egypt.

China is to give Nepal economic assistance of the order of Rs. 6 crores over the next three years under an agreement signed in Peking on 7th October. This will raise the total foreign aid Nepal is to receive in the next three years to Rs. 26 crores. India has already offered aid to the tune of Rs. 10 crores and the U.S. is to give an equal amount. Nepal's Five-year Plan is estimated to cost Rs. 33 crores.

The International Co-operation Administration announced on the 4th inst. that the United States would sell up to 40,000 tons of wheat to Afghanistan to help relieve a food shortage resulting from recent floods and drought. The Afghan currency received from the sale of the grain will be deposited in a special account in Afghanistan. The Government of Afghanistan will market the wheat through internal commercial channels.

A free trade zone will shortly be established in Port Said. Officials of the Egyptian Commerce and Industry Ministries have already prepared details for its establishment. The Plan involves the setting up of industries, assembly plants and import-export facilities similar to those in the Tangier Free Zone. It is hoped that the establishment of the zone will not only benefit Egypt but also help business promotion in the entire Middle East.

A plan has been elaborated in France, and will soon be put into operation, by which motorists travelling on the main roads of France will be warned of telegrams waiting for them. Service stations will display a notice that there is a telegram waiting for the owner of a car, whose number will be indicated. The contents of the telegram will be made known to all the service stations of the particular road travelled, which in turn will make them known to the owner of the car.

The Department of Commerce estimates that U.S. employment in mid-September aggregated 66,071,000, a new high for the month, but down slightly from the all-time high registered this summer. The Department attributes the decline to students leaving jobs to return to school and to seasonal employment. The figure is 1.3 million above that for last September. Unemployment, at 1,998,000 for the period, is one of the lowest recorded in the past three years.

The Ceylon Government has approved of a proposal to establish an acetic acid factory in Ceylon at a cost of Rs. 4.1 crores to produce 500 tons of acetic acid a year. The factory is also to produce 140 tons of methyl acetone, 350 tons of charcoal and 150 tons of phenol. It is proposed to establish two more factories, one for desiccated coconut and the other for white copra, each capable of handling 100,000 coconuts a day. These factories will provide the coconut shell necessary for the production of acetic acid.

Representatives of three Baghdad Pact nations —Iran, Iraq and Pakistan—will meet this month to finalise plans to launch a joint shipping enterprise, with a capital of £6 million. Under the draft proposals to be discussed by them, each of the three countries is to contribute an equal share to the capital. To begin with, three steamships are to be bought. Another proposal for forming an air transport company on similar lines is now being discussed by Iran, Pakistan and Turkey. An order has already been placed by Iran under this proposal for three Viscount aircrafts.

The Maritime Transport Committee of the seven-nation Organisation for European Economic Co-operation has noted with concern two new cases of flag discrimination in trade agreements between India and Poland and between Russia and Indonesia. The Committee, described as the only international governmental body in the maritime field, held that the agreements contained a discriminatory shipping arrangement that all cargoes moving between the countries concerned under contracts between their Governments should be reserved to ships of these countries. It also expressed its firm determination to take all possible steps to prevent the further spread of discriminatory practices which militate against the freedom of shipping services.

PERSONAL

MR. D. N. Khurody, Milk Commissioner of Bombay, returned to Bombay from Paris last Tuesday after a tour of the U.S.S.R. and the Continent.

Mr. R. W. C. Swartz, Australian Minister for Trade, arrived in Bombay from Sydney on the return inaugural flight of Air-India International on Tuesday.

Syed Rahamatalla Adulla, Ambassador-designate of the Sudan in India, arrived in Bombay from Cairo last Wednesday and immediately left for New Delhi.

Mr. Mohan Singh Mehta, India's Ambassador to Switzerland and Austria, arrived in Bombay from Geneva on Sunday last and left for Udaipur the same evening.

Dr. B. C. Roy, Chief Minister of West Bengal, returned to Calcutta on Saturday, 6th October, after a month's visit to Japan. He had gone there to study the working of cottage industries.

Mr. Sankar Nath Maitra, formerly Chief Commissioner, Andaman and Nicobar Islands, has been appointed Deputy High Commissioner for India in Pakistan, Dacca, in succession to Mr. N. K. Raychaudhuri. He will assume charge of the post in the first week of November.

Mr. B. N. Kaul, India's Ambassador-designate to Belgium, Mr. H. Valvanne, Minister for Finland in India, Dr. H. Karebs, Vice-Consul for West Germany in Calcutta, Prof. I. Jalante, Cultural Attache at the Italian Embassy in Delhi, and Mr. J. A. Alemany, Spanish Trade Commissioner in Pakistan, left Bombay aboard the Italian luxury liner s.s. *Victoria* on Tuesday.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 10*th October*

The Depreciated Rupee

There are many points with which we are at one with the Bengal National Chamber of Commerce in its statement with regard to its recent action in supporting immediate linking of the rupee to the sterling. Although the Bengal National Chamber's opinion is sharply in contrast with a very large measure of Indian public opinion, particularly with the considered opinion of the non-official members of the Legislative Assembly, the Committee of the Chamber point out that, whatever may be the latest development in economic thought and theories, "the Committee remain no less strong an advocate of a gold standard for India as anybody else in this particular controversy." The chief concern which determined the Bengal National Chamber's temporary support to the maintenance of the rupee on a stable sterling ratio was the anxiety to take all the temporary advantage of a depreciated currency in India's export trade with all gold standard countries as it is well known that 76 per cent. of India's export trade is with countries other than the United Kingdom as is evident from the trade returns for 1930-31 and that the overwhelming share in this export trade is contributed by India's agricultural produce. The Bengal National Chamber took the view that, by linking the rupee to sterling pending a definite development of the value of pound sterling, the rupee would be maintained as a depreciated currency in terms of gold and as such secure a general rise in the prices of all such agricultural and other commodities which enter into India's foreign trade with gold standard countries. This anticipation which follows strictly according to economic theories has turned out to be true.

MEASURES TO INCREASE FOREIGN EXCHANGE RESOURCES

GOVERNMENT'S EFFORTS AT BUILDING HEAVY INDUSTRY

From A Special Correspondent

NEW DELHI, *9th October*

DELHI LETTER

THE Union Finance Minister, Mr. T. T. Krishnamachari, has been giving expression to his difficulties and to the almost insatiable demand for money from the various State Governments for the implementation of their development schemes. Perhaps, the crux of the problem of financing the plan has been the foreign exchange problem. Officials at high levels are now considering various ways and means of tackling this question. Enquiries made in the Transport Ministry reveal that the Government is showing greater earnestness in acquiring additional shipping tonnage from whichever source available, albeit at higher prices. It appears that the Government is now veering round to the view that if its attempts prove successful in acquiring a sufficient tonnage immediately, the additional tonnage so acquired would be able to earn a handsome money by way of freight. In other words, this will enable the Government to conserve an appreciable amount of foreign exchange resources which would otherwise have to be paid to various overseas shipping companies for importing substantial quantities of foodgrains, iron and steel, machinery and industrial raw materials.

Imports of Food

Already, the Food Minister has hinted that the Government would be importing about 5.5 million tons of wheat and over 3 million tons of rice during the second Plan period. If this quantity of foodgrains has to be imported from foreign countries, necessarily foreign shipping companies will have to carry the goods to the Indian ports and the Government will have to pay substantial sums of money to those foreign companies by way of freight. It may be mentioned here that a high official of the Transport Ministry has already been touring some foreign countries, especially the United Kingdom and other continental countries of Europe with a view to assessing the possibilities of acquiring additional tonnage during the next few months. Preliminary reports from him received by the Government are understood to indicate that the prospect of such acquisition are somewhat bright.

Since it takes considerable time to build new ships, it is quite possible that the Government will be inclined to buy second-hand ships from whatever source they are available. The additional price which the Government will have to pay in the acquisition of new ships, it is contended, would be largely off-set by the help which these ships will render the Government by way of enabling it to conserve exchange resources. The present idea of the Government is that the additional tonnage of three lakh tons set for the second Plan should be acquired within the next one or two years. It would appear that when the Japanese trade mission was here recently talks were held with the Mission regarding the help that Japan might be able to give India, particularly in regard to the acquisition of new ships. The Government is also expected to provide more encouragement to the private shipping companies in India to expand their fleet. All these indicate that the Government has been making a new approach in the matter of acquiring additional tonnage.

Foreign Exchange

The Finance and the Commerce Ministries are reported to be holding high level talks with a view to investigating possibilities of augmenting the foreign exchange resources of the country. Although there has been a serious depletion of the sterling balances during the last five months, the Government is not very much unnerved by this tendency. Already, the Finance Minister, during his tour in the South, hinted that this sharp decline in the sterling balances was not alarming and that it was attributable to the increase in our imports of machinery and iron and steel from the Western European Countries. India has been experiencing considerable imbalance in its trade with Germany, France and other continental countries.

During the pre-war period India used to send substantial quantities of industrial raw materials and certain other commodities, too, to those countries in order to pay for the imports of industrial goods from them. India's export commodities included short-staple cotton, raw jute, coffee and vegetable oilseeds. But, during the post-war period, India has been unable to send any quantity of raw jute to those countries while its exports of short-staple cotton have also become negligible, largely due to restricted internal production, increase in the consumption of Indian textile mills and the emphasis laid by the Government on the export of coarse cloth and yarn in preference to short-staple cotton. Similarly, exports of coffee have also become negligible. Internal consumption of this beverage has increased, thanks to the increase in population, the propaganda carried on for coffee by the India Coffee Board, a semi-official organisation, and the gradually increasing contacts between the North and the South. Similar, too, has been the case with the exports of groundnuts which occupied the lion's share in India's trade with France and Germany during the pre-war period.

Exports

The Government of India has now been thinking about the measures designed to increase its exports to these countries in order to earn more foreign exchange to pay for the imports of machinery and other goods.. Obviously, raw jute export is out of the question. The position in regard to exports of short-staple cotton, too, is not encouraging. The increase in the consumption of indigenous cotton mills which is now running at the annual rate of about 4.5 million bales has been largely militating against any increased exports, unless of course, the country is able to step up production of short-staple cotton to a substantial extent. The earnings from coffee, even if India were to export another thousand tons more, may not be appreciable. Hence, the only item which can bring increased earnings is vegetable oilseeds, particularly groundnuts.

Although India has not been exporting large quantities of groundnuts, it can export groundnut oil if the country is able to augment its production of this oil. There is almost an insatiable demand for vegetable oils of this kind both in France and Germany as also in a number of other continental countries. It is, therefore, possible that, from the next year onwards, the Government might be able to earmark at least a handsome quantity of groundnut oil for export to these countries in order to earn sufficient foreign exchange. No doubt, such action might hit the domestic consumers to some extent. The Government is now considering how best it can achieve its objective without causing any serious dislocation of the internal price structure.

Price Level

Clearly, if the Government succeeds in its policy of importing large quantities of foodgrains from abroad and thereby keeping down the prices of these staple foodgrains, then the major portion of the struggle will be over. Because the nerve of the price structure in this country has all along been the staple foodgrains. Once the prices of the foodgrains are stabilised, that is to say, are controlled at a fairly steady level without undue fluctuations, then increased exports of other commodities like groundnut oil would not seriously affect the price level. Perhaps, the Government is engaged in evolving an integrated policy in these matters. If it does not have any such plan already, it is high time it began to think along those lines.

At the same time, the Government has also to consider the question of implementing its industrial programmes. Since the essence of the implementation of the Plan is the time factor involved, the Government is showing greater earnestness in bringing about the industrialisation of the country as quickly as possible. An evidence of this is discernible from the recent note given by the Heavy Industries Minister, Mr. M. M. Shah, to the trainees of the A.I.C.C. camp, at Alipur, near the capital. Mr. Shah stated in that note that the State will move fast enough in the public sector, wherever necessary, in order to fill up the gaps in production so as to create a balanced and dynamic equilibrium in the national economy. He stated that if venture capital for any reason of history or tradition had not come forward in a particular field of production, whatever the reasons might be, the State would have to move fast to fill up that gap. He averred that, in the modern technological world, any missing links left unfilled were bound to upset and imbalance the national economy.

Industrial Policy

Mr. Shah also said that the Government's industrial policy was a wholesome one integrating all the healthy approaches with a view to achieving speedier industrial development of the country. He assured the private sector that there need be no unnecessary apprehensions about the State's role in the public sector. The policy statement of the Government has given ample scope for the development of the private sector. But, if the private sector was unable to play its part for some reason or other, then the State has to do it in the interest of an integrated and well-knit national economy. The Minister for Heavy Industries added that, during the second Plan, the Government would have laid the foundations both for heavy machine building and heavy engineering industries in the country. As a matter of fact, active steps are being taken by the Government to speed up the establishment of plants, structural shops and fabrication shops for the production of cement manufacturing machinery and machinery for several other industries. Mr. Shah, on his part, was confident that, with the full co-operation of the private sector, India would be in a position to manufacture most of its machinery requirements for the textile industry in the next five years, which averages about Rs. 15 crores a year. Actually, however, by the end of the second Plan, he has estimated, that India will be in a position to manufacture about 60 per cent. of its machinery requirements or over Rs. 100 crores worth of machinery every year. India is also planning for achieving self-sufficiency in chemicals and fertilizers. About 75 per cent. of the national requirements of drugs, dyes and intermediates aggregating Rs. 75 crores per annum are expected to be produced by the end of the second Plan.

The Government has already taken three major and positive steps for laying the foundations of heavy industry in the country. In the first place, the roles of the British and Russian technical experts in the field of rapid industrialisation of India have been defined and their respective assignments clearly made. Secondly, contracts have been given to three foreign firms to prepare project reports for the establishment of inter-linked foundry-forge shops at a cost of about Rs. 8 crores. They are expected to submit these reports by the end of December, this year. Thirdly, a British expert, Mr. John Blakiston, has been appointed as technical adviser on forgings and foundries to the National Industrial Development Corporation. His appointment is in the first instance for five years.

Technical Mission

The British technical mission, headed by Sir Eric Coates, is expected to arrive in New Delhi by the end of this month. It will study the scope of heavy engineering industry in relation to the existing capacity, its potentialities of expansion and the need to set up new units in the public sector. Similarly, the Russian experts who are already in India, are confining themselves to a survey of the needs and possibilities of setting up heavy machine building industry in India, principally for the new iron and steel works, heavy chemicals and coal-mining. The Russian team will also indicate the amount of credits and technical aid that the U.S.S.R. will be able to extend to India. Both the British and Russian teams are stated to be planning for the next ten years.

Messrs. Klockners of West Germany and another reputed concern from Czechoslovakia will prepare separate project reports on the proposed forge-foundry shops on the basis of a memorandum prepared by Mr. Blakiston. Mr. Blakiston has suggested that the forge-foundry works be located in the Dhanbad-Bokaro-Ranchi area. According to him, the steel foundry should have a capacity of 150,000 tons of steel castings; 25,000 tons of grey steel and 5,000 tons of finished forgings with a maximum weight of 15 tons each. The National Industrial Development Corporation, it is believed, will be able to launch these projects within the next six months or so.

EUROPE AND THE COMMONWEALTH

IMPLICATIONS OF TARIFF MOVES

From Our Own Correspondent

LONDON, *1st October*

LONDON LETTER

MR. Macmillan's Washington discussions with his Commonwealth colleagues have given rise to rumours which have put the Treasury in Whitehall to the embarrassing task of admitting that they did not know what the Chancellor was up to. Admittedly, Mr. Macmillan is an enthusiast for linking up the United Kingdom with the six countries of the Messina Conference (France, Italy, Belgium, Luxemburg, Holland and West Germany). Admittedly, he is also aware that the other O.E.E.C. countries, in particular the Scandinavian group, Switzerland and Austria, have more or less decided not to be left out, and Mr. Macmillan is all the more determined to be in. But it is hard to credit that he should be so unaware of the importance of the European Customs Union to the Commonwealth, as either to commit Great Britain formally or to assume that the Commonwealth countries would also want to be in, without first consulting them.

But Mr. Macmillan's nature being what it is, and talking as he thought behind locked doors, he has spoken with enthusiasm of these plans as something which both Britain and the Commonwealth should seriously and urgently discuss.

The confusion has arisen from the fact that his conversations have leaked out with the interpretation that Mr. Macmillan has been making *formal* proposals. In Whitehall, such matters are supposed to be only in a very exploratory stage, while in Washington it is sincerely hoped they will remain so; for America is well aware that a Customs Union embracing the O.E.E.C. countries and the Commonwealth countries for all manufactured goods, would be a powerful step to creating an industrial bloc stronger even than the United States.

How does Mr. Macmillan himself hope that the necessary integration might be achieved? He is following the lead given by France in proposing a ten-year period in which tariffs on manufactures would be progressively reduced leading to their final abolition at the end of the ten years. The Messina countries have talked about agricultural produce but the "Green Pool" conversations of last year showed how difficult it is to bring freedom of trade into such a sphere. However, the Customs Union plan does envisage some reduction even for these products, but the Commonwealth Ministers have been assured that this matter is of secondary importance.

Canada has taken part in these discussions and notes them with special interest. She is very conscious that it might be easier to group together countries in the non-dollar world than to bring in dollar countries, yet the exclusion of Canada from European-Commonwealth grouping would much isolate her. It is not enough to say, as Mr. Macmillan is reported to have said, that the Commonwealth European grouping would have no dollar problems. They would only have no dollar problems if the weaker countries—and for this purpose the sterling group must be taken as weaker—were able to hold their own convertability-wise with their colleagues. Mr. Macmillan is sincere in believing that the grouping he favours would strengthen Britain and the Commonwealth as well as all the other Members by permitting industrial economies and expansion. But, until the overseas balance of payments of all the countries in the group can be equally active, the weaker countries will employ quotas instead of tariffs, and the practicable liberation of trade will not be greatly advanced.—*All Rights Reserved.*

An atomic power station to supply electricity to North and South Carolina and Virginia will be built by four major utility companies serving the area. The Duke Power Company of the U.S., along with three others, will construct the plant. Top officials of the companies have prepared a charter for the nuclear station. The four companies have subscribed a total of $100,000 to begin work on the new project. They will start by forming a non-profit scientific corporation that will handle the plant, and later incorporate a second company to construct the station. The companies plan to form a new organisation called the Carolinas-Virginia Nuclear Power Associates, Incorporated, to handle all affairs regarding the atomic station.

COST AND AVAILABILITY OF MONEY

"HIGHER INTEREST RATES AN ECONOMIC NECESSITY AND NOT A POLITICAL ISSUE"

IN view of the importance that is given in the Second Five-year Plan of India to deficit financing, the following extract from the October issue of the *Monthly Bank Letter* of the First National City Bank of New York is of topical interest. It shows why interest rates are bound to go up ultimately and what happens when they fail to do so due to State intervention. It shows also as to who are the real beneficiaries of higher interest rates.

Shortage of borrowed money and rising interest rates have become objects of widespread public discussion. There are some people, to be sure, who express doubts that the Federal Reserve's restrictive credit policy is strong enough to arrest the enveloping wage-price spiral. But more is heard of the practical difficulties of raising funds. Bankers freely confess to their inability to cover all loan demands. Home-builders, faced by financing problems, have curtailed their planned operations. Industrial leaders are giving their new projects another look, moved by the need to measure the cost and availability of funds against the merits of specific capital undertakings. Government has its problems too, of designing securities to sell in a market supersaturated with credit demands.

Some fear that the credit brakes are taking hold too hard and may precipitate a general business contraction. This is always a risk in dealing with a boom. But, while soft spots are apparent in some areas of business, there are still more evidences of forward momentum in the economy than of contraction. The rising drift of prices gives evidence that the Federal Reserve authorities, in raising discount rates in April and again in August, had a correct evaluation of the risks of inflation.

It is clear from the record that shortage of money is a product, not of any absolute shortage, but of expanded demand. Corporations are raising more money by bond offerings than they did in 1955—or than in any other year. Banks are lending more money to business than ever before—and are increasing their loans to business faster than ever before. What the Federal Reserve is trying to do is skim the froth off the boom and hold credit expansion within limits consistent with a stable economy. There is no question of desiring to precipitate a contraction of available loan funds. The Federal Reserve has no authority to deny people their right to spend their own money as they please. They do have the right and responsibility to discourage borrowings that rest in the final analysis on extensions of credit by the Federal Reserve Banks.

Demands for borrowed dollars come from every side—even from abroad to the extent that borrowers can find access to our comparatively cheap market. The lion's share of the nation's current savings continues to be claimed by the building boom, although the flow of borrowed money into this area has slackened slightly as a result of increased business requirements for credit. While most people who want to buy or build houses find funds available, speculative building has been hard hit. Rates on coventional mortgage loans have tended to move up from a range of 4½-5 per cent. to 5-5½ per cent. At the same time, reflecting the pressures on them for funds, banks and savings and loan associations are competitively raising the rates they offer the individual saver.

The increase in total mortgage indebtedness during the first half of 1956 amounted to $7.8 billion as compared with a record rise of $16.2 billion during all of 1955.

Problems of Mortgage Market

Within the mortgage market, investor interest has gravitated more towards conventional mortgages and away from VA and FHA mortgages on which rates are fixed by law or regulation at 4¼ per cent. Some builders urge raising these rates one-half or even 1 per cent. to restore their competitive position in the rate structure. The Government acted on 20th September to broaden the market for 4¼ per cent. mortgages by scheduling increased mortgage purchases at higher prices for "Fannie Mae" (the Federal National Mortgage Association), raising the limit on saving and loan association borrowings from the Federal Home Loan Banks, and lowering from 7 to 5 per cent. down payments of the FHA on homes appraised at $9,000 or less. While these steps were linked as measures to stimulate the supply of funds for home mortgages, the lowering of down payments works the other way around, increasing the demand for mortgage money and reducing the equity cover for the investor.

It is time that someone took a good look at the Federal Government's programmes to encourage home-building on a cheap money shoe-string. It was one thing to stimulate borrowing to build twenty years ago when millions of people were unemployed and savings funds were stagnating in inactivity. It is another thing to carry these programmes on full steam when labour is scarce and savings inadequate to the demands.

An editorial in the August issue of *House and Home* magazine courageously faced these issues:

"Let's admit we've been living in a fool's paradise where we could sell terms and financing instead of houses—a fool's paradise where we could always compensate higher costs with slower payoffs. . . .

"What difference did it make if your price went up from $10,000 to $12,000 if extending the mortgage from 15 to 20 years made the monthly payment lower on the higher price? And if costs went up again, why not hide them even deeper by borrowing still more money and making the mortgage run for 25 years? Or 30 years? Or perhaps 40 years? . . .

"Until we get our costs in hand, we are hardly ready for more money. Right now, the first result of more money would be more inflation in land prices, more inflation in material costs, more inflation in labour costs—and more houses priced out of the market."

House and Home stated the problem simply:

1. Everybody wants to borrow a lot of money. In fact:

2. Everybody wants to borrow a lot more than anybody has to lend.

3. There is only one common pool of money from which to borrow.

4. Our industry [home-building] wants to borrow more money from this pool than anybody else, and

5. Our industry does not want to pay as much net interest as the other borrowers pay. That makes us low man on the totem pole.

Forecasting rising needs for credit to finance home-building, local government needs and industrial expansion in the years ahead, the editorial warns that we cannot develop the needed increase in savings unless we do something:

The Government must cut income-taxes hard and leave more money for savings. It must reverse the tax policies born of the depression, when the New Deal set out to discourage savings and force consumption.

Borrowers must pay more interest, to make it worthwhile for lenders to save.

Prices must be kept level. People won't put money aside to spend tomorrow if they know they will get less for their money unless they spend it now.

New ways to save must be developed.

The editorial cites as "nonsense" the idea that home buyers—who may be paying off $700 a year on a new $2,500 car—cannot pay off more than $200 a year under a 30-year mortgage to buy a new $10,000 house:

The 30-year mortgage makes our money problem worse instead of better, for three reasons:

1. It keeps home buyers from building up enough equity in their homes to trade them in for the down payment on a better house,

2. It makes us pay bigger discounts to get mortgage money, for lenders don't like to tie their money up for 30 years for the same yield as for 20 years.

3. It slows down the flow of amortisation money back into the mortgage pool.

Pointing out that the biggest single source of money for new mortgages is the pay-off of old mortgages, *House and Home* urges a shortening of mortgage terms—increasing as it were "involuntary savings"—as the best way to generate more money for building.

Congestion of Business Loan Demands

The dynamically expanding area of credit demand this year has been business borrowing to finance increased working capital requirements and, more particularly, sharply enlarged spending for modernisation of plant and equipment. This is all good for the country but the sum total has to stand the test of available funds. What the credit structure has been doing this year is shifting some of the flow of savings from mortgage investments into corporate bonds, meanwhile moving to rectify the overall imbalance between savings and investment at a higher interest rate level.

It was apparent earlier in the year—from the expressed intentions of business to enlarge plant and equipment outlays—that the corporate bond market had a test coming. Many firms, anticipating mistakenly that the political influences of an election year would bring cheap money, postponed bond issues and sought financing through their banks. As the Federal Reserve raised discount rate, confirming intentions to restrain undue credit expansion, and banks raised loan rates, borrowers felt the pressure to go to the long-term market.

Beneficiaries of Higher Rates

The dim view the stock market takes of effective credit restraint should be a tip-off that people rich enough to afford risky stock investments are not the prime beneficiaries of rising money rates. Lending institutions gain direct benefits but these are financial intermediaries, channels for the investment of the people's savings. Since these institutions keep most of their funds continuously at work, the benefits of higher interest rates come more or less slowly, as loans and investments turn over. Since a restrictive credit policy depresses bond prices, selling bonds to gain advantage of higher interest rates involves losses that may take years to make up. Beyond these considerations, and higher operating costs that must be carried, the bulk of the residual benefits return to the public at large, through services rendered, lower costs of insurance and pension benefits, and higher rates offered to attract savings accounts.

The greatest body of beneficiaries of higher interest rates are the small savers, lacking the means to command large borrowing power, lacking

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FOREIGN BUSINESS OF INDIAN BANKS

CONSIDERABLE GROUND LOST IN PAKISTAN

THE foreign business of Indian banks during 1955 showed no marked headway; if anything, it experienced a slight setback. Although they participated in the general world-wide upward swing in banking activity, they experienced unfavourable conditions in Pakistan where about 50 per cent. of their foreign business is concentrated. The decline in Pakistan business was so sharp that the improvement noted elsewhere was not sufficient to neutralise it. The number of banks operating abroad remained unchanged, but the number of offices rose by two, thanks to the opening of an office at Hongkong by the Indian Overseas Bank and another in British East Africa by the Bank of India. At the end of the year, in all 24 scheduled banks and 6 non-scheduled banks were operating in 10 foreign countries through 108 offices, of which 99 belonged to the former and 9 to the latter. The shrinkage in the Pakistan business of Indian banks is not surprising for four reasons. First, anything Indian has become anathema to Pakistanis; so successful has been the campaign of hatred against India started and sustained by the leaders of Pakistan. Secondly, and this is a sequel to the first, Pakistan does not provide adequate facilities for Indian banks to operate there, with the result that it is not easy for them to develop their business with confidence. Thirdly, there is a rapid growth of indigenous banks. And, fourthly, there has been a steady fall in the other Indian business activities in Pakistan. In view of all these, it would not be surprising if there were to be a further decline in the Indian banks' activities in Pakistan. If their external turnover is not to shrink further, Indian banks must venture in other parts of the world where the political climate is not adverse and with which India's trade is growing.

A comprehensive analysis supported by relevant data of the foreign business of Indian banks is provided in the September issue of the *Reserve Bank of India Bulletin*. According to it, the overall position of the foreign offices of Indian banks revealed that their total liabilities fell by Rs. 66 lakhs during the year under review to Rs. 86.2 crores, as against a fall of not more than Rs. 36 lakhs in 1954. This decline, however, does not disclose the steep fall that occurred in demand deposits by as much as Rs. 5.1 crores, from Rs. 53.4 crores to Rs. 48.4 crores, because of the increase witnessed in other liabilities. Thus while borrowings from banks, almost all of which took place in Pakistan, increased by Rs. 1.2 crores, the draft on the resources of the head offices and branches in India went up by no less than Rs. 2 crores.

Advances Slightly Improve

On the assets side, notwithstanding a fall of Rs. 70 lakhs—as against Rs. 55 lakhs in 1954—to Rs. 16 crores in liquid assets, the ratio of liquid assets to deposits improved from 24.0 per cent. to 24.8 per cent., obviously owing to a relatively sharper decline in deposits. Advances, however, went up from Rs. 35.8 crores to Rs. 37 crores. An analysis of this most remunerative of all portfolios of a commercial bank reveals that, while bills purchased and discounted increased by Rs. 4.4 crores to Rs. 14.59 crores, loans and advances fell by Rs. 3.2 crores to Rs. 22.37 crores. The end result of the fall in deposits and rise in credits was that the ratio of loans and discounts to deposits moved up from 51.4 per cent. to 57.3 per cent. between 1954 and 1955. Thus, in the face of a decline in deposits and loans, the bill business of the foreign offices of the Indian banks, which rose from Rs. 6.1 crores in July 1951 to Rs. 14.6 crores in December 1955, constituted "the principal redeeming feature" of the Indian banks' business abroad. Unlike advances, investments in Government securities dropped over the year by Rs. 3 crores to Rs. 19.6 crores, mainly as a result of the liquidation of holdings of Pakistan securities. Nevertheless, the investments in Pakistan Government securities alone (Rs. 8.60 crores) accounted for nearly one half of the total, the balance being distributed among the obligations of the Governments of Burma (Rs. 4.67 crores), Ceylon (Rs. 3.61 crores) and the U.K. (Rs. 1.99 crores). Consequently, the ratio of investments to deposits came down to 33.2 per cent. in 1955 from 34.9 per cent. in 1954. It is evident that the drop in investments of Government obligations is the result of a fall in deposits in the face of an increase in advances.

The Indian banks' business in Pakistan during the year under review, as already said, suffered a sharp contraction over the previous year, though the persistent reduction in the number of banks and offices, which stood at 27 and 66 respectively at the close of 1955, was checked. Total liabilities fell by no less than Rs. 10.6 crores during the year to Rs. 33.6 crores, as against 2 decline of Rs. 2.9 crores and Rs. 3.3 crores respectively in 1955 and 1953. Of this reduction, deposits alone accounted for as much as Rs. 10.3 crores, the ratio of demand deposits to time deposits in the reduction being 4 : 1. Moreover, branch adjustments, too, fell over the year by Rs. 1.4 crores to Rs. 4.0 crores, while borrowings from banks were higher by a crore of rupees. The substantial shrinkage in Indian banks' deposits in Pakistan is in distressing contrast to the generally rising trend of deposits in that country. With their resources thus depleted, there was a fall in their assets also. Liquid assets went down by Rs. 2.7 crores to Rs. 4.4 crores. Consequently, their ratio to deposits moved down from 19 per cent. in 1954 to 16.2 per cent. in 1955. The outstandings of loans and discounts also climbed down from Rs. 21.0 crores to Rs. 17.2 crores, but, reflecting the slightly higher volume of Indo-Pakistan trade in 1955, the bill holdings were a shade higher at Rs. 2.2 crores. Owing to the relatively sharper fall in deposits, the ratio of loans and discounts to deposits rose from 56.3 per cent. in December 1954 to 63.8 per cent. in December 1955. Another notable feature, already referred to, was the drop in investments in Government securities from Rs. 11.7 crores to Rs. 8.6 crores.

Deposits Increase in Burma

In Burma, the Indian banks' business showed a slight improvement, as against a mild decline in 1954. Their total liabilities rose from Rs. 11.1 crores to Rs. 13.4 crores. This was mainly due to an increase in deposits from Rs. 10.7 crores to Rs. 12.8 crores. This increase was in tune with the trend obtaining in Burma. It is interesting to note that Indian banks held about one-fifth of the total bank deposits in Burma. They, however, could not utilise the increase in deposits to push up their loans and advances. On the contrary, this portfolio shrank by nearly half, from Rs. 2.7 crores to Rs. 1.5 crores, and the ratio of advances to deposits fell even more sharply, from 24.9 per cent. to 11.7 per cent. Consequently, the banks had to raise their investments in Government securities and cash balances. Liquid assets rose by Rs. 1.0 crore to Rs. 3.3 crores, and their ratio to deposits from 21.6 per cent. to 25.7 per cent. Investments increased by a crore of rupees to Rs. 5.8 crores, while branch adjustments were up at Rs. 2.5 crores by Rs. 1.3 crores, probably reflecting transfer of funds to head offices in India.

A slight improvement was witnessed in the business of the four offices of the four Scheduled banks functioning in the U.K. at the close of 1955. The deposits at Rs. 6.2 crores, which were a little over one-half of the total liabilities, reflected an improvement of Rs. 41 lakhs over the year. Branch adjustments, again, amounted to Rs. 2.6 crores. This means that these offices took money from India to London where interest rates were very much higher. Liquid assets, wholly held in the form of balances with other banks and money at call and short notice, increased by Rs. 50 lakhs to Rs. 3.8 crores, and accounted for one-third of the total assets. As a result, their ratio to deposits increased from 55.7 per cent. to 60.3 per cent. Following a slight improvement in the bill holdings, and a similar fall in the loans, their combined ratio to deposits improved from 46.3 per cent. at the end of 1954 to 50.2 per cent. at the close of 1955. The actual bill holdings were Rs. 2.6 crores and loans no more than Rs. 56 lakhs. Gilt-edged securities remained unchanged at Rs. 2 crores and their ratio to deposits declined.

In Ceylon also a moderate improvement was evidenced in the working of the offices which were three in number. Of the increase in their total liability to the tune of Rs. 0.8 crore to Rs. 8.8 crores during the period under review, deposits accounted for Rs. 0.2 crore, which, however, compared favourably with the total increase witnessed in deposits for the whole banking field. Thus, the deposits with the Indian banks at Rs. 8.0 crores, accounted for one-tenth of Ceylon's total bank deposits at the end of 1955. Credits extended by them in Ceylon were very low, a mere Rs. 1.2 crores, equal to about 15 per cent. of the deposits. Consequently, the major portion of the funds was held in the form of Government loans (Rs. 3.6 crores) and cash (Rs. 2.4 crores).

In Malaya, the number of Indian banks and their offices remained unchanged during the year at 4 and 12 respectively. Their total liabilities recorded a slight improvement from Rs. 7.7 crores to Rs. 9.0 crores, to which increase deposits at Rs. 6.4 crores contributed Rs. 1.1 crores. Unlike in Burma, Britain and Ceylon, the major portion of deposits of Indian banks in Malaya is utilised to finance the trade and industry in that country. Thus, as against deposits aggregating Rs. 6.4 crores at the end of 1955, credits extended by these banks were as large as Rs. 6.2 crores, so that the ratio of advances to deposits was as high as 97 per cent.. The bulk of the advances was in the form of bills, their exact amount being Rs. 4.5 crores. It is interesting to find that this amount constituted about a third of the total bills held by the foreign offices of Indian banks.

A significant development of the Indian banks' business in British East Africa during the year under review was the opening of a new office in Dar-es-Salaam by the Bank of India. Thus, at the close of 1955, the Bank of India and the Bank of Baroda had three and five offices respectively. A notable feature was that their liabilities more than doubled over the year to Rs. 5.8 crores. Deposits at Rs. 2.1 crores represented an increase of Rs. 1.1 crores over the year. Branch adjustments showed two-fold rise to Rs. 3.1 crores, and probably reflected the inflow of funds from head offices for expanding their business in this country. This is reflected in outstandings of loans and discounts which sharply went up from Rs. 1.6 crores to Rs. 4.8 crores and their ratio to deposits moved up from 168.8 per cent. to 228.6 per cent., the highest maintained by Indian banks abroad. The bulk of the increase in advances, Rs. 2 crores to be precise, was under loans, while bills accounted for a rise of Rs. 1 crore. Though liquid assets improved slightly, their ratio to deposits fell from 39.6 per cent. to 23.8 per cent.

Progress Elesewhere

The other four countries in which Indian banks had offices at the end of 1955 were: Aden, Hongkong, Japan and Thailand. As a result of the opening of a branch by the Indian Overseas Bank in Hongkong, the number of offices increased to six during the year. While their combined liabilities expanded during the year by a crore of rupees to Rs. 4.5 crores, their loans and discounts at Rs. 2.9 crores formed 144 per cent. of their deposits, as against 100 per cent. at the end of 1954. These exclude bills purchased and discounted aggregating Rs. 2.5 crores, an increase of Rs. 1 crore over the year. Liquid assets at Rs. 73 lakhs constituted 36.5 per cent. of the deposits.

An interesting part of the article is the attempt made to assess the magnitude of transfer of funds into and out of India through the foreign branches of Indian Banks from the figures of branch adjustments over the period 1951 to 1955, inclusive. Further, these transfers of funds are also compared with those effected through the exchange banks. For this purpose, increases in the figures of branch adjustments in the liabilities side are regarded as a movement of funds from the head offices in India to branches abroad and those on the assets side as transfers of funds into India by these branches. The *Bulletin* has taken note of certain limitations in regard to the accuracy of those figures. But, since the period under review, namely, 1951-55, is fairly long, it is probable that some of the transit items would have offset one another. The figures given below relating to branch adjustments reveal that, over the period 1951-55, there has been a reduction in the obligations of foreign branches to their head offices in India, despite the enlargement in the area of operation of Indian banks in foreign countries:

(Rs. lakhs)

	End of				
	1951	1952	1953	1954	1955
Liabilities	16,18	13,10	12,08	11,02	12,97
Assets	2,11	1,50	2,83	2,82	4,26
Net ..	14,07	11,60	9,25	8,20	8,71

It will be seen from the table that the excess of liabilities over assets on account of branch adjustments of the foreign offices declined from Rs. 14.1 crores at the end of 1951 to

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WORKING OF INDUSTRIAL FINANCE CORPORATION

IMPRESSIVE INCREASE IN NUMBER AND AMOUNT OF LOANS SANCTIONED

JUDGING from the impressive increase in the loans sanctioned and the wide range of industrial borrowers served, it must be clear that the eight-year-old Industrial Finance Corporation has already carved out for itself a place of great importance in India's industrial economy. Whatever its distracting critics may have to say—not that such criticism is wholly unjustified—of a few isolated transactions, the Corporation has, by and large, justified the confidence and the trust reposed in it by its original sponsors and Parliament. The Corporation's performance is creditable enough to generate the hope that, in the next few years, when it might be conceivably called upon to shoulder heavier burdens, it will not, unlike some of its borrowers who have failed it in the past, fail its potential borrowers.

Founded primarily with the object of providing capital for new and expanding industrial enterprises, the Corporation has, year after year, exceeded its own record in the grant of loans. During the year ended 30th June 1956, it received 86 loan applications, aggregating Rs. 27.70 crores, as against 46 applications for total credit of Rs. 11.27 crores in the previous year. During the year under review, it sanctioned Rs. 15.13 crores covered by 44 applications, as against Rs. 7.34 crores and 27 applications in 1954-55. The Chairman of the Corporation, Mr. K. R. K. Menon, in the course of his speech at its recent annual meeting, quoted statistics which bring out more clearly the precise significance of the 1955-56 figures. He pointed out that the aggregate value of the loan applications received in 1955-56, namely, Rs. 27.7 crores, and the amount sanctioned during the year, namely, Rs. 15.13 crores, compared very favourably with the average of the previous seven-year period, namely, Rs. 8.62 crores and Rs. 4 crores, respectively. The total amount of loans sanctioned by the Corporation upto 30th June 1956 was Rs. 43.21 crores. The amount actually disbursed was Rs. 16.73 crores, while loans declined or not made available (owing to abandonment or postponement of the scheme by the applicant or other reasons) was Rs. 6.23 crores, leaving the Corporation's outstanding net commitments at Rs. 20.25 crores.

Borrowers

Borrowers belong to many groups of industries, the most important of them being the food, textiles and paper industries. The industries (classified in accordance with International Standard Industrial Classification) which have availed themselves of the facilities provided by the Corporation and the amount of loans sanctioned to them upto 30th June 1956 are given below:

Loans Sanctioned

Food manufacturing industries (except beverage industries) Rs. 11.69 crores; textiles—spinning, weaving and finishing of textiles Rs. 6.60 crores; artificial fibres Rs. 1.10 crores; paper and paper products Rs. 4.21 crores; rubber products Rs. 15.50 lakhs; basic industrial chemicals, including fertiliser Rs. 5.36 crores; vegetable and animal oil and fats Rs. 6.50 lakhs; miscellaneous chemical products Rs. 41.25 lakhs; glass and glass products Rs. 1.10 crores; pottery, china and earthenware Rs. 39.50 lakhs; cement Rs. 3.40 crores; non-ferrous metals industry Rs. 1.17 crores; metal products except machinery and transport equipment Rs. 1.68 crores; machinery except electrical machinery Rs. 1.08 crores; electrical machinery, apparatus, appliances and supplies Rs. 1.56 crores; rail-road equipment Rs. 50.00 lakhs; motor vehicles and ancillaries Rs. 1.37 crores; bicycles Rs. 50.50 lakhs; miscellaneous manufacturing industries Rs. 42.80 lakhs; and electric light and power Rs. 42.75 lakhs.—Total Rs. 43.21 crores.

Of the 86 applications received during the year for loans aggregating Rs. 27.70 crores, just over half in number as well as in amount represented applications from two industries alone, namely, sugar and textiles. The rest of the applications covered other major industries such as engineering, chemicals, cement and paper. A significant feature of the applications from the sugar industry was that by far the greater portion of it was from co-operative sugar factories located in Bombay, Mysore, Assam and the Punjab. The total loans sanctioned to sugar co-operatives during the year aggregated Rs. 5.50 crores and three applications for a total amount of Rs. 1.30 crores were pending the issue of sanction at the end of the year. In pursuance of the policy of the Government to encourage the establishment of co-operative enterprise, the Central and State Governments have agreed to guarantee all the loans that were sanctioned by the Corporation during the year to sugar co-operatives on a 50-50 basis. Although the Corporation may not stand to lose through its loan operations in relation to sugar co-operatives, thanks to the State Governments' guarantee for the loans, it may be wondered whether the application of co-operation to a large-scale industry such as the sugar industry is correct in principle or will be successful in practice.

Delays Cut Down

While the rate of interest charged by the Corporation continues to be 6½ per cent. per year (with a rebate of ½ per cent. for prompt payment of interest and instalments of principal), the Corporation has been devising means, whereby the inevitable delays in the grant of loans are cut to a minimum. In this connection, the Chairman, in his speech, acknowledged the assistance rendered by various chambers of commerce and industry in the matter of simplifying the procedure governing the Corporation's relations with its clients. The Corporation has also instituted a legal branch, in order to "quicken the pace of work at various stages in connection with the examination of title deeds and the execution and registration of mortgage documents." Further, the branch managers have now greater delegated authority to deal with clients on the spot. Yet another measure which the Corporation has adopted in order to increase its usefulness to its clients is the liberalisation of the conditions under which interim loans are granted, particularly in cases where "pending the finalisation of the legal formalities concerned with the execution and registration of the formal mortgage deeds, machinery, etc., ordered by our clients has to be paid for or documents relating to which have to be retired."

The Corporation is, however, careful enough to avoid what may be called superfluous or non-genuine borrowing. Thus, in accordance with the Government's directive, the authorities, in dealing with loan applications, take into consideration the "capital structure and outside investments of the company concerned with a view to ensuring that the industrial concern is not borrowing from the I.F.C. while it is simultaneously investing large amounts in other industrial and other concerns."

Amount Due

The total amount of interest charged and to be received on the loans sanctioned since the inception of the Corporation was Rs. 2.80 crores, out of which a sum of Rs. 2.62 crores was actually received. The amount in default is only Rs. 17.72 lakhs, constituting less than 6.4 per cent. of the amount due. Three companies including the Sodepore Glass Works Ltd., accounted for the larger portion of the defaults. One company has been granted extension of time to pay the arrears of interest amounting to Rs. 25,000. According to the schedules of repayment of principal, the total amount due to the Corporation was Rs. 2.25 crores out of which a sum of Rs. 1.68 crores was received. The amount in default is Rs. 48.65 lakhs, constituting 21.6 per cent. of the amount due. Only six companies including the Sodepore Glass Works Ltd., had accounted for the bulk of the defaults. Of these, the assets of one of the companies have been sold and those of another have been leased out. Similar appropriate steps are being taken in respect of the others. Extension of time was granted to four companies to repay the instalments aggregating Rs. 7.40 lakhs. Extra repayments to the extent of Rs. 1.47 crores were received which included the repayment of the loans in full made by six companies.

The Corporation, it may be recalled, decided last year to sell the entire assets of the Sodepore Glass Works Ltd. to a reputed firm of glass manufacturers of Tokyo who had agreed to set up an Indian company to run the factory. The Indian company has since been registered under the name of the Indo-Asahi Glass Company, Ltd. Considerable progress has also been made in the action taken towards the completion of the sale transaction, and it is expected that this factory will be able to go into production before long under the management of the new Indian Company.

The working of the Corporation, during the year under review, resulted in a profit of Rs. 32.68 lakhs, as against Rs. 24.69 lakhs in the previous year. Provision for taxation absorbs Rs. 10.18 lakhs. The whole of the balance, namely, Rs. 22.5 lakhs, has been transferred to the reserve for bad and doubtful debts, in view of the anticipated loss in the account of the Sodepore Glass Works Ltd. The Central Government will thus have to pay a subvention of Rs. 11.25 lakhs, in order to enable the Corporation to pay the guaranteed dividend of 2½ per cent. In this connection, the Chairman has struck the optimistic note that, in future, there will be no need to depend upon the Government's subvention to meet the guaranteed dividend to shareholders.

Balance-sheet

To turn to the Corporation's balance-sheet. Its total assets of Rs. 15.18 crores consist of cash Rs. 15.25 lakhs, loans and advances Rs. 14.24 crores (inclusive of Rs. 70.36 lakhs being advances to the Sodepore Glass Works Ltd. and Rs. 40.31 lakhs for expenses incurred after the management of the concern was taken over by the Corporation) and other assets Rs. 78.37 lakhs. On the liabilities side, the Corporation has, besides a share capital of Rs. 5 crores, reserves aggregating Rs. 61.68 lakhs, borrowings from the Reserve Bank Rs. 82 lakhs, bonds and debentures Rs. 7.81 crores, provision for taxation Rs. 9.53 lakhs and other liabilities amounting to Rs. 73.93 lakhs.

What is the Corporation's future? The Corporation, when it was started, was the major Government-sponsored institution for meeting the credit needs of industrial borrowers. Since then, many institutions have sprung up. Besides the Industrial Credit and Industrial Corporation and the National Industrial Development Corporation, there are the State Finance Corporations, not to mention the international lenders like the World Bank and the International Finance Corporation. There is, therefore, a wide network of massive lenders for industrial purposes. As against this favourable development must be set down the growing number and increasing needs of industrial borrowers. The implementation of the second Five-year Plan and the emphasis that is laid by it on industrial development will call for greater productive effort than was witnessed in the last five-year period. The I.F.C. will, therefore, have larger and wider opportunities of service to its clientele. In this connection, the Chairman has raised a very pertinent issue. He feels that, if the Corporation continued to expand its activities as in the past, its own monetary resources would soon be "tapering off," thereby "accelerating the advent of the day when we shall, perhaps, be forced to borrow under conditions which might leave us little or no margin of profit after meeting our tax obligations and our working expenses." This is an issue of fundamental significance to the future of the Corporation—and may be to the entire banking world. It is the duty of those who steer the financial ship of the State to see that it is not compelled to strike anchor through want of primary motive power, namely, adequate financial resources.

U.K.'s GOLD AND DOLLAR RESERVES

The sterling area's gold and dollar reserves during the month of September rose by $52 million to $2,328 million. In August, it may be recalled, the reserves went down by no less than $129 million.

The chief contributory factor for the improvement witnessed in September was the sale by Britain of the Trinidad Oil Company to U.S. interests as a result of which it received $177 million. Moreover during the month, $3 million was received from the U.S. as defence aid.

A payment of $34 million was made in gold or dollars to the European Payments Union during September in part settlement of Britain's deficit in August. Other payments included $3 million to the creditors of the E.P.U. in bilateral settlements, and $8 million as quarterly instalment on Canadian interest-free loan. Britain had a deficit of $12 million with the European Payments Union in September, which was $4 million less than that in August and $12 million lower than in July.

In the first seven months of this year, the reserves had risen by $285 million but in the subsequent two months they fell. Indeed, but for the Trinidad oil deal $254 million of this amount would have been lost in the past two months. As it is, the reserves are standing $208 million higher than at the beginning of 1956.

Taking the third quarter of this year as a whole, it is seen that the loss amounted to $57 million (or $234 million if the Trinidad deal is not taken into account), as compared with a fall of $335 million in the exceptionally third quarter of 1955.

HIGHER WAGE PACKET FOR RAJASTHAN COTTON MILL WORKERS

ENQUIRY COMMITTEE'S RECOMMENDATION

THE Committee appointed by the Government of Rajasthan (Chairman: Mr. S. R. Deshpande, a former Labour Bureau Director, Government of India) to enquire into the conditions of labour employed in the cotton mills in Rajasthan has done its job pretty well. The summarised Press version of the Committee's report reveals that the Committee has been not only comprehensive but also realistic in its approach. A perusal of the report will give a clear insight into the financial position, technical equipment, and wage structure of the cotton mill industry in the State. While making recommendations about the wages of mill labour, the Committee has tried to do what it considered to be "ordinary justice to the workers," without causing "any damage to the larger interests of the industry."

The Deshpande Committee characterises the wages now being paid to mill labour as being "extremely low." Although it is conscious of certain financial difficulties confronting the mills, it feels that they do not at all justify such low wages. The Committee has accordingly recommended an increase in the pay packet to the workers—a minimum monthly wage (inclusive of dearness allowance) of Rs. 65 for the least skilled operative and of Rs. 92 for a member of the clerical establishment. It has also recommended the adoption of two standardisation schemes, one with a basic minimum wage of Rs. 30 plus a dearness allowance of Rs. 35 and the other with a basic minimum wage of Rs. 26 plus an allowance of Rs. 39. While the higher basic wage is the same as is current in Bombay, Kanpur and Indore—the lower wage corresponds to that in most other textile centres—the rates of dearness allowance are lower than those paid in Bombay (Rs. 71-5 in June) and Indore (Rs. 46-2 in June).

Incidence of Higher Wages

If the aforesaid recommendations were accepted, as many as 6,867 persons (including 522 women) engaged in the six major cotton mills of Rajasthan would be the recipients of enhanced incomes. On a rough estimate, it is calculated that increased wages will involve more than 10-15 per cent. of the present total wage bill of the industry. In view of such heavy incidence, the Committee has done well to suggest a phased programme of increments to attain the recommended monthly wages.

Lest it should be accused of taking a partisan view of things, the Committee points out that it has tried to give the highest relief to the lowest paid workers. According to it, the operatives in the Rajasthan cotton mills have suffered for years the injustice of having had to receive a much lower wage than was their due. Even so, judged from the representations made by the employers, the Committee may be criticised for having gone "too fast and too far" and it is equally possible that the labourers may accuse it of having gone "too slow."

Justifying the upward revision in wages for the Rajasthan mill labour, the Deshpande Committee observes that, if the various units are run with reasonable efficiency, care and integrity, and succeed in maintaining cordial relations with labour, the cotton mill industry in Rajasthan can prosper as well as that in the rest of the country. In its opinion, as the mills in Rajasthan are engaged mostly in the manufacture of coarse and medium count yarn and cloth, the common man will be their best prop and support. The second Five-year Plan envisages an increase in the *per capita* consumption of cloth from 14 yards to over 18 yards. The next few years will be the period coinciding with the implementation of the second Plan and the objective of the planners is to bring about an improvement in the standard of living of the common man.

Not Very Satisfactory

The findings of the Committee reveal that all the six major units of cotton mill industry in Rajasthan appear to be making "trading" profits, although, from the point of view of equipment and management, this state of affairs is not very satisfactory. The combined operative strength of the industry is 93,320 spindles and 1,689 looms. The average annual rate of output is 12.6 million lbs. of cotton yarn and 22.0 million lbs. of cloth. Out of the six units, four are public limited companies. The oldest factory was set up in 1921. Except for one unit, which seems to have followed a conservative financial policy by ploughing back the profits in the concern and building up reserves, the others present a picture of considerable financial debility. One of the units would appear to be even struggling for its very existence for want of working capital and two others have gone in for borrowings.

The generally none-too-happy financial position of the Rajasthan cotton mills is attributed to the fact that, with the merger of the States with Rajasthan, most of the concessions which the mills had formerly been granted by the princes of the old States have disappeared. Further, the mills are paying for their power and fuel much more than their counterparts in Bombay and Ahmedabad. As against these handicaps, two Rajasthan mills enjoy two distinct advantages. First, raw cotton is purchased at their very door and at considerably cheaper rates. Secondly, the percentage of wage bill to the total cost of production is only 12 to 18, as against 25 in Bombay and Ahmedabad.

Utilisation of Equipment

A striking feature of the cotton mill industry in Rajasthan is the maximum utilisation of the machinery and equipment, which has been rendered possible by "excellent" demand position. Thus, all the units excepting one are working three shifts. Even the remaining unit, it is said, can start the third shift shortly, if it is able to come to an understanding with its workers. Generally, the cotton mills of Rajasthan are stated to have fairly modern machinery and equipment, excellent technical direction and good working conditions. One of them is highly rationalised, and is capable of extracting from its workers a good amount of work. The third of the important units, which is a composite unit, has apparently failed to conserve its resources and its relations with its employees appear to be far from satisfactory. The fourth large unit which is only a spinning plant, though equipped with modern Japanese machinery, has been complaining of bad trading results. The fifth unit is a mere "waste" plant working with old and unserviceable machinery and is the worst paymaster. The sixth unit is also working with very old and reconditioned machinery.

Rationalisation

The Deshpande Committee has devoted special attention to the question of rationalisation. It notes that rationalisation (that is, introduction of efficient systems of work) has made little progress in Rajasthan, except in one unit. In two units, the managements are anxious to introduce rationalised methods of work, in order to reduce complements which they consider excessive. It is now generally accepted that the implementation of schemes of rationalisation cannot be achieved without cent per cent cooperation from labour. The Committee has, therefore, urged that any unit which has prepared a scheme should introduce it only on the basis of a mutually agreed formula. In this connection, the Committee has done well to call upon the workers' representatives to view the question of rationalisation with an open mind and to help smoothen introduction of schemes of rationalisation. It, of course, emphasises that rationalisation must not result in throwing anyone out of employment.

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EXPORT OF WOOL

The Government of India has announced the policy regulating export of raw wool during the period October 1956 to March 1957. Accordingly, those who had exported raw wool in their own name and at their own risk and account during any one of the 11 half-years (January-June and July-December) in the calendar years 1951 to 1956 will be given allotments equivalent to 45 per cent. of their best half-year's exports, subject to a minimum individual allotment of 32,000 lbs. (100 bales). The established newcomers who have effected some export against their allotments during October 1955 to March 1956 and April-September 1956 period will be given a uniform allotment of 32,000 lbs. each. The other newcomers who fulfil the qualifications prescribed below would be granted a uniform allotment of 8,000 lbs. each:

(1) Internal dealers who had made outright sales of wool for export purposes or local consumption of the value of not less than Rs. 50,000 during any one of the calendar years 1951 to 1956 (end June);

(2) shippers who had exported raw wool from the territories now constituting Pakistan during any one of the calendar years 1945 to 1947 and/or from India during any one of the calendar years 1948, 1949 and 1950, directly in their own name, risk and account, or through commission agents but on the shippers' risk and account; and

(3) all other shippers, who are already registered at ports on the basis of their exports through exporting houses or commission agents.

In future, quotas will be given only to such exporters who effect shipments in their own name and at their own risk and account.

TEXTILE INDUSTRY IN BURMA

Burma seems to be making earnest efforts to expand the cotton textile industry. It is reported, for instance, that the Industrial Development Corporation of Burma has almost completed negotiations with three Japanese firms for establishing as joint ventures three cotton textile mills, each with 40,000 spindles and 200 powerlooms. The capital outlay on each of the three units is estimated at Rs. 2 crores. Of the proposed mills, one will be erected at Rangoon as a joint venture with the Ishikawa Company of Japan on the basis of 60 per cent. Burmese and 40 per cent. Japanese investment. The two other Japanese firms jointly negotiating for setting up factories at Myingyan and Rangoon are the Dai-Nippon Company and the Japan Cotton Trading Company.

Meanwhile, plans are said to be under way for expanding the size of the present Government-owned spinning and weaving factory at Thamaing by 20,000 spindles to 40,000 spindles and by 200 looms to 600 looms. This factory was built by American engineers in 1950 at a cost of about Rs. 2.9 crores. The additional machinery and equipment costing Rs. 1.5 crore will be purchased from China. Seven Chinese engineers are reported to have already arrived in Burma to supervise the expansion operations.

REPORT OF MILLOWNERS' ASSOCIATION, BOMBAY

Like its predecessors, the latest report of the Millowners' Association, Bombay—that for 1955—contains a comprehensive and lucid review of the developments on the Indian cotton textile front during 1955. As usual, the Report reproduces the representations submitted by the Association to the authorities with regard to the handicaps facing the mill sector and the solutions for the same. It also gives, in the form of tables, a wealth of statistical information pertaining to cotton textile economy, including production of yarn and cloth, exports and imports, consumption of cotton, and trend of cotton and piecegoods markets. Given, too, are statistics relating to the spinning capacity of India, Japan, China, the U.K., Germany and the U.S., and world's cotton crops. In addition to all these, the Report includes a mill statement for 1955 and a detailed statement of the position of cotton spinning and weaving in Indian mills during 1954-55 as compared with that in the previous years.

The Government of India has raised the limit of the quantity of cloth that can be held in stock by mills from one month's stock of the mills' average production to six weeks. The enhanced limit includes cloth sold but not yet delivered by the mills. Cloth packed for export is, however, excluded altogether. The Government's decision is a sequel to the representation made by the mills to the effect that, in addition to unsold stocks of cloth, many mill's have also to carry quantities of cloth which have already been contracted for purchase but where the purchaser has not yet taken delivery.

The U.S. Government has announced imposition of higher tariffs on imports of woven wool fabrics in excess of the permitted quarterly quota of 3.5 million lbs. for the current quarter. The permitted quota bears a tariff rate of 37.5 cents per lb. plus 25 per cent. *ad valorem*. The wool fabrics imported after this quota is exceeded are now made subject to 37.5 cents per lb. plus 45 per cent. *ad valorem*.

The Government of India has reviewed the policy for export of Madras-Mysore silk waste in the light of the availability and the requirements of the indigenous industry and has decided to allow the export of silk waste of Madras-Mysore origin by those holding stocks.

COTTON MILL INDUSTRY STARTS PUBLICITY CAMPAIGN

WORLD TEXTILE TRADE

From Our Special Correspondent

MANCHESTER, *2nd October*

THE opening shots in a campaign sponsored by the Lancashire cotton industry to interest the public at home in the virtues and value of cotton goods have now been fired. The Cotton Board, advertising consultants and representatives of all branches have collaborated in a publicity scheme which is now being displayed in advertisements in national and local newspapers. The drive has a twofold objective of offsetting the threat of foreign competition and endeavouring to revitalise the selling power of the fibre.

MANCHESTER LETTER

The slogan "Buy Britain's Cottons" had already been coined; now a new sentence has been added to each advertisement. After describing the virtues of cotton in its many different guises, the message ends: "And the best of it is that the best of it comes from Britain."

Advertisement

Posters showing various versions of the advertising campaign are now going up in mill canteens and on notice boards. The operatives who spin and weave the goods will be able to see how their efforts are being brought before the public. All the assets possessed by the fibre are driven home, from cotton's durability to its cleanliness, from its industrial uses to its modern transformation into a fashion fabric, from its cheapness to its launderability.

The sponsors of this idea of a national drive to boost sales have great hopes for the project. They do not pretend that it will solve all their troubles, but the success of similar schemes in other countries, notably the United States, gives ground for the belief that the money which is being spent will not be wasted.

One drawback alone mars the effectiveness of the approach to the public so far. The labelling of cotton goods, by which imports from Hong Kong and other Commonwealth sources can legitimately be marked "British," remains a stumbling block. Shoppers might well guess by the usual wide disparity in price that some of these goods, with their misleading tags, are manufactured many thousands of miles from Britain, but the anomaly persists and may perplex the few.

Imports And Exports

A discouraging survey of recent conditions in the United Kingdom cotton industry, showing a picture of shrinking exports and growing foreign imports, is given in a quarterly statistical review issued in Manchester by the Cotton Board. These influences, accompanied by a continued running-down of stocks, have kept output of cotton yarn and cloth at depression levels, the Board stated. In July and August, the daily rate of yarn output in Lancashire mills, allowing for holidays, took a sharp downward turn and last month it was lower than at any previous period of the present recession.

Imports of cotton piecegoods showed a marked increase in the first half of this year. Those from India and Hong Kong were mainly for home consumption but supplies were received in larger quantities from other sources for re-export, including Japan, China, France and Bulgaria.

Home Market

In addition, the Board disclosed for the first time the extent to which made-up cotton goods are now entering Britain's home market. Imported shirts are arriving at a rate of 10,000,000 a year and towels are coming in at about 11,000,000 annually. The Cotton Board estimates that imports of made-up cotton articles so far this year have been at an annual rate equivalent to about 50,000,000 square yards of cloth. Imports of unfinished cotton and rayon fabrics exceeded 200,000,000 yards in the half-year.

World trade in cotton goods declined sharply in the second quarter of 1956 chiefly owing to a drop in Japanese exports from a post-war record level of 363,000,000 square yards in the first quarter to 260,000,000 yards. On the other hand, cloth from man-made fibres sold in larger quantities on world markets and Japanese shipments increased from 237,000,000 square yards to a new record level of 288,000,000 square yards in the second quarter of the year.

The world textile export scene has changed but little, as the table below shows, the general tendency being towards increased shipments of goods made from synthetics at the expense of cotton fabrics. Comparable figures are given for the first half of this year and 1955:

(In million yards)

	1956			1955		
	Cotton	Rayon	Total	Cotton	Rayon	Total
U.K. ..	287.0	64.0	301.0	281.9	69.0	350.9
U.S. ..	267.6	72.1*	339.7*	299.3	119.4	418.7
Japan ..	622.6	525.3	1,147.9	498.0	409.4	907.4
India ..	309.3†	0.6*	309.9†	385.7	1.1	386.8
Holland ..	128.4	23.0	151.4	119.3	20.6	139.9
France ..	78.3‡	22.6‡	96.5‡	218.2	65.3	283.5
Germany ..	112.5	105.2	217.7	115.1	107.5	222.6
Italy ..	42.7	50.7	93.4‡	37.6	60.0	97.6
Belgium ..	55.5‡	15.9‡	71.4‡	99.8	22.7	122.5
Hong Kong ..	62.8	31.5	94.3	88.1	9.8	92.9

* 3 months for rayon only. † 5 months. ‡ 8 months.

In addition to the above direct shipments made by Hong Kong mills, a further 127,000,000 yards of cotton cloth have already been shipped abroad this year as re-exports. Most of these supplies went to Indonesia and Siam.

Egyptian Cotton

International developments have disrupted the free flow of Egyptian cotton to certain consuming areas at present but traders with an eye to the future are still keeping in touch with the supply position and the statistical outlook. The season which has just ended brought several unusual influences to bear on the Egyptian crop and the exports of 895,109 bales were 20 per cent. higher than in the previous season.

Another important factor was the substantial rise in consumption of cotton by local spinners in Egypt. The quantity of 254,246 bales absorbed established a new all-time record. As a result the carryover of 154,407 bales was one of the lowest for many years and compared with 284,995 bales in the previous season.

Leading consumers of Egyptian cotton during the 1955-56 season were (in bales, with comparisons for the previous season):

Czechoslovakia 158,930 (37,439); India 102,454 (87,698); France 93,160 (91,329); Japan 70,329 (47,796); Italy 62,567 (46,887); China and Formosa 57,511 (75,055); Switzerland 39,693 (32,304); Russia 34,195 (44,696); Poland 33,181 (21,085); United States 32,241 (45,480); Rumania 30,650 (10,645); United Kingdom 29,154 (39,655); Western Germany 28,119 (57,993) and Hungary 22,009 (26,253).

Current estimates of the new crop indicate a yield of around 1,165,000 bales, an increase of nearly 150,000 bales on last season. This offsets the reduction in the carryover and makes a probable supply of some 1,320,000 bales available for distribution.

The uncertain outlook affecting Egypt's political and economic situation makes it hazardous to assess the immediate prospects for supplies of the fibre. Spinners in Egypt absorbed nearly 20 per cent. of available supplies last season and may well increase their requirements. The significant feature of exports was the fact that nearly 30 per cent. of Egyptian cotton was sent to China and East European countries. An extension of this trade in current circumstances seems more than likely.

Recent Price Trends

The important effect on Lancashire cotton cloth prices of the substantial reductions in yarn quotations which took place at the beginning of August can now be gauged from a comparison with previous Board of Trade figures in this connection. The index number, based on 100 points at the end of June 1949, dropped sharply in August to 118.6 compared with 122.0 in July.

This means that the level of cotton cloth prices is now lower than at any time during the last three years. More significant still is the fact that the relationship between the cost of cotton and rayon fabrics is now narrower than for a long time past. The latest index number for rayon material, calculated on the same basis, is 113.7.

Following the attempt to reduce American yarn prices to a more realistic level, reports were about that the cost of Lancashire goods was well within the competitive range of some important rivals, including Hong Kong and Japan. In many quarters, however, it is felt that Lancashire's opponents abroad have a much larger margin on which to operate and can well afford to shade their prices when opportunities of doing business arise.—*All Rights Reserved.*

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MEXICO'S EFFORTS TO OUTBID U.S. IN COTTON TRADE

BARTER DEALS PLANNED TO PUSH UP EXPORTS

WE have referred, in a previous issue, to Mexico's reaction to the U.S. cotton export policy and its objection to any form of two-price system for American cotton. Such a scheme, Mexico has held, would disrupt world markets. Subsequent reports, it is noteworthy, indicate that Mexico is planning to take effective measures to counter the adverse effects on its economy of the U.S. policy. A new cotton policy is gradually taking shape to cope with the situation created by the U.S. Farm Legislation. This Act has, in so far as cotton is concerned, three well-defined objectives. They are: (1) to dispose of the accumulated surplus at the rate of five million bales a year, (2) to recover that portion of the international cotton market formerly supplied by the U.S. for permanent trade purposes, and (3) to improve the quality and reduce the cost of production, so as to make the realisation of these objectives possible.

The first impression created by the law among a majority of Mexican producers and traders was that the policy was intended only to dispose of surpluses without any future plans of participation in cotton trade. It was also believed that U.S. cotton would not compete with Mexico's product, because of the latter's superior quality. But it now appears that Mexico has realised that the U.S. cotton export policy is a direct threat to its cotton trade and industry. The Commodity Credit Corporation has fixed the minimum price at 25 cents per lb. for basis Middling 15/16", average location. This will, it is felt, directly affect Mexico, because the latter is primarily a producer of medium-staple cotton. Further, even the 25-cent level is not a floor price, for the C.C.C. has been directed to accept even lower prices, should it be found necessary to meet the competition of cheaper priced comparable foreign growths. It is this provision that has caused the greatest flutter in cotton circles, not only in Mexico, but throughout the world.

Export Tax

Mexico has now sharply reacted to the U.S. move. A broad outline of the policy to be adopted is given in the latest monthly publication of the *Banco Nacional de Comercio Exterior*, a leading bank of Mexico. Mexican cotton, it is claimed, has before it a growing field in the international trade, because of its lower cost and excellent quality. These qualities are proposed to be improved further. Production, the report says, will be concentrated in the optimum areas and cotton technology will be improved to increase output, so as to make up in quantity what may be lost in price. As a preliminary step for helping domestic producers, the Mexican Government intends, according to the report, to readjust the export tax on cotton which at present is 22 per cent. *ad valorem*. This duty is not charged on bills but on the physical quantity exported of any type of fibre or fixed accounting factor established by the Treasury Department and subject to periodic revision. At present, the tax stands at 5.24 cents on the dollar per lb. If no adjustments are made, it is felt, the producers would be forced to absorb the entire reduction in market prices, inasmuch as the Treasury's share would remain stable in relation to the quantities exported. The authorities will make such adjustment in their cotton policy as will protect the producer's income level. The *ad valorem* tax will be reduced from time to time to levels that will permit sale of Mexican cotton at minimum remunerative prices, but at prices not lower than those set by the C.C.C. for the sale of U.S. cotton. Though such a step will eliminate marginal producers, it will avoid a price war which, Mexico is convinced, will not square with the long-term interest of the cotton trade.

Nor are these, it is claimed, the only way open to Mexico to protect the interest of its producers. Being an underdeveloped country, its domestic market for capital and consumption goods is ever-expanding. In the present international circumstances, this is a valuable asset to bank on, for they are precisely the ones gaining importance in international trade in their role of principal vehicles for the trade expansion of developed countries. Mexico has been receiving innumerable suggestions and even concrete proposals for bilateral agreements which assure Mexican cotton lucrative markets and a diversified foreign trade. A recent step in the direction of barter deals is the announcement by the Department of Economy that import permits for automobile parts to be assembled in Mexico will be granted, subject to the condition that such operations be undertaken as part of compensated trade arrangements which stipulate the export of Mexican cotton from the 1955-56 harvest in amounts equal in value to the automobile imported. This policy came into effect on 1st October. A similar agreement has already been in force for some time now, in respect of permits to import wine, liquor, chemicals, fibres, sheet steel, machinery, textiles, etc. A significant feature of the new measure is that the two operations need not be simultaneous. The importer may arrange for his share of cotton to be exported by anyone else in his name. No specific destination is required for the cotton; it may be sold to any country, not necessarily the one supplying the imports. All that is required to get the licence to import automobile, or any other article, is that the commitment to export cotton within a given period be made.

Some Hopes

Mexico is not unaware of the fact that these measures will increase the competitive struggle among the ranks of cotton shippers. But it believes that they will make its cotton more attractive to buyers abroad, and also eliminate intermediaries through whom many importing countries are buying its cotton. Further, it maintains that some clients of the U.S. will be reluctant to purchase American cotton, because their sale of textiles to the U.S. will be steadily reduced by the protectionist policy the U.S. will have to adopt. The assumption that the U.S. will follow a strong protectionist policy for cotton textiles is based on the ground that American textile manufacturers buy their cotton at inflated prices and will not be able to compete with piecegoods imported from Japan, for example, made out of C.C.C. sold cotton at much lower prices. In other words, the U.S. dumping policy will have the effect of raising U.S. textile duties and reducing the dollar income of its cotton customers, thus making their bilateral trade with Mexico more attractive. But it must be added that nowhere is the belief held in Mexico that the enormous impact of U.S. cotton sales on world prices and demand can be offset by any or all the measures which Mexico can adopt. Nevertheless, it is confident that, if international market conditions are aggravated to the point of scraping the demand for cotton from sources other than the C.C.C., Mexico will be able to balance the value of its imports under the barter system by exports of cotton.

Again, cotton producers in Mexico are planning to adopt defensive measures by creating a National Cotton Commission, with a contribution of 5 pesos per bale or ton of cottonseed, up to 12 million pesos annually to finance it. The Commission will plan cotton production, start experimental fields to improve quality and raise yield per unit of cultivated area, undertake control of pests and plant diseases and organise a domestic and international service on market conditions. Mexico's producers also intend to create a National Cotton Bank with a capital of 40 million pesos provided out of private funds to finance the purchase of machinery and equipment and guarantee harvest. The Bank will also regulate domestic cotton trade as well as exports.

The measures that are being adopted by a major exporter of cotton are not without significance to cotton people in other parts of the world. While the world market for cotton has yet to adjust itself to the flow of American cotton, Mexico's plans to outbid the U.S. will result in a further slump in prices. The latest indications are that Mexico has already captured a sizable share of the market in some leading importing countries. In a recent issue of the *Foreign Commerce Weekly*, the U.S. Department of Commerce stated that Mexico has been able to open new markets for its cotton through sales to nations of little importance in its foreign trade. Thus, Mexico has already taken over America's place as the leading cotton supplier to Germany. While the U.S. exports to Germany fell from 381,928 bales in 1954-55 to 109,442 bales in 1955-56, Mexico's share increased to 402,979 bales in 1955-56, thereby making the latter the principal supplier of cotton to Germany. Japan, Denmark and the United Kingdom have also evinced interest in buying Mexican cotton in exchange for machinery and other products.

IMPORTS OF COTTON INTO INDIA

Figures relating to imports of foreign cotton in the season ended 31st August 1956 show that 598,030 bales (of 400 lbs.) of foreign cotton were imported into India during the period as compared with 529,579 bales in the previous season. However, the quantity licensed for importation was 893,428 bales, as compared with 649,280 bales in the 1954-55 season. Of the total raw cotton imported, 583,247 bales were from the sterling area and 14,783 bales were from the dollar area, the corresponding figures for the previous season being 453,668 bales and 75,911 bales, respectively. Variety-wise, East African cotton accounted for nearly 50 per cent. of India's total imports of sterling area cotton, Egyptian cotton being second in importance and Sudan cotton rating as third. The following table gives detailed import figures for the season just ended:

(In bales of 400 lbs.)

	1955-56		1954-55	
	Quantity licensed	Actual arrivals	Quantity licensed	Actual arrivals
Sterling Area Cotton—				
Egyptian	224,580	219,273	179,016	123,964
East African	320,209	223,037	236,623	257,609
Sudan	126,349	132,798	122,013	66,713
Others	31,410	8,139	13,753	5,382
Total ..	702,548	583,247	601,405	453,668
Dollar Area Cotton—				
U.S.A.:				
Under Aid .. 14,567				
Free .. 176,313				
	190,880	14,783	47,875*	75,911*
Grand Total ..	893,428	598,030	649,280	529,579

* Includes Mexican cotton.
Arrivals include quantity licensed in the previous season.

Mill consumption of raw cotton in the first eleven months of the season ended 31st July 1956 was of the order of 4,549,851 bales comprising 3,995,792 bales of indigenous cotton and 554,059 bales of foreign cotton. In the corresponding period of the previous season total consumption aggregated 4,364,462 bales, of which 3,775,977 bales were Indian cotton and 588,485 bales foreign cotton. It is noteworthy that the consumption figure of 384,660 bales of Indian cotton in July is a new high since January last and compares favourably with 376,100 bales in the corresponding month of the previous season.

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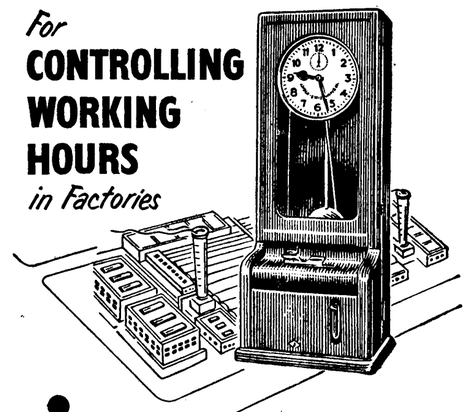

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IMPROVING QUALITY OF SUGAR

NEED FOR CORRECT STANDARDS

THE view that the standard for the grading of sugar evolved by the Sugar Industry Sectional Committee of the Indian Standards Institution should be made final with necessary modifications was expressed by Mr. T. Prasad, Chairman of the Committee, at the Committee's meeting held in New Delhi last week. The Committee, it will be recalled, was first set up in 1953 with Dr. T. S. Venkataraman, former Sugarcane Expert to the Government of India, as the Chairman, to draft standard specifications for sugar. After taking into account the various difficulties and limitations in the manufacture of sugar, the Committee felt that the standard should be related, as far as possible, to the prevailing manufacturing and trade practices in the country. It came to the conclusion that, for grading sugar, the number of possible combinations in the existing set of material standard sealed samples should be reduced and the system of grading amended. Accordingly, it was decided to abolish grades AA, F and G in the grain size and grade 26 in the colour series and to group together the remaining five grain sizes and three colour grades, so as to produce the following 15 combinations:

Grain	*Colour*		
Size	29	23	27
A	A-29	A-28	A-27
B	B-29	B-28	B-27
C	C-29	C-28	C-27
D	D-29	D-28	D-27
E	E-29	E-28	E-27

The aforesaid set-standard has been the basis for grading sugar in the last two years. The set-standard is claimed to have found support with the sugar factories. The Development Council for the Sugar Industry has already considered the views expressed by the users and has made recommendations on the subject. Several foreign delegates to the ninth Congress of the International Society of Sugarcane Technologists held in New Delhi early this year expressed their appreciation of the standards for grading of sugar formulated by the Indian Standards Institution.

Special Significance

The need for adopting quality standards assumes special significance in regard to such an essential consumer article as sugar. The organisation chiefly responsible for stipulating sugar standards and advising the factories to conform to these specifications is the Bureau of Sugar Standards. More than two decades have elapsed since the Bureau was established; it was set up in 1935 by the Indian Council of Agricultural Research. It must be said to the credit of this Bureau that it has achieved remarkable success in bringing about an improvement in the quality of sugar produced by the sugar factories. The major portion of the sugar output at present, for instance, is accounted for by the highest colour grades, namely, I.S.S. 29 and 28, the actual share of both being nearly 90 per cent., as against 12 per cent. in 1945-46. Again, there has been an appreciable decline in the production of lower colour grades of sugar (I.S.S. 27 and 26) from 84.1 per cent. to just 10 per cent. There has been improvement in the quality of sugar production as regards the grain size too. The predominant grain size is now D (the bolder grain) which is superior to grain size E. The grain sizes A, B and C have registered a distinct rise in output. Taking both colour and grain size into consideration, D-28 is the predominant quality of sugar now produced, while D-24 was so some years ago. Indeed, it is claimed that the quality of sugar produced in India compares very favourably with that produced in any other country.

While the progress made in the direction of improving the quality of sugar thus is notable, there is no gainsaying the fact that much still remains to be done. The methods of test by evaluating vacuum pan sugar vary not merely from region to region but also from factory to factory. Such variation is not in the larger interest of the sugar industry. It is important that the same methods of analysis should, as Mr. Prasad emphasised, be adopted throughout the country. It is equally important that the methods must be easy to adopt and accurate and should not, as far as possible, involve very costly apparatus. Alluding to the draft standards for refined sugar, cube sugar and icing sugar, Mr. Prasad said that the standards would be useful for the development of the industries producing these articles. He asked the Committee to consider what other important sugar products should be standardised. He felt that molasses might be one such product.

At the end of the meeting, the Committee finalised four draft standards for methods of test for vacuum pan sugar and specifications for cube sugar, icing sugar and refined sugar. The drafts will be circulated for eliciting comments. The Committee also decided to formulate an Indian standard specification for molasses.

Incidentally, Mr. Prasad made a brief view of the developments in the Indian sugar industry. According to him, the production of white sugar has gone up from 1,297,000 tons in 1952-53 to 1,856,000 tons in the current season (1955-56). The latter figure is higher than the revised target of 1,800,000 million tons fixed in the first Five-year Plan. The consumption of sugar has also recorded a rise, the estimate for 1955-56 being 1,950,000 tons, as against 1,637,000 tons four years before. Steps have been taken to augment output further. Licences have already been issued under the Industries (Development and Regulation) Act for the establishment of 53 new sugar factories and for a substantial expansion in 51 existing units. The full utilisation of all these licences will mean the creation of an additional capacity of about 950,000 tons. An outstanding feature of the new development programme is the setting up of sugar mills on co-operative basis. Licences for 31 co-operative units have already been granted. Twelve of these are expected to commence crushing operations during the coming (1956-57) season.

WORLD SUGAR

The International Sugar Council has effected a 2 per cent. cut in the basic export tonnages of the member-countries of the world Sugar Agreement. This decision was taken at the end of its secret meeting held in Geneva on the 3rd inst. The cut in export quotas has been enforced under Article 21 of the Agreement which empowers the Council to reduce quotas, if the world price of sugar falls below the minimum of 3.25 cents per lb. Cuban raw sugar (f.o.b. Cuba) at New York which stood at 3.25 cents till the 10th inst. receded to 3.24 cents on the following day and further to 3.22 cents on 17th September, since when the rate has remained unchanged. The decline in sugar prices was due to the reallocation of the portions of the quotas which certain members of the Agreement were unable to fulfil. Cuba and some other exporting countries were allowed to increase their exports and, consequently, the supply position of sugar eased, leading to a fall in prices.

It is with a view to raising the world price of sugar that the International Sugar Council has, as stated at the outset, cut the basic export tonnages. The revised export quotas (in metric tons) of the countries subject to the reductions are: Cuba 2,605.021; China (Taiwan) 681,338; Dominican Republic 681.021; Belgium 56,779; the Philippines 28,390; France 22,712.

SUGARCANE PRICES

The Government of India has fixed Re. 1-7 per maund as the minimum price for gate deliveries and Re. 1-5 per maund for deliveries at rail-centres for sugarcane to be purchased by vacuum pan sugar factories during the 1956-57 season. These prices are the same as those fixed for the 1955-56 season, and are subject to the formula for linking the price of sugarcane with the price of sugar evolved by them.

The Bombay Government, however, has decided, in accordance with the policy adopted by it for fixation of the price of sugarcane for the 1955-56 season, to follow the same policy for the 1956-57 season. It has, therefore, discussed this question with the Deccan Sugar Factories' Association on 21st September 1956. The minimum price now mutually agreed upon between the Government and the factory owners is Rs. 45 per ton of sugarcane, to be delivered at the factory side. This, it must be noted, is the minimum price which every factory has agreed to pay and does not affect any contracts for higher price, if any, made by the factories with sugarcane growers.

Of the two co-operative sugar factories proposed to be set up in Bihar under the second Five-year Plan, one is expected to commence production from the 1957-58 season. This factory will be located at Bankankhi in Purnea district. The Government of Bihar has already appointed a special officer to take necessary steps for establishing the factory. The cane growers will contribute Rs. 10 lakhs towards the share capital and the State Industrial Finance Corporation will advance a loan for the capital.

(*Concluded from next column*)

loaders, 0.59 ton for all workers underground and in open workings and 0.38 ton for all persons employed including surface workers. The percentage of absenteeism was of the order of 13.33.

Nine coke plants at collieries and elsewhere produced 379,000 tons of hard, soft and other kinds of coke during the month and despatched 228,071 tons.

NEIVELI LIGNITE PROJECT

PROGRESS SATISFACTORY

THE discovery of lignite deposits at Neiveli in South Arcot has been widely welcomed as a happy augury for the rapid industrialisation of the country, more especially the Southern part of the peninsula. No wonder, therefore, that it has been given a high priority in the second Five-year Plan. The preliminary investigations having proved successful, the Government has lost no time in going ahead with further plans for developing the mines and exploiting the deposits.

Accordingly, orders for the supply of major specialised equipment for lignite mining, such as bucket-wheel excavators, slewer spreaders, belt conveyors, track shifter tractors, etc., of a total value of Rs. 4 crores were placed at the end of September 1956. Orders for conventional earth-moving equipment aggregating Rs. 1.57 crores were placed earlier in August. Many other items of equipment needed for the development of the mine are being assessed and tenders for such equipment are likely to be invited before the end of the year. The first bucket-wheel excavator is expected to become available towards the latter half of 1958.

Plans will be finalised before the end of the year for open-cut mining operations designed to winning the lignite above a series of artesian aquifers. Estimates are also being drawn for the construction of quarters for the personnel engaged in the mining operations. The scheme for the construction of the giant 200 M.W. thermal power station at Neiveli is making commendable progress and a rough draft of the proposals is expected to be ready before the end of this year. Side by side with this, the planning of the fertiliser unit is also making progress. The chemical engineer connected with this aspect of the project is now abroad on a visit to the United States and Germany to study developments in technical processes. The planning of the briquetting carbonising plant, however, will be taken up only after some preliminary experiments have been conducted in that direction with the aid of a pilot plant.

A skeleton survey of the entire area has been completed. A town-planning expert has been appointed to prepare a general lay-out plan of the whole area comprising the project and to locate suitable sites for production units, workshops, stores, etc., and the proposed township and training institutions. Similarly, an architect has been appointed for drawing up plans and designs of the various buildings that would be needed for staff quarters and offices. There is no difficulty about availability of electric power, since the Madras Government has promised to supply power to the extent of 12,000 kw. till energy from the proposed thermal station at Neiveli becomes available. Preparations are already afoot for the construction of a 110 kv. line from Villupuram to Neiveli for this purpose. Recently, at a conference consisting of the Chief Executive Officer of the project, some officers of the Central Water and Power Commission, the Chief Engineer (Electricity), Madras and other officers, held at Neiveli, matters relating to the distribution of power thus made available by the Madras Government were discussed.

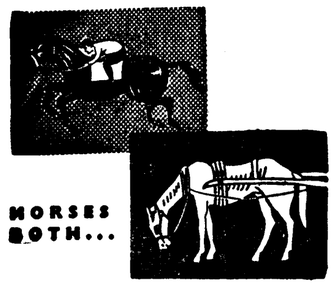
The entire land required for the purpose will be acquired under a phased programme. To prevent inflation in the value of lignite-bearing lands, the Madras Government had, as early as in 1953, enacted legislation pegging the value of lands in 69 villages in some taluks of the South Arcot district to the value obtaining on 28th April 1947. On a representation made by the inhabitants of the lignite area, the Government of India has recently exempted 43 villages from the scope of the Act for some time. Permission has also been granted for the immediate acquisition of the necessary lands in 15 villages in the pegged area and seven villages outside the scope of the Act for the construction of the production-units, workshops, staff quarters, railway sidings and training institutions.

OUTPUT OF COAL IN INDIA

The output of coal in India increased to 3,307,647 tons in August 1956 from 3,164,647 tons in July 1956. Despatches of coal amounted to 3,172,927 tons in August 1956, as against 3,017,398 tons in the preceding month. The stocks at pitheads amounted to 3,018,439 tons at the close of the month, as against 3,372,035 tons at the beginning of the month.

During the month under review, 838 collieries were reported to be working, with an average daily employment of 336,633 workers. Output per manshift was estimated at 1.12 tons for miners and

(*Continued in previous column*)



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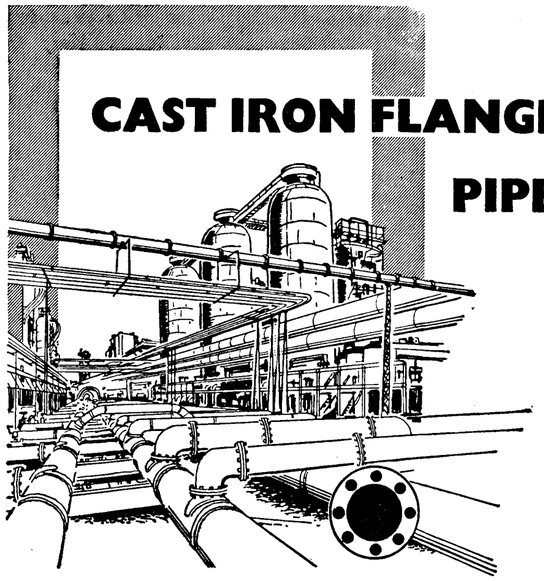

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WHY DOES INDIA NEED SYNTHETIC RUBBER INDUSTRY?

PUBLIC SECTOR'S SHORT-SIGHTEDNESS

IT is often claimed nowadays by some that the private sector has no foresight and cannot correctly visualise the future demand for commodities and manufactures. This is one of the grounds on which the need for State interference and State initiative is sought to be justified. The implication here is that the State is more efficient in these matters than the private sector. But that is not quite true and those who make that claim have the benefit of hindsight. Several instances can be given to show that, even when the private sector prompted the Government to look ahead, it failed to do so and let things drift. A typical instance is provided by the private sector's plan for rubber industry submitted some seven years ago. If only the Government of India had the vision to accept that plan then, there would be no shortage of raw rubber in the country today and it would not be necessary to spend large sums of foreign exchange for importing this commodity from abroad. Nor would it be necessary to think in terms of a costly project for producing synthetic rubber, when India is richly endowed by Nature to grow rubber. Let it not be forgotten, in this connection, that rubber is a basic raw material of vital importance to India's economic development. Without it, there can be no modern civilisation.

How short-sighted the public sector has been in regard to this important matter will be evident from the following quotation taken from the speech of Mr. W. W. Kilgour, Chairman of the Cochin Malabar Estates Ltd., in his speech at the last annual general meeting of the Company, held at Kozikhode, over a month ago:

"Discussion of the proposal to establish a synthetic rubber plant in India still continues. The reason given is that rubber consumption is increasing much more rapidly than production, but this underlines the short-sightedness which rejected the first subsidised Planting Scheme in 1949. The need for such a scheme is now realised, and replanting will be subsidised for the first time in India in 1957. But, if the first scheme had been implemented in 1949 when it was proposed, it would by now have begun to bear fruit and to meet the difference between production and demand."

Implications

As mentioned in an earlier issue of this journal, the Government proposes to have a synthetic rubber plant at Bareilly in Uttar Pradesh. The estimated cost of this plant is Rs. 12.5 crores. But this may be an underestimate, as is the case with most of the industrial projects of the public sector. Some reports place the figure of capital expenditure on this project at as high as Rs. 20 crores. The plant is expected to employ about 8,000 workers, but no information is available about its capacity and production. But, on the assumption that a sum of Rs. 12 crores will be sufficient for this purpose, some idea can be given of the larger benefits that would accrue to the country if the same capital were invested in rubber plantation. In his aforesaid speech, Mr. Kilgour spelled out these advantages as follows:

This sum would be enough to:

(1) Plant 80,000 acres of high yielding rubber,

(2) produce over 20,000 tons of natural rubber a year, and

(3) provide employment, directly or indirectly, for at least 2 lakhs of workers, and this in the part of India with the gravest unemployment problem.

"These figures would be more than doubled, if this amount of money were to be spent in the form of subsidies to planters or loans as is the pattern at present. The present rubber replanting subsidy scheme will cost some Rs. 2 crores, and the proposed new planting loan scheme would require a maximum outlay at any one time of about Rs. 5 crores, all of which would be recoverable."

Proceeding, Mr. Kilgour brought out the implications of this investment clearly by saying:

"In the context of the unemployment problem in India, it seems strange, therefore, to spend Rs. 12 crores, at least half of which will have to be in valuable foreign exchange, on employing 8,000 workers, when the same amount spent entirely at home would employ 25 times as many people. And this proposal is made at the same time as immense subsidies to keep alive certain varieties of cottage industry which clearly have no hope of being able to compete in a modern economy. On the other hand, our industry is well able to meet all competitions."

From the foregoing account, readers will see for themselves how the public sector, which claims to know everything, is subjecting the country to a needless waste of capital, a scarce commodity. It slept over a scheme prepared by the private sector for well-nigh six years. For this fault on its part, precious public savings of the order of Rs. 12 to Rs. 15 crores, if not Rs. 20 crores, are to be invested in a low labour-intensive scheme.

Some may be inclined to feel that we are exaggerating the point. They may argue that the synthetic rubber project will provide a valuable outlet for the molasses of the U.P. sugar industry, a part of which now goes waste. But there are other uses for this product. The potentialities for utilising it in full for producing power alcohol have not been exhausted. This country is dependent upon the outside world for the major part of its requirements of liquid fuel. Given proper encouragement to power alcohol industry, molasses can be utilised to close a part of this gap. They can also be used, along with bagasse, as a high-energy livestock feed. This is an outlet for molasses which has hardly been tried in India. India has the largest cattle population in the world, but the vast majority of them is underfed. Molasses can be a very valuable means of solving the problem of undernourishment of Indian cattle. Experiments in the U.S. have revealed that molasses can be converted without any difficulty into a solid, easily transportable form of cattle feed, so that it should be possible to use this commodity, which is available only in certain regions of the country, in all parts of India. It is, therefore, unnecessary to start a synthetic rubber industry, in order to solve the problem of surplus molasses.

Nature's Bounty Not Fully Utilised

One can understand Europe and America spending vast sums of capital on synthetic rubber industry. These countries cannot produce natural rubber, because they do not enjoy the climatic conditions necessary for it. Their political hold over the countries producing natural rubber in Asia is weakening and, in times of emergency, they are afraid of their supply being easily cut off. It is common knowledge that, without rubber, they cannot live, nor defend themselves when attacked. In fine, rubber is a strategic commodity. They are, therefore, keen on attaining self-reliance, if not self-sufficiency, in raw rubber. This they have been able to achieve through the synthetic, for which the raw materials are within their easy reach. But India is in a different position. It has all the facilities for producing natural rubber—land, climate, labour and know-how. All these could have been fully utilised and almost the entire requirements of the country could have been secured by now, if only the public sector had been alert and listened to the advice given by the planters.

BELGIUM MAY HAVE FEWER JUTE MILLS

Lack of confidence in the future may lead to some reduction in the size of the Belgian jute industry. At the present prices for jute goods, the working of too many individual units is found uneconomic, and the industry in Belgium is reported to be preparing to follow the French example of concentrating production in the largest and most efficient concerns, so that the prices of jute manufactures may be maintained at the most reasonable level by making optimum use of modern machinery and efficient management techniques.

EXPANSION OF EGYPTIAN JUTE INDUSTRY

The existing jute mill at Shubra-el-Kheima, Cairo, is reported to have been taken over by a new company of the name of Societe Generale des Produits de Jute, reports *Jute Bulletin* of the Indian Central Jute Committee. New equipment is being installed in the mill to raise its production from 2,500 tons to 8,000 tons a year. Another jute mill, reportedly under construction, is expected to produce over 17,000 tons of goods and create jobs for 3,000 workers in about three years' time.

FRENCH PRODUCTION FALLS

French jute industry's production recorded a further decline during May to 8,150 tons of yarns and 6,200 tons of fabrics from 8,790 tons (revised) and 6,468 tons (revised), respectively, for the month of April. May production brought the total for the first five months of the year to 44,792 tons of yarns, as compared with 43,059 tons for the corresponding period of last year. The cloth output during January-May 1956 aggregated 33,372 tons, a considerable decline from the previous year's 34,186 tons.

UTILISATION OF JUTE IN SURGERY

IT CAN REPLACE COTTON DRESSINGS

THE shortage and high cost of many common consumer goods during the war and post-war years have led to the discovery of many cheaper substitutes. The use of wearable fabrics made out of vegetable tissues in place of cotton textiles is an instance in point. The rise in the cost of Indian jute goods, due to higher raw jute prices and various other causes, has, likewise, been responsible for the introduction of substitute packing materials in foreign markets. Though these substitutes have not yet wholly replaced jute bags and fabrics, the competition from them has had a markedly adverse effect on the Indian jute industry. Such a situation has to a large extent been due to the fact that jute goods have remained only as a packing material and no other major use for jute has been found.

Thanks, however, to the recent research by scientists, jute need no longer remain so. It has even replaced cotton in many uses where the latter holds the field. This is evident from the talk of Lt.-Col. K. K. Chatterjee at the Asiatic Society, Calcutta, held last week. According to Dr. Chatterjee, a proper substitute for absorbent cotton used for surgical purposes can now be made from jute. Surgical dressing made out of jute and supplemented by other vegetable tissues can considerably reduce the necessity of using gauze dressings. The economic aspect of the surgical use of jute has shown that the material can be produced at 50 per cent. or even less, of the cost of absorbent cotton wool and that it can reduce the cost of gauze material also. There is thus a twofold advantage in the surgical use of jute, namely, jute dressing is economic for patients and also releases large quantities of cotton for textiles. It has also been found, Lt.-Col. Chatterjee said, that the dressings made of jute and vegetable tissues do not give rise to "jute dermatitis," an ailment said to be common among workers of jute mills. The vegetable tissues, it is claimed, conserve body heat better than absorbent cotton. The discovery of jute dressing as a substitute for gauze, he added, should encourage industrialists to install plants for the production of the material.

Lt.-Col. Chatterjee explained the "principle of disintegration" which led to the formation of jute and vegetable tissues. He said that the preliminary step in the process was the separation of fibres from fibral bundles by peeling off the surface elements. The fibres should afterwards be treated both from the surface and from the central part. The surface could, he said, be treated better by chemical agents than by bacterial. The treatment by chemicals had an advantage over the latter, in that the chemicals gained quick access to the substance of the jute fibre, which consisted of long tendrils with tapering ends and a central canal. The jute, Dr. Chatterjee suggested, should be cut into small pieces which would facilitate the access of the chemicals through the openings of the central canal and the body of the fibre.

Chemical Treatment

The standard chemical treatment was alkaline treatment and chlorination by bleaching powder, chlorine water or chlorine gas. The process further included boiling, agitating, cylinder-washing, carding, sifting and pressing. The success of the process lay in the selection of a particular variety of vegetable tissues and judicious application of the chemicals. The strength of the chemicals and the duration of immersion would depend on the character of the particular vegetable issue which was being processed.

Lt.-Col. Chatterjee's elucidation of the process of making surgical dressings out of jute and vegetable tissues makes interesting reading and one wishes that some industrialist comes forward to take steps to manufacture them. The difficulty, however, is the adequacy of supplies of raw jute, so that they can be manufactured at a cheaper rate in order to induce their wider use than cotton dressings. India is still dependent to a large extent on Pakistan for supply of raw jute. Unless the country attains self-sufficiency in jute at an economic cost, the diversion of jute to the manufacture of surgical dressings may lead to an increase in the price of other jute goods. But there is no doubt that this invention will be of great use to Pakistan which has a large surplus of jute for which outlets have to be found through exports.

ADVANTAGES IN EXPORTING FERRO-MANGANESE

STEADIER MARKET THAN CRUDE ORE

By Dr. R. M. Agarwal

INDIA exports about one million tons of manganese ore per year of which the U.S.A. alone take about 600,000 tons. The ore has had an increasing market lately on account of stockpiling. Further, because of their high phosphorus content, Indian ores are normally blended in the U.S.A. with other manganese ores. The second Five-year Plan, it may be mentioned here, has fixed an export target of 1.5 million tons of manganese ore, as against 0.94 million tons during the first Five-year Plan.

Reserves

India has large reserves of manganese ore, the primary raw material for manufacturing ferro-manganese. These are at present exploited mainly for export which fetches a very much smaller return (about Rs. 200 per ton of manganese ore, as against Rs. 700 per ton of ferro-manganese). Keeping in view the several advantages that would accrue from development of natural resources including much larger export earnings, the first Five-year Plan recommended that the export of finished or at least semi-finished products should be encouraged in the case of manganese ore.

The following table gives the exports of manganese ore during the period 1950-51 to 1955-56:

	Quantity Tons	*Value* Rs.
1950-51	8,20,780	8,01,25,406
1951-52	11,24,956	15,69,33,834
1952-53	14,39,678	21,78,22,976
1953-54	15,67,949	24,73,16,573
1954-55	9,44,877	12,43,67,566
1955-56	9,20,847	10,72,33,707

In the U.S.A. about one million tons of ferro-manganese ore is consumed annually and is manufactured from ores obtained mainly from India, Brazil and South Africa; but the demand from these sources may slightly fall on account of discovery of manganese ore in French Equatorial Africa. It is difficult to believe that this new source of supply will supplement Indian supply and it may be assumed that for a long time to come America will have to look to India for a large part of its ferro-manganese requirements. If, therefore, India can produce ferro-manganese at a price which can find a market in the U.S. or the U.K., the finished goods should have an equal chance with the raw ore to attract these markets. In order to meet the demands of foreign markets, ferro-manganese containing about 78 to 82 per cent. manganese can be produced in electric furnace by using ore containing a minimum of 48 per cent. manganese and a maximum of 7 per cent. iron.

The requirements of ferro-manganese for the iron and steel industry by 1960-61 have been estimated at 60,000 tons for an output of 6 million tons of ingot steel. There is some scope for developing an export trade also in ferro-manganese, for though most of the steel-producing countries manufacture their requirements of ferro-manganese by importing raw ore, the U.S.A. which is the largest consumer, produces only 75 to 80 per cent. of its ferro-manganese requirements. The balance which is of the order of 125,000 to 200,000 tons per annum is met out of imports from countries like Norway, Canada, and France. The large-scale expansion of steel production envisaged in several countries over the coming years will increase the consumption of ferro-manganese. From an overall view, it is considered that, provided the quality and price are satisfactory and a vigorous export promotion policy is pursued, about 100,000 tons of domestic output could be absorbed by export requirements by 1960-61. This would contribute to export earnings about Rs. 8 crores at current prices.

On the basis of the present position, the following pattern of development of capacity and production is visualised between 1956-57 and 1960-61:

	Annual capacity Tons	*Actual production* Tons
1956-57	10,000	5,000
1957-58	25,000	25,000
1958-59	55,000	50,000
1959-60	105,000	70,000
1960-61	171,800	160,000

To achieve the production target of 160,000 tons the industry will require 320,000 tons in terms of high grade manganese ore, 128,000 tons in terms of coke, 96,000 tons of limestone and 560 million kw.h. of electrical energy. It is visualised that in implementing the schemes approved by the Government an investment of Rs. 9 crores would be incurred during the second Plan.

Internal Demand

No specific target was indicated for ferro-manganese production in the first Five-year Plan. Internal demands being limited, there is no continuous production of ferro-manganese. The Tata Iron and Steel Company, Ltd., is practically the only producer, though the Indian Iron and Steel Company, Ltd., has also been producing very small quantities of spiegel. The present annual consumption of ferro-manganese by the steel industry is estimated to be of the order of 23,000 tons. Domestic production being intermittent, small quantities are imported to supplement domestic production as is indicated below:

Year	*Production* Tons	*Imports* Tons
1951-52	21,469	2,538
1952-53	34,900	1,293
1953-54	1,221	3,447
1954-55	43,513	3,567
1955-56	*Nil*	184

The production of standard grade ferro-manganese from indigenous raw materials has to face certain problems as the raw materials differ widely from those of other producing countries in that manganese-iron ratio of most of the Indian manganese ores is low as compared with major manganese-ore producing countries. It is held that production of standard grade ferro-manganese would only be feasible when the manganese-iron ratio in the blast furnace charge is 6 : 1 or more. Further, one has to take into account the higher phosphorus content of India coke. The use of the electric furnace for the manufacture of ferro-manganese might reduce the disadvantage of the high phosphorus content in coke but the other handicap will still remain to be overcome.

Manufacture

For manufacturing ferro-manganese in the blast furnace usually about 2½ tons of coke are required per ton of ferro-manganese produced. But the consumption of coke is reduced to about one ton if the ore is smelted in electric furnace as the coke is then required only for the reduction of the ore to the metallic state and not for producing heat which is supplied by electric energy. As less coke is used, the introduction of phosphorus from coke will be much less. It is therefore now within the range of practical possibility to manufacture low phosphorus ferro-manganese in India and even to sell the material at a competitive price in foreign markets, if electric power could be obtained cheaply.

It may be argued that since the prices of manganese ore have gone up it may be profitable to sell manganese ore rather than manufacture ferro-manganese and then sell it. The present price of manganese ore may be attractive, but it should not be forgotten that the strength and property of trade is judged not so much from temporary booms as from recessions. It may not be out of place here to recall the experience in 1954 when prices suddenly dropped and most of the mines had to close down. The market for ferro-manganese is not so unstable as in manganese ore. Moreover, it requires three times more space to transport a ton of manganese ore as compared with ferro-manganese. Indian shipping is anything but developed and the discrimination of foreign lines against Indian products is not unknown. Freight rates have also risen by about 25 per cent. Ferro-manganese is thus a space-saving device and ensures quicker and cheaper transport. It may, however, take some time before the country is in a position to export ferro-manganese. Till such time, exports of manganese ore should be allowed.

(*Continued on page* 734)

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MOVE TO SET UP INTERNATIONAL ATOMIC AGENCY

WASHINGTON CONFERENCE DEBATES ROLE OF SAFEGUARDS

A NOT altogether unexpected hitch has developed in the Washington Conference on Atomic Energy over the safeguards to be provided against the improper diversion of nuclear power to military uses. The Conference is now engaged in settling the details in regard to the establishment of the International Atomic Agency which will help develop applications of nuclear power to peaceful uses in the world. The need for safeguards arises from the fact that atomic power, as is well known, can be used both for peaceful and military purposes; it is necessary to foster peaceful uses and to prevent uses of atomic power for destructive purposes. But the question which is being hotly debated is the nature and the extent of safeguards to be provided in the statute governing the International Atomic Agency.

At the 82-nation conference on Atomic energy, which is now being held at Washington, there is general agreement that the atom can provide extensive benefits to industry, electric power production, agriculture, medical science, health and transport. Some participants have expressed the belief that the new atomic age will usher in a "second industrial revolution." They have urged that such a revolution should be brought about in a manner that would avoid the errors and shortcomings that accompanied the first industrial revolution. Many States have also disclosed to the Conference the wide extent to which they have already progressed in developing atomic energy. Their reports revealed several new discoveries of nuclear source materials, of technical training centres set up and other facilities installed.

Atomic Capacity

Generally speaking, it is now agreed that the establishment of an international agency for the application of atomic energy to peaceful purposes will go a long way towards dispelling doubts and fears about the future of nuclear power. Such an agency, it is also felt, will stimulate the discovery of new fundamental data on which all progress depend and also provide an opportunity for nations which have little or no atomic capacity at present to acquire atomic facilities best suited to their needs. It is also realised that such an agency will enable nations to obtain electrical energy that will lighten their burdens and increase their productivity.

Nevertheless, several nations have expressed the fear that the draft statute (the subject of consideration at the Conference) for the International Atomic Agency contains safeguards which are likely to interfere with the development and use of atomic energy in underdeveloped countries. Dr. Homi J. Bhabha, India's delegate to the Conference, complained that the statute gave the International Agency "maximum powers of interference" in those areas least capable of producing nuclear weapons but those provisions would not affect the better-equipped nations which could carry out weapons programmes without the assistance of the Agency. Dr. Bhabha conceded that the measures designed to insure that the aid rendered by the Agency would not be diverted to military purposes were sincerely intended to protect world security. But India believes, he said, that "the sale of source material should not have elaborate safeguards attached to it," and that the undertaking that "the material is only to be used for the peaceful uses of atomic energy should be sufficient." With this end in view, India has, as already mentioned in an earlier article in this journal, suggested some amendments to the draft statute.

Purpose of Amendments

Dr. Bhabha explained the purpose of the amendments at a Press Conference in Washington. One such amendment would authorise the agency at the request of individual countries to inspect their plants for chemical separation of uranium 235 and plutonium usable in atomic bombs as well as power reactors. Dr. Bhabha said that the peaceful and military uses of atomic energy were "two sides of the same coin" and difficult to separate. He pointed out that, of all nuclear reactors, only the so-called homogenous type turned out bomb-grade by-products, whereas the by-products of other types had to be run through a separation plant before they became bomb-grade. He, therefore, felt that the "crucial point" to control was the separation plant which was the "nerve centre" of the whole process. Another amendment proposed by India was intended to eliminate the Agency's right to requisition bomb-grade "special fissionable materials" produced in reactors built with the Agency's help. The amendment would give the Agency the right only to be informed of the disposition of such by-product material and to require accountability for it "to the extent necessary to insure that it is used only for peaceful purposes." Yet another amendment was designed to deprive the inspectors from the Agency of the right to check up on natural uranium received from the Agency. Finally, Dr. Bhabha denied that India's amendments would leave the statute without sufficient safeguards against military uses.

It will be seen that the whole object of India's amendments is to ensure that, while safeguards against improper use of atomic power continue to form part of the statute, they are not made so rigid as to restrict the scope of the underdeveloped countries for developing and using nuclear energy. The attitude of Western powers, especially the three leading atomic powers, namely, the U.S., the U.K. and the U.S.S.R., is somewhat different. Both the U.S. and the U.K. feel that safeguards, somewhat more rigid than what India advocates, should form part of the statute. So far as the U.S.S.R. is concerned, it has announced that it will give direct bilateral assistance to any country which wants its help in atomic development. It is not clear whether Russia has made this generous offer of assistance in order only to wean underdeveloped countries away from the International Atomic Agency.

Big Powers

It is, however, noteworthy that Russia has not so far given atomic assistance to any country outside the communist bloc; nor has it made available any fissionable material to international agency as Britain and the U.S. have done. Presumably, all the great atomic powers are, in various degrees, afraid that, in the absence of rigid safeguards, other countries might soon join their ranks as producers of atom bombs and other atomic weapons, thereby causing further complications in the balance of power of the world. A notable development, in this connection, is that Russia has agreed in a general way to a U.S. proposal for "standardising safeguards" against the secret diversion of atomic material to military purposes by small nations which get atomic aid from the big Powers. This shows how keen all these powers are to merge their political differences when it comes to a question of safeguards against the so-called misuse of atomic energy by the smaller countries, while they are very zealous of their freedom for such a purpose.

ELECTRONIC TYPEWRITER

For the first time in history, electronics has been introduced to the typewriter. The result is that this oldest office machine has learned to "read" while it writes. The "reading" typewriter was unveiled recently by the Electric Typewriter Division of International Business Machines Corporation in New York, when it announced the new I.B.M. Electric Typewriter with electronic tabulation. In Europe, the I.B.M. Electric Typewriter is manufactured in Sweden, Britain, France, Germany, Switzerland, Holland, Belgium and Italy, which all take part in the highly successful typewriter-part-interchange programme, a plan under which each country manufactures a certain part of the electric typewriter and then interchanges it with parts manufactured in the seven others.

The new typewriter feature specialises in the "reading" of prepared business forms which contain blank fill-in areas for the entry of date, order number, address, terms, and similar data. Modern business firms use scores, even thousands, of different varieties of such forms every day. And each time a typist rolls a different form into her typewriter she has to go through the process of manually resetting the tabulating stops. The electronic "reading" feature of the new I.B.M. typewriter eliminates these time-consuming tabulating adjustments.

In this new device, vertical lines printed on the business form with electrically conductive ink, make the form sensitive to electrical impulses. These conductive lines, in effect, programme the typewriter. When the tab key on the keyboard is depressed, a tiny sensing unit close to the paper "reads" the form and automatically brings the typewriter carriage to the correct typing point. The electronic tabulation typewriter may be used for any normal typing application. Instruction for only a few minutes is necessary to operate the machine. The "reading" unit is made operative by depressing the "electronic tab" lever on the front of the machine. The electronic unit is mounted beneath the keyboard and is confined to a small metal container within the case, approximately three by six inches in size.

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OIL RESERVES

The "proved and probable" reserves in the Nahorkatiya area, according to Mr. W. B. Metre, Senior Geologist of the Assam Oil Company, Ltd., are sufficient to plan a production target of two and a half million tons of oil per year together with about 45 million cubic feet of gas per day, equivalent to about 0.6 million tons of fuel oil per annum, a large part of which could be utilised for industrialisation of Assam. This was indicated by Mr. Metre in his presidential address at the annual meeting of the Geological, Mining and Metallurgical Society of India held recently at Calcutta. Mr. Metre continued: "The declining Digboi production is likely to average 0.3 million tons per year during the next few years. On present evidence, therefore, we can expect to meet 56 per cent. of the present estimated crude requirements in the country. This will be a very great improvement on the present production of about 8 per cent. of the total consumption." These estimates do not include the proved but unestimated pools of part of the Hugrijan area near Naoholia, where oil has been found and the Moran area which is expected to be oil bearing.

Referring to the other areas in the Assam valley, Mr. Metre thought that several of them may be promising, but pointed out that it is only by drilling in them that we can expect to ascertain whether oil is present or not. Similar considerations apply to the several large alluvial areas in the country, specially part of West Bengal, the extensive Ganges valley and the alluvial tracts of Rajasthan, Saurashtra, etc., and also the exposed areas where the Oil and Natural Gas Commission have carried out very systematic geological and geophysical surveys and are due to undertake drilling operations. Though Mr. Metre sincerely hoped that these efforts to find more oil in the country would meet with early success, he warned his audience not to be impatient and pointed out that oil exploration needs considerable patience and an overdose of optimism besides much experience and great technical skill.

THUNGABHADRA HIGH LEVEL CANAL

With the inauguration of work on the Thungabhadra high level canal scheme on 2nd October last, by Mr. C. M. Trivedi, Governor of Andhra, an important step has been taken towards the goal of agricultural prosperity of the States of Andhra and Mysore. The canal which is estimated to cost Rs. 20 crores is expected to irrigate about four lakh acres and augment production of foodgrains by two lakh tons. Although the benefits that would accrue from the construction of the canal had been recognised quite early, the actual commencement of work was delayed by the inability of the State Governments concerned to arrive at an agreed formula for the allocation of water resources. However, the spirit of accommodation and the desire for mutual settlement which prevailed at the recent inter-State meeting held at Bangalore in June 1956 enabled the representatives to arrive at an agreement.

The idea of the Thungabhadra reservoir was first mooted by Sir Alfred Cotton, but the first concrete suggestion of a reservoir at Mallapuram came from Col. Smart, then Chief Engineer of Madras, in the early nineties of the last century. The Irrigation Commission realised the value of such a scheme and it was the most important scheme recommended by it for alleviating the recurring famines in the ceded districts. An agreement for sharing the waters was reached between Madras and Hyderabad States only in 1940-42 and it was decided to investigate the high level canal along with the now ready low level canal. With the inauguration of the work, the excavation of the high level canal has now started and it is designed to carry 4,000 cusecs and irrigate about 4 lakh acres, one lakh acres in Mysore and 3 lakh acres in Andhra.

NEW PRODUCTS AND PROCESSES

Combining Aluminium Tube and Sheet

A PROCESS for combining an aluminium tube and a sheet so as to provide a large surface area for heat transfer, in which the tube which carries the liquid from which the heat is to be removed is formed as an integral part of an aluminium panel while rolling, has been developed by the Metals Division of Imperial Chemical Industries. One advantage of the process is the fact that it eliminates the need for localised welding, or brazing and thus ensures that the heat transfer conditions are consistently good. At the same time the finish and appearance of the finished product are also improved. Any arrangement which can be drawn on paper can, it is claimed, be produced in the final aluminium sheet by means of the process and, it is claimed, multiple paths and tube junctions are no more difficult to produce than straight tubes. The roll-welded sheet is made from two separate sheets of "Kynal" P.10 aluminium each of which is thicker than the final sheet. In the first stage of the process the pattern of the required tubeways, drawn so that they are compressed in one direction to allow for subsequent elongation, is silk-screened on one sheet of the aluminium, using a special "stop-weld" ink. A second sheet is then placed against the printed one so that the printed surface is sandwiched between the two sheets, which are then cold rolled together. The very high contact pressure produced during this operation welds the two sheets together at all points where they are in contact, except those where the "stop-weld" is present. The sheets are then annealed to ensure that recrystallisation of the metal structure occurs and that a full-strength weld is achieved. During the annealing process the "stop-weld" ink vaporises and escapes from the unwelded portions between the sheets where the passageway reaches the sheet edge. The passageways to carry the heat transfer liquid are then formed by an inflation process carried out at very high pressures, the sheet being placed between the flat platens of a hydraulic press during the operation. This ensures that tubes of accurate and uniform height are produced and that the walls are work hardened.

A New Method for Protecting Metals

A series of glass dispersions which can be used to protect metals such as steel and titanium during hot working have been developed by Acheson Colloids, London. Research work on the dispersions, which consist of glass in a fine form dispersed in chemical and resin solvents such as silicones, mineral oils and ethyl and isopropyl alcohols, was originally undertaken with a view to finding a method for protecting titanium alloys from oxidation and hydrogen embrittlement. One of these dispersions, called dag 1205B, which consists of semi-colloidal glass in isopropanol, is said to give protection to a number of titanium alloys while they are being worked when it is applied to the metal by dip, brush, or spray after the metal has been thoroughly degreased in vapour degreasing equipment. In this particular case the glass itself may not always be sufficient as a lubricant, owing to its freezing and its tendency to stick in the dies and, as a result a dry graphite coating should also be applied to the disc. In most cases, however, the glass in the dispersions acts as a satisfactory lubricant. The coatings should either be allowed to dry thoroughly in air after application, or alternatively they should be baked. A wide variety of resins can be used in the preparation of these glass dispersions, and they can be made with various sizes of glass particles. The coatings are now becoming available commercially and have been successfully used in the manufacture of Nimonic and titanium turbine compressor blades.

Atomic Inks

Drawing inks containing radioactive isotopes are among the latest peaceful products of atomic energy. These atomic inks, which may revolutionise the art of lithography, transmit radiations which are strong enough to expose photographic print paper placed over drawings made with the inks. When this is done, the resulting print is a perfect image of the original drawing, and has an accuracy of detail that is almost impossible to obtain in conventional lithographic work. Furthermore, thousands of copies can be made from the original drawings with no loss of detail. The atomic inks have been developed and tested by Dr. Harry Wheeler, of Louisiana State University in the United States. He believes that the inks will do for art reproduction processes what high-fidelity has done for music reproduction, namely, broaden the range of textures and shades in reproduction of art works.

Safety Lights

A device to assist motorists driving behind large road transport vehicles was recently shown in Melbourne to officers of the Victorian Country Roads Board and the Transport Regulations Board. A driver wishing to overtake a large vehicle gives a warning blast on his horn; this is picked up by a microphone installed at the rear of the preceding vehicle. A buzzer sounds, and a red light flashes in the driving cabin of the vehicle in front. The driver notes whether it is safe for the overtaking car to pass; if it is unsafe, he pushes a handle towards a red light. A sign mounted at the rear of the transport then flashes in red: "Don't pass." When the road is clear, the transport driver moves the handle towards an amber lamp, and the rear sign flashes "Pass now" in amber.

Trouble Warning for Aircraft

A safety device for aircraft which functions through the connection of wires to all likely trouble spots in the engine and fuselage was demonstrated recently in Perth, Western Australia. When a failure occurs, an electric current discolours a plastic-covered heater cartridge and a warning light flashes in the pilot's cabin. There are several heater cartridges connected in a circle. If a second breakdown occurs, another cartridge is discoloured, but not as deeply as the first. The inventor of the apparatus is Mr. R. H. Orgill, an electrical engineer of Perth. Although the cost of installing it on existing aircraft would be high, a considerable reduction in expenses would be effected by installation during manufacture.

Welding Machine

An electric welding machine which ensures airtightness in wheels for tubeless tyres has been installed at the plant of Rubery Owen and Kemsley Ltd., Finsbury, South Australia. Designed and made in Australia, the machine welds, instead of rivets, the centre to the rim of a car wheel. Four welds, in place of the usual 12 rivets, are sufficient to enable a wheel to pass the normal fatigue-lift test. But the company plans to put welds on each wheel. The machine is fitted with electronic devices to control the welding and its rate of operation. It can handle 300 wheels an hour. The company also proposes to use the machine for the wheels of tyres with tubes.

Typewriter That Takes Dictation

The business man of the future may dictate his letters directly to a phonetic typewriter or speech writer that will type out his words in conventional business letters. A model of such a voice-operated typewriter was described at a recent meeting of the Acoustical Society of America held at Cambridge, Massachusetts. The model, which has already been constructed by the Radio Corporation of America, has a limited vocabulary of common English words. It types from dictation with 80 per cent. accuracy which, as an R.C.A. official said, is "probably as good as the average secretary."

Safety Tyre

The Goodyear Tyre and Rubber Company in the United States has perfected a new type of nylon cord tyre which, it says, can be driven about 250 miles after a puncture or blowout bad enough to slash the outer casing. The tyre has two casings —inner and outer—each with an independent air supply. If the outer casing is punctured, the inner casing will keep the tyre inflated. Goodyear hopes that its "captive-air" tyre will replace the tubeless tyres now used, which turn punctures into slow leaks and allow a safe but quick stop.

Transistors to Replace Radio Valves

The radio show held recently, in London, was the first in the series of 23 to date at which transistors have replaced valves in some portable and car radios, record reproducers, and radiograms. There is little doubt that an enormous expansion in the use of transistors is imminent in the radio and television industry, as well as their increasing application to industrial equipment such as computers, telephone exchanges, and machinery control systems. Intensive research has marked the period since invention of the transistor was first announced in 1948. For certain purposes it already has numerous advantages over the glass-enclosed valve which has held the field for so long. But some of the complicated functions, for instance, performed by valves in a television receiver cannot yet be undertaken satisfactorily by transistors.

HINDUSTHAN GENERAL INSURANCE SOCIETY LIMITED

DR. N. N. LAW'S PLEA FOR RETAINING SYSTEM OF PRINCIPAL AGENTS

SPEAKING at the Annual General Meeting of the Hindusthan General Insurance Society Ltd., held at Calcutta, on Saturday the 29th September 1956, Dr. N. N. Law, M.A., Ph.D., Chairman, reviewed the trend of the progress made by the Society in the year 1955. After detailing for the shareholders the salient features of the progress, Dr. Law went on to make a few observations on some of the important issues affecting trading in general insurance.

"One of the disturbing factors," said Dr. N. N. Law, "affecting the outlook of the general insurance business is the undercurrent of a feeling of uncertainty created by the nationalisation of life insurance, which remains to be effectively removed."

Proceeding, Dr. Law said: "From the many statements on the floors of Parliament and elsewhere it is clear that general insurance is attracting the attention of those who have an implicit faith in the superior excellence of nationalisation, although it has yet to be demonstrated in the field of life insurance itself. General insurance is thus put in an awkward position in which it finds it difficult to look ahead with full confidence, so essential for the healthy expansion and progress of the business. Nevertheless, it is felt that should general insurers in the country adopt the correct moral and progressive attitude towards the business, the trade may look forward to the Government to act according to their avowed policy and to leave this business entirely to private enterprise.

"As I say this, I cannot help referring, with a feeling of regret, to the recent directive of the Ministry of Finance that all the available business of the life companies so long enjoyed by the general insurers in the country should be channelled to a few companies of which the Government has assumed control, following nationalisation of life assurance, which, in effect, has limited the scope to the insurers in the private sector. The future of the Indian Insurance Companies' Association Pool, which for some years in the past have been a source of strength to Indian insurers in the country, is reported to be uncertain, as it is, apparently, the intention of the Government of India to transfer the business to the few controlled companies. Evidently, such a measure could not but come as a severe undeserved shock to private insurers in general business.

Principal Agents

"In my address, last year, I referred to the issue of principal agency, which, according to the terms of the Insurance Act as amended in 1950, is scheduled to go out of existence from the 1st of September 1957. As I then pointed out, principal agents in general insurance have always played a constructive role. With a very small margin of remuneration they have endeavoured to service the clients and have also stimulated the flow of general insurance to companies. By virtue of their standing, principal agents have a sobering effect in trading of general insurance which cannot be expected of ordinary agents, and since the expenses for maintenance of principal agents are nominal in character, I do not quite see what useful purpose will be served by their abolition altogether.

"It is felt that the insurance bodies should immediately take up the matter and urge upon the authorities the necessity of allowing continuance of principal agents. In India, broker firms like those in the U.K. do not exist, and principal agents in some ways serve to fill up the gap, offering a definite service and benefit to general insurance companies. As I have pointed out, the Government has already imposed serious hurdles and brakes upon general insurers after nationalisation of life insurance. In fairness to the general insurers, I cannot too strongly urge that whatever facilities are still available within the attenuated scope should not be denied to them and the statutory inhibition against principal agents beyond September, 1957 should be withdrawn by an early amendment of the Act. This points to a period of continuous struggle and special efforts ahead for which your company is called upon to muster all its strength.

Reinsurance Corporation

"A welcome feature of general insurance in the current year, however, is the inauguration of a reinsurance corporation, following an evaluation by the Government of India of 'gains and drains,' meaning inflow and outflow of foreign exchange. The survey had shown that there is considerable import of insurance into India to which a reinsurance corporation established within the country could be a corrective. With the support which is assured to the corporation from the general insurers in the country, there can be no doubt that the corporation will prove itself to be an eminently successful institution in the attainment of its objectives, its underwriting business yielding a fair return to the shareholders.

Managing Director

"Gentlemen, before I conclude, I am very pleased to inform you that with necessary Government sanction Mr. P. N. Talukdar, M.A. (Cantab), Special Director, has been appointed as Managing Director of the Society. I have no doubt that with his initiative, business acumen and organising abilities already shown by him from the very inception of the Society, Mr. Talukdar will, in his new role as Managing Director, be a great strength to the Society in the attainment of still greater success in future. With the various problems and difficulties which now beset general insurance, your Directors felt that it was in the interest of the Society to avail of the services of Mr. Talukdar as Managing Director of the company at this stage and it is a matter of satisfaction that the Government of India has also been pleased to give their consent to this appointment."

HIGHER PRODUCTIVITY IN INDIA

I.L.O. TEAM'S IMPRESSIVE EFFORT

A GREAT deal of attention has deservedly been devoted in all industrialised countries to the problem of productivity in manufacturing establishments. In post-war years, there has been a tremendous upsurge in the demand for industrial goods. This is not confined only to the industrially advanced countries. The demand from underdeveloped countries, too, has been increasing. Again, any rise in living standards in the underdeveloped countries will further stimulate a large increase in the demand for goods and services which, in turn, will call for a greater productive effort than is now being put forth. Clearly, it is of the utmost importance that productivity in industry as well as agriculture should be improved rapidly enough to meet the growing world-wide demand for farm commodities and industrial goods.

To many underdeveloped countries, which are now slowly industrialising their economy, the movement for increased productivity ought to have a special appeal; for they have to make up the leeway of decades of economic neglect before they can even catch up with the present levels of production in the industrially advanced countries. Unfortunately, productivity is a concept which has certain unpleasant associations for labour, for many persons still believe that an increase in productivity means only the use of labour-saving equipment or prescription of larger work-loads for workers. Presumably, this misconception arises from the fact that productivity is often expressed as "so much quantity of goods turned out per worker." Although this definition is often a convenient index for measuring productivity, it must be clearly understood that it serves to oversimplify the problem of productivity in industries. After all, a low level of productivity need not necessarily be a reflection on the efficiency of labour, for productivity is determined as much by capital investment, physical equipment, choice of raw materials and management as by labour. The techniques for improvement of productivity depend on the improved utilisation of not only manpower resources but also equipment resources and raw materials.

In India, the I.L.O. productivity team which visited this country in December 1952 showed how productivity could be improved without any adverse effect on employment. We reviewed in one of our recent issues (*vide Commerce* dated 1st September 1956) the work of the team which split itself into two groups, one working in the textile mills in Bombay and Ahmedabad and the other in certain units of engineering industry in Calcutta. Some more light on the work of the team has been thrown by Mr. V. K. R. Menon, Director, International Labour Office, India Branch, New Delhi, in the course of an article in the Independence Number of the *Indian Labour Gazette*. The following table gives a few typical examples of increases in productivity obtained by the team in the engineering industries:

Job	No. of men employed in new method	Procedure	Increase in productivity (Per cent.)
Assembly of fan parts.	6	Layout study to achieve flow production.	17
Metal chipping ..	30	Quality study	*
Metal grinding ..		Method study leading to elimination of hand transport and using gravity flow.	Departmental increase 78
Sand blasting ..		Man and machine study.	
Box making ..	6	Product simplification and standardisation; and shop layout.	31%†
Assembly of 8A fuse.	6	Method study	105
Straining screw ..	Approx. 12	Product study	116
Metal trimming ..	2	Machine study	12.5

* Material rejected from 37 per cent. to 26.9 per cent.
† Number of box sizes reduced from over 100 to 10.

As regards the team's work in textile mills, it was found that significant increases in productivity were achieved through reorganisation of work, quality control and other means. The increases in productivity in respect of different textile processes were:

Stentering: 12.5 per cent.; calendering: Mill A 36 per cent.; Mill B 33 per cent.; winding: Mill B 20.7 per cent.; Mill C 14 per cent.; carding 10 to 17 per cent. (according to counts); drawing: Mill A 20 per cent.; Mill B 13 per cent.; Mill C 6 per cent.

Further, the team stressed that the adoption of the productivity techniques which it advocated could result in substantial reduction in production costs. Thus, it indicated that the cost of production of straining screws could be reduced from Rs. 3.85 per screw to Rs. 1.91 per screw, of amplifier fuses from Rs. 233 per thousand to Rs. 48 per thousand and of clamp per PGT from Rs. 297 per hundred to Rs. 137 per hundred. Again, in a transport workshop in Poona, this team showed that, as a result of improved layout, material handling and certain other methods, the floor area in the machine shop could be reduced from 33,600 sq. feet to 23,600 sq. feet and output raised from two to four bus bodies per day. This meant a saving of Rs. 200,000 which would have been required to provide more working space. Again, by effecting a change-over from bolt and nut construction to riveted assembling in the manufacture of car body components, the savings in material costs were of the order of Rs. 12,800 per 100 sets. Finally, it stated that considerable savings could be effected through the reorganisation and simplification of the stores system. Thus, a simplified store system, it said, could enable the management to reduce stocks of parts by about 30 per cent. which, in its turn, would mean a saving of Rs. 1 crore in the funds required for financing stocks.

Commenting on the work of the I.L.O. productivity team, Mr. Menon says that it would appear to have proved the following results:

"(1) Work study techniques can be applied in India with marked success in raising output; (2) work study techniques, properly applied, can improve industrial relations, although this result is dependent on a human and sympathetic approach by work study men and supervisors; training in work study must therefore emphasise the need for such an approach; (3) substantial increases in productivity can be achieved without capital investment; (4) improvement of working conditions is a highly important factor in raising productivity and can often, by itself, lead to large increases; (5) work study can benefit workers by improving working conditions, reducing physical effort and leading to increased output and higher wages."

It is to be hoped that both managements and labour leaders will become more alive than hitherto to the importance of raising productivity in industrial establishments. A rapid increase in the present rate of economic development could be achieved through campaigns to raise productivity. It is particularly necessary to do so, because in a country like India, where capital resources are in short supply, all efforts should be directed towards deriving maximum benefit for available equipment and resources.

UNEMPLOYMENT INSURANCE IN W. GERMANY

In future, every West German working man or woman will be automatically insured against unemployment, irrespective of the salary or wage earned. The Bill, which deals with the complete reform of unemployment insurance in West Germany, is the most voluminous ever to be submitted in this legislative period. The reform includes higher unemployment payments and lower contributions to the unemployment fund. In this connection, it may be noted that unemployment insurance was first established in Germany in 1927. Considerable changes in the employment structure have taken place since then. The world depression in 1929 made unemployment in Germany go up to a disastrous level. After many ups and downs, the curve has now reached practically full employment. In the years before and during the war, very strict regulations were enforced on the choice and place of employment. On the other hand, a shorter working time was introduced along with mechanisation and automation. All these new developments led to a host of new regulations which certainly did not help to clarify the situation. Things got terribly complicated after the war when the Americans, British and French started to deal with unemployment problems in their own way. Before the advent of the Federal Republic in 1949, all 11 West German Länder adopted the laws of the Allies. Unemployment regulations in West Germany varied considerably as a result.

Although a labour exchange and unemployment insurance bureau has been in existence since the spring of 1952, questions on unemployment and public assistance payments had to be treated according to the regulations in force in the land concerned. When drafting the proposed unemployment Bill, the Bundestag saw a chance to eliminate not only dozens of laws and regulations but also to introduce a complete reform of unemployment insurance. While insurance used to be compulsory for workers with a gross income of less than 500 marks, this limit has now been raised to 750 marks. Persons earning more than 750 marks a month need not be insured. Persons with a gross income of just under 750 marks pay the highest contributions but also receive the highest pay in case of unemployment. Persons eligible for unemployment assistance have been divided into two classes. There will be no change in this case. Unemployment insurance payments are fully covered by the contributions of the insured persons. The unemployed person is legally entitled to payments from the insurance fund, no matter whether he can prove his need or not. Until now an insured person had to work for five years to be entitled to the longest period of unemployment pay of 52 weeks. The time of uninterrupted work necessary for 52-week payments will be reduced to three years.

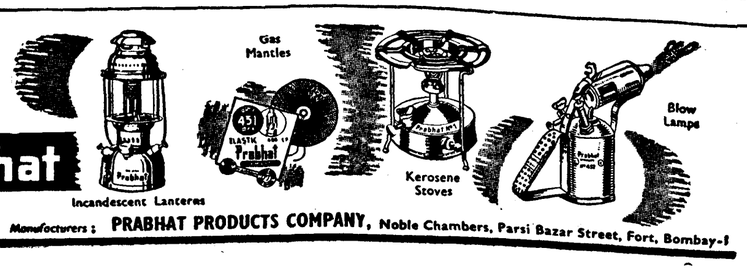
After the insured person has received unemployment pay for the maximum period of 52 weeks, he is turned over to public assistance. Public assistance is only given in case of need. The sums given by public assistance are, of course, smaller than insurance payments. The new Bill proposes to increase insurance as well as public assistance payments, especially for persons having families to support, and to push up the wage limit from 119 DM. to presently 175 DM. per week. Thus, an unemployed father of two children earning 175 DM. per week will be entitled to 63 per cent. of his former net income, while the same man would get 84 per cent. of his former net income if he made only 60 DM. per week. Contributions to the unemployment fund will be lowered from 3 to 2 per cent. of gross income. This reduction does not apply to persons employed in the building trade, as this section of the economy shows the highest unemployment figures in winter, a fact which is due to the nature of the trade.

The additional yearly sums to be paid out are estimated to be 40 million DM. per 100,000 unemployed. As the overall number of unemployed persons in the year 1956 is expected to be 490,000 the additional burden on the insurance will be almost 200 million DM. On the other hand, as contributions have gone down considerably, the insurance will have to face a deficit of roughly 300 million DM. at the end of the year. This deficit, however, could be carried for many years to come. As unemployment in West Germany has diminished considerably, the insurance fund has accumulated nearly 3 billion DM. in the course of the last few years; interest alone is more than 90 million DM. per annum. The additional burden on public assistance is expected to be 12 million DM. per year per 100,000 unemployed entitled to payments from the Assistance Board. No more money will have to be paid for the current year as the number of unemployed has gone down so much that the sums reserved for public assistance in the budget will not be completely used.

MINIMUM WAGES

The fixation of hours of work and rest intervals for agricultural labour covered by the Minimum Wages Act, 1948, was recommended by the Central Minimum Wages Board which met at New Delhi last month. The Board, it may be recalled, was set up in 1950 under Section 8 of the Act. It advises the Union and State Governments in matters relating to fixation and revision of minimum wages and co-ordinates the work of Advisory Boards in the States.

The Board, at its last meeting, suggested that registers of employment of agricultural labour should be maintained only by persons with holdings of 10 acres of land. It recommended that the Central Government should add to the schedule under the Act the employment in mines and quarries, casual employment and employment in coal handling in railways (both departmental and contract) and employment in ports and docks (other than that already covered). It agreed that there was need for amending the Minimum Wages Act, so as to invalidate agreements or contract, whereby employees could relinquish or reduce their rights and privileges or concessions accruing to them under the Act.





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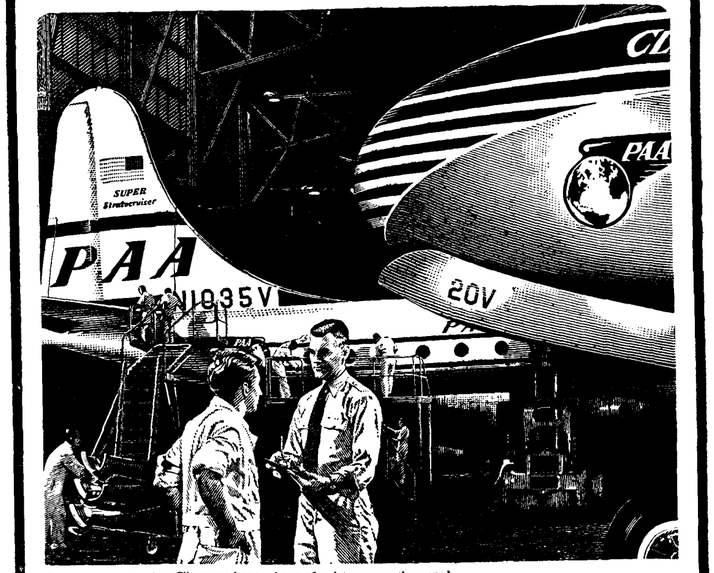

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TASKS AHEAD OF INTERNATIONAL FINANCE CORPORATION

MR. ROBERT L. GARNER STRESSES ROLE OF COMPETITIVE PRIVATE ENTERPRISE

[*The newly started International Finance Corporation, in the two months of its existence, has already received numerous applications and enquiries. This shows how genuine has been the need for the kind of services which the Corporation is expected to render. We have reasons to feel that, in this country, the knowledge about the Corporation and its functions is still not as widespread as it should be. Consequently, we publish on this page a detailed extract from the address of Mr. Robert L. Garner, President of the Corporation, at the inaugural meeting of the Board of Governors, held at Washington, last month, and we have no doubt that it will be read with interest. Mr. Garner's address is notable not only for the light it throws on the Corporation's functions but for the clear exposition of some of the basic economic problems of underdeveloped countries, in general, and of the role of competitive private enterprise, in particular.*—ED.]

LAST year, in Istanbul, I outlined the plans for an International Finance Corporation. This year, I can report the reality—the I.F.C. exists. Next year, I trust that I may be able to record some actual accomplishments. Today, we are in being with 32 members and are advised that a number of other countries expect to join in the coming months. Our presently paid-in capital of over $77 million has been temporarily invested to give an income more than sufficient to cover our expenses.

In the two months of the I.F.C.'s existence we have received numerous applications and enquiries, but naturally we have not yet made any investments, nor have we even reached in any case the stage of serious negotiation. Inevitably the numerous applications and enquiries include many which are unsuitable. Some have been entirely outside the I.F.C.'s field, such as export financing or investment in public utilities or Government enterprises or social schemes. Some are of a type which the I.F.C. may be prepared to consider at a later stage. Others are related to predominantly industrial enterprises, the field in which the I.F.C. proposes to concentrate its investments in its early years; and while in this category many are unsuitable or too small, a reasonable number deserve serious consideration.

Interest Shown

We have been gratified and encouraged by the interest which responsible industrial firms and financial investors have shown in the functions of the I.F.C. Among the companies which have had discussions with us, either in general terms or with a view to some specific proposition, are some of the best and most experienced firms in the world, which are contemplating new industrial ventures overseas in the less developed areas and desire financial partners when their plans have matured. We have had, too, some promising enquiries which have come to us directly from companies in the less developed countries. The business already before us convinces me that the high hopes which the Bank has long had for the Corporation will not be disappointed.

Certainly, I give full measure to the importance in human affairs of the role of Governments and of their necessary functions in economic development. Many things only public authorities can do. Nevertheless, I believe deeply that the most dynamic force in producing a better life for people, and a more worthy life, comes from the initiative of the individual—the opportunity to create, to produce, to achieve for himself and his family—each to the best of his individual talents. And this is the essence of the system of competitive private enterprise—twentieth century model—as it has been developed by the most enlightened and successful business concerns. It holds the promise of rewards according to what the individual accomplishes. It is based on the concept that it will benefit most its owners and managers if it best satisfies its customers; if it promotes the legitimate interests of its employees; if in all regards it acts as a good citizen of the community.

Profit Motive

It is moved by the desire to earn a profit—a most respectable and important motive, so long as profit comes from providing useful and desirable goods and services. It is my belief that the best services and the best profits result from a competitive system wherein skill and efficiency get their just reward.

As I have said, it is my conviction that private enterprise can play an indispensable role in economic development. And let me define "economic development," as meaning the more effective utilisation of physical and human resources to the end that more people get more of the good things of life. I do not include in this definition any mere physical expansion which ignores the legitimate freedom, rights and desires of the people concerned. Economic development, in the sense in which I speak, is not measured solely in kilowatts or steel production, but in terms of human values.

Too often we hear that lack of capital is the principal obstacle to economic development. The experience which I and my associates in the Bank have had with this problem over the past years disproves this. We have found that the human factor—whether in Government or in private enterprise—is a more important ingredient than is money. In private industry, in particular, the intelligence, vigour and vision of management are often worth more than the most modern of buildings and machines. The very pace of current technological development of communication and transport, of marketing and advertising, calls for management both broader and deeper in its operations than ever before. Although there is widespread recognition in the less developed countries of the need for specific skills in industry—for the engineer the chemist, the mechanic—what is less recognised is the even greater need for executive experience, for the men who can make sound policies, guide the enterprise as a whole and direct the specialists. There must be the "know what" as well as the "know how."

Management

And so in the International Finance Corporation our first question will be whether the private partners with whom we are asked to associate can supply or obtain management of character and competence. Just as we shall put primary emphasis on the character and experience of those with whom we associate, we shall strive to establish that we likewise are "good partners." This can result only if we exhibit the business viewpoint, exercise sound judgments and, while aiming at a reasonable profit from our investments, refrain from making excessive demands as against the contributions and risks of our partners. We shall try to be neither naive nor greedy.

There will be voices raised, I am sure, to urge that, since the Corporation has obtained its capital from Governments, it should make its investments on easy terms which will impose the least possible financial burden on the enterprises it finances. Those who so argue misconceive our objective. Our primary interest is not simply to help along some selected private projects by making $80 or $90 million available to them. Our purpose is much wider. It is to demonstrate that private investment in the less developed areas, prudently made and properly managed, can be both profitable and useful—and by that demonstration to encourage an affirmative attitude on the part of private investors throughout the world. But to succeed in that objective, we must earn returns commensurate with the risks we undertake.

Fair Return

There are other reasons, too, for this approach. The very fact that we assume risks implies that some of the ventures in which we participate may fare badly. Only by contracting in each case for appropriate profits in the event that the enterprise is successful can we assure a fair overall return, despite possible losses on the less fortunate ventures. And finally, and perhaps most important of all, it is fundamental to the I.F.C. concept that we should constantly seek to revolve our capital by selling securities from our portfolio to private investors. To do this requires that we make investments, not on "easy" terms, but on terms approximating as closely as possible those which the market place finds attractive.

It is with these considerations in mind that we have been formulating our proposed investment pattern. Our charter provides that we make our investments in the form of obligations, but as investors we shall regard ourselves as providing forms of venture capital. Thus, while our investments will usually provide for some minimum fixed interest, we will expect some additional return depending upon profits—if any—and some rights to share in ownership which we can sell to private investors. These rights may be expressed as rights of conversion of all or part of the obligation into capital stock, or rights to purchase stock at a stipulated price; in either case, the I.F.C., although it cannot itself exercise the rights, will seek to sell them to private purchasers and thus to realise appropriate gains. I am aware that investments carrying such rights of participation in profits and of conversion into equity may be novel to some of our associates and unfamiliar in some of the countries in which we expect to operate. But these techniques are used in financing in the industrialised countries and I believe they will prove appropriate for our purpose.

Investments

Our thinking has been crystallising on a number of other points, too, about which I would like to say a few words. First, as to the location of our investments. For the present, we intend to concentrate entirely on those areas where industry is less advanced—where both imported funds and experience can make a significant contribution. The more highly industrialised countries will, we hope, provide many of the partners with whom we will join, although certainly in some cases we expect to invest in local companies with no foreign participation. In this connection, I have been glad to find that, with few exceptions, the majority of companies in the industrialised countries seem to recognise the desirability of seeking local partners when they venture abroad. The exceptions mainly arise from the belief that local investors may press for most of the earnings to be paid out in dividends rather than being retained to build up the business. In general, however, the desirability of seeking local partners seems to be recognised. I think this is a sensible approach and, while we do not propose that the I.F.C. should insist on it as a condition of making an investment, I believe we should regard the participation of local investors as an important favourable factor.

Second, as to the kinds of investments we expect to make. Our decision to concentrate on industrial enterprises for the first few years of the Corporation's life is based on the belief that, in general, the field of industry is the one in which we can most effectively promote development. After a time we may find it practical to branch out into the fields of finance, commerce and agriculture.

We require a reasonable minimum both for the size of the enterprise and for the amount of our own investment in it, for a number of practical reasons. For one thing, there is a limit to the number of propositions it is feasible for our staff to investigate all over the world. For another, an enterprise must be of a certain size before it can easily compete for competent management. And finally, the I.F.C. would find it difficult to follow the progress of its investments, and to interest private investors in their purchase, if it scattered its funds among a myriad of small propositions. On the other hand, we must have a reasonable upper limit to the size of our investment in any single enterprise. To concentrate our resources on financing a few large projects would not, I am sure, be the best way to carry out our mandate of stimulating private investment on a broad front.

Size of Capital

I am aware of some question as to whether the size of our initial capital is large enough to do the job. However, our capital will not march alone, but always in company with larger amounts from private sources, so that the enterprises in which we participate will represent much more than our own funds. For some time in the future we expect to be more concerned with using our available capital effectively than with lack of resources.

Like a new ship, the Corporation is beginning its trial run. It will take some time to test our policies to have our staff gain the experience of working together, to build up reserves against unforeseen contingencies and to establish the confidence of business men and investors in our judgment and in our desirability as a partner. I trust that our members and all other well-wishers will have reasonable patience while we chart our course in the initial period. I am confident that a prudent beginning will promote our long-term progress.

It appears to me that the launching of the Corporation has been timely. The world is in one of its periods of vigorous economic growth.

(*Continued on page 734*)

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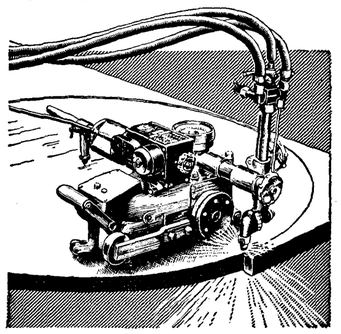

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INDUSTRIAL FINANCE CORPORATION OF INDIA

SPEECH OF CHAIRMAN, MR. K.R.K. MENON, AT ANNUAL MEETING

PROGRESS MADE IN 1955-56 IMPRESSIVE—OUTLOOK CONSIDERED PROMISING

AN optimistic view of the outlook for the Industrial Finance Corporation of India was taken by its Chairman, Mr. K. R. K. Menon, when he addressed the Eighth Annual General Meeting of the shareholders of the Corporation held at New Delhi on Saturday, 29th September 1956. He explained at some length the various steps taken by the management to improve the utility of the Corporation to the private sector.

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

"GENTLEMEN,

"I have pleasure in placing before you the accounts of the Corporation and the report of the Board of Directors for the year ended the 30th June 1956. Printed copies of the accounts and the report are before you. These have also been circulated to all the shareholders. I shall, if you agree, take them as read. I would, however, make some observations on a few points.

Dividend

"The working of the Corporation for the year ended the 30th June 1956 has resulted in a profit of Rs. 32.68 lakhs which shows an increase of Rs. 8 lakhs over that of the previous year, After setting aside a sum of Rs. 10.18 lakhs as provision for taxation, we are left with a net profit of Rs. 22.50 lakhs. The whole of this amount, however, has had to be transferred to the reserve for bad and doubtful debts, in view of the anticipated loss in the account of the Sodepore Glass Works Ltd., to which I made a reference in my speech last year. We have, therefore, had to call upon the Central Government this year also to pay us a subvention to enable us to pay the entire guaranteed dividend amounting to Rs. 11,25,000. We hope that, with the further provision that we shall make from the current year's profit towards bad and doubtful debts, there will be no need to set apart any amount in the succeeding years on this account. As we shall make a substantial saving in our tax liability on our current year's income, depending on the size of the amount that we are obliged to write off in the account of the Sodepore Glass Works Ltd., we anticipate that we will have sufficient balance left out of our profits this year to meet the guaranteed dividend to our shareholders without having recourse to a subvention from Government. You will observe that I take quite an optimistic view of the future. I do so, relying particularly on two major factors, namely, *first*, the increasing measure of appreciation on the part of the industrialists of the country, and also of co-operative societies engaged in industrial enterprises, of the ability of the Corporation to meet their needs in the matter of long-term loans, and, *second*, the marked increase in the volume of industrial investment that is likely to materialise during the period covered by the second Five-year Plan.

Record Loans

"Evidence of the first named factor will be found in the figures relating to our activities furnished to you in the annual report which is in your hands. It will be noticed that the amount of loans applied for in the year which has closed reached the record figure of Rs. 27 crores 70 lakhs, as compared with Rs. 11 crores 27 lakhs for 1954-55 and Rs. 9 crores for 1953-54. The average for all the previous seven years put together is Rs. 8 crores 62 lakhs. I venture to think that this is a fair indication of the increasing amount of confidence that the industrial public is now placing in our institution. To deal effectively with this enormous increase in the demands made on us, and at such short notice, has been no easy task, and the measure of the modest success we have achieved in this direction is indicated by the fact that the total amount of loans sanctioned by us during the year under review was Rs. 15 crores 13 lakhs, as against Rs. 7 crores 34 lakhs in 1954-55 and Rs. 5 crores 27 lakhs in 1953-54. The yearly average for all the previous seven years put together was only a little over Rs. 4 crores. I see no reason why this very satisfactory record for 1955-56 should not be maintained in the succeeding years if our administrative machinery is geared adequately to cope with the increasing load, and our relations with the industrial and commercial sector of the public continue to be as close and cordial as they have been during the past year.

"In connection with this last named factor of public relations, it is my very pleasant duty to take this opportunity to acknowledge the assistance that we have received during the year under review from the various Chambers of Commerce and Industry, whose representatives were good enough to meet me and my colleagues on the Board of Directors on several occasions for free and frank discussion of various problems of mutual interest. These discussions greatly facilitated our work during the year, and have helped, in particular, to focus our attention on ways and means of simplifying our procedure to the advantage of our clients as well as ourselves. I feel sure that the steps we have already taken in pursuance of these discussions would bear fruit in the near future in the shape of better business for us and more cordial relations with our clients.

Conditions Liberalised

"I will refer to just one or two of the more important measures that we have adopted in connection with the drive that we embarked upon in the year under review for quickening the pace of work and effecting other general improvements. A measure of great significance, was the institution of a separate legal branch of our own, manned by full-time officers under the control of the Corporation, in our head office as well as in two of our branch offices. This measure, which has been introduced as an experiment for the present, will be extended to all our branch offices after we satisfy ourselves that there are no snags in it. It is designed to quicken the pace of work at various stages in connection with the examination of title deeds and the execution and registration of mortgage documents. This will also cut down, to a very considerable extent, the legal charges now incurred by us and passed on to borrowers. Many of our clients have expressed great satisfaction at this long overdue reform in our administrative set-up. We have also succeeded in considerably simplifying, and standardising to as great an extent as possible, the terms and conditions incorporated in our mortgage deeds. The previous practice of our sending for our clients' representatives all the way to the head office in Delhi to discuss and finalise the terms and conditions of loans was given up, and branch managers were delegated authority to deal with our clients on the spot on our behalf. We have also liberalised to an appreciable extent the conditions under which interim loans are granted, particularly in cases where, pending the finalisation of the legal formalities concerned with the execution and registration of the formal mortgage deeds, machinery, etc., ordered by our clients has to be paid for or documents relating to which have to be retired.

Four Auditors

"Before I leave the administrative and organisational aspects of our work, I should like to mention one or two salient facts in regard to the audit that has been done of our accounts. We have now *four* different auditors carrying out audit throughout the year, and I shall refer briefly to each of them. Firstly, there is our own internal audit, the machinery for which has, in the course of the year, been put on a satisfactory working basis. This has been found to be of very great value to us. Secondly, there is the audit done by a firm of chartered accountants who are elected by the shareholders. Thirdly, another firm of chartered accountants appointed by the Central Government in consultation with the Comptroller and Auditor General also conducts an audit. No serious irregularity has been brought to notice by either of these firms of chartered accountants. Certain relatively minor matters to which our attention was drawn by them have been looked into and set right. Fourthly, there is the audit carried out by the Director of Commercial Audit under the auspices of the Comptroller and Auditor General. In the course of the year under review, the Director of Commercial Audit conducted his audit in two instalments, the first one extending from the last week of September 1955 to the first week of February 1956, covering our official year ending 30th June 1955, and the second extending from the first week of June 1956 to the first week of August 1956, covering the first half of the year 1955-56. In the audit of the accounts for the first period, a large number of formal objections were raised by the audit party and, after we had commented upon them, only a few of these objections are now understood to be in the process of finalisation. We are hopeful that a few more of these items also will be withdrawn or modified as a result of further discussions. The audit of the second period is still in the process of completion.

"There is no doubt that, in the existing setup, we have a multiplicity of audit, somewhat in excess of real requirements. One might also be tempted to take the view that, if the bulk of the items of original audit objections was withdrawn, there must have been created quite an appreciable quantity of work at all levels most of which would have been eventually proved to be infructuous. These and other related matters have engaged our close attention and we have brought these to the notice of Government.

Industrial Investment

"I now turn to the second important factor, which I would describe as the external factor—as distinct from the internal factors about which I have been speaking to you till now—which, in my opinion, should give us ground for hope of an even greater volume of business for the Corporation in the future. This factor is centred round the spurt in industrial investment in the private sector that it is anticipated will materialise during the second Five-year Plan period.

"The Planning Commission, in their report on the second Five-year Plan have given detailed figures of some of the overall targets of industrial investment in both the public and the private sectors which, they state, will show that the second Plan period will be one of 'intensive and many-sided industrial effort.' During the first Five-year Plan period, there was a shortfall of investment in the private sector in certain industries, though, in the aggregate, the investment target of Rs. 230 crores for expansion programmes was bettered in actual performance to Rs. 340 crores. The lag in private investments occurred, according to the Planning Commission, in industries which required heavy capital investment and offered a relatively small profit margin. It is this kind of industry which might not be able to attract adequate equity capital from the investing public that would claim our special attention during the coming years, with due reference, of course, to the industrial priorities drawn up by the Planning Commission in their report. The general scheme of priorities in the private sector as envisaged by them places iron and steel first, then heavy and medium engineering industries, including structural fabrication, automobiles, railway rolling stock, castings and forgings, industrial machinery, bicycles, sewing machines, motors and transformers etc., followed by fertilisers, chemicals, cement, refractories, jute and cotton textiles, sugar, paper and a wide range of consumer-goods industries. The programme of overall development envisaged in the private sector during the second Plan period is estimated to involve an outlay of Rs. 720 crores, comprising Rs. 570 crores of new investments and Rs. 150 crores on replacements and modernisation. Of this total estimate of Rs. 720 crores, a provision has been made by the Planning Commission for Rs. 55 crores for the activities of the National Industrial Development Corporation and Rs. 15 crores for us, leaving a balance of Rs. 650 crores to be raised from other sources. While our figure of Rs. 15 crores is near enough to the average of our disbursements during the past seven years, our achievement during the past one year leads me to think that we should be able not only to reach this target quite easily but to improve on it to an appreciable extent in the next five years. We, therefore, propose to address Government on the subject of the feasibility of increasing this figure.

"In spite, however, of the fact that these figures relating to the industrial development in the private sector during the second Five-year Plan that I have given you do augur well for an institution like ours which may well be described as a hand-maiden of the private sector, I think it is just as well that I invite your attention also to one or two factors which we shall have to take into account in assessing our ability to rise to our full stature in the coming years. Firstly, we must take note of the fact that we have other institutions like the Industrial Credit and Investment Corporation of India and the National Industrial Development Corporation whose fields of activity converge on ours, and indeed, overlap with ours to some extent. Secondly, it is important to bear in mind the fact that both these institutions have a greater measure of freedom in the matter of financial operations than we have, and they enjoy certain special facilities which we do not share. Thirdly, though the Central Government have so far implemented the policy of utilising the Corporation as the main channel for processing their own industrial loans, and we may hope with confidence that this policy will continue to be followed, we cannot be sure that the State Governments have been, or will be, equally helpful to us in this matter. I mention this, as we have been given to understand that certain State Governments have sanctioned loans directly to certain industrial concerns, and, according to a statement contained in the annual report of one of the State Financial Corporations, the State Government concerned have been 'offering loans at rates of interest which are only about half of those charged by us and on the basis of security which are also very much easier than those observed by the Corporation.' You will agree this is a matter of vital importance to both ourselves and the State Financial Corporations.

Resources

"The fourth, and, in a sense, the most important factor which is likely to come in the way of expanding our activities to the fullest extent otherwise possible, is the fact that, if we succeed in inviting business at the present rate and dealing with applications for loans at the pace that we have achieved last year, our own monetary resources will soon be tapering off, thereby accelerating the advent of the day when we shall, perhaps, be forced to borrow under conditions which might leave us little or no margin of profit after meeting our tax obligations and our working expenses. This matter is engaging our serious attention already, and we hope that we should be able to find a satisfactory solution in collaboration with the Central Government who have been apprised of the matter. It will take some time before a final decision is taken; I mention it now merely to reinforce my point that, if the outlook is on the whole bright and we could be quite optimistic regarding the future, it behoves us also to take note of other factors which we shall have to take into account.

"In my speech last year I said that we had been obliged to take over possession of the assets of certain concerns who had defaulted in their obligations to us. The position in this regard is explained in our annual report. You will have observed that there has been considerable progress in this matter. I am glad to inform you that one of these factories, which we sold, and another which we leased, have both now gone into production. It is gratifying that these concerns which had virtually closed down business for considerable periods have been set on their feet again and brought into full production, thanks to the intervention of this Corporation. We are taking appropriate steps with the same objective in regard to the other concerns also, and we hope it will be possible to achieve our objective consistent with the safety of the funds invested by the Corporation.

Sodepore Glass Works

"You will no doubt also recollect that the Board of Directors had decided to sell the factory of the Sodepore Glass Works Ltd., another of our defaulting concerns, to the Asahi Glass Company Ltd. of Tokyo and that the vendee concern were to form an Indian company to take over the assets and work the plant. This Indian company has now been formed, and necessary action in regard to the execution of the sale and mortgage deeds is well under way. Steps have also been taken by the company to make necessary arrangements for bringing the factory into production as early as possible. We expect that this factory will start working before long.

"Another noteworthy feature of our activities in the year under review was that we sanctioned loans to co-operative societies of a total amount of Rs. 5 crores 50 lakhs. I should like to mention, in this connection, that apart from the impetus that this has given to the Co-operative Movement as such, the fact, that, as a condition precedent to our loans, the members of these societies, drawn mostly from the lower income groups, have been made to subscribe towards the industrial schemes financed by us, a total sum by way of share capital of the order of Rs. 2 crores 20 lakhs, has contributed appreciably towards helping Government's efforts at promoting savings and drawing them off for investment purposes.

"A large majority of the concerns to whom we have lent money did quite well during the year under review, and, in the case of a number of concerns, we saw no reason to withhold the permission asked for to declare dividend in excess of the normal maximum of 6 per cent. This very satisfactory position in regard to production and profits is reflected in the figures relating to progress of repayments furnished in the annual report.

Sugar Industry

"You will have noticed from the industry-wise figures given in the annual report that our loans to the sugar industry aggregated Rs. 11 crores 58 lakhs at the end of the year under review. We have been advised by the Central Government that 'we should continue to finance sugar co-operative factories on the scale that we have been doing hitherto, and that as regards loans to sugar factories other than co-operative sugar factories our policy in regard to their financing should not be unduly restrictive in view of the recent enhancement by the Government of the target of production for the industry.

"We dealt with the large majority of loan applications in consultation with our Advisory Committees of which we have had four working in the course of the year, namely, those for the Textile, Engineering, Chemical and Sugar industries. These Advisory Committees are now in the process of being reconstituted so as to include a larger number of technical experts in each, and also so as to provide for a wider territorial representation.

"The figures given in Appendix E to the annual report showing the State-wise distribution of the loans sanctioned by us in the year under review as well as in the previous years will show that, as compared with the position as it obtained on 30th June 1955, there has been a marked increase at the close of our financial year in June 1956, in the loans sanctioned to concerns located in certain States. Excluding those States which, relatively speaking, may be described as industrially advanced, the figures relating to the progress in some of the other States are, I think, worth inviting your special attention to. These are—

(i) Andhra—Increase from Rs. 4 lakhs up to the end of 1955 to Rs. 1 crore 29 lakhs at the end of 1956;

(ii) Assam—From *nil* up to end of 1955 to Rs. 45 lakhs at the end of 1956;

(iii) Punjab—From Rs. 1 crore 10 lakhs up to end of 1955 to Rs. 2 crores at the end of 1956;

(iv) Travancore-Cochin—From Rs. 1 crore 12 lakhs up to end of 1955 to Rs. 3 crores 18 lakhs at the end of 1956; and

(v) Uttar Pradesh—From Rs. 1 crore 30 lakhs up to end of 1955 to Rs. 2 crores 95 lakhs at the end of 1956.

Efforts are being made to effect substantial increases of this kind also in other States similarly situated.

Delays Cut Down

"The ministerial and officer staff of the Corporation was augmented to some extent to make good deficiencies which had existed since long. On the procedural side, certain measures were adopted which have resulted in the cutting down of delays in the day-to-day work of the Corporation to an appreciable extent. This matter continues to engage the personal attention of myself and my General Manager, and we are hopeful of effecting further improvements as soon as the additional staff to be newly recruited are in position.

"Before resuming my seat, I should like to convey my sincere thanks to my colleagues on the Board of Directors and on the various Advisory Committees for their co-operation and guidance in all our deliberations. I should also like to convey on behalf of the Board and on my own behalf our thanks to the General Manager and the entire staff of the Corporation, both here and in the branches, for their very loyal and devoted work throughout the year, in spite of the exceptionally severe strain that had been placed on them as a result of the marked expansion of the activities of the Corporation in the year under review."



ECONOMIC INTEGRATION OF EUROPE

WAY TOWARDS A FREE WORLD MARKET

By Fritz Berg
PRESIDENT, FEDERAL ASSOCIATION OF GERMAN INDUSTRY

IT cannot be denied that there exists an inherent relation between the foreign policy and foreign economy of a nation. The future development of international trade will largely depend on a relaxation of the political situation in the world. It is my firm conviction that, if we could understand each other internationally, we should be able to face future possibilities with much optimism. Let us think only of the immense demand for capital investment and the increase of the overall national income.

The present economic situation in the world demonstrates the case of a number of more or less completely isolated groups. A consolidation of these groups into a free world market is the main economic problem in our present world, although I do not deny that such a task will be a very difficult one. We must not forget that, in the late twenties, the then existing unity in the world market was completely destroyed by an ever-spreading depression. The gold standard was replaced by national systems of currencies which aimed at a more or less general control of foreign exchange. The different national measures taken to support this turn of the market finally resulted in a new system of economic autonomy which favoured the national products, even though the national price level by far exceeded world market prices.

Government action taken in the way of customs regulations, import restrictions, as well as foreign currency restrictions were a means to protect the home economy from the influence of the world depression, and to consolidate the capital situation by national measures. As a result of this defensive attitude, a new system of conjuncture developed which, with the assistance of an autonomous currency policy, finally lead to an expanding policy of employment. The nation herself offered generous credits and thus created the illusion of increased purchasing power and full employment, while the gap between her's and the world economy grew larger and larger. In a system such as this, a foreign policy was only important, when it served to achieve full employment. The results of this disintegration in the economic world were sales crises, discriminating trade practices, and, finally, a substantial reduction of the international exchange of goods.

The new economic situation which we (Germany) faced after World War II can be described as follows: To begin with, world economy tended to be divided into several political groups of interest much more than in earlier years, this may be attributed to the development of world politics. These remarks particularly apply to the strongly isolated Eastern nations with their nationalised economy. It would be practically impossible to include this part of the world in a free economy, unless their Governments were prepared to give up their principles of State monopoly on the national economy. Although it is our sincere wish to consolidate trade between East and West, we must realise, when entering into economic relations with the East, that we have to deal with political realities, We should not forget that Russia and her satellite States regard foreign trade as a means of strengthening their political influence.

Way Back to Free World Economy

It cannot be denied that the Western powers, too, show a certain tendency to form economic groups, although this is carried out under completely different aspects than is the case in the East. Western formations of economic groups are not governed by a spirit of hostility to world trade. The principle underlying Western economic growths are of a financial nature. We are now referring to the dollar and sterling areas or to the European Payment Union. After the war, new economic structures have developed alongside which are oriented towards more regional or functional communities. Let us name the Coal and Steel Community and the O.E.E.C. for example. They all have a common goal, namely, to produce larger markets of partly inland character and to prepare such markets for a future incorporation into a free world economy.

By producing these different points of gravity, it is intended to achieve a unity of the world market, which, however, would exclude the Eastern nations for the time being. The integration of Europe which has made very little progress on the political level up to now has been considerably promoted from an economic point of view. European integration, the chief concern of the entire German industry, has by no means lost contact with the larger world markets. There is no tendency to form an autonomous European community. On the contrary, by increasing the industrial capacity of a very important section, European integration will well serve world economy. The best use we can make of the results from the work of the O.E.E.C. is to remember the advantages of international team work and the comparative costs system. We note that international economic relations have no doubt improved considerably during the last few years, and that the liberalisation of trade is increasingly extending to the overseas countries. They seem to realise more and more that an export trade governed by Government regulations does not represent a panacea for the solution of economic problems.

The important thing to do now is to spread the idea that a policy of splendid isolation from the world markets will invariably lead to economic instability, to a breakdown of the price structure and, last but not least, to signs of inflation. Only an economy which is oriented towards free world trade will, in the long run, be capable of raising living standards and creating a basis for political stability.

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U.K. RESTRICTIVE TRADE PRACTICES ACT

ITS SIGNIFICANCE

By John Kingsley

WHEN the Restrictive Trade Practices Act became law in the United Kingdom, a blow was struck for industrial flexibility at home and for greater competitiveness abroad. The Bill had been the subject of public controversy since July last year, when the Government gave an undertaking to bring forward legislation against trade restrictions. From the opening debate in the House of Commons in February, the period of parliamentary gestation was only just over five months. The Act became law by 2nd August 1956. As lawmaking goes, this was not a long period.

Indeed, the proceedings were carried through with great speed, for it must be remembered that legislation of this kind depends for its success to a large extent on careful drafting, and that attention had to be paid to the restrictionist attitude which was bound to prevail among the many interests which could be expected to oppose the Bill.

The impetus of this progress through Parliament has been maintained. Within a few days of its receiving the Royal assent, the first order under the new Act was made, the Registrar due to be appointed under the Act named, and the Registrar's office established.

The appointment of the Registrar is a sign that the Act is not only on the statute book but is immediately coming into operation. The Registrar's is a key position. The first requirement of the Act is that public registration be made of restrictive trade practices.

Other main provisions include the establishment of a Restrictive Practices Court (which has powers of a High Court) to decide whether these practices are in the public interest. The Act lays down criteria for the court to apply in judging whether the practices are or are not in the public interest. The onus of proof is upon those who wish to justify the practice.

Another feature is that collective enforcement of resale price maintenance has become unlawful, but not resale price maintenance carried out by single companies. The Monopolies Commission is retained, although smaller in size, to deal with those arrangements not subject to the new judicial procedures, e.g., monopolies and export agreements.

The first order under the Act laid before the House of Commons, which would bring the first catch into the Registrar's net, is exceedingly wide in scope. If it receives the approval of Parliament, it will come into effect on 30th November. It covers cases of restriction on prices and collective discrimination.

By its very breadth, this first order is likely to give some inkling of the amount of work which the new machinery is likely to have to deal with in the legalistic battles over definitions. If the Government's draftsmen have done their work well, there should be a large catch for the Registrar to get to work on.

Emerging Pattern

Assuming that this is the case, something of a pattern begins to emerge. Companies which have the kinds of agreements specified by the order will have three months in which to register them. This will take until the spring of 1957, which, in turn, means that the court appointed under the Act should be at work interpreting the new legislation and setting up its precedents by the middle of the year.

Agreements which cover both United Kingdom imports and exports are within the scope of the judicial procedure of the new court. Pure export agreements are, however, dealt with under the old procedure—in the Monopolies Commission. But the details of such agreements have now to be supplied to the Board of Trade.

The policy behind the new Act is thus seen to be to a move towards reducing restriction and increasing flexibility in the home market. Behind all the arguments about the meaning of words which are likely to develop in the next year or two as individual cases are argued out lies the Government's decision to bring about a greater competitive spirit in the structure of British business.

British industry is being called upon to flex its muscles in the home market, so that it can more efficiently compete abroad. This Act may yet prove to be the most significant single legislative gesture for British competition in the world market since the repeal of the Corn Laws 110 years ago.

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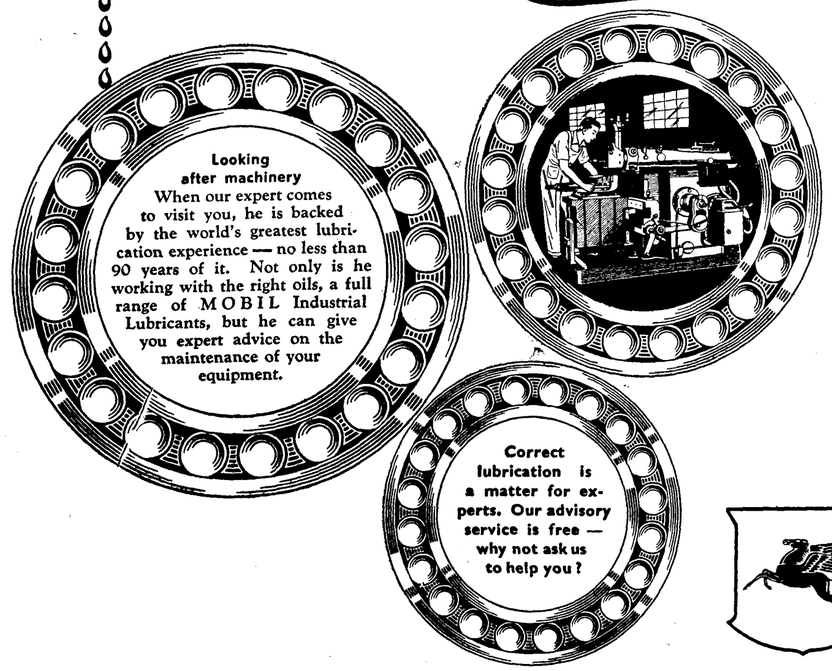

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SURVIVAL OF MANAGING AGENCY SYSTEM—I

PROVISIONS OF THE NEW CODE ANALYSED

By F. R. Ginwalla, B.A., LL.B.

THE cynics who are tempted to say that, by 15th August 1960, the managing agents in India will find themselves placed in a straitjacket seem to be very vaguely understanding the historical background of the new Companies Act and its social and economic implications so fully dilated upon, both in and out of Parliament since its introduction in the form of a Bill. The debates in Parliament indicate that the House was conscious of the fact that the managing agencies have nursed hundreds of companies which, in the fullness of time, have flowered into giant industrial and business concerns. There can be no doubt that the managing agencies since the later half of the nineteenth century have been the "bone and sinews" of the industry in this great country. It would be, indeed, disastrous both for the nation and the country if the system of managing agency failed to play its role in the planned economic development of India. The new Act only gives a new outlook to the Indian managing agency system, full of so many complexities and wide variations in contracts, constitutions and control of managed companies. The Act prescribes some recognised standards of behaviour, with a view to weaving an integrated pattern of relationship as between promoters, investors, the management and the labour. These recognised standards of behaviour are prescribed by Parliament which derives its power absolutely and finally from the mass of Indian humanity. In order that the dream of a socialistic pattern of society may come true, there must be industrial development in the country and this vitally depends upon the national character.

A poet has said: "The bad and good alike in honour share." The common people quarrel over inequality in property. The rich quarrel over inequality in honour. It is on account of such economic and social forces that the new Company Law was ushered in in this country.

Let us examine the various provisions of the Act with a view to meeting the primary need of those who wish to know more about the shape of things to come in the managing agency system.

Appointment and Reappointment of Managing Agents

The provisions of sections 324 to 326 indicate the test of eligibility for the appointment and reappointment of managing agents. Section 324, which has a far-reaching effect, empowers the Central Government to notify that companies engaged in specified classes of industry or business shall not have managing agents from a specified date. Section 325 provides that no company acting as the managing agent of any other company shall, after the commencement of this Act, appoint a managing agent for itself, whether it transacts any other kind of business in addition or not. Section 325 further provides that no company having a managing agent shall, after the commencement of the Act, be appointed as a managing agent of any other company. An appointment in contravention of this section is void. A further effect of this section is that, if a company having a managing agent is itself acting as a managing agent of another company, the term of office of the first mentioned company as a managing agent shall expire at the latest by 15th August 1956.

If a managing agent survives the foregoing two tests by escaping from the prohibitions specified in sections 324 and 325, he becomes eligible for appointment or reappointment subject to the provisions of section 326. Under this section appointment or reappointment of a managing agent can be made by the company in its general meeting, subject to the approval of the Central Government. It is open to the Central Government to withhold its approval, unless it is satisfied that it is in the public interest to allow the company to have a managing agent, that the terms of managing agency agreement proposed are fair and reasonable, that in its opinion the managing agent proposed is a fit and proper person, and that he has fulfilled the conditions which the Central Government requiries him to fulfil. The extensive powers and the wide discretion allowed by sections 324 and 326 cannot be exercised arbitrarily. It is obligatory upon the Central Government to consult the Company Law Advisory Commission and seek its advice before issuing any notification under section 324 as observed above, or before disposing of any application under section 326 pertaining to the appointment or reappointment of a managing agent.

Term of Office

The term of office which a managing agent may hold is regulated by section 328. After the commencement of the Act, no company shall appoint a managing agent (if it had no managing agent at any time since its commencement) for a term exceeding 15 years at a time. The term of office in the case of reappointment shall not exceed 10 years at a time. A managing agent can be reappointed for a fresh term, when the existing term of the managing agency has two or more years to run. The reappointment of a managing agent may be made by the company even much earlier provided the Central Government in consultation with the Advisory Commission approves of such earlier reappointment on the ground that it is in the interest of the company.

The reappointment of a managing agent under section 328 (1) does not include the reappointment of any person on fresh, additional or changed conditions for any period not extending beyond his existing term, but otherwise includes:

(1) the renewal, or the extension of the term, of a previous appointment, or

(2) the appointment of any person or persons having an interest in the previous managing agency.

Any appointment or reappointment of a managing agent made in contravention of section 328 shall be void in law.

With regard to the term of office of all existing managing agents at the date of the commencement of the Act, it is provided by section 330 that their term of office shall expire on 15th August 1960, if it has not expired earlier by virtue of the terms of current managing agency agreements. This deadline does not apply to those managing agents who are reappointed under the provisions of the Act.

Section 331 states that all provisions of this Act other than those relating to the term for which the office can be held shall apply to every managing agent holding office at the commencement of the Act, with effect from such commencement.

Variation of the Managing Agency Agreement

The term of the managing agency agreement may be varied only in the manner prescribed by section 329. Any variation in the terms of agreement may be made by a resolution of the company passed at its general meeting. Before passing such a resolution, it is obligatory on the company to obtain the sanction of the Central Government. Before according its sanction for passing such a resolution by the Company, the Central Government is required under section 411 to refer the matter to the Advisory Commission for its advice.

These four sections, namely, 328, 329, 330 and 331 which have been just discussed apply to a public company, a private company which is a subsidiary of a pubic company, and a private company which is not a subsidiary of a public company, unless the Central Government, by general or special order, specifically exempts such a private company.

Restriction on Number of Managing Agencies

Section 332 marks a deadline and provides that, after 15th August 1960, no person shall at the same time hold office as managing agent in more than 10 companies. In calculating the number of managed companies, private companies which are neither subsidiaries nor holding companies of public companies, unlimited companies, and associations which do not carry on business for profit or which prohibit the payment of dividends, are to be excluded.

Another important aspect of this section is that the following are deemed to hold office as managing agent of the company:

(a) Where the managing agency is a firm, every member of that firm; and

(b) where the managing agent is a company, every person who is a director, the secretaries and treasurers or a manager, of the latter company and every member thereof, who is entitled to exercise not less than 20 per cent. of the total voting power therein.

Any person who acts as a managing agent of more than 10 companies after the marked deadline, namely, 15th August 1960, shall be liable for a continuing offence punishable with fine extending to Rs. 1,000 in respect of each of these companies in excess of 10, for each day on which he so acts.

Remuneration of Managing Agents

The restrictions on managerial remuneration are contained in sections 348 to 354. The principle involved in these provisions of law is to ensure the investing public that the system of managing agency is shorn of its abuses and adapted to meet the requirements of a growing economy like ours. It is also significant to note that section 355 illustrates the wisdom on the part of Parliament in encouraging private companies by exempting them from the restrictions on managerial remuneration.

Let us enumerate the advantages to a private company on account of its exemption under section 355 from the operation of sections 348 to 354. These advantages are sufficiently attractive to convert public companies into private companies. Briefly speaking, a private company may remunerate its managing agent in any form and not necessarily on the percentage of net profits. It may determine the net profits in any manner it chooses. It is free to give additional remuneration to its managing agent without any sanction of the Central Government. It may remunerate its managing agent at any time, and not after the account having been placed before the company in its general meeting. It may also pay office allowance to its managing agent in addition to the remuneration.

Now let us consider the circumstances under which Parliament thought wise to impose restrictions on managerial remuneration in respect of public companies and private companies which are subsidiaries of public companies. It is appropriate here to digress a little. British business men are credited with making the first attempt to formalise the written bond between a managing agent and his managed companies. Since the later half of the nineteenth century, various types of such relationships have been documented and followed as precedents. The twists and turns of the Indian Company Law which date back to 1850 gave a managing agent some refuge and this accounted for so many complexities and wide variations in agreements relating to managing agencies. It is necessary here to give some instances. In some cases, commission paid to a managing agent was charged on net profit. In some cases, the payment of commission was based on turnover of sales. In certain cases, the percentage payable on net profits was kept low but in office allowance on a monthly basis was paid at a considerably higher rate in addition to reimbursement of all expenses incurred on behalf of a managed company. The commission for service rendered to the company was yet another source of income. Parliament was, therefore, forced to make suitable provisions in the new Act. To what extent these provisions will, in practice, be effective is, of course, anybody's guess. They are not to be looked upon as irksome fetters on private enterprise, but are to be implemented with the spirit of helpfulness.

Minimum Remuneration

The position under the new law is that, by reason of section 348, a public company and a private company which is a subsidiary of a public company cannot pay to its managing agent by way of remuneration for any year, whether as managing agent or in any other capacity, any amount in excess of 10 per cent. of the net profits of the company for that year. The net profits are to be determined in accordance with the provisions of sections 349 and 350. A special provision is made under section 351 for determining the net profits, where there is a profit-sharing arrangement between two or more companies having a common managing agent. The minimum remuneration in the event of a year of no profits or inadequate profits is fixed under section 198(4) at Rs. 50,000. Section 353 prohibits the payment of remuneration to a managing agent for any financial year or part thereof until the accounts of the company for that financial year are audited and laid before the company in its general meeting. Under the proviso to this section, the minimum remuneration of Rs. 50,000 may be paid to a managing agent in suitable instalments as may be specified either in the articles or in a resolution passed by the company at its general meeting. It is also open to a managed company to make such a provision in the managing agency agreement itself. If the Central Government is satisfied that a monthly payment of minimum remuneration not exceeding Rs. 50,000 per annum is insufficient for the efficient conduct of the company's business, it has power under the proviso to section 198(4) to sanction an increase subject to such conditions as may be specified in the order.

The payment of additional remuneration to a managing agent beyond the limits specified in sections 198 and 348 may be sanctioned. under section 352 by a special resolution of the company and approved by the Central Government in consultation with the Advisory Commission as being in the public interest. The overall limit of managerial remuneration is fixed at 11 per cent. of the net profits as indicated in section 198 read with section 352. In the context of this discussion, it is necessary to invite reference to the Press Note issued on 28th April 1956 by the Union Ministry of Finance, New Delhi. The substance of the Press Note is that companies cannot vary the terms of payment of remuneration to their managing agents so as to conform to the provisions of the new Act by passing a resolution in the annual general meetings. The Press Note adds that this is not permissible under section 353. The proviso to section 353 only enables a managing agent to be paid the minimum remuneration in suitable instalments as may be specified in the resolution of the company at its general meetings. The Press Note further adds that the correct procedure is prescribed by section 329 for varying the terms of the managing agency agreement by passing a resolution in general meeting of the company after obtaining the previous sanction of the Central Government.

Office Allowance

Section 354 prohibits the payment of office allowance to a managing agent but he may be reimbursed in respect of expenses incurred by him on behalf of the managed company. Such expenses are to be sanctioned by the Board or by the company in its general meeting. Section 354 adds that nothing contained in sections 349 to 358 shall be deemed to prohibit a managing agent from being so reimbursed.

Commission on Sales etc.

The provisions of sections 356 to 358 are in the nature of safeguards against the malpractices associated with the managing agency system, under which a managing agent would augment his remuneration by appointing himself as a buying or selling agent for the managed company. A managing agent is, however, permitted to act as a selling and buying agent for the managed company in respect of transactions outside India to the extent and subject to the conditions specified in these sections.

Section 359 prohibits a managing agent from charging extra remuneration to companies under his management for services rendered otherwise than as a managing agent. The effect of this section is that a contract between a managing agent and a company under his management in respect of sale, purchase or supply of any property or for rendering any services should be approved by the company by a special resolution.

Section 360 permits contracts between a managing agent or associate and the managed company for the sale or purchase of goods or the supply of services to the extent specified in that section. Such a contract as contemplated in section 360 must be approved by the company by a special resolution.

Section 363 prohibits a managing agent of a company or his associate from receiving any sum from the company, whether directly or indirectly, by way of remuneration, rebate, commission, expenses or otherwise. The effect of this section is that any benefit derived by a managing agent or his associate from a public company or a private company which is a subsidiary of a public company, in contravention of sections 356 to 361 or from a private company which is not a subsidiary of a public company in contravention of sections 356 to 361 shall be deemed to have received such benefit in trust for the managed company.

Section 361 expressly provides that all existing contracts with managing agents or their associates with respect to their appointment as selling agents, buying agents or for the purchase of goods or the supply of services, etc., to managed companies as referred to in sections 356 to 360 shall terminate on 1st March 1958, unless they expire earlier.

(To be continued)

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REVITALISING SMALL INDUSTRIES

PROGRESS MADE CONSIDERABLE

A GREAT deal of public discussion had taken place in the country before a definite place was found for the village and small industries in the second Plan. Any more discussion of the merits and demerits of this group of industries at this stage will only be of academic value. One important conclusion, however, emerged from the prolonged discussions which, since the die is cast, should bring about the proper "climate" for the fulfilment of the role allotted to this group of industries. The conclusion is that, however incongruous it may sound to talk of village and small industries in this age of atomic energy and automation, they have a vital and integral place in the economy of the country, at any rate for some time to come, because of the special circumstances obtaining in the country—namely, low level of *per capita* income and capital formation, fast expanding population, oppressive pressure on land, and inadequate transportation facilities. A time may come, however, when, through a series of plans and higher and higher rate of capital formation and manufacture of various types of heavy equipment indigenously, sufficient degree of structural changes in the economy will have been effected, which will gradually eliminate the existence of uneconomic small units. The fact that such a time is not quite within our sight—at any rate it is not likely to arise in the present generation—is the *raison d'etre* for paying special attention to the small and village industries. They can help solve, to some extent, the enormous problem of finding employment to unskilled, illiterate and widely scattered masses of people all over the country. Viewed in this context, there cannot be much dispute over the view, expressed by the Planning Commission, that "village and small industries in their different aspects are an integral and continuing element both in the economic structure and in the scheme of national planning. The primary object of developing small industries in the rural areas is to extend work opportunities, raise incomes and standard of living and to bring about a more balanced and integrated economy."

Realistic View Wanted

Although the objective thus stated is laudable and cannot be seriously disputed, one wonders whether the groups of industries under reference are capable of fulfilling the heavy responsibilities cast upon them for the period of the second Plan, in their present unorganised state. In view of the limitations so circumscribing their activities, it is imperative to take a realistic view in estimating the capacity of the small industries for formulating what are termed as "common production programmes." It may be noted that the common production programmes broadly fall into two categories. namely, those intended to provide a degree of preference or assurance of market for small units by restricting the scope for the corresponding large-scale industries, and those intended to provide positive assistance through supply of raw materials, technical guidance, financial assistance and so on. If the measures taken under this programme encourage those types of small-scale production which enjoy certain advantages over the corresponding large-scale industry or do not conflict with the concerned large-scale industry, there could be no objection to them. But the wisdom of adopting any step becomes questionable when it is intended to restrict the production of the large units and demarcate or reserve a part of the sphere of production to the small industries when the latter are hardly ready to fill the gap. Moreover, it should not be forgotten that there is always a time lag after various steps in the spheres of organisation, finance and marketing are taken and before the full results are obtained. The time lag is likely to be longer in this sector, because of the fact that the units themselves are scattered widely and involve great organisational and other delays. The importance thus of a rational and realistic application of the common production programme cannot be overemphasised, in view of the fast-increasing public and private expenditure and the consequent rise in the effective demand of the people.

What is of urgent importance, therefore, are (1) the removal of the limitations under which the small industries function, organisationally, technically and otherwise, (2) the need for ensuring that the decentralised sector acquires sufficient vitality before they are called upon to play a bigger role, and (3) observance of great caution in the formulation and application of the common production programmes. Against this background it will be appropriate to review what has been done in the sphere of small industries (not village industries), during the last few years as a first step in the direction of strengthening them in order that they may play the vital role carved out for them.

Industries falling in the group of small industries are of varied type, but their common features at present are their urban or semi-urban location, and use of machines, power and modern techniques. Thus, an important feature is that they are run by small *entrepreneurs* of self-supporting workers, and sometimes by co-operatives. Certain units in this field, as in the case of those manufacturing bicycle parts or sewing machine parts, may be ancillary to large industries. The working definition adopted by the Small-scale Industries Board includes within the scope of the term small-scale industries all units or establishments having a capital investment of less than Rs. 5 lakhs and less than 50 persons when using power. The principal requirements of this industry, as the second Plan points out, fall into four categories. First, the imparting of training and technical advice regarding the adoption of improved tools, machines and new techniques, secondly, supply of raw materials and power at reasonable rates, third, availability of adequate finance on fair terms, and lastly, facilities for importing or purchasing of machines and assistance in the marketing of products.

Allotment Stepped Up

While during the first Plan period, an amount of Rs. 5.2 crores had been spent on the development of small industries, the amount has been stepped up to as much as Rs. 55 crores in the second Plan. Substantial progress has been noted, moreover, since the Government of India accepted the recommendations of the International Planning Team of the Ford Foundation on small-scale industries. Thus, in addition to the four technical institutes for technical assistance to small-scale industries set up early in 1955, small institutes have been opened at a number of centres, namely, Ludhiana, Rajkot, Patna, Trivandrum and Hyderabad. It is also proposed to establish a full-fledged institute in each State during the second Plan period. Moreover, these units, supplemented by branch units and extension service centres, will act as service agencies in order to assist the small-scale industries in improving their production and management and in securing adequate raw materials, finances and markets. They will also promote patterns of development through common production programmes for the small and the larger units.

A noteworthy feature in disseminating technical information is that of taking round the countryside, mobile vans fully equipped with units of general machinery to demonstrate to the small *entrepreneurs* the value of latest equipment. While eight such vans are already in use, it is proposed to increase their number to 45. These apart, the technical and economic service agencies of the Central Government have witnessed considerable expansion, and the number of teams to investigate the conditions of some of the industries have been increased by 11 to 28 including the 12 in the Community Project areas. While investigation on the conditions of nine industries has been completed, arrangements are being made to investigate 29 other items.

National Small Industries Corporation

The National Small Industries Corporation, established in February 1955, combines in itself the functions of a marketing service corporation and small industries corporation, the establishment of which was recommended by the Ford Foundation Team. Besides thus providing the necessary incentives and help for the small industrial units to improve their techniques of production and management, the Corporation has also taken up the functions of supplying equipment on hire-purchase basis, marketing of quality goods produced by the small industries and putting up of industrial estates. The Government purchase division of the Corporation, it is claimed, has already made some headway in bringing about a change in the outlook of the purchasing agencies, by helping small industries secure direct contracts from them. Moreover, this division of the Corporation has also succeeded in obtaining the agreement in principle of nine of the large-scale units in the country for the establishment of small-scale ancillary units around their factories to meet their requirements of components. The impetus thus gained for their development is expected to increase several-fold, after the formal acceptance by the Government of the recommendations of Mr. Kennard Wendall in regard to the reorientation of the Government's purchase policy, in so far as it affects small industries, and also because of the emphasis already given by the Stores Purchase Advisory Council to the development of small industries.

The function of supplying up-to-date equipment, the lack of which is regarded as one of the chief maladies of the small industries, is dealt with by the hire-purchase division of the Corporation. It is expected that, by the end of this financial year, applications for machinery worth over a crore of rupees will have been approved.

Lack of proper markets, and inadequate information about the existing markets have been the traditional obstacles to the progress of the small industries. The activities of the marketing section of the National Small Industries Corporation will be noted in this context with satisfaction. The division is concerned with, in the first place, encouraging production of quality marked standardised goods by the small-scale industries, secondly, giving information to the producers about the reactions of the consumers to the former's products, and lastly, establishing wholesaling depots in different parts of the country to push the sales of the products of the small industries. A noteworthy feature of this division is that it arranges for the products of these industries being taken round the rural areas in mobile vans, not only for promoting their sales but also for gauging the reaction of the consumers and to impress on them the ability of the small industries to meet their increasing demands. Wholesaling depots, on the other hand, encourage the small units in specific industries to manufacture quality goods of given standards and facilitate their being disposed of in different parts of the country. For example, a depot at Agra for footwear is said to be functioning successfully for the last six months. Similar depots at Aligarh (for locks) and Khurja (for potteries), have made a successful start, while those at Calcutta (for knitware) and Bombay (for varnish) and Madras (for stainless steel and matches) are being established.

Industrial Estates

One more division of the National Small Industries Corporation is in charge of setting up one crore rupees worth of industrial estate in Okhla near Delhi. Substantial progress is noted in the construction of buildings for factories. Thus, while 13 buildings have been completed to house factories, work on 22 more is going to be started shortly. A similar estate is also going to be established by the division at Allahabad.

With the establishment of the Finance Corporations in 13 States, a major hurdle in the way of expansion of small industries, namely, finance, is well on the way of its removal. The second conference of the representatives of the State Financial Corporations held under the auspices of the Reserve Bank of India in November 1955 discussed the question of co-ordination between the State Financial Corporations and other agencies in providing financial assistance to small-scale industries. Moreover, with a view to liberalising financial assistance to small-scale industries, the Union Government indicated to the States in June 1955 its willingness to place funds at the disposal of the State Governments so as to enable them to liberalise their rates for the grant of loans upto certain limits to small-smale industries, under the State-Aid-to-Industries Rules or through the medium of co-operative banks and other agencies. According to this arrangement, the ratio of Central Government contribution to that of the States would be 2 : 1. Moreover, losses also would be borne by the two Governments in the same proportion in the case of loans to private parties and in the proportion of 3 : 1 in the case of industrial co-operatives. Another important feature of this arrangement is that loans would be advanced to the borrowers upto 75 per cent. of the value of the security offered. Yet another notable step in this connection is the initiative taken by the State Bank of India in devising a scheme for co-ordinating the activities of the co-operative credit organisations, commercial banks and State Financial Corporations. "Pilot" schemes have already been launched by the Bank in three centres.

The process of revitalising and expanding the small industries is thus well on its way. It should not be forgotten, however, that too much reliance on figures and statistics is apt to mislead both the authorities and the people. The attitude of looking below the surface of statistics is very essential at a time like this. It is to be earnestly hoped that a strong edifice of small industries will be built on the foundations already being laid. But in that attempt let not the already existing large-scale industries be reduced to stagnant pools in our economy, as is now sought to be done by the authorities in the case of the cotton textile and match industries, to mention only two instances.

MINISTRIES OF COMMERCE AND CONSUMER INDUSTRIES AND HEAVY INDUSTRIES

It may be recalled that, following the division of the Ministry of Commerce and Industry into the Ministry of Heavy Industries and the Ministry of Commerce and Consumer Industries, a brief Press note was issued early in September indicating subjects that would be dealt with by each Ministry. Fuller details of the particular industries that would fall within the purview of each are now made available. The Ministry of Commerce and Consumer Industries would deal with plantation industries; textiles (that is, cotton, jute, silk, art silk, coir, etc., but excluding synthetic fibres and yarns); food, drink and tobacco industries; domestic ware and household requisites, including electricals (other than refrigerators and air-conditioning equipment), hardware, and crockery, glass and sanitary ware; cosmetics and toilet requisites; stationery and office equipment; sports goods; leather, rubber, plastic and celluloid goods; drawing, mathematical scientific and surgical instruments other than precision instruments. Timber plywood and hardboard; paints and varnishes; agricultural implements and tools; bicycles and sewing machines; musical instruments; and drums and containers. This Ministry would also be concerned with all small-scale industries.

The Ministry of Heavy Industries will be concerned with the following industries except those which are carried on as small-scale industries:

Cement and iron and steel industries; automotive industries including aircraft, locomotives, motor vehicles of all types, road rollers, tractors, etc., and their accessories including tyres and tubes; electrical engineering industries, that is, motors, transformers, generators, switchgears, cables and wires, insulators, etc.; engineering industries including ball bearings, machine tools and other tools, castings, forgings and structurals, bolts, nuts and screws, drums and containers; chemical industries including power alcohol, drugs and pharmaceuticals, dyestuffs and coal tar, products, fertilisers, etc.; pulp, paper, board and newsprint; films, for cinema, X-ray and photography and photographic chemicals, apparatus and accessories; refractories, crucibles, electrodes, etc.; arms and ammunition; and all other industries not shown under the Ministry of Commerce and Consumer Industries.

The Ministry of Heavy Industries will also deal with all applications under the Industries (Development and Regulation) Act, 1951.

NEW I.C.I. PLASTICS LABORATORIES

Users of plastics throughout the world will benefit from new technical service laboratories built by the Plastics Division of Imperial Chemical Industries Ltd. at Welwyn Garden City, near London, which were opened on 28th September. These laboratories—probably the finest and best equipped of their type in the world—have been designed to facilitate the development of newer and better raw materials for the plastics industry, and to enable I.C.I. to provide the industry with the most efficient technical service. The Plastics Division of I.C.I., it may be noted, is one of the world's biggest producers of plastics materials, and probably has a more extensive range than any other similar manufacturer. It spends a high proportion of the £1,000,000 devoted every year by I.C.I. to technical service and the related activities of application development.

The new laboratories have a working area of 56,000 sq. ft. and the staff will total 250. Since the laboratories have to cater for a wide variety of practical operations, from purely scientific to technological and semi-technical, the buildings house not only conventional chemical and physical laboratories, but also equipment typical of that used in commercial production. There are, moreover, seven fabricating laboratories, each of which contains a large range of up-to-date semi-scale or full-scale equipment covering all the standard processing and manipulative operations with which the plastics industry is normally concerned. For example, the moulding shop has 12 compression presses ranging from 10 to 250 tons, including a 100-ton side ram press. The fabricating laboratories are at present arranged to deal with the following subjects: (1) moulding, including compression and injection, (2) general thermoplastic compounding including mixing, spreading and calendering, (3) extrusion, (4) rubber-like polymer technology, (5) monofilaments and films, (6) general fabrication of rigid plastics, and (7) fluorine polymer technology.

MARKETING OF CATTLE IN INDIA

India possesses approximately 156 million cattle and 44 million buffaloes. These amount to more than one-fifth and a half respectively of the total number of cattle and buffaloes in the world. The value of cattle to the economy of India is estimated at Rs. 3,000 crores annually.

A report on Marketing of Cattle released by the Directorate of Marketing and Inspection, Union Ministry of Food and Agriculture, reveals that in spite of India's position being comparatively superior to other countries in cattle wealth, she neither has the greatest density of cattle population in the world nor a high ratio of cattle to human population. The report offers a detailed study of the various uses to which cattle is put in India and the different problems relating to their development. It further observes that in the past India had built up a fairly good export trade in cattle, but because of its present decline the problem needs attention.

Among the various recommendations included in the report are urgent attention to proper enumeration, introduction of a market intelligence service, co-operative cattle breeding societies and regulation of markets.

PATENTS CONVENTION

A convention concerning the priority of patents of invention has been concluded between Canada and India. The High Commissioner for India, His Excellency Dr. M. A. Rauf, signed on behalf of the Government of India and the Secretary of State for External Affairs, Mr. L. B. Pearson, signed on behalf of the Canadian Government.

The convention provides generally that Canada and India will extend reciprocally the provisions of each country's legislation with regard to the protection of patents to citizens of the other contracting party and to bodies incorporated or registered under its appropriate legislation. Thus the benefits of the Canadian Patent Act shall be enjoyed by Indian citizens and incorporated bodies and likewise the benefits of the Indian Patents and Designs Act by Canadian citizens and incorporated bodies.

The convention shall come into force three months after signature, at which time the appropriate notifications concerning these arrangements shall have been published respectively in the *Canada Gazette* and the *Gazette of India*.

ORDNANCE AND RIVER VALLEY PERSONNEL

Apropos the recent unrest in the ranks of the workers in the Government's ordnance factories and in the Damodar Valley Project, following the retrenchment of surplus workers, it is officially stated that about 4,230 surplus personnel from ordnance factories were registered for alternative employment upto 1st October 1956. The surplus personnel are being registered under the special scheme introduced by the Government of India for providing alternative employment speedily to such personnel from ordnance factories and the D.V.C. Hirakud and Bhakra-Nangal projects. Out of 1,856 surplus D.V.C. personnel, 874 have been given alternative employment, 457 do not need any employment assistance and the rest are likely to be absorbed soon.

A delegation of research workers of the chemical and pharmaceutical industry from India, headed by Prof. Kane, visited Kharakov in the U.S.S.R. The Indian guests acquainted themselves with the work of the Kharkov Chemical Pharmaceutical Research Institute and the Ukrainian Experimental Endrocrinology Research Institute. Members of the delegation also went to the drug factories. On 2nd October, the delegation left for Moscow by air.



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INDIAN STANDARD WAGON FARES WELL

DIVIDEND RAISED—BONUS SHARES TO BE ISSUED

IF the high level at which a company's scrip is quoted on the Stock Exchange is any indication of its progress and the confidence the investors have in its ability to pay more and more handsome dividends, there can be no better example than that provided by the Indian Standard Wagon Company Ltd. (Managing Agents: Messrs. Martin Burn, Ltd., Calcutta). The realisation by the investing public of the growing importance of a heavy engineering industry like this in the rapid industrialisation of the country under the Five-year Plans is reflected in no small measure in the firmness of engineering shares on the Calcutta Stock Exchange. That the ordinary shares of the Standard Wagon which were quoted at Rs. 94 at the opening of the year 1955, touched a high of Rs. 150 in August of that year, and have spurted further to the impressive level of Rs. 225 on 5th October 1956, is ample proof of the high popularity these shares are having on that Exchange. Indeed, the working results of the Company for the year ended 31st March 1956 more than justify this increasing measure of popularity. The year under reference has proved to be yet another successful one. The Company's works remained fully booked throughout the year and the substantial increase in turnover has resulted in an appreciable improvement in trading results. The trading profit has advanced by Rs. 8 lakhs to Rs. 53.71 lakhs, thus making a rapid stride over the previous year's profit which had itself constituted a high level in the Company's history. The steadily rising profit of the Company from year to year—incidentally, this is the sixth year in succession to record such increase—has made it one of the most prominent among the engineering companies.

Alongside the expansion in trading profit, the net profit also has registered a rise from Rs. 23.76 lakhs for 1954-55 to Rs. 28.37 lakhs. This has been arrived at after providing for depreciation, taxation, managing agents' commission and provision for (1) taxation contingency, (2) labour profit-sharing bonus, and (3) labour retiring gratuity fund. All these provisions have taken up a larger sum than in the previous year. Quite justifiably, the distribution on ordinary shares has been stepped up from 25 per cent. to 30 per cent. The year's dividend includes a bonus of 5 per cent. It may be recalled that the distribution has been progressively raised in recent years, from 15 per cent. for 1951-52 to 19 per cent. for the years 1952-53 and 1953-54 and to 25 per cent. for 1954-55. The distribution for 1953-54 was actually double that paid for the preceding year since it was on a higher capital of Rs. 19.49 lakhs doubled in November 1953 by the capitalisation of Rs. 9.75 lakhs from the reserve fund. The year's distribution at 30 per cent. marks yet another step in the Company's policy of stepping up dividends commensurate with the rise in profits, only, of course, after paying due regard to the question of building up sufficient reserves.

The following table enables an easy comparative study of the Company's working and progress during the four years ended 31st March 1956:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	449.37	331.53	273.63	247.93
Stock and work-in-progress	309.45	303.54	164.20	142.71
Manufacturing and trading expenses*	429.26	288.21	242.46	227.72
Trading profit	53.71	45.65	32.40	21.30
Managing Agents' remuneration	6.63	5.35	4.16	3.09
Depreciation	1.93	1.04	0.91	0.92
Taxation	17.80	14.00	9.50	6.05
Net profit	28.37	23.76	16.19	15.99
E.P.T. refund	..	..	..	1.30
Provision for labour profit-sharing bonus	4.46	3.45	2.37	2.19
Provision for labour retiring gratuity	0.64	0.73	2.12	0.26
Provision for taxation contingencies	0.80	0.25	1.00	..
To reserves	8.75†	13.00	5.50	5.50
Development rebate reserve	1.62	..	..	..
Transfer to labour housing scheme	5.00	..	..	..
Dividends—				
7 per cent. preference	1.38	1.38	1.38	1.38
Ordinary	5.85 (D. 25% +B. 5%)	4.87 (D. 25%)	3.70‡ (D. 15% +B. 4%)	1.85 (D. 15% +B. 4%)
Carry forward Rs.	0.24 (24,072)	0.37	0.29	0.17

* Approximate only.
† Plant replacement reserve, Rs. 7.75 lakhs and general reserve, Rs. 1.00 lakh.
‡ On a capital of Rs. 19.49 lakhs doubled by the capitalisation of Rs. 9.75 lakhs in November, 1953.

The rise in sale proceeds and the higher value of stock and work-in-progress during the year under review indicate that the Company's works were fully employed. Out of the net profit, the Directors have provided a sum of Rs. 1 lakh to general reserve and Rs. 7.75 lakhs to plant replacement reserve. The Directors state that the programme for replacement and general rehabilitation and modernisation of the plant continues to make good progress and the total cost of the programme is now estimated at Rs. 32.5 lakhs. They further state that, even though the provision on this account of Rs. 7.75 lakhs in the year's accounts brings the total of the reserve up to immediate requirements, allocations from future profits will continue for some years to come for further development. Two new reserves have been created during the year under review, namely, the labour housing reserve with an initial allocation of Rs. 5 lakhs and the development rebate reserve with an allocation of Rs. 1,61,915. The latter represents the special taxation rebate granted for the year in respect of capital expenditure on plant and machinery and the Directors have decided that "this amount should not be taken into profit but should be set aside for any special development project. The total amount set aside for general and other reserves from the profits for the year under review aggregates Rs. 15.37 lakhs, that is, Rs. 2.37 lakhs more than those provided a year ago and Rs. 5.50 lakhs two years ago. It will thus be noted that not only the return to shareholders has been progressively stepped up but also the amount that is ploughed back into the business.

In order to bring the issued capital more into line with the actual capital employed, the Directors have decided to recommend the issue of bonus shares in the proportion of one new ordinary share for each ordinary share already issued. Accordingly, an application is being made to the Controller of Capital Issues for permission to capitalise reserves to the extent of Rs. 19,49,250. This will enable the Directors to issue one bonus share for each one of the existing ordinary shares.

The Company's reserves and surplus as at the end of the year stand strengthened at Rs. 47.34 lakhs, at which level they exceed the paid-up capital of Rs. 39.85 lakhs by Rs. 7.49 lakhs. But a point that should be noted here is that of the paid-up capital, ordinary shares amount to only Rs. 19,49,250. After the proposed capitalisation, the paid-up ordinary capital will be doubled to Rs. 38,98,500, while the reserves and surplus will be reduced to Rs. 27,84,737. On the assets side, the gross block of the value of Rs. 84.57 lakhs has been written down to Rs. 30.47 lakhs. The current assets aggregate Rs. 392.89 lakhs, including work-in-progress of the value of Rs. 287.82 lakhs, and exceed the current liabilities and provision for taxation, amounting to Rs. 336.17 lakhs, by Rs. 56.72 lakhs.

The Rs. 25 paid-up ordinary shares of the Company are being currently placed at Rs. 225. On the basis of a distribution of 30 per cent., the yield on the shares at their current market value works out to 3.3 per cent. per annum. This low return, no doubt, reflects the proposed bonus issue, which, as already mentioned, will double the paid-up capital. If the dividend on the increased capital also were to be maintained at 30 per cent., the yield would work out to 6.6 per cent. That, however, is unlikely for at least a few years to come, though the present level of profit is comfortable enough to permit payment of such a distribution. At best, the Directors may be able to pay 25 per cent. on the increased capital for the current year. If this assumption turns out to be correct, those who buy the Company's share at the ruling market price (Rs. 225) will get a return of 5.5 per cent. free of tax.

TALAYAR TEA CUTS DIVIDEND

The financial results of the Talayar Tea Company Ltd. (Managing Agents: Messrs. Parkins (Private) Ltd., Kottayam) for the year ended 31st March 1956 do not compare favourably with its performance for the years 1954-55 and 1953-54. Thus, the Company has made a gross profit of only Rs. 5.05 lakhs, as against Rs. 7.83 lakhs for 1954-55 and Rs. 6.99 lakhs for 1953-54. The net profit, after providing for depreciation at Rs. 20,339 (Rs. 31,423 for 1954-55 and Rs. 39,403 for 1953-54), taxation at Rs. 1.70 lakhs (Rs. 2.50 lakhs for 1954-55 and Rs. 2.75 lakhs for 1953-54) and Managing Agents' commission at Rs. 48,455 (Rs. 47,454 for 1954-55 and Rs. 35,190 for 1953-54) amounts to Rs. 2.66 lakhs, as against Rs. 4.55 lakhs for 1954-55 and Rs. 3.50 lakhs for 1953-54. A sum of Rs. 50,000 has been set apart to development reserve. As against this, the previous two years' allocations were: Rs. 1.50 lakhs for development reserves and Rs. 50,000 for dividend equalisation reserves in 1954-55, and Rs. 1.50 lakhs for development reserve in 1953-54. The dividend on ordinary shares has been reduced from 16¼ per cent. for 1954-55 to 12½ per cent., of which 6¼ per cent. was paid by way of an interim. The reduced rate is the same as that for 1953-54 and takes up a sum of Rs. 1,56,250. The dividend on 6 per cent. preference shares requires Rs. 45,000, leaving a balance of Rs. 25,453 to be carried forward, as compared with Rs. 10,601 brought in.

The decline in the Company's profit was due to lower prices for tea and higher cost of production. The position might have been worse but for a substantial increase in the outturn of coffee. The following table shows the Company's experience in regard to production of tea and coffee during the past five years:

	1951-52	1952-53	1953-54	1954-55	1955-56
Tea					
Acreage	1,295	1,295	995	995	995
Total crop .. (lbs.)	11,68,469	9,01,176	8,64,117	8,17,621	8,07,104
Yield per acre (lbs.)	900	696	654	822	811
Cost of production .. (cents)	116.00	138.89	144.42	146.92	148.13
Average sale price .. (cents)	180.00	183.16	225.72	254.48	204.72
Coffee					
Acreage	703	703	703	703	703
Total crop .. (cwts.)	1,500	871	1,359	362	1,125
Yield per acre (cwts.)	2.1	0.53	1.93	0.52	1.60
Cost of production per ton .. Rs.	2,878	11,125	2,860	11,865	3,379
Average sale price Rs.	4,203	3,567	4,292	3,687	..

The Company's balance-sheet as on 31st March 1956 shows the capital unchanged at Rs. 20 lakhs made up of Rs. 12.50 lakhs ordinary and Rs. 7.50 lakhs preference. The reserves and surplus aggregating Rs. 13.50 lakhs exceed the ordinary capital by Rs. 1 lakh. Gross block of the value of Rs. 29.39 lakhs has been written down to Rs. 27.04 lakhs. The current assets, including stock-in-trade of the value of Rs. 6.32 lakhs, aggregate Rs. 13.14 lakhs and cover the current liabilities and the provision for taxation amounting in all to Rs. 6.67 lakhs by a very comfortable margin. Cash balances alone are shown at Rs. 3.03 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 13-1 *cum-div.* On an *ex-div.* basis, and taking the total dividend for the whole year at 12½ per cent., the yield works out to 10 per cent. per annum.

COMPANY LAW ADMINISTRATION

A Press Note from the Finance Ministry, Government of India, says that, consequent on the reduction in the number of States on their reorganisation, the offices of the Registrars of Companies at Patiala, Nagpur, Rajkot and Vijayawada will be abolished as from 1st November next.

The responsibilities of the offices at Patiala, Rajkot and Vijayawada will be taken over by the Registrars at Jullundur, Bombay and Hyderabad, respectively. The responsibilities of the Registrar at Nagpur in respect of the companies, which have their registered offices within the territories of the reorganised State of Madhya Pradesh will be transferred to the Registrar at Gwalior. His responsibilities for the remaining companies will be passed on to the Registrar at Bombay.

The Press Note also lists other centres of registration affected by the reorganisation of States and specifies changes in jurisdiction.

The Regional Director, Company Law Administration, Western Zone, Bombay, will be in charge of the offices of the Registrars at Bombay and Bangalore (that is, the reorganised States of Bombay and Mysore).

The Regional Director, Southern Zone, Madras, is to be in charge of the offices of the Registrars at Madras, Trivandrum and Hyderabad (that is, the reorganised States of Madras, Kerala and Andhra).

The Regional Director, Eastern Zone, Calcutta, is to be in charge of the offices of the Registrars at Calcutta, Shillong and Cuttack (that is, the States of West Bengal, Assam and Orissa and the territories of Manipur and Tripura).

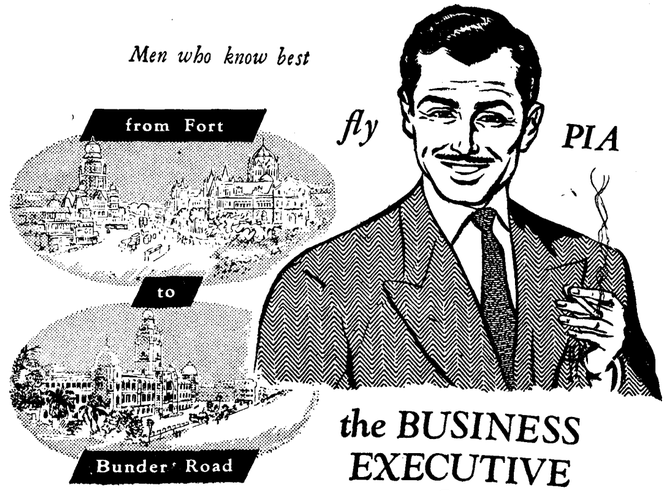
The Regional Director, Central Zone, Kanpur, (whose headquarters is temporarily at New Delhi) is to be in charge of the offices of the Registrars at Lucknow, Patna and Gwalior (that is, the States of Uttar Pradesh, Bihar and the reorganised State of Madhya Pradesh).

The Regional Director, Northern Zone, Delhi, is to be in charge of the offices of the Registrars at Jullundur, Jaipur and Delhi (that is, the reorganised States of Punjab, Rajasthan and the territory of Delhi).

(Concluded from next column)

will be spread broadly among the people. If national passions can be tempered enough to give these methods a chance to work, the result in terms of world peace and prosperity is likely to be very impressive."

EUGENE R. BLACK,
International Bank for Reconstruction and Development (Washington).



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Points From The Chair

Instability of Copper Prices

"THE price instability of copper, our main raw material, is a constant source of anxiety. In spite of the valiant efforts made by certain large producers to stabilise this market, we have seen fluctuations of more than £100 per ton over a period of a few weeks. It is disappointing to a user, such as ourselves, that the Metal Exchange prices show a greater reaction to rumours arising from political sources than to the time-honoured law of supply and demand. The effects of this violently fluctuating market are understood, if not appreciated, at home, but in the export field they are not understood and are heartily disliked. Unfortunately, the last twelve months have seen an upward climb in the price of aluminium, which is now less attractive as a substitute for copper on a price basis. It nevertheless enjoys a wider vogue where the weight of the cable is a consideration; a healthy sign in what will one day be a big business for our country."

JAMES S. CLARK,
Sterling Cable Co., Ltd., London.

Techniques and Civilisation

"Like every new technique capable of wide use, automation has, unfortunately, become a subject of controversy. Automation is the normal and natural result of technical development. It should be obvious that Britain cannot afford to fall behind in the application of automation techniques. If we are to stand up to competition from other nations, we cannot fight with antiquated weapons. Automation is essential to maintain a reasonable living standard. Its obvious advantages must not make us, however, insensitive to the human problems which are always connected with such developments; these will have to be resolved in joint consultation. With the relative inelasticity in the growth of manpower in the United Kingdom, and with the added burden of having to support an increasingly ageing population, the accelerated application of automation in Britain has come just in time. The output of our industries could not be significantly increased if we relied on the availability of more pairs of hands to man more machines. Under these conditions, to discourage automation would be suicidal. In 1948 the labour force in manufacturing industry totalled 8,137,000, with the index of industrial production at 100 and the average weekly hours worked were 44.9. In 1955, with a labour force of 9,337,000 in manufacturing, working 46.4 hours a week, the industrial production index rose to 142, of which 22.5 per cent. is attributable to productivity. This means that if the state of efficiency in industry had remained static since 1948, without further introduction of labour-saving machines, we would have to employ not 9,337,000 people as we do today, but 11,171,000 to produce the nation's current output as indicated by the production index. In fact, by enhanced efficiency the country has added the labours of some 1,834,000 productive people and enjoys the benefits of this increased output. The Industrial Revolution is not something we have once experienced and left behind but we are constantly living through it."

SIR HARRY RAILING,
General Electric Co., Ltd. (London).

An Exacting Challenge

"In the past 15 years, more than half a billion people in Asia and Africa have gained their national independence. But the fact of national independence has not yet brought the human betterment which the people of the less developed countries so urgently need and desire. That challenge still lies ahead. And I doubt whether any group of leaders in history has faced any more difficult or exacting challenge. Economic development is a fickle process. It creates new problems even as it solves old ones; it satisfies immediate demands only to create new and larger demands. And, most important, it destroys old attitudes towards life and work, even as it creates materials for a better life. In the less developed areas of the world today, the old stabilities are still crumbling as the minds of more and more millions are opened to new hopes and ambitions. The process of development has brought, with its benefits, turmoil and discontent which could thwart further development if not threaten the very foundations of world order.

"Yet we also know that economic development is *necessary* for the kind of world in which people everywhere live and grow in peace. We know that the problems economic development creates—the turmoil and discontent, the new hopes and ambitions—can only be made manageable with more economic development. The process must go on. It must go on steadily in the less developed countries until some new stability is achieved which is compatible with the security and welfare of people everywhere.

"Let us make no mistake, economic development in these countries today is not just a process; it is also an idea—a rallying cry for more and more millions who are aroused against their traditional poverty. Here is great potential for good. If the human energy in the less developed countries can be effectively harnessed to constructive economic development, these areas can well enjoy an unprecedented rate of growth.

"What is needed to make good the promise of these countries is a recognition that there are impartial, dispassionate methods of planning, organising, and carrying out development policy—methods which provide substantial insurance that concrete results will be achieved and that benefits

(Continued in previous column)

COMPANY MEETINGS AND DIVIDENDS

DHANRAJ MILLS PRIVATE LTD. Annual General Meeting, Bombay, 20th October 1956. Transfer books remain closed from 5th to 20th October 1956, both days inclusive.

INDIA CEMENTS LTD. Annual General Meeting, Madras, 22nd October 1956. Dividend: Re. 1-2 per share (final). Transfer books remain closed from 7th to 22nd October 1956, both days inclusive.

PANCHURA ESTATES LTD. Annual General Meeting, Coonoor, 22nd October 1956. Dividend: 30 per cent. Transfer books remain closed from 12th to 22nd October 1956, both days inclusive.

SHREE MAHALAKSHMI INVESTMENT AND PROPERTY CO., LTD. Annual General Meeting, Calcutta, 22nd October 1956. Transfer books remain closed from 10th to 22nd October 1956, both days inclusive.

HOOGHLY DOCKING AND ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 23rd October 1956. Dividend: Rs. 6-4 per share. Transfer books remain closed from 8th to 23rd October 1956, both days inclusive.

PATHEMARA TEA CO., LTD. Annual General Meeting, Calcutta, 23rd October 1956. Dividend: *Nil.* Transfer books will remain closed from 18th to 23rd October 1956, both days inclusive.

BEHARILAL RAMCHARAN COTTON MILLS LTD. Annual General Meeting, Bombay, 24th October 1956. Dividend: *Nil.* Transfer books remain closed from 10th to 25th October 1956, both days inclusive.

NATIONAL SCREW AND WIRE PRODUCTS LTD. Annual General Meeting, Calcutta, 24th October 1956. Dividend: Re. 1-8 per share. Transfer books will remain closed from 17th to 24th October 1956, both days inclusive.

TELOIJAN TEA CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend Rs. 2-8 per share. Transfer books remain closed from 10th to 25th October 1956, both days inclusive.

BORMAH JAN TEA CO. (1936) LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend: Rs. 2 per share. Transfer books remain closed from 10th to 25th October 1956, both days inclusive.

BAGHMARI TEA CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend: Re. 1 per share. Transfer books remain closed from 10th to 25th October 1956, both days inclusive.

SUNGMA TEA CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend: *Nil.* Transfer books remain closed from 10th to 25th October 1956, both days inclusive.

HASTINGS MILL LTD. Annual General Meeting, Calcutta, 29th October 1956. Transfer books will remain closed from 16th to 29th October 1956, both days inclusive.

NEW ASSAM VALLEY TEA CO., LTD. Annual General Meeting, Calcutta, 30th October 1956. Transfer books will remain closed from 23rd to 30th October 1956, both days inclusive.

NEW MONKHOOSHI TEA CO., LTD. Annual General Meeting, Calcutta, 30th October 1956. Transfer books will remain closed from 23rd to 30th October 1956, both days inclusive.

NORTH-WESTERN CACHAR TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1956. Dividend: Rs. 15 per share. Transfer books will remain closed from 20th to 31st October 1956, both days inclusive.

METHONI TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1956. Transfer books will remain closed from 24th to 31st October 1956, both days inclusive.

INDIAN STANDARD WAGON CO., LTD. Annual General Meeting, Calcutta, 2nd November 1956. Dividend: Rs. 7-8 per share (includes bonus of Re. 1-4 per share). Transfer books will remain closed from 23rd October to 2nd November 1956, both days inclusive.

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 12th November 1956. Transfer books will remain closed from 1st to 15th November 1956, both days inclusive.

VAYITRI PLANTATIONS LTD. Dividend of 9 per cent. on the ordinary shares for the year ended 31st March 1956. Transfer books remain closed from 9th to 15th October 1956, both days inclusive.

COMPANY REGISTRATIONS

SAWHNYSONS (BOMBAY) PRIVATE LTD. (Chairman: Mr. C. P. Sawhny.) Business: Producing and refining petroleum and its products. Authorised capital: Rs. 15,00,000. Private company. Address: Regal Cinema Building, 1st Floor, Apollo Pier Road, Fort, Bombay.

EXTRUSION PROCESS PRIVATE LTD. (Chairman: Mr. M. I. Patel.) Business: Manufacture of metal products. Authorised capital: Rs. 5,00,000. Private company. Address: "The Nest" H. F. Society, 4th Road, Jogeshwari, Bombay 42.

ADVANCE BUILDERS (INDIA) PRIVATE LTD. (First Director: Mr. S. K. Patel.) Business: Construction of all kinds. Authorised capital: Rs. 5,00,000. Private company. The registered office of the Company will be situated in the State of Bombay

RESULTS OF HOOGHLY DOCKING GOOD

SETBACK IN RESULTS OF MCLEOD GROUP TEA COMPANIES

Hooghly Docking & Engineering Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The value of work billed during the year amounted to Rs. 68,57,049 against Rs. 48,87,244 in the previous year, an increase of about Rs. 19.7 lakhs. This was mainly due to the increasing volume of new construction work undertaken by the Company as reported last year.

The gross profit for the year was Rs. 4,83,373 and net profit, Rs. 1,12,120. The corresponding figures for 1954 were Rs. 3,97,568 and Rs. 1,76,646, respectively. The fall in net profit was due, on the one hand, to the small margin on which construction work has to be undertaken, and on the other, to the increasing amount of interest that has to be paid on borrowed money to finance these constructions. The value of work in progress increased during the year from Rs. 99 lakhs to Rs. 115 lakhs putting an additional strain on the working capital of the Company.

After charging all expenses including depreciation and writing off Rs. 3,545 (Rs. 4,500) as bad debts the profits for the year amounted to Rs. 1,72,120 (Rs. 1,81,646) to which has been added the balance brought forward from previous year of Rs. 46,167 (Rs. 50,771) making a total of Rs. 2,18,287 (Rs. 2,32,417). Out of this sum there has been provided for taxation Rs. 60,000 (Rs 5,000) leaving a balance available for disposal of Rs. 1,58,287 (Rs. 2,27,417). The directors recommend this balance to be disposed of as follows:—

In payment of a dividend of 12½ (12½) free of tax absorbing Rs. 1,56,250 (Rs. 1,56,250) and carrying forward the balance of Rs. 2,037 (Rs. 46,167 after transferring Rs. 25,000 to dividend equalisation fund).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	19,34,801
Reserves ...	22,00,000	Capital work-in-progress	1,29,969
Provision for taxation ...	45,206	Materials, stores and spare parts	7,15,205
Provision for sales tax ...	1,27,275	Goods in transit ...	8,038
Liabilities ...	1,25,62,222	Work-in-progress ...	1,15,80,779
Profit and loss account ...	2,037	Debts, deposits and advances ...	17,72,215
		Cash ...	45,733
Rs.	1,61,86,740	Rs.	1,61,86,740

Baghmari Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 3,37,510 (Rs. 12,41,322) to which must be added profit on sale of machinery and motor vehicle Rs. 5,799 (Rs. 2,555) and balance of profit brought forward from 1954 Rs. 93,058 (debit of Rs. 75,110) making a total of Rs. 4,36,367) (Rs. 11,77,896). From this amount must be deducted provision for taxation Rs. 1,10,009 (Rs 3,72,000), adjustment Rs. 1,35,314 (*nil*), amount written off stores for obsolescence, etc. Rs. 5,133 (Rs. 2,788), loss on buildings demolished Rs. 4,761 (*nil*) and depreciation on fixed assets Rs. 90,099 (Rs. 117,550) leaving a balance of Rs. 91,051 (Rs. 6,85,558) which, the directors recommend, should be distributed as follows:—

In payment of a dividend at the rate of 10 (35) per cent. for the year ended 31st December 1955, on 55,000 shares of Rs. 10 each, absorbing Rs. 55,000 (Rs. 1,92,500), leaving to be carried forward Rs. 36,051 (Rs. 93,058 after transferring Rs. 3,00,000 to general reserve and Rs. 1,00,000 to buildings and machinery reserve).

Crop.—The saleable crop weighed out at 9,155 (8,579) maunds against an estimate of 9,700 (9,000) maunds, and was disposed of at an average price of As. 33.90 (As. 49.94) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 9,500 maunds at a total revenue expenditure of Rs. 11,92,631.

The fall in the average price of tea from As. 54.41 per lb. for season 1954 to As. 39.29 per lb. in season 1955 has adversely affected the results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,50,000	Block ...	10,48,038
Reserves ...	11,21,541	Stock of tea	5,76,395
Provision for taxation ...	4,82,000	Stores ...	1,96,897
Liabilities ...	4,42,138	Other assets	9,561
Profit and loss account ...	36,051	Debts, deposits and advances ...	94,177
		Investments	1,099
		Interest accrued on investments and deposits	3,318
		Cash ...	7,02,245
Rs.	26,31,730	Rs.	26,31,730

Bormah Jan Tea Co. (1936) Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 4,20,650 (Rs. 10,04,249) to which must be added the balance of profit brought forward from 1954 of Rs. 1,44,105 (Rs. 6,184 including Rs. 224 being adjustments) making a total of Rs. 5,64,755 (Rs. 10,10,433). From this amount must be deducted provision for taxation Rs. 1,88,000 (Rs. 3,71,414) adjustment account Rs. 1,04,727 (*nil*) and depreciation on fixed assets Rs. 25,573 (Rs. 24,657) leaving a balance of Rs. 2,46,455 (Rs. 6,12,605). The directors have set aside to buildings and machinery reserve Rs. 75,000 (*nil*) leaving an available balance of Rs. 1,71,455 (Rs. 5,37,605 after paying ordinary interim dividend of 10 per cent. absorbing Rs. 75,000). This amount the directors recommend, should be distributed as follows:—

In payment of a dividend at the rate of 6 (6) per cent. for the year ended 31st December 1955, on 1,000 cumulative preference shares of Rs. 100 each, absorbing Rs 6,000 (Rs. 6,000), and in payment of a dividend at the rate of 20 (25) per cent. final for the year ended 31st December 1955, on 75,000 ordinary shares of Rs. 10 each, absorbing Rs. 1,50,000 (Rs. 1,87,500) leaving to be carried forward Rs. 15,455 (Rs. 1,44,105 after placing Rs. 2,00,000 to general reserve).

Crop.—The saleable crop weighed out at 7,703 (7,632) maunds against an estimate of 7,850 (7,400) maunds, and was disposed of at an average price of As. 35.69 (As. 50.23) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 8,300 maunds at a total revenue expenditure of Rs. 9,84,795.

The fall in the average price of tea from As. 50.23 per lb. in season 1954 to As. 35.69 per lb. for season 1955 has adversely affected the results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,50,000	Block ...	6,50,337
Reserves ...	7,27,550	Stock of tea ...	4,58,854
Provision for taxation ...	5,73,000	Stores ...	2,05,056
Liabilities ...	4,91,575	Other assets	4,989
Profit and loss account ...	15,455	Debts, deposits and advances ...	1,38,762
		Cash ...	11,99,582
Rs.	26,57,580	Rs.	26,57,580

Sungma Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 96,338 (Rs. 4,65,554) to which must be added profit on sale of motor vehicle Rs. 1,600 (*nil*) and balance of profit brought forward from 1954 Rs. 24,081 (loss of Rs. 2,79,294), Rs. 1,22,019 (Rs. 1,86,260). From this amount must be deducted adjustments Rs. 64,617 (Rs. 39,574) and depreciation on fixed assets Rs. 91,204 (Rs. 72,373) leaving a balance at debit of profit and loss account to be carried forward to 1956 Rs. 33,802 (credit of Rs. 24,081 after paying a dividend of 7½ per cent. absorbing Rs. 46,875 and also writing off Rs. 3,357 on stores, etc.).

Crop.—The saleable crop from Sungma and Turzum Estates weighed out at 4,685 (4,497) maunds against an estimate of 4,875 maunds, and was disposed of at an average price of As. 39.29 (As. 54.41) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 4,800 maunds at a total revenue expenditure of Rs. 8,06,654.

The fall in the average price of tea from As. 54.41 per lb. for season 1954 to As. 39.29 per lb. in season 1955 has adversely affected the results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,25,000	Block ...	12,36,873
Reserves ...	5,74,585	Stock of tea	2,41,852
Liabilities ...	5,52,100	Stores ...	1,47,311
		Other assets	20,364
		Debts and advances ...	56,532
		Investments	2,824
		Cash ...	12,327
		Profit and loss account ...	33,802
Rs.	17,51,685	Rs.	17,51,685

Teloijan Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 4,67,028 (Rs. 13,75,575) to which must be added the balance of profit brought forward from 1954 of Rs. 81,743 (Rs. 18,243 including Rs. 3,807 being adjustments) making a total of Rs. 5,48,771 (Rs. 13,93,818). From this amount must be deducted provision for taxation Rs. 1,99,137 (Rs. 5,28,000) adjustment account Rs. 99,425 (*nil*) loss on building demolished Rs. 117 (*nil*) and depreciation on fixed assets Rs. 38,043 (Rs. 35,075) leaving a balance of Rs. 2,12,049 (Rs. 8,30,743). This amount the directors recommend, should be distributed as follows:—

In payment of a dividend at the rate of 25 (50) per cent. for the year ended 31st December 1955, on 59,800 ordinary shares of Rs. 10 each, absorbing Rs. 1,49,500 (Rs. 2,99,000) leaving to be carried forward Rs. 62,549 (Rs. 81,743 after transferring Rs. 3,50,000 to general reserve and Rs. 1,00,000 to buildings and machinery reserve).

Crop.—The saleable crop weighed out at 10,032 (10,467) maunds, against an estimate of 10,000 (9,300) maunds, and was disposed of at an average price of As. 33.55 (As. 49.83) per lb.

Estimate 1956.—The estimate for season 1956 provides for a saleable crop of 10,000 maunds at a total revenue expenditure of Rs. 12,05,408.

The fall in the average price of tea from As. 49.83 per lb. in season 1954 to As. 33.55 per lb. for season 1955 has adversely affected the results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,93,000	Block ...	7,05,813
Reserves ...	10,73,724	Stock of tea	7,97,486
Provision for taxation ...	7,37,000	Stores ...	2,06,815
Liabilities ...	5,62,032	Debts, deposits and advances ...	3,35,961
Profit and loss account ...	62,549	Cash ...	9,87,230
Rs.	30,33,305	Rs.	30,33,305

Barnagore Jute Factory Co., Ltd.

The directors of the above Company (Secretaries: Messrs. McLeod Russel and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1956.

The loss for the year amounts to £76,620 (profit of £58,693 before providing depreciation, etc.) to which has to be added depreciation of fixed assets £44,824 (£22,242), provision against loss on realisation of jute stocks £50,000 (*nil*) and purchase of annuity for retired secretary £7,500 (*nil*) making a total of £178,944 (credit of £22,258 after depreciation). After deducting profits on sale of investments:—Freehold property £38,640 (*nil*) and shares in subsidiary company £67,500 (*nil*) there is a debit balance of £72,804 (credit of £22,258). From this amount has to be deducted the balance brought forward from 31st March 1955 £64,858 (credit of £71,772) leaving a debit balance of £7,945 (credit of £94,030). The directors propose to meet the payment of the preference dividend for the year as follows:—

Interim of 2½ per cent. paid 22nd December 1955 (net) £2,875 (£2,750) and a final of 2½ per cent. payable on 12th October 1956 to shareholders on the register on 28th September 1956 (net) £2,875 (£2,875) absorbing £5,750 (credit of £29,172 which includes a dividend of 15 per cent. on ordinary shares absorbing £19,766).

Including the proposed preference dividend of 5 per cent. which will absorb £5,750, the total debit balance will amount to £13,695. In order to pay the preference dividend and wipe off the debit balance, the directors have utilised £13,695 from revenue reserves. Thus the reserves are lesser to that extent in the balance sheet. Last year after paying dividend of 5 per cent. on preference shares and 15 per cent. on ordinary shares the directors carried forward a credit balance of £64,858. It will be noted that apart from a trading loss of £92,400 it has been necessary to make a provision of £50,000 for loss on realisation of jute stocks.

In compliance with the working time agreement of the Indian Jute Mills Association, the Mills worked 48 hours per week throughout the period under review. For the first 9 months, work continued with 12½ per cent. of the total looms sealed. From 9th January this year production was increased by unsealing 2½ per cent. of the total loom complement, and from 20th February a further 5 per cent. of the total looms were unsealed. Unfortunately offtake did not justify these production increases and as from 17th September next the total looms unsealed are to be re-sealed restoring the position to 12½ per cent. of the total looms sealed.

Trading conditions during the year under review remained extremely difficult. Not the least of the problems encountered was the extreme shortage of suitable raw material during the months of July, August and September last year caused by heavy flooding, at first in Assam where serious breaches of the Assam link railway occurred in many places, and later in East Pakistan. During this period the free movement of our purchased supplies was impeded and consequently the Mills' jute stocks fell to dangerously low levels, preventing economic use being made of whatever raw material was left available. Such replacement of supplies as could be effected from the very limited local sources were generally of inferior quality. As a result, the productive efficiency of the Mills was seriously affected.

At no time during the period covered by these accounts was it possible simultaneously to buy jute and sell manufactured goods at prices which did not show a substantial loss on the transaction. The chief obstacle to profitable trading by the Calcutta Mills in general continues to be the extremely high price of their raw material, and it must be emphasised that the cost of jute represents approximately two-thirds of the Mills' entire working costs. The competition from Jute Mills in Pakistan is becoming increasingly intense and under recent conditions these Mills have generally enjoyed the benefit of lower jute prices to the extent of between Rs. 170 and Rs. 220 per ton.

Indian Mills are still dependent on Pakistan for the supply of approximately 25 per cent. of their raw jute requirements. The devaluation of the Pakistani rupee, on 31st July 1955, did not result in any reduction in price in terms of Indian rupees of Pakistan jute because of the decision of the Government of Pakistan to maintain their minimum export prices at the same level as previously. In addition, they have further increased the export duty on raw jute, excluding cuttings, by Re. 1 per maund. Fortunately, the competitive position of the Indian Mills was to some extent restored by the removal of all export duties by the Government of India with effect from 1st August 1955.

The average price of raw jute during the year under review was fully Rs. 150 per ton above that ruling in 1953, while a comparison between the 1955 and 1953 average prices for hessians shows no significant difference in the levels ruling in the two years. The fact that there has been no increase in average selling prices, commensurate with the rise in the price of raw jute, explains the inability to trade at a profit during the last 12 to 18 months.

While the very high cost of raw jute remains the major problem of the Indian Mills, unavoidable increases in manufacturing costs, including labour wages, have also contributed to their difficulties. An Industrial Tribunal set up by the West Bengal Government under the Industrial Disputes Act to adjudicate on matters concering the basic wages and dearness allowance of all workmen in the Jute Textile Industry in West Bengal issued its Award, effective from 6th November 1955, under the terms of which the emoluments of the majority of the Company's employees were increased by Rs. 3-12-9 per month. In terms of cost of production this last increase represents an additional burden of approximately Rs. 14 per ton.

These difficulties of the current trading position further emphasise the need for every possible reduction in manufacturing expenses. In the last report of the directors reference was made to the orders which had been placed for new machinery to replace a large part of the drawing and spinning frames on the hessian side of East Mill, with a view to pressing ahead with the modernisation programme. The directors advise that shipment of this new machinery has now been completed and payment has been made in full, mainly after the closing of the accounts now submitted. With the installation of this new machinery the modernisation of East Mill will have been largely completed up to the spinning, and a materiai reduction in manufacturing costs is confidently expected.

Reference was also made in the last report of the directors to the sale of the Company's holding of shares in the Kassipur Co., Ltd., and also of the Rajabagan property on which the Kassipur Co., Ltd.'s factory buildings are situated. Payment of the proceeds amounting to £174,313 has since been received and this will go some way to the financing of modernisation. This sale resulted in a capital gain of £106,140 which sum has been taken to the credit of the profit and loss account.

Accounts in brief were as under:—

Liabilities	£	Assets	£
Capital ...	475,000	Block ...	490,254
Reserves ...	667,405	Stocks and stores ...	831,569
Provision for U.K. and Indian taxation ...	7,851	Advances ...	63,125
Liabilities ...	341,960	Investments	15,358
		Cash ...	91,910
£	1,492,216	£	1,492,216

Runglee Rungliot Tea Co., Ltd.

The directors of the above Company (Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclosed a profit of Rs. 31,940 (Rs. 2,40,532). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 30,000 from revenue reserve account, there is a balance at credit of that account amounting to Rs. 51,918 (Rs. 2,23,275). The directors paid a dividend of 20 (50) per cent. and carried forward Rs. 23,918 (Rs. 28,275).

The crop made was 2,098 maunds compared with 2,259 maunds in 1954. The average selling price was Rs. 2-9-4 per lb. as against Rs. 3-10-0 per lb. in the previous year. Planted area remains at 341 acres.

Estimates for 1956 provide for a crop of 2,200 maunds at an outlay of Rs. 4,71,060 including inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,40,000	Block ...	1,69,062
Reserves ...	4,65,653	Stock-in-trade	1,38,507
Provision for taxation ...	1,32,266	Stores ...	28,417
Liabilities ...	1,11,588	Tea seed ...	2,100
Profit and loss account ...	23,918	Debts, deposits and advances ...	1,14,464
		Investments	4,04,226
		Cash ...	16,649
Rs.	8,73,425	Rs.	8,73,425

Tezpore Tea Co., Ltd.,

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The Company's profit for the year after the inclusion of Rs. 59,985 (Rs. 39,741) brought forward from 1954, is Rs. 7,15,664 (Rs. 21,96,494). And after crediting provision for taxation no longer required Rs. 54,485 (*nil*), stores depreciation no longer required Rs. 67,271 (*nil*), transfer from general reserve Rs. 1,50,430 (*nil*) and estimated taxation recoverable on provision for labour bonus Rs. 2,08,000 (*nil*) making a total of Rs. 11,95,850 (Rs. 21,96,494). After making provision for taxation Rs. 3,90,000 (Rs. 8,77,435), superannuation fund contribution Rs. 8,758 (*nil*), labour bonus in respect of previous years Rs. 3,02,942 and labour bonus for 1955 Rs. 1,25,000 there remains Rs. 3,69,150 (Rs. 8,69,580 after writing of investments Rs. 15,000; placing Rs. 4,00,000 to general reserves and Rs. 34,479 to contingency reserve. Out of this the directors recommend payment of a dividend of 8 per cent. on the cumulative preference shares, without any deduction for income-tax paid by the Company Rs. 16,440 (Rs. 16,440) and a dividend of 15 (50) per cent. on the ordinary shares, without any deduction for income-tax paid by the Company Rs. 2,97,432 (Rs. 7,93,155) leaving to be carried forward Rs. 55,278 (Rs. 59,985).

Labour Bonus.—Provisions for labour bonus for the year 1955 and also for the years 1953 and 1954 have been made in the profit and loss account. The necessity to provide for the labour bonus for more years than one and the incidence of tax on the profits for the year together would have resulted in a net loss to be carried to the balance sheet of over Rs. 1 lakh, and it would not have been possible to meet, even the payment of the preference dividend. However, credits to the profit and loss account in respect of taxation provision and stores depreciation no longer required, the estimated tax relief on the provisions for labour bonus and a transfer from general reserves have mitigated the impact of the labour bonus provision and have enabled the directors to recommend the payment of the preference dividend as well as a dividend of 15 per cent. on the ordinary shares. The directors consider, this a satisfactory achievement.

The tea crop was 32,034 (29,539) maunds and the average sale price realised for season 1955 was Re. 1-13-3 per lb. compared with the 1954 average of Rs. 2-6-8 per lb.

The estimates for season 1956 provide for the production of a crop of 28,000 maunds at a total cost on revenue account of Rs. 37,48,053. The West Bengal Government, as from 16th April 1956, have imposed entry tax at anna one per lb. on all teas other than those for shipment to U.K. which has not been included in the above estimates.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,88,380	Block ...	21,22,000
Reserves ...	11,98,032	Capital expenditure in suspense ...	49,194
Provision for taxation ...	9,45,101	Stock-in-trade	18,54,957
Liabilities ...	16,33,398	Stores ...	5,80,147
Profit and loss account ...	55,278	Debts, deposits and advances ...	4,85,704
		Investments	5,49,063
		Cash ...	3,79,124
Rs.	60,20,189	Rs.	60,20,189

Sijua (Jherriah) Electric Supply Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The profit and loss account, including the credit balance of Rs. 41,391 (Rs. 44,269) brought forward from the previous year, and a sum of Rs. 15,641 (*nil*) written back from the provision for sales tax, no longer required and after allowing for sundry charges, depreciation, taxation, etc., placing Rs. 29,606 (Rs. 27,478) to reserve for contingencies, Rs. 17,785 to tariffs and dividend control reserve, Rs. 17,785 to provision for rebate to consumers, Rs. 60,000 (Rs. 80,000) to debenture redemption reserve and Rs. 60,000 (Rs. 4,000) to development rebate reserve, showed a credit balance of Rs. 1,45,430 (Rs. 1,67,391) which the directors disposed of as follows:—

In paying a dividend on the ordinary shares at the rate of 7½ (7½) per cent. per annum without any deduction for income tax paid by the Company Rs. 1,26,000 (Rs. 1,26,000) and in carrying forward Rs. 19,430 (Rs. 41,391).

The units of electricity sold in 1955 was 85,273,296 units as compared with 90,803,594 units sold in 1954.

The Damodar Valley Corporation supplied 15.87 million units in 1955 as compared to 22.83 million units in 1954.

Following the announcement of the Coal Award, the Union have asked for a revision of the wage structure. Negotiations continue.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,80,000	Block ...	27,06,723
Debentures ...	13,80,000	Capital jobs in progress	2,42,495
Reserves ...	8,90,164	Stores and spare gear	7,16,108
Provision for taxation ...	1,19,000	Other assets	61,647
Liabilities ...	12,33,449	Debts, deposits and advances ...	8,16,596
Profit and loss account ...	19,430	Investments ...	1,72,741
		Cash ...	6,05,733
Rs.	53,22,043	Rs.	53,22,043

Kinnison Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

After crediting Rs. 8,05,000 being requisitioning claim realised from Government of India and after providing Rs. 2,40,000 (Rs. 3,50,000) for taxation, Rs. 67,000 (Rs. 72,000) for reserve for taxation contingencies, Rs. 1,20,000 (Rs. 18,000) for development rebate reserve and Rs. 3,39,631 (Rs. 2,54,137) for depreciation, the profit and loss account showed a profit of Rs. 3,82,373 (Rs. 5,36,353) to which was added the amount brought forward from previous half-year Rs. 52,710 (Rs. 29,674) and transfer from provision for taxation Rs. 97,000 (*nil*) and which was reduced by transfer to general reserve Rs. 1,50,000 (Rs. 1,00,000), leaving an available balance of Rs. 3,82,083 (Rs. 4,21,027 after transferring Rs. 45,000 to jute stock reserve). The directors disposed of this amount as follows:—

In paying a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 52,500 (Rs. 52,500), in paying a dividend on the ordinary shares of Rs. 6 (Rs. 7) per share, without any deduction for income-tax paid by the Company Rs. 2,87,946 (Rs. 3,35,937) and in carrying forward Rs. 41,637 (Rs. 32,590).

Stocks of jute have been valued at cost and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours weekly with 12½ per cent. of the total looms sealed up to the week ended 7th January 1956. With effect from 9th January 1956, 2½ per cent. of the total looms in the mills were unsealed and as from 20th February 1956, a further 5 per cent. were unsealed, leaving 5 per cent. of the total looms sealed.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Block ...	1,28,71,822
Debentures ...	25,00,000	Capital expenditure in progress ...	1,19,298
Reserves ...	1,08,90,860	Stock-in-trade	53,94,016
Provision for taxation ...	89,662	Stores and spare gear	26,74,899
Liabilities ...	62,46,284	Oil and coal	92,376
Profit and loss account ...	41,637	Debts, deposits and advances ...	38,68,035
		Investments	10,16,378
		Cash ...	31,619
Rs.	2,60,68,443	Rs.	2,60,68,443

Lansdowne Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

After providing Rs. 77,785 (Rs. 92,588) for depreciation, the profit and loss account showed a loss of Rs. 2,68,426 (profit of Rs. 3,51,537) which was reduced by the amount brought forward from previous half-year Rs. 10,707 (Rs. 4,428) and transfer from provision for taxation Rs. 45,000 (*nil*) leaving a net loss of Rs. 2,12,719 (credit of Rs. 11,135 after paying preference dividend at the rate of 7 per cent. absorbing Rs. 52,500 and ordinary dividend at Rs. 5 per share, absorbing Rs. 1,22,330). This amount has been carried forward.

Stocks of jute have been valued at cost and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours weekly with 12½ per cent. of the total looms sealed up to the week ended 7th January 1956. With effect from 9th January 1956, 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. were unsealed, leaving 5 per cent. of the total looms sealed.

Following on the partial modernisation of the mill spinners were called upon to look after 200 spindles of a modern high speed frame. As a protest against this spinners indulged in an illegal strike and as a result the mill remained closed from 15th February. After protracted negotiations spinners agreed to operate 200 spindles and work was resumed on 12th March. The total loom hours lost amounted to 145,638.

In regard to the scheme for partial modernisation of the mill, all machinery has arrived and erection has been completed. Only a part of the modernisation programme was completed by March 1956, so that the full benefit of the scheme is not reflected in the accounts for this period.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,48,000	Block ...	63,33,100
Reserves ...	39,51,564	Stock-in-trade	28,64,685
Provision for taxation ...	2,073	Stores and spare gear	15,42,139
Liabilities ...	36,49,636	Oil and coal	27,096
		Capital expenditure in progress	12,08,082
		Debts, deposits and advances ...	10,30,247
		Investments ...	3,08,648
		Cash ...	25,157
		Profit and loss account ...	2,12,719
Rs.	1,35,51,273	Rs.	1,35,51,273

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

Notices

THE COORLA SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighty-fourth Ordinary General Meeting of the Company will be held at its Registered Office at Readymoney Mansion, Vir Nariman Road, Fort, Bombay, on Monday the 12th day of November 1956 at 4 p.m. (S.T.), to transact the following business:—

1. To consider and adopt the Audited Profit and Loss Account and Balance Sheet and the Reports of the Directors and Auditors for the year ended 31st March 1956.
2. To declare a Dividend and a bonus.
3. To elect a Director in place of Lady Hirabai Cowasjee Jehangir who retires by rotation but being eligible offers herself for re-election, and for that purpose to consider, and if thought fit, to pass the following Resolution as a Special Resolution of which special notice has been given to the Company and is hereby given pursuant to Section 261 of the Companies Act, 1956, inasmuch as the Managing Agents of the Company are authorised by the Managing Agency Agreement between them and the Company to appoint a Director on the Board of the Company and Lady Hirabai Cowasjee Jehangir is a member and Director of the Managing Agents' Company, and is liable to retirement by rotation, viz:—

   "RESOLVED that Lady Hirabai Cowasjee Jehangir be and she is hereby re-elected a Director of the Company."

4. To elect a Director in place of Mr. Hirjee C. Jehangir who retires by rotation but being eligible offers himself for re-election, and for that purpose to consider, and, if thought fit, to pass the following Resolution as a Special Resolution of which Special Notice has been given to the Company and is hereby given pursuant to Section 261 of the Companies Act, 1956, inasmuch as the Managing Agents of the Company are authorised by the Managing Agency Agreement between them and the Company to appoint a Director on the Board of the Company and Mr. Hirji C. Jehangir is a member and Director of the Managing Agents' Company and is liable to retirement by rotation, viz:—

   "RESOLVED that Mr. Hirji C. Jehangir be and he is hereby re-elected a Director of the Company."

5. To appoint and/or approve of the appointment of Mr. C. P. Wadia under Sections 261 and 281 of the Companies Act, 1956, and for that purpose to consider, and, if thought fit, to pass the following Resolution as a Special Resolution of which Special Notice has been given to the Company and is hereby given, inasmuch as the Managing Agents of the Company are authorised by the Managing Agency Agreement between them and the Company to appoint a Director on the Board of the Company and Mr. C. P. Wadia is a relative of the Directors of Cowasjee Jehangir & Co. Private Limited, the Managing Agents of the Company, and hence an associate of the Managing Agents, and is liable to retirement by rotation, and as he has completed the age of 76 years, viz:—

   "RESOLVED that the Company hereby appoints and/or approves of the appointment of Mr. C. P. Wadia as a Director of the Company and it is hereby declared that the age limit laid down in Section 280 of the Companies Act, 1956, shall not apply to him."

6. To appoint Auditors for the current year and to fix their remuneration.

An explanatory statement in respect of the above items of business is herewith annexed.

PLEASE NOTE THAT A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER.

By Order of the Board of Directors,
COWASJEE JEHANGIR & CO. PRIVATE LTD.,
Managing Agents.
COWASJEE JEHANGIR,
Chairman.

Dated 1st October 1956.

Transfer Books of the Company will remain closed from 1st day of November 1956 to the 15th day of November 1956. If the dividend and bonus as recommended by the Directors are passed at the meeting, payments thereof will be made to those Shareholders whose names are on the Company's Register on the 31st day of October 1956 and the payments will be made on and after the 19th day of November 1956.

Annexure to the Notice:

EXPLANATORY STATEMENT

To:
THE SHAREHOLDERS OF
THE COORLA SPINNING & WEAVING COMPANY, LIMITED.
Dear Sirs,

The Special Resolutions set out in Items Nos. 3, 4 and 5 in the accompanying Notice are required under Sections 261 and 281 of the Companies Act, 1956, as the case may be and the reasons for passing the same are specified in the Notice. The Directors mentioned in the Resolutions have been on the Board for quite some time past, and it is desirable to continue their appointment as Directors of the Company.

MACNEILL AND BARRY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventh Ordinary General Meeting of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Saturday, 27th October 1956, at 11.00 a.m.

BUSINESS

1. To receive the Directors' Report and Auditors' Report and to adopt the Statement of Accounts for the year ended 31st March 1956.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. To transact any other competent business.

By Order of the Board,
A. H. FORSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, *29th September*, 1956.

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

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have declared the payment, on 1st November 1956, of the Dividend on the 5 per cent. Cumulative Preference Shares of the Company for the half-year ending 31st October 1956, without any deduction in respect of Income-tax payable by the Company.

The Preference Share Transfer Register will be closed from 29th October to 31st October 1956, both days inclusive.

Dividends will be paid only to Registered Shareholders or their Mandatees.

By Order of the Board,
G. M. ROBBINS.
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA-1,
4th October 1956.

STATE BANK OF INDIA

NOTICE IS HEREBY GIVEN THAT A LOCAL Meeting of the Shareholders of the State Bank of India on the Branch Register of Shareholders kept at the Bombay Local Head Office of the Bank will be held at the Bombay Local Head Office, Apollo Street, Bombay, on Wednesday the 14th day of November 1956, at 4 p.m. (Standard Time) for the purpose of electing a person to be a Director of the Central Board to fill the vacancy, in terms of Section 25(2)(a) of the State Bank of India Act 1955, caused by the resignation of Shri Vithal N. Chandavarkar.

H. V. R. IENGAR,
Chairman.

BOMBAY, *3rd October* 1956.

TASKS AHEAD OF INTERNATIONAL FINANCE CORPORATION

(Concluded from page 720)

The less developed areas are abandoning their *status quo* and perceiving the possibility of a better life for their peoples. Thus there is the opportunity of greater production and trade extending over greater areas of the world than ever before. At the same time, the industrialised countries of Western Europe, their facilities rebuilt and improved after the destruction of war, are again pressing vigorously into overseas markets and investments. Business men and investors in the United States are developing new interests in venturing outside its borders. Science and modern machines open new roads to unparalleled production. And so the scene is set for a growth which, given reasonable peace, should surpass anything history has seen. And, in this expansion, I see private initiative, experience and capital playing an essential role.

Certain Obstacles

However, it is only realistic to take note of certain obstacles which could greatly hinder or even prevent fulfilment of this promise. Investment in enterprise, particularly far from home, and the building up of industry and commerce, involve not merely trades of the day but long-term plans and judgments of the course of events over the years. They take place freely only when there is confidence—confidence in reasonable political and economic stability, confidence that the rules will not be changed arbitrarily, and that engagements made will be fulfilled. Confidence in the standards of business conduct, in the treatment by public authorities of private investment, whether local or foreign, in the respect for validity of contracts—these things will largely determine the pace and volume of private investment in the developing countries. And confidence is a plant slow to grow, but easy to kill.

Arbitrary Action

In the face of arbitrary actions by private parties, such as refusal to fulfil a contract, redress can be sought under the law. But against similar action by Governments, under claim of sovereign rights and powers, there is no such protection. Thus the conduct of public authorities is predominant in building up or destroying the confidence of those who control capital. Unfortunately, each example of arbitrary action in the world of international business, wherever located, affects not only the parties directly involved, but spreads its influence to far distant areas. Thus, no country needing the aid of international capital in its development can be indifferent to actions or attitudes regarding the treatment of such capital anywhere in the world.

Our member-Governments have assigned the International Finance Corporation the objective of stimulating a greater flow of private capital into productive enterprise in the less developed areas. Capital is available; enterprise is not lacking. If capital and enterprise are given a positive welcome by our member-Governments—and by all other Governments who believe in this objective—I am confident we can carry out our assignment.

ADVANTAGES IN EXPORTING FERRO-MANGANESE

(Concluded from page 715)

In terms of the new Industrial Policy Resolution of the Government of India, announced on 1st May 1956, manganese as well as ferro-alloys have been brought under Schedule "A" where new enterprises would be started by the Government. Ferro-manganese is an industry closely linked with iron and steel in which all new units are reserved to the public sector so that the State enterprises become major consumers. Further, the power required in ferro-manganese production would be generated in the coming years almost entirely in the public sector. From this point of view it is but natural that the Government would consider intervention in this industry, if any of the approved schemes do not materialise and a gap *vis-a-vis* the target of capacity needs to be filled up. The extent of Government interest in this field may, however, be limited by the consumption in State enterprises.—*All Rights Reserved.*

(Concluded)

NOTE CIRCULATION UP

(From Our Own Correspondent)

BOMBAY, *10th October*

There has been no change in the state of the short-term money market described in these columns last week. Demand for funds from trade and industry has been good throughout the week under review. And, in the absence of surplus funds, the banks have once again had to fall back upon the Reserve Bank and the State Bank of India for replenishing their capacity to create credits. With the Reserve Bank ready to provide the banking system funds at its usual rates, there has been no increase in interest rates. Accordingly, these rates have ceased to reflect the extent of stringency in the market. But it remains to be seen how long this position will continue.

Conditions in the inter-bank section were dull, not because there were no borrowers but because there were no lenders. The day-to-day money was quoted at 3½ per cent. amongst all banks, but this rate was more or less nominal, as not much business was reported. House money at call fetched 3¾ per cent., which is the same as in the previous week. One to three months' deposits were offered 3½ per cent., while the rate for four months and above was 3⅝ per cent.

A marked rise of Rs. 21.34 crores is disclosed in notes in circulation by the statement of the Reserve Bank of India for the week ended 5th October 1956, as compared with that for the previous week. This increase is not surprising, for the statement covers the first week of the month when there are always large payments to be made by both public and private sectors. It may, however, be noted that this increase of Rs. 21.34 crores is very much higher than the expansion of Rs. 15.67 crores witnessed in the first week of September 1956 and of only Rs. 7.49 crores recorded in the two weeks ended 10th August last.

As the increase in note circulation during the week under review has been more than offset by a reduction of Rs. 21.67 crores in notes held in the Banking Department, the total notes issued disclose a fractional fall of Rs. 33 lakhs only. Accordingly, no important changes have been recorded on the assets side of the Issue Department of the Bank, excepting a fall in the rupee coin corresponding to that seen in the total note issue.

In the Banking Department of the Reserve Bank, a precipitous fall of Rs. 16.83 crores is seen in the deposits of the Central Government. There has also been a substantial fall of Rs. 8.83 crores in the deposits of other Governments. Deposits of banks, too, are down but by only Rs. 2.27 crores. It is these recessions in deposits, reflecting as they do the payments made during the week, which are responsible for the increase in note circulation mentioned above. On the assets side of the Banking Department, balances held abroad are down by Rs. 4.62 crores. There has been a small increase of Rs. 90 lakhs in loans and advances to Governments, but other loans and advances show a perceptible net rise of Rs. 2.97 crores. This latter increase is mainly the result of expansion of Rs. 1.3 crores in loans to Scheduled banks against usance bills. Investments, however, show a fall of Rs. 5.03 crores; this follows a drop of about Rs. 20 crores witnessed in the preceding two weeks.

The Scheduled banks' statement for the last week of September, namely, the one ended 28th September, shows a rise of Rs. 5.02 crores in demand deposits in contrast to a fall of Rs. 5.72 crores in the previous week. Time deposits, however, have fallen by Rs. 3.45 crores. Borrowings from banks of demand nature have risen by Rs. 58.79 lakhs, whilst those of time nature have come down by Rs. 10 lakhs. A part of the increase in deposits has evidently been utilised to reduce the borrowings from the Reserve Bank against usance bills, for this item shows a drop of Rs. 4.28 crores. Advances in India have risen by Rs. 94.21 lakhs. Bills purchased, both inland and foreign, have also risen, the former by Rs. 96.43 lakhs and the latter by Rs. 1.04 crores. The total cash balances are lower by Rs. 1.04 crores but investments are up by Rs. 2.13 crores.

Barring a perceptible decline in the 3 per cent. 1986 Conversion Loan from Rs. 75-1 to a record low of Rs. 74-12, the gilt-edged market was uneventful during the week. The recession in the value of the Conversion Loan was due to the renewed fear of an increase in the Bank rate in the near future. Among the dated loans of the Union Government, there were few changes in their rates. In the low-interest bearing group, the 2½ per cent. long-dated 1976 was up by an anna to Rs. 83, while, in the 3 per cent. group, 1963-65 lost an anna to close at Rs. 94-6. There was no variation in the 3½ per cent. and other higher interest-bearing loans, but, in the new 3½ per cent. 1962 loan, there was a fall of one anna to Rs. 97-14. No changes were recorded in the rates for State loans, except that 4 per cent. 1968 Andhra had sellers at Rs. 98-14, as against Rs. 99 a week ago. The tone of the market was on the whole quiet and the turnover greatly restricted.

HIDES EASY

(From Our Own Correspondent)

KANPUR, *7th October*

During the week under review, the hides and kins market ruled easy. At the commencement of he week, persistent reports of demand for buffalo ides from overseas had a tonic effect. In addition, eports of favourable arrival also created a good mpression.

The closing quotations are: wet salted cow 1st rade Rs. 365 to Rs. 385; 2nd grade Rs. 260 to s. 280 and 3rd grade Rs. 140 per score; wet salted uffalo hides 1st grade 2 lbs. and 2nd grade 2 lbs. ozs. per rupee; goat skins: 1st grade Rs. 250 and nd grade Rs. 200 per 100 pieces; sheep skins s. 210 per 100 pieces.

SILVER WEAK, GOLD STEADY

(From Our Own Correspondent)

BOMBAY, *10th October*

A sharp break in silver prices characterised the trading on the Bullion Exchange during the week under review. There was heavy bull liquidation induced by rumours of withdrawal of export ban on silver coins from Tibet to India. In fact, it was reported that nearly 15 million coins had actually arrived in India from Lhasa. Further, advices from Calcutta forecasting a reduction in the import duty on silver led to professional offerings. At the same time, the offtake was not very encouraging. Consequently, prices drifted lower. The yellow metal, however, ruled fully steady, thanks to better enquiries in the face of smaller arrivals. The expectation of a further rise in the pre-*Diwali* demand and firmness of commodity markets also imparted some strength to this metal.

Forward silver (20th October settlement) opened the week at Rs. 174-8, as against Rs. 174-2 at the end of our last week. It moved down to Rs. 172 on the 8th inst. Lower prices, however, evoked some support and the settlement recovered to Rs. 172-11 before closing lower at Rs. 172-14 today. Business in *kartak* delivery (20th November settlement) commenced at Rs. 174-3 on Saturday. The contract steadily receded to touch a low of Rs. 172-12 today before winding up at Rs. 172-13.

Ready silver (.996 Mint) began As. 3 higher at Rs. 174-1. Thereafter, it declined to Rs. 171-13 on Monday. After recovering to Rs. 172-8 yesterday, it finished quiet at Rs. 172-4.

The floating stocks of silver are estimated at about 1,900 bars, as against 2,100 bars a week before. The average daily offtake during the week was 27 bars, while arrivals averaged 11 bars.

Forward gold (19th October settlement) met with buying support and gradually advanced from Rs. 103 to a high of Rs. 103-12 today. At the close, however, it was a shade lower at Rs. 103-10-6. *Kartak* delivery (19th November settlement)—business in this delivery commenced at Rs. 103-7 on the 6th inst.—improved by As. 5 to Rs. 103-11 yesterday. After declining to Rs. 103-7-6 today, it finished higher at Rs. 103-9.

Ready gold stood firm at Rs. 102-13 on the opening day. It put on Re. 1-1 to Rs. 103-14 before closing at Rs. 103-13-6 today.

The floating stocks of gold are estimated at 25,000 tolas, same as last week. The average daily offtake was higher at 3,400 tolas, as against 2,500 tolas in the previous week, while arrivals were less at 3,400 tolas, as against 3,500 tolas.

Ready silver at New York moved up from 90.78 cents to 91.00 cents. The price at London also improved from 79½*d.* to 79¾*d.*, while forward silver receded from 79⅝*d.* to 79*d.* London spot gold was slightly easy at 251s. 4¼*d.*, as against 251s. 5½*d.*

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

	10-10-56	Highest	Lowest	3-10-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 13½	103 14	102 13	102 13
Forward*	103 10½	103 12	103 9	103 0
Forward**	103 9	103 10½	103 3	—
Sovereign	67 8	67 8	67 4	67 4
SILVER				
Ready (.996 fine Mint) ..	172 4	174 5	171 13	173 14
Forward†	172 4	174 10	172 0	174 2
Forward††	172 13	174 7½	172 7	—
London Silver Ready ..	79¼*d.*	79⅝*d.*	79⅛*d.*	79⅜*d.*
London Forward	79*d.*	79⅛*d.*	79*d.*	79⅛*d.*
London Gold	251*s.*4½*d.*	251*s.*6*d.*	251*s.*4½*d.* 90.78*c.*	251*s.*5¾*d.* 90.75*c.*
New York Silver	91.00*c.*	91.00*c.*		

* 19th October settlement. ** 19th November settlement.
† 20th October settlement. †† 20th November settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, *8th October*

Sugar prices were dull and depressed during the week, with mill delivery prices drifting lower, due to slack outside buying enquiry. Unsold stocks with factories are still to the tune of 700,000 tons and the production for the coming year is expected to touch a new high of 2.0 million. The area under sugarcane at 4,717,000 acres is 6.16 per cent. over last year; in west U.P., the acreage of cane is put at 22 per cent. higher over last year. The Union Government is anxious to enable the sugar factories to start early crushing this season, and is reported to be considering some scheme in this connection. It is expected that the season will start by the end of the month as against the normal crushing period in the middle of November. The latest mill delivery prices (per maund) of sugar at Hapur are: Jaswant Rs. 28; Simbhauli Rs. 28-4; Mowana Rs. 27-12 to Rs. 28-8; Daurala Rs. 28-8 to Rs. 29-4; Amroha Rs. 27-10; Bijnore Rs. 27-10; Mansoorpur Rs. 27-8 to Rs. 29-4; Rampur Rs. 30-4; retail Rs. 30.

The *khandsari* market continued to rule dull and depressed, with poor buying enquiry in the face of good stocks. Prices were around Rs. 22 to Rs. 26 per maund.

New *gur* arrivals were almost *nil* during the week, due to rains. Old stock was still put at 16,000 maunds and prices of this quality improved during the week on better buying enquiry from east U.P. and Bengal and the week's offtake aggregated 8 wagons. The latest heavy rains have proved beneficial to standing cane crop. Old dry *gur* was quoted at Rs. 11, wet at Rs. 10-10, new nominal at Rs. 12 to Rs. 13-8 per maund.

Gur future *fagun* delivery prices moved narrowly during the week in purely speculative bouts of buying and selling. Opening at Rs. 9-14 last Monday, the delivery touched the highest and lowest at Rs. 9-15-4½ and Rs. 9-11-10½; it was today quoted near the opening level of Rs. 9-14-3.

COTTON FUTURES BEARISH

(From Our Own Correspondent)

BOMBAY, *10th October*

The bearish trend noted last week in the cotton futures market continued during the week under review and cotton rates slipped further down. The break in values would have been more marked but for the emergence of some bullish factors which lent support to the market. These were, (1) reports of damage to the quality of crop, following heavy rains in certain leading cotton tracts like the Punjab and Khandesh district, (2) expectation of an export quota announcement, (3) anticipation of the abolition or at least a reduction of the export duty on cotton. These expectations did not materialise. On the contrary, there were reports that the outlook for the new crop is bright. All this weakened the sentiment of operators. To-day's closing quotations are considerably lower than those quoted last week.

M.G. Jarilla (March 1957) opened the week higher at Rs. 673 and moved up to Rs. 677 on short covering touched off by reports of renewed monsoon in Gujerat and Berar and favourable up-country advices. A virtual landslide followed later, due to selling pressure induced by expectation of American cotton imports and the fear of a further credit squeeze by the Reserve Bank. Absence of mill buying and support from investors aggravated the downward trend. Consequently prices came down to as low as Rs. 664 on the 6th inst. But the contract displayed steadier trend the next day following reports that the tail-end of the monsoon was doing considerable damage to the quality of the crop and it moved up to Rs. 673-8. It again fell to Rs. 662 today efore closing a shade higher at Rs. 663½. Fluctuations were more marked in the case of M.G. Vijay (April 1957). Opening the week at Rs. 796, two points higher, the contract moved up to Rs. 978 on good bull support. Afterwards it started its downward drift, touching a low of Rs. 776 on the 6th inst. On the 8th inst. it again improved, owing to report of damage to the crop, to Rs. 788. Today, after opening at Rs. 781 it dropped to Rs. 772 before winding up the session at Rs. 774.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	10-10-56	High	Low	3-10-56
Jarilla (March) ...	663½	677	662	671¾
Vijay (April) ...	774	798	772	794

Futures business in cotton will commence at Indore and Ujjain soon after the *Dusserah* under the auspices of the Central India Cotton Association —a newly formed trade body. Preliminary arrangements have almost been completed and a formal blessing from the Forward Markets Commission is awaited. Business facilities provided at Indore and Ujjain are expected to attract traders from Akola, Ahmedabad, Nagpur and Delhi. Mills in U.P. and Punjab might also take advantage of the hedging facilities. As business at Indore will cover only locally grown varieties, it is felt that Bombay's importance as an all-India centre will continue.

In sympathy with the futures section the spot market at Sewri also ruled easy. However, some brisk activity was induced by the apprehension that due to the recent rains the quality of the crop would deteriorate. Up-country buyers, especially mills of Ahmedabad were eager to purchase quality cotton. The basis of delivery contracts was steady.

In the export section Oomra, C.P.I., Jarilla and *Deshi* varieties attracted attention. There were also inquiries for Bengals, Dholleras, Kala and Wagad. In the foreign section interest was noted for Americans, Sudan and other African cotton.

The latest available rates—in rupees per candy of 784 lbs.—from Sewri are given below, the figures in brackets being last week's closing rates.

Bengal *Deshi*: 680 (700); Berar Jarilla 750 (770); Khandesh 765 (780); Vijay 945 (955); Oomra *Deshi* 730 (740); Moglai 710 (725). *Delivery Contracts*: Khandesh 197/3 December 110 (110); Berar 96 (95); Moglai 30 (30) 'on' Jarilla. 320 F December 76 (69); 216 F 100 (90); Vijay 13/16" 68 (62) 'on' Vijay.

The firm trend noted last week in Karachi futures market gathered momentum during the week under review. The helpful factors were absence of selling pressure and encouraging advices from up-country centres. Earlier in the week, prices of old crop ruled easy due to weak advices from New York but it later improved on buying support. N.T.R.G. January which had closed at Rs. 76-7 last week improved to Rs. 77-6 and March position put on, over the week, As. 15 to Rs. 76-8.

New crop business abroad, since last mid-May, has been of the order of one lakh bales, as compared with 118,000 bales a year ago. Of these, Japan alonge bought 70,000 bales, Hong Kong 4,500 bales and France 20,000 bales. Other continental countries and the United Kingdom showed little interest in Pakistan cotton. The following are the latest available spot quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 96-8, Punjab *Deshi* 79; 4 F. Punjab Roller 79-8; S.G. 80-14; L.S.S. Punjab Roller 79-14; S.G. 81-14; N.T.R.G. 82-2; S.G. 85-8; 289 F Punjab Roller 82-14; S.G. 84-14.

Cotton values in the Alexandria futures market ruled more or less steady during the week. The buoyancy which characterised trading in the previous week was replaced by a more cautious attitude. Though both Karnak and Ashmouni contracts opened the week lower than the last week's closing rates, values advanced later on bull support with the result that the week's closing rates are slightly higher than the previous week-end rates. The latest available rates—in tallaris per lb.—from the Alexandria cotton futures market are given below, the figures in brackets being last week's closing quotations:

Karnak: November 108.80 (107.25); January 107.70 (106.20); March 107.00 (105.4). *Ashmouni*: October 79.85 (79.15); December 78.65 (79.25); February 78.45 (79.70).

Modest gains were recorded by Liverpool cotton futures market during the week under review. Turnover in both ready and shipment cotton continued to expand. A considerable amount of hedge selling was absorbed by several large spot houses. Cheap United States cotton of all grades and staples have out-priced many other varieties of cotton in the Liverpool market. However. Brazilian, Sao Paulo and Mexican cotton continued to compete effectively with U.S. cotton; but their supplies are limited. Other growths, such as Indian, Pakistan, Syrian, Turkish, Nigerian, etc., are finding it difficult to maintain their position *vis-a-vis* U.S. styles. Trading in Egyptian contract remained idle and only a small end-of-season interest was evinced in Sudan cotton. The following are the latest available rates—in pence per lb.—from Liverpool:

American one inch Staple Contract: October-November 25.10; December-January 24.85; March-April 24.85; May-June 24.80; July-August 24.73. *American cotton Mixed Growth Contract*: October-November 25.25; December-January 24.95; March-April 24.88; May-June 24.81; July-August 24.74. *Egyptian Karnak Cotton*: November-December 60.00; January-February 60.00; March-April 60.00. *Sudan Cotton*: November-December 50.15; January-February 50.00.

Values in the New York market ruled generally easy throughout the week. The limited buying support that came up was influenced by larger export sales. The near position remained steady while forward months, on balance, were easy. The U.S. Department of Agriculture estimated, on 8th inst., this season's cotton crop at 13,268,000 bales of 500 pounds gross weight. This is 153,000 bales more than last month's forecast of 13,115,000 bales. It compares with the Department's goal—under planting and marketing controls—of a crop of ten million bales, with last year's crop of 14,721,000 bales and with the ten-year (1945-1954) average of 13,098,000 bales. This year's production will be supplemented by a reserve and surplus supply of 14,539,000 bales accumulated from past big crops. The production of American-Egyptian type cotton was indicated at 47,200 bales, as compared with 42,900 bales last year. Regarding crop prospects, it is reported that cotton suffered some damage and pickings were delayed on account of wind and rain in central and south Alabama, northern Florida, Georgia, Carolina and Virginia. Cotton growth is stimulated in Middle and Western portions of the main belt by sunny weather with cool days. In northern and western sections of the Texas harvesting, it is reported, is nearing completion.

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

(In cents per lb.)

	9-10-56	2-10-56	25-9-56
Spot	34.40	34.55	34.55
October	34.18	34.05	34.00
December	33.99	34.13	33.99
March	34.13	34.32	34.07

YARNS MOVE DOWN

(From Our Own Correspondent)

BOMBAY, 10*th October*

The bearish trend of the yarn market noted in the past fortnight gathered considerable momentum during the week under review. In fact, the market ruled depressed and values staged a further steep fall. Rayon yarns were subjected to selling, following offers at old prices by the local agents of the Continental manufacturers, but buyers were extremely hesitant to make purchases. There were reports of heavy stocks with importers, as well as with dealers and consumers. These reports induced nervous liquidation in forward deliveries which led to a sharp break in prices. In sympathy with rayon yarn and following disquieting advices of large accumulations of stocks from consuming centres, staple fibre yarns were also adversely affected. Cotton yarns were easy, thanks to rumours of the Government fixing "fair" prices for yarn and of the State Trading Corporation taking over the distribution of mill yarn to handlooms.

October delivery Snia rayon yarn (120 dull cones) was hammered down by Rs. 16 to Rs. 745. December position dropped Rs. 14 to Rs. 761. In the spot section, 150 Japan declined by half an anna to Rs. 4-0-6. 120 Italy and 150 Italy lost a like amount to Rs. 3-12-6 and Rs. 3-14, respectively. 120 Japan was neglected at Rs. 3-11-6. Among indigenous yarns, 150 Bt. cones 1st grade fell by an anna to Rs. 3-2. 120 Bt. cones 1st grade suffered a similar loss and were done at Rs. 3-10.

Values of staple fibre (40×2) forward deliveries drifted lower. October contract slumped by Rs. 17 to Rs. 616. December contract retreated from Rs. 639 to Rs. 622. Spot (40×2) Citys shed nine pies to Rs. 3-5. Centurys eased by half an anna to Rs. 3-6. New Greats lost three pies to Rs. 3-5-6. Among foreign yarns (80×2), Paramounts and K'Suns declined by an anna each, the former to Rs. 5-14 and the latter to Rs. 6-4. Fujis decreased by six pies to Rs. 5-14-6. S'Sellos were quiet at Rs. 5-13.

There was selling pressure in sixty count cotton yarns. Raghuvamshis were the worst sufferer, their quotation moving down by As. 14 to Rs. 57-8. Moderns and Finlays dropped As. 8 each to Rs. 61-4 and Rs. 60-8, respectively. Forty counts also encountered selling. Minaxis slipped by As. 8 to Rs. 27-7, Maduras by As. 6 to Rs. 28-8, and Moderns by As. 4 to Rs. 28-12. Among 80s, Mahendras receded by As 12 to Rs. 71. Moderns were dull at Rs. 71. Deals in 30 counts Apollos were put through As. 2 lower at Rs. 22-10, while Maduras were somewhat favoured with a rise of As. 2 to Rs. 24-2 in price. Among 20s, Hinds lost As. 2 to Rs. 19-4. Moderns were quiet at Rs. 19-4. Among 10s, Elphinstones declined by an anna to Rs. 14-9. Moderns were unchanged at Rs. 15, as also Podars at Rs. 14-12.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	10-10-1956	3-10-1956	26-9-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia October ..	745 0	760 0	769 0
120 Dull Cone Snia December ..	761 0	776 0	783 0
120 Japan (per lb.)	3 11½	3 11½	3 12
150 Japan (per lb.)	4 0½	4 1	4 1½
120 Italy (per lb.)	3 12½	3 13	3 13
150 Italy (per lb.)	3 14	3 14½	3 15
Staple fibre yarn (per case of 200 lbs.)—			
40 × 2 October	616 0	633 0	637 0
40 × 2 December	622 0	639 0	642 0
40 × 2 New Great (per lb.) ..	3 5½	3 5½	3 6½
40 × 2 Century (per lb.) ..	3 6	3 6½	3 6½
40 × 2 City (per lb.)	3 5	3 5½	3 5½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	14 12	14 12	14 13
20s Hind	19 4	19 6	19 6
30s Madura	24 2	24 0	24 8
40s Minaxi	27 7	27 15	28 3
60s Raghuvamshi	57 8	58 6	58 12
80s Mahendra	71 0	71 12	72 0

OILSEEDS ACTIVE

(From Our Own Correspondent)

BOMBAY, 10*th October*

The oilseeds market reflected a bullish trend during the week under review. During the first three sessions of the week, while the castorseed and linseed sections forged ahead on export demand, groundnut improved markedly on demand by crushers. Although linseed slightly reacted on profit-taking at higher levels and lack of support in the following sessions, groundnut and castorseed received further momentum following reports of unfavourable weather conditions in the producing areas. Moreover, groundnut spot was in great demand from crushers in view of the impending *Diwali* festival, and castorseed was in demand from speculative quarters on expectation of additional overseas demand. The market closed today with a steady undertone.

Groundnut February contract opened the week under review at Rs. 129-4 and steadily gained strength for the aforesaid reasons and reached the highest level of the week on 9th at Rs. 132-12. On profit-taking, however, it receded to Rs. 130-6 at close today, gaining over the week as much as Rs. 2-6. In the spot section, Bold F.A.Q. spurted from Rs. 35-4 at the beginning to Rs. 37 at the close today. Coromandel ready, too, put on no less than Rs. 4 over the week at Rs. 37-8. Khandesh quality, again, rose by Rs. 4-4 to Rs. 37-12 during the week. Groundnut oil *ex*-mill improved by Re. 1-2 at Rs. 19-12, and railway receipt by As. 14 to Rs. 19-3.

Castorseed May 1957 rose from an opening quotation of Rs. 120-14 to a high of Rs. 126-2 today and finished the week at Rs. 124. It thus gained over the week Rs. 3-10. In the spot section, while Bold ready hardened by Re. 1-6 to Rs. 28-12, Madras rose by As. 14 to Rs. 28-12. Oil B.S.S., on the other hand, climbed up by Re. 1 to Rs. 17-10 and Oil Commercial by As. 10 to Rs. 16-8.

In the futures section of linseed, May 1957 contract spurted to Rs. 27-1 from Rs. 26-8 during the first three sessions of the week. Today, however, it finished at Rs. 26-8. In the spot section, Bold ready increased by As. 12 over the week to Rs. 32-4 and October-November by As. 6 to Rs. 31-14. Linseed oil ready was quoted today at Rs. 17-10, that is As. 8 higher than a week ago.

Among other seeds, *kardi* seed, Bold ready and February-March put on As. 4 each at Rs. 17-6 while *niger* seed ready F.A.Q. and Madras quality rose by As. 4 each to Rs. 27-11 and Rs. 27-8 respectively over the week.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	10-10-1956	3-10-1956	26-9-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	130 6	128 0	131 14
Khandesh Quality Ready (per cwt.)	37 12	33 8	34 12
Dec.-Jan.	26 6	—	26 4
Linseed—			
May 1957	26 8	26 8	26 8
Bold Ready (per cwt.)	32 4	31 8	31 0
Oct.-Nov.	31 14	31 8	31 0
Castorseeds—			
May 1957	124 0	120 6	—
Madras (per cwt.)	28 12	27 14	28 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 12	18 10	18 9
Castor oil—			
Commercial (per quarter) ..	16 8	15 14	15 14
Linseed oil—			
Ready	17 10	17 2	17 4

SUGAR IRREGULAR

(From Our Own Correspondent)

BOMBAY, 10*th October*

Conditions in the sugar market disclosed a distinctly mixed trend during the week under review. Thus, while the spot section ruled steady, the forward section was easy. The steadiness of spot sugar was due to a fall in the arrivals of indigenous sugar which were only 3,300 bags, as against 12,900 bags and 35,500 bags a week and a fortnight before, respectively. It was also due, to some extent, to the delay in the issue of normal monthly release. Forward sugar came in for selling, on rumours of a release of 160,000 tons for sale in the free market today.

Ready large grain indigenous sugar improved by a rupee to Rs. 92-Rs. 98 per bag. Small grain was fully maintained at Rs. 87. Medium grain hovered round Rs. 88-Rs. 90. British refined sugar was unchanged at Rs. 90-8 per 2 cwts.

Asho delivery contract for 'C' grade sugar receded from Rs. 89-12 to Rs. 88-14; it was quoted today at Rs. 89-2. The contract is due to be squared up on the 20th inst.

The delay in the monthly release of sugar, it is said, is a sequel to the representation made by the northern mills to the Union Food Ministry. Such a delay, the mills are reported to have told the Ministry, would not only help them dispose of the large stocks of sugar released earlier but unsold and also stabilise the prices which are falling.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, 10*th October*

Malabar black pepper, during the week, continued to rule weak, with prices tending downwards owing to poorer foreign enquiries coupled with the anxiety on the part of the growers to sell in view of the fast-approaching new season. The prospects for the new crop, as far as Cochin Travancore area is concerned, are reported to have improved owing to favourable weather during the last two months and the new crop is expected to arrive by the first week of November.

Both New York and Singapore established new low levels, the former selling spot at as low as $0.28 and the latter at Str. $78 without attracting business.

Alleppey was willing seller at Rs. 700 but no worthwhile quantity was lifted as most of the exporters were already over-bought and were reported trying to liquidate their own holdings before the movement of the new crop. Garbled at Cochin are offered at Rs. 1224. Some small business with Eastern Europe is reported done but the quantity is not enough to support the market. Poorer inland consumption during the last month also made holders rather nervous.

During this year when pepper prices moved between Rs. 800 and Rs. 700 the entire old pattern of trading seemed to have changed. Formerly, when pepper prices were very high, the exporters were buying from growers and selling to overseas buyers without maintaining any sizable stock. But the present prices, having been taken near the bottom, every exporter has tried to build up stock. In a weak market, when foreign countries are buying hand to mouth, such holding by second hands created unhealthy competition with the first hands.

With the proximity of the new season, there are enquiries about the estimate of new crop, the balance of exportable surplus and the estimate of home consumption. We give hereunder our own figures (estimates) collected from various sources: (1) Our tentative estimate for the new crop Malabar black is between 20,000 and 21,000 tons. (2) Our estimate of exportable surplus as on the 1st October is about 4,000 tons (exports from November to September came to 11,825 tons). (3) Our estimate of home consumption is in the vicinity of 9,000 tons.

In A.S.T.A. section, turnover is very poor and whatever little is done, is by way of profit-taking or short-covering. There are sellers for October shipment at $0.28½ and November-December at $0.27⅞. In delivery section, bulls tried to maintain the market but they were unsuccessful. This is because, October delivery is quoted higher than that of December. No investor would come forward to hold or store the goods when the next delivery is selling at discount.

Following are today's nominal quotations: Ready delivery Rs. 93 per Bengal maund; October Rs. 652½-657½ and December Rs. 635-640 per candy of 5½ cwts.

TEA STRONG

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 5*th October*

Approximately 11½ lakhs pounds were on offer in Sale No. 27 which was held on Wednesday, the 3rd inst. Quality of teas were improved on previous auction and there were some useful teas on offer from all districts. A very strong general demand characterised the auction. Medium sorts, in particular, were competed for freely and prices advanced As. 2 to As. 4. High grown teas were irregularly dearer, although some teas in this category sold below valuations. Black leaf Middle East types had strong support and generally sold at a premium. Whole leaf grades were rather easier on last week's rates.

The quotations were: Plain B.P. Re. 1-9-6; low medium B.O.P. Rs. 2; medium B.O.P. Rs. 2-4 to Rs. 2-6; good B.O.P. Rs. 3; and well made black leaf O.P. Rs. 2-10.

London Market: *Sale of 1st October* 1956:—Very irregular and generally easier. Mediums strongest feature. C.T.Cs. show biggest drop.

Sale of 2nd October 1956:—Dearer tendency everything, except light liquoring.

Colombo Market: *Sale of 1st October* 1956:—Active demand at dearer rates. Plainer sorts up 10 to 15 cents. Better liquoring teas 30 to 50 cents.

Sale of 2nd October 1956:—Strong demand generally. Dearer rates, except best B.O.Ps. which were sold below last week's closing rates.

Calcutta Market: *Export*:—Excepting thin liquoring Assam brokens, very strong. Rousing support for all grades.

Internal:—Sale is being held only today.

Export Quota:—There has been an announcement by the Government of a further 10 per cent. release of export quota on the "best crop basis", aggregating 50 per cent. for the current year so far. As the market circles were expecting a release of 15 per cent. the price of quota rose from 23 pies to 30 pies, at which rate business was done. At the time of writing, there are buyers at this figure.

Sale No. 28 will be held on Tuesday, the 16th inst. and dust sale T on the 9th inst.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"*373 Dust Sale T.*—475,000 lbs. offered. Strong demand for low and medium descriptions which were dearer. Best liquoring rather easier. Middle East types entirely neglected."

RAW JUTE ARRIVALS LOWER

(From Our Own Correspondent)

CALCUTTA, 9*th October*

Following restricted interest shown by foreign buyers, jute goods were quiet during the week under review, but prices were maintained earlier in the week and advanced fractionally as the week progressed. It was expected that foreign buyers would need to buy fair quantities in the coming weeks and for this reason sellers were not inclined to discount quotations. After the recent heavy purchases, it was evident, buyers were having a respite. In view of the forthcoming holidays, speculators were also disinclined to add to their holdings. However, since a good portion of mills' production has already been booked for forward deliveries extending up to March next, bazar stockists were not prepared to entertain a nervous feeling despite the week's dull report on lack of business. Due to this factor, forward deliveries have again begun to be quoted at a premium. The markets were closed on Tuesday and Wednesday last, and the re-opening on Thursday last was high-lighted by the announcement by Mr. D. P. Goenka, Chairman of the Indian Jute Mills' Association, to the effect that it was very likely that futures trading in jute goods, suspended in Calcutta in 1950, would re-commence on the *Diwali* Day. Government action for suspension had followed violent changes in prices of jute goods as a result of activity in futures trading.

The Forward Markets Commission had examined the need to have a futures market, and had subsequently recommended to the Government the desirability for such a market which should be run on the lines of the East India Cotton Association. It is expected that the futures market would now be run on ideal lines, as it would help maintain prices at a reasonable level in periods of dullness. The vacuum created by the absence of futures trading has been felt by mills, and jute goods are one of the commodities the prices of which, in bouts of lethargy, go down so low as to force mills to withdraw from the market. The Government will, however, watch carefully the activity in the futures market, and if operators play their part well the future of the market is assured.

The recent floods in West Bengal and the abnormal rise in the level of the Ganges have affected raw jute movements from upcountry centres. Naturally, arrivals in the Cossipore market have been lower during the week. This circumstance has aided the price-trend in raw jute despite the lack of interest by mills. Prices were more or less unchanged, but owing to the need to have cash to celebrate the *Pooja* cultivators in the mofussil areas were said to have made more offers. All arrivals met with ready buyers who had to fulfil commitments for early delivery jute. Indian northern bottoms had sagged down to Rs. 28-8 from Rs. 29 on Thursday last but by the week-end picked up to Rs. 29. Local daissee bottoms for October-November delivery were unchanged at Rs. 29, although for a time the quotation was higher at Rs. 29-8. From Rs. 28-8, Assam bottoms hardened to Rs. 29. Business took place at Rs. 28-12 a maund for Northern Dhubri bottoms, basis ready bills of lading. Cuttings changed hands at Rs. 124 per bale.

A Government tender for 18,000 bales highlighted attention in the sacking section of the jute goods market. On Thursday last, ready B. twills were quoted at Rs. 112-8, as against Rs. 111-12 on the previous working day which was Monday. Business was lacking, but for the aforesaid reason the price had fractionally improved to Rs. 112-14 which was the closing rate for the week-end. However, yesterday a very weak trend was in evidence and ready B. twills sagged to Rs. 112. Forward quotations were again at a premium during this week; on Thursday at Rs. 112-12 the Jan.-March goods were at a premium of As. 4 which widened to As. 8 as the week progressed. On the other hand, goods for delivery within one month were earlier at a premium of As. 10, which was lessened to As. 6. The report of rise in U.S. stocks of burlap, despite an increase in consumption, affected sentiment in the hessian section; the ready 40" 10 oz. sagged to Rs. 42-4 by the week-end from Rs. 42-9 on Thursday last. In sympathy with the general trend, there was a further recession to Rs. 42-13 yesterday. October goods were throughout the week quoted at a premium, and October-December goods were at par with the ready goods. On the other hand, a premium, and January-March goods were priced at Rs. 42 and the ready rate at Rs. 42-9; both rates subsequently declined to Rs. 41-4 and Rs. 41-13 respectively.

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 9*th October*

There was strong demand for tea, both for export and internal consumption, during last week's auctions which could not be covered in last week's report, following postponement of the auctions in view of the earlier holidays during the week. This was not surprising in view of the increased demand for the good quality teas for export; the U.K. continues to be a great buyer. Indian exports of tea may well reach a higher total this year than last year. For the eight months ended August 1956, India exported to Britain 200 million lbs. of tea, than 28 million lbs. more than in the corresponding period in 1955. In the month of August alone exports to the U.K. were 22 million lbs. which was 4½ million lbs. more than in August 1955. Auctions held in London, Colombo and in Chittagong during last week had all the common trend of higher demand for the superior teas. Naturally, these factors were reflected in the auctions held in Calcutta yesterday as well as last week.

North Indian tea output has been increasing and the abundance of poor quality teas has been a source of great anxiety for the gardens. This has led the north-east Indian estates to decide on restriction of output by ceasing plucking from a date to be fixed later on. The south Indian output up to the end of July at 73 million lbs., however, registered a slight decline, exports were higher by 5 million lbs. at 46½ million lbs. Shipments to Great Britain alone accounted for an increase of 2½ million lbs. A feature of considerable importance was Australia taking as much as 29.6 million lbs. during the seven months to July or an increase of 2.8 million lbs. Exports of Indian tea to the United States and Egypt have also recorded striking increases. These trends point to the need of Indian gardens to produce more quality teas.

However, the week under review was not devoid of disturbing news. Tea gardens in Assam have reported heavy accumulation of tea owing to their inability to get shipping space for sending tea to Calcutta warehouses following the strike by crews of joint steamer companies. Some gardens have resorted to despatching tea by air, and this has naturally increased planter's cost for tea. Some accumulation has also been reported at rail-heads. The floods caused as a result of heavy rains in upper Assam and the abnormal rise in river levels have worsened the transport situation.

During the export auctions, held on Thursday, last, offerings amounted to 47,400 packages. Prices of whole leaf grades and black fannings gained by As. 4, and those of low mediums and commons by As. 2. Keen competition was offered to quality teas of normal manufacture, raising their rates by As. 2 to As. 6. Medium C.T.Cs. were easy by As. 3 to As. 4, but there was good demand for the very best C.T.Cs. Tippy teas rose above valuations and among Darjeelings the flavoury lots were in better demand. The quotations were: best C.T.C. Assam B.P. Rs. 3-6, medium Assam B.P. Rs. 2-2 to Rs. 2-3, clean black pekoe Rs. 2 and plain B.P. Re. 1-12 to Re. 1-12-6.

Last week's internal sale was held on Friday, when dusts offered aggregated 17,024 packages. Demand was strong, and buyers' attention was again focussed on clean black leaf teas suitable for export. Commons and mediums advanced, while the poorer C.T.Cs. fell fractionally and the better liquoring C.T.Cs. by As. 3 to As. 4. The quotations were: Best Assams C.T.C. Rs. 3 to Rs. 3-2, medium Assam C.T.C. Rs. 2-6 to Rs. 2-8, medium Assam grainy dust Rs. 2-4, and medium Dooars Rs. 2-1 to Rs. 2-2.

Leaf grades aggregating 1,238 chests were catalogued. These met with good demand, leading to rise in prices.

COARSE GRAINS RECEDE

(From Our Own Correspondent)

HAPUR, 8*th October*

A mixed trend prevailed in the foodgrains market during the week. While wheat prices ruled steady, those of coarse grains tended lower. The latest beneficial rains will increase coarse grain sowing acreage, although sowings will be delayed and some loss has been reported to standing *kharif* crops. The Union Food Minister, Mr. A. P. Jain, has reiterated the Government's intention to check the rising trend of foodgrain prices, but the possibility of introducing physical controls, procurement or rationing has been ruled out. If, however, any need were to arise, certain restrictions on movement of foodgrains might be imposed.

Wheat average quality, after early fall in midsession to Rs. 14-12 per maund, following the withdrawal of sales tax on foodgrains by the State Government, recorded modest gains to Rs. 14-14 per maund in the week-end, due to a decline in the local arrivals, which averaged 100 maunds daily due to rains. Farm quality continued to be steady, due to good consumers demand in the face of poor arrivals; it was done at Rs. 16-4 per maund. Outside buying enquiry for wheat was dormant and stock was unchanged at 80 *khaties*.

Rice prices eased slightly on advices from the producing areas where new crop arrivals were increasing and were quoted at: *Basmati* Rs. 23 to Rs. 28; *manipuri* Rs. 18-6; *rangooni* Rs. 18-8; coarse quality Rs. 15-6.

Gram prices eased appreciably by As. 8 per maund to Rs. 11-4 for local and to Rs. 11-14 for Punjab produce, due to heavy stocks at 126 *khaties* and good sowing prospects due to rains. *Barley* and *bejhar* prices also lost As. 4 and As. 8 per maund, respectively, to Rs. 11-6 and Rs. 10-8 per maund, due to poor consumers demand. Prices of other gains were also quoted lower at: Maize Rs. 11-4, *jowar* Rs. 12-12, *guwar* Rs. 9-10, and *bajra* Rs. 11-10 per maund.

Pulses also recorded a downward trend and peas was transacted As. 4 lower at Rs. 11-8 for *dara* quality and at Rs. 12-6 for white quality, with stock position unchanged at 55 *khaties*, due to poor outside buying enquiry. *Arhar* was on request from the South and the week's offtake aggregated 3 *khaties*, with remaining stock at 88 *khaties*, but prices declined on good prospects for the new crop. Other pulses also eased in sympathy and were quoted at: *Urd* Rs. 15 to Rs. 18, *moong* Rs. 12-4, *masoor* Rs. 14-4.

Pulses futures, after early fall on bear pressure, advanced towards the week-end on Punjab support and on Monday were quoted at:—Peas *mangsir* Rs. 10-15-10½, peas white Rs. 11-5-9; *arhar mangsir* Rs. 11-7-3, *guwar maha* Rs. 9-7; *urd maha* Rs. 14-10.

METALS EASY

(From Our Own Correspondent)

CALCUTTA, 9*th October*

Perceptibly easier conditions prevailed in the metal market during the week under review. This was attributed to the change in the international political situation, following bright prospects of a peaceful solution of the Suez Canal dispute. Advices from overseas markets also showed a recession in prices.

Locally, electrolytic copper declined from Rs. 222 to Rs. 215. Demand was on the lower side with, as usual, more attention being shown to scrap. Utensils scrap was priced at Rs. 198 per cwt. From Rs. 528, tin sagged to Rs. 522. This trend was in full accord with that depicted in the Singapore market, and as such the local quotation was equal to the replacement cost. Electrolytic zinc opened at Rs. 67. As the week progressed, the general behaviour of the market affected sentiment and the rate sagged to Rs. 65-8. Virgin lead at Rs. 80-8 was easier by As. 8.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 8*th October*

After a quiet opening, the linseed market ruled firm, following a Government tender for linseed oil, and prices displayed a steady rise. Buyers were in evidence, with a view to exporting linseed oil, while sellers were very reserved. Arrivals were very poor. Somewhat better conditions prevailed in the oil section, and there was a small demand from local shippers and crushers. Activity was small. The latest available quotation for ready October is Rs. 24 per maund.

TRADING IN KIPS POOR

(From Our Own Correspondent)

MADRAS, 8*th October*

Trading in kips was poor, due to lack of buying interest of U.K. importers. Prices declined slightly. There were some enquiries for buff calf but at low prices. Shippers expected that good orders in kips would be forthcoming during the Leather Fair week in the U.K. (1st to 5th October), but were greatly disappointed.

There was a moderate volume of shipment business in tanned goat skins at unchanged to 3*d*. lower levels. Tanned sheep skins prime tannages were in good demand.

The next London Tanned Skins Auctions will take place on the 15th inst., when 950,000 tanned goat and 300,000 sheep skins will be available for sale. Lower selections are expected to record lower prices.

Notice

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE

IN THE BOARD'S CIRCULAR LETTER TO the Shareholders of INDIAN IRON & STEEL CO., LTD., dated 1st October 1956, notification has been given that the Government of India are unable to agree to any increase in the rate of dividend on the Ordinary Share Capital of the Company. At a meeting of the Board of Directors held today, the Directors have accordingly recommended payment of a dividend of One Rupee per share free of Indian Income-tax being at the same rate as the preceding year. This dividend awaits the sanction of the Shareholders at the Annual General Meeting to be held on the 30th November 1956.

The Ordinary Share Register of the Company will be closed from the 20th November 1956 to the 30th November 1956, both dates inclusive, and the dividend, if sanctioned, will be paid on or after the 17th December 1956, to those shareholders whose names appear on the Register of Members on the 30th November 1956.

By Order of the Board,
MARTIN BURN LTD.,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 9*th October*, 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	2	2½
Chile	18th June, 1936	4	4½
Colombia	13th July, 1933	6	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	18th May, 1943	7	10
Egypt	15th Nov., 1955	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	28th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1948	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1954	2	2½
South Africa	20th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1956	3½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	6	4
U.S.A.	23rd Aug., 1956	3½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 5th October, 1956 Number of Cheques	Amount Rs.	Week ended 28th September, 1956 Number of Cheques	Amount Rs.
Bombay ..	2,53,480	56,47,51,000	2,73,724	59,15,34,000
Calcutta ..	1,40,021	55,81,36,084	1,37,332	49,96,34,322
Madras ..	64,106	6,61,57,979	80,976	9,35,96,585
All Centres—				
1953-54* ..	..	..	2,669,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
July, 1956 ..	..	..	3,203,000	6,69,86,00,000
August ,, ..	..	..	3,057,000	6,45,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 5th Oct., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund ..		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		54,55,76,000
(2) Other Governments		10,22,25,000
(b) Banks		50,37,52,000
(c) Others		12,97,33,000
Bills Payable		9,45,00,000
Other Liabilities		18,36,68,000
Rupees ..		181,64,54,000

ASSETS	Rs.	Rs.
Notes		19,63,58,000
Rupee Coin		6,43,000
Subsidiary Coin		6,19,000
Bills Purchased and Discounted—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills		5,55,16,000
Balances held abroad*		23,70,06,000
Loans and Advances to Governments		3,74,85,000
Other Loans and Advances		89,78,92,000
Investments		27,33,63,000
Other Assets		11,82,22,000
Rupees ..		181,64,54,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 38,20,24,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 236,29,97,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,68,58,000	
Notes in circulation ..	1430,57,10,000	
Total Notes issued		1450,20,68,000
Total Liabilities ..	....	1450,20,68,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities	586,73,79,000	
Total of A ..		626,75,50,000
B. Rupee Coin		119,73,67,000
Government of India Rupee Securities ..		703,71,51,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..		1450,20,68,000

Ratio of Total of A to Liabilities: 43.218 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 28th Sept., 1956

	Rs.
1. Demand Liabilities in India:	
(a) Borrowings from banks other than the State Bank and a notified bank † ..	10,34,64,000
(d) Other demand Liabilities	627,15,55,000
2. Time Liabilities in India:	
(a) Borrowings from banks other than the State Bank and a notified bank † ..	2,15,80,000
(d) Other time Liabilities	455,34,21,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(c) Demand Liabilities	12,58,03,000
(d) Time Liabilities	....
4. Cash in India	35,45,64,000
5. Balances with the Reserve Bank in India ..	48,78,46,000
6. Balances with other banks in current account in India	10,46,90,000
7. Money at call and short notice in India ..	11,77,76,000
8. Investments (at book value) in India in Central and Government securities including Treasury Bills and Treasury Deposit Receipts	375,60,63,000
9. Advances in India	611,20,10,000
10. Inland Bills purchased and discounted in India	96,71,33,000
11. Foreign Bills purchased and discounted in India	46,50,73,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	9th October, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months ..	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480½	480½
Buyers T.T. .. Rs.	478	478
London on New York.. $	2.78 3/5-2.78⅘	2.78⅘-2.78⅘
London on Paris .. Frs.	981½	981½
London on Berne .. Sw. Frs.	12.23-12.23⅛	12.22½-12.22⅝
New York on London.. $	2.78⅛-2.78⅛	2.78⅛-2.78⅛

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'54-'55	378.97	..	10,170	269
Pakistan	'53-'54	78.21	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.58	£ (N.E.) 477	477	569
Japan	1954	88.29	Y. 6,145,000	8,183	922
Philippines	1954	21.44	Ps. 7,433	1,770	825
New Zealand	1954	2.09	£ (N.E.) 966	1,070	5,119
Australia	1954	8.99	£ (A) 2,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,180
U.S.A.	1954	162.41	$ 290,700	142,370	8,766
Canada	1954	15.80	$ 18,761	9,196	6,046
France	1954	43.54	Fr.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 113,200	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,880	1,543
Norway	1954	3.39	Kr. 14,458	1,230	3,638
Sweden	1954	7.21	Kr. 33,650	3,544	4,912
Netherlands	1954	10.62	Grs. 21,960	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,910	3,554
Switzerland	1954	4.92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations, Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 28th Sept., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	35,90,57,000
(b) Provincial Governments	10,37,08,000
(c) Banks	15,34,38,000
(d) Others	4,30,30,000
Bills Payable	14,73,000
Other Liabilities	8,42,31,000
Rupees ..	80,58,37,000

ASSETS	Rs.
Notes	9,13,78,000
Rupee Coin	9,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,61,74,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances	4,34,85,000
Investments	54,89,45,000
Other Assets	10,08,36,000
Rupees ..	80,58,37,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,13,78,000	
Notes in circulation	283,43,65,000	
Total Notes issued	....	292,57,43,000
Total Liabilities ..	....	292,57,43,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,38,41,000	
Silver Bullion	....	
Sterling Securities	89,60,69,000	
Government of India Securities	16,68,25,000	
India Notes representing assets realisable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,34,17,000	160,64,93,000
Government of Pakistan Securities	119,68,27,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan—		126,02,44,000
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	292,57,43,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 56.82 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	28th Sept., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1409.23	1417.71	1424.51	1280.22
Notes held in Banking Department ..	35.05	41.31	31.56	32.63	32.61
Foreign Securities ..	59.50	586.74	596.74	606.68	671.82
Rupee Securities ..	37.39	626.76	693.72	693.72	483.95
Banking Department					
Deposits of:					
Government of India.	14.89	71.39	67.43	65 77	58.04
Other Governments.	..	19.05	23.95	2.91	11.64
Balances held abroad	10.08	28.32	26.40	24.94	47.66
SCHEDULED BANKS					
Demand Liabilities..	134.36	637.50	631.89	654.74	611.40
		(10.35)†	(9.76)†	(17.03)†	(13.13)†
Time Liabilities ..	102.24	457.50	461.05	461.32	417.58
Borrowings from Reserve Bank ..	..	(2.16)† 63.24‡	(2.26)† 67.66	(2.90)† 30.99	(4.44)† 9.18
		(36.37)‡	(40.65)‡	(22.00)‡	(7.30)‡
Borrowings from State Bank ..	6.70	12.58	11.98	7.25	4.79
Cash in India ..		35.46	35.98	37.38	32.34
Balances with Reserve Bank ..	25.17	48.78	49.30	51.67	60.85
Excess over statutory limits ..	15.52	7.76	8.49	9.71	21.93
Balances with other banks in current account in India.	..	10.47	10.00	11.77	10.70
Money at call and short notice in India ..	..	11.78	11 92	22.39	22.66
Investments (at book value)	..	..	..	..	..
Advances and bills ..	105.09	375.61	373.48	361.42	384.51
STATE BANK		754.43	751 48	735.14	593.33
Deposits	87.76	232.15	227.36	229.07	217.53
Investments ..	51.99	108.09	107.47	106.18	111.02
Advances	30.35	130.38	131.67	124.22	96 29
Cash	14.69	17.76	17.52	18.06	29.35

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	July, 1955	July, 1956	Four months, April to July 1955	Four months, April to July 1956
Import Duties				
Revenue	9.63	9.15	37.85	38.87
Protective ..	0.77	1.14	3.08	4.24
On surplus disposals	..	..	..	0.03
Total import duties	10.40	10.29	40.93	43.14
Export Duties ..	3.17	1.24	10.88	7.03
Land Customs ..	0.04	0.18	0.33	0.62
Miscellaneous ..	0.06	0.06	0.26	0.32
Gross total customs	13.67	11.77	52.40	51.11
Refunds and drawbacks	0.19	0.20	0.97	0.79
Net Customs ..	13.48	11.57	51.43	50.32
Gross excise ..	13.22	14.41	48.92	55.39
Refunds ..	0.46	0.23	1.60	0.57
Net Excise ..	12.76	14.18	47.32	54.82
Net total of customs and excise† ..	26.24	25.75	98.75	105.64

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 5th Oct., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts ..		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		230,83,35,000
Bills Payable		9,50,00,000
Bills for Collection being Bills Receivable as per contra		3,92,00,000
Acceptances, Endorsements and Other Obligations per contra		81,47,000
Other Liabilities (including Inter-Office Adjustments)		12,99,000
Total ..	Rs.	6,38,92,000
		263,56,23,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank ..		11,17,65,000
Balances with other Banks ..		3,10,67,000
Money at Call and Short Notices ..		73,33,000
INVESTMENTS:		
Government and other Trustee Securities ..	96,47,18,000	
Other Authorised Investments ..	11,39,10,000	
ADVANCES:		107,86,23,000
Loans Cash Credits, Overdrafts, etc. ..	100,52,43,000	
Bills Discounted and Purchased .	30,85,07,000	
Bills Receivable being Bills for Collection as per contra ..		131,35,50,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra..		81,47,000
Premises less Depreciation ..		12,99,000
Furniture and Fixtures less Depreciation ..		1,18,49,000
Other Assets (including Inter-Office Adjustments) ..		55,80,000
Total ..	Rs.	6,66,10,000
		263,56,23,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‖

	National Savings Certificates 5-Year Out-standings*	5-Year Re-ceipts	7-Year Out-standings*	7-Year Re-ceipts	12-Year Out-standings*	12-Year Re-ceipts	Post Office Savings Bank Deposits Re-ceipts	Post Office Savings Bank Deposits Out-standings*	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates Re-ceipts	2½% Ten-year Treasury Savings Deposit Certificates Out-standings*	10-Year National Plan Certificates‡ Re-ceipts	10-Year National Plan Certificates‡ Out-standings*	15-Year Annuity Certificates § Re-ceipts	15-Year Annuity Certificates § Out-standings*
1952-53	6.62	65	3.26	23.66	94.17	1,12.33	99.08	—	$1.07	7.55	25.54				
1953-54	4.70	1.62	4.99	27.27	1,24.64	1,24.84	1,20.88	—	26.24	5.27	37.15				
1954-55	3.76	1.99	5.48	27.19	1,44.35	1,55.15	1,57.55	—	35.37	4.79	41.25	7.40£	7.35	55‡‡	54
July 1955 ..	4.36	12	5.15	2.27	1,31.25	12.39	1,40.26	—	36.35	41	38.54	9.86	16.37	45	95
August ,, ..	4.29	12	5.17	2.29	1,32.53	12.53	1,43.80	—	34.96	39	33.57	91	10.19	4	99
September ,, ..	4.21	13	5.20	2.54	1,34.38	13.00	1,46.15	—	37.11	44	39.23	94	11.00	3	69
October ,, ..	4.14	10	5.21	2.11	1,35.33	11.52	1,45.99	—	35.23	46	39.40	80	12.49	4	72
November ,, ..	4.07	10	5.21	1.86	1,37.48	11.25	1,56.40	—	36.34	43	40.05	88	13.20	5	75
December ,, ..	4.00	18	5.26	2.53	1,39.48	12.94	1,58.44	—	38.44	36	40.84	88	13.98	4	86
January 1956 ..	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	—	$3.55	32	40.61	84	14.75	4	88
February ,, ..	3.86	16	5.20	2.23	1,43.37	13.57	1,56.19	—	39.06	33	40.96	93	15.57	3	91
March ,, ..	3.76	23	5.48	2.82	1,44.96	12.94	1,67.86	—	38.37	29	41.25	88	16.37	3	88
April ,, ..	3.69	24	5.54	2.19	1,45.55	14.54	1,71.08	—	38.96	34	41.51	88	17.01	3	98
May ,, ..	3.61	21	5.54	2.49	1,47.58	14.77	1,73.05	—	39.05	33	41.51	92	17.13	3	95
June ,, ..	3.54	43	5.55	2.70	1,49.48	15.24	1,76.09	—	39.15	38	43.11	92	17.91	3	98
July ,, ..	3.48	43	5.81	2.78	1,51.53	14.61	1,80.05	—	39.24	36	42.42	101	18.75	4	1,00
August ,, ..	..	..	..	..	..	..	..	..	..	36	42.72	1,01	19.68	4	1,04
														4	1,07

* At the end of period.

‡ Issued from 16th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include the holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

£ Relating to eleven months from May, 1954.

§ From July, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SEOURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 24-9-'55	25-8-'56	15-9-'56	22-9-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.9	99.7	99.7	99.6
1. Government of India..	90.7	90.5	90.5	90.4
2. Indian States ..	96.4	96.8	96.8	96.8
3. Municipal, Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.3	100.3	100.3
1. Electricity ..	102.1	101.3	101.3	101.3
2. Jute ..	98.2	97.5	97.5	97.5
3. Plantations ..	99.1	99.2	98.9	98.8
4. Sugar ..	99.0	98.5	98.5	98.5
5. Coal ..	90.6	90.6	90.6	90.6
6. General Engineering ..	100.9	100.9	100.9	100.9
7. Shipping ..	100.9	101.8	101.9	101.8
8. Others ..	101.0	100.8	100.8	100.8
PREFERENCE SHARES ..	87.1	85.0	83.5	83.4
1. Electricity ..	96.1	91.0	90.8	90.9
2. Jute ..	79.4	84.8	84.3	84.3
3. Jute ..	86.5	79.1	77.4	76.7
4. Coal ..	92.6	83.6	83.6	83.5
5. Iron and Steel ..	83.1	85.6	84.7	84.9
6. Sugar ..	84.9	84.4	82.2	82.2
7. Paper ..	85.9	81.9	81.9	81.9
8. Plantations ..	99.4	101.0	102.2	102.3
9. Miscellaneous ..	85.0	81.5	81.0	81.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	122.2	126.0	126.0	126.2
(a) Financial ..	89.5	95.1	94.2	94.5
1. Banks ..	86.6	96.1	95.2	95.4
2. Insurance ..	106.7	89.8	88.3	87.9
3. Investment Trust..	234.0	91.1	92.3	96.2
(b) Public Utilities ..	117.6	114.4	113.0	113.2
1. Electricity ..	124.8	114.4	113.4	113.3
2. Shipping and other Transport ..	106.6	122.4	120.1	121.3
3. Railways ..	88.9	86.2	83.7	83.7
(c) Manufacturing industries.	127.8	140.7	137.5	137.5
1. Cotton, Woollen and Silk ..	114.7	146.5	140.9	140.8
2. Jute ..	99.6	75.0	76.3	76.2
3. Iron and Steel ..	157.4	161.4	155.1	155.2
4. Paper ..	234.0	271.3	265.9	265.3
5. Cement ..	162.4	187.8	187.2	187.6
6. General Engineering	186.6	195.5	190.9	197.7
7. Sugar and Breweries	105.2	109.3	108.6	109.7
8. Chemicals ..	141.1	151.3	150.2	151.4
(d) Non-Manufacturing industries ..	173.0	182.7	159.1	159.1
1. Coal ..	81.6	78.8	79.7	79.8
2. Mining and Oil ..	245.4	250.8	242.8	245.0
3. Plantations ..	197.3	176.7	172.2	171.3
(e) Miscellaneous ..	109.1	104.2	102.8	103.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	99.5	99.7	99.7	99.7
1. Bombay ..	90.4	90.2	90.1	90.0
2. Calcutta ..	90.8	90.6	90.6	90.5
3. Madras ..	91.2	91.0	91.0	90.8
DEBENTURES OF INDUSTRIAL CONCERNS:	99.5	99.7	99.7	99.7
1. Bombay ..	101.5	100.7	100.7	100.7
2. Calcutta ..	100.2	100.1	99.9	99.9
3. Madras ..				
PREFERENCE SHARES:	90.1	88.9	86.9	87.1
1. Bombay ..	83.2	79.3	78.2	77.9
2. Calcutta ..	96.0	97.2	97.4	97.5
3. Madras ..				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	124.1	141.1	135.1	135.3
1. Bombay ..	101.5	110.0	110.1	110.2
2. Calcutta ..	117.7	141.6	139.3	139.3
3. Madras ..	132.5	144.5	140.7	141.9
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes †	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	962	849,242	3,536,961
1953	1,129	456,607	3,301,980
1954	840	477,188	3,572,630
1955	1,166	527,767	5,097,543
April 1954 ..	101	24,062	267,847
May ,, ..	82	40,073	314,068
June ,, ..	83	21,389	305,078
July ,, ..	123	39,189	277,492
August ,, ..	79	51,090	332,867
September ,, ..	97	50,414	362,273
October ,, ..	93	41,724	279,594
November ,, ..	62	25,115	239,701
December ,, ..	101	54,455	363,763
January 1955† ..	95	49,033	322,507
February ,, ..	91	25,376	144,308
March ,, ..	113	70,049	334,696
April ,, ..	105	22,433	232,575
May ,, ..	120	68,441	967,776
June ,, ..	103	91,259	1,144,011
July ,, ..	111	55,260	660,492
August ,, ..	236	90,215	533,999
September ,, ..	251	92,619	580,081
October ,, ..	154	47,400	514,314
November ,, ..	99	45,509	178,118
December ,, ..	120	45,277	239,550
January 1956† ..	108	61,926	353,555
February ,, ..	122	99,695	790,711
March ,, ..	147	125,053	685,689
April ,, ..	144	81,467	522,719
May ,, ..	133	63,334	557,600
June ,, ..	100	65,172(a)	445,577(b)

† Figures are provisional. (b) Not known in 9 cases.

(a) Not known in four cases. ‡ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,201.4	5,124.3
1953-54	645	6,975.3	5,878.5
1954-55	696	7,760.9	6,519.2
1955-56	715	8,305.3	7,188.8
April 1955 ..	690	661.1	563.9
May ,, ..	691	708.5	580.3
June ,, ..	696	716.3	576.1
July ,, ..	700	734.8	583.8
August ,, ..	706	705.9	574.4
September ,, ..	707	719.8	587.1
October ,, ..	716	730.7	591.9
November ,, ..	721	732.5	597.2
December ,, ..	734	730.7	643.0
January 1956 ..	721	757.2	621.8
February ,, ..	739	749.9	622.0
March ,, ..	715	800.0	651.0
April ,, ..	701	730.8	643.8
May ,, ..	701	825.8	689.1
June ,, ..	710	796.5	658.5

*Excluding railway, military and factory power stations. Chota Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.

At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	22nd Sept., 1956	15th Sept., 1956	24th Sept., 1955	August, 1956	August, 1955	Percentage of increase (+) or decrease (—) in Aug., 1956 as compared with Aug., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	392.7	391.5	396.5	397.0 R	317.5	+25.0	313.2	339.8
Cereals	59	503	506	375	504 R	378	+33.3	372	381
Pulses	8	397	393	264	397 R	281	+41.3	280	280
Others	33	243	247	222	259	239	+ 8.4	235	291
Industrial Raw Materials ..	(12)	505.1	506.4	397.5	500.5	466.4	+ 3.8	419.8	436.2
Fibres	53	479	479	406	474	413	+14.8	422	447
Oil seeds	30	571	578	373	569	383	+48.6	398	424
Minerals	10	523	517	413	509	417	+22.1	427	422
Others	7	423	422	423	424	419	+ 1.2	431	427
Semi-Manufactures	(17)	408.1*	408.7	325.0	406.4	328.1	+24.8	338.2	350.3
Leather	8	—	372	338	381	338	+12.7	378	376

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	9,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,885	5,393
Tur	final	,,	5,757	5,944	1,814	1,888
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,010
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,993	4,227
Jute†	final	,,	1,581	1,243	4,137	2,923
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	2nd	tons	658	633	1,643	1,543
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	3rd	,,	893	824	249	235

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August, 1956	89.6
	Corresponding month, 1955	81.4
	Two months ended Aug., 1956	183.7
	Corresponding period, 1955	165.5
Stocks	At the end of Aug., 1956	122.1
	Corresponding month, 1955	79.2
		(In 000 bags)
Exports (Jute Bags)	Week ended 1st Sept., 1956	14,850
	Corresponding week, 1955	10,358
	From 1st Jan., to 1st Sept., 1956	283,730
	Corresponding period, 1955	363,605
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 1st Sept., 1956	70,446
	Corresponding week, 1955	46,636
	From 1st Jan., to 1st Sept., 1956	947,748
	Corresponding period, 1955	865,238
	RAW JUTE	(In lakh bales)
Consumption by Mills†	Aug., 1956 (in lakh bales)	5.20
	Corresponding month, 1955	4.72
	Two months ended Aug., 1956	10.65
	Corresponding period, 1955	9.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
April 1955	95,100	88,000	66,200
May ,,	94,200	87,500	5,500
June ,,	91,700	80,900	62,600
July ,,	94,900	84,300	64,300
August ,,	92,500	83,900	63,700
Sept. ,,	95,300	87,500	66,700
April 1956	1,00,000	87,200	64,300
May ,,	96,600	89,400	66,300
June ,,	94,900	89,900	64,400
July ,,	94,400	91,300	65,500
August ,,	97,300	88,000	66,000
Sept. ,,	96,400	88,800	59,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,920	2,92,440
Do. 31st March, 1955	7 15 949	5,28,240	3,69,703
Do. 31st March, 1956	7,06,986	5,81,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,561
,, ,, ,, Dec., 1954	1,88,054	1,86,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,48,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, Sept., 1955	1,76,181	1,54,218	1,09,714
,, ,, ,, Dec., 1955	1,60,750	1 24,696	1,05,758
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,306	1,17,710	92,609
,, ,, ,, Sept., 1956	1,74,447	1,33,325	1,13,953

OVERALL BALANCE OF TRADE OF INDIA

July, 1956†

Particulars	July, 1955 Rs. (lakhs)	July, 1956 Rs. (lakhs)	Four months, April to July, 1955 Rs. (lakhs)	Four months, April to July, 1956 Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	50,62	41,34	181,70	170,37
(b) Re-exports	50	71	1,99	3,50
Less—Transit trade	1	2	8	3
Net re-exports	49	69	1,91	3,47
Total exports	51,11	42,03	183,61	173,84
2. Imports	51,62	59,39	205,57	250,92
Less—Transit trade	3	3	6	14
Net imports*	51,59	59,36	205,51	250,78
Balance of trade in merchandise	— 48	—17,33	—21,90	—76,94
Balance of trade in gold and silver	— 1	— 3	— 2	— 9
Total overall visible balance of trade	— 49	—17,36	—21,92	—77,03

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	51	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
July 1955	3,970	883	326	73	41	22	23	8	108	131	13	99	12	48
August ,,	4,082	1,129	412	88	46	27	29	11	68	164	18	126	16	62
September ,,	5,081	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,070	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	293	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Inland—		
Cotton Receipts	Week ended 4th Oct., 1956	10,479(J)
	Corresponding week, 1955	20,825(J)
	1st Sept. to 4th Oct., 1956	56,085*
	Corresponding period, 1955	122,233*
Cotton Exports	Week ended 4th Oct., 1956	2,505‡
	Corresponding week, 1955	20,817‡
	1st Sept. to 4th Oct., 1956	16,157‡
	Corresponding period, 1955	140,076‡
Mill Consumption (Estimated)	1st Sept. to 4th Oct., 1956	120,680
	Corresponding period, 1955	125,322
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 4th Oct., 1956	402,903
	Corresponding date, 1955	792,318
Cotton Exports from Bombay (by sea)	During Aug., 1956	13,170§
	1st Sept., '55 to 31st Aug., 1956	715,663
	1st Sept. '54 to 31st Aug., 1955	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 20th Sept., 1956	128,924
	Corresponding period, 1955	92,328
Exports	1st Sept. to 20th Sept., 1956	21,940
	Corresponding period, 1955	15,916

Particulars	From 1st Sept. to 8th Oct., 1956 Bales	From 1st Sept. to 8th Oct., 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	1,403	8,867
Continent	132	20,567
Hongkong	200	13,789
China	2,700	34,651
Japan	8,569	47,910
U.S.A.	122	856
Other Countries	306	1,395
Total to all foreign countries	13,432	137,035
Coastal Ports	4,015	14,342
Total	17,447§	151,377
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	July, 1956	384,662
Foreign		15,079
Indian	Eleven months ended July, 1956	3,995,792
Foreign		554,059
Indian	Same Period 1955	3,775,977
Foreign		588,485
Stocks (Mills and Elsewhere)—		
Indian	As on 31st July, 1956	1,556,494
Foreign		228,036
Indian	As on 31st July, 1955	1,551,962
Foreign		180,729
Cotton Pressed in India† (In running bales)	Week ended 28th Sept., 1956	2,586
	Corresponding week, 1955	8,396
	1st Sept. to 28th Sept., 1956	13,550
	Corresponding period, 1955	32,117

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	100‡
3½ % Loan	1935-39	1,16,17,45,000	1955-65	94‡
3 % Loan	1950	30,33,10,000	1964	94⅛
2½ Yg. Loan	1942	1,10,11,78,000	1966-68	93
2½ Y. Loan	1944	33,54,30,000	1957	99⅛
3 % Loan	1945	1,15,05,88,000	1970-75	89⅛
2½ End V. Loan	1945	1,18,65,64,000	1959-61	97⅛
2½ Loan	1951	50,35,53,000	1958	99⅛
2½ Loan	1946	45,68,67,000	1961	98⅛
2½ Loan	1946	57,00,69,000	1961	98⅛
2½ Loan	1946	14,77,48,000	1974	88⅛
2½ Loan	1947	75,56,75,000	1962	93⅛
2½ % Loan (N.P. Bonds) (2nd Series)	1955	1,08,67,92,000	1965	98⅛
2½ % N.P. Loan	1954	57,27,00,000	1962	97⅛
2½ % N. P. Bonds	1956	33,82,00,000	1967	98⅛
2½ %	1956	66,64,00,000	1974	86⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,25,000	At option of Government after three months' notice.	75⅛
3 % Loan	1946	2,48,91,47,000	On September, 1966 or later at option of Government after three months' notice.	74‡
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,72,000	1958-68***	102⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	98⅛
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98⅞
3 % Bombay	1949	5,53,58,000	1st Aug. 1962	94⅛
3 % Bombay	1950	2,87,82,000	31st July 1960	93⅛
2½ % Bombay	1951	2,95,25,000	17th Sept. 1962	93⅛
3 % Bombay	1952	5,42,28,000	15th July 1963	101⅛
3 % Bombay	1953	3,55,87,000	1st Aug. 1964	101⅛
2½ % Bombay	1953	10,02,21,000	1st Sept. 1967	100⅛
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99⅛
4 % Bihar	1954	1,50,00,000	1st Sept. 1967	99⅛
4 % Bihar	1956	2,00,00,000	1968	99
3 % Cochin	1946	1,00,00,000	16th Dec. 1955-58	98⅛
2½ % Cochin	1946	70,00,000	1st June 1956-61	99⅛
2½ % Travancore Bridge (New)	1936-37	1,95,98,700	1956-66	95⅛
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99⅛
4 % Hyderabad	1956	2,00,00,000	1968	99⅛
3 % Madras	1939	1,33,48,000	21st June 1959	96⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96⅛
2½ % Madras	1946	2,81,77,000	1st Sept. 1951	93⅛
3 % Madras	1946	4,36,36,400	31st July 1960	96⅛
2½ % Madras	1951	2,01,49,200	17th Sept. 1962	97⅛
2½ % Madras	1953	10,36,56,200	15th July 1963	99⅛
4 % Madras	1953	5,24,81,200	1st Aug. 1964	99⅛
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99⅛
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	99⅛
3 % Mysore§§	1933	2,93,35,200	1st Dec. 1953-63	101⅛
3 % Mysore§§	1936	5,99,72,900	30th April, 1956-61	99⅛
3 % Mysore	1947	3,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,33,47,000	1st Sept. 1967	99⅛
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99⅛
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	99⅛
3 % M.P.	1944	93,44,000	15th Aug. 1958	98⅛
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95⅛
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98
3 % M.P.	1953	1,10,18,000	15th July 1963	100
3 % M.P.	1955	1,63,12,000	1st Sept. 1967	99⅛
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	99⅛
4 % Saurashtra	1955	3,61,56,000	1st Sept. 1967	99⅛
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99⅛
4% Trav. Cochin	1953	2,25,80,000	15th July 1963	99⅛
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	99⅛
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	99⅛
3 % U.P.	1946	2,87,11,000	15th Aug. 1958	98⅛
3 % U.P.	1948	2,17,89,700	14th Sept. 1960	96⅛
2½ % U.P.	1946	2,20,23,500	1st Sept. 1961	93⅛
2½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98⅛
4 % U.P.	1953	5,11,45,200	1st Aug. 1964	100
4 % U.P.	1953	9,65,15,900	15th July 1963	100
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99⅛
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	99⅛
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	99⅛
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	99⅛
4 % M. Bharat	1953	1,00,00,000	1968	100
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	99⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
35,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
46,00,000	4	1909	1970	
35,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,575	4	1912*	1960	D
80,00,000	4	1913	1974	100½N
88,25,000	4	1914	1975	100N
18,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1928*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,50,000	3½	1935*	1975	
15,00,000	3½	1936*	1960	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.‡				Rs.
90,24,300	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000C	2½†	1921	1981	88
65,62,200C	6‡	1921	1981	144N
98,31,600	5	1926	1956-86	100⅛
99,84,800B	5	1926	1956-86	100⅛
1,49,50,00B	5	1927	1957-87	102
1,49,30,000	5	1928	1958-88	104
86,00,000	4½	1931	1991	95
66,00,000	5	1935	1995	97⅛
35,00,000	5	1938	1948-68	99
46,00,000	5	1945	2005	74
30,00,000	3	1945	1975	85
30,00,000	3	1945	1975	85
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79⅛
50,00,000	2½	1947	1977	79⅛
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97
1,00,00,000	3	1950	1960	93
1,00,00,000	3	1950	1960	95⅛
50,00,000	3	1950	1960	95⅛
50,00,000	3	1951	1981	81⅛
1,50,00,000	2½	1951	1981	90⅛
50,00,000	4	1952	1962	100
50,00,000	4	1953	1983	89⅛
90,00,000	4	1954	1985	93
77,00,000C	4	1956	1986	97‡
STERLING LOANS				
£282,600	5	1928	1958-88	£79
£901,000	5	1924	1954-84	£79⅛
£835,100	5½	1932	1962	£91⅛
MADRAS				
Rs.				Rs.
$1,47,169	3½	1947	1977	
9,88,000‡	3	1949	1979	A
5,00,000‡	3	1949	1979	
45,00,000A	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.			**BOMBAY**	Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1906	1967	97½N
30,00,000	4	1908	1967	
25,00,000	4	1912	1972	
25,00,000	4	1913	1972	97½N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
50,00,000	5	1919	1957-79	113N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	114N
25,00,000	4	1927	1961-70	98N
10,00,000	4	1934	1966	
STERLING LOANS				
£566,600		1909	1959	£96½N
£333,000		1910	1970	£96½N
CALCUTTA				Rs.
25,00,000	5½	1929	1959	107
60,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1958-68	90
80,00,000	4	1952	1962	99½
1,02,00,000	4	1953	1963	99

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
26,50,000	4	1913-15	1974	99½
25,00,000	5	1925	1985	118N
25,00,000	5	1928	1958	104
8,45,500	5	1929	1954-59	to
26,21,500	5	1929	1959	102⅛
4,35,60,000	3½	1937	1966	86⅛
2,50,00,000	3½	1940	1979	86⅛
4,00,00,000	3½	1950	1965	86⅛
1,00,00,000	4	1951	1981	99½
2,00,00,000	3½	1951	1966	97⅛
1,50,00,000	4	1952	1982	99½
1,00,00,000‡	4	1953	1963	100
1,00,00,000‡	4	1954	1984	100
2,50,00,000	4	1955	1967	99½
		CALCUTTA		
26,00,000	5	1928	1958	105
25,00,000	5	1929	1957	102
25,00,000	5	1929	1958	102½
23,91,000	3½	1935	1965	94
18,56,800	3	1936	1966	90
47,50,000	3	1937	1967	91
18,56,800	4	1939	1958	99½
18,56,800	4	1939	1959	99½
49,56,800	4	1949	1957	99½
17,64,400	3½	1942	1958	99½
21,10,000	3½	1942	1972	92
15,43,000	3½	1951	1960	97
16,35,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
87,85,000	4	1952	1962	99½
72,50,000	4½	1952	1979	100
Rs.				Rs.
MADRAS				
15,00,000	3½	1951	1961	101
15,00,000	3½	1952	1962	107⅛N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	2 50,25,000	15th July 1963	100⅛
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free to first 15 years. §—Interest free for first 7 years.
§§—These shares carry the rights of a preferential dividend at the rate of 4 per cent. (of which only 3 per cent. is cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.
†Only 7 per cent out of the 10 per cent. dividend is cumulative
‡‡In addition to the fixed cumulative dividend of 3 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.
†††These shares can be redeemed at Rs. 105 at any time by special resolution
‖These carry the right to cumulative dividend of 7 per cent. and of any surplus profits available after 10 per cent. ordinary capital.
¶These shares are entitled to receive 25 per cent. of the divisible profits in addition to the Dividend Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co. Ltd.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5½	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1873	6½	Mar. Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar A	7,00,000	1920	7	July Apr.	6⅛	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75 000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	5,00,000	1922	10	Oct. ..	15	10
Ramnagger Cane	4,00,000	1933-36	6	Aug. ..	100½	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	98	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	£15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7½	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	103	100
Burrakur (1st)	22,90,800	1901-19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1948	6(a)	.. ..	8	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100½
Karanpura Collieries	9,87 500	1946	5½(a)	.. ..	65	75(pr
††Kisra Kajora	1,93 000	1921	6	Sept. 44N	10	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	105	100
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STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,62,728	90,10,670	48,05,872	96,989	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	*Nil*	*Nil*			12	Y.
40,00,000	24,00,000	1,28,52,007	72,25,656	—6,97,129	M.	50,596	1,021	I. E. Cotton Mills	50‡	100	0 4(c) *Nil*	0 8(c) *Nil*	0 3 *Nil*		12	Y.
2,50,98,000	2,99,73,778	4,92,35,445	3,29,09,373	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,585	Bombay Dyeing & Mfg.	624‡	250	22 8*	20 0	25 0*		3	Y.P.T.
10,00,000	31,75,000	58,81,826	53,57,495	91,711	Ramnarain Sons, Ltd.	24,784	640	Bradbury Mills	209‡	50	100 0†	75 0†	12 8	7 8‡	12	Y.
15,00,000	1,18,89,083	84,56,974	69,56,956	Birla Bros., Ltd.		6,24,956	914	Asoka Mills	—	100	22 0*	22 0	30 0		12	Y.
1,87,50,000	2,35,76,223	4,61,25,265	2,38,69,344	2,31,712	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	553	125	18 0	18 0			12	Y.P.
48,37,000	84,53,000	1,31,06,843	89,35,000	2,766	Tricomul Bhagilal & Co., Ltd.	45,836	866	New Commercial Mills	1,730	1,000	70 0	70 0	80 0	80 0‡	12	Y.P.
39,00,000	72,53,496	1,52,00,288	90,35,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	884	New Shorrock Spg. & Wvg.	960	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,58,197	37,93,317	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.										12	Y.
12,50,000	1,14,77,470	86,29,429	60,89,883	.....	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	580	100	30 0*	30 0*	20 0		12	Y.P.
22,50,000	14,78,207	1,07,01,489	71,42,508	17,24,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	330	100	9 0	9 0	25 0		12	Y.P.
29,98,150	2,02,34,588	1,76,92,848	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Amrutlal Mills	655‡	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,51,258	78,08,018	66,64,701	15,592	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.										12	Y.P.
23,00,000	90,54,191	1,09,66,008	78,35,291	24,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Shorrock Spg. & Mfg. Co.	640	100	20 0	25 0*	25 0		12	Y.
								Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.P.
AHMEDABAD																
33,00,000	21,11,660	1,36,23,272	60 47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	200	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	24,58,068	94,37,358	76,10,164	27,288	P. M. Futheesing & Sons, Ltd.	44,220	912	Arvna Mills	750xr	100	20 0*	20 0	30 0*		12	Y.P.
26,25,000	2,55,30,694	1,06,45,504	1 16,00,000	72,786	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,380	100	25 0	25 0	35 0*		12	Y.P.
10,00,000	31,75,000	58,81,826	53,57,495	91,711	Ramnarain Sons, Ltd.	24,784	640	Aryodaya Ginning & Mfg.	640	200	15 0	15 0	25 0*		12	Y.P.
15,00,000	1,18,89,083	84,56,974	69,56,956	Birla Bros., Ltd.		6,24,956	914	Asoka Mills	1,080	100	22 0*	22 0	30 0		12	Y.
1,87,50,000	2,35,76,223	4,61,25,265	2,38,69,344	2,31,712	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	553	125	18 0	18 0			12	Y.P.
48,37,000	84,53,000	1,31,06,843	89,35,000	2,766	Tricomul Bhagilal & Co., Ltd.	45,836	866	New Commercial Mills	1,730	1,000	70 0	70 0	80 0	80 0‡	12	Y.P.
39,00,000	72,53,496	1,52,00,288	90,35,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	884	New Shorrock Spg. & Wvg.	960	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,58,197	37,93,317	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.										12	Y.
12,50,000	1,14,77,470	86,29,429	60,89,883	.....	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	580	100	30 0*	30 0*	20 0		12	Y.P.
22,50,000	14,78,207	1,07,01,489	71,42,508	17,24,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	330	100	9 0	9 0	25 0*		12	Y.P.
29,98,150	2,02,34,588	1,76,92,848	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Amrutlal Mills	655‡	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,51,258	78,08,018	66,64,701	15,592	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.										12	Y.P.
23,00,000	90,54,191	1,09,66,008	78,35,291	24,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Shorrock Spg. & Mfg. Co.	640	100	20 0	25 0*	25 0		12	Y.
								Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,32,800	24,23,089	21,01,810	1,03,080	Calcutta Agency, Ltd.	18,044	356	Basanti Cotton Mills	6¾xd	10	0 4	0 8			12	Y.P.T.
7,11,280	2,51,000	25,67,597	23,48,851	98,783	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills	40N	40	*Nil*	4 0	4 0		3	Y.
6,00,630	5,40,776	45,43,851	51,49,000	—23,47,378	Ketilwell Bullen & Co., Ltd.	42,872	841	Bowrah Cotton Mills	150	100	*Nil*	*Nil*	*Nil*		6,12	H.
19,00,000	22,72,414	89,03,142	70,78,277	—1,37,951	Ketilwell Bullen & Co., Ltd.	42,444	515	Bowrah Mills	275	100	*Nil*	*Nil*	2 8		6,12	H.
1,50,00,000	26,17,571	1 04,88,558	1,20,23,799	2,45,433	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	173	10	1 12	0 14	0 14		6,12	H.
19,47,7500	2,07,59,256	3,59,23,374						Rampooria Cotton Mills	21‡	10	0 8	0 10	1 0		3	Y.P.
5,00,000D	7,45,000	47,06,298	24,48,352	1 994	Hazareemull Heeralall	23,036	795			1D	*Nil*	*Nil*	0-5 11/25		6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,90,000	60,27,191	29,09,649	—8,54,238	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	11	10	*Nil*	*Nil*			12	
77,24,000	56,01,264	1,84,91,830	50,78,582	1,36,043	Industrial Trust Fund	36,186	706	Azam Jahi Mills	92	100	6 0	*Nil*	3 8(c)		12	Y.P.T.
40,50,000	2,00,65,745	3,34,26,906	2,43,35,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Dumbar Mills		100		*Nil*			9	Y.
								Silk Mills	575	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,183	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9‡	10	0 4 *Nil*	*Nil*	*Nil*		6,12	H.P.T.
35,00,000	1,09,48,251	1 19,14,492	57 78,992	4,28,221	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	81N	10	8 0	8 0			6	H.P.T.
1,78,47,500	1,76,52,506	6,35,99,203	3,52,32,180	2,35,445	Binny & Co. (Madras), Ltd.	1,20,856	2,787	Buckingham & Carnatic	197‡	100	10 0	10 0	10 0		12	
80,00,000	20,00,000	89,98,854	21,68,351	27,598	Peirce, Leslie & Co., Ltd.	38,706	..	Cannanore Spg. & Wvg.	14‡	10	0 12	0 8	0 8		12	Y.P.T.
15,00,000	5,11,500	49,90,923	24,59,501	8,984	S. Damodaran, Esq.	17,496	..	Chandbibi Mills	168	100	12 0	20 0	12 0	15 0	3	Y.P.
80,00,000	29,51,420	69,40,329	61,72,876	36,767	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	9‡	5	0 9	0 8	18 0	18 0	12	Y.
9,37,470	2,00,000	50,87,536	18,02,163	58,798	C. R. Srinivasan, Esq. (Chairman)	24,800	..	Century Spg. & Wvg. Mills Ltd.	12‡	10	*Nil*	*Nil*	0 10		3	Y.
12,00,000	30,00,000	84,83,396	37,56,837	84,164	R. Ishwarna Naidu & Co.	28,864	..	Coimbatore Cotton Mills	93	100	20 0	25 0	25 0	0 12	3	Y.P.T.
20,00,000	19,95,000	86,59,430	24,25,921	14,323	T. R. N. Naidu & Co.	22,788	..	Coimbatore Pioneer Mills	325	100	10 0	20 0	20 0		12	Y.
20,75,000	4,19,814	1,15,81,599	82,06,019	16,884	R. G. S. Naidu & Co.	78,828	407	Coimbatore Spg. & Wvg.	90xd	50	8 0	6 0			6	Y.P.
46,87,500	52,58,449	2,45,18,450	1,58,09,883	3,703	Tata Industries, Ltd.	1,15,152	2,063	Dasnadas Mills	150	100	5 0	2 0	8 0		12	Y.
3,38,20,225	2 55,00,000	9,99,78,788	5,08,00,000	52,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,254	Delhi Cloth & General Mills	41	10	2 12	2 0	3 0		6	Y.P.
1,00,563											2½	2 0	3 0			
84,24,000	25 47,978	52,74,248	39,56,583	4,344	M. N. Chettiar & Sons	32,566	201	Dhanalakshmi Mills	435	10	0 2 4/5	0 3 8/5	0 3 8/5		6	Y.P.T.
63,00,000	64,23,260	1,52,16,227	1,39,71,761	98,886	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	274	100	20 0	30 0	30 0		12	Y.
48,51,000	35,23,178	1,00,55,187	62,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	240	100	1 0	1 0	1 0		9	Y.P.
80,00,000	16,447	1,33,31,861	1,12,25,576	9,551	K. L. Kelkaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	168‡	100	17 0	18 0	18 0		12	Y.
8,90,000	10,65,683	31,06,669	18,48,185	2,079	G. V. Naidu & Co., Ltd.	24,223	..	Janardana Mills	108	50	6 0	6 0	9 0	5 0‡	12	Y.
42,00,000	16 25,000	78,86,583	38,50,800	38,882	Kothari & Sons	45,000	300	Kothari Textiles	18	10	4 8	5 0	10 0		12	Y.
32,00,000	68,30,185	1,48,62,659	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	710	250	37 8	33 12	42 8		6	Y.P.
39,04,100									210	50	5 0	10 0	12 8	12 8‡	12	Y.P.
17,82,050	66,55,960	1,61,18,096	96,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	180	50	8 0	8 0	8 0		3	Y.
1,76,02,480	4,18,51,878	5,78,76,126	2,88,74,019	18,86,813	A. & P. Harvey Ltd.	5,00,000	..	Madura Mills	50	15	3 0	3 0	3 4	6 4‡	12	Y.
12,00,000	4,17,563	23,25,753	15,72,561	—99,078	A. L. A. R. S. Chettiar and 2 others.	30,000	100	Malabar Spg. & Wvg.	118	100	8 0	8 0	8 0		12	Y.
60,00,000	60,00,000	53 79,627	48,79,754	48,559	W. A. Beecroft & Co., Ltd.	24,720	608	Mettur Industries Ltd.	455	100	12 0	22 8*	35 0	42 8	3	Y.
29,30,884	19,61,581	89,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	982	100	7 0*	5 0(c)	6 0		12	Y.
24,91,250	27,24,404	1,61,29,118	78,51,523	—7,44,982	Banalal Abirahand Dadabhoy & Co.	51,240	948	New Mills (Nagpur)	250	7	8*	5 0(c)			12	Y.
30,00,000	52,19,440	1,03,29,272	1 05,51,051	—7 77 250	Indian Textile Syndicate Ltd.	85,104	1,884	Muir Mills	85N	100	*Nil*	*Nil*	*Nil*		12	Y.
24,38,500	50,54,085	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd.	50,480	500	Mysore Spg. & Mfg.	115	50	10 0*	8 8*	6 0(c)	9 0*	3	Y.P.
13,61,780	6,500	29,25,252	16,12,761	—1,50,653	R. Suryanarayana Rao. Esq., Manager.	6,000	..	Mysore Spun Silk Mills	6¾	10	*Nil*	*Nil*	*Nil*		3	Y.P.
23,89,8820	25,62,583	1,04,27,268	58,90,719	—43,58,037	J. P. Srivastava & Sons. Ltd.	52,428	1,225	New Victoria Mills	24	25	0 2,42	*Nil*	*Nil*		3	Y.
3,07,094D									D. 1	1	*Nil*	*Nil*			12	Y.P.
67,19,500	55,48,220	1,59,99,969	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	90	100	4 0	*Nil*	2 8(c)		9	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,509	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	172	50A	12 0	12 0	18 0		12	Y.P.
6,00,000B									235	75B	18 0	18 0	18 0			
15,00,000	1,63,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	100	100	*Nil*	*Nil*	4 0(c)		12	Y.
15,81,200A	22,75,000	83,60 150	49,85,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	875	100A	8 0	16 0	20 0		12	Y.
8,40,500B									177	50B	4 0	8 0	10 0			
15 00,000	30,00,000	48,74,198	25,04,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	162	50	7 8	10 0	10 0		12	Y.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	..	Rajapalayam Mills	167	100	4 0	6 0	10 0	10 0	12	Y.P.
22,29,625	12 40,000	40,14,000	18,05,147	29,250	Rayalaseema Development Co.	14,800	600	Rayalaseema Mills	165	100	6 0	9 0	10 0		3	Y.
60,00,000	62,41,568	1,00,25,423	35,44,914	—19,16,725	J. P. Srivastava & Sons (Rampur)	54,582	600	Raza Textiles	8¾N	10	*Nil*	*Nil*			12	Y.
16 00,000	1,60,39,516	2,93,66,410	2,04,66,196	—1,73,06,704	Morarka & Co.	95,282	2,234	Sholapoor Spg. & Wvg.	1,800	1,000	*Nil*	*Nil*	*Nil*		3	Y.P.
26,69,700	17,10,000	81,44,272	65,62,818	1,09,148	H. N. Pallegar, Esq.	31,668	202	Sri Krishnarajendra Mills	125	500	4 0*	4 8	5 0	7 0	3	Y.
26,14,500	2,00,246	25,18,906	17,78,000	—2,46,277	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	90	100	*Nil*	*Nil*			3	Y.
15,00,000	3,11,90,287	96,00,287	72,44,784	31,27,583	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	110N	10	4 0	5 0	6 0		3	Y.
17,50,0000	2,80,00,000	4,54,40,847	1,70,68,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	11‡	100	0 8	0 12	0 12		3	Y.P.
7,50,000P									12‡	10P.O.	0-14 2/5	1-2 2/5	1-2 2/5		12	Y.P.
1,00,00,000	30,14,788	3,86,55,317	1,37 16,775	2,63,771	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	15½	10	0 8	0 10	0 12		12	Y.P.T.
12,98,670	8,76,332	17,39,181	11,87,886	1,508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	18‡	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.
21,00,000	24,50,000	71,82,723	40,68,168	56,000	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	340	100	12 0	15 0	20 0		12	Y.P.
22,00,000	34,43,971	1,04,07,122	1,05,10,233	23,126	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	155	100	4 0	4 0	8 0		12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,19,30,170	54,33,976	1,13,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11‡	5	*Nil*	*Nil*	0 8	0 4‡	5	Y.P.
16,20,630	18,33,017	27,36,561	14,57,213	8,143	Mr. K. G. Khaana	Dyer Meakin Breweries	6½	5	0 8	0 8	0 8		3	Y.
4580,000	6925,777	61,304,585	6566,540	656,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	31	A. 16sh.	8h. 1 3/5	8h. 1 3/5	8h1 3/5	8h1	9	Y.P.
								B. 61	8h. 4	8h. 5 4/5	8h4			
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq (Chairman)	United Breweries	217	75	15 0	15 0	15 0		3	Y
CEMENT														
51,27,660	13,06,123	33,25,520	44,19,760	19,393	Andhra Engineering Co., Ltd.	Andhra Cement Co.	11‡	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6000	13,13,123	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7‡	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
14,70,976D							1‡	D. 1						
28,71,52,208	5,49,40,618	24,90,99,271	8,74,71,683	5,63,779	Cement Agencies Ltd.	Associated Cement Companies	197‡	100	9 8	8 8	10 0		7	Y.
60,00,0000	60,02,261	90,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	15	O. 10	1 0	1 0	1 4		12	Y.P.
28,50,0000							5‡	O. 2½	0 4	0 4	0 5			
8,00,0000D							5‡	D. 1	0 1-3/5	0-1/5	0 2			
61,91,0500	14,09,000	1,46,64,600	47,05,770	2,31,546	Rasen Ltd.	India Cements Ltd.	32‡cd	D. 25	*Nil*	1 4	1 14		3	Y.P.
7,50,000D							63cd	D. 5	*Nil*	0 4	0 6			
75,00,000	31,41,925	1,83,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13–14‡	10		0 12	1 4		12	Y.P.
67,28,500	44,50,000	2,04,20,192	86,99,096	2,78,525	Shree Digvijay Cement	Shree Digvijay Cement	194‡	100	6 0	8 8	8 8		12	Y.P.
88,93,875	22,45,000	1,91,72,337	1,45,41,976	41,941	M.	Sonavallay Portland Cement	9‡	5	0 8	0 8	0 8		12	Y.
75,00,000	.....	1,04,53,117	39,36,502	15,36,802	Rasel Ltd.	Travancore Cements Ltd.	10–12‡	10	0 8	0 10	0 10		12	Y.
50,00,000														
CERAMIC; MINING AND QUARRYING														
31,70,655	2,85,000	63,15,303	33,02,633	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3‡	2½	0 2½	0 4	0 4		12	Y.
10,00,000	26,53,750	57,75,897	33,59,143	24,689	Bird & Co., Ltd.	Bisra Stone Lime Co.	40N	10	1 0	1 6	1 12		3, 9	H.
5914,200	51,455,500	52,132,083	1,255,029	$117,083	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	6½	5h. 2	3 4d.	6d.*	10 8d.*		12	Y.
0, 15,00,000	24.32.396	43,81,247	12,21,311	17,83o	Bird & Co., Ltd.	Karanpura Development	21	10	*Nil*	*Nil*	1 0		6, 12	H.
P. 5,00,000											3 0			
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12	10	0 12	0 8	0 12	1 0*	3	Y.
20,00,000	35,54,097	47,55,023	25,19,986	1,18,835	Bird & Co., Ltd.	Orissa Minerals	24‡	10	4 0	2 0	2 0*		6, 12	H.
6,00,000	8,62,260	30,62,815	20,25,104	7,622	R. K. Agarwala & Brothers	Reliance Firebrick & Pottery	20½	10	0 4	*Nil*			2, 8	H.
7,00,000	57,30,000	44,10,972	20,73,305	21,661	Killick Industries Ltd.	Shivrajpur Syndicate	86‡	10	8 0*	8 0*	8 0*		11	Y.
CHEMICAL														
32,41,200	30,91,533	35,56,870	44,34,349	57,300	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	120‡	100	8 0	8 0	8 0		12	Y.P.
62,00,000	42,71,272	1,95,39,160	83,97,315	1,19,166	Imperial Chem. Ind. (India), Ltd.	Alkali and Chem. Corps. of India	23‡	10	0 9 2/5	0 9 3/5	0 12 4/5		9	Y.P.
4,87,48,500	---.--	2,17,74,634	25,58,396	25,532	Lalbhai Sons & Co.	[Atul Products Ltd.	195	100	*Nil*	*Nil*	5 4		12	Y.
45,63,700	45,29,426	1,35,74,236	55,25,010	11,71,234	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100	100	6 0	6 0	6 0	6 0	4	Y.P.
21,50,000	41,82,560	1,36,86,144	37,96,386	47,592	Saha Bros. (Saurashtra), Ltd.	Dharangadhra Chemicals	144	100	12	12 0	12 0		3	Y.
2,45,97,740	35,566	4,22,53,184	1,92,73,445	—30,69,441	Seshasayee Bros. (Travancore), Ltd.	F. A. C. T.	6¾	10	*Nil*	*Nil*	*Nil*		12	Y.
12,00,000	6,39,311	24,94,581	11,59,753	6,026	S. V. S. Iyer (General Manager)	Kemp & Co.	190	200	20 0	12 0	12 0	6 026	3	Y.
40,50,000	13,03,361	1,00,59,940	43,71,427	3,153	Seshasayee Bros. (Travancore), Ltd.	Mettur Chemicals	10‡	10	*Nil*	0 5	0 10	0 12	3	Y.P.T.
24,81,220	6,33,000	53,94,204	31,59,305	5,485	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	8¾xd	10	0 10	0 8	0 8	0 8	3	Y.
5,00,000	6,00,000	6,80,093	3,79,640	M.		Mysore Chemical Mfrs.	23‡	10	0 8	0 8	0 8	2 0	3	Y.
5,00,000	10,45,904	17,81,240	13,51,978	33,863	Sir Robert Menzies (Chairman)	Smith, Stanistreet & Co.	11‡ B.N.	5	0 8	0 8	0 8		3	Y.P.
1,21,69,810	6,339	3,09,71,944	1,13,00,000	57,597	Tata Industries Ltd.	Tata Chemicals	20–14‡	10	6 8	6 8	6 8		6	Y.P.T.
ELECTRIC (Bombay State)														
6,99,96,000	69,90,563	13,10,89,116	2,03,79,107	188	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95‡	100	6 8	6 8	5 0		9	Y.
87,41,250							97‡	50						
72,50,000	11,54,857	1,60,92,858	27,66,366	14,85,188†	Consolidated Electric Agencies Ltd.	Amalgamated

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Account Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,89,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105	25	1 9	3 2	4 11		9,12	H.P.T.
63,00,000	66,05 611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	24½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20,12 500	1,43,61 701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	17½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2 09,26,641	4,37,02,365	1,02,,98,953	2,29,489	Birla Bros.	Orient Paper	30½	10	2 0	0 15	1 2		3,9	H.P.T.
1,25,07,295	62,28,687	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar & Bros ..	Shree Gopal Paper Mills	18	10	1 8	1 8	0 10½		6,12	H.P.T.
20,00,000 } 1,00,000'A.' }	6,50,000	95,33,644	61,01,926	13,795	Baloria & Co.	Star Paper Mills	{ 11¼ 11¼	O. 10 A 10	0 12 0 12	0 12 1 4	1 4	}	3,9	H.P.T.
16,00,000A. 16,04,800B. 37 50uP.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co. Ltd.	Titaghur Paper Mills Co., Ltd. ..	{ 30½ 4½	A. 10 B. 10 P.O. 2½	2 0* 0 4	1 8 0 4	2 0* 0 4	}	3,9	H.P
PRESSING														
5,80,000	6,12,865	15,75,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
4,50,000	1,00,000	5,99,526	4,73,056	3,554	Pyne & Sons	Camperdown	88N	100	7 0	7 0			7	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,057	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y
PROPERTY AND LAND														
10,00,7800. 2,00,000D.	6,08,332	43,53,576	22,63,279	36,009	S. A. Basil, Esqu, & others (Directors)	Humayun Properties	{ 13½ 8	O. 10 D. 1	0 11½ 33	0 9 3/5	0 9 3/5		9	Y.P.
90,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	8	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	33	100	1 8	4 0	3 0		4	Y.P
SAW MILLS AND TIMBER														
12,90,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	*Nil*	*Nil*	*Nil*		9	Y
50,00,000 } 42,00,000 }	4,15,57,280	3,35,90,683	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	7250 270	Old125 New50	15 0 6 0	20 0 8 0	37-8 15-0	11 4½ 4 8½	5	Y.
6 00,000	....	7,23,569	7,26,287	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	41	100	*Nil*	*Nil*			6	Y.P.
80,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co.' Ltd	Indian Wood Products	44½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	*Nil*	0 12	0 1		6	Y.
12,00 000A. 3,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co. Ltd.	Basti Sugar	{ 150N 131N	A. 100 B. 10	10 0 1 0	10 0 1 0			4	Y.
19,49,060	5,50,000	33,35,389	24,41,301	51,985	Bansur Bros., Ltd.	Belsund Sugar	12½	10	0 12	0 12	0 12		9	Y.
16,00,000	15,90,295	16,40 479	11 77 841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	28,37 050	1,86 90,775	96 27,301	12,445	Gladstone Lyall & Co., Ltd.	Carew & Co.	8½	10	*Nil*	0 12	0 4		6	Y.P.T.
30,00,00,000	57,38,561	1,08 44,647	84 27,451	82 023	Begg, Sutherland & Co. Ltd. ..	Cawnpore Sugar	20½	10	2 0	0 12	0 12		10	Y.
18,00,000	38,04,891	72 35,757	52 46 902	24,019	Begg Sutherland & Co. Ltd. ..	Champarun Sugar	26½	10	1 0	1 0	1 8		6	Y.
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12			8	Y.T.
50,00,000A. 19,00,000C.	32,00,000	75,94,877	56,00,000	62,419	Bashiraj & Co., Ltd	Hindustan Sugar Mills	{ 265N 100	A 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*		6	Y.P.
12,00,000	8,61,001	75,81,309	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	{ 66N 32N	50 40	*Nil* *Nil*	*Nil* 4 8	4 8		7	Y.P.
7,89,100	23,14,058	24,94,612	19,35,533	1,264	Cotton Agents Ltd	New India Sugar Mills	32N	10	2 8	2 8	2 8		6	Y.P.T.
11,00,000	4,80,000	43,21,480	24,87,558	4,185	Karamchand Thapar & Bros. Ltd. ..	New Savan	6½	10	0 4	0 12			5	Y.
10,87,500A. 3,71,875B.	49 60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd	New Swadeshi Sugar Mill	{ 240N 60N	100 25	20 0 5 0	20 4 5 0	20 0 5 0	}	6	Y.
77,45,350	52,18,152	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	158N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	12,74,223	28,77,669	15 95,923	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	108xdN	100	10 0	10 0			10	Y.
9,00,000	17,64,369	37,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Puratabpore Co.	17	10	1 0	0 12	0 12		10	Y.
8,00,000	5,31,129	26 43,262	21 70 924	5,234	M.	Ryam Sugar	21½N	10	0 8	0 8	*Nil*		6	Y.P.
11,00,000	18,36 779	39 63,583	22 92 180	5,477	M.	Samastipur Central Sugar	13	10	0 8	0 8	*Nil*		6	Y.
40,00,000	22,58 560	1,35,20,110	62,59,521	34 046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12½	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,825	27,15,126	12,60,852	—5,37 868	H. K. Ghosh, Esq., and R. M. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
7,95,462	18,82,940	31,60,755	17,68,063	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	15½	10	2 0*	1 8*			6	Y.T.
2,15,0000. 4,40,000. 3,00,000	47,592	37,42 197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	{ 13N 21	O. 10 D 21	*Nil* *Nil*	*Nil* *Nil*			10	Y.P.
16,00,000	21,91 635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
	7,66,589	32,69,951	26,58,926	20,564	James Finlay & Co., Ltd.	United Provinces Sugar	21	10	0 8	1 4	1 8		6	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,05,10,261	99,043	W. H. Brady & Co., Ltd.	Belapur Company	253	50	16 0	16 0	16 0		9	Y.
17,50,000	9 24,292	33,03,879	21,86,722	4,692	A. H Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	17½	10	0 10	1 0	1 0		6	Y.P.
15,98,900	2,45,841	39,19,958	20,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	78N	100	*Nil*	*Nil*			6	Y.P.
47,94 920	14,00 000	80,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	Y.P.
33,57,620	45,51,080	42,51,227	21,95,827	18,645	Govan Bros (Rampur), Ltd. ..	Buland Sugar	144N	10	1 0	1 0	1 0		10	Y.
10,52 2000. 3,87,190D.	69,50,000	90,96,952	31,00,978	48,494	V Ramakrishna, Sons Ltd	K. O. P. Ltd.	{ 157A 150	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0	}	6	Y.P.
21,79,280	95 00,001	1,31,87,677	78,17,780	2,90,840	S. Muniasnappa Esq. (Managing Director)	Mysore Sugar	46½	10	2 0	2 0	2 0		6	Y.
50,00,000	43,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	163	50	8 0	8 0	8 0		9	Y.
16,50,850	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnagar Cane and Sugar	28½	10	2 0	1 8	2 0		8	Y.T.
20,00,0000. 4,00,000D.	21,76,092	89,12,188	58 60,883	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	{ 155N 5N	O. 50 D. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		9	Y.P.T.
19,99,960	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd. ..	Rasa Sugar	151N	10	1 0	0 12	1 0		10	Y.
30,00,000	10,87,776	39,76,264	17,87,158	—32,324	Parry & Co., Ltd.	Travancore Sugars	14½	10	*Nil*	*Nil*			7	Y.P.
1,91,00,000	71,97,998	1,99,96,448	1,15,22,422	1,81,172	M.	Walchandnagar Industries	278‡	100	14 0	16 0	16 0		9	Y.P.T
TRANSPORT														
20,00,000	1,00,60 522	1,24,00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145½	100	10 0	7 8	7 8		10	Y.P
1,50,00,000	13 57,619	4,41,65,864	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.H
50 00,000	24,85,588	2,50,21,295	83,65,793	1,47,969	A. H Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	22½	10	1 0	1 0	*Nil*		6	Y.P
5555 560	4960,878	65,516,631	33,944,773	521,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	108	510	*Nil*	8h. 1 0	*Nil*		12	Y.P.
2,25,00,000	74,99,233	7 98 25,443	1,81,56,900	1,26,081	Lionel Edwards Ltd.	India Steamship Co.	10½	10	0 8	*Nil*	*Nil*	0 8	9	Y.P.
9,40,19 673	6,94,92,081	18,36,63,413	4,34,44,800	2,73,683	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	18 15½	20	0 12	0 8	0 8		6	Y.P.
4,40,8000. 10,2500P.O.	19,68,266	11,55,463	7,29,969	1,34,493	R. R. Aiyar, Esq. (Manager) ..	Watford Transport Ltd.	2 1½	O. 1 P.O. 1	as. 1 3/25 as. 1 0/25	1 23/2 1 19/25	as. 2 6/25 as. 1 23 2/5		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	30 0		9	Y.
15 98,860	2.04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	50	3 0	4 8	*Nil*		12	Y.
25,00,000	1,00,000	22 87,314‡		225	Pranlal D. Nanjee, Esq.	Dwarkan Nanji Investment Co. ..	113	50	0 12	0 12	0 12	0 12	3	Y.
14,98,940	3 41 568	23,00,500	17,75,000	4,110	Oriental Manilal Ltd.	Estrela Batteries	38	50	*Nil*	3 0	3 0		12	Y.P.
99,99,250	19,47,886	1,22,03,60455	....	2,88,136	Premchand Roychand & Sons ..	Industrial Investment Trust	75	100	4 8	4 8	4 8		12	Y
99 99,975	85,08,851	35,10,899	9 81 529	6,154	K. G. Milne, Esq. (Mg. Director) ..	Killick Industries	173	100	10 0	11 0	11 0	4 0	6	Y
1,97,02,800A 10,00,000B.	5,28,694	3,87,33,373	1,25,90,292	3,86,717	Auto-Auto Ltd.	Premier Automobiles	{ 104 —	A.100 B. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
10,51,20,0	5 68,605	18,96,065	11,86,065	10,334	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	22	20	3 0	3 0	3 0		12	Y.
2,75,00,000	72 75,000	3,08,67,181	1,83,71,846	5,01 984	T. H. Rydin, Esq.(Managing Director).	Western India Match Co.	177½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,998	3,07,108	26,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 2,50 000	17,00,000	1,98,40 704	65,00 000	2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	{ 12 5½	O. 10 D. 5½	*Nil*	*Nil*	*Nil*		12	Y.P.T.
40,00,000	28,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd. ..	Aluminium Industries Ltd.	20 xd	10	1 4	1 4	1 4	1 4	3	Y.
30,00,000	35,00,079	32,05,626	21,94,961	3,48,961	Turner Morrison & Co., Ltd	Anglo Indus, Ltd.	24½	10	1 4	1 4	1 4		8	Y
90,00,000	50,55,000	83,39 494	20 56,060	1,19 296	T. H. Rydin, Esq. (Mg. Director) ..	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	27 47,883	1,01,49,337	39,87,880	32,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India	11	10	0 3 1/5	0 3 1/5	0 2 2/5		12	Y.P.T
80,01,400	1,16,53,000	67,47,111	33,97,111	5,08,129	O. T Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	173	100	20 0*	13 0*	12 8		12	Y.
12,00,000	9,10,000	31 87,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Fiber Mills Co., Ltd. ..	36½	10	1 8	2 8	2 4		6,12	Y.
20 00,000	7,95,430	62 57 994‡	....	1,15 707	Lovelock & Lewis	Birds Investment Ltd.	15½	10	0 8	1 0	1 4		9	Y.P.
45,97,020	80,11,814	1,10,56,424	33,87,839	1,79,277	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	11-5½	10	0 8	1 0	1 0	1 0	12	Y.P.
2,50 00,000	1,16,17,000	2 82 03,964	2,24,14,167	—27,50,564	Sir Robert Menzies	British India Corporation Ltd. ..	11½	10	0 4 1/5	0 8 1/5	0 9	1 6	12	Y.
1,38,80,000	17,34,264	2,03,27,28255	....	12,76,052	Andrew Yule & Co. Ltd.	Clive Row Investment	29½	10	1 0	1 0	1 0		12	Y.
1,60,00,000	3,14,86,174	5,18,52,030	2,20 82,990	11,71,486	Cecil Stark Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd.	147	100	8 0	8 0	8 0		12	Y.T.
45,00,000	64 12,813	1,42,47,0005	....	8,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	....	....	10 0	7 8	7 8		8	Y.
14,80,000	10,08,800	23 81,778	18,98,778	37,194	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	186	100	10 0	7 8	7 8		8	N
65,00,000	42 00,000	19,27,565	8,08,873	1,51,860	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd. ..	14½	10	1 8	1 8	1 6 2/5		9	Y.
20,00 000	13 17,554	78,75,302	31,19,064	45,995	B P R Syndicate	Great Eastern Hotel	240	250	15 0	4 4	6 4		8	Y.
20,17,900	13,68,886	36,39,282	20,24,587	38,602	Birla Brothers Private Ltd.	Hind Cycles	160‡	100	8 0	10 0	10 0		12	Y.P.T.
4,96,13,250	2,92,450	3,56,34,606	94,52,719	5,19,695	Birla Bros Ltd	Hindustan Motors	9-10½	10	*Nil*	*Nil*	*Nil*		12	Y.
1,20,00,000	46,77,744	1,74,76,969	61,36,074	6,11,036	K. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	184½	10	1 0*	1 0*	1 4*		12	Y.
1,84,89,220	1 20 50,000	1,55,72,321	57,17,651	23,92 462	B. J. Woodley, Esq.(Mg. Director) ..	Indian Cables	84½	10	0 12	0 8	0 8		8	Y.
5,87,970	5,88,000	16,40,506	8,98 110	32,618	G. S. Meaden, Esq. (Chairman) ..	Indian Rubber Manufacturers ..	17½	10	1 0	1 0	1 0		8	Y.
15 16 00,000	7,89,28,692	7 15,59,451	1,63,28,877	24,94,274	Mr. G. H. J Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	91½	100	7 8	7 8	7 8		8	Y.
2,00,00,000	38,39,966	84,53 966	4,60,080	4,70,107	G M. Mackinnay Esq.	Jardine Henderson	....	....	....	....	....		12	Y.
2,00,000D.	1,91,892	5,94,080	3,58,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	{ 2 1	O. 1 D. 1	*Nil*	*Nil*			8	Y
40,00,0000. 5,00,000D.	78,01,900	25,16,760	7,97,901	1,87,884	A. T. Dolg. Esq. (Mg. Director)	McLeod & Co.	213N 210	O.100 D.10	10 0 10 0	17 0 10 0	1 6 2/5		9	Y.P.
1,97 75,000	60,54,376	72,58,051	11,84,226	3,05 476	T. Leslie Marth, Esq (Mg. Director)	Martin Burn Ltd.	24½	10	1 0*	1 0	1 12*		9	Y.P.
1,15 00,000	55,50 000	1,88,37 972	78,00,772	16,24,249	W. Chawel Jones, Esq (Chairman) ..	Metal Box Co. of India, Ltd. ..	28½	10	1 0	1 0	1 4	1 10	8	Y.P.
6,35,585	1,55,250	7,88,598	2,60,987	—2,88,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works ..	15	10	*Nil*	*Nil*	*Nil*		8	Y.
6,84 250	9,19,695	11,18,541	5,91 033	640	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 2/5	8	Y.P.
10,00,000	1,39,000	15,15,168	10,62,836	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	15½	10	1 0	1 4	1 0		6	Y.T.
40,00,000	61,31,179	86,06,527	39,30,139	2,23,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		12	Y.P.
79,97,000	31,15,337	1,14,74,878	52,77,582	9,03,490	R. R. Khaitan & Co., Ltd.	National Tobacco Co.	15½	10	*Nil*	*Nil*			12	Y.P.
3,85,00,000	7,25,185	1,42,49,091	40,14,109	—63,98,179	M. P. A. Paperetti, Esq.	Kailis (India) Ltd.	42	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,72,84,400	1,51,20,308	7 56,24,889	5,47,94,970	4,91,824	Sahu Jain Ltd.	Robbins Industries	23½	10	1 4	1 8	1 8		10	Y.P.
60,00,000	66,00,564	1,18,78,870	70,39,997	9,10,276	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	17½	10	1 8	1 8	1 8		8	Y.
75 00 000	54,12,950	17,49,8165	3,53,635	3,85,280	R. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd.	18½	10	1 0	1 0	1 0		12	Y.
9,98,350	....	14,90,279	8,44,800	....	Ogale Bros., Ltd	Travancore Ogale Glass	9½	10	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‖ Investments at cost. * Includes bonus. ‡ Co. old capital. § Exercises Rs. 1,49,02,000 which represent share in the form of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	375	100	25 0	30 0			12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45½	10	1 4	1 8			12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd. ..	420	Ananda Bag	43½	10	2 8	3 8			12	Y.
5,50,000	11,21,341	17,50,165	7,03,427	36,051	McLeod & Co., Ltd.	518	Baghmari	24½	10	*Nil*	3 8	1 0		12	Y.
3,10,000	9,10,000	12,25,932	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Baumatia	33½	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65 000	11,65,776	7,13,759	59,233	National Tea Corporation	570	Bateli	24½	5	2 0	4 0	2 8		12	Y.
3,20,000	8,70,000	9,60,764	3,59,311	66,744	Gillanders Arbuthnot & Co., Ltd. ..	594	Betjan	57	10	2 0	10 0*			12	Y.
15 50,000	20,50,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	3 967	Bishnauth	25½	10	3 8				12	Y.
6,00 000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd.	435	Bokakhat	21	10	*Nil*	1 0			12	Y.P.T.
7,50,000	7,37,550	9,58,117	3,95,789	15,455	McLeod & Co., Ltd.	450	Bormah Jan Tea	22½	10	0 12	2 8	2 0		12	Y.P.
3,00,000	11,92,045	72,90,473	19,49,499	26,002	Brook Bond India Ltd.	2,834	Brooke Bond	22½	10	0 8	1 4			6	Y.P.
1,20,000	4,00,426	5,55,903	1,85,593	6,543	McLeod & Co., Ltd.	282	Dejoo Valley	50½	10	1 0	6 0			12	Y.
6,00 000	10,99,000	26,64,194	16,84,471	61,859	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	420	100	20 0	40 0			12	Y.
7,52,440	9,87,983	22,73,420	4,17,340	44,551	James Warren & Co., Ltd.	420	Dhekakhat	23½	10	1 8	2 8			12	Y.P.
4,68,970	3,95,000	10,93,269	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	21½	10	2 0	5 0			12	Y.
4,50,000	6,75,000	9,00,834	2,06 817	54,592	McLeod & Co., Ltd.	458	Dibrugarh	25½	10	1 0	4 0			12	Y.P.
2,36,700	6,00,000	10,39,005	5,54,006	55,532	Williamson Magor & Co., Ltd. ..	611	Dimakuai	32	10	1 8	6 0			12	Y.P.
5,60,500	8,82,000	19,85,251	13,34,016	64,360	Williamson Magor & Co., Ltd. ..	615	Dutflaghur	38½	10	4 0	5 0			12	Y.P.
10,00,000	6,40,000	23,25,313	9,78,313	78,638	Williamson Magor & Co., Ltd. ..	1,160	East India Tea	27	10	2 8	3

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,50,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,104	49,25,353	4,71,863	29,711	Pelrce, Leslie & Co., Ltd. ..	Cochin Malabar	11¼	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
10,00,000	15,50,195	35,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	26¼	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1 07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	21½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	22½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,73,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	17	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,98,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co. Ltd. ..	Kalpetta Estates	32½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	8,17,055	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	36cd	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,191	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	20½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Neummery Rubber	22½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,83,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	17½xd	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,899	Pelrce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5½	2	0 3¼	0 9 3/5	0 6 2/5		10	Y.P.T.
15,50,000	7,80,000	40,92,230	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	25½	10	1 12*	1 12*	2 0		6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Pelrce Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	25½	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	12½	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	31½	10	3 0	3 0	3 0		12	Y.P.
6,10,200	3,00,005	3,91,561	60,555	24,920	Pelrce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-4½	1	0 4½	0 1 3/5	0 2		9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	26	10	2 0	2 0	3 0		12	Y.
41,00,000	14,30,799	76,82,300	8,68,181	8,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	1 0	1 8	1 4		12	Y.P.T.
30,00,000	.....	27,70,752	6,45,960	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37½	25	3 8	2 0	4 0		12	Y.
6,28,580	5,40,670	8,51,488	10,128	40,780	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	34½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11⅛	10	1 0	1 10	0 10		3, 9	H.T.P
6,00,000	10,25,000	51,65,438	36,93,877	1,88,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6, 12	H.P.T.
30 00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance	130	100	6 0	12 0	6 0		6, 12	H.P.
49 20 700	73,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	185	100	12 8	7 8	8 8		6, 12	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Ltd.	810	Auckland	190	100	4 0	3 8	10 0	1 0 1	3, 9	H.P.T.
20 00,000	23,80,918	96,91,416	65,65,004	65,302	Jardine Henderson & Co. ..	959	Bally	140	£5	£1 0	Nil	sh.15	sh.15 Nil	3, 9	H.P
£275,000	£667,405	£1,477,439	£857,176	....	Sir John H. Kerr (Chairman) ..	1,389	Barnagore	153	100	15 0	10 0	7 8	Nil	3, 9	Y.P.
28,00,000	32,50,123	92,27,342	49,99 281	1,006	Andrew Yule & Co., Ltd.	820	Belvedere	16½	10	1 4	1 2	1 2		6, 12	H.P.
45,00,000	38,45,000	87,03,172	31,28,574	2,65,100	Sooraimull Nagarmull	600	Bengal	17½	10	3 0	1 0	1 0	1 0	6	Y.P.T.
91,28,000	2,17,48,383	3,31,10,422	1,45,32,851	4,87,391	Andrew Yule & Co., Ltd.	1,373	Bhatia	133	100	10 0	9 0	7 8		3	Y.P.
86,08,000	27,37,926	1,12,57,557	72,35,930	2,371	Andrew Yule & Co., Ltd.	991	Budge-Budge	9	10	Nil	0 12	Nil		4, 10	H.P
7,47,380	3,29,640	43,00,931	31,63,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg. ..	180	100	12 0	0 12	Nil		5, 12	H.P.
13,80,000	30,46,234	87,13,571	41,48,795	1,34,823	Andrew Yule & Co., Ltd.	616	Caledonian	154	100	6 0	3 0	3 0		5, 12	H.P.T.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd.	600	Champdany	182	100	12 0	14 0	10 0	2 0 1	5, 11	H.
15,95,000	28,39,282	81,34,638	56,40,175	8 915	Andrew Yule & Co., Ltd.	530	Cheviot	14½	10	1 12	1 2	1 8		5, 9	H.
26,15,000	31,00,000	64,10,068	47,77,600	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	Nil	Nil	1 4		5, 11	H.P.
24,00,000	24,00,000	78,22,716	66,22,982	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	100	100	4 0	Nil	Nil	1-4½	6, 12	H.T.P.
31,49,200	46,65,252	1,17,35,454	46,04,775	—2,20,345	Bird & Co., Ltd.	766	Dalhousie	98	100	4 0	2 8	4 0	Nil t	3	Y.P.
35,00,000	44,74,179	75,56,599	67,00,116	14,912	Andrew Yule & Co., Ltd.	779	Delta	180	100	20 0	12 0	12 0		5, 9	H.P.T.
15,00,000	34,50,000	82,62,679	50,80,760	78,204	McLeod & Co., Ltd.	500	Empire	17½	10	1 0	1 4	1 0		5, 11	H.P.
21,00,000	60,80,980	2,70,39,034	1,89,10,148	1,80,416	Keti lewall Bullen & Co., Ltd.	1,884	Fort Gloster	363N	100	Nil	0 5	0 15		6, 12	H.T.P.
21,00,000	13,00,000	97,38,574	54,63,592	1,34,922	Harper Bros., Ltd.	1,014	Fort William	224	10	6 0	20 0	20 0	7½ t	3, 9	H.P.T.
84,32,100		2,11,07,224	1,32,88,825	—2,67,452	Maneilli & Barry Ltd.	1,709	Ganges Mfg.	67	100	Nil	0 8	2 8	0 12½	3, 9	H.T.P.
10,89,000	28,00,000	71,52,963	46,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	890	500	15 0	Nil	0 8	Nil t	3, 9	H.P.
24,00,000	29,32,827	2,19,00,613	1,61,23,422	25,105	Macneill & Barry Ltd.	1,394	Gouripore	345xd	100	8 12	10 0	15 0	6 0 t	3, 9	H.P.T.
40,00,000	55,58,234	99,03,590	57,88,999	2,37,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	10 0	2 8t	3, 9	H.P.
16,80,000	18,91,856	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoogkly	25	10	1 4	0 8	1 4	Nil t	3, 9	H.P.
35,62,500	49,64,372	1,32,66,435	1,10,52,708	57,035	Jardine Henderson Ltd.	1,940	Howrah	23½	10	1 8	1 8	1 4		3, 9	H.P.
62,50,000	38,00,000	1,23,83,629	1,54,15 937	1,19,793	P. Banudutt Ramkissendas	2,272	Hukumchand	29	10	7½	1 4	0 10	0 4f	3, 9	H.P.T.
9. 37,00,000	16,55,558	1,23,66,655	78,55,428	7,781	M. —	1,076	India	148	O. 125	3 0	2 0	2 0		3	H.P.T.
B. 30,000									D. 1	0 4/5	0 6	0 2			Y.P.T.
24,00,000 }								140½	100	9 0	8 0	4 11			
B. 19 20,000	16,50,000	1,37,68,836	1,2a,18,028	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	138	'B' 100	9 0	8 0	5 8/5		3, 9	H.
80,00,000 }								97	100	9 0	8 0	2 8			
B 24,00,000 }	7,00,000	1,32,86 300-	1 00 46,425	83,115	Jardine Henderson Ltd.	1,527	Kanknarrah	95	'B' 100	7 8	6 8	1 0		6, 12	H.P.
21 00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	245	100	15 0	20 0	15 0		6, 12	H.P.
54,00,000	23,88,875	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd	1,520	Khardah	142	100	17 8	20 0	17 8		6, 12	H.P.
48,00,000	1,08,30,860	2,44,37,044	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	170	100	7 0	12 8	11 0		3, 9	H.P.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Ltd.	931	Lansdowne	100	100	7 0	7 0	13 0	6 0 t	3, 9	H.P.T.
28,00,000	55,75,192	1,16,29,380	64,57,397	3,793	Bird & Co., Ltd.	840	Lawrence	103½	100	5 0	2 0	7 0	Nil t	3, 9	H.P.
31,50,200	23,04,412	2,01 00,652	1,34 49 804	10,614	M.	1,243	Megna	84	100	5 0	6 0	6 0	Nil t	3, 9	H.P.
29,25,000	38,40,147	1,34,91,092	1,01,37,572	—3,00,151	F. W. Heilgers & Co. (Private) Ltd.	815	Naihati	88	100	6 0	2 8	3 12		3, 9	H.P.
20,00,000	18,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	15½	10	Nil	Nil	Nil	Nil t	3, 9	H.
35,00,000	44,29,338	29,10 124	10,96,222	70,554	Andrew Yule & Co., Ltd.	852	National	24½	10	0 5	1 2	0 10		3, 9	H.
22 25,000	22,25,000	27,71,092	20,34,997	1,08,387	Andrew Yule & Co., Ltd.	318	Nellimarla Jute	12½	10	2 0	2 0	1 12		6, 10	H.P.T.
35,50,000	3,71,44,842	4,29,15 627	96,36,548	3,71,295	Sahu Jain Ltd.	1,765	New Central† ..	15½	10	1 12	1 8	1 0		4, 10	H.P.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Ltd.	567	Northbrook	25½	10	24 0	17 0	18 0		6, 12	H.P.T.
66,79,500	22,24,961	2,18,55,104	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	39	10	1 2	1 4	1 8	0 12t	3, 9	Y.P.
24,81,000	28,81,049	78,46,354	50,85,940	4 764	Andrew Yule & Co., Ltd.	601	Orient	148	50	0 8	1 0	1 0	1 8t	3, 9	H.P.T.
25,00,000	6,28,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency		100	12 0	10 0	9 0	Nil t	3, 9	H.
20,00,000	2,49,781	28,97,878	3,39,150	—9,18,218	Birla Bros. Ltd.	805	Rameshwara	5½	5	0 2	0 3	0 3		5, 11	H.P.
49 80,000	5,52,465	1,23,83,629	59,15,596	—11,72,314	Jardine Henderson Ltd.	1,276	Reliance	6½	10	Nil	Nil	Nil	Nil	5, 12	H.P.
£500,000	£1,093,718	£1,245,244	....	£54,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	9½	10	0 8	Nil	Nil	Nil	3	H.P.
20,00,000	18,12,103	1,04,60,653	75,60,238	4,667	Bagaria More & Co., Ltd.	911	Shree Ambica	11½	£1	10%	10%	8%21	Nil t	3, 9	H.P.T.
14,00,000	11,25,000	66 11,794	58,79,594	3,156	Hindustan Investment Corporation.	401	Soorah	16N	10	0 8	1 0	0 8f		3, 9	H.P.
25,10,600	42,72,182	1,27,38,246	53,23,439	—4,87,127	Bird & Co., Ltd.	650	Standard	16N	10	0 8	1 0	0 8f		3, 9	H.P.
£600,000	£925,119	£1,137,660	....	£53,548	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	95	100	2 0	2 0	1 8		12	Y.P.
35,98,000	68,16,723	2,00,00,808	84,28,058	18,334	Birla Bros. Ltd.	1,326	Union	11½	£1	10%	10%	1 0	Nil	3, 9	H.P.T.
£400,000	£688,085	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,231	Victoria	158	100	5 0	10 0	8%11		12	Y.P.
2,50,000	6,85,000	58,98,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	11½	51	10%	10%	10 0	1 0 f	3, 9	H.P.T.
								5½	1	0 1	0 8	8%11		12	Y.P.
												0 3		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	58,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23	10	1 0	1 4			3, 9	H.P.
12,00,000	8,62,573	38,78,477	36,13 477	22,708	Jardine Henderson Ltd.	Barares Coke	19½	10	1 0	1 4	1 6		3, 9	H.
4,49,150	5,40,350	5,40,966	1,40,346	4,051	Andrew Yule & Co., Ltd.	Bengal-Bhaduee	6¼N	10	0 2/5	1 7 1/5	1 7 1/5		3, 9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,93,77,226	7,51,563	Andrew Yule & Co., Ltd.	Bengal Coal	503	200	32 8*	30 0*	35 0*		3, 9	H.
2,25,000	4,22,669	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	0 12	Nil		6, 12	H.
4,73,368	4,73,368	37,70,102	22,77,364	13,498	Bhalgora	6¼	10	0	Nil	Nil	Nil		4, 10	H.P.
40,00,000	3,00,00,000	1,39,06,602	71,05,188	27,433	Sir John H. Kerr (Chairman) ..	Bharat Collieries	7½	10	0 8				6, 12	H.P.
7,15,000	15,11,080	52,62,538	37,38,500	—1,37,446	Bhulanbarasee	13¼N	10	0 12	0 10	0 10			3	Y.
16,00,000	16,17,886	68,14,856	50,99,841	—79,196	F. W. Heilgers & Co. (Private)Ltd.	Bokaro-Ramgur	13	10	Nil	Nil	Nil		3	Y.P.
7,50,000	24,29,025	25,53,408	84,292	84,292	Ramgarh Industries (Coal) Co. ..	Borrea	25½	10	Nil	Nil	Nil		6	Y.P.T.
90,92,480	1,75,17,502	4,19 21,370	1,85,17,846	1,15,376	F. W. Heilgers & Co., Ltd.	Burrakur	15½	10	2 12	2 0	2 0		6, 12	H.P.
49,97,750	.....	39 62,720	3,82,545	14,019	Bird & Co., Ltd.	Central India	7¾	10	0 12	0 9	0 10		6, 12	H.P.
3,00,000	19 54,302	49,10,414	23,23,984	93,795	Hindustan Investment Corpn., Ltd.	Central Kurkend	12¾	10	0 6	0 4	0 4		6, 12	H.P.
6,00,000	1,43,676	7,28,438(k)	....	2,129	Birla Bros. Ltd.	Churlia	2½	4	1 12				3	H.
16,00,000	.....	53,31,704	29,81,276	—1,83,318	F. W. Heilgers & Co., Ltd.	Dhemo Main	7½	10	0 2	0 2	0 11		6, 12	H.P.
£640,000	£360,555	£936,945	£702,277	£59,787	Macneill & Barry Ltd.	Dhemo Main	3¾	10	Nil	Nil	Nil		6, 12	H.P.
29,63,760	83,55,049	4,04,51,377	2,80,25,665	82,379	Jardine Henderson Ltd.	East Indian	33½	41	2 8	Nil	Nil		6, 12	H.T.
10,00,000	2,15,000	10,76,864	3,73,963	11,278	Macneill & Barry Ltd.	Equitable	29½xd	10	1 8	2 8	3 0		6, 12	Y.
13,00,000	1,22,000	39,02,565	20,99,824	3,226	Bhatter's Agency Ltd.	Ghusick and Mudla	14½N	10	0 8	1 8	1 8		3	H.P.
8,00,000	7,25,000	22,07,121	13,89,341	45,076	Killick Industries Ltd.	Hingir-Rampur	4½	50	3 0				6, 12	H.
22,00,000	1,12,060	24,74,412	6,18,846	—5,57,292	Macneill & Barry Ltd.	Hurriladih	22½xd	10	1 8	0 8	Nil		3	Y.
3,50,000	3,45,579	18,54,857	7,23,658	....	Bajpaie Trust Ltd.	Jogta Coal	2½	10	Nil	1 12	2 4		6	H.
20,00,000	1,77,175	25,86,683	4,85,140	6,965	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	2 12	Nil	2 8		6, 12	Y.P.
5,00,000	16,60,000	46,77,533	36,47,985	1,33,474	Andrew Yule & Co., Ltd.	Karanpura Collieries ..	113xd	100	Nil	Nil	Nil		3, 9	Y.P.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Katras Jnerriah	603	Nil	10	Nil	Nil	Nil		12	H.
11,38,240	64,314	16,72,961	10,41,863	—41,293	Beriwala & Co.	Khas Kajora	3¼N	10	4 0	4 0	2 8	5 0	3	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Kusedi	2¾N	10	Nil	Nil	5 8		3, 9	H.P.
7,48,240	2,00,000	12,18,473	9,23,179	11 096	Tantia Brothers Ltd.	Lakurka	10N	10	Nil	Nil			1, 7	H.
7,00 000	26,617	10,33,740	8,20,295	4,560	Amritlal Ojha & Co. Ltd.	Nasira	7	10	0 8	0 4			6, 12	Y.
17,75,280	20,01,764	1,19,78,855	88,63,066	94,393	Andrew Yule & Co., Ltd.	New Bansdeopur	9¼N	10	0 8	1 4			3	Y.
6,00,000	75,000	28,54,607	17,07,588	22,33	Octavius Steel & Co., Ltd.	New Beerbhoom	13xd	10	0 12	1 4			4	H.
1,15,000 }	2,85,193	13,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	New Manbhoom	11½	10	1 0	1 2			12	H.
1,57,500 }						North West	17½N	10	Nil	Nil	1 0		3, 9	H.
7,50,000	12,21,853	5,17,656	3,97,566	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	16N	10	Nil	Nil	Nil		4, 10	H.
10,00,000	1,10,000	39,70,662	17,99,838	3,809	K. C. Thapar & Bros.	Oriental Coal	14½	10	0 8	Nil	1 6	0 12t	3, 9	H.
5,24,000	10 862	17,52,187	8,80 795	3 813	Deepchand Kishenlall	Parasea	8½xdN	10	2 0	1 0	1 0	0 9t		
15,75,000	15,00,000	47,70,275	35,90,275	33,348	Shaw Wallace & Co., Ltd.	Pench Valley	14½	10	0 4	0 8			6, 12	H.P.
23,99,500	19,17,105	1,23,09,893	85,50,855	16 846	N. B. Elias & Co., Ltd.	Raneegunge	21½	10	0 4	0 12			12	Y.
13,50,000	8,53,326	35,36,765	27,78,764	29,621	Shaw Wallace & Co., Ltd.	Rewa	13½	10	1 10	1 10			6, 12	H.P.
22,50,000	22,50,000	64,23,585	18,73,118	1,80,178	Jaipuria Sons Ltd.	Samla Collieries ..	14½N	10	1 0	1 8	1 8		3, 9	H.
3,50,000	1,95,802	13 78,480	12,21,287	21 070	M.	Searsole	6N	10	0 8	1 6	1 10		3, 9	H.
3,80,000	8 86,526	29 99 490	19,07 296	49,294	Andrew Yule & Co., Ltd.	Seebpore	8½	10	0 10	1 2	1 4		6, 12	H.
5,00,000	5 81,289	28,48,491	22,98,867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	10N	10	1 12	1 10	1 0		12	Y.
63,21,450	23,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Govern- ment of Hyderabad)			10	Nil	2 0	2 8		3	H.P.
											0 4		6, 12	H.P.
17,50,000	10,84,016	37,88,103	15,14,990	—51,522	Bird & Co., Ltd.	Singareni	11½	10	Nil				6, 12	H.P.
5 00,000	13,99,395	1 09,570	22,510	17,347	F. W. Heilgers & Co., (Private) Ltd.	South Karanpura ..	9¾	10	0 4	0 11 1/5	0 12			
18,00,000	12,980	30,82 296	15,42,502	—4,07,745	Villiers Ltd.	Standard	23½	10	2 0	0 2	0 2		12	Y.P.
3,50,000	3,50,000	19,47,864	14,81,955	44,167	Williamson Magor & Co., Ltd. ..	Talcher	3	2½	1 8	1 8	1 0		3, 5	H.
49,96,000	67,084	55,96,550	22,70,000	7,232	Hindustan Investment Corpn., Ltd.	Union	14½	10	Nil	Nil			6, 12	H.
7,00,000	21.569	56,46,871	23,81,698	—1,46,550	Macneill & Barry, Ltd.	Western Bengal	6½	10	1 12	0 12	Nil		3	H.
						West Jamuria	11½	10	0 6	0 6	Nil		6, 12	H.
									Nil	Nil	Nil	0 8	3	Y.
													6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (s) Ouve Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus.
(d) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares (k) Investments,
† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. (s For seven months ended 31st March 1956.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

MARKET GOSSIP

(*Concluded from page 699*)

Hemisphere); airlines and airports $41 million (of which $34 million to Australasia), and pipelines $14 million (entirely in Asia). It remains to be seen whether India, in view of the known limitations of allotments to transport in the second

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,06,00,000	11,36,801	Allahabad Bank	350	100	18 0‡	18 0‡			12	Y.P.
14,50,000				168	50	9 0‡	9 0‡				
1,01,000	14,37,000	12,375	Andhra Bank	116‡	100	6 8	7 8	6 8	3 12‡	6,12	H
32,46,180				83‡	70	3 4	3 12	4 8 4/5	2 10‡		
1,00,00,000	1,38,00,000	3,35,546	Bank of Baroda	101‡	50	5 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	23	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,52,00,000	13 25,530	Bank of India	173‡	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,80,375	23,00,000	60,686	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	10,00,000	41 779	Bank of Jaipur	35‡	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	262‡	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,41,700	85,73,018	19,059	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.T.
15,00,000	20,00,000	19,601	Canara Bank Ltd. ..	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,82,11,875	4,01,81,217	18,40 859	Central Bank of India Ltd. ..	56‡	25	3 0	3 0	3 0	1 8‡	12	R.L.Y.
52,42,375 'A'					25	3 0	3 0	3 0	1 8‡		
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	43‡	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	1,08,995	Habib Bank (F)	72N	20	4 0	4 0			12	Y.
50,00,000	25,00,000	1,65,278	Hind Bank	38‡	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	18,919	*Hindustan Commercial Bank* ..	11‡	50	*Nil*	*Nil*			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13‡	50	*Nil*	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	6 0‡	5 0		9	
24,00,000				211	100	12 0‡	12 0‡	12 0	6 4‡		
15,00,000	79,75,000	1,45,140	Indian Bank	190	95	10 3‡‡	10 3‡‡	10 12‡	6 2‡‡	6,12	R.L.H.
15,20,000				153‡	70	7 3‡	7 3‡‡	7 12‡	4 8‡‡		
49,19,875	30,00,000	2,28,299	Indian Overseas Bank	152	100	6 0	6 0	7 8		12	Y.
2,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	42‡	100(A)	*Nil*	*Nil*			6,12	B.
6,50,000				10‡	25(B)	*Nil*	*Nil*				
10,00,000				23‡	50(C)	3 0	*Nil*				
87,50,000	97,50,000	2,85,108	Punjab National Bank	561	25	2 0	3 0	3 8	2 0‡	12	Y.
1,00 00,000	23,80,000	45,597	Travancore Bank	18‡	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7-3‡	5	0 4‡	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank ..	58	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

										Dividend (per cent.)		
£3,500,000	£5,000,000	£405,875	Chartered Bank of India, Australia and China	£1-15-10‡	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7‡	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	$90‡	H.K. $125	5*	5*	5*	5*	2*†	12	Y.
£17,966,125 'A'	£15,000,000	£556,006	Lloyds Bank	£2-17-6	£5 A	14†	15†	12†			12	R.L.Y.
£1,487,296 'B'				£1-6-3	£1 B	5†	5†	5†			12	R.L.Y.
£375,000 'A'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-2-6	A £2‡	14†	14†	14†			12	R.L.Y.
£375,000 'B'				£4-2-6	B £2‡	14†	14†	14†				
£750,000 'C'				—	C £1	14†	14†	14†				
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-1-9	sh. 12‡	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††U.S. Currency. (I) Interim. * £ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99‡	1st June 1963
4,00 000	5‡	31st March and 30th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	6‡	30th June and 30th December ..	Ramnugger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10 00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-58
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4‡	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	96‡	1st November .. 1959-64
			COAL			
20,00,000	4‡	30th April and 31st October ..	Bharat Collieries	1944	95‡	30th June‡ .. 1956
20,00,000	4‡	30th June and 31st December ..	Burakhal Coal Co.	1947	91‡	30th June .. 1967(e)
60,00,000	5‡	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(e)‡
			COTTON			
6,50,000	5‡	30th June and 31st December ..	Essanji Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4‡	10th May and 10th November ..	Bengal-Nagpur	1897	98‡	15th November .. 1956(6)
60,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1939	90	1st March .. 1972(e)
13,68,000	5‡		Jaykrishna Textiles	1949	90N	1st January .. 1956-59
39 90,000	5	1st June	Tata Mills	1951	100‡	 1966-71
			ELECTRICS			
10,00,000	4‡	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4‡	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100‡	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98 3/4	1st October .. 1959
12,00,000	4‡	30th June and 31st December ..	Bengal Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,32,50,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	99‡	1st January .. 1970(c)
25,00,000	4	30th June and 31st December ..	Cawnpore Electric Supply Co., Ltd.	1940	85‡	31st December .. 1970
16,00,000	5	1st January and 1st July ..	Shaw (Palestine) Electric Supply Co., Ltd.	1951	96	30th June .. 1978(e)
4,85,000	5‡	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	15th July .. 1957-61
5,00,000	5‡	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1959-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1953-63
5,000	4‡	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
67,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1976
6,50,00,000	4	1st April and 1st October ..	Tata Power		93‡	15th September .. 1965-70
			ENGINEERING			
5,00,000	5‡	30th June and 31st December ..	Britannia Engineering	1948	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1948	99	30th June .. 1958
80,00,000	5‡	15th September and 15th March.	Indian Iron and Steel Co. (1st mortgage)	1942	101‡	1st July 1957-62
£1,146,600	4‡	1st January and 1st July ..	Kumardhubi Engineering Works Ltd. ..	1936	97	31st December .. 1956(‡‡)
10,00 000	4	31st May and 30th November ..	Tata Locomotive	1946	93	31st May 1971
1 50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	102	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)
			JUTE			
12,00,000	5‡	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5‡	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4‡	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1946	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10 69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1964
18,68,000	5‡	31st March and 30th September	Dalhousie Jute Co.	1951	96	31st March .. 1969(a)
8,96,000	5	15th January and 15th July ..	Empire	1951	94‡	15th July .. 1966(a)
25,00,000	3‡	1st January and 1st July ..	Hukumchand	1947	92‡	30th June .. 1957
20,00,000	5‡	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1955	97‡	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd	1949	96‡	31st December .. 1964(c)
25,00,000	5‡	30th June and 31st December ..	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4‡	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd ..	1939	93	14th May .. 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	92	30th June .. 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	91	8th September .. 1965(a)
8,00,000	4‡	14th March and 14th September.	Soorah Jute	1947	96‡	14th September .. 1957
13,00,000	4‡	30th June and 31st December..	Union	1937	96‡	30th June .. 1957
10,00,000	3‡	31st January and 31st July ..	Waverly	1925	88‡	31st July 1960
			RAILWAYS ; STEAMSHIP AND TRAMWAYS			
4,50,000	4	1st January and 1st July ..	Barasat Basirhat Light Railway	1939	90N	1st July 1956
£350,000	4‡	1st January and 1st July ..	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,862	5	1st April and 1st October ..		1933	£77‡N	1st October .. 1974
6,50,000	3‡	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	90‡	31st December .. 1950(c) Any time on six months' notice (e)
£200,000	4‡	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1906	£85‡N	1st September .. 1963
4,33,26,697	4‡	1st March and 1st September ..	Scindia Steam Navigation	1949	105‡	
			PLANTING			
10,00,000	5‡	30th June and 31st December ..	Consolidated Coffe	1952	102‡	1st July 1957-66
12,50,000	6	31st March and 30th September.	Nilgiri Tea		100‡	1st April 1956-66
1,80,700	5‡	31st March and 30th September.	Teakoy	1944	100	31st March 1949-59
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	98	31st Decem .. 1965
95,80,000	4‡	1st January and 1st July ..	Associated Hotels of India	1948	86	31st December .. 1962
4,90,800	4‡	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
6,60,00,000	3‡	1st March and 1st September ..	Burmah-Shell	1954	102	1st September .. 1964-69(a)
2,50,00,000	5‡	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1953	102‡	1st October .. 1970
21,00,000	5‡	1st February and 1st August ..	Cowrijungtee Properties	1915	92	1st February .. 1964
19,95,000	4‡	1st July and 1st January ..	Five Buildings (Calcutta) Ltd. ..	1936	89‡	1st July 1966
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	97‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	92	 1960
1,88,08,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd....	1950	102	1st January .. 1971(c)††
1,00,00,000	5‡	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(a)‡
17,75,000	5	15th March and 15th September.	Mentor Chemical Industries	1949	95‡	 1961
85,05,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1948	535	30th September .. 1976(a)
49,00,900	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	5‡	30th June and 31st December ..	National Rayon	1955	103	30th June 1965-70
1,00,00,000	5‡	31st March and 30th September.	Orient Paper Mills Ltd.	1951	97‡	31st March .. .. 1961(a)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91‡	31st December .. 1959
4,00,00,000	5‡	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	103‡	1st May .. .. 1968(a)†‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 2 months' notice at any time at 2 per cent. premium. (c) Option to repay on 2 months' notice at ½ per cent. premium after 1-5-1944 but before 1-5-1947 and 1 per cent. premium on or after 1-5-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1955. Any debenture outstanding on 1-6-1959 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has liberty to redeem a debenture at 101 per cent. on 1st May 1962, on six months' notice. ‡† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th October, 1956.

—	Closing quotations 4-10-1956	High	Low	Closing quotations 11-10-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	200	—	—	200
Apollo (2)	2-12‡	2‡	2‡	2‡
Bombay Dyeing (250).	634‡xd	637‡	616‡	620‡
Bradbury (50)	217‡	217‡	209‡	209‡
Central India (100)	151	152	148	149
Century Mills (100)	556	560‡	543	548
Colaba (100)	96‡	—	—	96‡
Edward Textile (200).	345	—	—	345
Elphinstone (50)	63	63	61	61‡
Finlay (100)	345	346	339	341‡
Gokak (100)	238	241	237	240
Ind. Unid. Defd. (1).	2-0‡	2-1‡	1-15‡	2-0‡
Ind. Unid. Ord. (10).	12 3/4	12-2‡	11 3/4	11-15‡
Indore Malwa (100)	154‡	160	155	155‡
Khatau (100)	250	255	248‡	248‡
Kohinoor (100)	356‡xd	359	347	349
Lakshmi (250)	722‡	722‡	710	710
Madhusudhan (100)	131‡	131‡	117‡	117‡
Minerva Mills (100)	98‡	—	—	98‡
Model Nagpur (250)	191‡	194‡	190	190‡
Morarji (100)	268‡	268‡	260	260
Mysore (40)	117‡xd	117‡	112‡	115
National Rayons (100).	263	266	253	254‡
New City (100)	175	—	—	176
New Great (100)	250	—	—	250
Phoenix (100)	151‡	151‡	148‡	148‡
Podar Mills (100)	173‡	173‡	161‡	167‡
Sassoon Silk (10)	12‡	—	—	12‡
Sassoon Spg. (10)	47	—	—	47
Sholapur (1,000)	1,800	—	—	1,800
Shrinivas (100)	221‡	221‡	213‡	215
Simplex (50)	202	204	200	202
Standard (100)	472‡	477‡	463‡	475
Svadeshi (100)	251	253‡	251	249‡
Swan (100)	452‡	445	435	440
Tata Mill (25)	57	—	—	55
Vishnu (100)	56‡	57	54‡	55
Western India (1,000)	185	—	—	185
	5,125	—	—	5,125
BANKS				
Bank of India (50)	173‡	173‡	173	173
Bank of Baroda (50).	102	102	100‡	101‡
Central (25)	52	52‡	51‡	51‡
Central 'A' (25)	56‡	56‡	55‡	56‡
Dena Bank (50)	43‡	—	—	43‡
Punjab National (25)	57	57	56‡	56‡
Union Bank (5)	7 3/4	7-3‡	7 3/4	7 3/4
United Com. (50)	58‡	58‡	57‡	57‡
ELECTRIC COS.				
Ahmedabad (100)	94 3/4	95‡	94‡	95‡
Amalgamated (10)	11‡	11 3/4	11 3/4	11 3/4
Andhra Valley (1,000).	1,255	1,257‡	1,240	1 240
Bom. Sub-El. (100)	110 3/4	111‡	110	111‡
Surat (100)	110 3/4	119‡	118‡	118‡
Tata Hydro (100)	131	131	129	130‡
Tata Power (1,000)	1,315	1,312‡	1,306‡	1,310
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100).	350	—	—	350
Ind. Mercantile (30).	43‡	43‡	43	43
Jupiter (15)	6‡	—	—	6‡
New India (15)	45‡	45‡	43‡	44‡
Oriental (200)	3,650	—	—	3,650
Universal (10)	12‡	—	—	12‡
Vulcan (10)	15‡	15‡	15‡	15‡
STEEL COS.				
Ind. Iron (10)	34 3/4	34‡	34 3/4	34 3/4
Tata Steel Ord. (75).	196	197	193	193‡
SUGAR COS.				
Belapur (50)	251‡	253‡	247	251
Bhopal (10)	18 3/4	18 3/4	17‡	17‡
Phaltan (50)	163‡	166‡	160	162
Walchand Ind. (100).	271‡	278‡	270	273‡
CEMENT COS.				
Associated Cts (100).	198‡	200	194	194‡
Digvijay (100)	195‡	197‡	192	192
MISCELLANEOUS				
Alcock Ashdown (100).	340	340	332‡	335
Bom. Burmah (125).	733‡	740‡	710	718‡
Do. (New) (50)	270‡	272‡	266‡	266‡
Br. B. Petrol (4 sh.).	8-11‡	8-13‡	8-13‡	8 3/4
Br. I. Corpn. (5)	11 3/4	11 3/4	11 3/4	11‡
C. P. Ely. (100)	74‡	—	—	74‡
Indian Copper (2 sh.).	7 3/4	7‡	6 3/4	6-1
Ind. Inv. Tr. (100)	76	76	75	75
Kamp (200)	183‡	186‡	183‡	192‡
Killicks (100)	174‡	174‡	172‡	173‡
Polaco (100)	177‡	177‡	176‡	176‡
Port Canning (100)	8	—	—	8
Premier Con. (80)	209	210‡	205	206‡
Scindia (20)	19 3/4	19-3‡	18-11‡	18-1
G. E. Shipping (10)	21‡	22‡	21‡	22‡
Shivrajpur (10)	86	87‡	85‡	86
Tata Chemicals (10)	19‡	20 3/4	19-13‡	20 3/4
Tata Locomotive (100)	166‡	173	167	168
Tata Oil (25)	57	57‡	55	55
W. I. Match (100)	178‡	179‡	177‡	177‡

GOVERNMENT SECURITIES	5-10-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	11-10-19
	Rs.			Rs.
2½% 1961	98 3/4	—	3.96	98 3/4
2½% 1962	96‡	—	3.74	96‡
2½% 1962	95 3/4	—	3.80	95 3/4
2½% 1970	95‡	—	3.97	95‡
3% 1957	99‡	—	3.25	99‡
3% 1958	99 3/4	—	3.24	99 3/4
3% 1959-61	97 3/4	3.75	3.45	97 3/4
3% 1965	94‡	—	3.80	94‡
3% 1965-85	94 3/4	3.91	3.74	94‡
3% 1966-86	93‡	3.85	3.75	93
3% 1970-75	80 3/4	3.90	3.79	80‡
3% 1986 Conv. Loan.	74‡	—	4.01*	74‡
4% 1960-70	100‡	3.80	3.83	100‡
4½% 1958-68**	102‡	2.95	4.22	102‡
2½% N.P. Bonds.	99‡	—	3.70	99‡
2½% 1964 N.P. Loan.	98 3/4	—	3.71	98‡
2½% 1965 N.P. Bonds.	98 3/4	—	3.71	98‡
3½% 1962	97‡	—	3.64	97‡
3½% 1967 N. P. Bonds.	98‡	—	3.67	98‡
3½% 1974	98 3/4	—	3.87	98‡

BRITISH GOVERNMENT SECURITIES

	Closing quotations 2-10-1956 £			Closing quotations 9-10-1956 £
2½% Brit. Consols.	52	—	—	52‡
2½% Savings Bonds 1965-75	73 3/4	—	—	73 3/4
3% War Loan 1955-59.	94 3/4	—	—	94 3/4
3½% War Loan	70 3/4	—	—	71‡
4% Victory Bonds 1976	90 3/4	—	—	90‡
4% Funding 1960-90.	84 3/4	—	—	85‡

* Current Income x.d.—Ex-dividend. **Euroe Counterparts. Ex-Eight.

COMMERCE

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

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INDIA'S REPLY TO WORLD BANK

IT is unfortunate that the realistic and well-meant observations of the World Bank President, Mr. Eugene R. Black, on India's second Plan should have evoked a certain amount of adverse criticism in this country. Some seem to regard his advice as amounting to undue interference with the philosophy underlining the Government of India's economic and social policies. This inference is absolutely unwarranted. As mentioned in these columns last week, Mr. Black's advice is to be treated as that of a banker to his client. A bank has a right to enquire into the economic soundness of a person—his method of business and his ways of living—who wants to borrow from it. If he is not prepared to subject himself to such a scrutiny, he has no business to seek a loan from the bank. The relationship between the World Bank and India is no different. The World Bank is entitled to say what it feels about India's economic policies and plans. It has also a right to withhold loans to India, or to any country for that matter, if it has reasons to feel that this country's economy is not being managed on proper lines.

The World Bank is not a relief organisation or a charitable body. It is a business organisation, which, with the initial capital subscribed by its members, seeks to mobilise the savings of people in all parts of the free world for international investment. It has to be financially sound, if it is to gain the confidence of investors. It has also a philosophy, which every one who wants to do business with it must understand. Its philosophy is to encourage free trade through free enterprise. It is one of the three economic institutions brought into existence shortly after the war to give practical shape to the objectives of the Atlantic Charter. When India became a member of the World Bank, it subscribed to the principles and philosophy of the Bank. It is in furtherance of its philosophy that the Bank has brought into existence another financial institution, known as the International Finance Corporation. The latter will utilise its resources solely for financing projects sponsored and managed by private enterprise. If a country decides to follow a particular method of economic progress which tends to conflict with the philosophy of the World Bank, it must be honest enough to recognise that it cannot hope to get much assistance from that source.

Although the World Bank stands for free trade through free enterprise, it is not opposed to mixed economy. On the contrary, it has recognised that a government, especially of an underdeveloped country, has to play an important part in the economic development of its people. It has freely given large loans to State-owned and State-managed public utility undertakings engaged in providing such basic services as transport, power and irrigation, without which there can be no economic development. But it does not view with favour a mixed economy in which the State dominates over the economic activities of its citizens through too many restrictions and by itself owning and operating a large part of the industries, trade and finance. The mixed economy of the type which India has now chosen to follow, namely, the one in which the State will have the dominant share, stands too far to the left of the mixed economy of the World Bank's conception. If this point is recognised, it will not be difficult to appreciate the reason why the World Bank is rather reluctant to grant India a consolidated general loan, as it has done in the past to some of the European countries and Australia and only a few days ago to Italy, or to commit itself to any specific figure of loan for the second Plan period. It is no use blaming the World Bank for its refusal to do so. And it will be ill-becoming on our part to attribute bad motives to this institution. India can, however, expect from the World Bank assistance for its specific projects, provided they are sound and their execution is patterned on the lines of the Bank's policies. It is well known, for instance, that the Bank is opposed to giving finance to some of the industrial projects which are State-owned, but which are not beyond the capacity of free enterprise to run them. The World Bank President, it may be noted here, has expressed his readiness to consider specific investment projects which the Government of India desires to put forward.

It is gratifying to find that Mr. T. T. Krishnamachari, India's Finance Minister, is not one of the critics of the type referred to at the outset. In his reply to Mr. Black, he has welcomed the comments of the World Bank in a commendable spirit of humility. He has not questioned the Bank's goodwill to India, of which, he says, "we have absolute assurance." His remark that "we are neither omniscient nor infallible; nor are we so rigidly wedded to any course of action as not to alter it, if it becomes apparent to us that we are mistaken" shows that the Government is still keeping an open mind. But the difficulty with the Government of India is that it takes too long to realise its mistakes, with the result that the country's progress happens to be slower than it need be. Many instances can be given to prove this statement. Suffice it to give two, one old and another still fresh.

The development of steel industry is an old instance. If India is lagging behind the rest of the world in the matter of steel production, it is due to the defective industrial policy of the Government of India. As was mentioned in these columns last week, soon after the Congress Party came to power, it decided to reserve expansion of steel industry to the public sector and kept the Sword of Damocles hanging over the existing units by saying that their future ownership would be decided 10 years later. None can seriously deny that this policy was based on the ideological consideration that all basic industries should be owned and controlled by the State. We all know the result of this policy. The Government could not do what it wished and the private sector in the steel industry did not have much heart to expand its activities. It took seven long years for the Government to realise its mistake and eight years for admitting it in public. The cost of this mistake is incalculable. It is reflected not only in the present shortage of steel which is holding up the economic progress of the country and is resulting in a heavy drain on our foreign exchange, as the gap is sought to be closed with imported steel, but also in the increased capital that has to be expended on the steel plant. If the wisdom that dawned on the Government a year and a half ago had come in 1948, the country would have saved at least Rs. 100 crores, if not more, in terms of capital alone. Since such los

financial stability" and that it will "depend wholly on the pace tt which development proceeds." This remark is evidently in reply to the World Bank's comment that the second Plan is somewhat over-ambitious. But we do not know how "social stability" can be preserved, if economic stability is disturbed as a result of trying to implement a plan for which the country does not command adequate resources. Six months ago, Mr. Krishnamachari himself said the very same thing, which Mr. Black has done in his letter to him. Speaking in Parliament on 16th April 1956, Mr. Krishnamachari approvingly quoted from Arthur Lewis's book, *The Theory of Economic Growth*, in which the author maintains that "societies are not necessarily wise to choose to speed up their rate of growth above their current level." He then said: "If I have any say in planning (which he has now as a member of the Planning Commission), I would not commit this country to a type of planning which, while it might seem to meet our immediate aspirations, would, in actual fact, be impossible of achievement." Almost at about the same time, Mr. C. D. Deshmukh, the then Finance Minister, confessed in public the existence of serious defects in the Plan and admitted that the investments contemplated in the Plan were beyond the capacity of the country and that it might be necessary to extend the period of five years. In the light of these comments, as also the well-reasoned and well-known arguments of Mr. K. C. Neogy, another author of the Plan, it is difficult to see how anyone in this country can take exception to the remarks of Mr. Black or feel convinced of Mr. Krishnamachari's reply.

The Finance Minister avers that private enterprise in India is being given enough scope for development, that the Government's approach to this question is not very different from what Mr. Black states it should be and that "the Industrial Policy Resolution was not intended to be an ideologically dogmatic document and has not been interpreted as such." This is a half truth. The spokesmen of private enterprise also do not agree with the Minister, as witness the remarks of Mr. Tata at the last annual meeting of the T.I.S.Co., as well as the speeches delivered by scores of business men during the past 12 months. If the Government's policy is that "the respective roles of public and private enterprise should be fixed entirely on a basis which will ensure the most effective contribution of each to economic development," why is it that it has reserved to the State exclusive responsibility for new undertakings in a large number of industries, including oil, coal and other minerals, where free enterprise has proved its ability? Why did it nationalise life insurance? Why has it permitted nationalisation of gold mining by the Mysore Government which involves payment of compensation in foreign exchange? Why has it brought under State trading even those branches of internal and external trade, where free enterprise has served the country ably?

WORLD AGRICULTURE

AN economic analyst, who is intent upon studying some particular segment of world economy, is apt to get his picture out of focus, if he cannot study his subject against the world background. This is particularly true of the study of world agriculture. Although it might be useful and convenient to isolate agricultural trends for purposes of study, it cannot be too strongly emphasised that agriculture is as much a part of world economy as any other. What happens in the industrialised West has its repercussions on the agricultural East. A high level of automobile activity in the U.S. or the U.K., for instance, is a matter of utmost significance to the rubber tapper in Malaya. Similarly, a famine or a series of crop failures in the agricultural countries may conceivably mean a loss of valuable markets for industrial countries. It is, therefore, gratifying to note that the U.N. Food and Agriculture Organisation (F.A.O.) has, year after year, presented its study of world agriculture against a wider economic background, relating its own excellent documented analysis of world agricultural trends to the trends in industrial countries. Its latest report, the *State of Food and Agriculture* 1956, makes yet another contribution to the study of the inter-connections between agriculture and industry, besides presenting a comprehensive account of the world food and agricultural situation.

World agricultural production has continued to maintain its upward trend which has been its most notable feature in post-war years. In 1955-56, the index of agricultural production (Base: pre-war average=100) was 126, as against 122 in 1954-55 and 110, being the average for the years 1948-49 to 1952-53. It is also noteworthy that the increase in production continues to be about 1 per cent. ahead of the annual increase in world population. The index of *per capita* food production in 1955-56 (Base: pre-war average=100) was 104, as compared with 102 in 1954-55 and 96, the average for 1948-49 to 1952-53. But this is an overall picture which obscures the fact that a substantial proportion of increased agricultural production is concentrated in the sparsely populated parts of the world, namely, North and Latin America and Africa. Thus, whereas the index of food production for the world as a whole was 126 in 1955-56, it was 158 for North America, 142 for Latin America and 140 for Africa. The *per capita* food production was 104 for the world as a whole; it was as high as 121 for North America but only 92 for the Far East and 106 for the Near East. The following table gives the estimated world (excluding U.S.S.R., Eastern Europe and China) production of major commodities:

World Agricultural Production
(In million metric tons)

	1934-38 Average	1948-52 Average	1954-55	1955-56 (P)
Wheat	95.00	113.30	118.20	122.20
Barley	28.50	36.10	44.20	45.80
Rice (paddy) ..	100.90	106.10	116.10	122.30
Sugar*	20.00	26.60	31.50	31.60
Fats and oils† ..	15.00	18.00	20.90	20.40
Cocoa	0.73	0.75	0.82	0.78
Coffee	2.41	2.24	2.47	2.64
Tea	0.46	0.56	0.65	0.67
Tobacco	1.96	2.44	2.79	2.83
Cotton (lint) ..	5.48	5.76	6.50	6.78
Jute	1.95	2.03	1.65	2.32
Wool‡	1.51	1.59	1.76	1.81
Rubber	1.00	1.74	1.83	1.94
Milk	193.60	207.30	228.30	228.00

* Centrifugal.
† Oil equivalent (including animal fats).
‡ Greasy basis.
(P)—Preliminary.

The trends in world trade in agricultural commodities, as is well known, determine the state of prosperity in many of the underdeveloped countries. It is, therefore, satisfactory to note that the volume of world trade in agricultural products increased sharply in 1955 and was some 5 per cent. greater than in the preceding year, when the pre-war level had been reached. The increased volume of trade in 1955 was, however, largely offset by a decline in price; as a result of this, the value of agricultural products increased by only about 1 per cent. Further, it must be noted that the increase in the volume of world agricultural trade failed to keep pace with the increase in world trade as a whole. Thus, while the volume of world trade in agricultural commodities is now only about 5 per cent. above pre-war levels and 10 per cent. less than in the late nineteen twenties, the volume of world trade as a whole is some 70 per cent. larger than in pre-war years and 50 per cent. greater than in 1929.

In assessing the importance of world agricultural trade, one must bear in mind that international trade continues to be an exchange of manufactured goods for primary products, despite all the movements in agricultural countries towards national self-sufficiency in manufactured goods and, in industrialised countries, towards increased agricultural production and evolution of substitutes for agricultural commodities. Thus, the Secretariat of the G.A.T.T. has computed that, in both 1952 and 1953, non-industrialised countries exported about 60 per cent. by value of world shipments of agricultural products and, in their turn, imported some 50 per cent. of world shipments of manufactured goods. These transactions, which consisted largely of the direct exchange of agricultural products for manufactures, accounted for nearly 50 per cent. of the total value of world trade. It is true that some industrialised countries also export agricultural commodities; such exports account for about 40 per cent. of the world shipments of agricultural products. But these countries generally exchange their agricultural commodities for industrial goods, so that the character of international trade still remains one of exchange of industrial goods for agricultural products.

Against this background, it is worthwhile examining the relative trends in agricultural trade and industrial production. From 1913 to 1927-30, the volume of world manufactured production increased by 40 per cent. and the volume of world trade in agricultural commodities also increased by 40 per cent., though the increase in real value of the latter was only 17 per cent., thanks to the fall in prices. From 1927-30 to 1954-55, the growth of world manufactured production was much faster, rising by 130 per cent. But, by 1954-55, the real value of world trade in agricultural products had only just regained the pre-war level. Again, it is noteworthy that, whereas the volume of agricultural trade has barely regained the depressed level of the nineteen-thirties, the volume of trade in manufactured goods has roughly doubled since the pre-war period. The expansion of trade in manufactured goods, as the F.A.O. Report points out, has far out-distanced the growth of trade in agricultural products generally. This is due to the increased production of agricultural commodities in some industrialised countries, the search for synthetic substitutes for certain commodities of agricultural origin and increased consumption of agricultural commodities in the producing countries themselves. The effect of the last-mentioned factor will become evident, when it is remembered that, over the period 1951-55, only 38 per cent. of world output of cotton entered world trade, only 39 per cent. of sugar and 6 per cent. of rice, as against 57 per cent., 51 per cent. and 15 per cent. respectively, in pre-war years.

In 1955-56, additions to stocks, according to the F.A.O. Report, seem likely to have been more modest than in the previous year, in spite of the rise of some 3 per cent. in world agricultural production and of 5 per cent. in North American output. Thus, although the world wheat crop was about 4 million tons greater than in 1954-55, it is expected that the addition to stocks this year will be only about 2 million tons, raising the total carryover of the four main exporters (U.S., Canada, Argentina and Australia) from 45.8 million tons to about 48 million tons. In coarse grains, the pressure appears to be particularly large, because more than half of the increase in world production over 1954-55 (about 6.5 million tons) seems likely to be added to stocks. Cotton is another commodity in which stocks are high at about 5 million tons. It is in the U.S. that the pressure of stocks has been felt most heavily. The U.S. Commodity Credit Corporation held stocks worth $8,633 million on 30th April 1956, as compared with $7,261 million a year before.

Commenting upon the surplus disposal policies adopted by the U.S., the Report observes that they have been "conducted with a fair degree of restraint and consideration of third parties but they have so far failed to effect any reduction of stocks of the major surplus commodities." It predicts that "more vigorous U.S. disposal measures are likely in the near future," though even such measures are "unlikely to bring about the full absorption of the present large stocks of some commodities." It rightly holds that much will depend on the success of the new U.S. measures to reduce stocks by means of a curtailment of production. In other countries, however, the Report avers, a continued expansion of agricultural production is still the chief need and remains the primary aim of national policies. Referring to India, it points out that the success of the first Five-year Plan in raising agricultural production has enabled more emphasis to be placed on basic industries in the second Plan. Although this conclusion is generally correct, it must be noted that, in India, too, the authorities have been compelled to emphasise—or more appropriately, re-emphasise—the need for raising agricultural production.

While the Report feels that supplies of agricultural commodities will again be larger in 1956-57 and that there is little likelihood of any significant reduction in surplus stocks in the immediate future, it affirms that the "basic dilemma of most governments is how to reconcile their dual responsibilities to maintain the economic position of farmers and, at the same time, to provide consumers with adequate food supplies at low prices." Indeed, for nearly all countries, both those which, like the U.S., are faced with the problem of surplus stocks and others, like India, which are confronted with the need for increasing agricultural production, the problem is really one of maintaining a level of prices, adequate to the farmer and within the capacity of the consumer to pay. It will require considerable administrative acumen to ensure that prices of agricultural commodities are held at levels that will give the farmer the income he needs and also enable the consumer to buy his requirements. In this country, the problem has so far been tackled only through mere exhortations to increased production; no constructive price-support scheme has been implemented. It remains to be seen whether, apart from any welcome assistance that good weather can give, these official exhortations alone will enable the country to reach the higher targets for agricultural production

EQUITIES LOOK UP BUT GILTS SAG

WORLD FATS AND OILS—CLOTH POLICY—GERMAN MARK—MONEY RATES IN U.S.—BIGGER TANKERS

THURSDAY, 5 P.M.

THE downward trend in equities has come to a halt. There has been an all-round fractional rise in values over the week. The selling pressure has stopped, though there is not yet much buying fervour. Operators from Madras, who were consistently depressing the market during the previous two weeks by selling some of the popular counters, have ceased doing so. For some time, local operators were puzzled, if not alarmed, at the behaviour of their confreres at Madras. For usually, the Madras operators are a quiet lot; rarely do they indulge in such sizable bearish activity, as they did during the past few days. The local speculators, therefore, thought that they must be acting on some sure information. The recent visit of the Finance Minister to his State and some of the unpalatable observations which he made at Madras and Coimbatore induced the Bombay operators to attach more credence to that belief than they would have otherwise done. "It is possible," they argued among themselves, "that T.T.K.'s friends in Madras might have been able to get an inkling of his next step or as to how his mind is working about the immediate future of the fiscal and monetary policies of the Government." They would not believe that such a thing was impossible. So, they followed the Madras lead for some days. Madras brokers, too, were telling their confreres in Bombay that an increase in the Bank rate could not be completely ruled out. But nothing bearish has emerged since then. If anything, the Government has made some bullish gestures, as, for instance, the rebate of excise duty on increased production of cloth and the withdrawal of restrictions on the quantum of cloth which the traders can keep. These are only gestures and do not mean any tangible benefit worth mentioning to the cotton mill industry. Nevertheless, they seem to have helped the market to recover its poise.

MARKET GOSSIP

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In contrast to the steadiness of the share market is the distinctly quiet trend of the Gilt-edged market, where the recently issued State loans have staged a perceptible retreat. During the past one week, many of these loans have shed As. 2 to As. 4. The loss is much more as compared with their issue price, as will be seen from the following figures:

4 *per cent.* 1968	*Issue price* Rs. a.	*Latest market price* Rs. a.
Andhra	99 8	98 13
Bihar	99 4	99 0
Bombay*	100 0	99 15
Hyderabad	99 8	99 4
Madhya Bharat ...	99 4	99 4
Madhya Pradesh ...	99 4	99 2
Madras	99 12	99 2
Mysore	99 8	99 3
Orissa	99 4	99 2
Punjab	99 4	99 4
Rajasthan	99 8	99 8
Saurashtra	99 8	99 9
Travancore-Cochin ...	99 4	99 4
Uttar Pradesh	99 8	99 2
West Bengal	100 0	99 12

* 1970.

It will be seen that the loans worst affected are those of Andhra, Madras, Uttar Pradesh and Mysore. If some of the loans are unchanged, it is because they are not easily saleable and generally inactive. An increase of one anna in the Saurashtra loan is negligible, as the State is being integrated with Bombay from 1st November. If anything, it should be standing at least on par with the Bombay if not at a premium, a premium because it is two years shorter in duration than the Bombay loan. The Hyderabad loan has gone down by As. 4; on the contrary, it, too, should go to a premium, because the Centre has assumed responsibility for all the outstanding public loans of the Hyderabad Government, due to the disintegration of the State; consequently, it is as good as a Central Government loan.

The market, however, is in no mood to appreciate these finer points in the investment merits of the various State loans. The extremely stringent conditions in the short-term money market are making themselves felt on the Gilt-edgeds. The heavy fall in the Madras, Andhra and other South Indian State loans reflects the extent to which the respective State Governments brought pressure on the public to invest in their loans. A large number of investors who yielded to this pressure subscribed to their State Government loans with the assistance of bank finance. Many banks were asked by the State Governments to give these people advances on small margins, the new loan being retained as the security. Either the banks must be calling back these loans now, in order to meet the trade demand for credit, or those who bought the State loans must have decided to cut their loss in capital by directing their bankers to sell out their holdings. There had been a slight fall in prices even a few days after the list was closed a month ago. On top of this came the fear of an increase in the Bank rate. Naturally, those who had invested in State loans with the help of borrowed money must have become nervous and preferred to liquidate their commitments.

In the past year, too, there was a similar rush to sell State loans, but conditions in the money market were different then. There was not such acute stringency as there is now. Further, the capital market has now become saturated with 4 per cent. and other long-medium-dated loans, in contrast to the keen enquiry for them this time last year. In the past few days, the Life Insurance Corporation supported the new State loans to some extent, but is now reluctant to do so, perhaps because of the continued fall in prices. The Reserve Bank as a rule does not support the State loans and has not done so as yet. If it sticks to this policy, those banks which extended liberal support to State loans for several considerations will be put to hardship and may try to replenish their cash balances by selling the Central Government loans which, in turn, will tell on the Gilt-edged market even more perceptibly.

The position of banks is quite tight. Their ratio of advances to deposits is over 70.39 per cent., as compared with 58.07 per cent. a year ago, while their cash balances constitute only about 8 per cent. of their deposits, as against 9.84 per cent. this time last year. Every week, they have been borrowing from the Reserve Bank against usance bills and other securities. As on 5th October 1956, such borrowings amounted to as much as Rs. 65.71 crores, as against only Rs. 8.06 crores a year before. The accumulation of cloth stocks with mills, growing demand for credit from other industries, continuous imports and the borrowing by the Municipality this week are the main causes for the current stringency of money. The state of the market is likely to become even more uncomfortable in the coming weeks.

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It is regrettable to find that the Government's cotton textile policy is becoming more and more unrealistic. Its decision to give a rebate of six pies per yard of cloth on production in excess of a specified quantity (the average monthly production during the first eight months of 1956) belongs to the category of those measures which place a premium on inefficiency and dishonesty. This rebate is intended to encourage multiple-shift working by mills. The Finance Minister himself has admitted on several occasions that the scope for securing any sizable increase in production by such means is very limited, because as many mills as possible have already been working to their capacity. If all the mills are not working three shifts, it is because they are suffering from some impediments such as old machinery, lack of balance in the preparatory

PEPPER MARKET

This week's report on pepper market appears on page 795.

or processing departments, and difficulty in finding and housing labour. Even if some mills have a little scope for working one shift more, they may not be enthusiastic in utilising it because of the difficulties involved in retrenching surplus labour later when the need for it arises. So the only way in which a mill can show increased production is by reducing the quality of cloth. By linking the rebate to the increase secured in output, the Government is actually inducing the mills to follow this despicable method. And, since there is no regulation of the quality of cloth produced by mills, there is nothing to prevent them from using less yarn in every yard of cloth, in order to show a higher yardage. By doing so, they will pay less tax on their cloth than a mill which does not reduce the number of picks and takes special care to produce high quality cloth with long durability. This step of the Government is thus absurd.

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It looks as though the world has an insatiable hunger for fats and oils. The F.A.O. Report records that a record world output of over 24 million tons of fats and oils in 1955 and the prospect for larger supplies in the current year have not prevented prices from moving up. Even in the U.S., where the production of fats and oils in 1955-56 was a record one, the overseas demand for these products has been particularly encouraging, thanks to the high level of economic activity in one of its chief markets, Western Europe. Reviewing the current trends, the Report observes that total 1956 supplies of the major liquid edible oils (cottonseed, groundnut, soybean and olive) which comprised about three-quarters of the estimated 9.5 million tons of this group of oils available for use in 1955, are unlikely to decline. Increases in 1955-56 groundnut and soybean crops have probably offset the reduction in olive oil supplies. Record groundnut supplies for crushing are available from current West African harvests, the U.S. supplies of soybeans are ample, and a new record crop is expected in 1956-57, while the volume of exports of both groundnuts and soybeans from China is being maintained at an unusually high rate for post-war years. World output of cottonseed oil will depend on the size of the 1956-57 cotton crop in the U.S., but is unlikely to be significantly reduced from the 1.5 million tons peak reached for the last two years, despite lower U.S. cotton support prices and area allotments. In Argentina, the 1955-56 edible oilseed crops, particularly sunflower seed, are much larger than in 1954-55, when this country became a net importer of edible oils. Linseed oil supplies during 1956 are also likely to rise moderately, due largely to Canadian crop expansion, while larger plantings in 1956-57 are forecast, and a recovery in Argentina's crop area is probable. World copra output in 1955 was at high level's, chiefly owing to increased output in the Philippines, and based on early 1956 shipments, this year's crop in that country will be even larger. Palm oil and palm kernel purchases in Nigeria, the world's leading producer, declined moderately in 1955, but rose again towards the end of the year and during the first four months of 1956.

The main factor which brought the quantity of oils and fats exported in 1955 to 6.7 million tons (oil equivalent), according to the F.A.O. Report, was stronger import demand in Europe and Japan. It recalls how in 1955 and early 1956, the last of the U.S. Government-held stocks of cottonseed oil, linseed and linseed oil were sold out. The U.S. assistance to international trade through the financial provisions of foreign aid programmes, rather than through the direct sale of Government stocks, has now become more important. These provisions permit payment for quantities bought in the open market in the currency of the importing country. During the period September 1955 to May 1956, the U.S., it is stated, concluded agreements with 15 countries for the supply of 350,000 tons of edible oils. The Report avers that the rate of shipments under these agreements has accelerated in 1956 and that transactions of this kind will continue to be a "significant" element in international trade and price situation throughout the current calendar year.

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The prospects for Indo-German trade will be affected somewhat adversely, if West Germany implements the reported advice of the O.E.E.C. experts for revaluation of the foreign exchange parity of the deutschemark. This suggestion has been made with a view to correcting the continued high German balance of payments surplus. Whether it is taken as a compliment or a punishment for the excellent health of the German economy, there is no doubt that, in the countries importing German goods, particularly capital goods, it will be widely deplored, since it will mean higher prices for such goods. On the other hand, two of the other suggestions made by the O.E.E.C. experts will be welcomed by other countries which have built up export connections with Germany; they are fresh liberalisation of imports by the removal of quotas which still represent a serious obstacle to imports, especially of agricultural produce, and a reduction in customs duties. The O.E.E.C.'s other suggestions to Germany are an acceleration of foreign debt payment and a lowering of interest rates. It has also recommended that Germany should encourage investments abroad. Perhaps W. German industrialists will do well to consider this suggestion favourably, for the country has not yet directly participated in the economic development of overseas countries on a scale that is commensurate with its status as a creditor nation.

German reactions to the aforesaid recommendations of the O.E.E.C. are not quite favourable. "Germany cannot be held responsible for the mistakes of others"—this is said to be the view in official circles. While it is not denied that Germany should follow a good creditor policy, there is no tendency to accept all the suggestions of the O.E.E.C. It is, however, reported that Dr. Erhard, Minister of Economics, would be willing to accept most of the measures advocated. But it is not clear whether he would agree to revaluation of the currency also.

A point that needs to be borne in mind, in this connection, is that the par value of the deutschemark was fixed at a very low level in order to enable West Germany to export its goods. Since then, thanks to the hard work of its people, the marvellous organising abilities of its industrialists and the wise fiscal and monetary policies followed by the Government, the German economy has attained remarkable strength. It is true that the United States gave plenty of financial assistance but the Germans were realistic enough to put the American funds to the maximum use. For several years after the war, they worked without looking at the clock and with whatever tools they could get. Having thus gained wealth and strength for their country, there is no reason why the product of German labour should any longer be sold cheap and why the external value of its currency should not be higher. It is only but right that, when the economy of a country improves to an extent beyond expectations, the external value of its currency should go up, just as a currency is devalued when the economic position of its country suffers a reversal. Surely, adjustments in the foreign exchange values of currencies, rare as they should be, do not always mean only devaluation. At some time or other, one country or another may find itself in the fortunate position of being able to revalue its currency, by which is generally meant an upward revision in its value. It remains to be seen whether Germany, a country which lost everything except its skill in the last war, is destined for such an honour.

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Much interest, though not significance, attaches to the recent piercing of the traditionally regarded 3 per cent. limit in the U.S. Treasury bill rate which jumped to a new post-war peak of 3.013 per cent. in the first week of this month, as compared with 2.899 per cent. in the previous week. But this new level, which has not been touched at any time during the last 23 years, is attributed to the Treasury's announcement of 91-day bills to help meet autumn cash needs. This special offering, like the regular weekly offering, is for the amount of $1,600 million. It is believed that the Treasury bill rate will go down, once the special offer has been digested. Nor is the bill offer expected to influence rates for business borrowing. It is stated that the slight hardening of the rate reflects temporary money market conditions rather than a deliberate fresh move to make money dearer still. Nevertheless, it is noteworthy that some hardening of interest rates has taken place in the short-term business loans. Thus, in September, the rate for such loans from the New York City banks was 4.14 per cent., the highest since August 1932. The September level is ¼ per cent over the level touched in June this year and is said to reflect the increase in the prime rate from 3½ per cent. to 4 per cent. which took place in August last.

A broad indication of the general financial policy to be pursued by the central banking authorities in the U.S. was given by Mr. C. Canby Balderston, Vice-Chairman of the Federal Reserve

SHARES RULE STEADY

NOTABLE RECOVERY IN TEXTILES

From Our Own Correspondent

BOMBAY, 18*th October*

THE Stock Exchange which remained distinctly subdued in the previous two weeks picked up some strength during the week under review. There was revival of buying confidence in several counters. The sentiment of operators was influenced favourably by the Central Government's decision to withdraw the restriction on the maximum quantity of cloth—three months' average stock—that a wholesale dealer can hold and to extend the period of excise duty rebate on cloth produced in excess of the average monthly production during January-August 1956 by a further three months with effect from January 1956. These concessions induced good buying support for textile shares, the prices of which staged a notable recovery. In sympathy with this trend and following speculative support, steel and other industrials also recorded an improvement in values. The undertone of the market was steady.

Tata Steels elicited professional buying demand and advanced by Re. 1-8 to Rs. 195-4 on Monday. At higher levels, profit-taking set in and the shares receded to Rs. 193 yesterday. The recession was, however, short-lived, as today they were bought at higher rates; the quotation improved to Rs. 194-8 before finishing at Rs. 194-4. The net gain over the week was As. 8. Indian Irons opened the week As. 3 higher at Rs. 34-6. After fluctuating between Rs. 34-10 and Rs. 34-3-6 on alternate bouts of buying and selling, they wound up the week at Rs. 34-6.

Among textiles, Bombay Dyeings were in the limelight, their quotation jumping up by Rs. 11-14 to Rs. 632-8. Centurys rallied Rs. 5-8 to Rs. 553-8. Indores advanced by Rs. 3-2 to Rs. 158-12. Kohinoors spurted by Rs. 3 to Rs. 352. Svadeshis recorded a gain of Rs. 2 to Rs. 248-8. Khataus rose by Re. 1-14 to Rs. 250-10. Finlays picked up Re. 1-8 to Rs. 343. Central Indias and New Greats improved by a rupee each to Rs. 150 and Rs. 251, respectively. Tatas were better by As. 8 at Rs. 53-8. Gokaks gathered As. 4 to Rs. 240-4. Laxmis were firm at Rs. 710, as also Morarjis at Rs. 260, Shreenivas at Rs. 215 and Simplex at Rs. 202. Standards were unchanged at Rs. 475. The Standard Mills Ltd. has decided to establish a cement manufacturing plant at Bhavnagar. Vishnus, however, came in for selling and dropped Rs. 8-12 to Rs. 176-4, reflecting the operators' disappointment over the declaration of an interim dividend of only Rs. 2-8 for the year ending December 1956. Bradburys also encountered selling and receded by Rs. 4-6 to Rs. 205. Mafatlals were somewhat neglected at Rs. 415, as against Rs. 417-8, and Podars at Rs. 165, as against Rs. 167-8. Sasoon Spinnings lost Re. 1-8 to Rs. 45-8.

Some buying support was visible in the banking section and prices tended to rise. Bank of Indias moved up Re. 1-8 to Rs. 174-12. Barodas strengthened by As. 12 to Rs. 102. Punjab Nationals hardened by As. 8 to Rs. 57. Central Banks gained As. 4 to Rs. 52. United Commercials were fully maintained at Rs. 57-12. Union Banks, on the other hand, were a shade easy at Rs. 7-2.

Among electricity shares, Tata Powers were sought Rs. 2-8 higher at Rs. 1,312-8. Surats put on Re. 1-4 to Rs. 120. Ahmedabad Electrics, Andhras and Bombay Suburbans, on the other hand, failed to elicit support and receded by Re. 1-4 each to Rs. 94-6, Rs. 1,238-12 and Rs. 110, respectively. Tata Hydros lost As. 8 to Rs. 130.

In the engineering and mining group, Alcocks made sizable headway on revival of buying enthusiasm and rallied Rs. 3-12 to Rs. 338-2. Premier Constructions had buyers Rs. 2-8 higher at Rs. 209. Shivrajpurs were fully maintained at the last week's level of Rs. 86. B.B. Petrols were firm at Rs. 3-11. Indian Coppers, however, eased by 18 pies to Rs. 6-14. Tata Locomotives receded by As. 8 to Rs. 168 for want of support. Larsen and Toubros lost As. 2 to Rs. 18-10.

Among sugar shares, Walchandnagars evoked good buying orders and hardened by Rs. 3-2 to Rs. 276-4. But Belapurs were a shade easy at Rs. 250-8. Phaltans shed As. 4 to Rs. 161-12.

Among cement shares, Digvijays found purchasers Rs. 2 higher at Rs. 194. Associated Cements were fully steady at Rs. 194-4. Orissas, however, eased by half an anna to Rs. 13-4. Ashokas were done As. 3 lower at Rs. 12-11.

In the transport section, Scindias gained an anna to Rs. 18-13-6. Great Easterns were unchanged at Rs. 22-2. Premier Automobiles were done at Rs. 103-4, same as last week. Hindusthan Motors lost 18 pies to Rs. 9-8.

A smart rally of Rs. 21-4 to Rs. 739-6 in Bombay-Burmah Olds and of Rs. 7-8 to Rs. 274-6 in new shares was feature of trading in the miscellaneous section. The chief inspiring factor was provided by hopes of favourable legal opinion over the question of capital reorganisation. Prospects of higher dividend also acted as a fillip. The improvement in prices would have been more marked but for the reaction at the close, following rumours of some delay in finalising the scheme; there were vague talks regarding the possible move for bringing injunction against the proposed meeting on 12th November next. Kemp & Cos. attracted very good attention of some operators and advanced by Rs. 7-8 to Rs. 200. National Rayons were favoured well, with a rise of Rs. 5-12 to Rs. 260. Wimcos picked up Rs. 2-8 to Rs. 175. Tata Chemicals gathered As. 2 to Rs. 20-5. British India Corporations were fully steady at Rs. 11-4, Hind Cycles at Rs. 160 and Indian Investment Trusts at Rs. 75. Tata Oils, however, were subjected to selling induced by reports that the Government of India had refused permission for a bonus issue; the shares moved down by Rs. 2-8 to Rs. 52-8.

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Madras Stock Exchange

(*From Our Own Correspondent*)

MADRAS, 16*th October*

There was a further sharp fall in equity values during the week under review. Offerings of scrips were quite large, while enquiries from buyers were poor, thanks to lack of fresh incentives. In particular, textile shares were subjected to nervous liquidation, notwithstanding the half-an-anna excise rebate granted to mills by the Government to encourage higher production. For the operators were apprehensive of the possibility of some sort of official control over prices and distribution of yarn and cloth. The planting section remained subdued, with sellers predominating in rubber, tea and coffee shares. Sugar company shares were also neglected. Activity in the miscellaneous section was greatly restricted and prices tended to look down. The undertone of the market was distinctly bearish.

Among textile shares, Dhanalakshmis were hammered down by Rs. 10 to Rs. 425. Janardhanas dropped Rs. 9 to Rs. 99. Bangalore Woollens fell by Rs. 8-12 to Rs. 566-4, Metturs by Rs. 7-8 to Rs. 447-8 and Cannanores by Rs. 5-8 to Rs. 182-8. Coimbatore Pioneers and Rajalakshmis receded by Rs. 5 each to Rs. 320 and Rs. 177, respectively. Lakshmi 'A's declined by Rs. 3 to Rs. 127. Venkatesas shed a like amount to Rs. 175. Anglo-Frenchs lost Rs. 2-8 to Rs. 112-8. Coimbatore Spinnings and Rajapalayams were done each Rs. 2 lower, the former at Rs. 320 and the latter at Rs. 165. Lakshmi fully paids were pushed back to Rs. 256-8 from Rs. 258. Adonis, Buckinghams and Coimbatore Cottons decreased by As. 8 each to Rs. 11-10, Rs. 197 and Rs. 392-8, respectively.

In the planting section, rubber shares encountered heavy selling and drifted lower. Mlamallays slumped by Rs. 4 to Rs. 55. Kalpettas moved down by As. 6 to Rs. 32-6. Neelamalais suffered a loss of As. 4-6 to Rs. 7-4-6. Travancore Rubbers and Vaikundams declined by As. 4 each to Rs. 25-12 and Rs. 34-8, respectively. Nelliampathys lost As. 3 to Rs. 3-9 and Rajagiris As. 2 to Rs. 25-8. Tea shares lacked support and lost ground. Peermades dropped a rupee to Rs. 32-12. Haileyburias eased by a like amount to Rs. 26. Coffee Lands receded by As. 8 to Rs. 26-2. Twyfords fell by As. 8 to Rs. 20-4. Parksides and Coorg Teas shed As. 6 each to Rs. 19-6 and Rs. 12-6, respectively. Kailas declined by As. 5 to Rs. 6-3 *ex-div.* and Midlands As. 4 to Rs. 20-2. Among coffee shares, Consolidated Coffees slipped by As. 7 to Rs. 20-11. Rajendras were dull at As. 12 and Sheveroys at Rs. 2-10-6. Cochin Malabars, however, elicited special support and advanced by As. 3 to Rs. 11-8.

Sugar shares gave way under pressure of selling. East India Distilleries dropped As. 12 to Rs. 30-4. Travancores receded by As. 6 to Rs. 13-12. Mysores and Kirlampudis shed As. 4 each to Rs. 46-8 and Rs. 36-12, respectively. Deccans were unchanged at Rs. 11-10, as also Indias at Rs. 16-14, Jeypores at Rs. 13-14 and Cauverys at Rs. 50. United Breweries were quiet at Rs. 217.

In the miscellaneous section, Mysore Papers were sold As. 8 lower at Rs. 17. India Cements, Mysore Tobaccos and Travancore Chemicals slipped by As. 4 each to Rs. 32-8 *cum-div.* (final), Rs. 15 *cum-div.* and Rs. 16-8, respectively. Mysore Chemical Fertilisers declined by As. 3 to Rs. 8-8. Spencers lost As. 2 to Rs. 17. Rallis, on the other hand, met with enlarged buying enquiries and spurted by Rs. 4-8 to Rs. 49. Travancore Cements were favoured As. 7-6 higher at Rs. 11-4. Nundydroogs hardened by As. 6 to Rs. 10-12 *ex-div.* Champion Reefs gained As. 2 to Rs. 7-8.

The Calcutta Stock Exchange remained closed during the week under review, on account of the *Puja* holidays. It will reopen on Monday the 22nd inst.

MARKET GOSSIP

(*Concluded from previous page*)

Board of Governors, last week. He said that the Federal Reserve System intended to supply sufficient funds for essential credit needs. At the same time, he warned against "excessive credit expansion." Some loan applications, he said, must necessarily be refused or deferred by commercial banks, even though they may be technically creditworthy.

An upward trend in Treasury bill rates has been noted in Canada too. The yield on $123 million of 91-day Canadian Treasury bills has, at 3.26 per cent., moved above the Bank of Canada discount rate of 3½ per cent. on loans to Chartered Banks. This has led to the speculation whether there would be an increase in the Canadian Bank rate. It is, however, recognised that the high Treasury bill rate reflects limited bidding by banks and investment houses. It would appear that, in the second week of this month alone, the Chartered Banks have borrowed $32 million from the Bank of Canada. This shows the need for cash felt by the banks in that country.

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The Suez Canal crisis has been indirectly responsible for certain new trends in the shipping world. Men's thoughts are turning to the construction of faster and bigger ships. It is true that, even without the Canal crisis, shipowners would be interested in building such ships. This is because world trade is growing at a rapid pace, so that the day might soon come when the Canal might find it difficult to afford transit facilities for all available trade; this in turn would necessitate the construction of bigger ships to carry the trade round the longer Cape route. The Suez Canal crisis has, however, lent a new urgency to this trend. Since oil is one of the important commodities which now pass through the Suez Canal, the oil companies are naturally interested in building large tankers, known as supertankers. Among the oil companies which have already embarked upon a programme of building supertankers, mention must be made of the British Petroleum Company. The Chairman of the British Petroleum, Mr. B. R. Jackson, announced recently that his Company intends to include 60,000-ton ships in its next building programme with John Brown & Co.

Last year, British Petroleum announced a big tanker building programme, consisting of 23 ships (worth about £52 million)—17 to be built in the U.K. and six in Italy. Of these ships, no less than six were of 42,000 tons and no tanker was less than 32,000 tons. All these orders are expected to be completed by 1959-60. The next programme is expected to be announced in the next two years. Meanwhile, it is interesting to note that the British Petroleum Company has chartered a 12,000-ton Russian tanker to carry crude petroleum from the Persian Gulf to U.K.-Continent. This is probably the first time that the Soviet Union has entered the charter market and is another pointer to the strong possibility of that country offering competition to the free countries in world trade.

Interest in building bigger oil tankers is not confined to the U.K. alone. In the U.S., plans are under way for undertaking an immediate study of the possibilities of building a fleet of large tankers to serve as an alternative in the transport of oil in the free world, particularly from the Middle East. President Eisenhower has directed the Office of Defence Mobilisation (O.D.M.) to convene a meeting of the official representatives and the National Petroleum Council "to consider plans that will be helpful in assuring the efficiency and adequacy of the distribution of petroleum supplies in the foreseeable future in the free world." In a press interview, Mr. Arthur S. Fleming, Director of the O.D.M., declined to say what might happen to the programme if the current Suez situation improved. He, however, indicated that the construction of tankers might go forward on a "modified" scale. He stressed that the President's letter to his Office did not constitute an order for tankers. He, however, thought that a considerable number of tankers—as many as 50—might be built; they would be tankers of 50,000 tons or more and could be built in nine months to one year. He added that the tankers could be purchased by either American oil companies, or foreign oil companies or foreign countries.



NEWS IN BRIEF

A TEAM of three American textile experts will visit India shortly to advise the handloom industry on export promotion of its products. The team has been sponsored by the Ford Foundation; it is visiting this country on an invitation by the Government of India.

The Government of India has decided that the National Industrial Development Corporation should set up central capacity to manufacture primary intermediates required for the production of dyestuffs as part of the development programme of the dyestuffs industry.

Plans for opening a direct cargo service by the Western Shipping Corporation from India to Poland, under the Indo-Polish Shipping Agreement signed in May last, are expected to be finalised soon by the shipping delegation, headed by Dr. Nagendra Singh, Director-General of Shipping, which is now touring Europe.

The Annual Convention of the Deccan Sugar Technologists' Association (India) will be held at Shakkarnagar in Hyderabad-Deccan on the 25th, 26th and 27th inst., Mr. K. J. Somaiya, President of the Association, presiding. The Convention will be addressed by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture.

In view of the proposed reorganisation of States and the transfer of the public debt of Hyderabad State to the Union, it has been decided to transfer the management of the Hyderabad loans, which are at present being managed by the Hyderabad State Bank, to the Reserve Bank of India with effect from 1st November next.

The National Co-operative Development and Warehousing Board will be inaugurated on 7th November at New Delhi by the Prime Minister. The Board, which has as its Chairman Mr. A. P. Jain, Union Minister for Food and Agriculture, will, among other things, plan and promote programmes for the production, processing, marketing, storage and warehousing of agricultural produce. It may also advance loans or grant subsidies to State Governments for financing co-operative societies.

Loans to the extent of Rs. 7 crores are expected to be made available to the Andhra State by the Union Government during the current year by the completion of development projects. The loans will enable the execution of spill-over schemes like the Thungabhadra and Machkund hydro-electric projects and the Krishna Barrage Project. Another Rs. 1½ crores will also be made available for medium irrigation schemes and Rs. 1 crore as advance to meet the gap in the State's budget on revenue account.

The Planning Commission is expected to consider the proposal for the sanction of Rs. 50 lakhs in the second Plan period for carrying out pilot projects of progressive participation of workers in management. The Indian National Trade Union Congress recently submitted a memorandum demanding that the Government should take steps to facilitate worker's participation in management in both the private and public sectors. The Congress also suggested that the Government should initiate pre-employment and post-employment training schemes for workers in the technique of both production and management.

The Government of India has set up a high-power committee on Plan projects aimed at developing a system of internal efficiency audit. The Committee will organise investigations and initiate studies in the use of finance and other resources on different projects under the second Plan. This is to ensure that organisation, procedure and programming methods in every field are so designed that the money spent yields the best possible results. The Union Home Minister, Mr. G. B. Pant, is the Chairman of the Committee which includes, among others, Ministers for Planning and the Finance and Deputy Chairman of the Planning Commission.

The Government of Travancore-Cochin has decided to hand over the cashew industry to workers' co-operatives in the event of any large-scale failure or neglect on the part of employers. The State Government has also announced the acceptance, by the Government of India, of its suggestion to cancel import licences to cashew employers if they fail to produce evidence of having placed orders for raw nuts within the next one month. The licences will then be issued in favour of the co-operatives or the State Government as is found convenient. The decisions were taken after consultations with the Centre when the series of discussions at State level failed to evolve an agreed formula for stabilising this vital foreign exchange earning industry. The Government would prepare a scheme of co-operatives and set up the nucleus of an organisation, including the appointment of a cashew officer, for taking charge of the business. Most of the State's 125 cashew factories, together employing 75,000 workers, have remained closed since August for want of raw nuts.

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From Abroad

The *John Sergeant*, a World War II Liberty ship, has been converted to become the world's first ship powered by gas turbines. The ship is *en route* England and Germany on its first voyage after conversion from steam propulsion.

According to the U.N.E.S.C.O., more than a thousand distinct languages are in use today in various parts of the world. The total does not include thousands of dialects and variations, of which there are a thousand in Africa alone.

The Chairman of the Australian Wheat Board, Sir John Teasdale, has forecast that this season's marketable wheat crop may be less than two-thirds of last season's crop. Estimates indicate a total of about 115 million bushels, as compared with 180.7 million bushels last year.

Seven leading Australian manufacturers of medical equipment have combined to form an organisation, called the Australian Medical Export Company, to develop exports of Australian medical equipment, especially to South East Asia. The Company will provide, among other things, X-ray machines and sterilisers.

The Ford Foundation has announced a five-year programme to support and stimulate publication of scholarly books in the humanities and the social sciences. For this purpose, the Foundation trustees have appropriated $1,725,000. Approximately 30 colleges or non-profit organisations are expected to become eligible for the Foundation grants.

The U.S. Department of Agriculture has announced that Pakistan will be authorised to buy in its own currency 1,564,473 lbs. of U.S. tobacco valued at $1,522,000. It has also announced that Pakistan is being given more time to complete purchases, previously approved, of $286,573 worth of tobacco and $840,000 worth of cotton.

A contract for columbium and vanadium tubes for the Dounreay experimental atomic power station, Caithness, has been placed with the Tube Investments Company Accles and Pollock by the U.K. Atomic Energy Authority. The order is believed to be the first full-scale order for columbium for use in a nuclear power reactor.

After a thorough investigation, the Swedish Standards Committee has suggested certain standards for sizes and qualities of ordinary paper bags. The intention is to reduce production costs and to rationalise the trade in this kind of articles. The production of paper bags in Sweden alone aggregates about 15,000 tons valued at about Kr. 17,000,000 (£1,200,000) per year.

The South African Minister for Economic Affairs has directed the Board of Trade and Industries to investigate the economics of the distribution of petrol, paraffin and other oil products by oil companies, with special reference to costs and profit margins, benefit allowed to the distributive trades, and the bearing of the benefits on the Government's policy of maintaining a fixed profit margin of 3*d.* per gallon.

The Association for Applied Solar Energy of the U.S., which sponsored a world-wide symposium on the subject recently, has announced plans to build a large solar furnace in Phœnix. The Association's President, Jan Oostermeyer, has said that the organisation hopes to render a real service to American industry by making similar facilities available in Arizona where 300 days of intense sunshine can be utilised each year.

The organised labour movement in Philadelphia has announced a "scholarship plan" to help young people win university scholarships. The sponsor of the plan is the Philadelphia Central Labour Union, representing, 220 local unions. Recently, it sponsored an essay contest on the topic "Labour Unions and American Democracy" and the winners of the contest are to receive college scholarships amounting to $2,450.

The U.S. Departments of Labour and Commerce have reported that the wages of American factory workers were more than $2 an hour during September, setting a new all-time high. At the same time, unemployment dropped below two million, with more than 66 million persons holding jobs. The average weekly pay of factory workers during September was $81, surpassing the previous record of $80 weekly. The average weekly pay cheque in September was $3.29 bigger than a year ago and $1.40 higher than in August.

The *Montreal Gazette* has reported that Canada's trade is threatened by the U.S. policy of disrupting some of Canada's foreign markets by using extraordinary non-commercial methods and by the U.K.'s contemplated plan of free trade with West European countries which may shut out exports from Canada. This means, it observed, that the policies of two huge nations are both likely to create new difficulties for Canadian trade at the very time when Canadian trade problems are already serious.

Pakistan proposes to establish an agricultural bank as an agency to increase agricultural production. The bank will give credit facilities to agriculturists' co-operative societies and other bodies for the purposes of developing agriculture and warehousing, storage and marketing of agricultural products. It will also undertake research on agricultural credit and marketing of products. The original share capital of the bank will be Rs. 20 crores. The Central Government will hold not less than 51 per cent. of the shares.

Calder Hall, the only atomic power station in commercial operation in the world, was opened by Queen Elizabeth on the 17th inst., is entirely lubricated by Shell. As a result of experimental work carried out at their Thornton Research Centre, Shell is able to provide a lubricant to satisfy the special conditions involved in the working of the Parsons gas circulating plant which is necessary for harnessing atomic power. The new lubricants are resistant to radiation and have many other unusual and complex characteristics.

PERSONAL

EARL Attlee, a former Prime Minister of the U.K., arrived in Bombay from London on the 11th October on a three-week visit to India.

Mr. K. C. Reddy, Indian Minister for Production, arrived in Prague on the 11th October from Moscow.

Mr. N. T. Gulrajani, the Indian delegate to the U.N. International Sugar Conference, has been elected Vice-Chairman of the Conference.

Mr. B. Rama Rau, Governor of the Reserve Bank of India and leader of the Indian Delegation to the World Bank meeting, returned to Bombay from London on Sunday.

Mrs. Vijayalakshmi Pandit, India's High Commissioner in London, arrived in Bombay from London on Wednesday, 10th October. She is on a five-week holiday.

Mr. M. C. Chagla, Chief Justice, Bombay High Court, has been appointed to act as Governor of Bombay in place of Dr. Harekrushna Mahtab, until a permanent successor is appointed to fill the vacancy.

Mr. S. G. Barve, I.C.S., took over as Motor Transport Controller and Vice-Chairman, Bombay State Road Transport Corporation, on Monday, from Mr. R. J. Rebello, who is proceeding to Bangalore to take up his assignment in the State of Mysore.

Mr. B. D. Garware has been elected President, Mr. B. M. Thakkar and Mr. B. P. Himmatsingka, Vice-Presidents and Mr. M. B. Gidwani and Mr. B. L. Pachisia, Honorary Secretaries of the All-India Plastics Manufacturers' Association.

Mr. B. D. Garware, President of the Maharashtrian Chamber of Commerce, Bombay, left for an East Asian tour on Monday by the s.s. *Asia*. He will be attending the E.C.A.F.E. meeting on trade as representative of the Indian National Committee of the International Chamber of Commerce, to be held in Tokyo from 29th October to 5th November. He will also visit Hong Kong and Singapore and meet chambers of commerce and such other organisations.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

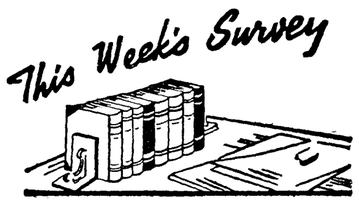
CALCUTTA, 17*th October*

Silver Situation

In June last, the Associated Chambers of Commerce of India and Ceylon had before them a suggestion by one of the constituent chambers to the effect that the Government of India should be urged to take action to protect the peoples and trade of India as far as possible against the adverse effects of the fall in silver. With this in view, it was proposed *inter alia* that the Government of India should press on the Home Government the vital necessity of calling other Governments into conference with regard to the silver position. Subsequent to the reference which it made to the constituent chambers in the matter, the Associated Chambers addressed the Government of India enquiring whether an indication could be given as to the prospects of an International Conference being convened to consider the situation and to deal not only with the question of silver sales but also with other factors affecting the international situation. The Government of India replied explaining that the matter had been receiving their constant attention but that they were of the opinion that, until the producers of silver—especially the American producers—showed signs of willingness to consider some restriction of production, there was little likelihood of a conference proving effective. Anyway, they passed on the representation of the Associated Chambers to the Secretary of State for India; and there the matter rests at present.

Mr. R. P. Morison, Chairman of the British Iron and Steel Federation, has indicated that British steel demand may go up by one-third during the next six years. He said that, in the post-war years, the industry had spent about £1 million a week on development and increased steel production by nearly 1 million tons a year. But the rise in demand had exceeded all forecasts. The industry, according to him, was now planning for six years ahead and, in 1962, some 28 million tons of steel might be required, four tons of steel for every three tons produced today.

The Director of the Norwegian Ministry of Trade has expressed the wish that Norway would like to see Britain a member of the European free-trade area. Without Britain, he says, the economic preponderance of Germany will be too great. With Britain a member, the smaller countries of Europe will have fewer misgivings. According to him, a common market can offer Norwegian export industries bigger opportunities. A larger market without tariff barriers will enable production to be increased and rationalised. More specialisation will be possible. Norway can also expect to receive more foreign capital for developing the country's resources.



SUEZ CANAL DISPUTE

THE U.N. Security Council has accorded its partial approval to the Anglo-French resolution on the Suez Canal dispute. It has accepted the first part of the resolution, embodying the six principles which should govern any settlement of the dispute. But Russia vetoed the latter part of the resolution, calling for endorsement of the proposals for international control of the Suez Canal. The Foreign Ministers of Britain, France and the U.S. criticised the Soviet Union for using the veto. The Soviet Foreign Minister, however, averred that some progress had been made at the Council and that it had done an "important and positive job."

The six principles to which the Council has given its assent are: (1) There should be free and open transit through the Canal without discrimination—overt or covert—this covers both political and technical aspects. (2) The sovereignty of Egypt is respected. (3) The operation of the Canal should be insulated from the politics of any country. (4) The manner of fixing tolls and charges should be decided by agreement between Egypt and the users. (5) A fair proportion of the dues should be allotted to development. (6) In case of dispute, unresolved affairs between the Suez Canal Company and the Egyptian Government should be settled by arbitration with suitable terms of reference and suitable provisions for the payment of sums found to be due.

Explaining the reasons which prompted Russia to veto the second part of the resolution, as mentioned earlier, Mr. Shepilov, the Soviet Foreign Minister, said that the creation of some international organ for the administration of the Canal would, in effect, cancel the legitimate act of the Egyptian Government in nationalising the Suez Canal; it would thus be incompatible with Egypt's sovereignty.

Some Western critics would, of course, assail the Russian decision stating that it amounts to treating the resolution like a curate's egg—good in parts. Nevertheless, there is no gainsaying the fact that the final formula embodies a certain measure of compromise by both sides. The Western powers have accepted Egypt's right to operate the Canal. Egypt, in its turn, has agreed that the Canal's operation should be insulated from the politics of any country. It has also agreed to settle by arbitration any dispute that may arise out of the operation of the Canal. All this indicates a considerable measure of advance by Egypt from its original stand. But it does not mean that the dispute has ended. Protracted negotiations will now have to start over the means by which the general principles, approved by the Security Council, can be best implemented. An early agreement could be reached if the Western powers do not import extraneous considerations into the dispute and refrain from using it as a means for re-establishing their political supremacy over the Middle East and North Africa. Indeed, the dispute would have been amicably settled by now if the Suez Canal had been treated as an economic asset instead of a political prize.

COAL STRIKE CALLED OFF

The deplorable situation which followed the declaration of strike by the colliery workers of Raniganj on 17th September 1956 has ended, thanks to the intervention of Dr. B. C. Roy, Chief Minister of West Bengal. After having held out for nearly a month, the 38,000 workers of 26 collieries in Raniganj resumed work on the 14th inst. This was in response to the call-off strike notice given by Mr. Deven Sen, President of the Colliery *Mazdoor* Congress, and other leaders, following Dr. Roy's assurance that he would do his best to see that the points raised by the Union would get the fullest consideration at the hands of the managements of colliery companies.

The colliery strike at Raniganj was not only illegal but also unjustified. It was illegal, because the strike had been called during the pendency of the Award of the All-India Industrial Tribunal (Colliery Disputes). It was unjustified, because the proper means of pressing any inadequacy in the Award lay in an appeal. What was worse, the workers were reported to have resorted to measures such as refusal to allow even safety men to work at various times throughout the strike period, particularly when there was serious flooding of pits.

Be that as it may, it is gratifying to note that wiser counsels have prevailed on the colliery labour at least now. It is noteworthy that the colliery owners have already accepted the improved wages and conditions of service considered reasonable by the Tribunal and, in fairness to labour, have even gone beyond the Award where anomalies existed. Several labour unions which have not accepted the Award as reasonable have appealed and these are currently being heard by the Labour Appellate Tribunal of India. As regards the workers' demands which lie outside the scope of the Award, namely, (a) resumption of free and concessional ration supply and (b) free housing, the unions will be well advised to defer them till the Appellate Tribunal gives its award.

G. A. T. T.

The Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.) commenced their eleventh session at Geneva on Thursday last week. The session is being held at a time which coincides with an outstanding development in the sphere of world trade. The development relates to the Macmillan Plan for associating Britain and the Commonwealth with the projected European free trade area. The Plan has aroused considerable interest, especially among the countries which are outside Europe; of the 35 nations which have signed the G.A.T.T., 20 are non-European countries. It is these countries which are deeply worried over the possible effect of the establishment of the free trade area on their trade with Europe. The chief question they are all asking is: If a large free trade zone is created in Europe, what will happen to the G.A.T.T. rule which says that advantages given to one member of the G.A.T.T. must be given to all?

The answer to the poser will, perhaps, be provided by the current session of the G.A.T.T. Incidentally, the session is expected to last till about the end of next month. The session, it is said, will set the stage for negotiations, at a later date, with the European free trade area now being studied in Paris by the O.E.E.C. and in Brussels by the European Coal and Steel Community. The Contracting Parties will endeavour to establish working relations between members of the G.A.T.T. and the countries concerned in the proposals for a free trade area. Disclosing this in the course of his opening remarks, Mr. Dana Wilgress, Chairman of the G.A.T.T., observed: "The effects of the proposals would extend to all countries which have a stake in international trade. A free trade area, or even a customs union, is clearly of close concern to the G.A.T.T. Contracting Parties as a whole."

The Geneva session of the G.A.T.T. is also expected to set the stage for general consultations on the problem of quantitative restrictions still maintained by the Governments of several countries, in order to protect their balance of payments. It is stated that as many as 20 countries, including Britain, continue to follow a policy of restricting certain foreign imports by means of quotas. The G.A.T.T. rules allow this only when a country is in financial difficulties. The dollar nations no doubt appreciate the need for such restrictions in certain countries, but they consider the quotas imposed by countries like Germany and the Netherlands unjustified. The U.S. is reported to be suggesting that the G.A.T.T. and the International Monetary Fund should carry out a country-by-country probe. And the indications are that the suggestion "will almost certainly be approved."

There are two other important items on the agenda of the Geneva session. First, Japan will report to the Contracting Parties on the refusal of 14 members to apply the most-favoured-nation treatment to it. Secondly, Switzerland has applied for some sort of associate membership "which would allow it to enter into tariff negotiations with the Contracting Parties pending a decision—this will not be sought at this session—on the agricultural waiver which the Swiss consider a prerequisite to their full-fledged adherence."

As regards the Organisation for Trade Co-operation, no progress can be expected at the Geneva session. For, since the U.S. Government has not pushed through the draft Bill (passed by the Ways and Means Committee of the House of Representatives) in a plenary session of the House, the Bill has now expired. The whole matter will, therefore, have to be taken up from scratch by the new Administration before the new Congress next year. Naturally, the U.S. delegation to the G.A.T.T. session will not assume any commitment on the subject.

In the course of his address, Mr. Dana Wilgress did well to focus attention on the slackness in trade between the industrial and non-industrial areas of the world, notwithstanding a rise of 60 per cent. in the total volume of world trade since 1948. He characterised as "alarming" the failure of most of the underdeveloped countries to enjoy a comparable share of increasing world prosperity. Surely, this failure is, as Mr. Wilgress pertinently declared, a direct challenge to the terms of the G.A.T.T. Charter which lays down that "members should conduct their trade so as to promote the progressive development of *all* the Contracting Parties."

A DIRECTOR'S REMUNERATION

A case involving the interpretation of the complicated provisions in the Companies Act relating to the remuneration of a director was decided by the Chief Justice of the Bombay High Court, Mr. M. C. Chagla, and Mr. Justice Desai. In the course of their judgment, which gave a judicial interpretation of such sections of the Act as Section 198, Section 309 and Section 348, their Lordships felt constrained to observe: "It seems to us unfortunate that a law (the new Companies Act, 1956) which is intended to help in the development of companies in our country and also to put down abuses which were noticed in the working of companies and especially in the institution of managing agency which is peculiar to our country should not have been couched in clear and more precise language."

The plaintiff in the case is a shareholder of Messrs. Jyoti Ltd., Baroda, while the defendants were: (1) Adnem Services, who are the managing agents of Jyoti Ltd., (2) Mr. Manubhai B. Amin, a director of Jyoti Ltd. and partner of Adnem Services, and (3) Messrs. Jyoti Ltd. Mr. Amin had been appointed technical adviser to Jyoti Ltd. on a salary of Rs. 3,000 per month. The chief question that came up for decision was whether Mr. Amin could validly receive a salary of Rs. 3,000 per month as a technical adviser to the Company when he was already receiving remuneration as a director of the Company and also as a partner in the managing agency firm. For deciding this question, their Lordships had to interpret Sections 309, 198 and 348 of the Companies Act. Briefly, Section 309(2) states that a director may receive remuneration either by way of a monthly payment or by way of a fee for each meeting attended or partly by the one way and partly by the other, while Section 309(3) states that a director may also receive a specified percentage of the net profits of the company, provided that such percentage does not exceed five for any one such director or, where there is more than one such director, ten for all of them put together. Their Lordships held that, under Section 309, a director might receive remuneration as a director and he could also get remuneration in a capacity other than that of director. Therefore, the defendant in the present case was permitted to receive the salary of Rs. 3,000 per month in his capacity as a technical adviser.

Their Lordships next referred to Section 198 which states that the remuneration payable by a public company, or a private company which is a subsidiary of a public company, to its directors, its managing agents or secretaries and treasurers shall not exceed 11 per cent. of the net profits of the company. The question was whether the amount of Rs. 3,000 paid to the defendant as a technical adviser and not as a director was included in the limit of 11 per cent. prescribed by the Act. In their Lordships' opinion, what was sought to be controlled by the Act was the cost of management and, therefore, what had to be considered was managerial remuneration and not remuneration paid for any other purpose. Accordingly, their Lordships held that the amount paid to the defendant in his capacity as a technical adviser should not be included in the 11 per cent. limit laid down in the Act.

Proceeding, their Lordships examined the relevance of Section 348 to the present case. This section provides that a company shall not pay to its managing agent "by way of remuneration, whether in respect of his services as managing agent or in any other capacity, any sum in excess of ten per cent. of the net profits of the company." Holding that this section applied to the present case, their Lordships stated that the defendant, who received remuneration as a partner in the managing agency firm and also Rs. 3,000 per month, could not receive in any capacity a sum exceeding ten per cent. of the net profits. In other words, the defendant was permitted to receive Rs. 3,000 per month as a technical adviser. It was held that this amount would not fall within the mischief of Section 309 and also it might not be taken into consideration for purposes of Section 198. But the amount (Rs. 3,000), was held, must be taken into consideration when it came to a question of limiting the remuneration of the managing agents (under Section 348) to ten per cent. of net profits.

DEPRECIATION BASIS

The question of allowing industries adequate depreciation on the basis of replacement cost, as against historical cost basis, is one that continues to be discussed. There is general agreement in principle that the rate of depreciation should be appropriate enough to give adequate incentive to the industry to undertake replacement and expansion programmes. Nevertheless, it has been difficult to persuade the taxation authorities to agree to the computation of depreciation on a replacement basis. But it cannot be denied that it is a more equitable basis than the present one, for replacement costs all over the world are considerably higher than the original cost of machinery, so that depreciation for plant and equipment provided on a historical basis is insufficient to finance their replacement. In these circumstances, the profits, struck after providing for depreciation on historical basis, do not give a true picture of a company's financial position.

In the U.K., one of the formest champions of the case for a revision of the historical cost basis of depreciation is Sir John Braithwaite, the Chairman of the Stock Exchange. He referred to this problem again recently while proposing the toast to "the Bankers and Merchants of the City of London and the health of the Governor of the Bank of England." Emphasising the reasonableness of the demand and urgency of the acceptance of the principle and its implementation, he recalled that, although the Royal Commission had accepted the truth of the proposition, it had "sheered away from making the recommendations that logically should have followed from it." He emphasised that the "figures—the statistics—of company profits should be realistic and true, and not artificial and false as they are at present."

Referring to the taxation aspect of the issue, he pointed out that so long as depreciation allowances were permitted for taxation purposes only on the historical cost basis, company profits would remain artificially inflated, and would appear greater than they really were. There is unquestionably considerable force in this argument. Again, it must be noted, in this connection, that much of the present-day labour demand for a share in reserves in a company's account books stems from an inadequate appreciation of the importance of these funds for purposes of replacement. Sir John recognised that the Government must have its revenue, though he hoped that it might be possible for it to lighten the burden on companies so as to enable them to finance their expansion plans. But Sir John pointed out that it mattered little to the Government when the amount of money it received from the industries by way of taxes on profits did not change, whether it got the same through a higher rate on smaller but truly computed profits or through a lower rate on artificially expanded profits. The gain, Sir John rightly argued, from substitution of the true method of computing profits for the false would be very great indeed.

In Britain, the principle of allowing a deduction for depreciation of assets before arriving at taxable profits goes back to the Customs and Inland Revenue Act of 1878; the deduction allowed is the actual cost of the asset. But, since then, much water has flowed under the bridge to call for a change. The most important of forces that have changed the picture, as Sir John said, has been inflation. Sir John recalled that Lord Waverley, when he was Chancellor of the Exchequer in 1945, recommended to the House of Commons a general proposition to the effect that the taxable profits of industry should be real profits in the sense that those profits should be struck only after making all the proper deductions and allowances—including adequate provision for the amortisation of money expended on assets which are used up in the process of profit-making.

Sir John, however, was not oblivious of the difficulties in implementing the reform. But he felt that the difficulties of computation would be ably circumvented by the companies and their advisers in a manner satisfactory to the revenue requirements of the Government and the progress of the companies, provided the authorities first agreed to the principle of the reform. Obviously, the matter is one of utmost importance not only to a country like Britain where industry is sufficiently advanced, but also to India which is on the threshold of great industrial progress. Not only commonsense and reason but also exigencies of the situation, such as the need for ensuring continued growth of the industry, warrant a reappraisal of the basis of depreciation.

POONA MILK SCHEME

The supply of cheap and pure milk in adequate quantities to the urban population has always been a major problem in this country. All State Governments are trying to augment production and supply of milk to the various towns situated within their territories. But Bombay may justly claim to have provided an excellent model in this field; its Aarey Milk Colony is undoubtedly one of the best of its kind in the world. Somewhat less known than the Aarey Colony (though it deserves to be equally well known) is the Poona Milk Scheme which handles about 6,000 lbs. every day. The Scheme is being expanded at a capital cost of Rs. 13.8 lakhs to handle about 25,000 lbs. of milk per day.

Laying the corner-stone of the Central Dairy of the Scheme on the 14th October, Mr. B. S. Hiray, Minister for Revenue and Agriculture, Bombay State, observed that, unlike the Aarey Milk Colony, the Poona Milk Scheme associated the rural areas with the supply of milk to the City. In Poona, the production of milk is decentralised, while the marketing centralised. Obviously, the chief advantage of such a scheme is that the cost of capital outlay is less than in a scheme of the Aarey type. The cost of production of milk also tends to be low and the villagers are themselves encouraged to take to dairying. Further, centralised marketing improves the lot of the farmers. Indeed, it would appear that the farmers in the neighbourhood of Poona City are very enthusiastic about the scheme. Along with the collection of milk, the staff of the dairy development section of the Department of Agriculture has introduced a number of measures in the villages to improve the lot of the cultivators-cum-producers of milk. One such measure is a scheme to encourage voluntary savings. The Government has made available to the producers veterinary and artificial insemination services by establishing a veterinary dispensary in the milk production area. It has also provided loans for the purchase of pumps and engines for cultivation of green fodder. It would be interesting to watch the effect of these measures on the average annual production of milk per animal. Mr. Hiray pointed out how such production for cow and buffalo was very low in India at about 413 lbs. and 1,100 lbs., respectively, as compared with 4,800 lbs. in Australia and 7,600 lbs. in the U.K.

The Minister stated that a Government Milk Scheme on these lines was being run at Hubli-Dharwar for quite a few years. Another scheme (at Karjat) on the Poona model for the benefit of the people of Thana was under consideration. He also revealed that, in the second Five-year Plan, the Government of Bombay would start schemes on the Poona pattern at Baroda, Nasik, Sholapur and Kolhapur and form a network of such schemes at other places, including smaller towns. In order to give a fillip to the co-operative milk unions, Government has decided to establish eight co-operative milk unions during the second Plan period. Each of these unions will be served by at least five societies and every union is expected to handle at least 4,000 pounds of milk per day. Clearly, if such schemes were implemented on a country-wide scale, it would lead to lower prices for milk and better intake and thereby help raise nutritional standards of Indian diet. There is great scope for such improvement, considering that the *per capita* daily consumption of milk in India, as Mr. Hiray himself pointed out, is deplorably low at 5.5 ozs., as against 15 ozs. required for balanced nutrition, 18 ozs. in the U.K. and 22 ozs. in the U.S.

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FINANCING HIGHER EDUCATION

Although education forms the base from which advancement in all directions emanate and is the *sine qua non* of progress in other fields, the thorny problem that confronts every nation is the question of financing this huge project. The provision of educational facilities calls for large investments. It is true that they will pay handsome "dividends" in due course. But, then, education is a long-dated investment. It is not surprising that no country has been able to solve the problem of educational finance completely. A State has to incur large expenditure on all sorts of diverse schemes of development and more often than not, its allocation for spreading education falls far short of the required amount. In these circumstances, the private sector can make a useful contribution to this type of industry, by supplementing the gap left by the State with its own resources. So far as this country is concerned, there has been no lack of educational charity. Recently, we made a reference (*vide Commerce* dated 4th August 1956) to a novel experiment, which combines business efficiency and philanthropy, that has been initiated by the authorities of the Canara Bank. Under this scheme, the Bank intends to finance the higher education of deserving candidates by providing funds from its own resources to the extent of five times the amount placed by a donor at the disposal of the Fund. The loan is repayable by the recipient scholar in instalments not later than one year after the completion of the course of his studies with a nominal 4 per cent. simple interest.

In this context, the report of a similar scheme sponsored in the State of Massachusetts, (U.S.), to help finance the college education of deserving students is bound to evoke interest in this country. It is stated that this project, believed to be the first of its kind in the U.S., would make it financially possible for thousands of students to attend college next year which otherwise they would not have been able to afford. Under the plan, loan money will be available to Massachusetts boys and girls to help them pay for their own education. The sponsors are engaged in establishing an organisation to be known as the Massachusetts Higher Education Assistance Corporation. The Corporation's board of directors includes Massachusetts Governor, Christian Herter and presidents of many of the State's banks, colleges and industries. They will raise a central Guarantee Fund from contributions and by sale of stocks, besides urging every bank in the State to co-operate in giving student scholarship loans at minimum interest rates. Any boy or girl who lives in Massachusetts and has successfully completed his freshman year at an approved college, technical school or any other institution of higher education will be eligible for loan help.

When a student has satisfactorily finished his first year, he will be able to borrow money from a bank for his further education—probably up to $1,000 a year for three more years. While in school, he will not have to make any payments on the loan. Repayments will start about six months after graduation. Plans are under way to make the programme applicable to further graduate study also. The programme may begin operating early next year. There is no estimate now of how many students will apply for loans, although much evidence of interest is reported. Mr. Elmer O. Cappers, President of the Corporation, says that the project "means that everybody shall be given a chance to a higher education."

It is to be earnestly hoped that the example set by the Canara Bank in our own country and that by the Massachusetts Corporation will be emulated by India's leading banks and industrialists, so that higher education, particularly technological education, would be within easy reach of a student of small means but reasonable ability.

DISCOVERY OF OIL WILL LEAD TO SAVING OF FOREIGN EXCHANGE

CANADA READY TO LEND A HELPING HAND

From A Special Correspondent

NEW DELHI, 16*th October*

DELHI LETTER

IN the battle for conservation of foreign exchange which has taken a new turn, consequent on the letter from the Chairman of the World Bank to the Indian Finance Minister, it will be a source of comfort for the Government and its officials to learn that the prospects for near self-sufficiency in mineral oils appear to be bright. The latest news from Assam is, indeed, really encouraging. In a recent speech, Mr. W. B. Metre, Senior Geologist of the Assam Oil Company, gave certain interesting information about the probable and proved oil resources in Assam. According to him, the resources in the Nahorkatiya area alone in Assam are sufficient to plan a production target of 2.5 million tons of oil per year, together with about 45 million cubic feet of gas per day, equivalent to about 0.6 million tons of fuel oil per annum, a large part of which could be utilised for industrialisation of Assam. Mr. Metre observed that the declining Digboi production was likely to average at 0.3 million tons per year during the next few years, but, on present estimates of other resources, one could expect to meet as much as 56 per cent. of the present crude consumption in the country estimated at 5 million tons. This will, indeed, be a substantial improvement on the present production which stands at only about 8 per cent. of the total consumption. He added that, even after allowing for increased consumption, one could count on meeting about 50 per cent. of India's requirements from the Nahorkatiya and Digboi fields.

What is more interesting is the fact that Mr. Metre is hopeful of the promise held out by other areas in the Assam Valley. In other words, the possibilities of producing more oil in Assam seem to be very encouraging. Now that we have already received the news that, in the Moran area, there have already been some successful locations of oil wells, the attention of the Government is all diverted to exploring this field more thoroughly and comprehensively.

Encouraging Picture

It will be worth mentioning here that the present rate of consumption of oil in India is in the neighbourhood of 4.3 million tons. And it is estimated that, by the end of the second Five-year Plan, that is, by 1960-61, consumption will go up to about 7 million tons as a result of increased industrialisation of the country. In case Assam itself is able to supply about 4 million tons of oil per annum, which is not an overestimate taking into consideration the recent encouraging prospects, India's dependence on imports of oil from foreign countries will be considerably reduced. Enquiries made in responsible Government departments indicate that the Government of India will be giving a very high order of priority for accelerating the work of producing oil from the wells and also for refining it, since this will surely enable the Government to conserve its foreign exchange resources substantially to the extent that it is able to produce oil internally as quickly as possible. As matters stand at present, the Government is not likely to lessen the efforts that are being taken to explore and dig oil in other parts of India also as, for instance, in the Jwalamukhi area in the Punjab and elsewhere.

Mr. Metre is also not presenting any discouraging picture in regard to the location of oil in other areas in the country. On the other hand, he is of the view that several large alluvial areas in the country, especially parts of West Bengal, the extensive Gangetic valley and the alluvial tracts of Rajasthan, Surashtra, etc., are also known to be capable of yielding oil. The existence of oil in these exposed areas is suspected by the Oil and Natural Gas Commission which has carried out very systematic and extensive geological and geophysical surveys in these areas; drilling operations in some of those tracts are already in progress.

Another interesting feature of Mr. Metre's speech is his robust optimism about the success that is likely to be achieved by the Government in its efforts to find more oil in the country. In this connection he observed that "our present aim is to attain or to approach self-sufficiency in petrolum for the entire country and to effect a large saving of foreign exchange. Until we find oil to meet the country's requirements and unless much more drilling is done—and we hope to do this in the next two or three years—we cannot say whether oil is present in other areas. But I can assure you that, if the oil is there, we shall find it."

It will also be remembered that, recently, the Government of India appointed a Commission for determining the location of the site for setting up an oil refinery in the country, particularly between West Bengal and Assam. Although it may take some time for this Commission to make its final recommendations, the Government should be very careful to see that the country's interests as a whole are fully safeguarded. In other words, whatever may be the decision of the Commission, the progress of the contemplated oil refinery project should not be delayed or retarded on account of any inter-State rivalry that might arise between the Governments of West Bengal and Assam in claiming the location of the refinery within their respective confines. The project is vital, as it involves the question of very valuable foreign exchange, and therefore the sooner it is accomplished the better for the country as a whole.

Canada to Help

Mr. Keshav Dev Malaviya, Minister for Natural Resources and Scientific Research, should also be congratulated for his continuous efforts at exploring oil in the country along with other minerals. He has just returned from Canada, where he had been on a tour with a view to investigating possibilities of seeking Canadian technical help for oil exploration in India. Mr. Malaviya's firsthand impressions are very promising and hopeful. It appears that Canada, which has attained a high degree of proficiency in the art of discovering mineral oil, has expressed its keen desire to help India in speeding up oil exploration and drilling. In fact, it is understood to have agreed to help India in conducting aerial surveys for exploring oil resources, by using its highly developed technique for this survey. This readiness on the part of Canada reflects its goodwill towards India. Only the formalities remain to be completed for inviting a Canadian technical team to India for such survey. According to Mr. Malaviya, the "U.S. Government also is very sympathetic to India's oil exploration programme."

If things go according to schedule, as there is every reason to believe so, the Rs. 30-crore scheme for exploration of mineral oil during the second Five-year Plan period, prepared by the Ministry of Natural Resources and Scientific Research, will be not only fully implemented but substantially exceeded. Because this field offers a rich and substantial source of foreign exchange conservation, it should be given a high priority in India's development plans. India is at present importing mineral oil at the rate of about Rs. 75 crores per year. With the estimated increase in India's oil consumption to about 7 million tons a year in the next few years, if India could produce the requisite oil internally, then it would be in a position to save at least foreign exchange worth about Rs. 120 crores, if not more, per annum. And this is a substantial amount.

Other Avenues

Apart from oil, the Government of India is also very keen on exploring fresh avenues of saving foreign exchange resources. The Government is now determined to effect as much savings as possible in foreign exchange. And, for this purpose, the Government is concentrating on the production of such goods that would be in a position to effect this saving. Mention has already been made in these columns on an earlier occasion that the Government of India is very anxious to increase the pace of progress regarding machine-building industry in the country and that its efforts are particularly directed to see as to how this could be accelerated. The recent efforts at setting up forge-foundry projects should be taken in that light.

In another direction, too, the Government is concentrating on enlarging its sphere of production. For instance, in the case of dyestuffs, efforts are now being made to set up this industry, particularly by manufacturing intermediates within the country. The National Industrial Development Corporation has already prepared a project costing about Rs. 18 crores and the plan is being put through as quickly as possible. A number of details yet remain to be settled, particularly in regard to whether there should be only one plant for the manufacture of primary intermediates or whether production of these should be distributed between two units. In a similar manner, the question whether both the units should be central ones or only one has to be central, still remains to be settled. It appears that the ministry concerned is keen on coming to a final decision very soon, so that work on the project would not suffer any delay.

Dyestuffs

A contributory factor for this sense of urgency is the fact that India, which imports dyestuffs from abroad, is keen to save foreign exchange as much as possible. Imports of dyestuffs into the country have been steadily on the increase, standing at present at a value of Rs. 15 crores a year. This figure is bound to go up substantially with the rapid development of industries, particularly of the manufacture of paints and varnishes, not to mention cotton textiles. It is estimated that consumption of dyestuffs will go up to 10,000 tons valued at Rs. 30 crores.

The Government has already decided that, although India cannot completely cut off imports, still such imports should be confined only to the absolutely necessary ones and that too to the irreducibly minimum quantities. The bulk of the requirements should be produced indigenously. The pace at which the Government has been approaching this question shows that the authorities are fully seized of the problem and that they want to achieve the desired objective almost on a war footing. A number of industrial units have already been given licences in the last few years for the manufacture of dyestuff. But most of their schemes are dependent on imported penultimates and only in quite a few cases they are known to have started manufacturing, in small quantities, dyes from complex intermediates.

It is the firm opinion of the Government that many of the important, complex and latest intermediates can be developed easily and with great advantage to the country by factories which undertake their final processing into finished dyes or other products. At the same time, it is thought desirable also to produce some of the most important primary intermediates on a centralised basis, because capacity for these intermediates is related not to the production programme of a single unit, but intended to meet the demands of a number of industries throughout the country. It has therefore been decided that the National Industrial Development Corporation, which is a private limited company owned entirely by the Government of India, should set up central capacity to produce the primary intermediates.

The Government has already obtained a detailed technical report covering the whole field from an Italian firm. It has also received reports from German technical experts and the I.C.I. of the United Kingdom. In addition to all these, a group of Indian technologists, too, has worked out the basis and requirements and potentialities of producing the primary intermediaries indigenously, and submitted its report to the Government. The Government is now busy studying and examining all these reports. Although it is natural that their approaches differ in many ways, there is a large area of basic agreement between them on fundamental issues, the most important of these being the point that there is ample scope and urgent need for developing the dyestuff industry in India on sound lines. The Government attaches greatest importance to the early development of this vital industry in the country and is of the view that its development should not depend on imported intermediates but, as far as possible, on intermediates manufactured in India. It feels, that the demand for the intermediates should be assessed not merely on the basis of production plans for the dyestuff industry but also on the basis of development in other allied fields like drugs, plastics and explosives.

LONDON LETTERS

LEFT-WHEEL TOGETHER

From Our Own Correspondent

LONDON, 5*th October*

"THE Labour Party" wrote the Editor of *The Times* on Wednesday of this week "has picked up the scent of office." It was the day following the party's annual conference at Blackpool, when Mr. Aneurin Bevan was elected Treasurer by a substantial majority. A year ago, when Mr. Gaitskell won office as leader of the party, he was leader of a divided party, a party in which the right dominated an uneasy left, a party which could not see its way clear to rouse any enthusiasm among its own followers, let alone the electorate. Then, three months ago, Mr. Gaitskell announced that "equality" was to be the signpost which the party was to follow in the years ahead, and your correspondent, commenting on this and on the general lack of a sense of purpose in the Labour Party, suggested that the real issue before the Labour Party was not that of equality, or any other slogan, but whether it was to be dynamic or stodgy—whether it was to have any appeal which might make it the leader of the nation, or whether its only hope of office was to rely on the mistakes of its opponents.

Now this year's conference, though it has found no new slogans, oddly enough no policy more new than that which has been slowly formed over the past few months, has, however, achieved dynamism and it has achieved this through cohesion, through a fusion of left and right, a fusion which, comparable to that in an atomic reaction, has released a flood of energy in the movement which has made it possible to say that the party "has picked up the scent of office"! This is inevitably an event of economic as well as political significance for the nation.

Since Mr. Gaitskell became Leader of the Opposition, he and his right-wing supporters have, in the name of economic realism, been moving away from the old slogans of the Socialist movement, such as nationalisation and a transfer of economic power from capitalists to the body public. Mr. Gaitskell has tried to tell the nation that a system of financial and physical controls is the key to greater prosperity and that the doctrine of equality in education, in incomes and taxation, is the way in which everyone will share in the greater prosperity. Broadly, the policy of the leadership has been like that of the old Liberal Party, reform rather than revolution.

But Mr. Gaitskell was leader on the authority of the Trade Unions, and he knew that the terms of his leadership meant that, when the industrial battles had to be fought, he would have to fight them on terms which the ordinary wage earner understood. And always on the left, in apparent reconciliation to his leadership, was the figure of Mr. Bevan. The real change that has taken place in recent months has been the swing of the Trade Union movement more and more leftwards, as personified in the leadership of the largest union of all, the Transport and General Workers. Yet that union, though becoming more militant, did not support Mr. Bevan in his bid for the Treasuryship of the party, the post next in importance to that of the Leader. So Mr. Bevan's victory in this election has been one against formidable odds, not excluding his own past mistaken tactics. The weight of the Trade Union movement was thrown against him but he is the darling of the Constituency Parties, the rank and file members of the movement organised outside the unions. The overwhelming support of the constituencies, plus the support of many of the unions, has thus established the leader of the left next in position to that of the right! When Mr. Attlee, as he then was, stepped down from the leadership of the Labour Party, your correspondent asked whether Mr. Gaitskell and Mr. Bevan were big enough to sit down together to lead the party. The answer then was negative, the two men fought each other. The answer this year has been given by the party itself which has established the two men in effect as joint leaders, and has declared unmistakably its decision that left and right must work together! The fact that the block votes of the big unions were not cast for Mr. Bevan is much less important than the fact that the temper of these unions has moved leftwards. Mr. Gaitskell is now the leader of a party which has wheeled away to the left, and he has noted the enthusiasm with which this movement has been marked. The whole Labour movement now feels it knows where it is going, that it has a general policy which it can enthusiastically put to the electorate who will in time be asked to vote for a united party, with a message to interest the working mass of the electorate. Now a substantial economic policy remains to be forged.—*All Rights Reserved.*

PLATEAU OR TIGHTROPE?

From Our Own Correspondent

LONDON, 12*th October*

SO Mr. Macmillan, the Chancellor of the Exchequer, is still on his plateau—as he told the assembled bankers and Commonwealth Finance Ministers at the annual Mansion House Dinner on Tuesday. He has been pleased to find that the surplus on the balance of payments for the first half of 1956 is £144 million, instead of the £100 million he forecast. Indeed, if the pace could have been kept up till the end of the year, the surplus would reach the £300 million mark which successive Chancellors appear to have adopted as their target. But, alas! Inevitably the trade figures for the third quarter do not make such good showing: the *average* gap between imports (f.o.b.) and exports (c.i.f.) having widened from £51 million per month in the first six months to £57 million per month for July/September. But this sort of movement is an annual phenomenon—so too much attention need not be given to the fact that the balance has worsened steadily in each month from July. More hopeful is the fact that, even though the average for this last quarter is £57 million, that for the corresponding quarter a year ago was £74 million.

What then of the gold loss in the third quarter?—The loss of £20 million which partly offset the £95 million accrued between January and June and which would have been much greater had the Trinidad Oilfields sale not been made? There is only one answer—Suez and the flight of short-term funds and bear pressure against sterling. Mr. Macmillan, high priest of a tough policy over Suez, did not refer to this.

And where has this year's improvement come from? Exports, said the Chancellor "are expanding at the annual rate of about six per cent. in volume and about 10 per cent. in value" and in cash they brought in some £160 million more the first half of 1956 than in the first half of 1955. Imports remain obstinately high in spite of the credit squeeze and Mr. Macmillan says we must not relax—the squeeze is necessary to keep them where they are. The Governor of the Bank of England speaking for most of his colleagues, does not take this view. He does not like Mr. Macmillan's complete reliance on keeping money tight—starving business of credit, while Government expenditure plunges ahead. The Chancellor, on the other hand, maintains that economies are continuously being made and that, so far, the fiscal year has shown payments kept within the bounds of budget estimates. Again, he conveniently forgets the mounting bill for his Suez policy.

On inflation, Mr. Macmillan commented that prices and, indeed, wages were running much more evenly this year and the steady rise had slowed down. Public confidence appeared to have increased as National Savings at nearly £30 million for the first half-year were the highest for any similar period since 1948. So he talks of a plateau having been reached. But the banker's revolt is growing—against his methods, not his objectives, for they too believe the economy is overstrained—and there is nothing of the broad assurance of a plateau about the situation in which the Chancellor finds himself and which he has in part had to discuss with his Commonwealth colleagues. He is more like a man on a tightrope—balancing to avoid the abyss below him and straining to reach the security of his destination. A false move and he sways precariously—will his methods carry him through?

Of his talks with the Finance Ministers, he said: "The pace of economic development is quickening. So we must expect some drawing down of the great accumulated (sterling) reserves. They will be used to finance the ambitious plans of Commonwealth social and industrial progress . . . all this puts a heavy burden and responsibility upon the old country to increase its external surplus. It also requires mutual consultation and mutual adjustment of policies, so that the overall balance of the sterling area, trade is put on a sound footing . . . of course the (gold) reserves are too low." And, in that last sentence, he revealed his whole problem and the delicacy of his (and this country's) tightrope act. And, then, suddenly he linked hands with his political opponents when he said: "The shifting of our resources from production for the home market to production for export is essential and must continue." But the Chancellor was at dinner and not in Parliament so nobody asked him how he proposed to do it. —*All Rights Reserved.*

AMERICAN LETTER

ELECTION CAMPAIGN WELL UNDER WAY

From Our Own Correspondent

NEW YORK, 11*th October*

THREE major issues are the centre of American domestic attention. They are the Presidential election campaign, rising interest rates and the Suez Canal crisis.

The fight for votes is getting under way at the present time. President Eisenhower and his opponent Adlai Stevenson are taking their sides of the question into the countryside in approved American fashion and the arguments become rougher as the time of the election approaches.

The Democrats represented by Mr. Stevenson really have very few issues. The war in Korea has been stopped. Employment, income and production is at top levels. The main criticism is that the Republicans favour big, instead of small business, that the Democratic party is the party of the "people" and the Republicans are plutocrats.

President Eisenhower so far has paid a lot of attention to the farmers. Farm prices have declined for a number of years. The trend was reversed recently. However, the Democratic opposition has been trying to make capital out of the allegation that the farmer, relatively speaking, has been worse off than he was two or three decades ago. This is not quite supportable, but figures and statistics can always be twisted.

At this writing, President Eisenhower still holds an edge over Mr. Stevenson. His popularity is undiminished. His health is restored and he is determined to stand on the record of his Administration, based on peace and prosperity.

A balanced internal budget of the Washington Government is another important subject, most observers believe. It has been achieved and the prospects are that this year's budget surplus will be even larger than it was in the last fiscal year ended 30th June. Curtailment of expenditures and wise monetary management otherwise have had a lot to do with this showing.

Harder Money Policy

The wisdom of the harder money policy of the Administration or the lack of wisdom is still being debated hotly. It is a campaign issue. The Republicans insist it is the policy to follow. The Democrats want easier money and would not mind if the flood-gates of inflation were opened again.

During the Eisenhower Administration, inflationary influences have been more or less confined to the economic impact of higher wages and somewhat higher prices. Higher interest rates have been beneficial to corporation and bank earnings. They have not seriously impeded the new issue markets which play an important part in the expansionary economy of the United States. With rising yields, bond prices naturally have been declining and equity prices likewise have taken a more cautionary attitude.

If Mr. Stevenson should be elected, tight money policies are likely to be abandoned. Bond prices would go up again and the upward spiral would also make itself felt in other directions. What is too high or too low, has yet to be determined. The so-called man-in-the-street here has yet to become inflation-conscious. He thinks in terms of the dollars he earns rather than about purchasing power. Somewhat typical of that is the attitude of the average buyer of an automobile and most Americans are.

The question is seldom raised what the overall cost of the car is. Most purchasers inquire merely how much their monthly payments would be and for how long. This has a meaning to them in terms of their income which has taken the place of capital. In the American conception of ever greater production, capital so far as individuals are concerned in most instances means an increasing equity in a house, insurance policies and savings.

The controversy as to whether interest rates are too high or too low is somewhat relative. As compared with other countries, the United States still has one of the lowest rates in the world owing to the rapid accumulation of savings. Supply and demand in the money markets has mostly been in near balance, except for the usual fluctuations which occur normally.

(*Continued on page 785*)

U.K.'S BATTLE AGAINST INFLATION

COMING MONTHS CRUCIAL—LIMITATIONS OF MONETARY WEAPONS

DURING the first half of the current financial year, Britain's economy showed signs of increasing financial stability internally and improved balance of payments position externally. Monetary policy has been found to be increasingly effective since April 1955, and the battle against inflation has produced substantial results, though it has not yet been completely won. While the upward trend in retail prices has been brought under control, there has been a growing realisation that, unless wages and salaries, which form so large a part of the costs, are also effectively kept under control, real price stability will not have been attained. The rising trend of imports has been checked and exports stimulated, resulting in a substantial improvement in the balance of payments position. There is, however, a growing need to step up the savings at home and exports abroad, in order to free real resources for investment. This is particularly important, in view of the tempo of development in the sterling area and the possibilities of withdrawal of the accumulated resources to a certain extent to finance the ambitious plans of social and industrial development in some of the countries belonging to this area.

In the recent past, instead of drawing down their balances in London, most of the sterling area countries contributed to an increase in such balances through surpluses on their external trade. The coming months are, therefore, rightly termed by financial commentators in London as "crucial." The fields of industrial costs and public finance are, again, regarded as the determining ground. Accordingly, increasing emphasis is laid on the need for the banking system to hold fast to the present policies and help stabilise the situation, though it is recognised that the scope for application of monetary weapons is limited and that their efficacy should not be over-rated in the present conditions.

Monetary Policy

The occasion for taking stock of Britain's economic position arose, as usual, at the annual banquet given by the Lord Mayor of London to the bankers and merchants of the city. At this function, Mr. Harold Macmillan, Chancellor of the Exchequer, and Mr. C. F. Cobbold, Governor of the Bank of England, gave a half-yearly review of the economic and financial conditions of Britain. In their references to monetary policy, both the speakers recognised the limitations of this policy in the present conditions. Indeed, the Chancellor admitted that all the problems could not be solved by monetary instruments alone. He observed: "There is, in practice if not in theory, a limit beyond which the rate of money could not be driven. Nor is it as efficacious today over as wide a field as in the past."

The Governor of the Bank of England devoted his talk mainly to monetary policy and brought out its positive effects. Answering the critics of this policy, he remarked: "Controversy has centred both on the technical machinery and on the general effects. To take first our mechanics, doubts have been expressed whether our technical arrangements are up-to-date. There is no advantage in sticking to old arrangements merely for the sake of tradition. But equally we see no advantage in changing arrangements which work well, unless we are sure that change would be for the better." The object of Britain's monetary policy is to curtail spending and encourage saving by making money both dear and scarce. Money was made costly by pushing up the interest rates; it was made scarce by constriction of bank credit rapidly and substantially, restrictions on hire-purchase and control of capital issues.

As a result of these measures, and the co-operation extended by the banking system, the position improved considerably as reflected by bank advances. These bank advances, according to Mr. Cobbold, remained remarkably stable. To quote him:

"The spotlight has been on the movement of bank advances. In the five years since we began to operate a more flexible monetary policy, inflation has not in this country been fed by any run-away increase in total advances. Over the period, and against a background of rising prices and strong demand for money, the level has remained remarkably steady. In fact, the total of clearing bank advances is now slightly lower than it was just five years ago—a very different experience from that in, for example, the United States or Germany.

"Twice—once at the beginning of this period and again in the spring of 1955—signs emerged of an undesirable increase. Both times, by a combination of technical measures and of co-operation between the authorities and the banking system, the movement was held and reversed."

Deposits And Government Borrowings

But Mr. Cobbold pointed out that the level of advances was not the only important index. The level of deposits, too, was important. This level was influenced by the form and extent of Government borrowings. The danger was great when such borrowings consisted mainly of floating debt. The objective of monetary authorities was, therefore, to keep the floating debt down to the minimum manageable size. But it had not been always possible to match the total requirements of Government and the public bodies by the sale of long-term securities. Occasions arose when floating debt had at times become excessive; bank deposits rose too high; and technical pressures became more difficult to maintain. This situation arose early this year when the authorities had to choose between two broad alternative courses. Either they had to press on with measures to reduce the creation of new short-term debt and to fund existing short-term debt—by economies, a savings drive and a general funding programme. Or they had to accept that this could not be achieved and to introduce new techniques—for example, an enforced and movable liquidity ratio.

Endorsing the decision taken by the Government to choose the former course, Mr. Cobbold observed:

"The great merit of the existing technical arrangement is that it rings two different warning bells. When Government borrowing is in hand but bank advances are increasing too fast, the liquidity ratio rings a bell of warning to the banks, as in the first part of 1955.

"When bank advances are in hand but Government short-term borrowing is mounting dangerously, it rings a bell of warning to Government, as it did most properly in the latter part of last year. A mandatory increase in the liquidity ratio, by forcing the banking system to hold more Treasury bills, would work in absolute contradiction with a policy of funding and reducing bank lending to the Government."

Turning to the general contribution of the present monetary policy to the fight against inflation, the Governor felt that an appraisal was difficult and must be a matter of opinion. He, however, ventured to state that, after a slow start, it had been increasingly effective since about April 1955. He felt that, in the summer and autumn of last year, its effects were mainly negative, in the sense that, without a credit squeeze and an increase in interest rates, consumption and investment demand would have soared, and prices would have risen higher, resulting in much more serious balance of payments difficulties. After the turn of the year, more positive effects were being witnessed slowly but steadily. He further remarked in this connection: "The economy is still overstrained but rather less than some months ago—the tempo has not increased and seems to be diminishing a little. The battle against inflation has been effectively joined, but it is certainly not yet won. The coming months are crucial. The determining events lie in the fields of industrial costs and public finance, but the banking system can help by holding fast to present policies. There is no room for any letting up."

As to the future, he pointed out that no commitment had been given to anybody about the future course of Bank rate; as usual, it would be reviewed from time to time and changes made as circumstances warranted. "But we shall obviously feel more comfortable," he added, "when circumstances justify a somewhat lower pattern of short-term interest rates."

Role of Credit Squeeze

Discussing further the role of the credit squeeze, Mr. Cobbold emphasised that it was a necessary brake which should be applied when consumption and investment were running too fast. He warned, however, that it should not be envisaged as a long-term measure of offsetting "other inflationary forces." Elucidating this point, he said:

"You cannot drive the economic machine with one foot on the accelerator of public expenditure and the other on the brake of credit restriction. As soon as the speed of the machine is under control, the brake should be taken off and kept for emergency use. An indefinite period of severe credit restriction, whether by persuasion, by present technical methods or by newly-devised techniques, would starve the economy and, by inhibiting free competition among the banks, would prejudice both their efficiency and their services to public."

Proceeding, Mr. Cobbold reminded his audience that the conditions since the years before 1930 had greatly changed. The compass of monetary policy had been greatly affected "by the growth of Government's share of total economy, by high taxation, by exchange controls, and, not least, by political and social developments of the past 25 years." Outlining the functions of monetary authority in these changed circumstances, Mr. Cobbold observed:

"In particular, we must seek to carry public opinion with us in understanding and approval of what we are trying to do. The jargon and technique of monetary control are complicated and obscure. The objective is simple. Our task is, as the Chairman of the Federal Reserve Board has put it, to lean against the wind. When more is being spent on consumption and investment than the country can afford, our duty is to try, by making money more difficult and more expensive to borrow and by making interest rates on savings more attractive, to encourage people to spend less and save more."

High Interest Rates

He clarified the purpose of high interest rates by saying that the use of high interest rates and credit restrictions was being directed not to cause unemployment or reduction in the standard of living, but wholly towards avoiding the disastrous conditions to the common man which alternating boom and slump produced.

Among other notable developments in the field of British finance, the success of the National Savings Campaign was remarkable. According to Mr. Macmillan, the receipts from National Savings, excluding Defence Bond redemptions, amounted to over £29 million, the best result for the half-year since 1948. Apparently, the income-tax exemption for the first £15 of interest on Post Office and Trustee Savings Bank deposits had given great encouragement to savings. In addition, the savings arsenal was stocked with what was called a "new and less orthodox missile"—the Premium Savings Bond. This is expected to give considerable fillip to the savings drive. Evidently, as a reply to the critics of this instrument of borrowing by the State, the Chancellor said: "Please be kind to the Premium Bonds. If it really be a temptation, pray yield to it."

Alluding to the developments in the sphere of balance of payments, the Chancellor said that, while imports were checked and their value stood slightly less than in the second half of 1955, though slightly more than in the corresponding half of 1955, exports were as much as £160 million more than in the last half of 1955 and nearly £170 million larger than in the first half of 1955. That meant, according to Mr. Macmillan, expansion of exports at the annual rate of about 6 per cent. in terms of volume and about 10 per cent. in term of value. Moreover, improvement was also witnessed in the balance of invisible transactions and the terms of trade had been favourable to the U.K. As a result, the surplus in the first half of the current year was estimated to be as much as £144 million, as against only £100 million expected in July. He, however, warned the nation against relaxation, and stressed that there was need to increase the exports in order to be able to finance overseas capital commitments, that is, both to pay past debts and to maintain the U.K.'s contribution to the development of the Commonwealth. In this connection, he observed:

"The halt in the growth of imports is due partly to reduction in some stocks and partly to a slackening in the rate of increase of production. As production increases, so will the demand for imports. More exports will, therefore, be necessary to pay for them. Nor must we forget the need to finance our overseas capital commitments, both to repay past debts and to maintain our contribution to the development of the Commonwealth and our place in the oil industry.

"All this can only be done, if our savings at home and our exports abroad continue to grow and to free real resources for investment. For, although many worthy people seem quite unconscious of so obvious a fact, it is still true that you cannot invest a deficit."

Sterling Area

Turning to the sterling area, the Chancellor pointed out that the pace of development in the area required some drawing down of the accumulating reserves to finance the ambitious plans of social and industrial progress. This meant, he averred, greater burden on the U.K. and called for mutual consultation and adjustment of policies among the sterling area countries, so that the overall balance of the sterling area could be put on a sound footing with the rest of the world. Viewed in this light, the reserves, although they increased during the last six months by £95 million, were too low. But the position was not too bad, he felt, so long as the sterling area maintained balance with the non-sterling world.

Indicating the progress made by Britain in fighting inflation in more specific terms, Mr. Macmillan pointed out that the boom had been checked. Personal consumption was running very little above last year's level, and there was evidence of people saving more. Moreover, the business community had grown more cautious in planning expansions. Again, total demand had not risen much over last year's level, and home production and imports had remained stable. Since the spring, there had been a welcome stability in the price level; retail prices in August were, in fact, a little lower than in April last. He did not expect them to go much higher in the coming months.

All this does not mean that Britain has achieved economic equilibrium. Far from it. The most important problem still facing it is one of "shifting its resources from production for the home market to production for export." The Chancellor, therefore, emphasised the need for making the exports competitive in price as well as quality. But he did not say how this need could be fulfilled.

Both in Britain and outside, there is a growing impression that the Suez dispute has already inflicted a severe strain on the U.K.'s economy. Mr. Macmillan's comment on this question was: "So far, neither military expenditure which we have incurred nor the degree of disturbance to shipping have had a significant effect on our economy. Nevertheless, on the outcome of this affair, our life and that of all Western Europe may well depend." The consensus of opinion is that the Chancellor has understated the economic effects of the Suez dispute, as will be seen from the despatch of our London Correspondent appearing on an earlier page.

U.K.'S FOREIGN INVESTMENTS

Although Britain has all the qualifications to make it a successful exporter of capital—specialised institutions, financial connections, and long experience—it continues to have a dwindling share in international investments both within and outside the sterling area. For instance, British capital exports, which in 1913 were the equivalent of about £800 million at today's prices, have averaged, in the last three years, about £60 million a year, whereas, over the whole of the post-war period, it has been substantially negative. The reason is not far to seek. Though the U.K. enjoys several advantages which can make it a capital-exporting nation, it lacks the crucial thing, that is, investible surplus resources.

This may seem surprising to some, in the light of the fact that Britain's real national income today is probably more than 25 per cent. above the pre-war level and as much as 70 per cent. higher than in 1913. But its inability to supply, out of its own resources, more than a fraction of the capital needs of at least even those countries which are accustomed to look to it for finance, is attributable to its excessive pre-occupation with the maintenance of full or near full employment at home and its striving after the attainment of the goal of the Beveridgian welfare state, namely, providing for its citizens social security from the cradle to the grave. This, coupled with its large expenditure on armaments, makes it difficult for Britain to secure a balance of payments surplus which it must have in order to maintain its position as a great financial power.

Whatever the reasons, the fact remains that the downward trend in Britain's overseas investment is gathering fresh momentum. This is the conclusion that emerges from a study of the figures supplied by the Balance of Payments White Paper published on 10th October. In the first half of 1956, according to provisional estimates made by the White Paper, the outflow of capital by way of commercial long-term investment in the rest of the sterling area was £25 million, as compared with £100 million in the whole of 1955, £175 million in 1954 and £150 million in 1953. Net long-term investment by the U.K. in the rest of the world, including the sterling area, was £50 million for the first half of 1956, as compared with £125 million in 1955 as a whole, £200 million in 1954 and £175 million in 1953. This fall in the rate of overseas investment may appear intriguing in the context of an improvement in the balance of payments during the period. But this is partly the result of the credit squeeze in the U.K. which makes it difficult and expensive for loans to be raised in London.

WORLD BANK LOAN TO THAILAND

The World Bank has given a loan of $3.4 million to the Port Authority of Thailand to finance the purchase of three dredges, and auxiliary equipment, to be operated in the channel leading to the Port of Bangkok and in the harbour.

The First National City Bank of New York is participating in the loan, without the World Bank's guarantee, to the extent of $184,000 representing the first two maturities falling due August 1958 and February 1959.

This is the second loan made by the Bank for the development of the Port of Bangkok. A part of a $4.4 million loan made to the Government in 1950 was used to deepen and widen a channel through a sandbar at the mouth of the Chao Phya River. The channel was completed in January 1954, and now ocean-going vessels of up to 10,000 deadweight tons are able to reach the port. The savings in handling costs and lighterage fees are substantial—an important factor in the Thai economy since Bangkok handles the bulk of Thailand's foreign trade.

It is essential that the Port Authority have adequate dredging equipment to maintain sufficient depth of water in the bar channel and in the harbour. Orders for the equipment financed by the Bank were placed on the basis of international bidding; one of the dredges is already in operation and the others will be delivered in late 1957.

The Government established the Port Authority of Thailand as an autonomous agency in 1951 and in the past five years the Authority has considerably improved port operations. The Port Authority will itself carry out dredging in the harbour, and has engaged foreign contractors to carry out the dredging in the bar channel for the next two years. The contractors will train Thai personnel in dredging operations so that the work may be taken over by the Thais as soon as practicable.

The Bank's loan which was sanctioned on 12th October 1956, is for a term of 15 years and bears interest at 4½ per cent. including the 1 per cent. commission charged by the Bank. The loan is guaranteed by the Kingdom of Thailand.

The Bank has now made five loans totalling $40.8 million in Thailand. In addition to $7.8 million for the Port of Bangkok, $15 million was lent for rehabilitation of the railroads and $18 million for the irrigation of the Central Plain.

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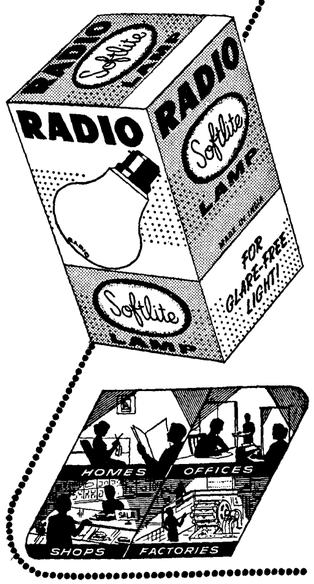

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TWA/Q/70

SILK UNDER SECOND FIVE-YEAR PLAN

COMPREHENSIVE PROGRAMME OF DEVELOPMENT

A COMPREHENSIVE programme of development for the silk industry is expected to be launched during the second Five-year Plan. The programme covers all the different sectors of the industry, including raw silk production, spinning and weaving, and marketing. It envisages improvement of mulberry, better silk-worm seed supply and organisation, development of silk reeling, utilisation of by-products, development of non-mulberry silk industry, co-operative marketing and testing, sericultural research and education, and stabilisation of prices. Special priority has been accorded to the need for improving quality, reducing cost and augmenting production of raw silk. The implementation of the programme is estimated to involve a capital outlay of Rs. 5.0 crores, excluding Rs. 1·5 crores provided for the silk weaving sector. The total outlay on silk and sericulture thus comes to Rs. 6.5 crores, which represents an increase of as much as Rs. 5.2 crores as compared with the amount actually spent under the first Plan. The bulk outlay of Rs. 5 crores on sericulture—amounting to Rs. 4.8 crores—is accounted for by States, the share of the Centre being Rs. 20 lakhs, which will be spent mainly on schemes confined to general co-ordination and all-India research centres.

It will be seen from the foregoing brief account that stress is laid more on the primary stage of the silk economy—that is, sericulture—than on the secondary stage—that is, manufacture of silk fabrics. This is only as it should be, considering that sericulture has, as the Planning Commission says, a high employment potential and provides supplementary occupation to a large number of rural families. The sericulture industry is estimated to support nearly five million persons in its different sectors. At the end of the second Plan period, it is hoped that the industry will absorb about 60,000 persons more. Schemes for the improvement and development of mulberry, as well as non-mulberry, silk were in operation during the first Plan period, but, in all directions, a larger effort is envisaged in the second Plan.

Mulberry Silk

As regards mulberry silk, an important item in the development programme relates to the reduction in costs of cultivation of mulberry leaf through substitution of existing mulberry with higher-yielding grafts in both rainfed and irrigated areas, evolving of new varieties of mulberry of higher yield, and improvement in cultivation methods, manuring, etc. These and other measures for bringing about improvement in mulberry and cocoons will be supplemented by steps to modernise silk reeling, encourage substitution of improved basins for country *charkhas* and converting the improved basins for filatures into multi-end basins, and introducing central cooking system and drawing chambers. Utilisation of by-products in the spun silk industry is necessary for the service of the reeling industry and steps are proposed to be taken to rehabilitate and extend the spun silk industry. As an experimental measure, co-operative societies for raising young worms of the first and second stages collectively are to be established. Also included are proposals relating to (1) co-operative marketing and testing of cocoons; (2) grading of cocoons; (3) introduction of a system of payment of cocoon prices on actual yield; (4) further development of work in the conditioning of houses at Calcutta and Bangalore and at the Berhampur station; (5) establishment of two training institutes for training personnel for sericulture departments in the States.

As regards non-mulberry silk, the development programme provides for plantations, as well as improvement of basic seed cocoon production for eri-muga and tassar. The organisation of seed supply, improvement of spinning and reeling, marketing, and training and research will be undertaken more or less on lines similar to those for the mulberry silk industry.

Schemes Already Sanctioned

The Union Production Ministry has already sanctioned the implementation of three schemes for the silk industry in West Bengal, Bihar and Assam. The West Bengal scheme envisages the setting up of a modern silk reeling factory at Malda for producing high-grade raw silk. A central loan of Rs. 10 lakhs has been granted to the State Government for starting a pilot filature plant. Of this sum, Rs. 6 lakhs will be utilised for the construction of factory buildings and purchase of Japanese type machinery, scientific appliances, etc., and the balance for working capital. The proposed factory is expected to provide employment directly to about 300 persons and indirectly to many in the twisting and weaving sectors. The establishment of a modern silk reeling factory, it is claimed, will help Indian silk compete successfully with any foreign silk and thereby stimulate its consumption by the indigenous weaving industry. Since *charkha* reeling of silk has its limitations, modernisation of the reeling industry by filature system is the only way to improve the quality of raw silk and reduce the cost of production.

The West Bengal scheme also contains two other proposals: First, for the establishment of a multi voltine disease-free egg station at Malda, an additional grant has been provided. For the supply of disease-free layings, some more grainages are to be established and a grant of Rs. 75,300 has been sanctioned for the purpose. Secondly, in order to increase the supply of mulberry grafts and thereby the production of seed cocoons, the existing seven nurseries in the State are to be reorganised. The scheme envisages reclamation of fallow lands in the nurseries, provision of irrigation facilities, preparation of grafts, etc., for which a grant of Rs. 60,500 has been given. Financial aid has also been sanctioned for establishing three new mulberry gardens in the State and reorganising the Sericultural Training Institute at Berhampur.

Silk in Assam

The Union Ministry of Production has sanctioned financial assistance to Assam for its scheme to continue the mobile demonstration party in the State, which gives demonstration of improved methods of silk reeling and spinning. It has also sanctioned grants for the supply of improved rearing and spinning appliances to mulberry growers and seed-cocoon rearers and for the establishment of two mulberry graft nurseries in the existing farms at Mangaldai and Jowai in the Khasi and Jaintia Hills and for providing subsidy to eri-seed rearers. A batch of sericulture officers in the State is to be deputed every year to undergo higher training in the different branches of the silk industry in Mysore, Madras, Kashmir and Bihar for a period of six months. The State gets a grant amounting to half the total expenditure for implementing the scheme.

The Bihar scheme envisages establishment of two more main stations and ten sub-stations for the development of the tassar silk industry. Bihar, it may be noted here, produces the largest quantity of tassar silk in the country. The rearing of tassar worm is mainly carried on by the members of the scheduled tribes in the districts of Chota Nagpur and Santhal Pargana. There are already three main tassar stations in the districts of Singhbhum, Manbhum and Santhal Parganas. The two new main stations are to be set up in the districts of Hazaribagh and Ranchi, so as to give special encouragement for the development of the industry. The ten sub-stations will be established in the interior of the tassar-producing districts of Bihar in order to supplement the work of main stations which cannot serve all the rearers in the interior. These stations will distribute disease-free layings to the rearers and train them in rational and scientific methods of rearing, reeling and spinning. As the people engaged in tassar worm-rearing are backward, they need to be taught reeling and spinning. This will enable them to earn about 200 per cent. more than what they now get by selling away their cocoons. Hence a scheme to open five production-*cum*-training centres in the interior of the State has been approved and a grant of Rs. 35,125 has been sanctioned. The State also gets financial aid for the construction of a building in the mulberry farm at Roshna in Purnea district for rearing, grainage and reeling.

JAPANESE TEXTILES

The Japanese Textile Goods Export Council has agreed to impose further restrictions on exports of cotton textiles to the U.S. It is proposed, for instance, to set overall ceilings on shipments of cotton fabrics and on the cloth-content of made-up goods. In addition, quotas will be fixed for specific lines of wearing apparel; so far, only blouse exports have been restricted to 1.5 million dozens for the year ending 31st March 1957.

The above decision has been prompted by the need for avoiding any imposition of quotas on Japanese imports by the U.S. Government. The American textile industry has bitterly complained against lack of diversification in Japan's sales of cotton goods, rather than the overall volume exported. Vehement objections have been voiced over the sudden flood of certain items like blouses, men's shirts and women's shorts from Japan.

To revert to the quotas. As yet, no details have been worked out on the quotas. The Japanese cotton textile industry is attempting, through exploratory talks with the Japanese and American Government officials, to determine how much it can safely export without running the risk that renewed opposition from the U.S. competitors may result in the erection of import barriers. No formal agreement on the matter will be concluded between either the Government or the industries. The restrictions imposed by Japan will be voluntary and are to be enforced throughout Japan by associations of textile manufacturers. The Japanese textile manufacturers are reported to have sought the assurance that the Eisenhower Administration will attempt to dissuade the Congress from enacting import restriction and also take steps to eliminate discrimination in Southern States against Japanese textiles.

BONUS FOR COTTON MILL LABOUR

On the 28th of this month, the cotton mills of Bombay City will be disbursing a total sum of about Rs. 2·5 crores as bonus to their workers—numbering 225,000—for the year 1955. The basis for disbursements is the one laid down under the five-year bonus agreement reached between the millowners and their workers early this year. The quantum of bonus payable has been worked out jointly by the Millowners' Association, Bombay, and the *Rashtriya Mill, Mazdoor Sangh;* it varies from 25.0 per cent. to 4.0 per cent. of the workers' basic wages. Twenty-one mill companies will pay a bonus equivalent to 25 per cent. of the basic wages; 17 companies will pay 4.8 per cent., and the quantum payable by the remaining 12 companies ranges from 10.9 per cent. to 20.6 per cent.

Between the 19th and 30th inst., the 64 member-mills of the Ahmedabad Millowners' Association are also expected to pay as bonus approximately Rs. 1.20 crores to 125,000 workers for 1955. The actual quantum of bonus will be determined in accordance with the five-year bonus pact (1953-57). Under this pact, every worker is assured of a minimum bonus of 15 days' basic wages, regardless of his mill showing a profit or loss, subject, however, to a ceiling of three months' wages. The "floor" and "ceiling" stipulations are correlated over a five-year period by a system of set-off and set-on, whereby the mills which incur loss in any year may draw on their previous year's reserves of set-offs for bonus payment.

A NEW CHARKA

What is claimed to compete with the four-spindle Ambar Charka in daily output as well as in case of operation is the new two-spindle machine invented by one Mr. Sathe of Poona. The new Charka—Ram Charka, as it is called—is said to be capable of turning out one hank of yarn per hour; the yarn compares favourably with Ambar yarn in uniformity and tensile strength.

Several advantages are claimed for the Ram Charka. These are: Elimination of the necessity of processing cotton into slivers before it is finally converted into yarn, as is required with the Ambar Charka and power spindles (this takes away a lot of labour and tedium in work); and adjustment on the machine enabling carding of cotton in half an hour for eight hours' spinning; and lower maintenance costs. The price of the Charka is estimated at Rs. 150. In addition, the Charka which consists of wood and iron parts can be made entirely by village artisans. Its overall weight is 25 lbs. which, it is said, can be reduced by a few possible improvements.

While the rotations for spinning are secured by pedal operation, cotton is fed into the machine by both hands of the operator. A special shuttle adjusts the tension of the yarn.

As an incentive to increased production of cloth, the Government of India has decided to give a rebate of excise duty at the rate of 6 pies per yard on all cloth produced by a textile mill in excess of its average monthly production during the eight months ended August 1956. As there may, however, be certain mills which have worked only partially during these eight months, the basis would be taken as either the mill's average production during this period or a normal two-shift production, whichever is higher. The rebate would be calculated each month and would be allowed on cloth produced upto the end of December 1956.

The Government of India has decided to grant a special rebate of six pies in a rupee on all genuine retail sales of handloom cloth made by weavers' co-operative societies, Government emporia and consumers' co-operative societies during the period 20th October to 2nd November. The rebate will be in addition to the existing rates of rebate on sales of handloom cloth. It will not, however, apply to the West Bengal State which has availed of this concession during the *Puja* session.

The International Silk Association has formulated a trade mark for use only on real silk products. The use of the mark will be authorised by the national committees of the 21 countries which are members of the Association.

TEXTILE INDUSTRY'S REACTION TO CUSTOMS UNION PROPOSAL

WORKERS' EARNINGS SURVEYED

From Our Special Correspondent

MANCHESTER, *9th October*

IS Britain's cotton industry threatened by yet another "pincers movement" which may offer her rivals further chances to compete? Such would seem to be the choice of evils facing the trade as a result of the plan now being discussed to set up a European free trading zone.

MANCHESTER LETTER

Already the scheme, involving a customs union for member-countries, has the support of France, Germany, Italy and the Benelux group. Industrialists in Britain are being sounded as to their views on the project and the Government is clearly contemplating joining the venture. Nor has any great opposition been voiced within the Commonwealth, although Empire trade would be affected by the move.

For Lancashire the alternatives offer little solace. If for political and prestige reasons this country adopts the scheme it will expect to play a leading role in the European free trade area. Tariff rates between the member-States would be gradually reduced over a period of up to 15 years ahead. Such a liberalisation of imports and exports might well involve a freer flow of foreign textiles into Britain's home market without any corresponding improvement in shipments to the Continent.

To Enter Or Not

On the other hand, staying outside the free trade area also presents dangers. This aspect of the future economic scene has been covered in a timely contribution to the latest bulletin of the International Cotton Federation by Mr. R. Robson, head of the Statistical Department of the Cotton Board. Those countries which have not yet decided whether to join the customs union may find themselves on the wrong side of the fence.

The members of the scheme, Mr. Robson says, would be able to pursue a common policy in fighting the battle against Asiatic textiles and might be collectively strong enough to limit cloth importation from the East. In contrast, nations outside the union would individually be in a weaker position.

The situation of the United Kingdom in such matters is complicated by Commonwealth issues and the reluctance of the Government so far to take any action to curb the flow of Empire-made products into this country. To quote Mr. Robson: "It is true that the British cotton industry now loses, under the Commonwealth preference system, almost as much through imports of duty-free textiles from India and Hong Kong into the home market as it gains from preferences in the export markets. But," he adds, "the position is quite different for British industry in general and it will, therefore, be difficult to make any modification in the system."

To sum up, Mr. Robson thinks the cotton industries which remain outside the proposed customs union would probably face a more difficult situation than those inside. Whatever the eventual outcome, fiercer competition for Lancashire is already on the horizon.

Workers' Wages

It is not difficult to see why inflation is so vital a factor in the national economy when the half-yearly figures of average earnings of British workers are published. Prices and wages have for so long been engaged in an upward spiral that any change in the situation would indeed be remarkable.

At the end of April, the advance gained by the 7,000,000 workers covered by the Ministry of Labour survey showed a larger rise than in any other six-monthly period. Average weekly earnings over the manufacturing industries concerned then stood at £9 17*s.* 9*d.* compared with £9 7*s.* 2*d.* in October last year.

To compare current wages with those of 1938 is to enter a different world, when earnings averaged no more than £2 13*s.* 3*d.* a week. The rise since then now stands at 271 per cent., the biggest advance being in payment for girls under 18, who then received 18*s.* 6*d.* and now get little short of £4 a week. The average earnings of all workers in the past nine years have been practically doubled.

As the survey covers the final week in April the figures relating to the cotton and allied industries are already outdated because the wage advance of 5 per cent. granted to the operatives by the Industrial Disputes Tribunal came into force at the beginning of May. All the same, average earnings had already increased in the previous six months to new high levels, as the following table shows:—

	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*
Cotton Spinning—					
April, 1955 ..	197 3	109 7	116 5	91 6	138 4
October, 1955 ..	191 8	117 5	118 9	96 5	141 7
April, 1956 ..	194 3	116 7	119 10	96 5	142 9
Cotton Weaving—					
April, 1955 ..	191 7	96 11	125 7	89 1	145 0
October, 1955 ..	193 11	101 2	125 7	93 4	146 5
April, 1956 ..	196 7	104 5	126 0	94 1	147 11
Total Cotton—					
April, 1955 ..	189 1	105 0	120 6	90 6	141 3
October, 1955 ..	192 7	111 8	121 9	95 2	143 8
April, 1956 ..	195 3	112 7	122 6	95 6	145 0
Rayon Weaving—					
April, 1955 ..	202 5	91 4	126 1	82 3	152 3
October, 1955 ..	209 9	97 5	128 5	88 1	156 11
April, 1956 ..	212 3	102 1	130 0	90 4	159 6
Textile Finishing—					
April, 1955 ..	198 1	92 7	103 8	75 5	165 6
October, 1955 ..	208 4	101 2	109 6	79 5	174 3
April, 1956 ..	209 8	102 5	110 10	80 10	175 10

The next returns will inevitably show an even higher level of payment in the trades concerned. In view of the present difficulties in some districts in securing adequate labour to meet the recent revival in demand, the earning power presented by work in the mill should not be overlooked. As has frequently been stressed in the past, the wages available for women and juveniles in the textile trades compare very favourably with those in other occupations. The problem facing managers trying to recruit new labour is to persuade the doubtful starters that more regular employment can be offered than has been the case in the past.

Practically no change took place in the number of hours worked by cotton operatives in the final week of April compared with the average six months previously. On this occasion, the average was 43.6 hours per week whereas in October last the figure was 43.7 hours.

Juvenile Entrants

The rather more active conditions in the trade have turned the spotlight once more on the need for an adequate labour force in the event of the improvement being maintained for any length of time. Already reports are to hand of individual firms being hampered in their attempts to speed up production by a shortage of trained workpeople.

Yet the attitude of prospective entrants into the trade can be well appreciated. Within the confines of the mill towns anxiety over the future of cotton as employment is now almost inbred. Those who confidently approached the post-war era in anticipation of a never-ending demand from the markets of the world had a rude shock in 1952 and the recruitment experts have never since had as much heart for their job.

It is, however, encouraging to note that some slight progress was made in gaining young labour for spinning mills and weaving sheds during the recent summer holidays. The 1955 figures were comparable only with the severe setback inevitably experienced in 1952, but this year not only the percentage but the number of school-leavers joining the industry increased.

The share of the mills in attracting labour during the summer vacation over the past decade has naturally varied according to the state of trade. Soon after the war the numbers taken on each year ranged between 1,250 up to 1,500 until in the peak year of 1951 nearly 2,000 school-leavers were enrolled, a proportion of over 15 per cent. throughout the area.

The subsequent slump and its effect on the labour position is past history, but there was a remarkable recovery in 1953-54 when each summer saw some 1,500 youngsters again ready to make cotton their career. The further contraction in the industry has, of course, had its bearing on recent recruitment figures, but even so the juvenile entrants this year again exceeded 1,000 despite all the adverse publicity lately given to the trade.

Spreading Wings

Lancashire traders can hardly have expected to witness the shipment of large quantities of textile machinery from this country year in and year out without realising that the recipients would eventually use them to establish textile industries of their own and that as each became self-sufficient they would enter the export battle. As a result the directors of some Lancashire firms planned ahead in anticipation of the day which has now generally arrived.

(*Continued on page* 782)

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COTTON PRODUCTION IN UGANDA

LARGER OUTPUT EXPECTED THIS SEASON

ALTHOUGH the efforts which are being made to reduce India's dependence on foreign countries for its requirements of long-staple cotton are showing encouraging results, it cannot be said that we are as yet in a position to dispense with imports of cotton. In the season ended 31st August 1956, India imported 598,030 bales (of 400 lbs. each) of cotton, of which sterling area cotton was of the order of 583,247 bales and dollar area cotton 14,783 bales. A country-wise break-down of the import figure shows that East African varieties alone accounted for about 50 per cent. of India's total imports of sterling area cotton. Among the sterling area varieties of cotton, the Uganda crop is certainly one of the most important. From this point of view a description of the crop prospects in Uganda for the current season, given in the latest monthly review of the International Cotton Advisory Committee, Washington, will be read with interest.

Uganda, as is well known, is a principal producer of long-staple cotton, the two main varieties grown being S-47 (staple length 1.1/16"-1.3/16") and B.P. 52 (staple length 1⅛"-1¼"). S. 47 or strains evolved from it account for 70 per cent. of the total production and B.P. 52 or its variants represent 30 per cent. of the total. But, quite unlike other producing countries of that continent, especially Egypt and Sudan, the yield per acre in Uganda is very low. Hence, though the total acreage under cotton is considerable, the actual outturn of the crop is comparatively small. Thus, in 1955-56, the area under the crop is estimated to have been 1,599,000 acres, as against 1,885,000 acres in Egypt, but the output is estimated at 300,000 bales (of 478 lbs.) in Uganda, as compared with 1,541,000 bales in Egypt.

The volume of production of cotton in Uganda is determined, principally, by the price obtained for the crop in the immediately preceding season and, to a lesser extent, by the Government's guaranteed minimum prices for the current season. This is not to deny that world demand and market trends have no relation to the volume of production; but the influence of the latter is less, as compared with other cotton-exporting countries. This is attributable to the system of marketing of the crop prevalent in Uganda, under which the Lint Marketing Board purchases the entire crop at a seasonal price which is supported by a Cotton Price Assistance Fund, which presently aggregates £20 million. The guaranteed minimum prices are published annually in April, just before the commencement of the planting period which usually extends from June to August, though there are slight regional variations. Therefore, when an immediate cash inducement in the shape of an enhanced price cannot be offered, propaganda remains the main stimulant to induce growers to increase their production.

Recent experiments in cotton plantings have proved that earlier planting is vital to the health of the plant. A loss of up to one-third of the crop, it has been estimated, can occur if planting is delayed by one month. Usually, cotton planting commences in April in those areas of Uganda north and east of the river Nile. But planting during this month is only 2 per cent. of the total acreage, the heaviest plantings being in the month of July when, approximately, 40 per cent. of the crop is planted. In the areas west of the Nile, planting commences a month later and ceases in September in all areas. At the beginning of the current season (1956-57), a vigorous propaganda campaign was undertaken by the Department of Agriculture to encourage early planting. Although there has been in general a good response to the campaign, actual planting has been hindered by the vagaries of weather which have proved particularly disastrous. In the cotton tract, west of the river Nile, inclement weather has resulted in less intensive land preparation than what might have been the case. Nevertheless, the acreage planted by the end of May was double that of the same period in 1955. In the region east of the river Nile, the response to propaganda was excellent and the acreage planted was more than double that planted during the corresponding period last year. In June, cultivators were anxious to plant cotton and much more early crop would have been planted if the weather had been more favourable. Cotton planted in April and May withstood the dry weather, but some of the early June plantings failed and had to be replanted.

Since it has been felt that farmers cannot be induced to resort to early plantings on any significant scale until its advantages are convincingly brought home to them, the Agricultural Department announced, by way of providing an extra stimulus, that the cotton buying season would open in mid-December. This is, in most cotton zones, earlier than usual and such a step is designed to enable the cultivators to market the early harvestings and have cash for Christmas.

Apart from early plantings, development of the type of cotton cultivated, in respect of both yield and quality of lint, is the only practice followed presently for improving the crop. The task of increasing the number of improved varieties was begun principally with B.P.Q., a pedigree cotton derived from B.P. 52, for the area west of the Nile. The Empire Cotton Growing Corporation's Cotton Research Station at Namulonge has developed a technique which enables fibre quality tests to be undertaken at the breeding stage. Formerly, certain cotton fibre characteristics could be assessed only by means of spinning tests, which meant that they were not determined until the end of the breeding programme. A new variety has been developed with the use of this technique and mill tests have shown that its yarn appearance is equal to that of Ashmouni and that it has at least as good a high standard count as the B.P. 52. Its effective length is 1¼" and it is estimated that the increase of yield per acre will be 25 to 30 per cent. of the existing level. It is hoped that, subject to the successful completion of the multiplication scheme which will take four years, this new long-staple variety would successfully compete with Ashmouni in world markets. A new derivative of the S. 47 variety is also being introduced in the areas east of the Nile, the special virtue of which, it is claimed, is its freedom from nep.

As latest data about the actual area planted in the current season is not so far available, it is difficult at present to make estimates of the crop. But, it may be observed that, in the present state of agricultural development in Uganda, where the peasant cultivators work under conditions of subsistence economy, production prospects for the years immediately ahead are governed to some extent by the stability in world prices, or the ability of Government artificially to support a price acceptable to the farmer. Nevertheless, so long as the present system of marketing remains, large fluctuations in the crop size are not likely.

Be that as it may, the information available so far shows that, in areas east of the Nile, plantings are considerably above average, whereas in the west, to the end of June, they are lower. In actual figures, till the end of June, 47,352 acres were planted in the area west of the Nile, as against 60,891 acres in the same period last season, whereas east of the Nile acreage planted aggregated 490,610, as compared with 317,784 during the corresponding period of the last season. Judging from these figures it is unlikely that the crop will exceed 350,000 bales (of 478 lbs.) which is higher than the 1955-56 crop.

SOVIET COTTON TECHNOLOGY

That improved agronomical practices can do much to improve output of cotton has been, once again, proved in the U.S.S.R. As a result of the widespread adoption of improved methods of cultivation, the 1955-56 crop in Soviet Russia is reported to have been a good one, practically every cotton-growing region raising a fine crop. Both sowing and cultivation have been done by machinery, resulting in considerable reduction of work by hand. An improved method that has been widely adopted was square-hill sowing with two or three plants in each square, making it possible to cultivate cotton fields by machinery lengthwise and crosswise.

At first, this method did not yield favourable results, because the squares of 70×70 centimetres were too big and there were too few plants on each square and hence the output was less. Neither did sowing more plants in the square give the desired results. Therefore, the Tajikistan cotton growths suggested cutting down the rows between the squares to 60, 50 and even 45 centimetres, which gives the best density for the growing plants—about 80,000 to 120,000 plants per hectare (about 2½ acres), depending on the soil and the particular type of cotton. Experiments conducted at the Tajik experiment station of the U.S.S.R. Cotton Research Institute and other experiment stations proved this method to be very efficient. With lengthwise and crosswise cultivation, the cotton yield moved up by approximately 0.3 to 0.5 ton per hectare and the expenditure of labour on arduous operations like thinning out and hoeing was practically halved.

In the 1954-55 season, as a result of the adoption of square-hill planting of cotton and lengthwise and crosswise cultivation, many collective farms increased their yield considerably. For instance, by employing lengthwise and crosswise cultivation on the greater part of their plantations, collective farms in Voroshilov and Jalal-Kuduk districts, Uzbekistan, picked almost a ton of cotton more per hectare than in 1954. Whereas the Polar Star Collective Farm in Tashkent harvested 3.1 tons of cotton per hectare from the fields where cultivation was lengthwise only, it picked nearly 3.5 tons from fields cultivated lengthwise and crosswise. In Regar district, fields with a layout of 45×45 centimetres yielded 4.5 tons per hectare, and straight-row fields yielded only four tons. The new method yielded, in the Leninism Collective Farm, almost 0.4 tons of cotton per hectare more and cut labour by 50 to 66 per cent. Encouraged by these results, many more collective and State farms adopted the new method in 1955-56 and the season's biggest crops were picked in regions where the square-hill system was applied on large areas.

Cotton picking machines are being improved every year and Soviet designers have recently modified the SKHM—48M single-row cotton picker. Among the other improved machines are a double-row horizontal spindle harvesting machine, and a new boll-harvesting machine for picking unmatured cotton.

Another notable feature is the opening of many drying and cleaning departments at State cotton procurement stations, permitting the collective farms to deliver the cotton without first drying it in the field. Thus, machinery has been put to work on another labour consuming task in cotton production.

U.S. SURPLUS COTTON SALES

Under the provisions of Title I of the American Agricultural Trade Development and Assistance Act (U.S. Public Law 480), over one million bales of American cotton have so far been sold, according to sales contracts registered with the Commodity Credit Corporation. The purchase authorisation, it may be recalled, was issued in early January 1955 and since then up to 14th September 1956 total sales aggregated 1,003,000 bales (500 lbs. each).

India is one of the principal beneficiaries of the programme. The agreement with India, signed on 29th August 1956, is by far the largest yet made, providing, as it does, for the sale of 500,000 bales of American cotton valued at $70 million. The agreement stipulates that deliveries are to be made over a three-year period, as against the usual delivery time of one year.

Among other countries which have benefited by the operation of Public Law 480 in respect of cotton disposals, mention may be made of Pakistan, the Netherlands, the Republic of China (Formosa), Burma and Indonesia. The authorisations issued in favour of Burma and Indonesia were for the purchase of 125,000 bales and 89,000 bales of cotton, respectively. It was also provided that both these quantities should be processed in other countries. An authorisation is also reported to have been made in favour of Formosa for the purchase of about 35,600 bales of cotton. Recently, on 21st September, another purchase authorisation was issued for $11.5 million or 79,500 bales of cotton, under which United States cotton purchased by Indonesia is to be exchanged with Japan for cotton textiles. Yet another three-way arrangement was made with Pakistan. The Pakistan-U.K. authorisation involves cotton valued at $6.5 million.

In conformity with the provisions of Public Law 480, the U.S. has made agreements for the sale of cotton with seventeen other countries, amounting to a total value of $342.6 million. As much as one half of the amount covered by existing agreements had been sold for export. By 14th September 1956, sales of cotton had been completed on eight purchase authorisations covering about 538,000 bales, worth $95.1 million. Sales under other authorisations issued have aggregated 46 per cent. of the authorised quantities.

IMPORT AND EXPORT OF COTTON IN SEPTEMBER 1956

Figures relating to shipments of Indian cotton to foreign countries in the first month of the current (1956-57) season show that, of the total 11,924 bales (including yellow pickings and sweepings) shipped, the largest quantity, that is, 7,121 bales, went to Japan. China and the United Kingdom took 2,700 bales and 1,004 bales, respectively. The following table gives the quantity shipped during the month along with that in the corresponding period last season:

(In bales of 400 lbs.)

	1st to 29th September	
	1956	1955
Japan	7,121	33,749
China	2,700	34,451
U. K.	1,004	6,777
Hong Kong	200	10,892
Continent	112	21,655
U. S. A.	47	856
Others	166	1,395
	11,350	109,775
Yellow Pickings and Sweepings ..	574	

Imports of foreign cotton into India during September 1956 aggregated 23,411 bales, comprising 1,118 bales Egyptian, 15,118 bales East African, 4,019 bales Sudan, 6,913 bales U.S. and 1,243 bales Peruvian and other varieties of cotton. The quantity licensed for importation during the month was 20,472 bales. Actual arrivals include some quantity licensed in the previous season also.

RANIGANJ COAL FOR SMELTING PLANT

RESULTS OF RESEARCH

RECENT investigations by the staff of the Carbonisation Section of the Fuel Research Institute, under the direction of Mr. N. N. Das Gupta, the Officer-in-charge, have resulted in some profitable discoveries which, if translated into practice, would be found to be of much use to the iron and steel industry. These investigations have revealed that excellent metallurgical coal, suitable for the iron and steel industry, can be prepared from Raniganj coals, exclusively or in blends with small quantities of low volatile Jharia or Giridih coals.

Weakly caking Raniganj Measure coals—from the Dishergarh seam—in 20 to 25 per cent. blends with Jharia lower seams and weakly caking Raniganj Measure coals in 15 to 20 per cent. blended with low temperature carbonisation char are suitable for metallurgical uses. Other results of the investigation show that excellent gas coke can be prepared by blending Raniganj Measure coals with coke dust or low temperature char; cokes suitable for ferro-manganese manufacture by the blast furnace technique can be prepared from Raniganj coals—Laikdih seam—and blends of Laikdih—with or without Dishergarh—and Giridih, or any low phosphorous coals of the Jharia field; and weakly caking Dishergarh seam can be used exclusively for manufacture of metallurgical coke in blends with low temperature char of suitable quantity or with small quantities of low volatile Jharia coals.

What led to the aforesaid investigations was the fact that in the western part of the Raniganj coalfields occur a number of coal seams, with substantial reserves in depth, semi-caking to medium-caking in quality, with fairly low ash compared to other Indian coals, with reasonable moisture content, and with sulphur and phosphorus contents suitable for iron and steel making.

Of the various seams like the Laikdih, Ramnagar, Chanch, Dishergarh, Sanctoria etc., the Laikdih group coal has been used in blends in small proportions for manufacturing metallurgical coke in the existing iron and steel industries, but these coals are not generally considered suitable for this purpose. This is evident from the fact that an iron and steel company in the heart of the Raniganj coalfields draws its major supplies only from the well-known coking coal seams of Jharia coalfield. The Laikdih seam has also been found to contain low phosphorus, low enough for the production of coke suitable for the manufacture of ferro-manganese by the blast furnace technique. Thus, if this coal could be blended with some suitable coal for production of coke of good physical characteristics, it could be used in the manufacture of ferro-manganese by the blast furnace technique. The investigation has thus served to disprove the negative view so far expressed by experts on the use of this coal.

General Metallurgical Use

The next objective of the research referred to at the outset was the production of coke for general metallurgical use—that is, for blast-furnace operation and foundries in normal type of coke-ovens—by suitable preparation of coal, adjustment of carbonising conditions and judicious blending with low volatile coals, semi-cokes or chars, or high temperature coke dust. In view of the limited reserves of coking coal in the country and the consequent necessity for conserving the good coking coals of the Jharia and Bokaro fields and the possibility of substantially improving the economics of the iron and steel industry, the work done was considered to be of the highest importance. There was also the possibility of the increased recovery of tar and by-products from these high volatile coals. Some of the other considerations taken into account were the increased output of gas for transmission and distribution, the possibility of manufacturing gas-coke suitable for synthesis gas manufacture through water-gas or semi-water-gas processes, the great scientific and technological interest in upgrading of weakly caking coals in order to replace the highly caking coals, the utilisation of coke fines from high temperature or low temperature carbonisation plants which constitute a drag on the market and adversely influence economics of such plants, and the utilisation of such new techniques like fluidized carbonisation for production of tar and by-products for the chemical industry and by disposal of char for blending in coke-oven plants.

(Continued on page 785)

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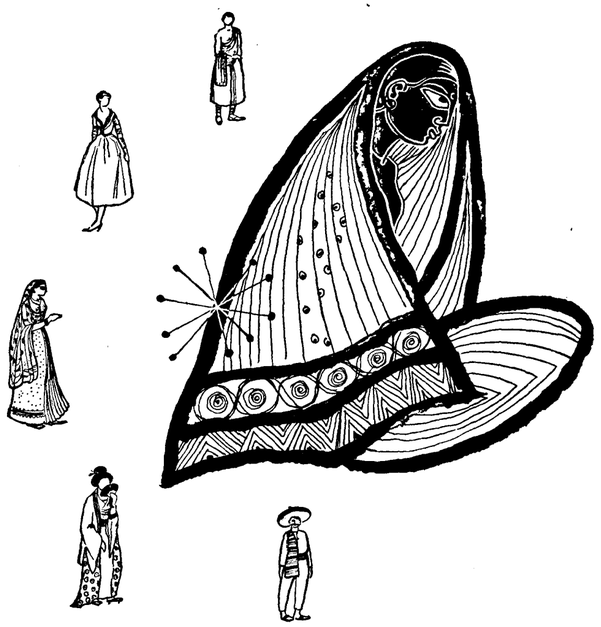

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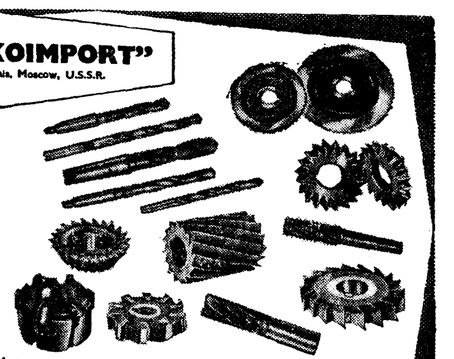

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NU-59

WORLD SUGAR CONFERENCE AT GENEVA

MOVE TO CONCLUDE A NEW PACT

THE *Palais des Nations* at Geneva is the venue of the second session of the United Nations Sugar Conference which commenced on the 4th inst. and is expected to last until about the end of this month. The first session of the Conference, it will be recalled, was held at the United Nations Headquarters (New York) from 21st May to 20th June 1956. At this Conference, the operation of the International Sugar Agreement of 1953 was reviewed in the light of experience gained. This Agreement came into force at the beginning of 1954 and provides for a review, in the third year, of its operation of the entire working, especially in regard to quotas and prices. The current session is attended by the delegates from all the member-States of the U.N., the Interim Commission of the International Trade Organisation, the Food and Agriculture Organisation, and the World Sugar Council. Mr. N. T. Gulrajani, Indian delegate, has been elected Vice-Chairman of the Conference.

Like its predecessor, the current session is being held in secret. No details regarding the deliberations of the Conference and the decisions taken thereat will, therefore, be available until the Conference comes to a conclusion and a *communique* is issued. From the brief Press release issued by the European Office of the U.N. (Geneva), it is, however, gathered that the Conference is giving "final consideration" to the problems, in the light of the examination, by the Governments of the countries invited to the Conference, of the reports and suggestions emanating from the first session. Negotiations on sugar prices and quotas are also being continued. The main object of the Conference is, of course, said to be to enlarge the membership of the International Sugar Agreement by bringing in a number of countries—notably Peru, Indonesia and Brazil—which are non-signatories and which are insisting on high quotas as a condition for their participation.

The First Session

The Geneva session of the World Sugar Conference is being held under more favourable conditions than those at the time of the first talks for the conclusion of a new international pact for sugar. The New York session, as readers are aware, ended in a virtual deadlock, though the joint *communique* subscribed to by the 48 nations attending the session claimed that "substantial progress" had been made. At this session, Cuba, which exports as much as 50 per cent. of the sugar under the existing Agreement, rejected all attempts for persuading it to accept a cut in quota. In addition, there was the disagreement among the exporting groups. The sugar-producing countries of Asia—Indonesia, Formosa, and the Philippines—and the Dominican Republic pressed for an upward revision in individual quotas for the free markets in the world. These were the main factors which impeded agreement needed for a new world sugar pact. The only positive results of the session were: Adoption of the reports of the various committees containing suggested amendments to the text of the existing Sugar Agreement, as well as new proposals having as their objectives the promotion of increased consumption of sugar, including consumption for other than human nutrition; appointment of five committees—Executive, Steering, Economic and Administrative, Statistical and Technical, and Credentials; and a study of the different systems for the operation of the Agreement.

Fluctuations in Sugar Prices

The period that has elapsed since the New York session of the World Sugar Conference has witnessed rather violent fluctuations in the world sugar market. Cuban raw sugar (f.o.b. Cuba) at New York which four months ago stood at 3.41 cents per pound—the highest for two years—swiftly moved down, the quotation at the end of August being 0.03 cent below the International Sugar Agreement minimum of 3.25 cents. This downward trend was due to the decision of the Sugar Council to raise the export quotas of member-countries by 440,000 tons, making a global total of 4.44 million tons equal to the full basic limit. This upward revision was deliberately made with a view to arresting the upward trend in prices witnessed earlier. The Council also reallocated among other exporters the portions of some quotas—amounting to about 451,000 tons—not used by Russia, Czechoslovakia, Holland and Haiti. This additional weight of supplies was too much for the market and, consequently, sugar prices, as already said, fell swiftly. Now in order to prevent a further fall in prices, the Council took a corrective action early this month. Thus, on the 3rd inst., it announced a cut of 2 per cent. in the basic export tonnages of member-countries, as per details given in these columns last week. Since making this cut, world sugar prices have recovered slightly, the latest quotation for Cuban sugar at New York being 3.25 cents (as on the 9th inst.). But turnover has been poor.

It is against the aforesaid background that one has to view the prospects for the conclusion of a new International Sugar Agreement. The pressure on the "free" sugar market of supplies from producing countries which are not members of the existing Agreement, it is felt, makes the working of the Agreement as a price stabiliser "precarious, to say the least." Elucidating this view, the *Financial Times*, London, observes:

"The question now is the terms on which the non-member producers would join the pact and it appears that their price for doing so would be higher quotas than have so far been offered them. At the same time, a number of the present members, including Cuba, are asking for increases in their quotas and it has been suggested that Formosa will leave the pact, unless her quota is increased. The basic difficulty is how to make room for new members inside the Agreement and, at the same time, to meet the export demands of those producers who are already parties to it."

These are, indeed, quite pertinent observations which reveal how difficult is the task of the delegates now attending the World Sugar Conference in bringing about a compromise between the conflicting interests.

PALM "GUR" INDUSTRY

A programme for the development of the palm *gur* industry during the current financial year has been approved by the Government of India. The programme is to be executed by the All-India *Khadi* and Village Industries Board. It provides for technical guidance and training in the production of palm *gur* through the *Bharatiya Tad Gur Shilpa Bhavan* and the four Central pilot demonstration stations, organisation of palm *gur* producers' co-operatives and marketing of palm *gur* and palm products. The Union Ministry of Production has sanctioned to the All-India *Khadi* and Village Industries Board Rs. 19,02,300 as grant and Rs. 7,12,000 as loan for implementing the programme.

Under the programme, 30 training units, 10 propaganda units and 56 production units of three different sizes, special, big and small, will be continued. In addition, 10 propaganda units, 58 big production units and 56 small production units are to be established in different parts of the country. At each training unit, 40 persons will be given training for two months in the production of palm *gur*.

In order to develop the technical side of the industry and also to train palm *gur* workers, the *Bharatiya Tad Gur Shilpa Bhavan* (the Central Palm Gur Training School) at Dahanu, near Bombay, trained nine persons in the regular course, 97 in the specialised course and 38 in the investigation work during 1955-56.

A CONCESSION TO SUGAR MILLS

The Government of India has decided to allow up to 12th November 1956 a concession of As. 4 per maund on sugarcane crushed to all those sugar mills in Uttar Pradesh which commence crushing operations by 4th November. The cost of the concession will be shared equally by the Central and State Governments. In addition, a reduction of one anna per maund will be allowed in the minimum price of Re. 1-7 per maund for gate delivery and Re. 1-5 for delivery at rail centres on the sugarcane crushed during the period of the concession.

This decision has been taken, it is said, with a view to enabling the sugar mills to start early crushing. It, however, remains to be seen whether the concessions will offer sufficient inducement to mills to start crushing early. For the stocks lying unsold with the mills are still large; they aggregated as much as 678,000 tons at the end of September, as compared with 536,000 tons a year before. Moreover, the Government's move to see that crushing is started earlier than usual itself is not quite sound. It is common knowledge that the crushing of unripe cane means crushing of cane with less sucrose content and, consequently, there will be much loss in sugar recovery.

On Friday last week, the Union Food and Agriculture Ministry released for sale in the free market a further quantity of 160,000 tons of sugar out of the 1955-56 production. This quantity brings the total released so far to 1,463,000 tons.

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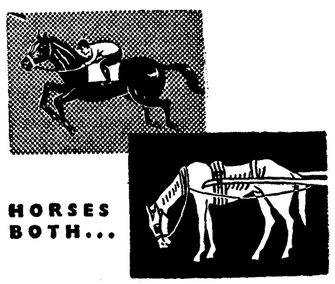

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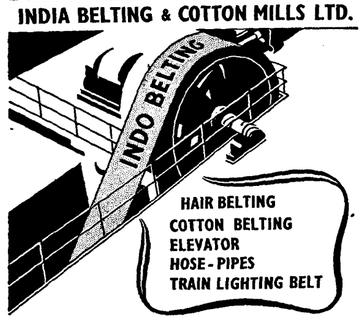

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THE NEW PEOPLE'S CAPITALISM—I

KARL MARX COMPLETELY BELIED

By An American Correspondent

IF Karl Marx were alive today, he would have a lot of explaining to do. He would have to explain, for instance, why no group of people using his methods has ever been able to put into practice his basic slogan: "From each according to his ability, to each according to his needs." He might also be called upon to explain why it is that the nearest approach to carrying out his dictum has been accomplished in a country where the people have deliberately and emphatically followed methods completely opposite to his.

Marx developed his economic theories in the nineteenth century when the world-wide industrial revolution was at its height, and his views on how to solve the problems of an emerging industrial society had certain plausibility at the time. As he looked around in Germany, and in England, he saw that the life of the average factory worker was indeed an unhappy one. There was a huge gulf between the great mass of workers and the relatively small group whose capital possessions made possible the construction, operation and expansion of industry. More and more wealth and power was being accumulated by the few while the propertyless worker, poor and with no stakes in the community, saw little hope of relieving his poverty and misery.

It was Marx's belief that the "capitalists," as he called the group whose investment made industry possible, would make no effort to improve the working man's situation. He assumed that the only solution to the dilemma was for the many workers—the "proletariat"—to overthrow the few capitalists in a violent revolution, seize the factories, the farms, and the Government itself, and establish a "classless society." In Marx's ideal society, there would be common ownership of the "means of production" and the proletariat would rule.

He apparently did not foresee the possibility that free human beings, working through democratic means, could organise their lives and control their environment, so that economic forces could be harnessed for the common good. Instead of growing poorer, workers in the free enterprise countries have enjoyed continually rising standards of living. Instead of growing larger, the number of unskilled workers has decreased in size and opportunity has given rise to a new group of skilled craftsmen, engineers, accountants and others while new jobs and completely unforeseen opportunities have been created by machinery he thought would cause unemployment. Instead of the predicted bloody "class struggle," labour and management have worked closer and closer together on a basis of partnership and co-operation.

And in the very countries where "capitalism" is most highly developed, the Communist revolutionary movement is the weakest. Indeed, it would appear that the working man is overwhelmingly in favour of the capitalist system and wants to enjoy its benefits rather than overthrow it. In fact, many workers have themselves become capitalists through purchase of industrial shares.

This is decidedly true in the dynamic system of capitalism in the United States, a prime example of the refutation of the Marxian economic prophecy. In fairness to the old German thinker, however, it must be kept in mind that the capitalism opposed by him was the capitalism of his day and not the "People's Capitalism" which has developed in the United States.

Change in Nature of Capitalism

What has caused the great change in the nature of capitalism as practised in the United States? Why was Marx wrong when he predicted capitalism's end by class warfare, and great economic progress for the system which has been carried out in the Soviet Union in his name?

"The point is," says the Stanford University economist, Alexander Heron, "that no Marxian economy can give to each according to his needs, even if its rulers wanted to do so. Those rulers cannot give each according to his needs, because they cannot get from each according to his ability. All the compulsions and pressures of the all-powerful State have not resulted in production adequate to meet the needs of all. In contrast, the American economy has come infinitely closer to getting from each according to his ability. How has it been done? Natural resources alone do not create production; the U.S.S.R. has those. There is no physical, racial, geographic or climatic explanation. The only answer must be found within the system itself.

"The magnetic force which has drawn so much from each is the force of incentive operating in a field of freedom. Advanced technology, endless inventions, are results, not causes. No commissar ordered Morse to invent the telegraph, or Edison the electric light. No five-year plan demanded the invention of the automobile. The Wright brothers were not under the whip of compulsion to fly a plane at Kitty Hawk.

"The very freedom which Karl Marx denounced has been the first essential in getting from each according to his ability. The abundant production which has resulted has gone beyond the dreams of Marx himself in giving to each according to his needs. Production for use is really a symbol and tradition of the American economic system. Any system committed to such an objective must have a mechanism to learn what to produce and how much. Such a mechanism can be the master of an economy and the people who live within it, or can be the servant. Herein lies the final difference between the two roads to production."

Test of an Economic System

Surely the test of any economic system is how successful it is and whether it provides the population with desired goods and services. Measured by any standard, the system of competitive private enterprise which prevails in the United States meets this test.

The consensus is that the United States has accomplished the greatest share of its development since the turn of the century. In fact, the settlement and initial development of the United States had hardly been accomplished before the end of the nineteenth century.

The first wagon train did not reach California until 1849. The Golden Spike uniting the States by rail was not driven until 1869. By 1880, the population of the United States was less than a third of what it is today. The great American inventor Thomas Edison invented the electric light in 1879. In the 1870's and 1880's the land companies established by British, French and Dutch capital were still selling land in the richest agricultural area of the United States, the great middle-western and western plains, and up to 1890, some land there was still being homesteaded by settlers.

Nevertheless, the basis for the great industrial expansion of the first half of the twentieth century had been laid. Capital and labour had been transplanted from Europe and the rich resources of the United States needed only intelligent application of labour and capital, the development of managerial skill and technical knowledge to commence the mass production techniques and the eternal renewal of machines and plants so that technological progress would never remain at a standstill.

The tenets of freedom upon which the United States was founded were of imponderable importance, for from such a base came forth ingenuity, a zest for the challenging task, the venturesome spirit, a belief that competition is necessary and a healthy tonic.

A fundamental freedom for opportunity and growth, based on a system of incentives, has guided the development of the American system. It is implicit in the Declaration of Independence, the Constitution, the philosophy of Jefferson, Jackson, Lincoln and others.

The Big Change

The first 55 years of the twentieth century have been described by Frederick Lewis Allen as the Big Change. It was a big change not simply in material achievements and in the incredible expansion of productive capacity but also in the social and cultural sense.

The economics of the Big Change must be understood in human terms, or the whole point of this historical development is lost. If only to give some feel of the flavour, the power and the unpredictable nature of it, these points from Frederick Allen's work have been excerpted:

"Forbes Watson is authority for the statement that there were more sales of paintings in the 1940's than in all the previous history of the United States; that, in the year 1948, there were a hundred exhibitions of American art in American art museums; and that the total attendance at art exhibitions that year was over 50 million.

"Lyman Bryson reports that the lowest estimate he has been able to find of the number of people who paint in the United States today is 300,000. And that the Department of Commerce says that the sales of art supplies went up from four million dollars in 1939 to $40 million in 1949—a tremendous leap.

"We turn to music—and confront an astonishing spectacle. In 1900, there was only a handful of symphony orchestras in the country; by May 1951, there were 659 'symphonic groups'—including 32 professional, 343 community, 231 college, and a scattering of miscellaneous amateur groups. Fifteen hundred American cities and towns now support annual series of concerts. Summer music festivals attract audiences which would have been unimaginable even 30 years ago.

"Is not the truth of the situation, perhaps, something like this: Here is a great nation which is conducting an unprecedented experiment. It has made an incredible number of people, previously quite unsophisticated and alien to art or contemptuous of it, prosperous by any previous standard known to man. The multitudes offer a huge market for him who would sell them equipment or entertainment that they can understand and enjoy. To compare them with the people who in other lands have been lovers and students of literature and the arts is grossly unfair. They are not an elite but something else again. Let us say it in italics: *This is something new; there has never been anything like this before.*

"The job before those Americans who would like to see the United States a Greece rather than a Carthage is to try to develop, alongside the media of entertainment and equipment which satisfy these people's present needs, others which will satisfy more exacting tastes and will be on hand for them when they are ready for more rewarding fare. The problem is an economic one as well as an artistic one. Whether it can be solved is still anybody's guess. But in a day when, despite the discouragement of any limited *literati*, much of the best writing of the world is being done in the United States; when the impoverishment of foreign institutions of learning has made American universities no mere followers on the road of learning, but leaders, despite themselves, attracting students from many continents; and when, willy-nilly, a burden of responsibility for the cultural condition of the world rests heavily upon America, it should do us good to look at the army of music lovers that we have produced. For, if this is what auspicious economic conditions can bring in the area of one of the great arts, possibly the miracle may be effected elsewhere, too, and the all-American culture may prove to have been not the enemy of excellence, but its seed-bed."

Progress of the Working Man

In the meantime, let us not lose sight of the working man, a member of what Marx called the proletariat. The working man has come into his own in the capitalist United States. Today, there is more equality of income than in Soviet Russia, where, despite the Communist creed, the distance between the exorbitant pay and privileges of the few at the top and the wretchedness of the mass of the people is greater than it was during the reign of the Czars. There is less of a gap between the incomes of the rich and the incomes of the poor in the United States than there is in nations where a study campaign has been waged against the rich. The change in the United States has been brought about not by making the rich poorer, but by making the poor richer.

In addition to increased wages, U.S. workers have realised many other important gains. Among these are shorter hours, with the general achievement of an eight-hour day and a five-day week; paid vacations; paid holidays; a society of group insurance agreements; social security benefits, supplemented by private retirement pensions; and the availability of a large variety of useful products, notably in the fields of transportation, recreation and culture, and household tasks.

At the turn of the twentieth century, less than one-fifth of U.S. workers' families owned homes. Today, half of them do. In 1900, most workers lived in overcrowded cities, usually within walking distance of their jobs. Today, improved roads, automobiles, and other types of rapid transportation make it possible for them to live in residential and semi-rural districts. Rising incomes and increased leisure time have enabled Americans to improve their standard of living in other ways, as well. Better education and improvements in the technique of communications have given them an increased awareness and knowledge of the world beyond their communities.

In 1850, about 65 per cent. of the work done in the United States was performed by men and animals. Today, the horse has nearly disappeared from streets and farms. Animals now supply less than one per cent. of the work output of the country, and men another one per cent. Power-driven machines now provide over 98 per cent. Year after year, more and more power is used to operate U.S. industry. The cheaper and more efficient power becomes, the more it can be used, and the greater is each hour's production. Work output from inanimate energy in the United States in 1950 was about 185 times what it was a century ago.

Using machinery and production methods vastly superior to what was available a few decades ago, today's worker produces twice as much bituminous coal, and three times as much iron and cement every hour. He handles over two-and-one-half times as much railroad traffic, and produces nearly four times as much electricity. On the average, the U.S. worker produces five times as much as his forefather did in Marx's day.

(To be continued)

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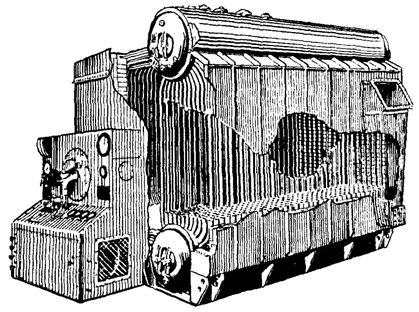
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WORLD BANK STRUCK BY LACK OF TRANSPORT FACILITIES

ENCOURAGEMENT TO COASTAL SHIPPING AND MOTOR VEHICLES URGED

IN the course of the letter which the World Bank President, Mr. Eugene R. Black, has written to the Union Finance Minister, Mr. T. T. Krishnamachari, to which we made a reference in our last week's issue, the former has stated that the World Bank is "struck by the extent to which lack of adequate transportation facilities threatens to constitute the bottleneck in the country's economic development." This is an observation with which even those who differ from the President for ideological or other reasons will readily concur. For the Government of India itself realises that transport is vital to the success of the country's economic programmes and that transport facilities should be augmented without delay. Again, this is also a sphere in which ideological differences have very little relevance, except, perhaps, where the question of nationalisation of road transport is concerned. And even here, there is a welcome trend of opinion in the Central Government, though not among the States, that encouragement to private road transport deserves at present a higher priority than formerly. It will thus be seen that, on whatever other issues there may be differences of opinion or emphasis between the Government and the World Bank, the sphere of transport is one in which they should be able to see eye to eye with each other.

In this context, it is certainly not too much to hope that the Government will be prepared to implement a transport programme that will be constructive as well as free from ideological bias. Briefly, the World Bank President's view is that "attention should be given first to the possibilities of improving operational efficiency of the railways and of encouraging road transport and coastal shipping." The Government, on its part, is already engaged in improving the operational efficiency of the railways. So far as coastal shipping is concerned, it is no doubt aware of the importance of acquiring additional tonnage by shipowners. But the world shipping situation is by no means so comfortable as to permit acquisitions of new tonnage to be made rapidly enough. It is also true that not all coastal ports are now in a position to cope with any sudden increase in the demand for port facilities. It seems, therefore, advisable to implement the suggestion made by the author of a series of articles on "Ambar-Jahaj," which appeared in this journal some time ago. For the chief advantage of the small steamers, for which the author made a convincing plea, is that their use will increase the carriage of goods along India's coastal line without any great reliance on extensive improvements in port facilities. This is an aspect of transport which deserves the Government's attention.

Road Transport

As regards road transport, it is well known that it accounts for a much smaller proportion of the total goods carried than in many western countries. An interesting analysis of the comparative importance of rail and road transport in different countries was given by Mr. E. A. Nadirshah, President of the Indian Roads and Transport Development Association, in the course of his speech, at the recent annual meeting of the Association, held in Bombay. In Italy, according to Mr. Nadirshah, motor transport carries more than twice the quantum of goods carried by rail; in Australia, it carries 8 per cent. more. In the U.S., the proportion of road to railway goods traffic, which was about one-sixth in 1939, rose to about one-third in 1953. In the U.K., motor transport lifts 46 per cent. of all surface freight, as against 54 per cent. by railways. In India, on the other hand, it has been computed that motor vehicles carry no more than 14 per cent. of the rail traffic. Mr. Nadirshah added: "One point is perfectly clear in regard to our transport requirements and that is, that road transport—and road transport alone—can solve the overall transport shortage which threatens to wreck our ambitious development plans."

The Association estimates that, by the end of the second Plan, the available transport facilities will fall short of the requirements by 36 million tons (as against the Planning Commission's estimate of 18 million tons), as against a gap of 9 million tons in 1955-56 (the Planning Commission's estimate being 5 million tons). In other words, both the estimates agree that the gap, at the end of the second Plan, between availability and requirements of transport will widen to more than three times the present level. This indicates the magnitude of the effort that will be needed to improve the transport position. Moreover, the Association has computed that, of the total deficit of 33 million tons in transport at the end of the second Plan, water transport, even if expanded to the maximum capacity possible, can relieve the railways to the extent of only 5 million tons. This, in its turn, serves to bring out more clearly the role that road transport can play in relieving the railways of their burden.

Motor Vehicles Act

The factors which have "throttled" road transport during the past 16 years were neatly summarised by Mr. Nadirshah when he said that they could be classified under four heads—restrictive regulations of Government, crippling taxation, lack of credit facilities and threat of nationalisation. Mr. Nadirshah said that most of the restrictive regulations spring from the Motor Vehicles Act of 1939, the twofold fear implicit in the Act being that road transport may take away from the railways any of the traffic which they are capable of handling and that such diversion may take place mostly in respect of high-rated commodities. Obviously, this fear, whatever may have been the grounds on which it rested in pre-war years, has no relevance to present-day conditions of acute shortage of transport facilities and the railways' inability to wipe it out. Viewing the problem in its historical perspective, Mr. Nadirshah made the following very pertinent observations:

"Until 1940, motor transport in India was free to expand without let or hindrance and the overall supply of transport in India was until then more or less adequate for all demands. Road transport services supplemented railways even on such long hauls as between Peshawar and Bombay, Delhi and Calcutta, Madras and Bombay, etc. In April 1940, the Indian Motor Vehicles Act which gave a monopoly of inter-State and long-distance transport to railways was brought into force and from that date begins the story of transport shortages. Within ten months of the Act coming into operation, the G.I.P. railway was unable to meet traffic demands and a railway official was asked to report on the situation. Mr. J. T. Day, who conducted the enquiry, reported that by 10th February, 1941, loading on the Bombay Division of the railway had fallen in arrears by 20 days, on the Jhansi Division by 25 days, on Bhusawal Division by 30 days and on the Jubbulpore Division by 40 days and that the shortage was very acute until the slack season set in. The officer in question attributed the shortage, in part, to the diversion of traffic from the road to the rail and admitted that road transport was in a position to afford substantial relief. Strangely enough, he made no recommendation for the withdrawal of the restrictions on motor transport but even went to the extent of suggesting that increased use of the road in any region should be contingent on the railways indicating to the Government that large quantities of goods are held up owing to the inability of railways to cater for it. Of course, the railways did not then, and have never since, requisitioned the assistance of road transport to supplement their services. On the other hand, although the transport bottleneck has been with us for these 16 years, they are still insisting that road transport should not operate on routes longer than 150 miles and that too, by taking 1½ miles of rail as equivalent to one of road on continuous gauges."

Mr. Nadirshah made a number of valuable suggestions for improving and extending road transport in India. In the first place, he urged that the targets of production of motor trucks in India should be so fixed that, after meeting the requirements of feeder and passenger traffic and the estimated normal renewals of old trucks in the country, the balance available should be adequate for the anticipated traffic in the country without prejudicing other modes of transport. Secondly, freights for road transport should be so fixed as to avoid unhealthy competition either among road operators or between roads and railways. Thirdly, the weight regulations governing the carriage of goods by road transport should be suitably amended. In this connection, he advocated the adoption of the axle load limit of 18,000 lbs. recommended by the Indian Roads Congress. Fourthly, he urged that the transport operator should be given loan facilities for purchase of vehicles in the same way as owners of industrial units are provided with funds for starting new undertakings or for the expansion of their existing undertakings.

Nationalisation

Finally, there are the twin problems of heavy taxation and threat of nationalisation. Mr. Nadirshah rightly stressed that one must not ignore the fact that "motor transport taxation in India is the highest among all countries of the world and that it amounts to roughly 500 per cent. of the tax in America." So far as nationalisation of goods transport is concerned, it is well known that the Government of India, though it has not opposed it on principle, has decided not to permit it before 1961. This decision has been welcomed in transport circles. Even so, it may be wondered whether the immunity for so short a period would provide the necessary incentive for road transport operators to sink money in acquiring new vehicles. The Government will certainly be well advised to extend, as Mr. Nadirshah himself suggested, the period of immunity to ten years, though, in our view, there is no need at all for nationalising road transport, be it passenger or goods traffic, at any time.

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NEW RAIL-LINE

The 37-mile Ernakulam-Kottayam rail section, which has just been opened, is part of the Rs. 6-crore 96-mile Ernakulam-Quilon metre-gauge rail project connecting Ernakulam and Cochin in the north with Quilon and Trivandrum in the South. There are altogether 400 bridges to be constructed, of which 34 are major ones, besides 251 road crossings. The tract served by the line has vast natural resources and has an exportable surplus of coir, copra, pepper, rubber, tea, coffee and spices. It will thus pave the way for the rapid development of the west coast which forms the hinterland to the Cochin Port. As a through north-south rail link, lying on the west coast from Mangalore to Trivandrum, this has great economic significance, forming as it does an arterial railway for the transport of oil, foodstuffs and all other essential needs of the community. Passenger traffic also will be appreciably heavy as the area traversed is densely populated with an educated and travel-minded population.

OIL PIPELINE TO MEDITERRANEAN

A new dispute in the Middle East, when the slightly older Suez Canal controversy is still hanging fire in the Security Council, is the one between the Iraq Petroleum Company (I.P.C.) and the Lebanese Government. The I.P.C., which now owns a refinery and a pipeline in Lebanon, had planned to construct a new 24-inch pipeline from a point east of Homs in Syria to Tripoli on the Mediterranean coast as part of a plan to export an additional nine million tons of Iraqi crude oil annually. But, in view of what it regards as an unfavourable attitude of the Lebanese Government, the Company has reversed its original plan and decided to by-pass the Lebanon in the construction of its new pipeline to the Mediterranean coast by having the line in Syrian territory.

The Company had agreed to share with the Lebanese Government on a 50-50 basis the profits of its transit operations in the Lebanon. In terms of money, the Company had offered to pay the Government nearly £700,000 per annum on its present throughput of 7½ million tons of oil. When the new pipeline bringing an additional 9,000,000 tons of oil each year to Tripoli was completed, the total annual payments to the Government, according to the Company, would have amounted to about £1,500,000. If, subsequently, the former and now defunct Kirkuk-Haifa pipeline system were to be diverted to Sidon, the total annual payment to the Government on the basis of the Company's offer would be about £2 million.

The Company was anxious to know before proceeding with the construction of the pipeline what transit payments it would be called upon to make. Accordingly, it wanted to conclude a comprehensive agreement with the Lebanese Government. But the latter, it is stated, demanded certain higher payments which the Company felt it could not pay. Meanwhile, the Government has subjected the I.P.C. to new taxes. These new taxes, according to the Company, are a violation of the exemptions to which it was entitled under its 1931 Convention. The Government has also threatened the Company that it would take over its assets—a refinery with an annual capacity of 500,000 tons and pipeline with a total capacity of 7½ million tons a year—if its tax demands were not met. In accordance with the method prescribed in the Convention for the settlement of disputes, the Company has called for arbitration. It has also warned that, if the new measures contemplated by the Lebanese Government were imposed on it, there would be no alternative left for it except to suspend its operations in the Lebanon resulting in a mass discharge of its 2,500 employees.

In view of this controversy, the I.P.C. has decided, as stated at the outset, to by-pass the Lebanon in the construction of its new pipeline in the Mediterranean. Work has already started on a new 24-inch 9-million-tons-a-year capacity link from Homs to the port of Banias which will keep the line entirely within Syrian territory.

A news report from Syria, however, states that the Syrian Premier has expressed the view that the oil policies of the two countries are identical and that Syria would not adopt any measures harmful to the interests of any other Arab country. He is reported to have said that he would not agree to the transfer of pipelines from the Lebanon to Syria. It, therefore, remains to be seen as to how the whole issue will be resolved in the end.

ELECTRONIC EQUIPMENT

The I.B.M. World Trade Corporation, has announced, besides the electronic typewriter to which reference was made in our last week's issue, a few additional new products in the electronic field which will accelerate the trend toward plant and office automation.

They are the automatic production recording equipment, or A.P.R., the first machine system for automatically extracting vital data from assembly lines and processing it in a form suitable for quick management action, and the RAMAC and RAM 650, two electronic data processing machines, using I.B.M.'s "juke box" memory, a stack of magnetic discs to store millions of facts and figures less than a second from management's reach. The Random Access Memory (RAM) is just what the name implies, an almost instantaneous recall of any item, reflecting an up-to-the-minute status of business even while new transactions are being processed.

The automatic production recording or the APR fills a vital need. Thousands of hours are now being spent in plants and factories on data collection and recording. Much of this information is poorly or incorrectly recorded, and a substantial amount finds its way into accounting systems. Management has been aware that a great deal of these data are unreliable as well as expensive and difficult to collect, and thoroughly inadequate for the purpose of sound management decisions. With APR, production variables such as weight, count, length, and temperature, together with the related information that identifies the product and the process are automatically collected in great volume and recorded in printed and punched form. This information can be fed directly to data processing machines capable of preparing production, cost inventory, and other management reports. Management will have available a running picture of current production performance for on-the-spot supervision. The APR is made up of a system of components which may be combined in small, simple systems or in complex networks, depending on the application. These components include various types of input devices—clocks, keyboards, and a device that converts electrical or mechanical impulses from measuring instruments to digital form—storage devices, a programming unit, and output devices, an automatic typewriter and a tape perforator. These components have been developed to meet the needs of many and varied production problems and to be compatible with commercially available measuring instruments.

The RAM 650 and RAMAC both utilise the magnetic disc memory device announced by the IBM a year ago. Both machines are the first of a planned line of equipment designed for high-volume, in-line processing of business data. Transactions are processed continuously, as they occur, instead of being held until a group is accumulated, sorted and batch-processed. In a single step, all records affected by a transaction will be immediately adjusted to account for the change. The RAM 650 combines the IBM magnetic drum data processing machine (which is currently also being produced by the IBM World Trade Corporation in Canada, France and Germany and will soon go into production in Britain) with a series of disc memory units which are capable of storing a total of 24-million digits. The RAM can easily be added on to any 650 as an additional unit. The RAMAC is an entirely new machine which contains its own input and output devices and processing units as well as a built-in five million-digit disc memory. Both machines operate according to a programme of electronically stored instructions.

An advanced feature of the new continuous accounting machines is the method by which the memory may be interrogated. With the RAM 650, typewriter operators at remote inquiry stations may "ask" the machine for any of the data in the vast memory. Instants later the answer—perhaps a sales total or an inventory figure—appears on the typewriter. The same remote machines may be used to introduce information directly to the memory. The RAMAC may be interrogated in a similar manner directly from the machine's console.

AUTOMATIC TRAIN GRAPHS

Among traffic control devices developed by the Swedish L. M. Ericsson Company in recent years is a traingraph for the automatic graphic recording of train movements. Intended chiefly as a complement to centralised traffic control systems, it is reported to comprise a number of new features designed to simplify and facilitate operations for the control and safety of railway and underground traffic. The operator of a centralised traffic control system (C.T.C.) requires not only the visual picture of the current positions of trains but also continuous recordings of train movements. Recordings by and would be impractical, nor would they give the clear graphic picture that is needed. By means of the L. M. Ericsson Traingraph a clear stamped traffic diagram is obtained, giving a picture of the traffic situation for the hours immediately prior to and subsequent to the train-movement. Different colours can be used for different tracks or different direction of movement. Another novel feature is the large capacity in relation to size of apparatus, permitting the connection of a maximum of 112 or 224 train passage transmitting devices.

The new Swedish traingraph, which can be automatically operated on the data normally received in a C.T.C. office, consists of an aluminium frame in which are mounted rolls, magazines and feed mechanism for the chart, electromagnetic stamps and arrangements for feeding the colour ribbons and changing from one colour to another. Moreover, it includes an impluse generator and one or more relay sets. The dimensions of the traingraph, which can be installed in the operator's desk, are: length 660 mm., width 640 mm., height 182 mm., the width of the chart being 352 mm. If the chart is pre-printed with a graphic diagram of movements in conformity with the time-table the stampings will directly show whether trains are following the time-table and the extent of deviation from it. Written notes, which can be easily made on the chart, of train numbers will only be required in the event of abnormal delays. The putting-on of extra trains is facilitated, as also notes regarding train cancellations. The use of a traingraph is not confined to the recording of train movements in conjunction with C.T.C. It can also be used for recording the passage of trains through single or a number of consecutive stations, provided that there is any form of device that can give a remote indication of the passage of trains.

NEW PRODUCTS AND PROCESSES

Storage of Cashew Kernels

PROCESSES to increase the storage life of the roasted and salted cashew kernels by using *vanaspati* as the roasting medium have been evolved at the Central Food Technological Research Institute, Mysore. In one of the processes the kernels are first treated with *vanaspati* and then heated in a furnace for 20-25 minutes till they assume a slight brownish tinge. The roasted kernels may thereafter be salted, if required and packed in suitable cans. The storage life of such kernels when packed in ordinary atmosphere is about six months against a normal life of three months according to the processes at present employed in the industry. In the other process, the kernels are "deep fried" in *vanaspati* at a temperature of 160-180°C for 70-90 seconds, the excess oil being later recovered by centrifuging. The kernels are then dipped in molten *vanaspati* containing an anti-oxidant and a synergist for one minute and the excess oil centrifuged off again. The kernels after salting are packed in suitable cans. The storage life of kernels packed in this manner exceeds one year at ordinary temperatures.

Automatic Moulding System

Large quantities of ferrous and non-ferrous sand castings can be produced on a new automatic moulding system which recently came into operation at Platt Malleable Castings, of Walsall, Staffordshire. The equipment, which is named after the inventor, is known as the Hallsworth automatic moulding system and it has been developed in conjunction with the research and development department of Rubery Owen and Co. Heart of the plant is the automatic moulding machine which prepares the moulds in their boxes. The completed moulds are then automatically positioned on a rotary conveyor for pouring, which is done by a specially designed mechanism arranged to eliminate operator fatigue. The sand used in forming the mould moves through a continuous cycle. Having been made into a mould on the main machine and been in contact with the molten metal it is removed from the casting at the "shake-out" position and returned by an underground conveyor to a conditioning plant. The sand eventually returns to a hopper and measuring device before it is re-used in the moulding boxes. It is stated that the plant is capable of producing at least 240 completed moulds per hour when it is operated by a five-man team. Moulding boxes measuring 12 inches by 9 inches by 5 inches are used and it is estimated that an output of 1,000 lbs. per man per day is possible.

Tin Sealing Machine

Cylindrical containers, such as tins, glass jars and cardboard drums, can be sealed automatically with self-adhesive tape by a machine which is to be marketed by the Sellotape Division of Gordon and Gotch (8-10, Paul Street, London, E.C.2). Each container is placed individually by the operator on the machine's turntable. When the starting button is pressed a clamp descends to push the lid on tightly and to hold the container firmly; at the same time an arm swings forward and attaches one end of the tape to the tin. As the turntable rotates the tape is drawn on to the container and pressed on to ensure strong adhesion. When the turntable has turned through 360 degrees, plus about 5 degrees for the overlap, a cutter severs the tape and leaves a short length of tear strip protruding. The machine, known as the Pneutaper, is operated by compressed air and it is stated that any pomp with pressures in excess of 45 lbs. per square inch can be used.

Metallised Fabric

Imperial Chemical Industries is producing a new metallised fabric which can be used for decorative, but hard-wearing, trimming in cars, for shop fittings and display material and for fancy goods. The fabric is described as an aluminium-coated leather-cloth incorporating an abrasion-resistant plastic called Melinex which is claimed to protect the surface and prevent tarnishing. Two grades of the material are being offered. One is for sewn or "stick-down" applications and the other for high frequency welding. Marketed under the name Splendex the fabric is supplied in 50-yard rolls with a width of about 23 inches.

Easy Rust Removal

An official of the Australian Shipping Board has devised a means of removing rust economically from the ballast tanks on ships. This new process cuts removal costs 75 per cent. and takes only one or two days. Blocks of alloy metals, through which electricity passes, are suspended in the tanks. The alloy has a lower electro-chemical potential than the steel of the tanks and attracts the chemicals which cause the rust. The alloy metals can be used over and over again without corroding. In the first experiment the suspended plates were fed with a six-volt current for 21 hours; at the end of this period the tanks were perfectly clean.

Radiograph Amplifier

A radiograph amplifier which electronically increases the depth of the radiograph was developed by a firm, Phillips N.V. at Eindhoven (Holland) in its physical laboratory. A new form of this apparatus has now been designed for industrial use. It creates entirely new potentialities, as it enables materials to be examined by direct visual means, whereas hitherto examination was usually possible only by means of photographs. It enables welding seams, castings, rolled products and the like to be actually examined by X-rays, and mass-produced articles can be radiographed piecemeal. Whereas formerly a few random tests had to suffice, it is now possible to check the quality of the entire output.

Atomic Timepiece

A Malden, Massachusetts, U.S., company has unveiled an atomic beam clock that is exact to within three seconds per 100 years, according to the firm, and more precise than telescopic observations for navigation, communication and engineering systems. The clock, the company said, makes high precision time interval and frequency control practical for the first time without reliance on radio time signals. It is based on fundamental discoveries made some 15 years ago by Prof. I. I. Rabi of Columbia University, who won the 1944 Nobel Prize in Physics for these pioneer investigations into the inner cores, or nuclei, of atoms. The clock, known as the Atomichron, was developed under the guidance of Dr. Jerrold Zacharias, Professor of Physics at the Massachusetts Institute of Technology.

Cast Iron Alloy

A new alloy for use in the production of the flexible cast-iron known as spheroidal graphite cast-iron recently completed its full-scale foundry tests. The new "nickel-free" material is said to possess a number of advantages over other similar alloys. It consists of a mixture of silicon, calcium, magnesium and iron and has been developed by the Metallgesellschaft AG. and the Süddeutsche Kalkstickstoffwerke companies in Germany. It is expected that the new material will become available for commercial manufacture under licence in the near future.

Cheap Paper From Bamboo

One hundred tons of bamboo will now yield between 67 and 70 tons of cheap paper, as a result of further investigations conducted by the Forest Research Institute, Dehra Dun. The process, specified originally by the Institute, was expected to yield between 60 and 64 tons of paper from the same quantity of bamboo. Under the improved process, cooking time will be reduced considerably and the quantity of fibre to be converted into bleached fibre pulp also reduced. A mechanical bamboo project for further development of the process has been set up at Dehra Dun.

Semi-automatic Benders

W. Veenstra & Co. Sarphatikade 7, of Amsterdam, has for some time past manufactured an electric semi-automatic bender with a patented fully-automatic bending head on a free bending arm. It is thus possible to bend a workpiece in various bending planes in one operation. The automatic bending head clamps the material without the risk of slipping or damage, releases it after bending and automatically returns to its initial position for the next bend. A centrally controlled longitudinal spindle with automatic length stops ensures the correct length of the straight parts between the bends. The machine is very easy to operate, so that even unskilled personnel can work quickly and accurately with it. This bender is specially suitable for workpieces with bends in different planes, such as chairs, bedsteads, transport vehicles, etc. For the mass production of short workpieces, such as handlebars for bicycles and motor bicycles, exhaust pipes, etc., a dual-action bender can be supplied for simultaneous left- and right-hand bending.

DEVELOPMENT OF TRADE WITH INDONESIA

DIFFICULTIES IN THE WAY STATED

By Chinoobhai C. Javeri

THE influx of Indian culture into Indonesia is one of the most glorious and romantic episodes in the cordial relations between the two countries. In no less an important book than the Ramayana does one come across the name of Java. In the eighth century, there were rulers in Central Java professing the Siva faith. Hinduism was predominant then and its influence lasted upto the fifteenth century, till the advent of Islam which gradually replaced other religions of the Island. Yet, neither Indonesia has forgotten its ancient links with India nor time has obliterated traces of Indian culture.

The two countries—India and Indonesia—in their outlook and ideas are not so much apart as they are in terms of distance. There are many common economic, cultural and political ties between them. There are also many similarities between their standard of living and basic economy. The spirit is the standard which is acknowledged to be paramount in their relations. Many a problem such as the struggle for independence, etc., run parallel in the histories of the two countries.

The Republic of Indonesia consists of four major Islands of Java, Sumatra, Southern Borneo, Celebes and hundreds of smaller islands. The total area is 735,267 square miles and the population is estimated at about 70 million.

Since Independence, a new life is pulsating in the people stirred by a strong national consciousness. In trade, too, the spirit of nationalism has asserted itself against foreigners, who, in a large measure, controlled the country's trade in which the Chinese and the Dutch had a lion's share. By legislation and other measures, their domination has been removed and the trade has reverted to the hands of the people. Despite these changes, which have poised fresh problems and created new situations, the country's economic dependence on the West continues.

The main commodities which Indonesia produces and exports are sugar, palm oil, rubber, copra, tea, tobacco, pepper, sago, spices, beetlenut, hides, etc. The country has some mineral resources such as tin and oil which are also exported. Industrially, she is backward and underdeveloped. The national Government has embarked on an industrialisation programme and recently certain industries have been started. But for consumer and capital goods she still largely depends upon imports.

Nature of Economies

The economies of India and Indonesia are both complementary and competitive. The following table shows her overall exports to and imports from India:

(In lakhs of rupees)

	1953	1954	1955
Exports from India to Indonesia ...	621	1,357	670
Imports from Indonesia to India (including oil)	103	33	133

Basically, the position has remained unchanged. Indonesia is still having an adverse trade balance with India. She imports much more from India than she exports—a significant factor which withholds the expansion of trade between the two countries. Ironically, many of the products which Indonesia produces and can offer are those which India produces either sufficiently to meet the home demand or in excess. A cursory review will bear this out.

Take, for example, tea, black pepper, pulses produced by Indonesia. India is an exporter of all these items. The production of sugar in India is ample and sufficient to meet home demand. While coconut oil is produced on a large scale, the shortage is met by imports from Ceylon and Malaya. To protect indigenous plantations, import of rubber was banned though now allowed in a limited quantity to meet the growing demand of the expanding rubber industry. It is, however, not suggested that India is self-sufficient in most of the products which Indonesia produces and can offer for export.

Spices and coconut oil which India needs to meet the deficit are imported from Ceylon and Malaya because their prices are competitive on account of the advantages of the Commonwealth tariff preference enjoyed by them. These countries are not only our natural markets but also our best customers, at present, with whom we are keen on developing trade. It has been advocated in some quarters that Commonwealth tariff preference agreement should be cancelled, because it handicaps and interferes with the development of our trade with non-Commonwealth countries, many of which are our natural markets and very friendly with us, while no appreciable benefit accrues to our trade by the agreement. The contention is not correct. Had it not been beneficial, the agreement would not have been continued in the present circumstances. The opinion in knowledgeable quarters is just the opposite. It is averred that the trade has gained and is gaining by it and facts and figures bear this out. However, the matter may be reviewed and critically examined periodically in the context of the changing pattern of our expanding trade.

To some extent, the social, political and economic unrest, the intricate licensing procedure, the unsteady export and import policies, the changing economic climate in Indonesia, are factors which impede and handicap the development of trade between the two countries. The risk involved in trading under these unsettled conditions is of such a dimension that it restricts and retards the expansion of trade. It is however, hoped that Indonesia will soon make rapid strides in her economic progress and that her export and import policies will be rationalised and stabilised. Stable conditions will create a proper climate for facilitating and promoting trade between the two countries.

Long-term Credit

The barriers raised by the non-availability of foreign exchange and the imbalance in trade could be overcome by India agreeing to sell certain commodities to Indonesia on long-term credit. Payment of the loan could be guaranteed by the Central Bank of Indonesia. Such an arrangement might enable us to tide over temporarily the new phase in our trade.

Barter is another expedient for finding a market for one's goods. But this scheme does not fit in with our policy, though Indonesia has entered into barter agreements with Japan, Poland, China, Czechoslovakia. In the final analysis, however, barter basis does not pay. It is not in the larger interests of the country to export agricultural products and import machinery and engineering goods under barter scheme.

The loan, barter, bilateral trade agreements are only artificial devices which may promote trade temporarily but they do not offer an effective and long-term solution. Multilateral trade is a scientific and organised system of trading, but, unfortunately, it is neither practical at present nor does it find favour with countries due to peculiar existing economic conditions and political considerations.

Triangular trade, though complicated and difficult, is practicable and may be tried to ease the situation. Recently, India concluded a trade agreement with Burma for export of cotton textiles and acceptance of raw cotton from the U.S.A. for an equivalent amount as provided under P.L. 480. Indonesia is understood to have also entered into a similar arrangement with the U.S.A. and agreements for the import of cotton textiles by her under this arrangement have been concluded with four or five countries. India has been conspicuously omitted. This poses a pertinent question: Why is it that India, who is so friendly and has cordial political relations with Indonesia, was not approached by Indonesia to meet her cloth requirements?

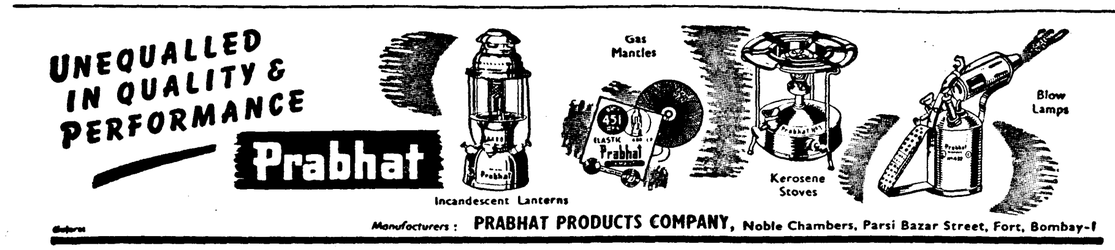
Whatever be the scope for implementing these suggestions, the important fact is the development of internal economy. Neither the natural resources nor the geographical location but only the attitude and character of the people inhabiting the country that can promote and ensure the country's progress and prosperity. Ultimately, it is the quantity and quality of human effort put into the work that speaks for a country's future.

In our trade and economic relations with the countries of Africa and Asia which are our neighbours and with whom we have friendly ties, a progressive enlightened policy of greater co-operation and reciprocity in buying and selling the goods should be pursued. In view of the growing industrialisation of our country, a new thinking in our trade policy with the neighbouring countries is necessary. We must actively assist them in developing their economy.

There are many Indians trading in these countries who have accumulated large funds which they cannot remit to India; nor do they know where to invest them. With them it is a problem to repatriate the funds. These funds could of course, be profitably invested in developing the economy and industry of the country concerned. But some measure of assurance by the Governments of the countries concerned about the safety of the capital is necessary. Repatriation of funds by merchants in some proportion to the amount they may invest in an industry in the country may be permitted by them. Remittance of profits derived from the industry may also be legally guaranteed. Some such facilities, if granted, will serve as an inducement to merchants to invest their funds in the industrial development of countries with which they are familiar. These countries being undeveloped, offer wide scope for starting lucrative industries. Such investments will not only earn for the Indian community the goodwill of the people but also go a long way towards promoting the trade and strengthening the political relations between India and these countries.

GYPSUM FOR SINDRI FACTORY

The entire requirements of the Sindri fertiliser factory, owned by the Central Government, in respect of gypsum, one of the main raw materials for ammonium sulphate, produced by the factory, are being met from the various mines in Rajasthan. The principal mines are at Jamsar in the Bikaner and Kawas in the Jodhpur Divisions. The factory was originally planned with the mines at Daudkhel in West Pakistan as its main source; after partition, the mines in Rajasthan have taken over that role. In 1951, when the mining in Kawas started, it was estimated that there will be about half a million tons of gypsum which would be suitable for the Sindri machinery. This estimate has been justified as that amount has already been mined. This source may probably yield another lakh of tons or so of gypsum before it runs out completely. It was planned to work the Kawas deposits first and the deposits at the nearby Uttarlai afterwards. In accordance with this plan, mining at Uttarlai has been taken up by the Sindri Fertilisers and Chemicals Ltd. The requirements of gypsum for the production of nitrogenous fertilisers in future will depend on the types and quantities of fertiisers to be manufactured.



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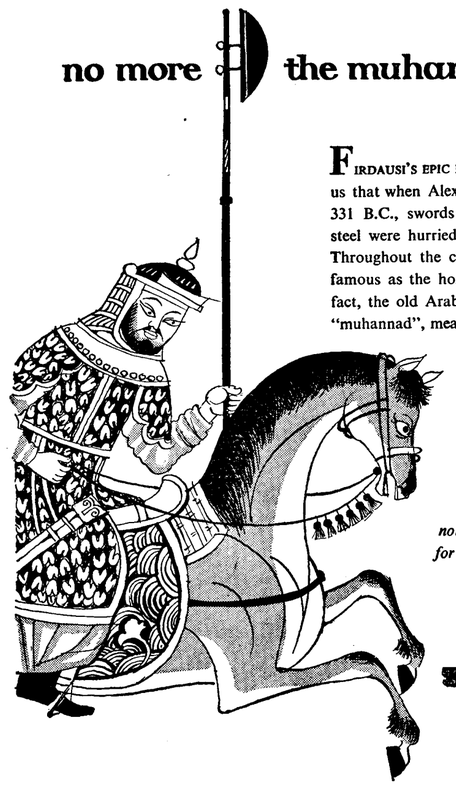

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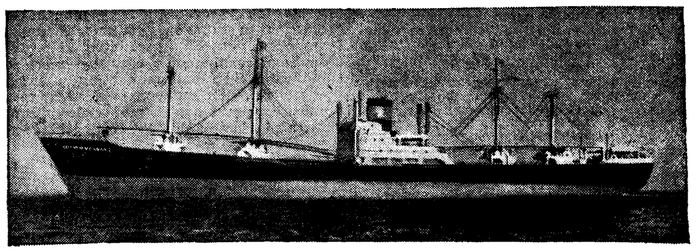

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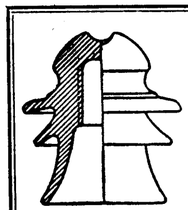

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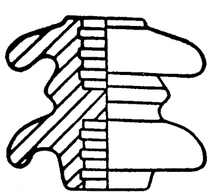

SURVIVAL OF MANAGING AGENCY SYSTEM—II

COMPENSATION FOR TERMINATION OF OFFICE: RESTRICTION ON POWERS

By F. R. Ginwalla, B.A., LL.B.

THE payment of compensation to a managing agent for loss of office is strictly regulated by section 366. This section provides that the amount of compensation shall be limited to the remuneration which the managing agent would have earned if he had been in office for the unexpired residue of his term or for three years, whichever is earlier. This section further provides that the compensation should be calculated on the basis of the average remuneration actually earned by him during the period of three years immediately preceding the date on which his office was terminated, or where he held the office for a lesser period, during such period. The effect of the proviso to this section is that a managing agent is not entitled to any compensation if the assets of the company on winding-up are not sufficient to repay the share capital (including premium) contributed by the members of the company.

Section 365 enumerates the cases in which the payment of compensation to a managing agent for loss of office is prohibited. This section is to be read with the provisions of section 366 which we have already discussed. The prohibitions can be briefly stated as under:

(1) On the resignation of a managing agent in view of the reconstruction of the company or its amalgamation with any other body corporate and on his appointment as a managing agent or to any place of profit under the reconstructed company or the body corporate resulting from the amalgamation; (2) on the resignation, otherwise than on the reconstruction of the company or its amalgamation; (3) on the determination of managing agency agreement upon the issue of a notification that a particular class of business or industry shall have no managing agent from a specified date; (4) on the termination of the office of existing managing agents on the 15th August 1960; (5) on the managing agent giving up the managed companies in excess of 10 after 15th August 1960; (6) on the managing agent (if an individual) being adjudged an insolvent either by the Court or upon his own application; (7) on the dissolution of managing agency firm for any cause whatsoever, including the insolvency of a partner in the firm; (8) on the commencement of the winding-up proceedings where a managing agent is a body corporate irrespective of the fact that winding-up is by the order of the Court or subject to the supervision of the Court or voluntarily; (9) on the commencement of winding-up of managed company whether by or subject to the supervision of the Court or voluntarily; (10) on the vacation of office due to the conviction and sentence of not less than six months for an offence committed in India; (11) on the suspension of a managing agent when a receiver is appointed for his property by the Court or by or on behalf of his creditors. (The Court while appointing a receiver may allow a managing agent to continue in office for such period and subject to such conditions as may be specified in its order); (12) on the suspension of a managing agent by the board of directors under section 340; (13) on the removal on the ground of fraud or breach of trust or gross negligence and mismanagement; and (14) on the termination of his office as a managing agent when such termination is brought about by the instigation of the managing agent himself.

In this context, it may be noted as to when certain disqualifications take effect as mentioned in section 340 read with sections 334(a), 335(I), 336 and 337(II). The disqualification will take effect after 30 days from the date of order of: (1) adjudication of a managing agent (if an individual and not a firm or body corporate) as an insolvent, (2) appointment of a receiver by the Court of the property of the managing agent, (3) conviction of a managing agent for an offence committed in India and sentenced therefor for a period of not less than six months, and (4) the Court giving a finding that the allegations of fraud or breach of trust have been duly established. If an appeal or petition is preferred within 30 days from the date of the order made in the above cases the disqualification will not commence until the expiry of seven days from the date on which such appeal or petition is disposed of. If any further appeal or petition lies it should be made within seven days as aforesaid and the disqualification will not take effect unless such further appeal or petition is disposed of.

In the above cases, it is open to the board of directors of a managed company to suspend a managing agent immediately or at any time after the order is made by the trial Court or the Court of the first instance or it may wait till the result or disposal of appeal if any. In this context it may be noted that conviction does not operate as a disqualification if a convicted partner, where a managing agent is a firm or a director, where a managing agent is a body corporate, is expelled under section 341 within 30 days from the date of such conviction. Changes in constitution of managing agency firm or corporation must obtain approval of the Central Government within six months from the date of such a change as indicated in section 346. If this is not done the managing agency shall cease. The approval is to be given by the Government in consultation with the Advisory Commission. Conditions prohibiting reconstruction or amalgamation of a company except on continuance of an existing managing agent of the reconstructed company or of the body resulting from amalgamation is void under section 376 from the date of this Act coming into force.

Resignation

Unless a managing agency agreement otherwise provides, a managing agent may, by notice to the board of directors of the managed company, resign his office from such date as he may specify in his notice. But such resignation tendered under section 342(1) does not become effective till it is accepted by the managed company by a resolution passed in its general meeting after giving full consideration to managing agent's resignation together with the statement of affairs, balance-sheet, profit and loss account and auditors' report.

When a managing agency is terminated on account of the Central Government notifying that a specified class of business or industry shall not have a managing agent from a particular date or when a managing agent gives up the managed companies in excess of 10 so as to conform to the provisions of section 332 a charge is created under section 333 in favour of a managing agent on the assets of the managed company in respect of all moneys due to him from the managed company at the date of the termination of his office. This charge also protects a managing agent in respect of any liability properly incurred by him before the termination of his office. It may be noted that such a charge under this section is always subject to all existing charges, if any, on the assets of the managed company. Section 367 provides that, upon the termination or cessation of his office, a managing agent is entitled to enforce his claim, if any, against the managed company. This section does not affect the rights and liabilities in relation to the company, of the managing agent in any other capacity.

It is said that power corrupts and absolute power corrupts absolutely. This is the significance of section 368 which prevents the concentration of powers in the hands of a managing agent. A managing agent, whether appointed before or after the commencement of the Act, must function, subject to the superintendence, control and direction of the board of directors of the managed company and subject to the provisions of the memorandum and articles of the company. The powers are further restricted by the provisions contained in schedule VII of the Act. This schedule enjoins upon the managing agent the necessity to obtain the previous approval of the board of directors of the managed company for appointing any person in the managed company on a higher remuneration than the one fixed by it. These restrictions further extend to an appointment of any relation of a managing agent under the managed company without the sanction of its board of directors of the managed company. Sanction of the board of the managed company is also necessary for selling or purchasing capital assets beyond the limits prescribed by the board and for compounding or sanctioning the extension of time for the payment of any claim of the managed company against himself or his associate or for compounding any claim against the managed company of himself or his associate. In this context it is necessary to invite attention to the provisions of schedule VIII referred to in section 347. This schedule enjoins on every managing agent who is a firm or limited company to file with the managed company a declaration within one month from the date of the Act. This declaration is intended to inform the managed company as to who are interested in the managing agency and what charges occur in such interest. It is a continuing offence punishable with fine if the declaration specified in this schedule is not made.

Section 364 provides that any assignment of, or charge on, his remuneration, or any part thereof, effected by a managing agent shall be void as against the company. This section does not affect the rights *inter se* of the managing agent and any person other than the company. Section 369 prohibits a company from giving a loan to its managing agent or his associate. A company may, however, advance any amount to its managing agent for facilitating the company's business subject to the limits fixed by the company's directors and on no account exceeding Rs. 20,000 in the aggregate.

The restrictions contained in section 370 shall apply to a lending company which is under the same management as that of a borrowing company unless the making of such loan has been previously authorised by a special resolution of the lending company. These restrictions contained in section 370 do not apply to any loan advanced by a holding company to its subsidiary, or by the managing agent to any company under his management. Contravention of the foregoing provisions of sections 369 and 370 is an offence under section 371 punishable with fine upto Rs. 5,000 or with simple imprisonment extending to six months.

Restrictions on Investment

The limits to investments which may be made by a company in another company belonging to the same group are set out in section 372. The board of directors of the investing company may by a unanimous resolution at a board meeting invest upto 10 per cent. of the subscribed capital of the company in whose shares the investment is made, but the aggregate of such investments in other companies of the same group should not exceed 20 per cent. of the subscribed capital of the investing company. Investment beyond these limits can only be made by the approval of the company at its meeting and unless further approved by the Central Government.

The restrictions on investment noted in the foregoing paragraph do not apply to (1) any banking or insurance company, (2) a private company which is not a subsidiary of a public company, (3) a holding company in respect of investments made in its subsidiary, and (4) a managing agent in respect of investments made in a managed company. Section 373 provides that investment in shares of a company under the same management made before the commencement of the Act beyond the limits set out in section 372 requires the approval of the company and the Central Government within six months from the date of the Act or in the alternative the investment in excess of the prescribed limits should be disposed of within two years from the commencement of the Act. Any contravention of section 372 or 373 is an offence under section 374 punishable with fine upto Rs. 5,000.

Another important restriction under section 375 is that no managing agent can henceforth engage on his own account in any business which is of the same nature as, and directly competes with business carried on by the managed company, unless the managed company by its special resolution authorises its managing agent to do so. If a managing agent carries on any business in contravention of this section he is liable to account for the profits earned by him as if he received such benefits in trust for the managed company.

Section 377 restricts the right of a managing agent to appoint his director on the board of directors of the managed company. He may appoint one director when the strength of the board of directors is less than five, and not more than two when the total number of directors exceeds five. Any provision in the articles of an existing company or in agreement with the managing agent authorising him to appoint more directors than specified in this section shall be void after the expiry of one month from the date of the commencement of this Act. If at the date of the Act the number of directors appointed by the managing agent exceeds the number allowed under this section it is the duty of the managing agent to decide as to which of his nominees should continue in office. Such decision must be made within one month from the date of the Act coming into force. If no choice is made the nominees of the managing agent will be deemed to have vacated their offices.

Committee of Enquiry

Under the rules framed under section 324 it is necessary for the Central Government to appoint a committee to enquire into the desirability or otherwise of terminating managing agencies in respect of companies engaged in a specified class of business or industry. The procedure to be followed by the committee is laid down in rule 11 of the Companies (Central Government's) General Rules and Forms, 1956. The recommendation of the Committee will be considered by the Central Government in consultation with the Advisory Commission and, if after such consultation the Government is satisfied that steps should be taken to abolish the managing agency system in any particular industry or business, a notification to this effect under section 324 will be placed before Parliament for consideration. There can be no better safeguard than this. Thus, we have before our eyes an overall picture of the shape of things to come slowly but gradually in the managing agency system in India under the new Company Law which is primarily concerned with means and not ends.

(Concluded)

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THE gradual but persistent thawing of the cold war that has been witnessed on the political front after the death of Stalin has created a favourable climate for the growth of better economic relations between the eastern and western parts of Europe. If these relations had remained strained for some time, it was only because of the existence of artificial barriers—stemming from political factors—between the two parts which are otherwise complementary to each other to a great extent. Consequently, when these barriers were partially removed, the natural economic forces, suppressed for a long time, began to grow active. The industrial expansion recorded in recent years in both parts of Europe, more especially in western Europe, gave great fillip to a fuller manifestation of this natural tendency. In the absence of a favourable political climate, not only would these forces have remained bottled up, but the problems of expanding markets and finding customers for their numerous products would have assumed greater proportions. The fast expanding industrial activities of these countries have thus led, on the one hand, to the reactivisation of the old relations, and, on the other, to greater diversification of trade.

This is the broad conclusion that can be drawn on an examination of the developments in east-west European trade in 1955, which are reviewed by the Economic Commission for Europe in an article in the latest issue of the *Economic Bulletin for Europe*. The article is titled "Recent Developments in Trade Between Eastern and Western European Countries." The features that have made for expanding trade relations are the more frequent contacts that have been taking place between the private industrialists and traders in western Europe and the trading organisation in eastern Europe through fairs and visits. The article also refers to "certain more basic developments" which influence the trade policies of the two parts in the long run. It states that a fundamental re-examination of the east-west trade policy is taking place. While in eastern Europe, foreign trade policy appears to be receiving more consistent attention than in the past in general economic planning and there is greater emphasis on the advantages of international division of labour, in western Europe, and in the U.S., Governments are showing more interest in promoting east-west trade and introducing a greater degree of flexibility in the licensing policy.

During 1955, the value of east European exports to west European countries increased by 30 per cent. above the 1954 level, while the deliveries of the latter to the former increased by 12 per cent. Larger quotas are also provided for in most trade agreements for 1956; and, in the first four or five months of 1956, the value of east European exports increased by 17 per cent., while those of west Europe improved by 14 per cent., over the corresponding period of 1955. The rates of increase in terms of volume were, however, smaller since the export prices had risen by about 5 per cent. in both the areas. An interesting feature of this expansion is that, although east-west European trade reached its highest post-war peak in 1955, west European exports still remained at only two-thirds of their pre-war volume and east European exports did not attain even one-half of that level.

Geographical Distribution

Certain striking changes were also witnessed in the geographical distribution of trade of western Europe, the Soviet Union and eastern Europe as a whole during the seven years 1948 to 1955. It may be noted here that the term "eastern Europe" includes the Soviet Union also. Whereas the main expansion during this period took place in trade within the respective regions, reflecting closer economic co-operation, the trade of the east European countries with eastern members of the Asian trading region, chiefly Egypt and Iran, increased both in absolute and relative terms. Moreover, whereas in the Soviet Union, the share of intra-regional trade was maintained in 1955, there occurred in the trade of the other east European countries a very marked shift to western countries and an absolute reduction not only in their intra-trade but also in their trade with the Soviet Union. Thus, in 1955, the expansion in eastern Europe's trade was almost entirely accounted for by an increase in trade with the western European countries and the overseas countries in the western trading region. In 1956, according to the information available, this shift is said to have become more pronounced. According to Bulgarian statistics, the western trading region accounted for 20 per cent. of the total turnover during the first quarter of 1956, as compared with 13 per cent. in the corresponding quarter of 1955. For Poland, again, the share of the western region in total trade has risen from 35 to 42 per cent. between the first four months of 1955 and 1956.

Trade with Russia

Some of the factors that led to the reduction in the east European countries' trade with Russia in 1955 were, among other things, the association of trade agreements between the former and the latter with the Five-year Plans of the former till 1955, failure of Russia to maintain its exports of foodgrains, and the difficulties of the east European countries to finance the imports from the Soviet Union. For example, whereas in the past, import surplus with Russia could be paid for by them by drawing upon Soviet credits, an export surplus is required now to pay those credits. And possibilities of attaining export surplus are limited because of their inability to supply quickly the machinery answering Soviet specifications. Shortage of raw materials was another reason for this development.

Proportion Larger in 1955

Another significant feature of the east-west European trade during 1955 was that not only did it increase between 1954 and 1955, but it also accounted for a larger proportion of the total trade turnover in both the areas. The share of trade with western Europe in the total trade turnover of eastern Europe increased from 14 to 16 per cent. between 1954 and 1955, but, in 1948, it had constituted 33 per cent. and in 1937 almost 60 per cent. In western Europe's trade, eastern Europe's trade accounted for only a little over 3 per cent. as against about 5 per cent. in 1948 and between 7 and 8 per cent. in 1937. What is, however, important is that, although this trade plays a relatively limited role for western Europe as a whole, there are five countries for which it accounts for from 10 to 25 per cent. They include Finland, Iceland, Turkey, Yugoslavia and Austria. Eastern Europe's trade with certain other important countries such as the U.K., France, West Germany and Austria has also improved slightly, but the full impact of the more liberal policies recently adopted by them is likely to be felt more and more in the coming months. The increase in British exports to the Soviet Union, which was mainly accounted for by heavy shipments of copper wire, was rendered possible by the relaxation of strategic controls. The increase in French exports in 1955, furthermore, was accounted for mainly by larger shipments of wheat to Poland and Hungary. During the year under review, West German trade with eastern Europe also increased substantially mainly on account of larger exports of rye, chemicals, iron and steel, non-ferrous metals and larger imports of coal, steel and flax. Although the official attitude was found to be cautious, the article points out that "industry is showing an increasing interest in recovering its former markets in eastern Europe, partly with a view to widening the range of trade outlets, and partly also because, despite the present export boom, some industries are experiencing difficulties in selling on western markets."

Austria's Trade Agreements

Among the other factors which contributed to the increase of east-west trade was the emergence of Austria as a sovereign country in May 1955, after the termination of the four-power occupation. This was soon followed by two trade agreements with the Soviet Union. According to the one entered into in August 1955, Austria agreed to supply capital equipment, petroleum, etc., for a period of ten years in return for grains, coal and other essential materials. As a result of these trade agreements, the machinery and equipment bound for eastern Europe from Austria are expected to form 50 per cent. of Austria's exports. No less a contribution was made to the expansion of trade by the resumption of trade in 1954 between Yugoslavia and east European countries. The trade that flowed between the former and the latter in 1955, though it fell short of the targets fixed in the trade agreements, revealed that eastern Europe emerged again as an important market for Yugoslavia. The possibilities of expansion in 1956 are found to be distinctly bright, because, first, of increased quotas agreed to in the new trade agreements, and, secondly, of granting of substantial credits to Yugoslavia by some of the east European countries, and, lastly, of the success attained by Yugoslavia in settling its financial questions outstanding in 1948, when trade relations were broken off. Turkey was another southern European country which switched over a large part of its trade in 1955 to eastern Europe, chiefly because of the marketing and payments difficulties encountered with west European countries.

Share of Manufacture Increases

In the sphere of commodity composition, east-west trade in 1955 disclosed certain significant changes. The most striking shift in eastern Europe's exports to western Europe was that, for the first time, manufactures made up a larger share of the total. They were also characterised by the emergence of new trade flows such as Polish coal exports to the U.K., or by the accentuation of the recent trends, such, for example, as increased exports of raw cotton and pig iron from the U.S.S.R. Of the grain exports from eastern Europe, those of wheat not only continued to decline in 1955, but an import surplus to the tune of 200,000 tons was witnessed. But the export of other grains slightly improved, as a result of heavier shipments of maize from Rumania. A recent development of major importance is the rise in eastern Europe's imports of wheat from overseas countries, particularly Canada. In 1956, while West Germany has agreed to deliver 300,000 tons of wheat, Poland has contracted to supply rye. Moderate improvement was again witnessed in respect of coal exports of eastern Europe, the notable feature being the emergence of Poland as the chief exporter of coal in Europe, with possibilities of further expansion in 1956. Petroleum exports of eastern Europe continued to rise, but they occupied a less important place in the supplies of west Europe, except in regard to Finland and Ireland.

Turning to west European exports, the E.C.E. article states that deliveries of butter and meat which were so important in 1953 and 1954 declined in 1955. The greatest expansion, however, was registered in the exports of raw materials for capital goods, notably steel, copper wire and timber. Contrary to expectations, exports of machinery equipment from western Europe to eastern Europe fell in volume, though expectations of improvement in future are held high. Exports of ships continued to increase in 1955 with possibilities of further increase in 1956. In March 1956, for instance, 88 ships with a total gross tonnage of 175,400 were under construction for the U.S.S.R. in western Europe as compared with 60 ships totalling 112,000 gross tons, a year earlier.

Discussing the prospects for the expansion of east-west European trade in the years 1956 and 1957, the article says that, while exports of foodgrains and timber from eastern Europe are unlikely to increase, those of coal (from Poland), coking coal and anthracite (from the U.S.S.R), brown coal (from Czechoslovakia) and petroleum (from Rumania) are likely to continue to increase, in spite of the retention of larger amounts for consumption by the producing countries. The article observes in this connection:

"Despite these rather divergent trends in the main export products from eastern Europe, the total level of east-west European trade seems likely to show a significant continuing increase. Larger quotas are, in the majority of cases, provided for in the trade agreements concluded for the current year, and a trend towards a diversification of trade is also clearly discernible in these agreements. In addition, there are some entirely new agreements widening marketing opportunities."

Further, one of the important developments taken note of by the E.C.E. in assessing the outlook for east-west trade, is the trade proposals made by the Soviet leaders to the British Government when they visited the U.K. last April. If the proposals, which involve imports by the U.S.S.R. from the U.K goods of the value of £800 million to £1,000 million in the five years 1956 to 1960, materialise, they would imply a fivefold or sixfold increase in the British exports to the Soviet Union, and more than a threefold increase in the deliveries of the U.S.S.R. to the U.K., as compared with 1955 levels of trade between the two countries. In considering the possibilities of such a large two-way expansion of trade, the E.C.E. article observes:

"It may be noted, on the one hand, that the levels envisaged would still not represent more than 5 or 6 per cent. of total British imports or exports in 1955 and, though perhaps equal to as much as one-sixth of the foreign trade of the Soviet Union, would still be small in relation to the total resources at its disposal. On the other hand, many of the goods figuring on the Soviet list of prospective orders in the United Kingdom, as well as many of the commodities which have hitherto made up the bulk of Soviet exports to the United Kingdom, are in short supply in relation to present home and export demands on either side."

Better International Payments Position

Finally, the article considers some of the important developments in the field of international payments and relations which make for much expansion of east-west trade in the near future. In the first place, the article takes note of the strengthening general balance-of-payments position in recent years in most of the west European countries, resulting in some enlargement in the facilities accorded to the east European countries for the transferability of their export earnings. Secondly, the increase witnessed in the east European trade surplus in the past year has opened up prospects for moving towards a greater degree of multilateralism. Thirdly, consideration is also being given by Governments to the possibility of developing more flexible payments arrangements in east-west trade. Fourthly, greater and more frequent contacts between private industrialists and traders in western Europe and those responsible for similar deals in the eastern part have been established through permanent trade representatives, fairs and tours. For instance, at the recent Leipzig Spring Fair, contracts worth about $880 million were reported to have been concluded by East Germany. Fifthly, east-west trade is also being facilitated by the trend witnessed in recent years towards greater decentralisation of the foreign trade organisations of east European countries. And, lastly, from the long-term point of view, the "fundamental re-examination" of the east-west trading policy that has been taking place on either side. While, on the eastern side, there has been evidence of greater emphasis on the advantages of international division of labour, on the western side, Governments are showing more interest in promoting east-west trade, and in introducing a greater degree of flexibility in licensing policy. Notwithstanding all these favourable signs, the article cautions that no spectacular rise, beyond the rate of increase attained during the past three years, seems probable in east-west European trade. The recent changes, according to the article, suggest the possibility of a more rapid expansion of trade of east European countries with overseas countries than with those of western Europe.

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SWEDISH FOREST INDUSTRY

The Swedish pulp and wallboard industry is planning far-reaching extensions, according to a report published by the South Swedish Forest Industry Investigation Committee. By 1960, the volume of production of the pulp industry will, it is estimated, exceed that of 1954 by about 47 per cent. or by about 1,700,000 tons, if the present plans are carried through. In the same period, the capacity of the wallboard industry is expected to increase by about 300,000 tons, or 80 per cent. The Committee expects, however, that the realisation of the plans in the next four to five years will meet with certain difficulties, including raw material problems. It, therefore, considers it realistic to reckon upon its taking about ten years to carry through the present projects. On a somewhat longer view, the Committee judges the raw material situation to be favourable.

The annual quantities of timber available for lumbering in Central and South Sweden are estimated to increase up to the middle of the 1930's by an average of about 30 per cent. for large dimensions and by about 3 per cent. for smaller dimensions. At the same time, the possibilities of obtaining raw material from the North Swedish forests will remain at any rate unchanged. In addition, new techniques are making it increasingly possible to utilise small timber, hardwood and sawmill waste. The use of pinewood for the production of sulphite pulp is also stressed. As the supply of timber in North Sweden has been found to be considerably better than indicated by previous inventories, earlier discussed projects of "importing" South Swedish timber to the processing mills in the northern part of the country are regarded as no longer of urgent interest.

INDO-EAST GERMAN TRADE AGREEMENT

A trade agreement was concluded on 8th October between the representatives of the Government of India and the German Democratic Republic (East Germany) at New Delhi. The agreement came into force soon after the earlier agreement, entered into in 1954, expired on 15th October. The new agreement will remain in force for three years.

The important items included in the list of exports from India to East Germany are tobacco, manufactured and unmanufactured, mica, chrome ore, iron ore, ilmenite, kyanite ore, manganese ore, shellac, vegetable oils, cashewnuts, cashew shell oil, textiles (cotton, silk and art silk, woollen and jute), coir, coir manufactures, handicrafts and products of India's chemical and engineering industries.

The important items in the list of imports from East Germany are: various kinds of machinery, locomotives (electric, diesel and steam), plant and equipment for cement and sugar production, optical and scientific instruments and appliances, wireless communications equipment, newsprint and raw films. An important feature of the agreement is that the schedule of commodities attached to the arrangement will be subject to revision at the beginning of each calendar year. Moreover, it has also been agreed that all payments between the two countries will be settled in Indian rupees.

Other provisions incorporated in the arrangement include, *inter alia*, the creation of facilities by both the parties for the movement of goods between the two countries in accordance with their import-export and foreign exchange regulations in force in each country, and continuance of the trade representation of East Germany in India and provision of adequate facilities for its effective functioning, and extension of similar facilities by East Germany if and when needed by the Ministry of Commerce and Consumer Industries.

After the signing of the agreement, the representative of East Germany, Mr. Gerhard Weiss, pointed out, at a Press Conference, that the trade between the two countries had developed favourably during the short time that had elapsed since the conclusion of the earlier agreement. In 1955, for instance, exports from East Germany to India amounted to as much as Rs. 1.5 crores, while those from India were of the value of Rs. 0.65 crore. For the year 1956, contracts worth no less than Rs. 5 crores had already been entered into by the various organisations of his country with parties in India. He further expressed the hope that, by 1957, an increase of another 100 per cent. was possible. He had also given a broad hint to the effect that his Government would be willing to give credit facilities to India, similar to those accorded to Yugoslavia for putting up an aluminium factory.

Canada's foreign trade continued expanding in August but imports again outpaced exports, increasing the eight-months foreign trade deficit to a record $643.9m., or more than triple the $204.2m. a year ago. Exports in August increased to $426.7m. from $387.5m. last year, while imports rose to $475.3 m. from $429.8m. This boosted the eight-months' exports to $3,161m. from $2,807m. the year before. Imports in the eight months amounted to $3,805m. from $3,011m. Exports to the United Kingdom in August edged ahead to $69m. from $63m., while imports declined to $42m. from $45m. In the eight-month period exports to the U.K. amounted to $516m., against $513m., and imports to $327m., compared with $261m. Trade officials declared, in connection with the Bureau of Statistics figures, that there is no indication of any sharp reduction in trade later this year. It is almost certain the deficit will go higher as the Canadian demands for goods for expansion of production facilities and provision for higher living standards continue.

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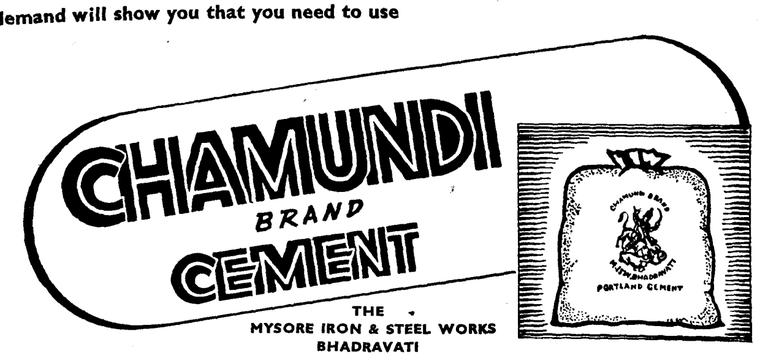

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IMPLEMENTATION OF COMPANIES ACT

UNDESIRABLE PRACTICES SHOULD BE PROMPTLY CURBED

THE new Company Law, which emerged as a full-fledged piece of legislation early this year and was enforced from 1st April 1956, is doubtless the most voluminous legislation that the country undertook and passed after achieving independence. As the then Finance Minister, Mr. C. D. Deshmukh, explained at the conference of Registrars of Companies, the main object of the Companies Act is to secure the much needed economic integration between the private and public sectors. A proper functioning of the Act, as envisaged by its makers, naturally calls for much energy drive and initiative on the part of its administrators who have been vested with far greater powers than their confreres in other democratic countries.

The scope for Government regulation and control over the affairs of companies and their necessity for fulfilling the fundamental objectives of the Company Law were briefly explained by Mr. B. R. Bhagat, Deputy Minister for Finance, while addressing the Cuttack Chamber of Commerce last week. The Minister said that, while the Administration's basic principle of not interfering with the internal management of companies continued to be fully recognised, the veil of incorporation in respect of several important matters, had been lifted more effectively than before. He affirmed that the essential condition for the recognition of corporate personality enjoined a certain amount of publicity in the matter of companies, whether they belonged to the private or the public sector. It was on this basis that provisions had always existed in the Law, compelling public companies to file with the Registrar their balance-sheets and profit and loss accounts, lists of their shareholders together with their holdings, etc., and such other allied information. In the new Companies Act, some more disclosures had been made compulsory. Thus, all contracts by companies with their directors, contracts in which their directors were directly or indirectly interested, contracts with the managing agents, the remuneration to be paid to the directors and to the managing agents and, last but not least, the relations of the company with the associates of the managing agents, secretaries and treasurers, etc., had to be disclosed.

Inspection

The Minister added that, in addition to the veil of incorporation, there was something in the nature of a curtain formed by the companies' public file, that is, "the sum total of records, registers and documents" they were required to keep for inspection by directors or shareholders and those records and registers which they were required to file with the Registrar. "What goes on behind it," Mr. Bhagat remarked, "is normally concealed from the public gaze and only the director or the management will be in the know of things." Occasions do come, when this curtain also may have to be lifted. Thus, when there are allegations against a company, for instance, an inspector may be appointed by the Government to investigate the company's affairs. He is usually given very wide powers for enquiry which would enable him to go behind the company's register to ascertain its true owners. Mr. Bhagat justified these powers on the basis of past experience. Investigations of this type in the recent past, he revealed, had borne fruit, resulting in the prosecution and conviction of the defaulting persons. He, however, hastened to add that one should not interpret this remark of his to mean that generally all companies are not managing their business properly and honestly. What he evidently meant was that such instances as he cited were exceptions. "It would be a sad day," he said, "if it were necessary to say that of all public companies in the private sector. Fortunately, this is not so. By and large, the management of companies behave properly and, if the many provisions which have been added to the Company Law by the new Act have the effect of making every company comply with the standard of good conduct which the Legislature has in its wisdom prescribed, the object will have been fully achieved."

Government's Task

In order to ensure the fair name of the private sector, it is necessary that all companies should abide by the Company Law both in spirit and letter. Since all are not angels and there are black sheep in every community, it is equally necessary that the Law should be ably administered. If, despite the comprehensive nature of the new Law, there are departures from the minimum code of good conduct and rectitude and if they escape unnoticed and unpunished, it will be a grave reflection on those who administer the Law. It will not do if they merely blame the private sector. It is necessary to stress this point even at this early stage, so that the Government might strengthen its administrative machinery and maintain constant vigilance. Against the background of the acrimonious debate that took place at the time the new Law was on the anvil, any laxity on the part of the Government in enforcing the Law will be inexcusable. They owe it to the public, in general, and the honest company managements, in particular, to separate the sheep from the goat and weed out the undesirable elements from the sphere of joint-stock company management.

Commitments Fulfilled

Another reason that prompts us to stress this point is the following remark of Mr. Bhagat:

"No enterprise which has, for its formation and development, to depend on the willing co-operation not only of members and investors but of various interests, can function properly, unless its management are able to show that they have acted fairly and in the interests of the shareholders of the company. This is why the Company Law looks at the management as in effect trustees and expects a high standard of unselfish good behaviour from them. It is alro for the purpose of eventually creating an atmosphere of friendliness between the company management and members of the investing public that the Government has had at times to step in and use the power vested in it to order an investigation or inspection of one type or another and only if as a result of such investigation it is satisfied that any further action is called for, that it takes such action. No action is, however, taken lightly or without the fullest consideration of all explanations of parties in default and all aspects of a case. The pros and cons of every matter are carefully considered. The effect of any action that is taken on the state of the market, as well as on the mind of the investor, is carefully assessed. The circumstances of the case and of the fraud, if any, which has been brought out, are then most carefully examined. It is only when the circumstances fully justify further action that such action is taken, as, for example, when criminal liability is established against any party."

While we appreciate the liberal traditions which the Company Law Administration wish to pursue and its desire not to interfere in the affairs of a company unnecessarily, it should not be complacent in performing its policing functions. This need not handicap the working of honest companies. Just as an honest citizen has nothing to fear of the police, so also honest companies have nothing to worry about the Company Law. It would be folly on the part of the private sector to plead for a relaxation of these powers at this stage or for softness in the enforcement of the Law.

Bad Practices Alleged

It is now a little more than six months since the new Law came into force. Hundreds of companies have been amending their rules and regulations to bring them into conformity with the new code. Are these changes being made in accordance with the letter and spirit of the Law? Has the Government been closely following them? And, if so, what are its impressions? To these questions, Mr. Bhagat provided some valuable answers, as will be seen from the following extract from his speech:

"The information which has so far become available to Government does not enable it to make any categorical statement on the fulfilment of the objectives of the new Act. You have no doubt been reading in the newspapers advertisements inserted by a very large number of companies regarding the passing of some special resolutions in compliance with this section or that section of the Companies Act.

"The various regulatory sections of the Companies Act require that in certain cases the approval of three-fourths in majority of the shareholders of a company attending a meeting of the company should be obtained. This at once gives the management an opportunity to place before the members, the nature of the activities on which the company is engaged, the staff employed thereon and the remuneration paid for such services, the details of the contracts or agreements in which special sanction is required before managerial personnel who hold a post of trust are instituted.

"The object is that there should be as much disclosure as possible, so that no member of the company should have cause to complain, that he has been kept in the dark, that the management have acted in disregard of his interests and that he has not got full value for the money spent on such purposes. The ultimate decision of the majority freely expressed is always presumed to be right and in the best interests of the Company in accordance with the democratic concept which pervades the Company Law.

"A number of resolutions which have been passed by companies, with the aid of majority of holdings, have, however, disclosed some undesirable practices. By way of illustration, I may refer you to sections 356-358 of the new Act, which prohibit the payment of any commission or remuneration by a company to its managing agents or their associates for the sale of goods produced by the managed company, or for the purchase of goods on its behalf.

"While existing arrangements can continue upto the 28th February 1958, unless the contracts in their terms terminate earlier, some managing agents or their associates are reported to have entered into agreements ostensibly immediately before the commencement of the new Act, so as to continue to be paid remuneration, which it was the object of the Act, to abolish. In certain other instances, the managing agents have relinquished their offices as such and have converted themselves into managing directors or directors, so that they could, only with the consent of the board of directors and not of any wider forum, enter into buying and selling agreements with the company without circumventing the technical provisions of the law.

"Some of the companies are also reported to have circumvented the provisions of section 198, which prescribes over-all limits for managerial remuneration, expressed as certain percentages of the net profits of the company, adopted resolutions appointing certain relations or associates of their own in precisely identical posts designated differently, solely with the object of avoiding technical objections. No one can, by the mere process of changing names, be permitted to act in contravention of the provisions of the Companies Act.

"There are certain provisions for entering into contracts with the associates of the managing agents, only by special sanction and after giving full details of material particulars of such contracts. A number of companies have passed or have purported to pass omnibus resolutions authorising such contracts without affording the members due opportunity to express themselves on the details of the proposals. Action of this type is neither justified, nor can it be supported on moral grounds. When the balance-sheet and the profit and loss account for the accounting period following the enforcement of the new Act come to be presented to the company auditors, they would, we expect, ask questions and go into all matters of this type. It would be their duty, and we expect that the duty will be truly and properly performed, to report to the shareholders all infringements of the provisions of the Act."

Firmness Needed

It will be seen from the foregoing quotation that the Government has reasons to feel that attempts are being made by some company managements to get round the Company Law and that undesirable practices are taking place. Surely, the Government has enough discretionary powers to prevent them. Under the new Law, not many changes could be effected by companies without the sanction of the authorities. While the auditors have a special responsibility and should exercise greater caution than before, the Government cannot avoid its responsibility. If it has no legal powers to prevent some of the undesirable practices which have come to light, it should use its moral powers on the erring company managements and make them fall in line with the spirit of the Act. Mr. Bhagat is perfectly right in claiming that, by and large, the Government has "fulfilled all the undertakings that were given (to company managements) at the time the Companies Act was being framed, in order to dispel fears and misgivings about it" and that it "may also take reasonable pride in the fact that both in this country and outside the sympathetic and responsive attitude of the administration has been well received." But, in its anxiety not to court the criticism that it is unduly restrictive in its attitude, the Company Law Administration should not permit any attempts or practices designed to circumvent the Law. The Act should be administered with both sympathy and firmness.

PROGRESS OF RALLIS INDIA LTD.

Preliminary ideas about the working of Rallis India Ltd. for the year ended 31st August 1956, while they are not quite satisfactory, are, nevertheless, encouraging. As against the very heavy losses suffered in recent years, the trading profits for the year are said to be sufficient to cover all expenses and to leave a surplus of about Rs. 20 lakhs, before charging depreciation. This change in the Company's fortune certainly gives some hope for the future.

In a circular to the shareholders dated 10th October 1956, the Directors observe that trading in all important articles, except gunnies, was profitable, although there were difficulties in some of the main markets and there was a reduction in turnover to about Rs. 25½ crores from Rs. 30 crores in the previous year. Establishment expenses of the complete organisation, which had steadily been reduced over the last four years, were further lowered by about Rs. 9 lakhs to a total of about Rs. 56 lakhs during 1955-56.

The most important lines of the Company's business are cotton, gunnies, oils and oilseeds. In cotton, there was a satisfactory volume of business both in Indian and foreign cotton, and the result was profitable. The position would have been better but for the difficult trading conditions caused by a smaller crop and the suspension of the futures market in December 1956. As readers are aware, the Contract was arbitrarily cut, resulting in large losses to many spot houses. In the case of gunnies, the turnover at about Rs. 9 crores was approximately Rs. 1½ crores less than the previous year. Explaining the position, the Directors' observe:

"It had not been possible for the Calcutta Branch to trade between February and April of 1955 (because of the then pending closure of the Branch) and this deprived us of forward sales which would have fallen into the year under review. Later, the unexpected removal of the export duty on manufactured jute goods and the uncertainty of the production policy of the industry, led to abnormal conditions in this market and made it very difficult for traders to form reliable market views. As shareholders will appreciate, it is necessary for a trading company such as yours to take market views, particularly in a highly competitive commodity like gunnies, and our views proved, on the whole, to be wrong. It was not possible to make good the loss and the department finished the year on the wrong side."

A substantial part of the Company's business in oil and oilseeds is usually in exports. An overall shortage of groundnuts during the year made it obligatory for the Government to restrict exports of groundnut oil. This reduced the turnover considerably and the consequence was that the Company's oil mills could not be worked to their full capacity. During the year 1955-56, the oil mills in the Bombay area worked to only about 65 per cent. of normal capacity, and those in the Madras area to about 50 per cent. of normal capacity. Despite these difficult circumstances, the seeds and oils departments, both in Bombay and Madras, finished the year with a profit.

The machinery departments showed an improvement at all the three branches. New business contracted during the year was profitable and good progress was made in the liquidation of slow-moving stocks brought forward from the previous year. Sales of these older stocks were effected to the extent of about Rs. 20 lakhs, yielding some profit on book value. The trade in other articles, the chief of which are piecegoods, bones, hides and skins, tanning materials and fertilisers, also yielded profits. Throughout the year, the Company continued its efforts to dispose of those capital assets which, as a result of reorganisation, are no longer required for its business. Assets worth approximately Rs. 42 lakhs have been sold at satisfactory prices. (This figure includes the sale of the Calcutta office and godown building for Rs. 35 lakhs, the formalities of which are about to be completed).

Efforts to expand the Company's business and to strengthen its established business continue to be made and developments in this direction during the past year included (1) the extension of the areas in which the Company prepares and sells fertilisers, (2) securing potentially important distributorships for machine tools and for tipped-tools, (3) increase of the Company's stake in a small spinning mill, which is likely to expand, and (4) the establishment of units for the manufacture of portable electric tools, fans and similar products. The Company is at present negotiating an agency for the sale of the output of a new sugar mill, besides investigating the possibilities of the export of mica. One of the old mills, now dealing mainly with groundnuts, is to be adapted to enable it to handle cottonseed as well.

The portable electric tool project is being undertaken in conjunction with the well-known British firm of Wolf Electric Tools Ltd., the products of which have earned a world reputation. It will start with assembly and go forward by stages to indigenous manufacture. Preliminary work has been done for the establishment of a factory in Bombay for this purpose. The factory is expected to reach the stage of production within a few weeks. The venture will be small at first, but is considered to have a bright future.

NILAMBUR RUBBER RAISES DIVIDEND

The working results of the Nilambur Rubber Company, Ltd. (Managing Agents: The Associated Planters (Private) Ltd., Madras), for the year ended 31st December 1955 show a gross profit of Rs. 95,577, as against Rs. 91,975 for 1954 and Rs. 97,801 for 1953. The net profit, after providing for depreciation at Rs. 9,207 (Rs. 9,341 for 1954 and Rs. 8,724 for 1953) taxation at Rs. 32,000 (Rs. 20,000 for 1954 and Rs. 7,500 for 1953) and Managing Agents' commission at Rs. 9,450 (Rs. 8,842 for 1954 and Rs. 8,908 for 1953) amounts to Rs. 44,920, as against Rs. 53,792 for 1954 and Rs. 72,669 for 1953. A sum of Rs. 5,000 has been set apart for debenture redemption fund and Rs. 1,500 for leasehold redemption fund. As against this, the previous two years' allocations were: Rs. 10,000 for debenture redemption fund, Rs. 10,000 for dividend equalisation fund and Rs. 1,500 for leasehold redemption fund in 1954 and Rs. 1,500 for reserve fund and Rs. 1,500 for leasehold redemption fund in 1953. The dividend on ordinary shares has been stepped up to 15 per cent. from 10 per cent., at which level it had remained unaltered for five continuous years since 1950. The dividend for 1955 takes up a sum of Rs. 30,000. The dividend on 6 per cent. tax-free, cumulative preference shares requires Rs. 12,000, leaving a balance of Rs. 5,110 to be carried forward, as compared with Rs. 8,690 brought in.

The Directors feel that the working results of the Company for the year under review have been satisfactory. Against an estimated crop of 177,000 lbs. for the year, the actual crop came to only 164,542 lbs. The actual crop in 1954 was 203,245 lbs. and in 1953 209,576 lbs. The crop for the year under review is the lowest to be recorded since 1950. This was due to labour strike and unfavourable climatic conditions. On account of this lower

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Points From The Chair

Outlook for Rubber

"HIGH yield is one of several factors essential to efficiency in production. Of major importance is a full complement of skilled workers regularly at work and sound labour relations. A price decline with rising costs due to inordinate wage demands coupled with restrictive practices would be seriously detrimental to the well-being of plantation workers and to the economy of the Plantation Industry generally. Our own labour forces are content and fully co-operative. ... Market-wise it would be wrong to predict smooth going. International events may temporarily send prices to higher levels than those now ruling, but in our long-term interest it is not desirable that prices should fail to be competitive with synthetic. High prices would only lead the consumer to extend synthetic usage. In the U.S. the transfer of GR-S plants to private ownership has channelled the effort to achieve greater operational efficiency and increased capacity. We cannot afford to regard the powerful research activity in the U.S. with equanimity. New and more formidable opponents to natural than GR-S are on the way and there is little doubt that further useful polymers will be found. For the producer of natural rubber the best possible use of land will be vital and in that direction this Company has made, and, we believe, will continue to make, an important contribution."

R. C. JENKINS,
Prang Besar Rubber Estate, Ltd. (London).

Tram Fares

"There is still a feeling in Calcutta that increased fares will mean increased profits for the shareholders. One cannot repeat too often that the amount available for shareholders is fixed under the agreement with Government. Even if the surplus on running the undertaking were to increase tenfold the amount available for the shareholders would not increase by one rupee. Any increase in the surplus can only accrue for the benefit of the Government and the people of Calcutta. One of the great objects behind the agreement with Government was to ensure that never again would an increase in fares be questioned on the grounds that it would benefit the shareholders. Such an increase, when necessary, can only result in a surplus to be used in improving and modernising the undertaking and alleviating the travelling worries of the public."

D. E. WEBB,
Calcutta Tramways Co., Ltd.

Outlook for P.K. Tea

"In furtherance of the Board's plan of development, new clearings are being prepared for planting in Tea and, together with the 50 acres planted up last reason, we shall by the end of next year have extended our Tea area by new Clearings totalling 170 acres. Capital improvements amounting to just under Rs. 8 lakhs during the year have been largely used to the betterment of living conditions for our Staff and Labour, and the machinery in our Factories is being kept up to date to deal with the very large crops that have to be handid. Now to turn to the prospects for the current year, in the four months to end July, crop harvest is almost exactly in level with the estimate to date of 16,47,000 lbs. The prospects for the future depend entirely upon the weather, particularly the N. E. Monsoon showers, but with favourable weather I am confident that the estimated crop for the year of 41,20,000 lbs. is easily within the capacity of our Estates to produce."

W. W. KILGOUR,
The Peria Karamalai Tea and Produce Co., Ltd.

Oil Exploration

"Apart from Nahorkatiya-Hugrijan and Moran, where exploration work is being pushed as rapidly as possible, there are other areas in the Assam Valley which look promising. It is only by drilling in them that we can expect to ascertain whether oil is present or not. It is also to be remembered that in parts of the U.S.A., where geological conditions seem to be comparable to those in India, the number of prolific fields is limited and that a substantial proportion of the production is obtained from a large number of scattered small pools, involving extensive exploratory drilling to cover a very wide area. Our recent experience at Moran and parts of the Hugrijan area, where only one oil-bearing sand is present, compared to more than five oilsands in the Nahorkatiya area, show that we must be prepared to investigate a very large number of favourable structures to discover more oil. Until the discovery of oil at Nahorkatiya we had absolutely no clue as to whether oil could be expected in parts of Assam concealed under the thick blanket of alluvium. There are several large alluvial areas in the country, where we can now expect to find oil. These areas include part of West Bengal where S.V.O.C. are carrying out much geophysical work and the extensive Ganges Valley and the alluvial tracts of Rajasthan, Saurashtra, etc. There are also several exposed areas where the Oil and Natural Gas Commission have carried out very systematic geological and geophysical surveys and are due to undertake drilling operations. Whilst we sincerely hope that these efforts will meet with early success, let us not be impatient. Oil exploration needs considerable patience and an overdose of optimism besides much experience and great technical skill and, as I have said before, it is only the drill which can give the answer."

W. B. METRE,
Geological, Mining and Metallurgical Society of India.

COMPANY MEETINGS AND DIVIDENDS

GENERAL INVESTMENT AND TRUST CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend: 3½ per cent. (for the half-year ended 28th February 1956). Transfer books remain closed from 11th to 25th October 1956, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Annual General Meeting, Calcutta, 25th October 1956. Dividend: 3½ per cent. (for the half-year ended 28th February 1956). Transfer books remain closed from 11th to 25th October 1956, both days inclusive.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 26th October 1956. Dividend: Rs. 10 per share, payable on and after 29th October 1956. Transfer books remain closed from 8th to 26th October 1956, both days inclusive.

MACNEILL AND BARRY LTD. Annual General Meeting, Calcutta, 27th October 1956. Dividend: 11 per cent.

TALAYAR TEA CO., LTD. Annual General Meeting, Kottayam, Travancore-Cochin, 29th October 1956. Dividend: Re. 1-4 per share (includes interim dividend of As. 10 per share). Transfer books remain closed from 22nd October to 4th November 1956, both days inclusive.

NAZIRA COAL CO., LTD. Annual General Meeting, Calcutta, 30th October 1956. Dividend: As. 8 per share. Transfer books remain closed from 18th to 30th October 1956, both days inclusive.

NEW CHUMTA TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 18th to 31st October 1956, both days inclusive.

SHAHJAHANPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Shahjahanpur, 31st October 1956. Transfer books will remain closed from 24th to 31st October 1956, both days inclusive.

METHONI TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1956. Dividend: Re. 1-12 per share. Transfer books will remain closed from 24th to 31st October 1956, both days inclusive.

HINGIR RAMPUR COAL CO., LTD. Annual General Meeting, Bombay, 7th November 1956. Dividend: Rs. 2-4 per ordinary share, free of income-tax, payable on and after 8th November 1956. Transfer books will remain closed from 26th October to 7th November 1956, both days inclusive.

MARGARET'S HOPE TEA CO., LTD. Annual General Meeting, Calcutta, 8th November 1956. Transfer books will remain closed from 25th October to 8th November 1956, both days inclusive.

RANICHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 8th November 1956. Transfer books will remain closed from 25th October to 8th November 1956, both days inclusive.

BHATKAWA TEA CO., LTD. Annual General Meeting, Calcutta, 8th November 1956. Transfer books will remain closed from 25th October to 8th November 1956, both days inclusive.

BOMBAY CYCLE AND MOTOR AGENCY LTD. Annual General Meeting, Bombay, 8th November 1956. Transfer books will remain closed from 29th October to 8th November 1956, both days inclusive.

HULDIBARI TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 9th November 1956. Transfer books will remain closed from 27th October to 9th November 1956, both days inclusive.

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 12th November 1956. Dividend: Rs. 12-8 per ordinary share (includes bonus of Rs. 5 per share.) Transfer books will remain closed from 1st to 15th November 1956, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Annual General Geeting, Calcutta, 30th November 1956. Dividend: Re. 1 per ordinary share, payable on or after 17th December 1956. Transfer books will remain closed from 20th to 30th November 1956, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Ad-interim dividend of Rs. 12-8 per ordinary share, free of tax. Transfer books will remain closed from 22nd October to 1st November 1956, both days inclusive.

VISHNU COTTON MILL LTD. Ad-interim dividend of Rs. 2-8 per ordinary share, free of tax. Transfer books will remain closed from 22nd October to 1st November 1956, both days inclusive.

ASHER TEXTILES LTD. Tax-free dividend of Rs. 15 per ordinary share for the year ended 30th June 1956. Transfer books remain closed from 16th to 29th October 1956, both days inclusive.

CHANDRAMALAI ESTATES LTD. Final dividend of 15 per cent. for the year ended 30th June 1956. Transfer books will remain closed from 23rd to 30th November 1956, both days inclusive.

COMPANY REGISTRATIONS

INDIAN RAYON CORPORATION LTD. (First Director: Mr. Dharamsey Mulraj Khatau.) Business: Manufacture of cellulose, viscose rayon and staple fibre. Authorised capital: Rs. 10,00,00,000. Public company. Address: Bombay Silk Mill Building, Industrial Estate, Lalbaug, Bombay 12.

JAIFABS RAYON INDUSTRIES PRIVATE LTD. (First Director: Mr. Maneklal Kalidas Patel.) Business: Spinning and weaving of artificial silk, rayon, etc. Authorised capital: Rs. 1,00,00,000. Private company. Address: Agra Road, Ghatkopar, Bombay.

R. C. NAIDU AND SONS PRIVATE LTD. (First Director: Mr. Sathya Prasanna Naidu.) Business: General merchants. Authorised capital: Rs. 5,00,000. Private company. Address: National House, Tulock Road, Colaba, Bombay.

NAZIRA COAL MAINTAINS DIVIDEND

RESULTS OF MORE TEA COMPANIES

Nazira Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Tantia Brothers Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

After allowing for managing agents' commission and depreciation, there remains a profit of Rs. 92,517 (Rs. 1,06,701) to which is to be added balance of last year Rs. 11,096 (Rs. 25,598), making a total sum available of Rs. 1,03,613 (Rs. 1,38,508 including Rs. 6,209 being provision for taxation no longer required). The directors propose to dispose of this amount as follows:—

To reserve for taxation Rs. 35,000 (Rs. 40,000), to payment of dividend at 5 (5) per cent. free of income-tax Rs. 37,412 (Rs. 37,412) and to carry forward to next year Rs. 31,201 (Rs. 11,096 after transferring Rs. 50,000 to general reserve).

Output and despatches for the last three accounting years were as follows:—

Year ended	*Raisings* Tons cwt.	*Despatches* Tons cwt.
31st December 1955	17,871-7	17,798-5
31st December 1954	17,392-10	17,784-12
31st December 1953	16,339-0	15,828-0

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,48,240	Block ...	3,46,989
Reserves ...	2,00,000	Stock of coal	5,880
Provision for taxation ...	75,000	Stores ...	92,435
Liabilities ...	4,94,288	Debts, deposits and advances ...	88,622
Profit and loss account ...	31,201	Investments	8,03,347
		Cash ...	2,11,456
Rs.	15,48,729	Rs.	15,48,729

Methoni Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Tea Crop.—A crop of 11,215 (9,553) maunds was manufactured and disposed of as follows:—For sale in Calcutta for export 10,207 (8,662) maunds and for sale in Calcutta for internal consumption 1,008 (891) maunds. The teas realised an average price of Rs. 2-5-5 per lb. as compared with Rs. 3-4-5 per lb. obtained for the previous season's crop of 9,553 maunds. The Company's export quota for season 1955 was 7,597 maunds.

No extensions were put out during the year and the area under cultivation remains unchanged at 611.96 acres.

Increase of Capital.—In November 1955, a sum of Rs. 2,00,000 being part of the reserve account of the Company was capitalised by the creation of 20,000 new shares as fully paid-up. These shares were allotted free to the existing shareholders of the Company in the proportion of one share for every four shares held by them on the 30th November 1955. The shares so distributed ranked in all respects *pari passu* with the existing shares and were to participate in any dividend declared after 30th November 1955.

The revenue account shows a profit of Rs. 6,23,104 (Rs. 11,82,056). After deducting from this staff commission and bonus Rs. 53,201 (Rs. 87,807), managing agents' commission on profits Rs. 9,363 (Rs. 23,518), reserve for taxation Rs. 2,00,000 (Rs. 4,00,000), bonus to labour, 1953-54 Rs. 1,51,467, and depreciation Rs. 75,645 (Rs. 72,567) there is a balance of Rs. 1,33,428 (Rs. 5,93,164). To this amount is added the dividend and interest on investments (net) Rs. 21,243 (Rs. 903), profit on sale of lorries Rs. 6,500 (*nil*), profit on sale of motor cycle Rs. 440 (*nil*), profit on sale of machinery Rs. 300 (Rs. 800), excess provision for Assam sales-tax—written back Rs. 724 (*nil*) and excess provision for taxation—written back Rs. 40,000 (*nil*) giving a net profit for the year of Rs. 2,02,635 (Rs. 5,96,227). After adding to this the adjusted credit balance of Rs. 26,515 (Rs. 39,297) brought forward from the previous year, there is a credit balance of Rs. 2,29,150 (Rs. 6,35,524) on profit and loss account. The directors recommend that this balance be disposed of as follows:—

Pay a dividend of 17½ (45) per cent. for season 1955 on 1,00,000 (80,000) ordinary shares, without any deduction for income-tax paid by the Company Rs. 1,75,000 (Rs. 3,60,000), and carry forward Rs. 54,150 (Rs. 45,524) after placing Rs. 1,50,000 to machinery reserve account, Rs. 50,000 to contingencies reserve account and Rs. 30,000 to hail insurance reserve).

In accordance with a tripartite agreement arrived at early this year the claim of labour for a bonus for the years 1953 to 1956 has to be satisfied. The bonus payable for the years 1953-54 and 1955 has been charged in the accounts now presented.

The estimated tea crop for season 1956 is placed at 10,500 maunds, at a total cost of Rs. 14,03,240 excluding capital expenditure amounting to Rs. 98,350.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	14,80,968
Reserves ...	9,37,500	Stock of tea	7,35,526
Provision for taxation ...	2,08,600	Stores ...	1,50,442
Liabilities ...	8,38,056	Debts, deposits and advances ...	1,55,719
Profit and loss account ...	54,150	Investments	5,06,379
		Cash ...	9,272
Rs.	30,38,306	Rs.	30,38,306

Hattikhira Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

Tea crop.—A crop of 20,455 (21,999) maunds was manufactured and disposed of for sale in Calcutta for export 16,799 (13,039) maunds, and for sale in Calcutta for internal consumption 3,656 (8,960) maunds. The teas realised an average price of Re. 1-8-1 per lb. as compared with Rs. 2-3 a lb. obtained for the previous season's crop of 21,999 maunds. The Company's export quota for season 1955 was 14,858 (14,277) maunds.

No extensions were put out during the year and the area under cultivation remains unchanged at 2,153.65 acres.

The revenue account shows a profit of Rs. 3,89,793 (Rs. 16,03,032) and after deducting from this gratuities Rs. 7,000 (Rs. 5,000), staff commission and bonus Rs. 27,793 (Rs. 1,35,518), managing agents' commission on profits Rs. 4,987 (Rs. 31,885), reserve for taxation Rs. 85,000 (Rs. 5,00,000), depreciation Rs. 1,10,970 (Rs. 1,24,940) and bonus to labour, 1953-54 Rs. 1,09,266 there is a balance of Rs. 44,777 (Rs. 8,05,689). To this is added the interest on investments (net) Rs. 5,161 (Rs. 602), profit on sale of machinery Rs. 1,141 (Rs. 16,563), forfeited dividends Rs. 1,010 (*nil*) and excess provision for taxation written back Rs. 30,000 (*nil*) making a net profit for the year of Rs. 82,089 (Rs. 8,22,856). After adding to this the adjusted credit balance of Rs. 36,221 (Rs. 41,523) brought forward from the previous year, there is a credit balance of Rs. 1,18,310 (Rs. 9,64,379) after transferring Rs. 1,00,000 from taxation equalisation reserve, on profit and loss account. The directors recommend that this balance be disposed of as follows:—

Pay a dividend of 7½ (40) per cent. for season 1955 without any deduction for income-tax payable by the Company Rs. 94,500 (Rs. 5,04,000) and carry forward Rs. 23,810 (Rs. 60,379 after providing Rs. 2,00,000 to reserve account, Rs. 1,00,000 to buildings and machinery reserve account, Rs. 50,000 to contingencies reserve and Rs. 50,000 to hail insurance reserve).

Bonus to Labour.—In accordance with a tripartite agreement arrived at early this year the claim of labour for a bonus for the years 1953 to 1956 has to be satisfied. The bonus payable for the years 1953-54 and 1955 has been charged in the accounts now presented.

The estimates for 1956 are based on a crop of 20,000 maunds at a cost of Rs. 22,72,359 which excludes capital expenditure estimated at Rs. 1,23,100.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,60,000	Block ...	17,92,487
Reserves ...	11,62,719	Stock-in-trade	7,21,866
Provision for taxation ...	3,45,944	Stores ...	2,13,609
Liabilities ...	5,32,891	Debts, deposits and advances ...	2,04,173
Profit and loss account ..	23,810	Investments	1,98,419
		Cash ...	1,94,810
Rs.	33,25,364	Rs.	33,25,364

Pathemara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Tea Crop.—A crop of 6,078 maunds was manufactured and disposed of as follows:—

For sale in Calcutta for export 4,803 maunds and for sale in Calcutta for internal consumption 1,275 maunds. The average price per lb. realised was Re. 1-7-11 as compared with Rs. 2-6 per lb. obtained for the previous season's crop of 4,612 maunds. The Company's export quota for season 1955 was 3,241 maunds.

A further 4.98 acres were put out during the year and the area under cultivation at 31st December 1955 was 500.04 acres.

Conversion of Preference Shares into Ordinary Shares.—Pursuant to an agreement dated 28th October 1955, made between the Company and Octavius Steel & Co., Ltd., the then holder of 7,500 6 per cent. cumulative preference shares of Rs. 10 each, the said preference shares were converted with effect from 1st January 1955, into an equivalent number of ordinary shares in the capital of the Company.

The revenue account shows a profit of Rs. 11,923. After adding to this the surplus received on winding-up of Happy Valley Medical Association Rs. 576, excess provision of liability in respect of previous year—written back Rs. 44,600 and provision for sales tax—written back Rs. 2,107 there is a total of Rs. 59,206. After deducting from this amount staff commission and bonus Rs. 2,147, managing agents' commission on profits Rs. 295, depreciation Rs. 11,975 and bonus to labour—1953-54 Rs. 33,116 there is a net profit for the year of Rs. 6,673. After adding to this the adjusted credit balance of Rs. 13,417 brought forward from the previous year, there is a credit balance of Rs. 20,090 on profit and loss account, which is carried forward.

In accordance with a tripartite agreement arrived at early this year the claim of labour for a bonus for the years 1953 to 1956 has to be satisfied. The bonus payable for the years 1953-54 and 1955 has been charged in the accounts now presented.

The estimated crop of tea for season 1956 is placed at 6,000 maunds, at a total cost of Rs. 7,71,000, excluding capital expenditure amounting to Rs. 1,35,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,39,050	Block ...	3,18,608
Reserves ...	8,500	Stock of tea	3,29,659
Liabilities ...	5,30,269	Stores ...	1,21,566
Profit and loss account ...	20,090	Other assets	2,107
		Debts, deposits and advances ...	43,704
		Investments	1,000
		Cash ...	1,265
Rs.	8,17,909	Rs.	8,17,909

Eastern Cachar Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

Tea Crop.—A crop of 4,893 (4,849) maunds was manufactured and disposed of for sale in Calcutta for export 4,016 (4,249) maunds, and for sale in Calcutta for internal consumption 877 (645) maunds. The teas realised an average price of Re. 1-12-6 per lb. as compared with Rs. 2-6-6 per lb. obtained for the previous season's crop of 4,894 maunds. The Company's export quota for season 1955 was 4,231 (4,121) maunds.

No extensions were put out during the year and the area under cultivation remains unchanged at 649 acres.

The revenue account shows a loss of Rs. 23,530 (profit of Rs. 3,11,184) After adding to this:—Depreciation Rs. 10,070 (Rs. 8,830) and bonus to labour, 1953-54 Rs. 39,025 there is a total debit of Rs. 72,625. After deducting excess provision of liability in respect of previous year—written back Rs. 30,747 there is a net loss for the year of Rs. 41,878 (net profit of Rs. 2,42,202 after provisions and adjustments). After adding to this the adjusted debit balance of Rs 67,203 (Rs. 3,05,631) brought forward from the previous year, there is a debit balance of Rs. 1,09,081 (Rs. 63,429) on profit and loss account, which is carried forward.

In accordance with a tripartite agreement arrived at early this year, the claim of labour for a bonus for the years 1953 to 1956 has to be satisfied. The bonus payable for the years 1953-54 has been charged in the accounts now presented.

Estimates for the current season have been framed for a crop of 5,500 maunds of tea to cost Rs. 7,83,685 which excludes Rs. 1,09,190 being expenditure of a capital nature.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	7,07,190
Reserves ...	11,000	Stock-in-trade	2,32,013
Liabilities ...	5,21,132	Stores ...	1,00,965
		Debts, deposits and advances ...	34,842
		Investments	1,000
		Cash ...	47,041
		Profit and loss account ...	1,09,081
Rs.	12,32,132	Rs.	12,32,132

North-Western Cachar Tea Co., Ltd.

The directors of the above Company (Director: Mr. S. N. Tantia, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit from Kurkoorie tea estates amount to Rs. 1,76,365. (Rs. 4,55,338) and the profit from Bicrampore tea estates Rs. 1,65,280 (Rs. 4,99,329), making a total of Rs. 3,41,645 (Rs. 9,54,667). On transfer of this sum to profit and loss account and after making necessary adjustments there remains a credit balance of Rs. 4,86,654 (Rs. 7,42,129). After placing Rs. 1,60,000 (Rs. 1,20,000) to taxation reserve, there is a balance of Rs. 3,26,654 (Rs. 6,22,129) The directors recommend to deal with this as follows:—

Transfer to dividend equalisation reserve Rs. 1,00,000 (Rs. 3,00,000 to revenue reserve), pay a dividend at Rs. 15 (Rs. 20) per share, (free of income-tax) on 7,000 shares Rs. 1,05,000 (Rs. 1,40,000) and to carry forward Rs. 1,21,654 (Rs. 1,82,129).

Outturns and average selling prices compared with those of the previous year are as follows:—

	1955 Mds.	1954 Mds.	Average selling prices per lb. 1955 Rs. a. p.	1954 Rs. a. p.
Kurkoorie ...	4,714	4,451	1 11 6	3 0 0
Bicrampore ...	5,123	4,714	1 9 8	2 14 11

Estimate for 1956 provide for a crop of 10,000 mds. at an outlay of Rs. 10,00,000 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	8,25,000
Reserves ...	5,50,000	Tea sales receivable ...	5,45,793
Provision for taxation ...	2,80,898	Stores and supplies for season 1956	76,298
Liabilities ...	3,63,794	Debts, deposits and advances ...	6,89,874
Profit and loss account ...	3,26,654	Cash ...	84,381
		Rs.	22,21,346

Teesta Valley Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Davenport & Co. Private Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

General.—Labour unrest during the year made the maintenance of discipline and of a good standard of work difficult, and the labour force resorted to a total strike in the latter part of June, with resultant loss of crop. Despite these conditions, a good standard of teas was achieved and, with finer plucking, a crop of 3,70,473 (4,40,947) pounds of tea was made. The total net average sale price was As. 41.97 (As. 48.73) and the total working cost per pound of tea produced was As. 33.35 (As. 26.56).

Working costs were enhanced by the short crop made and by the increase of As. 1½ in the daily wages of labourers agreed to by the industry from the 1st April and the further increase of As. 2 per day imposed by Government notification from the 1st July. These increases cost some As. 1.66 per pound of tea produced during the year and will cost some As. 2.54 per pound in a full year. In addition, early in 1956, the industry was obliged to agree to retrospective payment of bonus to labour for the years 1953 and 1954, and it is expected will be required to make a proportionate payment for 1955; for this purpose the directors have provided Rs. 49,179 in the accounts under review, equal to As. 2.12 per pound of tea.

The gross profit for the year is Rs. 1,93,802 (Rs. 5,76,170), out of which the directors have provided Rs. 49,179 for bonus for labour, Rs. 38,755 (Rs. 1,77,861) for taxation, Rs. 13,534 (*nil*) for replacements and Rs. 35,225 (Rs. 41,601) for depreciation of assets. Allowing for these and the other adjustments, there is a net profit of Rs. 60,333 (Rs. 2,62,290) and a final balance on this account of Rs. 1,14,738 (Rs. 3,12,405), which the directors propose to deal with as follows:—

To pay a dividend of 15 (40) per cent. Rs. 48,000 (Rs. 1,28,000), to transfer to renewals and additions reserve Rs. 10,000 (*nil*) and to carry forward to 1956 Rs. 56,738 (Rs. 54,405 after placing Rs. 1,00,000 to general reserve and Rs. 30,000 to staff reserve).

Estimates for 1956 have been based on a crop of 5,000 maunds of tea at a total cost of Rs. 8,22,455, equal to As. 32.9 per pound, inclusive of the recent additional imposition of West Bengal Entry Tax of one anna per pound. In addition, capital expenditure is estimated at Rs. 43,000, covering a new land Rover and a number of *pucca* houses for labour.

Two major items of capital expenditure will have to be incurred as soon as circumstances permit within the next year or so; one is the renovation of the factory building and improvement of the accommodation; and the other is the withering provision of an adequate water-supply for the labour force, which has now become an acute problem.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Block ...	4,70,000
Reserves ...	8,21,779	Stock of tea	2,74,343
Provision for taxation ...	2,64,505	Stores ...	1,07,214
Liabilities ...	1,19,647	Debts and advances ...	1,38,589
Profit and loss account ...	1,14,737	Investments	4,07,206
		Cash ...	2,43,316
Rs.	16,40,668	Rs.	16,40,668

Gielle Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Davenport & Co., Private Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The estate suffered hail damage towards the end of April with loss of crop and of quality during the second flush. Labour unrest and indiscipline were apparent throughout the year and the labour force resorted to a total strike in the latter part of June. As a result of these conditions both crop and the standard of teas made suffered severely, the total crop being 2,35,761 (2,84,204) pounds of tea against an estimate of 2,68,000 pounds.

The total net average sale price was As. 33.80 (As. 49.13) and the total working cost per pound of tea produced was As. 35.48 (As. 28.64).

Working costs were enhanced by the short crop made and by the increase of As 1½ in the daily wages of labourers agreed to by the industry from the 1st April and the further increase of As. 2 per day imposed by Government Notification from the 1st July. These increases cost some As. 1.94 per pound of tea produced during the year and will cost some As. 2.85 per pound in a full year. In addition, early in 1956, the industry was obliged to agree to retrospective payment of bonus to labour for the years 1953 and 1954, in respect of which we have provided Rs. 27,852 in the accounts under review, equal to As. 1.89 per pound of tea.

During the year a wing of the old factory was remodelled to accommodate godowns and garden office, a number of *pucca* labour houses were erected, a Myddleton Sorter was installed and a tractor supplied for the carriage of green leaf and for other essential transport.

There is a revenue loss for the year of Rs. 13,876 (gross profit of Rs. 3,48,539), to which has to be added reserve for staff expenses and depreciation and replacement of assets; and after allowing for the other adjustments shown and transferring Rs. 30,000 from renewals and additions reserve, there is a net loss for the year of Rs. 62,815 (net profit of Rs. 1,65,758) and a debit balance on this account of Rs. 25,965 (credit of Rs. 36,850 after paying preference dividends for 1952 to 1954; payto reserve) which is carried forward to 1956. Having regard to the heavy loss sustained on the season's working, the secretaries have offered to forgo the whole of their office allowance and commission on tea sales, and this has been accepted.

Estimates for 1956 have been based on a crop of 3,300 maunds of tea at a total revenue cost of Rs. 5,79,000 equal to As. 35.09 per pound, inclusive of the recent additional imposition of West Bengal Entry Tax of one anna per pound. In addition, some Rs. 28,500 will be spent on an outside staircase and withering racks for the factory, houses for labour and tractor trailer.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	5,06,900
Reserves ...	2,99,735	Stock of tea	1,33,548
Provision for taxation ...	35,624	Stores ...	57,579
Liabilities ...	1,65,982	Debts and advances ...	97,178
		Investments	48,466
		Cash ...	29,705
		Profit and loss account ...	25,965
Rs.	9,01,341	Rs.	9,01,341

New Chumta Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

General.—Drought early in the season, with severe hail damage estimated at 52,820 pounds of made tea, together with poor distribution of rainfall, affected outturn, a crop of 4,63,382 (4,30,542) pounds of tea being made, compared with an estimate of 5,20,000 pounds. The total net average sale price was As. 26.42 (As. 49.68) and the total working cost per pound of tea produced was As. 22.93 (As. 24.31).

Early in the year the industry in West Bengal agreed in consultation with representatives of the workers to an increase from the 1st January 1955, of As. 3 in the daily wages of labourers in Terai and Duars estates, and corresponding increases were made in the wages of establishment and monthly paid workers. These increases cost some As. 1.66 per pound of tea produced during the year. In addition, early in 1956 the industry was obliged to agree to retrospective payment of bonus to labour for the years 1953 and 1954 and it is expected will be required to make a proportionate payment for 1955; for this purpose the directors have provided Rs. 62,750 in the accounts under review, equal to As. 2.17 per pound of tea.

The gross profit for the year is Rs. 1,71,163 (Rs. 6,54,444), out of which the directors have provided Rs. 62,750 for bonus for labour, Rs. 33,383 (Rs. 1,71,163) for taxation and Rs. 46,961 (Rs. 66,886) for depreciation of assets. Allowing for these and the other adjustments, there is a net profit of Rs. 45,091 (Rs. 3,70,277), and a final balance on this account of Rs. 1,24,692 (Rs. 4,29,601), which the directors propose to deal with as follows:—

To pay a dividend of 15 (55) per cent. Rs. 45,000 (Rs. 1,50,000) and to carry forward to 1956 Rs. 79,692 (Rs. 79,601 after transferring Rs. 1,50,000 to general reserve and Rs. 35,000 to staff reserve).

Estimates for 1956 have been based on a crop of 6,500 maunds of tea at a total cost of Rs. 7,13,674, equal to As. 21.96 per pound, inclusive of the recent additional imposition of West Bengal Entry Tax of one anna per pound.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	3,89,676
Reserves ...	6,83,040	Stock of 1955 crop ...	2,80,895
Provision for taxation ...	83,310	Stores and supplies ...	1,04,025
Liabilities ...	1,81,704	Debts and advances ...	53,013
Profit and loss account ...	1,24,692	Investments	3,57,024
		Cash ...	1,88,113
Rs.	13,72,746	Rs.	13,72,746

Investment and Finance Co., Ltd.

The directors of the above Company (Chairman: Mr. D. P. Dunderdale, Calcutta) submit the audited accounts of the Company for the half-year ended 29th February 1956.

*The profit and loss account after providing for all charges shows a profit of Rs. 50,031 (Rs. 25,334) to which is added the balance brought forward from the previous half-year of Rs. 7,890 (Rs. 5,792) making a total of Rs. 57,921 (Rs. 31,126). From this amount is deducted: the amount transferred to revaluation of investments reserve of Rs. 20,000 (*nil*), leaving a balance available of Rs. 37,921 (Rs. 31,126). The directors propose to dispose of this amount as follows:—*

By payment of a dividend on the 1st cumulative preference shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 5,000 (Rs. 5,000), by payment of a dividend on the 2nd cumulative preference shares at the rate of 6 (6) per cent. per annum, less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 4,425 (Rs. 4,425), by payment of a dividend on the ordinary shares at the rate of 7½ (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 18,750 (Rs. 12,500) and by carrying forward Rs. 9,746 (Rs. 9,201).

Market.—There was a general lack of interest in the market during the period under review with a consequent reduction in transactions recorded and a general reduction in the market value of shares.

Secretaries.—In terms of Clause 3 of the Secretaries' Agreement and Article 134 of the Company's Articles of Association, Messrs. Bird & Co. (Private) Ltd. have voluntarily resigned the Secretaryship of the Company with effect from 31st August 1956. The resignation has been accepted by the directors and in accordance with the provisions of Section 342 of the Companies Act, 1956, the resignation will be placed before the shareholders when the audit of the accounts to 31st August 1956 is completed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Investments	11,81,755
Reserves ...	2,55,728	Debts and advances ...	4,248
Provision for taxation ...	34,111	Cash ...	96,294
Liabilities ...	82,712		
Profit and loss account ...	9,746		
Rs.	12,82,297	Rs.	12,82,297

General Investment and Trust Co., Ltd.

The directors of the above Company (Chairman: Mr. D. P. Dunderdale, Calcutta) submit the audited accounts of the Company for the half-year ended 29th February 1956.

The profit and loss account after providing for all charges shows a profit of Rs. 22,937 (Rs. 9,782) to which is added the balance brought forward from the previous half-year of Rs. 8,851 (Rs. 8,112) making a total of Rs. 31,788 (Rs. 17,894). This is reduced by the amount transferred to revaluation of investments reserve of Rs. 10,000 (*nil*) leaving a balance available of Rs. 21,788 (Rs. 17,894). The directors propose to dispose of this as follows:—

By payment of a dividend on the 1st cumulative preference shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,500 (Rs. 2,500), by payment of a dividend on the 2nd cumulative preference shares at the rate of 6 (6) per cent. per annum, less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 2,213 (Rs. 2,213), by payment of a dividend on the ordinary shares at the rate of 7½ (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 8,438 (Rs. 5,625) and by carrying forward Rs. 8,637 (Rs. 7,556).

Market.—There was a general lack of interest in the market during the period under review with a consequent reduction in transactions recorded and a general reduction in the market value of shares.

Secretaries.—In terms of Clause 3 of the Secretaries' agreement and article 134 of the Company's Articles of Association, Messrs. Bird & Co. (Private) Ltd. have voluntarily resigned the secretaryship of the Company with effect from 31st August 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,25,000	Investments	4,88,194
Reserves ...	55,893	Debts and advances ...	3,017
Provision for taxation ...	941	Cash ...	38,568
Liabilities ...	39,308		
Profit and loss account ...	8,637		
Rs.	5,29,779	Rs.	5,29,779

Raghuvanshi Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Ravindra Maganlal & Co., Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st March 1956.

The profit and loss account for the year shows a profit of Rs. 7,66,638. After writing off a sum of Rs. 1,45,557 being the balance of previous year's loss carried forward from the last financial year and after providing a sum of Rs 63,992, being the dividend free of income-tax for the four years ending 31st March 1956 on the 4 per cent. cumulative redeemable preference shares, there remains a balance of Rs. 5,57,089 available for disposal. The directors feel that the result achieved is quite satisfactory. The directors propose to appropriate this amount as below:—

To dividend on ordinary shares at Rs. 3 per share free of income-tax Rs. 1,20,000, to depreciation on buildings Rs. 60,000, machinery Rs. 3,00,000, electric machinery Rs. 40,000, electric installation Rs. 10,000, furniture and fixtures Rs. 15,000 and to motor cars and lorries Rs. 10,000, leaving to be carried forward Rs. 2,089. It will be noticed from the accounts that the amount of Rs. 2,40,759 standing to the credit of "E.P.T. post-war refund account" and an amount of Rs. 1,09,241 out of the "reserve for taxation" have been transferred to the credit of the "Capital redemption reserve fund."

During the financial year under report the mills secured permission from the Central Government to manufacture rayon fabrics and have started manufacturing the same. The mills have negotiated a purchase of 148 looms and permission has been obtained from the Central Government to acquire, install and work them on the manufacture of rayon fabrics. It is expected that these looms will be installed and put into commission during the current financial year. Against this, the mills have sold 100 cotton looms.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,00,000	Block ...	46,68,087
Reserves ...	3,50,000	Stock-in-trade	35,15,786
Provision for taxation ...	12,400	Stores and spare gear	6,53,043
Staff gratuity fund ...	22,165	Stock of grain, etc. ...	6,927
Liabilities ...	40,02,533	Debts and advances ...	4,26,207
Profit and loss account ...	5,57,089	Investments	57,601
		Cash ...	16,536
Rs.	93,44,187	Rs.	93,44,187

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

MANCHESTER LETTER

(*Concluded from page 761*)

Mr. Roger Lee, Chairman of the Calico Printers' Association, has described in his latest annual report how his predecessors believed that capital investment in such projects, especially in the British Commonwealth, would be of value, not only to the Company itself in the future but in the national interest. "Many years ago, long before the war, it was apparent to the board of those days that some overseas countries, and particularly the Colonies and the Commonwealth, would demand textile industries of their own with consequent repercussions on the Lancashire textile industry," he declares.

Obstacles have been encountered, particularly in the post-war period, with difficulties in training labour, recruiting technical staff and carrying out building operations. Yet the combine is not dissatisfied with the progress made. Local operatives in Uganda are now being taught to spin yarn and weave cloth on modern machinery in the mill established at Jinja.

In South Africa, however, Mr. Lee refers to the very large labour turnover which provides a constant source of frustration and anxiety to the management. In such an area there is no lack of manpower but the time taken in training new recruits leads to serious reductions in departmental efficiency.

As an example of the gains sometimes arising from overseas projects, Mr. Lee points to the advantages obtained by the Australian mill owned by the combine as a result of the restrictions imposed on imports by the Australian Government. While other branches of the British combine are feeling the effects of this curtailment of trade with such an important outlet the firm on the spot is able to reap some benefits.

On the other hand, the action of the Indonesian Government in permitting very large imports of yarn and a certain amount of cloth from Far Eastern sources caused a serious depression in domestic prices and had an adverse effect on the group's mill in that country.

Commenting on the sharp fall in business in cotton goods with Africa, Mr. Lee mentions not only Japanese but East European competition. This, he says, is of a particularly deadly nature as it clearly pays no regard whatever to costs of production but is governed only by foreign exchange and political considerations. Goods from these areas are now being exported throughout the world and into Britain's home trade. Countermeasures by the Governments of importing countries should be introduced, he urges, containing anti-dumping restrictions which should be made truly effective.—*All Rights Reserved.*

COMPANY AFFAIRS

(*Concluded from page 779*)

crop, the cost of production for the year had also gone up. Thus, the cost per lb. at 88.36 cents in 1955 is the highest for the past 10 years and compares with 72.28 cents in 1954 and 67.66 cents in 1953. The financial results for 1955 would have been much worse than what they are but for a rise in the price of rubber. The net sale price per lb. in 1955 was 136.69 cents as against 125 97 cents in 1954 and 124.16 cents in 1953. The Directors feel that the crop during 1956 would be much better and the working results more satisfactory. The average selling price realised for 1955 was 136.39 cents.

The Company's balance-sheet as on 31st December 1955 shows the capital unchanged at Rs. 4 lakhs made up of Rs. 2 lakhs ordinary and Rs. 2 lakhs preference (6 per cent. tax-free cumulative). The debenture capital (also 6 per cent. tax-free) secured by a fixed charge on the Glencoorg Estate and a floating charge on the other assets of the Company amounts to Rs. 1,01,500 of which Rs. 1,500 represents the interest accrued thereon. The reserves and surplus aggregate Rs. 2.74 lakhs. The gross block of the value of Rs. 5.24 lakhs stands written down at Rs. 4.73 lakhs. The current assets aggregate Rs. 4.51 lakhs and cover the current liabilities and reserve for taxes amounting to Rs. 1.49 lakhs by a fair margin.

At present, the Company is producing only rubber on an area of 906.25 acres of fully mature trees. Besides this, it has 30 acres of replanted rubber and 250 acres of newly planted. It has 23 acres bearing immature coffee, 100 acres cashew (mature), and 31.14 acres in miscellaneous plantations. About 647 acres are in reserve, yielding a forest revenue of about Rs. 33,000 per annum on an average.

The Rs. 10 ordinary shares of the Company are being quoted at Rs. 17-4 and the yield on the basis of 15 per cent. dividend works out to 8.7 per cent. per annum.

Notice

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Bombay Burmah Trading Corporation Ltd. will be held at the Registered Office of the Company at 9, Wallace Street, Fort, Bombay, on Monday the twelfth day of November 1956 at 11-30 o'clock (S.T.), when the subjoined resolutions (1) and (2) will be proposed as special resolutions and the subjoined resolution (3) will be proposed as an ordinary resolution.

(1) That the capital of the Company be increased to Rs. 3,00,00,000 by the creation of 1,14,000 shares of Rs. 125 each and that the Memorandum and Articles of Association be altered accordingly.

(2) That the following alterations be made in the Articles of Association, namely :—

(A) The following Article shall be inserted after Article XII :—

"XIIA. The existing issue Share Capital of the Company is and shall be deemed to be held by the following two classes of Members, namely :—

(*a*) Mr. William Wallace (deceased) or his Executors or Administrators holding 100 Founders Shares of Rs. 2,500 each issued to the said Mr. William Wallace (deceased) under the Agreement dated the 22nd July 1864 ; and

(*b*) The holders of the 1,24,000 Ordinary shares of Rs. 125 each of which 40,000 shares are fully paid and 84,000 shares have been paid up to the extent of Rs. 50 per share."

(B) The following Article shall be substituted for Article LVIII :—

"On a show of hands, every member present in person shall have one vote ; on a poll, every member present in person or by proxy shall have one vote in respect of every Rs. 25 of the paid-up equity capital held by him."

(C) Article LXV shall be deleted.

(3) That the Company hereby approves of the appointment and consents to the continuation of the following persons as Sole Selling Agents of the Company's products, in the respective areas mentioned against their names, for a period of five years commencing from 1st October 1956, with a proviso that the arrangement may be terminated by six months' notice by the Board or by the Sole Selling Agents.

Name of Agents	*Terms % Commission*	*Area or Place*
Aitken Spence & Co., Ltd.	Timber 3%	Ceylon
The Bombay Company (Private) Ltd.	Timber 3% Tea 5%	Calcutta, Jamnagar and South India
Boustead & Co., Ltd.	As detailed in letter dated 12-3-1954	Singapore and Malaya
Jardine Matheson & Co., Ltd.	Timber 4%	Hongkong
Jardine Matheson & Co. (Japan) Ltd.	Timber 4%	Japan
The Karachi Co., Ltd.	Timber 3%	Pakistan
Wallace Brothers & Co. (Holdings) Ltd. ..	Timber 3% Tea 2%	Europe

By Order of the Board,
R. E. FORRESTER,
Chairman.

BOMBAY, *15th October* 1956.

N.B.—Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and such proxy need not be a member of the Company.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956.

Resolution No. 1 : The Resolution provides for an increase of the authorised capital and makes possible the issue of further capital should that be deemed desirable at any future time.

Resolution No. 2 (A) : The proposed Article is introduced in order to define the two classes of members of the Company.

Resolutions Nos. 2 (B) and 2 (C) : The amendments to Articles LVIII and LXV are designed to bring the voting rights of the Company's shares into conformity with Sections 87 and 176 of the Companies Act, 1956.

Resolution No. 3 : Confirmation of the appointment of Sole Selling Agents for a period of five years is required under Section 294 of the Companies Act, 1956. All the agents mentioned have served the Company satisfactorily for many years in the past. The relative Agreements are open to inspection at the Company's offices at any time during working hours.

Note :—The Bombay Company (Private) Ltd. are partners of Messrs. Wallace & Co. and are therefore interested to the extent of the commission earned by them.

None of the Directors is interested.

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MONEY STRINGENT

(*From Our Own Correspondent*)

BOMBAY, *17th October*

Conditions in the short-term money market have become more stringent than last week. The demand for funds from trade and industry alike has been increasing, while the supply of funds has shrunk further. The opening of the new 4 per cent. 1968 Bombay Municipal Loan (issue price: Rs. 99-8) amounting to Rs. 1½ crores on the 15th inst. has made the supply position worse. Total subscriptions to this loan amounted to Rs. 1.79 crores which practically denuded the market of the floating funds. Consequently, there was hardly any activity in the inter-bank section. Although the rate for call money is nominally quoted at 3½ per cent., some of the banks are said to have paid even 3¾ per cent. House money at call fetched 3⅞ to 3¾ per cent. One to three months deposits were quoted at 3½ to 3¾ per cent., while the rate for four months and above was 3¾ per cent.

A notable feature of the statement of affairs of the Reserve Bank of India for the week ended 12th October 1956 is the increase in the value of gold bullion and coin held by the Bank from Rs. 40.02 crores to Rs. 117.76 crores, an increase of Rs. 77.74 crores. This rise is not due to any addition to the physical quantity of specie with the Bank but is the result of revaluation, in accordance with a recent amendment to the Reserve Bank of India Act.

As the increase in the value of the Bank's gold holdings has not been followed by any corresponding increase in its note issue liability, there have been substantial variations in the other assets of the Issue Department. There has been a rise of only Rs. 7.66 crores in notes in circulation but this has been more than offset by an increase of nearly Rs. 8 crores in notes held in the Banking Department. The total notes issued, therefore, show a fractional fall of Rs. 34 lakhs which is balanced on the assets side by a corresponding reduction in the rupee coin. In these circumstances, the rise in gold holdings has been adjusted by a reduction of Rs. 59.94 crores in foreign securities and of Rs. 17.81 crores in rupee securities. The effect of these reductions is clearly reflected on the assets side of the Banking Department. Thus we notice an increase of Rs. 50.06 crores in balance held abroad, and of Rs. 27.58 crores in investments. The only other notable change on this side of the Banking Department is an increase of Rs. 2.50 crores in other loans and advances which is due to a net increase of Rs. 4.67 crores in loans given by the Bank to Scheduled banks against usance bills. It may be interesting to note here that fresh loans given against usance bills during the week under review aggregated as much as Rs. 14.33 crores.

On the liabilities side of the Banking Department of the Reserve Bank, the Central Government's deposits show a minor rise of Rs. 88 lakhs, but those of other Governments have shrunk by no less than Rs. 5.5 crores. Despite the increase in the Bank's advances to Schedule banks, the latter's cash balances show a drop of Rs. 1.79 crores, thereby reflecting the stringent conditions prevailing in the money market.

No striking variations are revealed in the Scheduled Banks' statement for the week ended 5th October 1956. As compared with that for the previous week, demand deposits are higher by a negligible sum of about Rs. 10 lakhs, but borrowings from banks of demand nature are actually down by Rs. 1.52 crores. Time deposits are also lower by Rs. 3.38 crores. Borrowings from the Reserve Bank as well as from the State Bank are higher by Rs. 2.47 crores and Rs. 39 lakhs, respectively. Among the assets, advance and bills purchased are up, the former by Rs. 2.64 crores and the latter by Rs. 1.70 crores. Investments are down by Rs. 1.32 crores and money-at-call by Rs. 98 lakhs. But total cash is better by Rs. 4.47 crores.

A distinctly quiet tone prevailed in the Gilt-edged market. There was a predominance of sellers in most of the loans of all State Governments, as a result of which there was a decline of As. 2 to As. 4 in all their medium and long-dated loans. There was, however, a fractional rise of one anna in some of their short-dated loans repayable two years hence. Among the Central Government loans, there was not much change. The Conversion Loan receded further by a couple of annas to close at Rs. 74-10. A decline of one anna was noted in 3 per cent. 1966-68 and 4 per cent. 1960-70. 2½ per cent. 1976, which had gone up by one anna last week, went up further, by As. 2, during this week to close at Rs. 83-2. There was no change in the other loans of the Union Government.

Among the State loans, Bombay issues were an exception, in that they showed no variations in their value. A fall of As. 4 was recorded by West Bengal 4 per cent. 1968. A similar fall was recorded by 4 per cent. 1963 and 1964 loans of Madras, 1963 of Travancore-Cochin, Madhya Pradesh and Madhya Bharat and 4 per cent. 1967 of Mysore. 4 per cent. 1968 Hyderabad and Mysore declined by As. 3. A drop of As. 2 was recorded by 4 per cent. 1967 Hyderabad, 1968 Madras, 1964 Uttar Pradesh, 1963 Bihar and 1967 and 1968 Madhya Pradesh.

In the foreign exchange section, there was keen demand for sterling owing to pressure of imports, but the rupee-sterling exchange rates remained unchanged. Bank's selling rate for spot TT on London was 1s. 5.31/32d. and their buying rate 1s. 6.1/32d. Among other currencies, bank's selling rate for U.S. dollars was a shade lower at Rs. 481½ per $100 and so also their buying rate at Rs. 476½, as against Rs. 481½ and Rs. 476¾, respectively, a week ago.

SILVER STEADY, GOLD EASY

(*From Our Own Correspondent*)

BOMBAY, *17th October*

The trend of the bullion market noted last week was reversed during the week under review. Thus, while silver staged an impressive recovery in prices, gold lost some ground. The undertone of the market today was fully steady.

The recovery in silver was aided by scattered support from spot houses and favourable reports from Calcutta. The rise in prices would have been more marked but for rumours of additional imports of Tibetan silver coins. The yellow metal encountered profit-taking at higher rates. There was also pressure of offerings induced by reports of unauthorised gold arrivals. The increase in backwardation charges from an anna and a half last week-end to As. 4-6 on Saturday, too, created hesitant feeling among bears.

Forward silver (20th October settlement) advanced from Rs. 172-4 to Rs. 172-12 on Friday, following Calcutta advices. Thereafter, it gradually declined to Rs. 172-3 yesterday, but recovered swiftly to Rs. 173-4 today. *Kartak* delivery (20th November settlement) improved from Rs. 172-13 to Rs. 173-5 and, after receding to Rs. 172-9, recovered to Rs. 173-12 before closing at Rs. 173-8.

Ready silver (.996 Mint) opened the week firm at Rs. 172-5, as against Rs. 172-4 last week-end. It improved to Rs. 173-1 on Friday and, after declining to Rs. 172-3 yesterday, jumped up to Rs. 173-6 today before closing at Rs. 173-4.

The average daily offtake of silver during the week was less, being three bars, as against 11 bars in the previous week. Offtake was also less at 23 bars, as against 27 bars.

Forward gold (19th October settlement), which stood at Rs. 103-10-6 on Wednesday last, scored a gain of As. 7-6 to Rs. 104-2 on Friday on buying support. It, however, moved down in the subsequent sessions to Rs. 102-14-6 before finishing higher at Rs. 103-8-6. *Kartak* delivery (19th November settlement) opened at Rs. 103-9-6 and, after rising to Rs. 103-13, eased to Rs. 102-14-6. But at the close yesterday, the settlement was quoted higher at Rs. 103-7-6.

Ready gold began the week half an anna higher at Rs. 103-14. It spurted to Rs. 104-6 on the 12th inst., but fell to Rs. 103-0-6 yesterday before closing at Rs. 103-7-6.

The average daily arrivals and offtake of gold during the week were both 3,200 tolas, that is, 200 tolas lower as compared with the previous week's averages.

There was no change in the quotation for ready silver at New York which stood at 91.0 cents. Ready silver at London improved from 79½d. to 79⅝d. Forward position was also better at 79½d., as against 79*d.* London spot gold spurted by 1½*d.* to 251s. 5½*d.*

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

	17-10-56	Highest	Lowest	10-10-56
	Rs. a.	Rs. a.	Rs. a	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 8½	104 6	103 0½	103 13½
Forward*	103 7½	104 2	102 14½	103 10½
Forward**	103 7½	103 13	103 3	103 9
Sovereign	66 10	66 12	66 8	67 8
SILVER				
Ready (.996 fine Mint) ..	173 4	173 4	172 4	172 4
Forward†*	173 2	173 6	172 3	172 4
Forward††	173 8	173 12	172 9	172 13
London Silver Ready ..	79½d.	79⅝d.	79½d.	79½d.
London Forward	79½d.	79¾d.	79d.	79d.
London Gold	251s.5½d.	251s.5½d.	251s.4½d.	251s.4½d.
New York Silver	91.00c.	91.00c.	91.00c.	91.0

* 19th October settlement. ** 19th November settlement.
† 20th October settlement. †† 20th November settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

MEDIUM TEAS STRONG

(*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*)

COCHIN, *12th October*

There were 475,000 lbs. on offer in Dust Sale 'T' which was held on Tuesday, the 9th inst. There was a strong demand for low medium and medium descriptions which were sold at dearer rates. Best liquoring teas were easier and sold at rates well below valuations. Black leaf Middle East teas were entirely neglected and withdrawals of this type were heavy.

London Market: Sale of 8th October 1956: Mediums were dearer, while others were unchanged. *Sale of 9th October* 1956: Dearer tendency, except stalky fibrous sorts.

Colombo Market: Sale of 8th October 1956: Dusts much dearer. Fannings little change. Broken mixeds dearer, particularly lower sorts. *Sale of 9th October* 1956: Low and medium sorts dearer. High grown B.O.P.s lower. Following quality fannings firm.

Calcutta Market: No sale this week.

Export Quota: The market has been very active and business has been done up to 36 pies per lb. at which rate there are buyers.

Dust sale 'U' will be held on the 23rd inst.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"451 *Sale No.* 28: 1.35 million lbs. offered. Good general demand, particularly for medium brokens which were As. 2 to As. 3 dearer. Best liquoring and good mediums lower. Following quality, Middle East types neglected. Whole leaf fully firm to dearer."

COTTON FUTURES DEPRESSED

(*From Our Own Correspondent*)

BOMBAY, *17th October*

The week under review was a short one for the cotton market, as it remained closed on the 12th inst. due to the death of a member and on 13th owing to *Dassera*. Both sections of the cotton market are closed today also on account of *Id-E-Milad*. During this brief trading period, the futures market depicted a depressed tone. Although the Government of India's announcement, on the 11th inst., of its decision to give a rebate of six pies per yard in excise duty on all cloth produced by textile mills in excess of its average monthly production during the eight months ended August 1956 was calculated to encourage greater mill production, it did not have any appreciable effect on cotton values. This was because, as usual, the decision had been anticipated and was, therefore, discounted well in advance. Another encouraging factor has been the rumour that the Government of India might release a quantity of 150,000 bales of cotton, including 50,000-70,000 bales of Bengal *Deshi* for export. In spite of these bullish factors the market failed to recover because it was still under the influence of the enhanced excise duty and the credit squeeze. The sentiment of operators was further dampened by the recent reports of clear and sunny weather in all cotton tracts. In the general absence of investment buying and mill support and the continuance of selling pressure, both contracts suffered further setback.

M. G. Jarilla (March 1957) opened the week at Rs. 665, about two points higher, and improved to Rs. 668¾ on bull support. Heavy unloading by up-country interests and hedge selling from Punjab pushed down the rates to Rs. 661¼ on Monday. Opening yesterday at Rs. 658, the contract staged a partial recovery and closed at Rs. 659. M. G. Vijay (April 1957) also followed more or less the same course. Opening the week at Rs. 775, one point higher than the previous closing, it improved to Rs. 786 on active bull support induced by reports of dull weather in North India. Due to heavy selling by certain upcountry interests the contract was pushed down to Rs. 772 on the 15th inst. Absence of mill support resulted in the contract receding further to Rs. 769 yesterday, before closing lower at Rs. 764-8.

The following is the trend of prices of the two contracts during the week:

(In rupees per candy of 784 lbs.)

	16-10-56	High	Low	10-10-56
Jarilla (March) ...	659	663¼	654½	663¼
Vijay (April) ...	764	786	760	774

The Central India Cotton Association, which had been permitted by the Forward Markets Commission to transact forward trading in Malwai cotton and cottonseed at Ujjain and Indore, held the *muhurat* trading on 14th October at Ujjain. The business in cotton was done at Rs. 655-4 per candy. The *muhurat* of the Indore ring has been fixed for 31st October.

The spot market at Sewri, in contrast to the futures section, put on a better appearance. There was moderate inquiry for all popular varieties, especially Berar Jarilla and Lakshmi-Jayadhar and a sizable volume of business is reported to have been transacted in these varieties. In the export section, due to the expectation of an export quota, some interest was evident in Bengal *Deshi*, Oomras, C.P.I. and C.P.II. Among foreign styles Pima and East African ready lots came in for business. The latest available rates—in rupees per candy of 784 lbs.—from Sewri are given below:

Khamgaon 780; Hubli Jayadhar 850; Hubli Laxmi 900; Bengal old 675. *Delivery contracts*: Vijay 13/16" February-March Delivery 72 "on".

Steady conditions prevailed in the Karachi cotton market during the week under review. The early sessions of the market was characterised by keen buying demand and hence N.T.R.G. January delivery advanced to Rs. 78 and March delivery to Rs. 77-2 on the 11th inst. But later, on selling pressure induced by the high rates, values suffered a break. The closing rates were only slightly higher than the last week-end rates. N.T.R.G. January put on, over the week, As. 2 to Rs. 77-8 while March, having closed at Rs. 76-8 last week improved to Rs. 76-9. The spot section ruled easy. Overseas inquiries and local mill demand were slack. The following are the latest available spot rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 95-8; Punjab *Deshi* 80; 4 F Punjab Roller 79-8; S.G. 80-12; L.S.S. Punjab Roller 79-12; S G. 81-12; N.T.R.G. 81-12; S.G. 85-12; 289 F Punjab Roller 82-12; S.G. 83-12.

A markedly bullish trend was in evidence in the Alexandria cotton futures market throughout the week. This was mainly due to the fact that there was good demand from abroad especially for Ashmouni and hence its value advanced sharply. Overseas interest is attributed mainly to the reports that the Egyptian Cotton Commission has told exporters not to make future commitments for the export of 1956-57 Ashmouni Good, Fully Good and below grades without its authorisation. This, however, does not apply to business concluded before the issuance of the order. The move on the part of the Egyptian authorities, it is believed in some quarters, is made with a view to satisfying the needs of Egyptian mills for Ashmouni cotton. Prices of other varieties also ruled firm. Exports of Egyptian cotton from 1st September to 3rd October aggregated 14,358 bales (of 730 lbs) as compared with 30.777 bales in the corresponding period, a year ago. The latest available rates—in tallaris per lb.—from Alexandria cotton futures market are given below, the figures in brackets being last week's closing quotations:

Karnak: November 115 (108.80); January 114.85 (107.70); March 114.25 (107.00); Ashmouni:

October 83.35 (79.85); December 81.50 (78.65); February 82.10 (78.45).

Sizable gains were recorded by Liverpool cotton futures market during the week. Demand for both ready and shipment cotton continued to be firm. There were inquiries for a wide range of U.S. style cotton, both long and short staples. Some business was also concluded in Brazilian and East African styles. Sudan contract advanced because buyers were going in for that variety fearing that it may be difficult to get Egyptian styles in view of the Egyptian Cotton Commission's directive to traders not to make commitments for the export of Ashmouni new crop. Some small business is also reported to have been put through in Indian Oomra styles. The following are the latest available rates—in pence per lb.—from Liverpool:

American one inch staple Contract: October-November 25.45; December-January 25.30; March-April 25.25; May-June 25.18. *American Cotton Mixed Growth Contract*: October-November 26.00; December-January 25.55; March-April 25.35; May-June 25.23. *Egyptian Karnak Cotton Contract*: November-December, January-February, March-April 60.00. *Sudan Cotton Contract*: November-December 50.30; January-February 50.15.

Values in New York market maintained a steady trend throughout the week. Scattered hedge selling and liquidation met with trade and investment buying. The publication of the U.S. crop estimate (8th October) of 13,268,000 bales (of 500 lbs. each) for the current season, though slightly higher than last month's estimate, had very little effect on prices because the figure was close to general expectations. It is believed that the increased crop estimate is due to exceptionally good yields in central states and near record yields in the irrigated land in far west and northern Texas. Although drought and weevil's had caused considerable damage in Carolinas, Georgia and Alabama yields in those States were better than average. Exports for the current season till 4th October are placed at 722,114 bales, more than three times the comparative figure of 216,589 bales at the same time a year ago.

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

(In cents per lb.)

	16-10-56	9-10-56	2-10-56
Spot	34.45	34.40	34.55
October	—	34.18	34.05
December	34.00	33.99	34.13
March	34.17	34.13	34.32
May	34.13	—	—

SUGAR RECEDES

(From Our Own Correspondent)

BOMBAY, 17th October

A distinctly easy tone was in evidence in the sugar market during the week under review. The release of 160,000 tons of sugar, announced by the Union Food Ministry on the 11th inst. went a long way towards relieving paucity of ex-mill offerings in the Bombay-Deccan area. Arrivals of indigenous sugar into the market this week were also quite large, being 14,500 bags, as against 3,300 bags in the previous week. These would have been still more but for the move of wayside station customers to transport sugar to their destinations, in order to meet the urgent festival demands.

Spot indigenous large grain sugar dropped a rupee to Rs. 92-Rs. 97 per bag. Medium grain was quiet at Rs. 88-Rs. 90, as also small grain at Rs. 87. British refined sugar was dull at Rs. 90-8 per 2 cwts.

The forward section ruled weak. *Asho* delivery contract for 'C' grade sugar fell from Rs. 89-2 to Rs. 88-8 before being quoted today at Rs. 88-12. The contract is scheduled to be squared up on Saturday next. Business in the new forward contract for 'C' grade sugar—*Magsar* delivery—commenced during the week at Rs. 89-8. The contract was subjected to selling and moved down to Rs. 88-12. Today, however, it was quoted higher at Rs. 89-2.

The ex-mill quotations for sugar are ruling steady on reports that large despatches of sugar against the recent release are expected to be actually available only after *Diwali*. If this expectation were to prove correct and assuming that the festival demand for sugar would be quite large, sugar prices might, it is felt, register an advance in the coming weeks.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 17th October

For the fourth week in succession, the yarn market ruled bearish. There was continued pressure of sales, especially by weak holders who were trying to dispose of their stocks on fears of a further fall in prices, in the wake of slackness in demand. Reports from consuming centres indicated accumulations of stocks. It was said that the expected improvement in pre-*Diwali* demand for rayon fabrics from West Bengal had not materialised, while enquiries from Delhi, Punjab and Northern markets had fallen off, due to heavy rains and floods. Nor were advices from other commodity markets quite encouraging. On top of these, financial stringency acted as a damper. Turnover in all kinds of yarns was, as a consequence, restricted, with values moving down further.

Rayon yarns were subjected to persistent hedging. Even the reported decision of the Central Government not to issue licences for import of art silk fabrics to tailoring establishments under the special avocation scheme for July-December 1956 failed to induce support. Snia rayon yarn (120 dull cones) for December delivery fell by Rs. 3 to Rs. 758. October position was pushed back to Rs. 743 from Rs. 745. Spot 150 Italy declined by an anna to Rs. 3-13. 150 Japan shed nine pies to Rs. 3-15-9. 120 Italy eased by half an anna to Rs. 3-12. 120 Japan was quiet at Rs. 3-11-6. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade receded by 21 pies to Rs. 3-8-3. 150 Bt. cones 1st grade, however, rose by six pies to Rs. 3-2-6.

There were fair offerings of staple fibre yarn which did not meet with sufficient enquiries and prices yielded further ground. 40 x 2 staple fibre yarn for October delivery dropped Rs. 6 to Rs. 610. December contract receded by Rs. 4 to Rs. 618. In the spot section, 40 x 2 Centurys lost half an anna to Rs. 3-5-6. Kohinoors were unchanged at Rs. 3-8. Citys, on the other hand, were done higher at Rs. 3-5-6, as against Rs. 3-5. Among foreign yarns (80 x 2), Paramounts and Fujis eased by six pies each to Rs. 5-13-6 and Rs. 5-14, respectively. S'Sellos were dull at Rs. 5-13. But K'Suns evoked special support and rose by As. 2 to Rs. 6-6.

The cotton yarn section continued to present a subdued appearance, as there was still no denial of the rumours of the Government fixing "fair" prices for yarn and of the State Trading Corporation taking over the distribution of mill yarn to handlooms. Besides, reports from South India were unfavourable; prices of yarn there were reported to have declined by As. 4 to As. 8 per bundle of 10 lbs. Sixty counts encountered heavy selling. Raghuvamshis moved down by As. 14 to Rs. 56-10. Finlays slipped by As. 8 to Rs. 60. Moderns declined by As. 4 to Rs. 61. Among 40s, Minaxis suffered a fall of As. 4 to Rs. 27-3. Moderns eased by As. 2 to Rs. 28-10. Deals in 30s were put through at reduced rates, Maduras losing As. 4 to Rs. 23-14 and Apollos As. 2 to Rs. 22-8. Among 20s, Hinds were unaltered at Rs. 19-4, while Moderns gathered As. 2 to Rs. 19-6. Among 10s, Elphinstones shed an anna to Rs. 14-8. Moderns were dull at Rs. 15. Eighty counts Mahindras and Moderns were both transacted at Rs. 71, same as last week.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	17-10-1956	10-10-1956	3-10-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)–			
120 Dull Cone Snia October ..	743 0	745 0	760 0
120 Dull Cone Snia December	758 0	761 0	775 0
120 Japan (per lb.)	3 11½	3 11½	3 11½
150 Japan (per lb.)	3 15½	4 0¼	4 1
120 Italy (per lb.)	3 12	3 12½	3 13
150 Italy (per lb.)	3 13	3 14	3 14½
Staple fibre yarn (per case of 200 lbs.)–			
40 x 2 October	610 0	616 0	633 0
40 x 2 December	618 0	622 0	639 0
40 x 2 New Great (per lb.) ..	3 5½	3 5½	3 5½
40 x 2 Century (per lb.) ..	3 5½	3 6	3 6¼
40 x 2 City (per lb.)	3 5¼	3 5	3 5½
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	14 14	14 12	14 12
20s Hind	19 4	19 4	19 6
30s Madura	23 14	24 2	24 0
40s Minaxi	27 3	27 7	27 15
60s Raghuvamshi	56 10	57 8	58 6
80s Mahendra	71 0	71 0	71 12

CASTORS MOVE UP

(From Our Own Correspondent)

BOMBAY, 17th October

During the week under review, while castorseed in the local seeds market was cheerful, groundnut old crop remained markedly weak. Linseed reflected a sympathetic movement with groundnut. The market remained officially closed today due to *Id-E-Milad*.

Castors which started the week on a steady note spurted on the following two days to higher levels on active buying by shippers of castor oil for export to the U.S.A. Although the reports of the emergence of Brazil as a competitor, and the scattered profit-taking following the high rates, dampened the enthusiasm of the bull operators, the market later recovered much of the lost ground on reports of lack of prospects for Brazilian crop, and the good support from speculators and shippers. Groundnut spot, however, gradually slipped down due to lack of follow-through support and reports of dry weather from the up-country producing centres while futures remained comparatively steady. Towards the close, nevertheless, both groundnut and linseed moved in sympathy with castorseed. Shipments of castor oil from Bombay during the month of September are placed at 3,246 tons, and those for the first nine months of this year, at 26,608 tons. It is expected that exports during the three remaining months would be on the high side due to heavy outstanding commitments.

An event of much importance was the inauguration of forward trading in castorseed at Hyderabad on 15th October by Mr. R. Doraiswamy, member of the Forward Markets Commission. It may be recalled that when section 15 of the Forwards Markets Act was made applicable to the whole of India in May this year, Hyderabad was exempted to enable the Hyderabad Oils and Seeds Exchange to modify its articles and by-laws. The Act has now been applied to this exchange which acquires specific right to conduct a regulated forward market in transferable specific delivery and hedge contracts.

Groundnut February 1957 contract opened the week under review at Rs. 130-8 and rose to Rs. 131-12 on the third day on upcountry advices. Subsequently, however, it declined, and closed the week at Rs. 130-10. In the spot section, however, Bold F.A.Q. lost as much as Rs. 2 at Rs. 35, and Coramandels Rs. 3 at Rs. 34-8. Groundnut oil ex-mill shed As. 12 at Rs. 19, and railway receipt As. 11 at Rs. 18-8.

Castorseed which started the week under review at Rs. 124-8, gradually increased to as high a level as Rs. 128-7 on 16th and closed the same day at Rs. 127-12; thus gaining over the week Rs. 3-12. In the spot section, Bold Ready was quoted As. 4 higher at Rs. 29, Kanpur As. 6 higher at Rs. 29-2. Oil B.S.S. put on As. 5 at Rs. 17-15 and Oil Commercial As. 8 at Rs. 17.

Linseed May 1957 contract, after very narrow fluctuations, closed the week at Rs. 26-8, that is, at the same level as a week ago. In the spot section, however, Bold ready lost As. 10 at Rs. 31-10 and February-March As. 3 at Rs. 27-15. Linseed oil ready, again, was done As. 6 lower than a week ago.

Among the other seeds, *kardi* seed Bold ready and February-March fell by As. 4 each at Rs. 17-2, *niger* seed ready F.A.Q. and Madras lost As. 4 each at Rs. 27-4 and Rs. 27-8, respectively.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	17-10-1956	10-10-1956	3-10-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	130 10	130 6	128 0
Khandesh Quality Ready (per cwt.)	35 0	37 12	33 8
Dec.-Jan.	26 2	26 6	—
Linseed—			
May 1957	26 8	26 8	26 8
Bold Ready (per cwt.) ..	31 10	32 4	31 8
Oct.-Nov.	31 13	31 14	31 8
Castorseeds—			
May 1957	127 12	124 0	120 6
Madras (per cwt.)	29 0	28 12	27 14
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 0	19 12	18 10
Castor oil—			
Commercial (per quarter) ..	17 10	16 8	15 14
Linseed oil—			
Ready	—	17 10	17 2

JUTE GOODS FIRM

(From Our Own Correspondent)

CALCUTTA, 16th October

Markets reopened yesterday on a definitely firmer tone after remaining closed from Thursday last for the *Durga Pooja*. Earlier in the week, the increase in September-end stock of jute goods, announced on Wednesday last, had affected sentiment. The total of stocks were 124,700 tons, as against 123,500 tons at the end of August. The increase of 1,200 tons was due to hessian rising by 1,200 tons to 29,400 tons, while the increase in miscellaneous constructions by 400 tons to 7,100 tons was offset by the decline by 400 tons in sacking goods to 88,200 tons. The small increase in stock was no surprise, as it had been known that the month of September was a less satisfactory shipping period than August.

Stockists were not inclined to entertain any pessimistic view as to the future, at it was expected that foreign buyers would show more interest. Also, the order books of mills were fairly satisfactory. The increase in industrial activity within the country and the need for more packing material for the movement of a growing industrial output are as hopeful as the present inability of the Pakistani mills to cater to an expanding overseas market.

On Tuesday last, jute goods were steady. Hessian 40"×10 oz. was maintained at Rs. 41-13 and the rumour that mills' stock of hessian as at the end of September had recorded a decline was circulating. This proved to be baseless on the following day but the rate in fact advanced to Rs. 41-15 mainly in sympathy with the uptrend in sacking goods. Ready B. twills were fully steady at Rs. 113 on Tuesday last, as against Rs. 112 on the previous day, and on Wednesday rose to Rs. 113-8, following more interest shown by buyers on Government account. Forward position in B. twills were at a premium, January-March and November-December goods being higher by As. 8 and the one-month delivery goods by As. 6. On the other hand, January-March 40"×10 oz. hessian was at a discount at Rs. 41-8, as against Rs. 41-15 for the ready. October-December goods were at par, but the one-month goods were As. 3 higher at Rs. 42-2. Yesterday conditions were fully steady, and prices hardened further with the 40"×10 oz. hessian scoring to Rs. 42-3 f.a.s. and to Rs. 42-13 f.o.b. The eight oz. hessian was priced at Rs. 35-4 f.a.s. and Rs. 35-12 f.o.b. B. twills ready jumped up to Rs. 116-4.

The raw jute market was quiet. Mills, in an attempt to depress prices in the interests of economic production, kept out of the market. However, prices did not move down, and arrivals were rather restricted in view of the transport difficulty consequent on the recent heavy floods. All new arrivals were readily taken up. Indian northern bottoms were priced at Rs. 28-8 and local Daissee October-November bottoms at Rs. 29.

TEA EXPECTED TO OPEN FIRM

(From Our Own Correspondent)

CALCUTTA, 16th October

The tea trade anticipates that, after the holidays, auctions here would continue to be fairly satisfactory from the industry's point of view. One of the causes for such expectation is the possibility of an increase early in November in the export duty under the slab system, in view of the steady price trend in auctions in Mincing Lane. Foreign buyers would naturally be inclined to move out as much tea as possible before the apprehended increase in the export levy.

Reports from most tea-producing areas in North India state that the monsoon has ended, that the weather is dry, that an early cold weather is imminent, and that the immediate prospects are good. However, the outturn of leaf teas would be affected if rains did not recur before the onset of the cold weather. The September output was again good and at 94.3 million lbs. was higher by 1.9 million lbs., as compared with September 1955. The total output of North Indian tea up to and including September 1956 has come to 399.6 million lbs., raising the year's increase to 24.7 million lbs. These figures have increased the anxiety of the tea interests which are agreed on the necessity for a crop regulation scheme for the rest of the current plucking season aimed at improving quality. The regulation scheme is expected to be announced within a week or so.

Demand for higher quality teas would continue to be satisfactory. During the auctions held in London on Wednesday last, liquorings held their sway. And a *Reuter's* report from the United States quoting Mr. Ghoshal, Chairman of the Indian Tea Board, who is on a visit there, credits him with the encouraging revelation that the tea-drinking habit in America is on the increase, as evidenced from the increase in tea sales in the U.S.A. by 10.7 per cent. during the past five years.

News from Egypt during this week has also been quite pleasing, and the outlook for Indian quality tea abroad is brighter than ever before, but is only limited to the ability of the Indian gardens for production. Schemes for improving quality and raising production of quality teas are urgent. During the seven months to July last, Indian tea exports to Egypt were stated to have valued £(E)2.1 million which was close to Ceylonese tea exports to that country worth £(E)2.6 million in the same period. This shows that India is replacing Ceylon as the largest supplier of tea to Egypt. This is, of course, aided by India having a payments agreement with Egypt and Ceylon's difficulty to trade with Egypt following the blocking of sterling on Egyptian account by Great Britain. To arrive at the above conclusion, these figures should be compared with those of 1955 and 1954. In 1955 and 1954 Indian tea exported to Egypt were valued at £(E)3.1 million and £(E)1.5 million, respectively, as against Ceylonese tea worth £(E)5.7 and £(E)6.2 million, respectively. No wonder interest on Egyptian account in auctions continues to be remarkable.

The heavy accumulation of tea in the Assam gardens is expected to be eased shortly. For booking of tea to Calcutta via the Assam Link by the North Eastern Railway has again commenced. The strike by the crew of the joint steamer companies, which started from the 27th September and which forced tea gardens to send supplies to the Calcutta auctions by air, thereby increasing the cost of gardens by As. 3 per lb., has come to an end as from 14th October. This strike, it may be noted, was one of the contributory factors for the remarkable increase in tea prices during recent auctions. Another factor was the sizable purchases made for internal consumption as stockists had to replenish their holdings in view of the increased sales on account of the festival season.

KIPS QUIET

(From Our Own Correspondent)

MADRAS, 15th October

The kip market continued featureless and prices of lightweight cow hides were easier. U.K. importers were not showing interest at the prices offered at origin.

The tanned goat and sheep skins market was firm, due to good demand from the Continent and raw prices were firm in consequence.

The dressers in the U.K. are anxious to incorporate in the official c.i.f. contract a new clause stipulating that the E.I. tanned hides and calf should contain a certain minimum percentage of leather content with a view to preventing adulteration in tannages. The S.I.S.M. Association is not in favour of the new clause, as the existing terms of the No. 4 contract contain sufficient redress and the S.I. tanners will not be able to follow the technicalities of sale under leather content basis.

HIDES SUBDUED

(From Our Own Correspondent)

KANPUR, 14th October

During the week under review, the hides market ruled subdued, due to apprehensions of dislocation in railway traffic following floods in the Ganges. Fresh arrivals were lower as compared with the previous week. The Madras dealers were lukewarm. The main purchasers were the local tanners, headed by Messrs. Cooper Allens. Fresh goods from the local butcheries were ample.

The latest available quotations are: Wet salted cow 1st grade Rs. 250; 2nd grade Rs. 280 and 3rd grade Rs. 150 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 245 and 2nd grade Rs. 200 per 100 pieces; sheep skins Rs. 210 per 100 pieces.

METALS EASY

(From Our Own Correspondent)

CALCUTTA, 16th October

Easier conditions continued to prevail in the metal market during the week under review. Stockists were disinclined to add to commitments, in view of holiday consideration and their desire to keep inventories as low as possible for the approaching New Year Day. Consumers were interested to buy day-to-day requirements only. However, stockists of finished products were accepting delivery of stores, orders for which had been placed earlier on manufacturers. This has been so due to an increase in requirements of products such as cables and jointings, copper and brass sheets, aluminium rods, brass and copper rods and tubes, etc., following the impetus industrial development is receiving and the Government's disinclination to grant import licences for products now made in India. It may be recalled in this connection that the Government of India removed (1) all alloys of copper including phosphor copper and cupro nickel and scrap of such alloys in all forms but excluding all manufactures and (2) paper insulated cables from the open general licence and brought these items under licensing.

Moderate demand was in evidence in copper. Electrolytic copper was priced at Rs. 212 as against Rs. 215 earlier in the week. Inquiries from the Government were on the increase. From Rs. 521 tin recovered to Rs. 526 and this was in consonance with the trend in Singapore market and in restricted demand, electrolytic zinc lost to Rs. 65-4 from Rs. 65-8 and Virgin lead to Rs. 79-8 from Rs. 81.

WOOL ARRIVALS LARGE

NEW DELHI, 7th October

The Government of India as announced its policy on the export of wool for the new half-year on the 1st inst. The announcement, however, has not affected the Delhi wool market, as the official notification is yet awaited from Bombay. Turnover in foreign trade is very low, because American buyers are not coming forward to buy at the present ruling prices. New supplies of wool are pouring into the market, in spite of a low buyer demand. Sellers are holding stocks till the notification reaces Delhi, thus keeping the prices firm.

The latest available quotations (per lb. f.o.r. Bombay) in the Delhi market are: Yellow (Delhi, Beawar and Punjab qualities) Rs. 2-11-6 to Rs. 2-12, greys (raw condition) Re. 1-4, light greys Re. 1-7 to Re. 1-8 and white (nominal stocks) Rs. 3-4 to Rs. 3-6.

Bradford, U.K.—28th September 1956.—The fairly substantial advance in Commonwealth wool prices which had marked the first month of the selling season appears to have reached its full extent in Australia in the past few days and, as is normally expected after such a movement, a slight reaction has been seen in the general level of prices. New business in tops is temporarily smaller than usual in volume, as consumers now await a more settled price basis before extending their purchases. The volume of business placed in recent weeks, however, has been heavier than usual for this time of the year, as both spinners and manufacturers have been covering their requirements for some distance ahead as precaution against any possible interference with the flow of wool shipments from Australia.

Sydney, Australia—24th September 1956.—Values for merinos and comebacks showed a hardening tendency as compared with closing rates at New Castle last week. The 16,120 bales offered from Bradford, Japan and the Continent were almost completely cleared under strong competition. On 25th September, values were generally unchanged under strong competition; of the offerings of 17,500 bales, 17,189 bales were sold.

Adelaide—25th September 1956.—Prices were 5 to 7½ per cent. higher than at the previous sale at this centre, being very firm on closing Melbourne rates last week. Bradford, the Continent and Japan were the main buyers and there was an almost complete clearance of the 18,500 bales offered. Faulty types also sold irregularly. At Albury, the selection contained a high proportion of crossbred wools.

AMERICAN LETTER

(Concluded from page 757)

The whole question, therefore, is of fractional rather than basic importance.

Business Good

The prospects for good business are still great. Most leaders in industry predict new highs in sales, jobs and profits for the final quarter of 1956. It may be another record year despite statements of caution made previously.

September employment totalled more than 66 million and unemployment dropped by 200,000 persons. Steel production has been running at better than full capacity. New construction exceeded a volume of $4,200 million in September for the third month in a row.

Third quarter bank statements have shown improved earnings and corporate profits, after taxes, are hitting new highs. They were 9 per cent. higher in the first half of the year than in 1955. Farm exports are running substantially ahead of last year and this may turn out to be one of the best 12 calendar months for U.S. agricultural shipments overseas.

Suez Crisis

The Suez Canal crisis has continual attention here. The main aspects are considered to be economic. In the opinion of top oil company officials, stoppage of canal traffic and necessary tanker shipments around the southern tip of Africa might double the present price of $2 a barrel. It may have serious repercussions for the economy of Great Britain and, to a certain extent, for the United States as well.

However, it is felt here in highly authoritative quarters that, in the longer run, the deficiency of Arabian oil could be easily made up by Western hemisphere production. The vast oil deposits of Canada have hardly been tapped, for example. Building of a few pipelines would, in time, remedy deficiencies and higher prices. Heretofore, overseas tanker shipments have been cheaper and the building of such pipelines was considered uneconomical. In a real emergency, however, such consideration would no longer be valid.

Moreover, it is merely a question of time. It is foreseen here that, within the next 20 to 50 years, perhaps, the predominant position of oil as a source of energy will have been supplanted by nuclear energy. Then, Arabian oil, the Suez Canal and related questions will no longer play such important roles as they do today.

One of the American television commentators showed a film the other day on a nationwide network, including an interview with President Nasser of Egypt and British and U.S. spokesmen. Mr. Nasser appeared very sincere in his desire not to interrupt Canal traffic and he left an excellent impression with most viewers.—*All Rights Reserved.*

COAL

(Concluded from page 763)

The results of the investigation, if implemented, will considerably enlarge the available coking coal reserves by enabling the use of weakly coking coals of the Raniganj coalfield, hitherto exported or used mainly for combustion or gas making. They will also open up the possibility of utilising the lower seams of Jharia coalfields, which have been considered beyond the scope of being used in carbonisation plants due to their high ash or poor washability characteristics, as well as high phosphorus content.

According to Dr. A. Lahiri, Director of the Fuel Research Institute, the work done by Carbonisation Section of the Institute is of the highest significance to national planning in general and to West Bengal, in particular, as it makes possible for the first time the location of carbonisation and iron and steel industries, as well as chemical industries based on by-products, in the Raniganj area, fairly or completely self-contained as far as coal supplies are concerned. He, however, adds that much work has yet to be done to confirm these results on pilot plants as well as on full-scale ovens, though to experienced technologists the indications are clear and hopeful. It behoves the planners to devote sufficient thought and care to utilise fully the results of the work done by the Institute.

Notices

THE TATA MILLS LIMITED

NOTICE

SHAREHOLDERS OF THE TATA MILLS Limited are hereby informed that certificates for new ordinary shares are now ready and they are requested to take delivery of the share certificates in exchange for the relative application money receipts and allotment letters duly signed.

For and on behalf of
THE TATA MILLS LIMITED,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
A. D. SHROFF,
Director.

BOMBAY, 16th October 1956.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books and Register of Members of the Company will be closed from 29th October 1956 to 5th November 1956 (both days inclusive) in connection with the further issue of Capital. Circulars regarding the issue of Right Shares have been issued direct to the shareholders.

By Order of the Board,
ASPINWALL & CO. (PRIVATE) LTD.,
Managing Agents.

COCHIN, 15th October 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	3½	3
Bolivia	30th Sept., 1950	6	6
Canada	9th Aug., 1956	3	3½
Ceylon	11th June, 1954	2	2½
Chile	13th June, 1924	4	4½
Colombia	16th July, 1923	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1946	7	10
Egypt	15th Nov., 1951	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	2
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	21st May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov. 1947	5	6
Philippines	March, 1954	1	1½
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept., 1955	4	3½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	3½	3
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1950	6	4
U.S.A.	23rd Aug., 1956	3½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 12th October, 1956		Week ended 5th October, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,95,514	59,03,37,000	2,53,480	56,47,51,000
Calcutta	1,54,411	52,77,93,293	1,40,021	55,81,39,064
Madras	81,329	8,93,11,763	64,106	6,61,57,979
All Centres—				
1952-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
July, 1956	..	..	3,203,000	6,69,86,00,000
August ,,	..	..	3,057,000	6,45,68,00,000

* Average of months

Reserve Bank of India

Statement of Affairs for the week ended 12th Oct., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	..	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	..	1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government	..	55,44,03,000
(2) Other Governments	..	4,70,00,000
(b) Banks	..	48,58,35,000
(c) Others	..	12,73,02,000
Bills Payable	..	10,23,06,000
Other Liabilities	..	96,77,45,000
	Rupees ..	254,45,86,000

ASSETS	Rs.	Rs.
Notes	..	11,63,67,000
Rupee Coin	..	8,49,000
Subsidiary Coin	..	6,75,000
Bills Purchased and Discounted—		
(a) Internal	..	....
(b) External	..	....
(c) Government Treasury Bills	..	5,44,44,000
Balances held abroad*	..	73,76,36,000
Loans and Advances to Governments	..	4,48,85,000
Other Loans and Advances	..	92,25,43,000
Investments	..	54,88,37,000
Other Assets	..	11,31,00,000
	Rupees ..	254,45,86,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 42,87,06,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 300,63,48,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	..	11,63,67,000
Notes in circulation	..	1438,23,02,000
Total Notes issued	..	1449,86,69,000
Total Liabilities	..	1449,86,69,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	..	
Foreign Securities	526,80,03,000	
Total of A	..	644,56,06,000
B. Rupee Coin	..	119,30,69,000
Government of India Rupee Securities	..	685,90,94,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1449,86,69,000

Scheduled Banks*

Statement of Affairs for the week ended 5th Oct., 1956

	Rs.
1. Demand Liabilities in India:	
(d) Borrowings from banks other than the State Bank and a notified bank † ..	8,82,06,000
(d) Other demand liabilities ..	627,25,50,000
2. Time Liabilities in India:	
(d) Borrowings from banks other than the State Bank and a notified bank † ..	2,26,20,000
(d) Other time liabilities ..	451,95,54,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(d) Demand liabilities ..	12,97,04,000
(d) Time liabilities ..	..
4. Cash in India ..	39,56,34,000
5. Balances with the Reserve Bank in India ..	49,15,22,000
6. Balances with other banks in current account in India ..	10,12,63,000
7. Money at call and short notice in India ..	10,80,15,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts ..	374,28,08,000
9. Advances in India ..	613,84,02,000
10. Inland Bills purchased and discounted in India	98,33,07,000
11. Foreign Bills purchased and discounted in India ..	47,49,53,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	16th October, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. spot	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	1-4⅞	1-5⅛
Buyers T.T. spot to nine months	1-5¼	1-5¼
Buyers T.T. 10 to 12 months	1-5⅛	1-5⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	480‡	480‡
Buyers T.T. Rs.	473	473
London on New York.. $	2.78-½-2.87‡	2.78-3/5-2.78‡
London on Paris Frs.	983	981‡
London on Berne Sw. Frs.	12.23-12.23‡	12.23-12.23‡
New York on London.. $	2.78‡-2.78‡	2.78¼-2.78⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'54-'55	378 07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	244
Burma	1954	19 24	Kyats 2,905	390	204
Ceylon	1954	8 38	..	477	569
Japan	1954	88 76	Y. 6,148,000	8,138	972
Philippines	1954	21 44	Ps. 7,438	1,770	825
New Zealand	1954	2 09	£ (N.Z.) 802	1,070	5,119
Australia	1954	9 99	£ (A) 3,957	4,220	4,594
U.K.	1954	50 76	£ 15,718	20,940	4,100
U.S.A.	1954	162 41	$ 299,700	142,370	8,766
Canada	1954	15 89	$ 18,781	9 193	6,646
France	1954	42 84	F.Fr. 11,499,000	15,640	3,650
W. Germany	1954	49 52	Dm. 112,380	12,734	2,570
Italy	1954	47 67	Lr. 9,718,000	7,380	1,544
Norway	1954	3 39	Kr. 18,424	1,280	3,758
Sweden	1954	7 21	Kr. 38,630	3,544	4,912
Netherlands	1954	10 82	Grs. 21,040	2,640	2,488
Denmark	1954	4 41	Kr. 22,374	1,610	3,654
Switzerland	1954	4 92	Sw Fr. 22,010	2,410	4,896

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.

Source: United Nations, Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 5th Oct., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,00,000
Reserve Fund ..	3,00,00,000
Deposits:—	
(a) Central Government ..	34,74,45,000
(b) Provincial Governments ..	8,83,17,000
(c) Banks ..	16,68,63,000
(d) Others ..	4,18,66,000
Bills Payable ..	14,46,000
Other Liabilities ..	7,99,11,000
Rupees ..	78,58,48,000

ASSETS	Rs.
Notes ..	9,07,22,000
Rupee Coin ..	12,000
Subsidiary Coin ..	9,000
Bills Purchased and Discounted:—	
(a) Internal ..	....
(b) External ..	....
(c) Government Treasury Bills ..	2,16,46,000
Loans and Advances to Governments ..	....
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances ..	4,41,40,000
Investments ..	52,72,30,000
Other Assets ..	10,20,89,000
Rupees ..	78,58,48,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	9,07,22,000	
Notes in circulation ..	288,18,10,000	
Total Notes issued ..	....	297,25,32,000
Total Liabilities ..	....	297,25,32,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,33,41,000	
Silver Bullion ..	..	
Sterling Securities ..	87,70,69,000	
Government of India Securities ..	16,68,25,000	
India Notes representing sums in receivable from the Reserve Bank of India ..	43,02,58,000	
B. Rupee Coin ..	6,02,06,000	158,74,93,000
Government of Pakistan Securities ..	126,58,27,000	
Internal bills of exchange and other commercial paper ..	....	132,60,33,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities ..	1,00,90,000	
Rupee Coin ..	29,51,000	5,90,06,000
Total Assets ..	....	297,25,32,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 55.29 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	5th Oct., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department.					
Notes in circulation	172.37	1430.57	1409.23	1440.18	1301.45
Notes held in Banking Department	35.05	19.64	41.31	16 25	9.89
Foreign Securities	59.50	586 74	586 74	596.74	646 97
Rupee Securities	37.39	703.72	626.76	703.65	513.79
Banking Department					
Deposits of:					
Government of India	14.89	54.56	71 39	58.86	51 15
Other Governments	..	10 22	19 05	16 73	9.59
Balances held abroad	10.08	23.70	28 33	34 22	69.43
SCHEDULED BANKS					
Demand Liabilities	134.36	636 08 (8.82)†	637 50 (10 35)†	639 38 (9 71)†	610 08 (10 89)†
Time Liabilities	102.24	454.22 (2 26)†	457 50 (2 16)†	459 04 (2 31)†	421 42 (6.07)†
Borrowings from Reserve Bank	..	65 71 (38 20)‡	63 24‡ (36.37)‡	52 25 (24 40)‡	8 06‡ (6.60)‡
Borrowings from State Bank	..	12 97	12.58	12 70	3 93
Cash in India	6.70	39 56	35.46	35 51	32 92
Balances with Reserve Bank	25.17	49 15	48.78	53 24	66.88
Excess over statutory limits	15.52	8.27	7.76	12.10	27.95
Balances with other banks in current account in India	..	10.13	10.47	10.27	9.88
Money at call and short notice in India	..	10.80	11.78	12.60	23.38
Investments (at book value)	105.09	374 28	375 61	366.38	385 93
Advances and bills		759 67	754.43	758.46	589.17
STATE BANK					
Deposits	87 76	230 83	232 15	231 33	217 27
Investments	51 99	107 86	108 09	106 29	113 66
Advances	30 35	131 30	130 38	133 93	91 82
Cash	14 69	14 28	17.76	19 82	30 67

† Borrowings from Banks excluding the Reserve Bank and the State Bank

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	July,		Four months, April to July	
	1955	1956	1955	1956
Import Duties†				
Revenue	9.62	9.15	37.85	38 87
Protective	0.77	1.14	3.08	4.24
On sarplus disposals	..	..	..	0.03
Total import duties	10.40	10 29	40.93	43 14
Export Duties	3.17	1.24	10.88	7.03
Land Customs	0.04	0.18	0.33	0 62
Miscellaneous	0.06	0.06	0 26	0.32
Gross total customs	13 67	11.77	52.40	51 11
Refunds and drawbacks	0.19	0.20	0.97	0.79
Net Customs	13 48	11.57	51.43	50.32
Gross excise	13 22	14.41	48.92	55 89
Refunds	0 46	0.23	1 60	0.57
Net Excise	12 76	14.18	47.32	55.32
Net total of customs and excise†	26.24	25.75	98.75	105.64

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 12th Oct., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		227,66,05,000
Borrowings from Other Banking Companies, Agents, etc.		14,50,00,000
Bills Payable		3,89,91,000
Bills for Collection being Bills Receivable as per contra		81,39,000
Acceptances, Endorsements and Other Obligations per contra		12,97,000
Other Liabilities (including Inter-Office Adjustments)		6,43,52,000
Total ..	Rs.	265,41,34,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank ..		11,33,19,000
Balances with other Banks ..		3,12,54,000
Money at Call and Short Notice ..		86,67,000
INVESTMENTS:		
Government and other Trustee Securities ..	96,42,72,000	
Other Authorised Investments ..	11,39,10,000	107,81,82,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	100,84,24,000	
Bills Discounted and Purchased	29,34,05,000	130,18,29,000
Bills Receivable being Bills for Collection as per contra ..		81,39,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		12,97,000
Premises less Depreciation ..		1,16,49,000
Furniture and Fixtures less Depreciation ..		65,99,000
Other Assets (including Inter-Office Adjustments) ..		9,41,99,000
Total ..	Rs.	265,41,34,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates 5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @		2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates ‡	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings
1952-53 ..	8.88	65	2.26	23.66	54.17	1.18 38	92.03	— 31.07	7.55	25.64	..	..	..	..	..	..
1954-55 ..	4.76	1.02	4.99	27.27	1.24 64	1.24 94	1.30.85	— 26.25	5.57	37 15	7.40‡	7 88	..	..	5611	54
1955-56 ..	2.76	1.98	5.48	27.19	1.44.38	1.58.15	1 67.86	— 28.87	4.79	41 25	9.86	16.37	..	..	45	95
July 1955 ..	4.36	12	5.15	2.27	1.31.28	12.99	1.44.48	— 26.25	41	38.54	91	10.19	4	69	..	..
August ,, ..	4.29	12	5.17	2.09	1.32 62	12.24	1.43.80	— 26.96	39	38.37	88	11 00	3	72	..	..
September ,, ..	4.21	13	5.20	2.24	1.34.88	13.49	1.45.91	— 27.11	44	39 23	88	11 80	4	75	..	..
October ,, ..	4.14	10	5.21	2.11	1.36.98	11.99	1.46.99	— 28.23	46	39.58	80	12 49	4	79	..	..
November ,, ..	4.07	10	5.21	1.98	1.37.68	11.23	1.50.40	— 28.54	43	40.05	82	13.20	5	84	..	..
December ,, ..	4.00	18	5.26	2.48	1.39.48	12.94	1.52.44	— 28.44	36	40.54	88	13.98	4	88	..	..
January 1956 ..	3.91	14	5.24	2.02	1.40 78	12.16	1.54.14	— 28.55	32	40 91	84	14.73	3	91	..	..
February ,, ..	3.83	16	5.29	2.32	1.43.27	12.87	1.56.19	— 28.66	39	40.96	93	15.57	3	93	..	..
March ,, ..	3.76	23	5.43	2.82	1.44.58	15.54	1.57.46	— 28.87	26	41.25	88	16.37	3	96	..	..
April ,, ..	3.69	24	5.54	2.19	1.45.85	14.54	1.71.08	— 29.06	34	41.51	82	17.18	3	98	..	..
May ,, ..	3.61	21	5.54	2.49	1.47.58	14 77	1.73.05	— 29.05	38	41.92	85	17.91	2	1.00	..	..
June ,, ..	3.54	23	5.55	2.70	1.49.48	15.24	1.76.09	— 39.15	38	42.42	1.01	19.68	4	1.04	..	..
July ,, ..	3.48	43	5.81	2.78	1.51.53	14.61	1.80.05	— 39.24	36	42.72	..	..	4	1.07	..	..

* At the end of period.

‡ Issued from 16th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

§ Relating to nine months from July, 1954.

§§ From July, 1954.

R—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50 = 100)

Group and Sub-Group	Week ended 8-10-'55	8-9-'56	29-9-'56	6-10-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.7	90.6	90.5
1. Government of India	90.8	90.5	90.3	90.3
2. Indian States	96.4	96.8	96.7	96.7
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.3	100.3	100.3
1. Electricity	102.2	101.3	101.2	101.3
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.1	98.8	98.8	98.8
4. Sugar	99.0	98.5	98.5	98.4
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	101.9	100.8	100.8	100.8
PREFERENCE SHARES	87.5	83.7	83.3	83.0
1. Electricity	96.4	91.0	91.1	91.0
2. Cotton	79.1	84.0	84.4	83.9
3. Jute	80.6	78.3	75.9	75.5
4. Coal	92.6	83.6	82.3	82.0
5. Iron and Steel	89.7	85.0	85.1	85.4
6. Sugar	84.9	82.2	82.2	82.2
7. Paper	87.0	81.9	81.9	81.7
8. Plantations	99.7	101.9	102.3	102.1
9. Miscellaneous	84.9	81.2	80.9	80.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	123.5	126.8	126 0	125 9
(a) Financial	90.3	94.7	94.8	94.8
1. Banks	97.5	95.6	95.6	95.7
2. Insurance	106.7	89 0	88.2	88.4
3. Investment Trust	94.9	91.0	90 2	90.3
(b) Public Utilities	120 0	113.0	113.9	113.9
1. Electricity	127.2	113.4	113.7	114.0
2. Shipping and other Transport	113.1	119.7	122.7	121.9
3. Railways	87.7	85.2	83.7	84.2
(c) Manufacturing industries	129.9	138.9	137.5	136.6
1. Cotton, Woollen and Silk	113.2	143.4	140.9	139.7
2. Jute	97.5	76.3	75.7	75.7
3. Iron and Steel	159.6	156.1	155.9	153.3
4. Paper	239.8	267.4	263.3	262.8
5. Cement	186.4	188.9	188.4	186.3
6. General Engineering	188.0	197.8	199.8	200.0
7. Sugar and Breweries	107.5	109.8	109.4	109.4
8. Chemicals	144.6	150.8	151.4	149.9
(d) Non-Manufacturing industries	169.4	159.9	159.4	159 2
1. Coal	80.3	79.8	79.8	80.0
2. Mining and Oil	249.4	242.9	245.1	245.1
3. Plantations	149.6	173.7	171.8	171 2
(e) Miscellaneous	102.6	103.0	104.7	104.2
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.5	90.2	89.9	89.9
2. Calcutta	90.9	90.6	90.5	90.4
3. Madras	91.3	91.0	90.8	90.8
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	99.7	99.7	99.7
2. Calcutta	101.5	100.7	100.7	100.8
3. Madras	100.2	99.9	99.9	99.9
PREFERENCE SHARES:				
1. Bombay	91.3	87.2	87.5	87.6
2. Calcutta	83.8	78.6	77.6	76.9
3. Madras	95.6	97.1	97.5	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	133.9	136 8	136.4	135.3
2. Calcutta	114.4	110 2	110.4	110.3
3. Madras	113.4	140.3	138.9	137.5
4. Delhi	132.8	141.5	142.1	140.2

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,616,928
1952	962	899,248	3,256,951
1953	778	466,507	2,325,666
1954	840	477,128	3,278,630
1955 ..	1,166	527,787	5,907,848
April 1954 ..	101	34,965	207,847
May ,, ..	80	40,073	216,062
June ,, ..	82	21,589	206,078
July ,, ..	122	30,189	277,492
August ,, ..	79	51,090	325,247
September ,, ..	97	50,414	364,878
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	229,701
December ,, ..	101	54,455	263,743
January 1955† ..	95	49,025	322,807
February ,, ..	91	38,370	144,302
March ,, ..	112	70,042	334,696
April ,, ..	105	32,432	332,276
May ,, ..	120	60,441	961 776
June ,, ..	152	91,269	1,144,011
July ,, ..	111	55,260	660,492
August ,, ..	216	90,218	853,999
September ,, ..	251	92,619	830,031
October ,, ..	134	47,600	514,214
November ,, ..	99	48,609	178,112
December ,, ..	129	45,277	239,550
January 1956† ..	108	61,209	353,555
February ,, ..	123	69,605	790,711
March ,, ..	147	135,053	688,869
April ,, ..	144	81,487	522,719
May ,, ..	133	63,394	557,690
June ,, ..	100	63,179(a)	443,577(b)

† Figures are provisional (a) Not known in four cases. ‡ Current as any time during the month. (b) Not known in 9 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301 4	5,124 3
1953-54	646	6,876 8	5,572.7
1954-55	696	7,760 9	6,319.2
1955-56	715	8,605.8	7,165.8
April 1955 ..	690	661.1	563 9
May ,, ..	691	706.5	599.3
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	583.2
August ,, ..	706	726.9	574.4
September ,, ..	707	719.3	587.1
October ..	716	730.7	591.9
November ..	721	725.5	597.0
December ,, ..	734	780 7	643.0
January 1956 ..	731	757 2	621 8
February ,, ..	739	749 9	622 0
March ,, ..	740	800 0	651 0
April ,, ..	701	740.8	643 8
May ,, ..	701	825 8	689.1
June ,, ..	710	796 5	658 5

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939 = 100)

Particulars	Weight	29th Sept., 1956	22nd Sept., 1956	1st Oct., 1955	August, 1956 *	August, 1955	Percentage of increase (+) or decrease (—) in Aug., 1956 as compared with Aug., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	391.0	392.7	308.3	397 0 R	317.5	+25.0	313.2	339.8
Cereals	59	503*	504	377	504 R	378	+33.3	372	381
Pulses	8	392	397	205	397 R	281	+41.3	289	280
Others	33	245	248	223	259	239	+ 8.4	235	291
Industrial Raw Materials	(18)	504.4	505.1	396.2	500.5	406.4	+ 3.8	419.8	439.2
Fibres	53	479	479	404	474	413	+14.8	429	447
Oil seeds	30	569	571	367	569	333	+48.6	398	424
Minerals	10	523	523	432	509	417	+22.1	427	422
Others	7	423	423	422	424	419	+ 1.2	431	427
Semi-Manufactures	(17)	405.9	403.1*	325.0	406.4	326.1	+24.6	338.2	350.3
Leather	8	373	—	342	381	338	+12.7	378	376
Mineral oils	13	207	208	222	208	201	+ 3.5	207	221
Vegetable oils	16	576	582	364	590	382	+54 5	389 R	433
Cotton yarn	35	502*	505	406	495	406	+21.9	422	454
Metals	18	328	329	288	329	257	+28.0	264	240
Others	5	474	484	342	474	351	+43.2	325	331
Manufactured Articles	5	363	364	330	361	329	+ 9.7	336	312
Textiles	(30)	391.5	392.1	370.1	387.7	371.2	+ 4.4	372.9	377.4 R
Jute	64	427	428	405	421	407	+ 3 4	408	421
Others	11	430	435	400	395	423	— 6.6	418	448
Cotton	45	430*	430*	404*	431*	408*	+ 7 2	408*	415*
Rayon and Silk	6	470*	470*	474*	470*	474*	— 0 8	485*	469*
Woollen	2	266	266	278	266	278	— 4 3	284	311
Metal products	17	398	398	353	398	358	+11 2	358	340
Others	19	295	295	286	293	286	+ 2.4	285	286
Miscellaneous	(4)	588.2	577.2	580.2	585.3 R	563.1	+ 0.4	548.4	612.4

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—							
Rice	.. ..	final	tons	76,253	75,949	25,474	24,531
Wheat	.. ..	final	,,	29,225	27,517	8,348	8,778
Jowar	.. ..	final	,,	42,721	43,449	9,940	9,092
Bajra	.. ..	final	,,	27,025	27,953	3,400	3,421
Barley	.. ..	final	,,	8,145	8,309	2,721	2,870
Maize	.. ..	final	,,	8,909	9,311	2,519	2,939
Ragi	.. ..	final	,,	5,627	5,711	1,844	1,646
Small millets	..	final	,,	13,095	13,799	2,103	2,456
Total cereals	..	final	tons	211,000	212,025	53,349	55,734
Pulses—							
Gram	.. ..	final	tons	22,092	22,047	4,865	5,303
Tur	.. ..	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §		final	,,	15,862	16,719	1,650	1,830
Rabi pulses†		final	,,	10,579	10,590	1,858	1,959
Total pulses	..	final	tons	55,100	55,300	10,187	10,870
Oilseeds—							
Groundnut	..	final	tons	12,585	13,548	3,804	4,128
Castorseed	..	final	,,	1,462	1,394	126	124
Sesamum	..	final	,,	5,738	6,501	458	589
Rape and Mustard	..	final	,,	6,262	6,025	832	1,019
Linseed	.. ..	final	,,	3,424	3,354	376	362
Total oilseeds	..	final	tons	29,471	30,822	5,596	6,242
Fibres—							
Cotton*	.. ..	final	bales	20,230	18,684	3,993	4,227
Jute†	.. ..	final	,,	1,581	1,243	4,137	2,928
Mesta†	.. ..	final	,,	613	528	1,201	1,018
Other crops—							
Potato	.. ..	final	tons	.....	665	.....	1,762
Sugarcane	.. ..	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	..	final	,,	37	35	15	14
Pepper (Black)	..	final	,,	214	208	27	26
Chillies (Dry)	..	final	,,	1,492	1,523	340	363
Tobacco	.. ..	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August, 1956 ..	89.6
	Corresponding month, 1955 ..	81.4
	Two months ended Aug., 1956 ..	183.7
	Corresponding period, 1955 ..	165.5
Stocks ..	At the end of Sept., 1956 ..	124.7
	Corresponding month, 1955 ..	69.7
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 8th Sept., 1956 ..	10,702
	Corresponding week, 1955 ..	14,603
	From 1st Jan., to 8th Sept., 1956	294,432
	Corresponding period, 1955 ..	318,208
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 8th Sept., 1956 ..	57,572
	Corresponding week, 1955 ..	61,399
	From 1st Jan., to 8th Sept., 1956	1,005,320
	Corresponding period, 1955 ..	926,837
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	Aug., 1956 (In lakh bales) ..	5.20
	Corresponding month, 1955 ..	4.72
	Two months ended Aug., 1956 ..	10.65
	Corresponding period, 1955 ..	9.80

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended 31st March, 1953	..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	..	11,84,400	10,42,900	7,81,200
Do. 31st March, 1956	..	11,56,900	10,92,100	7,97,800
April '1955	.. ..	95,100	88,000	68,200
May ,,	.. ..	94,200	87,500	5,600
June ,,	.. ..	91,700	80,900	62,600
July ,,	.. ..	94,900	84,300	64,800
August ,,	.. ..	92,500	83,900	65,700
Sept. ,,	.. ..	95,300	87,500	65,700
April 1956	.. ..	1,00,000	87,200	64,800
May ,,	.. ..	96,500	89,400	66,300
June ,,	.. ..	94,900	89,900	64,400
July ,,	.. ..	94,400	91,300	65,500
August ,,	.. ..	97,800	88,000	66,000
Sept. ,,	.. ..	96,400	88,800	59,700
Indian Iron and Steel Co., Ltd.				
Year ended 31st March, 1953	..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	..	5,80,020	4,49,920	2,94,440
Do. 31st March, 1955	..	7 15,949	5,25,240	4,59,098
Do. 31st March, 1956	..	7,06,986	5,31,505	4,50,507
Three months ended June, 1954.		1,82,770	1,17,870	1,07,480
,, ,, ,,	Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,,	Dec., 1954.	1,88,655	1,36,801	1,20,616
,, ,, ,,	Mar., 1955	1,83,106	1,43,828	1,18,136
,, ,, ,,	June, 1955.	1,85,605	1,34,333	1,16,391
,, ,, ,,	Sept., 1955	1,76,181	1,30,680	1,08,714
,, ,, ,,	Dec., 1955	1,60,750	1 24,696	1,05,752
,, ,, ,,	Mar., 1956	1,84,460	1,41,846	1,19,860
,, ,, ,,	June, 1956	1,48,306	1,17,710	92,609
,, ,, ,,	Sept., 1956	1,74,447	1,33,325	1,15,953

OVERALL BALANCE OF TRADE OF INDIA

July, 1956†

Particulars	July, 1955	July, 1956	Four months, April to July, 1955	Four months, April to July, 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports ..	50,62	41,34	181,70	170,37
(b) Re-exports ..	50	71	1,99	3,50
Less—Transit trade ..	1	2	8	3
Net re-exports ..	49	69	1,91	3,47
Total exports ..	51,11	42,03	183,61	173,84
2. Imports ..	51,62	59,39	205,57	250,92
Less—Transit trade ..	3	3	6	14
Net imports* ..	51,59	59,36	205,51	250,78
Balance of trade in merchandise	— 48	—17,33	—21,90	—76,94
Balance of trade in gold and silver	— 1	— 3	— 2	— 9
Total overall visible balance of trade	— 49	—17,36	—21,92	—77,03

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	199	297	25	260	46	156
1953-54	11,082	2,512	809	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,705	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
July 1955	3,070	883	326	73	41	22	23	8	168	131	13	99	12	48
August ,, ..	4,082	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,, ..	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
*January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,, ..	11,548	2,541	883	190	97	62	132	27	395	374	38	293	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ..	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,, ..	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,, ..	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,, ..	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 11th Oct., 1956 ..	13,905(J)
	Corresponding week, 1955 ..	18,050(J)
	1st Sept. to 11th Oct., 1956 ..	70,893*
	Corresponding period, 1955 ..	140,754*
Cotton Exports ..	Week ended 11th Oct., 1956 ..	1,978‡
	Corresponding week, 1955 ..	10,823‡
	1st Sept. to 11th Oct., 1956 ..	12,135‡
	Corresponding period, 1955 ..	156,899‡
Mill Consumption .. (Estimated)	1st Sept. to 11th Oct., 1956 ..	146,895
	Corresponding period, 1955 ..	149,031
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 11th Oct., 1956 ..	491,006
	Corresponding date, 1955 ..	757,660
Cotton Exports from Bombay (by)sea)	During Aug., 1956 ..	13,170§
	1st Sept., '55 to 31st Aug., 1956	715,663
	1st Sept. '54 to 31st Aug., 1955	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 20th Sept., 1956 ..	128,924
	Corresponding period, 1955 ..	92,328
Exports	1st Sept. to 20th Sept., 1956 ..	21,940
	Corresponding period, 1955 ..	15,916

Particulars	From 1st Sept. to 8th Oct., 1956 Bales	From 1st Sept. to 8th Oct., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	1,403	3,867
Continent ..	132	29,567
Hongkong ..	200	13,789
China	2,700	34,651
Japan	8,569	47,910
U.S.A. ..	122	856
Other Countries ..	306	1,895
Total to all foreign countries ..	13,432	137,035
Coastal Ports ..	4,015	14,342
Total	17,447§	151,377
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	July, 1956 ..	884,662
Foreign		15,079
Indian	Eleven months ended July, 1956	3,995,792
Foreign		554,059
Indian	Same Period 1955 ..	3,775,977
Foreign		588,485
Stocks (Mills and Elsewhere)—		
Indian	As on 31st July, 1956 ..	1,556,494
Foreign		228,036
Indian	As on 31st July, 1955 ..	1,551,902
Foreign		180,729
Cotton Pressed in India† (In running bales)	Week ended 28th Sept., 1956 ..	2,586
	Corresponding week, 1955 ..	3,396
	1st Sept. to 28th Sept., 1956 ..	13,559
	Corresponding period, 1955 ..	32,117

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926–32.	63,39,26,000	1960-70	100‡
3 % Loan	1938–39	1 15,17,46,000	1963-65	94‡
2½ % Loan	1950	30,88,10,000	1964	94
3 % Tg. Loan	1948	1,10,11,78,000	1966-68	92‡
3 % V. Loan	1944	33,54,89,000	1957	99‡
3 % Loan	1945	1,16,05,83,000	1970-75	89½
3 % End V. Loans	1945	1,13,58,64,000	1960-61	97 ‡
3 % Loan	1951	50,35,65,000	1958	99 ‡
2½ % Loan	1946	45 68,07,000	1960	96½
2½ % Loan	1946	87,00,69,000	1961	93 ‡
2½ % Loan	1946	14,77,48,000	1976	83½
2½ % Loan	1947	75,86,72,000	1962	93 ‡
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98 ½
3½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98 ½
3½ %	1956	57,27,00,000	1962	97 ‡
3½ % N. P. Bonds	1956	53,32,00,000	1967	98½
3½ %	1956	66,64,00,000	1974	99‡
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,98,35,000	At option of Government after three months' notice.	75‡
			On September, 1986 or later at option of Government after three months' notice.	74 ‡
3 % Loan	1948	2,48,91,47,000		
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,73,000	1958-68***	102‡
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	98–12½
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98‡
3 % Bombay	1945	5,65,56,000	1st Aug. 1958	94‡
3 % Bombay	1950	2,87,32,000	31st July 1960	96‡
3½ % Bombay	1951	2,95,25,000	17th Sept 1962	98‡
3½ % Bombay	1952	5,42,28,000	15th Sept 1963	101‡
4 % Bombay	1953	3,55,87,000	1st Aug. 1964	101‡
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100‡
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99 ‡
4 % Bihar	1954	1,99,00,000	1st Sept. 1967	99
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	98
3 % Cochin	1943	1,00,00,000	16th Dec. 1955-58	99‡
3½ % Cochin	1956	76,09,000	1st June 1956-61	99‡
3½ % Howrah Bridge (New)	(1936–37	1,95,96,700	1956-66	95‡
4 % Hyderabad	1955	2,12,15,000	1st Sept. 1967	99‡
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99½
3 % Madras	1939	1,22,,6,000	21st June 1959	96 ‡
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98‡
3 % Madras	1945	3,78,44,000	14th Sept. 1950	96‡
3½ % Madras	1946	3,81,77,200	1st Sept. 1961	93 ‡
3½ % Madras	1950	4,38,25,400	31st July 1960	96 ‡
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97 ‡
4 % Madras	1953	10 38,55,600	15th July 1963	99 ‡
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99 ‡
4 % Madras	1953	7,00,00,000	1st Aug. 1967	99–1‡
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	99–1‡
4 % Mysore(J)	1932	2,95,35,200	1st Dec. 1955-62	101‡
4 % Mysore(J)	1936	5,99,72,900	30th Apr. 1956-61	99‡
4 % Mysore	1947	5,08,05,700	25th Jan. 1958	99 ‡
4 % Mysore	1952	3,82,47,000	15th July 1963	100
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99‡
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	99
3 % M.P.	1944	52,6x,800	15th Aug. 1958	98‡
3 % M.P.	1946	2,08,28,800	15th Sept. 1954	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95‡
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1952	1,10,18,000	15th July 1963	99‡
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99‡
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	99‡
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99 ‡
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99 ‡
4½ % Trav. Cochin	1953	2,25,00,000	15th July 1963	99 ‡
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % U.P.	1936	1,57,14,000	15th Sept. 1961–66	99‡
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98 ‡
3 % U.P.	1945	2,17,89,700	14th Sept. 1956	96‡
3½ % U.P.	1946	2,29,28,600	1st Sept. 1961	93 ‡
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98‡
4 % U.P.	1952	6,11 45,200	1st Aug. 1964	99‡
4 % U.P.	1953	5,65,15,500	15th July 1963	99‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99 ‡
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	99‡
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	99‡
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	99‡
4 % M. Bharat	1953	1,00,00,000	1963	99‡
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	99‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				
35,00,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
75,00,000	4	1907	1967	
75,00,000	4	1908	1968	99‡N
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
50,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,576	4	1913*	1960	D
80,00,000	4	1913	1974	100‡N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
10,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,00,000	3½	1926*	1960	
35,00,000	3½	1927*	1960	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,300	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,04,000	3½	1936*	1960	
10,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99
1,50,00,100	4	1915	1975	99
1,50,00,000C	4††	1924	1981	93
68,02,300C	4‡	1921	1981	144N
98,31,600	5‡	1926	1956–86	100‡
99,34,900 B	5	1926	1956–86	100‡
1,49,49,500B	5	1927	1957–87	102
1,49,30,800	5	1928	1958–88	103
80,00,000	4‡	1911	1961	95
80,00,000	3½	1935	1965	97‡
25,00,000	3	1938	1963–68	90
50,00,000	3	1939	1969	97
50,00,000C	3	1950	1980	82
1,00,00,800	3	1950	1960	95‡
1,00,00,000	3	1950	1968	88‡
50,00,000	3	1951	1961	91‡
1,50,00,000	3½	1951	1961	96‡
50,00,000	4	1953	1963	100
50,00,000	4	1953	1968	99
90,00,000	4	1955	1985	98
77,00,0000C	4	1956	1986	97‡
STERLING LOANS				
£892,600	5	1923	1963–83	£79
£901,000	5	1924	1964–84	£79‡
£835,100	5½	1932	1962	£91‡
MADRAS				
Rs.				Rs.
31,47,100	3‡	1947	1977	
9,88,000	3	1947	1977	▲
2,00,000	3	1949	1979	
45,80,0000	4½	1954	1954	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97‡N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97‡N
25,00,000	4	1915	1975	
40,00,000	5	1919	1957–79	118N
66,00,000	5	1920	1958–80	115N
25,00,000	5	1925	1956–96	98N
25,00,000	4	1927	1961–70	
10,00,000	5	1934	1966	
STERLING LOANS				
£566,600	4	1909	1959	£95‡N
£333,000	4	1910	1970	£96‡N
CALCUTTA				Rs.
25,00,000	5½	1920	1959	107
50,00,000	4	1934	1964	99‡
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
30,00,000	3	1938	1968–88	90
80,00,000	4	1939	1969	99‡
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount				
BOMBAY				Rs.
20,50,000	4	1912–16	1974	99‡
10,00,000	5	1920	1980	113N
25,00,000	5	1928	1958	104
8,45,500	5	1928	1954–59	100‡
26,21,500	5	1929	1958	101‡
3,25,00,000	3½	1947	1977	86‡
2,50,00,000	3½	1949	1979	86‡
4,00,00,606	3½	1948	1978	86‡
2,50,00,000	4	1952	1964	99‡
2,00,00,000	2½	1951	1966	97‡
1,00,00,000	3	1947	1977	87‡
1,00,99,9997	4	1952	1964	100
1,00,00,0007	4	1954	1966	100
2,50,00,000	4	1953	1967	99‡
CALCUTTA				Rs.
36,00,000	5	1928	1958	105
25,80,000	5	1929	1957	102
25,00,000	5	1929	1959	102‡
10,00,000	5½	1932	1962	108
38,91,000	3½	1935	1965	94
60,00,000	3	1938	1968	90
47,50,000	3	1938	1968	90
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1959	99‡
15,56,800	4	1940	1957	99‡
17,64,400	3½	1942	1959	96‡
21,10,000	3½	1943	1979	92
15,49,000	3½	1943	1960	97
16,83,000	3½	1951	1961	97‡
66,88,000	3½	1951	1966	97‡
87,95,000	4	1952	1968	99‡
72,50,000	4½	1954	1979	100
MADRAS				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98‡
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1953	2,60,28,000	15th July 1963	100
4 % W. Bengal	1955	1,52,72,000	1st Sept. 1967	99‡
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99‡

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts
†Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent, with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. §—Interest free to first 12 years. §—Nominal. †—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	120	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar	Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905–24	8	Feb.	Aug.	134	100
Deccan Sugar & Abkhar A'	7,00,000	1920	7	Jan.	July	6½	£1
¶East India Distilleries ..	£200,000	1897	7	Jan.	July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct.	..	15	10
Ramnagar Cane	4,00,000	1933–38	6	Aug.	..	100‡	100
Ravalgaon Sugar	20,00,000	1942	5½	Oct.	Apr.	75N	100
South Behar Sugar	5,00,000	1935	7(a)	Dec.	..	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	..	8½	10
Upper Ganges	12,00,000	1932	5	Dec.	..	90N	100
Do.	15,00,000	1946	5(a)	Dec.	..	70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	105	100
Borrea	4,00,000	1896–97	7	Jan.	July	103	100
Burrakur (1st)	22,92,800	1904	6½	Apr.	Oct.	109	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8	10
Equitable	4,00,000	1895	6	Mar.	Sept.	102	100‡
Karanpura Collieries	9,87,500	1931	5	Mar.	Sept.	44N	10
††Khas Kajora	1,93,

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,728	90,10,670	43,05,372	96,939	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	0 4(c)	0 2(c)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,658	—6,97,129	M.	50,596	1,021	E. D. Cotton Mills	50½	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,50,93,000	2,99,77,778	4,92,35,445	3,29,09,273	73,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,555	Bombay Dyeing & Mfg.	628½	250	22 8*	20 0	25 0*	7 8½	12	Y.
10,00,000	28,74,392	58 81 896	53,57,495	91,711	Ramnarain Sons, Ltd.	44,784	866	Bradbury Mills	265	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,09,12,800	2,63,96,826	2,81,83,264	1,97,06,117	6,84,956	Birla Iron. Ltd.	1,26,844	2,698	Century Bg. & Mfg.	551	100	22 0	22 0	22 0	8 0‡	12	Y.
49,00,000	29,42,926	1,19,90,766	65,07,035	—33,08,697	V. J. Talati (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	56½	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	160	100	7 8	7 8	7 8	7 8*	3	Y.
1,00,00,000	24,39,895	69,10,847	54,06,041	2,17,076	Ramnarain Sons, Ltd.	40,092	..	Dawn Mills	170	50	6 0	6 0	15 0		12	Y.
34,00,000	40,06,485	76,74,267	56,21,782	2,83,643	Puranmal Bubna Sons.	50,084	924	E. ward Textiles	845	200	15 0	15 0	18 0		12	Y.
2,99,95,050	11,31,233	1,09,78,649	80,74,224	1,31,364	M.	41,300	866	Elphinstone Spg. & Wvg.	62	50	*Nil*	3 0	5 0		12	Y.P.
5,00,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	Finlay Mills	84,332	784	Finlay Mills	342½	100	16 0	16 0	20 0		12	Y.
11,81,000 16,000	76,64,689	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,400 9092½	1,000 250	225 0* 56 4*	225 0 75 0	300 0 75 0	75 0† 18 12‡	3	Y.P
2,00,00,00,000									12-0½	0 100.	*Nil*	*Nil*	*Nil*			
50,00,000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,38,812	6,412	India United Mills	2-0‡ 5,175	0 1D. 1,000	*Nil* 225 0*	*Nil* 225 0	*Nil* 300 0		12	Y.
8,65 000	74 24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	860	100	12 8*	112 8	150 0		3	Y.P.
25 000									260‡	100	10 0	8 0	10 0			
59,85,000	55,07,831	2,73,73,670	2,03,22,138	26,226	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	350‡	100	20 0*	18 0	18 0	10 0	12	Y.P.
1,00,00,000	1,21,50,000	3,56,88,000	2,84,14,790	33,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	1107	100	50 0	50 0	60 0	6 0‡	12	Y.
22,13,050	41 06,720	1,17,74,348	55,99,115	81,670	N. Sirur & Co., Ltd.	49,190	644	Modern Mills	260	100	12 0	14 0	14 0		6	Y.T.
51,75,000	36,87,000	2,06,28,597	1,52,81,153	26,751	Premanal & Sons	50,416	1,682	Morarjee Goculdas Spg. & Wvg.	256	100	9 0	10 0	12 0		12	Y.P.
1,57,74,400	88,41,004	6,84,71,005	2,05 00,000	5,12,085	Ismail & Co., Private Ltd.	2 70,716	..	National Rayon Corporation	175	100	10 0	10 0	10 0		12	Y.P.
24,09,000	24,50 000	76,57,853	46,04,750	3 015	New City of Bombay Mfg.	45,644	472	New City of Bombay Mfg.	170	100	10 0	10 0	10 0		12	Y.
30 00 000	14,81,250	92,85,599	61 42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great E & Wvg.	220	100	10 0	7 8	10 0		12	Y.P
4,50,000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd.	61,208	1,190	Phoenix Mills	1482	100	8 0	8 0	10 0		12	Y.
40 00,000	45,70 300	39,55,049	23,00,000	3,92,077	Podar Sons, Ltd.	32,666	930	Podar Mills	167‡	100	10 0	0 0	12 0*		12	Y.P.
5,00 000	8,.6,949	21,21,521	19,01,340	—1,72,154	David Sassoon & Co., Ltd.	5,520	27	Sassoon & Allenses Silk Mill	122	10	0 12	0 8			12	Y.
27,70,000	82,40,565	1,53,32 272	1,59,71,351	24,320	G. Investment Corporation, Ltd.	6,408	1,254	Sassoon Spg. & Wvg.	45‡	10	1 4	1 12	1 12		12	Y.
80 00,000	47 70,091	99 80,935	56,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,856	1,640	Shree Niwas Cotton Mills	216‡	100	14 0	14 0	12 0		12	Y.P.
42,00 000	33,02,179	98,78,309	73,63,762	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	201‡	50	15 0	11 0	10 0	12 0	3	Y.
87,80 000	2,23,15,720	2,51,28,699	1,37,85,474	12 835	Marshall Gacalibhai & Sons	5,0.36	1,633	Standard Mills	4724	100	20 0	20 0	20 0		12	Y.P.
24,85,700	84,69,716	2,28,87,647	1,19,01 899	87,611	Tata Industries Ltd.	38,828	2,000	Universal Mills	2474	100	16 0	8 0	12 0		12	Y.P.
36 00,000	85,33 465	1,26,99,971	81,52,715	1,81,036	James Finlay & Co., Ltd.	38,828	552	Swan Mills	440	100	20 0	0 0	25 0		12	Y.
65,57,000	51,96,378	1,77,38,493	68,44,583	48,485	Tata Industries Ltd.	2,096	1,800	Tata Mills	64‡	25	1 8	2 8	4 0		12	Y.P.
12,00,000	62,55,709	1,16,36 436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	5,150	1,000	225 0*	225 0	300 0	75 0‡	3	Y.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15,00,000	9,00 000	60,27,191	29,09,649	—8,54,235	Ramla & Co., Ltd.	50,000	..	Alaxandra Textiles (Cochin) Ltd.	10‡	10	*Nil*	*Nil*			12	Y.P.T.
1,94 000	39,84,264	1,54,91,830	56,78,562	1,86,643	Industrial Trust Fund	46,136	708	Azam Jahi Mills	92	100	6 0	*Nil*	8 8(c)		9	Y.
40,50,000	3,00,68,745	3,24,98 906	2,42,38,258	2,38,549	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	556‡	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15 50,000	77,25,162	55,72,132	18,199	M.	29,936	810	Benzai-Nagpur Cotton Mills	9‡	10	*Nil*	*Nil*			6,12	H.P.T.
35,00,000	1,09,48,251	1 19,14,492	87 78,992	4,25,22	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	81N	10	3 0	3 0	3 0		3	Y.
1,7 ,47,500	1,76,52 500	6,38,99,203	3 52,32,130	2,38,446	Binny & Co. (Madras), Ltd.	1,02,356	2,787	Buckingham & Carnatic	107	100	10 0	10 0	10 0	4 0‡	12	Y.P.T.
20 00,000	20 00,000	3,59,89,354	2,61,66,351	27,593	Peirce, Leslie & Co., Ltd.	58,706	..	Cambodia Mills	144	10 0 12	*Nil*	*Nil*	*Nil*		12	Y.P.
15 00,000	5,11,600	48,30 929	24,63,361	8,994	K. Damodaram, Esq.	17,496	..	Cannanore Spg. & Wvg.	182‡	100	12 0	20 0	12 0	15 0	3	Y.
80 00,000	29,51,420	60,40,929	61,72,376	36,767	Begg, Sutherland & Co., Ltd.	28,706	591	Cawnpore Textiles	0‡	5 0	0 8	0 8	*Nil*	0 4	3	Y.
3,37,470	2,00,000	50,87,550	18,02,183	58,708	C. R. Srinivasan, Esq. (Chairman).	20,852	514	Coimbatore Cotton Mills	102	10	*Nil*	*Nil*	1 0	0 12	3	Y.P.T.
12 00,000	20,60 000	81,68,396	27,86,527	84,164	R. Dheema Naidu & Co.	23,864	..	Coimbatore Pioneer Mills	320	100	15 0	20 0	20 0		12	Y.
20,00,000	19,95 000	36 59,430	24,25,921	14,323	T. R. N. Naidu & Co.	23,738	..	Coimbatore Spg. & Wvg.	330	100	15 0	20 0	20 0		6	Y.P.
20 77,900	4,10,000	1,15,14,814	69,06,019	16,884	R. G. S. Naidu & Co.	22,228	407	Coimbatore Spg. & Wvg.	88‡d	50	3 0	6 0	6 0		12	Y.P.
46,87,500	52,62,444	2,45,15,409	1,58 09,683	8,702	Tata Industries, Ltd.	1,15,188	2,062	Central India	160	100	5 0	2 0	3 0		6	Y.P.
8,38,36,225	2 55,00,000	9,90,78,786	5,08,00,000	82,769	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	40‡N	25	1 12	2 4	2 4		12	Y.T.
1,00,563									25	1	2 4/5	0 8/5	3 8/5			
24,34,000	25 47 675	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	42,568	201	Dhanalakshmi Mills	425	100	20 0	30 0	30 0		12	Y.
63,00,000	66,33,360	1,82,16,382	1,29,71,631	93,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	27‡	10	1 0	1 0	1 0		12	Y.
43,81,000	35,22,175	1,00,55,167	64,05,088	14,090	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Godavk Mills	240	100	17 0	18 0	15 0		12	Y.
50,00,000	6,16,447	1,33,91,068	1,12,29,576	9 551	K. L. Sekaaria, Esq. (Chairman)	61,180	1,420	Indore Malwa United	156‡	100	6 0	6 0	6 0	5 0‡	12	Y.
8,90,000	10 65,883	31,06,669	18 48,165	2 079	G. V. Naidu & Co., Ltd.	24,828	..	Janardana Mills	99	50	4 8	5 0	10 0		12	Y.
42,00,000	15 25 000	75,88,862	26,50,000	29,335	Kothari & Sons	48,000	800	Kothari Textiles	18	10	0 8	0 8	1 0		12	Y.
32,40,000	68,30,135	1,46,62,659	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	710	250	37 8	33 12	42 8	12 8‡	6	Y.P.
58,54,100	66,55,960	1,61,13,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	256‡ 327	50 50	5 0 2 8	10 0 5 8	12 8 6 0	6 4‡	3	Y.
1,75,82,480	4,13,81,878	5,73 76,126	3,68,74,619	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	113	200	8 0	*Nil*			12	Y.
12,00 000	4 12,363	61,25,277	46,72,262	—99,073	A. A. R. Arunachalam Chettiar and Others.	22,500	100	Malabar Spg. & Wvg.	447‡	100	12 8	22 8*	25 0	12 8	12	Y.
60 00 000	89,00,000	63 7v 627	43,29,734	45,385	W. A. Beardsell & Co. Ltd.	24,720	603	Mettur Industries Ltd.	1107	100	12 0	14 0	15 0	4 8	12	Y.
29,86 854	19 61,581	89,75,246	49,94,738	16,386	N. Sirur & Co. Private Ltd.	38,896	704	Minerva Mills	193	50	7 0*	5 0(c)	6 0		3	Y.
94 91 850	27,24,404	1,61,29,118	1,28,81,520	—7,44,939	Ramlal Abirchand Dalabhoy & Co.	50,000	1,000	Nagpur Mills (Nagpur)	194‡	250	7 8*	5 0(c)	6 0		6	Y.
80,00,000	92,14,406	1,53,32 272	1 05,91,651	—7 77 290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	85N	100					12	Y.P.
24,83,500	50,54 035	1,10,53,742	67,14,107	19,041	N. Sirur & Co., Ltd.	50,480	500	Mysore Spg. & Mfg.	115	50	10 0*	8 8*	6 0(c)	9 0*	3	Y.P.
13,61,780	6,600	29,25,252	15,12,761	—1,80,653	R. Sarvanarayana Rao, Esq., Manager	6,000	..	Mysore Spun Silk Mills	6‡	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,98,882 2,07,098	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2‡ D. 1	0. 2½ *Nil*	*Nil*	*Nil*			3	Y.
87,19 500	55,48,220	1,09,99 989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	90	100	4 0	*Nil*	8 8(c)		9	Y.
4,00,000	6,50,000	39,12,549	23,46,016	14,809	Bhashyalakshmi & Co.	20,924	..	Palani Andavar Mills	172	50A	12 0	12 0	12 0		12	Y.
6,00 000									225	75B	18 0	18 0	18 0			
15,00,000	1,65,000	34 16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	90	100	*Nil*	*Nil*	*Nil*	0(c)	12	Y.
16 81,200	22,75,000	83,60 156	49,86,177	4,662	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	375	10A	8 0	16 0	20 0		12	Y.
6 40,900									177	50B	4 0	8 0	10 0			
15 00,000	36 00,000	48,71,104	25,94,537	11,081	R. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	127	50	7 0	10 0	10 0		12	Y.
16,14,300	12,00,000	32,92,216	17,41,424	30,510	Ramco Agencies Ltd.	24,996	*Nil*	Rajapalayam Mills	165	100	4 0	6 0	10 0	10 0	12	Y.
22,29,625	12 40,000	40,14,000	18,05,147	24,350	Rayalseema Development Co.	14,800	..	Raja Textiles	155	100	6 0	9 0	10 0		12	Y.
60,00,000	52,41,956	1,00,26 428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,532	600	Rampur Mills	84N	100	*Nil*	*Nil*	*Nil*		12	Y.P.
16 00,000	1,60,39,516	2,93,66,410	2,04,66,196	—1,73,06,704	Morarka & Co.	95,232	2,274	Sholapoor Spg. & Wvg.	1,800 1,000	1,000 500	*Nil*	*Nil*	*Nil*		3	Y.P.
35,60,700	17 10,000	81,44,272	65,63,818	1,09,14	B. N. Pallegar, Esq.	31,668	299	Sri Krishnarajendra Mills	125	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,300	2,00,244	35 18,906	17,73,000	—2,46,277	Gopaldas Lladhar & Co., Ltd.	17,860	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			12	Y.
15 00 000	3,11,00,237	96,09,567	72,44,724	31,27,568	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	110N	10	4 0	5 0	6 0		3	Y.
17 50,000	2,80,00,000	4 54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	11‡ 12‡	100. 10P.O.	0 0 0-14 2/5	0 12 1-5 2/5	0 12 1-2 2/5		12	Y.P.
7,50 000									15‡	10	0 8	0 10	0 12			
1,00,00,000	30,14,788	3,80,55,817	1,27 16,775	2,63,771	Emcete & Sons (Travancore), Ltd.		..	Travancore Rayons	13‡	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.T.
13,95,670	8,28,332	17,39,141	11,37,336	1,508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	10	10	0 12	1 0	1 0		12	Y.
21,00,000	24,50,000	71,83,723	40,63,166	56,000	R. K. S. Chetty & Brothers	44,274	270	Vasanta Mills	240	100	12 0	15 0	20 0		12	Y.
32,00,000	34,42,971	1,54,67,122	1,05,10,238	23,126	Bombay Co., Ltd.	49,490	1,231	Vishnu Cotton	176‡	100	4 0	4 0	8 0	2 8‡	12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
19,92,000	17,34,000	1,10,80,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11½	5	*Nil*	*Nil*	0 8	0 4‡	5	Y.P.
16,80,630	18,88,917	27,26,861	14,67,212	5,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 8	0 8	0 9		3	Y.
4280,000	4926,777	61,302,585	4566,540	456,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	30‡ —	A. 16sh. B. 21	8h. 1 3/6 8h. 4	8h. 1 4/5 8h. 5 4/5	8h. 1 3/5 8h. 5 4/5	8h. 1	3	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Maliya, Esq. (Chairman)	United Breweries	217	75	15 0	15 0	15 0		3	Y

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
51,27,660	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15‡	B. 10	1 0*	1 0	1 0*		12	Y.P.T
43,14,6000. 4,70,976D.	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7‡ 1‡	O. 10 D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
3,71,66,338	5,49,40,618	24,90,99,271	8,74,71,583	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	104‡	100	9 8	8 8	10 0		7	Y.
60,00,000. 25,50,000.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	15 1‡ 5‡	O. 10 D. 1	1 0 0 1-3/5	1 0 0 1-3/5	1 0 1 4 0 5 0 2		12	Y.P.
8,00,000D. 41,91,080D.							32‡cd 61‡d	O. 25 D. 5	*Nil*	1 4 0 6	1 14 0 6‡		3	Y.P.
7,50,000D.	14,00,000	1,46,64,600	47,05,770	2,31,546	Essen Ltd.	India Cements Ltd.	13‡	10	0 12	1 4			12	Y.P.
67,38,500	31,41,935	1,83,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	194	100	6 0	8 8	8 8		12	Y.P.
88,92,250	44,90,990	2,04,20,192	86,99,000	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	9‡	5	0 6	0 4	0 4	0-4 4/5	12	Y.
75,00,000	22,45,000	1,91,72,337	1,45,45,476	41,941	M.	Travancore Cements Ltd.	11‡	10	0 8	0 10	0 10		12	Y.
50,00,000	....	1,04,63,117	29,26,502	15,36,802	Kesel Ltd.	Sonevalley Portland Cement								

CERAMIC, MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
31,70,655	2,85,000	63,15,303	33,02,683	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3‡	2½	0 2½	0 4	0 4		12	Y.
10,00,000	26,53,750	57,72,897	33,59,142	24,689	Bird & Co., Ltd.	Bisra Stone Lime Co.	37xdN	10	1 6	1 6	1 12		3, 9	H.
£914,200	£1,455,500	£2,132,083	£1,256,029	£117,083	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	6‡	Sh. 2	2.4d.	6d.*	10.8d.*		12	Y.
15,00,000	24,32,396	43,81,247	12,21,311	17,85o	Bird & Co., Ltd.	Karanpura Development	19‡	10	*Nil*	*Nil*	1 0 3 0		6,12	H.
5,00,000														
8,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12	10	0 12	0 8	0 12	1 0*	3	Y.
20,00,000	35,64,097	47,59,923	25,19,986	1,18,835	Bird & Co., Ltd.	Orissa Minerals	24‡xd	10	4 0	2 0	2 0*		6,12	H.
6,00,000	8,63,260	30,62,815	20,25,104	7,622	B. K. Agarwala & Brothers	Reliance Firebrick & Pottery	20‡	10	0 4	*Nil*			3, 8	H.
7,00,000	57,80,000	44,10,972	20,73,805	21,661	Killick Industries Ltd.	Shivrajpur Syndicate	86‡	10	8 0*	8 0*	8 0*		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
32,41,200	30,91,533	85 66,870	46,34,349	57,200	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	118‡	100	8 0	8 0	8 0		12	Y.P.
62,00,000	42,71,273	1,89,39,160	39,97,818	1,19,168	Imperial Chem. Ind. (India), Ltd.	Alkali and Chem. Corpn. of India	23‡	10	0 9 3/5	0 9 3/5	0 12 4/5		6	Y.P.
1,87,45,500		2,17,74,684	26,58,896	25,532	Lalbhai Sons & Co.	Atul Products Ltd.	193	100	*Nil*	*Nil*	5 4		12	Y.
45,63,700	45,29,426	1,35,74,286	55,25,010	21,71,234	Dr. B. N. Ghose (Managing Director).	Bengal Chemical and Phar.	140	100	6 0	6 0	6 0	6 0	4	Y.P.
21,50,000	45,02,856	1,40,00,408	37,66,655	1,11,234	Sahu Bros. (Saurashtra), Ltd.	Dhrangadhra Chemicals	144	100	12 0	12 0	12 0	9 0	3	Y.
21,33,000							50New					4 8		
3,90,000	45,566	4,22,53,184	1,92,72,448	—30,69,441	Seshasayee Bros. (Travancore), Ltd.	F. A. C. T.	66‡	10	*Nil*	*Nil*	*Nil*		12	Y.
12,00,000	6 39,311	24,84,581	11,29,753	8,153	S. V. S. Iyar (General Manager)	Kemp & Co.	200	200	20 0	12 0	12 0		3	Y.
40,50,000	13 03,561	1,00,59,940	48,71,427	5,485	Seshasayee Bros (Travancore), Ltd.	Mettur Chemicals	10‡	10	*Nil*	0 5	0 10	0 12	3	Y.P.T.
24,31,220	6,88,000	53,84,204	31,59,805	97,410	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	8‡	10	0 10	0 8	0 8	0 8	3	Y.
3,00,000	4,00,000	6,30,038	3,79,649	83,893	M.	Mysore Chemical Mfrs.	23‡	10	1 0	1 4	1 8	2 0	3	Y.P.
5,00,000	10,45,904	17,81,240	18,51,972	57,597	Sir Robert Menzies (Chairman)	Smith Stanistreet & Co.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,46,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05 611	1,15,51.257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	24½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20.12 500	1,43,61 701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	17	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2 09,28,641	4,57,02,865	1,02,98,953	2,29,489	Birla Bros.	Orient Paper	39½	10	2 0	0 15	1 2		3,9	H.P.T
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18	10	1 8	1 8	0 10½		6,12	H.P.T.
20,00,000 50,00,000 'A'	6,50,000	95,83,544	61,01,926	13,795	Baloria & Co.	Star Paper Mills	11½ 11½	O. 10 A 10	0 12 0 12	0 12 1 4	1 4 1 4		3,9	H.P.T.
30,00,000A. 50,04,800B. 4,37 500P.O.	2,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co. Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	39½ 39½ 48	A. 10 B. 10 P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4		3,9	H.P.
PRESSING														
5,00,000	6,12,565	15 75,488	11,13,691	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	4 0	Nil		6	Y.
4,50,000	1,00,000	8,39,526	4,73,066	2,554	Fyne & Sons	Camperdown	88N	100	7 0	5 0	5 0		6	Y.
2,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y
PROPERTY AND LAND														
10,00,7800. 2,00,000D.	6,93,333	43,52,516	22,65,279	26,000	S. A. Basil, Esq., & others (Directors).	Humayun Properties	13½ 2½	O. 10 D. 1	0 11½ 0 4/5	0 9 3/5 Nil	0 9 3/5 0 9 3/5		9	Y.P.
60,00,000	18 07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	18	100	1 8	1 8	Nil		4	Y.
94,00,000	36,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	33	100	1 8	4 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
18,00,000	28,05,545	31,61,533	10,73,533	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	Nil	Nil	Nil		9	Y
80,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	743½ 2733	Old125 New50	15 0 6 0	20 0 6 0	27-8 15-0	11 4½ 4 8½	5	Y.
6 00,000	....	7,28,569	7,26,267	—4,89 907	Jardine Henderson Ltd.	Bengal Timber Trading	41	100	Nil	Nil	Nil		9	Y.
20,00,000	21,15,467	19.00,295	14,58,560	2,76,619	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	44½	10	3 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	29,45,224	28,97,928	20,880	Begg Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	Nil	Nil		6	Y.
12 00,000A. 3,00,000B.	29,18,856	49,46,285	33,16,660	15,50,000	Narang Bros. & Co. Ltd.	Rasti Sugar	150N 18¾N	A. 100 B. 10	10 0 1 0	10 0 1 0	0 12 0 12		6	Y.
19,49 068	5,50,000	33,35,389	24 41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	12½	10	1 0	1 0			4	Y.
15,00,000	13,90,295	16,40 479	11 77 841	18 206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	0 12		6	Y.P.
32,00,000	28 87 030	1,36,90,775	92 27,801	12 445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	6½	10	Nil	0 12	0 4		6	Y.P.T.
30,00,000	57,33,651	1,03 44,647	84 32 451	32 023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	20½	10	2 0	0 12	0 12		6	Y.P.
18,00,000	38,04,891	72 85,757	53 46 902	24,019	Begg Sutherland & Co., Ltd. ..	Champarun Sugar	26½	10	2 0	0 12	0 12		10	Y.
3,99 452	6,18,562	24,58,586	15,58,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12	1 8		6	Y.T.
50,00,000A. 10,00,000C.	32,00,000	75,94,877	56,00,000	62,419	Bashbraj & Co., Ltd.	Hindustan Sugar Mills	245N 'A. 100 100	'A. 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*		6	Y.P.
12,00,000	8,61,001	75,81,309	42 63,455	27,926	Khaitand Devchand & Co.	Kesar Sugar	65N 32N	50 50	Nil Nil	Nil Nil	4 8 4 8		7	Y.P.
7,89,100	22,14,058	24,94,612	19,35,852	1,864	Cotton Agents Ltd.	New India Sugar Mills	32N	10	2 8	2 8	2 4		6	Y.P.T.
11,00 000	4,20,000	43,21,480	24,87,555	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	2 8	2 8	2 8		6	Y.
19,37,500A. 3,71,875B.	49 60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N 60N	10 25	20 0 5 0	20 0 5 0	20 0 5 0		6	Y.
77,45,250	52,18,159	1,86,90 446	96,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	158N	100	11 0	11 0	11 0		7	Y.P.
12,00 000	12 74,223	28,77,569	19 96,923	54 000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	108xdN	100	10 0	10 0			6	Y.P.
9,00,000	17 64,349	27,52,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Partabpore Co.	17	10	1 0	0 12	0 12		10	Y.P.
8,00,000	5 31,129	26 48,262	21 70 524	5,234	M.	Ryam Sugar	24½N	10	1 0	0 12	0 12		10	Y.P.
11,99,000	18,86 779	28,63,585	22 92 180	8,477	M.	Samastipur Centra' Sugar ..	13	10	0 8	0 8	Nil		6	Y.P.
40,00,000	22,55 560	1,35,20,110	62,59,921	24 046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 12		6	Y.P.T.
9,99,450	61,825	27,15,126	12,60,852	—5,37 868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	Nil	Nil	Nil		6	Y.
7 95,462	18,82,940	31,60,735	17,65,068	1,96,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	16N	10	Nil	Nil	Nil		6	Y.
9,15,0000. 4,40,000D.	47,592	27,42 197	11,46,776	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	8N 8N	O. 10 D. 24	Nil Nil	Nil Nil			10	Y.P.
9,18,1400	21,91 625	96,42,062	57,49,764	82,981	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
16,00,000	7,66,589	32,59,951	26,68,926	20,564	James Finlay & Co., Ltd.	United Provinces Sugar	21	10	0 8	1 4	1 8		6	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,251	99,042	W. H. Brady & Co., Ltd.	Belapur Company	251	50	16 0	16 0	16 0		6	Y.
17,50,000	9 24,592	35,15,879	21,80,776	4,592	A. F. Shiwalkar Wasilb & Co. ..	Bhopal Sugar Industries Ltd. ..	17½	10	0 10	1 0	1 0		6	Y.P.
18,99,900	2,45,841	39,19,958	20,01,146	51,995	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	100	Nil	Nil	Nil			6	Y.P.
47,94 020	14,00,000	80,54,997	18,71,128	5,22,816	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/8		9	Y.P.
23,57,620	45,51,080	42,51,227	21,95,827	18,645	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	14½N	10	1 0	1 0	1 0		10	Y.
10,42 2000 2,87,190D.	69,50,800	99,98,952	81,00,978	48,494	V. Ramakrishna, Sons Ltd	K. C. P. Ltd.	127½ 150	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0		6	Y.P.
21,79,280	98,00,001	1,31,37,677	78,17,780	2,90,240	S. Muuanaajappa Esq. (Managing Director)	Mysore Sugar	46½	10	2 0	2 0	2 0		6	Y.
50,00,000	48,40,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	161½	50	6 0	8 0	8 0		6	Y.
16,99 780	35,50,850	56,11,940	20,77,241	20,349	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	29½	10	2 0	1 8	2 0		8	Y.P.T.
80,00,000D. 4,00 000A.	21,76,092	38,18,183	18 80,883	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	155N 7N	O. 50 D. 10	Nil Nil	Nil Nil	0 1 1/5		9	Y.P.T.
19,99,900	47,65,324	44,65,213	22,94,524	44,163	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	184N	10	1 0	0 12	1 0		10	Y.
30,00,000	10,87,776	50,76,104	17,71,169	—32,224	Parry & Co., Ltd.	Travancore Sugars	13½	10	Nil	Nil			6	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,82,428	1,31,178	M.	Walchandnagar Industries	276½	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69 822	1,24,00,708	15 56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	146	100	10 0	7 8	7 8		12	Y.P.
1,80,00,000	15 37,619	4,41,59,864	1,85,09,319	1,54,923	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50 00,000	24,35,888	82,01,298	83,65,795	1,47,959	A. H. Bhiwandiwala & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	22½	10	1 0	1 0	Nil		6	Y.P.
5655,580	5980,878	25,515,631	23,844,778	521,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	106	610	Nil	Rs. 1 0			12	Y.P.
2,88,00,000	74,99,522	7,93,25 462	1,81,58,990	1,28,061	Lionel Edwards Ltd.	India Steamship Co.	10—44	10	0 8	Nil		0 8	8	Y.P.
5,40,19 878	6,94,98,985	10,56,65,413	4,34,44,800	2,78,658	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	15—124	50	0 12	0 8	0 8		6	Y.P
5,40,6000. 16,200P.O.	19,68,266	11,56,463	7,29,969	1,24,493	R. R. Airan, Esq. (Manager)	Walford Transport Ltd.	2 11½	O. 1 P.O. 1	as 1 9/25 as. 1 9/25	as 1 22/2 1 19/25	as 2 6/25 as.1 23 2/5		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	2,56,321	4,23,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	22 0	22 0	30 0		9	Y.
15 98,860	2,04,173	2,26,474	90,000	1,99,351	M.	Bombay-Uganda	62½	20	5 0	4 8	Nil		9	Y.
25,00,000	1,00,000	22,87,3143	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12		8	Y.
14,98,840	9 48,015	23,00,800	17,78,000	4,116	Choonilal Mamlal Ltd.	Estrela Rasteira	37½	50	Nil	2 0	2 0		8	Y.P.
99,99,250	19,47,886	1,22,05,50445	....	2,83,186	Premchand Roychand & Sons ..	Industrial Investment Trust ..	74½	100	4 0	4 8	4 8		8	Y.
99 99,975	85,06,851	85,10,899	9 91 529	6,154	K. G. Mime, Esq. (Mg. Director)	Killick Industries	172	100	10 0	11 0	11 0	4 0	6	Y
5,97,92,800A 19,60,000B.	5,28,634	2,87,33,875	1,28,80,292	5,56,717	Aero-Auto Ltd.	Premier Automobiles	103	A.100 B. 10	Nil Nil	Nil Nil	Nil Nil		6	Y.
10,21,250	5 63,506	13,96,055	11,66,065	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22	20	2 0	2 0	2 0		12	Y.
2,75,00,000	72 75,000	3,05,57,181	1,62,71,846	5,61 984	T. E. Rydin, Esq. (Managing Director).	Western India Match Co.	172½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,988	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	30 0	30 0	30 0		12	Y.
Other Centres														
47,50,000 2,50,000	17 00,000	1,95,40 704	65,80 000	2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	12 54	O. 10 D. 25	Nil	Nil	Nil		12	Y.P.T.
40,00,000	28,25,000	56,26,545	21,56,000	64,537	Seshasayee Bros. (Travancore) Ltd. ..	Aluminium Industries Ltd. ..	20xd	10	1 4	1 4	1 4	1 4	8	Y.
30,00,000	35,05,079	84,06,628	21,94,961	2,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	24½	10	1 4	1 4	2 0*		8	Y.
20,00,000	8 85,000	85,39,494	20 85,060	1,18 895	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*		12	Y.
30,00,000	19,47,383	1,01,49,337	39,37,580	83,582	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	11	10	0 8 1/8	0 8 1/8	0 6 2/8		12	Y.P.T.
80,01,400	1,16,58,000	67,47,111	33,97,111	5,03,129	C. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	178	100	20 0*	12 0	12 8		12	Y.
12 00,000	9,10,000	31,37,448	24,05,448	76,830	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	36½	10	1 8	2 8	2 4		6,12	Y.
20 00,000	7,95,480	62 57,99445	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		6	Y.P.
45,97,020	30,11,814	1,10,56,424	33,87,889	1,79,277	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	154	10	1 0	1 0	1 0	1 0	3	Y.P.
3,52 00,000	1,16,11,854	2,53,26,955	2,24,14,167	—27,26,554	Sir Robert Wanless	British India Corporation Ltd. ..	11½	5	0 8	0 1	Nil		12	Y.P.
1,25,00,000	17,34,264	2,03,27,28225	....	15,76,052	Andrew Yule & Co., Ltd.	New Row Investment	11½	10	0 4 1/5	0 3 1/5	0 9	1 6	12	Y.
1,60,00,000	3,14,86,174	5,15,52,036	2,20,82,990	11,71,886	Cesli Stack Esq. Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	29½	10	1 8	1 8	1 8		12	Y.T.P.
51,25,000	54 19,313	1,42,47,66685	....	3,06,133	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	9 0	9 0	9 0		12	Y.P.
14,80,800	10,08,900	23 61,772	12,89,772	87,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	186	100	10 0	10 0	10 0		8	H
66,80,000	42,00,000	19,27,685	8,05,572	1,51,868	J. F. R. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	14½	10	1 8	1 8	1 6 3/8		8	Y.P.
20,00,000	12,17,554	19,75,526	8,13,064	40,995	M. F. R. Syndicate	Great Eastern Hotel	240	250	15 0	4 0	6 0		8	Y.P.
30,17,900	13,58,896	56,30,282	29,24,587	58,602	Birla Brothers Private Ltd. ..	Hind Cycles Ltd.	160½	100	8 0	10 0	10 0		12	Y.T.
4,96,12,250	2,92,450	5,56,24,606	94,52,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	9½	10	Nil	Nil	Nil		12	Y.
1,80,00,000	45,17,784	4,19,74,245	1,74,76,068	6,18,074	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	184½	10	Nil	Nil	9 0		12	Y.P.
1,84,80,250	1,20,00,000	1,85,73,291	87,17,851	32,96,462	E. J. Woodley, Esq. (Mg. Director)	Indian Cables Co., Ltd.	19½	10	1 0*	1 0	1 0		12	Y.P.T.
3,27,970	3,33,008	16,40,508	9,96,110	32,616	G. S. Moolton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	17½	10	0 12	0 8	0 8		8	Y.P.
25,19,00,000	7,89,02,652	4,15,59,461	1,65,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	15½	10	0 9 3/5	0 12 4/5	0 12 4/5		8	Y.P.
2,00,00,000	58,39,366	84,83,960	8,60,060	4,70,107	G. M. Mackinnon, Esq.	Jardine Henderson	91	100	7 0	7 8	7 8		8	Y.P.
6,84,0000. 96,000D.	1,91,903	5,94,080	2,59,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	22½ 2½	O. 1 D. 1	Nil	Nil			8	Y
60,00,000C. 4,80,000D.	78,01,900	25,16,760	7,97,301	1,97,334	A. T. Deig, Esq. (Mg. Director ..	McLeod & Co.	218N D.0.10	D.0.10	17 0 Rs. 1 2 1/8				12	Y.P.
1,57,50,000	60,54,376	92,56,051	11,84,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	1 6	1 12*			9	Y.P.
1,16 00,000	53,50,000	1,88,37 978	75,00,772	16,24,249	H. (Chiwai) Jones, Esq (Chairman) ..	Metal Box Co. of India, Ltd. ..	23½	10	1 0	1 0	1 4	1 10	9	Y.P.
15,35,550	1,55,350	7,33,518	2,80,987	—2,33,681	Shankar Rao D. Ogale, Esq.	Mysore Glass and Enamel Works	4½	10	0 8	0 8	0 8		8	Y.P.
5,52 256	9,16,096	11,18,541	5,01 033	440	M. J. L. D'Sa (Controller)	Mr. J. L. D'Sa (Controller) ..	17	10	1 0	1 0	0 12	0 14 2/5	8	Y.P.
12,09,000	1,29,000	19,18,188	9,10,626	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	15cd	10	1 0	1 4	1 0		8	Y.P.
48,00,000	21,31,178	58,00,527	29,80,128	2,21,223	Associated Industrial Development Co. Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		8	Y.T.
79,97,000	21,15,827	1,14,74,578	52,77,562	9,03,490	B. N. Elias & Co., Ltd.	National Tobacco Co.	13½	10	Nil	0 8			12	Y.P.
2,25,00,000	7,35,185	1,52,49,021	40,14,109	—62,99,179	M. P. A. Purpotti, Esq.	Rallis (India) Ltd.	44	100	Nil	Nil			12	Y.P.
1,72,24,400	1,21,20,308	7,84,24,686	3,47,94,976	4,91,624	Saha Jain Ltd.	Rohtas Industries	22½	10	1 4	1 8	1 8		10	Y.P.T.
45,00,000	26,20,504	1,16,78,870	70,96,687	5,10,675	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	17	10	1 8	1 8	1 8		10	Y.P.T.
70,00,000	54,15,560	1,15,25,350	5,53,635	2,60,987	H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 4	1 0		12	Y.P.
2,90,350	....	14,99,299	3,44,890	....	....	Travancore Ogale Glass	5½	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Rs.ending Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amiookie	375	100	25 0	30 0			12	Y.P.
3,50,000	3,43,350	10,89,903	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45½	10	1 4	7 8			12	Y.
3,50,000	6,43,250	10,47,044	3,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	48½	10	2 8	8 0*			12	Y.
5,50,000	11,21,541	17,56,465	7,03,427	36,051	McLeod & Co., Ltd.	513	Baghmari	24½	10	Nil	3 8	1 0		12	Y.
5,10,000	9,10,000	12,25,593	4,59,309	50,293	Andrew Yule & Co., Ltd.	378	Basmatia	33½	10	2 8	3 0	1 8		12	Y.
2,50,000	4,85,000	11,86,776	7,13,799	58,794	National Tea Corporation	570	Bateli	24½	5	2 0	4 0	2 8		12	Y.
3,20,000	5,70,000	9,60,764	3,59,811	1,99,547	Gillanders Arbuthnot & Co., Ltd.	3,057	Bishnauth	25½	10	3 8				12	Y.
16,50,000	20,50,000	52,30,169	22,95,169	41,929	Octavius Steel & Co., Ltd. ..	485	Bokakhat	21	10	Nil	1 0			12	Y.
6,00,000	2,53,500	10,49,418	2,08,180	15,455	McLeod & Co., Ltd.	450	Bormah Jan Tea	22½	10	0 12	2 8	2 0		12	Y.P.M.
7,50,000	7,27,550	9,66,117	3,05,780	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	22½	10	0 8	1 4		6	12	Y.
25,00,000	11,92,045	73,80,473	19,49,495	2,543	McLeod & Co., Ltd.	282	Dejoo Valley	50½	10	1 0	6 0			12	Y.
1,20,000	4,00,426	5,85,963	1,35,593	1,220	Jardine Henderson Ltd.	420	Dessai & Parbattia	100	20	0	40 0			12	Y.
6,00,000	10,99,000	25,54,194	16,34,471	61,859	James Warren & Co., Ltd. ..	620	Dholakhat	23½	10	1 8	2 8			12	Y.
7,53,440	9,87,943	22,73,420	4,17,845	44,551	M.	646	Dhunseri	21½	10	2 0	5 0	1 0		12	Y.P.
4,03,970	3,95,000	7,50,451	3,56,404	2,101	McLeod & Co., Ltd.	463	Dibrugarh	25½	10	1 0	4 0			12	Y.
4,50,000	6,75,000	9,00,334	3,06,817	54,992	Williamson Magor & Co., Ltd.	611	Dimakuai	32½	10	1 4	6 0			12	Y.P.
2,25,000	5,50,000	10,29,006	5,54,006	55,532	Williamson Magor & Co., Ltd.	615	Duffaghur	38½	10	4 0	5 0			12	Y.P.
5,50,500	8,33,000	19,85,851	12,34,016	54,380	Williamson Magor & Co., Ltd.	1,160	East India Tea	27	10	2 8	3 8			12	Y.
10,00,000	6,40,000	33,25,313	9,79,313	5,997	L. C. Kanoi, Esq.	407	Gillapukri	38½	10	1 12	3 0			12	Y.
3,50,000	5,05,000	8,35,214

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 4	0 4	0 4 4/5	0 3 1/5	5	
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	11¼	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,60,195	35,57,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	26½	10	0 4 4/5	2 8	1 12 4/5		2	Y.P.T.
71,55,000	63,72,750	1 07,57,583	19,79,244	2,42,834	R. C. Paterson Esq.	Consolidated Coffee	20½	10	1 8	1 12	2 4		6	Y.P.T.
15,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co. Ltd. ..	Cottanad Plantations	22¼	10	1 8	1 8	1 12*		8	Y.P.
4,00,000	10,93,903	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Highland Produce	19½	10	1 4	2 8	2 0		12	Y.P.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq.	Kalpetta Estates	32¾	10	2 0	2 0	2 12		4	Y.P.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Malankara Rubber	32¾xd	10	5 8	2 4	2 4	3 4	8	
3,35,000	3,81,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	20¾	10	1 8	1 12*	2 8	2 0	8	Y.P.
2,00,000	2,68,500	7,81,436	50,977	5,115	Associated Planters Ltd. ..	Nilambur Rubber Co.	22½	10	0 12	1 8	1 8		12	Y.P.T.
19,45,980	24,00,991	41,19,708	12,04,557	40,899	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	17¼xd	10	1 0	1 0	1 8		12	Y.P.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	5¾	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
3,66,780	3,00,000	9,70,359	92,117	71,342	Peirce, Leslie & Co., Ltd. ..	Selvamalai Estates Ltd.	25½	10	1 12*	1 12*	2 0		6	Y.P.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	25½	10	3 0	2 8	1 0		11	Y.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	12¾	10	0 14 2/5	0 12	0 14 2/5		8	Y.P.T.
6,10,200	3,00,000	3,91,561	90,565	24,220	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd ..	31¼	10	3 0	3 0	3 0		12	Y.P.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	2¾	1	0 4½	0 1 3/5	0 0 2		9	Y.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	25½	10	2 0	2 0	3 0		12	Y.
30,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37½	25	3 0	5 0	1 8		12	Y.P.T.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	34½	10	2 0	2 4	2 8		12	Y.
6,96,000	87,259	3,55,289	17,488	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13¾	10	1 0	1 8	2 0		8	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1 03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11¾	10	1 0	1 10	0 10		3, 9	H.T.P.
6,00,000	10,25,000	51,65,438	26,93,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6, 12	H.P.T.
20,00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance	130	100	5 0	12 0	8 0		6, 12	H.P.
49 29 700	72,00,000	2,72,93,335	1,87,00,000	1,85,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	185	100	12 8	7 8	8 0		6, 12	H.P.
40,00,000	43,17,051	1,73,37,979	92,01,344	11,377	Bird & Co., Ltd.	810	Auckland	120	100	4 0	3 8	10 0	1 0 f	3, 9	H.P.
20,00,000	23,80,918	96,91,416	65,85,094	65,302	Jardine Henderson & Co. ..	959	Bally	139	100	6 0	Nil	3 8	Nil f	3, 9	H.P.T.
2275,000	4667,405	81,477,430	5987,176	....	Sir John H. Barder (Chairman) ..	1,889	Barnagore	140	£5	£1 0	sh.15	sh.15	Nil	3, 9	H.P
28,00,000	32,80,122	92,27,343	49,93,231	1,005	Andrew Yule & Co., Ltd. ..	820	Belvedere	153	100	15 0	10 0	7 8	Nil	3, 9	H.P.
45,00,000	38,45,000	57,03,172	21,28,574	2,55,100	Sooraimull Nagarmull	600	Bengal	161	100	1 4	1 2	1 2		6, 12	H.P.
91,25,000	2,17,48,333	3,34,10,602	1,45,32,651	4,37,295	Birla Bros., Ltd.	1,373	Birla	17¾	10	3 0	1 1	1 2	1 0	3	Y.P.T.
36,00,000	37,37,926	1,13,57,567	72,33,380	2,271	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	133	100	10 0	9 0	7 8	1 0	3, 9	H.P.
7,47,880	2,29,640	43,00,831	31,53,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8	10	Nil	0 12	Nil †		4, 10	H.P.
18,00,000	80,46,284	87,18,871	41,48,795	6,848	Andrew Yule & Co., Ltd. ..	616	Caledonian	180	100	12 0	9 0	Nil †		6, 12	H.P.T.
20,16,400	95,49,288	2,22,22,769	1,11,69,302	19,010	James Finlay & Co., Ltd. ..	600	Champdany	154	100	6 0	3 0	6 8		5, 11	H.
20,15,000	81,39,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd. ..	530	Cheviot	182	100	12 0	14 0	10 0	2 0 f	3, 9	H.P.
24,00,000	64,10,068	64,10,068	47,77,690	1,32,949	McLeod & Co., Ltd.	500	Chitavalaah	140	£5	£1 0	sh.15	sh.15		5, 11	H.P.
20,00,000	14,00,000	78,32,716	66,52,958	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	144	10	1 12	1 2	1 6		6, 12	H.P.T.
31,49,200	46,65,252	1,17,35,454	49,04,775	—2,20,845	Bird & Co., Ltd.	766	Dalhousie	98	10	Nil	Nil	1-4s		3	Y.P.
25,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	779	Delta	180	100	4 0	2 8	4 0	Nil †	3, 9	H.P.T.
15,00,000	14,50,000	82,52,679	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	177	100	20 0	12 0	10 0		5, 11	H.P.
21,00,000	60,66,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	303N	100	Nil	1 0	1 4		6, 12	H.P.T.
21,00,000	13,00,000	97,88 074	54,63,692	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	225½	100	Nil	5 0	15 0	7½ f	3, 9	H.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	67	10	5 0	20 0	20 0	0 12½	3, 9	H.P.T.
10,80,000	28,00,000	71,52,963	48,45,898	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	890	100	Nil	0 8	2 8	Nil f	3, 9	H.P.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,193	Macneill & Barry Ltd.	2,394	Gouripore	245xd	100	15 0	Nil			12	Y.
40,00,000	64,68,233	1,14,36,348	56,72,180	3,40,348	Bangur Bros., Ltd.	1,078	Hastings	245xd	100	3 12	10 0	15 0	2 8f	3, 9	H.P.
16,80,000	18,91,856	65,91,208	40,20,916	44,543	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	114N	100	10 0	10 0	11 8	5 0	3	Y.P.
65,62 500	49,64,372	1,82,66,485	1,10,82,703	67,035	Jardine Henderson Ltd.	1,940	Howrah	25	10	1 0	0 0	1 4		3, 9	H.
82,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	23¾	10	1 8	1 4	0 14	0 4f	3, 9	H.P.T.
87,00,000	16,55,558	1,23,66,655	78,55,428	7,781	M — —	1,076	India	7¾	10	3 0	2 0	2 0		3	Y.P.T.
20,000								148	125	6 8	8 0	4 11			
24,00,000	16,80,000	1,37,65,836	1,24,18,086	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	—	D. 1	0 4/5	0 2/5	0 3/5		3, 9	H.
19 20,000								140½	100	9 0	8 0	2 8			
80,00,000								135	'B' 100	7 8	8 0	2 8		6, 12	H.P.
24,00,000	7,00,000	1,32,86 300	1 00,46,425	83,115	Jardine Henderson Ltd.	1,527	Kankinarrah	97	100	7 8	6 8	1 8			
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	95	'B' 100	7 8	6 8	1 0		6, 12	H.P.
54,00,000	23,52,375	1,71,52,716	1 16,91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	245	100	15 0	20 0	17 8		6, 12	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	142	100	17 8	12 8	11 0		3, 9	H.P.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Ltd.	931	Lanadowne	170	100	9 0	7 0	13 0	6 0 f	3, 9	H.P.T.
28,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Ltd.	840	Lawrence	100	100	7 0	2 0	7 0	Nil †	3, 9	H.P.
21,25,320	25,04,412	2,01,00,662	1,24 49,804	10,614	M.	1,283	Megna	103¾	100	5 0	6 0	6 0	Nil †	3, 9	H.P.
29,98,900	88,40,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	1,641	Naihati	88	100	Nil	Nil	Nil †	Nil †	3, 9	H.
20,00,000	15,50,000	59,01,503	18,21,709	17,816	Harrisons & Crossfield Ltd. ..	425	Naskarpara	15½	10	0 5	1 2	0 10		4, 10	H.T.
24,00,000	43,29,236	29,10,124	10,06,223	70,554	Andrew Yule & Co., Ltd.	853	National	24 3/4	10	2 0	2 0	1 12		4, 10	H.P.
26,25,000	26,25,000	27,71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	1 12	1 0	1 0		4, 10	H.P.
85,50,000	2,71,44,343	4,39,15,527	90,36,548	8,71,299	Sahu Jain Ltd.	1,765	New Central†	15½	10	1 0	1 0	1 0		6, 12	H.P.T.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Ltd.	567	Northbrook	20½	10	24 0	17 0	1 8	0 12†	12	Y.P.
66,79,560	22,24,961	2,18,55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	2,022	Nuddea	89	10	1 2	1 4	1 8	1 8f	3, 9	H.P.T.
24,91,000	28,81,049	72,45,385	50,85,590	5,784	Andrew Yule & Co., Ltd.	601	Orient	148	100	6 0	4 0	1 0	Nil †	3, 9	H.P.
25,00,000	6,23,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Prasidency	108	100	12 0	10 0	9 0		6, 11	H.P.
20,00,000	2,49,781	26,97,878	8,89,180	—9,18,218	Birla Bros. Ltd.	205	Rameshwara	5½	5	0 2	0 3			6, 12	H.T.
49,50,000	5,82,465	1,23,83,629	59,15,596	—11,72,541	Jardine Henderson Ltd.	1,576	Reliance	9¾	10	Nil	Nil	Nil	Nil	3	H.P.T.
6000,000	61 093,713	61,245,244	....	405,964	Thomas Duff & Co. (India) Ltd.	2,018	Ramnagar	11¾	10	0 8	Nil	Nil	Nil †	3, 9	H.P.T.
60,00,000	18,12,198	1,04,60,653	78,85,838	4,667	Bagaria More & Co., Ltd.	911	Shree Ambica	16N	£1	10%	10%	8%21		3, 9	Y.P.
14,00,000	11,25,000	66,11,794	36,79,294	8,156	Hindustan Investment Corporation.	401	Soorah	16N	£1	10%	10%	8%21		3, 9	H.P.
25,19,600	42,72,182	1,27,38,246	53,23,430	—4,87,127	Bird & Co., Ltd.	650	Standard	95	10	2 0	2 0	1 0		3, 9	Y.P.T.
4600,000	4925,119	£1,137,660	....	833,548	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	11	£1	10%	10%	8%21	Nil	3, 9	H.P.T.
35,98,000	88,06,722	2,00,00,808	84,28,958	18,334	Bird & Co., Ltd.	1,326	Union	158	100	5 0	0 0	10 0		12	Y.P.
6400,000	6868,035	£1,124,819	....	480,501	Thomas Duff & Co. (India) Ltd. ..	1,821	Victoria	11¾	£1	10%	10%	8%21	1 0 f	3, 9	H.P.T.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	5¼	1	0 1	0 8	0 8		12	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23	10	1 0	1 4	1 6		3, 9	H.
12,00,000	8,62,578	38,78,477	26,18,477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4,49,850	70,000	8,49,159	5,40,964	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¼N	10	0 12	0 8			3, 9	H.
1,99,00,988	1 40,49,383	5,91,96,324	3,08,77,226	7,31,565	Andrew Yule & Co., Ltd.	Bengal Coal	503	200	32 8*	30 0*	36 0*		6, 12	H.
2,25,000	4,22,569	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil		15		4, 10	H.P.
15,97,000	4,73 358	37,70,192	22,77,864	13,498	H. V. Low & Co., Ltd.	Bhalgora	6¼	10	0 8				3, 9	H.P.
40,00,000	8,00,665	1,39,39,653	71,05,188	87,438	Sahu Jain Ltd.	Bharat Collieries	7¾	10	0 12	0 10	0 10		9	Y.
7,15,000	15,11,080	62,62,888	37,35,500	—1,87,486	F. W. Heilgers & Co. (Private) Ltd.	Bhelabasaree	13¾N	10	Nil	Nil	Nil		6	Y.T.P.
16,00,000	16,17,926	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgar	13	10					6, 12	H.
7,50,000	24,59,228	42,39,603	26,63,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borrea	25¾	10	2 12	2 0	2 0		6, 12	H.T.
90,22,480	1,75,17,502	4,10,31,370	1,85,17,846	1,15,576	Bird & Co., Ltd.	Burrakur	15¾	10	0 12	0 9	0 10		6, 12	H.P.
49,97,750	....	39,62,720	3,82,545	14,019	Hindustan Investment Corpn., Ltd.	Central India	7¾	10	0 4	0 4	0 4		6, 12	H.P.T.
8,00,000	13 54,308	49,10,414	32,43,954	82,766	M.	Central Kurkend	12N	10	1 2				3	Y.
4,00,000	1,48,676	7,35,485(k)	....	2,139	F. W. Heilgers & Co. Private Ltd.	Churia	2½	2	0 2	0 2	0 11		6, 12	H.
16,00,000	....	53,81,704	29,81,276	—1,88,318	Dhemo Main	Dhemo Main	7¾	10	Nil	Nil	Nil		6, 12	H.
4340,000	£380,558	£936,945	£762,277	£59,767	Jardine Henderson, Ltd.	East Indian	83½	£1	2 8	2 8	3 0		6, 12	H.T.
29,53,760	83,55,049	4,04,51,277	2,89,25,665	82,379	Macneill & Barry Ltd.	Equitable	29¾xd	10	1 8	1 8	1 8		4	Y.
10,00,000	2,15,000	10,76,864	8,72,963	11,278	Bhatiaee Lowry Ltd.	Ghusick and Mesilia ..	14¾N	10	0 8	0 8			6, 12	H.P.T.
12,00,000	1,22,000	41,35,247	23,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	4½	50	3 0	Nil	2 4	2 4	3	Y.
8,00,000	7,25,000	22,07,121	18,89,341	45,985	Macneill & Barry Ltd.	Hurriladih	22½xd	10	1 8	1 12	2 8		6	H.
25,00,000	1,13,000	24,74,125	5,18,546	—5,67,298	Rajpala Trust Ltd.	Jogta Coal	2¾	10	Nil	Nil			6, 12	H.
3,50,000	3,45,579	12,54,557	7,23,658	....	Andrew Yule & Co., Ltd.	Kalapathari	18¾	10	2 12	Nil			3, 9	Y.P.
30,00,000	1,77,175	28,89,683	4,65,140	6,965	Bird & Co., Ltd.	Karanpura Collieries ..	113xd	100	Nil		Nil		3, 9	H.
4,00,000	16,00,000	46,27,633	36,47,985	1,83,474	Andrew Yule & Co., Ltd.	Katras Jherriah	63¾	10	4 0	4 0	2 8	5 0	3	Y.P.
1,38,400	5,73,960	17,35,941	5,72,960	—3,60,286	Kerwala & Co.	Khas Kajora	8¾N	10	Nil	Nil	5 8		1, 7	H.
11,00,240	64,314	16,72,261	10,41,863	—41,220	H. V. Low & Co., Ltd.	Kusardi	2½N	10	Nil	Nil			6, 12	H.P.
9,00,000	11,36,415	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 4			6	Y.
7,48,240	2,00,000	9,66,210	31,201	Tanlia Brothers Ltd.	7	10	0 8	Nil					4	Y.	
7,00 000	25,317	10,33 740	5,20,296	4,560	Amritlal Ojha & Co., Ltd.	New Jamadoopur	9¼N	10	1 12	1 4	0 8		12	Y.
17,76,230	20,01,768	1,19,78,858	88,63,066	94,888	Andrew Yule & Co., Ltd.	New Beerbhoom	18¾xd	10	1 0	1 2	1 0		3, 9	H.
6,00,000	75,000	28,54,007	17,07,588	22,33	Octavius Steel & Co., Ltd.	New Manbhoom	11¾	10	Nil	Nil	Nil		4, 10	H.P.
1,15,000	2,85,193	13,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	17¼N	10	0 4	Nil	1 6	0 12†	3, 9	H.
1,67,500							16N		0 3	Nil	1 0½	0 9†		
7,50,000	12,21,583	5,17,566	4,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14¾	10	2 0	1 0	1 0		3, 9	H.
10,00,000	3,00,000	39,71,593	17,99,658	3,809	H. C. Thapar & Bros.	Oriental Coal	8¼xdN	10	0 8	0 8			6, 12	H.P.
8,34,000	10,362	17,52,137	8,30,795	8 018	Deepchand Kishenlall	Parasea	14¾	10	0 4	0 12			12	Y.T.
15,75,000	16,00,000	47,70,276	25,30,275	33,343	Shaw Wallace & Co., Ltd.	Pench Valley	21¾	10	1 10	1 10	1 8		6, 12	H.P.
23,99,500	19,17,106	1,23,03,393	65,50,855	16 949	M. B. Bilas & Co., Ltd.	Raneegunge	18¼	10	Nil	0 8	0 10		3, 9	H.
13,50,000	8 53,385	25,56,763	21,72,764	23,521	Shaw Wallace & Co., Ltd.	Rewa	28	10	2 0	1 6	0 14		3, 9	H.
20,00 000	5,00,000	44,28,585	18,73,118	3,20,175	Jalpuria Sons Ltd.	Samla Collieries	14¾N	10	0 8	0 12	1 0		6, 12	H.
2,50 000	1,85,302	18,78,480	12,21,237	21 070	M.	Searsole	6N	5	0 10	0 10	0 12		12	Y.
2,80,000	8,36,598	29 99 490	19,07 296	49,299	Andrew Yule & Co., Ltd.	Seebpore	30¾	10	1 12	2 0	2 8		1	Y.
4,00,000	5 31,289	52,491	28,867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	10N	10	Nil	0 2	0 4		6, 12	H.P.
63,21,450	23,77,474	4,72,97,317	3,17,80,236	7,310	Industrial Trust Fund (Government of Hyderabad)	Singareni	11¾	10	Nil				6, 12	H.T.
17,50,000	10,84,016	37,86,108	15,14,990	—51,538	Bird & Co., Ltd.	South Karanpura ..	9¾	10	0 4	0 11 1/5	0 12		12	Y.T.
8 00,000	13,69,395	1 09,570	26,810	17,347	F. W. Heilgers & Co., (Private) Ltd.	Standard	23¾	10	2 0	0 2	0 2		3, 9	H.
10,00,000	12,350	30,22,369	15,43,528	—4,07,745	Villiers Ltd.	Talcher	3	2½	Nil	1 8	1 0		6, 12	H.
3,50,000	2,80,000	19,47,955	14,81,955	44,167	Williamson Magor & Co., Ltd. ..	Union	14¾	10	1 12	0 12	Nil		9	H.
49,98,000	67,084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	6¼	10	0 6	0 6	Nil †		6, 12	H.
7,00,000	21,569	56,46,871	23,31,698	—1,46,650	Macneill & Barry Ltd.	West Jamuria	11¾	10	Nil	Nil	0 8	0 8	3	H.
											Nil		6, 12	H.

M—Managed by the board of directors. † Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Re. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 in to shares of Rs. 10 each.

TRENDS IN SMALL SAVINGS
NEED FOR HIGHER INCENTIVE

By Prof. V. G. Ramakrishna

THE decision of the Government of India to constitute the National Savings Advisory Committee with a view to co-ordinating the activities of the State Committees and giving the benefit of its advice and active participation in the running of the movement is a move in the right direction. The Committee has been empowered to co-opt specialists in the different fields, such as eminent economists, bankers, sociologists, etc., as members as may be necessary. Ordinarily the Committee will consist of 14 members and have its headquarters in Delhi.

The functions of the Committee will be (1) to co-ordinate and guide the activities of the Savings Advisory Committees in the States, (2) to assist and advise the Government of India generally and on measures necessary to intensify the national savings movement in the country and to devise ways and means of popularising the small savings scheme, and (3) to advise the Government on specific organisational and publicity matters relating to the national savings movements which may be brought to its attention. There is reason to think from past experience that such co-ordination is necessary. According to the small savings scheme in the first Five-year Plan, Rs. 385 crores had been planned to be raised by the Centre and the States through loans, small savings and unfun

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15 00,000	1,06,00,000	11,26,201	Allahabad Bank	350	100	18 0	18 0			12	Y.P.
14,50,000				168	50	9 0	9 0				
1,01,000				116½	100	6 8	7 8	6 8	3 12		
2,46,180	14,37,000	12,375	Andhra Bank	83½	70	5 4	5 12	4 8 4/5	2 10	6,12	H
1 00,00,000	1,28,00,000	3,35,546	Bank of Baroda	102	50	6 0	6 0	6 0	3 0	12	Y.
50,00,000	50,50,000	1,159	Bank of Bikaner	23	25	0 12	0 12	0 14		12	Y.
2 50,00,000	2,62,50,000	12 25,630	Bank of India	174½	50	7 0	7 0	8 0	3 0	6,12	B.L.Y.
15,20,375	23,00,000	60,684	Bank of Indore	52N	25	2 0	2 0	2 8		12	Y.
50,00,000	19,00,000	41,778	Bank of Jaipur	85½	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	261	100	16 0	16 0	16 0	8 0	12	Y.
61,11,700	85,75,018	10,959	Bombay State Co-operative Bank.	57N	50	3 8	3 12	3 0		6	Y.T.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
1,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 8		12	Y.P.
2,61,11,575				52	25	3 8	3 8	3 0	1 8		B.L.Y.
2,42,375 'A'	4,01,81,217	18,40 359	Central Bank of India Ltd. ..	56	25	3 0	3 0	3 0	1 8	12	
50,00,030	31,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	43½	50	2 0	2 8	2 8	1 4	12	Y.
1,50,00,000	1,50,00,000	1,06,898	Habib Bank (F)	72N	50	4 0	4 0			12	Y.
50,00,000	50,00,000	1,06,378	Hind Bank	84½	50	1 8	1 8	2 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	11½	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13½	50	Nil	Nil			12	Y.
75,00,000	75,00,000	1,04,408	††Hyderabad State Bank ..	89N	100	5 0	6 0	5 0		9	Y.
24,00,000				211	100	12 0	12 0	12 0	6 0		
15,00,000	79,75,000	1,45,140	Indian Bank	199	95	10 8½	10 8½	10 12½	6 2½	6,12	B.L.H.
15,20,000				152	70	7 8½	7 8½	7 12½	4 8½		
49,19,875	50,00,000	2,38,299	Indian Overseas Bank	6 0	6 0	Nil	Nil	7 8		12	Y.
2,25,000				162	100						
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	Nil	Nil			6,12	H.
10,00,000				10½	25(B)	Nil	Nil				
97,50,000	97,50,000	2,35,108	Punjab National Bank	23½	50(C)	Nil	Nil				
1,00 00,000	25,50,000	43,597	Travancore Bank	57	25	2 0	2 0	3 0	2 0	12	Y.
60,00,000	25,00,000	1,95,228	Union Bank of India	18½	25	2 0	2 0	1 0		12	Y.
5,00,00,000	95,00,000	27 761	United Commercial Bank ..	5	5	0 12	0 12	0 12		12	Y.
				57½	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-16-1½	£1	14†	15†	15†		12	B.L.Y.
£1,000,000	£1,250,000	£69,017	Eastern Bank	£7½	£5	8†	8†	8†		12	B.L.Y.
H.K. $25,000,000	H.K. $123,000,000	H.K. $10,006,589	Hongkong and Shanghai Banking Corporation	£04½	H.K. $125	5*	5*	5*	2*1	12	Y.
£17,966,196 'A'	£15,000,000	£558,006	Lloyds Bank	£2-18-0	£5 A	14†	15†	12†		12	B.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	8†	8†	6†		12	B.L.Y.
£375,000 'A'				£4-2-6	A £2½	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-2-6	B £2½	14†	14†	14†		12	B.L.Y.
£750,000 'C'				—	C £1	14†	14†	14†			
£2,551,563	£3,104,687	£343,158	National Bank of India	£1-1-9	sh. 12½	16†	15†	15†		12	B.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.B. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	90½	1st June 1963
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00 000	5½	30th June and 30th December ..	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-68
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	95½	1st November .. 1958-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June 1956
30,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91½	30th June .. .. 1967(a)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(a)(x)
COTTON						
8,50,000	5½	30th June and 31st December ..	Bazaar Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic ..	1919	99	1st March .. .. 1972(c)
13,68,000	5½	.. .. ..	Jaysbree Textiles	1949	90N	1st January 1956-59
39 90,000	5	1st June	Tata Mills	1951	100½	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd. ..	1950	95	31st March .. 1965(a)
1,35,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	1939	100½	14th June .. 1960
4 98,35,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(d)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	99½	1st January .. .. 1970(e)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sirsa (Punjab) Electric Supply Co., Ltd.	1951	96	30th June .. .. 1977(g)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97½	15th July 1957-61
8,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1962-63
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,78,000	5	1st April and 1st October ..	Tata Power	1940	108	1st July 1970
2,56,00,000	4	1st April and 1st October ..	Tata Power	..	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1943	99	31st December .. 1969
3,00,000	5	30th June and 31st December ..	Bridge and Roof (India) Ltd. ..	1938	99	30th June 1958
30,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1943	101½	1st July 1957-62
41,146,500	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	£97	31st December .. 1965(h)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	187	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	102	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1946	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	93½	30th June 1959
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
16,59,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June 1966
15,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99½	31st March .. .. 1969(e)
8,86,000	5	15th January and 15th July ..	Empire	1951	94½	15th July .. .. 1967(e)
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92½	30th June 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co. Ltd. ..	1955	97½	31st March 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96½	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December ..	Nalhati	1952	98	31st March .. .. 1967(e)
6,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd	1939	93	14th May 1950
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co.,(Ltd. ..	1950	91	5th September .. 1965(e)
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	90½	14th September .. 1957
13,00,000	4½	30th June and 31st December.	Union	1937	90½	30th June 1957
16,00,000	5½	31st January and 31st July. ..	Waverly	1925	58½	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat(Light Railway ..	1939	90N	1st July 1956
£250,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,853	5	1st April and 1st October ..		1933	£77½N	1st October .. 1974
6,80,000	5½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90½	31st December .. 1959(c)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (c)
4,33,20,597	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1940	965½	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1952	102½	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	..	100½	1st April 1958-63
1,89,700	5½	31st March and 30th September.	Teakoy	1944	100	31st March 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1942	93	31st Decem .. 1965
25,68,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	86	31st December .. 1963
4,99,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
2,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	102	1st September .. 1964-69(e)
2,50,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1953	102½	1st October .. 1970
21,96,000	5½	1st February and 1st August ..	Chowringhee Properties	1918	92	1st February .. 1964
19,95,000	4½	1st July and 1st January ..	Olive Buildings (Calcutta) Ltd. ..	1936	89½	1st July 1966
90,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,20,00,000	4	31st March and 30th September.	Dalmia Cement Bharat Ltd. ..	1946	92	.. ..
1,20,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd...	1950	102	1st January .. 1971(e)††
2,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(e)‡
17,75,000	5	15th March and 15th September.	Mentor Chemical Industries ..	1949	95½	 1965
25,05,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	535	30th September .. 1976(e)
45,99,900	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(e)
					(per note)	
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	108	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97½	31st March .. 1961(e)
1,50,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91½	31st December .. 1966
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	108½	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and ½ per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ¶ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th October, 1956.

—	Closing quotations 11-10-1956	High	Low	Closing quotations 18-10-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	200	—	—	200
Apollo (2) ..	2¾	2-13/16	2¾	2-12½
Bombay Dyeing (350).	620½	634½	625	632½
Bradbury (50) ..	209½	209½	203	206
Central India (100) ..	149	151	149	150
Century Mills (100) ..	548	554	547½	553½
Colaba (100) ..	96½	—	—	96½
Edward Textile (200).	345	—	—	345
Elphinstone (50) ..	61½	62	61½	62
Finlay (100)	341½	344	341	343
Gokak (100)	240	241½	239	240½
Ind. Untd. Def. (1) ..	2-0½	2-1½	2-0½	2-0½
Ind. Untd. Ord. (10).	11-15½	12-3½	11-15½	12½
Indore Malwa (100) ..	155½	158½	156½	158½
Khatau (100) ..	248½	250½	250	250½
Kohinoor (100) ..	349	353½	348½	352
Lakshmi (250) ..	710	—	—	710
Madhusudhan (100) ..	117½	—	—	117½
Maneva Mills (100) ..	98½	—	—	98½
Model Nagpur (250) ..	190½	190½	190	190½
Mcrarji (100)	260	—	—	260
Mysore (40)	115	115	114½	115
National Rayons(100).	254½	260	254½	260
New City (100) ..	175	—	—	175
New Great (100) ..	250	251	250	251
Podar Mills (100) ..	148½	148½	148½	148½
Samson Silk (10) ..	166½	167½	165	166
Samson Spg. (10) ..	12½	—	—	12½
Sholapur (1,000) ..	47	47	45½	45½
Shrinivas (100) ..	1,800	—	—	1,800
Simplex (100)	215	216½	215	215
Standard (100) ..	202	203½	201½	202
Svadeshi (100) ..	475	490	472½	475
Swan (100)	240½	250½	246	248½
Tata Mill (25) ..	440	—	—	440
Vishun (100)	55	56	53½	55½
Western India (1,000).	185	185	176½	176½
	5,125	—	—	5,125
BANKS				
Bank of India (50) ..	173½	175	173½	174½
Bank of Baroda (50).	101½	102	101½	102
Central (25)	51½	52½	51	52
Central 'A' (25) ..	56½	56½	55½	56
Dena Bank (50)† ..	43½	43½	43½	43½
Punjab National (25).	56½	57½	56½	57
Union Bank (5) ..	7⅛	7⅛	7¼	7¼
United Com. (50) ..	57½	57½	57½	57½
ELECTRIC COS.				
Ahmedabad (100) ..	95½	95⅛	94⅛	94⅛
Amalgamated (10) ..	11⅛	—	—	11⅛
Andhra Valley (1,000).	1,240	1,242½	1,237½	1,238½
Bom. Sub-El. (100) ..	111½	111½	110	110
Surat (100)	118½	120	118½	120
Tata Hydro (100) ..	130½	131	129½	130
Tata Power (1,000) ..	1,310	1,320	1,310	1,312½
INSURANCE COS.				
British India (10) ..	13⅜	—	—	13⅜
Empire of India (100).	350	—	—	350
Ind. Mercantile (30)..	43	—	—	43
Jupiter (15)	6⅛	6⅛	5½	6
New India (15)	4¼	4⅜	4⅜	4⅜
Oriental (100)	3,650	—	—	3,650
Universal (10)	12½	—	—	12½
Vulcan (10)	15½	—	—	15⅝
STEEL COS.				
Ind. Iron (10)	34⅛	34⅜	34-3½	34⅜
Tata Steel Ord. (75)..	193¾	195½	193	194½
SUGAR COS.				
Belapur (50)	251	252	250	250½
Bhopal (10)	17⅛	17⅛	17⅛	17⅛
Phaltan (50)	162	163	160½	161½
Walchand Ind. (100)..	273½	278½	273½	276½
CEMENT COS.				
Associated Ce.(100)..	194½	196	193½	194½
Digvijay (100)	192	194½	192	194
MISCELLANEOUS				
Alcock Ashdown (100).	335	339½	335	338½
Bom. Burmah (125) ..	718½	743½	726½	739½
Do. (New) (50) ..	266½	276½	266½	274½
Br. B. Petrol (4 sh.).	3⅜	3⅜	3-10½	3⅜
Br. I. Corpn. (5) ..	11½	11⅝	11½	11⅝
C. P. Rly. (100) ..	74½	—	—	74½
Indian Copper (2 sh.).	6-15½	7	6-13½	6-14
Ind. Inv. Tr. (100) ..	75	75	74½	75
Kemp (200)	192½	200	192½	200
Killicks (100)	173	173½	172	172
Polson (100)	176½	—	—	176½
Port Canning (100) ..	8	—	—	6
Premier Con. (30) ..	206½	210	206½	209
Scindia (20)	18-12½	19-0½	18⅜	18-13
G. B. Spring (10) ..	22½	22⅝	22½	22½
Shivratpur (10) ..	86	87½	86	86
Tata Chemicals (10) ..	20⅛	20⅛	20	20⅛
Tata Locomotive (100)	168½	170½	165½	168
Tata Oil (25)	55	56	51½	52½
W. I. Match (100)§ ..	177½	178½	175	175

GOVERNMENT SECURITIES	12-10-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	18-10-1956
	Rs.			Rs.
2½% 1961	93⅛	—	3.96	93⅛
2½% 1960	96⅛	—	3.74	96⅛
2½% 1962	92⅜	—	3.80	92⅜
2½% 1963	88½	—	3.97	88½
3% 1957	99⅛	—	3.25	99⅛
3% 1958	99⅛	—	3.24	99⅛
3% 1959-61	97⅜	3.75	3.45	97⅜
3% 1964	94⅞	—	3.80	94⅞
3% 1965-85	94⅜	3.74	3.74	94⅜
3% 1966-86	93	3.85	3.76	92⅜
3% 1970-75	89⅜	4.00	3.80	89⅜
3% 1986 Con. Loan..	74⅜	—	4.02*	74⅜
4% 1960-70	100⅜	3.80	3.83	100⅜
4% 1968-68** ..	102⅛	2.95	4.22	102⅛
3½% 1961 N.P. Bonds.	99⅛	—	3.70	99⅛
3½% 1964 N.P. Loan..	98⅞	—	3.71	98⅞
3½% 1965 N.P. Bonds.	98⅜	—	3.71	98⅜
3½% 1962	97⅜	—	3.64	97⅜
3½% 1967N. P. Bonds.	98⅛	—	3.67	98⅛
3½% 1974	98⅛	—	3.87	98⅛

BRITISH GOVERNMENT SECURITIES

	Closing quotations 8-10-1956 £			Closing quotations 15-10-1956 £
2½% Brit. Consols. ..	52½	—	—	52½
3% Savings Bonds 1955-65.	73⅜	—	—	73½
3% War Loan 1955-59.	94⅛	—	—	95
3½% War Loan	71⅜	—	—	72⅜
4% Victory Bonds 1976	90⅛	—	—	90⅛
4% Funding 1960-90..	85½	—	—	85½

* Current Income x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

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MR. NEHRU'S ECONOMIC THINKING—I

WITH the General Elections in India only four months ahead, Mr. Nehru's remarks on free enterprise at a Press Conference in Calcutta on Sunday last acquire special importance, because hundreds of Congress men will base their exposition of the Government's economic policy on these remarks, if not parrot them, when they labour at the hustings. Mr. Nehru, of course, did not have the elections in his mind when he made his observations, for the *casus belli* was Mr. Eugene Black's letter to Mr. T. T. Krishnamachari, in which he had expressed his conviction that "India's interests lie in giving private enterprise every encouragement to make its maximum contribution to the development of economy, particularly in the industrial field," and that the potentialities of private enterprise in India "are commonly underestimated and its operations are subjected to unnecessary restrictions." But what the Prime Minister said will serve as talking points for his party men, apart from giving more weight to Mr. Krishnamachari's reply to Mr. Black. It is, therefore, necessary to examine his remarks at some length.

Mr. Nehru's observations are really provocative. They include a hit against international cartels. And the latter will do well to meet it effectively, if they do not wish the case of twentieth century capitalism, which is more socialistic than the so-called socialist republics, to go by default in the new free countries of Asia. It must indeed be flattering to the spokesmen of private enterprise to find that a social and political thinker like Mr. Nehru has found it necessary to take note of the arguments in favour of their philosophy and reply to them. His replies, however, are not very convincing and reflect a superficial study of the merits of modern capitalism in the free countries of the West on whose pattern of political system Indian democracy is modelled. In view of the enormous influence which he has over the people of this country and of the tendency among the vast majority of people to accept his statements without much reflection, Mr. Nehru has to be particularly careful in giving public expression to his thoughts. If he gives currency to half-truths, they will come to stick in the minds of people and do a lot of harm to the country as a whole. Further, if, in future, his ideas are not to share the fate which has overtaken those of Karl Marx now, he will do well to devote a little more of his time to a study of modern economic systems in the West, instead of being guided by the weekly economic digests submitted by his Secretariat and helpers in the Congress Party or by the praises showered on India by the foreigners who visit this country as its honoured guests.

One of the favourite theories of Mr. Nehru is that "the idea of equating democracy with private enterprise is not justified." Elaborating this thought, Mr. Nehru said at Calcutta that "unrestrained private enterprise and democracy were incompatible." If he is correctly quoted, we should say that he is beating the air. For none in this latter half of the twentieth century is asking for "unrestrained free enterprise," which means in simple economic jargon *laissez faire*. The need for a judicious regulation of free enterprise by the State is conceded by even the staunchest champions of free economy. What is questioned is the degree and the manner of control by the State. Similarly, no one insists, as Mr. Nehru seems to believe, that there should be only political democracy—by which is meant freedom for everybody to choose at stated intervals the Government he wants—and not economic democracy. But what is economic democracy? Mr. Nehru seems to imply that economic democracy means one in which economic power is not concentrated in a few private hands, lest the latter should control and limit the scope for political democracy. He, therefore, wants "the State to play an even greater part in industries and, more specially, to control the basic industries and those that are considered strategic." "Apart from misuse," he goes on to add, "private parties do not look at the entire picture of the State's development. They have only particular aspects in view. We have, therefore, evolved and are trying to pursue a policy of mixed economy. While the public sector comprises basic and strategic industries and some others, the private sector is encouraged to function in a fairly broad field, subject to the State's regulation."

This argument is very deceptive. In the first place, the free enterprise is painted in a much darker colour than it deserves. Secondly, it gives a very narrow definition of economic democracy. An ideal economic democracy is one in which there should be not only no excessive concentration of economic power but also enough freedom for individual enterprise and for following an avocation according to one's talents and aptitude in a manner not prejudicial to mankind. This freedom would be lost, if the State were to exercise too many controls and place too many restrictions on the citizens. And, thirdly, some of the economic policies of the Central and State Governments in India are themselves inimical to the growth of economic democracy. By taxing the people to the hilt, individual savings are minimised. Consequently, *entrepreneurs* are prevented from raising adequate capital, nor can they create their own capital. This, in turn, restricts the scope for new entrants into the field of industry and commerce. Besides, it forces the existing business concerns to depend on the State for supply of financial resources, thereby making them the vassals of the State, which, in actual practice, means vassals of the party in power. The new Company Law is another instance of Government's economic policy which has a similar effect. Some of its provisions reduce the chances of new blood flowing into the business world. At the same time, the pressure for economic development is so strong and insistent that the authorities are compelled to recognise the claims of already well-established *entrepreneurs* for expanding their industrial activities. The result is that concentration of economic power in the hands of the limited number of business men, who were lucky enough to be in the field already, is taking place at a much faster pace than the growth of new *entrepreneurs*. The migration of foreign capital, another offshoot of Government's economic policies, has only aggravated this unhealthy trend. Then, there is the moral aspect of these policies. The excessive rate of taxation and the enactment of statutes that cannot be easily enforced or that are full of loopholes encourage the people affected by them to look out for ways and means of evasion and escape. They also widen the scope for corruption.

The contention of Mr. Nehru that the "idea of equating democracy with private enterprise is not justified" is basically wrong. We challenge Mr. Nehru to prove it. While a certain

it became unavoidable, the programme of the present Government is for maximum ownership and/or domination by the State. This bid for absolute power is not a healthy thing even for the Congress Party. There are already signs of deterioration in the moral standards of its rank and file, as witness the frank assessment of its position by Rajaji a few days ago. That absolute power corrupts absolutely is not an empty slogan.

Mr. Nehru was candid enough to admit that, as a result of the Government's present policy, India is going towards State capitalism. "That is true to some extent." he conceded, and then added: "There is no other way. . . . There is no other way to develop our industry than through the State or we allow the private sector with the aid of the State to become dominant in our economy or we do not develop industry at all." He, of course, did say that the principle of the Co-operative Movement should be extended to industry, but his stress on the inevitability of the State having to own and establish industries on a large scale suggests that he realises that not much swift progress can be achieved through that system It is amazing that such a keen student of modern history as Mr. Nehru himself should have reconciled to the view that State capitalism is superior to even a regulated private enterprise. Apparently, he has forgotten that State capitalism in Germany, Italy and Japan led to dictatorship and ultimately to war. This is probably due to his ill-informed views about modern capitalism in the free economies elsewhere in the world. While he did well to highlight some of the dark features of capitalist monopolies, such as the one in oil, he was certainly not right in coming to the conclusion that the virtues of the capitalistic system have rapidly disappeared. Mr. Nehru must brush up his knowledge of modern economics, especially about monopolies, as we shall show in our next issue.

RAISING INCOMES

ONE of the most difficult of the economic tasks confronting the world today is that of raising the real incomes of underdeveloped countries. The disparity between the living standards in the industrially advanced countries and those in the backward regions is too wide and striking to go unnoticed. Although the specialised financial institutions of the United Nations are doing what they can to help raise incomes and living standards in many regions of the world, it must be admitted that the impact they have so far made on the economies of the underdeveloped countries is not so deep, nor so profound as the authorities themselves would like it to be The result is that, despite all the assistance that has been given by these institutions, there is no significant abridgement of the gap. In these circumstances, it is not surprising that the U.N. Secretary-General, Mr. Dag Hammarskjoeld. has, once again, thought it fit to stress, in the course of an introduction to his annual report to the General Assembly, that the "most serious" of the world's economic problems is the continued widening of the gap between the industrially advanced countries and the underindustrialised countries.

The fact is that, so long as the world is unhappily divided against itself into two groups, the developed and underdeveloped countries. there can be no lasting world peace either. It is true, as we pointed out last week in these columns, that such a division is, in one sense, artificial, because it tends to ignore the interdependence of the two parts. But the fact remains that so long as such interdependence does not lead—and it has not so far led—to the raising of the living standards in the underdeveloped countries, there will always be sufficient tinder for extremist political parties to play with. The rising incomes in industrially advanced countries is not a matter for unconcern for the backward regions, for such a rise will certainly lead to a higher demand for the commodities which primary-producing countries can export. But things do not always work that way. As the U.N. Secretary-General points out, even if supplies of primary products were to keep pace with the demand and the terms of trade were to remain unchanged, the growth of income earned in primary production would lag considerably behind the growth in income of industrial countries.

All this clearly shows that what is urgently needed is to increase the pace of economic progress in underdeveloped countries. But. so far from the pace being increased, there is sufficient evidence to show that, in many parts of the world, it has not only slowed down but has even been reversed. The Secretary-General warns that "even in percentage terms, the poor have become poorer." It is easy to see, as he points out, "how wrong and how dangerous it would be to permit such a trend to continue." This underlines the importance of stimulating the process of economic development. A major factor in facilitating this process is to achieve some stability in the prices of primary products which the countries export. Calling attention to this aspect of the problem, the Secretary-General says:

> "We have long ceased to accept unemployment as the price for keeping an industrial economy in balance. We have also accepted full employment as an international as well as a national obligation. Equally, we must come to realise that violent price fluctuations in the commodity markets are not productive of economic balance in the world but of economic chaos with all its political and social consequences in the undeveloped countries. And we must learn to accept commodity price stabilisation as an international obligation inseparable from the increasing economic interdependence of the world community."

There is no doubt that, if the prices of primary produce were stabilised, it would add a certain element of security to the economies of underdeveloped countries. For instance, the volume of world trade in agricultural products in 1955, according to the U.N. Food and Agricultural Organisation's Survey, was 5 per cent. more than in 1954 and thereby recovered its prewar level, but the value improved by only 1 per cent., as compared with 1954, thanks to the decline in prices. Violent fluctuations in prices lead to alternating bouts of plenty and famine in foreign exchange and, therefore, prevent the countries concerned from planning their economic progress. All these defects could be eliminated through the achievement of a certain level of stable prices. Nevertheless, it would be a mistake to overemphasise this aspect of the problem of development. By and large, the task of development is really one of capital investment, technical know-how and management. So long as these elements are absent, a mere achievement of stable prices, however welcome in itself, can make no real impact on the process of development. Further, if measures were found for bringing about stability in prices of primary produce while the industrially advanced countries showed no inclination to achieve similar stability in the prices of the goods they export, there could be no genuine progress in underdeveloped countries. Hence the importance of stable terms of trade between raw materials and manufactured goods.

In the recent past, the underdeveloped areas of the world, according to the F.A.O. Report, have, to a limited extent. profited from the boom in the industrialised countries. Most of them have been able to improve their balance of payments situation, to increase monetary reserve and to reduce quantitative and other restrictions on foreign trade. In the immediate future, it is quite likely that, in the industrialised countries, the Governments will continue to keep a strict watch over their economies, in order to prevent excessive expansion. The F.A.O. Report, therefore, suggests that the demand for agricultural products in the industrialised countries is "likely to stay high but not to increase appreciably." It says that for products which are already encountering marketing difficulties, no improvement seems likely in the year ahead. On the whole, it thinks that "although the demand for agricultural products is likely to remain at a high level, the pause in world economic development may thus make 1956-57 a somewhat less favourable year than 1955-56 for agriculture." If this forecast proves correct, it will certainly retard the progress of economic development in the underdeveloped countries, unless, of course, the prices of manufactured goods imported from industrialised countries register a substantial fall.

Whatever may be the outlook for the immediate future, the long-term problem, as we indicated above, is one of stimulating the inflow of capital into underdeveloped regions. Large doses of capital are needed. And what is particularly noteworthy, most of these investments have to be made in fields in which the direct return is low as well as slow; such fields include education, communications and heavy industries. It has been computed, for instance, that, in the next five years, the free world outside the U.S. would need some $90,000 million of new capital in order merely to maintain the recent growth in *per capita* output. This is more than what the U.N. specialised agencies can give to the capital-hungry regions. The Secretary-General says: "We have also to face the fact that the flow of international capital has failed in the past ten years even to regain its importance of only a generation ago. It is evident that we must seek to increase the supply of foreign investment capital, both public and private, available for economic development." This is at once an opportunity and a challenge to the free world. The future of freedom and all those values which the free world cherishes as dearer than any material possessions depend on how it meets this challenge.

KOLAR GOLD MINES

THE Mysore State Legislature having passed the Kolar Gold Mining Undertakings (Acquisition) Bill, the State Government has now acquired the legal right to take over the Companies as and from the "appointed day" to be chosen by the Government. We have ere now expressed the view that this act of nationalisation was strictly unnecessary. whether from the point of view of the future of gold mining in the State or that of the State's revenues. Assuming that the Government had a valid cause for grievance, it was certainly possible to refer the matter to arbitration or to enter into a fresh agreement with the Companies. Be that as it may, it is noteworthy that the question of compensation, a somewhat explosive issue in all nationalisation measures, has been settled satisfactorily; the Managing Director of the group of Companies is reported to have said that the Compensation (now finally settled at Rs. 164 lakhs) was "fair and reasonable."

In the case of the Kolar gold mining group, the question of compensation proved a particularly intractable one. For one thing, there is no precedent for nationalisation of gold mines in any part of the world, so that the State Government had necessarily to face the problem without the benefit of previous experience. Secondly, the authorities both at the Centre and in the State were understandably anxious not to create the impression that foreign investors are being unfairly treated in this country. This is a vital issue of far-reaching significance to the country's economic future. It is, however, regrettable—though it is not, perhaps, surprising—that ideas of compensation should have varied from time to time since the question of nationalisation was first mooted. This could have been avoided, if both the parties had not approached the question in an excessively bargaining spirit. The Government at first assessed the compensation at as low as Rs. 87.8 lakhs, although the State Home Minister, Mr. H. Siddaveerappa, now reveals that his own "personal" estimate of compensation was Rs. 150 lakhs. The Companies, on their part. pitched the demand at as high as Rs. 14 crores, then came down to Rs. 6 crores, and before the Kaul Committee (appointed by the Government of India to go into the issue) suggested Rs. 4 crores; the Kaul Committee's estimate was Rs. 119 lakhs. It was the Government of India which brought to bear on the question an impartial mind and settled it at Rs. 164 lakhs, excluding sterling assets held by the Companies amounting to some Rs. 50 lakhs. Some members of the State Legislature complained that the Union Government had compelled the State to pay the Companies more than what it was willing to pay. There is no substance in this allegaton. For the Minister has admitted that it was an agreed solution and, in any case, the Union Government, at one time, went so far as to suggest that, if the State Government could pay no more than Rs. 119 lakhs, the former would itself make up the deficit.

Little is yet known about the precise set-up which the State Government contemplates for the nationalised gold-mining industry. It is not clear whether the Government will utilise the services of the present management, Messrs. John Taylor & Co., Ltd. The Minister stated that no assurance had been given to the Company that its services would be retained. He added that there was a "sort of understanding" that, other things being equal, and if it was mutually agreed, the question of their continuance as Consultant Engineers might be considered. Since gold mining is a highly technical industry and the present management has had considerable experience in running it, the Government will be well advised to utilise its services in some form or other. This would also ensure the continuance of the traditions of sound management built up by the Company and the continued prosperity of the gold-mining industry.

CAMBRIDGE PROF. ON EXPENDITURE TAX

SCARCITY OF FUNDS—BOMBAY BURMAH

THURSDAY, 5 P.M.

MARKET GOSSIP

ALTHOUGH budget events have not yet begun to cast their shadows on the markets, there is no doubt that, in many quarters, apprehensions about the shape of the budget to come are being genuinely felt. With the size of the second Plan having been raised by Rs. 400 crores to Rs. 600 crores and with the yield from customs duties declining, there is no doubt that the Government must be actively examining the possibility of introducing such changes in the fiscal system as would facilitate a larger mopping up of people's incomes. Addressing the annual meeting of the staff of the income-tax circles of Bihar and Orissa, held at Patna last week-end, the Union Deputy Finance Minister, Mr. Baliram Bhagat, revealed that the Central Government was considering the recommendations of the Taxation Enquiry Commission and added that it was "just possible that there might be an entirely new structure of taxation." He urged the officers and ministerial staff to prepare themselves in advance in order to fit into the new scheme of things. It will be recalled that Mr. T. T. Krishnamachari also stated, soon after he became Finance Minister, that a certain re-vamping of the tax structure might be necessary. He has also been asserting that it would not be difficult for him to raise domestic resources.

It may be unnecessary to read anything more into Mr. Bhagat's or Mr. Krishnamachari's statements than that the Government is seized of the problem of recasting the fiscal structure. After all, it has been known that the Government is actively examining the Taxation Enquiry Commission's recommendations in the light of the subsequent suggestions of Dr. Kaldor. The last budget was the first instalment of fiscal reform based upon the Commission's report. Indeed, in some respects, the budget went even beyond the Commission's recommendations, for instance, in respect of taxation of bonus issues. Since then, much discussion has taken place on the subject of ceiling on incomes, to which the Commission made a purely academic reference. And it can now be taken that ceiling on incomes will not come up again on the Parliamentary floor, thanks to the Prime Minister's frank admission of the impracticability of enforcing it. Among other measures, the Commission did suggest capital levy and excess profits tax, though it regarded them as measures to be adopted in the last resort. The Commission also suggested travel tax, creation of fiscal monopolies, and increase in railway freights. Powers have now been taken in order to impose travel tax. Monopoly State trading in certain commodities, which the Government is now attempting, is perhaps only another variation of the fiscal monopoly device suggested by the Commission. The Railway Minister, on his part, has already revealed that the Government is thinking in terms of an increase in railway freights and fares.

Government spokesmen have ere now expressed the view that the Taxation Enquiry Commission's Report is not the last word on the subject of taxation. They must have obviously derived additional inspiration from Prof. Nicholas Kaldor's Report. Dr. Kaldor, as is now well known, has called for a "thorough and comprehensive reform." And, without mincing words, he has declared that "it is essential that the additional burden that will inevitably be imposed (either through taxation or through an inflationary rise in prices) on the broad masses of population should be complemented by an efficient system of progressive taxation on the small minority of the well-to-do who, in India, number only about one per cent. of the population." The proposals outlined in his Report aim at broadening the tax base through the introduction of an annual tax on wealth, the taxation of capital gains, a general gift tax, and a personal expenditure tax (the last in partial substitution of the present super-tax on income).

The five taxes—income-tax, capital gains tax, annual wealth tax, personal expenditure tax and the general gift tax—according to Prof. Kaldor, would all be assessed simultaneously on the basis of a single comprehensive reform. Briefly, he has suggested that the maximum rate of tax on income should not exceed 45 per cent. (as against the present 92 per cent.), the maximum rate of an annual wealth tax 1½ per cent. (on the excess of capital value over Rs. 15 lakhs), the maximum rate of the personal expenditure tax 300 per cent. (on a net personal expenditure per head of over Rs. 50,000 per annum) and the maximum rate of gift tax 80 per cent. (on gifts received by persons whose real estate, including the gift, exceeds Rs. 40 lakhs); all capital gains should be taxed at the same rate as income—that is, subject to the maximum rate of 45 per cent. He has estimated that the reforms of personal taxation he has suggested would yield Rs. 100 crores a year or more—though it may take some years before the full benefit is reaped—and that the other measures, including those designed to control evasion, he has suggested would yield Rs. 20 to Rs. 30 crores a year.

In the U.K., Prof. Kaldor is a distinguished exponent of the economic philosophy which is so dear to the hearts of the men who run the Government in this country. It is not, therefore, fanciful to believe that he will become the spiritual father of a new fiscal movement. It is not clear whether Mr. Bhagat was hinting at such a development, when he averred that "it was just possible that there might be an entirely new structure of taxation." But before the authorities finally decide to abide by Prof. Kaldor's leadership, they will perhaps do well to note that, in his own country, there are many eminent thinkers who do not see eye to eye with him. Even if this does not detract seriously from Prof. Kaldor's merit—no prophet is honoured in his own country—it will be worthwhile to note that some valid criticisms have been made of his "expenditure tax" system. Dr. A. R. Prest of the Cambridge University, writing in the October issue of *Lloyd's Bank Review*, examines the theoretical advantages claimed by the advocates of expenditure tax. He reaches the conclusion that, while the practical problems involved in implementing the reform are well-nigh formidable, the theoretical advantages of the proposals themselves are not as strong as they appear at first sight.

Before we present Dr. Prest's conclusions, it may be well to indicate briefly how expenditure tax works. Under the present scheme of taxation, if a man has an income of Rs. 10,000 a year and spends Rs. 8,000, he would be charged income-tax on Rs. 10,000; under an expenditure tax, he would pay on Rs. 8,000. Ignoring all canons of prudence, he spends, let us say, Rs. 12,000 a year, whether by borrowing or by drawing upon his savings; under income-tax, he would be assessed on Rs. 10,000, whereas, under an expenditure tax, he would be assessed on Rs. 12,000. The traditional argument for expenditure tax is that it encourages savings. Mr. Kaldor's contention is that it is also more equitable.

After an elaborate and convincing discussion, Dr. Prest reaches the conclusion that it is not certain that savings will be appreciably greater under an expenditure tax than under income-tax. Here are some of the other observations of Dr. Prest on the proposal;

"(1) There is the political problem of whether it is reasonable for the State to require such a degree of information as would be needed from the taxpayer about his activities. This is a matter for us to judge as political theorists rather than as economists; but the expenditure tax advocates should not be surprised if they found themselves in a small minority.

"(2) The transitional difficulties would be immense. Dr. Kaldor confesses that it might be necessary to withdraw all existing bank notes and make a new issue to prevent people building up cash hoards in anticipation of the introduction of the tax.

"(3) The practicability of the proposals for dealing with durable consumer goods (e.g., how is the list defined or changed?) is far from clear.

"(4) The identification of some forms of saving is an extremely treacherous operation. This is particularly true of saving by small business men whose bank accounts reflect both business transactions and personal expenditure. One cannot help feeling that the evaluation of saving is even more difficult than Mr. Kaldor admits it to be.

"(5) Difficulties would arise if an expenditure tax operated in this country but not in others, e.g., people might save heavily for a number of years and then emigrate in order to avoid taxation on their dis-saving.

"All these sorts of difficulties are reduced in magnitude, if not in kind, when the expenditure tax applies only to the surtax groups. Even so, one needs the boldness of faith to deny that they are still immense."

Summing up his arguments, Dr. Prest says:

"The theoretical advantages of an expenditure tax in promoting savings are not as strong as would appear at first sight, when allowance is made for 'equivalent taxation', and when the deterrents to saving offered by estate duties, the fear of inflation, and the possibility of discrimination against investment income are remembered. However, there are circumstances in which savings may be greater and these must be given full weight, along with the other advantages in promoting risk-bearing, etc. The equity argument is partly political. In so far as it is economic, it depends on the extent to which 'excess' consumption is being financed from capital gains and dis-saving. Mr. Kaldor's mental picture is that of a small group of people squandering their heriditary wealth on luxurious consumption. An alternative might be that of a large number of people drawn from all income groups supplementing their nominal money incomes to differing degrees by incomes in kind and expense allowances of multifarious shapes and sizes. Finally, the practical problems of expenditure taxation seem so formidable that one is bound to conclude that much less drastic modification of the existing fiscal system should be capable of accomplishing most of what an expenditure tax could really promise."

All this is only a very bare summary of Dr. Prest's very convincing arguments. But it should be sufficient to show that the path of expenditure tax is not strewn with roses, whether for the tax-gatherers or the assessees.

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Last week, we referred to the signs of dear money conditions in the U.S. and Canada, as reflected in the increase in treasury bill rates to 3.013 per cent. and 3.26 per cent., respectively. Since then, while reports from Washington suggest the continuance of tight conditions in the money market, Canada has already raised its Bank rate from 3½ per cent. to 3¾ per cent. The increase in the bank rate, it is stated, is a formal official adjustment to a situation in which the demand for new money continually presses against the official determination not to increase the money supply. Following the increase in the Bank rate, the Canadian chartered banks have raised the interest rate on prime loans from 5¼ per cent. to 5½ per cent. The increase in Canadian Bank rate, according to reports from Washington, will not affect the U.S. monetary policy; the Federal Reserve System's discount rate was raised to 3 per cent. from 2¾ per cent. only in August last.

Yet another country to announce an increase in Bank rate is the Netherlands, the Dutch Bank rate having been raised from 3¼ per cent. to 3¾ per cent. This is the third such increase announced by the Dutch Central Bank this year, the two previous revisions being 3 per cent. from 2½ per cent. in February and 3¼ per cent. from 3 per cent. in August. Many West European countries are faced with the problem of checking inflation as well as of preventing the depletion of foreign exchange reserves. Both France and the Netherlands have suffered a deterioration in both internal and external fields. Germany and Belgium, however, are worried over internal expansionary pressure, rather than balance of payments problem.

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In India, too, interest rates are firm. The Scheduled Banks' resources have been utilised to the fullest extent possible by way of loans, overdrafts and bills purchased and discounted. If there has been no substantial increase in interest rates, it is because the Reserve Bank and the State Bank, to some extent, have been lending money to the banks at fixed rates of interest. But the problem is what to do in the coming months, when the demand for financing agricultural crops and seasonal industrial production, for instance sugar, will gather momentum. The capacity of commercial banks to create more credit is greatly restricted. The Reserve Bank, of course, can lend more through the usance bills and it is suggested that the Bank must liberalise the conditions under which such advances are given. It has even been suggested that the rate of interest on such bills should be reduced and that, at the same time, selective credit controls could be introduced to ensure that banks lend money only for approved purposes. Another suggestion made is that the Government should expedite payment of all outstanding bills for goods and services supplied to it. This may go some way towards easing the position, but it cannot by itself provide any substantial relief.

There are two more ways in which the money supply can be increased. The Reserve Bank can be asked to buy both Central and State Government loans, which have sagged to a considerable extent in recent weeks. Through this open market operation, a fairly large amount can be pumped into the market. But this may run counter to the objective of not aggravating inflationary forces. The other way lies in expediting the development programmes of the public sector, so that more purchasing power will reach the hands of the public. This, however, is more difficult than the first, inasmuch as the State Governments are busy with the reorganisation of States; further, in the next two or three months, all ministers at the Centre and in the States will be preoccupied with the elections. Indeed, there is unlikely to be any appreciable momentum in the development expenditure in the first half of 1957.

It is stated that the Finance Minister will be visiting the City during the week-end and stay on till Monday evening. One of his engagements during this brief visit is a meeting with the bankers on Monday. While we are told that the main object of this meeting is to enable the Finance Minister to have personal acquaintance with the bankers, it is not unlikely that the state of the money market also will receive his attention. We are told that one of the questions to which he should address himself is whether it is not necessary to raise the cost of bank credit, with a view to discouraging borrowing for non-essential purposes. Mere selective credit controls may not be found adequate for this purpose, in view of the fact that the Indian money market is not a highly integrated one. Since the State Bank of India is under the control of the Government, it should not be difficult to increase the interest rates on bank credit without using the Bank rate weapon. Most of the banks prefer to raise their lending rates of interest, but are afraid to do so, due to fear of the State Bank pinching their business. Higher interest rates on advances will, of course, mean an increase in those on deposits, but it is felt that this will not be without some positive gain to the country. It is well known that higher interest rates stimulate savings and will ultimately bring more deposits to banks.

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Although the Central and State budgets are a long way off, investors must be prepared for a few shocks much earlier. The A.-I.C.C. meeting at Calcutta on 10th and 11th November is expected to give final shape to the Congress manifesto for the forthcoming General Elections. It remains to be seen whether, at this meeting, a new twist will be given to the Avadi Resolution on the economic and social objectives of the Congress Party. Since the main opposition to the party in power is from the left, it will not be surprising if it tries to steal the opposition's thunder by moving to the left still further, at least on paper. No wonder the share markets have, once again, begun to wilt, after tending to recover last week.

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The reactionary trend displayed by Bombay Burmah shares this week, despite rumours that the Company's working during the past year has been excellent, is due to the uncertainty that surrounds the final outcome of the negotiations between the management of the Company and the Bombay Shareholders' Association on the question of compensation to be paid to the holders of the Founder shares for surrendering their special rights. The uncertainty is due to the difference of opinion between the Association and the Company on the amount of compensation, as also on other issues connected therewith.

Under an agreement between the late Mr. William Wallace, the founder of the Bombay Burmah Trading Corporation, and the Corporation, entered into in the year 1864, the Founder shares are entitled to an extra or preferential dividend equal

(*Continued on page 843*)

EQUITIES RECEDE

SELLING PRESSURE IN TEXTILES

(From Our Own Correspondent)

BOMBAY, *25th October*

THE steady tone which prevailed in the share market during last week, with a moderate recovery in equity values, proved to be short-lived. For the week under review witnessed once again a retreat in equity values, under the lead of textile shares. Though the closing rates were well above the lowest levels, the net losses over the week more than wiped out the gains recorded in the previous week. The recession was due to lack of support coupled with liquidation, induced by fears about the outlook for cloth trade in the absence of any further relief in excise duty. The stringency in the short-term money market, recurrent rumours about the possibility of interest rates being raised, and the forthcoming offer of some attractive industrial issues restrained operators from lending support.

In the steel section, Tata Ordinaries slumped from Rs. 194-4 to Rs. 190, at which level some support was in evidence and the scrips recovered to Rs. 192-4. The gain was partly wiped out on profit-taking and the shares closed at Rs. 191-4. Indian Irons hardened early in the week from Rs. 34-6 to Rs. 34-11 before receding to Rs. 34-0½ on Tuesday this week. Subsequently, they moved between Rs. 34-2 and Rs. 34-8½ and finished at Rs. 34-5.

As already indicated, textiles provided the cynosure of attention of the bears. Bombay Dyeings were hammered down from Rs. 632-8 to Rs. 615-10, but they partly recovered to close at Rs. 621-4. Centurys were pushed down from Rs. 553-8 to Rs. 540, before being lifted up to Rs. 544 at the close. Kohinoors gave way from Rs. 352 to Rs. 343. Bradburys lost Rs. 3-12 to Rs. 201-4, Central Indias Rs. 5 to Rs. 145, Finlays Rs. 3 to Rs. 340 and Gokaks Rs. 2-4 to Rs. 238. Indu Ordinaries shed As. 2 to Rs. 11-15, Indore Malwas Rs. 2-8 to Rs. 155-4 and Khataus Rs. 5-10 to Rs. 245. A drop of Rs. 5 to Rs. 110 was noted in Mysore Spinnings. New Greats, however, held ground at Rs. 231. Shree Niwas Cottons were done Rs. 2-8 lower at Rs. 212-8 and Simplex changed hands Rs. 3 lower at Rs. 199. Standards moved down by Rs. 8-2 to Rs. 466-14, Svadeshis by Rs. 3-4 to Rs. 248-4 and Tata Mills by Re. 1-4 to Rs. 54-4.

Minor variations were noted in the electricity section. Ahmedabad Electrics were down over the week by As. 10 at Rs. 93-12, whereas Bombay Suburbans gathered As. 15 to Rs. 110-15. Surat Electrics shed As. 10 to Rs. 119-6. Tata Hydros were done at the close at Rs. 127-8 *ex-div.*, as against Rs. 130 *cum-div.* a week ago, Tata Powers at Rs. 1,265 *ex-div.*, as against Rs. 1,312-8 *cum-div.* and Andhra Valleys at Rs. 1,200 *ex-div.*, as against Rs. 1,238-12 *cum-div.*

In the miscellaneous section, sugar shares were featureless. Belapurs closed a rupee higher at Rs. 251-8, after being taken down to Rs. 248-8. Phaltans changed hands Rs. 2 lower at Rs. 159-12 and Walchandnagars Re. 1-4 down at Rs. 275. Bhopal Sugars were unchanged at Rs. 17-12. Narrow movements characterised transactions in cement shares. Associated Cements dipped from Rs. 194-4 to Rs. 192 before being restored to Rs. 194-4. Digvijays shed As. 12 over the week to Rs. 193-4. Orissas were dull at Rs. 13-2 and Dalmias at Rs. 14-15.

In the shipping and transport section, Scindias retreated from Rs. 18-13½ to Rs. 18-7 before regaining to Rs. 18-12. Great Easterns were dull at Rs. 22-1. Premier Automobiles, which were admitted to the forward list this week, recorded a rise of Rs. 5-4 to Rs. 108-8. Hindustan Motors were steady at Rs. 9-7.

Among the engineering and mining shares, Alcocks were brought down by Rs. 8-2 to Rs. 330. Tata Locomotives receded from Rs. 168 to Rs. 165-12. Larsen and Toubros were steady at Rs. 18-10. Shivrajpurs were well maintained at Rs. 86. Indian Coppers were done at Rs 4-4½ *ex-right*, as against Rs. 6-14 *cum-right* last week.

In the miscellaneous group, Bombay Burmahs (Old) gave way from Rs. 739-6 to Rs. 728-12 and their new shares dropped Rs. 4-6 to Rs. 270 National Rayons fell from Rs. 260 to Rs. 254-12. Killick Industries were, however, better by a rupee at Rs. 173. British India Corporations were steady at Rs. 11-3. Tata Chemicals shed As. 5 to Rs. 20, while Tata Oils were a fraction better at Rs. 52-12. Wimcos gathered Re. 1-14 to Rs. 176-14. Hind Cycles were a shade higher at Rs. 160-10.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *24th October*

After remaining closed from the 10th to 21st inst., on account of the *Pooja* holidays, the Calcutta Stock Exchange reopened on Monday last to record lethargic and uninteresting conditions. Lack of inquiries, disappointment over Government's reluctance to permit a higher dividend for the shareholders of the I.I.S.Co., Ltd., and dull reports from the commodity markets conspired to cool down the sentiment of buyers. The decline in the prices of jute goods, the labour problems caused to certain mills following the introduction of automatic looms, and the higher price-trend for raw jute made the jute section the quietest corner in the market.

Reports of growing Russian and Chinese competition in the textile markets in Singapore and Aden, where imports of cotton piecegoods from India are usually the largest from any single country, made even the appearance of textile scrips difficult. Exports of cotton piecegoods and cloth have been falling in recent months, and the recent addition to export duty is naturally putting down indigenous consumption, despite the improved standard of living. Miscellaneous industrials followed the general trend, while, in engineerings, tired bulls used the opportunity to indulge in profit-taking by liquidating holdings. In contrast, tea shares were in better form, following the emergence of strong demand in the Calcutta auctions held on Monday and the announcement of the 1956 crop regulation scheme which aims at reducing the crop by 25 million lbs.

The ending of the strike in the coalfields in the Raneegunj belt should have normally improved sentiment and invited more buying, but the general wave of dullness and depression was very strong and coals were caught in it. Burrakurs were quoted at Rs. 15-12 with Central Indias dropping to Rs. 7-4 from Rs. 7-7 but closing at Rs. 7-8.

In the engineering section, Indian Irons were marked lower at Rs. 33-13 after having opened at Rs. 34-2. From the previous closing rate of Rs. 39-1 Jessop & Cos. gave way to Rs. 37-12. Richardson and Cruddas were done to Rs. 26-15, as against the rate of Rs. 28-3 prevailing on the eve of the holidays. Texmacos were driven to quietness at Rs. 22-11. Hooghly Dockings met with business at Rs. 139 with Braithwaite & Cos. remaining firm at Rs. 29-6.

Tea shares were steady. Moheemas hardened by As. 4 to Rs. 24-10. Banarhats advanced by Rs. 3 to Rs. 336. Jutlibaris rose to Rs. 26-14 from Rs. 26-10. Dhelakats were fractionally higher at Rs. 23-9.

Many miscellaneous industrials reflected the general trend and lost ground. But there were exceptions too. Thus, while Aluminium Corporations were lower at Rs. 11-8, National Carbons were firm at Rs. 30 before finishing lower at Rs. 29-12. National Rollings came down further by a few annas to Rs. 10-11, as the lockout in a section of the mills was continuing with no prospect of an early resumption of work. F. & C. Oslers were quiet at Rs. 11-10. India Steamships moved down from Rs. 10-5 to Rs. 10-1.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *23rd October*

The Madras Stock Exchange put on a somewhat lively appearance during the week under review, in contrast to the depressed tone depicted in the past three weeks. There was a general recovery in equity values. The recovery was due mostly to large-scale covering by shorts. Some revival of buying was also in evidence, albeit in a few selected scrips. Real investment support was, however, still lacking.

In the planting section, coffee shares ruled firm. Rajendras were in the limelight, their quotation advancing by As. 8 to Rs. 12-8. Cochin Malabars gained an anna to Rs. 11-9. Kadurs were fully maintained at Rs. 3, as also Mysores at Rs. 3-3-6. Rubber shares elicited good attention of operators and registered an improvement in prices. Travancore Rubbers and Vaikundams rallied As. 4 each to Rs. 26 and Rs. 34-12, respectively. Rajagiris rose by a like amount to Rs. 25-12. Kailas picked up As. 2-6 to Rs. 6-5-6. Chandramalais increased by As. 2 to Rs. 5-9 *cum-div.* Be Bes were steady at Rs. 5-5 *cum-div.* The declaration of a higher dividend of 9 per cent. for the year ended 31st March 1956, as against 7½ per cent. for the previous year, announced by the Directors of the Be Be Rubber Estates Ltd. did not have any effect on the value of shares. Pullangodes were unchanged at Rs. 4-4-6 *cum-right*. The Pullangode Rubber and Produce Co., Ltd., has obtained permission from the Controller of Capital Issues for the issue of rights ordinary shares at par in the proportion of one share for every two shares held. Among tea shares, Devons strengthened by As. 4 to Rs. 26-4 *cum-right*. Coorg Teas and Kalasas gathered As. 2 each to Rs. 12-8 and Rs. 15-8, respectively. Mlamallays, however, were subjected to continue pressure of sale and climbed down by Rs. 5-4 to Rs. 49-12. Kalpettas failed to evoke support and dropped As. 6 to Rs. 32. Midlands receded by As. 4 to Rs. 19-14. Lucky Valleys shed a like sum to Rs. 13-14.

Among textiles, Metturs came in for enquiries and moved up by Rs. 4-8 to Rs. 452. Janardhanas and Ranga Vilas finished each Rs. 3 higher, the former at Rs. 102 and the latter at Rs. 87. Coimbatore Spinnings put on Rs. 2 to Rs. 90. Loyals gained As. 8 to Rs. 53. Radha Krishnas, on the other hand, were on offer Rs. 5 lower at Rs. 370. Bangalore Woollens receded by Rs. 2-8 to Rs. 563-12. Buckinghams eased by As. 8 to Rs. 196-8.

Among miscellaneous industrials, Textools evoked enlarged buying demand and spurted by Rs. 7 to Rs. 250 *cum-div.* Nundydroogs moved up by As. 12 to Rs. 11-8. Champion Reefs advanced by As. 9 to Rs. 8-1. Mysore Golds gathered an anna and a half to Rs. 2-7-6. Aluminium Industries rose by As. 6 to Rs. 20-6. Dalmia Cements strengthened by As. 4 to Rs. 15-6. Mysore Chemical Fertilisers gained As. 2 to Rs. 8-10.

CONSERVATIVES IN CONFERENCE

From Our Own Correspondent

LONDON, *22nd October*

THE true Conservatism of today is not the diehardism of the political cartoonists but the pragmatism that judges the broad tide of popular opinion, and is prepared to accept and consolidate the revolutionary ideas of yesterday. It is never in the vanguard when there is a flush of new hopes, new ideals, a surge towards a new way of living. But it takes over when the apostles of change have been thrown into confusion by unexpected difficulties; when uncertainty has replaced aspiration. Thus, it has a useful role to play in giving more progressive forces time to review their policy, adjust their values and draw fresh inspiration for another forward movement. On the other hand, Conservatism is no longer a self-contained philosophy of Government—a policy of conducting affairs firmly according to its own defined principles.

LONDON LETTER

All this has been reaffirmed at last week's annual Conference of the Conservative Party. The twentieth century Liberalism in economic affairs—the twentieth century Conservatism of the right wing Tories which has its own merits as opposed to the philosophy of public control in the fields of industry and commerce—is too strong for the party's leaders. They are only prepared to "dash for freedom" by knocking off direct physical controls, ignoring the fact that the fiscal chains they impose are just as cramping to enterprise. What is the good of a policy of individual and private enterprise when the *entrepreneur* is prevented from raising capital and taxed to the hilt on any profits he may earn to ensure that he cannot even create his own capital?

Capital formation in the United Kingdom today has become largely a matter of chance gains. Only very large enterprises can have large enough accumulations put to reserve after taxation to finance substantial development. That is why the rumble of discontent is heard on the wings of the Party: but it is noise without power. As the economic debate at the Conference showed, the Party is prepared to accept the Chancellor's policy of squeeze and consolidation which can do nothing but keep the way open for his opponents' return to power. Provided he can keep his head above the waters of international insolvency, Mr. Macmillan is content—but he can show no hope of raising himself bodily above them. It is, of course, interesting and instructive to note the motions debated at the Conference—that the Government should implement more forcibly its election pledges (towards complete economic freedom); should pursue a "realistic economic policy" and should make heavy reductions in taxation (big economies in Government spending and deflation to bring down the level of wages). But these were simply the rumbles on the right wing and the Government's spokesmen showed clearly that they could not be regarded.

Rent Control

Only on one score is the Government prepared to be brave—it says it will decontrol rents and allow new levels to be established. Some such policy is long overdue—the control levels no longer pay for the costs of upkeep of dwellings and landlords have even been known to abandon properties which were only liabilities. Thus, new slums are being currently created where repairs and rebuilding should be encouraged. Of course, the Opposition will make party capital out of any move to free rents and represent it as an imposition on wage earners. On the other hand, it remains to be seen whether the Government will follow the logic of its own arguments and introduce sufficient freedom really to encourage the proper repair to and improvements of property or whether by introducing half measures they will merely increase profit rentals without encouraging improvements and thus maximise opposition.

When one turns to such philosophy as could be distilled from the Chancellor of the Exchequer's speech, one is struck by the absence of any appreciation of the need to provide real incentives and rewards for achievement. Of course, such incentives and rewards are directed at the middle classes and those who aspire to enter them, and, in a country whose working classes have as their main aspiration to become middle classes, this would seem to be an elementary political mistake. It is no use Mr. Macmillan calling for more enterprise, increased production and so forth, unless he is prepared to allow substantial rewards to those who follow his call; and, after his speech, the jibe could still hold good that his party is either the friend of entrenched capital, on the one hand, and can only offer doles and state paternalism, on the other.

Certainly, the Conference has not improved Mr. Macmillan's chances of becoming the Prime Minister's potential successor; in fact, the Chancellor has a greater following for his right wing stand on Suez than he has for his handling of fiscal affairs. Mr. Butler's failures as Chancellor are, on the other hand, by way of being forgotten and he has a large following in his "centre" policy. At present, the two factions within the Party are evenly balanced, the adherents of one have no time at all for the other and Sir Anthony Eden, though loved by few, continues to reign supreme and be cheered by all.—*All Rights Reserved.*

NEWS IN BRIEF

NEARLY 160 co-operative societies of Ahmedabad's 125,000 textile workers have decided to form a federation of co-operative societies to supervise and guide all types of co-operative endeavour among the textile workers of the district.

According to a press note issued by the Joint Chief Controller of Exports, the export of linseed oil and cottonseed oil will continue to be licensed freely up to the end of December 1956 to all permissible destinations, excluding Portuguese Possessions in India.

Sir Raymond Streat, Chairman of the British Cotton Board, has announced that a delegation from Lancashire would visit India at the end of next month to discuss the question of British imports of Indian cotton textiles. The decision followed talks in London between a number of Lancashire cotton experts and Indian manufacturers.

During the period April to July 1956, India exported 642,200 pairs of leather shoes and boots, as compared with 586,019 pairs in the same period of last year. The total number of all kinds of boots and shoes exported, including those made from rubber, aggregated 1.5 million pairs, as against 1.1 million pairs in the corresponding period of last year. The exports went mostly to Aden, Bahrein Islands, Ceylon, and Saudi Arabia.

The Indian Council of Agricultural Research has decided to award prizes to those individuals or firms who are able to effect considerable improvements in the existing designs or evolve new ones in respect of 15 agricultural implements which are at present in use. The aim is to promote healthy rivalry among designers and research workers in evolving improved agricultural implements.

The Government of India has decided to extend the medical care provided under the Employees State Insurance Scheme to families of insured persons. The decision will be implemented as early as possible in the next financial year. About 30 lakhs of persons are likely to be benefited by this extension. The scheme now covers over 10 lakhs of employees in 39 centres in the country. It will ultimately cover over 90 lakhs, including families, when implemented all over India.

The Entomology and Animal Pests Committee of the Indian Council of Agricultural Research which concluded a two-day session in New Delhi recently has recommended a scheme to investigate the rate of decomposition of deposits of some common insecticides such as nicotine, D.D.T. and Gamahexane on their exposure to light and air at different temperatures. The investigation is expected to throw some light on the nature of residual effects of these insecticides.

The Hindustan Cable Factory at Rupnarayanpur in West Bengal, owned by the Government of India, is being expanded to enable the factory to take up the manufacture of co-axial telephone cables required for trunk lines. The factory, which went into production in September 1954, is the only unit manufacturing telephone cables in India. When in full production, the factory will manufacture 300 miles of co-axial trunk cables which will enable the Posts and Telegraphs Department to link the major cities of India by an underground telephone cable network.

The Government of India is understood to have approved of a number of industrial schemes for the manufacture of machinery and engineering goods. A new factory is being established in Bihar for the manufacture of under-frames for railway coaches and a firm in Madras is to be allowed to manufacture electric passenger, goods and service lifts. A Bombay firm is to be allowed to manufacture 9,000 tons of cast iron spun pipes per year. A Calcutta firm will be allowed to manufacture structurals with a capacity of 6,000 tons per year. Another engineering firm in Bombay will be permitted to produce steel forgings with a capacity of about 180 tons annually.

Mr. Yuji Kato, a member of the Japanese industrial machinery mission which recently visited India, has observed that the Government of India had proposed the conclusion of a long-term contract with Japanese steel mills. The Government, according to him, has expressed its readiness to export 1.5 million tons of iron ore to Japan in 1957, two million tons in 1958 and 2.5 million tons in 1959 and 3 million tons annually from 1960. He also said that officials of the Ministry of Commerce and Foreign Trade Corporation are expected to visit Japan to hold a series of talks for concluding the contract.

The establishment of a Rs. 5.5 crores plant for the manufacture of 30,000 tons of newsprint annually from bagasse is under the consideration of the National Industrial Development Corporation. A German firm, which was directed to submit a project report for the proposed factory, has recommended the location of the plant near a large sugar mill in South India. The report of an Italian firm on the subject is also awaited. The plant, it is expected, would consume about 50,000 tons of bagasse annually. It has been estimated that the newsprint produced in the factory would cost Rs. 600 per ton ex-factory, as compared with the Rs. 870 per ton at ports for the imported newsprint.

The delegation of the Silk and Rayon Textiles Export Promotion Council, which is on a tour of Afghanistan, Iran, Iraq, Kuwait and Bahrein, reached Afghanistan last week. The delegation held a number of meetings with the Afghan Chamber of Commerce, the Pushtony Tejarty Bank and the Central Co-operative Depot. Samples of Indian silks and rayons were also on display. These samples elicited much appreciation from local merchants. The delegation endeavoured to acquaint the Afghan importer with the benefit of trading with India, as well as the progress Indian industries had made. The delegation has now proceeded to Teheran.

Several important questions concerning promotion of trade in the Asian region will be discussed at the next meeting of the Trade Promotion Committee of the Economic Commission for Asia and the Far-East to be held in Tokyo from 29th October to 5th November, 1956. India will be represented at the Committee by Mr. Amolak Chand, Member of Parliament, Mr. B. K. Kochar, Deputy Secretary, Ministry of Commerce and Consumer Industries and Mr. D. Hejmadi, First Secretary (Commercial) in the Indian embassy in Tokyo. The Committee will discuss inter-regional trade consultations, development of inter-regional and intra-regional trade, facilities for trade with land-locked countries and arbitration and shipping difficulties. India has taken deep interest in these questions at the previous meetings of the Committee as well as the meetings of the Commission itself. The Committee will present a report to the main E.C.A.F.E. Committee on Industry and Trade. Mr. B. K. Kochar has also been asked to explore, while in Japan, in consultation with Japanese commercial and industrial interests the possibility of developing Indo-Japanese trade, based on export of ores, salt, and tobacco from India, and import of steel, cement and textile machinery from Japan.

* * * *

From Abroad

Nearly 75 per cent. of Japan's shipyard workers went on an indefinite strike on the 17th inst. The workers' demand is for an increase in wages of 2,000 yen ($5) a month, while employers have offered only 500 yen.

According to Mr. Wijayesinghe, Parliamentary Secretary to the Finance Ministry of Ceylon, a scheme for the nationalisation of life insurance in the country will be submitted to the Cabinet for consideration shortly. There are about 60 insurance companies in Ceylon, most of which are foreign-owned.

The Council of the International Chamber of Commerce has passed resolutions expressing deep concern over the nationalisation of the Suez Canal Company. It feels that this development would greatly impede the growth of underdeveloped countries. In another resolution, the Council deplored commercial boycott based on racial or religious grounds.

As part of its drive against noise, the municipal authorities of Paris, where motor hooters have long been stilled, have prohibited the use of a whistle to call taxis from hotel steps. In future, the hotel attendant will not blow a whistle, but will hold a painted disc bearing the word "taxi" at the end of a stick, to attract the attention of passing taxi-drivers.

For the first time this year, 525 talented youngsters from all over the United States are attending college, with the help of the largest privately-financed scholarship programme in the history of American education. They are winners of $3,160,000 in college scholarships offered by the National Merit Scholarship Corporation after a nation-wide search for talent.

The proposed Swedish Atomic Insurance Pool was formed in Stockholm at a recent meeting of Sweden's leading insurance companies. The activities of the Pool will include insurance and re-insurance both in Sweden and abroad of plants for producing atomic energy in all its different stages. Mr. G. Kalderen, of the Skandia Insurance Company, was elected President of the Pool.

An Air Navigation Conference, dealing with such problems as airworthiness and operation of aircraft, is now being held at the headquarters of the International Civil Aviation Organisation at Montreal, Canada. The Conference, which is attended by technical experts, representing more than 20 nations and international organisations is the third to be held by the I.C.A.O. The Conference is expected to last four to five weeks.

The Committee for Economic Development of the U.S., a private non-political group, has advocated a continuing policy of gradual and selective tariff reductions. According to it, such a policy will not only broaden and increase world trade but is in the national interest of the United States. The Committee, headed by Mr. J. D. Zellerbach, has submitted its findings to Congress through a House Sub-committee on Customs, Tariffs and Reciprocal Trade Agreements.

According to Mr. Dag Hammarskjoeld, U.N. General Secretary, in 1956, 76 governments contributed $29.9 million to the U.N. technical assistance programme and 73 countries and territories received technical aid. For 1957, the United States has pledged a higher amount of $15.5 million. India will increase its contribution from $450,000 in 1956 to $500,000 in 1957. Argentina will also increase its contribution for 1957 by more than three times, to $360,000.

The Norwegian Government will ask Parliament for approval to increase the sale of tickets in the State Lottery from the present £3,500,000 maximum to a maximum of £5,000,000 a year. The lottery is held monthly, and, with the present maximum, tickets are sold out almost immediately. Of the lottery income, 64 per cent. is distributed in prizes, 5 per cent. is used to cover expenses, and the remainder goes into the State Exchequer. This year, the Exchequer will receive about £1,000,000 from the lottery.

Three American firms are pooling their resources to develop an atomic-powered locomotive. Two of the firms, the locomotive manufacturing Baldwin-Lima-Hamilton Corporation and the Denver and Rio Grande Western Railroad, have contracted with Walter Kidde Nuclear Laboratories for a technical study of the possible development of a radically different type of mobile nuclear reactor. This is claimed to be the first industry-sponsored and financed research project undertaken in this field. Another step forward in the atoms for peace programme is that the Kidde concern has been called in on the project to check conclusions and computations of the other two firms' engineers who started the study in 1955. A report by the Department of Physics of the University of Utah in 1954 has declared that an atomic locomotive would be technically feasible.

PERSONAL

DR. S. Bhagwantham, a well-known physicist and Vice-Chancellor of the Osmania University, has been appointed Director of the Indian Institute of Science at Bangalore.

Dr. N. V. Rajkumar has been appointed Commissioner for the Government of India in the British West Indies including British Guiana. He will have the rank of a Counsellor and will assume charge of his new post in December.

Mr. B. B. Ghosh, Joint Secretary in the Defence Ministry, took over as Secretary of the newly-created Food Ministry on Friday last. Mr. P. N. Thapar who had been Secretary of the combined Ministry of Food and Agriculture, assumed charge as Secretary of the Ministry of Agriculture.

Dr. D. Bannerjee, Chairman of the Indian Standards Institute, Rubber Division, returned to Bombay from Rome on last Friday. He visited Czechoslovakia and West Germany to obtain machinery for rubber manufacture and to explore the possibility of obtaining technical assistance from those countries.

Mr. B. R. Sen, Ambassador of India in Japan, who was recently elected Director-General of the Food and Agriculture Organisation, is scheduled to leave Japan on 30th October. After a short sojourn in India, he is expected to take up his new assignment towards the end of November. He is the first Asian to become the head of a permanent body of the United Nations.

Mr. Warren Lee Pierson, Chairman of the Board of Trans World Airlines, has been awarded the Commander's Cross of the Order of Merit of the Federal Republic of Germany in recognition of his services to civil aviation in Germany. Mr. Pierson, who has served as T.W.A. Board Chairman since 1947, has represented the United States in important matters of international finance and world trade over a period of twenty years.

Dr. Lewis Webster Jones, an outstanding economist and President of Rutgers University, will shortly visit South Asia to study the operation of the U.S. Mutual Security Programme. He is one among the six other prominent private citizens named by the Senate Foreign Relations Committee to obtain the most objective and non-partisan analysis of the Mutual Security Programme as it functions in different areas abroad. Author of several books and a contributor to the *Encyclopædia of Social Science*, Dr. Jones served as a member of the President's Commission on Higher Education from 1946 to 1948.

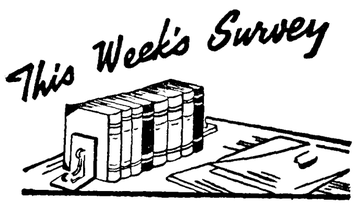
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *31st October*

Trade Revival

Encouraging signs have been evident in Great Britain of a speedy trade revival since the suspension of the Gold Standard, and confidence is steadily growing owing to the determination of the politicians to save the financial position of the country. As a result, Yorkshire textile firms have reaped orders totalling millions of pounds since the gold exchange was abandoned. Four cotton mills have reopened in Lancashire and others are expected to reopen in the near future. This noticeable improvement is not confined to any one section of the trade. Spinners and manufacturers alike are sharing in the benefit, while medium worsted and heavy woollens are also better placed than for a long time. The result is that in many places mills which have only been running a few days a week are now going "all out" and calling for more workers from the ranks of the unemployed. Numerous collieries in South Wales are reopening or extending their working time to cope with orders. Furniture and paper traders are busily booking orders, not only from England but also abroad. In each case thousands of workers are being drawn from the ranks of the unemployed, and manufacturers are rubbing their hands with the knowledge that they are now able to compete against foreign producers on better terms than they have known for many years.



TRANSPORT NEEDS

THE recent visit of the Union Minister for Railways, Mr. Lal Bahadur Shastri, to South India must have obviously convinced him of both the keen demand and the general enthusiasm of the people for transport. Indeed, transport is the one aspect of India's national economy which does not admit of any ideological controversy. Whichever agency is able to meet the transport needs of the country best—whether it is the private sector or the Government—must be given priority and all assistance. If, in the international sphere, the great powers can agree that the Suez Canal issue should be insulated from the politics of any country—one of the six principles accepted by the U.N.'s Security Council—there is no reason why a non-political, non-ideological approach should not be attempted in India towards transport. A gratifying feature of the recent trends in the Union Government's transport policy is that the authorities are willing to see the peculiar appropriateness of such an approach. They are alive to the need for an integrated development of all means of transport, especially the development of road transport and shipping. Further, they have shown some anxiety to promote private road transport —a belated and half-hearted recognition, it is true, but recognition nevertheless.

Mr. Shastri, who went to South India to open the first phase (37-mile-long Ernakuulam Kottayam section) of the Rs. 6 crores 96-mile-long Ernakulam-Quilon section, has by now realised how greatly the people value transport and, incidentally, how disappointed they feel when transport demands remain unfulfilled. He had constantly to remind the people that the railways were alive to the importance of forging new links such as Trichur-Kollengode, Tellicherry-Mysore, Tirunelveli-Cape Camorin, Ernakulam-Bodinayakanur and Ernakulam-Punalur lines. Some of these lines, he said, were being surveyed, in order to determine the traffic capacity in the sections. Obviously, these links, like those contemplated for other parts of the country, cannot be established overnight. But it is heartening to note that preliminary surveys are being conducted, with a view to determining the scope for immediate development.

The fundamental issue in the sphere of transport, as Mr. Eugene Black, the World Bank President, has emphasised, in his recent letter to the Union Finance Minister, is one of improving the operational efficiency of the railways and of encouraging road transport and shipping. The railway authorities have already taken steps to improve the operational efficiency of wagons. In this connection, Mr. Shastri quoted certain figures which make encouraging reading. He said that the wagon-miles per wagon-day in India were 43.3, as against 43.8 in the U.S., 42.8 in Canadian National, 41.6 in Canadian Pacific and 63.1 in Japan. The relatively high level of wagon performance in Japan, it is stated, is due to the fact that the railway system is more adequately electrified than in India and there is a round-the-clock system of work in Japan. Mr. Shastri revealed that the authorities were trying to adapt the Japanese railway practices to Indian conditions.

The overall transport picture, however, continues to have its dark spots, as indicated by transport shortages. This is primarily due to the demand for transport increasing beyond what can be met by improved railway efficiency alone. During the period of the First Five-year Plan, the goods traffic carried by the railways increased by 26 per cent. as compared with the 1950-51 level of 91.4 million tons. An additional traffic of about 75 million tons is expected to become available by the end of the Second Plan, of which the railways (according to present estimate) will be able to carry only 47 million tons. Clearly, there is a wide gap between the demand for railway transport and its ability to meet it. One way of bridging the gap is to make additional funds available to the railways which have now been allotted Rs. 1,125 crores in the Second Plan. so as to enable them to augment their equipment. But increased allotment is by no means easy to arrange in the present state of the country's finances, apart from the question whether the railways will be able to overcome the technical handicaps inseparable from a plan for augmenting railway services.

A better method would certainly be to supplement the efforts that are being made to increase railway capacity and improve railway efficiency by encouragement to road transport and shipping. Speaking at Madurai at a meeting of the Madurai-Ramnad Chamber of Commerce, Mr. Shastri pointed out that the Motor Vehicles Act was being amended, with a view to giving encouragement to private road transport. He also urged the merchants to patronise road and shipping services to an increasingly larger extent, even if it meant paying a little more by way of freight charges. The Bill to amend the Motor Vehicles Act, which is now in the Select Committee stage, certainly goes some way towards making private road transport a more attractive proposition to the existing and prospective operators. Even so, its provisions will have to be liberalised further, if private road transport has to come into its own. In any case, the State Government's policy towards road transport must undergo a radical change. If the ideological approach, namely, nationalisation of both passenger and freight services, cannot be completely abandoned, though we do not see why it should not be, at least the period of immunity from nationalisation for goods transport now generally taken to cover the period of the Second Plan, deserves to be extended, considering that the life of a motor vehicle is about seven to eight years. Further, a similar immunity should be given to road passenger transport also, wherever it is now being operated by the private sector.

Mr. Shastri revealed that, in order to augment the income of the railways for purposes of meeting the expenditure on expansion of services, the authorities would in the course of the next five or six months announce an increase in freight rates. It should be clear that such an increase would improve the competitive attractiveness of road transport. It would be a pity if motor vehicle operators were prevented from utilising this opportunity by the presence of other handicaps such as inadequate period of immunity from nationalisation and high taxation. Finally, the precise impact of the Government's decision in favour of an increase in freight rates will be known only when the quantum of increase is known. Meanwhile, even those observers who concede the need for such an upward revision in freight rates in the interest of railway development will not fail to notice how reluctant the Government is to apply a similar yardstick in judging the claims of electricity and other public utility undertakings in the private sector, let alone industrial enterprises, for a better remuneration for their services.

POWER SUPPLY IN BOMBAY

The Bombay State, despite its vastly growing industrial needs, has been experiencing power shortage so frequently that every available opportunity is being availed of by *entrepreneurs* in this field to impress upon the authorities the need for augmenting the generating capacity. Though the immediate prospects are promising —the efforts of the Tata hydro group of companies in meeting the power supply requirements are particularly noteworthy—the possibility of a power shortage being felt in 1959-60, unless something is done quickly to raise the generating capacity, was reiterated by Mr. J. R. D. Tata, Chairman of the Tata Hydro-electric Companies, at the annual general meeting of the Companies held this week.

As part of their contribution to meet the growing demand for power, the three companies raised during the past year the hydro-power generation to record levels, thanks to good monsoon, with the result that they were able to return in kind the energy purchased from the railways earlier. Their purchases of thermal energy from the Bombay Electricity Board's plant at Chola were also less than originally anticipated. As regards immediate prospects, Mr. Tata said, the first thermal set at Trombay will be put into commercial operation before the end of 1956. Every effort is being made to bring the second set also into operation by about April next. The construction of the new receiving station at Carnac Road is progressing satisfactorily and no effort is being spared in bringing into commission a part of the receiving station by December 1956. This will enable the southern part of the city to be better served by electricity.

The combined hydro and thermal resources of the Tatas, together with those of the Bombay Electricity Board and Railway plants at Chola, according to Mr. Tata, should be more than adequate to meet all the demands in the areas served by them during 1957-58. The demand, however, continues to rise with the establishment of new industries and with increased domestic consumption. Consequently, the generating capacity at Trombay will soon be fully utilised. The first phase of the Koyna project is expected to commence operation from October 1960. Even so, the supply is not expected to be sufficient to meet the demand. Mr. Tata assessed that a shortage of power would be felt again during 1959-60, unless something was done quickly to augment the generating capacity of the combined system.

During the last one year, Tatas themselves have been examining what further expansion they can undertake. Two projects have been investigated in this connection, one for hydro expansion at Bhira and the other for thermal expansion by the addition of a third set at Trombay. With the approval of the Bombay Electricity Board. they have finally decided to proceed with the Trombay expansion. The main advantage of this project over the Bhira project is that it will enable Tatas to produce almost double the quantity of energy that will be obtainable from the other scheme. The additional supply available from Trombay will thus more than adequately meet the anticipated shortage. Although the generating costs of thermal energy will be higher, this will be more than outweighed by this advantage of meeting the anticipated shortage.

The capital cost of this project is estimated at about Rs. 6 crores, a sum beyond the Companies' resources, unless they are able to get outside financial assistance. They have, therefore, requested the Government of India to sponsor an application which they propose to make to the World Bank for a loan and they are hopeful that the Government will agree to do so. On the assumption they will get the Government support and a loan from the World Bank, Tatas are, in order to save time, proceeding with engineering studies, selection of equipment and other preliminaries. If everything goes well and there is no undue delay, the third set at Trombay is expected to be brought into operation by the end of 1959, if not earlier. The exact amount for which loan is to be sought from the World Bank is not known, but, according to Mr. Tata, it will form a large proportion of the funds required for the project. The balance is to be sought from other sources to meet the rupee expenditure. There cannot be any difficulty in Tatas getting a loan from the World Bank, particularly because the Bank is interested in giving every encouragement to private enterprise, provided the support of the Government is forthcoming. It is to be hoped that the latter will readily endorse Tatas' application for the necessary funds from the Bank.

BONUS FOR MILL LABOUR

For the third year in succession, the dispute over the question of bonus to the 50,000 workers of the 44 cotton mills of Coimbatore, Salem and Palani (for the year 1955-56) has been settled through arbitration. The Arbitration Board, appointed by the Government of Madras with Mr. S. Ganapathai Pillai, District and Sessions Judge, Coimbatore, as Chairman and consisting of the representatives of mill managements and workers, announced its award on Saturday last week. The award was a majority one, the Chairman and the three representatives of labour constituting the majority; the three employer-members dissented totally.

An analysis of the contents of the award reveals that the award errs too much on the liberal side. In fact, it is so liberal that it is to be feared the interests of shareholders have been completely overlooked. The ceiling of six months' wages as bonus granted to about 23 000 workers of 21 mills, for instance, is excessive from Indian standards, past or present, and the increase in the quantum of bonus awarded to workers of other mills is also high. Thus, seven mills are required to pay bonus for five months covering 9.300 workers, four mills for four months, two mills for 3½ months, two mills for three months, three mills for 2½ months and two mills for two months. The two mills which have shown losses are, however, not required to pay any bonus.

Besides fixing the bonus at a high level, the award stipulates that, in determining the basic earnings for purposes of calculation of bonus, all allowances—excepting dearness allowance—such as night, production and maternity allowances, basic wages for the period of statutory leave with pay, and compensation on basic wages paid for involuntary unemployment, should be included. What is worse, the award is made applicable to all mill staff, including jobbers. and even the workers who have worked only for three months during 1955-56. And the workers are entitled to bonus whether they are now in service or not. Further, the mills have not been given sufficient time to make arrangements for the disbursal of bonus. The whole of the bonus amount—estimated at more than Rs. 60 lakhs—will have to be paid in one instalment on or before the 27th inst., except in the case of two mills where 50 per cent. of the total bonus is to be paid before the scheduled date and the balance within one month.

DEVELOPMENT OF THE SAHARA

Among the world's arid regions, the Sahara is certainly the largest, the French Sahara alone being wider than the U.S. Although scientists have not given up the grandiose dreams of "irrigating" the Sahara, the more immediate prospect of development is the one that is offered by the many mineral deposits that lie beneath this vast expanse of desert land. Since both its certain as well as potential resources are encouraging in the extreme, it will be of interest to mention some of the more important among them. They are:

(1) The newly-found oilfields at Edjele near the Libyan frontier and those of Tiguentourine. According to a statement by the French Secretary of State for Industry, these are expected to yield about 4 million tons of oil per year as from 1959. Some French experts even consider these deposits to be as important as those of Saudi Arabia. (2) The deposit of natural gas at In Salah, in the Djebel Berga. (3) Important coal deposits, mainly in the region of Colomb-Bechar, estimated to contain 4,000 million tons. (4) The iron ore deposit of Tindouf on the Moroccan frontier, estimated to contain 2,000 million tons of ore with a 50 per cent. content. It is sufficient to meet the supply needs of the whole of Western Europe for several years. (5) The deposits of tungsten which might turn out to be the biggest in the world and important uranium deposits.

The exploitation of the above resources in the Sahara, however, will not be without difficulties in view of the rival claims made for this subterranean wealth by other neighbouring States. Thus, even though the French plans for exploitation have already made sufficient headway, it is becoming increasingly apparent that, for any progress to be made, the co-operation of Morocco and Tunisia are absolutely imperative. The former complains that a considerable part of its territory has been taken away by France and claims its return. A similar claim is likely to emanate from Algeria in the event of its achieving complete independence on the plea that major tracts of such territory form its hinterland.

In spite of these difficulties, a Bill has been introduced in the French Parliament which seeks to create a "Common Organisation of the Territories of the Sahara." At the moment, such territories comprise Algeria, French Sudan, French Nigeria and the Chad territory. The new Administration is designed to plan and chalk out programmes for exploitation in the main fields of fuel and power, mining, water supply, industry and agriculture and to create such other conditions as may be found necessary for the successful execution of the project.

ANTIMONY INDUSTRY

The question of protection to the antimony industry, which was continued by Government in 1954 to last till the end of December 1956, following the recommendations of the last Tariff Commission in July 1954, is once again before the Tariff Commission. As a result of the recommendation of the Commission's subsequent suggestion, a Bill has been introduced in the Lok Sabha to provide for an *ad hoc* continuance of protection till the end of the year 1957. The Commission's public enquiry into the question of continuance of protection after 31st December 1957 commenced last week under the chairmanship of Mr. K. R. Damle, Chairman of the Commission.

In the course of his address, Mr. Damle touched briefly on the progress made by the industry during the past few years. It would appear that the antimony industry—in which there is only one producer, namely, the Star Metal Refinery—has not fully discharged the obligations placed upon it by the Tariff Commission. In the first place, the industry was called upon to fix its selling prices on the basis of current landed cost of imported antimony. Secondly, it was asked to maintain a reserve stock of at least 75 tons of antimony metal. The Chairman indicated that they will have to investigate whether and, if so, how far, the industry has fulfilled these obligations, and, if it had not, whether it was due to exceptional circumstances. Mr. Damle stated that. since June and July 1955, when the stocks of the metal with the Refinery were 85.43 and 74.13 tons, respectively, the producer had never been able to maintain the reserve stock of 75 tons recommended by the Commission.

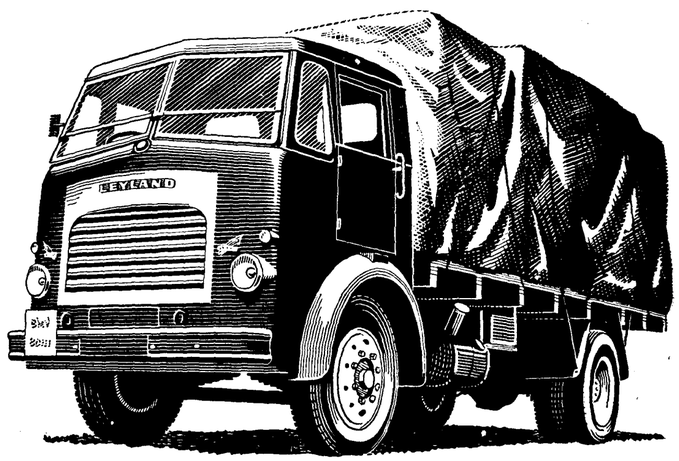
But what is of paramount importance in considering the issue, as was pointed out by Mr. Damle, is that the only unit of antimony industry in India is entirely dependent, on the one hand, on imports for the supply of its chief raw material, namely, antimony ore. and, on the other hand, on the Government for the offtake of a major proportion of its production. Despite the fact that other raw materials required by the industry, such as soda ash, iron scrap, steam coal and fluorspar are available without much difficulty, the industry's dependence on imported ore, as the Chairman said, makes it vulnerable to fluctuations in prices abroad. In these circumstances, Mr. Damle was right in urging that careful consideration should be given to the claim of the industry for the continuance of protection.

The performance of the industry during the past few years, however, reveals that it is gaining in strength. While the production of antimony metal in 1953 was only 130.18 tons, it was as much as 539.07 tons in 1954. 504 tons in 1955, and about 430 tons in January-September 1956. Thus, though there was slight decline in 1955, the production since 1954 has been much higher than in 1953. The demand for 1955, 1956 and 1957 had been estimated at about 550 tons by the Commission during its last enquiry. The gap between domestic production and demand has been met by imports which in 1954 and 1955 amounted to 50 tons a year, and, in the first three months of 1956. to about 15 tons. But the demand is expected to go up to 700 to 1,200 tons in the next few years, thanks to increased offtake anticipated from such quarters as ordnance factories, railways and other Government departments, and storage battery manufacturers. In assessing the industry's claim for protection, it is certainly necessary to determine how far it can meet the growing demand for its product.

BRITISH INDUSTRIAL MISSION

Owing to Britain's long political association with India and its intimate knowledge of economic conditions here, the United Kingdom is in a better position than other countries to assess industrial development prospects in India and provide the necessary technical assistance for rapid industrialisation. But its share in fostering economic development in India in the post-independence period has not come up to expectations. This is due partly to paucity of surplus capital resources in Britain and partly

(*Continued on page 843*)



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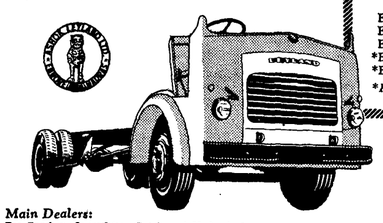
ECOS2. 4R	14ft. 8in.	24ft. 0in.
*ECPO2. 1R	16ft. 11in.	27ft. 0in.
*ECPO2. 2R	14ft. 8in.	24ft. 0in.

*Passenger models



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SEASON FOR VISITORS IS ON

THREE INDUSTRIAL MISSIONS TO EXAMINE INDIA'S NEEDS

By A Special Correspondent

NEW DELHI, 23*rd October*

DELHI LETTER

WITH the advent of the winter season, the capital is as usual crowded with a number of foreign visitors—technicians, dignitaries, trade and industrial missions, educationists and others, including tourists. The former British Prime Minister, Earl Attlee, will be arriving here this evening, accompanied by Countess Attlee. Earl Attlee is not new to New Delhi, as he had already been to this city about three years ago. Ever since his recent arrival in India, he has already visited Bombay, Calcutta. Madras and Lucknow and by this time he must have already formed his own opinion regarding the progress that India has been making since independence. Another distinguished visitor who is expected to visit this city shortly is the Emperor of Ethiopia, who has just arrived in India. Elaborate arrangements are being got ready for according him a fitting royal reception. India has, of late, been attracting a number of foreign students, particularly from Africa, who are already studying in many universities in the country, including that of Delhi. for various technical and other courses. Particular mention should be made of the Institute for African Studies, opened a couple of years ago in the Delhi University. The U.N.E.S.C.O. Conference is to open here on 5th November 1956, and, in this connection, every day brings a fresh crop of foreign visitors to Delhi.

British Team

Perhaps the more important among the visitors from our point of view will be the team of British engineering experts headed by Sir Eric Coates. This 11-man team is to arrive here tomorrow. Sir Eric Coates is not new to Delhi. He was an active administrator during the days of the British *Raj* in India and has still many old friends left in the capital. Having joined the I.C.S. in 1921, Sir Eric has served India for about 25 years. And. in his own country, he was Chairman of the Overseas Food Corporation and later a Deputy Chairman of the National Coal Board. He has set up a reputation as an able negotiator. And he has already been successful in arriving at an understanding with the Government of India regarding the setting up of the Durgapur Steel Plant. The British Mission is coming here at the invitation of the Government of India to advise the Government on matters relating to the expansion of India's heavy engineering capacity. The British team, which includes some of the topmost heavy engineering talent of Britain, is now evincing keen interest to contribute its share towards the economic development of India. The Mission will have its first discussion with the officials of the Ministry for Heavy Industry on Thursday. Later it will visit Calcutta and Jamshedpur and other important places, with a view to assessing the potentialities of expansion of heavy industries in the country.

Now that the Government of India has already decided to set up heavy foundry and forge projects for the manufacture of heavy castings and forgings. the visiting British team, it is believed, will be able to negotiate with Government officials at expert level on certain major projects. A decision is expected to be taken for the establishment of a number of heavy industries.

The Mission will also be visiting some important heavy industry centres in the country, in order to assess in what manner existing works could be expanded and dovetailed into the proposed establishment of new heavy engineering units in the country. The Mission's visit, which has been arranged under the auspices of the U.K. Government in association with the Federation of British Industries and the Colombo Plan, is expected to give the best available technical advice to the Government of India, so that India can produce its own requirements of capital goods and manufacturing plants as soon as possible.

Another technical mission which is coming is from Germany. This Mission is not generally concerned with heavy industries. Its efforts will be largely devoted to studying the technological institutions in the country and suggesting ways and means of improving existing provisions or starting new institutions of technology. This German Mission is being actuated by the lofty motive of arranging a number of technological schools at various levels in the country, in order to train and educate India's young men and make them able and self-reliant in undertaking responsible jobs of technicians and production managers in several industries.

Training

It will be remembered, in this connection, that a British machine tool expert, who submitted a detailed report to the Government of India some time ago on the development of machine tool industry in the country, had remarked that it would be profitable for the Government to adopt the German system of technical and technological education in training production managers, supervisory personnel, foremen, etc., through the aid of small pilot plants. He was of the definite opinion that a successful production manager or a foreman need not necessarily be a high degree holder and that about 90 to 95 per cent. of the personnel already employed or to be employed in industries in India could be most profitably trained through practical methods rather than through high technological institutions. Now that the Government has been planning to establish a number of heavy industries, steel projects, etc., it may be possible for it to benefit by the German system of training the youth of the country.

Yet another technical mission which is expected to arrive in India on or about the same time is from Japan. It is understood that this Japanese Mission is coming as a result of the understanding reached between the Government of India and the Government of Japan that Japan should send technical delegations of machine manufacturers to India every year. It is expected that, because of the highly advanced nature of the Japanese textile industry and the Japanese ship-building industry, the Government of India might utilise the visiting Japanese Mission for studying the ways and means of speedy expansion of the textile machinery and ship-building industries in the country.

Realisation has perhaps come to the Government of India at the eleventh hour that its cloth policy is not all well. This policy, which had been formulated in such a way as to appease the ideologies of a few ministers, has, however, not been beneficial to the larger interests of the country. Perhaps, the Government has come to realise its mistake only now. But then it is never too late. The restrictive policy that has been followed by the Government in regard to production of mill cloth has created a shortage psychology among the people, as a result of which prices have gone up to some extent. This trend, coupled with the high prices of foodgrains in several parts of the country and the acute shortage of housing accommodation in metropolitan cities—which goes on increasing rather than diminishing with the passage of years—is not considered to be conducive to the adoption of deficit financing on a large scale.

Mr. T. T. Krishnamachari, the Finance Minister, is a realist. As such, he is able to argue some of these points candidly with his cabinet colleagues. It is, therefore, likely that some adjustments will be made soon in the Government's cloth policy in favour of the mill industry which alone is now in a position to deliver the goods to the country. Indications are that private units for the manufacture of textile machinery will be asked to expand their production schedules soon.

Although the Government as a whole had to arrive at some compromise formula in trying to reconcile divergent ministerial viewpoints relating to cloth policy some time back, it now appears that, in the face of the serious cloth shortage in the country, a fresh approach would be made to reorient the textile policy. It was decided earlier that cloth production target should be computed at a *per capita* consumption of 18.5 yards; but now it appears that this lower target of production will have to be revised in an upward direction, in view of the estimated increase in consumption on the basis of about 20 yards *per capita* per annum. It is being pointed out in responsible ministerial circles here that the rising demand for cloth was the major contributory factor for the critical cloth shortage recently and the upward trend in prices of cloth. The Government of India is understood to have agreed to permit the installation of additional plants for the manufacture of textile machinery on the basis that mill capacity will have to meet an annual consumption at 20 yards *per capita*. This would mean that an estimated expenditure of Rs. 95 crores will have to be incurred for the manufacture of requisite machinery. However, there is no likelihood of any visible change in the Government's textile policy immediately, because of the reported anxiety of the Government that the policy, which was determined only in July last, should not be altered so soon, although, implicitly, the Government would be giving all possible encouragement to step up production of mill cloth.

Foreign Exchange

In the battle for foreign exchange, the Government's policy appears to be both positive as well as negative. On the positive side, the Government will be exploring all possible avenues for augmenting foreign exchange resources. During the next three weeks, the Import and Export Advisory Councils will be meeting in New Delhi in order to discuss the problem of earning additional foreign exchange through augmenting India's export earnings. On the negative side, the Government will try to conserve foreign exchange wherever practicable. It is from this point of view that the Government has been considering how to restrict imports. But the possibility of saving foreign exchange resources through import restriction is considered somewhat difficult, in view of their limited scope for such purposes. Generally speaking, most of the imports that are now coming from various foreign countries are considered very essential for the country's economic development and as such imports could not be curtailed much, without injury to the development of India. However, Finance Ministry officials seem to be determined to see that foreign exchange resources are utilised only for important and essential needs of the country and hence they are trying to plug all the loopholes in regard to expenditure of foreign exchange. In consonance with the import policy of the Government, namely, the necessity of allowing importation of the requisite quantity of capital goods, machinery. industrial raw materials such as iron and steel, non-ferrous metals, etc., the cut in imports will necessarily fall on consumer goods and other items without which the country can get on.

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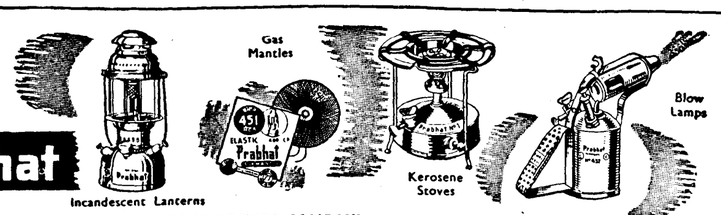

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THE METRIC SYSTEM—I

FROM DIVERSITY TO UNITY

INDIA has decided to adopt the metric system of weights and measures. The Bill that is now under the consideration of Parliament seeks to establish the metric system uniformly all over the country, the existing weights and measures being replaced gradually. The seer and maund are units commonly used in India. Grocery for the home is bought by the maund, milk by the seer; while travelling luggage is weighed by the maund. But do all these terms mean the same to all of us? The seer stands for 24 tolas in Madras, 40 tolas in Madhya Pradesh, 80 tolas in Bombay, etc., the range extending from 8 to 112 tolas. There are often differences even between one district and another of the same State and within the district itself. Similarly, in Madras we find in use the *Marakkal* of 12 measures, 8 measures, 3-5/8 measures and 3 measures. For measuring land, we have the standards of *kani* and *veli* in the South, the *cotta* and *bigha* in the North, beside the *acre*—a comparatively new nomenclature. The *bigha*, itself is different in Bihar and Bengal. It has been estimated that there are more than 150 different varieties each of weights, lineal measures and capacity measures in India.

Thus, there is no system common to the country. Except in the State of Bombay, which enacted a standard legislation in 1939, there is no common system even within a State. If often happens, therefore, that every time a purchase is made, the buyer and the seller have to convert *candy* or maund to one's own known standard in order to decide on the merits of the bargain. This naturally is an irksome task; it is an impossible proposition for the farmer who goes to sell his produce in the market.

There is widespread loss to the agriculturists, as a result of the use of faulty weights and balances by the middlemen or purchasing agents. Such double-dealing is facilitated by the existing diversity in weights and measures, aided by the ignorance and illiteracy of the farmer.

The confusion caused by the lack of standards is not confined to rural areas. Even city-dwellers feel puzzled while dealing in uncommon transactions, such as purchase of gold and precious stones. There may be no cheating at all, but one never feels secure because of the unfamiliar jargon!

To end all this confusion, the metric system is to be introduced as the standard, because it is simple and it is universal. If either the "seer-maund" system or the "lb.-ton" system uniformly prevailed throughout the country, there would be less reason to look for a change. Since, however, there is no system, it is necessary to introduce one; Parliament has chosen the metric system.

The Metric System

What is this metric system? It is named after the "metre," a primary standard of length. The unit of weight is a "kilogram" and that of volume (capacity measure) is "litre." The structure of the system is based entirely on the number ten. This is merely an extension into the units of measurement the universal system of reckoning numbers. Just as we reckon units, tens and hundreds, the metric system deals in gram, decagram, hectogram, and kilogram, each a multiple of the lower.

The chief advantage of the system is its simplicity. The scale operates in multiples of ten, up and down. 1 metre=10 decimetres; 1 decimetre=10 centimetres; 1 centimetre=10 millimetres.

1 kilogram=10 hectograms; 1 hectogram=10 dekagrams; 1 dekagram=10 grams.

1 litre=10 decilitres; 1 decilitre=10 centilitres; 1 centilitre=10 millilitres (for correlation with known values it is enough to remember that a metre is roughly a yard; a kilogram is about a seer and a litre is a seer (liquid)).

Compare this ten-unit system with any of the present ones, Indian or British.

5 tolas=1 chatak; 16 chataks=1 seer; 40 seers=1 maund.

3 tolas=1 palam; 8 palams=1 seer; 5 seers =1 viss; 8 viss=1 maund.

16 oz.=1 lb.; 28 lbs.=1 qr.; 4 qrs.=1 cwt.; 20 cwts.=1 ton.

What is most striking is the variety of numbers—with no correlation—which one needs to remember, in any of these tables of conversion, namely, 5, 16, 40; 3, 8, 5, 8; and 16, 28, 4, 20. On the other hand, the metric system is the only one in which denominations are uniformly based on ten whether we deal in coins, liquid measure, length or weight. A metre is 10 decimetres, that is 100 centimetres, that is 1,000 millimetres.

Ten is the primary number; there are 10 fingers on the hand. Dealing in ten and its factors, 5 and 2, calls for no special skill. Moreover, the decimal structure of the system enables the expression of any quantity in units of lower denominations, avoiding fractions.

It is the simplicity of the metric system that makes it superior to other systems. This has been recognised by more than two-thirds of the world. Fifty-eight nations have adopted this system. Asian countries like China, Japan, Indonesia, and Persia have changed to this system within the last 30 years.



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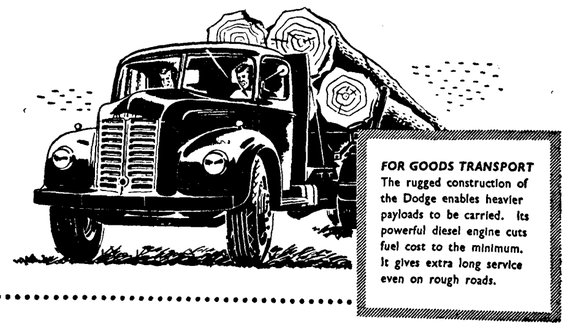

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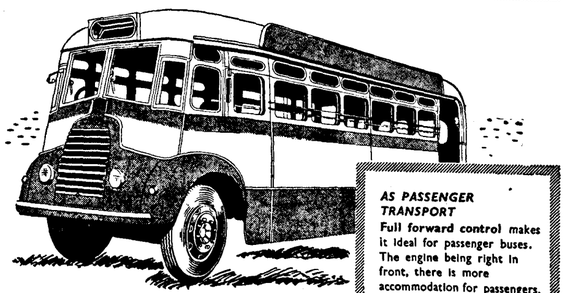

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MONEY SUPPLY GOES UP IN BURMA

STATE COMMERCIAL BANK'S SURVEY

DURING the year ended 30th June 1956, certain notable developments took place in the economy of Burma. The most important of them, as noted by the State Commercial Bank in its Annual Report and Statement of Accounts for the year 1955-56 was that the domestic money supply kept pace with the increasing tempo of economic activity. But there was no "compensatory" increase in the exchange reserves, though a substantial expansion in their level was witnessed as compared with the previous year. As a result of the expansion in consumption demand, consequent on the heavy investment and the restrictive policy adopted by the Government in regard to imports, there was a rise in the price level. At the same time, there was an increasing awareness by the Government of the need for curtailment of credit or absorption of the new money through increased imports, savings and taxation; and efforts in this direction increasingly took the form of limiting the development expenditures to projects already on hand. No notable changes were witnessed in interest rates during the year. There was, on the other hand, a considerable expansion in the supply of credit to the agricultural sector. Another noteworthy feature was the successful negotiation with the World Bank for two loans to finance the rehabilitation of Burma Railways and the Port of Rangoon. The economy as a whole was basically sound with a perceptible rise in economic activity and higher levels of production than in the previous year in the fields of agriculture and other natural resources. In consonance with these trends, a marked increase in the business of the State Commercial Bank was also witnessed.

Total money supply (including currency in circulation and demand deposits) during the period under review showed considerable expansion from K127.24 crores to K164.39 crores (one Kyat=one rupee). While the privately held money supply rose by K35 45 crores to K137.84 crores, Government money supply rose from K24.07 crores to K25.26 crores. The main factors responsible for this expansion were the continuing development expenditures by the State Boards and Corporations and the large reduction in net external payments brought about by import restrictions. It was also partly accounted for by an expansion in bank credit from K14.07 crores on 30th June 1955 to K18.65 crores on 30th June 1956. Following the expansion in money supply, a considerable expansion in the deposits of the banking system (excluding the Union Bank of Burma), and their investments in Government securities were also registered. Thus, while the former went up during the period under review from K62.33 crores to K71.99 crores the latter increased from K19.89 crores to K25.29 crores. An interesting feature, however, was that the banking system was still left with excess reserves to the tune of K11.04 crores, as against the required statutory minimum of K5.34 crores.

Increased Agricultural Finance

The year under review was notable for certain significant developments in the field of agricultural finance. The State Agricultural Bank opened one branch and 143 village banks during the year bringing their total to 16 and 285 respectively. Crop loans and cattle purchase loans had been disbursed through these institutions to the agriculturists and the amount outstanding on 30th June 1956 was no less than K40.59 lakhs. Moreover, loans granted by the Government itself for these purposes amounted to as much as K282.15 lakhs. In addition seasonal loans were also granted by the Agricultural and Rural Development Corporation for the cultivation of certain crops such as cotton, jute, tobacco, sugar, coffee and fruits. The outstanding amount of such loans at the end of June 1956 was K4.06 lakhs. Besides, there was also a marked increase in the funds made available to the Co-operative Societies. While the Union Bank of Burma, which commenced issuing loans to the Societies in July 1955, advanced K85.5 lakhs to 12 Co-operative Societies, the State Agricultural Bank's outstanding loans to them increased during the period under review from K45.81 lakhs to K94.51 lakhs. In addition, the loans sanctioned by the Government to the Societies during the period were to the tune of K216.87 lakhs. Further amounts. to the tune of K20.8 lakhs, were granted for improvement and extension of agricultural production by the Agricultural and Rural Development Corporation.

An indication of the Government's anxiety, and the steps taken in that regard, to limit its expenditure as far as possible to the projects already under execution in order to keep the price level under control is provided by the trends in the field of public finance. Although the Government budgeted for a total deficit of K19.13 crores (K2.19 crores on the revenue account and K16.94 crores on the capital account) for the fiscal year October 1955 to September 1956, figures available for the period October 1955 to March 1956 revealed a net surplus of K9.34 crores in the Government's transactions, following a surplus of K22.05 crores on the revenue account and a deficit of K12.71 crores on the capital account. The budget estimates of revenue for the financial year 1955-56 themselves were much lower than those for the previous financial year. Thus, total budget receipts were estimated at K86.46 crores, that is, 17 per cent. less than the revised estimates for 1954-55. This was chiefly due to the Government's decision to forgo the usual rehabilitation contribution from the State Agricultural Marketing Board with a view to enabling the Board to plough back its earnings into its business and to collect, instead, income-tax on the profits of the Board. The budget estimate of expenditure at K106.60 crores also was K18 crores lower than the revised estimates for 1954-55, the fall occurring in almost all heads of expenditure. A further indication of falling expenditure is given by the level of deposits held by the Government with the Union Bank of Burma, which increased from K6.16 crores at the end of June 1955 to K13.51 crores at the end of June 1956. Government's and its agencies borrowings also increased during the period under review by K4.39 crores to K102.29 crores.

Domestic Capital

In the field of domestic capital, the Government and the Union Bank of Burma continued to be the main sources of finance for both public and private enterprises during the year under review, although the corporations set up by the Government had commenced financing the sectors within their purview. The loan issued by the Government to the State Boards and local authorities aggregated K20 lakhs. There was also a significant increase in the value of debentures held by the Union Bank of Burma from K6.75 crores in 1954-55 to K20.55 crores in 1955-56. The Loans Board, set up in October 1955, of the Industrial Development Corporation issued loans to the private industrialists to the extent of K38.96 lakhs upto the end of June 1956. A plan for providing capital equipment for various industrial enterprises under a hire-purchase scheme was also finalised. Besides, the National Housing Board granted loans to the tune of K6.53 lakhs during the year under review.

An important development in the field of foreign loans was the financial agreement signed with the Government of India in October 1955. Under this agreement the Government of India agreed to make a general purpose loan, available for use in the sterling area, of Rs. 20 crores to the Government of Burma. As already mentioned two loan agreements were concluded with the World Bank in May 1956 which provided for granting by the Bank (i) a loan of U.S. $5,350,000 for the rehabilitation of the railways, and (ii) a loan of U.S. $14 million for the modernisation and expansion of the Port of Rangoon, at an interest rate of 4¾ per cent.

Deposits Increase

During the year under review, which is the second year of the operation of the State Commercial Bank, the Bank's progress in various fields was commendable. Despite the heavy pressure at the head office, the Bank had been able to open five new branches at Mandalay, Moulmein, Akyab, Taunggyi and Bassein. Besides, almost every department at the head office was reorganised to handle a greater volume of business and to supervise the work of the branches newly established. The following table, comparing the amounts under principal heads in the balance-sheet as on 30th June 1955 and 30th June 1956 reveals clearly the progress achieved by the Bank:

(In lakhs of Kyats)

Particulars	*30th June* 1955	*30th June* 1956
Deposits	2,137	1,835
Bills payable	17	124
Other liabilities	27	769
Cash (in hand and with banks and treasuries)	675	714
Advances and discounts	76	293
Investments	1,418	1,509
Other assets	141	455
Acceptances, endorsements and guarantees ...	732	1,084
Total assets/liabilities ..	3,042	4,056

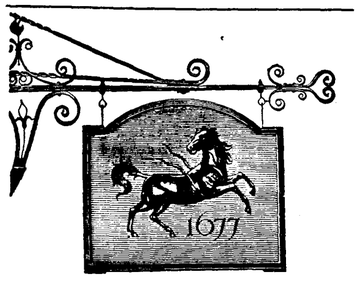
It may be noted that the total number of current, savings and special deposit accounts held by the Bank increased during the year to 4,838 from 1,207 as on 30th June 1955. This spectacular increase was largely accounted for by the accounts of private customers, and, consequently, a substantial increase by 85 per cent. of private deposits was recorded. Government deposits, however, declined by 27 per cent. during the same period, obviously due to its expenditure on essential projects on hand. Consequently, the total deposits held by the Bank fell by K3.02 crores. An interesting feature, however, was that the total deposits at K18.35 crores as shown in the table above represented 28 per cent. of all the deposits of all commercial banks in Burma as on that date.

An important development deserving mention was the new scheme called the "Five-year Fixed Deposit Scheme" introduced by the Bank in April 1956, in order to provide additional investment opportunity to all kinds of customers. An interesting feature of the scheme is that it provides for a special facility for encashment of the Deposit Receipts after two years without loss of entire accrued interest. During the year, again, the investments of the Bank rose by K91 lakhs to K15.09 crores. It will also be seen from the increase in the Bank's balance-sheet total from K3,042 lakhs to K4,056 lakhs between 30th June 1955 and the same date in 1956 that the progress in the Bank's business was quite commendable.

During the year under review, the paid-up capital of the Bank also increased by K100 lakhs to K200 lakhs. The Report points out that this was in keeping with the need to strengthen the capital structure of the Bank relating to the size of its deposits. The entire capital of the Bank, it may be noted, is held by the Government.

Another notable advance in the business of the Bank was indicated by the amount of total credit made available by the Bank to its customers by way of advances in various forms. Thus, the advances in the form of loans, overdrafts, discounts and bills receivable increased from K198.72 lakhs on 31st June 1955 to K644.94 lakhs a year later. Consequently, the ratio of total advances to deposits rose from 9.3 per cent. to 35.1 per cent. during the same period.

(*Continued on page 843*)



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I.M.F. GRANTS LOAN TO FRANCE

SERIOUS BALANCE OF PAYMENTS POSITION

ONE of the criticisms of the International Monetary Fund is that its activities during the past one decade have not been commensurate with the expectations held at the time it was established. It is alleged that it is a "bank without customers" and its vast resources are much more than what its activities warrant. As an instance of the Fund's "failure to live up to expectations," it is pointed out that, during the past financial year, the drawings on its resources amounted only to a little more than £13 million.

Close on the heels of these criticisms comes the news that the I.M.F. has granted France a stand-by credit of $262.5 million (£94 million). This sum will be available during the next twelve months. The critics of the Fund now note with gratification that the aforesaid credit arrangement with France marks a revival in the volume of business transacted by the Fund. Ordinarily a member's drawing rights is limited to 25 per cent. of its quota. France's quota amounts to $525 million and, accordingly, its ordinary drawing rights are no more than $131.25 million. The credit now granted by the I.M.F. represents 50 per cent. of France's quota (the maximum permissible under the stand-by credit arrangements, though instances of waiver of the normal limitation are not wanting) and double the amount that is available under ordinary drawing rights. Normally, the additional sum, over and above the ordinary drawing rights, that is, one-quarter of the quota, will be made available to a member only one year after the drawing of the first quarter. In the case of France, however, the I.M.F. has permitted it to draw the entire sum during the next one year, which provides another instance of the exceptions to this rule. Apparently, the Fund's authorities seem to have been stung by the type of criticisms referred to at the outset. But it is doubtful whether they have rightly acted in being so liberal to France, considering the fact that the borrower has been deeply involved in many types of infructuous expenditure. One of the reasons why France's balance of payments position is in a bad way is its political adventures in Africa.

Inflationary Pressure

The credit to France will be utilised, we are told, to maintain the country's foreign exchange reserves at a "satisfactory level" during the next one year. Since the beginning of the current year, the gold and foreign exchange reserves are stated to have dwindled considerably on account of persistent drawings on these reserves to maintain the strength of the franc. The country's balance of payments position also has deteriorated to a marked extent, owing to large imports to keep down the inflationary pressure. In 1955, France was able to strengthen its position sizably by achieving a substantial surplus in the balance of payments and adding to its official reserves. The overall payments surplus, which had stood at $502 million in 1954, rose to $915 million in the following year, and the gold and foreign exchange reserves (including the E.P.U. credit balances) were strengthened from $1,369 million to $2,120 million. The position has since changed so suddenly and rapidly that the country's balance of payments position has deteriorated considerably, with the result that it has sought a loan from the I.M.F. without resorting to other internal measures to correct the position. Commenting on France's balance of payments position in 1955 and early in 1956, the I.M.F. itself observes in its latest annual report as follows:

"The sharp expansion of exports in 1955 was the most important foreign trade development in France. Output increased considerably, and there were relatively few bottlenecks. Despite substantial wage increases, the existing degree of competitiveness was sustained by large increases in productivity. French exports of foodstuffs, steel, and coal increased sharply as European demand for these products was especially active. French imports, particularly of raw materials and machinery, also increased, but proportionately less than exports. In contrast to developments in trade with foreign countries, the trade of Metropolitan France with the outer franc area did not expand, mainly because of developments in Viet Nam and in North Africa.

In considering the significance of France's large payments surplus in 1955, it should be borne in mind that the French balance of payments in that year was still supported by receipts from U.S. Government expenditures totalling nearly $1 billion, an amount which is likely to be reduced in 1956. At the beginning of 1956, the French payments picture deteriorated as inflationary pressures re-emerged and crops suffered heavy frost damage. As a result, imports increased sharply, exportable supplies of foodstuffs and coal dwindled, and there was an adverse movement in the leads and lags in financing merchandise trade. Finally, France's trade balance is still dependent, to some extent, on the maintenance of import restrictions and the supply given to exports by rebates of certain taxes and social security charges."

The large imports allowed by France to keep down inflationary pressures within the country has thus resulted in a trade deficit. Besides, there are reasons to believe that France has suffered considerably during the current year in its invisible transactions also. For, during 1955, it obtained a sum of about $350 million from the U.S., by way of military aid on account of Indo-China, but this year there has been no such income on this account. Although American military spending continues to be a source of strength to France's reserves, economic aid from the U.S., which played an important part in building up the balance of payments position of France till last year, has dwindled almost to nothing. Another factor which has contributed to the deterioration in the position of France is the increase in the country's overseas expenditure, particularly the heavy military expenditure in Algeria.

Scope for Import Restriction

One of the important measures by which France can obtain substantial relief is the drastic restriction of imports. In fact, France has already taken some steps in this direction by holding up the liberalisation of imports and this has, to some extent, helped it to check further deterioration in the balance of payments. France is, however, unwilling to cut down its imports, as it may lead to a conflict with other members of the O.E.E.C., to oblige whom it liberalised its imports. Moreover, the restriction on imports will worsen the position by aggravating the inflationary pressure and reducing the purchasing power of the franc, at a time when it is essential to maintain the internal value of the currency. Now that the I.M.F. has granted a loan. France need not resort to such measures. It can, on the other hand, maintain its essential imports at a normal level.

The situation, though not a very happy one, is not without a ray of hope. For this is not the first time that France finds itself in such a position and the country has on more than one occasion since the war extricated itself out of similar predicaments. It is stated that the French authorities are resorting to other measures also to save its position. One of them is to borrow from the E.P.U. This has been rendered possible, because it has, until last July, settled entirely in cash its deficits with the E.P.U. The unused facilities which France can utilise amount to $62 million, of which $16 million has just been drawn to settle partly its September deficit.

WORLD BANK LOAN TO ITALY

The World Bank sanctioned two weeks ago a loan equivalent to $74,628,000 to Ifaly for agricultural and industrial development of Southern Italy. This brings the total amount lent by the Bank, for the purpose of raising the standard of living in the area comprising the Italian mainland south of Rome and the islands of Sicily and Sardinia, to $165 million. Of the earlier loans aggregating $90 million, $10 million each were made in 1951 and 1953 another of $70 million in 1955.

An interesting feature of the loan is that the Bank of America is participating in it, without the World Bank's guarantee, to the extent of $500,000 of the first maturity which falls due on 1st September 1959.

The present loan is granted to a Governmental agency called *Cassa per il Mezzogiorno* which was established in 1950 to administer a 12-year programme for the development of Southern Italy. Of this loan, $25.2 million has been allocated to electric power projects on the mainland and in Sicily, $25.5 million to irrigation and technical services in Sardinia, and $24 million to the industrial projects in the region. It may be noted that this is the first time that projects in Sardinia have been included in the Bank's lending in Italy. The progress made by the agency during the six years of its existence is varied as well as impressive. The *Cassa* had, for instance, signed 55,000 contracts and paid out the equivalent of $760 million on works completed or in progress. The agency has also completed 1,000 miles of canals, 750 miles of main and secondary canals. Besides, it has irrigated 114,000 acres, constructed 1,300 miles of roads, and has brought drinking water to 245 villages with 1,350,000 inhabitants. In addition, as many as 200,000 temporary jobs and 45,000 permanent jobs in agriculture and 100,000 permanent jobs in industry have been created through the projects of the agency.

The most ambitious of the irrigation projects is the one on the river Flumendosa. An equivalent of $25 million is expected to be spent on this project, which is expected to irrigate 123,500 acres in south-western Sardinia. The industrial projects numbering 10, on the other hand, will need $50 million. The industries include cement projects, glass factories, a vegetable cannery, a fertiliser factory and an automobile assembly plant. They will provide some 3,000 new jobs.

The projects in the power section, three in number, are expected to increase the installed capacity by 217,000 kilowatts or 14 per cent. and the annual generation of power by 17 per cent.

The loan is for a term of 20 years and bears interest of 5 per cent. including one per cent. commission charged by the Bank. Amortisation will begin on 1st September 1959. The loan is guaranteed by the Republic of Italy.

The U.S. Department of Commerce has reported that the U.S. Government net grants and long and short-term credits to other countries exceeded $5,000 million in the fiscal year 1956, a rise of 6 per cent. over the preceding fiscal year. The countries of the Near East and South Asia were among those receiving increased U.S. assistance. Disbursements fell off generally in Western Europe, except to Spain, largely because of the decline in payments to France and the United Kingdom in support of their military budgets. as their own capabilities increased. Increases in varying ratios were common elsewhere, with a few exceptions. Grants (aid requiring no repayment) continued to dominate foreign assistance programmes.

The American Telephone and Telegraph Company has released an up-to-the-minute estimate of the kind of investors who own shares in the $13,000 million Bell system. The Company says that 41 per cent. of its stockholders own 10 shares or less, and that 65,000 investors only hold one share each. No single individual owns as much as one-thirtieth of one per cent. of the Company's outstanding stock. Women own 45 per cent. of Company's common shares while 22 per cent. are owned by men, and 29 per cent. by joint accounts (usually husband and wife) and four per cent. by non-individuals including some 42,000 trustees, and 14,000 business and philanthropic organisations.



WORLD COTTON WEAVING CAPACITY

MORE AUTOMATIC LOOMS IN PLACE

A STRIKING feature of developments in the international cotton textile situation in recent years is the steady increase in the introduction of automatic machinery for weaving fabrics. The total number of automatic looms in existence in the world as at the end of January 1956 was 909,006, which compares favourably with 878,099 a year before and 826,713 two years before, according to the latest census of the International Federation of Cotton and Allied Textile Industries (Manchester). Similarly, the number of automatic attachments was higher at 80,182, as against 78,974 and 65,350. A large part of the increase in automatic looms and automatic attachments represents the replacements of the ordinary looms. This is evident from the fall in the number of these looms from 1,932,356 on 31st January 1955, to 1,881,114 on 31st January last. The fall has been so sharp that the total number of looms in place in the world early this year stood lower at 2,870,302, as compared with 2,889,429 a year before. Consequent on the steady increase in automatic looms (and looms with automatic attachments), on the one and, and the sharp drop in ordinary looms, on the other, the percentage share of the former in the total in January 1956 stood at 34.5, as against 33.1 in January 1956, 32.7 in July 1952 and 23.6 at the end of 1936.

The rise in the number of automatic looms during the year ended January 1956 was particularly noticeable in Pakistan, the number being higher by 13,062. There was also a rise, though moderate, in the number of automatic looms in several other countries, 4,700 in Brazil, 2,300 in Italy, 1,500 in the U.S.S.R., 1,300 in India, 1,000 in Czechoslovakia, 800 in Japan, and 400 each in the U.K. and France. The U.S. and Western Germany, however, accounted for a decline of 6,200 and 1,100 automatic looms, respectively.

Looms in Different Countries

The following table gives the estimates of the number of looms in place in the different countries as on 31st January 1956, as compared with the corresponding date of last year:

(In hundreds)

	Ordinary looms		Automatic looms		Automatic attachments	
	January		January		January	
	1955	1956	1955	1956	1955	1956
India	1,967	1,939	121	134	3	4
Japan	2,740	3,047	629	637	..	..
U.K.	2,896	2,674	392	396	50	55
U.S.A.	*	*	3,691	3,625†	..	..
U.S.S.R.	2,950	3,000	375	390	..	..
France	859	644	713	717	..	..
W. Germany ..	889	779	264	253	227	249
Italy†	442	410	543	566	339	269
Brazil	740	715	263	310	94	93
Czechoslovakia ..	810	820	20	30	..	..
Spain	793	702	112	113	..	..
Pakistan	164	59	27	157	..	..
China	700	750	100	100	..	..
Other countries ..	3,704	3,182	1,531	1,658	77	132
Total ..	19,324	18,811	8,781	9,090	790	802

* Not available.
† The figure does not include 108,326 looms in place in synthetic and silk fabrics mills. It, however, includes looms producing cotton fabrics in rayon mills but does not include woollen and worsted looms producing cotton fabrics.

The aggregate weaving capacity of the world cotton textile industry has been stepped up considerably. The total number of looms at the end of the current calendar year is estimated at 2,899,889, as against 2,870,302 in January last. Of the rise of 29,587 in the number of looms in course of erection and expected to run in 1956, 19,659 are new ones and 9,928 represent replacements. The share of automatic looms in this number is the largest, being 23,037, ordinary looms accounting for 6,232 and automatic attachments for 318. Although no returns have been received from China, it is reported that this country has recently increased the number of looms under the present Five-year Plan by approximately 8,000 and intends building a further 19 mills with a total of 45,000 looms.

Further Expansion

The year 1957-58 is expected to witness a further expansion, albeit at a slightly reduced scale, in the world cotton weaving capacity. In this period, about 23,059 looms are scheduled to be erected, as against 29 587 looms in 1956-57. Of the projected looms, 14,893 are new ones and 8,166 represent replacements. Here again the proportion of automatic looms predominates, the estimate being placed at 19,161. Ordinary looms account for 3.514 and looms with automatic attachments for 384.

A look at the following statement will give an idea of the looms projected for the period 1957-58, as also the looms which are in course of erection and expected to run in 1956:

	In course of erection and expected to run in 1956		To be erected during 1957-58	
	As increase	As replacement	As increase	As replacement
India	424	1,283	747	2,303
Pakistan	7,434	..	6,016	..
Turkey	3,150	..	944	..
Korea	958	3,300	..	..
Hong Kong	890	..	99	..
U.K.	762	2,021	359	590
Holland	527	1,214	164	713
Mexico	..	1,414	..	3,355
Brazil	2,647	119	2,491	179
Other countries ..	2,869	577	4,073	1,026
Total ..	19,659	9,928	14,893	8,166
Of which—				
Ordinary	4,300	1,932	1,656	1,858
Automatic	15,243	7,794	13,177	5,984
Automatic attachments ..	116	202	60	324

The foregoing table shows that the cotton textile industry in India, Korea, the U.K., Holland and Mexico is concerned more with rehabilitating its worn-out machinery, while that in Pakistan, Turkey, Hong Kong, Brazil, etc., is devoting great attention to the expansion of the size of the units by adding more looms.

Idle Looms More

The year 1955-56 witnessed less intensive utilisation of equipment in the cotton textile industry, as compared with the previous year. This is indicated by the increase in the world total of idle looms from 202,940 at the end of January 1955 to 245,223 on 31st January last. The number of idle looms was heavy in Europe, being as many as 152,890, the figures for the previous year being 149,600. The number of idle looms in Asia and South America was also large, being 42,358 and 36,900, as against 29,136 and 3,568 in the previous year. In India, the number of looms lying idle as on 31st January 1956 was 14,111, a fall of 220 looms as compared with the previous year. North America, however, experienced a more intensive utilisation of equipment, the number of idle looms declining from 18,743 to 12,650. Similarly, Africa accounted for a fall, from 1,893 looms to 335 looms.

The average number of hours worked per week by the looms during the year ended January 1956 varied from 36.87 in the U.K., where single shift is usual, to 146.66 in Hong Kong. The weekly average number of hours worked by the cotton mills in India is estimated at 100.63, which compares favourably with 91.54 a year before. This reflects the increase in the number of shifts worked by several mills.

ANDHRA GOVERNMENT REJECTS POWERLOOMS

The Government of Andhra has decided not to introduce powerlooms in the handloom sector in the State. This was disclosed by Mr. D. Sanjivayya, Minister for Co-operation and Commercial Taxes, at Kurnool the other day. The decision, Mr. Sanjivayya declared, had been taken after considered all shades of opinion and the views of prominent people and representatives of the industry. He hoped that the other States—Madras, Uttar Pradesh and Bombay—would follow suit and protect the interests of the age-long and well-established handloom industry. Justifying his Government's decision, the Minister said:

"All these years, it has been the established policy of the Government to protect the handloom industry in all possible ways. The Andhra Government, in particular, has been striving its best to see that the handloom industry progresses in the State. I have no doubt in my nind that this decision would be welcomed by all weavers and others interested in the progress of the country. I for one would feel that, unless our handloom industry is well protected and organised on co-operative lines, it would not be possible for us to solve the serious problem of unemployment. It will be a gratifying fact to note that as many as 5,000 ex-toddy tappers in West and East Godavari districts have been recently absorbed in the handloom industry without any investment either from the Government or by themselves which would not have been possible for any other industry. This itself is a clear example as to how the handloom industry is capable of providing employment opportunities to many people, provided it is protected against competition from both mills and powerlooms."

The Andhra Government's decision not to introduce powerlooms in the handloom sector is, indeed, regrettable. The very economic structure of the handloom industry is defective, and the industry being highly labour-intensive in character, not only is the rate of output low but the cost of production also is high. Consequently, the income derived by weavers is at a low ebb. This is the basic problem of the handloom industry. The effective solution to this problem, as has been said so often in these columns, lies only in mechanising production. Unless powerlooms are introduced in the handloom sector, the industry will not be economic and the persons depending on it will continue to be at the mercy of subsidy from the State even for living on a hand-to-mouth basis.

HANDLOOM INDUSTRY

The Central Government has announced more liberal financial assistance to handloom weavers for their working capital and for the purchase of improved equipment. Thus, the limit of loans for working capital for cotton looms in co-operative societies has been raised from Rs. 200 to Rs. 300 per loom. The previous distinction between looms already in the co-operative fold and those newly brought into co-operatives made for the purpose of determining the eligibility for loans has also been abolished. At the same time, the amount of loans which can be granted to central handloom co-operative societies from the Handloom Cess Fund has been doubled, that is, from five times to ten times the paid-up share capital of societies.

For the purchase of better equipment for their looms, each weaver will get an outright grant of Rs. 218; this sum represents the value of different items of equipment. Hitherto, it will be recalled, weavers were given grants only for specific items of equipment. The outright grant can be utilised for purchasing a new frame-loom, provided with the necessary accessories. Incidentally, it may be noted that the production of cloth on frame-looms is appreciably higher than that on the old type of looms.

Meanwhile, the Central Government has sanctioned a loan of Rs. 14.5 lakhs to the Government of Madras for setting up a workshop near Madras City for manufacturing handloom accessories and equipment required to meet the increased demand for better type of equipment. The proposed workshop, it is said, will turn out take-up motion attachments, hand-operated warping machines, flanged warp, bobbins, standard reed, pedal loom, country dobbies and accessories, varnished healds, wire healds for cotton weaving and jacquards.

The aforesaid measures are intended to enable the handloom sector to achieve the target of additional cloth production in the second Five-year Plan and make it possible for the weavers to improve their earnings. The handloom sector has been allotted an additional production of 1,000 million yards—700 million yards from mill yarn and the remaining 300 million yards from Ambar yarn. The output of handloom cloth is claimed to have gone up in the past five years by 800 million yards to 1,600 million yards.

CLOTH POLICY

As an incentive to increased production of cloth, the Government of India announced some time ago its decision to give a rebate of excise duty at the rate of six pies per yard on all cloth produced by a textile mill in excess of its average monthly production during the eight months January to August 1956. The rebate was to be allowed on cloth produced up to the end of December 1956. The Government has now decided to extend this concession in respect of all cloth produced upto the end of March 1957.

The Government of India has also cancelled the order issued by them on 24th September 1956 restricting stocks of cloth which can be held by any wholesale dealer to three months' average stocks. In case of West Bengal, the order had further stipulated that no dealer can hold more than one month's stocks of cloth manufactured by mills in West Bengal. This step was taken to check the rising trend in the prices of cloth. The Government consider that there is no necessity any longer to keep an all-India order of this nature in force. Powers have, however, been delegated to the State Governments to issue such restrictive orders as and when they consider necessary.

WOOL UTILISATION CENTRE

A wool utilisation centre would be set up at or near Coimbatore, if the scheme submitted by the Government of Madras were finally approved by the Central Government. The scheme is reported to have been viewed favourably by the Wool Committee of the Indian Council of Agricultural Research (I.C.A.R.) at its meeting held at New Delhi last week. The proposed centre will conduct experiments on the right usage of wool produced as a result of the adoption of various improved breeding policies and use of new implements. It will also disseminate information to persons engaged in the industry and impart training to individuals.

The establishment of the wool utilisation centre is very important for improving the condition of the wool industry. To the extent to which improved implements are used the time in the successive stages of production can be shortened and cost of manufacture reduced. Proper usage of wool will ensure production of attractive goods which will suit the modern taste for such goods. If the industry is thus made more efficient, the income of persons depending on it will register a rise.

"INDIAN SILK AND RAYON"

The Silk and Rayon Textiles Export Promotion Council has brought out an overseas quarterly entitled *Indian Silk and Rayon* (Editor: Mr. O. P. Dhawan). The publication is intended to acquaint the overseas buyer with the recent trends in India's silk and rayon textile economy. Special mention must be made of the inclusion of a list of some of the exporting firms dealing in the special varieties of silk and rayon fabrics. The utility of the publication is enhanced by the incorporation of figures relating to the quantity and value of silk and rayon fabrics exported from India in the past four years.

IMPORTS OF CLOTH CONTINUE TO CAUSE CONCERN

MANPOWER LOSSES EXCEED RECRUITMENT

From A Special Correspondent

MANCHESTER, 16th October

MANCHESTER LETTER

IT has become almost traditional for at least one important member of the Government—usually the President of the Board of Trade—to speak at the Cotton Board's annual conference at Harrogate. A year ago, the remarks of Mr. Peter Thorneycroft were awaited with more than usual interest in the hope that some action to curb the quantity of imported cloth might be announced. His speech at the outset of the conference settled the issue and decided the tone of subsequent discussions leading to a general agreement that some form of contraction and consolidation was inevitable.

In the twelve months which have elapsed the situation has not shown any important change. Foreign cloth is still arriving in large quantities although the volume has not increased to the extent which some traders feared. Until a few weeks ago, activity in cotton goods was spasmodic and very limited in scope. The revival which has followed cannot yet be spoken of in glowing terms as a seasonal improvement in demand can normally be anticipated at this time of the year, but it is at least reassuring.

Those who are travelling to Harrogate this week-end are under no illusions as to what Government aid can be expected. It would be a complete reversal of form if Mr. Thorneycroft were to announce any change of heart regarding imports.

In some quarters, however, there has been wishful thinking along such lines, stimulated perhaps by reports from Hong Kong after a statement made there by Lord Selkirk, Chancellor of the Duchy of Lancaster, who reiterated the British Government's view that Lancashire had a very strong case on the imported cloth question. Hong Kong manufacturers and merchants who feared this remark reflected a change of policy have since been reassured that no revision is contemplated in the arrangements covering the imports of Commonwealth cloth into Britain.

Redundancy and the probable future size of Lancashire's textile trade were the focal points of last year's Cotton Board conference but in the intervening months the possibility of any direct action to reorganise the mills on orderly lines has receded. Economic forces have been allowed full reign resulting in gradual curtailment of output, seemingly pointing the way ahead. The future structure of the industry is one of the topics to be discussed on this occasion and may well set the tempo for subsequent events.

Summer Yarn

Irregular production returns are inevitable during the holiday months of the year when output in the mill towns is halted for weeks at a time. It is, therefore, difficult to assess the situation until the usual autumn pressure for supplies begins to materialise. Considering the continual drift of labour from the mills, however, yarn output has kept up reasonably well and is now showing signs of exceeding the comparable totals of twelve months ago.

The table below shows the trend of production over the past four months, together with evidence of the wastage of manpower which has occurred:

Week ending	Yarn Production (In thousands of lbs.)		Recruitment	
	1956	1955	1956	1955
June 2	15,930	14,720	—153	—468
,, 9	17,540	16,220	—156	—349
,, 16	17,430	17,000	—121	—469
,, 30	17,290	14,180	—170	—245
July 7	14,150	11,590	—101	—336
,, 14	11,380	13,370	—271	—513
,, 21	12,870	14,320	—184	—497
,, 29	14,570	14,530	—119	—359
Aug. 4	14,490	13,830	+ 92	—199
,, 11	13,750	15,190	+ 41	—414
,, 18	14,070	15,860	—156	—234
,, 25	10,950	11,260	—163	—206
Sept. 1	12,040	11,910	+ 38	—309
,, 8	16,960	16,900	+ 87	—239
,, 15	16,070	15,980	— 96	—238
,, 22	15,520	15,790	—349	—229
,, 29	16,220	16,440	+ 29	+ 65
	17,210	17,250	— 7	—270

Aggregate production of all types of cotton and rayon yarn over the first nine months of 1956 was substantially lower than in the same period last year. To the end of September output aggregated 624,060,000 lb. against 654,900,000 lb. in 1955, when the decline was even more discouraging from the 1954 figure of 739,800,000 lb.

Continuance of the general trend away from purely cotton yarn production towards increased output of rayon and mixture yarns is the significant feature of the quarter's returns. Compared with a year ago cotton yarn output was over 11,000,000 lb. lower but production in the other sections was 5,000,000 lb. up on the third quarter of 1955.

The losses in the labour force have not been as substantial as those recorded a year ago, but the persistent excess of wastage over recruitment is a disturbing factor which is now having important repercussions in the industry. At the end of September, the number of spinners on the books of employers was about 3,500 lower than a year previously, being 96,630. Those at work totalled 88,140, compared with 91,230 at the same date in 1955.

Rainwear Wages

British raincoast employers have rejected a union demand for a wage increase for all workers in the industry, irrespective of their present earnings.

Announcing this, in Manchester, Mr. Geoffrey Woolfe, Secretary of the National Association of Clothing and Rainwear Manufacturers, said an extraordinary general meeting of the Association had decided unanimously not to enter into any agreement with the National Union of Tailors and Garment Workers on a claim for an extra 2½d. an hour, irrespective of present earnings.

After the Conciliation Committee for Britain's cotton industry had failed to reach an agreement in Manchester last week it was announced that Lord Terrington, the Chairman, would make an award in a dispute affecting payment rates to six-loom cotton weavers.

The issue went to conciliation after local deadlock on a claim by the Amalgamated Weavers' Association for the abrogation of the present basis of payment. Under the agreement the piece-rate of six-loom weavers is lower than that of four-loom weavers.

At a Press conference, held later, it was stated that some firms in the industry have been paying six-loom weavers at the higher rate while other firms have been keeping to the rates laid down in the agreement.

Earnings Contract

Few people connected with the textile industry of Lancashire will be surprised to learn that the results of cotton companies over the first nine months of this year, as collated by the *Financial Times*, show the most substantial reduction in profits of any group. Gross earnings have declined from £15 000,000 in the same period last year to £10,100,000.

This trend runs against the general movement of profits, which continued to show an upward curve, although the rate of increase has flattened during the third quarter of this year. In addition to cotton textiles, companies engaged in the clothing, entertainment, newspaper and printing, rayon, and household goods industries also announced lower profits during the first nine months of 1956.

An interesting aspect of recently published reports in Lancashire is the better showing made by some merchanting houses. The West African traders Paterson Zochonis & Co., increased net earnings from £45,000 to nearly £115,000 while internal re-organisation has resulted in Stavert Ziggmala transforming last year's loss of £4 158 into a gross profit of 9,201. Other distributing groups which have recovered from former setbacks include Hickson, Lloyd & King, whose net profit of £22,500 is £4 000 higher than a year ago, and I. J. & G. Cooper Ltd., whose earnings increased by nearly £7,000 to £25,500.

Mill deals remain out of favour for the moment although some firms have continued their policy of closing down rather than continuing to operate at an uneconomic level. The Todmorden mill owned by Lord Brothers (Cottons) Ltd., has been closed for this reason and its disposal is under consideration. The premises occupied by the spinning and weaving group of Francis Sumner at Glossop have now been taken over by a firm of footwear and rubber manufacturers based on Stalybridge.

Despite the adverse conditions largely encountered, however, the Calico Printers' Association, one of the larger vertical groups, was able to report increased trading profits, the figure to the end of June being £2,360 000, an improvement of nearly £320,000 on the previous year. The experience of Barber Textile Corporation, the spinning and weaving combine, has been better than many comparable concerns. Net earnings this year of £117,000 were only £18,000 below the 1955 level.—*All Rights Reserved.*

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SUDAN COTTON EXPANSION SCHEMES

GREATER PRODUCTION ENVISAGED

SINCE it joined the family of free nations early this year, Sudan, a vast tropical country lying just south of Egypt, covering an area of nearly a million square miles, has been going ahead with plans for developing its farm potential, particularly cotton. Its effort takes on added interest to the cotton growers and traders of the world, as Sudan is already a major producer and exporter of long-staple cotton. Stretching through the centre of Sudan and bisected by the White and Blue Niles is a wide belt of rich productive soil accounting for the major portion of the cotton output of the country. By expanding production in this central belt the new Government of Sudan hopes to build a prosperous agricultural economy.

Cotton, which accounts for about 80 per cent. of the country's annual income, is an irrigated as well as rain-fed crop. In 1954-55, two-thirds of the crop was grown under irrigation. Irrigated cotton is the extra-long staple or Egyptian type and is produced mainly in the central belt, where the soil is rich but rainfall scarce. Rain-grown cotton is largely the American type and is cultivated on poorer soil in the south-western hills and plains. The central area, therefore, lends itself to cotton growing more readily than do the upland regions. But the expansion of cultivation of cotton in Sudan, as well as of other crops, depends largely on the extent to which irrigation facilities can be provided.

Sudan already has over 2 million acres under irrigation, half of which is in the Gezira, lying between the White and Blue Niles, south of Khartoum. The country is planning to irrigate 3.6 million acres more, or a total of 5.7 million. Soil resources are large and, therefore, the limiting factor is not land but water. It has been calculated that along the Nile at Aswan flows an average of 84 billion cubic metres of water annually. How to achieve a fair division of the total amount of available water is a problem confronting Egypt and Sudan. There are differences of opinion on whether the necessary storage can best be achieved by the High Dam at Aswan or by a series of smaller dams. Egypt favours the former and Sudan the latter.

Be that as it may, if some arrangement is agreed upon for division of water, Sudan will proceed to carry out its development plans. It is already engaged in the first phase of the Managil extension of the Gezira which will add 208,000 acres to this successful cotton-growing area. Completion of the Managil extension, which will raise the total newly irrigated area in the Gezira to 830,000 acres, depends on the construction of a dam at Roseires on the Blue Nile. Water from the Roseires reservoir will also be used for the Kenana scheme covering the vast tract of soil lying in the delta between the Blue and White Niles, just south of the Gezira. This is the last project scheduled and will take 15 years to complete. Altogether the dam at Roseires is expected to bring 1,870,000 acres under irrigation. It is estimated to cost some $21 million and its construction closely hinges upon the amount of external finance which Sudan will be able to obtain from the World Bank and other international agencies. There are also some other schemes such as the Atbara project, designed to irrigate 520,000 acres, and the Jonglei scheme covering an area of 520,000 acres. Apart from these, numerous pump schemes are spreading up and down the three Niles.

In 1954-55, Sudan produced 403,000 bales of cotton (480 lbs. net) from 685,000 acres. Of this, 65,000 bales were rain-grown and the remaining 338,000 bales were raised from 435,000 acres of irrrigated land. To what extent cotton production will expand when those projects under way and those that are contemplated, are completed? In this connection, an article in *Foreign Agriculture*, published by the U.S. Department of Agriculture, makes some interesting estimates. Assuming that Sudan does not increase its rain-grown acreage over the 1954-55 level, but increases its irrigated areas according to present plans, the country will, observes the article, increase cotton production by approximately 40 per cent. by 1960-61, 200 per cent. by 1965-66 and 300 per cent. by 1970-71. The following is the statistical estimate of the envisaged expansion.

Area

(In 1,000 acres)

	Irrigated	Rain-grown	Total
1954-55	435	250	685
1960-61	550	250	800
1965-66	870	250	1,120
1970-71	1,260	250	1,510

Production

(In 1,000 bales of 480 lbs. net)

	Irrigated	Rain-grown	Total
1954-55	338	65	403
1960-61	490	65	555
1965-66	776	65	841
1970-71	1,120	65	1,185

Source: *Foreign Agriculture*, July 1956, U.S. Department of Agriculture.

If Sudan's irrigation schemes are successfully completed, what kind of cotton will be produced on the expanded acreage? The choice of the type of cotton to be grown will depend, to a large extent, on the potential demand for it. The greater part of the increase in production is most likely to be confined to the extra-long staple variety known in Sudan as Sakel. It may be observed that, in 1955-56, Sakel accounted for five-sixths of the total crop; American type cotton constituted only one-sixth. As readers are aware, the original Domains Sakel compares with the Karnak of Egypt and the American-Egyptian Pima S-1 of the U.S. The Lambert Sakel is more like Giza 30 of Egypt and the long-staple uplands of the U.S.A.

It is pertinent, in this conection, to ask how far Sudan will succeed in finding a ready market for the increased production of cotton envisaged by the different schemes. It is common knowledge that Sudan at present exports almost its entire cotton crop. There is practically no mill industry and all the textiles required are imported. The bulk of exports have traditionally gone to the U.K. and India, but recently Sudan has been broadening its markets to include more countries like France, Germany, Italy and Czechoslovakia. It is quite unlikely, at least in the foreseeable future, that Sudan will be able to develop its mill industry sufficiently to absorb a sizable portion of its output of cotton. Nevertheless, it will have to find external markets for the increased production. Will the free world be able to absorb the additional output? The prospect for an easy off-take of the increased production appears, on present reckoning, to be gloomy, in view of the fact that the free world supply of cotton at present is far in excess of demand. But an encouraging factor, as we have pointed out in a previous issue, is that the supply of extra-long staple cotton at present is not as abundant as that of other types. Further, the schemes envisaged are long-term in nature, extending over a period of about 15 years, and it is possible that, during this period, world consumption of cotton will rise appreciably.

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MEXICAN COTTON EXPORTS

Mexico's efforts in pushing up its cotton exports in competition with the U.S. are meeting with success, as is evident from its increasing share in Canadian cotton imports. During the nine-month period, August to April, of the 1955-56 season, Canada's cotton imports rose to 317,000 bales from 276,000 bales in the same period of the previous season. Imports from Mexico, according to the U.S. Department of Agriculture, accounted for 70 per cent. of the total as compared with only 3 per cent. in the previous season. At the same time, the U.S. share fell from 95 per cent. to 24 per cent.

Mexico is also trying to export more cotton to other countries. We have dealt with, at some length, in a previous issue, Mexico's plans for arranging barter deals involving cotton in exchange for capital and consumer goods from industrially advanced countries. Very recently, the Chief of the Mission of Japanese Industrialists for the Promotion and Sale of Rolling Stock which visited Mexico has suggested to *Ferrocarriles Nacionales de Mexico* the desirability of exchanging Japanese railway equipment, including locomotives, coaches, and freight cars for Mexican cotton up to a quarter of a million bales annually, worth about $362.5 million pesos. The offer, made on behalf of the Consortium of Japanese Rolling Stock Industry which includes 109 enterprises manufacturing locomotives, freight cars and coaches, covers barter operations and long-term sales at low rates of interest.

COTTON ACREAGE IN EAST AFRICA

While discussing the current (1956-57) season's cotton production prospects in Uganda in our last issue, we observed that till the end of June 1956 the acreage planted in areas east and west of the Nile together is 537,962 acres, as compared with 378,675 acres during the same period of the 1955-56 season. Statistical figures regarding the area under the crop in the current season in East Africa, which have now become available, show that the total acreage planted is 1,559,586 acres, as compared with 1,563,917 acres in the previous season. The area under B.P. 52 has fallen from 354,094 acres to 286,248 acres. Hence a fall in the output of this variety is expected. The following table gives details of the acreage planted in the current and last seasons:

(In acres)

	August 1956	August 1955
Eastern Province	880,495	845,356
Northern Province	344,425	302,071
B.P. 52	286,248	354,094
Bunyoro	24,525	31,004
Masaka	23,893	31,392
Total ..	1,559,586	1,563,917

An additional estimate, officially announced on the 16th inst. by the Government of Madras, places the area under cotton in the State in the season (1955-56) just ended at 978,500 acres, as against the finally recorded area of 1,003,900 acres in the previous season, representing a decrease of 2.5 per cent. in acreage. The total yield during the season is estimated to have aggregated 300,000 bales lint, as against 301,400 bales in the previous season.

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COMMON MARKET FOR TEXTILES IN EUROPE

SOME ECONOMIC CONSEQUENCES OF THE PROPOSED MOVE

By R. Robson, M.A., Ph.D., Manchester

[In his despatch to the last issue of Commerce, *our Special Correspondent at Manchester had drawn attention to the views of Mr. R. Robson, Head of the Statistical Department of the Cotton Board, on the proposed customs union and the free trade zone in Europe. Mr. Robson's analysis of the implications of these moves to the cotton textile industry appeared in the form of an article in the September issue of the* International Review of Cotton and Allied Textile Industries, *the official organ of the International Federation of Cotton and Allied Textile Industries. We reproduce the article in full, with acknowledgment to the Review, in view of its interest to the Indian cotton textile industry and trade.*—Ed.]

THE plan of the Messina countries, that is, France, Germany, Italy, Benelux, to set up a common market in the form of a Customs Union has aroused fresh interest in the effect which such a development would have on particular industries and has also set for other European countries the problem of deciding the extent to which they will associate themselves with the common market. This latter issue involves interests much wider than those of any single industry and the views of any one industry, such as the textile industry, are unlikely to exercise a decisive influence on the issue. There is nevertheless an advantage in looking at the prospect of a common market from the point of view of the textile industry, with the object of trying to establish the interests which are involved and the consequences which would flow from such a development.

For purposes of analysis, we may consider the consequences of a common market under the two headings of changes within the market and changes in external relations, a distinction which is in any event important because some advocates of a common market tend to concentrate only on one of these aspects.

The first possibility within the common market is that it might tend to changes in the size or type of economic unit which would be a gain to the textile economy as a whole regardless of location. As far as the unit of production is concerned, there does not seem, *prima facie*, to be much scope for change in size, except, perhaps, in the case of a print works or of a rayon staple plant, where the most efficient sized unit might produce more than some of the smaller European countries could absorb. Otherwise, it seems clear that, in most countries, the position is similar to that in the United Kingdom, where there are several units involved in each type of production, e.g., drills, sheetings, etc., so that, apparently, the national market is large enough to allow for an efficient size of unit specialised to this extent. Such a conclusion, however, ignores the present trend towards a higher degree of specialisation, namely, that on fabrics for particular end-uses and the associated economies of standardisation and long runs. It is clear that the European market for a particular specification of cloth or design of print would be greater than that of any one country, and it is, therefore, arguable that, over some part of European production, the national market is not large enough to allow this standardisation to take place.

Factory and Firm

To pursue this further, it is necessary to distinguish between the factory and the firm. The size of the factory is determined mainly by technical considerations and the need to supervise labour. Increased standardisation and long runs are likely to result in a more rational deployment of labour, entailing, therefore, more detailed supervision and so leading, perhaps, even to a reduction in the size of the typical unit. In any event, it is doubtful whether the common market would do much more than give added impetus to the trend towards standardisation at the factory level, which is already taking place within the national market. It is otherwise with the firm. In this case, end-use specialisation would be very much encouraged by an expansion of the market. The reduction in variety of types produced and distributed in a much wider market should enable specialised firms of this kind to expand their turnover very considerably with little addition to overhead expense and so achieve considerable reductions in cost. Moreover, the increase in the size of firms would lead to a decrease in their number and so to a better utilisation of scarce managerial ability. Finally, one would expect, in due course, an increase in size and, therefore, a reduction in the number of distributors of textiles from the converting stage onwards.

In total, one would expect the economy of a reduction in variety to be achieved primarily in the common market by the development of a number of large firms specialised on fabrics for end-uses. There might be little change at factory level.

The second main consequence of a common market is that of a transfer of textile activities from one part of Europe to another. The usual analysis for this purpose is to distinguish between assembling and processing cost, the former relating to the costs involved in transporting raw materials, etc., to the point of manufacture and the latter to the cost of production at this point. The main element in processing costs is wages, and, to this extent, industry tends to move to the lower wage areas.

It is not easy to make a comparison of actual hourly earnings in the textile industries of Europe, and the position is still more complicated by the incidence of social charges. Where the social security system is similar, it is reasonable to include in wage costs the charges paid by the employer which amount to about 40 per cent. of hourly earnings in the case of France and Germany and 70 per cent. in the case of Italy. On this basis, hourly earnings plus charges paid by the employer are about 10 per cent. lower in Germany than in France and about 20 per cent. lower in Italy. For the United Kingdom, social charges paid by the employer amount to only 11 per cent., but, in view of the different structure of the social security system, this is not considered comparable and it seems best to estimate the U.K. level of wages plus charges at about the same as in France. The level in Scandinavia is estimated to be somewhat above that in the U.K. and, at the other extreme, the level in Austria somewhat below that in Italy.

Transport Factor

In the manufacture of a medium cloth, wages and salaries amount to about 4d. per yard and labour costs may, therefore, exert an "attractive" factor of about 1d. per yard from one location to another. This factor is about the same magnitude, as the cost of transporting cloth within Europe, for example, the cost of sending cloth from Manchester to Stockholm, is also about 1d. per yard. Where long railway hauls are involved, transport costs considerably exceed this. It is sufficient for our purpose, however, to say that the transport cost would, in many cases, be large enough to prevent a transfer of the industry to lower wage areas. If, moreover, we include in transport costs, the cost of installing textile machinery at points remote from textile machinery works, then the importance of transfer costs is increased. Because of transport and heavy packing charges, the cost of installation might be from 10 to 20 per cent. more at points remote from machinery centres than from points in their vicinity and the incidence of this on interest, repairs and depreciation charges, would once more cause a variation in costs of about 1d. per yard. In general, therefore, new investment in the textile industry is unlikely to be attracted to an overwhelming extent to low wage areas.

In the United States, where the classical transfer of the textile industry from the North to the South took place, the industry was much more fluid because of the standardisation of production and because of the centralisation of marketing in New York. Wage differentials and perhaps still more trade union practices were the main driving force, but the cotton industry in the South had, in addition, the advantage of local cotton, so that mills there were protected not only by transport charges on cloth but also on raw cotton. These advantages were quickly followed up by the locating of branches of the machinery manufacturers in the South.

Where labour costs are relatively unimportant, for example, in staple fibre production they do not exceed 2d. per lb., then transport costs become the important locating influence. They could amount to 1d. per lb. on pulp—both pulp works and staple fibre works are located so as to reduce this charge—and 1d. per lb. on machinery, while heavy charges are also incurred in transporting chemicals such as caustic soda. The industry is, therefore, much more likely to be attracted to these sources of supply than to low wage areas.

The effect of a common market on external relations depends on whether the market takes the form of a Customs Union as proposed in the case of the Messina group, in which there is free trade within the area and a common tariff against other countries or whether it takes the less comprehensive form of a free trade area for the products of European countries, leaving each member otherwise free to adopt its own tariff policy in respect of products from other countries. The latter method would permit a country such as the United Kingdom to continue to accord preferences to Commonwealth countries as against non-European countries, while allowing free entry to European products. Such a regime would probably be welcomed by the United Kingdom and by other countries wishing to preserve either existing commitments or a high degree of tariff autonomy. On the other hand, it would alone be of little advantage to the textile industries of Europe, since this tariff autonomy would probably result in the invasion of each national market by textiles from low wage (Asiatic) countries. In particular, while measures could easily be taken to identify European textiles, so that they alone circulated freely within the free trade area, there would be nothing to prevent each country from admitting Asiatic textiles into its own home market, a situation which might easily occur under the pressure of individual commercial policies.

Free Trade Area

The most likely outcome at present is that the Messina countries will form a Customs Union and that other O.E.E.C. countries will seek to form a free trade area which would include this group. In this event, the Customs Union members would be able to pursue a common policy in regard to Asiatic textiles and might be collectively strong enough to limit their importation. The non-Customs Union Members would individually be in a weaker position. A special agreement among them might be possible—it is true that at the moment even without the closer link of a free trade area there is such an agreement preventing processed Japanese cloth from circulating within Europe, and there is also a voluntary limitation of exports of textiles from Japan to Europe. This result was achieved, however, mainly by the countries now proposing to adopt the more effective mechanism of a Customs Union. Two reasons render it less likely that the remaining countries will act in concert. First of all, the main threat from low wage countries is in the textile sector and other European industries are much less concerned. Secondly, the position of the U.K., which might be the principal country outside the Customs Union, is a rather special one, because of Commonwealth issues. It is true that the British cotton industry now loses, under the Commonwealth preference system, almost as much through imports of duty-free textiles from India and Hong Kong into the home market as it gains from preference in the export markets, but the position is quite different for British industry in general and it will, therefore, be difficult to make any modification in the system. The cotton industries outside the proposed Customs Union are, therefore, probably facing a more difficult situation than those inside.

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SUGARCANE PRICE IN BOMBAY STATE

MILLS AGREE TO PAY MORE

AS was briefly stated in these columns two weeks ago, the sugar factories in the Bombay Deccan are required to pay a higher minimum price for the sugarcane purchased by them during the ensuing (1956-57) crushing season. The revised price is Re. 1-10-5 per maund (or Rs. 45 per ton), which represents a rise of 8 pies (or Re. 1 per ton) over that fixed for the 1955-56 season. It is also higher by As. 3-5 per maund, as compared with the minimum price of Re. 1-7 fixed by the Government of India for cane delivered at the gates of factories.

The upward revision in the minimum price is the result of a mutual agreement reached between the Government of Bombay and the Deccan Sugar Factories' Association at a meeting held on 21st September 1956. All the factories have given an undertaking that they would pay the stipulated price for cane for the 1956-57 season. The Government, on its part, has assured that there would not be any further increase in price for this particular crushing season, if the decision were respected. The revised price does not, however, affect any contracts for higher price, if any, made by the factories with the sugarcane growers.

The basis of the cane price policy now announced by the Bombay Government is the same as that followed during 1955-56 and marks a departure from the sugarcane policy of the Government of India. This policy, it will be recalled, envisages the continuance of the minimum prices for cane fixed for the last season—that is, at Re. 1-7 per maund for gate deliveries and Re. 1-5 for deliveries at rail centres—in the coming season also. These prices are subject to the formula for linking the price of cane with the price of sugar evolved by the Government.

Peculiar Conditions

The Government of Bombay has, however, done well not to follow the system of linking the price of cane to that of sugar produced for the second season in succession. For such a system does not suit the conditions peculiar to the sugar factories in the Deccan. It is common knowledge that most of the factories in the region themselves grow the bulk of the sugarcane required for crushing on extensive farms owned by them. Only small quantities of cane are purchased from individual cultivators outside the farms to meet the requirements of extra crush. Any adoption of the formula for linking cane price to sugar will dissuade the factories from buying cane from cultivators, since they will not be knowing what additional price they may have to pay to cane growers in future. In view of this uncertainty, they will naturally prefer not to buy any outside cane and to rely on their own supplies. The individual cane growers will, therefore, be compelled to divert their cane crop to *gur* making on which they get a poor yield under normal conditions, and, consequently, a lower price which may even be below the minimum fixed by the Centre. Considering this disadvantage and with a view to inducing the cultivators to supply as much cane as possible to the factories, the Government of Bombay has, in consultation with the sugar millowners, fixed a higher minimum price of Re. 1-10-5 per maund for cane during 1955-56.

No Adverse Effect

The upward revision in sugarcane price in the Deccan will not adversely affect the sugar mills For the incidence that actually falls on the mills is not heavy. As already stated, the quantity of outside cane purchased by the factories is not much; it constitutes only a small proportion of the total quantity of cane crushed by them. Moreover, the quality of sugarcane supplied to the mills in the Bombay Deccan is superior to that of cane supplied to mills in any other part of the country. The average recovery per cent. of sugar in cane in this region comes to nearly 11.6, as against the all-India average of 9.9. The recovery advantage thus derived by the Deccan sugar mills comes to as much as 17 per cent. which is more than the 15 per cent. rise in cane prices which the mills are required to pay.

Agreement has also been reached between the Government of Bombay and the Deccan Sugar Factories' Association in regard to other aspects of buying sugarcane from outside growers. Accordingly, the factories shall not engage the services of any agent other than co-operative societies for securing the supply of cane grown within 12 miles of the factory site. They may, however, utilise the services of agents for purchasing cane grown beyond 12 miles. The factories should pay 25 per cent. of the price of sugarcane within 15 days of delivery, the balance of 75 per cent. being payable within one month preferably but in no case later than six weeks. It is left to the discretion of the factories to pay 10 per cent. of the price after the contract for the supply of cane by growers is fulfilled. The factories will endeavour to purchase as much cane as possible, consistent, of course, with their crushing capacities and the optimum season for which the units in different areas work. The factories have further agreed not to deduct any weight from the weight of sugarcane supplied by agriculturists beyond the limit laid down by the Government of India for deduction in weight on account of binding material.

Will Benefit Both

The aforesaid details of the agreement over the sugarcane price and purchases will reveal that both the cane growers and the sugar factories will be benefited. Thus, while the cane growers will receive a higher price for their product, the mills are assured of large supply of cane from private cultivators, which means that there will be a longer crushing season and, consequently, an increase in the production of sugar. During the 1955-56 season, when a similar agreement was in force, it will be recalled, the sugar factories in the Bombay Deccan crushed as much as 3·4 million tons of cane, as against 2.2 million tons in the previous season. The aggregate sugar output was higher at 207,800 tons which compares favourably with 173,500 tons. The output would have been higher but for some setback to the quality of cane, the average recovery per cent. of sugar being 11.51, as against 11.68. The average number of working days was 140, the figure for 1954-55 being 139. The number of mills which crushed for more than 150 days (but less than 170 days) during 1955-56 was eight, out of the 15 units that worked.

LICENCES FOR NEW SUGAR MILLS

The Licensing Committee of the Government of India has approved of schemes for the setting up of three new sugar mills and expansion of six existing units, involving a total additional daily cane-crushing capacity of 5,350-5,820 tons. Of the three new mills, two are co-operative ventures; one will be established at Ban Ankni in Purnea District, North-East Bihar, with a capacity of 800 tons, and the other at Morinda in the Ambala District, Punjab, with a capacity of 1,000-1 250 tons The third factory—a joint-stock concern—will be located in the Ganjam District of Orissa, the capacity being 1,000-1,220 tons.

Of the six existing factories which are allowed to expand, three are in Bihar State, the increase in the daily cane-crushing capacity being 1,500 tons to 1,800 tons, 850 tons to 1,000 tons and 850 tons to 1,200 tons. A sugar mill in the Bareilly District of Uttar Pradesh will expand its capacity from 1,280 tons to 2,180 tons and a unit in Andhra from 300 tons to 600 tons. In Madhya Bharat, one mill will augment its capacity by 550 tons to 1,250 tons.

The progress made in the implementation of housing schemes for the sugar factory labour in Uttar Pradesh was reviewed by the U.P. Sugar and Power Alcohol Industries Welfare and Development Advisory Committee at its meeting held in Mussoorie recently. The review revealed that, out of the original grant of Rs. 49,49,300, work on 1,160 quarters had been completed in 52 factories and construction of 50 quarters with the supplementary grant of Rs. 4,91,300 had been undertaken. The Committee considered the question of some sugar factories having refused to participate in the housing scheme and decided to persuade these units to avail themselves of the allotment for the benefit of their workers. It also examined the question of utilising the profits from molasses for compulsory labour welfare schemes and construction of quarters. No decision was, however, taken pending the report of a legislative special committee.

The total area under sugarcane during 1956-57 is estimated at 4,717,000 acres, as against 4,560,000 acres in the previous season, representing a rise of as much as 16 per cent. This figure is claimed to be the highest on record since 1948-49. The anticipated increase in acreage is attributed partly to high prices of *gur* at the sowing period and partly to better irrigation facilities. The improvement in acreage is expected to be shared by all the cane-growing States, with the exception of Madhya Pradesh and Hyderabad The improvement is particularly marked in Uttar Pradesh and Bihar.

CONSERVATION OF COAL

COAL BOARD'S EFFORTS DURING 1954-55

THE Coal Board has, during the last few years, taken several steps to conserve the resources of coking coal in India. It has, for instance, introduced control on the production of coking coal and has encouraged stowing by granting financial assistance to collieries. It has also taken steps to enforce stowing in several large mines. The washing of all coal is another means of conservation and is a live issue. The Board has embarked on several investigations on all these methods of conservation. If, however, the results achieved in respect of stowing and washing have not been spectacular, it is because several years of investigation, planning and installation work are required, according to the Board, before a large washing or stowing plant can be installed. The Board, however, hopes that the measures taken by it will result in considerable expansion in stowing and washing during the next few years.

The progress of the conservation measures taken during the year ended 31st March 1955 is outlined in the Annual Report of the Coal Board for the year just released. The delay in the publication of the Report is said to be due to the late receipt of the audit report of the Board's accounts; this was received only on 9th May 1956.

In pursuance of the policy of pegging the output of coking coal, decided upon in 1952, the overall ceiling of output for each grade of coal for the year 1954 was initially fixed at the level of actual output in each colliery during 1953. In a large number of cases, however, the ceilings were revised upwards on appeal from the collieries concerned, but the actual output of the different grades during 1954 fell short of the revised ceiling and, in respect of grade II coal, it did not come up even to the initial ceiling, as will be seen from the following table:

(In tons)

	Initial ceiling	Revised ceiling	Actual output
Selected A and B grades ..	7,103,000	7,353,000	7,210,000
Grade I	3,634,000	3,921,000	3,659,000
Grade II	2,926,000	3,103,000	2,745,000

The number of collieries brought under the pegging scheme in each grade was: selected A and B grades 74, Grade I 45 and Grade II 110. The field-wise distribution of coking coal collieries under pegging was as follows:

Name of field	Selected A and B grades	Grade I	Grade II
Jharia	64	40	99
Raniganj	8	1	1
Giridih	2	..	..
Bokaro	..	4	10
Total ..	74	45	110

Stowing being a matter of primary importance in any scheme of coal conservation, considerable attention was paid to this question by the Coal Board during the year under review. The Technical Advisory Committee (Mining) had recommended the early adoption of stowing in a number of collieries which had already commenced depillaring or about to commence it. It was expected that the Board would supply sand to the collieries for stowing purposes. In view of the heavy financial and administrative difficulties, the Board informed the collieries in 1954 that it would not undertake the responsibility of supplying sand and that excavations and transport of suitable stowing material should be the responsibility of the collieries themselves. The Board, however, undertook to provide financial assistance in the form of loan and stowing subsidy.

Although the Coal Board told the collieries that it would not undertake to supply sand for stowing, it was at the same time fully alive to the fact that the heavy financial burden involved in any large stowing project requiring the transport of sand over long distances was beyond the capacity of many a colliery. It, therefore, suggested that groups of collieries could undertake joint ventures in constructing ropeways to carry sand to the collieries, as this would reduce the financial burden on individual collieries and facilitate the expansion of stowing. The Coal Board made it clear that loans would be admissible for such joint ventures on the same terms as to any individual colliery. Discussions between certain collieries in the Central Jharia area were held on the aforesaid proposal, but no concrete scheme was evolved during the year under review.

Out of about 830 collieries working in India, 84 were sanctioned assistance towards voluntary

(*Continued on page 830*)

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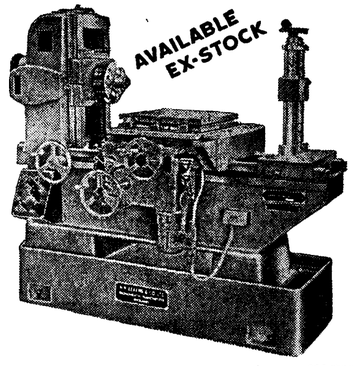

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TRENDS IN WORLD PLANTATION PRODUCTS

"OUTLOOK FOR TEA NOT UNFAVOURABLE," SAYS F.A.O.

THE main feature of the world's agricultural economy during 1955-56 was the continuation of the rising trend in production of food and agricultural commodities—the increase over the previous year having been nearly 3 per cent.—in the face of a general decline in prices. It must, however, be noted that the increase in production was, as in the previous years, unevenly distributed. Nor was the trend of prices uniform for all commodities. So far as the three main plantation products—coffee, tea and rubber—are concerned, there was an increase in production of all the three. As regards the trend of prices, while there was a fall in those of coffee and tea, natural rubber recorded a rise.

In a survey of the various agricultural commodities during 1955-56 and the outlook for them, the F.A.O. observes in its latest publication, *The State of Food and Agriculture* 1956, that world production of coffee in the crop year 1955-56 is estimated at 44 million bags (2.64 million tons), which is about 7 per cent. higher than that in 1954-55 and 13 per cent. above the 1950-53 average. The production in 1955-56 would have been higher still but for a sharp decline in Colombian and Central American crops, due apparently to unfavourable weather conditions. Production in Africa and other coffee-growing countries continued to show a rise, the increase in Brazil being particularly marked. The Brazilian crop at 23.3 million bags (1.40 million tons) was a post-war record.

The low stocks in consuming countries and lower prices in producing areas stimulated demand throughout 1955 and in the first half of 1956. The imports by the U.S., which had considerably declined in 1954 on account of the sharp rise in prices, increased by 15 per cent. although they were still 7 per cent. less than those in 1953. The *per capita* consumption in the U.S. also recovered during 1955, but it nevertheless fell short by 16 per cent. of the average consumption of the immediate post-war years. Imports of France, West Germany and other European countries continued to rise. Notwithstanding the large increase in incomes, the *per capita* consumption of coffee in these European countries was below the 1934-38 average. However, provisional figures of world imports, at 34 million bags (2.2 million tons), during 1955 showed a rise of 12 per cent. over 1954.

Coffee Prices

Although coffee prices during 1955 ruled very much lower than in 1954, they were higher than anticipated, on account of the recovery in consumption and the unfavourable production in some countries. The decline in output of Colombian and other mild varieties of coffee led to a sharp rise in price, which strengthened the prices of the Brazilian varieties also. A notable feature of the price-trend during the past year was the widening of the disparity in the prices of the mild varieties, as compared with the standard Santos from the normal level of 3 to 5 U.S. cents to 15 U.S. cents, the gap being the widest witnessed during the last one decade. Since September 1955, the prices have remained stable on reports of severe frost damage to the 1956-57 Brazilian crop, as also on account of the strength of better quality coffees. The prices of African robustas, however, declined under the pressure of increased supplies. Recent developments, according to the F.A.O., indicate a continuation of remunerative prices at least for the rest of the current year.

Referring to the outlook for coffee, the F.A.O. observes:

"While forecasts of the 1956 Brazilian crop vary considerably, it is now recognised that world production in 1956-57 will be lower than in 1955-56. Futures for the most distant months consequently rose from 41 cents in September 1955 to 51 cents in March 1956. However, there is the danger that high prices will, as in 1954, adversely affect consumption and imports. Although no abrupt changes in consumption are to be anticipated, it is possible that the improvement which began last year may be temporarily halted, which would aggravate the effects of any sharp rise in supplies in the future."

The year 1955 witnessed a record production of tea, the increase in output in India and Ceylon having been more than anticipated. Production in Africa continued to rise, while in Pakistan and Ceylon the crops were slightly lower than those of the previous year. Despite the increased production, exports from the producing countries suffered a recession, due to "various administrative and other factors," resulting in accumulation of stocks. The supply and trade conditions, together with other factors, had their effect on prices. The Government of India's decision to restrict shipments of teas to London auctions, leading to a shortage of warehouse spacing and overburdening of auction facilities at Calcutta, and the decline in quality of Indian and Ceylonese teas, due to coarser plucking, were among the factors responsible for the fall in prices. In London, however, the scarcity of supplies resulted in a rise in prices during the autumn of 1955. In March 1956, however, the Government of India temporarily removed the restriction on shipments to London auctions. As a result, the F.A.O. expects that shipments might rise and a "closer balance of prices will be achieved between the various auction markets."

As regards the outlook for tea, the F.A.O. says that it is "not unfavourable, despite the abundance of supplies." According to this U.N. Organisation, the stocks in the U.K. are low, imports into practically all consuming markets can be expected to improve and, given "acceptable quality," prices are likely to remain firm.

Rubber

As in the case of most of the agricultural commodities, natural rubber also recorded a rise in world production to a record level of 1.94 million tons during 1955. The increase was only 6 per cent. over the output in 1954, despite the substantially higher price which it fetched. A feature of the expansion in production was the larger increases in the output of small holders than in that of big estates.

The price of natural rubber increased rapidly during 1955, touching the peak for the year in September. The average price for the year was 70 per cent. higher than that for 1954, the price of No. 1 R.S.S. having stood at 37.30 cents per lb., as against 21.99 cents in the previous year. The advance in natural rubber price was so sharp that at one time it stood at almost double that of synthetic rubber, the production of which expanded by 52 per cent. in 1955 from 0.73 million tons to 1.1 million tons, thus nearly touching the present capacity.

The upswing in the price of natural rubber was due to the increase in consumption from 1.79 million tons to 1.87 million tons, almost every rubber manufacturing country raising its consumption, the expansion in the U.S. being the largest (24 per cent.). The consumption would have gone up still further if the competitive price levels as compared with the synthetic rubber (noted in 1953 and 1954) had been maintained or the gap between the two had been narrower, but, as already pointed out, the natural rubber price (at 37.30 cents per lb.) was substantially higher than that of the synthetic (at 23 cents per lb. for U.S. G.R.S.). Moreover, the rise in consumption of synthetic rubber was much sharper, having gone up from 0.75 million tons to a record level of 1.07 million tons. A notable feature of the rise in consumption of synthetic rubber was the threefold increase in exports from the U.S. to other non-producing countries.

In the early months of 1956, some recession in demand for natural rubber became evident, following the cutbacks in automobile output in the U.S. and the U.K. Moreover, the increasing supply of lower-priced synthetic rubber and the prospect of new synthetic rubber plants in Europe and North America coming into production shortly had a depressing effect on the natural rubber, with the result that prices declined during the first half of 1956, though they continued to remain higher than those of equivalent synthetic rubbers.

NORTH INDIAN TEA CROP TO BE RESTRICTED

Suggestions have been in the air for some time that the effects of the excessive supply of tea in India and other world markets can be overcome by the early closure of the plucking season and the destruction of tea waste and residual teas. These proposals have now become almost a fait

(*Continued on page* 843)

OUTPUT OF JUTE GOODS DECLINE FURTHER

STOCKS, HOWEVER, RISE

THE month of September 1956 recorded another landmark in the history of the Indian jute industry; for it was during this month (on the 17th to be precise) that the jute mills implemented the decision of the Indian Jute Mills Association to re-seal 5 per cent. more of the looms, thus bringing the total idle capacity to 12½ per cent. of the looms. The sealing of the 5 per cent. of the looms represents a cut in production of 5,000 to 5,500 tons per month. This is in addition to the fall in output on account of sealing 2½ per cent. of the looms in the middle of July. One would naturally have expected a more substantial decline in output during the month than in the previous month and an equally substantial fall in stocks of jute goods. The statistics of production and stocks for the month of September, released by the I.J.M.A., however, disclose that, while production has fallen to a slightly great extent than in the previous month, stocks at the end of the month have increased.

The production of jute goods during the month under review amounted to 84,500 tons, as compared with 89,000 tons in the previous month and 94,100 tons in July 1956, thus maintaining the downward trend for the fourth month in succession—the output having dropped from 101,700 tons in May 1956. This brings the monthly production to the lowest level since October 1955, when it amounted to 78,800 tons.

The following table shows the output of jute goods during the month under review, as compared with that in the previous two months and that in the corresponding month of 1955:

Jute Goods Production

(In tons)

	September, 1956	August, 1956	July, 1956	September, 1955
Hessians	35,500	35,400	34,300	35,400
Sackings	43,800	48,200	52,900	47,200
Others	5,200	6,000	6,900	4,800
Total ..	84,500	89,600	94,100	87,400

It will be noted that the decline in production during the past month amounted to 5,100 tons, as against 4,500 tons in the previous months. This fall is solely accounted for by sackings and other manufactures, the production of which has dropped by 4,400 tons and 800 tons, respectively, while the output of hessians, which had gone up by 1,100 tons in the previous month, has further risen by 100 tons. This shows that the mills were concentrating their attention on cutting the production of sackings, the stocks of which are still high.

The total stocks of jute goods at the end of the month aggregated 124,700 tons, which shows a rise of 1,200 tons, in distinct contrast to the heavy fall of 14,400 tons noted at the close of the previous month, as will be seen from the following comparative table:

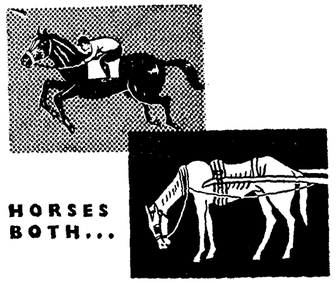
Jute Goods Stock

(In tons)

	As on 30-9-1956	As on 31-8-1956	As on 31-7-1956	As on 30-9-1955
Hessians	29,400	28,200	38,500	34,400
Sackings	88,200	88,600	93,200	32,500
Others	7,100	6,700	6,200	3,000
Total ..	124,700	123,500	137,900	69,700

Though the stocks at the end of September were substantially lower than those at the close of July last, they are still higher by as much as 55,000 tons than those at the end of the corresponding month of the previous year and large enough to constitute a source of anxiety for the mills. For, according to experienced brokers in jute goods, the position of the industry from the statistical point of view is still far from bright and the stocks of goods with mills at the beginning of 1957 are likely to be nearly twice as large as they were twelve months before. "These stocks, too," to quote Messrs. J. Thomas & Co., Ltd. "are not well balanced, by far the greater part consisting of sacking descriptions. The weight of them, unless some new and unforeseen factor arises, is likely to be severely felt during the slack period of January-March, and this consideration was reflected in the sharp discount at which January-March goods, particularly sacking goods, were frequently quoted during September."

As will be noted from the table above, the stocks of sackings have fallen by only 400 tons over the month, while those of hessians and other manufactures have gone up by 1,200 tons and 400 tons, respectively.



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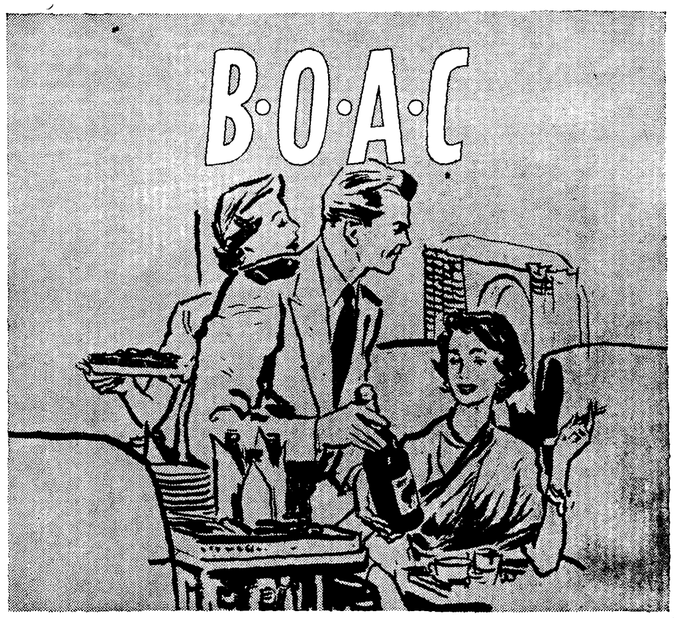

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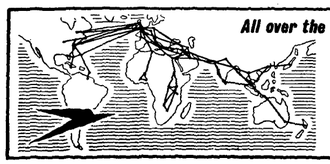

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RESULTS OF PRELIMINARY SURVEY

IN the context of the increasing emphasis that is being placed on industrialisation and rural electrification in India's economic programme, there is no doubt that the demand for electric power will go up in future. It is certainly necessary to find out how much of this demand could be met by India's large water resources. The Government of India must, therefore, be congratulated on initiating a survey of water resources which are likely to yield electricity. The results of the preliminary survey, which was undertaken by the Central Water and Power Commission in 1953, indicate that India's "utilisable" hydro-power resources are about 35 million kw. at 60 per cent. load factor.

India's installed capacity for electricity, which was about 2.3 million kw., has already moved up to about 3.4 million kw. and is expected to go up to 6.9 million kw. by 1960-61. In urban areas, the demand for electricity will come from large-scale industries and other users of electricity, while, in the rural areas, there will be an increased consumption of electricity for purposes of rural electrification, running of small-scale industries and pumping water for irrigation. Experience in many countries has shown that electricity consumption increases steadily with the passage of time. Indeed, the forecasting of future trends in electricity consumption is a highly technical job, in which complicated statistical formulæ are employed. The U.N. report (prepared by the Secretariat of the Economic Commission for Europe) entitled *Methods Employed for the Determination of Electric Power Consumption Forecasts*, discusses several of the methods in use in the U.S. and European countries, including the U.S.S.R. Many methods are in use, the preference for a particular method being dependent upon several factors such as the extent to which the economy is planned, the period to which the forecast applies, the density of consumption, the degree of industrialisation and the pattern of energy resources. In Europe, the application of a mean rate of annual increase is the method most commonly employed. The best known constant rate conforms to the law of doubling-in-ten years—that is, 7.2 per cent. per year; this is particularly in vogue in France and W. Germany. Sweden tends to use a rate of 6.7 per cent., Italy 5.7 per cent., Belgium 5.5 per cent. and Switzerland 4 per cent. In India, the demand for power, it has been estimated, will increase at a rate of 20 per cent. per annum; this high estimate is obviously based on the consideration that a high rate of industrial expansion is envisaged in the second Five-year Plan.

Six Regions

The preliminary survey of hydro-electric resources, to which reference was made at the outset takes into account only the resources capable of development on technical and economic considerations in the context of prevailing cost, current construction techniques and the factors affecting development of river resources. For purposes of assessing these resources, the Commission has divided the country into six broad regions: (*a*) West-flowing rivers of the Western ghats, (*b*) east-flowing rivers of South India, (c) rivers of Central India, (d) the Ganga basin, (**e**) the Brahmaputra basin, and (*f*) the Indus basin. The present survey indicates that, at present, only about 2 per cent. of the estimated hydro-power resources of the country are being utilised.

The regional classification of the rivers brings out also some of the essential characteristics of the regions concerned. Thus, the problems involved in the development of the west-flowing rivers of the Western Ghats have a common feature in that almost all are "high-head" schemes, unaffected by conflicting requirements of irrigation and power. The problems of the east-flowing rivers of South India are different, in that the overriding requirements for irrigation have first priority and power development is generally of the "medium head" class. All possibilities of development in each region have been examined. The possible schemes are outlined in complete detail, indicating the location of dam sites with dimensions of dams and reservoir capacities, the type and details of the water conductor systems and location of power houses. Twenty-six such proposals, aggregating 3.7 million kw., 43 aggregating to 6.8 million kw. and 36 aggregating to 3.8 million kw.—all at 60 per cent. load factor—have been incorporated in the first three completed reports, entitled "West-flowing Rivers of the Western Ghats," "East-flowing Rivers of South India" and "Rivers of Central India." The fourth report on the Ganga basin indicates a total potential of 12.984 million kw., at 60 per cent. load factor, of which 7.47 million kw. lies entirely in Nepal. The survey is in progress for the remaining river basins.

Two Welcome Results

When the survey for the entire country is completed in 1958, the "real wealth" of hydro resources, and its distribution and characteristics will be established, within acceptable limits of accuracy. It is expected that, in the next stage, the hydro-electric survey will extend beyond the present limitation to "prelimintry studies," and cover a long-term systematic programme of field investigations.

Two welcome results of the preliminary survey deserve notice. In the first place, the survey reveals that there is a very favourable distribution of the water resources in the country, particularly in comparison with most of the other countries. This means that many schemes of hydro-electric power generation can be implemented in each region. Secondly, doubts had been expressed about the economics of hydro-power in comparison with thermal power. Experience in several centres, it is stated, has shown that hydro-electric power can be generated at rates which are highly competitive with thermal power. The current costs of hydro-power are about 0.2 to 0.3 of an anna per unit, as compared with 0.4 to 0.45 anna per unit (at 60 per cent. load factor) even in mine-head thermal stations. It is true that "seasonal" hydro power would need the "helping hand" of thermal generation for commercial supply on a continuous basis. But no assistance from thermal power, it is stated, is required for the "firm" component of hydro-power potential with which the current survey concerns itself.

WAGON EFFICIENCY

In a communication addressed to chambers of commerce and other representative business organisations in the country, the Railway Board has invited the co-operation of the business community in making a success of the railway campaign to "work the wagons harder." These organisations have been informed that the Railway Board has decided to reduce to five hours the existing "free time" allotted to the trade for loading and unloading of wagons, so that these may be back-loaded the very same day. The reduced "free time" will be enforced from 1st November 1956, when the new busy season starts.

As part of the campaign to "work the wagons harder," the Railway Board has already issued instructions that the railway's own coal wagons should, with immediate effect, be released in three hours instead of six and that wagons containing other railway material should be released within five hours instead of six, as previously. Steps are also in hand to reduce the detention of wagons in collieries and other sidings and port areas. The Railway Board's communication emphasises that in view of the likelihood of a shortfall in the availability of rail transportation during the second Plan period, it is of the highest importance that the maximum possible use should be made of the railway's existing resources in wagons, engines and line capacity, as more intensive use of existing resources would mean the "creation" of additional transportation capacity. The Board has urged the business community to extend its wholehearted support to this and to any other measures which Railway Administrations may be constrained to take, as these measures will not only be in the wider national interests, but also in the particular interests of the large number of individual business organisations which depend for their development on the maximum possible availability of rail transportation.

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THE industrial atomic power station in Calder Hall, the U.K., which was formally opened last week by H. M. The Queen, is the first of its kind in the world. Although only one reactor furnace is in operation at present, the station is already producing 28 megawatts of electricity which will shortly be increased to between 40 and 50 megawatts. Next year, when the second reactor furnace will come into operation, the full capacity of 92 megawatts will be produced; between 72 and 76 megawatts of this electricity will be made available for public use. It is stated that, next year, Britain will have at least seven experimental and commercial power stations under construction costing £170 million to £200 million.

The amount of electricity generated by atomic energy will be further increased to 300 megawatts in 1958, when the second Calder Hall atomic power station and the two atomic power stations at Chapelcross, Dumfriesshire, come into production. By 1965, every new power station in the U.K. is expected to be an atomic power station. And, by 1975, the total output of atomic power stations would possibly be twice the output of all the power stations that serve Britain's needs today. This means that, at the end of the next 20-year period, Britain would be supplying electricity in an amount equivalent to that produced by 50 million and 100 million tons of coal.

No firm estimates about production costs of nuclear power can be made at present. For technological changes are constantly taking place in the sphere of nuclear power. But it is stated that the capital cost per kilowatt is likely to be about £120 and initial investment in uranium fuel may add about £30 per kilowatt. Since capital costs of coal or oil-fuelled stations are estimated at £55 per kilowatt, the competitive power of nuclear stations is stated to depend on availability of capital at reasonable rates. At the same time, experts believe that there is considerable scope for reducing the capital cost of the graphite-moderated gas-cooled type of station. Further, it has been computed that one ton of uranium can give as much heat as 10,000 tons of coal; one ton of uranium costs £10,000 and 10,000 tons of coal cost £40,000. Again, in the nuclear power stations, the plutonium by-product, which will be created, can produce heat equivalent to three million times its weight of coal and could be fed back into the reactor. Present estimates place the cost of nuclear power at 0.6*d.* a kilowatt on the assumption of 5 per cent. interest and 15 to 20-year life for capital charges. It is believed that, in course of time, the nuclear power stations will be fully competitive with the modern coal-fired stations.

In the U.K., the urgency nuclear power stations is greater than in the U.S. or the U.S.S.R. which produce cheap electricity from hydro-electric resources or readily available coal. Again, the U.K. has no reserves of oil for which it depends on the Middle East. Further, industrial concentration is sufficiently high in the U.K. to justify large expenditure on nuclear power stations which require a high load factor and have a high capital (though a low running) cost. These considerations have lent a new sense of urgency to the U.K.'s atomic power programme. To underdeveloped countries, nuclear power may not prove attractive, because of the low load factor in these regions. It must not, however, be forgotten that, whereas coal resources are not inexhaustible and coal raising is an increasingly costly process, the demand for energy will continue to rise in all countries, so that nuclear power will always be regarded as a welcome additional source of energy to hydro-electric or thermal power.

NEW PRODUCTS AND PROCESSES

Boron 10

PROBABLY the first commercial isotope separation column in the world, now being operated in Surrey by 20th Century Electronics, is producing Boron 10, an important material used in atomic energy development. Production of Boron 10, which is a rare non-radioactive material used in the manufacture of special counters for measuring the activity in nuclear reactor furnaces, followed close co-operation between the company's technical staff and scientists of the U.K. Atomic Energy Authority. Mr. Alan Edmonds is supervising the operation of the column, which is based on a U.K. Atomic Energy Authority design by Mr. R. McIlroy. Although production at present is barely sufficient to meet the need of Harwell, the company plans to construct several other columns of greater heights. The Boron 10 has an enrichment of over 99 per cent. The Russians showed an experimental column at the "Atoms For Peace" Exhibition at Geneva last year, but their product had an enrichment of only 87 per cent. The column, a narrow tube packed with five miles of stainless steel wire, cost about £2,000 per foot. Boron 10 is one of the most efficient media for measuring the quantity of neutron particles present inside a nuclear reactor furnace. Since the neutron particles are the "bullets" which keep the atomic "fire" burning in the nuclear reactor. Boron 10 is a vital material for use in equipment for controlling the output of nuclear reactors. Another use for Boron 10 is its application to medical therapy. A by-product of the Boron 10 producing process is Boron 11, of great value in nuclear research.

A Measuring Instrument

A gauging instrument for use by production engineers, which gives immediate information about the external dimensions of machined metal components, is one of the latest products of Southern Instruments (Frimley Road, Camberley, Surrey). Known as the Magna-Gage electronic comparator, the instrument is capable of measuring to an accuracy of .00001 inch. It consists of two parts: a probe which is brought into contact with the component under examination and an amplifying unit which records on a scaled dial any deviation from the correct dimension. Deviation causes the probe tip to be displaced and this in turn causes minute electrical changes which are transmitted to the amplifying unit. These changes are amplified and made to move a pointer on the dial which indicates the amount the component deviates from the correct dimension. It is claimed by the makers that in spite of the high sensitivity of the instrument, the readings are practically unaffected by temperature change. A change of 20 degrees F. is needed to cause an error of .00001 inch and it is also stated that the readings are little affected by changes in mains voltage or frequency.

Crop Dusting

A method of electrically charging insecticide and fungicide dust particles to make them adhere more thickly and firmly has been developed for the first time on a commercial scale by a British firm, and incorporated in a new dusting machine. The revolutionary development is quite simple. The dust passes through a very high electrostatic field so that each individual particle acquires a positive charge. When the particle approaches the surface of the plant being treated, an equal and opposite charge is induced behind the plant, thus drawing the particle to it. As the object being sprayed now has a negative charge, the positively-charged particle is held to the surface. Because like forces repel, the dust particles are evenly distributed over the surface. At the same time the dust is deposited in almost equal quantities on the lower surfaces of leaves, etc. It is estimated that the total deposits obtained by this new method of spraying are from four to ten times the amounts obtained by conventional means.

Versatile Chemical

From natural gas, air and ammonia, science has created one of the most versatile of modern chemicals—a crystal-clear liquid called acrylonitrile. Developed by the Union Carbide and Carbon Corporation in the United States, its uses are increasing at a rapid pace. Dynel, Union Carbide's remarkable textile fibre, is made from acrylonitrile. Fluffy and soft, but with great strength, this fibre is woven into everything from work clothes to evening dresses. It has become particularly popular in women's fur-like coats. Synthetic rubber made from acrylonitrile is used in shoe soles, gasoline hose, and many industrial products that must withstand hard use. When certain plastics are blended with acrylonitrile, they become shock-resistant and gain a toughness that helps them to last much longer.

Plastic-covered Meat

Meat coated with plastic by dipping is a new idea in consumer convenience being promoted in the United States. The meats are designed particularly for self-service stores, which predominate in U.S. grocery and meat sales. The plastic coverings come in two types, one of which allows the meat to be cooked by the housewife while still encased in the plastic, the other allowing the housewife to pull off the covering just before cooking. The first system makes use of a polyester film that encases the meat throughout the cooking process, eliminating dirty cooking pans. In the second system a colourless liquid coating of plastic is poured over the meat, rapidly hardening and conforming perfectly to the shape of the meat. It can be pulled off easily by the housewife before cooking.

Device to Study Ocean Bottom

For the first time in history scientists now have an instrument that can plunge into the ocean floor and bring up a large cylindrical core of undisturbed sediment deposited during thousands of years of geologic time. The device, called a large-diameter deep-sea corer, was designed by Dr. W. Maurice Ewing, Professor of Geology at Columbia University in New York City. Columbia scientists expect that it will aid them immeasurably in the study of the history of the earth and the origin of life in the deep sea. The new corer has an 11½-inch diameter, as compared with the 2¾-inch diameter of the earlier corer used by Columbia University oceanographers. The new instrument will reveal from 5,000 to 10,000 years of geologic time and will permit much greater precision in measuring the age of earth sediments lifted from the ocean bottom.

Colour Test for Tobacco

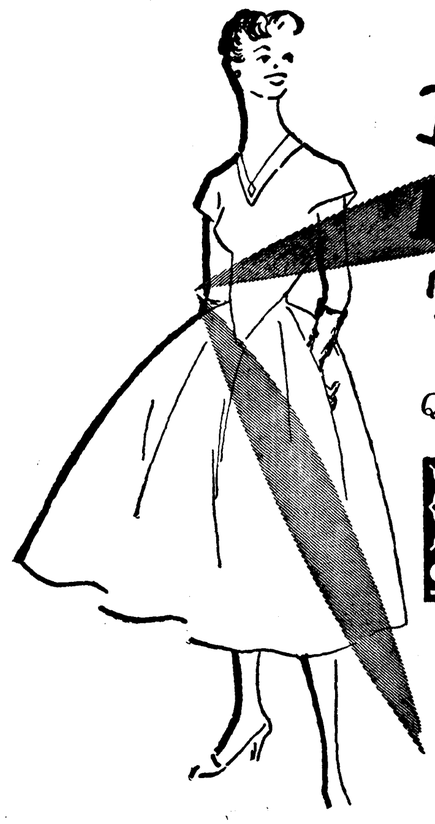
According to the United States Department of Agriculture, colour, instead of taste, may soon be the standard which experts use to judge tobacco. A colour comparison test, which permits scientists to judge the quality of tobacco while it is still growing, speeds up the process of breeding high-quality tobacco plants. The U.S. Department of Agriculture scientists who discovered the new method expect it to produce better tasting tobaccos. The tests will enable plant breeders to develop strains of tobacco that do not contain unwanted alkaloids. Until now, breeders have had to wait until tobacco has been aged, manufactured into cigars or cigarettes, and "taste tested," before undesirable alkaloids could be discovered.

Zirconium and Silicon Coatings

A series of new zirconium and silicon carbide refractory coatings designed for use in protecting materials from corrosion and abrasion has now reached an advanced stage of development. The coatings, which are based on zirconium oxide, zircon and silicon carbide, have been developed by the Norton Company. The silicon carbide coating is intended especially for application to graphite where that material is used for structural purposes as, for example, in the building of graphite moderated nuclear reactors, or in certain types of rocket motors. All three types of coating can, it is claimed, be bonded to form fully protective films over materials fabricated in complicated shapes by means of flame spraying techniques.

Electronic Eye

A new electronic eye has been developed that may enable astronomers to see further into space than ever before. The eye, in the form of a tiny tube, was unveiled recently at the opening of the Westinghouse Research Laboratories, at Pittsburgh. Scientists said the tube can make faint light and images thousands of times brighter. If attached to the giant telescope atop Mount Palomar in California, the tube will make the telescope three times as powerful. The Mount Palomar telescope already takes pictures of stars one to two thousand million light years away.



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HOW INDUSTRIAL CONCILIATION WORKS IN CANADA

NO PLACE FOR COMPULSORY ARBITRATION

IN many countries which have a high proportion of industrial labour force in their population, the authorities are paying constant attention to evolving methods whereby stoppage of work on account of industrial disputes could be avoided. The main philosophy behind such intervention is that industrial stoppages have too adverse an effect on the community to be treated as a matter for consideration only by the two parties to the dispute—the employers and employees. Some measure of State intervention has come to be regarded as a necessary consequence of industrial development.

The kind and degree of State intervention in industrial disputes differ, of course, from country to country. Canada is one of those countries where compulsory conciliation has been adopted. There is compulsory conciliation in India also. But the chief difference between India and Canada is that, whereas in India, the State's intervention in industrial disputes goes beyond compulsory conciliation and extends into the realm of compulsory arbitration, in Canada, it just stops at compulsory conciliation. Indeed, it would appear that, in Canada, any attempt at introducing compulsory arbitration would be stoutly opposed in most quarters, both employers and employees, as being contrary to all Canadian conceptions. In other words, the right to declare a lockout and strike is not denied to employers and workers, respectively.

Conciliation

Only the Government insists that, when a dispute exists, it must be allowed the chance to bring the parties together, with a view to reaching an agreement. All that the Government insists upon is that the parties must first tread the path of peace before they declare war on each other. It is also not obligatory on the part of employers and workers to accept the recommendations of the conciliation officers. But it is incumbent upon them to submit to conciliation. Limited as this form of intervention is, especially when it is compared to Indian labour legislation, it is noteworthy that Canadian practice has some remarkable achievements to its credit. Thus, during the five-year period 1950-54, which was marked by prolonged strikes in several countries, work stoppages in Canada accounted for only 0.15 per cent. of the total estimated working time lost. An account of the working of the system in Canada, as presented by Mr. Alfred Stenger in the latest (September) issue of the *International Labour Review*, will be read with interest in this country.

Legislation

Canada, like India, has a federal constitution. The federal Government has jurisdiction over industries which operate inter-provincially and over transport and communications. The field of labour legislation is a provincial prerogative. The present statutory conciliation procedures are stipulated in the federal Industrial Relations and Disputes Investigations Act on which most provincial labour relations Acts are modelled. According to law the employer is obliged to "make every reasonable effort to conclude a collective agreement." But it does happen sometimes that the parties cannot come to an agreement. It is then that compulsory conciliation begins. It, however, covers only disputes arising out of collective bargaining negotiations for conflicts originating from disagreement concerning union recognition and other issues are dealt with by federal or provincial labour relations boards. Summarising the procedural details relating to conciliation in Canada, the author says:

"(1) Not later than 20 days after either party has given notice that it desires to commence collective bargaining, direct negotiations between employers and employees have to begin. Both parties are obliged to make every reasonable effort to conclude, revise or renew a collective agreement. During the period of negotiations the employer is not allowed to alter the conditions of employment or to lower wages without the consent of the employees or their representatives.

"(2) If direct negotiations fail, or collective bargaining does not begin within 20 days after notice has been given, either party may apply to the Minister of Labour for the appointment of a conciliation officer. The latter will in most cases be an official of the Department of Labour and will confer with the parties informally. No procedure is prescribed by the Act, and the conciliator has, in the words of the Act, the duty 'to bring about an agreement between parties to a dispute.'

"(3) If the conciliation officer does not succeed in his efforts the Minister of Labour may set up an *ad hoc* conciliation board. This board consists of three members, two of whom are appointed by the Minister upon nomination by the parties; these two members then nominate a chairman, the nomination being confirmed by the Minister. If they fail to agree on the choice of a chairman, a chairman is selected and appointed by the Minister. Members of the board are sworn in and are not allowed to have a financial interest in the outcome of the proceedings or to have acted as solicitor, legal adviser, counsel or paid agent of either party within the six months preceding the date of appointment.

"The Act empowers conciliation boards to require the production of documents, subpœna witnesses and take evidence on oath; in addition, section 34 of the Act gives the boards wide powers of entry and inspection. But the boards are reluctant to take evidence on oath and to employ court stenographers, and do so only in exceptional cases. If everything that is said is put on record a certain restraint is imposed on the parties and the chance of a meeting of minds, which may be possible if the parties can express themselves quite informally and off the record, is decreased. If the board fails in its attempt to bring about an understanding between the parties it issues recommendations as to how the dispute should be settled. As the word implies, neither party is obliged to accept these recommendations. However, the parties are not allowed to take action—either to go on strike or to declare a lockout—for seven days after the recommendation report is released by the Minister of Labour.

"(4) It does very often happen that, even after rejecting a board's recommendation, the parties use its report as a basis for the renewal of direct negotiations. In this connection, a very important consideration arises out of the principles embodied in the Act. The pressure of public opinion is brought to bear on the two parties to induce them to come to an agreement, for the recommendations of the conciliation board may be made public by the federal Minister of Labour and published verbatim in the *Labour Gazette*, the Department of Labour's official organ. During the sittings of the board both parties quite frequently agree not to release any statements to the public."

Although the parties sometimes reject the recommendations of the conciliation officers, they often take these recommendations as the basis for further negotiations. The law, however, provides a safety clause which empowers the Minister of Labour to take such action as he thinks fit in order to "maintain or secure industrial peace and to promote conditions favourable to settlement of disputes." There are instances where the Minister has made use of those powers. The chief advantage of the compulsory conciliation machinery, as the author points out, lies in the fact that the obligation to substantiate demand before a third party "exercises a great regulatory and modulating effect on collective bargaining and eliminates visionary demands." Further, in Canada, conciliation owes not a little of its success to the fact that political differences do not play any part in the sphere of industrial relations and such differences also lack the element of bitterness which is met with in other countries. Indeed, the author notes that class consciousness is nearly completely absent from the Canadian scene and "some sort of personal, friendly relationship between management and union representatives is maintained; they may address one another very often by their Christian names."

Delay in Settlement

Nevertheless, one great defect that has been noted in the sphere of Canadian industrial relations is protracted delay in the settlement of disputes. The author quotes Professor H. D. Woods, Director of Industrial Relations Centre of McGill University in Montreal, who, commenting upon the working of the Canadian Act, says that "the experience of those who have served on behalf of the parties, as chairmen of boards, and in the Government service shows that, in a great many cases, the procedure has produced long delays and frustration and has seriously weakened collective bargaining, as a private legislating process." To people, in this country at least, who are used to the delays of industrial courts, this will hardly cause any surprise. But this cannot obviously be a source of consolation to Canada. Referring to the adverse effect of delays in settlement of industrial disputes, the author says: "Pending negotiations are a permanent subject of conversation among employees to the detriment of the performance of work. There may also be a subconscious slowdown, because nobody can do his best if there is something on his mind." For these reasons, he rightly insists that industrial negotiations should be disposed of as quickly as possible. With this end in view, he makes the interesting suggestion that every new agreement between employers and employees should be made retroactive from date of expiry of the old contract; this would eliminate any motive to delay and protract negotiations. But one may wonder whether the adoption of this suggestion would not lead to the conclusion of hasty and ill-considered agreements which, in their turn, may breed additional industrial disputes.

DOCK WORKERS' PROPOSED STRIKE

Although a series of discussions has taken place between the representatives of the Government of India and those of dock workers, there is still no certainty that the strike that is scheduled to take place on 15th November will not come off. Notice of strike has already been served by the All-India Port and Dock Workers' Federation. A charter of demands, which includes revision of the scales of pay and allowance, has been drawn up by the workers. In Calcutta, the tension is apparently mounting, for the decasualisation scheme, in the form in which it has been made applicable to the dock workers in that city, is said to ignore several of the demands put forward by the labour leaders.

The Standing Committee of the Federation has urged the Union Government to send an early reply to the communication sent by it to enable the Federation to reconsider the strike decision. A statement issued by the General Secretary of the Federation, Mr. S. C. C. Anthoni Pillai, this week, said that the Government's reply, when received, would be placed for consideration before a special conference. Mr. Pillai stated that the discussions held between the representatives of the Federation and the Secretaries of the Union Transport and Labour Ministries last week did not prove helpful as the "replies to the several suggestions made by the Federation were most unsatisfactory." The Standing Committee of the Federation had now suggested that the revised schemes under the Dock Workers (Regulation of Employment) Act be kept in abeyance till a satisfactory solution was found and that the agenda for the conference of port and dock interests, which the Government was to call, should be widened so that all the issues raised by the Federation might be considered and settled.

There is no doubt that, in the unfortunate event of a strike by dock labour in India, there would be an all-round setback in the economic sphere. The Government, however, is aware of the widespread implications of a country-wide dock strike and is doing all it can to understand and mitigate the workers' grievances. Much will depend on the course of negotiations at the conference of the representatives of the Labour Ministry, the dockers, stevedores and port authorities, scheduled to be held in the first week of November. It is to be hoped that both sides will appreciate the grave repercussions which a strike at this juncture will have on Indian economy and strive to avert the costly and senseless blunder of a stoppage of work in the docks.

LABOUR DECISIONS

Although the Government has decided to abolish the Labour Appellate Tribunal, which was first set up in August 1950, there is no doubt that the Tribunal has made some very weighty pronouncements and given notable decisions which could serve as valuable precedents for guiding the work of industrial courts. From this point of view, the Indian Chamber of Commerce, Calcutta, has done well to collect the important decisions given by the Tribunal. The booklet, entitled *Precedents from Decisions of the Labour Appellate Tribunal of India*, published by the Chamber, classifies the decisions under various subject-headings. The booklet will prove to be a useful reference work for employers, lawyers and labour leaders.

During 1954-55, the Employees' Provident Funds Scheme covered 4,53,896 workers employed in 1,354 factories in six industries, according to the report on the working of the Scheme, which has just been published. The number of persons covered by the scheme was 86 per cent. of the total employment, namely, 5,26,071 persons in these industries. The largest number—458 factories with 1,81,863 members covered under the Fund was in the State of Bombay. Madras and West Bengal with 191 and 249 factories and 85,312 and 32,260 members respectively came next. Kutch is the smallest region with only two factories and 309 members. With only one factory covered in Bhopal the number of members of the Fund was 2,319.

The total amount of provident fund contributions due to be received from the factories covered by the scheme during the period was Rs. 6.15 crores. Interest at the rate of 3 per cent. was allowed on the provident fund accumulations of the subscribers to the Fund during the period. The Act which was passed in 1952 applied only to six industries during the period, namely, cement, cigarettes, engineering, iron and steel, paper and textiles. The contribution paid by a member of the Fund is one anna per rupee of his total basic wages, dearness allowance and value of food concessions; an equal amount is paid by the employer. The provident fund contributions are invested in Central Government securities. The Scheme has since been extended to 17 additional industries, including printing presses, heavy and fine chemicals, tea, sugar and glass. Nearly 20 lakh workers employed in 3,600 factories now benefit by the Act.



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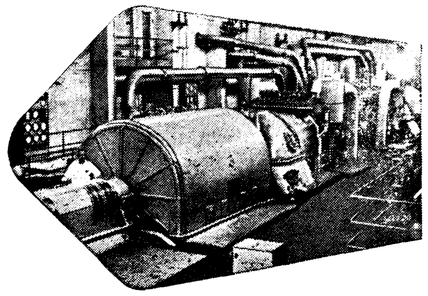

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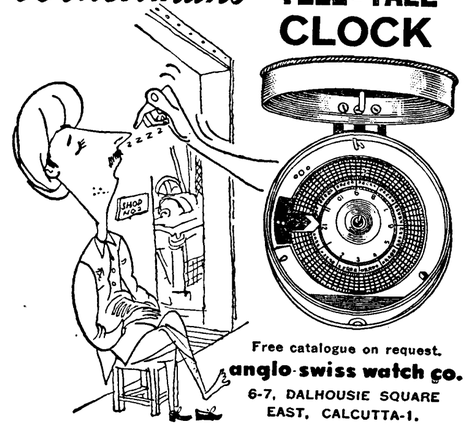

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IMPACT OF INDUSTRY AND ELECTRIC POWER ON AGRICULTURE

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By D. Seshadri Sastri, B.A., B.L.

MODERN heavy industry and power generation have in this twentieth century played a great part in accelerating the pace of agricultural development in the Western countries of the world. It is equally true that advanced agricultural economy and, in some Western countries, especially in the United States of America, technological advance in agriculture have played an important part in accentuating the rate of industrial development.

With the establishment of heavy industrial units in a country, the manufacture of chemical fertilisers, farming machinery in general, water pumps, tractors, bulldozers, insecticides and large-scale water conservancy projects are made possible. Indian agriculture needs a huge quantity of these various means of production. If we make extensive, though judicious, use of fertilisers to increase the yields of lands already in production, we will need at least five million tons of nitrate fertilisers and at least 500,000 tons of phosphate and potassium fertilisers. This means a huge domestic market for heavy industry.

It was only in 1912 that a distinguished German scientist, Haber, evolved a process for the manufacture of synthetic ammonia by using the nitrogen in the air. Subsequently, Bosch, another German scientist, considerably improved upon the methods of the former and, thereafter, the Haber-Bosch method has since then formed the most important and useful method for the manufacture of synthetic ammonia. Thereafter, the production of nitrogenous fertilisers made very rapid strides and plants suitable for processing the various materials available were soon established in Germany, England, America and Japan.

The most scientific advance in the production of fertilisers in India came to be made with the establishment of a fertiliser factory at Sindri, the largest single fertiliser unit in the East. Since then, the use of ammonium sulphate fertiliser has come to be so popular that the fertiliser plant at Sindri is being expanded, and two new types of fertilisers, namely, urea and ammonium-sulphate-nitrate, which have a higher cencentration of nitrogen than ammonium sulphate, will soon be produced in Sindri. Government have also planned at present for the establishment of two more factories, very nearly of the same size as Sindri, one at Bhakra-Nangal and another possibly at Neively. Thus, the fertiliser industry in India can be expected to play an important role in increasing food output yields per acre.

Iron and Steel

Among heavy industries, the iron and steel industry plays a key role and its impact on agriculture is, indeed, very great. The expert survey of world resources of iron ore, recently published by the United Nations Organisation, indicates that India possesses iron ore resources of the order of 21,000 million tons, out of 84,580 million tons in the world as a whole. Most of these deposits in our country are stated to be of very high grade, with an iron content of over 62 per cent. With the possible exception of Brazil, our total reserves of high grade iron ore are roughly equal to the combined reserves of high grade ore held by the five major steel units of the world, namely, the U.S.A., U.S.S.R., West Germany, United Kingdom and Japan.

The significance of our rich deposits of high grade iron ore can well be appreciated if we remember the fact that iron ore deposits of developed countries in the West are fast smelting out and a few of them, notably the United Kingdom, have already been importing ore from long distances with a view to supplementing local supplies. Even the United States, the land of plenty, is looking ahead and is taking steps to slow down its depletion of the famous Lake Superior region ores by getting imports from Chile, Brazil and other regions.

Indian resources of high grade iron ore are thus an extraordinary gift of nature and brook no delay in their exploitation both from the point of view of national development as also of agricultural advancement. Provided the problem of coking coal, which commodity is not in abundance, is satisfactorily solved, we can fairly hope to develop our iron and steel industry and export large quantities of the finished product to the South East as also to the Far East. A judicious exploitation of this precious gift of nature is the problem facing India today and the creation of an independent Ministry for Iron and Steel has come not a day too soon. In the second Five-year Plan, "twelve million jobs in the next five years" are envisaged as the precursor to the ushering in of a Welfare State and there can be no justification, therefore, for delay in expanding the steel production, though the task is a difficult and complicated one. As the present state of our economy is lopsided, inasmuch as it leans too heavily on agriculture, which is forced to maintain 390 millions of our rural population on subsistence levels of income, our present social aim must be to rectify this imbalance by diversifying the base of our Indian economy and by equalising living standards upwards in an expanding economy. Out of a total working force of 23 million persons in Great Britain, only 1 million are engaged in agriculture, including fisheries. The gravity of the problem in India could be clearly seen when the corresponding figures for our country are taken, namely, 120 million active workers in agriculture from out of a total working force of 160 million. Far from this figure being reduced, large numbers are being added every year by nearly 1.5 to 2 millions and all of them must have opportunities for absorption in an expanded economy instead of being forced to add on to the unbearable load already weighing on subsistence agriculture. Economic advance clearly feeds on itself and industries with high productivity help savings and investment which in turn generate further avenues of employment.

Enemy of Caste System

Moreover, rapid technological progress and improved living standards always involve radical sociological changes and it is opined that this will surely be of help in lifting the curse of caste system dogging this unfortunate land of ours for hundred of years past. Rapid industrialisation will thus be the main task to be undertaken in the coming years and no metal has yet been found to play the master role being played by iron in helping the exploitation of natural resources and the elimination of grinding poverty and misery of the countryside.

Iron and steel form by far the most variegated of commodities in India available abundantly in nature for turning out the multitude of machines required alike for large-scale production of goods at low cost as well as for gradual technological advance in agricultural economy. Iron constitutes the cheapest metal made available to mankind; it is six times cheaper than aluminium which is the only other metal found in large abundance in nature, the respective percentages of iron and aluminium being 5 and 8 in the analysis of the earth's crust.

It is no doubt true that India has been lagging very much behind the Western countries in its steel productivity. In fact, it is the high rate of steel productivity that has enabled the Western nations not merely to push up their national income but also to distribute the same amongst its people through effective social security and full employment measures. Consumption of steel in the U.S., which was only 500 lbs. *per capita* in 1910, is now 1,500 lbs. and this verily forms the basis of its reputedly fabulous living standards envied throughout the world. Iron and steel thus hold the central position in the development of the power-driven machine and forms the basis of the technological key required for opening up locked wealth and for eliminating grinding mass poverty and unemployment afflicting the underdeveloped countries in Asia and Africa. There are no reasons why with the help of this gifted metal, the tremendous potential inherent in the vast internal market of our country should not be developed much on the same lines as the United States of America which, by the way, is the only country in the world not materially dependent on export markets for maintenance and growth of either its industries or its living standards. But it must be stated that, though India is not akin to the U.S. in all respects, it is in a far better position than any other country in Asia or Africa in respect of markets, raw material and other resources required for building up the necessary industrial potential. Our Planning Commission has realised and envisaged the potentialities and growing demands of the various regions in our vast Asian Continent and has, therefore, formulated its second Five-year Plan, with due emphasis on rapid expansion of our steel industry.

It is nothing but a lucky accident that a few nations in the West and Japan in the East had exploited scientific advance two hundred years earlier than the rest. But, surely, no one could bar the hard way always open to people with faith and perseverance; and unflinching determination to break with centuries of poverty would do the job in any event. Though India had never under-rated the risks of aggression and conflict, inherent in exploitation of export markets, her peaceful record of centuries of international trade in the hoary past is so consistent and spotless that there should be no hesitation in India rising to the pre-eminent position of a great exporting centre allotted to it by nature. By reason of its abundant iron ore and reasonably sufficient coal resources, India bids fair to become the natural centre of production and supply of manufacturing industry goods to South-East and South-West Asia. In spite of Japan's rapid progress in acquisition of technical skills, its very existence as a steel producer is now in great jeopardy after her exit from Manchuria at the end of the Second World War. Japan is cut off completely from coal supplies nearby and even her iron ore deposits are of notoriously poor grade. The People's Republic of China has not got plentiful supply of iron ore, though she possesses abundant coal reserves and as such, in the final analysis, China cannot become a possible competitor.

Domestic Market

Apart from the overseas market, we have a good domestic market. The 300 million peasants in our country constitute the mainstay of the market for India's steel industry. It is the peasants who consume the largest amount of manufactured goods while they are and alone can be the largest suppliers of raw materials for the industry. The present purchasing power of our domestic market is no doubt very low but its potential power is enormous. Once the national programme for our agricultural development and of our great river valley projects is realised, we shall have a domestic market with a fantastically great purchasing power. The workers in the factories and other industrial organisations must turn out more and better industrial goods which our farmers need and our farmers must grow more and better grain and industrial raw materials which industry and town-dwellers need. Workers in our towns and cities, and the farmers in the countryside should keep in constant touch, give each other encouragement and swap experience so as to promote the development of industry and agriculture. Indian industry must fabricate meteorological and hydrographical instruments to enable a network of hydrographical and meteorological stations and posts to be set up so as to improve the work of providing agriculture with reliable weather and meteorological forecasts. All rural areas should pay attention to such forecasts, so that they can ward off such calamities as flood, drought, gale and frost.

The Indian cotton textile industry is another major industry which has a great impact on agricultural economy. Out of the world total cotton cloth output of 26,852 million yards, India's output in 1955 was roughly about 25 per cent., namely, 6,714 million yards. Out of this output, a thousand million yards of cloth have been exported in 1955 and the value of our export cloth amounted to about 75 crores of rupees. The textile industry got us therefore 12 to 15 per cent. of our export earnings. The cotton mills alone are now employing as many as 758,000 persons and the textile mill industry is, therefore, occupying a very prominent position in the body economy of India and its propensity is to employ more workers and contribute more to the national income on which the *per capita* consumption of cloth depends. The living standards of a nation are usually assessed on the basis of its cloth consumption. *Per capita* consumption of cloth in India is now 15 yards and the target set in our second Five-year Plan by 1960-61 is 18.4 yards; the target of cloth output being 8,500 million yards. There is an increasing tendency in the country to consume more cloth, if it is available at reasonable prices when the peasant is getting more money to spend so as to give him at least a better standard of living at the subsistence level. The human habit is that, when a person gets more money to spend on consumption, he will be naturally tempted to have more cloth after he is satisfied substantially with his requirements of food.

Electric Power

Next to the textile industry, electric power is the greatest handmaid to agriculture and is another key to progress in various directions. The natural inclination and ambition of man is to work shorter hours and to have more of the comforts of living; but, for its attainment, more production in fewer hours is required. If this ambition is to be achieved, the country must use more electric power. Electricity has, therefore, a manifold purpose and achievement. For industry, electric power is the beacon light to progress, as it is the power to obtain more production with more efficiency. To the agriculturist, as well as to the horticulturist, electricity offers infinitely cheaper and more power for pumping water and for consequent higher output yields. To the rural areas, it brings better illumination and greater comfort. To the city dweller, electricity brings quicker transportation, better conservancy and other civic amenities. The availability of electric power, therefore, means better living and more material comfort both to the urban and rural areas.

The record of industrial countries shows that social progress is in direct ratio to the use of electric power. Apart from the needs of industry, a stage has certainly been reached when more determined efforts should be made to extend electric supply further into rural areas for agricultural and horticultural purposes. But how this is to be achieved is, indeed, a problem requiring serious attention. Hydro-electric power will increase with the completion of the multi-purpose river valley projects but its scope is certainly limited because the power so generated cannot generally be taken to a distance of more than 400 miles. Further, rural electrification has to contend with the poor purchasing power of the ryot and this necessitates some form of subsidy from the Government so long as the living standards of the peasants in the countryside do not show an appreciable rise. In the U.S.A., help or subsidy is being given through consumer co-operatives and some such suitable method should be devised in our country according to the conditions obtaining in the different States. But subsidy in some form or other is inescapable if the tempo of rural electrification is to quicken and really help agricultural productivity.

In spite of the large volume of hydel power which would be generated as a result of the various State river valley projects, the commercial supply undertakings would continue to play at least for two decades to come a vital role in the country's economy. The electric supply industry is the key to human advancement and is a great lever to speed up agricultural production. The Government of India should revise its policy and make the investment of essential development capital in the industry, once again, attractive to the public. Else, we will surely lose the kingdom "all for the want of a horseshoe nail."

The impact, therefore, of industry and electrical power on agricultural economy is very great, indeed, and let us hope and pray that, in the years to come, the peasants in the countryside and the workers and industrialists in the cities and towns would work shoulder to shoulder and thus pave the way for the material well-being of our teeming millions and for the rapid and everlasting prosperity of India.

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THE NEW PEOPLE'S CAPITALISM—II

ITS ACHIEVEMENTS EXCEL THOSE OF ANY OTHER ECONOMIC SYSTEM

By An American Correspondent

WHAT effect has industry's mechanisation had on employment? As an industrial society develops, there is always a certain amount of unemployment, as people change from one job to another, though nothing as severe as what Karl Marx predicted. No completely satisfactory solution to this problem has been found, but, since the Great Depression of the early 1930's, the United States has sought to handle it through many devices such as unemployment insurance, free public employment projects, and other welfare programmes.

Since workers making physical goods—food, clothing, homes, etc.—are able to produce more in a much shorter time than in earlier periods, more people have become available to sell in stores, work in laundries, hotels, insurance companies, banks, schools, colleges and hospitals, or in Government agencies providing such services as public health, police and fire protection. One hallmark of a rising consumption is an increasing ratio of labour engaged in production of services rather than goods. In 1870, 25 per cent. of the experienced labour force in the United States was engaged in service industries and occupations. In 1950, it was 53 per cent.

Opportunities for employment have expanded as the result of discoveries and inventions, too. Recently, U.S. industry has been spending more than $5,000 million a year on research and development, and a great deal of this effort results in new jobs for workers. In addition, the Federal Government has supplied an amount nearly equal to two-fifths of what private industry has spent for this purpose. The opportunities for improvement and for increased efficiency have not been allowed to slip by, and both labour and management have played important parts in seizing these opportunities.

Labour has steadily improved its usefulness, and has realised an increasing share of the benefits of productivity. In addition, there has been a growing awareness on the part of management that company policies must be the product of consultation and understanding, if they are to be meaningful and acceptable to employees. With the steady growth of confidence between management and labour, the U.S. factory has become more of a genuinely human community. Strikes still occur, but they have changed in character. Unions no longer have to strike for recognition. Today, under the direction of strong, responsible unions strikes are usually orderly, without the bitterness evident in earlier years.

It is slightly over 100 years since Marx wrote the "Communist Manifesto." During that time, U.S. productivity per man-hour has climbed at an average rate of about two per cent. a year. Since 1900, it has nearly tripled. Today, the output of goods in the United States is about 30 times what it was a century ago, although the population in 1954 was only seven times what it was in 1850.

At the same time, working hours have been decreasing steadily. The standard work week is now 40 hours, as compared with 70 hours a century ago. If the U.S. economy were still producing at the 1850 rate, using 1850 methods, it would require a labour force of at least 300 million workers, each working 45 hours a week, to produce as much as it does today. The nation's civilian labour force today averages only 66 million people.

Psychological Aspects

There are psychological aspects of the employer-employee relationship that characterise modern private enterprise in the United States. U.S. employers have learned that human beings are the most important, most productive and scarcest economic resource. The job of management has come to be more of a task of leadership of people than the working of a property. It has come to be traditional for the working man to have an opportunity to rise to the head of his company, and this is proved by numerous cases in present-day industry and business.

Another development of importance has been the training that business has given the worker to enhance his chances of advancement in his own company and to be able to move on with his ability as his capital to other companies. More and more American companies pride themselves on their social welfare programmes, clubs, hospitalisation plans and other services which benefit their workers. The number of institutions established for the purpose of training young men and women for business advancement has grown with considerable support from business concerns, not to speak of the great fortunes settled by some large industries on scholarships and educational developments of national importance.

American business men are optimistic about the long-range future, they are planning much farther ahead than they did in the 1930's and 1940's. They are carrying out large and long-term capital investment programmes without regard to short-range ups and downs of the market. The goad of competition plus the rapid advances in industrial technology create a high obsolescence of plant and equipment, which forces them to maintain this high level of investment year after year.

Can the American business men claim a monopoly of brains or energy or skills? Do they have any closely guarded secrets of managerial or technological skills? Are they superior to other nations in science and technology? Obviously, the answer is "no." The real answer seems to be that American productivity is a matter of attitude—a basic belief broadly held by the people and particularly by business management that to do more with less human effort, is a desirable and necessary part of the economic process.

Competitive Spirit

In an even more basic sense, the American drive for productivity is an out-growth of the competitive spirit working in an atmosphere of political and economic freedom. Without vigorous competition, there could not be much incentive for increasing productivity. Clearly, tremendous new forces—social, economic and political—have been unleashed in our time by two world wars. In the United States, they have culminated in an intense, deep-rooted determination among the American people to achieve an easier, more secure, and better life. This resolve is whetted by the knowledge that greater security and higher living standards are within reach. The effort to achieve them has already overturned the old order of things.

The United States has experienced, without quite realising it, the evolution of a new kind of human institution—one which is both political and economic. The primitive and relatively unstable capitalism of the past has given way to a consumer-dominated, self-regulating system that broadly serves the interests of the great mass of people.

What the false prophets lacked was engineering foresight. They failed to see that the machine would change in nature, that it would in time take over the soul-numbing routines and enable the workers to become a caretaker and manager of enormous productive power. But the process has continued unabated within the freedom provided by the American economic system.

For the first time in history, technological progress, unleashed by the dynamic incentive system, gives people what they want.

What can be concluded from all these facts and figures and these quotations from eminent authorities? Does all this not prove that freedom itself is the great dynamic force that stimulates and propels the new capitalism as exemplified in the economic system of the United States? The system of free enterprise could exist only in a free society. It could not live in the Soviet Union or in any other place where the individual freedoms of thought, speech, and action are denied or abrogated.

Private enterprise, or the People's Capitalism, that has developed in the United States shows what free men can do working together with obligations and responsibilities to the whole society. This unique experience has clearly demonstrated that this system has served the population better and provided more people with a higher standard of living than any other economic system so far devised by human ingenuity.

(Concluded)

NEW PUBLICATIONS

Britain: An Official Handbook (1956 Edition). Published by Her Majesty's Stationery Office, London. Orders for the book can be placed with the British Information Services, Eastern House, Mansingh Road, New Delhi 2. Price: Rs. 5-10.

FOREIGNERS are people who ask questions. That, at any rate, is the way they appear increasingly in the modern world—questioners whose interest is welcomed and deserves a responsive effort to be armed with the answers. This is a new facet of relations, public and private, between different countries and between their citizens, as hosts and guests or as correspondents. There are more questions and more answers about most countries today than ever before. In Britain, this trend has led in recent years to the annual publication of *Britain: An Official Handbook*, which gives a picture of the nation and its life in which the narrative is readable, though fully armed with facts and figures, and the main lines emerge, though details can be quickly found on any individual point.

It will be realised, of course, that such a work has limitations as well as advantages; the reader must not expect to find in an official work either an evaluation of controversial aspects of the nation's life, or much reference to the kind of problems on the British scene which the visitor will find bulk large in the conversation of his hosts. Furthermore, of course, the habits and tone of daily life—all that comes under the heading of manners—are unsuitable for treatment in an official publication. On the other hand, there is one direct and understandable limitation that the compilers have imposed upon themselves and which could lead to misunderstanding unless pointed out. The information given relates almost exclusively to the islands of the United Kingdom and their domestic affairs. The elaborate network of relationships that link them to the countries of the Commonwealth, to their European neighbours, to the United States, and to every part of the globe can be no more than hinted at. Yet, these are part of the very stuff of life in Britain, of the daily experience of many Britons in business and in the professions, in education and research. The islands are not insular.

What strikes the reader of the *Handbook* most as far as its own subject-matter is concerned is the extreme complexity of the country's institutions. Wisely, the writers of the different sections have often begun by explaining how things came to be the way they are. In particular, there is the typical British interlocking of State and voluntary action. There seems to be no human need or activity that is not somewhere provided for by some department of the Government or by some voluntary association, or by both.

Wisely again, however, the compilers have understood that even the private and voluntary aspects of social arrangements in the United Kingdom rest on a firm foundation of law and government, and the long section on "Government and Administration," which immediately follows the opening account of the country's physical and demographic foundations, is one to which readers may most readily turn, whether their interest be in Parliament, Whitehall, or the Courts. An excellent balance has been maintained, and the corresponding section of the bibliography at the end of the volume is unusually sensible and up-to-date. The section on defence, while useful for purposes of reference, is rightly fairly brief, since more than any other perhaps it suffers from the exclusion from consideration of Britain's oversea responsibilities.

The sections which follow on Britain's economic life not only give a full picture of the range and nature of the country's activities and their geographical concentrations, but also suggest considerable emphasis on technical innovation, for instance, in the field of atomic energy.

While those whose concern is primarily with business will no doubt have frequent recourse to these chapters, there is another class of readers for whom the chapters headed "Social Welfare" and "Housing and Planning" will provide more of interest. Here, however, the treatment has in places, perhaps, concerned itself too much with the way these things look from above. In view of the many queries which the British traveller overseas is apt to receive about "socialised medicine," more might be done in future issues to show how the system works from the point of view of the ordinary family. The same is true, to a lesser extent, in the section on education. These are things that future editions might remedy.

The *Handbook* as a whole is handsomely produced and well illustrated with maps and photographs—*Max Beloff*.

Theory and Practice of Co-operation in India and Abroad. Vol. II. By Prof. K. R. Kulkarni. Published by Co-operators' Book Depot, 9, Bakehouse Lane, Bombay. Pages: 438. Price: Rs. 15.

The *Theory and Practice of Co-operation in India and Abroad*, Vol. II. deals with co-operation abroad. Volume I of the series dealt with the co-operative theory and practice in India and this has already been reviewed in these columns. The author has taken great pains to give in the present volume, in about 15 chapters, the development of co-operation in several important countries like Great Britain, Sweden, Soviet Russia, Canada and China. He has also included a chapter on co-operative education. Our own neighbouring countries have been omitted, presumably because they are unimportant from the historical point of view. Even so, Japan deserved to find a significant place in the book. Eager students would also miss an account of the entire movement in any of the countries included in the volume, since only particular developments are dealt with in detail. For example, in Britain, only the consumers' movement is emphasised and in the case of Ireland the creameries. In these days, when co-operative marketing is a subject of topical interest, one is disappointed with the chapter on co-operative marketing in Australia; the section "Commonwealth Bank of Australia" leaves one guessing why it has been introduced in that place. In the chapter which describes the consumers' movement in Britain, one would have expected a discussion of the competition with the chain of departmental stores. In general, the reader is left with the impression that the book does not contain any detailed critical analysis but a collection of various factual data.

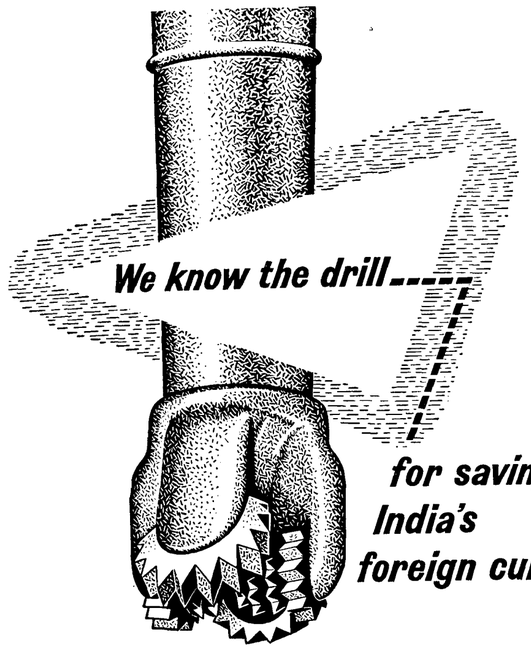
The book will, however, prove useful for students in colleges and training centres. There is definitely an absence of suitable text-books on this subject, despite the fact that the co-operative movement is given a high priority in the country and, sometimes, is even ranked as an important part of the public sector.

Introduction to Business. By Edwin H. Spengler and Jacob Klein. Published by MacGraw Hill Book Co., New York. Pages: 623. Price: $5.50.

Published first in 1935, this book has been carefully and thoroughly revised in its new fourth edition. It is an excellent text-book to acquaint the students (for whom it is primarily intended) with the manifold aspects, methods of organisation and problems of American enterprise. Illustrative material is also found in profusion and consists of graphs, charts and arresting photographs; the latter particularly provide a visual glimpse of the ramifications of industry in its various fields. At the end of each chapter, a set of text questions is also given for the benefit of the student-reader.

The book should, however, prove quite useful to people in all walks of industrial life. As may be expected, the treatment of the subject is in most general terms. The book, in fact, holds to the very end the interest of even a lay reader who will get an integrated, co-ordinated concept of business and a working familiarity with business terminology. In the revised edition, there is a new introductory chapter on business organisation which gives, in brief, the characteristics of the business economy, including such aspects of the economy as production, monetary transactions and free enterprise. The other two chapters in this part are devoted to a brief description of the various forms of business organisation, their advantages and disadvantages and an elaborate treatment of the corporate organisation.

Finding finance for industry is the subject matter of part two. The various classes of corporate securities, methods of marketing the securities and exchanges are all briefly but quite interestingly dealt with. The need for both long-term finance and short-term credit (operating funds) and the various ways of raising them are dealt with in two separate chapters.



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MAXIMISATION OF EXPORT EARNINGS

RESTRICTIONS ON OUTPUT HARMFUL

THE need for the maximisation of export earnings in view of the existence of the large gap to be covered in respect of the foreign exchange resources in the Second Plan, is so well known by now that it requires no special emphasis. The importance of export earnings is all the more heightened by the attitude adopted by the World Bank towards India's Plan, as has been brought out clearly by the letter of the Chairman of the Bank to the Finance Minister. Indeed, it is crystal clear that the only important way of lessening the country's dependence on the World Bank and other sources of foreign capital is to expand its exports both in quantity and variety. But it is feared that the question of export promotion has not been given the measure of attention it should have been given. It may be recalled that the World Bank Mission itself has stated in no ambiguous terms that it was not convinced, notwithstanding the assurances given by the authorities to the contrary, that sufficient attention was being given in the Plan to the promotion of exports. The Mission thinks that in the field of cotton textiles, great harm to exports could be avoided by removing the restrictions on the capacity of the mill industry. Quite apart from that, much more could, and should, be done to assist exports in other fields.

In this context, the views expressed by the Indian Chamber of Commerce, Calcutta, in a memorandum addressed to the Government, are timely and appropriate. The Chamber, while emphasising that the question of maximisation of the country's foreign exchange resources should be a major consideration in formulating Government's fiscal policy during the Second Plan period, has drawn the Government's pointed attention to certain difficulties in the way of augmenting exports in India's major export industries. In the case of the tea industry, the Chamber points out, it will be desirable to reduce the tax burdens on the industry in order to enable it to compete effectively in international markets. The Chamber has also focussed the Government's attention on the shortage of warehousing capacity in the Calcutta port, and on the need for providing regular shipping space for Indian teas, particularly to Australia and New Zealand. It may be pertinent to recall in this connection that the World Bank Mission also felt, on a close examination, that tea exports were being adversely affected by inadequate facilities for transport to Calcutta, by shortage of coal in tea estates, by constant pressure for higher wages, bonuses and improved social amenities and, on some of the more progressive estates, by the restriction on re-planting. "These are all maters," the Mission pointed out, "which can, in varying degrees, be influenced by the Government, and we feel that the Government has not always used its influence in the way best calculated to foster the competitive power of this vital export industry." The Indian Chamber has also underlined the importance of adequate and effective propaganda for developing export markets for Indian tea abroad.

Increasing Jute Production

Turning to the jute industry, the Chamber emphasises the need for increasing the production of better quality jute in the country to enable the industry to save on the cost of raw jute. Alluding to cotton textiles, the Chamber points out that the export trade in it can be expanded if the Government allows further expansion in the production of cloth by the mills. It suggests that uneconomic units in the textile industry which cannot finance the installation of automatic looms and which may not be sure of finding export markets should be permitted to install ordinary looms. The Chamber further suggests that penal excise duty at the rate of As. 2 per square yard on cloth diverted from export to home market should be reduced in the interests of the uneconomic units.

Among the other suggestions made by the Indian Chamber of Commerce, the one for granting refund of excise duty on groundnut oil for *vanaspati* exports has much to be said in its favour. The World Bank Mission, it may be noted, pointed out that the policy of imposing restrictions on the exports of commodities such as groundnut oil with the object of conserving supplies for domestic consumption was a misguided one, and that in the best interests of the economy, exporters should be allowed to ship whatever they could. It may be mentioned here that a noteworthy step taken by the Government in recent weeks is the abolition of the export duty on linseed oil. Again, the Chamber urges that efforts should be made to find markets for leather and leather goods to fully utilise the existing idle capacity.

The Chamber, in its memorandum, has drawn attention to the need for diversification of exports in the interests of healthy and balanced growth of India's foreign trade. It has stressed, in this connection, the important role which manufacturers of engineering and electrical goods, as also certain products of non-ferrous metals industry, can play. It is also possible, according to the Chamber, to expand the export markets for other new industries such as chemicals, pharmaceuticals, etc. In the considered view of the Chamber, export earnings can be augmented during the Second Plan period if intensive sales efforts are made by the trade, industry and the Government. Since countries of South-East Asia and the Middle East form the natural markets for industrial goods, it is necessary to concentrate the efforts on these countries. It favours frequent visits by representative trade delegations to overseas markets in order to study actual market conditions and to disseminate information regarding Indian products. Besides, the establishment of industrial showrooms in foreign countries for permanent exhibition of Indian goods and the strengthening of commercial staff of the Consulate Offices abroad are also stressed. The Chamber opines that mere collection of information by the Consulate Offices abroad will not be of much use if it is not promptly communicated to the business community. In order to facilitate the flow of such information the Chamber urges that periodical trade reports should be directly made available to the chambers of commerce in India by Government Trade Representations abroad.

Record of Exports: Not Impressive

The exports of India, it may be recalled, increased during the first six months of this year by only about Rs. 4 crores to Rs. 287.50 crores, while the imports went up by about Rs. 70 crores to Rs. 398.75 crores, thereby resulting in an adverse balance of Rs. 106 crores, as against Rs. 40 crores in January-June 1955. It is obvious from this trend of trade that all possible avenues have to be explored for stepping up the exports not only for offsetting the deficit in the balance of payments at the present rate of imports, but also to pay for the fast increasing imports in the years ahead. In this context, it is doubtful whether the latest reported decision of the Government to postpone for the present the contemplated expansion of 10 per cent. in the loomage of cotton mill industry is appropriate. On the other hand, the trade agreements concluded by India with several countries in recent weeks, especially with Burma, Japan, Indonesia, West and East Germany, Viet Nam, and more recently Chile, involving a variety of Indian goods, may give some, but not much, impetus to exports. The responsibility on the part of the Government for creating the necessary transport facilities cannot be overemphasised. For, to the extent the Government fails in this regard, exports will be affected. Again, the question of expansion of exports is closely interlinked with the cost structure which, in turn, is linked with the price levels. In other words, the first requisite for boosting exports is stability of prices and adequate supplies.

U.S. INDUSTRIAL OUTPUT

American industry poured out goods in September that equalled in quantity the all-time high level established in December 1955, and national income likewise continued its upward surge. The seasonally adjusted index of industrial activity for September prepared by the Federal Reserve Board showed an increase of 144 per cent. of the 1947-49 average. That equals the December 1955 rate and is a two per cent. gain over August.

At the same time, the Commerce Department announced that national income went up to a record yearly rate of $338,700 million in the second quarter, continuing the steady climb that started in the autumn of 1954. The Board noted that the outlook for October is for still more goods being turned out. It said steel mill activity, which in September was near rated capacity, was even higher in early October. Auto manufacture, due to completion of new model change-overs, is also expected to add to the October level.

Most of the rise in September, the Board said, was due to sharp increases in steel production and iron ore mining. In other areas, industrial machinery and other equipment construction expanded somewhat, while the output of household durable goods and building materials was maintained at high levels.

INDIA'S INDUSTRIAL OUTPUT

SUBSTANTIAL INCREASE RECORDED

DURING the first half of the calendar year 1956, the overall industrial production of India witnessed considerable progress. The average index number of monthly industrial production (1951=100) which stood at 127.3 at the end of 1955, rose to 136.8 during the period under review. This represents a rise of 9.3 per cent. over the corresponding period of 1955 and 7.5 per cent. over the preceding half-year. While significant increases were recorded in a number of industries, such as coal, cement, automobiles, bicycles and bicycle parts, in certain other important industries, cotton textiles, for example, there was a recession, as compared with the second half of 1955, though there was a slight improvement as compared with the same half-year of the previous year. Other industries to register a decline in production were hurricane lanterns, power and industrial alcohol, house-service meters and linoleum. Other highlights of the developments during the period under review were the commencement of the manufacture of new items in the field of automobiles and bicycles, and the granting of as many as 180 licences under the provisions of the Industries (Development and Regulation) Act, 91 of them for effecting substantial expansion of existing capacity and 21 for the manufacture of new items.

The production of finished steel during the period under review amounted to 643,000 tons, as compared with 637,000 tons during the corresponding period of 1955; it represented an increase of 19,000 tons over the second half of 1955. The production of cement steadily increased from 2.13 million tons in January-June 1955 to 2.27 million tons in the second half of 1955 and still further to 2.46 million tons during the period under review. The production in the month of June 1956 itself was 70,000 tons higher than that in the corresponding month a year before. The increase in production is attributable partly to additional capacity and partly to better utilisation of existing plants. A notable feature of this industry during the period was the issue of as many as 12 licences, three for establishing new factories with a total capacity of about 400,000 tons of cement and the remaining nine for substantial expansion of the existing ones.

A minor expansion in production took place in the sphere of coal, such having increased from 19.19 million tons in the first half of 1955 to 19.65 million tons in the six months under review. It was also 625,000 tons higher than in the second half of 1955.

In the field of cotton textiles, although production of cloth during the first half of the current year at 2,583 million yards reflected an increase of 76 million yards over the corresponding period of 1955, it fell short of the output in the previous half-year by as much as 18 million yards. This shortfall might be a seasonal variation. Nevertheless, from the increasing demand for cloth and the price trends it is evident that production of cloth has not kept pace with the increasing demand. That this symptom of scarcity should have arisen at a time when large expenditure is contemplated, and is being incurred, is serious enough and calls for immediate steps aimed at stepping up the industry's capacity. The production of jute textiles was distinctly higher at 576,000 tons during the period under review as compared with 508,000 tons in the corresponding period of 1955. In woollen textiles, the production of worsted fabrics was higher by 2.18 million yards at 7.4 million yards in the period under review, as compared with the same period of last year.

Another notable feature was the substantial increase recorded in the engineering industries. The production in the current half-year increased in the case of crown corks by 347,000 gross to 2.12 million gross, of oil pressure lamps by 9,800 to 43,200, of bolts, nuts and rivets and dog spikes by 2,881 tons to 13,552 tons, machine screws by 449,000 gross to 674,000 gross, of direct casting by 10,300 tons to 68,300 tons and of duplicators by 288 to 1,401. The production of razor blades also was higher, as compared with that in the previous half-year, but appreciably lower than in the corresponding period of 1955. Besides, the production of basic metals like aluminium, antimony, lead and sheets and circles of brass and copper also declined slightly, as compared with the first half of 1955.

Considerable increases were also witnessed during the period under review in the machinery manufacturing industries. The production of sewing machines, for example, rose by 17,174 to 63,659, that of power-driven pumps, by 642 to 5,655, and of grinding wheels by 464,000 lbs. to 1.10 million lbs. as compared with that in the first half of last year. The production of diesel engines, ring spinning frames and belting for machinery also increased considerably. The output of machine tools went up in value by Rs. 7.28 lakhs to Rs. 40.64 lakhs as compared with the corresponding period of 1955.

The production of automobiles increased substantially from 11,000 in January-June 1955 to 15,033 in January-June 1956. The production of complete bicycles also went up from 220,000 to 291,000. Increases in the manufacture of bicycle parts and automobile ancillaries were, however, more marked. A principal development in these industries was the manufacture of new items. The manufacture of Lambretta auto-rickshaws, shock absorbers, radiators and brake linings began for the first time in April-June 1956.

Among chemicals, the production of caustic soda, soda ash, liquid chlorine and bleaching powder increased substantially during January-June 1956. The production of ammonium sulphate and superphosphate was almost steady. The production of dyestuffs increased to 2.75 million lbs, as compared with 1.94 million lbs. in the corresponding period of 1955. Production of articles like soap, paints, plastic mouldings, rayon yarn and staple fibre also showed a substantial increase.

Most of the industries in the electrical group showed considerably increased output. This was particularly notable in the case of conduit pipes, electrical transformers and radio receivers. The production of conduit pipes increased from 2.44 million r.ft. to 4.60 million r.ft. The production of radio receivers was more than double the output of the corresponding period of last year, the comparative figures being 71,343 and 35,462, respectively. The production of electric lamps was up by 1.99 million lamps to 14.15 million lamps and that of electric fans by 15,000 to 156,700. An increase of 99 to a total of 474 was recorded by refrigerators.

INDO-CHILEAN TRADE PACT

A trade agreement was signed between India and Chile on 16th October. The agreement came into effect the same day and will be valid till 31st December 1959. It may be continued for a further period of three years by mutual agreement.

It may be noted that this is the first trade agreement with Chile. The agreement provides for maximum possible facilities being given by the two countries for the import and export of commodities of interest to either party. A noteworthy feature of the agreement is that the two Governments have also undertaken to enter into consultation with each other from time to time and to give consideration for suggestions that may be made for development and expansion of commerce and diversification and balancing of trade between the two countries.

Lists of commodities available for export from either country in the development of whose exports the two countries are particularly interested have also been exchanged. The list of items available for export from India includes such commodities as walnuts and cashew kernels, jams, chutneys and pickles, pepper, spices, unmanufactured tobacco, coffee, mica, shellac, vegetable oils (non-essential), coir manufactures such as coir yarn, coir mats, mattings and carpets, chemicals, drugs, medicines and medical herbs, hides and skins, tanned leather and leather manufactures, cotton piecegoods, jute yarn and fabrics, silk, art silk and woollen fabrics, cottage industry products such as handloom (cotton and silk) cloth, artistic silver, brass and bidri products, ivory articles, wood carvings and light engineering goods.

The list of items for export from Chile contains the following commodities: Pulses, barley, fresh and dried fruits, canned foodstuffs, wine, sulphur, iodine, lead, copper, pig iron, steel, hard and soft timbers.

In particular, at the request of the Chilean delegation, the Government of India has also agreed to facilitate imports of Chilean nitrate into India during the first three years of the agreement and the Government of Chile has agreed to do all it can to secure a substantial increase in the imports from India into Chile of tea, coffee, pepper, edible oils, shellac, jute manufactures, leather manufactures and exposed films.

It may be noted here that, on an average during the last ten years, exports to Chile from India amounted to one million pounds sterling and imports into India from Chile were as much as half of exports.

CERTIFICATION MARK FOR ALUMINIUM UTENSILS

The Indian Standards Institution has granted three licences for use of its Certification Mark on wrought aluminium utensils to three more firms in the country. The three firms are: (1) the Kandivli Metal Works, Bombay, (2) Messrs. Madura Metal Products Ltd., Madurai, and (3) Messrs. D. Ishwarlal & Co., Bombay. The mark will certify that aluminium utensils have been manufactured in conformity with the relevant Indian Standard, namely, IS:21-1953. The Standard Mark consists of the monogram of the Indian Standards Institution superscribed by the number designation of the Indian standard together with the grades of the material.

Aluminium utensils, manufactured from aluminium sheets, strips and circles, are being increasingly used in the country. India has also developed a good export market, specially in West Asian and East Asian countries. It may be noted, in this connection, that it has been brought to the notice of the Government by the Tariff Commission that utensils of doubtful quality are finding their way to the export markets and are thereby adversely affecting export trade. As a result of this, the Government of India has imposed a ban, to come into force from 1st November 1956, on the export of wrought aluminium utensils which do not bear the Standard Certification Mark of the Indian Standards Institution.

Several other manufacturers of aluminium utensils have approached the Institution for grant of licences and their applications are under consideration. The Institution intends to extend its Certification Marks Scheme to the entire production of aluminium utensils in the country.

These three licences raise the total number of licences so far issued to manufacturers of aluminium utensils to eight; the first three having been issued to Messrs. Jeewanlal (1929) Ltd., for their three factories at Madras, Bombay and Calcutta and the other two to Messrs. Lallubhai Amichand Private Ltd., Bombay, and Messrs. Metal Rolling Works Private Ltd., Bombay, respectively.

U.S. ORGANISING FIVE TRADE MISSIONS

A group of five trade missions is being organised in the U.S. to visit areas in South and West Asia and Latin America to seek means of increasing trade between those countries and the United States. It is expected that the first of these newly-organised trade missions will go to Burma, Malaya and India. The tentative date for their departure has been scheduled for 1st February 1957. They are expected to spend about six weeks in each of the three countries. This programme is related to the programme of trade missions that have been sent in the past in connection with U.S. participation at international trade fairs around the world. However, the trade missions planned for the future will also go to areas where international trade fairs are not scheduled.

A Commerce Department spokesman explained that the trade missions to friendly countries, in connection with U.S. participation in the fairs, have proved so successful that it has been decided to extend the programme and, in the future, to also despatch such missions to areas not having trade fairs. Plans call for missions to go to Burma, Malaya and India, as well as to the Union of South Africa, Iraq, Argentina and Peru. The spokesman said that, in connection with U.S. participation in international trade fairs since 1954, 37 trade missions composed of 80 U.S. private business men have gone to 26 countries, to discuss with local business men the problems involved in promoting exports and imports. These trade missions, in the typical case, are headed by a representative of the Commerce Departments and a number of private U.S. business men, selected with a view to their usefulness in the area to be visited. They spend several days in Washington before their departure, in an intensive orientation course at the Commerce Department, and they generally proceed to the country holding the fair about two weeks to a month in advance of the opening of the fair.

A Central duty of excise was imposed with effect from 1st March 1956 on soap produced without the aid of power and by executive notification exemption from this duty was allowed to the manufacturers in respect of the first 200 tons cleared by them in a financial year. It has been represented to the Government of India that, in its actual operation, this duty falls somewhat heavily on the manufacturers whose output is between 200 and 400 tons per year. Accordingly, the Government of India has decided to introduce another slab fixing a lower rate of duty for those manufacturers producing soap without the aid of power, whose production exceeds 200 tons but does not exceed 400 tons per annum. The reduced rates of duty in these cases are:

(i) In plain bars of not less than one pound in weight—Rs. 2-10 per cwt.

(ii) Other sorts—Rs. 3-1 per cwt.

This reduction does not apply to soap, other than household and laundry or toilet.



EARNINGS OF HASTINGS MILL HIGHER

DIVIDEND, HOWEVER, CURTAILED

THE financial results of the Hastings Mill Ltd., under the management of Messrs. Bangur Brothers, Ltd., Calcutta, for the year ended 31st March 1956, may be considered to be satisfactory, in view of the very difficult and trying conditions through which the jute industry has been passing for the past 12 months and more. This is especially so, when one takes into account the poor performance of some of the other units in the industry during the same period. The gross profit of the Company at Rs. 23.86 lakhs is better than that for 1954-55 and 1953-54 at Rs. 22.94 lakhs and Rs. 23.32 lakhs, respectively. It is, however, substantially lower than the 1952-53 profit of Rs. 37.80 lakhs.

The net profit, after providing for Managing Agents' remuneration at Rs. 3.43 lakhs (Rs. 3.09 lakhs for 1954-55 and Rs. 2.90 lakhs for 1953-54), depreciation at Rs. 5.50 lakhs (Rs. 9.43 lakhs for 1954-55 and Rs. 3.29 lakhs for 1953-54) and taxation at Rs. 2.30 lakhs (Rs. 4.00 lakhs for 1954-55 and Rs. 8.00 lakhs for 1953-54) stands at the comfortable level of Rs. 12.63 lakhs as against Rs. 22.94 lakhs and Rs. 23.42 lakhs, respectively, in the previous two years. Here again, the net profit for 1952-53 at Rs. 15.25 lakhs was higher than the profit for the year under review by Rs. 2.62 lakhs. It will be noted from the figures quoted here that the rise in net profit is very much higher than the expansion in gross profit. This is due to appreciably lower provisions for depreciation and taxation.

In spite of the comparatively better working results, the Directors have, probably as a precautionary measure, recommended a small dividend of only 5 per cent. on the ordinary shares, as against 11½ per cent. in the previous year and 10 per cent. in the three years preceding that. In fact, the year's dividend at 5 per cent. is the lowest paid since 1948-49, for which year the return was raised to 6 per cent. from 5 per cent. for 1947-48.

The following table brings out the salient features of the Company's working during the four years ended 31st March 1956:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	226.44	216.60	170.73	215.77
Other income	20.51	5.70	0.89	1.02
Manufacturing and other expenses	233.85	203.50	147.65	174.44
Gross profit	23.86	22.94	23.32	37.80
Managing Agents' remuneration	3.43	3.09	2.90	4.05
Provision for—				
Depreciation	5.50	9.43	3.29	5.50
Taxation	2.30	4.00	8.00	13.00
Net profit	12.63	9.42	9.13	15.25
To reserves	19.00	..	*3.50	*10.00
Dividends—				
6 per cent. preference	1.50	1.50	1.50	1.50
Ordinary	2.00	4.00	4.00	4.00
	(5%)	(11½%)	(10%)	(10%)
Carry forward	3.40	3.28	2.95	2.82

* Transfer to machinery replacement reserve.
† Deferred Renovation Reserve.

As will be seen from the table, a substantial allocation of Rs. 9 lakhs has been made from the profits for 1955-56 for deferred renovation reserve. This means that the Directors have chosen to conserve over 75 per cent. of the net profit.

The 6 per cent. preference dividend absorbs Rs. 1.50 lakhs and the ordinary dividend takes away Rs. 2.0 lakhs, leaving a balance of Rs. 3.40 lakhs to be carried forward, as against Rs. 3.28 lakhs brought in.

The year's sale proceeds at Rs. 226.44 lakhs is the highest to be experienced during the four years under discussion. So is the receipt on account of other income at Rs. 20.51 lakhs which include Rs. 7.02 lakhs from sales of raw materials, Rs. 1.93 lakhs dividend from the Company's subsidiary unit and Rs. 11.11 lakhs from loom hours for previous years. In the previous year, there was no such income as sale of raw material, and the receipt by way of sale of loom hours was only Rs. 1.93 lakhs. It is obvious from these figures that the improvement in profit noted above is due to fortuitous circumstances. It is not often that a jute mill can make profit by selling its raw material. As these circumstances are unlikely to repeat themselves, the Directors are perfectly justified in not passing on any part of the increase in profit to the shareholders and in ploughing back the bulk of the profit.

In accordance with the main and supplementary working time agreements of the I.J.M.A., the mill worked 48 hours per week throughout the period under review with sealing of looms varying from time to time. The sealing remained at 12½ per cent. of the total looms till 8th January 1956 and thereafter 2½ per cent. of the looms were allowed to be unsealed by the Association from 9th January 1956 and a further 5 per cent. were allowed to be opened from 20th February 1956. But, because of adverse market conditions, the Association decided to reseal 2½ per cent. of the looms with effect from 16th July 1956. With effect from 17th September 1956, 5 per cent. of the total looms have been resealed, with a view to checking further increase in the stock of jute goods.

During the year under review, working costs went up further, as a result of the third omnibus Labour Tribunal Award in November 1955 adversely affecting the competitive position of the industry. Raw jute prices continued at a level at which it was not possible to transact business in manufactured goods at a profit, although there was a steady demand for manufactured goods throughout the period. The Directors state that the mill is now fully equipped with sacking warp and weft spinning machinery. The order for hessian warp machinery has been placed. During the period under report, the Shree Ram Silk Manufacturing Company, one of the subsidiaries, improved the quality of its products. During the last few months of the financial year under review, the Fort William Jute Company, Ltd., became a subsidiary and its business is, except for silk manufacture, of the same nature as the business of the Company. The Company held as at 31st March 1956, 144.615 ordinary shares of Rs. 10 each fully paid up in the issued share capital of the Fort William consisting of 210,000 ordinary shares of Rs. 10 each fully paid-up and 10,000 preference shares of Rs. 100 each fully paid-up.

The balance-sheet of the Company as at 31st March 1956 shows the capital unchanged at Rs. 65 lakhs, divided into 25,000 six per cent. cumulative preference shares of Rs. 100 each and 40,000 ordinary shares of Rs. 100 each. It may be remembered that, in March 1951, the Company capitalised Rs. 20,00,000 by the issue of 20,000 ordinary shares of Rs. 100 each to the existing ordinary shareholders in the proportion of one new share for each ordinary share held. Its reserves and surplus aggregate Rs. 68.08 lakhs. The gross block of the value of Rs. 114.87 lakhs stands written down to Rs. 58.15 lakhs. The current assets amount to Rs. 138.27 lakhs and cover by a large margin current liabilities aggregating Rs. 63.33 lakhs, inclusive of provision for taxation at Rs. 4.58 lakhs.

HINGIR-RAMPUR COAL

An increase of 5,552 tons in the output of coal was the main factor responsible for the improvement in the financial results of the Hingir-Rampur Coal Company, Ltd. (Agents: The Killick Industries Ltd., Bombay), for the year ended 30th June 1956. The gross profit has thus gone up to Rs. 4.23 lakhs from Rs. 3.15 lakhs in the previous year. It is also substantially higher than the profit for 1953-54 and 1952-53 at Rs. 1.39 lakhs and Rs. 2.86 lakhs, respectively. The provision for depreciation has been raised from Rs. 2 lakhs to Rs. 2.52 lakhs. After setting aside Rs. 61,618, as against Rs. 10,815 in the previous year, for taxation, there is a net profit of Rs. 87,918 which is a little lower than Rs. 92,781 earned in the previous year. But it compares favourably with the loss of Rs. 398 suffered in 1953-54. No addition to the reserves has been made this year also, now for the fourth year in succession. The dividend on ordinary shares has been maintained at 4½ per cent. per annum (Rs. 2-4 per share of Rs. 50 each), free of income-tax. It may be remembered that no dividend was paid for 1953-54 while the distribution for 1952-53 was at the rate of 6 per cent. and that for 1951-52 at 8 per cent.

The output of coal during the year amounted to 202,784 tons as compared with 197,232 tons in the previous year. Despatches also were higher at 192,338 tons, as compared with 186,734 tons in the previous year. The Directors state that this increase, despite continued wagon shortage, may be considered satisfactory. The Central Government has sanctioned an increase of Rs. 4 per ton in the controlled price of the Company's coal with effect from 5th July 1956. Thus, the controlled prices for steam and slack coals are now Rs. 19-9 and Rs. 18-9 per ton, respectively.

The balance-sheet of the Company as at 30th June 1956 shows the capital unchanged at Rs. 20 lakhs divided into 24,000 ordinary shares of Rs. 50 each and 16,000, 4½ per cent. (tax-free) redeemable cumulative preference shares of Rs. 50 each. As against this, the reserves and surplus amount to only Rs. 1.23 lakhs. The gross block of the value of Rs. 41.35 lakhs has been written down to Rs. 18.75 lakhs which includes capital work-in-progress (at cost) amounting to Rs. 83,364. The current assets aggregate Rs. 15.10 lakhs and are enough to cover the current liabilities and provision for taxation at Rs. 12.62 lakhs.

BAGALKOT CEMENT PAYS MAIDEN DIVIDEND

CAPACITY TO BE TREBLED

THE two outstanding features of the working of the Bagalkot Cement Company, Ltd. (Managing Agents: Tendulkar Industries Private Ltd., Bombay), during the year ended 31st December 1955, are the successful efforts of the management to bring the factory into production in the face of many difficulties and obstacles and the earning of sufficient profit to pay a maiden dividend of 3 per cent., in addition to the fifth dividend guaranteed by the Government of Bombay for the year ended 18th June 1955.

The Company's plant was ready for trial operation in September 1955 and regular production of cement commenced early in November 1955. The plant has since been in continuous operation. The output of cement during the last two months of the year under review aggregated 9,343 tons, while despatches were 7,311 tons. Production would have been higher still but for the fact that the plant could not work to full capacity on a few occasions, due to reasons beyond the Company's control, such as failure in regular supplies of coal and gypsum on account of shortage of wagons and transport difficulties at Hotgi Junction. It is gratifying to note from the Directors' report that the Company's cement has been certified to be of high quality. The Government of India fixed an *ad hoc* price of Rs. 71 per ton f.o.r. destination for the Company's product, pending detailed investigation of actual costs of production. The Company's representation to the Government for an increase in the above price on the basis of actual costs of production is said to be under the latter's consideration.

After capitalising all erection and construction expenses incurred during the year up to the commencement of regular production—these amount to Rs. 3,73,461—as also previous year's losses aggregating Rs. 4.73,450, the Company earned a gross profit of Rs. 3,31,097. Of this amount, the Managing Agents' commission absorbed Rs. 24,809 and depreciation Rs. 75.000. A sum of Rs. 14,622 was set aside for rehabilitation and expansion fund. Out of the balance of Rs. 2,16,666, the dividend absorbed Rs. 2,16,000, leaving the balance to be carried forward. The year ended 18th June 1955 was the last one for which the Bombay Government's guarantee of dividend held good. In accordance with the terms of agreement, the Company has to refund the guaranteed dividend to the Government out of its future profits. The accumulated liability on this account is Rs. 5.82 lakhs.

The Company's working during the current year has not been quite smooth, particularly during the first six months, but conditions during the last few months have improved, as will be seen from the following observations of the Chairman, Mr. Tulsidas Kilachand, in his speech at the annual general meeting held last week:

"During the first six months of this year, the working of our cement factory was hampered by shortage of coal, shortage of wagons for movement of cement and labour unrest which resulted in two short strikes on the 14th of March and 31st of May of this year.

"The Company's efforts to meet the transport difficulties standing in its way have succeeded to a certain extent. The coal transhipment quota at Hotgi has now been raised. Increment in wagon quota for movement of cement is under consideration of the railway authorities and the Railway Board have further taken into hand, reinforcement of bridges between Hotgi and Gadag to enable the movement of heavier engines on this line.

"The labourers in our cement factory at Bagalkot resorted to strike on two occasions, namely, on the 14th of March and 31st of May and the latter occasion was marked by scenes of unruly conduct. Conditions have since improved and the labourers are appreciating welfare amenities which are being offered to them."

The following synopsis of the Company's latest balance-sheet will give an idea of its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital	70,72,670	Gross block	1,06,63,068
Reserves and surplus..	15,288	*Less*—Depreciation ..	75,000
Loans	29,33,456		
Liabilities	24,62,925	Net block	1,05,88,068
		Stock-in-trade ..	3,74,797
		Stores and spares ..	5,68,621
		Tools, etc.	22,825
		Investments	8,127
		Debts, deposits and advances	4,86,202
		Cash	1,28,202
		Preliminary expenses, etc.	3,07,479
	Rs. 1,24,84,339		Rs. 1,24,84,339

The Company spent during the year a further sum of Rs. 27.67 lakhs on additions to plant and machinery. The Directors have been considering for some time past the expansion of the factory. The Company has applied to the Government of India for licence to increase the plant capacity by an additional 200,000 tons per annum. The present manufacturing capacity is 100,000 tons per annum.

The Directors have decided to issue 250,000 ordinary shares of Rs. 10 each, being the balance not taken up by the public when the original issue of 1,000,000 shares was made. These shares are being offered to the existing shareholders at par in the proportion of one new share for every three held by them. The Government of India's sanction has been obtained for this issue.

HINDUSTHAN GENERAL

The report and accounts of the Hindusthan General Insurance Society, Ltd. (Managing Director: Mr. P. N. Talukdar, Calcutta), for the year ended 31st December 1955, disclose that the net premium income of the Society has increased by Rs. 1.74 lakhs. Thus, the net premium income advanced from Rs. 22.67 lakhs in 1954 to Rs. 24.41 lakhs during the year under review. The net premium income in the fire department declined slightly from Rs. 12.41 lakhs to Rs. 11.62 lakhs but in the accident department it increased from Rs. 4.79 lakhs to Rs. 6.47 lakhs and in the marine department from Rs. 5.47 lakhs to Rs. 6.32 lakhs. The return to shareholders has been maintained at 4 per cent.

Net claims, paid and outstanding, aggregated Rs. 11.06 lakhs, as against Rs. 9.20 lakhs in 1954, while expenses of management were a shade higher at Rs. 7.98 lakhs. Commission absorbed a slightly lower amount at Rs. 2.99 lakhs. The amount absorbed in 1954 on this account was Rs. 3.51 lakhs. A comparative study of the individual sections during the three years ended 1955 can be made from the table below:

(Rs. in lakhs)

	Year ended 31st December		
	1955	1954	1953
Fire Department			
Net premium income	11.62	12.41	12.06
Net claims	4.82	4.05	4.73
Commission and expenses ..	6.08	6.48	6.29
Profit	+1.03	+0.84	+1.31
Accident Department			
Net premium income	6.47	4.79	2.19
Net claims	2.36	1.53	0.86
Commission and expenses ..	2.67	2.10	1.31
Profit (+) or loss (—)	+0.77	0.12	+0.14
Marine Department			
Net premium income	6.32	5.47	4.40
Net claims	3.88	2.72	2.90
Commission and expenses ..	2.29	2.03	1.75
Profit (+) or loss (—)	—0.45	+0.14	—0.10

After meeting claims, commission and expenses, and providing for reserve for unexpired risks at 40 per cent. level in the fire, as well as in the miscellaneous, departments and at 70 per cent. level in the marine department, the working of the three departments disclosed a surplus of Rs. 1.36 lakhs, as against Rs. 1.11 lakhs in 1954. This surplus, together with Rs. 14,500 brought forward from the previous year and certain other items, made in all Rs. 1.07 lakhs. The reserve for bad debts absorbs Rs. 30,000 and the payment of a dividend of Rs. 2 per share, that is 4 per cent., Rs. 60,000, leaving a balance of Rs. 16,855 to be carried forward to current year's accounts.

The balance-sheet of the Society as at 31st December 1955 shows that its financial position is quite sound. Against a capital of Rs. 15 lakhs, its reserves and funds aggregate Rs. 14.63 lakhs, inclusive of fire fund Rs. 4.65 lakhs, miscellaneous fund Rs. 2.59 lakhs and marine fund Rs. 4.43 lakhs.

KEMP & COMPANY FARES BETTER

The working results of Messrs. Kemp & Co., Ltd. (General Manager: Mr. S. V. S. Iyer, Bombay), for the year ended 31st March 1956, show that the Company is making slow but steady improvement in its affairs. The gross profit, which had risen from Rs. 1.52 lakhs in 1953-54 to Rs. 1.67 lakhs in 1954-55, rose further to Rs. 2.43 lakhs during the year under review. The provision for depreciation has absorbed Rs. 49,172 (Rs. 51,795 for 1954-55 and Rs. 79,531 for 1953-54) and taxation Rs. 55,000 (Rs. 30,000 for 1954-55 and Rs. 50,000 for 1953-54). The amount paid to staff as bonus has progressively gone up. While only Rs. 16,000 was spent in 1953-54 and Rs. 18,000 in 1954-55 on this account, the year's payment is higher at Rs. 34,000. No allocation, however, has been made for any kind of reserves during the three years under discussion. Simultaneously with the increase in profits, the dividend to the shareholders has also been stepped up to 7½ per cent. from 6 per cent. for the previous two years. The dividend absorbs Rs. 90,000 leaving a balance of Rs. 14,719 to be carried forward, as against Rs. 6,698 brought in.

The improvement in profit reflects the expansion in sale proceeds. From Rs. 46.68 lakhs in 1953-54, sales rose to Rs. 47.81 lakhs in 1954-55 and improved further to Rs. 55.40 lakhs during the year under review. The rise in expenses has been proportionate to the larger turnover.

The balance-sheet of the Company shows the paid-up capital unchanged at Rs. 12 lakhs, divided into 6,000 shares of Rs. 200 each. As against this, the reserves and surplus aggregate Rs. 6.50 lakhs. The gross block of the value of Rs. 24.76 lakhs has been written down to Rs. 13.09 lakhs. The current assets aggregate Rs. 20.28 lakhs and cover the current liabilities and provision for taxation amounting to Rs. 14.86 lakhs by a comfortable margin.

UNILEVER UNDERTAKINGS IN INDIA AMALGAMATE

Lever Brothers (India) Private Limited. The Hindustan Vanaspati Manufacturing Company Private Limited, William Gossage and Sons (India) Private Limited and Joseph Crosfield and Sons (India) Private Limited are companies well known in India. These Companies belong to the Unilever Group and have for many years been supplying to the Indian consumer such well-known products as Sunlight, Lifebuoy and Lux toilet soaps, a whole range of toilet preparations, Dalda and Lotus brands of *vanaspati*, Blue Band Margarine and Pyramid and Wheel brand glycerine. These Companies have build up over the years an efficient manufacturing and marketing organisation, in the management of which Indian personnel play a great part. Their raw materials are primarily drawn from this country.

These Companies are now preparing to take the further step of inviting Indian participation in their capital. In order to achieve this purpose, Lever Brothers (India) Private Limited has absorbed the other three companies and it proposes shortly to convert itself into a public company under a new name. The High Court of Bombay has sanctioned the amalgamations and the Government of India has sanctioned the other legal steps to be taken before a part of the holdings of Unilever in the amalgamated company can be offered to the public.

COMPANY MEETINGS AND DIVIDENDS

DHUNSERI TEA CO., LTD. Annual General Meeting, Calcutta, 29th October 1956. Dividend: Re. 1 per share. Transfer books remain closed from 22nd to 29th October 1956, both days inclusive.

HANSQUA TEA CO., LTD. Annual General Meeting, Calcutta, 3rd November 1956. Dividend: Re. 1 per share. Transfer books remain closed from 25th October to 3rd November 1956, both days inclusive.

KUNCHUNPORE TEA CO., LTD. Annual General Meeting, Calcutta, 6th November 1956. Dividend: *Nil*. Transfer books will remain closed from 29th October to 6th November 1956, both days inclusive.

MARGARET'S HOPE TEA CO., LTD. Annual General Meeting, Calcutta, 8th November 1956. Dividend: *Nil*. Transfer books remain closed from 25th October to 8th November 1956, both days inclusive.

RANICHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 8th November 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 25th October to 8th November 1956, both days inclusive.

BHATKAWA TEA CO., LTD. Annual General Meeting, Calcutta, 8th November 1956. Dividend: Rs. 2-8 per share. Transfer books remain closed from 25th October to 8th November 1956, both days inclusive.

HUKUMCHAND JUTE MILLS LTD. Annual General Meeting, Calcutta, 9th November 1956. Transfer books will remain closed from 1st to 9th November 1956, both days inclusive.

ZANDU PHARMACEUTICAL WORKS LTD. Annual General Meeting, Bombay, 16th November 1956. Transfer books will remain closed from 2nd to 15th November 1956, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Interim dividend of Rs. 5 per share, free of income-tax for the year ended 31st December 1956, payable on and after 12th November 1956.

NATIONAL CARBON CO. (INDIA) LTD. Interim dividend of As. 12 per share, payable on or after 10th December 1956. Transfer books remain closed from 27th October to 16th November 1956, both days inclusive.

OKAYTI TEA CO., LTD. Annual General Meeting, Calcutta, 14th November 1956. Dividend: *Nil*. Transfer books will remain closed from 5th to 14th November 1956, both days inclusive.

T. STANES & CO., LTD. Interim dividend of As. 14 per ordinary share, for the year ending 30th September 1956. Transfer books will remain closed from 1st to 15th November 1956, both days inclusive.

TEXTOOL CO., LTD. Dividend of Rs. 15 per ordinary share, for the year ended 30th April 1956. Transfer books will remain closed from 30th October to 12th November 1956, both days inclusive.

PENINSULAR PLANTATIONS LTD. Dividend of Rs. 3 per ordinary share, for the year ended 29th February 1956. Transfer books will remain closed from 5th to 15th November 1956, both days inclusive.

COMPANY REGISTRATIONS

NEW ERA FABRICS PRIVATE LTD. (Managing Director: Mr. Purshottam Kanji Badiani.) Business: Weaving of artificial silk, rayon, staple fibre, etc. Authorised capital: Rs. 50,00,000. Private company. Address: 16, Tulsi Pipe Road, Bombay 16.

UNIVERSAL ENTERPRISES PRIVATE LTD. (First Director: Maharaj Narpatsinghji.) Business: Tourists agents and contractors. Authorised capital: Rs. 5,00,000. Private company. Address: 3rd Floor, Western India House, Sir P.M. Road, Fort, Bombay.

PLANNED COMMERCE AND PRODUCTS PRIVATE LTD. (First Director: Mr. Girdharlal Shankarlal Dave.) Business: Dealers in hides, skins and leather. Authorised capital: Rs. 5,00,000. Private company. Address: 529, Kalbadevi Road, Bombay 2.

Points From The Chair

Electricity Amendment Bill

"YOU will have seen a reference in the Directors' report to the Electricity (Supply) Amendment Bill, which has been referred to a Select Committee of Parliament. To ensure that the provisions of the Bill will not be such as to impede the development of the industry, some of the clauses of the Bill will need modification, and we trust that the representations which have already been made and which we hope to reinforce before the Select Committee, will be accepted. Shareholders will recollect that the original Bill contained a provision prohibiting an electricity undertaking from declaring a dividend in excess of 3 per cent. per annum without the sanction of the State Government so long as any arrears of depreciation remained to be written off. Several representations were made to Government on this point and your Company has, both in writing and in meetings with the Ministries concerned, explained to Government the need for cancelling the provision. We believe that the point of view of the industry has been appreciated and that the clause will be suitably amended in the Select Committee stage so as to maintain the *status quo*."

J. R. D. TATA,
Andhra Valley Power Supply Co., Ltd.

Outlook for Malayalam Plantations

"As regards prospects for the current financial year, crops were originally estimated at 16,958,000 lbs. tea and 6,945,000 lbs. rubber, but the drought in the early part of the year has made doubtful realisation of the full tea crop. The shortage compared with last year was, at the end of September, more than 825,000 lbs. Largely as a result of the careful cultivation of past years, the tea has stood up extremely well to the exceptional drought and casualties have been remarkably low. The market for medium and low-grown teas, similar to those which form the bulk of this Company's output, has been appreciably lower in recent months than for corresponding months of last year, but has improved in the last few weeks. The output of dust tea to 31st December 1956, has been sold forward without export quota. No other forward sales have been made."

H. W. HORNER,
Malayalam Plantations Ltd.

Nationalisation of Suez Canal

"According to studies made by jurists whose services we have secured, Colonel Nasser's decision appears, in point of fact, to be incompatible with your Company's special status, and contrary to international public law. The Egyptian Government has tried to justify the 'nationalisation' of the Canal Company by arguing that it was purely and simply an Egyptian company, and thereby subject to the decisions of the Egyptian legislator. This assertion does not stand up to a thorough analysis of documents. The Company's Egyptian nationality, which is not mentioned, in the Acts of Concession, was only put down in the 1866 Convention for reasons of political expediency, and has produced only limited effects. In particular, the Company has never been registered in Egypt; the statutory seat of the Company fixed in Alexandria is purely fictitious. The Egyptian Government and the Egyptian Courts have had to admit on several occasions, in matters as fundamental as the application of the gold clause to our debentures or liability to the limited companies law and the exchange control law, that Egyptian public laws were not applicable *de plano* to the Company, and that a speiial regime had to be elaborated to allow for the Company's particular status."

M. FRANCOIS CHARLES-ROUX,
Suez Canal Company

Increasing Use of Fertilisers

"It is very heartening to observe that the trend in favour of increasing use of commercial fertilisers has come to stay and this will doubtless mean further improvement in agricultural production in the coming years. Though the present *per capita* rate of utilisation of nitrogenous fertilisers (nitrogen proper) continues to be quite low, being only 1/35 the rate in the U.S.A., 1/26 of West Germany, 1/16 of the U.K. and 1/15 of Japan, the spread of this practice amongst the conservative agriculturist classes of India has been very rapid, tonnages actually consumed having registered an increase of 800 per cent. in the period 1938-55 in India compared with only 25 per cent. in West Germany, 80 per cent. in Japan, 416 per cent. in the United Kingdom and 500 per cent. in the U.S.A. during the said period. This is indeed a very auspicious development for controlling inflationary forces inherent in vast developmental expenditures based on deficit finance. Since food and cloth will continue to absorb a lion's share of incomes earned by the masses for a long time to come in our underdeveloped economy, a stable price level of agricultural commodities based on adequate indigenous production of foodgrains, oilseeds and cotton will undoubtedly prove invaluable in effectively countering and mitigating the evils of such inflationary forces during the transition period of transformation of India into a modern economy."

K. NARAYANASWAMY,
Mysore Chemicals and Fertilisers Ltd.

COORLA SPINNING PAYS MORE

PROFIT OF HANSQUA TEA RECEDES

Coorla Spinning and Weaving Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Cowasjee Jehangir and Co., Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March 1956.

There is a profit of Rs. 6,22,161 (Rs. 4,85,597 before providing for depreciation and gratuity) after transferring to provision for depreciation of machinery, etc. Rs. 8,50,000 (Rs. 4,25,000), to provision for depreciation of buildings, etc. Rs. 50,000 (Rs. 25,000) and to provision for gratuity Rs. 82,000 (Rs. 36,000). Adding to this balance the amount of Rs. 20,755 (Rs. 21,158) carried forward at the end of the last year, there becomes available a total of Rs. 6,42,916 (Rs. 20,755). From this amount the directors have transferred rupees three lakhs (*nil*) to general reserve, and, out of the balance of Rs. 3,42,916, recommend payment of a dividend at the rate of Rs. 7-8 (Rs. 7-8 after transferring Rs. 1,95,000 from dividend equalisation reserve) per share and a bonus at the rate of Rs. 5 (*nil*) per share for the year under report, together absorbing Rs. 3,25,000 (Rs. 1,95,000) and leaving Rs. 17,916 (Rs. 20,755) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,00,000	Block ...	90,15,997
Reserves ...	13,03,380	Stock-in-trade	25,59,109
Provision for taxation ...	3,23,178	Stores, spare parts, vehicles, etc. ...	5,19,974
Provision for depreciation gratuity ...	57,80,041 2,00,208	Debts, deposits and advances ...	9,09,817
Liabilities ...	25,68,394	Investments	73,800
Profit and loss account ...	3,42,916	Cash ...	39,420
Rs.	1,31,18,117	Rs.	1,31,18,117

Hansqua Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a profit of Rs. 1,00,013 (Rs. 4,63,678). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 1,12,282 (Rs. 3,13,694), of which the directors have transferred Rs. 40,000 (Rs. 1,75,000 to buildings and machinery reserve) to revenue reserve account. The directors recommend that a dividend of 10 (25) per cent. be declared at the annual general meeting, leaving Rs. 22,282 (Rs. 13,694) to be carried forward.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December, 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

Crop weighed out at 5,195 maunds which compares with 5,318 maunds in the previous year. The average selling price was Re. 1-13-7 per lb. as against Rs. 2-15-2 per lb. in 1954. Planted area has been resurveyed at 523.70 acres.

Estimates for 1956 provide for a crop of 6,000 (7,000) maunds at an outlay of Rs. 7,13,560 (Rs. 7,45,740), including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	8,69,205
Reserves ...	9,98,794	Stock-in-trade	5,10,850
Provision for taxation ...	2,10,093	Stores and supplies	81,394
Liabilities ...	1,96,050	Quota rights	
Profit and loss account ...	22,282	receivable	40,733
		Debts, deposits and advances ...	1,87,228
		Investments	2,22,009
		Cash ...	15,800
Rs.	19,27,219	Rs.	19,27,219

Dhunseri Tea Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

After charging manager's and staff's commission, there is a profit on the year's working of Rs. 85,072 (Rs. 6,58,197) to which should be added the credit balance on profit and loss account brought forward from the previous year of Rs. 8,779 (Rs. 8,732 and also Rs. 10,169 being provision for taxation no longer required) making a total of Rs. 93,851 (Rs 6,77,098). From this amount has been deducted the following provision for taxation Rs. 12,000 (Rs. 2,45,000) and depreciation Rs. 24,468 (Rs. 47,710) leaving a balance of Rs. 57,383 (Rs. 2,51,649 after transfers to reserves, etc.). Payment of dividend on preference shares for the half-years to 31st March and 30th September 1955, without any deduction for income-tax paid by the Company absorbs Rs 8,385 (Rs. 8,385). From the available balance of Rs. 48 998 (Rs. 2,43,264) the directors recommend payment of dividend of 10 (50 per cent. including interim dividend of 10 per cent.) per cent. on ordinary shares for the year ending 31st December, 1955, without any deduction for the income-tax paid by the Company absorbing Rs. 46,897 (Rs. 2,34,485) leaving a balance to be carried forward of Rs. 2,101 (Rs. 8,779).

The Company during the season has been financed by the arrangements made with the National Bank of India Ltd., Calcutta, which provided the overdraft facility against the hypothecation over the crop and other moveable property of the Company.

Capital expenditure incurred during the year comprises of Rs. 36,440 for the erection of new staff quarters, labourers' houses, segregation ward and medicine godown, Rs. 12,603 for one tractor, and Rs. 8,309 for M.S. forma and plucking machines.

Weather and Crop.—The weather, though not very well off during the year, was generally seasonable. The final crop during the season came to 7,325 maunds as compared with 6,956 maunds in 1954 and 7,038 maunds average over the 1950-54 period.

Prices.—Due to world-wide recession in tea prices during 1955-56, the prices realised on the season's crop declined substantially and came down to As. 28.25 per lb. as compared with As. 42.31 in 1954 and As. 31.87 in 1953. The crop was disposed of as follows: for export auctions 407,516 lbs. at As. 30.31 and for internal auctions 171,358 lbs. at As. 23.34 per lb.

An extension of 1.86 acres was put out during the year, thus making total planted area 645.8 acres as at 31st December 1955, against 643.94 acres as at 31st December 1954.

Estimates for 1956.—The estimates recently revised provide for a crop of 7,300 maunds at a local cost of production of Re. 1-9-1.65 per lb. to which, certain expenditures like payment of bonus to the labour for the years 1953 and 1954 Calcutta costs and West Bengal Entry Tax at one anna per lb., fall to be added, will enhance the cost of production considerably. The total tea manufactured upto 14th September 1956 comes to 4,659 maunds against 4,586 maunds in 1955. 88,982 lbs. of the 1956 season tea have been sold till the end of August 1956, at an average price of As. 39.58 per lb., and prospects for remainder of the season seem to be good.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,98,280	Block ...	3,64,047
Reserves ...	3,95,000	Development account ...	3,95,398
Provision for taxation ...	2,58,607	Stock of tea	4,91,788
Liabilities ...	2,60,588	Stores, spare parts, tool's and implements ...	66,450
Profit and loss account	2,100	Debts, deposits and advances ...	1,43,422
		Investments	1,600
		Cash ...	51,870
Rs.	15,14,575	Rs.	15,14,575

Nilgiri Tea Estates, Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam, Travancore-Cochin) submitted the audited accounts of the Company for the year ended 31st March 1956.

Estimates and Acreage.—As mentioned in the previous report of the directors, the Stagbrook Estate was taken possession on 12th May 1955. The total area under tea, including new clearings is 1,423.10 acres. The Mailoor Estate cover 336.34 acres under tea, Kokayar Estates 265.75 acres and Stagbrook 821.01 acres. The Mailoor Estates also cover 164.96 acres under coffee. Mailoor, Kokayar and Stagbrook Estates are reported to be in good condition.

Crop and Prices.—The tea crop secured during the year was 7,80,234 (4,04,527) lbs. at 127.27 cents or Re. 1-4-4 (Re. 1-2-8) per pound. The crop estimated for 1956-57 is 9,75,000 lbs. at 128.90 cents or Re. 1-4-7 per pound. The tea was sold at an average price of Re. 1-12-9 (Rs. 2-13-9) per lb. The coffee crop for the year ended was 1,007½ (723½) bushels at Rs. 67-14-5 (Rs. 97-11-6) per bushel. The coffee crop estimated for the year 1956-57 is 1,200 bushels at Rs. 57-14-8 per bushel.

The net profit after providing for interest on debentures, depreciation and taxes, etc., amounted to Rs. 1,33,526 (Rs. 86,983). To this has to be added the balance from last year of Rs. 7,798 (Rs. 12,196), making a total of Rs. 1,41,324 (Rs. 99,179). The preference dividend for 1955-56 paid in May 1956 absorbed Rs. 18,219 (Rs. 18,206) leaving a balance of Rs. 1,23,105 (Rs. 80,973). From this amount the directors recommend payment of dividend of 6½ (15) per cent. on the ordinary shares for 1955-56 (the dividend on new shares from 20th May 1955) Rs. 80,560 (Rs. 84,375) and transfer to debenture redemption fund Rs. 40,000 (Rs. 11,200 to general reserve), leaving a balance of Rs. 2,544 (Rs. 7,798) to be carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,86,546	Block ...	33,40,114
Debentures	12,50,000	Stock-in-trade	2,46,711
Reserves ...	5,70,346	Stores and spare parts	80,293
Provision for taxation ...	1,12,784	Other assets	21,643
Liabilities ...	1,49,349	Advances ...	97,762
Profit and loss account ...	1,41,324	Investments	3,300
		Cash ...	1,20,526
Rs.	39,10,349	Rs.	39,10,349

Kunchunpore Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a loss of Rs. 1,375 (profit of Rs. 3,23,356). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 4,618 (Rs. 19,031 after transferring Rs. 1,45,000 to revenue reserve, Rs. 1,00,000 to buildings and machinery reserve and after paying a dividend of 27½ per cent.) which the directors propose to carry forward.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

Crop was 4,356 maunds as compared with 4,256 maunds in 1954. The average selling price was Re. 1-11-6 per lb. against Rs. 2-12-8 per lb. in the previous year. Planted area is now 603.53 acres.

Estimates for 1956 provide for a crop of 4,200 maunds at an outlay of Rs. 5,99,570, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,60,000	Block ...	3,12,914
Reserves ...	3,24,391	Stock-in-trade	3,48,349
Provision for taxation ...	10,831	Stores and supplies ...	22,729
Liabilities ...	1,18,880	Debts, deposits and advances ...	44,286
Profit and loss account ...	4,618	Investments	43,789
		Cash ...	46,653
Rs.	8,18,720	Rs.	8,18,720

Anderson Wright, Ltd.

The directors of the above Company (Chairman: Mr. G. J. K. Hook, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The amount at the credit of profit and loss account carried forward from last year is Rs. 24,401 (Rs. 76,079), to which has to be added the amount which the directors have transferred from investment depreciation reserve Rs. 2,50,000 (*nil*), making a total of Rs. 2,74,401 (Rs. 76,079). From this sum there is to be deducted: loss on the profit and loss account for the year ended 31st December 1955 Rs. 89,042 (profit of Rs. 4,94,322) and provision for taxation Rs. 77,075 (Rs. 1,06,000) leaving a balance of Rs. 1,08,284 (Rs. 4,64,401) which the directors recommend should be dealt with as follows:—

In payment of a dividend for the year ended 31st December 1955 on preference shares at the rate of 4½ per cent. per annum without any deduction in respect of income-tax paid by the Company Rs. 90,000 (Rs. 90,000) and to be carried forward Rs. 18,284 (Rs. 24,401 after transferring Rs. 1,00,000 to debenture redemption reserve, Rs 1,00,000 to investment depreciation reserve and 7½ per cent. ordinary dividend absorbing Rs. 1,50,000).

During the year under review the managing agency of the Central Kurkend Coal Co., Ltd., held by the firm Anderson Wright & Co., was relinquished and the investments held in that Company were disposed of. The total loss arising to the firm and the Company as a result of this transaction was Rs. 4,17,460.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	44,302
Debentures	10,00,000	Share in the firm of Anderson Wright & Co. ...	41,94,200
Reserves ...	14,50,000	Stock-in-trade	3,07,930
Liabilities ...	73,13,350	Debts, deposits and advances ...	35,77,672
		Investments	54,73,872
		Cash ...	23,658
		Profit and loss account ...	1,41,716
Rs.	1,37,63,350	Rs.	1,37,63,350

Chittaranjan Cotton Mills, Ltd.

The directors of the above Company (Managing Agents: The Keshavlal Industrial Syndicate Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

There has been further improvement this year in the expansion of the mills. There has been an addition of Rs. 1,46,000 in the machinery account besides Rs. 62,000 in buildings. Further, advances to the extent of about Rs. 3 lakhs have been made this year for buildings under construction.

Due to the investments in machinery, the production materially increased and the sale of the products has been Rs. 92,59,000 as against Rs. 87,72,000 in the year 1954.

The net profit of the Company during the year under review after deducting depreciations and other expenses come to Rs. 14,86,032 (Rs. 15,70,733). After adding the balance carried forward from 1954 of Rs. 1,16,339 (Rs. 92,700), there is a total of Rs. 16,02,371 (Rs. 16,63,433). Out of this the directors have transferred to reserve fund for taxes and other liabilities Rs 9,00,000 (Rs 10,00,000), paid a tax-free dividend at 12½ (12½) per cent. Rs. 2,57,600 Rs. 2,50,000), transferred to reserve fund Rs. 1,50,000 (Rs. 1,35,000), transferred to dividend equalisation fund Rs. 1,00,000 (Rs. 1,50,000) and to welfare fund Rs. 11,721 (Rs. 5,707). This leaves a balance of Rs 1,83,050 (Rs. 1,22,726) to be carried over to next year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,60,548	Block ...	56,76,578
Reserves ...	19,99,309	Stock ...	20,27,016
Provision for taxation ...	8,99,751	Debts, deposits and advances ...	17,65,365
Liabilities ...	45,94,691	Investments	9,92,753
Profit and loss account ...	16,02,371	Cash ...	6,94,958
Rs.	1,11,56,670	Rs.	1,11,56,670

Clive Buildings (Calcutta) Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

During recent years there has been a tendency for companies to move their offices from the business area to Chowringhee. Plans have been announced for a number of large office blocks along Chowringhee but the nationalisation of life insurance appears to have brought these to a standstill, since most of them were promoted or financed by life insurance companies. At present good coffee accommodation is not easily obtained in Calcutta and there is a long waiting-list for any vacancies occurring in Clive Buildings. During the year several offices changed hands but good tenants were found without difficulty.

The gross receipts amounted to Rs. 5,50,193 as compared with Rs. 5,18,487 last year. The gross profit for the year amounted to Rs. 3,23,109 (Rs. 3,04,549) and, after meeting the usual charges for debenture interest, depreciation, sinking fund, etc., there remains a net balance of Rs. 1,93,711 (Rs. 1,73,761), out of which there has been provided Rs 94,813 (Rs. 99,773), on account of income-tax and super-tax, leaving a balance of Rs. 98,868 (Rs. 73,988). To this amount must be added Rs. 1,84,610 (Rs. 1,81,122) brought forward from last year, making a total of Rs. 2,83,478 (Rs. 2,55,110). The directors recommend that the balance at credit of the profit and loss account should be dealt with as follows:—

By payment of a dividend on 10,000 ordinary shares of Rs. 150 each at Rs. 6 per share (without any deduction in respect of income-tax payable by the Company) Rs. 60,000 (Rs. 55,000), by payment of a dividend on 1,000 management shares of Rs. 15 each at Rs 6 per share (without any deduction in respect of income-tax payable by the Company Rs. 6,000 (Rs. 5,500), transfer to repairs fund Rs. 20,000 (Rs. 10,000) and carry forward Rs. 1,97,478 (Rs. 1,84,610).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,15,000	Block ...	41,43,293
Debentures	19,95,000	Other assets	2,992
Reserves ...	9,87,957	Debts, and advances ...	30,502
Provision for taxation ...	66,348	Investments	4,16,232
Liabilities ...	1,96,056	Cash ...	3,64,820
Profit and loss account ...	1,97,478		
Rs.	49,57,839	Rs.	49,57,839

Mangalore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1956.

Acquisition of the Company's Undertaking.—In the last report to the shareholders it was intimated that the Government of Madras had notified the Company that the undertaking at Mangalore would vest in Government on 31st December 1955. In December 1955, the Government of Madras notified the Company of the advancement of the date of vesting to 15th December 1956. Thereafter in June 1956, a further notice was issued to the Company notifying that the date of vesting would be 15th October 1956, and the necessary measures are now being taken to transfer the undertaking on that date.

The basis of compensation payable to the Company by the Government will be as already advised to the shareholders, namely Basis "A" as defined by Section 5 of the Madras Electricity Undertakings (Acquisition) Act, 1954, and as soon as the amount of compensation payable by the Government is finalised and received, the necessary steps will be taken for winding-up the Company.

The revenue account shows a profit on the year's working of Rs. 2,13,683 (Rs. 1,02,810). After deducting from this debenture interest Rs. 6,875 (Rs. 6,875), debenture trustees' fees Rs. 300 (Rs. 300), bonus to employees Rs 23,319 (Rs. 14,422), arrears of depreciation Rs. 5,018 (Rs. 5,021), gratuity to retired employees Rs. 1,831 (Rs. 396), provision for taxation Rs 77,000 (Rs 14,700) and appropriations—Under the Electricity (Supply) Act, 1948 Rs. 29,439 (Rs. 4,434) there is a net profit for the year of Rs. 69,901 (Rs. 56,663). After adding to this Rs. 38,542 (Rs. 32,289), the credit balance brought forward from last year, Rs. 4,205 (Rs. 5,590 on account of forfeited dividends), on account of profit on sale of investments and forfeiture of dividends, there is a credit balance of Rs. 1,12,648 (Rs. 94,542) on profit and loss account. This has been disposed of as follows:

To ad-interim dividend of 7½ (*nil*) per cent. (free of tax) for the year ended 31st March 1956—paid on 9th December 1955 Rs. 42,000 (*nil*), second ad-interim dividend of 2½ (first and final 10) per cent. (free of tax) for the year ended 31st March 1956—declared on 14th September 1956 Rs. 14,000 (Rs. 56,000) and to carry forward Rs. 56,648 (Rs. 38,542). The first item only has been given effect to in the accounts now submitted. No recommendation for the declaration of any further dividend is being made to the shareholders.

Plant.—The 250 kw. sulzer set No. 1 broke down on 3rd January 1956 after 30 years' service, due to fatigue. Parts to recommission the set are on order. The 500 kw. main set No. 6 sustained an accident on 2nd April 1956 and was out of commission until 22nd May 1956 during which period supply to consumers was rationed. Replacement parts were imported by air and the set recommissioned within seven weeks.

A continuous supply of energy was maintained throughout the year, and an increase of approximately 7 per cent. in the number of units sold was recorded as compared with the previous year. The total number of consumers connected as at the end of 1956 was 4,916 as compared with 4,645 in 1955. The units of electricity sold during 1955-56 amounted 3,650,086 as compared with 3,422,270 in 1954-55.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,60,000	Block ...	11,17,115
Debentures	1,37,500	Stores ...	1,91,501
Reserves ...	3,75,181	Debts, deposits and advances ...	1,33,553
Provision for taxation ...	72,578	Investments	56,751
Liabilities	4,24,383	Cash ...	1,41,375
Profit and loss account ...	70,648		
Rs.	16,40,295	Rs.	16,40,295

Shahjahanpur Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September 1955.

The revenue account shows a profit on the year's working of Rs. 75,053 (Rs. 73,093). After adding to this the profit on sale of investments Rs. 1,250 (*nil*) and amount written back out of provisions for deferred taxation in respect of the years 1948-50 Rs. 7,600, there is a total of Rs. 83,903 (Rs. 73,093). From this is deducted the arrears of depreciation Rs. 5,416 (Rs. 5,415), gratuity to retired employees Rs. 1,294 (Rs. 1,313), expenditure during construction written off Rs. 741 (Rs. 741), provision for taxation 1956-57 Rs. 26,000 (Rs. 15,951), reserve for deferred taxation Rs. 6,400 (Rs. 8,700) and appropriation under the Electricity (Supply) Act 1948 Rs. 3,778 (Rs. 3,721), leaving a credit balance of Rs. 40,274 (Rs. 37,252). After adding to this Rs. 14,393 (Rs. 5,882) being the adjusted credit balance brought forward from last year, Rs. 30,063 (*nil*), being the total of adjustments on account of fuel cost, provision for taxation no longer required and other sundry items, and deducting therefrom Rs. 27,617 (*nil*) being adjustment on account of value of old stock of stores written off there is a credit balance of Rs. 57,113 (Rs. 59,894 after adjustment) which the directors recommend should be disposed of as follows:—

To pay a dividend of 5 (5) per cent. for the year ended 30th September 1955, without any deduction for income-tax paid by the Company Rs. 45,500 (Rs. 45,500) and to carry forward a balance of Rs. 11,613 (Rs. 14,394).

A continuous supply of energy was maintained throughout the year, and a small increase in the number of units sold was again recorded, as compared with the previous year.

Arrangements by the State Government for providing a bulk supply from the Sarda Canal Hydel System are being finalised and it is expected that as soon as the terms of the Agreement are settled, the supply would be made available.

Considerable labour trouble was experienced during March 1956, when a strike notice, containing a large number of unreasonable demands, was served on the Company. These demands were rejected in the interest of discipline and efficient operation of the Undertaking. A majority of the workmen, instigated by the Labour Union, went on strike on 14th March 1956 and although a few loyal workmen gave considerable assistance to the Company, supply was interrupted until 20th March 1956 when the strike was called off on the basis of a settlement reached with the Union.

The number of consumers connected to the Company's system at 30th September 1955, was 2,056 as against 2,009 at the end of September 1954. The number of units of electricity sold during the year was 23,54,926 (22.24.801).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,10,000	Block ...	7,08,621
Reserves ...	2,87,293	Stores ...	2,30,847
Provision for taxation ...	37,136	Other assets	16,295
Liabilities ...	2,79,589	Debts, deposits and advances ...	1,90,172
Profit and loss account ...	11,613	Investments	2,17,788
		Cash ...	1,52,908
Rs.	15,25,631	Rs.	15,25,631

Karanpura Collieries, Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 29th February 1956.

Raisings and despatches.—Raisings were 1,50,031 tons and despatches 1,48,818 tons, compared with 1,31,579 tons and 1,33,566 tons respectively in the previous year. Steady progress is being maintained at the Company's colliery.

Transport.—The overall wagon supply position was satisfactory but irregular placements have at times caused congestion at depots thereby rendering the coal stocks liable to heating.

Labour.—Good relations were maintained with labour throughout the year. At the end of the Company's year, the Labour Tribunal was still in session. The Tribunal has since published its award which will materially enhance costs. The full effect of this however is yet to be assessed.

Belatedly Government announced a flat increase in coal selling price of Rs. 3 per ton for all Bengal and Bihar collieries. The directors hope that this increase is an interim measure only and that Government will cause an examination of costs to be made at the end of six months as suggested by the industry.

The reason for this suggestion is that costs of every component item have increased in the last few years and, indirectly in power costs and in other ways often overlooked, this award will increase the costs whereas controlled selling prices of coal have in fact decreased in the last nine years.

After providing Rs. 1,40,417 (Rs. 1,03,537), for depreciation, Rs. 32,016 (Rs. 43,500) for taxation, Rs. 47,200 (*nil*) for tax contingency reserve, Rs. 2,900 (Rs. 8,700) for development rebate reserve and including the sum of Rs. 2,661 (Rs. 3,145) brought forward from the previous year, the profit and loss account shows an available balance of Rs. 1,47,527 (Rs. 1,74,347), which the directors propose to dispose of as follows:—

In paying a dividend on the 5½ per cent. cumulative (taxable) preference shares for the year ended 29th February 1956, Rs. 40,562 (Rs. 81,124), in paying a dividend on the ordinary shares at the rate of 5 (2½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 1,00,000 (Rs. 50,000) and in carrying forward Rs. 6,965 (Rs. 2,661 after paying preference dividend arrears for the period 1st March 1952 to 28th February 1954).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,99,500	Block ...	24,24,543
Reserves ...	1,77,175	Capital expenditure in progress ...	36,353
Provision for taxation ...	32,000	Stock of coal	44,152
Liabilities ...	4,93,701	Stores and spare plant	1,51,318
Profit and loss account ...	6,965	Debts, deposits and advances ...	10,15,803
		Investments	1,994
		Cash ...	24,973
Rs.	36,99,341	Rs	36,99,341

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

THE HIND BANK LIMITED

Head Office: **CALCUTTA**

Chairman:
Mr. K. P. GOENKA

General Manager:
S. D. PARDIWALLA

Paid-up Capital - - **Rs. 50,00,000**
Reserve Fund - - **Rs. 26,00,000**

COMPLETE BANKING SERVICE OFFERED

Transacting all kinds of Foreign Exchange Business.

Bombay Office:
Sir Pherozshah Mehta Road
BOMBAY 1

S. L. MEHTA, *Manager.*

Notices

ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Annual General Meeting of the Shareholders of the ORIENT PAPER MILLS LIMITED will be held at its registered office at Brajrajnagar in the district of Sambalpur (Orissa) on Tuesday the 20th November 1956, at 3 p.m., for the following purposes:

(a) To receive and consider the Report of the Directors and to adopt the audited accounts of the Company for the half-year ended 31st March 1956.

(b) To declare Dividends on Preference and Ordinary shares.

(c) To elect Directors in place of Shri P. R. Sarker who retires by rotation and in place of Shri R. K. Somany who retires by rotation as well as under Section 261 of the Companies Act, 1956.

Shri R. K. Somany is an Associate of the Managing Agents and has been on the Board of Directors since almost the inception of the Company. It is considered desirable to avail of his valuable advice by retaining him as a Director of the Company. The Company has received the requisite special notice from a shareholder and accordingly the special notice is hereby given to the shareholders for passing the following special resolution for re-appointment of Shri R. K. Somany, as a Director of the company.

"RESOLVED that Shri R. K. Somany, an Associate of the Managing Agents, be and is hereby re-elected as a Director of the Company."

(d) To appoint Auditors for the current year and fix their remuneration.

As Special Business:

(e) To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

"RESOLVED that inspection of registers, books and all other documents, required to be maintained and kept open for inspection by the Company, be allowed to the persons entitled thereto, on receipt of 24 hours' prior notice from them, at the registered office of the Company during 11 a.m. to 1 p.m. on each working day, in accordance with and subject to the provisions of the Companies Act, 1956."

(f) To transact any other business, which may be brought forward at the meeting, with the permission of the Chairman.

The Share Transfer Books will remain closed from the 5th to 20th November 1956, both days inclusive.

EXPLANATORY STATEMENT

Item (e).—The resolution has been proposed to fix the time for and mode of inspection of various registers, books and documents of the Company, keeping in view the administrative convenience.

By Order of the Board,
BIRLA BROTHERS PRIVATE LIMITED,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA, 16*th October* 1956.

N.B.—(i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(ii) The dividends. when declared, will be payable to registered shareholders as on the 20th November 1956, on or after the 30th November 1956.

ENQUIRY NOTICE

INDIAN RAILWAYS REQUIRE A LARGE number of bridge girder spans, both broad-gauge (5'-6") and metre-gauge, varying from 30 ft. to 200 ft. spans. Indian and foreign fabricating firms of repute interested in supplying these girders are requested to contact the undersigned for further information. This is not a Tender Notice but only an Enquiry.

M. N. BERY,
Joint Director, Works,
Ministry of Railways (Railway Board)
'N' Block, Raisina Road, New Delhi.

HUKUMCHAND JUTE MILLS LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE next Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, 9, Brabourne Road, Calcutta, on Friday the 9th November 1956, at 4-30 p.m., for the following purposes:—

1. To receive and pass the Directors' Report and the Audited Accounts for the year ended 31st March 1956.
2. To declare Dividends.
3. To elect Directors in place of those retiring.
4. To appoint Auditors.
5. To pass the following resolution as a Special Resolution:—

"RESOLVED that Sri D. P. Goenka, a Partner of the Managing Agents, be and is hereby re-elected a Director of the Company."

6. To transact any other business that may be brought before the Meeting.

Dividends, if declared, will be paid to the Registered Shareholders only.

The Share Transfer Register of the Company will be closed from 1st November 1956 to 9th November 1956, both days inclusive.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Managing Agents.

CALCUTTA, 9*th October* 1956.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED
TIRUCHIRAPALLI

NOTICE

THE DIRECTORS HAVE SANCTIONED THE payment of an *ad-interim* tax-free dividend for the year 1956-57 of 3¾ per cent. on Ordinary shares and also usual dividends of 2¾ per cent. on Preference shares.

The warrants will be made out in the names and addresses of shareholders standing registered in our books as on 23rd November 1956, or their mandatees and posted on and after 17th December 1956. The shareholders are requested to notify immediately any change of address to the Company.

The register of Members and share transfer books of the Company will be closed from 23rd November 1956 to 5th December 1956 (both days inclusive).

N.B.—Holders of blank transfers are advised to have the shares registered in their names in time before closure of books.

By Order,
SESHASAYEE BROTHERS
PRIVATE LTD.,
Managing Agents and Chief Engineers.

TIRUCHIRAPALLI, 18*th October* 1956.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend on the shares of the above Company of 11¼ per cent., free of Income-tax, for the year ending 31st December 1956, was declared by the Board of Directors on 22nd October 1956, payable on or after 9th November 1956, to those Members whose names are registered in the Register of Members of the Company on the 9th November 1956. Dividend Warrants will be despatched to Members and no application to the Company is necessary.

The Register of Members of the Company will be closed from 5th November 1956 to 9th November 1956, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 22*nd October* 1956.

THE ASSOCIATED CEMENT COMPANIES LIMITED

NOTICE

Closing of Share Transfer Books for Payment of Annual Dividend

THE SHARE TRANSFER BOOKS OF THE Company will be closed from Friday the 9th November to Friday the 30th November 1956 (both days inclusive).

By Order of the Board,
For THE ASSOCIATED CEMENT COS., LTD.,
CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,
M. DANDEKER,
Managing Director.

BOMBAY, 5*th October* 1956.

COAL

(*Concluded from page* 812)

stowing during the year 1954-55, but only 59 collieries actually carried out stowing, as against 55 in the previous year. The total quantity of stowing material consumed amounted to 5,123,628 tons, as compared with 4,963,530 tons in 1953-54. The output of coal by these collieries during the year under review aggregated 3,241,407 tons, as against 3,028,069 tons in the previous year. The total amount of assistance paid was Rs. 45.54 lakhs, which falls very much short of that (Rs. 61.61 lakhs) paid in 1953-54. This shortfall in the amount of assistance is explained by the fact that most of the collieries were not given assistance for full three-quarters of the year, due, in some cases, to changes in the areas of stowing sanctioned by the Board which required further application, examination and sanction. There was also delay in the submission of supplementary applications involving changes of area and some delay in the scrutiny of claims for assistance.

As regards washing, the final report of the Coal Washeries Committee was submitted in June 1954. The Committee recommended that washing of all coals, coking and non-coking, should be done in central washeries established by a central marketing organisation which would also be responsible for the sale and distribution of the coal. The Coal Board did not consider the setting up of a central marketing organisation for undertaking the purchase and sale of all coal produced in India as being urgent, but recommended, for the acceptance of the Government of India, the following proposals:

(1) All coking coals should be washed, (2) collieries producing coking coal should be encouraged to install washing plants and the Board should assist them with loans, washing subsidy, etc., and (3) after a prescribed date, the Board should step in to undertake the washing of the coal for which no washing arrangement is made by the producing collieries.

No final decision was taken by the Government during the year on the Board's proposals. Subsequently, however, it took the following decisions:

(1) General, all metallurgical coal down to grade II should be washed; (2) private collieries may be given the choice to set up washeries to meet the requirements of washed coal of all existing and projected steel plants. If the required quantities do not become available from washeries set up by private collieries, the Government will itself set up washeries to meet the full requirements; and (3) the average cost of washing should be made good to the collieries through either revision of prices or a negotiated price for washed coal or by means of a suitable subsidy as may be determined at the appropriate stage.

The other measures taken by the Board during the year under review in furtherance of coal conservation include the appointment of two committees, one for the standardisation of the methods of investigation into coking coal reserves and for re-estimation of the reserves of coking coal in the country and the other for examining the loss of coal in barriers between collieries and in working their seams and for suggesting ways and means by which these losses could be avoided. The work of the first committee was kept in abeyance pending a final decision on the issue of the expansion of the committee. The second committee also did not function during the year under review.

GILT-EDGED WEAK

(From Our Own Correspondent)

BOMBAY, 24*th October*

The short-term money market remained featureless for yet another week, with very little activity in the inter-bank call money section. There was, however, no change in the conditions, which, if anything, were a little more difficult for borrowers, due to paucity of funds. With quite a few attractive industrial issues in the offing, lenders were probably reluctant to release their funds to the market. Consequently, interest rates remained firm. Inter-bank call money was nominally quoted at 3½ per cent. House money at call fetched 3½ to 3¾ per cent. and short-term deposits were offered 3½ per cent. for all periods from one to six months.

A decline of Rs. 8.69 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 19th October 1956. This is in contrast to the successive rise aggregating Rs. 29 crores during the previous two weeks. Notes held in the Banking Department show an increase of Rs. 9.37 crores, with the result that the expansion in total notes issued is of the order of Rs. 68 lakhs only. This is covered by a similar rise in rupee coin on the assets side. There has been a further decline of Rs. 4.97 crores in foreign securities, but this is offset by a corresponding increase in rupee securities. The value of the Bank's holdings of gold coin, which was raised from Rs. 40.02 crores to Rs. 117.76 crores in the preceding week, is unchanged at the latter level. In the Banking Department, the deposits of the Central Government have fallen by Rs. 2.53 crores, while those of other Governments and banks are up by Rs. 1.12 crores and Rs. 1.75 crores, respectively. On the assets side, a decline of Rs. 4.17 crores is noted in balances held abroad and of Rs. 6.12 crores in loans and advances other than to Governments. Of the latter, advances to Scheduled banks against usance bills account for a net drop of Rs. 1.58 crores. The scarcity of funds in the short-term money market, resulting in banks resorting to heavy borrowings from the Reserve Bank, is reflected in further fresh advances against these bills to the tune of Rs. 10.75 crores during the week under review. But, as there has been a net decline as just mentioned, it is obvious that repayment of maturing bills must have been of the order of Rs. 12.33 crores.

The Scheduled Banks' statement for the week ended 12th October 1956 reveals a decline of Rs. 5.34 crores in demand deposits and of Rs. 31 lakhs in time deposits. Borrowings from banks have gone up by Rs. 1.61 crores and those from the Reserve Bank by Rs. 2.29 crores. Borrowings from the State Bank, on the other hand, stand reduced by Rs. 1.40 crores. On the assets side, advances are lower by Rs. 1.07 crores and inland bills purchased and discounted by Rs. 68 lakhs, while foreign bills purchased and discounted have risen by Rs. 1.58 crores. Investments stand reduced by Rs. 1.18 crores and cash balances by Rs. 3.75 crores. Money at call and short notice is better by Rs. 1.86 crores.

The Gilt-edged market presented depressed conditions during the week under review. There was a heavy marking down of values of the medium and long-dated issues on selling pressure. Despite the attractively low levels touched by some of the medium-dated issues, investors were reluctant to buy them. Nor was any official support forthcoming. The undertone at the close was weak.

3 per cent. 1986 Conversion Loan continued to sag, the net fall over the week being As. 6 to stand at Rs. 74-4. 3 per cent. 1963-65 dropped an anna to Rs. 84-5 and 3 per cent. 1964 As. 2 to Rs. 94-8. 3 per cent. 1966-68 declined by As. 5 to Rs. 92-8 and 3 per cent. 1970-75 by as much as As. 6 to Rs. 89. 3½ per cent. 1961 was, however, better by an anna at Rs. 99-3, as also 3½ per cent. 1965 at Rs. 98-8, while 3½ per cent. 1964 shed an anna to Rs. 98-8. 3½ per cent. 1967 and 3½ per cent. 1974 were unchanged at Rs. 98-8.

The State loans fared no better and most of the 4 per cent. issues were on offer. Bombay 4 per cent. 1970 shed an anna to Rs. 99-14. Among the Madras loans, 4 per cent. 1967 fell by As. 3 to Rs. 99 and 1968 by As. 4 to 98-14. A drop of As. 4 was noted in U.P. 4 per cent. 1963 and 1964 to Rs. 99-10. Of the other U.P. loans, 4 per cent. 1967 declined by an anna to Rs. 99-2 and 1968 by As. 3 to Rs. 98-15. M.P. 1968 and Orissa 1968 each moved down by As. 2 to Rs. 99. . A similar recession was recorded by Mysore 4 per cent. 1967 at Rs 99-2. Mysore 1968 dipped by As. 3 to Rs. 99.

In the foreign exchange section, the rupee maintained its strength against the U.S. dollars, banks' selling rate for ready dollars being unchanged at Rs. 481¼ per $100 and their buying rate at Rs. 476¾ per $100.

LINSEED QUIET

(Messrs. A. Bradley and Co.)

CALCUTTA, 22*nd October*

Somewhat quieter conditions prevailed in the linseed market this week, owing to lack of buying support in linseed oil. Despite poor arrivals, buyers were less keen, except at lower prices. Activity was on a very limited scale during the week. The oil section was weak, and local prices were out of line with indications from overseas. Local demand was very poor. The latest available quotations for Ready-October is Rs. 23-12 per maund.

(*Concluded from next column*)

Forthcoming Auctions:—Sale No. 29 will be held on Tuesday, 30th October and Dust Sale 'U' on 23rd October.

As we go to Press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale 'U'*.—500,000 lbs. Fair general demand, but prices irregularly one anna to As. 2 lower for everything."

SILVER REACTS

(From Our Own Correspondent)

BOMBAY, 24*th October*

Trading in the bullion market during the week under review was marked by a recession in silver prices, in distinct contrast to the upward trend noted in the previous week, and a relatively steady tone in gold. The drop in forward silver (November settlement) over the week was Rs. 2-3, which more than wiped out the recovery staged in the previous week. This deterioration in the strength was attributed to absence of support and heavy selling pressure induced by reports of large arrivals of Tibetan coins in the country. The paucity of buyers is reflected in the widening of the discount rate from As. 4 to As. 6 at which the ready metal was placed below the forward, despite the fact that the present floating stocks in the city are of the order of only 1,600 bars. Another factor wich affected the sentiment in silver was the rumour regarding the uncertainty of forward trading in bullion.

Gold was featureless, with fluctuations confined to a narow range. The undertone was, however, steady, due to good offtake consistent with the level of arrivals.

Forward silver (October settlement) moved between Rs. 173-6 and Rs. 172-11, before the settlement ran out at Rs. 173-1. The November settlement, after an early advance from Rs. 173-8 to Rs. 173-13, retreated to a low of Rs. 170-12 yesterday. Today, however, it regained some strength and closed at Rs. 171-5.

Ready silver (.996 Mint) moved up from Rs. 173-4 to Rs. 173-9, before receding to Rs. 170-15 at the close. The floating stocks of silver are estimated at 1,600 bars. The daily average offtake was of the order of 20 bars.

Gold for forward delivery (October settlement) fluctuated between Rs. 103-3 and Rs. 103-10 before the settlement ran out at Rs. 103-7. The November settlement rose from Rs. 103-7 to Rs. 103-11, but sagged slightly to Rs. 103, in sympathy with silver. Towards the close it regained to Rs. 103-7.

Ready gold closed at Rs. 103-9, after having gone up earlier from Rs. 103-8 to Rs. 103-15. The floating stocks of gold are placed at 20,000 tolas. The daily average arrivals and offtake were of the order of 3,000 tolas.

In New York, the silver price was raised from 91c. to 91⅛c. In London also, spot silver advanced from 79⅝d. to the post-war peak of 80½d. Forward silver was marked up from 79¾d. to 79¾d. London gold moved up from 251s. 5½d. to 251s. 5¾d. before lowering to 251s. 5¼d.

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

	24-10-56	Highest	Lowest	17-10-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 9	103 15	103 2	103 9½
Forward*	103 7	103 11	103 1	103 7½
Sovereign	67 8	—	—	66 10
SILVER				
Ready (.996 fine Mint) ..	170 15	173 9	170 6	173 4
Forward†	171 5	173 13	170 12	173 8
London Silver Ready ..	80¼d.	80¼d.	80d.	79⅝d.
London Forward	79¾d.	79¾d.	79¾d.	79¼d.
London Gold	251s.5½d.	251s.5½d.	251s.5¼d.	251s.5¼d.
New York Silver	91⅛c.	—	—	91.00c.

* 19th November settlement.
† 20th November settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TEA PRICES HARDEN

[*Messrs. Forbes, Ewart & Figgis (Private) Ltd.*]

COCHIN, 19*th October*

There were some 1,350,000 lbs. on offer in sale No. 28 held on Tuesday, 16th October. Due to the possibility of an increase in export duty next month to As. 10 per lb. the market was expected to be strong. The quality of offerings was well maintained and in a few cases showed improvement. The sale opened to a good general demand and strengthened towards the close. Emphasis lay on low medium and medium brokens which attracted keen competition and sold at rates As. 2 to As. 3 higher. Best liquoring and good medium teas generally sold at lower rates and buyers followed quality closely. There was rather more enquiry for whole leaf teas and these sold at fully firm to dearer rates. Black leaf Middle East types met with very little competition and consequently these types sold below valuations. The following are the quotations:

	1956 Rs. a. p.
Plain B.P.	1 11 0
Low medium B.O.P. ..	2 2 0
Medium B.O.P.	2 6 0
Good B.O.P.	2 12 0 to 3 0 0
Well made black leaf O.P.	2 10 0

The average price realised in sale No. 28 was Rs. 2-8-2 per lb., as compared with Rs. 2-0-11 per lb. for the corresponding sale of the previous year.

London Market: *Sale of 15th October* 1956.—Market firm.

Sale of 16th October 1956.—Best strong. Others irregularly weak.

Colombo Market: *Sale of 15th October* 1956.—Active demand. Broken mixeds and fannings 10 to 15 cents dearer. Dusts 20 to 50 cents up.

Sale of 16th October 1956.—Mediums below best 10 cents dearer. Best mediums and high growns 20 to 30 cents lower. U.V.A. quality declined. Persian Gulf sorts lower.

Calcutta Market:—No sale this week due to holidays.

Export Quota:—Due to the shipping activity, business has been done in export quota at 36 pies, although we understand that in Calcutta business has been done up to 38 pies. There are sellers at 36 pies in Cochin today

(*Continued in previous column*)

COTTON FUTURES BEARISH

(From Our Own Correspondent)

BOMBAY, 24*th October*

The bearish trend noted in the cotton futures market in the last few weeks continued unabated during the week under review also. Now it seems clear that, unless some fresh development takes place, it will be difficult to restore confidence among traders and arrest the downward drift of cotton rates. Although the expectation of an export quota announcement had a favourable effect on the market last week, the hope has yet to materialise. Sentiment of operators was further disturbed by the anticipation of a bumper crop this season and the reported accumulation of unsold stocks of cloth with certain mills. Therefore, even the extension of the rebate period and better spot advices failed to give any fillip to the market. The heavy selling pressure, coupled with the absence of buying support, even at low levels, served to bring down prices.

M. G. Jarilla (March 1957) opened the week lower at Rs. 654, as compared with the previous closing of Rs. 659 and dipped further on reports of good weather. The absence of an export quota announcement acted as a damper and rates slipped firther, reaching a low of Rs. 639 on the 22nd inst. A slight improvement was thereafter evident due to stray mill buying and the contract improved to Rs. 653 today before closing lower at Rs. 650½. The net loss over the week is Rs. 8-8. M. G. Vijay (April 1957) opening the week at Rs. 654, ten points lower than the previous closing, improved, on bull support, to Rs. 766 the next day, before commencing its downward march which took it to as low as Rs. 741 on the 22nd inst. The mild rally that followed pushed up the contract to Rs. 756 today, before it closed at Rs. 752. The net loss over the week is Rs. 11-8.

The following is the trend of price of the two contracts for the week:

(In rupees per candy of 784 lbs.)

	24-10-56	*High*	*Low*	16-10-56
	Rs.	Rs.	Rs.	Rs.
Jarilla (March) ...	650½	657	639	659
Vijay (April) ...	752½	766	741	764

In the spot section, there were good mill inquiries for most varieties of cotton, especially Vijay, presumably due to lower prices and yet prices failed to improve. Berar and Khandesh also evoked considerable interest. But due to the accumulation of stocks mills were reluctant to make large commitments. In the export section, Oomras, Wagad and C.P. I received attention but the fear that the export quota may not materialise soon prevented the emergence of perceptible improvement in prices. In the foreign cotton section, mill interest was evident in American styles, Pima and Sudan cotton. The latest available rates—in rupees per candy of 784 lbs.—from the spot market at Sewri are given below:

Bengal *Deshi* 650; Berar *Jarilla* 730; Khandesh 740; Vijay 930; Oomra *Deshi* 710; Moglai 705. *Delivery contracts*: Khandesh 197/3 December 95; Berar 85; Moglai 30. 'on' Jarilla; 320F December 77; 216F 97; and Vijay 13/16" 87 'on' Vijay.

Mr. C. E. Spencer, Chairman of the Uganda Lint Marketing Board, who was on a visit to Bombay, expressed the hope that the Government of India's virtual embargo on the import of East African cotton would be a temporary measure. Mr. Spencer said that there was great demand for East African cotton in India in spite of recent imports of American cotton. He is understood to have impressed upon Government officials the advisability of not disturbing the trade pattern.

A firm trend was in evidence in the Karachi cotton market during the week under review. This was due to the keen interest evinced in Pakistan cotton from abroad. Local spinner demand was also good. N.T.R.G. January which had closed at Rs. 77-8 last week put on Re. 1 to Rs. 78-8 while the March position improved from Rs. 76-9 to Rs. 77-6. The spot section was also active.

The first estimate of the area under cotton for the current (1956-57) year shows an increase of 8.3 per cent. over last year's first estimate. The area under the crop is estimated at 3.386 million acres (American and *Deshi* varieties 2.623 million and 713,000 acres, respectively) as against 3.08 million acres reported in the first estimate of the previous season. The acreage reported in the final estimate of the previous year was 3.537 million acres.

The following are the latest available quotations from the Karachi market—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 95; Punjab *Deshi* 80; 4F Punjab Roller 80-4; S.G. 81-8; L.S.S. Punjab Roller 80-8; S.G. 82-8; N.T.R.G. 82-8; S.G. 86-8; 289F Punjab Roller 83-8; S.G. 84-8.

Easy conditions prevailed in the Alexandria cotton futures market during the period under review and there was a decline in prices. The fall in prices was probably a corrective reaction to the sharp upswing in values that occurred during the past two weeks. Still there was sustained trade interest and speculative activity which maintained the strength of the market. The latest available rates—in tallaris per lb.—from Alexandria cotton futures market are given below, the figures in brackets being last week's closing quotations:

Karnak: November 114.25 (115); January 111.15 (114.85); March 110.10 (114.25); *Ashmouni*: October 81..20 (83 35); December 80.00 (31.50); February 79.85 (82.10).

Values recorded a slight fall in the Liverpool market during the week. But American mixed growth contract and Sudan cotton crept up due to improved demand. There was, in general, good demand by mills for both ready and shipment cotton as a result of which a fairly large turnover was effected. Spinners, who were hitherto practising a strict hand-to-mouth policy, have shown a

greater inclination to build up stocks instead of confining purchase to meet immediate needs. This has been attributed to the general belief, now held, that a reduction in C.C.C. floor selling price for export is unlikely and that heavy entries of cotton into loans will maintain domestic prices in the U.S. at higher levels. The Soil Bank is also expected to draw much larger acreage next season which would result in a smaller crop. In the absence of Egyptian cotton, the fine spinning section was attracted to Sudan, Peruvian and long-staple East African varieties. U.S. cotton, covering grades of strict low middling to good middling, was much sought after, especially to meet local demands. Rumours regarding the grant of an export quota by the Government of India were welcomed in those sections which usually prefer Indian cotton to certain American styles. The following are the latest available rates—in pence per lb.—from Liverpool:

American one inch Staple Contract: October-November 25.45; December-January 25.25; March-April 25.05; *May-June* 24.90; *American Cotton Mixed Growth Contract*: October-November 25.85; December-January 25.65; March-April 25.40; May-June 25.25; *Egyptian Karnak Cotton*: November-December, January-February, March-April 60; *Sudan*: November-December 51.15; January-February 51.45.

Values in the New York cotton futures market ruled easy during the week. The easiness was mainly due to the large volume of hedge selling brought out by reports of increasing movement of new crop.

It is reported that due to the present high prices of Egyptian Karnak and because of an energetic sales campaign by growers, U.S. spinners have switched over to American long-staple cotton in a large way. Tests conducted by the U.S. department of Agriculture have shown that the U.S. long-staple varieties Pima 32 and Pima S. 1 match Egyptian Karnak in quality. Due to the high price support, almost the entire production of long staples were formerly in Government hands and U.S. spinners were importing lower-priced long-staple cotton from abroad for their needs. The C.C.C. stocks of American Egyptians were about 130,000 bales some months ago but presently they are only around 25,000 bales. Some of this cotton might consist of *Pima 32 and SXP from earlier varieties*; but current production is all Pima S. 1. The crop this season is estimated around 45,000 bales and together with the present C.C.C. stocks there will be a quantity of about 70,000 bales for further purchase this season. Due to the increased demand it is expected that there will be a substantial increase in the acreage allotment for long-staple cotton for the next crop. Growers of such cotton generally expect potential annual demand to expand in the foreseeable future to 300,000 to 500,000 bales. Messrs. Patel Cotton Company observes in this connection: "These developments are of interest also to spinners in India who consume about 230,000 bales (500 lbs.) of similar long-staple cotton annually. If Pima S. 1 continues to be priced attractively as against Egyptian Karnak and production is increased to ensure regular supply, India might become an important importer of that cotton."

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

(In cents per lb.)

	23-10-56	16-10-56	9-10-56
Spot	34.04	34.45	34.40
October	—	—	34.18
December	33 85	34.00	33.99
March	33.96	34.17	34.13
May	34.03	34.13	—

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, *24th October*

The sugar market presented a steady tone during the week under review, in contrast to the distinctly easy conditions witnessed last week. The steadiness was aided chiefly by a rise of As. 8 per maund in the ex-mill quotations for Bombay-Deccan sugar. There were, besides, active enquiry for sugar from the southern side and sustained spot demand in view of the forthcoming festival days, while arrivals of indigenous sugar into the market were lower, being 11,000 bags, as against 14,500 bags in the previous week. Consequently, prices of sugar tended to move up.

Large grain indigenous sugar advanced by Rs. 2 to Rs. 92-Rs. 99 per bag. Medium grain rose by a rupee to Rs. 88-Rs. 91. Small grain was firm at Rs. 87. British refined sugar was fully steady at Rs. 89-8 per bag of 2 cwts.

In the forward section, *magsar* delivery contract for "C" grade sugar improved by As. 5 to Rs. 89-5. *Asho* delivery contract was squared up at Rs. 88-12 (ex-godown including sales tax), same as last week. Delivery orders aggregating 7,200 bags have been issued in this settlement.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

YARNS WEAK

(From Our Own Correspondent)

BOMBAY, *24th October*

The bearish trend of the yarn market noted in the past four weeks gathered further considerable momentum during the week under review. In fact, conditions akin to panic prevailed in the market. The chief factor which sapped the morale of operators was the credit squeeze. The pressure from banks was so much that the stockists, especially the weak-holders, were nervously liquidating their stocks. The offerings were too heavy to find demand and yarn prices, as a consequence, continued their downward march. The fall in prices would have been more precipitous, but for the opening of rayon yarn sales for the current quarter at high prices by the National Rayon Corporation and the Century Mills. The undertone of the market was distinctly weak.

In particular, the rayon yarn section ruled very much depressed, thanks to nervous bull liquidation and bear pressure. Snia rayon yarn (120 dull cones) for October delivery were hammered down by Rs. 28 to Rs. 715. December position dropped Rs. 23 to Rs. 735. Spot 150 Italy fell by As. 2 to Rs. 3-11. 150 Japan receded by three pies to Rs. 3-15-6. 120 Japan was neglected at Rs. 3-11-9, as also 120 Italy at Rs. 3-12. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade retreated from Rs. 3-8-3 to Rs. 3-7-6. 150 Bt. cones 1st grade was dull at Rs. 3-2-9.

In sympathy with rayon yarns and owing to very slack enquiries from consuming centres, staple fibre yarns suffered a sharp setback. 40×2 staple fibre yarn for October delivery was subjected to continued pressure of sales and slumped by Rs. 15 to Rs. 595. December contract went down by Rs. 17 to Rs. 601. In the spot section, 40×2 New Greats decreased by three pies to Rs. 3-5-6. Kohinoors and Centurys were unaltered at Rs. 3-8 and Rs. 3-5-6, respectively. Citys, however, gained three pies to Rs. 3-5-9. Among foreign yarns (80×2), Paramounts, K'Suns and Fujis eased by half an anna each to Rs. 5-13, Rs. 6-6-6 and Rs. 5-14-6, respectively.

The cotton yarn section put on a subdued appearance this week too, thanks to slackness in demand and lack of encouraging advices from the cotton market. Among 80s, Mahindras receded by a rupee to Rs. 70. Moderns fell by As. 8 to Rs. 70-8. Deals in sixty counts Raghuvamshi's were put through As. 2 lower at Rs. 56-8. Moderns were unchanged at Rs. 61. Among 20s, Moderns declined by As. 2 to Rs. 19-4. Hinds were dull at Rs. 19-4. Transactions done in 10 counts were limited, Moderns being quoted at Rs. 15, Podars at Rs. 14-15 and Elphinstones at Rs. 14-8. Thirty counts were, however, firm on special buying support. Maduras advanced by As. 2 to Rs. 24. Apollos were fully maintained at Rs. 22-8. Forty counts yarns were also well supported. Minaxis advanced by As. 9 to Rs. 27-12. Moderns hardened by As. 6 to Rs. 29. Gokaks were done at Rs. 27-10 and Maduras at Rs. 23-12.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	24-10-1956	17-10-1956	10-10-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)—			
120 Dull Cone Snia October ..	715 0	743 0	745 0
120 Dull Cone Snia December	735 0	758 0	761 0
120 Japan (per lb.)	3 11½	3 11½	3 11½
150 Japan (per lb.)	3 15½	3 15½	4 0½
120 Italy (per lb.)	3 12	3 12	3 12½
150 Italy (per lb.)	3 11	3 13	3 14
Staple fibre yarn (per case of 200 lbs.)—			
40 × 2 October	595 0	610 0	616 0
40 × 2 December	601 0	618 0	622 0
40 × 2 New Great (per lb.) ..	3 5½	3 5½	3 5½
40 × 2 Century (per lb.) ..	3 5½	3 5½	3 6
40 × 2 City (per lb.)	3 5½	3 5½	3 5
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	14 15	14 14	14 12
20s Hind	19 4	19 4	19 4
30s Ma-tura	24 0	23 14	24 2
40s Minaxi	27 11	27 3	27 7
60s Raghuvamshi	56 8	56 10	57 8
80s Mahindra	70 0	71 0	71 0

CASTOR MOVES UP FURTHER

(From Our Own Correspondent)

BOMBAY, *24th October*

During the week under review the castorseed and groundnut sections of the local oilseeds market reflected two different trends. While the former moved further up, the latter weakened further. Linseed maintained a sympathetic movement with groundnut.

Spot groundnut prices suffered a sizable setback once again this week, as a result of the arrivals of the new crop groundnut at the terminal markets, and the generally favourable weather conditions prevailing in the producing areas, which further strengthened the belief that the new arrivals would continue. On the other hand, encouraging reports of foreign demand for castor oil kept the sentiment cheerful. Towards the end of the week brisk buying by influential shipper-*cum*-speculative interest gave further momentum to the upward trend in castors. The market closed firm.

In the groundnut section, February 1957 contract opened the week under review at Rs. 129-12. It, however, declined to Rs. 126-10 on 22nd inst. It, however, recovered modestly to Rs. 128-14 at the close today. It this lost over the week Re. 1-10. In the spot section, while Bold F.A.Q. lost no less than Rs. 2 at Rs. 33, Khandesh Quality ready shed Rs. 2-4 at Rs. 32-12. Groundnut oil ex-mill was done at Rs. 18-12, that is, As. 4 lower than a week ago.

Castorseed May 1957 contract having commenced the week cheerfully at Rs. 128-10, improved today to Rs. 131-4, gaining thereby as much as Rs. 3-8 over the week. Bold ready again put on As. 8 at Rs. 29-8, and ready Kanpur As. 4 at Rs. 28. Oil B.S.S. was quoted at Rs. 18-2 at the close today.

The linseed section remained dull during the week. At Rs. 26 at the close today, it reflected a loss of As. 8 over the week. Bold ready again was lower by As. 6 at Rs. 31-4 and February-March by As. 7 at Rs. 27-8.

Among other seeds, *kardi* seed Bold ready improved by As. 10 to Rs. 17-12. *Niger* seed ready and Madras, however, lost As. 12 and As. 8 respectively at Rs. 26-8 and Rs. 27.

The Ahmedabad Seeds Merchants' Association has commenced forward trading in cottonseed (May contract) with effect from 16th inst. The Association was recognised by the Forward Markets Commission for carrying on forward trading in castorseed and cottonseed for Gujerat and Saurashtra regions. The Commission has permitted the Association to fix 25 candies (784 lbs.) as a unit for trading in cottonseed.

Forward trading in cotton and cottonseed will begin at Indore and Ujjain from 31st October.

The export of linseed oil and cottonseed oil will continue to be licensed freely up to the end of December 1956, to all permissible destinations excluding Portuguese possessions in India. A Press note issued on 20th inst. by the Joint Chief Controller of Exports adds that in the case of cottonseed oil, licences will be issued on shipping bills supported by valid firm sale contracts as hitherto, within an overall ceiling, up to the end of December 1956, or till the ceiling is reached, whichever is earlier.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	24-10-1956	17-10-1956	10-10-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	128 14	130 10	130 6
Khandesh Quality Ready (per cwt.)	32 12	35 0	37 12
Dec.-Jan.	25 13	26 2	26 6
Linseed—			
May 1957	26 0	26 8	26 8
Bold Ready (per cwt.)	31 4	31 10	32 4
Oct.-Nov.	—	31 13	31 14
Castorseeds—			
May 1957	131 4	127 12	124 0
Madras (per cwt.)	—	29 0	28 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 12	19 0	19 12
Castor oil—			
Commercial (per quarter) ..	17 3	17 0	16 8
Linseed oil—			
Ready	—	—	17 10

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, *24th October*

Except for a temporary rise in the earlier part of the week in sympathy with Singapore where one or two Chinese firms are reported trying to manipulate the market, Malabar black pepper continued to weaken under pressure of selling by Alleppey growers who sold a few parcels at a new low level of Rs. 625. Singapore rose from Str. $73 to Str. $78 to react to Str. $75. New York is reported depressed under rather heavy unsold consignments of Lampong. Spot Lampong, in New York, was sold at a new low of $0.25. Some of the Indian consignors are reported to have sold afloat parcels of Malabar at $0.26 to $0.25½. There are some small enquiries for special Sarawak black in London at 19d., following the steadiness at Singapore. European markets are, however, slow to follow as the dealers there expect lower prices in view of larger Muntok crop. At the time of writing, Alleppey is reported to have improved from Rs. 625 to Rs. 650 while garbled at Cochin from Rs. 110 to Rs. 114 owing to covering by profit-taking.

Estimates of pepper production and the balance in the hands of growers in the producing countries are usually guesswork, the only reliable figures available being for export. The present estimate of unsold balance of Malabar black varies from 4,000 to 6,000 tons.

Among the different Malabar commodities, such as copra, turmeric, ginger, cardamom, pepper alone can be stored well for some years. It is, therefore, quite possible that some of the growers may hold on till the prospects of new crop are fully visualised. However, when market is weak growers become nervous and desire to sell even with sizable concession. But, without foreign orders in hand, exporters are not willing to buy.

The undertone of the market is weak and the market is likely to go down, unless some new developments take place. The practice of sending unsold consignments by Singapore, Lampong and Malabar interests is having a demoralising effect as dealers in the U.S. and Europe would not like to place enough orders for c. & f., when spot and afloat are available at their own doors. Unsold consignments are, therefore, acting as a boomerang. Pepper is likely to continue to be a tame affair until somebody is bold enough to manipulate and push up the prices because generally grinders and dealers in foreign countries do not buy aggressively in a quiet market.

In the A.S.T.A. section, October was done at $0.26 while November-December was quoted at $0.25½ *without attracting* notable response. In the delivery section, the market is weak with undertone uncertain. There is some resistance from the bulls to whom the present prices appear low. Today's nominal quotations are: Ready delivery Rs 85 per Bengal maund; December Rs. 602½/607½ and February Rs. 607½/612½ per candy of 5¼ cwts.

TEAS WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, *23rd October*

After the suspension of the auctions for a couple of weeks, in view of the *Pooja* holidays, export sales were resumed yesterday. Conditions were, as anticipated in our earlier report, fully steady with quality teas receiving the keenest attention of bidders. A contributory cause for the uptrend in the prices of quality teas was the finalisation of the 1956 crop regulation scheme by the Calcutta Tea Regulation Committee which represents the tea-producing interests in North-East India.

The Committee's decision to recommend to estates to destroy waste and residual teas of a quality unfit for sale in Calcutta auctions has been hailed here. For this step would ensure the maintenance of the quality of the superior teas, as the question of adulteration is ruled out. The prices of quality teas would naturally be maintained at a fairly satisfactory rate, and an agreeable balance between the availability of quality teas and ordinary types would result. Plucking would be discontinued by 30th November or earlier, but not before 20th November. This would lead to a short-fall in production by 15 million lbs. and, adding to this the estimated quantity which would be involved in the proposed destruction, the total loss of output would be of the order of 25 million lbs. In other words, this would mean that the total of tea production for 1956 would be the same as that in 1953, that is, 530 million lbs. For production so far has been 25 million lbs. ahead of last year.

Since the quantity of tea available this year would be the same as that of last year, despite the slight decline in the production in South Indian gardens, it is expected that there would be enough tea available for both export and internal consumption. Since supply would equalise demand, prices would be maintained at levels, fair to consumers and producers alike. It should be said here that the future of the industry demands sympathetic consideration in New Delhi to the need for abolishing the export levy. In a similar way, the Assam and West Bengal Governments should review the movement and entry taxes on tea.

The Committee's direction to estates situated in the Dooars and the Assam Valley is to cease plucking as from 20th November. If the estates in the Terai, Tripura, Cachar and the Darjeeling district have obtained production approximately equal to an average for the three years to 1955 by 20th November, they should also stop plucking by that date. Such of the gardens as have not reached the average crop *should discontinue plucking* immediately they reach this figure before or at the latest by 30th November.

The above steps would lead to the commencement of pruning one month earlier than usual and to the production of increased quantities of the first and second flush of teas in the next season. Since quality teas are produced in the cold weather, more plucking time during that part of the year would give the much-needed increase in output of the higher teas, reducing the output of ordinary types to the extent of an increase in the production of the former. The early end to plucking would also give more time to replanting.

During yesterday's export sale, offerings aggregated 61,700 packages. The market opened with a fair general demand which dwindled down by the time the sale was closed. Fannings were in good demand, with keen attention being shown to the clean and black teas. Prices of low mediums and commons improved by an anna to As. 2, with the high quality registering the maximum increase of As. 2. Medium teas possessing bright liquors also received the keen attention of buyers. C.T.C. types, on the other hand, were a weak feature, the price declined by As. 2 to As. 4. Darjeelings met with higher demand, but tippy teas met with a declining market, the more expensive lots giving way by As. 8. Whole leaf grades were fully steady, and the lots possessing style were bid at As. 4-As. 8 higher than the previous rates. More attention was also shown to well-made stylish B.P.S.s, as also to non-wither Dooars. The quotations were: Best C.T.C. Assam B.P. Rs. 3-2 to Rs. 3-3; clean black pekoe Rs. 2-3 to Rs. 2-4; medium Assam B.P. Rs. 2-2; plain B.P. Re. 1-12 to Re. 1-13.

Export quota right was offered at As. 2-8 per lb. with buyers offerings one pie less. Business was *subsequently done* at the lower figure.

JUTE GOODS EASY

(From Our Own Correspondent)

CALCUTTA, *23rd October*

Prices of jute goods eased slightly during the week under review. Overseas buyers showed less interest. Prices of raw jute, however, improved fractionally, thanks to reduced arrivals. Production of jute goods during the month of September was lower at 84,500 tons, as against 89,600 tons in the previous month. While hessian output increased by 100 tons to 35,500 tons, that of sacking was lower by 4,400 tons at 43,800 tons and of miscellaneous constructions by 800 tons at 5,200 tons. Production during the current month is bound to record a further decline, on account of the several holidays and also on account of the lock-out by certain mills in and around Shamnagar and Kankinara, where many units of the jute industry are concentrated. New automatic machineries require less labour; thus, some hands have become surplus. While the managements desire a reduction in strength and thereby a fall in the cost of production in an attempt to put production on an economic basis, labour leaders have been naturally opposed to any retrenchment. The lock-out has followed disagreement on this point between the managements and labour. This situation would naturally have an effect on the trend of the market and the prospect of a perceptible fall in production has already made speculators active.

Without going into the merits and demerits of the lock-out, it should be said that, from the point of view of the future of the industry, the prospect of buyers paying higher prices for goods is unfortunate. For, with higher goods prices, raw jute prices are bound to go up further. The latter trend is already there, brought about not by the cause now detailed but by the setback caused to transport facilities, both through roads and the swollen rivers, following the heavy flooding. Then, there is the danger of jute goods being priced out of world markets, which situation would naturally make paper and cloth bags, other substitutes and bulk handling once again more popular. It is to be hoped that some understanding between the mills locked-out and labour will be arrived at soon and production resumed.

Indian resistance to higher prices for Pakistani jute and the consequent fall in imports into India *from East Bengal* have been naturally causing concern to the jute interests in that part of Pakistan. This *situation has led to all-out efforts in India to in*crease production of jute, in regard to both quality and quantity, in order to be self-sufficient in feeding the mills. While efforts in this direction have not brought the desired result in the span of nearly a decade, it is believed that the Government circles fully recognise the need for the distribution of improved seeds on a wider area. The fall in Indian purchases in Pakistan has also led to another happy development, in that those concerned in raw jute sales there are thinking on the ways and means by which raw jute prices in Pakistan can again be made attractive to the Indian buyer. With this end in view, the representatives belonging to several bodies of balers and sellers in East Pakistan have urged the Government in Karachi to rescind the 1¼ years' old order which prohibit exports to India of jute in *kutcha* bales. The need for packing jute in *pucca* bales increased the cost, since most of the exporters possessed only *kutcha* bale presses and had to hire *pucca* bale presses. However, the trade does not hope for a favourable outcome from the above representation to Karachi, since *pucca* bale press-owners, whose opinions have to be taken into account in Karachi for political considerations, have naturally frowned at these attempts which would deprive them of the profits they are making now.

The feature of the week under review in the jute goods market was the great amount of interest shown in October green heavy Cees by buyers on behalf of Red China, which has placed an order for a fair quantity. The price of this construction registered a marked increase, but this had no effect on other constructions in sacking, due to lack of attractive export inquiries. Ready B. twills were quoted at Rs. 116 on Tuesday last, but, by Thursday, they went down to Rs. 115-4. The hessian section, however, depicted a steady trend. This was due to the prospect of overseas business maturing after the holidays. Ready 40" 10 oz. hessian was fully steady at Rs. 42-3 on Tuesday last and, after improving to Rs. 42-4 on the following day, sagged to Rs. 42-2 on Thursday. Forward goods in B. twills continued to be quoted at a premium, but forward hessians were at a discount. Yesterday, rates declined, as there was no support. Ready B. twills were priced at Rs. 114-14 and 40" 10 oz. hessian at Rs. 41-14.

As stated, raw jute was steadier during the week under review, although mills restricted their purchases. Since jute goods were falling, mills had expected that this trend would be reflected in raw jute. But, this was not so, in view of the fall in imports, consequent on the hazards which the heavy floods have caused to riverine transport. From Rs. 29, Upper Assam bottoms hardened to Rs. 29-8, and Indian northern bottoms at Rs. 29-8 recorded a similar increase. Oct.-Nov. local *daisee* bottoms rose from Rs. 29-8 to Rs. 30. The strong Pakistani markets neutralised the mills' attempts to push down prices for the indigenous jute by remaining out of the market.

COARSE GRAINS MOVE UP

(From Our Own Correspondent)

HAPUR, *22nd October*

Steady conditions prevailed in the foodgrains market during the week. Anxiety over rising prices has been aggravated by the reported heavy damage to the *Sawani* crops, due to incessant heavy rains and consequent floods last week in parts of U.P., Punjab, P.E.P.S.U, Himachal Pradesh and Delhi. It looks as though the entire food policy will have to be revised in the light of fresh developments. The Government, however, is expediting imports and the wheat position in the country is expected to ease in November, when arrivals of the order of 170,000 tons are due at Indian ports. The Government's latest intention appears to be to keep controls on inter-zonal movement of grains to the minimum. No further restrictions are envisaged in the immediate future.

While wheat prices at Hapur continued to be steady at Rs. 15 per maund for average quality and at Rs. 16-4 for farm quality, prices of coarse grains recorded notable gains during the week. Rise in wheat prices was checked by the sales of fair price-shops, the number of which has been doubled to a dozen and average sale is around 300 maunds daily. Local wheat stock ran down by two *khaties* during the week to 77 *khaties*. Bright sunny weather will now enable timely sowings of wheat crop, while sowings of coarse grains and gram have been delayed. Rice prices recorded modest fall during the week due to increased arrivals of new crop in the producing markets. The latest prices are: *Basmati* Rs. 23 to Rs. 28; *rangooni* Rs. 18-8; *manipuri* Rs. 18-8; coarse quality Rs. 15-8.

Despite heavy stocks at 124 *khaties*, prices of gram appreciated by As. 4 per maund during the week. Barley and *bejhar* prices also advanced fractionally. Maize was much on request for seasonal demand and prices hardened due to small arrivals from eastern districts. *Jowar, guwar* and *bajra* prices appreciated, due to reports of loss to crops by the latest rains. The weekend prices were: Gram local Rs. 11-14, Punjab produce Rs. 12-8, barley Rs. 12; *bejhar* Rs. 11-4, maize Rs. 11-10, *jowar* Rs. 13, *bajra* Rs. 12 per maund.

Pulses also recorded a hardening tendency in line with the bullish trend of cereals, although stock was fairly good and outside support slack. Peas *dara* green was quoted at Rs. 12-3 and white quality at Rs. 13 per maund, as against Rs. 11-12 and Rs. 12-8 per maund, respectively, last weekend. Stock position ran down slightly during the week to 48 *khaties*. *Arhar* recorded a rise of As. 4 to Rs. 12-4 per maund, and stock position was still heavy, being 87 *khaties*. Prices of other pulses also improved during the week on reports of extensive losses to standing crops. The prevailing prices as on Monday were: *Urd* Rs. 16-8 to Rs. 18-8; *moong* Rs. 13. *masoor* Rs. 15 per maund.

After early gains on bull support influenced by better prices in the ready section, pulses futures declined towards the weekend and were quoted slightly below the opening level on bear pressure from east U.P. The latest quotations as on Monday were: *Peas mangsir* Rs. 11-9-3, *jeth* Rs. 9-9; peas white (gram) *mangsir* Rs. 11-12-4½; *jeth* Rs. 9-15-9; *arhar mangsir* Rs. 11-15-3; *jeth* Rs. 10-5; *urd maha* Rs. 15-5-3.

SUGAR SUPPLY POSITION EASY

(From Our Own Correspondent)

HAPUR, *22nd October*

The sugar market rules quiet. Supply position is reported to be easy and outside buying enquiry slack. Some mills in west U.P. have begun crushing for the new season, attracted by the offer of the Government's concession of As. 4 per maund on cane crushed by 12th November. Waterlogging in areas due to last week's heavy rains, however, has created a problem for the transport of cane to the factories. Mill delivery prices have drifted lower, as old stocks with factories are still very heavy.

The latest mill delivery prices of sugar are: Jaswant Rs. 27-14; Simbhauli Rs. 28-3; Mowana Rs. 28-4; Daurala Rs. 28-12; Amroha Rs. 27-10; Bijnore Rs. 27-10; Mansoorpur Rs. 28-6; Rampur Rs. 30-4; retail Rs. 30 per maund. New production of *khandsari* will still take about two months to start. But, due to good stock position of old quality and poor buying enquiry, prices have recorded a depressed trend and are today quoted at Rs. 22 to Rs. 26 per maund according to quality.

Arrivals of new *gur* which were stopped due to rains have begun in small quantity at an average of 50 maunds daily and are quoted at Rs. 14 to Rs. 15 per maund. Outside buying enquiry for old quality is fairly good and prices have improved to Rs. 13 per maund for dry quality and to Rs. 11 for *kotha* quality. Old stock has gone down to about 10,000 maunds.

Gur futures have declined appreciably on continued bear pressure. The latest quotation for *fagun* delivery was at the worst level of the week at Rs. 9-10-6, as against the week's opening of Rs. 10-1-4½ and the highest touched during mid-session at Rs. 10-4-10½.

TANNED GOAT FIRM

(From Our Own Correspondent)

MADRAS, *23rd October*

Trading in kips with the U.K. was poor, as importers evinced buying interest at very low prices. This did not affect the Madras market, as arrivals met with ready clearance, though the prices of light weights decreased by half an anna per lb. Arrivals of tanned calf skins were small. There was some clearance of lower grades in cow hides for local sale.

The tanned goat market was firm for 11/12 lbs. and easy for lighter weights. Tanned sheep prices were firm, due to good demand from Japan, the Continent and the U.K.

In the London public sales, prices of better class goat skins advanced by 6d. per lb., while poorer classes and lower selections declined by 6d. per lb. on August levels.

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For Kanpur hides market and Calcutta metal market reports, please see page 843.

Notice

THE ASSOCIATED CEMENT COMPANIES, LIMITED

Re: ISSUE OF 6,35,928 NEW SHARES OF RS. 100/- EACH AT A PREMIUM OF RS. 20/- PER SHARE.

THE SUBSCRIPTION LIST FOR THE shares of the above Issue will definitely close on the 31st day of October 1956, as stated in the circular letter dated 1st August 1956 sent to the shareholders of the Company. No extension of time will be allowed.

Shareholders who have not yet applied for the new shares are advised, in their own interest, to take immediate action in the matter.

All applications for new shares and/or coupons along with the necessary remittance must reach the Company's Bankers, The Bank of India, Limited, Fort, Bombay, or The Central Bank of India, Limited, Fort, Bombay, NOT LATER THAN 31ST OCTOBER 1956.

For THE ASSOCIATED CEMENT COS., LTD.,

CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,

N. DANDEKER,
Managing Director.

CEMENT HOUSE,
121 QUEEN'S ROAD,
BOMBAY, *23rd October* 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	3
Bolivia	20th Sept., 1950	5	6
Canada	Oct., 1956	3½	3½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1954	4	4½
Colombia	18th July, 1952	6	4
Costa Rica	1st April, 1954	4	5
Denmark	2nd May, 1955	4½	5½
Ecuador	13th May, 1946	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April 1946	4	3
Ireland	25th May, 1944	3½	3
Italy	4th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	18th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1948	2	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1926	6	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 19th October, 1956		Week ended 12th October, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,62,744	57,28,64,000	2,95,514	59,08,37,000
Calcutta ..	1,31,327	44,41,88,335	1,54,411	52,77,33,208
Madras ..	78,367	9,06,31,673	81,329	8,93,11,783
All Centres—				
1955-56* ..	..	..	2,669,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
July, 1956 ..	..	..	3,203,000	6,69,86,00,000
August ..	..	..	3,057,000	5,45,88,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 19th Oct., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,01,03,000
(2) Other Governments	5,82,40,000
(b) Banks	50,33,60,000
(c) Others	13,04,28,000
Bills Payable	10,15,14,000
Other Liabilities	97,79,74,000
Rupees	256,06,19,000

ASSETS	Rs.
Notes	21,01,31,000
Rupee Coin	8,98,000
Subsidiary Coin	7,92,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	8,34,24,000
Balances held abroad*	69,50,40,000
Loans and Advances to Governments	4,04,35,000
Other Loans and Advances	66,16,67,000
Investments	54,86,58,000
Other Assets	11,86,84,000
Rupees	256,06,19,000

* Includes Cash and Short-term Securities.

(1) The Item 'Other Loans and Advances' includes Rs. 41,29,06,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 311,38,48,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	21,01,31,000	
Notes in circulation	1429,53,82,000	
Total Notes issued		1450,55,13,000
Total Liabilities		1450,55,13,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,08,000	
(b) Held outside India		
Foreign Securities	521,83,16,000	
Total of A		639,59,19,000
B. Rupee Coin		120,08,13,000
Government of India Rupee Securities		690,87,81,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1450,55,13,000

Scheduled Banks*

Statement of Affairs for the week ended 12th Oct., 1956

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		10,43,60,000
(ii) Other demand liabilities		821,91,34,000
2 Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		2,26,20,000
(ii) Other time liabilities		451,64,98,000
3 Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		11,57,45,000
(ii) Time liabilities		
4. Cash in India		26,40,19,000
5. Balances with the Reserve Bank in India		48,56,02,000
6. Balances with other banks in current account in India		10,18,30,000
7. Money at call and short notice in India		12,66,34,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		
9. Advances in India		373,10,43,000
10. Inland Bills purchased and discounted in India		612,77,25,000
11. Foreign Bills purchased and discounted in India		97,65,21,000
		49,07,15,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	22nd October, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/4	1-6 1/4
Buyers T.T. 10 to 12 months	1-6 1/4	1-6 1/4
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480 1/4	480 1/4
Buyers T.T. Rs.	473	473
London on New York .. $	2.78 1/2–2.87 1/2	2.78 1/2–2.78 1/2
London on Paris .. Frs.	983	983
London on Berne Sw. Frs.	12.24 1/2–12.24 1/2	12.23 1/2–12.23 1/2
New York on London .. $	2.78 1/2–2.78 1/2	2.78 1/2–2.78 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India† ..	'54-'55	378.07†	..	10,170	269
Pakistan ..	'53-'54	78.81	..	1,981	245
Burma ..	1954	19.24	Kyats 3,906	1296	294
Ceylon ..	1954	8.35	..	477	599
Japan ..	1954	88.76	Y. 6,148,000	6,183	982
Philippines ..	1954	21.44	Pes. 7,436	1,778	995
New Zealand ..	1954	2.09	£ (N.Z.) 662	1,676	5,119
Australia ..	1954	8.99	£ (A) 3,957	4,228	4,694
U.K. ..	1954	50.76	£ 15,718	20,950	4,100
U.S.A. ..	1954	169.41	$ 299,700	142,270	8,756
Canada ..	1954	15.90	$ 13,751	9 190	6,944
France ..	1954	43.84	F.Fr. 11,496,000	15,648	3,650
W. Germany ..	1954	49.62	Dm. 113,900	13,754	2,770
Italy ..	1954	47 67	Lr. 9,718,000	7,380	1,545
Norway ..	1954	3.39	Kr. 18,474	1,220	3,588
Sweden ..	1954	7 21	Kr. 28,530	3,544	4,912
Netherlands ..	1954	10.62	Grs. 21,060	2,640	2,488
Denmark ..	1954	4.41	Kr. 22,374	1,610	3,654
Switzerland ..	1954	4 92	Sw Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 12th Oct., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	87,25,02,000
(b) Provincial Governments	9,20,63,000
(c) Banks	16,19,54,000
(d) Others	3,75,73,000
Bills Payable	13,45,000
Other Liabilities	8,11,94,000
Rupees	80,67,21,000

ASSETS	Rs.
Notes	7,19,67,000
Rupee Coin	11,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,10,26,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	4,48,45,000
Investments	57,72,20,000
Other Assets	9,16,40,000
Rupees	80,67,21,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,19,67,000	
Notes in circulation	290,03,08,000	
Total Notes issued	....	297,22,75,000
Total Liabilities	....	297,22,75,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,83,41,000	
Silver Bullion		
Sterling Securities	87,70,69,000	
Government of India Securities	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
	5,09,49,000	158,74,93,000
B. Rupee Coin		
Government of Pakistan Securities	126,58,27,000	
Internal bills of exchange and other commercial paper	....	
		132,57,76,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,61,000	
		5,90,06,000
Total Assets	....	297,22,75,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 55.30 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sep., 1939 (pre-war)	12th Oct., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,438.23	1,430.57	1,432.45	1,302.41
Notes held in Banking Department	35.05	11.64	19.64	25.04	9.25
Foreign Securities	59.50	526.80	586.74	596.74	627.10
Rupee Securities	37.39	685.91	703.72	703.65	533.67
Banking Department					
Deposits of:					
Government of India	14.89	55.44	54.56	73.41	51.76
Other Governments	..	4.70	10.22	19.54	29.08
Balances held abroad	10.08	73.76	23.70	33.14	91.60
SCHEDULED BANKS					
Demand Liabilities	134.36	632.35 (10.44)†	636.08 (8.82)†	639.14 (11.20)†	609.81 (10.58)†
Time Liabilities	102.24	453.91 (2.26)†	454.22 (2.26)†	460.57 (2.11)†	422.07 (5.57)†
Borrowings from Reserve Bank	..	68.00 (42.87)‡	65.71 (38.20)‡	54.05 (30.90)‡	6.74 (6.00)‡
Borrowings from State Bank	..	11.57	12.97	12.60	3.48
Cash in India	6.70	36.40	39.56	37.28	32.56
Balances with Reserve Bank	25.17	48.56	49.15	51.09	60.52
Excess over statutory limits	15.52	7.86	8.27	9.92	21.59
Balances with other banks in current account in India	..	10.18	10.13	10.26	10.47
Money at call and short notice in India	..	12.66	10.80	14.45	22.10
Investments (at book value)	105.09	373.10	374.28	371.14	390.47
Advances and bills		759.50	750.67	751.79	589.46
STATE BANK					
Deposits	87.76	227.66	230.83	228.21	216.32
Investments	51.99	107.82	107.86	107.41	115.83
Advances	30.35	130.18	131.36	133.21	91.36
Cash	14.69	14.46	14.28	15.04	24.30

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	July,		Four months, April to July	
	1955	1956	1955	1956
Import Duties				
Revenue	9.62	9.15	37.85	38.37
Protective	0.77	1.14	3.03	4.24
On surplus disposals	..	..	..	0.03
Total import duties	10.40	10.29	40.93	43.14
Export Duties	2.17	1.24	10.88	7.03
Land Customs	0.04	0.18	0.33	0.62
Miscellaneous	0.06	0.06	0.26	0.32
Gross total customs	13.67	11.77	52.40	51.11
Refunds and drawbacks	0.43	0.52	0.97	0.79
Net Customs	13.48	11.57	51.43	50.32
Gross excise	13.22	14.41	48.92	55.89
Refunds	0.46	0.23	1.80	0.57
Net Excise	12.76	14.18	47.32	55.32
Net total of customs and excise†	26.24	25.75	98.75	105.64

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 19th Oct., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	231,93,56,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	11,00,00,000
Bills Payable	.. ..	4,18,62,000
Bills for Collection being Bills Receivable as per contra	.. ..	81,30,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	12,58,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	6,52,99,000
Total ..	Rs.	266,56,55,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	12,47,70,000
Balances with other Banks	.. ..	8,33,49,000
Money at Call and Short Notice	.. ..	1,13,33,000
INVESTMENTS:		
Government and other Trustee Securities	95,85,38,000	
Other Authorised Investments	11,28,58,000	
		107,63,96,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	100,62,95,000	
Bills Discounted and Purchased	28,06,72,000	
		128,69,67,000
Bills Receivable being Bills for Collection as per contra		81,30,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		12,58,000
Premises less Depreciation		13,58,000
Furniture and Fixtures less Depreciation		1,16,49,000
Other Assets (including Inter-Office Adjustments)		56,67,000
		10,61,36,000
Total ..	Rs.	266,56,55,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*
1948-49 ..	6.62	65	3.26	23.66	64.17	1,13.89	92.08	—	31.07	7.55	25.64			
1949-50 ..	4.76	1.62	4.99	27.27	1,24.84	1,24.84	1,20.58	—	36.25	5.57	27.15			
1950-51 ..	3.76	1.26	5.38	27.13	1,45.27	1,56.15	1,67.86	—	38.57	4.79	41.25			
July 1955	4.36	12	5.15	2.37	1,31.28	13.98	1,49.66	—	36.55	41	36.54	91	16.19	4
August ,,	4.29	13	5.17	2.99	1,33.63	12.25	1,48.48	—	36.98	39	35.87	93	11.90	4
September ,,	4.31	13	5.20	2.84	1,34.86	12.40	1,46.91	—	37.11	44	39.23	94	11.80	4
October ,,	4.14	10	5.21	2.11	1,36.28	11.24	1,45.99	—	38.52	48	39.68	98	11.40	4
November ,,	4.07	10	5.21	1.93	1,37.65	11.25	1,50.40	—	39.54	48	40.95	83	12.49	5
December ,,	4.00	15	5.24	2.85	1,39.43	12.94	1,52.44	—	39.44	46	39.34	83	13.98	4
January 1956 ..	3.91	14	5.24	2.02	1,40.78	12.16	1,54.16	—	38.55	33	40.91	84	14.72	5
February ,,	3.83	12	5.26	2.13	1,42.37	12.87	1,54.19	—	34.86	39	40.98	85	15.57	5
March ,,	3.76	22	5.43	2.82	1,44.36	13.84	1,57.86	—	38.57	26	41.26	83	16.37	5
April ,,	3.69	24	5.54	2.19	1,45.26	14.54	1,71.08	—	39.98	34	41.51	82	17.13	5
May ,,	3.61	21	5.54	2.49	1,47.58	14.77	1,73.06	—	39.05	33	41.82	85	17.91	5
June ,,	3.54	23	5.55	2.70	1,49.46	15.24	1,76.09	—	39.15	38	43.11	93	19.75	6
July ,,	3.48	43	5.81	2.78	1,51.53	14.61	1,80.05	—	39.24	35	42.42	1,01	19.68	6
August ,,	..	..	..	..	..	..	..	..	..	36	42.72	..	..	..

	10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Receipts	Outstandings*	Receipts	Outstandings*
1948-49 ..				
1949-50 ..				
1950-51 ..				
July 1955	7.03‡	7.23	5.12‡	5.4
August ,,	6.98	16.37	4.5	9.5
September ,,	7.24	16.19	4	9.9
October ,,	6.85†	16.08	4	9.9
November ,,	6.61†	15.89	4	9.7
December ,,	6.47†	15.89	4	9.8
January 1956 ..	6.45†	15.91	4	9.8
February ,,	6.66†	16.27	4	9.9
March ,,	6.66†	16.31	4	9.9
April ,,	6.66†	16.34	4	9.9
May ,,	6.66†	16.37	4	9.9
June ,,	6.66†	16.40	4	9.9
July ,,	6.66†	16.3	4	9.8
August ,,	6.66†	16.3	4	9.8
September ,,	6.66†	16.3	4	9.8
October ,,	6.66†	16.3	4	9.8
November ,,	6.66†	16.3	4	9.8
December ,,	6.66†	16.3	4	9.8
January 1956 ..	6.66†	16.3	4	9.8
February ,,	6.66†	16.3	4	9.8
March ,,	6.66†	16.3	4	9.8
April ,,	6.66†	16.3	4	9.8
May ,,	6.66†	16.3	4	9.8
June ,,	6.66†	16.3	4	9.8
July ,,	6.66†	16.3	4	9.8
August ,,	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

§ Outstandings do not include Indian Union's share of the pre-partition liabilities representing holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

† Relating to seven months from May, 1954.

§ From July, 1954.

E—Relating to seven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 15-10-'55	15-9-'56	6-10-'56	13-10-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.7	90.5	90.5
1. Government of India	90.8	90.5	90.3	90.2
2. Indian States	96.4	96.8	96.7	96.8
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.3	100.3	100.3
1. Electricity	102.0	101.3	101.3	101.3
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.1	98.8	98.8	98.8
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	101.0	100.8	100.8	100.8
PREFERENCE SHARES	87.2	83.5	83.0	82.8
1. Electricity	96.5	90.8	91.0	91.0
2. Cotton	78.6	84.3	83.9	83.8
3. Jute	86.9	77.4	75.5	75.5
4. Coal	92.6	83.8	82.0	82.0
5. Iron and Steel	89.4	84.7	85.4	84.8
6. Sugar	84.5	82.2	82.2	82.7
7. Cement	87.2	81.9	81.7	81.7
8. Plantations	99.8	102.2	102.1	102.3
9. Miscellaneous	84.0	81.0	80.0	79.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	124.1	126.0	125.9	125.0
(a) Financial	90.8	94.2	94.8	94.5
1. Banks	93.1	95.2	95.7	95.5
2. Insurance	107.5	88.3	88.4	87.7
3. Investment Trusts	93.8	92.9	96.2	96.1
(b) Public Utilities	120.2	113.0	113.9	113.4
1. Electricity	120.6	113.4	114.0	113.7
2. Shipping and other Transport	114.6	120.1	121.9	120.5
3. Railways	86.7	83.7	84.2	84.4
(c) Manufacturing Industries	130.8	137.5	136.6	135.2
1. Cotton, Woollen and Silk	119.7	140.9	139.7	138.0
2. Jute	96.1	76.3	75.7	75.2
3. Iron and Steel	160.4	155.1	153.3	151.4
4. Paper	241.6	265.9	262.8	261.9
5. Cement	169.9	172.2	171.2	170.8
6. General Engineering	169.7	187.2	186.3	183.1
7. Sugar and Breweries	198.7	199.9	200.0	200.2
8. Chemicals	108.0	108.6	109.4	109.0
(d) Non-Manufacturing industries	144.1	150.2	149.9	149.7
1. Coal	168.6	159.1	159.2	158.5
2. Mining and Oil	80.0	79.7	80.0	80.2
3. Plantations	245.4	242.8	245.1	242.5
(e) Miscellaneous	169.0	172.2	171.2	170.8
	103.4	102.8	104.2	103.4
REGIONAL Govt. GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	98.5	98.7	98.7	98.7
1. Bombay	99.9	99.6	99.4	99.3
2. Calcutta	91.3	91.0	90.8	90.7
3. Madras	98.5	99.7	99.7	99.7
DEBENTURES OF INDUSTRIAL CONCERNS:	101.5	100.7	100.8	100.8
1. Bombay	100.2	99.9	99.9	99.9
2. Calcutta	91.1	86.9	87.6	87.2
3. Madras	92.9	78.2	76.9	76.7
4. Delhi	95.6	97.4	97.4	97.6
PREFERENCE SHARES:	130.4	135.1	135.3	133.8
1. Bombay	114.2	110.1	110.3	110.1
2. Calcutta	119.7	139.2	137.5	135.2
3. Madras	183.4	140.7	140.2	139.2
4. Delhi	..	..	..	..

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost *
1951	1,071	691,321	5,818,926
1952	962	999,243	3,256,961
1953	772	496,997	2,326,066
1954	840	477,138	2,373,630
1955	1,166	527,747	2,977,843
April 1954	101	54,963	307,247
May ,,	80	40,073	216,962
June ,,	82	31,589	205,975
July ,,	122	39,189	277,492
August ,,	79	51,090	252,587
September ,,	97	50,414	243,878
October ,,	88	41,734	276,284
November ,,	63	35,115	229,701
December ,,	101	54,455	306,763
January 1955†	95	49,028	323,807
February ,,	91	35,379	144,308
March ,,	113	70,042	334,695
April ,,	112	53,433	252,275
May ,,	120	65,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	238	90,215	859,999
September ,,	251	92,619	580,081
October ,,	134	47,600	214,314
November ,,	99	45,699	178,121
December ,,	129	45,277	239,550
January 1956†	108	61,200	353,555
February ,,	123	66,605	760,711
March ,,	142	136,083	688,689
April ,,	147	81,497	457,719
May ,,	133	63,884	557,690
June ,,	100	63,179(a)	445,577(b)

† Figures are provisional. (b) Not known in 9 cases.

(a) Not known in four cases. § Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	5,501.4	5,134.3
1953-54	648	5,976.8	5,572.7
1954-55	698	7,749.9	6,319.3
1955-56	715	8,308.3	7,185.8
April 1955	690	661.1	543.9
May ,,	691	706.8	580.2
June ,,	696	716.3	576.1
July ,,	706	724.8	583.3
August ,,	705	726.9	574.4
September ,,	707	719.3	587.1
October ,,	716	736.7	591.9
November ,,	721	733.5	597.0
December ,,	734	738.7	648.9
January 1956	731	757.2	691.8
February ,,	729	749.9	622.0
March ,,	715	800.0	651.0
April ,,	707	750.8	643.8
May ,,	701	825.8	660.1
June ,,	710	790.5	658.5

*Excluding railway, military and factory power stations, Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric undertakings.

At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	6th Oct., 1956	29th Sept., 1956	8th Oct., 1955	August, 1956	August, 1955	Percentage of increase (+) or decrease (—) in Aug., 1956 as compared with Aug., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	389.5	390.7R	308.4	397.0 E	317.5	+25.0	313.2	239 8
Cereals	59	502*	507*R	373*	504 E	378	+33.3	372	281
Pulses	8	383	302	269	397 E	281	+41.3	289	280
Others	33	248	245	223	259	239	+ 8.4	235	291
Industrial Raw Materials ..	(18)	504.2	504.4	397.8	500.5	404.4	+ 3.8	419.8	436.2
Fibres	53	483	479	405*	474	413	+14.8	429	447
Oil seeds	30	557	558R	374	569	383	+48.6	395	484
Minerals	10	535	524R	430	509	417	+22.1	437	423
Others	7	422	423	421	424	419	+ 1.2	431	42
Semi-Manufactures ..	(17)	404.7*	405 8R	329.4	408.4	338.1	+24.8	338.2	350.3
Leather	8	373	373	335	381

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,581
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	9,009	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,888
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses†	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,252	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,093	4,237
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	.....	665	.....	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Exceeding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During September, 1956	84.5
	Corresponding month, 1955	87.4
	Three months ended Sept., 1956	268.2
	Corresponding period, 1955	252.9
Stocks	At the end of Sept., 1956	124.7
	Corresponding month, 1955	59.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 8th Sept., 1956	10,702
	Corresponding week, 1955	14,003
	From 1st Jan., to 8th Sept., 1956	294,432
	Corresponding period, 1955	318,208
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 8th Sept., 1956	57,572
	Corresponding week, 1955	61,399
	From 1st Jan., to 8th Sept., 1956	1,005,320
	Corresponding period, 1955	926,637
	RAW JUTE	(In lakh bales)
Consumption by Mills†	Sept., 1956 (in lakh bales)	4.90
	Corresponding month, 1955	5.07
	Three months ended Sept., 1956	15.55
	Corresponding period, 1955	14.67

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,300	7,80,000
Do. 31st March, 1955	11,54,400	10,42,500	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
April 1955	85,100	85,000	66,200
May ,,	94,200	87,500	5,600
June ,,	91,700	80,900	62,600
July ,,	94,000	84,300	64,800
August ,,	92,500	83,900	65,700
Sept. ,,	95,300	87,500	65,700
April 1956	1,00,000	87,200	64,300
May ,,	96,800	89,400	66,300
June ,,	94,900	89,900	64,400
July ,,	94,400	91,300	65,500
August ,,	97,800	88,000	66,000
Sept. ,,	96,400	88,800	59,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,36,710	4,21,480	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,940	5,28,240	4,59,083
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,15,861
,, ,, ,, Dec., 1954	1,85,852	1,36,021	1,23,616
,, ,, ,, Mar., 1955	1,45,108	1,43,833	1,18,186
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,636	1,08,714
,, ,, ,, Dec., 1955	1,80,710	1,34,696	1,06,758
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,806	1,17,710	92,609
,, ,, ,, Sept., 1956†	1,74,447	1,33,325	1,13,053

OVERALL BALANCE OF TRADE OF INDIA

July, 1956†

Particulars	July, 1955	July, 1956	Four months, April to July, 1955	Four months, April to July, 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports	50,62	41,34	181,70	170,37
(b) Re-exports	50	71	1,99	3,50
Less—Transit trade	1	2	8	3
Net re-exports	49	69	1,91	3,47
Total exports	51,11	42,03	183,61	173,84
2. Imports *Less*—Transit trade	51,62	59,39	205,57	250,02
	3	3	6	14
Net imports*	51,59	59,36	205,51	250,78
Balance of trade in merchandise	— 48	—17,33	—21,90	—76,94
Balance of trade in gold and silver	— 1	— 3	— 2	— 9
Total overall visible balance of trade	— 49	—17,36	—21,92	—77,03

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	227	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
July 1955	3,970	883	326	73	41	22	23	8	108	131	13	99	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	53	164	18	128	16	62
September ,,	5,981	1,361	491	101	55	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	306	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	402	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	22	12	5	13	2	54	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. = 2 M.G.) and incorporate revisions in respect of earlier months.

Source:—Ministry of Railways.

* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 18th Oct., 1956	11,951(J)
	Corresponding week, 1955	13,546(J)
	1st Sept. to 18th Oct., 1956	88,344*
	Corresponding period, 1955	157,300*
Cotton Exports	Week ended 18th Oct., 1956	1,712‡
	Corresponding week, 1955	7,950‡
	1st Sept. to 18th Oct., 1956	19,847‡
	Corresponding period, 1955	158,349‡
Mill Consumption (Estimated)	1st Sept. to 18th Oct., 1956	173,110
	Corresponding period, 1955	172,740
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 18th Oct., 1956	473,901
	Corresponding date, 1955	723,976
Cotton Exports from Bombay (by sea)	During Aug., 1956	13,170§
	1st Sept., '55 to 31st Aug., 1956	715,663
	1st Sept. '54 to 31st Aug., 1955	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 11th Oct., 1956	138,996
	Corresponding period, 1955	114,241
Exports	1st Sept. to 11th Oct., 1956	32,083
	Corresponding period, 1955	42,047

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Koda and Yellow Pickings, etc. § Includes Koda and Yellow Pickings, etc.

Particulars	From 1st Sept. to 22nd Oct., 1956 Bales	From 1st Sept. to 22nd Oct., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	1,678	10,061
Continent	407	32,838
Hongkong	200	12,372
China	2,700	20,138
Japan	11,370	57,294
U.S.A.	122	516
Other Countries	385	3,638
Total to all foreign countries	16,862	146,257
Coastal Ports	4,726	25,039
Total	21,588§	171,296§

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	July, 1956	284,662
Foreign		15,079
Indian	Eleven months ended July, 1956	3,995,792
Foreign		554,059
Indian	Same Period 1955	3,775,977
Foreign		588,485
Stocks (Mills and Elsewhere)—		
Indian	As on 31st July, 1956	1,556,494
Foreign		228,036
Indian	As on 31st July, 1955	1,551,962
Foreign		180,729
Cotton Pressed in India† (In running bales)	Week ended 12th Oct., 1956	3,261
	Corresponding week, 1955	7,563
	1st Sept. to 12th Oct., 1956	20,518
	Corresponding period, 1955	44,862

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-28	63,30,28,000	1960-70	100‡
2½ % Loan	1938-39	1,16,17,46,000	1963-65	94½
2½ % Loan	1940	80,82,10,000	1964	94½
2½ % Nat. Loan	1941	1,70,11,74,000	1965-68	99½
2½ % V. Loan	1944	23,54,89,000	1957	99‡
2½ % Loan	1945	1,18,86,83,000	1970-75	89‡
2½ % Fed. V. Loan	1945	1,10,43,64,000	1959-61	97½
2½ % Loan	1951	50,38,83,000	1958	99½
2½ % Loan	1946	45,66,97,000	1960	96‡
2½ % Loan	1946	87,60,69,000	1961	95½
2½ % Loan	1946	14,77,48,000	1976	85‡
2½ % Loan	1947	75,86,72,000	1962	93½
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99‡
2½ % N.P. Loan	1954	1,58,17,34,000	1964	96‡
2½ % N. P. Bonds (2nd Series)	1955	1,05,67,92,000	1965	96‡
3½ %	1956	57,27,00,000	1962	97½
3½ % N. P. Bonds	1956	33,82,00,000	1967	96‡
3 %	1956	65,54,00,000	1974	86‡
NON-TERMINABLE LOANS				
2 % Loan	1896-97	3,93,35,000	(At option of Government after three months' notice. On September, 1956 or later at option of Government after three months' notice.	75½
2 % Loan	1946	2,48,91,47,000		74½
REPATRIATE STERLING LOANS				
4½ % Loan	1925	5,85,73,000	1956-68***	102‡
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	98‡
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	98‡
3 % Bombay	1940	3,06,66,000	15th Aug. 1956	98‡
3 % Bombay	1940	5,58,58,000	1st Aug. 1968	94‡
3 % Bombay	1940	2,87,82,000	31st July 1960	98‡
3½ % Bombay	1951	5,86,75,000	17th Sept. 1968	98‡
3½ % Bombay	1953	4,42,28,000	15th July 1968	101‡
4 % Bombay	1947	3,55,87,000	1st Aug. 1964	101‡
4 % Bombay	1947	3,55,87,000	1st Aug. 1964	101‡
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100‡
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99‡
4 % Bihar	1945	1,50,00,000	1st Sept. 1967	99‡
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	99
4 % Gujarat	1944	1,90,00,000	15th Dec. 1955-58	99‡
3½ % Gwalior	1956	70,00,000	1st June 1956-61	99‡
3½ % Hewrah Bridge (New)	1936-37	1,95,96,700	1956-66	95‡
4 % Hyderabad	1945	2,12,42,000	1st Sept. 1967	99‡
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % Madras	1939	1,52,46,000	21st June 1959	99‡
3 % Madras	1944	1,97,54,000	15th Aug. 1956	98‡
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96‡
3 % Madras	1946	3,81,77,000	1st Sept. 1961	95½
3 % Madras	1950	4,88,35,000	21st July 1960	98‡
3½ % Madras	1951	3,01,49,000	17th Sept. 1962	97½
4 % Madras	1953	10,86,66,000	15th July 1962	99‡
4 % Madras	1953	3,54,71,000	14th Aug. 1964	99‡
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98‡
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98‡
3 % Mysore(J)	1925	2,96,56,200	1st Dec., 1953-62	101‡
3 % Mysore(J)	1936	5,99,72,900	30th Apr. 1956-61	99‡
3 % Mysore	1947	8,66,66,700	25th Jan. 1958	99‡
3 % Mysore	1953	3,33,47,000	15th July 1963	100
4 % Mysore	1955	5,51,94,000	1st Sept. 1967	99‡
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	99
3 % M.P.	1944	82,64,800	15th Aug. 1956	98‡
3 % M.P.	1945	2,66,32,500	15th Aug. 1956	98‡
3 % M.P.	1950	1,01,44,700	31st July 1960	95‡
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	14th July 1953	99‡
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99‡
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	99
4 % Saurashtra	1955	3,61,60,000	1st Sept. 1967	99‡
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99‡
4% Trav. Cochin	1953	2,25,60,000	15th July 1963	99‡
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % U.P.	1939	1,57,14,000	15th Sept. 1961-66	90‡
3 % U.P.	1944	2,87,11,000	15th Aug. 1956	98‡
3 % U.P.	1945	2,17,92,700	14th Sept. 1960	98‡
2½ % U.P.	1946	1,37,88,600	1st Sept. 1961	92‡
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98‡
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	99‡
4 % U.P.	1953	4,65,15,500	15th July 1963	99‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99½
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	99‡
3 % Rajasthan	1952	3,00,00,000	15th Sept. 1962	99‡
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	99‡
4 % M. Bharat	1953	1,00,00,000	1963	99‡
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	99‡

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
26,50,000	4	1904	1964	
15,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
72,00,000	4	1908	1968	99½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,25,576	4	1913*	1960	D
80,00,000	4	1913	1974	100½N
83,52,800	4	1914	1975	100N
10,00,000	4	1915*	1960	
54,00,000	4	1915*	1975	
61,61,000	4	1915*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1966	
50,00,000	5	1928*	1958	D
12,50,000	5	1928*	1963	
12,50,000	5	1931*	1961	
15,00,000	5	1932*	1962	
24,55,000	5	1935*	1975	
15,00,000	5	1936*	1966	
40,04,000	5	1936*	1966	
15,00,000	3½	1936*	1961	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
99,54,900	4	1914	1974	99
79,90,100	4	1915	1975	99
1,50,00,000	4†††	1921	1981	98
66,02,500	4‡	1927	1961	144N
28,21,600	5‡	1926	1956-86	100‡
99,54,900	5	1926	1956-86	100‡
1,40,42,500	5	1927	1957-87	101
1,46,26,000	5	1928	1958-88	100
80,00,000	5‡	1928	1961	95‡
90,00,000	5	1928	1958	97‡
35,00,000	5	1938	1968-88	90
80,00,000	3	1939	2003	74
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84‡
50,00,000	3	1947	2008	74
50,00,000	2½	1947	1977	78‡
50,00,000	3	1948	1978	83‡
50,00,000	3	1949	1979	87
50,00,000C	3	1950	1980	91
1,00,00,000	3	1950	1960	95‡
1,00,00,000	3	1950	1980	85‡
50,00,000	3	1951	1981	84‡
1,50,00,000	2½	1951	1961	98‡
50,00,000	4	1952	1982	100
50,00,000	4	1953	1983	99
90,00,000	4	1953	1985	98
77,00,0000	4	1956	1986	97‡
STERLING LOANS				
£592,600	5	1922	1952-82	£79
£901,000	5	1924	1954-84	£79‡
£338,100	5½	1932	1962	£91‡
MADRAS				
Rs.				Rs.
21,47,100	5‡	1947	1977	
9,55,000	3	1947	1977	A
3,00,000	3	1949	1979	
45,90,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
50,00,000	4	1899	1959	100
30,00,000	4	1900	1960	
30,00,000	4	1901	1961	
50,00,000	4	1902	1962	
30,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
30,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
30,00,000	4	1913	1973	
15,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	4	1918	1957-78	112N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	5	1927	1961-76	96N
10,00,000	3	1937	1968	
STERLING LOANS				
£566,600		1909	1959	£95½
£333,000		1910	1970	£95½
Rs.		CALCUTTA		Rs.
25,00,000	5‡	1929	1959	107
50,00,000	4	1934	1964	99‡
25,00,000	3½	1935	1965	94
25,00,000	3	1936	1966	90
50,00,000	3	1938	1968	91
25,00,000	3	1938	1968-88	90
50,00,000	4	1952	1962	99‡
1,00,00,000	4	1954	1964	99

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
20,00,000	4	1913-18	1974	99‡
10,00,000	5	1918	1978	112N
25,00,000	5	1923	1953	104
3,45,500	5	1929	1954-59	101
97,15,000	5	1929	1959	103‡
5,25,00,000	3½	1947	1977	86‡
2,50,00,000	3½	1949	1979	86‡
2,50,00,000	3	1950	1980	82‡
2,50,00,000	4	1952	1964	99‡
2,00,00,000†	4	1951	1966	97‡
1,50,00,000	4	1952	1962	99‡
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	99‡
Rs.		CALCUTTA		Rs.
25,00,000	5	1923	1953	106
25,00,000	5	1929	1957	102
50,00,000	5	1929	1959	102‡
10,00,000	5‡	1932	1962	108
33,31,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1956	99‡
17,44,400	3½	1942	1959	99‡
31,10,000	3½	1942	1972	92
15,49,000	3½	1942	1972	92
16,32,000	3½	1951	1961	97‡
66,88,000	3½	1951	1966	97‡
67,36,000	4	1953	1963	99‡
72,50,000	4½	1954	1979	100
Rs.		MADRAS		Rs.
18,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1963	98‡
4 % W. Bengal	1952	3,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1953	2,80,22,000	15th July 1963	100
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99‡
4 % W Bengal	1956	7,00,00,000	3rd Sept. 1968	99‡

ABBREVIATIONS: *—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. §—Interest free to first 12 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1876	6½	Mar. Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar A	7,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	68	100
Partabpore Co.	6,00,000	1922	10	Oct.	15	10
Ramnagar Cane	4,00,000	1933-36	6	Aug.	100‡	100
Ravalgaon Sugar	20,00,000	1943	6½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	98	100
Upper Ganges	12,00,000	1933	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	103	100
Burrakur(1st)	22,99,800	1901-19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1946	6(a)		8	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100‡
Karanpura Collieries	9,87,500	1946	5½(a)		65	75(pr
††Kliss Kajora	1,93,000	1931	5	Mar. Sept.	44N	10
New Beerbhoom	5,00,000	1920	7	Jan. July	12	10
Oudal	2,00,000	1898-99	6‡	Apr. Oct.	105	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108‡	100
Bangalore	6,00,000	1884	6	Jan. July	123	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	3,00,000	1895	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	126	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	66	100
Bradbury	14,75,000	1919	7	June Dec.	67	50
Buckingham & Carnatic	21,30,000	1920	7½	Jan. July	146‡	100
Cambodia	1,00,000	1923	7	Apr. ..	118‡

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,728	90,10,670	43,05,372	96,939	Rajputana Textiles (Agencies) Ltd.	56,008	808	Apoli Mills	2½	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	50,596	1,021	J. K. Cotton Mills ..	50½	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	2,99,72,778	4,92,35,445	3,20,69,273	78,129	Nowrosjee Wadia & Sons, Ltd. ..	1,21,000	4,855	Bombay Dyeing & Mfg. ..	630½	250	22 8*	20 0	25 0*	7 8	12	Y.
10,00,000	28,74,892	58,91,898	53,57,495	91,711	Ramnarain Sons, Ltd.	1,26,344	2,698	Bradbury Mills	201½	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,09,15,800	2,63,96,826	2,81,83,264	1,97,06,117	6,34,956	Birla Bros., Ltd.			Century Spg. & Mfg. ..	542½	100	22 0	22 0	22 0	8 0	12	Y.
49,00,000	29,42,326	1,19,99,766	66,07,035	—33,08,697	V. J. Thal (Chairman and Managing Director) ..	40,668	798	Colaba Land & Mill ..	66½	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,016	Cowasjee Jehangir & Co., Ltd. ..	20,028	680	Cordia Spg. & Wvg. ..	160	100	7 8	7 8	7 8	12 8*	12	Y.
1° 00,000	24 38,886	69,10,851	54 66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,092	..	Dawn Mills	167½	50	6 0	6 0	15 0		3	Y.
34 00,000	40,06,485	76,75,267	56,21,784	2,83,243	Turanmal Dubha sons. ..	50,054	928	E ward Textiles	345	200	15 0	15 0	18 0		12	Y.
29 98,050	11,31,233	1,09,78,649	80,74,224	1,81,364	M.		886	Elphinstone Spg. & Wvg.	60	50	*Nil*	3 0	5 0		12	
50 00,000	70,11,875	1,23,38 513	74,17,207	1,67,190	James Finlay & Co., Ltd. ..		784	Finlay Mills	340	100	16 0	16 0	20 0		12	Y.P.
11,84,000	76,64,689	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co. ..		1,122	Hindoostan Spg. & Wvg. Mills	992½	250	56 4*	56 4	75 0	18 12	3	Y.P
16 000									11½	100	0 10	*Nil*	0 15			
2,00,00,0000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills ..	2-0½	0 1D.	0 1	*Nil*	0 3		12	Y.
50,00,,00D																
8,55 000									5,175	1,000	225 0*	225 0	300 0			
35 000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,102	Indian Mfg.		500	112 8*	112 8	150 0		3	Y.P.
59,85,000	55,07,831	2,73,73,670	2,03,22,138	26,228	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg.	250½	100	20 0	8 0	10 0		6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,58,14,796	33,950	Kiltick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	342½	100	20 0*	18 0	15 0	10 0	12	Y.
22,13,050	41,96,720	1,17,74,248	55,99,115	51,670	N. Sirur & Co., Ltd.	49,030	644	Modern Mills	110N	50	5 0	5 0	8 0*	6 01	12	Y.
51 75,000	36,82,000	2,06,23,597	1,52,81,153	26,751	Pramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	260	100	12 0	14 0	14 0		6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chimal & Co., Private Ltd. ..	..	..	National Rayon Corporation ..	255½	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,00,000	70,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,744	4.2	New City of Bombay Mfg.	175	100	10 0	10 0	10 0		12	Y.
30 00 000	14,61,250	92,85,599	61 42,741	4,330	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great S. g. & Wvg. ..	251	100	10 0	7 8	10 0		12	Y.P
48,30 000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd. ..	57,208	1,190	Phoenix Mills	148½	100	8 0	8 0	10 0		12	Y.
40 00,000	45,70 390	89,55,049	52,00,000	2,92,677	Podar Sons, Ltd.	32,600	930	Podar Mills	163½	100	10 0	10 0	12 0*		12	Y.P.
5,00 000	8,16,999	21,21,521	19,01,340	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	27	Sassoon & Alliance Silk Mill	12	10	0 12	0 8			12	Y.
27,70,000	82,80,605	1 92 83,251	1,59,71,824	24,320	H. G. Investment Corporation, Ltd.	6,608	1,251	Sassoon Spg. & Wvg. ..	454	10	1 4	1 12		1 12	12	Y.
30 00,000	47 70,061	90 20,938	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	212½	100	14 0	14 0	12 0		12	Y.P.
42,00 000	33,02,179	98,78,309	73,63,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	24,840	1,276	Simplex Mills	199	50	15 0	11 0	10 0	12 0	3	Y.
67,80 000	2,23,15,720	2,51,28,690	1,87,85,474	12,833	Maratlal Gazabhai & Sons ..	52,036	1,633	Standard Mills	466½	100	20 0	20 0	25 0		12	Y.P.
99,85,700	84,69,716	2,28,87,647	1,19,01 899	67,611	Tata Industries Ltd.	72,238	2,000	Standard Mills	243½	100	15 0	8 0	12 0		12	Y.P.
36 00,000	65,33 455	1,28,99,971	81,52,715	1,51,030	James Finlay & Co., Ltd. ..	58,828	852	Swan Mills	440	100	20 0	20 0	25 0		12	Y.
65,57,000	51,96,376	1,77,34,839	94,14,553	45,148	Tata Industries Ltd.	62,096	1,800	Tuk. Mills	544	25	1 8	2 8	4 0		12	Y.
12,00,000	92,55,709	1,15,86 483	81,90,000	2,814	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	5,150	1,000	225 0*	225 0	300 0	75 0	3	Y.P

AHMEDABAD

38,00,000	21,11,650	1,36,23,272	60 47,202	9,426	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	200	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	94,58,068	94,37,398	76 10,164	27,288	P. M. Huthesing & Sons, Ltd. ..	44,220	912	Arvna Mills	750xr	100	20 0*	20 0	30 0		12	Y.P.
26,25,000	2,55,30,694	1,66 65,504	1 16,00,000	72,768	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,288	10	25 0	25 0	35 0*		12	Y.P.
20 00,000	81,75,000	96,34,384	79 25,000	2,46,268	Mandas & Bros., Ltd. ..	2 ,014	892	Arvoda Ginning & Mfg.	640	20	15 0	15 0	25 0*		12	Y.P.
12 00,000	1,16,59,083	84 05,974	64,04,983	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,117½	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35 76 233	4 91,25,952	2,38,68 344	2 31,712	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	559	125	18 0	18 0	....	30 0‡	3	Y.P.
62,87,000	24,58 000	1,21,06,443	89,25,000	2 760	Tricamlal Bhogilal & Co., Ltd.	49,356	866	New Commercial Mills ..	1,780	1,000	70 0	70 0	80 0		12	Y.P.
30,00 000	72,52 438	1,32,09,233	96,26,972	19,121	Manalal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	966	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	90,83,197	37,93,317	16,588	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	452½	100	30 0*	30 0*	20 0		12	Y.P.
12 50,000	1,14,77,470	86,29 439	60,39,883	....	Lalbhai Dalpatbhai & Co. ..	32,628	636	Rajpur Mfg.	972½	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	17,78,207	17,34,749	Lalubhai Gordhandas Ltd.	33,156	648	Rohit Mills	380	100	9 0	0 0	*Nil*		12	Y.P.
24,99,180	2 02,34,638	1,76,92,342	1,52,74,000	3,28,290	Harivallabhdas Kalidas & Co.	94,116	1,783	Shri Ambica Mills	622	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	32,31,263	78,05,018	66,54,701	15,592	Manalal Chandulal & Co., (Ahmedabad), Ltd. ..	26,624	720	Shorrock Spg. & Mfg. ..	640	100	20 0	25 0*	25 0		12	Y.
82,00,000	90,84,191	1,09,66,808	72,35,291	84,644	Haridas Ashratlal & Co., Ltd.	56,176	780	Vijaya Mills, L. ..	805	400	35 0*	15 0*	35 0		12	Y.P.

WEST BENGAL

15,00,000	1,32,800	24,23,089	21,91,810	1,06,080	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills	6¾xd	10	K0 4	0 8				
7,11,280	4,40,775	43,42 381	25,67,897	98,788	Bengal Textile Agency, Ltd.	27,544	966	Bengal Luxmi Cotton Mills	40N	40	*Nil*	*Nil*	4 0		12	Y.P.T.
6,00,000	22,72,414	89,08,142	51,49,000	2 23,477	Kettlewell Bullen & Co., Ltd.	42,572	1,241	Bowreah Cotton Mills ..	150	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,671	1 04,88,548	70 74,271	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	274	100	*Nil*	*Nil*	2 8		6,12	H.
1,80,00,000	3,07,96,256	3,59,25,774	1,20,23,799	2,45,433	Birla Brothers, Ltd. ..	70,384	1,990	Kesoram Cotton Mills ..	174	10	1 12	0 14	0 14		12	Y.
19,47,7500									16N	10	0 9	0 10	0 10			
5,00,000D	7,45,000	47,06,288	24,48,852	1 004	Basaremull Hemlall	23,856	795	Kampoorie Cotton Mills ..	2½N	1D	*Nil*	*Nil*	0-5 11/25		6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,87,191	29,09,649	—8,54,289	Ramlin Co., Ltd.	50,000	..	Alagarpa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*			12	Y.P.T.
71,94 000	56,71,254	1,24,91 830	56,72,542	1,86,043	Industrial Trust Fund ..	36,136	708	Azam Jahi Mills	92	100	6 0	*Nil*	3 8(c)		9	Y.
40,80,000	2,00,63,745	2,24,98,906	2,42,38,256	2,58,849	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	568½	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,900	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	9½	10	0 4	*Nil*	*Nil*		6,12	H.P.T.
35,00,000	1,09,48,251	1 19,14,492	87 78,992	4,25,221	Birla Brothers, Ltd. ..	29,896	1,048	Birla Cotton Spg. & Wvg., Delhi	81N	10	5 0	5 0	5 0		3	Y.
1,78,47,500	1,76,52,500	6,38,09,203	4 52,32,180	2,38,448	Pinny & Co. (Madras), Ltd. ..	1,20,256	2,787	Buckingham & Carnatic ..	196½	100	10 0	10 0	10 0	4 01	12	Y.P.
90,00,000	20,00,000	2,09,99,354	1 66,99,854	27,599	Peirce, Leslie & Co., Ltd. ..	58,706	..	Cambodia Mills	14½	10	0 12	*Nil*	0 8		12	Y.P.
15,00,000	5,11,500	43,50,929	24,62,351	3,994	K. Damodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	188	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,420	69,40,829	61,77,376	36,767	Begg, Sutherland & Co., Ltd.	24,706	591	Cawnpore Textiles	9½	5	0 0	0 8		0 4	3	Y.
9,37,470	2,00,000	50,87,558	15,02,163	56,793	K. Srinivasan, Esq. (Chairman).	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	12½	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.
12,00,000	20,60 000	84,68,396	27,86,527	84,164	R. Rheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	392	100	20 0	25 0	25 0		6	
20,00,000	19,96 000	86 69,430	34,25,921	74,422	T. E. N. Naidu & Co. ..	22,736	..	Coimbatore Mfg. Co. ..	320	100	15 0	25 0	20 0		12	
20,76,000	4,19,214	1,15,51,599	72,06,019	14,984	K. G. N. Naidu & Co. ..	43,000	407	Coimbatore Spg. & Wvg. ..	90	50	3 0x	6 0			12	Y.P.
46,87,500	52,62,449	2,48,16,409	1,58,09,823	8,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	145	100	5 0	2 0	2 0		12	Y.P.
6,39,36,225	2 58,00,000	9,99,78,785	5,08,00,000	32,769	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	41N	100	5 0	5 0	8 8/5		6	Y.P.T.
1,00,864									2½	2	2 4/5	0 8	3 8/5			
24,54,800	25 47,678	52,74,245	38,26,822	6,864	M. N. Chattiar & Sons ..	32,568	201	Dhanalakshmi Mills	425	100	20 0	30 0	30 0		12	Y.
68,00,000	66,32,350	1,52,16,382	1,29,71,621	98,286	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	27½	10	1 0	1 0	1 0		12	Y.P.
48,81,000	35,22,176	1,00,56,167	68,95,068	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	1,420	Gokak Mills	238½	100	17 0	18 0	15 0		12	Y.
90,00,000	61,16,447	1,81,37,954	1,13,25,876	9,561	K. L. Sekaaria, Esq. (Chairman)	51,180	..	Indore Malwa United ..	156½	100	6 0	6 0	9 0	5 01	12	Y.
8,90,000	10 65,858	31,06,649	18 48,155	2,079	G. V. Naidu & Co., Ltd. ..	24,822	..	Janardana Mills	105	50	4 8	5 0	10 0		12	Y.
42,00,000	12 25,000	78,88,848	26,50,000	29,852	Kothari & Sons	43,000	800	Kothari Textiles	18	10	0 8	0 8	1 0		12	Y.P.
21,10,000	63,80,158	1,48,92,660	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	710	250	37 8	35 12	42 8	12 81	12	Y.P.
35,64,100	66,56,980	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	58,908	201	Lakshmi Mills	256½	50	5 0	10 0	12 8	12 8	3	
1,75,02,480	4,18,81,878	5,78,76,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd. ..	5,00,000	..	Madura Mills	127	25	2 8	3 0	6 4	6 4	3	
12,00,000	4,17,363	25,26,768	16,72,562	—99,078	A. L. A. R. S. Chettiar and Others.	22,592	100	Malabar Spg. & Wvg. ..	49½	15	3 0	3 0	4 0		12	Y.
60,00,000	60,00,000	63 79 627	43,29,734	46,886	W. A. Beardsell & Co. Ltd. ..	24,720	608	Madura Industries Ltd. ..	118	200	8 0	*Nil*			12	Y.
29,80 884	19 61,581	89,75,246	49,96,788	16,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	432	100	12 0	8 0	10 0		12	Y.
24,91,850	27,24,404	1,61,29,118	75,81,823	—7,44,832	Sassoon & Alliance Silk Mill	8,208	1,251	Muir Mills	98½	100	7 0*	5 0(c)	5 0(c)		12	Y.
30,00,000	32,19,600	1,53,39 272	1 06,91,951	—7 77 290	Indian Textile Syndicate Ltd.	88,640	1,284	Model Mills (Nagpur) ..	180½	250	7 8*	5 0(c)	6 0		12	Y.P.
24,43,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd. ..	50,480	500	Muir Mills	256N	100					6	Y.
13,61,780	6,600	29,25,252	16,12,761	—1,50,653	K. Suryanarayana Rao, Esq., Manager.	6,000	..	Mysore Spun Silk Mills ..	6¾	10	*Nil*	*Nil*	*Nil*		3	Y.
22,89,8820	25,62,583	1,04,27,293	58,90,719	—43,58,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2½	O. 2½	*Nil*	*Nil*	*Nil*		12	Y.P.
3,07,196D										D. 1	*Nil*	*Nil*	*Nil*			
57,19,600	55,48,220	1,69,99 989	61,91,851	74,722	Industrial Trust Fund ..	37,788	856	Osmanshahi Mills	90	100	4 0	*Nil*	2 8(c)		9	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,509	Bhaghyalakshmi & Co. ..	29,024	..	Palani Andavar Mills	172	50A	15 0	15 0	12 0			
6 00,000B									235	75B	18 0	18 0	18 0		12	Y.P.
15,00,000	1,65,000	34 16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	100	*Nil*	*Nil*	4 0(c)			12	Y.
16,81,200A	22,75,000	83,60 150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	370	100A	8 0	16 0	20 0			
8,40,000B									177	50B	4 0	8 0	10 0		12	Y.
15 00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	177	50	7 8	10 0	10 0		12	Y.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	*Nil*	Rajapalayam Mills	165	100	6 0	6 0	10 0		3	Y.
82,29,625	12 40,000	40,14,000	18,05,147	29,860	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	155	100	6 0	9 0	10 0	10 0	3	Y.
80,00,000	32,14,477	1,20,37,423	85,45,414	—19,17,221	J. P. Srivastava & Sons (Rampur)	54,582	600	Rayon Spg. & Wvg.	84N	10	*Nil*	*Nil*			12	Y.
16 00,000	1,60,89,516	2,93,66,410	2,04,66,196	—1,78,05,704	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	1,800	1,000	*Nil*	*Nil*	*Nil*		12	Y.P.
									500	500	*Nil*	*Nil*	*Nil*			
86,69,700	17,10,000	61,44,272	65,53,318	1,09,148	R. N. Pallegar, Esq. ..	31,668	202	Sri Krishnarajendra Mills ..	125	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,45,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	2,11,90,237	96,09,567	72,44,724	81,27,583	Birla Brothers, Ltd. ..	35,556	1,242	Sutlej Cotton Mills	110N	10	4 0	5 0	6 0		3	Y.
17 50,00000									11½	100.	0 8	0 12	0 12			
7,50,00,000	2,30,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	12½	10F.O.	0-14 2/5	1-2 2/5	1-2 2/5		12	Y.P.
1,00,00,000	30,14,788	3,80,55,317	1,27 16,775	2,63,771	Emcete & Sons (Travancore), Ltd...				15½	10	0 10	0 12	0 12		12	Y.P.T.
18,95,670	5,76,322	17,59,181	11,37,836	Mooljee Ramjee & Sons ..	17,600		Trichinopoly Mills	13½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.
21,00,000	24,50,000	71,52,723	40,33,166	56,000	R. K. S. Chetty & Brothers	43,974	270	Vasanta Mills	840	100	12 0	15 0	20 0		12	Y.
32,00,000	34,42,971	1,64,67,122	1,05,10,233	28,126	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	173½	100	4 0	4 0	8 0	2 81	12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	11¾	5	*Nil*	*Nil*	0 8	0 41	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr K. G. Khanna	Dyer Meakin Breweries ..	6¾	5	0 8	0 8	0 9		3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	30½	A. 10sh. B. £1	5h. 1	5h. 1 3/5	5h. 5 4/5	5h 1	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	217	75	15 0	15 0	15 0		3	Y
CEMENT														
51,27,600	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	15¾	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6000	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	7½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,376D							12½	D. 1						
18,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	194½	100	9 8	8 8	10 0		7	Y.
60,00,0000.							14¾	O. 10	1 0	1 0	1 4			
25,50,0000.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	5½	O. 24	0 4	0 4	0 5		12	Y.P.
5,00,000D.							5½	D. 1	0 1-8/5	0 1 3/5	0 2			
61,91,0300	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	311xd	O. 25	*Nil*	1 4	1 14		3	Y.P.
F.50,000D.							6¾xd	D. 5	*Nil*	0 4	0 8			
67,86,500	31,41 985	1,83,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13½	10	0 12	1 4			12	Y.P.
86,93,275	44,00,000	2,04,20,192	86,59,005	2,78,525	Shree Laxmi Agents Ltd. ..	Shree Digvijay Cement ..	193	100	6 0	8 8	8 8		12	Y.P.
75,00,000	22,45,000	1,91,72,337	1,45,45,476

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05 611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	24½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20,12 500	1,43,61 701	67,07,360	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,09,26,641	4,27,02,865	1,02,98,953	2,29,489	Birla Bros.	Orient Paper	38½	10	2 0	0 15	1 2		3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18	10	1 8	1 8	0 10½		6,12	H.P.T.
20,00,000 / 6,00,000'A.'	6,50,000	95,83,644	61,01,926	13,795	Baloria & Co.	Star Paper Mills	11½ / 11½	O. 10 / A 10	0 12 / 0 12	0 12 / 0 12	1 4 / 1 4	}	3,9	H.P.T.
56,00,000A. / 56,04,800B. / 1,87 800P.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co. Ltd.	Titaghur Paper Mills Co., Ltd. ..	39½ / 39½ / 4½	A. 10 / B. 10 / P.O. 2½	2 0* / 2 0* / 0 4	1 8 / 1 8 / 0 4	2 0* / 2 0* / 0 4		3,9	H.P.
PRESSING														
2,50,000	6,12,265	15,78,488	11,13,291	—95,476	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	Nil		6	Y.
4,50,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	5 0	..		7	Y.
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y
PROPERTY AND LAND														
12,00,'800D. / 2,00,000D.	6,93,332	43,52,570	22,63,279	36,009	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½ / 2½	O. 10 / D. 1	0 11½ / 0 2/5	0 2/5 / 0 3/5	0 2/5 / 0 3/5		9	Y.P.
80,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	8½	100	1 8	1 8	Nil		4	Y.
94,00,000	36,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	33	100	1 8	4 0	3 0		4	Y.P
SAW MILLS AND TIMBER														
18,99,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	Nil	Nil	Nil		9	Y
50,00,000 / 42,00,000	4,13,57,280	3,35,90,882	1,47,51,851	61,992	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	730 / 270	Old 125 / New 50	15 0 / 6 0	20 0 / 8 0	27-8 / 15-0	½1 41 / 4 81	5	Y.
6,00,000		7,28,569	7,26,267	—4,99,907	Jardine Henderson Ltd.	Benzal Timber Trading	41	100	Nil	Nil	Nil		6	Y.P.
28,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	44½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
16,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	0 12	0 1		6	Y
12,76,000A. / 5,00,000B.	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co. Ltd.	Basti Sugar	156N / 134N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	..		4	Y.
19,49 050	5,50,000	33,35,389	24 41,301	51,985	Bansur Bros., Ltd.	Belsund Sugar	12½	7½	0 12	0 12	0 12		6	Y.
15,00,000	13,90,295	16,40 479	11 77 841	13,305	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	26,37,030	1,26,90,775	92 27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	Nil	0 12	0 4		6	Y.P.T.
30,00,000	57,88,651	1,03 44,647	84,32 451	82 023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	20½	10	2 0	0 12	0 12		10	Y.P.
16,00,000	38,04,891	72 85,757	53 46,902	24,019	Begg Sutherland & Co., Ltd.	Champarun Sugar	20½	10	1 0	1 0	1 8		6	Y.
5,29 452	6,18,562	24,58,580	15,33,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	10N	10	1 0	0 12	..		6	Y.T.
60,00,000A. / 19,00,000O.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	28½N / 10N	A. 100 / O. 100	15 0* / 15 0*	15 0* / 15 0*	15 0* / 15 0*		6	Y.P.
12,00,000	8,61,001	75,81,809	42 63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65N / 32N	80 / 40	Nil / Nil	Nil / Nil	4 8 / 2 8		7	Y.P.
7,89,100	22,14,058	24,94,612	19 35,833	1,864	Cotton Agents Ltd.	New India Sugar Mills	32N	10	2 8	2 8	2 8		6	Y.P.T.
11,00,000	4,20,000	42,71,480	34,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 4	0 4	..		5	Y.
19,37,500A. / 3,71,875B.	49,60,297	97,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N / 60N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		6	Y.
77,45,850	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	158N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	12,74,223	29,77,669	19 95,228	55,000	Narang Bros. & Co. Ltd.	Punjab Sugar	108xdN	100	10 0	10 0	..		10	Y.
9,00,000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17	10	1 0	0 12	0 12		10	Y.P.
8,00,000	5 31,129	26 43,262	21 70,524	6,234	M.	Ryam Sugar	21N	10	0 8	0 8	Nil		6	Y.P.
11,99,900	10,57,774	19,56,763	12 92,120	6,477	M.	Samastipur Central Sugar	13	10	0 8	0 8	Nil		6	Y.
40,00,000	22,68 560	1,35,20,110	62,59,521	34 046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12½	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,825	27,15,126	12,50,852	—5,87,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	Nil	Nil	Nil		6	Y.
7,95,462	18,82,940	31,60,735	17,48,063	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	15N	10	1 0*	1 0*	..		8	Y.T.
9,15,000O. / 4,40,000D.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.... ..	South Behar Sugar	12½ / 4N	O. 10 / D. 2½	Nil / Nil	Nil / Nil	..	}	10	Y.P.
5,10,000	21,91 635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd.	United Provinces Sugar	21	10	0 8	1 4	1 8		6	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	251	50	16 0	16 0	16 0		9	Y.
17,50,000	9 24,292	33,08,979	21,56,782	4,592	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	17½	10	0 10	1 0	1 0		9	Y.P.
15,98,900	3,45,541	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	78N	100	Nil	Nil	..		9	Y.P.
47,94 920	14,00 000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	..		9	Y.P.
33,57 620	45,51,080	42,51,227	21,95,827	18,645	Govan Bros. (Rampur), Ltd. ..	Boland Sugar	141N	10	1 0	1 0	1 0		10	Y.
19,92,2000. / 3,87,1900.	69,50,000	95,95,952	31,00,978	48,494	V Ramakrishna, Sons Ltd, ...	K. C. P. Ltd.	127½ / 0.100	O.100 / D. 10	7 0 / 10 0	7 0 / 10 0	7 0 / 10 0	}	6	Y.P.
21,79,280	95,00,001	1,31,87,077	78,17,780	2,90,340	S. Munnamiappa, Esq. (Managing Director)	Mysore Sugar	150	10	2 0	2 0	2 0		6	Y.
16,59 220	55,50,850	56,11,940	29,77,241	20,349	Malsatlal, Apte and Kantilal Ltd.	Phaltan Sugar	46	10	2 0	2 0	2 0		9	Y.
80,00,000O. / 4,00,000D.	21,76,092	89,12,188	58,60,883	64,012	Walchand & Co., Ltd.	Ramnagar Cane and Sugar	160½ / 28½	50 / 10	2 8 / 1 8	3 0 / 2 0	3 0 / 2 0		9	Y.P.T.
19,00,600	47,65,324	46,65,213	22,04,524	44,184	Govan Bros. (Rampur), Ltd. ..	Ravalgaon Sugar Farm	155N / 7N	O. 10 / D. 10	Nil / Nil	Nil / Nil	0 1 1/5 / ..	}	9	Y.P.T.
50,00,000	10,57,774	19,76,764	17,87,169	—32,224	Parry & Co., Ltd.	Raza Sugar	10½	10	1 0	0 12	1 0		7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,81,172	M.	Travancore Sugars	12½	10	..	..	..		9	Y.P.T.
						Walchandnagar Industries	276½	100	14 0	16 0	18 0			
TRANSPORT														
20,00,000	1,00,69 522	1,24,00,703	15 56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	146	100	10 8	7 8	7 8		10	Y.P.
1,50,00,000	15 37,619	4,41,55,864	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.I
50,00,000	24,35,888	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.									
5655,680	5960,878	55,515,631	53,344,773	521,366	Kilburn & Co., Ltd.	Great Eastern Shipping Co. ..	22	10	1 0	1 0	Nil		6	Y.P
2,25,00,000	74,99,233	7,93,25 463	1,81,55,690	1,28,061	Lionel Edwards Ltd.	India General Navigation & Rly. Co.	101	610	Nil	Nil	Nil		12	Y.P.
5,40,19,875	6,94,22,081	16,56,65,413	4,54,44,800	2,78,683	Narottam Morarjee & Co.	India Steamship Co.	10½	10	0 8	Nil	Nil	0 8	3	Y.P.
5,40,800O. / 10,200P.O.	19,68,266	11,55,468	7,29,969	1,34,493	R. R. Ayer, Esq. (Manager) ..	Scindia Steam Navigation Co. ..	18½	10	Nil	Nil	Nil		3	Y
						Walford Transport Ltd.	2 / 1½	O. 1 / P.O. 1	as. 1 9/25 / as. 1 9/25	as. 2 6/25 / as. 1 9/25	as. 2 6/25 / as. 123/25	}	12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	2,55,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	39 0		9	Y.
15 98,860	2,04,173	2,26,474	90,000	1,99,351	M.	Bombay-Uganda	62½	50	5 0	4 0	Nil		12	Y.
25,00,000	1,00,000	22,87,314‡	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co. ..	11½	25	0 12	0 12	0 12	0 15	3	Y.
14,98,840	3,48 585	28,00,560	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	40	50	4 8	4 0	4 0		3	Y.P.
99,99,250	19,47,886	1,22,03,604‡	....	2,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust	74½	100	4 8	4 0	4 8		12	Y
99 99,975	85,08,851	85,10,899	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director) ..	Killick Industries	172½	100	10 0	11 0	11 0	7	6	Y
6,07,02,800A. / 19,00,000B.	5,28,684	3,87,33,372	1,25,90,202	5,86,717	Auto-Aute Ltd.	Premier Automobiles	108½ / —	A.100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	}	6	Y.
10,21,200	5 68,605	18,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22	20	2 0	2 0	2 0		12	Y.
3,75,00,000	73 79,000	3,08,57,181	1,68,72,846	5,61,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	176½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,508	3,07,108	35,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47 50,000 / 2 50 000	17,00,000	1,95,40 704	65,00 000	2,582	J. K. Industries Ltd.	Aluminium Corporation of India Ltd ..	11½ / 0½	O. 10 / D. 2½	Nil / ..	Nil / ..	Nil / ..	}	6	Y.P.T.
40 00.000	28,25,000	56,26,345	21 56,600	64,537	Seshasayee Bros. (Travancore) Ltd. ..	Aluminium Industries Ltd.	20xd	10	1 4	1 4	1 4	1 4	8	Y.
80,00,000	30,05,079	82,06,626	21 94 961	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	24½	10	1 4	1 4	2 0*		8	Y.
80,00,000	8 85,300	88,39,494	20 85,060	1,18 295	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	29½	10	1 4*	1 4*	1 4*		12	Y
50,00,000	27 47,868	1,01,49,337	39,87,880	32,685	Oberoi Hotels (India) Ltd.	Associated Hotels of India	11	10	0 3 1/5	0 3 1/5	0 0 2/5		3	Y.P.T.
80,01,400	1,16,58,000	67,47,111	33,07,111	5,03,129	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	171	100	20 0*	13 0‡	12 8		12	Y.
12 00 000	9,10,000	21 37,443	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	36½	10	1 8	2 8	2 4		6,12	Y.
80 00 000	7,95,480	62 57 944‡	....	76,880	Lowcock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.P.
45,97,020	80 11,814	1,10 56,424	33,87,889	1,79,277	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	15½	10	0 8	0 8	1 0	1 0	3	Y.P.T.
2,25 00 000	1,16,11,800	2 82 03,948	2,24,14,167	—27,30,584	Sir Robert Menzies	British India Corporation Ltd. ..	11½	10	0 4 1/5	0 3 1/5	0 0 9	1 6	3	Y.
1,88,80,000	17,34,256	2,03,27,225‡	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	29½	10	2 8	1 8	1 8	1 0		12	Y.	
1,50,00,000	3,14,86,174	5,15,52 036	2,20,82,990	11,71,686	Cecil Stack Esq. Mg Director)	Dunlop Rubber (India) Ltd.	100	100	5 0	5 0	5 0		12	Y.P.T.
91,26,000	54 12,212	1,42,47,668‡	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	100	100	10 0	7 8	7 8		8	Y.
14,00,000	10,02,000	23 81,772	13,89,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	186	100	10 0	7 8	7 8		8	H
65 00 000	42 00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Wills, Esq.	Gillanders Arbuthnot & Co. Ltd. ..	14½	10	7 8	7 8	1 6 2/5		8	Y.P.
80,00 000	13,17,354	28,75,802	21,10,064	45,998	R. R. Readymix	Great Eastern Hotel	240	250	15 0	4 4	6 4		8	Y.
30,17,900	13,68,886	56,39,283	30,24,587	38,602	Birla Brothers Private Ltd.	Hind Cycles	160½	100	8 0	10 0	10 0		12	Y.P.T.
4,96,12,350	2,92,450	5,56,84,606	94,52,719	5,19,485	Birla Bros. Ltd.	Hindustan Motors	99	10	Nil	Nil	Nil		8	Y.
1,50,00,000	45,77 754	4,16 74 246	1,74,76 668	6,18,074	E. B. Elwood (Mg. Director) ..	Indian Aluminium Co.	17	10	Nil	Nil	9 0		12	Y.P.
1,53,89,220	1 20 50,000	1,55,72,391	57,17,651	25,98,462	D. J. Woodley, Esq. (Mg. Director)	Indian Cables	34½	1	1 0*	1 0*	1 4*		3	Y.P.T.
8 87,970	5 28,000	16,40,508	8,98,110	32,816	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	17½	10	0 12	0 8	0 8		6	Y.P.
15 14 00 000	7,89,02,692	4,15,59,461	1,63,28,877	24 94,274	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	154	10	..	0 9 5/5	0 12 4/5	0 12 4/5	3	Y.
2 00 00,000	55,35,566	84,38 060	9,80,000	4,70,107	T. Shamanna, Esq. (Chairman)	Jardine Henderson	93½	100	7 8	7 8	7 8		3	Y.P.
9,84 0000 / 66 0000	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	5 / 213N	O. 5 / D. 1	Nil / ..	Nil / ..	.. / ..	}	8	Y
60,00,0000D.	73,01,900	25,16,766	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director ..	McLeod & Co.		O.100	10 0	17 0	..		12	Y.P.
1,37 50 000	60,54,276	72,58,051	11,34,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	1 0*	1 8 1/5	1 12*		9	Y.P.
3,15 00,000	2,56,50,000	3,56,50,000	1,88,37,973	19,74,249	E. Haswell Jones, Esq (Chairman) ..	Metal Box Co. of India Ltd.	28½	10	1 0	1 0	1 4	1 10	9	Y.P.
6,35,565	1,55,250	7,83,598	2,60,987	—2,88,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works ..	4½	10	Nil	Nil	Nil		6	Y.P.
6,56 250	9,15,646	11,18,541	5,51 038	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
10,00,000	1,33,090	16,16,148	9,50,628	80,916	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	15½d	10	1 0	1 4	1 0		8	Y.P.
40,00,000	51,21,178	59,09,527	39,30,120	2,23,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 8*		8	Y.T.
79,97,000	81,15,337	1 14,74,878	52,77,583	9,08,480	B. N. Elias & Co., Ltd.	National Tobacco Co.	13½	10	Nil	Nil	..		8	Y.T.
2,25,00,000	7,25,185	1,53,49,091	40,14,109	—68,99,170	M. P. A. Paspatti, Esq.	Rallis (India) Ltd.	44½	100	Nil	Nil	..		12	Y.P.
1,12,24,400	1,31,20,208	1,56,34,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Robtas Industries	22½	10	1 4	1 8	1 8		10	Y.P.T.
40,00,000	99,60,594	1,18,78,870	78,99,787	2,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd	16½	10	1 0	1 8	1 8		6	Y.P.
70 00 000	54,13,860	17,49,816‡	5,58,685	3,65,280	B. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	44½	10	1 0	1 4	1 0		12	Y.P.
9,98,360	....	14,99,279	3,34,980	....	Ogale Bros., Ltd	Travancore Ogale Glass	3½	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. ‖ Investments at cost. * Includes bonus. ‡ On old capital. § Includes Rs 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlecklie	375	100	25 0	30 0			12	Y.P.
3,50,000	3,43,250	10,93,902	2,42,089	77,477	B. K. Kanoria, Esq.	420	Ananda (Assam) Tea	45½	10	1 4	7 8			12	Y.
3,50,000	6,43,250	16,47,044	3,03,058	73,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	43½	10	2 8	8 0*			12	Y.
5,50,000	11,21,541	17,56,465	7,03,427	36,051	McLeod & Co., Ltd.	515	Baghmari	24½	10	Nil	3 8	1 0		12	Y.
8,10,000	9,10,000	12,25,583	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	33½	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65 000	11,08,776	7,13,759	50,298	National Tea Corporation	570	Bateli	24½	5	2 0	4 0	2 8		12	Y.
3,20,000	8,70,000	9,60,764	2,59,811	66,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	57	10	2 0	10 0*			12	Y.
16 50,000	20,60,000	53,30,169	23,85,189	1,99,547	Williamson Magor & Co., Ltd.	2,907	Bishnauth	25½	10	2 8	..			12	Y.
5,00 000	2,53,500	10,49,416	2,06,130	61,929	Octavius Steel & Co., Ltd. ..	435	Bokakhat	21	10	Nil	1 0			12	Y.
7,50,000	7,27,550	9,58,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Borman Jan Tea	22½	10	0 12	2 8	2 0		12	Y.P.T.
55,00,000	11,92,045	73,50,472	19,49,498	90,003	Brook Bond India Ltd.	2,934	Brooke Bond	22½	10	0 8	1 4			6	Y.P.
1,20,000	4,00,435	5,55,903	1,35,393	4,543	McLeod & Co., Ltd.	382	Dejoo Valley	50½	10	1 0	6 0			12	Y.
6,00,000	10,99,000	26,54,194	16,84,471	51,859	Jardine Henderson Ltd.	1,220	Desai & Parbutia	420	100	20 0	40 0			12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd. ..	661	Dhekalchat	23½	10	1 8	2 8	2 8		12	Y.P.
4,68,970	3,85,000	7,50,451	3,36,404	2,101	M.	646	Dhunseri	21½	10	2 0	5 0	1 0		12	Y.
4,50,000	6,75,000	9,00,834	2,06,317	54,602	McLeod & Co., Ltd.	458	Dibragarh	25½	10	1 0	4 8			12	Y.
2,34,700	6,60,000	10,29,086	5,84,006	56,522	Williamson Magor & Co., Ltd.	611	Dimakusi	32	10	1 8	6 0			12	Y.P.
5,60,500	8,88,000	19,35,851	12,34,016	64,260	Williamson Magor & Co., Ltd.	615	Dissllagharr	38½	10	1 4	5 0			12	Y.P.
10,00,000	6,40,000	23,25

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3¾	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	11¼	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,80,000	15,50,195	32,07,456	5,25,906	1,31,059	Cons. Coffee Estates (Secretaries)..	Consolidated Coffee	20	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1 07,57,343	19,75,344	2,42,884	R. C. Paterson Esq.	Cottanad Plantations	20½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Highland Produce	22½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,168	46,543	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	16½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,93,061	17,844	A. V. Thomas & Co., Ltd. ..	Malankara Rubber	32	10	2 0	2 0	2 12		4	Y.P.
9,00,000	6,17,955	5,86,920	2,80,848	....	K. T. Thomas Kathanar, Esq. ..	Midland Rubber	32½xd	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Nedumcy Rubber	19½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	2,81,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nilambur Rubber Co.	22½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Ouchterloney Valley Estates ..	17½	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,299	Peirce, Leslie & Co., Ltd. ..	Rajagiri Rubber	5¾	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
18,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Savamalai Estates Ltd.	25½	10	1 12*	1 12*	2 0		6	Y.P.
3,66,780	3,00,000	5,79,959	62,117	71,342	Peirce Leslie & Co., Ltd. ..	Teekoy Rubber (India) Ltd. ..	25½	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01,120	1,85,829	2,031	East India Agencies	Thamarapally Rubber	12	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
2,50,000	2,37,500	5,37,767	30,824	14,887	A. V. George & Co., Ltd. ..	Travancore Rubber and Tea Co., Ltd.	31½	10	3 0	3 0	3 0		12	Y.P.
5,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-5½	1	0 4½	0 1 3/5	0 2		9	Y.
6,00,000	75,491	9,79,479	3,25,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	26	10	2 0	2 0	3 0		12	Y.
41,00,000	14,80,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	11½	10	1 0	1 8	1 4		12	Y.P.T.
30,00,000	.....	27,70,732	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37½	25	3 0	5 0	4 0		12	Y.
6,25,880	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	34½	10	2 0	2 4	2 0		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11¼	10	1 0	1 10	0 10		3,9	H.T.P.
6,00,000	10,25,000	51,05,488	30,93,877	1,88,329	MeLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6,12	H.P.T.
20,00,000	6,25,000	1,17,61,827	98,75,059	33,103	MeLeod & Co., Ltd.	1,254	Alliance	130	100	2 0	12 0	6 0		6,12	H.P.
49,20,700	72,00,000	3,72,98,838	1,87,80,000	1,23,978	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	182	100	2 8	7 8	8 8		3,9	H.P.
40,00,000	48,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Ltd.	810	Auckland	120	100	4 0	3 8	10 0	1 0 f	3,9	H.P.T.
20,20,000	28,30,018	96,91,416	65,65,094	65,302	Jardine Henderson & Co.	989	Bally	190	100	4 0	*Nil*	3 8	*Nil f*	3,9	H.P.
5275,000	6867,405	21,47,430	5987,176	....	Sir John H. Barder (Chairman)	1,589	Barnagore	140	55	51 0	sh.15	sh.15	*Nil*	3,9	H.P.
20,000,000	23,80,123	92,37,943	49,29,221	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	153	100	15 0	10 0	7 8		6,12	H.P.
45,00,000	35,45,000	57,03,178	21,38,574	2,65,190	Seeralmull Nagarmull	690	Bengal	16½	10	1 4	1 2	1 2		6	Y.P.T.
21,25,000	2,17,48,383	3,34,10,402	1,45,32,651	4,57,910	A. V. Thomas & Co., Ltd. ..	1,873	Birla	177	100	3 0	3 0	1 0	1 0	3	Y.P.
80,00,000	27,27,928	1,13,57,557	72,25,928	2,371	Andrew Yule & Co., Ltd.	991	Budge-Budge	133	100	10 0	9 0	7 8		4,10	H.P.
7,47,280	2,29,640	43,00,831	31,53,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9	10	*Nil*	0 12	*Nil f*		6,12	H.P.T.
18,00,000	30,46,284	87,18,871	41,48,796	8,348	Andrew Yule & Co., Ltd.	616	Caledonian	180	100	12 0	9 0	6 8		5,11	H.
50,15,400	99,49,233	2,23,26,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	600	Champdany	154	100	6 0	8 0	10 0	2 0 f	3,9	H.
15,93,000	23,89,283	81,84,655	55,60,176	2,615	Andrew Yule & Co., Ltd.	530	Cheviot	182	100	12 0	14 0	10 0		5,11	H.P.
20,15,000	51,00,000	64,10,068	47,77,090	1,25,949	MeLeod & Co., Ltd.	500	Chhavabash	14½	10	1 12	1 2	1 6		6,12	H.P.T.
24,00,000	24,00,000	78,32,716	69,38,969	1,07,142	Jardine Henderson, Ltd.	969	Clive	142	10	*Nil*	*Nil*	1-4s		3	Y.P.
21,49,200	46,65,252	1,17,85,454	46,04,775	—2,20,845	Bird & Co., Ltd.	766	Dalhousie	98	100	4 0	2 8	4 0	*Nil f*	3,9	H.P.T.
25,00,000	44,74,179	75,56,699	47,08,118	15,918	Andrew Yule & Co., Ltd.	779	Delta	175½	100	20 0	12 0	10 0		5,11	H.P.
15,00,000	25,00,000	59,50,760	38,52,979	78,204	MeLeod & Co., Ltd.	500	Empire	171	100	10 0	1 4	1 4		6,12	H.P.T.
21,00,000	60,60,980	2,70,39,084	1,89,10,198	1,80,415	Ketlewell Bullen & Co., Ltd.	1,884	Fort Gloster	363N	100	*Nil*	5 0	15 0	7½ f	3,9	H.P.T.
21,00,000	13,00,000	97,38,074	54,68,502	1,84,822	Bangur Bros., Ltd.	1,014	Fort William	22½	10	5 0	20 0	20 0	0 12K	3,9	H.P.T.
34,32,100		2,11,07,224	1,32,88,825	—2,67,457	Mazeadi & Barry Ltd.	67	Ganges Mfg.	1,709	100	*Nil*	0 8	2 8	*Nil f*	3,9	H.P.
18,86,000	23,00,000	71,55,963	45,43,963	—74,063	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	890	200	15 0	*Nil*	.. ..		12	Y.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Mazeelli & Barry Ltd.	1,294	Gourepore	245	100	3 12	10 0	15 0	2 8f	3,9	H.P.
40,00,000	64,65,233	1,14,86,348	56,72,180	3,40,348	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10 0	10 0	11 8	5 0	3	Y.P.
15,50,000	18,91,858	55,31,208	40,20,918	—9,18,218	Gillanders Arbuthnot & Co., Ltd.	730	Hooghly	25	10	1 4	0 8	1 4		3	H.
45,52,500	49,64,372	1,82,66,485	1,10,52,708	57,035	Jardine Henderson Ltd.	1,940	Howrah	22½	10	1 8	1 4	0 14	0 4f	4,10	H.T.
52,50,000	23,00,000	2,58,15,037	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	7¼	10	3 0	2 0	2 0		3,9	H.P.
37,00,000	16,55,558	1,23,66,655	78,55,498	7,731	M.	1,076	India	145	O. 125	6 4	3 2	4 11		3,9	Y.P.T.
20,000									D. 1	0 4 4/5	0 2 4/5	0 8/5			
24,00,000	16,50,000	1,37,55,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,527	Kankinarah	140½	100	9 0	8 0	2 8		3,9	H.
20,00,000								138	'B' 100	9 0	8 0	2 8		6,12	H.P.
50,00,000	7,00,000	1,23,86 800	1,00,46,425	88,115	Jardine Henderson Ltd.	1,527	Kankinarah	99	100	7 8	6 8	1 0		6,12	H.P.
24,00,000								95	'B' 100	7 8	6 8	1 0			
21,00,000	53,00,000	1,22,91,597	83,77,484	1,10,851	MeLeod & Co., Ltd.	703	Kelvin	245	100	15 0	20 0	17 8		6,12	H.P.
24,00,000	23,53,476	1,71,52,716	1,16,91,627	1,03,192	Anderson Wright Ltd	1,580	Khardah	142	100	17 0	12 8	11 0		3,9	H.P.
48,00,000	1,05,90,880	2,44,27,444	1,05,65,122	41,637	F. W. Heitgers & Co. (Private) Ltd.	1,250	Kinnison	170	100	9 0	7 0	13 5	6 0 f	3,9	H.P.T.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Ltd.	921	Lansdowne	100	100	7 0	2 0	7 0	*Nil f*	3,9	H.P.
28,00,000	55,75,192	1,16,29,980	64,57,397	3,793	Bird & Co., Ltd.	840	Lawrence	103½	100	5 0	6 0	6 0	*Nil f*	3,9	H.P.
21,55,200	25,04,413	1,01,00,883	1,34,49,504	10,614	....	1,283	Megna	84	100	2 8	2 8	3 12		3,9	H.
20,98,900	38,40,147	1,84,91,466	1,01,87,572	—3,09,111	F. W. Heitgers & Co. (Private) Ltd.	815	Nalhati	88	100	*Nil*	*Nil*	*Nil*	*Nil f*	3,9	H.
20,00,000	15,55,000	29,01,562	15,21,709	17,816	Howrah Trading Co., Ltd... ..	425	Naskarpara	155	10	0 5	1 2	0 10		4,10	H.T.
33,00,000	43,29,228	89,10,184	10,26,228	70,554	Andrew Yule & Co., Ltd.	583	National	244	10	2 8	2 0	1 12		4,10	H.P.
26,25,000	26,25,000	27,77,022	20,34,909	1,08,257	MeLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	1 12	1 0	1 0		6,12	H.P.T.
25,50,000	2,71,44,242	4,29,15 627	96,36,548	5,71,398	Sahu Jain Ltd.	1,765	New Central†	15½	10	24 0	17 0	1 8	0 12	12	Y.P.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,118	Bird & Co., Ltd.	567	Northbrook	25½	10	1 8	1 4	1 8	1 8f	3,9	H.P.T.
26,79,550	22,24,961	1,15,55,144	1,39,45,911	17,000	Mazeelli & Barry Ltd.	1,092	Nuddea	39	50	0 8	*Nil*	*Nil*	*Nil f*	3,9	H.
24,91,000	36,81,049	72,46,945	50,55,950	5 784	Andrew Yule & Co., Ltd.	601	Orient	148	100	12 0	10 0	9 0		5,11	H.P.
25,00,000	6,28,490	80,36,437	65,22,166	51,590	MeLeod & Co., Ltd.	400	Prasidency	5	5	0 2	0 3	.. ..		6,12	H.T.
20,00,000	2,49,751	29,07,578	8,39,180	—9,18,218	Birla Bros. Ltd.	304	Rameshwara	10	10	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	H.P.
49,50,000	5,52,465	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	10	10	0 8	*Nil*	*Nil*	*Nil t*	3,9	H.P.T.
£600,000	£1,092,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,018	Samnuggur	11½	£1	10%	10%	8%21		12	Y.P.
30,00,000	19,18,198	1,04,50,653	75,85,888	4,667	Rogerio Lobo & Co., Ltd.	911	Shree Ambica	16N	10	0 8	1 0	0 8f		3,9	H.P.
14,00,000	11,25,000	66 11,794	38,79,294	3,156	Hindustan Investment Corporation.	401	Soorah	10	10	0 8	1 0	1 8		6,12	Y.P.T.
25,19,600	42,72,182	1,27,38,246	53,23,439	—4,87,127	Bird & Co., Ltd.	650	Standard	95	100	2 0	2 0	1 0	*Nil*	3,9	H.P.T.
£600,000	£925,119	£1,157,060	....	£33,547	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	11½	£1	10%	10%	8%11		12	Y.P.
35,98,900	58,06,723	2,00,00,388	84,28,958	18,334	Bird & Co., Ltd.	1,826	Union	158	100	5 0	6 10	3 0	1 0f	3,9	H.P.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	11½	£1	10%	10%	6%21		12	Y.P.
2,50,000	6,35,000	55,98,062	40,23,991	14,518	MeLeod & Co., Ltd.	457	Waverley	5½	1	0 1	0 8	0 8		6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25,50,000	24,50,000	38,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1 0	1 4	1 6		3,9	H.
12,00,000	8,52,572	38,78,477	36,18,477	52,708	Jardine Henderson Ltd.	Barasee Coke	19½	10	1 6 2/5	1 7 1/5	1 7 1/5		3,9	H.
4,49,250	4,40,250	8,40,966	4,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¾	10	0 12	0 12			6,12	H.
1,98,00,000	1,40,49,222	5,91,92,814	3,95,77,226	7,31,565	Andrew Yule & Co., Ltd.	Bengal Coal	501	200	32 8*	30 0*	35 0*		4,10	H.P.
2,25,000	4,22,569	84,81,732	22,38,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	*Nil*	*Nil*	*Nil*		6,12	H.P.
15,97,000	4,73,705	87,70,192	52,77,354	13,498	H. W. Low & Co., Ltd.	Bhalgora	6	10	0 8	.. ..	.. ..		9	Y.
48,00,000	3,00,000	1,39,06 661	71,05,188	27,483	Sahu Jain Ltd.	Bharat Collieries	7¾	10	0 12	0 10	0 10		6	Y.T.P.
7,15,000	15,11,080	35,62,838	37,38,500	—1,37,446	F. W. Heitgers & Co. (Private)Ltd.	Bhulanbarree	13¾N	10	*Nil*	*Nil*	*Nil*		6,12	H.
16,00,000	16,17,256	68,14,856	39,39,541	—79,196	Mangarh Industries (Coal) Co.	Bokaro-Ramgur	13	10	.. ..	.. ..	.. ..		6,12	H.T.
7,50,000	24,29,026	42,39,603	28,55,408	64,207	F. W. Heitgers & Co., Ltd.	Borree	25½	10	2 12	2 0	2 0		6,12	H.T.
90,92,480	1,75,17,502	4,19 91,370	1,85,17,546	1,15,376	Bird & Co., Ltd.	Burrakur	15¼	10	0 12	0 9	0 10		6,12	H.P.T.
40,97,750		39,52,720	3,52,045	14,019	Hindustan Investment Corpn., Ltd.	Central India	7¼	10	0 4	0 4	0 4		3	Y.
6,00,000	13,54,302	49,10,414	33,39,954	83,764	....	Central Kurkend	12N	10	1 0	.. ..	.. ..		6,12	Y.
6,00,000	1,48,676	7,33,488(k)	....	2,129	F. W. Heitgers & Co. Private Ltd	Churlia	2½	4	0 2	0 2	0 11		6,12	H.
16,00,000	....	53,81,704	20,81,276	—1,83,318	Mazeelli & Barry)Ltd.	Dhemo Main	7¾	10	*Nil*	*Nil*	*Nil*		6,12	H.
£540,000	£230,158	£936,945	£795,377	£59,767	Jardine Henderson, Ltd.	East Indian	33¾	£1	2 8	2 8	2 0		4	Y.
29,63,760	33,55,049	4,04,51,377	2,89,25,565	82,379	Mazeelli & Barry Ltd.	Equitable	29¼	10	1 8	1 8	1 8		6,12	H.P.T.
10,00,000	9,15,000	10,76,584	8,79,903	11,272	Bhatter's Agency Ltd.	Ghusick and Musia	14¼N	10	0 8	0 8			3	Y.
12,00,000	1,92,000	41,35,247	23,43,143	3,144	Kilburn Industries Ltd.	Hingir-Rampur	41¼	50	3 0	*Nil*	2 4	2 4	6	Y.P.
8,00,000	7,25,000	22,07,121	18,59,341	45,985	Mazeelli & Barry Ltd.	Harrildih	22½xd	10	1 8	1 12	2 8		6,12	H.
22,00,000	1,12,060	24,74,412	6,15,046	—5,57,292	Rajpale Trust Ltd.	Jogta Coal	3½	10	*Nil*	*Nil*			3	Y.P.
2,50,000	3,45,575	12,54,857	7,25,658	....	Andrew Yule & Co., Ltd.	Kalapahar	19¼	10	2 12	*Nil*	*Nil*		12	Y.P.
20,00,000	1,77,175	28,99,583	4,05,140	6,065	Bird & Co., Ltd.	Karanpura Collieries	113xd	100	*Nil*	*Nil*	2 8	5 0	3,9	H.
5,00,000	16,60,000	45,77,533	35,41,985	1,32,474	Andrew Yule & Co., Ltd.	Kairas Jheriah	63¾	10	4 0	4 0	5 8		3	H.
1,38,400	5,72,960	13,85,941	5,72,960	—2,50,236	Beriwala & Co.	Khas Kajora	8¾N	10	*Nil*	*Nil*			1,7	H.
11,00,240	44,314	16,75,961	16,41,848	—41,598	H. W. Low & Co., Ltd.	Kusedi	2¾N	10	*Nil*	*Nil*			6,12	H.P.
9,00,000	11,36,413	23,69,268	22,97,967	2,255	H. W. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 4			6	Y.
7,48,240	2,00,000	13,13,208	9,66,219	31,201	Tantia Brothers Ltd.	Nazira	7	10	0 8	0 8	0 8		4	Y.
7,60 000	36,317	10,88,749	5,39,995	4,949	Amritlal Ojha & Co., Ltd.	New Banadeopur	9¾N	10	0 12	1 4			12	H.
—7,78,280	20,01,788	1,19,71,883	68,03,066	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	18¾xd	10	1 4	1 2	1 0		3,9	H.
6,00,000	75,000	28,54,607	17,07,588	22,33	Octavius Steel & Co., Ltd.	New Manbhoom	11¼	10	*Nil*	*Nil*	*Nil*		4,10	H.P.
1,15,000	2,85,198	13,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	17¼N	10	0 4	*Nil*	1 6	0 12f	3,9	H.
1,57,500							7¾	10	0 8	*Nil*	1 0½	0 9f		
7,50,000	12,21,553	5,17,666	3,97,666	56,646	F. W. Heitgers & Co. (Private) Ltd.	Ondal	14¼	10	2 0	1 0	1 0		6,12	H.P.
10,00,000	1,10,000	29,70,662	17,96,658	5,809	K. C. Thapar & Bros.	Oriental Coal	8¼xdN	10	0 6	0 8			12	Y.T.
3,84,000	10,562	17,58,127	8,80,798	8 018	Deepchand Kishenlall	Parasea	14¼	10	0 8	0 12			6,12	H.P.
15,75,000	16,00,000	47,70,276	25,30,275	23,843	Shaw Wallace & Co., Ltd.	Pench Valley	21¼	10	1 10	1 10	1 8		3,9	H.
22,00,500	19 17,105	1,23,09,393	35,50,855	16 846	N. B. Elias & Co., Ltd.	Ranegunge	13½	10	*Nil*	0 8	0 10		3,9	H.
12,50,000	8 53,385	35,26,765	27,73,764	38,521	Shaw Wallace & Co., Ltd.	Rewa	22	10	2 0	1 6	0 14		6,12	H.
20,50 000	8,90,000	44,95,885	18,73,118	8,90,175	Palparia Bona Ltd.	Samla Collieries	14¼N	10	0 12	0 12	0 10		12	Y.
	1 85,809	13,78,480	12,21,227	21 070	M.	Searsole	6N	2½	0 10	0 10	0 12		1	Y.
2,50,000		29 99 490	19,07 296	49,299	....	Seebpore	80½	7	1 12	2 0	2 8		6,12	H.P.
2,00,000	4,36,500	....	22,491	28,867	Andrew Yule & Co., Ltd.	Sendra	10N	10	*Nil*	0 2	0 4		6,12	H.T.
5,00,000	6 31,289	52,491	23,867	7,008	F. W. Heitgers & Co. (Private Ltd.									
69,21,450	23,77,474	4,72,97,317	3,17,80,286	7,810	Industrial Trust Fund (Governs-ment of Hyderabad)	Singareni	11¼	10	*Nil*	0 11 1/5	0 12		12	Y.T.
						South Karanpura	9¼	10	0 4	0 2	0 2		3,9	H.
17,50,000	19,84,018	37,86,108	—e14,986	—51,583	Bird & Co. Ltd.	Standard	23½	10	2 0	1 8	1 0		6,12	H.
3,60,000	13,55,395	1 09,577	26,810	17,847	F. W. Heitgers & Co., (Private) Ltd.	Talcher	2½	2½	*Nil*	.. ..	.. ..		3	Y.
10,00,000	12,950	80,82 385	18,43,509	—4,07,175	Villiers Ltd.	Union	14¼	10	1 12	0 12	*Nil*		6,12	H.
2,50,000	2,92,500	19,47,955	14,81,958	94,167	Williamson Magor & Co., Ltd. ..	Western Bengal	6¼	10	0 6	0 6	0 8	0 8	12	Y.
49,98,000	67,084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	West Jamuria	11¼	10	*Nil*	*Nil*	*Nil*		6,12	H.
7,00,000	21 589	56,46,971	23,81,698	—1,46,650	Mazeelli & Barry Ltd.									

‡—Managed by the board of directors. † Less income-tax. (e) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have)been amalgamated with New Central Jute Co., with effect from 1st December 1954.

MARKET REPORTS—Continued.

METALS BEARISH

(From Our Own Correspondent)

CALCUTTA, 24*th October*

Under the impact of advices of depressed conditions from overseas markets, the metal market depicted an easy trend. Prices of all base metals, excepting tin, moved down. The finalisation of the Indo-Chilean trade agreement was welcomed in trade and industrial circles, as prospects of more imports of copper, steel and nitrate from Chile are better. To keep with

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15,00,000	1,00,00,000	11,36,301	Allahabad Bank	350	100	18 0	18 0			12	Y.P.
14,50,000				168	50	9 0	9 0				
1,01,000				116½	100	8 8	7 8	6 8	3 12		
33,58,000	15,40,000	2,46,650	Andhra Bank	83½	70	3 4	3 12	4 8 4/5	2 10	6.12	H
1,80,00,000	1,80,00,000	3,35,546	Bank of Baroda	102	50	6 0	6 0	6 0	3 0	12	Y.
50,00,000	30,50,000	1,150	Bank of Bikaner	23	25	0 12	0 12	0 14		12	Y.
2,50,00,000	2,50,00,000	13,26,530	Bank of India	144½XR	50	7 0	7 0	8 0	3 0	6.12	R.L.Y.
15,00,375	25,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	10,00,000	41,779	Bank of Jaipur	35½	50	1 8	2 0	2 0		12	Y.
50,00,000	54,00,000	4,19,228	Bank of Mysore	261	100	16 0	16 0	16 0	8 0	12	Y.
61,21,700	55,75,013	10,969	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		12	Y.
10,00,000	20,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		6	Y.E.
7,50,000	13,00,000	2,432	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 8		12	P.Y.
2,61,11,875	4,01,81,317	18,40 859	Central Bank of India Ltd.	63	25	2 0	3 0	3 0	1 8	12	Y.P.
56,42,375 'A'				57	25	3 0	3 0	3 0	1 8		R.L.Y.
50,00,000	31,00,000	1,76,886	Devkaran Nanjee Banking Co.	48½	50	2 0	2 0	2 8	1 4	12	Y.
1,50,00,000	1,00,00,000	1,05,892	Dhanlo Bank (Z)	72N	50	4 0	4 0			12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	38½	50	1 8	1 8	2 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	11½	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13½	50	Nil	Nil			12	Y.
75,00,000	75,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	6 0	5 0		12	Y.
24,00,000				210	100	12 0	12 0	12 0	6 8	9	
15,00,000	79,75,000	1,45,140	Indian Bank	199	95	10 8½	10 8½	10 12½	6 2½	6.12	R.L.H.
15,20,000				154	70	7 8½	7 8½	7 12½	4 8½		
49,19,375	30,00,000	2,28,299	Indian Overseas Bank	151	100	6 0	6 0	7 8		12	Y.
2,25,000	5,84,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	Nil	Nil			6.12	H.
5,50,000				10½	25(B)	Nil	Nil				
10,00,000				23½	50(C)	2 0	Nil				
67,50,000	97,50,000	2,35,108	Punjab National Bank	57	25	2 0	3 0	3 8	2 0	12	Y.
1,00,00,000	23,30,000	45,597	Travancore Bank	18½	25	2 0	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	5	25	0 10	0 12	1 0		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank	57	5	0 5½	0 5½	0 6		12	Y.
					50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

				Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-16-0	£1	14†	15†	15†	12 R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£6	8†	8†	8†	12 R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,589	Hongkong and Shanghai Banking Corporation	$20½	H.K. $125	5*	5*	5*	2*1 12 Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-18-3	£5 A	14†	15†	12†	12 R.L.Y.
£1,437,295 'B'				£1-5-3	£1 B	5†	5†	5†	12 R.L.Y.
£375,000 'A'				£4-1-0	A £2½	14†	14†	14†	
£375,000 'B'	£1,750 000	£219,572	Mercantile Bank of India	£4-1-0	B £2½	14†	14†	14†	12 R.L.Y.
£750,000 'C'					C £1	14†	14†	14†	
£2,851,563	£2,104,687	£343,158	National Bank of India	£1-2-0	sh. 12½	16†	16†	16†	12 R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
			BREWERIES AND SUGAR			
12,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1962
4,00 000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1966
6,00 000	5½	30th June and 30th December	Rammugger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
16,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20 00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
35.00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96½	1st November .. 1959-64
			COAL			
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1967(a
40,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
			COTTON			
2,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1975(a)
12,68,000	6½		Jaykisor Textiles	1949	90N	1st January .. 1956-59
30 90,000	5	1st June	Tata Mills	1951	100½	 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1956(a)
1,35,90,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1954(a)
2,32,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Goa Electric Electric Supply Co. Ltd.	1945	85½	31st December .. 1970
15,00,000	5	1st January and 1st July	Sirsa (Jhansi) Electric Supply Co., Ltd	1951	96	30th June .. 1976(a)
4,84,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97½	15th July .. 1967-61
5,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1950-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1953-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1955-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1975
2,50,00,000	4	1st April and 1st October	Tata Power		92½	15th September .. 1965-76
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1943	99	31st December .. 1969
3,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1938	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	101½	1st July .. 1957-62
81,145,000	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	597	31st December .. 1966(‡‡)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1961
1 80,00,000	5	1st April and 1st October	Tata Locomotive	1950	101½	1st October .. 1960-65‖
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)‡
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1959
6,00,000	6½	30th June and 31st December	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	93½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	50	31st July .. 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1961
13,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96½	31st March .. 1959
3,86,000	5	15th January and 15th July	Empire	1951	94½	15th July .. 1956(a)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	92½	30th June .. 1957
20,80,000	5½	31st March and 30th September	Howrah Jute Mills Co. Ltd.	1955	97½	31st March .. 1957
24,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	96½	31st December .. 1956(a)
35,00,000	5	30th June and 31st December	Nahabati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	93	14th May .. 1959
26,00,000	4	30th June and 31st December	Northbrook Jute Co. Ltd.	1945	88	31st December .. 1964
5,00,000	4	30th June and 31st December	Presidency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	97	15th September .. 1965(a)
5,00,000	4½	14th March and 14th September	Serrah Jute	1937	96	14th September .. 1957
15,00,000	4½	30th June and 31st December	Union	1937	96½	30th June .. 1957
16,00,000	5½	31st January and 31st July	Waverly	1925	89	31st July 1956
			RAILWAYS ; STEAMSHIP AND TRAMWAYS			
4,50,000	4	1st January and 1st July	Barsaet Basirhat Light Railway	1939	90N	1st July .. .. 1956‖
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1956‖
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months notice (c)
£,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	95½	1st September .. 1963
			PLANTING			
10,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	102½	1st July 1957-66
12,50,000	6	31st March and 30th September	Nilgiri Tea		100½	1st April 1958-68
1,28,700	5½	31st March and 30th September	Teekoy	1944	100½	31st March .. 1949-59
			MISCELLANEOUS			
10,00,000	6	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st Decem .. 1965
56,56,900	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
4,94,100	4	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5	1st March and 1st September	Burmah-Shell	1954	102½	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Castex Oil Refining (India) Ltd.	1955	102½	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
19,95,000	4½	1st July and 1st January	The Buildings (Calcutta) Ltd.	1936	89½	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	 1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	100	1st January .. 1971(c)**
1,00,00,000	5½	1st January and 1st July	Indian Cable Co. Ltd.	1954	105	30th June .. 1969(a)‡
17,75,000	5	15th March and 15th September	Mentor Chemical Industries	1949	95½	 1964
28,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	93	30th September .. 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (Per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	103	30th June .. 1965-76
1,00,00,000	5½	31st March and 30th September	Orient Paper Mills Ltd.	1951	97½	31st March .. 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91½	31st December .. 1959
4,00,00,000	4½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	103½	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1964 but before 1-3-1967 and 1 per cent. premium on or after 1-3-1967. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. ‡ Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1956. Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‖ Redeemable by means of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a. debenture at 101 per cent. on 1st May 1965, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1963.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th October, 1956.

	Closing quotations 18-10-1956	High	Low	Closing quotations 25-10-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	200	—	—	200
Apollo (2)	2-13½	2½	2-11½	2½
Bombay Dyeing (250)	632½	632½	615½	621½
Bradbury (50)	203	205	201½	201½
Central India (100)	150	150	144½	145
Century Mills (100)	553½	553½	540	544
Colaba (100)	96½	—	—	96½
Edward Textile (200)	345	—	—	345
Elphinstone (50)	62	61	60	60½
Finlay (100)	343	344	338	340
Gokak (100)	240½	241	230½	238
Ind. Unid. Defd. (1)	2-0½	2-0½	2-15½	2-0½
Ind. Unid. Ord. (10)	12½	12-0½	11½	11½
Indore Malwa (200)	168½	160	155	156½
Khatau (100)	250½	250½	245	245
Kohinoor (100)	352	352½	342½	343
Lakshmi (250)	710	—	—	710
Madhusudhan (100)	117½	117½	113½	113½
Maharya Mills (100)	98½	—	—	98½
Model Nagpur (250)	190½	191½	188½	189½
Morarji (100)	260	—	—	260
Mysore (50)	116	116	110	110
National Rayons (100)	260	261½	254	254½
New City (100)	175	—	—	175
New Great (100)	251	253	250	251
Phoenix (100)	148½	—	—	148½
Podar Mills (100)	165	165	163½	164½
Rassoon Silk (10)	12½	12½	12	12
Rassoon Spg. (10)	45½	—	—	45½
Sholapur (1,000)	1,800	—	—	1,800
Shrinivas (100)	215	215	211½	212½
Simplex (50)	202	202½	198	199
Standard (100)	476	476½	460½	466½
Swadeshi (100)	248½	249	242	245½
Swan (100)	440	—	—	440
Tata Mill (25)	55½	55½	53½	54½
Union Bank (5)	7½	7-3½	7½	7-3½
United Com. (50)	57½	57½	56½	57
ELECTRIC COS.				
Ahmedabad (100)	94½	94½	93½	93½
Amalgamated (10)	11½	—	—	11½
Andhra Valley (1,000)	1,238½	—	—	1,238½xd
Bom. Sub. El. (100)	110	111½	109½	110½
Surat (100)	120	120	119½	119½
Tata Hydro (100)	130	131	126½	127½xd
Tata Power (1,000)	1,312½	1,320	1,265	1,265xd
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	350	—	—	360
Ind. Mercantile (20)	43	—	—	43
Jupiter (15)	6	—	—	6
New India (15)	43½	45	43½	44½
Oriental (200)	3,650	—	—	3,650
Universal (10)	12½	—	—	12½
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	34½	34½	34-0½	34½
Tata Steel Ord. (75)	194½	194½	190	191½
SUGAR COS.				
Belapur (50)	250½	251½	248½	251½
Bhopal (10)	17½	—	—	17½
Phaltan (50)	161½	162	157½	159½
Walchand Ind. (100)	276½	277½	273½	275
CEMENT COS.				
Associated Cts. (100)	194½	195	192	194½
Digvijay (100)	194	193½	192	193½
MISCELLANEOUS				
Alcock Ashdown (100)	338½	337½	326½	330
Bom. Burmah (125)	739½	741½	725½	728½
Do. (New) (50)	274½	274½	267½	270
Br. D. Petrol (4 sh.)	3½	3-6½	3-6½	3½
Br. I. Corpn. (5)	11½	11½	11	11½
C. P. Rly. (100)	74½	74½	70½	71½
Indian Copper (4 sh.)	6½	6-14½	4-4½	4-4½XR
Ind. Inv. Tr. (100)	75	75	74½	74½
Kamp (200)	200	202½	200	202½
Killicks (100)	172	173½	172	173
Polson (100)	176½	—	—	176½
Port Canning (100)	8	8½	8	8½
Premier Con. (20)	209	209	203	205
Scindia (20)	18-13½	18-13½	18½	18½
G. E. Shipping (10)	22½	22½	22	22½
Shivraipur (10)	86	87	85½	86
Tata Chemicals (10)	20½	20½	19½	20
Tata Locomotive (100)	168	169½	165	165½
Tata Oil (25)	52½	53½	51½	52½
W.I. Match (100)	175	176½	175	176½

GOVERNMENT SECURITIES	19-10-1956	Gross Yield Earlier Redemption	Later Redemption	25-10-1956
	Rs.			Rs.
2½% 1951	93½	—	3.96	93½
2½% 1950	96½	—	3.74	96½
2½% 1962	92½	—	3.80	92½
3½% 1976	83½	—	3.97	83½
3% 1987	99½	—	3.25	99½
3% 1988	99½	—	3.24	99½
3% 1949-51	97½	3.75	3.45	97½
3% 1964	94½	—	3.80	94½
3% 1962-65	94½	3.93	3.74	94½
3% 1966-68	92½	3.91	3.76	92½
3% 1970-75	89½	4.02	3.80	89½
3% 1824 Con. Loan	74½	—	4.02*	74½
4% 1969-70	100½	3.80	3.83	100½
4½% 1958-68*	102½	3.95	4.22	102½
3% 1961 N.E. Bonds	99½	—	3.70	99½
3½% 1964 N.E. Loan	98½	—	3.71	98½
3½% 1965 N.E. Bonds	98½	—	3.71	98½
3½% 1962	97½	—	3.84	97½
3½% 1967 N. E. Bonds	98½	—	3.87	98½
3½% 1974	98½	—	3.87	98½

BRITISH GOVERNMENT SECURITIES

	Closing quotations 15-10-1956 £			Closing quotations 22-10-1956 £
2½% Brit. Consols	52½	—	—	52½
2½% Savings Bonds 1965-75	73½	—	—	73½
5% War Loan 1945-65	95	—	—	95½
3½% War Loan	72½	—	—	72½
4% Victory Bonds 1976	90½	—	—	90½
4% Funding 1960-90	86½	—	—	86½

* Current Income x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

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REORGANISATION OF STATES

INDIA has reached this week a new stage in its political journey. The political map has been re-drawn for the third time in the last ten years. At first, there was Partition which was followed by the merger and integration of Indian States with the rest of the Union. These two stages were not without their share of troubles and tribulations. But, by and large, they affected only isolated regions. The third stage, namely, the reorganisation of the States mainly on a linguistic basis, has shaken the entire country to its roots. Many sensitive spirits were profoundly anxious lest the feelings of linguistic separatism should endanger the unity of the country. In any case, no one can deny that this stage has been the most difficult one in the country's political march. For this reason, if not for any other, all patriotic Indians will wish that this will be the final re-drawing of the Indian map, and that, in future, all time and energy will be spent on the more enduring task of ensuring constructive unity through purposive co-operation. This, of course, presupposes a certain measure of what Mr. Nehru, with his intuitive grasp of the country's problem, has termed "emotional integration." The present generation of politicians, educationists and public men owe it to posterity to foster the spirit of such integration.

Although linguistic chauvinism of the type that marred India's national life in recent months is an entirely new development, there is no doubt that the demand for linguistic reorganisation of the country has at least a history of three decades. In its Nagpur session, held in 1920, the Indian National Congress accepted it as one of its political objectives. The Congress continued to adhere to it till 1948. The early advocates of the linguistic idea, who saw in it nothing more than a certain degree of administrative convenience and cultural co-operation, would themselves have been shocked to witness the more recent manifestations of the linguistic movement. The Dar Commission, which was appointed by the Constituent Assembly in 1948, expressed the view that, in forming provinces, the emphasis should be primarily on administrative convenience and the principle of homogeneity of language should only subserve that end. The J.V.P. Committee, the report of which was adopted by the Congress in April 1949, was the first to utter a note of warning against the linguistic principle. It averred that language was not only a binding force but also a separating one and insisted that the primary consideration should be the security, unity and economic prosperity of India and all separatist and disruptive tendencies should be rigorously discouraged. Nevertheless, linguistic movement continued to grow. And the Government conceded—unwisely as later events seem to show—the demand for Andhra in 1952. This gave a further fillip to the linguistic movement and the States Reorganisation Commission (S.R.C.) was constituted in December 1953. Perhaps, no commission appointed by the Government had a more arduous task to perform. It interviewed no less than 9,000 persons and considered no less than 152,000 memoranda from individuals, parties, and associations, before it submitted its report on 30th September 1955.

Barring the creation of the bilingual Bombay State, the States Reorganisation Bill which received Presidential assent on 31st August 1956, closely follows the S.R.C. recommendations. Apart from Jammu and Kashmir State, which is a Part-B State, there are 13 States and five Union territories, i.e., Delhi, Himachal Pradesh, Manipur, Tripura and the Laccadive, Minicoy and Andaman islands. The following are the new States of the Indian Union with their respective areas (in square miles), as well as population (in millions) given in brackets:

Andhra 105.963 (31.26); Assam 89.040 (9.7); Bihar 67,300 (38.8); Bombay 190.919 (48.0); Kerala 15,035 (13.5); Madhya Pradesh 171,201 (26.0); Madras 50.110 (30.0); Mysore 74,326 (19.0); Orissa 60.140 (14.6); Punjab 47,456 (16.0); Rajasthan 132,078 (15.9); Uttar Pradesh 113,410 (63.2); W. Bengal 33,805 (26.3)—Jammu and Kashmir 92,780 (4.4).

It will be seen from the figures given above that Uttar Pradesh is the largest from the point of view of population (63.2 million) and Bombay is the largest in point of area (190,919 square miles). The other States too differ in size and population. The Bombay State has received 19.7 per cent. of the cultivated area and 11.2 per cent. of the foodgrains production. Madhya Pradesh's share being 11.8 per cent. and 11.3 per cent., respectively. Uttar Pradesh accounts for 13.7 per cent. of the cultivated area and 21.1 per cent. of the foodgrains production. If Uttar Pradesh is likely to exercise a great influence on Indian administration by virtue of its large population, the Bombay State can do so by reason of its financial resources. The bilingual State is expected to have the largest revenue budget of any State in India. The outlay on its Five-year Plan, which was already the highest for any State in the country, will further go up through reorganisation of its boundaries. Its outlay originally was Rs. 266 crores. The loss of a few districts to the Mysore State will reduce it to Rs. 230 crores. But the addition of other regions, namely, Saurashtra, Kutch, Vidarbha and the Marathawada districts of the former Hyderabad State will swell the outlay on the Five-year Plan to Rs. 315 crores. Clearly, the State's Five-year Plan will be the largest of its kind and its implementation will require a great deal of imagination and judgment, both because of the magnitude of the outlay and the diversity of the regional problems in the State.

From the larger national point of view, the more important of the tasks confronting the Government lie in the sphere of integration. The process of linguistic division having been completed, it should now be the endeavour of all thinking men to forge the bonds of unity rather than harp upon sectional interests. This is particularly important, because the linguistic movement has released, as well as whipped up, all the latent disruptionist forces in the country. The S.R.C. itself clearly visualised that this danger was inherent in linguistic separatism. It warned against any tendency to lose sight of the wood of Indian nationalism in the quest for the trees of separate linguistic States. It said:

"It is the Union of India that the basis of our nationality. It is in that Union that our hopes for the future are centred. The States are but the limbs of the Union, and while we recognise that the limbs must be healthy and strong and any element of weakness in them should be eradicated, it is the strength and the stability of the Union and its capacity to develop and evolve that should be the governing consideration of all changes in the country. Regionalism has a legitimate place in a country as large as India, but, unless its limitations are recognised, and the supremacy of the Union not merely in the political but also in in the economic thinking of the country is fully accepted, it will be a source of weakness to us as a nation. If this is generally realised, we have no doubt that the issues arising out of the reorganisation of the States will not be allowed to assume the proportions of major political controversies."

The future of the country's progress will depend on the extent to which these sentiments find an expression in official and non-official attitudes and policies. What are the means by which regional loyalties could be allowed free play without endangering national loyalty? What measures are necessary in order to ensure that the regions do not waste their energy on inter-regional disputes but contribute to national well-being and progress? The States Reorganisation Act has provided for safeguards for linguistic minorities; this is a good safety-valve for minor discontentment within each State. A major device is that of the zonal councils. The Act provides for the creation of five zones and a council for each of the zones. It is to be hoped that these zonal councils will meet often enough to exchange thoughts and ideas and will, in course of time, establish conventions by which a certain measure of administrative uniformity is achieved in the zones.

No steps have been taken for bringing about administrative integration through the creation of additional cadres of all-India services; this was one of the vital recommendations of the S.R.C. The S.R.C. also recommended that 50 per cent. of the new entrants in any cadre of an existing all-India service should be from outside the State concerned. This has not been implemented, much less accepted even in principle. Actually, a disturbing symptom is that, in all the new States, the administrative officers have all been drawn mostly, if not solely, from among the linguistic regions concerned. It is well known that the new States have all virtually decided in favour of carrying on their administration in their respective languages. To a certain extent, this is both desirable and unavoidable. But it is to be hoped that, at least in the higher levels of executive administration and judiciary, the States will realise the wisdom of carrying on their work in a single all-India language. What should that language be? In the immediate and foreseeable future, there is no doubt that the language should be English till such time as Hindi could be developed as a satisfactory substitute. Indeed, it is being increasingly realised that any hasty replacement of English by the Indian languages or by Hindi will create a wide range of transitional difficulties of bewildering complexity.

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MR. NEHRU'S ECONOMIC THINKING—II

IN his Press Conference at Calcutta a fortnight ago, Mr. Nehru made certain remarks on private enterprise which implied loss of faith on his part in the virtues of capitalism. He observed:

"The chief alleged virtue of the capitalist system is competition between hundreds and hundreds of thousands of producers and that, by competing, they improve their conditions and keep a balance in the economy. That, to some extent, had been true of the early days of capitalism. But that is not true today in regard to many basic commodities, where huge industries and combines function. So, the basic feature of capitalism has disappeared from the modern capitalistic system. For instance, there is no competition in oil. The price of oil is now fixed at Gulf of Mexico prices even for the oil produced in India. Just imagine! The oil produced in Assam is as costly as that produced in England. This is fantastic. Then, there are huge combines in chemical . . . soap and other industries. They do not permit any competition and lay down terms and conditions and prices at which their products are to be sold. The competitive character which is the fundamental basis of the capitalistic system has rapidly disappeared."

Briefly commenting on the above quotation, we stated in these columns last week that the Prime Minister was not properly informed of the trends in modern capitalism. In this article, we shall try to substantiate our contention.

At the outset, it must be said that there is nothing new in the kind of criticisms that were levelled against capitalism by Mr. Nehru. Nor is there going to be anything new in what we propose to say, for anyone who reads a good book on the growth of this system—there are several books on this subject—will see long chapters presenting both sides of the picture. But a dispassionate observer will not fail to notice that the criticisms against monopolies and oligopolies frequently trotted out by their critics are one-sided and exaggerated. The U.S. is one of the capitalist countries where large business combines answering the description of monopolies and oligopolies exist. Four years ago, Dr. J. K. Galbraith, a distinguished U.S. economist, who was recently in India at the invitation of the Government to examine the Government's plan for development of railway transport, published a thought-provoking book entitled *American Capitalism*, a perusal of which will show to what extent and why our Prime Minister is wrong in saying that the virtues of the capitalist system have ceased to exist. In this book, the author examines how the management of several important industries in the U.S. has come to rest in the hands of a few giant corporations and proves convincingly that, instead of holding mankind to ransom by suppressing inventions and technological progress, they have been able to bring immense benefits to it, thanks to the large resources they are able to command and invest in research. While there is not much competition among them in the ordinary sense in which it is understood, namely, competition in prices, there is a progressive trend among the giant corporations to compete among themselves in research, in producing new products, or in improving their quality. This competition enables them to serve consumers better than mere price competition.

It is necessary, in the first place, to understand why, in a capitalist society, there is, after a particular period of growth, a tendency for giant corporations to come into existence in certain industries. There are, of course, certain sections of any economy which constitute an exception to this trend. Agriculture, textiles, coal-mining, shoe-manufacturing, and wholesale and retail trades are notable examples of those walks of life where, generally speaking, the number of producers does not shrink with the growth of industrialisation. But there are certain other industries, especially engineering, chemicals and rubber manufacture, in which, after some growth, only the most efficient units survive; the less efficient ones either merge with the former or gradually cease to exist. The process by which an industry moves from the hands of many to those of a few should not be misunderstood. To regard this tendency as something that leads to an unhealthy concentration of economic power is to miss the point. The following extract from Dr. Galbraith's book will show that the causes of this trend are deeply organic:

"Except in industries where the maximum advantages of size are realised at a relatively small volume of production—agriculture, some types of trade, and some few fields of mining and manufacture—entry into an industry is easy only when it is very new. Then the recruitment of capital by all is based on hope and promise and it is impossible to distinguish the promise of an embryo Ford from that of an embryo Preston Tucker. No aspirant has the advantage of organisation and experience; none has achieved the status of a comparatively sure thing. Since all are beginners, all are small, and the capital requirements for any one are modest. With the growth of the industry the firms already in operation also grow. In doing so, they realise whatever technical economies there may be in larger-scale production and the successful ones also acquire, either directly from earnings or from their reputation for making them, the wherewithal in new capital for future growth. These firms also acquire—a point somewhat neglected by economists—the economies of experience. The development of an industrial enterprise is a fairly intricate task in organisation and administration. It can only be accomplished easily when it is accomplished slowly—when there is opportunity to search for talent, to try new men out a few at a time, and when there is leisure to re-assign, promote to innocuousness, or detach with regrets, the inevitable mistakes. Only a little of this can be afforded at any given time."

There is, however, no need to get alarmed over such a trend, because any attempts on the part of the few giant corporations to blackmail society through collusion and understanding can be easily checked by the State. It should be quite possible for a vigilant government to police competition and keep it free from unhealthy understandings. Experience of the U.S. and the U.K. clearly shows that control of big business is not likely to be very difficult, for large firms are sensitive to the charge that their practices are suspect or lacking in public spirit. In fact, there is a pronounced tendency among them to maintain and follow scrupulously accepted standards of propriety, honesty, and integrity, in order to raise themselves in the eyes of the public. In India, too, though there are hardly any giant corporations of the size that one sees in the U.K. and the U.S., the experience with such of those big industrial concerns as there are—the T.I.S.Co. and the A.C.C., for instance—is no different.

THIS ISSUE

[As we have to go to press two days earlier than usual on account of Deepavali *and Hindu New Year, it has become necessary to omit many of our customary features and publish a small issue this week. —*ED.]

A major compensation for the disappearance of price competition in those industries which are in the hands of a few corporations is technological advance. Stressing this point, Dr. Galbraith says: "A benign Providence, who, so far, has loved us (Americans) for our worries, has made the modern industry of a few large firms an almost perfect instrument for inducing technical change. It is admirably equipped for financing technical development. Its organisation provides strong incentives for undertaking development and for putting it into use. The competition of the competitive model, by contrast, almost completely precludes technical development." In order to enable one to appreciate the force of this argument, it may be added that technical development has ceased long since to be the preserve of the scientist and the engineer. To quote Dr. Galbraith again:

"Most of the cheap and simple inventions have, to put it bluntly, been made. Not only is development now sophisticated and costly but it must be on a sufficient scale so that successes and failures will in some measure average out. Few can afford it, if they must expect all projects to pay off. This was not the case in the late eighteenth and the nineteenth century. Then, in the beginning stages of the applications of science and technology to industry and agriculture, there was scope for the uncomplicated ingenuities of a Hargreaves or a Franklin. The competition of the competitive model (the ideal of ancient economists) encouraged such ingenuity and assured the spreading of its fruits. As elsewhere, the competitive model had great appropriateness to the industrial society which it was designed to interpret. Its designers were not abstruse theorists or dolts. It is the society they interpreted that has changed. Because development is costly, it follows that it can be carried on only by a firm that has the resources associated with considerable size. Moreover, unless a firm has a substantial share of the market, it has no strong incentive to undertake a large expenditure on development."

It is because of these considerations that Dr. Galbraith asserts "that there must be some element of monopoly in an industry, if it is to be progressive."

One of the popular criticisms against domination of an industry by a few firms is that they will sit not only on production but on progress as well, by suppressing inventions and patents. At one time, this view was not incorrect. But, at present, it is not wholly true even as a generalisation, because the Governments of almost all Western countries have effective powers to prevent such collusion. Moreover, in such models" and compared their progress in the field which set great store by progress, "technical progress," as Dr. Galbraith points out, "is an important source of business prestige. An American business concern simply cannot afford the reputation of being unprogressive." In order to illustrate the advantages conferred by big business combines on free economies, the distinguished American economist has given a few instances of industries which are "competitive models" and compares their progress in the field of technological advance with that of industries falling under the group of monopolies and oligopolies. An impressive example is provided by a comparison of the oil industry with the bituminous coal industry. As Mr. Nehru made a particular reference to the oil industry, it will be in the fitness of things to quote this example as described by Dr. Galbraith:

"The oil industry is an unquestioned oligopoly; in any market area, there are a few large firms and the characteristic fringe of independents. Over the years, it has been under repeated attack for violation of the anti-trust laws; it has rarely been free of suspicion of holding prices above the level that would be associated with more vigorous price competition. Profits have generally been excellent. Yet, few would be inclined to trade the oil industry for the bituminous coal industry which, abstracting from the stabilisation operations of John L. Lewis, approaches the competitive model.

"The oil industry is clearly progressive—almost as progressive, perhaps, as the uncommonly attractive brochures of its member companies unreluctantly concede. As the result of its enterprise in petroleum exploration and recovery, in developing new products, and in engineering new methods of transporting both petroleum and products, the consumer of gasoline and fuel oil has been a far more fortunate man than the consumer of coal. The continuing shift of customers from the admirably competitive coal industry to the dubiously competitive oil industry emphasises the point.

"It seems reasonable to suppose that, if the same technical talent that has been devoted to the search for oil, or to its utilisation, had been brought to bear on coal-mining in the last half-century, the coal industry would be very different from what it is today. New techniques of recovery might long since have been developed. Men would no longer toil like moles in mining operations that under the most favourable conditions are hazardous and highly inefficient . . . an unpleasant, uninspiring and none too healthy occupation."

It will be seen from the foregoing quotations from Dr. Galbraith's book that monopoly and its counterpart oligopoly are not such great evils as is made out by the critics of modern capitalism. Several public enquiries have been held in the U.S., especially after the Second World War, by the Government of that country and by the courts competent to go into their cases. And the very fact that, after all these enquiries, they have been allowed to exist is proof enough that there is something good about them and that the American society, which is free and democratic, stands to lose more than it can gain by ordering a dissolution of the industrial giants. In our next issue, we shall indicate the experience of Britain—another democratic country—in this field and also examine Mr. Nehru's pithy remarks on the price policy of oil companies.

BULLS IN SHARES STILL HESITANT

U.S. FUNDS TO BANKS' RESCUE?—GUEST, KEEN'S NEW ISSUE—MORE ON FREE TRADE ZONE

TUESDAY, 5 P.M.

ON the eve of the festival of lights and the Hindu New Year's Day, the share market is hesitant. Although equities have recovered a little from the lowest levels to which they had receded earlier and the list shows a large sprinkling of gains over the week, there are no signs of buying fervour returning on any perceptible scale. The impression among the leading brokers is that the market is well liquidated and that values have gone down to levels which are fairly attractive, from the long-range point of view. But bulls are reluctant to venture again. Accordingly, the *Moorat* trading on Friday, 2nd November 1956, is likely to be colourless, unless between now and then some new developments emerge. There are several reasons why bulls are not enthusiastic. First, they are afraid that there may be some fireworks against private enterprise and investors at the forthcoming session of the All-India Congress Committee. In attempting to give a more precise definition of the Congress Party's goal of socialism in the election manifesto which is expected to be finalised at this meeting, the scales, it is feared, may be weighted against the private sector, property-owners and landlords. Mr. Nehru's strictures on those State Governments which are reluctant to fall in line with the ideas of the Planning Commission on land reform and agricultural co-operatives and his caustic remarks about capitalism a fortnight ago at Calcutta may be regarded as sufficient grounds for these fears. It will not be surprising if Mr. Eugene Black is criticised further by some Congressmen for writing the letter he did to Mr. T. T. Krishnamachari. The capital that is being made by some of the left-wingers in Britain out of this development is said to be encouraging them to rail at him. In refreshing contrast to their British confreres, the Indian socialists and other leftists have chosen to remain silent on Mr. Black's observations. Surprising, is it not!

MARKET GOSSIP

Secondly, in some parts of the country, there is evidence of growing appeasement of labour at the expense of investors. The abolition of the Appellate Tribunal seems to have encouraged some of the adjudicators to throw all caution to the winds and give liberal increases in the emoluments of workers. The Plantation Labour Award in Madras is a typical instance. Another is the Award relating to payment of bonus to workers employed in cotton mills at Coimbatore, Salem and Palani, to which a reference was made in our last issue. On a rough estimate, it appears that cotton mill workers alone will get about Rs. 9 crores by way of bonus this year, of which Rs. 2.5 crores were paid this week to the workers in Bombay City itself. The Madras share market estimates the burden of the Plantation Award on the estates at not less than Rs. 12 crores, with a recurring charge of Rs. 2.5 crores per annum. Then, there are the pressing demands for more wages from Port Trust workers and employees of the Insurance Corporation, not to mention the general demand of the I.N.T.U.C. for an increase of 25 per cent. in the wages of all workers. With the General Elections not far off, it remains to be seen whether the Government will sternly say "no" to these claims. The decision to extend the facilities of the Employees' State Insurance Scheme to all members of industrial workers' families, even though the workers in rural areas and agriculturists are being neglected, and the serious proposals that are being put forward to associate the workers with the management of companies in the name of "industrial democracy" are pointers to the direction in which the wind is likely to blow on the labour front in the coming weeks.

Thirdly, though no concrete decisions were taken at the bankers' meeting with the Finance Minister on Monday as regards the measures to be adopted to prevent any further stringency in the short-term money market, there is an impression that the authorities will not be averse to a stiffening of rates of interest charged by banks on loans and advances. In any case, accommodation for speculation in shares will become extremely difficult.

Fourthly, it is felt that, after some of the first class new issues now pending are absorbed, the large lot of the new shares of the Indian Iron and Steel Company, Ltd., may prove a heavy drag on the market. The marked slump in the value of A.C.C. Rights from Rs. 62 in mid-September to Rs. 47 this week has raised doubts whether the new capital of Indian Irons will be taken up by investors without difficulty.

While these are the four principal reasons for the hesitancy of bulls, encouraging reports from Washington about the prospects of the World Bank giving a big loan to India and the assertion of the Prime Minister in Delhi early this week that there are no serious differences of opinion between the Bank and the Government of India must have deterred the bears from increasing their activity in the market. Also, the statement by both Mr. Kasturbhai Lalbhai and Mr. Dharamsey Khatau to the effect that the present dislocation in cloth trade is only temporary and that within a few months the offtake of cloth will, once again, become buoyant must have put them on their guard.

Stringent conditions continue in the money market, though there has not been any rise in interest rates. Banks cannot afford to pay more for deposits, so long as they do not step up their rates of interest on loans and advances. Although there is no statutory control on these latter rates, none of the banks is prepared to take the initiative due to fear of loss of business to another. Further, an influential section of banks feels that a mere increase in interest rates on deposits will not lead to any appreciable increase in the flow of fresh money into the banking system. It is, therefore, opposed to any rise in interest rates. No indication is available about the official mind on this subject. There seems to be an impression in these quarters that there is room for pruning down the advances of Scheduled banks, as a part of the advances is said to be for purposes which are not the normal business of commercial banks to finance.

This criticism is apparently based on the belief that banks are financing, on a fairly substantial scale, fixed capital expenditure of industries, which can very well be left to be taken care of by the special institutions that exist for this purpose, as, for instance, the Industrial Finance Corporations and the Industrial Credit and Investment Corporation. It is argued that, so long as commercial banks readily give funds for capital expenditure, there will be little inclination among industrialists to go to the long-term institutional lenders whose money costs more. It is accordingly suggested that the Reserve Bank should exercise its powers for applying selective credit controls. There appears to be considerable force in this contention. While adequate data are not available to indicate the volume of funds thus locked up by commercial banks, the fact remains that the I.C.I.C. is not being actively made use of by the industrialists and that the turnover of Industrial Finance Corporations could be much larger than they are.

Bankers were highly appreciative of the informal meeting they had with the Finance Minister on Monday this week, when there was a discussion of banking and monetary trends and of the measures necessary to meet the credit requirements in the coming busy season. They were very pleased that Mr. T. T. Krishnamachari took the trouble of coming here all the way from New Delhi, in order to get a firsthand idea of the position of the market and to hear in person what they had to say on this subject. They felt that such personal contacts between the Treasury and the banks would be very useful to both and hoped that there would be more meetings of this nature in future.

The talks on Monday were mainly of an exploratory nature. They related to the rising trend of bank advances, the relationship between deposit rates and advance rates, the impact of the large import surpluses during recent months on the domestic money supply, delays in the payment of supply bills by the Government and the small increase in bank deposits as compared with the rise in note circulation. Most of the talking, we learn, was done by the bankers. The Finance Minister listened patiently and said very little. It is not yet known in what way the banking system will be assisted by the Reserve Bank during the coming busy season. But it is obvious that the easiest way would be to liberalise the conditions under which usance bills are discounted and to widen the scope of this scheme. Mr. Krishnamachari is, however, a man of ideas and it will not be surprising if he decides to utilise the stringency in the money market to get some extra income for the Government. It is possible that he may make available to the banking system a portion of the counterpart funds of U.S. aid to India, provided the commercial banks are prepared to co-operate with the Government. While it is too early to give any details of this move, a sum of Rs. 25 crores to Rs. 30 crores may be placed at the disposal of the short-term money market through a syndicate of banks.

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As regards other markets, the Gilt-edged is quietly steady but thin. The downward trend in Central Government loans has halted, though the selling pressure in some of the 4 per cent. State loans, particularly of Bombay, Madras and Uttar Pradesh, persists. There has been a slight improvement in bullion due to good demand in the spot section. A net rise of Re. 1 in silver and Re. 1-7 in gold is noted since Wednesday last. The bulls, however, are afraid of increasing their commitments, as the future of forward trading, now under the active consideration of the Forward Markets Commission, is extremely uncertain. Among commodities, both oilseeds and cotton are firm, with some appreciation in their prices. Foodgrains also are ruling strong. Reports from North India suggest that the recent heavy rains and the consequent floods have inflicted considerable damage to standing *kharif* food crops and adversely affected the prospects for *rabi* crop also. Water-logging has delayed sowing and the extra moisture in the soil is not conducive to securing good crops.

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The European "free market" proposal to which we made a reference in these columns (*vide Commerce* dated 6th October) is getting wider and wider measure of support in the U.K., though French non-official opinion has very nearly crystallised itself in a form that is antagonistic to it. To take the French criticism first, The President of the Employers' Federation, Mr. Villiers, says that the provisions of the scheme would neither permit the necessary mutual adjustment of the economies of the countries, nor the avoidance of economic and social troubles which would bring about hostile reactions to the common market. Economic integration, according to a survey conducted by this Federation, would be doomed to failure if it were not preceded by the adoption of a special decree of unification in the monetary field and in the field of economic policy. Two other points made out in the survey are: (1) A certain degree of protectionism *vis-a-vis* the outside world is necessary, at least at the beginning of the common market; and (2) the overseas territories of the participants also should participate in the common market.

So far as the U.K. is concerned, no definite commitment has been made by the Government in respect of the European "common market" proposal. It is believed that a White Paper on the subject will soon be published, to be followed by a debate in Parliament. A reference to the subject, made by Mr. A. R. W. Low, Minister of State, Board of Trade, will be read with some interest in this country, in view of the fact that it contained remarks about imports of Indian cloth into the U.K. Speaking at the final session of the Cotton Board Conference, held at Harrowgate, Mr. Low said that, so far as the cotton industry was concerned, the two points which seemed to worry traders about the common market plan were the inter-relationship between the proposal and the problem of Hongkong and Indian imports and the threat of unfair trade practices in the free trade area in Europe. He added: "I do not think these proposals alter in any way the position of Commonwealth imports. The system the Government is considering allows the principle of Imperial Preference to continue. You should also remember that you now enjoy preference on exports within the Commonwealth several times the value of the imports (Hongkong and Indian) concerned." On the future of trading practices within the free market area, Mr. Low said he would expect that, before any pact was drawn up, undertakings would have to be given that the countries concerned would not resort to the use of subsidies and dumping. Despite this assurance, opinion in U.K. textile circles, it is believed, is not in favour of the common market idea.

Naturally, the opinion of trade and industry on a subject of this kind cannot be unanimous, for each section will tend to look at it from the way it is affected by the proposals. From this point of view, it is noteworthy that several sections in the U.K. are inclined to think that the whole idea deserves to be pursued. The *Journal* of the Birmingham Chamber of Commerce writes: "On balance, the argument in favour of Britain's participation in the free trade area, and as far as may be, in the common market, appear to outweigh those against it." Sir Graham Hayman, President of the Federation of British Industries, averred, in the course of a speech at Liverpool, that the prosperity of the U.K. was closely linked with the economic stability of Europe and that the proposal for free market demanded their "earnest consideration." He described the proposal as "daring and far-reaching" and said that "to a large extent, its effects are immeasurable."

The six European countries concerned in the proposal represented about one-eighth of the U.K.'s total export trade, worth today about £400 million. Other Western European countries, Sir Graham pointed out, might associate themselves with the plan and thus involve about a quarter of present U.K. exports. "If we refuse to associate ourselves with this plan," said Sir Graham, "we run the risk of a serious degree of exclusion from a great and growing market on our doorstep, which in time might also develop into an increasingly potent competitor in Commonwealth and other markets. At the same time, our links with the Commonwealth countries which are of great importance to many of our industries, and represent in total one-half of our exports, cannot be sacrificed." They might need to be reviewed from time to time, for Imperial Preference was turning out a handicap rather than an advantage to cotton textiles and certain other industries. But there were solid reasons why Commonwealth links must be safeguarded. The Government appeared to accept this view, and supported the assumption that Imperial Preference need not be radically disturbed. The proposal, he declared, must be considered in the light of the radical changes in world conditions and trade, and not prejudged by reference to the position in the 1920's, when the U.K. was practically the only free-trade country in an increasingly protective world. To-day, the position, he said, was reversed and Western Europe, in particular, was moving away from protection towards greater freedom of trade.

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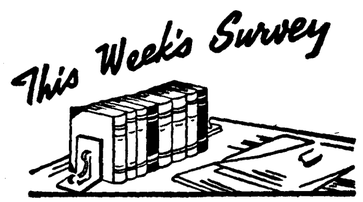
Investors in equities, who have been keenly awaiting the issue of ordinary shares of Guest, Keen, Williams Ltd., will be glad to know that the list for this issue opens on the 7th inst. As will be seen from the detailed prospectus published elsewhere in this issue, the Company offers 589,400 ordinary shares of Rs. 10 each at Rs. 20 per share, that is, at a premium of Rs. 10 per share. Although the offer is being made at a time when the money market is experiencing acute stringency, there is every reason to believe that the shares will be avidly taken up by the public. For, in the first instance, it is a small-priced issue and the minimum number of shares for which applications are invited is 50, so that it is within the capacity of small investors. Secondly, the yield even on the basis of the dividend of 17.5 per cent. paid for 1955 is very attractive at 8.75 per cent. per annum, free of income-tax; the dividend for the current year is expected to be 18 per cent., if not more. Thirdly, the outlook for the Company is quite good, as will be shown presently. Fourthly, the shares are approved investments within Section 27A of the Insurance Act. Fifthly, after the shares now being offered are allotted, the Company is likely to come within the purview of Section 23A of the Indian Income-tax Act.

(Continued on page 871)



U.S. ECONOMIC EXPANSION

THE U.S. economy has been passing through a record level of prosperity, and, according to authoritative sources, the pace of increase in prosperity witnessed in the first half of 1956 will continue for the rest of the current financial year and well into the next year. Addressing recently a week-end assembly at Oberlin College, Mr. Arthur Burns, Chairman of President Eisenhower's Council of Economic Advisers, pointed out that, "in another ten years, our nation's total output of goods and services, which is currently proceeding at an annual rate of about $414,000 million, may approach the $600,000 million mark." The factors which have brought about a "wide diffusion of economic prosperity and well-being in recent times," to quote him further, were:

"First, jobs have been generally plentiful during the past decade. . . . Total civilian employment, which rose from 55,250,000 to 61,250,000 between 1946 to 1952, is averaging 65 million this year. Second, a progressive shift has taken place from low-paid and unskilled occupations to better-paid and more interesting work. Ordinary labourers, who constituted 17 per cent. of the work force in 1940 and 12 per cent. in 1950, number less than 10 per cent. now. On the other hand, the professional and managerial group currently accounts for 19 per cent. of the work force, in contrast to 14 per cent. in 1940. Third, small and independent business continues to be an important gateway of economic opportunity, despite the spread of giant corporations. Over four million independent concerns are presently engaged in various types of business and their number is growing. . . . Fourth, our progressively rising national income is being shared widely. In 1955, 54 per cent. of American families had a money income of $4,000 or higher, in contrast to 42 per cent. with equivalent real income in 1947 and 48 per cent. in 1952. . . . Fifth, the average price level has been nearly stable in consumer markets since the early months of 1952. In consequence, the savings recently accumulated by people through bank accounts, life insurance policies, pension funds, and savings bonds have remained virtually intact for meeting life's contingencies and opportunities. . ."

These are impressive gains. More recent trends indicate that a little over 66 million have been gainfully employed, and the figure of the unemployed at 2 million was the lowest for the past three years. Aggregate sales of manufacturers, wholesalers and retailers were $1.500 million more in August this year than a year ago, and are still continuing to rise. Moreover, personal income in August 1956 was at an annual rate of $328,200 million which represented an increase of $19,500 million more than that of August 1955. Factory workers' average hourly wages in September, on the other hand, reached a new record rate of $2, and average weekly wages were $81. Again, little sales resistance is noticeable to the increasing prices for finished goods and business men are confidently increasing their borrowings. All this is happening, despite interest rates remaining at their highest since 1952.

This seemingly satisfactory picture, however, does not truly reflect those features of the U.S. economy which have given cause for some concern. Some expert observers have taken pains to warn the nation of the dangers of too fast an expansion of the economy. Recently, for instance, the Vice-Chairman of the Board of Governors of the Federal Reserve System, Dr. C. Canby Balderston, declared that, though the long-term prospects for the country's economy were superb, they would be lost if immediate problems were not successfully grappled with. These immediate problems are the direct outcome of excess demand over supply and the resultant increases in prices, cost structure, and speculation. He pointed out that, in the current "tight money" market, the purchasing power of the dollar was at stake, and emphasised the need for pursuing credit policies "designed to prevent excessive credit expansion."

A similar warning came from Mr. Cola G. Parker, President of the National Association of Manufacturers. He said that the economy was running ahead too fast and it needed to slow down for a "digesting period," which might be expected to occur by about the middle of the spring of 1957. He further warned that the greatest single threat to the nation's economic health was that wage increases were running ahead of productivity.

Mr. David Rockfeller, Executive-Vice-President of the Chase Manhattan Bank of New York, similarly expressed anxiety over the rapid expansion of business spending. According to the Commerce Department, business expenditures in 1956, on a seasonally adjusted annual rate, reached a total of slightly over $35,000 million or 23 per cent. higher than the outlays for 1955. Mr. Rockfeller was of the view that the expansion programmes undertaken by a number of industries would raise their capacity at a rate faster than their sales could be expected to grow in the near future. Further expansion, he felt, would lead to a "bunching of growth that could lead to very difficult adjustments in the economy as a whole."

The malady of the U.S. economy is thus over-rapid expansion of prosperity which, if taken too far, has the potentialities of leading to a slump. There is thus a great deal to be said in favour of checking further undue expansion of credit and production leading to higher and higher prices. It is to be hoped that the warnings uttered by leading men in the country will have a salutary effect and greater caution will be applied in undertaking programmes of expansion.

ECONOMIC RESEARCH

In India, the need for undertaking research in applied economic problems on an objective and independent basis has never been felt more keenly than now. There is considerable controversy over the merits and demerits of the private and public sectors in the country's economy. Again, there is a growing tedency to introducing ideological considerations in the realm of economic affairs. It is this tendency which imparts urgency for enlightening the general public of the dangers of an economy based on such considerations. Viewed thus, the establishment of the National Council of Applied Economic Research at New Delhi, with the primary object of undertaking, aiding and promoting research in economic and industrial problems "on an entirely objective and independent basis," has, indeed, come not a day too soon. The Council has as its Director-General, Dr. P. S. Lokanathan, one of the distinguished economists of India and the first Executive Secretary of the Economic Commission for Asia and the Far East, a U.N. organisation. The scope and work of the Council were lucidly explained by Dr. Lokanathan at a Press Conference in Bombay on Wednesday last week.

The Council enjoys, according to Dr. Lokanathan, the benefit of co-operation of the Government of India, as well as of the business community. On the Governing Body of the Council are leaders in the economic life of the community, including Ministers, high-ranking officials and outstanding business men, all of whom serve in their personal, rather than representative, capacity. Its President is an ex-Finance Minister of India, Dr. John Matthai, himself a distinguished economist. The Ford Foundation has made a liberal grant—about $500,000—towards the initial expenses of the Council. The research work conducted by the Council will be either at its own initiative or at the instance of Governments—Central or State—business concerns, associations or individuals who may seek the assistance of the Council for analysing and finding solutions to specific problems in the planning and management of industrial and other undertakings.

A striking feature of the Council is that it will largely be self-financing in respect of most of its operations. For it is the intention of the Council normally to charge a fee to cover the costs of the research projects undertaken by it on behalf of Government or private industry or any other agency. What is more, the Council hopes to contribute to the training of research workers and, for this purpose, proposes, at the appropriate time, to organise a training programme and to award research studentships and fellowships. It also hopes to be of service to institutes and organisations outside India having similar objectives; it is empowered to exchange information and co-operate with them in the study of problems which may be of mutual interest or concern to them. The Council will be in close touch with the University Departments of Economics and Sociology, as well as with the research institutions functioning in India in related fields, so as to take full advantage of the work already done or in the process of being done. It will also be in contact with the Government agencies, business community, and co-operative and other agencies.

At the Press Conference in Bombay, Dr. Lokanathan declared that the problems referred to the Council would receive an independent and objective analysis and judgment. Reassuring is his statement that the conclusions arrived at would be "completely free from any type of external influence or bias." Incidentally, it may be noted that the Council has already drawn up a programme of research for 1956-57. The projects which will be taken up immediately include problems of small-scale industries; pattern of sources and requirements of energy; marketing and marketing techniques at home and abroad for products of new industries (including small industries); study of taxation laws in India and in the capital exporting countries affecting foreign investments in India. The Council proposes to secure the services of several foreign experts for working on the projects.

The object for which the Council has been formed is, indeed, laudable. Surely, the work of the Council will be watched with considerable interest by all those who are interested in the rapid economic development of India. With his rich academic background, backed by wide and varied experience, more especially as the Executive Secretary of one of the most important limbs of the United Nations, Dr. Lokanathan will, there is no doubt, guide the Council most competently and efficiently. The fact that he is the chief of the Council is itself a guarantee that the organisation will acquit itself very creditably in fulfilling its objectives. It is to be hoped that Government agencies and business houses will lend their active support and encouragement to the Council.

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CORRESPONDENTS ALL OVER THE WORLD

STRUCTURAL AND METALS DIVISION

The development programme for Indian industries, envisaged in the Second Plan, includes not only a wide range of consumer goods industries but also basic industries like steel and non-ferrous metals. If the many-sided programme for industrialisation were implemented, it would certainly mean an increased use of ferrous and non-ferrous metals. From this point of view, much interest attaches to the decision of the Indian Standards Institution to set up a Structural and Metals Division. Inaugurating the Council of this Division at Calcutta last week, the Union Minister for Heavy Industries, Mr. Manubhai Shah, revealed that the Government would soon establish a Development Council for Non-ferrous Metals.

At the outset, Mr. Shah referred to the work done by the Indian Standards Institution in connection with the steel economy programme. He stated that the basic code for the design of steel structures and standard specifications and codes of practice on various other subjects were now under print. Higher efficiency standards for beams, channels, angles and other structural sections were well on the "road to finalisation." The considerable amount of work undertaken through the steel economy programme, he said, had highlighted the possibilities of the standardisation of metals and metal products and of

"co-ordinating the metallurgical aspect with the use aspect." He said that such co-ordination was particularly essential in regard to structural application of metals. He was, therefore, gratified to find in the new Division that "co-ordination between the two aspects would be possible, which will add to the metallurgical aspect of the manufacture of structurals and their economic use."

After thus indicating the scope of the work of the new Division, Mr. Shah stressed the need for setting up a suitable machinery for dealing with the important problems of rationalisation and standardisation of alloy steels and special steels. Although some work had been done in respect of structural steels, alloy steels and special steels, on which practically all heavy industries were dependent, had not received the same attention. He emphasised that, in order to assist the domestic production of alloy steels and special steels, it was essential that a "rationalised series of such steels is established through a study of the present uses and requirements in the country and a concentrated effort made for the simplification and reduction in the number of varieties, sizes and shapes."

In the course of his speech, Mr. Shah did well to refer to two interrelated topics—the importance of branch offices of the Indian Standards Institution and public co-operation. A branch office of the Institution has been established at Bombay and Mr. Shah availed himself of the opportunity of addressing the Structural and Metal Division Council to open a branch office of the I.S.I. at Calcutta. It would appear that the branch office at Bombay has been doing commendable work and that the demands on its services are increasing with the passage of time. The advisory committee in Bombay, it is stated, is actively co-operating with the Branch Office in making people standards-minded. Appropriately enough, the authorities have decided to start another branch office at Calcutta which the Minister rightly described as the "home and heart of engineering industries of our country." The branch office, as he himself indicated and hoped, should provide a "helpful liaison between the standards-making body in Delhi and the standards-using organisations in Calcutta and elsewhere." It is to be hoped that in Calcutta, too, the advisory committee which has been set up will evince keen interest in the work of the I.S.I.

Indeed, such co-operation is particularly essential in this country in the interests of accelerated growth of standards-consciousness. In this sphere, India differs from other industrially advanced countries, in that, whereas in other countries, standards were developed in response to a felt need and after the industries concerned had achieved a certain measure of progress, India is attempting to set standards even before it has reached a high level of industrial progress. This difference between Indian and Western attempts at standardisation may possibly impose a certain strain on this country's industries. But it is just as well that the importance of standards is realised even at the initial stages of industrialisation, for that will avoid the difficulties of subsequent adjustment to standards. In any case, India has the benefit of Western experience to draw upon in the matter of setting up standards for industries. Only, care must be taken, as Mr. Shah himself pointed out, to ensure that standards are formulated after taking into account Indian conditions and requirements, and the position relating to raw materials and workmanship.

BRITISH MISSION'S TASK

The British Heavy Engineering Mission led by Sir Eric Coates, after having had some preliminary discussions with the Ministries and officials concerned on the scope and nature of its work, has begun its tour of selected industrial centres in the country. In its intensive study of India's existing capacity and future needs in the engineering industry, the Mission, which is a fact-finding and reporting body, is expected to have talks with representative industrial organisations in the private sector also. Since the field of enquiry is wide, the Mission would concentrate on assessing India's needs in such lines as industrial plant and machinery, machine tools and structurals.

The scope of the Mission's work does not include proposals for starting specific projects or location of industrial enterprises, but, in so far as the location of heavy industries is important both from the strategic and economic point of view, its survey will take into consideration locational factors also. Sir Eric is reported to

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EQUITIES RULE STEADY

ALL-ROUND RECOVERY IN PRICES

(From Our Own Correspondent)

BOMBAY, 30*th October*

THE Stock Exchange ruled steady during the week under review. After an initial marking down, in continuation of the previous week's recession, equities staged a sizable recovery during the rest of the week. The abatement of selling pressure, bear covering and small replacement buying pushed up prices. The absence of any adverse factors, expectations of some satisfactory solution being found to relieve the monetary stringency, as a result of bankers' talk with the Finance Minister on Monday this week, and the political developments in the Middle East were the main bullish factors. Nevertheless, confidence was not fully restored and buyers were reluctant to enter into large commitments.

In the steel section, Tata Ordinaries gave way early in the week from Rs. 191-4 to Rs. 189-8, but gathered strength to Rs. 192-4 at the close. Indian Irons finished at Rs. 34-5½, after having been taken down to Rs. 34-0½ from Rs. 34-5.

Barring a few counters, the textile section as a whole participated in the rise, though the gains over the week were not very marked. Bombay Dyeings dropped from Rs. 621-4 to Rs. 613-12, before advancing to Rs. 626-4. Centurys fell from Rs. 544 to Rs. 537, but recovered to Rs. 549-8. *Kohinoors gained over the week* Rs. 3 at Rs. 346, though the lowest touched was Rs. 338-8. Central Indias provided one of the exceptions with a decline of Rs. 9-8 to Rs. 135-8. Finlays were unchanged at Rs. 340. Gokaks were marked up by a rupee to Rs. 239. Indu Ordinaries gathered As. 6 to Rs. 12-5. The interim dividend on the shares has been maintained at As. 10 per share for the year ended 31st December 1956. Indore Malwas were up by Re. 1-14 at Rs. 158-2. Khataus changed hands at Rs. 237-8 *ex-div.* (div. Rs. 10 per share), as against Rs. 245 *cum-div.* a week ago. Shree Niwas picked up Re. 1-14 to Rs. 214-6 and Simplex Rs. 2-8 to Rs. 201-8. Standards moved up by Rs. 10-10 to Rs. 477-8, Svadeshis by Rs. 7-4 to Rs. 252-8 and Tata Mills by Re. 1-4 to Rs. 55-8.

Bank shares ruled quiet with a slight marking down in values. Business also was restricted. Centrals dropped a rupee to Rs. 53-4, while their new shares were steady at Rs. 57-4. Bank of Indias were done Re. 1-4 lower at Rs. 143. Barodas were unchanged at Rs. 102, while United Commercials shed As. 12 to Rs. 56-4. Punjab Nationals were a shade dull at Rs. 56-8 and Unions at Rs. 7-3.

The miscellaneous section moved in consonance with the general pattern. In the sugar group, Belapurs were taken down from Rs. 251-8 to Rs. 249, before they advanced to Rs. 252-8. Phaltans improved by Re. 1-4 to Rs. 161. Walchandnagars hardened by Rs. 5 to Rs. 280. Among cement shares, Associated Cements advanced to Rs. 196, after an early reaction from Rs. 194-4 to Rs. 192-8. Digvijays were steady at Rs. 193-12. Orissa Cements were maintained at Rs. 13-2, while Ashoks shed As. 6 to Rs. 12-2. In the engineering and mining section, Alcocks moved within a narrow range and gained Re. 1-4 to Rs. 331-4. Tata Locomotives were bid up to Rs. 170-12 before finishing at Rs. 169-8, as against Rs. 165-12 last week. Premier Constructions advanced by Rs. 2-12 to Rs. 207-12, while Larsen and Toubros were well held at Rs. 18-10 and Mahindra and Mahindras at Rs. 15-14.

Among shipping and transport shares, Scindias were favoured and the shares gained As. 7 to Rs. 19-3. Great Easterns were also bid As. 5 higher at Rs. 22-6. Hindustan Motors were held at Rs. 9-7 and Premier Automobiles at Rs. 108-8. In the miscellaneous group, Bombay Burmahs retreated from Rs. 728-12 to Rs. 714-6, following the publication of the award of the Special Industrial Tribunal for Plantations giving higher wages for workers with retrospective effect from March 1952. Today, however, there was a partial recovery to Rs. 722-8. British India Corporations were quiet at Rs. 11-1. National Rayons rallied from Rs. 254-12 to Rs. 261-8. Tata Chemicals gained only As. 4 to Rs. 20-4, despite the declaration of a maiden dividend of As. 12 per share for the year ended 30th June 1956. Tata Oils were dull at Rs. 52-8, while Wimcos were steady with a rise of Re. 1-4 to Rs. 178-2.

* * * *

Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 29*th October*

The Madras Stock Exchange, which put on a somewhat lively appearance last week after nearly a month's depressed tone, has once again staged a relapse. In fact, conditions akin to panic are prevailing at present. The morale of the market has been greatly shaken by the publication of the Plantation Labour Award. The Award provides for a steep upward revision in the wages of plantation labour, with retrospective effect from 1952. The implementation of the Award is estimated to result in payment of more than Rs. 12 crores by way of extra wages and an annual recurring expenditure of Rs. 2,5 crores. In view of the heavy incidence of the Award thus, operators are greatly apprehensive about the future of plantation companies. The general opinion is that the Award would impose considerable strain on the finances of the companies and that returns on investments would be very much reduced.

These fears let loose a wave of persistent selling and there was a landslide in prices of planting shares. In sympathy and on reports of heavy accumulations of unsold stocks of yarn and cloth with mills, the textile section also depicted a weak tone. Sugar and other miscellaneous industrials, too, encountered selling and drifted lower. The undertone of the market was distinctly bearish.

The shares of practically all the plantation companies suffered a sharp recession in values. Among rubber shares, Travancores and Vaikundams fell by As. 12 each to Rs. 25-4 and Rs. 34, respectively, Rajagiris dropped As. 8 to Rs. 8. Pullangodes climbed down by As. 7-6 to Rs. 3-13. Nelliampattys receded by As. 4-6 to Rs. 3-5 and Thirumbadis by As. 2 to Rs. 2-3-6. Among teas, Devasholas slipped by As. 12 to Rs. 24-6. Blue Mountains and Talayars lost As. 8 each, the former to Rs. 6-1 and the latter to Rs. 12-8 *cum-div.* Neelamalais eased by As. 6 to Rs. 7, Chembras by As. 5 to Rs. 4-2, Ouchterlonys by As. 4 to Rs. 4-14 and Nilgiris by As. 3 to Rs. 11-8. Among coffees, *Cochin Malabars were subjected to nervous liquidation* and slumped by Re. 1-14 to Rs. 9-11.

In the textile section, Meitturs fell by Rs. 9-8 to Rs. 442-8. Rajalakshmis dropped Rs. 9 to Rs. 168. Coimbatore Pioneers went down by Rs. 5 to Rs. 315. Janardhanas suffered a loss of Rs. 3-8 to Rs. 98-8. Buckinghams shed Rs. 3 to Rs. 193-8. Ranga Vilas lost a similar amount to Rs. 84. *Coimbatore Spinnings decreased by Re. 1-8 to* Rs. 88-8. Kotharis and Loyals were done each As. 8 lower at Rs. 17-8 and Rs. 52-8, respectively.

Among miscellaneous industrials, Raliis declined by a rupee to Rs. 46. Travancore Rayons eased by As. 8 to Rs. 14-14. F.A.C.Ts. receded by As. 6 to Rs. 6-7. India Steel Rollings and Spencers retreated by As. 4 each to Rs. 14-6 and Rs. 16-10, respectively.

In the sugar section, E.I.Ds. slipped by Re. 1-4 to Rs. 29-4. Indias gave way from Rs. 16-14 to Rs. 16-8. Travancores lost As. 4 to Rs. 13-12. Mysores were dull at Rs. 46.

Notices

THE AHMEDABAD ADVANCE MILLS, LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting the payment of the following dividends to the shareholders for the year ended 30th June 1956:—

Rs. 5-0-0 per Share on Preference Shares, free of income-tax.

Rs. 12-0-0 per Share on 33,000 Ordinary Shares, without deduction of income-tax.

Rs. 3-0-0 per Share on 7,000 Ordinary Shares, without deduction of income-tax.

For and on behalf of,
THE AHMEDABAD ADVANCE MILLS, LTD.,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 26*th October* 1956.

INDIA GENERAL NAVIGATION AND RAILWAY COMPANY LIMITED

NOTICE

MESSRS. KILBURN & CO. PRIVATE LTD., Managing Agents, have received advice from the Head Office of the India General Navigation and Railway Company, Limited, informing them that the Directors have decided to recommend a Dividend, on account of the year ended 31st December 1955, of six per cent. on Preference Stock and five per cent. on Ordinary Stock, both less standard rate of Income-tax at eight shillings six pence in the pound. The Dividends will be payable in sterling on the 30th November 1956 to Stockholders on the Company's Registers on the 9th November 1956.

INDIA GENERAL NAVIGATION AND RAILWAY COMPANY LIMITED

NOTICE

THE COMPANY'S CALCUTTA STOCK Transfer Registers will be closed from Friday the 9th November 1956 to Thursday the 22nd November 1956, both days inclusive.

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

SHIPPING RUN BY PRIVATE ENTERPRISE

IS THERE NO DISCRIMINATION AGAINST IT BY GOVERNMENT?

By M. A. Master

THE Government of India have given a categorical assurance in their recent Statement on Industrial Policy that, "when there exist in the same industry both privately and publicly owned units, it would continue to be the policy of the State to give fair and non-discriminatory treatment to both of them." Let us examine how far the performance is in consonance with profession.

In his speech inaugurating the annual meeting of the Indian National Steamship Owners' Association at Bombay on 21st June 1955, Mr. Lal Bahadur Shastri, Minister for Transport, very rightly expressed his great disappointment at the premier shipping company withdrawing from the India-U.S.A. trade and from certain other overseas passenger-*cum*-cargo services. He exhorted private shipping not "to discontinue certain services on the ground of their being unremunerative." He reminded it of its "special responsibility to the public" as public carriers. He made it clear to Indian shipowners that "it would not be correct on their part to pick and choose the routes to which they could operate profitably without regard to the public convenience, particularly in view of the assistance they are receiving from the public revenues."

Even the worst critic of private enterprise cannot deny the fact that the premier shipping company built up the Indo-American trade and the India-U.K. passenger service at considerable sacrifices. In doing so, it showed both vision and courage. After running the passenger service with continuous losses for over five years, it requested the Government to give it such financial help as would make good the losses incurred by the running of this passenger line, which had, as admitted on all hands, increased the prestige of India. It may be added that the request made by that Company was in accordance with the shipping policy of the Government. The Government had, in endorsing the recommendations of the Reconstruction Policy Sub-Committee on Shipping, announced in 1947, that they would give such financial help and assistance to Indian shipping as was given by such important maritime countries as the United Kingdom and the United States of America. It was, however, very unfortunate that this request for financial help to maintain the passenger line was turned down.

It is also difficult to understand the reference of the Transport Minister to the obligation of private shipping to continue to run that line "in view of the assistance they are receiving from the public revenues." It may be said here without any fear of contradiction, that the Government have not been giving any financial assistance or subsidy to Indian shipping. As a matter of fact, Mr. Alagesan, Deputy Minister for Transport, had definitely stated in the Lok Sabha, in September 1955, that "the Indian shipping industry is not at present receiving any direct subsidy from Government." It is, therefore, neither fair nor just to call upon private shipping to run a service at a continuous loss without any subsidy from the Government, particularly in view of the fact that private enterprise is responsible to the investors who give them the capital for building up industries.

Now, let us look at the good luck of State undertakings. In his speech in Bombay on 2nd September 1956, the Transport Minister remarked that "one of the complaints which have been voiced from time to time is about the lack of passenger services based on India." He gave an assurance to the country that "the Government have, therefore, decided to start or expand a few such passenger services *even if the financial results of such operations do not prove remunerative.*" (The italics are mine). "These include the Madras-Rangoon service, the Calcutta-Madras-Andaman service, the Indian-Persian Gulf service, and the India-Red Sea passenger and pilgrim traffic." These services will, as stated by the Deputy Minister for Transport in the Lok Sabha, be run by the Western Shipping Corporation (Private) Limited, a corporation cent per cent owned by the Government. The losses incurred by the Corporation will be made good by the taxpayers. If the State runs a passenger line, it is assured that the losses made by it will be made good from the general revenues. If, however, passenger lines are run by private enterprise—such as those between India and the U.K., and India and Rangoon—no such help is to be given to those lines, despite the national shipping policy of the country to give such help but, on the contrary, those lines will be branded as lacking in patriotism, if they do not continue to maintain their activities even at the cost of incurring continuous losses. Can any impartial person say that this is not a policy of discrimination against private enterprise?

It is well known that, since the announcement of the policy of mixed economy and up to the end of the period of the First Plan, about 500,000 tons g.r.t. of shipping has been acquired, 457,000 g.r.t. of shipping is acquired by private enterprise and only a little over 42,000 g.r.t. of shipping is built up by mixed economy. Despite this very excellent performance by private shipping, threats are often held out by Government spokesmen that "if the shipping companies do not come up to our expectations, the Government would naturally like to fill the gap."

Justifying the expansion of shipping by the State with cent per cent ownership, the Minister for Transport remarked last September that "the private sector has ample scope to expand and develop within this high target, but what happens if there is no satisfactory response from Indian companies?" During the last two years, private shipping companies have placed orders for the construction of 23 new large ships with foreign shipbuilding yards, to be employed in the overseas trades, at a cost exceeding Rs. 30 crores. On the one hand, the difficulties with which private shipping is faced remain unsolved. On the other hand, instead of appreciation of private enterprise for the manner in which it has expanded tonnage, threats are held out that the State will build up new units. One wonders whether this could be construed as a healthy spirit of co-operation and a proper discharge of the responsibilities of the State.

Moreover, it should not be forgotten that State undertakings, receive special encouragement which is denied to private enterprise. It was stated by Mr. Alagesan, Deputy Minister for Transport, in the Lok Sabha, only a few weeks ago, that the Government would undertake to bear the losses of the newly set up corporation for the first five years as it did in the case of the Eastern Shipping Corporation. It is not difficult to expand both the scope and area of shipping activities, as desired by the Transport Minister, when one is assured that the losses that may be incurred in doing so will be made good from the general revenues of the country. Special encouragement and facilities which are given for this purpose to State undertakings are, however, denied to private shipping. And yet, we are told that it is the policy of the State "to give fair and non-discriminatory treatment" to both privately and publicly owned units. No sensible person will, however, deny that this is a policy of discrimination against private enterprise.

In view of the difficulties of capital formation experienced by the private sector, the Government of India have been advancing loans to shipping companies for the acquisition of second-hand or the construction of new ships. They are grateful to the Government for this facility. The position, however, may be radically altered during the Second Plan period. It is laid down in the recent Statement on Industrial Policy that "in suitable cases, the State may also grant financial assistance to the private sector. Such assistance, especially when the amount involved is substantial, *will preferably be in the form of participation in equity capital,* though it may also be in part in the form of debenture capital." (The italics are mine). Mr. Nanda, a member of the Planning Commission, in his speech at Amritsar, indicated clearly the object of this radical change. He remarked that, "in the past, the Government had given considerable loans to the private sector. It was proposed in future to convert this assistance, when sought, into equity participation. Such a policy would extend the role of the public sector." If the object of turning the loans into equity capital is to increase the inroads of the public sector into the fields of private enterprise, not only is it a policy of definite discrimination against private enterprise, but it is also an indirect attempt at nationalising such private shipping as has been built up in this country against huge odds and with heavy sacrifices. Neither is this a policy of non-discrimination as professed by the State, nor is it playing fair cricket, as claimed by the Government, in meting out equal treatment both to the organisation of private enterprise and undertakings of the State.

SHIPPING UNDER CONSTRUCTION

As against a total of 1,501 vessels aggregating 7,449,310 g.r.t. under construction in the shipyards of the world, India had, under construction in its own yards, five motor vessels of between 4,000 and 6,000 g.r.t. aggregating 25,954 g.r.t. and nine steamships of between 100 and 1,000 g.r.t. aggregating 2,091 g.r.t., as at the beginning of this month, according to the latest shipbuilding returns of Lloyd's Register of Shipping. The world tonnage under construction shows an increase of 226,306 tons compared with the position at the end of June last and of 836,669 tons compared with the beginning of the year. The French shipbuilding yards had 465,462 g.r.t. of shipping under construction, showing the highest increase of 79,097 g.r.t. The Japanese shipyards had under construction 1,192,745 g.r.t. and showed the second highest increase of 76,255 g.r.t. Since the beginning of the year, when Japan took a clear lead over Germany with the highest figure for tonnage under construction, barring the U.K., it has been steadily expanding its output and in the amount of tonnage launched it has even taken the lead from the U.K. with 498,475 tons of shipping launched during the quarter June-September, as against U.K.'s 283,992 tons during the same period.

The following figures give the tonnage under construction in the leading shipbuilding countries of the world as on 1st October 1956, with the fluctuations as compared with the position as on 1st July 1956 in brackets:

(In tons)

United Kingdom 2,077,976 (+49,844); Japan 1,192,745 (+76,255); Germany 823,263 (+16,584); Italy 670,416 (+18,526); Netherlands 610,067 (+26,507); France 465,462 (+79,097); Sweden 398,827 (+29,628); Norway 249,924 (—3,875); U.S.A. 201,865 (+4,396); Spain 161,896 (—2,114); Denmark 116,109 (—14,609); Finland 115,234 (+11,030); Belgium 112,823 (—58,723) and Yugoslavia 99,386 (—1,881).

Out of the tonnage now under construction, the countries "importing" the largest amounts of new tonnage are Liberia (781,266 tons), Panama (555,645 tons), and Norway (506,834 tons). The countries making the largest additions to their existing fleets are the United Kingdom (1,756,417 tons), Liberia (781,266 tons), Norway (754,013 tons), Panama (555,645 tons), the Netherlands (491,487 tons), Italy (479,548 tons), the United States of America (347,205 tons), Japan (315,675 tons), France (263,175 tons), and Germany (253,912 tons).

Oil tankers under construction in the world amount to 219 ships of 2,993,201 tons gross (108 steamships of 2,190,203 tons and 111 motorships of 802,998 tons), which is 169,181 tons more than the previous quarter, and represents 40.2 per cent. of the total tonnage under construction in the world.

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WHO MAKES PROFIT?

FACTS ABOUT COTTON TEXTILE PRICES

Allegations have been made that the wholesale trade is making enormous profits. The following figures will speak for themselves:

A CHECK-UP OF VARIETIES SELECTED BY GOVERNMENT

Merchant No.	Per	Mill Sale Rate (excluding Excise)	Excise Old 24-8-56	Excise New 28-8-56	Percentage of Excise Duty to Mill Sale	Wholesaler's Cost Price (including excise) Old 24-8-56	Wholesaler's Cost Price (including excise) New 1-9-56	Wholesale Market Rate in Bombay 24-8-56	Wholesale Market Rate in Bombay 28-9-56
		Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
SUPERFINE :									
Finlay Dhoti, Bld. Mer. Bracelet 46″ × 10 yds.	Per pair	17 2 0	2 3 2	3 6 4	20%	19 5 2	20 8 4	20 0 0	18 8 0
New China Mulls Radio Signal 47″ × 30 yds.	Per yard	1 1 9	0 3 7	0 5 7	32%	1 5 4	1 7 4	1 5 4½	1 4 9
HIGH SOCIETY Mull 47″ × 20 yds.	Per 20 yards	23 2 0	4 7 10	6 15 0	30%	27 9 10	30 1 0	28 0 0	28 0 0
FINE :									
Samrat Crown Dhoti 44″ × 10 yds.	Per pair	7 4 0	1 8 6	2 7 8	34%	8 12 6	9 11 8	8 14 0	8 14 0
Shriniwas 9¼ × 9¼, 44″ × 10 yds.	Per pair	7 6 0	1 8 6	2 7 8	34%	8 14 6	9 13 8	8 14 0	9 0 0
Madhusudan Sari VIJAYALAXMI 44″ × 10 yds.	Per pair	8 0 0	1 8 6	2 7 8	31%	9 8 6	10 7 8	9 7 0	9 7 0
MEDIUM :									
Sari India United 5071 43″ × 10 yds.	Per pair	6 14 0	0 15 3½	1 11 6	25%	7 13 3½	8 9 6	7 11 0	7 15 0
COARSE :									
Drill Morarjee Goculdas, 27″ M. Khaki	Per yard	1 1 3	0 0 11½	0 1 3½	7%	1 2 2½	1 2 6½	1 2 9	1 2 9

Note.—A Portion of the increase in Excise Duty has been borne by the Mills.

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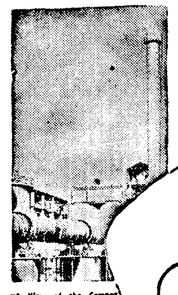

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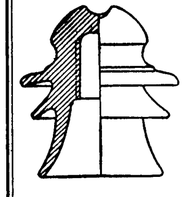

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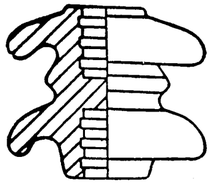

REVITALISING SERICULTURE INDUSTRY

ADMINISTRATIVE MACHINERY MUST BE GEARED

A DETAILED reference to the programme for development of silk industry under the Second Five-year Plan was made in these columns only two weeks ago. As will be seen therefrom, the programme is very comprehensive in approach, inasmuch as it covers all the different sectors of the industry, including raw silk production, spinning and weaving, and marketing. It is this comprehensiveness that invests the Central Silk Board with a new, heavy responsibility. But the question whether the Board will discharge the responsibility satisfactorily will, in turn, depend on the attitude of the State Governments. It is necessary specially to stress this point, because the past few years' experience has been none too encouraging. Out of the Rs. 59.37 lakhs sanctioned by the Board as grants-in-aid during the seven years ended 1955-56, the States have spent only Rs. 17.24 lakhs, representing just 29 per cent. of the total.

The non-implementation of the schemes thus is certainly a sad commentary on the efficiency of the State Governments. They have not cared to devise ways and means of overcoming some of the administrative difficulties facing them. Mr. V. Nanjappa, Textile Commissioner and Chairman of the Board, was, therefore, perfectly justified in stating, in the course of his address at the tenth general body meeting of the Board held in the City last week, that, unless the State Governments speeded up the machinery for proper utilisation of the grants-in-aid sanctioned, it would be very difficult for the Board to ask for increased allotment for the sericulture industry in the years to come. Reassuring is Mr. Nanjappa's statement that the Board would extend all possible assistance to the representatives of the State Governments on the Board to take steps for ensuring expeditious utilisation of funds for the purpose for which they have been sanctioned. Indeed, the only way to achieve the objective of developing the silk industry on a sound and secure footing lies, as he rightly declared, in setting right the machinery in the States for the speedy execution of the important schemes designed to improve the various branches of the silk industry.

Most Appropriate

A disquieting feature of the Indian silk industry is that the progress achieved in the primary stage—that is, sericulture—has failed to keep pace with that of the secondary stage—that is, manufacture of silk fabrics. It is most appropriate, therefore, that stress is lately being laid on revitalising the sericulture industry. Most of the 78 schemes sanctioned by the Government of India relate to this field. They include establishment of a sericulture research station and modern cold storage plant at Srinagar; two modern type of rearing houses at Shillong and Senchoa (Assam); hill nursery for rearing univoltine race in W. Bengal; multivoltine disease-free silk-worm egg station in Malda, Murshidabad and Darjeeling districts; Chawki collective rearing centre at Kamagerai (Madras); four demonstration sericultural farms in Uttar Pradesh; foreign race seed station in univoltine area; expansion of foreign race seed station at Kalimpong (W. Bengal).

While the aforesaid schemes relating to sericulture research are of great importance, it is imperative that the results of research undertaken at the various stations should be made available to the sericulturists without delay and in as easily understandable a manner as possible, because the bulk of the sericulturists, it is common knowledge, consists of illiterate and ignorant peasants. Viewed thus, the decision of the Central Silk Board to have in its secretariat a special department for publicity must, indeed, be widely welcomed. The proposed department will, it is said, issue hand-outs, bulletins, posters, etc., with a view to giving publicity not only to the activities of the Board but also for popularising the use of silk and for the development of sericulture industry. Moreover, it will provide information about the developments in sericulture taking place in foreign countries for the benefit of the agriculturists practising silk-worm rearing and others interested in the development of the industry.

While the need for revitalising the sericulture side of the silk industry is of utmost importance, it is imperative that the filature industry should be reorganised. It is only then that the quality of silk required by the weaving sector can be improved, thereby dispensing with the imports of raw silk in the near future. Surely, the three notable decisions taken at a meeting of the filature interests convened by the Silk Board at Bangalore early last month, to which Mr. Nanjappa alluded, deserve to be commended. First, a sub-committee has been set up to go into the question of the working of the filature establishments individually and to formulate a scheme with recommendations for assistance to be extended to them. Secondly, it is considered necessary to subject the production of filature raw silk to compulsory testing by the silk conditioning and testing houses at Bangalore and Calcutta. Thirdly, it is proposed to fix the floor and ceiling prices for filature and *charka* raw silk in the States, with a view to benefiting the primary producers, that is, silk-worm rearers and silk reelers.

Price Stability

The last-mentioned aspect, namely, fixation of floor and ceiling prices for raw silk, is of special significance, considering that violent fluctuations in prices in the past have had a seriously adverse effect on the development of sericulture industry. These fluctuations must be attributed partly to variations in the world prices of silk and largely to speculation. Such instability, it is needless to add, seriously militates against the success of any efforts at improving the quality of cocoons and raw silk. One of the measures taken by the Silk Board to ensure stability in raw silk prices relates to the licensing of raw silk imports only through the agency of the Board; no licences for imports are given either to the trade or to the actual users. This policy, Mr. Nanjappa claimed, had not only restricted the quantity of imports but also contributed materially towards stabilisation of prices of both indigenous and imported raw silk in India. Indeed, he said: "On the whole, the Board has been able to stabilise the prices of raw silk in India, which has been very helpful to the silk-worm rearers in getting a fair rate for cocoons." The price of indigenous filature raw silk at present is estimated to range between Rs. 30 and Rs. 33-8 per lb., which, to quote Mr. Nanjappa, "is quite reasonable according to the cost of production worked out by the Tariff Commission."

INCREASE IN COTTON YIELD

An extra yield of 116 lbs. of 216F cotton per acre was obtained at the Cotton Breeding Station, Hansi, by spraying the crop with plant hormones costing Rs. 4 only per acre. The phenomenon of shedding of a large number of buds, flowers and bolls, apparently sound ones, under normal conditions of cultivation is not uncommon in cotton. A substantial increase in yield could be effected, if this obvious loss by shedding could be minimised. The assistance of plant hormones has been invoked for the purpose and it showed a certain measure of success in achieving the object. The trials with naphthalene acetic acid and nephtoxy acetic acid have been found to inhibit fruit drop in many varieties of apples and tomatoes. A preliminary experiment was conducted under a research scheme financed by the Indian Central Cotton Committee at Hansi, to determine the effect of these hormones on the shedding of bolls and consequent enhancement in its yield.

The results of the experiment indicate that the hormone which contains apha-naphthalene acetic acid as an active ingredient was found to be quite effective when sprayed on the plants of 216F cotton in July-August in concentration of 10 parts in million parts of water. Higher concentrations of hormone and double spraying showed depressing effects on yield. A significant increase in the number of bolls per plant and yield of kapas was visible in the last picking, which indicated that the treatment had a beneficial effect on newly initiated buds and even on buds borne later. The treatment is likely to be more effective, if given in the season. On the average of two years' results, the treatment gave 116 lbs. of kapas more per acre than the untreated crop.

SUPPLY POSITION OF EGYPTIAN COTTON

Despite the fact that the current (1956-57) season's cotton crop estimate of 1,011,370 bales (of 730 lbs.) in Egypt is only slightly lower than the previous season's figure of 1,001,796 bales, the total supply is estimated to be much lower, as compared with the season just ended. This is attributable to the low carry-over stock at the beginning of the season which is placed at 127,735 bales, as against 280,931 bales on 1st September 1955. The decline in production of Ashmouni from 437,585 bales in the previous season to 360,411 bales (estimated) in the current season has been particularly striking. At the same time, the output of Menoufi is estimated at 105,479 bales in the current season, as against only 40,878 bales in the previous season.

The fall in carry-over stock has occurred mainly in Karnak, Giza 30 and Ashmouni. Stocks of these types, as on 1st September last, are placed at 36,922 bales, 29,401 bales and 31,144 bales, as against 90,800 bales, 79,286 bales and 82,990 bales, respectively, at the beginning of the previous season. The following table illustrates the supply position for the current and the previous seasons:

(Quantity in bales of 730 lbs.)

Variety	1956-57 Season: Carry over as on 1-9-1956	Crop	Total supply
Karnak	36,922	319,589	356,511
Menoufi	7,918	105,479	113,397
Giza 30	29,401	188,630	218,031
Dendera	561	12,329	12,890
Ashmouni	31,144	360,411	391,555
Others and scarto ..	21,789	24,932	46,721
Total ..	127,735	1,011,370	1,139,105

Variety	1955-56 Season: Carry over as on 1-9-1955	Crop	Total supply
Karnak	90,809	315,501	406,310
Menoufi	11,248	40,878	52,126
Giza 30	79,286	178,326	257,612
Ashmouni	82,990	437,585	520,575
Others	16,598	39,506	56,104
Total ..	280,931	1,001,796	1,292,727

Notice

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THE BOARD OF DIRECTORS HAVE DECLARED an Interim Dividend of Re. 1 (One) per share (Income-tax Free) for the year ending 31st December 1956 payable on 21st November 1956 to those Shareholders whose names appear on the Company's Register of Members on the 13th November 1956.

The Company's Ordinary Share Register will be closed from 13th November to 20th November 1956 (both days inclusive).

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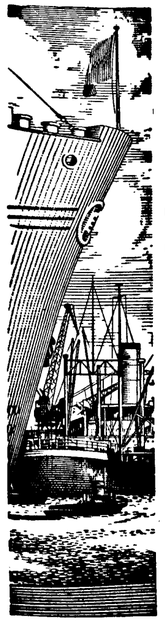
K. C. NAMBIAR,
Supplies Manager.



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RENEWED DEMAND FOR RESTRICTING IMPORTS OF CLOTH INTO U.K.

PLANS FOR TRADE PROMOTION

From A Special Correspondent

MANCHESTER, 23rd October

MANCHESTER LETTER

TALKS between Lancashire and Indian textile leaders on imports of foreign cotton cloth into Britain are to begin in India next month. This important announcement was made at the opening of the Cotton Board's annual conference at Harrogate this week-end by Sir Raymond Streat, Chairman of the Board.

In a speech to the 700 representatives of management and labour he disclosed that preliminary discussions had taken place last month in London with Indian trade leaders who had been visiting this country on their own affairs. The negotiations followed an approach to the Indian Prime Minister, Mr. Nehru, by Sir Anthony Eden, Britain's Premier.

Sir Cuthbert Clegg, former Chairman of the Cotton Manufacturers' Association, is to lead the British team, which will include representatives of every section of the industry.

Sir Raymond referred to the recent anxiety, widely expressed in America, at imports of low-priced Japanese cloth. The United States Government, he pointed out, had secured an agreement imposing a ceiling on imports of Japanese cotton goods into America. "I have a feeling that what can be done in one case can be done in another," he told the conference.

European Common Market

Throughout the week-end talks, originally scheduled to be based on the theme "Cotton's New Look," the project for a European common market involving the gradual reduction of tariffs between Western European countries was foremost among the topics under consideration. Although it was not officially on the agenda questioners persistently raised the matter during debates after the individual contributions.

In the final session of the conference on Sunday, Mr. A. R. W. Low, Minister of State, Board of Trade, intervened in an effort to allay fears which had been freely expressed that Lancashire would be forced to fight a trade war on two fronts if Britain joins the proposed scheme.

After propounding the ideas and basis of the plan, he made it clear that the British Government had as yet made no decision on whether or not to join the proposed pact. "We are consulting industry at home," he said, "but we have taken no final decision. We have submitted the proposal for consideration as something that has some solid advantages."

Several of the delegates at the conference, Mr. Low said, had told him that they would welcome the opportunity of competing for trade in a market of 250,000,000 people. "You have to meet competition outside Europe," he continued, "and you might as well take advantage of the European markets."

So far as the cotton industry was concerned, the two points which seemed to worry traders about the common market plan were the interrelationship between the proposals and the problem of Hong Kong and Indian imports and the threat of unfair trade practices in the free trade area in Europe.

"I do not think these proposals alter in any way the position of Commonwealth imports," Mr. Low declared. "The system the Government is considering allows the principle of Imperial Preference to continue. You should also remember that you now enjoy preference on exports within the Commonwealth several times the value of the imports concerned."

On the future of trading practices within any European free trade area which might be joined by Britain, Mr. Low said he would expect that before any plan was finally drawn up undertakings would have to be given that the countries concerned would not resort to the use of subsidies and dumping.

Earlier in the conference, Mr. Lewis Wright, Secretary of the Amalgamated Weavers' Association, had warned delegates of the dangerous position in which the cotton industry might find itself whatever the final decision on the common market plan. "Within the framework of a European common market we should either have to compete or go down," he said. "We should be in the unenviable position of fighting a war on two fronts. If Imperial Preference continues Lancashire would probably find itself fighting hard against the European textile industries and also find itself attacked from the rear by Hong Kong and India."

Advice to Waverers

A comprehensive survey of existing conditions and prospects for the industry was given by Mr. Fred Wood, President of the Master Spinners' Federation. His advice to the faint-hearted among millowners was to take their opportunity and leave the industry if they were not ready to carry out extensive modernisation schemes.

"Those who are not prepared to go forward would be well advised to consider whether the time is not now ripe for them to retire from the trade altogether," he declared. "They may be able to hang on in a state of suspended animation for a little longer but such reserves as they have accumulated will tend to be dissipated further with every day that passes."

Rejecting the idea of an organised redundancy scheme to streamline the spinning industry, Mr. Wood said: "I do not like the hint of compulsion involved and I believe it should not be necessary if all managements keep in view the need for a taut, well co-ordinated industry."

More shift work was the key to future prosperity. Mr. Wood maintained. Labour shortages since the war had hampered the expansion of shifts, but as new and expensive machinery was increasingly installed double day-shift working at least should be the pattern. Although night-shift working might not become general it would be wrong to exclude it from consideration in cases where it could be shown to contribute to cost reduction.

Trade Promotion

Plans for the continuation of the promotional campaign on behalf of the Lancashire cotton industry were outlined to the Cotton Board's annual conference by Mr. Hugh Lloyd-James, Director of Osborne-Peacock Co., Ltd. The scheme was launched last month with the slogan "Buy Britain's Cottons."

Looking ahead to 1957, Mr. Lloyd-James told the audience of mill directors, executives and trade union officials: "Then we shall not only use the newspapers but also magazines, the cinema and commercial television. This should provide an impact of considerable measure, taking full advantage of presentation in colour."

During 1957, the advertising theme would remain the same but the various advertisements would feature different sections of the industry. "We shall have ads for shirts, ads for curtains, ads for sheets, ads for bedcovers, ads for towels, ads for dresses and so on," he continued, "each designed to cover a specific angle and each carefully graded by merchandise and media to appropriate consumer groups."

Timing of the advertising would be in line with seasonal promotion plans of the retail trade, Mr. Lloyd-James said. The ambition of the sponsors was to have a continuous series of reporting displays throughout the year at all levels of trading. In this way it was hoped that the industry's campaign would have the active assistance of merchants in their contact with the wholesale and retail trades. Every sales aid to be issued would be carefully designed to be complementary to a manufacturer's own display pieces.

Six-loom Pay Dispute

An award settling the dispute between employers and trade unions in the Lancashire cotton textile industry over the rates of payment for weavers operating six looms was announced this week. Lord Terrington, Chairman of the Cotton Weaving Conciliation Committee, notified both sides that the present system of payment for six-loom weaving under the uniform list would be abolished from the beginning of 1959.

The Weavers' Amalgamation had protested at the varying rates of pay which were in use in different mills. Six-loom weavers paid on the so-called ordinary list received wages up to 11 per cent. higher than those paid under special six-loom rates introduced over 20 years ago. Some mills paid on the higher rates and others on the lower list.

The issue went to conciliation after negotiations on the union's demand for the ending of the six-loom agreement resulted in deadlock. In his award Lord Terrington urged the need for all parties in the dispute to extend redeployment in the industry in the interests of increased production—*All Rights Reserved.*

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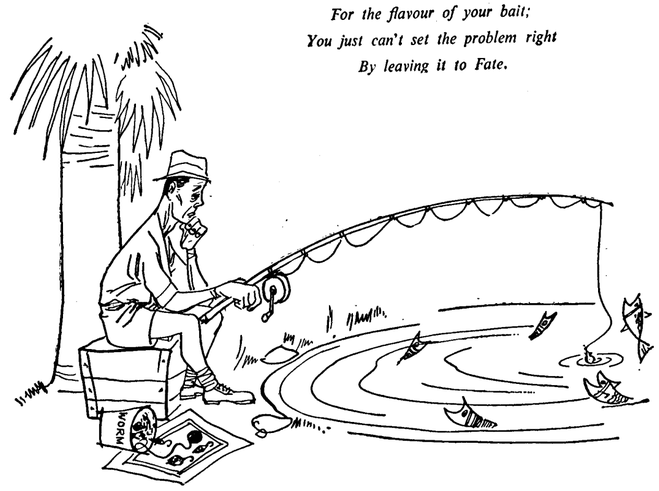

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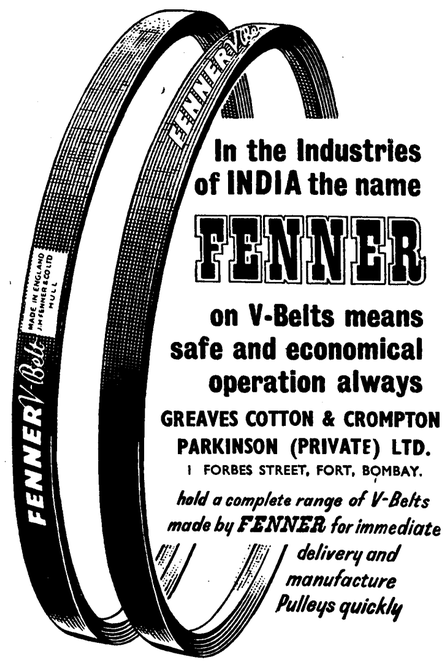

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A RATIONAL SUGAR POLICY WANTED

STRESS ON MAXIMISATION OF OUTPUT WITH MINIMUM CAPITAL OUTLAY

THE President of the Deccan Sugar Technologists' Association (India), Mr. K. J. Somaiya, addressed the thirteenth annual convention of the Association, held at Shakarnagar (Hyderabad) last week, more as a sugar and sugarcane technologist than as a mere sugar millowner. Thus, in his speech, Mr. Somaiya referred practically to all the technical problems confronting both the sectors of the sugar industry, namely, sugar manufacture and cane growing. He must have felt the need for doing so, because, though sugar production activity is a very complicated one, requiring a high level of technical skill and managerial talent, the official policies governing this industry are based largely on ideological considerations. How else can one justify the Governmental patronage to co-operation in sugar-making, irrational sugarcane price policy, tenancy legislation and control over molasses, not to speak of the heavy burden of taxation?

To take, for instance, the co-operative development in sugar industry. An analysis of the financial structure of the co-operative sugar mills will reveal that the share of cane growers constitutes only a small proportion of the total amount invested and that it is the State which contributes the major portion of the finance. In reality, therefore. these factories are as good as State-owned factories. In short, the formation of the so-called sugar co-operatives marks the entry of the State into the sphere of sugar manufacture. Considering the highly technical nature of the sugar industry, it is, indeed. very much doubtful whether the co-operative sugar factories even with all the backing of the State will deliver sugar to the consumer at an economic price. This consideration, in fact, should be the yardstick for judging the success of any venture in any field of economic activity. But to Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, the only yardstick seems to be the extent to which the cane growers will benefit. Thus, inaugurating the sugar technologists' convention, Mr. Jain said:

"The establishment of a large number of co-operative sugar factories, as now planned, would go a long way towards raising the standard of living of the cane growers. . . . The Government has taken courage to launch this programme largely on account of the singular success achieved by the first experiment in this direction made at Pravaranagar. It shows the way of ameliorating the conditions of the Indian peasants through the establishment of processing industries based on crops grown by them on co-operative basis. . . . All the co-operative units when completed, would produce nearly a quarter of the country's production of sugar and benefit the growers to the extent of at least Rs. 3 crores annually as profits from their own factories."

Highly Doubtful

The anxiety of Mr. Jain to improve the lot of cane growers is no doubt understandable. But he must not stress his anxiety so much as completely to overlook the no less important consideration, namely, the price that the consumer has to pay for sugar produced by the co-operative factories. When, in spite of more than two decades' experience in sugar-making, the joint-stock companies have not been in a position, thanks to circumstances beyond their control, to supply sugar at a reasonable price, it is highly doubtful whether the co-operative units will succeed. Further, the improvement in the lot of cane growers can be brought about without starting co-operative units. We would like to draw the attention of Mr. Jain to the enormous benefits which the cane growers attached to the Walchandnagar Sugar Factory—a joint-stock enterprise—are already enjoying. They get facilities such as free education, modern housing, medical aid, provision of cheap food and other necessities of life and opportunities for healthy recreation. Anyone who visits the Walchandnagar Colony will feel fully convinced of the capacity of a joint-stock enterprise not only to look after the comforts and welfare of cane growers but also to ensure production of quality sugar at an economic price.

Apart from the lack of justification for introducing the principle of co-operation to a large-scale modern industry, it is regrettable that co-operative sugar factories are being fostered at the expense of the existing interests. Characterising this tendency as a "pitfall of over-enthusiasm," Mr. Somaiya observed: "I have failed to understand how national or any interest is served by promoting units in places where already somebody has ploughed his capital and funds and has difficulty in finding enough raw materials even for modest expansion and, in some cases, even for existence. It is actually creating a problem—where there was none—and then trying to solve it. This year's working figures will prove the gravity of the situation. . . ."

There is no exaggeration whatever in these observations of Mr. Somaiya. As we have ourselves pointed out on more than one occasion, the Government of India should not allow establishment of factories in areas where there are already units capable of absorbing the raw material grown in that area. A proper and rational dispersal is imperative for the healthy development of the sugar industry, or, for, that matter, any industry. Mr. Somaiya did well to suggest fixation of a minimum distance between two units. He went even to the extent of saying that "it is still not too late to merge the present licences in the same locality and bring into existence giant co-operative factories."

Australian Example

In this connection, Mr. Somaiya urged revision in the very concept of an economic unit. According to him, the daily cane-crushing capacity of an economic unit should be 2,500 tons, instead of 1,000 tons. The trend of development in the Australian sugar industry, it will be recalled, has been towards liquidation of smaller units and merger into giant units, as will be seen from the figures cited below:

	1888	1950	1954
No. of factories ...	166	32	34
Average annual production capacity (in tons) per factory ...	350	27,750	36,000
Aggregate production (in tons) of sugar	59,000	888,000	1,285,000

The average annual production capacity of sugar per factory in Australia thus comes to as much as 36,000 tons, which compares very unfavourably with the all-India average of just 12,000 tons. Liquidation of smaller units and merger into giant units are also said to be common features in the other sugar-producing countries of the world such as Hawaii, British West Indies and Louisiana. Commending this example for being emulated in India, Mr. Somaiya remarked: "We should look to the signs of the times and should not try to put the hand of the clock behind. Therefore, the ends of production and efficiency would have been best achieved by encouraging the existing factories to expand, where such expansion is possible." Elucidating this aspect further, he made the following observations:

"While we are expanding our production (of sugar), we have to pause before we do the ambitious planning, so as to profit by the experience gained by other countries which have already gone before us on the road. I would, therefore, like to say a few words on the principles of planning. Our main approach should be to produce, under given conditions, maximum sugar with the minimum of capital investment. Further, it should be achieved at maximum efficiency, lowest manufacturing cost and minimum losses."

Any impartial observer of the trends in sugar economy in India and the world over will not find it difficult to appreciate the force of the aforesaid remarks. It must be stressed that, unless the existing sugar mills are assured of adequate supplies of quality cane at an economic price, the Government should not allow any new factories to be established in the same area. An effective solution to the problem of cane supplies to factories lies in the State Governments enabling the sugar mills to purchase on leasehold basis the agricultural lands in their neighbourhood and lease them back to the ryots in that area on the distinct understanding that the latter will grow sugarcane on the lines suggested by the factories and under their supervision. Mr. Somaiya did well to draw pointed attention to this aspect. Pleading for the recognition of the merit of maintaining large-scale mechanised estates for growing sugarcane, he said:

"All the factories in the Deccan own large plantations and grow a major part of their requirements. If the Deccan industry enjoys the first place, it is primarily due to its agricultural record. The results obtained on their farms are amongst the highest in the world. The yields of cane per acre for the whole estate, namely, 50-55 tons, are becoming normal features. The average yields of *Adsali* cane are much higher, around 60 tons per acre. The recoveries obtained are the highest in the country—around 11 per cent. to 12.8 per cent! The sugar per acre for *Adsali* cane comes to as high as 6.8 to 8.5 tons. On the Prize Plots this year, the yield was 13.6 tons of sugar per acre. This can be sadly contrasted with the all-India average of 14.7 tons of sugarcane per acre. Comparison with world figures also makes encouraging reading. Hawaiian averages, which are amongst the best, are 62.05 tons of cane per acre with 10.46 per cent. recoveries, giving 6.489 tons sugar per acre. These figures are for 24-month crops, whereas Deccan figures are for 16-18 months crop."

The foregoing extract clearly brings out the importance of large mechanised farms for growing sugarcane. One of the primary problems of the sugar industry in the Deccan is the scattered area, ranging from one-acre plots to 50-acre plots. The very area, if consolidated, or if proper conditions were created to do the same, would give, as Mr. Somaiya rightly said, even more encouraging results. The present Tenancy Legislation, while it permits the sugar mills to retain the existing holdings, does not allow purchase of lands, with the result that, ultimately, the sugarcane farms would gradually disintegrate as and when the leases terminate. Mr. Somaiya minced no words when he declared that a bolder policy was necessary and that the sugar factories should be permitted to purchase new lands and consolidate their holdings. The State Government should come forward and help the factories to remove the pockets in their holdings. If necessary, the landowners within the pockets might be settled in other areas owned by the factories, so as to create large compact blocks which are a primary necessity for efficient mechanised cultivation.

Taxes Must be Lowered

To revert to Mr. Ajit Prasad Jain's speech. It is gratifying that Mr. Jain specifically urged the need for making available to consumers adequate quantities of sugar at a reasonable price. He said: "It has been my anxiety to secure an all-round development of the sugar industry and to see that sugar is available to the people in adequate quantities at a reasonable price. For more than one reason, the cost of production of sugar still continues to be high as compared with the cost in other important sugar-producing countries of the world. This is due not only to the low yields of cane and comparatively low sugar-content but also, to some extent, to the low efficiency of cane at the factory stage." Few would disagree with this statement. Nevertheless, there is no denying the fact that the high price of sugar is due not so much to the reasons adduced by Mr. Jain as to the heavy incidence of taxation—Central and State. On every pound of

(Continued on page 869)



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NEW PUBLICATIONS

Price Controls in India Since 1947. By Dr. R. C. Agrawal, 28, Ferozshah Road, New Delhi. Foreword by T. T. Krishnamachari. Pages: 200. Price: Rs. 7-8.

IN most of the free countries of the world, statutory price control had its origin as an instrument of war-time economic policy but it is not purely a war phenomenon. It has been continued even after the war in most countries, because the post-war economic situation justified or even necessitated its continuance. Price control is resorted to when, owing to an excess of aggregate demand over supply, the equilibrium price determined by the free play of the forces of supply and demand is not conducive to the welfare of consumers. More specifically, price control is called for, in abnormal situations, when one or more of the following factors are present: (1) tense international situation which is likely to lead to outbreak of war, (2) large-scale failure of crop or fall in production of other essential goods, and (3) the need for stabilising the income of particular groups as a matter of social policy. In so far as deficit financing is thought of in most underdeveloped countries as a principal means of financing development projects, price control in some form or other is likely to be introduced, or continued where they are already in operation. When an attempt is made to step up the rate of investment beyond the rate of existing saving, it is almost bound to lead to an inflationary rise in prices in the short run, as investment takes time to fructify and raise real incomes. In view of the large volume of deficit financing envisaged in India's second Plan, the study of price control assumes a special significance at present.

The book under review is a study of the mechanics of price control, and an assessment of its relative merits and defects *vis-a-vis* other indirect forms of control like monetary and fiscal policies. It also attempts to dispel the distrust in the price mechanism as an instrument for allocating resources in an efficient manner and points to the administrative and other difficulties of successfully working any form of price control administration.

After discussing the objectives and techniques of price control, the author briefly surveys the evolution and the working of price controls in India. The performance of price control in India has not been encouraging. He points out that the failure of the decontrol experiment in 1947 was due not only to the fact that the time was not propitious for removing controls. but also because a strict vigilance on the monetary and fiscal fronts was not maintained; the experiment led to a sharp rise in prices, necessitating reimposition of controls in 1948. The impact of price control on the producer, consumer and the distributor is discussed in successive chapters. Another chapter deals with the framing of price control policies and their administration. The author rightly warns the administrators and policy-makers that price control is a delicate instrument which needs to be used with the utmost caution both as regards the framing of policy and its execution. Interference with the functioning of the market mechanism, except under abnormal situations, when there is large-scale economic maladjustment between supply and demand, leads to distortion of the structure of production which will adversely affect investment. He points out that modification of tax policies, large-scale borrowing, changes in the rate of interest and credit policies, etc., can exercise a more equitable influence without creating a structural imbalance in the economy which is almost inevitable in a system of direct controls. But situations may arise, as in the case of heavy deficit financing or war, when fiscal and monetary policies alone cannot achieve the desired objective. He does not deny the usefulness of price controls in such situations as a restraint on inflationary rise in prices. Even then, as he takes care to emphasise, price controls serve merely to cure the symptoms of inflation and provide no permanent remedy for the ills flowing from it. The obvious lesson from the analysis is that the authorities in this country will do well not to carry deficit financing to a point at which inflationary pressures emerge necessitating the imposition of controls.

The difficulties in the way of formulating and administering price controls are, indeed, formidable. In the case of agriculture, output is less responsive to price adjustment as compared with industries and it is all the more true under a system of subsistence farming such as the one that prevails in India. The difficulty is further enhanced by the existence of a highly cellular marketing pattern with varying and fluctuating scarcity relationship and price tendencies in different areas. In the case of finished or manufactured goods, any system, designed to control their prices, which does not control the prices of the cost components, is inequitable and will ultimately lead to a fall in production. All this serves to underline the difficulties involved in the bureaucratic regulation of prices. The author discusses the several administrative problems which price control may give rise to and emphasises that the shortage of personnel of the proper calibre in administering the controlled price is a very real limitation in India. The author's treatment of these and related issues is objective and unbiassed and Mr. Krishnamachari's praise, in his preface to the book, that the "future planner, the administrator and the student of economics will find ample material to develop from the basis provided by this thesis" is well deserved.

The Culture and Marketing of Tea. Second Edition. By C. R. Harler. Published by Oxford University Press. Price 25s. net (In U. K. only).

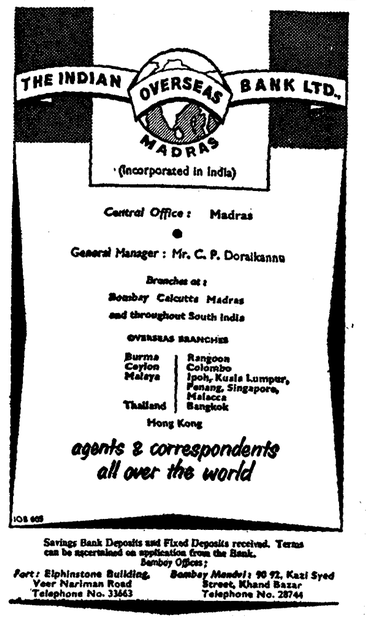
China, to which many movements and arts of civilisation owe their origin, is believed to be the original home of tea; indeed, China is said to have given the word "tea" to the world. The tea bush was cultivated and the leaf prepared in that country for many centuries. Until the end of the nineteenth century, China almost held the monopoly in world tea trade. In 1886, the country's exports touched a peak of 300 million lbs., when India produced only 90 million lbs. Ceylon had just started producing tea. Since then, the change in the style of manufacture of the beverage in the tea countries controlled by Europeans brought out a product different from Chinese tea. The tea consumers gradually began to favour this new "tea," with the result that the Chinese tea was almost ousted in course of time. By 1930, its exports fell to 100 million lbs. and to 25 million lbs. by 1952, most of which was green tea. The loss of market for Chinese tea was due to lack of modern knowledge, outdated methods and the lack of capital in the hands of tea farmers. At present, tea production in China is only a village industry.

The development of tea culture and manufacture by scientific research has not only been responsible for the widening of the world market for tea but made the tea consumer prefer only quality teas. Scientific research has opened up the way for the selection and propagation of high-yielding bushes giving quality tea, while the study of the bio-chemistry of the tea leaf has modified the approach to all processes of manufacture. These changes in the growing, preparation and the marketing of tea were outlined by Mr. Harler in the first edition of the above book, published in 1933. Since then, however, many fundamental changes in every aspect of the tea industry have taken place, so that the author has completely re-written in the present edition what was contained in the first one.

The latest edition is divided into three parts. The first part is devoted to a description of the tea plant, the climate and production of tea, tea soils, the culture and preparation of tea, the chemistry and the pharmacology of tea. The author treats these topics with a wealth of scientific details in a language that can be readily understood even by a layman.

Part II of the book gives a graphic description of the tea areas of the world, beginning with the classic tea countries of China and Japan. The rise of tea plantation industry in Assam and the evolution of modern practice in India are presented in some detail. The author also discusses the potentialities for growing tea in Africa, the U.S.S.R. and Australia.

In Part III, the author gives an account of the development of tea trade, with a description of the early trading days of the East India Company in China and the functions of the agency houses which opened up tea lands in India, Ceylon, Java and Africa. The author draws some general conclusions with regard to the culture and marketing of tea. These conclusions, set out in the last chapter of the book, are of considerable interest and importance. According to the author, the Assam Valley is the country *par excellence* for tea planting and the same holds good to a somewhat less extent for other tea districts of North-east India. Enormous crops of quality tea can be produced with the minimum effort in Assam Valley and there are large areas of land suitable for extensions. The field methods now advocated in Assam and followed in the best Assam tea estates, Mr. Harler says, are fundamentally sound and should be tried in other tea countries, though modifications may well be needed. He favours some international scheme of control both of export and planting so that the supply of, and the demand for, the commodity can be equated and the disturbing effects of slumps and booms reduced or avoided. He adds that it remains to be seen whether the pressure of population on the land in Asian tea countries will allow a crop ilke tea to be grown extensively for export. The countries in Eastern Africa have an opportunity to become one of the new sources of tea supply. The U.S.S.R. also, Mr. Harler says, will probably develop its tea areas. By selecting a type of bush to suit the difficult climate in Georgia and by adopting mechanical plucking, many new areas incapable of producing tea economically can, according to him, be enabled to do so.



"Planting and Commerce" Annual Number 1956 and Special Numbers. Acting Editor: Mr. Joseph Stanley.

The latest annual number of *Planting and Commerce* is the third in its series and preserves all the usual features which characterised the earlier numbers. The detailed survey of the plantation industry in 1955 which forms the main feature of the number gives a comprehensive picture of the various plantation crops. The survey also discusses the outlook for each plantation crop. There are several special articles, of which mention must be made of "Plantation Labour," which discusses some aspects of plantation labour policy, "Kerala—Its Assets and Liabilities," "Prospects for Natural Rubber," "Coir and the Board," and "Rubber Replanting by Subsidy and New Planting by Loan."

In the course of the editorial on the second Five-year Plan, the Editor says that a socialistic pattern of society may succeed, but not a Plan based on primitive productive methods. In another editorial on "The Year for Plantation Crops," he observes that 1956 will not be a record-maker for plantation crops, but it will be a fairly good year.

The *U.P.A.S.I. Supplement*, issued in connection with the 63rd annual conference of the United Plantation Association of South India, also contains some very instructive articles, besides the story of the U.P.A.S.I. which has rendered meritorious service to the plantation industry in South India for over six decades.

The special number devoted to cashew and pepper, two of the "unique products of the tropics," produced in Malabar, contains a mine of information on these two plantation crops.

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

A copy of this Prospectus has been delivered to the Registrar of Companies, West Bengal, for registration, such copy having attached to it :—

(i) the written consent of the Auditors mentioned herein to the issue of this Prospectus with their report included therein in the form and context in which it is so included;

(ii) a statement in writing signed by the Auditors as to the adjustments made by them in arriving at the profits and statement of assets and liabilities included in their report and giving their reasons therefor ; and

(iii) copies of contracts Nos. 1 to 12 mentioned herein under the heading "Contracts" or memoranda giving full particulars thereof.

Application is being made to the Calcutta Stock Exchange for permission to deal in and for an official quotation of the Ordinary Shares of the Company.

The Subscription List will open at the commencement of Banking hours on the 7th day of November, 1956, and will close on the 14th day of November, 1956, or earlier or later at the discretion of the Directors.

GUEST, KEEN, WILLIAMS, LIMITED

(INCORPORATED ON THE 17TH DAY OF FEBRUARY, 1931, UNDER THE INDIAN COMPANIES ACT, 1913 AS HENRY WILLIAMS INDIA (1931) LIMITED, WHICH NAME WAS CHANGED TO GUEST, KEEN, WILLIAMS, LIMITED ON THE 19TH DAY OF DECEMBER 1934).

SHARE CAPITAL

AUTHORISED .. .. **Rs. 3,00,00,000/-**
Divided into 30,00,000 Shares of Rs. 10/- each

ISSUED, SUBSCRIBED AND PAID-UP .. .. **Rs. 1,41,06,000/-**
Divided into 14,10,600 Ordinary Shares of Rs. 10/- each fully paid

LOAN CAPITAL

The Company has no debentures or other loan capital outstanding but has Bank overdrafts secured by hypothecation of stock-in-trade.

ISSUE OF

5,89,400 Ordinary Shares of Rs. 10/- each fully paid at Rs. 20/- per share.

PAYABLE IN FULL ON APPLICATION.

Applications for Shares by members of the public must be for a minimum of 50 Shares or for multiples of 50 Shares.

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

An interim dividend of 8 per cent. free of tax was declared on the 20th September, 1956, to shareholders at that date in respect of the Company's 52 weeks' financial period ending the 29th December, 1956. The Shares now being issued will rank for any further dividend that may be declared in respect of the said period and any subsequent financial periods and in all other respects *pari passu* with the Ordinary Shares of the Company already issued.

As the existing shareholders do not intend to apply for an allotment all the Shares now being issued will be available for allotment to the public save that 50,000 Shares of this issue are being reserved initially (without any obligation on the Company) for those employees who have a minimum of twelve months' service with the Company. Applications for Shares from such employees for a minimum of 10 Shares or for multiples of 10 Shares will be considered.

DIRECTORS :

REGINALD CATLOW, ESQ., "Kinburn," 11, Ramsdale Road, Bramhall, Cheshire, England. Industrialist, (*Chairman*).

HENRY MORTON LEECH WILLIAMS, ESQ., M.B.E., B.A., 24/4, Alipore Road, Calcutta-27. Engineer & Company Executive, (*Managing Director*).

JOHN FADE HEATLY, ESQ., 11/1, Burdwan Road, Calcutta-27. Company Executive.

KAILASH CHANDRA MAHINDRA, ESQ., "Mont Blanc," Dadyseth Hill, Bombay-26. Industrialist.

KRISHNA CHANDRA MAITRA, ESQ., "Rushilla," Carmichael Road, Cumballa Hill, Bombay-26. Industrialist.

WILLIAM MORRICE, ESQ., 4, Kings Court, Theatre Road, Calcutta-16. Company Executive, (*Secretary*).

SIR ARCOT RAMASWAMI MUDALIAR, K.C.S.I., D.C.L. (*Oxon*), 9, Lower Rawdon Street, Calcutta-16. Industrialist.

WILLIAM EDWARD MURPHY, ESQ., Bengal United Service Club, 29, Chowringhee Road, Calcutta-16. Engineer & Company Executive.

BANKERS :

NATIONAL BANK OF INDIA LIMITED, 19, Netaji Subhas Road, Calcutta-1.

SOLICITORS :

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

AUDITORS :

PRICE WATERHOUSE PEAT & CO., Chartered Accountants, B-4, Clive Buildings, Calcutta-1.

REGISTERED OFFICE :

41, CHOWRINGHEE ROAD, CALCUTTA-16.

BROKERS :

CALCUTTA: PLACE, SIDDONS & GOUGH, 6, Lyons Range, Calcutta-1.

BOMBAY: LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

BOMBAY: BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.

NEW DELHI: HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Parliament Street, P.O. Box 300, New Delhi-1.

MADRAS: PATERSON & CO., 22, Errabalu Chetty Street, P.O. Box 48, Madras-1.

History and Business

The Company was incorporated in Bengal on the 17th February 1931 as a Private Limited Company under the name HENRY WILLIAMS INDIA (1931) LTD. and was formed, *inter alia*, with the object of acquiring and carrying on the business of HENRY WILLIAMS (INDIA), LIMITED, an earlier Company incorporated in Bengal in the year 1922, which founded the Company's manufacturing Works at Calcutta. The other main objects of the Company will be found set out below in this Prospectus. The change to the Company's present name was made on the 19th December, 1934 consequent upon the purchase of a large interest by GUEST, KEEN & NETTLEFOLDS, LTD., of Birmingham, England.

On the 4th December, 1948 GUEST, KEEN & NETTLEFOLDS, LTD., purchased from the other shareholders their interests in the Company, thus becoming the sole owners. On the 29th January, 1953, the Company formed a wholly owned Subsidiary, NETTLEFOLDS OF INDIA PRIVATE LTD., incorporated under the Indian Companies Act, 1913 for the purpose of connecting the name "NETTLEFOLDS" with the Company's project for manufacturing wood screws and kindred fastenings in India. This Subsidiary as well as the Company has the right to use wood screw and kindred trade marks and labels, including the name "Nettlefolds," which is famous throughout the world for these products, under user agreements with the proprietors. The Company has also entered into a user agreement with George Goodman Ltd., of Birmingham, England in respect of the latter's trade mark and labels relating to safety-pins and kindred products manufactured by the Company in India. The Company has also entered into an Agreement with Exors. of James Mills Limited of Stockport, England, whereby the Company is permitted to manufacture in India under Licence certain products including railway permanent way fittings under Trade Marks and Patents belonging to Exors. of James Mills Limited, in consideration of which the Company pays a royalty based on the selling price of the products subject to a minimum payment of £500-0-0*d.* per annum. The said Agreements contain provisions whereby the user of the Trade Marks undertakes that the goods to be manufactured shall be up to specification and that the Owner of the Trade Marks shall have a right of access to the place where the goods are manufactured for the purpose of inspecting all stages of manufacture.

The Company and its predecessors have always laid emphasis on the specialised lines of engineering and in particular those pertaining to Railways. The fulfilment of orders received from the Railways has always constituted a large part of the Company's activities. The Company is one of the pioneers in India of rolling special sections used in the manufacture of springs for which business it continues to execute a very substantial part of the country's needs. In addition the range of manufactures includes Baling buckles for the Jute Industry, and, of more recent years, grinding media for the Cement Industry and a growing variety of Forgings for the Automobile Industry. Railway Points and Crossings, Permanent Way Fittings, Signal Fittings and Rolling Stock components are all made at the Calcutta Works, which is in the advantageous position of having its own Rolling Mills and Furnace Plant for making special and alloy steels. For nearly 30 years the Company has been the largest single producer in India of Steel Railway Sleepers, and its Bolt and Nut Department is by far the largest Bolt and Nut unit in India.

The Bhandup Works which commenced manufacturing in September, 1953 ir now the largest producer in the country of high-class Steel and Brass Wood Screws. As additional lines this Works started manufacturing Safety Pins in the latter half of 1954, Cotter Pins in the first half of 1955, Hypodermic Needles in January 1956, Tinmen's Rivets in June, 1956 and Metal-thread Screws in July, 1956. These products of the Bhandup Works are marketed and distributed throughout India by Nettlefolds of India Private Ltd.

The Company specialises in Mechanical Engineering and also has a valuable Agency section importing and selling a wide range of mechanical and electrical products of the following well-known overseas manufacturers:—

Associated Locomotive Equipment Ltd., London, England	Locomotive Poppet Valve Gear.
William Beardmore & Co., Ltd., Glasgow, Scotland	Wheels and Axles, Locomotive Crank Axles, Heavy Steel Castings, Forged Steel Rolls, Miscellaneous Forgings, etc.
Beyer Peacock & Co., Ltd., London, England	Railway Locomotives.
British Rollmakers Corporation Ltd., Crewe, England	Rolls and Rollers for Rolling Mills and for the Paper, Rubber and other Industries.
Bruce Peebles & Co., Ltd., Edinburgh, Scotland	Electric Motors, Generators, Transformers, Rectifiers, Convertors, etc.
Cowans Sheldon & Co., Ltd., Carlisle, England	Loco Breakdown Cranes, Overhead Cranes, Dock Cranes, Turntables, etc.
Crompton Parkinson, Ltd., London, England	Stud Welding Equipment.
Drabble & Sanderson Ltd., Sheffield, England	Woodworking Equipment, Tools, etc.
Drewry Car Co., Ltd., London, England	Diesel Locomotives and Rail Cars.
Exors. of James Mills, Ltd., Stockport, England	Bright Drawn Bars and Wire, Ledloy Steel Bars, Bright Steel Taper Pins, Cotters, Machine Keys, Grooved Pins and Studs, Shakeproof Lock Washers, etc.
Guest, Keen & Nettlefolds (Midlands) Ltd., Birmingham and Darlaston, England.	N. P. K. Self-Tapping Screws, Special Bolts, Nuts, Machine Screws and a wide range of other fastenings.
Guest, Keen & Nettlefolds (South Wales) Ltd., Cardiff, Wales	Hot and Cold Rolled Steel Strip, Steel Rod and Wire.
Hauck Manufacturing Co., Brooklyn, U.S.A.	Oil Burners, Flame Guns and Torches.
Henry Williams Ltd., Darlington, England	Railway Track and Signalling Equipment.
Manganese Bronze and Brass Co., Ltd., Ipswich, England	Bronze, Brass, White Metal, and "Oilite" Self-Lubricating Bronze Bearings.
Mills Scaffold Co., Ltd., London, England	Tubular Scaffolding and fittings, Prefabricated Tubular Steel Structurals, Racking, Grandstands, etc.
Murex Limited, Rainham, England	"Thermit" Welding of Rails.
Murex Welding Processes Ltd., Herts, England	Electrodes, Welding Plant and Accessories.
M. & C. Switchgear, Ltd., Glasgow, Scotland	Switchgear up to 3.3 K.V. Automatic A.C. Control Gear, etc.
P. & M. Co. (England) Ltd., London, England	Rail Anchors, Rail Lubricators, Switch Point Protectors, Rail Benders, Hydraulic Track Jacks.
Shaw Son & Greenhalgh, Ltd., Huddersfield, England	Boiler Fittings, High Pressure Valves, etc.
Somerset Wire Co., Ltd., Somerset, England	High Tensile Steel Wire.
Thomas White & Co., Ltd., Paisley, Scotland	Woodworking Machinery.
Turton Bros. & Matthews Ltd., Sheffield, England	High Speed Steel, Tool Steel, Twist Drills, Spiral and Volute Springs and Metal Working Tools.
"Twisteel" Reinforcement Ltd., Smethwick, England	Reinforcing Fabric and Bars for Concrete.
Tyer & Co., Ltd., Dalston, London, England	Railway Electrical and Mechanical Signalling Instruments, etc.
United Wire Works (Birmingham) Ltd., England	Non-ferrous Rod and Wire.
Uskside Engineering Co., Ltd., Newport (Mon.), Wales	Mining Machinery, Bollard and Sinking Capstans, Ram Pumps, Haulage Gear, Winders, Flexible Couplings, etc.

Land, Premises and Plant

The Company has its main office at Calcutta, offices at Bombay, Madras, New Delhi and at London, England, and manufacturing works at Bhandup near Bombay and at Calcutta.

The Calcutta Works is situated at Shalimar, Howrah, West Bengal, on two sites owned by the Company each of which is within its own ring fence, the older site containing an area of approximately 33 acres and a site recently acquired for future development containing an area of approximately 11 acres. The two sites are joined by railway sidings and are readily accessible to Andul Road. Erected on this land is a modern, well-equipped, manufacturing works with a covered floor area totalling approximately 6,21,000 sq. ft. The Works is well served by internal railway sidings, adequate to handle incoming raw materials and outgoing finished goods. Ample water is available from deep tube-wells and surface tanks. The Plant and Machinery is well maintained in efficient condition and at the 31st December, 1955, the written down book value of the fixed assets pertaining to the Calcutta Works was Rs. 1,03,93,006.

The Bhandup Works, approximately 18 miles from Bombay on the main Agra Road, is served by its own siding from the Central Railway. The property on which the Works are situated comprises a residential area of approximately 15 acres on the West side of the Agra Road, and an industrial area of approximately 53 acres on the East side of the Agra Road, which latter accommodates the Works proper. Approximately 13 acres of the industrial area are rented on a 50 years lease to Sankey Electrical Stampings Private Ltd. The industrial area has its own electric generating station; water is taken both from the mains supply and from wells on the Estate. This works has a covered floor area of approximately 70,000 sq. ft. and all the Plant and Machinery has only recently been installed and is well maintained in efficient condition; at the 31st December, 1955, the written down book value of the fixed assets pertaining to the Bhandup Estate was Rs. 45,59,276.

The Company's Head Office at Calcutta is held on lease, and a written undertaking has been received for an extension of this lease until the 30th June, 1979. The offices at Bombay, Madras, New Delhi and at London, England, are all held under tenancy agreements on reasonable terms.

Management and Staff

Of the Directors, the Chairman, Mr. R. Catlow, has for most of his working life been connected with GUEST, KEEN & NETTLEFOLDS, LTD., England, and has, since August, 1952, been a member of the Board of that Company. There are four full-time Working Directors, all of whom have been in the employment of the Company for many years either as executives or Directors and have considerable practical experi-

ence as engineers and commercial men, as well as holding technical qualifications. There are three non-executive Directors in India, who have recently joined the Board, whose experience and guidance will form a valuable contribution to the efficient running of the Company.

The Managing Director and the three other full-time Directors are responsible for the day to day running of the business, and they are ably assisted by experienced officials, many of whom have spent most of their working lives with the Company.

The total number of employees of the Company including the management, staff and operatives employed at Calcutta and Bhandup Works is approximately 5,850. The Company has been operating and will continue to operate recruitment and training schemes for its employees both in India and overseas, which it anticipates will continue to provide and train executives and operatives for its requirements. The efficiency and continuity of management at all levels are maintained by the Company's long-standing practice of promotion wherever possible from within the organisation. Labour relations have, on the whole, been very satisfactory and there is reason to hope that they will continue to be so. Opportunities are assured by the Company's technical and commercial training policy for the promotion of Indian Nationals in the management of the affairs of the business, and additional requirements of technicians are supplemented by imported staff with specialised qualifications.

Development

At the Calcutta Works the extensions and modernisation, begun in 1954, of the Bolt and Nut Cold Forging Department are now substantially completed, and the modernisation of the Bolt and Nut Hot Forging Department has already commenced. The modernisation and extension of the Forging Plant and machining capacity for the Railway Permanent Way and Rolling Stock fittings requirements are now being embarked upon. In addition, plans are being made for a greatly increased output of the special steel sleepers required for railway points and crossings. To keep pace with the modernisation of the fabricating departments, and to ensure a satisfactory supply of bars, rods and special sections to these departments, modernisation and expansion of the Rolling Mills at the Company's Calcutta Works are now in progress. In addition to meeting the needs of the Calcutta and Bhandup Works this development provides not only for the growing requirements of spring steel bars and special sections for the Company's outside customers, but also for further potential capacity to take up additional supplies of steel semis as and when they become available under the Government programme for the development of the Steel Industry. Another development linked with the Rolling Mill expansion is the installation of a second Electric Steel Melting Furnace to provide special and alloy steels, which will increase the existing capacity from 6,000 tons to 12,000 tons per annum. It is expected that the new Electric Steel Melting Furnace will begin operating during the year 1957. It is also expected that the initial stages of the Rolling Mill expansion scheme will come into production at the end of the year 1958 and that its subsequent stages will be implemented by the end of the year 1959. It will be seen therefore that the cost of this expansion programme will be spread over some four years.

The Rolling Mill and the Steel Furnace expansion schemes have been approved by the Government of India under the Industries (Development and Regulation) Act, 1951, and the Registration and Licensing of Industrial Undertakings Rules, 1952, as follows:—

A Licence (No. L/4/75/55 dated the 3rd December, 1955, for the manufacture of bars and rods has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking, of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it. A Licence (No. L/4/72/55 dated the 12th November, 1955, for the manufacture of special steels including spring steel and alloy steel) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking, of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

The Company is also developing at its Calcutta Works the manufacture of Tungsten-Carbide for Drawing Dies and Rock Drill Bits, for which latter there is a growing demand for use in the construction of the Country's River Valley Projects and quarrying generally.

A further development is the manufacture of steel Road Wheels for pneumatic tyre equipment, plans for which have been drawn up. It is proposed, in the first instance to manufacture only wheels for Animal Drawn Vehicles but later on for Motor Cars.

In their letter Ref. No. 11 (85) IA (LA)/55 dated 5th June, 1956, the Government of India informed the Company that the manufacture of Animal Drawn Vehicle Wheels is not governed by the Industries Act and that the Company is not required to obtain a Licence for this purpose. The manufacture of Motor Car Wheels has received the approval of the Government of India under the Industries (Development and Regulation) Act, 1951, and the Registration and Licensing of Industrial Undertakings Rules, 1952, as follows:—

A Licence (No. L/11/36/56 dated 19th June, 1956, for effecting a substantial expansion to this industrial undertaking for the manufacture of Motor Car Wheels) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking, of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

To augment existing service facilities for the production departments a new Tool Room and Machine Repair Department are being built and equipped with the latest precision machinery.

At the Company's Bhandup Works a considerable expansion in the productive capacity of wood screws is almost completed and the resultant increase in production is already being experienced; at the same time this Works is now manufacturing Metal-thread Screws and Tinmen's Rivets, Cotter Pins and Hypodermic Needles as new lines. These developments have all received the approval of the Government of India under the Industries (Development and Regulation) Act, 1951, and the Registration and Licensing of Industrial Undertakings Rules, 1952, as follows:—

A Licence (No. L/4/70/55 dated the 29th October, 1955, for effecting a substantial expansion to the existing undertaking for the manufacture of wood screws) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking, of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A Licence (No. L/4/48/55 dated the 29th April, 1955, for the manufacture at Bhandup, Bombay, of metal-thread screws of smaller sizes and small rivets including tinmen's) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking, of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

The following schemes not being classed as "Scheduled Industries" under the said Act have received the approval of the Government of India as follows:—

Approval for the scheme to manufacture Safety-pins was given by the Ministry of Commerce and Industry letter ref: No. E. I. 47(2)/53 dated the 6th March, 1953, and approval for doubling the capacity was given by the Ministry of Commerce and Industry letter ref: No. E. I. 47(2)/53-G. I. dated the 25th August, 1955.

Approval for the manufacture of Wire goods.—Screw Hooks, Eyes, Cotter Pins and Gate Hooks was given in the Ministry of Commerce and Industry letter ref: No. Eng. Ind. 34/(32)/53 dated the 14th September, 1953, and approval for substantial expansion of production was given in the Ministry of Commerce and Industry letter ref: No. G. Ind. 37(5)/55 dated the 23rd April, 1956.

Approval for the manufacture of Hypodermic and Serum Needles was given by the Ministry of Commerce and Industry letter ref: No. Eng. Ind. 45(3)/54 dated the 27th April, 1954.

It is expected that the expenditure on these aforementioned projects together with normal replacement of fixed assets during the next four years will be between four and five crores of rupees, a part of which will be provided out of the proceeds of this Issue, and the Directors expect to be able to finance the balance of this expenditure out of future earnings and resources which may become available from time to time.

Objects of Issue

The objects of this new Issue are to enable the Company to expand its production, to enlarge the scope and range of its activities, to provide additional working capital and to afford an opportunity for the participation of Indian Capital.

The Company was converted into a Public Company on the 22nd October, 1956.

FINANCIAL INFORMATION

Auditors' Report

The following is a copy of the Report of the Company's Auditors, Messrs. Price Waterhouse Peat & Co., Chartered Accountants,

The Directors,
MESSRS. GUEST, KEEN, WILLIAMS, LTD., 41, CHOWRINGHEE ROAD, CALCUTTA-16.

B-4, CLIVE BUILDINGS,
CALCUTTA-1.
22nd October 1956.

DEAR SIRS,

We have examined the books and accounts of GUEST, KEEN, WILLIAMS, LTD., as kept in Calcutta in which are incorporated the certified returns from the Calcutta Works, Bhandup Works (which started production in 1953) and Bombay and Madras Branches for the five years ended 31st December, 1955 and the books and accounts of NETTLEFOLDS OF INDIA PRIVATE LTD., a wholly owned subsidiary company of GUEST, KEEN, WILLIAMS, LTD., as kept in Bombay for the period from 29th January, 1953 to 31st December, 1955 and report that the profits or losses of the Companies are as set forth. These profits or losses have been arrived at after charging all expenses of working, management and consultant's fees including provision for normal depreciation on the basis as allowable for taxation and after making such adjustments as in our opinion are appropriate.

GUEST, KEEN, WILLIAMS, LIMITED

	52 Weeks ended 29-12-51		53 Weeks ended 3-1-53		52 Weeks ended 2-1-54		52 Weeks ended 1-1-55		52 Weeks ended 31-12-55
	Rs.		Rs.		Rs.		Rs.		Rs.
INCOME —									
Closing Stocks and Work-in-Progress	41,55,778		36,81,569		43,04,829		41,63,466		47,37,375
Sales	3,29,12,716		2,89,83,116		3,18,15,861		4,83,64,371		6,10,06,827
INTEREST —									
(a) Bank	—	50,776		324		153			
(b) Investments	754	362		[1,347		1,399		—	
(c) Other Sources	—	754	—	51,138	—	1,671	22,781	24,333	1,205 19,973	21,178
Miscellaneous Income		4,46,644		5,15,351		5,28,188		7,42,774		6,55,648
		3,75,15,892		3,32,31,174		3,66,50,549		5,32,94,944		6,64,21,028
EXPENDITURE —									
Opening Stocks and Work-in-Progress	43,14,077		41,55,778		36,81,569		43,04,829		41,63,466
Raw Materials consumed and Agency Stock Received	1,42,92,080		1,34,02,754		1,74,19,834		2,67,41,160		3,12,05,421
Manufacturing, Establishment, Selling and Distribution Expenses	48,10,246		50,90,751		54,72,862		69,23,483		86,88,214
Salaries and Wages	74,18,052		76,34,660		75,04,043		93,49,660		1,13,59,770
Interest on Bank Overdraft	13,047		—		1,17,511		2,72,485		2,51,304
	3,08,47,502		3,02,83,943		3,41,95,819		4,75,91,617		5,56,68,175
Net Profits before Depreciation and Taxation	66,68,390		29,47,231		24,54,730		57,03,327		1,07,52,853
Depreciation (Normal)	2,56,007		2,65,446		4,77,128		7,35,585		8,22,319
Net Profits before Taxation	64,12,383		26,81,785		19,77,602		49,67,742		99,30,534
Taxation after allowance of normal depreciation only	26,99,869		15,58,601		3,10,233		25,75,468		51,85,397
Net Profit	37,12,514		11,23,184		16,67,369		23,92,274		47,45,137
The Initial Allowance and Development Rebate and Double and Extra Shift Allowances which are not included are as follows:—									
Initial Allowance	47,528		2,61,568		7,56,555		2,84,600		1,08,994
Development Rebate	—		—		—		2,68,729		2,66,218
Double Allowance	1,19,527		1,45,902		3,43,842		5,86,769		6,63,978
Extra Shift	77,098		72,126		98,949		1,60,998		2,02,520

Note: —No provision has been made for any Taxation that may be imposed in respect of the Final Dividend declared for the period ended 31st December, 1955.

NETTLEFOLDS OF INDIA PRIVATE LIMITED

	Period 29-1-53 to 2-1-54	52 Weeks ended 1-1-55	52 Weeks ended 31-12-55
	Rs.	Rs.	Rs.
INCOME—			
Closing Stocks and Work-in-Progress	—	84,457	—
Sales	—	21,78,424	36,32,623
Miscellaneous Income	42	8,936	7,413
	42	22,71,817	36,40,036
EXPENDITURE —			
Opening Stocks and Work-in-Progress	—	—	84,457
Purchases	—	20,80,116	32,05,949
Other Expenses	550	1,41,314	2,84,419
Service Charge by Guest, Keen, Williams, Ltd.	—	48,000	52,200
	550	22,69,430	36,27,025
Net Profit/(Loss) before Taxation	(508)	2,387	13,011
Provision for Taxation	—	1,028	7,589
Net Profit/(Loss)	(508)	1,359	5,422

We also report that the assets and liabilities of GUEST, KEEN, WILLIAMS, LTD., and NETTLEFOLDS OF INDIA PRIVATE LTD., as at 31st December, 1955, which is the last date to which the Companies' Accounts were made up prior to the date of this report are as set out below. These assets and liabilities have been arrived at after making such adjustments as in our opinion are appropriate.

GUEST, KEEN, WILLIAMS, LIMITED

	Rs.	Rs.
Fixed Assets at original cost plus balance of increase on revaluation as at 31st December 1946 less Depreciation to 31st December, 1955		1,73,38,634
Investments —		
In Government Securities at cost	21,213	
In fully owned Subsidiary at cost	5,00,000	5,21,213
Current Assets —		
Stocks of raw materials, manufactured goods and stores on hand, in transit or in process at cost or market value whichever is lower	1,40,35,513	
Debtors considered good (unsecured)	1,12,43,491	
Advances recoverable in cash or for value to be received	8,33,036	
Due from fully owned Subsidiary on Current Account	2,65,948	
Loan—Unsecured	3,37,500	
Cash in hand and at Banks on Current Accounts	2,41,349	2,69,56,837
	TOTAL ASSETS ..	4,48,16,684
Less : Liabilities and Provisions —		
Sundry Creditors	1,06,97,379	
Loan from Bank (Secured by Hypothecation of Stocks)	35,88,383	
Unsecured Loan from fully owned Subsidiary	4,50,000	
Provision for Dividends	24,68,550	
Provision for Taxation	46,33,094	2,18,37,406
	NET ASSETS AT 31ST DECEMBER, 1955. Rs. ..	2,29,79,278
REPRESENTED BY :—		
14,10,600 Ordinary Shares of Rs. 10 each fully paid up		1,41,06,000
Capital Reserve		32,576
Fixed Assets Replacement Reserve		15,44,449
Taxation Equalisation Reserve		19,40,490
General Reserve		24,42,591
Stock Reserve		12,37,667
Reserve for Bad and Doubtful Debts		1,62,078
Profit and Loss Account balance carried forward		15,13,427
	Rs. ..	2,29,79,278

NETTLEFOLDS OF INDIA PRIVATE LIMITED

Current Assets —		
Debtors considered good (unsecured)		3,60,986
Loan to Guest, Keen, Williams, Ltd.		4,50,000
Investments in Government Securities—at Cost		11,847
Interest accrued thereon		489
Cash and Other Balances		1,28,141
	TOTAL ASSETS ..	9,51,463
Less : Liabilities and Provisions —		
Sundry Creditors	1,73,488	
Due to Guest, Keen, Williams, Ltd., on Current Account	2,65,948	
Provision for Taxation	7,528	4,46,964
	NET ASSETS AT 31ST DECEMBER, 1955. Rs. ..	5,04,499
REPRESENTED BY :—		
50,000 Ordinary Shares of Rs. 10 each fully paid up		5,00,000
Profit and Loss Account balance carried forward		4,499
	Rs. ..	5,04,499

We also report that the dividends paid by Guest, Keen, Williams, Ltd. out of profits on its paid-up capital are as follows:—

14,10,600 Ordinary Shares of Rs. 10 each

Fifty-two weeks ended 29th December, 1951	20 % per annum less tax	20,80,635
Fifty-three weeks ended 3rd January, 1953	15 % per annum less tax	15,60,476
Fifty-three weeks ended 2nd January, 1954	6 % per annum less tax	6,24,190
Fifty-two weeks ended 1st January, 1955	15 % per annum less tax	15,60,476
Fifty-two weeks ended 31st December, 1955	Interim 7½ % per annum without deduction of tax	
	Final 10 % per annum without deduction of tax	
	Rs. ..	10,57,950
		14,10,600
		24,68,550

No dividend has been declared by Nettlefolds of India Private Ltd., since the date of its incorporation on 29th January, 1953.

Yours faithfully,
PRICE WATERHOUSE PEAT & CO.

Profits and Prospects

The period covered by the Auditors' Report includes the five years to the 31st December, 1955. The profits for the 52 weeks ended the 29th December, 1951, were exceptional for that time and marked the end of the post-war boom. The profits for the 53 weeks ended the 3rd January, 1953, reflected a definite change to a buyers' market and falling off in customers' requirements which continued for the greater part of the 52 weeks ended the 2nd January. 1954, and was caused mainly by the holding off by Government of its normal purchases of railway requirements. This was general in the Engineering Industry at that time but particularly affected the Company's Steel Railway Sleeper Department which had to close down due to the absence of any orders whatsoever. The profits for the 52 weeks ended the 1st January, 1955, reflected a return to better trading conditions and were assisted by the earnings of the new Wood Screw Department at Bhandup Works and the first Steel Furnace at the Calcutta Works. The period ended the 31st December, 1955, showed further improvement in earnings, mainly assisted by the Company's progressive plant development and modernisation coupled with a continued rising demand from customers. The trading so far this year shows continued improvement and this together with the state of the Order Book leads the Directors to believe that (in the absence of circumstances beyond their control) with the additional finance now to be made available to the Company, and with the Company's various development schemes gradually coming to fruition, profits of current and future financial periods will show an increase consistent with the growth of the Company.

STATUTORY AND GENERAL INFORMATION

Minimum Subscription

(a) The minimum amount which in the opinion of the Directors is required to be provided in respect of each of the matters mentioned in clause 5, part 1 of Schedule II of the Companies Act, 1956, is Rs. 95,00,000, made up as follows:—

	Rs.
(i) Cash purchase price of property purchased or to be purchased	71,75,000
(ii) Expenses of this Issue ...	3,25,000
(iii) Re-payment of monies borrowed in respect of the foregoing matters	Nil
(iv) Additional Working Capital (being the balance)	20,00,000

(b) The amounts to be provided over the next four years in respect of the matters aforesaid otherwise than out of the proceeds of this Issue are estimated to be Rs. 3,78,25,000 and will be provided out of such facilities as may be available to the Company from time to time.

Underwriting

The Shares now intended to be issued have not been underwritten but the Company will pay brokerage as indicated below.

Contracts

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

(1) Dated the 5th October, 1955, between the Company and P. & M. Company (England) Ltd., whereby the former Company is given the sole right to manufacture in India under Licence and distribute certain products including Rail Anchors under Trade Marks and Patents belonging to the latter.

(2) Dated the 28th September, 1956, between the Company and Jardine Henderson. Limited, appointing the latter Registrars and Share Transfer Agents to the Company for a period of five years.

(3) Dated the 1st January, 1956, between the Company and Henry Morton Leech Williams appointing the latter Managing Director of the Company for a period of five years at a salary of Rs. 6,000 per month and such other benefits, privileges and amenities granted to Senior Staff by the Board of Directors. In addition Mr. H. M. L. Williams is paid a commission of 1 per cent. of the net profits of the Company.

(4) Dated the 16th November. 1955, between Guest, Keen & Nettlefolds, Ltd., of the first part, Guest, Keen & Nettlefolds (Midlands) Ltd., of the second part and the Company of the third part, for registration of the latter Company as registered user under the Trade Marks Act, 1940 of certain Trade Marks relating to wood screws and kindred products.

(5) Dated the 9th March, 1956, between Guest, Keen & Nettlefolds (Midlands) Ltd., and the Company's wholly owned subsidiary, Nettlefolds of India Private Ltd., for registration of the latter Company as registered user under the Trade Marks Act, 1940 of certain Trade Marks relating to wood screws and kindred products.

(6) Dated the 20th September, 1956. between the Company and Sankey Electrical Stampings Private Ltd., whereby the former Company leased to the latter certain pieces or parcels of land situate at Bhandup near Bombay together with several structures, buildings, and erections standing thereon and other rights and liberties appertaining thereto for a period of fifty years commencing from 1st January, 1956, at a monthly rental of Rs. 1,641-7-0.

(7) Dated the 13th April. 1955, between the Governor of West Bengal of the first part, the Administrator, Howrah Municipality, of the second part and the Company of the third part, whereby the Governor agreed to sell (the Administrator confirming) and the Company agreed to purchase certain pieces or parcels of land containing an area of approximately 33 Bighas, 5 Cottahs and 8 Chittacks for expanding the Company's Calcutta Works, for the sum of Rs. 5,32.400. The purchase price has since been paid by the Company and the property conveyed to it by a Conveyance dated the 24th August, 1955.

(8) On 9th July, 1956, an order on the Brightside Foundry & Engineering Co., Ltd., Sheffield, England. for the supply of Rolling Mill Equipment the cost of which is estimated to be £876,240 (Rs. 1,16,83,200).

(9) On 25th January, 1956, an order on G. W. B. Furnaces Ltd., Dudley, Worcs., England, for the supply of one Tagliaferri Electric Furnace the cost of which is estimated to be £30,492 (Rs. 4,06,560).

(10) Various orders numbered 10/1 to 10/7 dated 10th October, 1956, on various suppliers for the supply of Wheel-making Equipment. The cost of these orders is estimated to be £40,533 (Rs. 5,40,440).

(11) Various orders numbered 11/1 to 11/6 dated between 30th May, 1955 and 7th July, 1956, on Guest, Keen & Nettlefolds (Midlands) Ltd., for the supply of Plant & Machinery the cost of which is estimated to be Rs. 18,38,374.

(12) Various orders numbered 12/1 to 12/17 dated between 21st February, 1955 and 3rd September, 1956, on various contractors and suppliers for the supply and erection of Buildings, Plant and Machinery and Equipment, the total cost of which is estimated to be Rs. 35,65,510.

Redeemable Preference Shares

The Company has not within the two years preceding the date hereof issued and it does not at present intend to issue any Redeemable Preference Shares.

Other Previous Issues

No Shares or Debentures have been issued or agreed to be issued within the two years preceding the date hereof either for cash or as fully or partly paid up otherwise than in cash.

Commission

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

Payment to Promoter

No amount or benefit has been paid or given within the two years preceding the date hereof or is intended to be paid or given to any promoter or to any officer of the Company apart from normal remuneration and reimbursement paid to such officers.

Option to Subscribe

The Company has not entered into any contract or arrangement and does not at present propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any Shares in or Debentures of the Company.

Purchase of Property

Save as respects property purchased or acquired or to be purchased or acquired under Contracts being Item Nos. 7 to 12 referred to above under the heading "Contracts", any property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid for out of the proceeds of the present issue or the purchase or acquisition of which has not been completed at the date of the issue of this Prospectus, is property—

(a) the contract for the purchase or acquisition whereof has been entered into in the ordinary course of the business of the Company, the contract not being made in contemplation of this issue or this issue in consequence of the contract; or

(b) as respects which the amount of the purchase money is not material.

The property purchased or acquired or to be purchased or acquired under Contract Nos. 7 to 12 aforesaid has vested or will vest absolutely in the Company and there have been no other transactions relating to such property within the two years preceding the date of this Prospectus.

Miscellaneous

The fixed assets of the Company were revalued in the year 1946 and as a result of such revaluation the value of the said assets was increased from Rs. 30,47,417 to Rs. 1,26 01,826 the difference of Rs. 95,54,409 being credited to Capital Reserve Account. On 29th August, 1947, the Company issued 11,75,500 fully paid Bonus Shares of Rs. 10 each by capitalising the sum of Rs. 1.17,55,000 standing to the credit of Capital Reserve Account which was made up of the aforementioned amount of appreciation in the value of fixed assets together with a further sum of Rs. 22,00,591 transferred from General Reserve Account during the year 1947.

Directors

The Articles of Association of the Company provide that:—

The number of Directors shall not be less than three nor (unless otherwise determined by the Company in General Meeting) more than nine. The Consultant (see reference below) has the right to appoint up to one-third of the total number of Directors and to nominate the Chairman. A Director does not require any share qualification. Each of the Directors of the Company shall (unless otherwise determined by the Company in General Meeting) be paid out of the funds of the Company as remuneration for his services as a Director the sum of Rs. 200 in respect of each Meeting of the Directors which he attends. If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company, or in giving special attention to the business of the Company as a member of a Committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration from time to time provided for the Directors. The Articles provide that the business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not by law or by the Articles required to be exercised by the Company in General Meeting. The powers of the Directors are, however, subject to any regulations which may be made by the Company in General Meeting not being inconsistent with the Articles or the provisions of any law.

Interest of Directors

Mr. H. M. L. Williams is the Managing Director of the Company and receives remuneration for his services as such.

Mr. J. F. Heatly, Mr. W. E. Murphy and Mr. W. Morrice are salaried employees of the Company and in addition together share a commission totalling 1¼ per cent. of the net profits of the Company.

Mr. R. Catlow, Mr. H. M. L. Williams and Mr. J. F. Heatly are shareholders (each holding less than one-tenth of 1 per cent. of the issued capital) of GUEST, KEEN & NETTLEFOLDS, LTD., the principal shareholders of this Company. Mr. H. M. L. Williams and Mr. J. F. Heatly are also Directors of NETTLEFOLDS OF INDIA PRIVATE LTD., the wholly owned Subsidiary referred to above. Save as above no Director has any financial or other interest in any of the property acquired by the Company within the two years preceding the date hereof or proposed to be acquired by it.

Indemnity

The Articles provide that every Director, Manager or Officer of the Company or any person employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Officer or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted or in connection with any application in which relief is granted to him by the Court.

Management

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

Consultant

Guest, Keen & Nettlefolds, Ltd., a Company incorporated in England was appointed the Technical Consultant of the Company by virtue of an Agreement dated the 17th September, 1948, effective from the 1st January, 1948, and terminating on the 31st December, 1967. In accordance with the terms of the said Agreement, *inter alia*, the Consultant undertook to furnish the Company with technical assistance in regard to manufacture and details of plant processes and methods for the production of engineering products (other than wood screws and their kindred products which are the subject of separate user Agreements with the Company and with the Company's wholly owned subsidiary). Furthermore, the Consultant undertook to lend to the Company technical instructors and advisers and to advise the Company of any patent invention development process or manufacturing improvement and the results of any research carried out by the Consultant relevant to the manufactures of the Company from time to time. In addition the Consultant agreed to afford overseas technical training for the Company's employees. The overseas training has extended from training Indian Officers at the highest level at an Administrative Staff College in England to courses for Works Junior Supervisory Staff on specialised machines at the various works of Guest, Keen and Nettlefolds, Ltd., in the United Kingdom. All these facilities will still be fully available to the Company and the Company relies on them for its continued technical development. For the services to be rendered pursuant to the said Agreement which have undoubtedly been of great benefit in the past and and which the Directors consider essential for the future prosperity and expeditious development of the Company, the Consultant receives a remuneration of twelve and a half per cent. of the profits of the Company with an assured minimum of £30,000 per annum and a fixed royalty of £2,000 per annum. The Consultant in accordance with its rights under the Agreement is entitled to appoint and has appointed two Directors. The Directors so appointed are ex-officio Directors and are not subject to retirement by rotation. By an Agreement dated the 30th May, 1950 between the same parties as are parties to the said Agreement dated the 17th September, 1948, the Company has agreed to accept performance of the obligations contained in the last mentioned Agreement by G. K. N. Group Services Ltd., a wholly owned subsidiary of Guest, Keen & Nettlefolds, Ltd.

Borrowing Powers

The Articles provide that the Directors may from time to time raise or borrow any sum or sums of money for the purposes of the Company and may secure the repayment of any sum or sums of money so borrowed in such manner and upon such terms and conditions in all respects as they think fit. The Directors' borrowing powers are now limited by Section 293 (1) (d) of the Companies Act, 1956.

Voting Powers

The Articles provide that, subject to any special rights or restrictions affecting any particular class of shares, on a show of hands every member present in person or by proxy shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every Ordinary Share held by him. There are no special rights or restrictions attaching to the present Ordinary Share Capital of the Company.

Restrictions on the right to transfer and vote

The Articles provide that the Directors may decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. No member shall be entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any General Meeting or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

Auditors' Consent

Messrs. Price Waterhouse Peat & Co., have given and have not before delivery of this Prospectus for registration withdrawn their written consent to the issue of this Prospectus with the inclusion therein of their Report, set out above, in the form and context in which it is included.

Main Objects

The Main Objects of the Company, as set out in sub-clauses (a), (b) and (c) of Clause 3 of its Memorandum of Association are as follows:—

(a) To acquire and take over as a going concern the undertaking and certain assets of Henry Williams (India), Limited, and with a view thereto to enter into and carry into effect, with or without modifications or alterations as may be agreed upon, whether before or after the execution thereof, an agreement already prepared and expressed to be made between Henry Williams (India), Limited, and the Liquidators thereof of the one part and the Company of the other part, a draft whereof has been subscribed with a view to identification by A. H. Bishop, a Director of the Company.

(b) To carry on the business of iron-founders, mechanical and railway engineers, and manufacturers of railway appliances, agricultural implements and other machinery, toolmakers, brass-founders, metal-workers, boiler-makers, mill-wrights, colliery owners, ship owners and ship-builders, machinists, iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, farmers, printers, carriers, and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling-stock, and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.

(c) To carry on any business relating to the winning and working of coal and other minerals, the production and working of metals, and the production, manufacture, and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, and either for the purpose only of such contracts or as an independent business.

Documents

Copies of the Memorandum and Articles of Association of the Company, the Consent Order of the Controller of Capital Issues, the Licences issued by the Central Government referred to above, the Contracts referred to above as being material contracts and/or copies thereof, the above-mentioned Auditors' Report and copies of the balance sheets and profit and loss accounts upon which the Report is based can be inspected at any time during the usual business hours at the Registered Office of the Company for a period of fourteen days from the date of publication of this Prospectus or until the subscription list closes whichever is earlier.

Copies of the material contracts specified above or memoranda giving full particulars thereof and the consent of Messrs. Price Waterhouse Peat & Co., were attached to the copy of this Prospectus delivered to the Registrar of Companies, West Bengal, for registration.

Application and Allotment

Applications for shares which must be for 50 shares, or multiples of 50 shares (10 shares in the case of applications from employees) must be made on the accompanying official form and will be refused if not so made. The application form together with a remittance for the full amount payable on application must be sent to the Brokers or a Branch of the National Bank of India Ltd., in India, the remittance being made by cheque or draft which, if it is desired to avoid payment of Bank charges must be drawn either upon a branch of the National Bank of India Ltd., in India, to which the application form and cheque or draft are being sent, or upon a Bank situated in a town in which there is a branch of the National Bank of India Ltd. If drawn upon a Bank elsewhere the appropriate bank charges must be included in the remittance otherwise the application will be refused.

Cheques or Drafts should be made payable to the "National Bank of India Ltd., Account Guest, Keen, Williams, Ltd., New Issue," and should, for the applicants' protection be crossed "A/c Payee only." A separate cheque or draft must accompany each application form.

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

Share Certificates will be available for issue in exchange for Letters of Allotment on and after 15th March, 1957, and each applicant who is allotted more than 100 shares will receive Share Certificates in lots of 100 shares, and such smaller denominations as may be required to complete the total number of shares allotted except when the applicants request Share Certificates in larger denominations.

Brokerage

Brokerage at the rate of 4 annas per Ordinary Share will be paid by the Company on allotments made in respect of applications bearing the stamp of a recognised stock broker.

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

For R. CATLOW.

Sd. H. M. L. WILLIAMS
(Duly Constituted Attorney)

Sd. H. M. L. WILLIAMS
For J. F. HEATLY

Sd. R. B. RITCHIE
(Duly Constituted Attorney)

Sd. K. C. MAHINDRA

Sd. K. C. MAITRA
For W. MORRICE

Sd. R. B. RITCHIE
(Duly Constituted Attorney)

Sd. A. RAMASWAMI MUDALIAR

Sd. WILLIAM MURPHY

Dated at Calcutta, 22nd October 1956.

NEED FOR MORE ENERGETIC FLOOD CONTROL MEASURES

CATTLE INSURANCE SHOULD RECEIVE TOP PRIORITY

THIS year, as in the last and in 1954, India has suffered heavily from floods. Although firm estimates of the total loss cannot be framed at present, it is known that large floods have occurred in Assam, Bihar, U.P., West Bengal, Punjab, Rajasthan, Travancore-Cochin, Bombay, Himachal Pradesh and Madras. A peculiar feature of this year's floods is that they have occurred even in areas which normally enjoy relative immunity from extensive flood damage. Again, in previous years, it was the tributaries of the Ganga which caused considerable damage, whereas, this year, the main river itself has been responsible for destruction of crops and property along its banks. Yet another feature of the floods this year is that they started occurring much earlier than in previous years.

Unofficial estimates place the loss in Uttar Pradesh alone at more than Rs. 12 crores, whereas the loss in Bihar is estimated at Rs. 6 crores. Paddy and sugarcane are among the crops which have suffered from flood damage. If these figures are any indication, it looks as though the losses this year, when they are finally assessed, may be more than what the country suffered in 1955. Last year, the total direct damage, including relief expenditure, was estimated at Rs. 107 crores. Surely, all this represents a colossal waste of national resources, not to speak of the human suffering involved in flood damage.

Realising the immensity of the loss caused by floods, the Government constituted, in 1954, the Central Flood Control Board. Four river commissions were also constituted, one each for the Ganga, the Brahmaputra, the north-west rivers and the central Indian rivers. A tentative programme of works was prepared and a total provision of about Rs. 16.5 crores was made; actual expenditure during the period of the First Plan has been estimated at Rs. 8 crores.

No Isolated Measure

Control of floods is not, of course, just one isolated measure. It means essentially several measures—all designed to control floods when they occur. Such a systematic programme will include construction of embankments, storage reservoirs and detention basins, diversion of water from one river to another, increasing the slope in the river, dredging and channelling river reaches, building of local protection works such as revetments and spurs, afforestation and contour building. A provision of Rs. 60 crores is made in the Second Plan for flood control measures. The Ministry of Irrigation and Power has drawn up a programme of flood control, estimated to cost Rs. 175 crores and to be spread over 10-12 years. The programme, it is stated, will be implemented in three stages:

Immediate: This will cover investigation, and preparation of plans and estimates. Revetments, spurs and embankments may be constructed in selected localities.

Short-term: During this phase, embankment and channel improvement will be undertaken. This type of protection will apply to a major portion of the areas subject to floods.

Long-term: This phase will cover construction of storage reservoirs on rivers and tributaries which will in general be taken up along with irrigation and power projects for multi-purpose development of the basin.

A brief review of the progress of the work in the above programme was recently given by the Union Minister for Irrigation and Power, in the Lok Sabha. The "immediate" stage of the programme, it is stated, has been completed. As regards investigations, the work compressed within the last two years, according to Mr. Nanda, might have ordinarily taken three to four times this period. Aerial photography has been completed in respect of 43,000 square miles in addition to 16,000 square miles of tertiary levelling, as against the target of 43,400 and 18,100 square miles respectively. Big strides have been made in the matter of hydrological observations. There were practically no silt observations prior to 1941 in many of the major river systems. Rain-gauge stations were few. There were only about 800 discharge stations in the country's entire river system. Since 1954, the authorities have been able to set up as many as 32 silt observation stations on the Brahmaputra and its tributaries. 59 rain-gauge stations and 281 additional gauge discharge stations. The investigation organisations at the Centre and in the States were geared up so that as many as 69 major schemes have been investigated and submitted for sanction by the various States.

So far as construction is concerned, important local town protection works have been completed, the level of 1,400 village sites has been raised and more than a thousand miles of embankments have been prepared. This represents a quantum of work not done in the past in the course of many years. Implementation of these emergent schemes has meant protection to an area of 4,800 square miles in Uttar Pradesh, Bihar, West Bengal and Assam with a population of approximately 50 lakhs. Advance has been made in research and experiment also. Extensive hydraulic model tests have been employed in connection with the flood problem. Work models on a scale far larger than ever attempted in the country have been set up for Dibrugarh, Kosi and other works. In the matter of designs for projects on some of the difficult rivers, the work of the engineers has been eminently successful. Dibrugarh, Kosi and other similar works, it is claimed, bear testimony to this.

Delhi's Ordeal

Delhi too has had to face the threat of floods this year. Much commendable work has been done by the Army in fighting the floods. The Central Water and Power Commission is stated to be considering flood control measures for the protection of Delhi and its suburbs. The experience gained in this year's unprecedented floods in the Yamuna has brought out the fact that it is necessary to make some provision for proper training works upstream in order to ensure an even flow of flood water through all the spans of the bridge. During the peak period of this year's flood, it was observed that the passage of the bulk of the flood water was concentrated only through three or four spans of the bridge out of a total of 12 as the direction of the current was oblique. The flood protection scheme partially executed last year below the Delhi Power House was successful in preventing erosion on the right bank of the Yamuna and saving the railway line to the power house. The scheme, according to the plans prepared by the Central Water and Power Commission, involves the construction of 14 spurs, perpendicular to the bank with revetment on the upstream face for about a mile. The three spurs completed so far, it is stated, were effective in diverting the current of the river from the bank.

All this is certainly encouraging. But does it really amount to a great deal? The Government once promised that it would place flood control on a war footing. The question is whether it is being conducted on such a footing. Government spokesmen are apt to quote the American experience in extenuation of their relatively less vigorous programme of action. It has been pointed out, for instance, that even a country like the U.S., which has invested $5,000 million on flood control measures, has not been free from ravages through floods and that, last year alone, this country suffered damage of $600 million and loss of 279 human lives. But what is ignored in this calculation is that the damage might have been more extensive if the American authorities had not carried out these protective measures. Again, the U.S. farmer has other means, such as a more extensive social security system and a price-support programme, whereby he is able to maintain himself in reasonable comfort even in years when his crops and animals are damaged. The Indian farmer does not enjoy such privileges. The need for protection against the ravages of nature is much more urgent for the Indian farmer than for the American. It has also been contended that floods bring rich sediment and enable the farmers to reap bumper harvests in subsequent years. But such incidental advantages, apart from the fact that they are confined only to a few regions, do not make up for the total loss caused by floods.

The immensity of the loss suffered by the country from floods will be evident from the fact that the damage caused by these in the last six years has been estimated at Rs. 237 crores, besides Rs. 45 crores spent on providing relief to flood-affected victims. Instead of spending large sums on *ad hoc* relief programmes, which are becoming an annual feature anyway, the Government will be well advised to implement the flood-control programmes even more vigorously than it has done so far, and also consider without delay the question of initiating crop and cattle insurance in rural areas. Such insurance schemes deserve to be taken up in right earnest, because they will impart a certain element of security to rural economy which is now exposed to the perils of droughts and floods.

THE INDIAN BANK LTD.



(ESTABLISHED: 1907)

Head Office: North Beach Road, MADRAS. 1

Branches throughout South India, in Bombay, Calcutta, New Delhi, Colombo, Singapore, F.M.S. & 16 Local Offices

CAPITAL

AUTHORISED	... Rs.	1,00,00,000
SUBSCRIBED	... Rs.	72,00,000
PAID-UP	... Rs.	62,02,615
RESERVE & OTHER FUNDS	... Rs.	79,75,000
DEPOSITS (30-6-56)	... Rs.	32.08 Crores

ALL TYPES OF BANKING BUSINESS INCLUDING FOREIGN EXCHANGE TRANSACTED

D. P. PARTHASARATHY, B.A. (Hons.), B.L., Ag. Secretary.

WAGON EFFICIENCY

Spectacular increases ranging upto nearly 40 per cent. in the movement of goods wagons through the traditional railway bottlenecks in the country have occurred, according to a comparison of figures for June-September 1956 and the corresponding period last year. These increases have occurred following a number of steps taken by the various railway administrations to step up operational efficiency. The total outstanding registrations for wagons on the entire broad-gauge railway system of the country were approximately equivalent to only one day's normal loading operations.

An increase of 39.5 per cent. has occurred in the number of wagons moved from the Central to the Southern Railway via Bezwada. Similarly, an increase of 28.5 per cent. has occurred in the traffic moving from the Central to the Southern Railway via Raichur. Traffic moving from the South Eastern to the Southern Railway via Waltair has shown an improvement of 11.2 per cent. Percentage improvement over some of the other "difficult" sections is: Bezwada-Madras section 21.6; and Godhra-Ratlam 19.6. Traffic moving from the Eastern to the Northern Railway via Moghalsarai showed an improvement of 13 per cent. between June and August 1956 compared to the performance during the corresponding months last year. There was a setback during September due to breaches and stoppage of rail movement for about ten days.

The following table shows the daily average number of loaded wagons moved through some of the junctions and over routes with limited capacity, during June to September 1956 and the corresponding period last year:

Route or junction	*Daily average wagons (June-September)* 1955	1956	*Percentage improvement*
1. South-Eastern and Southern Railways (via Waltair) ...	213	238	11.2
2. Central and Southern Railways (via Bezwada) ...	182	254	39.5
3. Central and Southern Railways (via Raichur) ...	154	198	28.5
4. Bezwada-Madras Section ...	328	399	21.6
5. Godhra-Ratlam ...	495	592	19.6
*6. Eastern-Northern Railways (via Moghalsarai)	1,746	1,862	13.0

* Figures exclude September when there were breaches and stoppage of rail movement for about ten days.

The Institute for the Utilization of Gas of the Ukrainian Academy of Sciences (U.S.S.R) has developed a system of complete automation for gas heating boilers. If the torch is extinguished, the pressure of the gas drops to emergency level, the water in the boiler is overheated, there is insufficient air or the automatic regulator is out of order the gas is automatically turned off from the burners. If there is anything out of order at the control post outside the boiler-room, light and sound signals are turned on. With the automatic controls the boiler-room requires no fireman.

BURMA RECORDS HIGHER TEMPO OF ECONOMIC ACTIVITY

BALANCE OF PAYMENTS POSITION BETTER

THE economy of Burma registered a notable improvement during the year ended 30th June 1956. The level of favourable balance of trade registered in the preceding year was very nearly maintained at K17.55 crores, and there was a substantial improvement in the balance of payments position, the adverse balance at the end of 1955 being only K11.82 crores, as against K42.20 crores in 1954. A considerable rise in agricultural and mineral production and a marked expansion in the field of industries were noted. Another notable feature was the conclusion of trade and payments agreements with a number of countries. However, although import restrictions were liberalised to a great extent and a large number of import licences were issued, prices of imported consumer goods continued to be at a high level. And since Burma still depends to a very large extent on foreign countries for the supply of essentials of modern life, the higher import prices pushed up the wholesale and retail prices. Consequently, the cost of living was markedly higher than during the previous year. There is a growing realisation on the part of the authorities that, since the country can hardly afford increased imports without an improvement in exchange reserves, drastic remedies in the form of enforced savings and increased taxation might be inevitable if production cannot be stepped up sufficiently to restore a proper balance in the national economy.

During the year ended 30th June 1956, a trade surplus of K17.55 crores was registered, as against K19.22 crores in the previous year, mainly at a sacrifice of imports which declined from K97.63 crores in 1954-55 to K84.76 crores in 1955-56. The value of exports also fell by K14.56 crores. One significant trend in the import trade, contrary to the earlier one, was the increase in the proportion of consumer goods—to the tune of 66 per cent.—relative to capital goods. The U.K. again continued to be the chief supplier of Burma's needs, the proportion of imports from it rising from 23 to 28 per cent., while India and Japan ranked second and third respectively, accounting for 17 per cent. each of Burma's imports.

Exports Increase

In the field of exports, those of rice went up by 0.11 million tons to 1.68 million tons. The proceeds, however, declined from K83.53 crores to K76.47 crores. Earnings from exports of oilcakes, metals and ores, however, increased by 8 per cent., 88 per cent. and 9 per cent. respectively. Though the volume of rubber exports was at a lower level than in the previous year, they fetched 9 per cent. more in earnings. Among the countries that bought from Burma, India ceased to be the major customer, having been displaced by Japan which accounted for 11 per cent. of Burma's exports. Japan was followed by the U.K. and China.

Rice Trade Agreements with a number of countries continued to remain in force during the period under review. The most important of these were China, Indonesia and Japan. The total quantity of rice involved was about 550,000 tons. A very heartening feature in this field was the conclusion of negotiations with India for supplying it with 2 million tons of rice over a period of five years. New Trade and Payments Agreements were also entered into with a number of countries, including the U.S.S.R., Poland, Israel, Rumania, Sweden, Yugoslavia, and Bulgaria. These agreements provided for, generally, the export by Burma of agricultural products, metals, ores, timber, rubber and other goods in exchange for, mainly, machinery and other capital equipment, and consumer goods such as textiles, hospital, equipment, leather and metal goods. An agreement concluded by Burma which deserves special mention was the Agricultural Commodities Agreement with the U.S., under the United States Public Law 480, in February 1956, providing for the purchase of $20.8 million (Kyats 9.8 crores) worth of raw cotton, dairy products, tobacco and fruits, payable in Burmese currency. An important feature of the Agreement is that it enables Burma to increase the import of consumer goods without using up its foreign exchange. Of the total sum involved $17.5 million represent provision for the purchase of raw cotton to be processed in third countries. Following the conclusion of this agreement, tripartite agreements were concluded between the Governments of Burma, the U.S. and third countries which would export textiles and yarn to Burma in exchange for U.S. cotton. Such agreements were signed with the U.K., West Germany and Japan. After the close of the year, India too signed an agreement with Burma on these lines.

Another welcome development during the year under review was increase in the exchange reserves. Following the reduction in the adverse balance of payments from K42.20 crores in 1954 to K11.82 crores in 1955, the drain on exchange reserves, which had fallen from K93.84 crores at the end of June 1954 to K54.41 crores at the end of June 1955, was effectively checked. At the end of June 1956, the reserves stood slightly higher at K54.84 crores. This improvement is also attributed, to a certain extent, to the measures taken by the authorities to prevent speculative imports of goods under O.G.Ls. and to combat black-marketing in foreign exchange.

Transport

The field of transport and communications was another in which the country made a notable advance. Much progress was witnessed in the programme of rehabilitation and modernisation of the railways. Dago bridge, a major link on the main line between Bassein and Henzada, was repaired and restored to traffic, facilitating the movement of agricultural products from the hinterland to the port of Bassein. A number of new coaches purchased from West Germany and Japan were also added to the railways. While freight traffic during the year increased by 1.1 per cent. to 368,487,000 ton miles, passenger traffic rose by 11.6 per cent. to 22,844,000. Inland water transport was also strengthened. As a result, passenger traffic increased by 17.2 per cent. and freight by 35.6 per cent. But, in the case of seaborne shipping, the total tonnage dealt with in the chief ports registered a decline. In the port of Rangoon, for instance, freight figures declined by 5.2 per cent. for exports and 1.5 per cent. for imports, though the number of ships of various types calling at the port went up by 49. During the year, coastal services for passengers and freight were extended upto Chittagong and Calcutta. A continuous expansion in ocean shipping is expected after the addition to the existing fleet of the ships ordered from the U.K. and Yugoslavia. A steady increase was witnessed in the international and air traffic at the Rangoon airport. One important even of special interest was the opening of the Burma-China air link in April 1956.

THE BANK OF INDIA LIMITED.

(Established 7th September, 1906)

1906—1956

FIFTY YEARS OF SERVICE

Capital Subscribed - Rs. 5,00,00,000
Capital Paid-up - Rs. 2,50,00,000
Reserve Fund - Rs. 3,52,00,000

Head Office:
Mahatma Gandhi Road, Fort
BOMBAY.

BRANCHES IN THE PRINCIPAL CITIES OF INDIA

Branches Outside India:

LONDON—17, Moorgate, London, E.C. 2.
ADEN - DAR-ES-SALAAM - JINJA - KAMPALA
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SINGAPORE - TOKYO

Through its Branches in India, Pakistan, Malaya, Japan, Aden, East Africa and London and through correspondents in the principal countries of the world, the Bank is able to finance business of every description on favourable terms.

D. R. THOM,
General Manager.

Production Rises

A development worthy of special mention was the advance registered in agricultural production. To take some examples, paddy production rose by 1.1 per cent. to 5.8 million tons, that of groundnut was up by 32.6 per cent. to 204,300 tons, and of sesamum by 21.5 per cent. to 17,500 tons. Cotton production, however, decreased by 24 per cent. to 17,500 tons. Slight increases were also recorded in a number of other items such as maize, beans, pulses, and tobacco. There was also a slight increase in the total sown acreage.

In contrast to this trend, forest produce, other than teak and *pyinma* which had increased by 16.8 per cent. and 25 per cent. respectively, declined by 42.6 per cent., as compared with the previous year. Timber exports, however, increased by 20 per cent. from 36,000 tons in 1954-55 to 43,200 tons during the year under review. The year also saw the establishment of the Rubber Export and Development Corporation and, consequently, export of rubber became the monopoly of this Corporation.

In the field of mineral production, crude petroleum increased by 23.5 per cent. to 44.7 million gallons, as compared with the previous year. Other mineral oils also registered an average increase of as much as 11.5 per cent. The Burma Oil Company (1954) Ltd. continued to expand its activities. Moreover, the Government's Joint Venture with the Burma Corporation (1951) Ltd. undertook most of the mineral extraction, especially of zinc, within the country. Explorations for the extraction of zinc and lead ore at Loungkheng and Pangpet areas were completed. Further the output of lead ore at 23,000 tons during the nine months ended March 1956 was 27.8 per cent. higher than that in the corresponding period of 1954-55. Tin production, however, recorded a decline of 20 per cent. during the first nine months ended March 1956. A refreshing development in this connection was the joint venture agreement concluded by the Government with the Anglo-Burma Tin Company, Ltd., for promoting tin extraction within the country.

Marked expansion was noted in the field of industries. The Namti Sugar Factory, opened in May 1956, went into full production and when the new plant at Pyinmana is completed, Burma will be self-sufficient in respect of sugar. Cement production in the first ten months of the year under review recorded an increase of 3.4 per cent. to 41,800 tons. The output of cotton yarn, however, declined slightly. Among other industries, a significant advance in the tea industry was registered with the opening of a tea blending and packing plant at Mandalay. Further, the construction of a brick and tile factory, a jute bag and twine mill, and a steel rolling mill was in progress. A silk reeling and spinning factory was completed, while another was under construction.

In the realm of prices, certain export prices, chiefly those of lead and zinc, remained firm due to better external demand. The prices of cotton and white beans, however, reflected some weakness. The wholesale prices of domestic produce, on the other hand, showed a rising trend with the exception of dried chillies and tobacco leaf. The prices of groundnut oil and grain registered notable increases by 27 per cent. and 73 per cent. respectively. The wholesale price index of all commodities (Base 1938-40=100) at a monthly average of 462.8 during the year under review, represented 18.4 per cent. increase as compared with the previous year.

The continuing prevalence of high prices in the case of imported consumer goods, despite the liberalisation of imports as from December 1955, resulted in the Government setting up an Anti-Inflationary Measures Committee. The measures taken included declaring a group of 33 items as essential commodities for the purpose of taking action, if necessary, to control their procurement, distribution and price. Measures were also taken to speed up imports of essential consumer goods, and to ensure their distribution at fair prices. As a result of the high level of prices (wholesale and retail) prevailing in the country, the consumers price index jumped up from 309 in June 1955 to 407 in June 1956. The fact that the index of cloth prices rose from 419 to 673 during the year points to acute scarcity of cloth and the urgent need for augmenting supplies.

PRIVATE ENTERPRISE IN INDIA
HAS IT FAILED?

By A. D. Shroff

[Assuming that the future role of private enterprise in this country will be determined not by purely ideological considerations but by the record of its achievements, it is of the utmost importance that an impartial assessment of these, as well as its shortcomings, must first be attempted. Such an assessment was made by Mr. A. D. Shroff, the well-known industrialist, in the course of an interesting lecture at a recent meeting of the Commerce Graduates' Association, Bombay. Mr. Shroff, who chose for his theme—"Has Private Enterprise Failed?"—showed with the help of a wealth of statistics and convincing arguments that private enterprise had not only not failed but had been eminently successful in contributing to the economic progress of the country. Indeed, if it had not been more successful, the fault lay not with it but with the restrictive official policies. In the context of the controversy on this subject, we have no doubt that the full text of Mr. Shroff's speech, which we publish on this page, will be read with interest.—ED.]

FOR some time past, private enterprise in the country has been continuously under fire. It has been suggested that private enterprise is incapable of undertaking large-scale and rapid economic development of the country. It is also suggested that private enterprise only results in the concentration of economic power in the hands of a few people. It is further said that—and it was said only a few days ago by no less a person than the Prime Minister of India in Calcutta—that private enterprise and democracy are incompatible. But the main provocation for the choice of the subject is a speech made by Mr. T. T. Krishnamachari, who was then the Union Minister for Commerce and Industry, at Madurai on 4th August. In the course of his speech, he observed that "private enterprise has failed me." and that private enterprise was not showing either initiative or enterprise.

Before I proceed to examine the validity of the various contentions which have led some people to the conclusion that private enterprise has failed in this country, I think, I should mention that of all Ministers of Industries, since India attained independence, Mr. T. T. Krishnamachari must be acknowledged as an outstanding success. Some of us may differ from him on some of the views he holds and propagates. But I think there is not the slightest doubt that in the discharge of his very high responsibilities as the Minister for Industries, he has shown remarkable drive, energy and understanding of business problems, and above all, a capacity for taking quick decisions. It is, therefore, all the more incomprehensible for me that a man of such fine understanding of business and industrial problems and a man who has first-hand opportunities of witnessing from day to day what was being done in the industrial sphere in the last few years, should have preferred to make this charge against private enterprise in this country. To quote a Shakespearian phrase, to me it has come as "the unkindest cut of all."

Historical Review

It is very necessary that I should give a brief historical review of private industry in this country, particularly before India attained independence. If one looks back to the history of private enterprise for 60 or 70 years before India attained independence, one must take into consideration the circumstances and the environment under which private industry had to struggle. For one thing, we were under a regime, which was quite indifferent and apathetic, if not in some cases definitely antagonistic, to any industrial development in the country. If, for instance, one studies the tariff policy of those days, the transport policy, or the fixation of railway freight—all these will reveal the conditions under which private enterprise had to struggle. Even in later years, when the Government came to adopt—and that too very grudgingly—a policy of discriminating protection, that policy was too halting and unsuited to bring about any rapid development of industries in the country. In spite of all these limitations and disabilities private enterprise was subject to in those days, it was surely through the enterprise and endeavour of private enterprise that India was put on the industrial map of the world and attained the eighth place among the industrial nations in the world. To quote one or two instances; the cotton textile industry—(remember only about 40 years ago we used to import every year Rs. 60 crores worth of piecegoods from abroad)—has now developed substantially in the last few years when we have become a very important exporter of cotton piecegoods to about 40 to 45 different markets in the world. The very fact that Indian piecegoods should effectively compete with shrewd and established exporters from Lancashire and Japan bears ample testimony to the efficiency with which textile industry has been built up in this country.

I would also like to refer to the days when the late Mr. J. N. Tata first thought of starting steel industry. I do not know if many are aware that a leading British businessman of Calcutta ridiculed the idea as a dream, and he even offered to consume every pound of steel made in India! Fortunately for him, he is not alive today; otherwise he would have suffered not a little from indigestion. But the fact of the matter is that a great pioneering effort succeeded in giving India the largest single individual steel-making unit in the British commonwealth of nations, and I believe India will be proud also of the fact that it is today one of the most economic and cheapest producers of steel in the world.

Take, for instance, also the development of hydro-electric power—entirely undertaken by private enterprise—a tremendous venture in those days, a venture not only in the sense of generating power but even of making Bombay millowners believe that power could be generated and supplied to Bombay mills. We know today what it stands for in the economic life of Bombay.

These two or three instances might show what private enterprise, functioning under the limitations and disabilities to which it was subject in those days, could achieve. I may also mention shipping. Shipping in India against the powerfully entrenched foreign shipping companies almost looked like a dream. It was due to the pioneering effort of the late Mr. Narottam Morarji and Mr. Walchand Hirachand that Indian shipping has come to stay and offers today very fine promise of supplying a much-needed complementary transport service to sustain our economy.

Rs. 10,000-Crore Plan

Even before we attained independence in 1944, seven business men of India got together and put before the people a plan for the economic development of the country. The plan was sufficiently ambitious; it involved an estimated expenditure of Rs. 10,000 crores over a period of 15 years and out of that, it envisaged spending something like Rs. 4,400 crores on development of industries. This shows that private enterprise in India, even before independence, was fully conscious of the needs of the country and also had faith in itself that it could undertake development on a very large and extensive scale. After 1947, the Government started taking more active interest in the economic development of the country. Private enterprise also did not fail to assist in the process of development. The curve of industrial production during the last five years has been continuously rising. Taking 1946 as the base year, i.e., 100, industrial production went up to 117.2 in 1951, 128.9 in 1952, 135.3 in 1953, 146.6 in 1954, and, in 1955, it stood at 161.5.

Let me make it clear that the overwhelming proportion of the increased production was contributed by private enterprise because the few State enterprises which came into operation were mainly confined to the Sindri fertiliser factory, the Chittaranjan locomotives, and the Indian telephone factory at Bangalore, etc. If one takes the aggregate value of production, the contribution by the public sector represents a comparatively negligible percentage of the total. The following is the break-up of the general index of industries in respect of some of the old and of the new industries, taking 1946 as the base year representing 100:

	1951	1955
Old Industries:		
Cotton textiles	101	127
Jute textiles	60	94
Steel	116	132
Cement	207	286
Paper and paper boards ...	124	174
Matches	140	147
Sugar	121	173
New Industries:		
Machine tools	52	82
Diesel engines	1,532	2,124
Bicycles	266	1,143
Sewing machines	726	1,658
Electric motors	311	549
Soda ash	396	644
Caustic soda	508	1,181
Superphosphates	1,356	1,598

This remarkable increase in industrial production during the past five years in which both old industries and new industries have equally participated and to which the State enterprise has contributed comparatively very little, I think, ought to give a lie direct to the very charge that private enterprise has failed to do its duty in this country. The index figures do not convey the whole story. Important new industries were started, for instance, rayon. It was started and is prospering well and perhaps in the course of the next three to five years, India will be self-sufficient in regard to requirements of rayon yarn. Take again the steel tubes industry. Though this project was mooted even before the last war, owing to the exigencies of the war it could not be brought into operation. It has since been started and is one of the important industries in the country. Similarly, reference may be made to automobiles and trucks.

These are facts which, of course, cannot particularly be unknown to the Ministry of Commerce and Industry. They are there to tell their own story. But I would not like to quote anything which comes from private enterprise itself. Here is a statement made by the Planning Commission in a publication which is entitled *Progress of Industrial Development 1956-1961*:

"New investment on industries in the public sector during the First Plan was expected to amount to about Rs. 94 crores. The actual outlay, according to the latest estimates, has only been about Rs. 57 crores. Investment by the private sector on new projects and expansion programmes was expected to be about Rs. 233 crores and the latest estimates indicate that the actual investment has been of this order."

The Industrial Finance Corporation of India—one of the few financial institutions which have come into existence after India attained independence—has just published its eighth annual report, in which it is stated that the total amount of loans sanctioned has risen from Rs. 9.5 crores in 1951 to Rs. 43.26 crores in 1956, and the number of applications for loans received have doubled from 43 to 86 during the course of the last two years. Further, if one turns to the office of the Registrar of Joint Stock Companies, one will find that the number of joint stock companies registered and in actual operation have risen from 22,675 in 1947-48 to 29,779 in 1954-55.

Licences

An important new piece of legislation after independence is the Industries (Development and Regulation) Act of 1951. Under this Act, one cannot put up a factory without obtaining a licence. According to the latest figures available, for three years upto 1955, out of 1,440 applications made to Government for licences, 1,142 were granted. Of these, there were 363 licences for new schemes, 657 for expansion schemes and 122 for organisational changes without additional capacity. I have referred to these few facts in order to confirm that private enterprise is not only alive, but is kicking all right.

Private enterprise would have shown perhaps a much better and a more impressive record of achievement, if it had not to work under a certain set of circumstances of which all are so painfully aware for the last few years. I was on a committee, which was asked by the Reserve Bank to consider the circumstances under which private enterprise was functioning and to explore ways and means of helping private enterprise particularly in the financial sphere. We had a very good opportunity of studying the situation in different parts of the country, and the unanimity of opinion which was represented to the Committee was that the Government's economic policy in the last few years has created an atmosphere of uncertainty in which naturally incentives are likely to be at a low ebb and that capital has been rendered very shy.

Let us turn to the first Industrial Policy Statement of April 1948. The threat of nationalisation which was uttered therein in respect of basic industries has served as a serious disincentive to further industrial effort in the country. Nationalisation of airlines dealt a very serious blow to confidence and, as a matter of fact, it has created an atmosphere of crisis of confidence which still continues. I am very surprised that the charge of lack of incentive or enterprise should be laid at the door of private enterprise when it is too well known that it was only through private enterprise that a first class international air service was built up within a comparatively short period. Nationalisation of airlines gave a rude shock to confidence amongst the investing public and since then, we have found it increasingly difficult in attracting the average investor to subscribe to any fresh industrial enterprise.



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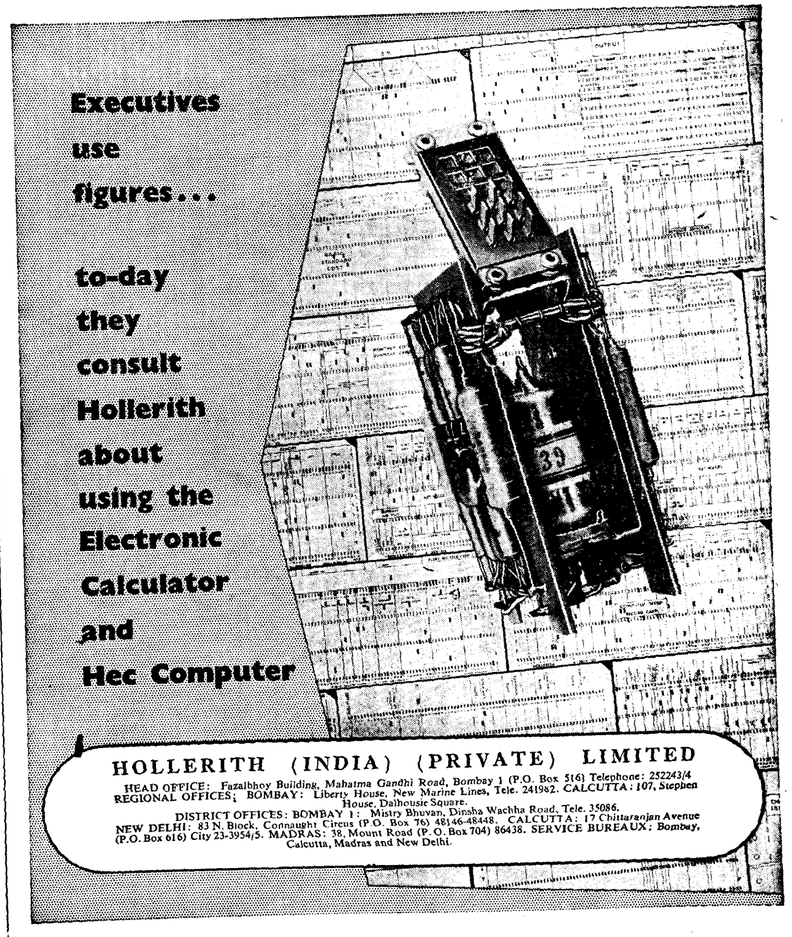

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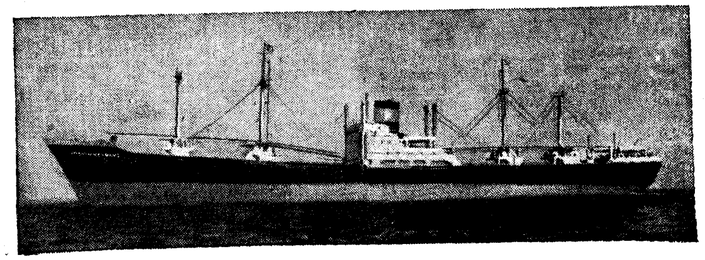

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Nationalisation of the Imperial Bank and, recently, nationalisation of life insurance have dealt further blows to private enterprise and have made capital more and more shy. I have been trying to look up the new industrial issues during the last 8-9 months, and I have not come across, perhaps with the exception of one or two, any public issues for new industrial enterprise which has been supported by the investing public. The Industrial Policy Statement of this year has certainly created further apprehensions not only in the minds of business men but of the investing public in general. The tragedy of the situation is this—that with a few exceptions, Indian business men and Indian public in general have not shown any due appreciation of the implications of this policy. Even a man like Sir John Strachey, who visited India some months ago, in his report has pointed out, although he is a man who has a definite Leftist bias, he was really surprised that when the Industrial Policy Statement was issued some Indian business men definitely welcomed it, while, most of them in general showed apathy or indifference about it.

Let us take the second criticism, viz., that "private enterprise results in concentration of economic power." In this connection, an article, which recently appeared in the *Tata Quarterly* of April-July deals in detail with some structural aspects of industry in India. The article examines in a very objective manner the problem whether, in view of the fact that particularly in the last few years when demand has been outstripping the supply position generally in the country there has not been a trend towards the establishment of a sort of monopoly by Indian industrialists. If one studies that article, I am sure, one will agree with the writer of the article that applying any test, which is usually applied to the scrutiny of the establishment of a monopoly in any branch of economic activity, one will come to the conclusion that no such thing has happened in India.

Is There Monopoly ?

The establishment of a monopoly, for one thing, suggests that those who are interested in the manufacture of particular products or commodities get together and manipulate the prices of these products or arrange production in such a manner that prices can be whipped up to the detriment of the community in general. An examination of the working of a number of leading industrial units in India and relating the price trends to the growing demand for the products, will lead to the objective conclusion that there is no basis of even an attempt to establish monopoly in any of these industries in India. But when critics talk of concentration of economic power, they do not so much mean the establishment of monopoly. But what they really mean is that there are only a few industrial firms who are interested in a large number of industries, and therefore, exercise control over them. In the first place, I need hardly point out that this betrays a lack of understanding of the basis of joint stock enterprise. The basis of joint stock enterprise is this—however big, influential and wealthy a firm may be, the magnitude of modern industrial operations is of such a character that no single firm can get together all the monetary resources to make any such enterprise possible. For instance, in one of our leading companies, the Tata Iron and Steel Company, there are about as many as 42,000 shareholders. It is true that the creditworthiness of some of the firms in India, their past record of achievement, enabled them to mobilise the savings of hundreds and thousands of small investors which alone make industrial enterprise in the modern sense possible.

Legislation was recently undertaken in the shape of amendment to the Indian Companies' Act which goes far enough to break any such concentration, if it exists in the country. But conceding for a moment, the argument about the concentration of economic power in the hands of a few people, it should not be forgotten that in an underdeveloped country, like India, one cannot expect hundreds and thousands of people who could be promoters of industries. If one studies the economic history of a country, like Japan, for instance or even of Germany, it is the pooling of resources and the working together of two or three big firms which made possible the industrial progress achieved in these countries.

Licensing Scheme

There is another important reason which might explain why industrial development in the last few years could not be quicker than what it has been. We who work in the private sector are believers in planned development. Planned development does assume some sort of regulation. But such regulation should not become restrictive as it has been in India. Take, for instance, the Industries Development and Control Act and the licensing scheme which it has put up. Even if one thinks of starting an industry on one's own, unless one satisfies certain norms which have been established by the Planning Commission, one is not likely to get permission to go into that industry. There are also certain administrative procedures and my committee was particularly shown definite instances of administrative procedures where so much of red-tape was involved that a number of industrial proposals which were put up in Madras and Bangalore had to be abandoned since the promoters got simply tired of travelling from Bangalore and Madras to Delhi and back. It is not out of place to point out to the Government that, in the interest of the industrial development of the country, some of these administrative procedures will have to be considerably simplified.

Another subject of topical interest is the publication of a letter addressed by Mr. Eugene Black, President of the World Bank, to our Finance Minister, Mr. Krishnamachari. The genesis of the letter is this: that a few months ago the World Bank sent out a mission—the World Bank has the practice of sending out missions to different countries getting loans from the Bank in order to make periodical surveys of economic conditions in those countries. The mission came to India a few months ago and after surveying the situation and after having very intimate talks with Government officials, Planning Commission and Ministers they submitted their report to the World Bank. In that report, within the short space of about 18 paragraphs the mission has highlighted the main elements of our economic situation. In one paragraph, the mission writes thus:

"The importance of private enterprise in the continuing economic development of the country is another factor which we would like to stress. We appreciate that the Second Five-year Plan offers an opportunity for the 'co-existence' and simultaneous expansion of both the public and private sector and we have noted with gratification that the Prime Minister and other responsible Ministers have emphasised the need for private enterprise. Nevertheless, we believe that the importance of private business has not yet been sufficiently recognised and publicised. The record bears out the fact that private enterprise has performed creditably during the last five years with respect to both investment and production. In the organised sector of manufacturing and mining, private business has contributed 90 per cent. of the increase in net output during this period. Owing to the capital-intensive nature of much of the contemplated public investment in industry and mining during the second Plan, Government plants and mines are expected to contribute only 29 per cent. of the anticipated increase in net output of mining and manufacturing as compared with a 54 per cent. share in the total planned investment. On the other hand, private business in this sector is expected to account for 71 per cent. of the rise in net output. Considering the probability that the village and small-scale industries may fall considerably short of the targets set for them by the Plan, the importance of the organised private sector becomes even more evident. It is, therefore, vital that the private sector be given adequate incentives and resources to enable it to make its requisite contribution."

On the basis of this report, Mr. Eugene Black addressed a letter to our Finance Minister, Mr. Krishnamachari. In the course of that letter, Mr. Black said:

"In making my own comments, I should like first to emphasise once again my conviction that India's interests lie in giving private enterprise, both Indian and foreign, every encouragement to make its maximum contribution to the development of economy, particularly in the industrial field. While I recognise that the Government itself must play an important role in India's economic development, I have the distinct impression that potentialities of private enterprise are commonly underestimated in India and that its operations are subjected to unnecessary restrictions there."

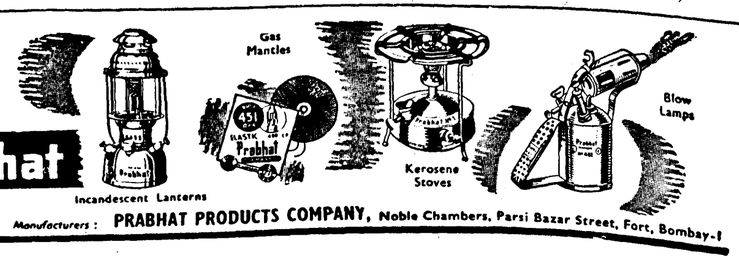
Tribute to Mr. Black

This letter has created a little flutter in certain dovecotes. I do not know on how many occasions we have been told by the highest in the country that distinguished foreigners who are visiting India have been terribly impressed with the progress that this country is making. This is perhaps the first occasion when a friendly critic has dealt with a few things in a very outspoken fashion. I can personally vouch for one thing, that Mr. Eugene Black is a real and sincere friend of India. I have reasons to say that he earnestly desires that India should develop economically at a rapid pace. But Mr. Eugene Black also is a man who, by his extensive knowledge of conditions in different parts of the world, is convinced that there are certain well-proved and well-tried methods of economic development which have resulted in substantial progress in many countries of the world and there is no reason that one could see of a hasty departure from these proved and well-tried methods. It is after a very close study of conditions in India, as reported to him by the mission, and also because of the great personal interest he takes in watching the progress that India is making, that he has expressed his views and tendered some advice which one could expect will be taken in the same spirit in which it was offered. I must say that the reply given by the Finance Minister is a very courteous, dignified and understanding reply. On the other hand, the criticism that we hear from other quarters appears to be rather unwarranted. It appears to be based again on the same thing to which Mr. Black refers—doctrinaire and ideological approach to the problems. There are certain people highly placed in this country who simply refuse to come down to earth and face problems in a realistic manner. I think. I would take this opportunity of paying my personal tribute to Mr. Black for the service he has rendered to India, particularly, at this critical juncture, when we want a little more realism in the formulation and implementation of our economic policy. I am not referring to other parts of Mr. Black's letter or to other suggestions which have been made by the World Bank mission.

I am glad that the views held by some of us are being fully confirmed by the conclusions given by the World Bank mission in its report in respect of a matter like the textile policy. The textile problem, in my judgment, is a very simple problem provided it is approached in a realistic way. Money worth crores is being pumped into circulation. How many people, who had no employment before, or who had no adequate employment, have started earning! In a poor and underdeveloped country, like India, the two essential things to be provided are food and clothing. The demand for food and cloth is on the increase. And if our economy is to be sustained on a largely independent basis, it will be the first and primary responsibility of the Government to see that the demand does not outstrip supply. It is a very simple problem and instead of tackling the problem in a realistic way, ideological and doctrinaire approach is brought to bear on the solution of the problem, with the result that there is nothing else but tinkering with the problem. Merely putting additional excise duties or advertising what are considered as fair prices will not result in producing additional cloth which is being needed every day by the country.

There is, however, one very interesting statement made by Mr. Krishnamachari in his reply

(*Continued on page 871*)



HUKUMCHAND JUTE REPEATS DIVIDEND

LOWER TEA PRICES AFFECT HULDIBARI

Hukumchand Jute Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Ramdutt Ramkissendass, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1956.

After providing Rs. 2,35,622 (Rs. 4,40,054) for depreciation, Rs. 8,00,000 (Rs. 9,00,000) for taxation and Rs. 2,00,000 (Rs. 3,17,182 for general reserve) for investment reserve the revenue account shows a profit of Rs. 16,79,173 (Rs. 16,35,051) to which is to be added the credit balance of Rs. 1,19,762 (Rs. 1,64,711) brought forward from last year, leaving a balance of Rs. 17,98,935 (Rs. 17,99,762) out of which an interim dividend of Rs. 1,40,000 (Rs. 1,40,000) on preference shares at Rs. 3-8 (Rs. 3-8) per share free of income-tax was declared on the 1st March 1956 leaving a balance of Rs. 16,58,935 (Rs. 16,59,762) which the directors recommend should be dealt with as follows:—

To pay a final dividend on preference shares at Rs. 3-8 (Rs. 3-8) per share (making a total payment of 7 per cent. per annum) for the year ended 31st March 1956 absorbing Rs. 1,40,000 (Rs. 1,40,000) and a dividend on equity shares at Rs. 2 (Rs. 2) per share for the year ended 31st March 1956 absorbing Rs. 14,00,000 (Rs. 14,00,000) leaving a net balance of Rs. 1,18,935 (Rs. 1,19,762) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked on the basis of 48 hours throughout the period under review with sealing of looms varying from time to time, 12½ per cent. of the total looms were sealed up to 7th January 1956; 2½ per cent. of the total looms were unsealed as from 9th January 1956 and further 5 per cent. were unsealed from the 20th February 1956.

Trading conditions continued to be difficult during the year due to wide fluctuation in the goods markets.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	92,50,000	Block ...	1,30,00,000
Reserves ...	27,85,153	Stock ...	84,94,105
Debentures	23,00,000	Stores, spare parts, etc.	3,89,615
Provision for taxation ...	22,78,530	Debts, deposits and advances ...	45,56,711
Liabilities ...	1,14,50,995	Investments	13,51,700
Profit and loss account ...	1,18,935	Cash ...	5,91,482
	Rs. 2,83,83,613		Rs. 2,83,83,613

Huldibari Tea Association, Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Weather conditions were generally favourable and a crop of 17,67,246 (63,71,277) pounds of tea was made and disposed of on the Calcutta auctions. The total net average sale price was As. 26.95 (As. 42.42) and the total working cost per pound of tea produced was As. 21.83 (As. 20.73).

Early in the year the industry in West Bengal agreed in consultation with representatives of the workers to an increase from the 1st January 1955, of As. 3 in the daily wages of labourers on Terai and Duars estates, and corresponding increases were made in the wages of establishment and monthly paid workers. These increases cost some As. 1.26 per pound of tea produced during the year. In addition, early in 1956 the industry was obliged to agree to retrospective payment of bonus to labour for the years 1953 and 1954 for which purpose the directors have provided Rs. 2,38,500 in the accounts, equal to As. 2.16 per pound of tea; and it is expected that the Company will be required to make a proportionate payment for 1955.

The gross profit for the year is Rs. 5,27,135 (Rs. 20,60,450) to which the directors added Rs. 1,25,000 from general reserve; and they have provided Rs. 2,38,500 for bonus to labour, Rs. 1,82,144 (Rs. 6,43,032) for taxation and Rs. 1,53,488 (Rs. 88,590) for replacement and depreciation of assets. Allowing for these and the other adjustments shown, there is a net profit of Rs. 95,312 (Rs. 12,80,861) and a final balance on this account of Rs. 2,02,494 (Rs. 13,77,181), which the directors propose to deal with as follows:—

To pay a dividend of 12½ (80) per cent. absorbing Rs. 1,03,125 (Rs. 6,60,000); and carry forward to 1956 Rs. 99,369 (Rs. 1,07,181 after transferring Rs. 1,50,000 to renewals and additions reserve and Rs. 4,60,000 to general reserve.

Estimates for 1956 have been based on a crop of 21,500 maunds of tea at a total cost of Rs. 23,73,466, equal to As. 22.08 per pound, inclusive of the recent additional imposition of West Bengal Entry Tax of one anna per pound.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,25,000	Block ...	10,98,000
Reserves ...	17,14,718	Stock of 1955 crop ...	9,47,540
Provision for taxation ...	6,32,032	Stores and supplies ...	3,80,293
Liabilities ...	6,17,362	Debts and advances ...	2,66,420
Profit and loss account ...	2,02,494	Investments	3,66,127
		Cash ...	9,33,226
	Rs. 29,91,606		Rs. 29,91,606

Okayti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a loss of Rs. 29,195 (profit of Rs. 1,95,358). On transfer of this sum to profit and loss account and after sundry adjustments including a transfer of Rs. 45,000 from revenue reserve account, there is a balance at credit of that account of Rs. 560 (Rs. 11,518 after transferring Rs. 40,000 to revenue reserve, Rs. 45,000 to buildings and machinery reserve and Rs. 10,000 to hail reserve, also dividend of 37½ per cent. on ordinary shares and preference dividends) which it is proposd to carry forward.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve representing the present written down value of these assets has been opened.

The result of the season's working is disappointing owing to the greatly increased cost of statutory concessions to labour, unfavourable growing conditions, a six-day strike in June and adverse market conditions.

Crop weighed out at 2,202 maunds as compared with 2,250 maunds estimated and 2,264 maunds in 1954. The average selling price was Rs. 2-6-4 per lb. as against Rs. 3-7-3 per lb. in the previous year. Planted area remains at 505 acres.

Estimates for 1956 provide for a crop of 2,250 maunds at an outlay of Rs. 4,87,760, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Block ...	2,23,710
Reserves ...	97,647	Stock-in-trade	1,68,841
Provision for taxation ...	55,348	Stores and supplies ...	30,993
Liabilities ...	1,52,403	Tea seed sales receivable	300
Profit and loss account ...	560	Loans and advances ...	27,002
		Cash ...	5,112
	Rs. 4,55,958		Rs. 4,55,958

Margaret's Hope Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 43,680 to which must be added the profit on sale of assets Rs. 2,271 and balance of profit brought forward from 1954 Rs. 23,070, making a total of Rs. 69,021. From this amount must be deducted provision for taxation Rs. 5,607, adjustment Rs. 11,458, bonus to labour and staff, 1953 and 1954 Rs. 45,481 and depreciation on fixed assets Rs. 25,670, leaving a balance at debit of profit and loss account to be carried forward to 1956 Rs. 19,195.

Crop.—The saleable crop weighed out at 4,419 (4,238) maunds against an estimate of 4,760 maunds, and was disposed of at an average price of As. 36.58 (As. 57.92) per lb.

The estimate for season 1956 provides for a saleable crop of 4,600 maunds at a total revenue expenditure of Rs. 8,20,044.

Results.—The fall in the average price of tea from As. 57.92 per lb. for season 1954 to As. 36.58 per lb. in season 1955 has adversely affected the results.

THE BANK OF BARODA LIMITED

SAFE DEPOSIT LOCKERS

in different sizes available at the Bank's

RECLAMATION BRANCH
Mafatlal House
Backbay Reclamation
Bombay 1

N. M. CHOKSHI,
General Manager.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	3,12,081
Reserves ...	4,00,225	Stock-in-trade	3,24,782
Provision for taxation ...	2,12,000	Stores ...	1,06,879
Liabilities ...	1,65,865	Other assets ...	9,487
		Debts and advances ...	1,31,901
		Investment ...	1,713
		Cash ...	2,72,052
		Profit and loss account ...	19,195
	Rs. 11,78,090		Rs. 11,78,090

Bhatkawa Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation of Rs. 6,80,116 to which must be added adjustment amount of Rs. 11,536, profit on sale of motor lorries Rs. 2,669 and balance of profit brought forward from 1954 Rs. 1,13,262 making a total of Rs. 8,07,583. From this amount must be deducted provision for taxation Rs. 2,26,839, bonus to garden labour and staff, 1953-54 Rs. 1,76,430, stores claim written off Rs. 1,068, irrecoverable advance written off Rs. 5,203 and depreciation on fixed assets Rs. 1,33,617, leaving a balance of Rs. 2,64,426. This amount the directors recommend, should be distributed as follows:—

In payment of a dividend at the rate of 25 per cent. for the year ended 31st December 1955, on 90,000 ordinary shares of Rs. 10 each, absorbing Rs. 2,25,000 leaving to be carried forward Rs. 39,426.

The saleable crop weighed out at 17,728 (17,698) maunds against an estimate of 18,000 maunds, and was disposed of at an average price of As. 29.66 (As. 41.84) per lb.

The estimate for season 1956 provides for a saleable crop of 17,000 maunds at a total revenue expenditure of Rs. 18,79,929.

Results.—The fall in the average price of tea from As. 41.84 per lb. for season 1954 to As. 29.66 per lb. in season 1955 has adversely affected the earnings and the profits.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	9,80,500
Reserves ...	16,53,306	Stock of tea	14,42,744
Provision for taxation ...	6,20,715	Stores ...	3,38,911
Liabilities ...	11,80,194	Other assets	11,121
Profit and loss account ...	39,426	Debts, deposits and advances ...	4,14,152
		Investments	6,800
		Cash ...	11,99,413
	Rs. 43,93,641		Rs. 43,93,641

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

SUGAR

(*Concluded from page 856*)

sugar costing As. 8 that one buys, one pays as much as As. 2 as taxes, representing 25 per cent. of the price. If, therefore, Mr. Jain is really serious in lowering the price of sugar, he must concede the demand for a downward revision in taxation, or encourage the adoption of measures which will lead to production of more sugar per acre.

Be that as it may, in the course of his address, the Union Food and Agriculture Minister expressed the confidence that the target of sugar production fixed at 2.25 million tons in the Second Five-year Plan "would be achieved much before the target date." He estimated sugar production during 1956-57 at 1.93 million tons. The Minister reviewed the progress made in the implementation of the expansion programme for the sugar industry. His account reveals that action has been taken to increase the installed capacity of industry from 1.5 million tons in 1953 to 2.5 million tons in 1960-61. Of the additional capacity, 250,000 tons will go into production during 1956-57. The Government has so far granted licences for the expansion of 57 existing units and establishment of 55 new factories, including 34 co-operative units and 3 units to be installed by shifting idle plants available in the country. All these cover a total production capacity of 960,000 tons of sugar, nearly 60 per cent. of which is in the South, the number of new units to be established in this region being 39. Of the 34 co-operative units, 14 will be set up in Bombay, 5 in Andhra, 4 in the Punjab, 3 each in Uttar Pradesh and Madras, 2 in Mysore and 1 each in Assam, Orissa and Bihar. Eighteen more co-operatives are projected during the Second Plan period. Out of the co-operative sugar units liecnsed one—at Kopergaon—went into production in 1955-56. This unit has applied for expansion of its capacity from 800 tons to 1,200 tons and has proposed to set up a subsidiary factory with a capacity of 700 tons. Eleven more co-operative mills are expected to start crushing in 1956-57 and a similar number during 1957-58.

Notices

THE AHMEDABAD ADVANCE MILLS, LIMITED

NOTICE

THE FIFTY-FOURTH ANNUAL GENERAL MEETING of the Shareholders of THE AHMEDABAD ADVANCE MILLS, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Tuesday the 27th November 1956, at 4-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 30th June 1956, and the audited Balance Sheet as at 30th June 1956.
2. To declare Dividends.
3. To appoint a Director in place of Mr. K. M. D. Thackersey who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Sir Fazal Rahimtoola, Kt., C.I.E., who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Jaykrishna Harivallabhdas, who retires in terms of Article 113 of the Articles of Association of the Company and is eligible for re-appointment.
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Sections 190, 261, 280 and 281 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Sections 261, 280 and 281 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Mr. T. V. Baddeley, C.B.E., a Director of the Company who is also a director, officer, member, and associate of Tata Industries Private Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint Ex-officio and Special Directors to the Board) and who has attained the age of 67 years be and is hereby made and/or approved as required by the provisions of the said Sections 261 and 281 and it is hereby specifically declared that the age limit for directors prescribed by Section 280 of the said Act shall not apply to him."

   The reasons which make this resolution necessary are more fully set out in para 2 of the Explanatory Statements referred to in Note (*a*) below which para 2 for the purposes of Section 261 shall be deemed to be incorporated in this Notice.

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that the Company pursuant to Section 314 of the Companies Act, 1956, consents to Mr. R. J. Tata and Mr. S. H. Tata who are respectively the uncle and the brother and therefore relatives of Mr. N. H. Tata, whose appointment as a Director is proposed to be made at this meeting, holding and continuing to hold offices or places of profit under the Company as employees."

8. To appoint a Director in place of Mr. N. H. Tata who resigned from the Board to enable the provisions of Section 314 of the Companies Act, 1956, to be complied with, and to consider and, if thought fit, to pass the following resolution as a Special Resolution of which a special notice, as required by Sections 190 and 261 of the said Act, has been received by the Company.

   "RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. N. H. Tata, who is a director, officer, member and Limited, the Managing Agents of the associate of Tata Industries Private Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint Ex-officio and Special Directors to the Board) and two of whose relatives are in the employ of the Company, be and is hereby appointed a Director of the Company."

   The reasons which make the above resolution necessary are more fully set out in paragraph 4 of the Explanatory Statements referred to in Note (*a*) below, which paragraph 4 for the purposes of Section 261 shall be deemed to be incorporated in this Notice.

9. To consider and, if thought fit, to pass the following resolution required by Section 359 of the Companies Act, 1956:—

   "The Company, being satisfied that the insurance premia or other charges made by The New India Assurance Company, Limited, for insurance in respect of the Company's properties, assets and goods and all other insurances are at rates which are not less favourable to the Company than the market rates and are otherwise reasonable, hereby authorises Tata Sons Private Limited, associates of Tata Industries Private Limited, the Managing Agents of the Company, to retain all commission or other remuneration already earned or to be earned by them at any time hereafter as one of the principal agents of The New India Assurance Company Limited in regard to all contracts of insurance or insurance policies which have been or which may at any time hereafter be entered into by the said New India Assurance Company Limited with the Company."

10. To consider and, if thought fit, to pass the following resolution required by Section 293 of the Companies Act, 1956:—

    "RESOLVED that pursuant to subsection (1) (d) of Section 293 and all other enabling provisions (if any) of the Companies Act, 1956, and the Articles of Association of the Company, the Company hereby consents to the Board of Directors of the Company borrowing moneys for the purposes of the Company from time to time even though the moneys so borrowed together with the moneys already borrowed by the Company and remaining outstanding or the amount for the time being and from time to time remaining undischarged of the moneys so borrowed together with the moneys already borrowed may be in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose Provided that such excess shall not be more than Rupees one crore at any time and Provided further that in computing the amount of borrowings whether already made or to be made the amounts of temporary loans obtained from the Company's bankers in the ordinary course of business shall be excluded.

    RESOLVED further that the Company hereby ratifies and confirms all borrowings by the Board of Directors after 1st April 1956, which, together with the amounts previously borrowed by the Company, are in excess of the aggregate of the paid-up capital and free reserves of the Company."

11. To consider and, if thought fit, to pass the following resolution:—

    "RESOLVED that the Registers, Books and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301 to 304, 307, 356 to 360, 362 and 372 and Schedule VIII to the Act, be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the registered office of the Company, between the hours of 10-30 a.m. and 1 p.m. (S.T.) on all working days, except when the Registers and Books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company. Provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection of members or holders of debentures of the Company, if any, as aforesaid between the times abovementioned during the period prescribed by sub-section 5 (a) of Section 307."

12. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 26*th October* 1956.

Notes:—(*a*) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 6 to 11 set out above are annexed hereto.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*c*) The Transfer Books of the Company will be closed from Monday, the 5th November 1956 to Friday, the 30th November 1956, both days inclusive.

(*d*) If dividends on shares, as recommended by the Directors, are passed at the meeting, the payments will be made on and after Wednesday, the 28th November 1956, to those shareholders whose names are on the Register of the Company on the 27th November 1956.

Annexure to the Notice dated the 26th October, 1956, convening the Annual General Meeting on the 27th November, 1956

EXPLANATORY STATEMENTS AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956.

The following Explanatory Statements, as required by Section 173 of the Companies Act, 1956, set out all material facts relating to the special business mentioned in the Notice dated the 26th October 1956.

2. *Item No.* 6: A special notice has been received from some members as required by Sections 190, 261, 280 and 281 of the Companies Act, 1956, proposing that the appointment of Mr. T. V. Baddeley, C.B.E., as a Director be made and/or approved in accordance with the provisions of the said Sections. As set out in the special notice received by the Company, the reasons which make the resolution necessary are as follows:—

The Managing Agents of the Company, Tata Industries Private Limited, are authorised by the Articles of Association and the Managing Agency Agreement to appoint Ex-officio and Special Directors to the Board. Since Mr. T. V. Baddeley is a director, officer, member and associate of the Managing Agents, his appointment as a Director of the Company who is liable to retire by rotation can only be made by a Special Resolution of the Company in terms of Section 261 of the Companies Act, 1956, and as he has also attained the age of 67 years his appointment has to be made or approved by a resolution of which special notice has been given in accordance with Sections 190 and 281 of the said Act. It is also apprehended that by virtue of subsection (4) of the said Section 261, although Mr. T. V. Baddeley does not retire from office by rotation at the Annual General Meeting this year, his appointment should be made and/or approved by a special resolution of the Company at the said Annual General Meeting.

Mr. T. V. Baddeley first became a Director of the Company on 26th May 1939 and has for the last several years been actively associated as one of the Directors of the Managing Agents with the management of the affairs of the Company. As it is in the interest of the Company that it should continue to receive the benefit of his advice as a member of the Board, it is desirable that his appointment as a Director be made and/or approved by Special Resolution in accordance with the provisions of Section 261 of the said Act, and that the age limit prescribed in Section 280 of the said Act shall not apply to him.

3. *Item No.* 7: Mr. R. J. Tata and Mr. S. H. Tata are respectively the uncle and the brother and therefore relatives of Mr. N. H. Tata whose appointment as a director is proposed to be made at this meeting (see under item 8). These two relatives of Mr. N. H. Tata have been employees of the Companies since 1st April 1920 and 1st November 1931 respectively. The present office or place of profit held by Mr. R. J. Tata is that of Carding Master at the Mills and the present office or place of profit held by Mr. S. H. Tata is that of Junior Officer at the Head Office. In view of the provisions of Section 314, it is necessary for this meeting to consent to these two gentlemen holding and continuing to hold their respective offices or places of profit under the Company to enable Mr. N. H. Tata to be appointed as a director.

4. *Item No.* 8: Mr. N. H. Tata was first appointed a director on the Board on 26th August 1947 and continued to remain on the Board of this Company up to 28th March 1956. In view of the provisions of Section 314 of the Companies Act, which came into force from 1st April 1956, Mr. N. H. Tata resigned his office as a director on 28th March 1956 as two of his relatives were employees of the Company. Mr. N. H. Tata is a director, officer, member and associate of Tata Industries Private Limited, the Managing Agents of the Company, who are authorised by the Articles of Association and the Managing Agency Agreement to appoint Ex-officio and Special Directors to the Board and hence he cannot be appointed a director of the Company except by a Special Resolution in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 261 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in this item. As it is in the interest of the Company that it should continue to receive the benefit of his advice and experience as a member of the Board, it is desirable that he be appointed a director.

5. *Item No.* 9: Tata Sons Private Limited, who are Associates of Tata Industries Private Limited the Managing Agents of the Company, are one of the Principal Agents of the New India Assurance Company Limited, with whom the Company places its insurance business. Although it is not clear whether it is necessary to obtain the Company's sanction under Section 359 of the Companies Act, 1956, for greater precaution, the Company has been advised to obtain a resolution in General Meeting. The New India Assurance Company Limited is a leading insurance company and has provided valuable insurance service in the past. Its rates of premia and tariff compare well with other insurance companies of repute and its terms and conditions of policies and contracts of insurance are satisfactory. Tata Sons Private Limited, the holding Company of Tata Industries Private Limited, have been one of the Principal Agents of the New India Assurance Company Limited since its inception in 1919. Mr. A. D. Shroff is a director and member of Tata Sons Private Limited and Mr. D. R. D. Tata is a member of Tata Sons Private Limited and, as such, they are interested in the commission earned.

6. *Item No.* 10: In order to conduct the day-to-day affairs of the Company and, in addition to finance the mills' rehabilitation and modernisation programme, the Company has to borrow moneys, from time to time, from the Company's bankers by way of cash credits and also from other banks and private parties for short terms. Section 293 of the Companies Act, 1956, requires the consent of the Company in General Meeting for the Board of Directors to borrow moneys for the purposes of the Company, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Opinions differ as to what constitute 'free reserves' and also as to what exactly are to be regarded as 'temporary loans'. Our bankers are of the view that cash credits granted on hypothecation of stocks in addition to demand pro notes will *not as a rule* be regarded as 'temporary loans'. In view of this uncertainty it is considered necessary and desirable that the Company should pass the proposed resolution. As the shareholders are aware, the Company has embarked upon a scheme for the rehabilitation and modernisation of the Mills on a large-scale. From the Balance sheet now in your hands it will be observed that the Company has already spent a large sum on capital expenditure. Further finance on a substantial scale will be needed for carrying out the full programme of modernisation. It is having regard to this fact that the limit of excess borrowings at rupees one crore has been suggested in the resolution. It is also proposed by the said resolution to ratify and confirm all borrowings after 1st April 1956, together with the amounts previously borrowed for the purposes of the Company. In view of the conflicting opinions as regards the terms "free reserves" and "temporary loans", it is advisable that there should be left no room for doubt in case it is ultimately considered that the total borrowings of the Company have, at any time after 1st April, 1956, exceeded the limit fixed by law.

7. *Item No.* 11: Under the relevant Sections of the Act, the Company in General Meeting is entitled to impose reasonable restrictions on keeping the said registers and documents open for inspection by the persons entitled thereto so that not less than two hours in each day are allowed for inspection. The hours of inspection sought to be prescribed by the said Resolution are reasonable and convenient from the administrative point of view.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

MARKET GOSSIP

(*Concluded from page* 847)

The Company is one of the leading engineering concerns in the country, with specialised lines of production, particularly those pertaining to railways. For nearly 30 years, the Company has been the largest single producer in India of steel railway sleepers and owns by far the largest unit in India producing bolts and nuts. The Calcutta factory of the Company producing these products is in the advantageous position of having its own rolling mills and furnace plant for making special and alloy steels. The factory at Bhandup (Bombay), which is only three years old, is now the largest producer in the country of high class steel and brass wood screws. In addition, it manufactures safety pins, cotter pins, hypodermic needles, tinmen's rivets and metal-thread screws.

The lines of production followed by the Company offer immense scope in the coming years and it is not surprising that the management has undertaken a vast expansion programme to be completed within the next four years. The cost of the whole development programme, together with normal replacement of fixed assets, will be Rs. 4 crores to Rs. 5 crores.

The object of the present issue is to finance a part of this cost. The Directors hope to be able to meet the balance out of the Company's future earnings and resources which may become available from time to time.

A perusal of the Company's financial results for the past five years shows that the profit (before depreciation and taxation), which had shrunk from Rs. 66.66 lakhs in 1951 to Rs. 24.55 lakhs in 1953, rose to Rs. 57.03 lakhs in 1954 and further to Rs. 107.53 lakhs in 1955. Thus, the profit has grown more than fourfold in the course of the past two years. The trading so far this year, according to the Directors, shows continued improvement. This, together with the state of the order book, leads the Directors to believe that (in the absence of circumstances beyond their control), with the additional finance now to be made available to the Company and with the Company's various development schemes gradually coming to fruition, the profits of the current and future financial periods will show an increase consistent with the growth of the Company. For the current year, the Company has paid an interim dividend of 8 per cent., the corresponding distribution for the previous year being 7½ per cent. The Company is expected to maintain the final dividend at 10 per cent., if not raise it.

The balance-sheet of the Company as on 31st December 1955 reveals that the net fixed assets amount to Rs. 173.38 lakhs. This, together with investments amounting to Rs. 5.21 lakhs and current assets aggregating Rs. 269.57 lakhs, brings the total assets of the Company to Rs. 448.16 lakhs. As against these assets, the liabilities and provisions amount to Rs. 218.37 lakhs. The net assets, at Rs. 229.79 lakhs, are represented by an issued and paid-up capital of Rs. 141.06 lakhs (made up of 1,410,600 ordinary shares of Rs. 10 each) and reserves and surplus aggregating Rs. 88.73 lakhs. It may be noted, in this connection, that, once in the past, the Company's fixed assets were revalued, but this was a decade ago, that is, in 1946, from Rs. 30.47 lakhs to Rs. 126.02 lakhs and the surplus (Rs. 95.54 lakhs) was credited to capital reserve. This capital reserve, along with Rs. 22.01 lakhs drawn from general reserve, was utilised in 1947 to issue 1,175,000 shares of Rs. 10 each as capital bonus to the shareholders. But since then there have been substantial additions to the productive capacity of the Company which have enabled the payment of handsome dividends referred to above on the increased capital without prejudice to the strengthening of its financial position.

PRIVATE ENTERPRISE IN INDIA

(*Concluded from page* 868)

to Mr. Black's letter. Mr. Black refers to State enterprises and private enterprises, and Mr. Krishnamachari, of course, thinks differently on the relative importance of the two sectors. He makes a bold statement that, although the experience of State enterprise has not been very long, at least, in some cases, State enterprise has been found to be more efficient than private enterprise.

In the course of my activities in the Forum of Free Enterprise, I have had to answer questions in different places and particularly, last month, when I was in Calcutta I was pointedly asked whether I had any opinion to express on the working of State enterprises. I was not as outspoken as I should have been. In any case, it would be fair to State enterprise to say that the experience has been so short that it is premature to express any definite opinion. However, since Mr. Krishnamachari has found it fit to make up his mind that State enterprise has been, in some cases, more efficient than private enterprise, I can only suggest to him that he should ask for some impartial assessment of the problem. We, in private enterprise, are very willing to learn. The more we learn and the more we improve, it is better for us and the country. Therefore, if Mr. Krishnamachari were to call for an impartial assessment of the working of State enterprise, private enterprise would have a lot to learn.

Finally, I will examine if private enterprise and democracy are incompatible. Coming as it does from the highest in the land, it does need very close consideration and examination. I would, however, like to state that there are a number of thinking people in India who not only do not agree with the view but, on the contrary, honestly believe that, if free enterprise is not allowed to continue in this country, subject of course to our accepting planned development of the country and the necessary regulations involved, and if free enterprise is going to be thwarted, and restricted in its operations, it can only result in a serious diminution of the democratic way of life, if not its ultimate destruction. I for one have been thinking for some time past and trying to understand if this statement could be correct—that private enterprise and democracy are incompatible. Either I do not understand the content of democracy or I cannot understand the meaning of the statement that "private enterprise and democracy are incompatible." As a matter of fact, we, particularly in the Forum of Free Enterprise, find our view confirmed by thousands of people now in the country that, democracy which is a blessing we enjoy and the democratic way of life which has been assured to us in our Constitution is likely to suffer very severely if free enterprise is not allowed to be practised in this country.

SURVEY

(*Concluded from page* 849)

have observed that, in estimating the capacity required by India, the Mission would be guided by the long-term objectives of the country in the field. But he pointed out that heavy engineering industry should be related to the indigenous capacity in steel production which, indeed, is steadily growing.

A significant point made by the leader of the British Mission is that, though its labours may eventually lead to the actual setting up of plant capacity, the Mission is not concerned with end-results of its work. It was not concerned, he emphasised, as to how many of its recommendations would be accepted or through what agency or arrangements they would be implemented. Evidently, such an attitude was prompted by the unfortunate misunderstanding and comments over the World Bank President's letter to Mr. T. T. Krishnamachari and the well-meant advice contained therein. We appreciate the Mission's anxiety to be free from any charge of attempting to dictate policy to the Government of India, but, at the same time, we hope that the Mission's recommendations, apart from being as objective as possible, will not fail to indicate the conditions under which its proposals will yield the maximum return. It is, of course, up to the Government of India to determine, on the merits of each case, its policy. But it is necessary to stress that the Government's policy should be influenced more by considerations of the need for rapid industrial development, than by half-baked ideologies. Sir Eric's suggestion that Britain has both the real resources and the willingness to consider further enterprise in this country also deserves serious study.

Notice

THE MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 85th Annual General Meeting of the Company will be held at its Registered Office at Supariabaug Road, Parel, Bombay, on Friday, the 23rd November 1953, at 11.30 a.m. (I.S.T.), to transact the following business:—

(1) To adopt the Directors' Report and audited statements of accounts for the year ended 30th June 1956.

(2) To declare a dividend on Preference and Ordinary Shares.

(3) To elect a Director in place of Shri Motilal Tapuriah who retires by rotation under Article 108 of the Articles of Association of the Company, but being eligible, offers himself for re-election.

(4) To appoint and/or approve the appointment of Shri Gopikisan Piramal as a Director of the Company, pursuant to Section 261 of the Companies' Act, 1956, in as much as (*a*) The Managing Agents of the Company are authorised by its Articles and by its Managing Agency Agreement to appoint a Director on the Board, (*b*) Shri Gopikisan Piramal is liable to retirement by rotation of Directors and (*c*) he is an associate of the Managing Agents, and for that purpose, to consider and, if thought fit, to pass the following Resolution as a Special Resolution of which Special Notice is received by the Company and of which Special Notice is hereby given:—

Special Resolution No. 1:—

"Resolved that the Company hereby appoints and/or approves the appointment of Shri Gopikisan Piramal as a Director of the Company."

(5) To appoint and/or approve the appointment of Shri Basudeo Kanoria as a Director of the Company, pursuant to Section 261 of the Companies' Act, 1956, in as much as (*a*) the Managing Agents of the Company are authorised by its Articles and by its Managing Agency Agreement to appoint a Director on the Board, (*b*) Shri Basudeo Kanoria is liable to retirement by rotation of Directors and (*c*) he is an associate of the Managing Agents, and for that purpose, to consider and if thought fit, to pass the following Resolution as a Special Resolution of which Special Notice is received by the Company and of which Special Notice is hereby given:—

Special Resolution No. 2:—

"Resolved that the Company hereby appoints and/or approves the appointment of Sri Basudeo Kanoria as a Director of the Company."

(6) To elect a Director in place of Shri G. M. Adukia, who retires by rotation under Article 108 of the Articles of Association of the Company, but being eligible, offers himself for re-election, and in as much as (*a*) the Managing Agents of the Company are authorised by its Articles and by its Managing Agency Agreement to appoint a Director on the Board, (*b*) Shri G. M. Adukia is liable to retirement by rotation of Directors and (*c*) he is an associate of the Managing Agents, and for that purpose, to consider and, if thought fit, to pass the following Resolution as a Special Resolution of which Special Notice is received by the Company and of which Special Notice is hereby given, as required by Section 261 of the Act.

Special Resolution No. 3:—

"Resolved that the Company hereby re-elects and appoints Shri G. M. Adukia as a Director of the Company."

(7) To appoint Auditors for the current year and to fix their remuneration.

(8) To consider and if thought fit, to pass the following Resolution as a Special Resolution:—

Special Resolution No. 4:—

"Resolved that, subject to the approval of the Central Government, the following Article be substituted for Article 98 of the Articles of Association of the Company, viz.

'The remuneration of each Director for his services for each meeting of the Board or Committee of the Board attended to by him, shall be such sum not exceeding Rs. 150 (Rupees One Hundred and Fifty) as may be determined by the Board from time to time.'"

(9) To consider and if thought fit, to pass the following Resolution as a Special Resolution:—

Special Resolution No. 5:—

"Resolved that, as required by Section 360 of the Companies' Act, 1956, the Company hereby approves of the contract between the Company and Shri Purshottam Baijnath Modi, an associate of the Managing Agents of the Company, for his appointment by the Company as its Secretary on a monthly salary of Rs. 1,500 and with such allowances and benefits as he at present receives from the Company or as may from time to time be determined by the Directors of the Company."

(10) To consider and if thought fit to pass the following Resolution as a Special Resolution:—

Special Resolution No. 6:—

"Resolved that as required by Section 360 of the Companies' Act, 1956, the Company hereby approves of the contract between the Company and Shri Gopikrishna Baijnath Modi, an associate of the Managing Agents of the Company, for his appointment by the Company as its Stores Superintendent on a monthly salary of Rs. 1,500 and with such allowances and benefits as he at present receives from the Company or as may from time to time be determined by the Directors of the Company."

(11) To consider and if thought fit to pass the following Resolution as a Special Resolution:—

Special Resolution No. 7:—

"Resolved that, subject to the approval of the Central Government, the Company doth hereby appoint Piramal Sons Private Ltd. as its Managing Agents for a period of 10 years from the 15th January 1957 at the remuneration and upon the terms and conditions mentioned in the draft Agreement placed before this meeting and initialled by its Chairman and approved by this meeting (but with such modifications thereof as may be required by the Government), and that the Company do enter into and execute the stamped engrossments of the said Agreement in duplicate and that the seal of the Company be affixed thereto in the presence of any two of the Directors and some person appointed by the Directors for the purpose."

(12) To consider and, if thought fit, to approve the draft of the new Articles which will be submitted to the Meeting, and in the event of the approval thereof, with or without modifications, to consider and, if thought fit, to pass the following Resolution as a Special Resolution:—

Special Resolution No. 8:—

"Resolved that the new Articles already approved by this Meeting and for purposes of identification subscribed by the Chairman thereof be approved and adopted as the Articles of Association of the Company, in substitution for and to the exclusion of all the existing Articles thereof."

(13) To consider and if thought fit to pass the following Resolution:—

"Resolved that the Registers, Books and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies' Act, 1956, and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301 to 304, 307, 356 to 360, 332, 372 and Schedule VIII to the Act, be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the Registered Office of the Company between the hours of 11.0 a.m. and 1.0 p.m. (S.T.), on any working day except when the Registers and Books are closed under the provisions of the Companies' Act, 1956, and of the Articles of Association of the Company, provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection of the members as aforesaid between the times above mentioned during the period prescribed by Sub-section 5(*a*) of the said Section 307."

(14) To consider and if thought fit to pass the following Resolution:—

"Resolved that the Board of Directors of the Company be and they are hereby authorised to contribute in any financial year to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which may in such financial year amount to Rs. 2,50,000 or five per cent. of the average net profits of the Company as determined in accordance with the provisions of Sections 349 and 350 of the Companies' Act, 1956, during the three financial years immediately preceding such financial year, whichever is greater."

(15) To consider and if thought fit, to pass the following Resolution:—

"Resolved that, in accordance with the provisions of Section 293 of the Companies' Act, 1956, the Company hereby gives its consent to the Board of Directors borrowing monies from time to time for purposes of the business of the Company even though as a result of such borrowings, the monies so borrowed and remaining undischarged for the time being together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The Share Transfer Books of the Company will be closed from Friday the 9th November 1956, to Saturday the 24th November 1956, (both days inclusive).

By Order of the Board,

For PIRAMAL & SONS,

MOHANLAL PIRAMAL,
Partner,
Agents.

BOMBAY, 5*th October* 1956.

The Dividend, if sanctioned, will be payable from Monday the 26th November 1956 to those shareholders whose names stand on the Register of the Company in the evening of Saturday the 27th October 1956.

Dividend Warrants will be posted in due course to the registered addresses of the shareholders. Change of address, if any, should be notified without delay.

AN EXPLANATORY STATEMENT IN RESPECT OF THE ABOVE SPECIAL ITEMS OF BUSINESS HAS BEEN SENT BY POST TO EACH AND EVERY SHAREHOLDER AT HIS REGISTERED ADDRESS.

COMMERCE

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

VOL. XCIII. No. 2384 BOMBAY, 10th NOVEMBER 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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MIGHT IS RIGHT?

"DEEPAVALI," or Festival of Lights as it is popularly called, is celebrated in India every year in commemoration of the victory of justice over injustice, of right over wrong, of wisdom over brute might, and of faith in the dignity of man over egotism and scepticism. It seems to be an irony of fate that, on this auspicious occasion this year, leaders of certain powerful countries in the world should have behaved in such a manner as to give rise, once again, to doubts, in the minds of men whether "might is right" after all. The irony has become a cruel one, indeed, because, of the countries responsible for it, two belong to the democratic world and had earned, in recent years, the reputation of being progressive in their outlook. Britain is known as a country of liberal traditions and as the Mother of Parliaments. France is the country which gave the soul-stirring cry "liberty, fraternity, and equality" in the days when despotism and feudalism were the order of the day. It is true that, for nearly 150 years, these two countries turned out to be great imperialistic powers, but they had salvaged their reputation during the past decade through spectacular renunciation of the major part of their empires and through their unwavering support to the United Nations Organisation, the upholder of international law. That these two countries, in collaboration with Israel, should have committed unwarranted armed aggression on a puny and poorly equipped country—Egypt—has caused a deep sense of sorrow and disappointment among all freedom-loving peoples of the world.

In the same week, there was aggression elsewhere also in the world, in Hungary to be precise. Russia deserves to be roundly condemned for its ignoble act of crushing the freedom movement in Hungary with the weight of its military might. But Russia is known for its ruthlessness and totalitarian methods and it causes no surprise nor disillusionment when it prefers force to peace. It is the action of Britain and France that has outraged the conscience of the free world and weakened the hands of the latter in forcing Russia to yield freedom to the people of Eastern Europe. In fact, it is the storm raised by Britain, France and Israel in West Asia that has put out the lights of freedom which had just begun to flicker in Poland and Hungary after they were blacked out for nearly 17 years. Their expression of sympathy for these victims of fascism and their criticisms of Russia sound unreal after what they have done to Egypt.

It is not only these aggressions that make one to pose the age-old question whether might is right but also the fact that it was the fear of a third world war which made Anglo-French powers to order a hasty cease-fire even before completely fulfilling their objective, namely, seizure of the entire Suez Canal zone. It is difficult to dismiss as pure coincidence their decision to stop fighting in Egypt within a few hours of Russia's virtual ultimatum to them that, if they did not stop their aggression on Egypt, it was determined to enter the fray in support of Egypt. It would appear that the Anglo-French Governments, which completely ignored the weight of world opinion as reflected in the decisions of the United Nations General Assembly and continued hostilities on Egyptian soil, air and sea and brushed aside the language of peace with impunity, had to take notice of Russia's language of war. However deplorable may be Russia's threat to intervene in the war unleashed by Britain in West Asia, the fact remains that that threat has worked well in preventing the conflict from gathering momentum. The Russian action was just a copy of Mr. Dulles's tactics of taking the world to the brink of war, in order to stop a war. In any case, it is the British and French Governments which first took the law into their hands, defied the United Nations and committed aggression. By doing these things, they set a bad example for Russia and tempted it to do likewise. If a third world war had broken out or were to break out in the near future, which God forbid, these two Governments would certainly be guilty of starting it. It is the good fortune of the British and French peoples that better sense dawned on their Governments at least in the nick of time and has so far saved them from this terrible odium.

It used to be said of the Tories in Britain that they were imperialists and war-mongers. The record of Britain in the past ten years had led one to hope that all that was past history. But Sir Anthony Eden and his colleagues in the Government, excepting one man, Mr. Anthony Nutting, Minister of State at the Foreign Office, have belied this impression. By resorting to force to settle their score with Egypt, they have set the clock of Britain's progress back. They have shattered the tremendous amount of goodwill built up for their country by the Labour Party in this part of the world. Earl Attlee, who was recently in this country and had seen for himself the enormous reservoir of affection and love for Britain among all sections of Indian people, was perfectly right in describing the Anglo-French intervention in West Asia as a "mad act." It is apparent that, in his anger against President Nasser, Sir Anthony has lost his sense of proportion and balance of mind and that the French Government, in its anxiety to retain its colonial possessions in North Africa, has exploited his weakness and successfully egged him on to commit a crime which has brought nothing but shame on Britain. And, in Israel, both of them found a very obliging *agent provocateur*. It is a pity that Sir Anthony should have stooped so low, in order to avenge President Nasser's nationalisation of the Suez Canal. Although he got Parliament's vote of confidence in his Government by a majority of 67 votes, there is enough evidence that he has miserably failed to convince the vast majority of his countrymen about the justness of his stand. In fact, it will not be surprising if circumstances force him to resign very soon.

It is unnecessary to discuss the developments at any length to show that the step taken by the British and French Governments was wrong and against international law. Apart from the fact that it has been condemned by the United Nations by an overwhelming majority of 64 to 5, including its trusted ally the U.S., the entire Labour Party has solidly voted against the British Government on this issue. It must be said to the credit of Opposition leaders in Britain that they have thoroughly exposed the hollowness of their Government's stand. Mr. Bevan has described its action as an "unjustifiable and wicked war," contrary to all "civilised principles, humanity and justice", and compared Sir Anthony's ultimatum to Egypt with that of Hitler on the Low Countries in 1940. Mr. Gaitskell, leader of the Opposition, has likened the so-called "police action" of Sir Anthony to that of a policeman who joins with the thief and shoots at the householder. No greater condemnation of the British Government's action is possible. A word of praise is also due to those sections of the British Press—which included the pro-free enterprise contemporary of ours, *The Economist*—which had the courage of conviction to highlight the error of Sir Anthony's judgment and to criticise his actions in no uncertain terms. It is the existence of such vigorous and forthright Opposition to the British Government's undeclared war against Egypt that has sustained the faith of this country in the good sense of the British people and in their capacity to correct the wrongs done by their Government. But for this opposition, India might have decided to sever its connection with Britain and the Common-

wealth, even though such severance would mean a considerable amount of sacrifice.

It must be said to the credit of the U.S. that, right from the beginning of Anglo-French war-like actions in West Asia, it has striven its best to find a peaceful solution. The Suez Canal dispute was well on the way of being solved peacefully, thanks to the able handling of it by the Indian Government and the timely realisation by the U.S. of the pitfalls in the Anglo-French proposals. It might have been solved by now to the satisfaction of all, except, perhaps, of Sir Anthony Eden and the French Premier, M. Guy Mollet, both of whom appear to have developed a personal vendatta against President Nasser and been keen on overthrowing him. That was apparently the reason why they torpedoed a peaceful settlement of the Canal controversy by engineering a plot against Egypt with the help of Israel. But their calculations have not fully materialised, thanks to the right action swiftly taken by the U.S. Government through the medium of the United Nations. Its firm refusal to lend support to the British, French and Israeli Governments and its quick action in mobilising world opinion against the aggressors have saved this planet from going up in flames. All honour to President Eisenhower and his colleagues. At the darkest hour of the world, they did not flinch from their loyalty to the United Nations, the only hope of mankind. In re-electing him as their President with a massive majority, the American people have done the right thing and endorsed his wisdom in the hour of crisis.

All this does not mean that the world is out of the wood. The fire lit by Israel, Britain and France in West Asia has not yet completely died down. It may flare up again at any time, unless these three countries swiftly evacuate their forces from the Egyptian soil. The United Nations General Assembly has already adopted a resolution to that effect. The proposed U.N. police force should be quickly formed, in order to keep peace in West Asia. The big powers should not insist upon their having representation in any such force. By their acts of aggression, Britain, France and Russia have forfeited their claims for rendering such a service to the world. The U.S. will do well to keep out of it, in order to avoid misunderstanding. Australia and New Zealand are unfit to be in it, because they have openly indentified themselves with the Anglo-French aggression on Egypt. There is no need for Russia to take up the cudgels against the invaders into Egypt outside the United Nations. If it does, it will forfeit the sympathy and understanding it has recently won in this part of the world by giving economic aid and by championing the cause of the underprivileged nations of Asia and Africa against Western colonialism.

After the withdrawal of foreign forces from the Egyptian soil, the U.N. should lose no time in settling the Suez Canal dispute. Britain and France should realise now that the countries which agreed to join the Canal Users' Association did not support them in their adventure to seize the Canal by force and that what little prospects there were of their joining them in an economic war against Egypt have now completely gone. They must concede that Egypt has a right to nationalise the Canal and will be well advised to accept, as Egypt has already done, the Indian plan for safeguarding the international interest, as distinct from Anglo-French interest, in the Suez Canal as a waterway of great importance to the peace and prosperity of the world. The Arab countries, on their part, should recognise Israel's right to exist as a sovereign nation in their midst. In view of Israel's flagrant aggression against Egypt last week, they will, however, be justified in expecting a guarantee of good conduct by Israel, presumably by all the members of the United Nations. As the Arab countries are blessed with large deposits of oil, a strategic commodity both in peace and war, they should give an undertaking to the United Nations Organisation that they will not meddle with its development and free flow, so long as the exploitation is carried out in a manner satisfactory to themselves and to those who invest their capital and know-how for this purpose. Such an assurance from them will help banish the fear of Western countries that Arab nationalism might endanger the flow of oil so badly needed by them and the consequent desire to retain their political domination over West Asia, through force if need be. It is only on some such lines that peace in this part of the world can be ensured. And, once real peace in West Asia and Africa is secured, it will only be a question of time for the East European countries to regain their freedom from Russian domination. If the Western powers follow the path of truth and honesty and stand by the high principles of the United Nations Charter, Russian imperialism cannot last long.

AGRICULTURAL TARGETS

EVER since Mr. Nehru stressed that the country should be able to increase its agricultural production even beyond the targets prescribed under the Second Five-year Plan, a new sense of urgency has been imparted to India's agricultural front. There are at least three considerations which underline the need for increased food and agricultural production. In the first place, the country's population is increasing at an annual rate of about 4.2 million a year, so that in the absence of a steady increase in foodgrain production, shortages are bound to develop at some stage or other. Secondly, the increased incomes which will be generated by the progress of the Second Five-year Plan will be generally spent in an underdeveloped country, like India, on the primary necessities of life, namely, food and cloth. This fact, taken in conjunction with the prospect of deficit-financing, should make it clear that the pressure of the new purchasing power on available supplies of food and cloth will be very great and will lead to higher prices, unless the supply itself is suitably augmented. To these factors must now be added the new international developments. Any prolongation of the Suez crisis or any occurrence of similar crises in future will make it extremely difficult for this country to rely on imports of foodgrains. Thus, international considerations, if not national considerations, serve to emphasise the need for national self-sufficiency in foodgrains, oils and fats, sugar and cotton. Indeed, the Government is fully alive to this aspect of the problem. Inaugurating the National Warehousing Board at New Delhi, Mr. Nehru emphasised that India should prepare itself for all eventualities. If there was war, it was inevitable that all supplies from foreign countries would be completely cut off. It was, therefore, "highly essential," he said, that India should be self-sufficient in food and other essential commodities.

In recent months, there has, as is well known, been considerable discussion, both at the Central and the State level, of the problem of increasing agricultural production. The National Development Council, which met in May 1956, felt that it was necessary to raise the targets of agricultural production proposed under the Second Plan. Since then, the Union Ministry of Agriculture and the Planning Commission have been engaged in reviewing these targets in consultation with the State Governments. Detailed discussions on the subject again took place among the State Ministers of Agriculture who met at Mussoorie towards the end of June. The results of these discussions have been reviewed jointly by the Planning Commission and the State Ministers of Agriculture and new targets have been drawn up. The following table gives the estimated production of different agricultural commodities in 1955-56, the targets prescribed under the Plan and the revised targets:

		Estimated production in 1955-56	Targets set in Plan	Revised targets
Foodgrains ..	.. (Million tons)	65.0	75.0	80.4
Oilseeds ..	.. (,,)	5.5	7.0	7.6
Sugarcane ..	.. (,,)	5.8	7.1	7.8
Cotton ..	.. (Million bls.)	4.2	5.5	6.5
Jute ..	.. (,,)	4.0	5.0	5.5

It will be seen from the table above that substantial increases in agricultural production are envisaged by the revised targets. As compared with the 1955-56 output, the revised target for foodgrains implies an increase of 23 per cent., for oilseeds 38 per cent., for sugarcane 34 per cent., for cotton 55 per cent., and for raw jute 37.5 per cent. If the revised targets were realised, agricultural production as a whole would increase by about 28 per cent., the increase in the production of foodgrains being nearly 25 per cent., and in that of commercial crops about 34 per cent. It would appear that considerable emphasis was laid during the discussions on the need to increase the production of millets. In the economy of several States, millets occupy an important position, the total area under *jowar* being 43 million acres and the area under *bajra* being over 27 million acres. The need for stepping up research on improved strains in millets was recognised. The State Governments, in co-operation with the Indian Council of Agricultural Research, are expected to give considerable attention to improving the quality and yield of millets.

The multi-pronged drive for increased agricultural production includes programmes for the multiplication of improved seed, use of fertiliser, irrigation and soil conservation. During the next three to five years, in every State, efforts will be made to cover every acre with improved seed and, along with this, to ensure that every acre of land is supplied with fertilisers and organic manures and green manures. Each State, it is stated, has now a programme for setting up seed farms for raising nucleus seeds and multiplying improved seeds through registered growers, keeping in view the requirement of the entire area to be covered by each seed farm. Provision is being made for setting up co-operative seed stores at the headquarters of every national extension block and smaller stores for each group of about 20 villages; at these stores, fertilisers and agricultural accessories will also be made available. Since good results have been obtained by the combined use of chemical fertilisers and organic manure, each State will organise the production of compost, urban and rural, on the largest scale possible.

In all national extension and community project blocks, special personnel will be provided for work relating to organic manures, use of green manures and utilisation of nightsoil. It is also proposed to give training in manurial work to five to ten selected persons in each village level workers' circle. In opening new national extension service and community project blocks, preference, it is stated, will be given in the early years of the Plan to areas where rapid increase in agricultural production can be achieved. Definite targets will be laid down for each group of villages in charge of an extension worker. Funds proposed for agriculture in the block budgets for national extension and community project areas will not be diverted to other heads of development, and, in these areas as in others, personnel of the State agricultural departments will be responsible for the success of the agricultural programmes.

Much emphasis is rightly placed on enlisting the co-operation of the farmers in the task of carrying out the agricultural programme. It has been suggested that there should be a village *panchayat* and a multi-purpose co-operative society in each village which should see that every family has an integrated plan for the use of improved seeds, fertilisers and organic and green manures and is assisted with short-term credit, in money or kind, for carrying through its plan. Local participation and community effort are envisaged on the largest possible scale in such programmes as minor irrigation and contour building. In some States, minor irrigation works are carried out by Government agencies. Such works, it is suggested, should be regarded in all States as essentially a local community programme in which local contributions in money and labour play a leading role.

But the chief difficulty in implementing the programme may well arise from the fact that no additional financial resources are to be allotted to agriculture. It would appear that the State Governments, in common with the Ministry of Agriculture and the Planning Commission, accepted the view that the maximum effort should be made by all interests concerned within the resources allotted for agriculture under the Plan. It was, however, recognised that, at later stages in the Plan, it might be necessary to make small additions to the allotments available for agriculture, through internal adjustments and in other ways. It remains to be seen whether it will be possible—even assuming there will be no unfavourable weather conditions—to accomplish the higher targets for agriculture without making available larger financial resources to those who are charged with the responsibility for carrying out the programme. There are also two related questions —of credit and transport. Clearly, the credit system has to be suitably geared to the task of financing the production and marketing of additional agricultural produce. Similarly, the transport system should have the necessary equipment to cope with the increased traffic which will flow from the achievement of higher targets for agricultural produce. Serious doubts were expressed about the adequacy of transport system even to meet the traffic needs arising from the lower targets first fixed in the Plan. Now that these targets have been revised upwards in one important sector, namely, agriculture, this problem becomes greater still. It is the duty of the authorities to give sufficient fillip to all modes of transport, in order to ensure that increased production is carried to areas where it is needed and thereby fulfil the purpose for which such production is intended. In this matter, they should not allow ideological considerations to stand in the way.

REACTIONS TO THE WAR IN WEST ASIA

CANADA'S NOVEL EXPERIMENT IN MANAGEMENT OF MONEY

THURSDAY, 5 P.M.

THE Hindu New Year, that is, *Samvat* 2013, was ushered in in the midst of great political tension and grave uncertainty, due to the outbreak of a little war in West Asia just a couple of days before. Trading in all the markets on the *Moorat* day was, therefore, overshadowed by this grim dramatic event. Operators were worried whether this was a prelude to a world-wide conflagration. Unable to take a view, they were reluctant to adopt an aggressive stand either way. This was particularly true of the share markets. The initial reaction was slightly bullish, but the extent of rise in prices was not appreciable. Later on, when hostilities ceased, there was a slight marking down of values. As the week drew to a close, a fractional improvement was seen. On the whole, the shares have finished this historic week on a mixed trend, with the list showing a sprinkling of minor losses and gains. The turnover, too, was in modest proportions. There was, however, a lot of excitement and animated discussion, especially after the stern warning by Russia that it was determined to intervene in favour of Egypt if Britain, France and Israel did not stop fighting. The consensus of opinion in market circles was that Britain and France were both unjust and foolish in unleashing the war dogs in West Asia. Most of them were pained by the action of these two Western Powers, both of which are friends of India. Many were inwardly glad that Russia had the courage to speak in the only language which these powers were in a mood to understand then and are even now of the view that, but for this threat from the Soviet Union, they would not have cried a halt to their aggression on Egypt.

MARKET GOSSIP

The bullion and commodity markets, however, were more sensitive to the little war than the share market. Gold went up by about Rs. 2-8 per tola, as also silver by a like amount per 100 tolas, though today's closing rates reveal that the entire gain has been lost now. Among commodities, cotton futures staged a spectacular rise of Rs. 20 per candy; substantial gains were registered by groundnuts, linseed, castorseed and cottonseed. But, unlike bullion, almost all the commodities have retained the rise in prices that followed in the wake of the outbreak of hostilities. In fact, groundnut, linseed and raw cotton have finished today at levels well above the peaks witnessed when the war fever was strong. Only castorseed and cottonseed are a shade below such peak levels. The exceptional firmness of the former group of commodities is probably due to their intrinsically sound statistical position in relation to the present and the prospective demand for them.

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Although more than eleven days have passed since the Finance Minister met the bankers in Bombay, no new steps have been taken by the monetary authorities to raise the supply of funds with the banks. Reports from New Delhi suggest that the Finance Minister is not any the wiser for his meeting with the bankers and that he still feels that there are many conflicting trends in the money and capital markets which require to be explained. He is scheduled to meet the bankers in Calcutta also tomorrow to see what they have to say on the position. Meanwhile, the Finance Ministry is reported to have circulated a questionnaire to representative bodies of banks eliciting detailed information on the position of the money market and its recent trends.

While this search for knowledge by the Finance Ministry is on, conditions in the money market have become more stringent than before. The Reserve Bank has not yet liberalised the conditions under which credit is made available to banks through usance bills. In the absence of any fresh help from this source, a keen bid is being made by banks for the available supply of funds by offering slightly higher rates of interest. As much as 3⅜ per cent. to 3½ per cent. is being offered by some banks for house money, provided the amount involved is fairly large. At the same time, they have raised their rates of interest by half of one per cent. The practice followed in this respect varies from bank to bank. One of the Big Five, for instance, has increased its rate for overdrafts by ½ per cent. for all accounts, while another has done so in a discriminating manner, by applying the increase more especially to those accounts which carry a relatively low rate of interest. The State Bank of India has not yet raised its declared rate of interest on commercial advances, namely, 4 per cent. But it has decided, so we understand, to charge ½ per cent. more for some of its valued clients who have been enjoying hitherto relatively more favourable terms as compared with others. Thus, as anticipated by us last week, bank credit is becoming costlier, which is only as it should be.

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A new and interesting experiment in central banking operations is being tried by the Bank of Canada. The Bank has abandoned the method of using the discount rate to lead the general level of interest rates. Instead, it has chosen to link the Bank rate to the yield on Treasury bill offerings. This will mean week-to-week adjustment in Bank rate. The Bank announced that the rate would be fixed at a margin of one-quarter of 1 per cent. above the latest weekly average tender rate for 91-day Treasury bills. Since the average tender rate on Treasury bills on Thursday, 1st November 1956, was 3.34 per cent., the Bank rate for the week beginning from that date was 3.59 per cent. as against 3½ per cent. announced on 18th October 1956, to which level it had been raised from 3¼ per cent. The Bank rate will thus be changed every Thursday, the rate depending upon average tender rate.

The adoption of this method might appear as a strange and even weak abandonment of the traditional authority of a central banking institution to set the pace for interest rates. It means that, instead of leading the interest rates, the authorities are willing to be led. In other words, Canada is heading for a financial democracy, in which the king (the central bank) is a constitutional monarch, willing to carry out the behests of the people (the monetary conditions). It would, however, appear that the Canadian central banking authorities do not regard the new device as an experiment at all, but only a confirmation of the practice they have been following till now. Mr. J. E. Coyne, Governor of the Bank of Canada, even convened a Press conference to explain the new device. He pointed out that interest rates were merely a function of relationship between the supply and demand for money. He wanted the public to watch the contractions and expansions of the money supply and not look for an important policy message every time the Bank rate changes. In other words, he wants people to get used to changes in Bank rate in just the same way they are used to changes in interest rates on advances, or deposits, or yields on securities. The Canadian experiment will certainly be watched with interest the world over.

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Although the world markets were for long aware of the Suez Canal uncertainties, it is true to say that the culmination of this dispute into a conflagration, albeit of a limited character, came as a very unpleasant surprise to nearly all the European and American markets. A nervous tone continues to prevail in the Continental markets even now, though an uneasy cease-fire has come into existence in Egypt. The London Stock Exchange has not yet recovered from the shocks of the little war in Egypt and the Russian warning. Industrials were lower and so were Gilt-edged. Oils were, of course, the worst affected. Tea and rubber shares were dull. Metal shares were generally lower. All this is hardly surprising, considering that the Suez Canal is a vital line of communication for the U.K. and Western Europe. It is through the Suez that the U.K. gets 50 per cent. of its oil, 85 per cent. of its rubber, 95 per cent. of its jute, 70 per cent. of its wool and almost 100 per cent. of its tea. The immediate impact of the crisis was that many of these commodities were marked up in the London market. The following are the latest available quotations for a few important commodities, the figures in brackets indicating the prices before the commencement of hostilities in the Suez area:

Aluminium (per ton) £197 (£197); copper (per ton) £285½ (£272½); gold (per oz.) 252s. (251s. 4½d.); silver (per oz.) 81½d. (80¼d.); tin (per ton) £858¾ (£809½); zinc (per ton) £99⅛ (£96⅜); groundnut oil (per ton) £134 (£130); linseed oil (per ton) £130 (£118½); black pepper (per lb.) 1.9½d. (1.7¼d.); rubber (per lb.) 29½d. (27½d.); sugar (per ton) £33½ (£32-17½) and tea (per lb.) 3.9½d. (3.5d.).

As was only to be expected, the crisis had its effect on freight rates and marine insurance rates. Some continental lines have increased their rates by 20 per cent. to cover the increased costs of operation *via* the Cape. In Bombay, it is learnt that a 15 per cent. increase in freight has come into effect from 7th November for diversion of ships through the Cape. This follows the decision of six shipping conferences, covering all the lines operating on any route between Europe and areas east of Suez, to impose a surcharge of 15 per cent. on freight rates. The higher rate will operate whether a cargo is routed to the Far East *via* the Cape or by way of the Panama Canal. There will be no discount or rebate in the surcharge.

It has been calculated that cargo ships operating between Europe and Indian and Far Eastern ports will take 9 to 15 days longer on the Cape voyage at a daily operating cost around £1,000 per ship. All this, however, is not a mere question of distance, time or costs. For it remains to be seen whether the South African authorities can cope with all the unexpected shipping traffic at their ports. They have no doubt taken some prompt measures designed to handle a larger traffic. But it may be wondered whether port facilities can be readily augmented to meet the demands of an increased traffic. Shipping services may possibly remain disrupted until the Suez situation returns to normal and the Canal, now blocked by more than a dozen sunken ships, is rendered fit for navigation.

As regards insurance, the Institute of London Underwriters is reported to have decided to raise the insurance rate for war and strike, riot and civil commotion risks—or what is called the war and S.R.C.C. risks—by 10s. per £100 on cargoes going through the Suez Canal and also to, from or transhipping at ports in Egypt, Israel, Jordan, Lebanon and Syria. The rate is 5s. per cent. above the highest rate introduced during the weeks following the nationalisation of the Suez Canal when it was thought that traffic through the waterway would be disrupted. The through-Suez rate now stands, it is stated, at a minimum of 10s. 9d. per £100, while the rates for cargoes to, from or transhipping at ports in Egypt, Israel, Jordan, Lebanon and Syria range between 11s. 6d. and 12s. per cent. In Bombay, the marine rates on cargoes *via* Suez have been raised by ½ per cent., with effect from 1st November. Thus, the rate for war and S.R.C.C. risks, which was 3/80 per cent., has been raised to 43/80 per cent. or As. 8.3/5 per cent.

It may seem remarkable that the pound sterling which would normally be affected by Britain's adventure in West Asia, has stood the test of this crisis without serious loss in exchange value. The latest rates for spot sterling, three months' sterling and transferable sterling are $2.78¼-78¾, $2.76¾-76¾ and 274.75-74.90, as compared with $2.78.5/16-78.7/16, $2.76¼-77 and 275 85-75.95 respectively, before the outbreak of hostilities. But this comparative resilience of sterling is due to effective official support and also to the fact that the overseas interests concerned had taken sufficient precautionary measures well in advance. Some of these interests, it is stated, had kept themselves "short" of sterling. Also, many countries, fearing the adverse effect of the West Asia situation on sterling, had already converted their sterling holdings into other currencies. It is also possible that the authorities in many countries which have commercial relations with the sterling area felt that the Suez conflict would be a brief affair and there was no point in generating a panicky pressure on sterling. All these favourable conditions would not continue in the event of any widening of the area of conflict or the prolongation of the Suez crisis. Further, if the West Asian countries, which now hold substantial reserves of sterling, were to unload their holdings, it would mean considerable pressure on sterling. They might be induced to do this out of the fear that, if Britain could freeze Egyptian sterling balances, it could also freeze theirs.

It is, therefore, in the interests of West Asia and India as in those of Britain and West Europe that the whole situation should end peacefully. A third World War, in the context of nuclear weapons, would, of course, only mean a war of total destruction. But even the continuation of the present near-world-war conditions will impose too severe a strain on world economy. The interruption of oil and other supplies has already meant much hardship to Europe. But oil is also vital to the economy of the Middle East. Kuwait and Qatar derive over 90 per cent. of their national income from oil revenues, Saudi Arabia and Bahrein 45-60 per cent., Iraq 33 per cent., and Iran 10 per cent. So far as Israel is concerned, it has no oil reserves. But its economy, already precarious, is particularly vulnerable to international conflict. This small State of 1.9 million people, created in 1948, has a budget which constitutes 50 per cent. of its national income. Defence already accounts for 40 per cent. of the national budget. Its exports, mainly citrus fruits and diamonds, pay for only 20 per cent. of its total imports, the rest being covered by tourism, German reparations, U.S. grants and loans. Prices are already 400 per cent. above the 1950 levels. The State has suffered too through the economic boycott by the Arab countries. It would be exposing its economy to far too many perils, if it did not actively pursue the path of peace.

India, of course, has a "vested" interest in peace. Any international conflict, irrespective of whether India is a party to it or not, would jeopardise all its economic programmes. It has been calculated that any prolongation of the Suez crisis would mean a substantial addition, estimated at Rs. 200 crores, to the outlay on the Plan. But the impact of the crisis might be even more extensive and damaging than what this figure suggests. Imports would become costlier and export promotion well-nigh impossible. It has been computed that, last year, India, along with Pakistan and Burma, received 125,000 tons of machinery through the Canal. Again, India supplied through the Canal 3.1 millions tons of minerals, 480,000 tons of vegetable oils, 600,000 tons of textiles to different countries of Europe. Most of India's exports pass through the Canal and would be adversely affected through shipment difficulties and freight increases. And, if the Suez crisis were unfortunately to deepen or widen into a major conflict, it would, of course, mean a very serious handicap to the implementation of its economic plans.

A major conflict, in which the leading nations of the world, namely, the U.S., Russia and the U.K. participate, would virtually dry up the chief sources of machinery, equipment, and even credit. It must be realised that many aspects of India's expansion programme are intended to be carried out through foreign collaboration. To take only the steel programme, its success is dependent upon the co-operation of the U.K., Russia and Germany. Surely, it is inconceivable that these countries could give their attention to India in the event of a major conflict in which they are engaged. Some indication of the possible effect of a flare-up on only one aspect of India's programme, namely, the rail transport sector, was given this week by Mr. P. C. Bhattacharya, Secretary to the Union Ministry of Finance, and the head of a railway delegation, now in Washington, to discuss a loan from the World Bank. In a Press interview, he said that a flare-up in fighting would disrupt the time-table for delivery of locomotives, modern rolling stock and other equipment valued at 200 million dollars. He said that orders for this equipment were placed last year in Britain, Japan, W. Germany, Italy France, Belgium and Czechoslovakia. He added, "India is directly affected by the situation in West Asia. We are hoping for the necessary time to strengthen our economy and bring happiness to our people. That is very essential from the world's point of view, as well." Clearly, it is not transport alone but all sectors of Indian economy that would receive a severe setback through the extension or even the continuance of international tension. Peace is the only foundation on which India can hope to build its prosperity.

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The three common forms of raising capital from the public by joint-stock companies in this country are the issue of ordinary shares, the offer of fixed dividend preference shares and the floating of a

(Continued on page 924)

NARROW MOVEMENTS IN EQUITIES

UNDERTONE QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, *8th November*

THE activity on the Stock Exchange during the week under review proved to be a dull affair and equities did not show any pronounced trend one way or another. The uncertain situation in the Middle East following reports of a call for cease-fire in Egypt by the U.N. General Assembly, the decision to set up an international force to preserve peace in the Suez Canal area, the occupation of Port Said and Port Fuad by the British and French forces, the warning by Russia of its determination to crush aggression and re-establish peace in the Middle East and the split in the ruling party in the U.K. over the Egyptian issue, caused an erratic trend in prices. The movements were, however, confined to a narrow range, as operators were reluctant to enter into large commitments either way.

On the domestic front, the extreme stringency in the money market, reports of an increase in interest rates on advances by banks, the consequent rise in cost to industries, the stepping up of freight rates by shipping companies, the warning by the Chairman of the Finance Commission that the country must be prepared for a higher level of taxation and the prospect of an increase in cost of development programmes as a result of the international situation were the main bearish factors to curb enthusiasm. The operators were also inclined to await the outcome of the forthcoming A.I.C.C. session when the election manifesto is expected to be issued. The undertone of the market was, however, quietly steady.

In the steel section, Tata Ordinaries moved between Rs. 194-8 and Rs. 192, before finishing Re. 1-4 higher over the week at Rs. 193-8. Indian Irons fluctuated between Rs. 34-14 and Rs. 34-1½ and closed a fraction lower at Rs. 34-4. The announcement of the details about the Company's expansion programme and publication of the financial results for the year ended March 1956 did not evoke any enthusiasm in the market.

Among textiles, Bombay Dyeings came up to Rs. 633-2 from the previous week's closing of Rs. 626-4, but receded to Rs. 628-2 at the close. Centurys gathered no more than Re. 1-8 over the week at Rs. 551, although they touched a high of Rs. 554 during the week. Kohinoors closed Rs. 2 higher at Rs. 348. Central Indias were, however, lower by Rs. 2 at Rs. 133-8, as also Finlays at Rs. 338. Gokaks were done Re. 1 higher at Rs. 240. Indu Ordinaries shed As. 2 to Rs. 12-3, while Khataus moved up by Rs. 3-12 to Rs. 241-4. Lakshmis lost Rs. 2-8 to Rs. 707-8 and Minervas Rs. 5 to Rs. 93-12. New Greats were a shade dull at Rs. 250. Mysore Spinnings dropped Rs. 2 to Rs. 108, while New Kaiser-I-Hinds gained Re. 1-14 to Rs. 130, Podars Rs. 3-2 to Rs. 167-8 and Shree Niwas Re. 1-8 to Rs. 216-14. Simplex changed hands Re. 1-8 lower at Rs. 200. Standards were unchanged at Rs. 477-8, but Svadeshis picked up Rs. 2-8 to Rs. 255. Swans, on the other hand, lost Rs. 2-8 to Rs. 437-8 and Tata Mills As. 12 to Rs. 54-12.

Bank shares were dull, with very little business passing. Barodas were done a fraction lower at Rs. 101-8. Centrals were unchanged at Rs. 53-4 and their new shares at Rs. 57-4. Bank of Indias shed a fraction to Rs. 142-8. United Commercials stood at Rs. 56-4. Bank of Jaipurs provided an exception. The shares attracted enquiries and moved up by Re. 1-4 to Rs. 38-4.

In the insurance section, New Indias were somewhat active. After having been taken up from Rs. 45-4 to Rs. 47, the shares were marked down to Rs. 45-12. Jupiters were done an anna better at Rs. 6-1. Other shares in this section had no business during the week.

The Tata Hydros group ruled steady, among the electricity shares, with a slight marking up in values. Other shares were quiet. Andhra Valleys gained Rs. 3-12 to Rs. 1,211-4, Tata Hydros As. 8 to Rs. 127 and Tata Powers Rs. 2-8 to Rs. 1,267-8. Ahmedabad Electrics staged a retreat from Rs. 94-1 to Rs. 92-8 and Surats from Rs. 116-14 to Rs. 115-10.

In the miscellaneous group, Belapurs were quiet, despite the proximity of dividend, receding from Rs. 252-8 to Rs. 250. The other sugar shares were, however, steady. Walchandnagars disclosed a gain of Rs. 5-10 to Rs. 285-10. Phaltans were a shade better at Rs. 161-8. Bhopals picked up As. 2 to Rs. 17-14. In the cement group, Associated Cements reacted from Rs. 196-4 to Rs. 194. Digvijays were a fraction higher at Rs. 194-4. Orissa Cements gained As. 3 to Rs. 13-5. Among engineering and mining shares, Alcocks were quiet at Rs. 330. Tata Locomotives receded from Rs. 169-8 to Rs. 167-12. Premier Constrctions were a feature with a rise of Rs. 4-4 to Rs. 212. Shivrajpurs were marked up by As. 12 to Rs. 87-4. Indian Coppers were steady at Rs. 4-6¼, while B.B. Petrols lost As. 1¾ to Rs. 3-10¼.

In the shipping and transport group, Scindias, after an early advance from Rs. 19-3 to Rs. 19-6, retreated to Rs. 18-13½ and closed at Rs. 18-15½. Great Eastern Shippings closed unchanged at Rs. 22-6, after moving up to Rs. 22-10. The declaration of a dividend of 6 per cent. on the 'A' ordinary shares for the year ended 30th June 1956, after a lapse of six years, pushed up Premier Automobiles by Rs. 7 to Rs. 115-8. Hindustan Motors were featureless at Rs. 9-7. Among miscellaneous shares, Bombay Burmahs hardened from Rs. 722-8 to Rs. 730 before retreating to Rs. 721-4. At the close, however, they advanced to Rs. 725. British India Corporations shed As. 2 to Rs. 10-15. National Rayons moved between Rs. 265 and Rs. 259-8 and closed at Rs. 261-4. Tata Chemicals were quiet at Rs. 20-2½. Tata Oils gathered As. 4 to Rs. 52-12, while Wimcos receded from Rs. 178-2 to Rs. 175-10.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *7th November*

The outbreak of hostilities in the Middle East and the Hungarian crisis influenced this week's trend of the Stock Exchange. The Anglo-French bombardment of Egypt and the subsequent landing in the Canal area created a sort of war feeling which was an adequate provocation for the speculator to come out of his hiding. The blocking of the Canal and the certain increase in the landed cost of imports via the Cape, it was thought, would be of advantage to certain consumer goods-producing countries, but would affect the second Plan. The hectic speculative activity that followed this week's earlier change in the international political situation was the outcome of first thoughts on the possible inflationary pressure that a war would generate. Genuine investors were, however, prepared to wait and watch, and the lethargy to which the market had fallen since Monday was a result of sombre thinking as to the disastrous effect the blocking of the Canal for a prolonged period would have on the country's economy. Speculators naturally became nervous and began to unload heavily. Values tumbled down, and the genuine investor was left the wiser.

The market was closed on Thursday on account of *Kali Pooja*, and on Friday, instead of the normal sitting, a special *Deepavali* session was held for one hour. Lucky first deals were put through and the market was closed for the week-end to reopen on Monday on an extremely quiet note. The Government's announcement that there would be no change in the tea export duty was hailed and more interest was shown for a time in tea scrips. Market circles were watching what steps New Delhi would take to meet the tremendous increase in demand for money. And the fears of an increase in Bank rate which would result in advancing industrial costs restricted long-term commitments.

Jutes were shown sparse interest, and the number of transactions was few and far between. Such a trend should be attributed to the general lethargy only, as jute goods were this week subjected to good inquiries which lifted up the prices. Nationals declined by As. 9 to Rs. 23-14, but regained to close with yesterday's recovery to Rs. 24-8. New Centrals at Rs. 15-7 registered a fractional improvement. In view of the continuance of the lockout, Waverly declined from Rs. 5-5 previously to Rs. 4-7. Earlier in the week, Barnagores had advanced from Rs. 130 to Rs. 136.

In the engineering section, Indian Irons improved to Rs. 34-11, as against the opening rate of Rs. 33-15, but, during the *Diwali* session, receded to Rs. 34-5. On Monday, the scrip was affected considerably in the knowledge that the proposed one-for-one rights issue of ordinary shares at a premium of Rs. 3-8 per share would not qualify for any dividend for any year to March 1957 or before. The quotation gave way to Rs. 33-9 on renewed selling; however, there was bear-covering yesterday which pushed the rate up to Rs. 34. Texmacos advanced by As. 11 to Rs. 23-2 before declining to Rs. 22-2. Kumardhubis were quiet at Rs. 9-8, with Jessop & Cos. being better at Rs. 37-4 for a time and subsequently declining to Rs. 36-10.

Coals were driven to the market's quiet corner, but, during the earlier speculative uptrend following Middle East developments, Burrakurs had risen to Rs. 16-14 from Rs. 15-15. Subsequently, a gradual decline to Rs. 16-3 was recorded, the rate recovering yesterday to Rs. 16-7.

Teas were the market's steady section throughout the week, but the number of transactions declined gradually in the latter part of the week which was in consonance with the general trend. Moheemas picked up As. 6 to Rs. 24-12. Tezpores were fractionally higher at Rs. 23-12. Jayabirparas improved by As. 3 to Rs. 23-3, while Gairkhattas fell from Rs. 300 to Rs. 284-8 and Patrakolas from Rs. 231 to Rs. 228.

Miscellaneous industrials reflected the general trend and improved earlier, gave way subsequently, and, again, regained to an extent. Thus, Indian Coppers, after being higher at Rs. 4-8, were pushed back to Rs. 4-5. The lockout in the rolling section of National Rollings has entered the eighth week, and the scrip was traded quietly at Rs. 10-10. Niccos were steady at Rs. 26. Indian Wood Products came in for business at Rs. 44-14, as against Rs. 44-8 previously. Orient Papers had picked up As. 6 to Rs. 37-14 before dropping to Rs. 36-13. India Steamships at Rs. 9-15 lost the recent improvement in its entirety.

Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *6th November*

The Stock Exchange opened the week on a note of cheerfulness after a spell of depressed conditions, but developed weakness in the later sessions. The initial lively appearance was the result of West Asian crisis which induced operators to extend their commitments. The timely action taken by the Council of Management of the Stock Exchange Association relating to deliveries and business in respect of ordinary shares of the planting section also aided the sentiment of operators favourably. Equity values, as a consequence, registered a recovery from the low levels touched in the previous week. The recovery was, however, short-lived. The morale of the market was again greatly shaken by the assessment of the actual incidence of the Plantation Labour Award as made by a leading coffee company in a letter circulated among the shareholders. It is calculated, for instance, that a company with a paid-up capital and reserve of Rs. 43.46 lakhs will have to provide Rs. 36.00 lakhs for implementing the Award and that the annual wage bill will go up by Rs. 8.00 lakhs. In view of the heavy strain on the finances of companies thus, the holders of plantation shares were very much inclined to reduce their stocks and prices tumbled down. Not only were the initial gains completely erased but today's closing rates were substantially lower than those at the end of last week. Textile shares also encountered heavy selling, thanks to reports of consumer resistance in yarn and cloth markets, following high prices and excise duties. In sympathy, banking and other miscellaneous industrials were lower.

The Management Council of the Madras Stock Exchange Association has, as already stated, modified the rules regarding delivery of documents in respect of transactions in ordinary shares of all planting companies quoted in the list; the rules came into effect on 29th October 1956. The modification was decided upon after considering the Plantation Labour Award. Accordingly, in all cases of ready contracts, the seller shall deliver the documents to the buyer within seven days from the date of the contract. If delivery is not effected, the buyer-member can instruct the Exchange to buy-in the shares against the defaulting member and the shares can be bought-in on the next working day without notice to the defaulting member. In every case, the member in default shall pass on the damages or benefit arising from a buying-in to the constituent on whose instructions the shares were sold and by whose default such buying-in resulted.

Rubber shares in the planting section suffered a further sharp break in values. Malankaras and Travancores climbed down by a rupee each to Rs. 31 *ex-div.* and Rs. 24-4, respectively. Nenmenys dropped As. 12 to Rs. 22. Rajagiris fell by a like amount to Rs. 24-8. Anandams receded by As. 8 to Rs. 22-8. Be Bes and Kalpettas finished As. 4 lower each, the former at Rs. 5-1 *cum-div.* and the latter at Rs. 31-12. Kailas declined by As. 2-6 to Rs. 6-3 and Vaikundams by As. 2 to Rs. 34-2. Tea shares lost much ground on account of selling pressure. Nilgiris Teas decreased by a rupee to Rs. 10-8. Waterfalls shed As. 11 to Rs. 6-1. Lucky Valleys and Twyfords slipped by As. 10 each to Rs. 13 and Rs. 19-8, respectively. Nonsuch Teas eased by As. 8 to Rs. 26-8 *cum-div* (final). The Directors of the Nonsuch Tea Estates Ltd. have recommended a final dividend of 10 per cent. for the year 1955-56 on increased capital. The total dividend comes to 20 per cent. Haileyburias lost As. 8 to Rs. 25 and Coorg Teas As. 5 to Rs. 11-12. Devasholas, Emerald Valleys, Highlands, Kalasas and United Nilgiris declined by As. 4 each to Rs. 24-2, Rs. 7-12, Rs. 16, Rs. 14-8 and Rs. 22-4, respectively. Among coffee shares, Cochin Malabars slipped by As. 3 to Rs. 9-8. Consolidateds eased by As. 2 to Rs. 19-10. Coffee Lands, however, evoked special enquiries and gathered As. 8 to Rs. 25-6. Kumargodes were also well favoured As. 7 higher at Rs. 7-6.

Textiles gave way on heavy selling. Rajapalayams went down by Rs. 6 to Rs. 159. Coimbatore Pioneers, Dhanalakshmis and Pankajas fell by Rs. 5 each to Rs. 310, Rs. 410 and Rs. 85, respectively. Annanores receded by Rs. 4-8 to Rs. 172-8. Anglo-Frenchs shed Rs. 4 to Rs. 106. Ravalaseemas were neglected at Rs. 153, as against Rs. 154-8 and Vijayakumars at Rs. 141-8, as against Rs. 143. Metturs retreated from Rs. 442-8 to Rs. 441-8. Vijayamohinis and Virudhunagars lost a rupee each to Rs. 90 and Rs. 38, respectively.

In the miscellaneous section, Rallis declined by As. 8 to Rs. 46-8. Dalmia Cements receded by As. 6 to Rs. 15. Mysore Papers eased by As. 4 to Rs. 16-12. Nundydroogs finished As. 3 lower at Rs. 11-3. Aluminium Industries, Bruntons, Mysore Stonewares and Travancore Cements lost As. 2 each to Rs. 20, Rs. 6-6, Rs. 11-14 and Rs. 11-2, respectively. Textools, however, registered an improvement of Rs. 4 to Rs. 255 *cum-div.* on special buying support.

The management of the East India Hotels Ltd. announces that the entire equity capital offered by the Company recently has been fully subscribed.

NEWS IN BRIEF

THE Bihar Government has set apart 500,000 acres of land for settling Harijans and landless agricultural labourers. It has so far settled landless people on 70,000 acres of land.

A four-member German technical mission, headed by Prof. August Rocker, arrived in India recently to advise the Government of India on the best manner in which German assistance could be utilised for the development of technical education and research in India.

According to a Press note issued by the Union Ministry of Commerce and Consumer Industries, the Indo-Pakistan Trade Agreement which expired on 31st August 1956 and which was extended till 31st October, has been further extended until 31st January 1957. The extension has been agreed upon pending the conclusion of a fresh trade agreement.

The Life Insurance Corporation of India will not book any further life business in Pakistan, Ceylon and Burma because of restrictions placed on the Corporation by the Governments of these countries following the nationalisation of life insurance in India. But the Corporation will continue to serve its present policyholders in the countries.

The Central Water and Power Commission has decided to send a party of engineers and geological experts to the upper reaches of the Kosi tributaries in the Himalayas for exploring dam sites. The construction of dams in this region is suggested for trapping the excessive sand and coarse detritus which the river carries during heavy floods.

The name and constitution of the Hyderabad State Bank have been changed with effect from 22nd October. The Bank is now known as the State Bank of Hyderabad and its entire capital vests with the Reserve Bank. The former will, however, continue to perform commercial banking business and handle, through its offices at district and *tahsil* headquarters, treasury transactions as the agent of the Reserve Bank.

The Government of India has relinquished, with effect from the 1st inst., its administrative control over all training centres and employment exchanges administered so far by the Director-General of Resettlement and Employment. The State Governments have agreed to appoint in their services all those who have been working so far under the Government of India, except those who have not been found suitable for such retention.

The Central Advisory Council of Industries has been reconstituted with the Minister for Home Affairs and Heavy Industries as Chairman. The Council advises the Union Government on the development and regulation of industries scheduled under the Industries (Development and Regulations) Act. The Council consists of 28 members, besides the Chairman. The interest of owners of industrial undertakings, consumer goods manufacturers, employees, primary producers, etc., are represented on the Council.

A group of officials of the West Bengal Government will be shortly proceeding to Japan to study the methods of running cottage and small-scale industries there. The group, which will be led by Mr. Asoka Mitra, Secretary to the Department of Commerce and Industries, will purchase such machinery and equipment as are helpful to the growth of these industries in the State. It will also procure technical implements necessary for properly equipping the existing training schools in West Bengal.

The Bihar Government has decided to spend Rs. 3 crores during the Second Plan period on the organisation of co-operative handloom societies in the State. About one million weavers are directly employed for operating over 200,000 handlooms in the State and about 3.0 million persons depend on the industry for subsistence. According to Mr. Dip Narain Singh, Co-operative Minister of Bihar, 28,000 looms out of a total of 200,000 have already been brought under co-operative societies and the rest are expected to follow soon.

The Government of India has approved schemes for the development of the silk industry in five States, Jammu and Kashmir, Mysore, Madras, Hyderabad and Bombay. The schemes envisage modernisation of silk filatures, provision of more training facilities and establishment of mulberry nurseries and foreign race basic seed stations for the production of raw silk of high quality. The Union Ministry of Production has sanctioned loans and grants amounting to over Rs. 16 lakhs to these States for implementing the schemes.

The Government of India concluded a package deal on 31st October with the Indian Steelworks Construction Company, London, a consortium of leading British firms, to build the 1.25 million-ton steel plant in Durgapur at a cost of nearly Rs. 136 crores. The foreign exchange component of the project is now likely to amount to Rs. 83 crores, instead of Rs. 72 crores, as expected in March last. The total cost of the Durgapur plant was then estimated at Rs. 115 crores. An additional expenditure of Rs. 12 crores may be incurred on the Durgapur township.

Loans aggregating Rs. 70 lakhs have been sanctioned by the Union Ministry of Commerce and Consumer Industries to three State Governments for providing credit to small-scale industries both for long-term and for working capital requirements. The States are Uttar Pradesh, Punjab and Delhi, the loans granted amounting to Rs. 40 lakhs, Rs. 20 lakhs and Rs. 10 lakhs, respectively. With these loans, the Centre has sanctioned a total of Rs. 3.66 crores as loans to small industries since the scheme of financial assistance to small industries was initiated last year.

Mr. M. M. Shah, Union Minister for Heavy Industries, has disclosed that India would import two million tons of steel and one million tons of cement during the current financial year to meet the country's requirements. About 800,000 tons of imported steel have already arrived and the balance is expected soon. The import of two million tons of steel has been decided upon, despite India's tight position in respect of foreign exchange, in order to ensure that the heavy machinery plants which are being set up do not suffer on any account.

The Government of India is reported to have dropped the proposal for shifting the Indian Institute of Sugar Technology from Kanpur to Lucknow. But the U.P. Government having decided to expand the Harcourt Butler Institute of Oil Technology in Kanpur, the Indian Institute of Sugar Technology, it is said, can no longer share with the H.B.I.O.T. the building that it does at present. Plans are now under way for the acquisition of a 500-acre site for the Institute of Sugar Technology in the Kalyanpur area of Kanpur. When the Institute shifts to its new site, the attached experimental sugar factory will also move with it, and the production capacity of the factory will be raised from 35 tons to 500 tons a day.

* * * *

From Abroad

A 98.3 million dollar trade agreement has been signed at Belgrade between Yugoslavia and the United States.

A British firm has just completed the manufacture of the entire installation of a lighthouse assembly, ordered by the Lighthouse Department of the Indian Ministry of Transport, for the island of Perotan, Bombay State. The complicated lens system is in two panels.

The employers and union leaders of Manchester cotton industry have agreed in principle to a new working charter for 50,000 operatives covering the introduction of double-shift working in the spinning mills. Details of the agreement will be announced later.

The general investment duty is to be retained in Sweden, although the duty-free amount will be raised from Kr. 20,000 to Kr. 30,000. The excise duty on sales of new cars and motor cycles is to be made permanent and to be raised from an average 10 per cent. to 12 per cent. of the sales value. The excise duty on second-hand cars will, however, be abolished.

Manufacture of electronic-brains is enjoying a boom period in the U.K., with orders placed for 200 computers valued at £14 million. There are now 10 British companies making these machines and several more are planning to enter the field. It is expected that about 300 to 400 electronic-brains would be manufactured in 1958 at an estimated cost of £30 million.

Soviet Russia will shortly import substantial quantities of raw jute, cotton and hides and skins from Pakistan. These contemplated purchases follow the trade agreement signed between Pakistan and the U.S.S.R. a few months ago when a Russian trade delegation visited Karachi. Soviet Russia will also set up its trade representative's office in Karachi for negotiating trade deals as provided in the agreement.

The Chairman of the German Ford Motor Company has announced that the Company is spending £9 million on capital investment this year and another £7 million next year, with a view to raising the capacity to 450 units daily. At present, 450 units are produced daily by working two and three shifts, involving high expenses for overtime. Output this year is expected to aggregate 90,000 units, as against 80,000 units last year.

One of the latest and most practical of scientific devices is to be presented under the Colombo Plan to the Ceylon Council of Scientific Research by the United Kingdom Government. Now being manufactured at the new model town of Crawley, Sussex, it is a centrifuge—a machine which exploits the natural law of centrifugal force for the quick precipitation of solids from liquids, and for which new applications are constantly being found in science, medicine and industry.

The Institute of London Underwriters increased on 31st October last the insurance rate for war and strike, riot and civil commotion by 10*s.* per £100 on all cargoes going through the Suez Canal and also to, from or transhipping at ports in Egypt, Israel, Jordon, Lebanon and Syria. This rate is 5*s.* per cent. above the highest rate introduced during the week following the nationalisation of the Suez Canal. The through Suez rate now stands at a minimum of 10*s.* 9*d.* per £100, with some exceptions, while the rates for cargoes to, from or transhipping at ports in Egypt, Israel, Jordon, Lebanon and Syria ranges between 11*s.* 6*d.* and 12*s.* per cent.

Shipping lines operating between India and Pakistan and the U.K. and Continent have announced a surcharge of 15 per cent. on freight rates with effect from the 7th inst. which will also apply to bookings already made. The surcharge has been necessitated by the liners having to go round the Cape of Good Hope, following the blocking of traffic through the Suez Canal. The Far Eastern Freight Conference has also announced the imposition of a surcharge of 15 per cent. The Peninsular and Oriental Steam Navigation Company, the Netherlands Line and the Royal Rotterdam Lloyd, too, have increased passengers rates to and from Europe by 20 per cent.

A ten-year agreement for the exchange of technical information has been concluded between Krupps and the U.S. Company Blaw-Knox. The deal will permit both combines to meet most of the requirements in the planning, engineering and construction of ferrous and non-ferrous rolling mills. Krupps has recently entered into a similar but looser working arrangement with the German subsidiary of Brown Boveri and is engaged in similar talks with the Italian Fiat concern. The Company, it is learnt, intends to break away completely from its pre-war policy of working in isolation and to seek as many points of contact with foreign concerns as possible.

The United States will send $89.1 million worth of reserve farm commodities to Yugoslavia to help alleviate the food shortage in that country. The Secretary of Agriculture, Mr. Benson, has announced that Yugoslavia would pay for the shipment in its own currency—dinars. A substantial portion of the repayment will be made available to Yugoslavia in the form of economic development loans. The agreement provides for the shipment and sale of wheat, cotton, lard, cottonseed or soya-bean oil, and inedible tallow. Cost of ocean transportation is set at $9.2 million, which Yugoslavia will repay to the U.S. Government.

A lottery on the refunding of excess payments of preliminary tax has been proposed by the Swedish Minister of Finance as a measure to stimulate private savings. By introducing the scheme, he hopes to freeze about one-third of the estimated Kr. 600,000,000 (£41,000,000) to be refunded during the months of December and January. Two million bonds of Kr. 100 each are to be issued. They can be purchased only by those who are to receive tax refunding and entitle to participation in a lottery with a total prize sum of Kr. 5,500,000, the highest individual prize being Kr. 300,000. The draw is to be held in April next year and the bonds will be redeemable as from 10th May 1957.

PERSONAL

MR. Morarji Desai, who was Chief Minister of Bombay State till 31st October 1956, has been appointed a Cabinet Minister of the Government of India.

Mr. H. Barlind, a Swedish fishery expert, has been appointed by the Food and Agriculture Organisation, Rome, as Fishery Economist (Marketing) in India.

Dr. B. V. Keskar, Union Minister for Information and Broadcasting, left for Moscow on 4th November on a special study tour of State broadcasting systems in Europe.

Sir Robert Hall, Economic Adviser to the British Government, has arrived in India on a six-week visit at the invitation of Prof. Mahalanobis, Director of the Indian Statistical Institute, Calcutta.

Maulana Abul Kalam Azad, Union Education Minister and leader of the Indian delegation to the ninth session of the U.N.E.S.C.O., now being held in New Delhi, was unanimously elected President of the session. He will hold this office until the next session, due to be held in 1958.

Mr. Nathan A. Gardner, Manager of Worthington Corporation's airconditioning and refrigeration export sales department in Harrison, New Jersey, will arrive in Bombay from Karachi on the 10th inst. Mr. Gardner is on a goodwill-*cum*-business trip around the globe in the countries serviced by Worthington products and distributors.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *7th November*

Motor-Tram Co-ordination

How far tramways in Calcutta and its suburbs have been affected by the "pirate" competition was evident in last year's report of the Calcutta Tramways Company, which was constrained, for the first time in many years, to pass the ordinary dividend. There is, however, no gainsaying the fact that we have now arrived in an era eminently of speed with no little regard for comfort and that the "pirates" have come to stay. Motor transport—both of goods and passengers—is of essential necessity to modern civilisation and it is indeed a sign of the times that the proposal has been mooted of a co-ordination of efforts between the Calcutta Tramways Company and the owners of omnibuses plying in and around Calcutta. With a view to concert measures to gain the end in view, a meeting was held in Calcutta in the third week of last month; and it was decided at it that Mr. G. R. Dain, the popular agent of the Calcutta Tramways Company, should prepare a scheme for the consideration of the parties concerned. As will appear from a reference to our motor section this week, Mr. Dain has since submitted a note which, in the absence of consideration by the Home Board, should be regarded as embodying his personal views. However, coming as it does from so high an authority on traffic and transport problem, the note is a document of prime importance.



U. N. E. S. C. O.

INDIA may be pardoned for taking some pride in the tribute which the outgoing President of the United Nations Educational, Scientific and Cultural Organisation (U.N.E.S.C.O.), Mr. Zavala Muniz, paid, at the ninth session of this body, held at New Delhi this week, that it was "fitting and propitious that at this dramatic hour in the history of the world, the session should meet in India which always believed in peace and which has never coveted any territory of others." But this country would be ill serving the cause of peace, if it merely felt a sense of national self-righteousness. What is, of course, necessary is that it should work with other countries, in order to seek the way of peace in resolving outstanding conflicts. But no success can attend such efforts, in the absence of a genuine desire for peace the world over. And it is no small comfort to contemplate that through the U.N.E.S.C.O.'s strenuous efforts, peace may yet win a great victory for mankind.

The U.N.E.S.C.O.'s efforts are necessarily in the nature of long-term investments, to borrow a phrase from economic parlance. They cannot be judged by standards of concrete or immediate return. Even so, its achievements are not inconsiderable. It has established fundamental education centres, stimulated interest in the improvement of school systems and school teaching, facilitated the exchange of scientific and technical information, provided technical assistance to a number of countries and fostered the study of racial and social tensions. It is to this body that the world owes the universal copyright convention and the international convention for the protection of cultural property. Mr. Nehru rightly called the U.N.E.S.C.O. the "conscience of the world community." He pointed out that it was intimately concerned with the dignity of man and the vital importance of freedom.

The preamble to the Constitution of the U.N.E.S.C.O. at once sums up in noble words the scope of its activities and the philosophy of peace. It affirms that "since wars begin in the minds of men, it is in the minds of men that the defences of peace must be constructed." The Union Minister for Education and the newly-elected President of the U.N.E.S.C.O., Maulana Abul Kalam Azad, rightly warned that the organisation "must either become something like a sensitive conscience of mankind even in moments of crisis or it will fail to function as a dynamic force for the good of mankind." Given the goodwill and co-operation of its members, the U.N.E.S.C.O. may well fulfil the great role assigned to it by the sponsors of the United Nations.

INDIA'S SEARCH FOR OIL

A notable development in recent months is undoubtedly the keen interest and effort which the Government of India has been displaying in exploring oil sources, in order to step up domestic output of mineral oil. There is certainly great need to expand oil production, considering that India's requirements, which are now running at an annual rate of about 4½ to 5 million tons, are expected to increase to 10 million tons in the next few years. The search for oil is a process in which success is hard to attain and failures are many. It is, therefore, obviously necessary to take realistic decisions which will provide the necessary incentive for those who undertake this hazardous enterprise. From this point of view, it is, perhaps, to be regretted that the Government's negotiations with the Assam Oil Company, which is concerned with the oil find in Assam, have not been very "smooth." This was revealed by the Union Minister for Natural Resources and Scientific Research, Mr. K. D. Malaviya himself, in the course of a Press interview at Bombay, on Wednesday last week.

Stating the position more specifically, Mr. Malaviya averred that, while some tentative understanding had been reached with regard to the establishment of a rupee company for refining oil with the Indian Government's financial participation, the basis of fixing prices for both the crude oil and the refined products was yet to be settled. The Government, he said, had also agreed to grant a licence to the Assam Oil Company for exploration of a wider area in Assam. It would appear that production of oil from Naharkotiya would go up in 1959 to eight times the present output of 350,000 tons. On the question of prices, Mr. Malaviya said that the Government could not accept the internationally quoted crude oil price as a basis for petrol price in India. He added that the price of oil produced in Assam should be based upon the cost of production in Assam and not on the Gulf of Mexico price. The Gulf price, he said, was based upon the cost of production in the U.S., which might be many times more than the real price in relation to prices in the Persian Gulf from where 80 per cent. of the world supply of oil originated. In view of the fact that the fixation of prices for petroleum is an intricate and technical problem, we invite readers' attention to a special article on the subject appearing elsewhere in this issue.

Mr. Malaviya, who recently returned from a tour of the U.S., Canada and Europe, also said that, contrary to the impressions created by certain foreign concerns in India, he had learned after the tour that Indian petroleum concession rules were in many respects much more liberal than any he had seen. He revealed that, in some countries of the West, particularly Canada, the concession rules for exploitation of oil covered only what was known as the primary stage, the Government being free to call tenders for exploitation of "secondary" oil. Oil received in the secondary stage formed about 85 per cent. of the supplies usually available in any oilfield. As compared with those rules, he said, the Indian Government's conditions were more liberal, in that the authorities permitted a contract of 20 years' duration in the primary stage which was automatically renewed for another 20 years. But one may wonder whether it is right to compare conditions in a country which has not yet mastered the highly technical subject of exploring and refining oil with those in countries which have attained a relatively high degree of technological knowledge and where prospecting has been undertaken more extensively than in this country.

Moreover, the *entrepreneur* engaged in the oil industry in India has to face many uncertainties about the future. Prospecting and development of mineral oil is included in the list of those industries exclusively reserved for the public sector under the Industrial Policy Statement. If the private sector is allowed to operate in this field, it is liable to be nationalised at any time and the quantum of compensation payable by the State shall be decided only by the Government and is not justiciable. Does such a situation exist in Canada or any other Western country? Can the Government say that the duration of the contract is firm, that is, that it will not nationalise the industry during this period? Again, if the Government's intention is to give an automatic renewal for another 20 years, why should it not straightaway give a contract for 40 years? Anyway, the proof of the pudding is in the eating. If conditions for prospecting oil in India are so favourable as is made out by Mr. Malaviya, why is it that *entrepreneurs* do not rush to this country for taking advantage of these conditions? The very fact that Mr. Malaviya had to go round the world in search of technical help and enterprise is sufficient to belie his claim that India is offering better terms for mining oil than other parts of the free world.

TECHNICAL AID

The Colombo Plan Council for Technical Co-operation can legitimately feel proud of its solid contribution to the economic development of South and South-East Asia. Since its inception more than six years ago—on 1st July 1950, to be precise—the Council, according to its latest annual report just published, has arranged training facilities for 4,227 trainees and provided the services of 572 experts. The aggregate aid granted under the Technical Co-operation Scheme during the period July 1950-June 1956 is of the order of £7.62 million (Rs. 9.16 crores), including the cost of equipment already supplied or on order or offered, estimated at £2.00 million (Rs. 2.67 crores). It is true that far larger amounts will be needed in order to tackle satisfactorily the colossal problem of financing technical assistance programmes in the South and South-East Asian region. Even so, it must be admitted that the aid, made available so far, has made possible the approach to a better balance between training at home and abroad and the growth of mutual assistance among the member-countries of the area, as well as from outside.

There was a distinct expansion in technical co-operation among the countries of the Colombo Plan during 1955-56. In that year, as many as 4,227 training places were made available, as compared with 1,022 places in the previous year. Similarly, the number of experts provided was larger, being 180, as against 129 a year before. The expenditure actually incurred by the Council on the Technical Co-operation Scheme during 1955-56 amounted to £2.13 million (Rs. 2.84 crores), which compares favourably with £1.58 million (Rs. 2.11 crores) given in 1954-55.

India is not only one of the major beneficiaries under the Technical Co-operation Scheme but also high on the list of countries providing facilities for trainees from other countries. The total aid granted by India for the training facilities and experts in the past six years amounts to over Rs. 33 lakhs and firm commitments at about Rs. 13 lakhs. It may be noted here that India has received technical assistance from other countries in the shape of 765 training facilities, 110 experts and equipment worth more than Rs. 28 lakhs; the value of equipment ordered or firmly committed stands at Rs. 6 lakhs.

The nature of the training places and experts provided by India is quite significant. Thus, out of the 462 training places, engineering alone accounts for as much as 97 places, followed by statistics with 89 places, education with 70 places, industry and trade with 68 places, and transport and communications with 50 places. The training facilities provided to Nepal have been on a large scale, the number of places which have gone to the nominees of this country being 273. A number of Nepalese have been trained in civil, electrical and mechanical engineering, while others have been admitted to post-graduate courses in pure and applied sciences. Several students have also been admitted to medical colleges. Besides imparting training facilities, India has made available to countries services of 20 experts, of whom 13 have been sent to Ceylon. The International Statistical Education Centre at Calcutta, jointly organised by the Indian Statistical Institute, the International Statistical Institute and the U.N.E.S.C.O., has been providing courses in statistical methods to trainees from South and South-East Asia. The Atomic Research Centre, set up in India with Canadian assistance, is expected to train experts from the region in the development of peaceful uses of atomic energy.

EXPORT DUTY ON TEA

The Government of India sprang a surprise last week on the tea industry by announcing that the export duty on tea for the month of November 1956 would be As. 6 per lb., that is, the same as that levied for the previous month, whereas tea market circles had been expecting a levy of As. 10 per lb., in view of the very high prices fetched by Indian teas in London during October. The higher export duty was expected in accordance with the slab system of export duty introduced in March 1955 and amended slightly in March 1956 under the Budget proposals for 1956-57.

It will be recalled that the Government of India introduced on 1st March 1955 the following slab system of export duty:

When the price of tea	*Rate of duty per lb.*
(1) does not exceed Rs. 2-8 per lb. ...	As. 4
(2) exceeds Rs. 2-8, but does not exceed Rs. 3-4 per lb. ...	As. 6
(3) exceeds Rs. 3-4, but does not exceed Rs. 4 per lb. ...	As. 8
(4) exceeds Rs. 4, but does not exceed Rs. 4-12 per lb.	As. 10
(5) exceeds Rs. 4-12 per lb.	As. 12

The price of tea for the purpose of levying export duty means the price which the Central Government may, having regard to the world prices of tea, fix for this purpose from time to time by notification in the official *Gazette*. The price is usually fixed on the weighted average of all Indian teas sold in London auctions during the previous month. On 29th February 1956, however, the Finance Minister made a slight change in the slab, with a view to "affording relief to the tea industry" and stepping up India's exports of medium teas. Accordingly, the export duty for the slab relating to the price range of Rs. 3-4 to Rs. 4 per lb. was reduced by As. 2 per lb., that is, from As. 8 to As. 6. The effect of this change is that all teas ranging in price from Rs. 2-8 to Rs. 4 per lb. will bear a uniform duty of As. 6 per lb. In other words, the slab in which the export duty of As. 6 per lb. would operate was widened to cover the world price of tea from Rs. 2-9 to Rs. 4 per lb. It was felt in market circles at that time, that prices were not likely to go beyond this range in the foreseeable future and that the reduction in export duty at this higher scale was, therefore, of no immediate consequence. A welcome feature of the change was that it ensured a stable and

fixed rate of duty on a wider range of prices. However, when the "world price" crosses Rs. 4, the incidence of duty comes rather heavily with a sudden increase of As. 4 per lb.

The sharp rise in tea prices in London during October led to the belief that the export duty for the current month might be As. 10 per lb. The Government of India's announcement that the export duty for November would be unchanged at As. 6 per lb. means that the "world price" for the purpose of levying duty has not crossed Rs. 4 per lb. Usually, the Government announces the price and the duty leviable at the beginning of every month. It has, however, made a departure from this practice by not announcing the price for reasons best known to itself. Though the present duty of As. 6 per lb. would be a welcome relief to the industry, the Government would have done well to announce the so-called world price.

BOMBAY PORT TRUST

The increased tempo of economic activity during the final year of the First Five-year Plan, resulting in a larger volume of foreign trade, is duly reflected in a marked expansion in both the quantity of cargo handled by the Bombay Port and its earnings during the financial year ended 31st March 1956. According to the Port Trust's Administration Report for the year, the quantity of cargo handled at the docks and bunders rose sharply from 7.6 million tons in 1954-55 to 10.3 million tons in 1955-56, a record in the history of the Port. What is more noteworthy is that it is nearly double the quantity (5.3 million tons) handled even as recently as 1946-47. The increased traffic in cargo enabled the Port to earn a surplus of Rs. 2.86 crores in its revenue on general account and of Rs. 6.32 lakhs on pilotage account, as compared with Rs. 75.32 lakhs and Rs. 7.61 lakhs, respectively, in 1954-55.

A perusal of the Port's traffic during the last few years shows that, though the year under review is the third one in succession for which the upward trend in cargo handled is maintained, the extent of rise is unprecedented. Be that as it may, the increase in cargo traffic is shared by imports and exports, the total quantity of imports amounting to 6.7 million tons, as against 5.6 million tons in 1954-55, and exports to 3.6 million tons, as compared with 1.9 million tons. There has also been a slight increase in the overseas passenger traffic from 81,057 to 82,931, but the number of coastal passengers has decreased from 435,016 to 403,262.

The aggregate revenue of the Port on general account for the year was Rs. 9.62 crores, as against Rs. 6.78 crores for 1954-55. The total expenditure on this account amounted to Rs. 6.76 crores, having gone up from Rs. 6.03 crores in the previous year. On pilotage account, the revenue has risen from Rs. 17.26 lakhs to Rs. 19.07 lakhs and expenditure from Rs. 9.64 lakhs to Rs. 12.75 lakhs. A notable feature of the financial results for the year is that the actual surplus earned on general account, namely, Rs. 2.86 crores, has far exceeded the revised estimate of Rs. 1.17 crores. The actual surplus on pilotage account, at Rs. 6.32 lakhs, also compares well with the estimated surplus of Rs. 5.05 lakhs. So far as the general account is concerned, the improvement is due to an increase of over Rs. 57 lakhs in receipts and a saving of Rs. 1.11 crores in expenditure.

The total capital expenditure for the year amounted to Rs. 2.87 crores, bringing the aggregate expenditure since the inception of the Port to Rs. 39.31 crores. Of the latter, the book value of assets written off amounted to Rs. 2.27 crores. A sum of Rs. 1.11 crores was drawn during the year from the general fund towards capital expenditure. The total outstanding capital debt of the Port Trust as on 31st March 1956 amounts to Rs. 19.02 crores, of which the amount due to the public is Rs. 6.54 crores and to the Government Rs. 9.07 crores.

A somewhat disquieting feature of the year's working is the unsettled labour situation at the Port throughout the year. There was a number of stoppages of work by Port Trust Labour on one ground or another. The award of the Industrial Tribunal in the dispute between the B.P.T., the Bombay Dock Labour Board and certain stevedore firms, on the one hand, and their workmen, on the other, which was published in June 1955, held, among other things, that there was strong evidence to show that dock workers had been going slow. The report shows that the Port Trust administration has not lagged behind in providing all the amenities possible for staff and labour. Thus, the Trustees sanctioned the construction of 290 self-contained flats for clerical staff and 120 units of quarters for railway gangmen, and menials.

In the face of disturbed labour situation, the working of the Port during the year, with a record quantity of cargo handled, is commendable. The great task of development under the Second Five-year Plan will impose on the Bombay Port a greater responsibility and there is no doubt that the cargo to be handled in the coming years will be much larger. This will imply the creation of additional facilities for handling cargo and it is to be hoped that the Port labour will play its role with a better sense of national responsibility.

THE SAAR PACT

The longstanding dispute over the control of the Saar territory in Western Europe has at last been finally settled, thanks to the successful conclusion of a treaty between France and West Germany. The treaty was signed at Luxemburg on 27th October last. While confirming the already *de facto* return of the Saar to W. German control, the treaty accords certain advantages to France. Thus, France obtains the right to dig, for a period of 25 years, 66 million tons of coal underground in the Warndt—part of the Saar—from pits sunk on French territory. It also obtains the right to delivery of 24 million tons of Warndt coal—no time period is stated—and undertakes to buy 33 per cent. of coal produced in other than the Warndt area of the Saar region. The treaty is subject to ratification by the Governments of the two countries. The Saar will return to Germany on 1st January 1957. During the transition period, exports from Saarland to W. Germany will, in principle, be free of customs duties. W. Germany's exports to the Saarland are to be considerably facilitated. The same applies to the transfer of W. German investment capital to the Saarland.

In addition to the Saar pact, France and W. Germany have signed two other pacts of equal importance. One of these lays down how France may draw water from the Rhine between Breisach and Strasbourg in order to feed the hydro-electric stations by four loop canals which will be paid for by France. France has guaranteed that the water level above Breisch shall not fall below a certain minimum level. In return, W. Germany has renounced the right to share in the power works profits. The second treaty, signed between France. Luxemburg and W. Germany,

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HOW OIL PRICES ARE DETERMINED

MAIN FACTORS INVOLVED EXPLAINED

By A Special Correspondent

IT is more necessary to think of oil in terms of international supply and, therefore, in terms of a big-scale interrelated price problem than it is for any other basic commodity. A moment's reflection will show that it is difficult to find a parallel commodity in the modern world which is discussed in similar terms; for example, the basic industries such as steel, and the universal requirements of food and cloth are generally referred to, and organised, on a decentralised or national basis.

This situation for oil has developed because of certain fundamental facts: that few areas of the earth exhibit a production potential for oil in excess of their own requirements; that the need is great and the demand rising faster than for any other source of energy; that oil now forms by far the largest commodity moving in international trade; that oil is risky and expensive to find and demands a high degree of technological skill in the subsequent development of the discoveries, and in the techniques of processing and distribution.

In complete contrast to the other main source of energy, namely, coal, mineral oil is not a labour-intensive industry in the accepted sense of the term. It is to a high degree technological and the tools for search for oil use some of the most advanced techniques available to man; similarly, the processing plants of the industry, the refineries, are examples of mechanical skill and automation, through the most advanced instrumental control, to a remarkable degree.

True Costs

To establish a justifiable price for a ton of coal from a working colliery is a calculation of comparative simplicity; but to establish the true value of a ton of oil flowing from a pipeline it is necessary to establish the true costs of the replacement of that ton of oil, and the main burden of the costs are generally taking place far from the eye of the consumer.

Furthermore, petroleum is traded internationally in two entirely distinct forms: the one as crude oil straight from the ground, and the other as refined products such as petrol, aviation spirits or kerosine, a situation which when not clearly understood has led to considerable confusion.

Prices for the main products at different sources are readily comparable because qualities are closely standardised. But crude oils vary in quality. Crude oil is a generic term, covering a range of qualities from almost solid bituminous substances to very light oils almost usable as motor spirit.

Every crude oil from every field is different to some extent from every other crude oil, and the assessment of the relative values of two crude oils will differ for each refiner according to his equipment and desired products outturn.

Complex Situation

It is a situation of considerable complexity and certainly not one that is responsive to the development of a simple price structure, in the rigid sense of an artificially erected entity.

The oil industry is composed of a number of very large organisations who are capable of undertaking major risks in exploration and who can sustain the burden of continual research and development; in addition, there are a much larger number of other companies who operate on a national or international scale in the various phases of the industry.

Even the largest international companies have marginal surpluses and deficits in the production, refining, transportation and marketing phases of their operations, which are covered by market transactions with non-affiliated entities.

Equilibrium Prices

It is, therefore, reasonable to expect that a pricing system will have grown up which can record the balanced day-to-day adjustment of this situation. An example of that solution exists for the Mexican Gulf area which obviously will be of importance, because of the large crude oil producing and refining capacity based there. There, the day-to-day prices are published by several reporting services, such as Platt's Oilgram Price Service, Reuters Trade Service, etc. The ranges of prices reported represent independent market surveys and are, in fact, a reflection, and no more than a reflection, of the equilibrium of prices caused by supply and demand and is influenced by the pattern and pressures of world oil trade.

There are other important supplying centres. The Caribbean area is a large exporter of both crude and products and here again the posted cargo prices are regularly reported in Platt's Oilgram and other trade journals.

The Persian Gulf area is of lesser importance for the export of products but is of major importance for the export of crude. Output from this region has grown with remarkable speed and moves to most of the main markets of the world.

The fourth main supply source is the Far East area, but, in general supplies of crude and particularly products are marginal to demand and, therefore, as a source it is tributary to the main stream with prices bearing a natural market relationship to prices from other main sources.

Thus, the picture is that of a number of producers, processers and carriers engaged in a flexible trade by sea to markets all over the world. It is sensible and practical that such a pattern calls for, and leads to, a unified world market.

Posted Prices

Any part of the world is exposed, potentially and in fact, to supplies from a number of completely unconnected sources of supply and from numerous enterprises engaged in the trading of oil. Not only is this true, but the movement of certain products in particular must react in sympathy to the price movements and availability of alternative sources of energy moving in international trade, such as coal.

The effect of this mechanism is seen in the posted prices of Middle East crude oil, which area now has a considerable number of companies engaged in production. Crude prices are posted by each of the main supplying companies, each of them makes changes in its posted prices in accordance with its own judgment of the market situation.

When any company makes a change, naturally all the others have to reconsider their prices. After a period of trial and error, the various companies' prices for crude oil of similar quality at the same loading port settle down to a common level, until some new market movement occurs.

No Automatic Formula

There is no common price fixing, nor are prices set by references to any automatic formula. Because of the vast scale of operations and risks involved, most Middle East producing ventures are partnerships involving more than one shareholding company. In such cases, it is not the producing company which posts prices but the trading affiliates of the shareholders, who, having secured title at seaboard to their share of oil produced from the joint venture, sell it competitively on world markets.

Middle East crude oil prices are not set level with U.S. crude prices, nor are they based on U.S. crude prices. They are, of course, economically linked with U.S. crude prices through the world market supply and demand situation, and, reflecting in part the effect of geography, they have settled at a rate substantially lower than U.S. crudes at source. Any suggestion that Middle East crude prices should be lower still implies that production costs are absurdly low, a situation very far from the truth.

Production Cost

"Production cost" in the sense of the current lifting cost of bringing to the surface oil from a discovered and proven underground reservoir (which is what many commentators have in mind) is, of course, but a small item in any evaluation of total production cost to a risk bearing oil-producing company. There have also to be taken into account exploration costs (both in the proven field and in areas which have yielded no return), the ancillary costs of establishing and maintaining communities for staff and workers in desert or jungle areas, the costs of bringing the oil to a deep-water loading point, and the tax payments to the "host" Governments on the generally established 50/50 basis over and above these tangible items, provision has to be made, out of the revenues after tax, for depletion of the underground reserves, to provide funds for the search for new oil resources to assure the continuity of future supplies. (In the U.S., this feature is taken care of by a tax-free "depletion allowance".)

From what has been said, it will be appreciated that the idea does not stand examination that total production costs are very low in the Middle East at the current posted prices. But to attempt to define what is the "right" f.o.b. price of a particular Middle East crude on the basis of cost plus a "fair and reasonable" profit figure, after reducing all the tangible and intangible features of the operation in terms of cash per ton of current production, is not possible unless the problem is examined in a wider context.

Three Main Points

It might be said that only a progressive and urgent spirit has enabled the oil industry as a whole to meet the rising flood of demand for oil, a demand which has increased over sixfold in the last 30 years and now meets over one-half of world commercial energy requirements, and three main points emerge from a study of this progress:

First, the price levels for crude and products have in fact been more stable than any other basic commodity and, taxes excluded, the price indices show a very moderate rise over long periods of time.

Secondly, this background has taken place against rapidly rising prime and overhead costs. The plant, equipment and skills which the industry uses are highly technological, demanding of basic materials in large quantities such as steel and cement, and very extensive use of both heavy and light engineering industries.

Thirdly, the capital requirements to meet this urgent expansion have been enormous.

This matter is of great concern to all users, and potential users, of oil.

Experience over the last several years has shown that the only source from which the greater part of these funds can come is the industry itself, since the capital markets of the world—particularly of the world outside the U.S.A.—cannot provide them on the scale required.

New money is needed not only for expansion but also to help finance replacement so long as rising prices make normal depreciation allowances insufficient for this purpose.

Indeed, the practice of retaining earnings for these purposes is adopted throughout the field of large-scale private enterprise and it is becoming widely recognised that it is essential for the future well-being of industry that this should be so.

Capital Requirements

It follows, therefore, that a substantial part of the net income of expanding industries, and frequently a far greater part than is distributed to shareholders, must be retained in the business. For example, the published accounts of a typical large company show 80 per cent. retained in the business. It is clearly arguable that such earnings cannot be regarded as profits in the conventional sense, but as costs essential to maintaining the business in health and progress.

How large these capital requirements are in the aggregate can be illustrated by the fact that reliable estimates put the fresh capital required by the oil industry, excluding Soviet countries, throughout the world at the equivalent in 1956 of about Rs. 4,000 crores in many currencies.

During the last ten years, investment has been of the order of Rs. 26,000 crores equivalent and in the next ten years may well be double that figure. These aggregate requirements should be considered against the fact that demand outside the U.S.A. is rising markedly faster than internal demand in the U.S.A.

Where, then, does this money go? As a rough guide, it can be taken that, at current costs, the equivalent of Rs. 550 to Rs. 600 new capital is required for every annual ton of new oil demand; in other words, a consumption increase of a lakh of tons would require expenditure of Rs. 5.5 crores to Rs. 6 crores as an average figure for the industry.

Of this sum, rather more than half is required to finance the exploration for, and production of, the oil. The balance goes to finance construction of refineries and processing plant, tankers, marketing facilities, research, etc. If this integrated pattern should fail at one link in the chain, then the unfortunate consequences

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LONDON LETTERS

EXPENSIVE TASTES

(From Our Own Correspondent)

LONDON, *3rd November*

BRITAIN'S policy in the Middle East since the troubles began over the Suez Canal bid fair to outweigh all the good of the anti-inflationary drive of the preceding year. Take, for instance, the gold reserves at the end of October. They fell in the month by no less than £30 million to a level of just over £800 million. A year ago, they were about £815 million and, after sinking to a December low of under £760 million, climbed to a July peak of £860 million.

It is no answer to say that the drop between July and October of £60 million is less than the drop between July and October 1955 of about £90 million. For the September payment of the Texas Company in the take-over of the Trinidad Oil Company netted over £60 million in dollars! Without this, the reserves would now be at £740 million!

Effect of Egyptian War

Already, the capital gain of the Trinidad business apart, the reserves have slumped more this year than they did last. This is far from being the whole story, for the end-October figures do not reflect the latest phase, the war with Egypt. After its initial weakness, sterling is holding steady at a discount on par but it would be naive to assume that this is being done at no cost in reserves. There is the underlying speculative move against sterling; the withdrawal of such funds as have not already gone (fortunately most of this is probably now discounted); the bill for the warlike operations themselves, (that is such part as will have to be paid in non-sterling currencies), the cost of rerouting shipping round the Cape and the interruption at least of some part of the Middle East oil supplies with the likelihood of their having to be made good from dollar oil. The Minister of Fuel and Power has already warned the country there may be a shortage ahead. All this is going to mean further drains on the reserves and then before long will come the substantial repayments on the North American loans. Everything points to the end-December figure being well below the comparable "low" of last year.

On the other hand, there is the expense of the Suez affair and the Egyptian war on the internal position. It is odd to find a suggestion current that the Bank rate should now be reduced. That opinion was being increasingly held before the events of this last week on the grounds that the pattern of credit restriction had become effective apart from the cost of borrowing. If borrowing was being confined to the essential minimum then, it was argued, it served no purpose to force a high rate of interest. But wars and reduced bank rate go ill together; yet, if it could be assumed that the war would be quickly over, then there might be merit in reducing the Bank rate at a time when it could do no further harm. The danger in a cut in money rates, unless the external position of the country is outstandingly strong, is in stimulating speculation against the national currency, but, since the war has done this anyway, nothing would be lost on this account.

Markets are in the Dark

The markets, of course, have been all over the place instead of being just dull. Esso Petroleum had put out a large preference share issue at 6 per cent. and found it oversubscribed. That put up industrial fixed-interest securities to a new high level though the issue immediately went to a premium. Now it is at a discount. A big municipal issue has suffered a similar fate, while, as for gilt-edged, they have been pushed down below the original low point of the start of the Suez trouble. This must be bitter for the Chancellor, who was entitled to see British credit steadily improving—and who should indeed witness a gratifying rise (on purely domestic financial grounds) if the war can be ended quickly. On the equity front a bad situation has been made worse, enlivened by a rapid jump up in the prices of the "war equities"—rubber and the metals—followed by slumps in all these prices as the market got news that may be the war would be tidied up quickly. The truth is that the markets—and everybody—are so much in the dark about what is going on both before and behind the scenes that they can only grasp at every item of news and before they have had time to digest it and decide what it means find it overtaken by some other piece of news. In these circumstances, jitteriness is the order of the day with only small business being done. Rising only above the ruck are the Government's new state lottery bonds—or premium bonds as is the polite title, with their prospect of untaxed capital prizes and the certainty of no losses to lure the investor grown weary of more speculative ventures.

* * * *

Fuel Shortage in This Atomic Age

LONDON, *27th October*

When last week Her Majesty the Queen switched on the first flow of electrical power from an atomic plant to a civil distribution network she was making history. But she was not, as so many people here have supposed, solving Britain's or the world's power problems. The atomic plant, opened with so much publicity at Calder Hall in the Lake District of England, is not primarily designed for civil electrical supply. It is one of four, the first, being built by the Atomic Energy Authority to make, by the use of natural uranium, the enriched substance—plutonium—for atomic bombs or as the detonator in hydrogen bombs. It is, therefore, part of a military programme to build up a stock of war material.

But these stations will produce as a by-product electricity—the immense heat generated being used to produce steam to drive turbo-generators. And Calder Hall is producing now about 40,000 kilowatts, a figure which will be more than doubled when the second unit of this station comes into operation about the end of the year. But the total will be no more than about the equivalent of 250,000 tons of coal—say one-thousandth part of the nation's current energy consumption.

Over the next ten years, the Central Electricity Authority has a building programme, based on the experience of Calder Hall but intended primarily to make civil electricity, which it was thought might produce electricity from atomic energy equivalent to a fuel consumption of 5 million tons. Fortunately, engineering advances in this field have been so rapid that it looks as if each of the planned stations will operate three times as efficiently as the new Calder Hall, twice as efficiently as planned, and produce the equivalent of 10 million tons of coal. That is Britain's atomic programme for the next ten years. How does it measure up to the realities of our power requirements?

Today, coal is used to produce energy at the rate of some 215 million tons a year, oil at the rate of some 35 million tons, water-power usage is still negligible. The total energy usage is equivalent to the consumption of some 250 million tons of coal—to which the atomic programme will, in ten years, add 4 per cent. But, in ten years' time, coal output, if it goes at the planned rate will have increased by 25 million tons, that is, a 10 per cent. increase on today's total energy supplies. So even in this atomic age over the next ten years, we

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INDIA'S STERLING BALANCES

AGREEMENT WITH U.K. NOT TO BE RENEWED

THE Governments of India and the U.K. have agreed, after mutual consultation, that the financial agreement signed on 20th July 1953 between the two countries, in respect of the release of sterling balances which India holds in the U.K., shall lapse on 30th June 1957 on which date the agreement is due to expire. Both the Governments consider that there is no ground for renewing the existing agreement on its expiry, for the main purpose of the agreement would have been fulfilled by the time of its expiry.

The decision not to renew the agreement, the official statement explains, does not in any way affect India's right and competence to draw upon its sterling balances. Nor does it affect the position in regard to the treatment of remittances of savings and the voluntary repatriation of investments by U.K. citizens, as secured by section 3 of Article VII of the agreement. This position is in accord with, and follows from, the policy of the Government of India on this subject as enunciated in its resolution dated 6th April 1948 and in the statement made by the Prime Minister in Parliament in April 1949. It is the intention of the Government of India to continue its present policy in this respect.

Object of the Agreement

The main object of the agreement dated 20th July 1953, which has retrospective effect from 1st July 1951, was to regulate the release of the sterling balances of India which had been accumulated during the war years. The agreement was not a new one, but was only a consolidated document of all the provisions contained in the agreement already in force between the two Governments entered into by an exchange of letters on 8th February 1952 between the Finance Minister of India and the British Chancellor of the Exchequer. In fact, the first Indo-U.K. financial agreement on release of sterling balances was signed as early as on 14th August 1947. It was in force originally for a period of six months ended 31st December 1947. It was, however, *eventually* extended for a period of six years ending 30th June 1957 by exchange of letters on 8th February 1952. This extension for a six-year period was meant to settle the problem of sterling balances on a long-term basis without in any way modifying the agreed arrangements made till then for releases of sterling balances.

Terms of the Agreement

On the date of the first agreement, that is 14th August 1947, India's sterling balances had stood at £1,160 million. Under the agreement signed in July 1948, these balances were brought down to about £800 million, as a result of transferring Pakistan's share of the balances to that country, paying to the U.K. Government a tapering annuity to meet India's pension obligations in the U.K. and providing for the purchases of military stores and installations located in India. On 1st July 1951, that is, the date on which the now current six-year agreement came into effect, the sterling balances stood at £643 million. According to the provisions of this agreement, a sum of £310 million, unblocked in 1951, was to be retained as a currency reserve in the current account and this would not be drawn upon without previous consultation with the U.K. Government. It was also provided in the agreement that every year, during the period of currency of the agreement, a sum of £35 million would be transferred from the blocked account to the current account. Such transfers would take place only as and when necessary to maintain a minimum balance of £30 million in the current account, in addition to the currency reserve of £310 million, and will be available for utilisation during each year. Any part of the unutilised portion of the sum transferable in any year would be carried forward and added to the sums available in later periods, provided the minimum balance of £30 million was retained, in addition to the currency reserve. Subject to this condition, India was also free under the agreement to overdraw in any year to the extent of £5 million without prior consultation with the British Government. Any balance remaining in the blocked account on 30th June 1957 would be transferred to the current account. In accordance with the provisions of the agreement, India was thus free to draw £210 million (at £35 million per annum) during the six years ending June 1957, so that the balances on that date will stand at £433 million.

During the first five years of the agreement, India's withdrawal of sterling balances was much less than that provided for in the agreement. Thus, as against £175 million that could be withdrawn during this period, together with £90 million, being the balance of the amount withdrawable under the previous agreement, or £265 million in all, the actual amount utilised was no more than £131.91 million. Again, in the First Five-year Plan, it had been estimated that the sterling balances would decline by £220 million (Rs. 290 crores) on account of excess of imports over exports. In this case also, the net amount withdrawn was no more than £105 million (Rs. 140 crores). These slow net withdrawals from foreign exchange reserves were due, in the main, to an unexpected improvement in India's agricultural production—particularly in foodgrains—which enabled a saving in the foreign exchange budget of the Plan, and to the failure of some of the key industrial projects, included in the programme for the public sector, to materialise. But, of late, there has been a very rapid fall in the sterling balances, as will be seen from the following comparative table:

As on	Sterling balances	
	In crores of Rs.	In million £ stg.
1st July, 1951	857.41	643.05
1st July, 1952	681.60	511.20
1st July, 1953	711.57	533.68
1st July, 1954	749.91	560.13
1st July, 1955	713.90	535.42
31st December, 1955	735.18	551.38
31st March, 1956	749.14	559.60
30th April, 1956	725.65	544.24
31st May, 1956	705.34	529.00
30th June, 1956	681.52	511.14
31st July, 1956	653.47	490.10
31st August, 1956	631.62	473.71
30th September, 1956	615.07	461.30
19th October, 1956	591.42	443.31

It will be noted that, after going up from £535.42 million on 1st July 1955 to £559.60 million on 31st March 1956, the sterling balances gradually declined to touch a low of £511.14 million on 30th June 1956. But, in the subsequent 3½ months, they have shrunk by as much as £67.83 million to stand at £443.31 million. These heavy withdrawals are due to large imports in the face of a downward trend in exports. What is causing anxiety to the country is the fact that, during the last six months, the extent of fall in sterling balances is nearly three-fourths of the sum expected to be drawn during the period of the Second Five-year Plan.

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BANK RATE IN BRITAIN

MR. ROY HARROD FAVOURS IMMEDIATE REDUCTION

THERE possibly cannot be two opinions in regard to the need for reducing the Bank rate when conditions are ripe for it. Also, one cannot but agree with Mr. Cobbold, the Governor of the Bank of England, when he pointed out, when addressing the distinguished gathering at the annual dinner at Mansion House last month, that "an indefinite period of credit restriction whether by persuasion, by present technical methods or newly-devised techniques would starve the economy and by inhibiting free competition among the banks would prejudice both their efficiency and their services to the public." Indeed, both Mr. Macmillan and Mr. Cobbold, while admitting that, as a result of the increase in Bank rate, certain notable improvements, such as a check on boom conditions, personal consumption and expansion programmes, reduction in imports, a large measure of stability in price level, had been witnessed, there was a singular unanimity between them when they termed the coming months as "crucial." Any case for a reduction in the Bank rate must, therefore, rest on sound considerations. Those who put forward the case must answer such questions as: Are there any changes in the economy that call for a reduction in the Bank rate? Has the increase in Bank rate succeeded in producing the desired results? To what extent are the results obtained attributable to the increase in Bank rate? Have conditions reached a stage when non-reduction in Bank rate impedes the growth of the economy? Many of these questions have been considered dispassionately by Mr. Roy Harrod in an illuminating article contributed to a recent issue of the *Financial Times*, London.

The author of the article argues that, in assessing credit policy, one must keep attention focussed on its aim. The credit policy, according to him, "is essentially designed to influence decisions—the decisions to make capital outlay, to spend on borrowed money, to consume. It is not well adapted to curing the aftermath of an excess (or of a deficiency, for that matter) of decisions to spend. A boom in fixed capital investment as ours has been must have an inflationary aftermath. Labour and material shortages, slow deliveries, wage-price spiralling have inevitably to continue for some time."

Decision Taken Very Late

Mr. Roy Harrod is of the view that in order to achieve these aims the strong measures of credit control adopted by the Government should have been initiated two years ago, when decisions of capital expansion were being taken by the industry. The decision to raise the Bank rate was taken very late—and the disinflationary policy remained weak, because it was technically impossible to make it strong. Moreover, the impact of the measures would have been much more pronounced than those actually witnessed had the Bank rate been pushed up earlier. In this connection, he observes:

"If only stronger measures had been taken somewhat earlier, we should have been saved from many of our embarrassments in 1955. The expansion plans started in 1954, although excessive, could have been digested without great difficulty; we could have proceeded with the expansion of our investment in a more orderly manner; the wages spiral would not have set in, or not at least with such impetus; above all, we should have been saved from that weakening of world confidence that became so marked in the second half of 1955 and had ramifying effects. It is unfortunate that at the tail end of this episode of inflationary troubles, the Suez crisis should have supervened to revive world scepticism about Britain's future."

He concedes that much depends on the extent of the fresh plans of expansion that are being drawn up for the year ahead. But, if the expansion programmes are not excessive, that is, if there is no fear that, as a result of finance becoming a little easier, "firms in the three or six months ahead would rush forward with fresh plans of expansion on such a scale that would put the economy into an inflationary jam in the coming two years," then the Bank rate should, he contends, be reduced forthwith, and there is no point in keeping it up. And he further contends that, having regard to Britain's capacity to produce more as a result of expansion that has already taken place and to the large export orders for capital goods which it has already accepted, there ought to be an expansion in production in the coming year. Then he goes on to emphasise that "a credit squeeze should be regarded as essentially a short-term weapon; when it has done its work, produced its shakedown, it should be terminated as quickly as possible. It is not desirable that high interest rates should become a habit in Britain. There has been talk in financial circles recently of this country never being able to get back to a 3 per cent. basis. Why not?"

Need for Balance on Current Account

Another important consideration is the need for maintaining a substantial balance on current account in order to meet the requirements of overseas investment. But a corollary of that desire is, Mr. Harrod points out, establishment of low interest rates at home. "It is almost a contradiction," he remarks, "for a high interest rate country to set up as an overseas investor on a substantial scale." Yet another important argument advanced by Mr. Harrod is that, unless interest rates are reduced, National Debt, already large and still further increasing because of the task of finding large sums on a gilt-edged basis, year after year, for the nationalised capital-using industries, will become progressively burdensome. "All this," he observes, "points to the desirability of making 3 per cent. the target for normal times."

Stressing that it is possible to bring down interest rates without undue expansion in money supply, Mr. Harrod says:

"It should not be difficult to bring interest rates down without an undue increase in the quantity of money, provided that the flow of tender Treasury Bills can be kept within manageable dimensions. But it may well prove before long that easy money is not a sufficiently powerful recipe for keeping the economy in reasonably full activity. There are indeed some kill-joy people who would prefer to see people not producing at all than producing consumer goods; but their views are not likely to prevail. Some re-stimulation of consumption will be required before long. But it need not be regretted if the easing of monetary conditions comes first."

Quite apart from these grounds, Mr. Harrod feels that the higher Bank rate has failed to produce transfer of manpower from the consumer goods industries to the capital goods industries. Mr. Harrod hopes that the needed change in Bank rate will not be held up by the idea that it would be bad propaganda for the policy of wage restraint. He points out in this connection:

"This would be to play with fire. Credit policy is a delicate instrument, difficult enough in all conscience to manage; it would be a first-class error to subordinate it to the exigencies of a campaign of 'moral suasion' in the wages field. That campaign must use its own appropriate weapons."

External Aspect

The external aspect is no less important. Bank rate is an instrument of great value in this field. Examining the possible effects of a reduction in Bank rate from this angle, he says:

"Considerable credit easement could be produced without a large reduction of the Bank rate, if this were thought dangerous from the external point of view. But, in fact, those foreign holders of sterling, who do not really need it, have probably already bolted out of it in consequence of the Suez crisis. If this is so, the position may even be a favourable one for testing out the external strength of sterling by a gradual reduction of the Bank rate."

There is also another school in Britain which holds the view that Bank rate should be reduced, because it has failed to serve its purpose. This school, for instance, argues that high interest rates have not curtailed borrowing by the local and public authorities. They have slowed down the growth of production more than that of consumption. They claim that the improvement in the national savings was not entirely due to high interest rates, but was chiefly due to funds already saved.

But all these discussions sound a little theoretical, in view of the latest Anglo-French combined aggression on Egypt and its serious implications to Britain's economy. There are, however, some in Britain who regard this very development as a strong enough ground for reducing the Bank rate. Their theory apparently is that war and war-like activities should be financed on the basis of cheap money, lest the burden of interest charges on public debt would become excessively high. A natural corollary of this contention is that the system of direct controls which was followed during the war and post-war years should also be introduced simultaneously.

WORLD BANK LOAN TO URUGUAY

The World Bank sanctioned a loan of $25.5 million in various currencies to Uruguay on 25th October. The loan is intended to help finance the construction of a hydro-electric power plant on the river Rio Negro, and additional transmission and distribution facilities. The project is expected to increase the generating capacity in Uruguay by about 25 per cent. and forms a part of a programme that is being carried out to provide an adequate power system throughout the country.

The loan is for a term of 25 years, and bears an interest rate of 5 per cent. including the 1 per cent. commission charged by the Bank. Amortisation will begin on 15th October 1961.

BANK OF INDIA COMPLETES FIFTY YEARS

STEADY AND SYSTEMATIC GROWTH

THE year 1956 is an important landmark in the history of the Bank of India, for it marks the completion of 50 years of its existence. To have run a bank on sound lines during these years, successfully steering clear of stress and strain, is itself an achievement of which the management of any financial institution can justifiably be proud. But what makes the achievement of the Bank of India all the more creditable is its success in carving for itself a unique place among the "Big Five" of Indian banks. The progress of the Bank over the past five decades is a story of steady and systematic growth. Considering the difficult times through which the Bank had to pass in its early years, one cannot but admire the work of the pioneers who piloted the affairs of the Bank in its infancy.

The Bank was incorporated on 7th September 1906, and commenced business on 1st November of that year. Three prominent Bombay business men were mainly responsible for sponsoring and establishing it. They were Sir Cowasjee Jehangir, First Baronet, Sir Sassoon David, Baronet, and Mr. Ramnarain Hurnandrai. These promoters foresaw the ample scope that existed for a bank of this kind. They felt the "very pressing need in the trading community for a large measure of the financial facilities which such a bank would afford." They were of the view that there was every prospect that, if worked on sound principles and under prudent and careful management, such a bank, while supplying a need to and conferring a boon on the people of India, would, at the same time, itself become a prosperous and lucrative concern. The remarkable headway which the Bank has made during the past half century, as the table on page 923 indicates, amply bears testimony to the foresight of its founders.

The confidence which the public reposed in the pioneers of the Bank, at a time when several other banking institutions also were coming up, is reflected in the heartening response to the Bank's first capital issue. Except for a small sum of Rs. 43,000, the entire capital of Rs. 50 lakhs was taken up by the public within a few months of its issue. The very sound principles and prudent management which continue to be the watchwords of the Bank from its inception have not only enhaced its reputation but built up more and more public confidence. This is illustrated by the success of the Bank's four subsequent issues of capital which were offered at a premium of 100 per cent. In 1919, for the first time, the Bank's paid-up capital was increased from Rs. 50 lakhs to Rs. 1 crore by the issue of 100,000 shares of Rs. 100 each, Rs. 50 paid-up, at a premium of Rs. 50 per share. Long afterwards, that is in 1944, the Bank increased the capital by Rs. 50 lakhs on similar terms. In 1948 and again in 1951, the Bank issued fresh capital to the tune of Rs. 50 lakhs each time and, as on previous occasions, the shares were issued at a premium of Rs. 50 each. The response from the shareholders was quick. The sum of Rs. 2 crores thus collected by way of premium on the new issues was credited to the reserve fund, which at the end of 1955 stood at Rs. 3.52 crores. To mark the fiftieth anniversary of the Bank, the Directors recently issued bonus shares to the shareholders by capitalising a sum of Rs. 50 lakhs from the reserves, thus returning in kind a part of the premium collected from them earlier.

The story of the success of the Bank's new issue of shares will read more interesting if studied against the background of the events which took place during the intervening years. In less than a decade from its inception, that is in 1913, a banking crisis developed, leading to failure of many leading banks. Public confidence in Indian joint-stock banks was shaken by these failures, as a result of which development of banks was thwarted. In the following year, the First World War broke out and the war years provided an exacting time for banks in general. With the advent of peace, the country

(*Continued on page 923*)



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COTTON PRODUCTION IN PAKISTAN

HIGHER OUTPUT AND READY MARKET EXPECTED

COTTON, one of the most important cash crops of Pakistan and second only to jute in importance, is grown mainly on irrigated land. Nevertheless, weather conditions have a direct bearing on the size of the crop. Thus, the 1955-56 production of 1,768,000 bales (of 392 lbs. each), though it exceeds the previous season's outturn by 196,000 bales, is lower than what would have been the case had nature been more considerate. The prospects for the current season (1956-57) are, however, better and a still larger crop is expected. Pakistan cottons, which account for about 38 per cent. of the country's foreign exchange earnings, are mainly short- and medium-stapled.

The chief commercially propagated American varieties (medium-staple) are: 4F, L.S.S.; 124F, 199F, 289F and M4 (N.T. Sind). The latter two are comparable to U.S. Middlings. 4F is in great demand in Japan and Lancashire. The main short-staple cotton grown in West Pakistan are Sind *Deshi* and Punjab *Deshi*. East Pakistan grows only short-staple cotton (⅜" to ⅝"), known to the trade as "Comilla," the coarsest cotton in the world. Foreign countries are also showing considerable interest in Pakistan cotton. In view of the important role of cotton as an earner of foreign exchange every effort is being made to increase production and improve the quality of lint.

As a result of the vigorous drive to promote cotton cultivation undertaken by the Government and the Pakistan Central Cotton Committee, acreage and production of cotton registered sizable improvement in the 1955-56 season. The area under the crop during the season was 3,537,000 acres and production of lint 1,768,000 bales (of 392 lbs.). This compares favourably with the nine year average (1947-56) of 3,129,000 acres and 1,470,000 bales. The yield per acre of 195.9 lbs. for the year was also higher than the nine year average of 184.2 lbs. and is the highest on record since 1952-53. Out of the 3,537,000 acres under cotton, only 53,300 acres were in East Pakistan. The following table gives the acreage, production and yield per acre for the nine years since 1947-48:

Acreage, Production and Yield, 1947-56

Year	Area (1,000 acres)	Production (1,000 bales of 392 lbs. each))	Yield (pounds per acre)
1947-48	3,091	1,112	141.0
1948-49	2,704	1,008	146.1
1949-50	2,862	1,287	173.5
1950-51	3,011	1,517	197.5
1951-52	3,370	1,045	191.0
1952-53	3,467	1,900	214.3
1953-54	2,928	1,444	193.3
1954-55	3,195	1,572	192.1
1955-56	3,537	1,768	195.9
Average	3,129	1,470	184.2

Under its cotton expansion plan, the Government of Pakistan has fixed a target of 2.5 million bales to be achieved within the next three or four years. A comprehensive scheme prepared by the Pakistan Central Cotton Committee for the achievement of the target within the specified period has been accepted by the Government. The latter has already adopted measures like distribution of fertilisers, plant protection, etc., in order to increase production. Vigorous propaganda is being conducted through the medium of the cinema, leaflets, posters and the like to encourage increased use of chemical manures. Further, demonstration plots are also being set up to acquaint the cultivator with the ways in which manures can be used to the best advantage. The Government also subsidised the sale of fertilisers up to 66⅔ per cent. of the price, till 29th February 1956. As the adoption of fertilisers has become more wide-spread, the subsidy has since been reduced to 58 per cent. During the last season, the total supply of fertilisers aggregated 50,500 tons. But, in view of the fact that Pakistan has a cropped area (all crops) of more than 50 million acres, this is a very insignificant quantity. Efforts are, therefore, being made to make available to cultivators still larger quantities of fertilisers. During the current season (1956-57), about 145,700 tons of fertilisers are planned to be imported. In order to save foreign exchange and to make the country self-sufficient in respect of supply of fertilisers, a factory for the manufacture of Ammonium Sulphate has already been established at Dawoodkhel, in West Pakistan, with an output capacity of 50,000 tons a year and production is expected to start towards the end of 1956. The Government is also planning to start two more fertiliser factories, one in West Pakistan with an annual capacity of 200,000 tons and another in East Pakistan, capable of producing 100,000 tons of fertilisers a year.

Equally vigorous has been the drive to control cotton pests. During the year 1955-56, 19,780 acres of cotton were treated with chemicals against pests and for the current year the target for aerial and ground spray together is about 100,000 acres. Out of this, 45,000 acres have been treated already by ground spray and 5,000 acres by aerial spray. Besides, 27,700 maunds of cotton seed, sufficient for sowing about 100,000 acres, were also treated with organic mercurials. It is expected that, despite bad weather and inaccessibility of places due to flooding, the target for the season will be achieved.

Complete figures regarding the acreage under the crop during this season are not available at present and hence it is difficult to have a definite idea of the crop for the current year. However, an article in the latest monthly publication of the International Cotton Advisory Committee, Washington, attempts an estimate of the production prospects for the current season. Apart from the fact that there were heavy rains during July, floods have also done considerable damage to the crop. The data so far available, observes the article, indicate that the total area in Lahore, Rawalpindi and Multan will together be about 1,791,000 acres and that in Bahawalpur, Peshawar and Dera Ismail Khan 497,000 acres, 10,000 acres and 3,000 acres, respectively. Assuming that the acreage in Hyderabad and Khairpur will be the same as given in the first forecast for the last season, i.e., 913,000 acres, the total area in West Pakistan is estimated at 3,214,000 acres. Total area under cotton in East Pakistan is placed at 53,000 acres. Together, the area under cotton crop in Pakistan in the current year works out to 3,267,000 acres. As regards output, it is held that the dry spell in the month of August, has been beneficial to the crop and it is expected that, if there is no other calamity before the harvest, production may, according to official estimate, be about 1,918,000 bales. i.e. 150,000 bales more than that of the previous season. Trade estimates for the season, however, place the crop lower at 1,885,000 bales. The first official estimate of cotton acreage places the area under the crop at 3,336.000 acres as compared with the first estimate for the previous season of 3,080,000 acres.

Outlook for Export

With the prospect of a good crop of at least 1,885,000 bales during the current season and a carryover of 115,000 bales, it is estimated that total visible supply would amount to 2 million bales. Of this, mills in Pakistan are expected to consume about one million bales, as compared with 938,000 bales during the 1955-56 season. This expectation of increased consumption is based on the likelihood of an expansion in the spindleage and loomage. Total number of spindles and looms working up to 30th June 1956 were 1.62 million and 23,460, respectively. This is expected to increase, by the end of 1957, to 1.7 million and 24,110, respectively. Stocks with most mills are very low and it is expected that there will be brisk demand in the early months. On the assumption that mill consumption will be about a million bales, it is estimated that one million bales would be available for export. It may be noted here that, during the season ended 31st August 1956, exports of cotton aggregated 903,800 bales. Out of the one million bales available for export, Japan and the Continent are expected to purchase 500,000 bales. The U.K. and Australia together are expected to take 100,000 bales and another like quantity by Hongkong and the U.S.A. The balance of 300,000 bales is expected to be purchased by Poland, Hungary, Austria, Czechoslovakia, U.S.S.R. and China.

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SYNTHETIC FIBRES

A recent survey of the developments in the American fibre situation, made by some analytical experts in the U.S., reveals a distinct shift from cotton, to synthetics. If the spectacular rise of the newer man-made fibres during 1948-55 is any indication, synthetics might, it is felt, well exceed 50 per cent. of the total dollars spent by mills on all fibres by 1960, the share of acetate and rayon also being 20-25 per cent. In contrast, the share of cotton will decline from 36 per cent. to about 31-35 per cent. and of wool from 14.8 per cent. to 10.5-14 per cent. Indeed, the survey warns:

"The revolution in textiles shows no signs of abating. Its continuance makes imperative decision involving multi-million dollar stakes and affecting every level of the industry. The need is not only for flexibility to meet rapidly changing conditions but, even more, for anticipation of such changes. 'Wait and see' policies will well turn out to be too little and too late."

In this connection, it may be noted that Japan has given top priority to the development of rayon textile industry under its Economic Self-support Five-year Plan. The Plan provides for the expansion in exports of spun rayon fabrics from 302.5 million square yards in 1954 to 686.0 million square yards in 1960. Likewise, exports of rayon filament fabrics are proposed to be raised by 122.3 million square yards to 386.0 million square yards.

India has also launched upon a fairly ambitious scheme for the expansion of the rayon textile industry. The scheme envisages a rise of 46 million lbs. to 68.3 million lbs. in the installed capacity of continuous filament rayon and of 16 million lbs. to 32 million lbs. in staple fibre. The implementation of the scheme involves an investment outlay of Rs. 24 crores. The export target for rayon fabrics fixed for 1960-61 is 10 million yards.

AMBAR CHARKA

Arrangements have now been completed to achieve the target of manufacture and distribution of 75,000 Ambar Charkas by the end of March 1957, according to a Press note issued by the Government of India. Out of the total of 300 *parishramalayas* (training-*cum*-production centres) proposed to be set up during the current financial year (1956-57), 152 have already been set up. About 28 *vidyalayas* (training institutions) have started functioning. Over 10,200 spinners are undergoing training in the operation of the Charka in the different parts of the country and more than 1,060 instructors are also receiving training. By the end of September last, over 14,200 Charkas had been manufactured, of which 7,800 were distributed to production centres.

The Union Ministry of Production has (up to 30th September 1956) released grants and loans aggregating Rs. 3.05 crores to the All-India *Khadi* and Village Industries Board which is carrying out the Ambar Charka programme. The Board has, however, not spent more than Rs. 63.51 lakhs.

It is expected that commercial production of Ambar cloth will begin by the end of next month. At present, the production of yarn and cloth is being carried on at the training centres only.

Meanwhile, the Ahmedabad Textile Industries Research Association is continuing experiments for improving the efficiency of the Charka. The Cotton Technological Laboratory, Bombay, has also made some improvements on the Charka.

U.K. TEXTILE DELEGATION TO INDIA

A delegation of British cotton textile interests is scheduled to arrive in India shortly "to discuss the stabilising of imports of cotton textile goods into Britain." The delegation will be led by Sir Cuthbert Clegg, Vice-President and former Chairman of the Cotton Spinners and Manufacturers' Association. With Sir Cuthbert Clegg will be Lt.-Colonel J. B. Whitehead, Managing Director of the Lancashire Cotton Corporation; Mr. C. Henniker-Heaton, Director of the Master Cotton Spinners Federation; Mr. W. Crossley, of the Textile Finishing Trades Association; the Hon. J. S. T. Hawke, Chairman of the Cotton and Rayon Merchants Association; Mr. W. Roberts, President of the United Textile Factory Workers' Association. and Mr. T. D. F. Powell, of the Cotton Board, as Secretary of the delegation.

The British delegation will meet leaders of the Indian textile industry for general talks on subjects of mutuel interest. As all branches of the British textile industry and both manufacturers and employees will be represented, it is expected that the talks will cover every aspect of the question of the importation of Indian textiles into the U.K.

SIGNS OF RECOVERY SEEN IN LANCASHIRE

FUTURE OF FORWARD TRADING IN COTTON

By Our Special Correspondent

MANCHESTER, 30*th October*

AFTER the series of recessions and revivals which have been the lot of traders in Lancashire since the war there is invariably a tendency to distrust signs of recovery which occur from time to time. Almost a year ago, pressure for supplies of cotton and rayon goods began to mount encouragingly and optimism again rose in the mill towns. The improvement was then ascribed to the need for suppliers of home trade textiles to replenish the stocks which had become so depleted during a summer of unusual warmth.

MANCHESTER LETTER

Unfortunately the hopes that brighter conditions would continue were not fulfilled and the subsequent period of uncertainty arising from the twin factors of foreign cloth imports and hesitancy over future cotton prices curtailed the offtake to little more than hand-to-mouth quantities. Now a fresh upsurge of demand has been encountered and while the cynics are asking how long it will last, the more optimistic among traders are taking advantage of the situation while the sun shines.

Any assessment of immediate prospects must be made on a relative scale. Gone are the days when bulk lines were predominant and Lancashire firms were able to look ahead with confidence. Yet the experience of the past few weeks has enabled many producers to act in a firmer manner than for a long time past in contemplating new business. Prices for yarns have been raised and full rates have been quoted for any goods required. Cases are known where individual mills have order lists extending into the early months of next year, in striking contrast to recent experience when many companies have been struggling from week to week to keep machinery engaged and operatives together.

The inevitable outcome of an expansion in the turnover after so lengthy a setback, involving a persistent drift of labour from the industry, has been the uncovering of gaps in manpower which cannot be easily filled. As a result, the tendency has lately been for delivery terms to be extended and distributors who required goods urgently have not always been able to secure their supplies as quickly as they had anticipated.

Higher Production

The broadening demand for Lancashire textiles has been followed by Cotton Board figures showing that in the week ended 13th October the spinning mills achieved their highest net recruitment for two and a half years. There was a gain of 213 full-time workers and 40 part-timers.

Production of single yarn also showed an improvement. At 17,720,000 lbs. it was the highest since January this year.

A Cotton Board spokesman said in Manchester that the returns were "encouraging" and pointed to the increased activity which has developed in the industry.

Printing Prospects

Mr. Roger M. Lee, the Chairman of the Calico Printers' Association, took the opportunity at the annual meeting to survey textile trends since the end of the Association's financial year in June. He told stockholders that a "continued decline" in commission printing business at the start of the July-September quarter had been arrested during the last few weeks and that the impression now was that raw cotton prices would be stable for some time to come—or, if not stable, that prices would advance rather than decline. "For this reason our customers now seem more inclined to place orders but unfortunately the tendency is for a return to seasonal business with consequent peaks and troughs which are neither good from the point of view of our customers nor from the point of view of management in their attempt to maintain a constant labour force," commented Mr. Lee.

It was difficult at this time of the year to prophesy about the progress of the Association's merchant departments but at the present time there were two good signs: invoicing were higher than at this time last year and the merchandise ranges had been better sampled "than probably ever before."

Qualifying these remarks—described by a stockholder as a "vein of optimism"—Mr. Lee said there were some elements which induced "a strong note of caution." The Australian position was very bad and the flow of new bookings had been reduced to a "mere trickle." At home, the credit restrictions had persuaded distributors to keep stocks low and the making-up trade was not anxious to commit itself too far.

Contraction—The Facts

So much attention was centred on the startling figures showing the number of closed mills in Lancashire since 1951 given by Mr. W. T. Shackleton at Harrogate, that some of the other details he provided about recent trends within the industry might well be overlooked.

One significant fact which emerges is that the threat to weaving capacity by the closing of mills has sharply risen since the beginning of last year. Already in the first half of this year 55 sheds containing 15.142 looms have closed down against 59 mills with 12,036 looms in the whole of 1955. In contrast, the quantity of spinning and doubling machinery in mills closing this year has been very much smaller than in the previous 12 months.

A breakdown of the losses in the labour force since the end of 1951 shows that the doubling section has suffered the most. In spinning and weaving the wastage has been very similar at more than one in five, but in doubling it has been almost one in three, whereas the finishing section has lost about one in eight of its manpower. The full fall in available labour is 75,840 in 4½ years.

In such circumstances, it is only natural that recruitment has received a severe setback. An analysis of the number of juveniles on the books of employers in June showed little change in the proportion in spinning and doubling, which was about one in twelve. In weaving, however, only about one in twenty were juveniles. To quote Mr. Shackleton: "This is clear evidence that in not so many years there will be an acute shortage of workers in the industry and that means we shall have to continue to find new ways of deploying our labour to the best advantage."

Machine activity in the mills this year compared with 1951 shows the remarkable change which has occurred in the use of the different kinds of spindleage. While the quantity of ring spindles in place is now slightly higher than five years ago, the number of mules has declined by nearly 25 per cent. Even more revealing are the statistics for running spindles, which show rings only 2 per cent. lower in 1956 than in 1951 but mules 41½ per cent. down. The number of mule spindles running in June this year was only 8.770,000 against 15,010,000 in 1951.

Shifts in Spinning?

A new work-and-wages charter affecting 50,000 Lancashire cotton workers, including the terms and conditions for the operation of double shifts in modernised mills, has been agreed in principle by the Master Cotton Spinners' Federation and the National Association of Card, Blowing and Ring Room Operatives, the biggest union in the cotton spinning industry.

A joint announcement issued in Manchester by Sir Alfred Roberts. General Secretary of the Association, and Mr. C. Henniker-Heaton, Director of the Federation, said that negotiations had been in progress for a year on the issues of working conditions in mills, wage structures, and shift working. Separate meetings of the two organisations had approved the agreement and details would be embodied in formal documents as soon as possible.

The new charter, it is believed, will help to improve the industry's efficiency by introducing an alternative wage structure based on work study principles.

Future of Futures

Many and varied have been the causes which have combined to hamper the activities of raw cotton futures markets since the war. In the light of experience it can now be seen that the revival of such trading in Liverpool came at an inopportune moment when yarn and cloth business was declining from its peak. Subsequent conditions have never really given the market a chance. In New York, trading has been entirely hampered by the latest developments in the disposal of surplus supplies initiated by the United States Government.

On all sides raw cotton traders feel that their attempts to introduce free futures markets are being hamstrung by the action of officialdom. Economic forces have moved away from the ideas prevalent before the war and it is very doubtful whether business on these lines

(*Continued on page 913*)

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MILL CONSUMPTION OF COTTON

RECORD LEVEL REACHED IN 1955-56

THE expectation generally entertained in cotton circles that mill consumption of cotton would set a new record in the 1955-56 season just ended has been borne out by actual figures for the whole season which have now become available. According to the statistics compiled by the Office of the Textile Commissioner, Bombay, mills in India consumed during the season 4,968,707 bales (of 400 lbs. each), comprising 4,365,456 bales of Indian and 603,251 bales of foreign cotton. This is the highest level of consumption ever reached since the partition of this sub-continent and compares favourably even with the pre-partition peak of 4,887,996 bales in 1944-45. A point to remember is that not only has there been an increase in aggregate consumption, but the quantity of Indian cotton consumed has been steadily rising, while, at the same time, the share of foreign cotton in the total quantity of cotton absorbed by mills has been declining. Thus, consumption of indigenous cotton increased from only 2,516,963 bales in 1950-51 to 4,365,456 bales in 1955-56, while that of foreign cotton (including Pakistan cotton) declined from 1,105,125 bales to 603,251 bales during the same period. It may also be noted that, during the 1955-56 season, India did not import any Pakistan cotton.

Coming to the principal varieties of Indian cotton consumed by mills during the period, it may be noted that, as usual, Jarilla varieties, including Virnar, Malvi and Virum, topped the list accounting for 1,047,211 bales, followed by Punjab American (216F and 320F and L.S.S.) aggregating 693,134 bales and Broach Vijay accounting for 511,510 bales. During the previous season mills consumed, among others, 1,118,280 bales of Jarilla varieties, 545,390 bales of Punjab American and 542,345 bales of Broach Vijay. Other important varieties of cotton consumed by mills during 1955-56 were: Bengal *Deshi* 130,661 bales, Dhollera 189,934 bales, Kalyan 250,993 bales, Jayadhar 161,548 bales, Madras Cambodia 165,640 bales and Laxmi 172,572 bales.

Of the 603,251 bales of foreign cotton consumed during the period, Egyptians accounted for 186,759 bales, Sudan Egyptians 117,719 bales, East Africans 251.875 bales, and U.S.A. 26,522 bales. The following table gives the variety-wise breakdown of foreign cotton consumed during 1955-56:

Consumption of Foreign Cotton in 1955-56

(In bales of 400 lbs. gross)

Variety	1955-56	1954-55
Egyptians:		
Ashmouni	6,963	288
Giza 30 and 31	69,417	54,802*
Karnak	96,925	132,149
Menouff	13,600	7,518
Other Egyptians	454	544
Total Egyptians	186,759	196,301
Peruvians	5,301	7,049
Sudan Egyptians	117,719	49,892
Sudan American	5,164	646
East Africans	251,875	217,433
Russians	1,020	..
Americans:		
U.S.A.	26,522	148,069
Mexico	716	..
Brazilians	..	1,919
Belgian Congo	1,888	2,557
Other foreign cotton	6,287	792
Pakistan cottons	..	4,916
Total foreign cotton	603,251	630,474

* Giza 30 only.

Total stocks of Indian and foreign cotton as on 31st August 1956 were of the order of 1,613,587 bales, comprising 1,408,233 bales of Indian cotton and 205,354 bales of imported cotton, as compared with the total stocks of 1,622,683 bales as on the corresponding date in 1955, comprising 1,443,424 bales of Indian and 179,259 bales of foreign cotton. It is evident from these figures that the stock position of foreign cotton has improved from 179,259 to 205,354 bales, while that of locally grown cotton has deteriorated from 1,443,424 bales to 1,408,233 bales. The period of availability, at the current rate of consumption, of the aggregate stock held on 31st August 1956 is estimated at 3⅞ months, as against four months a year before.

An examination of the State-wise consumption of cotton shows that Bombay State, accounting for 1,918,732 bales of Indian and 494,424 bales of foreign cotton, continues to be the largest cotton consuming State in India. The second position, of course, is occupied by Madras, and the third and fourth positions by Uttar Pradesh and Madhya Bharat, respectively. The following table gives the State-wise consumption of cotton in the 1955-56 season, along with the comparative figures for the 1954-55 season:

(In bales of 400 lbs. gross)

States	Indian cotton		Foreign cotton	
	1-9-1955 to 31-8-1956	1-9-1954 to 31-8-1955	1-9-1955 to 31-8-1956	1-9-1954 to 31-8-1955
Bombay:				
Bombay Island	1,101,361	1,072,425	177,735	196,132
Ahmedabad	440,739	423,522	244,853	248,407
Remainder	376,632	334,762	71,836	71,251
Total Bombay	1,918,782	1,830,709	494,424	515,790
Saurashtra	75,096	68,725	2,027	1,903
Kutch	796	340	..	51
Madhya Bharat	282,706	266,017	224	..
Bhopal	13,656	13,905	..	..
Rajasthan	65,600	70,517	..	..
Ajmer-Merwara	40,844	41,487	..	..
Punjab and Pepsu	52,158	42,694	142	..
Uttar Pradesh—				
Kanpur	287,964	228,165	1,398	1,487
Remainder	75,234	78,558	440	335
Total Uttar Pradesh	363,198	306,723	1,838	1,822
Delhi	155,676	145,620	3,754	3,446
West Bengal—				
Calcutta	89,488	93,738	4,156	4,025
Remainder	108,849	84,654	16,543	16,676
Total W. Bengal	198,337	178,392	20,699	20,701
Bihar	2,940	3,659	..	3
Orissa	28,906	27,945	1,367	160
Madhya Pradesh	161,847	177,793	1,173	2,258
Hyderabad	88,600	91,613	344	204
Madras	726,812	706,593	65,806	65,656
Mysore	110,112	98,629	10,047	8,972
Travancore-Cochin	50,322	47,000	1,357	3,093
Nepal	403	2,662	..	..
Pondicherry	29,306	17,415	..	6,415
Grand total	4,365,456	4,138,438	603,251	630,474

LONG-STAPLE COTTON

While the case for imports of long-staple cotton to meet the requirements of the fine and superfine spinning sections of India's cotton textile industry is indisputable at present, it does not in any way lessen the importance of encouraging the production of such cottons within the country itself. Apart from the fact that this will reduce the country's dependence on foreign sources of supply, there is the further advantage that it will bring about a considerable saving of foreign exchange. One of the best ways in which this can be done is to enable the cultivators to get a fair price and a ready market for their produce. But, recently, complaints are heard that the Government's policy has not been very helpful so far as the producers of long-staple cotton are concerned.

The tempo of long-staple cotton production in Bombay State, for example, has been very encouraging during the First Five-year Plan period. Both acreage and production have steadily increased. Area under long-staple cotton in 1951-52 was only 17,000 acres and it has increased to over 260,000 acres in 1955-56. Similarly, production increased from only 8,500 bales in 1951-52 to about 135,000 bales during the same period. This is, indeed, a very welcome trend, but it must be pointed out that producers and traders are complaining that they are finding it difficult to dispose of the crop at a reasonable price. For instance, of the 135,000 bales of long-staple cotton produced in the 1955-56 season, only 115,000 bales have been sold, leaving a balance of 20,000 bales with farmers' co-operative societies and cotton dealers and processors.

This state of affairs is attributed to the policy of the Government which, by, allowing imports of long-staple cotton from East Africa, Egypt and the U.S.A., has provided room for stiff foreign competition. Mills also are inclined to carry on with the familiar types of imported cotton rather than to experiment with indigenous growths. Owing to this preference for foreign styles, even though locally grown long-staple cotton has a price advantage over the former, it has failed to find a ready market. A section of the trade and industry feels, therefore, that, unless the Government takes immediate steps to prevent the imports of foreign cotton of the same variety, the enthusiasm of growers to produce more will be dampened.

A new synthetic fibre, tacryl, the first to be developed in Sweden, was recently demonstrated at a meeting of chemistry experts in Stockholm. It is the outcome of seven years' research at the Ljungaverk plant of the Stockholms Superfosfatfabriks AB. Tacryl is an acrylic fibre and is thus related to orlon. The raw material is polyacrylnitril and the product is built up from coal, air and water. Kerosene at a temperature of 130° C is used as a solvent.

The new fibre is used in combination with wool or rayon wool and the final product is said to be characterised by a pleasant feel and good thermal insulation. It is sun-, weather- and wind-proof and retains pleating and other shaping, which makes it especially suitable for wash-and-wear trousers, etc. The common drawbacks of other acrylic fibres, their fragility and the tendency to attract dirt are said to have been largely overcome.

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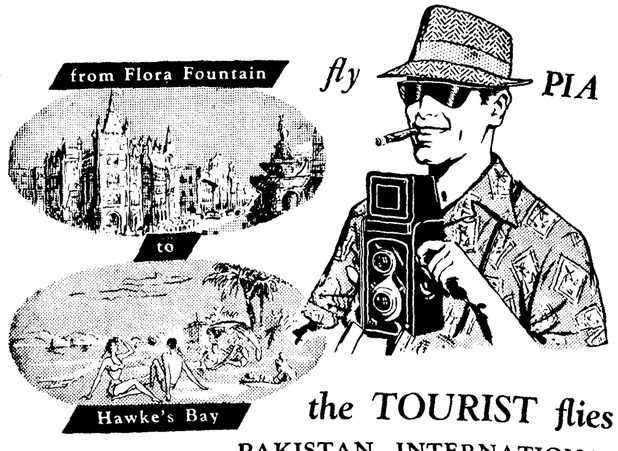

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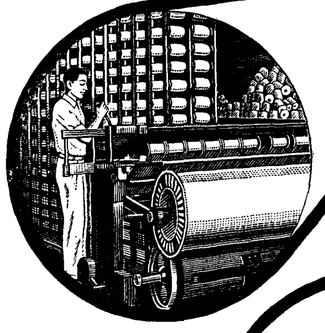

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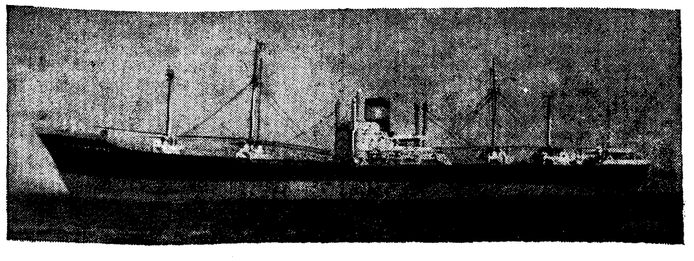

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RAISING EFFICIENCY OF SUGAR INDUSTRY

MR. A. P. JAIN'S CHARGE AGAINST MILLOWNERS

MANY impartial observers will deplore the charges made against the sugar industry by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, in the course of his speech at the 24th Annual Convention of the Sugar Technologists' Association of India, held at Kanpur on 28th October 1956. Mr. Jain came out, for instance, with the rather harsh and uncharitable charge against the sugar millowners to the effect that the latter had not made up their minds as to how best they could expand and develop the industry. This is not a case of a person living in a glass house throwing stones at others; it is the case of a person who is more guilty pointing the accusing finger at another who is less guilty. The history of the Indian sugar industry in the past decade contains sufficient evidence to prove that the inability of the industry to set its house in order has been due, to a considerable extent, to the unhelpful attitude of the authorities themselves. The Governments—Central and State—have all along been pampering the raw material supplier—that is, the cane grower—out of political considerations, as witness the irrational system of fixing a high minimum price for cane irrespective of quality. Again, the Governments are treating the sugar industry as a milch-cow; the total incidence of taxes to which sugar is subjected works out to as much as 25 per cent. of the price.

Apart from the heavy and unjustifiable tax impost on such an essential item of consumption as sugar, the sugar industry is subject to some irksome official controls, such, for instance, as the Tenancy Legislation and the control over molasses—a by-product of sugar—and alcohol exercised by the Government of Bombay. Since a detailed reference to the Tenancy Legislation has been made in our last week's issue, it is unnecessary to dwell on it again. To turn to the latter aspect of the sugar industry. The alcohol industry, as Mr. K. J. Somaiya, one of India's leading sugar industrialists, aptly declared at the recent convention of the Deccan Sugar Technologists' Association (India), has suffered at the hands of the State authorities who have imposed all sorts of restrictions on the production and sale of alcohol in pursuance of the object of making prohibition a success. To quote Mr. Somaiya:

"The molasses problem as a whole has been grossly mishandled for the last many years. This year, it has reached breaking point and hardly any molasses has been lifted from any of the sugar factories. It would be a problem to store the molasses of the next season. Even permission to throw it away or destroy it has been refused. Quite a number of distilleries have been set up by the industry. However, licences for some have not been issued for over a decade and the investment is rotting away. In other cases, the units are working under capacity. It would, therefore, not be proper for me to cast reflection on the enterprising spirit of the industry for failure to exploit their by-product resources. The discouraging attitude of the Government and the uncertainty regarding the offtake of the alcohol has left the alcohol industry in Deccan in crippled condition."

There is considerable force in Mr. Somaiya's aforesaid observations. As this journal has repeatedly stressed, unless the Government revises its policy governing molasses and alcohol, there is no chance of improving the conditions of the alcohol industry. The need for ensuring a healthy development of this industry is twofold. First, it is an industry which produces an article which is used not merely in blended fuels but also in the manufacture of a wide range of goods, including alcohol lamps, antifreeze for automobile radiators, oil refining, paints, varnishes, inks and perfumes. Secondly, to the extent this industry is developed, there will be economical disposal of surplus molasses produced by sugar factories which, incidentally, will go to reduce the cost of sugar production.

The foregoing account gives a glimpse of the serious handicaps facing the sugar industry. Surely, the Minister cannot be unaware of the handicaps under which the sugar industry has to work. One would, therefore, welcome from him a helpful and constructive policy towards the sugar industry rather than an indictment of the managements of sugar mills for their alleged sins of commission and omission. He described the growth of the sugar industry as "whimsical, unplanned and incongruous." The blame for this lies as much on the authorities as on the industry. Mr. Jain would have done well if he had addressed his advice—"you should understand the problems, circumstances and conditions of the sugar industry"—to the State Governments, instead of to sugar millowners.

It is, however, gratifying to note that, in the course of his address, Mr. Jain offered Government assistance designed to make the sugar industry more economic. According to him, the Government is prepared to offer help to uneconomic units, in order to enable them to raise their crushing capacity to 1,000 tons a day. It is also prepared to provide extension facilities to factories with a daily cane-crushing capacity of 1,000-2,000 tons. While the offer of assistance is welcome, its actual utilisation depends on the availability of regular and adequate supplies of sugarcane at a reasonable price. There are several units, especially in the States of Uttar Pradesh and Bihar, which are located in areas which are either unsuitable for growing cane or far removed from the cane-growing regions. Mr. Jain did well to reiterate the need for shifting such units to areas having surplus cane, so that "they can benefit by the facilities offered by the Government." In this connection, he alluded to the changing pattern of the sugar trade in India and observed:

"The pattern of sugar trade in India is going to change substantially in the near future. The change that is coming is likely to be to the disadvantage of Uttar Predesh and Bihar, two of the leading sugar manufacturing States in India. The price at which sugar is going to be produced by Bombay and other States of South India will be lower than the prices of U.P. and Bihar products. The consumption of sugar is barely 20 per cent. of its production in U.P. and the same applies to Bihar. I wonder where the surplus produce of U.P. and Bihar will be sold, if its prices remain higher than those of South India sugar. The bulk of additional sugar capacity and new licences have been granted this year chiefly to South India. Out of ten lakh tons of additional capacity, licences have already been issued for about 9.9 lakh tons."

These are, indeed, pertinent remarks which the sugar mills in U.P. and Bihar should ponder. They must endeavour their best to improve their standard of efficiency, so that they will compete with factories producing cheaper sugar in South India. Reassuring is the statement of Mr. Jain that, in order to assist the sugar industry and to reduce the cost of sugar manufacture, the Centre is considering a suggestion for linking the price of cane to the sucrose-content. As this journal has stressed on more than one occasion, the system of linking the price of cane to weight, ignoring completely the quality aspect, is very defective. The cultivator is interested in yield of cane per acre only and devotes little attention to its quality. If the cane grower is to be made conscious of both the vital aspects of cane cultivation, namely, sugar-content and yield, it is imperative that the payment for cane should be based not only on the weight of the cane but also on the percentage of sugar contained in it. After all, the quality of cane delivered to the factories plays a very important part in the economy of sugar production, so that the measures designed to improve sugarcane will have far-reaching effects on the fortunes of the cultivator and the sugar industry.

CANE CRUSHING IN U.P.

It will be recalled that, three weeks ago, the Government of India announced its decision to allow, up to 12th November 1956, a concession of As. 4 per maund on cane crushed to all those sugar mills in the U.P. which commenced crushing operations by 4th November. In addition, a reduction of one anna per maund was allowed in the minimum price for cane. This decision would appear to have induced several mills to commence crushing operations earlier than usual. Thus, despite the dislocation in road communications caused by the recent unprecedented rains, 13 sugar mills in U.P. had actually started crushing by the 4th inst.

SUGAR PRODUCTION AND STOCKS

The total sugar production in India during the season 1955-56 (up to the end of September) was 1,859,784 tons, as against 1,588,400 tons in the corresponding period of 1954-55, according to the Indian Sugar Mills Association.

The offtake of sugar from factories during the period aggregated 1,599,800 tons, as compared with 1,101,000 tons a year before; in the month of September alone, 155,000 tons were lifted, a rise of 27,000 tons over the offtake in the same month last year.

The closing stocks of indigenous sugar as on 30th September 1956 amounted to 677,500 tons, as against 536,300 tons a year before.

MECHANISATION OF COAL MINES

EFFECT ON PRODUCTIVITY

THE use of machinery in coal mining in the main coal-producing countries of the West has progressed very far indeed. The tendency is now to automatise as completely as possible the whole mining process, in order to raise productivity in the mines. In Russia, for instance, the mechanisation of coal mines has not only fundamentally changed the conditions of work in mines but also raised labour productivity manifold. The use of "combine," that is, a combination of machines performing several operations simultaneously, has increased the labour productivity by 25 per cent. during the last five years and has reduced the cost of production per ton by 14 per cent.

It is doubtful whether India will also seek to automatise completely coal mining, when the Government's policy is to provide employment to as many people as possible. Nevertheless, the use of machinery in the coal mines of this country has been on the increase. In 1954, for instance, out of the 853 coal mines, 477 were using mechanical power in some form or other. The machinery used for production purposes consist of coal-cutting machines, drills, mechanical loaders, mechanical conveyors, haulage machinery, etc. In 1954, coal-cutting machines numbering 495 were used in 149 collieries and were responsible for cutting about 8.2 million tons of coal, out of a total output of 36.88 million tons, as compared with 306 machines used in 1947 by 97 mines to raise an output of 3.76 millions out of a total of 30.14 million tons. The number of mines using electrical energy increased from 183 to 349 during this period, the aggregate horse-power showing an increase from 137,633 to 222,006. The number of mechanical loaders in operation, however, declined from eight in 1951 to five in 1954, the maximum quantity of coal loaded falling from 193,000 to 93,000. Mechanical conveyors of an aggregate length of 33,753 feet assisted in moving 1.17 million tons of coal from the coal face during 1954, as against 720,000 tons conveyed in 1951 by conveyors of a total length of 14,879 feet. Information regarding the number of mechanical drills and other types of machinery is not available.

Statistics relating to the percentage of coal handled mechanically and the output per man-shift (o.m.s.) for the last five years ended 1955 show that the use of machinery has certainly improved the output per man-shift (in spite of the fact that extra labour would be employed in attending to the machines), as will be borne out by the following table:

Year	Percentage of coal			O.M.S. (tons)		
	Cut by machines	Loaded by machines	Conveyed by machines	Miners and loaders	All persons (u.g. and o.w.)	Overall
1951 ..	18.9	0.6	2.1	1.03	0.56	0.34
1952 ..	19.2	0.5	2.4	1.04	0.56	0.35
1953 ..	22.2	0.2	2.7	1.05	0.57	0.36
1954 ..	22.2	0.3	3.2	1.09	0.58	0.37
1955 ..	22.8	0.3	3.4	1.10	0.59	0.37

u.g.—Underground. o.w.—Open workings.

In assessing the improvement in o.m.s., it should be borne in mind that mechanisation is only one of the factors influencing productivity, which depends on various other factors, such as type and stage of mining, nature of coal, use of explosives (in conjunction with coal-cutting machines), working conditions, experience and skill of the labour force, etc.

An interesting study was recently undertaken by the Department of Mines, Union Ministry of Labour, at the instance of the Director, Public Management Studies (Planning Commission), on the productivity in coal mines in relation to machinery used. The results of the study are contained in an article in the latest issue (September 1956) of the *Indian Labour Gazette*. To measure precisely the effect of the use of a particular type of machinery on productivity is, however, difficult, because, as already pointed out, the productivity in mines depends on many other factors also. In a study of this kind, it is necessary to keep these "other" factors constant. But they are numerous and are not measurable in statistical terms. Even in respect of the measurable factors requisite details are not available. The study is, therefore, designed to give an idea of the productivity in mines on the basis of the data available. For

(Continued on page 923)



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By Krishan Chand, I.C.S.
JOINT SECRETARY, MINISTRY OF AGRICULTURE

[An important recommendation of the Rural Credit Survey Committee (1951-54) relates to development of warehousing as a means of extending credit facilities. This article indicates the role warehousing will play in India's agricultural progress and the direct benefits the farmer will derive from it. It also shows how the National Co-operative Development and Warehousing Board—inaugurated on November 7 by the Prime Minister—proposes to establish a network of warehouses in the country and promote agricultural progress.—ED.]

WAREHOUSING, a much misunderstood term in India, is often confused with simple storing operations. It is storing, no doubt, but is a regular industry and an important adjunct of marketing. As marketing becomes more and more orderly, storing would need to become more and more specialised, and would require special agencies working on a commercial basis. In short, warehousing is specialised storing for commercial gain by specialised agencies. The importance of warehousing has been stressed by a number of committees. As far back as 1928, the Royal Commission on Agriculture in India referred to the urgent need to provide warehouses and said:

"The future may see in operation in India, the type of licensed warehouses conducted for profit within the market premises somewhat on the lines of the system which exists in the United States of America. The nature of agency providing such facilities is not of first importance. The urgent need is of accommodation at the disposal of the cultivator at moderate cost."

The Central Banking Enquiry Committee in 1932 laid even greater stress on warehousing, and remarked "that considerable improvement of the credit situation and the money market in India can only, under present conditions, be achieved by improving and extending as soon as possible the storage and warehousing of goods in order to enlarge the basis of credit system." Similar recommendations were made by the Agricultural Finance Sub-Committee of the Policy Committee on Agriculture, Forestry and Fisheries (Gadgil Committee) in 1944, and by its Co-operative Planning Committee in 1946. The Marketing Sub-Committee of that Policy Committee also stressed the importance of warehouses. In 1949, the subject was thoroughly studied by the Rural Banking Enquiry Committee which recommended the setting up of a Warehousing Development Board, financed jointly by the Central Government, the Reserve Bank and the Provincial Governments. In the First Five-year Plan, the Planning Commission also strongly recommended to the State Governments and the Reserve Bank to take all necessary measures for development of warehousing.

State Activity in Warehousing

The Reserve Bank of India—one of whose main responsibilities is to provide adequate credit for agricultural operations at reasonable rates of interest—has also been devoting a great deal of attention to the subject. In 1944, the Bank addressed to all Provincial Governments a letter bringing out the importance of warehouse receipts which could serve as collateral for providing credit to agriculturists who deposit their produce in the warehouses. For facilitating action in the Provinces, they appended a model Bill to the circular which could serve as a basis for provincial legislation.

Again, in December 1948, the Reserve Bank circulated another model Bill, redrafted on the basis of suggestions received from some of the State Governments and, along with the Bill, appended a set of model rules for this purpose. But for a new activity such as this, public support was not forthcoming in adequate measure. This experience fortified the general conclusion of the Rural Credit Survey Committee that, to rehabilitate the agriculturist, an all out drive, based on integrated development of credit, marketing, processing and warehousing, with State participation, was essential. Accordingly, it recommended that warehousing should be undertaken by the State itself.

Salient Features of Warehousing Act

These recommendations were accepted by the Government, and the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, was passed by Parliament in June 1956. The Act provides for the constitution of a National Co-operative Development and Warehousing Board and Central and State Warehousing Corporations.

This Board was set up on 1st September this year under the chairmanship of Mr. Ajit Prasad Jain, Minister for Food and Agriculture. It consists of representatives of the Central Government, the Reserve Bank and the State Bank of India, the Chairman, Forward Markets Commission, and nine non-official members.

The function of the Board generally is to plan and promote programmes for the production, processing, marketing, storage, warehousing, export and import of agricultural produce through a co-operative society or a warehousing corporation. One of its specific functions is to develop warehousing by subscribing to the share capital of the Central Warehousing Corporation or to advance loans or grant subsidies to that Corporation or any State Warehousing Corporation.

Warehousing Corporation

The actual execution of the warehousing programme will be undertaken by the Central Warehousing Corporation and the State Warehousing Corporations in each of the 13 States that came into being on 1st November. The Central Warehousing Corporation will set up about 100 warehouses at centres of all-India importance during the course of the Second Five-year Plan. These warehouses will have a capacity ranging from 10,000 to 20,000 tons, as needed at a particular place. The State Corporations will be set up at centres of more local importance about 250 warehouses whose capacity will range from 1,000 tons to 10,000 tons. At the same time, co-operative societies will be assisted to set up godowns at centres below sub-divisional level where there will be no warehouses of corporation.

These warehouses and godowns will, it is expected, provide storage accommodation to the extent of about 3 million tons. The commodities which will be accepted at these warehouses, to start with, will be foodstuffs, including edible oilseeds, cattle fodder, including oilcakes, and other concentrates, raw cotton (ginned as well as unginned) and cottonseed, raw jute and vegetable oils.

More commodities will be added as experience is gained and more space becomes available.

A large technical staff will be required to man these warehouses. Each warehouse will have, besides the warehousemen, a fumigation assistant and a technical assistant. It will be the duty of the fumigation assistant to examine the commodities from the point of view of freedom from disease and to ensure their wholesomeness during storage. The technical assistant will be responsible for grading of the commodities, and will have a small laboratory at his disposal for this purpose.

It is estimated that, apart from the accountants, clerical and labour staff, about 899 technical personnel will be required. Since persons with experience of the working of licensed warehouses are not available, the persons appointed will be given intensive training before they are posted to the warehouses.

Legislation must exist in each State to license and regulate the working of the warehouses. At present such legislation exists in Andhra-Telangana, Bombay, Bihar, Madras, Karnataka, Kerala and Madhya Pradesh. The remaining States of Punjab, Rajasthan, Assam, West Bengal, Orissa and Uttar Pradesh have yet to enact legislation. They are expected to do so shortly.

Warehouse Receipts as Security for Credit

The most important aspect which the Government has in view in undertaking this programme of setting up a chain of warehouses all over the country is the creation of warehouse receipts which can serve as a collateral security for the provision of credit to the agriculturists. For each lot deposited in a licensed warehouse, a receipt will be issued to the depositor showing the quantity and the quality of the goods deposited. This receipt could be discounted with any bank to obtain loans or transferred to any other person, since it will be a negotiable receipt.

Incidentally, the existence of banking facilities in the rural areas is a prerequisite for the measure to be effective. Steps, therefore, are being taken to open branches of the State Bank of India in areas where none exists at present.

This facility should go a long way towards eliminating distress sales by the cultivator at the time of harvest. The credit available will enable him to put his goods on the market as and when found most profitable and not necessarily at the time of harvest, when prices are low on account of heavy arrivals. At the same time, the consumer will be assured of a regular flow of goods to the market on a more or less even price all through the year.

Other Advantages

The creation of the warehouse receipt and the consequent provision of credit are not the only advantages which can be claimed for warehousing. The storage of goods in warehouses constructed on scientific lines and looked after by expert technicians trained in scientific storage will eliminate large losses through insects, pests, rats, etc. Even on a conservative estimate, these losses amount to about 3 million tons every year in the case of foodgrains alone.

Another advantage which will accrue in the matter of smooth trading will be the grading of produce to be stored in these warehouses. Workable standards for various grades are being evolved in respect of all the commodities which will be accepted in the warehouse and all lots coming into the warehouse will be graded. When these grades become well recognised all over the country, not only will higher returns be assured to the producer but trading in these quantities will become smoother. It will then not be necessary physically to check the commodities nor will trading by samples be necessary. Mere indication of grades would assure to the purchaser the quality for which he pays.

In the task of national reconstruction, warehousing is but one of the many activities in hand. But, without a widespread programme of warehousing, marketing cannot be made more orderly, huge wastes cannot be eliminated and, above all, adequate credit at cheap rates with an assured recovery cannot be extended to the cultivator. The National Co-operative Development and Warehousing Board which has been set up is meant to fulfil this need.

The International Rice Commission, which will commence its session in Calcutta on 12th November, will discuss various problems concerning paddy cultivation. Weeding, use of fertilisers, storage and processing of rice, mechanisation of cultivation and the relationship between soil, water and plant will be the principal items on the agenda of the session.

According to Dr. Ralph W. Phillips, Deputy Director of the agricultural division of the F.A.O., the annual loss of 10 per cent. of the world's total output of cereals caused by pests and insects would be studied and remedies sought by the conference. The use of rice fields for fish-culture is another subject likely to be discussed by the conference.

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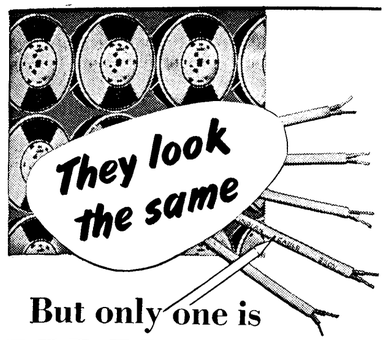

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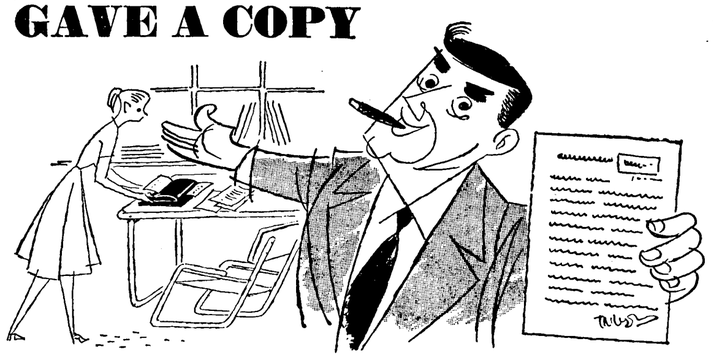
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WEST EUROPE FACES SHORTAGE OF OIL

EFFECT OF SUEZ CRISIS

AN immediate effect of the Suez crisis is the shortage of oil in W. European countries which is likely to become more and more acute if the crisis becomes a prolonged affair. Already, several of these countries are preparing themselves for introducing rationing of oil. It is true that all shipping and oil interests were aware of the fact that oil supplies would be endangered through the outbreak of hostilities in the Suez Canal area. Indeed, it is this knowledge that prompted some oil companies to place orders for large oil tankers that would enable them to bring substantial quantities of oil via the Cape. But the Suez crisis has grown worse in an unexpected manner, so that oil and shipping companies have not had time to take all the precautionary measures they would have liked. So far as India is concerned, it is unlikely that the impact of the crisis on the country's oil supplies will be very heavy, thanks to the fact that these supplies come from the Persian Gulf which is situated to the east of the Suez. It is, however, important to this country too that the area of hostilities should not extend beyond the region to which it is now confined.

Almost the first measure which the British authorities took after their decision to intervene in the Egypt-Israel conflict was to advise the U.K. merchant shipping to keep clear of the Suez Canal and Israel waters until further notice. This warning was passed on to shipowners by the U.K. Chamber of Shipping and owners began to follow the advice by sending radio instructions to their vessels *en route* to the Canal either to sail instead around the Cape of Good Hope or to stay in any port on the way to Suez. It is needless to point out that shipping and freight costs between Europe and ports to the east of Suez will rise sharply if vessels are diverted round the Cape.

Source of Supply

By far the most important—at any rate, the immediate—effect of the Suez crisis is the shortage of oil supplies in Europe. Middle East is the main source of supply of oil to Europe, the former accounting for nearly 75 per cent. of the latter's total requirements of 100 million tons a year of crude and refined products. It is estimated that nearly 65 million tons of oil are shipped through the Canal to European countries. It is this quantum of supply that will suffer through any prolongation of the Suez hostilities. A factor which might complicate the situation is any act of sabotage or strike in the Middle East oilfields.

In the U.K. the present stocks of oil, estimated at about 5 million tons, could serve the country for six to eight weeks. France is said to possess about two months' supply of oil. Prompt steps have been taken by the U.K. Ministry of Fuel and Power in order to meet the threat of a shortage of oil. An Order-in-Council has been issued under the Defence Regulations giving the Government wide powers over the use of petroleum products. It would, however, appear that no decision to reintroduce the rationing of petrol has been taken yet. Much will, of course, depend on the U.S. assistance in the matter of oil supply. It is presumed that the U.S. will not deny oil to Europe, for that would be to penalise the whole of W. Europe for Anglo-French action. In any case, this would mean some dollar drain for Europe, estimated at $200-250 million per year.

Large Tankers

The efforts that are being made to build large tankers for carrying the oil via the Cape are likely to be intensified. The distance from the Persian Gulf through Suez to North-West Europe is about 6,000 miles while the distance round the Cape is about 11,000 miles. Shipment of oil round the Cape will certainly cost more, though the increase in costs can be held within reasonable limits through shipping the oil in large tankers. In this connection, a correspondent in the London *Financial Times* has given some interesting figures. He says that the cost of shipping crude oil from Kuwait in the Persian Gulf to a port in the U.K. in a tanker of 19,500 tons is about 22s. per ton. If this cost were taken as 100, the cost of shipping the oil round the Cape would be 139. If a tanker of 32,000 tons were used, the indices of the "Suez" and the "Cape" costs would be 88 and 118 and if a 45,000-ton tanker were employed they would be 85 and 91 respectively. In other words, the cost of using a 45,000-ton tanker round the Cape is actually cheaper than the cost per ton of using a 19,500-ton tanker on the Suez route. The majority of world tanker-vessels, however, are under 35,000 tons. There are at present only 21 tankers of over 45,000 tons in service. This means that, in the immediate future—that is, pending the construction of super-tankers—the cost of transporting oil via the Cape would be higher than that of carrying it through the Canal.

OIL INDUSTRY IN U.S.S.R.

The U.S.S.R's oil industry has made rapid strides in the last four decades. In 1913, the country was producing only 9·2 million tons of oil but, by 1955, production had expanded to 71 million tons. The country has also been fortunate in striking oil in new areas. It is stated that 89 new oil deposits were discovered in 1951-55 besides the 164 oil layers found in the already worked areas. The sixth Five-year Plan (1956-60) envisages a 65-70 per cent. increase in the prospected oil reserves. Extensive prospecting operations, it is stated, will be undertaken in Siberia, the Far East, Kazakhastan and other regions. Oil extraction is to be increase to 135 million tons at the end of the Five-year Plan.

Production of light oil-products will be doubled. This will be achieved by a rational combination of the primary oil refining with the extensive utilisation of the catalytic processes in production. There will be large changes in the distribution of the oil-refining industry. New plants are being constructed in Siberia, Kazakhastan, Central Asia, Byelorussia, the Ukraine and the central part of the U.S.S.R. The pumping of oil through pipes will increase sixfold. New high capacity oil mains 14,500 kilometres long are being constructed for this purpose. The solution of the problems of the sixth Five-year Plan is indissolubly connected with the greater role of science and engineering, the use of atomic energy and radio-active radiation for improving the technology of prospecting, boring, oil extraction and oil refining. During the next five-year period, the speed of boring will be increased by 95 per cent. in prospecting and by 85 per cent. in drilling exploitation-wells.

In oil extraction, efforts will be made to improve the exploitation of the deposits by maintaining layer pressure in order to make extensive use of hydro-breaks in the poorly permeable zones, and to bring the areas, where artificial influence is brought to bear on the oil deposits, to 82 per cent. of the total oil extraction by 1960. An increase in oil extraction requires the intensification of the processes at the functioning enterprises. This is expected to yield an increase of 25 per cent. in the total production of light oil products. At the same time, new enterprises for the primary refining of 45 million tons of oil and for cracking 26 million tons of raw oil are to be built.

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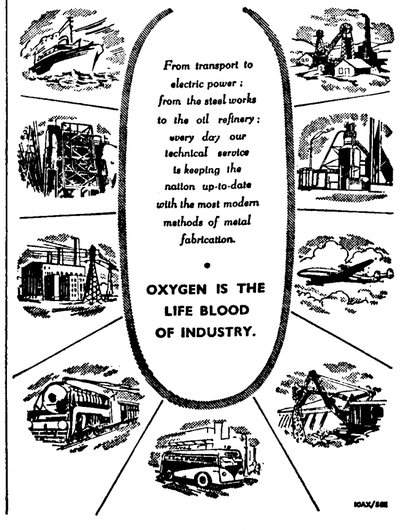


DURGAPUR STEEL WORKS

INDO-BRITISH AGREEMENT SIGNED

THE Union Government's steel programme, as is well known, envisages the establishment of three steel plants with a capacity of about one million tons of steel ingots each, the sites chosen for the plants being Rourkela, Bhilai and Durgapur. While the Rourkela and Bhilai plants are being set up under German and Russian assistance, respectively, the Durgapur steel plant is the result of Indo-British co operation. It is gratifying to note that, though the Durgapur steel project was conceived much later than the other two projects, swift steps have been taken in placing the project on a firm basis of Indo-British agreement.

Under the terms of the agreement, signed in New Delhi towards the end of October last, the Indian Steelworks Construction Company, Ltd. (I.S.CON.)—a consortium of 13 British companies—is to equip and construct for the Government of India an integrated iron and steel works at Durgapur, West Bengal. The construction programme provides for the completion of the entire works by 31st July 1961, though the first and second blast furnaces will be in operation by 31st October 1959 and 30th April 1960, respectively. Again, the Consortium has agreed to install before 30th April 1960, the soaking pits, the 42-inch blooming mill, the intermediate mill and the continuous billet mill. The steel-making shop and the rolling mill plant will be completed later, while the installation of the wheel, tyre and axle plant will mark the final stages of the construction programme.

Output

The Durgapur Works are designed to produce about 1·2 million tons of ingots per year and 360,000 tons of surplus pig iron. The provisional programme of the output by the rolling mill and wheel, tyre and axle plant is for 790,000 tons based on an ingot production of one million tons and will be made up of forging blooms and billets (100,000 tons), billets for re-rolling (150,000 tons), merchant bars and sections (440,000 tons), sleepers (60,000 tons) and wheels, tyres and axles (40,000 tons).

The decision to build the Durgapur steel works is based on the recommendations of the Colombo Plan mission which was proposed by the British Government and which, under the leadership of Sir Eric Coates, visited India in April 1955, to advise the Government of India on the development of the iron and steel industry. The works will cover an area of about seven square miles. The work of site preparation has already been commenced.

Consortium

The companies of the consortium applying their collective experience to the construction of this large iron and steel works are:

Davy & United Engineering Co., Ltd., Head, Wrightson & Co., Ltd., Simon-Carves Ltd., and The Wellman Smith Owen Engineering Corporation Ltd., for the engineering and supply of mechanical plant and equipment for the principal sections.

British Thomson-Houston Co., Ltd., The English Electric Co., Ltd., General Electric Co., Ltd., and Metropolitan-Vickers Electrical Export Co., Ltd., for all electrical machines, plant and equipment.

Joseph Parks & Son, Ltd., Sir William Arrol & Co., Ltd., Dorman Long (Bridge & Engineering) Ltd., and Cleveland Bridge and Engineering Co., Ltd., for the fabrication of structural steel for buildings, etc.

The Cementation Co., Ltd., for all civil engineering work at site.

The technical co-ordination of the principal sections and ancillary departments, the engineering of the services for gas, water, steam, fuel and air services and the road and rail services has been carried out by the Metallurgical Equipment Export Co. Ltd. (M.E.E.CO.), the British company which discussed with the Government of India, in 1955, the construction of the works by a British consortium and laid the foundations of I.S.CON. Both the M.E.E.CO. and I.S.CON. have as consultants for all electrical engineering matters Messrs. McLellan & Partners. Consultants for the Durgapur and other steel projects of the Government of India are International Construction Co., Ltd., of London.

While for the most part the plant and buildings for the Durgapur works will be manufactured in the United Kingdom, some 33,000 tons of steel, it is stated, will be fabricated in India by sub-contractors to the British companies. In addition, certain refractories and construction materials will be obtained from Indian sources.

NEW PRODUCTS AND PROCESSES

Machines for Mixing

MIXING machines stated to be superior to the standard type of propeller or vane mixer have been developed by Plenty and Son (Eagle Iron Works, Newbury, Berks). In place of the more familiar agitator shaft and propeller the new machines use a component known as an "Impelator" which is claimed not only to set in motion the material being mixed, but to combine centrifugal force, suction, shearing action and counter current whirl. The "Impelator," consists of a number of small conical tubes mounted round the periphery of a set of discs. One set is fitted to the bottom of a vertical rotating shaft while above this is a second set which is adjustable up and down the shaft. Others may be added according to the height of the vessel in which the mixing is being carried out. It is stated that the conical tubes are set at such an angle that controlled turbulence in an upward and downward direction is created and that the liquid, or mixture of liquid and solid, passes through the tubes and impinges on the already moving bulk of the mass. A rapid shearing action between the particles of each of the materials is produced and a well dispersed and homogeneous mixture of minute particle size obtained. Standard types available include a laboratory model with a stainless steel shaft and "Impelator." This has a variable speed motor which will give from 600 to 2,000 revolutions per minute. Another model is suitable for vessels up to 18 inches in diameter and quantities up to 30 gallons while a third, which is available in several sizes, is suitable for large capacity vessels. The material for those parts of the mixer which come into contact with the product being treated are normally made from stainless steel but other metals, which can also be given special protective coating, can be used if necessary.

Sand Filter

An industrial undertaking, Industrieele Maatschappij Activit N.V., Nieuwendammerkade, in Amsterdam (the Netherlands) has now designed a filter in which the liquid filtered is supplied both from the top and the bottom, the purified liquid being drawn off by means of a drainage element in the fine material in the top of the filter layer. That part of the liquid which flows from top to bottom passes through a thin layer of sand only. The pressure on this top layer prevents any displacements in the filter bed caused by the upward pressure of the liquid current supplied at the bottom. This represents the bulk of the liquid filtered and passes through the largest column of material. The downward stream rapidly decreases as a result of the clogging of the top layer. The period capacity, i.e., the quantity of liquid that can be filtered between two cleanings of the filter, is about 20 times greater than that of the conventional sand filter. The linear filtration rate is 20 to 30 m. (65 to 98 ft.) per hour. This filter can be used for the filtration of surface and waste water, removing iron and manganese, the filtration of flakes such as aluminium hydroxide and ferric hydroxide, and also for the filtration of sugar juices, fruit juices, crude glucose juices, oils, solvents, pectin, alginates, etc., and for liquids which have hitherto been regarded as unfiltrable. This filter has been patented in many countries.

Transistor Heat Control

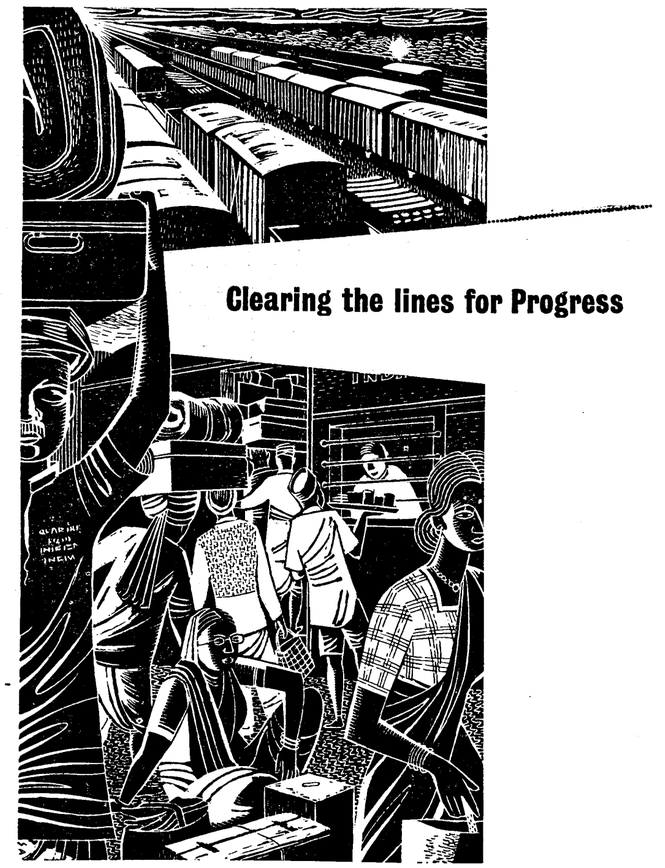
A new electronic temperature control system for use in industrial plant of all kinds which has an exceptionally rapid and sensitive response to temperature changes and yet uses no valves and incorporates no optical devices has been developed in the U.K. The system, which will become available commercially in the near future, depends for its operation on an infra-red sensitive photo-transistor which responds to changes in the intensity of the infra-red rays emitted by hot materials while remaining unaffected by changes in the intensity of ordinary visible light. Other advantages of the system, which can be fitted into a conventional six-inch by ten-inch case, are the fact that it requires no amplifiers and consumes only three-quarters of a watt of electrical power.

Wrought Steel

Wrought steel may provide a new type of corrosion-resistant material for use by industry. Recent experiments carried out in the U.K. have indicated that piled, or "wrought" steel made by virtually the same process as wrought iron may possess considerably greater resistance to corrosion than ordinary steel under conditions where rapid surface pitting and other corrosion damage would normally occur. This greater corrosion resistance is due to the presence of parallel zones of alloy-steel in the wrought steel which are absent in the ordinary steel. Experiments into the development of reliable production methods for the bulk manufacture of good quality wrought steel are now being carried out.

Radio Direction Finding

A new type of radio direction finding system is now being developed in Britain. The system, which is at present only in the early stages of development, will use wavelengths of the order of 10 centimetres. The system is expected to provide instantaneous bearings of transmitters in any selected sector of the sky, displaying them on a single cathode ray tube. The main problem involved in the work is the design of a suitable single aerial system of satisfactory performance. This difficulty is, however, being overcome and the resulting unit should, according to the scientists developing it, enable exceptionally accurate and rapid direction finding to be achieved.



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PROGRESS OF LIFE INSURANCE IN BRITAIN

IMPRESSIVE INCREASE IN PREMIUM INCOME

THE U.K. has established for itself a unique place in world insurance, thanks to the rich traditions it has built up and successfully maintained for several decades now. It is a tribute to private enterprise in that country, of which insurance is a distinguished section, that year after year, new record levels are reached in all fields of insurance, more particularly in life insurance, both ordinary and industrial.

In 1955, according to the figures published by the British Life Offices' Association and the Associated Scottish Life Offices, ordinary life assurance business rose by £147 million over the previous year. The total of individual and new group sums assured was £1.108 million. These figures show the results of the ordinary branch of life assurance and do not include the business of the industrial branch. The number of new individual policies taken out was 820,000 for an average sum assured of £1,030 as compared with 759,000 policies in 1954 of an average value of £1,000. Premium income for the year in respect of life assurance was £250 million as compared with £231 million in 1954. For annuities, the premium income was £97 million, an increase of £11 million over the previous year. Total premium income increased by £30 million to £347 million.

Continued progress, it is stated, was made in staff life assurance and pension schemes for employees. The broad picture at the end of 1955 was that some 2,475,000 workers were covered by either life assurance or pension benefits and the great majority were covered by both types of protection. The amounts assured aggregated £1,537 million in 1955 as compared with £1.269 million in the previous year while future pension rights exceeded £340 million per annum as against £295 million in 1954. Next year, the associations point out, is the first full year in which the Budget concessions regarding annuities will operate. One is the exemption from tax, within limits, of premiums paid for pension annuities by the self-employed and others not covered by superannuation schemes. The other is the provision that only the interest content of a purchased life annuity shall be subject to tax.

The total assets of life offices relating to ordinary life business amounted to £2,624 million or an increase of £219 million over 1954. This takes no account of industrial life business amounting to £1.081 million, an increase of £58 million. Examination of the employment of the funds of the life offices and the investment classification shows the great change in the attitude of managements towards equities which has taken place since the First World War. The summary shows that 15.5 per cent. of the funds were in ordinary stocks and shares as compared with only 5 per cent. 30 years ago. Investment in debentures and preference shares amounted to 21½ per cent. and in British and Commonwealth Government, Provincial and Municipal Stocks, 33 per cent. Of the remainder, 16 per cent. was in real property, ground rents and other investments and 14 per cent. in mortgages. Commenting on the growth of these funds and their significance to the stock markets, the London *Financial Times* says:

This year, and more particularly next, the natural rate of growth of assurance funds will be increased sharply by the concessions granted in the last Finance Act to pension annuities for the self-employed. These concessions were regarded by the Chancellor at the time as an integral part of his savings budget, and life assurance is perhaps the most important factor in the secular growth of personal savings. Its contribution is best measured by the increase in life funds from year to year. In 1955, income of £486 million (from premiums and investments) exceeded outgoings of £267 million (on benefits, tax and managements expenses) by £219 million—almost double the figure for 1951. To this must be added the £38 million increase in the assets of industrial life offices, giving a total increase in personal savings through this medium of £277 million. The official figure for total net personal savings last year is £814 million. Saving through life assurance—omitting private superannuation schemes, which bring in a further large contribution—accounts for a third of this amount. It seems obvious that the long-term growth of personal savings (which has proved to have an important influence on total investible funds) is closely involved with the growth of insurance and pension schemes.

"How are these funds, which represent so large a proportion of personal savings, channelled into investment? This year, for the first time, the Association has provided a break-up of the movement's investment portfolio. Only 33 per cent. of its funds are in gilt-edged stocks. Thirty per cent. are invested in mortgages and real property, 21½ per cent. in industrial prior charges, and 15½ per cent. in industrial equities. A rough comparison with the practice of leading insurance companies and with the Board of Trade's analysis of all insurance company assets suggests that these figures represent a further slight move away from gilt-edged and into other forms of investment. It is plain that funds of this size must have a major influence on the behaviour of the stock markets. Precise figures cannot be produced, but a rough example or two will illustrate the order of importance. Ordinary and industrial life funds, together with an allowance for the 682 private schemes recently investigated by the Association of Superannuation and Pension Funds, may have invested £55 million of new money in ordinary shares last year (neglecting the effect of switching) against total new cash issues of around £225 million. Their total investment in prior charges may amount to upwards of £950 million, against a nominal total of quoted securities of around £2,700 million, while their new investment in prior charges during the year may have amounted to £75 million, against a new issues total of £124 million. The examples are only illustrative. The companies' investments are measured in uncertain book values and their portfolios must include a large number of unquoted securities. But it is clear that the importance of the funds they control is already very large and is growing rapidly."

In the context of the urgent need for the U.K. to fight inflationary conditions in its economy, it is gratifying to note that industrial life assurance, has also made significant progress. The Chairman of the Industrial Life Offices Association, Mr. M. Wilcock Holgate, revealed recently that the returns of 24 companies and societies transacting over 98 per cent. of the industrial life (home-service) assurance business during 1955 showed that premium income in this branch rose to £155 million, and industrial assurance funds increased by over £58 million to £1,081 million. Including subsidiaries, their total premium income in the industrial, ordinary and general branches was £288 million. The combined life assurance funds of these offices amounted to £1,787 million at the end of 1955, as compared with £1,684 million a year earlier, showing a contribution to net savings of £103 million.

HEALTH INSURANCE

With the extension of the Employees' State Insurance Scheme to 38,000 employees in Madurai, Ambasamudram and Tuticorin in Madras State, with effect from 27th October 1956, the Scheme will now cover about 1.1 million employees in 40 industrial centres in the country. For the administration of the Scheme there will be one local office, one sub-local office and two pay offices in Madurai, one local office at Vikramasingapuram (Ambasamudram) and one sub-local office in Tuticorin. Medical care will be provided by the State Government under the service system, and eight whole-time dispensaries (six in Madurai, one in Ambasamudram and one in Tuticorin) have been set up. Part-time arrangements have been made at two places in Ambasamudram. Medical facilities provided by the Madura Mills, the Mahalakshmi Mills and Meenakshi Mills at Madurai and Madura Mills at Ambasamudram and Tuticorin are also being utilised. Provision has been made for an ambulance van at Madurai for transport of insured persons to hospitals. Arrangements exist for in-patient treatment for insured persons at existing hospitals.

A reference to the administration of the medical benefits under the Scheme was made by Mr. M. Bhaktavatsalem, Minister for Agriculture, Madras, in the course of his speech, made at Madurai on the occasion of the inauguration of the Scheme. He said:

"Regarding the administration of medical benefits, I have to observe that the Corporation has approved three systems through which the same could be made available to the employees, viz., the service system, under which full-time dispensaries are set up by the Corporation, the panel system, wherein services of private practitioners are utilised in any area and, thirdly, the system of utilising the existing medical arrangements already provided by the employers. In Coimbatore, we are utilising all these systems—the panel system being used in the urban area, where private practitioners are available in adequate numbers and the State Insurance dispensaries in the suburban areas where private practitioners are not available. This arrangement is working very satisfactorily there. In Madras, we have arranged only the service system and have also utilised the existing dispensary run by one of the large employers. In Madurai, Ambasamudram and Tuticorin, there appears to be no necessity, so far, for utilising the services of private practitioners and so we have set up our own full-time dispensaries and are also utilising the medical arrangements already in existence in some of the major industries in these areas."

INSURANCE EMPLOYEES

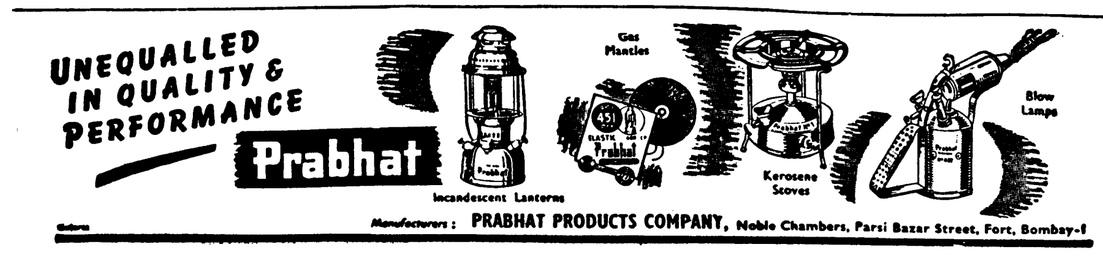
The General Council of the All-India Insurance Employees' Association, at its meeting held at Calcutta, decided to give a call to all its members to go on a token strike on 5th December 1956. The Council has further decided that if its demands, which include upward revision of pay scales, were not conceded it would "issue directives for any action including continued strike." This decision will be widely deplored because thousands of policyholders are bound to suffer considerable hardship in the event of any "continued strike." The employees would thereby lose the goodwill of the public. In this connection, it is noteworthy that the Chairman of the Life Insurance Corporation, Mr. H. M. Patel, reiterated, at New Delhi, that the implementation of the new scales of pay would not mean any monetary loss to the employees.

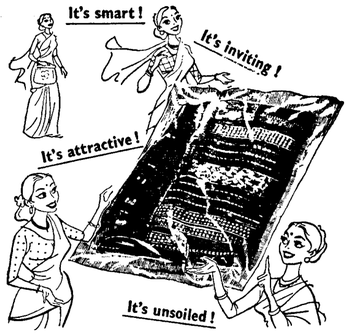
Mr. Patel said that during his recent visit to the zonal offices of the Corporation, he was surprised to find a certain "misunderstanding" among the employees in regard to the new scales. The new scales, he said, were, in effect, meant for the new entrants. While fitting the existing employees into the new scales, it was definitely the intention of the Corporation to ensure that they continued to receive year after year, throughout the duration of their service, the same emoluments as they would have received if they had continued in their original scales of pay and dearness allowances, i.e., pre-Corporation pay scales and allowances. But this was subject to these employees possessing the required standards of efficiency.

Mr. Patel said that not only the present emoluments of these employees but also their annual increments as they became due from time to time in future in their existing grades, would be fully protected. The fitting in of these employees in the new grades would not reduce either the amount of their contribution to the provident fund or the gratuity to which an employee would be entitled on retirement. Pensionary rights where the employees contributed to a pension fund would also be fully protected and any adjustment of basic pay would not affect these benefits. However, if in the implementation of the new grades any employee was adversely affected, he would be happy to go into his case if it was brought to his notice.

As regards bonus, Mr. Patel said that the Corporation as a State enterprise, must necessarily conform to Government's policy which was opposed to the grant of any form of bonus. The Corporation, however, felt that those employees who had been enjoying bonus should not be deprived of it altogether. It had, therefore, been decided to give them during 1957 three-quarters of the usual quantum of bonus received by them in the past, the remaining quarter being credited to a Staff Amenities Fund. The intention of the Corporation was to see that the employees received various benefits over and above their norms, salary and allowances. He hoped that the Corporation would be able to decide in the near future what these benefits should be. He pointed out that these benefits, when decided upon, would benefit all the employees of the Corporation whereas the bonus hitherto given benefited only the employees of some companies as all insurance companies did not grant bonus. Even the quantum of bonus varied from company to company.

The Government of India and the Planning Commission are considering a proposal to associate the nationalised life insurance scheme with housing projects so as to enable an increasing number of people from the low-income groups to utilise State aid to build their own houses. This was recently revealed at Ahmedabad by the Union Minister for Labour, Mr. Khandubhai Desai, when he was declaring open the tenements constructed by the City Municipality for low-income workers.





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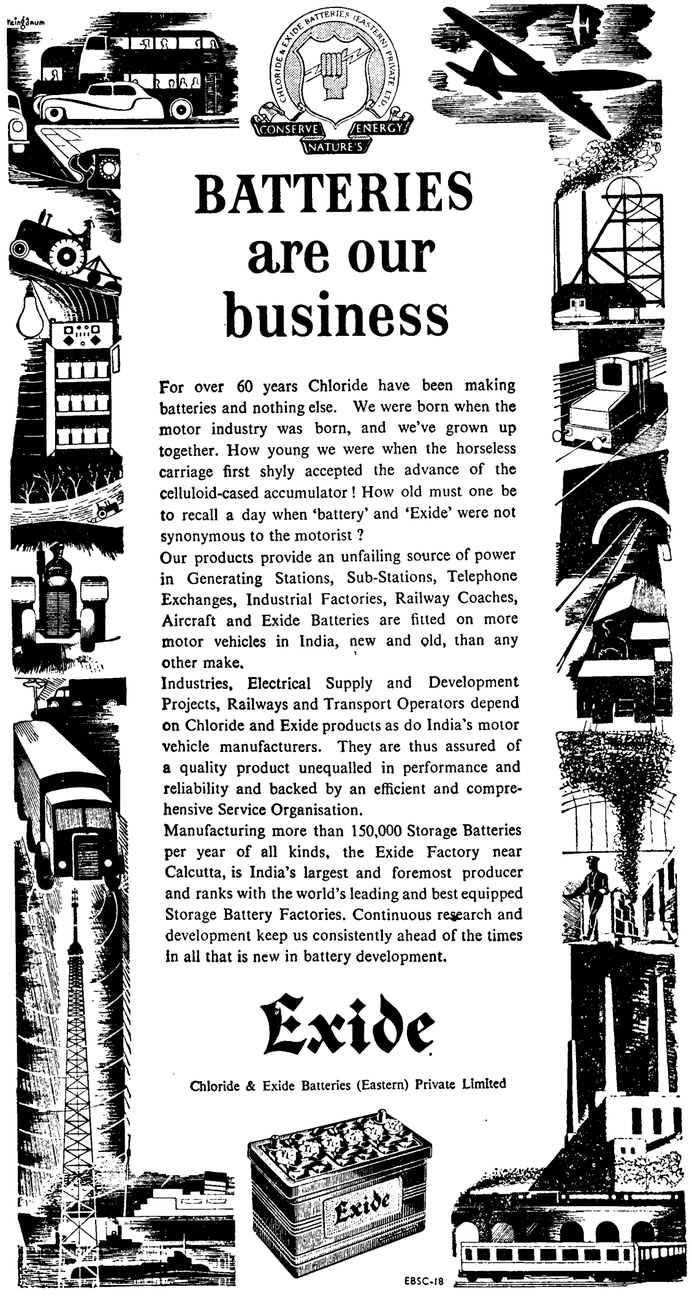

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SOME THOUGHTS ON HOUSING PROBLEM IN URBAN INDIA

NEED FOR RELAXATION OF RENT RESTRICTIONS

By Dr. S. G. Panandikar

ARTIFICIAL restrictions were imposed upon the rents of houses in the larger cities and towns of India by passing Rent Control Acts for the first time during the First World War. The restrictions, however, were not very rigorous and were, moreover, removed soon after the war by repealing the Acts. From that time, until the middle of the Second World War, there were no restrictions upon these rents and their growth was determined by the economic law of demand and supply. This, combined with the availability of building materials, enabled the supply of houses in urban India to keep pace with the increase in the demand for them. Hence, there was no shortage of houses on the whole; the rents remained at a reasonable level; and the relations between the owners and occupants of houses remained very friendly.

From the middle of the war, however, while the demand for houses increased rapidly owing to the increasing migration of people from rural to urban India, the supply could hardly increase owing to the great shortage of building materials. Hence, many State Legislatures passed Rent Control Acts, freezing the rents at the level at which they stood at the beginning of the war and giving various other concessions and privileges to the tenants. Although it is now 11½ years since the end of the war and although the situation regarding the availability of building materials has eased to a great extent, the number of new houses that have been or are being constructed is very inadequate and this increase is being partly offset by the increasing number of falling old houses, on account of the financial inability of their owners to keep them in repair. At the same time, the demand for houses has gone on increasing, owing to the continuing influx of people into the urban areas, resulting from the Partition of India and the growth of industries. This has been regarded as a sufficient reason by the State Legislatures to keep the Rent Acts in force. But these Legislatures and the State Governments have failed to realise that these Acts, with their stringent provisions, are the very reason for the supply of houses lagging far behind the demand and for the very strained relations between owners and occupants of houses. Any lawyer practising in the Small Causes Courts will be able to say how strained these relations are and how much time of these courts is taken up by the "Rent Act" cases.

Hardships of Houseowners

A large proportion of the owners of houses are middle class people, who have invested their life's savings in them, hoping that the return from the houses will give them a moderate income without trouble, in their advanced age. Many of them have constructed houses on plots of co-operative societies, borrowing a part of the money required for such construction from the societies, hoping to repay the loans in a few years out of the rent received from the tenants of these houses. Many of these owners have been disillusioned and placed in serious financial difficulties by their tenants, who have taken undue advantage of the provision of the Rent Acts, which enables them to file suits at any time against their landlords in Small Causes Courts for the declaration of the standard rent and to stop paying any rent to their landlords until the suits are disposed of. Many tenants occupy accommodation agreeing to pay the rent demanded by the owners, then file suits in the Small Causes Courts on the ground that the rents which they have been called upon to pay are higher than the standard rents and stop the payment of any rent from the time of the filing of the suits until the Courts decide the cases a couple of years afterwards. The Acts have laid down no time limit for the filing of such suits. Hence, tenants who have paid their rents for many years file such suits whenever a quarrel arises between them and the landlords, merely to harass the latter.

Moreover, if tenants fail to pay the rents, the owners find it very difficult and costly to recover them under the present Rent Acts by filing suits in the courts. A tenant must fall in arrears of rent for six months before the landlord can file a suit against him. Then, the landlord must give a month's notice to the tenants. After this, the landlord has to pay a large amount of stamp fee before the suit is admitted by a court. Then the court takes a couple of months for the issue of summons. The tenant can manage to delay the service of the summons for three or four months by urging various excuses, such as wrong spelling of his name. He may even successfully evade the serving of the summons, in which case, the landlord has to bear the cost of serving it on him by publishing it in the newspapers. When the suit at last comes up before the court, the tenant and his lawyer manage to obtain several adjournments, extending over many months, by bringing forward various excuses. During all these months, the landlord not only does not receive a pie from the tenant by way of rent, but is also greatly harassed by having to appear in court many times and having to pay the fees of the lawyer engaged by him. After all this expense, trouble and harassment, the landlord seldom gets the rent from the tenant, because when the tenant feels that the decision of the court is near, one night he quietly removes all his belongings from the flat or tenement, puts a lock on its front door and disappears. The landlord then obtains an *ex-parte* decree from the court, but he cannot execute it against the tenant, because the latter's whereabouts are unknown. Thus, after all this trouble, the landlord loses rent for about three years, and has to undergo further trouble and expense in legal proceedings to obtain possession of the empty flat or tenement, which the disappeared tenant has locked up. In a city like Bombay, the landlord can obtain a distress warrant, by which he can recover arrears of rent extending over three months, by attaching the property of the tenant. But the recovery of rent in this manner is also far from easy. Moreover, this provision is not applicable to most of the other cities and towns.

Standard Rents

The provision of the Rent Control Acts, whereby the owners can charge the tenants only the "standard rent," which is defined as the rent which was paid in 1941, is most unfair to the owners. It is true the Rent Acts have been recently amended so as to allow the owners to raise the standard rent of residential accommodation by 6 to 30 per cent. in different areas of urban India. But, when the present prices of other vital necessaries of life, such as food and clothing, are five times their prices, which prevailed in 1941, and when the present cost of repairs of houses is five to six times that in 1941, where is the justice of allowing the owners to charge only 6 to 30 per cent. higher rents than they were charging the tenants in 1941?

The result of all the injustices of the Rent Acts to the owners of houses is that the prices of all houses have tumbled to a great extent, the owners are unable to keep their houses in repair, the number of houses becoming unfit for habitation owing to this reason is increasing with the passage of each year and people have become very unwilling to invest their savings in the construction of houses. These injustices become more glaring when it is seen that Governments have taken care to provide for the exclusion of the houses owned by them and by local bodies, such as Port Trusts and Municipalities, from the operation of the Acts, and that, in some cases, during the last 15 years, the Governments and local bodies have increased several-fold the rents charged by them to their tenants.

The Second Five-year Plan prepared by the Planning Commission of the Government of India states that, in 1951, for an urban population of 62 million, there were 10 million houses; that the shortage of houses was roughly reckoned at about 2.5 million; that by 1961 the total urban population is expected to increase by about 33 per cent., and that, in the absence of effective measures, the shortage of houses in 1961 may be twice as much as in 1951, that is, 5 million. The Plan estimates that, during the First Plan period of 1951-56, the public authorities and private enterprise provided about 700,000 and 600,000 housing units, respectively. The latter figure, in the writer's opinion, is an exaggeration, but limitation of space prevents him from arguing this point. The Plan has taken Rs. 10,000 as the average cost of the construction of a house and has provided for Rs. 87 crores for the construction of houses in urban areas by the public authorities during 1956-61. If this amount is actually spent during the Second Plan period, the additional houses constructed will be 87,000 by 1961. This means that private enterprise must come forward to construct at least 2,830,000 houses by spending Rs. 2,830 crores, if the shortage of houses is to be made good by 1961.

Some Suggestions

What has been stated above makes clear that there is no chance of private enterprise coming forward to construct even a small fraction of the above number, unless the extremely unfavourable situation in which it is placed by the Rent Control Acts is improved. Governments and other public authorities cannot construct more houses than those provided in the Second Plan, because there are numerous other equally urgent demands upon their financial resources. The people must, therefore, depend upon private enterprise for the houses which they need urgently. And if private enterprise is to play its part energetically, the Rent Control Acts should be amended on the following lines:

(1) Houseowners should be allowed to charge substantially higher rents than those which they were charging in 1941. Tenants should be enabled to pay the higher rents by their employers, including Governments and public bodies, giving them a proportionately higher dearness allowance.

(2) Tenants should be allowed a time limit of one year only, from the date of the occupation by them of accommodation, for filing suits for declaration of standard rent.

(3) As soon as a tenant falls into arrears of rent for three months, the owner should be enabled to recover it by granting him a distress warrant.

Further, the courts should be instructed to administer the Acts evenly, instead of one-sidedly in favour of the tenants, as they have done hitherto, to reduce the number of adjournments which they grant in suits and to decide the suits within a few months of filing.

It should be borne in mind that the above reforms are suggested in the interests of the vast body of the people themselves, who are suffering great miseries on account of lack of accommodation, and not in the interests of the owners of houses. If these reforms are carried out, there is no doubt that private enterprise will come forward to construct houses in large numbers and that blackmarketing in housing accommodation will disappear just as blackmarketing in foodstuffs disappeared with the increase in their supply.

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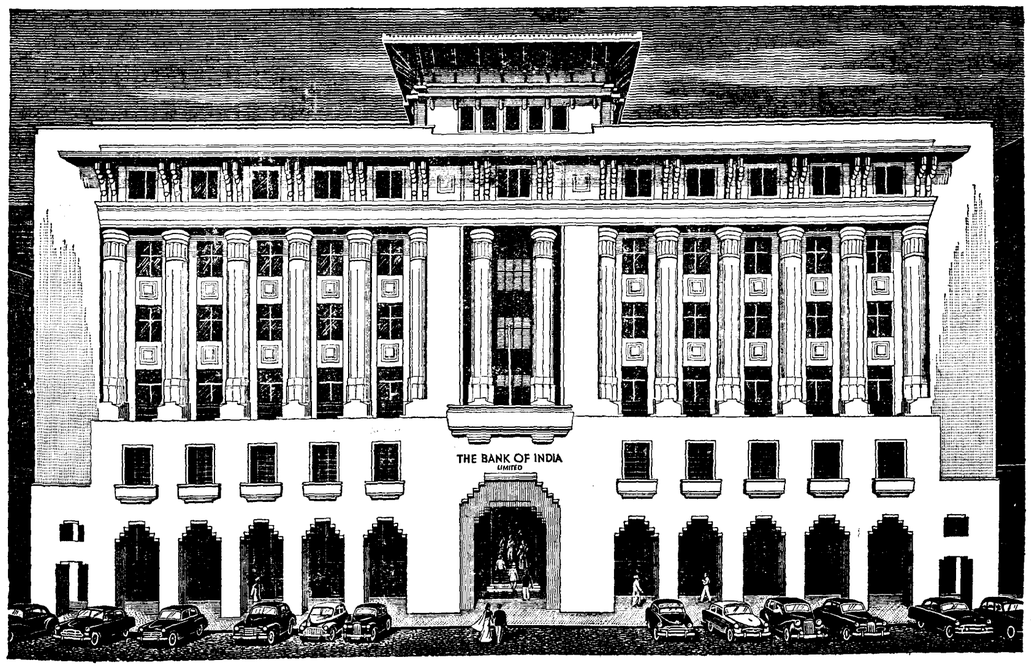

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Not chance, but prudence, caution and wise stewardship have been the cornerstones of the Bank's success. Thus, for the past 50 years it has withstood the trials of two world wars, banking crises, market fluctuations and political changes; and continues to play a vital, ever-increasing role in Indian commerce and industry.

All types of Banking business transacted:
Current Accounts — Savings Bank Accounts — Fixed Deposits — Loans and Overdrafts — Cash Credit Accounts — Discount of Bills and Hundis — Safe Custody — Foreign Exchange and Letters of Credit — Demand Drafts & Telegraphic Transfers — Executor and Trusteeship — Safe Deposit Vaults — Guarantees etc.

Figures on 30-6-1956

Capital Authorised	.. ..	Rs 5,00,00,000
Capital Subscribed	.. ..	Rs 5,00,00,000
Capital Paid-up	.. ..	Rs 2,50,00,000
Reserve Fund	.. ..	Rs 3,52,00,000
Deposits	.. ..	Rs 75,58,47,500
Working Funds	.. ..	Rs 97,35,67,500

THE BANK OF INDIA LIMITED

Golden Jubilee
1906—1956

Head Office : Bombay

THE BOARD OF DIRECTORS

Sir Cowasjee Jehangir, Baronet, G.B.E., K.C.I.E. (Chairman)
Mr. Ambalal Sarabhai
Sir Joseph Kay, K.B.E.
Mr. Dinsha K. Daji
Mr. Ramniwas Ramnarain
Mr. Bhagvandas Chunilal Mehta
Mr. Krishnaraj M. D. Thackersey
Mr. A. D. Shroff
Mr. Madanmohan Mangaldas
Mr. N. K. Petigara
Sir Vithal N. Chandavarkar

Branches:

IN INDIA: Bombay (6 branches), Ahmedabad (5 branches), Amritsar, Bangalore, Bhuj (Kutch), Calcutta (3 branches), Coimbatore, Delhi, New Delhi, Gandhidham (Kutch), Hyderabad (Deccan), Jamshedpur, Junagadh, Kozhikode, Madras, Nagpur (2 branches), Palanpur, Poona (2 branches), Rajkot, Sholapur, Surat, Veraval.

ABROAD: London, Aden, Karachi (Pakistan), Singapore. 5 Branches in East Africa at Nairobi, Mombasa, Kampala, Jinja and Dar-es-Salaam; 2 Branches in Japan at Tokyo & Osaka.

AGENTS: In all the principal countries of the world.

DEVELOPMENT OF INDIAN WOOL TRADE

SOME RECENT TRENDS ANALYSED

By Manoobhai Doongursee
PRESIDENT, BOMBAY WOOL MERCHANTS ASSOCIATION

THE history of wool trade in India dates back to over a century. Britishers came to this sub-continent primarily as traders; their political motives, however, developed later as opportunities presented themselves. For obvious reasons, the country's overseas trade was developed by the then rulers in such a way that their own country—the U.K.—and countrymen benefited the most. As a result, London came to be established as a premier channel for selling various Indian merchandise in the international markets. Like many other produce, Indian wools—popularly known as East Indian wools—were marketed abroad almost exclusively through the medium of Liverpool auctions which were conducted by just four brokers who had, and are still having, a sort of monopoly for marketing these wools. Till recently, it was imperative that all wools imported into the U.K. on consignment basis must be offered for sale through the Liverpool auctions.

Liverpool Auctions

In developing the Liverpool market, European and other firms have played a very vital role. The practice of allowing clean advances to the shippers for purchasing raw wool for cleaning and pressing into bales and consigning the same to Liverpool auctions for sale through those firms was very common. This gave a great fillip to the development of Indian wool export trade.

Besides the United Kingdom, Continental and American buyers have also been covering their requirements of East Indian wools from the Liverpool auctions. Thus, a large proportion of Indian wools imported into the United Kingdom has been re-exported to other countries—sometimes the number of re-exported wool bales exceeding the quantity actually consumed in the United Kingdom. Nevertheless, all along, the United Kingdom has been the chief patron of Indian wools, acclaimed as the best carpet wools in the world.

Trade with U.S.

Although the evidence of direct export of Indian wools to the U.S. in any appreciable quantities has been of the recent past, America has continued to be a very important customer of our wools—next only to the U.K.—and has been operating through the Liverpool auctions for several decades. With the change in times, the idea of selling wools on firm contract basis was developed. Initially, some European firms monopolised this type of business. In view of the risks involved in shipping wools to the Liverpool auctions for sale on consignment basis, the idea of selling wools on contract terms, on the basis of type samples established by the shippers, became more and more popular. Ultimately, Indian firms also succeeded in establishing connections with the overseas buyers, particularly in the U.S., for selling wools on firm contract basis. It is, indeed, gratifying to recall the confidence reposed by the U.S. buyers in the Indian shippers, as, today, 100 per cent. letters of credit are opened by the former in favour of the latter to cover shipments against contracts.

A study of the past 50 years' statistics reveals that, from the fiscal year 1907-08 to 1921-22, very insignificant quantities (less than a million pounds in a year) of Indian wool were shipped directly to the U.S. and other foreign countries. The average ratio of total exports of Indian wools to all foreign countries (largely to the U.S.) to the total exports of the commodity to the British Empire (mostly to the U.K.) during these years, has been of the order of 1 : 50. From the year 1922-23, however, direct exports to the U.S. have been steadily increasing and, by the year 1929-30, the abovementioned ratio came to about 1 : 5, that is, direct exports of raw wool to the U.S. increased ten times during the brief interval. Today, the U.S. buys very substantial quantities of raw wool directly from India on firm contract basis. This is clearly indicated from the export figures given below:

Export of Raw Wool from India to various countries

Year April-March	Total exports	Share of		
		U.K.	U.S.	Other countries
Pre-Partition—	Lbs.	Lbs.	Lbs.	Lbs.
1943-44	22,082,254	11,755,765	5,670,878	4,655,611
1944-45	25,083,080	13,587,074	11,425,441	970,565
1945-46	39,491,462	10,663,979	27,321,989	1,405,503
1946-47	43,469,351	15,464,756	25,638,950	2,365,645
Post-Partition—				
1949-50	27,262,771	14,219,494	10,236,552	2,806,725
1950-51	25,370,851	14,077,052	8,851,573	1,842,226
1951-52	18,294,516	11,420,610	4,125,169	2,748,737
1952-53	37,906,018	18,121,296	12,193,687	7,083,035
1953-54	20,694,052	14,908,404	3,601,542	2,184,106
1954-55	30,806,144	17,254,804	11,551,411	1,999,909
1955-56 (11 months)	30,040,374	16,245,410	11,162,166	2,633,298

It will be seen that, in certain years, exports to the U.S. even exceed those made to the U.K.

Auctions Losing Ground

This significant increase in the volume of direct business with the U.S. and other countries has resulted in a reduction in the quantities purchased by these countries in the Liverpool auctions. The following figures are self-revealing in this connection:

Year	Total bales offered in auctions	Total bales sold in auctions	Total bales purchased by		
			U.K.	Continent	U.S.
1949-50 ..	90,476	56,858	45,481	6,468	4,909
1950-51 ..	80,696	56,809	46,792	6,757	3,260
1951-52 ..	105,926	32,642	26,140	2,873	3,629
1952-53 ..	72,613	36,754	28,976	5,583	2,195
1953-54 ..	70,815	32,794	27,939	4,673	282
1954-55 ..	75,809	32,557	28,571	3,882	104
1955-56 ..	49,044	17,741	15,190	2,381	170

N.B.—These are combined figures of both India and Pakistan wools.

It has been observed that the practice of shipping Indian wools to Liverpool auctions is fast losing its former charm and the forward business is preferred by many an Indian shipper.

The following figures indicate the remarkable increase in forward sales of wool made in the U.K. over the past four years:

Total Sales in U.K. (India and Pakistan) in Bales

	1952	1953	1954	1955
Through Liverpool auctions ..	48,482	40,793	44,657	37,790
Forward sales through Liverpool ..	14,358	20,292	31,225	33,279
Forward sales through Glasgow ..	13,500	19,000	22,500	23,000
Total forward sales ..	27,858	39,292	53,725	56,279

This change is mainly due to the fact that, on occasions, shippers have lost heavily through the Liverpool auctions as the result of periodical heavy declines in prices that have been witnessed by the wool trade. In view of this change in outlook, several restrictions attaching to the sale of wool in Liverpool through the auction system have been removed of late. Today, shippers can sell their wools in the U.K. through any firm, without offering the same in the auctions, and the former monopolistic position enjoyed by a few brokers is no more in existence.

Production and Consumption

Export of wool from India has been subject to various controls, of late. Total ban on the export of wool was imposed in July 1950, which was lifted only in 1950. Then came the 30 per cent. *ad valorem* export duty in November 1950. These measures were taken by the Government to safeguard the interests of the indigenous cottage industry. The export duty was abolished in March 1952 and, for some time, free licensing of wool under a ceiling was continued. Since September 1953, however, a quota system has been introduced by the Government chiefly for the following two reasons:

(1) It afforded a reasonable compromise between the conflicting interests of the exporters and the indigenous industry, and

(2) also for the reason that under free licensing, up-country exporters found that they were unable to participate in the export trade, and many genuine shippers were not able to enter it before the ceiling was reached.

The trade has, on several occasions, pleaded with the Government for lifting all controls on the export of wool from India in the light of the availability of larger exportable surplus. However, disagreement had always prevailed, in the past, between the trade and the Government on the statistical data. Fortunately, very recently, these differences have been ironed out and the figures acceptable to the Government and the trade are as under:

	Million lbs.
Annual production ... ... (wool year: October-September)	... 60
Annual consumption ...	... 25
Annual exportable surplus ...	... 35

As against the aforesaid annual surplus, our average annual exports of wool (after the partition of the country in 1947) have been of the order of 27 million lbs.

Trade Formula

The trade has, therefore, urged upon the Government for the abolition of the present quota system and to place raw wool on the free export list. Should it not be possible, the trade has represented for free export of wool up to a ceiling of 35 million lbs. (which is the exportable surplus). To obviate the Government's objections to such a policy, it has been proposed that export licences be issued only on the production of certificates of grading (issued by the Government authorities) covering the wool bales intended for export. It is strongly felt that the acceptance of this suggestion will not only continue to safeguard the interests of the indigenous industry, but will also help develop the export business in raw wool with the U.S. and other countries with the removal of present uncertainties attaching to the issue of export quotas every six months and restoration of healthy competition.

Grading and Marking Schemes

The major development in India's wool trade during the post-war period has been the introduction, in February 1955, of compulsory grading and marking of raw wool before export. This has brought about general improvement in the condition of the wools exported from this country. The grading and marking scheme is based on considerations of colour, yield (clean content) and specifications of general standards of cleaning and preparation. The Agmark labels affixed to the wool bales graded and packed for export indicate the colour and yield (say over a certain specified percentage) and grade (that is, mixed, limed, ginned, etc.). Goods not conforming to the specified minimum standards of cleaning are not allowed for export. Actual yields are, however, proposed to be indicated on the Agmark labels and the certificates of grading after a modern set of testing machinery is acquired by the Central Wool Testing Laboratory for the establishment of analytical results. One more laboratory is also due to be set up by the Government in Saurashtra very shortly.

The wool grading scheme is also intended to step up exports of the commodity through quality control.

The Union Government also proposes to introduce in the near future a grading and marking scheme for goat hair exported from the country, quite a lot of which is consumed by the U.S.

Wool in Five-year Plan

Among other commodities, the wool producing industry has also been allotted its due place in the country's Second Five-year Plan. The Ministry of Food and Agriculture has drawn up a scheme for better and larger production of wool in India. The scheme aims at increasing the wool output by 50 per cent. through the establishment of hundreds of sheep and wool extension centres to be spread over different regions. The scheme envisages supply of improved rams of the appropriate breed to flock-owners at concessional rates, establishment of demonstrational units to popularise better methods of breeding, feeding, disease control, management of sheep and grading of wool. Modern ways of shearing the sheep, use of sheep-cleaning tanks and various other aspects of sheep husbandry will also be demonstrated to flock-owners. For the purpose of wool analysis, a fleece testing laboratory is proposed to be set up at each of the new farms proposed, for undertaking cross-breeding programme.

Much more requires to be done in this country to bring about a radical change in this industry and improvement in the otherwise nomadic life of the shepherds. It is expected that this scheme will go a long way towards achieving the desired results. The increased production of wool will undoubtedly bring about substantial increase in our wool export business with various countries and ensure better luck

(*Continued on page* 905)



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Notices

THE STANDARD MILLS COMPANY LIMITED

NOTICE

To
THE SHAREHOLDERS OF
THE STANDARD MILLS CO., LTD.

Sirs/Mesdames,

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Mafatlal House, Backbay Reclamation, Bombay 1, on Friday the 30th day of November 1956, at 4 p.m. (S.T.), to consider and if thought fit, to pass with or without modifications the following Resolutions, Nos. 1 to 6 as Special Resolutions and No. 7 as an Ordinary Resolution.

1. *As Special Resolution*:

"Resolved that the regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association thereof."

2. *As Special Resolution*:

"Resolved that the provisions of the Memorandum of Association of the Company with respect to the objects of the Company be altered—

(1) by inserting therein immediately after para (3) of Clause III thereof the following new para (3A):

'(3A) To carry on in all its branches the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, asbestos, alumina cement, Portland cement, lime and limestone, kankar plasters, gypsum, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, concrete, gravel, sand, sacks, bricks, tiles, building materials of all kinds and all materials analogous to or connected therewith and the business of miners, metallurgists, builders, contractors, quarry owners and to purchase and vend all materials, raw products or otherwise and all articles in any way connected with the said business and to acquire, erect, construct, establish, operate and maintain cement factories, limestone quarries, workshops and other works,'

and

(2) by inserting in para (7) of Clause III thereof the words: 'ginning and pressing factories, printing presses, factories for the manufacture and production of cement and allied products' between the words 'paper mills' and ' and other factories' appearing in the said para."

3. *As Special Resolution*:

"Resolved that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of all contracts to be entered into by the Company with M/s. Textile Engravers Private Ltd., an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, for supply of copper and other printing rollers to the Company and for rendering to the Company services as engravers, turners and polishers, etc., provided that:—

(a) the prices or amounts charged by the said Company are at rates or scales which are not less favourable to the Company than the market rates or scales or are otherwise reasonable, and

(b) the said orders shall be reported to the Board of Directors for information."

4. *As Special Resolution*:

"Resolved that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of the renting by the Company from M/s. Mafatlal Gagalbhai and Company Private Ltd., an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company of a portion admeasuring 2,353 sq. ft. of the building of the said Mafatlal Gagalbhai & Co. Private Ltd., known as 'Mafatlal House,' in Backbay Reclamation as a monthly tenant from 1st January 1956 at a monthly rent of Rs. 1,177 and that the Company do after 1st March 1958 continue the said tenancy for such further period and on such terms as the Directors of the Company may deem proper."

5. *As Special Resolution*:

"Resolved that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of the existing arrangement made by the Company with The Sassoon Spinning and Weaving Company, Ltd., an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company for the supply by the said Sassoon Spinning and Weaving Company, Ltd., to the Company air-conditioning facilities for the Company's Office premises admeasuring 2,353 sq. ft. in 'Mafatlal House,' Backbay Reclamation, Bombay, from 1st January 1956 at the rate of Rs. 538 per month and that the Company do after the 1st March 1958 continue the said arrangement for such further period and on such terms as the Directors of the Company may deem proper."

6. *As Special Resolution*:

"Resolved that in accordance with the provisions of Section 360 of the Companies Act, 1956, the Company doth hereby approve of the Agreement dated 22nd February 1956 made by the Company with The Sassoon Spinning and Weaving Company, Ltd., an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company for processing cloth and yarn manufactured by the said Sassoon Spinning and Weaving Company Ltd., on the terms therein contained and that the Company do after the 1st March 1958 continue the said arrangement for such further period and on such terms as the Directors of the Company may deem proper."

7. *As an Ordinary Resolution*:

"Resolved that in accordance with the provisions of Section 359 of the Companies Act, 1956, the Company being satisfied that the insurance premia or other charges made by The Jayabharat Insurance Company Ltd., for insurance in respect of the Company's property, assets and goods are at rates of tariff which are not less favourable to the Company than the market rates or are otherwise reasonable, the Company hereby authorises M/s. Pransukhlal & Co. Private Ltd., an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, to retain all commission, or other remuneration already earned or to be earned by them hereafter as the Principal Agents of The Jayabharat Insurance Company Ltd., in regard to all contracts of insurance or insurance policies which have been or which may at any time hereafter be entered into by the said Insurance Company with the Company."

Note.—The member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself or herself and a proxy need not be a member.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

In respect of Resolution No. 1.

The Companies Act, 1956, which came into force on 1st April 1956 having effected considerable changes in the law and procedure relating to companies, it has become necessary for the Company to bring its Articles in line with the requirements of the said Act. As the alterations are numerous, it has been considered desirable to substitute a new set of Articles for the existing Articles of Association of the Company.

Copies of the existing Articles and the new set of Articles are kept at the Registered Office of the Company for inspection of the members at any time during office hours to enable the members to compare the same with a view to ascertain the changes proposed to be effected. A copy of the draft new set of Articles will be furnished to any member on his applying for the same.

In respect of Resolution No. 2.

The Company has large surplus funds lying in Call Deposits with the Banks. It is desirable to utilise the same in expanding the scope of the Company's activities and to embark upon new industries. There is ample scope for starting a cement industry in Saurashtra and the Company has obtained a licence from the Government of India for starting and establishing a Cement Factory in that State and also a Certificate of Approval from the Government of Saurashtra. The business of cement manufacturing has not been expressly provided for in the Company's objects but it seems to fall within the words of paragraphs 4. 7 and 15 of Clause III of the Company's Memorandum of Association. In order to preclude any question of doubt in the matter, it is desirable that the Company should alter the provisions of its Memorandum with respect to its objects so as to provide expressly for carrying on the business of producing, manufacturing and dealing in cement.

In respect of Resolution No. 3.

The Textile Engravers Private Ltd. have been for some time past supplying to the Company copper and other printing rollers required for the Company and have also rendered to the Company services as engravers, turners and polishers. They are Associates of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. It is, therefore, necessary to pass a Special Resolution under Section 360 of the Companies Act, 1956, approving all the contracts to be entered into by the Company with them for the supply of copper and other printing rollers and for rendering services to the Company as engravers, turners and polishers, etc.

The following Directors of your Company are partners of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, and they are also Directors and/or Members of Textile Engravers Private Ltd., holding shares in the said Company set against their respective names and as such are interested in the remuneration Textile Engravers Private Ltd. may receive from the Company:—

1. Shri Arvind N. Mafatlal, Member holding 5 shares.
2. Shri Yogindra N. Mafatlal, Member holding 5 shares.
3. Shri Rasesh N. Mafatlal, Director & Member holding 5 shares.

Shri Hemant B. Mafatlal, a partner in M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, is a Director and Member holding 5 shares in Textile Engravers Private Ltd., and as such is interested.

In respect of Resolution No. 4.

The Company has rented from Mafatlal Gagalbhai & Co. Private Ltd., a portion of their building known as "Mafatlal House," in Backbay Reclamation, as a monthly tenant on a monthly rent of Rs. 1,177 from 1st January 1956. Mafatlal Gagalbhai & Co. Private Ltd. are an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. The said premises are suitable for the Company's office and will be required by the Company even after 1st March 1958. It is, therefore, necessary for the Company to pass a special resolution approving of the said tenancy and also continuing the same after 1st March 1958 for such further period and on such terms as the Directors may deem proper.

The following Directors of your Company are partners in M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company, and they are also Directors and Members holding shares in Mafatlal Gagalbhai & Co. Private Ltd., as set out against their respective names and as such they are interested in the said contract of tenancy:—

1. Shri Arvind N. Mafatlal—Director and Member holding 1,158 Ordinary Shares and 5,250 Preference Shares.
2. Shri Yogindra N. Mafatlal—Director and Member holding 1,308 Ordinary Shares and 5,250 Preference Shares.

3. Shri Rasesh N Mafatlal—Director and Member holding 1,458 Ordinary Shares and 5,250 Preference Shares.

Shri Hemant B. Mafatlal is a partner in M/s. Mafatlal Gagalbhai & Sons, the Managing Agents of the Company. He is also a Director and Member of Mafatlal Gagalbhai & Co. Private Ltd. and holds 3,650 Ordinary Shares and 1,760 Preference Shares in the said Company and as such he is also interested in the said contract of tenancy.

In respect of Resolution No. 5.

The Company has made an arrangement with the Sassoon Spinning and Weaving Company, Ltd., for supply to the Company of air-conditioning facilities from 1st January 1956 for the Company's office in "Mafatlal House" at the rate of Rs. 538 per month. The Sassoon Spinning and Weaving Company, Ltd., are an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. The said facilities are beneficial to the Company and it is in the interest of the Company to continue the same even after 1st March 1958. It is, therefore, necessary under Section 360 of the Companies Act, 1956, to approve of the said arrangement and to continue the same after 1st March 1958 for such further period and on such terms as the Directors may deem proper.

The following Directors of your Company are interested in the said arrangement inasmuch as they are Directors and Members holding the number of shares in the Sassoon Spinning and Weaving Company, Ltd., set against their respective names:—

1. Shri Arvind N. Mafatlal, Director and Member holding 550 shares.
2. Shri Yogindra N. Mafatlal, Director and Member holding 550 shares.
3. Shri Kaushikprasad Chandulal, Director and Member holding 550 shares.
4. Shri Jayantilal D. Vasa, Director and Member holding 3,000 shares.

Shri Hemant B. Mafatlal is a partner in the firm of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. He is also a Director and Member of the Sassoon Spinning and Weaving Company, Ltd., holding 50 shares and as such he is also interested in the said arrangement.

In respect of Resolution No. 6.

By an Agreement dated 22nd February 1956 made between the Company and the Sassoon Spinning and Weaving Company, Ltd., the Company has agreed to process the cloth and yarn manufactured by the Sassoon Spinning and Weaving Company, Ltd., for a period of two years commencing from 1st of March 1956 on the terms therein mentioned. The Sassoon Spinning and Weaving Company, Ltd., are an Associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. The said terms are fair and reasonable. The said arrangement is beneficial to the Company and it is in the interest of the Company to continue the same after 1st March 1958 for such further period and on such terms as the Directors may deem proper.

The following Directors of your Company are interested in the said arrangement inasmuch as they are Directors and Members holding the number of shares in the Sassoon Spinning and Weaving Company, Ltd., set against their respective names:—

1. Shri Arvind N. Mafatlal, Director and Member holding 550 shares.
2. Shri Yogindra N. Mafatlal, Director and Member holding 550 shares.
3. Shri Kaushikprasad Chandulal, Director and Member holding 550 shares.
4. Shri Jayantilal D. Vasa, Director and Member holding 3,000 shares.

Shri Hemant B. Mafatlal a Partner in the firm of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company is a Director and Member of the Sassoon Spinning and Weaving Company, Ltd., holding 50 shares and as such he is interested in the said Agreement.

In respect of Resolution No. 7.

M/s. Pransukhlal & Co. Private Ltd. are one of the Principal Agents of The Jayabharat Insurance Company. Ltd. The Company has been since long placing its insurance business with The Jayabharat Insurance Company, Ltd., through Pransukhlal & Co. Private Ltd. The Jayabharat Insurance Company.Ltd. is a leading Insurance Company and has rendered valuable insurance service to the Company in the past. Its rates of premia and tariff compare well with other insurance companies of repute and its terms and conditions with respect to policies and contracts of insurance are satisfactory. Pransukhlal & Co. Private Ltd. are an associate of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company and hence it is necessary under Section 359 of the Companies Act, 1956, to pass an ordinary resolution authorising Pransukhlal & Co. Private Ltd. to retain the commission earned or to be earned by them on all the insurance work of the Company placed or hereafter to be placed by the Company with The Jayabharat Insurance Company, Ltd., through them.

The following Directors of your Company are partners of M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company and they are also Directors and Members of Pransukhlal & Co. Private Ltd., holding the number of shares in the said Company set out against their respective names and as such they are interested in the commission or remuneration to be paid by The Jayabharat Insurance Company, Ltd., to Pransukhlal & Co. Private Ltd.

1. Shri Arvind N. Mafatlal, Director and Member holding 7 shares.
2. Shri Yogindra N. Mafatlal, Director and Member holding 7 shares.
3. Shri Rasesh N. Mafatlal, Director and Member holding 28 shares.

Shri Hemant B. Mafatlal is a partner in M/s. Mafatlal Gagalbhai and Sons, the Managing Agents of the Company. He is also a Director and Member holding 32 shares in Pransukhlal & Co. Private Ltd. and as such is interested.

By Order of the Board,
FOR THE STANDARD MILLS CO., LTD.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

MAFATLAL HOUSE,
BACKBAY RECLAMATION,
BOMBAY, 12*th October* 1956.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Thirty-ninth Ordinary General Meeting) of the Company will be held at the Registered Office, 12, Mission Row, Calcutta, at 11 a.m. on Friday the 30th November 1956, for the following purposes:

1. To receive and adopt the Audited Accounts for the year ended 31st March 1956, and the Directors' and Auditors' Reports thereon.
2. To declare a Dividend on the Ordinary share capital. The dividend, if declared, will be paid on or after the 17th December 1956, to those Shareholders whose names appear in the Company's Register on the 30th November 1956, or to their mandatees.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and fix their remuneration.
5. As special business to consider and if thought fit to pass with or without modification the following resolutions which will be proposed as special resolutions.

(1) That sub-clause 3(16) of the Memorandum of Association of the Company be deleted and substituted by the following two sub-clauses:—

"16(a). To subscribe, contribute or guarantee money for any national, charitable, benevolent, political, public, general or useful object or fund or for any exhibition."

"16(b). To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit persons who are or have been employed by or who are serving or have served the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance."

(2) That Article 150(18) of the Company's Articles of Association be deleted and substituted by the two following sub-clauses:—

"(18a). Subject to the provisions of Section 293 (1) (e) of the Companies Act 1956 to establish, maintain, support and contribute or subscribe to any national, charitable, benevolent, political, public, general or useful object or fund and any institutions, society or club, which may be for the benefit of the Company or may be connected with any town or place where the Company carries on business."

"(18b). To give pensions, gratuities, allowances, bonuses, profit-sharing bonuses or benefits or other charitable aids, payments or monies to or for the benefit of persons who are or have been employed by or who are serving or have served the Company or its predecessors in business or the wives, children, dependents or connections of such person or persons as may appear to the Directors just and proper whether any such person, his widow, children or dependents or connections have or have not a legal claim upon the Company."

6. As special business to consider and if thought fit to pass the following resolution, namely:

"That the Books, Registers and other documents required to be maintained by the Company and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 144, 163, 196, 301, 302, 304, 307, 362 and 372 of the said Act, shall be available for inspection at the Registered Office of the Company by the persons entitled thereto to the extent and in the manner and on payment of the requisite fees, if any, specified in the aforesaid provisions, between the hours of 10 a.m. and 12 noon on each business day. Provided, however, that the register required to be maintained under Section 307 of the Act shall be open for inspection of the members or holders of debentures of the Company between the times above menticned only during the period prescribed by sub-section 5(a) of Section 307."

The Share Registers and the Transfer Books of the Company will be closed from the 20th November 1956 to the 30th November 1956, both days inclusive.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, 5*th November* 1956.

STATE BANK OF INDIA

NOTICE

WITH REFERENCE TO THE NOTICE OF THE 3rd October 1956 issued in terms of Regulation 29(2) of the State Bank of India General Regulations regarding the holding of a Local Meeting of the shareholders of the State Bank of India on the Branch Register of shareholders at the Bombay Local Head Office of the Bank for the sole purpose of electing a person to be a Director of the Central Board to fill the vacancy caused by the resignation of Shri Vithal N. Chandavarkar, NOTICE IS HEREBY GIVEN that I have accepted the nomination proposing the name of Shri Pratapsinh Mathuradas of 9, Wallace Street, Fort, Bombay, as valid. The said nomination being the only valid nomination received, Shri Pratapsinh Mathuradas shall be deemed to be elected a Director of the Central Board of the Bank at the said Local Meeting of the shareholders proposed to be held on 14th November 1956 which Meeting in terms of Regulation 40(1) of the said General Regulations now stands cancelled.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India,
Bombay.

31*st October* 1956.

Notices

MUTTRA ELECTRIC SUPPLY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting (not being an Annual General Meeting) of the abovenamed Company will be held at the Registered Office, No. 15, Shib Thakur Lane, Calcutta-7, on the 30th November 1956, at 4-30 p.m., for the following purposes:—

1. To receive and consider the Audited Accounts for the half-year ended 30th September 1955, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend on the Ordinary Shares.

The Register of Ordinary Shareholders of the Company and the Transfer Books will be closed from 24th November to 30th November 1956, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.

By Order of the Board,
(Sd.) G. D. BHAGAT,
Chairman.

CALCUTTA, *5th November* 1956.

Note.—The dividend, if declared, will be paid on or after 30th November 1956, to those persons who are registered as holders of Ordinary Shares as at that date, or to their mandatees.

Transfer to qualify for the dividend must be LODGED at the Registered Office of the Company by 4 p.m. on the 23rd November 1956.

EXPLANATORY STATEMENT

This meeting is being convened to consider the Accounts for the half-year ended 30th September 1955, in accordance with the provisions of the Company's Articles of Association. Consolidated Accounts for the year (including this half-year) ended 31st March 1956 will be submitted at the Annual General Meeting in due course.

AIR-INDIA LIMITED

(In Voluntary Liquidation)

NOTICE

A GENERAL MEETING OF THIS COMPANY will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Monday, 17th December 1956, at 4-30 p.m. when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding-up for the year ended 30th September 1956 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the liquidation.

AIR-INDIA LIMITED,
(In Voluntary Liquidation),
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

10th November 1956.

To all Shareholders of Air-India Limited (In Voluntary Liquidation) and particularly to:—

Atmaram Shivarao Kalambi, Joseph Theoffilus Almeida, Amrutha Pandu, Miss Candida Dhunbai Backhaus, Bashir Niazi, Alan Joseph Chaves, Chulananda Upali de Silva, Ginigaldogage Peeton De Silva, Mrs. Doulat Khanum, Arthur Horace Sidney Fernandes, Farrokh Erachshaw Shroff, Leslie Neeve Flatt, Sydney Joseph Fernandes, Gunja Man Singh, Donald Reginald Cavendish Hartley, Karson Narain, Kaikhoshro Pherozeshah Mehta, Mrs. Mary Kostka, Stanislaus Lawrence Maxim Lobo, Mrs. Mariam Ahmed Jaffer, Wilhelm A. E. Molamure, Mir Maqbool Mahmood, M. Nizamuddin, Miss Margaret Mardall, Maneck Ardeshir Sohrab Dalal, Placidus Joseph Leslie Menezes, Natuvilmatam Subramania Raman, John Cecil Trevor Perera, Anthony Francis Pinto, J. C. K. Peterson, Sanmugam Dharma, Mrs. Savitri Dahyalal Daftary, Samuel Taylor, Jose Vaz, Vasant Nagesh Shirodkar.

THE INDIA JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta-1, on Friday the 30th November 1956, at 11-15 a.m., for the following purposes:—

1. To consider and pass the audited Accounts of the Company for the half-year ended 31st March 1956, and to receive and adopt the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions:—

5. *As an Ordinary Resolution.*

"RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

6. *As a Special Resolution.*

"That the regulations contained in the printed document submitted to this Meeting and for the purposes of identification signed by the Chairman thereof be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof."

The Share Transfer Books of the Company will be closed from 16th to 30th November 1956, both days inclusive.

By Order of the Board,
R. L. McINTOSH,
Secretary.

16, STRAND ROAD,
CALCUTTA, *29th October* 1956.

Note.—A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.

THE MEGNA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta-1, on Friday the 30th November 1956, at 11-00 a.m., for the following purposes:—

1. To consider and pass the audited Accounts of the Company for the half-year ended 31st March 1956, and to receive and adopt the Directors' and Auditors' Reports thereon.
2. To declare Dividend recommended by the Directors.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions:—

5. *As an Ordinary Resolution.*

"RESOLVED that the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for carrying on the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

6. *As a Special Resolution.*

"That the regulations contained in the printed document submitted to this Meeting and for the purposes of identification signed by the Chairman thereof be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof."

The Share Transfer Books of the Company will be closed from 16th to 30th November 1956, both days inclusive.

By Order of the Board,
R. L. McINTOSH,
Secretary.

16, STRAND ROAD,
CALCUTTA, *29th October* 1956.

Note.—A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.

REQUIREMENT OF ROLLING STOCK AGAINST 1957-58 PROGRAMME TO BE OBTAINED FROM ABROAD

THE RAILWAY BOARD, GOVERNMENT OF India, propose to obtain from established and reliable manufacturers the items of Rolling Stock and other railway equipment shown in the list below. Manufacturers in Europe, the United Kingdom and North America can obtain further details of designs, specifications, etc., from the Director-General, Indian Store Department, Government Building, Bromyard Avenue, Acton, London W.3, and manufacturers in other countries and authorised agents in India of all foreign manufacturers can obtain these particulars from the Chief Design Engineer (C. & W.), Central Standards Office for Railways, Baroda House Annexe, New Delhi, on or after 4th November 1956 at a cost of Rs. 2.

LIST OF ROLLING STOCK AND RAILWAY EQUIPMENT

(1) **Underframes:**
500 Nos. B.G. Coaching Underframes.
791 Nos. M.G. Coaching Underframes.
60 Nos. N.G. Coaching Underframes.

(2) **Wheelsets:**
27,418 Nos. B.G. with 16 ton axle.
1,484 Nos. M.G. with 12 ton axle.
4,340 Nos. M.G. with 10 ton axle.
1,008 Nos. N.G. with 8 ton axle.
212 Nos. N.G. with 6 ton axle.

H. D. SINGH,
Director, Railway Equipment,
Railway Board,
New Delhi.

DALMIA CEMENT (BHARAT) LIMITED

Registered Office:
DALMIAPURAM, MADRAS STATE

NOTICE IS HEREBY GIVEN THAT THE register of members and the share transfer books of the Company shall remain closed from 19th November 1956 to 30th November 1956, both days inclusive, for the purpose of the issue of new capital to the holders of Preference shares of Rs. 40 each and Ordinary shares of Rs. 2-8 each in accordance with the Resolution of the Company in General Meeting dated 1st October 1956.

By order of the Board of Directors,
For DALMIA CEMENT (BHARAT) LIMITED,
For HARI BROTHERS PRIVATE LIMITED,
J. DALMIA,
Director,
Managing Agents.

22nd October 1956.

Notices

INDIA STEAMSHIP COMPANY LIMITED

ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the members of the abovenamed Company will be held at the Registered Office of the Company, "India Steamship House," 21, Old Court House Street, Calcutta, on Wednesday the 12th December 1956, at 10-30 a.m., in order to transact the following business:—

1. To receive the Directors' Report and audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1956.
2. To sanction payment of dividend on Preference Shares as recommended by the Directors for the year ended 31st March 1956.
3. To confirm the payment of Interim Dividend and to declare a final Dividend on Ordinary Shares as recommended by the Directors for the year ended 31st March 1956.
4. To approve the continuance of Directorship of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), and if thought fit, to pass the following resolution of which a special notice as required under Section 281 of the Companies' Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

"RESOLVED that pursuant to the provisions of Section 281 of the Companies' Act, 1956, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who has attained the age of 69 years, do continue to act as a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the said Act shall not apply to him."

5. To approve pursuant to Section 261 of the Companies' Act, 1956, the continuance as a Director of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who was re-appointed a Director at the Ordinary General Meeting held on 20th December 1955, and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Section 261 of the said Act has been received by the Company and the relative Explanatory Statement concerning which as required by Section 173 of the said Act, is annexed hereto.

"RESOLVED that pursuant to the provisions of Section 261 of the Companies' Act, 1956, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), a Director of the Company who is also a Director and Member of Messrs. Lionel Edwards, Ltd., the Managing Agents of the Company, and thereby an associate of the Managing Agents, do continue his appointment as a Director."

6. To appoint a Director in place of Sir B. P. Singh Roy, K.C.I.E., who retires by rotation and is eligible for re-election and to consider, and if thought fit, to pass the following resolution as Special Resolution of which a special notice as required under Section 261 of the Companies' Act has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

"RESOLVED that pursuant to the provisions of Section 261 of the Companies' Act, 1956, Sir B. P. Singh Roy, K.C.I.E., a Director of the Company who is also a Director and Member of Messrs. Lionel Edwards, Ltd., the Managing Agents of the Company, and thereby an associate of the Managing Agents and who retires by rotation be and is hereby re-elected a Director of the Company."

7. To appoint a Director in place of Maharajadhiraja Sir Udaychand Mahtab Bahadur of Burdwan, K.C.I.E., who retires by rotation and is eligible for re-election.
8. To appoint a Director in place of Mr. S. C. Roy who retires by rotation and is eligible for re-election.
9. To elect Mr. R. K. Mitra, a Director of the Company, who retires by rotation and is eligible for re-election.
10. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 26th November 1956 to 12th December 1956, both days inclusive.

By Order of the Board,
A. MUKERJI,
Assistant Secretary,
India Steamship Co., Ltd.

CALCUTTA, *31st October* 1956.

The dividend, if sanctioned, will be made payable to those Shareholders whose names stand on the Register of the Company on the 26th November 1956 and the Dividend Warrant will be posted from 8th January 1957 onwards.

N.B.—Member entitled to attend and vote is entitled to appoint a proxy and the proxy so appointed need not be a member of the Company.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES' ACT, 1956.

1. In respect of Item No. 4 of the Notice of the Annual General Meeting, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), has attained the age of 69 years and hence his continuance as a Director needs your approval by a resolution in respect of which a Special Notice has been received from a Shareholder in accordance with the requirements of Sections 190 and 281 of the Companies' Act, 1956. Sir A. Ramaswami Mudaliar joined the Board of Directors of the Company in 1947. During the long period of his association with the Company he has rendered very valuable service to the Company and it is in the interest of the Company that the Board should avail of his valuable advice which is of great asset to the Company, by retaining him as a Director of the Company.

2. In respect of Item No. 5 of the Notice of the Annual General Meeting, a Special Notice has been received from a Shareholder of the Company as required by Section 261, proposing that the appointment of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), as a Director, be approved in accordance with the provisions of the said Act. The Managing Agents of the Company, Messrs. Lionel Edwards, Ltd., have the right to appoint two Directors as ex-officio Directors of the Company. Mr. G. K. Khemka and Mr. K. M. Naik are the two ex-officio Directors of the Company. Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), became a Director of the Company in the year 1947 and has for the last several years been associated as one of the Directors of the Managing Agents, who are entrusted with the management of the affairs of the Company and of which he has been the Chairman since the date of his appointment. As it is in the interest of the Company that it should continue to receive the benefit of his valuable advice and guidance, it is desirable that his continuance as a Director be approved by a Special Resolution in accordance with the provisions of Section 261 of the Act.

3. In respect of Item No. 6 of the Notice of the Annual General Meeting, a Special Notice has been received from a Shareholder of the Company as required by Section 261, proposing that the appointment of Sir B. P. Singh Roy, K.C.I.E., as a Director, be made and/or be approved in accordance with the provisions of the said Act. The Managing Agents of the Company, Messrs. Lionel Edwards, Ltd., have the right to appoint two Directors as ex-officio Directors of the Company. Mr. G. K. Khemka and Mr. K. M. Naik are the two ex-officio Directors of the Company. Sir B. P. Singh Roy, K.C.I.E., became a Director of the Company in the year 1945, and has for the last several years been associated as one of the Directors of the Managing Agents who are entrusted with the management of the affairs of the Company. As it is in the interest of the Company that it should continue to receive the benefit of his valuable advice and guidance as a Member of the Board, it is desirable that his appointment as a Director be made or approved by a Special Resolution in accordance with the provisions of Section 261 of the Act.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta 1, on Thursday the 29th November 1956, at 11 a.m., for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st March 1956, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To confirm the Dividends already paid on the Preference Shares and to declare a Dividend on the Ordinary Shares of the Company.

(3) To appoint Directors in place of those retiring.

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

AS SPECIAL BUSINESS

(5) To fix the remuneration of four Directors who are not Managing Directors.

(6) To consider and if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution in compliance with the provisions of Section 228 of the Companies Act, 1956:—

"That subject to the rights and powers of the Company's Auditors to visit all or any of the Company's Branch Offices and to have access at all times to the books and accounts and vouchers of the Company maintained at such Branch Offices, the Accounts of the Branch Offices of the Company need not be audited by a person qualified for appointment as auditor of the Company pursuant to Section 226 of the Companies Act, 1956."

(7) To consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution:—

"That with effect from the commencement of the Companies Act, 1956, and in compliance with the provisions of Section 314 thereof, consent be and the same is hereby accorded to Mr. Sree Lal Mehta, a relative of Mr. Girdharilal Mehta, a Managing Director of the Company, holding and continuing to hold an office or place of profit as an Assistant to the Company on such terms as to remuneration or otherwise as have been or may be agreed from time to time between such Assistant and the Company."

The Transfer Books of the Ordinary Shares of the Company will be closed from the 14th November to the 29th November 1956, both days inclusive.

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA 1, *1st October* 1956.

Notes.—Payment of any Dividend declared will be made only to those Members whose names are registered in the books of the Company on the 29th November 1956, or to their Mandatees.

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

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

FUTURES TRADING IN COTTONSEED

BOMBAY CITY RESUMES IT AFTER A LONG INTERVAL

THE decision of the Forward Markets Commission to permit futures trading in cottonseed under the by-laws of the Bombay Oilseeds Exchange as from 30th October fulfils a long-felt need. It may be pertinent to recall, in this connection, that the Commission, after carefully considering the representations of associations such as the Indian Central Cotton Committee and the Cotton Advisory Board, and the views of interested individuals and Governments, expressed in its report, submitted to Government in July 1955, that futures trading in cottonseed might be resumed. The consideration that weighed with the Commission at that time was the fact that the requirements of futures trading in cottonseed had been fully met by the commodity concerned. Its production has been increasing for some years past, and the demand for it has been large almost from every part of the country. Moreover, its supply is homogeneous in character. It is also suitable for being stored for quite an appreciable period. The Commission has also taken note of the fact that the prices of cottonseed in different parts of the country are influenced by local conditions and fluctuate from time to time. Besides, prior to the imposition of the ban on hedge trading in cottonseed, such activity was prevalent almost in every part of the country. The decision of the Commission on the eve of *Deepavali*, thus, represents the implementation by the Government of the foremost of the recommendations made by the Commission in its Report mentioned at the outset. Before referring to the terms of the hedge contract for cottonseed and the conditions under which hedge trading is allowed, it may be pertinent to recall briefly the history of futures trading in cottonseed and its importance to the cotton-growing States of India.

Of the three commonly known types of cottonseed, namely, naked, non-fuzzy and fuzzy, the second category is predominant in India. Cottonseed production in India is concentrated mostly among the States of Bombay, Madhya Pradesh, Hyderabad and the Punjab, all of which have a large number of ginning factories. These States account for more than 70 per cent. of the production of cottonseed in the whole country. Of these States, Bombay is by far the largest producer and accounts for no less than 28 per cent. of the total production. Madhya Pradesh ranks next with 17 per cent., while Madhya Bharat, Hyderabad and the Punjab account for 9 per cent. of the total quantity produced in the country. The total production, which was adversely affected during the Second World War and, subsequently, due to the partition of the country, stood at only 7.6 lakh tons in 1948-49. In 1954-55, however, it was as high as 16.1 lakh tons. The target fixed for 1960-61 in the Second Plan is 20 lakh tons.

The chief use to which cottonseed is put is cattle-feed. Of the total production, it is estimated that only 10 per cent. is used for seeding purposes and 5 per cent. for crushing into oil, the balance being used for fodder. Though the crushing capacity of the mills was 1 lakh tons of oil, in 1953-54, only 48,000 tons of seed was crushed, yielding about 6,000 tons of oil.

Imports into and exports out of India of cottonseed during the last decade have been negligible. The Government, however, has been allowing export of cottonseed oil since 1954, and that of cake since February 1955 in limited quantities.

Regulated markets in cottonseed are few, for the reason that the seed is marketed only near the ginning factories. Important assembling markets include among others, Bombay, Ahmedabad and Palej in Bombay, Khangaon and Amraoti in Madhya Pradesh, Indore, Ujjain and Ratlam in M.B., Jalna, Nanded, and Hyderabad in Hyderabad (Deccan), Amritsar, Ludhiana and Rohtak in the Punjab, Bhatinda in P.E.P.S.U. and Hapur in U.P. Futures trading started in Bombay as far back as 1926 and in Madhya Pradesh in 1936. In the State of Hyderabad, it was only of recent origin.

Trend of Prices

Forward prices of cottonseed at Bombay market for the brief period between 1939 and 1943 indicated an upward trend along with other commodities. At the beginning of the year 1939, for example, the January 1939 contract was quoted at Rs. 22-3. By September 1939, the prices rose to Rs. 25 10. The rising trend continued, and the January 1942 contract, which opened at Rs. 26 5, was quoted at Rs. 28-12 at the close of the year. In September 1943, the Government of India banned forward trading in cottonseed as part of its measures for keeping inflation under check. Though there was no ban on futures trading in cottonseed between 1946 and 1949, no business was transacted in Bombay market. Subsequently, however, the ban applicable to edible oils was extended to cottonseed also by the issue of the Cottonseed (Forward Contracts Prohibition) Order, 1949. The Order was also extended to Part B States in May 1952. On the expiry of the ban on 26th January 1955, the prohibition was further extended by notifications issued under the Forward Contracts (Regulation) Act, 1952, according to which Section 15 of the said Act was made applicable to cottonseed in the whole of India, except Greater Bombay, and Sections 17 and 18(3) to Greater Bombay. As a result, "transferable specific delivery contracts for the purchase or sale of cottonseed entered into otherwise than between members of a recognised association or through or with any such member became illegal all over the country and even non-transferable specific delivery contracts within the limits of Greater Bombay could be entered into only with the members of the Bombay Oilseeds Exchange Ltd., or through or with any such member."

The prices of cottonseed reflected more or less a bullish tendency since the outbreak of World War II until about February 1952. This was attributed by the Forward Markets Commission to the diversion of the area from under cotton to foodgrains and partition of the country. The Korean war boom also played its part. The increase in prices was, however, checked subsequently through liberalisation of imports and increased production of cottonseed. Consequently, the price level in May 1955 was 33 per cent. lower than the peak level witnessed in November 1949.

Plea for Hedging Facilities

The view that, in the absence of hedging facilities in cottonseed, the prices of cottonseed would be seriously depressed was forcefully stressed by a number of associations and individuals in their representations to the Commission. It was also explained to the Commission that, because of the fact that the cottonseed markets were numerous and catered only to areas in their neighbourhood, the interests of trade would not be protected, unless the number of centres and associations to be recognised for futures trading in cottonseed were much larger than those in the case of cotton or other oilseeds.

The following table gives the production of cottonseed in the important producing areas in the three years 1953-54 to 1955-56:

(Figures in '000s of tons)

Name of the State	1953-54	1954-55	1955-56
Bombay	3,82	4,23	4,23
Madhya Pradesh	2,26	2,21	1,51
Hyderabad	1,33	1,26	1,09
Punjab	1,28	1,46	1,56
Madhya Bharat	1,18	1,11	1,19
Saurashtra	71	84	83
PEPSU	63	76	45
Uttar Pradesh	19	14	9
Total ..	11,40	12,01	11,00

In response to the notification of the Forward Markets Commission inviting applications from associations desirous of being recognised for regulating forward trading in cottonseed, the Commission received 30 applications from various parts of the country. A majority of these applications came from the three States, Bombay, the Punjab and Hyderabad. It may be recalled that for the purpose of the consideration of the applications, the whole country was divided into five regions on the basis of homogeneity obtaining in respect of production and consumption of cottonseed in various States. After a careful consideration of the merits of the various centres, such as the number of competing centres in the region, the attitude of the State Governments concerned, the experience of the association in futures trading in cottonseed and other commodities, and the proximity of the centre to the producing areas and crushing centres, the Commission recommended that futures markets should be immediately established in respect of cottonseed in at least six centres, namely, Amritsar in the Punjab, Batinda in P.E.P.S.U., Ujjain in Madhya Bharat, Nanded in Hyderabad, and Ahmedabad and Bombay City in the State of Bombay.

The granting of permission to these centres, however, was made conditional on the associations concerned previously carrying out modifications in their articles of association and the by-laws suggested by the Commission. In the case of Bombay City, for example, the Commission stipulated that a number of modifications should be effected in the constitution and by-laws of the Bombay Oilseeds Exchange Ltd. before recognition could be granted. The principal modifications suggested were that the Exchange should allow members of other associations who were not members of the Exchange to become members without paying any admission fee and by paying a deposit of Rs. 5,000 only; that the Exchange should revise the panel system to make the Board more representative of the different interests concerned, and that it should lay down more precise definitions of certain terms, namely, 'buyers,' 'sellers' and 'brokers.' Another modification suggested was that the present system of elections to the Board should be revised so as to provide for the voting to be conducted on the basis of a general franchise. Again, the Exchange was also to hold fresh elections after recognition was granted. It was also called upon to consider ways and means of providing increased ring space. The Exchange was also required to organise a strong secretariat, with adequate administrative and technical staff.

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After a Long Interval

The recognition granted to the Bombay Oilseeds Exchange Ltd. for resuming hedge trading in cottonseed after an interval of 13 years is thus the first step in the direction of granting recognition to similar centres suggested by the Commission in other parts of the country. The recognition which came on the eve of the formation of a bigger composite Bombay State is all the more significant. According to the estimates of the Commission, the arrivals of cottonseed in Bombay City accounted for 24 per cent. of the total oilseed arrivals in 1953. Again, of the arrivals of 2.48 lakh tons of oilseeds in 1954 and 1.19 lakh tons in 1955, into Bombay City, cottonseed accounted for 66,000 tons and 20,000 tons, respectively. In the same way, the proportion of cottonseed oil was also high—as much as 6,000 tons in 1953—forming 9.7 per cent. of the total arrivals of all vegetable oils. Moreover, Bombay City enjoys many other advantages, such as favourable geographical position, natural harbour, terminal market with connections with markets all over the world, and so on. Again, important vegetable oil industries are located in the city. Being an industrial and commercial centre, Bombay City has also well organised banking facilities. Above all, the city has traditions and experience in futures trading, as well as a large number of operators eligible to take risks either as sellers or as buyers.

The hedge trading in cottonseed will be spread over three contracts. February, May and September. The first of the contracts was opened on Tuesday, 30th October 1956. It is stated that the white and non-white qualities of the small cottonseed will form the basis of the contract which is designed to cover the hedging needs of almost all cottonseed-producing areas in the country. The contract provides for delivery of ready goods at upcountry centres, the number of centres chosen for this purpose being 40 towns. The unit of trading will be 100 candies of 784 lbs. each. One of the conditions of the contract specifies a discount of Re. 1-4 per candy for delivery of ready goods at upcountry centres. For the purpose of delivery, the rate of non-white small cottonseed will be equal to the rate of small cottonseed, while that of the white small variety will be Rs. 5 per candy less than that of the basic quality, namely, small cottonseed.

Traders expect active trading in cottonseed, of which the country is producing no less than 14 lakh tons a year. Nearly four-fifths of the production is covered by the present hedge contract.

The resumption of hedge trading was formally inaugurated on Tuesday, 30th October 1956, by Mr. Y. B. Chavan, now Chief Minister of Bombay, who, in a brief speech, expressed the hope that futures trading in this commodity would result in some benefit not only for the trading community but also for the country as a whole. Mr. Ramdas Kilachand, President of the Exchange, outlined the history of futures trading in cottonseed and remarked that this seed occupied an important place on the list of agricultural products in the country. Although the bulk of the seed was being utilised as cattle-feed, the production of cottonseed oil as an industry was progressively expanding, thanks to encouraging export possibilities. The first deal of 100 candies of cottonseed for the February contract was put through at Rs. 78-4 per candy and, after a while, the rate went up to Rs. 82 per candy.

CREDIT FOR SMALL INDUSTRIES

Loans totalling Rs. 70 lakhs have been sanctioned by the Union Ministry of Commerce and Consumer Industries to three State Governments for providing credit to small-scale industries both for long-term as well as working capital requirements. Uttar Pradesh has been granted a loan of Rs. 40 lakhs, Punjab Rs. 20 lakhs and Delhi State Rs. 10 lakhs. With these loans the Centre has sanctioned Rs. 3 66 crores as loans to small industries since the scheme of financial assistance to small industries was initiated last year. Different State Governments have made a provision of about Rs. 1.5 crores, making a total of nearly Rs. 5.2 crores for providing credit to small industries.

A noteworthy feature of the scheme is that loans are given on easy terms up to 75 per cent. of the value of the security offered including assets created out of the loan. A nominal interest of 3 per cent. is charged on the loans to individual *entrepreneurs* while in the case of industrial co-operatives the rate is further reduced to 2½ per cent. In the case of loans below Rs. 2,000 only personal bonds are taken. A majority of the State Governments have accepted the general principle of the scheme.

U.K. TRADE WITH INDIA

During the eight months ended August 1956, exports of Britain to India were as high as £113,311,000, as against £82,740,000 during the corresponding period of 1955. Exports for the whole of 1955, it may be noted, amounted to only £129,793,000.

Imports of the U.K. from India during the same period, namely, January-August 1956, were, however, lower at £95,685,000, as against £105,567,000 in the corresponding period of 1955. The U.K.'s imports from India during the whole of 1955 were of the value of £158,949,000.

The following tables give the value of exports and imports of some of the main items that figure in the U.K.-India trade:

(Value in 000's of £)

	Full year	8 months Jan.-Aug.	
	1955	1955	1956
Total all exports	129,793	82,740	113,311
Of which:			
Machinery other than electric ..	32,344	20,305	30,375
Electric machinery, apparatus and appliances	16,246	10,229	14,322
Chemicals	16,148	10,320	12,354
Road vehicles and aircraft	10,038	6,777	8,002
Total all imports	158,949	105,567	95,685
Of which:			
Tea	76,420	48,466	39,891
Leather and manufactures and dressed furs	12,625	8,707	8,716
Animal and vegetable oils, fats, etc. ..	8,497	5,044	7,542
Miscellaneous textile manufactures ..	14,400	10,756	8,077

U.S. IMPORTS INCREASE

American imports this year are running some 15 per cent. ahead of last year, the Commerce Department reported recently. General imports for the January-August period this year totalled $8,439.7 million, compared with $7,353 million, for the corresponding period a year ago. General imports in August this year were valued at $1,049.1 million, nine per cent. above August a year ago.

Two major changes were recorded in August. Imports of vegetable food products and beverages dipped to $212.7 million from a July total of $251.6 million, due chiefly to lower imports of raw coffee. Imports of metals and manufactures rose from $192.6 million to $224.9 million. This was attributed chiefly to greater trade in nickel pigs, nickel oxide, ferro-manganese and copper concentrate.

DEVELOPMENT OF INDIAN WOOL TRADE

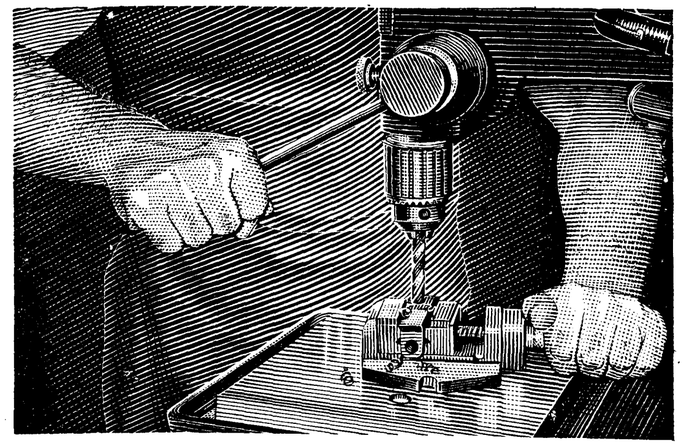
(*Concluded from page 898*)

for the owners of about 40 million sheep heads presently available in the country.

There is no doubt that, in the development of our export business with the U.K., the U.S. and other countries, the shipping companies have played a valuable role. But for their co-operation, export trade would have been impossible.

The large quantities of raw wool and goat hair now directly exported from India to the U.S. are a great boon to the shipping companies operating between the two countries. Ever since the Second World War, freight rates have, however, been steadily increased. The rise has been so phenomenal that in case of Madras goat hair and other tannery products, the ocean freight at times exceeds the value of the produce, with the result that it is difficult to export these products to the U.S. It will, therefore, be fitting if the concerned lines were to pay added attention to this aspect and bring about a reduction in freights wherever possible. The entry of some U.S. lines in the India-U.S.-carrying trade has been very welcome, as it has served as an indirect check on further increase in the ocean freights through creation of healthy competition in the otherwise monopolistic position.

For some years past, there has been increasing use of synthetic wool in the U.S. carpet industry. Whatever be the competition from the man made wool, virgin wool will continue to have its pride of place in the world of fibres. We are increasingly feeling that there is no substitute for wool. Accordingly, the demand for this king of fibres will always be there and shipping will continue to contribute vitally to the expansion of mutual trade relations between India and the U.S. and other countries.



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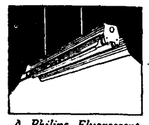

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GREAT EASTERN SHIPPING'S RECORD PROFIT

DIVIDEND RAISED—BIG EXPANSION UNDERTAKEN

THE statement of accounts of the Great Eastern Shipping Company, Ltd. (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., Bombay), for the year ended 30th June 1956, discloses a substantial increase of Rs. 16.04 lakhs to Rs. 46.38 lakhs in the gross profit. This is even better than the record profit of Rs. 40.29 lakhs earned in the year 1953-54 by as much as Rs. 6.09 lakhs. This rise in profit compares favourably and is commensurate with the improvement in freight earnings. Thus, the Company has established a new peak in gross profit.

The net profit also, after providing for Managing Agents' commission at Rs. 2.77 lakhs (Rs. 1.23 lakhs in 1954-55 and Rs. 1.60 lakhs in 1953-54) and depreciation at Rs. 18.66 lakhs (Rs. 18.73 lakhs in 1954-55 and Rs. 24.35 lakhs in 1953-54), stands at the comfortable level of Rs. 24.95 lakhs, as against Rs. 10.38 lakhs for 1954-55 and Rs. 8.34 lakhs for 1953-54. After making a higher allocation for reserves at Rs. 15.00 lakhs, the Directors have recommended a dividend of 15 per cent. on the ordinary shares (that is Re. 1-8 per share) which absorbs Rs. 9.00 lakhs. The Company's maiden dividend on its 5½ per cent. preference capital absorbs Rs. 1.37 lakhs. After writing off brokerage and expenses on the issue of preference share capital amounting to Rs. 21,990, a sum of Rs. 33,815 is carried forward, as against Rs. 1.48 lakhs brought in.

An important change made in the accounts of the Company is the transfer of excess provision in the depreciation fund, amounting to Rs. 38.40 lakhs, to the deferred taxation reserve.

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

(In lakhs of rupees)

	[For the year ended 30th June			
	1956	1955	1954	1953
Freight earned	191.70	193.16	167.32	170.28
Other income	31.57	20.34	5.40	3.75
Expenses—				
Charter hire	37.45	33.57	29.20	48.37
Stevedoring, claims, etc. ..	25.78	44.86	27.90	26.58
Coal, fuel, oil, etc.	35.18	37.02	30.46	27.55
Other expenses	78.48	67.71	44.87	46.47
Gross profit	46.38	30.34	40.29	25.06
Managing Agents' commission	2.77	1.23	1.60	1.42
Depreciation	18.66	18.73	24.35	10.02
Taxation			6.00	6.00
Net profit	24.95	10.38	8.34	6.71
Brokerage and expenses on pref. capital written off	0.22			
Reserve fund	15.00	10.00	3.00	3.00
Dividend—				
5½ per cent. preference ..	1.37		5.00	3.50
Ordinary	9.00	*		
	(15%)		(10%)	(10%)
Carry forward	0.84	1.48	1.10	0.76

* A bonus ordinary share for every 5 ordinary shares was issued in lieu of dividend, by capitalising a sum of Rs. 10 lakhs out of the general reserve. This is equivalent to a dividend of 20 per cent.

As in the previous year, the freight earnings during the year under review also have been arrived at after payment of Rs. 10.79 lakhs (Rs. 20.25 lakhs in the previous year) to owners of chartered vessels. The gross freight earnings for the year under review thus amounts to Rs. 202.49 lakhs which is, however, slightly lower by Rs. 1.46 lakhs, as compared with those for 1954-55. The rise in "other income" is due to a general improvement in other sources of revenue such as hire on chartering steamers, interest on securities and deposits, miscellaneous receipts inclusive of demurrage, detention charges, etc. Another welcome feature of the year is the decline in total expenses by Rs. 6.27 lakhs. Referring to the working of the Company during the year under review, the Directors say, in their latest report, as follows:

"The improvement in the results has been due to the employment of some of the vessels of the Company in tramp trades at higher freight rates, trading in freight and expansion in the agency business of the Company, etc. It may be pointed out that these improved results have been achieved in spite of the uneconomic coastal freight rates and the obligation of the Company to carry coastal cargoes. The existing fleet of the Company is treated as a coastal fleet by the Government and the Company is allowed to engage some of its owned vessels in the overseas trades only if it substitutes these vessels by time-chartered ships or newly acquired ships on the coast. The present charters of the Company will expire during February-May 1957. Although these charters have been effected at much lower rates than those prevailing today, the Company is losing continuously in respect of their operation on the coast. The prices of tonnage have soared so high and the international freight market has reached such a peak level that it is no longer possible either to purchase or time-charter ships for coastal trading without losing far more heavily in the coastal trade."

The aggregate average tonnage employed during the year amounted to 67,505 dw.t., as compared with 82,109 dw.t. in the previous year. This is, however, the second best record in the history of the Company. Of this, the owned tonnage accounts for 48,216 dw.t. and chartered tonnage for 19,289 dw.t., as against 49,055 dw.t. and 33,054 dw.t. respectively, in 1954-55. A commendable achievement of the Company is its entry in the tanker trade. The motor tanker *Bianca* purchased by the Company at a cost of Rs. 89,13,192 has been renamed as m.t. *Jag Jyoti* and given on time-charter to an oil company for the transport of mineral oil products on the coast. The Company's committed expansion programme includes orders for one motor cargo ship of 10,080 deadweight tons with Hitachi Shipyard, Osaka, Japan, one motor cargo ship of 4,650 dw. tons with Hindusthan Shipyard, Visakhapatnam and another motor cargo ship of 11,000 metric dw. tons with Ottensener Eisenwerke, Hamburg, Germany. The Government has granted loans for meeting the bulk of the construction cost of the first two vessels. Their sanction for the grant of loan towards the construction cost of the third vessel is awaited.

The Directors state that, having regard to the necessity of an adequate capital structure, especially in view of the expansion programme of the Company, they have recommended that the authorised capital of the Company be increased from Rs. 1 crore to Rs. 2 crores and that the equity share capital of Rs. 60 lakhs be raised by another Rs. 60 lakhs by issuing new shares to the existing shareholders in the proportion of one new equity share for one equity share already held by them. The Controller of Capital Issues has already sanctioned the issue of new equity shares at par and the extraordinary general meeting to be convened will consider the increase in the authorised capital of the Company, and issue of further capital.

The balance-sheet of the Company as on 30th June 1956, shows that the paid-up capital stands at Rs. 85 lakhs divided into 600,000 ordinary shares of Rs. 10 each and 25,000 5½ per cent. tax-free redeemable cumulative preference shares of Rs. 100 each. The reserves and surplus aggregate Rs. 82.44 lakhs. The provision for taxation stands at Rs. 17.40 lakhs. The current liabilities amount to Rs. 192.93 lakhs, having risen from Rs. 97.62 lakhs a year ago. Of these liabilities, loans from Government amount to Rs. 141.91 lakhs, as against Rs. 68.27 lakhs a year ago. The gross block of the value of Rs. 331.00 lakhs has been written down to Rs. 271.45 lakhs. Of the above block, capital outlay on fleet alone amounts to Rs. 327.97 lakhs. The current assets stand at Rs. 106.33 lakhs, of which cash balances are Rs. 46.99 lakhs.

B.B. PETROLEUM'S EARNINGS BETTER

The financial results of the British Burmah Petroleum Company, Ltd. (Chairman: Mr. A. P. Faickney, Johannesburg), for the year ended 31st March 1956, show that the Company's gross profit has improved from £34,168 in the previous year to £37,419. However, it is substantially lower than the profit earned for 1953-54 at £87,997. After providing for depreciation on office furniture at £14 (£14 for 1954-55 and £6 for 1953-54) and taxation at £5,610 (£3,345 for 1954-55 and £2,520 for 1953-54), the net profit stands slightly higher at £31,793, as against £30,809 in the previous year. As in the case of the gross profit, the net profit is also considerably lower than the profit for 1953-54 at £85,471. The dividend has been maintained at 5 per cent. It absorbs £37,500, leaving a balance of £35,276 to be carried forward, as against £40,981 brought in.

The rise in profit was mainly due to the receipt of £14,333 being the maiden dividend received by the Company on its holdings in the Burma Oil Company (1954) Ltd. The dividend from its South African subsidiary was, on the other hand, reduced from £42,000 to £33,600, despite the slight increase in the latter's earnings. Nevertheless, the profit of the B.B. Petroleum would have been still higher but for the increase in its administrative expenses from £13,223 to £16,190.

This Company continues to act as Technical Managers to the South African Torbanite Mining and Refining Company, Limited, the Colas South African Limited Group of Companies, Bitroid Limited and Decorative Boards (Proprietary) Limited. With the completion of the transfer of its merger assets to the Burma Oil Company (1954) Limited, the Company's interests and activities now fall into two sections, namely, an investment interest in the oil industry in Burma and an industrial interest in South Africa, and the Chairman, in his statement to the shareholders, says that the Directors are giving consideration to the best policy to pursue having regard to these diversities of Eastern and South African interests.

MORARJEE MILL REPORTS IMPRESSIVE PROFIT

LARGE SUMS CONSERVED

THE results of the Morarjee Goculdas Spinning and Weaving Company, Ltd (Managing Agents: Messrs. Piramal and Sons, Bombay), for the year ended 30th June, 1956, are very encouraging. The gross profit at Rs. 39.62 lakhs is twice as much as that (Rs. 19.37 lakhs) for 1954-55 and exceeds the 1953-54 level (at Rs. 24.19 lakhs) by over Rs. 15 lakhs. This is not surprising, because the period under review was one of the best ones in the recent history of the Indian cotton textile industry.

The appropriation policy followed by the Directors is very sound and commendable. Nearly one half of the gross profit—Rs. 18.46 lakhs to be precise—has been credited to depreciation account. Of the remainder, a substantial portion, as much as Rs. 8 lakhs, has been set apart for taxation. In view of these heavy allocations to essential reserves, the net profit is actually lower and no other provision has been made for reserves. A slight increase in the dividend from 14 per cent. to 15 per cent. has been made. At Rs. 1.41 lakhs the sum carried forward is a shade higher than the amount brought in.

The following comparative table presents a synoptic view of the Company's progress since June 1953:

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Sale proceeds	352.59	371.78	332.22	309.59
Closing stocks	73.90	81.68	92.61	81.95
Cotton consumed	146.44	166.76	164.19	165.84
Other raw materials, stores, fuel and power consumed ..	39.83	39.66	37.85	32.67
Expenses	117.50	135.11	116.73	113.23
Gross profit	39.62	19.37	24.19	9.93
Managing Agents' commission.	3.48	1.94	2.42	0.99
Depreciation	18.46	4.92	5.09	3.17
Taxation	8.00	1.11		0.85
Net profit	9.68	11.40	16.68	4.92
E.P.T. refund	..	..	..	0.79
To reserves	..	4.20	7.69	..
Dividends—				
4½ per cent. preference ..	0.78	0.78	0.78	0.78
Ordinary	7.76	7.24	7.24	6.21
	(15%)	(14%)	(14%)	(12%)
Carry forward	1.41	0.27	1.09	0.13

It will be observed from the table that the gross profit has staged an impressive rise despite a fall in sale proceeds and closing stocks. This is due mainly to the saving in the cost of cotton consumed and expenses.

In their report to the shareholders the Directors state that, during the year under review, additions to the machinery of an aggregate value of Rs. 28.53 lakhs were made. These consisted of (1) 5 Barber Colman's auto spoolers, 3 super-speed warpers, (2) 1 set of Reiters comber, (3) 4 super fully automatic Sweiters' pirn winders, (4) 1-Monforts shearing cropping machine, (5) 1 6-colour Kleinwefers printing machine, (6) 1-Monforts finishing, stentering and chamber drying, (7) 1 Wakayama stenter (Japan), and (8) 1 Scholert raising machine (France), etc. The Directors further state that, under the expansion and modernisation programme undertaken by the Company, more orders for new machinery to the tune of approximately Rs. 20 lakhs were placed during the year under review.

The financial position of the Company, in so far as one can see from its balance-sheet as at 30th June 1956, is sound. The reserves and surplus amount to Rs. 38.47 lakhs, which compare with the ordinary capital of Rs. 51.75 lakhs. It may appear from this that the reserves are rather small, but it should be borne in mind that, of the ordinary capital, as much as Rs. 34.50 lakhs represent capitalisation of reserves. Besides, the entire preference capital of Rs. 17.25 lakhs also represents bonus shares. In other words, of the total paid-up capital of Rs. 69 lakhs, no less than Rs. 51.75 lakhs constitute past profits ploughed into the capital account. The fixed assets also have been written down very well, from Rs. 235.58 lakhs to Rs. 59.39 lakhs; this latter figure includes Rs. 30.31 lakhs being the cost of additions to the block account during the year under review alone. The Company's complement consists of 70,104 spindles and 1,652 looms. Another notable feature of its financial strength is the large surplus of current assets (amounting to Rs. 164.36 lakhs) over current liabilities (Rs. 116.28 lakhs) inclusive of the provision for taxation at Rs. 10 lakhs.

The Rs. 100 paid-up ordinary shares are currently quoted at Rs. 260 *cum-div.* to yield 6.1 per cent. per annum.

NATIONAL ELECTRICAL INDUSTRIES LTD.

MR. CHUNILAL B. MEHTA'S SPEECH

THE Ninth Annual General Meeting of the National Electrical Industries Ltd. was held in Bombay on 29th October 1956. Addressing the shareholders on the occasion, the Chairman, Mr. Chunilal B. Mehta, referred to the successful efforts of the Company in raising its production and sales, as also as its profit during the past year. He also announced the Directors' proposal, subject to the Government's sanction, to capitalise a part of the reserves and issue bonus shares in the ratio of one share for every three shares held.

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

"GENTLEMEN,

"I have great pleasure in welcoming you all here to this ninth annual general meeting.

"The results of the working for the year ended 31st March 1956 are already known to you through the audited statements of accounts and the Directors' report posted to you earlier.

"In my address to you at the seventh annual general meeting I had mentioned that we would have to continue to make efforts to increase the volume of turnover, in order to be able to maintain the same level of profits. We have made successful efforts during the last year to achieve larger volume of production and sales. This has enabled us to earn a slightly higher profit, in spite of the increase of nearly Rs. 1,20,000 in labour costs.

"During the year the Government of India announced that imports of electrical motors from 3 to 10 h.p. will be permitted because of the increased requirements of the country. It is, however, hoped that this only represents a short-term policy and that the restrictions on the import of motors will again be reimposed as soon as the production of the indigenous industry has increased sufficiently to cope with the country's demand.

"I am glad to inform you that the Directors propose, subject to your approval, and the sanction of the Government, to issue one bonus share for every three ordinary shares held by you. The Directors feel that the free reserves which have been built up in the past few years should now be capitalised and thereby increase the paid-up capital of the Company.

"It is a matter of gratification that our longstanding dispute with the trade union for the bonus payable to our workers has been settled amicably and an agreement covering a period of five years from the years 1952-53 to 1956-57 has been signed with them. In this connection, I may add that the payment of Rs. 95,000 representing bonus for the first three years, upto March 1955, has already been paid to the workers.

"Your Directors, therefore, hope that the settlement of this bonus issue will further help to cement the existing cordial relations between the management and the labour and assist to strengthen the efficiency of our working.

"In conclusion, I wish to thank the staff and workers of our Company for the efforts they have put in during the last year."

TATA IRON AND STEEL

The production of pig iron by the Tata Iron and Steel Company, Ltd., during the quarter ended 30th June 1956, that is, the first quarter of the Company's current financial year, amounted to 290,900 tons, which shows an increase of 10,100 tons over that in the corresponding period of 1955, while despatches have declined from 34,200 tons to 19,100 tons. The output of steel ingots also records a rise from 255,900 tons to 265,700 tons. The output of saleable steel amounted to 195,300 tons, as compared with 194,600 tons in the first quarter of 1955-56. Despatches, on the other hand, show a fall from 197,000 tons to 191,100 tons.

The net value of the materials despatched during the quarter under review, after deducting from the invoices the rate payable to the Government, freight on outward traffic, commissions, discounts and rebates paid to other parties, amounted to about Rs. 860 lakhs. This amount includes about Rs. 50 per ton to be credited, after taxes, to a separate development fund earmarked specifically for capital expenditure on the expansion programme of the Company under the relevant agreement with the Government.

The Automobile Products of India Ltd., Bhandup, Bombay, announces that it has placed a repeat order to the value of £1,000,000 for Meadows 330 diesel engines and gear boxes with Henry Meadows Limited, of Wolverhampton, England. This order follows the previous one of the same value placed earlier this year. Mr. P. Matthen, Director and General Manager of the Automobile Products of India Ltd., who returned early this month from Europe, stated in Bombay that his company is also making arrangements to manufacture progressively the range of world-famous Meadows Diesel Engines.

Points From The Chair

International Tea Agreement

"IN a year when tea prices generally were low, the level of prices realised for our teas can be considered as satisfactory, and brokers have commented most favourably on the high standard of manufacture maintained. Had the International Tea Agreement, which expired in March 1955, been renewed with added signatories to it, I would have felt greater confidence in the future. However, I regret that I am unable to report the renewal of this agreement due mainly, I understand, to unreasonable demands for increases in production quota by some of the signatory countries, other than India, to the previous agreement. That this delay in completing a fresh agreement should occur, when more countries are producing increasing quantities of tea, is all the more unfortunate and I sincerely hope that for the benefit of the industry in general the Government's commendable efforts to secure a renewal of the agreement will bear fruit in the fairly near future."

J. N. A. HOBBS,
Kalasa Tea & Produce Co., Ltd.

Future of General Insurance

"With growing opportunities for development of general insurance business alongside the country's economic progress in the coming years, we may feel confident about the future. There are, however, some problems which face general insurance companies at this moment. The Government's economic policies and programmes have not yet taken a fixed or final shape. Although, at the time decision was taken to nationalise life insurance in India the then Finance Minister was pleased to say that the Government had decided not to nationalise general insurance, because general insurance was part and parcel of the private sector of trade and industry and functioned on a year-to-year basis and that no useful purpose would be served by nationalisation of general insurance, yet we hear voices from time to time urging the Government to remove general insurance from the field of private enterprise. Any uncertainty regarding the future pattern of management of general insurance business is bound to act as a check on the healthy expansion and progress of the business. It would, therefore, be very helpful if the Government gives a categorical assurance that this industry will remain in the private sector."

M. CT. MUTHIAH,
United India Fire & General Insurance Co., Ltd.

Present Economic Position of U.K.

"The degree of awareness among the general public of the continuing dangers of the present economic position of this country is, I believe, far greater today than it was a few years ago. The very fact, however, of living for so many years in a precarious situation without being overtaken by actual disaster has to some extent dulled the apprehension of a lot of people. Inflation has, in fact, produced an illusory sense of well-being through the stimulation of business activity produced by the general desire in times of rising prices to buy today what it would otherwise be prudent to put off buying until tomorrow. What is, however, putting an end to such illusions is the hard fact of our need to sell our goods in the markets of the world under increasing competitive conditions. I have reiterated this theme many times in the past and I make no apology for returning to it again."

SIR GREVILLE S. MAGINNESS,
Roneo Limited

Wool Trade in Australia

"The average price for greasy wool was 61.5d. (Aust.) per lb. compared with 70.9d. (Aust.) per lb. for 1954-55, representing a fall of about 13.3 per cent., but as an indication of the strong ending to the wool selling season the average price for June 1956 was 64.5 d. (Aust.) per lb. which was above the season's average. In the early part of the selling season lack of confidence in values by buyers brought about a fall in prices, but with improved consumption of woollen goods in a number of countries including the U.S.A. and Japan, prices for wool became stabilised in October 1955 and a buying spurt developed in March 1956 which reached a peak in June. The problems confronting the wool-selling brokers in Australia during the past season were many, due to interruptions to sales in February 1956 as a result of a waterfront strike followed by further cancellations of sales in Brisbane in April and in Sydney and Newcastle in June consequent upon industrial trouble connected with the shearing strike. Fortunately, a settlement of that strike was arrived at late in the season in New South Wales and Victoria, but it continued in Queensland to the detriment of all concerned until the middle of October 1956. The current wool-selling season which opened in Australia in August has shown a further strengthening of wool prices and demand has continued to be satisfactory with widening competition."

MR. MAURICE LUBBOCK,
Australian, Mercantile, Land and Finance Co.

COMPANY MEETINGS AND DIVIDENDS

CUTTACK ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 19th November 1956. Transfer books will remain closed from 12th to 19th November 1956, both days inclusive.

TIRRIHANNAH CO., LTD. Annual General Meeting, Calcutta, 21st November 1956. Dividend: Rs. 3 per share. Transfer books remain closed from 7th to 21st November 1956, both days inclusive.

DIBRUGARH CO., LTD. Annual General Meeting, Calcutta, 22nd November 1956. Dividend: Rs. 2 per share. Transfer books remain closed from 8th to 22nd November 1956, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 23rd November 1956. Dividend: Rs. 15 per ordinary share, payable on 26th November, 1956. Transfer books remain closed from 9th to 24th November 1956, both days inclusive.

DARJEELING TEA AND CHINCHONA ASSOCIATION LTD. Annual General Meeting, Calcutta, 23rd November 1956. Transfer books will remain closed from 12th to 23rd November 1956, both days inclusive.

PAHARGOOMIAH TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 23rd November 1956. Transfer books will remain closed from 12th to 23rd November 1956, both days inclusive.

PASHOK TEA CO., LTD. Annual General Meeting, Calcutta, 23rd November 1956.

CENTRAL INDIA COALFIELDS LTD. Annual General Meeting, Calcutta, 27th November 1956. Dividend: As. 8 per share. Transfer books remain closed from 7th to 27th November 1956, both days inclusive.

AHMEDABAD ADVANCE MILLS LTD. Annual General Meeting, Bombay, 27th November 1956. Dividend: Rs. 12 per share, on 33,000 ordinary shares and Rs. 3 per share, on 7,000 ordinary shares, payable on and after 28th November 1956. Transfer books remain closed from 5th to 30th November 1956, both days inclusive.

OODLABARI CO., LTD. Annual General Meeting Calcutta, 28th November 1956. Transfer books will remain closed from 20th to 28th November 1956, both days inclusive.

INDIA JUTE CO., LTD. Annual General Meeting Calcutta, 30th November 1956. Transfer books will remain closed from 16th to 30th November 1956, both days inclusive.

MEGNA MILLS CO., LTD. Annual General Meeting, Calcutta, 30th November 1956. Transfer books will remain closed from 16th to 30th November 1956, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Annual General Meeting, Bombay, 6th December, 1956. Dividend: Re. 1-8 per share. Transfer books will remain closed from 16th November to 6th December 1956, both days inclusive.

INDIA GENERAL NAVIGATION AND RAILWAY CO., LTD. Dividend of 5 per cent. on ordinary shares, less income-tax at eight shillings six pence in the pound, payable on 30th November 1956. Transfer books remain closed from 9th to 22nd November, 1956, both days inclusive.

BE BE RUBBER ESTATES LTD. Dividend of As. 7-1/5 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 20th to 29th November 1956, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Ad-interim dividend of As. 6 per ordinary share, free of tax, for the year 1956-57. Transfer books will remain closed from 23rd November to 5th December 1956, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Interim dividend of 2½ per cent. on ordinary shares, for the year ending 28th February 1957, payable on or after 10th December 1956.

INDO-BURMA PETROLEUM CO., LTD. Interim dividend of Re. 1 per ordinary share, free of income-tax, for the year ending 31st December 1956, payable on 21st November 1956. Transfer books will remain closed from 13th to 20th November 1956, both days inclusive.

ETHELBARI TEA CO., (1932) LTD. Dividend of Re. 1-4 per ordinary share, for the year ended 31st December 1955.

MODEL MILLS NAGPUR LTD. Dividend of Rs. 7-8 per share, for the year ended 30th June, 1956. Transfer books will remain closed from 26th November to 17th December 1956, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Interim dividend of 2½ per cent. for the year ending 28th February 1957, payable on or after 10th December 1956.

COMPANY REGISTRATIONS

VERAVAL RAYON INDUSTRIES PRIVATE LTD. (First Director: Mr. Morarjee Jadavji Vaidya.) Business: Managing Agents. Authorised capital: Rs. 5,00,000. Private company. Address: Bombay Silk Building, Industrial Estate, Lalbaug, Bombay.

HINDUSTAN ORGANISERS PRIVATE LTD. (First Director: Mrs. Sarlabai Sumanbhai Patel.) Business: Capitalists and financiers. Authorised capital: Rs. 5,00,000. Private company. Address: Kishori Court, Worli Sea Face, Bombay, 18.

CHITRAKALA STUDIOS PRIVATE LTD. (First Director: Mr. Choonilal Gordhanlal.) Business: Production and distribution of motion pictures, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Yusuf Building, Churchgate Street, Bombay.

CENTRAL INDIA COAL DOUBLES DIVIDEND

PROFITS OF ASHER TEXTILES HIGHER

Central India Coal-fields Ltd.

THE directors of the above Company (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1956.

The profits for the year, after providing Rs. 3,97,355 (Rs. 1,25,000) for depreciation, amounts to Rs. 2,45,758 (Rs. 1,33,037), which, together with the balance brought forward from last year's account of Rs. 14,019 (Rs. 5,907), makes a total of Rs. 2,59,777 (Rs. 1,38,944). The directors recommend payment of a dividend at the rate of As. 8 (As. 4) per share absorbing Rs. 2,49,850 (Rs. 1,24,925) leaving a balance to be carried forward to the next year's account of Rs. 9,927 (Rs. 14,019).

Working at both the collieries of the Company during the year continued to be fairly satisfactory, although the Pure Chirimiri Colliery is badly handicapped due to occurrence of severe roof trouble inside the mine. Total raisings for the year were 1,62,721 tons and despatches were 1,54,307 tons. The supply of empty wagons continued to be a big problem as in the past and the raisings of the Company were also limited to a great extent due to inadequate supplies of the same. 67,314 tons of coal were raised at the Orient colliery, where the Company is acting as a raising contractor to Messrs. Orient Paper Mills Limited, who own that colliery.

The Award of the All-India Industrial Tribunal (Colliery Disputes), which was published in May 1956, has brought about a very heavy increase in the wages of the colliery labour amounting to more than 40 per cent. of the previous emoluments. The cost of production to the industry has been further increased by the Tribunal, which has awarded labour additional paid festival holidays for seven days in a year. Besides this, the new Mines Regulations have also come into force and the cumulative effect of the Tribunal award and the Regulations has been a very heavy increase in the cost of producing of coal. To counterbalance this increase in cost, the Government of India announced a general increase in the selling price of coal by Rs. 3 per ton. This increase, it may be added, is totally inadequate and falls far short of the total increase in the cost of production of the coal industry in general.

In the formulation of the second Five-year Plan, the Government announced the target for production of coal at 60 million tons by the end of the year 1961. As the present production of coal is approximately 38 million tons, it would be necessary to increase production by about 22 million tons to achieve the target. The private sector has been allotted 10 million tons as its share in the increase in production of coal, the balance increase to be effected in the public sector. In view of the above, the Company has formulated plans to increase production of coal substantially at its mines. It was for this purpose that the Company, in an extraordinary general meeting, increased its authorised share capital from Rs. 1 crore to Rs. 2 crores and an application has been made to the Government under the Industrial Development and Regulations Act for the grant of licence for expansion of production.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,97,750	Block ...	34,53,430
Liabilities ...	7,46,782	Stock of coal	1,55,892
Profit and loss account ...	9,927	Stores and spare parts	6,73,734
		Other assets	22,653
		Debts, deposits and advances ...	10,82,790
		Investments	1,60,274
		Cash ...	2,05,686
Rs.	57,54,459	Rs.	57,54,459

Asher Textiles Ltd.

The directors of the above Company (Managing Agents: Messrs. Setna & Co., Tirupur) submitted the audited accounts of the Company for the year ended 30th June 1956.

After deducting all working expenses and interest and providing Rs. 1,99,331 (Rs. 1,62,569) for depreciation, the year's working resulted in a net profit of Rs. 4,96,494 (Rs. 3,45,545). From this, a sum of Rs. 8,730 has been expended on donation and a sum of Rs. 1,356 on income-tax for 1950-51, leaving a balance of Rs. 4,86,388 to the credit of the profit and loss account. A sum of Rs. 12-8 had to be paid by way of dividend in excess of the sum of Rs. 1,49,800, the appropriation approved at the last annual general meeting. With the balance of Rs. 1,968 carried forward from last year there was a sum of Rs. 4,88,356 to the credit of the profit and loss account. The directors have recommended the following appropriations therefrom:

To general reserve Rs. 70,000, to provision for taxes Rs. 2,35,000, to pay a tax-free dividend of 15 (12½) per cent. to the ordinary shareholders Rs. 1,79,790 (Rs. 1,49,813) and to carry forward to next year Rs. 3,566 (Rs. 1,968). The directors inform that 4,800 new spindles referred in their report dated 15th September 1955 have been received bringing the total spindleage to 24,800. These new spindles are in the course of erection and are expected to work in a short period. The cost of these spindles is about Rs. 3,33,000. As already mentioned in the directors' report dated 15th September 1955, orders were placed for 38 cards, one slubbing frame, two simplex frames, two drawing frames and one scutcher. Of these, we have received 18 cards, one slubbing frame and one simplex frame and the balance is expected to be received in about six months time. The machinery so far received is partly under erection and partly working. These additional machinery had to be ordered for as the preparatory machinery was found insufficient. The cost of these additional machineries is expected to be about Rs. 6 lakhs. The directors have installed one cone winder and the mill's cone yarn is very popular in the local market. They intend adding one more cone winder costing about Rs. 46,000.

In the year under review there was power cut. It varied from 25 per cent. to 50 per cent. In spite of working the generator to make up a portion of the cut, there was an appreciable fall in production of yarn during the power cut period. The power cut lasted for 2½ months. The directors hope that with the extra machinery to be installed the result for the year ending 30th June 1957 will be brighter.

Having regard to the extent and volume of the Company's business, past and prospective, and especially in view of the expansion programme, the directors feel that inclusive of the loan already borrowed and still outstanding they should have power to borrow upto the limit of Rs. 25 lakhs, under various heads, such as key loan, open loan, bill discounting facilities, deposits, etc. They have therefore to request the shareholders to empower the board of directors to borrow monies required for the Company's business from time to time although the monies to be borrowed after the commencement of the Companies Act, 1956 together with the monies already borrowed by the Company and outstanding immediately before the commencement of the said Act (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the aggregate of the borrowings outstanding at any one time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 25 lakhs.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,98,600	Block ...	15.72.521
Reserves ...	5,57,596	Stock-in-trade	20,83,967
Provision for taxation ...	3.07.345	Stores ...	2,61,082
Liabilities ...	23,08,773	Other assets	589
Profit and loss account ...	3,566	Debts, deposits and advances ...	3,36,031
		Investments	1,08,585
		Cash ...	13,105
Rs.	43.75.880	Rs.	43.75.880

Tirrihannah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 4,34,400 (Rs. 6,88,711) to which must be added the balance of profit brought forward from 1954 of Rs. 23,024 (Rs. 5,908) making a total of Rs. 4,59,424 (Rs. 7,02,776). From this must be deducted provision for taxation Rs. 1,63,054 (Rs. 2,33,830), adjustment Rs. 49,593 (Rs. 1,714 stores written off) and depreciation on fixed assets Rs. 41,258 (Rs. 44,208) leaving a balance of Rs. 2,05,519 (Rs. 4,23,024). The directors have transferred to buildings and machinery reserve Rs. 1,00,000 (Rs. 1,50,000) leaving an available balance of Rs. 1,05,519 (Rs. 1,23,024 after placing Rs. 1,50,000 to general reserve). This amount, the directors recommend, should be distributed as follows:—

In payment of a dividend at the rate of 10 (10) per cent. for the year ended 31st December 1955, on 10,000 cumulative preference shares of Rs. 10 each, absorbing Rs. 10,000 (Rs. 10,000), in payment of a dividend at the rate of 30 (40) per cent for the year ended 31st December 1955, on 22,000 ordinary shares of Rs. 10 each, absorbing Rs. 66,000 (Rs. 88,000) and leaving to be carried forward Rs. 29,519 (Rs. 25,024).

The saleable crop weighed out at 8,585 (7,116) maunds against an estimate of 7,300 (7,000 maunds, and was disposed of at an average price of As. 30.94 (As. 42.20) per lb.

The estimate for season 1956 provides for a saleable crop of 8,000 maunds at a total revenue expenditure of Rs. 7,64,388.

Despite the substantial increase in the crop made in the year, the fall in the prices obtained for the teas has adversely effected the results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20 000	Block ...	5,17.592
Reserves ...	7,00,250	Stock of tea	5,11.093
Provision for taxation ...	4.41 759	Stores ...	1,76 802
Liabilities ...	3,64,086	Other assets	3,304
Profit and loss account ...	29,519	Debts, deposits and advances ...	1,53.646
		Investments	4,103
		Cash ...	4,89.074
Rs.	18.55.614	Rs.	18.55.614

Dibrugarh Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The season's working resulted in a profit, before providing for depreciation, of Rs. 4,24,769 (Rs. 9,53,348) to which must be added the balance of profit brought forward from 1954 of Rs. 54,692 (Rs. 5,120) making a total of Rs. 4,79,461 (Rs. 9,65,658 including adjustments). From this amount must be deducted provision for taxation Rs. 1,47,000 (Rs. 3,40,267), adjustment account Rs. 97.344 (*nil*) and depreciation on fixed assets Rs. 41,196 (Rs. 40,699), leaving a balance of Rs. 1,93,921 (Rs. 5,84,692). From this the directors have set aside to buildings and machinery reserve Rs. 50,000 (Rs. 50,000) leaving an available balance of Rs. 1,43,921 (Rs. 5,34,692). The directors recommend, payment of a dividend at the rate of 20 (40) per cent. for the year ended 31st December 1955, on 45,000 ordinary shares of Rs. 10 each, absorbing Rs. 90,000 (Rs. 1,80,000) leaving to be carried forward Rs. 53,921 (Rs. 54,692 after transferring Rs. 3,00,000 to general reserve).

The saleable crop weighed out at 7,245 (7,222) maunds against an estimate of 7,000 (6,500) maunds, and was disposed of at an average price of As. 37.88 (As. 52.09) per lb.

The estimate for season 1956 provides for a saleable crop of 7,250 maunds at a total revenue expenditure of Rs. 9,35,462.

The fall in the average price of tea from As. 52.09 per lb. for season 1954 to As. 37.88 per lb. in season 1955 has adversely affected the profits.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,50.000	Block ...	7,72.620
Reserves ...	7,25,800	Stock of tea	6,43.997
Provision for taxation ...	3,07,000	Stores ...	1,35,289
Liabilities ...	4,72,503	Debts, deposits and advances ...	1,28.564
Profit and loss account ...	53,921	Cash ...	5,28 754
Rs.	22,09.224	Rs.	22.09.224

Mysore Glass and Enamel Works, Ltd.

The directors of the above Company (Director-in-charge: Mr. Shankar Rao P. Ogale, Bangalore) submitted the audited accounts of the Company for the year ended 31st March 1956.

The Factory stopped production from 31st August 1955 for reasons given below and remains closed till now. The Company suffered a heavy loss during the year 1954-55, for reasons stated in the last annual report. A notice was given to the **workers, through their Union on 24/26th March** 1956, informing them that unless they agreed to the withdrawal by the Company of all *ex-gratia* allowances and amenities which were very liberally provided for by the Company during prosperous times, the Factory would have to be closed and since they refused to come to reasonable terms offered by the Company, production was stopped from 31st August 1955.

Protracted negotiations with labour to come to some reasonable settlement, through the good offices of the Hon'ble Minister for Labour and the Labour Commissioner in Mysore, also through private sources, were going on for over 10 months and finally the matter of closure of the Factory was referred by Government to the Industrial Tribunal and the enquiry before the Tribunal is now going on.

In the meantime, one of the Unions, with a membership of about 110 persons, agreed to receive an agreed figure of compensation and thereby withdraw all the claims consequent on the closure and an award was passed by the Industrial Tribunal as far as their claims were concerned and this amounts to about Rs. 37,500. The dispute in respect of the other workers is pending before the Industrial Tribunal.

Although the Factory has been closed for over the past 14 months, the Company has had to incur expenditure on essential Factory and other staff and pay for water, electric power, interest on loans, insurance premia, licence fees, etc., and whatever resources the Company had at the time of closure, have now been exhausted.

Simultaneously the directors carried on negotiations with the Kissan Products (Private) Ltd. for licensing the Factory to them for mainly manufacturing glass bottles required for their own use and for other purposes. An agreement is being entered into and detailed terms of the agreement will be available for inspection, at the registered office of the Company during office hours and will be placed before the next general body meeting.

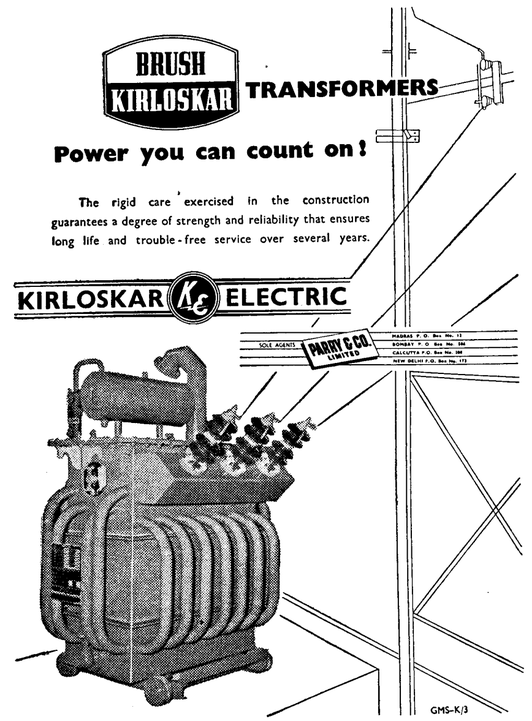
Accounts in brief were as under:—

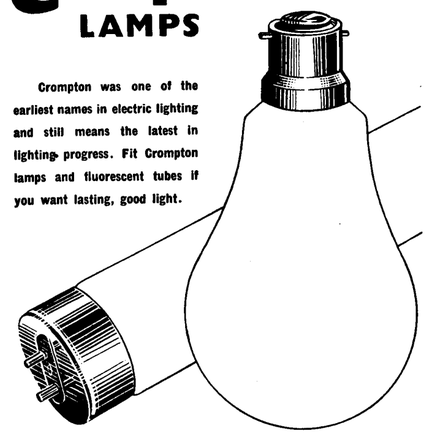
Liabilities	Rs.	Assets	Rs.
Capital ...	6,35,585	Block ...	5,22,611
Reserves ...	**1,54,692**	Stock-in-trade	15.334
Liabilities ...	**1,81,891**	Stores ...	58,837
		Other assets	62,867
		Deferred expenses ...	24,292
		Debts, deposits and advances ...	8,345
		Investments	38,555
		Cash ...	2,646
		Profit and loss account ...	2,38,681
Rs.	9.72.168	Rs.	9.72.168

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











SUEZ CRISIS CAUSES ANXIETY TO GOVERNMENT

IMPORTANCE OF MACHINERY-MAKING INDUSTRY

By A Special Correspondent

NEW DELHI, *6th November*

DELHI LETTER

WITH the onset of the winter season, the capital has begun to take a busy appearance. Flags and festoons decorate the main entrances and thoroughfares of the city. The attraction has been further enhanced by the colourful display of the flags of the 77 nations of the world participating in the current conference of the United Nations Educational. Scientific and Cultural Organisation, the ninth session of which was inaugurated here only yesterday.

Perhaps, for the first time since the withdrawal of British power from India in 1947, one is able to come across such a large number of foreigners in Delhi. All the hotels and special accommodation are filled up by foreign delegations to the conference. The unusually delightful *Diwali* has synchronised with the conference and the historic reorganisation of States and the arrival today of the Emperor of Ethiopia. All this has certainly made the people of the capital more gay than usual. But the Suez crisis has undoubtedly created a sense of anxiety. In their wake, the Suez developments have created special problems for the Government. The External Affairs Ministry has been busy and the Prime Minister is often seen with an anxious face. The threat of war in the Suez area has created a sense of gravity and urgency in the official mind and, grave concern is visible on the faces of important Government officials.

Middle East

The Planning Commission, perhaps, is considerably worried over the developments in the Middle East. The implications of the closure of the Canal on India's foreign trade are being assessed by high officials of the Planning Commission. But a section of the Commission still hopes and also expresses the view that the present crisis is only temporary and everything will become normal at least after a few weeks. Hence, according to these officials, India's Second Five-year Plan will not be jeopardised to any large extent as a result of the Middle East crisis. However, this unforeseen development has presumably made the Commission become particularly interested in the rapid industrial development of the country. If anything, the crisis has served to focus attention on the folly of depending on imports for India's requirements of vital industrial raw materials and machinery and on the need for India to build up its machine-making industry as quickly as possible.

The Eric Coates Mission is already on tour in the Bengal area. On its return, the Government of India will no doubt impress upon the members of the Mission that they should formulate their plans for the establishment of heavy industries in the country in such a way as to enable India to manufacture its essential machinery items as early as possible. In this connection, it will be recalled that the Russian mission has already submitted its report for the establishment of one or two big plants for the manufacture of machinery in India and members of the Planning Commission might be influenced to give high priority in implementing this scheme. Now that Mr. Morarji Desai, former Chief Minister of Bombay, will soon be taking over charge of the Ministries of Commerce and Consumer Industries as well as the Ministry of Heavy Industries, he will be expected to give practical shape to the above ideas. Mr. Desai has already earned a reputation as an able administrator and perhaps his administrative ability will find ample scope for the speedy execution of plans for the establishment of machinery industries in the country and for the building up of heavy machinery in India.

Machinery Industry

These ideas will also be discussed in the forthcoming meeting of the National Development Council. In the preparation of the memoranda for the guidance of the Council, emphasis is being placed on the necessity of building up machinery-manufacturing industry in the country and also on the implications of the Suez crisis to the economy of the country. The Council will also be considering the progress report for the last year of the First Five-year Plan which is being got ready as also the first annual plan for the second Five-year Plan. The Planning Commission is understood to be busy completing these two reports.

In the third week of this month, there is going to be a meeting of two important bodies, namely, the Import and Export Advisory Councils. The Government of India will be sounding the views of the merchant community on the various problems affecting the country. No doubt, during the last six months, the Government has been eating away speedily the country's accumulated sterling balances. Although Mr. T. T. Krishnamachari, the Finance Minister, does not take a pessimistic view of the fast depletion of these balances, there are people even inside the Government of India who are not able to reconcile themselves completely to this phenomenon and to the possible effect of this on the future of the Indian economy.

It is, therefore, possible that the new Minister for Commerce, Consumer Industries and Heavy Industries, Mr. Morarji Desai, will try to impress on the business community the urgent necessity for augmenting India's exports. The Government has already constituted an Export Promotion Board which is holding its meeting periodically for assessing the prospects of India's trade with a number of other countries. Considerable stimulus is being given to many of the export promotion ideas and it is likely that a detailed memorandum will be placed by the Government before the business community enumerating the steps that the Government has taken and is likely to take in the next few months with a view to increasing the country's foreign trade and seeking the business community's complete co-operation in the Government's efforts.

It may also be noted, in this connection, that the Minister for Heavy Industries, Mr. M. M. Shah, has recently given an assurance to the business community that the latter would not be unduly harassed by the income-tax officials. The income-tax officers, he said, would adopt "a realistic and not a legalistic" attitude in reopening cases under section 34 of the Income-tax Act and on no account would any assessee be unduly harassed. On the other hand, he expected the business community to play its role well so that "we can raise most of the resources required for financing the Second Plan within our country and lessen our dependence on the doubtful quantity of foreign aid." This statement by the Minister may be taken to represent fairly well the Government's overall view and the Government's realisation that, after all, it could not ignore the capacity of the private sector in building up the industry of the country.

Export Trade

The Commerce and Industry Ministry has generally taken the view that in enhancing India's export trade, industrial raw materials as well as agricultural produce have a definite and decisive role to play. The targets for agricultural production, set under the Second Plan, have now been revised upwards. The National Development Council is expected to study the financial aspect of the problem of raising agricultural output. It may be mentioned here that, in the augmentation of India's agricultural production, considerable emphasis is being placed on oilseeds, raw cotton and other commercial crops. It is possible that the new Commerce Minister, Mr. Morarji Desai, will emphasise the importance of sending more vegetable oils, short-staple cotton, pepper and other spices to foreign countries for the purpose of increasing India's foreign exchange resources. The demand for vegetable oils, spices, etc., in foreign countries continues to be good. There should be no difficulty in marketing some of these commodities if India is able to produce more. The Council is also expected to emphasise this point while asking the Government to direct its efforts in this particular direction.

Suez Crisis

Another aspect of the programme of industrialisation that is being constantly discussed in New Delhi is the impact of the Suez crisis on India's developmental activities. Although no clear or definite picture is yet available, it is felt that, because of the closure of the Canal for shipping, India's freight charges might go up by about 20 per cent. If this happens, then during the Second Five-year Plan period, India may have to pay an additional sum of Rs. 200 crores by way of freight alone. This will be an additional charge on the Plan outlay and the necessary money will have to be found. It remains to be seen whether this will spur the Government to fresh taxation. It is not possible to guess at present as to what types of additional taxes will be imposed and in what manner they will be imposed. Perhaps, the ensuing session of Parliament will be able to give some broad indications. The limelight of the coming session, which will meet here on 14th November will doubtless be stolen by the developments in Egypt. Much of the time is bound to be taken up in discussing several aspects of the Suez situation. Although it is certain that members of Parliament will insist on a detailed discussion of India's foreign policy, it is also likely that the economic implications of the Suez crisis will also loom large in the debates.

Notices

TENDER NOTICE

TENDERS ARE INVITED FROM ESTABLISHED foundries in India only for the supply of Forty Thousand Tons of Cast Iron C.S.T. 9 Sleeper Plates, Broad and Metre Gauge, to be supplied by 30th June 1957.

2. No raw material will be arranged by the Railways.

3. Applications for copies of tender documents should be made to the Deputy Director, Works, Railway Board, New Delhi. Tender documents embodying conditions of supply and contract and relevant drawings will be supplied at Rs. 10 per set and will be available for sale from 10th November 1956 onwards on any working day during office hours.

4. Tenders will be received up to 13.00 hours on 1st December 1956 and opened in the office of the Railway Board, New Delhi, at 15.00 hours on the same day.

P. R. CHOPRA,
Deputy Director, Works, Railway Board.

NEW DELHI, *30th October* 1956.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 31st October 1956, the following Dividends were recommended to be paid for the half-year ended 31st March 1956, without any deduction for Income-tax paid by the Company:—

On 1st Preference Shares	8% per annum
On 2nd Preference Shares	4½% per annum
On Preferred Ordinary Shares	10% per annum
On "A" and "B" Ordinary Shares—	
Dividend at Annas 14 per share and a Bonus of Annas 4 per share.	

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

THE INDIA UNITED MILLS LIMITED

THE DIRECTORS OF THE COMPANY HAVE declared an Interim Dividend of Annas 10 (Annas Ten) per Share on Ordinary Shares and Anna 1 (Anna One) per Share on Deferred Shares, for the year 1956. This will be payable on and after Monday the 14th January 1957 to those Shareholders whose names stand on the Register of the Company on Saturday the 22nd December 1956.

The Share Transfer Books of the Company will be closed from Monday the 3rd December 1956 to Saturday the 22nd December 1956, both days inclusive.

By Order of the Board,
C. N. BENGALI,
Secretary.

BOMBAY, *25th October* 1956.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *7th November*

The last two weeks, which this report covers, witnessed very stringent conditions in the short-term money market. The large disbursement to the tune of Rs. 8.5 crores to textile workers in Bombay before *Diwali* and the heavy subscriptions to the issue of Guest, Keen Williams Ltd. deprived the market of all the available supplies, with the result that banks were unable to get their requirements from the market. They had, therefore, to seek, once again, temporary accommodation from the State Bank of India or the Reserve Bank of India. These factors, together with reports that higher interest rates were being offered in Calcutta, kept money rates firm. The volume of business was, however, extremely small.

Inter-bank call money was keenly bid at 3½ per cent., though some banks were reported to have offered slightly higher rate. House money at call fetched 3¼ to 3⅜ per cent. and short-term deposits 3½ per cent. for all periods from one to six months.

The Reserve Bank of India statement for the week ended 2nd November 1956, shows a sharp rise of Rs. 24.70 crores in notes in circulation. This is in distinct contrast to the decline of Rs. 10.65 crores noted in the previous week. Notes held in the Banking Department are lower by Rs. 25.45 crores, as against a rise of Rs. 12.06 crores a week before. The decline in total notes is thus of the order of only Rs. 75 lakhs, which is covered by a similar fall in rupee coin. There has, however, been a fall of Rs. 29.81 crores in foreign securities. This follows a decline of the same order in the week ended 26th October. As in the previous week, there has been a corresponding rise in rupee securities. In the Banking Department, a drop of Rs. 2.01 crores is noted in the Central Government's deposits (as against an increase of Rs. 1.24 crores in the previous week). For the second week in succession, there has been a sharp rise in deposits of other Governments, the aggregate increase being of the order of Rs. 41.35 crores. Deposits of banks have further risen by Rs. 3.48 crores. On the assets side, balances held abroad have gone up by Rs. 16.50 crores, bringing the aggregate rise for the last two weeks to Rs. 37.13 crores, thus making up partially the decline in foreign securities during the two weeks. Loans and advances to Governments have gone down by Rs. 3.82 crores. Other loans and advances are up by Rs. 11.38 crores in the week under review, of which advances to Scheduled banks against usance bills account for Rs. 3.13 crores. Fresh advances during the week against these bills have been of the order of Rs. 11.98 crores, but repayment of maturing bills amounts to Rs. 8.85 crores. Another notable feature is the sharp rise of Rs. 28.25 crores in investments.

Small variations in deposits of banks are disclosed by the Scheduled banks' statement for the week ended 26th October 1956, demand deposits having gone up by Rs. 85 lakhs and time deposits by Rs. 1.47 crores, the corresponding increases in the previous week being Rs. 10.64 crores and Rs. 63 lakhs, respectively. Inter-bank borrowings have also risen by Rs. 4.08 crores, while those from the Reserve Bank stand reduced by Rs. 3.43 crores. On the assets side, an increase of Rs. 92 lakhs is noted in advances, a fall of Rs. 61 lakhs in inland bills purchased and discounted and a rise of Rs. 1.93 crores in foreign bills. Investments have been reduced by Rs. 1.21 crores and cash balances by Rs. 2.05 crores. There has, however, been a rise of Rs. 4.26 crores in money at call and short notice.

There was a further setback in gilt-edged securities during the fortnight under review. During the major part of the period, the downward trend appeared to have halted, due to reports that the Reserve Bank had come forward to support a few loans. This trend proved short-lived, as the Bank's support was confined only to short-dated securities. There was, therefore, a revival of offerings in Central Government loans, which together with the persistent selling pressure in State and Corporation loans depressed sentiment. The undertone at the close was quiet.

3 per cent. 1986 Conversion Loan was marked down by an anna to Rs. 74-3. 3 per cent. 1959-61 was, however, unchanged at Rs. 97-15 and 3 per cent. 1963-65 at Rs. 94-5. 3 per cent. 1964 was nominally quoted at Rs. 94-8. 3 per cent. 1966-68 had sellers As. 2 lower at Rs. 92-6. 3 per cent. 1970-75 shed As. 4 to Rs. 88-12, at which level also it attracted sellers. 3½ per cent. 1962 was unchanged at Rs. 97-14, while 3½ per cent. 1961 was an anna better at Rs. 99-4. 3½ per cent. 1964 and 1965 dropped an anna to Rs. 98-7. Among State Loans, 4 per cent. Bombay loans were all marked down, 1963 and 1964 by As. 4 to Rs. 101, 1967 by As. 8 to Rs. 100-2 and 1970 by As. 2 to Rs. 99-12. West Bengal 4 per cent. 1968 shed As. 2 to Rs. 99-10. Among 4 per cent. Madras loans, 1963 and 1964 were marked down by As. 2 to Rs. 99-6 and 1968 by As. 3 to Rs. 98-11. U.P. 4 per cent. 1963 and 1964 sagged by As. 4 to Rs. 99-6, 1967 by As. 2 to Rs. 99 and 1968 by As. 5 to Rs. 98-10.

In the foreign exchange section, banks' selling rate of ready dollars was unchanged at Rs. 481¼ per $100, while their buying rate rose from Rs. 476¾ to Rs. 477¼ per $100. In terms of the Canadian dollar, however, the rupee ruled weak, the banks' selling rate of ready dollars rising from Rs. 495 to Rs. 497¾ per $100 and their buying rate from Rs. 489¾ to Rs. 492 per $100. In New York, sterling displayed a weakening trend, the spot sterling declining from $2.78¼-2.78⅜ to $2.78.3/16-2.78.5/16. Three months' forward fell from $2.77.1/16-2.77.3/16 to $2.76.9/16-2.76.11/16 and transferable sterling from 276.35-276.45 cents to 274.30-274.45 cents per $100.

BULLION MOVES UP

(From Our Own Correspondent)

BOMBAY, *7th November*

The bullion market presented a two-sided trend during the fortnight under review. During the major part of the period, bullion prices showed a sharp upturn, the bullish trend having been inspired by the political developments in West Asia and the usual pre-*Diwali* increase in demand. The rise in gold was particularly noteworthy, in that it took the price to the highest level for the last seven months. During the last three days, however, there was a reversal of the trend, following the United Nations General Assembly's call for a cease fire in Egypt and the quick slowing down of the crisis. There was a decline in offtake in both the metals, which affected the sentiment. On balance, however, both silver and gold ruled higher than a fortnight ago.

Silver for forward delivery (19th November settlement) advanced from Rs. 171-5 to Rs. 173-3 on 29th October. After a short-lived recession to Rs. 172-6, the bullish trend revived, lifting the price to Rs. 175 on the 1st inst. Subsequently, however, there was a retreat to Rs. 173-4 on the 5th and further to Rs. 172-14 today before closing at Rs. 173.

In the ready section, the good demand for the metal raised its (.996 Mint) value from Rs. 170-15 to Rs. 174-12, but the subsequent falling off in offtake from 25 bars to 15 bars per day resulted in the price dropping to Rs. 172-12 at the close today. The good demand in the ready section during the pre-*Diwali* week is also reflected in the narrowing of the discount, at which ready was quoted under forward, from As. 6 to As. 4. The floating stocks of silver are estimated at 1,400 bars. The daily average offtake during the fortnight fell from 25 bars to 15 bars.

Forward gold (17th November settlement) moved up from Rs. 103-7 to a high of Rs. 106-8 (the highest touched since 22nd March last) on the 2nd inst. Thereafter, there was a steady recession to Rs. 104-10 at the close today.

Ready gold gained from Rs. 103-9 to Rs. 106-14, before retreating to Rs. 104-11. The premium which the ready metal commanded over the forward widened from As. 2 to As. 6, but soon narrowed down to an anna today. The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 3,200 tolas, while the offtake was 2,900 tolas.

In New York, silver remained unchanged at 91⅜c. In London, however, spot silver hardened from 80½d. to 81½d., a new post-war record, and forward from 79⅝d. to 80⅝d. Gold also moved up from 251s. 5½d. to 252s., but shaded off yesterday to 251s. 9½d.

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

	7-11-56	Highest	Lowest	24-10-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	104 11	106 14	103 8	103 9
Forward*	104 10	106 8	103 5	103 7
Sovereign	69 4	70 0	67 8	67 8
SILVER				
Ready (.996 fine Mint) ..	172 12	174 12	171 1	170 15
Forward†	173 0	175 0	171 7	171 5
London Silver Ready ..	81¾d.	81¾d.	80½d.	80¼d.
London Forward	80¼d.	80¾d.	79½d.	79½d.
London Gold	251s.9½d.	252s.0d.	251s.4½d.	251s.5½d.
New York Silver	91⅜c.	—	—	91⅛c.

* 17th November settlement.
† 19th November settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, *7th November*

The steady trend noted in the sugar market two weeks ago gathered momentum in the past fortnight. Apart from the *Deepavali* demand for sugar, the operators were somewhat favourably influenced by the delay of 2-3 weeks in the commencement of crushing operations by the Bombay-Deccan sugar mills. The improvement in prices may not, however, persist in the coming weeks; one can even expect a downward trend. This expectation is based on the impending normal monthly release, scheduled to be announced on Monday next week. Moreover, there are reports of the sugar mills being eager to dispose of their old stocks before commencing crushing. The aggregate quantity of sugar now lying unsold with the mills is estimated at 550,000 tons. At this time last year, there was an unsold balance of 525,000 tons of sugar, but these included a very large quantity of imported sugar. The heavy stock position of indigenous sugar, coupled with the anticipated rise of over 2 million tons in the current season's production, thanks to good condition of cane crop, may exert a bearish influence on the trend of sugar market.

During the fortnight under review, spot large grain indigenous sugar advanced by Rs. 2 to Rs. 92-Rs. 101 per bag, following good buying support induced by festival demand. Medium grain improved by a rupee to Rs. 89-Rs. 91. Small grain gained a like amount to Rs. 89. British refined sugar rose by As. 8 to Rs. 90 per 2 cwts.

In the forward section, *Magsar* delivery contract for 'C' grade sugar put on As. 6 to Rs. 89-6. It was fully steady at this price today.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

COTTON FUTURES RECOVER

(From Our Own Correspondent)

BOMBAY, *7th November*

The bearish trend noted in the cotton futures market in recent weeks appears to be temporarily halted and prices have begun to look up, thanks to recent political developments in West Asia. Fair improvements were recorded by the market during the latter part of the fortnight under review. But it cannot be said that sufficient confidence has been gained so as to induce a sharp advance in values. There are till a number of factors which exert a bearish influence on the market. They are (1) the uncertainty over the announcement of an export quota and the possible revision of export duty owing to shipping difficulties following the outbreak of hostilities in the Suez Canal area, (2) accumulation of cloth stocks with mills and (3) prospect of a better crop this season. The dampening influence of these factors was also evident in the poor volume of *Moorat* business put through on the 2nd inst. In the spot market also, where *Moorat* trading was done on the 5th inst. turnover was only half the size of business, usually transacted on such occasions in the past.

M. G. Jarilla (March 1957) which opened at Rs. 649½, as against the previous close of Rs. 650½, declined further, on heavy selling pressure, to Rs. 636 on 26th October. But the flare-up on the Egyptian border induced a sharp advance in price and the contract shot up to Rs. 665½ on 31st October, as compared with the previous day's closing of Rs. 645½. Values eased again and after improving to Rs. 665 yesterday, the contract again declined to Rs. 657 today before closing at Rs. 662½. M.G. Vijay (April 1957) followed more or less the same course. Opening at Rs. 752 on the 25th October, it declined to Rs. 733½ the next day, before commencing its upward course, reaching the high of Rs. 769 on the 1st inst. After having fallen to Rs. 751 on the 5th inst., it again improved to Rs. 763 today, before closing at Rs. 760.

The following is the trend of prices of the two contracts for the period under review:

(In rupees per candy of 784 lbs.)

	7-11-56	High	Low	24-10-56
Jarilla (March) ...	662½	666½	636	650½
Vijay (April) ...	760	769	733½	752½

The rates on the day of *Moorat* trading were as follows:

	Jarilla	*Vijay*
Opening	659½	761¼
High	661	764
Low	650½	753
Closing	652	754½

The spot market at Sewri also ruled fully steady. Although earlier, an easy trend was in evidence, the political situation in West Asia induced a rise in price. Mills were not enthusiastic in buying. However, certain varieties, particularly Vijay attracted attention. In the export section, some inquiry was noted but uncertainty over the export quota announcement brought business to a standstill. It is reported that the first auction of East African cotton at Kampala would start on 13th November and would be subsequently held for five days during the month. The latest available rates (for new crop cottons)—in rupees per candy of 784 lbs.—from the spot market at Sewri are given below:—

Bengal *Deshi* 700; Berar Jarilla 750; Khandesh 785; Vijay (old) 925; Oomra *Deshi* 750; Moglai 750; *Delivery Contracts*: Khandesh 197-3 December 125; Berar 115; Moglai 45 'on' Jarilla; 320 F December 88; 216 F. 110; Vijay 13/16" February-March 100 'on' Vijay.

The Karachi cotton market ruled easy during the fortnight. The easiness was due mainly to lack of overseas demand, especially from West-European countries. Difficulties in shipping, due to the trouble in the Suez Canal area, have adversely affected export demand. China and Russia are reported to have shown considerable interest in certain varieties of Pakistan cotton. N.T.R.G. January, which had closed at Rs. 78-8, declined to Rs. 77-11 on the 5th inst. But a better trend was evident yesterday and it improved to Rs. 78-3. The March position, after having fallen to Rs. 76-15, advanced yesterday to Rs. 77-6. The spot section ruled steady during the period. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 95; Punjab *Deshi* 80; 4 F Punjab Roller 80-8; S.G. 81-12; L.S.S. Punjab Roller 80-12; S.G. 82-12; N.T.R.G. 82-12; S.G. 86-12; 289 F Punjab R.G. 83-12; S.G. 84-12.

Due to the fighting in Egypt, latest information from the Alexandria cotton market is not available. Compared to the closing rates of 23rd October, the market ruled easy till 31st October. Karnak November and January dropped 4 and 6 points respectively, while Ashmouni contracts also declined considerably.

The latest available rates—in tallaris per pound—from Alexandria are given below:

Karnak: November 110.10; January 107.25; March 105.65. *Ashmouni*: December 76.85; February 76.55; April 76.40.

Although earlier in the week an easy trend was in evidence in the Liverpool cotton market, values advanced sharply on outbreak of hostilities in West Asia. There was active short covering in both American and Sudan contracts due to fears of a hold-up in shipping through the Canal which, it was feared, would result in much delay in shipment of Sudan, East African, Indian and Pakistan cotton. But values were held in check by hedge selling. On the whole, it seems that developments in the Middle East were taken comparatively calmly by traders. There were good inquiries for most grades of U.S. cotton. Mill demand for both ready and shipment cotton continued to broaden. There was moderate turnover in East African,

Peruvian, Russian and Brazilian cotton. Indian Oomras also came in for business. The following are the latest available rates—in pence per lb.—from Liverpool: *American One Inch Staple Contract*: December-January 25.85; March-April 25.60; May-June 25.40; *American Cotton Mixed Growth Contract*: December-January 26.50; March-April 26.00; May-June 25.70; *Egyptian Karnak Cotton*: November-December 60.00; January-February 60.00; March-April 60.00; *Sudan Cotton*: November-December 55.80; January-February 56.00.

Values in the New York cotton market ruled more or less steady during the period under review. There was active selling by spot houses which was offset by trade and commission house buying. Nervousness over the West Asian situation induced some price fluctuations which, however, were limited to a narrow range.

The Commodity Credit Corporation sold, against bids received on 16th October, 466,922 bales of surplus Government-owned cotton. This brings the total sales to date to 4,633,660 bales. The average price was 26.29 cents per lb., basis middling 1" at average location and the minimum price for middling 15/16" at average location was unchanged at 25 cents per lb. It is reported that the U.S. Department of Agriculture has no intention of limiting C.C.C. sales to five million bales. There are still six million bales in the 1955 Loan to be taken over by the C.C.C. on 31st December.

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

(In cents per lb.)

	5-11-56	23-10-56	16-10-56
Spot ...	34.45	34.04	34.45
December	33.84	33.85	34.00
March	33.90	33.96	34.17
May	34.01	34.03	34.13

RAYON YARN FORGES AHEAD

(From Our Own Correspondent)

BOMBAY, *7th November*

The yarn market has started the new year on a note of buoyancy. The past fortnight, including the *moorat* session, has witnessed hectic buying at enhanced values, although there was slight reaction today on news of cease-fire in Egypt. The bulls are holding the market in their grip, their enthusiasm to extend commitments having been whipped up by the West Asian crisis. Since the Suez Canal is practically closed for traffic, rayon yarn imports from the Continent have been greatly affected. It is feared that arrivals of imported yarn in the coming weeks would be not only less but also costly, on account of higher freight charges. Induced by these fears, traders are busy making purchases, while sellers are very much reserved with a view to taking advantage of scarcity in the next few weeks. Rayon yarn prices, as a result, have forged ahead. Today's closing rates are substantially higher than those a fortnight before. In sympathy with rayon yarns and on reports of limited stocks of 40 x 2 varieties in consuming sectors, staple fibre yarns are also ruling distinctly firm. The cotton yarn section, too, presents a cheerful appearance, thanks to better cotton prices.

Snia rayon yarn (120 dull cones) for December delivery jumped up by Rs. 30 to Rs. 655 in the *moorat* session before finishing lower at Rs. 764 today. October delivery which stood at Rs. 715 on 24th October was squared up at Rs. 730 six days later. Although business in February contract was commenced a week ago, no transactions have so far been reported. During the fortnight under review, spot 150 Japan registered a rise of As. 4-6 to Rs. 4-4. 120 Italy rallied As. 3-6 to Rs. 3-15-6. 120 Japan advanced by As. 2-9 to Rs. 3-14-6. 150 Italy hardened by an anna to Rs. 3-11-6. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade strengthened by As. 2 to Rs. 3-4-9. 120 Bt. cones 1st grade gathered 21 pies to Rs. 3-9-3.

In the staple fibre yarn section, 40 x 2 December position met with good buying support and jumped up by Rs. 14 to Rs. 615 in the *moorat* session. A further gain of Rs. 6 was added thereafter, so that the closing rate today was Rs. 621. Business in October delivery was terminated at Rs. 589 on the 30th October, as against Rs. 595 a fortnight ago. Spot 40 x 2 Kohinoors spurted by As. 2 to Rs. 3-10. New Greats and Centurys were both better by half an anna at Rs. 3-6. Citys put on three pies to Rs. 3-6. Among foreign yarns (80 x 2), Paramounts firmed up by As. 3 to Rs. 6. K'Suns rose by a like amount to Rs. 6-9-6. Fujis increased by As. 2-6 to Rs. 6-1.

Over the fortnight, cotton yarn prices were generally higher. Ten counts Moderns advanced by As. 2 to Rs. 15-2. Deals in 20 counts Moderns were put through higher at Rs. 19-5, as against Rs. 19-4. Among 30s, Maduras moved up by As. 8 to Rs. 24-4. Apollos were fully maintained at Rs. 22-8. Forty counts came in for business at enhanced prices, Minaxis advancing by Re. 1-8 to Rs. 29-4 and Moderns by As. 4 to Rs. 29-4. Among 60s, Raghuvamshis hardened by a rupee to Rs. 57-8. Moderns were better by As. 4 at Rs. 61-4. Eighty counts Moderns rose by As. 8 to Rs. 71. Mahendras were firm at Rs. 70-8.

Imports of rayon yarn into India during the month of October 1956 were lower as compared with the previous month (September), being 4.56 million lbs., as against 4.92 million lbs. Imports of staple fibre yarn were also less; they aggregated 77,073 lbs., which compare unfavourably with 88,122 lbs. a month before. The quantity of staple fibre imported, too, was very much less, being 2.19 million lbs., as against 2.77 million lbs.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those on the *moorat* day and a fortnight before:

	7-11-1956	2-11-1956 *moorat*	24-10-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)–			
120 Dull Cone Snia October ..	—	—	715 0
120 Dull Cone Snia December	764 0	605 0	735 0
120 Japan (per lb.)	3 14½	3 15	3 11½
150 Japan (per lb.)	4 4	4 3	3 15½
120 Italy (per lb.)	3 15	4 0	3 12
150 Italy (per lb.)	3 11½	3 12	3 11
Staple fibre yarn (per case of 200 lbs.)–			
40 x 2 October	—	—	595 0
40 x 2 December	621 0	615 0	601 0
40 x 2 New Great (per lb.) ..	3 6	3 6½	3 5½
40 x 2 Century (per lb.) ..	3 6	3 6	3 5½
40 x 2 City (per lb.)	3 6	3 7	3 5½
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	15 0	15 0	14 15
20s Ifind	19 4	19 2	19 4
30s Madura	24 4	23 12	24 0
40s Minaxi	29 4	29 4	27 11
60s Raghuvamshi	57 8	57 8	56 8
80s Mahindra	70 8	70 8	70 0

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *7th November*

During the fortnight under review the oilseeds market ruled firm. During the first four days of the fortnight, the market was active mostly as a result of brisk buying by *vanaspati* producers and crushers, comparatively small arrivals of groundnut and persistent demand from overseas for castor oil. Subsequently the changed international situation and persistent bear covering gave further fillip to the upward trend. Weather conditions in the producing areas, such as Andhra Pradesh, South-West Madhya Pradesh, etc., also helped the upward trend.

A significant event that took place on the eve of *Deepavali* was the resumption of futures trading in cottonseed after an interval of 13 years. Trading was inaugurated on Tuesday, 30th October, by Mr. Chavan, Chief Minister of Bombay.

Murat trading took place on 2nd November. While all the oilseeds gained in the *murat* trading, castorseeds, May contract touched a new peak on that day.

Groundnut February 1957 contract which closed at Rs. 128-14 a fortnight ago, jumped up to Rs. 136 on 31st October, and further advanced to Rs. 138-12 at the close today. It thus increased by Rs. 9-14, during the fortnight. In the spot section, December-January put on no less than Rs. 1-13 at Rs. 27-10 during the same period. Khandesh Quality ready increased by Re. 1 to Rs. 33-12. Groundnut oil ex-mill was quoted As. 6 higher at Rs. 19-2 and railway receipt rose by As. 6 to Rs. 18-12.

Linseed May 1957 contract improved similarly by as much as Rs. 1-4 to Rs. 27-4 during the fortnight under review. In the spot section, Bold ready was As. 10 higher at Rs. 31-14. February March also improved by Rs. 1-4 to Rs. 28-14. Linseed oil ready was done As. 6 higher at Rs. 17-12.

Castorseed May 1957 contract made a spectacular jump from Rs. 131-4 a fortnight ago to Rs. 141-6 today, gaining thereby no less than Rs. 10-2. In the spot section Kanpur improved by Rs. 1-4 to Rs. 29-4. Oil B.S.S. at Rs. 18-10 reflected an increase of As. 8, and Oil Commercial As. 11 over the fortnight.

Cottonseed February 1957 contract, trading in which commenced on 30th October, was quoted at Rs. 78-4 at the commencement. On the same day, it closed at Rs. 82-4. It spurted further subsequently and closed today at Rs. 85-5.

Among other seeds, over the fortnight, Kardiseed Bold ready did not reflect any change, while February-March was As. 8 higher at Rs. 16-4. Nigerseed ready and Madras were respectively at Rs. 26-12 and Rs. 27.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	7-11-1956	24-10-1956	17-10-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	138 12	128 14	130 10
Khandesh Quality Ready (per cwt.)	33 12	32 12	35 0
Dec.-Jan.	27 10	25 13	26 2
Linseed—			
May 1957	27 4	26 0	26 8
Bold Ready (per cwt.) ..	31 14	31 4	31 10
Oct.-Nov.	—	—	31 13
Castorseeds—			
May 1957	141 6	131 4	127 12
Madras (per cwt.)	—	—	29 0
Cottonseed—			
February 1957	85 5	—	—
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 2	18 12	19 0
Castor oil—			
Commercial (per quarter) ..	17 14	17 8	17 0
Linseed oil—			
Ready	17 12	—	—

BLACK PEPPER ERRATIC

(Messrs. Parekh & Co.)

BOMBAY, *7th November*

Erratic tone was witnessed throughout the week in Malabar black pepper, with prices moving either way on occasional bouts of selling and buying, following the news received from time to time from the Middle East. There being no notable short sales, pepper did not show so wild a fluctuation as other commodities, the prices of which were lifted mainly owing to pressure of short-covering. The highest and the lowest at Alleppey were Rs. 732½ and Rs. 675, respectively. Cochin, after touching Rs. 126, came down to Rs. 119 in the wake of report of cease-fire in Egypt. Singapore, after showing hectic rise of nearly Str.$8 within a day, came down from Str.$90 to Str.$82. New York spot touched the highest at $0.32 but is now barely steady at $0.31 without interest from grinders. The dealers in the U.S. are not following up the rise in the primary market, as there is still pressure of sales of unsold consignments by weak holders. A consignment of about 300 tons of Lampong Black shipped by the Indonesian exporters is reported to be exerting pressure on the spot market.

Reports of cease-fire seems to have imparted a sober tone and prices are receding, with sellers for November shipment for Malabar Black at $0.27½, while buyers are difficult for December and Jan.-Feb.-March shipments even at $0.27.

In the delivery section, December touched Rs. 640 but came down later to Rs. 615 with small interest. Both buyers and sellers being cautious, turnover was restricted.

With prospect of new arrival in the near future, the tendency for Malabar Black at present appears to be uncertain. Prices are likely to go down when pressure of new arrivals will be felt in the terminal markets, as there are no worthwhile forward sales in the overseas markets by way of hedge. But, with any deterioration in the Middle East, it is likely to swing in the opposite direction both here as well as in the consuming countries, as shipments for the last two months are smaller and there are no forward purchases by the grinders.

Following are today's nominal quotations: Ready delivery Rs. 90 per Bengal maund, December delivery Rs. 610-Rs. 615, February delivery Rs. 616-Rs. 621 per candy of 5½ cwts.

FAIR DEMAND FOR TEA

[*Messrs. Forbes, Ewart & Figgis (Private) Ltd.*]

COCHIN, *2nd November*

Although there were approximately 1,300,000 lbs. advertised for Sale No. 29, only 600,000 lbs. came up for auction. This was due to teas being sold by private treaty before the sale, due to the possibility of an increase in export duty for the month of November. The quality of teas on offer did not show much change on the previous sale. There was only a fair demand and low medium and medium descriptions were As. 2 to As. 3 easier. Good medium and better liquoring teas were As. 4 to As. 6 lower. Whole leaf grades had good demand at lower rates. The following are the quotations:

	1956 Rs. a. p.
Plain B.P.	1 9 6
Low medium B.O.P.	2 0 0
Medium B.O.P.	2 3 0
Good B.O.P.	2 14 0 nominal
Well made black leaf O.P. ...	2 9 0

London Market: Sale of 29th October 1956:—Irregular. Three pence dearer.

Sale of 30th October 1956:—Plain firm. Others easier.

Colombo Market: Sale of 29th October 1956:—Black leaf irregular slightly easier. Others firm to dearer.

Sale of 30th October 1956:—Active and dearer. All useful liquoring tea low-grown and plain U.V.As. lower.

Calcutta Market: Export:—Except for better liquoring types, whole leaf grades and thin liquoring mediums, market started strong to dearer, but weakened as sale progressed.

Internal:—19,000. Fair general demand. Weakened towards close. Best C.T.Cs. one to two annas easier. Remainder As. 2 to As. 4 easier. Middle East As. 2 to As. 3 easier. Leaf 1,800. Fair demand. Irregularly easier rates.

Export Quota:—During the week the market dropped from 36 pies to 27 pies, at which figure a fair amount of business has been done. At the time of writing, there are limited buyers at 27 pies.

Forthcoming Auctions:—Sale No. 30 will be held on Tuesday, 13th November and Dust Sale 'V' on 6th November.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale V*:—600,000 lbs. Good general demand. Very strong and dearer at the bottom, but good liquoring medium and best irregularly As. 2 easier. Medium sorts of good appearance fully firm to one anna dearer."

JUTE BUOYANT

(From Our Own Correspondent)

CALCUTTA, *6th November*

Influenced by the Middle East situation and by the subsequent refusal of Britain to accept the U.S. resolution calling for an immediate cease fire, jute markets reached a state of buoyancy by the time the week under review came to a close. The opening was on quiet terms, but prices gradually rose as the series of news of the changing situation in the Suez Canal area came one after another in quick succession. Overseas buyers began increasing their commitments overnight, as they naturally desired to have more stocks fearing a prolongation of the war which is now confined only to a limited sphere. Speculators were naturally active. To add momentum, there was the report of increased interest being shown by the United States. The lockout in the three mills in the Shamnagar area continued as no settlement between the labour and the management has so far been arrived at over matters which dislocated work in these mills a couple of weeks ago. Production during the month of October was lower, and, with a slight improvement in shipping, stock figures, when released, would add to the force of the present bullish trend.

The report that during the month of September burlap consumption in the United States fell to 80 million yards from 83 million yards and that stocks at the end of September were higher by 1 million yards failed to have any adverse effect in Calcutta, in view of the uptrend for causes stated above. The different constructions of raw jute also rose sharply, and mills bought heavily. As a result, sellers' quotations were final and stockists refused to listen to counter-bids. Those who had commitments to fulfil with mills rushed to the market and made purchases at prices which were higher than the rates contracted. Prices in the mofussil area were higher than the Calcutta rates, and the first reaction in the Dacca export market to the Anglo-French action in Egypt and the blocking of the Canal was an increase in raw jute prices by £3 per ton *c.i.f.* London and the Continent. There were reports during this week that some of the dealers, who had entered into commitments to supply Daissee jute (the best produced variety in India), were supplying the real Daissee mixed with other varieties, prices of which were lower by Rs. 2 as compared with those of the real Daissee. This resulted in a rise in the price of real Daissee by a further Rs. 2 per maund, in order to maintain the difference in prices between Daissee, and Tossa, Jungli and Western varieties parading as Daissee.

After a quiet opening on Tuesday last, jute goods firmed up as reports about the deteriorating situation in the Suez Canal area came in. From Rs. 115-10, ready B. twills advanced to Rs. 117 and ready 40" 10 oz. hessian improved by As. 8 to Rs. 42-12. The advances attracted fresh buying by overseas buyers and speculators. Business was done by mills at the increased rates, and on Wednesday ready B. twills hardened further to Rs. 118-10 and 40" 10 oz. hessian to Rs. 43-14. Thursday was closed on account of *Kali Pooja*, and on Friday mills reported fair business. On account of *Diwali*, the Fatka market was closed on Friday and Saturday. It was on Friday the market reached almost a state of buoyancy, and B. twills were quoted at Rs. 119-8 and 40" 10 oz. hessian at Rs. 44-8. There was a pause over the week-end, and this caused a slight recession in prices on Saturday, ready B. twills sagging to Rs. 118-8 and 40" 10 oz. hessian to Rs. 44-4. Forward positions in B. twills were quoted at a premium. Following speculative selling the recession continued yesterday also with the ready 40" 10 oz. hessian being marked down at Rs. 43-14 and ready B. twills at Rs. 117-4.

Mills gave active support to the raw jute market. In view of the rising nature of prices, sellers were naturally inclined to sell as little as possible. From Rs. 30-8 local Daissee bottoms rose to Rs. 32. Upper Assam bottoms were done at Rs. 31-8, as against Rs. 30 earlier. Cuttings fetched Rs. 130 per bale. Trade circles have continually felt that there can be no stronger cause for Pakistan to revise the high export duty on raw jute than the Indian disinclination to support the Pakistani prices which are higher. However, this has so far not made the authorities think on realistic terms by reducing the export prices and the duties. Now comes the report from Sweden that the Swedish textile workers have sought protection for their jute goods from the lower-priced Indian imports. This is a clear indication that higher prices in Pakistan for the raw fibre are not only causing renewed attempts in India to increase jute output but contribute indirectly to make the Indian goods cheaper in world markets. Although both these developments are good to the jute industry, the broader interests of the jute industry taken as a whole both in India and in Pakistan require a realistic approach by the authorities in Pakistan to making raw jute prices sufficiently attractive.

TEA PRICES HARDEN

(From Our Own Correspondent)

CALCUTTA, *6th November*

The turn of events in the Middle East after Britain and France started hostile operations against Egypt and the blocking of the Suez Canal by Britain sinking an Egyptian ship were the main factors for the bullish trend in the export tea sale held yesterday. Last week's auctions for both export and internal consumption had shown that demand was beginning to decline, but the worsening of the international political situation following the troubles in Hungary and over the Suez Canal was responsible for improving the sentiment of bidders.

British buyers are expected to lift more and more quantities as stocks in British warehouses as on 19th October represented only about 10 to 12 weeks' consumption. It should be noted that, during the sale on Wednesday last in London, prices advanced strikingly. Export demand, especially from the United States, was a feature which should have been prompted by the delays new shipments were bound to suffer as a result of diversion of the shipping route via the Cape. During the sales held in Colombo on Tuesday last, it was reported that buyers on behalf of the United States, Australia, South Africa and the United Kingdom were keen bidders.

The trade and industry owe their grateful thanks to the Government of India for accepting their earnest plea not to increase the tea export duty which would now remain at As. 6 per lb. throughout the month of November. Presumably, New Delhi would take up the question of revision by the end of this month. For the one-sentence announcement of the Ministry of Commerce and Consumer Industries does not say anything about the trade demand on New Delhi to accept the Plantation Inquiry Commission's recommendation to fix the export duty after taking into consideration London prices for a period of six months and not for one month. In view of the Egyptian situation and the increased demand for tea, all consuming countries would naturally build up their stocks and London prices are bound to pick up further in the coming weeks.

Reports from the Upper Assam area indicate that meagre space has been provided by the North Eastern Railway authorities for carrying tea to Calcutta auctions. As a result of this, there has been heavy accumulation of tea in several gardens, and there is a strong case for the railway to provide more wagons. In accordance with the direction of the Calcutta Tea Regulation Committee, destruction of tea unfit for sale in Calcutta auctions has commenced.

During the internal sale held on Tuesday last, dusts offerings amounted to 18,949 chests. As the fair general demand noticeable at opening petered out as the sale progressed, prices were subjected to substantial declines. Medium C.T.Cs gave way by As. 2 to As. 4, the poorer sorts by As. 3, the best liquoring C.T.Cs by an anna to As. 2, non-wither Dooars by As. 2 to As. 3, and Assams of orthodox manufacture by As. 2 to As. 4. Black teas suitable for export also lost by As. 2 to As. 4. The quotations were: medium Assam grainy Rs. 2-3, best Assam C.T.C. Rs. 2-14, Assam C.T.C. Rs. 2-8 to Rs. 2-9, and medium Dooars Rs. 2-3.

Leaf grades totalling 1,617 packages met with support at irregularly easier rates

During yesterday's export auctions, offerings amounted to 56,200 packages. There was strong demand and prices advanced. The best features of the sale were low medium and clean common kinds, the prices of which improved by As. 2 to As. 3. Particular attention was paid to B.O.Ps and black leaf fannings. Good support was given to non-wither Dooars which rose by As. 2. A steady trend was in evidence in medium Assams of orthodox manufacture, medium B.P.s, and fannings. There was less demand for the high-priced C.T.Cs but the other lots of this category sold well. As a result of keen competition, prices of well-made whole leaf grades and stylish B.Ps rose As. 2 above brokers' valuations. However, the high-priced B.O.Ps were As. 2 lower. In common with the rest of the market, Darjeelings were also fully steady. The quotations were: best C.T.C. Assam B.P. Rs. 3. clean black pekoe Rs. 2-2 to Rs. 2-3, medium Assam B.P. Rs. 3-3, and clean B.P. Re. 1-14 to Re. 1-15.

There was an improvement in the quotation for export quota rights per lb. From 27 pies the rate advanced to 29 pies and business was done at 28 pies.

LINSEED STEADY

(Messrs. A. Bradley and Co.)

CALCUTTA, *5th November*

Steady conditions prevailed in the linseed market during the week. Some small transactions were recorded daily, chiefly for ready and near positions. Arrivals were very scarce and sellers were reserved, whilst crushers displayed keen interest, owing to better enquiries for linseed oil. Fresh overseas business was, however, still at a standstill.

The latest quotation for Ready-November is Rs. 24-2 per maund.

HIDES BULLISH

(From Our Own Correspondent)

MADRAS, *6th November*

The kip market is excited, because E.I. tanners expect that prices would improve considerably, if large-scale military operations take place in the Middle East. Several steamers have been diverted *via* the Cape of Good Hope, and freight rates have been increased by 15 per cent. with effect from tomorrow. If U.K. buying is slow and shipping facilities are poor, price increases may not materialise and E.I. tanners would be disappointed. At present, sellers of hides and skins are reserved and are quoting fantastic prices. The market is bullish and will take a week to settle down to reasonable trading level.

Arrivals of hides and skins are small, due to rains and stocks in the market are not large.

HIDES BUOYANT

(From Our Own Correspondent)

KANPUR, *4th November*

During the week under review, the hides and skins market ruled buoyant. Although supply of fresh goods was considerable, there were keen enquiries for good quality cow and buff, induced by Soviet demands for high class footwear. The demands were met mainly by Kanpur and Agra parties. The main purchasers of goods were Messrs. Cooper Allens. Madras dealers were lukewarm during the week.

The latest available quotations are: Wet salted cow 1st grade Rs. 380, 2nd grade Rs. 270 and 3rd grade Rs. 140 to Rs. 160 per score; wet salted buff 1st grade 1 lb. 12 ozs. to 1 lb. 13 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 325 and 2nd grade Rs. 300 per 100 pieces; sheep 1st grade Rs. 350 and 2nd grade Rs. 250 per 100 pieces.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *5th November*

Quiet conditions prevailed in the foodgrains market during the week. Supplies of wheat in the market were plentiful, following increase in the number of fair price shops opened by the Government. The Government has now opened fair price shops in rural areas also where wheat is being sold at the subsidised rate of three *seers* per rupee. Great storage facilities for storing and preserving permanent reserve of foodgrains are being made at Hapur where a silo-*cum*-elevator type of structure with a capacity of 10,000 tons is to be erected very soon. In addition, bag storage structure with a total capacity of 15,000 tons is also planned.

Average quality wheat eased slightly to Rs. 14-12 per maund, and although local arrivals were small at an average of 100 maunds daily, most of the demand was met by fair price shops, the sales of which increased to an average of 350 maunds daily. Local wheat stock ran down by two *khaties* during the week to 73 *khaties* estimated today, as against 118 *khaties* a year before. Farm quality, however, ruled steady at Rs. 16-4 per maund, due to consumer buying enquiry in the face of poor arrivals.

Rice also ruled quiet during the week. There were increased arrivals of new crop in the market. The prevailing prices as on Monday were: *Basmati* Rs. 23 to Rs. 28-8; *rangooni* Rs. 20; *manipuri* Rs. 19-8; coarse quality Rs. 15-8.

Gram was much in demand during the week. The week's offtake at 6 *khaties* was mostly at unchanged price level, due to heavy stock position at 115 *khaties*, as against 35 *khaties* only at this time last year. Barley and *bejhar* recorded sharp gains during the week, due to good demand in the face of poor stock position. With the beginning of the arrivals of the new *bajra* crop in the market, maize recorded a slight fall, on account of the division of consumer demand in both these cereals. The latest prices as on Monday were: Gram local Rs. 12; Punjab produce Rs. 12-6; barley Rs. 12-12; *bejhar* Rs. 12-4; *maize* Rs. 11-12; *jowar* Rs. 13; *bajra* Rs. 13; and *guwar* Rs. 9-12 per maund.

The demand for peas and *arhar* was mostly in the form of pulses, but prices continued steady during the week at unchanged levels. Peas *dara* green was transacted at Rs. 12-6 and white quality at Rs. 13-4. The local stock was put at 42 *khaties*. *Arhar's* offtake during the week aggregated 7 *khaties*, which reduced the local stock to 79 *khaties*, at unchanged price level of Rs. 12-8 per maund. Prices of other pulses also ruled steady. *Urd* was quoted at Rs. 17 to Rs. 19, *moong* at Rs. 14-6 and *masoor* at Rs. 16-12 per maund.

Pulses futures recorded sharp gains in the earlier part of the week on bull support, influenced by war in the West Asia, but most of the gains were lost towards the week-end, due to profit realisation at the highest levels. The latest quotations as on Monday were: Peas: *mangsir* Rs. 11-13-9; *jeth* Rs. 9-12-6; white *mangsir* Rs. 11-15-6 and white *jeth* Rs. 10-3-9; *arhar: mangsir* Rs. 12-3-3 and *jeth* Rs. 10-9-6; *urd maha* Rs. 16.

SUGAR DULL

(From Our Own Correspondent)

HAPUR, *5th November*

The sugar market continued dull and quiet, despite slightly better trade enquiry due to festive season. The supply position is easy, thanks to heavy accumulated stocks with factories aggregating 625,000 tons. A substantial section of sugar factories in the State of U.P. has decided to start crushing earlier in response to the Government's offer to compensate them for the resulting cut in their return. Despite dislocation in road communications in west U.P. due to unprecedented rains, most of the factories in the areas have begun cane-crushing operations. It is expected that the State's sugar factories, numbering 67, will be in a position to crush as much as 295 million maunds of cane, as against 277 million maunds last year.

The latest mill delivery prices of sugar here are: Jaswant Rs. 27-14; Simbhauli Rs. 28-4; Mawana Rs. 27-6 to Rs. 28-4; Daurala Rs. 28 to Rs. 29-4; Amroha Rs. 27-4; Bijnore Rs. 27-4; Mansoorpur Rs. 27-10 to Rs. 29-4; Rampur Rs. 30-4; retail Rs. 30 per maund.

The *khandsari* market was dull with little trading. The new season will start after a month. Prices vary between Rs. 22 to Rs. 26 per maund, according to quality.

With increased arrivals to 2,000 maunds put today, ready new *gur* lost a rupee per maund. Outside demand was not very active at high prices. Old stock was fast dwindling and was estimated at 8,000 maunds. Dry quality was transacted at Rs. 11 and new quality at Rs. 12 to Rs. 14-8. After an early spurt on war news in West Asia, future *gur* touched the highest at Rs. 16-8-3, as against the week's opening at Rs. 9-14-3, but later declined and on Monday was quoted at Rs. 10-3-9.

MANCHESTER LETTER

(*Concluded from page 885*)

will ever return, irrespective of the entirely different price levels now ruling.

A report lately issued on the world's futures markets compiled by the United States Council of the International Chamber of Commerce, contends that the chief obstacles are exchange controls, price and import regulations and direct Government intervention. Few traders connected with this type of business will argue with these findings.

In some quarters a move is being canvassed to promote a meeting of the leaders of the various cotton exchanges. Joint action by a representative body consisting of delegates from New York, New Orleans, Liverpool, Bremen, Havre, Alexandria, Karachi and Bombay might not prove possible but discussions on the mutual problems which are facing all these exchanges in different countries could do little harm. To be truly effective such a conference would need to be attended by members of the economic branch of the Government of each of the countries represented.—*All Rights Reserved.*

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1935	..	2½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	3
Bolivia	20th Sept., 1950	5	6
Canada	Oct., 1956	3½	4½
Ceylon	11th June, 1954	3	2½
Chile	12th June, 1925	4	4½
Colombia	14th July, 1922	6	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	18th May, 1944	7	10
Egypt	15th Nov., 1952	3½	5
El Salvador	23rd May, 1950	4	5
Finland	20th April 1956	5	5½
France	2nd Jan., 1954	2½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	24th May 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	6.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th May, 1956	2½	3½
Pakistan	1st July 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan., 1954	2	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	3½	4
Switzerland	26th Nov., 1936	1	1½
Turkey	4th June, 1956	4½	6
United Kingdom ..	19th July, 1951	4	4½
U.S.S.R.	1st July, 1936	5	4
U.S.A.	23rd Aug., 1956	3½	3
West Germany	5th Sept., 1956	5	5

CLEARING HOUSE RETURNS

Centre	Week ended 1st November, 1956		Week ended 26th October, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,69,031	53,56,84,000	3,13,200	62,08,46,000
Calcutta ..	1,50,096	62,25,36,172	1,67,626	62,48,59,085
Madras ..	52,022	7,94,28,610	78,290	10,19,88,841
All Centres—				
1954-55* ..	..	..	2,885,000	6,041,200,000
1955-56* ..	..	..	3,100,000	6,630,200,000
July, 1956 ..	..	..	2,805,000	6,09,86,09,080
August ..	..	..	3,057,000	5,48,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 2nd Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	52,14,52,000
(2) Other Governments	47,17,96,000
(b) Banks	54,86,73,000
(c) Others	13,00,75,000
Bills Payable	15,69,74,000
Other Liabilities	100,13,54,000
Rupees ..	309,03,24,000

ASSETS	Rs.
Notes	7,62,10,000
Rupee Coin	7,58,000
Subsidiary Coin	9,64,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	4,38,21,000
Balances held abroad*	106,72,18,000
Loans and Advances to Governments ..	6,35,000
Other Loans and Advances	94,73,36,000
Investments	83,39,23,000
Other Assets	11,99,57,000
Rupees ..	309,03,24,000

* Includes Cash and Short-term Securities.

(1) The Item 'Other Loans and Advances' includes Rs. 43,42,57,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 330,18,92,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,62,10,000	
Notes in circulation	1443,58,62,000	
Total Notes issued ..		1451,20,62,000
Total Liabilities ..	....	1451,20,62,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	117,76,09,000	
(b) Held outside India ..		
Foreign Securities	462,20,66,000	
Total of A ..		579,96,69,000
B. Rupee Coin		120,78,62,000
Government of India Rupee Securities		750,50,31,000
Internal Bills of Exchange and other commercial paper ..		....
Total Assets ..		1451,20,62,000

Scheduled Banks*

Statement of Affairs for the week ended 26th Oct., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	12,96,70,000
(ii) Other Demand liabilities	633,40,57,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	3,86,00,000
(ii) Other time liabilities	453,74,74,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	12,20,68,000
(ii) Time liabilities	
4. Cash in India	38,31,09,000
5. Balances with the Reserve Bank in India ..	49,01,80,000
6. Balances with other banks in current account in India	9,88,22,000
7. Money at call and short notice in India ..	17,50,62,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	371,53,12,000
9. Advances in India	612,04,06,000
10. Inland Bills purchased and discounted in India	96,67,51,000
11. Foreign Bills purchased and discounted in India	51,62,64,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	5th November, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months ..	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-5 3/16	1-5 3/16
Buyers T.T. 10 to 12 months	1-5 3/16	1-5 3/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480‡	480‡
Buyers T.T. .. Rs.	473	473
London on New York .. $	2.781-2.781‡	2.781-2.781‡
London on Paris .. Fcs.	983‡	983‡
London on Berne .. Sw. Fcs.	12.203-12.203‡	12.233-12.233‡
New York on London .. $	2.78 3/8-2.78 3/8	2.78 3/8-2.78 3/8

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'54-'55	378.07	..	19,178	266
Pakistan	'53-'54	78.81	..	1,961	245
Burma	1954	19.34	Kyats 3,986	890	204
Ceylon	1954	8.26	..	477	520
Japan	1954	86.20	Y. 6,143,000	3,133	322
Philippines	1954	21.44	Ps. 7,426	1,770	325
New Zealand	1954	2.00	£ (N.Z.) 982	1,970	6,119
Australia	1954	8.99	£ (A) 2,057	4,320	4,664
U.K.	1954	50.78	£ 15,718	20,940	4,160
U.S.A.	1954	162.41	$ 299,700	143,376	5,764
Canada	1954	15.89	$ 18,781	9,190	5,948
France	1954	43.54	F.Fr. 11,496,000	15,648	3,654
W. Germany	1954	49.58	Dm. 113,900	19,724	3,870
Italy	1954	47.67	Lr. 9,715,200	7,290	1,543
Norway	1954	3.39	Kr. 15,154	1,380	3,688
Sweden	1954	7.31	Kr. 33,630	3,544	4,912
Netherlands	1954	10.43	Grs. 21,960	5,640	5,548
Denmark	1954	4.41	Kr. 22,974	1,610	3,654
Switzerland	1954	4.92	Sw.Fr. 22,010	2,410	4,896

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (At 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 26th Oct., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	40,08,13,000
(b) Provincial Governments	4,88,24,000
(c) Banks	15,46,34,000
(d) Others	9,64,12,000
Bills Payable	13,13,000
Other Liabilities	11,87,59,000
Rupees ..	81,57,55,000

ASSETS	Rs.
Notes	9,58,56,000
Rupee Coin	12,000
Subsidiary Coin	11,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	2,11,81,000
Loans and Advances to Governments ..	....
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances	4,99,00,000
Investments	55,23,89,000
Other Assets	9,04,05,000
Rupees ..	81,57,55,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,58,56,000	
Notes in circulation	290,73,77,000	
Total Notes issued ..	....	300,32,33,000
Total Liabilities ..	....	300,32,33,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,33,41,000	
Silver Bullion	....	
Sterling Securities	37,70,09,000	
Government of India Securities ..	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
B. Rupee Coin	6,09,37,000	
Government of Pakistan Securities	129,58,27,000	
Internal bills of exchange and other commercial paper	....	
		158,74,68,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities ..	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets ..		300,32,33,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 54.72 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sep., 1939 (Pre-war)	26th Oct., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation..	172.37	1,418.89	1,429.54	1,409.23	1,305.86
Notes held in Banking Department ..	35.05	33.07	21.01	41.31	16.01
Foreign Securities ..	59.50	492.02	521.83	586.74	627.10
Rupee Securities ..	87.39	720.69	690.88	626.76	543.60
Banking Department					
Deposits of :					
Government of India.	14.89	54.15	52.91	71.39	49.33
Other Governments..	..	27.81	5.82	19.05	30.23
Balances held abroad.	10.08	90.28	69.59	28.33	85.27
SCHEDULED BANKS					
Demand Liabilities..	134.86	646.37	643.41	637.50	616.18
		(12.97)†	(10.86)†	(10.35)†	(14.37)†
Time Liabilities ..	102.24	457.61	454.17	457.50	424.38
		(3.86)†	(1.89)†	(2.16)†	(5.07)†
Borrowings from Reserve Bank ..	..	57.81	61.25	63.24	5.55
		(40.29)‡	(41.29)‡	(36.37)‡	(4.16)‡
Borrowings from State Bank ..	..	12.21	11.88	12.58	5.32
Cash in India ..	6.70	38.31	39.46	35.46	36.97
Balances with Reserve Bank ..	25.17	49.02	49.92	48.78	55.98
Balances with other banks in current account in India..	15.52	7.55	8.67	7.76	16.69
Money at call and short notice in India ..	..	9.88	10.29	10.47	10.93
Investments (at book value) ..	..	17.60	13.34	11.78	24.05
Advances and bills ..	105.09	371.53	372.74	375.61	392.34
STATE BANK		760.03	758.10	754.43	592.40
Deposits ..	87.76	229.60	231.94	232.15	218.66
Investments ..	61.99	107.44	107.64	108.09	116.21
Cash	14.69	16.46	15.81	130.38	93.48
				17.76	24.66

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	July,		Four months, April to July	
	1955	1956	1955	1956
Import Duties				
Revenue	9.62	9.15	37.85	38.87
Protective	0.77	1.14	3.08	4.24
On surplus disposals	—	—	—	0.08
Total Import duties ..	10.40	10.29	40.93	43.14
Export Duties ..	8.17	1.24	10.88	7.03
Land Customs ..	0.04	0.18	0.33	0.52
Miscellaneous ..	0.06	0.06	0.26	0.32
Gross total customs	18.67	11.77	52.40	51.11
Refunds and drawbacks	0.19	0.20	0.97	0.78
Net Customs ..	18.48	11.57	51.43	50.33
Gross excise ..	13.25	14.41	48.92	56.35
Refunds	0.45	0.22	1.60	0.57
Net Excise ..	12.76	14.18	47.32	55.32
Net total of customs and excise† ..	26.24	25.75	98.75	105.64

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 2nd Nov., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL :—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5 62,50,000
Deposits and Other Accounts		6,55,00,000
Borrowings from Other Banking Companies, Agents, etc. ..		229,36,59,000
Bills Payable		11,03,00,000
Bills for Collection being Bills Receivable as per contra		4,07,60,000
Acceptances, Endorsements and Other Obligations per contra ..		79,28,000
Other Liabilities (including Inter-Office Adjustments)		10,66,000
Total .. Rs.		7,07,76,000
		264,42,39,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,16,66,000
Balances with other Banks		9,08,22,000
Money at Call and Short Notice ..		1,40,00,000
INVESTMENTS :		
Government and other Trustee Securities	95,79,66,000	
Other Authorised Investments ..	11,30,26,000	
		107,09,92,000
ADVANCES :		
Loans Cash Credits, Overdrafts, etc.	99,11,74,000	
Bills Discounted and Purchased ..	31,59,96,000	
		130,71,70,000
Bills Receivable being Bills for Collection as per contra		4,07,60,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		79,28,000
Premises less Depreciation		10,66,000
Furniture and Fixtures less Depreciation ..		1,27,09,000
Other Assets (including Inter-Office Adjustments)		22,14,000
Total .. Rs.		6,21,72,000
		264,42,39,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS													
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings ⊕	2½% Ten-Year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates ‖	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings
1953-54	6.82	95	3.26	23.64	64.17	1,18.35	92.03	—	31.07	7.55	25.64				
1954-55	4.79	1.62	4.99	27.27	1,24.64	1,24.94	1,30.35	—	36.25	5.57	27.15				
1955-56	3.76	1.96	5.45	27.19	1,44.36	1,56.15	1,67.36	—	38.37	4.79	27.81	7.40 ⊕	7.28		
August 1955 ..	4.89	13	5.17	2.09	1,32.53	12.35	1,42.09	—	38.96	39	27.81	9.86	16.37	54½	5½
September ..	4.81	13	5.20	2.54	1,34.85	13.49	1,46.01	—	37.11	44	28.25	52	11.09	45	95
October ..	4.14	10	5.21	2.11	1,36.58	11.24	1,46.90	—	35.23	44	28.68	84	11.82	2	72
November ..	4.07	10	5.21	1.96	1,37.45	11.25	1,50.42	—	33.24	42	28.96	82	12.40	5	75
December ..	3.76	10	5.24	2.58	1,39.48	12.84	1,53.44	—	33.44	36	29.54	82	12.82	5	75
January 1956 ..	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	—	33.15	..	29.54	82	13.20	5	76
February ..	3.82	16	5.29	2.23	1,43.27	12.27	1,56.19	—	32.06	22	29.76	82	13.96	4	80
March ..	3.76	23	5.45	2.22	1,44.36	12.64	1,57.36	—	30.37	22	30.06	84	14.78	4	84
April ..	3.69	24	5.54	2.19	1,45.35	14.54	1,71.05	—	28.96	24	30.30	92	15.57	2	91
May ..	3.61	21	5.54	2.49	1,47.56	14.77	1,73.05	—	39.05	24	41.51	92	16.37	2	93
June ..	3.54	22	5.55	2.70	1,49.49	16.36	1,76.09	—	39.15	28	41.82	92	17.12	2	95
July ..	3.48	48	5.81	2.72	1,51.53	14.61	1,80.05	—	39.24	28	42.13	92	17.91	2	93
August ..	3.40	29	5.82	2.53	1,53.14	14.10	1,83.21	—	39.35	28	42.42	92	18.75	2	1.00
September ..								—		36	42.72	1.01	19.68	4	1.04
								—		34	43.00	98	20.58	4	1.07
														5	1.11

* At the end of period.

‡ Issued from 10th May, 1954.

⊕ Progressive net sale/repayments at the end of period from 16th August 1947.

‖ Relating to nine months from July, 1954.

§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

† From July, 1954.

‡‡ Relating to seven months from May, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SEQURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 29-10-'55 *	29-9-'56	20-10-'56 *	27-10-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.6	90.4	90.3
1. Government of India ..	90.8	90.3	90.2	90.0
2. Indian States ..	96.3	96.7	96.8	96.8
3. Municipal, Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS ..	100.7	100.2	100.3	100.3
1. Electricity	102.2	101.2	101.3	101.3
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.1	98.8	98.8	98.8
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering ..	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	101.8
8. Others	101.0	100.8	100.8	100.8
PREFERENCE SHARES ..	100.6	82.6	82.6	82.6
1. Electricity	87.2	83.3	83.3	83.3
2. Jute	96.5	91.1	90.9	90.6
3. Cotton	78.9	84.4	83.9	84.0
4. Coal	87.1	75.9	75.5	75.5
5. Iron and Steel ..	84.7	82.2	82.7	82.7
6. Sugar	82.4	80.9	79.3	79.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	127.0	126.6	124.8	123.9
(a) Financial ..	92.7	94.7	94.6	94.9
1. Banks	..	95.6	95.5	95.9
2. Insurance	107.1	88.2	87.6	87.8
3. Investment Trust ..	92.1	96.2	96.0	95.7
(b) Public Utilities ..	121.5	113.9	113.2	112.4
1. Electricity ..	126.3	113.7	113.0	113.1
2. Shipping and other Transport ..	119.7	122.7	120.6	118.6
3. Railways	87.1	83.7	85.5	84.6
(c) Manufacturing industries.	135.4	137.8	135.1	133.8
1. Cotton, Woollen and Silk ..	126.1	140.9	137.8	136.8
2. Jute	94.3	75.7	75.2	74.2
3. Iron and Steel ..	165.2	156.9	151.6	149.1
4. Paper	253.8	263.3	261.2	260.1
5. Cement	178.5	188.4	181.7	180.9
6. General Engineering	196.4	199.3	200.3	197.0
7. Sugar and Breweries	110.4	109.4	108.9	108.5
8. Chemicals	150.0	151.4	150.5	150.3
(d) Non-Manufacturing Industries	189.3	159.4	158.2	156.9
1. Coal	79.7	79.8	80.2	79.9
2. Mining and Oil ..	250.8	245.1	241.9	230.6
3. Plantations ..	189.3	171.3	170.5	170.1
(e) Miscellaneous	104.3	104.7	103.1	102.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.5	89.9	89.8	89.7
2. Calcutta	—	90.5	—	90.2
3. Madras	91.3	90.8	90.7	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	99.7	99.7	99.7
2. Calcutta	—	100.7	—	100.7
3. Madras	100.2	99.9	99.9	99.9
PREFERENCE SHARES:	91.7	87.5	86.9	86.8
1. Bombay	—	77.6	—	76.6
2. Calcutta	96.0	97.5	97.6	97.5
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	136.9	136.4	133.5	132.6
1. Bombay	—	110.4	—	109.4
2. Calcutta	123.4	138.9	134.8	134.0
3. Madras	137.9	142.1	139.2	137.8
4. Delhi				

* Calcutta market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes †	Number of workers involved.	Number of man-days lost
1951	1,071	891,321	3,816,928
1952	962	869,448	3,338,961
1953	772	446,967	2,896,686
1954	840	477,248	3,372,650
1955	1,166	527,767	5,097,848
July 1954 ..	122	30,189	277,492
August	79	51,000	322,287
September	97	59,414	363,378
October	86	41,724	276,294
November	93	25,115	229,761
December	101	54,455	366,782
January 1955† ..	95	49,025	322,907
February	91	25,279	144,906
March	113	70,043	584,096
April	105	23,433	332,276
May	129	66,441	961,776
June	152	91,849	1,144,011
July	111	55,260	660,492
August	236	90,518	522,900
September	251	92,619	580,087
October	134	47,950	314,514
November	99	45,809	178,112
December	129	43,277	239,550
January* 1956† ..	107	61,050	349,655
February* ..	122	69,450	786,768
March* ..	146	133,188	678,716
April* ..	143	81,387	534,983
May* ..	137	64,361	558,717
June	152	72,843	485,634
July	133	83,837	519,672

† Figures are provisional.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1953-54	614	5,201.4	5,134.3
1954-55	648	6,276.8	6,191.7
1955-56	696	7,169.9	6,819.2
1956-56	715	5,805.5	7,185.5
April 1955 ..	690	661.1	642.9
May	691	706.5	680.3
June	696	716.3	676.1
July	702	734.8	683.3
August	705	708.9	674.4
September	707	719.3	687.1
October	716	730.7	691.9
November	721	723.5	685.0
December	724	758.7	648.0
January 1956 ..	721	757.2	671.8
February	720	749.5	623.0
March	715	809.0	651.0
April	701	780.8	645.8
May	701	835.6	660.1
June	710	795.5	655.5
July	724	798.0	656.2

*Excluding railway, military and factory power stations. Chola Power Station, being interconnected with the Yale Power System, has been included. ‡ Including purchases from non-electric utilities.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	20th Oct., 1956	13th Oct., 1956	22nd Oct., 1955	September, 1956	September, 1955	Percentage of increase (+) or decrease (—) in Sept., 1956 as compared with Sept., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	395.6	393.7R	322.1	393.1	313.0	+25.6	313.2	339.8
Cereals	59	516	511 R	391	500	380	+33.9	375	381
Pulses	8	396	381	308	394	267	+47.6	259	250
Others	33	246	240*	230	248	230	+ 7.8	225	291
Industrial Raw Materials ..	(12)	505.6	503.4	407.9	507.0	396.1	+28.0	419.8	436.2
Fibres	52	482	478	415	481	402	+19.7	439	447
Oil seeds	30	558	564	336	575	374	+53.7	395	454
Minerals	10	551	535	431	524	417	+25.7	427	452
Others	7	422	422	423	420	423	+ 0.7	431	497
Semi-Manufactures	(17)	402.1	404.2R	332.2	408.3	324.8	+25.7	338.2	359.3
Leather	8	393	393 R	338	373	331	+ 12.0	375	376
Mineral oils	13	210	210	202	207	202	+ 2.5	207	231
Vegetable oils	16	379	572	379	288	364	+61.5	389 R	433
Cotton yarn	25	489*	491*	409	504	407	+23

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	9,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses †	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,123
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	.....	665	.....	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During September, 1956	84.5
	Corresponding month, 1955	87.4
	Three months ended Sept., 1956	268.2
	Corresponding period, 1955	252.9
Stocks	At the end of Sept., 1956	124.7
	Corresponding month, 1955	69.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 22nd Sept., 1956	781
	Corresponding week, 1955	2,910
	From 1st Jan., to 22nd Sept., 1956	298,193
	Corresponding period, 1955	332,456
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 22nd Sept., 1956	13,565
	Corresponding week, 1955	20,304
	From 1st Jan., to 22nd Sept., 1956	1,071,484
	Corresponding period, 1955	953,400
	RAW JUTE	(In lakh bales)
Consumption by Mills†	Sept., 1956 (in lakh bales)	4.90
	Corresponding month 1955	5.07
	Three months ended Sept., 1956	15.55
	Corresponding period, 1955	14.67

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended	31st March, 1953	11,58,000	10,61,900	7,91,800
Do.	31st March, 1954	11,54,000	10,70,200	7,80,000
Do.	31st March, 1955	11,34,400	10,42,900	7,81,200
Do.	31st March, 1956	11,55,900	10,62,100	7,97,800
May	1955	94,200	87,500	5,600
June	,,	91,700	80,900	62,600
July	,,	94,900	84,300	64,300
August	,,	92,500	88,900	63,700
Sept.	,,	95,300	87,700	67,700
Oct.	,,	91,700	83,800	64,800
May	1956	96,600	89,400	66,300
June	,,	94,900	89,900	64,400
July	,,	94,100	91,300	65,500
August	,,	97,800	88,000	66,000
Sept.	,,	96,400	88,800	59,700
Oct.	,,	96,700	91,100	71,800
Indian Iron and Steel Co., Ltd.				
Year ended	31st March, 1953	6,26,710	4,31,460	3,13,940
Do.	31st March, 1954	5,80,020	3,49,980	2,92,440
Do.	31st March, 1955	7 15 949	5,28,240	4,59,095
Do.	31st March, 1956	7,06,986	5,81,505	4,50,607
Three months ended	June, 1954	1,82,770	1,17,870	1,07,480
,, ,,	Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,,	Dec., 1954	1,86,664	1,34,231	1,20,516
,, ,,	Mar., 1955	1,65,108	1,48,888	1,18,186
,, ,,	June, 1955	1,85,605	1,34,333	1,16,281
,, ,,	Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,,	Dec., 1955	1,60,750	1,34,906	1,05,722
,, ,,	Mar., 1956	1,84,450	1,41,846	1,19,950
,, ,,	June, 1956	1,48,806	1,17,710	92,609
,, ,,	Sept., 1956	1,74,447	1,33,325	1,13,953

OVERALL BALANCE OF TRADE OF INDIA

July, 1956†

Particulars	July, 1955	July, 1956	Four months, April to July, 1955	Four months, April to July, 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	50,62	41,34	181.70	170,37
(b) Re-exports	50	71	1,99	3,50
Less—Transit trade	1	2	8	3
Net re-exports	49	69	1,91	3,47
Total exports	51,11	42,03	183,61	173,84
2. Imports	51,62	59,39	205,57	250,92
Less—Transit trade	3	3	6	14
Net imports*	51,59	59,36	205,51	250,78
Balance of trade in merchandise	— 48	—17,33	—21,90	—76,94
Balance of trade in gold and silver	— 1	— 3	— 2	— 9
Total overall visible balance of trade	— 49	—17,36	—21,92	—77,03

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,636	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	290	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
August 1955	4,984	1,122	414	88	50	27	29	10	124	166	17	125	16	62
September ,,	5,981	1,361	491	101	56	33	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	76
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	90
December ,,	9,238	2,079	723	153	77	51	95	21	306	304	30	238	38	104
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	117
February ,,	11,543	2,541	883	190	97	62	132	27	395	374	38	298	45	129
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	136
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	148
May ,,	2,227	470	166	44	25	11	23	3	115	70	5	60	5	10
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	21
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	33
August ,,	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	50
September ,,	6,600	1,500	530	107	52	28	72	10	224	214	16	184	23	65

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 1st Nov., 1956	16,875(J)
	Corresponding week, 1955	19,124(J)
	1st Sept. to 1st Nov., 1956	121,093*
	Corresponding period, 1955	186,117*
Cotton Exports	Week ended 1st Nov., 1956	2,120‡
	Corresponding week, 1955	—
	1st Sept. to 1st Nov., 1956	23,413‡
	Corresponding period, 1955	163,491‡
Mill Consumption (Estimated)	1st Sept. to 1st Nov., 1956	225,595
	Corresponding period, 1955	217,000
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 1st Nov., 1956	452,484
	Corresponding date, 1955	673,596
Cotton Exports from Bombay (by sea)	During Aug., 1956	13,170‡
	1st Sept., to 31st Aug., 1956	715,663
	1st Sept. '54 to 31st Aug., 1955	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 11th Oct., 1956	138,996
	Corresponding period, 1955	114,241
Exports	1st Sept. to 11th Oct., 1956	32,083
	Corresponding period, 1955	42,047

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. to 5th Nov., 1956 Bales	From 1st Sept. to 5th Nov., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	2,269	
Continent	427	14,624
Hongkong	702	34,244
China	2,927	12,876
Japan	13,337	29,938
U.S.A.	—	71,358
Other Countries	339	608
Total to all foreign countries	20,076	3,508
Coastal Ports	4,929	167,246
Total	25,005§	26,553
	Period	193,799§
Consumption of Cotton—		Quantity (Bale of 400 lbs.
Indian	July, 1956	384,662
Foreign		15,079
Indian	Eleven months ended July, 1956	3,995,792
Foreign		554,059
Indian	Same Period 1955	3,775,977
Foreign		588,485
Stocks (Mills and Elsewhere)—		
Indian	As on 31st July, 1956	1,556,494
Foreign		228,036
Indian	As on 31st July, 1955	1,551,962
Foreign		180,729
Cotton Pressed in India† (In running bales)	Week ended 26th Oct., 1956	11,804
	Corresponding week 1955	12,247
	1st Sept. to 26th Oct., 1956	58,575
	Corresponding period, 1955	66,058

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs
TERMINABLE LOANS				
4 % Bonds	1926–28,	62,20,26,000	1960-70	100‡
3 % Loan	1938–39	1,16,17,46,000	1963-65	94½
3 % Loan	1950	80,33,10,000	1964	94½
2½ % Fg. Loan	1945	1,16,11,78,000	1956-66	92½
2½ % V. Loan	1944	33,54,89,000	1957	99‡
2½ % Loan	1945	1,15,96,88,000	1970-75	89
2½ % 2nd V. Loan	1945	1,13,85,64,000	1955-61	97½
2½ % Loan	1951	50,25,63,000	1958	99½
2½% Loan	1946	45,63,07,000	1960	96‡
2½% Loan	1946	87,00,69,000	1967	93½
2½% Loan	1946	14,77,48,000	1976	93‡
2½% Loan	1947	75,86,72,000	1962	93½
2½% Loan (N.P. Bonds)	1953	75,29,00,000	1961	99‡
2½% N.P. Loan	1954	1,58,17,34,000	1964	98‡
2½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98‡
2½%	1956	57,27,00,000	1962	97½
2½% N. P. Bonds	1956	23,82,00,000	1967	98‡
3½%	1956	66,64,00,000	1974	96‡
NON-TERMINABLE LOANS				
3 % Loan	1896–97	2,93,55,000	At option of Government after three months' notice On September, 1986 or later at option of Government after three months' notice	74‡
3 % Loan	1946	2,48,91,47,000		74‡
REPATRIATE STERLING LOANS				
4½% Loan	1925	5,85,75,000	1955–65***	102‡
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	98½
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	98–99
4 % Bombay	1944	3,06,66,000	15th Aug. 1966	98‡
3 % Bombay	1949	5,53,56,000	1st Aug. 1963	94‡
3 % Bombay	1950	2,87,32,000	31st July 1960	96‡
3½ % Bombay	1951	2,95,35,000	17th Sept. 1963	98‡
4 % Bombay	1953	5,42,28,000	15th July 1968	101½
4 % Bombay	1953	3,55,87,000	1st Aug. 1964	101½
4 % Bombay	1954	10,02,21,000	1st Sept. 1967	100‡
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	98‡
3 % Gujarat	1941	1,99,06,000	15th Dec. 1955–56	99‡
3½% Coorgs	1956	70,09,000	1st June 1956–61	99‡
4 % Hyderabad	1955	1,95,96,700	1955–66	95‡
4 % Hyderabad	1956	2,12,42,000	1st Sept. 1967	99‡
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % Madras	1939	1,52,05,000	21st June 1959	95½
3 % Madras	1944	1,97,95,800	15th Aug. 1958	98½
3 % Madras	1945	2,78,44,000	14th Sept. 1960	93‡
2½ % Madras	1946	3,81,77,300	1st Sept. 1961	81‡
3 % Madras	1950	4,36,24,000	31st July 1960	96‡
2½ % Madras	1951	3,01,49,300	17th Sept. 1963	97½
4 % Madras	1953	10,38,83,000	15th July 1968	99½
4 % Madras	1953	8,84,91,800	1st Aug. 1964	99½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98½
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98½
4 % Mysore(J)	1933	3,95,94,700	1st Dec. 1955–62	101‡
4 % Mysore(J)	1938	5,99,72,900	30th April 1956–61	99½
3 % Mysore	1947	5,08,05,700	25th Jan. 1968	99‡
4 % Mysore	1953	3,32,47,000	15th July 1968	100
4 % Mysore	1955	2,54,94,000	1st Sept. 1967	99½
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	99
3 % M.P.	1944	83,99,800	15th Aug. 1958	98‡
3 % M.P.	1949	2,08,38,000	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95‡
3 % M.P.	1951	1,02,18,100	17th Sept. 1963	98
4 % M.P.	1953	1,10,18,000	14th July 1968	99‡
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	98‡
4 % Saurashtra	1954	3,61,66,000	1st Sept. 1967	99½
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99½
4% Trav. Cochin	1953	2,25,00,000	15th July 1968	99‡
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % U.P.	1940	1,57,14,000	15th Sept. 1961–66	93‡
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98½
3 % U.P.	1948	2,17,89,700	14th Sept. 1961	96‡
2½ % U.P.	1949	2,80,88,000	15th Sept. 1961	93½
3½ % U.P.	1951	1,91,02,000	17th Sept. 1963	98‡
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	99‡
4 % U.P.	1953	5,65,15,500	15th July 1968	99‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	98‡
4 % Vidharbha	1956	3,00,00,000	3rd Sept. 1968	99
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	98‡
4 % M. Bharat	1953	1,00,00,000	15th July 1968	99‡
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	98‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1954	
25,00,000	4	1905	1955	
15,00,000	4	1906	1947	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99‡N
40,00,000	4	1909	1970	
85,00,000	4	1910	1971	
76,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,876	4	1913*	1960	D
80,80,924	4	1913	1974	100‡N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
85,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,35,000	3½	1926*	1960	
35,00,000	3½	1928*	1960	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1933*	1963	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,04,000	3½	1937*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
99,34,300	4	1914	1974	99
78,00,100	4	1915	1975	99
1,56,00,000C	3††	1921	1981	88
68,02,200C	6†	1921	1981	144N
1,60,49,800B	4	1921	1981–87	102
1,49,80,000	5	1938	1958–88	108
80,00,000	4½	1921	1971	95
80,00,000	4½	1944	1965	97½
25,00,000	3	1938	1953–68	80
50,00,000	3	1945	Equal	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84‡
50,00,000	3½	1946	2000	74
50,00,000	3½	1947	1977	79½
50,00,000	3	1948	1978	82‡
50,00,000	3	1949	1949	97
1,00,00,000	3	1949	1959	97
50,00,000C	3	1950	1960	93
1,00,00,000	3	1950	1960	95½
50,00,000	3	1950	1960	95½
50,00,000	3	1951	1961	81‡
1,50,00,000	3½	1951	1961	95½
50,00,000	4	1953	1963	100
50,00,000	4	1955	1965	99‡
90,00,000	4	1955	1975	98
77,00,000C	4	1956	1986	97‡
78,00,000C	4	1956	1986	97‡
STERLING LOANS				
£893,600	5	1922	1953–83	£79
£901,000	5	1924	1954–84	£79½
£835,100	5½	1932	1968	£81½
MADRAS				
Rs.				Rs.
21,47,100	3½	1947	1977	
9,86,000	3	1947	1977	A
3,00,000	3	1949	1979	
45,90,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
40,00,000	4	1902	1962	
56,90,000	4	1903	1963	
30,00,000	4	1904	1964	
40,00,000	4	1905	1965	
15,00,000	4	1906	1966	97½N
30,00,000	4	1907	1967	
25,00,000	4	1908	1968	
18,00,000	4	1912	1972	
50,00,000	4	1913	1973	
25,48,500	4	1914	1974	97½N
40,00,000	4	1916	1976	
66,00,000	5	1919	1957–79	113N
50,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–88	115N
10,00,000	3	1927	1961–70	98‡
STERLING LOANS				
£566,600		1909	1949	89½N
£333,000		1910	1970	89½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1920	1959	107
50,00,000	4	1924	1964	99‡
35,00,000	5½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
50,00,000	3	1938	1968	90
50,00,000	4	1952	1962	99‡
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
20,00,000	4	1913–15	1974	99½
10,00,000	5	1919	1979	113N
15,00,000	5	1922	1980	104
45,50,000	5	1929	1954–89	106‡
26,21,500	5	1929	1959	
25,00,000	2½	1927	1977	86‡
4,00,00,000	2½	1949	1999	86‡
2,50,00,000	3	1950	1965	86‡
2,50,00,000	4	1952	1962	99‡
1,50,00,000	3	1953	1963	99‡
2,50,00,000	4	1954	1964	100
	4	1955	1967	99‡
CALCUTTA				
25,00,000	5	1923	1953	103
25,00,000	5	1929	1957	103‡
10,00,000	5	1929	1959	103‡
33,91,000	5½	1935	1965	108
60,00,000	3	1936	1966	90
47,50,000	3	1936	1966	90
15,58,800	4	1938	1968	90
15,58,800	4	1939	1969	90
15,58,800	4	1940	1956	99‡
17,64,400	2½	1942	1957	99‡
10,00,000	2½	1943	1973	96‡
15,49,000	2½	1944	1974	92
16,32,000	2½	1951	1960	97
66,36,000	2½	1951	1961	97‡
37,36,000	2½	1951	1962	97‡
72,50,000	4½	1952	1968	99‡
	4½	1954	1979	99‡
MADRAS				
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107‡N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs
3½% W. Bengal	1951	1,75,00,000		
4 % W. Bengal	1952	3,00,00,000	17th Sept. 1962	98‡
4 % W. Bengal	1953	2,60,23,000	1st Aug. 1964	100
4 % W. Bengal	1955	7,58,72,000	15th July 1968	100
4 % W. Bengal	1956	7,00,00,000	1st Sept. 1967	100
			3rd Sept. 1968	99‡

*—Nominal.
ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1956. ‡—Interest free to first 15 years.
§—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	120	100
BREWERIES AND SUGAR						
Bharat Sugar	5 00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	136	100
Deccan Sugar & Abkhar. A	7,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries	£200 000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	68	100
Purtabpore Co.	5,00,000	1922	10	Oct.	15	10
Ramnagger Cane	4,00 000	1933–36	6	Aug.	100‡	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	8§	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	103	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	100	100
Do. (2nd)	4,50,000	1946	6(a)	...	8	10
Equitable	4,00,000	1895	7	Mar. Sept.	102	100‡
Karanpura Collieries	4,97,500	1946	5½(a)	...	65	75(p)‡
††Khas Kajora	1,93,000	1931	6	Mar. Sept.	4½N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1893–99	6½	Apr. Oct.	105	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108‡	100
Bangalore	6,00,000	1884	6	Jan. July	122	100
Basanti Cotton	5,00,000	1938	6½	Nov. ...	8	10
Bengal-Nagpur	3,,0,000	1896	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	126	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	66	100
Bradbury	14,75,000	1919	7	June Dec.	67	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	146‡	100
Cambodias	1,00,000	1923	7	Apr. ...	118‡	100
Central India

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. F.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend or first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	5,62,725	90,10,670	43,05,272	96,339	Rajputana Textiles (Agencies) Ltd..	56,008	898	Apoli Mills	2-12½	2	0 4(e)	0 2(e)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,027	72,25,685	—6,97,129	M.	50,596	1,021	I. E. Cotton Mills	48½	100	20 0*	20 0*	25 0*		12	Y.
2,50,00,000	3,99,75,778	4,92,53,445	3,29,90,278	73,129	Nowrosjee Wadia & Sons, Ltd. ..	2,21,000	4,455	Bombay Dyeing & Mfg. ..	627½	250	32 8*	20 0	25 0*	7 81	3	Y.P.T.
10,00,000	23,74,992	58 81 988	53,57,495	91,711	Kamani & Sons, Ltd.	44,784	880	Bradbury Mills	205	50	100 0†	75 0†	12 8	90 0	12	Y.
1,00 42,800	2,63,96,020	2,81,88,564	1,97,06,117	6,34,956	Birla Bros., Ltd.	1,26,344	2,898	Textile Mfg. & Mfg.	550	100	22 0	22 0	22 0	8 01	3	Y.P.
45,00,000	29,42,536	1,19,90,766	58,07,085	—33,03,857	V. J. Hall (Chairman and Managing Director)	40,668	786	Colaba Land & Mill	99½	100	*NG*	*NG*	*NG*		12	Y.P.T.
26,00,000	13,03,380	90,15,997	57,80,041	17,016	C. Jeejeebhoy & Co., Ltd. ..	20,328	690	Cowasji Dinshaw & Wyg. ..	160	100	7 8	7 8	7 8		12	Y.
10,00,000	24,88,696	99,10,5-1	54,68,041	2,17,076	Kamatchi Sons, Ltd.	50,064	925	Kamani Sons, Ltd.	345	200	15 0	15 0	15 0	12 8*	12	Y.
24,00,000	40,06,488	78,74,287	56,21,756	2,53,243	Tyrannical Bubna Sons. ..	50,064	925	K. ward Textiles	50	50	*NG*	2 0	18 0		12	Y.
29,99,950	11,81,233	1,09,78,849	80,74,224	1,81,254	M.	41,800	886	Elphinstone Spg. & Wvg. ..	58½	100	5 0	5 0	5 0		12	Y.
50,00,000	70,11,575	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,328	764	Finlay Mills	339½	100	16 0	16 0	20 0		12	Y.P.
11,54,000	76,64,889	1,37,76,810	99,11,500	9,223	Hindoostan Spg. & Wvg. Mills ..	5,400	1,122	Thackersey Mooljee & Co. ..	5,400	1,000	225 0*	225 0	300 0	75 0†	12	Y.
16,000						992½			992½	250	56 4*	6 4	75 0			
2,99,99,000	62,50,899	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,412	India United Mills	0 100.	0 10	12 2½	*NG*	0 15	18 12½	3	Y.P
1,00,000						0 1D.	0 1		0 1D.	0 1	*NG*	*NG*	0 15			
2,45,000	74,34,048	1,80,07,908	92,50,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	5,175	1,000	225 0*	225 0	300 0		12	Y.
35,000										100	20 0	20 0	30 0			
50,85,000	55,07,631	2,73,73,670	2,03,22,138	26,228	Khatau Makanji & Co., Ltd. ..	37,740	1,585	Khatau Makanji Spg. & Wvg..	241½xd	100	10 0	8 0	10 0		3	Y.P.
1,90,00,000	1,31,80,000	3,56,58,095	2,80,14,790	33,980	Killick Industries Ltd.	1,20,564	1,846	Kohinoor Mills	347	100	20 0*	18 0	10 0	10 0	6	Y.P.
22,12,056	41 06,720	1,14,74,348	55,99,115	91,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	110N	50	5 0	5 0	8 0*	6 01	12	Y.
51,75,000	37,05,208	2,35,58,597	1,76,19,559	1,41,489	Pramani & Sons	70,416	1,582	Morarjee Goculdas Spg. & Wvg.	260	100	12 0	14 0	14 0	15 0	12	Y.P.
1,57,74,400	34,41,504	5,54,71,095	2,05,00,500	2,15,068	Chinai & Co., Private Ltd. ..		169	Nathoo Rayon Corporation ..	175	100	9 0	10 0	12 0		6	Y.P.
24,00,000	24,50,000	76,57,863	46,04,780	2 015	W. H. Brady & Co., Ltd. ..	45,144	432	New City of Bombay Mfg. ..	250	100	10 0	10 0	10 0		12	Y.P.
30 00 000	14,61,250	92,85,599	61 42,741	4,330	W. H. Brady & Co., Ltd. ..	49,912	1,016	New Great B. g. & Wvg. ..	250	100	10 0	7 0	10 0		12	Y.
42,00 000	30,10,989	1,34,29,555	94,72,255	2,40,352	Ramnarain Sons, Ltd.	49,328	1,190	Phoenix Mills	149½	100	8 0	8 0	10 0		12	Y.
40 00,000	45,70,380	2,59,56,049	23,00,000	3,92,677	Podar Sons, Ltd.	52,600	980	Podar Mills	166½	100	10 0	10 0	12 0*		12	Y.
5,00,000	3,16,996	21,21,531	19,01,340	—1,72,184	David Sassoon & Co., Ltd. ..	9,592	27	Bombay Spg. & Wvg.	12	10	0 12	0 8			12	Y.P.
37,75,000	82,30,805	1 92,53,141	1,59,71,254	24,320	M. G. Investment Corporation, Ltd..	37,488	1,154	Sassoon Spg. & Wvg.	45½	100	1 4	1 12	1 12		12	Y.
80,00,00,0	47 70,061	80,80,808	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd. ..	46,286	1,640	Shree Niwas Cotton Mills ..	215	100	14 0	14 0	12 0		12	Y.
42,00 000	33,02,179	98,78,809	73,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.										12	Y.P.
37,50 000	2,23,18,720	2,51,28,999	1,37,55,474	12 833	Maratlal Gazalbhai & Sons ..	74,840	1 6	Sumjee Mills	200½	50	15 0	11 0	10 0			
99,55,700	64,69,716	2,29,87,647	1,19,01,899	67,611	Tata Industries Ltd.	43,02,084	1,683	Standard Mills	477½	100	20 0	20 0	2 0	12 0	12	Y.P.
84 00,000	55,33,465	1,23,99,971	81,82,715	1,21,036	James Finlay & Co., Ltd. ..	72,328	892	Swan Mills	438½	100	20 0	10 0	25 0		12	Y.P.
98,57,000	31,96,276	1,77,54,859	66,44,883	43,484	Tata Industries Ltd.	2,094	1,800	Tata Mills	54½	25	1 8	2 8	4 0		12	Y.
12,00,000	62,55,709	1,16,54 436	51,90,000	2,210	Thackersey Mooljee Son & Co.	64,186	1,399	Western India Spg. & Mfg. ..	5,150	1,000	225 0*	225 0	300 0	75 01	12	Y.P.
															3	Y.

AHMEDABAD

40,00,000	21,50,000	1,48,70,885	49,76,244	17,089	Tata Industries, Ltd.	49,144	1,031	Ahmedabad Advance Mills ..	200	100	10 0*	8 0	7 0	12 0	6	Y.P.
10,00,000	24,58,068	94,87,898	76 10,164	27,288	P. M. Hutheesing & Sons, Ltd. ..	44,220	912	Arvind Mills	750xr	100	20 0*	20 0	30 0		12	Y.P.
24,25,000	24,55,000	1,66,65,504	1 16,00,000	72,786	Narottam Lalbhai & Co. ..	52,448	1,216	Arvind Mills	1,314	10	20 0*	20 0	25 0*		12	Y.P.
20 00,000	31,75,000	99,54,384	72 25,000	2,46,349	Manganlal & Bros., Ltd. ..	2 ,044	892	Arvind Mills	640	20	15 0	15 0	25 0*		12	Y.P.
12 00,000	1,16,29,035	84 58,974	66,04,985	69,906	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,150	2	0*	2 0	2 0		12	Y.P.
1,37,50,000	2,25,76,233	4 61,25,852	2,28,68,944	2 31,712	Karamchand Premchand Ltd. ..	1,39,128	2,573	Calico	500½	1 5	18 0	18 0	30 0		12	Y.P.
66,87,000	24,53 000	1,21,06,443	89,25,000	2 760	Tricumlal Bhoglal & Co., Ltd. ..	45,336	816	New Commercial Mills	1,130	1,000	70 0	70 0	70 0	30 0½	3	Y.P.
30,00 000	72,52,426	1,32,09,223	96,26,962	19,22	Maganlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	925	125	35 0	35 0	35 0	0 0	12	Y.P.
16,00,000	58,48,000	50,58,197	37,98,317	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	462½	100	30 0*	30 0*	20 0		12	Y.
12 50,000	1,14,77,470	86,29,489	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	22,825	636	Rajnagar Mfg.	1,000	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,489	71,44,508	17,24,749	Lallubhai Gordhandas Ltd. ..	39,156	648	Rohit Mills	310	100	20 0	20 0	30 0		12	Y.P.
24,95,180	3 05,24,838	1,76,92,548	1,52,76,209	3,29,20	Harivallabh Gokaldas & Co. ..	94,116	1,738	Shri Ambica Mills	694	50	10 0	10 0	20 0	27 0*	12	Y.P.
19,52,500	63,21,268	78,08,018	66,84,701	15,548	Mahalal Chandulal & Co., (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	640	100	20 0	25 0*	25 0		12	Y.
28,00,000	99,84,191	1,09,66,808	78,85,291	24,844	Haridas Ambalal & Co., Ltd. ..	36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.
															12	Y.P.

WEST BENGAL

15,00,000	1,83,800	34,23,069	21,01,819	1,08,080	Calcutta Agency, Ltd.	13,044	356	Bansali Cotton Mills	6½xd	10	0 4	0 8				
7,11,280	5,40,775	48,42 881	25,67,597	96,788	Bengal Textile Agency, Ltd. ..	32,544	986	Bengal Luxmi Cotton Mills ..	40N	40	*NG*	4 0			12	Y.P.T.
6,00,000	22,12,414	51,49,000	—23,47,378	Kettlewell Bullen & Co., Ltd.)	42,272	841	Bowreah Cotton Mills	143	100	*NG*	*NG*			3	Y.	
19,00,000	26,17,571	1,04,88,558	1,20,23,799	2,45,433	Birla Brothers, Ltd.	42,504	1,990	Kesoram Cotton Mills	17	10	1 12	0 14	*NG*		6,12	H.P.
19,47,750	2,07,59,268	3,59,23,374	2,48,85,52	Kanaresemull Heeralall ..	23,026	795	Rampooria Cotton Mills ..	15½N	10	0 8	0 10		0-5 1/25		3	Y.
5,00,000D	7,45,000	47,06,308		1 804					12½	1D	*NG*	*NG*			6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00 000	60,27,191	29,09,649	—8,54,238	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	10½	10	*NG*	*NG*				
71,94 000	26,91,264	1,84,91 630	50,78,582	1,26,043	Industrial Trust Fund	86,136	708	Asoka Jalli Mills	92	100	6 0	*NG*			12	Y.P.T.
40,50,000	2,00,68,745	3,34,96 904	2,43,38,256	2,86,649	Binny & Co. (Madras), Ltd.. ..	40,068	1,157	Bangalore Woollen Cotton and Silk Mills	565	100	25 0	30 0	30 0	10 0	3	Y.
87,00,000	15,50,000	77,25,162	58,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	9½	10	*NG*	*NG*			12	Y.P.
35,00,000	1,09,48,251	1 19,14,492	87 75,992	4,29,22	Birla Brothers, Ltd.** ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	81N	10	3 0	3 0			6,12	H.P.
1,19,47,500	1,76,52,500	6,38,09,303	3,53,32,180	3,35,445	Binny & Co. (Madras), Ltd.*	1 20,356	2,787	Buckingham & Carnatic Co. ..	195	100	10 0	10 0			3	Y.
80,00,000	20 00,000	2,99,93,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	35,706	..	Cannanore Spg. & Wvg. ..	100	100	12 0	10 0	12 0	4 01	12	Y.P.
10,00,000	9,11,140	1,00,40,729	54,63,261	9,994	K. Dasharatan, Esq.	28,796	..	Cawnpore Textiles	9	5	0 0	0 8	12 0	15 0	3	Y.P.
50,00,000	29,51,420	90,40,729	61,77,376	36,767	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Spg. & Wvg. Mills Ltd.	12½	10	*NG*	*NG*		0 12	3	Y.P.
2,37,470	2,00,000	50,67,326	16,02,163	58,798	C. R. Srinivasan, Esq. (Chairman).	24,800	..	Coimbatore Cotton Mills ..	392	100	20 0	20 0	25 0		12	Y.
12 00,000	20,50 000	1,61,59,396	1,04,93,527	24,194	K. Thiagaraja Naidu & Co. ..	28,564	..	Coimbatore Pioneer Mills ..	310	100	15 0	20 0	25 0		12	Y.P.T.
20,00,000	19,98 000	34 56,430	24,24,921	14,322	T. K. N. Naidu & Co.	22,788	..	Coimbatore Spg. & Wvg. ..	207	100	8 0	8 0	8 0		12	Y.
20 76,900	4,19,814	1,15 81,899	82 06,019	16,884	K. N. Naidu & Co.	72,828	..	Central Mills	152½	100	5 0	5 0	5 0		6	Y.
46,87,500	52,82,449	2,58,18,409	1,58 09,483	5,703	Tata Industries, Ltd.	1,16,556	2,062	Ceylon Cloth & General Mills ..	41N	25	1 12	2 4	3 0	6	Y.	
9,99,78,125	2 55,00,000	9,99,78,783	5,08,00,000	82,789	B. R. Charat Ram & Co., Ltd. ..	1,16,556	2,554	Delhi Cloth & General Mills ..	41N	25	2 4(f)	3 0	3 0	6	Y.P.	
1,00,848										10	0 3	0 3	0 3			
24,24,400	25 47 678	55,74,246	25,26,525	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	430	100	20 0	30 0	30 0		12	Y.P.T.
50,00,000	66,00,000	2,84,16,384	1,29,71,681	Begg, Sutherland & Co., Ltd.	48,452	1,198	Digbi Mills	29½	10	1 0	1 0	1 0		12	Y.	
48,81 000	35,22,175	1,00,55,167	66,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	240½	100	17 0	18 0	18 0		12	Y.
50,00,000	6 16,447	1,85,91,943	1,12,25,576	9,581	K. L. Kelkaria, Esq. (Chairman)	51,740	1,420	Indore Malwa United	108	50	6 0	6 0	8 0		12	Y.
5,00,000	10 49,584	31,06,660	18 48,185	3 079	G. N. Naidu & Co., Ltd. ..	12,824	..	Janardana Mills	50	50	6 0	6 0	8 0	5 01	12	Y.
42,00,000	16 25 000	78 88,848	26,50,000	29,842	Kothari & Sons	48,000	800	Kothari Textiles	100	100	9 0	10 0	12 0		12	Y.
32 00,000	68,30,185	1,48,62,660	1,12,84,204	14,744	Lakshmi Cotton Mfg.	51,972	1,219	Lakshmi Cotton Mfg.	707½	250	37 8	35 12	42 8		12	Y.P.
39,56,100	66,35,060	1,61,18,090	96,51,437	6,51,554	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	258	50	5 0	5 0	6 0	12 81	12	Y.P.
17,82,000									128	25	2 8	2 8	3 0	6 4		
1,79,02,480	4,13,81,878	5,73 76,126	3,86,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	115	25	2 8	3 0	3 0		3	Y.
12,00 000	4,17,363	28,26 759	14,72,262	—99,078	L. A. R. Chettiar and Others.	22 592	100	Malabar Spg. & Wvg.	118	200	8 0	8 0	8 0		12	Y.
60,00,000	60,00,000	53 79 627	43,29,734	45,885	W. A. Beardsell & Co. Ltd.	24,720	603	Mettur Industries Ltd. ..	441½	100	12 8	22 8*	25 0*	6 8	12	Y.
29,56,884	19 61,581	89,75,246	49,94,782	16,586	N. Sirur & Co. Private Ltd.	35,896	704	Minerva Mills	160	100	7 0	5 0(c)	6 0		12	Y.
24 91 854	27,24,404	1,51,29,118	76,81,528	—7,44,982	Nanalal Abrichana Dadabhoy & Co.	91,540	1,684	Modern Mills (Nagpur)	189½	250	7 0*	5 0(c)	6 0		12	Y.
30,00,000	12 15,000	1,83,18,273	1,33,28,273	—7 77 290	Indian Textile Syndicate Ltd.	58,640	1,284	Muir Mills	95N	100					12	Y.
24,25,800	50,54,035	1,10,93,742	67,14,107	19,041	A. Sirur & Co., Ltd.	30,480	500	Mysore Spg. & Mfg.	110	50	10 0*	8 8*	9 0(c)	9 0*	12	Y.P.
13 61,780	6,500	29,25,252	16,12,761	—1,80,653	R. Soryanarayana Rao, Esq., Manager	6,000	..	Mysore Spun Silk Mills ..	6½	10	*NG*	*NG*	*NG*		3	Y.
23,89,5810	25,68,583	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	25	0. 2½	*NG*	*NG*			3	Y.
3,07,09										0. 2½	*NG*	*NG*				
67,19,800	53,48,220	1,66,99 969	61,91,861	74,722	Industrial Trust Fund	37,788	864	Osmanshahi Mills	90	100	4 0	*NG*			12	Y.P.
6 00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	172	50A	12 0	12 0	12 0	8(c)	9	Y.
6 00 000B									125	50B	10 0	10 0	10 0	8(c)		
15,00,000	1,58,000	24 16,017	17,49,676	—14,26,887	C. S. R. Mudaliar & Sons ..	20,796	..	Pankaja Mills Ltd.	85	100	*NG*	10 0	12 0		12	Y.P.
16 61,2004	22,78,000	83,60 150	49,86,177	4,869	A. G. Gurusamy Naidu & Co.	51,864	361	Radhakrishna Mills	870	10A	8 0	16 0	20 0	0(c)	12	Y.
5,40,600B						175	50B	8 0	8 0	10 0	0(c)					
15 00,000	20,00,000	48,74,198	29,94,887	11,081	B. R. Nadu & Sons	25,472	..	Rajalakshmi Mills	168	50	4 0	8 0	10 0		12	Y.
16,14,300	15,00,000	52,92,215	17,41,434	10,510	Damoo Agencies Ltd.	24,996	*NG*	Rajapalayam Mills	159	100	4 0	6 0	10 0		12	Y.
82,19,625	12 40,000	40,14,000	18,05,147	2,250	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	158	100	6 0	6 0	10 0	10 0	12	Y.
66,00,000	62,41,568	1,00,25 428	35,44,914	—19,16,752	J. P. Srivastava & Sons (Rampur).	35,280	600	Rasra Textiles	81N	10	*NG*	*NG*	*NG*		12	Y.
16 00,000	1,80,89,610	2,93,66,410	2,04,66,196	—1,78,06,704	Moraraka & Co.	95,232	2,2 6	Sholapoor Spg. & Wvg. ..	1,800	1,000	*NG*	*NG*	*NG*		12	Y.P.
36,49,700	17,10,000	81,44,272	45,28,818	1,09,148	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	125	50	4 0*	4 8	5 0	7 0	3	Y.P.
20,14,800	2,00 544	55,16 906	17,71,000	—2,45,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	50N	100	*NG*	*NG*				
15,00,000	3,11,90,227	96,09,567	79,44,724	81,27,568	Birla Brothers, Ltd.	31,668	1,242	Sutlej Cotton Mills	110N	100	4 0	5 0	6 0		12	Y.P.
17 50,00000	2,80,00,000	4 54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur	100.	100	4 0	5 0	6 0		12	Y.
7,50 00000									12½	10P.O.	0-14 5	1-2 2/5	1-2 2/5	0 12	3	Y.
1,00,00,000	80,14,788	3,80,55,317	1,37 16,775	2,88,771	Simcote & Sons (Travancore), Ltd.			Travancore Rayons	15	10	0 8	0 12	1-2 2/5	0 12	3	Y.
12,96,678	8,75,352	17,98,181	11,27,236	1,805	Mooljee Ramjee & Sons ..	17,600	..	Trichinopoly Mills	144	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.
21,00,000	24,50,000	1,71,43,723	60,53,126	45,974	R. K. S. Chetty & Brothers	46,440	270	Vasanta Mills	840	100	12 0	15 0	20 0	0-14 2/5		
62,00,000	34,42,971	1,54,67,122	1,06,10,228	29,129	Bombay Co. Ltd.	46,490	1,331	Vishnu Cotton	172½	100	4 0	4 0	8 0		12	Y.
															12	Y.P.

* Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (f) For six months ended 31st December, 1956.
† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.
‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs	Rs	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,80,170	54,33,974	1,12,286	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	11½	5	*NG*	*NG*	0 8	0 4i	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr K. G. Khanna	Dyer Meakin Breweries ..	0½	5	0 8	0 8	0 9		3	Y.
4580,000	4925,777	61,30,585	4566,540	456,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	29½	A. 16sh B. 21	Sh. 1 3-6 Sh. 4	Sh. 1 3/5 Sh. 4	Sh1 3/5 Sh. 5 4/5	Sh1 1	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq (Chairman)	United Breweries	217	75	15 0	15 0	15 0		3	Y
CEMENT														
51,27,660	13,06,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,900O.	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	*NG*	*NG*			3	Y.P.T.
4,70,976D.							1½	D. 1						
12,71,66,308	5,49,40,618	24,90,99,371	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	194½	100	9 8	8 8	10 0		7	Y.
60,00,000O.							14½	O. 10	1 0	1 0	1 4			
Qua.25,00,000O.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	5½	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000D.							5½	D.	0 1-3/5	0-1 3/5	0 2			
61,91,0300.	14,00,000	1,46,54,800	47,05,770	2,31,546	Messrs Ltd.	India Cements Ltd.	31½	O. 25	*NG*	1 4	1 14		3	Y.P.
7,80,000D							6½	D. 5	*NG*	0 4	0 4			
97,36,500	31,41 985	1,83,18,049	89

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,60,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co. .. .. —	Bengal Paper Mills .. .. —	105N	25	1 9	3 2	4 11		9,12	H.P.T.
63,00,000	66,05 611	1,15,51,257	79,71,808	14,387	Andrew Yule & Co., Ltd. .. —	India Paper Pulp ‡‡ .. .. —	24½	10	12 0	14 0	1 6 2/5	0 11 1/5	2,9	H.
25.00.000	20.12 500	1,43,61 701	67,07,860	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills .. .. —	16½	10	1 0*	0 12*	0 12*	1 0*	3,9	H.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Bros. .. .. .. —	Orient Paper .. .. .. —	37☆	10	2 0	0 15	1 2	0 10	3,9	Y.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills .. —	17½	10	1 8	1 8	0 10½		3,9	H.P.T.
29,00,000 } 32,00,000'A.' }	6,50,000	95,88,644	61,01,926	13,795	Baloria & Co. .. .. .. —	Star Paper Mills .. .. —	{ 10☆ 10☆	O. 10 A 10	0 12 0 12	0 12 0 12	1 4 1 4	}	3,9	H.P.T.
56,00,000A. } 56,04,800B. } 4,97 800P.O. }	3,22,75,945	5,80,42,527	2,21,32,342	95,684	F. W. Heilgers & Co. Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	{ 40½ 40½ 41	A. 10 B. 10 P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4	}	3,9	H.P.
PRESSING														
3,00,000	6,12,365	15,78,488	11,18,891	—85,478	Andrew Yule & Co. .. .. .. —	Calcutta Hydraulic .. .. —	100	100	3 0	4 0	Nil		6	Y.
4,50,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons .. .. —	Camperdown .. .. .. —	100	100	7 0	5 0	5 0		7	Y.
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co. .. .. —	Central Hydraulic .. .. —	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
12,00,750O. } 2,50,000D. }	6,98,333	43,52,576	23,63,279	35,006	S. A. Basil, Esq. & others (Directors)	Humayun Properties .. .. —	{ 19½ 24	O. 10 D. 1	0 11½ 0 3/5	0 9 3/5	0 9 3/5		9	Y.P.
50,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	8	100	Nil	Nil	Nil		4	Y.
94,50,000	36,71,574	95,09,208	1,19,461	68,064	Andrew Yule & Co. .. .. —	Midnapore Zamindary	80½	100	1 8	4 0	8 0		4	Y.P.
SAW MILLS AND TIMBER														
42,99,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills .. .. —	4½	3	Nil	Nil	Nil		9	Y
50,00,000 } 42,00,000 }	4,18,57,380	3,35,90,682	1,47,51,851	61,999	Wallace & Co .. .. .. —	Bombay-Burmah Trading Corpn.	{ 721½ 263½	Old 125 New 50	15 0 6 0	20 0 6 0	Nil 27-8 15-0	11 41 4 81	9	Y
6 00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	Nil	Nil	Nil		5	Y.
80,00,000	21,15,487	19,00,295	14,55,580	2,76,619	Gillanders Arbuthnot & Co. Ltd	Indian Wood Products	44½	10	1 8	2 12	3 0		9	Y.P. Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	29,45,224	23,97,928	20,880	Begg, Sutherland & Co., Ltd ..	Balrampur Sugar	78	5	Nil	9 12				
12,00,000A. } 8,00,000B. }	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co. Ltd.	Basti Sugar .. .. .. —	{ 145N 134N	A. 100 B. 10	10 0 1 0	10 0 1 0	0 1		6	Y.
19,49,084	8,50,000	33,35,389	24,41,801	51,985	Bansur Bros., Ltd.	Belsund Sugar	11½ 17N	10	0 12	0 12			4	Y.
15,00,000	13,90,295	16,40 479	11,77,841	15,206	Cotton Agents Ltd.	Bharat Sugar	10	10	1 8	1 8	0 12		6	Y.
32,00,000	28,37,030	1,36,90,775	92,27,901	12,445	Glodstone Lyall & Co., Ltd. ..	Carew & Co.	8½ 19½	Nil	0 12	0 12	1 8		6	Y.P.
30,00,000	37,33,651	1,09 44,547	84,32,451	83,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	25½	10	2 0	0 12	0 12		6	Y.P.T.
18,00,000	38,04,891	72,85,757	53,46 902	24,019	Begg Sutherland & Co., Ltd. ..	Champarun Sugar	10N	10	1 0	1 0	1 8		10	Y.P.
9,99,452	6,18,562	24,58,536	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	285N	10	15 0*	0 12			6	Y.P.
66,00,000A. } 18,00,000O. }	32,00,000	75,94,877	56,00,000	62,419	Baehbraj & Co., Ltd.	Hindustan Sugar Mills	{ 'A 100 O. 100	15 0*	15 0*	15 0*			6	Y.T.
12,00,000	8,61,001	75,81,809	42 68,455	37,926	Kisachand Devchand & Co. ..	Kesar Sugar	65N 38N	80 40	Nil Nil	Nil	4 8		6	Y.P.
7,89,100	23,14,058	34,94,612	19,35,822	1,364	Cotton Agents Ltd.	New India Sugar Mills	32N	10	2 8	2 8	2 4		7	Y.P.
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan .. .. .. —	6½	10	0 4	0 4	2 8		6	Y.P.T.
2,71,87,5O. } 1,36,00,000A. }	49,60,297	67,74,122	21,56,900	5,217	Cotton Agents Ltd	New Swadeshi Sugar Mill ..	{ 240N 50N	100 25	20 0 5 0	20 0 5 0	20 0 5 0		6	Y.
77,45,350	52,18,159	1,88,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	158N	100	11 0	11 0	11 0		6	Y.
12,00,000	12,74,122	23,77,669	19,95,923	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	110N	100	10 0	10 0			7	Y.P.
9,00,000	17,54,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17	10	1 0	0 12			10	Y.
8,00,000	5 31,129	26 43,262	21 70 524	5,234	M.	Ryam Sugar	201N	10	1 0	0 12	0 12		10	Y.P.
11,99,000	16,36 779	3n,63,588	22 92 130	8,477	M.	Samastipur Central Sugar ..	123	10	0 8	0 8	Nil		6	Y.P.
40,00,000	22,68 560	1,35,20,110	62,59 521	54,045	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12	10	1 8	1 8	1 12		6	Y.P.
9,99,950	61,825	27,15,126	12,60,852	—0,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	Nil	Nil	Nil		8	Y.P.T.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	15N	10	2 0*	1 8*	Nil		6	Y.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	15N	O. 10	2 0*	1 8*	Nil		6	Y.
47,50,000 } 2,50,000 }	17,00,000	1,98,40 704	65,00 000	2,582	J. K. Industries Ltd .. .. —	Aluminium Corporation of India Ltd.	{ 13½ 6N	O. 10 D. 5	Nil	Nil	Nil			
40.00.000	28,25,000	56,26,345	21 56,600	64,537	Seshasayee Bros. (Travancore) Ltd. ..	Aluminium Industries Ltd. ..	20	10	1 4	1 4	1 4		8	Y.P.T.
30,00,000	35,06,079	31,06,629	21,94,981	2,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	20½	10	1 4	1 4	2 0*	1 4	8	Y.
20,00,000	9 65,000	33,39,494	20 85,960	1,18 895	T. H. Kyd'n, Esq. (Mg. Director)	Assam Match Co. Ltd.	101N	10	0 3 1/5	0 4	1 4/5		8	Y.
30,00,000	27 47,882	1,01,49,327	39,87,830	32,633	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..					0 2 1/5	0 2 1/5	12	Y.P.
80,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T Jenkins, Esq; (Director)	Balmer Lawrie & Co., Ltd. ..	168½	100	30 0*	13 0	12 8		8	Y.P.T.
12 00.000	9,10.000	31 37 448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	35½xd	10	1 8	2 8	2 4		12	
20 00,000	7,95.480	62 57 994‡‡		1,15 707	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	2 4			
45,97,020	30 11,814	1,10 56,424	33,37,389	1,79,277	K. Julius Peosh, Esq. (Mg. Director)	Britannia Biscuits	16½	10	1 4	1 4	1 4		6,12	
2,25 00 000	1,16,11,900	2 62 12,902	2,24,14,167	—27,36,784	Sir Robert Mentics	British India Corporation Ltd. ..	10½	5	0 8	0 12	1 0		9	Y.P.
1,35,80,000	17,34,264	2,03,27,282‡‡	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	11	10	0 4 1/5	0 8 1/5	Nil		9	Y.P.
1,60,00,000	3,14,86,174	5,15 62 130	2,20,82,990	11,71,486	Cecil Stark Esq. Mg Director)	Dunlop Rubber (India) Ltd. ..	29	10	1 8	1 8	0 9	1 6	12	Y.P.
81,26,000	84 12,218	1,42,47,664‡‡	....	3,06,188	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	146	100	15 0*	15 0*	15 0*		12	Y.P.
14,00,000	10,08,000	33 81,772	13 89,772	37,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	170	100	20 0	15 0	15 0		12	Y.P.
65,00,000	42,00,000	19,27,868	8,06,872	1,51,366	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	14	10	1 0	1 0	1 0		8	Y.
20,00,000	13,17,254	78,75,302	51,19,064	45,995	B. P. E. Syndicate	Great Eastern Hotel	225	250	15 0	7 8	5 4 2/5		8	M
20,17,900	13,68,886	86,39,288	59,24 587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	107½	100	8 0	10 0	10 0		8	Y.
4,94,13,840	2,92,450	3,86,34,606	94,58,719	5,19,685	Birla Bros. Ltd.	Hindustan Motors	9½	10	Nil	Nil	Nil		12	Y.
1,80,00,000	46,77,784	4,14,74,662	1,74,76,668	9,19,574	E. E. Greenwood (Mg. Director)	Indian Aluminium Co.	15½	10	1 0*	1 0	Nil		12	Y.T.
1,58,26,220	1 20 40,000	1,58,72,981	57,17,651	28,98 462	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	23½	10	0 12	0 8	0 8		12	Y.P.
5,27,970	5,88,000	16,40,606	8 98 110	32,616	G. S. Moulton & Co. (India) Ltd.	Imperial Tobacco Co. of India Ltd.	15	10		0 8	0 8		12	Y.P.
15 14,00,000	7,99,09,698	4,15,59,481	1,03,28,877	24 94,374	Mr. G. B. J. Clarke (Chairman)	Jardine Henderson	94	100	7 8	7 8	0 9 3/5	0 12 4/5	12	Y.P.
2,00,00,000	58,29,566	84,53 960	3,60,060	4,70,107	G. M. Mackinlay, Esq.						7 8			
6,24 0000	1,91,892	5,94,080	3,53,758	2,668	James & Co. Private Ltd. ..	Macfarlane & Co. .. .. .. —	{ 2½ D. 1	O. 1 D. 1	Nil	Nil			8	Y.P.
60,00,000							215N	O.100	10 0	17 0				
60,00,000O. } 5,00,000D. }	73,01,900	35,16,766	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director ..	McLeod & Co. .. .. .. —	—	D.O.10	10 0	10 0	1 8 1/5		8	Y
1,87 50,000	60,54 276	92,56,051	11,54,229	2,08 456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	1 0*	1 0	1 8		12	Y.
1,10 00,000	55,50 000	1,38,37 972	70,00 772	16,54 949	H. Chiswell Jones, Esq (Chairman)	Metal Box Co. of India, Ltd. ..	28½	10	1 0	1 0	1 8	1 12*		Y.P.
6,35,585	1,55,250	7,33,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq. ..	Mysore Glass and Enamel Works	15	10	Nil	Nil	Nil		9	Y.
6,56 250	9,19,696	11,18,541	5,51 055	440	M. J. D'Sa (Controller)	Mysore Lamp Works	18½	10	1 0	1 0	0 12	1 10	9	Y.P.
10,00,000	1,39,000	19,18,165	10,10,826	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco		10	1 0	1 0	1 0	0 14 2/5	8	Y.P.
40,60,000	51,51,172	89,09,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	Nil		12	Y.P.
79,97,000	31,15,327	1 14,74,878	58,77,562	9,08,430	B. E. Bliss & Co., Ltd.	National Tobacco Co.	16½	10	1 0	1 0	1 8*		8	Y.
2,25,00,000	7,25,185	1,58,49,091	40,14,109	—63,99,179	M. P. A. Paspatti, Esq.	Ralli's (India) Ltd.	47	100	Nil	Nil				
2,12,24,400	1,21,20,108	7,96,24,689	3,47 94,970	4,91,624	Sahu Jain Ltd. .. .. .. —	Rohtas Industries	21½	10	1 4	1 8	Nil		12	Y.P.
40,00,000	99,40,994	1,16,79,870	70,99,987	5,10,674	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	16½	10	1 4	1 8	1 8		8	Y.P.
70 00 000	54,13,860	17,49,316‡‡	5,58,885	3,65,280	B. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	18½	10	1 4	1 4	1 8		10	Y.P.
9,99,950	....	14,99,279	5,54,940	....	Ogale Bros., Ltd.	Travancore Ogale Glass	21	10	Nil	Nil	Nil		10	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Exceeding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlokie	375	100	25 0	30 0			12	Y.P.
3,50,000	8,43,250	10,69,903	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45½	10	1 4	7 8			12	Y.
3,50,000	6,43,250	10,47,044	3,03,053	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	48	10	2 8	8 0*			12	Y.
5,50,000	11,21,541	17,36,465	7,03,427	36,051	McLeod & Co., Ltd.	513	Baghmari	23¾xd	10	Nil	2 8	1 0		12	Y.
3,10,000	9,10,000	12,25,982	4,59,309	66,735	Andrew Yule & Co., Ltd.	373	Basmatia	33½	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65 000	11,68,776	7,13,759	50,298	National Tea Corporation	570	Batell	25½	10	2 0	4 0	2 8		12	Y.
3,20,000	8,70,000	9,50,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	29½	10	2 0	10 0*			12	Y.
16 50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	2,967	Bishnauth	25	10	3 8				12	Y.
6,00 000	2,53,500	10,49,416	2,08,130	61,929	Ostevius Steel & Co., Ltd.	485	Bokahat	20½	10	Nil	1 0			12	Y.
7,50,000	7,27,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Borsmah Jan Tea	20½	10	0 12	3 0	2 0		12	Y.P.T.
35,00,000	11,92,045	73,80,473	18,49,495	4,59,374	Brook Bond India Ltd.	2,234	Brooke Bond	21 3/4	10	0 8	1 4			6	Y.P.
1,20,000	4,00,436	5,55,963	1,85,593	6,542	McLeod & Co., Ltd.	232	Dejoo Valley	49½	10	1 0	6 0			12	Y.
6,00,000	10,99,000	26 64,194	16,84,471	51,859	Jardine Henderson Ltd.	1,220	Dessai & Parbattea	410	100	20 0	40 0			12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	James Warren & Co., Ltd. ..	931	Dhelakhat	23½	10	1 8	2 8	2 8		12	Y.
4,85,970	3,85,000	7,50,453	3,35,404	2,101	M.	646	Dhunseri	21½xd	10	2 0	5 0	1 0		12	Y.P.
4,50,000	6,75,000	9,00,534	2,06 317	44,692	McLeod & Co., Ltd.	453	Dibrugarh	20½	10	1 0	4 0			12	Y.
2,36,700	6,60,000	10,29,066	5,84,006	34,522	Williamson Magor & Co., Ltd.	611	Dimakuri	30	10	1 8	5 0			12	Y.P.
5,60,500	8,32,000	19 35,851	13,34,016	54,240	Williamson Magor & Co., Ltd.	615	Duffaghur	37½	10	1 4	5 0			12	Y.
10,00,000	6,40,000	33,25,313	9,73,313	78,688	Williamson Magor & Co., Ltd.	1,160	East India Tea	28½	10	1 8	3 8			12	Y.
3,50,000	5,05,000	8,25,214	4,30 335	5,997	L. C. Kanoi, Esq.	407	Gilapukri	35½	10	1 8	3 8			12	Y.
3,36,000	7,20,000	15,56,090	7,85 090	86,914	Williamson Magor & Co., Ltd.	648	Golapar	25	10	2 0	5 0			12	Y.
A. 7,41,540 } B. 5,61,185 }	15 26 250	30,58 902	6,17,945	56,276	Ostevius Steel & Co., Ltd. ..	1,912	Grob	{ 34½ 18	A 10 B 5	3 0 1 8	5 0 2 8	}		12	Y.
5,00,000	5,75,000	8,35,391	3,05,660	1,849	Andrew Yule & Co., Ltd.	476	Hoograjuli	28	10	2 0	9 0	0 8		12	Y.
3,00,000	12,77,710	20,46,352	11,05,555	73,527	Andrew Yule & Co., Ltd.	1,310	Hoolangooree	270	100	12 8	55 0	7 8		12	Y.
88,56,900	84,40,839	....	....	72,556	Birla Bros. Ltd.	4,900	Jay Shree Tea Gardens ..	11¾	10	Nil	1 0	1 0		12	Y.
7,50,000	7,35,000	14,15,642	2,87,362	97,186	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	27½	10	2 8	3 8			12	Y.
2,40,000	4,55,000	11,47,290	6,37,290	6,182	G. D. Ketan, Esq.	1,166	Klagsley-Goighas (Assam)	325N	100	Nil				12	P.Y.
6,50,000	6,59,132	7,20,222	1,70,222	44,588	Dunsea Bros. & Co., Ltd. ..	1,046	Ledo	212	10	2 0	2 12			12	Y.
10,00,000	9,37,500	20,03,555	5,22,587	54,150	Ostevius Steel & Co., Ltd. ..	873	Mahonai	21½xd	10	1 8	4 8	1 12		12	Y.
4,50,000	2,50,000	9,01,152	1,01,152	19,713	Dunsea Bros. & Co., Ltd. ..	433	Mahseena	24½	10	Nil	Nil			12	Y.P
1,50,000	7,22,434	8,34,453	4,95,993	70,964	Kesteevall Bullen & Co., Ltd.	433	Mathola	380N	100	40 0	65 0	50 0		12	Y.
O. 1,75,000 } O. 2,00,000 }	5,05,000	9,67,340	5,56,656	33,401	Andrew Yule & Co., Ltd	844	Murphulani	{ 37 30	O. 10 P.O. 10	2 8 2 8	5 0 5 0	1 4 1 12	}	12	Y.
4,00,000	3,81,274	6,00,323	2,80,669	9,587	S.C. Sen, Esq., Supervising Director	542	Naga Hills	42½	10	2 0	3 0	2 01		12	Y.
5,35,000	....	12,71 401	6,78,401	5,853	M.	810	Namburnadi	18½	10	Nil	0 8			12	Y.
5,00,000	5,60,000	5,94,477	1,94,447	22,913	Dunsea Bros. & Co., Ltd. ..	1,146	New Chamaldhah ..	146N	100	5 0	10 0			12	Y.
2,00,000	7,52,500	7,98,955	2,87,118	51,831	Andrew Yule & Co., Ltd. ..	353	Rajgarh	40½	10	2 8	7 8	0 8		12	Y.
6,00,000	5 56,302	17,12,490	7,10,249	5,645	L. C. Kanoi, Esq.	923	Sapoi	33	10	2 8	4 8			12	Y.
2,49,000	2,93,000	8,14,755	5,59,512	41,943	Williamson Magor & Co., Ltd.	452	Seajuli	33	10	2 8	4 8			12	Y.
4,50,000	7,84,500	11,24,098	3,43,117	62,549	McLeod & Co., Ltd.	515	Teen Ali	31½	10	2 0	6 0			12	Y.
5,98,000	10,73,724	11,17,953	4,12,150	82,692	Gillanders Arbuthnot & Co., Ltd.	495	Teloljan	25½xd	10	1 8	5 0	2 8		12	Y.
4,00,000	7,85,127	9 56,320	2,43,134	55,278	Shaw Wallace & Co., Ltd. ..	803	Tengani	125	10	2 8	5 0			12	Y.
19,32,880	11,98,032	37,21,760	15,99,760	1,054	McLeod & Co., Ltd.	2,142	Teapore	23½	10	2 8	5 0	1 8		12	Y.P.
3,30,000	10,00,350	23,58,186	10,78,658	9,014	McLeod & Co., Ltd.	1,059	Tyreen	48	10	1 0	6 0			12	Y.
CACHAR															
5,00,000	1,75,000	5,20,768	1,79,376	—2,80,185	M.	262	Arambpore	12	10	Nil	Nil			12	Y.
7,00,000	11,000	7,79,291	72,101	—1,09,081	Ostevius Steel & Co., Ltd. ..	649	Bhatera Cachar ..	7	10	Nil	Nil	Nil		12	Y.
12,60,000	11,62,719	23,91,111	10,97,924	33,310	Ostevius Steel & Co., Ltd. ..	2,154	Hattibihira	17	10	2 8	4 0	0 12		12	Y.
4,50,000	2,50,000	8,32,731	4,24	15,383	Sathion Co., Ltd.	577	Kallaunjeer and Khoreel ..	105	100	Nil	15 01			12	Y.
3,60,000	3,24,391	5,44,620	2,31,703	4,013	Dunsea Bros. & Co., Ltd. ..	604	Kanchanpore	20½	10	Nil	2 12	Nil		12	Y.
7,00,000	6,50,000	10,63,914	2,43,914	1,21,634	L. E. Nogary, Esq.	1,388	North-Western Cachar	190	100	Nil	20 0	15 0		12	Y.
3,50,000	3,500	5,36,078	37,470	20,090	Ostevius Steel & Co., Ltd. ..	437	Pathemari	13½	10	Nil	Nil	Nil		12	Y.
3,50,388	....	5,68,773	1,68,640	5,000	McLeod & Co., Ltd.	633	Roopsherra	19½	10	Nil	1 0			12	Y.
3,00,000	3 16,598	5,39 110	1,98 753	24,932	Williamson Magor & Co., Ltd.	544	Salonibil	49½	50	10 0	17 8	10 0		12	Y.
8,25,006	10,42,956	12,14,852	2,37,561	24,232	Mcleod & Co., Ltd.	748	Sangma	11	10	Nil	1 0	15		12	Y.
4,00,000	4,51,718	10 16,990	3,56,644	—82,356	Davenport & Co., Ltd.	662	Seoni River	16	16	Nil	1 4			12	Y.P
DARJEELING															
2,79,900	1,25,000	3,32,320	50,759	19,147	Williamson Magor & Co., Ltd.	406	Chamong	14½	10	Nil	2 0			12	Y.
2,00,000	1,37,639	2,32,386	1,43,755	498	M.	170	Dilaram	21	100	Nil	21 0			12	Y.
2,00,000	2,99,735	7,50,351	2,51,451	—25,955	Davenport & Co., Ltd.	506	Gielle	23½	10	Nil	2

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00 000	1,60,000	3,92,380	31,236	23 236	Planting Agencies Ltd.	Balmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,24,186	21,11,164	49,25,353	4,71,863	79 711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	5	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1 21,059	Cons. Coffee Estates (Secretaries)..	Coffee Lands and Industries ..	25½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.
71,55,000	63,72,750	1 07,57,843	19,78,244	2,42 884	R. C. Paterson Esq.	Consolidated Coffee	19½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7 754	Associated Planters Ltd.	Cottanad Plantations	22½	10	1 8	1 8	1 12*		6	Y.P.T.
15,00,000	9,30,543	25,79,900	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	10	10	1 4	2 8	1 8		5	Y.P.
4,00,000	10,93,963	17,78,336	1,92,061	17,844	A. V. Thomas & Co. Ltd. ..	Kalpetta Estates	31½	10	2 0	2 0	1 12		12	Y.P.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	31xd	10	5 8	2 4	2 4	3 4	4	Y.P.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	10½	10	1 8	1 12*	2 8	2 0	5	Y.
3,50,000	2 31 000	14 16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	22	10	0 12	1 8	1 8		8	Y.P.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0	1 8		12	Y.P.T.
19 45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	4½	2	0 3½	0 9 3/5	0 6 2/5		12	Y.P.
13,50,000	7 80 000	40,92,283	3,51,977	7,461	A. V. Thomas & Co., Ltd. ..	Rajakiri Rubber	24½	10	1 12*	1 12*	2 0		10	Y.P.T.
3,86,780	3 00 000	6,70,359	62,117	71 342	Peirce Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	25½	10	3 0	2 8	1 0		6	Y.P.
10,00 000	3,98 340	22,01 120	1,35,829	2 031	East India Agencies	Teekoy Rubber (India) Ltd. ..	12	10	0 14 2/5	0 12	0 14 2/6		11	Y.
2,50,000	2,37,500	5,37,767	50,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	31½	10	3 0	3 0	3 8%11		8	Y.P.T.
6,10 200	3,00,006	8,91,561	66,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2¾	1	0 4½	0 1 3/5	3 0		12	Y.P.
6,00,000	75,491	9 79,479	3,23,517	8 745	Kapen Thomas Esq. (Mg. Director)	Travancore Rubbers	24½	10	2 0	2 0	3 0		9	Y.
41 00 000	14,30,799	78,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	11½	10	1 0	1 8	1 4		12	Y.
80 00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	36	25	3 0	5 0	4 0		12	Y.P.T.
6,28,580	5,40,670	8,51,488	10,128	40,780	Harrisons & Crosfield Ltd. ..	Valkumdam (Travancore) Rubber ..	34½	10	2 0	2 4	2 0		12	Y.
6,95 000	87,259	3,56,239	17,483	9,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		8	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1 03,58,040	55 22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11½	10	1 0	1 10	0 10		3,9	H.T.P.
6,00,000	10,25,000	51,65,438	36,42,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	290	100	2 8	7 8	10 0		6,12	H.T.P.
30 00,000	9,25,000	1,17,1,827	93,75,069	53,103	Duncan Bros. & Co., Ltd. ..	1,264	Alliance	125	100	2 8	7 8	8 0		6,12	H.P.
4V 20 700	72,00,000	2,72 98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	108	100	12 8	7 8	8 8		6,12	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Ltd.	810	Auckland	113	100	4 0	7 8	10 0		3,9	H.P.
20 00,000	22,20,918	98,91,416	65,65,794	66,302	Jardine Henderson & Co.	184	Bally	184	100	1 0 4	Nil	3 8	Nil f	3,9	H.P.T.
£275,000	£667,405	£1,477,430	£987,176	....	Sir John H. Burder (Chairman) ..	1,589	Baraagore	135	£5	£1 0	ah.15	ah.15	Nil	3,9	H.P.
28,00,000	32,30 123	92,37,343	49,93 231	1,005	Andrew Yule & Co. Ltd.	820	Belvedere	135	100	15 0	10 0	7 8	Nil	3	H.P.
45,00,000	38,45 000	87,03,172	31,23,574	2,65,139	Soorjamull Nagarmull	600	Bengal	100	10	1 4	1 2	1 2		6,12	H.P.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,57,393	Birla Bros., Ltd.	1,873	Birla	172	10	3 0	1 2	1 2		6	H.P.
66,00,000	27,37,926	1,12,57,557	72,15,930	2,271	Andrew Yule & Co., Ltd.	961	Budge-Budge	122	100	10 0	9 0	7 8	1 0	6,12	Y.P.T.
7,47,380	3,09,640	42,13,704	31,62,683	—3,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9	10	1 0	1 0	7 8		5	Y.P.
18,00,000	30,40,234	87,13,871	41,47,795	8,248	Andrew Yule & Co., Ltd.	616	Caledonian	180	100	12 0	9 0	Nil		4,10	H.P.
59,16,400	95,49,238	2,23,08,789	1,11,69,802	19,010	James Finlay & Co., Ltd.	552	Champdany	152	100	8 0	3 0	6 8		6,12	H.P.T.
19,95,000	28,39,282	81,34,655	58,60,175	2 615	Andrew Yule & Co., Ltd.	580	Chandpur	180	100	12 0	14 0	10 0	2 0 f	5,11	H.
30,15,000	31,00,000	64,10,068	47,77,690	1,32,949	McLeod & Co., Ltd.	500	Chengail	13½	10	1 12	1 2	1 6		5,11	H.P.
24,00,000	24,00,000	78,22,716	56,22,962	1 07,145	Shree Krishna Investment Co., Ltd.	969	Chiva	14½	10	Nil	Nil	1 4		6,12	H.T.P.
31,49,200	46,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Ltd.	765	Dalhousie	94	100	4 0	2 8	1-4		3	Y.P.
38,00,000	44,74,179	75,75,599	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	170	100	20 0	12 0	4 0	Nil f	3,9	H.P.T.
15,00 000	24,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	18½	10	1 0	1 0	10 0		5,11	H.P.
21,00,000	60,60,960	2,70,39,034	1,89,16,198	1,80,413	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	340N	100	Nil	5 0	4		6,12	L.T.P.
21,00,000	13,00,000	97,98 074	54,55,592	1,34,823	Bantar Bros., Ltd.	1,014	Fort William	22½	10	5 0	20 0	15 0	7½f	3,9	H.P.T.
84,32,100		2,17,2224		1,32,88,825	Macneill & Barry Ltd.	1,709	Ganges Mfg.	63	100	Nil	Nil	20 0	0 12½	3,9	H.P.T.
10,80,000	28,00,000	71,52,903	—2,67,452	—74,093	Gillanders Arbuthnot & Co., Ltd. ..	829	Gondalpara	807	100	15 0	Nil	8	Nil f	3,9	H.
24 00,000	29,32,827	2,19,90,613	1,61,28,422	26,196	Macneill & Barry Ltd.	1,394	Gouripore	230	100	3 12	10 0			3,9	H.P.
40,00,000	64,08,233	1,14,36,845	56,72,180	3,40,348	Bantar Bros., Ltd.	1,078	Hastings	109xdN	100	10 0	10 0	15 0	2 8f	12	Y.
16,80,000	18,91,856	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoogbly	25	10	1 4	1 0	11 8	5 0	3,9	H.P.
66,62 500	49,64,372	1,82,66,435	1,10,52,708	57,035	Jardine Henderson Ltd.	1,940	Howrah	22½	10	1 8	1 4	1 8		3	Y.P.
52,50,000	27,35,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	22½xd	10	3 0	2 8	2 0	0 4f	3,9	H.P.T.
24,00,000	16,50,000	1,37,65,836	1,24,18,026	86,624	Jardine Henderson Ltd.	1,707	Kamarhatty	{ 142	O. 125	6 4	3 2	2 0	2 0	3	H.
19 20,000									D. 1	0 4/5	0 2/5	0 3/5			
30,00 000								{ 134	100	9 0	8 0	2 8		3,9	
24,00,000	7,00,000	1,32,86 300	1 00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	134	'B' 100	9 0	8 0	2 8		6,12	H.P.
21 00,000	83,00,000	1,22 91 697	83,77,484	1,10,851	McLeod & Co., Ltd.	708	Kelvin	209	100	15 0	10 0	6 8		6,12	H.P.
54,00,000	23,83,375	1,71,52,716	1 16 91,627	1,02,192	Anderson Wright Ltd	1,580	Khardah	129	100	17 8	12 8	11 0		6,12	H.P.
48,00,000	1,08,90,860	2,44,37,044	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,350	Kinnison	100	100	9 0	7 0	11 0		3,9	H.P.
24,48,000	39,51,564	1,11,39,345	47,99,145	—2,12,714	Bird & Co., Ltd.	931	Lansdowne	100	100	7 0	7 0	13 0	6 0f	3,9	H.P.T.
20,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Ltd.	840	Lawrence	105	100	5 0	2 8	7 0	Nil f	3,9	H.P.
21 48 2 0	25 04 412	2 01 00 682	1,24 49 804	10,614	M	1,288	Marina	84	100	5 0	2 8	6 0	Nil f	3,9	H.P.
20,98,900	38,40,147	1,84,91,466	1,01,37,572	—3,00,111	F. W. Heilgers & Co. (Private) Ltd.	815	Naihati	50	100	Nil	Nil	3 12		3,9	H.
20,00,000	16,55,000	29,01,503	16,21,769	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	16½	10	0 5	1 2	Nil	Nil f	3,9	H.
25 00,000	43 29,326	29 10 124	10,96,222	70,554	Andrew Yule & Co., Ltd.	852	National	23½	10	2 0	2 0	0 10½		4,10	H.T.
26 25,000	26 25,000	27,71,022	20,34,909	1,08,267	McLeod & Co., Ltd.	316	Nellimarla Jute	122	10	1 12	1 8	1 12		4,10	H.P.
35,50,000	3,71 14,343	4,38,15,927	99,39,548	5,71,285	Sahu Jain Ltd.	567	New Central	15½	10	1 765	1 8	1 0		4,10	H.P.T.
16,79,880	49,70,164	1,18,50,357	51,63,018	70,116	Bird & Co. Ltd.	1,092	Northbrook	24½	10	1 2	1 4	1 8	0 12½	15	Y.P.
66,79,500	22,24,961	2,18,55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	601	Nuddea	85	10	0 8	0 8	1 8	1 8f	3,9	H.P.T.
24,81,000	26,81,049	72,45,365	50,35,990	5 764	Andrew Yule & Co., Ltd.	142	Orient	102	10	12 8	10 0	1 8	Nil f	3,9	H.
25,00,000	6,28 490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	5½	5	0 2	0 8	1 0		3,9	H.
20,00,000	2,49,781	28,97,878	8,86,180	—9,18,218	Birla Bros. Ltd.	208	Rameshwara	6½	10	Nil	Nil	Nil	Nil	5,11	H.P.
49 50,000	5,52,465	1,25,03,629	59,15,596	—11,72,343	Jardine Henderson Ltd.	1,276	Reliance	9½	10	0 8	Nil	Nil	Nil f	6,12	H.
£600,000	£1 093,713	£1,245,244	....	£58,904	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	11	£1	10%	10%	Nil	Nil f	3,9	H.
80,00,000	18,12,193	1,04,60,653	75,85,838	4,667	Bazaria More & Co. Ltd.	911	Shree Ambica	16N	10	0 8	3 0	8%11		3,9	H.P.T.
14,00,000	11,20,000	11,29,000	58,79 294	8 156	Hindustan Investment Corporation.	401	Soorah	16N	10	0 8	1 0	0 8f		12	Y.P.
25,19,800	62,72,192	1,27,38,246	53,23,439	—4,87,127	Bird & Co. Ltd.	650	Standard	95	100	2 0	2 0	1 8		5,8	H.P.
£600,000	£925 119	£1,137,600	....	£83,544	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	61	10%	10%	10%	8%11	Nil	15	Y.P.T.
35,98,800	68,06,723	2,00,00,608	84,28,958	16,334	Thomas Duff & Co. (India) Ltd. ..	1,585	Union	152	£1	6 0	6 0	10 0		3,9	H.P.T.
£400,000	£668,038	£1,124,219	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,321	Victoria	11	£1	10%	10%	8%11	1 0 f	15	Y.P.
2,50,000	6,85,000	55,98,062	40 23,991	14,518	McLeod & Co. Ltd.	457	Waverley	4½	1	0 1	0 8	0 3		3	H.P.T.
														12	Y.P.
														6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1 0	1 4	1 6		3,9	H.
12,00 000	8,62,573	38,78,477	36,18 477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	1 6 2/5	1 7 1/5	1 7 1/5		3,9	H.
4,49,350	70 000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6 3/4N	10	0 12	0 8			3,9	H.
1,00,00,000	1 40 49 228	5,91,92,614	3,92,77,326	7,81,568	Andrew Yule & Co., Ltd.	Bengal Coal	500	200	32 8*	30 0*	35 0*		6,12	H.
2,25,000	4,22,669	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		4,10	H.
15 97,000	4,73 358	37,70,192	22 77 364	15,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8				4,10	H.
40,00,000	5,00,000	1,39,06,993	71 05,788	27,453	Sahu Jain Ltd.	Bharat Collieries	7½	10	0 12	0 10	0 10		6,12	H.P.
7,15,000	15,11,080	52,62,538	37 38 500	—1,87,446	F. W. Heilgers & Co. (Private)Ltd	Bhulanbarree	18¾N	10	Nil	Nil	Nil		4	Y.
16,00,000	16,17,986	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12N	10					6,12	H.
7,50,000	24 29 026	43 39 603	25,53 446	84,207	F. W. Heilgers & Co., Ltd.	Borrea	24½	10	2 12	2 0	2 0		6,12	H.
90,92 480	1,75,17,502	4 19 21 370	1 85 17 446	1,15,376	Bird & Co., Ltd.	Burrakur	16½	10	0 12	0 9	0 10		6,12	H.
49,97,750	....	42,33,430	7,80,000	9,927	Hindustan Investment Corpn., Ltd	Central India	7½	10	0 4	0 4	0 4	0 8	6,12	H.
8,00,000	13 54,302	49 10 414	32,03,954	32,766	M	Central Kurkend	12N	10	1 2				6,12	H.
6,00,000	1,43,676	7,24,438(k)	....	2,129	F. W. Heilgers & Co. Private Ltd	Charlia	2½	4	0 2	0 2	0 11		6,12	H.
16,00,000	....	53,81,704	29,81,276	—1,83,318	Macneill & Barry Ltd.	Dhemo Main	7½	10	Nil	Nil	Nil		6,12	H.
£240,000	£250,558	£956,946	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	3	£1	2 8	2 8	3 0		6,12	H.
29,63,760	83,55,049	4,04,51,377	2,89,25,665	92,373	Macneill & Barry Ltd.	Equitable	28½	10	1 8	1 8	1 8		4	H.
10,00,000	2 15,000	10,76,664	3,78,983	11,273	Bhatter's Agency Ltd.	Ghusick and Mualia	14¾N	10	0 8	0 8			6,12	H.
12,00,000	1,22,000	41,35,247	23,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	41½	50	3 0		2 4	2 4	3	Y.
2,00,000	1,77,175	3,83,000	22,07,121	45,965	Macneill & Barry Ltd.	Hurriladih	22	10	1 8	1 12	2 8		6	H.
22,00,000	1,12,060	24,74,412	8,18,046	—5,57,393	Rajpaia Trust Ltd	Jogta Coal	2½	10	Nil	Nil			6,12	H.
3,50 000	3,45,579	13 54,857	7,23,658	....	Andrew Yule & Co. Ltd.	Kalapahari	18¾	10	2 12	Nil	Nil		12	Y.
82,00,000	1,77,175	88,80,633	4,65,140	6,965	Bird & Co. Ltd.	Karanpura Collieries	113	100	Nil	Nil	2 8		3,8	H.
8,00,000	16,60,000	46,77,533	36,47,985	1,83,474	Andrew Yule & Co. Ltd.	Katras Jherriah	63	10	4 0	4 0	5 8	5 0	6,12	H.
1,38,400	5 72,960	12,85,941	5,72 960	—2,60,236	Beriwala & Co.	Khas Kulora	3¾N	10	Nil	Nil			1,7	H.
11,00,840	64,814	26,72,961	10,41 863	—41,320	H. V. Low & Co., Ltd.	Kusrdi	10N	10	0 8	0 4			6,12	H.
9,00,000	11,88,417	128,49,766	22,57,267	2,266	H. V. Low & Co., Ltd.	Lakurka	6¾	10	0 8	0 4			6	H.
7,48,240	2,00 000	33,13,208	9,68,219	31,201	Tantia Brothers Ltd.	Nasira	9¾N	10	0 12	1 0	0 8		4	H.
1 00 000	25,617	10,33 740	5,20 298	4,389	Amritlal Dhu & Co., Ltd.	New Banadeopur	17½	10	1 0	1 2	1 6		3,9	H.
17 76,880	30 01 768	1,19 74,853	52 55,066	94,883	Andrew Yule & Co., Ltd.	New Beerbhoom	17½	10			1 0		3,9	H.
6,00 000	75,000	28,54,607	17,07,588	22,33	Octavius Steel & Co., Ltd.	New Manbhoom	17¾N	10	0 4	Nil	Nil		4,10	H.
1,57,500	2,85,198	13,07,219	8,64,731	15,950	Andrew Yule & Co. Ltd.	North West	16N	10	0 8	Nil	1 8	0 12f	3,9	H.
7 80,000							7½	10	2 0	1 0	1 0	0 9f		
10 00 000	12,21 858	5,17,666	3 97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14¾	10	2 0	1 0	1 0		3,9	H.
10 00 000	1,10,000	39 70,662	17,99 558	2,809	K. C. Thapar & Bros.	Oriental Coal	8¾N	10	0 8	0 8			6,12	H.
3,34,000	10 862	17,52,187	3,30 795	8 018	Deepchand Kheshalali	Parasea	14½	10	0 4	0 12			6,12	H.P.
18 75,000	16 00 000	47 70 275	25 50 215	28 343	Shaw Wallace & Co., Ltd.	Pench Valley	20½	10	1 10	1 10	1 8		6,12	Y.
23 99,500	19 17,105	1,23 09,893	35,36,765	16 846	N. B. Elias & Co., Ltd.	Ranegunge	12½	10	Nil	0 8	0 10		3,9	H.
15,50 000	8 53,385	35,36,765	27 78 764	2n,821	Shaw Wallace & Co., Ltd.	Rewa	23½	10	2 0	1 6	0 14		3,9	H.
20,00 000	4,25,000	44,25,000	14,25,000	1,30,179	Jalpuria Sons Ltd.	Samla Collieries	14¾N	10	0 8	0 12	1 0		6,12	H.
2,50,000	1,96 802	13 78 480	12,21,237	21 279	M	Searsole	6N	10	0 10	0 12	1 8		12	Y.
2,40,000	8 86 598	29 99 490	19,07 296	49 299	Andrew Yule & Co., Ltd.	Seetpore	9¾	10	1 12	2 8	2 8		3	Y.
8,00,000	5 81,299	22 491	28 887	7,508	F. W. Heilgers & Co. Private Ltd.	Sendra	10N	10	Nil	0 2	0 4		1	Y.
65,21,450	23,77,474	4,72,97,817	3,17,80,296	7,310	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	11½	10	Nil	0 11 1/5	0 12		6,12	H.T.
17,50,000	10,84,016	37,86,108	16,14,999	—81,589	Bird & Co. Ltd.	South Karanpura	9½	10	0 4	0 2	0 2		12	Y.
8 00,000	13 69 395	1 93,97,570	26 9,10	17,347	F. W. Heilgers & Co. (Private) Ltd	Standard	23½	10	2 0	1 8	1 0		3,8	H.
10,00,000	12,950	30,82 289	18,48,502	—4,07,745	Villiers Ltd.	Talcher	3¾	10	Nil				6,12	H.
5,50 000	2,80,000	19,47,965	14,81,955	44 187	Williamson Magor & Co. Ltd. ..	Union	14½	10	1 12	0 12	Nil		3	H.
49,98,000	67,094	55,56,550	22 00,000	7,262	Hindustan Investment Corpn., Ltd	Western Bengal	6	10	0 12	0 0	0 8		6,12	H.
7,00,000	21 569	56,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd	West Jamuria	11½	10	Nil	Nil	Nil	0 8	3	H.
													6,12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Ords. ills have paid dividend at As. 0½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments. (l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,80,000 shares are bonus shares. (s For seven months ended 31st March 1954. † New Central Jute Mills—Dividend for 1955 is on shares of Rs 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 in to shares of Rs. 10 each.

BANKING

(*Concluded from page 883*)

was faced with the problem of building up its economy and banks had their own role to play in this task. The part played by the Bank of India was by no means small. Within five years from the cessation of war, there was again a change in the economic climate of the world. The post-war boom having spent itself, a set-back in economic activity set in, followed soon by the Great Depression of 1929, as a result of the collapse of the U.S. economy. Although it took a little longer for the effects of this depression to be felt in India, the Bank was able to weather the storm well, but not without its profits being affected. A few years later, when banks were able to shake off the effects of the depression, the Second World War broke out in 1939, which created more acute problems, including the war-time and post-war inflation. The war and post-war years, no doubt, helped banks build up their deposits and emerge stronger. The years 1948 and 1949 were of great significance to the banking world, inasmuch as they witnessed the nationalisation of the Reserve Bank of India and the enactment of the Banking Companies Act, which gave wide powers to the Reserve Bank to regulate, control and inspect all banks in India. The year 1951 opened a new chapter in the economic history of the country with the inauguration of the development plan on a five-year basis. The nationalisation of the Imperial Bank of India in 1955 and of life insurance business in 1956 was of no small significance to the banking world, in that it created a not unnatural fear that banks also would be n

Germany. Its capital will amount to 102 million marks (£8,400,000). Luxemburg will provide two million marks (£160,000), while France and W. Germany will equally share the rest. Navigation fees on the Moselle will, in principle, be equivalent to those on the German rivers Main and Neckar. Details of the navigation fees and control of navigation will be in the hands of the Moselle Commission of French, W. German and Luxemburg representatives. Its seat also will be at Trier.

The Saar Pact and the two other treaties signify a welcome development on the West European economic front. They serve to emphasise the fact that, given goodwill and an attitude of "give and take" on the part of the parties to a dispute, economic adjustment can be ensured to the satisfaction of both.

MARKET GOSSIP

(*Concluded from page 875*)

debenture loan carrying a fixed rate of interest. There are also other methods of corporate financing, but these are not common in India. Even the issue of debenture capital has been less in vogue in recent years. The Indian Aluminium Company Ltd., has, however, hit upon a new and interesting method of raising funds from the public by offering convertible loan stock to its shareholders. The Company, it may be noted here, had issued new ordinary shares (411,000 shares of Rs. 10 each at a premium of Rs. 2-8 per share) only very recently. Apparently, it does not want to enlarge further its equity capital immediately. The issue now proposed was, however, not unexpected; for the Chairman of the Company had already given an indication of it in his speech at the last annual general meeting.

The Company proposes to issue convertible loan stock amounting to Rs. 2,68,13,200 and carrying interest at the rate of 5 per cent. per annum. The loan stock will, in the first instance, be offered to the existing ordinary shareholders on the basis of Rs. 200 nominal value of the stock for every 15 shares held. The stockholders will have the option to convert every Rs. 200 nominal value of the stock into 15 fully paid ordinary shares at any time up to 15th December 1957; into 14 shares during the period from 1st January 1958 to 30th June 1960, inclusive; and into 12 shares during the period from 1st July 1960 to 15th December 1970, inclusive, after which date the option to convert will cease. On 2nd January 1971, and on the same date in each succeeding year, the Company will redeem at par stock amounting to Rs. 25 lakhs per annum until the entire stock is redeemed. The Company has, however, the option to redeem at par all or any of the stock outstanding at any time after 31st December 1970, after giving three months' notice. If the Company elects to redeem a part of the stock, the part to be redeemed will be selected by drawings. It will redeem at par the whole or any part of the outstanding stock on 2nd January 1981.

The proceeds of the issue will be utilised to finance the construction of an aluminium smelter at Hirakud in Orissa. The initial capacity of the smelter is 10,000 tons of aluminium ingot per year. It is capable of being expanded to 20,000 tons or more per year. The project is expected to be completed by the end of 1958.

A feature of the terms of the issue is that the stockholders have sufficient time to watch the progress of the Company during the next one year, as also its financial results for the calendar year 1956, due to be published some time in March-April 1957, before deciding to convert their holdings of stock into ordinary shares. In the meantime, they are assured of a fixed and fair return of 5 per cent., albeit taxable. Even if they chose to convert after 15th December 1957, the terms, namely, the diminishing number of shares which they will get, are not unreasonable, considering the prospect of an impressive increase in the earning capacity of the Company.

The Company's results for 1955 showed a substantial improvement over those for the previous year, with the result that the Company was able to resume dividend on its ordinary shares, after a break of two years, with a distribution of 9 per cent. per annum. Its working during the current year is expected to be more encouraging, in view of the fact that the full benefit of the increased capacity of the Alupuram smelter is available this year, and the Company can be expected to maintain the dividend, if not increase it. The current market value of the Company's shares is Rs. 15-14, giving a yield of 5.67 per cent. per annum. It may be noted here that, if a shareholder who takes up the debenture-stock decides to exercise the conversion before the first specified date, he will get the new equity at the rate of Rs. 13-5-6. If an investor wants to take advantage of the proposed offer, he will have to buy from the market 15 shares for every loan stock of Rs. 200, which will later on yield another 15 shares on conversion, if made before 15th December 1957. This means in all an investment of Rs. 438-2 at the current market value of the Company's shares, namely, Rs. 15-14 per share. The net cost of each share will then be about Rs. 14-10, at which rate and on the basis of the last dividend the yield works out to a little over 6 per cent.

After the Hirakud project comes into being, the earnings of the Company should be substantially higher. The proposed convertible loan stock thus combines the attraction of a secure rate of return over a number of years with the option of conversion for possible greater returns or capital appreciation which one can legitimately expect from the equity of a growing and expanding industrial enterprise.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000	1,06,00,000	11,36,801	Allahabad Bank	350 / 168 / 116½	100 / 50 / 100	18 0‡ / 9 0‡ / 6 8	18 0‡ / 9 0‡ / 7 8	6 8	3 12‡ / 2 10‡	12 / 6,12	Y.P. / H
35,58,600	15,40,000	2,46,650	Andhra Bank	83‡	70	3 4	3 12	4 8 4/5			
1,60,00,000	1,28,00,000	2,35,546	Bank of Baroda	101‡	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	23	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,52,00,000	18 20,630	Bank of India	142½XR	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,30,375	28,00,000	40,634	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	37	50	1 8	2 0	2 0		12	Y.
50,00,000	54,00,000	4,19,228	Bank of Mysore	262	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,81,700	58,75,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.P.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	15,00,000	2,488	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,85,11,875 / £2,42,375 'A'	4,01,81,317	18,40 339	Central Bank of India Ltd. ..	63‡ / 57‡	25	3 0	3 0	3 0	1 8‡	12	R.L.Y.
50,00,030	81,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	48‡	50	3 0	3 0	3 0	1 8‡		
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	50	2 0	2 0	2 8	1 4‡	12	Y.
50,00,000	26,00,000	1,86,278	Hind Bank	37‡	50	4 0	4 0			12	Y.
1,25,00,000	15,43,000	16,019	Hindustan Commercial Bank ..	11‡	50	1 8	1 8	3 0		12	Y.
50,00,000	1,57,50,000	2,771	Hindustan Mercantile Bank ..	13‡	50	*Nil*	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	80N	50	*Nil*	*Nil*			12	Y.
24,00,000 / 18,00,000	79,75,000	1,45,140	Indian Bank	209 / 199	100	5 0	6 0	5 0		9	Y.
15,20,000	2,28,299	Indian Overseas Bank	153	70	12 0‡	12 0‡	12 0	6 8‡	6,12	R.L.H.
49,19,875	80,00,000			150	100	10 8‡	10 8‡	10 12‡	6 8‡		
2,25,000 / 6,80,000	5,64,500	—1,13,440	Indo-Commercial Bank	42‡ / 10‡	6 0	7 8	7 12‡	7 12‡	4 8‡	12	Y.
10,00,000				23‡	100(A)	*Nil*	*Nil*				
87,50,000	27,50,000	2,35,108	Punjab National Bank	57	25(B)	*Nil*	*Nil*			6,12	R.
1,00,00,000	23,80,000	43,597	Travancore Bank	18‡	25	2 0	2 0	2 8	2 0‡	12	Y.
40,00,000	25,00,000	1,96,238	Union Bank of India	7‡	25	0 10	0 12	1 0		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank ..	56	5	0 5‡	0 5‡	0 6		12	Y.
					50	2 0	2 8	2 12		12	R.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
$2,500,000	$5,000,000	$405,875	Chartered Bank of India, Australia and China	£1-14-3 / £7‡	£1 / £5	14† / 8†	15† / 8†	15† / 8†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£80‡	H.K. $125	5*	5*	5*	2*½	12	Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	£2-17-3	£5 A	14†	15†	12†		12	R.L.Y.
£17,966,195 'A' / £1,487,296 'B'	£15,000,000	£558,006	Lloyds Bank	£1-6-3	£1 B	5†	5†	5†		12	R.L.Y.
£875,000 'A' / £875,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-0-0 / £4-0-0	A £2½ / B £2½	14† / 14†	14† / 14†	14† / 14†		12	R.L.Y.
$720,000 'C'					C £1	14†	14†	14†			
£2,851,562	£3,104,687	£542,158	National Bank of India	£1-1-6	sh. 12½	16†	16†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (F) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	90‡	1st June 1965
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Rammuggur Cane & Sugar Co., Ltd.	1936	90‡	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1959-66
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1942	91	1st November .. 1959-66
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1944	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1941	96‡	1st November .. 1959-66
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95‡	30th June .. 1956
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91‡	30th June .. 1967(c)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(c)*
COTTON						
5,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd. ..	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1927	88‡	15th November .. 1956(c)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	99	1st March .. 1957-62
13,65,000	5½	1st June	Jaysbree Textiles	1949	90N	1st January .. 1956-58
$9,90,000	5		Tata Mills	1951	100‡	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1958(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100‡	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..		98‡	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1940	94	31st December .. 1954(c)
2,32,89,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1949	100	1st January .. 1970(a)
25,00,000	4	30th June and 31st December ..	Cooverpore Electric Supply Co. Ltd.	1950	96	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Jharialki) Electric Supply Co., Ltd	1945	97‡	30th June .. 1956(c)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1951	94	1st October .. 1956-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1940	94‡	30th September .. 1956-61
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1939	94	1st July 1956-61
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	108	1st July 1960-66
47,78,000	5	1st April and 1st October ..	Tata Power	1940	92‡	16th September .. 1965-70
9,50,00,000	4	1st April and 1st October ..	Tata Power	1940	—	
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering		99	31st December .. 1969
5,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1948	99	30th June .. 1956
80,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1928	101‡	1st July 1957-62
41,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1942	£97	31st December .. 1956(b)
10,00,000	6	31st May and 30th November ..	Kirloskhubi Engineering Works Ltd.	1936	87	31st May 1971
1,50,00,000	5	1st April and 1st October. ..	Tata Locomotive	1946	101‡	1st October .. 1960-66
40,00,000	6	31st December — — ..	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co. Ltd.	1939	90	31st December .. 1960
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	98‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1945	90	31st July 1959
10,60,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1949	96	30th June .. 1960
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1951	96‡	31st March .. 1958(a)
8,00,000	5	15th January and 15th July ..	Empire	1954	94‡	15th July .. .. 1956(a)
25,00,000	5½	1st January and 1st July ..	Hukumchand	1951	92‡	30th June .. 1956
20,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co. Ltd. ..	1947	97‡	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinlaison Jute Mills Co. Ltd. ..	1955	96‡	31st December .. 1966(a)
25,00,000	5½	30th June and 31st December ..	Naihati	1949	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd	1952	93	14th May 1956
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1939	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1946	93	30th June .. 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. Ltd. ..	1943	91	30th September .. 1965(a)
8,00,000	4½	14th March and 14th September.	Sreerah Jute	1950	96‡	30th June .. 1957
12,00,000	4½	30th June and 31st December ..	Union	1937	88	31st July 1966
10,00,000	3½	31st January and 31st July ..	Waverly	1937		
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	90N	1st July 1956
£250,000	4½	1st January and 1st July ..	Calcutta Tramways	1900 / 1933	At 105% at any time, / £66‡N / On 6 months' notice / £77‡N / or at par on every	12 / R.L.Y.
£189,363	5	1st April and 1st October ..			seventh year thereafter	12 / R.L.Y.
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	1st October .. 1974 / 90‡ / 31st December .. 1956(c)	12 / R.L.Y.
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	Any time on six months' / £86‡N / notice (c)	12 / R.L.Y.
4,33,20,697	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	95‡	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe		102‡	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea — — — —	1953	100‡	1st April 1962-66
1,89,700	5½	31st March and 30th September.	Teakoy — — — —	1944	100,	31st March .. 1962-66
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.		98	31st Decem .. 1965
26,86,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	86	31st December .. 1962
4,90,500	4	30th June and 31st December ..	Bengal Paper Mills	1948	97	30th June .. 1967
8,00,00,000	5	1st March and 1st September ..	Burmah-Shell	1937	102‡	1st September .. 1964-66(c)
2,00,00,000	5½	1st April and 1st October ..	Castex Oil Refining (India) Ltd. ..	1954	102‡	1st October .. 1964-66(c)
81,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1955	93	1st February .. 1970
19,95,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1915	88‡	1st July 1964
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1936	87‡	15th September .. 1956
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	92	1st January .. 1960
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1950	100	30th June .. 1971(c)*
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)**
17,75,000	5	15th March and 15th September.	Mettur Chemical Industries	1949	106	30th September .. 1966
58,08,000	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	535	31st December .. 1976(c)
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes) .	1947	* 470 (per note)	31st December .. 1972(c)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	103	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91‡	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	108‡	1st May .. .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1964 but before 1-3-1967 and ¼ per cent. premium on or after 1-3-1957. * With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-8-1965. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. ‡‡ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1961 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 86 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 105 per cent. on 1st May 1964 or at par on any subsequent date on or after [illegible]. †† To repay at par on [illegible] by drawings from 1st

COMMERCE

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

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ECONOMIC EFFECTS OF CRISIS IN WEST ASIA

ALTHOUGH the end of the political crisis in West Asia is not yet in sight, the respite on this front makes it possible to attempt a sober assessment of some of its economic effects. That the crisis would certainly lead to disruption of the traffic in this vital waterway, the Suez, which connects no less than three continents had been known before. Only, the actual events have served to bring out more clearly how important it is that the Suez Canal must be restored to normalcy and world traffic allowed to pass through it with minimum delay. Whatever might be the political aspect of the problem—we do not say that it is less important—the interests of the economies of world trade demand that all countries should strive to make the Canal both fit and safe for navigation.

How soon the Suez can be rendered physically fit for navigation—apart from the administrative, political and other questions involved—will depend on the speed with which the ships which have been sunk in the Canal are removed. The removal of sunken ships is an expert's job. And it will be a considerable time before this job can be completed, in view of the fact that no less than 20 ships—some put the number at a higher level—are believed to be blocking the Canal. One estimate puts the time that may be required for clearing the Canal at a minimum of three months. Perhaps, it may take more. Much will also depend on what the ships were carrying at the time they were sunk. If they were carrying concrete, for instance. it would be difficult to clear the Canal speedily.

The immediate impact of the West Asian crisis has been felt by Western Europe, though, in an indirect way, it is shared by many countries in all continents. There is, first of all, the direct cost of the Suez operations to the two European countries, the U.K. and France. The U.K. Minister of Supply, Mr. Reginald Maudling, revealed, in the course of a debate in the House of Commons this week, that the expenditure in the financial year 1956-57 falling on the Exchequer as a result of intervention in West Asia was not likely to exceed something between £35 and £45 million. The Opposition party in Britain believes that this is an underestimate. No estimate of the cost of the Suez operations to France is yet available. But it may be of the same order as Britain's. The direct cost of the Suez operations is, however, only one aspect of the economic impact. Another aspect of this event is the effect on imports and exports of W. Europe as a whole. Imports of raw materials to W. Europe, which pass through the Suez, have been affected adversely. Exports have, of course, suffered in two ways. In the first place, exports of manufactures have now to be sent along the costlier round-the-Cape route. Secondly, export industries, in so far as they are dependent upon raw materials coming from East of the Suez, will find it difficult to stick to their production schedule. No recent statistics about the stocks of raw materials are available. But, in the U.K., stocks of tin, lead and rubber, at the end of August 1956, were sufficient to last the country for less than two months. stocks of raw wool for less than four months and tea stocks for less than three months. Assuming that this level of stocks has been maintained at the beginning of the Suez crisis, it should be clear that, if the Suez Canal were not restored for traffic in the next two months, Britain would be compelled to import more and more of its requirements through the longer Cape route which would, of course, mean both delay and higher costs. Indeed, this is the position of W. Europe as a whole.

Further, it must be noted that, both for exports and imports, the cost of transport through the Cape route is certainly higher than that of the Suez Canal route, even after making allowance for the fact that no Canal dues are to be paid. It has been estimated that the additional cost of operating a vessel of 10,000—13,000 tons from the U.K. to India round the Cape is of the order of £27,500. Earnings in a voyage to India might come to £135,000. Freight rates have recently been increased by 15 per cent. But it will be seen that the increase in freights hardly covers the additional costs of operation. In other words, there is the possibility of a further increase in freight rates in the event of any continued closure of the Canal. Indeed, the freight rates in the tramp shipping market, which reflect the supply and demand position more accurately, have been rising very rapidly. Tramp freight rates are about 25 to 30 per cent. dearer than those quoted by Conference ships. Transatlantic coal freight rates, for instance, are reported to have touched a peak of 89s. per ton for November shipment. An interesting feature of the tramp freight market is that many charterers are unwilling to arrange tonnage at present rates for periods very far ahead. Presumably, this is due to the fact that they expect the rates to go up further. This is of particular relevance to countries like Britain which are net importers of tramp tonnage. For an increase in tramp freight rates will mean a drain on the economies of the countries concerned. An allied problem is that of invisible income. Many countries will find that invisible earnings will diminish, notably the earnings from tourism.

The most important of the economic effects of the Suez crisis is undoubtedly the reduced supply of oil from the Middle East. World output of oil is of the order of 800 million metric tons, of which the U.S.'s share is 46 per cent., Canada's 2.2 per cent. Venezuela's 14 per cent., Russia's 8.8 per cent. and Middle East's 20 per cent. Europe, it is estimated, imports about 125 million tons of oil a year, of which about 60 million tons pass through Suez, 35 million tons from the eastern Mediterranean pipeline terminals and 30 million tons from the Western hemisphere. The continued blocking of the Canal, together with the damage to some of the pipelines caused by sabotage, have already been a source of serious concern to Europe. The U.K. Government has just decided to cut oil consumption (estimated at about 20 million tons annually) by 10 per cent. The oil companies are being required to reduce deliveries to their customers to 90 per cent. of what they would normally have supplied. The 10 per cent. cut, it is stated, will not apply to certain essential services, including public passenger transport. It is, however, believed that the cut will not adversely affect industrial production. But the Government has announced that, if the Suez Canal remained blocked for some considerable length of time, more stringent measures might be necessary. Sufficient coupons, it is stated, have been printed, in order to facilitate the introduction of petrol rationing, if the necessity for rationing should arise at all. Rationing or restrictions on consumption of oil are also contemplated in a number of European countries.

The U.S. is in a position to relieve the European oil shortage to a considerable extent. It would appear that Texas, which accounts for about one-fifth of world oil output, could increase its production rapidly. The U.S.. on the whole, should be able to increase its production by 75 million tons. If all this additional production could be diverted to Europe, it would of course mean an immense relief to the Continent. But there are some difficulties. For one thing, in the U.S. itself, there are pipeline bottlenecks which render rapid increase in oil output difficult. Secondly, there is the difficulty of transport. There is, it is stated, more oil available in the U.S. than there are tankers to carry it to Europe. New tankers are no doubt being built in the world's shipyards. The total tonnage of oil tankers on order from the world's shipyards at the end of June 1956, is estimated at 20 million. But most of this tonnage is due to be delivered by 1960-61. In the immediate future, transport, and not supply, is the more important problem in oil.

In any case, American oil, it cannot be too strongly emphasised, has to be paid for in dollars, a scarce currency. This means almost a double disability for the sterling area. The sterling oil companies have no oil to sell for sterling, so that they earn no foreign exchange for the sterling area at present. In addition to this loss, dollars have to be found for meeting the oil requirements of the sterling area. This development has come at a time when the balance of payments position of many members of the sterling area is by no means very comfortable. India, Pakistan and Ceylon are all in urgent need of more foreign exchange than they are able to earn. Further, the closing months of a calendar year generally witness a sizable demand for many sterling area commodities. But the countries which produce them may find it difficult to reap the full advantage of this demand, thanks to the transport and other difficulties arising out of the Suez crisis. The sterling area's gold and dollar reserves at the end of October 1956, slumped to $2,244 million from $2,328 million at the end of the previous month. The end-October level is the lowest touched since February this year. Although the shooting war in the Suez crisis took place only towards the close of October, it is believed that the general uncertainty brought about by the crisis was one of the factors responsible for the fall in reserves. The end-November figures are bound to show a further fall in reserves, for they will reflect the full impact of this unfortunate little war.

To India, the crisis precipitated by Britain, France and Israel has a painful economic significance. This country's fortunes are closely bound up with the progress of its economic development programmes. But these programmes are bound to suffer as a consequence of the closure of the Suez Canal to traffic. Its export trade will be retarded, while its imports are bound to cost more; thanks to an increase in

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freight rates. Most of these imports consist of plant and machinery from W. Europe. The authorities are fully alive to the possible effects of the continued closure of the Suez Canal on India's second Plan. This is one of the main reasons why this country should actively interest itself in the cause of peace and restoration of normalcy in West Asia.

STATE TRADING IN COFFEE?

THE Plantation Enquiry Commission, which submitted its report on tea to the Government of India a few months ago, is stated to have finalised its findings on coffee and forwarded the report to the Government. On the subject of exports of this beverage, the Commission has recommended, so it is said by reliable sources, that the Coffee Board should directly undertake exports and that suitable steps should be taken to maintain the quality of coffee meant for export. The Chairman of the Coffee Board, Mr. K. Srinivasan, seems to have already anticipated this recommendation, for, as will be seen from a reference to his speech at the fourth meeting of the Board on page 930 of this issue, he has advocated the same step, albeit in a slightly modified form. He wants the Board itself to try and sell a portion of the exportable surplus to particular countries and build up future markets for Indian coffee. While the grounds on which the Plantation Commission has supported its suggestion are not known, Mr. Srinivasan has offered some specious arguments. These are:

(1) It is not certain whether the present method followed by the Board, namely, selling large quantities of coffee in the course of a short period, is conducive for getting the best price possible.

(2) There is a limit to what the few members of the trade who now participate in the export sales can handle. The implication of this remark is that the amount of coffee available for export is more than what the existing traders can handle.

(3) The exporters are generally inclined to get only the best possible price; they are not very much interested in developing new markets.

The first argument ignores the fact that coffee is a seasonal crop, like any other agricultural commodity, and that it has to be marketed before the next crop sets in. If the suggestion is that, in times of large production, a part of it should be put into reserve storage, in order to induce the trend of prices in favour of the seller, it is entirely a different question. But it is extremely doubtful whether India can influence the world price of coffee to any significant extent, as its share in world coffee trade is very small, being less than one per cent. Since world coffee prices fluctuate widely, stockpiling of coffee seeds in the hope of getting better prices in future is a very risky business. The value of this proposal is, accordingly, dubious. But, even supposing, for argument's sake, that it is a sound policy, there is no reason why the entire export trade should not be handled by private traders, without the Coffee Board having to enter this field.

The second argument is even more untenable. The private sector in export trade, in general, has been quite successful in marketing in foreign countries whatever surplus India had for export in any commodity. There is no reason to feel that it will not be equal to the task in the matter of coffee. One does not know on what grounds Mr. Srinivasan has come to the conclusion that the coffee trade might not be able to handle the full volume of exportable surplus. Did he consult the trade on this matter? At best, in the 1956-57 season, the surplus available for export may be of the order of 12,000 to 13 000 tons. This is not very much, as compared with the past performance of the trade. In 1954, for instance, the trade quite easily handled 9,600 tons. The trade could have exported more had the Government given more quotas sufficiently early. It is common knowledge that, every time, it is only after considerable agitation from the planters the Government invariably announces the export quotas. If in one year the trade could export nearly 10,000 tons, there is no basis for coming to the conclusion that it would not be able to find markets for another 2.000 or 3,000 tons. Similarly, the third contention of the Chairman of the Coffee Board—who is an official of the Government—will also not stand scrutiny. All past experience shows that exporters invariably try to nurse and maintain the markets they gain. It will be interesting to know from Mr. Srinivasan if he has any information to the contrary.

It is not known how the Board will interest itself in the export trade in coffee. Will it have its own separate organisation for effecting sales in foreign countries or will it act through the State Trading Corporation? In either case, it will be State trading, for the Coffee Board is, for all practical purposes, no different from a wing of the Government. It may be mentioned, in this connection, that, in the disposal of the last crop, two innovations were made. One was the sale of a lot of five tons through the Trade Commissioner's office in London. The other was the sale of 500 tons to Russia through the State Trading Corporation. The sale through the Trade Commissioner's office obtained Rs. 4 per cwt. more than the price fetched at the auctions in India. The Board did not, of course, have to pay separately for all the trouble taken by its own staff in the various services connected with the export, nor did it include the cost of the services of the Trade Commissioner. Further, it is by no means certain whether an export sale held on the corresponding date in India would not have fetched the additional Rs. 4 per cwt. In fact, the average range of prices for the same grades at the export sale in India is more than Rs. 4 per cwt.

The Russians bought 500 tons of coffee through the State Trading Corporation and evidently it is this more than the complicated sale in the London market that the Chairman has in mind when he speaks of State trading in coffee. The Russians paid the prevailing market prices for the grades selected and there is no reason to suggest that they would not have done so, if they had to buy the same coffee through the private trade, as in the case of tea, cashew or pepper which they have been buying in India. The State Trading Corporation, we are told, charged the same commission on the transaction as any broker would. A point that needs to be specially mentioned here is that, in selling coffee to Russia, the S.T.C. does not have to undertake the trouble and cost of breaking into a competitive trade either by its expert knowledge of the field or by the quality of its services. The wastages of State trading would be apparent only when it has to take its chances with other traders in the open market and has to establish new contacts and find fresh outlets. As a privileged body, pressing into its services the Statutory Commodity Boards and established marketing mechanism, there is little that the S.T.C. does for earning a commission.

It is obvious that the State is trying to enter the coffee trade through the backdoor. It has already entered the import trade in silk and may possibly do so in raw rubber. For entering the export trade in coffee, it has put forward the novel but untenable argument that private traders will not be able to export the larger surpluses that will be available in the coming years. If, in the years of bigger crops, the established traders are not to get bigger export quotas, how are they to compensate themselves during years of smaller crops when their quotas will be cut? In any case, there is very little in Mr. Srinivasan's speech to suggest that he was speaking for the Board and that his comments in this respect arose from any formal decision of the Board. Whichever way it may be read, the Coffee Board Chairman's suggestion on State trading in coffee exports is indicative of a broader trend in Statutory Commodity Boards. With the changes brought about in these Boards during 1953-54, the producer-representatives are reduced to a minority and the officially appointed chairmen are more spokesmen of the Government than of the collective views of all sections of the Boards.

DILEMMA OF ASIAN TRADE

ASIA and the Far East have shown some signs of better economic health. On account of the greater increase in exports, countries of this region were able to reduce their adverse balance of trade from $1,020 million at the end of 1954 to $307 million at the end of 1955. But this should not make one oblivious of the important fact that, as a proportion of world exports, trade between underdeveloped and industrially advanced countries and between underdeveloped countries themselves continued to decline, though the absolute value of trade in each direction increased. Between 1954 and 1955, the share of world trade represented by exports between the industrial countries themselves rose from 37 to 38.7 per cent., while the share represented by exports from industrial to non-industrial countries dropped from 25.8 to 25 per cent. and that represented by exports from non-industrial to industrial countries fell from 26.3 to 25.7 per cent. The share of world trade taken by exports between the non-industrial countries alone shrank from 10.9 to 10.6 per cent.

The contrast becomes more striking, if one takes a longer period into consideration. The volume of imports of raw materials and fuels from non-industrial areas rose by only about 10 per cent. between 1938 and 1955, despite the massive growth of world industrial output and the rise of about 70 per cent. in world trade as a whole. Now, what is this trend due to? How can the failure of non-industrial countries to share fully in the expansion of world trade be explained? It is true that increasing shipments of surplus agricultural commodities by the United States have tended to aggravate the decline in the value and volume of certain agricultural exports from other countries. But the root of the trouble is to be found in the fact that countries exporting primary products are suffering from a secular change in demand from the developed countries. The relative decline in the use of natural raw materials, whether by economies or by substitution, and the increased output of these commodities in the industrial areas themselves inevitably affected their imports from the raw material producing countries.

This new development in world trade poses an important problem for the underdeveloped nations, the majority of which have to depend heavily on their export earnings to finance imports of essential consumer goods and capital equipment needed for economic development. The delicate position of their economies is heightened by the helpless dependence of many countries on the exports of a few principal commodities, which, in turn, are susceptible to violent fluctuations. How will they be able to maintain and increase the volume of their trade and diversify its composition, the absence of which hitherto has deprived their economies of the resilience which is associated with a broad-based economic structure? What procedures and arrangements would best promote multilateral trade among the countries? These and other related questions came up for examination at a recent session of the Trade Sub-Committee of the United Nations Economic Commission for Asia and the Far East held at Tokyo from 29th October to 5th November. A notable feature of the Conference was its record attendance of 130 representatives from 29 Asian and other countries and territories and observers from the I.L.O. and various international non-Governmental bodies. This is a happy reflection of the increasing popularity of the E.C.A.F.E. as a fully representative forum for a close study of the economic problems of the region.

The discussions ranged over a wide field of Asian trade topics. The delegates were agreed that the region's trade, which had been favourable in 1955 and to some extent so far in 1956, benefited much from the encouraging world economic conditions and increased foreign aid. But they stressed that export earnings would have to increase even more rapidly, if Asian economic development were to be sustained. It was recognised, at the same time, that conditions were by no means favourable for a rapid development of exports. The situation of the raw material markets, where an upward rise in prices is not shared by all of Asia's major export commodities, the heavy dependence of the majority of Asian countries on export earnings from a few raw materials and other obstacles continue to bedevil economic expansion. Being acutely aware of the need for expansion of exports, the E.C.A.F.E. Secretariat put forward a proposal for the establishment of training centres for trade promotion personnel which was endorsed by the Conference. India and Japan are reported to have immediately responded by offering host facilities for training.

Another obstacle in the way of expansion of trade, which came up for discussion, is the shortage of shipping and port facilities which continues to be a source of constant anxiety. As the Indian delegate rightly pointed out, the very substantial increase in trade now being aimed at may well receive a very serious setback, unless the shipping interests of the world give some thought to matching tonnage with the demand which is likely to grow. He also pointed out that, hitherto, there had been very little indication that shipping companies were also prepared to aid the economic development of underdeveloped countries. He suggested that the situation in the charter market could be eased, if the U.S. could release some ships from their mothball fleet for this purpose. It is to be hoped that this latter country, which is playing an increasingly important role in fostering economic development of the free world, will seriously consider this suggestion.

SHORT-TERM INTEREST RATES HARDEN

SLUMP IN BOMBAY BURMAHS—MEETING OF AMERICAN BANKERS

THURSDAY, 5 P.M.

MARKET GOSSIP

THE pride of place must go to the short-term money market this week, because of certain important developments. In the first place, stringency has become more acute than in the previous weeks. There were, of course, more lenders in inter-bank day-to-day money but this was due to special reasons. Secondly, the very presence of more lenders of day-to-day money induced some of the banks, who had a certain amount of surplus funds, to create a new classification of usance deposits. Hitherto, there used to be, broadly speaking, inter-bank call, or day-to-day, money, house money repayable at call, and term deposits for short periods, say, one month, two months, three months and so on. To these classifications, some inter-bank lenders have added three days' and seven days' money. Early in the week, when some borrowers were reluctant to pay more than 3 or 3¼ per cent. for day-to-day money, the banks with a little surplus to lend quoted for a fixed period of three days or one week. A small volume of business was done on this basis at 3⅜-3½ per cent. and 3½-3¾ per cent., respectively. The third important development was the Reserve Bank's decision to raise its lending rate against usance bills from 3¼ per cent. to 3½ per cent., with effect from the 21st inst. And, finally, the Reserve Bank has withdrawn the restrictions on advances by banks against paddy and rice imposed on 17th May last. This has been done with a view to enabling the banks to meet the genuine credit requirements for marketing the new rice crop.

In order to help the banks to increase their lendable surplus, the Reserve Bank offered to buy short-dated Government securities maturing up to 1962. It would appear that some of the banks availed themselves of this facility and increased their cash holdings. This was responsible for the appearance of more lenders in the inter-bank section. Banking circles are of the view that this facility cannot carry them very far. Most banks prefer to keep their short-dated investments as a second line of defence for emergencies. What they would really like to part with from their investment portfolios are the long- medium- and long-dated securities. But the Reserve Bank does not want to support them, as it would tantamount to Government redeeming its loans at a time when it needs more funds. Since there is no support for these dated loans, they are steadily going down in value.

There has been a considerable amount of dissatisfaction over the way in which the authorities have allowed the State loans to become orphans. In recent years, the banking system has gone to the rescue of State Governments whenever they floated new loans, in response to their requests. The banks now complain that, when they are in need of funds for financing genuine trade demand, there is none to support these loans. The Reserve Bank, as a matter of policy, has been refraining from buying the State loans, apparently because the States have been borrowing large sums of money against its advice. Some change in the official policy was, however, visible this week. The Life Insurance Corporation bought a few State loans, especially that of Madras. It is believed in market circles that this support was inspired and backed by the Government. It is possible that the Government may have advised the Reserve Bank to support the State loans through the Insurance Corporation. The extent of such assistance so far has not been adequate to arrest the rot in these loans. Even today, there were sellers in Madras Government's latest 4 per cent. loan at Rs. 97-15-6, as against the issue price of Rs. 99-12 two months ago.

The proposed increase in the usance bill rate from 3¼ per cent. to 3½ per cent. comes at a time, when it is likely to be misconstrued as an indication of the monetary authorities' desire to push up interest rates. Many students of the money market consider it to be a little incongruous with the needs of the market. It is contended that the market is in need of more resources for financing genuine needs of the trade, a fact acknowledged by the authorities. Why then, they argue, do they take a step which is calculated to aggravate the stringency?

Those who pose this query will do well to read again the Reserve Bank's explanation in its *communique* reproduced below:

"It was stated in the press *communique* issued by the Reserve Bank on 3rd February 1956, that the bill market had been a striking success during its operations for about four years and that banks had been making full use of the scheme to provide themselves with funds during the busy season. The continuance of the concessions in respect of the rate of interest and the stamp duty was reviewed by the Reserve Bank and it was decided that, with effect from 1st March 1956, advances to banks under the scheme should be made at 3½ per cent. and the concession in respect of the stamp duty withdrawn from that date.

"The working of the scheme has again been reviewed recently and, taking into account the present economic and banking trends, it has been decided that, commencing from 21st November 1956, the rate of interest on advances to banks under the scheme should be at the Bank rate, that is, at 3½ per cent. per annum. This rate will apply to new advances granted as from that date."

It may be added here that it was only last week that several banks enhanced their interest rates on advances by ½ per cent. Contrary to expectations, the increase of ½ per cent. in the usance bill rate in the beginning of February last did not reduce the popularity of the bill market scheme. Actually, the amount of accommodation availed of by the banks through this facility so far during the current year is far higher than in the previous year; according to the Reserve Bank's latest weekly statement, the total amount advanced to Scheduled banks against usance bills from 1st January 1956 to 9th November 1956 was Rs. 344.34 crores, as compared with Rs. 202.08 crores in the corresponding period of last year and Rs. 225.44 crores in the whole of 1955. To have cheap money at the time of deficit financing—a respectable term for inflation—is certainly not a sound monetary policy. The present stringency in the money market reflects a malady far deeper than a seasonal phenomenon. The real solution for it lies in measures calculated to attract more deposits by the banking system. It is to this problem that banks and the Reserve Bank should address themselves.

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The highlight of this week's trading on the Stock Exchange is the sudden collapse of the shares of Bombay Burmah on Monday from Rs. 717-8 to Rs. 675, soon after the extraordinary general meeting of the Company held on that day at 11-30 a.m. This sharp recession was due to heavy selling pressure said to have been induced by fears about the implications of the Madras Industrial Tribunal's award, giving increased wages to plantation workers in Madras State with retrospective effect from 1st April 1952, to the Company's finances. As the broad effects of the award were known several days ago, the sudden drop in the shares may seem somewhat surprising. But there is a story behind it. It would appear that, after the extraordinary general meeting of the Company was over, some shareholders, almost all of whom are members of the Stock Exchange, clustered round the Chairman and informally asked him about the exact impact of the award on the Company. And the Chairman seems to have given the indication that the cost would be about Rs. 1 crore, an amount far in excess of the earlier estimates of the market. The few who got this valuable information are believed to have immediately rushed to the market and exploited it by going short on a scale which looked like a bear raid.

Subsequently, however, the shares regained a good part of the earlier loss and finished today at Rs. 692-8. The recovery is mainly due to bear-covering on hopes that the award, against which the planters are appealing to the Supreme Court, would not stand. Various estimates of the burden on the Company, as a result of the award, are being given. The Chairman of the Company, as already pointed out, estimates it at about Rs. 1 crore, while market circles place it at Rs. 70 lakhs and an annual recurring expenditure of Rs. 15 lakhs. There is also a feeling in certain quarters that the Company (as well as other companies so affected) would get a tax refund to the extent of two-fifths of the amount, so that the net burden would not be as heavy as is feared. Another section feels that this line of reasoning is not correct. According to it, if the planters do not win the appeal and have to pay the increased wages for the last 4½ years as per the award, then the profits of the companies concerned for the year in which the higher wages are paid would, to that extent, be affected and they would get a corresponding tax relief. In short, the companies have to pay the total sum involved and this would, therefore, prove to be a great strain on them. The last date by which the award has to be implemented is the 22nd inst., unless the planters obtain, in the meantime, an interim stay of the award.

Another interesting development concerning Bombay Burmah during the week was the Chairman's elucidation, on behalf of the Board, of the points raised by the Bombay Shareholders' Association at its informal meeting held on 25th October 1956, a detailed reference to which was made in our issue dated 27th October. In the course of a statement he cleared the misapprehensions held by the shareholders in respect of the numerical order of the resolutions proposed for the extraordinary general meeting of the Company on 12th November. The resolution 2(a) had proposed to introduce a new article in the Articles of Association of the Company seeking to define the two classes of members. The resolution 2(b) sought to amend the voting rights of the shareholders. The Shareholders' Association held the view that the resolutions were deliberately arranged in such a manner as to deprive the shareholders of their right to throw out resolution 2(a). Accordingly, they wanted the resolution 2(b) to be considered first and 2(a) subsequently.

In his statement, the Chairman made it clear that the order of the resolutions had been determined merely by the numerical order in which they occur in the Company's Articles and by no other consideration. In order, however, to meet the expressed wishes of certain shareholders, he said, resolution 2(b), which sought to amend the voting rights of the shareholders, in accordance with section 87 of the Companies Act, 1956, would be considered first and, if thought fit, passed. Thereafter, subject to the consent of the shareholders, the meeting would be adjourned for an appropriate period to consider the other resolutions.

The Company's Chairman also cleared the misapprehension held by the shareholders regarding resolution 2(a). He said that in that resolution the new Article 12A was proposed on the advice of the Company's legal advisers to define two classes of members (not shares) of the Company. The proposed Article was purely procedural. It did not and could not create any rights which did not already exist and its sole purpose was to facilitate reference to the High Court under section 391 of the Companies Act, 1956. As regards the rights of the holders of the 100 shares of Rs. 2,500 each issued to the late Mr. William Wallace under the agreement dated 22nd July 1864, the Chairman pointed out that they were provided for in the agreement and those rights were not sought to be altered or amended.

In line with the Chairman's statement, the extraordinary general meeting held on the 12th inst. passed only the resolution seeking to amend the voting rights, under which every member present in person or by proxy will have one vote in respect of every Rs. 25 of the paid-up equity capital held by him. The meeting also decided to adjourn consideration of the other resolutions to 10th December 1956. The Chairman suggested that, during the interval, the shareholders' group and its solicitors could meet the Company's legal advisers to discuss the legality of the proposals. It is to be hoped that both the parties will come to an early understanding and work out a compromise formula in respect of capital reconstruction.

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Two important bankers' conventions just held in California, one in San Francisco and the other at Los Angeles, brought into focus the somewhat bitter controversy which is raging in the U.S. over interest rates. The sharpest criticism is that steadily increasing rates have hurt small business, while the giant industrial corporations are literally unaffected by the tight money policies. There is, according to our American correspondent, a good deal of logic to this charge.

The banks' reserve requirements in the U.S. run between 18 and 20 per cent. of the demand deposits. This is considerably higher than the proportion of similar reserves in other countries. This, coupled with higher interest rates in all areas of the U.S. financial world, has produced a considerable stringency of funds. Bank lending is done on the principle that an account with a six or seven figure balance is entitled to first attention when it comes to loans. Naturally, the little fellow and small business get less consideration. In that sense, the charge is justified. However, it is impossible to prove statistically that anyone has been unable to get a loan, or to what extent damage has been done. In fact, on an overall basis, the loan demand is enormous and has been rising steadily in the past two years. This applies to both personal and business loans and has been the result of record employment and production.

The U.S. banks still promote personal loans, because they are very profitable. Such advances run from 12 to 24 months at a rate of somewhere between 3 and 5 per cent. and they are being paid off in monthly instalments. Defaults are negligible at the rate of ¼ to ½ of 1 per cent. of outstandings. The interest, however, is deducted in advance. It is, in effect, a discount rate, so that true interest rates are double, or between 6 to nearly 10 per cent.

Loans for the purchase of automobiles are equally profitable and they run up to three years, although such length of maturity is being discouraged. Consumer credit, as a whole, is rising constantly, thanks to good incomes and general confidence in the future. While savings are increasing, the rate of gain is less than a year ago and there is much concern that thrift will not keep up with the increasing demand for new capital. The latter is based on a growing population and on greater and more costly automation in industry to pay for higher wages. Thus, there is the fear of inflation which pervades official and private economic thinking. The entire subject of money policies will soon be investigated by a committee of the U.S. Congress.

One of the typical comments on the subject of inflation came from Mr. Theodore V. Houser, Chairman of Sears, Roebuck & Co., the big mail order house. It was the retailers' point of view. He said, in part, there was a slow and almost irresistible inflationary trend in the American economy, and added: "In periods of civilian optimism such as at present, with industry operating at or near capacity, inflationary pressures are created which spill over into labour, new materials, finished goods' prices and demand for all forms of goods and services." Speaking of monetary policy in relation to retail trade which has been the subject of discussion in several other countries, Mr. Houser said: "I wonder if a more serious aspect of Federal Reserve action is not the fact that it operates only on the employer level and restrains labour only through an adverse effect on the employer."

The situation gives support to the suggestion advanced in other quarters of need for a top level economic council with the President of the U.S. as chairman. There is an embryo of such a group in existence now, but its effectiveness is being questioned. Looking at business conditions throughout the U.S., it looks as though the 1956 volume of business will exceed that of the previous year and that 1957 will be even better. These projections are based on a continued high level of capital investment for plant and expenditures for equipment, a continued high level of Government expenditures and an increase in instalment credit granted *vis-a-vis* repayments.

EQUITIES MARKED DOWN

CLOSING TREND, HOWEVER, SLIGHTLY BETTER

(From Our Own Correspondent)

BOMBAY, 15*th November*

A REACTIONARY trend was in evidence on the Stock Exchange during the week under review. Equities were subjected to fairly heavy selling pressure which was the cumulative effect of several bearish factors. The improvement in the political situation abroad, the prospect of higher wage demand in industries, as indicated by Mr. S. R. Vasavada in his statement that the I.N.T.U.C. would press for higher wages in the textile industry, dearer bank credit, following the increase in interest rates on advances by banks, the slump in Bombay Burmah shares on fears about the heavy impact on the Company as a result of the Plantation Award, and the absence of any relief in excise duty on cloth were all responsible for the easy trend. Towards the close, however, there was a smart recovery.

In the steel section, Tata Ordinaries drifted down from Rs. 193-8 to Rs. 189, but gained to Rs. 192-8 at the close. Indian Irons reacted from Rs. 34-4 to Rs. 33-12, before steadying up to Rs. 34-5½.

Textiles suffered marked losses on selling pressure induced by slackness in demand for cloth and absence of any relief in excise duty. The losses were, however, made good to a sizable extent today. Bombay Dyeings were marked down from Rs. 628-2 to Rs. 600-10, but recovered to Rs. 619-6 at the close. Centurys dipped from Rs. 551 to Rs. 536-8, before gaining to Rs. 544-8. Kohinoors shed on balance Rs. 6 to Rs. 342, though the shares had touched a low of Rs. 336-8 during the week. Central Indias shed Re. 1 to Rs. 132-8. Finlays dropped Rs. 3 to Rs. 335, Gokaks Re. 1-8 to Rs. 238-8 and Indu Ordinaries an anna to Rs. 12-2. Indore Malwas were placed at Rs. 148-2 *ex-div.*, as against Rs. 157-8 *cum-div.* (interim dividend Rs. 5). Minervas gave way from Rs. 93-12 to Rs. 90 and Models from Rs. 189-6 to Rs. 178-12. Mysore Spinnings moved down by Rs. 7-6 to Rs. 100-10. New Citys were done at Rs. 146-4, having dropped from Rs. 175, while New Greats were maintained at Rs. 250. A loss of Rs. 3-12 to Rs. 213-2 was noted in Shree Niwas. Simplex was marked down by Rs. 4 to Rs. 196, Standards by Rs. 3-12 to Rs. 473-12, Svadeshis by Re. 1-8 to Rs. 253-8 and Tata Mills by Re. 1 to Rs. 53-12. Sassoon Spinnings shed Rs. 2-8 to Rs. 43.

Bank shares ruled steady, with most of them being done at higher rates. Centrals changed hands Re. 1-4 higher at Rs. 54-8 and their new shares Re. 1-4 better at Rs. 58-8. Bank of Indias gained Re. 1 to Rs. 143-8. Barodas were unchanged at Rs. 101-8, but United Commercials, after a decline from Rs. 56-4 to Rs. 55-12, recouped to Rs. 57. Punjab Nationals were dull at Rs. 56-8.

Business in insurance shares was small and far between. The undertone was also quiet. New Indias were done Re. 1-4 lower at Rs. 44-8 and Universal Fire and Generals lost Re. 1-8 to Rs. 11.

Electricity shares also ruled easy, with selling pressure spread over the entire section. Ahmedabad Electrics changed hands As. 15 lower at Rs. 91-9. Bombay Suburbans moved down from Rs. 110-10 to Rs. 109-6, before closing better at Rs. 110. Surat Electrics slipped from Rs. 115-10 to Rs. 113-12. Tata Hydros were marked down by a rupee to Rs. 126, Tata Powers by Rs. 2-8 to Rs. 1,265 and Andhra Valleys by Rs. 11-4 to Rs. 1,200.

Sugar shares, in the miscellaneous section, were quiet, Belapurs dropping from Rs. 250 to Rs. 249. Phaltans declined by Rs. 3-4 to Rs. 158-4 and Walchandnagars by Rs. 5-10 to Rs. 280. Cement shares kept a steady tone. Associated Cements, after an early dip from Rs. 194 to Rs. 191-8, rallied to close at Rs. 196-8. Digvijays were done at Rs. 169-8 *ex-right*, as against Rs. 194-4 *cum-right* a week ago. Their rights were placed at Rs. 35. Orissa Cements were steady at Rs. 13-4 and Jaipur Udyogs at Rs. 12-13. In the engineering and mining group, Alcocks receded from Rs. 330 to Rs. 317-8, but finished better at Rs. 322-8. Tata Locomotives were erratic, moving between Rs. 169-12 and Rs. 165, before closing Re. 1-8 higher at Rs. 169-4. Premier Constructions shed Rs. 6 to Rs. 206 and Larsen and Toubros As. 10 to Rs. 18. Mahindra and Mahindras were maintained at Rs. 15-14. Shivrajpurs lost Re. 1-12 to Rs. 85-8. Indian Coppers As. 14 to Rs. 4-5 and B.B. Petrols As. 5 to Rs. 3-5½.

In the shipping and transport group, Scindias were active. After a slight marking down from Rs. 18-15½ to Rs. 18-8, the shares briskly advanced to Rs. 19-10 today, before closing at Rs. 19-81. The Directors' decision to recommend a dividend of Re. 1 per share for the year ended 30th June 1956, as against As. 8 per share paid for the previous year, provided the main bullish factor. Great Easterns were lower by As. 4 at Rs. 22-2. India Steamships also were lower by As. 2½ at Rs. 9-12-6. Premier Automobiles were steady at Rs. 115-4, while Hindustan Motors shed As. 2½ to Rs. 9-6. A feature of the trading in the miscellaneous group is the slump in Bombay Burmahs from Rs. 725 to Rs. 676-4, on nervous selling due to fears about the impact of the Plantation Award. At the close, however, they recovered to Rs. 692-8. Their new shares lost on balance Rs. 13-12 to Rs. 250. British India Corporations moved down by As. 3½ to Rs. 10-11½. Killick Industries lost Rs. 2 to Rs. 171-8. National Rayons moved within narrow range and closed Re. 1-12 lower at Rs. 259-8. Tata Chemicals were quiet, losing As. 3½ to Rs. 19-15. Tata Oils gave way from Rs. 52-12 to Rs. 51-8. Wimcos were dull but steady at Rs. 176-4.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 13*th November*

The most outstanding event of the week under review was the fixation, by the Madras Stock Exchange Management Council, of minimum prices for all the ordinary shares of planting companies quoted in the official list at the closing rates as on the 8th inst. This decision was taken by the Council with a view to stemming the persistently downward trend in prices since the publication of the Plantation Labour Award. It was only on 24th October 1956 that the Council, forced by the need for arresting a sharp break in values, announced modification of rules regarding delivery of documents in respect of transactions in ordinary shares of all planting companies. This action, however, failed to have any significant effect on the market which continued to be in the grip of bears, thanks to most pessimistic interpretation of the Award's implications on the future of plantation companies. There was an unprecedented wave of selling and equity values tumbled down to touch very low levels on the 8th inst. In fact, panicky conditions were in evidence. In view of this and in order to improve the morale of the market, the Management Council of the Stock Exchange decided, as already stated, to enforce minimum prices for shares of plantation companies. This is the second time in the history of the Exchange that such a decision has been taken; the previous occasion was in March 1947, when following the crisis in trading as a result of the Liaquat Ali Khan budget, the Exchange authorities had fixed minimum prices for all shares.

Over the week, plantation shares were depressed. Among rubber shares, Malankaras and Tropicals dropped a rupee to Rs. 30 *ex-div.* and Rs. 35, respectively. Kalpettas fell by As. 8 to Rs. 31-4. Kailas receded by As. 7 to Rs. 5-12. Thirumbadis lost As. 2 to Rs. 2-3. Deals in tea shares were put through at reduced rates. United Nilgiris climbed down by As. 12 to Rs. 21-8. Nilgiris and Periakaramalais declined by As. 8 each, the former to Rs. 10 and the latter to Rs. 7-1. Talayars shed As. 6 to Rs. 11-8 *ex-div.* Kil Kotagiris eased by a like amount to Rs. 6-10. Blue Mountains slipped by As. 5 to Rs. 5-9. Haileyburias, Highlands and Lucky Valleys were lower by As. 4 each at Rs. 24-12, Rs. 15-12 and Rs. 12-12, respectively. Peermades gave way by As. 4 to Rs. 31-4 *cum-div.* (interim). The Directors of the Peermade Tea Co., Ltd., have recommended an interim dividend of 10 per cent. on ordinary shares for the year ended December 1956. The total dividend paid for the year 1955 was 35 per cent. Among coffee shares, Savamalais climbed down by a rupee to Rs. 24-4. Consolidateds dropped As. 10 to Rs. 19. Cochin Malabars fell by As. 7 to Rs. 9-1. Coffee Lands were neglected at Rs. 25, as against Rs. 25-6 last week-end.

Textile shares continued to be subjected to heavy selling pressure, thanks to renewed reports of consumer resistance in yarn and cloth, not to speak of tight money conditions and rumours of a rise in Bank rate. Dhanalakshmis were hammered down by Rs. 15 to Rs. 395. Coimbatore Pioneers slumped by Rs. 12 to Rs. 298. Rayalaseemas fell by Rs. 8 to Rs. 145. Anglo-Frenchs and Rajapalayams receded by Rs. 6 each to Rs. 100 and Rs. 153, respectively. Pankajas gave way from Rs. 85 to Rs. 80. Rajalakshmis and Coimbatore Spinnings shed Rs. 3 each to Rs. 165 and Rs. 90, respectively. Cannanores declined by Rs. 2-8 to Rs. 170. Ranga Vilas lost a similar sum to Rs. 86. Saradas eased by Rs. 2 to Rs. 134. Vijayakumars finished Re. 1-8 lower at Rs. 140. Premiers, however, proved an exception and advanced by Rs. 5 to Rs. 270 *cum-right* on good buying support. The Premier Mills (C.B.E.) Ltd. has decided to raise the paid-up share capital from Rs. 12.5 lakhs to Rs. 25 lakhs by the issue of 12,500 equity shares of Rs. 100 each for cash at par to holders as on 20th November 1956.

Selling was quiet pronounced in the banking section and values drifted lower. Indian Overseas fell by Rs. 4 to Rs. 146. Bank of Mysores suffered a decline of Rs. 3 to Rs. 259. Indian Banks Rs. 95 paids shed Rs. 2 to Rs. 197. Rs. 70 paids Re. 1-8 to Rs. 151-8 and fully-paids Re. 1 to Rs. 208. Travancore Banks eased by As. 2 to Rs. 18-4.

Sugar shares also lost ground. United Breweries receded by Rs. 2 to Rs. 215. E.I.Ds. decreased by As. 14 to Rs. 28-4. Krilampudis declined by As. 4 to Rs. 36-8, Travancores by As. 3 to Rs. 13-3 and Deccans by As. 2 to Rs. 11-2.

Among miscellaneous industrials, India Cements were neglected at Rs. 30 *cum-div.* (interim), as against Rs. 31-2. The Directors of the Company have declared an interim dividend of 3¾ per cent. on ordinary shares for the half-year ended 30th September 1956. Rallis retreated by Re. 1-8 to Rs. 45. Indian Steel Rollings dropped As. 6 to Rs. 14 and F.A.C.Ts As. 4-6 to Rs. 6-6. Mysore Glass decreased by As. 4 to Rs. 4. Bruntons, Champion Reefs, Spencers and Standard Motors lost As. 2 each to Rs. 6-4, Rs. 7-14, Rs. 16-8 and Rs. 11-6, respectively.

COMPANY INTELLIGENCE

Dalmia Cement (Bharat) Ltd.

The Directors of the Dalmia Cement (Bharat) Ltd. have decided to issue 356,250 preference shares of Rs. 10 each at par and 3,180,000 ordinary shares of Rs. 2-8 each at par. The consent of the Central Government has been obtained for this issue. The preference shares will be offered, in the first instance, to the existing holders of preference shares of Rs. 40 each in the ratio of six preference shares of Rs. 10 each for every preference share of Rs. 40 held. Likewise, the ordinary shares will be offered, in the first instance, to the existing holders of ordinary shares of Rs. 2-8 each in the ratio of three ordinary shares of Rs. 2-8 each for every ordinary share of Rs. 2-8 each held. The preferential right of the holders of preference shares of Rs. 40 each and ordinary shares of Rs. 2-8 each to subscribe towards fresh issues of capital will cease after 31st January 1957.

The proceeds of the proposed issue will be utilised to finance the expansion of the Company's works at Dalmiapuram, Madras State, from the present capacity of 750 tons to about 1,250 tons per day. The new shares will participate in dividend to be declared for the accounting year 1957 and any subsequent years. The new ordinary shares of Rs. 2-8 each will rank *pari passu* with the existing ordinary shareholders of Rs. 2-8 each. The new preference shares of Rs. 10 each will also rank *pari passu* with the existing preference shares in proportion to the capital paid-up in the matter of dividend and assets on winding-up.

* * * *

Indian Aluminium

The shareholders of the Indian Aluminium Co., Ltd. at an extraordinary general meeting held on 12th November, approved the issue of Rs. 2,68,13,200 5 per cent. convertible loan stock repayable 1971-81. Until the end of 1970 stockholders will have the option of converting their stock into ordinary shares at varying rates depending on the length of time the stock is held. Aluminium Limited, Canada, the Company's principal shareholder, has expressed its intention to subscribe to one half of the issue, and by limiting its subscription to this amount, in accordance with the expressed desire of the Indian Government, is providing an opportunity for increased participation by Indian capital. The stock will be offered to the shareholders of the Company as on 20th December next and, if necessary, at a later date to the Indian public.

The profit for the first nine months of this year are reported to exceed substantially the profit for the whole of last year and the Board of Directors have declared an interim dividend of 5 per cent. payable to the shareholders in the books of the Company as on 20th December 1956. The allotment of shares offered in the recent rights issue was completed on 12th November and these shares will qualify for the interim dividend.

* * * *

Arrangements have been concluded for the formation of a company to be known as "ACC-Vickers-Babcock (Private) Ltd.," with the joint collaboration of Associated Cement Companies Ltd., of Bombay, and Messrs. Vickers Ltd. and Babcock and Wilcox Ltd., both of London. The new company has for its objective the building of a heavy engineering works in the vicinity of Durgapur in West Bengal designed to manufacture cement-making machinery, mining machinery, large pumps, heavy gears, steam generating plant of all types, pressure vessels, cranes and mechanical handling equipment. The construction of the proposed works is expected to commence as soon as the Government of India's approval, which is being sought, is obtained.

PREMIUM BONDS IN U.K.

Although fiscal prudes will decry any attempt on the part of a Government to lend its name to a lottery, it is interesting to note that the U.K., the home of conservative canons of public finance, has now started its "premium savings bonds" scheme involving thousands of prices. The main features of the scheme will be read with interest. The bonds are being sold in £1 units, the maximum allowed per holder being £500. Each £1 bond bears a number which goes into a draw for prizes again and again, month after month, for as long as the holder holds it. Prize amounts range from £25 each—there will be 20,000 prizes of this amount—to £1,000 each, of which there will be 100 prizes. The first draw will be made in June 1957 and thereafter, draws will be made each month. Bonds must be held for six months to qualify for the monthly draw. Yet another feature of the scheme is that winners' names will not be published. Again, all prizes are free from U.K. income-tax and surtax. An attractive advertisement, issued by the National Savings Committee, stresses the fact that a bond-holder cannot lose his investment—for he can always cash it—but may win a prize. It would appear that the scheme has already attained considerable popularity. One wonders why a similar scheme should not be tried in India where the belief in astrology and good fortune often leads people to different kinds of lotteries.

OIL PRICES

In the article entitled "How Oil Prices are Determined," which appeared in our last week's issue (page 880), the last sentence in the third column of that page, which was continued on page 923, should read as follows:

"If this integrated pattern should fail at one link in the chain, then the unfortunate consequences would not take long to appear. There is, therefore, responsibility in this pattern, and in the diversification of the enterprises employed, safety and continuity."

NEWS IN BRIEF

OVER thirty industrial firms dealing in instruments have joined together to form the All-India Instrument Manufacturers' and Dealers' Association. The Association will have regional councils in important places like Delhi, Calcutta and Madras.

The Government of Uttar Pradesh has asked the State's Director of Agriculture to set up a committee of research experts to investigate the possibility of growing flood-resisting as well as flood-dodging food and cash crops in districts threatened by floods each year.

The glass industry has undertaken the production of a number of new items during the last five years. The items include penicillin vials, sheet glass of sizes less than 16 ozs., and over 32 ozs., glass tubing by automatic drawing, narrow-mouth thermos flasks, and decorated aerated water bottles.

The Government of India has sanctioned a further loan of Rs. 38 lakhs for the Nagarjuna-Sagar project, bringing the total so far sanctioned to Rs. 149 lakhs. The project, a venture of the Andhra Government, is estimated to cost Rs. 85 crores and, when completed, will irrigate 2.1 million acres.

The Standing Committee of the All-India Port and Dock Workers' Federation has reiterated its earlier decision to go on a country-wide strike. The Committee has decided to give another 15 days to the Government to reconsider the workers' demands, failing which the workers will go on strike from 1st December.

The prospects of coal mining in Tripura were recently studied by Mr. A. P. Acharya, Regional Coal Controller of Assam, and steps are expected to be taken shortly to develop the coal mining industry there. The coal seams of the region cover an area of five square miles and are estimated to yield nearly 30,000 tons a year.

Prospecting of diamond mines in some places in the former Hyderabad State is expected to be carried out in the coming year by the Union Government. It is held that there are fair chances of locating diamond deposits in the region. The Government will also conduct a geophysical survey and investigation to locate the hidden coalfields in the State.

Caltex (India) Ltd., will inaugurate on the 19th inst. an eight-week training course for the first group of ten Indian Army officers. Mr. R. Arnold, District Superintendent of Operations, a training specialist, will personally conduct a comprehensive course which will give the Army officers a detailed overall training in the methods and procedure of handling petroleum products.

A new overseas exchange with direct radio links with 15 major capitals of the world was opened at Bombay on the 12th inst. The exchange will also be linked up with 19 other countries via the London International Exchange. It will enable efficient operation of India's increased overseas traffic, which now varies between 100 and 150 calls to the capitals of the world daily.

Under an agreement signed between the Technopromimport Trade Organisation of the U.S.S.R. and the Government of India, the latter will purchase from the former six portable field radio communication sets, three 12-ton diesel engine trucks and other equipment at a total cost of Rs. 3.5 lakhs. The equipment will be used by field parties conducting geophysical and geological operations.

An Institute of Company Secretaries has been set up with its headquarters in Calcutta, in order to meet the increasing demand for professional company secretaries. The Institute enjoys the support of the Government of India. It will be on the lines of the Institute of Chartered Accountants of India and will impart training in matters relating to Company Law and hold examinations. Those who pass the examinations will qualify for membership of the Institute.

The Labour Association of the Mysore Iron and Steel Works has unanimously agreed to accept the industrial truce between the Association and the management for a period of five years, during which time no fresh demands will be placed and no strike will be launched. The demands which have been conceded by the management relate to grant of three months' bonus and enhancement of wages of daily-paid employees and also of certain categories of monthly salaried employees, with effect from 1st November 1956.

The Government of India has decided that, until further orders, the export procedure governing cotton textiles prescribed in General Order No. 1 (Revised)—Central Excise of 1949, dated 21st January 1949—should be followed and the exporters given the same facilities which they had been enjoying before the introduction of the Bank Guarantee Scheme by the Department of Economic Affairs. This means withdrawal of the Bank Guarantee Scheme and reintroduction of the 1949 export procedure prescribed in the abovementioned order.

An official analysis of the regional distribution of plywood factories in India reveals that West Bengal has the largest number of units. Out of 64 factories which are on the approved list of the Government of India, 34 are located in West Bengal, 13 in Assam (including North East Frontier Agency), six in Travancore-Cochin, five in Madras, two in Mysore and the rest in other States. The total annual rated capacity is estimated at about 150.57 million square feet. Apart from these, there are a large number of unapproved factories, most of which are concentrated in and around Calcutta.

The Sindri Fertiliser Factory has set up a new record of daily, weekly and monthly production of ammonium sulphate during October 1956. The highest daily production of 1,357 tons was achieved on 28th October, the previous record being 1,317 tons on 30th October 1952. Production for the month of October 1956 was 32,397 tons with a daily average of 1,045 tons, the corresponding previous figures being 31,228 tons and 1,007 tons in January 1956. The highest weekly production of 8,064 tons was also achieved during October, the previous record being 7,830 tons.

The Coir Board of the Government of India proposes to establish a coir research Institute with a model factory in West Bengal. A group of experts is now touring the country to examine the possibilities of manufacturing mattress and bristle fibre in the country on Ceylonese methods. According to Mr. P. K. Dewar, leader of the group, though India produces over 3,000 million coconuts annually, only about 43 per cent. of the husks from these coconuts is utilised for extraction of fibre. The Coir Board has also decided to open a showroom and a sale depot for all kinds of coir products in Calcutta.

The Union Ministry of Commerce and Consumer Industries has approved an extensive project for the establishment of small industrial estates in Community Project areas with a view to fostering the development of small industries in rural areas. In the second Five-year Plan, more than 620 model villages are to be constructed in the Community Development blocks. Small industrial estates, costing between Rs. 2 lakhs and Rs. 5 lakhs, will be started as part of this integrated scheme. Model village areas, where power and other facilities are available, will be selected for starting these estates. Efforts will be made to provide essential service facilities for the development of industries which the small *entrepreneurs* cannot afford individually. It may be recalled that work on more than 15 industrial estates has already been initiated. This programme is estimated to cost over Rs. 5 crores. Many of these estates, relatively large in size, are situated in or near urban areas.

The Government of India has raised the target of jute production in the country under the Second Five-year Plan from 5 million bales originally fixed to 5.5 million bales. This was disclosed by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, while inaugurating the annual meeting of the Central Jute Committee in Calcutta, on Saturday last week. It may be noted in this connection that the actual production during the year 1955-56 amounted to 4.14 million bales, as compared with 2.93 million bales. The total requirements of the industry are placed at 7.2 million bales, if all the mills were to work to full capacity. In addition, extra-factory consumption is estimated at about 150,000 bales. The Planning Commission provided for 5 million bales from internal production and to import the balance, during the Second Plan period. It was of the view that it should be possible to produce the additional quantity of 1 million bales over the then estimated output of 4 million bales for 1955-56 through intensive cultivation, with the ultimate object of achieving an average yield of three bales per acre of good quality jute.

* * * *

From Abroad

The World Bank has agreed to loan Persia $75 million for financing development projects. An agreement is due to be signed shortly.

A new Anglo-Soviet petrol company has just been founded in London under the name U.S.S.R.-Anglo Petroleum Company. The Company's object is to trade in Russian petrols in the British and Commonwealth markets.

According to Mr. John Bell, Director of the U.S. Operations Mission, the economic aid granted to Pakistan by the United States Government during the financial year (1955-56) aggregated more than Rs. 76 crores.

The Government of Nepal has decided to open eight rural credit banks with a total capital of Rs. 47 lakhs during the current year to help agriculturists. This is part of the Government's first rural credit scheme which will be expanded later.

The United Nations has asked a Rotterdam firm and a Danish firm to clear the Suez Canal. As a first step, three Dutch and three Danish experts will go to Egypt to view the situation and estimate the expense for the clearance which will be met by the U.N.

A series of strikes recently by workers cost the Japanese steel industry a production loss of 250,000 tons. According to a spokesman of the Ministry of International Trade and Industry, the Government is contemplating an emergency importation of 100,000 to 200,000 tons of rolled steel.

The Soviet Union is planning another giant hydro-electric scheme in the eastern regions of the U.S.S.R. to hasten the development of heavy industry in Razakhstan and Siberia. The scheme envisages the building of 11 hydro-electric power stations along the most important river of West Siberia, Irtysh.

A trade agreement between Pakistan and China is likely to be concluded soon. A Chinese trade delegation will arrive in Pakistan shortly to negotiate the first trade agreement between the two countries. China is interested in Pakistan cotton and jute, while Pakistan can import coal, industrial raw materials, silk and machinery from China.

PERSONAL

MRS. Vijayalakshmi Pandit, Indian High Commissioner in London, left for London on Saturday last.

Sardar-e-Ali Gen. Mohammed Omer Khan has been appointed Ambassador of Afghanistan to India.

Mr. K. C. Reddy, Union Production Minister, returned on Monday this week after a tour of Russia, the U.K. and West Germany.

Dr. H. J. Bhabha, Chairman, Atomic Energy Commission, returned from Geneva last week after attending the U.N. Atomic Energy Agency Conference held at New York recently.

Mr. Morarji Desai, until recently Chief Minister of Bombay, was sworn-in as a Central Cabinet Minister on Wednesday this week. Mr. Desai will be in charge of the Ministries of Commerce and Consumers Industries and Heavy Industries.

Mr. P. M. Agerwala, General Manager, Bombay Telephones, left for Rome *en route* to Geneva to attend the plenary assembly of the U.N. Consultative Committee for Telegraphs and Telephones, a permanent organ of the International Telecommunication Union.

Mr. George R. Latham has arrived in Bombay as the U.K. Trade Commissioner *vice* Mr. G. J. Husted who has been posted to Melbourne. Mr. Latham was hitherto in West Africa where he set up a U.K. Trade Commission covering the Territories of the Gold Coast, Sierra Leone and the Gambia.

Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture, has been elected Chairman of the International Rice Commission for the next two years, *vice* Mr. S. Tobato of Japan. Mr. C. S. Christian of Australia and Mr. Truong Van Hien of Viet Nam have been elected first and second Vice-Chairmen, respectively.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 14*th November*

War Clouds Lowering Over the Far East

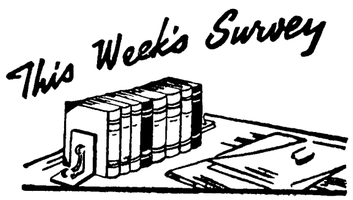
It has been predicted by publicists who profess to know that the Pacific—a common word for anything that is peaceful and appeasing—will be the scene of the next big war. True it is that Europe, after centuries of systematised, wholesale slaughter, had more war than it could conveniently stomach between 1914 and 1919, and it is inconceivable that a fresh outbreak of any dimensions will occur in that part of the world for many years. But in other latitudes and longitudes, especially where the inhabitants played an inconsiderable part in the great conflict, belligerency still prevails—for them *horrida bella* has no horrors—and every little nation has displayed the desire for a shindy, so that it may share with the big ones a respect for its own prowess. In the quarrel now fomenting between the two great nations of the Far East, China and Japan, there is something more than any mere wish for a scrimmage. China, with her new-found sense of nationalisation full upon her, chafes under the burden of Japanese commercial domination; Japan, on the other hand, is fearful as regards the safety of her interests in Manchuria and is constantly on the alert in checking Soviet aggression from the north. The situation is ominous. It looks like war. But does it mean war? If war occurs the League of Nations will have its own dear little self to blame; for the League of Nations, flamboyant in its pretensions, is just about as helpless in diplomatic mediation as a new-born babe, crying in the wilderness with no voice but a cry.

The Japanese Finance Ministry has announced that Japan's sterling balance had dropped from £100 million at the end of March this year to £40 million at the end of September. Japan's dollar holdings increased from $896 million to $1.041 million during the same period. The Ministry said that it was not worried over the decline in sterling balances, as the dollar holdings were increasing.

An agreement has been signed between Ceylon and Germany, according to which the latter will provide Ceylon technical and other aids, as envisaged in the Commercial Agreement entered into by the countries two years ago. Technical aid will be given chiefly by establishing model workshops in Ceylon for encouraging small industries and by making available to Ceylon services of a number of technicians.

The Ceylon Government has enforced price control covering a wide range of foodstuffs within the municipal limits of Colombo with effect from the 6th inst. Rice, sugar and flour, however, are not included in the list, as the import of these items are the monopoly of the Government. Food dealers will be asked to furnish returns of stocks they have in hand. The new regulations are designed to check profiteering and hoarding of essential foodstuffs.

During the year ended March 1956, Iran received an income of £35 million from exports of oil. Total production during the period reached 17 million tons, of which 7.4 million tons were refined at Abadan. In the seventeen months from the signing of the October 1954 Oil Agreement, production of oil in Iran rose steadily, yielding a total oil revenue to Iran of £46.5 million. The oil resources in Iran are now operated by an international consortium, in which the British Petroleum Company holds 40 per cent. interest.



ECONOMIC STATEMENT

THE economic statement adopted by the All-India Congress Committee (A.-I.C.C.) at its Calcutta session this week, is a fairly well-balanced assessment of the economic situation in the country. There are no loud protestations of the "State-alone-can-do-it" attitude. If there is no specific appeal for co-operation to the private sector, there is also no jarring emphasis on the essential virtues of the public sector. At any rate, Pandit G. B. Pant, the Union Home Minister, averred, in the course of the debate on the statement, that they had "prejudice against none and the private sector is welcome." The statement, however, seems to by-pass the controversial issues. This is welcome in the sense that it probably indicates that the Government is not seriously concerned over keeping alive the cold war against the private sector. But it is anybody's guess whether this is a prelude to any "change of heart" in the Government or the party in power. But the statement is not entirely free from faulty reasoning and cannot escape the charge of insufficient appreciation of economic realities.

The broad features of the statement, the full text of which is published elsewhere in this issue, may be easily summarised. It affirms its adherence to the ideal of "socialist pattern of society" and, not for the first time, takes it for granted that the country has accepted socialist pattern of society as its goal. It will certainly seem odd to any democratic observer that the Congress Party should regard itself as the sole representative of the people and equate itself, as the ruling party, with the country as a whole. The truth is that there are many who do not agree with its policy of socialism.

Referring more specially to economic issues, the statement stresses that, during the Plan period, the present agricultural production should be raised by at least 35 per cent. which would also be the key to keeping the inflationary forces in check. It lays emphasis on the development of heavy industries without which there can be no rapid industrialisation. It admits that deficit financing can be practised only if prices are stable and other essential consumer goods are available in adequate quantities. Export promotion and restriction of imports receive adequate emphasis as means of achieving success in the foreign exchange front. The essential conditions which, according to the statement, must be fulfilled in the interests of the success of the Plan are: stability of prices, mobilisation of internal resources without creating inflationary pressures and conservation and improvement of foreign exchange resources.

As a general review of economic problems, the statement is, perhaps, unexceptionable. But a closer analysis reveals certain inconsistencies. For instance, how do the authors of the statement hope to reconcile the aim of price stability with the pursuit of small-scale industry ideology which is not conducive to rapid increase in production. Further, large emphasis is placed on agrarian co-operatives, in particular, and on co-operation, in general. But this ignores all the recent experience which suggests how dismally the co-operatives have failed to deliver the goods. Again, while the mobilisation of domestic resources is rightly emphasised, no mention is made of the Government's fiscal policy on which such mobilisation depends. At one place, it insists that, in determining the proportion of incomes which must be set aside for savings, one should not subject the common people to too great a strain. At another place, it insists that "each person in the country, however small, can and should have the privilege of participating in this progress of building up the country by making his own maximum contribution to savings and investment."

The fact is that the problem of raising sufficient savings to match the requirements of the Plan is a difficult one and cannot be solved so long as the Government subjects a tiny section of the country's population to fiscal onslaughts. Given the necessary incentive, maximum savings would become possible. But the provision of such incentives might conceivably mean a certain liberalisation of the Government's tax policy for which the authorities do not seem to be prepared. In the absence of such incentives, Mr. Pant's statement to the effect that the private sector is "welcome" to make its contribution sounds somewhat hollow. After all, this sector cannot make any real contribution if its wings are continuously clipped by heavy taxation and too many restrictions, not to mention the frequent attacks on the philosophy of free enterprise which have the effect of disheartening *entrepreneurs*.

It is, however, noteworthy that the framers of the economic statement are alive to the gravity of the international situation and to its impact on India's economic development. They affirm that the "country's hopes and plans for progress are bound up with the continuance of peace in the world." They warn that the nation "must be prepared for any emergencies that might arise." We have no doubt that the country will be ready for the sacrifices the Government may expect from it. At the same time, the ever-uncertain world outlook, it is to be hoped, will induce the Government to become less doctrinaire and more realistic in its economic policies.

INVEST WISELY

AND WELL

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SISTAS 58-2

INDUSTRIAL DISPUTE

A clear interpretation of the term "industrial dispute" as defined in section 2(K) of the Industrial Disputes Act was given by Mr. Justice Venkatarama Iyer, Judge of the Supreme Court, the other day. Dealing with the appeal preferred by the Central Provinces Transport Ltd., Nagpur, against the Labour Appellate Tribunal's judgment urging the reinstatement of and compensation for a dismissed employee, His Lordship observed that the preponderance of judicial opinion was clearly in favour of the view that a dispute between an employer and a single employee could not *per se* be an industrial dispute, but it might become one if it was taken up by the union or a number of workmen. There was, he added, considerable reason behind it. Elucidating this point, His Lordship said:

"Notwithstanding that the language of section 2(K) is wide enough to cover a dispute between an employer and a single employee, the scheme of the Industrial Disputes Act does appear to contemplate that the machinery provided therein should be set in motion to settle any disputes which involve the right of workmen as a class, and that a dispute touching the individual rights of a workman is not intended to be the subject of an adjudication under the Act when the same has not been taken up by the Union or a number of workmen."

This interpretation should set at rest the conflicting opinions expressed over the question whether a dispute by an individual workman is an industrial dispute as defined in section 2(K) of the Act. Mr. Justice Venkatarama Iyer examined the three distinct lines of approach adopted by the deciding cases. These were: (1) A dispute which concerns only the rights of individual workers cannot be held to be an industrial dispute; (2) a dispute between an employer and a single employee can be an industrial dispute as defined in section 2(K); and (3) a dispute between an employer and a single employee cannot *per se* be an industrial dispute, but it may become one if it is taken up by the union or a number of workmen. These divergent lines of approach cause much confusion. What is worse, the definition of the term "industrial dispute" given in some of the Acts of State Governments is at variance as compared with that given in section 2(K) of the Act. The C.P. and Berar Industrial Disputes Settlement Act, for instance, recognises the right of an employee to agitate over his individual rights. It was for this reason that His Lordship dismissed the appeal preferred by the Central Provinces Transport Ltd., in which it had raised the contention that, under the Act, there could not be an industrial dispute in respect of the demand by an individual employee for reinstatement.

SMALL-SCALE INDUSTRIES

The Central Government's decision to help the small-scale industrial units in securing a much larger sphere of stores than what is now being purchased by it has not come as a surprise. For the Government is wedded to the policy of ensuring a speedy development of the small-scale industry sector, thanks to considerations of employment potential. The outlay earmarked for the development of this sector (including village industries) in the Second Five-year Plan is as much as Rs. 200 crores, which represents 22.5 per cent. of the aggregate outlay of Rs. 890 crores on "industries and mining." One of the means to implement this scheme of development successfully lies in assisting the small-scale industries to participate to a greater extent in the Centre's stores purchase programme. This aspect was forcefully stressed, first by the Stores Purchase Advisory Committee and later by the American expert, Mr. Kennard Weddel, who, after examining the technical side of the development of the small-scale industry sector, drew up a programme of encouragement. It is as a sequel to these recommendations that the Central Government has, as stated at the outset, decided to augment its purchases of stores from small-scale industries.

The new procedure governing stores purchase lays down that some of the requirements of Government will be met exclusively from small-scale industries. It also lays down that, in respect of items which can be purchased only from large-scale units, sub-contracts for ancillaries and components may, where it is possible, be given to small units. The National Small Industries (N.S.I.) Corporation and the Regional Small Industries Service Institutes will help the large-scale units in finding suitable small units to which sub-contracts may be given. Such help is of special importance, considering the existence of a large number of small units in the country, estimated at more than 30,000. As regards tenders for Government contracts, the items will be divided into two sections. In the first section, tenders will be invited from all parties and the small industries may be accorded a "suitable and reasonable" price differential up to a maximum of 15 per cent., the actual quantum being decided in each case on merits. In the second section, a portion of the indent will be reserved for the N.S.I. Corporation. For the unreserved portion, the normal procedure for tenders will be followed, while, for the reserved portion, small industries nominated by the Corporation will be eligible for a price differential, the prices being fixed on the basis of the results of the tender to be opened.

In addition to earmarking an increasing share of Government purchases for the small industries and granting a price differential on some stores, the Central Government has announced two other concessions. First, tender sets and specifications other than certain priced specifications such as those of the Indian Standards Institution and Indian railways will be supplied through the N.S.I. Corporation. Secondly, tenders will be accepted without deposit from those units which are certified by the Corporation to have attained a sufficient degree of competency to fulfil Government orders. A special organisation is proposed to be set up in the Corporation for the necessary liaison between the Centre's purchasing departments and the small industries.

The aforesaid measures will surely give some fillip to the development of small industries. But it must be emphasised that the policy of patronising products of these industries should not be extended so far as to overlook completely the vital considerations of price, quality and delivery. The real, effective solution for revitalising and expanding the small-scale industries lies not merely in earmarking of markets or granting of price preferential, but in the removal of limitations—organisational and technical—under which these industries function.

MARKETING OF COFFEE

The season 1956-57 promises to be a record one for the Indian coffee crop. The seasonal conditions are said to be satisfactory, despite some recent heavy rains in certain areas, and the production is likely to exceed the record crop of 33,410 tons reached in 1955-56. With such a prospect, the attention of the Coffee Board is naturally concentrated on the best way of marketing another large crop. A detailed note on marketing for the first half of the year, prepared by the Marketing Committee, is being considered by the Board. The Marketing Committee has estimated the likely receipts during the year at 35,890 tons. Unofficial estimates, however, place the crop at as high as 40,000 tons. Internal consumption is expected to absorb 26,775 tons and the quantity available for export is likely to be 7,924 tons.

The prospects for marketing the surplus in coffee and the possible steps for enlarging and retaining the markets abroad for Indian coffee were indicated by Mr. K. Srinivasan, Chairman of the Coffee Board, at the thirty-ninth meeting of the Board, held last week. He said that, following the sale of 500 tons of coffee to the U.S.S.R. in June last, there had been enquiries from the same country, as well as from Czechoslovakia and Yugoslavia, and their requirements would be supplied out of the new crop. "Apart from these very welcome additions to our market," Mr. Srinivasan added, "it seems to me very necessary that we should open up other markets, now that our exportable surplus is steadily growing and is likely to grow further in years to come."

In view of the prospect of the foreign markets for Indian coffee being enlarged, the Coffee Board Chairman said that it would seem necessary to think again in terms of destinational quotas or of straight trading by the Coffee Board with some foreign countries. He was not, however, sure whether the Board could realise the best price possible for all lots put out for export by present methods, if large quantities of coffee were to be sold in the course of a short period. The object of the Board seems to be not to get the best price at all times, but to have a steady and secure market even if it means slightly lower prices. Mr. Srinivasan seemed to suggest that this object could not be attained, if the export field was left to private traders. For, he said:

"There is a limit to what the few members of trade who now participate in the export sales can handle perhaps, and there is the possibility of that amount of coffee, in excess of what they could conveniently handle, fetching lower prices, or not moving even; it should be possible, however, to sell larger quantities in the course of a few months at favourable prices and the range of price of lots can be confined to narrow limits of fluctuation, if more exporters with substantial resources should enter the field. We all expect the exportable quantities to increase year by year. While the exporter may be interested in selling the coffee at a given time to anyone abroad who gives him the best price, and may not be inclined to give as much attention always as may be desirable about seeking new markets, or nursing or holding markets where he has gained entry, the Coffee Board, it seems to me, has to do just this, and has to take a longer view even subordinating immediate benefits."

The Coffee Board Chairman did not, however, suggest that the few private traders who now participate in the export sales should altogether be eliminated and the entire export trade should be handled by the Coffee Board. He wanted the Board to consider whether it should not itself try and sell a portion of the exportable surplus to particular countries and build up future markets for Indian coffee.

So far as prices abroad are concerned, Mr. Srinivasan hoped that, in the absence of any serious indications to the contrary, world prices would continue to be at favourable levels and that this would be another good year for the industry. Internally, the prices had been held steady, with the variations confined to narrow ranges. The steady trend was attributed by Mr. Srinivasan to three factors, namely, (1) the provision for an adequate carryover at the end of the calendar year, (2) a reasonably accurate estimate of the probable consumption, and (3) the proper regulation of not only the quantity of coffee offered for sale each month but also the types and grades.

Another problem which the Coffee Board is seized of is the movement of stocks and storage. This problem will assume greater proportion when the production is enlarged under the Board's development plan. It would appear that a large quantity of coffee is usually left over just before the onset of the monsoon at the coast, where a sizable proportion of the crop grown inland is taken for curing, though almost all the sales in the first half of the year are ex-coastal stocks. It has, therefore, been found necessary all these years to shift the stocks left over for storage inland, till they are disposed of to save them from the effects of the monsoon on the coast. According to the Coffee Board Chairman, a sum of Rs. 115 to Rs. 120 per ton is being spent on this transfer. In 1956, the quantity shifted from the coast was 2,577 tons and the expenditure involved works out to about Rs. 3 lakhs. The quantity so shifted may increase year by year as production goes up. Apart from the huge expenditure involved, this raises the problem of finding accommodation inland. It is found that the inland curing houses do not have accommodation for stocks so transferred as their own stocks would not have moved. Extra godowns have to be hired, while those on the coast will have to be kept empty. The solution is, therefore, to build proper moisture-proof godown accommodation on the coast, which at the same time will save the annual expenditure on transfer of stocks. The Coffee Board is examining this question in consultation with the Central Food Technological Research Institute and with the co-operation of the curers.

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RICE PRODUCTION

The importance of raising the agricultural output, particularly of food, has always been a matter of much concern to both advanced and backward countries. Apart from this, nearly all countries want to be self-sufficient in food. Of the various food crops, rice, however, occupies a prominent place as the staple food for half the population of the world. For large sections of the Asian population, in particular, rice forms the chief diet. Any improvement in the techniques of rice production is, therefore, of considerable interest to Asian countries. The fifth session of the International Rice Commission now being held at Calcutta has thus a special significance to all Asian countries.

Presiding over the inaugural meeting, Dr. Punjabrao Deshmukh, the Union Minister for Agriculture, stated that, in the world, rice occupied more than 240 million acres of land which, on an average, produced annually about 160 million tons of clean rice. He rightly emphasised that it was predominantly an Asian crop—about 91 per cent. of rice being produced and consumed in South-East Asia alone extending from Indo-Pakistan sub-continent to Japan. He further stated that no crop had entered the lives of so many people and had been of such considerable economic importance as rice in all Asian countries.

The real impetus to agricultural development in India was given only in the course of the First Five-year Plan. As the Director-General of the Food and Agricultural Organisation, Mr. B. R. Sen, stated, during his inaugural address at the session, until recently agriculture was the most neglected subject in South-East Asia, though it was the main occupation of the people. In India, however, some encouraging results have been noticed through efforts at improving the output of foodgrains. Thus, in 1953-54, a peak production of about 68.7 million tons of foodgrains including pulses was reached. Even though the actual production in the subsequent two years has fallen slightly, the overall production in 1955-56, estimated at 63.5 million tons, is higher than the target of 61.6 million tons in the First Five-year Plan by 1.9 million tons. The increase in population, however, sets at naught all premeditated calculations, so that, in the sphere of food production, the progress achieved so far still falls far short of actual requirements.

The Union Minister for Agriculture commended the Japanese method of cultivation introduced in the country to which he attributed the recent increase in rice production. He hinted at the possibility of raising the target of 4 million acres under this method of cultivation, fixed at the end of the Second Five-year Plan, to at least 10 million acres. The practice of the Japanese method, as a whole, he pointed out, had given additional yield at the rate of half a ton per acre on an average. At this rate, an addition of 10 million acres to the area under this method of cultivation would by itself add 5 million tons to the output of rice in the country. Such an increase would cover almost 50 per cent. of the total additional foodgrains production aimed at in the last year of the Second Plan. Further, investigations carried out at various centres, according to Mr. Deshmukh, have led to development of strains suitable for different conditions. These varieties include food-resistant plants for Bihar, flood and drought resistant strains for Bengal and deep water paddies for Assam and Bihar. These improved varieties have stepped up the yield in different States from anything like 15 to 30 per cent. Similar investigations in Kashmir have revealed the possibilities of growing rice at high altitudes of about 7,000 feet in place of millets and other coarse grains. Concluding, the Minister expressed the hope that the Commission would evolve appropriate formulæ for improving the quality of rice and said that this aspect of investigation was of special importance for a country like India.

It is clear from the foregoing that rice production could, by proper methods, be stepped up to meet the country's needs.

ECONOMIC POLICY STATEMENT VAGUE

AUSTERITY FOR PEOPLE—PLAN TO BE RESTUDIED

By A Special Correspondent

NEW DELHI, *13th November*

DELHI LETTER

INDIA'S Parliament, which begins its winter deliberations tomorrow, will have an interesting session in the coming weeks. Although a number of official and non-official Bills of economic importance are likely to be discussed and passed, for the present, the attention of practically all sections of the House is being focussed on the foreign policy. In view of the exciting times we are passing through and also as a result of frequent discussions that are taking place between the Government of India and the other important powers of the world during the last few days, the Prime Minister's promised statement on foreign affairs is keenly awaited. Several members of Parliament who are on the informal consultative committee on foreign affairs have, as a matter of fact, made written requisitions to the Prime Minister to make such a statement clarifying India's stand and it is expected that the Prime Minister will make the statement on Thursday.

An indication of the ruling party's forthcoming economic policy has already been given to the public by way of a resolution recently passed by the All-India Congress Committee at its Calcutta session. The operative portion of the resolution is couched in rather vague terms, so that it is capable of being interpreted according to the likes and dislikes of certain people. The Congress is an omnibus association, consisting of different sets of people whose interests are often conflicting with one another. And, therefore, perhaps, persons who have been responsible for drafting the resolution, have intentionally kept the main operative portion of the resolution vague. For instance, the resolution policy says, *inter alia*, that "in industry, the interests of the workers must be identified with the industrial unit in which they are working and they should be increasingly associated with the management of the industry." But it is noteworthy that the manner and the quantum of the workers' association in managing the industrial units have not been specifically laid down. The entire gamut of this resolution is to appeal to the common people to make a sustained effort and undergo sacrifices for carrying out the Second Five-year Plan. The Home Minister, Pandit Gobind Ballabh Pant, who moved the resolution, exhorted people to produce more, consume that much which was absolutely necessary and to impose a "self-denial ordinance" in the interest of maintaining the price level.

Foreign Trade

Mr. Morarji Desai, the erstwhile Chief Minister of Bombay, is expected to assume charge of the Ministry of Commerce and Industry on 14th November, so that he will have sufficient time to address the forthcoming Export and Import Advisory Councils which are meeting here on 17th and 18th November. It may be mentioned in this connection that Mr. Morarji Desai is not likely to announce any new policy, in view of the fact that he will be somewhat new to the atmosphere of Delhi. Further, he would naturally be given some time to assimilate and chalk out a policy in order that it should bear his own impress. Even the Secretary of the Ministry, Mr. S. Ranganathan, is comparatively new to the Ministry by reason of the fact that he has taken charge only recently. Hence the Minister's address at the meetings of the Export-Import Councils may not reveal any new policy, apart from the fact that it will take into account the heavy deterioration in the balance of payment position and stress the importance of augmenting India's exports, in order to reduce the adverse balance of trade which has taken rather alarming proportions during the last seven or eight months.

In view of this development, it is quite likely that the Government will try to liberalise exports of certain goods which are in greater demand in foreign markets, as, for instance, vegetable oils, spices, etc., so that India can earn a sizable amount of the much needed foreign exchange. A hint to this effect has already been given by the Home Minister, Pandit Pant, at the A.-I.C.C. session in Calcutta where he said that the implementation of the Second Plan should be done through the adoption of certain amount of austerity by the people. The problem of financing the Plan, Pandit Pant said, would not be difficult "provided every one of us behaves in a proper way and every one makes his contribution to the fulfilment of the Plan." In the light of this statement, it is believed that export promotion may take the form of allocating specific quotas even at the expense of the internal market in respect of some important raw materials and manufactured goods.

Due to large-scale importation of industrial raw materials and manufactured goods, particularly from the Western European countries, the country is faced with a keen shortage of foreign exchange. Imports of iron and steel and other capital goods from West European countries have been rapidly increasing, creating thereby considerable imbalance in India's balance of payments position. In order to meet this situation, the Government of India has been trying to obtain from the International Monetary Fund a stand-by credit of 100 million dollars. Anyway, the Government, while approaching for this loan, is extremely conscious of the fact that it should take sufficient measures to restrict overseas payments to a minimum, so as to conserve foreign exchange resources. Hence, imports of luxury goods and even of some avoidable articles are likely to be banned or restricted.

Foreign Capital

This apart, a certain section of the Government of India is of the opinion that India should take sufficient measures to attract foreign capital, in order to facilitate implementation of the Second Plan quickly and without any setback in schedule. The other day, at an important meeting, Dr. P. S. Lokanathan, until recently the Executive Secretary of E.C.A.F.E., said that there was nothing wrong in inviting foreign capital to develop an underdeveloped country like India, provided there were no political strings attached thereto. He cited some examples in this connection. Even England in the early years of industrialisation was trying to attract foreign capital from Holland and other countries. The same was the case with the U.S.A., he said, which attracted large amounts of British capital prior to World War I. It is therefore necessary, he asserted, that India also should follow the same steps to attract foreign capital by offering liberal terms.

One important feature which needs stressing in this connection is the determination of official spokesmen about quickening the pace of economic development. In the course of a recent address made by the Minister for Heavy Industries, Mr. Manubhai Shah stressed the fact that the industrial targets laid down in the Second Plan should be considered as the minima and not as maxima. He has been insisting that the private sector should reach the targets laid down within the first three years of the Plan period itself, so that it could be in a position to develop other industries. How this objective is to be attained has, however, not been explained by him yet; but it is to be hoped that, in the coming months, he will clarify his attitude to help industries in the private sector in such a way as to enable them to achieve the targeted production within the first three years of the Plan.

In the course of a small note circulated by the Finance Minister to the delegates of the A.-I.C.C. in Calcutta, Mr. Krishnamachari has attempted to pave the way for the implementation of some of his pet ideas and objectives. He has stressed the importance of augmenting internal resources for financing the Plan through increased, higher and even diversified taxation, better collection of existing taxes, and by readjustment of some of the important projects as would yield maximum benefits to the country in a shorter space of time and by restricting expenditure on some other projects which could be postponed for better times. It is from this angle that efforts are now being made by the Finance Ministry and the Planning Commission for a re-study of the Plan. There is also a move by the Planning Commission to examine the development projects of various States from a fresh perspective and impress upon the Chief Ministers, who will be assembling in Delhi for attending the next meeting of the National Development Council on 8th and 9th December, on the necessity for rigidly adhering to these views. In other words, there would be a pruning of the development plans in the States during the coming weeks, so that they could be included in the budget for 1956-57. The Government of India itself is not in a position to achieve its declared objective of implementing the programmes envisaged for the first year of the Second Plan due to various factors.

COUNTING THE COST OF SUEZ ADVENTURE

From Our Own Correspondent

LONDON, *10th November*

LONDON LETTER

INEVITABLY, the political consequences of the Suez adventure, which everyone recognises cannot be fully envisaged at the moment, has occupied men's minds in this last week. It is recognised that the train of the Middle Eastern powder barrel has been set ablaze and that daily more and more explosives is being heaped upon it. Whether the fire can be put out before the explosion take place must be the predominant question. But, since it is a question without immediate answer, the City is meanwhile counting the economic cost. The stock markets continue uncertain, saved from a more serious collapse by the small turnover of business. While there is hope that the crisis may only be temporary, no investors wish to lose substantial sums by selling out now.

The most important development has naturally been on oil supplies and their accompaniment, the tanker and general freight rates. Sir Anthony Eden's war has now cost the use of the Canal for not less than three months. Indeed, every day that passes informs the British public of yet more block ships discovered! His war has also cost the pipelines running through Syria down to the Persian Gulf and, in spite of the paucity of news here about the Gulf Sheikdoms, it is generally surmised that supplies from these have also dried up and that very substantial damage has been done to the refinery and oil loading equipment. And, while estimates are already being made of how soon the Canal can be reopened, the estimators ignore that Egypt has not yet given permission for the removal of any of the block ships in the greater part of the Canal which she controls, and is unlikely to do so until there is a settlement in her favour. She holds all the best cards, now that Britain and France have been obliged by the United Nations to accept a "cease-fire." They cannot attack again, they cannot move down the Canal and the United Nations Police Force which is intended to replace them can do no more than hold the peace! Egypt remains master of a blocked canal. Her only loss is that part of the revenues which were being paid directly into Egyptian accounts and, with a cessation of operating costs, it is doubtful whether she is out of pocket at all. Whoever bears the cost of repairing all the damage that has been done, and the damage that will be caused by further neglect, it is not likely to be Egypt!

The facts are, therefore, plain. Middle Eastern oil has been cut off for not less than three months—and in the end it may be that the repairing of damages to the installations feeding the Mediterranean and the Persian Gulf ports may take longer than reopening the Canal. With 25 per cent. of supplies gone, Britain has to turn to American and Venezuelan supplies and pay the dollar cost, but, even paying the price, there is bound to be a gap in the flow of oil and the Minister of Fuel and Power has already asked the oil companies to cut deliveries to all consumers by 10 per cent. This affects supplies of fuel oil as much as supplies of petrol. So far, an informal rationing system has begun, in order to induce as much voluntary economy as possible in usage. In any event, the machinery for rationing does not exist, except in paper plans, but the Ministry is at this moment pushing ahead with all the apparatus of a full-blown rationing scheme for all users. Whether it will have to bring this scheme into effect, depends upon whether a term seems likely to be set to the break in supplies which the existing stocks coupled with voluntary economies can bridge. But the prospect at the moment is not favourable.—*All Rights Reserved.*

AMERICAN LETTER

PERSONAL VICTORY FOR MR. EISENHOWER

From Our Own Correspondent

NEW YORK, *8th November*

AN analysis of the election results in the United States can lead only to one conclusion. The American people have given an overwhelming vote of confidence to President Eisenhower and the policies his Administration has pursued, both politically and economically. The popular vote for the President was 33,212,325, while Mr. Adlai Stevenson, his opponent and former Governor of Illinois, scored 24,192,953 votes. Owing to the peculiar electoral college system which goes back to Colonial days here, Mr. Eisenhower carried 41 States out of 48. It was a very impressive performance. Party lines were broken all over the country. Labour leaders, who have been traditionally Democratic and who have boasted unsuccessfully that they could deliver the multi-million labour vote, have failed again.

The vote for the President and Vice-President Nixon on the Republican ticket was all the more impressive, because the voters returned a Democratic House of Representatives and the Senate is also under Democratic control this time. It was a vote for confidence in people rather than in parties. The campaign of the major candidates was televised all over the country on the major networks and millions of people had a chance to look at those who ran for office and make up their minds for themselves without moving out of their living rooms. As I said in previous despatches, the President's popularity stems from his personality and traits, his sincerity, his undisputed integrity and his fairness in all matters. This was not a victory for the Republican Party, it was a personal Eisenhower victory.

Another consideration which may have entered the minds of the voters is that, according to a recently passed law, a President may serve only two terms of four years each. Previously, there was always the temptation for any occupant of the White House to pull all cords of the political organ to aspire for yet another term. It no longer exists. Thus, greater objectivity is certain to be present during a second Presidential term. The disturbed Middle Eastern situation also played in Mr. Eisenhower's favour. The man, under whose command Europe was liberated, is trusted by the American people to know what he is doing or not doing on actual or potential battlefields. In other words, his stewardship is not questioned. The ending of the war in Korea and the general prosperity which prevails in the U.S. were also important factors, as well as Washington's refusal, up to this writing, to become involved in the Suez Canal crisis along with the former Allies, Great Britain and France.

It was a selective voting based on performance and merit—the very basis on which the Eisenhower campaign was conducted. He never vilified his opponents, while the latter made wide references to the President's health and being a "part-time President." This back-fired in the public mind and psychology. It may be said again, at this point, that Mr. Eisenhower was offered to succeed former President Harry Truman on the Democratic ticket, but nothing ever came of it. As a soldier, he never belonged to either party. He finally chose the Republican Party which he has lifted out of the doldrums of 20 years of undecisiveness between conservatism and liberalism. The schism still exists, but the President's actions have bridged the gap.

The stock market on the first day after election showed considerable strength. On the second day—after—it faltered a bit, but that was due chiefly to developments in the Middle East which are viewed in this country with alarm, particularly because no immediate solution of the obvious dilemma is seen here.

The blocking of the Suez Canal poses a serious problem, it is felt. The price of oil may double out of that area owing to greater shipping costs. If any further difficulties arise, the economic health of the Arab nations may be affected seriously. The controversy between Israel and its neighbours also remains unresolved, although there are vague suggestions that the United Nations will be permitted to take some positive action.

The illness of U.S. Secretary of State, Mr. John Foster Dulles, who is in hospital with an intestinal cancer operation, should have no effect on Washington foreign policy. The acting Secretary, Herbert Hoover, jr., is an extremely able man. He is the son of former President Herbert Hoover. Like his father, he is a mining engineer by profession. He spent considerable time in the Middle East and knows more about the intricacies, both economic and political, than Mr. Dulles.

India and the rest of the world should be reassured in the stability of Washington policy by the election returns. All those elected on the executive and legislative levels of Governments here, are non-radical, conservative but liberal-minded.

There has been as much Democratic support for Mr. Eisenhower as there has been by the Republicans. It means continuity and no change in the actions and measures which may be taken by official Washington.

On the overall economic scene, the outlook is as rosy as ever. Predictions by qualified economists include that, with some foreseeable setbacks in some lines, prosperity will continue into 1957 and perhaps beyond that, so far as can be gauged at this time. Tighter money rates will probably lead to lower bond prices, but better corporate earnings. Savings will have to be stepped up to meet the increasing demand for investments in long-term projects.

To sum up the political picture, as an aftermath of this election, President Eisenhower has produced a political revolution in the large cities of the North in the U.S. It was a Democratic stronghold for about 30 years. As stated above, all party lines have been broken. What is also significant is that President Eisenhower had a 9 million plurality this year, against 6,621,242 in 1952. His popular vote was increased percentagewise, in nearly all parts of the country. In the Republican era between the end of the First World War and the election of Herbert Hoover in 1928, the Republicans held a steadily declining majority in the 12 largest cities of the U.S. From then on, Franklin D. Roosevelt put together an overwhelming coalition of southern states and northern industrial cities which President Eisenhower broke wide open in 1952 and even more so this year.—*All Rights Reserved.*

INDUSTRIAL POLICY STATEMENT X-RAYED BY AN AMERICAN

VERDICT GENERALLY FAVOURABLE TO GOVERNMENT

By Harry Robinson

RESEARCH ECONOMIST, STANFORD RESEARCH INSTITUTE, CALIFORNIA

[This report was prepared by the author during the summer of 1956 while serving in India on an Institute project for the Ministry of Commerce and Industry of the Government of India. The objective of the project is to provide assistance to the Government of India in the analysis of private-investment needs and opportunities. Mr. Robinson, who is spending all of 1956 in India on this project, maintains his headquarters in New Delhi but travels frequently to other commercial and industrial centres in the country. In the summer of 1955, Mr. Robinson visited Pakistan, Ceylon, Thailand, Indonesia, Japan, and the Philippines on an Institute project, during which he studied various private investment conditions, needs, and opportunities.]

PRIME Minister Nehru restated India's industrial policy on 30th April 1956, when he read a new resolution on the subject before the Lok Sabha, or lower house of Parliament. This statement replaces the former resolution of 6th April 1948. It is significant to note that the two resolutions are not to be read together to form a composite document. The apparent changes in theory, emphasis, and procedure represent a recasting of the pattern for nationalisation and industrial development in the public and private sectors, and reflect the trend of official thinking since 1948. The release of the revised statement was timed to precede Parliament's adoption of the Second Five-year Plan for social and economic development. The need for renovating the 1948 statement had been long recognised. Many changes had taken place in India during the past eight years which made the document outmoded.

The two most important changes were (1) the enactment of the Constitution in 1950, which established a democratic form of Government in India, and (2) Parliament's acceptance of the 1954 resolution whereby India adopted a socialistic pattern of society as the objective of social and economic policy. Of lesser, though important, significance are supplemental legislative enactments such as the Industries (Development and Regulations) Act of 1951 and the Company Act of 1955. Also, during this period, India gained in breadth of perspective and experience, especially through the promulgation and creditable completion of the First Five-year Plan.

The nationalisation of the life insurance companies in January of this year, coupled with the knowledge that the 1948 Resolution was to be revised, created fear in the minds of the investing public. The upward trend in the commodity market was halted, and it is quite likely that a continued delay in the release of the 1956 Resolution could have retarded development and expansion of the private sector. A close study of the 1956 Resolution reveals that careful thought has gone into the drafting of the new statement—which must be regarded as a highly important document. Barring unforeseeable political changes, its principles are likely to govern throughout the Second Five-year Plan.

Upon analysis, there appears to have been a desire to shroud certain policies in ambiguous terms and to state in an indirect way that India has dropped the 1948 programme of acquiring privately-owned industries operating in those fields which had been reserved for exclusive development by the State.

The Resolution leaves much to be desired by the private investor, particularly a foreign investor, in the way of removing misgivings and uncertainties. There is, however, the assurance that the private sector will be permitted to continue and encouraged to expand so long as it conforms to the Constitution's basic principles. For a layman attempting to justify the method of presentation, it may be fair to state that, in a certain sense, ambiguity may be understandable during this period in which India is developing a socialistic society. The Government has stated repeatedly that it does not intend to follow a well-defined socialistic pattern, but to evolve a pattern to suit the needs of the people and the temperament of the times. Rather than be forced into definite commitments, it appears that this "feel-as-you-go" technique is the one which will govern regardless of the uncertainties such a policy engenders. This procedure permits deviations to be made which politically might not be possible were the Government to commit itself at this time to a well defined programme.

1948 and 1956 Resolutions Compared

The 1948 Resolution established three Government monopolies: the manufacture of arms and ammunition, the production and control of atomic energy, and the ownership and management of railway transport. Six industries were listed in which the State (Central, Provincial, and State Governments and other public authorities) would assume exclusive responsibility for establishing new undertakings. Exceptions could be made when, in the national interest, the State would find it necessary to secure the co-operation of private enterprise, subject to prescribed Government control. The six industries were coal, mineral oils, iron and steel, aircraft manufacture, shipbuilding, and the manufacture of telephone, telegraph, and wireless apparatus, exclusive of radio-receiving sets. All other industries were normally open to the private sector, but 18 specific fields were subject to Central regulation and control.

The 1956 Resolution discards this breakdown, and in its place classifies industry in three categories. It defines the role the State will play in each, pointing out that "it is always open to the State to undertake any type of industrial production."

The first category lists seventeen industries, the future development of which will be the exclusive responsibility of the State. As in the 1948 Resolution, the same qualifying statement is found, that the State may secure the co-operation of private enterprise in the establishment of new units when the national interests so require, provided that the State will ensure through majority participation in the capital, or otherwise, that it has the requisite powers to guide the policy and control the operations of the undertaking.

As might be expected, the 17 industries include the six in which expansion had been exclusively reserved for the State in the 1948 Resolution, and the three monopolies. The scope of the monopoly covering arms and ammunition is expanded to include allied items of defence equipment. A fourth monopoly, air transport, is added, since the Indian airlines were nationalised during the 1948-56 period. The generation and distribution of electricity is included, because this public utility is controlled by the State through legislative measures. All of the six remaining industries, except aircraft, were transferred from the list of 18 industries which had been subject to Central regulation and control under the provisions of the 1948 Resolution. These six, which pertain mainly to minerals and heavy equipment, are described as follows:

1. Heavy castings and forgings of iron and steel.

2. Heavy plant and machinery required for iron and steel production, for mining, for machine tool manufacture, and for such other basic industries as may be specified by the Central Government.

3. Heavy electrical plant, including large hydraulic and steam turbines.

(*Continued on page* 971)

COTTON CLOTH EXPORTS TO WEST ASIA

SHARP SETBACK IN RECENT YEARS

IT looks as though India is fast losing its markets in cotton piecegoods in West Asia. The past two years have witnessed a sharp setback in the exports of mill-made cloth to this region. The share of the six most important countries in the region—Aden, Bahrein Islands, Saudi Arabia, Iraq, Iran and Kuwait—in the aggregate shipment of mill piecegoods from India during the year ended March 1956 was only 11.0 per cent., as against 12.6 per cent. in 1954-55 and over 19.0 per cent. in 1953-54. The quantity of cloth that was actually exported to these countries during 1955-56 was 74.85 million yards, which compares unfavourably with 95.75 million yards and 133.72 million yards (estimated) in the preceding two years, respectively. Following reduced shipments, the country's foreign exchange earnings from cloth exports to the countries suffered a fall, the figure for 1955-56 being Rs. 4.78 crores, as against Rs. 6.29 crores in the year before and Rs. 8.92 crores in the year previous to it. The decline in the value of these exports over the past two years was steeper than that in the quantity, being 46.4 per cent., as against 44.2 per cent.

An idea of the trend of cloth exports to the aforesaid six countries of West Asia in the past three years can be had from the following table:

(In million yards)

	1955-56	1954-55	1953-54
Aden	38.07	51.16	80.10
Bahrein Islands	3.18	2.44	3.06
Saudi Arabia	17.91	11.71	18.69*
Iraq	8.32	11.42	10.68
Iran	2.97	12.29	3.15
Kuwait	4.40	5.73	18.04
Total ..	74.85	95.75	133.72*

* Estimates only.

It will be seen from the above figures that the bulk of the drop in mill cloth shipments from India to the region under reference is accounted for by Aden, the actual extent of the fall being 25.6 per cent. in 1955-56 and 36.1 per cent. in 1954-55. The intake of cloth by Kuwait has also been steadily declining. Exports to Iran and Iraq which were somewhat higher in 1954-55 fell again during the year under review. Saudi Arabia and Bahrein Islands, however, purchased slightly larger quantities of Indian mill cloth in 1955-56 as compared with the previous year.

Powerful Competition

The sharp setback to India's exports of cotton textiles to West Asia must be attributed to powerful competition from the Soviet Union, Eastern Europe and Japan. In Iran, for instance, the Soviet Union is said to have emerged as a predominant supplier of cloth, followed by Japan. The East European countries such as Czechoslovakia, Poland and Hungary are also said to be supplying considerable quantities of cloth. Thanks to the competition from all these countries, India stands today last in the list of suppliers. About five years ago, it will be recalled, India was meeting practically the entire cotton textile needs of Iran. Similarly, India is losing ground in the textile market of Bahrein Islands in favour of the U.K., Soviet Union and Japan. In Iraq, India's main competitor has been Japan which, it is reported, is supplying almost all types of textiles with first class finish, get-up, required assortment and packings. The U.K. has also been supplying large quantities of goods like white shirtings and printed chintz.

A number of factors has contributed to the recession in the competitive position of India *vis-a-vis* other countries in the textile markets of West Asia. An interesting account of these factors is given by Mr. M. N. Savani, a leading exporter of Bombay, who recently toured the West Asian countries, in a report published in the *Texprocil Bulletin*. According to Mr. Savani, the following are the main causes for the marked setback to India's cloth exports to Iran:

The taste of the consuming public has shifted during the last five years from coarse and medium varieties to fine and superfine cloth. It is evident that India cannot supply cloth in the latter two varieties in competition with the other suppliers.

The mill industry and handloom sector enjoy a beneficial position so far as coarse and medium varieties of cloth are concerned, as there are very heavy import duties on the same. Moreover, the imports of grey cloth, coatings, etc., are entirely prohibited with a view to encouraging the home industry.

Barter agreements recently executed by Iran with countries such as Russia, Poland and Czechoslovakia facilitate imports of textiles from those countries and, to that extent, adversely affect the business with India.

India has not been able to supply textiles with consistency in quality and prices and in the required folding, assortments, packing, etc.

There are very severe complaints about the packing of Indian cloth, and late and irregular deliveries effected by the Indian mills.

India is not in a position to supply cloth with the same finish, appearance and get-up as done by Japan and other suppliers.

Iran prefers to have printed items in different assortments. The mills in India, however, stipulate unreasonably large quantities to be purchased for each colour and design. This, therefore, discourages the Iranian importers from purchasing Indian cloth.

It is also complained that various varieties, though not in fast colour, are stamped as such and thereby the consumers do not place much reliance on the Indian varieties. To cite an instance, almost all types of leopards which are dyed in black with sulphur colour are stamped as "Fast Colour" but the colour fades away quickly even in the first wash.

India supplies only 24-yard pieces and that too in single-folds, while Iran prefers to have coloured weft shirtings and dyed poplins in 29" as well as 36" widths with double-foldings and in 40-yard pieces.

India is not in a position to supply printed chintz, shirtings, dyed poplins, etc., on rolls, whereas the other countries do so. This is very important, since the retailers in Iran pay about As. 2 more per yard, if cloth is supplied on rolls, instead of in pieces.

Even as regards prices, it is found that the quotations of Indian shippers based on the present level of mill prices make the landing cost in Iran about 10 per cent. higher than prices prevailing in Iran for the same varieties. Incidentally, it is stated that, under barter arrangements, the Soviet Union has agreed to supply to Iran cotton textiles at considerably low prices, perhaps the lowest that can be offered by any country in the world.

Protecting Indigenous Industry

The foregoing position may be said to be more or less the same in the other importing countries of West Asia as well. Moreover, several of these countries are taking steps to encourage the development of cotton textile industry. The review of Mr. Savani reveals that Iran has started its own mill industry and is meeting the requirements of textiles to some extent. Lebanon, too, has its own textile mills, most of which are manufacturing nearly all the varieties of textiles, including even towels, superior shirtings, furnishing fabrics, etc. As such, this country needs very little of foreign cloth, excepting superior varieties of cloth such as bleached voiles and heavy suitings which are mostly imported from the U.K. and Japan. A very heavy duty is levied on imports of textiles into Lebanon, with a view to protecting the home industry. Syria has also a very efficient mill industry which is in a position not only to meet the entire requirements of the country but also to export to adjoining places like Jordan, Lebanon and Iraq. The import duty levied by this country on foreign textiles is very high. There are a few cotton mills in Iraq which produce mostly grey cloth. The Government appears to be very anxious to develop the domestic industry, as witness the imposition of very heavy duties on imports of all textiles.

Three Other Causes

In addition to all these factors, there are three other specific causes which are standing in the way of India expanding its textile export trade with West Asia. First, the markets in this region enjoy considerable credit facilities accorded to them by Continental suppliers, Indian shippers however, insist on payment on cash basis. Secondly, the cost of transport is very high so far as India is concerned. It is stated that the shipping freight on cloth exported from Japan to Persian Gulf ports is less than that on cloth sent by India, despite India's proximity to these ports. Thirdly, the salesmanship of Japan and other countries is far superior to that of India. The Japanese exporters have their own agents in several countries who keep themselves in constant touch with the markets and who help in giving speedy delivery of goods.

The foregoing account serves to emphasise that, unless India takes some energetic measures to remove the series of handicaps facing the export trade in cotton piecegoods, there is the danger of the country completely losing the textile markets in West Asia in the coming years. Mr. Savani has rightly stressed the importance of a detailed study being made of the varieties which are imported largely by Iran and other countries from sources other than India and the full particulars thereof, such as construction of cloth, processes utilised to produce the same and saleable prices, being obtained and widely circulated among exporters and mills in India, so that they can emulate the other countries in these matters. The shippers should endeavour to see that the overseas buyers are assured of cloth supplies according to the specifications and samples shown and that shipments are quite prompt. The mills must scrupulously observe the specifications laid down for packing different varieties of cloth and supply the cloth as contracted, that is, with consistency in quality, finishing and delivery.

EXPORT OF RAYON TEXTILES

The prospects of India exporting large quantities of rayon textiles to Afghanistan, Iran, Iraq, Kuwait, Bahrein and Dubai are quite good, provided the Indian manufacturers and shippers offer their goods at competitive rates and also meet the requirements of the markets. This, at any rate, is the view of the three-member delegation sponsored by the Silk and Rayon Textiles Export Promotion Council which returned to India recently after over 20 days' tour of these countries. The view is based on the immediate reactions of the various importers and others interested in Indian rayon textiles.

During its stay abroad, the delegation is said to have particularly impressed upon the importers the commendable progress achieved by the rayon industry in India in recent years, the advantage of trading with India, in view of its proximity to these countries, and, therefore, its ability to meet orders much more quickly than other countries and cater even to very small dealers. The display of the samples which the delegation carried with it to various countries, it is reported, evoked considerable appreciation. The delegation has procured some "trial orders" in almost all these countries for small quantities "which will no doubt assist considerably in reintroducing Indian goods into these traditional markets."

THE SPINNING RICKSHAW

A new type of spinning machine, called the "Spinning Rickshaw," has been produced at the workshop of the woollen carding and finishing centre of the Rajasthan Government at Bikaner. It has been developed by Mr. J. Eshuis, of the U.N. Food and Agriculture Organisation, whose services have been made available to the Rajasthan Government to advise it on matters concerning wool utilisation in rural industries.

The new spinning machine has certain distinctive features which may make it a definite improvement on existing *charkas*. It is intended for family or group spinning, for as many as ten persons may spin at one time on this machine. An additional person pedals on a bicycle crank to provide the motive power. The spinners work in a comfortable sitting position. With only a slight adjustment of the foot, the friction drive can be put into operation and the speed of the bobbin and flyer controlled. The operator uses both hands for drafting and feeding the raw wool, while the new mechanism gives regular twist in all spindles, as all the wheels revolve at the same speed. All parts of this "rickshaw" can be easily made by a village carpenter.

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EFFECT OF SUEZ CRISIS ON U.K. MILL INDUSTRY

CLOTH EXPORTS DECLINE

From A Special Correspondent

MANCHESTER, *6th November*

JUST at a time when conditions in the textile trade in Lancashire were showing distinct signs of brightening, the storm-clouds have again gathered menacingly over the international scene. Much will depend on the scale of the hostilities which are being conducted, and the repercussions arising from the actions of other countries. If the struggle can be restrained within a narrow area the reaction on prices and supplies may be temporary and relatively slight. Any extension of the war to other theatres could spark off a movement even more spectacular than that which followed the outbreak of fighting in Korea.

MANCHESTER LETTER

Whatever the outcome of the present confusion, it can safely be assumed that values will be fully maintained for all types of goods and commodities. It would, in fact, be surprising indeed if a sharp advance in all prices was averted. Already there have been indications that producers are holding out for higher rates, irrespective of the firmer tone of the market as a whole.

An obvious case in point is the position of Sudan cotton. If future supplies have to be brought round the long sea route costs will be raised enormously and substitutes for long-staple cotton will not be easily obtained.

Another aspect of the situation lies in the changed position in Lancashire, whose productive capacity is now very much reduced compared with even a few years ago. The quantity of machinery in place has fallen as mills have gone out of business, but additionally the number of workers available has sharply diminished for the same reason.

Doubts were already being cast on the ability of the industry to cope successfully with the increased demand experienced during the past month or two. Delivery terms in many cases were being extended by producers who were finding difficulty in maintaining output due to labour shortages. Should the current action in the Middle East involve further pressure on the flow of goods from the mills, drastic steps might be necessary to provide supplies in the quantity required for urgent use.

Export Slump

With ten months of the present year gone and trade returns covering the first three-quarters of 1956 to hand, it is already obvious that Lancashire's export trade in cotton and rayon goods has taken yet another sharp plunge into the depths. Nor can any consolation be gained from delving into the individual performances of sectional interests or the countries to which cloth is still being sent. The decline in overseas trade is not confined to any particular branch or area.

The table below shows the major outlets absorbing cloth shipped from this country, not all of which was originally woven in Lancashire mills:

(In million sq. yds.)

	Cotton Cloth First nine months			Rayon Cloth First nine months		
	1956	1955	1954	1956	1955	1954
Sierra Leone	11.5	10.1	8.8	1.3	2.2	3.0
Gold Coast	15.4	34.0	24.4	1.3	2.1	2.8
Nigeria	21.4	39.4	41.1	1.5	2.2	5.1
South Africa	41.5	42.7	67.3	11.9	11.5	18.8
Rhodesia and Nyasaland..	20.2	16.5	30.5	14.3	10.6	12.0
Australia	61.1	81.8	97.7	12.7	19.5	30.0
New Zealand	25.1	30.2	29.3	10.0	12.5	14.6
Eire	10.5	10.2	10.6	4.9	6.5	5.8
Belgian Congo	12.4	16.2	10.3	..	..	..
French West Africa ..	10.4	12.2	11.8	..	..	..
United States	9.2	9.0	7.7	..	..	..
India	7.4	3.5	2.8	..	..	..
Total—All countries ..	355.9	428.7	497.3	93.6	104.0	138.3

Combined exports of cotton and rayon cloth have already declined by 190,000,000 yards from the 1954 level and despite the current improvement in trade it has never been suggested that export business has contributed to the revival in demand.

So far as the particular types of cotton goods shipped abroad are concerned, the main fall has been in printed fabrics, which, in the first nine months this year, were barely 120,000,000 yards, as against 170,000,000 yards in 1954. Smaller setbacks have been encountered in other sorts, although dyed goods now represent only 95,000,000 yards, as against nearly 150,000,000 yards two years ago. Bleached cloth exported so far this year aggregated 88,500,000 square yards, as against 104,000,000 yards in 1954.

To complete the unprepossessing picture, imports of all types of cloth over the nine months show a slight increase on the 1955 figures, being 291,000,000 square yards, as compared with 284,000,000 square yards. Smaller arrivals of cotton grey cloth have been offset by the purchase of increased quantities of finished goods and rayon fabrics from abroad.

European Common Market

The Manchester Chamber of Commerce has invited constructive comments on the proposed European Common Market from its 5,000 members. In its official journal, the Chamber said that such an integration of trading in a large market of the world could provide answers to some problems facing industry in this part of the world. It certainly presented a challenge to British industry and if it was not faced realistically perhaps there would be ground for feeling that an opportunity for participation in a new model for international trading had been lost.

"The Chamber is studying the problem," said the report, "and in our desire to ensure the widest coverage we would be glad to welcome any constructive comments from members."

The Directors of the Chamber have told the Chancellor of the Exchequer and the President of the Board of Trade that they support the idea of talks on the common market project. They believe, however, that the British Government should not commit itself before publishing a White Paper on the scope of the plan and consulting industry and commerce.

The scheme has been described "as an attractive idea" by Mr. J. W. S. Utley, Chairman of the Condenser and Allied Spinners and Manufacturers Association, in his annual review. The effect such a free trade area would have on individual countries and industries was problematical.

Referring to possible effects on members of the Association as producers of household textiles, Mr. Utley said: "The volume of our goods going to the Continent is small and we find it impossible to compete with the prices that other countries such as Italy and Germany are asking for products which, though not strictly comparable to ours, are nevertheless performing similar end-uses."

Mission to India

Seven Lancashire cotton trade leaders will go to India later this month to start talks in Bombay aimed at curbing the flow of duty-free cloth from the Commonwealth into Britain. Talks with Indian millowners were originally suggested by Sir Anthony Eden in discussions with the Indian Premier, Mr. Nehru.

Named as leader of the delegation by the Cotton Board in Manchester, last week, was Sir Cuthbert Clegg, a former Chairman of the Cotton Manufacturers' Association. Accompanying him will be Lt.-Col. James B. Whitehead, Managing Director of the Lancashire Cotton Corporation, the biggest mill group in the industry; Mr. C. Henniker-Heaton, Director of the Master Spinners' Federation, representing 450 mills; Mr. W. Crossley for the Textile Finishing Trades Association; the Hon. J. S. T. Hawke, Chairman of the Cotton and Rayon Merchants' Association, representing nearly 1,000 firms and Mr. William Roberts, President of the United Textile Factory Workers' Association, on behalf of all the Lancashire cotton trade unions. Mr. T. D. F. Powell, Export Director of the Cotton Board, will act as Secretary to the mission.

Imports of cotton and rayon fabrics into the United Kingdom in the first nine months of this year aggregated nearly 300,000,000 square yards. India alone has sent more than 100,000,000 yards of cotton grey cloth, worth over £5,000,000. Numerous protests have been made by Lancashire textile leaders at the continued arrival of large quantities of duty-free cloth from the Commonwealth. Representations to the Government have so far met with no success.—*All Rights Reserved.*

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PROSPECTS FOR WORLD TRADE IN COTTON

EXPORTS EXPECTED TO REACH NEW PEAK

THE divergence between the centres of production and consumption of cotton in the world is so conspicuous that a significant volume of the total output of the crop enters into international trade. During the 1955-56 season, of the total free world production of 30.5 million bales (of 478 lbs), an aggregate of 11.1 million bales entered into trade between nations. But the factors that influence the volume of trade in cotton are so variable that it is difficult to estimate accurately in advance, the size of the trade that is likely to result. An article in the latest monthly publication of the International Cotton Advisory Committee, however, has made an attempt to project the trade prospects for the current season, based mainly on the performance of cotton trade in the past season and the trend obtaining at present.

The article notes that the 1955-56 export figure of 11.1 million bales represents one of the highest level of trade for the post-war period and exceeds the previous season's 10.6 million bales by half a million. The share of the United States in the total trade fell from 3.4 million bales in 1954-55 to 2.2 million bales in 1955-56, whereas, for growths outside the United States the season was, in many respects, exceptional, exports aggregating 8.9 million bales, as compared with 7.2 million bales in 1954-55. Of the major cotton-producing countries other than the United States, exports from Mexico, Sudan, and Syria set new records and the same was true of central America and some of the smaller cotton-producing countries in Asia and Africa. During the period, exports from Mexico aggregated over 2 million bales, as against 1.2 million bales for the whole of the previous season. Similarly, Sudan exported 452,000 bales of cotton during the first 10 months of the last season, as compared with only 299,000 bales for the entire 1954-55 season. Exports from Egypt also improved from 1.08 million bales to 1.4 million bales in the last season. Exports from Turkey and Brazil, however, declined significantly. As noted above, the U.S., as a residual exporter, shipped only 2.2 million bales. During the 1955-56 season, net importing countries tended to consume more than they imported and, consequently, aggregate stocks in these countries actually declined. However strong the incentive to do so might be, it is doubtful if stocks in these countries could be drawn down much further. Accordingly, consumption requirements will, to a very large extent, have to be met out of current imports.

India stands in a special class by itself. It was normally a net importer of raw cotton. But, during the last season, it changed into a net exporter, though only in a small degree despite an increase in consumption and a decline in production. The result was that stocks were drawn down by some 600,000 to 700,000 bales. Production during the current season is expected to increase, but consumption also may go up, and it is difficult, at present, to say how the supply and demand situation will affect imports. Nevertheless, in view of the fact that imports into this country consists mainly of long-staple cotton needed for the fine spinning section of the domestic industry, imports will probably continue to be substantial not only in the current but even during the coming years.

Another notable feature of the international cotton trade during the last season was the increasing two-way trade with communist countries and it has developed, recently, to such an extent as to make it a factor in any realistic analysis of cotton trade. During the 1955-56 season, for instance, exports to the Soviet block aggregated 900,000 bales, as compared with 500,000 bales in the previous season. There is no indication, at present, of a slow down in the pace of export to communist countries, on the other hand, it is likely to be accelerated, in view of the fact that Egypt, Pakistan and some other countries are increasingly looking to countries outside the free world for an outlet for their cotton. It must be added, however, that this increasing volume of trade with communist countries is the most difficult variable to consider in estimating the volume of trade.

In so far as the volume of trade depends upon a number of variables, any estimate of export prospects has necessarily to be a conditional one. If consumption remains stable and trade with communist countries continues at its present level, cotton shipments during the current season, according to the journal, will have to be at least as large as last season's 11.1 million bales. If consumption in net importing countries increased or if there were any inclination to rebuild stocks in these countries, an increase in trade would become more than a probability. An analysis of consumption in the free world shows that, in 1955-56, consumption increased to 28.49 million, as compared with 27.57 million in the previous season. The increase took place mainly outside the traditional textile manufacturing centres—that is, in net exporting countries. Inasmuch as there is a sustained rising trend in consumption of cotton in underdeveloped countries (and it is unlikely that this trend will be changed in the current season), consumption is likely to increase. As will be seen from the following table, the stock position outside the U.S., at present, is also not unfavourable to an increase in consumption:

Stocks as on 1st August

(In 1,000 bales)

Year	Western Europe		United Kingdom		Japan	
	Quantity	Equivalent months consumption	Quantity	Equivalent months consumption	Quantity	Equivalent months consumption
1951 ..	1,515	3.6	1,225	8.4	686	4.5
1952 ..	1,399	3.4	1,284	9.9	524	3.0
1953 ..	1,589	3.5	1,017	6.7	523	2.6
1954 ..	1,597	3.5	877	6.0	529	3.0
1955 ..	1,685	3.7	549	4.3	429	2.2
1956* ..	1,557	3.4	435	3.4	385	2.0

* Estimated.

From this analysis, it would appear that overall trade prospects are, indeed, favourable, with the likelihood of an increase in exports.

As regards export prospects of individual countries, it is almost certain that the U.S. will export much more cotton this season than it has done in the previous season. It is widely held that exports from that country would be much higher than the last season's 2.2 million bales. This, of course, assumes a total production outside the U.S. roughly equal to the 1955-56 level and a favourable climate for cotton consumption. It is also held in some quarters that there may be some tendency to increase stocks in consuming countries. The following table shows the estimated scope for exports from the U.S. in the current season:

(In million bales)

Item	1955-56	1956-57*
Free World disappearance outside the U.S.A.:		
Consumption	19.3	19.5
Exports to U.S.A.	0.1	0.1
Exports to Communist countries ..	0.9	0.9
Destroyed	0.1	0.1
Total ..	20.4	20.6
Supply (excluding U.S.):		
Production	15.9	16.0
Imports from Communist countries	0.3	0.3
Decrease in stocks	2.0	0.3
Total ..	18.2	16.6
Deficit	2.2	4.0

* Nominal estimates.

The table shows that total disappearance in the free world, outside the U.S., in the current season is likely to be higher at 20.6 million bales, while supply (excluding the U.S) will be lower at 16.6 million bales. This means that there will be a deficit of 4 million bales and, therefore, a much higher level of exports of U.S. cotton is likely to take place. Sales under the new C.C.C. sales programme already aggregate 5.2 million bales. Under the substitutions rule, some of this cotton has been sold to domestic consumers. The journal says: "However, under penalty, this volume of cotton will eventually have to be shipped this season." It is believed that a considerable portion of these has actually been sold for export. Substantial funds, it is stated, will also be available to finance cotton exports during the current season. Upto the middle of last August, Government funds available amounted to $314 million, including the $60 million credit to Japan approved by the Export-Import Bank. This is sufficient to finance nearly 2 million bales at current prices. Last season, funds used amounted to $305 million and financed 1.7 million bales.

Export availabilities outside the United States are likely to decline this season. Stocks in net exporting countries, on 1st August 1956, were only 2.9 million bales; consumption continues to expand and it is doubtful if these two factors will be cancelled out by any possible increase in production this season. In fact, if production is no higher than last season, there will be a significant reduction in export availabilities and aggregate exports from these countries would inevitably decline.

In comparing trade statistics of this season with those of the last, however, it is worth noting that, in some instances, reduced production and/or depleted stocks make it impossible to export at last season's level. In Mexico, for example, production is estimated at 1.8 million bales, of which no more than 1.4 million bales will be available for export, as compared with actual exports last season of 2.0 million. Despite the probability of some increase in production this

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EARNINGS OF INDIAN IRONS RISE

LARGE ADDITIONS TO RESERVES

THE financial results of the Indian Iron and Steel Company, Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta), for the year ended 31st March 1956, which disclose a sizable increase in earnings, and the circular attached to the Directors' report giving details of the Company's new expansion scheme, have made very little impression on the share market. This is not surprising in the context of the grave uncertainty which has engulfed the market on account of political developments abroad and the fiscal policy of the Government in the coming months. Moreover, the market does not seem to have got over the disappointment caused by the Government of India's refusal to accommodate the Directors' request for permission to declare a higher dividend. This refusal and the Government's line of reasoning for it have rendered the prospects of an increase in the dividend level in the near future remote. Consequently, buyers in the Company's scrip are scarce.

While such is the reason for the lack of bullish fervour in the I.I. & S.Co. shares, it cannot be denied that the Company has fared quite well during 1955-56. The gross profit for the year under review amounts to Rs. 8.18 crores, an increase of Rs. 1.41 crores over that for the previous year. This is the second year in succession, after the Company took over the Steel Corporation of Bengal, in which the upward trend in profit has been maintained—the gross profit for 1953-54 being no more than Rs. 3.48 crores. It must, however, be noted that the pace of increase in 1955-56 was slower than in the previous year. Even the rise that was recorded in 1955-56 was due to the increase in the retention prices with effect from 1st April 1955. For there was no expansion in output during the year; on the contrary, the output of pig iron and steel experienced a slight shrinkage. This was not unexpected, because the production in 1954-55 touched an exceptionally high level. The consequent increase in profit in that year was, as the Chairman pointed out at the last annual general meeting, a windfall, not expected to be repeated. It is, however, gratifying to note that the Company has been able to keep the output well above that attained in 1953-54.

Appropriations

Out of the gross profit of Rs. 8.18 crores (which has been arrived at after providing for repairs and renewals a sum of Rs. 1.91 crores, the same as in the previous year), the Managing Agents' remuneration absorbs Rs. 35.58 lakhs, as against Rs. 35.79 lakhs for 1954-55. The provision for depreciation has been maintained at Rs. 1.20 crores, while that for taxation has been raised from Rs. 2.25 crores to Rs. 2.88 crores. These essential allocations leave a net profit of Rs. 3.75 crores, which compares well with that of Rs. 2.96 crores for the previous year. In addition to the provision for taxation made as above, the Directors have transferred to the reserve for tax contingencies Rs. 23 lakhs, as against only Rs. 21 lakhs allocated a year ago. As in the previous year, a sum of Rs. 59.50 lakhs has been set aside to the plant rehabilitation reserve, made up of Rs. 52 lakhs for the steel plant rehabilitation and and Rs. 7.50 lakhs for the Kulti blast furnaces rehabilitation, in accordance with the recommendation of the Tariff Board. In addition, the Directors have created two new reserves this year, namely, the extensions special reserve and general development reserve. The former, which has been allocated Rs. 29.48 lakhs out of the year's profit, is in accordance with the agreement with the Government, under which the effective increase in retention price granted for the five years ending March 1960 should, after allowance for taxation, be transferred to a special fund to be utilised solely for the purpose of financing the expansion programme. The other reserve has received Rs. 7 lakhs, representing the approximate tax saving by reason of the development rebate applicable in respect of plant and machinery installed during the year. "Although the amount is small in relation to the profit earned," the Directors point out in their report, "it has been thought desirable at this stage to institute this reserve, in view of the large development rebate likely to accrue in future as the various stages of the expansion programme are completed." The allocation to the works and ore mines new extensions reserve has been maintained at Rs. 1 crore, while that to the general reserve has been raised from Rs. 43.70 lakhs to Rs. 85 lakhs. Thus, in all a sum of Rs. 3.09 crores, as compared with Rs. 2.29 crores last year, has been ploughed back from the profits for the year under review.

The balance available out of the profit for distribution to the shareholders is not sufficient to repeat the ordinary dividend at the previous year's level, after paying the preference dividend, and the Directors have, therefore, had to draw a small sum of about Rs. 15,000 from the previous year's surplus. If the increase in ordinary dividend had been permitted by the Government, it would have meant a cut in the allocation to the general reserves.

The following table presents the salient features of the year's working during the year, as against the background of those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds (including items used in works)	30.44.88	27.35.41	19.58.13	12.97.75
Other income	26.92	23.98	17.66	95.03
Closing stocks	3.25.80	4.55.08	4.15.87	4.34.10
	21.86.70	20.81.36	16.28.14	12.07.76
Expenses*	8.18.27	6.77.29	3.47.65	1.85.02
Gross profit	35.58	35.79	19.56	11.54
Managing Agents' remuneration				
Provision for—				
Depreciation	1.20.00	1.20.00	80.00	50.00
Taxation	2.88.00	2.25.00	61.00	46.55
Net profit	3.74.69	2.96.50	1.87.09	76.93
Profit of S.C.O.B. taken over ..				16.47
To reserves	3.09.51	2.29.51	1.22.98	31.22
Dividends—				
5 per cent. preference ..	13.50	13.50	13.50	9.00
Ordinary	51.84 (10%)	51.84 (10%)	51.84 (10%)	51.84 (10%)
Carry forward	4.49	4.64	2.99	4.21
Pig iron—	Tons	Tons	Tons	Tons
Output	706,986	715,601	579,440	626,074
Despatches†	633,485	645,251	455,164	571,155

	Year ended 31st March			3 months ended 31-3-53
	1956	1955	1954	
Steel—	Tons	Tons	Tons	Tons
Output of—				
Steel ingots	531,505	528,118	347,891	119,091
Saleable steel	452,910	461,013	291,747	69,817
Despatches	451,591	449,050	286,615	78,556

* Approximate only and include provision for repairs and renewals.
† Exclude the pig iron used in the Company's own foundries.

As will be noted from the above table, the output of pig iron for the year under review has shrunk by 8,615 tons to 706,986 tons. The production of steel ingots has, on the other hand, gone up, albeit by only 3,387 tons, to a fresh record high of 531,505 tons. This has, however, been more than offset by the decline in the output of saleable steel by 8,103 tons to 452,910 tons. Considering the fact that the previous year's production of steel was exceptionally high and could in no way be regarded as constituting a standard, the performance during the year under review can be said to be impressive.

Extension Programme

The main points of interest to the shareholders are the progress made so far in the Company's 1953 extension programme and the details of the 1956 expansion scheme to be launched and the expenditure to be incurred thereon. But before doing so, it may be useful to refer here to the financial position of the Company as at 31st March 1956. The reserves and surplus, as at that date, aggregate Rs. 12.37 crores, as against a paid-up capital of Rs. 7.88 crores. Of these reserves, capital reserve accounts for Rs. 1.16 crores, general reserve for Rs. 1.65 crores, development and plant rehabilitation reserve for Rs. 4.87 crores, repairs and renewals reserve for Rs. 1.46 crores, taxation contingencies reserve for Rs. 1.76 crores, debenture sinking fund for Rs. 66.03 lakhs, share premium account for Rs. 61.45 lakhs, and workmen's compensation for Rs. 13.56 lakhs. Outstanding secured loans amount to Rs. 7.88 crores, including Rs. 1.30 crores on account of 4½ per cent. first mortgage debentures, Rs. 3.81 crores being the second mortgage loan taken from the Government of India and Rs. 2.77 crores representing the amount drawn out of the loan sanctioned by the World Bank to the extent of $31.5 million (Rs. 15 crores). Unsecured loans aggregate Rs. 2.98 crores, being the amount drawn so far out of the special unsecured advance to the tune of Rs. 10.18 crores granted by the Government of India from its steel equalisation fund for financing the 1953 expansion programme. The current liabilities and provisions amount to Rs. 10.18 crores, of which provision for taxation alone accounts for Rs. 3.39 crores. On the assets side, there has been addition of Rs. 1.13 crores to the gross block during the year, bringing the total value of the block to Rs. 21.64 crores; the written down value of it at the end of the year was Rs. 14.08 crores. The capital work-in-progress aggregates Rs. 3.92 crores, of which 1953 extensions account for Rs. 3.72 crores. The current assets amount to Rs. 23.29 crores.

To revert to the Company's two extension schemes. Though from a technical point of view, the two schemes are regarded as one, they are treated as entirely separate and independent of each other on financial grounds. The 1953 scheme, which continues to make steady progress, is intended to raise the productive capacity of the Company's Burnpur works to an annual output of 700,000 tons of saleable steel and 1,300,000 tons of foundry pig iron. The programme will be completed in two main stages, the first by the end of 1957 and the second a year later. The Company obtained a loan of $31.5 million (Rs. 15 crores) from the World Bank to finance the expenditure on this scheme. It also got a loan facility of Rs. 2.9 crores from the Government of India, in addition to the existing loan facility to the tune of Rs. 5 crores and the facilities granted have been consolidated. As already pointed out, the amount so far drawn under the Government of India loan facilities is Rs. 3.81 crores.

The 1955 extension scheme, which is to be undertaken at the request of the Government of India in furtherance of its Second Five-year Plan, aims at raising the steel making and finishing mills capacity of the Company by a further 100,000 tons, giving a total output capacity of 800,000 tons of saleable steel and 280,000 tons of foundry pig iron per annum. Referring to this scheme, the management, in the course of a circular to the shareholders, observes:

"It has become apparent that the production of 400,000 tons of foundry pig iron by your Company contemplated in the 1953 expansion programme would be in excess of the country's requirements having regard to anticipated production by other plants to be set up and one of the objects of the further expansion is accordingly the conversion of the surplus iron into steel. For this purpose, an addition to the finishing mill's capacity is necessary which, apart from increasing the output capacity of steel by 100,000 tons per annum, will result in a greater proportion of the output being available in the form of fully finished steel with a consequent reduction in the quantity of steel produced in the semi-finished form of billets requiring further processing before being available for commercial use."

Cost of the Scheme

As regards the cost of the scheme and the arrangements that are being made by the management to obtain the necessary finance therefor, the circular says:

"The entire cost of the new expansion scheme is estimated at approximately Rs. 14.8 crores (£11.1 million). Your Directors have already commenced negotiations with the International Bank for Reconstruction and Development for a loan covering the amount that is anticipated will be spent abroad in connection with this scheme together with the amount necessary to cover interest and commitment charge on the loan during the construction period against a further first charge on the whole of the Company's assets and undertaking. With a view to facilitating such loan from the Bank the Company has given notice to the holders of the first mortgage debentures issued under the Trust Deed dated 12th March 1937 of its intention to redeem on 1st January 1957, at the stipulated premium of £2 per cent., the £691,450 debentures presently outstanding. The amount involved in redeeming such debentures is £705,279 (Rs. 94,03,720). The Government of India and the State Bank of India, as holders of the equal ranking second charges on the Company's undertaking, have communicated their agreement to the creation of the proposed further first charge in favour of the International Bank for Reconstruction and Development.

"It is proposed that the expenditure to be incurred by the Company in Indian currency in connection with the new expansion programme, as also the amount required to repay the Company's first mortgage debentures, should be raised by the issue of new ordinary shares of Rs. 10 each. Pending finalisation of the loan arrangements with the International Bank for Reconstruction and Development it is not possible to state with certainty what amount will have to be found by the Company out of its own resources towards finance of the expansion programme, although it is not anticipated that this sum will exceed approximately Rs. 5.35 crores (£4,012,500), to which must, of course, be added the amount necessary to repay the outstanding first mortgage debentures.

"The sanction of the Controller of Capital Issues has been obtained to the issue of 5,183,708 new ordinary shares of Rs. 10 each under the Capital Issues (Continuance of Control) Act, 1947, and although his sanction was sought to the issue of such shares at par, he has directed that they should be issued at a premium of Rs. 3-8 per share.

"It is, therefore, intended to issue 5,183,708 ordinary shares of Rs. 10 each for cash at a premium of Rs. 3-8 per share ranking in all respects pari passu with the existing ordinary shares, save and except that they will not participate in any dividend declared in respect of any period ending on or before the 31st March 1957. Any surplus resulting from the proposed issue over the expenditure referred to above will be utilised towards meeting in

(Continued on page 961)

WORLD SUGAR AGREEMENT AMENDED

THREE PRICE ZONES INSTEAD OF SINGLE MAXIMUM AND MINIMUM PRICES

AT long last, the International Sugar Conference has succeeded in modifying the World Sugar Agreement of 1953 in such a way as to ensure "stabler market conditions." After deliberating for nearly a month at Geneva, the Conference ended on the 2nd inst. with the unanimous adoption of a protocol amending the Agreement; the amendment seeks to revise export quotas and entails a new mechanism for action to be taken with certain price ranges. The first session of the Conference held at New York from 21st May to 20th June 1956, it will be recalled, ended in a virtual deadlock, thanks chiefly to the disagreement among the sugar-exporting countries. Thus, Indonesia, Formosa, the Philippines and the Dominican Republic pressed for an upward revision in individual quota for the free markets in the world. In addition, Cuba, which exports as much as 50 per cent. of the sugar under the Agreement, rejected all attempts at persuading it to accept a cut in quota.

The two months that followed the end of the New York session witnessed violent fluctuations in world sugar prices. Cuban raw sugar (f.o.b. Cuba) at New York swiftly moved up to 3.41 cents per pound—the highest for two years—but dropped thereafter to as low as 3.22 cents, that is, 0.03 cent below the International Sugar Agreement minimum of 3.25 cents. The Sugar Council did, of course, take corrective measures, first to arrest the upward trend in prices and then to prevent the fall. But, while the earlier step met with complete success, the later step failed to achieve the object. For the pressure on the free sugar market of supplies from producing countries which are not members of the Agreement was so heavy as to make the working of the Agreement as a price stabiliser precarious, to say the least. It was at this juncture that the Geneva session of the World Sugar Conference commenced on 4th October last.

Formidable Task

One of the first and formidable tasks to which the delegates to the Geneva session had to address themselves was to bring about a compromise between the conflicting interests in world sugar trade. The producers of sugar who were not members of the Agreement were prepared to join the pact only if their demand for higher quotas than had so far been offered them were conceded. At the same time, several members of the Agreement, including Cuba, pressed for increases in their quotas and it was even suggested that Formosa would leave the pact unless its quota was raised. The basic difficulty was, therefore, "how to make for new members inside the Agreement and, at the same time, to meet the demands of those producers who are already parties to it."

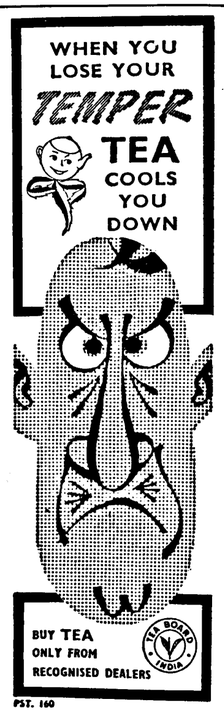
So long as the aforesaid difficulty persists, the mere fixation of hard and fast single maximum and minimum prices as laid down in the Agreement cannot be expected to impart stability to the world sugar market. The World Sugar Conference has done well, therefore, to revise the basic export tonnages of member-countries—the details of the revision are not available—and to decide on a new mechanism for action to be taken with certain price ranges. Accordingly, three price zones have been created: (1) A medium zone—described as the target zone—between 3.25 cents and 3.45 cents per lb.; (2) an upper zone between 3.45 cents and 4.00 cents; and a low zone between 3.25 cents and 3.15 cents. If the prices of sugar rise and reach the 3.25-cent limit, the full export quotas will be released. Above 4.00 cents, there will no longer be any quotas. If prices fall and decline below the 3.75-cent limit for 17 consecutive market days, an automatic reduction of 2.5 per cent. takes place and the Sugar Council will meet within seven days to decide on further reductions. If the Council does not agree and if the price keeps falling, a further automatic reduction of 2 per cent. will take place. If they agree, they can reduce the quotas to 90 per cent. of this agreed maximum. In case prices go below 3.15 cents, the 90 per cent. limit does not apply.

The protocol amending the World Sugar Agreement will be enforced with effect from 1st January next, provided that, by that date, it is formally accepted by Governments holding 60 per cent. of the votes of importing countries and 75 per cent. of the votes of exporting countries. If, however, the prescribed votes are not received, the countries which have accepted the protocol may agree to put it into force among themselves. In any event, the Agreement in its present form will not continue after the protocol is enforced.

Concurrently with the U.N. World Sugar Conference, the International Sugar Council held occasional meetings. At the end of the meetings, the Council fixed the aggregate initial sugar export quotas of member-countries for the year 1957 at 4,351,375 metric tons (raw value), which represent a reduction of ½ per cent. in the basic export tonnages. The quotas will be distributed among the exporting countries *pro rata* to their basic export tonnages. A reserve of 20,000 tons is set up for 1957, from which additional export quotas may be allotted in order to meet special cases of proved hardship. The initial export quotas—amounting to 4,351,375 tons—fall short of the Statistical Committee's estimate of free market requirements for 1957—5,325,000 tons—by 973,625 tons and of the final estimate of 5,080,000 tons for 1956 by 728,625 tons.

The proposed amendments to the World Sugar Agreement and the cut in export quotas announced by the Council would appear to have had no effect so far on the world sugar market. Cuban raw sugar (f.o.b. Cuba) at New York continues unaltered at 3.25 cents per pound. A recent review of the sugar trade reveals that some purchases of sugar have been made by France and the Lebanon. Chile is considering offers of 60,000 tons for shipment in November-March. Syria and Ceylon have also called for tenders, West Germany has invited offers of Belgian beet sugar, and French Morocco is expected to have held a tender last week.

Meanwhile, reports from Cuba suggest that this country may not remain the source of surplus supplier that it has been in the past five years. For it is feared that there will be a cut in sugar output in the current season, on account of shortage of rain which has affected the cane crop. Moreover, the stocks of sugar that will be lying unsold with Cuba at the end of the year are estimated at a little over 700,000 tons, the whole of which has already been reserved for the U.S. market during 1957-58. But what effect the change in the statistical position of Cuban sugar will have on world sugar prices will depend on the prospects of production in other countries.



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ENCOURAGING CO-OP. SUGAR MILLS

PLEA FOR REVISION OF POLICY

MR. Jayantilal J. Mulji, President of the Deccan Sugar Factories Association, deserves to be thanked for being very brief in his address to the seventeenth annual general meeting of the Association held in the city last week-end. Instead of making the customary detailed review of the developments in the sugar industry and the trade, particularly in the Bombay-Deccan, and repeating the same old problems confronting them, Mr. Jayantilal did well to confine himself to the three most disquieting features of official sugar policy. They related to encouragement given to co-operative sugar mills, utilisation of cane cess and control over molasses. His observations on these issues were not only pointed but also quite pertinent.

Speaking about the co-operative sugar factories, Mr. Jayantilal declared that it would not be a wise policy for the Government of Bombay to continue diverting public funds on the establishment of more co-operative units in the State, especially when the Government needed every available rupee for financing the Second Five-year Plan. In support of his contention, he pointed to the unfavourable working results of the Kopargaon Co-operative Sugar Factory for the past year. This factory, we are told, has incurred a loss of Rs. 1 lakh, after providing only Rs. 2.82 lakhs for depreciation, as against the normal depreciation provision of Rs. 9 lakhs which should have been made. Further, the amount due as interest on loans has been capitalised, instead of being debited to the profit and loss account. What is worse, the loss has occurred despite the fact that the factory (like other co-operative units) is exempt from payment of income-tax and is also not required to pay high wages, or to provide amenities to workers on the farms which supply cane.

Cane Cess

The Deccan Sugar Factories Association President was also justified in criticising the way in which the Bombay Government was utilising the cane cess. He said: "The roads in the factory areas are sadly neglected by the Local Boards and the Public Works Department. The failure of the Government to improve and develop these roads is all the more deplorable, because, though the sugar factories pay to the State Government about Rs. 75-80 lakhs every year by way of cane cess, not a single rupee out of this amount is utilised for the improvement and development of roads in the areas where the sugar factories are situated." There is considerable force in these remarks. But the excuse of the Government for not utilising even a portion of the cane cess for this purpose has been that the Sugarcane Cess Act does not permit such expenditure. This excuse is, to say the least, a lame one. Why should the Government not amend the Act in such a way as to permit the Cess Fund to be utilised for development of roads in factory areas?

Mr. Jayantilal was equally justified in criticising the control over molasses and alcohol exercised by the Government of Bombay. How this control has adversely affected the sugar mills in the Deccan was lucidly described by him as follows:

> "The heavy accumulation of molasses with a large number of member factories has been a continuous source of worry to them. The rigid policy of the Bombay Government in not allowing this unavoidable by-product of sugar to be exported to any other State in the Union, even against the no-objection certificate from the importing State, has further aggravated the situation. The molasses tanks being filled to capacity, the factories are faced with the problems of finding storage for the fresh accumulating stocks of molasses, and the situation has become very critical since the new season has started and fresh molasses have begun to pour in. Even the destruction of molasses to make room for the new season's production by throwing it into rivers is not allowed by Government authorities, who have suggested to the factories to adopt the costly method of destroying it by draining it into especially dug furrows and covering it with earth, with the stipulation that these operations should be carried out under the supervision of excise constables."

There is, of course, nothing new in the aforesaid statement. We have ourselves drawn attention to the several disquieting consequences of molasses control on more than one occasion. By referring to this subject, Mr. Jayantilal has sought to reiterate the deplorable fact that a valuable by-product like molasses, which fetches a decent price to the sugar mills in all other parts of the world, has to be destroyed and, even for its destruction, the factories are called upon to incur further expenditure.

U.K. COAL BOARD'S PROBLEMS

INCREASED LABOUR ABSENTEEISM

THE National Coal Board of the U.K. is faced with many problems, such as wiping off of the accumulated deficit, loss of productivity through absenteeism, strikes, etc. On top of these, it is now confronted with fresh demands by coal miners. The National Union of Mineworkers (N.U.M.) has submitted a series of demands, which include a shorter working week, an extra week's holiday, sick pay, pension improvements and alterations in the bonus shift payment—all "fringe (or non-wage) benefits," as they are called. It is, however, noteworthy that the N.U.M. has not so far asked for an increase in wages, as the other leading trade unions have done. But the threat is already there that a claim for higher wages would we submitted as soon as signs of a falling-off in the miners' standard of living appears. The Scottish miners are reported to have asked the National Executive to ask for a rise in wages, but the leaders have not succumbed to the pressure so far.

Meanwhile, negotiations are going on between the representatives of the National Coal Board and the N.U.M. over the demand of the latter in respect of the bonus shift payment. At present, miners work five shifts a week, but are being paid for six shifts. If, however, they do not work a shift without excuse, they forfeit the pay not only for that shift but also for the bonus shift. The miners are of the view that this penalty is too heavy and want it to be removed. They also ask for the bonus shift payment to be spread over the five working shifts. The National Coal Board fears that, if the demand is conceded, it will remove the industry's main deterrent to absenteeism and will result in a loss of 4 million tons of coal per year. The Board points out that absenteeism has already been on the increase this year and has so far cost about 2.9 million tons of coal. It has, nevertheless, been conducting negotiations with the workers' representatives. It has also proposed to the Union leaders that acceptance of the miners' claim should be made conditional on one of the following factors:

(1) the annual output of coal should reach a certain level;

(2) shifts worked per man-year should reach a specified figure; and

(3) improved attendance and reduction of losses through disputes.

The Union leaders have not so far agreed to any conditions for granting their claim, but have expressed their willingness to discuss the Board's proposals.

The National Coal Board's problem is not one of paying higher wages, but of ensuring that a miner does a full day's work for the wage he earns. It is anxious to reduce the loss of output through deliberate absenteeism, unofficial strikes and restrictive practices. In the current year so far, the number of man-hours lost through strikes has been less, but absenteeism has been on the increase. It is true that there has been an improvement in output per man-shift, but this is almost entirely due to the extension of power-loading in the mines.

The Board's fears are no doubt not without grounds. But to reject the miners' claim may prove equally disastrous, in that they might resort to strikes leading to loss of production. The Board has, therefore, commenced negotiations with the N.U.M., with a view to reaching an agreement and ensuring an improvement in productivity.

It will be interesting to present in this context a few statistics in respect of the industry, so as to give a better perspective to the above problem. The output of coal up to the third week of October this year amounted to 181.83 million tons, that is, 362,000 tons per day ahead of the 1955 rate. All except 10,000 tons of this increase is accounted for by opencast working. Imports have declined from 9.55 million tons to 4.65 million tons. Exports and bunkers so far amount to 8.05 million tons, as compared with 10.19 million tons in the corresponding period of 1955. Stocks (including those at collieries and opencast sites) stood on 20th October at 22.66 million tons, as against 21.15 million tons a year ago. This is the highest level reached since the war. Stocks of house coal, authracite and boiler fuel with coal merchants show a rise from 1.73 million tons to 2 million tons. This is partly due to the fact that many domestic consumers have switched over to oil-burning heating appliances.

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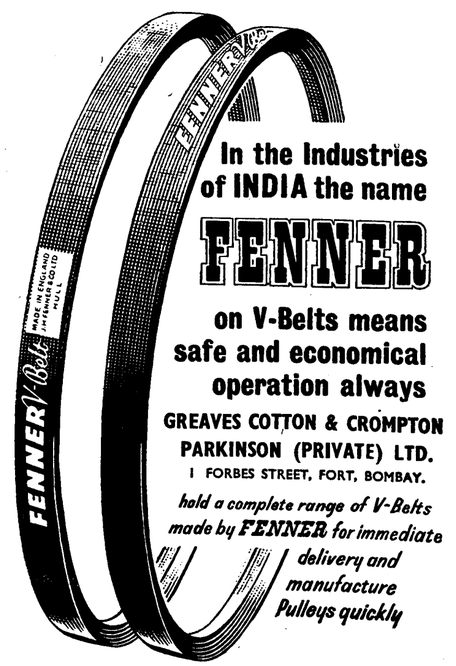

THIEVES AMONG THE RUBBER

RESPONSIBILITY OF THE BOARD

THE monsoon has come to an end and the three months of peak rubber production have begun. The growers are again faced with the threat of widespread rubber thefts. Earlier this year the growers in Mundakayam area of Kerala State had estimated 25 per cent. of their output being lost through pilferage. Now that the rains are over, stealing has again increased and reports from the producing areas indicate that gangs of thieves are active again. They are bolder and are obviously diversifying their business; they now steal barbed wire, tiles, high-yielding plants from the nurseries and clearings, easily removable items of estate supplies, in short, anything that can be carried. In one recent case, a daylight entry was made into a rubber factory and, according to one report, a member of the estate staff who has been active in preventing thefts was beaten up and thrown into a drain with a broken leg. The stage may soon be reached on the rubber estates when it may not be worthwhile for producers to maintain their properties in the hope of securing a crop.

Although the thefts should be a matter for the Government under its primary responsibility for law and order, considering the peculiar problems in plantations, the growers in certain areas paid for a motorised contingent of the police force. In some areas, this has had a salutary effect in reducing the incidence of thefts but it could not prevent pilferage from estates in outlying areas.

How Does It Happen?

Rubber is a tightly controlled commodity in India. The producers, dealers and users are separately licensed and without a licence duly issued by the Rubber Board nobody can handle rubber in their own names. Although nearly 23,000 tons are produced per annum, over 80 per cent. of the output comes from the larger units and almost the whole of it is sold by them direct to the manufacturers. Taking the average monthly output at 2,000 tons, the quantity that would reach dealers of all descriptions (i.e., excluding manufacturers) cannot amount to more than 500 to 600 tons. Similarly, most of the rubber is bought and used by some three large manufacturers whose purchase depots are located not far from the producing centres, although there are over 250 establishments consuming rubber in India. In other words, the quantity of rubber which has to be handled by dealers or intermediaries is not only known but also is such that a fairly effective physical check of the dealers and channels of movement should be possible.

At the height of the rubber thefts earlier in the year, the Rubber Board had to consider representations from some of its producer members on this question. According to the Board Chairman's reading of the Rubber Act, 1954, and the Rules framed thereunder, the Board was incapable of exercising any control over the issue of licences or over the physical movement or stock of rubber. After this interpretation of the Rubber Act in May this year, the matter was taken up at a meeting of the Board on 17th October 1956 and it was possible to make the Board accept a decision, so that no fresh licences should be issued to dealers in areas where there already exist a number of licensed dealers, at least until the Government of India take a decision on the proposal of the Board to make certain amendments to the Rubber Act so as to enable the Board to exercise more control over the issue of licences.

Although no more licences are to be issued by the Chairman for the time being, till recently the Board has been issuing far too many licences when it is considered against the limited quantity of rubber that can be handled by the increased number of licensed dealers. Nevertheless, even this limited improvement over the position in May is considered helpful by the producers.

A complicating factor in the situation has been the free-handed issue of licences by the Board to all who applied for them. During 1955-56, over 140 dealers' licences were issued, although the quantity of rubber to be handled by the dealers had not visibly increased. Rule 39 of the Rules framed under the Rubber Act is specific about the discretion of the Board in the matter of issuing licences and the details called for in the application form themselves provide a certain amount of protection against the Board being obliged to freely issue licences to all and sundry who ask for them with the requisite fee and two certifiers who own rubber to the extent of not less than 15 acres each.

With every additional dealer, the problems of control and detection of thefts have become more complicated. There are many squatters who sit on the edges of estates with five or six rubber trees within their compounds and, by virtue of that possession, act as the source of much rubber that eventually appears in the illicit trade. The fact that they are nominally growers of rubber enables them to act as fences for stolen rubber from the neighbouring estates. Similarly, the possession of stolen rubber by persons holding the Board's licence frustrates police action under the Criminal Procedure Code. Aiding and abetting those stealing and disposing of rubber are the problem of identifying rubber from the source.

With the subsidised replanting scheme, the small and the large grower alike are to be subjected to periodic and minute inspection from the date of inspecting the old rubber to be felled to the time of coming into production in the eighth year of the new rubber. The number of plants to the acre, felling, clearing, weeding, cover crops, fencing, manuring, the type of planting material and subsequent maintenance over the long period of non-productivity are all subject to inspection and approval by a large Field Inspectorate established by the Board. Any instalment of the subsidy that is now offered can be refused at any time if the Field Inspectorate is not satisfied that the planting and upkeep operations have not been done satisfactorily. A Board which has such wide powers of inspection should find it equally easy to establish an effective check on the trade in rubber, so that the licences issued by it do not become a cover for widespread thieving and illicit trade in rubber.

Large Estates Suffer Most

Most of these thefts occur in areas where there are large estates, transport is quick and easy to the assembling markets, a large number of growers and dealers operate, and above all, where union activities are at its peak. Whether union activity leads to a breakdown of law and order position and provides the ideal conditions for widespread thieving or not has not been clearly established but its occurrence during periods of such activities is marked.

The Board has a responsibility to ensure protection to the grower against the licence issued by it being used as a cover for thefts. It should have used a more judicious control over the issue of licences at least to ensure a better exercise of its own control. The magistracy in generally letting off rubber theft offenders with more leniency than the courts show towards dry law offenders is not discouraging the spread of an offence which has serious social and economic consequences. The State Government could, if it realises the gravity of the rubber theft situation, put matters right in this connection.



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SHARP FALL IN STOCKS OF JUTE GOODS

OUTPUT CONTINUES TO RECEDE

THE firm trend in prices of jute goods since the beginning of the current month has to a large extent been due to keen overseas buying influenced by the developments in West Asia. The trend was also helped by the fall in production of jute goods during October and the sizable decline in stocks, thanks to the improvement in shipping. The statistics of production and stocks for the month of October, released by the I.J.M.A., show that the downward trend in output has persisted for the fifth month in succession, and the fall in stocks over the month has reversed the upward trend noted at the end of the previous month.

The production of jute goods during the month under review amounted to 80,400 tons, as compared with 84,500 tons in the previous month and 89,600 tons in August 1956. With this decline, the production has successively fallen from a high of 101,700 tons in May 1956. It must, however, be noted that the fall in output during October is of the order of only 4,100 tons, as against 5,100 tons noted in September and 4,500 tons in August. It should also be noted that the past month was the first full one in which the industry worked with an idle capacity of 12½ per cent. of the looms, following the resealing of 5 per cent. of the looms on 17th September. The sealing of 5 per cent. of the looms represents a cut in production of 5,000 to 5,500 tons per month. It may, therefore, be wondered why the shrinkage in output is less than that which would normally be expected from the sealing of the looms. An explanation for this is to be found in the fact that the number of hours worked during the month was 203.5, as against 197.5 in September.

The following table shows the output of jute goods during the month under review, as compared with that in the previous two months and that in the corresponding month of 1955:

(In tons)

		October, 1956	September, 1956	August, 1956	October, 1955
Hessians	.. ..	34,700	35,500	35,400	30,700
Sackings	.. ..	40,500	43,800	46,200	43,500
Others	.. ..	5,200	5,200	6,000	4,600
	Total ..	80,400	84,500	89,600	78,800

The decline in production during the past month is mainly accounted for by sackings, which have fallen by 3,300 tons, as against a decline of 4,400 tons in the previous month. With this recession, the output of sackings for the month is brought to the lowest level since May 1954. The production of hessians also, which had been going up in the previous two months, has fallen, albeit by a small extent.

The total stocks of jute goods at the end of the month aggregated 116,700 tons, showing a welcome decline of 8,500 tons over the month. This fall in stocks is in distinct contrast to the rise of 1,700 tons noted a month before, as will be seen from the following comparative table:

(In tons)

		As on 31st Oct., 1956	As on 30th Sept., 1956	As on 31st Aug., 1956	As on 31st Oct., 1955
Hessians	.. ..	20,900	29,400	28,200	29,700
Sackings	.. ..	77,200	88,600	88,600	29,000
Others	.. ..	8,600	7,200	6,700	3,600
	Total ..	116,700	125,200	123,500	62,300

The decline in stocks is not surprising in the context of the fall in production and the reported improvement in shipments. It will be interesting to note that the stocks have been brought to the lowest level since April 1946. This does not mean that the mills have got over the main source of worry, namely, the high level of stocks. For the stocks are still very much higher than those at the close of October 1955. The fall in stocks is solely accounted for by sackings, which have gone down by as much as 11,400 tons. Stocks of hessians, on the other hand, have gone up further by 1,500 tons and those of other manufactures by 1,400 tons. Despite the fall of 11,400 tons, sackings constitute a high proportion of the total stocks, as was the case in 1954 and 1953. In 1955, however, the stocks were comparatively well balanced, with a slightly higher proportion of hessian stocks. It is not surprising, in the circumstances, that the mills are diverting their attention to the manufacture of more hessian than sacking. This is evident from the steady level of hessian output in recent months, despite the re-sealing of looms.



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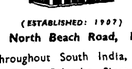

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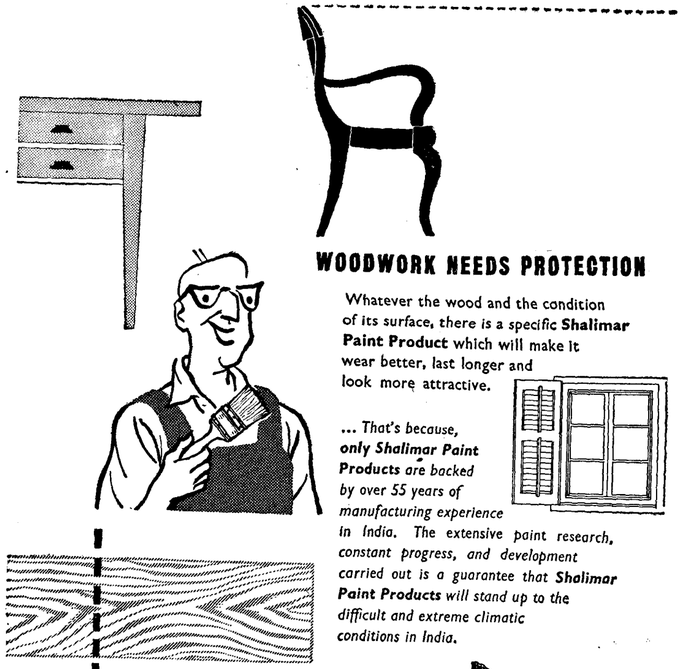

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IMPORTANCE OF DIESEL ENGINES

MR. M. M. SHAH REVIEWS INDUSTRY'S PROGRESS

THE inroads which diesel engines have made into such diverse fields as rail traction, road transport and marine propulsion serve to emphasise the importance of these engines to industrialisation of the country. In many industrial fields, diesel engines provide the main motive power. Appropriately enough, the Government has constituted a Development Council for Internal Combustion Engines, Power Pumps, Compressors and Blowers. The number of Development Councils so far constituted is ten. The other councils deal with heavy chemicals (acids and fertilisers), heavy chemicals (alkalis), bicycles, paper, pharmaceuticals and drugs, heavy electrical industries, light electrical industries, art silk and wool and sugar. These councils function as technical liaison bodies between the Government and the industries concerned.

Addressing the tenth meeting of the Development Council for Internal Combustion Engines, Power-driven Pumps, Compressors and Blowers, held this month at New Delhi, Mr. Manubhai Shah, the Union Minister for Heavy Industries, reviewed the progress of the industry and also indicated the future lines of its progress. The production of diesel engines has greatly increased in recent years. Thus, in 1955, diesel engines to the tune of 102,200 h.p. were produced, as against 72,460 h.p. in 1951. In 1956, production is expected to go up to 154,880 h.p., while the target under the Second Five-year Plan has been set at 205,000 h.p. Similarly, production of power-driven pumps in the current year is expected to be 56,180, as against 34,441 in 1955 and 47,990 in 1951, the target under the Second Plan being 86,000. Mr. Shah averred that there should be no difficulty in reaching, or even in exceeding, the targets. But he rightly suggested that the industry should "try to diversify the production so as to cover all the major categories of engines and pumps required in the country and build up some export programme in this useful engineering line."

Foreign Exchange

If the industry producing diesel engines, pumps, compressors and blowers fulfils the targets set for it, then the country should be able to save a sizable amount of foreign exchange which would otherwise have to be spent on imported equipment. The following table gives the value of domestic production, dependence on imports and the total estimated value of targets in the Second Plan:

Production and Requirements

(Rs. in crores)

	1955		1960-61‡	
	Output	Imports	Requirements	Domestic production
Diesel engines (non-vehicular) ..	2.0	2.2	8.0	5.5
Diesel engines (vehicular)	0.03	5.4	14.0	10 to 14†
Pumps*	1.6	1.8	8.5	7.0
Compressors	†	2.2	7.0	4.0
Blowers and exhaust fans	0.03	0.48	2.0	1.0

* Other than special purposes.
† Rs. 4,000.
‡ The minimum targets to be reached by 1960-61 is Rs. 10 crores.

Diesel engines, as is well known, are produced in a wide range of h.p.—small horsepower engines in the range 0 to 3, medium horsepower engines in the range of 3 to 50, and high horsepower engines in the range of 50 and above. It would appear that the manufacture of the second group of diesel engines, namely, 3 to 50 h.p., has become fairly well-established in India. The number of factories engaged in the production of these is 17. The installed capacity is about 22,000 engines. In 1955-56, the production had been 10,755 engines. The total production during 1951 was 7,246 engines and during 1954 8,654 engines. This shows the rapid progress that has been made. Two firms are engaged in the manufacture of engines above 50 horsepower and two more have been licensed. These are for fitting to vehicles but could and are being used, in other countries, for industrial purposes as well. Recently, a firm has been licensed for diesel engines of 30 horsepower for fitting to agricultural tractors while another scheme for the manufacture of high speed engines in the range of 100 to 1,000 horsepower has also been approved. The Government, it is stated, is contemplating to undertake the production of marine propulsion and auxiliary engines of medium speed in the public sector at a capital cost of about Rs. 3 to Rs. 4 crores. This factory is programmed to manufacture seven slow-speed engines of about 3,000 h.p. each during the Second Plan period and 15,000 h.p. per annum of marine auxiliary engines during the same period.

Distinct Gaps

Despite the progress that has been made so far, there are, according to Mr. Shah, certain distinct gaps in the production of diesel engines. In the first place, the capacity for the production of diesel engines in the range 3 to 50 h.p., he said, is inadequate. It would appear from past sales that more than 50 per cent. of the demand in this range is for vertical engines below 6 h.p. There is a shortage of vertical engines in this range and no production of such engines in the range 11 to 15, 20 to 30 and above 40 h.p. The gap deserves to be filled, particularly because vertical engines in this range find various industrial applications like power generation, constructional equipment, road rollers, air compressors and tractors. Referring to this deficiency in the reduction of diesel engines, Mr. Shah said:

"It is, therefore, in this field of manufacture of vertical engines that more manufacturers should come forward to set up new or expanded capacities. An application for a licence for the manufacture of such engines in 6-12 horsepower range with foreign collaboration is also under consideration. Several more schemes are still necessary in this field and, therefore, more manufacturers should come forward."

The second gap is for the production of low horsepower engines 0 to 3 h.p. which find industrial application of different kinds, namely, prime mover of pneumatic plants especially for portable air compressors, pumps, etc. Since the demand for this range of engines has not been assessed, it would be difficult to say whether a separate factory producing only this type of engine would be necessary or not. Mr. Shah indicated that the existing manufacturers of medium horsepower engines could, without much additional capital equipment, undertake the manufacture of these low horsepower engines.

Vertical Engines

The third gap is the absence of domestic manufacturing capacity in respect of vertical engines above 50 h.p., suitable for use in earth-moving equipment, compressors and electric generators. The Panel, appointed by the Government some time ago, to investigate the possibility of the manufacture of earth-moving equipment, has submitted an interim report. The Panel, it is stated, has indicated that there is ample scope for the manufacture of at least four types of earthmoving equipment which would require power units of 100 to 200 h.p. In this connection, Mr. Shah said:

"I would like to stress that although there is scope for the manufacture of vertical diesel engines in the range of 10 to 200 h.p., the demand in some particular sub-ranges may not be sufficient to keep the cost sufficiently low. It is, therefore, necessary that the development is planned with maximum inter-changeability of parts in order to keep down the cost of manufacture. Maintenance of a high standard of quality is another aspect which needs constant attention. I am happy to note, in this connection, that you are already formulating plans to test engines in accordance with the specifications to be prepared by the Indian Standards Institution."

As regards the manufacture of power-driven pumps, there are 27 firms engaged in their production with an installed capacity of 65,500 pumps per annum; four more firms have been recently given licence for manufacture in this field. Of these 27 firms, two are now manufacturing bore-hole pumps with a total capacity of about 1,500 per annum. The production for the 12 months, July 1955 to June 1956, was 39,276 horizontal pumps and 1,371 bore-hole pumps. The indigenous contents in both types of pumps, it is stated, is over 90 per cent. Now the main gap in this line of production is the absence of production capacity for pumps used for special purposes like pumping acids, alkalis, petrol, sewage, etc. In the sphere of compressors and blowers, there are four firms licensed for manufacture of air compressors in the range 7.5 C.F.M. to 530 C.F.M. Of these, one is planning manufacture in collaboration with a foreign firm. Two additional schemes, it is stated, are also under consideration. None of the firms, Mr. Shah said, had gone into regular production yet. Only one firm is stated to be manufacturing blowers on an organised basis with foreign collaboration. A few other firms are also producing industrial fans but on specific orders. In 1950, about 70 blowers were produced. A sub-committee of the Council is now engaged in assessing the demand for blowers.

Technical Training

In conclusion, Mr. Shah referred to the raw material position and trained personnel for the industry. He stated that the Government was aware of the difficulties experienced by the industry due to the non-availability of adequate quantities of raw materials such as pig iron, coke and alloys. He, however, assured the industry that necessary measures are being taken to relieve the raw material position. Referring to the problem of technical personnel, Mr. Shah said he was happy to note that the Council was already seized of the problem and had appointed a sub-committee to prepare schemes for imparting technical training. He emphasised that every established industry should arrange to train new technical personnel to the extent of over five per cent. of its total strength. This is a valuable piece of advice, considering that training-within-industry is an accepted mode of imparting technical education in many countries. To a certain extent, industrial managements could, and ought to, relieve the State in the sphere of technical education. In some ways, they are better fitted for this task, since they know precisely the knowledge and skills which their men should possess.

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JAMSHEDPUR INSTITUTE

Since its inception in 1921, the Jamshedpur Technical Institute, which celebrated its thirty-fifth anniversary this month, has trained 560 engineers and 1,100 skilled artisans. The Institute is helping to fulfil Jamsetji Tata's injunction to "let the Indian learn to do things for himself." At present, there are some 1,350 students on the Institute's rolls, including employees and others who are taking advantage of part-time courses to improve their prospects.

The Institute, which is run by the Tata Iron and Steel Company, Ltd., provides training annually for 13 graduates in mechanical engineering and metallurgy under a scheme sponsored by the Union Ministry of Education. It also provides vacation training to engineering graduates from all parts of Inda. Since last year, the Institute has been assisting the State-owned Rourkela project by providing training facilities for 36 senior personnel, 10 graduate engineers and 100 artisans. Another example of the Institute's contribution lies in the fact that a large number of former trainees of the Institute hold key positions in Rourkela and other State-sponsored enterprises. The Institute offers a special course for Adibasi and Scheduled Caste candidates to prepare them for the regular artisans' course, on which 12 seats are reserved for them.

A recent development is the mason training sceme to prepare men for the highly specialised job of brick-laying in steel furnaces. Formerly, this trade was the preserve of a hereditary profession, but, in the changing social pattern of the country, men of all communities volunteer for this work. Another notable contribution of the Institute is the development of scores of trade tests—objective methods of selecting men for a skilled job. Trade specifications prepared in the Institute, it is stated, are in demand by a large number of industrial units all over the country.

AN INDO-BRITISH VENTURE

Greatly increased industrial output, if it is not to sacrifice quality in the process of acceleration, calls for an abundant supply of performance-proved tools. In this connection, it is gratifying to note that an Indo-British venture has launched a scheme for the manufacture of electric tools in India, and that production as already commenced. The collaborators on this project are the Wolf, Electric Tools Ltd., London, and Rallis India Ltd., Bombay. This venture, the first of its kind in India, will go a long way towards ensuring adequate supplies of electric tools. And the close collaboration of the participating firms, both of which are well established, and the frequent exchange of technical experts will ensure that the Indian-made Wolf tools would be of the same high quality as those made in England. An interesting feature of this venture is that indigenous materials are being largely used in the manufacture of these tools.

NEW PRODUCTS AND PROCESSES

New Concrete Breakers

ROAD drilling and concrete breaking equipment, said to be quiet enough to be operated at night without causing disturbance, is to be marketed in this country by Drills Development (51, Beauchamp Place, London, S.W.3). The equipment is at present being manufactured in Italy by Società Brevetti Pinazza of Milan and is part of a range of rock drills and concrete breakers which are also to become available in the U.K. Elimination of the characteristic noise of pneumatic drilling has been achieved by using a flexible drive to operate the drill instead of compressed air. Power is obtained from compact petrol engines or electric motors. The drills are said to use only one-fifth of the power required to operate an equivalent pneumatic drill of the same weight and working on an air pressure of 70 to 80 lbs. per square inch. Another advantage is that no large compressor unit is required as in the case of the more familiar pneumatic drill. For road excavations and demolition of concrete structures there is a unit with either a 2.5 h.p. petrol engine or an electric motor. Flexible drive units are 9¾ feet long and up to three can be coupled together without loss of power. The set is provided with demolition tools, chisels and a tool container with accessories. Spade-shaped tools and an earth rammer are available. Pinazza drilling equipment for mining and quarrying has also been developed. For rock drilling there is equipment designed to bore holes 1.3 inches wide to a maximum depth of 6½ feet. The set consists of a 3.5 h.p. four-stroke petrol engine coupled to a rotary compressor and mounted on a strong tubular frame. The compressor is used for blowing waste from the bore hole. The flexible drive units are each 8 feet 10 inches long and they can be coupled together for greater length. Drill bits have a maximum length of 5 feet. Another rock-drilling set has been designed to bore holes to a depth of 16½ feet. This has a 5.5 h.p. petrol engine and flexible drive units in lengths of 9¾ feet. A further model is powered by a 4.5 h.p. electric motor.

New Titanium Processes

At least four new processes for manufacturing titanium are currently under development. In one of these processes in which titanium iodide is used as the raw material, the iodide is decomposed by heat to produce the titanium. A pilot plant using this process is now operating and is producing, it is claimed, titanium of 99.9 per cent. purity. Another of the new processes involves a special form of sodium reduction. This process has the advantage that it leads directly to the formation of titanium metal, the intermediate titanium sponge form being eliminated. The third new process which is also at the pilot plant stage, consists of a modified electrolytic process in which many of the difficulties previously experienced with this form of titanium production have, it is reported, been eliminated. Although no details are as yet available, about the fourth new titanium production process, it is known that it has now reached the final stages of development.

Novel Insecticides

A radically new development in the field of insecticides can be expected to result from the discovery of a so-called "juvenile" hormone in insect larvæ. This substance has recently been found to be secreted in the heads of a number of different types of insects. Experiments have shown that because of this the hormone chemical can be used to kill insects in a particularly efficient manner. The hormone speeds up the grub growth and hastens its metamorphosis into its fully mature or adult form. It can thus be used in a similar fashion to a hormone weed-killer to make insect grubs grow more quickly than they are really ready to do, thereby killing them. As an insecticide the hormone compound possesses the great advantage that, while it is most unlikely that the insect pests will ever build up a resistance to its lethal effect, it is, at the same time, quite harmless to human beings.

Atomic Locomotive

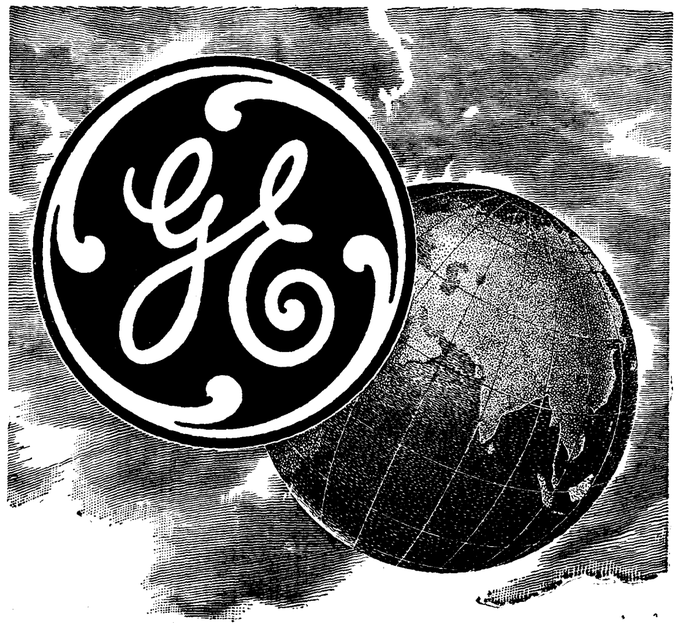
The Walter Kidde Nuclear Laboratories of the United States is considering the development of an atomic powered locomotive. Experimental work will be done under a contract awarded by the Denver and Rio Grande Western Railroad and the Baldwin-Lima-Hamilton Corporation, locomotive manufacturers. The laboratories will make a preliminary technical and economic study of a mobile nuclear reactor plant for possible application to locomotives. The reactor reportedly differs radically from any being proposed for other projects.

Preventing Mine Disasters

The Japanese Bureau of Mines will attempt to prevent future underground mine disasters by the use of radioactive isotopes. The radioactive elements will be poured into surface water and test bores near mine shafts and then traced as they filter through the ground, thus mapping underground pools and fissures. They hope to locate potential floods and cave-ins this way. The test will be used in 20 mines, and if successful, will be extended to all mines.

Smallest Radar Set

The U.S. Army has announced the development of the world's smallest known radar set. The set, which has a range of 6,000 yards, is contained in a metal case 14 inches high and 14 inches long. It is powered by a small motor generator which can easily be carried by one man. The combined weight of set and generator is about 85 pounds—in contrast to most radar outfits that weigh a ton or more. Instead of a visual signal, the set produces an audible signal when it detects a vehicle or soldier.



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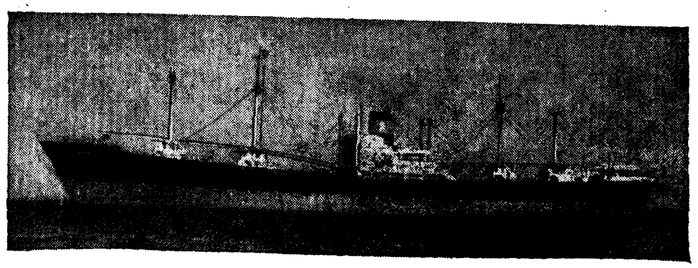

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TOWARDS HAPPY INDUSTRIAL RELATIONS

SOME METHODS OF ENLISTING WORKERS' CO-OPERATION

INDUSTRIAL peace is not an uneasy truce in which both sides, the management and the workers, are just willing not to break it. It is—at least, ought to be—a more positive state of affairs in which the two parties are continuously aware of each other's problems, and, what is more, have a mutual appreciation of their difficulties. This implies that the workers are responsibly led and the managements evince a keen interest in workers' welfare and also in educating the workers to appreciate the problems involved in running industrial enterprises.

It is not enough if a worker is kept at his job out of mere 'fear of the sack." This particular variety of sanctions is bound to break down under conditions of full employment. In any case, collective action, which is a feature of trade unionism in all countries of the free world, has eliminated the "fear of the sack." A better approach is the one that is designed to enlist the workers' active co-operation. This cannot, of course, be done through just one particular measure, for it implies an integrated approach to the whole question of industrial relations. There is, first of all, the method of employing a sound "grievance procedure." This eliminates the chances of sudden and unruly behaviour by aggrieved employees. Nevertheless, it has only a limited value. For a worker or groups of workers may not have a definite grievance to ventilate and yet suffer from a vague feeling of neglect—an irrational "grievance" psychology. No grievance procedure can cure the workers of this feeling. Joint committees are a more effective way of associating workers with managements. This method, if it were adopted continuously, would engender in the workers a co-operative attitude of great benefit to themselves and the management.

Sharing of Profits

Active participation of workers implies also sharing of profits. There are, again, many ways in which this is brought about. There is the simple method of promoting competent men to positions of responsibility. Then, there is the method of rewarding the men who give ideas which, when they are translated into action, benefit the enterprise in which they are engaged. The system of bonuses, based on profits or, more appropriately, on productivity, is only another variation of the general policy of enlisting the workers' co-operation. But a more recent method is that of making the workers shareholders in the concerns in which they are employed. This is part of the movement towards "people's capitalism" or "property-owning democracy" which has gained some momentum in the U.K. and the U.S. Some interesting information about the progress of this movement in the U.S. was given by Mr. G. Keith Funston, President of the New York Stock Exchange, when he addressed the American Chamber of Commerce, in London. Mr. Funston said that, apart from the 115 million people who, by saving through life assurance and pension funds, were thus indirect owners, there was a direct ownership of corporate stocks by 8 630,000 people, or one out of every twelve adults. These people were not the wealthy. The average American family income was about $5,000 a year; 38 per cent. of their shareholders earned less than that, and almost two-thirds under $7,500. Mr. Funston illustrated the widespread ownership of company stocks with the American Telephone and Telegraph Company. The 54 million shares of this $10.000 million Company, he said, were owned by 1,400 000 people, about 200,000 being the Company's workers. Over half of the Company's owners held less than 100 shares and the average holding was 38.

It was through this gathering-in of the people's savings that Mr. Funston saw the solution to the capital needs of the American economy estimated at about $60,000 million in equity capital alone in the next ten years. Advertising by the New York Stock Exchange and its member firms had been one of the ways in which this widespread ownership of public companies had been encouraged. New techniques had been developed, making it possible to invest as little as $40 every three months in securities listed on the New York Exchange. This "educational programme" had received strong encouragement from American companies and business men, who had learned that "no company has the right to allow itself to be unexplained, misunderstood or publicly distrusted."

Apart from enlisting workers' participation in corporate capital structure, managements should periodically give the workers some basic knowledge and information about the trends in revenue and expenditure. After all, no sound management has anything to lose by such disclosure. On the contrary, it has a great deal to gain, for the workers will then know that their share in the prosperity of the enterprise they serve is not inconsiderable. Excessive demands by workers often spring from a bargaining spirit or sheer ignorance of the financial position of their employers. This tendency could be corrected by managements through educating the workers in the financial set-up of the industrial units they serve. In this connection, it is interesting to note that, even in the U.K., only a small proportion of companies give such information to the workers. though, of course, this proportion is necessarily larger than in India. Thus, Mr. H. Weston Howard, Chairman of Hayward-Tyler & Company, in the course of a paper read at the British Institute of Management Conference, held recently at Harrogate, stated that probably less than 20 per cent. of British companies give financial information to employees, and that, even within this 20 per cent., most companies concentrated only on telling the story of the annual report and accounts.

Frankness

Mr. Howard's paper was based on an investigation carried out by the Institute. This survey disclosed that, although employees on the whole were interested in having financial information about their company, even the senior staff of the firms, where surveys were held, did not, on the whole, appear to have an outstandingly better grasp of company affairs than the average employees. Incidentally, it would be interesting to know the position in India by holding a surprise test for the executives of Indian firms, to find out how much they know about the companies they serve. Commenting upon the state of knowledge among company executives in the U.K., as revealed by the survey, Mr. Howard said: "This is a valuable conclusion and certainly a very startling one. I would strongly urge all companies to make a real effort to educate their senior executives in the use of figures in administration." Referring to the question of giving financial information to the workers, he stressed that the managements should be frank in their approach to the whole problem. He said: "If it is desired to have a working force with confidence in its management, there is no better way of doing it than by being completely frank about everything, including finance."

Balance-sheets

In India, where the workers are less educated than those in the highly industrialised countries, there is no point in giving elaborate financial information. The overall picture could, of course, be presented to them in a form which they will understand. A graphical representation of the pattern of revenue and expenditure now forms part of the balance-sheets and annual reports of a few concerns, of which special mention deserves to be made of the T.I.S.C.O. and A.C.C. This practice deserves to be emulated by other industrial concerns in India. Perhaps, under Indian conditions, the best way of presenting the information is to represent the whole revenue by one rupee and to work out how many annas and pies went to buy raw materials and to pay wages, taxes. dividends, and so on. Yet another interesting method of giving financial information is to work out how many days' earnings were required to pay for raw materials, wages, dividends and to satisfy that sleeping but ever-awake partner, the Government. Company accountants, with some imagination, should be able to devise many interesting ways of presenting the basic financial data to the workers so as to convince them that there is no bottomless purse from which higher wages could be drawn and, further, that it is wrong to think that the shareholders and the management are wicked giants continuously swallowing the lion's share of the profits.

PRODUCTIVITY DAY

A new day in the calendar—"Productivity Day"—was launched recently by the Israel Government Productivity Institute in Haifa. Meetings of employees and management were held in factories and visits by families of employees were arranged. The radio and cinemas helped bring before the public the importance of higher productivity. Productivity rose by 4.3 per cent. last year, while in industry alone it increased by 7.1 per cent. This was reported by Mr. David Moushine, Director of the Institute. Among the winners of the Kaplan Prizes this year are an immigrant worker whose production soared above that of his veteran mates; an engineer who devised a gadget which reduced costs; and a productivity council for its good work in encouraging efficiency and in bettering labour relations. About a third of the 200,000 employees in industry, agriculture and transport are paid according to output, according to Mr. A. Gilat, organiser of the 150 productivity councils. Of these, 15,000 were granted income-tax remissions for especially high output.

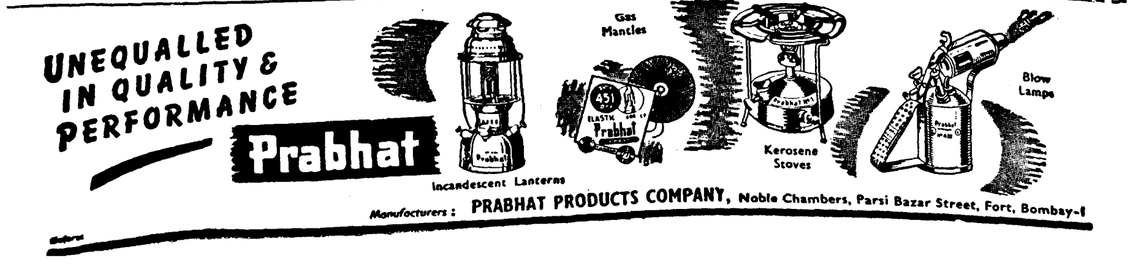
DOCK LABOUR BOARD

On the coming into force of the Calcutta Dock Workers (Regulation of Employment) Scheme, 1956, which has introduced several new features such as piece-rate system of payment and payment by results following the Vasist Committee Report on dock labour, the Government of India has constituted a new Calcutta Dock Labour Board, with effect from the 8th October 1956, replacing the Board constituted under the old scheme, in September, last year. Mr. I. N. Wankawala of the Scindia Steam Navigation Company, Calcutta, who represented the Indian National Steamship Owners' Association on the previous Board, continues to represent the Association on the new Board. Mr. R. K. Mitra, I.C.S, Chairman of the Calcutta Port Commissioners continues to be the Chairman of the new Board while Mr. R. M. Ray has been appointed the Deputy Chairman of the Board. Mr. Ray will be a whole-time employee of the Board with wide powers under the new Dock Workers Scheme.

DOCK WORKERS' STRIKE

The leaders of the All-India Port and Dock Workers' Federation have had discussions with the officials of the Union Ministry of Transport. It would appear that the Government impressed upon the leaders the need for withdrawing the strike threat, in view of the international situation and the urgent necessity to clear the goods arriving in the ports in connection with the implementation of the Second Five-year Plan. It is learnt that the leaders have agreed to postpone the strike which was scheduled to take place on the 15th inst.

There is, as is well known, a move on the part of dock workers to boycott British and French ships at Indian ports; this action is being advocated as a mark of protest against the Anglo-French action in Egypt. Referring to this move, Mr. S. R. Vasavada, President of the Indian National Trade Union Congress, stated last week, at Ahmedabad, that it would be 'unwise' for a section of the people of this country to take any action before the Government's final policy was known. Bombay dock workers are also reported to be contemplating a move to boycott Russian ships as a mark of protest against Russian aggression on Hungary.



INFLATION-PROOF INVESTMENTS

INDEX-REGULATED LOANS—THEIR MERITS AND DEFECTS DISCUSSED

[It now looks as though inflation will be with the world for a long time to come. If it is not possible to eliminate it altogether it is at least necessary that devices should be found whereby the adverse effects of inflation are kept within bounds. The subject of inflation and the future of interest rates were discussed in a recent issue of the Monthly Bank Letter *of the First National City Bank of New York, to which we drew readers' attention in our issue dated 13th October 1956. In view of the fact that the world is faced with the problem of inflation, the authorities in many countries are devoting considerable attention to the question of evolving inflation-proof investments. In this connection, an article in the September issue of the* Index, *the monthly economic review of the Svenska Handelsbanken, discusses the pros and cons of linking the value of savings and investments with the value of money. The article, which we reproduce below, summarises the issues involved and is bound to be read with interest in this country which, thanks to deficit-financing contemplated in the Second Five-year Plan, also faces the prospect of inflation.—*ED.]

RENEWED interest in a special type of protection against a depreciation in the value of money—index-regulated loans—has been aroused by an investigation recently completed by Professor Tord Palander at the request of the Minister of Finance. The investigation has not given rise to any lively discussion—the topic being overshadowed by the coming General Election—but the problem is nevertheless important and certainly worthy of discussion also outside strictly specialist circles.

The need to protect one's assets against losses arising from a depreciation in the value of money is as old as money economy. Savers have always attempted to ward off the adverse effects of inflation by placing their assets in such investments as follow the general rise in prices, e.g. land, buildings, jewellery, gold etc. However, it is not possible for all savers to invest their money in tangible assets and small savers, in particular, have found themselves in an unfavourable position. It has been more easy for those with larger savings to invest in property or productive undertakings and it has also been easier for them to purchase shares whereas, for small savers, these possibilities have been more limited. A one hundred per cent. investment in tangible assets would, strictly speaking, mean that all such investments were made by the savers themselves, but this is certainly impracticable in a modern society practising money economy and an extensive division of labour. Moreover, the investment units are often of such magnitude as to exceed the resources of individual savers. It is thus clear that the need for financing in a modern society cannot be satisfied unless a considerable proportion of private saving is in the form of monetary claims such as bonds, bank deposits, insurance policies etc.

Price Index

This raises the question how to protect those whose savings are in nominal assets against the losses to which such assets are exposed as the result of inflation. The method that has time and again been suggested is the tying of monetary claims to a price index and this question has become even more topical during the long period of full employment and rising prices that has predominated since the 'thirties. The problem has aroused particular interest in the United States, Finland and Denmark. In Sweden it was the subject of a Parliamentary debate following upon a motion presented in 1952.

Advocates of index-regulation on the credit market maintain that such a system has advantages both from the points of view of economics and fairness. Inflation involves a redistribution of assets and debts in a manner which is unfair to the lender and gives the borrower undeserved profits. Such a redistribution, even if not fully prevented, would at least be reduced if the monetary claims could be adjusted to changes in the general price level. In other words, the chances of "cashing-in" on the inflation would be lessened.

As concerns the purely economic advantages, the main argument is the favourable effect on saving. It is maintained that the public's interest in depositing money in a bank account and purchasing bonds would be increased if savers were freed from the fear of falls in the value of money. It is further claimed that index-regulated credits would discourage speculative purchases and investments. During an inflationary cycle it is sometimes worthwhile to borrow money and purchase goods or means of production with a view to making a speculative profit. Such speculations would be less attractive if the borrowers were aware that the amount of the credit was going to keep pace with the general rise in prices and that the speculative profit would be partly or entirely absorbed in covering the increased principal. Thus, under certain conditions, index-regulated loans would lessen the demand for goods and thereby act as a counter-inflationary measure.

"Index-mindedness"

Opponents of index-regulated loans point out that a changeover to such regulated credits would result in an extension of "index-mindedness" which, in itself, encourages inflation. Index-regulated loans would, as do index-regulated wages, have a detrimental effect on price stabilisation rather than a beneficial one. The question of index regulation is then viewed exclusively from the point of view of costs. A company borrowing money to finance its business activity must, when fixing prices, allow for the expected increase in principal in the same way as it allows for other expected cost increases. This aggravates price increases in a period of inflation.

A further observation has been that the introduction of index-tied bonds would cause unnecessary fluctuations on the bond market. General price expectations normally change rapidly and, if the value of the bonds were related to a price index, the market prices of bonds would be subject to considerable changes. Institutions such as insurance companies, pension foundations, etc., would be greatly inconvenienced by this increased instability on the bond market.

In practice, index-regulated loans have only been tried out on a small-scale and in most of the countries concerned they have played a very insignificant rôle. This has been the case in France, U.S.A., China and Israel. Only one index-regulated loan has been floated in Sweden; a debenture loan issued by the Consumers' Co-operative Society in 1952. It is a 20-year loan at 3 per cent. interest and the principal is to be repaid with compensation for the increase in the cost of living, but with the top limit of 150 per cent. of the original nominal value. The only country to issue index-tied loans on a wider-scale has been Finland where, in 1945, the evacuated Karelian refugees received compensation in bonds of this kind. The current position is that a considerable proportion—presumably one-third—of the Finnish State's long-term debts are in the form of index-regulated bonds. The Finnish National Pension Foundation and the Finnish insurance companies make it almost a general rule to tie their loans to an index.

In 1953, the Finnish banks decided to apply index-regulation to advances and deposits but the scheme was not introduced until the 1st May 1955. The commercial banks ceased to apply the system at the beginning of 1956, but the savings banks and the co-operative credit societies are still applying it. In June 1956 a total of 7,700 million marks had been deposited in index-linked accounts with the latter institutions, while deposits of this kind in the commercial banks when the system was discontinued amounted only to 160 million marks. The banks are entitled to debit the borrowers for the costs of the index addition on deposits but hitherto they have not availed themselves of this possibility.

Finnish Experience

It seems probable that inflation–proof investments might have been adopted on an even larger-scale in Finland had the official policy not served to counteract it. The Finnish Government, who have themselves issued index-tied loans on a large-scale in recent years, have prevented other borrowers from doing likewise. The postponement from 1953 to 1955 of the introduction of index-linked bank accounts was partly due to interference on the part of the Minister of Finance. When this form of loan was later introduced the interest on index-tied accounts was compulsorily fixed at a rate 1 per cent. lower than that for other forms of long-term deposit. Furthermore, index-regulated deposits were denied the exemption from income and capital tax which had been applicable from 1950—and is still applicable—in respect of other types of deposit. In view of the strong competition for borrowed capital that prevails in Finland, it is an advantage for the State to be able to dominate the issue of index-tied bonds.

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FORTY-NINTH ANNUAL GENERAL MEETING

IDEOLOGICAL PREDILECTION ACTUATED NATIONALISATION, SAYS MR. B. L. JALAN

THE view that the alleged malpractices and misappropriation of funds in life insurance business did not constitute convincing reasons for nationalising the industry was expressed by Mr. B. L. Jalan, Chairman, General Assurance Society Ltd., in his address at the Forty-ninth Annual General Meeting of the Society held at Ajmer on 7th November 1956. The failure of the Government to check the so-called evil trends, he said, became, ultimately, the crime of the industry and the Government took recourse to it as argument for nationalisation. Mr. Jalan added that the only conclusion one could draw was that it was the ideological predilection of the Congress Party which actuated the fateful step.

The following are extracts from Mr. Jalan's speech:

"When we met here about a year back on the same occasion we had noted with gratification the happy signs of reassuring developments on the international horizon. The Suez Canal dispute has assumed proportions of a world-wide conflagration. Even our insurance industry could not escape these diplomatic overtures as we recall that the London Underwriters raised the war rates on both cargo and hull, negotiating through the Suez Canal. Before serious and frantic efforts, led amongst others by our own Prime Minister, could materialise the whole situation has worsened by invasion of the Egyptian territory by Israel and military intervention of England and France. World opinion, including public opinion in Britain, has expressed itself in unequivocal terms. It is hoped that peace forces will ultimately prevail and the wrong perpetrated will be retraced.

"On the other hand, we will recall that early in the year the Russian leaders themselves finally exploded the myth of a happy Soviet society by denouncing the communist regime of about 30 years since the dawn of the Stalin era. We have not forgotten the outbursts of discontent in East Germany. Recent popular developments in Poland and Hungary have further exposed the role of the Soviet activities in the so-called people's democracies of Eastern Europe.

Unhappy Events at Home

"Nearer home, we have witnessed during the last few months a few unhappy events arising out of the States Reorganisation programme. Such untoward occurrences do not augur well for the unity of the country and smack of fissiparous and parochial tendencies.

"With the even faster means of transport and communications and increasing rate of intercourse between peoples, the world is becoming smaller and a more compact unit. Historically, therefore, redistribution of areas, intra-national or international, seem to be a bit anachronistic. One wonders if the country should not have been divided on the more convenient geographical and administrative regional bases, facilitating balanced economic growth. Indeed, ever since the formation of Andhra, I have been suggesting the redistribution of the country on the basis of geographical zones. The idea of zones appears to have fascinated our Prime Minister also and the Government has taken some steps in this direction.

"While we met here last year, an unprecedented round of floods had overtaken the country including the Punjab and Delhi. It is unfortunate that they have appeared this season again with more severity.

"These floods have an even larger bearing on the general economic situation in the country and generally on the fulfilment of our planned programmes. The commodity prices have shown an upward tendency during recent months. This tendency has been more spectacular in respect of foodgrains and other agricultural crops. Between May 1955 and September 1956, the General index of wholesale prices (with the year ended August 1939 as the base) showed an increase of 78 points or 23 per cent. But the index in respect of food articles has advanced by 117 points or 43 per cent. As against these, the rise in prices in respect of manufactured articles has been much less marked; the index advanced only 4 per cent.

Monetary Expansion

"On the one hand, these variations in prices have to be set against the decline in prices a year before, and on the other, against the several measures of controls invoked or proposed by the Government. The changes in the price structure have to be studied further in the light of the food policy followed and the monetary expansion generated by the Government. Actuated by the crop of 1954-55, almost all reserves of foodgrains had been liquidated. Furthermore, there has been an expansion of money supply during 1955-56 to the tune of Rs. 264 crores, as against, and in addition to, an expansion of Rs. 127 crores a year earlier. Three-fourths of the expansion was accounted for by the increase in currency alone.

"Disregarding these basic circumstances of the situation, we seem to seek the remedy in increased tempo of taxation and rigid controls. The Government does feel that the features of the situation are only temporary and more of a correctional nature. If so, taxation cannot and will not cut any ice. Moreover, so long as the tempo of Government spending continues in search of 'green fields and pastures new' of the public sector, taxation, particularly direct, will only defeat its own purpose. If currency inflation is the established feature, it is immaterial whether the purchasing power is brought to the market by this or that sector.

Controls

"Public memory is proverbially short, but I am sure we have not forgotten the difficulties involved in rigid commodity controls on production, distribution and prices prevalent during the war and immediate post-war periods. Such controls not only do not check prices but are notorious for creating artificial scarcities and other complications. These measures only indicate the philosophy guiding the economic policy of the Government. Thus, the nationalisation of the Imperial Bank and life insurance in the country and promulgation of the Companies Act were followed in quick succession by the Industrial Policy Resolution of the Government of India dated 30th April 1956.

"I recall that the Prime Minister had, in the larger interest of the country, given an assurance that it was not the intention of the Government to nationalise existing industries, because that did not create fresh capital and income in the country. The resources of the State could be better utilised in sponsoring new and neglected lines of economic activity. Hardly had the echoes of the Prime Minister's assurance died out than the Imperial Bank and life insurance were nationalised. I am constrained to say that we have not quite followed this confusion. I will strongly urge the Government that the Prime Minister's assurance should be carried out both in letter and spirit.

"I agree that we have been presented with a *fait accompli* and it is no use crying over spilt milk. But, as the question of nationalisation of life insurance touches the frontiers of our fundamental economic philosophy, I will like to examine these arguments.

Limit on Investment Should be Raised

"The Government appears to have given the assurance that they will continue to make available to the private sector of industry the same proportion of funds as heretofore. If that be so, it is not understood how does the Government intend to employ this industry as a source of funds for the implementation of the second or, for that matter, third Five-year Plan. If, however, this is the intention, there is an easier recourse available to the Government, namely, increasing the limit of investment in Government and allied securities from 50 per cent. to 60 per cent. or even 70 per cent. It may be interesting to note here that the total investment of life insurance companies in the United States in Government securities, including those of the Federal, State, Local and Foreign Governments, total about Rs. 5,760 crores, out of total assets of about Rs. 40,230 crores in 1954. This share constituted less than 15 per cent. of the total assets. In the same year, such securities constituted a share of 54.9 per cent. in India. As against this the share of business securities represented 45 per cent. in the United States of America and only less than 15 per cent. in India.

"Among the two arguments of malpractices and misappropriation of funds, I will take the latter first. The business of about 165 insurers was nationalised. A searching investigation was conducted by the Government of the affairs of all companies, by specially appointed investigators and custodians. Misappropriation of funds was detected in three or four cases. There is reason to believe that, except in one case, misappropriation may have been resorted to after the act of nationalisation. Misappropriation of funds in one or even three or four cases cannot by any sane judgment be a sole reason for nationalisation of an industry which was conducted by more than 165 companies and which is older than half a century. There are always certain rotten apples in every basket. Nobody argues, I am sure, that because there have been stray instances of the so-called 'scandals' in Government enterprises, the Government has no right to start these or other industries. Moreover, there cannot be any doubt that such cases were only stray instances and certainly not the general rule.

Malpractices

"There has been, similarly, vague talk about other malpractices in the industry. The only source of malpractices was the fierce internal competition. This was sought to be checked by limits on commission, which gave rise to the evil of rebating. Now certain type of competition reflected in one form or another will be present in every industry in the free sector as a result of market mechanism. If this mechanism was allowed to have its play, uneconomic units would have faced the wall and industry would have returned to normal functioning. If it was desired not to allow any company to collapse, it was the responsibility of the controlling authority to institute and implement suitable means to curb the tendencies. The Government took the initiative and shouldered this responsibility. But the Government control not only failed to curtail the fierce competition but it gave rise to worse problems. Further, the Government also failed to devise suitable ways and means to improve the situation. This failure of the Government and the worse problems, as a consequence thereof, have become the crime of the industry and, strangely enough, the Government has taken recourse to it as argument for nationalisation.

"In view of what I have said so far, we can get only one conclusion, that it was ideological predilection which actuated the fateful step. However, we have, on the contrary, repeated assurances of our Prime Minister that the policy of India will not be governed by ideological fancies and prejudices in internal and economic no less than international affairs. We hope that this cleavage will draw closer and closer and it will be possible to reconcile Government measures with the avowed objects enunciated by our Prime Minister.

"The Government proposed, in the first instance, to allow insurance companies to operate life insurance business abroad. A conference was also called to devise a formula as to what companies should be allowed to do so. We also offered our services for the same. All of a sudden, however, it was announced, without taking us in confidence, that the Government had already decided that the Life Insurance Corporation itself would transact this business.

"Although the problems of general insurance are no less embarrassing, they are akin to those in the sister industry. The main problem is the internecine competition. Owing to tariff rates there is perhaps some way out in fire and miscellaneous departments, but there appears to be no remedy against the cut-throat competition and rate-cutting in marine insurance. It appears that this section has become a definite drain to the industry. Whereas other measures will no doubt be necessary, one wonders if the restrictions on commission rates may not be abolished. If it were done, perhaps, the only problem left to be tackled will be that of cut-throat competition. I should, however, make it clear that I do not suggest that the overall limit on expenses should also be removed.

"We are told that the Government is contemplating some measures to curb the evils. Lest we should repeat the mistake, I would wish that the Government takes the entire industry in confidence and seeks their advice on the problems confronting them.

"Among the new measures, perhaps some kind of test for the business-worthiness of the companies is being proposed. If this is an effective measure it will no doubt be very useful. But this is only the negative aspect. I believe we should explore possibilities of ways and means to deal with 'uneconomic units.' If some voluntary efforts can be initiated as, for example, amalgamation of smaller uneconomic units with larger units, the industry will benefit immensely.

"It is also understood that there may be stricter inspection of companies. It may achieve some results, but what will actually help the industry is a constructive approach. We should devise a programme first to put the industry on sounder footing and provide conditions for its smooth functioning. The type of inspection envisaged will play then a very important role in combing out any discrepancies which may be left over.

"We have taken a very salutary and welcome step in establishing a Reinsurance Corporation of India. I recall with great pleasure that I had submitted a scheme to the Government about three years back for establishing such a corporation. We are glad that this Corporation will be collectively owned and operated by the companies themselves.

Working Results

"Now coming to the results of the working of the Society, as you must have noticed from the accounts, the same have been divided and we have presented exclusively the results of the operations of the general department.

"The profit and loss account has shown a net profit of Rs. 95,646 which is transferred to the appropriation account. This includes a sum of Rs. 1,34,125 transferred from shareholders life profit account, representing the surplus allocated to shareholders out of the actuarial valuation conducted for the period ended 31st December 1954. On the contrary, our profit was depleted by the loss on exchange on account of the devaluation of the Pakistani rupee to the tune of Rs. 2,64,530.

"It would not be out of place if I mentioned here, in the interest of achieving the better underwriting results we did not hesitate to curtail sizably the reduction in the accident department in the midst of overall expanding business. Thus, whereas our fire and marine premium income showed increases, the premium income in the accident and miscellaneous department was curtailed by more than 50 per cent.

"We had a carry forward from last year of Rs. 1,07,856. After providing for the dividend declared for that year, there was a net surplus of Rs. 47,856 brought forward to the appropriation account. Adding to this the net profit for the year and tax adjustment with the life department, we had a balance of Rs. 1,71,667 for appropriation. As you are now aware, I am glad to say that your Directors have recommended payment of a dividend at the rate of 6 per cent. on the paid-up capital of the Society.

Promising Outlook

"I am confident, you will agree with me that the overall atmosphere is cheerful and optimistic and there is every reason to believe that we will make further strides of progress. In the midst of expanding economy and accelerated pace of industrialisation, the Society will not only have its own share of promise and success, but it will, in its own humble way, contribute to the rebuilding of the nation as one of the sinews of modern progress. Whereas life insurance was an integral part of the Society's business and strength, I can assure you that, in its own sphere, the position of our existing business will be jeopardised on no account. Indeed, this will only prompt us to consolidate our position further and serve the industry with renewed vigour."

DALMIA CEMENT (BHARAT) LIMITED

Registered Office and Head Office:

P. O. DALMIAPURAM, DIST. TIRUCHIRAPALLI, MADRAS STATE

(This is an announcement to the members and not a prospectus and neither an invitation to the public or any section of the public for subscription of shares)

AUTHORISED CAPITAL .. .. Rs. 5,00,00,000

Divided as follows (as reconstituted on 1st October 1956):

		Rs.
1,00,000	preference shares of Rs. 100 each	1,00,00,000
1,00,000	preference shares of Rs. 40 each	40,00,000
10,00,000	preference shares of Rs. 10 each	1,00,00,000
10,00,000	ordinary shares of Rs. 10 each	1,00,00,000
60,00,000	ordinary shares of Rs. 2-8 each	1,50,00,000
10,00,000	deferred shares of Re. 1 each	10,00,000
	Total ... Rs.	5,00,00,000

ISSUED, SUBSCRIBED, CALLED AND PAID-UP CAPITAL...Rs. 1,50,25,000

Divided as follows:

		Rs.
35,000	preference shares of Rs. 100 each	35,00,000
59,375	preference shares of Rs. 40 each	23,75,000
6,00,000	ordinary shares of Rs. 10 each	60,00,000
10,60,000	ordinary shares of Rs. 2-8 each	26,50,000
5,00,000	deferred shares of Re. 1 each	5,00,000
	Total Rs.	1,50,25,000

DIRECTORS

1. SHRI JAIDAYAL DALMIA, New Delhi (*Chairman*).
2. SHRI KAMALNAYAN BAJAJ, Bombay.
3. SHRI BHAGWAN DAS GOENKA, Madras.
4. SHRI M. SATYANARAYANA, Madras.

MANAGING AGENTS

MESSRS. HARI BROTHERS PRIVATE LTD.

AUDITORS

MESSRS. V. SANKAR AIYAR & CO., Chartered Accountants.

BANKERS

MESSRS. NATIONAL BANK OF INDIA LTD.

PRESENT ISSUE

(a) 3,56,250 Preference Shares of Rs. 10 each at par offered in the first instance to the holders of Preference Shares of Rs. 40 each, in the ratio of six Preference Shares of 10 each for each Preference Share of Rs. 40 held.

(b) 31,80,000 ordinary shares of Rs. 2-8 each at par offered in the first instance to the holders of ordinary shares of Rs. 2-8 each, in the ratio of three ordinary shares of Rs. 2-8 each for each ordinary share of Rs. 2-8 each held.

CONSENT OF THE CENTRAL GOVERNMENT HAS BEEN OBTAINED TO THIS ISSUE BY AN ORDER OF WHICH A COMPLETE COPY IS OPEN TO PUBLIC INSPECTION AT THE HEAD OFFICE OF THE COMPANY. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE CENTRAL GOVERNMENT DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM.

As the Government of India has sanctioned expansion of Dalmiapuram Cement Works in Madras State from the present capacity of 750 tons of cement daily to about 1,250 tons per day, further capital is being issued for which sanction of the Controller of Capital Issues has been obtained *vide* letter No. R-332-CCI/56, dated 3rd October 1956, as amended *vide* letter, dated 1st November 1956.

The newly issued shares shall participate in dividend declared for the accounting year 1957 and any subsequent financial period. The newly issued ordinary shares of Rs. 2-8 each shall rank *pari passu* in all respects with the existing ordinary shares of Rs. 2-8 each. The newly issued Preference Shares of Rs. 10 each shall rank *pari passu* with the existing Preference Shares of Rs. 100 and Rs. 40 *each in* proportion to the capital paid up in the matter of dividend and assets on winding up and shall carry the right to a preferential cumulative tax-free dividend of 6 per cent. per annum, but will participate in dividend at 7 per cent. in the event of a dividend above 10 per cent. being declared on ordinary shares and will be entitled to 7½ per cent. in case of dividend at 20 per cent. and above being paid on ordinary shares and also an additional half per cent. rising upto 9 per cent. along with 10 per cent. further rise in the dividend on ordinary shares but will have no further rights to participate in the profits or assets.

The voting rights attaching to the newly issued Preference Shares of Rs. 10 each shall be in accordance with the provisions of Section 87 (2) of the Companies Act, 1956, while the voting rights attached to the existing Preference Shares of Rs. 100 and Rs. 40 each are wider.

The Renunciable Letters of Right will be issued to persons who are registered as on 30th November 1956, as the holders of the shares carrying the Right, and for this purpose, the share transfer register shall remain closed from 19th November 1956, to 30th November 1956, both days inclusive. The Letters of Right are expected to be posted by 10th December 1956. Those who do not receive their Letters of Right to which they may be entitled by 15th December 1956, should write to the Company.

Normally one Letter of Right for each class of shares, that is, preference and ordinary shall be issued to the shareholders for full number of shares of each class respectively to which they may respectively be entitled. But if any shareholder desires to renounce the whole or any part of his Right in favour of one or more persons for one or both class of shares, he may intimate in advance to the Registered Office of the Company the denomination in which he would like to get the Letters of Right to avoid wastage of time over getting split letters later on. This, however, does not prevent Right holders from applying for splitting of Letters of Right after issue but within the time allowed for the purpose. The last date for receiving requests for splitting Right Letters would be 31st December 1956.

On and after 31st January 1957, preference shares of Rs. 40 each and ordinary shares of Rs. 2-8 each shall cease to have any preferential right of subscribing towards fresh issues of capital.

The last date for receiving Acceptance forms duly completed in all respects will be 31st January 1957. The shareholders will have to pay full value of the shares accepted along with the Acceptance form. The form can be sent and the total amount paid in one of the following two ways:

(i) By sending the form together with remittance for full value to the Registered Office of the Company at Dalmiapuram, so as to reach there not later than 31st January 1957.

OR

(ii) By handing over the form and the amount of full value to the Bankers of the Company, M/s. National Bank of India Ltd. in any of its branches in India on or before 31st January 1957.

Allotment letters will be issued as early as possible after completion of Allotment but no other receipt or acknowledgment of Acceptance Forms will be sent. Share certificates will be issued within 9 months of allotment.

The working results of the Company for the past few years are as follows:—

Year	Production of Cement in tons.	Gross profits earned before providing for depreciation and Managing Agents' Commission.	Depreciation provided.	Dividend on		
				Pref. shares.	Ordy. shares.	Defrd. shares.
		Rs.	Rs.			
1952 ..	2,28,950	40,01,482	11,31,311	6%	6¼%	*Nil*
1953 ..	2,20,256	40,75,904	12,48,101	6%	10 %	10 %
1954 ..	2,70,000	64,90,088	10,60,722	6%	10 %	10 %
1955 ..	2,66,285	68,23,654	5,37,945	7%	12½%	12½%

The total original value of the gross block at the end of 1955 has been Rs. 1,86,81,654. Total depreciation including initial depreciation, provided till end of 1955 has been Rs. 1,29,96,995. The 250 tons plant was installed before war some time in 1939 and the 500-ton plant was installed after war in 1949, bringing the daily production of the works to the present level of 750 tons per day.

All correspondence regarding the new issue should be addressed to the Registered Office of the Company. Shareholders are requested to make it a point to quote always their register of members folio number. The reference will avoid all possibilities of mistake and ensure prompt attention. It is presumed all shareholders have already taken note of their number. Those who have not, are requested to do it now. They will find it at the left side over their name appearing on the envelope in which the circular regarding the new issue has been sent to them or on the Letter of Right that will be sent.

INDIAN INCOME TAX ACT
NEED FOR AMENDMENT

By S. S. Jhunjhunwala, Advocate

RECENTLY, there was a news item in the papers that the Government harbours the intention of drafting a fresh Income Tax Act with a view to simplifying the law and we presume, also to systematise the same. This is quite welcome news, as the move is towards meeting a long-felt need for scrapping the present Income Tax Act and one remembers what has been rightly pointed out by Mr. J. B. Kanga and Mr. Palkhivala in their commentary on the Act:

"It is passing strange that an Act which brings more revenue to the Government than any other and which makes a welfare State possible should be the most untidy Act on the Indian Statute Book. It is an Act exiled from order and system. The bones of dead sections are scattered all over the Act."—(*Preface to the Third Edition* of The Law and Practice of Income Tax. *By Kanga and Palkhivala*—1953.)

The said writers pointed out some references in particular sections of the Act to such other provisions of the Act as were *non-existent*. Now the Legislature has tried to correct these errors and slips but various sections, notably sections 4, 4A and 4B, can still serve as good models for those interested in illogical treatment and complication of plain things. Several anachronisms had crept into the Act after 15th August 1947, since when there has been a spate of amendments necessitated by historical events. One cannot grudge the unenviable plight of the law-drafters, who have also taken care to rectify the same as and when noticed. On the whole, a good portion of the complexity and clumsiness of the statute is attributable to the haphazard growth of and changes in the law from time to time, especially since 1939, the determining motive of which has almost consistently remained that of stopgapping the loopholes whose benefits the alert taxpayers have not failed to avail of. All the same, it cannot be gainsaid that the lack of clear understanding and vision on the part of the law-framers in regard to both their own intentions and the effect of particular words chosen for the sections has not made an insignificant contribution to the march of this very important law of ours to its present deplorable state in theory as well as in its practical application by the Income-tax authorities.

The purpose of this very brief survey is to content myself with only two instances from both the angles, namely, theoretical and practical, which, in fact, are interconnected and not easily separable.

Section 23A

The well-known, though perhaps not well-understood, Section 23A of the Indian Income Tax Act was introduced, and has been modified from time to time, with a view to checking the avoidance of payment of higher rate of super-tax by individuals. The process of avoidance usually practised was that a limited company—private or public—was floated; huge profits accrued to the company but the company was subject to income-tax and super-tax only at a uniform rate, which rate proves to be less than the rates applicable to individuals having higher scales of income. The said profits were not distributed as dividends, as dividends entailed further tax liability in the hands of its higher income group of shareholders. But, in the place of the same, bonus shares were issued which were free of tax and, in extreme cases, the companies were sent to liquidation thus entailing release of capital assets of the company in the hands of recipients which, again, was not taxable. As section 23A alone was found to be insufficient for the purpose, the definition of the word "dividend" was amended in 1955 and again this year. Section 2 (6A) of the Act is now formidable and comprehensive enough to treat as dividend for this purpose what is not and cannot be regarded to be so in commercial practice. This definition of "dividend," on the other hand, is a specimen of drafting acumen determined to achieve a particular result and it is interesting to quote it in full:

"(6A) 'Dividend' includes—

"(*a*) Any distribution by a company of accumulated profits whether capitalised or not, if such distribution entails the release by the company to its shareholders of all or any part of the assets of the company;

"(*b*) any distribution by a company of debentures (debenture-stock or deposit certificates in any form, whether with or without interest) to the extent to which the company possesses accumulated profits, whether capitalised or not;

"[(*c*) any distribution made to the shareholders of a company on its liquidation, to the extent to which the distribution is attributable to the accumulated profits of the company immediately before its liquidation, whether capitalised or not];

"(*d*) any distribution by a company on the reduction of its capital to the extent to which the company possesses accumulated profits which arose after the end of the previous year ending next before the 1st day of April 1933 whether such accumulated profits have been capitalised or not;

"(*e*) any payment by a company, not being a company in which the public are substantially interested within the meaning of section 23A, of any sum (whether as representing a part of the assets of the company or otherwise) by way of advance or loan to a shareholder or any payment by any such company on behalf or for the individual benefit of a shareholder, to the extent to which the company in either case possesses accumulated profits; but 'dividend' does not include—

"(i) a distribution made in accordance with sub-clause (*c*) or sub-clause (d) in respect of any share issued for full cash consideration where the holder of the share is not entitled in the event of liquidation to participate in the surplus assets;

"(ii) any advance or loan made to a shareholder by a company in the ordinary course of its business where the lending of money is a substantial part of the business of the company;

"(iii) any dividend paid by a company which is set off by the company against the whole or any part of any sum previously paid by it and treated as a dividend within the meaning of clause (*e*), to the extent to which it is so set off.

"*Explanation*—The expression 'accumulated profits,' wherever it occurs in this clause, shall not include capital gains arising before the 1st day of April 1946, or after the 31st day of March 1948."

So far as the issue of bonus shares is concerned, the Finance Act 1956 taxes the said issue as well. Thus, I think the Government has fully achieved its object of defeating the practice among higher income group of shareholders having controlling interest in the companies in avoiding taxes as outlined above, which purpose has been particularly achieved by the very stringent provisions of section 23A as it stands at present.

Now, the Finance Act 1956 goes one step further and lays down that, in the case of a company to which section 23A is applicable, any dividend declared by it, which exceeds 6 per cent. and upto the extent that it does not exceed 10 per cent. of its paid-up capital shall be liable to an extra super-tax of two annas per rupee and, on that part of the said dividends which exceeds 10 per cent. of the paid-up capital, the additional super-tax shall be charged at the rate of three annas per rupee. It will be generally seen that, if a company does not distribute 60 per cent. of its income as dividend after payment of taxes the Company has been made liable to pay an additional super-tax of four annas in the rupee and in some cases eight annas in the rupee.

In order to avoid this high rate of super-tax, the company has naturally to declare dividends at a high rate and in a very large number of cases the rate of dividend will be above 6 per cent. and 10 per cent. of the paid-up capital. The object of the Government having been achieved by the amendment of section 23A, by the new definition of "dividend" and by taxing the bonus shares, one comes to the conclusion that this additional super-tax of two annas and three annas per rupee on dividends exceeding 6 per cent. of the paid-up capital is nothing but an overzealous attempt to grab revenue somehow or other and one feels that a private limited company having been already put to other disadvantages in respect of tax as compared with a public limited company, this additional charge on dividends may be called to be wholly unjustifiable and uncalled for and the last straw on the camel's back leading to the creation of conditions forcing the private limited company to think of adopting any possible means for saving tax. On the other hand, in certain cases, where some companies would be interested in declaring high dividends on grounds of commercial expediency will find this additional tax to be a deterrent with unwholesome effect. Looked at from one angle, it also goes against the idea underlying section 23A.

Bad Debts

Now, among the numerous instances of practical administration by the authorities one is the treatment of bad or irrecoverable debts by the income-tax officers. It is generally found that the Income-tax Department is very meticulous in imagining grounds for disallowance of bad debts and the common grounds found in the assessment orders are: "bad debts not proved", "steps taken for recovery do not appear to be sufficient", "debt became time-barred one year ago" or "debt will become time-barred one year later", etc. The decisions in the case of *C.I.T.* vs. *Chitanavis* 6 I.T.C. 453, 458 (P.C.); *B.C.G.A. (Punjab)* vs. *C.I.T.* 1937 I.T.R. 279 and *Bansidar Poddar* vs. *C.S.T.* 1934 I.T.R. 20 to the effect that a time-barred debt is not necessarily bad neither is a debt which is not time-barred necessarily good are not followed in practice. The attitude of the department is the same both in the assessment of banking and moneylending as well as non-banking business concerns. It should be borne in mind that no one likes to write off a debt, especially a bank, and it is only when all the avenues of getting back the debt seem to be exhausted to the assessee that the loss is written off as bad debt. The business man actually losing the money is the best judge of the situation and the legal time-bar for realising it is only one of the various considerations influencing his decision and it is not surprising that, sitting cosily, the income-tax officer finds it very convenient to pass a judgment on the dead thing that sufficient attempts were not made to recover the money whereas it is a fact that, if such formal and legal attempts as are expected by the income-tax officer are taken in all cases, the costs of such steps may well exceed the amounts themselves actually involved. So far as banking concerns are concerned, money is their stock-in-trade and they are always anxious to maintain a record, as far as possible, of the minimum number of bad debts, and, on the other hand, if there happens to be any, in all fairness and justice to their own shareholders, customers and the public at large, they do not wish to hide the reality and continue to show as asset what is not there.

Further, if the debt happens to be realised subsequently, then it becomes taxable at that subsequent point of time if it has been actually allowed by the Income-tax Department in some previous year as a deduction.

It is clear that the treatment of bad debts should be made very liberal for allowing the same as a deduction. It may be argued that, in that case, big business men will take undue advantage by writing off the amount in such years when their income happens to be abnormally high. But I am not at all suggesting that the income-tax officer should allow bad debts without any enquiry and satisfaction on his part; only, so far as the small amounts are concerned, he should not be so meticulous and so far as the big amounts are concerned, before using his hammer, he should arrive at a finding that the intention of the assessee in writing it off was *mala fide*.

It is hoped that, while revising the present law, the legislators will especially bear in mind the practical hardships caused to the taxpayer both in understanding the law and facing its administration. The instances cited above can be multiplied without difficulty but that would be going beyond the limits of the present article.

In the course of a note on India's financial resources, submitted to the A.-I.C.C., Mr. T. T. Krishnamachari, Union Finance Minister, says that India has now a carry-over of about Rs. 100 crores of external assistance authorised in the First Plan period. The recent agreement on imports from the United States makes a further Rs. 137 crores available. The gross amount available by way of steel credits is Rs. 83 crores, though a part of this will have to be repaid during the Plan period. He adds that India can legitimately expect to get substantial loans from the World Bank.

As regards internal resources for implementing the Plan, Mr. Krishnamachari points out that the target for additional taxation mentioned in the Plan is Rs. 450 crores, but there is a gap of Rs. 400 crores which will have to be covered mainly by taxation. The target may have to move up further, because of increases in cost on some items in the Plan, new expenditure on items not covered by the Plan and the desirability of reducing reliance on deficit financing.

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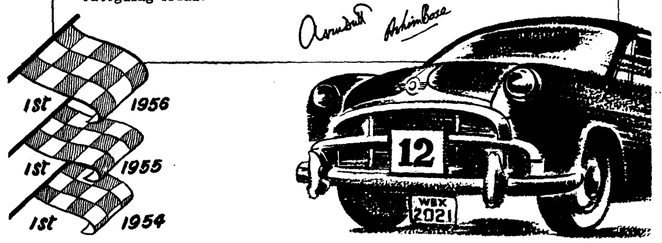
The Hindusthan Landmaster we used proved perfectly reliable during the Trial. The engine was not stopped for a single moment on the 772-mile run that lasted 25 hours and yet there was no trouble whatsoever.
We had to maintain the prescribed average speeds on good metalled roads as well as on rugged and hilly tracts. Yet, the manoeuverability of our Landmaster, its instantaneous engine response and excellent road holding made it possible for us to drive at the controlled high and low speeds required by the Trial without any difficulty. The well-cushioned seats and spaciousness added to our comfort and kept us relaxed even in this tough and fatiguing Trial.



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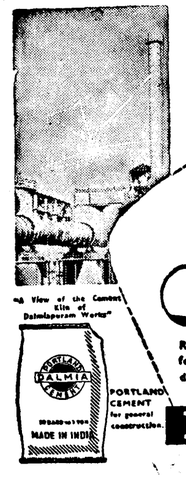

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PROBLEMS FACING G.A.T.T. SESSION

DELEGATES STRESS STABILISATION OF COMMODITY PRICES

A WIDE range of stimulating subjects is being discussed at the Eleventh Session of the Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.) which opened at Geneva on 11th October 1956, and in which the thirty-five contracting parties to the G.A.T.T. are participating. Important items included in the agenda thus are: (1) Balance-of-payments Import Restrictions, (2) Customs Tariffs, Charges, etc., (3) Customs Administration, (4) Customs Unions, Free Trade Areas, etc., and (5) Commodity Problems and Surplus Disposal. Discussion on the item "Balance-of-payments Import Restrictions" takes the form of consultations on the discriminatory aspects of import restrictions. Accordingly, parties are expected to hold consultations with five Governments on the discriminatory aspects of the import restrictions which they apply for the purpose of safeguarding their balance-of-payments position and monetary reserves. The five Governments which will consult with the Contracting Parties are: Australia, Ceylon, New Zealand, the Federation of Rhodesia and Nyasaland and the U.K.

The main purpose of these consultations is to afford an opportunity for examining the discriminatory restrictions in the light of the relevant provisions and criteria of the Agreement, and for the exchange of views facing both the countries imposing those restrictions and those affected by such restrictions. A second form in which discussion takes place under this item is that of consultations with Governments applying import restrictions under Article XII. The need for such consultations arose because, as was stated by the U.S. delegate, many changes have taken place in recent years in the economic position of contracting parties, in their balance of payments and reserves, productive capacities and trade interests, stability of their currencies and the balance of internal supply and demand forces. Again, widespread and important changes have taken place in import restrictions and the way in which they are applied. Moreover, hitherto there has not been a general opportunity for consultations between Governments on quantitative import restrictions. Another aspect of the problem relates to the developments in the O.E.E.C. trade liberalisation.

Customs

The item "Customs Tariffs, Charges, etc." includes chiefly consideration of the new Brazilian Tariff, modifications proposed to be incorporated in the Rhodesia and Nyasaland Tariff, anti-dumping and countervailing duties, and others. Under another important item of the agenda, namely, Customs Unions, Free Trade Areas, etc., will be considered the recent proposals for closer economic integration in Western Europe by the formation of a customs union and/or free trade area. The proposed free trade treaty drawn up by the Republic of Central America, and the France-Tunisian Customs Union will also figure in the discussions.

Among the complaints to be considered by the Eleventh Session of the G.A.T.T. are certain Brazilian internal taxes which discriminate against certain French, U.K. and U.S. goods, French Compensatory Tax on Imports, Stamp Tax and Internal Tax on Automobiles, German Turnover Tax as applied to imports of printed matter and the U.S. restrictions on dairy products.

Under the item, "Commodity Problem and Disposal of Surpluses" will be discussed the question of further resolving the differences existing between the Governments in regard to the Draft Agreement on Commodity Arrangements submitted by the Working Party in its report on inter-governmental action to overcome problems in the field of international trade in primary commodities. The second part of the item relates to what is called a matter of serious and continuing concern to many contracting parties. It may be recalled in this connection that at the Review Session, in March 1955, the Contracting Parties adopted a resolution which called for an "orderly liquidation of surplus agricultural products" by the suppliers of those products, after due consultation with the interested parties.

Yet another notable item of the agenda relates to the accession of Switzerland to the G.A.T.T. and the admission of Laos and Tunisia as Contracting Parties.

Views expressed by the leaders of delegations of only a few countries, namely, Australia, Brazil and Ceylon, on certain items on the agenda are available to us so far. Reviewing the past year's developments at the opening of the Session, Ambassador Dana Wilgress, Chairman of the Contracting Parties, pointed out that international trade had increased by 50 per cent. in value and 60 per cent. in volume since 1948. He was, however, alarmed at the great disparity in the gains made by the industrial and non-industrial areas as a result of such increase. In this connection, he observed:

"But, as is clearly indicated in the G.A.T.T. Annual Report, the industrial and the non-industrial areas of the world have not profited equally from these developments. There has been a very rapid increase of trade between the countries that compose the industrial areas—by no less than 80 per cent. in value since 1948. On the other hand, trade between the industrial and non-industrial areas has increased by scarcely half that figure. While there has been a marked increase in the proportion of world trade carried between the industrial areas, the proportion of trade carried between the industrial and the non-industrial areas has actually declined. This disproportion in the share of progress in trade must be a matter of very serious concern, not only for the underdeveloped countries, but for all of us as in most of the countries of the non-industrial group their economic development must depend on the expansion of their foreign trade. This failure of most of the underdeveloped countries to enjoy a comparable share of increasing world prosperity is alarming, particularly in view of the interest that we have in seeing the less developed countries progress towards higher standards of living as rapidly as possible. It must be a matter of great concern to us as contracting parties, and I suggest that representatives might address their minds to the problem—namely, the decline of the relative importance of the underdeveloped areas in world trade—since it seems to me to be a direct challenge to the contracting parties to the G.A.T.T. who, in that Agreement 'recognise that their relations in the field of trade should be conducted with a view to, *inter alia*, raising standards of living . . . and promoting the progressive development of the economies of *all* the contracting parties.'"

Significant Failure

The Chairman further expressed his satisfaction at some of the favourable developments that were witnessed, during the past year, notably the tariff reductions negotiated at the fourth G.A.T.T. Tariff Conference, strengthening of the relations with the I.M.F., and the movement of many of the contracting parties progressively towards liberalisation of import restrictions. Significant failure in two respects, recorded in the past year, had, however, an adverse effect on the G.A.T.T. according to the Chairman. In the first place, there was the failure to bring into force the amendments to the Agreements which were drawn up at the Review Session. Secondly, they had failed to establish the Organisation for Trade Co-operation. He, nevertheless, expressed the hope that the present state of affairs would be brought to a happy end in the current Session.

Looking ahead, he felt that there must, inevitably, be a slackening in the pace of tariff reduction through the methods so far employed. Referring, in this connection, to the proposed Customs Union and the free trade area for the Coal and Steel Community for Europe, he said:

"If these schemes come to fruition, their effect on the development of international trade would be at least as far-reaching as, for example, the repeal of the British Corn Laws in the nineteenth century or the adoption of the policy embodied in the United States Reciprocal Trade Agreements Act. In terms of statistics the Western European countries are today responsible for 40 per cent. of world trade. Of this, about half—or 20 per cent. of world trade —represents commerce between them. These developments are clearly of close concern to the contracting parties as a whole, since the effects of the proposals would not be confined to certain countries but would extend to all countries which have a stake in international trade."

Organisation for Trade Co-operation

The Australian Minister of Trade, speaking at the plenary meeting regretted that the Organisation for Trade Co-operation could not be brought into existence during the past year. He pointed out that this failure and the one to implement the amendments of the Review Session, had a direct bearing on the problems, such as export subsidies and surplus disposals, of Australia and other countries. Voicing the widespread regret over the U.S.'s failure to ratify the proposals for the O.T.C., he said:

"There is no doubt in my mind that the United States Government has itself recognised in many ways that its position in the world economy calls for a vigorous, positive and consistent international commercial policy. Yet, United States leadership is today open to doubt. Acceptance of the Organisation for Trade Co-operation by the United States would restore the confidence of other countries that its trade policy practice as well as precepts is in keeping with the economic facts of international life today. The Australian Government has been authorised by Parliament to accept the Organisation for Trade Co-operation as soon as both the United Kingdom and the United States have done so. Action by the United States will be followed, not only by Australia's acceptance, but also by acceptance by many other countries."

No Subsidy Race

Proceeding, the Minister stated that Australia would be able and willing to meet competition in the world's market so long as that competition was based on comparative costs. But it was not prepared to engage in subsidy race with higher-cost producing countries. The present experience of export trade, which was far removed from the spirit of the amended subsidy provisions of the G.A.T.T., had thus a bearing on the degree of severity of the present import restrictions in Australia, and the need for conserving foreign exchange. In this connection, he pointed out that his country's interests were being increasingly threatened by the surplus disposal programmes of the U.S. "The report shows," he said, "that on a rough estimate the value of shipments of surplus disposals increased from $340 million in 1954 to about $1,000 million in 1955. So large a trade must be a real danger to many legitimate exporters, yet public expressions by Congressional and Administration leaders indicate no lessening in this tempo." He, however, welcomed the measure of care exercised by the U.S. Government in its disposal activities. Nevertheless, he called for a more realistic and objective consideration of the normal trade interests of other supporters. He added: "The practice developed by the United States in recent months of tying fixed levels of its commercial sales to its disposal transactions may look to be good business from its own point of view. From the point of view of other suppliers, thus pre-empted from a commercial market, however, it is indistinguishable in harmful effects from many of the trade practices outlawed under G.A.T.T."

The Australian Minister for Trade, the Rt. Hon. John McEwen, traced the root cause of the surplus problems in the U.S. to the domestic agricultural policies. It was the obligation of the U.S., according to him, to cope with its national problem with a minimum of disruption internationally. This could be achieved both by taking more effective internal measures and by a continued improvement in consultative procedures and "good faith consideration of the legitimate interests of normal commercial traders." Referring to Australia's import restrictions, he said that they should be viewed in the light of two factors, namely, the instability in its export earnings, due both to seasonal and market conditions, and the rapid growth of its economy, with the consequent pressure of demand on imports. He, however, stressed his intention to relax the restrictions, as the gradual improvement of the balance-of-payment position permitted.

Stability of Commodity Prices Neglected

Another representative who dwelt mainly on commodity problems was, Mr. R. G. Senanayake, the Commerce Minister of Ceylon. A notable contribution to the Conference was made by him when he suggested at the outset that the problems of greatest importance should be discussed and resolved at ministerial level. According to him, an aspect of crucial importance to the underdeveloped countries had been totally neglected; and that is stability of commodity prices. He pointed out:

"The absence of provisions relating to commodity prices has made the Agreement completely lopsided, with emphasis being placed preponderantly on the safeguarding of the interests of highly industrialised countries. Had the Havana Charter become a reality, its sixth chapter would have contained the necessary basis for the operation of price stabiisation for commodities. As matters have turned out, it is a sore disappointment to us in the underdeveloped countries that no agreement has been reached after so many long years whereby stability could be provided to primary commodities. Such stabilisation is not of immediate concern to the developed countries, and the question is being asked in our countries whether the G.A.T.T. is not an instrument devised for the benefit merely of the developed countries. Would it not be better, our people ask, to quit the G.A.T.T. and make bilateral arrangements? I need hardly emphasise that if the rule of law is preferable to anarchy in the sphere of tariffs, it is at least equally so in the sphere of prices of primary commodities."

As an example of the benefits that flow from stabilisation, he cited his country's experiment concluded with the Republic of China in 1952. It stabilised the prices of rubber for five years and created confidence in the future of the industry, which strengthened the Government and the private sector in planning the rehabilitation of the industry. Other important benefits which would accrue from stabilisation were: (1) the need of backward countries for building up reserves to safeguard their economies against a steep fall in the prices of commodities would be obviated, and the bulk of those reserves could be diverted towards improving their output, and (2) the formulation of plans of development would be made easier. He further added that the noble objectives of the Havana Charter and the G.A.T.T., namely, raising the standard of living for all and providing full employment, could certainly not be achieved except through the stabilisation of commodity prices. Moreover, he pointed out that, although commodity stabilisation was not of 'immediate' concern to the West, even to maintain its current standard of living. the West should sell its manufactures in the markets of the world. "Where will she find buyers," he asked, "outside her own confines if incomes remain at their existing low level in the East and in Africa and sink lower still, as they must if price stabilisation is not accomplished forthwith?" Mr. Senanayake further referred to the extra-economic repercussions the failure to establish commodity price stabilisation would have. He certainly voiced the feelings of the underdeveloped areas when he said:

"The recent liberation of peoples in the underdeveloped countries from colonial regimes has brought with it a realisation of the right of every individual to a decent standard of living if he is prepared to work honestly for it. We deny that right at our peril. The orderly democratic governments which we now enjoy are likely, in an unreasoning fury, bred of frustration, to be a main object of attack. The prevailing discontents already provide ammunition for subversive groups ever on the alert to seize an opportunity for revolt. I appeal to this Assembly, therefore, to approach the problem of commodity price stabilisation, which is on the agenda of the current Session, in all seriousness and with a firm resolve to secure agreement. That resolve must be proof against deflection by too minute a concern with immediate or petty gains, and fortified by the conviction that through such agreement alone can our common aims be realised peacefully and conformably to human dignity."

New Brazilian Tariff

The Brazilian Finance Minister, Mr. Alkimin. dwelt on the question of his country's Customs Tariff Reform in his address to the Plenary Meeting. He emphasised that his country, despite the urgent requirements of the present economic situation, had no intention of adopting measures which, in the long run, would contribute to a reduction of its foreign trade. The present financial situation, however. compelled the Government to adopt anti-inflationary measures which had already produced salutary results. Four main laws under consideration for this purpose covered, according to the Minister, Customs Tariff, Consumption Tax, Income-tax and Stamp Tax.

Referring to the first of them, namely. Customs Tariffs. for the adoption of which the approval of the G.A.T.T. is required, the speaker said:

"Although the aims of this reform are primarily of an economic nature, it is essential to point out that it is its fiscal effects which require its immediate adoption. The increase in revenue which will result will be one of the most important factors from which the Government will benefit in its campaign against budgetary deficits. And, in reality, there is no alternative to this measure. Inflationary pressure is so great, and the need for prompt and decisive action to re-establish our financial position so urgent, that the question of our commitments towards G.A.T.T. must be considered from a realistic standpoint."

He assured the Conference, however, that the proposed tariff reforms would introduce no new customs element in the composition or the cost of their import trade. "In practice," he said, "we are simply transferring to fiscal revenue the part of the receipts which, under the present auction system, constitute a burden on imports."

Fiscal Aspects

The technical, fiscal and economic aspects of the new tariff, as well as the probable consequences of its application, had been dealt with by the leader of the Brazilian delegation in a statement. Referring to the need for the proposed reform, he said that the existing tariff could not protect the legitimate interests of national production which was developing rapidly. Nor could it bring the revenue needed by the Government in ever-increasing measure to meet the budgetary expenditure. The nomenclature was, again, obsolete and confused and did not provide for many new goods. But what was still worse, according to the speaker, was the present system of import duties and the rate of those duties. For whereas in 1934 the customs revenue constituted 33 per cent. of the total revenue budget. it had taken to less than 3 per cent. in 1955.

Furthermore, according to the Minister, the present levy, based upon specific duties at a time when Brazil was wrestling with inflation, gave no protection to the country. Thus, according to the speaker, the Brazilian Government was convinced that the adoption of new import duties based on *ad valorem* levy corresponded to the immediate and the long-term interests of the country and was also fully justified by the circumstances. He was also convinced, he said, that the interests of the contracting parties would not be affected by the implementation of the new tariff. He, however, stressed that any Government had the right to suspend the application of the concessions granted to Brazil, and that it was ready to negotiate with any party which might possibly feel that there was damage to its interests.

NEW CEMENT KILN

What may be called Asia's biggest cement plant with a daily capacity of 800 tons was set in motion by the Chief Minister of Bihar in the Rohtas Industries in Dalmianagar on 5th November. The new kiln is the third to be started in Dalmianagar and brings the daily output of Rohtas Industries to the level of 2,000 tons per day.

The Rs. 2-crore giant kiln, very appropriately named Asoka Cement Ltd., is 330 feet long. An interesting feature of the plant is that it is said to be the most modern kiln, fitted with a rotary concentrator, and equipment to ensure rapid cooling of the finished product.

Speaking on the occasion of inaugurating the plant, the Chief Minister of Bihar, Dr. Srikrishna Sinha, expressed the hope that the new plant would go a long way towards meeting the cement needs of the country, in general, and Bihar, in particular.

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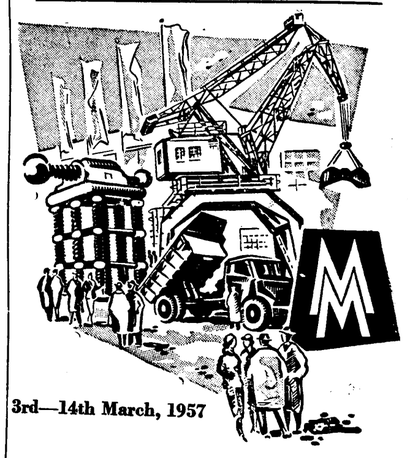

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TATA CHEMICAL JOINS DIVIDEND LIST

EARNINGS FOR 1955-56 SHOW SUBSTANTIAL RISE

SEVENTEEN years after its inception, the Tata Chemicals Ltd. proposes to pay a modest maiden dividend of As. 12 per ordinary share of Rs. 10 each or 7½ per cent. per annum without deduction of income-tax. This instance is sufficient to show the extent of sacrifice, patience and risk an investor in equities has to undergo if the country is to have heavy basic industries. It is necessary to emphasise this point, because, in these days of tall talk of a socialist pattern, many forget the importance of incentive to save and invest. Unless an investor is convinced that he will be adequately rewarded in future years, when the enterprise in which he participates begins to make satisfactory profit, for going without a return on his capital for years together during the period of exploration, construction and initial production, it will be extremely difficult to attract capital, especially equity capital, for risk-bearing enterprises to which category almost all the basic industries belong. Unless this fact is recognised by both politicians and labour leaders and is borne in mind by them while drawing up their economic policies and programmes for development, it is idle to expect the private sector to make any solid contribution to the rapid industrialisation of the country; indeed, it will be farcical to claim, as most of them do now, that there is a vast field waiting to be developed by the private sector.

Even the payment of the small dividend of 7½ per cent. after years of struggle and hard work has been possible only by denying the transfer necessary for wiping out the arrears of depreciation. The Company's profit for 1955-56 has been just sufficient to meet the normal depreciation and to contribute a small sum for reducing the arrears of depreciation in the past. Apparently, the Directors must have come to the conclusion that they could not afford to test the patience of ordinary shareholders any longer.

Substantial Profit

Although the increase in the Company's earnings for the year ended 30th June 1956 is not as large as was anticipated by the speculators on the Stock Exchange, it is substantial enough. At Rs. 43.85 lakhs, the gross profit for 1955-56 is Rs. 10.68 lakhs higher than that for the preceding year. The latter year, however, had witnessed a slight setback as compared with 1953-54 for which year the gross profit was Rs. 38.48 lakhs. The Directors have stepped up the provision for depreciation from Rs. 18 lakhs to Rs. 25 lakhs. Half of this amount represents current depreciation, while the other half is towards accumulated arrears of depreciation. The net profit works out to Rs. 16.84 lakhs, or roughly 25 per cent. more than Rs. 13.55 lakhs earned in 1954-55. A small beginning has been made in the creation of reserves by crediting Rs. 3 lakhs to development reserve and Rs. 60,000 to staff gratuities, which is more a contingent liability than a reserve for the benefit of shareholders. The Directors have not given any idea of the accumulated arrears of depreciation yet to be met from the profits of future years. Since no provision has been made for deferred tax reserve nor in full for the development rebate, it cannot be strictly claimed that even the maiden ordinary dividend has been fully earned.

The following table brings out the relevant features of the Company's working during the four years ended 30th June 1956:

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Sale of products	238.16	218.83	200.14	161.59
Other income	5.57	3.87	4.82	4.97
Closing stock of finished goods	31.40	22.24	15.35	18.98
Raw materials, stores, etc., consumed	77.84	81.13	89.33	77.69
Expenses	122.24	108.39	77.15	62.37
Gross profit	43.85	33.17	38.48	28.52
Managing Agents' commission	2.01	1.62	1.47	1.17
Depreciation	25.00	18.00	24.73	17.50
Taxation	..	..	..	0.40
Net profit	16.84	13.55	12.28	7.85
Preliminary expenses ..	..	..	..	0.40
Underwriting commission and brokerage on issue of shares	..	..	..	0.77
Debenture issue expenses	..	..	..	0.47
Reserves	3.60	0.05	..	..
Dividend—				
5 per cent. preference	3.00	13.50*	12.00†	6.00§
Ordinary	10.49	..	..	..
	(7½%)			
Carry forward	0.34	0.57	0.57	0.29
Rs.	34,425	57,597		

* For 4½ years. † For 4 years. § For 2 years.

During the year under review, both production and sales showed a substantial increase over previous years, sales having improved from Rs. 218.83 lakhs to Rs. 238.16 lakhs. The improved results were mainly due to higher production and lower costs, coupled with higher realisations in respect of some products. The year's target of production of 50,000 tons of soda ash was exceeded and the average daily production was 137 tons, as against 123 in the previous year. The original rated capacity of the plant has now been attained. The next expansion of this capacity to 200 tons per day, sanctioned by the Government last year, is now well under way and is expected to be completed by the end of the current year. Soda ash accounted for 67.5 per cent. of the Company's total sales, and 62.4 per cent. of the total indigenous production. The production of sodium bicarbonate increased by about 15 per cent., as compared with last year, and the expansion licensed by Government of a 50 per cent. increase in rated capacity, has recently been completed. The total output of caustic soda was only slightly higher, but the share in this of the electrolytic process registered an increase of about 110 per cent. over last year's figure.

Production of benzene hexachloride was satisfactory throughout the year, but, owing to excessive imports, it was found necessary to shut down the plant temporarily from 25th June 1956. It will take several months yet to liquidate the accumulated stocks, and the plant is not expected to resume operation till some time next year. In the field of bromides, the total production of potassium, sodium and ammonium increased by over 40 per cent. as compared with last year. The scheme to double the output of the bromine and bromides plants is progressing satisfactorily and it is hoped to complete it in the course of the year. Production of other chemicals was maintained according to the demand for these products. There was an increase in the production of magnesium chloride during the year as a result of a rise in demand. Production of solar salt was higher by 25 per cent. over last year's figure, while the output of vacuum salt was further stepped up by 40 per cent. The total salt production, both solar and vacuum, came to 130,000 tons, which is the highest annual production achieved so far. The work of expansion at the Company's Aramda salt works has made satisfactory progress. The area of these works is about 574 acres and will be used as a condensing area to draw brine of 22° Be by pipeline to Mithapur during the ensuing season.

Having regard to the growing demand for soda ash by consumer industries under the Second Five-year Plan, the Directors have approved in principle of a further expansion of the installed capacity in respect of soda ash to 400 tons per day, of which a proportion would be of dense variety suitable for the glass and bichromate industries. An application was made to Government and a licence has recently been obtained for this programme. With the proposed increase in soda ash production, the output of sodium bicarbonate will also be increased from 15 tons to 30 tons per day, and the Company has obtained a licence for this expansion too. Both the expansion schemes are expected to be completed within three years, at an estimated cost of about Rs. 2 crores, and will result in a progressive increase in annual production. Proposals for providing the funds required for this programme are said to be under consideration.

The Company's balance-sheet as at 30th June 1956 reflects the picture of a heavy industrial concern still struggling to establish itself firmly from the financial point of view. It has hardly any reserves worth mentioning. Depreciation continues to be in arrears, the extent of which is not known. No provision exists for deferred taxation reserves. The only redeeming feature is the relatively low level of fixed interest-bearing secured loans. The Company's paid-up capital at Rs. 199.96 lakhs is shared by 59,970 five per cent. cumulative preference shares of Rs. 100 each and 1,399,599 ordinary shares of Rs. 10 each. It is supplemented by debentures of the value of Rs. 25 lakhs. As against this, the reserves and surplus aggregate only Rs. 13.57 lakhs. The gross block of the value of Rs. 355.77 lakhs stands at the depreciated value of Rs. 225.39 lakhs. Additions during the year were of the order of Rs. 40.62 lakhs. The current assets of Rs. 169.78 lakhs are more than the current liabilities of Rs. 156.64 lakhs by Rs. 13.14 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 19-15 *cum-div.* On an *ex-div.* basis, the yield works out to 3.9 per cent. per annum, free of tax. This low level of yield, despite the absence of reserves and arrears of depreciation, reflects the investors' optimism about the Company's future. They feel that the Company has turned the corner and expect that, in view of the large expansion programme on hand, it will fare well in the coming years and pay big dividends.

ORIENT PAPER MAINTAINS DIVIDEND

The popularity of the shares of the Orient Paper Mills, Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) in recent years is amply justified by the steady pace of progress maintained by the Company. In addition, the fact that it has secured the necessary licence to establish a paper mill in Vindhya Pradesh is a further step on its steady onward march. In order to finance the expansion, the Directors propose to raise the capital further by Rs. 50 lakhs by issue of 5½ per cent. tax-free redeemable cumulative preference shares.

The Company's results for the half-year ended 31st March 1956 are quite encouraging. The gross profit at Rs. 67.98 lakhs is a shade higher than that for the previous half-year and substantially more as compared with that for the corresponding half of the previous year. The provision for depreciation has been maintained at Rs. 6.00 lakhs. Managing Agents' commission takes Rs. 6.84 lakhs, as against Rs. 6.86 lakhs and Rs. 6.55 lakhs and taxation Rs. 23.00 lakhs, as against Rs. 20.00 lakhs and Rs. 26.00 lakhs in the previous two half-years, respectively. The net profit at Rs. 32.14 lakhs is Rs. 2.29 lakhs lower than the profit for the previous half-year at Rs. 34.43 lakhs but Rs. 6.45 lakhs higher than that for the half-year ended 31st March 1955. The allocation to the reserves is of the order of Rs. 20 lakhs, made up of Rs. 10 lakhs to dividend equalisation reserve and of a similar sum to development reserve. This falls short of the transfers to reserves six months ago by Rs. 2.37 lakhs but is greater by Rs. 3 lakhs as compared with those a year ago. The ordinary dividend is proposed to be maintained at As. 10 per share, or 12½ per cent. per annum. The following table shows at a glance the Company's progress during the past three half-years:

(In lakhs of rupees)

	For the half-year ended		
	31-3-1956	30-9-1955	31-3-1955
Sales	197.63	159.89	165.90
Closing stock	10.09	13.57	8.65
Other income	5.20	6.57	11.55
Expenses	131.38	104.10	117.57
Gross profit	67.98	67.29	64.24
Managing Agents' commission ..	6.84	6.86	6.55
Depreciation	6.00	6.00	6.00
Taxation	23.00	20.00	26.00
Net profit	32.14	34.43	25.69
To reserves	20.00*	22.37	17.00†
Dividends—			
5½ per cent. preference ..	3.14	2.64	1.77
Ordinary	9.18	9.18	7.34
	(12½% p.a.)	(12½% p.a.)	(10% p.a.)
Carry forward	2.12	2.29	2.06

* To repairs and renewals, Rs. 7.00 lakhs.
† To repairs and renewals.

The Directors state that the mills worked satisfactorily during the period except for about a week due to labour trouble. They add that, in view of a marked increase in the cost of production, particularly on account of the increased cost of chemicals and salaries and wages, the profit of the Company should be considered satisfactory. This claim is not unjustified, as will be seen from the table above which shows that, as against an increase of Rs. 37.74 lakhs in sale proceeds, expenses have advanced by as much as Rs. 27.28 lakhs.

Referring to the expansion and modernisation programme of the Company, the Directors say that the major part of the two paper machines, electrolytic bleaching plant and pulp bleaching plant, have been shipped and these are expected to gradually go into production from early 1957. The boiler which was under erection, as well as the two digesters, has been commissioned. The black liquor evaporation plant and the new turbine are under advanced stage of erection and are expected to be put into operation soon. Further, steps have also been taken to improve and modernise the board manufacturing plant.

The Directors further state that a licence has been obtained from the Government of India for establishing a paper mill in the State of Vindhya Pradesh. The capacity of this mill is 100 tons per day. Necessary leases of forests in Vindhya Pradesh have been secured and signed to ensure sustained supply of raw materials for the new project. The paper mill is proposed to be established near Amlai railway station on the Bilaspur-Katni line. The site has been inspected and approved by the Company's technical staff, duly taking into consideration the prerequisites for future expansion of the unit.

The Company's paid-up capital, as disclosed by its latest balance-sheet, stands at Rs. 276.82 lakhs divided into 1,468,250 ordinary shares of Rs. 10 each and 130,000 5½ per cent. cumulative preference shares in tax-free and taxable categories of Rs. 100 each. As against this, the reserves and surplus aggregate Rs. 219.55 lakhs. The Company's debenture capital of 5¼ per cent. mortgage debentures secured against a part of fixed assets stands at Rs. 100 lakhs. The gross block of the value of Rs. 458.62 lakhs has been written down to Rs. 350.88 lakhs. The investments together with interest accrued thereon stands at the impressive level of Rs. 152.43 lakhs. The current assets of Rs. 272.59 lakhs more than offset the current liabilities of Rs. 179.53 lakhs including the provision for taxation amounting to Rs. 93.71 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 36 *ex-div.* On this basis, the yield works out to 3.4 per cent. per annum.

KILLICKS MAINTAIN DIVIDEND

PROFIT TREND DOWNWARDS

A SLIGHT diminution in earnings is disclosed by the audited accounts of Killick Industries Ltd. (Managing Directors: Mr. E. D. Sheppard and Mr. K. G. Milne, Bombay) for the year ended 30th June 1956. This means that the reversal in 1954-55 of the upward trend in earnings witnessed in the four years ended 1953-54, continued during 1955-56 also. The gross profit, which had reached a high of Rs. 35.75 lakhs in 1953-54 and slid down to Rs. 27.84 lakhs in 1954-55, receded further to Rs. 26.27 lakhs during the year under review. Accordingly, the profit for the year is the lowest to be recorded in the past half decade.

In tune with the gross profit, the net profit, too, is lower by Rs. 3.75 lakhs at Rs. 10.98 lakhs. This is arrived at after making higher provisions for both depreciation and taxation, the former at Rs. 2.84 lakhs, as against Rs. 2.11 lakhs and the latter at Rs. 12.45 lakhs, as against Rs. 11.00 lakhs. A heartening feature so far as the shareholders are concerned is that, in spite of the fall in earnings, the distribution to them in the shape of dividend is maintained at 11 per cent., to which level it had been stepped up two years ago from 10 per cent. paid for 1952-53. There has, however, been no allocation to the reserves. Whereas, in the previous year, the various reserves like general, equalisation of dividends, employees' retirement, employees' welfare and development received a total contribution of Rs. 3.83 lakhs, nothing has been set aside this year. It is true that a sum of Rs. 73,460 has been credited to employees' retirement and employees' welfare accounts, but this amount has been charged direct to the profit and loss account, the corresponding debit during the previous year being about Rs. 66,500.

The following comparative table brings out the salient features of the Company's working for the past four years, enabling a study at a glance of its progress in recent years.

(In lakhs of rupees)

	For the year ended 30th June			
	1956	1955	1954	1953
Gross income	49.65	48.43	59.57	50.42
Stock-in-trade	2.45	3.86	5.35	4.85
Expenses	21.97	19.09	24.33	20.66
Gross profit	26.27	27.84	35.75	31.67
Depreciation	2.84	2.11	2.82	2.38
Taxation	12.45	11.00	15.00	13.00
Net profit	10.98	14.73	17.93	16.29
Preliminary expenses written off	..	0.02	0.01	0.50
To reserves	Nil	3.83	7.50	6.61
Dividend	11.00 (11%)	11.00 (11%)	10.45 (11%)	9.00 (10%)
Carry forward	0.04	0.06	0.18	0.21

A close scrutiny of the gross income for the year under review shows that the earnings by way of commission and office allowance from managed companies were lower at Rs. 17.58 lakhs, as against Rs. 18.95 lakhs, while trade investments (gross) yielded a little more, at Rs. 18.66 lakhs, as against Rs. 17.38 lakhs. There was a sharp fall in sale proceeds of ore from Kachidana Mine from Rs. 9.29 lakhs to Rs. 1.40 lakhs. But the major part of this decline was offset by a new source of revenue, namely, sale of John Baker and Sons' products which fetched Rs. 5.76 lakhs during the year under review.

The Company has been granted a licence by the Government for the manufacture of mild steel bolts and nuts, dog spikes and square head coach screws. A few other projects also are under its investigation. The production of engineers' steel files commenced in July 1955. Permission to increase plant capacity has recently been granted by the Government. The sale of the Kachidana property was completed during the year. It had been indicated in the previous year's report that the Government of Madhya Pradesh proposed to work the Korba Coalfield as a State project and that the situation awaited further clarification. The Directors state in their latest report that there is no change in the position reported last year.

Against reserves and surplus aggregating Rs. 35.13 lakhs, the balance-sheet as at 30th June 1956 shows the Company's paid-up capital at Rs. 100 lakhs. There has been an addition of Rs. 5.85 lakhs to the gross block during the year, bringing the total value at the end of the year to Rs. 35.48 lakhs. Of this addition to the fixed assets, the light industries development project alone accounts for Rs. 4.54 lakhs. The gross block has been written down to a book value of Rs. 27.43 lakhs. Investments at cost amount to Rs. 144.36 lakhs, of which shares listed on the Stock Exchanges of a value of Rs. 136.71 lakhs have a market value of Rs. 150.08 lakhs, showing an appreciation of Rs. 13.37 lakhs on investments. Current assets other than investments aggregate Rs. 15.83 lakhs, while the current liabilities amount to Rs. 52.50 lakhs inclusive of the provision for taxation at Rs. 5.73 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 173 *cum-final* dividend of Rs. 7 per share. On an *ex-div.* basis, the shares provide a handsome yield of 6.6 per cent. per annum free of tax.

Points From The Chair

Outlook for Automobiles

"WITH the Government attitude as at present, it seems they are still thinking of reducing the dealers' margin which, in turn, will reduce the dealers' profit. Government have already effected a cut in the margin of profit on the Government Rate Contract Price effective from 1st September this year. This will affect the profits on Government and quasi-Government sales during the current financial year. However, there is no need to be very apprehensive, as we shall be compensated for the decrease in the margin of profit by much greater sales than we anticipate due to the good demand throughout the country as a result of the Second Five-year Plan. During the Second Five-year Plan, both manufacturers and Government expect the demand for vehicles to increase at least two times than what it is today all over the country, specially with the railways not being able to meet the demand thrown on it by Government and other industries. We naturally will also get a fair share of this increase in the truck business and that is why I look forward to the future with some optimism."

LALCHAND HIRACHAND,
Bombay Cycle and Motor Agency, Ltd.

Britain's Economy

"We are now in a totally different position than we were before the Second World War. The economy of a debtor nation, relying for survival upon exports and investing heavily in capital goods, has an inherently inflationary bias, even without the many other factors at present working in the same direction. In our changed situation since the war, it would be much easier for us to deal effectively with a threatened recession than it is to curb inflation, always provided that recession is not brought about by our losing our competitive powers in world markets. There lies the real danger—that we shall price ourselves out of these markets unless inflation is stopped. The issue at stake is so vital that I distrust half-measures. The soundness of our currency and the maintenance and expansion of our export trade should be our primary concern. If, as I believe, the fundamental threats to these include Government expenditure running at a level the nation cannot afford and excessive taxation acting as a brake upon enterprise, ways and means should and could be found to put first things first and to correct the position."

LORD AIRLIE,
British Linen Bank

Problem of Competition in General Insurance

"Although the problems of general insurance are no less embarrassing, they are akin to those in the sister industry. The main problem is the internecine competition. Owing to tariff rates there is perhaps some way out in fire and miscellaneous departments, but there appears to be no remedy against the cut-throat competition and rate-cutting in marine insurance. It appears that this section has become a definite drain to the industry. Whereas other measures will no doubt be necessary, one wonders if the restrictions on commission rates may not be abolished. If it were done, perhaps, the only problem left to be tackled will be of cut-throat competition. I should, however, make it clear that I do not suggest that the overall limit on expenses should also be removed. We are told that the Government were contemplating some measures to curb the evils. Lest we should repeat the mistake, I would wish that the Government take the entire industry in confidence and seek their advice on the problems confronting them."

B. L. JALAN,
General Assurance Society Ltd.

Rising Demand for Fertilisers

"In the chemical industry, and in the fertiliser industry in particular, expansion in research must be matched by a strong development organisation, and we have, therefore, decided on a major programme of expansion of our development facilities at Bramford, near Ipswich, the first stage of which is already operational. In the countries of the world which enjoy an advanced agriculture, there is an increasing demand that fertilisers should give the farmer what he needs in the most reliable, convenient and economic form. New processes are now being developed both in Europe and America, and there is a need for critical assessment of the relative advantages and disadvantages of these new formulations, both solid and liquid, which are being put forward as possibilities for the future. For this work, so vital for the future soundness of the Company's products, we now have the necessary resources. It can be assumed that the Company's fertilisers are backed by fully informed experiment and trial, directed by impartial scientific minds of mature experience."

F. G. C. FISONS,
Fisons Ltd.

COMPANY MEETINGS AND DIVIDENDS

TEEN ALI TEA CO., LTD. Annual General Meeting, Calcutta, 23rd November 1956. Dividend: Rs. 2 per share. Transfer books remain closed from 17th to 23rd November 1956, both days inclusive.

BROOKE BOND ESTATES INDIA LTD. Annual General Meeting, Calcutta, 27th November 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 7th to 27th November 1956, both days inclusive.

KILLICK INDUSTRIES LTD. Annual General Meeting, Bombay, 27th November 1956. Dividend: Rs. 7 per share (final). Transfer books remain closed from 9th to 27th November 1956, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 29th November 1956. Dividend: Rs. 7-8 per share. Transfer books remain closed from 14th to 29th November 1956, both days inclusive.

NATIONAL TOBACCO CO. OF INDIA LTD. Annual General Meeting, Calcutta, 30th November 1956. Dividend: As. 12 4/5 per share. Transfer books remain closed from 14th to 30th November 1956, both days inclusive.

MUTTRA ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 30th November 1956. Transfer books will remain closed from 24th to 30th November 1956, both days inclusive.

INDIA JUTE CO., LTD. Annual General Meeting Calcutta, 30th November 1956. Dividend: Rs. 4-11 per ordinary share. Transfer books remain closed from 16th to 30th November 1956, both days inclusive.

MEGNA MILLS CO., LTD. Annual General Meeting, Calcutta, 30th November 1956. Dividend: Rs. 3-12 per ordinary share. Transfer books remain closed from 16th to 30th November 1956, both days inclusive.

INDIAN CARDBOARD INDUSTRIES LTD. Annual General Meeting, Calcutta, 30th November 1956. Transfer books will remain closed from 22nd to 30th November 1956, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Annual General Meeting, Calcutta, 30th November 1956. Dividend: Re. 1 per share, payable on 17th December 1956. Transfer books will remain closed from 20th to 30th November 1956, both days inclusive.

TATA CHEMICALS LTD. Annual General Meeting, Bombay, 30th November 1956. Dividend: As. 12 per ordinary share, (maiden), payable on and after 3rd December 1956. Transfer books remain closed from 29th October to 26th November 1956, both days inclusive.

HOARE, MILLER AND CO., LTD. Annual General Meeting, Calcutta, 5th December 1956. Transfer books will remain closed from 23rd November to 5th December 1956, both days inclusive.

BURN AND CO., LTD. Annual General Meeting, Calcutta, 7th December 1956. Transfer books will remain closed from 28th November to 7th December 1956, both days inclusive.

BHAGALPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 7th December 1956. Dividend: As. 8 per share. Transfer books will remain closed from 30th November to 27th December 1956, both days inclusive.

BHARAT COLLIERIES LTD. Annual General Meeting, Dalmianagar, 8th December 1956. Dividend: As. 10 per share. Transfer books will remain closed from 27th November to 8th December 1956, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 12th December 1956. Transfer books will remain closed from 26th November to 12th December 1956, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Dividend of As. 14 plus bonus of As. 4 per share on 'A' and 'B' ordinary shares for the half-year ended 31st March 1956.

INDIA UNITED MILLS LTD. Interim dividend of As. 10 per ordinary share and one anna per deferred share, for the year 1956, payable on and after 14th January 1957. Transfer books will remain closed from 3rd to 22nd December 1956, both days inclusive.

SHEVEROY ESTATES LTD. Dividend of 10 per cent. on ordinary shares, for the year ended 30th June 1956. Transfer books will remain closed from 23rd to 29th November 1956, both days inclusive.

SOOM TEA CO., LTD. Interim dividend of Re. 1 per share, for the year ended 31st December 1956. Transfer books will remain closed from 19th to 24th November 1956, both days inclusive.

COMPANY REGISTRATIONS

INDIA REINSURANCE CORPORATION LTD. (First Director: Mr. A. D. Shroff.) Business: To transact reinsurance business of all kinds. Authorised capital: Rs. 10,00,00,000. Public company. Address: Registered office of the company will be situated in the State of Bombay.

TESTEELS LTD. (First Director: Mr. R. Nathalal.) Business: Mechanical engineers and manufacturers of machinery. Authorised capital: Rs. 25,00,000. Public company. Address: Prospect Chambers, 317/321, Dr. Dadabhai Naoroji Road, Bombay.

SWISS INDIAN TRADING CORPORATION PRIVATE LTD. (First Director: Mr. Henry Le Brasseur.) Business: Manufacture of watches, clocks, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Laxmi Building, Sir P. M. Road, Fort, Bombay.

SUBHASH SILK MILLS PRIVATE LTD. (First Director: Mr. Ramparkash Mehra.) Business: Silk mills. Authorised capital: Rs: 25,00,000. Private company. Address: 40, Central Building, Bomanji Master Road, Bombay 2.

VIJAY SILK PRINTS PRIVATE LTD. (First Director: Mr. Dharmpal Mehra.) Business: Silk mills. Authorised capital: Rs. 25,00,000. Private company. Address: 40, Central Building, Bomanji Master Road, Bombay 2.

AHMEDABAD ADVANCE EARNS BUMPER PROFIT

INDIA AND MEGNA JUTES RAISE DIVIDENDS

Ahmedabad Advance Mills Ltd.

THE directors of the above Company (Managing Agents: Tata Industries Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June 1956.

The profit for the year, after providing for taxation, managing agents' remuneration and depreciation, amounted to Rs. 13,11,721 (Rs. 2,94,748) to which is added the balance brought forward from the previous year's accounts of Rs. 5,408 (Rs. 5,660) making a total of Rs. 13,17,129 (Rs. 3,00,408). From this sum the directors have placed to reserve fund Rs. 8,13,040 (Rs. 2,65,000 to dividend equalisation fund) and to provision for gratuities Rs. 20,000 (Rs. 30,000) leaving a balance of Rs. 4,84,089 (Rs. 5,408). The directors recommend the following dividends for the year ended 30th June 1956:—

On preference shares at Rs. 5 (Rs. 5) per share, free of income-tax absorbing Rs. 50,000 (Rs. 50,000 out of dividend equalisation fund) on 33,000 ordinary shares at Rs. 12 (Rs. 7) per share, without deduction of income-tax absorbing Rs. 3,96,000 (Rs. 2,31,000 out of dividend equalisation fund) and on 7,000 ordinary shares at Rs. 3 per share, without deduction of income-tax Rs. 21,000, leaving to be carried forward Rs. 17,089 (Rs. 5,408).

The directors hope that the results of the year's working, which show a marked improvement over that of the preceding year, will be considered satisfactory.

There was sustained demand for cloth throughout the year at remunerative prices. Unlike the previous two years, the year under review was comparatively free from any serious interruption of departmental working owing to the mills' reorganisation and renovation work. The better results shown are, however, largely due to the benefits derived from the large-scale renovation and modernisation of the mills so far carried out.

The profit shown in the accounts is arrived at after debiting a sum of Rs. 3,00,000 to provide for bonus for the years 1955 and 1956 in terms of the agreement between the Millowners' Association and the Textile Labour Association of Ahmedabad.

During the year, due to heavy unseasonal rains all over the country, the outturn of Indian cotton was substantially lower than estimates, whereas its consumption by mills registered a marked increase. This imparted sustained strength to the futures market in cotton with the February Jarilla contract rising to a record level of Rs. 747. In order to arrest a further rise in prices, Government called upon the East India Cotton Association to suspend futures trading and declared that they considered a limit of Rs. 700 to be reasonable for the contract in the then existing circumstances. A crisis ensued in the cotton market as it was difficult to maintain the price of the contract at this artificial level. Soon after Government called upon the Association to cancel the existing single hedge contract and replace it with two hedge contracts with the object of checking speculation by offering a broader basis so that most varieties of Indian cotton could be tendered. The crisis deepened with the resignation of senior office bearers of the Association to whom this was unacceptable. Subsequently, a compromise arrangement was reached and two hedge contracts, one for Fine MG Jarilla 25/32" and another for Fine MG Vijaya 27/32" were introduced. As a result of the crisis, the futures trading in Bombay was closed from 23rd December 1955 to 18th June 1956. Business in spot, however, continued briskly with many varieties touching the ceiling. The mills were fortunate in covering their requirements of cotton at fairly reasonable rates.

Further progress was made on the mills' reorganisation and renovation programme during the year. A sum of about Rs. 13 lakhs was spent on extension of buildings and installation of new machinery and equipment. The main items covered by this expenditure include a barber colman spooler and warper, a monforts' high production stentering and drying range, a kier, sprinklers, and humidification plants.

By special resolutions passed at the Extraordinary General Meeting of the Company held on the 23rd November 1951, the capital of the Company was increased from Rs. 30,00,000 to Rs. 50,00,000 by the creation of 20,000 new ordinary shares of Rs. 100 each to be offered at a premium of Rs. 50 per share. Out of the said 20,000 new shares offered, 13,000 shares were taken up, leaving a balance of 7,000 shares. During the year under report these 7,000 shares were offered to the holders of the existing ordinary shares at a premium of Rs. 50 per share, in the ratio of one new share to every five existing ordinary shares, in terms of the letter of offer dated the 29th February 1956 issued to the shareholders, and all the 7,000 shares were subscribed for and allotted. As the shareholders are aware, it was one of the conditions of the issue that the holders of these 7,000 shares would be entitled to a quarter of the dividend that may be declared for the financial year ending 30th June 1956. The directors have recommended the dividends for the year accordingly.

Under the budget proposals of the Central Government for 1956-57 the excise duty on cloth was increased from 1st March 1956 by 6 pies per square yard on all categories of cloth, except coarse *dhotis* and *saris*. From 1st September 1956 the duty was again increased very substantially, particularly on medium cloths in which category it was doubled. The total excise duty on cloth now works out to As. 4 on superfine, As. 3 on fine, As. 2 on medium and As. 1¼ on coarse cloth (other than *dhotis* and *saris* on which the duty continues at 6 pies), all on a square yard basis. The handloom cess of 3 pies per square yard on all categories of cloth remains unaltered. The export duty of 10 per cent. *ad valorem* on coarse varieties of cloth which was reduced to 6¼ per cent. on 1st March 1955, was altogether abolished from 15th May 1956.

The Company's buildings, machinery and stocks were insured, as at 30th June 1956, for Rs. 3,25,00,000. Profits and standing charges were insured for Rs. 36,00,000 per annum, the indemnity being payable for 24 months. The installed capacity of the mills is 49,144 spindles and 1,016 looms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	78,94,641
Reserves ...	31,50,000	Work under construction etc. ...	5,50,693
Provision for taxation ...	1,36,558	Stock-in-trade ...	73,44,314
Liabilities ...	1,07,72,721	Stores, fuel & loose tools	10,74,916
Profit and loss account ...	17,089	Debts, deposits and advances ...	8,55,026
		Investments	8,20,388
		Cash ...	5,36,390
Rs.	1,90,76,368	Rs.	1,90,76,368

India Jute Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

The accounts show a profit on trading of Rs. 5,81,073 (Rs. 2,68,820) which is an increase of Rs. 4,44,290 over that for the previous half-year.

The net profit after charging depreciation, etc., is Rs. 5,74,290 (Rs. 79,842). Adding thereto items relating to previous half-years Rs. 2,416 (Rs. 9,287) and balance of profit and loss account brought forward from last half-year of Rs. 7,731 (Rs. 38,601) there is available for distribution a sum of Rs. 5,84,437 (Rs. 2,63,613 after adding Rs. 1,35,883 being dividend on the investment in the Megna Mills Co., Ltd.). It is recommended that this be disposed of as follows:—

By payment of a dividend of 7½ (5) per cent. per annum for the half-year on 69,600 ordinary shares Rs. 3,26,250 (Rs. 2,17,500) and by payment of a dividend of 6 (5) per cent. per annum on 30,000 deferred shares Rs. 900 (Rs. 750) leaving a balance to be carried forward of Rs. 2,57,287 (Rs. 45,363).

In their report the auditors have referred to the form of the accounts which relate to a period which ended prior to the commencement of the Companies Act, 1956, and therefore, they have been prepared in accordance with the provisions of the Indian Companies Act, 1913, which was in force at that time.

In accordance with the provisions of the working time agreement of the Indian Jute Mills Association, the Mills continued to work with 12½ per cent. looms sealed until the 8th January 1956. This figure was reduced to 10 per cent. from the 9th January 1956, and again to 5 per cent. with effect from the 20th February 1956.

Trading conditions throughout the half-year continued to be difficult. Prices for manufactured goods remained reasonably steady but out of proportion to the cost of the raw material up to the time when production was increased by the unsealing of looms. Thereafter prices of goods fell sharply and it was soon evident that demand was not going to keep pace with the increased output, and Mills' stocks increased each month. This position was aggravated by the steady rise in price of raw jute as the result of damage by floods, transport difficulties, and to the greater offtake due to increased production.

Further consignments of sliver spinning machinery have been received and are in course of installation.

The Articles of Association of the Company provide that once at least in every year the accounts of the Company shall be examined, and the correctness of the balance-sheet and profit and loss account ascertained by auditors and that the same be laid before general meetings of the Company which shall be held once at least in every calendar year. It has been the practice to close the accounts and to prepare a profit and loss account in respect of each half-yearly period ending on the 30th September and the 31st March in each year which, together with the balance-sheet at each date has been laid before the Company in general meeting. Under the provisions of the Companies Act, 1956, each such half-yearly period will be deemed to be a financial year and the usual half-yearly general meeting will be deemed to be an annual general meeting within the meaning of the Act. In consequence (interalia) the directors will be liable to retire, and the auditors shall be re-appointed etc., at each such half-yearly meeting. The directors, having carefully considered the matter and the difficulties attending the preparation of the accounts in conformity with the provisions of the Act, the additional work and expense involved in holding an annual general meeting twice yearly, have decided that the accounts will be closed on the 31st of March in each year to be laid before the Company at an annual general meeting to be held in accordance with the provisions of the Act.

Messrs. Mackinnon Mackenzie & Company Limited, resigned from the office of the managing agents of the Company, and the Company became director-controlled on and from 1st April 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	87,30,000	Block ...	46,73,628
Reserves ...	17,20,650	Stocks ...	34,08,491
Provision for taxation ...	44,707	Mill stores, etc. ...	12,03,304
Liabilities ...	44,67,511	Debts and advances ...	20,97,222
Profit and loss account	2,57,287	Investments	36,37,448
		Cash	2,00,062
Rs.	1,52,20,155	Rs.	1,52,20,155

Megna Mills Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

The accounts show a profit on trading of Rs. 7,94,468 (Rs. 5,75,965) which is an increase of Rs. 6,69,486 over that for the previous half-year. The net profit after charging depreciation, etc., is Rs. 4,55,367 (Rs. 3,16,704) adding thereto items relating to previous half-years Rs. 5,156 (Rs. 11,003) and the balance of profit and loss account brought forward from last half-year of Rs. 10,614 (Rs. 8,502) there is available for distribution a sum of Rs. 4,71,137 (Rs. 3,36,209). It is recommended that this be disposed of as follows:—

By payment of a dividend of 7½ (5) per cent per annum for the half-year on 81,652 ordinary shares Rs. 3,06,195 (Rs. 2,04,130) leaving a balance to be carried forward of Rs. 1,64,942 (Rs. 1,32,079).

In accordance with the provisions of the working time agreement of the Indian Jute Mills Association, your Mills continued to work with 12½ per cent. looms sealed until the 8th January 1956. This figure was reduced to 10 per cent. from the 9th January 1956, and again to 5 per cent. with effect from the 20th February 1956.

Messrs. Mackinnon Mackenzie and Company, Limited, resigned from the office of the managing agents of the Company, and the Company became director-controlled on and from 1st April 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	81,65,200	Block ...	77,16,040
Reserves ...	26,36,045	Stocks ...	52,54,413
Provision for taxation ...	33,077	Mill stores, etc., ...	14,64,021
Liabilities ...	68,89,702	Debts and advances	31,15,538
Profit and loss account ...	1,64,942	Investments	1,09,083
		Cash ...	2,29,871
Rs.	1,78,88,966	Rs.	1,78,88,966

National Tobacco Co. of India Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The net profit (after provision of taxation) is Rs. 12,50,822 (Rs. 12,06,160 before providing for taxation) to which is added the balance brought forward from last year of Rs. 9,03,430 (Rs. 10,62,030) making an available balance of Rs. 21,54,252 (Rs. 22,68,190). From this amount the directors have proposed to transfer Rs. 4,00,000 (Rs. 2,00,000) to reserve for capital expenditure. The directors also recommend a dividend of 8 per cent. on ordinary shares absorbing Rs. 6,39,760 (Rs. 3,99,850), dividend on 5 per cent. tax-free first preference shares absorbing Rs. 1,25,000 (Rs. 1,25,000) and dividend on 4½ per cent. tax-free second preference shares absorbing Rs. 89,910 (Rs. 89,910) leaving a balance to be carried forward of Rs. 8,99,582 (Rs. 9,03,430 after providing Rs. 50,000 for reserve for bad debts and Rs. 5,00,000 for reserve for taxation).

Trading results show an improvement over the preceding year. Whilst both sales proceeds and expenditure have not shown any marked changes the Company has been able to increase its income by the sales of more profitable lines. Additionally unmanufactured tobacco sales have contributed to this improvement. Liquid assets have been maintained at a higher level than current liabilities. Overdrafts with banks and short-term loans have been reduced with consequent savings in interest.

Cigarettes: The quality standards of the Company's products are of the highest order and give to the smoker a range of brands each of which gives him the greatest value for his money. The Company has at its disposal—relative to output—greater air-conditioned storage capacity for controlled maturing of its tobaccos, and all manufacturing processes are conducted under controlled conditions. These facilities combined with skilled personnel and modern machinery ensure that the products are of the highest quality. In such a specialised industry improvements in technique and equipment are constantly taking place. The Company's constant endeavours to improve efficiency and quality, entail the introduction of modern equipment in the Cigarette factory, laboratory and printing press, and the directors consider its essential to keep the Company in the forefront in this respect. They have consequently recommended that a sum of rupees four lakhs be placed to capital reserve to finance the improvement programme.

The matter of tobacco and cigarette taxation is one with which the Company in common with all manufacturers is vitally concerned. Current consumption of cigarettes in India is showing an upward tendency. This has helped in some measure to absorb the yearly excesses of India's tobacco crop, thereby giving the tobacco growing industry greater stability. The directors hope Government will take this and other factors into account in planning their future policy in regard to cigarette taxation, particularly in those price categories which cater to the mass of the people.

Unmanufactured tobacco: The year under review saw a clearance of all surplus stocks of unmanufactured tobacco. The bulk of the sales were of low and medium grades on which profit margins are extremely small.

Sales resistance is now becoming more pronounced towards higher grades of Indian tobaccos which are traditionally exported to the United Kingdom. This is due to increased availability of 'preferred' tobaccos, primarily from the U.S.A. and Rhodesia. This prime market for Indian tobacco asks for a cheaper tobacco of better quality. Since exports to the U.K. are large in terms of poundage and high grades are taken, the value of exports to this market are by far the highest. If India is to retain its footing in this market, a reduction in costs by improved methods of production, both in yields and quality, is essential.

In South India, headquarters of the Company's Leaf Division, it has been necessary to embark on a programme of additions and extension to labour amenities as greater emphasis is being laid on improved working conditions. The provision for capital expenditure referred to above will also be utilised in this connection.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,24,95,000	Block ...	60,33,489
Debentures	12,00,000	Stocks and stores ...	1,62,86,032
Reserves ...	35,15,337	Debts, deposits and advances ...	52,38,714
Provision for taxation ...	58,45,444	Investments ...	98,474
Liabilities	54,53,611	Cash ...	17,52,265
Profit and loss account	8,99,582		
Rs.	2,94,08,974	Rs.	2,94,08,974

Cowcoody Estates, Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Peirce, Leslie and Co., Ltd., Mangalore) submit the audited accounts of the Company for the year ended 30th June 1956.

The acreage of the properties remains unchanged as follows:—Coffee in bearing 405.38 acres, cardamoms 108.51 acres, oranges 43.27 acres, oranges and robusta 48.30 acres, wet lands 50.16 acres and reserve, waste, abandoned, etc., 223.63 acres.

The Company which was originally incorporated as a private one was converted into public company on 1st December 1955.

The original authorised capital, comprising of 50,000 ordinary shares of Rs. 10 each, was subdivided into 2,50,000 ordinary shares of Rs. 2 each, during the year under report.

After providing for depreciation, taxation and all other charges the accounts show a profit of Rs. 2,60,523 (Rs. 1,24,451) to which is added the balance brought forward from last year of Rs. 81,173 making a total of Rs. 3,41,696. After deducting the interim dividend of 25 per cent. paid on 19th April 1956 absorbing Rs. 63,839 and transferring to general reserve Rs. 1,39,280 there remained a balance of Rs. 1,38,578. The directors recommend payment of a final dividend of 25 (30) per cent. absorbing Rs. 63,837 leaving a balance to be carried forward of Rs. 74,741.

After transferring Rs. 1,39,280 from the profit and loss account the general reserve now stands at Rs. 2,50,000. The position of investments as at 30th June 1956 remained at Rs. 3,31,975, under Government Securities Rs. 1,55,600 and Bank fixed deposits Rs. 1,76,375.

Expenditure on machinery during the year amounted to Rs. 6,844 and represents cost of new spraying equipment purchased during the year.

Coffee: The crop of cwts. 2,381 (1,014) harvested at a cost of Rs. 76.45 per cwt. was delivered to the Coffee Board and has been valued at Rs. 2-6 per point or Rs. 182.11 per cwt. The 1956-57 crop is estimated at 103 tons and the cost of production at Rs. 87.45 per cwt.

Cardamoms: A crop of 535¾ (549) lbs. was harvested and sold at an average price of Rs. 7.21 a lb. The 1956-57 crop is estimated at 840 lbs.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,55,350	Block ...	1,17,129
Reserves ...	2,50,000	Stock-in-trade ...	2,50,676
Provision for taxation ...	37,900	Stores, spare parts and loose tools	37,356
Liabilities	1,58,947	Loans and advances ...	11,649
Profit and loss account ...	74,741	Investments	1,51,693
		Cash ...	2,08,435
Rs.	7,76,938	Rs.	7,76,938

Cuttack Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The revenue account shows a profit on the year's working of Rs. 1,57,512 (Rs. 1,36,059). After adding the profits on sale of investments Rs. 137 (nil) there is a total of Rs. 1,57,649 (Rs. 1,36,059). From this is to be deducted arrears of depreciation Rs. 3,738 (Rs. 4,506), gratuity to retired employees Rs. 1,102 (Rs. 1,968), cost of change-over from D.C. to A.C.—written off Rs. 1,464 (Rs. 1,324), bonus to staff Rs. 4,788 (Rs. 3,425), loss on sale of loose tools Rs. 1,266 (nil) and appropriations—under the Electricity (Supply) Act, 1948 Rs. 45,270 (Rs. 11,387) there is a net profit for the year of Rs. 1,00,021 (Rs. 83,149 after placing Rs. 30,300 for deferred taxation). After adding thereto Rs. 26,455 (Rs. 14,353), the adjusted credit balance brought forward from the previous year and Rs. 44 (Rs. 1,019 being refund of excess profits tax and interest) on account of sundry adjustments there is a credit balance of Rs. 1,26,520 (Rs. 96,256) on profit and loss account out of which the directors have transferred Rs. 50,000 (Rs. 50,000) to general reserve. The directors recommend that the balance, namely, Rs. 76,520 (Rs. 46,256) should be disposed of as follows:—

To pay a dividend of 6½ (3) per cent. for the year 1955 without any deduction for income-tax payable by the Company Rs. 41,252 (Rs. 19,801) and carry forward Rs. 35,268 (Rs. 26,455). These proposals have already been given effect to in the accounts now submitted to the shareholders.

A continuous supply of electricity was maintained throughout the year and as compared with the previous year an increase of 13 per cent. in the number of units sold has been recorded. During the year, the units of electricity sold amounted to 37,44,690 as compared with 33,25,140 in 1954 and 32,27,035 in 1953. The number of consumers and connected load at the close of the year were 3,558 (3,328) and 4,248 kw. (3,946 kw.) respectively. The number of consumers taking supply from the Company continues to increase at a satisfactory rate and prospects are considered good.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,60,040	Block ...	18,13,160
Reserves ...	6,86,525	Stores ...	2,17,336
Liabilities ...	10,08,993	Debts and advances ...	2,83,388
Profit and loss account ...	35,268	Investments	34,656
		Cash ...	42,288
Rs.	23,90,826	Rs.	23,90,826

Airways (India) Ltd.

The directors of the above Company (Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

It will be observed that certain non-scheduled operations were carried out and a flight revenue of Rs. 1,71,722 (nil) was earned during the year. Owing to certain restrictions on the non-schedule permit of the Company, fuller use of the aircraft could not be made during the year. These restrictions have since been removed. The Company has now two dakota and one catalina amphibian aircraft. Both the dakota aircraft are now serviceable and are engaged in non-scheduled operation. The catalina aircraft is undergoing overhaul and is expected to be ready for operation soon. Owing to the delay in receiving essential spare parts and components for the catalina aircraft from abroad and the acute shortage of trained flying crew, the Andaman Service could not be commenced during the year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,64,240	Block ...	3,68,753
Reserves* ...	6,80,101	Stores and spares ...	50,006
Liabilities ...	5,18,927	Debts, deposits and advances ...	3,43,929
		Amounts recoverable under Air Corporation Act 1953	22,99,004
		Cash ...	1,576
Rs.	30,63,268	Rs.	30,63,268

Mysore Tobacco Co., Ltd.

The directors of the above Company (Chairman: Mr. M. H. Parthasarathy, Bangalore) submitted the audited accounts of the company for the year ended 31st March 1956.

It will be noticed, from the accounts, that the sales recorded a marked improvement during the year reaching the highest figure ever since the inception of the Company. The directors are glad to report that the seasonal conditions during the year were favourable and it was possible to improve the yield of cured leaf per acre by adopting improved methods of cultivation and by the application of higher dose of Chemical manures. The financial result of working, for the year ended 31st March 1956 has resulted in a net profit of Rs. 2,63,598 (Rs. 85,318) after providing for depreciation and taxation. Including the carry forward of Rs. 20,916 (Rs. 35,598) of last year, the amount available for disposal is Rs. 2,84,513 (Rs. 1,20,916). The directors recommend the following appropriations be made out of the same:—

To declare a dividend of 15 (10) per cent. on 1,00,000 shares of Rs. 10 each absorbing Rs. 1,50,000 (Rs. 1,00,000), to transfer to reserve fund Rs. 40,000 (nil), to transfer to dividend equalisation fund Rs. 50,000 (nil) and to carry forward Rs. 44,513 (Rs. 20,916).

The area under tobacco directly under the Company's supervision was 3,140 acres as against 3,040 acres during the previous year. The quantity of cured leaf produced in the Company's own barns was 21,09,058 lbs. and that acquired from the private barn-holders amounted to 7,71,362 lbs. It is gratifying to report that more and more ryots are getting tobacco minded in the rural parts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	6,12,578
Reserves ...	1,28,500	Stock-in-trade	9,692
Provision for income-tax and super-tax	3,00,148	Stores, spare parts and stationery, etc. ...	75,757
Liabilities	3,16,810	Debts and advances	3,21,360
Profit and loss account ...	2,84,513	Investments	6,34,231
		Cash	3,76,353
Rs.	20,29,971	Rs.	20,29,971

Bengal Chemical and Pharmaceutical Works Ltd.

The directors of the above Company (Manager and Secretary: Mr. Satya Prasanna Sen., Calcutta) submit the audited accounts of the Company for the 55th year ended 13th April 1956.

The directors state that the Companies Act, 1956, has brought into effect various changes in administration and accounts and they have prepared the latest balance-sheet and profit and loss account in accordance therewith.

Meeting depreciation, bad debts and all other charges, the profit and loss account this year shows a net profit of Rs. 6,00,993 (Rs. 10,68,235). Out of such net profit the directors have transferred Rs. 1,45,000 (Rs. 5,93,000) to the various reserve funds and accounts. The directors recommend payment of dividends at 7½ per cent. free of income-tax, on preference shares absorbing Rs. 67,500 (Rs. 67,500), 6 per cent free of income-tax, on ordinary shares Rs. 60,000 (Rs. 60,000), 6 per cent. free of income-tax, on medical ordinary shares Rs. 11,962 (Rs. 11,679), 6 per cent. free of income-tax, on 'A' ordinary shares Rs. 66,534 (Rs. 66,534), 6 per cent. free of income-tax, on 'B' ordinary shares Rs. 1,35,282 (Rs. 1,35,282) and at 4½ per cent. free of income-tax, on second preference shares Rs. 53,506 (Rs. 53,506). A sum of Rs. 60,000 (Rs. 60,000) has been set aside for work to be carried on by the Sir Prafulla Research Department of the Company. The distribution of the profit of this year leaves a balance of Rs 1,179 (Rs. 2,374) which together with the balance of Rs. 11,70,055 (Rs. 11,46,322) brought forward from the profit and loss account for the year ended 14th April 1955 amounting to Rs. 11,71,234 (Rs. 11,70,055) has been carried forward.

The work of installation of the new 25-ton sulphuric acid plant has been completed and it has come into operation. It is now in full working condition.

The Company has drawn Rs. 13 lakhs out of the money advanced by the Industrial Finance Corporation during the year making a total of Rs. 25 lakhs in all, out of Rs. 30 lakhs arranged for.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	66,52,725	Block ...	80,49,276
Debentures ...	15,00,000	Stock-in-trade	40,73,877
Reserves ...	45,49,426	Stores and spares ...	7,80,915
Provision for taxation ...	4,90,000	Tools ...	7,826
Liabilities ...	83,42,139	Work-in-progress ...	91,600
Profit and loss account ...	11,71,234	Debts, deposits and advances ...	71,87,297
		Investments	16,36,308
		Cash ...	8,78,425
Rs.	2,27,05,524	Rs.	2,27,05,524

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

*Reserves are shown after deducting the debit balance in the profit and loss account brought forward from last year, which amounted to Rs. 4,00,524 including Rs. 867 being adjustments. This year's profit of Rs. 2,073 is deducted from the above debit balance. Total reserves at the end of 1954 stood at Rs. 7,78,552 which includes a sum of Rs. 1,08,057 on account of shares forfeited.

NOTICE

It is hereby notified that LEVER BROTHERS (INDIA) PRIVATE LIMITED have converted themselves into a public limited company and that with effect from 1st November 1956, their name has been changed to HINDUSTAN LEVER LIMITED.

Notices

BURNAND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Sixty-second Ordinary General Meeting) of the Company will be held on Friday the 7th December 1956 at 11 a.m., at the Registered Office, 12, Mission Row, Calcutta, to transact the following business:—

1. To receive and adopt the Audited Accounts for the year ended 30th April 1956 and the Directors' and Auditors' Reports thereon.
2. To declare a Dividend. The Dividend if declared will be paid to the Shareholders on or after the 12th December 1956 whose names are on the Company's Register on the 7th December 1956 or to their mandatees.
3. To appoint Directors in place of those retiring. In this connection, notice is hereby given that a Special Notice as defined in Section 190 of the Companies Act, 1956, has been received by the Company under Sections 261 and 281 of that Act to move the following resolution as a Special Resolution at the Meeting:—

   "That Mr. P. N. Banerjee who is an associate of the Managing Agents of the Company and has attained the age of 73 years be and is hereby appointed a Director of the Company and that it is hereby declared that the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."
4. To appoint Auditors and fix their remuneration.
5. As special business to consider and if thought fit to pass the following resolution, namely:

   "That the Books, Registers and other documents required to be maintained by the Company and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 144, 163, 196, 301, 302, 304, 307, 362 and 372 of the said Act, shall be available for inspection at the Registered Office of the Company by the persons entitled thereto to the extent and in the manner and on payment of the requisite fees, if any, specified in the aforesaid provisions, between the hours of 10 a.m. and 12 noon on each business day. Provided, however, that the register required to be maintained under Section 307 of the Act shall be open for inspection of the members or holders of debentures of the Company between the times above mentioned only during the period prescribed by sub-section 5 (*a*) of Section 307."
6. As special business to consider and if thought fit to pass with or without modification the following resolutions which will be proposed as special resolutions.

   (1) That the Memorandum of Association of the Company be altered by adding thereto after clause 3 (*u*) thereof the following two sub-clauses:

   "3(*uu*). To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit persons who are or have been employed by or who are serving or have served the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance."

   "3 (*uuu*). To subscribe, contribute or guarantee money for any national, charitable, benevolent, political, public, general or useful object or fund or for any exhibition."

   (2) That Article 151 (17) of the Company's Articles of Association be deleted and substituted by the two following sub-clauses:

   "(17*a*). To give pensions, gratuities, allowances, bonuses, profit-sharing bonuses or benefits or other charitable aids, payments or monies to or for the benefit of persons who are or have been employed by or who are serving or have served the Company or its predecessors in business or the wives, children, dependents or connections of such person or persons as may appear to the Directors just and proper whether any such person, his widow, children or dependents or connections have or have not a legal claim upon the Company."

   "(17*b*). Subject to the provisions of Section 293 (1) (*e*) of the Companies Act, 1956, to establish, maintain, support and contribute or subscribe to any national, charitable, benevolent, political, public, general or useful object or fund and any institution, society or club, which may be for the benefit of the Company or may be connected with any town or place where the Company carries on business."

The Ordinary Share Register of the Company will be closed from the 28th November 1956 to 7th December 1956, both days inclusive.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, 12*th November* 1953.

AIR-INDIA INTERNATIONAL LIMITED

(In Voluntary Liquidation)

NOTICE

A GENERAL MEETING OF THIS COMPANY will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Friday, 21st December 1956, at 4-30 p.m. when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding-up for the year ended 30th September 1956 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the liquidation.

AIR-INDIA INTERNATIONAL LIMITED,
(In Voluntary Liquidation),
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

15*th November* 1956.

To all Shareholders of Air-India International Limited (In Voluntary Liquidation) and particularly to:—

Arokkiam Arulsamy Pillai, Ahmedkhan Hajee Goolabkhan, Adi Bejan Tata, Bail Laxminarayan Rao, Don Edwin Dewendra, Camilo De-Souza, Dharm Pall Bhalla, Fahimuddin Ahmed Noori, Mrs. Alice Fonseca, Galwadau Acharige Charles Hamy, Habib Haji Mohmmed Derdiwala, Harendra Chandra Lahiri, Rani Jagadamba Kumari Debi, Jehangir Bejan Tata, Mushtaq Ahmed Dodhy, Mudaliyar Samuel Kanapathi Pillai Appadurai, Frederick Vincent Mascarenhas, Miss Nina Jehangir Gorwala, Mrs. Naja Bejan Tata, Prabhudas Girdhardas Mehta, John Cecil Trevor Perera, Phiroj Behan Tata, Rehmankhan Peerkhan, Rameshchandra Ranchhodbhai Patel, Jose Estevam Silveira, Santdas Kushiram Kirpalani, Sam Bejan Tata, Sagoon Jayadeo Dhond, Mrs. Usha P. Godbole, Dr. Ujagar Singh, Venetexa Srinivasa Sinai Dempo, George Harvey Woodhouse.

DYER MEAKIN BREWERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Registers of the Company will be closed from about 9th December 1956. Shareholders are requested to send in their Transfer Deeds for registration, as no transfers received after that date will be registered until the books re-open after the Annual General Meeting expected to be held shortly thereafter.

K. G. KHANNA,
Secretary.

SOLAN BREWERY, 5*th November* 1956.

BHARAT COLLIERIES LIMITED

THE 12TH ANNUAL GENERAL MEETING OF the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Saturday the 8th December 1956, at 12 noon, to receive and adopt the Directors' Report and audited Accounts for the year ended 30th June 1956, to declare dividends at 5½ per cent. on Preference and 6¼ per cent. on Ordinary shares, to elect Directors, and to appoint Auditors.

Share Transfer Books of the Company will remain closed from 27th November 1956 to 8th December 1956, both days inclusive.

By Order of the Board of Directors,
SAHU JAIN LIMITED,
Managing Agents.

DALMIANAGAR, 29*th October* 1956.

N.B.—A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.

THE PEERMADE TEA COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 6th December 1956, an interim dividend of 10 per cent. on the Ordinary Share Capital of the Company in respect of 1956 working.

The Transfer books of the Company will remain closed from the 25th November 1956 to 6th December 1956, both days inclusive.

ASPINWALL & CO. (TRAVANCORE) (PRIVATE) LTD.,
Secretaries.

PATHIRAPPALLY, 6*th November* 1956.

COTTON

(*Concluded from page* 938)

season, the fact that stocks on 1st August 1956 were only about half of what they were a year before, means that export availabilities from Egypt may decline slightly which casts doubt on whether actual exports will be at last season's level. A similar conclusion is reached with respect to trade prospects in Sudan. The decline in carryover stocks in the other African countries is of only minor importance and export availabilities will be primarily related to the current level of cotton production.

In Asia, a most important factor in recent years from the trade viewpoint has been the rapid increase in domestic consumption, particularly in Pakistan. This is likely to continue though possibly with some loss of momentum. With stocks at the lowest level for many years, an increase in production this season in Pakistan over and above what is presently anticipated would be necessary to bring export availabilities up to last season's total. In these circumstances, there may be some difficulty in maintaining cotton shipments this season. In Turkey, with substantial stocks carried forward into the new season, and in Syria, as a result of the expected increase in production, the volume of cotton available for export may be fully equal to last season. In South America, stocks could conceivably be further reduced, but here again export availabilities will be dependent on production this season.

In importing countries, the main influencing factors are the low level of stocks and the price situation. There is little doubt that the uncertainty over cotton prices and the conviction which has recently become a reality, that cotton prices would have to decline, has caused stocks in some countries to fall to below normal levels. The view is held in some quarters that, as soon as buyers are convinced that the bottom has been reached, they will react to rebuild stocks. However, as the table quoted above shows, stocks are not perilously low in Continental Western Europe, while, in the United Kingdom, where, in absolute terms, a real reduction in stock has occurred, stock policy may have been influenced as much by the return to private buying and declining consumption as by prices. In Japan, stocks by any measure are low and, if consumption increases, the inference is that stability in cotton prices would offer some inducement to replenish stocks. It is beyond dispute, however, that stability in cotton prices would do much to stimulate both imports and consumption during the present season.

MONEY RATES HARDEN

(From Our Own Correspondent)

BOMBAY, 14*th November*

Activity in the short-term money market continued to be restricted, due to acute shortage of funds. The efforts of bankers and the monetary authorities to find a suitable solution to ease the stringency have not yet borne fruit. Meanwhile, banks have been offering slightly higher rates to attract funds, but this step has not been very much helpful, because of the scarcity of floating funds. In the inter-bank section, day-to-day money fetched 3½ per cent., while three days' and seven days' money was reported done at 3¾ per cent. and 3¾ per cent., respectively. House money at call was placed at 3¼ to 3½ per cent. for large amounts. Short-term deposits fetched 3½ per cent. for one to three months and 3¾ per cent. for six months.

There has been a further expansion of Rs. 9.37 crores in notes in circulation during the week ended 9th November 1956. This is disclosed by the Reserve Bank's statement for the week under reference. As there has been only a negligible drop in notes held in the Banking Department, total notes issued have gone up by Rs. 9.20 crores, which is covered by a rise of Rs. 10 crores in rupee securities and a decline of Rs. 80 lakhs in rupee coin. In the Banking Department, deposits of the Central Government show a sharp rise of Rs. 10.85 crores and those of other Governments an even sharper fall of Rs. 27.12 crores. Deposits of banks have declined by Rs. 2.40 crores. A decline of Rs. 8.55 crores is noted in balances held abroad and of Rs. 4.64 crores in loans and advances other than to Governments. Advances to Scheduled banks against usance bills during the week amount to Rs. 14.15 crores, but repayments have been more at Rs. 15.16 crores, so that there has been a net reduction of Rs. 1.01 crores in outstanding advances against these bills. In sharp contrast to the increase of Rs. 28.25 crores in investments in the previous week, there has been a reduction of Rs. 9.10 crores during the week under review.

The Scheduled banks' statement for the week ended 2nd November 1956 shows a drop of Rs. 7.53 crores in demand deposits of banks and of Rs. 73 lakhs in time deposits. No notable variation is seen in inter-bank borrowings, while a marked rise of Rs 11.02 crores is disclosed by borrowings from the Reserve Bank, of which those against usance bills account for Rs. 3.13 crores. Borrowings from the State Bank of India also have gone up by Rs. 1.15 crores. On the assets side, advances are up by Rs. 1.02 crores, and bills purchased and discounted by Rs. 7.35 crores. Investments have declined further by Rs. 4.21 crores and cash balances by Rs. 1.37 crores.

The Gilt-edged market presented depressed conditions during the week under review too, with a further sagging in medium and long-term securities. The recession in prices was more marked in State loans. Buyers were scarce, while even small offerings brought about a fall in prices. 3 per cent. 1986 Conversion Loan fell by As. 7 to Rs 73-12 and 3 per cent. 1970-75 by as much as As. 12 to Rs. 88, even at which levels also, they were on offer. 3 per cent. 1966-68 was down by an anna to Rs. 92-6, 3 per cent. 1964 by As. 2 to Rs. 94-6 and 3 per cent. 1963-65 by an anna to Rs. 94-4. 3½ per cent 1974 had sellers at Rs. 98-8 and 3½ per cent. 1967 an anna lower at Rs. 98-7. 3½ per cent. 1965 was unchanged at Rs. 98-7, while 3¾ per cent. 1964 was marked down an anna to Rs. 98-7. In the State loans section, 4 per cent. securities suffered a marked recession. Thus, Bombay 1963 and 1964 dipped by As. 6 to Rs. 100-10 and 1967 and 1970 by As. 2 each to Rs. 100 and Rs. 99-10, respectively. West Bengal 1967 was As. 2 lower at Rs. 99-12. Madras 1968 was done As. 11 lower at Rs. 98. U.P. 1968 shed As. 8 to Rs. 98-2. Andhra 1967 moved down by As. 2 to Rs. 99 and 1968 by As. 8 to Rs. 98-1. M.P. 1963 lost As. 4 to Rs. 99-8, 1967 As. 10 to Rs. 98-6 and 1968 As. 10 to Rs. 98.

In the foreign exchange section, the rupee held its ground in terms of the U.S. dollar, following the steady trend displayed by sterling in the world markets. Banks' selling rate for ready dollars was unchanged at Rs. 481½ per $100 and the buying rate at Rs. 477¼. In terms of the Canadian dollars, however, there was a further weakness, the banks' selling rate rising from Rs. 497¾ to Rs. 499¼ per $100 and their buying rate from Rs. 492 to Rs 493¾ per $100. In New York, spot sterling was unchanged on balance at $2.78-3/16-2.78-5/16. Three months' forward, however, gained from $2.76-9/16-2.76-11/16 to $2.76-11/16-2.76-13/16, while transferable sterling reacted from 274.30-274.45 cents to 273.75-273.90 cents.

METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, 13*th November*

Prices of base metals added sizable gains during the week under review. Although the fighting in Egypt has come to an end, the Canal remains blocked, and it would not be before months that the ships sunk could be pulled out and the Canal made navigable again. Such of the imports of metals which usually come through the Canal will have to be routed via the Cape. The local increase in quotations, therefore, reflected the delays and the additional freight that would have to be incurred. Of course, it should be noted that not all the metals come via the Suez.

From Rs. 195, electrolytic copper improved to Rs. 210. As the price trend was uncertain, in view of the Anglo-French willingness to withdraw their forces from Egypt, consumers were content with purchasing their day-to-day requirements only. Stockists of finished products derived satisfaction at the higher level, and began demanding of manufacturers for earlier deliveries. From Rs. 522, tin shot up to Rs. 542. In Singapore, the rise was higher; as a result, the Indian quotation was far below the replacement cost. Electrolytic zinc improved from Rs. 65-12 to Rs. 69-8, and virgin lead from Rs. 79-8 to Rs. 83.

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, 14*th November*

Trading in the bullion market was characterised by a two-sided movement in prices during the week under review also. In the earlier half, prices of both silver and gold receded, in continuation of the downward trend noted towards the close of the previous week. This reaction was more than made good subsequently, both the metals advancing sharply under a spell of speculative buying inspired by encouraging demand in the ready section.

The bearish trend in the first half of the week was attributed to absence of buying and realising pressure from bulls, thanks to the improvement in the Suez situation. Rumours to the effect that substantial sums have been paid by way of customs duty for import of Tibetan coins and the lower offtake in gold, as compared to the arrivals, also had unnerved the bulls.

From Monday onwards, however, the tables were turned and the bulls gained control. Reports that the import of Tibetan coins would soon decline and stop with the onset of winter, as also on account of the rise in the price of coins at Kalimpong, induced bulls to accumulate lines. Further, sentiment was strengthened by the belief that the demand for silver and gold would go up on account of higher agricultural prices and higher wages that are sought to be given to workers. The spurt in offtake in gold from 2,500 tolas to 6,000 tolas per day during the week further encouraged the bulls. This is reflected in the widening of the budla charges against bulls from As. 11 to As. 13 in silver and ¼ anna to As. 3 in gold.

Forward silver (19th November settlement) dipped from Rs. 173 to Rs. 171-13, but rallied to touch a high of Rs. 174-9 to-day. The closing was done at Rs. 174-7. The next settlement (trading in which commenced on the 5th inst.) moved down from Rs. 173-11 to Rs. 172-8, before gaining ground to Rs. 175-4 at the close.

Ready silver (.996 Mint) gave way from Rs. 172-12 to Rs. 171-12, but, in the subsequent recovery, came up to Rs. 174-8 at the close. The floating stocks of silver are placed at 1,200 bars. The daily average offtake was 20 bars.

Gold for forward delivery (17th November settlement) was marked down from Rs. 104-10 to Rs. 103-12, before recovering to Rs. 105-6 at the close today. The next settlement finished at Rs. 105-9, as against Rs. 104-10 last week, after going down to Rs. 103-12.

Ready gold gained from Rs. 104-11 to Rs. 105-9. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 4,000 tolas, while the average offtake was also of the same order.

In New York, silver was unchanged at 91⅛c. In London, spot silver was maintained at 81½d., while forward declined from 80⅝d. to 80⅜d. Gold fell from 251s. 9½d. to 251s. 5½d.

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

	14-11-56	Highest	Lowest	7-11-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	105 9	105 10	103 11	104 11
Forward*	105 6	105 7	103 12	104 10
Sovereign	69 8	69 8	69 0	69 4
SILVER				
Ready (.996 fine Mint) ..	174 8	174 10	171 12	172 12
Forward†	174 7	174 9	171 13	173 0
London Silver Ready ..	81¼d.	—	—	81¼d.
London Forward	80⅛d.	80⅛d.	80⅛d.	80⅛d.
London Gold	251s. 5½d.	251s. 7d.	251s. 5½d.	251s. 9½d.
New York Silver	91⅛c.	—	—	91⅛c.

* 17th November settlement.
† 19th November settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

INQUIRIES FOR KIPS SLACKEN

(From Our Own Correspondent)

MADRAS, 12*th November*

With the cessation of hostilities in West Asia, there has been a slackness in inquiries for kips from the U.K., and it is likely that prices may not improve further. Prices in the local market have, however, increased by As. 2 per pound, but this level is not obtainable in the U.K. market.

There is good call for tanned goat skins and prime class tannages have improved by 3d. per lb. Light weights which were comparatively neglected last week are also in demand. Inquiries for lining sheep from the Continent are fair-sized at last levels, but sellers' counter-offers at 6d. more have not so far been followed by importers. It is likely that the buyers may meet half-way.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 10*th November*

During the week under review, the hides and skins market ruled steady. Fresh arrivals from the *mofussil* areas were not as considerable as those in the previous week. Demand for high grade buff and goat was strong. The main purchasers were the local tanners, headed by Messrs. Cooper Allen. The Madras dealers were keen buyers of goat and lighter cow.

The latest available quotations are: Wet salted cow, 1st grade Rs. 380, 2nd grade Rs. 260 and 3rd grade Rs. 140 per score: wet salted buff, 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb 14 ozs. per rupee; goat, 1st grade Rs. 325 and 2nd grade Rs. 300 per 100 pieces; sheep, 1st grade Rs. 300 and 2nd grade Rs. 200 per 100 pieces.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, 14*th November*

Although the futures market opened the week on a cheerful note, in later tradings, it turned easy. The earlier firmness was due to reports of rain and damage to the crop in certain leading cotton tracts. The firmness of the spot section also served as an encouraging factor for the operators. But the news of heavy arrivals of new crop in up-country centres, and the fear that the export quota announcement will be delayed indefinitely undermined the strength of the market and the basis of both the contracts declined. However, values began to look up yesterday on rumours of a likely reduction in excise duty and the expectation that some helpful measure, in the shape of an export quota, will materialise at the next meeting of the Export Advisory Council to be held on Sunday next.

M.G. Jarilla (March 1957) opened the week lower at Rs. 661 and firmed up to Rs. 670-8 the same day, on reports of damage to the crop due to adverse weather. It dipped down the following day on selling pressure induced by heavy arrivals of new crop in upcountry centres and continued its downward drift thereafter, reaching a low of Rs. 643-8 on the 12th inst. Again the trend was reversed and the contract improved to Rs. 654-8 today before closing steady at Rs. 654. The net loss over the week was Rs. 8-8. M.G. Vijay (April 1957) also followed the pattern of trading in Jarilla. Opening at Rs. 760, the contract put on Rs. 7 on the same day before moving down in subsequent sessions, reaching Rs. 743 on the 12th inst. It improved to Rs. 757 yesterday and again declined to Rs. 750-8 today before closing higher at Rs. 754½. The net loss over the week was Rs. 5-8.

The following is the trend of prices of the two contracts for the week:

(In rupees per candy of 784 lbs.)

	14-11-56	High	Low	7-11-56
Jarilla (March) ...	654	668	643	662½
Vijay (April) ...	754½	767	743	760

The spot section put on a better appearance. Earlier, rates advanced on mill buying touched off by adverse weather reports, but demand slackened in subsequent sessions. Over the week, prices registered an improvement, although the basis of delivery contracts remained unchanged. In the export section some inquiry was noted for Bengals, Kaila and Warad. In the foreign section, there was some uncertainty following the reported announcement of the procurement authorisation by the U.S. Department of Agriculture in respect of 146,000 bales of upland cotton. It is believed in trade circles that, inasmuch as the authorisation has been made, authorities here would come out with details of the procedure in respect of imports of American cotton shortly. In view of the commencement of the auction for new crop A.R. Uganda on the 13th inst., importers are anxious to get a clarification from the authorities of the position in regard to the import of East African cotton. The latest available rates (for new crop cottons)—in rupees per candy of 734 lbs.—from Sewri are given below:

Bengal *Deshi* 730; Berar Jarilla 760; Khandesh 795; Vijay (old) 920; Oomra *Deshi* 760; Moglai 750. *Delivery Contracts*: Khandesh 197-3, December 125; Berar 115, Moglai 40 'on' Jarilla; 320 F December 89; 216 F 110; Vijay 13/16" February-March 100 'on' Vijay.

The Karachi cotton market depicted a firm trend during the week. The firmness was due to the improved Middle East situation and reports that a Chinese trade delegation would shortly arrive in Karachi which, it was thought, would conclude purchases of about 300,000 bales of Pakistan cotton. These factors served to impart strength to the market.

N.T.R.G. January which had closed at Rs. 78-3 improved to Rs. 79-1 while March position firmed up from Rs. 77-6 to Rs. 78-6, registering a gain, over the week, of Re. 1. The spot section also was cheerful. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi.

Sind *Deshi* 95; Punjab *Deshi* 81-8; Four F Punjab Roller 81-4; S.G. 82-4; L.S.S. Punjab Roller 81-4; S.G. 83-8; N.T. Roller 83-8; S.G. 87-8; 289 F Punjab Roller 84-8; S.G. 86-12.

The Alexandria market remained closed, due to the abnormal conditions in West Asia. A report received on the 5th inst. stated that the market would remain closed for two weeks. Shippers have cancelled all offers of Egyptian cotton.

Recent auctions of the Gezira Board attracted considerable attention and a further quantity of 15,000 bales are reported to have been sold. The unsold stocks are placed around 30,000 bales. The renewed interest in Sudan cotton is attributed to the withdrawal of offers of Egyptian cotton by shippers and the comparative price advantage of the former over the latter.

Values in the Liverpool market registered a perceptible improvement. Both ready and shipment cotton evoked active trade interest. A substantial amount of business was done in U.S. cotton covering strict Low Middling to Good Middling grade and in staple ranging from 15/16" to 1-3/32". Sudans, East Africans, Mexicans and Peruvians came in for limited trading. Fears of the possibility of the hold-up of shipping through the Suez Canal continuing indefinitely were mainly responsible for the inquiry for ready cotton. Absence of any official information regarding new export quota and increase in freight rates were responsible for the small interest in Indian cotton. The price advantage of American styles precluded any sizable purchase in Pakistan cotton, though *deshi* styles received some attention. Rates of Egyptian Karnak remained steady while Sudan advanced sharply.

The following are the latest available rates—in pence per lb.—from Liverpool, the figures in brackets being last week's closing quotations:

American one Inch Staple Contract: December-January 26.35 (25.85); March-April 25.80 (25.60); May-June 25.6 (25.40). *American Cotton Mixed Growth Contract*: December-January 26.75 (26.50); March-April 26.25 (26.00); May-June 25.9 (25.70). *Egyptian Karnak Cotton*: November-December, January-February, March-April 60 (60). *Sudan Cotton*: November-December 58.80 (55.80); January-February 58.60 (56.00).

Cotton values in the New York market firmed up during the week under review on renewed commission house buying and short covering prompted by smaller Government crop estimate. The Department of Agriculture estimated, on the 8th inst., this year's crop at 13,153,000 bales of 500 lbs. each. This mid-harvest season estimate is 115,000 bales less than the October forecast of 13,268,000 bales. It compares with 14,721,000 bales produced last season and the ten-year (1945-54) average of 13,098,000 bales. The yield is estimated at 403 lbs. per acre, as compared with 407 lbs. in the October estimate and 417 lbs. for the previous season. The production of American—Egyptian type cotton is estimated at 47,200 bales, as compared with 42,900 bales last season.

With the re-election of President Eisenhower, cotton circles are of opinion that the present U.S. cotton policy will continue without any drastic change. Flexible supports, the liquidation of U.S. surplus cotton as rapidly as possible and the soil bank programme are likely to remain as the major instruments of that policy. The chances of a return to a rigid price support at 90 per cent. of parity are now extremely remote. The Commodity Credit Corporation have sold a further quantity of 594,728 bales under the new export sales programme. The average price at average location for basis Middling 1" accepted by the C.C.C. was 26.20 cents per lb.; the minimum price for basis Middling 15/16" at average location continued unchanged at 25 cents per lb. The total sold under the new export sales programme thus far is 5,228,378 bales. The U.S. Department of Agriculture had previously confirmed that they do not intend to limit sales to the 5 million bales level. It is, therefore, generally anticipated that the 1955 loan stocks of about six million bales will be added to the sales catalogue as soon as possible after they are taken over by the C.C.C. at the end of this year. The net stock in the 1956 loan, on the 26th October was 1,613,004 bales. In the 1955 loan the stock on that date was 6,044,623 bales. The C.C.C.-owned stocks after their sale of the 3rd inst. aggregate to around 1,120,000 bales. Total exports for the season till the 1st inst. were reported to be 1,259,976 bales as against 388,710 bales during the same period last season.

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

(In cents per lb.)

	13-11-56	5-11-56	23-10-56
Spot	34.65	34.45	34.04
December	34 20	33.84	33.85
March	34.15	33.90	33.96
May	34.31	34.01	34.03

YARNS DECLINE

(From Our Own Correspondent)

BOMBAY, 14*th November*

The hectic buying at enhanced values noted in the yarn market last fortnight abated during the week under review. In fact, a distinctly easy trend was in evidence, thanks to possibilities of West Asian crisis being solved in the near future. Traders generally expected better arrivals of rayon imported yarn, following resumption of normal shipping via Suez, although a section feared that it might take several weeks before the Suez Canal could be reopened for traffic. It was, however, not so much this expectation as the tight money conditions that induced operators to reduce their commitments. The values of rayon yarns, as a consequence, suffered a sharp recession. In sympathy, staple fibre yarn also gave way. But cotton yarns ruled quietly steady. Offtake by consuming centres was somewhat encouraging. The market was closed today on account of *Kartik Ekadashi*.

Snia rayon yarn (120 dull cones) for December delivery which had jumped up by Rs. 29 to Rs. 764 over the fortnight ended the 7th inst. fell to Rs. 752, a drop of Rs. 12. Spot 120 Italy receded by As. 2-6 to Rs. 3-13. 150 Japan was quiet at Rs. 4-4 and 150 Italy at Rs. 3-11-6. 120 Japan, however, met with special support and picked up 21 pies to Rs. 4-0-3. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade slipped by an anna and a half to Rs. 3-7-9. 150 Bt. cones 1st grade lost an anna to Rs. 3-3-9.

Staple fibre yarn (40×2) for December delivery was subjected to heavy selling pressure and slumped by Rs 20 to Rs. 601. Among spot indigenous yarns (40×2), Kohinoors declined by 18 pies to Rs. 3-8-6. New Greats shed half an anna to Rs. 3-5-6. Centurys lost three pies to Rs. 3-5-9. Citys were unaltered at Rs. 3-6. Among foreign yarns (80×2), Paramounts dropped As. 2 to Rs. 5-14. Fujis decreased by 18 pies to Rs. 5-15-6. K'Suns eased by a like amount to Rs. 6-8.

In the cotton yarn section, 10 counts Moderns advanced by As. 2 to Rs. 15-4. Podars were firm at Rs. 15. Deals in 20 counts Moderns were put through an anna higher at Rs. 19-6. Hinds were fully maintained at Rs. 19-4. Thirty counts were steady. Maduras being quoted at Rs. 24-8 and Arollos at Rs. 22-8. Among 40s, Minaxis and Gokaks were unchanged at Rs. 22-8 and Rs. 27-10, respectively. Moderns, however, declined by As. 4 to Rs. 29. Eighty counts Moderns were well favoured and advanced by Re. 1-8 to Rs. 72-8. Sixty counts, on the other hand, were neglected. Moderns receded by Re. 1-4 to Rs. 60. Finlays dropped a rupee to Rs. 58. Raghuvamshis eased As. 8 to Rs. 57.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted yesterday, as compared with those a week before and on the *moorat* day:

	13-11-1956	7-11-1956	2-11-1956 *moorat*
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)-			
120 Dull Cone Snia December	752 0	764 0	965 0
120 Japan (per lb.)	4 0½	3 14½	3 15
150 Japan (per lb.)	4 4	4 4	4 3
120 Italy (per lb.)	3 13	3 15	4 0
150 Italy (per lb.)	3 11¼	3 11¼	3 12
Staple fibre yarn (per case of 200 lbs.)—			
40 x 2 December	601 0	621 0	615 0
40 x 2 New Great (per lb.) ..	3 5½	3 6	3 6½
40 x 2 Century (per lb.) ..	3 5¾	3 6	3 6
40 x 2 City (per lb.)	3 6	3 6	3 7
Cotton yarn (per bundle of 10 lbs.)-			
10s Podar	15 0	15 0	15 0
20s Rind	19 4	19 4	19 2
30s Madura	24 8	24 4	23 12
40s Minaxi	29 4	29 4	29 4
60s Raghuvamshi	57 0	57 8	57 8
80s Modern	72 8	71 0	71 0

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, 14*th November*

During the week under review the local oilseeds market reflected a buoyant trend. A number of factors have combined to sustain this trend. During the first few sessions of the week, unfavourable weather conditions in the producing areas have maintained the trend witnessed during the last week. Subsequently, demand by shippers-*cum*-speculators for oil, and strong rumours that the potential export demand for castor oil is very brisk, gave further momentum to the trend. The linseed section was also in the limelight on buying inquiries from Australia. Cottonseed staged moderate improvement on professional support.

Groundnut February contract reflected an upward trend during the first two days of the week and declined slightly on profit-taking in the following two sessions. Subsequently, however, it recovered and over the week it gained no less than Rs. 3-2, at Rs. 141-14. In the spot section, December-January put on As. 9 at Rs. 28-3. Groundnut oil ex-mill which commenced the week at Rs. 19-4, however, declined to Rs. 18-12 at the close today.

Castorseed May 1957 contract opened the week at Rs. 142-10 and moved down to Rs. 140-6 on the same day. In subsequent days it received good support and moved up to touch a high of Rs. 152 today before closing the day's session at Rs. 151-12. Ready Madras, too, in the spot, put on Re. 1-10 at Rs. 32-4, and Kanpur rose by Re. 1-12 to Rs. 31. Oil B.S.S. advanced by Re. 1 to Rs. 19-10 and Commercial by As. 14 to Rs. 18-12.

Cottonseed February 1957 opened the week higher at Rs. 86-8 and improved to Rs. 87 the next day. It closed today at Rs. 85-12 which represented an improvement of As. 7 over the week.

Linseed May 1957 contract, too, improved from Rs. 27-4 at the close last week to Rs. 27-10 today. Linseed oil ready was quoted at Rs. 18 as against Rs. 17-12 last week.

Among other seeds, kardi seed Bold ready moved up by As. 8 to Rs. 18-4 and February-March by As. 6 to Rs. 16-10. Niger seed ready and Madras each put on As. 4 respectively at Rs. 27 and Rs. 27-4.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	14-11-1956	7-11-1956	24-10-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957 ..	141 14	138 12	128 14
Khandesh Quality Ready (per cwt.)	33 4	33 12	32 12
Dec.-Jan.	28 8	27 10	25 13
Linseed—			
May 1957	27 14	27 4	26 0
Bold Ready (per cwt.) ..	32 2	31 14	31 4
Oct.-Nov.	—	—	—
Castorseeds—			
May 1957	151 12	141 6	131 4
Madras (per cwt.)	32 4	—	—
Cottonseed—			
February 1957	85 12	85 5	—
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 12	19 2	18 12
Castor oil—			
Commercial (per quarter) ..	18 12	17 14	17 8
Linseed oil—			
Ready	18 0	17 12	—

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 14*th November*

The sugar market continued to rule steady during the week under review also. There was good buying support, induced by rumours of a delay in the monthly release of sugar; the rumours, of course, proved false following the announcement of a release of 160,000 tons made yesterday evening. In fact, the demand was so encouraging that sugar prices recorded a handsome improvement, despite better arrivals of indigenous sugar. The arrivals aggregated 18,600 bags, as against 17,700 bags in the previous week.

Spot large grain indigenous sugar spurted by Rs. 2 to Rs. 94-Rs. 101 per bag. Medium grain rose from Rs. 90-Rs. 93 to Rs. 89-Rs. 91. Small grain was fully maintained at Rs. 89, as also British refined sugar at Rs. 90 per cwts. The stocks of unsold British refined sugar are estimated at about 4,000 tons, the bulk of which is accounted for by sack-torn and damaged sugar.

In the forward section, *Magsar* delivery contract for 'C' grade sugar hardened from Rs. 89-2 to Rs. 89-7 before being quoted today at Rs. 89-3.

The latest monthly release of sugar for sale in the free market, as already stated, amounts to 160,000 tons. This brings the total release so far made to 1,631,000 tons. Excluding this quantity, the stocks of sugar produced during 1955-56 still lying unsold with the mills are estimated at 13 per cent. of output (or about 241,000 tons.)

Several sugar mills in North India and Bombay-Deccan have already started crushing and more are expected to follow suit shortly. Many sugar mills, it reported, are experiencing much hardship on account of tight bank credit and lack of sufficient godown space.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, 14*th November*

Since the possibility of the Middle East flare-up developing into a world conflagration has receded with the cease-fire, Malabar black pepper once again ruled weak with business at a distressingly low ebb. Paucity of inquiries from New York made growers and holders nervous who were reported to be willing to sell even with some concession but without result. Dealers in New York were said to be in a waiting mood in the belief that prices would turn still lower when new crop starts moving. Malabar spot, in New York, was nominally quoted at $0.29, while small inquiries for the shipment during the first half of November at $0.27 were noted.

Alleppey, after coming down to Rs. 662½, is reported barely steady with poor business. Garbled at Cochin is said to be hovering around Rs. 115. Arrivals of new crop have started in small quantity. They are selling at price ranging from Rs. 350 to Rs. 575 according to the quality. A section of the trade fears that with the increase in new arrivals the market will go down if no support is forthcoming from New York; there are no short sales by the exporters in any of the overseas markets. With the cease-fire, local demand from inland consuming centres also subsided.

Singapore showed some improvement with prices for Sarawak black moving from Str.$80 to Str.$83 under speculative buying by rubber interests. But higher prices attracted more arrivals from Sarawak. It is apprehended, therefore, that if no sizable foreign inquiries are seen in the near future, prices there may go down. The latest estimate for Sarawak pepper is placed between 17,000 and 18,000 tons.

The delegation of the Cashew and Pepper Export Promotion Council which went on tour to Europe has now returned. Prospects for any notable expansion of the export of Malabar black in Europe are reported bleak as Sarawak pepper in Europe costs about 50s. per cwt. less than Malabar. India could probably secure some business in European markets if prices for Malabar black were brought down in line with Sarawak by reducing the quality to the Sarawak level.

Italy which was one of India's biggest buyers for Tellicherry pepper is also reported buying Malabar rather sparingly since their export of sausage is reported dwindling. The fear that excessive use of hot spices will cause liver complaint is also one of the reasons for the fall in the demand of pepper in Italy in general.

November shipment and January-February-March are all quoted nominally at $0.27 without attracting buyers. In the delivery section the turnover is much restricted for want of outside interest.

Following are today's nominal quotations: Ready Rs. 93 per Bengal maund and December Rs. 612½-617½ and February Rs. 612½-617½ per candy of 5¼ cwts.

TEA DUSTS IRREGULAR

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 9*th November*

There were approximately 600,000 lbs. on offer in Dust Sale 'V' which was held on Tuesday, 6th November. There was a good general demand, particularly at the bottom, for mixed and fibrous sorts which were generally dearer, but good liquoring and the very best types were irregularly As. 2 easier. Any medium growns with good appearance and of a useful size met a good market and were fully firm to one anna dearer. As was to be expected, there was no demand for Middle East types.

London Market: Sale of 5th November 1956:—Best followed quality. Everything else 6d. to 8d. dearer.

Sale of 6th November 1956:—General advance 4d.

Colombo Market: Sale of 5th November 1956:—Considerably dearer, except for Middle East black dusts. Powdery dusts, particularly, were lower.

Sale of 6th November 1956:—Middle East firm. Other low and medium 5 cents to 10 cents dearer. Good brokens down 30 cents.

Calcutta Market: Export:—Except for Egyptian types stalky Pekoes and light liquoring teas, market very strong and irregularly dearer.

Internal.—25,000 dust. Fair demand at start. Commons As. 4 easier. C.T.Cs As. 3 to As. 4 easier. No Middle East demand. At close, heavy withdrawals. Leaf fair demand irregularly dearer.

Export Quota.—The market for export quota has been very quiet and, although there are buyers available at 27 pies, sellers are scarce.

Forthcoming Auctions:—Dust Sale 'W' will be held on Tuesday, 20th November.

* * * *

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale 30*:— 1,500,000 lbs. Strong general demand, particularly for medium and good medium sorts which are irregularly As. 4 dearer. Best liquoring rather easier, following quality. Whole leaf fully firm."

JUTE GOODS RALLY

(From Our Own Correspondent)

CALCUTTA, 13*th November*

The week under review was earlier highlighted by rumours of possible Russian armed intervention to put a stop to the Anglo-French-Israeli fighting on Egyptian soil. These resulted in sizable additions to prices; subsequently, rumours of cease-fire depressed the prices, and, when the latter reports were confirmed, prices steadied around the lower levels. It was at this stage the stock position as at the end of October was announced. The detailed figures imparted further steadiness to ruling quotations. For, overall stocks declined by 8,500 tons. This had, of course, been expected, as the month of October was a better shipping period than September. In addition, mills should have reported lower production, in view of the shorter number of working hours on account of the *Pooja* holidays, and for the better part of the month three large mills remained closed following a lockout originating from dislocation of work on labour demands. Analysing the stock position, it is found that sacking goods, at 77,200 tons, fell by as much as 11,400 tons, but miscellaneous constructions increased to 8,600 from 7,200 tons and hessian to 30,900 from 29,400 tons. Another cause that can be attributed to the huge decline in the sacking figure was the change of a portion of the sacking looms to the production of hessian, following a shift in demand in recent months.

Shipping figures released fully justified the market's earlier belief of the satisfactory position in the month of October. Sacking shipped totalled 43,177 tons and hessian 36,299 tons, representing increases of 14,921 and 3,776 tons, respectively. These included coastal shipments. However, shipping during the current month would not be as satisfactory as that of last month, in view of the difficulties that have followed the blocking of the Suez Canal. By far the most important news to the market during this week and for which the industry and trade had been earnestly looking forward during the last several months was the New Delhi announcement recognising the East India Jute and Hessian Exchange Ltd., Calcutta, under section 6 of the Forward Contracts (Regulation) Act, and permitting the same to conduct trading in futures contracts and specific delivery contracts in raw jute and jute goods within the city of Calcutta for a period of three years. It had been realised by the trade that forward trading, if conducted on ideal lines, would be a great boon to the industry both in times of depression and buoyancy. Jute goods are subjected to wide fluctuations at all times, as a result of developments both within the country and without. These naturally place the mills in an embarrassing position, and, often in times of depression, lead to uneconomic prices. On such occasions, the mills invariably withdraw from the markets as the last weapon to throw off the demon of speculation and bring back the market to sanity. Now the forward market should be of considerable assistance in the stabilisation of prices at fair levels. It is evident that the Government would look to the working of the Exchange with considerable interest.

In accordance with the recommendations of the Forward Markets Commission, the Government of India has agreed that all transferable specific delivery contracts in raw jute and jute goods entered into in the I.J.M.A. forms prior to the application of section 15 of the Act be treated as valid for nine months in relation to jute goods and three months in respect of raw jute. Exempted from the regulation will be contracts entered into in the I.J.M.A. forms subsequently for a period of six months from the date section 15 of the Act comes into force.

On Tuesday last, strong conditions were in evidence as the threat of armed intervention in the West Asian crisis by the Russians was implied in Marshal Bulganin's letters to the British and French Prime Ministers. It was thought then that the world was being led to a third catastrophe of the century. On speculative buying, rates moved up and ready 40"×10 oz. hessian rose to Rs. 44-6 from Rs. 43-14 overnight and B. twills to Rs. 118-8 from Rs. 117-4. On the following day, prices gave way earlier on rumours of a cease-fire but, as these lacked confirmation before trading came to an end on that day, the rates steadied up. Thus, B. twills, at Rs. 117-2, were fully firm, as were hessians 40"×10 oz., at Rs. 44. Business was also done at these rates. The actual news of cease-fire in Egypt followed, but it did not result in any fall in quotations, as the announcement of the lower stock position on Thursday came to the rescue of bulls. Ready B. twills spurted to Rs. 117-14, as the heavy goods stock figure recorded a modest decline. On the other hand, ready hessian 40"×10 oz. dipped to Rs. 43-15, in view of the slight increase in stocks. By the week-end, quotations were fully steady with B. twills being priced at Rs. 117-14 and 40"×10 oz. hessian at Rs. 44-3. Yesterday conditions reached buoyancy, and keen speculative bidding saw ready B. twills reach Rs. 119-12 and 40"×10 oz. hessian to Rs. 45-4. The Russian inclination to send Soviet volunteers to Egypt and the U.S.A's views on the same together with China's readiness to help Egypt with men and money have resulted in a crop of rumours suggesting increased tension among Big Powers.

In contrast with the uptrend in jute goods, raw jute prices declined by about Re. 1 per maund. This was due to the satisfactory raw material stock position which enabled mills to show interest for nibbling quantities only. Indian northern bottoms declined to Rs. 30 from Rs. 31 and local Daissee bottoms to Rs. 31 from Rs. 32 per maund.

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 13*th November*

Good demand was in evidence during the export sale held yesterday. Exporters showed keen interest as, with the low stocks in the United Kingdom and the longer duration ships would remain in journey as a result of re-routing via the Cape, they wanted to avail of as much shipping space as possible. It was realised by the trade that it would not be before months the Suez Canal would again be made navigable.

Fully steady conditions were in evidence during the export sale held this week. Offerings totalled 54,500 packages, most of which had buyers at higher rates. The strongest feature of the sales was stylish B.P.Ss. and whole leaf grades, prices of which rose by As. 2 to As. 4 above valuations. Prices of C.T.Cs. advanced by As. 2 to As. 3, and those of clean commons and good liquoring mediums by As. 2 to As. 4. Darjeelings were taken up at higher rates, and tippy teas rose above valuations. The quotations were: best C.T.C. Assam B.P. Rs. 3-2 to Rs. 3-4, medium Assam B.P. Rs. 2-4 to Rs. 2-5, clean black pekoe Rs. 2-4 to Rs. 2-5, and plain B.P. Rs. 2 to Rs. 2-1.

The deepening of the Middle East crisis and the consequent blocking of the Canal lent strength to quotations for export quotas. The rate, at As. 3 per lb., showed a fractional improvement, but there were no sellers.

Prices in the sale for internal consumption held here on Tuesday last week declined, but, at the lower rates, demand was good. Dusts on offer amounted to 19,589 packages. In striking contrast to the trend during previous sales, buyers on behalf of the Middle East evinced no interest whatsoever in black leafy teas, most of which had to be withdrawn without bids. Poor C.T.Cs. and mediums gave way by As. 2 to As. 3 and the better lots by As. 3 to As. 4. Mediums and commons receded by As. 4. There were heavy withdrawals of Darjeelings and the poor fibrous teas, as, towards the end of the sales, bids were even As. 4 below brokers' valuations. However, early during the auctions, good support was afforded and prices even tended to be higher. The quotations were: best Assam C.T.C. Rs. 2-11, medium Assam C.T.C. Rs. 2-6 to Rs. 2-7, medium Assam grainy dust Re. 1-15 to Rs. 2, and medium Dooars Re. 1-15.

A quantity of 1,138 packages of leaf consisting of residues was offered. Demand was fair but prices were irregular.

London reports revealed fears of shortage in the near future in view of the poor position of stocks. The sales held in Mincing Lane last week reached a stage of buoyancy, and, despite a seasonal decline in quality, the best lots realised higher prices. The trade took from stockists more than the arrivals, and reflecting this is the decline of 2.4 million lbs. during the week ended 2nd November to 107.2 million lbs. It would not be before three to four weeks that stocks would show improvement, and in the meantime the decline would continue. Only after the re-routed tea begins to reach London warehouses, the fall in stocks can be arrested.

Nairobi is the latest entrant in the world centres of auctions. In the first auction held there on Wednesday last, it was reported that a small quantity of 149 chests was catalogued. This met with brisk bidding.

Mixed conditions were reported in the sales held in Colombo last week. While low-grown brokens and mediums gained, high-grown brokens and good fannings searched lower levels. South African buyers were rather quiet. Shipments to South Africa are not affected by the blockade in Suez, but, all the same, shortage of shipping space can present a problem sooner or later.

In the auctions held in Chittagong on Wednesday last, prices generally declined in view of the huge increase in the quantity on offer. Leaf offered aggregated 16,688 packages and dusts 4,274 chests. (Offerings at the next auction scheduled to take place on 21st November would be: leaf 16,500 and dust 4,004 chests). However, fanning grades were shown keen attention, and prices realised were above brokers' valuations.

LINSEED MOVES UP

(Messrs. A. Bradley and Co.)

CALCUTTA, 12*th November*

Firmer conditions prevailed in the linseed market during the week under review. Prices registered an advance. Ready stocks were very scarce, owing to extremely small arrivals from producing centres. Sellers were reserved, and buyers were fairly keen, notably for ready goods, despite appreciably higher price levels. Turnover was small, due to prevailing scarcity of ready goods. Fairly keen local enquiries helped to maintain prices in the oil section and an appreciable advance was noted, thanks to better demand and firmness of seeds section.

The latest available quotation for Ready-November is Rs. 25 per maund.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 12*th November*

Foodgrain prices were firm during the week and gains were recorded by all cereals. The war news from West Asia suggesting the blockade of the Suez Canal is considered in trade circles to be a major factor which may delay imports of foodgrains into the country. But Government circles are of the view that the import programme will not be much affected, as bulk of the imports of wheat will be from America which will be shipped from ports on the U.S. Pacific Coast while rice imports will be from Burma. Actual arrivals of foodgrains during October were 104,000 tons of wheat and 60,000 tons of rice. During the current and the ensuing months, food imports are expected to be of the order of 300,000 tons and 400,000 tons, respectively.

Wheat recorded an improvement of As. 12 to Rs. 15-10 per maund for average quality and Rs. 16-14 for farm quality. Brisk demand from the millers of Bihar and poor local arrivals—at an average of 100 maunds daily—added to the bullish trend. Most of the local demand was met by fair price shops. The Government has opened a number of such shops in rural areas which were lastly affected by excessive rains and floods. In these areas, wheat is being sold at the subsidised price of three *seers* per rupee. Demand on such shops is very heavy, due to appreciable advance in coarse grain prices. Wheat has also recorded strident advance in other markets in the country, despite heavy supplies of imported wheat rushed by the Government.

Rice, however, ruled quiet, following increased arrivals of new crop into the market and good crop reports in the markets in the South. Gram spurted to a new high of Rs. 13 per maund for local quality and Rs. 13-12 for Punjab produce, although local stock was still heavy at 110 *khaties* of 800 maunds each. Barley and *bejhar* advanced, due to good demand for seeds and poor local stocks. Other coarse grains also went up, the week-end prices being: Barley Rs. 14, *bejhar* Rs. 13-12, *maize* Rs. 13, *bajra* Rs. 13-12, *jowar* Rs. 13-8 and *guwar* Rs. 10 per maund.

Pulses recorded a hardening trend, in line with the general bullish trend in the price of other grains and good ready demand to O.T.R. destinations. Peas *dara* green was transacted at Rs. 13-8 and white quality at Rs. 14-4 per maund and the week's offtake aggregated 6 *khaties*, leaving the balance peas stock at 35 *khaties*. *Arhar* recorded gain of As. 8 to Rs. 13-4 per maund, with stock position put at 72 *khaties*. Other pulses also registered fractional gains during the week, the prevailing prices as on Monday being: *Urd* Rs. 17-8 to Rs. 19-8, *moong* Rs. 15 and *masoor* Rs. 17-6 per maund.

Pulses futures recorded sharp gains on vigorous bull support from Punjab and east U.P. The latest quotations were at the highest level of the week at: Peas *mangsir* Rs. 12-15, *jeth* Rs. 10-10, white *mangsir* Rs. 12-13 and white *jeth* Rs. 11-2; *arhar mangsir* Rs. 12-12-9 and *jeth* Rs. 11-3-6 and *urd maha* Rs. 16-14-9.

DEMAND FOR SUGAR BETTER

(From Our Own Correspondent)

HAPUR, 12*th November*

The sugar market was a bit lively during the week, due to better demand from all consuming centres in the country. Prices, however, were mostly unchanged, as supplies were easy, thanks to good stocks of old quality and commencement of production of new quality in many factories in west U.P. The latest prevailing mill delivery prices of sugar as on Monday were: Jaswant Rs. 27-13; Simbhauli Rs. 28-4; Mawana Rs. 27-2 to Rs. 28; Daurala Rs. 28 to Rs. 29; Amroha Rs. 27-4; Bijnore Rs. 27-4; Mansoorpur Rs. 27-10 to Rs. 29; Rampur Rs. 30; retail Rs. 30 per maund.

The *khandsari* market continued to be dull and depressed. Stocks were good while demand was poor. Prices ranged between Rs. 22 and Rs. 26 per maund according to quality.

New *gur* arrivals were quite large, the daily average being 3,000 to 4,000 maunds. Due, however, to good demand from Gujerat and easy loading facilities in the form of free supplies of wagon, *gur* ruled steady at Rs. 14 to Rs. 15-6 per maund. All the arrivals found ready offtake and the old stock was dwindling fast; it was put at 5,000 mds., the quotation being Rs. 11 per maund. Arrivals are likely to increase very soon.

Future *gur* prices spurted to new heights on vigorous bull support. On Monday, *fagan* delivery was quoted at Rs. 10-8-3, the highest level of the week.

EARNINGS OF INDIAN IRONS RISE

(Concluded from page 939)

part the increased working capital the Company will necessarily require."

The aforesaid schemes of extensions are in respect of the Company's Burnpur works. The Company has also on hand an expansion scheme in respect of its Kulti works. The first portion of this scheme, namely, to develop the manufacture of large diameter spun cast iron pipes up to 27" diameter, is now well in hand and production is expected to commence in the latter half of 1957. The initial expansion will raise the capacity from 4,500 to 12,000 tons of pipes per month, and the final development will yield 20,000 tons per month. Simultaneously, another plant is being erected to deal with the increased demand for pipe bends and specials, which are a necessary corollary to the augmented production of spun pipes.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 33-15¼ *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 3 per cent. per annum, free of income-tax.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL EXCHANGE BANKS %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	Oct., 1956	3½	3½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1936	4	4½
Colombia	18th July, 1935	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	28th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 9th November, 1956		Week ended 1st November, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,74,291	60,95,73,100	2,69,031	53,56,84,000
Calcutta	1,65,324	59,02,24,902	1,50,096	62,25,36,172
Madras	88,842	12,49,95,969	52,022	7,94,28,610
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
July, 1956	..	..	3,203,000	6,69,86,00,000
August ,,	..	..	3,057,000	6,45,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 9th Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government	62,99,59,000	
(2) Other Governments	20,05,60,000	
(b) Banks	52,46,74,000	
(c) Others	13,31,12,000	
Bills Payable	12,40,41,000	
Other Liabilities	100,32,88,000	
Rupees	287,46,34,000	

ASSETS	Rs.	Rs.
Notes		7,44,99,000
Rupee Coin		8,99,000
Subsidiary Coin		10,54,000
Bills Purchased and Discounted—		
(a) Internal	..	..
(b) External	..	..
(c) Government Treasury Bills	..	4,44,19,000
Balances held abroad*		98,17,38,000
Loans and Advances to Governments		64,35,000
Other Loans and Advances		90,98,95,000
Investments		74,29,45,000
Other Assets		11,97,80,000
Rupees		287,46,34,000

* Includes Cash and Short-term Securities.

(1) The item Other Loans and Advances includes Rs. 42,41,07,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 344,38,92,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,44,99,000	
Notes in circulation	1452,95,95,000	
Total Notes issued		1460,40,94,000
Total Liabilities		1460,40,94,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	..	
Foreign Securities	462,20,66,000	
Total of A		579,96,69,000
B. Rupee Coin		119,93,94,000
Government of India Rupee Securities		760,50,31,000
Internal Bills of Exchange and other commercial paper	..	..
Total Assets		1460,40,94,000

Scheduled Banks*

Statement of Affairs for the week ended 2nd Nov., 1956

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		13,04,56,000
(ii) Other demand liabilities		625,87,30,000
2. Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank †		3,33,00,000
(ii) Other time liabilities		458,01,46,000
3. Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		13,35,38,000
(ii) Time liabilities		
4. Cash in India		84,08,80,000
5. Balances with the Reserve Bank in India		61,77,06,000
6. Balances with other banks in current account in India		9,64,82,000
7. Money at call and short notice in India		17,26,58,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		367,32,31,000
9. Advances in India		613,05,93,000
10. Inland Bills purchased and discounted in India		103,19,59,000
11. Foreign Bills purchased and discounted in India		52,45,87,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	13th November, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	480¾	480¾
Buyers T.T. Rs.	473	473
London on New York $	2.78½-2.78¾	2.78½-2.78¾
London on Paris Fcs.	983	983½
London on Berne Sw. Fcs.	12.20¼-12.20½	12.20¼-12.20½
New York on London $	2.78⅛-2.78⅛	2.78⅛-2.78⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	294
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,766
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1954	42.84	F.Fr. 11,498,000	15,540	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,380	1,548
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 38,830	3,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation, Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 2nd Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		89,96,41,000
(b) Provincial Governments		11,60,29,000
(c) Banks		17,56,05,000
(d) Others		3,58,53,000
Bills Payable		23,84,000
Other Liabilities		9,33,33,000
Rupees		78,83,45,000

ASSETS	Rs.	Rs.
Notes		10,41,10,000
Rupee Coin		9,000
Subsidiary Coin		11,000
Bills Purchased and Discounted:—		
(a) Internal	..	..
(b) External	..	..
(c) Government Treasury Bills		2,06,37,000
Loans and Advances to Governments		..
Provincial Governments' Debtor Balances		..
Other Loans and Advances		5,39,15,000
Investments		51,34,32,000
Other Assets		9,71,31,000
Rupees		78,83,45,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,41,10,000	
Notes in circulation	294,73,09,000	
Total Notes issued		305,14,19,000
Total Liabilities		305,14,19,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	..	
Sterling Securities	87,70,39,000	
Government of India Securities	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
B. Rupee Coin	5,91,23,000	158,74,63,000
Government of Pakistan Securities	134,58,27,000	
Internal bills of exchange and other commercial paper	..	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		140,49,50,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets		5,90,06,000
		305,14,19,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 53.86 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	2nd Nov., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,443.59	1,418.89	1,430.57	1,317.54
Notes held in Banking Department	35.05	7.62	33.07	19.64	12.98
Foreign Securities	59.50	462.21	492.02	586.74	627.10
Rupee Securities	37.39	750.50	720.69	703.72	553.54
Banking Department					
Deposits of:					
Government of India	14.89	52.15	54.15	54.56	54.69
Other Governments	..	47.18	27.81	10.22	18.84
Balances held abroad	10.08	106.72	90.23	23.70	81.93
SCHEDULED BANKS					
Demand Liabilities	134.36	638.92	646.37	636.08	614.43
		(13.05)†	(12.97)†	(8.82)†	(15.67)†
Time Liabilities	102.24	456.34	457.61	454.22	425.69
		(3.33)†	(3.86)†	(2.26)†	(5.11)†
Borrowings from Reserve Bank	..	68.84	57.81	65.71	6.86
		(43.43)‡	(40.29)‡	(38.20)‡	(4.80)‡
Borrowings from State Bank	..	13.35	12.21	12.97	6.32
Cash in India	6.70	34.09	38.31	39.56	35.20
Balances with Reserve Bank	25.17	51.77	49.02	49.15	59.09
Excess over statutory limits	15.52	10.70	7.55	8.27	19.90
Balances with other banks in current account in India	..	9.65	9.88	10.13	10.77
Money at call and short notice in India	..	17.27	17.60	10.80	25.43
Investments (at book value)	..	367.32	371.53	374.28	391.71
Advances and bills	105.09	768.71	760.03	759.67	594.30
STATE BANK					
Deposits	87.76	229.37	229.40	230.83	218.95
Investments	51.99	107.10	107.44	107.86	117.00
Advances	30.35	130.72	129.76	131.36	117.06
Cash	14.69	16.20	16.46	14.28	26.02

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	July.		Four months, April to July	
	1955	1956	1955	1956
Import Duties:				
Revenue	9.63	9.15	37.85	38.87
Protective	0.77	1.14	3.08	4.24
On surplus disposals	..	..	—	0.03
Total import duties	10.40	10.29	40.93	43.14
Export Duties	3.17	1.24	10.88	7.03
Land Customs	0.04	0.18	0.33	0.62
Miscellaneous	0.06	0.06	0.26	0.32
Gross total customs	13.67	11.77	52.40	51.11
Refunds and drawbacks	0.19	0.20	0.97	0.79
Net Customs	13.48	11.57	51.43	50.32
Gross excise	13.28	14.41	48.92	55.89
Refunds	0.46	0.23	1.60	0.57
Net Excise	12.76	14.18	47.32	55.32
Net total of customs and excise†	26.24	25.75	98.75	105.64

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 9th Nov., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		227,72,04,000
Bills Payable		10,50,00,000
Bills for Collection being Bills Receivable as per contra		4,40,37,000
Acceptances, Endorsements and Other Obligations per contra		85,18,000
Other Liabilities (including Inter-Office Adjustments)		10,57,000
		6,89,14,000
Total ..	Rs.	262,44,80,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,05,33,000
Balances with other Banks		2,95,52,000
Money at Call and Short Notice		80,00,000
INVESTMENTS:		
Government and other Trustee Securities	95,84,42,000	
Other Authorised Investments	11,30,49,000	
		106,94,91,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	89,36,69,000	
Bills Discounted and Purchased	38,74,59,000	
		128,11,28,000
Bills Receivable being Bills for Collection as per contra		85,18,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		10,57,000
Premises less Depreciation		1,27,09,000
Furniture and Fixtures less Depreciation		82,45,000
Other Assets (including Inter-Office Adjustments)		6,72,47,000
Total ..	Rs.	262,44,80,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates						POSTAL SAVINGS§§									
	5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,83	65	3,26	23,66	84,17	1,13,35	92,03	— 31,07	7,55	25,64					
1954-55	4,70	1,62	4,99	27,27	1,24,64	1,34,94	1,30,88	— 36,35	5,57	37,15	7,40‡	7,38	55‡‡	54
1955-56	3,76	1,93	5,43	27,19	1,44,96	1,58,15	1,67,86	— 38,87	4,79	41,26	9,86	16,37	45	95
August 1955	4,29	12	5,17	2,09	1,32,82	12,25	1,43,80	— 36,96	39	38,87	58	11,00	3	72
September ,,	4,21	13	5,20	5,54	1,34,88	12,40	1,46,05	— 37,11	44	39,28	94	11,80	4	75
October ,,	4,14	10	5,21	2,11	1,36,38	11,35	1,48,99	— 38,23	46	39,68	80	12,49	5	80
November ,,	4,07	10	5,21	1,98	1,37,68	11,25	1,50,40	— 38,34	46	40,05	82	13,20	5	85
December ,,	4,00	18	5,26	2,58	1,39,48	12,94	1,52,44	— 38,44	36	40,34	88	13,98	4	88
January 1956	3,91	14	5,24	2,02	1,40,78	12,16	1,54,14	— 38,55	32	40,61	84	14,73	3	91
February ,,	3,83	16	5,29	2,33	1,42,37	12,87	1,56,19	— 38,66	39	40,95	93	15,57	2	93
March ,,	3,76	23	5,48	2,82	1,44,36	23,64	1,67,56	— 38,87	36	41,25	86	16,37	2	96
April ,,	3,69	24	5,54	2,19	1,45,85	14,94	1,71,08	— 38,96	34	41,51	85	17,13	3	95
May ,,	3,61	21	5,54	2,49	1,47,58	14,77	1,75,05	— 39,05	38	41,82	82	17,91	2	98
June ,,	3,54	26	5,55	2,70	1,49,48	15,24	1,76,09	— 39,15	38	42,11	92	18,75	2	1,00
July ,,	3,48	43	5,51	2,78	1,51,53	14,61	1,80,05	— 39,24	38	42,42	1,01	19,68	4	1,04
August ,,	3,40	29	5,52	2,53	1,53,14	14,10	1,83,21	— 39,35	36	42,72	93	20,58	5	1,07
September ,,	..	..	..	..	..	..	..	..	34	43,00	..	..	..	1,11

* At the end of period.

‡ Issued from 10th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 29-10-'55*	29-9-'56	20-10-'56*	27-10-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.6	90.4	90.3
1. Government of India	90.8	90.3	90.2	90.0
2. Indian States	96.5	96.7	96.8	96.8
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.2	100.3	100.3
1. Electricity	102.2	101.2	101.3	101.3
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.1	98.8	98.8	98.8
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	100.9	101.8	101.8	101.8
8. Others	101.0	100.8	100.8	99.8
PREFERENCE SHARES	87.2	83.3	82.6	82.6
1. Electricity	96.5	91.1	90.9	90.6
2. Cotton	79.9	84.4	83.9	84.0
3. Jute	87.1	75.9	75.5	75.5
4. Coal	92.6	82.3	82.0	82.0
5. Iron and Steel	90.8	85.1	84.4	84.4
6. Sugar	84.7	82.2	82.7	82.7
7. Paper	87.2	81.9	81.7	81.7
8. Plantations	100.6	102.3	102.3	102.2
9. Miscellaneous	82.4	80.9	79.3	79.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	127.0	128.6	124.8	123.9
(a) Financial	92.7	96.5	94.6	94.9
1. Banks	..	95.6	95.5	95.9
2. Insurance	107.1	88.2	87.9	87.8
3. Investment Trust	94.7	96.2	96.0	95.7
(b) Public Utilities	121.5	113.9	113.2	112.4
1. Electricity	126.3	113.7	113.6	113.1
2. Shipping and other Transport	119.7	122.7	120.6	118.6
3. Railways	87.1	83.7	85.5	84.0
(c) Manufacturing Industries	135.4	137.8	135.1	133.8
1. Cotton, Woollen and Silk	126.1	140.9	137.8	136.8
2. Jute	94.3	75.7	75.2	74.2
3. Iron and Steel	165.2	156.9	151.5	149.1
4. Paper	253.8	263.3	262.2	260.1
5. General Engineering	178.5	188.4	181.7	180.9
6. Chemicals	196.4	199.3	200.3	197.0
(d) Non-Manufacturing industries	169.3	159.4	158.2	156.9
1. Coal	79.7	79.8	80.2	79.9
2. Mining and Oil	250.8	245.1	241.9	236.6
3. Plantations	139.3	171.8	170.5	170.1
(e) Miscellaneous	104.3	104.7	103.1	102.4
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.5	89.9	89.8	89.7
1. Bombay	—	90.5	—	90.2
2. Calcutta	91.3	90.8	90.7	90.5
3. Madras	..	..	..	..
DEBENTURES OF INDUSTRIAL CONCERNS	99.5	99.7	99.7	99.7
1. Bombay	..	100.7	..	100.7
2. Calcutta	100.2	99.9	99.9	99.9
3. Madras	..	..	..	..
PREFERENCE SHARES	91.7	87.5	86.9	86.8
1. Bombay	—	77.6	—	76.6
2. Calcutta	96.0	97.5	97.6	97.5
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	136.9	136.4	133.5	132.6
1. Bombay	..	110.4	..	109.4
2. Calcutta	123.4	138.9	134.8	134.0
3. Madras	137.9	142.1	139.2	137.8
4. Delhi	..	..	..	..

* Calcutta market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,923
1952	963	809,242	3,336,951
1953	772	477,138	3,382,608
1954	840	466,807	3,372,630
1955	1,166	527,767	5,697,848
July 1954	122	30,189	277,492
August ,,	79	51,090	322,857
September ,,	97	50,414	276,294
October ,,	88	41,724	239,701
November ,,	62	25,116	262,763
December ,,	101	54,455	322,307
January 1955†	95	49,038	144,302
February ,,	91	38,370	334,696
March ,,	112	70,042	333,375
April ,,	105	32,432	961,776
May ,,	120	68,441	1,144,011
June ,,	152	91,289	..
July ,,	111	55,260	660,492
August ,,	236	90,218	538,999
September ,,	251	92,619	580,031
October ,,	134	47,600	214,214
November ,,	99	48,809	176,112
December ,,	129	45,277	239,550
January* 1956†	107	51,050	349,655
February* ,,	122	69,450	786,768
March* ,,	146	133,188	678,716
April* ,,	143	81,367	554,993
May* ,,	137	64,361	558,717
June ,,	152	72,843	485,634
July ,,	133	83,837	519,672

† Figures are provisional. * Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.8	7,185.8
April 1955	690	691.1	563.9
May ,,	691	706.5	569.3
June ,,	696	716.2	576.1
July ,,	700	724.8	583.3
August ,,	705	709.9	574.4
September ,,	707	719.3	587.1
October ,,	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	735.7	648.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	796.5	658.5
July ,,	724	798.0	656.2

* Excluding railway, military and factory power stations. Dhola Power Station being interconnected with the Tata Power System, has been included. † Including purchases from non-electric utilities.

‡ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	27th Oct., 1956	20th Oct., 1956	29th Oct., 1956	September, 1956	September, 1955	Percentage of Increase (+) or decrease (—) in Sept., 1956 as compared with Sept., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	391.8	395.6	332.8	393.1	313.0	+25.6	312.2	339.8
Cereals	59	509*	516	391	509	380	+33.9	372	381
Pulses	8	387	396	322	394	267	+47.6	289	280
Others	33	246	246	229*	248	230	+ 7.8	235	291
Industrial Raw Materials	(18)	467.9	505.5 R	409.7	507.0	398.1	+28.0	418.8	436.2
Fibres	53	473	482	414*	491	402	+19.7	429	447
Oil seeds	30	555	557 R	394	575	374	+53.7	398	424
Minerals	10	533	551	425	524	417	+25.7	427	422
Others	7	421	422	423*	423	420	+ 0.7	431	427
Semi-Manufactures	(17)	408.6	405.3 R	332.2	408.3	324.8	+25.7	338.2	350.3
Leather	8	410	410 R	341	373	333	+12.0	378	376
Mineral oils	13	210	202	207	202	202	+ 2.5	207	221
Vegetable oils	16	584	579	382	388	364	+61.5	339 R	433
Cotton yarn	35	492	489*	408	504	407	+23.8	422	454
Metals	18	325	326*	276	329	259	+27.0	264	240
Oil cakes	5	472	458	349	482	341	+41.3	338	381
Others	5	362	362	330	361	330	+ 9.4	336	312
Manufactured Articles	(30)	386.5	386.5 R	371.1	391.4	368.8	+ 6.1	372.9	377.4R
Textiles	64	413	413* R	402	427	403	+ 6.0	408	421
Jute	11	423	—	400*	427	399	+ 7.0	413	443
Cotton	45	426*	426*	399*	430	402	+ 7.0	403*	415*
Rayon and Silk	6	413*	413* R	479*	470	474	— 0.8	435*	460*
Woollen	2	286	286	278	286	278	— 4.8	284	311
Metal products	7	388	388	371	388	252	+10.2	359	340
Others	19	295	295*	285	295	286	+ 3.1	285	286
Miscellaneous	(4)	589.5	581.8	557.8	567.1	556.0	+ 2.0	548.4	612.4
All Commodities	(100)	417.2	418.7 R	380.9	419.8	353.2	+18.9	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. *Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955																		
August	489	420	128	208

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage				Outturn	
	Fore-cast	Unit	1955–56	1954–55	1955–56	1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,581
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,701	1,844	1,646
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3 354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	.....	665	.....	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	33	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During September, 1956	84.5
	Corresponding month, 1955	87.4
	Three months ended Sept., 1956	268.2
	Corresponding period, 1955	252.9
Stocks	At the end of Oct., 1956	116.7
	Corresponding month, 1955	62.3
		(In 000 bags)
Exports (Jute Bags)	Week ended 29th Sept., 1956	13,298
	Corresponding week, 1955	19,207
	From 1st Jan., to 29th Sept., 1956	311,491
	Corresponding period, 1955	351,663
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 29th Sept., 1956	37,426
	Corresponding week, 1955	73,263
	From 1st Jan., to 29th Sept., 1956	1,068,910
	Corresponding period, 1955	1,026,663
	RAW JUTE	(In lakh bales)
Consumption by Mills†	Sept., 1956	4.90
	Corresponding month, 1955	5.07
	Three months ended Sept., 1956	15.55
	Corresponding period, 1955	14.67

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,300
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
May 1955	94,200	87,500	5,800
June ,,	91,700	80,900	62,600
July ,,	94,900	84,300	64,300
August ,,	92,500	83,900	63,700
Sept. ,,	95,300	87,500	65,700
October ,,	91,700	83,800	64,800
May 1956	96,600	89,400	66,300
June ,,	94,900	89,000	64,400
July ,,	94,400	91,300	65,500
August ,,	97,800	88,000	66,000
Sept. ,,	96,400	88,900	59 700
Oct. ,,	96,700	91,100	71,800
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,093
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,961
,, ,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,630	1,05,714
,, ,, ,, Dec., 1955	1,60,750	1,24,896	1,05,752
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,306	1,17,710	92,609
,, ,, ,, Sept., 1956	1,74,447	1,33,325	1,13,953

OVERALL BALANCE OF TRADE OF INDIA
July, 1956†

Particulars	July.		Four months, April to July.	
	1955 Rs. (lakhs)	1956 Rs. (lakhs)	1955 Rs. (lakhs)	1956 Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	50,62	41,34	181,70	170,37
(b) Re-exports	50	71	1,99	3,50
Less—Transit trade	1	2	8	3
Net re-exports	49	69	1,91	3,47
Total exports	51,11	42,03	183,61	173,84
2. Imports	51,62	59,39	205,57	250,92
Less—Transit trade	3	3	6	14
Net Imports*	51,59	59,36	205,51	250,78
Balance of trade in merchandise	48	—17,33	—21,90	—76,94
Balance of trade in gold and silver	—	1	3	2	—	9
Total overall visible balance of trade	—	49	—17,36	—21,92	—77	03

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
* Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	200	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	134	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
August 1955	4,984	1,122	414	88	50	27	29	10	124	166	17	125	16	62
September ,,	5,381	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	262	332	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,222	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,,	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65

Note.—The figures relate to broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.
* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 8th Nov., 1956	15,694(J)
	Corresponding week, 1955	15,774(J)
	1st Sept. to 8th Nov., 1956	138,287*
	Corresponding period, 1955	192,391*
Cotton Exports	Week ended 8th Nov., 1956	1,144‡
	Corresponding week, 1955	12,581‡
	1st Sept. to 8th Nov., 1956	24,557‡
	Corresponding period, 1955	176,022‡
Mill Consumption (Estimated)	1st Sept. to 8th Nov., 1956	252,195
	Corresponding period, 1955	241,500
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 8th Nov., 1956	435,909
	Corresponding date, 1955	647,133
Cotton Exports from Bombay (by sea)	During Aug., 1956	13,170‖
	1st Sept., '55 to 31st Aug., 1956	715,663
	1st Sept., '54 to 31st Aug., 1955	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 1st Nov., 1956	217,776
	Corresponding period, 1955	194,953
Exports	1st Sept. to 1st Nov., 1956	66,002
	Corresponding period, 1955	83,863

Particulars	Quantity (Bales of 400 lbs.)
From Bombay	
Cotton Shipments to—	
United Kingdom	2,336
Continent	577
Honkong	1,137
China	2,927
Japan	14,444
U.S.A.	75
Other Countries	339
Total to all foreign countries	21,835
Coastal Ports	4,929
Total	26,764‖
Consumption of Cotton—	
Indian	369,664
Foreign	49,192
Indian	4,365,456
Foreign	630,251
Stocks (Mills and Elsewhere)—	4,138,438
Indian	630,474
Foreign	
Receipts	1,408,238
Foreign	405,354
Indian	1,443,424
Foreign	179,259
Cotton Pressed in India† (In running bales)	13,053
	21,466
	76,910
	85,300

From 1st Sept. to 12th Nov., 1956 — Period	Bales
August, 1956	369,664
Twelve months ended Aug., 1956	49,192 / 4,365,456
Same Period 1955	630,251 / 4,138,438
As on 31st August, 1956	1,408,238 / 405,354
As on 31st August 1955	1,443,424 / 179,259
Week ended 2nd Nov., 1956	13,053
Corresponding week, 1955	21,466
1st Sept. to 2nd Nov., 1956	76,910
Corresponding period, 1955	85,300

From 1st Sept. to 12th Nov., 1955 — Bales: 17,058; 36,693; 14,474; 20,938; 75,995; 608; 3,698; 207,599‖

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1928–33	63,30,26,000	1960–70	100⅜
3 % Loan	1938–39	1,16,17,46,000	1963–65	94⅜
3 % Loan	1950	30,33,10,000	1964	94½
3 % Fg. Loan	1943	1,10,11,78,000	1966–68	92⅜
2½ % V. Loan	1944	33,54,89,000	1957	99½
3 % Loan	1945	1,15,05,38,000	1970–75	88
3 % 2nd V.Loan	1945	1,13,85,84,000	1959–61	97⅜
3 % Loan	1951	50,35,63,000	1958	99⅜
2½ % Loan	1946	45,80,37,000	1960	96½
2½ % Loan	1946	57,00,69,000	1961	93⅜
2½ % Loan	1946	14,77,48,000	1976	83⅜
2½ % Loan	1947	75,86,72,000	1962	93⅜
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98⅜
3½ % N.P. Bonds (2nd Series)	1955	1,05,07,92,000	1965	98⅜
3½ %	1956	57,27,00,000	1962	97⅜
3½ % N.P. Bonds	1956	33,32,00,000	1967	98⅜
3½ %	1956	66,64,00,000	1974	98½
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months notice. On September, 1986 or later at option of Government after three months' notice.	74
3 % Loan	1940	2,48,91,47,000		73‡
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958–68***	102⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	98⅜
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	98⅜
3 % Bombay	1944	3,06,86,000	15th Aug. 1958	98½
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94⅛
3 % Bombay	1950	2,87,82,000	31st July 1960	96⅜
3½% Bombay	1951	2,95,25,000	17th Sept. 1962	93⅛
4 % Bombay	1953	5,42,25,000	15th July 1963	101⅛
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	101⅛
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100⅜
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99⅜
4 % Bihar	1955	1,50,00,000	1st Sept. 1964	99
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	98⅜
4 % Cochin	1954	1,00,00,000	16th Dec. 1955–68	98⅜
3½% Cochin	1936	70,09,000	1st June 1956-61	99⅛
3½% Howrah Bridge (New)	1936–37	1,95,96,700	1956–66	95½
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99⅜
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99⅜
3 % Madras	1939	1,23,95,500	21st June 1959	96⅜
3 % Madras	1944	1,07,95,000	15th Aug. 1958	95⅜
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96½
2½% Madras	1946	3,81,77,200	1st Sept. 1961	93⅜
4 % Madras	1950	4,38,25,100	31st July 1960	99⅛
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97⅜
4 % Madras	1953	10,33,03,000	15th July 1963	99⅜
4 % Madras	1952	5,24,31,500	1st Aug. 1964	99⅜
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98⅛
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	101⅛
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	99½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99⅜
4 % Mysore	1953	3,33,47,000	15th July 1963	100
4 % Mysore	1955	3,54,94,000	1st Sept. 1964	98⅜
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	98⅜
3 % M.P.	1944	52,69,800	15th Aug. 1958	98½
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	99½
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98⅜
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	98
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99⅜
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99⅜
4% Trav. Cochin	1953	3,00,00,000	15th July 1963	98⅜
4% Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98⅜
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	98⅛
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98½
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96⅛
2½% U.P.	1946	2,20,93,800	1st Sept. 1961	93⅜
3½% U.P.	1951	1,91,72,000	17th Sept. 1962	97⅜
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	99⅜
4 % U.P.	1953	5,65,15,500	15th July 1963	99⅜
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	98
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	98
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	98
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99½
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	98

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repay-able	Market quota-tion
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
40,00,000	4	1908	1968	99¼N
56,00,000	4	1909	1970	
75,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	100½N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1926	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000C	5††	1921	1981	89
68,02,300C	6‡	1921	1981	144N
1,49,40,500B	5	1927	1957–87	102
1,49,30,000	5	1928	1958–88	103
80,00,000	4½	1931	1991	
80,00,000	3½	1935	1965	97⅛
25,00,000	3	1938	1963–68	90
50,00,000	3	1945	2005	74
50,00,000	3	1946	1975	85
50,00,000	3	1946	1976	84‡
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79‡
50,00,000	3	1948	1978	83‡
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97
50,00,000C	3	1950	1980	82
1,00,00,000	3	1950	1960	95‡
1,00,20,000	3	1950	1960	95‡
50,00,000	3	1951	1981	81‡
1,50,00,000	3½	1951	1961	91‡
50,00,000	4	1952	1982	100
50,00,000	4	1953	1983	89⅜
90,00,000	4	1955	1985	98
77,00,000C	4	1956	1986	97‡
78,00,000C	4	1956	1986	97‡
		STERLING LOANS		
£892,600	5	1923	1953–83‖	£79
£901,000	5	1924	1954–84	£79‡
£885,100	5½	1932	1962	£91‡
		MADRAS		
Rs.				Rs.
31,47,169	3½	1947	1977	
9,88,000‖	3	1947	1977	
8,00,000‖	3	1949	1979	A
45,00,000‖	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay-able	Market quota-tion
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	
30,00,000	4	...	...	100
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97½N
15,00,000	4	1907	1967	
30,00,000	4	1907	1967	
25,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
25,00,000	4	1914	1974	
25,00,000	4	1916	1976	97½N
65,00,000	5	1919	1957–79	118N
25,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	115N
10,00,000	5	1927	1961–70	98N
		1936	1966	
		STERLING LOANS		
£566,600		1909	1969	£95¼N
£338,000		1910	1970	£95¼N
		CALCUTTA		
Rs.				Rs.
25,00,000	5½	1929	1959	
50,00,000	4	1934	1964	107
30,00,000	3½	1935	1965	99⅜
30,00,000	3	1936	1966	94
50,00,000	3	1938	1968	90
80,00,000	3	1938	1963–68	91
1,02,00,000	4	1952	1962	99
	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repay-able	Market quota-tion
Rs.		**BOMBAY**		Rs.
20,60,000	4	1913–15	1974	99⅜
10,00,000	5	1920	1980	113N
25,00,000	5	1923	1958	104
8,45,500	5	1929	1954–59	to
29,21,500	5	1929	1959	102⅛
8,25,00,000	3½	1947	1977	86⅜
2,50,00,000	3½	1947	1977	86⅜
4,00,00,000	3½	1950	1979	86⅜
2,50,00,000	3½	1950	1979	86⅜
2,00,00,000	3½	1952	1964	92⅜
1,30,00,000	4	1953	1966	97⅜
1,00,00,000	4	1952	1964	99⅜
1,00,00,000†	4	1952	1964	99⅜
2,50,00,000	4	1954	1966	100
		1955	1967	99⅜
Rs.		**CALCUTTA**		Rs.
36,00,000	5	1928	1958	
25,00,000	5	1929	1957	103
10,00,000	5	1929	1958	102
10,00,000	5½	1932	1962	102⅜
33,91,000	3½	1935	1965	93
60,00,000	3	1936	1966	94
47,50,000	3	1938	1968	90
15,56,800	3	1938	1966	90
15,56,800	4	1939	1956	99⅜
15,56,800	4	1940	1957	99⅜
17,64,400	3½	1942	1962	99⅜
21,10,000	3½	1942	1972	96⅜
15,49,000	3½	1942	1972	96⅜
16,33,000	3½	1951	1960	97
66,88,000	3½	1951	1966	97
87,36,000	4	1951	1966	97⅜
72,50,000	4½	1954	1972	99⅜
		1954	1979	99⅜
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107⅛N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99⅛
4 % W. Bengal	1953	3,80,23,000	15th July 1963	100
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99⅜

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—DomesticLoan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free to first 12 years †—Interest a...

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	113	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	10,00,000	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works	7,00,000	1905–24	8	Feb. Aug.	134	100
Cawnpore Sugar & Abkhar	5,00,000	1920	7	July Apr.	6½	5
Deccan Sugar & Abkhar	$200,000	1897	7	Jan. July	17½	£1
¶East India Distilleries	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Gwalior Sugar	5,00,000	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1922	10	Oct. ..	15	10
Furtabpore Co.	4,00,000	1933–36	6	Aug. ..	100½	100
Ramnugger Cane	20,00,000	1943	5½	Oct. Apr.	75N	100
Ravalgaon Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
South Behar Sugar	5,00,000	1936	5(a)	Dec. ..	8½	10
Travancore	12,00,000	1932	5	Dec. ..	90N	100
Upper Ganges	15,00,000	1946	6(a)	Dec. ..	70N	100
Do.		1907	5½	.. ..	80	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	103	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1946	6(a)		8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100‡
Karanpura Collieries	9,87,500	1946	5½(a)	.. ..	65	75(pr)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	11	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Onda	2,00,000	1893–99	6½	Apr. Oct.	105	100
COTTON						
Ahmadabad Advance	10,00,000	1939	5	Apr. Oct.	108½	100
Bangalore	6,00,000	1884	6	Jan. July	125

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend or first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	5,62,725	90,10,670	43,05,373	96,966	Rajputana Textiles (Agencies) Ltd.	55,008	898	Apollo Mills	2–11½	2	0 4(c)	0 2(c)	0 3		12	Y.
40,00,000	24,00,508	1,28,52,007	72,25,665	—6,97,129	M.	50,596	1,021	J. K. Cotton Mills	48½	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
3,50,28,600	2,90,72,778	4,93,85,445	3,30,00,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	208½	50	160 0†	75 0†	12 8	20 0	3	Y.
10,00,000	22,74,898	58,81,826	53,67,496	91,731	Ramnarain Sons, Ltd.	44,764	840	Bradbury Mills	54½	100	22 0	22 0	22 0	8 01	12	Y.P.
1,09,42,500	2,43,96,826	2,51,32,264	1,97,96,117	6,44,956	Birla Bros., Ltd.	1,26,264	2,698	Century Spg. & Mfg.	541½	100	22 0	22 0	22 0	8 01	12	Y.
49,80,000	25,42,338	1,19,90,786	85,07,085	—33,08,007	V. J. Hiani (Chairman and Managing Director)	40,696	796	Kolaba Land & Mill	100	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,08,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	80,525	680	Co-ria Spg. & Wvg.	167½	100	7 8	7 8	7 8	12 8*	3	Y.
10,00,000	24,52,286	89,10,851	54,56,041	2,17,076	Ramnarain Sons, Ltd.	40,092		Dawn Mills	162½	50	6 0	6 0	15 0		12	Y.
24,00,000	40,06,425	76,75,267	50,21,782	2,28,442	Puranmal Bubna Sons.	50,064	928	Edward Textiles	84½	100	15 0	15 0	18 0		12	Y.
79,98,950	11,91,233	1,09,75,849	80,74,224	1,21,252	M.	41,200	856	Elphinstone Spg. & Wvg.	57	50	*Nil*	3 0	5 0		12	Y.P.
50,00,000	76,11,575	1,33,36,518	74,17,307	1,67,190	James Finlay & Co., Ltd.	49,382	784	Finlay Mills	334	100	15 0	16 0	20 0		12	Y.
11,84,600	76,64,589	1,37,76,810	66,11,560	9,223	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,460	1,000	225 0*	225 0	300 0	75 0‡	3	Y.P
16,000									12½	10	0 10	*Nil*	0 15	18 12½		
2,96,05,000	62,50,899	4,66,15,552	3,39,00,000	1,93,113	Agarwal & Co.	2,33,812	6,412	India United Mills	2–0‡	2	0 1D.	0 1	*Nil*	0 3	12	Y.
50,00,000D									5,460	1,000	225 0*	225 0	300 0			
5,85,000	74,84,642	1,80,07,966	92,50,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,198	Indian Mfg.	—	500	112 8*	112 8	150 0		3	Y.P.
25,000									236½	100	10 0	8 0	10 0			
50,85,000	55,07,851	2,73,73,670	2,08,22,138	26,228	Khatau Makanji & Co., Ltd.	57,740	1,506	Khatau Makanji Spg. & Wvg.	139½	100	10 0	10 0	15 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	2,56,88,095	2,05,14,796	844	Kilachand Industries Ltd.	49,760	1,846	Kohinoor Mills	110N	50	5 0	5 0	8 0*	6 0‡	12	Y.
22,12,264	41,06,780	1,18,74,348	56,99,115	31,470	N. Sirur & Co., Ltd.	40,406	1,052	Morarjee Goculdas Spg. & Wvg.	200	100	12 0	14 0	14 0	15 0	12	Y.P.
51,75,000	37,05,238	2,35,58,597	1,76,10,559	1,41,459	Pramal & Sons	70,416		National Rayon Corporation	268½	100	9 0	10 0	12 0		12	Y.P.
1,87,74,400	28,41,964	5,84,71,605	2,05,00,000	5,12,086	China & Co., Private Ltd.		146½	New City of Bombay Mfg.	100	10 0	10 0	10 0			12	Y.P.
24,00,000	24,50,000	76,57,353	48,04,780	3,016	W. H. Brady & Co., Ltd.	45,644	432	New Great Eastern Spg. & Wvg.	100	100	10 0	7 8	10 0		12	Y.
30,00,000	14,61,250	92,55,668	61,42,741	4,880	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	149½	100	8 0	8 0	10 0		12	Y.P.
48,00,000	50,10,989	1,84,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd.	52,600	1,190	Phoenix Mills	165	100	10 0	10 0	12 0		12	Y.
48,00,000	45,70,380	89,55,049	23,00,000	3,86,877	Podar Sons, Ltd.	9,599	277	Sassoon & Alliance Silk Mill	12	10	1 0	12 0	8		12	Y.P.
5,00,000	3,16,099	21,21,521	19,01,240	—1,72,154	David Sassoon & Co., Ltd.	6,606	254	Sassoon Spg. & Wvg.	43	10	1 4	1 12	1 12		12	Y.
27,70,000	82,80,605	1,92,68,351	1,01,71,824	24,280	M. G. Investment Corporation, Ltd.	60,326	1,640	Shree Niwas Cotton Mills	212½	100	14 0	14 0	12 0		12	Y.P.
30,00,000	47 70,061	80,80,958	55,27,925	1,47,423	Marwar Textiles (Agency) Ltd.											
42,00,000	33,02,179	99,78,309	78,83,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	24,840	1,256	Simplex Mills	196½	50	15 0	11 0	10 0		12	Y.
67,50,000	2,23,18,729	2,51,23,999	1,37,36,474	12,888	Mafatlal Gagalbhai & Sons	52,066	1,633	Standard Mills	47½	100	15 0	20 0	20 0		12	Y.P.
99,25,780	24,89,716	2,28,87,447	1,19,21,899	67,011	Tata Industries Ltd.	78,250	2,090	Bombay Dyeing Mills	249½	100	10 0	10 0	12 0		12	Y.P.
56,00,000	65,35,445	1,25,99,971	81,58,715	1,51,060	James Finlay & Co., Ltd.	47,196	552	Swan Mills	487½	100	25 0	25 0	25 0		12	Y.
45,57,000	1,96,26,776	1,77,74,353	68,44,883	42,484	Tata Industries Ltd.	35,554	1,242	Tata Mills	552	100	1 8	2 8	4 0		3	Y.
12,00,000	92,55,709	1,15,56,426	31,00,000	2,316	Thackersey Mooljee Son & Co.	64,156	1,909	Western India Spg. & Mfg.	5,150	1,000	225 0*	225 0	300 0	75 0‡	3	Y.

AHMEDABAD

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	200	100	10 0*	8 0	7 0	12 0	6	Y.P.
10,00,000	94,58,068	94,57,298	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	44,220	912	Aruna Mills	750xr	100	20 0*	20 0	30 0		12	Y.P.
26,25,000	2,55,20,084	1,00,65,504	1,16,00,000	1,00,000	Narottam & Lalbhai	62,448	1,216	Arvind Mills	1,270	100	25 0	35 0*	35 0*		12	Y.P
20,00,000	31,75,000	96,34,584	72,25,000	2,46,586	Mangaldas & Sons, Ltd.	37,268	914	Asoka Mills	1,117½	100	22 0*	22 0	30 0		12	Y.P.
1,87,50,000	1,25,29,228	4,01,55,955	2,58,68,544	2,81,715	Karamchand Premchand Ltd.	1,39,130	2,672	Calico	1,780	1,000	70 0	70 0	80 0	30 0‡	3	Y.P.
62,87,000	24,58,000	1,21,06,843	89,25,000	2,760	Trikamlal Bhogilal & Co., Ltd.	45,824	866	New Commercial Mills	957	125	35 0	35 0	35 0		12	Y.P.
30,00,000	72,52,436	1,52,09,328	96,52,960	19,321	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.							12	Y.
19,00,000	83,48,000	90,86,193	57,88,217	16,655	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	452½	100	30 0*	30 0*	20 0		12	Y.P.
12,58,500	1,14,77,470	86,29,439	46,39,888		Lalbhai Dalpatbhai & Co.	32,528	636	Rajpur Mfg.	1,017½	100	25 0	25 0	35 0*		12	Y.P.
22,50,000	14,78,207	1,07,01,499	71,45,588	17,24,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	210xr	100	*Nil*	*Nil*	*Nil*		12	Y.P.
39,95,150	2,02,54,538	1,76,92,843	1,52,75,800	5,35,280	Harivallabhdas Kalidas & Co.	94,116	1,738	Shri Ambica Mills	888½		15 0	20 0	27 0*		12	Y.P.
19,52,500	62,31,263	78,08,018	60,84,701	15,592	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.	36,624	720	Shorrock Spg. & Mfg.	640	100	20 0	25 0*	25 0		12	
22,00,000	99,84,191	1,09,66,668	72,25,291	84,644	Harivallabhdas Kalidas & Co., Ltd.	36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0*		12	Y.
															12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
15,00,000	1,42,800	34,03,029	21,88,830	61,576	Calcutta Agency, Private Ltd.	13,044	356	Basanti Cotton Mills	6xd	10	0 4f	0 8	0 8		12	Y.P.T.
7,11,250	5,48,778	18,45,351	13,67,597	98,788	Bengal Textile Agency, Ltd.	32,544	986	Bengal Luxmi Cotton Mills	40	40	*Nil*	4 0	4 0		3	Y.
4,00,000	23,72,414	89,08,142	51,49,000	—23,47,378	Kettlewell Bullen & Co., Ltd.	42,672	818	Kesoram Cotton Mills	260	100	*Nil*	*Nil*	2 8		6,12	H.P.
10,00,000	26,17,571	1,04,58,588	70,74,377	1,87,851	Kettlewell Bullen & Co., Ltd.	42,944	1,090	Kesoram Cotton Mills	160	10	1 12	0 14	0 14		6,12	H.
1,60,00,000	2,29,45,320	3,76,19,533	1,31,26,533	1,86,672	Birla Brothers Private Ltd.	1,26,264	2,698	Kesoram Rayons	10	10	1 0	1 0	1 0	1 0	3	Y.P.
19,47,750	7,45,009	47,06,398	24,45,259	1,994	Ramaresmull Heeralall	23,086	796	Kampoorie Cotton Mills	21N	10	*Nil*	*Nil*	0-5 11/25		6	Y.
5,00,000D																

SOUTH, INDIA AND OTHER CENTRES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
15,00,000	9,00,000	66,87,191	29,09,649	—8,54,286	Ramia & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*				
11,98,600	5,57,596	31,26,764	15,64,243	3,566	Sefna & Co., Ltd.	24,800	708	Aabar Textiles Ltd.	217	100	4 0	*Nil*	12 8		12	Y.P.T.
71,94,000	56,91,264	1,54,91,630	66,78,628	1,56,042	Industrial Trust Fund	38,196	1,157	Azam Jahi Mills	92	100	6 0	*Nil*	8 8(c)		6	Y.
40,50,000	2,00,68,745	3,34,98,906	2,43,28,258	2,26,649	Binny & Co. (Madras)	40,068		Bangalore Woollen, Cotton and Silk Mills	565	100	25 0	30 0	30 0	10 0	12	Y.
27,80,000	15,50,000	77,25,162	53,72,183	18,199	K.	29,896	810	Bengal-Nagpur Cotton Mills	9½	10	*Nil*				6,12	H.P.T.
35,00,000	1,09,48,251	1,10,14,492	37 78,902	4,25,221	Birla Brothers, Ltd.	29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	81N	10	3 0	3 0	3 0			
1,78,47,800	1,76,52,506	6,35,99,208	3,58,32,186	2,88,445	Jiwaj & Co. (Madras) Ltd.	1,39,256	2,787	Buckingham & Carnatic	195½	100	10 0	10 0	10 0	4 01	3	Y.
20,00,000	20,00,000	29,89,954	21,09,551	5,79,798	Tatrea, Limited & Co., Ltd.	24,800		Cambodia Mills	14N	10	0 12	*Nil*	3 0		12	Y.P.T.
15,00,000	11,50,000	31,65,933	24,42,351	5,094	K. Damodaran, Esq.	17,496	591	Cannanore Spg. & Wvg.	170	100	12 0	20 0	12 0	15 0	3	Y.
10,00,000	29,51,420	69,49,289	61,72,376	36,767	Begg, Sutherland & Co., Ltd.	24,800		Cawnpore Textiles	12½	10	*Nil*	*Nil*	*Nil*	0 10	3	Y.
9,57,470	2,00,000	50,87,536	18,02,168	58,796	C. R. Srinivasan, Esq. (Chairman)	24,800		Cauvery Spg. & Wvg. Mills Ltd.	102	100	20 0	25 0	25 0	0 12	3	Y.
12,00,000	30,50,000	1,31,91,993	1,13,58,578	9,551	K. Bheema Naidu & Co.	24,864		Coimbatore Cotton Mills	208	100	15 0	25 0	25 0		12	Y.P.T.
20,00,000	19,95,000	56,59,436	24,25,921	14,322	T. R. N. Naidu & Co.	23,738		Coimbatore Pioneer Mills	90	50	5 0	5 0	20 0		12	Y.
20,74,900	4,19,814	1,15,81,499	82,06,019	16,852	K. G. N. Naidu & Co.	24,864	407	Coimbatore Spg. & Wvg.	122	100	5 0	2 0	2 0		12	Y.
45,27,350	1,94,00,000	2,43,19,404	1,43,09,884	8,705	Tata Industries, Ltd.	1,15,188	2,062	Central India			15 0	2 0	2 0		12	Y.
2,28,26,325	3,55,00,000	9,99,78,788	5,08,00,000	62,750	B. R. Charat Ram & Co., Ltd.	1,16,636	2,854	Delhi Cloth & General Mills	394N	2½	0 2 4/5	0 3 3/5	0 3 3/5		3	Y.P.
1,00,563									2½							
26,84,000	23,47,878	82,74,245	38,38,383	3,864	M. N. Chettiar & Sons	48,452	1,198	Elgin Mills	294	100	1 0	1 0	1 0		12	Y.
69,00,000	64,28,950	1,52,16,328	1,29,71,681	98,886	Begg, Sutherland & Co., Ltd.	77,376		Gokak Mills	2384	100	17 0	18 0	15 0		12	Y.
45,81,000	25,23,175	1,00,58,167	58,95,966	14,080	Forbes, Forbes Campbell & Co., Ltd.	51,180	1,420	Indore Malwa United	147½	100	6 0	6 0	9 0		12	Y.P.
50,00,000	9,10,447	1,31,91,993	1,13,58,578	9,551	K. Srinivasa Naidu & Co.	24,822		Jaisardana Mills	102	50	4 8	5 0	10 0	5 01	12	Y.
8,80,000	10,88,883	31,06,449	8,08,153	2,079	G. V. Naidu & Co., Ltd.	17,360	396	Kothari Textiles	174	10	0 8	0 8	1 0		12	Y.
42,00,000	16 25,000	78,88,866	26,50,000	99,822	Kothari & Sons	51,672	1,219	Lakshmi Cotton Mfg.	687xd	250	37 8	38 12	42 8		12	Y.P.
23,00,000	65,30,185	1,48,82,859	1,18,54,304	14,744	Bombay Co., Ltd.	85,908	201	Lakshmi Mills	268	50	5 0	10 0	12 8	12 81	3	Y.P.
39,94,100	66,55,960	1,61,13,090	91,51,437	6,51,664	N. Naidu & Co.				128	25	2 8	3 0	3 0	6 4		
17,52,050						6,00,000		Madura Mills	48½	15	3 0	3 0	3 0		3	Y.
1 78,02,480	4,18,81,578	8,73,76,128	3,32,74,619	18,86,813	A. & F. Harvey Ltd.	2,22,522	100	Malabar Spg. & Wvg.	113	100	8 0	8 0	10 0		12	Y.
12,00,000	1,41,568	25,25,758	16,75,245	—99,078	A. L. A. R. S. Chettiar and Brothers	24,780	608	Mettur Industries Ltd.	442½	100	12 8	22 8*	35 0*	12	Y.
60,00,000	69,00,000	68 79,627	45,29,734	45,885	W. A. Beardsell & Co., Ltd.	49,596	704	Minerva Mills	90	100	7 0*	5 0(c)	5 0(c)	42 8	12	Y.
29,80,884	19,91,551	89,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd.	51,240	948	Model Mills (Nagpur)	178½	100	7 8*	5 0(c)	7 8		12	Y.
94,91,850	24,54,025	1,55,89,225	79,26,125	—2,55,000	Jamalji Abrahamji Dadabhoy & Co.	49,536	1,284	Mulji Mills	96N	100	*Nil*	*Nil*	*Nil*		12	Y.
20,00,000	52,19,606	1,53,39,272	1,05,91,551	—7 77 290	Indian Textile Syndicate Ltd.	50,480	500	Mysore Spg. & Mfg.	100‡	50	10 6*	8 8*	8 0(c)	9 6*	12	Y.
24,38,500	50,54,085	1,10,98,742	67,14,107	19,041	N. Sirur & Co., Ltd.										12	Y.
13,61,780	8,000	39,25,352	15,12,761	—1,80,553	Seshasayee Rao. Esq., Manager	6,000		Mysore Spun Silk Mills	6½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
									2½		0. 2½	*Nil*	*Nil*			
											D. 1	*Nil*	*Nil*			
22,89,8820	25,52,583	1,04,27,298	58,90,719	—43,58,937	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills							12	Y.P.
2,07,096D									90	100	4 0	*Nil*	2 8			
57,19,800	55,48,320	1,99,99 989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	172	50A	12 0	12 0	12 0	8 8(c)	12	Y.P.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	20,924		Palani Andavar Mills	285	75B	18 0	18 0	18 0	8 8(c)		
6 00,000B	1,69,000	84,16,017	17,69,676	—14,96,887	C. S. R. Mudaliar & Sons	20,796		Pankaja Mills Ltd.	80	100	*Nil*	*Nil*	4 0		12	Y.P.
15,00,000									870	100A	8 0	16 0	20 0	0(c)		
16 31,200A	22,75,000	83,60 150	49,86,177	4,562	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	175	50B	4 0	8 0	10 0		12	Y.
8,40,600B	80,00,000	48,74,198	28,94,337	11,081	B. B. Naidu & Sons	35,472		Rajalakshmi Mills	165	50	7 8	10 0	10 0			
15 00,000	12,00,000	32,92,216	17,41,484	10,510	Ramco Agencies Ltd.	24,800	*Nil*	Rajalayam Mills	153	100	4 0	6 0	10 0		12	Y.P.
16,14,800	12 40,000	40,14,000	18,05,147	22,356	Rayalaseema Development Co.	14,880		Rayalaseema Mills	145	100	6 0	9 0	10 0	10 0	12	Y.
82,29,625	12,40,000	1,00,23,423	55,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur)	34,632	600	Raza Textiles	24N	10	*Nil*	*Nil*			12	Y.
60,00,000	52,41,585								1,800	1,000	*Nil*	*Nil*	*Nil*			
						95,282	2,234	Sholapoor Spg. & Wvg.	—	500	*Nil*	*Nil*	*Nil*		12	Y.P.
16,00,000	1,60,89,516	2,93,66,410	2,04,66,196	—1,78,06,704	Morarka & Co.	31,668	292	Sri Krishnarajendra Mills	125	50	4 0*	4 8	5 0			
26,49,700	17,10,000	85,18,906	53,73,000	—2,46,777	B. N. Pallegar, Esq.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*	*Nil*	7 0	3	Y.P.
26,14,500	2,00,546	96,00,567	73,44,724	31,27,583	Gopaldas Lladhar & Co., Ltd.	35,554	1,242	Suksal Cotton Mills	105N	10	4 0	5 0	6 0		3	Y.
15,00,000	3,11,80,227				Birla Brothers, Ltd.				11½	100	9 8	0 12	0 12		3	Y.
15,00,000						1,12,216	2,077	Swadeshi Cotton (Kanpur	12½	10F.D.	0-14 2/5	1-2 2/5	1-2 2/5		12	Y.
17,50,0000	2,50,00,000	4,54,46,847	1,70,63,159	2,69,029	Jaipuria Brothers				12½	10	0 8	0 10	1 12		12	Y.P.
7,50,000Pr	80,14,768	2,86,55,317	1,37,16,778	2,68,771	Emcete & Sons (Travancore), Ltd.	17,600	270	Travancore Rayons	14½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.
1,00,00,000	8,78,552	17,89,151	11,37,336	1,508	Mooljee Ramlee & Sons	48,074		Trichinopoly Mills	840	100	12 8	15 0	20 0		12	Y.P.T.
19,98,870	84,50,000	71,32,752	40,62,158	55,000	B. K. S. Chetty & Brothers	46,490	1,231	Vasanta Mills	161xd	100	4 0	4 0	8 0		12	Y.
31,00,000	34,42,971	1,64,67 122	1,06,10,233	22,126	Bombay Co. Ltd.			Vishnu Cotton						2 81	12	Y.P.

* Includes bonus. † The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953. ‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956

M=Managed by Board of Directors. x=Ex-Right. (c) Paid out of reserves. xd=Ex-dividend. (8) For six months ended 31st December, 1953.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
19,92,000	17,54,009	1,19,80,170	54,23,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11½	5	*Nil*	*Nil*	0 8	0 41	6	Y.P.
16,20,680	18,38,917	27,26,861	14,67,312	3,143	Mr. K. G. Khanna	Dyer Meakin Breweries	8½	5	0 8	0 8	0 8		6	Y.
							28½	A. 10sh.	Sh. 1 3/8	Sh. 1 3/8	Sh1 3/8	Sh1 3/8		
5580,000	5925,777	61,304,588	2566,540	566,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	—	B. £1	Sh. 4	Sh. 5 4/8	Sh. 5 4/8	Sh4	3	Y.P.
6,00,000	9,60,000	12,47,806	12,47,790	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	215	75	15 0	15 0	15 0		3	Y

CEMENT

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
51,27,660	13,06,128	83,25,520	44,19,160	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15–12½	B. 10	1 0*	6	1 0*		12	Y.P.T.
83,14,6000	13,13,133	1,44,65,792	53,43,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	*Nil*		*Nil*		3	Y.P.T.
4,70,976D							1½	D. 1						
2171,66,208	5,49,40,618	84,90,99,271	3,74,71,582	5,03,779	Cement Agencies Ltd.	Associated Cement Companies	196½	100	9 8	8 8	10 0		7	Y.
60,00,0000	1						14½	O. 10	1 0	1 0	1 4			
26,50,0000	1280,02,261	26,09,833	24,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	38xR	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000D							5½	D. 1	0 1-2/5	0-1 2/5	0 2			
61,91,0800	14,00,000	1,46,64,600	47,05,770	2,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PAPER									
65,00,000	36,71,841	3,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105N	25	1 9	3 2	4 11		6,12	H.P.T.
62,50,000	46,05 611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	23½	10	12 0	14 0	1 6 2/5	0 11 1/5	3,9	H.
25,00,000	20,12,500	1,43,61 701	67,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	16½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd. ..	Orient Paper	36½	10	2 0	0 15	1 2	0 10	3,9	H.P.T
						Shree Gopal Paper Mills	17½	10	1 8	1 8	0 10		6,12	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..									
25,00,000 / 50,00,000 A. }	6,50,000	95,33,644	61,01,926	13,705	Baloria & Co.	Star Paper Mills	10½ / A 10	10	0 12 / 0 12	0 12 / 0 12	1 4 / 1 4		3,9	H.P.T.
25,00,000A. / 50,64,500B. / 6,37 50C P.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co. Ltd.	Titaghur Paper Mills Co., Ltd. ..	39½ / B. 10 / P.O. 2½	10	2 0* / 0 4	1 8 / 0 4	2 0* / 0 4		3,9	H.P.
					PRESSING									
3,00,000	6,12,565	15,78,485	11,18,891	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	Nil		6	Y.
4,20,000	1,00,000	6,89,526	4,73,064	2,354	Pyne & Sons	Camperdown	88N	100	7 0				7	Y.
5,00,000	1,00,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y
					PROPERTY AND LAND									
12,00,7850. / 2,50,000D. }	6,93,332	45,52,576	23,63,279	36,008	S. A. Basil, Esqr. & others (Directors).	Humayun Properties	13½ / D. 1	10 / 100	0 11½ / 0 2/5	0 9 2/5 / Nil	0 9 3/5 / 0 3/5		9	Y.P.
80,00,000	18,07,874	84,29,704	18,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	8	100	1 8	1 8	Nil		4	Y.
84,00,800	36,71,674	85,00,308	1,19,461	68,084	Andrew Yule & Co.	Midnapore Zamindary	80½	100	1 8	4 0	2 0		4	Y.P
					SAW MILLS AND TIMBER									
42,99,998	28,05,545	81,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	2	Nil	Nil	Nil		9	Y
64,00,000 / 48,00,000 }	4,13,87,880	5,85,00,682	1,47,51,851	61,998	Wallace & Co	Bombay-Burmah Trading Corpn.	680½ / 250	Old125 / New50	15 0 / 6 0	20 0 / 6 0	37-8 / 15-0	11 41 / 4 81	5	Y.
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	44½	10	2 8	2 12	3 0		6	Y.P.
20,00,000	21,15,487	19,00,295	14,55,560	2,76,619	Gillanders Arbuthnot & Co.' Ltd	Indian Wood Products							9	Y
					SUGAR (U.P. and Bihar)									
14,00,000	15,41,227	39,45,224	23,97,928	20,280	Begg, Sutherland & Co., Ltd	Balrampur Sugar	7½	5	Nil	0 12	0 1		6	Y.
12,00,000A. / 2,00,000B. }	29,18,336	49,46,225	23,16,660	15,50,000	Narang Bros. & Co. Ltd.	Basti Sugar	13½N / B. 10	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0			4	Y.
19,49,084	5,50,000	33,35,339	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	17N	10	1 8	1 8	1 8		9	Y
15,00,000	13,90,295	16,40,479	11,77,541	13,206	Cotton Agents Ltd.	Bharat Sugar	8½	10	Nil	0 12	0 4		6	Y.P.
32,00,000	28,37,030	1,56,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	19½	10	2 0	0 12	0 12		6	Y.P.T.
90,00,008	57,33,851	1,02,44,547	64,32,451	63,052	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	28½	10	1 0	1 0	1 8		10	Y.P.
18,00,000	38,04,891	73,83,757	33,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champaran Sugar	10N	10	1 0	0 12			6	Y.
5,99,455	6,18,962	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	225N / A. 100	10 / A. 100	15 0*	15 0*	15 0*		6	Y.T.
50,00,000A. / 16,00,000O. }	22,00,000	75,94,577	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	100 / O. 100	10 / O. 100	15 0*	15 0*	15 0*		6	Y.P.
12,08,000*	9,61,001	75,81,300	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	56N / 48	40	Nil / Nil	2 4	2 4		7	Y.P.
7,89,100	23,14,068	24,84,612	19,85,533	1,364	Cotton Agents Ltd.	New India Sugar Mills	32N	10	2 8	2 8	2 8		6	Y.P.T.
11,00,000	4,20,000	43,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 12	1 0			5	Y.
19,37,500A. / 5,71,875B. }	49,60,297	67,74,123	21,54,900	5,217	Cotton Agents Ltd	New Swadeshi Sugar Mill' ..	240N / 50N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		6	Y.
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	158N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	12,74,228	23,77,668	13,95,928	55,900	Narang Bros. & Co., Ltd. ..	Punjab Sugar	110N	100	10 0	10 0	10 0		10	Y.
9,00,000	17,54,369	37,35,205	26,57,249	9,571	Begg, Sutherland & Co., Ltd.	Partabpore Co.	17	10	1 0	0 12	0 12		10	Y.
8,00,000	5,31,129	26,45,252	21,70,524	5,254	M.	Ryam Sugar	20½N	10	1 0	0 8	0 8		6	Y.P.
11,99,000	16,36,779	38,65,588	22,92,130	9,477	M.	Samastipur Central Sugar ..	12½	10	1 0	0 8	1 0		6	Y.
40,00,000	22,68,560	1,35,20,110	62,59,521	24,946	Babu Jain Ltd.	Shree Krishna Gyanoday Sugar	12	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,335	37,15,125	12,50,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	Nil	Nil	Nil		6	Y.
7,95,662	18,82,940	31,60,735	17,88,088	1,96,227	Karamchand Thapar & Bros ..	Shri Niharam Sugar	15N / O. 10 / D. 10	10 / Nil / Nil	2 0* / Nil	1 8* / Nil			6	Y.I.
9,15,000O. / 4,40,000D. }	47,592	27,43,197	11,46,770	—16,16,803	N. K. Jain & Co., Ltd.	South Behar Sugar	11N / 70N	10 / 10	Nil / 2 8	Nil / 2 8	2 8		10	Y.P.
8,00,000	21,91,635	26,42,062	21,49,754	52,921	Cotton Agents Ltd.	Upper Ganges Sugar	21	10	0 8	1 4	1 8		6	Y.P.
16,00,000	7,66,589	32,69,951	26,85,926	29,844	James Finlay & Co., Ltd.	United Provinces Sugar							9	Y.
					Other Centres									
46,99,750	74,53,470	1,59,12,576	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	24½	50	16 0	16 0	16 0		9	Y.
17,50,000	9,24,292	33,08,979	21,36,722	4,861	A. M. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	17½	10	0 10	1 0	1 0		9	Y.P.
15,93,900	2,45,841	39,19,955	20,01,146	51,995	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	75N	100	Nil	Nil			6	Y.P
47,94,020	14,00,000	30,54,997	18,71,128	5,22,319	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6	2/5	9	Y.P.
33,57,630	45,51,080	42,51,227	21,95,827	18,645	Govan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	1 0	1 0	1 0		10	Y.
19,53,2000. / 2,87,190D. }	60,56,000	96,98,965	31,80,978	48,494	V. Ramakrishna, Sons Ltd. ..	K. C. P. Ltd.	127½ / 150	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		6	Y.P.
21,79,280	95,00,001	1,31,87,677	78,17,730	2,92,240	S. Muniunjappa, Esq. (Managing Director) ..	Mysore Sugar	46	10	2 0	2 0	2 0		6	
50,00,000	48,49,631	1,08,28,164	59,25,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	19½	10	2 0	2 0	2 0		6	
16,09,880	35,50,880	55,11,940	29,77,241	20,849	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	24½ / 155N	10 / O. 50	Nil / Nil	2 8	2 0		8	Y.P.T.
80,00,000O. / 4,00,000D. }	21,76,092	89,12,188	53,60,883	64,512	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	D. 50 / 151N	D. 50 / 10	Nil / 1 0	2 8 / 0 12	9 0 / 1 0	1 1/5	8	Y.P.T.
19,99,000	47,65,324	46,85,213	32,04,524	44,168	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	13½	10	Nil	Nil			6	Y.
90,00,000	10,97,776	59,79,284	11,87,188	—42,324	Parry & Co., Ltd.	Travancore Sugars	280	100	14 0	16 0	18 0		7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,425	1,31,172	M.	Walchandnagar Industries							9	Y.P.T.
					TRANSPORT									
20,00,000	1,00,39,522	1,34,00,703	15,54,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	146	100	10 0	7 8	7 8		16	
1,00,00,000	15,37,619	4,41,68,854	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.P
60,00,000	31,60,611	3,31,00,904	59,55,703	88,815	A. H. Bhiwandiwalla & Co. (Bombay)									Y.
						Great Eastern Shipping Co. ..	22	10	1 0	1 0	Nil			Y.P
£655,580	£960,878	£5,515,631	£3,344,778	£21,366	Andrew Yule & Co., Ltd.	India General Navigation & Rly. Co.	95	£10	Nil	£3. 1.0		1 8	8	Y.P.
2,58,00,000	74,99,223	7,99,25 462	1,81,56,690	1,26,061	Lionel Edwards Ltd.	India Steamship Co.	10½-12½	10	0 8	Nil	0 8		9	Y.P.
9,40,19,672	5,94,93,081	18,86,65,413	4,84,44,800	2,78,653	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	29½	20	0 12	0 8	0 8			Y.P
2,40,9000. / 10,200P.O. }	19,68,266	11,55,483	7,29,969	1,34,493	R. B. Ajgar, Esq. (Manager) ..	Walford Transport Ltd.	1½	O. 1 / P.O. 1	2 0* / as. 1 3/25 / as. 1 9/25	1 8* / 1 2/3 / 1 10/25	2 0* / as. 2 6/25 / as. 1 28 25		12	Y
					UNCLASSIFIED (Bombay)									
2,40,000	77,000	9,56,521	4,22,363	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	39 0		9	Y.
18,66,850	2,04,172	2,26,474	90,000	1,09,981	M.	Bombay-Uganda	62½	50	5 0	4 8	Nil		9	Y.
25,00,000	1,00,000	22,57,21428	....	225	Framjal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	11½	10	0 12	0 12	0 12			Y
14,98,840	3,48,585	28,00,500	17,75,000	4,110	Choonilal Mankial Ltd.	Natrels Batteries	40	50	Nil	2 0	2 0	0 12	9	Y.P.
99,99,250	19,47,356	1,23,03,50445	....	2,85,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	74	100	4 8	4 8	4 8		12	Y
99,99,975	35,08,351	35,47,826	8,04,331	4,559	K. G. Milne, Esq. (Mg. Director)	Killick Industries	172	100	10 0	11 0	11 0	11 0	6	Y.
6,97,62,800A. / 10,00,000B. }	5,28,624	2,87,23,373	1,25,90,292	5,86,717	Asro-Auto Ltd.	Premier Automobiles	113½ / A.100 / B. 10	A.100 / Nil / Nil	Nil / Nil / Nil	Nil / Nil / Nil	Nil / Nil / Nil		6	Y.
10,31,30)	5 68,606	18,96,065	11,66,085	10,334	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	22	20	3 0	3 0	3 0		12	Y.
2,75,00,000	78,75,000	3,03,67,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	175	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,547	7,24,668	3,07,108	35,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
					Other Centres									
47,50,000	17,00,000	1,95,40 704	65,90,900	2,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	11½ / 6N	O. 10 / D. 5	Nil	Nil	Nil		9	
2,50,000						Aluminium Industries Ltd.	20	10	1 4	1 4	1 4			
40,00,000	23,25,000	55,26,345	31,56,600	64,837	Seshasayee Bros. (Travancore) Ltd. ..	Angelo Bros., Ltd.	23½	10	1 4	1 4	1 4	1 4	8	Y.P.T.
30,00,000	25,08,079	32,06,626	21,94,981	3,43,961	Turner Morrison & Co., Ltd. ..	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 6*		8	Y.
30 00,000	8,85,000	33,39,494	20,98,060	1,18 995	T. H. Rydin, Esq. (Mg. Director)	Associated Hotels of India ..	10½N	10	0 3 1/5	0 3 1/5	0 6 2/5		12	
20,00,000	27 47,883	1,01,40,887	39,87,880	32,653	Oberoi Hotels (India) Ltd. ..	Balmer Lawrie & Co., Ltd. ..	170	100	20 0*	18 0*	12 8		12	Y.P.T
30,01,400	1,16,58,009	97,47,111	33,97,111	5,03,129	G. T. Jenkins, Esq; (Director)	Bengal Flour Mills Co., Ltd. ..	35½	10	1 8	2 8	2 4		12	Y.
12,00,000	9,10,008	31,37,443	24,05,443	76,832	Balmer Lawrie & Co., Ltd. ..	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		6,12	
22,00,000	7,95,480	42 57,99445	....	1,19,707	Lovelock & Lewis	Britannia Biscuits	15	10	0 8	1 0	1 0		9	Y.
45,97,052	30,11,814	1,10,56,424	33,87,339	1,79,277	K. Julius Seoth, Esq. (Mg. Director)	British India Corporation Ltd.	10½	5	0 8	1 0	1 0	1 0	9	Y.
2,25 00 008	1,16,11,804	2,61,03,908	27,36,884	2,23,14,167	Sir Robert Menzies	Clive Row Investment	11½	10	0 4 1/5	0 3 1/5	0 6		6	Y.P.
1,88,80,000	17,34,324	2,58,27,2335½	1,24,87,555	15,74,063	Andrew Yule & Co., Ltd.	Cecil Stack Esq. Mg. Director)	140	100	1 8	1 8	2 0	1 6	12	Y.P.
1,50,00,000	9,14,66,174	5,15,52,035	2,20,52,690	11,71,686	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	160	100	8 0	8 0	8 0		12	Y.
51,25,000	54 12,213	1,42,47,56688	....	2,06,138		Ganges Rope Co., Ltd., ...	170	100	20 0	15 0	15 0		12	Y.P.T.
14,00,000	10,08,992	33,51,772	18,80,772	27,194	MacNeill & Barry Ltd.	Gillanders Arbuthnot & Co. Ltd.	14	10	7 8	7 8	1 6 2/5		9	Y.P.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,866	J. F. R. d'A. Willis, Esq. ..	Great Eastern Hotel	225	250	15 0	8 0	1 4		6,12	H.
30,00,000	14,67,354	81,29,620	33,68,932	7,488	B. P. S. Syndicate	Hind Cycles	158½	100	8 0	10 0	8 0	15 0	6	Y.
80,17,900	18,80,286	90,39,238	39,34,587	28,908	Birla Brothers Private Ltd. ..	Hindustan Motors	9-8½	10	Nil	Nil	10 0		9	Y.P.
4,96,18,240	2,92,450	8,86,34,906	84,58,719	5,19,455	Birla Bros., Ltd.	Indian Aluminium Co.	16	10	Nil	Nil			12	Y.P.T.
1,80,90,000	45,77,764	4,19,74,246	1,74,76,468	8,18,074	E. F. Greenwood (Mg. Director)	Indian Cables	33	10	Nil	Nil	0 8		12	Y.P.
1,58,89,820	1,20 80,000	1,85,72,891	57,17,451	25,96,462	E. F. Woodley, Esq. (Mg. Director)	Indian Rubber Manufacturers ..	16xd	10	0 12	0 8	1 4*		12	Y.
8,27,970	1,00,000	9,50,300	1,74,938	62,722	G. S. Moulton & Co. (India) Ltd.	Imperial Tobacco Co. of India Ltd.	14½	10	Nil	Nil	Nil		12	Y.P.
15,14 00,000	7,86,02,892	4,15,59,461	1,63,28,877	24,84,874	Mr. G. H. J. Lee (Chairman)	Jardine Henderson	98½	100	Nil	0 3 3/5	0 12 4/5	0 10	12	Y.P.T
2,00,00,000	57,29,566	37,46,656	11,08,845	5,11,892	G. M. Mackinlay, Esq.	Macfarlane & Co.	21	O. 5 / D. 5	Nil	Nil	Nil	0 12 4/5 / 7 8	6	Y.P.
6,00,00,000	1,91,592	5,94,080	2,53,758	2,652	James & Co. Private Ltd.		215N	D.O.10	10 0	17 0 / 1 3 1/5				Y.P.
60,00,000						McLeod & Co.								
40,00,000O. / 5,00,000D. }	78,01,909	25,16,760	7,97,901	1,87,834	A. T. Doig, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	1 8	1 8			12	Y
1,87,53,000	60,54,276	72,58,051	11,34,226	2,05,456	Y. Leslie Martin, Esq. (Mg. Director)	Metal Box Co. of India, Ltd. ..	28½	10	1 8*	1 6	1 8*		12	
1,14 00,000	58,50 000	1,58,37,972	78,00,772	16,34,849	M. Chevalier James, Esq. (Chairman)	Mysore Glass and Enamel Works	4	10	Nil	Nil				Y.P.
6,25,535	1,55,350	7,33,598	2,50,257	—3,85,851	Shankar Rao P. Ogale, Esq. ..	Mysore Lamp Works	15	10	1 0	1 0	Nil	1 10		Y.P.
6 54 256	2,18,500	11,18,541	5,81 038	440	Mr. J. L. D'Sa (Controller) ..	Mysore Tobacco	15½	10	1 0	1 0	0 12			Y.P.
10,00,000	2,18,500	15,54,005	9,41,427	44,513	M. H. Parthasarathy Esq. (Chairman)				1 0	1 4	1 0	0 14 2/5		Y.P.
46,00,000	81,31,173	89,09,527	39,50,180	3,23,203	Associated Industrial Developments Co., Ltd.	National Insulated Cable Co. ..	27½	10	1 0			1 8		Y.P.
						National Tobacco Co.	13½	10	1 0	1 0	1 0*			Y.P.
79,97,000	7,56,185	1,17,52,757	57,10,268	8,99,582	B. N. Elias & Co., Ltd.	Nallis (India) Ltd.	45½	100	Nil	6 8	0 12 4/5			Y.
4,50,00,000	1,31,20,302	1,45,49,291	60,14,199	—85,99,179	M. F. A. Pasputi, Esq.	Rallies Industries	21½	10	1 4	1 4	Nil			Y.
1,72,84,480	99,60,564	1,76,16,579	70,99,587	5,10,474	Sahu Jain Ltd.	Spencer & Co., Ltd.	16½	10	1 8	1 8	1 8		12	Y.
40,00,000	24,18,860	17,49,8185	5,51,551	5,65,250	C. W. Steel	Shaw Wallace & Co., Ltd.	3½	10	1 0	1 4	1 6		12	Y.P.
75 00,000	....	14,99,279	5,54,450	....	R. E. D. Campbell, Esq.	Travancore Ogale Glass		10	Nil	Nil	Nil		12	Y.P.
2,00,000	....	....	....	....	Ogale Bros., Ltd.								12	Y.

M—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excludes Rs. 1,45,03,000 which represent share in the face of Shaw Wallace & Co

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,257	4,75,517	....	Mcleod & Co., Ltd.	225	Ambikite	375	100	25 0	30 0			13	Y.P.
2,50,000	3,43,250	10,69,902	3,43,902	77,477	R. K. Kanoria, Esq.	433	Ananda (Assam) Tea	45½	10	1 4	7 8			13	Y.
3,50,000	6,43,255	19,47,544	5,08,055	73,006	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	48	10	2 8	3 0*			13	Y.
5,50,000	11,21,541	17,56,465	7,08,427	26,051	McLeod & Co., Ltd.	513	Baghmari	23½	10	Nil	3 8	1 0		13	Y.
4,10,000	9,10,000	12,86,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	373	Barmalah	33½	10	2 8	3 8	1 8		13	Y.
2,10,800	4,62,000	11,69,776	7,13,759	50,298	National Tea Corporation	370	Batell	58½	10	2 0	4 0	2 8		13	Y.
2,20,000	3,70,000	9,80,784	3,59,311	66,794	Gillanders Arbuthnot & Co., Ltd.	304	Betjan	56½	10	2 0	10 0*			13	Y.
16,50,000	20,68,000	52,26,169	22,96,166	1,99,847	Williamson Magor & Co., Ltd. ..	3,967	Bhubnagar	34½	10	3 0				13	Y.
6,00,000	2,53,500	10,49,410	2,26,132	61,998	Gillanders Arbuthnot & Co., Ltd.	486	Bokakhat	20½	10	Nil	1 0			13	Y.P.T.
7,50,000	7,27,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Borunah Jan Tea	20½	10	0 12	2 8	2 0		13	Y.P.
35,60,000	11,78,802	79,82,234	27,45,021	5,15,711	M.	2,834	Brooke Bond	19½	10	Nil	1 4	4 12	1 4	13	Y.P.
1,20,000	4,00,436	5,84,963	1,85,468	4,643	Mcleod & Co., Ltd.	150	Dejoo Valley	50	10	1 4	1 4			13	Y.
6,00,000	10,99,000	28,64,194	10,54,371	51,889	Jardine Henderson Ltd.	1,220	Desai & Furbettah	411	100	20 0	40 0			13	Y.
17,53,440	9,57,982	24,59,777	5,10,550	43,736	James Warren & Co., Ltd. ..	661	Dhekiahat	23½	10	1 8	2 8			13	Y.P.
4,68,970	3,95,000	7,50,451	3,86,404	2,101	M.	446	Dilmargh	21½xd	10	1 8	2 0			13	Y.
4,50,000	7,25,800	14,15,911	6,43,291	82,921	McLeod & Co., Ltd.	448	Dilmarkri	16½	10	1 0	2 0			13	Y.
2,24,700	6,60,000	10,23,000	5,54,000	55,522	Williamson Magor & Co., Ltd.	611	Dimakuri	30	10	4 8				13	Y.P.
5,62,500	5,82,000	19,85,551	13,54,016	64,900	Williamson Magor & Co., Ltd.	615	Duffla gaon	37½	10	4 8				13	Y.
10,00,000	9,40,000	28,28,313	9 78,313	78,668	Williamson Magor & Co., Ltd.	1,166	East India Tea	25½	10	2 8				13	Y.
3,33,750	2,40,000	9,37,135	4,58,822	19,215	L. G. Kanel, Esq.	407	Gillapukri ..

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Account Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,236	23 236	Planting Agencies Ltd.	Palmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79 711	Peirce, Leslie & Co., Ltd.	Cochin Malabar	0½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
1,80,000	15,60,195	32,07,456	5,25,906	1 21 059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	25	10	0 4 4/5	0 2 8	1 12 4/5		6	Y.P.T.
71,55,000	63 72 750	1,07,57,843	19,78,244	2,42 884	R. C. Paterson Esq.	Consolidated Coffee	10	10	0 1 8	0 1 12	0 2 4		3	Y.P.
4,00,000	2,76,708	5,55,957	48,764	7 754	Associated Planters Ltd.	Cottanad Plantations	15½	10	0 1 4	0 2 8	0 2 8		12	Y.P.
18,00,000	9,30,543	25,75,990	4,94,158	46 543	A. V. Thomas & Co. Ltd.	Highland Produce	31½	10	0 2 0	0 2 0	0 2 12		4	Y.P.
4,00,000	10,98,963	17,78,235	1,92,061	17,844	A. V. Thomas & Co. Ltd.	Kaipetta Estates	30xd	10	0 5 8	0 2 4	0 2 4	0 4	3	Y.
9,00,000	8,17,455	5,86,920	2,80,348	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	10§	10	0 1 8	0 1 12*	0 2 8	0 2 0	3	Y.P.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	22	10	0 1 2	0 1 8	0 1 8		12	Y.P.T.
3,35 000	3,31 000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0	1 8		12	Y.P.
2,50,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Quicklerloney Valley Estates ..	4§	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
19 45,980	24,00,991	41,19,708	12,04,557	40,396	Peirce, Leslie & Co., Ltd.	Rajakuri Rubber	24½	10	1 12*	1 12*	2 0		6	Y.P.
13,50,000	7 80 000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Savannalai Estates Ltd.	24½	10	3 0	2 8	1 0		11	Y.
3,66,780	3,00,000	6,70,359	65,117	71 342	Peirce Leslie & Co., Ltd.	Teekoy Rubber (India) Ltd. ..	12	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
10,00 000	3 98 340	22,01 120	1,35,829	2 031	East India Agencies	Thamaraipally Rubber	31½	10	3 0	3 0	3 0		12	Y.P.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4§	0 1 3/5	0 2	0 2	9	Y.
6,10 200	3,00,000	8,91,561	66,565	24,920	Peirce, Leslie & Co., Ltd.	Travancore Rubbers	21½	10	2 0	2 0	3 0		12	Y.
6,00,000	75,491	9 79 479	3,23,517	3 745	Espen Thomas Esq. (Mg. Director)	Travancore Rubber and Tea Co., Ltd.	11½	10	1 0	1 8	1 4		12	Y.P.T.
41 00 000	14,80,799	76,82,300	8,68,181	8,71,053	Aspinwall & Co. (Travancore) ..	Tropical Plantations Co.	25	10	3 0	3 0	4 0		12	Y.
21 00,000	..	27 70,782	6,40,960	27,927	P. T. Thomas, Esq. (Mg. Director).	Valkundam (Travancore) Rubber ..	34½	10	2 0	2 4	3 0		12	Y.
6,28,580	5,40,670	8,51,488	10,128	40,780	Harrisons & Crosfield Ltd. ..	Woodland Estates	13§	10	1 0	1 8	2 0		3	Y.P.
6,95 000	87 259	3,55,239	17,488	5,524	M. K. Thomas, Esq. (Mg. Director)									

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
60,00,000	49,50,000	1 03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11¼	10	1 0	1 10	0 10		3, 9	H.T.P.
8,00,000	10,25,000	51,85,438	36 93,877	1,38 329	McLeod & Co., Ltd.	145	Alexandra	125	100	6 0	12 0	8 0		6, 12	H.P.
20 00,000	6,25,000	1,17,61,827	93,76,366	23,103	McLeod & Co., Ltd.	1,264	Alliance	102	100	12 8	7 8	8 8		3, 9	H.P.
48 20 700	72,00,000	2,72 98,338	1,87,90,000	41,637	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	115	100	4 0	8 8	10 0	1 0 f	3, 9	H.P.T.
40,00,000	43,17,051	1,78,37,979	92,01,344	—2,12,719	Bird & Co., Ltd.	810	Auckland	200	100	4 0	Nil	3 8	Nil †	3, 9	H.P.
20 00,000	23,80,918	98,91,416	65,65,094	3,793	Bird & Co., Ltd.	889	Bally	135	45	£1 0	sh.15	sh.15	Nil	3	Y.P.
£275,000	£667,405	£1,477,430	£987,176	65,302	Jardine Henderson & Co.	154	Barnagore	100	100	15 0	10 0	10 0		6, 12	H.P.
2,00,000	82,80,125	92,27,842	49,93 251	..	Andrew Yule & Co. Ltd.	820	Belvedere	10	10	1 4	1 2	1 2		6, 12	H.
48,00,000	88,45,000	57,93,172	31 28,574	1,005	Soorajmull Nagarmull	600	Bengal	10	10	1 2	1 2	1 2		6, 12	H.P.T.
91,26,000	2,17,48,383	3,84,10,408	1,45,32,951	2,65,100	Birla Bros. Ltd.	1,373	Birla	17½	10	3 0	1 0	1 0	1 0	6	Y.P.
24,00,000	27,37,926	1,12 57 557	72,25,930	4,37,393	Andrew Yule & Co., Ltd.	991	Budge-Budge	100	10	10 0	9 0	7 8		4, 10	H.P.
7,47,380	3,09,040	42,13,704	31,02,083	2,271	James Finlay & Co., Ltd.	509	Calcutta Jute Mfg.	9	10	Nil	0 12	Nil		6, 12	H.P.T.
18,00,000	20,40,234	87,13,271	41,45,795	—8,31,470	Dayaram & Sons	170½	Caledonian	152	100	12 0	9 0	6 8		5, 11	H.
59,16,400	95,49,238	2,23,03,769	1,11,60,802	6,848	Andrew Yule & Co., Ltd.	616	Champdany	600	100	6 0	3 0	10 0	2 0 f	5, 9	H.
18,93,000	28,89,282	81,34,655	56,90,175	19,010	James Finlay & Co., Ltd.	580	Clive Jut	180	100	12 0	14 0	10 0		5, 11	H.P.
30,15,000	31,00,000	64,10,068	47,77,600	2,015	Andrew Yule & Co., Ltd.	530	Chitavalsah	10	10	1 12	1 2	1 6		6, 12	H.T.P.
24,00,000	24,00,000	78,25,716	44,22,793	1,32,949	McLeod & Co., Ltd.	144	Equitable	10	10	1 8	1 8	1-4x		5	Y.P.
37,49,200	40,65,252	1,17,35,484	46,04,775	1,17,142	Shree Bishnauth Investment Co., Ltd.	994	Ghusick and Mudla	100	100	4 0	2 8	4 0	Nil †	3, 9	H.P.T.
18,00,000	44,74,179	75,56,699	47,00,110	—2,20,845	Bird & Co., Ltd.	776	Dalhousie	170	100	20 0	12 0	10 0		5, 11	H.P.
15,00,000	24,50,000	82,62,679	50,90,760	15,912	Andrew Yule & Co., Ltd.	779	Delta	181	10	1 0	1 4	1 4		6, 12	H.T.P.
21,00,000	60,60,060	2,70,39,201	1,80,15,108	78,204	McLeod & Co., Ltd.	3,403	Empire	100	100	Nil	0 8	2 8	Nil †	3, 9	H.P.
21,00,000	13,00,000	97,58 074	54,63,692	1,34,822	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	22½	10	5 0	20 0	20 0	7½	3, 9	H.P.T.
84 22,100	..	2,11,07,224	1,32,88,325	—2,67,452	Bangur Bros., Ltd.	1,014	Fort William	63	10	0 0	0 8	2 8	0 12½	3, 9	H.T.P.
10,80,000	28,00,000	71,58,965	48 43,602	—74,093	Mancelli & Barry Ltd.	1,394	Ganges Mfg.	100	100	Nil	Nil	Nil	Nil †	3, 9	H.P.
24 00,000	29,32,827	2,10,00,613	1,61 28,422	25,196	Bangur Bros., Ltd.	1,078	Gondalpara	230	100	3 12	10 0	15 0	2 8f	3, 9	H.
40,00,000	64,65,233	1,14,36,848	56,72,180	3,40,348	Jardine Henderson Ltd.	720	Gouripore	230	100	10 0	10 0	11 8	5 0	3, 9	H.
16,00,000	1,94,992	65,91,306	46 20,185	44,548	Gillanders Arbuthnot & Co., Ltd. ..	316	Hastings	109xdN	100	Nil	Nil	Nil	Nil †	3, 9	H.
55,82 500	49,64,372	1,82,86,485	1,10,52,708	57,035	Jardine Henderson Ltd.	2,272	Hooghly	85	10	1 4	1 4	1 4		3	Y.P.
52,50,000	27,85,153	2,86,51,559	1,56,51,559	1,18,035	Ramdutt Ramkissendas	1,076	Howrah	22½	10	1 8	1 8	1 8	0 4f	4, 10	H.P.
37,50,000							India	7§	10	2 0	2 0	2 0	2 0	3, 9	H.P.T.
90,000	17,20,650	1,27,01,698	80 280,70	2,57,287	M. — — — —			22½xd	10	Nil	Nil	2/5	3⅝ f		
4,00,000	16,50,000	1,87,68,836	1,24,18,026	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	142	O. 125	6 4	8 8	4 11	4 11 f	3, 9	H.
19 20,000								134	D. —	4 0	2 8	2/5			
80,00,000								134	100	9 0	8 0	2 8		6, 12	H.P.
4,00,000	7,00,000	1,82,86 800	1,00,46,425	83,118	Jardine Henderson Ltd.	1,527	Kankinarrah	134 'B'	100	9 0	8 0	2 8			
21 00,000	63,00,000	1,22 91 697	83,77,484	1,10,851	McLeod & Co., Ltd.	706	Kelvin	92	100	7 8	6 8	1 0		6, 12	H.
54,00,000	28,88,878	1,71,52,716	1 16 91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	93 'B'	100	7 8	6 8	1 0		6, 12	H.
44,00,000	1,08,90,960	2,44,37,964	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	160	100	15 0	9 0	13 0		3, 9	H.P.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Ltd.	921	Lansdowne	96	100	7 0	2 0	7 0	6 0 f	3, 9	H.P.
2,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Ltd.	840	Lawrence	105	100	5 0	6 0	6 0	Nil †	3, 9	H.P.
51,65,200	26,36,045	2,84,13,349	1,26,27,700	1,04,942	M. — — — —	1,293	Magna	105	100	5 0	2 8	8 12	3 12 f	3, 9	H.
20,98,950	28,40,147	1,84,01,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	50	Naihati	50	100	Nil	Nil	Nil	Nil †	3, 9	H.
20,00,000	19,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd.	515	Naskarpara	152	10	0 5	1 2	0 10		4, 10	H.P.
55 00,000	43,29,336	29,10 184	10,98,223	70,554	Andrew Yule & Co., Ltd.	238	National	85	10	2 0	1 0	1 12		4, 10	H.P.
30 25,000	26,25,000	27,71,022	29,34,409	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	132	10	1 12	1 8	1 0		6, 12	H.P.T.
25,50,000	2,71,44,342	4,39,15 827	96,26,548	8,71,293	Sahu Jain Ltd.	1,705	New Central	158	10	24 0	17 0	17 0	1 8	12	Y.P.
16,74,880	49,70,164	1,18,50,867	51,63,018	17,000	Bird & Co., Ltd.	567	Northbrook	244	10	1 8	1 4	1 4	1 8	3, 9	H.T.P.
1,66,79,500	22,24,961	1,35,25,164	1,39,46,311	5 764	Mancelli & Barry Ltd.	1,003	Nuddea	35	10	0 3	0 8	1 0	0 4	3, 9	H.
24,01,000	26,81,049	72,46,585	40,36,690	1,07,340	Andrew Yule & Co., Ltd.	801	Orient	142	100	12 0	10 0	10 0		5, 11	H.P.
35,00,000	6,28,490	80,86,457	66,22,166	16,737	A. V. George & Co., Ltd.	400	Presidency	5	10	0 2	0 3	0 3		6, 12	H.P.
20,00,000	2,49,781	27,77,878	5,39,180	51,592	Birla Bros. Ltd.	1,212	Reliance	5½	10	0 8	Nil	Nil	Nil †	3, 9	H.P.
49,50,000	5,82,465	1,23,83,629	59,15,596	—9,18,218	Jardine Henderson Ltd.	11	Samnuggur	61	10	10%	10%	3%11		3, 9	H.P.T.
£500,000	£1 098,718	£1,245,244	..	—11,72,341	Thomas Duff & Co. (India) Ltd. ..	2,012	Shree Ambica	16N	10	0 8	1 0	0 8f		3, 9	Y.P.
80,00,000	13,13,198	1,04,60,553	75,85,838	4,557	Razaria More & Co., Ltd.	911	Soorah	10N	10	0 8	1 0	1 8		3	H.P.
14,00,000	..	66 11,794	38,79 294	3,156	Hindustan Investment Corporation.	401	Standard	95	10	2 0	2 0	1 8		12	Y.P.T.
25,19,600	42,72,182	1,27,38,246	58,23,439	—4,87,127	Bird & Co., Ltd.	950	Titaghur	11	100	10%	10%	3%11		3, 9	H.P.T.
£600,000	£925 119	£1,137,660	..	£83,548	Thomas Duff & Co. (India), Ltd...	1,794	Union	1,228	10	0 8	1 0	0 8		12	Y.P.
£5,95,500	£6,06,723	£10,00,808	84,28,958	18,334	Bird & Co., Ltd.	1,231	Victoria	61	10	10%	10%	3%11	1 0f	3, 9	H.P.T.
£400,000	£688,085	£1,124,819	..	£80,501	Thomas Duff & Co. (India) Ltd. ..	457	Waverley	11	10	0 1	0 8	0 3		12	Y.P.
2,50,000	6,85,000	55,98,062	40 23,991	14,518	McLeod & Co., Ltd.			4	1	Nil	Nil	Nil		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25,50,000	24,50,000	88 12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22§	10	1 0	1 4	1 6		3, 9	H.
12,00,000	8,52,573	38,78,477	36,18,477	22,709	Jardine Henderson Ltd.	Bararee Coke	19¼	10	1 6 2/5	1 7 1/5	1 7 1/5		3, 9	H.
4,49,350	70,755	5,49,198	5,40,026	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6xdN	10	0 12	0 12			6, 12	H.
1,00,00,000	1,40 40 222	5,91,92,614	3,95,77,326	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	400	100	32 8	30 0*	35 0*		3, 9	H.P.
2,25,000	4,22,669	24,81,732	22 33,534	..	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		4, 10	H.P.
15,97,000	4,73 358	37,70,192	22,77,754	18,498	H. V. Low & Co., Ltd.	Bhakora	10	10	0 8				6, 12	H.P.
40,00,000	8,00,000	1,59,00 662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7	10	0 12	0 10	0 10		6	Y.P.
7,15 000	15,11 080	68,14,856	39,99,841	—1,87,446	F. W. Heilgers & Co. (Private) Ltd	Bhubaneswaree	122N	10	Nil	Nil	Nil		6, 12	H.
16,00,000	16,17,936	68,14,856	39,99,841	—78,199	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12N	10					6, 12	H.
7,50,000	24 29,016	42,50,616	26,53 408	84,207	F. W. Heilgers & Co., Ltd.	Borrea	24§	10	2 12	2 0	2 0		6, 12	H.P.
90,92 180	1,75,17,502	4 19 21,370	1,85 17,846	1,16,376	Bird & Co., Ltd.	Burrakur	12	10	0 12	0 9	0 10		6, 12	H.P.
49,97,750	..	42,33,430	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India	7§	10	0 4	0 4	0 4	0 8	3	Y.
3,00,000	12 54,802	49 10,414	32,53,064	82,768	M. — — — —	Central Kurkend	12N	10	1 2				3	Y.
6,00,000	1,48,676	7 28,458(b)	2,129	2,129	F. W. Heilgers & Co. Private Ltd	Chilia	2½	10	0 2	0 2	0 11		6, 12	H.
16,00,000	..	53,81,704	29,81,276	—1,83,318	Mancelli & Barry Ltd.	Dhemo Main	7§	10	Nil	Nil	Nil		6, 12	H.
£240,000	£390,553	£695,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	2½	61	2 8	2 8	3 0		6, 12	H.T.
29,63,760	83,59,049	4,04,51,377	2,89,25,665	82,379	Mancelli & Barry Ltd.	Equitable	29§	10	1 8	1 8	1 8		4	Y.
10,00,000	2 15,000	10 76,884	3,73,983	11,273	Bhatter's Argary Ltd.	Ghusick and Mudla	14§N	10	0 8	0 8			6, 12	H.P.T.
12,00,000	1 22,000	41,35,247	23,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	41½	50	3 0	Nil	2 4	2 4	3	Y.
8 00,000	7,25,000	22,07,121	13,80,341	45,965	Mancelli & Barry Ltd.	Hurriladih	22	10	1 8	1 12	2 8		6, 12	H.
22,00,000	1,12,080	24,74,412	6,18,346	—5,57,298	Balpaia Trust Ltd.	Jogta Coal	2§	10	Nil	Nil			6, 12	H.
3,50,000	3 45,579	18,84,857	7,23,658	..	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	2 12	Nil	Nil		6, 12	H.
20,00,000	1,77,175	23,89,583	4,65,140	6,965	Bird & Co., Ltd.	Karanpura Collieries	113	100	Nil	Nil	2 8	5 0	3, 9	H.
11,00,240	1,12,080	46,77,533	36,47,985	1,33,474	Andrew Yule & Co., Ltd.	Katras Jurrirah	8	10	4 0	4 0	5 8		3, 9	Y.P.
9,00,000	5,72,960	12,85,941	5,72,960	—2,60,226	Berjwala & Co.	Khas Kajora	8§N	10	Nil	Nil			1, 7	H.
1,88,400	5,72,960	12,85,941	5,72,960	—41,320	H. V. Low & Co., Ltd.	Kuardi	4N	10	Nil	Nil			6, 12	H.P.
11,00,240	84,314	16,72,961	10,41,883	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 4			4	Y.
9,00,000	11,84,413	28,69,268	22,97,987	31,201	Tantia Brothers Ltd.	Nairne	6§xd	10	0 8	0 8	0 8		4	Y.
7,48 240	2,00 000	13,13,208	9,66,219	4,560	Amritlal Ojha & Co., Ltd.	New Ranadeopur	9N	10	0 12	1 4			12	Y.
7 00,000	26,617	10,33,740	8,20,295	94,388	Andrew Yule & Co., Ltd.	New Seerabhoom	17§	10	1 0	1 2	1 0		3, 9	H.
17 76,280	20,01,783	1,19 78,458	88 65,066	22,35	Octavius Steel & Co., Ltd.	North West	11	10	Nil	Nil	Nil		4, 10	H.P.
6,00,000	75,000	28,54,607	17,07,588	..	Andrew Yule & Co. Ltd.	Ondal	17N	10	0 4	Nil	1 0	0 12f	3, 9	H.
1,15,000	2,85,192	13,07,219	8,64,731	15,950	F. W. Heilgers & Co. (Private) Ltd.	Oriental Coal	7§	10	0 8	Nil	1 0	0 9f	3, 9	H.T.
1,57,500						Parasea	8N	10	0 6	1 0	1 0		6, 12	H.P.
7 90,000	12,21 853	5,17,666	2,97,666	56,646	K. D. Thapar & Bros.	Peach Valley	14§	10	0 4	0 12			12	Y.
15 00,000	1,10,000	39 70,662	17,99,668	3,809	Deepchand Kishenlall	Rajrappa	20§	10	1 10	1 10	1 8		6, 12	H.P.
8,34,000	10 862	17,62,187	8,30 795	8 018	Shaw Wallace & Co., Ltd.	Ramgunge	12§	10	0 8	0 8	0 10		3, 9	H.
16 75,000	16 00 000	47 70,575	18 80 275	55 343	N. B. Elias & Co., Ltd.	Rewa	23§	10	2 0	1 6	1 0		3, 9	H.
32 99,500	19 17 105	1,22 09 893	85,50 855	16 846	Shaw Wallace & Co., Ltd.	Samla Collieries	14§N	10	0 8	0 12	0 14		6, 12	H.
13,50,000	8 53,248	35,36,725	27,75,784	9 421	Jaipuria Sons Ltd.	Searsole	6N	10	0 10	0 10	1 0		6, 12	H.
20,00 000	9,00,000	44,25,385	16,75,118	2,20,178	M. — — — —	Seebpore	80§	10	1 12	2 0	0 12		12	Y.
2,50,000	1,94,992	15,91,480	12,21,237	21 079	Andrew Yule & Co., Ltd.	Sendra	10N	10	Nil	0 2	0 4		1	Y.
3,80 000	3 86,998	29 99 490	19,07 206	49 299	F. W. Heilgers & Co. Private Ltd.	Singareni	11§	10	Nil	0 11 1/5	0 12		6, 12	H.P.
5,00,000	5 81,249	92 491	28 857	7,503	Industrial Trust Fund (Govern- ment of Hyderabad)	South Karanpura	8½	10	0 4	0 2	0 2		12	Y.P.
68,21,450	23,77,474	4,72,97,817	3,17,80,296	7,310	M. — — — —	Standard	23§	10	2 0	1 8	1 0		3, 9	H.
17,50,000	10,84,016	37,86,108	16,14,996	—51,522	Bird & Co., Ltd.	Talcher	2½	10	Nil	Nil	Nil		6, 12	H.
8 00,000	13 69 195	1 39,870	22 810	17,347	F. W. Heilgers & Co., (Private) Ltd	Tisheri Ltd.	14§	10	Nil	Nil	Nil		3, 9	H.
10 00,000	12,950	30,82 249	15,48,503	—4,07,745	Villiers Ltd.	Unions	14§	10	1 12	0 12	Nil		9	Y.
2 50,000	2 80,000	19,47,965	14,81,553	44,167	Williamson Magor & Co. Ltd. ..	Western Bengal	6½	10	0 6	0 6	Nil	0 8	6, 12	H.
40,98,000	67,084	55,66,550	22 00,000	7,262	Hindustan Investment Corpn., Ltd	West Jamuria	11§	10	Nil	Nil	Nil	0 8	3	Y.
7,00,000	21 569	56,46,871	23,81,898	—1,46,650	Mancelli & Barry Ltd.								6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Ohra Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (b) Investments.
(b) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (c For seven month ended 31st March 1956.
† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Centra. Jute Co., with effect from 1st December 1954.
‡—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

INDUSTRIAL POLICY STATEMENT X-RAYED

(*Concluded from page 933*)

4. Mining of iron, manganese, chrome, gypsum, sulphur, gold, and diamond.
5. Mining and processing of copper, lead, zinc, tin, molybdenum, and wolfram.
6. Aircraft.

The second category defined in the 1956 Resolution lists 12 industries "which will be progressively State-owned and in which the State will therefore generally take the initiative in establishing new undertakings, but in which private enterprise will also be expected to supplement the effort of the State ... either on its own or with State participation."

The first seven of the 12 industries enumerated below have been transferred from the list of 18 which were subject to Central regulation and control under the 1948 Resolution:

1. All other minerals except "minor minerals" as defined in section 3 of the Miner

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
10,50,000	1,08,00,000	12,42,652	Allahabad Bank	350	100	18 0‡	18 0‡	18 0‡	9 0‡	12	Y.P.
14,40,000				186	50	9 0‡	9 0‡	18 0‡	9 0‡		
1,01,000	15,40,000	2,46,650	Andhra Bank	116½	100	6 8	7 8	6 8	3 12½	6,12	B
38,58,600				85‡	75	3 4	3 12	4 8 4/5	2 10‡		
1 00,00,000	1,38,00,000	9,35,546	Bank of Baroda	101‡	80	5 0‡	6 0‡	6 0	3 0‡	12	Y
50,00,000	90,00,000	1,159	Bank of Bikaner	22½	25	0 12	0 12	0 14		12	Y.
£ 50,00,000	3,58,00,000	13 28,630	Bank of India	143XR	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,98,575	22,00,000	60,634	Bank of Indore	53N	25	3 0	3 0	3 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	38‡	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	250	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
91,31,700	58,75,015	16,869	Bombay State Co-operative Bank	57N	50	3 8	2 0	2 0		6	Y.T.
19,00,000	29,00,000	12,501	Canara Bank Ltd.	88	50	4 8	4 8	5 0		12	P.Y.
7,50,000	13,00,000	2,452	Canara Banking Corporation Ltd.	80‡	50	6 0‡	6 0	6 8‡		12	Y.P.
3,02,11,375	4,01,81,217	18,40,339	Central Bank of India Ltd. ..	55‡	25	3 0	3 0	3 0	1 8½	12	R.L.Y.
56,42,775 'A'				58	25	3 0	3 0	3 0	1 8½		
50,00,000	81,00,000	1,76,256	Devkaran Nanjee Banking Co. ..	43½	50	5 0	5 0	5 8	1 4½	12	Y.
1,50,00,000	1,00,00,000	26,77,148	Habib Bank (F)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	50,00,000	1,96,373	Hind Bank	37‡	50	1 8	1 8	2 0		12	Y.
1,25,00,000	15,45,000	1,19,319	Hindustan Commercial Bank ..	10‡	50	Nil	Nil			12	
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13‡	50	Nil	Nil			12	Y.
75,00,000	70,00,000	1,94,405	††Hyderabad State Bank ..	89N	100	5 0	6 0‡	5 0		9	Y.
25,00,000	79,75,000	1,45,140	Indian Bank	208	100	12 0	12 0‡	12 0	6 8‡	6,12	R.L.H.
15,00,000				197	95	10 8‡	10 8‡	10 12‡	6 2‡		
13,30,000				151‡	70	7 8‡	7 8‡	7 12‡	4 8‡		
69,19,275	30,00,000	2,28,299	Indian Overseas Bank	140	100	6 0	6 0	7 8		12	Y.
2,25,000				42‡	100(A)	Nil	Nil				
5,54,585	5,54,580	—1,13,440	Indo-Commercial Bank	10‡	25(B)	Nil	Nil			6,12	R.
				23‡	50(C)	2 0	Nil				
87,50,000	97,50,000	2,35,106	Punjab National Bank	66‡	25	5 0	5 0	5 6	2 0‡	12	Y.
1,00 00,000	23,20,000	43,597	Travancore Bank	16‡	25	2 10	2 12	1 0		12	Y.
40,00,000	25,00,000	1,96,223	Union Bank of India	7‡	5	0 5‡	0 5‡	0 6		12	Y.
6,00,00,000	85,00,000	27 761	United Commercial Bank	55‡	50	2 0	2 8	2 12		12	R.

PRINCIPAL EXCHANGE BANKS

					Dividend(per cent.)						
20,240,000	20,000,000	6405,575	Chartered{Bank of India, Australia and China	£1-14-9	£1	14†	15†	18†		12	R.L.Y.
21,000,000	21,000,000	659,911	Eastern Bank	£7‡	£5	9†	9†	8†		12	R.L.Y.
H.K. $35,000,000	H.K. $125,000,000	H.K. $ 10,066,689	Hongkong and Shanghai Banking Corporation	$87‡	H.K. $125	5*	5*	5*	2*½	12	Y.
£17,966,125 'A'	£15,000,000	£555,006	Lloyds{Bank	£2-16-6	£5 A	16†	15†	12†		12	R.L.Y.
£1,437,200 'B'				£1-6-3	£1 B	6†	6†	5†		12	R.L.Y.
£375,000 'A'				£4-0-0	£1 A	15†	14†	14†			
£375,000 'B'	£1,750,000	£819,872	Mercantile Bank of India ..	£4-0-0	£1 B	15†	14†	14†		12	R.L.Y.
H30,000 'C'				—	£1 C	14†	14†	14†			
£2,351,562	£3,104,687	£242,188	National Bank of India	£1-0-9	sh. 12½	16†	16†	16†		12	R.L.Y.

† Includes bonus. † Less Tax. (F) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
			BREWERIES AND SUGAR			
10,50,000	6	1st December and 1st June ..	Crown & Co.	1938	99‡	1st June 1963
4,00,000	5½	1st March and 13th September..	Crown & Co. (2nd mortgage) ..	1941	95	28th February .. 1966
6,00,000	4½	30th June and 30th December ..	Kamamgore Cane & Sugar Co., Ltd.	1942	99‡	30th December .. 1956
10,80,000	6	1st August and 1st February ..	Ravalgaon Sugar	1938	100	27th December .. 1953-58
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1946	91	1stNovember .. 1956-96
90,10,500	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	96‡	1st November .. 1956-94
			COAL			
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1946	95‡	30th June 1956
20,00,000	4½	28th June and 31st December ..	Barrakur Coal Co.	1947	97‡	30th June .. .. 1967(c)
10,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1948	100	14th December .. 1968(c)½
			COTTON			
5,50,000	5½	30th June and 31st December ..	Bharat Cotton Mills Ltd.	1942	95	30th April .. 1964
4,00,000	6½	10th May and 10th November ..	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	99	1st March .. .. 1972(c)
13,88,900	5½		Jaykrishna Textiles	1940	90N	1st January 1956-60
30,00,000	5	1st June	Tata Mills	1951	100‡	 1956-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1968(c)‡
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100‡	14th June .. 1960
4,00,000	4½	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98‡	1st October .. 1956
15,00,000	4½	30th June and 31st December ..	Bombay Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
3,33,33,400	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(c)
30,00,000	4	30th June and 31st December ..	Cawnpore Electric Supply Co., Ltd.	1945	84‡	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Dhuan (Dhanbad) Electric Supply Co., Ltd.	1951	96	30th June .. .. 1976(c)
4,95,000	5½	15th January and 15th July ..	North Arcot Electric Supply ..	1940	97‡	15th July 1956-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1956-61
1,00,000	6	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1956-61
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1946	94	1st July 1956-61
47,72,600	6	1st April and 1st October ..	Tata Power	1946	102	1st July 1979
6,50,00,000	4	1st April and 1st October ..	Tata Power	..	92‡	15th September .. 1956-76
			ENGINEERING			
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1943	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1938	99	30th June 1958
50,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	101½	1st July 1957-62
61,14,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1938	97	31st December .. 1956(M)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
2,50,00,000	6	1st April and 1st October ..	Tata Locomotive	1950	101‡	1st October .. 1956-61
40,00,000	4	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(c)‡
			JUTE			
15,00,000	6½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
4,00,000	5½	30th June and 31st December ..	Alexandra	1938	99	30th June 1958
15,00,000	4	31st December and 30th June ..	Anglo-Indian Jute Co., Ltd. ..	1937	99	31st December .. 1956
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	92‡	30th June 1964
9,00,000	5	31st January and 31st July ..	Gaurette	1949	90	31st July 1958
10,00,000	5½	30th June and 31st December ..	Gouripur Jute Mills	1951	96	30th June 1966
12,50,000	5½	31st March and 30th September	Hukumchand	1938	96‡	31st March .. 1956(c)
5,04,000	5	15th January and 15th July ..	Kanpur	1951	94‡	15th July .. .. 1956(c)
20,00,000	5	1st January and 1st July ..	Kelvinhaugh	1947	92‡	30th June 1957
20,00,000	4½	31st March and 30th September.	Kinnison Jute Mills Co. Ltd. ..	1941	97‡	31st March .. 1956
25,00,000	5	30th June and 31st December ..	Khardah Jute Mills Co. Ltd. ..	1949	96‡	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96	31st March .. 1967(c)
5,00,000	6½	14th June and 14th May ..	Maheshwarie Jute Mills Co., Ltd	1937	98	14th May 1956
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1946	88	31st December .. 1956
5,00,000	5	30th June and 31st December ..	Premiency	1943	92	30th June 1956
30,00,000	5	31st March and 30th September.	Rallaway Jute Mills Co. Ltd. ..	1946	91	5th September .. 1956(c)‡
5,06,000	4½	14th March and 14th September.	Rossah Jute	1937	96	14th September .. 1956
15,00,000	5½	30th June and 31st December ..	Ulluberia	1937	96½	30th June 1957
16,00,000	5½	31st January and 31st July ..	Waverly	1938	98	31st July 1968
			RAILWAYS (STEAMSHIP AND TRAMWAYS			
4,50,000	6	1st January and 1st July ..	Barsot-Basirhat Light Railway ..	1939	90N	1st July 1956
6250,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	6501N	At 105 plus any time on 6 months' notice or as pay or every seventh year thereafter
5189,963	5	1st April and 1st October ..		1933	677‡N	1st October .. 1974
8,50,000	5½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	96‡	31st December .. 1956(c)
£800,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1906	£65N	Any time on six months' notice (c)
4,52,52,597	4½	15th March and 15th September..	Scindia Steam Navigation	1948	98‡	1st September .. 1960
			PLANTING			
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1941	102‡	1st July 1967-68
15,00,000	5	31st March and 30th September.	Nilgiri Tea	1904	100	1st April 1956-66
1,20,750	5½	31st March and 30th September.	Tenkay	1944	100	31st March .. 1956-64
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July ..	Akbarpur Corporation of India Ltd.	1946	96	31st December .. 1966
25,00,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	98	31st December .. 1968
4,50,000	5½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June 1957
2,00,00,000	5	1st March and 1st September ..	Burmah Shell	1956	103‡	1st September .. 1964-76
2,00,00,000	5	1st April and 1st October ..	Caltex Oil Refining (India) Ltd.	1946	102‡	1st October .. 1976
21,00,000	4½	1st February and 1st August ..	Chowringhee Properties	1913	95	1st February .. 1964
12,50,000	4½	1st July and 1st January ..	Civil Buildings (Calcutta) Ltd. ..	1936	89	1st July 1966
90,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87‡	15th September .. 1966
1,00,00,000	4½	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	92	 1966
1,00,00,000	4½	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1946	100	1st January .. 1971(c)‡
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co. Ltd.	1954	105	30th June .. .. 1976(c)‡
17,77,800	6	15th March and 15th September.	Kesoram Chemical Industries ..	1946	98	.... 1978(c)‡
25,05,000	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	85	30th September .. 1956
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	170	31st December .. 1978(c)
					(Ex. Bonus)	1977(c)‡
75,00,000	5	1st April and 1st October ..	Mysore(and Bearer Ltd.	1951	98N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1945	108	30th June 1971
1,00,00,000	4½	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. 1965-76
1,00,00,000	5	30th June and 31st December ..	Ralias Industries Ltd.	1948	91‡	31st December .. 1961(c)‡
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	103‡	1st May .. .. 1968(c)‡‡‡

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th November, 1956.

—	Closing quotations 8-11-1956	High	Low	Closing quotations 15-11-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	200	—	—	—
Apollo (2) ..	2-12½	2½	2-10½	200
Bombay Dyeing (250) ..	625‡	625‡	600‡	2½
Bradbury (50) ..	205	205	202‡	610‡
Central India (100) ..	133‡	132‡	128‡	203‡
Century Mills (100) ..	551	548‡	536‡	132‡
Colaba (100) ..	99‡	100	99‡	544‡
Edward Textile (300) ..	345	—	—	100
Elphinstone (50) ..	588	588	561	346
Finlay (100) ..	338	329	322‡	57
Gekaz (100) ..	240	240	237	335
Ind. Unid. Deld. (1) ..	2-1‡	2-1‡	2-0‡	236‡
Ind. Unid. Ord. (10) ..	12‡	12-2‡	11‡	2-1‡
Indore Malwa (100) ..	157‡	155	146‡	12‡
Khatau (100) ..	241‡	240	236‡	145‡xd
Kohinoor (100) ..	343	346	336‡	236‡
Lakshmi (250) ..	707‡	707‡	687‡	342
Madhusudan (100) ..	1132	—	—	687‡xd
Minerva Mills (100) ..	93‡	92‡	88‡	113‡
Model Nagpur (250) ..	189‡	189‡	178‡	90
Morarji (100) ..	260	—	—	178‡
Mysore (50) ..	108	108	100‡	260
National Rayons (100) ..	261‡	260‡	256	100‡
New City (100) ..	175	175	146‡	259‡
New Great (100) ..	250	—	—	146‡
Phoenix (100) ..	1498	—	—	250
Podar Mills (100) ..	167‡	167‡	163‡	146‡
Rameon Silk (10) ..	12	—	—	165
Sassoon Spg. (10) ..	45‡	45‡	43	12
Shahpur (1,000) ..	1,800	—	—	43
Shirpur (100) ..	216‡	215	210	1,800
Standard (100) ..	200	199	194	215‡
Swadeshi (100) ..	477‡	475	467‡	196
Tarapur (100) ..	255	253‡	246‡	473‡
Tata Mill (25) ..	437‡	—	—	253‡
Vishnu (100) ..	54‡	54‡	52‡	437‡
Western India (1,000) ..	272‡	172‡	161‡	53‡
	5,125	5,125	5,100	161‡xd
BANKS				5,100
Bank of India (50) ..	142‡	143‡	142‡	143‡
Bank of Baroda (50) ..	101‡	102	101‡	101‡
Central (25) ..	53‡	55‡	53	54‡
Central 'A' (25) ..	57‡	58‡	57	58‡
Dena Bank (50) ..	49‡	—	—	49‡
Punjab National (200) ..	56‡	—	—	56‡
Union Bank (5) ..	7‡	7-4‡	7‡	7‡
United Com. (50) ..	56‡	57	55‡	57
ELECTRIC COS.				
Ahmedabad (100) ..	92‡	92‡	90‡	91‡
Amalgamated (10) ..	11‡	—	—	11‡
Andhra Valley (1,000) ..	1,221‡	1,207‡	1,200	1,200
Bom. Sub-El. (100) ..	110‡	110‡	109‡	110
Surat (100) ..	115‡	112‡	110	118‡
Tata Hydro (100) ..	127	127	125	126
Tata Power (1,000) ..	1,267‡	1,267‡	1,253‡	1,258
INSURANCE COS.				
British India (10) ..	18‡	—	—	13‡
Empire of India (100) ..	460	—	—	350
Ind. Mercantile (30) ..	45	—	—	45
Jupiter (15) ..	8‡	—	—	8‡
New India (15) ..	45‡	45‡	44‡	44‡
Oriental (100) ..	8,600	—	—	8,550
Universal (10) ..	13‡	12‡	10‡	11
Vulcan (10) ..	12‡	—	—	10‡
STEEL COS.				
Ind. Iron (10) ..	34‡	34-5‡	33‡	34-5‡
Tata Steel Ord. (75) ..	193‡	192‡	189	192‡
SUGAR COS.				
Belapur (50) ..	250	250‡	249‡	249
Bhopal (10) ..	17‡	—	—	17‡
Phaltan (50) ..	161	161	158‡	158‡
Walchand Ind. (100) ..	285‡	286	277‡	280
CEMENT COS.				
Associated Cts. (100) ..	194	197	191‡	196‡
Digvijay (100) ..	194‡	194	189xr	190‡
MISCELLANEOUS				
Alcock Ashdown (100) ..	330	330	317‡	323‡
Bam. Burmah (132) ..	725	722‡	672‡	662‡
Do. (New) (50) ..	263‡	263‡	247‡	250
Bx. B. Petrol (4 sh.) ..	2-10‡	2-9‡	2‡	2-9‡
Bx.-I. Corpn. (5) ..	10‡	9‡	9‡	9‡
C. P. Elec. (100) ..	11‡	10‡	10‡	10‡
Indian Copper (2 sh.) ..	4-6‡	4‡	4‡	4‡
Ind. Inv. Tr. (100) ..	74	—	—	75
Kamr (Rs.) ..	202‡	200	196‡	200
Killick (100) ..	173‡	173	171‡	171‡
Pelmo (100) ..	167‡	—	—	170
Port Canning (100) ..	8	—	—	8
Premier Cm. (50) ..	212	210‡	198	206
Scindia (50) ..	18-15‡	19‡	18‡	19-2‡
S. S. Shipping (10) ..	22‡	22‡	22‡	22‡
Shivaljee (10) ..	87‡	88‡	84‡	85‡
Tata Chemicals (10) ..	20-2‡	20-1‡	19‡	19‡
Tata Locomotive (100) ..	167‡	169‡	165‡	166‡
Tata Oil (25) ..	52‡	52‡	50	51‡
W. I. Match (100) ..	175‡	176‡	176	176‡

GOVERNMENT SECURITIES	9-11-1956	Gross Yield Earlier Redemption	Later Redemption	15-11-1956
	Rs.	—	—	Rs.
2½% 1961	93‡	—	3.96	93‡
2½% 1950	96‡	—	3.74	96‡
2½% 1962	93‡	—	3.80	93‡
2½% 1970	83‡	—	3.98	83‡
3% 1987	99‡	—	3.98	99‡
3% 1986	99‡	—	3.96	99‡
3% 1966-81	97‡	—	3.24	99‡
3% 1963	94‡	3.75	3.45	97‡
3% 1962-66	94‡	—	3.80	94‡
3% 1966-86	92‡	3.98	3.76	94‡
3% 1970-75	89‡	3.83	3.80	93‡
3% 1959 Con. Loan ..	74‡	4.07	4.00	85
4% 1960-70	100‡	—	4.08*	73‡
4½% 1958-68* ..	102‡	4.80	4.98	100‡
3½% 1961 N.F. Bonds	98‡	4.05	4.22	102‡
3½% 1962 N.F. Bonds	98‡	—	4.56	98‡
3½% 1963 N.F. Bonds	98‡	—	3.73	98‡
3½% 1965	97‡	—	3.70	98‡
3½% 1966 N.F. Bonds	98‡	—	3.64	97‡
3½% 1967 N. E. Bonds	98‡	—	3.67	98‡
3½% 1974	98‡	—	3.87	98‡

BRITISH GOVERNMENT SECURITIES

	Closing quotations 6-11-1956 £			Closing quotations 13-11-1956 £
2½% Brt. Consols ..	51‡	—	—	50‡
4% Victory Bonds 1946-76 ..	73‡	—	—	73‡
3% War Loan 1955-59.	95‡	—	—	95‡
3½% War Loan ..	89‡	—	—	89‡
4% Victory Bonds 1976 ..	90‡	—	—	90‡xd
4% Funding 1960-90 ..	85‡	—	—	85‡

† Current income x.d.—Ex-dividend. ††Rupee Counterparts. * Y.R.—Ex-Rights.

COMMERCE

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

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TRENDS IN FOREIGN TRADE

THE meetings of the Import and Export Advisory Councils held at New Delhi last weekend provided a good opportunity for taking stock of India's performance in the sphere of foreign trade and for the authorities to get an idea of what could be done to improve the position in future. An appraisal of recent trends revealed a picture which is disturbing somewhat. Imports have been running at a higher pace than in 1955 and 1954, while exports have been at a lower level. The adverse balance of trade has widened and the foreign exchange reserves are fast shrinking. Export prices have either declined or risen only fractionally where they have, while import prices have gone up rather substantially. The outcome is that the terms of trade have worsened against India, as it has done for most of the exporters of primary produce.

A few figures to illustrate the aforesaid trends may be stated. During the nine months ended September 1954, imports aggregated Rs. 429.11 crores. In the same period of 1955, they went up to Rs. 454.98 crores. In the current year, they have been higher still. Actual imports during January-July 1956—seven *months*—were Rs. 438.14 crores. On the basis of figures quoted by the Commerce Minister, Mr. D. P. Karmarkar, at the Import Advisory Council meeting, they aggregated no less than Rs. 594 crores for the first nine months of this year. The monthly average of imports for this latter period was Rs. 66 crores, as compared with Rs. 50.55 crores and Rs. 47.70 crores for the corresponding period of 1955 and 1954, respectively. In other words, imports in 1956 have been running at a rate 32 per cent. higher than in 1955 and 37.5 per cent. higher than in 1954.

Exports have not kept pace with this trend. For the nine months ended September this year, they are estimated at Rs. 439 crores, as compared with Rs. 457 crores and Rs. 335 crores for the same period in 1955 and 1954, respectively. The average monthly exports work out to Rs. 46.5 crores for the first nine months of the current year, as against Rs. 50.12 crores and Rs. 42.70 crores for the corresponding period of 1955 and 1954, respectively. It will be noted from this data that, after going up in 1955 as compared with 1954, exports have actually declined in 1956, whereas imports have advanced rapidly and progressively. The volume index (base: 1952-53=100) shows that the monthly average imports in the first half of 1956 was 134, as compared with 108 and 93 in the same period of 1955 and 1954, respectively, the corresponding figures for exports for the three half-years being 108, 108 and 93. This means that, while the volume of imports rose enormously during January-June 1956, that of exports remained more or less static at the level attained in the first six months of 1955. On top of this, there has been a steady fall in the export value index from 95 in January 1956 to 91 in June 1956, the average for the six months being 91, as against 94 for the corresponding period of 1955. In the case of imports, however, the price index shows a rise from 85 in the first month of 1956 to 90 in the sixth month of that year, though the average for the first half of the year as a whole is a point less at 88. The conclusion that clearly emerges from these volume and value indices is that, unit for unit, exports of India earned less, while it had to pay more for its imports.

As a result of excess of imports over exports, the adverse trade balance has been growing. From Rs. 50.05 crores in the official year 1953-54, it rose to Rs. 62.72 crores in 1954-55, and still further to Rs. 81.52 crores in 1955-56. During the first six months of 1956-57, that is, April to September 1956, it is estimated to have nearly trebled, the exact figure for the half-year being of the order of Rs. 121.86 crores. This trend still continues; in October 1956, the adverse trade balance, according to provisional figures, was well over Rs. 16 crores, and these do not include the outcome of the trade with Pakistan which is generally against India owing to large imports of raw jute. The result of these adverse balances is a depletion of India's foreign exchange reserves. On 18th November 1955, that is, a year ago, these reserves stood at Rs. 717.93 crores; now, as on 16th November to be precise, they are no more than Rs. 553.67 crores, that is, a drop of Rs. 164.26 crores. They have now reached a level which is only about Rs. 150 crores above the minimum currency reserve of Rs. 400 crores and that with only eight months of the second Five-year Plan gone.

Alarming as this position may appear on the face of it, there is no cause for feeling unduly perturbed over it. The large adverse balance is not the outcome of unplanned imports. On the contrary, it is due largely to purchases of capital goods, essential raw materials and consumer goods necessary for implementing the development schemes included in the first and the second Plans. The quantum of imports of luxury articles is relatively small and would not substantially alter the position even if they were completely cut out. In the first nine months of 1956, India has spent, according to Mr. Karmarkar, nearly Rs. 6 crores more than in the corresponding period of last year on imported chemicals; similarly, it has spent Rs. 36 crores more on machinery, Rs. 4½ crores more on electrical goods and Rs. 8 crores more on non-ferrous metals. Again in 1956, India will be importing 1.8 million tons of iron and steel, costing approximately Rs. 135 crores; of this quantity, 1.5 million tons have already arrived. These figures compare with 558.000 tons, valued at Rs. 43 crores, imported last year. None can say that these imports were not essential. Again, it is common knowledge that countries embarking on a large development programme usually have a big deficit in foreign trade. There is, therefore, nothing abnormal about the present experience of India.

Although the heavy import surplus is not due to any unplanned effort and is in keeping with the needs of the country's development programme, it is necessary to emphasise that there is no reason whatever for complacency. All possible efforts must be made to exercise the largest measure of economy in the use of foreign exchange consistent with the developmental needs and to earn as much foreign exchange as possible through stimulation of exports. The urgency of this task cannot be minimised, because the foreign exchange gap assumed in the Plan is as large as Rs. 1,200 crores. It is, of course, true that all this amount cannot be found by a surplus of exports over imports during the five-year period and that a good part of it is, therefore, sought to be covered through bor

little more effectively and with positive benefits. Fortunately for India, the markets for tea and jute goods look like improving and, though the blocking of the Suez Canal, through which two-thirds of India's foreign trade pass, is a formidable handicap, it is possible to tide over the situation, provided the internal transport and the handling at the ports are efficient and quick. But the basic condition for success in export trade is an increase in domestic production of almost everything, mineral ores, agricultural produce, manufactured goods, etc. This is not a job of the Commerce and Industry Ministry alone but also of the Ministries of Agriculture, Finance, Transport and Labour at the Centre, as well as that of the counterparts of these ministries in the States. Unless the production of such raw materials as jute, cotton and oilseeds goes up, India cannot strengthen its export drive. This is obvious from the latest decision of the Government of India not to permit, for the present, exports of raw cotton and groundnut. There is a good market now for these commodities in foreign countries, but, because domestic supply of these is not adequate in relation to demand, as is clear from a rise in their prices, the Government has found it necessary to stop their exports. It is also obvious from the decision of the Government, some months ago, to reimpose the cut in the production of jute goods. One of the factors that necessitated this step was inadequate supply of raw jute.

Again, unless there is sufficient transport—railway, road and sea—it will not be possible to move the available supplies in time to the export markets. Hence the Ministry concerned must be active. The importance of the Finance Ministry to the success of export drive will be evident from the fact that the fiscal policy and its administration can make and unmake export markets. The Labour Ministry is by no means the least important, as witness the effects of the awards and laws relating to working conditions of workers on the cost of export commodity. The latest Plantation Award in Madras State, if applied without substantial modification, will virtually wipe out most of the plantation estates in the Nilgiris, thereby seriously affecting the foreign exchange position of the country. The producers and manufacturers, too, have to display a greater sense of responsibility than at present in producing quality goods and in developing export markets. The availability of easy profits in the home market has engendered a sense of complacency among a large number of them in so far as export promotion is concerned. Several of them seem to feel that it is the business of merchants and the Commerce Ministry to explore and develop export markets for their manufactures. It is high time they gave up this attitude and realised that active export promotion is a part of their function.

It is suggested that India will stand to gain more if it concentrates on exports of finished goods instead of on raw materials and semi-processed goods. The economic force behind this argument cannot be refuted, for it will mean more employment within the country and greater foreign exchange realisation. Accordingly, this principle should be followed wherever possible. But, at the same time, the policy-makers should take a realistic view of world trends. It may not be possible for them to follow it in all cases, because, if India does not supply what the importing countries want, some other countries may be ready to fill the breach, resulting in the complete loss of its export markets for some of the raw materials and partly finished goods. The policy to be followed in such cases should be to encourage the export of finished goods through indirect assistance, while placing no restrictions on exports of these goods in the raw state or partially processed state. The essential point to be noted here is that any attempt at dictating to importing countries, especially when there is a buyers' market, or when some of them, too, want to provide employment to their people by establishing manufacturing industries or final processing units, will invariably fail.

Another vital point that requires reiteration is that India cannot succeed in developing a progressively expanding export trade in manufactured goods, unless its industries are equipped with modern plant and machinery. It may be possible to compel, albeit up to a point, domestic consumers to accept whatever the type and quality of goods that are produced under the Government's policy aimed at supporting cottage and small-scale units and/or based on fears of unemployment among factory workers consequent upon introduction of up-to-date equipment. But this policy will not work in the case of exports, as is clearly evident from the setback in cotton textile exports. It is to be hoped that at least the acuteness of the foreign exchange problem will open the eyes of the authorities to the necessity of following a more realistic policy.

ATOMIC ENERGY

RUSSIA'S dramatic announcement of a seven-point disarmament plan which includes the destruction and the halting of further manufacture of nuclear weapons, has again brought to the fore the importance of utilising the latest achievements in science, signified by atomic development, for peaceful purposes. Much concern has been felt in India over the repeated experiments in nuclear explosions, and this country has steadily campaigned for facilities for using the atomic energy in the interests of human welfare and progress. Last week, a non-official resolution was moved in the Lok Sabha calling for the setting up of an international scientists' commission to investigate the effects of, and the extent of harm caused by, nuclear and thermo-nuclear tests and for bringing moral pressure to bear on the nations making these tests to desist from such experiments. Speaking on this resolution, with the spirit of which he was in perfect agreement, Mr. Nehru deplored the "fear psychology" which made nations undertake those tests; each was actuated by the fear that, if it did not undertake these tests, the other would.

Atomic energy is one of those great scientific achievements of the modern age which have both constructive and destructive possibilities. But the deliberations of the International Atomic Energy Conference, which adopted last month at New York the 23-article statute for an International "Atoms for Peace" Agency, have given rise to the hope that the entire world will soon be able to participate in the benefits of atomic research. The Conference unanimously decided that the headquarters of the Agency will be in Vienna. Under the agreement, the Agency will supply fissionable material to member-States for chemical processing. The U.S. delegate, Mr. James J. Wadsworth, was voicing the feelings of all countries of the world when, at the conclusion of the Conference, he said: "We have done something here that makes it more likely that we and our children will live out our lives in peace." The Conference elected six additional members to the Preparatory Commission: Argentina, Japan, Egypt, Peru, Indonesia and Pakistan. The twelve original members are the sponsoring governments of Australia, Brazil, Canada, Czechoslovakia, France, India, Portugal, South Africa, the Soviet Union, Britain and the U.S. The Commission will lay the Agency's groundwork, choose the Board of Governors and appoint an Executive Secretary and staff. The Agency is expected to get under way next summer or autumn.

It is gratifying to note that the Executive Board of the U.N. Educational, Scientific and Cultural Organisation (U.N.E.S.C.O.), at its meeting last week at New Delhi, has recommended to the General Conference a detailed programme for the work of the Organisation in the field of atomic energy for peaceful uses. The U.N.E.S.C.O.'s work in this field would be concentrated on the training of experts, the study of the biological effects of ionizing radiations and the use of radio-isotopes in scientific research. It was proposed that the Organisation should convene in 1958 an international conference which would obtain an exchange of information on methods used in various countries for training all specialists in the atomic field. The Conference would also examine international measures to achieve exchange of teachers and students. As regards the effects of ionizing radiations, it was suggested that U.N.E.S.C.O. might lend the necessary instruments for measurement of radiations and send qualified operators to service them. Finally, as the use of radio-isotopes in research was likely to assume the greatest importance in the next few years, it was proposed that U.N.E.S.C.O. might convene, towards the end of 1957, an international conference to discuss problems of utilisation of radio-isotopes in biology, physics and chemistry.

Any sustained progress in the application of atomic energy to peaceful purposes will depend upon the measure of international co-operation that will be forthcoming. So far, many of the leading industrialised advanced countries, notably the U.S., the U.K. and Canada, have given ample evidence of their willingness to lend a helping hand to underdeveloped countries in order to promote the peaceful uses of atomic energy. Last month, President Eisenhower gave the new International Atomic Energy Agency a pledge of an initial 11,000 pounds of uranium-235 *plus* as much as all other nations contribute till 1960. This is the first offer of fissionable material received by the Agency and is a striking indication of the U.S.'s sincerity and keenness to promote peaceful use of atomic energy by all the countries of the world. Further, he approved, last week, six additional steps to advance his atoms-for-peace programme. Under this programme, the U.S. would make available to other nations nuclear fuel for use in power or research reactors at prices identical with those charged by the U.S. Atomic Energy Commission to domestic users. He also approved of an offer to purchase at specified prices plutonium and uranium produced in reactors abroad which are fuelled with uranium-235 furnished by the U.S. The materials so acquired by the U.S., the President said, would be used solely for peaceful purposes. The U.S. would, of course, provide safeguards against diversion of materials by other nations to military purposes. The six-point programme, approved by the President, consists of:

(1) Establishment of the new schedule of charges for U-25 sent abroad.

(2) Authorising the A.E.C. to extend the present co-operative agreements beyond the existing term of 10 years.

(3) Establishing prices for plutonium and uranium-233 to be purchased by the United States from foreign operators of reactors.

(4) Decision by the Commission that it stands ready to purchase at the above-mentioned prices all the plutonium and U-233 produced abroad during the period ending 30th June, 1963.

(5) A proposal by the Commission to ask Congress for authority to establish guaranteed prices for plutonium and U-233 for periods not to exceed seven years. This would provide the same assurance to foreign nuclear power programmes as given to domestic programme.

(6) A decision to consider exchange of American U-235 for source material—such as uranium ore or concentrates—with co-operating nations.

The uranium-235 that is being offered by the U.S. to other nations will be taken from 20,000 kilograms (44,000 pounds) allocated by the President in the last three years for peaceful uses abroad. It is from this allocation that the U.S. contributed 5,000 kilograms last month to the International Atomic Energy Agency. Clearly, the President's six-point programme is designed to help other nations acquire what might be called the essential nuclear raw material. It would, as the President himself said, enable other nations to have a "firm assurance of the fuel supplies necessary for the continued operation of nuclear power installations, and thus it will facilitate arrangement for financing." These measures, he said, would permit "closer estimate of net nuclear fuel costs and will add firmness to the planning now under way in friendly nations for nuclear power, thereby accelerating their atomic power development." Appropriately enough, he added: "We shall strive ceaselessly to attain the day when the uses of the energy of the atom fulfil mankind's peaceful purposes."

India is making steady but less spectacular progress in the sphere of atomic energy, thanks to the intrepid efforts of Dr. H. J. Bhabha, Chairman of the Atomic Energy Commission. Construction work has started on the Atomic Energy Establishment at Trombay. The capacity of the thorium plant has been increased and a plant for producing uranium fuel elements for future reactors is being set up. The construction of the first swimming pool reactor has been completed, the reactor having reached criticality for the first time on 4th August last. Generous co-operation by Canada has made it possible for this country to commence work on a reactor of the NRX type; it is likely to go into operation in the first half of 1958. In the course of the debate in the Lok Sabha, to which reference was made at the outset, Mr. Nehru revealed that, in about four or five years' time, India should be in a position probably to use a good deal of nuclear energy. Nothing brings out more clearly India's essentially peaceful approach to the problem of atomic energy than its decision to make available the facilities of its reactor for the use and benefit of scientists from other countries of South-east Asian region and beyond.

STALEMATE IN SHARE MARKETS

SALES TAX REFORM—BRITAIN'S MOVE TO PREVENT DUMPING

THURSDAY, 5 P.M.

THE share markets are lifeless. There is very little activity; unable to take a view, speculators are idle. With several attractive new issues coming, investors are concentrating their attention on them, neglecting the existing ones. There has, however, been a slight improvement in the value of almost all the popular counters, presumably due to bear covering. Substantial sums of money have already been contributed by investors to the first call of the new issues of the A.C.C. and the T.I.S.Co. The Guest, Keen, William issue was heavily oversubscribed, the stringency in the short-term money market notwithstanding. Applicants are expected to receive only a partial allotment, believed to be less than half. Very soon, the Indian Aluminium, Dunlop Rubber, Indian Irons and Hindustan Lever—all first class investments—will be in the market. There are also a few more issues, some of which are preference shares. It is rumoured in market circles that Burmah-Shell may come out with a fresh offer of Rs. 2 crores in preference shares. According to one reliable estimate, the total amount raised by these new industrial issues will be of the order of Rs. 40 crores.

MARKET GOSSIP

The prospectus relating to the offer of the shares of Hindustan Lever Ltd. is already in circulation and will appear in the Press in a few days. Messrs. Unilever Ltd., London, who are the sole owners of Hindustan Lever, are offering to Indian investors 557,000 ordinary shares of Rs. 10 each, equal to 10 per cent. of the paid-up capital of the Company, at a premium of Rs. 6-8. The full details of this offer will appear in our next issue. Meanwhile, suffice it to say that market circles regard the issue price of these shares as very attractive. At the existing level of taxation and given the continuance of present trading conditions, the Company expects that the profits for 1957 would enable it to distribute a dividend of Re. 1-6 per share. On this basis, the yield on this investment works out to 8.33 per cent., free of tax. There is also a reasonable chance of capital appreciation. For 1956, the Company has paid an interim dividend of As. 8 per share and expects to pay a final dividend of As. 6 per share some time in May 1957 to which the buyers of shares now offered for sale will be entitled. Moreover, as the vendors propose to give share certificates and blank transfers to successful applicants, the shares will be marketable almost immediately after allotment. There are unmistakable signs of a great rush for this share, the list for which opens on 3rd December 1956 and will remain open up to 3 p.m. on 5th December 1956.

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There has been a sizable recession in the cotton market, where the Jarilla contract has slumped from a high of Rs. 660½ on 15th inst. to Rs. 641½ today, the corresponding quotations for the Vijay contract being Rs. 762 to Rs. 746½. Apart from technical factors, the keen disappointment of traders over the Government's failure to permit export quota for cotton lies at the root of the drop in cotton. An official Press note issued late on Wednesday night states that, in view of the present high level of prices of cotton, the Government does not consider it desirable to announce an export quota at this stage. Trade circles were inclined to think that, in view of the difficult foreign exchange position of the country, the Government would be willing, nay, even anxious, to permit exports of cotton, consistent with domestic needs. Apparently, the Government, which cannot be unaware of the foreign exchange aspect of the cotton export issue, is in no hurry to announce the quota. Cotton circles estimate the current season's supply of Indian cotton at around 6.9 million bales, inclusive of about 1.8 million bales of carry-over cotton and 5.1 million bales of commercial crop. Domestic mill consumption may account for about 4.8 million bales. This will leave a surplus of about 2.2 million bales. Even after allowing for carry-over stocks of 1.9 million bales at the end of the season, a quota of 350,000 bales could be allotted for export.

But it remains to be seen whether the commercial crop would turn out to be as large as 5.1 million bales. Indian weather has been particularly freakish of late, not to speak of the precise effect of the recent floods on the quality and quantity of the crop. Although the supply position is not likely to be seriously impaired through the grant of a small quota, it is, perhaps, just as well that the Government should have some firm estimates of the current season's crop before framing the export policy. Again, it may not be altogether inadvisable to adopt a "wait-and-watch" attitude towards cotton exports, considering that so long as the Suez Canal is blocked and freight rates are rising, it may be difficult to arrange for prompt shipments or strike firm bargains. The whole picture—the domestic crop picture as well as the more uncertain international situation—is likely to become clearer in the near future, when India should be better able to strike a mean between the advantage of earning foreign exchange through exports and the disadvantage of a smaller supply of cotton in the country.

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The Government's decision in relation to exports of oilseeds is in tune with the observations made by the Union Minister for Commerce and Heavy Industries, Mr. Morarji Desai, at the Export Advisory Council. Referring to the demand for exports of groundnut oil, he said that it was an article of consumption by the poorer people who derived more nutrition from oil than from any other commodity. The Government, he said, could not take a risk and had to proceed cautiously with regard to fixation of export quota for oil. In saying this, Mr. Desai was not exaggerating the risk involved, inasmuch as oil prices have risen steeply in recent months. The index number of prices of oilseeds (Base: year ended August 1939=100) now stands at 555, as compared with 394 a year ago. Similarly, the index number of prices of vegetable oils has moved up from 382 to 584. Clearly, it is this consideration that has weighed with the Government in its decision not to allow exports of groundnut oil. An official Press note says that the question of export of groundnut oil was considered by the Government and adds: "Export of this important article of food has to be considered with great care and now, particularly so, in view of the high ruling prices. Having regard to all relevant factors, Government has decided not to announce any export quota." The Government has, however, decided to allow export of nigerseed oil, kardiseed oil, groundnut oilcake and coconut oilcake freely within a ceiling upto the end of February 1957.

The denial of an export quota for groundnut oil served as a damper to the oilseeds market. Groundnut February delivery declined to Rs. 141-2 today, as against Rs. 144-10 yesterday, though, even at today's level, it is only slightly lower than the last week's level of Rs. 141-14. There was a sympathetic marking down of values in other sections of the seeds market. Judging from the Government's recent export policy announcement, it looks as though the Government is unwilling to sacrifice the domestic consumer for the sake of earning foreign exchange. It remains to be seen whether the authorities can continue this policy for long.

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The long-awaited "Central Sales Tax Bill" has now been introduced in the Lok Sabha. No subject has aroused greater judicial controversy nor any aspect of fiscal administration caused greater inconvenience to the commercial community than the tax on inter-State sales. All the wealth of India's legal talent has been employed—should one say, wasted?—on the determination of the States' rights to levy tax on inter-State trade, as well as the definition of inter-State trade and export-import trade. The tax on inter-State sale has also earned the unique distinction of being a subject on which the Supreme Court felt it necessary to reverse its judgment. After once holding that the State where the goods imported from another State are consumed has a right to levy a tax on the inter-State transaction, it reversed its decision by declaring that taxation of inter-State sales is ultra vires the Constitution. But the Central Government recognised that this judicial interpretation of the Constitution would deprive the States of a lucrative source of revenue. Meanwhile, the trade interests have consistently represented the case for Central administration of at least inter-State sales tax. Their anxiety over a speedy and equitable settlement of the issues involved in the subject will become clear when it is realised that, in this country, it is practically impossible for a trader—whether he is a small retailer or the chief of a mighty firm with branches in all parts of the country—to run his business without importing goods from other States or exporting them outside the State where he resides.

The three chief features of the Central Sales Tax Bill are: (1) Centralisation of powers to levy a tax on inter-State sales and decentralisation of its authority in the sense of delegation of the right to the States for imposing on behalf of the Central Government a tax on such sales; (2) definition of what constitutes inter-State trade; and (3) declaration of certain commodities as being of special importance to inter-State trade and imposition of restrictions on States' powers to levy tax on these commodities. Legally speaking, the Central Government has derived powers to regulate inter-State trade by virtue of the Constitution (Sixth Amendment) Act, 1956, whereby taxes on inter-State trade were brought within the purview of the legislative jurisdiction of Parliament and restrictions could be imposed by the Central Government on a State's powers to levy a tax on sales or purchase of goods within the State where the goods are of special importance to inter-State trade. Accordingly, the Bill, now brought forward, is within the legislative competence of Parliament.

Briefly, the Bill authorises the State Governments to impose, on behalf of the Central Government, a tax on the sale or purchase of goods in the course of inter-State trade or commerce. In other words, the State Governments are agents for the levy and collection of tax on inter-State trade. For this purpose, the States are authorised to prescribe the same system of registration, assessment, etc., as prevails in the States concerned under their own sales tax system. This has been done, in order to avoid a double system of sales tax within the State and the other in connection with the tax on inter-State trade. Secondly, the Bill seeks to define the circumstances in which a sale or purchase becomes taxable by a particular State and no other. It also seeks to define as to when a sale or purchase of goods may be said to take place (1) in the course of export out of India, (2) in the course of import into India and (3) in the course of inter-State trade. As regards the rate of tax, the Bill seeks to levy a tax of one per cent. of the turnover of a dealer on sales made by him in the course of inter-State trade or commerce.

Finally, the Bill declares certain commodities as being of special importance to inter-State trade and lays down restrictions and conditions as to the rate and system of levy. These commodities are: Iron and steel, coal, cotton, hides and skins, jute and oilseeds. Iron and steel will include pig iron and iron scrap, iron plates sold in the same form in which they are directly produced by the rolling mill without further processing or fabrication, steel scrap, steel ingots, steel billets, steel bars and rods, steel plates, steel sheets, sheet bars and tin bars, rolled steel sections and steel alloy, steel sold in the same form in which they are directly produced without further processing or fabrication. Coal will include coke in all its forms. Cotton is defined as "all kinds of cotton (indigenous or imported) in its manufactured form, whether ginned or unginned, baled, pressed or otherwise but not including cotton waste." Hides and skins include the raw or pressed state of this commodity and jute its baled or unbaled state. Oilseeds are defined as seeds yielding non-volatile oils used for human consumption or industry or in the manufacture of varnishes, soaps and the like or in lubrication and volatile oils used chiefly in medicines, perfumes, cosmetics and the like. These goods have been declared as "goods of special importance to inter-State trade or commerce." It has been provided that the tax on the sale or purchase of these goods inside a State shall not exceed two per cent. of the sale price thereof and such taxes shall not be levied at more than one stage in a State.

Clearly, the Bill seeks to fill the vacuum which has prevailed in the sphere of inter-State sales tax in recent months and also to ensure that no chaos is allowed to develop in that sphere such as the one that prevailed during the period when sales tax on inter-State trade was being collected by the State Governments. For one thing, centralisation will bring a certain uniformity in regard to rate, collection and administration of the tax. Secondly, the dealers in the goods of special importance to inter-State trade will benefit through the regulation of the system of levy and the restrictions that are being imposed on the rate of levy. When this Bill becomes law, it will be necessary for the State Governments to set up a "central" wing in their sales tax department, in order to look after the collection and administration of the tax on inter-State trade. It is to be hoped that the State Governments will see that this wing is manned by experienced personnel who will, without, of course, binding themselves legally in any way, give not only clear directions but even positive guidance to traders in relation to sales tax problems.

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During the inter-war years, the U.K. and certain European countries used to find it difficult to maintain their export markets in the face of the "dumping" activities of some exporting nations. Generally speaking, Japan was the target of attack, for that country, according to its accusers, would frequently resort to dumping its goods abroad through currency manipulations and excessively low production costs. Japan, it used to be said, was paying its labour less than what the workers deserved to get and thereby was obtaining a price advantage for its manufactured goods in export markets. All this ceased to be an important problem in the post-war years, thanks to the fact that the world demand for goods far outstripped the available supplies. Apparently, this era of a comfortable sellers' market is drawing to a close. Exporters are now beginning to see that export markets cannot be built in a day, nor can they be maintained without effort. An important effect of the growing difficult conditions in the export markets is that countries are resorting to special currency concessions to exporters and giving liberal credit terms to their overseas importers. But when competition threatens the very existence of domestic industries, there is really no alternative to protectionist duties.

Not all countries, however, are able to raise duties in this manner. For one thing, they would not like to raise tariffs against all countries indiscriminately. Secondly, the abrupt introduction of strong protectionist measures might offend the spirit of the G.A.T.T. Thirdly, the raising of protectionist wall may lead to undesirable reprisals from other countries. The U.K. seems to find itself in this position today. While it is willing to face normal or legitimate competition, it would like to arm itself against unfair competition in the shape of "dumping". It is shortly expected to introduce an Anti-dumping Bill. Last week, the Government issued the ways and means resolution providing for the imposition of customs duties to safeguard British industries against dumping and the import of subsidised goods. This is a preliminary stage before the introduction of the Bill. Since the Bill imposes a new charge on the public, it has to be preceded by adoption of a ways and means resolution. The Board of Trade, it is stated, will be empowered to impose duty, in addition to the full amount of any other duty, where it appears (1) that goods have been dumped in the U.K.—that is, their export price is less than the fair market prices in their country of origin, and (2) that some Government outside Britain has subsidised the exports. A memorandum explaining the resolution says that the term "subsidy" is used in the sense of indicating money or equivalent of money given to traders or producers by a Government or other authority. To prevent evasion, the "country of origin" will be defined in such a way that goods which have been subjected to a minor process of manufacture since they left a country will still be held to have originated in that country.

The details about the memorandum have not yet become available in this country. It is, therefore, difficult to say what, according to the U.K.,

(Continued on page 1030)

EQUITIES LISTLESS

UNDERTONE STEADY

(From Our Own Correspondent)

BOMBAY, *22nd November*

CONDITIONS in the share market during the week under review were far from cheerful. In the absence of any stimulating news, activity was confined to a very modest range and movements in prices were narrow. Textiles and a few miscellaneous industrials, however, attracted some attention, the former on reports that the export demand for cotton textiles had improved and on prospects of India entering into an agreement with Indonesia for export of textile goods, and the latter on encouraging corporate news.

There are several contributory factors for the market's listlessness. Among these are: (1) continued stringency in the money market; (2) the forthcoming new issues and rights issues of leading industrial concerns—according to one estimate these will amount to about Rs. 40 crores; (3) the sharp fall in export earnings during the first nine months of the year, which the Union Minister for Commerce and Consumer Industry described as a matter of serious concern in the context of implementing the second Five-year Plan; and (4) budget uncertainties. Operators were also in a mood to wait and watch the Congress election manifesto, in which they expect a more clear-cut policy of the ruling party towards the private sector. The undertone of the market, however, remained fairly steady.

In the steel section, Tata Ordinaries moved between Rs. 194-4 and Rs. 192-4 before closing at Rs. 192-12, as against the previous week's close of Rs. 192-8. Indian Irons hardened from Rs. 34-5½ to Rs. 34-12, but the gain was more than wiped out yesterday when they touched Rs. 34-1½. Today, there was a partial recovery to Rs. 34-6.

Textiles sustained the morale of the market and moderate gains were recorded over the week. Bombay Dyeings strengthened from Rs. 619-6 to Rs. 626-14 and after a dip to Rs. 620-10, recovered to Rs. 625 at the close. Centurys advanced over the week by Rs. 7 to Rs. 551-8, though the highest level touched for the week was Rs. 554-12. Kohinoors were erratic, moving between Rs. 341 and Rs. 346-4, before finishing Re. 1-8 higher at Rs. 343-8. Central Indias were dull at Rs. 132, while Bradburys recorded a rise of Rs. 16-4 to Rs. 220. Finlays held their ground at Rs. 335. Gokaks gathered a rupee to Rs. 239-8. Indu Ordinaries were steady around Rs. 12-1½. Indore Malwas were a shade quiet at Rs. 146-14. Khataus were steady at Rs. 237-8. Models attracted some attention and gained Rs. 3-2 to Rs. 181-14, inspired by the encouraging results for the year ended 30th June 1956. Morarjee Mills moved up by Re. 1-4 to Rs. 261-4. New Greats were unchanged at Rs. 250 and New City Mills at Rs. 146-4. Osmanshahis fell sharply by Rs. 10-8 to Rs. 79-8. Shree Niwas were steady at Rs. 213-12. Sholapurs reacted from Rs. 1,800 to Rs. 1,590, while Simplex hardened by Rs. 2-4 to Rs. 198-4. Standards by Rs. 3-12 to Rs. 477-8 and Svadeshis by Rs. 2-8 to Rs. 256. Tata Mills were unchanged on balance at Rs. 53-12.

Business in bank shares was very much limited, but the undertone remained steady. Barodas were done As. 12 better at Rs. 102-4. Centrals gained As. 8 to Rs. 55 and their new shares As. 8 to Rs. 59. Bank of Indias were well maintained at Rs. 143-8. United Commercials were down by a rupee at Rs. 56 and Punjab Nationals by Rs. 5-8 at Rs. 51.

A quiet tone prevailed in electricity shares. Tata Hydros were marked down by Rs. 2 to Rs. 124 and their new shares by Rs. 3 to Rs. 119. Tata Powers shed Rs. 13-12 to Rs. 1,251-4. Andhra Valleys were held at Rs. 1,200, but their new shares shed Rs. 17-8 to Rs. 1,160. Ahmedabad Electrics gathered As. 5 to Rs. 91-14 and Surat Electrics As. 10 to Rs. 114-6. Bombay Suburbans were unchanged at Rs. 110.

Sugar shares were steady, with moderate gains in prices. Belapurs advanced by Rs. 2-8 to Rs. 251-8, Phaltans Re. 1-4 to Rs. 159-8 and Walchandnagars Rs. 3-12 to Rs. 283-12. Bhopals, however, shed As. 6 to Rs. 17-8. Cement shares were quiet. Associated Cements fluctuated between Rs. 196-12 and Rs. 194-8 before closing Re. 1-8 lower at Rs. 195. Digvijays were marked down from Rs. 169-8 to Rs. 164 and their Rights from Rs. 35 to Rs. 25. Dalmia Cements shed As. 4 to Rs. 14-8 and Ashokas As. 4 to Rs. 12-8. Jaipur Udyogs changed hands As. 2 lower at Rs. 12-11. In the engineering and mining group, Alcocks were unchanged over the week at Rs. 322-8. Premier Constructions were in the limelight with a rise of Rs. 7-12 to Rs. 213-12, on expectations of a higher dividend for the current year, in line with the increase in distribution by some of the companies belonging to the group. Tata Locomotives were dull at Rs. 168-8, Larsen and Toubros were lower by As. 12 at Rs. 17-4. Shivrajpurs were marked up by Re. 1 to Rs. 86-8. Indian Coppers were unchanged at Rs. 4-3, while B.B. Petrols were a shade better at Rs. 3-5½.

Among shipping and transport shares, Scindias staged a rise early in the week from Rs. 19-8¼ to Rs. 19-11, but this was more than wiped out subsequently when the shares receded to Rs. 19-5½ at the close. Great Eastern Shippings declined by As. 6 to Rs. 21-12. India Steamships were brisk and advanced from Rs. 9-12½ to Rs. 10-8½, following the release of the Company's accounts for the year ended 30th June 1956 which show excellent results. Hindustan Motors were maintained at Rs. 9-6, while Premier Automobiles gathered As. 12 to Rs. 116. Among miscellaneous industrials, Bombay Burmahs (old) advanced from Rs. 692-8 to Rs. 701-14 before reacting to close at Rs. 696-4. Their new shares hardened by Rs. 2-8 to Rs. 252-8. British India Corporations dropped As. 4 to Rs. 10-7½. National Rayons moved up by Rs. 2-12 to Rs. 262-4 and Killick Industries were taken up Re. 1-8 higher at Rs. 173. Tata Chemicals softened from Rs. 19-15 to Rs. 19-12½. Tata Oils lost As. 12 to Rs. 50-12 and Wimcos Re. 1-4 to Rs. 175.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *21st November*

Opening under extremely dull and drab conditions, the Calcutta Stock Exchange made an earnest attempt to recover lost ground as the week progressed. Values had been hammered to such low levels in the last week and the earlier part of the week under review that the recovery was necessarily slow and painful. However, since Monday profit-taking checked the pace of the recovery. The Reserve Bank of India's announcement lifting restrictions on credit against paddy and rice just on the eve of the busy season was the turning point which arrested the lethargy and gave sufficient provocation to bulls to shake off their indifference. Even then business passing was small but all the same a stage of recovery set in. Genuine investment was negligible in view of the proximity of further new issues of capital.

The announcement by the Reserve Bank increasing its bill discount rate by ¼ per cent. to 3.5 per cent. did not have any effect on trading, because this was only an adjustment to the hardening rate in the money market. The stock market is dried of funds, and any measure to increase supply would be welcomed. In money market circles, the suggestion has been made that a measure to ease the present tight situation would be to offer advances against import bills. With the remarkable increase in imports of both industrial raw materials and machinery, huge sums are regularly blocked in import bills. With the longer time now ships take to reach India *via* the Cape of Good Hope, the above suggestion is well worth consideration by the Reserve Bank of India.

Judging from the buoyancy in the jute goods market, jutes should have accounted for a fairer outturn and an equally fairer rise in prices. However, the general shrinkage of funds and the uncertainty about an improvement in the working results of mills affected sentiment.

In coals, Burrakurs were exceptionally strong. Opening at Rs. 17-6, they rose to quote at Rs. 18-11 by Monday. There was some amount of profit-taking yesterday, and the rate sagged to Rs. 18-6. Central Indias were fractionally better at Rs. 7, while Bengals declined from Rs. 488 to Rs. 484. Western Bengals, at Rs. 6-6, put on an improved appearance.

Greater interest was shown in minings. Karanpura Developments moved up to Rs. 18-9 from Rs. 18-2, while Indian Coppers recovery to Rs. 4-6 was just a temporary phase, as they gave way to Rs. 4-5. Burma Mines met with business at Rs. 2-13, as against Rs. 2-12 previously.

Engineerings followed the general trend of the market. Indian Irons improved to Rs. 33-11 from Rs. 33 to close at Rs. 33-4. Likewise, Texmacos finished at Rs. 22-4 after rising from Rs. 22-7 to Rs. 22-15. On balance, at Rs. 35-8, Jessop & Cos. were lower by As. 4, while Indian Standard Wagons improved to Rs. 221-8 from Rs. 220.

Among shippings, India Steamships rose to Rs. 10-6 from Rs. 9-12 following the publication of strikingly good results for the year ended March 1956. The declaration of a dividend of 10 per cent., as against *nil* for the previous year, has made the counter an attractive possession. With the rapid increase in Indian participation in carrying the country's foreign trade, the future of the Company is assured and great.

In the miscellaneous industrials section, Indian Cables recorded a smart rise from Rs. 33-2 to Rs. 34-8 on good dividend prospects. Metal Boxes realised Rs. 29-10, as against Rs. 29-6 a week before. Indian Aluminiums hardened to Rs. 16-11 from Rs. 16-5, while Dunlop Rubbers fell from Rs. 27-8 to Rs. 27-1 and Imperial Tobaccos from Rs. 14-7 to Rs. 14-1. B.I. Corporations closed at Rs. 10-9 after recovering from Rs. 10-9 to Rs. 10-13.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *20th November*

The crisis in the Stock Exchange which followed the publication of the Plantation Labour Award abated during the week under review. In fact, the market depicted a firm trend. The firmness was aided principally by the grant of an interim stay of the Award by the Supreme Court, pending the hearing of the Madras Planters Association's petition four to six weeks later. The fixation of minimum prices for planting company shares, together with the modifications of rules regarding delivery of documents in respect of transactions, also had a significant effect on the market. Reports of expansion of several cotton mills, too, imparted strength to the market.

Coffee shares evoked good buying enquiries, thanks to hopes of the companies recovering from consumers a portion of the increased cost arising from the Award. Cochin Malabars jumped up by Re. 1-3 to Rs. 10-4. Coffee Lands spurted by Re. 1-2 to Rs. 26-2. Consolidateds rallied As. 8 to Rs. 19-8. Amalgamated Coffees were fully maintained at Rs. 12-10. Rubber shares were firm on similar hopes of reduced incidence of the Award; the hopes were based on the fact that rubber prices were fixed by the Government of India on the advice of the Tariff Commission. Kailas registered a rise of As. 10 to Rs. 6-6. Rajagiris advanced by As. 4 to Rs. 24-12. Thirumbadis gathered 18 pies to Rs. 2-4-6. Malankaras were steady at Rs. 30, as also Kalpettas at Rs. 31-4. Pullangodes at Rs. 3-2 *ex-right* and Be Bes at Rs. 4-15 *cum-div.* Among tea shares, Periakaramalais strengthened by a rupee to Rs. 8-10. Talayars hardened by As. 4 to Rs. 11-12. Nelliampathys improved by As. 3 to Rs. 3-8. Peermades were firm at Rs. 31-4 *cum-div.* (interim). Perksides, however, were neglected at Rs. 18-6 *cum-div.* (final), as against Rs. 18-6, reflecting the operators' disappointment over dividend. The Directors of the Perkside Estates Co., Ltd., have recommended a final dividend of 10 per cent. on ordinary shares for the year ended 30th June 1956, bringing the total to 15 per cent., as against 25 per cent. for the previous year.

Textiles elicited excellent attention of traders on reports of capital expansion by several mills. Rajalakshmis were in the limelight, their quotation advancing by Rs. 20 to Rs. 185. Metturs forged ahead from Rs. 442-8 to Rs. 46. Lakshmis climbed up by Rs. 17 to Rs. 275 and 'A' shares by Rs. 9-8 to Rs. 137-8. Coimbatore Cottons put on Rs. 13 to Rs. 405. Janardhanas and Premiers moved up by Rs. 10 each, the former to Rs. 112 and the latter to Rs. 280 *cum-right*. Anglo-Frenchs, Coimbatore Pioneers and Spinnings gathered Rs. 7 each to Rs. 107, Rs. 305 and Rs. 97, respectively. Ranga Vilas improved by Rs. 6 to Rs. 92, Venkatesas by Rs. 5 to Rs. 180, Buckinghams by Rs. 4-8 to Rs. 200 and Vijayakumars by Rs. 4 to Rs. 144. Dhanalakshmis were better by Rs. 3 at Rs. 398.

Good buying enquiry was in evidence in the banking section. East India Distilleries advanced by Re. 1-12 to Rs. 30. Andhras picked up Re. 1-4 to Rs. 12-12. Deccans gained a like amount to Rs. 12-6. Indias were fully maintained at Rs. 16-6, Mysores at Rs. 46 and United Breweries at Rs. 215. Travancores were done at Rs. 14-10 *cum-div.*, as against Rs. 13-3. The Directors of the Travancore Sugars and Chemicals Ltd. have recommended a dividend of 10 per cent. on ordinary shares for the year ended 30th April 1956, which compares favourably with 7½ per cent. for the previous year.

Among *miscellaneous* industrials, Textools were in special request, their quotation rising by Rs. 11 to Rs. 266 *ex-div.* F.A.CTs gathered As. 6 to Rs. 6-12 and Mettur Chemicals As. 3 to Rs. 10-3. Ranes changed hands at Rs. 14-8 *cum-right*, as against Rs. 12-4. Rane (Madras) Ltd. has obtained sanction from the Controller of Capital Issues for the issue of 45,960 ordinary shares of Rs. 5 each as bonus to the ordinary shareholders as on 15th December 1956 in the ratio of one bonus share for every share held by capitalising a sum of Rs. 2,29,800 out of reserves. Mysore Papers were subjected to selling and dropped As. 10 to Rs. 17-6. Sen-Raleighs receded by As. 8 to Rs. 14-8. Dalmia Cements lost As. 6 to Rs. 14-10 *cum-right* and India Cements As. 4 to Rs. 30-4 *cum-div.* (interim).

'INVESTORS' CHART' AND 'COMMERCIAL CHART'

One of the most useful means of providing a guide to investors in shares and traders in commodities is the presentation of price fluctuations through charts. Mr. Mukund Guruji, cotton, bullion and share broker, Bombay, has been rendering this useful service for some years past and has kept the tradition this year also, by bringing out two attractive charts, namely, the *Investors' Chart* and the *Commercial Chart*.

The *Investors' Chart* presents the weekly highest and lowest prices of eight leading and active shares on the Bombay Stock Exchange from 1951 to the first week of October 1956. The scrips chosen are: Tata Steel Ordinary, Indian Iron, Bombay Dyeing, Kohinoor, Century, Bombay-Burmah, Associated Cement and Scindia. Mr. Guruji's method of presentation of the fluctuations in distinct colours makes the reading of the chart easy and provides a real guide.

The *Commercial Chart* gives the weekly highest and lowest quotations of cotton Jarilla, castorseeds and bullion and weekly closing prices of groundnuts. In cotton and castorseeds, the forward delivery prices are chosen, while for groundnuts and bullion the ready delivery quotations are given. Except in the case of cotton, the price movements are given for the period from 1951 to the first week of October 1956. In respect of cotton, the chart covers the period from 12th November 1952 to 5th October 1956, because the forward market had remained closed from 25th May 1950 to 11th December 1952.

The charts are printed on good paper and are priced Rs. 5 each.

NEWS IN BRIEF

THE Government of Bihar has declared the sugar industry in the State to be a public utility service for six months with effect from the 10th inst.

The Indian railways lifted 114.05 million tons of goods in 1955-56, 7.8 per cent. more than in the previous year. Goods earnings during this period improved by Rs. 21.48 crores to Rs. 177.43 crores.

The Union Government is considering the question of granting liberal loans to the private sector for the development of shipping, according to Mr. O. V. Alagesan, Minister for Transport. These loans are estimated at Rs. 17 crores during the second Plan period.

The Punjab Government proposes to construct a three-mile tunnel at a cost of Rs. 4½ crores for providing irrigation to Gurgaon, Delhi and Rajasthan. The tunnel which will have its water-supplies from the Western Jumna Canal would, when completed, irrigate 400,000 acres of land.

Oil production in India is expected to go up to seven million tons by 1961 and the Government proposes to spend Rs. 30 crores for oil exploration in the second Plan. The present production in the country is 400,000 tons, as against a consumption of four million tons. A programme involving an outlay of about Rs. 9 crores has already been accepted by the Government.

A cement factory with an annual production capacity of 200,000 tons is to be set up in Pondicherry as one of the major industrial projects under the second Five-year Plan. The necessary licence for the setting up of the plant has been granted to a Madras industrialist. The licence stipulates that the factory should start production within a period of 18 months.

The Union Government proposes to set up a factory for the manufacture of diesel engines shortly at Visakhapatnam. The factory, according to Mr. K. C. Reddy, Union Minister for Production, will be entirely a State undertaking and will concentrate on the production of marine diesel engines. There are also plans for the construction of a dry dock at Visakhapatnam which can berth ships with a tonnage of 20,000.

The Tariff Commission has taken up for investigation the claim of the calcium lactate industry for continuance of protection beyond 31st December 1957. It proposes to conduct a public inquiry sometime in the third week of next month. Firms, persons or associations interested in this industry or in industries that consume calcium lactate are asked to submit their views to the Secretary to the Tariff Commission, Bombay.

The Central Minimum Wages Advisory Board has made certain recommendations in regard to the fixation of hours of work and rest intervals for agricultural labour. The consensus of opinion among the members of the Board is that there need not be any exemption in the matter of fixation of hours of work and rest intervals in the case of agricultural employment. The recommendations have been brought to the notice of State Governments for their consideration.

Twenty-one schemes for the manufacture of cement, envisaging an annual production capacity of 3,785,500 tons, have been approved recently by the Government of India. Fifteen of these schemes involve the setting up of new factories, while the rest are aimed at substantial expansions of existing units. Meanwhile, manufacture of Pozzolan, a substitute for cement, is being experimented at Bhakra. Pozzolan, it is said, will result in increased economy and efficiency in the production of concrete.

With the recent acquisition of a cargo vessel and a tanker aggregating 12,400 tons by two shipping companies, India's shipping tonnage has crossed the half-million-ton mark. The shipping tonnage stands today at 511,077 G.R.T. The first Five-year Plan envisaged a rise in shipping tonnage from 390,707 G.R.T. to 600,000 G.R.T. by 1956. Indian shipping companies have now some 36 vessels under construction in India and foreign yards, the tonnage of which aggregate some 200,000 G.R.T.

The Governments of India and Pakistan signed letters of agreement on the 14th inst. at New Delhi for the import of 105,000 tons of cement from Pakistan into India against the contract entered into sometime ago by the Indian State Trading Corporation. Arrangements have also been made for the supply to India, by West Pakistan, of 30,000 tons of cement in exchange for the supply of a similar quantity of cement by India to East Pakistan. Pakistan had sought this facility in order to avoid transport problems.

An Export Promotion Council for leather has been formed with the support of the Government of India in order to maintain and promote the export of tanned hides and skins and leather goods. This is the eighth in the chain of such councils sponsored by the Government to maintain and develop export markets for Indian products. The other seven councils already in existence are those for cotton textiles, silk and rayon, plastics, engineering goods, cashew and pepper, tobacco and mica. The Joint Chief Controller of Imports and Exports, Madras, is the Chairman of the Council. It has as its members representatives of the industry and trade.

Strike notices have been served by units of the I.N.T.U.C.-sponsored Bihar Colliery Mazdoor Sangh on the managements of 56 collieries in the Jharia coalfields. The miners who will go on strike from 1st December have demanded withdrawal of a notice served under the Industrial Disputes Act by managements concerned for the termination of an agreement arrived at several years ago between labour and managements at the initiative of the former Chief Labour Commissioner of the Government of India, Mr. S. C. Joshi. The agreement, known as the Joshi Agreement, relates to conditions of service and wage rates for specified types of work.

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From Abroad

The average earnings of factory workers in the U.S. reached a new high of $82 a week in October 1956. At the same time, a new October employment record of 66,174,000 was achieved.

Japan is expected to buy a Calder Hall type atomic power station from the U.K., if the various points of detail raised by the Japanese mission which visited the U.K. recently are settled satisfactorily.

The U.S. Department of Commerce has reported that 1,075,000 U.S. citizens travelled abroad in 1955 and spent $590 million during their tour. In Europe and the Mediterranean area, 482,000 Americans spent nearly $427 million.

Negotiations are progressing between British and Spanish banks for the conclusion of a credit of about £20 million to supply Spain with British-manufactured hydro-electric and ancillary machinery. An agreement is expected to be reached shortly.

Ten more locomotives purchased by the Iranian Government from the American General Motors Corporation have arrived at the Persian Gulf port of Bandar Shahpur. This brings to 40 the number of U.S. locomotives in Iran. Thirty others are to be shipped shortly. They were purchased through a U.S. Import-Export Bank loan.

The foreign trade of West Germany reached a new peak in October 1956. Exports amounting to £245 million were 23.7 per cent. higher than in October 1955 and imports of £233.8 million were up by 19.6 per cent. Germany's trade surplus for the January to October period aggregated £188.1 million, as compared with £153 million in the corresponding period of 1955.

The British and European shipping companies operating in the Persian Gulf, which recently imposed a 15 per cent. surcharge on freight rates following the blocking of the Suez Canal, have further raised the surcharge to 20 per cent. with retrospective effect from 7th November. The companies consider that the 15 per cent. surcharge is sufficient to cover the additional charges of re-routing the ships round the Cape of Good Hope.

Four Japanese technicians are due to leave for a six-week survey of the market for diesel engines in Argentina. The mission will explore the possibility of exporting medium and light engines for lighting and agricultural purposes in rural areas. The team is sponsored by the Japanese Export Plant Technical Association, the members of which are industrial equipment producers.

It is reported that Japanese officials foresee no immediate problems regarding the supply of oil and other raw materials as a result of the hold-up in traffic through the Suez Canal. A shortage of vessels, however, is feared and, consequently, Japanese operators are attempting to charter foreign ships on a long-term basis. Also, the Government is drafting a plan to restrict the chartering of Japanese vessels by foreigners.

The American Merchant Marine Institute has announced that world shipbuilding this year has reached its highest peak since the World War II construction boom. On completion of present construction, the total ocean-going merchant marine fleet will be 80 per cent. larger than in 1939 and 27.8 per cent. larger than it is now. All countries have shared in the increased tonnage on order last year, except Russia and Finland.

Tramp shipping rates have reached such high levels over the past few months that very old merchant ships unable to operate profitably at lower and more normal rates have now been put back into service. Statistics published by the Chamber of Shipping show that only 45,054 gross tons of merchant shipping were laid up for reasons other than repair in British ports at the beginning of October, the lowest tonnage figure for 4½ years and 58,019 tons lower than a year ago.

Two major British concerns—Anglo-Saxon Petroleum Company and Imperial Chemical Industries—are currently interested in new investment projects in Japan. The former has made a £8,793,750 loan to its subsidiary company—Showa Oil Company—for the construction of an oil refinery with a daily capacity of 40,000 barrels. This will be the largest refinery in Japan. The I.C.I. proposes to establish technical links with two Japanese firms for the manufacture of terylene.

The Japanese Foreign Office has created an Economic Co-operation Committee, headed by Mr. Morio Yukawa, Chief of the Foreign Office Economic Affairs Bureau, to strengthen commercial ties with South-East Asia and Latin America. The Committee will investigate the lag in Japanese private investment in the underdeveloped countries. It will also study questions relating to the creation of overseas investment organs, determination of the enterprises most suitable for foreign investment and revision of Japanese legislation covering governmental financial support of foreign investment.

PERSONAL

PRIME Minister Jawaharlal Nehru has accepted the invitation of the U.S. President to visit the United States of America. He proposes to reach Washington on 16th December 1956 and will proceed to New York on the 20th.

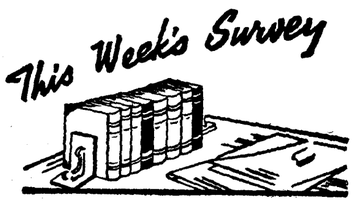
Mr. Chandra Shekhar Jha, at present Joint Secretary in the Ministry of External Affairs, has been appointed Ambassador of India to Japan. He will assume charge of his new post towards the middle of February next year.

Mr. F. Edwards of The Belapur Co., Ltd., and Mr. S. K. Somaiya of the Godavari Sugar Mills Ltd. have been elected President and Vice-President, respectively, of the Deccan Sugar Factories Association, Bombay, for the year 1956-57.

Mr. J. K Doshi has been elected Chairman and Mr. E. C. Pavri, Vice-Chairman of the Bombay Regional Council of the Institute of Chartered Accountants of India, for the year 1956-57.

Mr. A. J. John, a former Finance Minister of the old Travancore-Cochin State, has been appointed Governor of Madras, *vice* Mr. Sri Prakasa, appointed Governor of Bombay. Both are expected to assume charge of their respective offices early in December.





REGULATION OF INDUSTRIES

THE first reading of the Bill further to amend the Industries (Development and Regulation) Act 1951 had a smooth passage in the Lok Sabha last week. The proposed addition of 31 more industries to the schedule of 42 industries already under Central Government control was welcomed by many members in the House as a fresh move towards planned industrial development. It was, however, three assurances given by the Minister for Heavy Industries, Mr. M. M. Shah, that ensured for the Bill a smooth passage. They were: (1) All cases of delay or bias for or against any particular industrialist in granting licences will be looked into and expeditiously disposed of; (2) the Government will pay full attention to the interests of the underdeveloped regions in fixing priorities for opening new industries; and (3) a council for the development of non-ferrous metals will be set up shortly.

By giving these assurances, Mr. Shah has certainly shown due respect to the points raised by the spokesmen of the private sector in Parliament. During the debate, Mr. G. D. Somani criticised the Licensing Committee for the abnormal delays in granting licences for the starting of new industries and urged the Government to see that applications for new licences were put before the Committee within a month of their receipt. When the Committee rejected an application, the concerned party should, he suggested, be given an opportunity to appeal to the higher authorities. Mr. Somani also suggested the creation of a special development wing in the Ministry of Heavy Industries to help industrialists who secured licences for new industries till the units went into production. Mr. Shah was, however, silent on this plea, as well as on the suggestion, put forward by Mr. G. L. Bansal, that the industrial undertakings which have closed down should be allowed to reopen after registration and that there should be no insistence on their taking out fresh licences as provided for in the Bill. Mr. Bansal's suggestion is quite pertinent and will, if accepted, help save for the unit concerned the licence fee and also avoid a lot of delay which otherwise would occur through the undertaking having to take out a fresh licence.

FREE TRADE AREA

One of the important items that came up for discussion at the Geneva session of the G.A.T.T. —the session still continues—related to what is now familiarly called the "Free Trade Area Scheme." The discussions covered the plans of the six European coal-steel community nations to create a common market or customs union, as well as studies within the O.E.E.C. for a wider free trade area and liberalisation measures. No detailed account of either the discussions or the decisions taken at the session is available yet. Press reports, however, reveal that the coal-steel community nations expressed their willingness to submit for consideration to the G.A.T.T. any treaty that might have been drawn up after its signature but before its submission to Parliaments for ratification. At the end of the debate, the Contracting Parties agreed that, on the question of O.E.E.C. liberalisation, the appropriate course for countries having particular problems in this connection would, in the first instance, be to have recourse to Article 22 of the G.A.T.T. They also agreed to include plans for tariff reduction on the agenda of the next session.

In the course of the debate, Mr. T. Swaminathan of India whole-heartedly supported the idea of forming a union leading towards closer economic integration, subject to the condition that there was no attempt to reduce the trade of other countries. Emphasising that India's trade with Europe should not be reduced, he said: "The Government of India will study the customs union and free trade area proposals with extreme care." This is only as it should be, considering the far-reaching implications of the proposals. Whatever may be the ultimate decision of the Government of India, as also the Governments of other countries, due care must be given to ensure that the proposals will not result in a restricted regional arrangement contrary to the spirit and the objectives of the G.A.T.T.

RURAL CREDIT IN ASIA

The fact that the population dependent upon land continues to form a large proportion of the total population in Asian countries and that the revolutionary land reforms are drying up the traditional sources of finance lends a new urgency to the search for solutions for the rural credit problems in this region. No one can pretend that the problems are easy of solution. But it is significant that, in nearly all the countries, the authorities are alive both to the gravity and the magnitude of the issues involved. Nearer home, the All-India Rural Credit Survey did much to spotlight the unconscionably high rates of interest charged by moneylenders in the villages and the comparatively minor, and even practically insignificant, role played by the organised credit institutions, namely, the co-operatives, the Government agencies and the commercial banks. The Survey showed that, while the agricultural moneylenders and professional moneylenders dominated the rural credit scene—they account for nearly 70 per cent. of the credit made available to the farmers—the Government agencies accounted for a mere 3.3 per cent. of the total rural credit needs and the co-operatives for no more than 3.1 per cent. of such needs. Again, some areas are virtually a paradise for moneylenders who charge anything up to 70 per cent. by way of interest. In Orissa, for instance, the loans borrowed at over 25 per cent. interest form 70 per cent. of the farmers' borrowings, the proportion for W. Bengal being 40 per cent., and for U.P. 29 per cent.

It is hardly to be expected that conditions in other parts of Asia should be very different from those in India. Indeed, this is confirmed by the findings of a report prepared by the joint agriculture division of the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.) and the Food and Agriculture Organisation (F.A.O.). The most important feature of agricultural credit in Asia, the report emphasises, is the overwhelming part played by moneylenders. Only in Japan have co-operatives had a larger share; they account for over one-third of all borrowings by farmers, as against 3 per cent. in India and 14 per cent. in Thailand. The interest rates are also high in all Asian countries. If they may go up to 70 per cent. in India, the Philippine moneylenders will sometimes charge as much as 400 per cent. In Thailand, relatives charge about 18 per cent., village shopkeepers 28 per cent., moneylenders 31 per cent., and landlord or agricultural moneylenders 45 per cent. Interest rates range between 50 and 100 per cent. in Indonesia. Of the countries of the E.C.A.F.E. region, only Japan has a well-developed co-operative credit system; there, co-operatives handle 74 to 92 per cent. of the foodgrains (rice, wheat, barley, etc.) sold by producers, and in a number of other commodities they handle about 50 per cent. Interest rates in that country have been brought down to between 5 and 10 per cent. Moreover, a large proportion of loans from relatives in Japan are believed to be free of interest.

The prevailing high rates of interest, according to the report, are a reflection of the weak position of the small farmer and of the lack of banking institutions and co-operatives in rural areas. To some extent, the problem is aggravated by tenancy conditions and the tie-up between credit and marketing. Further, the pressure of population on land is heavy in all the countries of the region and is continually increasing. Thus, the net area sown per head of the population has declined by 24 per cent. in 20 years in India and by 32 per cent. in 30 years in the Philippines; in 13 selected countries, the *per capita* area under cereals decreased by 9 per cent. in 27 years. In certain Indian States, one-half to two-thirds of the annual holdings are of less than five acres; in East Java over 95 per cent. of the farmers have only one to two acres; in the Philippines nearly one-fifth and in Thailand 15 per cent. of the total holdings are less than one hectare in size. The tenancy problem is acute in many countries. In the Philippines, about 42 per cent. of the cultivators are tenants. In Thailand, about one-fourth of the area covered by holdings of 4.8 hectare and above in the fertile central plain is being cultivated by tenants without practically any security of tenure. Over large areas, share croppers have to pay 50 per cent. or more of the crop as rent. In Japan, however, the proportion of the area cultivated by tenants has declined from 40 per cent. of the total land in 1947 to a mere 9.34 per cent. in 1952.

Against this background of high interest rates and small holdings, the report finds that a complete reorganisation of the agricultural credit structure appears desirable. Co-operatives, it is stated to be generally agreed, provide the best basis for agricultural credit. But governments will have to assume the major, if not full, responsibility for providing funds. Co-operatives, it is urged, have to adopt an integrated approach to credit and marketing activities and have to begin dispensing credit on the basis of the repaying capacity of the borrower rather than on the security of his immovable property. It is not, however, clear whether the report has examined the larger question, namely, whether it is right that co-operatives should thrive on finance provided by the government or why commercial banking has not penetrated to rural areas. But the report has rightly stressed that in order to break the vicious circle of "poverty-debt-and-high-interest-rates," measures designed to raise agricultural productivity must go hand in hand with improvements in the credit system.

DEBATE ON TARIFF BILL

It is not surprising that the debate on the Indian Tariff (Amendment) Bill, 1956, passed by the Lok Sabha on Thursday last week, was dull and drab. For the Bill did not incorporate any change in the official tariff policy; it merely sought to give statutory enforcement of the decisions already taken by the Central Government as a sequel to the recommendations made by the Tariff Commission. Thus, the Bill aimed at granting protection to the calcium carbide industry till 31st December 1958 and continuing protection to fourteen other industries, including sago globules and tapioca, pearls, cocoa powder and chocolate, non-ferrous metals, ball bearings, bicycles (including parts and accessories thereof), and power and distribution transformers.

In the course of the debate, some members complained of delay in the submission of recommendations by the Tariff Commission and their implementation by the Government. Mr. G. L. Bansal, for instance, said that the Commission had for some time past been slow in its work and that the Government, despite a statutory provision stipulating three months for taking action on the recommendations, had invariably taken more time. In his reply to these complaints, Mr. M. M. Shah, Union Minister for Heavy Industries, agreed that there was a reduction in the number of reports submitted by the Commission during 1955-56, but attributed the delay to two factors. First, the Commission was asked to go thoroughly into two major industries, namely, locomotives and automobiles. Secondly, it had also been asked to go into the cost of production of certain units, bearing in mind the interests of consumers. Claiming that the Commission was dealing expeditiously with all references made to it for protection of industries, Mr. Shah gave the assurance that due care was being exercised by the Government to avoid delays. He even declared that, if it became necessary to expand the Commission or to augment its staff, the Government would take action on those lines.

The calcium carbide industry figured prominently in the debate. The consensus of opinion among the members was that the industry required tariff protection. Some were, however, indignant as to why it had not been possible for the industry to manufacture calcium carbide at the cost at which foreign agencies were supplying it in India after bearing the transport cost. To quote a member: "All the raw materials for the manufacture of calcium carbide are available in India and there should be no difficulty in producing this product at a lower price." The Government was, accordingly, urged to ensure that proper price was charged for the product. It was also urged to take steps to ensure that the purity of the product was maintained and that uneconomic units were made economic. Mr. Shah's reply to these observations was as follows:

"The cost of production of calcium carbide by the unit near Calcutta cannot be reduced, because of the high cost of electricity and the bad quality of limestone. This unit has been authorised to expand its production, so that its overhead charges can be reduced. Four more units for the production of calcium carbide have been licensed, but some technical difficulties have to be overcome."

Another industry which figured prominently in the debate was fruit preservation. One of the members criticised the Government's policy of allowing imports of even fruit products which are easily available in the country. The Government, said he, had not done much to help promote the industry. This charge was stoutly refuted by the Minister for Heavy Industries. He revealed that the Central Food and Agriculture Ministry had taken a number of steps to promote the fruit preservation industry. It was proposed, according to him, to spend Rs. 1.25 crores in the next few years for developing the industry. The steps already taken had borne some fruit; the production had gone up from 9,000 tons in 1952 to 20,000 tons now.

U. S. TRADE POLICY

The Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.) have done well to refer to a working party the examination of the American Government's second annual report on the waiver, granted on 5th March 1955, in connection with the U.S. Agricultural Adjustment Act. This waiver, it will be recalled, permits the U.S. Government to apply "conflicting measures" with a view to solving the problem of agricultural surpluses, subject to the latter's assurance that it would take steps for the gradual elimination of restrictions on imports. The U.S. Government, it is stated, has not

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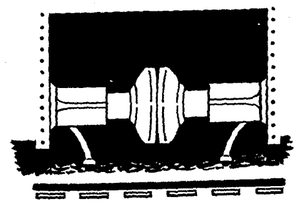

Probably not—unless, of course, you're building railway wagons! Bogie bolsters provide the pivot point and carry the load too. Naturally we, at Mukand, *are* interested in bogie bolsters because we manufacture them. But they are only one of the many items we cast for the railways. Among the others are:

buffer plungers and casings, axle boxes, cross heads, drag castings, bogie columns, steam elbows, brake hanger compensating beam brackets, etc.

The Second Five Year Plan calls for a total of 1,20,869 *new* locomotives, coaches and wagons. All this means that there will be a vast demand for railway parts. The Mukand steel foundry—one of the few casting these—is working round the clock to meet the needs of Indian Railways. By 1958 we plan to produce at least 7,800 tons of steel castings annually. And as our expansion programme gathers momemtum we at Mukand will contribute more and more to India's industrial progress.

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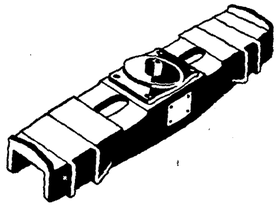



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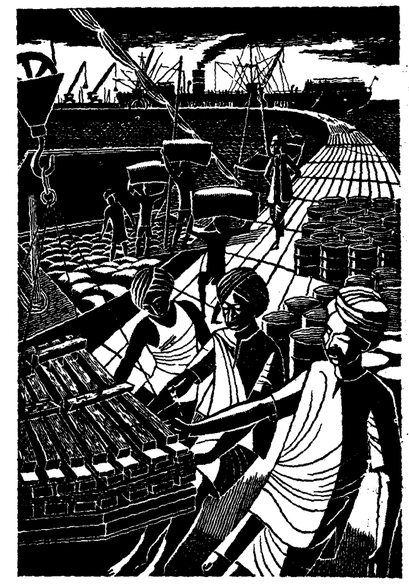

Ports measure the nation's pulse...

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PROBLEMS OF FOREIGN TRADE DISCUSSED

MR. MORARJI DESAI MAKES GOOD IMPRESSION

By A Special Correspondent

NEW DELHI, 20*th November*

DELHI LETTER

SOME divergent views were expressed at the Import and Export Advisory Council meetings held here last Saturday and Sunday. Mr. Morarji Desai, the new Minister for Commerce, Consumer Industries and Heavy Industries, who took charge of the portfolios only on the 14th instant, addressed both the meetings briefly. This was by way of inauguration. In doing so, he did not elaborate his viewpoint and left the details to his deputy, Mr. Karmarkar. Mr. Desai, however, appeared to be somewhat forthright in expressing his views. He appealed to the industry to co-operate fully with the Government in conserving the much needed foreign exchange.

He pleaded for complete co-operation from the industrialists in cutting down imports of non-essential goods and in postponing importation of some other commodities to better times, particularly of such items which could await such postponement. He referred to the recent developments in West Asia and said that, at the present stage, it was not possible to gauge the impact of such happenings on India's import trade, particularly where imports of plant and machinery were concerned. The idea behind was, as he emphasised later, to cut down imports to the minimum levels of consumer goods, with a view to conserving India's foreign exchange resources for the import of essential machinery and industrial raw material for implementing the second Plan.

Imports, he added, had their essential impact on the development of indigenous industries. Therefore, in the interest of providing incentives for the growth of indigenous industries, he said, "we have to curtail import of many items which ordinarily we may have allowed." He appealed to the trade to co-operate fully with the Government, so that the latter would not be placed in an embarrassing position of saying "no" to the trade; but, if the trade did not come forward to do this, then he warned that the Government would have to be strict.

Giving some details of the pattern of India's import trade, Mr. Karmarkar pointed out that the recent international developments were rather disturbing and might even cause considerable dislocation in India's import trade. The additional freight charges, the increased cost of insurance, dislocation and delay in supplies, the diversion of shipping round the Cape of Good Hope consequent upon the closure of the Suez Canal, all these would result in an appreciable shrinkage in the volume of cargo that could be carried to and from India's ports. The present situation, Mr. Karmarkar added, gave a new note of urgency to reorient the country's foreign trade, compelling both the Government and the trade to think in greater detail and in broader terms than before with a view to achieving the larger objective of economic development of India quickly in the coming years.

Trend of Trade

In his opinion, India's current foreign exchange resources could not be expected to finance the development programme envisaged in the second Plan. Unfortunately for the country, exports were running at a lower level than was hoped. During the second half of 1955, India's exports stood at a value of Rs. 313.47 crores, while they fell to Rs. 290.23 crores in the first six months of the current year and amounted to only Rs. 92.07 crores in the months of July and August last. On the other hand, imports had increased to Rs. 385.75 crores in the first half of the current year from Rs. 323.46 crores in the second half of 1955; and during the two months of July and August last, imports had amounted to Rs. 125.91 crores. The result was that India's adverse balance of trade had increased from Rs. 9.99 crores in the second half of 1955 to Rs. 95.92 crores in the first six months of the current year. During the two months of July and August 1956, the adverse balance of trade stood at Rs. 33.84 crores.

This position, Mr. Karmarkar said, cast a heavy responsibility on all in the country. With a view to balancing the country's foreign trade, every nerve had to be strained to see that commodities that could be produced within the country were not imported and only minimum quantities were allowed to be imported that were absolutely needed for the implementation of the second Plan. It was, therefore, essential, Mr. Karmarkar said, "for us to so adjust our import policies and procedures as to secure maximum possible economy in the expenditure of foreign exchange and largest possible diversion of goods that are required to feed our developing industries."

More Production Needed

Addressing the Export Advisory Council, Mr. Morarji Desai said that India should export more and agreed with the views expressed by the exporters assembled at the meeting that the country should be able to ship more of finished goods instead of raw materials. He was, perhaps, thinking aloud when he asserted that exports of some articles and commodities, which were in keen demand in foreign countries, could not be freely allowed unless price levels within the country were kept up. In other words, he was of the opinion that the bulk of the poorer sections of the people in the country should not be put to undue and untold hardships and sufferings as a result of allowing large exports of such essential goods as vegetable oil and cloth simply for the purpose of earning foreign exchange. The remedy, therefore, Mr. Desai said, lay in the hands of the industry. The industry had to produce more, in order to be permitted to export such goods and at the same time be in a position to ensure stabilisation of internal prices of these commodities.

Mr. Karmarkar, who addressed representatives of the export trade after Mr. Desai, said that the actual performance of the country's export trade in the first nine months of the current year had not been very reassuring. During this period, India had earned only Rs. 439 crores of foreign exchange, which compared unfavourably with Rs. 457 crores during the corresponding period of nine months in 1955. The comparatively low earnings might be due partly to a fall in the external price level of the commodities that figured in India's export trade. The index of declared values for the half-year ended June 1956 stood at 91, as compared with 94 for the corresponding period in 1955. But the consequences of this downward trend had been to some extent offset by a slight improvement on the quantitative side; because the volume index stood at 109 for the first half of the current year, as against 108 for the corresponding period in the previous year. With the increasing pressure of home demand for domestically manufactured goods, the Minister for Trade said, the internal price level was also going up. If this pressure continued to rise, then it was quite possible that India's exports might be jeopardised to some extent.

Despite the fact that Mr. Morarji Desai had assumed his new office only just three days before he addressed the Export and Import Advisory Councils, he was able to show a certain amount of grasp of the subjects. During the discussions in which he took keen interest, he displayed a freshness of outlook by putting forth a number of arguments in favour of or against, as the case may be, disclosing thereby a keen and alert mind. He was able to impress everyone assembled at the meeting that the person who has come to guide the business of India's trade and industry would not be found wanting in any way. On the contrary, everyone felt that he would prove equal to the task.

Evidence of these qualities was manifest when Mr. Desai stressed with force and logic the need for encouraging quality control of finished goods meant for export. Besides their own individual gains, the industrialists had to remember, Mr. Desai said, that India's fair name was involved in every such transaction. No sacrifice would be too great, he said, for preserving the fair name of India abroad and in that task the role exporters had to play was not in any way insignificant. A great responsibility devolved on them and he hoped they, too, would rise to the occasion.

India's export trade could make headway, Mr. Desai opined, mainly through increased production of certain commodities such as oilseeds, raw cotton, etc. The increase in production of raw materials should be adequate enough to cater to both the internal and the foreign markets. Although most of the export promotion sections of the trade are being encouraged by the Government, the results achieved so far are not tangible. Even in cloth, India's exports are confined mostly to coarse and coarse-medium mixed. Although India has been taking the second place in the export trade in cloth next only to Japan, the value of cloth exported by India is far below that of the U.K. In other words, while the U.K. has been exporting quality cloth and with finer designs, India is still content with manufacturing and exporting coarser and medium varieties. Unless and until Indian economy, not only in cloth but in many other manufactured articles also, improved to levels which are at par with some of the Western countries' production, India's competitive capacity in the export market would be less.

SURVEY

(*Concluded from previous page*)

taken any effective steps to implement the assurance. In fact, it proposes to continue the restrictions applied under section 22 of the Act. Presenting the report to the plenary session of the G.A.T.T. at Geneva the other day, Mr. Carl Corse, the U.S. delegate, for instance, clearly stated: "It will be necessary to continue the present level of restrictions for a further period of time."

The report of the U.S. Government evoked severe criticisms from several delegates, especially those from Denmark, Canada, New Zealand, Pakistan, Australia, Union of South Africa and the Netherlands. There was consensus of opinion among these members that, although, since the waiver was granted, the U.S. had reduced the number of commodity groups for which import controls are imposed, the most important controls still remained in force and there seemed little prospect of their removal. The progress made towards elimination of restriction was, it was contended, practically *nil*.

From the discussions held at the Geneva session of the G.A.T.T., it is abundantly clear that the grant of the waiver to the U.S. Government in connection with the Agricultural Adjustment Act has relieved the U.S. of substantial obligations under the G.A.T.T. The existence of the waiver, in the opinion of many, has a seriously damaging effect on the G.A.T.T. and on international trade. The surplus problem of the U.S is the result of internal agricultural policy. According to the New Zealand delegate, the situation existing in the U.S. has "grave repercussions" for countries which are vitally dependent on exports of agricultural products. These countries are adversely affected not only by the shutting out of the U.S. market against them but also by the mere existence of the huge surpluses overhanging the world market and the disposal of some of the surpluses overseas at concessional prices.

It is against this background that one has to assess the implications of the recent adoption of the Soil Bank proposals in the U.S. which are designed to reduce crops by taking land out of production. The proposals may no doubt be expected to lower the surplus stocks of agricultural commodities in the U.S. But it is argued that the proposals will, as Baron C. A. Bentinck, the Netherlands delegate, pointed out, still maintain the protective umbrella over world markets and, as a consequence, make necessary the isolation of the U.S. market as regards some agricultural products. Elucidating this point, Baron Bentinck observed:

"Apart from the protection given by the waiver, other complementary measures such as export subsidies are required and are likely to be required in the future. Most of the products supported by United States agricultural policy cannot be completely absorbed by the home market and, in my view, the Soil Bank alone will not bring production and home consumption into balance. Therefore, a part of the production has to find consumers abroad and, because of the high price levels in the United States, this is by no means an easy operation. A wide range of export incentives has been instituted. Many of them do not fully comply with the philosophy of G.A.T.T. and can harmfully interfere with the interests of other Contracting Parties."

There is, in the opinion of many Western observers, considerable force in these remarks of Baron Bentinck. Unless the U.S. Government takes more direct and positive measures, there is no hope, according to them, of the present imbalance in world trade being corrected and a free and multilateral system of trade being established.

MANAGEMENT IN ECONOMIC GROWTH

ADVICE TO BUSINESS MEN IN UNDER-DEVELOPED COUNTRIES

By Robert L. Garner

PRESIDENT, INTERNATIONAL FINANCE CORPORATION

[This article is adapted from the author's address to the First Inter-American Management Conference of the Pan American Council of the Comite International de l'Organisation Scientifique, held at Santiago, Chile, on 13th November 1956.—ED.]

TODAY, the shortage of industrial management and skills is greater than the shortage of capital. It is my belief that the greatest factor regulating the pace of industrial development in underdeveloped countries will be availability of people with experience and skills. For generations North America has presented the world the greatest opportunities for growth. Now its physical frontiers have largely been reached—the modern way of life has spread to every corner of the United States. Its economy has reached a certain maturity—though it continues to be marked by vigour, expansion and change. That the great masses of people in the underdeveloped countries are still living in their accustomed ways—in the traditions of their ancestors—is true. It is only in this generation that the motor car, the airplane, the spread of the printed word, radio and movies have opened their eyes to what others have, and have stimulated their desires to share in such abundance.

It is obvious, of course, that, in a number of places, some of them have made remarkable progress in expanding private industry, particularly during the past decade. Let no one discount what has been achieved. But, as compared to the possibilities, they have merely made a beginning. In reality, these countries are the new lands of opportunity. They provide the new frontiers. This is the way they should think of them. But, in order that the alluring vistas of this prospect shall not turn into a mirage, let us recognise some of the requirements which must be met if they are to convert their desires and possibilities into tangible and continuous accomplishment. These requirements have been worked out by trial and error elsewhere; they have been tested and proved. It is the part of wisdom for these countries to give them due weight.

First, let me make one or two general observations. During the years I spent in the World Bank, I participated in financing many projects in Latin America, and other underdeveloped countries, largely to provide basic facilities—power, roads, railways, ports—those things which industry needs to turn its wheels and move its goods. These facilities must, in large part, be supported by Governments. Their continued expansion is necessary to further growth. They require great sums of capital, usually more than can be found for all of such needs, so that many useful facilities which can only be provided from public sources must be deferred to the future. The World Bank has continually presented this argument when urging Governments not to engage their efforts and money in enterprises suitable for private capital. We have also pointed out the generally disappointing results from public operation of industrial ventures.

As a second general observation, experience has demonstrated the importance of political and financial stability, if economic development, particularly in industry and commerce, is to move with confidence and continuity.

Task of Business Men

Frequent changes of personalities in Government throughout the world, widely fluctuating currencies, unbalanced budgets, erratic administration—these things are much greater deterrents to the orderly carrying on of modern industry and business than to the farmer, living on his land, and to the small villager with his small shop or handicraft. These latter may ignore the ups and downs of shifting politics, but not the enterpriser risking his capital in factories and markets which take years to build and develop.

Thus, the business men, with their eyes on the future, have a self-interest and a responsibility to use their influence to promote public stability and orderly administration, even at the sacrifice of some immediate personal advantages. Perhaps, they can make progress in this direction if they promote a better understanding of how the private enterprise system works and how it can produce benefits for all, so that their Governments will be encouraged to create a climate in which they can profitably and usefully conduct their business, and attract foreign private enterprise to come in and work along with you.

Furthermore, I think it would be greatly in their interest to give due attention to the more widespread adoption of the standards of business practices which have been developed over the years in the countries of greatest experience and success in business enterprise—respect for the validity of contracts; pride in the quality of products; realisation that continuing business rests on mutual advantage of buyer and seller and upon the satisfied customer. These stadards are not merely honourable, they are likewise profitable.

Characteristics of Modern Industrial Systems

Now I should like to comment briefly on some of the fundamental characteristics of the modern industrial system as I have come to know it, particularly in the United States and Canada.

1. It is competitive, growing, changing; no business can survive by remaining as it was, or even as it is today. This leads to constant search for better management, machines, methods, skills.

2. Increasingly business becomes more complex. No longer is it sufficient to make a good product and allow the customer to buy it. It must be sold with skill and initiative. Furthermore, management must devote much of its effort to problems of taxes, labour and public relations, to planning ahead for the managers, plants and products of the future.

3. And it follows that, in large enterprises, business management has come into the hands of professionals who have replaced the dominant individual who started, built up and directed every aspect of the company.

Now management is a team, which needs, of course, to be headed by a man of competence, firmness and leadership but with great delegation of authority and responsibility to associates who have been selected and trained with little regard to their social or family ties.

4. This system imposes a discipline of work upon all engaged in it, from top to bottom.

5. Almost a unique element in this competitive system is that the producer sets his goal to reach the largest possible number of customers. Thus, he seeks constantly to reduce his cost and his price, so that more and more people can afford to buy. This principle of expanding volume by lowering prices has been predominant in American industry, with the automobile affording the most dramatic example. The history of North American enterprise proves that this is not only the most profitable policy for the owners and managers, but that it supplies the best goods to the most customers, all to the benefit of the country's overall economy.

I have analysed the industrial system as made up of the sizable corporations. I do not forget that the small enterprise, created and managed as an individual business, continues to play an important part in the North American economy and that new ones are being steadily created. The system has a real place for them, and, in the future, as in the past, the most successful will be the seeds out of which new big businesses will grow.

Role of Good Citizens

6. And, finally, to a remarkable degree, there has grown up among North American companies acceptance of the role of good citizens of the

(*Continued on page* 1019)

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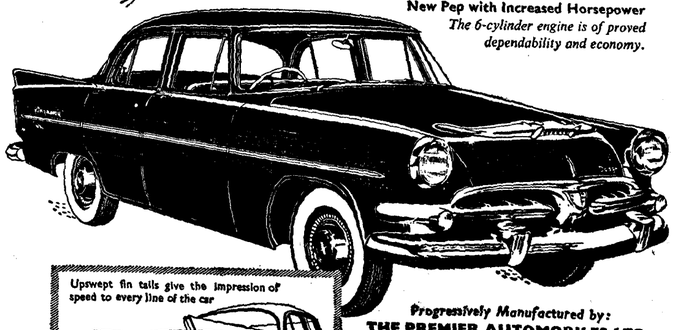

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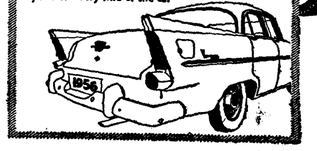

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REFORM IN THE USE OF CHEQUES

KEEN DISCUSSION IN BRITAIN

THE unanimous recommendation of the Committee on Cheque Endorsement (known as the Mocatta Committee) in Britain to do away with endorsement of order cheques by the payee when presented for payment through a collecting bank and the favourable reception by banks and business circles to the reform (*vide* page 934 of *Commerce* dated 17th November 1956) have set the British public thinking whether any more reforms are not called for in respect of drawing of cheques. In fact, ever since the publication of the Mocatta Committee report, various suggestions on this subject have appeared in a section of the British Press. Two of these stand out prominently. They are: (1) the practice of writing the amount on the face of the cheque both in words and figures should be simplified, by mentioning the amount in figures only, and (2) the two-penny stamp duty on cheques should be abolished or at least reduced.

It may be noted that the main consideration which weighed with the Mocatta Committee in recommending the abolition of endorsements on cheques was that a substantial saving of unproductive work would be achieved. The reform will be beneficial to banks, as well as to business concerns, because they handle quite a large number of cheques. So far as banks are concerned, it will save a lot of time and energy to their staff who have now to spend a lot of time in closely examining both sides of the cheques and scrutinising the payees' endorsements. It will also involve some economy in expenses. It is stated that banks in Britain spend £500,000 per annum in the examination of endorsements alone and an annual expenditure of £1 million is incurred by their customers in the endorsement and examination of cheques.

The other two suggested reforms mentioned above are mainly from the point of view of customers, but the first of them, namely, that the amount on cheques need be written only in figures, instead of in both words and figures as at present, will involve some risk to banks. Similarly the second suggestion, the one relating to stamp duty, will mean some loss to the Exchequer.

Those who advocate the first reform draw the analogy of writing the cheque portion of a dividend warrant, in which the exact amount is not shown in words. They say that this practice in case of dividend warrants has operated for very many years satisfactorily and has been extended to commercial usage in many directions where the number of cheques drawn warrant the issue by mechanical process. The present method of drawing cheques was introduced many years ago, when more leisure was at the disposal of people and the use of cheques was comparatively restricted. Times have, however, changed and the number of cheques now issued by both commercial undertakings and the general public has vastly increased. It is, therefore, argued that a study of the simplification in the form and the drawing of cheques is warranted. It is further suggested that it is possible to introduce a simplified and standardised cheque form which will give adequate protection to banks without the necessity of the drawer having to write the amount in words. The considerable saving in clerical work involved in drawing cheques in their present form and in checking by bank staff is also advanced as an argument in favour of the idea.

The suggestion to do away with writing amounts on cheques in words is not, however, free from risk and there is, therefore, some opposition to this reform. It is said that there cannot be the same protection to the drawer and the banker alike as to the correctness of the cheque as there is now when the amount is stated in words and figures. Further, the risk of fraudulent alterations of the amount will be greater if this reform is carried out. Thus, the amount in figures written by hand can be easily increased by altering the digits or adding to the digits, unless the drawer of the cheque is so careful as to leave no space for such insertions. No doubt, the surfaces of cheques have been scientifically improved and the erasing and altering of figures are easily detectable, but it is claimed that they are not foolproof. Again, there is a greater risk of a single altered figure passing unnoticed than a whole word.

The opponents of this suggested reform further point out that dividend warrants cannot be considered on par with cheques, for, in the case of the former, the amounts involved are usually small and the appearance of large amounts will naturally lead to a query by the paying cashier. Even if there is a loss as a result of inadvertence it will not be much. It may be that the risk involved in this reform is relatively small in the case of commercial concerns which use cheque-writing machines with coloured inks. But individuals and small concerns, who are far more in number than the big commercial undertakings, cannot be expected to use these machines and there is, therefore, the risk of fraudulent alterations in these cases. It is claimed by those who advocate the reform that, in certain circumstances, banks do pay cheques on which the amount is shown in figures only. In reply, the opponents say that figures are readily accepted by all banks only for shillings and pence at the end of a broken sum, such as "Nine pounds 17s. 6d.," but they ask whether the person drawing a cheque should not be sufficiently interested in safeguarding himself and his bank against possible frauds by spending a few more seconds in writing out the amount in words.

To come to the other reform, namely, the use of stamp-free cheques or the reduction of stamp fee from 2*d.* to 1*d.* The supporters of this reform point out that the use of cheques should be maximised as a measure of credit control. The indirect gains from the stimulation of the use of cheques would be worth far more to the Government than the direct loss of revenue by the abolition of stamps on cheques. In America, for instance, the normal method of paying for every purchase in shops is by cheque, supplies of which issued by local banks can be had at the counters. Cash transactions then are largely confined to sums less than a dollar. It may be noted here that, in India, there is no stamp duty on cheques, whereas in the U.K. a stamp fee of twopence has to be affixed to every cheque.

While there appears to be considerable opposition to stating the amount of the cheque in figures only, the Mocatta Committee's recommendations relating to endorsement of crossed order cheques seems to enjoy a very large measure of support. Thus, commenting on the Committee's suggestion, a spokesman of the Chartered Institute of Secretaries observes:

"The Mocatta Committee, in its report to Parliament, is to be congratulated in that it recommends a straightforward change in the law to eliminate the endorsement of any cheque collected by a bank on behalf of a customer who is the payee, while retaining endorsement if the cheque is to be negotiated to a third party or paid over the counter.

"In advocating the abolition of endorsement, the Chartered Institute of Secretaries—fearing that agreement and time would not be found for legislation—drew attention to the alternatives of (*a*) the introduction of an entirely new instrument which was not, as is a cheque, subject to the Bills of Exchange Act, 1882, and (*b*) the extended use of crossed bearer cheques, since these obviate endorsement.

"The Committee wisely favours legislation, although it observes that the crossed bearer cheque is a safe document for use by the drawer and that there might be considerable scope for informing the banking public further in the matter.

"The Institute urged that the abolition of cheque endorsement should not entirely preclude the use of a cheque as a receipt and discharge. The Committee rightly doubts if the receipt on a cheque adds any evidential value to that which the paid cheque itself provides. But to meet the needs of drawers of cheques (such as insurance institutions and hire-purchase companies) who desire receipts on cheques, the London Clearing Bankers will continue the examinations of cheque receipt forms for customers by **arrangement in suitable cases.**

"In this connection, it is again suggested that the opportunity should be taken of ensuring that the receipt is given on the face of the cheque and not on the reverse. It might further be considered if any endorsement remaining necessary after the law is altered could be given similarly. The use of the face of the cheque saves time and avoids the checking of receipt or endorsement being overlooked, such checking being in future the exception rather than the rule.

"In view of the exhaustive and able investigation by the Committee of a highly technical and difficult subject, it is to be hoped that all concerned will support an unopposed measure coming before Parliament, since neither House is likely to find time in the near future for an opposed Bill."

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NEW FORCES ENDING BOOM-BUST CYCLE

Mr. Sumner H. Slichter, Harvard University economist, says that powerful new forces on the American business scene are eliminating the traditional boom-and-bust cycle. "The economy is outgrowing the business cycle," he told the eastern regional meeting of the New York Society of Security Analysts last week. Powerful cross currents, Mr. Slichter said, today strengthen the nation's economy. However, he predicted that "a slow rise in prices is likely in the long run." He cited the following trends that reduce the danger of the business cycle:

Increase in the number of important industries, such as plastics, airlines, natural gas, electronics, air conditioning and frozen foods.

Long-term planning by top management, which makes business spending less sensitive to "short-run changes" in the economy.

Changes in wage-payment patterns that reduce the severity of recessions. "A considerable number of companies," he said, "are making wage contracts for several years that call for a wage increase each year."

The stabilising effects of the banking system.

"The banks are now strong enough," the economist said, "so that they can be counted upon, in most instances, to try hard to expand their earning assets in periods of business contraction. This change in the behaviour of the banks is a great contribution to economic stability." Corporate mergers can help to meet the needs for larger size and greater diversity, Slichter noted. "The country undoubtedly needs many more mergers than it is getting, particularly among small enterprises and concerns of medium size," he told the analysts. "I do not assert that all mergers are wisely and properly planned, and I do not condone the buying of companies for the purpose of milking them. It is important to remember, however, that there are sound economic reasons for most of the mergers that are occurring."

BANK CREDIT AGAINST RICE AND PADDY

The Reserve Bank of India has withdrawn the restrictions on banks advancing against paddy and rice, with effect from 14th November 1956, in order to enable the genuine credit requirements for harvesting and marketing of these commodities being met by banks. It will be recalled that the restrictions were imposed on 17th May last, under which all Scheduled banks and two State-associated non-scheduled banks were prohibited from raising the credit limits and/or granting fresh advances in excess of Rs. 50,000 against paddy and rice. The banks were also required to increase the margins by not less than 10 per cent. of the value of the commodity.

Following this restriction, the level of bank advances against paddy and rice declined from Rs. 24.8 crores as on 11th May 1956 to Rs. 4.5 crores on 12th October 1956, partly as a result of banks' efforts and partly owing to the operation of seasonal factors. As the object of the above restrictions has thus been achieved and as more bank finance will be required for movement of crop in the next few months, the Reserve Bank does not feel the necessity for continuing the restriction. Explaining the reasons further, the Reserve Bank says, in a *communique* issued on 14th November 1956, as follows:

"In the next few months, in most parts of the country, the harvesting of paddy will be taking place, and finance will be required from banks for both its movement from the production to the marketing centres and for temporary storage. Since it is essential that the genuine requirements of producers and traders for harvesting and marketing of paddy and rice should be met by banks, and since the object of the directive has already been achieved, it is no longer considered necessary to keep in force the restrictions imposed.

RISE IN LIVING STANDARDS OF AVERAGE U.S. FAMILY

TAXATION AND HIGHER PRODUCTIVITY ENSURE BETTER DISTRIBUTION OF INCOMES

AVERAGE U.S. family living standards have risen 33 per cent. since 1929 as a result of the "levelling-up" process in the U.S. economy which has steadily broadened the distribution of personal income during the past quarter century. This "levelling-up" process consists of a shift of families from the low-income bracket to the middle-income bracket rather than the "levelling-down" of high-income families into lower-income brackets. As a result, the proportion of families in the low-income group is shrinking rapidly, and the great majority of American families are now in the middle-income group.

The broadening of U.S. personal income distribution has been called "one of the great social revolutions in history" by Dr. Arthur F. Burns, Chairman of the President's Council of Economic Advisers. However, this has come so gradually and peacefully that few have realised the enormous shift that has taken place. The salient facts in this American social revolution are:

(1) Total family purchasing power (total family income after deductions for federal income taxes and for price rises) increased 93 per cent. from $134,600 million in 1929 to $259,800 million in 1955.

(2) At the same time, the number of families increased 44 per cent. from approximately 36 million in 1929 to 52 million in 1955. (The term family is used here to include unattached individuals as well as multi-person families.)

(3) Despite this increase in the number of families, the growth of total family purchasing power was so much greater that the average purchasing power per family increased 33 per cent. from $3,730 in 1929 to $4,980 in 1955.

(4) Such an increase in average purchasing power per family means, in effect, that average U.S. family living standards, as measured by the ability to buy, also rose 33 per cent. from 1929 to 1955.

Two factors are chiefly responsible for the more equitable distribution of family income in the United States over the past quarter century. One factor is the increase in productivity (output of a worker per hour). This has increased at an average annual compound rate since 1929 of between 2 and 3 per cent., with the average productivity increase in recent post-war years higher than the 25-year average. The increase in productivity has brought, in turn, a rapid rise in workers' wages relative to other forms of income such as dividends and interest, rent, and proprietors' income.

Personal Income-tax

The other major factor is the progressive personal income-tax. Under this type of taxation, the higher the person's income, the higher is his tax rate. The minimum federal tax rate on taxable income is 20 per cent. It rises as high as 91 per cent. of a single individual's taxable income above $200,000 and on taxable income above $400,000 of a married couple.

Total income of American families (before taxes) reached a record high of $288,000 million in 1955, the report said. This represented a gain of $15,000 million or 5 per cent. over the previous year. During the past quarter century, the average annual compound rate of growth of total family income (before taxes and measured in terms of 1955 prices) was a little under 3 per cent.

Of the 52 million families in the United States, the Commerce Department said, about 23 million or 45 per cent. had before tax incomes of more than $5,000 last year. It said about 7.5 million or 14 per cent. received incomes between $4,000 and $5,000, and about 21.5 million or 41 per cent. received incomes of less than $4,000. It added that about 4.1 million or 8 per cent. received incomes above $10,000.

When distributed among all the 52 million families, total family income (before taxes) in 1955 averaged $5,520 per family, a rise of 3 per cent. over 1954. After payment of an average federal income-tax of $540 per family, the after-tax income per family averaged $4,980 in 1955, a rise of 2.7 per cent. over 1954.

Because a relatively few people with large incomes can have a disproportionate effect when total family income is divided by total number of families to obtain an average income per family, statisticians prefer to know what the median family income is. The median is the middle-most figure—income received by families at the centre of the income scale, the point where the number of families with incomes higher than that point is exactly equal to the number of families with lower incomes. The median (before tax) income of U.S. families, in 1955, was about $4,000, or 7 per cent. more than the previous year.

Distribution by Income Group

Yet another way to show the trend in American family incomes is to compare the distribution of U.S. families by income groups. The 1955 statistics—when compared with 1947 figures, for example—show fewer families in the lower income brackets and more families at the higher levels all along the line. Here are the comparative figures for 1947 and 1955 on distribution of families by income groups, expressed in percentage of total 52 million families:

Family Income (before taxes)	1947	1955
Under $2,000	24	16
$2,000-$2,999	19	12
$3,000-$3,999	19	13
$4,000-$4,999	13	14
$5,000-$5,999	8	13
$6,000-$7,499	7	13
$7,500-$9,999	5	11
$10,000-$14,999	3	5
$15,000 and over	2	3
Total	100	100

A similar trend is noted by comparing the 1947 and 1955 figures on distribution of total U.S. family income among family income groups, as expressed in percentages of total U.S. family income:

Family Income (before taxes)	1947	1955
Under $2,000	7	4
$2,000-$2,999	12	5
$3,000-$3,999	16	9
$4,000-$4,999	14	12
$5,000-$5,999	10	13
$6,000-$7,499	11	15
$7,500-$9,999	10	16
$10,000-$14,999	8	10
$15,000 and over	12	16
Total	100	100

The shift in actual numbers of families from the lower to the middle and higher income groups in 1955 further illustrates this trend in American family income.

Shift to Upper Income Group

Last year, the number of families with before-tax incomes under $5,000 were 600,000 fewer than there were in 1954. And the number of families with before-tax incomes ranging from $5,000 to $10,000 increased by 1,200,000 over the previous year. The upper-income families—families with incomes of $10,000 and more—also increased, but at a slower rate, adding 400,000 new families. Between 1947 and 1955, the number of families with incomes over $5,000 annually more than doubled—from 10,800,000 in 1947 to 23,000,000 in 1955.

Economists find in this trend an explanation for the enormous increases that have taken place in recent years in retail sales, automobile sales, house and commercial construction, and, of course, expansion of industrial plant and equipment to take care of present and future demands.



TRENDS IN WOOLLEN GOODS INDUSTRY

PRODUCTION OF YARN AND FABRICS UP

THE current calendar year (1956) is expected to witness an appreciable rise in the output of woollen textiles in India. During the first seven months ended July, for instance, as much as 8.86 million yards of woollen and worsted fabrics came off the looms, as against 6.41 million yards in the corresponding period of 1955, representing a rise of nearly 39 per cent. On this basis and assuming that the July level of output—1.47 million yards—has been maintained in the subsequent months, the aggregate production of fabrics for the whole of 1956 may be estimated at more than 16.22 million yards, which compares very favourably with 13.58 million yards in 1955 and 13.75 million yards in 1956. This figure, however, falls considerably short of the industry's estimated rated capacity —on double shift basis—of 48 million lbs. by over 66 per cent.

The rise in the output of woollen and worsted fabrics in recent months has followed an improvement in the supply position of yarn. This, in turn, must be attributed partly to higher domestic output and partly to larger imports. The production of woollen and worsted yarn during the first seven months of the year amounted to 14.04 million lbs., as against 10.88 million lbs. a year before, or an increase of 29 per cent. The increase in yarn production was rendered possible by larger imports of raw wool and wool tops; they aggregated 12.28 million lbs. during January-July 1956, as against 9.98 million lbs. a year before. The imports of wool yarn from abroad in the same period aggregated 2.08 million lbs., as against 1.51 million lbs.

Trend of Output

The following table indicates the trend of output of woollen (as also worsted) yarn and fabrics—month by month—during the seven months ended July 1956, as compared with the same period last year:

(Yarn in million lbs.; fabrics in million yards)

	Yarn		Fabrics	
	1956	1955	1956	1955
January	1.73	1.40	1.23	0.81
February	1.90	1.47	1.19	0.82
March	1.97	1.74	1.29	1.01
April	1.86	1.55	1.08	0.88
May	2.06	1.43	1.15	0.62
June	2.17	1.52	1.45	1.05
July	2.35	1.77	1.47	1.22
Total ..	14.04	10.88	8.86	6.41

The improvement in the production of woollen (as also worsted) yarn and fabrics during the seven months of 1956 was shared by all the States, as will be seen from the figures given below:

(Yarn in million lbs.; fabrics in million yards)

	Yarn		Fabrics	
	Jan.-July, 1956	Jan.-July, 1955	Jan.-July, 1956	Jan.-July, 1955
Punjab	4.23	2.85	2.46	1.94
Bombay	4.02	3.06	1.69	1.43
Uttar Pradesh ..	1.98	1.07	1.37	0.58
W. Bengal	1.79	1.44	0.70	0.62
Bangalore	1.42	1.32	2.23	1.76
Saurashtra	0.40	0.39	0.32	0.22
Jammu and Kashmir..	0.20	0.16	0.11	0.19

The foregoing statement reveals that the increase in yarn output was particularly marked in the Punjab, being 1.38 million lbs. The production in Uttar Pradesh was also substantially higher by 910,000 lbs. The bulk of the rise in fabrics production was accounted for by Uttar Pradesh, the actual extent of the rise being 800,000 yards. The Punjab and Mysore States reported an increase of 520,000 yards and 470,000 yards, respectively.

Capacity Expands

The upward trend in the production of woollen textiles—yarn and fabrics—in recent months has followed an increase in the rated capacity of the industry through the establishment of new units and expansion of the existing units. The total number of spindles in place has gone up during the first Five-year Plan period by 40,618, that is, from 116,800 spindles in 1950-51 to 157,448 spindles in 1955-56. Of the total of 157,448 spindles, 61,032 spindles are capable of producing 17 million lbs. of woollen yarn and 96,416 spindles are designed to produce 21 million lbs. of worsted yarn. In the weaving sector, the number of looms in existence has risen from 2,099 in 1950-51 to 3,950, (the capacity in terms of yardage being 48 million yards of woollen and worsted fabrics) in 1955-56. Taking into account the expansion that has taken place against schemes approved since April 1956, there will be 186,184 woollen spindles (62,768 woollen and 123,416 worsted) with an aggregate capacity of 45.5 million lbs. and 4,051 powerlooms with a total capacity of 50 million yards of fabrics (woollen and worsted). The spinning and weaving capacities, it may be noted here, are said to be much more than the estimated overall requirements of 27.0 million lbs. of yarn and 20.0 million yards of fabrics.

There is thus considerable surplus of capacity in the woollen textile industry. The Planning Commission, therefore, feels that there is no scope whatever for expansion in the spinning and weaving sectors of the industry. Nevertheless, the Commission feels that a rigid ban on further expansion is not desirable, as various other factors which require special consideration have to be taken into account. Particular attention is drawn to the need for converting some of the existing units into economic units wherever feasible and necessary. Incidentally, it may be noted that there are at present 15 spinning units, 25 composite mills and 79 powerloom factories.

Exports Rise

Thanks to the high level of woollen textile output and favourable trading conditions, exports of woollen piecegoods have registered a notable improvement of late. During the first seven months of 1956, shipments of piecegoods aggregated 45,121 yards valued at Rs. 6.30 lakhs, as against only 2,859 yards valued at Rs. 25,607 in the corresponding period of 1955. The number of shawls exported was also higher at 13,752 (Rs. 2.73 lakhs), as against 5,863 (Rs. 1.27 lakhs). Exports of carpets and rugs, however, suffered a slight setback; they amounted to 5.58 million lbs., which compare unfavourably with 5.66 million lbs. But the value of exports was higher by Rs. 2.68 lakhs at Rs. 232.86 lakhs. The exports of other sorts of woollen manufactures were also less, being 293,997 lbs. (Rs. 7.01 lakhs), as against 397.569 lbs. (Rs. 10.91 lakhs).

India's export trade in raw wool recorded a marked improvement. The quantity of wool actually shipped during the period under review was 20.85 million lbs., the figure for the corresponding period of 1955 being 14.69 million lbs. The foreign exchange earned was, therefore, higher at Rs. 627.68 lakhs, that is Rs. 199.26 lakhs more than what was earned a year before. The U.S. and the U.K. purchased larger quantities of raw wool from India, their actual intake being 8.72 million lbs. and 8.54 million lbs., as against 6.60 million lbs. and 6.85 million lbs., respectively. The Soviet Union contracted to buy 3.5 million lbs. of wool during the period January-September 1956. The major portion of this quantity is reported to have been shipped in the last month or two.

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COTTON TEXTILE EXPORTS

Reviewing the trend of cotton cloth exports from India to West Asian countries, we observed in these columns only last week that, unless some energetic measures to remove the series of handicaps facing the export trade were taken, there was the danger of the country completely losing the textile markets in West Asia in the coming years. This view was very forcibly stressed by Mr. P. M. Shah, Editor, *Indian Exporter and Importer*, who recently undertook a study tour of the West Asian countries, while giving the impressions of his tour to the members of the All-India Exporters' Association, Bombay, at a meeting held the other day. India, Mr. Shah declared, was fast losing its markets in the West Asian countries and was likely to lose a good portion of the trade with the ports of the Persian Gulf, if timely measures were not taken jointly by the Government and the trade "to rehabilitate the lost ground." Indeed, he said, "It is a misnomer to call the West Asian countries as our natural markets." This warning, by the way, applies as much to cotton textiles as to other items of export such as tea, spices, jute textiles and engineering goods.

Mr. Shah analysed the factors responsible for the setback to cotton textile exports to the West Asian region. According to him, several countries in the region are having their own textile manufacturing plants. The production of grey sheetings and other coarse varieties of cloth are protected by the respective countries through imposition of high tariffs on foreign imports. The preferential tariff arrangement within the Arab countries is another reason why it is not possible for Indian coarse and medium varieties to compete with the local manufacturers. With regard to fine and superfine counts, Japan, the U.K. and the East European countries are competing with one another and India has practically no chance to sell these varieties there.

Speaking about handloom products, Mr. Shah observed that they could not be marketed in West Asia, as there was no publicity. To quote him: "We are going by default in this respect." These observations of Mr. Shah are very pertinent. The Cotton Textiles Export Promotion Council does not seem to have taken any step designed to boost exports of handloom cloth. It is concentrating its attention entirely on mill cloth. One would want to know whether the Council has been set up to promote exports of only mill cloth. It will be strange to note that the samples exhibited by the Indian embassies in some of the West Asian countries are those which, it is said, are not at all wanted by the consumers. What earthly benefit is there in spending huge sums of money on such publicity?

To revert to Mr. Shah's speech. He put forward two specific suggestions for the consideration of the Government and the trade. First, necessary and proper publicity should be given to our products in West Asian countries. Secondly, barter arrangements with some countries will enable India to stabilise its markets there.

Wholesale textile sales in the U.K. recorded a seasonal rise in September, 1956, although it was less marked than in the period 1952-55. The index, prepared by the Wholesale Textile Association in collaboration with the Bank of England (1950=100), rose from 87 in August to 132 in September, compared with an increase from 82 to 132 in the same month last year. Women's and children's wear reached its highest point since October, 1955, rising from 96 to 138. Piecegoods, on the other hand, only increased from 54 to 69, the lowest September level since the series began in 1950.

A wool carding factory, the first of its kind in India, will shortly be established at Porbandar at an estimated cost of about Rs. 10 lakhs. When the factory goes into operation, a substantial quantity of imports of carded wool is expected to be stopped. It is also expected that raw wool, hitherto exported to Europe for carding, will be retained in India to be carded and used for industrial purposes. The total annual exports of raw wool from India are valued at more than Rs. 5 crores, of which wool worth Rs. 3 crores is shipped from Jamnagar.

PRODUCTION OF CLOTH DECLINES

COTTON INDUSTRY'S CENTRAL AGREEMENT ON SHIFT WORKING

From A Special Correspondent

MANCHESTER, 13*th November*

MANCHESTER LETTER

PRODUCTION and manpower statistics, which have for some considerable time past displayed the continued decline in activity in Lancashire mills, have lately taken on a new significance in view of the sustained pressure for supplies which has developed. Contrary to the position in the spinning section, where yarn output has gradually overtaken corresponding production figures a year ago, the volume of cloth being turned out still lagged behind the 1955 level, at least until the end of September.

Holiday influences, which were still at work, make direct comparisons difficult, but total production of cotton, rayon and mixture cloth for the first nine months of this year was 147,000,000 yards lower than in 1955, which in turn showed a fall of nearly 200,000,000 yards on the 1954 level. Once again it is mainly the impact of curtailed output of cotton cloth that is responsible for the decline, the reduction being nearly 300,000,000 yards in cotton fabric output this year compared with 1954.

At the same time, there is evidence from the latest returns that the gap between current output and last year's figures is narrowing. During September, the average weekly production of all types of cloth was 43,310,000 linear yards against 44,480,000 yards in September 1955. The final stages of the holiday season were responsible for some interference with output in both years.

Workers Drift

Hopes that the unfortunate drift of workers from the mills may be halted by the improvement in trade are gaining ground on account of recent recruitment figures. In the spinning section, at least, the drain of labour seems to have been halted for the time being but the time-lag in the weaving branch makes it impossible as yet to gauge the overall position. The following table, however, shows how manpower has dwindled in the past five years, taking the comparative totals of operatives on the books of employers at the end of September in each case:

	1951	1953	1955	1956
Spinning	123,850	111,130	100,200	96,630
Doubling	32,200	25,790	22,400	21,070
Waste spinning ..	7,260	7,100	7,050	7,340
Weaving	156,390	138,600	129,300	118,280
Total ..	319,700	282,620	258,950	243,320

It has already been noted that the situation in the doubling branch has deteriorated more in ratio to the other sections but the loss of labour in spinning and weaving also is very substantial when compared with 1951. An interesting development has been the improvement in the manpower position in waste spinning, which has never been as adversely affected as the other sections. The current total of 7,340 operatives has only once been exceeded in recent years—and that by a mere 10 workers.

New Spinning Pact

Mills in the main section of the cotton spinning industry will be permitted to work from 6 a.m. to 11 p.m. under a new charter which sets out the industry's first central agreement on shift working. The first official details of the new charter, announced after negotiations lasting twelve months, show that workers agreeing to staff double day-shifts will put in a 38½ hour week but receive the same rate of pay as for the ordinary 45 hour week. A joint statement by the Federation of Master Cotton Spinners' Association Ltd. and the National Association of Card, Blowing and Ring Room Operatives said the aim was to encourage re-equipment and modernisation by making the maximum use of machinery.

The new charter also includes a new wage structure based on work study principles, designed to make the fullest use of manpower and machinery. The introduction of the system as an alternative to the existing system is subject to the joint consent of management and operatives at a particular mill. After a trial period of three months a ballot of the workers concerned will decide whether it should continue permanently.

The Employers' Federation will issue to its members a list setting out what are considered by both parties to be fair working conditions for an up-to-date cotton industry.

Surplus Cotton Sales

Presidential elections in the United States are invariably watched closely by Lancashire cotton interests in view of their possible bearing on policy plans for the future of the raw material. Mr. Eisenhower's victory ensures continuity of the recent cotton disposal programme.

The success of this venture has been a vital factor in textile trading throughout the world and has paved the way to the current expansion in business in Lancashire. Once traders were reassured that no violent drop in prices was likely and recognised that the level of values set by the American Administration would be maintained, confidence began to return to buyers.

In the first three months of the current cotton season exports of raw material from the U.S. reached 1,260,000 bales. This compared with only 388,710 bales in the same period last season. Shipments in August were the highest for 20 months back and were the highest August exports since 1933.

The latest Commodity Credit Corporation sales of nearly 600,000 bales have taken the total cotton so earmarked for shipment abroad under the competitive bid system to well over 5,000,000 bales, which was the original estimate of the quantity likely to be disposed of under the programme. In some quarters, it had been assumed that this represented the maximum volume of supplies to be sold in this way but it is now clear that the American Administration intends to carry on with its plan in view of its excellent progress.

There has lately been reports that the stocks held by the Corporation have been so reduced that the remaining cotton is not very desirable in quality. Another factor, which is believed to have led to the recent movement of larger supplies, has been the dissatisfaction expressed by consumers at some of the cotton received after the early auctions. Replacements have been needed to satisfy the requirements of customers.

Evidence has been accumulating that a more encouraging tone has lately prevailed in the Liverpool market for raw cotton. Spot and shipment sales have certainly increased and the details now being published of such business indicate a considerable expansion in turnover.

When statistics were first issued at the beginning of September weekly sales aggregated little more than 20,000 bales but by early this month trading had trebled. Most of the business done was in North American cotton which represented 214,361 bales, out of the total sales of 380,507 bales during the past two months. Business in Sudan and other Egyptian type cotton amounted to 68,684 bales while the turnover in South American qualities accounted for 43,124 bales.

Machinery Sales

A sharp reduction in shipments of British-made textile machinery in September brought the nine-month total by weight to little more than the figures recorded in the past two years. The volume of shipments was only 87,398 cwt., as compared with as much as 150,000 cwt. sent abroad in some earlier months of the year. For the first three quarters of 1956 exports of plant amounted to 1,237,267 cwt. valued at £34,087,936, as against 1,220,233 cwt. worth £31,788,354 a year ago.

India continues to be by far the largest consumer of British textile machinery, absorbing 308,819 cwt.—a quarter of the total. Purchases by India have been stepped up by nearly 100,000 cwt. this year. In contrast, there has been a sharp reduction in the quantity of plant taken by the Soviet Union, which for the first nine months of 1955 absorbed 131,782 cwt., while this year takings amount to 66,913 cwt. An even bigger change has been recorded in trade with Pakistan, which has progressively shrunk from 231,302 cwt. in 1954 to 197,187 cwt. last year down to 46,473 cwt. this year.

Interest is naturally being taken in the purchases of textile machinery on behalf of Egypt, shipments rising from 35,597 cwt. last year to 67,177 cwt. Several European markets continue to equip part of their mills with British plant, Western Germany having taken 39,245 cwt., the Netherlands 34,039 cwt., Belgium 40,474 cwt., and France 47,056 cwt. Shipments to the U.S. are slightly higher at 42,432 cwt. and increased sales have been recorded for Mexico at 46,900 cwt.

Nearly 40 countries are included in the Board of Trade figures showing textile machinery

(*Continued on page* 1019)

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CONFERENCE ON COTTON GROWING PROBLEMS

EXTRA LONG-STAPLE—YIELD PER ACRE

IN India, the cultivation of cotton, one of the most important cash crops of the country and one which feeds India's biggest organised industry, namely, the cotton textile industry, is faced with many problems both economic and technological. The latter came up for a detailed discussion recently at the seventh Conference on Cotton Growing Problems, held at Chandigarh, early this month, under the presidentship of Mr. B. N. Uppal, Agricultural Commissioner of the Government of India. Sponsored by the Indian Central Cotton Committee, the Conference was attended by sixty-five delegates from the various cotton-growing States. More than eighty papers on various aspects of cultivation of cotton, such as cotton breeding and genetics, cotton technology and statistics, cotton agronomy and diseases and pests were read at the Conference. The Committee deserves to be congratulated for endeavouring to bring the experience and knowledge of experts in the field to bear upon specific problems of cotton growing.

Inaugurating the deliberations of the Conference, Sardar Pratap Singh Kairon, Chief Minister of Punjab, laid particular stress on two problems, namely, the need to evolve extra long-staple cotton and improvement of the yield per acre. He said that the Punjab can justifiably feel proud of the fact that it has successfully tided over the difficult cotton supply position created by the Partition of the country. The Partition, it may be recalled, cut off more than 40 per cent. of the supply of medium and long-staple cotton from the canal-irrigated areas which went to the share of Pakistan. Owing to the initiative and lead given by the Government, the Indian side of the Punjab was able to explode the myth generally held that East Punjab is not suitable for growing American type cotton. Despite the fact that research and extension workers had to work under great handicaps, numerous improved strains of American cotton were developed which proved very popular with cultivators both within and outside the State. The success of the attempts at evolving and popularising new and improved strains was so remarkable that 75 per cent. of the cotton acreage in the Punjab today is under American cotton and there is every possibility that within a short period of time the Punjab will emerge as the second largest cotton-producing region in the country.

In this connection, the Minister referred to the great potentialities of the State for increasing cotton output in future when the Bhakra Dam project is completed. In the Punjab alone, the project is expected to provide irrigation facilities for an area of over 40 lakh acres which will enable an additional area of five to six lakh acres to be brought under cotton. This will considerably increase the output of cotton. But the fact, however, should be borne in mind that cotton production plans cannot be based entirely on expansion of area and increased irrigation facilities, as the latter are required for other crops also. In view of this, the Minister emphasised that attempts should be directed towards devising methods for increasing the yield per acre through intensive cultivation.

Extra Long-staple

Dwelling upon the need for evolving extra long-staple cotton, Mr. Kairon pointed out that, in the context of planned economic development, the demand for finer cloth could be expected to increase as a direct result of the general rise in the standard of living that was bound to occur. This underlines the necessity for paying greater attention to improving the quality of cotton. At present, India is importing long-staple cotton to the tune of five to six lakh bales valued at about Rs. 50 to Rs. 60 crores. Domestic production of long-staple cotton, in addition to making India self-sufficient in respect of raw materials required for manufacturing fine fabrics, will also enable considerable saving of foreign exchange urgently required for other purposes.

Referring to the role of scientists, the Minister said that, both in evolving better varieties and in improving the yield per acre, their services were invaluable. He also paid a well deserved tribute to the Central Cotton Committee, the oldest commodity committee in India, for the commendable work it had done in furthering research and development work on cotton.

In his presidential address, Mr. B. N. Uppal observed that the results of cotton research in the Punjab were of great economic significance to the country. He pointed out that, though the original target for production fixed in the first Five-year Plan had been achieved, there was no room for complacency, inasmuch as mill and export demands were rapidly increasing. It was with this fact in mind that the target for cotton production fixed under the second Plan had been revised upwards from 5.5 million bales to 6.5 million bales. As the limit of extension of the cotton acreage had almost been reached, the emphasis in the Plan would be on yield per acre. It was against this background, he observed, that the proposals of the Government of India to establish composite regional research stations for cotton, millets, and oilseeds should be viewed. He expressed the hope that the State Governments concerned would place the necessary land and other facilities at the disposal of the Central Cotton Committee for the establishment of research stations.

Cotton as Summer Crop

Among the papers read at the Conference, particular reference may be made to a note on the possibilities of cotton production in the rice fallows of Andhra State where paddy is at present cultivated mostly under single-cropped conditions. It was pointed out that, as a summer-subsidiary-*cum*-remunerative crop, cotton could be fitted into the rotation in the place of an inadequately irrigated second crop of paddy or green manure or groundnut. It was suggested that, to start with, a minimum of a million acres could be immediately brought under cotton which would produce about 5 lakh bales of quality cotton, costing about Rs. 20 crores, as additional production in the State. In addition, the farmers would also be benefited to the extent of about Rs. 2½ crores worth green residue which would contribute considerably to the fertility of the soil. It may be observed that this suggestion is well worth pursuing as an experimental measure, particularly because a similar experiment, carried out in the Cauvery region of the Madras State, is reported to have given encouraging results.

Another interesting paper read at the Conference was one on the breeding of extra long-staple cotton in India. The results of experiments conducted in Surat, Madras and other centres, according to this paper, showed that the possibilities of evolving extra long-staple cotton of 1.1/16" to 1.1/8" are most promising. In fact, the two outstanding Indo-American strains 170-Co. 2 and 134-Co. 2M released for general cultivation had very good staple length. Its only defect, from the technological point of view, was that, as compared with East African cotton, it lacked in yarn strength. There is no doubt, the paper observed, that, with a little more effort, this range of cotton imports could be replaced by domestic production within a few years.

MILL CONSUMPTION OF COTTON IN SEPTEMBER

Mill consumption of cotton during the first month of the current season, that is, September 1956, aggregated 431,710 bales (of 400 lbs. each), comprising 377,978 bales of Indian and 53,732 bales of foreign cotton, as compared with 428,153 bales during the same month last season comprising 382,979 bales of Indian and 45,174 bales of foreign cotton. Out of the 53,732 bales of foreign cotton consumed, 12,741 bales were Egyptians, 10,473 bales Sudan, 27,314 bales East Africans, 1,933 bales U.S. cotton. In the month of September 1955, Indian mills consumed 15,048 bales of Egyptian, 8,448 bales of Sudan, 17,053 bales of East African and 4,076 bales of U.S. cotton. As will be seen from the table below, consumption of East African cotton increased from 17,053 bales to 27,314 bales while that of U.S. cotton declined from 4,067 bales to 1,933 bales.

(In bales of 400 lbs.)

	September	
	1956	1955
Indian	377,978	382,979
Foreign:		
Egyptian	12,741	15,048
Sudan	10,473	8,448
East Africans	27,314	17,053
Russians	14	23
Others	1,257	535
U.S.A.	1,933	4,076
Total foreign ..	53,732	45,174
Grand total ..	431,710	428,153

The table shows that there has been a slight fall in the consumption of Indian cotton by mills during the opening month of the current season.



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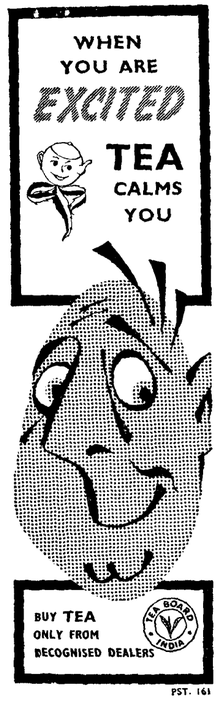

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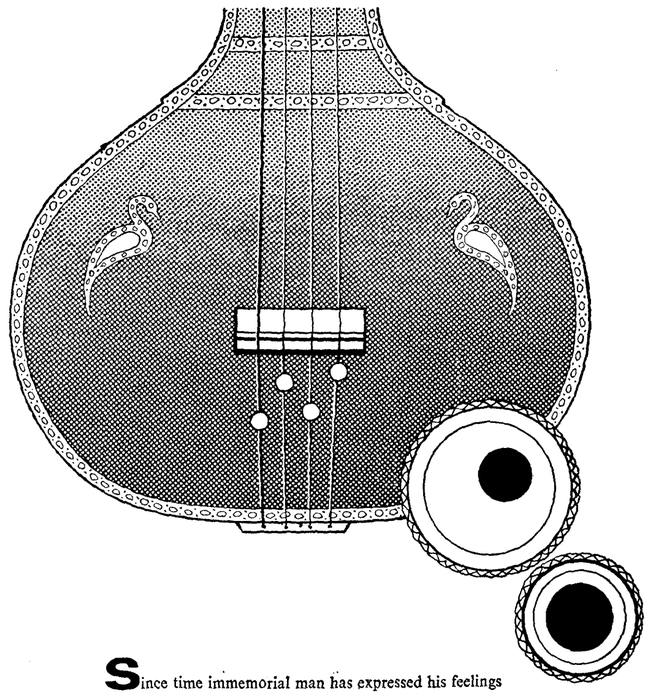
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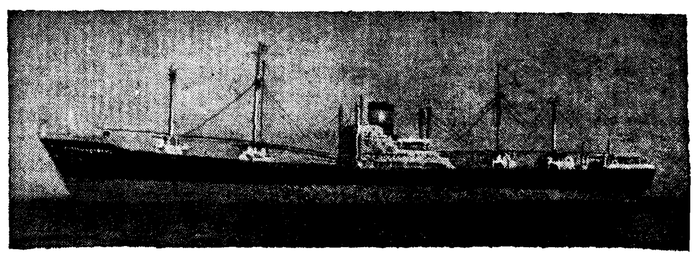
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SUGAR OUTPUT IN BOMBAY TOUCHES ALL-TIME RECORD

CAPACITY OF INDUSTRY TO BE STEPPED UP

THE past sugar season (1955-56) may be described as a landmark in the history of the Bombay-Deccan sugar industry. For the season witnessed an all-time record output of white sugar, the quantity actually produced being 202,470 tons. This compares very favourably with 173,579 tons in 1954-55 and 126,665 tons in 1953-54, representing a rise of as much as 16.6 per cent. and 60.0 per cent., respectively. It will be interesting to note here that the output of 202,470 tons of sugar during the season under review accounts for nearly 11.0 per cent. of the aggregate all-India production of 1,859,000 tons.

The production performance of the Bombay-Deccan sugar mills is, indeed, creditable, considering the series of stresses and strains to which the industry has been subjected. Particular mention must be made of the Bombay Government's policy relating to canal water supply to the cane farms of factories. Despite repeated requests by the factories, the Government has not cared to augment water-supply, with the result that the sugar mills have not been able to grow cane to the full extent of even their guaranteed areas. Mention must also be made of the irksome and unjustified control over molasses and alcohol exercised by the Government in pursuance of the object of making prohibition a success. Another handicap facing the sugar industry is the tendency legislation, which, while it permits the sugar mills to retain the existing holdings of agricultural lands, does not allow purchase of lands. The legislation is beset with the dangerous consequence of gradually disintegrating the sugarcane farms as and when the leases terminate. What is worse, the State Government is vested with wide powers to modify the conditions between the lessor and the lessee and change the lease rent, for the determination of which even the profits accruing on sugar manufacture can be considered. In addition to all these, there are the additional burdens placed on the sugar industry by the recent labour awards and the utter disregard of the State Government for the improvement of roads in factory areas which at present are in a deplorable condition.

Production and Despatches

The following table gives an idea of the trend of sugar output and also despatches from factories—month by month—during 1955-56, as compared with 1954-55:

(In tons)

	Production		Despatches	
	1955-56	1954-55	1955-56	1954-55
November	13,781	13,503	13,304	2,678
December	31,332	29,634	12,560	9,313
January	34,482	34,450	12,876	9,951
February	37,659	33,234	17,149	13,776
March	40,600	35,586	7,389	13,195
April	29,233	19,923	18,039	14,073
May	12,369	7,249	15,587	17,892
June	3,014	..	15,039	18,044
July	..	..	18,245	14,001
August	..	..	17,981	12,737
September	..	..	2,474	9,238
October	..	..	40,516	13,446
Total ..	202,470	173,579	188,159	148,344

The rise in sugar production in Bombay during the season under review followed a marked rise in the quantity of sugarcane crushed; it amounted to 1,736,000 tons, as against 1,486,000 tons in 1954-55 and 1,077,000 tons in 1953-54. There was a setback to the cane crop, the aggregate output of cane during 1955-56 being 5.12 million tons, which compares unfavourably with 5.48 million tons in the previous season. Despite this setback, the sugar mills did not experience any difficulty in securing adequate supplies of cane, for two reasons. First, the production of cane on the farms owned by the factories was higher. Secondly, the private cultivators sold a larger quantity of their cane crop to the factories, instead of converting it into *gur* themselves or selling it to professional *gur* producers. This, in turn, must be attributed to the fixation of higher prices for cane by the Government of Bombay, following an agreement reached with the Deccan Sugar Factories Association. Under the agreement, the factories were required to pay for cane delivered at the gates of factories a minimum price of Rs. 44 per ton, which represented a rise of Re. 1 over that fixed for 1954-55. It was also higher by Rs. 4-12-2, as compared with the minimum price of Rs. 39-3-10 fixed by the Government of India.

The availability of larger supplies of cane enabled the sugar mills to extend their crushing operations. The average duration of the crushing season in Bombay during 1955-56 was 153 days, as against 142 days in the previous season and 112 days in the season preceding it. The all-India average was 145 days. The average recovery of sugar from cane registered a slight improvement, from 11.67 per cent. to 11.70 per cent. The official final estimate, however, places the average lower at 11.51 per cent., as against 11.68 per cent.

When the season began on 1st November 1955, five mills in Bombay had commenced crushing and, by 1st February 1956, all the 15 mills were working in full swing. Two factories stopped crushing during the week ended 15th April and, by 23rd May, all the units had stopped operations.

Expansion in Capacity

The steady upward trend in the production of sugar in Bombay-Deccan in the past two years has followed a marked expansion of 42.5 per cent. in the rated capacity of the sugar industry in the first Plan period. The aggregate capacity—calculated on the basis of an average working season of 120 days and sugar recovery of 10 per cent.—amounted to about 158,000 tons in 1955-56, as against 110,000 tons at the commencement of the first Plan (1950-51). The improvement in the capacity of sugar industry has been due, to a great extent, to the expansion in the size of the existing units. Over the Five-year Plan, only one new sugar mill—a co-operative venture—was established.

The tempo of activity in the Bombay-Deccan sugar trade will be considerably accelerated in the next five years, so ambitious is the scheme of development drawn up for the industry. The scheme envisages a rise in the rated capacity of the industry by as much as 228,000 tons, that is, from 158,000 tons in 1955-56 to 386,000 tons in 1960-61. The additional capacity contemplated represents over 31 per cent. of the total capacity of 726,000 tons licensed. Licences have been issued for the establishment of 17 new sugar factories and substantial expansion of seven existing units. A special feature of the additional capacity licensed is the provision for setting up as many as 14 cane growers' co-operative sugar mills.

WORLD SUGAR

A reference to the deliberations of the International Sugar Conference which concluded at Geneva on the 2nd inst. was made in these columns last week. The official details of these deliberations since made available reveal that the aggregate basic export tonnages of member-countries amount to as much as 5,897,000 metric tons plus a special reserve for four exporters of 140,000 tons for 1957 and of 190,000 tons for 1958. The total export quota of 6,037,000 tons for 1957 compares with the estimated free market requirements of 5,325,000 tons. India has been allotted an export quota of 25,000 tons for 1957. The breakup of the export quotas—in thousand tons—among the other countries is given below:

Belgium (including Belgian Congo) 50; Brazil 175; China (Taiwan) 665; Colombia 5; Cuba 2,415; Czechoslovakia 275; the Dominican Republic 655; France 20; Eastern Germany 150; Haiti 45; Hungary 40; Indonesia 350; Mexico 75; Netherlands 40; Peru 457; the Philippines 25; Poland 220; U.S.S.R. 200; and Yugoslavia 20.

The export quotas of the Czechoslovak Republic and the People's Republics of Poland and of Hungary do not include their exports of sugar to the U.S.S.R. and these exports are outside this agreement. The U.S.S.R. export quota is, therefore calculated without taking into account imports of sugar from the above-mentioned countries. Costa Rica, Ecuador, Nicaragua and Panama may each export to the free market up to 5,000 tons raw value a year.

A special reserve of 140,000 tons in 1957 and 190,000 tons in 1958 shall be established and allocated thus: China 95,000 tons; India 25,000 tons; Indonesia 50,000 tons in 1957; and the Philippines 20,000 tons. The allocated tonnages in this special Reserve are subject to reductions and increases, but they will not carry any entitlement to participation in the redistribution of shortfalls, neither will shortfalls in these tonnages be redistributed. Portugal, which has traditionally exported to Rhodesia and Nyasaland, and which made a reservation concerning her status as an exporting country in signing the 1953 Agreement, will have its position regularised by a new provision to be inserted after paragraph (6) of Article 14A as follows: "Portugal to which no basic export tonnage has been allotted under Article 14 may export to her traditional markets of Rhodesia and Nyasaland up to 20,000 tons and shall have the status of an exporting country."

In determining export quotas in effect, priorities shall be applied in accordance with the appropriate provisions of the Agreement. Thus, the first 50,000 tons will be allotted to Cuba; the next 15,000 tons to Poland; the next 10,000 tons to Haiti; the next 25,000 tons to Czechoslovakia; and the next 10,000 tons to Hungary.

The next exports of the exporting territories covered by the Commonwealth Sugar Agreement will be 2,490,018 metric tons (or 2,450,000 English long tons) in 1957 but will be increased by 50,000 long tons in 1958 to enable Commonwealth exporters to share in the increase in the consumption of Commonwealth territories.

"SUGARCANE RESEARCH AND DEVELOPMENT"

The Indian Central Sugarcane Committee (I.C.S.C.) must be congratulated on the venture to publish a quarterly journal devoted to sugarcane research and development (Editor: P. C. Chandra, Secretary, I.C.S.C., New Delhi. Price: Re. 1-8). The journal will serve as a suitable medium for the dissemination of information on the progress achieved from time to time in the sphere of cane research and development. The journal contains articles written by experts and a review of important literature on cane published in the country and abroad. Statistical data relating to sugarcane, sugar, *gur* and *khandsari* are also included in it. The main emphasis will, of course, be on the agricultural sector of sugar economy, as well as on *gur* and *khandsari* industry, because the needs of the white sugar industry are already being catered to by the Sugar Technologists Association of India. The utility of the publication is proposed to be increased by the inclusion, as a special feature, of a "Cane Grower's Forum" in which experts in various fields can pose specific problems of practical importance to the cane grower and throw such light on questions as might help reach a solution thereof.

While welcoming the publication of the journal, it must be stressed that the results of research should be published in as non-technical a manner as possible and in an easily understandable way. This is of the utmost importance, considering the fact that the majority of cane growers in India are illiterate. Otherwise, the results of research conducted in the laboratories, though they are very valuable, may not actually reach the cultivator.

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TARGET FOR COAL IN SECOND PLAN

PRIVATE SECTOR TO GO AHEAD WITH PRODUCTION

THE Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners' Association, the three main organisations representing the producers of coal in the private sector, have asked their member collieries to proceed with the implementation of their production plans, so that the target of additional production set for the private sector of the industry under the Second Five-year Plan can be achieved in time. It will be recalled that the target of additional output for the private sector under the Plan is 10 million tons, out of a total of 22 million tons. The allocations to the various coal areas are: Raniganj, 5.70 million tons; Jharia, 3.25 million tons; Karanpura, 0.55 million ton and Central India, 0.50 million ton.

The decision to take on hand the additional production plan follows the discussions which the producers had with the Coal Controller recently. The Coal Controller would appear to have told the producers that the industry could take all plans for increased production as having the general approval of the Government, except in cases where, under statutory provisions or rules, the specific approval of the Coal Controller, the Coal Board or other authority was necessary, as, for instance, the opening of new mines, opening or reopening of seams, etc. The Coal Controller is said to have expressed the hope that, within the above flexible framework and subject to the limitations outlined by him, the private sector could go ahead with their production plans.

A section of the industry is, however, apprehensive about the possibility of achieving the target under the existing restrictions placed on the industry. They are not sure of getting adequate transport and siding facilities, loading accommodation, pilot and depot capacity, etc. Besides, they point out that the policy of the Coal Board and the Mines Department is not conducive to higher production. The restriction on production in the name of conservation and safety stands in the way of quick development. In the Jharia Coalfield, for instance, the private sector is required to raise production by 3.25 million tons, of which coking coal will account for 2.25 million tons. According to the Coal Controller, the pegging on output of coking coal will, no doubt, be applied and its production will continue to be subject to ceiling limits fixed by the Coal Board. The Coal Controller did not give an assurance that the pegging would be relaxed or withdrawn when necessary. He, however, expressed the hope that the Coal Board might revise the ceiling limit from time to time.

There is some force in what the producers say. As it is, the pace of expansion in output has not been very encouraging so far during the current year and it will be a creditable achievement on the part of the private sector, if, in spite of the impediments, it is able to succeed in attaining the target fixed in the Second Five-year Plan. The following table shows the trend of output and despatches during the first nine months of the current year, as compared with those in the corresponding period of 1955:

(In tons)

	Raisings		Despatches	
	1956	1955	1956	1955
January	3,196,089	3,152,967	2,788,689	2,671,573
February	3,340,389	3,248,578	2,690,633	2,502,267
March	3,360,456	3,304,154	2,835,244	2,764,412
April	3,223,355	3,233,135	2,864,950	2,693,664
May	3,314,435	3,175,335	2,871,114	2,743,546
June	3,196,087	3,074,672	2,877,245	2,658,339
July	3,167,406	2,956,326	3,010,020	2,755,971
August	3,310,952	3,118,751	3,176,064	2,879,565
September	3,123,341	3,378,385	2,820,219	2,802,059
Total ..	29,239,410	28,642,283	25,934,178	24,471,396

The sharp decline in output and despatches during September are mainly due to the labour strike in the Raniganj coalfield. The raisings in the month under reference are the lowest for the current year so far. The decline during the month has more than offset the sharp rise noted in August. The total output for the nine months is only about 600,000 tons more than that in the corresponding period of 1955. Production during October cannot be expected to exceed the previous month's performance, because the strike continued for nearly a fortnight last month. The after-effects of the strike, as also flooding in some parts of the collieries, might adversely affect production even during the current month. It will not be surprising, therefore, if the current year's total output were to fail to rise above that attained in 1955 to some extent.

With the fall in despatches during September, the upward trend noted since February last has been reversed. The stocks at the end of the month, however, show a decline from 3,023,206 tons to 2,881,037 tons.

"INDIAN COAL NEWS"

There are very few journals in India which provide adequate information on the day-to-day developments in the coal industry. The need is, however, being fulfilled by the *Indian Coal News* edited and published by Mr. H. R. Rakshit, Calcutta. This fortnightly journal is intended to keep the people in the coal industry informed of the news, rules and regulatory orders which emanate from various sources. Another object of the journal is to keep the general public informed about the happenings in the coal industry in India—its development and progress. A perusal of two issues, which we have received, shows that the purpose will be amply served. The annual subscription to the journal is Rs. 7-8, inclusive of postage.

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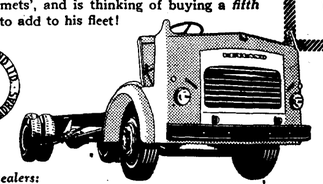

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FORWARD TRADING IN RAW JUTE AND JUTE GOODS

MAIN FEATURES OF COMMISSION'S RECOMMENDATIONS

THE Government of India's decision to accept the recommendation of the Forward Markets Commission to permit the resumption of futures trading in raw jute and jute goods within the city of Calcutta has not come as a surprise to the industry and trade. For it is in line with the Government's own recognition of the need for the establishment of a properly organised futures market in Calcutta for raw jute and jute goods as soon as possible. In fact, the question as to the desirability of resuming futures trading in raw jute and jute goods was taken up by the Commission, following the Government's directive early in January last that the Commission should proceed to invite applications from the concerned associations for recognition for the purpose under the Forward Contracts (Regulation) Act, 1952.

Before we proceed to examine in detail the Commission's conclusions on the need for resuming futures trading, it will be useful to record, in brief, the Government's resolution on the Commission's recommendations:

"The Forward Markets Commission, having considered the applications for recognition received from associations for forward trading in raw jute and jute goods, has recommended that section 15 of the Forward Contracts (Regulation) Act be applied to raw jute and jute goods within the city of Calcutta. The Commission has recommended that section 17 of the Act should continue to be applied to the whole of India in respect of raw jute as at present, except in the city of Calcutta, and should be applied to the whole of India in respect of jute goods, except in the city of Calcutta. The Government of India have accepted these recommendations, the effect of which is to permit forward trading in raw jute and jute goods within the city of Calcutta only.

"The Government have also accepted the Commission's recommendation that the East India Jute and Hessian Exchange Limited, Calcutta, be recognised under section 6 of the Forward Contracts (Regulation) Act in respect of all varieties of raw jute and jute goods for a period of three years. The Exchange should conduct trading in futures contracts as well as in transferable specific delivery contracts. The grant of recognition to the Exchange will be conditional upon its previously adopting the Articles of Association and by-laws to the satisfaction of the Commission.

"The Commission has also recommended that all transferable specific delivery contracts in raw jute and jute goods entered into in the I.J.M.A. forms before the application of section 15 of the Act be treated as valid, for three months in respect of raw jute and for nine months in respect of jute goods. While accepting this recommendation, Government have also decided that contracts entered into in the I.J.M.A. forms subsequently for a period of six months from the date section 15 of the Act becomes applicable will be exempted from regulation."

Jute Enquiry Commission's View

The resumption of futures trading in jute and jute goods has been long overdue. It will be recalled that hedge trading in raw jute had till now been prohibited under section 17 of the Forward Contracts (Regulation) Act, 1952, and in jute goods under the West Bengal Jute Goods Act, 1950. For some time past, the authorities have been considering the question of reopening the futures market. It was examined, among others, by the Jute Enquiry Commission 1953, which, in its report published in March 1954, discussed at some length this question and came to the conclusion that the establishment of a futures market in jute and jute goods was necessary and that, for the proper functioning of such a market, a single well-knit and regulated association like the East India Cotton Association, Bombay should be set up. The Commission was also of the view that, for the balanced operation of the futures market, dealings in both raw jute and jute goods should be started simultaneously. The Commission recommended that a body, with a broad-based constitution representing all interests and wider bases for business and necessary checks against speculation, should be formed by the voluntary co-operation of those in the trade who were interested in futures trading. The Government of India accepted in principle the Commission's recommendation in respect of a futures market for jute and jute goods.

Thereafter, the matter was taken in hand by the Forward Markets Commission. In its report, submitted in December 1954, the Commission recommended that the ban on forward contracts in raw jute (other than non-transferable specific delivery contracts) under section 17 of the Forward Contracts (Regulation) Act, 1952, might be continued for some time more. It had also recommended that section 17 of the Act might be extended to jute goods, with the proviso that non-transferable specific delivery contracts would be excluded from its operation. In other words, this meant the maintenance of the *status quo* in respect of jute goods also, except that the legislative basis of the ban was shifted from the West Bengal Jute Goods Act, 1950, to the Forward Contracts (Regulation) Act, 1952. The Commission's idea was to bring the regulation of both raw jute and jute goods under a single authority, so that the substitution of section 15 of the Act in place of section 17 in due course would be facilitated. The Commission felt that there were no compelling circumstances then which called for the immediate resumption of forward trading, though the usual procedure in respect of recognition of associations might be followed. The Government of India agreed to the continuation of the application of section 17 of the Act to raw jute, but, by a notification in March 1956, exempted all forward contracts in which delivery was given or taken at the jetty or railway siding of jute mills and stocks were insured during transit. It did not, however, think it expedient to extend the application of section 17 of the Act to jute goods also, as it was of the view that the object was already achieved by the West Bengal Jute Goods Act, 1950. The Government agreed, as already pointed out, that the real solution to the problem lay in the establishment of a properly organised futures market in Calcutta for raw jute and jute goods as early as possible. It, accordingly, asked the Forward Markets Commission to proceed with the task of inviting applications from the concerned associations for recognition for the purpose. Such, in brief, is the background for the latest enquiry of the Commission and its recommendations.

Reasons for Resuming Futures

The main reason for the Commission now favouring resumption of futures trading in jute and jute goods, reversing its earlier decision, is that the position has considerably altered since 1954. The increased supply of raw jute and the expanding output of manufactured goods, it says, make it necessary to have a well organised jute futures market, in order to provide stability to the jute economy. The Commission is convinced that the dealers who purchase the bulk of the stocks from the mill and the shippers who handle the exports of jute goods need to hedge their stocks and cover themselves against the risk of changes in price.

The various factors which have brought the change in position, to quote the Commission, are: (1) The area under jute cultivation has expanded from 1.24 million acres in 1954-55 to 1.58 million acres in 1955-56 and the production of jute from 2.93 million bales to 4.14 million bales: efforts are being made to extend the cultivation of jute further; (2) import of raw jute from Pakistan has gone up from 1.24 million bales in 1954-55 to 1.47 million bales in 1955-56; and (3) production of jute goods has increased considerably from 88,900 tons per month in January 1956 to 98,900 tons in June, following the unsealing of looms by 7½ per cent. out of the 12½ per cent. of the total looms put into cold storage. As the offtake did not keep pace with the increase in production, the stocks of mills rose sharply from 78,400 tons to 125,000 tons during this period.

The second reason attributed by the Commission for allowing forward trading now is the emergence of illegal operations in both raw jute and jute goods, in the absence of an organised futures market. This illegal trading is said to be on a more organised scale in jute goods, thanks to the somewhat ambiguous wording of the provisions of the West Bengal Jute Goods Act, 1950, which govern the trading in jute goods. Thus, the *fatka* market is being operated by the speculators on the basis of differences which are settled without delivery of goods every fortnight. The purchases and sales at the end of every fortnight are usually shown as cancelling each other in the books of the operators. The transactions take the character of gambling and the constant manipulations of prices in these markets exaggerate the movement of prices. The establishment of a regulated futures market will, therefore, meet the needs of genuine speculators and discourage the resort to gambling.

The Commission also considered the question whether the I.J.M.A. contracts and the *pucca* delivery orders should be exempted from the purview of the Forward Contracts (Regulation) Act, 1952, when section 15 of the Act is applied to jute goods. The I.J.M.A. represented to the Commission that it was urgently examining the position of both the raw jute contract and the gunny contract and requested that, in the meantime, section 15 of the Act should not be applied to jute goods, lest normal trading, including export trade in jute goods, should be brought to a complete standstill. While expressing its sympathy with the object of safeguarding the export trade in jute goods and its anxiety to avoid any dislocation of the existing machinery of trade, the Commission has come to the conclusion that there is no case for exempting these contracts from the operation of the Act and that such exemption, if granted, is likely to lead to undesirable consequences. Giving its reasons for drawing such a conclusion, the Commission says:

"In the past, the futures markets in jute and jute goods have been subject to serious speculative pressure which has done incalculable harm to the jute economy. The purpose of applying section 15 of the Act was to exercise effective control over all forms of transferable specific delivery contracts and to ensure that the trade in these contracts was carried on in the interest of the trade and the public interest and in accordance with the by-laws of a recognised association which would operate under the direction of the Commission. The I.J.M.A. contracts accounted for the bulk of the trade and, if these were exempted, there was no point in applying the Act to jute goods at all, as there was little left to regulate. The members of the I.J.M.A. and the shippers need not then become members of any recognised association and submit to any regulations under the Forward Contracts (Regulation) Act, 1952. If the principal functionaries in the jute trade did not join the recognised association, hardly anyone else will need to. There would besides be nothing to prevent unscrupulous persons from starting associations ostensibly carrying on business in the I.J.M.A. contracts, but, in fact, for indulging in speculative activities. This would nullify the effectiveness of the recognised association. The Commission has, therefore, come to the conclusion that it is necessary for the success of any association to be recognised under the Forward Contracts (Regulation) Act, 1952, that it should cover *all* transferable specific delivery contracts, including those conducted on the basis of the contracts of the I.J.M.A. The Commission is of the view, however, that the trading by-laws and working procedures of the recognised association should be so formulated as to cause the least amount of dislocation in the established processes of trade."

The Market Chosen

After carefully considering the respective claims of the different associations for recognition, the Commission has selected the East India Jute and Hessian Exchange Ltd., as the most suitable one. The Commission also considers that the scheme for reconstitution of the Exchange with a new set of Articles of Association and trading by-laws prepared by the *Ad Hoc* Sub-committee appointed for such purpose by the I.J.M.A. is generally satisfactory. The scheme does not, however, cover the existing system of trading in jute goods on the basis of the I.J.M.A. forward contracts and the transferable *pucca* delivery orders (P.D.O.) issued by mills. As the Commission is of the view that there is no need for exempting the I.J.M.A. contracts and P.D.Os. from the purview of the Act, it feels it necessary to modify the scheme proposed by the *Ad Hoc* Sub-committee in such a manner as would enable the existing I.J.M.A. contracts in jute goods and the P.D.Os. to continue to be operative under the regulation of the East India Jute and Hessian Exchange Ltd. The Commission has come to the conclusion that the Exchange should conduct trading in transferable specific delivery contracts in jute goods, in addition to the hedge contracts as proposed. The I.J.M.A. contracts and the transferable P.D.Os. would then be dealt as transferable specific delivery contracts in jute goods under the rules of the Exchange and there would be no dislocation in the existing pattern of trading. The Commission has also examined the question whether the East India Jute and Hessian Exchange Ltd. should conduct trading in transferable specific delivery contracts in raw jute also, in addition to hedge contracts in raw jute as proposed, and has come to the conclusion that there was no need for the introduction of such contracts in raw jute. The reasons given by the Commission are: (1) forward contracts in raw jute have remained banned since October 1953, under section 17 of the Forward Contracts (Regulation) Act, 1952; (2) while the Indian Jute

(Continued on page 1019)

NORTH INDIAN TEA IN OCTOBER

OUTLOOK CONSIDERED GOOD

THERE would appear to be a feeling in Calcutta tea trade circles that the market barometer is now set fair and that their hopes that prices of common tea would stabilise somewhere above the cost of production are nearer to realisation. This sense of optimism is apparently based on the general improvement in tea prices during October 1956 and the Government's decision not to raise the export duty on tea from As. 6 to As. 10 per lb. for the current month. This latter decision is taken as an indication of the Government's appreciation of the need for giving relief to the producer of common tea.

During the month under review, tea auctions in Calcutta, as was anticipated earlier, enjoyed a favourable market. This was mainly due to the small quantity of tea on offer, as there were only three sales during the month. In fact, the export offerings in the first sale held on 4th October were, of necessity, limited to slightly below 50,000 packages due to the imminence of the *Puja* holidays. Another factor which led to the sharp rise in prices was the hectic buying by outmarkets, particularly towards the end of the month, as a result of expectations that the export duty would go up to As. 10 per lb. in November.

The opening sale for export market of the month witnessed a strong internal buying in preparation of the *Puja* break in the middle of October. Common and low medium broken pekoes dominated the sale and advanced by about As. 3 per lb. Black fannings received good support, but in the subsequent sales, they received less attention, due to (1) the continued tension in the Middle East where these types are popular, and (2) difficulty in obtaining freight for countries in this troubled area. C.T.C. teas, which were only of ordinary rains quality, met with less support and consequently declined in price in each successive sale. The U.S.S.R. continued its strong support, with the result that Darjeelings, particularly leaf grades, enjoyed good sales. The final sale opened with a good general demand, but this could not be maintained as the sale progressed, as buyers were apprehensive whether the teas bought late on the 29th October, the date of the last sale, could be documented in time for submission to the customs by the last date of the month.

A noteworthy feature of the month's export sales was that the price concertina closed further, following an increase in the price of common broken pekoe and decline in that of best C.T.C. Assam B.P. Thus, by the final sale of the month, common B.P. rose by almost As. 4 to Re. 1-13-6 per lb., while, in the same period, the quotation for the best C.T.C. Assam B.P. declined by about As. 8 to Rs. 3 per lb. The general expectation is that this trend will continue and the price range between good quality and common tea may be less than Re. 1 per lb. before the end of the year.

The following table shows the prices fetched in export sales during the month, as compared with the final sale of the previous month:

	Sale 19 29-10-1956	*Sale* 18 22-10-1956	*Sale* 17 4-10-1956	*Sale* 16 14-9-1956
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Common B.P. ..	2 1 0	2 9 0 to 2 4 0	2 0 0	1 13 0
Plain B.P.	1 13 0 to 1 13 0	1 12 0 to 1 13 0	1 12 0 to 1 12 0	1 9 6 to 1 10 0
Medium Assam B.P. ..	2 1 0 to 2 2 0	2 2 0	2 2 0 to 2 3 0	2 0 0
Best C.T.C. Assam B.P.	3 0 0	3 2 0 to 3 3 0	3 6 0	3 8 0 to 3 10 0

For the internal market, three dust sales were held, with an average offering of 18,000 packages per week, which meet with good general demand. The demand, however, weakened towards the close. As in the case of export sales, the gap between the prices of the lower quality and the best varieties narrowed down considerably, as the following table indicates:

	Sale 19 30-10-1956	*Sale* 18 23-10-1956	*Sale* 17 5-10-1956	*Sale* 16 26-9-1956
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Medium Dooars dust. .	2 2 0 to 2 3 0	2 5 0	2 1 0 to 2 2 0	2 1 0
Medium Assam grainy dust	2 3 0	2 5 0 to 2 6 0	2 4 0	2 2 0 to 2 3 0
Medium Assam C.T.C. dust	2 8 0 to 2 9 0	2 10 0	2 6 0 to 2 8 0	2 8 0
Best Assam C.T.C. dust	2 14 0	2 14 0 to 3 0 0	3 0 0 to 3 2 0	3 4 0 to 3 8 0

The quotation for the best Assam C.T.C. dust in the last sale of the month was the lowest for the season up to the end of October. There has, however, been a further decline in the price of this variety in the current month.

The Government of India's decision to maintain the export duty on tea for November at As. 6 per lb. has been welcomed by all sections of the trade. The latter are greatly heartened that the representations made to the Government of India have not been in vain and that the Government is willing, in the long-term interest of the industry, to forgo a small return to the Treasury, thereby providing the much needed relief to the common tea producer. Commenting on the Government's decision, Messrs. J. Thomas & Co., Ltd., observe, in their monthly review for October, as follows:

"The lower duty should prove valuable in the immediate stabilisation of prices for common and low medium teas, while from a long-term point of view, it should lend considerable strength to the competitive position of Indian tea. With a ten-anna duty, Indian common tea, which has been steadily losing ground in the world markets, would have been even more difficult of sale and our exports seriously affected. It is hoped that the same principle will be followed in the coming months and the duty retained at six annas to ensure smooth trading."

Referring to the outlook for the current month and the prospects fod the rest of the season, Messrs. Thomas & Co. say:

"The trend of the market during the month of November will be largely dependent on the international situation. Provided there is no stoppage of shipping, the Calcutta market should strengthen, as the basic demand for tea is likely to be good. Buying from the Middle Eastern countries may be temporarily suspended until the fighting is over and peace is restored. There is a possibility of an increase in the freight rates, if the ships have to take the longer route *via* the Cape and, until the situation is clearer, it is possible that there may be a temporary reduction in the tempo of purchase by the European countries, including the U.K.

"Although the U.K. stock, customs, and afloat figures are somewhat higher than at the same period in 1955, these should be regarded as very low, taking into account the present situation, and 'spot' teas in London should come to a strong market. If supplies from India and Ceylon were to be temporarily cut off or delayed, a great shortage of tea is visualised in London. Common and medium teas have advanced by over a shilling in the last two weeks in London and have, for the first time in the season, sold at a premium over Calcutta.

"The world black tea crop to the end of September is only 7 million lbs. in excess of 1955 and with the early closure of plucking in North India, it is unlikely that the world supplies will show an increase at the close of the season as compared with 1955. Shipments from India and Ceylon, especially from North India, continue to forge ahead of 1955, though there may be a slight fall in exports during the coming months, especially if shipping conditions are difficult.

"The U.S.S.R. and Eire purchased substantial quantities of tea during the closing sales of October and are likely to operate on the same scale subject to the international situation being favourable. Eire has, so far this season, purchased a very small quantity of tea, both India and Ceylon, and if the deficit is to be made up, it is inevitable that its purchases will have to be stepped up during the coming months.

"While it is difficult to make a forecast of the tea market under the present unsettled conditions, statistically the position is sound and once the Middle East question is settled, good strong demand should prevail. The effect of the recommendations of the Calcutta Tea Regulation Committee is bound to be felt sooner or later, and a possibility of the further strengthening of the market, especially for the bulk of the lower quality teas, is not altogether to be ruled out. The market for common and low medium teas, which has shown signs of revival during October, may show a further improvement, while high-priced C.T.C. teas may tend to depreciate slightly, thereby closing the price concertina as the season progresses."

The world crop at the end of September amounted to 853.2 million lbs., as compared with 846.2 million lbs. a year before and 834.7 million lbs. at the close of September 1954. Stocks in London as on 26th October 1956, including teas afloat, amounted to 174.5 million lbs., as against 142.4 million lbs. on the corresponding date of 1955. Shipment of North-east India tea to the U.K. during January-October 1956 amounted to 237.52 million lbs., while that in the corresponding period of 1955 was no more than 153.47 million lbs.

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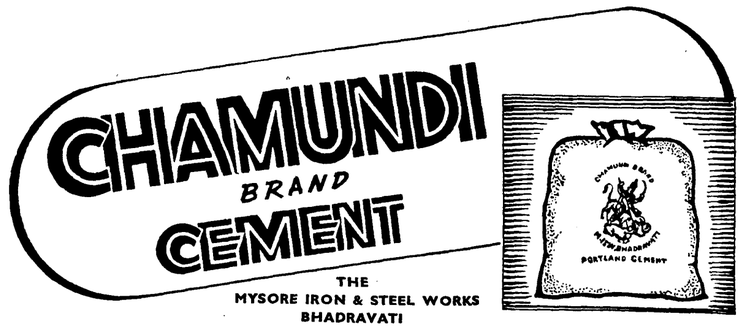

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PROBLEMS OF FOUNDRY INDUSTRY

GOVERNMENT'S EFFORTS TO AUGMENT RAW MATERIAL SUPPLY

SOME of the basic problems of India's foundry industry figured prominently in the speech of Mr. K. L. Jalan, Chairman, Indian Foundry Association, Calcutta, delivered at the recent annual meeting of the Association as well as in that of Mr. M. M. Shah, Minister for Heavy Industries, who was present on the occasion. Both Mr. Jalan and Mr. Shah recognised the importance of the foundry industry to India's national economy and the fact that the industry's progress had been hampered by raw material shortages, particularly by the shortage of pig iron. Mr. Shah gave the assurance that the problems were receiving the Government's attention and that efforts were being made to ensure that the supply of raw materials was augmented both by increased domestic production and imports.

Mr. Jalan said that the total pig iron requirements of the foundry industry by 1960-61 would be nearly 800,000 tons. Since these requirements could not be met entirely from domestic sources, it was essential that the Government should plan for imports in a way that would ensure a "continuous" flow of raw materials. While on the question of pig iron supplies, he said he would like to mention the possibility of establishing low-shaft furnaces for production of pig iron. Such furnaces, he said, would be helpful, because they would permit larger utilisation of inferior ores, lignite and non-coking coals. Besides the shortage of pig iron, there was also the question of inadequate supply of hard coke. In this connection, he observed that the Association's estimates of hard coke requirements in 1960 had been confirmed by the findings of the Fuel Research Institute which estimated the requirements at 80,000 tons per month by 1960. Mr. Jalan said that the foundries alone, which were the largest consumers of by-product hard coke, would require about 40,000 tons per month in the second Plan period.

Transport

Alluding to transport, Mr. Jalan calculated that the total number of wagons required daily for the movement of pig iron alone to the foundries will be between 1,560 and 2,080 by 1960-61 and that about 600 to 800 wagons per day would be needed to carry hard coke. He added: "Thus, the total daily wagons required for the foundries for the movement of only two important raw materials—pig iron and hard coke—will be about 2,500. If we take into consideration the movement of other raw materials and the finished products to and from the producing centres the total number of wagons required will be at least 5,000 per day. The supply of the required number of wagons to the foundries is extremely essential if production is not to be hampered."

While Mr. Jalan welcomed the Government's decision to establish plants for heavy forging and castings—the capacities of forge shops, steel foundry and grey iron foundry will be about 7,000 tons, 14,000 tons and 12,000 tons, respectively, in the initial stages and rise subsequently to 12,000 tons, 30,000 tons and 30,000 tons—he appealed to the Government not to undertake medium and small castings, in view of the fact that the capacity of the existing foundries for these castings was already idle. He said:

"Due care should be taken to ensure that the Government do not start manufacturing light castings in future on the ground of sufficient orders not forthcoming for heavy castings after the foundry is established. It would be desirable if the requirements of heavy castings is assessed correctly and a beginning is made with the present requirements with suitable provision to expand as the future demand for heavy castings expands."

Mr. Shah, in the course of his speech, referred to the points raised by Mr. Jalan. He pointed out that efforts were being made to augment raw material supplies to the foundry industry both from domestic producers and imports. He estimated that the three Government-owned steel plants, which would go into production between 1958 and June 1959, would produce 2.25 million tons of finished steel and 650,000 tons of pig iron. With the completion of expansion plans of the Tata Iron and Steel Co., Ltd., the Mysore Steel Works and the Indian Iron and Steel Co., Ltd., the country would have 4.5 million tons of steel and 885,000 tons of pig iron by the end of the second Plan; the pig iron production might even go up to 1 to 1.2 million tons. But the Government is fully alive to the current shortage of pig iron in the country and has arranged to import some 180,000 to 200,000 tons of pig iron this year. As regards the question of installation of low-shaft furnaces for production of pig iron, Mr. Shah said that it would be necessary to carry out large-scale pilot experiments before such furnaces were installed. The Government had already approved of two schemes for experimental purposes and would await the results of their operation before it took a decision in favour of extensive use of low-shaft furnaces. But he had no doubt that these furnaces were going to "revolutionise" the manufacture of iron and steel in this country, particularly the manufacture of pig iron.

Proceeding, Mr. Shah agreed with the Chairman so far as the difficulties of obtaining B.P. 2 hard coke were concerned. He cited the report of the Coke Oven Projects Enquiry Committee which had estimated the deficit in the supplies of hard coke at 380,000 tons, after taking into account the capacities of existing coke plants and their expansion plans. The present annual production of hard coke is about 2.6 million tons, of which 2.1 million tons are used by the steel plants themselves. The by-product hard coke produced by the coke oven plants and used by foundries is estimated at 250,000 tons. By 1960-61, the hard coke requirements of the country are expected to aggregate 0.9 to 1 million tons per year, exclusive of the requirements of steel plants which will produce their own hard and metallurgical coke. Even after taking into account the capacities of the existing hard coke plants and their expansion plans, the production of coke will not be more than 600,000 to 650,000 tons. The Government is, therefore, installing a big coke-oven plant at Durgapur with an annual capacity of 280,000 to 300,000 tons. It also wants to encourage the present hard coke manufacturers, in order to accelerate their proposed expansion plans. So far as soft coke is concerned, there is no difficulty in increasing the production of soft coke by the collieries.

In conclusion, Mr. Shah referred to Mr. Jalan's plea for not extending the scope of the output of the State-owned forging-*cum*-foundry shop to medium and small castings. He said that the main function of the Government-owned unit was to cater to the demands of the heavier and medium-sized castings and forgings. But he thought that "no shop of this nature could be planned without covering a wider range of production." He, however, felt that, in view of the large-scale expansion that was taking place in the sphere of engineering industries, the foundry industry need not entertain any apprehension over the manufacturing programme of the Government-owned forging-*cum*-foundry shop.

(*Concluded from next column*)

heavy taxation, the artificial and arbitrary restrictions imposed by the permit system, the uneconomical laden weight limits and uncertainty about nationalisation, were resolved, India would be able to take "fuller advantage of the special capital investment of over Rs. 400 crores which is being incurred on its roads." There is also another advantage in giving a fillip to road transport, namely, the wider opportunities for employment it provides. For, as Mr. Kennedy himself pointed out, the U.S., with a population of roughly half of India's, employs 9.8 million people or over 6 per cent. of its entire population on motor transport and allied industries, the corresponding figure for India at present being a mere 1.6 million.

The Voroshilovgrad thermal electric station, one of the largest in the Ukraine (Russia), has produced its first power. As soon as it is fully built its capacity will reach 600,000 kw. The sixth Five-year Plan (1956-60) devotes considerable attention to thermal stations. In some cases, the construction of these stations is of greater advantage than hydro-electric stations. This pertains to regions with extensive fuel resources—lignite, peat and combustible shales.

DEVELOPMENT OF ROADS

IMPORTANCE STRESSED BY MR. W. G. KENNEDY

IT is becoming increasingly clear that the implementation of the industrial and agricultural programmes in the second Plan might be held up, unless urgent attention is given to the development of transport. Although the development of the railways is vital to India's progress, it is no less important that the other forms of transport, namely, vehicular transport and shipping, should receive equal attention. The Government no doubt is alive to the need for giving encouragement to road transport. But it is to be feared that, while the authorities recognise the importance of roads, they do not always realise that expenditure on roads, if it is to be economically productive, should be accompanied by measures designed to improve road transport. This was one of the points made out by Mr. W. G. Kennedy, Secretary of the International Road Federation, London, in the course of an interesting talk at a Press conference, held in Bombay early this month.

Mr. Kennedy, who is now in India on a short visit to acquaint himself with road problems in India, pointed out how greatly the U.S. owed its prosperity to road transport. In the U.S., 77 per cent. of all goods was moved by road. Again, long-distance inter-State road transport in the U.S., according to Mr. Kennedy, accounts for 25 per cent. as much traffic as the railways carry. It would appear that, in the U.S., the employment of articulated vehicles and truck-trailer and tractor-trailer combinations has reduced road operating costs to levels comparing very satisfactorily with those of other forms of transport. Much attention, Mr. Kennedy said, had been devoted to road transport in that country where the people had realised the economic importance of good roads. One of the earliest watchwords of the average American citizen two decades ago was: "You pay for good roads whether you have them or not: you pay more if you do not have them."

Use of Roads

On the question of road development in India, Mr. Kennedy agreed that, while it was being attended to, it could not be denied that the country was not making adequate use of the roads it already had. He said that it had been found that, including the truck equivalent of bullock carts in India, the density of traffic in Indian roads was two vehicles per mile, as against 15 to 20 vehicles in many parts of the world. He felt that it was this inadequate use of the roads that had led to a severe and unbearable strain on railways and to transport bottlenecks. He added:

"It is observed that, while railway capacity in India increased from 92 million tons before the first Plan to 115 million tons by the end of that Plan, and it will increase further to 164 million tons by the end of the second Plan, the overall transport deficit is outstripping such capacity at a vastly increased rate. For example, the gap between demand and supply of railway transport in 1955-56 is stated to have been 5 million tons, whereas the gap estimated towards the end of the second Plan is roughly 35 million tons or seven times as acute as in the first Plan. During my visits to various places in India in the past fortnight, I have heard and seen a great deal of the general awareness of the need to overcome this bottleneck in the only way possible which is by employing road transport to bridge this great gap between demand and supply. I could not help feeling, however, that all proposals for expanding road transport were more or less vague and nebulous and the feeling is inescapable that, unless more speedy measures are taken to remove some of the handicaps now rigorously limiting the use of road transport, the effectiveness of the contemplated measures may prove very much inadequate.

"These handicaps make an imposing list and have evolved themselves by degrees during the past two decades when India concentrated on railways to the exclusion of road transport. High taxation, amounting to five times as much as in the U.S.A. on road transport, and the inability of the intending providers of transport in most parts of the country to get through inter-State permits are two of the foremost handicaps. Equally important is the low carrying capacity permitted for vehicles, which raises transport costs to prohibitive levels. The short duration of a permit which is often restricted to one year or less at a time, is another great deterrent to the expansion of road transport. Apparently, this low limit has been fixed to facilitate nationalisation if and when it is decided upon, but now that it has been decided that goods transport shall be left in the hands of the private sector during the second Plan period, one can see little justification for not increasing the permit period to at least five years."

Finally, Mr. Kennedy rightly felt that, if the main handicaps in India, namely, the very

(*Continued in previous column*)

NEW PRODUCTS AND PROCESSES

Temperature Control

ONE of the most difficult problems in the manufacture of silicon transistors vaives is that of ensuring that the temperature of the silicon crystal, which forms the heart of the transistor crystal valve, is accurately controlled while the crystal is being drawn, or pulled. A new system for controlling the temperature of silicon crystals during their manufacture, which has now been developed by the Minneapolis-Honeywell Regulator Company, is said to enable the temperature to be controlled with exceptional accuracy during this drawing process. Operation of the system depends on the use of a temperature detection device incorporating a special sapphire rod. This rod transmits the radiant energy of the heat from the carbon crucible in which the molten silicon is contained to a thermopile, which converts this heat energy into electric current capable of actuating the temperature recording and control units of the system. A series of specially designed electronic proportional control units are used to ensure that the temperature recordings are rapidly converted into control "orders" for the maintenance of the derived temperature.

Electric Typewriter

A portable electric typewriter by Smith-Corona Incorporated of the U.S. will be on the market by 1957, the Company states. Work on the development of this has been going on for five years, and is treated as highly secret in regard to competitors. The machine is practically the size of a standard portable typewriter. It is enclosed in a case of aluminium, covered with vinyl, and plugs into a wall socket like an electric fan. The weight is about 5 lbs. heavier than a manual portable. Some of the operations that are automatic on an office electric typewriter have to be manual on the portable model. They include carriage return, back spacer and tabulator. This is because no electric motor powerful enough to handle them can be compressed to the size for a portable model. The new machine will go on the market early in the New Year, priced at $187. Electric office machines sell from between $425 and $600. The Company says it expects to sell between 25,000 and 30,000 of the new machines next year. The biggest market is expected to be small business men and professional men who do typing at home. So far no competitor of Smith-Corona in the typewriter field has announced a portable electric machine. Remington Rand and Royal McBee Corporation say they are doing research in the field.

Modifying Butyl Rubber

A commercially practical chemical modifier for butyl rubber has been developed by the Monsanto Chemical Company in association with Esso Research and Engineering, according to a statement by Monsanto. The Esso firm is an affiliate of Standard Oil of New Jersey. According to the President of Monsanto, Dr. C. A. Thomas, the chemical, which is to be sold under the name of "Elastopar," doubles the resilience and strength under strain of unmodified butyl synthetic rubber. This takes place in the course of processing. Monsanto is at present producing Elastopar in semi-commercial quantities, and distributing samples to rubber manufacturers for testing. The application could have considerable impact on the tyre industry, it is claimed. At present butyl has a number of qualities which recommend it for use in car tyres, such as softness and freedom from squeal, but it tends to develop too much heat under road conditions. A chemical treatment to prevent this was previously known, but it required higher production temperatures, and longer mixing times than in the conventional butyl process. Elastopar, on the other hand, can be added to the product mix without interrupting the standard process of manufacture, it is said.

Microfilm Reader

An instrument for reading microfilm, including 16-mm. and 35-mm. film, which can be used on a desk top, is available from Micro Methods (17, Denbigh Street, London S.W.1). The equipment is not large and can be carried in its case quite easily. The reading "head" of the instrument can be rotated through 360 degrees and can be adopted for film strips, transparencies and for projection on wall or ceiling. It can take reels of film ranging in length from 50 to 100 feet. The light source is a 12-volt, 42-watt lamp with reflector; other equipment includes a built-in transformer and pressure plates to protect the film. These plates can be opened and closed either automatically or by hand. It is stated that both hand-driven and motorised versions of the reader are available. The motorised model has remote control switches for forward and reverse motion and for slow and fast speeds.

Plastic Covers

A technical concern, Verkoopassociatie van Metaalindustrieen, Overtoom, Leliegracht 13, Amsterdam, has put on the market entirely transparent plastic covers for protecing drawings, blue-prints, instruction cards, etc., which are kept clean in the covers and are easy to read through them. These plastic covers are supplied in sizes of 220x305 mm. (8.7x12 ins.) up to 1,400x2,500 mm. (55x98 ins.); they are 0.2 mm. (0.008 in.) tick. They are open at the top and provided with reinforced holes for filing in a ring binder or the usual filing systems. If desired, the covers can have a particular emblem or company name printed on them. Blue plastic ring binders with rings can also be supplied to match.

ANNUAL MEETING OF UNITED NILGIRI TEA ESTATES CO. LTD.

MR. E. H. STANES EXAMINES THE PROPOSAL FOR REPLANTING FUND

THE Plantation Enquiry Commission's recommendation for the creation of a tea replanting fund by the Tea Board, to which each garden should contribute Rs. 50 per acre per annum, came in for a critical examination at the hands of Mr. E. H. Stanes, Chairman of the United Nilgiri Tea Estates Company, Ltd., when he addressed the Thirty-fourth Annual General Meeting of the Company, held on 9th October 1956. The following is a summary of Mr. Stanes's speech:

"The main point I would stress is that the maintenance of our profits, in spite of continually increasing costs of production, and a heavy fall in selling prices, has been largely due to our expansion programme and the very much higher crop harvested.

"Between 60 per cent. and 70 per cent. of our crop is normally exported, and produces for India, at a very rough estimate, some Rs. 2½ crores of foreign exchange.

"Our average dividend over the first 20 years was 6½ per cent. and during this period was also repaid some Rs. 4 lakhs of debentures. There was during this period comparatively little money left over for development or higher cultivation expenditure. We started with 502 acres tea and now have 1,702 acres tea in bearing and 71 acres immature. All of the additional acreage, except the recent purchase of Korakundah, has been planted by us. This represents a continuous process of development. Our capital has increased from Rs. 4 lakhs in 1925 to Rs. 21,93,280 today, 31 years later, which represents only the very low figure of Rs. 1,300 per acre of mature tea."

Plantation Enquiry Commission's Recommendation

Referring to Plantation Inquiry Commission's recommendation, Mr. Stanes said that the report seemed to have many valuable suggestions to make, but he wished to comment in particular on their recommendations for replanting.

"The Commission has recommended that the Tea Board should draw up, in consultation with the producers, a programme of phased replanting as well as replacement and renewal of machinery and equipment. The Government should ensure that the tea gardens make the necessary financial provision for this programme before they declare dividends or repatriate profits. The Tea Board should appoint development staff to assist the States framing such programmes and to co-ordinate and implement them. Another suggestion of the Commission is that the Government should arm itself with powers to make investigations and issue directions necessary for the proper maintenance of fixed assets including replanting in any tea estate. It has recommended that a tea replanting fund should be created in the Tea Board to which each garden should contribute Rs. 50 per acre every year. The amount would be held in the fund by the Tea Board to the credit of the garden concerned. Tea gardens should be allowed to withdraw from the fund such amounts as may be necessary for the purpose of replanting, according to a programme approved by the Tea Board. The scheme may be applied only to gardens of 100 acres and above. As the major portion of the acreage and production are accounted for by estates over 100 acres, the scheme will cover 96.1 per cent. of the total acreage and 99 per cent. of the production in the country.

"As it affects this Company it appears that we should be expected to pay Rs. 85,000 per year to the Tea Board for a replanting fund, and more later as additional acreage comes into bearing. This money can only come from the funds we have been providing in the past for our development reserve, and can, of course, only be provided if profits permit. It is a blanket provision which would appear to take no account of the vast difference between estates and districts, or between North-East and South India, or crop per acre.

Replanting

"I agree that a tea bush is a wasting asset, and that it will eventually die or cease to produce leaf. As I see it, there are three reasons for replanting. (1) The tea has been planted in unsuitable land and should be uprooted and replanted elsewhere. This applies to the 150 acres on Korakundah which we do not even include in our acreage figures, as it is unproductive. (2) So many bushes have died through old age or natural causes that the yield per acre has become unremunerative. This will vary with climatic conditions, but on our high-grown teas I would consider 60 years a low average figure. (3) Scientific research has developed a disease-resistant hardy tea bush producing good quality leaf in large quantities. Though not improbable this is not yet in sight.

"I now return to this proposal of a contribution of Rs. 50 per acre to be paid to the Tea Board to be kept for us, as if we were incapable of running our own business. It is a sum sufficient to curtail all chance of continuing to develop as we have done in the past. It is apparently to be frozen, unless an approved replanting programme is put forward. Frozen unproductive money can do the country no good. Any reasonably run company can provide its own funds for replanting as long as there is not a slump.

"Except for reason (3) above—an eventuality not yet in sight— I reckon that it is 30 years, perhaps longer, before we need consider starting replanting. In 30 years we should have paid into the Tea Board something over Rs. 25 lakhs, which is more than the present capital of the Company.

Very Difficult Problem

"Are we going to get interest on this money? Is it going to be available to us at this long period ahead, and what will it be worth then in terms of cost of replanting per acre? Is it going to be allowable as a deduction from profits for taxation purposes? I do not envy the Tea Board in the very difficult problem they have been set.

"I have known our estates intimately over more than 30 years. They have never looked better and more healthy than they do now after having given us our biggest crop. If we have to start replanting in 30 years' time probably 50 acres per year is the most that it is practical to do. Taking, say, six years as a high-grown tea to come into production, and on present cost of replanting, our expenditure could rise to between Rs. 1 lakh and Rs. 1½ lakhs per annum, and I presume we should, at, the same time, have to contribute, say, Rs. 90,000 to the Tea Board. *We should never be able to spend the Rs. 25 lakhs that had accumulated, the interest alone on it would pay for our replanting without any further contributions from us.* I am a business man, and I am afraid these theoretical proposals, which can be made to sound like practical business, just make me mad. I would further say that it would be misappropriation if moneys contributed by us were given to other estates to do their replanting."

A refrigerator invented by Mr. F. Trombe, head of the National Centre for Scientific Research, produces 1 kilogramme of ice per hour, thanks to the sun's rays. It is fitted with a circular mirror which catches the sun's rays, concentrates and directs them to reservoir containing ammonia. Under the influence of the sun's rays, the gas becomes warm, is compressed, then passes into cooling tubes and expands into an evaporator, thus producing a very low temperature. It can function for years without any alteration.

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BJ-1. NAS

EXPORT CREDIT INSURANCE IN AUSTRALIA

SCHEME DESIGNED TO COVER 85 PER CENT. LOSS

MUCH interest has been aroused in this country over the possibility of instituting a scheme for export credit insurance, thanks to a comprehensive report on the subject by the Export Credit Guarantee Committee (Chairman: Mr. T. C. Kapur) published this year. Trade and commercial bodies have generally welcomed the idea of an export credit insurance scheme, for they have all realised the valuable assistance such a scheme could give to export trade. It has also been realised that Indian exporters cannot successfully compete in world markets with its rivals who are aided in their own countries by well-organised credit insurance schemes. It is noteworthy that more and more countries now feel that such schemes are very necessary in the interests of export trade. Among the countries which have recently taken up this question in great earnest, mention must be made of Australia where the Exports Payments Insurance Bill has received Royal Assent.

Importance of Scheme

The importance of export credit insurance scheme to national economy was emphasised by Mr. McEwen, Minister for Trade, when he spoke on the second reading of the Bill. He pointed out that experience had shown that the risk of non-payment in export transactions deterred exporters from increasing their trade, particularly in markets with which they had not previously done business. Again, some exporters, because of the payment risk involved and because of difficulties of financing sales on credit terms, had not been able to meet their competitors' terms of sale in certain markets. It was in order to meet these difficulties, he said, that the Government had decided to provide export payments insurance facilities.

Under the Australian scheme, the Exports Payments Insurance Corporation, which will be a statutory body, is being set up with an initial capital of £500,000. Further funds may be provided in future by way of advance out of moneys appropriated by Parliament for the purposes of the Act. All insurance contracts issued by the Corporation are guaranteed by the Government. The total liability for outstanding contracts at any particular time is, however, limited to £25 million. Participation in the scheme is entirely voluntary, but an exporter, who utilises the facilities under the scheme, should be prepared to offer a fair spread of risk. Thus, he cannot select only his worst risks for insurance.

Risks Covered

The Corporation, according to *The Review*, London, will insure insolvency of the overseas buyer or against the overseas buyer's inability to obtain foreign exchange to remit payments. It will also cover the risk of failure of the overseas buyer to pay within 12 months of the due date, the risk of war, rebellion, hostilities, revolution or other disturbances in the overseas country and any other cause outside the control of the exporter and arising outside Australia. If experience in working the scheme shows that there is genuine need for covering additional risks, the whole position, it is stated, will be further considered. The Corporation will not, however, extend credit to exporters. Nor will it enter the general field of insurance. Thus, it will not insure against fire or pilferage or damage to goods, or against marine or other risks that are nominally insured with insurance companies.

It may be noted here that the Indian scheme, drawn up by the Export Credit Guarantee Committee, envisages the coverage of all the risks that are sought to be covered by the Australian Corporation. There is, however, one difference. The Indian scheme contemplates the coverage of only 80 per cent. of commercial risks, 85 per cent. of political risks and 50 per cent. of unrecouped expenses incurred over promotional campaigns. It is not clear whether the Australian scheme covers "promotional" expenditure risks. But the maximum limit for cover is set at 85 per cent., as compared with 80 per cent. under the Indian scheme. The Australian scheme does not also seem to make any difference between political and non-political risks. Be that as it may, the scheme recognises that the loss covered can only be a certain percentage of the value of the risk offered for cover. This limitation is rightly defended on the ground that, if the exporter is compelled to carry a portion of the loss himself, he will exercise normal commercial prudence in his export transactions and will also take a direct interest in recovery action in the event of a loss being sustained.

General Set-up

The general set-up of the Australian Corporation is also similar to the one suggested by the Indian Export Credit Guarantee Committee. Thus, the Corporation will be a statutory body, independent of existing Government departments. It will be under the control of a single Commissioner and will be responsible to Parliament through the Minister. The views of the exporters, manufacturers, the commercial community in general and of the trading banks on the operations of the Corporation will be expressed through a Consultative Council consisting of 10 representatives of these interests.

The Minister will not interfere in matters of day-to-day administration of the Corporation. But the Corporation will keep the Minister informed of its decisions in matters of policy relating to the conduct of the business. The Minister's approval is required in regard to classes of insurance contracts that may be entered into, the nature of risks that may be covered and the undertaking of liabilities in relation to trade with particular countries. Under these three heads, if the Corporation and the Minister do not agree or agreement is not reached within a reasonable time, the Minister may determine the policy to be followed. The approval of the Minister is not required in relation to any particular insurance contract nor is he empowered to determine that the Corporation shall or shall not enter into any particular contract. Thus, the Corporation has the maximum of freedom but Parliament retains an appropriate measure of control through the responsible Minister.

MARINE MARKET

Some important problems of the marine market were discussed in an address delivered at the Insurance Institute of London by Mr. G. W. Hogsflesh, the Chairman of the Institute. Among these problems, the rising cost of repairs to ships is one with which marine insurers all over the world are familiar. Mr. Hogsflesh pointed out how repair costs had gone up by 25 per cent. between 1953 and 1955 and said that they might go up by another 25 per cent. by the end of 1958. He referred, in particular, to the damage caused to the Liberty-type vessels. He added: "I can't help feeling that we are entering into an extremely expensive era of these war-time built vessels, for, after all, they were built on a short-time policy and have now done almost 15 years of hard and useful service."

A major post-war development, according to Mr. Hogsflesh, has been the growth of national marine markets with the cushion of reinsurance treaties placed in other markets. Referring to this development, he said: "Much of this business used to come direct to the London market, but now only comes by way of reinsurance and with excessive overriding commissions." He warned that, "unless some brake is placed on these deductions, many of the more prudent underwriters in our market will say they are not prepared to go on writing business which is just about breaking even."

In conclusion, Mr. Hogsflesh referred to what he called the "credit" side of the marine business. He said:

"On the credit side of our business there is a big factor which is often not mentioned or given very little publicity, and that is the increase in our premium income as a result of the increased value of both new and second-hand tonnage. In an article in *Fairplay* some time last year, for a standard 9,500-ton diesel engine ship the price at the end of 1945 was quoted as £265,000 or £28 per ton deadweight. In June 1955, that figure had gone to £665,000 or £70 per ton deadweight. With this tremendous rise in shipbuilding costs, owners have periodically reviewed their values, and looking through my books I find that in the last five years a great many ships have increased in value from 25 per cent. to 40 per cent. Another factor that dispels the gloom is the lack of major casualties during the last two years. The Liverpool Underwriters Association figures do show that reported casualties to vessels of 500 gross tons and over have increased by approximately 8 per cent. in comparison with 1954, but the majority of these are in the smaller category vessels. I am optimistic enough to think that as far as our bigger and higher-valued vessels are concerned there has been a great improvement in aids to navigation, and in particular, in the standard of the operators. Many of us during the war had an opportunity to play about with a cathode-ray tube, and it struck me most forcibly how much the trained operator could see on his screen compared with my own casual observation. I well remember being on the bridge of one of our big passenger liners whilst on trials about 12 months ago, and when we were looking at the radar screen, the second officer told me that his radio officers could see far more on the screen than he could. Another point is the improving standard of maintenance of the radar sets. This, of course, does not apply to the same degree to the smaller tonnage where there are fewer officers, and possibly, the standard of operation and maintenance is not so high.

"The growing use of non-combustible materials in the big new passenger liners will be a great help towards lessening the fire hazard in the future. This latter risk I still consider to be one of the shipowners' major problems in our big passenger liners, and as leader on the Cunard Fleet, I can't help shuddering sometimes when I see in the stop press of my evening paper that the fire brigade has been called to one of the *Queens* in Southampton. ... I hope these factors will remove some of the gloom in your minds, and as far as I am concerned, I think we can face the future with confident optimism provided there is no complacency, and we are always alert to meet the changing conditions as we approach the new atomic age."

PILFERAGE IN DOCKS

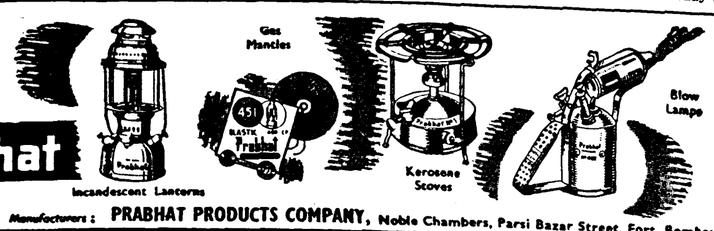
Pilferage is one of the ugly features of the working of the docks in many parts of the world. This is a problem of particular interest to marine insurers who are often called upon to pay heavy losses arising out of loss of goods in ports. In this connection, it is gratifying to note that the authorities in Bombay are able to detect an increasingly larger number of thefts which take place in the port. Thus, in 1955-56, according to the latest Administration Report of the Bombay Port Trust, the total number of theft cases detected was 200, as against 155 in 1954-55. The police, the B.P.T. staff and 'outsiders' were all responsible for detection, their respective shares being 165, 3 and 32, as against 71, 8 and 76 in 1954-55 respectively.

The following table gives the classification of thefts in 1954-55 and 1955-56 according to the nature of goods:

Number of Thefts

	1954-55	1955-56
Foodgrains and foodstuffs	9	9
Motor car accessories	11	13
Metals	35	18
Injections and medicines	8	8
Cycle accessories	17	29
Liquor	6	8
Cloth	2	11
Machinery	4	14
Copper (wire, bars and cables)	9	8
Steel files and saw blades	8	5
Spices	..	4
Radio valves	1	..
Sewing machines	1	..
Miscellaneous	54	78
Total ..	155	200

It will be seen from the table above that while "metals" attracted the pilferers' attention most in 1954-55, it was "cycle accessories" that invited their notice most in 1955-56. It is, of course, difficult to draw any valid conclusion from the above table, in view of the fact that the figures relating to the total quantity of goods arriving under each head are not available. Nevertheless, it looks as though accessories of motor cars and cycles lend themselves to being stolen, presumably because they are easily carried and have a ready market.



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ANNUAL MEETING OF T. I. CYCLES OF INDIA LIMITED

SIR A. RAMASWAMI MUDALIAR'S SPEECH

NEED FOR PRODUCING QUALITY PRODUCTS URGED

THE Seventh Ordinary General Meeting of the Shareholders of T. I. Cycles of India Ltd., Madras, was held on Tuesday, 6th November 1956, at the registered office of the Company. Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), Chairman, presided.

The Secretary read the notice of the meeting and placed before the meeting the proxies received which were recorded.

The Chairman delivered his speech and, thereafter, asked the shareholders whether they had any questions to put in the light of the speech and in the light of the Directors' report and the audited balance-sheet and profit and loss account for the year ended 30th June 1956 which had been in their hands for some time. No questions were asked.

The following resolutions were unanimously adopted.

The Directors' report and the audited balance-sheet and the profit and loss account for the year ended 30th June 1956 were adopted.

A resolution that a dividend of 6 per cent. for the year ended 30th June 1956 be paid was adopted.

Sir Ivan Stedeford and Shri A. M. M. Murugappa Chettiar, the retiring Directors, were re-elected.

Messrs. Fraser & Ross and Shri P. S. Gopalakrishnan, the retiring Auditors, were re-appointed Joint Auditors of the Company for the year 1956-57 and their remuneration fixed.

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

Chairman's Speech

The following is the text of the Chairman's speech:—

"GENTLEMEN,

"It gives me very sincere pleasure to welcome you to this annual meeting of the T. I. Cycles of India Limited. The Directors' report and the audited acounts and balance-sheet for the year ended 30th June 1956 have been before you for some time and, with your permission, I shall take them as read.

"The year under report has been full of events, some of which pleasant and some causing concern and anxiety to your Directors. Taking the latter first, during the year, there have been some labour difficulties which affected the progress of your factory. In my last report, I referred to the 'go slow' movement which was spreading among industrial workers in many industries and in different parts of the country. Unfortunately, the movement overtook your factory workers some time in November of last year and, in spite of every effort made by the management, the workers went on strike from 19th December. The factory came back to normal only in April. During all this period, the Managing Directors and the supervisory staff at the factory were constantly in touch with the labour officers and the Ministry of Labour, both in the State and at the Centre, and extended to them every measure of co-operation possible to bring the strike to an end. In spite of all this, owing to bad leadership of outside leaders, the old workers whom we had trained and who were happy in their work with us did not resume work. However, very soon after, wiser counsels prevailed among the workers themselves and the factory had its full complement of workers, both old and new, early in April. The piece-work system was accepted and is now working with satisfaction both to the workers and to the management. The wages of the workers on the piece rate are higher than they were before and have given much satisfaction.

"I refer to more pleasant events which occurred during the year. A most modern and up-to-date canteen was completed and declared open by the Chief Minister of Madras in May 1956. The occasion was taken by the Chief Minister and the Minister for Labour to advise the workers against being misled by interested people. The construction of the administrative building, which I referred to in my last speech, has practically been completed. Factory 'B' has been extended to house the machinery for the manufacture of freewheels and it is expected that freewheels will be manufactured from the beginning of 1957.

Company's Target

"Under the Development of Industries Act, your Company has been permitted to manufacture 2 lakh bicycles and 1 lakh set of bicycle components on a single shift. Your Board of Directors have accepted this target and are arranging for the necessary equipment and machinery to be installed in the factory to achieve this target on the basis of a single shift. Certain balancing equipment has been found to be necessary, the licence for which has been obtained and orders for such machinery have been placed abroad. With this additional plant and machinery, the capacity of your factory on single shift will be as fixed in the target and it is obvious that any additional demand that may be made will then be more easily achieved on a balanced basis by doubling the shift.

"It gives me special pleasure to repeat what I stated last year that the quality of your products are so well appreciated that Hercules cycles are in great demand throughout the country. Thanks to their whole-hearted co-operation we have continued to enjoy the benefit of technical advice from our colleagues in Birmingham. The present monthly output is, on an average, 15,000 bicycles. But the demand is greater than what we can conveniently meet, especially as there is a back-log of orders owing to closure or partial working of the factory during the earlier months of this year. According to the second Five-year Plan, it is estimated that at the end of 1960, the annual offtake will be about 1.25 million bicycles and, according to present trends, this target is not an impossible one.

Quality Should be Maintained

"Several manufacturers have been licensed to produce complete bicycles and, in addition, many scores of operators have been given licences to produce cycle parts. The desire to have small-scale units spread all over the country, partly to manufacture parts and mostly to assemble completed cycles, which the Government has in view, is a commendable one and large-scale manufacturers have no reason to criticise this policy. The assembly of cycles from parts manufactured by various persons or factories is a normal thing in many countries. There is, however, one safeguard which is absolutely necessary and which I trust the Development Councils and the Government would always keep in mind. The cycle is a poor man's means of transport and it is necessary that he should get the best product in return for the hard-earned savings which he invests in a cycle. The quality of every part should, therefore, be strictly tested and only those who produce parts of the desired quality should continue to have licences extended to them for the manufacture thereof. I am aware that the Indian Standards Institute is setting up standards for indigenous cycles and cycle parts with the help of technical experts. I hope that no false sense of sympathy for the cottage industrialist or the small-scale industrialist will influence anyone to lower the standard prescribed by the Indian Standards Institute.

"The new Companies Act has come into effect from 1st April this year and it has brought in its wake many problems to industry. All the implications of the various provisions of the Act, some of which at first sight seem to be rather contradictory, have not yet been fully ascertained. The statutory obligations of a company have increased enormously as a result of the Act and your Directors have done everything possible to ensure that the provisions of the Act are properly observed. But, with the best legal advice, it is difficult to be absolutely certain that the provisions of the Act are correctly understood and fully implemented. The day-to-day administration of the business has become complicated in the light of the provisions of the Act. I do venture to hope that second thoughts will be paid by the Government towards revising some of the provisions and making other provisions more certain and definite than they appear to be now.

Amenities to Labour

"I have referred to the canteen that was opened, which is subsidised to a certain extent by your Company, with the result that the workers get cheap and healthy food at the canteen. I have always believed that amenities of this kind are far more valuable to the workers than merely increased bonuses or even merely increased wages. The management will continue to follow this policy without, however, in any way derogating from the cash earnings of the workers which is now satisfactorily fixed on a piece-rate system. The economic progress of the country and, particularly the success of the Five-year Plan, depends very largely on the co-operation which the industrial workers extend. It is no consolation even to the Government to criticise the employers continuously, if productivity diminishes on account of the intransigence of workers. Most employers are anxious that the industrial units under their control should produce as much as possible and that there should be industrial peace.

"While appreciating the efforts of the Government to improve the conditions of workers and recognising the various legislative measures that have been adopted for the purpose, it seems to me that the time has come for the Government to examine whether in most cases, leadership of trade unions should not be confined to those who are engaged in that industry, especially as the scope of membership has now been widened by recent legislation. There seems to be no case for outsiders to lead labour union movements in most instances and I feel that there are better chances of an understanding between the management and the workers if direct relationship is established between the two without the intermediary of an outsider who knows neither the management's difficulties nor much less the real handicaps of workers. The stage has come when workers have been sufficiently educated about their rights to be in a position to find their own leadership from within.

"I would like to conclude by expressing the appreciation and thanks of the Company to the Government of Madras and to the Government of India for all the help, assistance and encouragement that we have continuously received from both the Governments during the last few years. The Minister of Commerce and Industry, who fostered the cycle industry, is now in charge of Finance, but continues to show the same interest in the industry. The Minister of Heavy Industry and other Ministers, both State and Central, have assisted us with their wise advice and counsel from time to time. I trust that they have also noted with satisfaction the progress that this Company has made in all directions. Lastly, I should like to pay my tribute to the office staff and the supervisory staff in the factory and the workers for the co-operation that we have received."

THE
BANK OF MAHARASHTRA
LIMITED

Scheduled Bank. *Head Office:* **POONA—2**

CAPITAL

Called and Paid-up Capital	Rs.	16,00,000
Reserves	Rs.	8,75,000
Working Funds exceed ..	Rs.	7,00,00,000

Board of Directors

Shri V. P. Varde (*Chairman*)	**Shri M. V. Shah**
,, N. C. Pawar	**,, B. M. Gupte**
,, D. K. Sathe	
,, M. R. Joshi	**,, M. B. Jambhekar**
,, F. D. Pudumjee	**,, M. S. Parakhe**

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L. C. MARATHE, *Bombay Branch Agent.* **C. V. JOAG,** *Manager.*



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SRI P. H. KOTHARI, B.COM., LL.B.
General Manager, Head Office.

Notices

THE PRAGA TOOLS CORPORATION LIMITED

NOTICE

THE TWELFTH ANNUAL GENERAL MEETING of the PRAGA TOOLS CORPORATION LIMITED will be held at the Registered Office of the Company at 17, Saifabad, Hyderabad-Deccan, on Monday the 17th December 1956, at 11 a.m. to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Manufacturing, Trading and Profit and Loss Account for the period 1st January 1955 to 31st December 1955.
2. To elect a Director in place of Shri Naoshir S. Chenoy, who retires by rotation in accordance with Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
3. To appoint Auditors for the current year and fix their remuneration.
4. To consider and if thought fit to pass the following resolutions as special resolutions pursuant to Section 261 of the Companies Act, 1956, with or without modifications.

AS SPECIAL RESOLUTIONS

(Requiring Special Notice)

(a) "Resolved, in view of the provisions of the Section 261 of the Companies Act, 1956, that appointment of Shri T. M. Jagtiani, Operative Director, the Singareni Collieries Co.. Ltd., an officer of the Managing Agents, be and is hereby made and/or approved as required by the provisions of the said section as a Director of the Company notwithstanding the fact that he is an officer of the Managing Agents of the Company."

(b) "Resolved, in view of the provisions of Section 261 of the Companies Act 1956, that Shri C. Damodar Reddy (Secretary to Government, Finance Department, Government of Hyderabad), an officer of the Managing Agents, who retires by rotation and is eligible for re-election, be and is hereby re-elected as a Director of the Company, notwithstanding the fact that he is an officer of the Managing Agents of the Company."

N.B.—Explanatory Statement in respect of the above annexed hereunder.

The transfer books of the Company will be closed from Monday the 10th December 1956 to Monday the 17th December 1956, both days inclusive.

By Order of the Board,
For THE PRAGA TOOLS CORPORATION LIMITED,
P. M. REDDY,
Operative Director,
Managing Agents,
(Industrial Trust Fund).

HYDERABAD-DECCAN,
Dated 31st October 1956.

Note.—Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself.

EXPLANATORY STATEMENT

(As required by Section 173 of the Companies Act, 1956)

Item No. 4-(a).

Under Section 261 (4) of the Companies Act 1956 Shri T. M. Jagtiani, Operative Director, The Singareni Collierics Co., Ltd., an officer of the Managing Agents, continues to be a Director of the Company upto the next Annual General Meeting. Although Shri T. M. Jagtiani does not retire from office by rotation at this Annual General Meeting his appointment should be made and/or approved by a special resolution of the Company at the said Annual General Meeting. A special notice dated 31st October 1956 under Section 261 (2) of the Companies Act, 1956, has been received by the Company from a member notifying his intention to move the resolution as set out in the item No. 4-(*a*).

Item No. 4-(b).

Under Section 261 (4) of the Companies Act 1956 Shri C. Damodar Reddy (Secretary to Government, Finance Department, Government of Hyderabad), a Director of the Company and an officer of the Managing Agents, who retires by rotation and is eligible for reappointment, cannot be appointed a Director of the Company except by a Special Resolution. A special notice dated 31st October 1956 under Section 261 (2) of the Companies Act, 1956, has been received by the Company from a member notifying his intention to move the resolution as set out in the item No. 4-(*b*).

For THE PRAGA TOOLS CORPORATION LIMITED,
P. M. REDDY,
Operative Director,
Managing Agents,
(Industrial Trust Fund).

HYDERABAD-DECCAN,
Dated 31st October 1956.

THE ELLORE ELECTRIC SUPPLY CORPORATION, LIMITED

(Registered Office: MADRAS)

NOTICE OF THE 22nd ANNUAL GENERAL MEETING OF SHAREHOLDERS.

NOTICE IS HEREBY GIVEN THAT THE 22nd Annual General Meeting of the Ellore Electric Supply Corporation, Ltd., will be held at the Registered Office of the Company, No. 20, Second Line Beach, Madras, on Monday the 24th December 1956, at 11 a.m.

1. To consider and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1956.
2. To consider the declaration of a final dividend of 10 annas per share or 6¼ per cent. free of income-tax for the year ended 31st March 1956, making a total of a rupee per share or 10 per cent. for the year.
3. (*a*) To appoint Sri S. Sabhanathan as a Director of the Company pursuant to Section 261 of the Companies Act, 1956, and if thought fit to pass the following resolution which will be proposed as a special resolution, in respect of which a special notice as required by Section 261 of the said Act has been received by the Company and the relative explanatory note concerning which is set out below:—

   "Resolved that Sri S. Sabhanathan who is a member of Messrs. Chandrie & Co. (Private) Ltd., be and hereby is appointed as a Director of this Company by this special resolution as required under Section 261 of the Act."

   (*b*) To appoint other Directors to the Board as recommended in the Directors' Report.
4. To elect Auditors for the current year and fix their remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 10th December to 24th December 1956, both days inclusive.

By Order of the Board,
For CHANDRIE & Co. (PRIVATE) LTD.,
S. VENKATARAMAN,
Director.
Managing Agents.

MADRAS, *12th November* 1956.

Note:—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of himself and a proxy need not be a member.

(*b*) Sri S. Sabhanathan is a member of Messrs. Chandrie & Co. (Private) Ltd., who are the Managing Agents of the Company.

Sri S. Sabhanathan was elected as a Director of the Company at its Annual General Meeting held on 29th September 1955 and will not vacate his office this year but for the provisions of Section 261(4) of the Companies Act. The Directors feel that his services to the Company as a Director will be highly beneficial to the Company and hence, recommend his appointment as required under Section 261 of the Act.

(c) The Dividend when sanctioned at the Annual Meeting will be paid on or after 24th December 1956 to those shareholders whose names stand on the Register of Members on 10th December 1956.

By Order of the Board,
For CHANDRIE & Co. (PRIVATE) LTD.,
S. VENKATARAMAN,
Director.
Managing Agents.

THE INDIAN CABLE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Shareholders of The Indian Cable Company, Limited, will be held at the Registered Office of the Company, 9 Hare Street, Calcutta, on Friday the 21st December 1956, at 11.00 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1956.
(2) To declare Dividends.
(3) To elect a Director.
(4) To re-appoint the firm of Messrs. Lovelock and Lewes of 4, Lyons Range, Calcutta, Auditors of the Company for the current year and to fix their remuneration.

AS SPECIAL BUSINESS.

(5) (*a*) In pursuance of Section 228 (1) of the Companies Act, 1956, to appoint the firm of Messrs. A. F. Ferguson & Co. of Bombay for the purpose of auditing the accounts of the Branch offices of the Company at:—

Bombay,
Ahmedabad,
Ambala,
Jamshedpur,
New Delhi,
Nagpur,
Kanpur and
Secunderabad
and to fix their remuneration.

(*b*) In pursuance of Section 228 (1) of the Companies Act, 1956, to appoint the firm of Messrs. Fraser and Ross of Madras for the purpose of auditing the accounts of the Branch offices of the Company at:—

Madras,
Bangalore,
Coimbatore and
Trivandrum
and to fix their remuneration.

To consider and if thought fit pass the following resolution with or without modifications:—

AS AN ORDINARY RESOLUTION.

(6) "That the accounts of the Branch office of the Company at Karachi, Pakistan, be not audited under the provisions of Section 228 (1) of the Companies Act, 1956."

The Share Transfer Books of the Company will be closed from the 8th December 1956 to 21st December 1956, both days inclusive.

Dividends, if any declared at this meeting will be payable to Shareholders registered on the Company's Books on the 21st December 1956, or their mandatees.

By Order of the Board,
S. N. MUKERJEE,
Chairman.

9, HARE STREET,
CALCUTTA, *13th November* 1956.

N.B.—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

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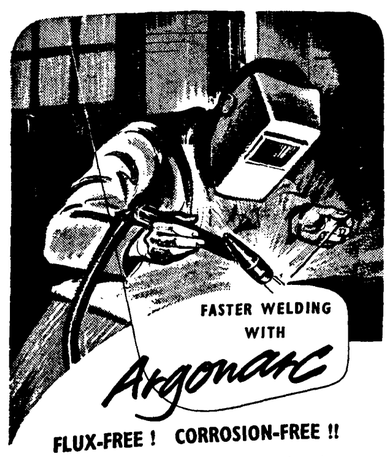

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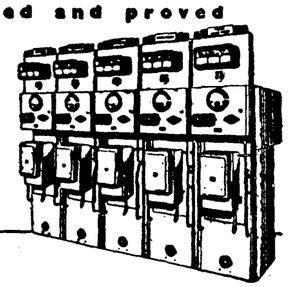

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RECENT TRENDS IN WORLD TRADE

TERMS OF TRADE OF PRIMARY PRODUCING COUNTRIES DETERIORATE

THE year 1955 saw remarkable developments in the field of international trade. Between 1954 and 1955, the volume of goods moving in external trade between the free countries of the world rose by nearly 9 per cent. which represents the highest rate of increase ever occurred since the 12 per cent. rise registered between 1950 and 1951. It must, however, be borne in mind that the latter reflected principally the effects of the post-war recovery and, to some extent, the increased trade in raw materials due to the Korean war. A significant feature of the world trade in 1955 was that it kept pace with the volume of world industrial production which was also about 10 per cent. higher than in 1954. Further, not only did the volume of trade touch new peaks, but the actual tempo of increase too was accelerated. In 1953, exports increased by 4 per cent. over that of the previous year, and the 1954 export figure represented an increase of 6.4 per cent. over the 1953 figure. As compared with this, exports in 1955 were higher by 8.6 per cent. over the 1954 level. The high level of imports and exports in the first quarter of 1956 indicates that the gains made in 1955 are being maintained. A broad outline of the recent changes in the trend of world trade is given in an article in the September (1956) issue of the *Monthly Bulletin of Statistics*, published by the Statistical Office of the United Nations.

The article observes that, during the period January 1955 to June 1956, prices of imports and exports were dominated by the price level in the industrial countries, and that the increase in the volume of goods moved has, through its effect on freight rates, resulted in a slight deterioration in the terms of trade of primary producing countries. The recent rise in the volume of trade was accompanied by a rise of about 25 per cent. in trip charter rates for dry cargo vessels between the first quarter of 1955 and the second quarter of 1956 and a rise of about 50 per cent. in trip charter rates for tankers. This has resulted in an increase in the share of ocean freights in the cost of exports and imports which adversely affected the primary producing countries to a greater extent than in the industrialised countries. In the case of the latter countries, prices of exports and imports moved up by the same amount as the domestic wholesale prices which had risen by 3 to 5 per cent. The imports of the primary producing countries, which are, to a large extent, goods of higher value per ton on which changes in freight rates have a small influence, have generally moved up, in average price, in the same way as the exports of industrial countries. But the average prices of the exports of the primary producing countries, upon which changes in ocean freight exercise a greater proportional effect have, as a rule, remained constant or moved down slightly. It appears, therefore, that the domestic price levels in industrial countries, have, as already stated, dominated the prices in external trade. This, coupled with the rise in freight rates, resulted in a deterioration in the terms of trade of producers of primary products.

The price index of primary commodities, which stood at 102 in 1954, fell to 98 in the second quarter of 1955, rose slightly to 99 in the first quarter of 1956, and still further to 101 in the second quarter of 1956. The unit value index of exports of manufactured goods, which stood at 99 in 1954, improved to 102 in the last quarter of 1955 and 103 in the first and the second quarters of 1956. The following table illustrates the trend.

TABLE I

Index Number: 1955=100

(Price data based on values in U.S. dollars)

	1954	1955	1956	
			1st quarter	2nd quarter
*World exports .. (In million U.S. dollars)	75,950	82,550	21,300	..
*World imports .. (,,)	78,800	87,950	22,900	..
World exports :				
Volume index	92	100	101	..
Unit value index	100	100	101	..
Exports of manufactured goods :				
Volume index	92	100	102	..
Unit value index	99	100	103	103
Price index of primary commodities	102	100	99	101
Ocean freight index :				
Dry cargo, trip charter ..	74	100	111	118
Tanker cargo, trip charter ..	69	100	116	156

* Excluding U.S.S.R., Eastern Europe and Mainland China.

It will be interesting to compare the recent developments with movements in the terms of trade over a longer period of time. Between 1938 and 1955, the volume of goods traded internationally increased by 64 per cent. and their average price by 142 per cent. In that period, the average price of manufactured goods increased by only about 100 per cent. Thus the terms of trade shifted, between 1938 and 1955, against manufactured goods, and most of this shift took place between 1938 and 1948. As noted above, since 1955, there has been a distinct reversal of this trend.

The volume of manufactured goods exported has risen, since 1938, more or less in proportion to the rise in total production of manufactured goods and more than the volume of exports as a whole. As the table below shows, the index of manufacturing production, which stood at 50 in 1938, increased to 110 in 1955 and the index of total exports which stood at 69 in 1938 increased to 113 in 1955. As compared with this, the index of exports of manufactured goods rose from 54 to 114 during the period. This clearly indicates that the share of manufactured goods in the total export trade is steadily increasing. The following table illustrates this trend:

TABLE II

*Trends Since 1938 in External Trade**

Index Numbers (1953=100)

(Price data based on values in U.S. dollars)

	1938	1948	1954	1955
Value				
Total exports	28	72	104	113
Exports of manufactured goods.	27	66	103	113
Volume				
Total exports	69	70	105	113
Exports of manufactured goods.	54	64	105	114
Manufacturing production ..	50	72	100	110
Mining production	61	82	101	110
Price				
Total exports	41	103	99	99
Exports of manufactured goods.	50	102	98	99
Terms of trade of manufactured goods	143	100	98	100

* Excludes the exports and production of the U.S.S.R., Eastern Europe and Mainland China.

On the price front also, since January 1955, finished goods have been leading other commodities. For instance, the average price of manufactured goods exported has, after January 1955, increased by about 3 per cent. whereas, the general level of export prices has increased only about 1 per cent. As Table I quoted above shows, the unit value index of world exports increased from 100 in 1954 to 101 in the first quarter of 1956, whereas, the unit value index of exports of manufactured goods increased, during the same period, from 99 to 103.

Certain commodities have, during the year ended June 1956, shown particularly interesting price movements. The coffee price index (base 1953=100) moved up during the period from 97 to 105 after having moved steadily downward from a high of 149 in the second quarter of 1954.

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SOMALILAND PROTECTORATE: Hargeisa, Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Tanga, Daressalaam, Mwanza, Lindi, Moshi, Mtwara, Mikindani (Sub-Branch to Mtwara), Bukoba, Mbeya
KENYA: Mombasa, Nairobi, Dalamare Avenue, Nairobi, Thika, Fort Hall (Sub-branch to Thika), Nakuru
Naivasha (Sub-Branch to Nakuru), Kisumu, Kakamega (Sub-Branch to Kisumu), Eldoret, Kericho, Sotik, Nyeri (Sub-Branch to Kericho)
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Kamuli (Sub-Branch to Jinja), Mbale, Tororo, Soroti, Mbarara

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D. G. MOORE, Manager.

Similarly, the price index of tea moved up, albeit slightly, from 115 to 116; it had previously shown a decline (from a high of 175 in the fourth quarter of 1954) which was more marked than the corresponding decline in the coffee index. The index for cocoa, which had reached a high of 176 in the second quarter of 1954, declined to a figure of 77 in the second quarter of 1956.

The trade in rice is of importance to a large part of the world. Because of the prevalence of inter-governmental long term contracts, it is difficult accurately to assess the trend of its price. Figures in which inter-governmental transactions have been given their appropriate weights indicate that rice prices have been declining steadily since 1953. In the second quarter of 1956, the index was at 70. The price index of wheat has also declined in the same period to about 89. The prices of maize and barley had declined from their 1953 levels but began to rise in 1955, and in the second quarter of 1956 slightly exceeded their 1953 levels.

Between the first and second quarters of 1956, the price index for fats, oils and oilseeds rose by 10 points because of rises in the prices of lard and vegetable oils, particularly olive oil and groundnut oil. The price index for natural rubber, starting at 143 in the second quarter of 1955, rose to 197 in the third quarter and declined for the three succeeding quarters, reaching 145 in the second quarter of 1956. From its exceptionally high value, 238, in 1951, the index had fallen to 98 in the second quarter of 1954 and had then begun to rise again towards its recent values. The prices of three major non-ferrous metal ores, lead, zinc, and tin (each of which follows rather closely its metal price), have dropped appreciably from their highs in 1951. Copper ore prices, on the other hand (which also follow the metal price), have, except for a minor setback in 1954, had an almost uninterrupted rise up to the second quarter of 1956.

The conclusion that emerges from this analysis is that the primary producing countries are facing a grave problem. Till recently, though their share in the aggregate export trade of the world was proportionally less, the terms of trade at least were in their favour. But, of late, the trend has been reversed, as witness the price trend of exports of manufactured goods and of primary products.

INDIA'S RICE AREA IS ONE-THIRD OF WORLD ACREAGE

The area under rice in India is about one-third of the total world acreage under rice. India's production is one-fourth of the total world production and its average yield per hectare is 1,220 kgs. of paddy, whereas the world average is 1,650 kgs.

India is the second largest producer of rice in the world, the first place going to China. In 1954-55, India produced 24 million metric tons of milled rice, Pakistan 8 million metric tons, Thailand 3.6 million metric tons, and Burma 3.8 million metric tons. India is a large consumer too. In 1954, it imported roughly one-eighth of the internationally traded rice. India's intake of rice *per capita* is, however, low. Taking the post-war average (1947-48), rice consumption per person in India/Pakistan was about 68 kgs. per year, as against 164 kgs. per year in Burma, 121 kgs. per year in Indonesia, and 102 kgs. per year in Japan. During 1954, the price of milled rice in India was around Rs. 16-12 per maund, as against Rs. 38-3 in Indonesia, Rs. 27-6 in Malaya, Rs. 14-15 in Egypt, Rs. 14-14 in Pakistan and Rs. 37-2 in the U.S.A.

Of the total area under rice in India, roughly one-third is irrigated. The rest generally thrives on rain water. During 1954-55, the area under Japanese method of paddy cultivation was about 1.3 million acres and the total additional production as a result of this method of cultivation came to some 600,000 tons. In 1954-55, the highest yield per acre obtained in respect of a plot entered for crop competition in Madhya Pradesh was 5,606 lbs., as against the average yield per acre of about 632 lbs. of cleaned rice. The inter-State movement of paddy by rail and river was 1.3 million tons, as against 1 million tons in 1953-54. The marketable surplus of rice in India is about one-third of total production; the rest being retained in villages for local consumption and seed.

This information regarding Indian rice statistics and other countries of the world is available in a brochure entitled *Indian Rice Statistics* brought out recently by the Directorate of Economics and Statistics, Union Ministry of Agriculture.

The United States can use its great steelmaking capacity as a deterrent to war, according to the *Steel Magazine*. Capable of 40 per cent. of the world's steelmaking capacity, the U.S. can out-produce any other nation. Despite the six-week strike, the U.S. will probably make about 114.5 million tons this year. Russia, second largest steel producer, made 49.5 million tons of ingots in 1955, and presumably is operating at capacity. If its production continues to increase at the rate it has in the last seven years, it will turn out around 53.5 million tons in 1956. The U.S. capacity to make steel for ingots and castings will near the 132-million-ton level by January next. This is 33 per cent. more than at the start of the Korean war six years ago (99,392,800 tons) and 60 per cent. more than at the beginning of World War II 15 years ago.



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JARDINE HENDERSON'S PROFIT LOWER

DIVIDEND, HOWEVER, MAINTAINED

THE trying and difficult conditions through which the jute industry has been passing in recent times and the return of tea prices to more normal levels have had, as one would expect, their repercussions on the earnings of the companies which manage such enterprises. A notable instance in point is that provided by Messrs. Jardine Henderson Ltd. (Managing Director: Sir George Mackinlay, Calcutta), as per their accounts for the period ended 31st March 1956. The earnings, which had followed an upward trend in the previous two years, suffered a perceptible setback though the turnover was substantially large. The gross profit had increased from Rs. 34.36 lakhs for 1953-54 to Rs. 43.05 lakhs for 1954-55. But it has sharply declined by Rs. 10.49 lakhs to Rs. 32.56 lakhs for 1955-56. This is in contrast to the increase in sales from Rs. 9.93 crores to Rs. 13.13 crores. The amounts provided for depreciation and taxation have also been pruned. Thus depreciation has been credited with only Rs. 1.32 lakhs, as against Rs. 1.36 lakhs, and taxation with Rs. 11.90 lakhs as against Rs. 15.25 lakhs for the previous year. In sympathy with the gross profit, the net profit at Rs. 19.34 lakhs is markedly lower than the previous year's profit by as much as Rs. 7.09 lakhs, while it is only slightly better than the profits for 1952-53 at Rs. 17.81 lakhs.

The fall in earnings, however, has not affected the distribution to shareholders which has been maintained at 7½ per cent., now for the fourth consecutive year. Before the dividend was reduced to this level, it was kept unchanged at 10 per cent. consistently for five years from 1947-48 to 1951-52. The fall in profit has had its reactions on the allocations to reserves, too, as witness the meagre provision of only Rs. 2.00 lakhs to general reserve, as against Rs. 3.00 lakhs a year ago. Again, whereas last year a sum of Rs. 5.00 lakhs had been utilised to write off goodwill and Rs. 2.00 lakhs had been credited to the superannuation fund, no provision has been made for these accounts this year.

The following table shows at a glance the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	13,12.86	9,92.92	8,20.81	12,44.62
Stocks	37.70	28.68	17.52	39.50
Commissions, allowances, etc.	43.17	56.48	50.27	45.52
Dividend on investments	10.75	15.59	6.91	6.31
Net interest earned	..	..	0.44	1.79
Purchases	12,95.37	9,87.67	7,77.33	12,38.39
Expenses	47.93	45.49	44.78	43.90
Loss on sale of investments	0.05	..	0.05	..
Gross profit	32.56	43.05	34.36	30.91
Depreciation	1.32	1.36	1.27	1.10
Taxation	11.90	15.25	13.30	12.00
Net profit	19.34	26.43	19.79	17.81
To general reserve	2.00	3.00	2.50	2.00
,, goodwill written off	..	5.00	..	..
,, superannuation fund	..	2.00	..	..
Dividends—				
5½ per cent. preference	2.03	2.03	2.03	2.03
Ordinary	15.00 (7½%)	15.00 (7½%)	15.00 (7½%)	15.00 (7½%)
Carry forward	5.12	4.70	5.26	4.54

It will be noted from the table above that a great bulk of the increase in sales has been offset by a similar rise in purchases. But what has really affected the gross profit is the decline in commissions and allowances earned as well as in dividends on investments, the former from Rs. 56.48 lakhs to Rs. 43.17 lakhs and the latter from Rs. 15.59 lakhs to Rs. 10.75 lakhs.

Commenting on the Company's working during the year under review, the Directors state that the jute industry, in which the Company has substantial interests, experienced another difficult year and, despite an increase in production, earnings both from commission and dividends showed a further reduction. Similarly, commissions and dividends received from tea companies registered a marked reduction on the previous year, resulting from the revision of tea prices to more normal levels. The trading activities of the Company, however, have recorded an overall improvement.

The Company is one of the well-known managing agency and trading houses in Calcutta. It was converted into a public limited joint stock company in 1946. Its activities cover a wide and varied range from managing agency work to general trading and agency, shipping and insurance agency, gunny export and dealings in yarn and fertilisers. In furtherance of the Directors' policy to diversify the Company's interests and expand the scope of its activities, the entire share capital of the Kassipur Co., Ltd., which manufactures roofing felts and laminated packaging materials, was acquired by the Company in March 1956. The Directors state that no income has yet accrued from this investment but expect that it will prove to be a satisfactory one to the Company. One of its subsidiaries, the Behubor Co., Ltd., acquired the entire share capital of the Mangaldai Tea Co. Private Ltd., in July 1955.

The Company's reserves and surplus as at the end of March 1956, amount to Rs. 62.42 lakhs, as against a paid-up capital of Rs. 250 lakhs, made up of 50,000 5½ per cent. cumulative preference shares of Rs. 100 each and 200,000 ordinary shares of Rs. 100 each fully paid-up. The provision for taxation stands at Rs. 6.26 lakhs and the current liabilities including provision for taxation aggregate Rs. 402.88 lakhs. The gross block of the value of Rs. 37.47 lakhs has been written down to a book value of Rs. 26.38 lakhs. The goodwill, valued (at cost) at Rs. 35.27 lakhs, has been written down to Rs. 25 lakhs. The Company's investments (at cost) in Government securities and in shares amount to Rs. 258.79 lakhs and in shares of subsidiary companies, Rs. 142.78 lakhs. Of the investments in shares of companies other than subsidiaries, those costing Rs. 249.79 lakhs are quoted on recognised stock exchanges. The approximate market value of these as on 31st March 1956 at Rs. 167.47 lakhs shows a depreciation of Rs. 82.31 lakhs which, however, is not fully covered by the reserves. The other current assets aggregate Rs. 262.34 lakhs.

The Company's Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 85 *ex-div.* On this basis and on that of the proposed dividend, the yield on the shares works out to 8.8 per cent. per annum. It may be noted here that these shares have been steadily declining in value. Over a year ago, they were being quoted at Rs. 125; then, they lost ground to stand at par early in August last, but, by the beginning of this month, they had dropped further to Rs. 94. Such continuous fall reflects the large depreciation in the market value of the Company's investments and the investors' view that the outlook for jute and tea industries is highly uncertain.

(Concluded from next column)

very large proportion of their profits as dividends and we trust that due note of this fact will be taken and legislative relief given accordingly.

The financial position of the Company, as can be seen from its balance-sheet as at 30th June 1956, is quite sound. The paid-up capital stands at Rs. 70 lakhs, divided into 35,000 six per cent. cumulative preference shares of Rs. 100 each and 350,000 ordinary shares of Rs. 10 each. The reserves and surplus aggregate Rs. 19.69 lakhs. The gross block of the value of Rs. 79.82 lakhs has been written down to Rs. 52.37 lakhs. Of this latter amount, the net value of leasehold land and development is shown at Rs. 37.73 lakhs, buildings at Rs. 11.15 lakhs, and plant and machinery at Rs. 1.40 lakhs. Current assets aggregate Rs. 78.21 lakhs and exceed current liabilities by no less than Rs. 37.32 lakhs. A notable feature of these assets is their strong liquidity. Thus, of their total, gilt-edged securities alone account for Rs. 40.85 lakhs and cash (and bank) balances for Rs. 12.72 lakhs. Stores, spares, and stocks amount to Rs. 18.87 lakhs and book debts to no more than Rs. 5.70 lakhs.

The Rs. 10 fully paid ordinary shares are currently quoted at Rs. 26-2 *ex-div.* At this rate and on the basis of a dividend of 12½ per cent. the yield works out to 6.2 per cent.

So far as the current year is concerned, the following remarks from the Directors' report will be noted with interest:

"This season the market has so far been on a rather more satisfactory level so far as our Company is concerned but it is not possible to foresee the new season's results in view of the unsettled international situation.

"In accordance with the agreement reached between the Indian Tea Association and representatives of labour and as advised by the Government of India, bonus to the labour force in respect of the seasons 1953 and 1954, amounting to Rs. 5,37,088 has been charged and set against the profit and loss account balance brought forward from last year. This agreement covers the seasons up to and including 1956. An estimated provision has been made for the amount in respect of the season covered by these accounts but this figure will not be finally determined until early next year."

Since the Directors' report was signed, the tea markets have been ruling firm, the crisis in West Asia notwithstanding.

SHARP FALL IN PROFIT OF BROOKE BOND

BIGGER CROP OFFSET BY LOWER PRICES

THE comparatively larger production of tea in North India for the year 1955, coupled with better yields in other producing countries, have had the effect of pushing down tea prices, thereby affecting the earnings of many concerns engaged in this field of enterprise. This is clearly reflected in the earnings of Brooke Bond Estates (India) Ltd. (Chairman: Mr. F. R. Bagley, Calcutta), as disclosed by its accounts for the year ended 30th June 1956. The sharp fall in earnings has necessitated a drastic cut in the dividend which, at the rate of 12½ per cent., bears no comparison to the impressive rate of 47½ per cent. declared for the previous year. It is, however, the same as that for 1953-54.

The gross profit which had made a steep rise from Rs. 22.02 lakhs for 1953-54 to Rs. 52.63 lakhs for 1954-55, has made a depressing retreat to Rs. 20.91 lakhs for the year under review. Despite this fall, the provision for depreciation has been well maintained at Rs. 3.24 lakhs, as against Rs. 3.21 lakhs in the preceding year. Taxation takes up only Rs. 6.20 lakhs, as against Rs. 19.50 lakhs a year ago. This gives an idea of the extent to which the Exchequer, too, has suffered as a result of shrinkage in the profit-margin of the tea industry. The Managing Agents, too, get less, their commission for the period up to 31st March 1956 being no more than Rs. 1.38 lakhs, as against Rs. 2.78 lakhs for 1954-55. The net profit at Rs. 10.09 lakhs is less than half of that for the previous year at Rs. 27.14 lakhs while it is only a shade better than Rs. 9.73 lakhs earned in 1953-54. No allocations were made to the reserves in the previous year in spite of the bumper profits, but, out of the profits for the year under review, a small provision of Rs. 3,269 has been made for capital reserve under fire loss replacement and Rs. 2.65 lakhs for contingencies. The year's dividend at 12½ per cent. absorbs Rs. 4.38 lakhs. After payment of the preference and ordinary dividends, there remains a balance of Rs. 5.16 lakhs to be carried forward, as against Rs. 9.33 lakhs brought in.

The Company's proceeds from sale of tea amounted to Rs. 72.32 lakhs, as against Rs. 111.00 lakhs and Rs. 64.86 lakhs, respectively, for 1954-55 and 1953-54. Commenting on the year's working, the Directors observe thus:

"The financial results for the year are, of course, on a very much lower level than the previous year when record prices were realised and in the last Directors' report it was forecast that such prices would not be maintained. The average sale price realised for the year after deducting all tea sale charges and cost of export rights was Re. 1-15 per lb., as compared with Rs. 2-14-1 for last year. The average price realised on the gross sale proceeds was Rs. 2-1-6 per lb. The North Indian crop for 1955 was considerably larger than for 1954 and was in fact an all-time record and this, coupled with the other producing countries having bumper yields and the credit squeeze in the United Kingdom, had the effect of depressing prices. . . . Weather conditions on the whole were good during the season which finished strongly and the final crop of made tea for the year amounted to 3,607,438 lbs., as against 3,258,393 lbs. for the year ended 30th June 1955 and our original estimate for 1955-56 of 3,430,000 lbs."

The Directors further state that, during the year, a new tax was imposed by the West Bengal Government effective from 1st April 1956 of one anna per lb. on all teas entering Calcutta and its suburbs. Messrs. Brooke Bond India Private Ltd. ceased to be the Managing Agents of the Company.

The Company's estates consist of 2,578.71 acres under mature tea and 255.10 acres under immature tea.

The Directors have made some pertinent remarks on two of the several points made by the Plantation Enquiry Commission. On of these is that many tea companies do not provide for a proper up-rooting and replanting programme in order to make good tea bushes which have outlived their natural life. The other is that plantation companies do not build up their financial reserves by a limitation of dividends. Referring to the former, the Directors say: "We would like shareholders to know that this Company has had a replanting programme in operation for several years which provides for replacement of old areas in a regular cycle." Commenting on the second, they remark: "We would once again, in this connection, make reference to Section 23A of the Indian Income-tax Act which imposes penal taxation on Companies subject to its provisions, as we are, which do not distribute a

(Continued in previous column)

RESULTS OF BURN & CO. IMPRESSIVE

RESERVES STRENGTHENED HEAVILY

EXCELLENT are the results of Messrs. Burn & Co. Ltd. (Managing Agents:) Messrs. Martin Burn Ltd., Calcutta), for the year ended 30th April 1956. The gross, as well as net, profit has nearly doubled. The amount credited to reserves is about thrice as much as in the previous year. The Exchequer gets more than two and a half times the income and corporation taxes it collected from the Company last year. The shareholder, too, receives a higher return. In fine, the Company's achievements in 1955-56 are quite impressive and have justified the confidence of investors in this leading engineering company in India.

The Company's gross profit at Rs. 120.97 lakhs for 1955-56 is almost double that earned in the previous year. This has raised the upward trend of the profit curve quite steeply. The gross profit for the year under review is probably a fresh record in the history of the Company. The net profit, after making substantially higher provision for Managing Agents' remuneration, depreciation and taxation, works out to Rs. 55.09 lakhs, a cent per cent rise as compared with the preceding year's profit of Rs. 27.78 lakhs.

The policy of appropriation of profit pursued by the Directors evokes admiration. It indeed requires considerable courage and confidence in the future on the part of any board of directors to set aside large sums of money to the reserves, in view of the talks of socialistic pattern of society and possibilities of stiff taxation on accumulated savings. Out of the net profit of Rs. 55.09 lakhs, the Directors have ploughed back no less than Rs. 36.31 lakhs, that is, approximately two-thirds of the profit. This action of the Directors indicates that they have proceeded to allocate the profit having in mind the larger interests of the country. They have, of course, increased the dividend also, but only by a third, from 15 per cent. to 20 per cent. This increase is nothing as compared with that either in the provision for taxation (from a mere Rs. 15.75 lakhs to Rs. 40 lakhs) or in the transfers to reserves.

The strengthening of the reserves has been done under various heads, such as provision for taxation contingencies Rs. 2.67 lakhs, development rebate Rs. 5.14 lakhs, reserve for works reconstruction and expansion Rs. 10.50 lakhs, and reserve for Salem project Rs. 18.00 lakhs. As against this, the previous year's allocations of Rs. 13.50 lakhs consisted of Rs. 10.50 lakhs for reserve for works reconstruction and expansion and Rs. 3.00 lakhs for provision for taxation contingencies.

The salient features of the Company's working results for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 30th April			
	1956	1955	1954	1953
Sale proceeds	832.01	632.07	576.59	537.88
Other income	75.38	14.29	11.79	10.12
Expenses*	787.41	584.47	533.41	502.34
Gross profit	120.97	61.88	54.95	45.67
Managing Agents' remuneration	13.46	6.02	5.43	5.45
Provision for—				
Depreciation	12.42	12.32	11.32	10.30
Taxation	40.00	15.75	11.50	13.00
Net profit	55.09	27.78	26.70	16.92
E.P.T. refund	..	..	..	3.36
Reserves	36.31	13.50	16.25	12.25
Dividends—				
Preference	1.81	1.81	1.81	1.81
Ordinary	16.80 (20%)	12.60 (15%)	8.40 (10%)†	6.30 (15%)
Carry forward	1.13	0.96	1.09	0.85

* Approximate only.
† On the increased capital of Rs. 84 lakhs, doubled by the capitalisation of Rs. 42 lakhs in March, 1954.

It will be seen from the table that the turnover for the year under review has substantially increased, as compared with the previous year. The Directors state that, while the output for the year at many of the Company's works was not unsatisfactory, the increase in the value of sales is, to a great extent, due partly to a rise in prices occasioned by higher cost of steel and partly to the fact that the various refractory works at Raniganj and Durgapur worked a full year, whereas, in the previous accounting year, four of the works remained closed for approximately eight months. They add that, following the long closure of the four works at Raniganj and Durgapur, the pipe works at Raniganj was not reopened, as they had come to the conclusion that the plant was obsolete and further operation unprofitable. The site being unsuitable for re-equipment on modern lines, the Directors are of the view that it would be more profitable to employ any funds that could be made available for the purpose, in establishing a magnesite works in South India, adjacent to the source of the raw materials. Explaining the reasons for this decision, they observe:

"In the manufacture of magnesite bricks and shapes, the magnesite has to be burned twice. In the first burning or sintering the loss of weight of the magnesite amounts to approximately 50 per cent., so even if only the first burning be made at site there arises an immediate saving of 50 per cent. in railway freight. At present the railways transport the raw magnesite to your Lalkoti works at Raniganj from Salem in South India, a considerable distance, so it will be readily appreciated that the saving on railway freight alone renders attractive the proposition of manufacture of magnesite products near the source of supply of the raw material. The Directors have concluded negotiations with the Magnesite Syndicate Ltd. of the United Kingdom for the purchase, on favourable terms, of the mines, properties and leases of that Company at Salem and in order to provide for this project a sum of Rs. 18 lakhs has been set aside from the profits of the year under review as an initial contribution towards the finance involved."

The financial position of the Company, as disclosed by its latest balance-sheet, is impressive. It has a paid-up capital of Rs. 112.00 lakhs, made up of Rs. 28 lakhs in cumulative preference shares and Rs. 84 lakhs in ordinary shares of Rs. 100 each. Of this ordinary capital, as much as Rs. 72 lakhs represents the amount capitalised from reserves over a period of half a century. The reserves and surplus aggregate Rs. 132.09 lakhs, that is, Rs. 20.09 lakhs above the present capital. Loans secured against usance bills and discounted by a commercial bank amount to Rs. 10 lakhs. The gross block of the value of Rs. 386.09 lakhs has been written down to a book value of Rs. 154.84 lakhs of which freehold land takes up Rs. 11.96 lakhs, buildings Rs. 55.85 lakhs, plant and machinery Rs. 83.93 lakhs, furniture Rs. 1.85 lakhs and livestock and vehicles Rs. 1.25 lakhs. The investments in Government securities and shares of other companies, together with interest accrued thereon, amount to Rs. 7.03 lakhs. Loans and advances total Rs. 70.27 lakhs. In all, the current assets, including cash and bank balances, aggregate Rs. 492.53 lakhs and cover the current liabilities of Rs. 470.58 lakhs, including Rs. 64.99 lakhs as provision for taxation, by a considerable margin.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 371 *cum-div.* On an *ex-div.* basis, and taking the dividend for the year at 20 per cent., the yield works out to 5.7 per cent. per annum.

KUMARDHUBI FIRECLAY AND SILICA

The Kumardhubi Fireclay and Silica Works Limited, which until recently was a subsidiary of the Burrakur Coal Company, Ltd., proposes to make a "rights" issue of 150,000 ordinary shares of Rs. 10 each at par. The Burrakur Coal Company, Ltd., which already has an investment in the Fireclay Company, is entitled to take up 74,750 shares at a total cost of Rs. 7,47,500 and this additional investment will raise its total holding in the latter company to 41.53 per cent. It will also increase the percentage of its total paid-up capital in companies of the same group to 18.4 per cent.

The Kumardhubi Fireclay and Silica Works Ltd. requires additional capital to finance the second stage of the expansion of their fireclay section which will increase production by a further 12,500 tons per annum. The development of the steel industry in the second Plan will, it is expected, open up a ready market for this additional output. The Company has been consistently paying a dividend of 15 per cent. over the last five years beginning from 1951 and the expectations are that it will be maintained on the increased capital also. The Directors of the Burrakur Coal Company have recommended this investment to its shareholders and, if approved, necessary application will be made to the Central Government to comply with the provisions of Section 372(3) of the Companies Act, 1956.

COMPANIES FORMED IN NORTHERN ZONE IN OCTOBER

Twelve private companies, with an authorised capital of Rs. 40.40 lakhs, were formed in the Northern Region, consisting of Delhi, Punjab, P.E.P.S.U. and Rajasthan, during the month of October 1956. Of these, one company formed in Delhi had an authorised capital of Rs. 10 lakhs.

Of the four companies, having an authorised capital of Rs. 25.90 lakhs, which have gone into liquidation, one was a public limited company, having an authorised capital of Rs. 20 lakhs. Two companies increased their paid-up capital. Bonus shares were issued by a company in Delhi, capitalising its reserves.

COMPANY MEETINGS AND DIVIDENDS

BROOKE BOND ESTATES INDIA LTD. Annual General Meeting, Calcutta, 27th November 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 7th to 27th November 1956, both days inclusive.

OODLABARI CO., LTD. Annual General Meeting, Calcutta, 28th November 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 20th to 28th November 1956, both days inclusive.

ETHELBARI TEA CO. (1932) LTD. Annual General Meeting, Calcutta, 28th November 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 19th to 28th November 1956, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 29th November 1956. Dividend: Rs. 7-8 per share. Transfer books remain closed from 14th to 29th November 1956, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Annual General Meeting, Calcutta, 30th November 1956. Dividend: Re. 1 per share, payable on 17th December 1956. Transfer books remain closed from 20th to 30th November 1956, both days inclusive.

TATA CHEMICALS LTD. Annual General Meeting, Bombay, 30th November 1956. Dividend: As. 12 per ordinary share, (maiden), payable on and after 3rd December 1956. Transfer books remain closed from 29th October to 26th November 1956, both days inclusive.

GILLAPUKRI TEA AND SEED CO., LTD. Annual General Meeting, 30th November 1956. Dividend: Rs. 3-8 per share (includes interim dividend of Re. 1-8 per share). Transfer books remain closed from 21st to 30th November 1956, both days inclusive.

MOHEEMA LTD. Annual General Meeting, 1st December 1956. Dividend: *Nil.* Transfer books remain closed from 21st November to 1st December 1956, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Half-yearly General Meeting, Calcutta, 4th December 1956. Dividend: Re. 1-14 per share. Transfer books remain closed from 21st November to 4th December 1956, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Half-yearly General Meeting, Calcutta, 4th December 1956. Dividend: Rs. 2-8 per share. Transfer books remain closed from 21st November to 4th December 1956, both days inclusive.

BURN AND CO., LTD. Annual General Meeting, Calcutta, 7th December 1956. Dividend: Rs. 20 per share. Transfer books will remain closed from 28th November to 7th December 1956, both days inclusive.

BHAGALPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 7th December 1956. Dividend: As. 8 per share. Transfer books remain closed from 30th November to 7th December 1956, both days inclusive.

PHASKOWA TEA CO., LTD. Annual General Meeting, Calcutta, 8th December 1956. Dividend: *Nil.* Transfer books will remain closed from 28th November to 8th December 1956, both days inclusive.

ELLENBARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 8th December 1956. Dividend: *Nil.* Transfer books will remain closed from 28th November to 8th December 1956, both days inclusive.

JUBBULPORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 13th December 1956. As. 8-2/5 per share (includes an additional payment of As. 2 per share). Transfer books will remain closed from 7th to 13th December 1956, both days inclusive.

PEERMADE TEA CO., LTD. Interim dividend of 10 per cent. on the ordinary shares, payable on 6th December 1956. Transfer books will remain closed from 25th November to 6th December 1956, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Interim dividend of 5 per cent. (As. 8 per per share) on the ordinary shares. Transfer books will remain closed from 6th to 20th December 1956, both days inclusive.

SOOM TEA CO., LTD. Interim dividend of Re. 1 per share for the year ended 31st December 1955. Transfer books will remain closed from 19th to 24th November 1956, both days inclusive.

COMPANY REGISTRATIONS

KHANDELWAL UDYOG PRIVATE LTD. (First Director: Mr. Ramprasad Khandelwal.) Business: General dealers and contractors. Authorised capital: Rs. 25,00,000. Private company. Address: 'Prem Niwas', 13, Altamount Road, Bombay 26.

THE INDIAN LINK CHAIN MANUFACTURERS LTD. (First Director: Mr. V. N. Nevatia.) Business: Manufacture of link chains, mechanical engineering and other machinery. Authorised capital: Rs. 10,00,000. Public company. Address: 101, Sion Road, Bombay 22.

LIGHTHOUSE CINE CORPORATION PRIVATE LTD. (First Director: Mr. K. S. Nanda.) Business: Motion picture production and distribution. Authorised capital: Rs. 10,00,000. Private company. Address: Registered office of the company will be situated in the State of Bombay.

ADUKIA AND SONS PRIVATE LTD. (First Director: Mr. Kashiprasad Adukia.) Business: Dealers in estates, lands and buildings. Authorised capital: Rs. 5,00,000. Private company. Address: 188, Kalbadevi Road, Bombay 2.

MOHAN SONS (BOMBAY) PRIVATE LTD. (First Director: Mr. Natverlal M. Jalundhwala.) Business: Dealers and importers. Authorised capital: Rs. 5,00,000. Private company. Address: 125, Mahatma Gandhi Road, Bombay 1.

MACNEILL AND BARRY STEPS UP DIVIDEND

SHARP FALL IN PROFIT OF GILLAPUKRI TEA

Macneill and Barry Ltd.

THE directors of the above Company (Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1956.

The balance brought forward from the previous year was Rs. 6,21,756 (Rs. 5,49,296). The profit for the year ended 31st March 1956, was Rs. 52,02,590 (Rs. 37,39,053) to which is added the surplus on sales of capital assets Rs. 3,750 (Rs. 8,967) making a total of Rs. 58,28,096 (Rs. 43,42,053). After providing for taxation Rs. 20,75,000 (16,75,000) there is a balance available for disposal of Rs. 37,53,096 (Rs. 26,67,316). The dividend on preference shares paid on 1st November 1955, and 1st May 1956, absorbed Rs. 4,05,624 (Rs. 4,05,624) leaving for disposal an amount of Rs. 33,47,472 (Rs. 22,61,692). The directors propose that this sum be dealt with as follows:—

By transfer to harbour boating replacement reserve Rs. 2,66,348 (Rs. 2,21,186), transfer to general reserve Rs. 8,00,000 (Rs. 2,00,000) and payment of a dividend on ordinary shares for the year to 31st March 1956, at the rate of 11 (7½) per cent. per annum Rs. 16,50,000 (Rs. 11,25,000) leaving to be carried forward Rs. 6,31,124 (Rs. 6,21,756 after paying Rs. 93,750 being supplemental dividend for the year ended 31st March 1950 to comply with section 23A).

The improvement in the Company's profit for the year is due mainly to the dividends received from the Company's investment in the tea industry in respect of profits of season 1954. Unfortunately, the results of the Tea Companys concerned for season 1955 will not be so satisfactory nor is the current outlook for the industry encouraging. In the other industries in which the Company is mainly concerned, namely, coal, jute and inland shipping, trading conditions were depressed throughout the year and although at present there is some improvement in the jute industry, the outlook in general cannot be reviewed with optimism.

The Company's Act, 1956, with its many limitations on the remuneration of managing agents became effective from 1st April 1956, and will have considerable effect on the Company's earnings.

Towards the end of the year under review, the Company acquired the remainder of the issued share capital of Kilburn & Co., Ltd., and this Company is now a wholly owned subsidiary.

With regard to the disposal of the balance available on profit and loss account, it is the Company's intention to expand the activities of the harbour boating fleets and to this end new craft have been ordered. The transfer to harbour boating replacement reserve which is recommended, will bring this reserve upto Rs. 10 lakhs. The transfer which is recommended to general reserve will bring this reserve upto Rs. 25 lakhs.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,00,000	Block ...	28,50,000
Debentures	75,00,000	Goodwill ...	60,00,000
Reserves ...	63,33,428	Stock on hand	7,82,858
Provision for taxation ...	7,46,756	Debts, deposits and advances ...	1,10,15,262
Liabilities ...	61,50,229	Investments ...	2,55,51,659
Profit and loss account ...	6,31,124	Cash ...	1,61,758
	Rs. 4,63,61,537		Rs. 4,63,61,537

Gillapukri Tea and Seed Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Tea crop.—A crop of 7,494 mds. 16 srs. was secured and sold at an average price of Rs. 2-7-2 as compared with Rs. 3-7 per lb. obtained for the previous season's crop of 5,855 mds. 4 srs. The Tea market was subject to wide fluctuations during the whole of the period of sale of last season's crop and a feature has been the increasing tendency for the price difference between the best teas and medium quality teas to widen.

Estimate.—The directors estimate an outturn of 8,000 mds. of teas at a total cost of Rs. 10,40,000 only. In this connection it may be mentioned that while upto 15th October 1955, the outturn was 6,229 mds. 37 srs. on the said date of the current year it came upto 6,704 mds. 23 srs.

Looking into the demand of the present market for only quality teas, the directors are keen on it and an able guidance of Rai Sahib H. B. Kanoi, one of the eminent and experienced tea planters of Assam, is being availed of for the purpose, free of cost.

After providing for depreciation a sum of Rs. 29,805 (Rs. 28,438), the season's working resulted in a gross profit of Rs. 3,47,003 (Rs. 7,92,654). After deducting therefrom compensation to ex-secretaries and agents for the loss of their office Rs. 2,00,000 (Rs. 80,265 being commission), directors' commission Rs. 3,470 (Rs. 7,224) and provision for taxation Rs. 1,20,000 (Rs. 2,80,000), there is a balance of Rs. 23,533 (Rs. 2,70,165 after providing Rs. 1,55,000 for general reserve). After taking into account last year's balance of profit and loss account at credit amounting to Rs. 5,997 (Rs. 13,832) and after transferring from general reserve Rs. 1,65,000 (*nil*) an amount of Rs. 1,94,531 was found available for the year, a tax-free interim dividend at 15 (*nil*) per cent. or Re. 1-8 per share, on 50,376 fully paid shares of Rs. 10 each of the Company was declared already by the board on 21st March 1956 and disbursed subsequently totalling Rs. 75,564 (*nil*). The directors now recommend a final tax-free dividend at 20 (80) per cent. or Rs. 2 (Rs. 8) per share absorbing Rs. 1,00,752 (Rs. 2,88,000) leaving a credit balance of Rs. 18,215 (Rs. 5,997) to be carried forward to next year.

While the results of the year 1955 have been far below those of 1954, this is not surprising, if the directors judge that the 1954 results were unprecedented and in comparison 1955 results are rather encouraging, if they take it into consideration the wide price fluctuations which prevailed throughout the year and increase in manufacturing costs for adjustment of bonus to labour for the year 1954 to the extent of Rs. 85,965 in total, according to the terms of Tripartite Agreement reached at New Delhi in January 1956.

Accounts in brief are as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	5,03,760	Block ...	5,28,313
Reserves ...	3,40,000	Stock-in-trade	7,08,226
Provision for taxation ...	4,27,348	Stores ...	1,24,801
Liabilities ...	13,02,945	Debts and advances ...	3,06,143
Profit and loss account ...	18,214	Investments	9,21,198
		Other assets	1,483
		Cash ...	2,101
Rs.	25,92,267	Rs.	25,92,267

Ethelbari Tea Co., (1932) Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955 for your perusal and adoption.

Tea crop.—A crop of 5,817 mds. 34 srs. was manufactured and disposed of for sale with export quota rights in Calcutta and foreign markets 4,508 mds. 30 srs., for sale in Calcutta for internal consumption 1,235 mds. 38¼ srs. and staff consumption, shortages on sampling and handling, etc., for which no price was obtained 73 mds. 5½ srs. The teas realised an average price of Re. 1-14-3 per lb. as compared with Rs. 2-7-9 per lb. obtained for the previous season's crop of 5,948 mds. The shortfall of 682 mds. in the crop as compared with the estimate was due to extreme adverse weather conditions in Dooars during the season under review.

No extension was made during the year and the area under cultivation remained unchanged at 447 acres as registered with the Tea Board.

On the request of the Board, Rai Sahib H. B. Kanoi, one of the most experienced tea planter of Assam, inspected the garden during the year free of charges.

The revenue and profit and loss account for the year shows a net debit balance of Rs. 50,427 (profit of Rs. 5,37,391). This, however, is not the true picture of the fact due to the following reasons:—

The Company had to pay a total compensation of Rs. 52,000 to the ex-Garden Manager and the ex-Managing Agents for their loss of services as was agreed upon and which the directors already reported in their report for the year ended 31st December 1954, under the heading "Management." That bonus to the garden labour amounting to more than Rs. 65,000 for the year 1954 had to be provided for. That an abnormal fall in prices of Dooars teas prevailed throughout the season, as may be seen from the facts stated above under the heading "Crop."

In the circumstances, the directors recommend that (*a*) the sum of Rs. 50,000 lying to the credit of "Reserve for building and machinery" be transferred to "General reserve," as already considerable expenses have been incurred on these fixed assets from the liquid funds of the Company during the year, (*b*) the sum of Rs. 95,000 be transferred to the credit of the profit and loss account from the total "General reserve" thus to be available, (*c*) a payment of tax-free dividend of 12½ (50) per cent. or Re. 1-4 (Rs. 5) per share utilising Rs. 43,750 from the credit balance of the profit and loss account thus to be created. The recommendation of the above dividend is to some satisfaction of the directors, in view of the adverse conditions that prevailed in Dooars teas' business during the season under review as revealed above.

The application to the Controller of Capital Issues during the year under review for issuing bonus shares to the existing members of the Company in proportion of two fully paid shares for each five shares held by them, necessary permission was accorded in 1956 and 14,000 fully paid ordinary shares of Rs. 10 each have subsequently been allotted and issued as bonus shares.

Season 1956.—The directors estimate an outturn of 6,750 mds. of teas at a total cost of Rs. 8,10,000 only. In this connection it may be mentioned that while up to 15th October 1955 the outturn was 4,308 mds. in 1956 on the said date it came up to 5,061 mds.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	5,70,483
Reserves ...	3,00,000	Stock of tea	6,40,411
Provision for taxation ...	1,31,529	Stores ...	83,852
Liabilities ...	9,95,325	Debts, deposits and advances ...	1,27,757
		Investments	2,94,603
		Cash ...	9,921
		Profit and loss account ...	50,427
Rs.	17,76,854	Rs.	17,76,854

Teen Ali Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Tea crop.—A crop of 7,548 maunds was manufactured and has been disposed of for sale in Calcutta for export 7,076 maunds and for sale in Calcutta for internal consumption 472 maunds. The average price per lb. realised was Rs. 2-2-6 as compared with Rs. 3-1-10 per lb. obtained for the previous season's crop of 7,166 maunds. The Company's export quota for season 1955 was 5,557 maunds. The area under cultivation at 31st December 1955 was 526.50 acres.

The revenue account shows a profit of Rs. 3,50,545 (Rs. 9,52,370) and after deducting from this commutation of a pension Rs. 46,811 (*nil*), staff commission and bonus Rs. 30,926 (Rs. 56,800), managing agents' commission on profits Rs. 3,845 (Rs. 3,20,000), depreciation Rs. 54,018 (Rs. 52,974) and bonus to labour—1953-54 Rs. 1,05,174, there remained a balance of Rs. 59,771 (Rs. 5,01,663). After adding to this the interest on investments (net) Rs. 4,677 (Rs. 1,202), forfeited dividends Rs. 620 (Rs. 16) and excess provision for taxation —written back Rs. 10,000 (*nil*), there is a net profit for the year of Rs. 75,068 (Rs. 5,04,285). After adding to this the adjusted credit balance of Rs. 39,464 (Rs. 36,468) brought forward from the previous year, there is a credit balance of Rs. 1,14,332 (Rs. 5,40,753) on profit and loss account. The directors recommend to pay from this balance a dividend of 20 (60) per cent. for season 1955 without any deduction for income-tax payable by the Company Rs. 90,000 (Rs. 2,70,000) and carry forward Rs. 24,532 (Rs. 45,753).

Bonus to Labour.—In accordance with a tripartite agreement arrived at early this year the claim of labour for a bonus for the years 1953 to 1956 has to be satisfied. The bonus payable for the years 1953-54 and 1955 has been charged in the accounts now presented.

Estimates for season 1956, have been framed for a crop of 7,200 maunds of tea to cost Rs. 9,89,093 which excludes Rs. 81,300 being expenditure of a capital expenditure.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,50,000	Block ...	8,01,681
Reserves ...	7,80,000	Stock of tea	7,38,176
Provision for taxation ...	2,53,819	Stores ...	1,34,714
Liabilities ...	5,32,907	Advances and deposits	1,17,172
Profit and loss account ...	24,532	Investments	1,98,391
		Cash ...	51,124
Rs.	20,41,258	Rs.	20,41,258

Ellenbarrie Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a loss of Rs. 627 (profit of Rs. 3,50,166). On transfer of this sum to profit and loss account and after sundry adjustments including a transfer of Rs. 40,000 (*nil*) from revenue reserve account, there is a balance at credit of that account of Rs. 3,837 (Rs. 3,10,526 from which the directors transferred Rs. 1,25,000 to buildings and machinery reserve and a dividend of 15 per cent. was also paid) which it is proposed to carry forward.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus, the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

The result of the season's working is disappointing owing to the greatly increased cost of statutory concessions to labour and adverse market conditions, while unfavourable growing conditions, tea pests, the large number of bushes uprooted as a result of the 1954 drought and the present replanting programme had a depressing effect on the crop.

Tea crop weighed out at 4,803 maunds as compared with 5,016 maunds harvested in 1954. The average selling price per lb. was Rs. 1-14-7 as against Rs. 2-11-8 in 1954. Planted area remains at 499.71 acres.

Estimates for 1956 provide for a crop of 5,600 maunds at an outlay of Rs. 7,38,750, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	4,47,806
Reserves ...	4,00,102	Stock-in-trade ...	6,33,607
Provision for taxation ...	47,711	Stores and supplies ...	54,942
Liabilities ...	4,87,977	Quota rights receivable	20,360
Profit and loss account ...	3,837	Loans and advances ...	45,160
		Investments ...	200
		Cash ...	37,552
Rs.	12,39,627	Rs.	12,39,627

Phaskowa Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

In accordance with an agreement for the payment of bonus to labour reached on an industry-wise basis early in 1956, the exact formula for which has yet to be finalised, it appears probable that the entire trading profit of Rs. 9,968 (Rs. 2,61,189) will be absorbed in meeting this commitment, and hence this sum has been provided for and the profit thereby reduced to *nil*. (Last year there was a final available balance of Rs. 2,45,127 from which the directors transferred Rs. 75,000 to revenue reserve and Rs. 65,000 to buildings and machinery reserve. They also paid a dividend of 30 per cent. and carried forward Rs. 30,127.) The reserve of Rs. 8,000 for taxation is necessary as it has not yet been finally agreed with Government in which assessment years part payments of labourers' bonus will be admitted as chargeable items.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve representing the present written down value of these assets has been opened.

Tea crop was 2,987 maunds as compared with 3,201 maunds in 1954. The average selling price was Rs. 1-12-5 per lb. as against Rs. 2-10-0 per lb. in the previous year. Planted area remains at 347.62 acres.

Estimates for 1956 provide for a crop of 3,200 maunds at an outlay of approximately Rs. 4,56,040 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,000	Block ...	3,14,964
Reserves ...	3,59,080	Stock-in-trade	3,47,608
Provision for labour bonus	9,968	Stores and supplies ...	27,640
Provision for taxation ...	35,554	Quota rights receivable	10,597
Liabilities ...	1,34,042	Loans and advances ...	12,722
Profit and loss account ...	688	Investments	43,862
		Cash ...	31,939
Rs.	7,89,332	Rs.	7,89,332

Oodlabari Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Tea crop.—A crop of 8,321 (7,865) maunds was manufactured and disposed of for sale in Calcutta for export 6,457 maunds and for sale in Calcutta for internal consumption 1,864 maunds. The teas realised an average price of Re. 1-11-1 per lb. as compared with Rs. 2-12-2 per lb. obtained for the previous season's crop of 7,865 maunds. The Company's export quota for season 1955 was 5,707 (5,559) maunds. No extensions were put out during the year and the area under cultivation remains unchanged at 578.33 acres.

Increase of Capital.—In June this year a sum of Rs. 3,20,000, being part of the reserve account of the Company, was capitalised by the creation of 32,000 new shares as fully paid-up. These shares were allotted free to the existing shareholders of the Company in the proportion of one share for every one share held by them on 26th June 1956. The shares so distributed ranked in all respects *pari passu* with the existing shares and were to participate in any dividend declared after 26th June 1956. The effect of the above capitalisation on the relationship between the capital and the reserve account of the Company is as follows:—

		Position as shown in the balance sheet	*Position at date*
		Rs.	Rs.
Capital ...	:: ::	3,20,000	6,40,000
Reserve account	:: ::	6,50,000	3,30,000
Total	.. Rs.	9,70,000	9,70,000

The revenue account shows a profit of Rs. 2,08,430 (Rs. 9,43,581) and after deducting from this gratuity to retired employee Rs. 567 (*nil*), staff commission and bonus Rs. 15,832 (Rs. 79,605), managing agents' commission on profits Rs. 1,160 (Rs. 16,943), reserve for taxation Rs. 40,000 (Rs. 2,80,000), depreciation Rs. 30,336 (Rs. 24,464) and bonus to labour for 1953-54 Rs. 96,816 there is a balance of Rs. 23,719 (Rs. 5,36,821). To this is added interest on investments net Rs. 9,841 (Rs. 2,035) and excess provision for taxation—written back Rs. 20,000 (*nil*) giving a net profit for the year of Rs. 52,560 (Rs. 5,40,471). After adding to this the adjusted credit balance of Rs. 55,916 (Rs. 42,343) brought forward from the previous year, there is a credit balance of Rs. 88,476 (Rs. 5,82,814) on profit and loss account. The directors recommend that this balance be disposed of as follows:—

Pay a dividend of 12½ (75) per cent. for season 1955 on the increased capital of Rs. 6,40,000, without any deduction for income-tax payable by the Company Rs. 80,000 (Rs. 2,40,000) and carry forward Rs. 8,476 (Rs. 42,814 after placing Rs. 70,000 to reserve account, Rs. 1,50,000 to buildings and machinery reserve account, Rs. 50,000 to contingency reserve account and Rs. 30,000 to hail insurance reserve account).

Referring to the qualification in the auditors' report, the directors have to explain that as these accounts relate to a period prior to the commencement of the Companies Act, 1956, they have been prepared in accordance with the provisions of the Indian Companies Act, 1913, which was in force for that period.

Bonus to Labour.—In accordance with a tripartite agreement arrived at early this year the claim of labour for a bonus for the years 1953 to 1956 has to be satisfied. The bonus payable for the years 1953-54 and 1955 has been charged in the accounts now presented.

Estimates for season 1956 are provided for a tea crop of 8,000 maunds at a total cost of Rs. 10,01,388 which excludes capital expenditure to the tune of Rs. 2,04,060.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Block ...	6,26,920
Reserves ...	8,94,996	Stock of tea ...	3,28,293
Provision for taxation ...	3,21,004	Stores ...	1,21,552
Liabilities ...	3,08,765	Debts, deposits and advances ...	1,22,765
Profit and loss account ...	8,476	Investments ...	5,98,709
		Cash ...	55,002
Rs.	18,53,241	Rs.	18,53,241

Moheema Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a loss of Rs. 50,144 (profit of Rs. 2,69,910). On transfer of this sum to profit and loss account and after sundry adjustments, including transfers of Rs. 1,00,000 from revenue reserve and Rs. 1,20,000 from buildings and machinery reserve, there is a balance at credit of that account amounting to Rs. 1,217 (Rs. 10,713 after transferring Rs. 75,000 to revenue reserve and Rs. 1,35,000 to buildings and machinery reserve and also after payment of arrears of preference dividends of 6 per cent. for the years 1950 to 1952), which the directors propose to carry forward.

The accounts of your Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets valued at Rs. 1,88,000 as per last account have now been shown at their written down value and in addition assets which had been written off to 31st December 1954 have been brought back into account. As a result, a sum of Rs. 1,10,437 representing depreciation which was not previously written off has been charged to profit and loss account.

Tea crop weighed out at 4,560 maunds which compares with 4,507 maunds harvested in 1954. The average selling price was Rs. 1-11-7 per lb. as compared with Rs. 2-9-1 per lb. in the previous year. Planted area under tea cultivation remains at 673.37 acres.

Estimates for 1956 provide for a crop of 4,700 maunds at an outlay of Rs. 7,47,400, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	7,65,701
Reserves ...	30,000	Stock-in trade ...	3,08,013
Provision for taxation ...	10,900	Stores and supplies ...	35,048
Liabilities ...	5,31,995	Quota rights receivable	7,074
Profit and loss account ...	1,217	Debts and advances ...	22,836
		Cash	35,440
Rs.	13,74,112	Rs.	13,74,112

New Swadeshi Mills of Ahmedabad Ltd.

The directors of the above Company (Chairman: Mr. R. N. Podar, Bombay) submitted the audited accounts of the Company for the year ended 31st March 1956.

The accounts after providing for managing agency commission amounting to Rs. 5,11,380 and industrial bonus for the calendar year 1955 aggregating to Rs. 6,61,190 show a profit of Rs. 20,69,184. The last year's profit brought forward is Rs. 75,601 and profit of Nagda branch upto the year ended 31st March 1955, which was transferred to Ahmedabad during the year, is Rs. 1,63,842. Adding both these amounts to the profit of this year of Rs. 20,69,184, the total comes to Rs. 23,08,627 from which the directors propose to make the following appropriations as per provisions made in the accounts.

To depreciation on block Rs. 5,27,949, to provision for taxation for the year 1955-56 Rs. 7,00,000, *less* saving in provision for income-tax made during the previous years Rs. 3,00,000; transfer to general reserve Rs. 10,64,822, provision for proposed dividends: on 26,145 ordinary shares of Rs. 100 each at 7 per cent. (free of tax) Rs. 1,83,015 and on 2,892 preference shares of Rs. 100 each at 5 per cent. (less tax) Rs. 10,664 leaving to be carried forward Rs. 1,22,177. The revenue result of Pakistan branch has not been incorporated in the above.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,93,175	Block ...	27,00,000
Reserves ...	24,33,616	Stock-in-trade	71,25,716
Provision for taxation ...	9,66,042	Stock-in-process ...	2,93,681
Liabilities ...	67,64,484	Stores and spare parts	5,28,297
Profit and loss account ...	3,44,175	Debts, deposits and advances ...	25,82,170
		Investments	3,20,100
		Cash ...	1,51,528
Rs.	1,37,01,492	Rs.	1,37,01,492

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

SUTLEJ COTTON MILLS LIMITED

RESULTS FOR 1955-56 EXCELLENT

THE Directors' Report and the audited accounts of the Sutlej Cotton Mills Limited at Okara, West Pakistan (Managing Agents: Messrs. Birla Brothers Private Limited), for the year ended 31st March 1956, portray another successful working year for the Company.

The results shown by the Company are splendid, though it worked under certain handicaps during the year under review. The Directors have reported that the Mills' production was adversely affected, as, throughout the year, there was a persistent shortage of standard consumable materials and stores, due to the stringent import policy of the Government of Pakistan. The Mills, therefore, had to depend mostly upon locally available materials.

The Directors have further reported that the comparative fall in the profits of the Company is mainly due to the growing severity of competition in the cotton textile industry in Pakistan, where a large number of new mills has been recently set up. It has been reported that the Pakistan market is now saturated with the coarse and medium type of cloth and the Directors are now very wisely contemplating to switch over the Mills' production to finer qualities, wherein there is still considerably vast scope. Moreover, attempts are also being made to secure and build up new markets in East Pakistan as well.

Profit High

The profit in India and Pakistan, after providing for interest, Managing Agents' commission and depreciation, stands at a high figure of Rs. 98,19,371. Out of this, Rs. 59,45,000 and Rs. 9,41,500 have been provided for taxes in Pakistan and India, respectively, leaving a net profit of Rs. 29,32,871. After transferring therefrom Rs. 18,00,000 to general reserve and Rs. 3,00,000 to dividend equalisation fund, there remains a sum of Rs. 8,32,871. This sum, together with the balance of previous years, amounts to Rs. 39,69,553.

Of this amount, Rs. 9,00,000 have been apportioned for the payment of dividend at Rs. 6 per ordinary share of Rs. 10 each. The balance of Rs. 30,60,553 is proposed to be carried forward.

The working of the Company during the last three years is outlined in the following table:

	1953-54	1954-55	1955-56
Net sales (*less*—excise duty and selling expenses)	4,11,09,801	3,18,03,576	2,91,45,316
Establishment, manufacturing and other expenses	8,55,545	8,55,880	3,92,166
Net profit (after providing for depreciation but before providing for India and Pakistan taxes) ..	2,19,55,446	1,36,72,265	98,19,371
Provision for taxes in India and Pakistan	1,28,05,000	72,67,500	68,86,500
Provision for depreciation ..	9,70,189	10,42,639	7,09,056
Transfer to general reserve ..	75,00,000	50,00,000	18,00,000
Transfer to dividend equalisation fund	10,00,000	5,00,000	3,00,000
Transfer to miscellaneous reserve..	6,13,692	6,92,776	10,97,879
Rate of dividend on the face value of shares	50%	60%	60%

Large Reserves

One very important and noteworthy feature of the Company's balance-sheet as at 31st March 1956 is that the authorised capital of the Company has been raised from Rs. 75 lakhs to Rs. 2 crores. The policy of building up reserves followed by the Company is quite commendable. The general reserve alone stands at the huge figure of Rs. 2,73,00,000. Besides, there are dividend equalisation fund and miscellaneous reserve of the order of Rs. 30,00,000 and Rs. 40,80,155, respectively.

The following is a summary of the Company's balance-sheet as on 31st March 1956:

Capital and Liabilities	Rs.	Property and Assets	Rs.
Authorised capital ..	2,00,00,000	Gross block	99,62,158
Issued, subscribed and paid-up capital ..	15,00,000	*Less*—Depreciation ..	79,53,780
General reserve ..	2,73,00,000		20,08,378
Miscellaneous reserve ..	40,80,155	Sundry assets ..	4,80,68,617
Dividend equalisation fund	30,00,000		
Reserve for taxation..	47,00,792		
Sundry liabilities ..	55,35,490		
Profit and loss account	39,60,553		
	Rs. 5,00,76,990		Rs. 5,00,76,990

QUESTION HOUR IN PARLIAMENT

Petrol Prices

THE Government is unable to lower petrol prices in India. While it is fantastic that the Indian consumer has to pay more for petrol drilled in India, the question cannot be separated from other and larger issues. The Government is, however, very much concerned in the matter. The steps which the Government has to detach prices in India from the basic price of petroleum products fixed globally in the Gulf of Mexico are rather complicated questions connected with many other matters. Till we can produce enough oil here, we cannot do anything we like. So long as we get oil from abroad, our hands are tied. But we are making efforts to bring down prices.

* * * *

Atomic Energy

India is concentrating its attention on the production of atomic energy and, when it produces it, it will have to consider whether it is economical to run a locomotive by coal, electricity or atomic energy. Japanese scientists have not yet reached a definite blue-print stage for the production of atomic-powered locomotives.

—*Jawaharlal Nehru*

Dunlop Rubber Company

The Government has taken care to see that the participation of Indian capital will be more than before in the new shares which the Dunlop Rubber Company has been permitted to issue. In the fresh issue, the percentage of foreign capital will be 51, as against 71 in the old issue. The rest 49 per cent. will be Indian capital. The Government has acted according to the Tariff Commission's recommendations. The question before the Government and the country is whether the increased demand for tyres should be met or not.

—*T. T. Krishnamachari*

Balance of Payments

During 1955-56, India's net invisible earnings amounted to Rs. 24.7 crores from transportation, including shipping and Rs. 4.3 crores from insurance. In 1955-56, India had a favourable balance of payments with countries of Australia, New Zealand, Burma, Ceylon, Malaya, Aden, Iraq, the U.S.A., Canada, the Philippines, the Netherlands, Afghanistan, Iran, Saudi Arabia, Ethiopia, Indonesia, Thailand, Argentina, China and Poland.

* * * *

Indian Aluminium Company

The Indian Aluminium Company has been permitted to raise fresh capital in the country. About 87.2 per cent. of the ordinary shares and 69.7 per cent. of the total paid-up capital, including the preference shares of this Company, are held by the Canadian shareholders. (No big loan has been made to the Indian Aluminium Company. It is not the Government policy to discourage the private sector.—*T. T. Krishnamachari.*)

—*B. R. Bhagat*

Tea Agreement

In quality and quantity, India is holding the ground in the matter of tea export and it will continue to hold the ground. The International Tea Agreement expired on 31st March last. An extension is still under negotiation.

* * * *

Most-favoured-Nation Treatment

The Governments of South Viet Nam and India have agreed to accord each other most-favoured-nation treatment in respect of their tariffs.

* * * *

Small Industries

Forty-seven extension centres throughout the country for small industries have been sanctioned and are in various stages of implementation.

—*Nityanand Kanungo*

Woollen Fabrics to Russia

Prices and other details for the immediate purchase of 250,000 yards of woollen fabrics by the Soviet Union from India have been finalised. These fabrics will be sold to the Soviet Union at a fair price.

—*D. P. Karmarkar*

Raw Film Manufacture

India is negotiating with an East German firm the question of setting up a plant for manufacturing raw film in India. The negotiations are expected to be completed in three to six months.

—*M. M. Shah*

Neiveli Project

An East German technical expert team visited the Neiveli lignite project in Madras State. The question of setting up a steel plant in Salem district has not been specifically dealt with in the report submitted by the team. It only points to the possibility of melting crude iron by means of high temperature lignite coke in low-shaft furnaces. The report deals mainly with mining and utilisation of lignite and underground water conditions at Neiveli.

* * * *

Refinery Gases

The question of utilising the gases of the Burmah-Shell and Stanvac Refineries in Bombay for the manufacture of fertilisers will be taken up after the Union Food and Agriculture Ministry has decided about the upward revision in the production of fertilisers in the Second Plan period.

* * * *

Korba Coalfields

Preliminary work on a pilot quarry has begun in the Korba coalfields in Madhya Pradesh and it is expected to go into production by the beginning of 1957.

Coal and Salt Prices

No scheme has so far been drawn up for making coal and salt available throughout the country at uniform or very nearly uniform prices. Proposals to this effect are, however, under consideration.

—*Satish Chandra*

Wage Boards

Five or six wage boards, which will cover nearly two-thirds of the workers engaged in factories will be set up before the end of the year. The headquarters of the wage boards will be located at places most convenient to workers in the industries. The steel industry will be one of the industries to be covered by the wage boards.

—*Khandubhai Desai*

Educated Unemployed

It has been decided to set up some pilot projects based on the recommendations of the study group on educated unemployed. Such schemes of the State Governments as fall within the purview of these pilot projects are being considered by the Government.

* * * *

Employees' State Insurance

A decision to extend facilities for medical care to the families of insured persons under the Employees' State Insurance Scheme has been taken by the Government. About 6 to 7 million persons will benefit by this new decision. The rate of employees' contribution will not be increased as a result of the decision. The rates of special contribution payable by employers will, however, be raised from ¾ per cent. to 1¾ per cent. in non-implemented areas and from 1¼ per cent. to 3½ per cent. in implemented areas. The State Governments were consulted before taking this decision and they were in favour of covering the families of the workers also.

—*Abid Ali*

Oil Survey

A Canadian survey team has undertaken an aero-magnetic survey of the Jaisalmer area and a stretch of 10,000 line-miles in the Gangetic and Punjab plains for oil. The survey is conducted under the Colombo Plan. The Government of India has not so far requested the Canadian Government for further assistance for exploration of mineral oil.

—*K. D. Malaviya*

Notices

THE VELLORE ELECTRIC CORPORATION, LIMITED

(Registered Office: MADRAS)

NOTICE

THE TWENTY-SEVENTH ANNUAL GENERAL Meeting of the Vellore Electric Corporation Limited will be held on Monday the 24th December 1956 at 12 noon (S.T.) at the Registered Office of the Company, No. 20, Second Line Beach, Madras-1, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March 1956.
2. To declare dividends on Preference and Ordinary Shares.
3. (*a*) To elect a Director in the place of Mr. C. Gopalan who retires by rotation and is eligible for re-election.

   (*b*) To appoint a Director in the place of Sri M. Subbaraya Aiyar who retires by rotation and also vacates office under Section 261 of the Companies Act. As he is aged 71 years and is also an Associate of Messrs. Chandrie & Co., Private Ltd., the Managing Agents of the Company, he can be reappointed by a special resolution as required under Sections 261 and 281 of the Companies Act, 1956. Special Notice has been received by the Company to move for his appointment as a Director by the following resolution which will be proposed as a Special Resolution:—

   "RESOLVED that the age limit under Section 280 of the Companies Act shall not apply to Sri M. Subbaraya Aiyar who is aged 71 years and that he be reappointed as a Director of the Company by this Special Resolution notwithstanding the fact that he is an Associate of Messrs. Chandrie & Co., Private Ltd., who are the Managing Agents of this Company."

   (*c*) To appoint two more Directors.

   (*d*) To appoint Auditors for the current year 1956-57 and to fix their remuneration.

   (*e*) Any other subject that may be brought up before the meeting.

The Share Transfer Books of the Company will remain closed from 10th December 1956 to 24th December 1956 both days inclusive.

By Order of the Board,
For CHANDRIE & Co., (PRIVATE) LTD.,
(Sd.) S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, 12*th November* 1956.

Note:—A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

If the dividends as recommended by the Directors, viz., a final dividend of 3 per cent. less tax on Preference Shares and 5 per cent. tax-free on ordinary shares, making a total of 6 per cent. less tax on preference shares and 10 per cent. free of tax on ordinary shares for the year ended 31st March 1956, are passed at the meeting, the payments will be made on or after 24th December 1956 to those members whose names appear on the Company's register on 10th December 1956.

EXPLANATORY NOTE

as required by Section 173 of the Companies Act, 1956 in regard to the Special business under items (b) *and* (c) *set out above.*

(*b*) Sri M. Subbaraya Aiyar has been a Director of this Company from the time of its incorporation and has been rendering very valuable services to the Company. He is aged 71 years and if he is to be reappointed, the Company in General Meeting must state that the age limit shall not apply to him. Further, he is a member of Messrs. Chandrie & Co., Private Ltd., the Managing Agents of this Company who are authorised to appoint two Directors. He is also the father of Sri S. Venkataraman who is a Director of the Managing Agents. Hence, as he comes within the definition of "an Associate" of the Managing Agents and under Section 261 of the Companies Act, a special resolution is required for his appointment as a Director. Both resolutions require special notice. Such a special notice has been received by the Company and the special resolution as stated in the agenda will be moved at the meeting. The Directors feel that the services of Sri M. Subbaraya Aiyar as a Director should not be lost and that he should continue as a Director and give his valuable assistance.

(*c*) Under the Articles of Association of the Company the Managing Agents are entitled to appoint two persons as Directors. Under Article 96 (*a*) the Madras Industrial Investment Corporation Ltd. has got the right to appoint a Director to the Company so long as the Loan by that Corporation to the Company is outstanding. Thus three of the Directors of the Company do not retire by rotation. As Section 255 lays down that at least two-thirds of the total number of Directors should be persons liable to retire by rotation. The Directors recommend that two more Directors may be appointed so that the number of Directors appointed by the Company be six. The total number of Directors permitted by the Articles is nine.

By Order of the Board,
For CHANDRIE & Co., (PRIVATE) LTD.,
(Sd.) S. VENKATARAMAN,
Director,
Managing Agents.

THE BELAPUR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the above Company will be closed from the 30th November 1956 to the 29th December 1956, both days inclusive.

By Order of the Board of Directors,
W. H. BRADY & CO., LTD.,
Managing Agents.

To the Shareholders of the Belapur Company, Limited, and in particular to: Mr. William Abel and Rajabali Hasom Paroo and Sons Ltd.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 21*st November*

The most important development of the week, since our last report, was the Reserve Bank's announcement raising the rate of interest on advances to banks against usance bills from 3½ per cent. to 3¾ per cent. with effect from today. This, however, did not give rise to a corresponding increase in interest rates in the short-term money market, though the scarcity of floating funds was as keenly felt as in the previous week and the pressure of demand for bank credit witnessed no relaxation.

The one effect of the Reserve Bank's decision to raise its rate on advances to banks against usance bills was that till today a large number of banks availed themselves of the facility at the lower rate of interest as much as possible. In fact, it is reported that there was a "rush" from banks yesterday, being the last day for which the lower bill rate was applicable.

In the inter-bank section, day-to-day funds were mostly done at 3½ per cent. and at 3 per cent. after clearing hours. Three days' and seven days' money were done at 3⅝ per cent. and 3¾ per cent., respectively. House money at call fetched 3½ to 3¾ per cent. for large amounts. Short-term deposits fetched 3½ per cent. for one to three months and 3¾ per cent. for six months.

The Reserve Bank's statement for the week ended 16th November 1956 discloses a fall of Rs. 9.30 crores in notes in circulation and an increase of Rs. 10.69 crores in notes held in the Banking Department. The consequent increase of Rs. 1.39 crores in total notes issued is covered by a corresponding rise in rupee coin. In the Banking Department, deposits of the Central Government have dropped by no less than Rs. 11.58 crores and those of other Governments by Rs. 7.88 crores. A small decline of Rs. 74 lakhs is also noted in deposits of banks. There has been a fall of Rs. 6.71 crores in balances held abroad and of Rs. 7.33 crores in loans and advances other than to Governments. Fresh advances to banks against usance bills during the week amount to Rs. 3.88 crores, but repayments have been more at Rs. 5.49 crores, so that the outstanding advances show a net decline of Rs. 1.61 crores. A further reduction of Rs. 15.08 crores is noted in investments.

The Scheduled banks' statement for the week ended 9th November 1956 shows a rise of Rs. 2.33 crores in demand deposits and a small decline of Rs. 46 lakhs in time deposits. Inter-bank borrowings are lower by Rs. 0.97 lakh. Borrowings from the Reserve Bank have fallen by Rs. 4.57 crores and those from the State Bank by Rs. 2.31 crores. On the assets side, a sharp fall of Rs. 8.97 crores is noted in advances. Inland bills purchased and discounted have gone up by Rs. 4.65 crores, while foreign bills have declined by Rs. 2.09 crores. Investments are lower by Rs. 1.39 crores, but cash balances have risen by Rs. 1.77 crores.

The gilt-edged market ruled quiet with a further marking down in prices of some of the securities. The volume of business was very small. It is, however, noteworthy that the rot in the more active State loans noted for some weeks past was arrested, thanks to the intervention of the life Insurance Corporation which offered some support to these loans. But there was a further setback in loans of M.P., Punjab, Orissa, Mysore, Andhra and Saurashtra.

Among Central Government securities, 3 per cent. 1986 Conversion Loan fell by As. 3 to Rs. 73-9, even at which level there were sellers, 3 per cent. 1970-75 shed As. 2 to Rs. 87-14. 3 per cent. 1966-68 was on offer at Rs. 92-6. 3 per cent. 1964 and 1963-65 were unchanged at Rs. 94-5 and Rs. 94-4, respectively. 3½ per cent. 1962 held its ground at Rs. 97-14 and 3½ per cent. 1961 at Rs. 99-4. 3½ per cent. 1964 was placed an anna lower at Rs. 98-5 and 3½ per cent. 1965 was on offer a shade lower at Rs. 98-6½. 3½ per cent. 1967 had sellers at Rs. 98-6.

In the foreign exchange market, the rupee ruled steady in terms of the dollar, banks' selling rate for ready dollars being maintained at Rs. 481½ per $100 and their buying rate at Rs. 477¼ per $100. There was, however, a further weakness of the rupee in terms of the Canadian dollar, banks' selling rate moving up from Rs. 499½ to Rs. 500¼ per $100 and their buying rate from Rs. 493¾ to Rs. 494¾ per $100. In New York, spot sterling was well maintained at $2.78-3/16-2.78-5/16. Three months' forward was, however, marked down from $2.76-11/16-2.76-13/16 to $2.76⅜-2.76½. Transferable sterling gained a little from 273.75-273.90 cents to 274.00-274.10 cents.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 19*th November*

During the week under review, the conditions of hides and skins market were stable. Demand for goods of different category was strong. New arrivals were considerable. The main purchasers were the local tanners. During the week, ample purchases were effected by the Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 380, 2nd grade Rs. 290 and 3rd grade Rs. 140 to Rs. 150 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat, 1st grade Rs. 300 to Rs. 325, and 2nd grade Rs. 250 to Rs. 275 per 100 pieces; sheep, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

BULLION FLARES UP

(From Our Own Correspondent)

BOMBAY, 21*st November*

A sudden rise of over a rupee in the price of silver today was the outstanding feature of the week's trading in the bullion market. This is attributed to strong speculative support on rumours that the supplies of silver coins from Tibet would stop. At present, these silver coins are imported against export of cloth and other commodities. The report goes that these exports would be diverted to other countries in order to increase India's foreign exchange earnings. Gold also moved up sizably, the strength of silver and gold offtake in the ready section being the main bullish factors.

In the earlier part of the week, the movements in both silver and gold were confined to a narrow range, but the undertone remained steady, sustained by the good demand in gold.

Silver for forward delivery (19th November settlement) was slightly marked down early in the week from Rs. 174-7 to Rs. 173-8 due to hesitancy on the part of operators to go long further, following rumours about the possibility of more arrivals of coins from Tibet. There was, however, a recovery to Rs. 174-4, before the settlement ran cut. The December settlement reacted from Rs. 175-4 to Rs. 174-6, but crept up to Rs. 175-4 yesterday and jumped up today to Rs. 176-9.

Ready silver (.996 Mint) closed at Rs. 176-1, as against the previous week's closing at Rs. 174-8, after moving down to Rs. 173-9. The floating stocks of silver are estimated at 1,100 bars. The daily average offtake during the week was 16 bars.

Forward gold (17th November settlement) shaded off from Rs. 105-6 to Rs. 104-14 at the opening of the week, but slowly advanced before the settlement ran out at Rs. 105-6. The December settlement was initially marked down from Rs. 105-9 to Rs. 105-1, before it gathered strength to touch a high of Rs. 106-5 at the close today.

Ready gold scored a gain of As. 11 over the week at Rs. 106-4. The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals during the week were 3,000 tolas and these were well absorbed by a corresponding demand.

In New York, silver was maintained at 91⅛c. In London, however, spot silver hardened from 81½d. to 81¾d. and forward from 80⅝d. to 80¾d. Gold weakened from 251s. 5½d. to 251s. 2¼d.

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

	21-11-56	Highest	Lowest	14-11-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.999 fine Mint) ..	106 4	106 5	105 1	105 9
Forward*	106 5	106 6	105 1	105 9
Sovereign	69 8	69 8	69 4	69 8
SILVER				
Ready (.996 fine Mint) ..	176 1	176 2	173 9	174 8
Forward†	176 9	176 10	174 6	175 4
London Silver Ready ..	81¾d.	81¾d.	81⅛d.	81⅛d.
London Forward	80¾d.	80¾d.	80⅝d.	80⅝d.
London Gold	251s. 2¼d.	251s. 5½d.	251s. 2¼d.	251s. 5½d.
New York Silver	91⅛c.	—	—	91⅛c.

* 17th December settlement.
† 18th December settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED ADVANCES

(Messrs. A. Bradley and Co.)

CALCUTTA, 19*th November*

Linseed prices displayed a notable advance during the week and a generally firmer undertone was in evidence. Insufficient ready goods to meet the crushers' demands and keener enquiries for oil following firmer advices from overseas were the chief factors maintaining the market. Small activity was recorded for near, as well as forward new crop deliveries, but sellers were on the whole reserved. The oil section was firm in anticipation of further fresh exports. Buyers were fairly keen, while the sellers remained reserved.

The latest available quotations per maund are: Ready-November Rs. 26; November-December Rs. 26 and April-May Rs. 22-8.

KIPS BULLISH

(From Our Own Correspondent)

MADRAS, 19*th November*

The kips market has been bullish. Stockholders quote very high prices as the Middle East situation looks complicated and has not eased. U.K. buying is small, in view of high prices quoted at origin. Trading has been patchy and a few top marks have been sold at pretty higher prices. Demand centres round medium and heavy weight kips and superior marks of cow calf and buff calf.

In the tanned skins section, best tannages are in good request from the U.K. and the Continent Demand for lining sheep from the Continent is fair-sized.

The next London tanned skins public sales will commence on 3rd December next, when 650,000 tanned goat and 230,000 sheep will be available. As demand for spot stocks seems active, prices are expected to improve at the auctions.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, 21*st November*

The declining trend of cotton values, noted in the past few weeks in the futures market, was arrested during the week under review, thanks to the expectation of an export quota announcement. The firmness of other commodity markets also appeared to have bullishly affected the sentiment. But the rise in values would have been more marked but for the emergence of certain factors which dampened the enthusiasm of operators. These were: (1) heavy arrivals in upcountry centres and decline in the premiums in interior markets, (2) uncertainty regarding the actual size of the export quota that may be announced, and (3) reports that the quality of the present arrivals of new crop had been adversely affected by the recent rains. These factors led to cautious buying. Nevertheless, the undertone of the market was steady throughout the week and both the contracts registered some improvement.

M.G. Jarilla (March 1957) opened the week Re. 1-8 lower at Rs. 652½ and improved to Rs. 660½ on firm advice from the oilseeds market and upcountry buying. Expectation of export quota announcement further helped sentiment. On reports of heavy arrivals, the contract declined to Rs. 649 on 17th inst. It again improved to Rs. 662½ on Monday, obviously stimulated by the speech of the Union Commerce Minister at the Export Advisory Committee meeting the previous day. However, profit-taking and hedge selling followed which took the contract down to Rs. 652½ the next day. Opening today at Rs. 649, it again improved to Rs. 656½ and closed steady at the same rate.

M. G. Vijay (April 1957) followed the pattern of trading in Jarilla. Opening lower, at Rs. 752½, the contract firmed up to Rs. 762 the same day. Earlier gains were shed in subsequent sessions and it came down to Rs. 752½ yesterday. Opening today at Rs. 749½ the contract touched Rs. 758 before winding up the session at Rs. 758.

The following is the trend of price of the two contracts for the week:

(In rupees per candy of 784 lbs.)

	21-11-56	High	Low	14-11-56
Jarilla (March) ...	656½	662½	649	654
Vijay (April) ...	758	762	749½	754½

In the spot section, there were moderate inquiries for good quality cotton and prices were steady. Mill interest was noted for Laxmi, Khamgaon, Surti (old crop), Khandesh and Berar. Rumours that the Government is likely to release fresh export quotas in the near future led to exportable styles remaining firm. Shippers bought superior quality Bengals, C.P. I, C.P. II, Wagad and Oomra *deshi* and a fair volume of business is reported to have been done in these styles. In the foreign section, some business was put through in American G.M. 1-5/32". There were also good demand for ready lots of African cotton. Delivery contracts were easy. The latest available rates—in rupees per candy of 784 lbs.—from the spot market at Sewri are given below, the figures in brackets being last week's closing quotations:

Bengal *Deshi*	735	(730);	Berar Jarilla 750 (760);
Khandesh	785	(795);	Vijay (old) 920 (920);
Oomra *Deshi*	760	(760);	Moglai 745 (750);

Delivery Contracts:

Khandesh	107	(125)	ON Jarilla
Berar	92	(115)	ON Jarilla
Moglai	45	(40)	ON Jarilla
320 F.	88	(89)	ON Vijay
216 F.	108	(110)	ON Vijay
Vijay 13/16" ...	97	(100)	ON Vijay

The firm trend noted in the Karachi cotton market last week gathered further momentum during the week. This was due mainly to the keen interest shown in Pakistan cotton by overseas buyers. Inquiries from China and Japan were noted for N.T. and a sizable business is reported to have been put through in this variety. Local spinner demand was also good. Although the current year's crop is expected to be better than the previous year's, mill consumption is also rapidly rising and is estimated to reach one million bales, as compared with 938,000 bales in the previous season.

N.T.R.G. January which had closed at Rs. 79-1, improved to Rs. 82-5 and March delivery put on, over the week, Rs. 3-7 to Rs. 81-13. The spot section too presented a firm trend and fair improvement in values was noted. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Punjab *Deshi* 82; 4F Roller 82-5; S.G. 87-5; Punjab Roller 85-5; S.G. 90-5; 289 F.N.T. Roller 88-1; 289 F. Sind S.G. 92-1; 289 F. Punjab Roller 89-5; S.G. 95-5.

The Alexandria cotton futures market continued to be closed during the week under review. It is reported that shippers have not yet reinstated their offers. There is no information regarding any sales, but there are rumours of the possibility of large barter transactions with East European countries.

The auctions at Khartoum, after evoking considerable interest initially, have again become featureless with slow bidding. No sales were made at the auctions on 31st October and the 3rd of this month. On the 1st and 2nd inst., total sales were 900 bales each of CG6L and DG6L.

It is reported that satisfactory prices were obtained at the auction held on the 13th inst., by the Lint Marketing Board for new crop A.R. Uganda, covering a quantity of 15,000 bales. At the auctions held on the 15th inst., covering a further quantity of 15,000 bales, the prices fetched were much higher. The following were the auction prices converted to c.i.f. Bombay—the figures in brackets being the price obtained at the previous auction: A.R. BP. 52 Rs. 1,725 (Rs. 1,660 to Rs. 1,670); A.R. Busoga Rs. 1,625 (Rs. 1,480); A.R.

Bukhedi Rs. 1,495 (Rs. 1,430); A.R. Jinja Rs. 1,375 (Rs. 1,330 to Rs. 1,335).

The Liverpool cotton market ruled firm during the week. The firmness was due mainly to the renewed inquiries for ready cotton. The cheerful conditions which prevailed in the yarn and cloth market also appeared to have imparted strength to the cotton market. Mill interest was mainly for U.S. cotton and, as a consequence, prices of all grades and styles of U.S. cotton firmed up. The rise in price was also due to the reported decision of the U.S. Department of Agriculture to raise the C.C.C. floor selling price progressively by adding carrying charges. But the point has not been reached at which comparable Middle and Far Eastern growths can compete with American varieties. Users of Indian Oomra *deshi* made tentative inquiries for new crop shipments. However, the difficulty of getting shipping facilities, higher freight charges and domestic price delayed purchases. An official statement by the Indian Government on export quota is eagerly awaited. The Liverpool American futures contracts remained firm, while Egyptian cotton contracts were steady and Sudan improved. The latest available rates—in pence per lb.—from Liverpool are given under:

American Cotton One Inch Staple Contract: December-January 26.70; March-April 26.33; May-June 26.00; July-August 25.60. *American Cotton Mixed Growth Contract*: December-January 27.65; March-April 26.75; May-June 26.30; July-August 25.93 *Egyptian Karnak Cotton*: November-December, January-February, March-April 60; *Sudan Cotton*: November-December 59.30; January-February 59.10.

The post-election rally in prices continued in the New York cotton market during the week, strengthened further by the expanding volume of export sales, and domestic mill demand. Commission house buying and short covering met with only limited offerings. Active conditions prevailed in the spot section also. It is reported that growers continued to offer current ginnings freely at prices at or above loan levels. Domestic mill demand was good, particularly for distant deliveries. Inquiries from abroad covered a wide variety of descriptions and a good volume of business was transacted. The total purchases in the fourteen spot cotton markets for the week ended 8th inst., were reported to be 542,700 bales as against 406,000 bales during the previous week. The large turnover reflects also the sales made by the C.C.C. under the new export sales programme. United States Secretary for Agriculture, Mr. Benson, has declared that sales of U.S. Government-owned cotton would continue and that no "cut off point" had been set for such sales. The Commodity Credit Corporation announced on the 7th inst. that it would add 25 points carrying charges for the November sales under the new export sales programme and would increase carrying charges 15 points monthly thereafter.

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

(In cents per lb.)

	20-11-56	13-11-56	5-11-56
Spot	34.55	34.65	34.45
December	34.46	34.20	33.84
March	34.25	34.15	33.90
May	34.31	34.31	34.01

YARN FORGES AHEAD

(From Our Own Correspondent)

BOMBAY, 21st *November*

The yarn market which ruled distinctly easy last week picked up considerable strength during the week under review. The chief inspiring factor was the fear of an acute scarcity of rayon and staple fibre yarn supplies and enhanced prices in the coming weeks. The fear was based on the expectation that imports of yarns from Continental countries would be not only delayed but also costlier, since they had to come via the Cape of Good Hope. The operators were of the view that it would take some months before normal traffic was resumed in the Suez Canal. There was also good ready demand from Punjab side. Buying enquiries broadened, as a consequence, and prices of rayon and staple fibre yarns forged ahead. Last week's losses were completely recovered and today's closing rates were higher than those of fortnight before. In sympathy with these yarns and following better advices from cotton market, the cotton yarn section exhibited a firm trend.

Snia rayon yarn (120 dull cones) for December delivery forged ahead from Rs. 752 to Rs. 782. Spot 120 Italy jumped up by As. 3 to Rs. 4. 150 Japan rallied As. 2 to Rs. 4-6. 150 Italy was fully maintained at Rs. 3-11-6. 120 Japan, however, eased by an anna to Rs 3-15-3 for want of support. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade advanced by an anna to Rs. 3-11-9. 120 Bt. cones 1st grade gathered a like amount to Rs. 3-8-9.

Staple fibre yarn (40×2) for December delivery registered a rise of Rs. 26 to Rs. 627. Spot Citys and Centurys hardened by nine pies each to Rs. 3-6-9 and Rs. 3-6-6, respectively. Kohinoors improved by half an anna to Rs. 3-9. New Greats were done at Rs. 3-5-3. Among foreign yarn (80×2), K'Suns met with good buying support and strengthened by As. 2 to Rs. 6-10. Paramounts put on an anna to Rs. 5-15. Fujis increased by six pies to Rs. 6.

In the cotton yarn section, ten counts elicited special attention of traders. Podars picked up As. 8 to Rs. 15-8. Moderns advanced by As. 4 to Rs. 15-8. Among 20s, Hinds and Moderns rose by As. 2 each, the former to Rs. 19-6 and the latter to Rs. 19-8. Deals in forty counts were put through at higher rates. Moderns moving up by As. 4 to Rs. 29-4 and Gokaks by As. 2 to Rs. 27-12. Among 60s, Finlays were on special request and rallied Re. 1-8 to Rs. 59-8. Moderns were also well supported and hardened by Re. 1-4 to Rs. 61-4. Raghuvamshis were firm at Rs. 57. Eighty counts Moderns rose by As. 8 to Rs. 73. Thirty counts Maduras were fully maintained at the last week's level of Rs 24-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	21-11-1956	13-11-1956	7-11-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)-			
120 Dull Cone Snia December	782 0	752 0	764 0
120 Japan (per lb.)	3 15½	4 0½	3 14½
150 Japan (per lb.)	4 0	4 4	4 4
120 Italy (per lb.)	4 0	3 13	3 15
150 Italy (per lb.)	3 11½	3 11½	3 11½
Staple fibre yarn (per case of 200 lbs.)—			
40 ×2 December	627 0	601 0	621 0
40 ×2 New Great (per lb.) ..	3 5½	3 5½	3 6
40 ×2 Century (per lb.) ..	3 6½	3 5½	3 6
40 ×2 City (per lb.)	3 6½	3 6	3 6
Cotton yarn (per bundle of 10 lbs.)-			
10s Podar	15 8	15 0	15 0
20s Hind	19 6	19 4	19 4
30s Madura	24 8	24 8	24 4
40s Gokak	27 12	27 10	27 10
60s Finlay	59 8	58 0	59 0
80s Modern	73 0	72 8	71 0

OILSEEDS MOVE UP

(From Our Own Correspondent)

BOMBAY, 21st *November*

Seeds traders have anxiously awaited the proceedings of the Export Advisory Council which met last week at New Delhi. But it is to be feared that no definite indication was available from the deliberations of that body so far as the future of the export policy in relation to oilseeds and oils is concerned. Mr. D. P. Karmarkar, Union Minister for Trade, said that oils and oilseeds were a very "hopeful" source for increasing our foreign exchange earnings. This was because the world demand for these commodities was increasing. But, unfortunately, because of the increase in home demand, he said, India had not been able to export as much as it could. The internal prices were tending to rise and India's earnings from this item during the current year had fallen short of expectations and lagged very much behind the figures for 1955. He added: "It should, however, not be difficult to step up the production of oilseeds in the long run and to tighten the belt in the short run so as to make it possible for this sector of our economy to make its rightful contribution of our foreign exchange resources."

Mr. Morarji Desai, Union Minister for Commerce and Heavy Industries, replying to the discussions, referred to the plea for increasing the export quota of groundnut oil and oilcakes. Mr. Desai said that this required careful consideration. In the matter of oilcakes, it was a commodity which was required within the country and, therefore, Government had to fix the export quota without affecting internal requirements. The question of fixing an export quota for oil was also a difficult problem. It was an article of consumption by the poorer people who derived more nutrition from oil than from any other commodity. If the price of oil went up, it would disturb the internal trade of the country. Therefore, the Government could not take a risk but had to proceed cautiously with regard to fixation of export quota in regard to oil.

A notable feature of the seeds market during the week under review was the spurt in prices in the earlier part of the week, under the leadership of castorseed. Initial firmness was attributed to reduced arrivals in certain upcountry centres due to rains in or near the producing areas and, so far as castorseed was concerned, to encouraging foreign advices and reported increase in castor oil prices. Traders also expected that the Government would adopt a bold policy in relation to exports of seeds. These expectations did not materialise. On the contrary, Mr. Morarji Desai's observations at the Export Advisory Council showed that the Government would be cautious in permitting exports of oils and seeds. This served as a damper to traders' enthusiasm. Further, advices from certain interior centres, particularly from Madras, indicated that whether had improved and that arrivals had increased. The initial rise in prices was, therefore, not maintained. Nevertheless, the price levels at the end of the week under review were generally higher than those which prevailed last week.

In the groundnut section, groundnut, February delivery, commenced the week at Rs. 144-4 and rose on good support from speculative interests and crushers to touch a high of Rs. 149-10 on the 16th inst. Thereafter, it gradually lost ground and was quoted as low as Rs. 143-10 on 20th inst. The contract, however, moved up to Rs. 144-10 today, thereby showing a net gain of Rs. 2-12 over the week. Groundnut, Khandesh quality, was quoted at Rs. 33-4, as against Rs. 32-8, last week, and December-January Rs. 30-8, as compared with Rs. 28-4 a week ago. Groundnut oil was steady in the neighbourhood of Rs. 18-14.

Castorseed, May delivery, came in for good support both in the beginning of the week and at its close. Opening the week at Rs. 159-4, as against the last week's close of Rs. 151-12, it spurted to Rs. 162-8 and still further to Rs. 165 on 17th inst. It would appear that overseas enquiries were not encouraging at high prices. The result was a decline in the local market. Castorseed, May, declined to touch a low of Rs. 155 on 20th inst. Today, however, the market again gathered strength and the contract moved up to Rs. 164-8, thereby gaining Rs. 12-12 over last week's quotation. Castorseed, Madras, had buyers at Rs. 34-6 as compared with Rs. 32 last week. Castor oil commercial improved from Rs. 18-12 to Rs. 20-10 and B.S.S. from Rs. 19-10 to Rs. 21-10.

Some export business has been done with Australia in linseed. May delivery opened the week at Rs. 29-11 and moved up to Rs. 29-13. But the rise was not sustained in the following days so that it gradually declined to Rs. 28-6 yesterday and still further to Rs. 28-3 today at which level it was As. 5 above the closing price last week. Linseed Bold ready was done at Rs. 33-8. The distant positions lacked support and February-March was quoted at Rs. 29-10. Linseed oil improved by As. 12 over the week to Rs. 17-12.

Among other seeds, Cottonseed, February delivery was quoted at Rs. 85, kardiseed Bold at Rs. 20 and nigerseed at Rs. 27-8, as against Rs. 85-12, Rs. 18-4 and Rs. 27 last week.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	21-11-1956	14-11-1956	7-11-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	144 10	141 14	138 12
Khandesh Quality Ready (per cwt.)	33 4	33 4	33 12
Dec.-Jan.	30 8	28 3	27 10
Linseed—			
May 1957	28 3	27 14	27 4
Bold Ready (per cwt.)	30 8	32 2	31 14
Feb.-Mar.	29 10	29 4	28 12
Castorseeds—			
May 1957	164 8	151 12	141 6
Madras (per cwt.)	34 8	32 4	—
Cottonseed—			
February 1957	85 0	85 12	85 5
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 14	18 12	19 2
Castor oil—			
Commercial (per quarter) ..	20 10	18 12	17 14
Linseed oil—			
Ready	17 12	18 0	17 12

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 21st *November*

Sugar prices were well maintained during the week under review too. Demand from consuming centres, especially from upcountry markets, was very encouraging. There were, besides, reports of a rise of Re. 1-8 per bag in the ex-mill quotations for North Indian as well as Bombay-Deccan sugar. In fact, prices of sugar would have registered a marked rise but for the continued large arrivals of indigenous sugar into the market; they aggregated 23,100 bags, as against 18,600 bags and 17,700 bags a week and a fortnight before, respectively.

Magsar delivery contract for "C" grade sugar advanced from Rs. 89-2 to Rs. 89-14 per bag. Today, however, it was slightly lower at Rs. 89-11.

In the spot section, British refined sugar firmed up by a rupee to Rs. 91 per 2 cwts., thanks to paucity of stocks. Spot indigenous small grain sugar was fully steady at Rs. 89 per bag, as also medium grain at Rs. 90-Rs. 92 and large grain at Rs. 94-Rs. 101.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 21st *November*

In the earlier part of the week under review, Malabar black pepper ruled quiet with prices fractionally lower under fear of expansion of new arrivals. Inflow of new crop which showed improvement in quality continued to increase but not to the usual expectations during this time of the season. Prices of pepper, being low, growers were more disposed to wait till the proper development of "stone" instead of marketing light unmatured berries at throwaway prices. Most of the arrivals of the matured new pepper were taken up at round about the parity of Rs. 600-625. This has naturally affected the level of old pepper for which it is difficult to find buyers at Rs. 650 at Alleppey. In the later part of the week, however, market steadied up to some extent, particularly on the news of the long awaited dock strike in New York and in sympathy with castorseeds. The longshoremen strike, however, failed to lift up the prices for spot pepper in New York. Spot, after touching $0.28½, is now being quoted at $0.29¼. But the demand from grinders failed to pick up as they seemed to have temporarily covered. Stocks with the New York dealers are also reported to be adequate to hold through the strike period.

Singapore is reported steady to quiet with small business passing in spite of speculators trying to manipulate in anticipation of renewed demand from Europe in the near future. Djakarta is also quiet but steady owing to poor demand. Lampong, on the whole, seems to have lost its position in the world market as most of the big European firms which were formerly operating are now taking very small interest.

Alleppey hovered round about Rs. 650 for the old crop while garbled at Cochin changed hands from Rs. 110 to Rs. 112½.

New York after taking up some parcels per named steamer at $0.27 continued to haggle for low prices. It is reported some parcels were sold at $0.26¾.

In ASTA section November to March is nominally quoted at $0.26½. Some short covering in December was done at $0.26¼. In the delivery section, the market ruled quiet with prices fluctuating on news of pressure of new arrivals at Alleppey.

Suez has now become a dragging affair and hence the pepper market, which was once fluctuating on the news from the Middle East, is now moving on its own merits.

Today's nominal quotations are—Ready delivery Rs. 94 per Bengal maund; December delivery Rs. 610-15 per candy of 5½ cwts., and February delivery Rs. 616-12 per candy of 5½ cwts.

MEDIUM TEAS DEARER

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 16th *November*

Approximately 1.5 million lbs. were offered in Sale No. 30 and met a strong general demand, particularly for medium and good medium types which were irregularly As. 4 dearer. Although there were a few invoices with good quality on offer, the assortment in general showed a slight decline in quality compared with the previous sale, and buyers were discriminating in their purchases. In consequence, highgrowns were As. 3 to As. 4 easier and sometimes more. Medium and good medium brokens met a very strong demand from exporters and any teas of this type were fully As. 4 dearer. Whole leaf grades continued to be well supported and sold at around last rates. The following are the quotations:—

	1956 Rs.	a.	p.
Plain B.P.	1	12	0
Low medium B.O.P. ..	2	4	6
Medium B.O.P.	2	8	0
Good B.O.P. ... ... (nom.)	2	12	0
Well made black leaf O.P.	2	10	0

London Market: *Sale of 12th November* 1956.—*About steady.*

Sale of 13th November 1956.—4-D. dearer.

Colombo Market: *Sale* of 12th November 1956.—Irregular advance ten to thirty cents all liquoring teas. Others unchanged.

Sale of 13th November 1956.—Highgrowns opened firm closed 20 to 30 cents lower. All liquoring fannings 20 cents lower. Medium brokens firm lowgrown 5 to 10 cents dearer, including gulf types.

Calcutta Market: *Export.*—Except thin liquoring orthodox Assam broken pekoes and some B.Ps. strong general demand. Prices irregularly dearer.

Internal.—20,000 dust. Good general demand started easier closed As. 1 to As. 2 dearer. Leaf 1,600. Irregularly As. 2 to As. 4 dearer.

Export quota.—There has been increased activity in the quota market and business has been effected at 35 pies and there are still buyers available at this price.

Forthcoming auctions.—Sale No. 31 will be held on Tuesday, 27th November and Dust Sale "W" on 20th November.

As we go to press Messrs. Forbes, Ewart and Figgis (Private) Ltd. wires:

"*Dust Sale W*:—650,000 lbs. Strong general demand. Prices irregularly one onna higher."

BUOYANCY IN JUTE MAINTAINED

(From Our Own Correspondent)

CALCUTTA, 20th *November*

The Prime Minister's warning in his foreign affairs statement to Parliament on Friday last that the danger of a world war was as great as before the cease-fire in Egypt led to fully buoyant conditions in the jute markets. Prices advanced most impressively, and with the additions made during this week there was the apprehension that the Indian goods might reach levels as to price them out of world markets. However, the threat of a war is a great provocation to the speculator who during the week made every attempt to increase his stocks. Moderate genuine business was also put through, and the report of a higher consumption figure for burlap in the United States during the month of October was another powerful factor which imparted strength and sentiment to the market. The need to divert jute supplies from the Chittagong and Chalna ports via the Cape route, the longer time new fibre shipments would take, and the increase in the landed cost of fibre supplies in the importing countries—all British Conference lines plying their ships between British ports and the Far East have increased the freight rate by 15 per cent.—would cause some dislocation to production in Dundee and other mills in other countries dependent on the Pakistani raw material. Cost of production would naturally move up. These factors also contributed to push up prices for the Calcutta-produced goods, and it can be said that the advancing trend would bring in fresh dividends to the stockists and the industry. So long as the Suez Canal remains blocked and Dundee mills pay increased freight on raw jute imports, Calcutta goods are likely to maintain the higher trend.

During the week under review, one more producing unit declared a lockout following labour trouble. This was the Budge Budge Mills. The lockout in the four units in Shamnagar continued. Since the latter group remained locked-out for the better part of October, the market and the trade were not surprised in the announcement, according to which in the month of October production was only 80,400 tons, as against 84,500 tons in the previous month.

In hessian, as well as sacking goods, there was keen buying for export also. The United States showed added interest in hessian; presumably that country is contemplating building up stocks in view of the uncertain future. Ready B. twills opened the week at Rs. 119-12, at which rate there was heavy speculative buying, following reports of increased tension among the big powers on account of the Middle East crisis, deepened by the Anglo-French-Israeli reluctance to accept that part of the U.N. resolution calling for the immediate withdrawal of all foreign troops from Egypt. Ready hessian 40″×10 oz. was fully steady at Rs. 45-4. On Tuesday, prices eased as on account of the closure of the Futka market on that day, there was no speculative support. This resulted in fractional recession in prices, B. twills being quoted at Rs. 119-4 and 40″×10 oz. hessian at Rs. 45. On Wednesday, speculators indulged in profit-taking to depress the rates for the above two representative constructions to Rs. 118-10 and Rs. 44-12, respectively. Early on Thursday, prices improved following speculative manipulations, but fell towards the close, ready B. twills finishing at Rs. 118-9 and ready 40″×10 oz. hessian at Rs. 44-15. On Friday and Saturday the market reached a stage of extreme buoyancy for reasons already discussed. By the week-end, B. twills had reached a high of Rs. 121-4 and 40″×10 oz. hessian Rs. 46-4. Forward rates also moved on the heels of ready goods, but neither of the constructions carried a premium. For the demand was more for ready goods and, in view of the uncertain future, there were not many in the market who were prepared to brave entering into forward commitments. Although conditions were steady yesterday, prices slightly slided down. B. twills were thus priced at Rs. 120-8, ready 40″×10 oz. hessian at Rs. 46-3, and the eight oz. hessian at Rs. 37-4. Mills were eager to sell.

Additions to prices were also recorded in the different raw jute constructions. However, in view of the satisfactory stock position, mills preferred to give only restricted support. Sellers who were closely watching the upward movement in jute goods were reserved and anticipated more support from mills. Upper Assam bottoms were lifted to Rs. 32 from Rs. 31, and local daisee bottoms to Rs. 32-8 from Rs. 31-8.

STRONG DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 20th *November*

Strong demand was again in evidence during the export sale held yesterday. British buyers were very active, and a further rise in prices was reported. Trade reports from London that since the diversion of ships via the Cape route stock in British warehouses had fallen by 20 million lbs. were noted and contributed to the local strength.

Local trade circles may not differ from Mr. Harmar Nicholls, Joint Parliamentary Secretary to the British Board of Trade, with his view that there would be no shortage of tea in Britain; but the need to replenish stocks and the report that descriptions of all sorts catalogued during the tea auctions held in London during last Wednesday were sold at higher rates were adequate pointers hinting at the possibility of shortfalls which might prove only temporary. For tea afloat as on 2nd November was stated to be 65.5 million lbs., as against 40 million lbs. at the same time last year.

A further rise in prices is foreseen. The crop regulation scheme comes into effect as from today and between now and 30th November plucking in the gardens situated in North-East India would stop. Teas unfit for sale in Calcutta auctions would also be destroyed. The latter work has already begun. Consuming countries would probably attempt to increase stocks in view of the uncertain international political situation. However, as to how to obtain as much shipping space as would be needed would be a problem, in view of the longer time loads would take to reach destinations. Exports have during recent months registered increases over those of 1955. There is also the fear that supplies to the Middle East countries would be affected considerably if tension around the Suez Canal area continued.

The Commerce Minister's encouraging reference to greater prospects for tea exports in his speech to the Export Advisory Council on Sunday last was naturally noted with satisfaction, as the tea trade also shares in his optimism. Exports during the nine months to September were as high as 356 million lbs., as against 260 million lbs. in the corresponding period last year. Tea is now being exported in greater quantities not only to the traditional customer-countries of India but also to the U.S.S.R. and other communist countries. The present goodwill mission of the Chairman of the Tea Board to the United States will, it is expected, yield good results. The interesting suggestion by Mr. Singhania, President of the Federation of Indian Chambers of Commerce and Industry, that Calcutta and Cochin should be converted into international marketing centres for tea, was noted; the Government's policy is to auction as much tea as possible within the country itself. But, at the same time, direct exports to the Mincing Lane auctions are also permitted (this year's ceiling is 160 million lbs.) inasmuch as tea from all producing countries compete and participate in the London auctions. Any absence of Indian tea at the British auctions will, it is felt, affect Indian tea considerably.

As stated, fully steady conditions were in evidence during the export sale held yesterday. The strong demand resulted in excited bidding. Offerings aggregated 58,400 packages. Fannings and the poorest sorts improved by As. 2 to As. 4 and all other teas excepting the best C.T.Cs and the better liquoring medium Assam B.O.Ps which remained firm, gained by an anna to As. 3. Darjeelings and whole leaf grades fully reflected the general conditions. The quotations were: best C.T.C. Assam B.P. Rs. 3-2, medium Assam B.P. Rs. 2-6 to Rs. 2-7, clean black pekoe Rs. 2-6, and plain B.P. Rs. 2-2 to Rs. 2-3.

There was a further rise in the price for export quota rights. While sellers demanded 39 pies, buyers offered 37 pies.

Dusts offered during last week's sales for domestic consumption amounted to 21,231 packages, and leaf grades 1,460 packages. There was a visible improvement in demand as the sale progressed, and this not only reversed the easier trend noted at the opening of the sale but led to a fair rise in prices. The keenest attention of buyers was devoted to poor residue teas, prices of which were forced up by As. 4 to As. 6. Poor fibrous C.T.Cs improved by As. 2 to As. 4 and the better C.T.Cs by an anna to As. 2, while the high-priced lots eased by As. 2. Medium Dooars and commons rose by an anna to As. 2. The quotations were: best Assam C.T.C. Rs. 2-11 to Rs. 2-12, medium Assam C.T.C. Rs. 2-8 to Rs. 2-9, Assam grainy dust Rs. 2 to Rs. 2-1, and medium Dooars Rs. 2.

The green teas among the leaf grades declined by As. 2 to As. 4, while the remainder was in good demand and rose by As. 2 to As. 4.

METALS RULE FIRM

(From Our Own Correspondent)

CALCUTTA, 20th *November*

Prices of base metals ruled firm during the week under review, although there was no anxiety on the part of consumers to rush to the market. Manufacturers of metal products took a serious view of the closing of the Suez Canal, and of the strengthening of the East-West cold war following the Anglo-French-Israeli disinclination to withdraw their forces from Egypt. One immediate development of the closure of the Canal has been the announcement by British Shipping Conference Lines of an increase in freight rates by 15 per cent. in respect of cargo from the Far East to British Ports and *vice-versa*. Although the blocking of the Canal does not affect copper shipments to this country, the strength of this metal on the London Metal Exchange and the apprehension of a possible dislocation of supplies in the event of the present tension among the big powers reaching a climax pushed the local quotation for electrolytic copper from Rs. 205 to Rs. 207. The rate, however, gave way subsequently to Rs. 202 on reports that a fair quantity was afloat now and would be reaching the country's ports in the near future. Tin staged an early rise to Rs. 538, but soon receded to Rs. 536. Importers were reluctant to enter into commitments as the prevailing price was below replacement costs. From Rs. 83, lead recorded a fractional recession to Rs. 82-8. The satisfactory supply position resulted in little activity. Electrolytic zinc closed at Rs. 68-4, as against the opening rate of Rs. 69.

FOODGRAINS RISE FURTHER

(From Our Own Correspondent)

HAPUR, 19th *November*

The recent upward trend in foodgrain prices was maintained during the week under review also. Wheat average quality was quoted at Rs. 15-12 and farm quality at Rs. 17 per maund. Arrivals from producing centres during the week were meagre, the daily average being 50 maunds. Outside buying enquiry was mainly on behalf of the millers from Bihar. The week's offtake aggregated 4 *khaties* and local wheat stock was put at 65 *khaties*.

The Government fair price shops for wheat here and in rural areas have gone a long way towards checking the rise in wheat prices and demand on such shops is daily increasing in rural areas. Sowings of the *rabi* crop except in areas which are still water-logged is nearing completion and harvesting of late paddy crops is finished.

Rice, however, ruled quiet at unchanged price levels, due to pressure of arrivals of new crops into the market.

Gram hardened, following good offtake aggregating 6 *khaties*. It was quoted at Rs. 13 per maund for local quality and at Rs. 13-6 for Punjab produce, with local stock put at 104 *khaties*. Barley and *bejhar* ruled quiet, due to a fall in the demand for seeds, while other coarse grains ruled steady. The week-end prices as on Monday were: Barley Rs. 13-8; *bejhar* Rs. 13; maize Rs. 12-14; *bajra* Rs. 13-10; *jowar* Rs. 13; and *guwar* Rs. 10 per maund.

GOOD DEMAND FOR SUGAR

(From Our Own Correspondent)

HAPUR, 19th *November*

Despite the release of a further quantity of 1.60 lakh tons of sugar for free sale, sugar prices hardened during the week, thanks to increased demand from all consuming centres in the country. The undertone of the market, however, was subdued, due to good stocks of old quality sugar—put at 5.42 lakh tons—and expectation of increased overall production this season due to early crushing by factories in U.P.

The latest mill delivery prices of sugar as on Monday were: Jaswant Rs. 28-2; Simbhauli Rs. 28-6; Mawana Rs. 27-4 to Rs. 28-8; Daurala Rs. 28 to Rs. 29; Amroha Rs. 27-8; Bijnore Rs. 27-8; Mansoorpur Rs. 27-10 to Rs. 29; Rampur Rs. 31-8; retail Rs. 30-4 per maund.

The *khandsari* market ruled quietly steady. Demand was poor. Inferior grade was quoted at Rs. 20 to Rs. 22 per maund and superior grade between Rs. 24 and Rs. 26 per maund.

Owing to increasing arrivals in almost all the producing centres and poor outside support at higher prices, ready new *gur* eased slightly towards the week-end, and was now quoted at Rs. 13 to Rs. 14-8 per maund. Arrivals were at an average of 5,000 maunds daily and most of the offtake was to the consuming areas of Greater Bombay. New *gur* stock was lower at about 5,000 maunds, the prevailing price of that quality being Rs. 10-8 per maund.

Gur fagun delivery opened at Rs. 10-8-3 on Monday last and touched the highest during midsession at Rs. 11 on bull support, but declined to Rs. 10-11-1¼ at the close on Saturday.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	Oct., 1956	3½	3½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 16th November, 1956		Week ended 9th November, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,96,802	63,68,88,000	2,74,291	60,95,73,100
Calcutta	1,72,483	65,23,38,999	1,65,324	59,02,24,902
Madras	80,043	10,31,24,273	88,842	12,49,95,969
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
July, 1956	..	..	3,203,000	6,69,86,00,000
August ,,	..	..	3,057,000	6,45,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 16th Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		15,00,00,000
National Agricultural Credit (Stabilisation) Fund		1,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		51,41,73,000
(2) Other Governments		12,17,81,000
(b) Banks		53,20,98,000
(c) Others		13,97,11,000
Bills Payable		12,34,26,000
Other Liabilities		101,41,58,000
	Rupees	269,53,47,000

ASSETS	Rs.	Rs.
Notes		18,14,49,000
Rupee Coin		9,06,000
Bills Purchased and Discounted—		11,38,000
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		4,16,78,000
Balances held abroad*		91,46,07,000
Loans and Advances to Governments		1,46,35,000
Other Loans and Advances		82,75,77,000
Investments		59,21,76,000
Other Assets		12,11,81,000
	Rupees	269,53,47,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 40,80,34,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 358,22,46,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,14,49,000	
Notes in circulation	1443,65,77,000	
Total Notes issued		1461,80,26,000
Total Liabilities		1461,80,26,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	462,20,66,000	
Total of A		579,96,69,000
B. Rupee Coin		121,33,26,000
Government of India Rupee Securities		760,50,31,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1461,80,26,000

Scheduled Banks*

Statement of Affairs for the week ended 9th Nov., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	13,33,21,000
(ii) Other demand liabilities	628,20,60,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,07,00,000
(ii) Other time liabilities	452,56,88,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	11,04,23,000
(ii) Time liabilities	....
4. Cash in India	38,31,30,000
5. Balances with the Reserve Bank in India	48,81,74,000
6. Balances with other banks in current account in India	9,84,41,000
7. Money at call and short notice in India	17,31,21,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	365,92,91,000
9. Advances in India	604,08,90,000
10. Inland Bills purchased and discounted in India	107,84,50,000
11. Foreign Bills purchased and discounted in India	50,37,04,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	20th November, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6	1-6
Buyers T.T. 10 to 12 months	1-6	1-6
Bombay on New York—		
Sellers T.T. D.D.	480‡	480‡
Buyers T.T.	473	473
London on New York	2·78½-2·78‡	2·78½-2·78‡
London on Paris	981	981
London on Berne Sw. Fcs.	12·22-12·22½	12·22½-12·20‡
New York on London	2·78⅛-2·75⅛	2·78⅛-2·78⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,857	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,766
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1954	42.84	F.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,380	1,548
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 38,630	3,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 9th Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		39,30,50,000
(b) Provincial Governments		2,98,55,000
(c) Banks		15,42,30,000
(d) Others		3,46,65,000
Bills Payable		24,75,000
Other Liabilities		10,37,60,000
	Rupees	77,73,33,000

ASSETS	Rs.	Rs.
Notes		10,00,14,000
Rupee Coin		10,000
Subsidiary Coin		13,000
Bills Purchased and Discounted:—		
(a) Internal		2,36,85,000
(b) External		....
(c) Government Treasury Bills		....
Loans and Advances to Governments		6,62,35,000
Provincial Governments' Debtor Balances		49,34,58,000
Other Loans and Advances		9,39,18,000
Investments		....
Other Assets		....
	Rupees	77,73,33,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,00,14,000	
Notes in circulation	299,92,07,000	
Total Notes issued		309,92,21,000
Total Liabilities		309,92,21,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	87,70,69,000	
Government of India Securities	16,68,25,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		158,74,63,000
B. Rupee Coin	5,69,25,000	
Government of Pakistan Securities	139,58,27,000	
Internal bills of exchange and other commercial paper	....	
		145,27,52,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	309,92,21,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 53·03 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	9th Nov., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,452.96	1,443.59	1,438.23	1,332.24
Notes held in Banking Department	35.05	7.45	7.62	11.64	12.54
Foreign Securities	59.50	462.21	462.21	526.80	647.07
Rupee Securities	37.39	760.50	750.50	685.91	548.61
Banking Department					
Deposits of:					
Government of India	14.89	62.99	52.15	55.44	56.83
Other Governments	..	20.08	47.18	4.70	14.25
Balances held abroad	10.08	98.17	106.72	73.76	66.28
SCHEDULED BANKS					
Demand Liabilities	134.36	641.54	638.92	632.35	603.91
			(13.33)†	(13.05)†	(10.44)†
Time Liabilities	102.24	454.63	456.34	453.91	424.25
		(2.07)†	(3.33)†	(2.26)†	(6.37)†
Borrowings from Reserve Bank	..	64.26	68.84	68.00	12.34
		(42.41)‡	(43.43)‡	(42.87)‡	(8.53)‡
Borrowings from State Bank	..	11.04	13.35	11.57	7.27
Cash in India	6.70	38.81	34.09	36.40	32.87
Balances with Reserve Bank	..	..	..	..	..
Excess over statutory limits	25.17	48.82	51.77	48.56	53.51
Balances with other banks in current account in India	15.52	13.26	10.70	7.86	14.83
Money at call and short notice in India	..	9.84	9.65	10.18	10.85
Investments (at book value)	..	17.81	17.27	12.66	20.62
Advances and bills	105.09	762.30	768.71	759.50	601.00
STATE BANK					
Deposits	87.76	227.72	229.37	227.66	216.95
Investments	51.99	106.95	107.10	107.82	117.89
Advances	30.35	128.11	130.72	130.18	96.31
Cash	14.69	17.01	16.20	14.46	21.42

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	August,		Five months, April to Aug.	
	1955	1956	1955	1956
Import Duties:				
Revenue	8.70	10.34	46.57	49.20
Protective	0.63	0.80	3.71	5.05
On surplus disposals	..	..	0.05	0.03
Total import duties	9.33	11.14	50.33	54.28
Export Duties	2.98	1.98	14.06	9.19
Land Customs	0.05	0.22	0.38	0.85
Miscellaneous	0.06	0.07	0.32	0.39
Gross total customs	12.42	13.41	65.09	64.71
Refunds and drawbacks	0.16	0.21	1.13	1.01
Net Customs	12.26	13.20	63.96	63.70
Gross excise	13.12	15.12	61.76	70.84
Refunds	0.41	0.17	2.01	0.74
Net Excise	12.71	14.95	59.75	70.10
Net total of customs and excise†	24.97	28.15	123.71	133.80

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 16th Nov., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,90,000
Borrowings from Other Banking Companies, Agents, etc.		230,64,35,000
Bills Payable		8,00,00,000
Bills for Collection being Bills Receivable as per contra		4,46,50,000
Acceptances, Endorsements and Other Obligations per contra		76,92,000
Other Liabilities (including Inter-Office Adjustments)		9,75,000
		7,19,73,000
Total ..	Rs.	263,15,26,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,13,53,000
Balances with other Banks		3,40,33,000
Money at Call and Short Notice		1,16,67,000
INVESTMENTS:		
Government and other Trustee Securities	95,57,42,000	
Other Authorised Investments	11,08,30,000	
		106,60,72,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	88,20,18,000	
Bills Discounted and Purchased	40,17,07,000	
		128,37,25,000
Bills Receivable being Bills for Collection as per contra		76,92,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		9,75,000
Premises less Depreciation		1,27,45,000
Furniture and Fixtures less Depreciation		64,29,000
Other Assets (including Inter-Office Adjustments)		6,68,41,000
Total ..	Rs.	263,15,26,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates						POSTAL SAVINGS§§									
	5-Year		7-Year		12-Year		Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*	Outstandings @	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,83	65	3,26	23,66	84,17	1,13,35	92,03	— 31,07	7,55	25,64	..	..	..	..	..
1954-55	4,70	1,62	4,99	27,27	1,24,64	1,34,94	1,30,88	— 36,35	5,57	37,15	7,40‡	7,38	55‡‡	54
1955-56	3,76	1,98	5,48	27,19	1,44,36	1,58,15	1,67,86	— 38,87	4,79	41,55	9,86	16,37	45	95
August 1955	4,29	12	5,17	2,09	1,32,82	12,25	1,43,80	— 36,96	39	38,87	88	11,00	3	72
September ,,	4,21	13	5,20	5,54	1,34,88	12,40	1,46,99	— 37,11	44	39,28	88	11,80	3	75
October ,,	4,14	10	5,21	2,11	1,36,38	11,35	1,48,99	— 38,23	46	39,68	90	12,49	5	80
November ,,	4,07	10	5,21	1,98	1,37,68	11,25	1,50,40	— 38,34	46	40,05	92	13,20	5	85
December ,,	4,00	18	5,26	2,58	1,39,48	12,94	1,52,44	— 38,44	36	40,34	88	13,98	4	88
January 1956 ..	3,91	14	5,24	2,02	1,40,78	12,16	1,54,14	— 38,55	32	40,61	84	14,73	3	91
February ,,	3,83	16	5,29	2,33	1,42,37	12,87	1,56,19	— 38,66	39	40,95	93	15,57	3	98
March ,,	3,78	33	5,48	2,82	1,44,36	23,64	1,67,86	— 38,87	36	41,25	88	16,37	2	98
April ,,	3,69	24	5,54	2,19	1,45,85	14,64	1,71,08	— 38,96	34	41,51	82	17,13	3	95
May ,,	3,61	21	5,54	2,49	1,47,58	14,77	1,73,05	— 39,05	38	41,82	85	17,91	3	98
June ,,	3,54	28	5,55	2,70	1,49,48	15,24	1,76,09	— 39,15	38	42,11	92	18,75	4	1,00
July ,,	3,48	43	5,81	2,78	1,51,58	14,61	1,80,05	— 39,24	38	42,42	1,01	19,68	4	1,04
August ,,	3,40	29	5,82	2,53	1,53,14	14,10	1,83,21	— 39,35	36	42,72	98	20,58	5	1,07
September ,,	..	..	..	..	..	..	..	..	34	43,00	..	..	..	1,11

* At the end of period.

‡ Issued from 10th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities and holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July, 1954.

Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 12-11-'56	13-10-'56	3-11-'56	10-11-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.5	90.2	90.2
1. Government of India	90.9	90.2	90.0	89.9
2. Indian States	98.5	98.5	98.6	98.8
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	101.0	100.3	100.2	100.2
1. Electricity	102.5	101.3	101.1	101.0
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.3	98.8	98.8	98.8
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	101.8	101.8	101.8	101.8
8. Others	101.1	100.8	100.8	100.8
PREFERENCE SHARES	87.5	82.8	82.5	82.3
1. Electricity	96.3	91.0	89.5	89.2
2. Cotton	79.6	83.8	83.8	83.5
3. Jute	86.8	75.5	75.5	75.7
4. Coal	92.5	82.0	82.0	82.0
5. Iron and Steel	89.4	84.8	84.5	84.3
6. Sugar	84.9	82.7	82.7	82.7
7. Paper	87.2	81.7	81.7	80.5
8. Plantations	101.3	102.3	102.2	102.0
9. Miscellaneous	88.7	79.4	79.1	78.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	129.0	125.0	123.6	123.1
(a) Financial	92.7	94.5	94.7	94.4
1. Banks	90.2	95.5	95.3	95.3
2. Insurance	107.2	87.7	88.2	88.1
3. Investment Trust	98.7	99.1	95.3	95.5
(b) Public Utilities	120.2	112.7	111.8	111.4
1. Electricity	126.6	113.7	112.1	112.0
2. Shipping and other Transport	116.6	120.5	119.7	118.3
3. Railways	88.7	84.4	81.3	81.3
(c) Manufacturing Industries.	138.1	135.2	133.7	133.2
1. Cotton, Woollen and Silk	127.5	138.0	136.9	136.7
2. Jute	94.5	75.2	72.7	72.2
3. Iron and Steel	173.1	151.4	150.3	149.6
4. Paper	274.8	261.9	260.1	260.8
5. Cement	176.5	183.1	181.9	181.0
6. General Engineering	201.6	200.2	193.9	193.2
7. Sugar and Breweries	110.9	109.0	108.9	108.1
8. Chemicals	155.2	149.7	149.8	148.9
(d) Non-Manufacturing industries	173.7	158.5	155.5	154.3
1. Coal	79.5	80.2	79.7	79.7
2. Mining and Oil	271.8	242.5	235.8	235.2
3. Plantations	189.3	170.8	167.9	165.8
(e) Miscellaneous	106.0	103.4	102.0	101.8
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.5	89.9	89.6	89.6
1. Bombay	90.9	90.3	90.1	90.1
2. Calcutta	91.4	90.7	90.4	90.4
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.0	99.7	99.7	99.7
1. Bombay	101.8	100.8	100.5	100.5
2. Calcutta	100.3	99.9	99.9	99.9
3. Madras				
PREFERENCE SHARES:	91.0	87.2	86.7	86.3
1. Bombay	83.1	76.7	76.6	76.5
2. Calcutta	97.2	97.6	97.4	97.1
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	137.2	133.8	133.1	132.6
1. Bombay	117.1	110.1	108.8	108.5
2. Calcutta	124.3	135.2	132.5	131.9
3. Madras	144.4	139.2	138.1	137.2
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes§	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	772	466,607	3,382,608
1954	840	477,138	3,372,630
1955	1,166	527,767	5,697,348
July 1954	122	30,189	277,492
August ,,	79	51,090	322,587
September ,,	97	50,414	363,878
October ,,	88	41,724	276,294
November ,,	62	25,115	239,701
December ,,	101	54,455	262,763
January 1955†	95	49,038	322,807
February ,,	91	38,370	144,302
March ,,	112	70,042	334,696
April ,,	105	32,432	333,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	92,619	580,031
October ,,	134	47,699	214,214
November ,,	99	48,609	178,112
December ,,	129	45,277	239,550
January 1956†	107	61,050	349,655
February* ,,	122	69,450	786,788
March* ,,	146	133,188	678,716
April* ,,	143	61,367	534,933
May ,,	137	64,361	558,717
June ,,	152	72,843	485,634
July ,,	133	83,837	519,672

* Revised.

† Figures are provisional.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301·4	5,134·3
1953-54	648	6,876·8	5,572·7
1954-55	686	7,760·9	6,319·2
1955-56	715	8,305·8	7,185·8
April 1955	690	691·1	563·9
May ,,	696	706·5	569.3
June ,,	700	724·8	583.3
July ,,	693	708·9	574.4
August ,,	705	719·3	587.1
September ,,	707	720·7	591.9
October ,,	716	725·5	597.0
November ,,	724	785·7	648.0
December ,,	731	757·2	621.8
January 1956	739	749·9	622.0
February ,,	715	800·0	651.0
March ,,	701	780·8	643.8
April ,,	701	825·8	669.1
May ,,	710	796·5	658.5
June ,,	724	798·0	656.2
July ,,	..	..	..

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	3rd Nov., 1956	27th Oct., 1956	5th Nov., 1955	September, 1956	September, 1955	Percentage of Increase (+) or Decrease (—) in Sept., 1956 as compared with Sept., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	390.5	392.2 R	330.6	393.1	313.0	+25.6	313.2	339.8
Cereals	59	580	510 R	393	509	380	+33.9	372	381
Pulses	8	392	387	322	394	267	+47.6	289	280
Others	33	244	246	245	243	230	+ 7.8	235	291
Industrial Raw Materials	(18)	502.4	497.9	419.6 R	507.0	396.1	+28.0	419.8	436.2
Fibres	53	451	473	425	481	402	+19.7	429	447
Oil seeds	15	555	555	400	572	374	+53.7	393	434
Minerals	10	532	533	429	524	417	+25.7	427	422
Others	7	418	421	452 R	423	420	+ 0.7	431	427
Semi-Manufactures	(17)	411.2	408.6	335.2	408.3	324.8	+25.7	338.2	359.3
Leather	8	431	410	358	373	333	+12.0	375	376
Mineral oils	13	210	210	202	202	202	+ 2.5	207	221
Vegetable oils	16	593*	584	388	388	364	+61.5	389 R	435*
Cotton yarn	35	497	497	408	504	407	+23.8	422	454
Metals	18	326	325	276	329	259	+27.0	264	240
Oil cakes	5	473	472	362	482	341	+41.3	338	381
Others	5	361	362	330	361	330	+ 9.4	336	312
Manufactured Articles	(30)	388.5	386.5	372.7	391.4	368.8	+ 6.1	372.9	377.6R
Textiles	64	421	418	404	427	403	+ 6.0	408	421
Jute	11	434	423	410	427	399	+ 7.0	418	448
Cotton	45	426*	426*	399*	430	402	+ 7.0	403*	415*
Rayon and Silk	6	421*	413*	479*	470	474	— 0.8	455*	459*
Woollen	2	266	266	278	266	278	— 4.3	284	311
Metal products	17	290	288	271	288	252	+10.2	350	340
Others	19	296	295	295	295	295	+ 3.1	335	336
Miscellaneous	(4)	590.2	589.1 R	557.8	567.1	556.0	+ 2.0	548.4	512.6
All Commodities	(100)	418.4	417.4 R	365.9	419.8	353.2	+18.9	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. R=Revised. *Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955																		
August	489	420	128	208	220	451	641†	267	158†	761	400	405	405

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage: Forecast	Unit	Outturn: 1955-56	Outturn: 1954-55	Acreage: 1955-56	Acreage: 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,092
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	9,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,649
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,123
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3 354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	....	665	....	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production*	During October, 1956	80.4
	Corresponding month, 1955	78.8
	Four months ended Oct., 1956	348.6
	Corresponding period, 1955	331.7
Stocks	At the end of Oct., 1956	116.7
	Corresponding month, 1955	62.3
		(In 000 bags)
Exports (Jute Bags)	Week ended 6th Oct., 1956	17,266
	Corresponding Week, 1955	16,988
	From 1st Jan., to 6th Oct., 1956	228,757
	Corresponding period, 1955	868,651
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 6th Oct., 1956	25,323
	Corresponding week, 1955	36,807
	From 1st Jan., to 6th Oct., 1956	1,094,233
	Corresponding period, 1955	1,063,470
	RAW JUTE	(Inlakh bales)
Consumption by Mills†	October 1956	4.66
	Corresponding month, 1955	4.57
	Four months ended Oct., 1956	20.21
	Corresponding period, 1955	19.24

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,54,000	10,42,900	7,81,200
Do. 31st March, 1956	11,35,000	10,52,100	7,97,800
May 1955	94,200	87,500	5,800
June ,,	91,700	80,900	62,600
July ,,	94,900	84,300	64,300
August ,,	92,500	83,900	63,700
Sept. ,,	95,300	87,500	65,700
October ,,	91,700	83,800	64,800
May 1956	96,600	89,400	66,300
June ,,	94,900	89,900	64,400
July ,,	94,400	91,300	65,500
August ,,	97,800	88,000	66,000
Sept. ,,	96,400	88,800	59 700
Oct. ,,	96,700	91,100	71,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,003
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,83,053	1,36,801	1,20,612
,, ,, ,, Mar., 1955	1,85,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept. 1955	1,76,181	1,30,630	1,08,714
,, ,, ,, Dec., 1955	1,76,980	1,24,996	1,05,752
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,306	1,17,710	92,609
,, ,, ,, Sept., 1956	1,74,447	1,38,325	1,13,953

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

FOREIGN TRADE OF INDIA

Particulars	July, 1955 (Rs. lakhs)	July, 1956 (Rs. lakhs)	Four months April to July 1955 (Rs. lakhs)	Four months April to July 1956 (Rs. lakhs)
Imports :				
By sea and air—				
Foodstuffs	4.14	1.87	24.09	10.35
Raw materials	16.19	11.99	54.81	50.70
Manufactures	20.54	44.05	118.82	183.46
Other items	13	50	73	1.46
Total*	50.00	58.41	198.45	245.97
By land	1.62	98	7.12	4.95
Total Imports	51.62	59.39	205.57	250.92
Exports :				
By sea and air—				
Foodstuffs	12.46	12.98	38.87	50.29
Raw materials	15.31	8.55	55.72	40.58
Manufactures	21.97	18.98	83.35	76.59
Other items	45	35	1.45	1.22
Total	50.19	40.86	179.39	168.68
By land	43	48	2.31	1.69
Total Exports	50.62	41.34	181.70	170.37
Total Re-exports	50	71	1.99	3.50
Balance of trade in merchandise	— 48	— 17.33	— 21.90	— 76.94
Balance of transactions in private treasure	— 1	— 3	— 2	— 9
Total visible balance of trade	— 49	— 17.36	— 21.92	— 77.03
Imports : ‡				
Total C'wealth countries	23.02	25.41	93.82	102.56
Total Foreign countries	26.98	33.00	104.63	143.41
Exports : ‡				
Total C'wealth countries	25.49	20.61	89.14	84.77
Total Foreign countries	24.70	20.25	90.25	83.91

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2 635	949	171	103	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
August 1955	4,984	1,122	414	88	50	27	29	10	124	166	17	125	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	808	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,,	4,310	959	344	71	38	19	44	5	168	139	10	118	14	50
August ,,	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source:*—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 15th Nov., 1956	28,371(J)
	Corresponding week, 1955	11,347(J)
	1st Sept. to 15th Nov., 1956	169,658†
	Corresponding period, 1955	215,067*
Cotton Exports‡	Week ended 15th Nov., 1956	1,707
	Corresponding week, 1955	9,441
	1st Sept. to 15th Nov., 1956	26,264
	Corresponding period, 1955	185,463
Mill Consumption (Estimated)	1st Sept. to 15th Nov., 1956	280,048
	Corresponding period, 1955	266,000
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 15th Nov., 1956	428,770
	Corresponding date, 1955	621,002
Cotton Exports from Bombay (by sea)	During Aug., 1956	13,170‡
	1st Sept., '55 to 31st Aug., 1956	715,668
	1st Sept., '54 to 31st Aug., 1955	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 8th Nov., 1956	271,489
	Corresponding period, 1955	224,951
Exports	1st Sept. to 8th Nov., 1956	78,460
	Corresponding period, 1955	101,838

Particulars	From 1st Sept. to 19th Nov., 1956 (Bales)	From 1st Sept. to 19th Nov., 1955 (Bales)
From Bombay Cotton Shipments to—		
United Kingdom	2,641	18,687
Continent	732	38,241
Hongkong	1,437	15,880
China	2,927	29,538
Japan	15,536	82,911
U.S.A.	75	608
Other Countries	339	3,608
Total to all foreign countries	23,687	189,963
Coastal Ports	4,929	33,165
Total	28,616§	223,128§
Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	August, 1956	369,664
Foreign	Twelve months ended Aug., 1956	49,192
Indian		4,365,455
Foreign	Same Period 1955	630,251
Stocks (Mills and Elsewhere)—		4,138,438
Indian		630,474
Foreign		
Indian	As on 31st August, 1956	1,408,238
Foreign	As on 31st August 1955	405,854
Cotton Pressed in India† (In running bales)		1,443,424
	Week ended 9th Nov., 1956	179,259
	Corresponding week, 1955	18,032
	1st Sept. to 9th Nov., 1956	31,185
	Corresponding period, 1955	99,266
		116,485

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,28,000	1960-70	100⅜
3 % Loan	1938-39	1,16,17,46,000	1963-65	94⅛
3 % Loan	1950	30,33,10,000	1964	94
3 % Fy. Loan	1943	1,10,11,78,000	1956-68	92⅜
3 % V. Loan	1944	33,54,80,000	1957	90⅜
3 % Loan	1945	1,15,05,88,000	1970-75	87¼
3 % 2nd V.Loan	1945	1,13,65,64,000	1959-61	97⅛
2½ % Loan	1951	50,35,63,000	1958	99⅛
2½ % Loan	1946	45,60,37,000	1960	99⅛
2½ % Loan	1946	57,00,69,000	1961	93⅛
2½ % Loan	1946	14,77,45,000	1976	83⅛
2½ % Loan	1947	75,86,72,000	1962	93⅛
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99⅛
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98⅜
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98⅛
3½ %	1956	57,27,00,000	1962	97⅛
3½ % N.P. Bonds	1956	33,82,00,000	1967	98⅛
3½ %	1956	66,64,00,000	1974	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months notice.	74
			On September, 1966 or later at option of Government after three months' notice.	73½
3 % Loan	1946	2,48,91,47,000		
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958-68***	102⅛
STATE LOANS				
4 % Andhra	1958	4,50,00,000	1st Sept. 1967	98⅛
4 % Andhra	1958	6,00,00,000	1st Sept. 1968	98⅛
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94
3 % Bombay	1950	2,37,82,000	31st July 1960	96
3 % Bombay	1951	2,95,25,000	17th Sept. 1962	98
4 % Bombay	1958	5,42,28,000	15th July 1963	101⅛
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	101⅛
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100⅛
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99
4 % Bihar	1955	1,50,00,000	1st Sept. 1964	99
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	98⅜
3 % Cochin	1945	1,00,00,000	16th Jan. 1955-58	98⅜
3½ % Cochin	1936	70,09,000	1st June 1956-61	99⅛
3½ % Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	95⅛
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99⅛
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99⅛
3 % Madras	1939	1,23,95,000	21st June 1959	98⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96⅛
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93⅛
3 % Madras	1950	4,38,25,400	31st July 1960	96⅛
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97⅛
4 % Madras	1953	10,33,63,000	15th July 1963	99⅛
4 % Maras	1952	5,24,81,000	1st Aug. 1964	99⅛
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98⅜
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98
4 % Mysore(J)	1932	2,95,95,200	1st Dec. 1953-63	101⅛
3 % Mysore(J)	1936	5,99,72,900	30th Apr. 1956-61	99⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,33,47,000	15th July 1963	100
4 % Mysore	1955	3,54,94,000	1st Sept. 1964	98⅛
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	98⅛
4 % M.P.	1944	52,89,800	15th Aug. 1958	98⅛
3 % M.P.	1945	2,03,28,800	15th Sept. 1954	98
3 % M.P.	1950	1,01,44,700	31st July 1960	96⅛
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,10,000	15th July 1963	99⅛
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98⅛
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	98
4 % Saurashtra	1955	8,81,86,000	1st Sept. 1967	99⅛
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99⅛
4% Trav. Cochin	1953	3,00,00,000	15th July 1963	99⅛
4% Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98⅛
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	96⅛
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98⅜
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96⅛
2½ % U.P.	1946	2,20,93,800	1st Sept. 1961	93⅜
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	99⅛
4 % U.P.	1955	5,65,15,500	15th July 1963	99⅛
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	98⅜
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	98
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	98
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	98
4 % M. Bharat	1953	1,00,00,000	15th July. 1963	99⅛
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	98

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts. N—Nominal.
†Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free to first 12 years §—Interest free for first 7 years.

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,579	4	1913*	1960	D
80,00,000	4	1913	1974	99¾N
88,25,000	4	1914	1975	100N
10,00,000	4	1914*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
10,25,000	3½	1924*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99
75,90,100	4	1921	1981	99
1,50,00,000‡	3½	1921	1981	82
98,02,300‡	3½	1921	1981	144N
1,49,40,500‡	3	1927	1957-87	103
1,49,30,000	5	1928	1958-88	103
80,00,000	4½	1931	1991	95
80,00,000	4½	1933*	1965	97½
25,00,000	3	1938	1963-68	90
50,00,000	3	1945	2005	74
50,00,000	3	1946	1976	85
50,00,000	3	1946	2006	74
50,00,000	3½	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1959	97
50,00,000	3	1949	1959	97
50,00,000	3	1950	1980	82
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1961	98½
50,00,000	4	1953	1963	100
50,00,000	4	1953	1983	89¾
90,00,000	4	1955	1985	98
77,00,000‡	4	1956	1986	97½
78,00,000‡	4	1956	1986	97½
STERLING LOANS				
£892,600	5	1923	1953-83	£79
£901,000	5	1924	1954-84	£79½
£835,100	5½	1932	1962	£91½
MADRAS				
Rs.				Rs.
31,47,150	3½	1947	1977	
9,88,000‡	3	1947	1977	
8,00,000‡	3	1949	1979	A
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay-able	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
25,00,000	4	1914	1974	97½N
25,00,000	5	1916	1976	
40,00,000	5	1919	1957-79	118N
66,00,000	5	1920	1955-80	
25,00,000	5	1923	1956-88	115N
25,00,000	4	1927	1961-79	98N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95½N
£338,000		1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅛
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1963-68	90
80,00,000	4	1952	1962	99⅛
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1913–15	1974	99⅛
10,00,000	5	1920	1980	113N
26,00,000	5	1923	1958	104
5,45,000	5	1925	1954–59	to
26,21,500	5	1929	1959	102
8,25,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1949	1979	86⅛
4,00,00,000	3½	1950	1965	86⅛
2,50,00,000	4	1952	1964	92⅛
2,50,00,000	3½	1951	1966	97⅛
1,30,00,000	4	1953	1963	99⅛
1,00,00,000†	4	1952	1964	100
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	99⅛
Rs.				Rs.
CALCUTTA				
36,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102
10,00,000	5½	1929	1958	102⅛
33,91,000	3½	1935	1962	108
60,00,000	3	1936	1966	94
47,50,000	3	1938	1968	90
15,56,800	4	1938	1968	90
15,56,800	4	1939	1965	99⅛
17,64,400	4	1940	1957	99⅛
17,64,400	3½	1940	1967	99⅛
21,10,000	3½	1942	1959	96⅛
18,49,000	3½	1951	1972	97
16,33,000	3½	1951	1960	97
66,88,000	3½	1951	1961	97⅛
27,36,000	4	1952	1962	97⅛
72,50,000	4½	1954	1979	99⅛
Rs.				Rs.
MADRAS				
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1955	3,50,23,000	15th July 1963	100
4 % W. Bengal	1956	7,88,72,000	1st Sept. 1967	99⅛
		7,00,00,000	3rd Sept. 1968	99⅛

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	113	100
BREWERIES AND SUGAR						
Bharat Sugar	8,00,000(b)	1875	6½	Mar. Sep.	101	100
Carew & Co.	10,00,000	1905–24	8	Feb. Aug.	134	100
Cawnpore Sugar Works	7,00,000	1920	7	July Apr.	6½	5
Deccan Sugar & Abkhar 'A'	£200,000	1897	7	Jan. July	17⅛	£1
¶East India Distilleries	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Gwalior Sugar	5,00,000	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	6,00,000	1922	10	Oct. ..	15	10
Purtabpore Co.	4,00,000	1933–36	6	Aug. ..	100½	100
Ramnagger Cane	20,00,000	1943	5½	Oct. Apr.	76N	100
Ravalgaon Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
South Behar Sugar	15,00,000	1946	5(c)	Dec. ..	8⅜	10
Travancore	12,00,000	1922	5	Dec. ..	90N	100
Upper Ganges	15,00,000	1946	5(a)	Dec. ..	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	103	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	109	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8⅜	10
	4,00,000	1895	6	Mar. Sept.	102	100½
Equitable	9,87,500	1946	5½(a)	.. ..	65	75(p)
Karanpura Collieries	1,93,000	1931	5	Mar. Sept.	4¼N	10
††Khas Kajora	2,00,000	1920	7	Jan. July	12	10
New Beerbhoom	2,00,000	1898–99	6½	Ap

STOCK & SHARE QUOTATIONS

Abbreviations :—D. = Deferred shares. P.O. = Preferred Ordinary shares. Y = Accounts published yearly. H. = Accounts published half-yearly. C. = Company has Preference shares. T. = Company has Debentures. N. = Nominal quotations. x.d. = Ex. Dividend. c.d. = Cum. Dividend. i = Interim Dividend. *f* = Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves *include general and other* reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,725	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2-11½	2	0 4(c)	0 2(c)	0 3		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	50,596	1,021	B. R. Cotton Mills	48	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,068	4,855	Bombay Dyeing & Mfg.	625	250	22 0*	20 0	25 0*	7 81	3	Y.P.T.
10,00,000	28,74,392	58,81,886	53,57,496	91,711	Ramnarain Sons, Ltd.	44,784	800	Bradbury Mills	203½	50	100 07	75 0†	12 8	20 0	3	Y.
20,00,000	14,61,250	96,34,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd.	37,368	914	Asoka Mills	1,120	100	22 0*	22 0	30 0	8 01	12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,64,953	69,806	Lalbhai Dalpatbhai & Co.	1,39,120	2,573	Calico	581½	125	18 0	18 0	30 0		12	Y.P.
1,37,50,000	3,35,76,233	4,61,35,359	2,33,68,344	2,31,712	Karamchand Premchand Ltd.	45,836	866	New Commercial Mills	1,730	1,000	70 0	70 0	80 0	30 0†	3	Y.P.
62,87,000	24,58,000	1,31,06,843	89,25,000	2,760	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	961	125	35 0	35 0	35 0		12	Y.P.
39,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Jagabhai Bhoglilal Nanavaty & Co., Ltd.										12	Y.
10,00,000	58,48,000	50,63,197	37,98,317	16,658	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	452½	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,39,888		Lalbhai Gordhandas Ltd.	32,856	636	Rajpur Mills	1,017½	100	25 0	20 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Harivallabhdas Kalidas & Co.	94,116	1,738	Rohit Mills	210xr	100	9 0	9 0	27 0*	*Nil*	12	Y.P.
28,98,150	2,02,34,533	1,76,92,942	1,52,75,000	3,23,290	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	15,592		Shorrock Spg. & Mfg.	640	100	20 0	25 0	25 0		12	Y.P.
19,52,500	82,31,283	78,08,018	66,84,701		Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0		12	Y.P.
28,00,000	90,34,191	1,09,66,008	78,35,291	34,644											12	Y.

AHMEDABAD

40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Ltd.	49,144	1,016	Ahmedabad Advance Mills	200	100	10 0*	5 0	7 0			
10,00,000	94,58,068	94,37,398	76,10,164	27,288	P. M. Huthesaing & Co., Ltd.	44,220	912	Arvind Mills	750xr	100	20 0*	20 0	30 0	12 0	6	Y.P.
20,25,000	2,55,30,694	1,05,65,104	72,72,788	2,46,389	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,288	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Mangaldas & Bros. Ltd.	37,164	892	Aryodaya Spinning & Mfg.	536	100	15 0	15 0	25 0*		12	Y.P.
28,98,150	2,02,34,533	1,76,92,942	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co.	94,116	1,738	Shri Ambica Mills	691	50	18 0	20 0	27 0*	*Nil*	12	Y.P.
19,52,500	82,31,283	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	640	100	20 0*	25 0*	25 0		12	Y.P.
28,00,000	90,34,191	1,09,66,008	78,35,291	34,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	805	400	35 0*	35 0*	35 0		12	Y.P.

WEST BENGAL

15,00,000	1,42,800	34,93,029	21,83,830	61,576	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	6¼	10	0 4	0 8	0 8			
7,11,280	1,60,972	43,43,381	25,67,597	98,783	Bengal Textile Agency, Ltd.	32,544	986	Bengal Luxmi Cotton Mills	40N	40	*Nil*	4 0	4 0		12	Y.P.T.
6,00,000	22,72,414	89,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,870	541	Bowrpah Cotton Mills	130	100	*Nil*	*Nil*	*Nil*		3	Y.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,97,951	Kettlewell Bullen & Co., Ltd.	42,344	518	Dunbar Mills	260	100	*Nil*	*Nil*	2 8		6,12	H.
1,80,00,000	2,29,43,320	3,76,19,833	1,31,26,333	1,88,672	Birla Brothers Private Ltd.	70,384	1,990	Kesoram Cotton Mills	16¾	10	1 12	0 14	2 8		6,12	H.
19,47,750	7,45,000	47,06,298	24,48,352	1,094	Hazareemull Heeralall	23,036	795	Rampooria Cotton Mills	24N	1D	*Nil*	*Nil*	0-5 11/25		6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	66,27,191	29,09,649	—8,54,238	Ramla & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*	*Nil*			
11,98,600	6,57,596	31,36,764	15,54,243	3,566	Setna & Co., Ltd.	24,800		Asher Textiles Ltd.	217	100	4 0	*Nil*	*Nil*		12	Y.P.T.
71,94,000	35,91,284	1,84,91,530	50,78,555	1,35,043	Industrial Trust Fund	36,136	708	Azam Jahi Mills	92	100	6 0	*Nil*	3 8(c)	15 0	6	Y.
40,50,000	2,00,88,745	3,24,98,000	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	566½	100	25 0	30 0	30 0	10 0	9	Y.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9½	10	0 4	*Nil*	*Nil*		12	Y.P.
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Binny & Co. (Madras), Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	8 0	3 0	3 0		6,12	H.P.T.
1,78,47,800	1,76,52,500	6,38,09,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd.	200	2,787	Buckingham & Carnatic	200	100	10 0	10 0	10 0		3	Y.
20,00,000	20,00,000	39,69,354	21,06,351	27,993	Peirce, Leslie & Co., Ltd.	38,706		Cambodia Mills	15	10	0 12	*Nil*	1 0	4 01	12	Y.
15,00,000	5,11,000	48,38,929	24,63,361	8,994	K. Damodaran, Esq.	17,496	591	Cannanore Spg. & Wvg.	171	100	12 0	20 0	12 0		12	Y.P.T.
30,00,000	29,51,420	69,40,829	61,72,376	36,767	Begg, Sutherland & Co., Ltd.	28,796		Cawnpore Textiles	9	5	0 0	0 0	15 0	15 0	12	Y.
9,37,470	2,00,000	50,57,338	31,02,103	58,799	G. Srinivasan, Esq. (Chairman)	24,800		Cauvery Spg. & Wvg. Mills Ltd.	12½	10	*Nil*	*Nil*	*Nil*	0 4	3	Y.
12,00,000	20,60,000	34,88,396	27,86,527	34,164	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	405	100	20 0	25 0	25 0	0 12	3	Y.P.T.
20,00,000	19,95,000	36,59,430	24,25,921	14,323	T. R. N. Naidu & Co.	28,738		Coimbatore Pioneer Mills	305	100	15 0	20 0	20 0		12	Y.
20,76,900	4,19,314	1,15,51,599	82,06,019	16,884	R. G. N. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg.	97	50	3 0	8 0	3 0		12	Y.
46,87,500	52,82,449	2,43,18,409	1,59,09,883	3,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	132	100	5 0	2 0	3 0		12	Y.
8,88,36,225	2,56,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	39½N	1,000	24 0	2 4/5	0 3 3/5	2 4	6	Y.P.
1,00,563		25,47,878	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	398	100	20 0	30 0	30 0	6	Y.P.T.
24,34,800		99,33,360	1,52,16,382	1,29,71,081	98,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	10	1	1 0	1 0	1 0	12	Y.
83,00,000		35,22,175	1,00,55,157	68,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	239½	100	17 0	13 0	15 0	9	Y.P.
48,81,000		50,00,000	1,33,91,953	1,12,25,576	9,551	K. L. Sekaaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	148½	100	6 0	6 0	12 0	12	Y.
48,00,000		8,90,000	31,05,669	18,48,135	2,079	G. V. Naidu & Co., Ltd.	24,823	600	Janardhana Mills	112	50	4 8	5 0	9 0	5 01	Y.
42,00,000		16,25,000	78,88,868	26,50,000	29,382	Kothari & Sons	43,000	1,219	Kothari Textiles	18	10	0 12	0 8	0 8	12	Y.
32,00,000		68,30,185	1,48,62,650	1,12,84,204	14,744	Ramnarain Sons, Ltd.	51,972		Lakshmi Cotton Mfg.	682½	250	37 8	33 12	42 8	12	Y.P.
35,64,100		66,55,960	1,61,16,090	95,51,437	18,86,813	Bombay Ltd.	5,00,000		Lakshmi Mills	275	50	8 0	10 0	12 0	12 8½	12
17,82,050						G. K. Naidu & Co.	85,908	201	Madura Mills	137½	25	2 8	2 8	2 8	12 8½	12
1,75,02,480		4,13,81,578	5,73,76,126	3,58,74,019	16,72,292	A. & F. Harvey Ltd.	5,00,000		Malabar Spg. & Wvg.	49½	15	3 0	6 0	6 4	3	Y.
12,00,000		4,17,363	28,25,768	—99,073	45,835	A. L. A. R. S. Chettiar and 2 others.	22,592	100	Malsbar Spg. & Wvg.	113	200	8 0	*Nil*		12	Y.
60,00,000		68,79,627	43,29,734	45,835	16,588	W. A. Beardsell & Co., Ltd.	24,720	603	Minar Industries Ltd.	460	100	12 8	22 8*		12	Y.
29,80,884		19,61,581	39,75,246	49,94,738	1,85,968	N. Sirur & Co. Private Ltd.	15,396	704	Minerva Mills	90	100	7 0*	5 0(c)	6 0	3	Y.
94,91,350		21,56,146	1,71,94,799	73,31,528	—7,77,290	M.	98,5N	948	Model Mills (Nagpur)	181½	250	7 8*	5 0(c)	7 8(c)	12	Y.
30,00,000		52,19,600	1,53,39,272	1,05,91,651	N. Sirur & Co., Ltd.	50,480	1,884	Mulr Mills	110½	50	10 0*	8 8*	6 0(c)	9 0*	6	Y.P.
34,83,500		50,54,035	1,10,93,742	67,14,107	19,041	R. Surveyanarayana Rao, Esq. Manager	7,000		Mysore Spun Silk Mills	7	10	*Nil*	*Nil*	*Nil*		2	Y.P.
18,61,780		8,600	29,25,252	15,12,761	—1,50,653	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills	2½	O. 2½	*Nil*	*Nil*	*Nil*		3	Y.
22,50,882		25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	37,788	856	Osmanshahi Mills	—	D. 1	*Nil*	*Nil*			
37,19,800		55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	29,924		Palani Andavar Mills	90	100	4 0	*Nil*	2 8(c)		12	Y.P.
4,00,000A		6,50,000	39,12,549	23,46,016	14,809	Bhaghyalakshmi & Co.	50,796		Pankaja Mills Ltd.	175	50A	12 0	12 0	12 0	9	Y.
6,00,000B						C. S. R. Mudaliar & Sons	370	100	Parvathi Mills	235	75B	18 0	18 0	18 0	6	Y.
15,00,000		1,65,000	34,16,017	17,49,676	—14,98,897	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	80	100	*Nil*	*Nil*	4 0(c)	12	Y.
16,31,200A		22,75,000	83,60,150	49,86,177	4,882	B. R. Naidu & Sons	35,472		Rajalakshmi Mills	370	100A	8 0	16 0	20 0(c)		
5,00,000B						Ramco Agencies Ltd.	24,996	*Nil*	Rajapalayam Mills	175	50B	3 0	6 0	10 0	12	Y.
15,00,000		30,00,000	48,74,198	25,94,337	11,081	Rayalaseema Development Co.	14,800		Ralasaseema Mills	185	50	7 8	10 0	10 0	12	Y.
16,14,300		12,00,000	32,92,218	17,41,134	1,510	J. P. Srivastava & Sons (Rampur).	14,332	600	Raza Textiles	156	100	4 0	6 0	10 0	10 0	12	Y.P.
22,29,625		12,40,000	40,14,000	19,05,147	—19,16,728	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg.	145	100	5 0	9 0	10 0		12	Y.
60,50,000		62,41,568	1,00,25,428	35,44,914	—1,73,06,704	H. N. Fallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	1,590	1,000	*Nil*	*Nil*		12	Y.
16,00,000		1,60,39,516	2,93,66,410	2,04,66,196	Gopaldas Liladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	125	50	4 0*	4 8	5 0			
36,69,700		17,10,000	81,44,272	65,63,318	1,09,148	Birla Borthers, Ltd.	35,556	1,242	Sutlej Cotton Mills	80N	100	*Nil*	*Nil*		7 0	3	Y.
26,14,800		2,00,246	35,18,906	17,73,000	—2,49,777	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	106N	10	4 0	5 0	6 0		3	Y.
15,00,000		3,11,90,237	96,99,567	72,44,724	31,27,583	Emcete & Sons (Travancore), Ltd.	17,600		Travancore Rayons	111½	100	0 12	0 12	0 12		3	Y.
17,50,000		2,30,00,000	4,54,40,847	1,70,83,159	1,09,029	Mooiji Ramjee & Sons	48,274	270	Trichinopoly Mills	12½	10	0 8	0 10	0 12		12	Y.P.
7,50,000PO		30,14,788	3,86,55,317	3,27,16,775	2,63,771	R. K. Chettiy & Brothers	1,508		Vasanta Mills	12½	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.T.
1,00,00,000		8,78,332	17,39,181	11,37,836	1,508	Vishnu Cotton	340	100		340	100	15 0	15 0	20 0		12	Y.
13,99,870		34,50,000	71,83,723	40,03,168	58,000	Bombay Co., Ltd.	46,490	1,331		159½	100	4 0	4 0	8 0	2 81	12	Y.P.
21,00,000		32,00,000	34,42,971	1,64,67,122	1,05,10,233											12	Y.

* Includes bonus. M = Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. xd—Ex-dividend. (8) For six months ended 31st December, 1956.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,374	1,12,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12½	5	*Nil*	*Nil*	0 8	0 4f	5	Y.P.
16,20,830	13,38,917	27,26,861		8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 9	0 9		8	Y.
							30	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P.
	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	—	B. £1	Sh. 4	Sh. 5 4/5	Sh. 4			
£5,80,000	9,60,000	12,47,805	12,47,799	9,111	Vital Mallya, Esq., (Chairman)	United Breweries	215	75	15 0	15 0	15 0		3	Y.
6,00,000														
CEMENT														
51,27,660	13,06,128	33,25,520	14,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6000.	13,13,132	1,44,65,792	53,43,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
4,70,976D.	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd	Associated Cement Companies ..	21½	D. 1	*Nil*	*Nil*	*Nil*		7	Y.
2,71,66,203							195	100	9 8	8 8	10 0			
60,00,0000.	60,02,261	96,09,338	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	14½	O. 10	1 0	1 0	1 4		12	Y.P.
25,50,0000.							3½xR	O. 2½	0 4	0 4	0 5			
5,00,000D.							5½	D. 1	0 1-3/5	0 1-3/5	0 2			
61,01,0300.	14,00,000	1,46,64,000	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	31½	D. 5	*Nil*	0 4	0 4		3	Y.P.
7,50,000D.	31,41,985	1,33,15,049	59,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	6d		*Nil*	0 4	0 6		12	Y.P.
57,35,500	44,50,000	2,04,20,192	86,59,038	2,78,825	Shree Digvijay Cement	Shree Laxmi Cements Ltd.	15½		0 12	1 4	1 4		12	Y.P.
88,98,275	22,45,000	1,01,72,337	1,45,45,476	41,941	M	Sone Valley Portland Cement ..	16SxR	100	6 0	8 0	8 0		12	Y.
75,00,000	....	1,04,83,117	39,26,502	15,36,802	Essel Ltd.	Travancore Cements Ltd.	8¾	5	0 6	0 4	0-4 4/5		12	Y.
50,00,000							11	10	0 8	0 10	0 10		12	Y.
CERAMIC; MINING AND QUARRYING														
	2,85,000	63,15,303	33,02,683	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4	0 4		12	Y.
31,70,655	26,53,750	57,72,897	35,59,142	24,689	Bird & Co., Ltd.	Bisra Stone Lime Co.	20½	10	1 6	1 6	1 12		3, 9	H.
10,00,000	£1,455,500	£2,132,033	£1,256,029	£117,083	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation ..	4-4½	Sh. 2	2.4d.	6d.*	10.8d.*		12	Y.
£914,200							18	10	*Nil*	*Nil*			6, 12	H.
0,15,00,000	24,32,396	43,81,247	12,21,311	17,839	Bird & Co., Ltd.	Karanpura Development					1 0			
F. 5,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stonewear Pipes & Potteries	11½	10	0 12	0 8	3 0		3	Y.
6,00,000	35,64,097	47,65,023	25,19,986	1,18,335	Bird & Co., Ltd.	Orissa Minerals	22	10	4 0	2 0	0 12	1 0*	6, 12	H.
20,00,000											2 0*		2 8	H.
	8,62,360	30,62,315	20,25,104	7,622	B. K. Agarwala & Brothers ..	Reliance Firebrick & Pottery ..	20½	10	0 4	*Nil*				
6,00,000	57,30,000	44,10,972	20,73,805	21,661	Killick Industries Ltd. ..	Shivrajpur Syndicate	85½	10	8 0*	8 0*	8 0*		11	Y.
7,00,000														
CHEMICAL														
82,41,200	30,91,535	39,66,570	44,34,345	37,300	Bharat Amin & Sons, Ltd. ..	Atembic Chemical Works Co. ..	117½	100	5 0	5 0	5 0		12	Y.P.
92,00,000	42,71,273	1,39,39,180	38,97,813	4,19,165	Imperial Chem. Ind. (India) Ltd.	Alkali and Chem. Corpn. of India ..	22½	10	0 9 3/5	0 9 3/5	0 12 4/5		12	Y.
1,87,45,500		1,22,12,000	25,58,896	25,532	Lalbhai Sons & Co.	Atul Product. Ltd.	180½	100	*Nil*	*Nil*	6 0	6 0	4	Y.P.
45,63,700	15,29,420	1,35,74,286	55,25,010	11,71,234	Dr B. N. Ghose (Managing Director)	Bengal Chemical and Pha.	102	100	6 0	6 0	6 0	6 0		
21,50,000							135xd	100	12 0	12 0	12 0	9 0	3	Y.P.
1,54,000D.	15,92,856	1,40,00,408	57,66,665	1,11,234	Sahu Bros (Saurashtra) Ltd ..	Dhranzadhra Chemical	66½	50New				4 8		
21,43,000							10	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.
45,97,740	35,566	1,22,53,154	1,92,72,445	—30 69 441	Seshasayee Bros. (Travancore) Ltd.	E. A. C. T.	6½	10	*Nil*	0 4 4/5	0 4 4/5		3	Y.
12,00,000	6,35,423	24,97,696	11,78,925	14,719	Kemp & Co.	S. V. S. Iyer (General Manager)	192½	200	20 0	12 0	12 0	15 0	3	
40,50,000	13,03,361	1,00,59,940	48,71,427	5,153	Seshasayee Bros (Travancore), Ltd.	Mettur Chemicals	10½	10	0 10	0 5	0 10	0 12	3	Y.P.T.
24,31,220	6,88,000	53,84,204	31,59,805	5,485	K. Narayanaswamy Esq. (Chairman)	Mysore Chemicals and Fertilisers	38½	10	1 0	1 4	2 0	2 0	3	Y.P.
3,00,000	4,00,000	6,80,038	3,79,649	97,410	M.	Mysore Chemical Mfrs.	23½	10	0 8	0 8	0 8		3	Y.P.
5,00,000	10,45,904	17,81,240	13 51,979	83,988	Sir Robert Menzies (Chairman)	Smith Stanistreet & Co	11X.E.N.	5	0 8	*Nil*	*Nil*	0 12	3	Y.P.T.
1,39,95,990	13,22,268	1,55,77,270	1,30,37,737	14,426	Tata Industries Ltd	Tata Chemicals	19-12½	10	*Nil*	*Nil*	*Nil*		6	
ELECTRIC (Bombay State)														
6,99,96,000	99,90,563	13 10,89,110	2,03,79,107	138	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd. ..	92½	100	6 5	6 5	6 5		12	Y.
87,41,350	11,54,257	1,60,92,855	27,68,266	14,35,1337	Consolidated Electric Agencies Ltd.		97½	50	3 0	3 0	3 0			
72,50,000						Amalgamated Electricity Co., Ltd.	11½	10	0 12	0 12	0 12		3	Y.P.T.
2,62,11,000	55,37,636	2 17 82,738	2,22,14,712	41,847	Tata Hydro-Electric Agencies Ltd.	Andhra Valley Power Supply Co. ..	1,167½	1,000	*Nil*	*Nil*	*Nil*		12	Y.
89,94,750							1,167½	1,000New		56 4	75 0	75 0		
1,74,99,700	41,44,769	2,62,21,937	58,57,288	45	Killick Industries Ltd.	Bombay Suburban Electric Supply ..	110½	100	7 0	7 0	7 0		3	Y.
7,07,020	1,39,040	14,97,733	7 18,012	614	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	11	100	0 12	0 12			12	Y.P.
48,89,000	26,70,817	1 05,32,202	41,63,016	2,134	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	131½

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar	10½	10	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,50,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	26½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	10½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Coorg Road Plantations	22½	10	1 8	1 8	1 12*		3	Y.P.
15,00,000	9,30,543	25,79,990	4,04,158	40,543	A. V. Thomas & Co., Ltd.	Highland Produce	15½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co. Ltd.	Kalpetta Estates	31½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	80	10	5 8	2 4	2 8	3 4	3	Y.
27,00,000	29,11,092	77,71,161	8,84,990	1,07,340	A. V. Thomas & Co., Ltd.	Midland Rubber	19½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd.	Nennemy Rubber	22	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates ..	4½	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	24½	10	1 12*	1 12*	2 0		6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	Savamalai Estates Ltd.	24½	10	3 0	2 8	1 0		11	Y.
10,00,000	3,98,340	22,01,120	1,85,329	2,031	East India Agencies	Tenkoy Rubber (India) Ltd. ..	12	10	0 14 2/5	0 12	0 14 2/5		8	Y.P.T.
2,50,000	2,37,500	5,37,767	50,934	14,887	A. V. George & Co., Ltd.	Thamrapally Rubber	31½	10	3 0	3 0	3 0		12	Y.P.
6,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2-4½	1	0 4½	0 1 3/5	0 2		9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	24½	10	2 0	2 0	3 0		12	Y.
41,00,000	76,84,300	1,08,84,181	5,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	11½	10	1 0	1 8	1 4		12	Y.P.T.
3,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	35	25	3 0	5 0	4 0		12	Y.
6,28,580	5,40,670	8,51,488	19,128	40,780	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	24½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,488	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. as	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
80,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	11	10	1 0	1 10	0 10		3.9	H.T.P.
6,00,000	10,25,000	21,65,438	26,93,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	100	100	2 8	7 8	10 0		6.12	H.P.T.
30,00,000	5,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd.	1,254	Alliance	125	100	12 8	12 8	6 0		6.12	H.P.
49 20 700	2,40,000	3,72,98,335	1,87,90,000	1,23 973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	162	100	12 8	7 8	8 8		3.9	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Ltd.	810	Auckland	115	100	4 0	3 8	10 0	1 0 f	3.9	H.P.T.
80,00,000	23,80,918	96,91,418	65,302	65,302	Jardine Henderson & Co.	959	Bally	177	100	4 0	Nil	3 8	Nil f	3.9	H.P.
6275,000	6667,405	£1,477,430	£987,176	....	Sir John H. Burder (Chairman)	889	Barnagore	135	£5	£1 0	sh.15	sh.15	Nil	3	Y.P.
28,00,000	22,30,123	92,27,342	49,03 231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	132	100	15 0	10 0	7 8		6.12	H.P.
45,00,000	38,45,000	87,03,172	31,38,574	2,65,100	Sooraimull Nagarmull	600	Bengal	16½	10	1 4	1 2	1 8		6	Y.P.T.
91,25,000	2,17,45,383	2,34,10,403	1,45,32,651	4,37,892	Birla Bros., Ltd.	1,873	Birla	16½	10	3 0	1 0	1 0	1 0	3	H.P.
36,00,000	27,37,926	1,12,57,557	72,35,980	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	122	100	10 0	9 0	7 8		4.10	H.P.
10,00,000	3,09,640	42,13,704	31,62,683	—3,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9	10	Nil	0 12	Nil		6.12	H.P.T.
19,00,000	30,46,234	87,13,871	41,48,780	6,348	Andrew Yule & Co., Ltd.	815	Caledonian	179½	100	12 0	9 0	6 8		5.11	H.
6,00,000	1,45,676	7,28,458(k)	....	2,129	James Finlay & Co., Ltd.	300	Champdany	152	100	6 0	3 0	10 0	2 0 f	3.9	H.
16,00,000	....	53,81,704	29,81,276	—1,83,518	Macneill & Barry Ltd.	480	Cheviot	180	100	12 0	14 0	10 0		5.11	H.P.
£240,000	£390,555	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	928	Chitavalsah	132½	10	1 12	1 2	1 6		6.12	H.T.P.
29,63,760	83,55,049	4,04,51,377	2,89,25,665	82,379	Shaw Krishna Investment Co., Ltd.	969	Clive	14½	10	Nil	Nil	1-4x		3	Y.
19,00,000	8,15,000	10,76,884	3,78,963	11,273	Shatter's Arwary Ltd.	284	Dalhousie	41½	50	3 0	Nil	2 4	2 4	6	Y.P.
12,00,000	1,22,000	41,85,247	22,43,143	1,144	Killick Industries Ltd.	1000	Delta	22	10	1 8	1 12	2 8		6.12	H.
5,00,000	7,25,000	22,07,121	13,89,341	45,985	Macneill & Barry Ltd.	....	Jagatdal	....	10	Nil	Nil	....	....	12	Y.P.
22,00,000	1,12,060	24,74,412	6,18,446	—5,57,393	Andrew Yule & Co., Ltd.	482	Jagatpore	8½	10	2 12	Nil	Nil		2.8	H.
3,50,000	3,45,579	13,54,857	7,22,658	....	Bird & Co., Ltd.	350	Kamarpara	68	100	Nil	Nil	2 8	5 0	3	Y.P.
20,00,000	1,77,175	25,89,583	4,65,140	6,965	Andrew Yule & Co., Ltd.	1,000	Kanoria Jute Mfg.	68	10	4 0	4 0	5 8		1.7	H.
5,00,000	16,60,000	46,77,535	36,47,985	1,82,474	Andrew Yule & Co., Ltd.	1,824	Kanpur	13½	10	Nil	Nil			6.12	H.P.
1,88,400	5,72,960	12,85,941	5,72,960	—2,60,326	Barlowia & Co.	300	Kharagpur	6	10	Nil	Nil			6	Y.
11,00,240	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd.	600	Champdany	152	100	6 0	3 0	10 0	2 0 f	3.9	H.
15,95,000	28,39,282	81,34,655	56,80,175	2 615	Andrew Yule & Co., Ltd.	830	Cheviot	180	100	12 0	14 0	10 0		5.11	H.P.
26,18,800	31,00,000	64,10,068	47,77,990	1,52,940	McLeod & Co., Ltd.	800	Chitavalsah	132½	10	1 12	1 2	1 6		6.12	H.T.P.
24,00,000	24,00,000	78,22,178	66,22,963	1,07,142	Shaw Krishna Investment Co., Ltd.	969	Clive	14½	10	Nil	Nil	1-4x		3	Y.
31,49,200	45,55,252	1,17,35,464	46,04,775	—2,20,845	Bird & Co., Ltd.	766	Dalhousie	89½	100	4 0	2 8	4 0	Nil f	3.9	H.P.T.
28,80,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	170	100	12 0	6 0	10 0		5.11	H.P.
15,80,800	54,50,000	82,62,679	29,50,760	75,204	McLeod & Co., Ltd.	800	Empire	181	10	1 0	1 0	1 4		6.12	H.P.
21,00,000	60,60,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	340N	100	Nil	5 0	15 0	7½ f	3.9	H.P.T.
21,00,000	13,00,000	97,38 074	54,63,602	1,34,822	Bangur Bros., Ltd.	1,014	Fort William	224	5	20 0	20 0	20 0	0 12½K	3.9	H.T.P.
84,32,100	....	2,11,07,224	1,52,58,825	—2,57,452	Macneill & Barry Ltd.	1,708	Ganges Mfg.	63	100	Nil	0 8	3 8	Nil f	3.9	H.P.
19,80,000	28,00,000	71,52,968	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	820	300	15 0	Nil	....	....	12	Y.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	26,195	Macneill & Barry Ltd.	1,894	Gourepore	230	100	8 12	10 0	15 0	2 8f	3.9	H.P.
40,00,000	64,68,233	1,14,86,848	56,72,180	3,40,348	Hanger Bros., Ltd.	1,078	Hastings	109xdN	100	10 0	10 0	11 0	5 0	3	Y.P.
12,00,000	18,91,656	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoochly	20½	10	0 8	1 4	1 4		3	H.
55,62 500	49,64,372	1,82,66,485	1,10,52,708	57,035	Jardine Henderson Ltd.	1,940	Howrah	21½	10	1 8	1 4	0 14	0 4f	3.9	H.P.T.
52,50,000	27,35,153	2,86,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas	2,272	Hukumchand	23¾	5	3 0	2 4	2 0	2 0	3	Y.P.T.
87,00,000	17,20,650	1,27,01,698	80 280,70	2,57,237	M.	1,076	India	142	125	6 4	6 4	4 11	4 11 f	3.9	H.
3,00,000								—	1	0 4/5	0 2/5	0 3/5	3¾ f		
24,00,000	16,50,000	1,27,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	124	100	9 0	8 0	2 8		6.12	H.P.
19 20,000								134	B 100	9 0	8 0	2 8			
80,00,000	7,00,000	1,32,86 200	1,00 46,425	83,115	Jardine Henderson Ltd.	1,527	Kankanrrah	92	100	7 8	6 8	1 0		6.12	H.P.
14 00,000								93	B 100	7 8	6 8	1 0			
21 00,000	55,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	708	Kelvin	105	100	15 0	20 0	17 0		6.12	H.P.
24,00,300	23,83,375	1,71,52,716	1 16 91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	132	100	17 8	12 8	11 0		3.9	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	134	100	9 0	7 0	12 0	6 0 f	3.9	H.P.T.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,712	Andrew Yule & Co., Ltd.	981	Lanadorae	96	100	7 0	2 0	7 0	Nil f	3.9	H.P.T.
24,00,000	55,75,197	1,16,29,386	64,57,897	3,793	Bird & Co., Ltd.	840	Lawrence	95	100	5 0	6 0	6 0	Nil f	3.9	H.P.
81,65,200	26,36,045	2,64,13,349	1,26,97 809	1,64,942	M.	1,283	Magna	79½	100	5 0	2 8	3 12	3 12 f	3.9	H.
29,98,900	38,40,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	1,080	Naihati	815	100	Nil	Nil	Nil	Nil f	3.9	H.
20,00,000	15,55,000	39,01,563	18,21,709	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	23½	10	0 5	1 2	0 10		6.12	H.T.
34,00,000	43,29,326	39,10,124	10,98,222	70,554	Andrew Yule & Co., Ltd.	852	National	122	10	2 0	2 0	1 12		4.10	H.P.
26 25,000	26 25,000	27,71,022	20,34,909	1,08,287	McLeod & Co., Ltd.	816	Nellimarla Jute	12½	10	1 12	1 8	1 8		6.12	H.P.T.
85,50,000	2,71,44,542	4,29,15,627	86,38,548	8,71,393	Saha Jain Ltd.	1,765	New Centralt	14½	10	24 0	17 0	11 8	2 12f	3	Y.P.
16,78,350	49,70,000	1,18,50,357	51,63,018	70,116	Bird & Co., Ltd.	567	Northbrook	24½	10	1 2	1 4	1 8	1 8f	3.9	H.P.T.
66,79,500	22,24,961	2,18,55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	31	50	3 0	2 0	3 0	Nil f	3.9	H.
24,91,000	26,81,949	72,46,385	50,35,690	5,744	Andrew Yule & Co., Ltd.	501	Orient	142	100	12 0	10 0	9 0		6.11	H.P.
35,00,000	6,29,000	80,86,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	5½	5	0 2	0 3	....	....	6.12	H.T.
20,00,000	2,49,781	26,97,878	8,39,130	—9,18,218	Birla Bros. Ltd.	205	Rameshwara	6½	10	Nil	Nil	Nil	Nil f	3	H.P.
49 50,000	5,82,465	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	9½	10	Nil	Nil	Nil		3.9	H.P.T.
£600,000	£1,093,718	£1,825,244	....	£59,994	Thomas Duff & Co. (India) Ltd. ..	2,018	Samnuggur	11	£1	10%	10%	2½ £1		12	Y.P.
80,00,000	13,12,193	1,04,60,653	75,85,888	4,667	Rasaria More & Co., Ltd.	911	Shree Ambica	16N	10	0 8	1 0	0 8f		4.9	H.P.
14,00,000	11,25,000	66 11,794	38,79 204	3,156	Hindustan Investment Corporation.	401	Soorah	16N	10	0 8	1 0	1 8		3.9	H.P.T.
25,19,600	42,72,182	1,27,38,246	53,23,439	—4,57,118	Bird & Co., Ltd.	650	Standard	88½	100	2 0	2 0	1 0	Nil	3	H.P.T.
15,00,000	£925,119	£1,137,660	....	£83,548	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	11	£1	10%	10%	5% £1		12	Y.P.
35,98,600	88,06,722	2,00,00,808	84,28,958	18,334	Bird & Co., Ltd.	1,326	Union	149	100	10 0	6 0	10 0	1 0 f	3.9	H.P.T.
£400,000	£683,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,321	Victoria	11	£1	10%	10%	5% £1		12	Y.P.
2,50,000	6,85,000	58,98,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	3½	1	0 1	0 8	0 3		6.12	H.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. as.	1954 Rs. as.	1955 Rs. as.	1956 Rs. as.	Accounts Closed	Reference
25 50 000	24,50,000	68 12,991	61,77,991	46,955	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	20½	10	1 0	1 4	1 6		3.9	H.
12,00,000	8,62,572	38,78,477	36,17,477	2,78,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	1 6 2/5	1 7 1/5	1 7 1/5		3.9	H.
4,40,350	70,000	5,91,159	5,40,946	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6xdN	10	0 12	0 12	....	....	6.12	H.
1,60,00,000	1,40 49 228	5,91,92,614	3,95,77,326	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	454	100	30 8*	30 0*	35 0*		6.10	H.P.
2,25,000	4,22,669	24,81,732	22 33,534	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	Nil	Nil	Nil		6.12	H.P.
14,17,000	4,72,356	37,77,354	22,77,354	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8	....	....	....	3	Y.
40,00,000	8,00,000	1,39,06 662	71,06,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7¾	10	0 12	0 10	0 10		6	Y.T.
7,15,000	16,11,080	52,62,538	37,38 500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhubaneswar	12½N	10	Nil	Nil	Nil		6.12	H.
16,00,000	16,17,934	65,14,854	39,99,941	—79,184	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	14N	10	....	....	....		6.12	H.T.
7,50,000	24 29 026	42,39 603	26,53 408	84,207	F. W. Heilgers & Co., Ltd.	Borrea	24½	10	2 12	2 0	2 0		6.12	H.
90,92,480	1,76,17,502	4 19 21,370	1,85,17,446	1,16,378	Bird & Co., Ltd.	Barrakur	198	10	0 12	0 9	0 10		6.12	H.P.
49,97,750	....	4 33,33,430	7,80,000	1 2	Hindustan Investment Corpn., Ltd.	Central India	7	10	0 4	0 4	0 4	0 8	3	Y.
3,00,000	13 54,802	49,10 414	32,63,964	32,768	M.	Central Kurkend	12N	10	1 2	....	....	....	6.12	H.
6,00,000	1,45,676	7,28,458(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	7½	10	0 2	0 2	0 11		6.12	H.
16,00,000	....	53,81,704	29,81,276	—1,83,518	Macneill & Barry Ltd.	Dhemo Main	7½	10	Nil	Nil	Nil		6.12	H.T.
£240,000	£390,555	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	8½	£1	2 8	2 8	3 0		3	Y.
29,63,760	83,55,049	4,04,51,377	2,89,25,665	82,379	Macneill & Barry Ltd.	Equitable	28	10	1 8	1 8	1 8		6.12	H.P.
19,00,000	8,15,000	10,76,884	3,78,963	11,273	Shatter's Arwary Ltd.	Ghusick and Muslia	14½N	10	0 8	....	....		3	Y.
12,00,000	1,22,000	41,85,247	22,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	41½	50	3 0	Nil	2 4	2 4	6	Y.P.
5,00,000	7,25,000	22,07,121	13,89,341	45,985	Macneill & Barry Ltd.	Harrisadih	22	10	1 8	1 12	2 8		6.12	H.
22,00,000	1,12,060	24,74,412	6,18,446	—5,57,393	Bajpai Trust Ltd.	Jeeta Coal	2½	10	Nil	Nil	....	....	12	Y.P.
3,50,000	3,45,579	13,54,857	7,22,658	....	Andrew Yule & Co., Ltd.	Kalapahari	12N	10	2 12	Nil	Nil		2.8	H.
20,00,000	1,77,175	25,89,583	4,65,140	6,965	Bird & Co., Ltd.	Karanpura Collieries ..	113	100	Nil	Nil	2 8	5 0	3	Y.P.
5,00,000	16,60,000	46,77,535	36,47,985	1,82,474	Andrew Yule & Co., Ltd.	Katras Jamrah	6½	10	4 0	4 0	5 8		1.7	H.
1,88,400	5,72,960	12,85,941	5,72,960	—2,60,326	Barlowia & Co.	Khas Kajora	8½N	10	Nil	Nil			6.12	H.P.
11,00,240	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd.	Kuardi	4N	10	Nil	Nil			6	Y.
15,95,000	28,39,282	81,34,655	56,80,175	2 615	Andrew Yule & Co., Ltd.	Lakurka	10N	10	0 8	0 8			4	Y.
9,00,000	11,56,413	28,69,268	22,97,987	2,255	Tantia Brothers Ltd.	Nasira	6½xd	10	0 8	0 8	0 8		12	Y.
7,48,240	2,00,000	13,13,208	9,66,219	$1,201	Amritlal Ojha & Co., Ltd.	New Rasadeopur ..	9½N	10	0 12	1 4			3.9	H.
7,00,800	4,30,917	15,30,795	4,59,240	4,569	Andrew Yule & Co., Ltd.	New Beerbhoom	10½	10	1 0	1 4	1 0		4.10	H.P.
17 76,280	20,01,763	1,19,79,853	88 63,056	94,383	Octavius Steel & Co., Ltd.	New Maahboom	11½	10	Nil	Nil	Inclusive		3.9	H.
6,00,800	75,000	£8,54,607	17,07,588	22.33		North West	17½N	10	0 4	Nil	1 0	0 12f	3.9	H.
1,18,000	2,85,192	13,07,219	8,64,781	15,950	Andrew Yule & Co., Ltd.		16N	7½	0 8	Nil	1 0	0 8f		
1,87,500						Ondal	14½	10	2 8	1 0	1 0		6.12	H.
7,50,000	12,21,853	8,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Oriental Coal	8½N	10	0 6	0 8			12	Y.
10,00,000	1,10,000	29,70,663	17,99,668	3,908	K. C. Thapar & Bros.	Parasea	14½	10	0 4	0 12			6.12	H.
2,24,000	10 862	17,51,187	8,80 795	8 018	Deepchand Kishenlall	Panch Valley	20½	10	1 10	1 10	1 8		3.9	H.
15,75,000	16 00 000	47 70,275	25 30,275	23 343	Shaw Wallace & Co., Ltd.	Ranegunge	12½	10	Nil	0 8	0 10		2.9	H.
23,99,800	19 17,105	1,23 09,393	65,50,855	16 846	N. B. Elias & Co., Ltd.	Rewa	23½	10	2 0	1 6	0 14		6.12	H.
13,50,000	8 55,353	39 55,785	27,73,764	89,221	Shaw Wallace & Co., Ltd.	Samla Collieries	14½N	10	1 0	0 12	1 0		3	Y.
20,00,000	2,00,000	44,28,585	18,73,118	2,30,178	Jaipuria Sons Ltd.	Searsole	5½	25	0 10	0 10	0 12		1	Y.
2,50,000	1,96,802	13 78 480	12,81,287	21 070	M.	Seebpore	20½	7	1 12	2 0	2 8		6.12	H.
2,50,000	3 85,296	29 99 490	19,07,296	49 290	Andrew Yule & Co., Ltd.	Sendra	10N	10	Nil	0 2	0 4		6.12	H.
5,00,000	1,81,289	92,491	28 887	7,503	F. W. Heilgers & Co. Private Ltd.									
68,21,450	23,77,474	4,72,97,817	3,17,80,336	7,310	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	11½	10	0 11	1/5	0 12		12	Y.
17,50,

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	350	100	18 0‡	18 0‡	18 0‡	9 0‡	12	Y.P.
14,80,000				168	50	9 0‡	9 0‡	18 0‡	9 0‡		
1,01,000	15,40,000	2,46,650	Andhra Bank	116½	100	6 8	7 8	6 8	3 12‡	6,12	H
32,58,000				83½	70	5 4	5 12	4 8 4/5	2 10‡		
1,00,00,000	1,38,80,000	3,35,546	Bank of Baroda	102‡	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	80,50,000	1,159	Bank of Bikaner	22½	25	0 12	0 12	0 14		12	Y.
2,50,00,000	2,62,00,000	12 26,630	Bank of India	143 XR	50	7 0	7 0	8 0	3 0‡	6,12	B.L.Y.
15,20,575	22,00,000	60,636	Bank of Indore	58N	25	3 0	3 0	2 8		12	Y.
50,00,000	20,25,000	41,778	Bank of Jaipur	38½	50	1 8	2 0	2 0		12	Y.
80,00,000	54,00,000	4,19,223	Bank of Mysore	258	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,51,700	88,75,013	10,069	Bombay State Co-operative Bank.	57N	50	3 8‡	3 8	3 0		6	Y.T.
15,00,000	20,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
1,50,000	12,00,000	2,422	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,43,11,875	4,01,61,217	18,40 859	Central Bank of India Ltd. ..	55	25	2 0‡	2 0	2 0	1 8‡	12	R.L.Y.
$2,43,875 'A'				59½	25	2 0	2 0	2 0	1 8‡		
50,00,000	21,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	43½	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	26,77,148	Habib Bank (P)	73N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	37‡	50	1 8	1 8	2 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	9‡	50	Nil	Nil			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13	50	Nil	Nil			12	Y.
75,00,000	75,00,000	1,94,436	††Hyderabad State Bank ..	98N	100	5 0	6 0‡	5 0		9	Y.
24,00,000				203	100	12 0‡	12 0‡	12 0	6 8‡		
18,00,000	79,75,000	1,45,140	Indian Bank	197	95	10 8‡	10 8‡	10 12‡	6 2‡	6,12	R.L.H.
18,36,000				153	70	7 8‡	7 8‡	7 12‡	4 8‡		
49,19,975	80,00,000	2,25,299	Indian Overseas Bank	145	100	6 0	6 0‡	7 8		12	Y.
2,25,000				42½	100(A)	Nil	Nil				
6,25,000	5,04,500	—1,13,440	Indo-Commercial Bank	10‡	25(B)	Nil	Nil			6,12	B.
10,00,000				23‡	50(C)	Nil	Nil				
87,50,000	97,50,000	2,35,108	Punjab National Bank	55‡	25	2 0	2 0	2 8	2 0‡	12	Y.
1,00,00,000	23,50,000	43,597	Travancore Bank	18‡	25	0 10	0 12	1 0		12	Y.
40,00,000	25,00,000	1,96,238	Union Bank of India	5	10	0 5‡	0 5‡	0 6		12	Y.
2,00,50,000	95,00,000	27 761	United Commercial Bank ..	56	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-14-9	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£89,217	Eastern Bank	£7½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $ 10,066,659	Hongkong and Shanghai Banking Corporation	$86½	H.K. $125	5*	5*	5*	2*†	12	Y.
£17,966,195 'A'	£15,000,000	£556,006	Lloyds Bank	£2-16-9	£5 A	14†	15†	12†		12	R.L.Y.
£1,437,805 'B'				£1-14-3	£1 B	4†	5†	5†		12	R.L.Y.
£375,000 'A'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-0-0	A £5	14†	14†	14†		12	R.L.Y.
£375,000 'B'				£4-0-0	B £5	14†	14†	14†			
£750,000 'C'				—	C £1	14†	14†	14†			
£2,851,563	£3,104,687	£543,158	National Bank of India	£1-0-9	sh. 12½	10†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (J) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co.	1923	99‡	1st June 1963
4,00,000	5‡	1st March and 15th September..	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1966
4,50,500	6‡	30th June and 30th December ..	Ramnagar Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	103	27th December .. 1962-66
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April 1956-61
15,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	96‡	1st November .. 1959-64
			COAL			
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95‡	30th June .. 1956
30,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91‡	30th June .. 1967(c)
50,00,000	5‡	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(c)‡
			COTTON			
5,50,000	5‡	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1943	85	30th April .. 1964
4,80,000	4‡	10th May and 10th November ..	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October.†	Buckingham and Carnatic	1962	99	1st March .. 1972(c)
12,65,000	5		Haripore Textiles	1948	90N	1st January .. 1956-59‡
30,00,000	5	1st June	Tata Mills	1951	100‡	 1965-71
			ELECTRICS			
10,00,000	4‡	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(c)
1,25,00,000	4‡	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100	14th June .. 1960
96,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	93‡	1st October .. 1960
12,00,000	4‡	30th June and 31st December ..	Bombay Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
3,32,89,400	4	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1957(c)
25,00,000	4	30th June and 31st December ..	Cossipore Electric Supply Co. Ltd.	1948	85‡	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Eltex (Pakistan) Electric Supply Co., Ltd.	1951	96	30th June .. 1973(c)
4,50,000	4‡	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	15th July .. 1957-61
2,00,000	5‡	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1963-64
1,00,000	4	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1955-62
5,00,000	4‡	1st April and 1st October ..	South Madras Electric Supply ..	1940	103	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	91‡	15th September .. 1965-70
			ENGINEERING			
5,00,000	5‡	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1959‡
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India) Ltd. ..	1928	99	30th June .. 1958
80,00,000	5‡	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	101‡	1st July 1957-58
21,145,600	4‡	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	59‡	31st December .. 1956(b)‡
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	100	1st October .. 1960-65
40,00,800	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(c)
			JUTE			
12,00,000	5‡	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1959
6,00,000	5‡	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4‡	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1958
10,00,000	5	30th June and 31st December ..	Dalhousie Jute Mills	1951	96	30th June 1965
12,54,000	5‡	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1969(c)
8,56,000	6	15th January and 15th July ..	Empire	1951	94‡	15th July .. .. 1960(c)
25,00,000	5‡	1st January and 1st July ..	Hukumchand	1947	92‡	30th June 1957
20,00,000	5‡	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1955	97‡	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96‡	31st December .. 1964(c)
25,00,000	5‡	30th June and 31st December ..	Naihati	1952	93	31st March .. 1967(c)
5,00,000	4‡	15th November and 14th May ..	Nellimarla Jute Mills Co., Ltd	1939	93	14th May 1959
22,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
5,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September.	Ralaram Jute Mills Co. Ltd. ..	1950	91	8th September .. 1965(c)
5,00,000	4‡	14th March and 14th September.	Seebpur Jute	1937	96	14th September .. 1957
15,00,000	4‡	30th June and 31st December ..	Union	1937	96‡	30th June .. .. 1957†
16,80,000	5‡	31st January and 31st July ..	Waverly	1925	88	31st July 1960
			RAILWAYS ; STEAMSHIP AND TRAMWAYS			
4,50,000	4	1st January and 1st July ..	Barsaat-Bairhat Light Railway ..	1939	90N	1st July 1956
£350,000	4‡	1st January and 1st July ..	Calcutta Tramways	1900	£66‡N	At 105% as any time on 6 months' notice or at par or every seventh year thereafter
£183,983	5	1st April and 1st October ..		1923	£77‡N*	
6,50,000	5‡	30th June and 31st December ..	Katakhal-Lalabazar Railway	1946	90‡	1st October .. 1974 31st December .. 1956(c)‡ Any time on six months' notice (c)
£200,000	4‡	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£88‡N	1st September 2000
& 83,25,037	4‡	1st March and 1st September ..	Scindia Steam Navigation	1949	96	
			PLANTING			
10,00,000	5‡	30th June and 31st December ..	Consolidated Coffe	1952	102‡	1st July 1957-62
12,54,000	6	31st March and 30th September.	Nilgiri Tea		100‡	1st April 1956-62
1,50,750	5‡	31st March and 30th September.	Tookay	1944	100‡	31st March .. .. 1963-69‡
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1943	98	31st Decem 1963
36,25,000	4‡	1st January and 1st July ..	Associated Hotels of India	1943	36	31st December .. 1962
4,50,500	4	30th June and 31st December ..	Bengal Paper Mills	1927	97	30th June 1957
2,00,00,000	5	1st March and 1st September ..	Burmah-Shell	1954	100‡	1st September .. 1964-69.
2,00,00,000	5‡	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1956	102‡	1st October .. 1976
21,00,000	5‡	1st February and 1st August ..	Cawnpore Properties	1915	92	1st February .. 1964
12,95,000	4‡	1st July and 1st January ..	Eve Buildings (Calcutta) Ltd.	1916	88‡	1st July 1963
30,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87‡	15th September .. 1966
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	92	 1966
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	100‡	1st January .. 1971(c)††
1,00,00,000	5‡	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	103‡	30th June .. 1969(c)‡
17,15,900	5	15th March and 15th September.	Metzur Chemical Industries	1946	98‡	 1961
23,05,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	523	30th September .. 1974(c)
45,00 000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	4/0 (per note)	31st December .. 1972(c)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	98N	1st April 1971
1,50,00,000	5‡	30th June and 31st December ..	National Rayon	1955	102	30th June 1965-70
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	97‡	31st March .. .. 1961(c)
1,50,00,000	5	30th June and 31st December ..	Rohtas Industries Ltd.	1948	91‡	31st December .. 1959
4,00,00,000	3‡	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	101‡	1st May .. .. 1965(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at 4 per cent. premium after 1-9-1954 but before 1-9-1957 and 1 per cent. premium on or after 1-9-1957. † With option to redeem at Rs. 107 per cent after 15 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-6-1955. Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 103 per cent. on 1st May 1963, on six months' notice. ‡‡ Option to repay at par on 6 months' notice, on or after 1st January 1961.

MARKET GOSSIP

(*Concluded from page 975*)

would constitute a subsidy. For instance, will liberal export credits constitute a subsidy? Or, will differential currency rates or facilities for retention of whole or a part of the foreign exchange earned by an exporter for his own use be regarded as subsidy? From the limited information on the scope of the Bill, it is difficult to determine whether such practices will come within the meaning of "subsidy."

So far as this country is concerned, these interpretations of the term "subsidy" will not affect its exports to the U.K. for the simple reason that India does not adopt differential currency rates, or give special currency inducements to exporters, much less outright subsidy. But certain textile interests in that country have represented to the British Government that the fact that Indian mills are enabled to buy their domestic cotton at prices below the world levels through controls on price and exports constitutes an element of "subsidy." The question is whether, on such an interpretation of the word, any restrictions are likely to be placed on India's textile exports to Britain. This is a very ticklish point, for Britain too is following similar practices in regard to some of its manufactured goods. It is not surprising, therefore, that Press reports from London aver that the Bill will not affect exports of cloth by India or Hong Kong to Britain. It would appear that the Minister of State to the Board of Trade, Mr. A. R. W. Low, has made it clear that the Bill was not intended to tackle "legitimate low cost trade." Indian exports of low-priced cloth, the Minister stated recently in Parliament, came under this heading of legitimate trading. He is also reported to have said that the anti-dumping measures envisaged in the Bill would not apply to Indian export controls which enabled the Indian textile industry to get its raw material at low cost. Indeed, this is the correct view of the textile situation in India, for it is certainly open to a country to conserve the raw material for the benefit of its domestic industry. Any slight advantage to manufacturers that may flow from this policy can by no means be regarded as a measure of subsidy.

WORLD BANK LOAN TO NICARAGUA

The World Bank has granted a loan of $1.6 million to the Empresa Nacional de Luz y Fuerza of Managua in Nicaragua, an autonomous Government corporation supplying power to the Managua area. The loan, which is guaranteed by the Republic of Nicaragua, is for a term of 15 years and carries interest at 4¾ per cent. per annum, including the one per cent. commission charged by the Bank. Amortisation of the loan will begin on 1st October 1959.

The loan will supplement the one of $7.1 million granted in July 1955 to finance the foreign exchange costs of constructing a 30,000 Kw. thermal power plant and expansion of the distribution system in Managua. The latest loan is for the purpose of providing additional foreign exchange needed for the power project. The Grace National Bank of New York is participating in the loan, without the World Bank's guarantee, to the extent of $101,000, representing the first two maturities falling due in October 1959 and April 1960.

The total amount of loans granted by the World Bank so far to various projects in Nicaragua is $23 million.

Personal income in the United States in September was at an annual rate of $328,500 million, an increase of $17,500 million over the annual rate in September of last year, according to the U.S. Department of Commerce. Personal income represents the total of wages and salaries, as well as net income of farm and non-farm proprietorships, dividends and interest, and rents received by landlords. It also includes a variety of other types of individual income. For the first nine months of this year, the annual rate of personal income is estimated at $322,500 million, or about six per cent. more than in the first nine months of last year.

Notice

THE INDIAN CABLE COMPANY LIMITED

THE DIRECTORS HAVE DECIDED TO recommend at the forthcoming General Meeting of the Shareholders to be held on the 21st December 1956, Dividends for the year to 31st March 1956, as follows:—

(a) Dividend on Cumulative Participating Preference Shares at 12½ per cent. free of Income-tax.

(b) Cash Bonus on Cumulative Participating Preference Shares at 2½ per cent. free of Income-tax.

(c) Dividend on Ordinary Shares at 12½ per cent. free of Income-tax.

(d) Cash Bonus on Ordinary Shares at 2½ per cent. free of Income-tax.

By Order of the Board,
B. J. WOODLEY,
Managing Director.

CALCUTTA, 13*th November* 1956.

COMMERCE

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

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DEMAND FOR WAGE INCREASE UNTIMELY

THERE has been a marked revival of widespread labour unrest in India for some months now. This unrest has not been confined to any particular section of working class but has been noticeable in almost all ranks, from such responsible and well-paid skilled workers as officers on board ships and assistant harbour masters to low-paid unskilled workers in a factory or a municipality. Not a day passes without workers' demonstration in some centre or other in the country. At present, workers in Government departments and public utilities are more restive than in other sources of employment. The proposed all-India strike of dock workers has just been deferred. The employees of the Life Insurance Corporation have decided to stage a token strike next week. Employees of some State Governments have been silenced for the present by the grant of a small rise in their pay. A few months ago, a similar gesture was made by the Central Government to satisfy the demands of its low-income employees. Many an employer in the non-State sector, too, is being faced with constant demands for more wages and amenities.

It is significant that most of these demands came to be voiced only after price levels began to rise towards the close of 1955 or early this year; and they have gathered momentum in consonance with the rise in the cost of living and the consequent fall in the purchasing power of the rupee. The basic cause for the feeling of discontentment among the working class, including the vast majority of middle class, therefore, is the failure of Government to hold the price line at a reasonable level. This failure, in turn, is due (1) to the adoption of unrealistic economic policies, especially since 1952, which has prevented production of essential consumer goods from keeping pace with the increase in demand, and (2) to inefficiency on the part of the Food Ministry in keeping the country's larder well stocked at opportune moments, so that there may always be sufficient stocks of foodgrains to cope with the rising demand and the vagaries of the monsoon.

While there is thus some cause for discontentment among the working class in general, there is scarcely any justification for demanding a general, blanket increase of 25 per cent. in the wages of all workers, as is being done by the leaders of the Indian National Trade Union Congress, popularly known as the I.N.T.U.C. This demand was first voiced in May last. Since then, the leaders have been assiduously preparing the workers to expect that such an increase is justly due to them. Having done this, they have set their machinery in motion to secure their demand. They have called upon the affiliated unions throughout the country to ask for a general rise in wages and to serve notices on employers to that effect. Indeed, notices have already been served on the Ahmedabad Millowners' Association and other employers are about to receive similar notices. The Government has been discretely silent on this demand coming from the labour wing of the Party in power. It is not known whether the Cabinet ever discussed this demand and, if so, what decisions were taken. There are, however, reports that, while the Finance Minister is strongly opposed to it on the ground that it will accentuate the inflationary pressure, the Labour Minister is in sympathy with it. These reports have been neither confirmed nor denied. In an article to the Press on Independence Day, the Labour Minister, Mr. Khandubhai Desai, a prominent leader of the I.N.T.U.C. till he joined the Union Cabinet, remarked that "the demand for a wage increase appears to be justifiable," though he qualified this statement by saying that "we have to proceed in a rational manner."

Till this week, the employers, too, did not say much on this demand. It was only on Tuesday this week that the President of the Employers' Federation of India, Mr. Homi Mody, came out with a rejoinder, apparently because the I.N.T.U.C. leader has given enough evidence that he means business. In a statement to the Press, Mr. Mody described the I.N.T.U.C.'s demand as "irresponsible" and the reasons adduced in its favour as "unconvincing." To charge the I.N.T.U.C. with irresponsibility may sound a little harsh, but, if a polished speaker and highly responsible leader of employers like Mr. Mody were to use such a strong and unpalatable expression, it must be based on sound conviction. Although Mr. Mody has not given any statistical data either to disprove the contentions of the I.N.T.U.C. President, Mr. S. R. Vasavada, or to support his claims, he has said enough in his brief statement to bring out the inappropriateness of the demand for a wholesale increase in wages by one-fourth. Apart from any economic reasons—there are many of them—the demand is improper on two good procedural grounds. First, Mr. Vasavada himself has been pressing for the appointment of wage boards. It is not fair on his part to insist on a 25 per cent. straight increase in wages even before the formation of these boards. It is for the wage boards to determine the level of wages. Secondly, as Mr. Mody observed, the whole question of wages is at present being studied by the Joint Consultative Board of Industry and Labour, in which the I.N.T.U.C. is adequately represented. The Union Ministry of Labour also is already busy with the appointment of wage boards for all the important industries and the collection of data relating to the wage structure in the different industries, the rate of production and the ratio of profit to the level of wages. Workers should wait till these studies are completed and the wage boards give their verdict. Meanwhile, the vast majority of them suffer little inconvenience, as the increase in their cost of living is neutralised by a rise in their dearness allowance, so that their real income remains unaffected.

If there is any section of Indian society which has received a considerable amount of benefit in recent years it is the workers in factories and plantations, numbering no more than 4 million approximately, or a little less than 1 per cent. of India's total population. The contention of some labour spokesmen that the real wages of workers today are less than even the pre-war levels is not correct. On the contrary, the index of real earnings even in 1954, the latest year for which figures are available, was 2.7 per cent. higher than in 1939. This small increase masks the substantial improvement which has been obtained by workers in such major industries as textiles, iron and steel, cement and engineering. During the decade ended 1954, whereas the index of real earnings rose in geometrical proportion at an average rate of 3.9 per cent. per annum, the rise in the index of productivity was of the order of 2.7 per cent. only. During the 15 years, 1939 to 1954, the average rate of increase (geometric) in the index of real earnings was of the order of 0.4 per cent., while that of productivity was still less at 0.2 per cent. It is thus clear that the rate of growth in real earnings was on the whole higher than that in productivity. This statistical information, compiled by the Union Ministry of Labour, all along presided over only by acknowledged labour leaders, disproves the contention of those who claim to speak for labour that the increase in wages has not kept pace with the rise in productivity. A pertinent point that needs to be stressed here is that improvement in productivity is not the sole result of exertion by labour. On the contrary, it will be true to say that it was due mainly to intensive utilisation of existing equipment and/or introduction of new machinery, not to speak of new techniques. Perhaps, the increase in productivity per worker would have been more but for the high ratio of manpower employed per machine as compared with other advanced countries in the world.

Other available data also confirm the view that the factory worker in India has been having quite a fair deal. The Union Minister for Labour, Mr. Khandubhai Desai, himself admitted in Parliament, during its last summer session, that real wages of industrial workers in India had gone up by 20 per cent. in the last five years. This increase is higher than the 18 per cent. rise (Planning Commission's estimate) in the *per capita* national income during the five years of the first Plan. Again, it is practically the same as the increase in industrial production. According to the second Five-year Plan, the revised index, with 1951 as the base, shows for 1955 a level of industrial production about 22 per cent. higher than in 1951. Another point that requires to be borne in mind while judging the demand for a general increase in wages is that the incomes of industrial workers are already very much more than the general standard of national income. As against a *per capita* national income of Rs. 269 per annum (Central Statistical Organisation's estimate for 1954-55), the average annual incomes of factory workers for 1954 in some of the States were as follows. For purposes of comparison, the 1947 and 1939 figures also are given alongside:

	(*In rupees*) 1954	1947	1939
Assam	1,231	755	264
Bihar	1,450	820	415
Bombay	1,273	978	370
Punjab	1,048	628	296
Orissa	895	493	162
Uttar Pradesh	997	673	235
West Bengal	1,057	568	248
Madras	822	560	176

It will be observed from the foregoing table that, even in the relatively less developed regions of India such as Orissa, Madras and Assam,

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the average annual income of factory workers is three to four times the *per capita* national income. It is also true to say that an industrial worker gets many times the earnings of agricultural labour. Further, he has secured a number of benefits such as provident fund, sickness insurance, retrenchment and lay-off compensation, leave with pay and better working conditions under the Factories Act. Besides these, a number of fringe benefits have also been accorded to factory workers under the awards given by the Tribunals. Several progressive employers—the T.I.S.Co., the A.C.C. and the Indian Aluminium Company, to mention only three instances—have, on their own initiative, taken special steps to secure for their workers as high an income as is consistent with productivity. Many other employers also are beginning to realise the value of such voluntary understanding with their workers. The growth of this healthy trend—healthy for all, that is, the employer, the employee, the State and the consumer—will be checked by the demand now being made by the leaders of the I.N.T.U.C.

It is not suggested here that factory workers are entitled to no further increase in wages. Nor is that the view of employers. In his statement to the Press, Mr. Homi Mody concedes, very rightly of course, that, "as productivity increases, profits rise, and the general standard of living goes up, workers have a right to claim a fair share in the fruits of their labour." What is objected to is the demand for an increase in wages unrelated to economic and other considerations. Surely, the present is by no means the opportune time for effecting a general upward revision of wages. Price levels are already high and supply of even essentials of life is limited. In such a situation, more purchasing power in the hands of workers, the majority of whom are not accustomed to save and invest in fruitful channels, will only aggravate the upward trend in prices and raise the cost of development projects included in the second Plan. Those who lead the I.N.T.U.C. are undoubtedly able men. On a dispassionate consideration of the pros and cons of the issue, they will, we hope, recognise the force of the aforesaid arguments. They should not, as responsible leaders, put forward uneconomic demands, even if it be for political considerations. And it will be most unfair, if they try to enforce their demand by unilateral action. They will, therefore, be well advised to heed the suggestion of Mr. Mody, namely, to sit down at a conference table with the representatives of employers and adjust their differences in a spirit of genuine understanding and respect for each other's rights and obligations. It is to be hoped that, in any such talks, both the sides will not overlook the legitimate interests of consumers.

ECONOMIC INCENTIVES

ALTHOUGH well-intentioned politicians and impatient administrators often frown upon economic incentives as an unworthy source of inspiration for economic activity, there is no getting away from the fact that there is no acceptable alternative to such incentives. The well-known "carrot-and-stick" analogy still sums up the problem in a most effective manner. If it is not permissible to use the profit-motive, represented by the carrot, in order to move the economic donkey forward, the alternative is to use the stick as, in fact, is being done in the totalitarian countries today. But no one can pretend that the stick is an acceptable weapon. At any rate, no one will suggest that it is a democratic instrument. Nor is the absence of "democratic" element the only defect in the "stick" method. Actually, as certain recent events in some parts of Eastern Europe have shown, the stick is apt to break and cause irremediable damage to national economy.

Apart from the human and other arguments that could be urged against the use of the stick, the one important consideration which should counsel patience in its advocates is that it is not even tolerably efficient as an instrument. If the stick thus stands discredited even as an instrument for economic progress, it is perhaps best that this country should think more in terms of the "carrot" than in those of the stick. For one thing, the "carrot" theory has greater historical evidence of success to back it. The countries which tried it in the past and continue to stick to it today have been able to make more real progress—and make it with less tears—than those which have wielded the stick. Secondly, the "carrot" is more in tune with India's traditions and its present democratic institutions. This aspect was admirably emphasised by Mr. E. D. Sheppard, Chairman of Killick Industries Ltd., in the course of his speech at the annual meeting of the Company, held this week, in Bombay. Mr. Sheppard said: "We in India have rejected the stick theory and the concept of the authoritarian State as being alien to the traditional Indian way of life. Can we not, therefore, accept as a nation the logical corollary of introducing the carrot in its stead?" He wondered how the very men who would resist to the utmost limitations on their social *and political* rights are those who "accept without demur controls over such matters as production, profits, wages and prices and feel that it is perfectly reasonable for Government to regulate them." He rightly felt that this "inconsistency" would lead to a frustration of the national economy.

The "inconsistency" to which Mr. Sheppard referred—the ardour for political liberty coexisting with a certain indifference, if not antagonism, to economic freedom—can be traced to an erroneous impression that no economic *freedom is necessary for political liberty* and that the former leads to undesirable concentration of power and exploitation of the people for the benefit of a few. It is the task of free enterprise in this country to show how deplorably wrong such a view is, and also to demonstrate that it can and does play a more beneficent role than its detractors allow it credit for. This task is by no means easy, for in this

CONTRIBUTE LIBERALLY
ON
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(DECEMBER 7)
FOR THE WELFARE OF EX-SERVICEMEN
AND THEIR FAMILIES

country, where all energy had so long been concentrated on winning political freedom, the importance of economic freedom has never received the recognition it deserves. Further, by being constantly described as a "private sector," free enterprise has become associated in the minds of the public as the private affair of a few individuals. It is best that free enterprise wages its war against this terminological tyranny. Appropriately enough, Mr. Sheppard was at some pains to show that there was nothing "private" about the private sector. He said:

> "'Private sector' is a term which is at variance with the system which it purports to describe. There is nothing private about the finances and accounts of the major industrial units existing within the so-called private sector. These units of free enterprise are as public as they can be. They are subjected to continuous and close audit, and are available for scrutiny to a wide range of people. The goods which these industries produce and the products which they market are sold only because there is public requirement for them and at a price which this public is prepared to pay. Shareholders of these so-called private sector units, in fact, represent a wide cross section of public society. The recent passage of the new Companies Act into law has stripped the last vestige of even legitimate privacy from these joint-stock companies. Furthermore, the tendency to associate the private sector with the relatively few major corporate industries is itself quite wrong. The truth of the matter is that the so-called private sector consists of all business activity and commercial endeavour except those few units which are operated and owned by the State. The vast range of these business and commercial interests varies from the largest industrial concerns, on the one hand, to the small shopkeepers carrying out their day-to-day trade in the bazaar, on the other, and it is all these who are denoted by the misused term 'private sector.'"

Indeed, the "private sector," as Mr. Sheppard pointed out, is best described as the "people's sector"—despite the risk this phrase runs through its assonance with "people's democracies"—while the public sector is best known as the "State sector." Further, the phrase "people's sector" would more appropriately describe the real function of the units in this sector and also demonstrate how thin is the difference between those units and the so called "co-operative units." For, as Mr. Sheppard pointed out, a joint-stock company, a distinguished variety of organisation in the people's sector, is nothing but a co-operative society in the fullest sense of the term. He argued—and very rightly too—that its "capital is created by co-operative faith in its venture, its direction is provided by those who reflect in their persons co-operative choice, its factories are worked by co-operative endeavour and finally its products are sold only if there is co operation from the consuming public." To counter the argument that a handful of shareholders cannot constitute a co-operative society Mr. Sheppard pointed out that, in the steel industry and in the cement industry, there was one shareholder for every worker, in the textile industry one shareholder for every two workers and in the electricity industry ten shareholders for every worker. In other words, numerically speaking, shareholders as a class are no less important—and may sometimes be even more important—than the workers.

Few people realise that it is this shareholding community that has to bear the brunt of all the attacks on the private sector. A major part of this community belongs to that wider section, the middle class. This should be clear from a recent survey into shareholdings conducted by the Reserve Bank which showed that, in the sample of shareholders studied, those who had an income of Rs. 4,000 and below constituted 42 per cent. and those with an income between Rs. 4,000 and Rs. 8,000, constituted another 17.8 per cent. Thus, nearly, people with incomes less than Rs. 8,000 constitute about 60 per cent. of the total shareholding community. These men spring from the long-neglected middle class—a class which has given the country its best political leaders, sincere social workers, competent professional classes and conscientious technicians and administrators. "The contributions which these people make," Mr. Sheppard said, "come from intelligence, character and example." He pertinently added: "For the most part they do not clock in and clock out for eight hours a day, but are always on duty. They are compelled to keep up a standard of living not merely for the sake of appearance, but in order to play their part in the social life which they guide and nurture." And it is this class which finds that it is becoming increasingly difficult to maintain its living standards. Mr. Sheppard did well to point out that, "unless this process of deterioration in its standard of life, and therefore, in the morale of the people constituting this class, is arrested, an irreplaceable component of the industrial and commercial structure of the country will be dangerously weakened, and no amount of planning or legislation will be able to replace it or revive it."

The reason for their neglect lies in the fact that they have no political champions. While the farmers and industrial workers have their advocates, the middle classes alone are the political orphans of this country—friendless in the political field and victims of vigorous and continuous, though not deliberate, attacks in the economic field. And yet, it is undeniable that this class deserves not only to be kept alive but fostered and strengthened in the interests of all that is best and noblest in this country's traditions and in those of its progress. Mr. Sheppard hit upon an apt simile to bring out the importance of the middle class. He compared this class to the "leaven" of the mass and stated that without leaven, the mass cannot rise. He deplored that "in India, today, too much time and attention is being devoted to the mass and far too little to the leaven of the mass."

The Government's exclusive preoccupation with the masses—no one suggests that it is ill-conceived—should not blind it to the interests of the middle class. It is seldom realised that many aspects of the Government's economic policy impinge most heavily on the middle class. Whether it is the textile policy limiting the overall output of mill cloth or the import policy which seeks to restrict the imports of certain so-called luxuries which are in fact conventional necessities for the middle class or simple failure to hold the price-line, it is the middle class which bears the brunt of the burden. It is true that this class too should share its part of the fiscal and other burdens imposed on the community. But all available evidence shows that this class is made to bear a disproportionate share of the burdens. Any continuance of this trend would mean the break-up of the middle class without which this country would find it difficult to make any genuine, healthy progress—political, social or economic.

SENTIMENT IN SHARE MARKETS BETTER

TATA LOCOMOTIVE—TITAGHUR PAPER—BOMBAY BURMAH—HINDUSTAN LEVER

THURSDAY, 5 P.M.

MARKET GOSSIP

A DECIDEDLY better feeling has come to prevail in the share markets. After displaying a quiet tone in the earlier days of the week, equities have looked up. Reports of improvement in cloth offtake at slightly higher prices have revived confidence in textile shares. Steel shares still remain generally neglected, though, since yesterday, some speculative support is being extended to Indian Irons on vague rumours of early capitalisation of reserves. It remains to be seen whether the rumours are true or just a ruse by some interested parties to get out of their commitments in this scrip. Encouraging financial results of some companies, such as T.E.L.Co. and National Insulated Cables, have engendered buying fervour in engineering shares in Calcutta as well as Bombay. The stay order granted by the Supreme Court in regard to the South Indian Plantation Award has arrested the rot in Bombay Burmahs and the plantation scrips on the Madras Stock Exchange, where the minimum prices have been lifted. In the Calcutta market, a slight improvement in turnover has taken place, thanks to bargain hunting by investors.

With the General Elections scheduled to take place in March, the budget session of Parliament will be a dull affair. Knowledgeable circles are of the view that the Budget to be presented on 28th February next will be a tentative one, as in February 1952, when only a White Paper was presented, and that it may not contain any new tax proposals. They feel that the present Government will leave this job to its successor that will be chosen by the people. This means that the markets will get the usual budget jitters only in May and June, instead of January and February. But it remains to be seen whether, between now and June next, there will be no fresh taxation, not even new or additional indirect taxes. The Government's need for money is so pressing that we wonder if it can afford not to levy those indirect taxes which it ordinarily imposes at the end of every February. It is true that the Government has power to vary the excise and customs duties at any time it likes. That, however, is no reason why it should not follow a procedure which is more appropriate.

While, therefore, it is not prudent to rule out the possibility of some indirect taxes being imposed by the Government when it presents the tentative budget in February, it seems safe to assume that no fundamental changes in the system of direct taxation are likely. So, one may have to keep oneself in suspense for another six or seven months more for knowing whether there will be (1) a capital gains tax, (2) a tax on total wealth and (3) any other similar novel taxes. Incidentally, this will give the Finance Minister a longer interval to think about the changes he wishes to make in the taxation system. Mr. Krishnamachari, if he gets re-elected, as he surely deserves to be, will try to impart a bit of his originality to the fiscal policy of the Government.

* * * *

The effect of stringency in the short-term money market is being increasingly felt by the Gilt-edged securities. In the past one month, the Conversion Loan has lost Re. 1-5 and 3 per cent. 1970-75 more than Rs. 2. Other long- and medium- dated loans also have slipped back. The downward trend in State loans has not been completely checked yet, though the pace of fall has slowed down. It is stated that the Reserve Bank has put the Life Insurance Corporation into funds to the tune of Rs. 10 crores by taking over a part of its short-dated investments in the Central Government Loans, so that the Corporation may extend effective support to State Loans floated in September last and restore confidence among investors. So far, the Corporation is believed to have bought about Rs. 2 crores worth of these securities, without making any perceptible impression on the market. Apparently, a more vigorous and sustained attempt requires to be made by the Corporation, if stability is to be imparted to the State loans section of the Gilt-edged market.

* * * *

The recommendation of the Directors of the Tata Locomotive and Engineering Co., Ltd., to pay a maiden dividend of Rs. 6 per share on the Company's ordinary shares for the year ended 31st March 1956, after payment of 5 per cent. preference dividend for the year and wiping out all the arrears thereof, has caused little surprise in the share market, as it had already been well anticipated and discounted in prices. The maiden distribution may be considered a modest one, considering that the shareholders had to wait patiently for a long period of over 10 years. Nevertheless, it is a creditable performance, because of the large arrears of preference dividend, amounting to Rs. 35 lakhs, that had to be cleared. This small dividend has been possible because of the Government's acceptance of all the major recommendations of the Tariff Commission in respect of the prices of the Company's locomotives and boilers. It is stated that the Commission's recommendations have fully satisfied most of the Company's claims, and that the Company will receive, as a result, a sizable sum which had been outstanding on the boiler account.

At the current market price of Rs. 172, the yield on the shares works out to about 3.5 per cent. per annum, free of income-tax. This may appear to be low, but the share belongs to the category of sound "growth scrips," that is, equities with considerable potential for capital appreciation. Further, it is confidently expected that the Company will be able to raise the dividend level next year. Although it is too early to anticipate this with any large degree of certainty, the optimism is based on the grounds that there are no arrears of preference dividend and that the turnover for the current year will be much greater. Further, the Company's outturn of trucks will shortly be doubled from 6,000 to 12,000 units. The long-term outlook for the Company is no doubt good, because of the large expansion programmes it has on hand.

* * * *

The decision of the Titaghur Paper Mills Co., Ltd., to go ahead with the establishment of a third pulp and paper mill in Orissa at a huge cost is an outstanding example of what private *entrepreneurs* can do for the development of the country, given the freedom to do so. The Company already possesses two paper mills in West Bengal, having an aggregate manufacturing capacity of 13,200 tons of finished paper per annum. The renovation programme of these two mills is in progress and it has been found physically impossible to expand the mills at the existing site. The Government of India has, therefore, granted a licence to the Company to erect a third mill in Choudwar in Orissa, with an initial annual production of 12,000 tons.

Details of this project now available go to show that, in the first instance, the mill is being planned to have two machine units with the possibility of further extension later. The first phase will cover the installation of one paper-making machine and the auxiliary equipment together with the requisite chemical and preparatory plant to provide pulp. This phase is expected to cost Rs. 1.75 crores. After this is completed and production begins, the second phase will be undertaken with the installation of second paper-making machine and auxiliary equipment. It is estimated to cost a further sum of Rs. 65 lakhs.

The advantages of the third mill at Choudwar (Orissa) are: (1) the site chosen is close to the bamboo forest areas leased to the Company by the Orissa Government; (2) cheaper raw materials are available; (3) the site is easily accessible by water, rail and road communications; and (4) some important items of machinery and plant can be had from the existing mills. The cost of the project will be financed partly from the Company's own resources and partly from the loan of Rs. 1 crore which the Industrial Credit and Investment Corporation has agreed to provide. The loan will carry interest at the rate of 5½ per cent. and will be repayable in 15 years.

The distribution on the ordinary shares for the six months ended March 1956 has been raised by As. 2 to Re. 1-2 (including a cash bonus of As. 4) per share of Rs. 10 each. The shares are being currently quoted at Rs. 40 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 5.8 per cent. per annum, free of income-tax.

* * * *

The various conjectures about the incidence of the award of the Special Tribunal for Plantations, South India, on the Bombay-Burmah Trading Corporation Ltd. have been set at rest by the Chairman's public announcement this week. The incidence consists of the retrospective liability for the past four and a half years and the future annual liability. In a notice to the shareholders of the Company, explaining the position, he says that the award has a direct effect on the Company's Mudis, Nilgiris and Singampatti groups of estates, all of which are situated within one or other of the districts for which the award is applicable. In addition to substantial increases in daily wages payable to labourers and in salaries or dearness allowance due to staff, the award seeks to enforce additional increased costs in the form of retiring gratuities and increased provident fund benefits and amenities in the form of way expenses, issue of blankets and jute hessian aprons to pluckers and a free tea ration to all employees.

The award, if implemented in the present form with retrospective effect from March 1952, is estimated to cost the Company Rs. 89.41 lakhs by way of increased wages alone. This sum is made up of Rs. 15.35 lakhs in respect of estates staff and Rs. 74.06 lakhs for estates labour. These figures do not include any provision for pre-provident fund compensation or for gratituities on the scale of the award to those members of the staff who retired after April 1952, but before the publication of the award. The Chairman points out that it is not possible to estimate at this stage the liabilities under these heads. Further, the rates of bonus for labour for the years 1952 and 1953, he adds, are still under adjudication.

The future annual additional revenue expenditure is expected to be in the region of Rs. 24.5 lakhs, should the award be implemented in its entirety, exclusive of staff and labour retirement provisions. It is also pointed out that, in arriving at the above figures, no account has been taken of income-tax or agricultural income-tax.

The Company, in concert with others vitally affected, has appealed to the Supreme Court with a petition for interim stay and the Court has, as already stated, granted leave to appeal against the award.

The publication of the aforesaid information has not adversely affected the market value of

(*Continued on page* 1072)

WAS IT NECESSARY?

THE Ariyalur Railway disaster, in which 145 passengers travelling by the Madras-Tuticorin Express perished in the early hours of 23rd November, has caused country-wide sorrow, and, as is only to be expected, country-wide indignation. This is the second serious accident of its kind in a year and follows the earlier disaster near Hyderabad on 1st September, in which 121 persons were believed to have lost their lives. Both the accidents were tragically alike, in that the trains came to their sorry fate through flood-cracked bridges. Members of Parliament only reflected the immediate reaction in the country when, in the course of the debate on the Ariyalur tragedy, they were sharply critical of the efficiency of the railways.

The saddest man in the country today is undoubtedly that sensitive, painstaking and conscientious Minister for Railways, Mr. Lal Bahadur Shastri. Unable to withstand the deep distress he felt over the tragedy, he did what appeared to him best in the circumstances—he submitted his resignation. The loss of so able a Minister who, during the period of his office, has shown a rare grasp of the transport problems and brought to his high office a sense of fair-mindedness, impartiality and devotion to duty, will be—as it is being—widely regretted. Considering that transport threatens to be the weakest link in the second Plan chain, Mr. Shastri's exit from the Cabinet now will create a void that will be difficult to fill. In India's onward economic journey, it is a great risk to change horses mid-stream. A democratic set-up no doubt implies ministerial changes. But one may wonder whether Mr. Shastri's resignation, born of righteous self-condemnation, was really inevitable or the only way out of what is admittedly a difficult situation for a man of his sensitive temperament. Mr. Nehru paid a high and well-deserved tribute to Mr. Shastri when he said: "A man of the highest integrity, loyalty, devoted to ideals, a man of conscience and a man of hard work." Despite his understandable regret over the loss of so valuable a colleague, Mr. Nehru has accepted the resignation on the ground that, "from the broader point of view of constitutional propriety, we should set an example in this and no man should think that, whatever might happen, we carry on in the same way without being affected by it."

Surely, it is all so tragic that a constitutional precedent in ministerial resignation should be created out of nothing more than an accident. Without in any way seeming to minimise the gravity of the disaster, we feel that it is wrong to allow accidents to determine the continuance of a minister in office. Pending the outcome of the judicial inquiry which has been ordered, it is, perhaps, best to suspend judgment on the Ariyalur disaster. But a few facts, mentioned by the Government spokesmen, go to show that the disaster was as unpredictable as it was tragic. Four trains had passed the bridge safely after midnight before the ill-fated Express crossed it. The highest flood level recorded for the last 28 years was 9 feet below the rail level. With the best will in the world, it would be difficult to prevent an accident of this kind—and that in country where the source of floods might lie several miles away from the scene where they strike heaviest. All this is not said in extenuation of the accident, but to show that no moral responsibility need necessarily attach to an accident, however tragic it may be in itself. Or, to look at the Ariyalur disaster in another light, would ministerial resignation have still been regarded as a necessary democratic procedure if it was a goods train that preceded the Tuticorin Express and not the Express itself that was involved in the disaster? The question is: Should accidents be allowed to determine democratic precedents?

Nevertheless, if Mr. Shastri's resignation is, as it now seems, irrevocable, then it is best that he should be associated in some responsible way with the conduct of the Government's transport policy. Again, he will not have laid down the seals of his office in vain, if it has shocked all ranks of the railway administration—the high as well as the low—into a new and higher sense of responsibility. There is a great deal to be said in favour of a vigorous return to a stricter discipline to the administration—a discipline, which, many fear, has been lost through excessive reliance on "softness" towards employees. It should be possible for the authorities to be good as well as firm.

EQUITIES CLOSE ON A STEADY NOTE

BOMBAY BURMAHS MARKED UP

(From Our Own Correspondent)

BOMBAY, *29th November*

THE Stock Exchange remained featureless during the major part of the week under review. The volume of business was at a low ebb, but the trend of prices was slightly downward due to lack of support and scattered liquidation by bulls. During the last two days, however, activity revived to some extent and equities looked up, making good in most cases the earlier losses. The better sentiment towards the close was inspired by reports of improvement in textile exports, the speculative support to Indian Irons on the eve of the Company's annual general meeting, at which more light is expected to be thrown by the Chairman on the Company's negotiations for loan with the World Bank, and renewed enquiries for Bombay Burmahs on hopes of a favourable settlement being arrived at regarding the Company's capital reorganisation. On balance, barring a few scrips, the entire list disclosed small changes. The undertone at the close was steady.

In the steel section, Tata Ordinaries slipped down from Rs. 192-12 to Rs. 190-4, but gained ground to close at Rs. 192. Indian Irons shaded off from Rs. 34-6 to Rs. 33-14, before gathering strength to Rs. 34-6½ at the close on renewed speculative support.

Textiles were a little depressed in the earlier half of the week, but gave a lead to the other sections in the subsequent recovery. Bombay Dyeings were erratic, moving between Rs. 631-4 and Rs. 621-14, before closing Rs. 3-12 higher on balance at Rs. 628-12. Centurys were marked down from Rs. 551-8 to Rs. 544-8, but shot up to finish at Rs. 552. Kohinoors shaded off from Rs. 343-8 to Rs. 340 on Monday. In the subsequent upward movement, they were conspicuous with a rise to Rs. 347. The closing was done at Rs. 346. Bradburys gathered Rs. 10-10 over the week at Rs. 230-10. Central Indias came down from Rs. 132 to Rs. 129-8, but recovered to Rs. 131-8. Finlays were up by Rs. 3 at Rs. 338. Gokaks were steady at Rs. 239, India United Ordinaries at Rs. 12-2½ and Indore Malwas at Rs. 147-8. Khataus lost Rs. 3-12 to Rs. 233-12 and Models Re. 1-14 to Rs. 180. Mysore Spinnings, advanced by Rs. 9-8 to Rs. 110. New City Mills shot up by Rs. 8-12 to Rs. 155, while New Greats held their own at Rs. 250. Podars were done Rs. 3-2 higher at Rs. 170, while Sassoon Spinnings shed Rs. 3 to Rs. 40. Shree Niwas changed hands Re. 1-4 lower at Rs. 212-8. Simplex shed Rs. 3-4 to Rs. 195. Standards gained Re. 1-4 to Rs. 478-12, while Svadeshis dropped Re. 1-12 to Rs. 254-4. Tata Mills were quietly steady at Rs. 53-8.

Bank shares were quiet and business was on a reduced scale. Centrals were dull at Rs. 54-12. Their new shares were down by As. 12 at Rs. 58-4. Bank of Indias lost Re. 1-4 to Rs. 142-4, but their new shares were maintained at Rs. 141. Barodas were As. 8 better at Rs. 102-12 and Union Banks As. 3½ higher at Rs. 7-9. United Commercials were done at Rs. 55-12.

Insurance shares were featureless and activity was limited. New Indias changed hands As. 8 lower at Rs. 45-4 and British India Generals As. 2 lower at Rs. 13-8. Indian Mercantiles were taken a rupee better at Rs. 43 and Vulcans at the self-same rate of Rs. 15-8.

Very minor variations were noted in electricity shares. Ahmedabad Electrics retreated from Rs. 91-14 to Rs. 90-15, before gaining to Rs. 92-13. Bombay Suburbans gained As. 5 over the week to Rs. 110-5. Surats were, however, lower by As. 10 at Rs. 113-12. Tata Hydros stood As. 8 higher at Rs. 124-8 and Tata Powers Re. 1-4 better at Rs. 1,252-8. Andhra Valleys held their ground at Rs. 1,200, but their new shares moved up by Rs. 3-12 to Rs. 1,163-12.

Proximity of dividend announcement pushed up Belapurs, in the sugar group, from Rs. 251-8 to Rs. 253-8. Phaltans looked up by Re. 1-8 to Rs. 161. Bhopals were quiet at Rs. 17-6, as also Walchandnagars at Rs. 263-2. Cement shares were conspicuously dull. Associated Cements moving within a range of Re. 1-12 between Rs. 193-4 and Rs. 195. The closing was done at Rs. 194-12. Digvijays were marked down further from Rs. 165 to Rs. 161, while their Rights were bid a rupee higher at Rs. 26. Jaipur Udyogs lost As. 3 to Rs. 12-8, while Orissa Cements were held at Rs. 13-7. Among engineerings, Alcocks eased from Rs. 322-8 to Rs. 317-8. Tata Locomotives provided a feature in this group, with keen bidding early in the week in anticipation of a dividend of Rs. 6 per share for the year ended 31st March 1956, which pushed them up from Rs. 168-8 to Rs. 173. After a short-lived recession to Rs. 170-4, the shares moved up to Rs. 172 on the eve of the dividend announcement. The declaration of a dividend of Rs. 6, which was in conformity with the market's expectation, did not, therefore, result in any further rise in price, and the shares closed at Rs. 172. Larsen and Toubros were quiet with a loss of As. 8 at Rs. 16-12. Premier Constructions dropped Re. 1-12 to Rs. 212. In the mining group, Shivrajpurs were dull, but steady, at Rs. 86-12. Indian Coppers were quiet at Rs. 4-3¼ and B.B. Petrols at Rs. 3-5½.

Among shipping and transport group, Scindias gave way from Rs. 19-5½ to Rs. 19-1, but the loss was mostly made good when the shares finished at Rs. 19-4½. Great Easterns were done at Rs. 17-6 *ex*-right, as against Rs. 21-12 *cum*-right a week ago. Their Rights were done at Rs. 4-4. India Steamships changed hands at Rs. 10 *ex*-div. (final div. As. 8), as compared with Rs. 10-11 *cum*-div. last week. Hindustan Motors were dull at Rs. 9-4, the Company's slightly better results for the year ended 31st March 1956 not having produced any impression on the operators. Premier Automobiles were depressed from Rs. 116 to Rs. 114-8. In the miscellaneous group, Bombay Burmahs were prominent during the last two days with a jump from Rs. 683-12 to Rs. 705, after having been lowered from Rs. 696-4. Their new shares stood Rs. 2-8 lower at Rs. 250. British India Corporations shed As. 2 to Rs. 10-5½. National Rayons moved in a narrow groove and closed a shade better at Rs. 263. Killicks were steady at Rs. 173-4, on the Chairman's statement at the annual general meeting that the Company could face the future with confidence. The Chairman also stated that the Company had received permission to increase its production in steel files factory and licence had been granted for expanding its manufacturing lines. Several other projects were also being closely studied by the management. Tata Chemicals were dull at Rs. 19-8½ and Tata Oils at Rs. 50. Wimcos were featureless at Rs. 174-6.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *28th November*

A fair recovery in prices was recorded on the Calcutta Stock Exchange during the week under review on revival of buying at lower levels. Better advices from the commodity markets also contributed to the improved sentiment, although lack of funds invited a quiet trend at intervals. Stay of the Madras Plantation Award by the Supreme Court and the fair demand for tea at advancing prices made tea shares an attractive possession. Naturally, therefore, teas claimed a considerable portion of the funds available in the market. Investors in other counters kept away from the market, as they desired to set apart funds for taking part in the public offer of shares of Hindustan Levers and other issues shortly expected. Reports of the possibility of dock workers' strike were viewed with alarm as such a strike would bring foreign trade to a complete standstill. Already shipping space has become restricted, in view of the rerouting of ships via the Cape. Further, the mounting deficit in foreign trade, Rs. 16 crores for October, had been a further cause for misgiving whether the industrial progress could be maintained as planned.

Budget uncertainties have already begun to loom large in the minds of operators. General elections are to follow the presentation of the Budget proposals for a portion of the year, and although it is believed that, in view of the proximity of the elections, there would be nothing surprising in the Budget, the fear is entertained that the swing towards socialism would be a feature of the election manifesto of the Congress. At any rate, the Finance Minister is expected to raise Rs. 50 crores more from changes in existing taxation and/or additional taxation.

With the fall in prices of jute goods, the recovery in jute shares was arrested. Nationals closed at Rs. 23-6 after having improved from Rs. 23-9 to Rs. 24. Indias were as low as Rs. 122, as against Rs. 140-8 previously. Howrahs were unchanged at Rs. 21-10. Naihattis were pulled down from Rs. 86 to Rs. 75, but New Centrals recovered to Rs. 14-6 from Rs. 14-2.

In coals, Burrakurs were taken from Rs. 18-11 to Rs. 19 earlier in the week and after a recession once again rose to quote higher at Rs. 19-2. At Rs. 9-10, South Karanpuras were better by As. 6, while Western Bengals were extremely quiet at Rs. 6-3.

Selected counters in the engineering section received greater attention. Braithwaites hardened to Rs. 27-10 from Rs. 27-5. Jessop & Cos. were better at Rs. 35-10 for a time, but receded soon to Rs. 35. Texmacos were steady at Rs. 22-5. Indian Irons opened at Rs. 33-3, and after rising to Rs. 33-7 reacted to close at Rs. 33.

Teas were put through at advancing rates on interested buying. Considering the general lethargy of the market the number of transactions in teas was remarkable. From Rs. 21-0, Methonis were raised to Rs. 22-6. At Rs. 20-6, Ranicherras added one point. At Rs. 21-0, a similar rise was recorded in Brooke Bonds. Nagaisurrees advanced to Rs. 215 from 205, and Dibrugarhs to Rs. 26-10 from Rs. 26-4. Gungarams changed hands at Rs. 207, as against Rs. 190 previously and Bishnauths strengthened to Rs. 25-6 from Rs. 24-12.

Selected counters in the miscellaneous industrials group received more attention. Niccos were in strong demand, in view of improved prospects and the expansion of electricity in the second Plan. The scrip gained from Rs. 27-10 to Rs. 28-14. Indian Cables were fully steady at Rs. 33-8 and this counter attracted more attention following the publication of a satisfactory working report. National Rollings were quiet at Rs. 10-9, although the two-month-old lockout ended on Monday following a settlement with the workers. India Steamships, after being higher at Rs. 10-11, sagged to Rs. 9-15. Indian Coppers were quiet at Rs. 4-3, as were Orient Papers at Rs. 35-12.

Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *27th November*

After a brief spell of firmness last week, the Stock Exchange once again staged a relapse during the week under review. This followed the removal, with effect from the 23rd inst., of the minimum prices for the ordinary shares of planting companies. These prices, it will be recalled, were fixed on the 8th inst. by the Stock Exchange Association with a view to arresting the downward trend in values following the Plantation Labour Award. Delivery in shares, however, shall continue to be made by the seller to the buyer within seven days from the date of the contract. Thanks to the removal of floor prices, scrips of several planting companies which could not be freely dealt with due to floor prices were offered freely on renewed fears of reduced return on investments as a result of the implementation of the Award. The recommendation of the Plantation Enquiry Commission that dividends should be restricted also sapped the morale of the market. While holders of planting shares were thus interested in reducing their position, buyers were very much reserved; they preferred to await the outcome of the compromise efforts between labour and management of planting companies. Textiles also ruled easy, with the exception of a few selective scrips which met with good support induced by reports of encouraging performance of many Coimbatore mills in the current year and schemes of capital expansion contemplated. Banking and miscellaneous industrials were neglected, with prices drifting lower.

Rubber shares were subjected to heavy selling and suffered a sharp recession in values. Mlamallays were marked down by Rs. 4-12 to Rs. 45. Thamarapallys dropped Re. 1-8 to Rs. 30. Rajagiris fell by As. 12 to Rs. 24. Kailas receded by As. 6 to Rs. 6 and Pullangodes by As. 5 to Rs. 2-13. Malankaras and Teekoys shed As. 4 each to Rs. 29-12 and Rs. 11-12, respectively. Tea shares also encountered sizable losses. Kalpettas decreased by Rs. 2-4 to Rs. 29. Waterfalls were neglected at Rs. 5-6 *cum-div.*, as against Rs. 6, reflecting the operators' disappointment over the cut in dividend to 15 per cent. declared for the year ended June 1956, which compares unfavourably with 20 per cent. for the previous year. Nenmenys, Nonsuchs and Peermades fell by Re. 1-4 each to Rs. 20-12, Rs. 24-4 and Rs. 30 *cum-div.* (final), respectively. Cottanads and Highlands retreated by a rupee each, the former to Rs. 21-2 and the latter to Rs. 14-12. Blue Mountains climbed down from Rs. 5-9 to Rs. 5-4-6 *cum-div.* The Directors of the Company have recommended a dividend of 15 per cent. for the year ended June 1956, as against 20 per cent. for 1954-55. Alageswars declined by As. 12 to Rs. 3-11-3. Periakaramalais slipped by As. 10 to Rs. 7-7. Talayars eased by As. 8 to Rs. 11-4. United Nilgiris lost a like amount to Rs. 21. Among coffee shares, Cochin Malabars gave way from Rs. 10-4 to Rs. 9-10. Rajendras decreased by As. 4 to Rs. 12-4. Balmadies shed As. 2 to Rs. 3-10. Consolidateds were lower by an anna at Rs. 11-7. Amalgamateds were quiet at Rs. 11-14. The Directors of the Amalgamated Coffee Estates Ltd. have not recommended any dividend for the year ended March 1956 also.

Textiles, as already stated, ruled easy. Radhakrishnas declined by Rs. 10 to Rs. 360. Buckinghams suffered a fall of Rs. 4 to Rs. 196. Venkatesas shed Rs. 3 to Rs. 177. Janardhanas and Vijayakumars receded by Rs. 2 each to Rs. 110 and Rs. 142, respectively. Loyals eased by Re. 1-4 to Rs. 53-12, Anglo-Frenchs by Re. 1 to Rs. 106 and Cambodias by As. 8 to Rs. 15-8. There were, however, good enquiries for Lakshmis which advanced by Rs. 10 to Rs. 285. Rajalakshmis spurted by Rs. 9 to Rs. 194. Bangalore Woollens picked up Rs. 8-12 to Rs. 575. Coimbatore Cottons rose by Rs. 8 to Rs. 413. Cannanores hardened by Rs. 2-8 to Rs. 174-8 *cum-div.* (interim 7½ per cent. for the year ended March 1956). Rajapalayams gathered Rs. 3 to Rs. 157. Metturs and Premiers put on Rs. 2-8 each to Rs. 462-8 and Rs. 282-8 *cum-right*, respectively.

In the banking section, Punjab Nationals encountered selling and fell by Rs. 3-8 to Rs. 50-8. Bank of Mysores dropped Rs. 3 to Rs. 255. Indian Bank Rs. 95 paids declined by Rs. 2 to Rs. 195. Fully paids and Rs. 70 paids lost a rupee each to Rs. 202 and Rs. 152, respectively. Indian Overseas shed a similar amount to Rs. 144.

Among miscellaneous industrials, Rallis climbed down by Rs. 4 to Rs. 41. Sen-Raleighs retreated from Rs. 14-8 to Rs. 14-2 *cum-right*. F.A.C.Ts. declined by As. 5 to Rs. 6-7. Central Scientifics declined by As. 4 to Rs. 7. Aluminium Industries were done lower at Rs. 19-10, as against Rs. 19-14. Mysore Papers and Mysore Stonewares lost As. 2 each to Rs. 17-4 and Rs. 11-12, respectively.

Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Company, Ltd., disclosed at Jamshedpur last week that the loan of $75 million (about Rs. 36 crores), granted by the World Bank to the Company for its expansion programme, became effective from 20th November, after all legal formalities and an inspection of the Company's documents by World Bank officials had been completed. The loan is intended to raise the Company's output of steel to 2 million tons (ingot) by the middle of 1958. Incidentally, this loan, negotiations for which were completed last June, is the largest ever granted by the Bank to an Asian country and the largest to an industrial unit anywhere.

NEWS IN BRIEF

THE total cattle population in India in 1952-53 stood at 155 million, of which 40 million were cows and 21 million buffaloes, yielding about 510 million maunds of milk per year.

According to the information available with the Council of Scientific and Industrial Research, as many as 1,348 scientists and technologists in the country are unemployed.

The Union Ministry of Agriculture has decided to set up 4,282 seed-farms during the second Five-year Plan period for supplying quality seeds to cultivators. These seed-farms will be dispersed over different States, each having an area of 25 acres.

The 16th annual general meeting of the Indian Chemical Manufacturers' Association will be held at Calcutta on the 8th inst. Mr. Manubhai Shah, Minister of Heavy Industries, Government of India, will inaugurate the meeting.

A high-level committee on inland water transport is expected to be set up shortly. The committee will consider the master plan prepared by the Central Water and Power Commission. The plan includes schemes to connect Cochin with Calcutta and the Narbada with the Ganges by inland canals.

The Government of India has decided to continue financial assistance to selected voluntary organisations for the implementation of the Family Planning Programme under the second Five-year Plan. This assistance will be given for opening new family planning clinics and maintenance of existing ones.

The President of the I.N.T.U.C., Mr. S. R. Vasavada, has announced that the organisation would shortly serve notices for an equitable wage increase in the seven major industries in the private sector, namely, textile, cement, coal, steel, sugar, jute and engineering. A demand will also be made for the appointment of wage boards for these industries.

The total output of iron ore in India increased from 318,583 tons in August 1956 to 332,014 tons in September 1956. Returns received from 107 mines for the month of September show despatches aggregating 232-753 tons to the iron and steel plants and 131,290 tons to the export market. The reported stocks as at the end of the month amounted to 1,333,928 tons.

The Government of India has set up a Co-ordination Committee for public co-operation with Mr. G. L. Nanda, Union Minister for Planning, as Chairman. The functions of the Committee will, among others, be to facilitate systematic and integrated action on the part of the Ministries of the Central Government and to approve proposals to be financed from funds provided in the Plan for special schemes of public co-operation.

Work on the Bombay television station is scheduled to commence in 1957-58 and provision for it will be made in the next financial year. Surveys are already being made for selection of a suitable site for erecting the television station. Equipments for the purpose of experimental investigation have been purchased. Preliminary steps for procuring technical advice about the standard, frequency of operation, etc., in relation to Indian conditions have also been taken.

A French Railway Engineer, Mr. M. Boulougne, has been appointed as a Consulting Engineer to the Indian railways for the electrification schemes. Mr. Boulougne was a member of the French Railway Mission which recently submitted a report to the Government of India on certain technical issues connected with railway electrification. According to present proposals, the electrified route mileage on the Indian railways is expected to be more than trebled by the end of the second Five-year Plan period. A provision of Rs. 80 crores has been made in the Plan for this purpose.

The Government of India has, on the advice of the Salt Advisory Committee and in consultation with the State Governments concerned, decided not to levy any royalty on the by-products of salt recovered during salt manufacture on Government lands. This decision has been taken to encourage salt manufacturers to recover as many by-products as possible, particularly gypsum and sodium sulphate, during the process of salt production. The recovery of by-products helps not only in improving the quality of salt but also in filling the gap in the requirements of a number of raw materials required by the chemical industry.

The Government of India has granted licence to a Calcutta firm to set up a soda ash-*cum*-ammonium chloride factory at Moghulsarai. The U.P. Government, which has already decided to advance loans to the tune of over Rs. 3 crores to the private sector to set up heavy industries, has sanctioned a loan to the firm for setting up the proposed factory. The total investment involved is about Rs. 2.9 crores. The rated capacity of the factory will be 120 tons soda ash and 120 tons of ammonium chloride per day. The factory will employ over 300 skilled and 350 unskilled persons on a permanent basis, in addition to other persons in the supervisory scale.

Several industrial schemes for the manufacture of machinery and engineering goods have been approved by the Government of India. Under one of the schemes, a new factory is proposed to be set up at Bharatpur (Rajasthan) for the manufacture of 300 coaching underframes per year. There are three schemes for the manufacture of electric motors, of which one envisages the setting up of a new undertaking at Coimbatore for the manufacture of 600 electric motors per year of capacity up to 15 h.p. The firm will also be allowed to manufacture 1,800 centrifugal and self-priming pumps per year. A factory in the Punjab is to be permitted to expand its capacity for the manufacture of rivets, bolts and nuts to 60 tons per month and a new undertaking in the same State will manufacture 300 tons of steel bolts, nuts and rivets per month. A new undertaking is proposed to be set up in West Bengal for the manufacture of structural steel processing factory sheds and building frames, industrial plants and forgings at a rate of 14,400 tons per year, to be increased to 16,800 tons later. Another West Bengal firm will expand its capacity for the manufacture of 133 tons to 166 tons of aluminium and 100 tons of aluminium container sheets per month.

The Government of India has decided that blanket import licences for controlled categories of iron and steel falling under the licensing jurisdiction of the Iron and Steel Controller will be issued by the Iron and Steel Controller after taking into account the past imports of the applicant and the pending licences held by him. The licences will be restricted only to items which can be freely licensed. All import licendes, both blanket and quota, will be issued as provisional in the first instance. On the strength of the provisional licences, orders can be placed and importers can open letters of credit in favour of their foreign suppliers. The licences will be confirmed when importers produce before the licensing authority a copy of the orders placed on foreign suppliers and the original acceptance of orders. Licences will be valid for import only to the extent of value, tonnage and category of material or confirmed licences. Licences not confirmed within 60 days from the date of issue will be treated as lapsed. Clearance of goods will not be permitted against provisional licences which have not been confirmed.

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From Abroad

The Swedish Bank rate has been raised from 3½ per cent. to 4 per cent.

The International Nickel Company of Canada has cut the price of domestic copper by 0.25 cent to 34.75 cents per lb.

Sweden will continue its present 12 per cent. tax on capital investments, but maximum tax-free investment has been increased from Kr. 20,000 (£1,400) to Kr. 30,000 (£2,070).

Norway's oil and petrol consumption has increased by 600 per cent. in the last ten years, according to a survey published by the Norwegian insurance company "Storebrand." In the same period, consumption in the world as a whole has increased by only 300 per cent.

The Japanese Ministry of International Trade and Industry has approved an application by three leading steel companies to raise steel prices by 2,500 yen to 4,000 yen per ton. It is felt that the latest rise will adversely affect Japan's competitive position in exports of ships and heavy machinery.

The supply of cigarettes and manufactured tobacco, of machinery for the manufacture and packaging of cigarettes, and supply of certain electrical equipment for motor vehicles will be referred to the Monopolies Commission by the British Board of Trade for investigation and report.

The British Tea Trade Committee has described rumours that tea will be rationed as entirely unfounded. But it adds that, with the higher prices now obtaining in world markets, there will have to be an increase in retail prices of some teas. The Committee says that the U.K. stock situation is good.

The U.S. Agricultural Department has announced the issuance of Public Law 480—authorisation to India permitting the latter to buy in rupees 400,000 metric tons of U.S. wheat or wheat flour worth $23,222,000. Sales contracts may be made from 30th November 1956 to 31st August 1957, with deliveries between 30th November 1956 and 30th September 1957.

Pakistan's first Industrial Credit and Investment Company, sponsored by the Government, will start operations shortly. The Government has succeeded in negotiating a dollar loan worth Rs. 2 crores with the World Bank. The Pakistan Government is making available to the Company an interest-free loan of Rs. 3 crores. In addition, the State Bank of Pakistan will contribute a loan of Rs. 2 crores at a minimum interest rate. The Company will have an initial capital of Rs. 2 crores.

The U.S. Administration is believed to be inclining towards a Marshall Plan type of programme to assist Western Europe to secure Western Hemisphere oil, with the difference that the countries benefiting will be expected to pay dollars as long as they can. After that, some form of assistance, including grants as well as loans, may be employed. It is reported that the Administration will work through the Organisation for European Economic Co-operation in supplying the 17 member-nations, as it wants the latter to accomplish as much as possible without U.S. assistance, including the marshalling of tanker capacity and the finding of funds to purchase dollar oil.

The U.S. dock workers resumed the loading and unloading of ships in the U.S. Atlantic and Gulf ports on the 25th ultimo, halting, under Government injunction, a strike which had lasted for nine days. Mr. William Bradley, President of the International Longshoremen's Association, ordered compliance with a 10-day temporary court order issued by a federal judge under the terms of the national Taft-Hartley Labour Act. If the 60,000-member union and the employers do not reach agreement on a new contract within the 10 days, the Government is empowered to seek an injunction banning a work stoppage for an 80-day period, during which negotiations will be continued. A major issue in the strike is the union's demand for an agreement covering all Atlantic and Gulf ports. The employers insist that separate contracts must be negotiated for individual port areas.

PERSONAL

MR. M. C. Setalvad, Attorney-General, Government of India, left Bombay for Paris *en route* to The Hague on Thursday last.

Mr. B. Ramakrishna Rao, former Chief Minister of Hyderabad, was sworn-in as Governor of the new Kerala State last week.

Mr. U. N. Mahida, Chief Engineer, Government of Bombay, Public Works Department (Irrigation), has been elected President of the Central Board of Irrigation and Power.

Mr. Yezdezard Dinshaw Gundevia, at present Deputy High Commissioner for India in the United Kingdom, has been appointed High Commissioner for India in Ceylon. He will assume charge of his new post towards the middle of March next year.

Dr. S. K. Mukherjee, Technical Officer, Ministry of Production, Government of India, returned to Bombay on Friday last, after a tour of the United States, East and West Germany, Italy and other countries. During his tour, he studied new developments in the field of production of fertilisers.

Mr. A. D. Wenzel, Managing Director of the Firestone Tyre and Rubber Company, has been elected President of the Indian Roads and Transport Development Association for the coming year and Mr. J. F. Sinclair, General Manager of Burmah-Shell in India, its Vice-President. Mr. B. V. Vagh continues as executive Vice-President.

Mr. P. C. Bhattacharya, Secretary (Expenditure), Union Ministry of Finance and leader of the Indian delegation for talks with the World Bank, arrived in Bombay from London last Thursday, accompanied by Mr. B. K. Nehru, Joint Secretary, Union Ministry of Finance, and Mr. Y. T. Shah, Joint Director, Finance, Railway Board, after a two-week stay in the U.S.

Mr. N. R. Das, of the Forest Research Institute and College at Dehra Dun, is attending lectures at the chemistry and food technology department of the Borough Polytechnic, South London, in order to study the latest British techniques in the development of resin adhesives. He has gone there under the Technical Co-operation Scheme of the Colombo Plan and expects to stay at the Borough Polytechnic until next summer. Later, he will spend some time at the Forests Products Research Laboratory at Princes Risborough in Buckinghamshire and at other forestry units in England and Scotland.

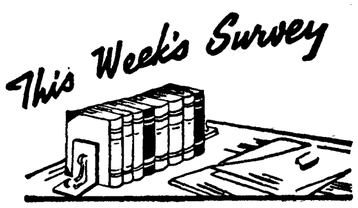
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *28th November*

Emergency Finance

The Supplementary Finance Bill, which was introduced in the Simla session and postponed for discussion in a special session in New Delhi this month, has had a chequered career. Drastic amendments in respect of the duty on machinery, reduction of taxable income to Rs. 1,000 and increase in postal rates were carried in the Assembly with the result that the Government lost four crores of increased taxation. His Excellency the Viceroy then summoned the party leaders who were stoutly of the opinion that this deficit should be made up by further retrenchment, while the Executive Council was adamant that the Bill should go through as it is. The effect was that His Excellency the Viceroy sent the Bill back to the Assembly with the request that it should be passed as it was presented—that is, without the amendments referred to above. When this recommendation was taken up for consideration, last week, elected members of all unofficial parties, with the exception of three, besides the European group, walked out simultaneously. The Assembly then proceeded to consider the official amendments restoring the cuts and these were all accepted in a thin house; but by the time the Finance Member rose to move the third reading of the recommended Bill, those who walked out had returned to their seats and they succeeded in rejecting its passage by 63 votes against 48. The Bill has since been certified by His Excellency the Governor-General under the extraordinary powers he possesses as "essential in the interest of British India" and it was placed before the Council of State on Monday. It is sure to pass through the upper house without any amendment and become the law of the land this week-end.



PRODUCTION INDEX

THE Federation of Indian Chambers of Commerce and Industry has done well to urge the Government of India thoroughly to examine the method of compiling the index of industrial production and other indices, with a view to making them reflect truly the trends in the economy. Index figures, it is common knowledge, provide an easily understandable means of judging a country's progress, be it in the field of industry or agriculture or commerce. Viewed thus, it is, indeed, unfortunate that the Government of India has not yet taken any steps to compile the index of industrial production on a rational basis. On the contrary, the general index of industrial production, published every month, is so defective that they mislead the public to a great extent. To cite an instance, the production index (Base: 1951=100) for June 1956 has been shown as 197.7, as compared with 151.0 in May, 134.7 in April and 128.5 in March. Taking these figures as they are, it will be seen that industrial production during June was higher by over 31 per cent. But really speaking, the rise in production is, as the Federation points out, notional, inasmuch as it is based largely on the steep increase recorded by the index of sugar production which rose from 601 in May to the high level of 1,643 in June. Elucidating this point further, the Federation says:

"... Unlike production in other industries, increases or decreases in sugar are calculated not by reference to monthly averages of the base period but by reference to the corresponding months. A small increase in sugar production in terms of quantum during off-season months as compared with the corresponding period in the base period is capable of vitiating the whole trend of general index. This is because sugar production commands the same weight of 4.27 per cent. throughout the year."

In view of the aforesaid defect, the Federation suggests that, in the case of seasonal industries such as sugar, either the weights assigned to them should be changed according to the seasonal trend, or the increase or decrease in production in the particular months over the corresponding months of the base period should be calculated as percentage of the average production. This suggestion is quite pertinent and must be implemented. It may be said in passing that the Government of India has already appointed a special committee to modify the present system of compiling the index number of wholesale commodity prices. It has also set up a technical advisory committee to consider the question of compiling, on an all-India basis, the cost of living index numbers for middle classes, as well as for other sections of the population, industrial working classes, agricultural labourers and cultivators. It is to be hoped that the Government will constitute a similar committee for formulating a rational system of industrial production index.

TEXTILE SITUATION

Mr. A. D. Shroff, Chairman of the Ahmedabad Advance Mills, did not certainly cry "wolf" when he declared, in the course of his speech at the annual meeting of the Company on Tuesday this week, that, unless the cotton mill sector was allowed to expand its capacity, black markets would again flourish, living standards would be artificially arrested and the largest organised industry throttled to stagnation. Domestic demand for cloth is going up at a fast rate, thanks to a continuous rise in population and an increase in the community's purchasing power. Even on a conservative basis, the *per capita* consumption of cloth at the end of the next five years may be about 22 yards, as against about 16 yards at present. In addition, there is the need for exporting at least 1,000 million yards, if not 1,200 million yards, per annum. The total requirements of cloth work out to as much as 10,000 million yards—3,400 million yards more than the current rate of output of both mills and handlooms.

The gap to be covered is thus very big. The handlooms and powerlooms can cover only a negligible portion of the gap, say, by about 600 million yards. The entire balance of 2,800 million yards will definitely have to come from the mill sector. Otherwise, a cloth situation which is worse than what it is today will, as Mr. Shroff clearly warned, be experienced by the millions of consumers in India. Reassuring is his statement that the mills are prepared to meet this large increase, although such calls for an investment of nearly Rs. 133 crores in new plant capacity. If, despite this assurance, the Government were to persist in its present policy, it would have itself to take the entire blame for any shortage of cloth and high prices that may occur in the coming years. The writing on the wall is clear, and the sub-committee of the Cabinet recently appointed to consider cloth targets should view the problem dispassionately, without being influenced by ideological considerations.

This point needs to be specially stressed. For it will be recalled that, notwithstanding expert advice, the Government did not allow the mills to expand their capacity, a policy which was based on too much reliance on the handlooms. The policy has proved a miserable failure and the country is now experiencing a virtual cloth shortage, leading to a rise in prices. Instead of arresting the rise through augmenting supplies by allowing mills to expand output, the Government has raised the excise duty on cloth appreciably. There is no exaggeration whatever in the observation of Mr. Shroff that the increase in excise duty is so staggering that it has thrown the cloth markets into a state of near-panic. "The markets," he said, "have become so bad that mills have been forced to allow substantial rebates, in many cases up to 100 per cent. of the recent rise in excise duty, to induce merchants to fulfil their commitments." How heavy is the tax burden on consumers of cloth will be evident from the fact that, by way of excise duty alone, the Government of India will collect approximately Rs. 75 crores in a full year, of which Rs. 35 crores were added with one stroke of the pen in September last, and in many varieties of coarse and medium varieties, the burden of excise duty and sales taxes now amounts to 25 per cent. or more of the total sale price. Surely, it is sad that the consumers have to pay such high indirect taxes on an essential item of consumption as cloth and that on account of the shortsighted policy of the authorities.

MANAGEMENT AUDIT

With the rapidly growing expansion in the size of industrial organisations in India, the task of industrial management has become increasingly complex and difficult. That is not all. The concentration of responsibility and authority in a few hands which flows from such large-scale organisation tends to give rise to so many other problems such as delays in planning, execution, etc., which vitiate the efficiency of the whole organisation. Viewed thus, the problem of ensuring the efficient working of a large-scale unit is not only an important one, but is essential to the progress of industry.

A tool which has been increasingly put to use in the West in order to raise industrial efficiency is what is called "management audit." In a speech delivered last week before the seventh annual meeting of the Bureau of Industrial Statistics, Calcutta, Mr. Jehangir J. Ghandy, Special Director, Tata Iron and Steel Co., Ltd., made out a strong case for the application of this new technique widely in India. Explaining the value of the method, Mr. Ghandy said that it lay in "auditing" the actual performance of an enterprise against certain accepted standards of efficiency. This involves drawing up of certain principles or rules to form the basis of such comparison. The virtue of this method is that it does in the field of management what financial audit seeks to do in the field of finance, and provides a detailed picture of the organisation and management to the top authorities. Another advantage of this tool, according to Mr. Ghandy, is that it will facilitate the process of delegation of responsibility and authority—a step forward in efficient management so essential in these days of large-scale organisations. The aim of such "audit," as Mr. Ghandy stated, is not to censor or cross-examine the "line executives," but only to use it as a tool for ensuring the efficiency and prosperity of the industry.

But management audit is not a work that can be entrusted to ordinary administrators or auditors. Defining the type of the agency that can be entrusted with the job and the scope of its work, Mr. Ghandy pointed out that it was essential that the agency selected for such "audit," as also the administration, should have a clear understanding of the organisation of the enterprise and its relation to management functions. The agency for this purpose, according to the speaker, could either be a single individual, with vast experience and knowledge in the field, or a committee. Because of the circumstances obtaining in the country, it might be possible, he suggested, to entrust the work to an expert official or committee in the organisation itself. Mr. Ghandy was aware, however, that this procedure might vitiate the findings of the auditors, and fail the purpose of such "audit," unless adequate steps were taken to prevent chances of pressure and influence being brought to bear upon them by the fellow officers in the works, in order to cover the managerial weaknesses, instead of exposing them. He, therefore, suggested that the individual or the committee, as the case may be, selected for the purpose, should work directly under and report to the managing director or the top management.

Explaining the role of statistics, in this connection, Mr. Ghandy pointed out that a great deal of statistical work in the nature of investigations into profit-sharing plans, the operation of incentive plans, etc., was necessary to make the scheme successful. Moreover, statisticians could also play, he stressed, an important role, if they also had practical training and experience in the processes and techniques of production. In the case of smaller organisations, the "audit" itself could be conducted, he suggested, by an agency like the Bureau of Statistics.

On the same occasion, the role of statistics in solving the complex business problems was also stressed by another speaker, namely, Mr. P. C. Sen, West Bengal Minister for Food and Supplies. He rightly observed that these business problems, in so far as they were quantitative in character, could be tackled by the statistician. For, he pointed out, facts constituted the basis of business judgments and planning, and statistical methods provided means of assessing and appraising these facts. There were several other advantages to be gained by the use of maximum statistical techniques. These benefits were as varied as increasing the productivity per unit of capital, elimination of wastage in raw materials and fuels, increasing operating efficiency, and quality, and attaining stronger competitive position. It is to be hoped that the Calcutta Bureau of Industrial Statistics, which has been doing valuable work in these directions, will serve as the venue, where the modern tool of "management audit" can be tested and perfected for wider use in the country.

WHAT IS RETRENCHMENT?

The interpretation placed by the Constitution Bench of the Supreme Court on section 25F of the Industrial Disputes Act has the effect of removing much of the confusion over the issue whether the workers are entitled to compensation on total or partial retrenchment following either a *bona fide* closure of the business or its transfer to another employer. The occasion for the interpretation of the said section arose when the Barsi Light Railway Company which was taken over by the Central Railways and Sri Dinesh Mills Ltd., Baroda, which was closed down for genuine causes, preferred appeals to the Supreme Court against the decision of the High Court of Bombay that they were liable to pay compensation to the workmen retrenched under Clause B of section 25F of the Industrial Disputes Act. While those retrenched in the case of the Barsi Light Railway Company were several, in the case of the Baroda mill, all the employees, numbering 470, were involved.

The judgment delivered by the Supreme Court, reversing that of the Bombay High Court, was based on the meaning read by it into the definition of the word "retrenchment" contained in section 2(00) and used in section 5F of the Industrial Disputes Act. Mr. Justice Das, who delivered the judgment, interpreted the word "retrenchment" to mean only discharge of surplus labour or staff by the employer of an existing or continuing business for any reason whatsoever other than as "punishment inflicted by way of disciplinary action," and it had no application where the services of all workmen had been terminated by the employer on a real and *bona fide* closure of business, as in the case of the Dinesh Mills Ltd. or where the services of all workmen had been terminated by the employer on the business or undertaking being taken over by another employer as in the case of the Barsi Light Railway Company.

Mr. Justice S. K. Das further pointed out that, though a number of industrial tribunals had awarded compensation to workmen on closure of business, it was only by way of equitable relief for a variety of reasons, and not because "retrenchment" had acquired any special connotation. Moreover, if it had been the intention of the legislature to give statutory effect to those decisions which had awarded compensation on real and *bona fide* closure of business, it would have done so in as many words, instead of being merely content by adding a definition clause, every requirement of which was fulfilled by the ordinarily accepted meaning of the word "retrenchment." His Lordship also felt that it was reasonable to assume in enacting section 5F of the Act through an amending legislation in its last session, Parliament had only standardised the payment of compensation to workmen retrenched in the normal or ordinary sense in an existing or continuing industry. It will be pertinent to note here that, because the interpretation of the Bombay High Court was contrary to the intentions of the Government, the Industrial Disputes Act was amended a few months ago, in order to clarify the position. The judgment of the Supreme Court is, therefore, in keeping with what the authorities had originally in view. It is true that such an amendment to the Act would not have been necessary had the Government waited for the aforesaid decision of the Supreme Court. But several healthy amalgamations of companies highly beneficial to the community as a whole could not be effected, because of the interpretation of the Bombay High Court. Consequently, the Government thought it better to make its intentions clear by amending the Act.

EXPORT POLICY FOR OILS

The oil mill industry is very critical of the Central Government's policy governing exports of vegetable oils and oilcakes. Speaking at the recent meeting of the Export Advisory Council, Mr. G. V. Swaika, President of the Bengal Oil Mills Association, for instance, declared that the crucial difficulties of the industry were imperfectly appreciated by the Government, as witness the adoption of vacillating export policy. Such a policy, he pointed out, had affected the confidence of foreign buyers. Indeed, Mr. Swaika warned that India was losing its markets for oils and oilcakes in overseas countries.

The above criticism is not altogether unwarranted. The export trade in vegetable oils and oilcakes has suffered a distinct setback of late. The aggregate shipments of these during the first seven months of 1956 were only 107,047 tons and 27,452 tons, as against 234,771 tons and 96,226 tons, respectively, in the corresponding period of 1955. But the setback is due not so much to the Government's export policy as to the available supplies falling much short of demand—indigenous and overseas. The total output of oilseeds in 1955-56 is estimated at 5.60 million tons, which compares unfavourably with 6.24 million tons for 1954-55. Consequently, the production of oil has been at a lower rate. Reduced supplies thus in the wake of excellent demand from indigenous *vanaspati* interests and overseas purchasers has resulted in the spiralling up of prices. The index number of vegetable oil prices (Base: August 1939=100) now stands at 593, as against 382 a year before, representing a rise of as much as 55 per cent. It is not yet clear whether the output of edible oilseeds in the 1956-57 season will be large enough to meet the growing domestic demand and still allow a surplus large enough to permit liberal exports. It will be interesting to note here that, while the fall in the quantum of vegetable oil exports during the January-July 1956 period as compared with the same period last year is 55 per cent., that in value is lower by only 36 per cent. at Rs. 16.81 crores, as against Rs. 26.46 crores.

When prices of vegetable oils, or, for that matter, any other commodity, rise to dizzy heights, the Government has, naturally enough, to take steps to arrest the boom in commodity markets. Restrictions on exports, either through a cut in the quantum of exports or by way of an export duty, constitute an effective way of restraining the rise in prices. After all, the interests of the domestic consumer cannot be sacrificed too much for the sake of earning foreign exchange. It should not be forgotten, in this connection, that internal economic stability is as much important as attaining a balance in external trade.

That the Government has not been incorrect in deferring the sanction of an export quota for groundnut oil and groundnuts is borne out by

(*Continued on page 1028, column 3*)

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PRIME MINISTER'S FORTHCOMING VISIT TO UNITED STATES

ASSAM TO HAVE AN OIL REFINERY?

By A Special Correspondent

NEW DELHI, *27th November*

DELHI LETTER

ALTHOUGH the winter season continues to attract many foreign dignitaries, including the Buddhist divine, the Dalai Lama, in connection with the celebration of the 2,500th anniversary of Buddha's *parinirvana* in the capital, the economic interest for the present is focussed on the forthcoming visit of Prime Minister Nehru to the United States of America and the discussions he will be holding there with President Eisenhower and other responsible people. This may prove to be the turning point in the history of the world, particularly in that of underdeveloped countries. The significance of the Prime Minister's visit is, however, heightened by the contemplated visit of Mr. Sherman Cooper, former U.S. Ambassador in Delhi, in the next few days. It is already reported that Mr. Cooper has been briefed by President Eisenhower to have firsthand information about India's second Five-year Plan and its implementation. Mr. Nehru will have discussions with President Eisenhower not only on the controversial and political subjects but on many other topics of economic interest also. In fact, Mr. Nehru is bound to discuss with American statesmen the present world situation and its deeper significance, to many economic issues and impress upon the American President that, unless and until the leading powers in the world approach the economic problems in the right direction, the solution of political problems will continue to bristle with great and unforeseen difficulties.

In this connection, it is being frequently mentioned in Parliamentary circles here that the damage caused to the world economy by the recent closure of the Suez Canal will be much greater than originally assumed. They cite in support the assessment of the total cost of damage made by no less a person than Mr. Richard Casey, the Australian statesman with a keen knowledge of world affairs. According to his estimate, the average global loss due to the closure of the Suez Canal is of the order of £250 million a month. At this rate, if the Suez Canal closure continues for three months or more and there appears to be every reason to expect that the Canal would not be cleared before three months, then the total damage may well run into many more millions of pounds sterling. Besides this, it has been reported that, as a result of the blowing up of oil pipes in Syria, the economy of Iraq and other countries has suffered to a considerable extent. In France and the U.K., petrol has already been rationed and considerable damage has been caused to the refinery industry on account of inadequate supply of crude oil. If all these losses are computed in terms of actual sterling, then the total cost will be many times higher than the actual cost of financing the Aswan Dam, the failure to accommodate which by the leading powers of the world has led to so much dislocation in the world economy.

In other words, these economic problems that have been created as a consequence of failure to understand their implications in the proper perspective will continue to disrupt and disclocate world economy. It will also continue to maintain great imbalance in the living standards of the world, which is the primary cause of many "isms" in the world.

Foreign Exchange

It is in this context that Parliamentary circles are assessing the forthcoming visit of Prime Minister Nehru to the U.S. The crux of the present position in India is the fact that the crisis in West Asia and its aftermath would certainly cause a certain amount of dislocation in the implementation of the current Five-year Plan. As matters stand at present, the prospect of India earning more foreign exchange through increased exports does not appear to be very promising. It was only last week that the new Minister for Commerce, Consumer and Heavy Industries, Mr. Morarji Desai, had to defer the issue of customary export quota for raw cotton, groundnut and groundnut oil which used to be announced at this time of the year. Although his contention that exports of these commodities should not be encouraged so long as there is no increased production and the internal price level is not maintained at a particular level may be sound, the fact remains that the capacity of the country to earn the much needed foreign exchange will continue to be jeopardised in the coming few months. These commodities alone were responsible for earning a little more than Rs. 48 crores worth of foreign exchange last year and if no export of these commodities is at all to be allowed, there is bound to be a significant decline of India's foreign exchange earnings. It is obvious that exports of other commodities and manufactures would not be able to offset this loss of foreign exchange. It is, therefore, necessary for the Government to secure substantial sums of money from foreign countries either by way of loans or grants or through borrowings from the International lending institutions.

Within the last six months, it may be noted further, India has lost about Rs. 150 crores of its sterling securities on account of its adverse trade balance. If this state of affairs continues for some more period, India will have to curtail its imports not only of comparatively non-essential consumer goods but also of some essential industrial goods. But such cuts will endanger the rapid implementation of the second Five-year Plan.

It is the general belief here that when the former U.S. Ambassador, Mr. Cooper, comes to Delhi in the next few days and discusses with Government officials and other public men some of the problems connected with the implementation of India's second Plan, his attention will be drawn to this aspect of the matter. And it is the feeling in informed circles here that some tangible help to relieve the existing bottleneck of foreign exchange will be forthcoming from the U.S. in the coming months.

It may be possible for India to get a temporary loan from the International Monetary Fund; but this kind of approach will enable it only to tide over the difficulties temporarily. If a long-term solution is to be found, India will have to secure loans either from the World Bank or from the leading powers. The representatives of the Government of India have already had discussions with World Bank officials for getting loans for implementing India's development projects. Although it is stated that the World Bank has refused to make any firm commitments, it is felt that the Government of India will continue to get substantial sums of money in the coming years in respect of some specific projects. In the next two or three weeks, a number of experts from the World Bank will be visiting India, in order to have a thorough examination of the various development projects for which loans have been asked by the Government of India.

There is also a move in Government circles to secure a number of "Liberty" ships from the U.S. on a long-term credit basis. It is reported that the Government will ask for a dozen of such Liberty ships; but Parliamentary circles are of the view that the number of such ships should be increased at least to 30 or 40. In such a case, it will have a twofold effect, in the sense that not only India will secure ships on long-term loan basis but also that these ships will be earning sufficient freight by carrying cargo to foreign countries and thereby save the country a lot of foreign exchange which India has now to pay to foreign shipping concerns. Everything, however, will depend upon America's attitude to help India in solving its economic problems.

Comforting news has come from Assam stating that oil has been found in the Moran area which is somewhere near the Nahorkhatiya area where a number of oil wells have been sunk recently. Although the Minister for Natural Resources and Scientific Research, Mr. Malaviya, has stated in Parliament lobbies and elsewhere that India will be able to produce about seven million tons of crude oil in the Assam area alone, this has not been taken quite seriously. It is believed that at least about 4.5 million tons of crude oil can be produced from these oil wells in Assam and efforts are being made to establish a refinery in Assam as early as possible. The Chief Minister of Assam was here last week, when he had discussions with the Prime Minister and other concerned Ministries on this subject.

Oil in Assam

It is common knowledge now that Assam is keen on having the refinery within its borders, in order to improve its economic position. It would now appear that the Government of India has also been persuaded to accept this point of view. It is, therefore, quite likely that a refinery with a capacity of one to two million tons may be set up in Assam; and it is likely that another refinery will be set up in Calcutta also. It is understood that, during its discussions with M.Ps from Assam, the Committee set up by the Government for studying this question had put it to the members whether they would be willing to have another refinery established in Calcutta, as a big refinery could not be set up in Assam because of many limitations. The consensus of opinion among the Assam members of Parliament was that something was better than nothing.

This question is bound to come up before the National Development Council when it meets here on 8th and 9th December. Besides, the National Development Council will also discuss the progress report relating to the last year of the first Five-year Plan and the first annual plan of the second Five-year Plan now nearing completion. The entire Planning Commission is, so to say, busy with this work for the past few days and, according to present indications, these reports will be placed on the table of the Houses of Parliament in the next few days.

(*Concluded from page 1027*)

the fact that, despite this decision, the market for vegetable oils and oilseeds has been ruling firm again, after a momentary setback towards the close of last week. The present trend of world markets for these commodities also seems to be upward and, if internal price levels are not to be influenced by this external boom to the detriment of domestic consumers, something has to be done to keep the exports under check. Nevertheless, it is important, as Mr. Swaika rightly urged, that, as far as possible, a stable and long-term policy for export of vegetable oils and oilcakes should be followed. Mr. Swaika was also justified when he asked the Government to formulate the export policy on an annual basis, taking into account the crop situation. He, however, went too far when he averred that the policy should not be changed in the middle "even at some risk to maintenance of internal supply, the export being viewed on sacrifice principle."

In the course of his speech, Mr. Swaika put forward four other suggestions. These related to (1) abolition of export duty; (2) simultaneous announcement of export policy for oils and oilcakes; (3) regular quota for export of oilcakes, especially groundnut cake and copra cake; and (4) reservation of a suitable crusher's quota, especially for oil mills in West Bengal. While the last three suggestions deserve consideration, the plea for a complete withdrawal of export duty on oils and oilcakes is not fully justified. For export duties act as a barrier to importing inflation from abroad. To take the case of groundnut oilcake, for instance. At the time of writing, the price of this in the Indian market is ruling at Rs. 245-259 per ton, as against the foreign quotation of Rs. 493 (c.i.f. U.K. and Continent). When the difference between the two prices is so big, there is no reason why the Government should not take a portion as export duty. The present rate of duty, namely, Rs. 230 per ton, may, however, be very high. Considering the rise of 15 per cent. in freight charges lately effected by almost all the shipping companies, Mr. Swaika's plea for a reduction in the duty seems to have some force.



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THE ROAD TO RUIN

SIR ANTHONY'S FOLLY

From Our Own Correspondent

LONDON, *17th November*

LONDON LETTER

THE Suez adventure which is unfortunately not yet at an end, has finished any prospect of tax relief at the end of the current financial year or of a favourable balance of payments. Indeed, not only is it certain that the favourable balance for the first six months will be wiped out, but the second half-year will show a deficit in invisibles which may well set the gold reserves down to an all-time record low.

The mystifying thing is that the country has not yet woken up to the full results of Eden's folly, and it is right to express it in personal terms, for the responsibility lies on him and the Chancellor of the Exchequer. The Cabinet were divided on the issue of the ultimatum to Egypt and Sir Anthony Eden got his way only by a bludgeoning use of his authority as Prime Minister. Yet, the Conservative Party in the House appears as capable of cheering disastrous consequences as it was of cheering the first news of strong arm measures.

But though the Prime Minister and the Government may as a result of that national sentiment embodied in the phrase "My country right or wrong" avoid being made scapegoats for the whole affair, the country will over the next few months steadily have to meet the bill.

Real Foreign Exchange Loss

This week's parliamentary debate has given an opportunity for some assessment of what this will be. It can be put under two heads. First of all the loss of revenue on Middle East oil and the loss on higher freights; secondly, the dollar cost of replacing oil. It is reckoned that the blocking of the Canal reduced by a third the total shipments from Persian Gulf ports and, since these normally amount to 6 million tons a month, the loss is some 2 million tons representing a net revenue loss, after allowing for costs and royalties, of some £10 million. The shipments from the East Mediterranean were at the rate of about 2¼ million tons a month and the loss here is again some £10 million. This is a real foreign exchange loss, since the expenses that are set off against the revenue will have to be incurred in respect of replacement oil.

The balance of Persian Gulf oil, some 4 million tons, will at the present mounting freight rates, cost perhaps an additional £40 million. This gives a net loss of revenue of £60 million. It is true that a large slice of this can be passed on to France and other European countries who are supplied with oil from the Middle East, and the U.K.'s share may thus be reduced to some £20 million. To this sum must be added the extra cost of Far Eastern and Australasian freights, perhaps £2 million, and the extra cost of the Suez operations over and above the budgeted cost of the Middle Eastern establishments. This is not likely to be less than about £8 million, thus giving a total of £30 million a month which may well continue over the next six months at a cost of some £180 million. That is the measure of the blow to this country's balance of payments.

Disastrous Price

So far, American replacement oil has not become available, but, assuming that 4 million tons a month can be shipped to Europe, it will only be at an *extra cost* of the order of £15 per ton, say, a total of £60 million a month. Again, the Continent of Europe will have to bear the greater part of this and the U.K.'s bill may be only $60 million a month or $360 million over the next six months. It is a disastrous price and it is as well to appreciate that France will find the burden equally heavy and all West European countries will have to suffer similarly.

But there is a third heading of cost which it is impossible to compute at present. The cost to industry of cuts in road transport services, (already the principal haulage organisation in this country is reducing its trips by 10 per cent.) and the cost in efficiency which a temporary reduction in fuel oil supplies will also bring. On top of that much be added the general disruption of import and export trade and the loss of goodwill in some of Britain's *and* France's export markets. For a rich country to have embroiled itself in a folly of this nature would have been difficult enough to understand, but for a country battling against inflation, struggling to keep down its import bill, struggling to raise exports and to build up its gold and dollar reserves, it is an action which the gloomy might suppose illustrated the classical dictum "whom the gods wish to destroy they first drive mad"!—*All Rights Reserved.*

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THE POLITICAL STORM

LONDON, *23rd November*

THE Government, by postponing the imposition of petrol rationing for one month, may have hoped to soften the blow. But, as each prospective cut in industrial and commercial supplies is revealed, so a growing sense of the disaster crushing down on British industry spreads through all sections of the population. It is not lessened by the frustration of garage proprietors compelled to operate a voluntary rationing system against a growing background of complaining customers.

Supplies of fuel oil to industry are to be cut 10 per cent. (this is operating already) and this affects all oil-fired heating systems. It also affects oil-fired furnaces in the steel and metal industries which are presumably bound to show a *pro rata* drop in output. Supplies of diesel oil are being cut 20 per cent. and the effect of this will be felt through all classes of manufacturing industry—probably more by the smaller firms. Road transport is being cut 50 per cent. and this is bound to affect supplies of materials to industry and the movement of goods to and from the ports. The effect on export trade is bound to be adverse, so that the general drop in output will be accompanied by a fall in exports.

Meanwhile, of course, stocks of oil are beginning to fall with the unloading of the last of the Mediterranean cargoes and no one can say whether the future holds a long-term or a short-term famine. The immediate overall cut in supplies is some 40 per cent., but apparently this will be reduced to 20 per cent. when the diverted Persian Gulf tankers reach here via the Cape. But the worrying aspect for industry is the continuance of the muddle—not knowing when and how it is going to end.

The sense of depression in the country, as the ineffectualness of the Franco-British adventure is realised, is making even Government supporters at last critical of their Government. On the one hand, the "Suez Group"—40 M.P.s who want a firm hand over the Canal—are threatening the Government against wavering; on the other, the rank and file are wondering where "firmness" is going to get them and the country. If the Government pleases the Suez Group by staying in Port Said till it has got "guarantees" out of the Egyptians, it will get no oil or dollars from America and the Canal will stay blocked. If it gives way and surrenders to the pressure of the United Nations, then the Suez Group may, in their fury, be prepared to pull the Government down, force an appeal to the country and hope that the Nation will rally behind an imperialist policy. Outside the group, there is no confidence in the Conservative Party that they would return to power and Mr. Butler has no intention of letting the Government collapse and of going to the country if he can possibly avoid it.

But Mr. Butler has to reckon with colleagues that want to maintain the firm front in Washington and his dilemma—in spite of his brave words indicating the unity of the Government and the rightness of its present policy—is real. Every week that passes with nothing to show but less and less oil, rising costs as industrial production falls, and a worsening payments balance, carries not only a strong message to Mr. Butler but to every industrialist in the country. He cannot go on in the face of growing disaster, doing nothing to avert it. And, in another month, the American loan payment falls due and the effect on the gold reserves at the end of December will be plain for all to see. Mr. Butler is too much of a realist to wish to pit the British economy against the United Nations—yet that is what is happening at this moment. Thus, incredible as it may seem, the Government is in danger and, only if it can successfully compromise with all the forces with which it is contending—internal as well as external—will it survive.—*All Rights Reserved.*

AMERICAN LETTER

IMPACT OF SUEZ CRISIS

CAPITAL MARKETS IN GOOD SHAPE

From Our Own Correspondent

NEW YORK, *15th November*

ALL markets in the United States reacted sharply to war threats arising out of the Suez Canal crisis and to the strike of longshoremen along the entire Atlantic and Mexican Gulf coast ports which handle substantially more than one half of all United States' imports, exports and sea-borne passenger traffic. Threatened Soviet intervention by "volunteers" in the Middle East raised the threat of war far greater than that in Korea. Whether the threats were idle remains to be seen. Nevertheless, the securities and commodities markets responded instantaneously.

Trading was indecisive. There was a good deal of hesitation in securities' investments, except those of a strictly domestic nature. In the commodities markets, sugar, which has long been an ingredient in the manufacture of munitions, rose sharply and the vegetable oil markets were also strong, another potential war ingredient product. Such developments make plain the great anxiety which is held here over the threat of war on a considerable scale. It remains despite the arrival of United Nations armed forces in the Middle East which is strictly a token exhibition and so far is not an effective striking or even a police force.

International Repercussions

Meanwhile, the blocking of the Suez Canal has also had international repercussions. The now necessary shipment around the Cape of Good Hope has produced the highest tanker freight rates since the Korean war. Britain had to cut its oil consumption by 10 per cent. and it is prepared to go further. Nobody here or elsewhere knows at this writing how extensive the damage to the Canal is.

The longer shipping time by the new route has resulted in a somewhat acute shortage of shipping space of all classifications. This was aggravated by the dock strike in the United States and has added to the uncertainties. The prospects of a settlement of the walkout are as yet uncertain. Therefore, the duration is impossible to predict at this time.

There has not been much advance buying in anticipation of the strike and a tighter inventory situation of some imported commodities may develop. Overseas orders and enquiries for such items as wheat, soyabeans and oil have been very substantial, but they are mostly for future delivery, beginning in December, by which time the strike should have been settled. However, it is not unreasonable to assume that the combination of Suez and the strike is to lead to a tighter supply situation and, thus, higher prices until the Middle East international waterway is reopened and the cumulative effects of the walkout here have been eradicated.

Tranquillity

Outside of that, the domestic American scene is one of tranquillity. The outcome of the elections has assured continuity of policy. The overall outlook is still the best, although some soft spots are developing. Private building is lower than last year both in terms of dollars and in units. This deficiency will be made up, however, by Federal and State spending for new projects. Automobile production is certain to be lower, aluminium output will be smaller and fewer shares will probably be traded than in 1955. The furniture industry suffered a sharp drop in shipments and there has been an increase in inventories, owing to lower sales.

These soft spots are not considered too serious, since employment and income remain at top levels and there is no reason to assume that they will drop. Bank profits, corporate earnings and dividends are higher than in many years and businesses of all sizes and descriptions are benefiting.

The savings level has also remained fairly steady, although the increase is smaller than in preceding years. Some experts have suggested for some time that there won't be enough savings to take care of capital needs. This is a relatively serious problem. Accelerated automation is becoming more expensive every year. Thus, the sinews to provide productivity are at a premium and the amortisation of old equipment is no longer sufficient to provide for the

(*Continued on page 1071*)

LOK SABHA PASSES STATE BANK OF HYDERABAD BILL

MINISTER'S REPLY TO CRITICISM ABOUT BANK'S WORKING

AFTER a brief discussion the Lok Sabha passed, on 20th November 1956, the State Bank of Hyderabad Bill, which seeks to transfer the share capital of the Hyderabad State Bank to the Reserve Bank of India and to provide for its proper management and matters connected therewith or incidental thereto. The Bill was introduced in the Lok Sabha on 28th August last, but, for want of time, it was not taken up before the House adjourned for the winter session. In the meantime, an ordinance, named the State Bank of Hyderabad Ordinance 1956, was promulgated by the President on 26th September to provide for the transfer, in view of the fact that the reorganisation of States was to take place on 1st November, which was the main reason for the taking over of the Bank by the Reserve Bank, and in view of the fact that Parliament was not in session. The Bill, when enacted, will replace the Ordinance. The name and constitution of the Hyderabad State Bank were also changed with effect from 22nd October 1956, the "appointed day" for the vesting of its entire capital assets with the Reserve Bank of India. The Bank is now known as the State Bank of Hyderabad.

The Hyderabad State Bank was constituted in 1941 under the Hyderabad State Bank Act, with 51 per cent. of its share capital being held by the former Government of Hyderabad and the rest by private shareholders. The State Government has been enjoying certain powers in regard to the management of the Bank. Later on, after the integration of the State with the Indian Union, the Bank was functioning as the agent of the Reserve Bank for conducting Government business in the Hyderabad State. With the reorganisation of the States, the offices of the Hyderabad State Bank conducting Government Treasury work are distributed over three States, namely, Andhra Pradesh, Bombay and Mysore. In view of this change, it has been found necessary to provide for (1) the devolution on one single authority of the functions of the State Government of Hyderabad in relation to the Bank, (2) the more effective performance, by the Bank, of the Government business as agent of the Reserve Bank, and (3) the unified control and management of the Bank, in order to enable it to implement a programme of subsidised extension of banking facilities to the public.

Compensation

The Bill, accordingly, provides for the transfer of the shares of the Hyderabad State Bank to the Reserve Bank of India. The Bill also provides, under section 6(1), for the payment of compensation to the State Government and other registered shareholders of the State Bank for such transfer an amount calculated at the rate of Rs. 94-4-6 in Indian currency for each share of the face value of O.S. Rs. 100 equivalent to Rs. 85-11-6 in Indian currency. In the course of the reply to the debate on the Bill, Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, disclosed that, after taking into consideration all the assets and liabilities of the Bank, the Reserve Bank had estimated the assets of the Bank to be Rs. 129 lakhs. The compensation to shareholders would amount to Rs. 71 lakhs, which compares with the total paid-up capital of the Bank amounting to Rs. 64.28 lakhs and reserves Rs. 65.14 lakhs.

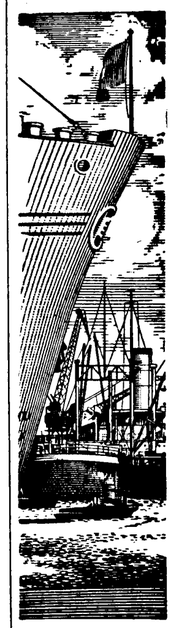
Section 6(2) of the Bill provides that, notwithstanding the transfer of the shares to the Reserve Bank under section 6(1), any shareholder who, immediately before the "appointed day," is entitled to payment of dividend on the shares of the Hyderabad State Bank held by him is entitled to receive from the Hyderabad Bank (a) all dividends accruing due on his shares in respect of any year which ended before the "appointed day" and remaining unpaid; and (b) dividends, if any, authorised by the Central Government in respect of any period immediately preceding the "appointed day" for which the Hyderabad State Bank has not declared any dividend. An official amendment to this clause was accepted by the House. Explaining the amendment, Mr. Guha said that the State Bank of Hyderabad, that is, the re-named institution, would not entertain the liability of any shareholders claiming a minimum dividend of 3 per cent. for any period for which the previous bank had not declared a dividend. He added that any dividend already declared by the Bank, but not yet paid, would certainly be paid.

The State Bank of Hyderabad, as it is now called, will, if so required by the Reserve Bank, act as agent of the latter at any place in India where it has a branch and where there is no branch of the banking department of the Reserve Bank for (a) paying, receiving, collecting and remitting money, bullion and securities on behalf of any Government in India, and (b) undertaking and transacting any other business which the Reserve Bank may, from time to time, entrust to it. Subject to the provisions contained in this Act, the State Bank of Hyderabad will carry on and transact the business of banking as defined under the Banking Companies Act 1949, and will engage in such one or more of the other forms of business as are specified under the Act. In fine, while the corporate character of the old Hyderabad State Bank is being retained, all the other provisions of the Hyderabad State Bank Act, 1350F, have been repealed and replaced by more suitable provisions in the present Bill.

An important provision in the Bill is that nothing in the State Bank of Hyderabad Act will affect the power of the State Bank of India to acquire the business of the Hyderabad Bank in accordance with the provisions of section 35 of that Act and, where the business of the Bank has been so acquired, the Bank will, on such acquisition, stand dissolved and the State Bank of Hyderabad Act will be ineffective.

During the debate on the Bill, one of the communist members from Andhra demanded an enquiry into the working of the Bank. He alleged that the senior executives of the Bank had advanced money running into crores, out of which at least Rs. 2 crores would have to be written off as bad debts. He reminded the Minister that even the Reserve Bank had, as early as 1954, drawn attention to what it called "certain undesirable features" in the working of the Hyderabad State Bank. In reply, Mr. Guha said that there had been some criticism about the working of the Bank and the Reserve Bank had to make some enquiry. But the member's remarks about the working of the Bank were somewhat exaggerated. It was not correct to say, the Minister added, that those who were responsible for "misdeeds" were kept in important positions in the Bank. He, however, said that action would be taken against those officials who were found guilty. The Minister also made it clear that the Reserve Bank was taking over the Bank, primarily because of the States Reorganisation.

Incidentally, a member asked when the other banks recommended by the Rural Credit Survey Committee would be taken over by the Government. The Minister replied that the entire share capital of the Saurashtra Bank and the Patiala State Bank had been subscribed by the former Saurashtra and Patiala Governments, respectively. As banking was a Union subject, there was some difficulty in these two former States running these banks. For the present, however, the Bombay Government would now run the Saurashtra Bank and the Punjab Government the Patiala State Bank. In the case of the remaining banks recommended to be taken over by the Government, the Minister went on to add, the State Governments were not holding a majority of the shares. The State Governments had not contributed a pie towards the share capital of some of them. Nevertheless, the Government of India had examined how far these banks recommended by the Rural Credit Survey Committee could be helpful for spreading rural credit, but had not come to any definite decision.



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WARNING TO U.S. AGAINST INFLATION

The Organisation for European Economic Co-operation (O.E.E.C.) has warned the U.S. authorities to avoid the growth of inflation by prompt adjustments of monetary and fiscal policies. A study prepared by the Organisation points out that, while a steady rise in economic activity is desirable and necessary, the situation needs to be watched carefully, particularly that relating to certain items of consumer spending on durable goods, as inflationary forces could develop quickly and get out of control, if timely measures are not taken.

The course of fixed capital expenditure by private investors will have a decisive influence on the level of aggregate effective demand and economic stability requires that this should not be overextended. According to the O.E.E.C., there is ample evidence that business in the U.S. is increasingly undertaking major investment programmes on the basis of long-term considerations. Long-term programming is particularly encouraged by the anticipation of increased consumer demands from 1960 onwards as a result of the high birth rate during and immediately after the war. Although the long-term nature of these investments in itself imply some stability in expenditures, and are likely to be increasingly related to the development of new products and processes, there is still some concern that capital expenditure programmes have been speeded up too fast. And the disturbing element of the situation is the financing of these investments increasingly out of borrowings. In the U.S. this tendency has been particularly marked in recent times. For instance, whereas in the first half of last year business had to get from external sources less than 20 per cent. of the funds it required to finance new investments, in the first half of this year it had to get more than one-third of its needs for this purpose from such sources. For these reasons, the report says, continued monetary restraint, in order to encourage more orderly timing of the programmes, will probably prove necessary.

In its discussion of the U.S. foreign trade, the report draws attention to the strong European demand for imports from the U.S. since the beginning of 1955 and a significant increase in absorption by the U.S. of imports from Europe. While this is a welcome trend, a disappointing development, according to the report, is that the rise in purchases by Europe in the U.S. exceeded the latter's purchases or investments in Europe.

U.K.'s MONETARY POLICY CRITICISED

The United Kingdom's monetary policy came in for sharp criticism by Mr. T. Balogh, a distinguished British economist. Addressing the Institute of Bankers a few days ago, Mr. Balogh declared that, as monetary management had failed, there should be a return to "commonsense" methods of managing economic affairs. He said that, for the fourth time since the end of the war, Britain was experiencing a balance of payments crisis and the authorities were again caught unawares. Referring to the official policy, Mr. Balogh observed: "Their reaction to the crisis was not to eradicate the fundamental cause, namely, the insufficiency of productive investment relative to our most dangerous competitors, but to restrict credit."

He pointed out that, while the efficacy of higher interest rate as a device for cutting outlay was itself uncertain, the assurances of the Chancellor of the Exchequer and the Governor of the Bank of England that they would not permit a serious economic setback has paralysed the interest rate mechanism. Business men assumed that prices would continue to increase and saw no reason to expect a decline in interest rates. The situation had so developed that, far from regulating economic activity, interest became a cost to be charged against price. While there was no risk of a serious economic setback, this transfer of the incidence of the higher capital cost would be successful. He pointed out that "this fundamental change in the functioning of the mechanism has not been assimilated either by bankers or by economists."

COMMERCIAL BANKS AND RURAL SECTOR

CHANGE IN OUTLOOK NEEDED TO RENDER EFFECTIVE SERVICE

By Dr. M. H. Gopal
PROFESSOR OF ECONOMICS, FORD FOUNDATION, UNIVERSITY OF MADRAS

IN considering the rate of growth of commercial banks in India, some problems present themselves, specially in relation to the current economic climate of the country and the contemplated socio-economic set up. Below is outlined in brief one such problem which can be put in the phrase *Expansion in resources* vs. *flexibility in policy*. It raises the questions: What is the immediate objective of the country? What can commercial banks do to help realising it?

The story of commercial banking in India since the first Presidency Bank was started in 1806 has been marked, by and large, on the one hand, by the emphasis on the financing of trade and commerce, mainly in urban areas, accompanied by neglect of the financing of all-round economic development. Thus, even in 1951, less than three per cent. of the total advances of the Scheduled banks and a little over five per cent. of those of the non-Scheduled banks were for agricultural purposes, a substantial portion of which was to tea, coffee and rubber plantations. This assistance accounted for less than one per cent. of the cultivators' total borrowing. It was marked, on the other hand, by the emphasis on "safety first and profits most" maxim in preference to a constructive and enterprising policy. Some of the more prosperous banks—for example, the Imperial Bank of India—declared dividends varying from 12 to 16 per cent. since 1921, considering this rate as "prudent and conservative." (Chairman's address to the shareholders on 31st March 1955.)

These features are, no doubt, traceable largely to the nature of commercial banking itself which has specialised in certain types of business and deals traditionally with certain kinds of economic activity. Perhaps prior to the birth of free India, the accumulation of resources, the declaration of a high rate of dividend, the restriction of operations to short-term transactions and to towns, and sometimes even a conservative loan and deposit policy may have had a great deal of justification.

But the needs of the developing economy of today are different. A wider and more flexible functioning of banks and a closely integrated credit mechanism are essential. *Territorially*, an extension of banking facilities to rural areas, and *functionally*, a broadening of the sphere of action have become necessary. Such a change in approach demands a balancing of adequate flexibility with soundness in banking; of conservatism and prudence with dynamism and enterprise.

Capital Formation

This flexibility in outlook has many facets but I shall refer to only one, and that in relation to capital formation in the rural sector. The accepted economic policy of the country, namely, planned development of the mixed type, requires a high rate of saving and investment, which depend on thrift. To some extent, the State can, through taxation, enforce compulsory saving. But to a large degree, and if the unique treasure of individual freedom is not to disappear, voluntary saving through financial institutions is necessary and it is here that the commercial banks could play a significant role. As the Chairman of the Punjab National Bank told the 107th annual general meeting in April 1954: "We have to mop up the idle funds in the country, but, if there are no banks except in the cities and towns, much progress in this respect cannot be achieved . . . . Large funds are available in the rural and semi-urban areas which... are lost to the development of the country."

While all tools of inducing savings and all varieties of banks have to be harnessed to the maximum extent possible, commercial banks can help by reorienting their policy. No doubt, the rural areas are poor, and, therefore, have at present a low savings margin, but, in view of the growing attention to economic development in the countryside, deposits of the time and savings varieties may be attracted from the rural regions by an expansion of sound banking facilities. Thus, a progressive institution can open branches in taluq headquarters and market towns. Sustained propaganda of a truly educative character can popularise the savings habit by neutralising the effects of conservatism and illiteracy with regard to depositing funds in banks. Further, although the interest rates should not vary much between the urban and rural sectors, yet a new type of deposits similar to savings bank accounts, can be introduced. All this should be possible through the greater rationalisation of bank administration, in general, and of wage and salary structure, in particular, and through a little relaxation by the State of the existing restraints, such as the Shop and Establishments Act and the controversial Industrial Tribunal Awards.

Such a change in policy has to face some initial difficulties. It is almost certain that, in the early stages of such penetration of banking activities into taluq towns, the net operational return would be small and even negative; but, in the longer run, it is sure to pay its way. Moreover, even an institution motivated by profit should consider its overall position rather than that in a particular area or direction. This policy also demands a close understanding—much closer than what probably prevails today—among commercial banks in zoning out areas of operation, instead of duplicating their services. It also requires a broader and bolder approach by the banks in abandoning the traditional view of being merely a moneylending institution and purveyor of credit and in regarding themselves as one of the key services in national development.

Loan Policy

The commercial banks could also serve another purpose in the rural sector, and this in the direction of a loan policy. Whatever the advantages of these banks as savings-inducing agencies, there would still be three minor problems to be met: First, until the co-operative movement develops widely enough to finance agricultural operations on any appreciable scale, there would have to be an *ad hoc* arrangement. Secondly, the suggested commercial bank-co-operative society *entente* will take some time, effort and tradition to become effective. Finally, even if the co-operatives expand, they may not be able to satisfy all the financial needs of the farmer—the long, the intermediate and short-term ones.

In view of these considerations, the commercial bank-co-operative society partnership may assume another aspect. The co-operatives may specialise in long and intermediate-term credit, for which they are ideally fitted, and the commercial banks could carry on their short-term transactions, which is their chosen field in the urban areas today. There would thus be a twofold co-ordination between the banks and the societies in the collection and flow of rural savings as well as in the zoning of the loan policy. Such a division of function in deposits-*cum*-loan operations, would provide the banks with two facets of rural operations—savings, collection and short-term loans—and the societies, two others—intermediate and long-term lendings.

In addition to the short-term farm loans, the banks can provide, incidentally, another service, namely, exchange and safe deposits. From the farmers' point of view, they can give quick service; they are easily approachable and, if tactfully managed, they can provide the necessary confidence to the farmers which they most need in a country like ours.

In this connection, a recent controversy may be recalled. The 1954 Rural Credit Survey of the Reserve Bank of India recommended that the commercial banks should not be encouraged to extend their deposit-receiving activities in rural areas, whereas the Rural Banking Enquiry Committee of 1950 suggested that the banks should expand in the countryside. The Credit Survey's opinion appears to be based partly on the fact that short-term financing is largely of the movement and marketing of crops against produce which, in a subsistence economy, is limited in scope. The opinion is to a large extent related to the hope that the salvation of rural India lies in the co-operative movement.

Complementary Instruments

These premises are broadly true, except for two considerations. First, the contemplated economic development in the country and the growing contact of the village with the city are rapidly altering the subsistence economy into a market one, and the movement and marketing of goods as well as the monetisation of transactions are growing in importance. Greater facilities for remittance and short-term credit would very soon be needed, and the commercial banks have to step in. Further, the co-operative medium is a very desirable ideal, but its progress in the last fifty years and the lack of the basic conditions for its success, for example, education, loyalty to the society, business habits, etc., make the medium largely an ideal not realisable in the immediate future. While, therefore, the *ultimate* solution lies in co-operative institutions, the current need has to be met through commercial banks, and the moneylender. After all, in a planned economy, co-operative and commercial banks can be converted into complementary instruments by bringing about a more integrated credit structure.

Such integration requires State action as well as a great deal of understanding between the two kinds of organisations and particularly greater responsiveness from the commercial banks. The nationalisation of the Imperial Bank of India, along with the probable integration of some other commercial banks like the Banks of Mysore and Hyderabad, is a forestate of things to come. I am not concerned here with the ethics or even the economics of this decision. It is not enough to say, as the Chairman of the Imperial Bank did, that "it is difficult to see what justification there can be for an institution primarily engaged in commercial banking to be merged into a system of co-operative banking for the purpose of revitalising the latter or for expanding rural credit at the possible expense of commercial banking." (Address to the shareholders—31st March 1955.)

(*Continued on page* 1071)



RATIONALISATION OF TEXTILE INDUSTRY

ITS URGENCY AND IMPORTANCE

ALL those who oppose rationalisation of the cotton mill industry will do well to ponder the statement of Mr. W. T. Winterbottom, the newly elected President of the International Federation of Cotton and Allied Textile Industries, at a Press conference in Manchester on Monday, 26th November 1956. Mr. Winterbottom clearly warned that, unless the textile and other allied industries were kept up-to-date with modern machinery and modern methods, they would be faced with great danger of obsolescence. The industries, he declared, were on the edge of a new era of development in textiles. Rapid progress was being made in man-made fibres, new finishes were being adopted and important changes were taking place in machinery. Drawing attention to these developments, Mr. Winterbottom observed:

"The rate of advance at the present time is rapid and, looking back, we have gone a long way from the time when we were merely crude manipulators of raw materials. In the 1930's, our story was one of interminable discussions in all European countries of the problems of redundancy and surplus capacity in machinery, and something of the same kind has happened since the war. Now the position is different. Unless we can be up-to-date with modern machines and modern methods, the great danger we have to face is one of obsolescence. I am convinced that we should no longer waste time in considering, around conference tables, how existing plant can be reduced to meet demand. Obsolescence of existing plant, as new machines are developed, is going to take charge of that problem, and we shall have our work cut out to keep pace with the latest developments. No textile industry of any country can make progress without looking over its national boundaries. Our problems, our aims and our responsibilities are international."

This warning is, indeed, most timely and wholesome, especially so far as India is concerned. The domestic consumption of cloth is growing at a rapid rate and, if this upward trend is to be sustained, the consumer should be supplied with quality cloth at an economic price. It is this factor which imparts urgency to the need for applying technological developments to production of textiles. The need is no less imperative from the point of view of stimulating exports, what with the importance of foreign exchange to implement the series of schemes designed to augment the living standards of the masses.

Augmenting Consumption

Mr. Winterbottom struck a note of realism when he said that, in the long run, the future of the cotton and allied textile industries of the world could only be secured by an increase in the consumption of textiles, in general. Experience, according to him, is proving that the application of modern techniques of market research and sales promotion, allied to intensive efforts to improve style and design, can stimulate demand and develop new outlets. He was of the view that continuously increasing standards of living in all countries furnished new and larger markets for textiles. A comparison between national income and consumer expenditure showed that many domestic and foreign markets could be greatly expanded. To quote Mr. Winterbottom again: "Here lies an opportunity for the textile industries of the world to work together for their common benefit. Therefore, our International Federation is giving its full support and co-operation to all efforts to improve quality, style and design and to extend the use of market research and sales promotion."

In the opinion of Mr. Winterbottom, the advent of the new man-made fibres is a welcome development. It has provided the textile industries with a wider choice of raw materials and enables them to manufacture new and more varied products for their customers. A comparable advance has been made through the development of new finishes in textile fabrics, made from both new and traditional fibres.

Speaking about the work of the Federation, Mr. Winterbottom revealed that its activities covered all the present-day economic and technical aspects of the cotton and allied textile industries. The membership includes, we are told, trade associations from seventeen countries, including all the West European nations, the U.S., Egypt, and Japan. With its present structure, the Federation represents approximately two-thirds of the world's total cotton spindles and looms. It provides a forum in which the cotton and allied industries of the world can meet and discuss their common problems. Moreover, these problems are discussed in a non-political atmosphere, a point which is of the utmost importance, considering the outstanding problems which face the cotton industry today.

In the course of his statement to the Press, Mr. Winterbottom made a prominent reference to the efforts now being made at a high political level to create a common market for Western Europe. He welcomed the creation of such a market, since that, in his view, would benefit consumer goods industries like textiles. He averred that competition would be stimulated, a development that would inevitably accelerate the process of increasing efficiency in the textile industries of all the countries covered in the common market. Categorically declaring that there could be nothing unhealthy about it, he said: "No one would shun, because of extreme competition, what must surely become one of the world's most attractive markets. At the same time, the International Federation is especially fitted to see that competition is fair and that certain trading practices which could endanger the common market are not allowed to develop."

Competition

Mr. Winterbottom admitted that it was easy to exaggerate the possible dangers of excessive competition among the European countries. But he added that the present difficulties of these countries were caused by increased competition from newly developing textile industries outside Europe. He opined that the European countries would be in a much better position to meet this competition, if they were united in a common market.

Regardless, however, of whether or not the common market for Western Europe is created, the main task of the International Federation in the fnture, Mr. Winterbottom emphasised, would be to establish a balance between the interests of the cotton and allied textile industries in the traditional manufacturing countries and the industries in the newly developing areas, mainly those of the Eastern Hemisphere. Discussing the issue further, he made the following significant remarks:

"In this regard, the industrial and non-political character of our organisation makes its influence of exceptional importance. We have already welcomed the representatives of the Japanese textile industry to our councils and they have seen that our activities, even where directed, as I have already mentioned, to the intricate problem of processing imported cloth, are not unmindful of their interests. Solutions have been found and misunderstandings avoided. Still more is this necessary today when ideas of voluntary restraints on trade are being advocated. The Japanese industry has been asked by its Government to limit exports to the U.S.A.; the U.K. Government has asked the British cotton industry to seek from India a similar limitation on exports to the U.K. In both cases, great issues are at stake, G.A.T.T. in relation to Japan, Imperial Preference in relation to India. In both cases, Governments are activated more by national interest than by those of the cotton industry. It is right that it should be so, but it is also right that, as industrialists, we should see that our international organisation takes note of these developments and has them continually under review."

The sum and substance of Mr. Winterbottom's remarks are that there should be a mutual understanding between the textile industry of the developed countries and that of the underdeveloped countries about competition and the sharing of markets. The issue is by no means so simple as he makes it out to be. He is inclined to criticise the Governments, apparently of the underdeveloped countries, of being so narrow-minded as to be extremely nationalistic in their outlook. The impression that prevails in this part of the world about European, especially British, textile interests is that they, too, are taking a narrow view of their own business, when they ask countries like India to curtail their exports of cotton textiles to the U.K. and the Continent, instead of taking into account the broader issue of Indo-British or Europe-Asian trade.

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POWERLOOMS IN BOMBAY

The decision of the Governments of Bombay and Punjab to introduce powerlooms in the handloom sector must be widely welcomed. The schemes of these two Governments have already been approved by the Centre, which has announced loans and grants amounting to Rs. 32.84 lakhs for the installation of 1,100 powerlooms in the current financial year, out of the 35,000 proposed to be introduced in the next two years. Of this amount, Bombay accounts for Rs. 19.09 lakhs (Rs. 17.52 lakhs loans and Rs. 1.57 lakhs grants) and the Punjab accounts for Rs. 13.75 lakhs (Rs. 13.32 lakhs loans and Rs. 42,750 grants).

The Bombay Government's scheme envisages setting up of 600 powerlooms in Jetpur, Wadhwan, Palitana, Junagadh and Jamkhambalia—all in the co-operative fold. The major portion of the loan received from the Centre will be utilised for the purchase of powerlooms and provision of share capital to the working members of the co-operatives and working capital for the looms. A sum of Rs. 2.79 lakhs will be provided for opening preparatory and processing plants. Half of this sum will be treated as loan and the other half as grant for meeting the recurring expenditure on the servicing of powerlooms.

In the Punjab, 500 powerlooms will be established during 1956-57, of which 125 will be in the co-operative field, the balance of 375 being given to individual weavers. It is proposed to set up a training-*cum*-demonstration centre, preparatory and processing plants, and workshops.

The readiness and the earnestness with which the Bombay and Punjab Governments have implemented the scheme of introducing powerlooms in the handloom, sector are certainly commendable. They are in striking contrast to the regrettable decision of the Andhra Government not to introduce powerlooms. The very economic structure of the handloom industry is, as this journal has ere now pointed out, defective. The industry being highly labour-intensive in character, not only is its rate of output low but its cost of production also is high. This is the basic problem of the handloom industry. It is to be hoped that the Andhra Government will retrace its steps and emulate the example of the Bombay and Punjab Governments. If, however, it refuses to do so, it will only be allowing the other States to march over it in the task of placing the handloom industry on a sound and secure footing.

INDIAN TEXTILES FOR INDONESIA

Press reports aver that negotiations among India, Indonesia and the U.S. are in progress for the conclusion of a tripartite agreement under which U.S. cotton will be used for the manufacture in India of textiles for supply to Indonesia. When concluded, this will be the second such agreement entered into by India, the first one being the Indo-U.S.-Burma textile pact. Indonesia is one of the traditional markets for Indian textiles; it now accounts for over 10 per cent. of the total quantity of mill-made piecegoods sent out of India per annum. Of late, there seems to have been a setback to shipment of cloth from India to Indonesia. During the first seven months of 1956, India exported only 28.80 million yards of cloth, as against 36.83 million yards in the corresponding period of 1955. The downward trend is in contrast with the marked improvement noted during 1955 when mill cloth shipments to Indonesia aggregated as much as 90 million yards, which compare very favourably with 33 million yards in 1954. In the same year, it may be noted, imports of cloth by Indonesia from Japan were substantially lower at 108 million yards, as against 284 million yards in 1954.

Simultaneously with the reports relating to the tripartite textile agreement comes the announcement of the withdrawal, with effect from 12th November 1956, of the Indonesian Government's import ban on cotton textiles and yarn. Reporting this development, the *Texprocil Bulletin* has advised the Indian exporters to contact their customers in Indonesia with their offers without delay. The *Bulletin* has urged the exporters "to be alert in offering quality goods at competitive prices," as the competition from China, Hong Kong, and East European countries such as Poland and Czechoslovakia is expected to be severe.

INDIA AND U.K. TEXTILES

The view that it will not be in the interests of the British textile trade in the present circumstances to seek a revision of the Indo-U.K. trade agreement of 1939 was expressed by Mr. Peter Thorneycroft, President of the Board of Trade, in the House of Commons the other day. The Indian duty on British cotton textiles, Mr. Thorneycroft said, was 25 per cent. *ad valorem* which gave Britain a preferential margin over foreign supplies of between 20 and 40 per cent; there was a small excise duty. He no doubt admitted that Indian cotton textiles were allowed to be imported into Britain free of duty, but made it clear that the trade agreement had to be judged as a whole. "Britain," to quote him, "does enjoy a preference of between 20 and 40 per cent. in this market (India) which is favourable from our point of view. I know there are wider issues involved and talks are to take place between the cotton textile industry in this country and in India. I think we should allow these talks to take place and see what the results are."

PRICES OF RAW COTTON AND CLOTH MOVE UP

HUNGARIAN REFUGEES TO BE EMPLOYED

From Own Special Correspondent

MANCHESTER LETTER

MANCHESTER, 20th November

IT is now nearly four months since the Suez Canal crisis first flared up, with repercussions which have re-echoed round the world. The effect of subsequent actions has intensified a movement set in motion by the original seizure of the waterway so that industry and commerce are still anxiously scanning the prospects and operating in a fog of uncertainty.

The development caught Lancashire at a moment when demand was already gathering weight and provided the basis for as startling a transformation in the textile scene as has taken place for many a year back. The sudden switch from virtual stagnation to active participation in a keen and increasing demand has created a fresh set of problems for spinners and manufacturers.

From searching desperately for orders many have had to turn their attention to looking for labour to restart idle plant. Memories of the post-war recruitment campaign to secure workers from European countries have been revived by the reported intention of some firms to offer employment to Hungarian refugees.

An Inevitable Consequence

An inevitable consequence of the confused events in the Middle East and the threat to shipping has been the rise in prices for the raw material and cotton goods, which has been particularly marked since the beginning of this month. The following table shows the general advance which has taken place over the period:

(In *d.* per lb.)

Date	Futures		Spot		Yarn		
					American		Egyptian
	American Dec./Jan.	Sudan Nov./Dec.	American 1 inch	Sudan Sakel 6	36s Ring Beams	60s Card Twist	120s Cmd. Twist
Aug. 3..	23.97	46.60	27.75	49.50	59.25	86.75	164.25
,, 10..	24.50	46.75	27.75	49.50	59.25	86.75	164.25
,, 17..	24.65	48.05	27.50	50.00	59.25	86.75	164.25
,, 24..	24.55	48.00	27.00	50.00	59.25	86.75	164.25
,, 31..	24.70	48.10	26.50	50.00	59.25	86.75	164.00
Sept. 7..	24.95	47.95	26.60	50.00	59.25	86.75	164.50
,, 14..	24.80	49.65	26.60	51.00	59.25	86.75	164.50
,, 28..	24.79	50.00	26.20	51.25	59.25	87.25	167.75
Oct. 5..	24.90	50.15	26.20	52.00	59.25	87.25	167.75
,, 12..	25.18	50.30	26.20	52.00	59.25	87.25	167.75
,, 19..	25.45	51.40	26.60	53.00	59.25	87.25	167.75
,, 26..	25.30	51.80	26.60	53.00	59.82	87.25	168.75
Nov. 2..	25.80	54.80	26.60	55.00	59.82	87.25	168.75
,, 9..	26.25	57.80	27.00	58.00	60.38	89.75	171.50
,, 16..	26.90	58.80	27.25	59.00	60.38	91.75	175.50

Quotations would in any event have been expected to harden as a result of the increased demand for textile products but the interruption in the free flow of supplies of Sudan cotton in particular has been sharply reflected in recent price movements. Difficulty in securing adequate quantities of cotton suitable for spinning the finer counts is already being experienced and occasional instances have been reported of mills with substantial orders on hand being idle through lack of suitable cotton.

Protest in Abeyance

Any form of representation to the Government by the Lancashire cotton industry on the subject of cheap foreign cloth imports is almost certain to be suspended until the Cotton Board mission returns from India and Hong Kong. This emerged at a conference in Manchester of 220 delegates representing cotton workers throughout Lancashire. The conference was called by the United Textile Factory Workers' Association to discuss progress in the campaign to persuade the Government to limit cloth imports.

Replying to suggestions for a monster petition to the Government, Mr. Lewis Wright, General Secretary of the Amalgamated Weavers' Association, said nothing could be worse at the present time when the Cotton Board mission was about to visit India and Hong Kong to say in the friendliest possible way, "This is our problem: What are you going to do about it?"

A few delegates favoured more "independent action" by the unions to exert pressure on the Government but Miss Alice Foley, Secretary of the Bolton Weavers' Association, urged: "It is time we behaved like sensible adults." She called for a policy of orderly concentration and the provision of compensation for displaced operatives. She pointed out Lancashire was losing trade to Sweden and Germany—countries with a comparable standard of living to ours. The Government could not be blamed for that and suggested that something was wrong with the industry. She added: "If we think we are going to build a prosperous, competitive industry with only 70 per cent. of our machinery working and mills scrambling for operatives, we are deluding ourselves."

Trading Results

The autumn revival which has rapidly turned the Lancashire cotton market from a buyers' to a sellers' province has come too late to make any sharp imprint on the results of textile companies which are now being announced. These figures must stand or fall by the experience of trading over a longer and less favourable period, when users were operating entirely from hand to mouth and business was spasmodic in the extreme.

From reports issued within the past week, however, the position of spinners continues to show a more encouraging aspect compared with other sections. For instance, the Directors of Crosses and Heatons Ltd., the Bolton mill group, have been able to report "reasonably satisfactory" trading during the half-year to the end of September. Order books, they say, are now longer than they have been for some considerable time. Another of the larger amalgamations, Combined English Mills, of Atherton, increased trading profits for the year to the end of September by £150,000.

An important factor in assessing these results is that 12 months has now elapsed since the "D" scheme was abandoned by the Government, being replaced by an all-round tax at a lower rate. This change has been to the benefit of those spinning and manufacturing firms concentrating on the finer qualities and there has been noticeable evidence that merchants have found the sale of top-grade goods broadening as a result of the reduction in tax.

Such conditions have failed to react favourably on the accounts published by Horrockses Crewdson & Co., the vertical textile concern which has been increasingly active in the fashion field in recent years. Despite lower tax charges, the need to provide £113,,000 for losses caused by falls in raw cotton prices against only £35,000, has resulted in the group declaring a net loss of £35,000 against profits of over £92,000.

Manchester Firm's Move

The century-old Salford textile manufacturing firm, Sir Elkanah Armitage and Sons, is to set up a branch factory at Barrow-in-Furness to produce cotton canvas and duck. The mill will also be capable of handling the newer textile fibres.

To move away from the traditional cotton manufacturing area of Lancashire will help to solve the firm's manpower problems. Mr. P. Gordon Armitage, Chairman, said: "Local conditions affecting this development are considered to be very favourable both in quantity and quality of labour."

Many Lancashire textile firms are finding it difficult to recruit the workers they require to staff idle machinery and nearly 6,000 vacancies for spinning and weaving workers exist. Barrow has more than a thousand out of work and the unemployment percentage of 3.7 is the highest in the north-west.

New Source of Labour?

Hungarian refugees are to be offered jobs in the Lancashire cotton industry. The world's biggest spinning group, the Lancashire Cotton Corporation, has told the Ministry of Labour it is ready to take 100 refugees at the outset and probably more later.

A spokesman of the Corporation's labour department said: "We shall take the Hungarians as trainees and settle them as we did with the European volunteer workers and Austrians."

The Corporation has been the biggest employer of foreign labour in the cotton industry. At the post-war peak 1,650 European workers found jobs in its mills. Now the total is about 500.—*All Rights Reserved.*

CLOTHING TRADE EXHIBITION

The first International Clothing Trade Exhibition will be held at Olympia, London, from 28th May to 1st June next year. Clothing manufacturers and makers-up from many countries are expected to attend. One of the chief features will be a display of the latest machinery for the clothing factory.

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FREE WORLD COTTON STOCKS

SUBSTANTIAL REDUCTION ANTICIPATED THIS SEASON

A DISTURBING factor in the international cotton situation at present is the record carryover stocks at the beginning of the current season. Total world carryover on 1st August 1956 which is placed at 22 million bales (of 478 lbs.) is sufficient to feed the spindles in the free world for nine months. This is more than twice as much as the stocks held at the beginning of the 1951-52 season and exceeds the previous season's carryover by 1.4 million bales. It may be observed, however, that this gain in stocks is much less than had been anticipated. The reasons for this failure of stocks to rise as sharply as had been expected are: (1) a reduction in the production estimates for 1955-56, (2) an improvement in consumption and (3) an increase in net movement of cotton to the Soviet bloc. And it is precisely these factors which are likely to prevent the situation from deteriorating further.

Another noteworthy feature is that the entire increase in the stocks occurred in the United States, whereas, elsewhere in the free world, stocks virtually fell. In the United States, stocks have increased from 11.2 million bales to 14.5 million bales, which is the largest carryover on record, substantially exceeding the previous record of 13.0 million bales on 1st August 1939. The United States carryover of 14.5 million bales is more than 60 per cent. of the global stocks and about 80 per cent. of those held in all exporting countries. According to the United States Department of Agriculture, the staggering build-up in stocks resulted from a declining level of exports, attributable mainly to the maintenance of production in foreign countries, increase in the volume of sales of foreign cotton for export at prices below those in effect for U.S. cotton and anticipation abroad, particularly in 1955, that U.S. export prices would be reduced under an export sales programme. Thus, the United States, which exported 3.8 million bales in 1953-54 and 3.4 million bales in 1954-55, shipped only 2.2 million bales in 1955-56. In the case of other countries, exports increased from 7.2 million bales in 1954-55 to 8.9 million bales in 1955-56. Therefore, even though the volume of international trade in cotton in the 1955-56 season increased appreciably, the United States failed to share in the increase. The following table gives the distribution of the stocks held as on 1st August 1955 and 1956:

*Distribution of Stocks in the Free World**
(In million bales)

Location	1955	1956
United States	11.2	14.5
Elsewhere—		
United Kingdom	0.5	0.4
Continental Europe	1.7	1.4
Japan	0.4	0.4
India	2.4	1.9
Other net importers	0.3	0.3
Net exporters other than U.S.	3.3	2.9
Afloat	0.2	0.1
Total outside U.S.	9.3	7.4
Total free world	20.5	21.9

* Preliminary estimate.

The outlook for the current season, however, is not as gloomy as would appear from the facts mentioned above and the U.S. Department of Agriculture is confident that it would be able to reduce substantially its holdings of surplus cotton. It has predicted that world stocks on 31st July 1957 would be lower, with world consumption exceeding production for the first time since 1950-51 and that U.S. stocks may be down by about 2.5 million bales. This conclusion is borne out by a study of the stock position outside the United States and trends in consumption. According to the Department of Agriculture, stocks of old crop in foreign exporting countries are practically exhausted and stocks in nearly all importing countries are at or below the level usually considered as minimum working requirements. For instance, stocks on 1st August 1956 in Continental Western Europe are estimated to have been 1.4 million bales, as compared with 1.7 million bales at the beginning of the previous season, while the United Kingdom had a carryover of 0.4 million bales, as against 0.5 million bales on 1st August 1955. In Japan also, there has been a reduction in stocks. Another encouraging factor is the trend of consumption. Cotton consumption last season set a new all-time record. For the free world as a whole, it rose to 28.5 million bales, an increase of some 900,000 bales as compared with the 1954-55 season. The following table gives the estimates of consumption for the 1955-56 season as compared with that for the two previous years:

Consumption Statistics
(In 1,000 bales)

	1953-54	1954-55	1955-56*
United States	8,576	8,841	9,202
Other countries	18,270	18,788	19,288
Net importing countries†	11,198	11,001	11,034
U.K.	1,834	1,761	1,550
W. Europe	5,471	5,519	5,502
Japan	2,441	2,142	2,340
Others	1,452	1,579	1,642
India	3,990	4,120	4,300
Net exporting countries	3,082	3,617	3,954
Total free world	26,846	27,579	28,490

* Partly estimated. † Excluding India.

Consumption in the United States was 9.2 million bales, an increase of nearly 400,000 bales, as compared with 1954-55. As will be seen from the table, aggregate consumption outside that country is estimated at about 19.3 million bales or an increase of over half a million bales. Consumption in net importing countries remained at the previous season's level of 11 million bales. A noticeable decline in consumption in the United Kingdom was matched by a corresponding increase in Japan. In Continental Western Europe, it remained at 5.5 million bales. There was a decline in France and Italy and in some smaller countries but this was offset by an increase in the Federal Republic of Germany. Significant increase was also registered in Mexico, Brazil, Egypt and Canada.

Consumption in India, as is well known, forged further ahead and rose to 4.3 million (Indian cotton only) bales in 1955-56. In contrast to Western Europe and Japan, the increase in India has been continuous over the last six years and further increases are anticipated in the current season also. An impressive gain was evident in Pakistan also, where consumption is estimated to have risen to 800,000 bales, which, on the basis of the present *per capita* consumption, makes that country more or less self-sufficient in cotton textiles.

The major part of the increase in consumption in the free world in recent years occurred outside the traditional textile manufacturing centres, namely, in net exporting countries. This was true last season also. Consumption in net exporting countries, outside the United States, increased by 300,000 bales, but the increase was not as large as in the previous season. The increase in consumption in Asia since the end of the war has been continuous and quite spectacular. Consumption roughly doubled in the last 10 years and, in contrast to the pre-war period, Asia now consumes much more cotton than Western Europe.

The above analysis has certain implications to consumption prospects for this season. In the traditional cotton textile areas, cotton consumption appears to be held in check by competition from synthetics and a disinclination, on the part of consumers, to use rising incomes to buy more cotton textiles. Year-to-year fluctuation seems to be mainly a matter of business conditions in the textile industry and it appears that this season's outcome will largely depend on this factor. On the other hand, there is a sustained rising trend in consumption of cotton in the underdeveloped countries, where incomes are low, populations often are large, and *per capita* cotton consumption is still substandard. Prospects for the world this season will depend in no small degree on how strong is the rising trend in Asia and Latin America. If there are no untoward developments which might affect their economic expansion, there is every reason to expect the trend to gather momentum.

In Western Europe, barring any down turn in the general level of economic activity, significantly lower and possibly more stable raw cotton prices are factors which count in the consumption outlook for this season. To some extent, the failure of consumption to expand in recent seasons has been a sequel to the increased self-sufficiency in the underdeveloped countries. Since there is no indication at present of a reversal of this trend, no spectacular rise in consumption is likely.

Taking all the factors mentioned above into consideration, the Agricultural Marketing Service of the U.S. Department of Agriculture believes that it will be able to export more cotton this season and bring about a sizable reduction in its carryover stocks. The unprecedented success of the new export sales programme—C.C.C. sales aggregated 5.6 million bales as on the 16th of November—has further strengthened the hope. The Department also believes that the quantity of cotton consumed in the U.S. in 1956-57 will be close to 9.2 million bales, same as last year. The factors that engender this expectation are the lower support prices and high level of consumer income. The Department is, however, not unaware of certain limiting factors such as the build-up of cloth inventories and increased production of synthetics.

SUDAN COTTON

The latest estimate of Sudan cotton for the 1956-57 season places the current year's crop at 620,400 bales (of 400 lbs. each), as compared with 525,800 bales during the last season. The total area under cotton is estimated at 725,153 feddans. The following table gives details regarding area and yield:

	Estimated yield (In bales of 400 lbs.)	Acreage (Feddans)
S G B 'B' variety	121,900	115,115
S G B 'L' variety	172,000	130,244
A L/W L	21,000	20,104
Private Estates	166,500	141,600
Gash (K S and K L)	42,500	70,000
Tokar	43,000	97,000
Americans	45,500	151,000
Total	620,400	725,153

The expectation is that, of the estimated production of 620,400 bales, 562,500 bales would be long and extra long-staple cotton, as compared with 490,000 bales in 1955-56. Production of long-staple cotton in the Sudan has been on the increase since 1952-53, in which year it was only about 420,000 bales.

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ANNUAL MEETING OF KILLICK INDUSTRIES LIMITED

CHAIRMAN, MR. E. D. SHEPPARD'S SPEECH

MISCONCEIVED NOTIONS ABOUT PRIVATE SECTOR DISPELLED

THE Ninth Ordinary General Meeting of Killick Industries Ltd. was held in Bombay on 27th November 1956. Addressing the shareholders on the occasion, Mr. E. D. Sheppard, Chairman of the Company, drew attention to the process of distortion which had set in seeking to identify the term "private sector" with something that is anti-social and anti-national. He said that there was nothing private about the units which constitute the so-called "private sector," particularly after the passage of the Companies Act.

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

"GENTLEMEN,

"You will recall that, during the course of the speech which I made last year at this meeting, I attempted an analysis of the political and social thinking prevailing in the country in so far as it affects the formulation of economic policy. As a conclusion from this analysis I suggested that there was no alternative to the coordinated efforts of both the State and free enterprise, and that, in order to achieve as quickly as possible a better life for all in India, the fullest advantage must be taken of the contributions which each system is best capable of making. In effect, this implied the application of 'mixed economy' or, as I would prefer to call it, of 'joint endeavour'.

"Since then, the Avadi Session of the Congress Party has decided that the economic development of the country is to be directed, towards the achievement of 'a socialistic pattern of society'. Various policy pronouncements and Acts of Parliament which have followed in the wake of this decision give the impression that it is to be implemented by a process of establishing uniformity and an official discouragement of incentives or individual gain. Indeed, the thoughtful mind cannot help but feel the strongest misgivings that, if it is along these lines that the socialistic pattern is to be pursued, it will eventually lead to frustration, and the belying of the hopes for a fuller life which so many millions of people have pinned on it.

"In a recent article entitled 'The Dynamic Society', a leading economist has dubbed the philosophy which forms the basis of this type of economic thinking as being 'like a dog in a barnyard. It cannot lay eggs itself and it will not let the hens do so'. This writer points out that when men are not allowed to strive for their dreams and to enjoy the fruits of their strivings, they consume everything they produce from day to day and so make it necessary for the State to force them to abstain, in order to save and build tools for the future.

Carrot and Stick Theories

"The same economist points out that there are two methods by which the economic donkey can be propelled forward. One is to offer him a carrot and the other is to beat him. In both the cases, the result is forward movement. Similarly, there are two dynamic economic systems prevailing in the world today. One is that of free enterprise, or development through individual incentive, and the other that of the authoritarian State and its methods of compulsion.

"We, in India, have rejected the stick theory and the concept of the authoritarian State as being alien to the traditional Indian way of life. Can we not, therefore, accept as a nation the logical corollary of introducing the carrot in its stead? We are not prepared to accept interference with our political freedom, or with such matters as the freedom of speech, and of the Press; why then should we take a completely different stand in relation to economic freedom? In this sphere people who would resist to the utmost limitations being imposed on their social and political rights, accept without murmur controls over such matters as production, profits, wages, and prices, and feel that it is perfectly reasonable for Government to regulate them. In my view this is an inconsistency which could lead to a frustration of the national economy.

"The terms 'capital' and 'capitalist' have over a period of years been misinterpreted and distorted so much that in the public mind they are now associated with systems which are completely at variance to their real activities. 'Capital' is widely identified with an undesirable concentration of power and the accumulation of personal wealth, rather than what it, in fact, is, namely, the savings of people which have been created by hard work and self-denial and which are thus available to start more good things growing. Now a similar process of distortion is in being which seeks to identify the term 'private sector' with something that is anti-social and anti-national. 'Private sector' is a term which is at variance with the system which it purports to describe. There is nothing 'private' about the finances and accounts of the major industrial units existing within the so-called 'private sector'. These units of free enterprise are as public as they can be. They are subjected to continuous and close audit, and are available for scrutiny to a wide range of people. The goods which these industries produce and the products which they market are sold only because there is public requirement for them and at a price which this public is prepared to pay. Shareholders of these so-called 'private sector' units, in fact, represent a wide cross section of public society. The recent passage of the new Companies Act into law has stripped the last vestige of even legitimate privacy from these joint-stock companies.

A Misnomer

"Furthermore, the tendency to associate the 'private sector' with the relatively few major corporate industries is itself quite wrong. The truth of the matter is that the so-called 'private sector' consists of all business activity and commercial endeavour except those few units which are operated and owned by the State. The vast range of these business and commercial interests varies from the largest industrial concerns, on the one hand, to the small shopkeepers carrying out their day-to-day trade in the bazaar, on the other, and it is all these who are denoted by the misused term 'private sector'.

"If it is necessary, as it apparently is, to differentiate within the mixed economy between those activities which are State-controlled and State regulated, on the one hand, and those which operate through the initiative of individuals, on the other, then I would suggest that a more accurate description of the two sectors would be to rename what is today called the private sector as the 'People's sector' and the public sector as the 'State sector.' Such renaming would, I feel, go a long way towards removing the unfortunate and erroneous association of ideas in the minds of the public regarding the structure of free enterprise.

"We hear also a good deal of talk these days by socialistic planners of the desirability for increasing co-operative societies. I submit that a joint-stock company is nothing but a co-operative society in the fullest sense of the term. Its capital is created by co-operative faith in its venture, its direction is provided by those who reflect in their persons co-operative choice, its factories are worked by co-operative endeavour and finally its products are sold only if there is co-operation from the consuming public. The doctrinaire socialist, who suppresses or distorts facts that do not fit in with the theories that he has imbibed during his student days, tends to brush this argument aside with the remark that a handful of shareholders cannot be described as a co-operative society. To meet this contention, I think, it will interest you to know that in the major industries in India the ratio of shareholders to workers employed is approximately as follows:

Steel	...	1 shareholder to 1 worker
Cement	...	1 shareholder to 1 worker
Textiles	...	1 shareholder to 2 workers
Electricity		10 shareholders to 1 worker

"Surely, the logical result of a dispassionate appraisal of all the facts is that the existing policy, namely, that of a constantly increasing State sector, and, by implication, a proportionately smaller people's sector, should be exactly reversed and the best interests of India would be served by the State doing only those things which the people cannot do by the exercise of their own initiative and judgment in the arena of the world market place. Can any Government truthfully say that it knows this market place better than its people know it?

"On the subject of the use of terms which come to have a meaning foreign to their purpose, one must also comment on the 'classless society' so much in current vogue. Inasmuch as this term denotes a society from which has been banished hereditary privilege and unwarranted opportunity, and means the creation of a social organisation to which each one is entitled to contribute on merit alone, its implication can only be welcomed. Unhappily, this is not the concept that is meant by those who so constantly refer to it. The type of 'classless society' which these people appear to have in mind is one in which all men are dragged down to a level of uniform poverty.

Legislative Action Will Not Succeed

"Such a society must, of necessity, be a third class society. Any deliberate attempt to abolish a class by taxation or any other legislative means will never succeed in abolishing 'class'. For, in the vaccum so created, an official bureaucratic aristocracy would emerge at once. What it would achieve would be to abolish variety, character, and those inspirational gifts which alone save a country from colourless uniformity. It is the personal vision and the difference between people that count and help towards the making of a nation. This difference of outlook must inevitably express itself in a search after varying environments. 'Class' is not a matter of money and still less is it one of social ambition. It comes from the free exercise of choice in culture, environment, and the differences which life has to offer; it cannot be 'ironed out' for the human soul does not lend itself to the process of laundry.

"It is interesting to note the revulsion which has appeared in England against the dose of doctrinaire socialism that was injected into the economic system of that country for the five years immediately after the last war. In practice socialism has meant the creation of huge irresponsive public corporations and the extension of bureaucracy. Nationalisation has not succeeded in changing the lives of the workers but has only added to the steady concentration of power in the hands of official classes. Trade unions have became the strongholds of restrictive practices, limiting not merely industrial output but, far more important, liberties of individuals and those of minorities. It has become very clear to me that what people want is, as far as possible, to be allowed to choose from a bigger selection of things—material and spiritual. The way to satisfy them is not to cut down to a common size every one else's choice. That is precisely the way to deprive the community of the flexibility, the diversity, and the incentives upon which the policy of plenty and a dynamic society must depend. The right way is to create incentives that lead to an increase in the total national product and thereby level upwards and not downwards.

Plight of Middle Class

"I would like, during the course of my talk this afternoon, to deal especially with the plight of the middle class of our country and the constantly increasing bleakness of the future which faces it.

"That the middle classes are depressed, that they are being destroyed by taxation and the high cost of living, that some Finance Minister of the Government of India must do something about it—and that none ever does; these are the truisms which have been with us ever since 1947.

"What is this middle class and whom does it comprise? I would suggest that it embraces all those people who work with their brains and derive their income from salaries and professional fees or from the active management of property, those who do most of the organising and creative and inventive work from which the nation gains its vitality. The spread of this class stretches from the clerk and salesman, at one end, to business executives and professional men, at the other. The thread which unites them is social rather than financial. The contribution which these people make come from intelligence, character and example. For the most part they do not clock in and clock out for eight hours a day, but are always on duty. They are compelle

(*Continued on page* 1071)

"GUR" AND "KHANDSARI" IN SECOND PLAN

FIRST PHASE OF DEVELOPMENT PROGRAMME APPROVED

IT is surprising that the Government of India should have taken as many as seven months to give the green signal for implementation of a development scheme for the *gur* and *khandsari* industry in twelve States during the current financial year (1956-57). The scheme envisages training of 450 workers from different States at the Central Training Centre, Kanpur, construction of improved furnaces, organisation of co-operative societies and grant of subsidy for implements, as well as for the introduction of efficient juice clarification, packing and grading. The Union Production Ministry has sanctioned grants and loans amounting to about Rs. 25 lakhs for implementing the scheme. In addition to this amount, over Rs. 4.4 lakhs are given as grants by the Centre to several States for the purpose. Now that only four months are left for the year to close, it is highly doubtful whether the States will be able to spend even this modest amount.

The above scheme is only the first phase of an ambitious programme of development drawn up for the *gur* and *khandsari* industry under the second Five-year Plan. The industry accounts for an aggregate outlay of as much as Rs. 7.0 crores which represents over 18 per cent. of the total outlay of Rs. 38.8 crores earmarked for village industries. In addition to this, a sum of Rs. 5 crores has been earmarked for the development of the palm *gur* industry. The provision made in the first Plan, it will be recalled, was a bare Rs. 1.0 crore. As in the first Plan so also in the second, the development programme aims primarily at improving the level of technical efficiency through the introduction of better equipment and processes. This is only as it should be, considering that the present process of *gur* and *khandsari* manufacture involves much waste. It is calculated that the sugar recovered from cane crushed for making *gur* and *khandsari* is only 6½ per cent., as against 10 per cent. obtained when it is crushed in factories for making white sugar. In other words, the loss of sugar is of the order of 40 per cent.

Loss for the Country

On this basis and taking the average price of sugar at about Rs. 700 per ton, the net loss for the country as a result of utilising the cane for the manufacture of *gur* and *khandsari* may be estimated at approximately Rs. 80 crores. This estimate has been arrived at as follows:

(In million tons)

Total output of sugarcane during 1955-56 ...	57.75
Less—15 per cent. used for chewing and planting purposes	8.46
Net supply available	49.29
Cane crushed in factories for making white sugar	18.68
Cane crushed for producing *gur* and *khandsari*	30.61

It will be seen from the foregoing figures that the bulk of the sugarcane grown in the country is used for making *gur* and *khandsari*, the actual share being as much as 53 per cent. The target of sugarcane production to be hit in 1960-61 is fixed at 78 million tons, a rise of 20 million tons as compared with the output in 1955-56. Excluding the 11.7 million tons used for chewing and planting purposes and 25.0 million tons to be crushed by factories for making white sugar, the balance of 41.3 million tons will be utilised by the cottage sector for producing *gur* and *khandsari*. It is thus evident that this sector will continue to be the most important means of sugarcane disposal. Incidentally, it may be noted that, as it is, the *gur* and *khandsari* industry provides direct employment to about 2.1 million persons on a seasonal basis and to 70,000 on a whole-time basis in the rural parts. The aggregate value of production is estimated at Rs. 100 crores, if not more.

In the development programme for *gur* and *khandsari* industry, the Planning Commission has done well not to lay too much stress on the quantitative aspect of expansion. For the scope for any appreciable expansion in the consumption of *gur* and *khandsari* is very limited. With the improvement in the living standards of the masses in the coming years, the enlarged consumer demand for sweetening agents is bound to be in favour of white sugar, rather than either *gur* or *khandsari*. In fact, a rise in the standard of living will, as the Planning Commission has rightly pointed out, almost certainly be accompanied by a continuous shift in the demand from *gur* and *khandsari* to sugar. The shift in the next five years is expected to be of the order of 185,000 tons. On this basis, the estimated requirements of *gur* and *khandsari* may be placed at 3.63 million tons, or 60 per cent. of the anticipated total domestic consumption of 6.05 million tons of all the three sweetening agents; the balance of 2.42 million tons represents the consumption of white sugar. Moreover, the industry offers relatively small and unimportant opportunities of additional employment. The programme, when fully implemented, is expected to provide whole-time and seasonal employment for just 25,000 more persons.

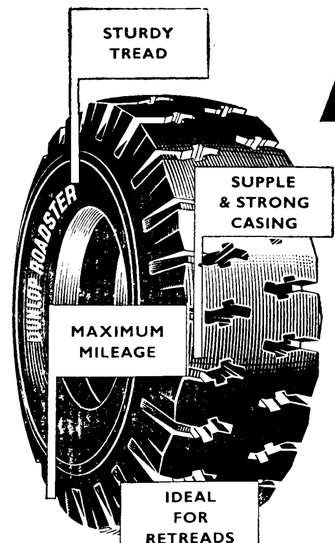
Handicaps Must Be Removed

Considering the crude and wasteful methods of *gur* manufacture, the unorganised nature of the industry, and the lack of modern facilities for stocking, transporting and marketing, it is, indeed, imperative that energetic measures should be taken to remove these handicaps. Otherwise, there is no chance of the quality of the products being improved and cost of production reduced. The Planning Commission has fully recognised this aspect, as witness its statement that efforts will be focussed on the technical side, on the introduction of power-driven crushers and improvement of pans and furnaces, and on the formation of *gur* producers co-operatives, with a view to dealing with the problems of improving the keeping capacity of *gur*, proper storage, packing and standardisation of quality. As for the *khandsari* sector, efforts will be directed mainly to research and improvement of technique. The possibility of adopting the vacuum pan process on a decentralised basis for the manufacture of *khandsari*, will, it is said, be investigated.

Of all the rural industries, *gur* and *khandsari* are perhaps the most complicated, so much so that the mere introduction of improved appliances, suitable clarificants and better types of furnaces will not solve the problem. There is a technique in every process which has to be thoroughly understood and sufficiently practised. It is this factor which imparts urgency to the need for imparting training to workers, so that operations can be performed with care and precision, in order to obtain maximum results. Further, since *gur* has great food value, it has to be properly graded and sold with suitable packing for being popularised among the middle and high income group of people. The Government of India has accordingly decided to open a number of grading stations in the States. These stations will enable the *gur* producers to reap the benefit of better quality output graded according to statutory rules. The Government has also decided to give subsidies for encouraging cane growers to use improved implements as well as for developing the *gur* industry by other means such as use of efficient juice clarificants, packing and grading.

WORLD SUGAR

Further official details of the deliberations of the International Sugar Conference held at Geneva recently are now available. These reveal that, besides accepting amendments to the World Sugar Agreement, the Conference adopted four resolutions, of which information about two is available. One of them aims at the promotion of increased sugar consumption and new uses for sugar, and recommends that the International Sugar Council should consider the establishment of a permanent committee for this purpose. The other resolution is concerned with the possibility of Japan having to import, in exceptional circumstances, more from exporting countries than their quotas under the Agreement would allow, and requests the Council to consider, as far as possible, any request from the Japanese Government in these circumstances.



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COAL SHORTAGE IN EUROPE

E.C.S.C. TALKS WITH BRITAIN

THE Organisation for European Economic Co-operation is making every effort to meet the prospective fuel oil shortage in West European countries by voluntary cuts in consumption and by entering into negotiations with the U.S. for additional supplies. In the meantime, the European Coal and Steel Community is seized of the problem and its repercussions on coal supplies to the members of the community. As it is, the consumption of coal by the six nations of the E.C.S.C. exceeds their production and this shortfall is made up by imports. The prospective shortage of oil has, therefore, made the problem of coal shortage in these nations more acute, as there will be a distinct move to substitute coal for oil.

One of the solutions to this problem suggested by the Belgian Government is that both oil and coal should be made subject to an international allocation scheme. It is contended that it would be pointless to adopt the allocation scheme to one fuel, without extending it to the other. In fact, the Oil Committee of the O.E.E.C. has suggested the introduction of such a scheme for oil and this is being studied by the countries concerned. There is, however, some opposition to the introduction of an allocation scheme for coal, as it is feared that it would mean the declaration of a state of shortage by the High Authority of the E.C.S.C. and the implementation of its emergency powers. The High Authority itself has so far been reluctant to introduce a coal rationing system. It is, however, suggested in some circles that the High Authority may be forced by circumstances to do so, as a result of the fuel shortage following the closure of the Suez Canal. It is stated that of the oil imported by the six countries of the E.C.S.C., 47 per cent. comes through the Suez Canal and 27 per cent. through the pipelines of the Iraq Petroleum Company, which are now cut off.

Aggregate Coal Output

The aggregate coal production of the six nations of the E.C.S.C. during 1955 was 246.4 million tons, while consumption amounted to 262.6 million tons. The shortfall was met by withdrawal of 3.2 million tons from stocks and net import of 13 million tons from outside countries (including gross imports amounting to 16 million tons from the U.S.). During the current year, production up to the end of October is up by 3.4 million tons, but the demand also is said to be on the increase. Imports from the U.S. have steadily increased from 5.9 million tons in the first quarter of the year to 6.8 million tons in the second quarter and 8.6 million tons in the third. In the current quarter, imports from the U.S. are expected to go up further to over 10 million tons, on account of the decline in production in Belgium resulting from loss of labour after the pit disaster in Marcinelle. In all the countries of the Community, demand is pressing on the available supplies.

The opposition to rationing of coal supplies is mainly based on the fact that supplies can be increased by raising imports from the U.S., if necessary, to 50 million tons per annum. The one possible effect of enlarging supplies from the U.S. is that it may lead to inequitable prices among the member-countries of the Pool, if Germany, France and Belgium keep the cheaper coal for themselves and the Italian, Luxemburg and most of the Dutch markets are supplied with the costlier U.S. coal. Some of the coal producers are confident that they can, if authorised, make a fairer and more flexible supply arrangement than is possible by an official allocation scheme. According to them, the shortfall in Belgian output is of the order of only 2 to 3 million tons per annum and this can be partly made up with the help of Hungarian labour now available. Even if the industries now using fuel oil convert their equipment to the use of coal, their annual consumption will not be more than 6 million tons. It is, therefore, argued that the immediate needs can be met by increasing the import from the U.S.

No Export from U.K.

The Continental countries feel that, in view of their willingness to join in the collective effort to overcome the shortage of oil, Britain also should contribute to their effort by increasing supplies of coal to them. Britain does not favour this idea, as an increase in the export of coal to Europe would have to be offset by imports from elsewhere. Such a step is considered a less economic proposition, apart from the extra foreign exchange cost to Britain, than importing the extra coal needed by the European countries direct from the U.S. Britain's short-term position is, however, considered much stronger than that of the Continental countries. Stocks in Britain now amount to 23 million tons, equivalent to 10 per cent. of a full year's consumption. There is also a view in Britain that the position is not so tight in the European countries as is made out. Technical experts are of the opinion that the changeover from oil to coal in industries has got only a limited scope and that, therefore, the coal shortage is not likely to be aggravated. The substitution would it is estimated, mean an additional annual consumption of 5 to 6 million tons in both Britain and the E.C.S.C. countries. This represents only one per cent. of their total annual consumption of about 500 million tons. It is also considered that the changeover from oil to coal in the case of steel plants would take at least six months.

The problem was, however, discussed by the Council of Association between Britain and the European Coal and Steel Community at a two-day meeting in London a few days back. It was finally agreed that the U.K. was not in a position to export coal to other European countries. The Council also agreed that the U.K. Government and the High Authority of the E.C.S.C. should keep in close touch with each other, in order to arrive at a united view in dealing with any worsening in the situation that might arise. The U.K. Government would appear to be anxious to co-operate as fully as possible with Continental countries in this matter, in view of the latter's assistance to it in meeting the fuel shortage by cuts in their consumption and other measures.

COAL AND COKE FOR SMALL INDUSTRIES

The Government of Bombay is taking adequate steps to ensure a regular and sufficient supply of coal and coke to the small-scale industries in the State. As a preliminary step in this direction, the requirements of such industries are being ascertained by the State Coal Controller, who has already addressed a circular letter to holders of wagon priorities of coal and coke and holders of coal and coke permits concerned, requesting them to fill in their requirements and difficulties, if any, in a *proforma*. Small-scale industrial units may obtain a copy of the *proforma* from the State Coal Controller, Bombay. On receipt of such information, the matter would be taken up with the Coal Controller, Calcutta, for any additional coal and coke required.

A small-scale factory for this purpose is a unit which has capital assets of less than Rs. 5 lakhs and which employs less than 50 persons, if working with power, or less than 100 persons, if working without power.

COAL PRODUCTION IN FRANCE

In an effort to make the best of its coal resources, which are often difficult to reach and are going low in places, France has maintained since 1951 a yearly output of about 57 million tons of coal, thus surpassing its pre-war record of 55 million tons, set in 1929-30. The 1953 and 1954 figures were slightly lower, due to commercial difficulties which compelled the mines to slow down their rate of production. But 1955 has been a brisk revival of demand. Yet, throughout the period, productivity, which is the true barometer of industrial progress, showed a continued increase. It is measured, in the coal-mining industry, by the underground worker daily-output, viz., the quantity of coal produced in a day by the average underground worker. Towards the middle of 1955 that quantity was equal to 3,527 lbs., as compared with 2,994 lbs. in 1952, 2,704 in 1938 and 2,165 in 1930. Or, to use another way of illustrating the progress achieved, 145,000 underground men, working an average 285 days, produced some 58 million tons in 1955, while 209,000 men working 300 days produced a lesser quantity in 1930.

PROGRESS OF KORBA COAL PROJECT

The production of coal in a pilot quarry in the Korba Project in Madhya Pradesh is expected to begin early next year. As a result of the drilling so far carried out it is possible to plan for opening of three open cast mines and one underground mine. Disclosing this, in reply to a question in the Rajya Sabha last week, Mr. Satish Chandra, Deputy Minister for Production, said that work on the underground mine was expected to be started very soon and, according to present expectations, coal would be touched in April 1957. Work on the other two open cast mines would also be taken in hand in a few months when the machinery, indented for, would arrive.

The Deputy Minister added that a team of Russian experts had just arrived in the country to study the Project Report prepared by an Indian team for coal mining in the Korba region. The team would advise generally on the mining methods to be adopted for the speedy and economic working of the mines and the type of machinery to be used.



TURNING A NEW ROLL

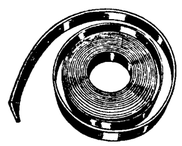
We have turned a new roll; and it has cost us three and a half crores of rupees.

To what purpose, pray ?
At the end of the rolling, we get coils of flat, steel strip—skelp, as the steel man calls it. The skelp is passed on to the Indian Tube Company, which welds it into tubes.

So what ?
Merely that steel tubes pipe up water from deep inside the earth to parched fields, helping to grow a rich harvest. In the cities, countless homes receive a protected supply of water through these pipes.

Soon, a new plant will turn out the kind of steel tubes that go into the making of bicycles. Remember also that the locomotive speeding along the track is kept going by steel tubes which hold the steam.

Tata Steel's new Skelp Mill, the first of its kind in India, has a capacity of 200,000 tons. When there is enough steel, this mill will roll all the skelp and strip the country needs.



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PLANTATION ENQUIRY COMMISSION'S REPORT ON COFFEE

REGIMENTATION OF INDUSTRY ADVOCATED

AFTER two and a half years of labour, the Plantation Enquiry Commission submitted its second report dealing with the coffee industry two weeks ago and the report was duly presented to both the Houses of Parliament on 20th November 1956. As in the case of tea, the full text of the Commission's report has not been made available to the Press. Only a summary of the report prepared by the Government has been published. Even now, the full text of the report on tea is not available. This is a very unsatisfactory state of affairs from the point of view of editors of newspapers who are expected to read such reports for commenting on them.

The Commission, it will be recalled, was constituted in April 1954 to enquire into the conditions of the three main plantation industries, namely, tea, coffee and rubber. The Commission's first report on tea was submitted to the Government in August last, while the third one on rubber is yet to be submitted. The Commission's recommendations on coffee more or less follow the pattern of those on tea. Some of them are so drastic that they amount to a strict regimentation of the industry. The official Press summary of the Commission's recommendations provides sufficient ground for the conclusion that the recommendations do not fall very much short of nationalisation of the whole industry.

Main Recommendations

The main suggestions of the Commission in respect of coffee are: (1) the creation of replanting fund to which every estate of 25 acres and above should contribute a fixed sum; (2) regulation of area under coffee according to the needs of production; (3) establishment of a warehousing corporation to take over from pool agents all functions connected with marketing of coffee, except the curing of coffee; (4) fixation by an independent expert body of the price to be paid to the producer; (5) the handling of export trade in coffee directly by the Coffee Board; (6) rational distribution of profit; (7) levy of countervailing export duty equal to the Central excise duty; (8) adjustment of excise duty on different types of coffee according to their market value; (9) collection of sales tax by the Centre; and (10) the formation of joint farming co-operative societies, with the State as a partner, by small holders.

Describing the importance of the coffee industry to the economy of South India, the Commission points out that its annual production is of the value of about Rs. 10 crores and it provides employment for over 200,000 persons. Its contribution to the Central Exchequer is about Rs. 90 lakhs by way of excise duty and Rs. 11 lakhs by way of income-tax. Besides, the States also benefit by levy of agricultural income-tax. India's position in the world coffee industry is insignificant, its production constituting only one per cent. of the total world output. The industry is sustained largely by the internal market which is also steadily expanding.

Replanting Fund

The Commission finds that a large part of the area now under coffee is too old to bear an economic crop and is due for replanting. It points out that, though the production of coffee has increased considerably during the past 15 years, the yield per acre has not shown any significant rise. In more recent years, however, the coffee growers, according to the Commission, have shown a greater awareness of the need to raise the yield, as witness the increase of 44 per cent. in the yield per acre of arabica and 3 per cent. in the case of robusta between 1950 and 1953. The Commission also draws attention to the fact that the yield in India is about 60 per cent. of that in most of the important coffee-growing countries. It has, therefore, laid great stress on the need for carrying out a phased programme of replanting. Unless this is undertaken urgently, it feels, certain coffee lands will have to be abandoned during the next ten years and this will seriously affect production. In this connection, the Commission suggests that each coffee estate should be required to lay aside every year a certain sum of money for the specific purpose of financing programmes of replanting. Elaborating its suggestion further, the Commission says:

"The Government should take steps to ensure that estates make a provision for the replanting of the area allotted to them by the Coffee Board, before they declare dividends or repatriate profits. The amount paid by each estate should be held to the credit of the estate concerned in a separate fund, called the 'Coffee Replanting Fund' by the Coffee Board. The estates may be allowed to withdraw from the fund such amounts as may be necessary for the purpose of replanting according to a programme approved by the Coffee Board.

"The fund should be used only for replanting. Necessary legal powers will have to be taken by the Government to compel each estate to contribute to the fund. The scheme may be applied, in the first instance, to estates of 25 acres and above. Contribution to this fund should be allowed as an admissible charge for the purpose of computing agricultural income-tax. The Coffee Board should have development staff for this purpose distinct from its advisory service."

High Dividends

The Commission finds that coffee planting companies have distributed very high dividends, ranging from 20 per cent. to 30 per cent. on inflated capital, raised by capitalisation of reserves, and have not made sufficient provision for replacement of fixed assets which consist mainly of coffee trees. Despite the large profits made by the industry, its internal resources have not been sufficient to meet the present replacement costs. The Commission feels that companies should have followed a more prudent policy in the distribution of dividends and conserved a larger part of their profits. It, however, hopes that they will adopt a more prudent policy in future and put by larger funds for financing schemes of development.

The second recommendation relating to this subject is that the Coffee Board should be invested with powers for regulating the extent of area under coffee in relation to the needs of production. In this connection, it points out that only 53 per cent. of the area owned by the estates is actually cultivated with coffee. About 15 per cent. of the reporting area is suitable for coffee cultivation, but is not yet planted. The Commission has also recommended that necessary amendments in the Coffee Act should be made to vest powers in the Board for licensing coffee production.

An extensive analysis of the primary marketing of coffee has brought the Commission to the conclusion that the present agency system for pooling of coffee has given rise to certain unfair practices. Though it is conceded that all the pool agents do not indulge in such undesirable methods, the Commission is, nevertheless, of the view that any system which provides scope for possibilities of such abuse is not a sound one and should be changed. It has, therefore, suggested that the agency functions performed by pool agents should be taken over by a warehousing corporation under the ægis of the Coffee Board, leaving the curing to the existing agents. The Corporation will be responsible for ensuring that the coffee it receives for storage bears the quality marks given by the grading inspector before it leaves the curing house. It will effect deliveries against supply orders issued by the competent authority. If the existing pool agents are not willing to undertake curing alone, the Corporation should set up its own curing organisation as a separate department.

Cost of Production High

The Commission has discovered that the cost of production of coffee has been rising since 1950, especially the cultivation and general charges. The overall increase in expenditure between 1950 and 1953, according to the Commission, is partly due to greater expenditure on manuring, spraying and pests control. Commission to managing agencies and directors, it says, is a big item of expenses for companies under managing agencies. "These higher costs," it adds, "lead to the fixation of higher basic release prices by the Coffee Board and, due to the sheltered market for Indian coffee, these higher costs have a tendency to be passed on to the Indian consumer in the shape of higher selling price." The Commission has, therefore, recommended that an independent expert agency should estimate the cost of production of various types of coffee in a most scientific manner. The agency should standardise forms for cost of production returns by estates.

At the same time, the Commission suggests that the independent expert body should fix the price to be paid to the producer. This body should be appointed by the Government and should not be a "grower-dominated" one. The Commission wants this body to fix the basic price on the basis of cost *plus* return to the grower in consultation with the representatives of the latter. Referring to the present system of valuation of coffee as F.A.Q. (fair average quality) with *plus* and *minus* points, according to quality, the Commission says:

"There is a case for investigation whether this valuation was properly done. The responsibility for assessment should be on a committee of the Board which should contain representatives of both sections. The basic price for different types of coffee need not be based on an integrated differential scale based on a basic price for arabica. It could be based for each type of coffee on its cost *plus* return on investment. The price so arrived at shall be the basic price for fair average quality of each type of coffee. Prices for grades and quality will be related to this price. The pool release price will be derived from this basic price for each type of coffee."

Creation of Two Funds

In regard to the distribution of sale proceeds to the growers, the Commission suggests that exports of each type of coffee should be valued at the prevailing internal auction price. This value and the amount realised on internal sales of each type of coffee shall be pooled together and distributed according to the points assessed for producers of each type of coffee on the basis of grades and quality. The surplus realised in export sales, that is, the actual value realised less the calculated value for exports on the basis of internal auction value, should, the Commission recommends, be set apart in equal proportions for a "price assistance fund" and a "consumer subsidy fund." The former fund should be utilised for making up the loss in times when the Board is unable to pay the basic price, based on cost *plus* return, from the amount realised by sale of crop. The other fund is to be utilised for subsidising the internal retail sales, that is, for enabling the Indian consumer to get coffee at reasonable prices. The Commission suggests that the "surplus" income resulting from a gain in weight of coffee in storage as a consequence of absorption of moisture during storage should also be credited to the above funds.

The Commission has no doubt made some suggestions for promotion of exports. Among these are: (1) the high quality of coffee earmarked for export should be kept up; and (2) more of this quality coffee should be produced and made available for export. Perhaps, the most important of the Commission's recommendations is that the export trade should be undertaken directly by the Coffee Board. The Press summary of the report does not give any reasons for the suggested change in the handling of the export trade. The export of coffee, the Commission says, is at present "concentrated in the hands of a few non-Indian firms," and the export sales should be dealt with by a separate department of the Board.

Analysing the trend of profits from 1946 to 1953, the Commission says that the percentage of gross profits to total capital employed, as well as gross sales, has been very high. It points out that, in the case of sterling companies, the percentage has gone up from 12.6 in 1946 to 29.4 in

(*Continued on page 1054*)

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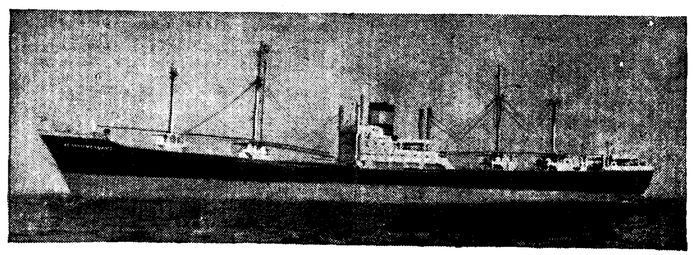

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ROLE OF FUNDAMENTAL RESEARCH IN IRRIGATION

ADMINISTRATIVE POSTS SHOULD BE MANNED BY TECHNICIANS

THE vital importance of fundamental research in irrigation and the benefits of appointing engineers in chief administrative posts in departments connected with public works were stressed by Mr. S. L. Malhotra, Chief Engineer, P.W.D. Irrigation Branch, Punjab, in the course of his presidential address at the annual meeting of the Central Board of Irrigation and Power, held last week at Bombay. Inaugurating the meeting, the Governor of Bombay, Mr. M. C. Chagla, praised the work of Indian engineers, some of whom were the "best in the world." He exhorted the engineers to work for the attainment of self-sufficiency in food through construction of irrigation works and prevention of floods.

During the past 30 years of its existence, the Central Board of Irrigation and Power has done considerable service in the cause of the profession. As Mr. Malhotra pointed out, it brings together the highest talent in the land and provides a forum for intelligent discussion of technical advances. Its research sessions, which are held annually in different parts of the country, contribute considerably to the pooling of knowledge and exchange of technical information. The Board also collaborates with research work carried out by other national organisations, such as the Indian Council of Agricultural Research, Council of Scientific and Industrial Research, Central Road Research Institute, Central Building Research Institute, Central Board of Geophysics and many academic bodies affiliated to universities. The Board also functions as the national committee for the International Commission on Large Dams, International Commission on Irrigation and Drainage, International Association for Hydraulic Research and other international organisations. Its activities include co-ordination of research, maintenance of a library and collection and dissemination of knowledge on irrigation and allied subjects.

In the course of his address, Mr. Malhotra discussed the question of appointing technical men in administrative posts in the Public Works Departments. He pointed out that the question had been repeatedly examined and the verdict had generally gone in favour of having chief engineers as secretaries to the Government in these departments. He recalled that the Irrigation Commission, which had examined the question in 1903, had advocated the wider adoption of the practice of appointing chief engineers as secretaries of these departments. If a chief engineer were the secretary of the Public Works Department, he would be better able to initiate and pilot engineering schemes. He would be able to deal with the schemes in a "clear and convincing manner," thanks to his intimate knowledge of the subject. So far as non-technical aspects were concerned, Mr. Malhotra said, the Finance Department already exercised considerable control over the Public Works Department, so that the "introduction of a layman-secretary does not improve matters." He recalled, in this connection, Mr. Nehru's general observations on this subject. Addressing the National Development Council, Mr. Nehru said: "I think that scientific and technical personnel should be introduced not only in technical processes but in administration also." After commending these words to the attention of his audience, Mr. Malhotra said:

"The problems of today are problems of science and technology. We have, therefore, to attract the first-rate intellect of the country, to tackle them; otherwise, we may be failing in fully mobilising our natural resources for the welfare of our people. When in technical work non-technical intermediaries intervene, the technical talent feels hurt, and in course of time, gets shy of bold action. Authority brings forward initiative, enterprise and drive. Subjugation of intellect leads to thwarting of talent, to frustration and to a general feeling of despondency. It is with that conviction that responsible engineering organisations in the country have repeatedly represented that not only the technical personnel should be allowed to handle the administration of their departments at Government level without interference from non-technical intermediaries, but that the technical and scientific services should also be upgraded and brought in line with other administrative services. We are happy to find that our Prime Minister subscribes to our views. We do hope that there will soon be implementation of his directives and the existing unwholesome non-technical control of engineering departments at Governmental level will have ended, before long."

There is no doubt that, in purely technical departments like the Public Works Department, it would be a great gain to see that they are placed under the charge of technical men. Thus, the atomic energy establishment in India has gained much through its being in charge of a renowned scientist, Dr. Bhabha. Public Works Departments should be able to do their work more expeditiously if they were manned by experienced engineers at all important levels of administration. If it is nevertheless felt that a non-technical man with special administrative talents should also be associated with the running of these departments, a compromise solution is the one suggested by Mr. Chagla, namely, the appointment of a non-technical man as a joint secretary to the departments, that is, in addition to having a chief engineer as secretary.

Mr. Malhotra did well to bring out the importance of fundamental research in irrigation. He deplored that lack of knowledge of some of the basic characteristics of hydraulic phenomena, behaviour of soil and proper utilisation of construction materials had often "handicapped the progress of our designs and even the pace of construction." It would appear that some of these problems had to be referred to foreign laboratories because the necessary research facilities were not available in India. More recently, however, the Central Board of Irrigation and Power has undertaken to direct fundamental research for which purpose special allotment has been made in the second Plan. Now that this country has embarked upon large constructional works—some of the works to be included in the third Plan are believed to be more intricate and elaborate than the earlier ones—it is essential that facilities for fundamental and applied research in irrigation and allied subjects should be improved and extended.

OIL PROGRAMME

The Union Minister for Natural Resources and Scientific Research, in the course of his speech at a meeting of the Consultative Committee of the Congress Parliamentary Party, held last week at New Delhi, stated that he was looking forward to a total production of seven million tons of oil in India by the end of 1961, as against the present output of 400,000 tons and estimated consumption of four million tons. Mr. Malaviya stated that the Government proposed to spend Rs. 30 crores for oil exploration in the Second Five-year Plan; a programme involving an expenditure of Rs. 9 crores over the next two years had been approved. The programme of work in the next two years would include structural drilling in Kangra district of the Punjab which would be started very soon. In Jaisalmer, Mr. Malaviya said, some foreign geophysical experts will be associated with the drilling operations. A French party would arrive in India in the next few weeks to negotiate with the Government in regard to the terms of their participation. The Government would also start structural drilling in Cambay in Kutch. But the arrival of drilling machinery, he said, had been delayed because of the Suez crisis. The Minister stated that the Government was also going ahead with the organisation of Oil and Gas Commission at Dehra Dun. Some of the consultants in the Commission would be Russians. In West Bengal, where the oil exploration was undertaken by the Stanvac Company, the programme was going according to an agreed schedule. In Assam, too, work was going on satisfactorily. The Committee appointed for investigation of a suitable site for oil refinery, he said, would shortly submit its report.

It may be mentioned, in this connection, that a Press report from Calcutta avers that oil has been struck in the new oilfield in Moran area of the Assam Valley. Drilling for a second well in the same area is expected to commence soon. In Nahorkatiya, 20 deep wells have now been completed and tests on the 21st well are in progress. It is estimated that the Nahorkatiya oilfield alone can produce 2½ million tons of crude oil in a year, which is the equivalent of about 700 million gallons, for 20 years at least. There will also be 45 million cubic feet of gas daily. This volume is equivalent to more than 500,000 tons of fuel oil.

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SHORTAGE OF TANKERS

Due to the uncertain international situation and the blocking of the Suez Canal, which are expected to increase sharply the pressure on shipping space and consequently take the freight rates higher up, sellers of second-hand vessels have become practically scarce, according to reports of ship sales and purchase markets in London. The owners of standard type ("Liberty," "Victory," etc.) vessels, who were previously in the market for selling their vessels are reported to have withdrawn from the market. They are now reported to be reassessing the values that their ships might fetch in the changed circumstances of international tension. A boom in charter rates and ship prices, similar to that witnessed during the Korean war, is being talked about and tentative price indications of a "Liberty" are around £600,000 (about Rs. 80 lakhs), which was the highest price touched during the Korean boom. The tramp freight rates have already reacted sharply to the international situation. Last week, a rate of 84s. per ton, it was reported, was paid in New York for a single coal voyage from the U.S. to the Continent, which was a jump of 10s. or 14 per cent. per ton, in the matter of five or six days. Indications are that the rate would soon move upto 90s.

INSURANCE FOR DURGAPUR STEEL PLANT

The biggest example of a single insurance, perhaps unique in the whole history of insurance, to cover a complete project, is provided by the joint insurance taken out by the Government of India and the Indian Steelworks Construction Company covering the giant Durgapur integrated steel works project in West Bengal. One of the largest Contractors' All Risks Insurances ever to be placed, this new insurance, taken under the conditions of the contract agreed to by the Government of India and the Indian Steelworks Construction Company, will give cover for £100 million.

The Indian Steelworks Construction Company, which is a consortium of 13 British companies, is entrusted with the construction of the Durgapur steel works. The work on this project has already begun with the signing of the final contract on 31st October by the agreeing parties. As could be expected of any such large project involving a huge capital outlay, wherein adequate insurance to cover all risks should, of necessity, come as a natural corollary, many British insurance companies, including Lloyd's, and Indian insurers, are participating in the risk. It is understood that practically the entire London market is involved in one way or another, either by way of insurance or reinsurance.

DIESEL-ELECTRIC SHUNTING LOCO

A Diesel-electric shunting locomotive of new design, for heavy use, has been developed by the Yorkshire Engine Company, Ltd., Sheffield. It is being made in two models, one of 200 h.p. the other of 400 h.p. The machines are fitted with Rolls-Royce Diesel engines and British Thomson-Houston transmission equipment, and they are complementary to each other in that the power equipment of the larger model duplicates that of the 200 h.p. model. The larger model has a weight of 48 tons and a wheelbase of 11 ft. Its starting tractive effort is 30,000 lbs., and at a continuous rating speed of 8 m.p.h. has a tractive effort of 13,100 lb. Maximum permissible speed is 23 m.p.h. Two sets of power equipment are arranged, one on each side of the central driver's cab, and they are linked to one set of controls for multiple working. Should one power set break down—or for light-duty working—the locomotive can be worked effectively on the other set. The 200 h.p. models of the new design are built in 0-6-0 and 0-4-0 types, weighing 30 tons. They have a maximum tractive effort of 18,000 lb. and a continuous tractive effort of 7,400 lb. at 7 m.p.h.

The trials of the s.t. *Brikodar*, which is the fourth among a series of seven tugs that are to be delivered to the North Eastern Railway by Hooghly Docking and Engineering Company, Ltd., were successfully completed on 20th November at the measured mile on the river Hooghly near Garden Reach.

The second steam tug to be entirely built in this country, the s.t. *Brikodar*, will be used by the North Eastern Railway to haul goods across the Ganga at Mokameghat. It is 159 feet in length and is powered by reciprocating steam engines developing 850 h.p. at 200 r.p.m. The main castings of its engines were carried out by the Indian Iron and Steel Company, Ltd., at their works at Kulti. The rest of the work on the engines and boilers, and the assembly and fitting out of the vessel were completed by Hooghly Docking and Engineering Company, Ltd., who are the first manufacturers of steam tugs in India.

NEW PRODUCTS AND PROCESSES

Instrument for Geological Survey

A BATTERY-OPERATED instrument designed for geological surveying, mapping, and prospecting for radio-active ores and for the examination of mine workings has been developed in conjunction with Britain's Atomic Energy Research Establishment. When the instrument is used in conjunction with the associated beta probe unit, assay work can be carried out in the field. The equipment, by Ericsson Telephones Ltd., of Beeston, Nottingham, is known as the "1368" Field Ratemeter. The instrument is a particle counter which incorporates a junction-type transistor and four Geiger-Muller tubes. The counter rate is shown on a 50-microampere indicating-meter calibrated in milli-Röntgens per hour. Five ranges available in the instrument cover count rates of 0 to 25 milli-Röntgens per hour. An accuracy of either 10 per cent. or 2 per cent. can be chosen by operating a selector switch, and the speed of response of the instrument depends on the accuracy chosen. The power supplies are all derived from three 1.5V torch cells, and a stabiliser ensures that the instrument is not affected by changes in battery voltage between 3V and 4.5V. The beta probe unit obtains its power supplies from the Ratemeter through a 6 ft. cable. It is used for making assays of radio-active ores, and for the detailed examination of rock facings and mine workings which are inaccessible to the Ratemeter operator. The total weight of the equipment is 28 lbs., which includes the Ratemeter, probe unit, with extension handle, headphones, sample holders, filling-funnel for assay work, tools, spare parts, and canvas haversack, the complete supply being contained in a lightweight-alloy suitcase. The Ratemeter itself weighs 8½ lbs.

All-synthetic Rubber Tyres

The first automobile tyres made in the United States entirely of synthetic rubber were recently produced by the Esso Research and Engineering Company in New York. The new tyres are made of butyl, a synthetic rubber created from oil refinery gases. Passenger car tyres now in use consist of a synthetic rubber known as GR-S, plus a lesser amount of natural rubber. Butyl is the material from which practically all automobile inner tubes have been made since World War II. Its air-holding properties are said to be about 10 times better than those of other types of rubber, whether natural or synthetic. Intensive road and laboratory tests have shown that the new all-butyl tyres have several advantages over other tyres currently in use, according to the manufacturers. These include immunity to atmospheric or chemical attacks which cause other rubbers to crack, smoother riding qualities, and a low noise level. The butyl tyres do not "squeal" when rounding corners, according to the company. Esso Research said that road tests show that the all-butyl tyres stop much quicker than GR-S and natural rubber tyres on both wet and dry pavements. The company credits much of the success in developing the new tyres to the perfection of a butyl latex. This permits for the first time the bonding of butyl rubber with tyre cord on existing plant equipment. Butyl was invented in 1937 by William J. Sparks and Robert M. Thomas of Esso Research, which is a scientific affiliate of the Standard Oil Company of New Jersey. Since that time more than $13,000,000 has been spent on its research and development. An Esso spokesman said that two large tyre companies are interested in the new tyres. Several companies have been approached with the intention of starting tests on the tyres for possible use as original equipment on new cars.

Improved Soft Solders

Research on the development of new soft solders of improved performance, which has been carried out by the Battelle Institute for the Tin Research Institute, has led to the development of a number of new tin-led alloy solders which have unusually long life at temperatures of the order of 223 degrees Fahrenheit. The performance of these solders (which have a high tin content) at high temperatures can be improved, the experiments have shown, by the addition of small quantities of germanium, nickel, or cerium. The addition of low concentrations of zinc, bismuth and antimony is also, it is claimed, beneficial. The potential importance of the new solders lies in their use for soldering car radiators where operating pressures of the order of 16 pounds per square inch are used. Higher operating temperatures are experienced in such high pressure radiators than occur in conventional car radiators.

Electrified Wire Equipment

Electrified wire is being increasingly used for fencing off meadows, since compared with the use of barbed wire less than half the number of posts are required which can, moreover, be thinner. A factory Philips N.V. at Eindhoven the Netherlands, producing electric and electronic products and equipment has manufactured an electronically-operated live wire equipment, which conforms to the new international safety specifications and is perfectly safe for man and beast. This equipment is of a simple, sturdy design, without moving parts or accumulator; it is connected to the lighting circuit and gives very powerful electronically-excited shocks. The case is weatherproof, and the equipment calls for very little maintenance. The electric fence insulators made by the same concern provide efficient and reliable insulation under all temperature and weather conditions.

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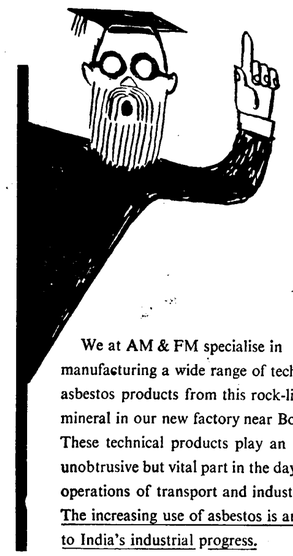

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AWARD IN CALCUTTA PORT DISPUTE

TRIBUNAL HOLDS HARBOUR MASTERS' ACTION AN AFFRONT TO COMMUNITY

SEVERE structures were passed by Mr. F. Jeejeabhoy, the sole member of the Industrial Tribunal which investigated the dispute between the Calcutta Port Commissioners and the Assistant Harbour Masters, on the latter's behaviour and attitude towards authorities. Referring to the *en masse* resignation of 24 Assistant Harbour Masters after the constitution of the Tribunal with the object of "forcing" the authorities to accept their claims, Mr. Jeejeabhoy said that the action was an affront to the community and had caused damage "to the discipline of public service which one expects from officers entrusted with such responsible duties."

It will be recalled that the Assistant Harbour Masters did not accept the recommendations of the Lokur Committee which submitted its findings in February 1955. Nor were they satisfied with the decisions taken by the Government in March 1956. The Government thereupon appointed the Tribunal on 30th August, to determine how the Lokur Committee's recommendations should be amended or supplemented generally and with special reference to the scale of pay and period of service required to reach the maximum of the scale, the payment of overtime work and the basis of its computation and the claim for all acts of mooring and unmooring. On 1st September 1956, the majority of the Assistant Harbour Masters gave seven days' notice of strike and on 6th September they sent letters of resignation. Following certain negotiations, they returned to work on 10th September.

Night Fees

In the course of his award, Mr. Jeejeabhoy said that he agreed with the Lokur Committee's view that no further night fees should be granted; the night fees paid previously had been consolidated into the basic salary when that salary was raised from Rs. 650 to Rs. 800 in 1951. In this connection, he pointed out that a summary of the work done by the Assistant Harbour Masters showed that there had been a substantial reduction in the work done by them from 1952 to 1955. He felt that they had plenty of home life and leisure within the nature of their calling. He disallowed the claim for a special night allowance in addition to the present basic salary range of Rs. 900 to Rs. 1,750. It seemed to him that the officers had been very well treated not only in the matter of salary scales but also in the matter of their allowances and benefits. There must be few services, he observed, in which a new recruit at an early age was able to secure a starting emolument of Rs. 1,405 and reach the maximum in a period of 16 years and 4 months, in addition to which he was allowed two schemes of provident fund, one of which was contributory bearing a fair rate of interest. It was also to be noted that the conveyance, uniform and messing allowances were free of income-tax. Mr. Jeejeabhoy, however, accepted the claim for fees for mooring and unmooring operations for which the Government had already offered to pay Rs. 20 for each such operation.

In conclusion, Mr. Jeejeabhoy felt compelled to take "serious notice" of the action of the Assistant Harbour Masters in going on a strike even after the reference of the dispute to adjudication. He could understand a poor workman living on the margin of poverty having to go on strike as a last resort to better his state of living but it was astounding that officers who, on appointment, drew straightaway a total emolument of Rs. 1,405 and on reaching the top of the scale, Rs. 2,090, should cheaply indulge in a strike for small allowances on which the Government after full consideration, had given a decision, and for which the Government, had gone out of its way to appoint a Tribunal. He observed that nothing could be more deleterious to discipline than that class I officers so highly placed should have even thought of going on strike. It was legitimate for them to make representations, but in a restrained manner and not in the language which they used. But it was never legitimate for them to press such claims in a manner which constituted blackmail of the community. When an officer of the category of Assistant Harbour Master applied for the post which he was given he became a servant of the public, and the public which sustained him naturally expected from him the duties and obligations which he implicitly undertook by the very terms of his appointment.

The Assistant Harbour Masters, as public servants, Mr. Jeejeabhoy said, should have realised that upon the appointment of a Tribunal, they had secured a constitutional means of redress, and they must have also known that if they struck work after a Tribunal had been appointed, they would be committing an illegal act. When, therefore, these Assistant Harbour Masters after the constitution of the Tribunal went on strike for their small grievances, and sent in resignations *en masse* with the object of forcing Authority to accept their claims, they were doing something which was an affront to the community; their action had done damage not only in terms of money, but to that discipline of public service which was expected from officers entrusted with such responsible duties. They must consider themselves fortunate that they had been helped to retrieve an untenable position, for, if the Government had been forced to take action against them under the Essential Services Ordinance, it would have meant grave harm to themselves and their families and their Master Mariner's Certificate, if tainted, would have had a very depreciated value.

There is no doubt that officers who hold a key position in an industry or service owe a special responsibility to the public and should not take the law in their hands. Further, if highly-placed officers themselves resort to strike, it will only encourage the subordinate employees to rise in revolt against established authority. After all, indiscipline is infectious to a degree. From this point of view, Mr. Jeejeabhoy did well to emphasise that it was a standing dictum of the Labour Appellate Tribunal that, while it would do its utmost to see that justice prevails as between the parties before it, it would never countenance, much less encourage, acts of indiscipline—a dictum which has been consistently followed and applied and recently upheld by the Supreme Court.

RISE IN U.S. PRODUCTIVITY

Two new U.S. Labour Department reports show how men and machines are co-operating in an attempt to keep U.S. productivity on an upward spiral. One study said output per man-hour of basic steel industry production workers rose in the eight-year period 1948-55 by a total of 28 per cent. The other study, dealing with the impact of installation of automatic machinery in a large city bakery, said more output per man-hour was accomplished "with a minimum of friction to the workers as a result of favourable employer-employee relations." Similarly, the Labour Department said that while better equipment and more modern production methods influenced higher steel industry productivity, "human factors, also, have influenced the productivity trends."

"Unions and management," the steel study said, "have helped achieve better pay scales, pension programmes, increased leisure, and machinery for resolving grievances. Production per man-hour has increased through the effort, skill, organisation, and application of both management and labour." It added: "Adoption of technological improvements has been facilitated by a work force with ability to learn, change and adapt, and by management willing to experiment and invest in new machinery and research." While the annual basic steel productivity rate of increase averaged 2.9 per cent. over the eight-year period 1948-55, it varied widely from year to year. The increase was sizable at 9 per cent. in 1950, but productivity declined by 2.5 per cent. in 1954 and rose to 11 per cent. in 1955. The study said steel productivity was affected by changes in volume of operation due to the fluctuating business cycle. Generally, the more fully steel plants were utilised, the more efficient and productive was their operation. Output per man-hour was defined as the ratio between labour time consumed and the number of products produced. The department said many factors can change the ratio, among them efficiency of machines, rate of operation, flow of material and parts, worker skill and effort, management efficiency, and status of management-labour relations.

The bakery, the other study explained, consolidated a number of scattered plants into one modern unit where bread is baked by push-button methods. The study said that by advance planning the bakery management and its labour union made the conversion work. "From the standpoint of the company," the study said, "the effort to modernise, on the whole, has been successful. Capacity has been enlarged. Unit labour costs have been reduced although wages have risen steadily. Losses due to wastage and spoilage have been reduced." It added: "So far as the workers are concerned, the consensus, expressed through the local union president, was that the result of the changes, on the whole, were advantageous to them. The union and the company take pride in the orderly transition that well-established collective bargaining made possible." Both studies were made by the department's Bureau of Labour Statistics.

MUNICIPAL WORKERS

The Supreme Court held, in a case arising out of an appeal by the Baroda Borough Municipality, that the workers employed in a municipal department engaged in the supply of electric energy were not entitled to claim bonus out of the surplus earnings in that department. The case of workmen employed in the electricity department of the Baroda Municipality, who had demanded bonus out of the surplus earnings in that department, was first heard by the Industrial Labour Tribunal, Bombay, which rejected the claim of the workers. The Tribunal rejected the claim for bonus, because among other reasons (1) the Municipality was not a profit-making concern, (2) the balance of earnings over outgoings could not be treated as a "profit" in the business sense of that word, (3) the Municipality consisted of both earning and spending departments and it was not permissible to create an invidious distinction between the different employees of the Municipality by granting bonus to workmen in one department only. The Labour Apellate Tribunal, Bombay, however, upheld the workers' claim and thereby reversed the Industrial Labour Tribunal's judgment. The Supreme Court has now reversed the judgment of the Apellate Tribunal.

Mr. Justice S. K. Das of the Supreme Court, delivering the judgment, stated that it was clear to them that, having regard to the provisions of the Bombay Municipal Boroughs Act, 1925, under which the Baroda Municipality was constituted, the earnings of one department could not be held to be gross profits in the ordinary commercial or trading sense; nor could the principles governing the grant of bonus out of such profit after meeting necessary or prior changes be applied to the present case. Considering the question with reference to the facts of the present case, His Lordship said, it was clear to them that the different activities of the Baroda Municipality constituted one integrated whole and the activities of the different departments of the Municipality were not distinct or unconnected activities so as to permit the isolation of one department from another or of an earning department from a spending department. From this point of view also, the claim to bonus was not maintainable.

For these reasons, the Court came to the conclusion that the Industrial Tribunal had come to the correct decision and, accordingly, allowed the appeal and set aside the order of the Labour Appellate Tribunal. Rebutting the contention of the employees that the maintenance of separate accounts by the Municipality showed that it did treat the income of the electricity department separately from that of the other departments, Mr. Justice Das said: "The maintenance of separate accounts of a particular department of the Municipality does not alter the nature or quality of the property or income therefrom. The property or income is still municipal property within the meaning of the Municipal Act. Maintenance of separate accounts for a particular department is in the nature of an internal accounting arrangement."

DOCK STRIKE IN U.S.

The U.S. President, Mr. Eisenhower, has invoked the national emergency provisions of the Taft-Harley Act in a move to end the Atlantic and Gulf-coast longshoremen's strike which has paralysed shipping in the U.S. eastern coast. Mr. Eisenhower, in an executive order, said that the strike, if continued, would, in his opinion, "imperil national health and safety." He has appointed a three-man board of enquiry for investigating the dispute.

It may be recalled that the dock workers in all East Coast and Gulf ports went on strike on 16th November, following the breakdown of negotiations between the shipping companies and the International Longshoremen's Association. The most controversial issue which remained unsettled was the demand for a guaranteed eight-hour day. The employers had offered only a four-hour guarantee for any man called to work any day. Both sides, however, had made valuable concessions on other issues. The Union reduced its original 52 demands to 20, while the employers offered to give an increase of 32 cents an hour in wages under a three-year contract and two paid holidays to men working 28 hours in a holiday week. The Federal mediators failed to effect a settlement of outstanding issues. The strike, which followed the breakdown of negotiations, affects 60,000 longshoremen and is reported to be the most wide spread in U.S. history.

PROVIDENT FUNDS ACT

A Bill to amend the Employees' Provident Funds Act so as to extend it to plantations, mines and commercial establishments employing 50 or more persons has been introduced in the Lok Sabha. The Bill also seeks to empower the Government to extend the Act by a notification to specified establishments employing less than 50 persons. A proviso lays down that the Government should give at least two months' notice before notifying such an extension. It may be mentioned here that the original Act applied to factory industries only and was recently extended by a notification to 17 factory industries in addition to the six industries to which it had been applied in the first instance.

During the month of July 1956, the total time-loss due to industrial disputes was of the order of 525,000 man-days or 7 per cent. higher than in the previous month. The number of fresh disputes arising during July 1956 was 79, involving 62,524 workers.

MYSORE TOBACCO COMPANY, LIMITED

SPEECH OF MR. M. H. PARTHASARATHY AT NINETEENTH ANNUAL MEETING

ROLE OF TOBACCO INDUSTRY IN SECOND FIVE-YEAR PLAN EMPHASISED

ADDRESSING the shareholders of the Mysore Tobacco Company, Ltd., at their Nineteenth Annual General Meeting held at Bangalore on 27th October 1956, Mr. M. H. Parthasarathy, M.Sc., Chairman of the Company, pointed out how the tobacco industry could play a great part in furthering the aims and objectives of the second Five-year Plan. The extension of tobacco cultivation and expansion of production, he said, would not only improve the economic condition of the ryots but also open out employment opportunities for a large number of people.

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

"GENTLEMEN,

"I have pleasure in welcoming you to this nineteenth annual general meeting of the Company.

"The directors' report and the audited accounts have been in your hands for some time. With your approval, we shall take the notice convening the meeting, the report of the Directors and the accounts as read.

"You may all be aware that I took over charge of the duties of the Chairman and Managing Director of this Company from Sri T. Shamanna, I.A.S., on 28th December 1955 on account of his transfer to Bhadravathi as Vice-Chairman of the Mysore Iron and Steel Works. Your Directors have placed on record separately their appreciation of the valuable services rendered to the Company by Sri T. Shamanna, during his term of office.

Accounts

"The accounts in your possession give a comprehensive picture of the financial results of the Company's trading during the year under review and I believe you will regard these results satisfactory. Before moving the adoption of the Directors' report and the audited accounts, I would like to make a few observations on the tobacco production.

"As you may be aware, 'tobacco,' which was introduced into this country towards the end of the sixteenth century, is now grown in over nearly 9 lakhs of acres. India today stands third in the world, next to the United States and China, in tobacco production. The annual output to all varieties is in the neighbourhood of 555.5 million pounds. In Mysore, we have nearly 10,000 acres under Virginia tobacco.

Highly Specialised Industry

"Tobacco production has become a highly specialised industry requiring greater technical skill in cultivation and curing. The commercial value of the leaf depends on the combination of different elements of quality, such as leaf size, thickness, elasticity, burning quality, body and aroma and our aim has all along been the production and supply of quality leaf not only to obtain highest returns for ourselves but also to produce such type of leaf that our buyers are most interested. Though the successful production of tobacco is dependent to a large extent on the favourable seasonal condition, certain features of culture have important effect on the quality of tobacco production. The choice of the seed, the most suitable type of soil, the rotation, spacing of plant in the field, spraying for control of diseases and pest, topping, suckering, and methods of harvest, curing and handling are important factors in the production of quality leaf and you will agree with me that, in any effort at improvement of quality, the first emphasis is rightly to be placed on the cultivation of the type of green leaf required for our purpose of curing and its timely harvest. Your Directors have taken necessary action to provide technical and material aid to the suppliers of green leaf, with a view to improving practices in the fields of our Company's growers. However, both the green leaf grower and the cultivator-*cum*-curer face a number of problems. Of the many problems, it may be mentioned that pest and diseases still remain the major factors affecting the industry, inasmuch as they reduce both the quantity and quality of production.

"I wish to say that in the development of the industry, there is need for more scientific information for solving practical problems of the ryots and its extension to the field and education of the ryot in improved techniques of production. As you are all aware, these programmes have been included in the expansion of research in the second Five-year Plan and your Directors have fully realised and are exerting to see that greater production of quality leaf is produced.

"By a perusal of the balance-sheet of the Company under review it may be noticed that the total sale realisation during the current year reached the highest target ever reached during the lifetime of the Company and the gross profit also has been good.

"It is gratifying to report that the uneasy conditions that prevailed during the past two or three years when we had difficulty in disposing of our low grades, has been overcome. This year, we have not been left with even a pound of previous year's tobacco which has not been sold.

Expert Opinion Available

"I am also glad to report that it has been the privilege of the Company to obtain expert opinion in the matter of curing, grading and marketing, from our esteemed customers, the Indian Leaf Tobacco Development Company, Ltd. I will be failing in my duty if I do not make reference to the appreciative efforts of Mr. W. E. Nicholson, who was till recently a Director of the Indian Leaf Tobacco Development Company, Ltd., and who, on retirement, has sailed to England. I am very happy that Mr. E. G. Willis, who has succeeded Mr. Nicholson, comes with extensive experience and knowledge of tobacco business and I hope that he will continue to extend his co-operation to our Company, in the years to come.

"I am also happy to report that the policy of extending help to the curers who want to put up their own barns and supply cured leaf to the Company is being continued. In fact, it was possible for us to acquire larger quantities of cured leaf during the year ended 31st March 1956 than in the past, on account of the co-operation extended by the private curers to this Company.

Grading Station

"In order to facilitate the handling of the cured leaf obtainable from the Goribidnur area where we have a big clientele of private barnholders, your Directors have already taken up the erection of a grading station, where, in course of time, it may be necessary to put up a redrying plant.

"I may also mention here that the quantitative supply of cured leaf in the private sector during the current year is as good as ever, in spite of adverse seasonal condition.

"The management and employees have maintained good relationship throughout the year and it was possible to improve the pay scales of the employees by granting weightage to their service. It is hoped that, with the improvement in their working conditions, the employees will exert more to improve the efficiency of production.

Great Part to Play

"The tobacco industry has a great part to play in furthering the aims and objectives of the second Five-year Plan. The extension of tobacco cultivation into new areas in National Extension Projects and expansion of production would improve not only the economic condition of the ryots of the region but also open out employment opportunities to a large number of people and help the solution of underemployment and unemployment in rural areas.

"With the inauguration of a bigger Mysore State from 1st November 1956, I fervently hope that the activities of the Mysore Tobacco Company also will have to be extended and your Directors will examine carefully as to what best can be done within their powers.

"Before concluding, I wish to acknowledge with gratitude, the continued assistance and encouragement given by the Government of Mysore from time to time for this Company.

"I also acknowledge with thanks the valuable advice, guidance and co-operation received from my esteemed colleagues on the Board. The staff and the officers of the Company deserve particular mention for their loyal services and exemplary work.

"I now move that the Directors' report and the audited accounts for the year ended 31st March 1956 be adopted."

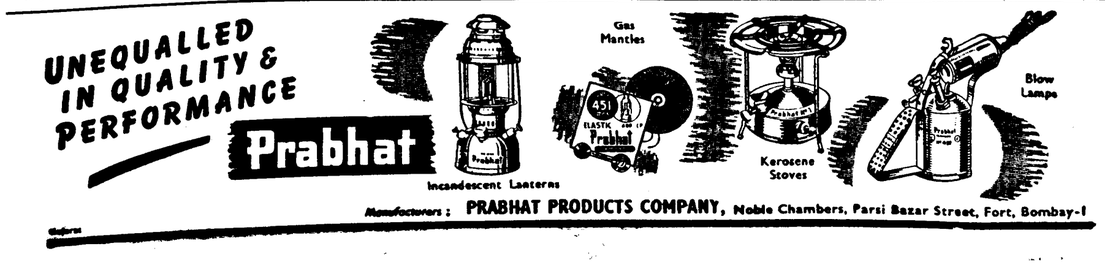
MINIMUM WAGES

The need for the removal of disparities, if any, in the minimum rates of wages fixed by the former administrations of the areas now integrated with Bombay State was stressed by Mr. Din Dayal Gupta, Minister for Labour, inaugurating last week, at Bombay, the first meeting of the Reconstituted Bombay States' Minimum Advisory Board. The problem, he added, was particularly conspicuous in the case of employment in the *bidi* industry. The Board is to advise the Government on the revision of minimum rates of wages in respect of employment in road construction, building operations and stone-breaking and crushing work.

In the course of his speech, Mr. Gupta referred to the practical difficulties in adhering to the time limit laid down in the Minimum Wages Act for review of minimum wages and revealed that the Government of India had consented to amend the Act suitably. The Minister pointed out that State regulation of minimum wages had arisen out of the recognition that labour was not a marketable commodity to be regulated by the laws of demand and supply and that its minimum needs must be adequately satisfied, but, at the same time, productivity and employment encouraged.

FACTORIES ACT

During the third quarter of 1956, the Government of Bombay convicted 59 occupiers and 34 managers of 75 factories in Bombay and Bombay Suburban, Thana and Kolaba districts and imposed fines in 408 cases for contravening the provisions of the Factories Act, 1948. The cases of contravention, which resulted in imposition of fines, included failure to provide a canteen as per orders of the court and allowing or requiring workers to work beyond notified hours of work. Thirty-seven occupiers and 21 managers were convicted for allowing or requiring the workers to work otherwise than in accordance with the notice of periods of work, 21 for not maintaining a register of adult workers of the factory, eight in each case for not complying with the provisions of weekly holidays and for not securely fencing machinery; three for not displaying notice of periods of work for adults in the factory. Two persons were convicted in each case for not providing first-aid appliances, for not applying for registration and grant of licence, for not providing washing facilities for workers and for not sending notice of accident to the Inspector.



NATIONAL INSURANCE COMPANY, LIMITED

MR. LAKSHMIPAT SINGHANIA ON FUTURE OF INDIAN INSURANCE

LIFE INSURANCE PLAYS A GREAT PART IN NATION-BUILDING

THE Forty-ninth Annual General Meeting of the National Insurance Company, Ltd., was held in Calcutta on 27th November 1956, under the chairmanship of Mr. Lakshmipat Singhania, President of the Company. Speaking on the occasion, Mr. Singhania said that Indian life insurance was expected to reach a new business level of Rs. 1,000 crores within the next few years. He was of the view that the achievement of this target was more than a certainty, because of the fact that the national income during the Second Plan period was expected to rise more than it did during the First Plan period. Mr. Singhania wanted the Government not to lose sight of this important factor, as life insurance played a great part in collection of small savings, utilised in nation-building projects.

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

"GENTLEMEN,

"I welcome you to this meeting with a mixed feeling. This year embarks a new era in your Company's future on account of the rational changes brought about by the nationalisation of its life business which has been conducted for the last 50 years. Actually, the Company had completed its half a century's public service when it handed over the life business to the State this year. The nationalisation of insurance has opened a new chapter in the history of insurance in India which will now be carried by the State sector. Your Company will henceforth confine its activities only to general business like fire, marine, accident, guarantee, motor accident, etc.

"Events happening in the world today are beyond the expectations of all peace-loving nations, specially India, which has worked so hard during the last 10 years, ever since becoming free, to bring about world peace. So much so that neutrality itself is being questioned on account of invasion and interference of liberty in Egypt and Hungary. The world of today, which till recently was preaching the gospel of peace, has all of a sudden taken recourse to the law of the jungle where might was right and mutual distrust the order of the day. Co-existence has yielded ground to co-destruction and the United Nations has become a place for debates and arguments between the power blocs. Military pacts are replacing trade agreements and science which could have been utilised in the service of humanity is without the least hesitation occupied in destroying it. I simply fail to understand what man has made of man. This is all due to an unlimited desire for power based on force and subordination rather than on mutual goodwill and understanding and, if this continues, we may not be far away from a third world war which will be a war of destruction of humanity. Our peace-loving Prime Minister is working hard and making all attempts even today and I am sure he will continue up to the last to guide the world towards peace.

Biggest Experiment in Democratic Planning

"Under such unsettled circumstances, it is not unnatural that the economic life of our country has been disrupted and fear about the fulfilment of our ambitions crept in. The country has recently completed its first Five-year Plan and embarked on the second Five-year Plan. This type of planning, the biggest experiment in democratic planning in the living world, has increased the national product by 18 per cent. and *per capita* income by 11 per cent. over 1950-51. The Plan has recorded a sharp rise in industrial production, even more than the Plan targets, and the index of industrial production has gone up from 100.0 per cent. in 1951 to 130.0 per cent. in 1955. Similarly, the index of agricultural output has gone up from 100.0 per cent. to 120.0 per cent. during the same period. But more than anything else, it has made the people plan-conscious and created a momentum which is expected to gather greater and greater force in course of time.

"The Second Plan which estimates to spend Rs. 7,200 crores, that is, Rs. 4,800 crores in the public sector and Rs. 2,400 crores in the private sector of national economy, is expected to increase national product by 25 per cent. and *per capita* income by 18 per cent. over the 1955-56 level. The most important feature of the Second Plan is a greater emphasis on industrial production, specially of heavy and basic industries.

"The Second Plan is ambitious, but the greatest handicap is the shortage of Rs. 900 crores in foreign exchange requirements which will have to be met from foreign borrowings. The world events and the closure of the Suez Canal will increase this gap to a further extent and thus hamper our second Five-year Plan. During the first four months of the current year our adverse trade balance has shown an unprecedented rise and has reduced our sterling reserves to the extent of about Rs. 130 crores.

"The private sector is, in my opinion, a misnomer, as most of the production in the country uptil now has been carried by this sector and even a tiller of the soil or a small shopkeeper in the farthest corner of the country is a private *entrepreneur*. The public sector, which again I feel in the present contrast of things is a misnomer, should be called only a State sector. The so-called private sector is a more representative sector than any other sector, although it cannot be called a free sector, not being free in its functions, and may be termed as 'people's sector.'

Socialist Society

"The country has adopted the socialist pattern of society as its ultimate objective. The term 'socialist society' in my opinion is quite wide. Therefore, any sector which deals as a people's sector should cover in the pattern of socialist society. However, the adoption of the practice in the present context is to encourage more of State sector which unfortunately may lead to concentration of power in few hands than the public at large. It is a very doubtful question whether in doing so, the country is going to be benefited by way of increased production and lower cost, as otherwise the very object of decentralisation of economic power is hit at the root. The people of a free nation in a democratic set-up should be allowed to have equal opportunities to work and live instead of being compelled by statutory laws, because in that case it leads to totalitarian system of working rather than to democratic methods. We want our people to be independent rather than dependent and thus be a burden on the State.

"Of late, the public finance has been squeezed to a much greater extent. According to the two Plans, the disbursements are not keeping pace due to the delayed fulfilment of the planned objective, whereas the system of collections are continuing on the same footing. The result is that the money supply with the public increased to the tune of Rs. 204.82 crores from Rs. 1,979.49 crores in 1950-51 to Rs. 2,184.31 crores in 1955-56 during the first Five-year Plan, which means an increase of 10.4 per cent. against an increase of 18 per cent. in the national income. By the end of August 1956 the total money supply registered a decline and came down to Rs. 2,140 crores. At the same time, money disbursed goes to such areas and people who have no habit of investment or banking and has created a problem before the country and the scarcity of finance in the market has been evident in recent months. The only remedy in my opinion is unhampered production and distribution of consumer goods in India to have better circulation of such money. This would also help raising the standard of living of the people and maintain price at a low level, as other methods adopted for collection of small savings would not or rather cannot keep pace in present circumstances.

Nationalisation of Life Insurance

"The Government, in its zeal to take up a built-up industry, nationalised life insurance business on 19th January 1956 and took over the activities of all companies carrying on life business in India. It is not necessary for me to go in detail at this moment into the merits and demerits of nationalisation. It is a *fait accompli*. The question is whether such nationalisation is going to benefit the country as a whole, more than what has been done in the hands of the people. The progressive figures of the last few years of this business reveal that the insurance industry was playing its part with the economic growth of the country. If you take new insurance business of the First Plan period, the total business jumped from Rs. 139.5 crores in 1950 to Rs. 229.5 crores in 1954. That means a rise of 65 per cent. in four years whereas the national income has risen by 18 per cent. only. It was expected that within a few years Indian insurance would reach a new business of Rs. 1,000 crores. Since during the Second Plan national income is expected to rise more than during the First Plan, achievement of this target was more than certain. I wish that the Government should not lose sight of this important factor, as life insurance was playing a great part in collection of small savings from door to door and utilising the same in nation building by investing in Government securities, housing and industries. I wish that this important source should flourish greater and greater and we should have place in parity with the world insurance according to the economic condition of our country. It is difficult to visualise, at the moment, what is going to be, but I wish to emphasise with all the force at my command that, if the figures do not rise to our expectations, we would be doing a great disservice to the nation for interfering with an industry which was serving the country so well.

"It was also expected at the time of nationalisation that foreign life business of the Indian companies—here I take pride in saying that the National was one of the leading companies doing foreign life business—would be returned back to the Indian companies. But unfortunately, the Government has changed its mind and it seems that they are going to carry on the same themselves. I do not know what is going to be the future of this business. As I have said on so many previous occasions, I wish that our country should do their utmost to increase this business which is an invisible export and a foreign exchange earner. With the taking over of foreign life business, our foreign general business will also be hampered and building of that organisation in foreign countries by Indian insurers will be another uphill task.

Poor Compensation

"Coming to compensation, I feel that we cannot call the compensation proposed to be paid worth the name. It is hardly one per cent. of the life fund the Government has taken over. Banking and insurance is practically the same business. While nationalising the Imperial Bank of India, the Government paid certain compensation which was considered to be inadequate and worked out at 8 per cent. of total assets. But in case of insurance companies compensation is not even 1 per cent. of the total life fund. Moreover, that is not an investment to be made by the Government, but only a pre-payment of the surpluses which the insurance companies had rightfully earned during decades of successful working of this industry. Even that has not been paid uptil now, although it is about 11 months since insurance was nationalised. I hope the authorities would do their best to pay off this compensation which would go a long way at least in rehabilitating the general business and also helping those who had all their investments in insurance companies and lost all income due to nationalisation.

"The utilisation of the life fund in nation-building activities is of no less importance. I will only deal with the investment in the private sector, which at the time of nationalisation was of the order of about 16 per cent. It was emphasised and re-emphasised by the Government that this percentage in the private sector would be maintained, which was helping the investment market to a great extent. But since nationalisation nothing or very little money has been invested in private industry, with the consequence that the investment market has been deprived of a great support. I hope that the Government would keep up to the assurances given at the time of nationalisation and maintain the tempo by investing in private

(*Continued on page* 1058)

A copy of this Offer for Sale, having attached to it the documents required by Section 60 of the Companies Act, 1956, and specified below, has been delivered for registration to the Registrar of Companies, Bombay.

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

The Application List for the ordinary shares now offered for sale (including the shares preferentially offered to the employees of Hindustan Lever Limited as mentioned below) will open at 10-30 a.m. on the 3rd day of December, 1956, and will close at 3 p.m. on the 5th day of December, 1956, or later, at the discretion of the Offeror.

HINDUSTAN LEVER LIMITED

(FORMERLY LEVER BROTHERS (INDIA) PRIVATE LIMITED)

(*Incorporated on 17th October, 1933 under The Indian Companies Act, 1913*)

SHARE CAPITAL

Authorised :	*Issued and fully Paid :*
Rs. 5,57,00,000 in 55,70,000 Ordinary Shares of Rs. 10 each	Rs. 5,57,00,000

Unilever Limited, London (sometimes referred to in this Offer for Sale also as "the Offeror") is the beneficial owner of the whole of the issued capital of the Company which, with the exception of seven shares, is registered in their name.

LOAN CAPITAL

The Company has created no mortgage or debentures and has no other loan capital.

The Company has bank overdraft facilities secured by guarantee by Unilever Limited or by hypothecation of stock in trade, but on 31st October, 1956, no amount was outstanding. The Company has a current account with Unilever Limited and from time to time is indebted for goods and services supplied in the normal course of the Company's business. On 31st October, 1956, this account showed an amount due by the Company to Unilever Limited of Rs. 21,19,922.

OFFER FOR SALE OF

5,57,000 ORDINARY SHARES OF Rs. 10 each fully paid at Rs. 16-8-0 per share (including a premium of Rs. 6-8-0) payable in full on application.

Unilever Limited invite applications for the purchase from them of the above shares.

In addition to paying the purchase price to Unilever Limited the purchaser (or transferee) will have to bear the stamp duty on the transfer of the shares from Unilever Limited.

Applications must be made on the official form and in the case of applications from the public must be forwarded to the brokers to the Offer named below or to any of the branches of the National Bank of India Limited at the addresses stated on the application form.

It is intended to reserve a maximum of 55,700 (i.e. 10 per cent.) of the above 5,57,000 shares for offer in the first instance to the employees of Hindustan Lever Limited at the above price of Rs. 16-8-0 per share (including a premium of Rs. 6-8-0) payable in full on application. Applications from employees for these shares must be made on BLUE application forms and must be for 25 or 50 shares only.

Applications for the shares offered for sale to the public must be made on WHITE application forms and must be for 50 shares or a multiple thereof.

Any of the shares reserved for the employees of Hindustan Lever Limited which are not purchased by them will be available to meet applications from the public.

The shares offered for sale will rank for any dividends which may hereafter be declared.

DIRECTORS

ANDREW JOHN CHANDOS HOSKYNS-ABRAHALL, Gold Croft, Bhulabhai Desai Road, Bombay, *Company Director (Chairman).*

STEPHEN HENRY TURNER, Everest House, Carmichael Road, Bombay, *Technical Director (Vice-Chairman).*

KALYAN SUNDAR BASU, Revills, Cuffe Parade, Bombay, *Personnel Director.*

KANIANTHRA THOMAS CHANDY, 10-A, Mount Mary Road, Bandra, Bombay, *Company Director (Secretary).*

DAVID ALEXANDER ORR, Javeri Mansions, Little Gibbs Road, Bombay, *Marketing Director (Soaps).*

PRAKASH LAL TANDON, Dakshin Pali, D'Monte Park, Bandra, Bombay, *Co-ordinating Director.*

REGINALD JAMES WHEELER, Kamani House, Pedder Road, Bombay, *Financial Director.*

MAURICE ZINKIN, Revills, Cuffe Parade, Bombay, *Marketing Director (Foods).*

BANKERS

Bankers to the Company

STATE BANK OF INDIA, Apollo Street, Bombay.

NATIONAL BANK OF INDIA LIMITED, Mahatma Gandhi Road, Bombay.

Bankers to the Offer

NATIONAL BANK OF INDIA LIMITED, Mahatma Gandhi Road, Bombay.

SOLICITORS

To the Company and the Offer

CRAWFORD BAYLEY & COMPANY, State Bank Buildings, Bank Street, Bombay.

AUDITORS

A. F. FERGUSON & COMPANY, Chartered Accountants, Allahabad Bank Building, Apollo Street, Bombay.

BROKERS TO THE OFFER

Managing Brokers

BATLIVALA & KARANI, Union Bank Building, Dalal Street, Bombay 1.

PREMCHAND ROYCHAND & SONS, 63, Apollo Street, Bombay 1.

Calcutta Brokers

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

Madras Brokers

KOTHARI & SONS, Oriental Buildings, Armenian Street, Madras.

REGISTERED OFFICE

SCINDIA HOUSE, DOUGALL ROAD, BALLARD ESTATE, BOMBAY.

HISTORY

The Company was incorporated in India as a private company on 17th October, 1933, under the Indian Companies Act, 1913, with the name Lever Brothers (India) Limited. Shortly after incorporation the Company took over the Lever soap business established in India in the nineteenth century by Lever Brothers of Port Sunlight, Cheshire, since when the Company has carried on business continuously.

On 8th October, 1956, but with effect from the close of business on 31st December, 1955, by virtue of Orders of the Bombay High Court the Company was amalgamated under Sections 391 and 394 of the Companies Act, 1956, with the undernoted Companies whose assets thereby vested in the Company subject to their liabilities, duties and covenants:—

(1) THE HINDUSTAN VANASPATI MANUFACTURING COMPANY PRIVATE LIMITED (sometimes referred to in this Offer for Sale also as "HVM").

(2) WILLIAM GOSSAGE & SONS (INDIA) PRIVATE LIMITED.

(3) JOSEPH CROSFIELD & SONS (INDIA) PRIVATE LIMITED.

These companies (hereinafter collectively referred to as "the merged companies") have now ceased to exist. Previously they were closely associated with the Company all being wholly owned subsidiaries of Unilever Limited. Since the amalgamation the Company has been carrying on the combined business comprising the manufacture and sale of soaps, detergents, toilet preparations and glycerine, together with vanaspati, margarine, edible oils and oilcake, formerly products of HVM which since 1932 has been the largest producer of its kind in India.

Following the amalgamation, the Company was converted to a public company on 27th October, 1956, and changed its name to Hindustan Lever Limited on 1st November, 1956.

BUSINESS

The Company's main aim has always been to sell good quality products at fair prices. Its products now include SUNLIGHT and LIFEBUOY soaps, LUX toilet soap, LUX soap flakes, RINSO soap powder, VIM scouring powder, DALDA and LOTUS brands of vanaspati, BLUE BAND and other margarines, and MARVO cooking medium. The rights in India to all the trade marks applied to these products are the property of the Company. The Company has arrangements with companies of the Unilever Group outside India by which it manufactures and sells their products in India for its own account; these products include PEARS transparent soap and talcum powder, REXONA toilet soap, BREEZE toilet soap, ERASMIC shaving stick, and shaving cup soap, HIMALAYA BOUQUET toilet and talcum powder, PEPSODENT and GIBBS S.R. toothpastes and GIBBS dentifrice, CALIFORNIAN POPPY hair oil and ERASMIC coconut hair oil. The Company also produces industrial and B.P. quality glycerine which it sells under its trade marks PYRAMID and WHEEL. The Company also sells the soapless detergent powder SURF; supplies of this product are at present imported from the United Kingdom, but local manufacture is planned.

The Company's products are distributed throughout India. The Company's sales offices in Bombay, Calcutta, Delhi and Madras and its depots at Gauhati, Cochin and Bangalore deal directly with over 13,000 wholesalers and stockists in over 3,000 towns. The Company's 375 salesmen are in touch with about 2,00,000 shops that deal in the Company's products.

As a member of the Unilever Group, the Company has access to Unilever's international knowledge and experience of the manufacture and marketing of detergents, edible fats and toilet preparations. To a great extent because of its membership of the Group, the Company has made a valuable contribution to the development of the soap and vanaspati industries in India and continues to do so.

The basic raw material of the Company's soap and vanaspati manufacturing business is vegetable oil. The quantities (to the nearest thousand tons) of such oil processed by the Company and by HVM whose business is now amalgamated with the Company, during each of the five years ended 31st December, 1955, are given below; a predominant part—about 88 per cent. in 1955—is purchased within India.

	Tons
1951	81,000
1952	91,000
1953	89,000
1954	97,000
1955	1,04,000

PERSONNEL

For many years the training of Indian employees for higher posts, whether technical or commercial, has been an important part of the Company's policy and selected personnel are sent overseas for special courses of instruction and for observation of advanced practices. More than 85 per cent. of the managerial staff are Indians.

In recent years during which relations between employers and workers in all industries have been subjected to many strains and stresses the Company has been loyally served by its workers and has on its part endeavoured to think and act progressively in all matters pertaining to wages, conditions of work, retirement provisions and welfare. The wages and salaries paid by the Company have been acknowledged on several occasions by Labour Tribunals as the highest in the industry.

The number of people employed by the Company exceeds 6,000.

SUBSIDIARIES

The Company has four wholly owned subsidiaries. They are:—

United Traders Private Limited and Van den Berghs (India) Private Limited, neither of which are trading at present, and

Levers Associated Trust Private Limited and Levindra Trust Private Limited, both of which are trust companies managing the Provident Fund of the Company's employees.

FACTORIES

Situation and Address	Approximate Area Acres	Nature of Tenure	Main Products
Haji Bunder, Sewri, Bombay	24.0	Leasehold to 1983 with option for renewal to 2032	Soap, toilet preparations, glycerine, vanaspati, margarine and oil cake.
Garden Reach, Calcutta	3.4	Leasehold to 2008	Soap, toilet preparations and glycerine
	9.0	Freehold	
Athpur, Shamnagar, W. Bengal	15.2	Freehold	Vanaspati
Grand Trunk Road, Ghaziabad, U.P. ..	19.7	Freehold	Vanaspati
Edamalaipatti Pudur, Tiruchirapalli, S. India	39.5	Freehold	Vanaspati

The Factories are well situated for the purposes of securing regular supplies of raw materials and ensuring efficient distribution of manufactured products to all parts of the country. They are equipped with modern plant and machinery, adequately provided with railway sidings, water and power and are maintained in good working condition.

Negotiations have been completed for acquiring a lease from the Government of Bombay of a site of about 0.9 of an acre in the area known as Back Bay Reclamation on which the Company proposes to erect a Head Office building to house members of its staff at present dispersed over five buildings in Bombay City.

AUDITORS' REPORT

The following is a copy of the Report received from the Company's Auditors, Messrs. A. F. Ferguson & Company:—

BOMBAY, 12*th November*, 1956.

THE DIRECTORS,
UNILEVER LIMITED,
BLACKFRIARS,
LONDON, E. C. 4, ENGLAND.

Gentlemen,

We have examined the audited accounts for the five years to 31st December, 1955, of Hindustan Lever Limited (formerly Lever Brothers (India) Private Limited) and those of its subsidiary companies at that date, all of which were wholly owned, namely :—

United Traders Private Limited
Levers Associated Trust Private Limited
Levindra Trust Private Limited

and those of the following companies (hereinafter collectively referred to as "the merged companies"), whose assets and liabilities were on 8th October, 1956, transferred to Hindustan Lever Limited, namely :—

The Hindustan Vanaspati Manufacturing Company Private Limited (hereinafter referred to as "HVM")
Joseph Crosfield & Sons (India) Private Limited
William Gossage & Sons (India) Private Limited

We have also examined the audited accounts of Van den Berghs (India) Private Limited which was a wholly owned subsidiary of HVM but which, on 8th October, 1956, on the abovementioned transfer of assets and liabilities, became a wholly owned subsidiary of Hindustan Lever Limited.

We have also examined the audited accounts of the following companies (hereinafter referred to as "the liquidated companies") for the four years to 31st December, 1954, and the period to 27th July, 1955, namely :—

The North West Soap Company Private Limited
The Premier Soap Company of India Private Limited

which, as wholly owned subsidiaries of Hindustan Lever Limited, went into voluntary liquidation on 28th July, 1955, and held their final meetings in the liquidations on 23rd October, 1956.

Throughout the years under review we have acted as auditors of all the above companies.

No audited accounts of any of the above companies have been made up since 31st December, 1955.

1. **PROFITS**—We report that the combined profits of Hindustan Lever Limited, its subsidiary companies as at 31st December, 1955, and the liquidated companies, and the profits of each of the merged companies (in the case of HVM, combined with those of its former subsidiary company) all arrived at on the basis set out below, were as follows :—

Year ended 31st December	Hindustan Lever Limited and its subsidiary companies	HVM and its subsidiary company	Joseph Crosfield & Sons (India) Private Limited	William Gossage & Sons (India) Private Limited	AGGREGATE		
	PROFITS BEFORE TAXATION				Profit before taxation	Taxation as defined in (ii) below	Profit after taxation
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1951	1,28,85,262	11,67,798	35,228	37,766	1,41,26,054	61,36,005	79,90,049
1952	1,80,39,423	4,52,080	36,087	39,961	1,85,67,551	80,65,280	1,05,02,271
1953	1,64,71,799	82,80,750	35,753	39,170	2,48,27,472	1,07,84,433	1,40,43,039
1954	1,71,65,259	(*53,31,230*) Loss	35,758	38,052	1,19,07,839	51,72,468	67,35,371
1955	1,90,86,815	57,34,820	36,569	39,509	2,48,97,713	1,08,14,944	1,40,82,769

(i) The profits shown in columns 2 to 6 inclusive have been arrived at after charging all expenses of working and management, interest, and depreciation and after making such adjustments as are in our opinion necessary. Depreciation has been charged throughout the five years on a consistent basis and, in aggregate, exceeds the total income-tax allowances exclusive of initial allowances and development rebates.

(ii) The taxation shown in column 7 has been calculated on the profits shown in column 6 at the rate of 6.95 as. in the rupee. This is the combined rate of income-tax and super-tax applicable to the profits of the companies for each of the years under review before taking into account the effect of dividend distributions out of such profits. In respect of 1955, the Finance Act, 1956, imposed on companies taxation additional to the basic rate of 6.95 as. to the extent that dividends declared during 1955 exceeded 6 per cent. of issued capital. On the basis of the Finance Act, 1956, and the present issued capital, the additional taxation payable by Hindustan Lever Limited in future years will be as follows :—

On the first Rs. 33,42,000 of dividends	Nil
On the next Rs. 22,28,000 of dividends	2 as. in the rupee
On the balance of dividends over Rs. 55,70,000	3 as. in the rupee

The aggregate actual taxation paid or calculated as payable by Hindustan Lever Limited, its subsidiaries and the merged companies is as follows :—

Year ended 31st December	Rs.
1951	60,74,497
1952	75,94,460
1953	90,12,026
1954	80,44,480
1955	1,38,42,031

2. **DIVIDENDS**—The following rates of dividend were paid in respect of the five years to 31st December, 1955, by Hindustan Lever Limited and the merged companies :—

The capital of each company consisted wholly of fully paid ordinary shares of Rs. 10 each

Year ended 31st December	Hindustan Lever Limited		HVM		Joseph Crosfield & Sons (India) Private Limited		William Gossage & Sons (India) Private Limited	
	Paid-up Capital Rs. Lakhs	Rate %	Paid-up Capital Rs. Lakhs	Rate %	Paid-up Capital Rs. Lakhs	Rate %	Paid-up Capital Rs. Lakhs	Rate %
1951	138	Nil	133	Nil	0.8	Nil	3.2	Nil
1952	200	Nil	133	Nil	0.8	Nil	3.2	Nil
1953	200	25	133	Nil	0.8	200	3.2	50
1954	200	55	133	30.075	0.8	Nil	3.2	Nil
1955	200	37.5	133	50	0.8	56.25	3.2	18.75

3. **NET ASSETS.**—The net assets, based on the audited balance sheets as at 31st December, 1955, of Hindustan Lever Limited, its subsidiary companies at that date, each of the merged companies, and Van den Berghs (India) Private Limited at that date a subsidiary company of HVM, after making such adjustments as we consider necessary, were as follows :—

	Hindustan Lever Limited	The subsidiary companies of Hindustan Lever Limited	HVM	Van den Berghs (India) Private Limited, a subsidiary company of HVM	Joseph Crosfield & Sons (India) Private Limited	William Gossage & Sons (India) Private Limited	AGGREGATE	
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6		Col. 7
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade Marks and Goodwill	3,00,316			1,900	71,048	2,50,000		6,23,264
Fixed Assets At original cost plus increase on revaluation as at 1st January 1950 less depreciation to 31st December 1955	2,76,17,667		72,89,600					3,49,07,267
Current Assets								
Stock and stores	2,25,85,023	27,46,880	1,20,28,888				3,73,60,791	
Debtors and advances	65,77,204	10,03,853	58,22,745				1,34,03,802	
Cash and bank balances	58,11,379		2,23,536				60,34,915	
	3,49,73,606	37,50,733	1,80,75,169				5,67,99,508	
Current Liabilities								
Creditors	(*74,30,359*)	(*5,20,974*)	(*71,72,627*)	(*285*)	(*125*)	(*775*)	(*1,51,25,145*)	
Taxation	(*46,18,935*)		(*26,16,036*)	(*351*)	(*7,792*)	(*8,994*)	(*72,52,158*)	
Bank overdrafts	(*863*)	(*2,52,453*)	(*9,73,841*)				(*12,32,157*)	
	(*1,20,50,207*)	(*7,73,427*)	(*1,07,67,504*)	(*636*)	(*7,917*)	(*9,769*)	(*2,36,09,460*)	
Net Current Assets	2,29,23,399	29,77,306	73,07,665	(*636*)	(*7,917*)	(*9,769*)		3,31,90,048
Subsidiary and Associated Companies Investments in subsidiary companies are represented by the net assets of—Intercompany indebtedness :	Col. 2		Col. 4					
Parent/subsidiaries	(*5,89,297*)	*5,89,297*	(*591*)	591				
Hindustan Lever Ltd./the merged companies	(*99,49,326*)		98,53,188		16,869	79,769		
Unilever Limited	91,15,396		*(*48,18,432*)					
	(*14,23,727*)	5,89,297	50,34,165	591	16,869	79,769		42,96,964
Total Net Assets ..	Rs. 4,94,17,655	Rs. 35,66,603	Rs. 1,96,31,430	Rs. 1,855	Rs. 80,000	Rs. 3,20,000		Rs. 7,30,17,543

Figures in brackets represent liabilities.

* *This represents a net dividend declared on 22nd February* 1956 *in respect of* 1955.

We are, gentlemen,

Yours faithfully,
A. F. FERGUSON & CO.,
Chartered Accountants.

PROSPECTS

The consumption of products of the types manufactured by the Company is likely to increase as the standard of living is raised. The Company expects to win a fair share of any increased prosperity that may accrue to the industries concerned.

Assuming a continuance of present rates of taxation the Directors estimate that the consolidated net profit of the Company and its subsidiaries for the year ending 31st December, 1956 (after taking into account taxation of Rs. 108 lakhs of which Rs. 19½ lakhs is in respect of the capitalisation of Rs. 157 lakhs of profits on 11th October, 1956) will not be less than Rs. 90,00,000. On the 1st November, 1956, the Company paid an interim dividend of 8 annas per share absorbing Rs. 27,85,000. If the estimated net profit is realised and there is no substantial change in trading conditions the Directors would expect to recommend that a final dividend for the year 1956 of 6 annas per share, free of income-tax, be paid before the end of May, 1957.

For the future it is the intention of the Directors (in the absence of unforeseen circumstances) to recommend the distribution of a large part of the Company's profits by way of dividend. For example, if the estimated level of profit for 1956 is maintained and there is no substantial change in rates of taxation or trading conditions, the Directors would expect to recommend for the year ending 31st December, 1957 a total dividend of not less than Rs. 1-6-0 per share free of income-tax. On the sale of the shares now offered the Company will become a Company to which Section 23A of the Income Tax Act, 1922, applies.

As will be seen from the Auditors' Report, one of the merged companies (HVM), the business of which is now carried on by the Company and is primarily concerned with the manufacture and sale of vanaspati, incurred a loss in 1954. In that year the price of Indian groundnut oil fell heavily. The profits of this particular business—as indeed of the Vanaspati Industry as a whole—are governed to a great extent by price fluctuations in the Indian groundnut oil market. These fluctuations in recent years have been very wide.

STATUTORY AND OTHER INFORMATION

The Offeror was the promoter of the Company but no sum was paid to the Offeror for its services as promoter.

During the two years preceding the date hereof the Company issued 20,00,000 Ordinary Shares of Rs. 10 each credited as fully paid to Unilever Limited in consideration of the vesting in the Company of the assets of the merged companies and it also issued during this period 15,70,000 Ordinary Shares of Rs. 10 each credited as fully paid to Unilever Limited by capitalising Rs. 1,57,00,000 of profits standing to the credit of general reserve.

No amount has been paid to the Company by way of premium on any shares within the two years preceding the date hereof.

Apart from the dividends referred to in the report of the Auditors, the shares above referred to, the sum of Rs. 5,22,590 being remuneration paid to the Directors and Secretary of the Company and the sum of Rs. 2,84,43,747 being payments made to or to be made to Unilever Limited for goods and services in the ordinary course of the Company's business, no amount or benefit has been paid or given within the two years preceding the date hereof to the promoter or any officer of the Company. It is not intended that the Company should pay or give to the promoter any amount or benefit other than such amounts as may become payable to the promoter in the ordinary course of the Company's business. It is not intended to pay or give any amount or benefit to any officer of the Company other than normal remuneration.

Except as beneficial owner of the whole of the Company's issued share capital and as a creditor of the Company from time to time in the normal course of the Company's business, the Offeror has no interest in the profits or property of the Company. The other members of the Company have no beneficial interest in the profits or property of the Company.

Since incorporation the Company has capitalised profits standing to the credit of general reserve (including the Rs. 1,57,00,000 referred to above) as follows: 20th March, 1937, Rupees Six Lakhs; 29th December, 1937, Rupees Eleven Lakhs; 22nd July, 1939, Rupees Three Lakhs; 20th August, 1940, Rupees Two Lakhs; 17th November, 1942, Rupees One Lakh; 6th September, 1943, Rupees Six Lakhs; 19th February, 1945, Rupees Thirteen Lakhs; 7th September, 1945, Rupees Twelve Lakhs; 24th December, 1946, Rupees Six Lakhs; 31st December, 1951, Rupees Fifty Lakhs; 22nd August, 1952, Rupees Sixty-two Lakhs; 11th October, 1956, Rupees One Hundred and Fifty-seven Lakhs. The Company applied the amounts capitalised in paying up in full ordinary shares of the Company of Rs. 10 each of a nominal amount equal to the profits capitalised. All the shares were allotted to the Offeror or its nominees, or subsidiaries of the Offeror incorporated in the United Kingdom or their nominees.

The Company has not issued any redeemable preference shares and does not at the present time intend to do so.

The premium receivable on the shares now offered for sale will be retained by the Offeror. No part of the proceeds of this Offer for Sale is receivable by the Company. The Offeror will pay all the expenses in connection with this Offer for Sale except the stamp duty on the transfers from the Offeror to the persons in whose names the shares are registered which will be payable by those persons. The Offeror will also pay brokerage as indicated below. The total expenses, including brokerage, payable by the Offeror are estimated to be Rs. 3,50,000.

No commission (except brokerage as hereinafter mentioned) was paid during the two years preceding the date hereof or is payable to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for shares in the Company.

All the Directors are whole-time Directors and are not required to hold any qualification shares.

No Director had any interest in the promotion of the Company and neither the promoter nor any Director has any interest in any property acquired by the Company within the two years preceding the date hereof or proposed to be acquired by it other than the promoter's interest as a member of the Company and beneficial owner of the whole of its share capital.

No sums have been paid or agreed to be paid to any Director in cash or shares or otherwise by any person to induce him to become or to qualify him as a Director or otherwise or for any other purpose whatsoever for services rendered by him in connection with the promotion of or formation of the Company.

Mr. A. J. C. Hoskyns-Abrahall is the beneficial owner of £200 Unilever Limited 8 per cent. Cumulative 'A' Preference Stock.

The Articles of Association of the Company contain provisions to the following effect:—

(a) The profits of the Company which shall from time to time be determined to be divided shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.

(b) Unless otherwise determined by a general meeting the number of Directors shall not be less than three and not more than eleven.

(c) The Directors including the Managing Director, if any, shall be paid out of the funds of the Company by way of remuneration for their services such sums as the Company in general meeting may from time to time determine, and such remuneration shall be divided among them in such proportions and manner as the Directors may determine, and, in default of such determination within the year, by the Chairman. If any Director shall be called upon to perform extra services or make special exertions or efforts the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his normal remuneration. A Director who is not a resident of Bombay City may be paid such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses incurred in attending meetings of the Board in that City. If any Director is called upon to go or reside out of Bombay City on the Company's business, he shall be entitled to be repaid any travelling or other expenses incurred by him in connection with the business of the Company.

(d) Save as required by the Companies Act, 1956, no restrictions are imposed by the Articles of Association on the Directors' powers of management and the control of the Company's affairs is vested by the Articles of Association in the Directors.

(e) Subject to the provisions of the Companies Act, 1956, the Board may appoint from time to time any one of its number as Managing Director of the Company for a fixed term not exceeding five years at a time upon such conditions as it thinks fit and may vest in such Managing Director such of its powers as it thinks fit and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director shall be determined in the same manner as that of a Director.

The Board has not appointed a Managing Director and it is not its present intention to do so.

(f) The Directors may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. The provisions of the Articles of Association relating to borrowing are qualified by the relevant provisions of the Companies Act, 1956.

(g) Every officer or agent of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Companies Act, 1956, in which relief is granted to him by the Court.

(h) Save as hereinafter mentioned in regard to joint-holders, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative, shall have one vote. Upon a poll every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or proxy shall be entitled to one vote for each share held by him. No person may vote in person or by proxy if there remains unpaid any call or other sum due on any of his shares.

(i) If there be joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, provided that, if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands higher on the Register of Members shall alone be entitled to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of the Articles be deemed joint-holders thereof.

(j) The Articles of Association contain no restriction on the transfer of fully paid-up shares. The Directors may decline to register a transfer of any partly paid shares to a person of whom they do not approve and may also decline to register a transfer of partly paid shares on which the Company has a lien.

(k) The special rights attaching to any class of shares may be varied, modified, commuted, affected, abrogated or dealt with by any agreement between the Company and any person purporting to contract on behalf of that class provided that such an agreement is ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by a resolution passed at a separate General Meeting of the holders of shares of the class and supported by the votes of the holders of at least three-fourths of the shares of that class.

MAIN OBJECTS

The main objects of the Company include the manufacture and sale of soap, soap powders, detergents, toilet requisites, vanaspati, margarine, edible oils, cattle food and foods of all kinds.

All the objects of the Company are in law main objects and therefore a copy of the objects clause of the Company's Memorandum of Association is annexed hereto and forms part of this Offer for Sale.

CONTRACTS

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

No.	Date	Particulars
1	2nd May 1955	Assignment of the Trade Mark "Breeze" registered in India under No. 128300 to Erasmic Company Limited of Unilever House, London.
2	1st February 1956	Assignment of the Trade Mark "Bris" registered in India under No. 163139 to Erasmic Company Limited of Unilever House, London.
3	12th November 1955 to 18th September 1956	Correspondence between the Company and the Government of Bombay by which the latter has accorded sanction to the grant of a lease of a site at Backbay Reclamation, Bombay, of approximately 4258 sq. yards for a period of 99 years at a ground rent of Rs. 12 As. 8 per sq. yd. on condition that the Company erects thereon an Office Building of not less than Rs. 12 lakhs in value within the first four years of the said lease.
4	27th September 1956	Agreement between the Company and its workmen employed in its factories at Sewri, Bombay, represented by Lever Brothers Employees' Union, Bombay, fixing generally the terms and conditions of employment for the years 1955 to 1960 both inclusive, and, in particular, fixing pay-scales, dearness allowance, grading of hourly-rated jobs, provident fund, gratuity and incentive payment and bonus.
5	10th October 1956	Resolution passed by the Company in general meeting on 10th October, 1956, voting as the annual remuneration of all the Directors collectively a sum not exceeding Rs. 8 lakhs to be apportioned among them as they may determine.

(Continued in column 3 above)

UNDERWRITING

This Offer is not being underwritten.

APPLICATIONS FROM THE PUBLIC, which must be for 50 shares, or a multiple thereof, must be made on the official WHITE application form and will be declined if not so made. WHITE application forms, together with a remittance for the full amount payable on application, should be sent to any of the branches of the National Bank of India Limited, or to the Brokers to the Offer, at the addresses as given on the application form. A separate remittance must accompany each form.

APPLICATIONS FROM THE STAFF OF HINDUSTAN LEVER LIMITED for the shares reserved in the first instance for them, and which must be for either 25 or 50 shares, must be made on the official BLUE application form and will be declined if not so made. These forms are obtainable only from the offices of Hindustan Lever Limited mentioned in the last paragraph of this Offer for Sale. BLUE application forms, together with a remittance for the full amount payable on application, should be sent to the Secretary of Hindustan Lever Limited at Scindia House, Dougall Road, Ballard Estate, Bombay. A separate remittance must accompany each form.

All remittances should be made by cheque or draft drawn on a bank in any one of the following towns: Bombay, Calcutta, Madras, Bangalore, Amritsar, Cawnpore, Delhi, New Delhi, Tuticorin, Cochin. Application forms sent with cheques or drafts drawn on banks in towns other than those stated above may be refused.

Cheques or drafts should be made payable to "National Bank of India Limited A/c Unilever" and should, for the applicant's protection, be crossed "A/c Payee only."

The Offeror reserves the full and uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full, the whole or the balance of the applicant's remittance will be returned, in which event bank commission, if any, will be payable by the applicant.

Acceptance will be notified by the despatch of a definitive share certificate in the name of Unilever Limited together with a blank transfer executed by that company or on its behalf as transferor. These documents will be sent by registered post at the risk of the applicant. The Company has agreed to waive the transfer fee for the registration of such tranfers from the Offeror.

A brokerage of 4 annas per share will be paid by the Offeror to the Managing Brokers in respect of all acceptances. The Managing Brokers will pay 2 annas per share to Certified Brokers of any recognised stock exchange and to the National Bank of India Limited on the basis of acceptances of applications received and bearing their stamp. In addition to the 2 annas per share, the Managing Brokers will pay to Messrs. Place, Siddons and Gough, Messrs. Kothari and Sons and the National Bank of India Ltd. remuneration for any additional services rendered by any of them to and at the request of the Managing Brokers.

The consent in writing of the abovementioned Bankers, Solicitors and Brokers to act in their respective capacities has been obtained and none of them has withdrawn their consent to the issue of this Offer for Sale. Messrs. A. F. Ferguson & Co., have also given and have not withdrawn their written consent to the issue of this Offer for Sale with their Report included in the form and context in which it is included.

The foregoing written consents, copies of the contracts numbered one to five above and the written statement of the adjustments made by the Auditors in arriving at the figures shown in their Report and giving the reasons therefor have been attached to the copy of the Offer for Sale, which has been delivered to the Registrar of Companies, Bombay, for registration.

The documents mentioned below may be inspected at the Registered Office of the Company, Scindia House, Dougall Road, Ballard Estate, Bombay, during usual business hours (excluding Saturdays) until the Application List has been closed.

(1) The Memorandum and Articles of Association of the Company.

(2) Copies of the Contracts numbered one to five above.

(3) Copy of the order of the Central Government giving consent to the Offer for Sale.

(4) Copy of the order dated 8th October, 1956, of the High Court of Judicature at Bombay under Sections 391 and 394 of the Companies Act, 1956, vesting the assets (subject to the liabilities, duties and covenants) of The Hindustan Vanaspati Manufacturing Company Private Limited, in the Company.

(5) Copy of the order dated 8th October, 1956, of the High Court of Judicature at Bombay under Sections 391 and 394 of the Companies Act, 1956, vesting the assets (subject to the liabilities, duties and covenants) of Joseph Crosfield and Sons (India) Private Limited, in the Company.

(6) Copy of the order dated 8th October, 1956, of the High Court of Judicature at Bombay under Sections 391 and 394 of the Companies Act, 1956, vesting the assets (subject to the liabilities, duties and covenants) of William Gossage and Sons (India) Private Limited, in the Company.

(7) The original Report of Messrs. A. F. Ferguson & Co., as set out herein and a copy of their statement as to the adjustments made by them in arriving at the figures shown in their Report and giving the reasons therefor.

(8) Copies of the balance-sheets and profit and loss accounts upon which the Report of Messrs. A. F. Ferguson & Co., Bombay, is based, for the 5 years ended 31st December, 1955.

Copies of the Offer for Sale and WHITE application forms may be obtained by the public from all Indian branches of the National Bank of India Limited and from the Brokers. Copies of the Offer and BLUE application forms may be obtained by the staff from the Registered Office of the Company at Scindia House, Dougall Road, Ballard Estate, Bombay, and from the Company's offices at 4 Lyons Range, Calcutta; 12/1 Delhi-Ajmeri Gate Scheme, Delhi; 11/14 Armenian Street, Madras; Mattancherry Main Road, Cochin; 2 Central Street, Bangalore; Athgaon Road, Gauhati; Grand Trunk Road, Ghaziabad; Edamalaipatti, Pudur, Tiruchirapalli.

Dated at Bombay this seventeenth day of November, 1956.

A. J. C. HOSKYNS-ABRAHALL
S. H. TURNER
K. S. BASU
K. T. CHANDY
D. A. ORR
R. J. WHEELER
M. ZINKIN
For P. L. TANDON
K. T. CHANDY
Constituted Attorney

For THE LORD HEYWORTH
(Director of Unilever Limited)
A. J. C. HOSKYNS-ABRAHALL
Constituted Attorney

For A. M. KNOX
(Director of Unilever Limited)
S. H. TURNER
Constituted Attorney

For UNILEVER LIMITED
A. J. C. HOSKYNS-ABRAHALL
Constituted Attorney

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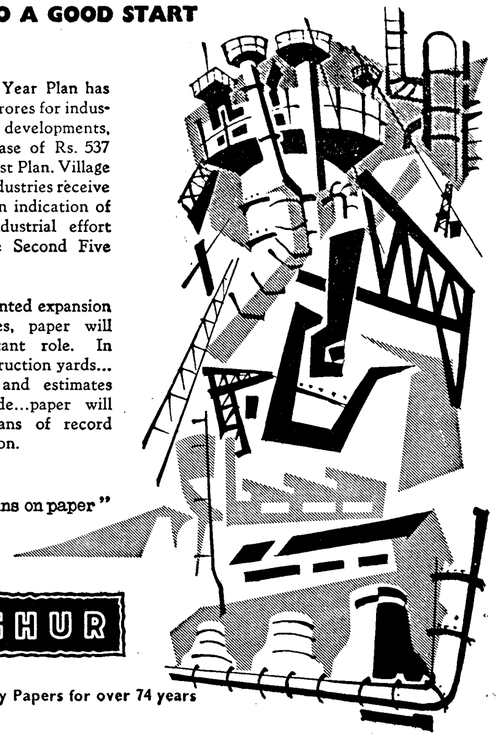

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COCOA POWDER AND CHOCOLATE INDUSTRY

CONTINUATION OF PROTECTION BEING CONSIDERED

THE question whether protection should be continued to the cocoa powder and chocolate industry has once again come up before the Tariff Commission. An enquiry into the question was commenced by the Commission on the 19th inst. It may be recalled that the first enquiry into the industry was made by the Indian Tariff Board in 1946, followed by two other enquiries, one in 1949 and the last in 1954. Following the recommendations of the Commission in 1954, the Government of India granted protection to the industry at the standard rates of 31¼ per cent. *ad valorem* in the case of cocoa powder, and 50 per cent. *ad valorem* in that of covering chocolate, other than confectionery. Although this protection is due to expire on 31st December 1956, the Government has provided for its continuation for a further period of one year, namely, till the end of December 1957, on an *ad hoc* basis. Thus, the industry has enjoyed protection already for a period of nine years.

Now that the Commission is seized of the question, it will be appropriate to discuss briefly the progress of the industry during the past several years, and the problems that are still being faced by it, and examine how far the industry fulfilled the obligations arising from the protection it has been enjoying. Indeed, the Chairman of the Tariff Commission, Mr. K. R. Damle, himself has dwelt on these issues at considerable length while speaking on the occasion of the commencement of the public inquiry into the question. At present, the industry consists virtually of only one producer, namely, the Sathe Biscuit and Chocolate Co., Ltd., Poona. It has a rated capacity of 450 tons for covering chocolate and 150 tons for cocoa powder on a single-shift basis. Another unit, namely, Messrs. Cadbury-Fry (India) Ltd., is expected to commence production before the end of this year, its rated capacity being 340 tons for covering chocolate and 125 tons for cocoa powder. Thus, when the second unit also goes into production, the rated capacity of the industry will be 970 tons of covering chocolate and 275 tons of cocoa powder on single-shift basis. There are some small units which are engaged in the production of cocoa powder and chocolate from time to time, but their production has not been on a commercial scale.

The progress of the industry as judged by the production figures presented by the Chairman in his speech has not been very bright. The following table, presented by Mr. Damle, indicates the total production of covering chocolate and cocoa powder and the amount of imports between 1951 and January-June 1956:

Year	Production	Imports	Total potential supply
1951	164.1	269.6	433.7
1952	198.6	148.2	346.8
1953	155.1	332.2	487.3
1954	110.9	240.2	351.1
1955	98.9	34.2	133.1
1956 (Jan.-June)	36.0	92.3	128.3

As will be seen from the table above, production, which touched the highest in 1952, has been steadily declining. Imports were high till 1954, but declined later. This trend, viewed in the context of a similar decline in production at home and of the normal amount of carry-over stocks with the producers, leads to the conclusion that the demand has steadily declined. There is, however, the possibility—to the examination of which the Commission has rightly addressed itself—that the unusually large imports in 1953 and 1954 might have been responsible for causing a decline in the offtake of the indigenous product in subsequent years.

Problems

This brings one to the consideration of the problems facing the industry. In the first place, the important feature of the industry, as Mr. Damle pointed out, is its total dependence on foreign sources for its important raw material, namely, cocoa beans. The magnitude of this factor will be clear when it is remembered that cocoa beans account for no less than 65 per cent. of the ruling value of the finished products, namely, cocoa powder and covering chocolate, taken together. The developmental work started in Madras and Mysore by the respective Governments for the production of cocoa indigenously has produced no appreciable results. Yet most of the cocoa plants in these two States are not only very young but the area under cultivation is so small that the production of indigenous beans is practically negligible. Mr. Damle's observations on this subject suggest that the chocolate producers should have taken major steps by now for developing cocoa plantation, especially as there are, according to him, no insurmountable difficulties in this country for growing cocoa trees. He was of the view that the fact that, even after nine years of protection, the industry continued to be dependent upon imported raw materials could not be regarded as a very satisfactory feature. This dependence of the industry on imported raw material has rendered the prices of the products of the industry sensitive to the prices of the imported raw material. As a result, when the prices shot up, as, for instance, during 1954-55 and 1955-56, the demand for chocolates suffered an immediate setback. This is so, particularly because the elasticity of demand for cocoa powder and chocolate is very high, the consumption of these productions being the result of an acquired taste. The adverse effects of a fall in demand caused by high prices linger for a long time and persist even when prices are again lowered. The prospects of success for the industry would be definitely much better, if the country produced its own requirements of cocoa beans.

Price of Sugar

A second problem facing the industry relates to the price of sugar which is another raw material of the industry. It may be recalled that the Tariff Commission in its report in 1954 expressed its inability to support the industry's demand for special facilities in the form of supply of sugar at reduced prices, for the reasons that sugar constituted only about 10 per cent. of the raw material cost of the products and that any special arrangement made for this industry would establish a precedent for providing similar facilities to other industries using a greater proportion of sugar as raw material. Despite this clear-cut and convincing ground on which this demand was rejected, the industry has again requested the Commission to reconsider its earlier decision.

The industry has also been experiencing difficulties in the disposal of cocoa powder, due to lack of demand for indigenous cocoa butter used in chocolate coatings. The Commission had recommended in 1954 that the Sathe Biscuit and Chocolate Company, the only producer, should take steps for the expansion of cocoa butter with a view to meeting the entire domestic requirements. But the Company has not been able to utilise fully its capacity for the production of cocoa butter, because the latter product has been priced out by cheaper alternative forms of chocolate coverings, such as fats. Further, the imported chocolate butter has been cheaper than the indigenous chocolate butter produced by no less than Rs. 4-8 per lb.

Following the recommendations of the Commission in 1954, certain measures taken by the Government have helped improve the position of the industry to some extent. The Commission, for instance, had recommended in 1954 that cocoa beans should continue to be exempt from import duty, and that they should be placed on O.G.L. Accordingly, imports of cocoa beans have been duty-free, while import licences have been made available freely and kept valid for one year so as to enable the importers to buy the beans under favourable conditions.

A notable improvement in the quality of the indigenous products is reported. Mr. Damle said that the views received by the Commission indicated "a considerable improvement" in the quality of the products and that no specific defects had been reported to it.

NEWSPRINT FACTORY

The Minister for Heavy Industries disclosed in the Lok Sabha on 21st November that a newsprint factory with a capacity of 30,000 tons would be set up in the public sector at Shankarnagar, Andhra Pradesh. The Minister also stated that the Government was also taking further steps to meet the domestic requirements which were expected to go up to 140,000 tons by 1960-61. The Minister pointed out that the newsprint factory was already under production at Nepanagar, Madhya Pradesh, and had produced, during the year 1955-56, 3,055 tons. At this level, the production of the factory had reached the optimum level of 60 tons a day. With the completion of certain readjustments to the pulp plant in the course of the next year, production was expected to go up to 100 tons a day. It was also revealed by the Minister that a committee under the chairmanship of the Inspector-General of Forests had been set up to go into the question of further newsprint manufacture in the country.

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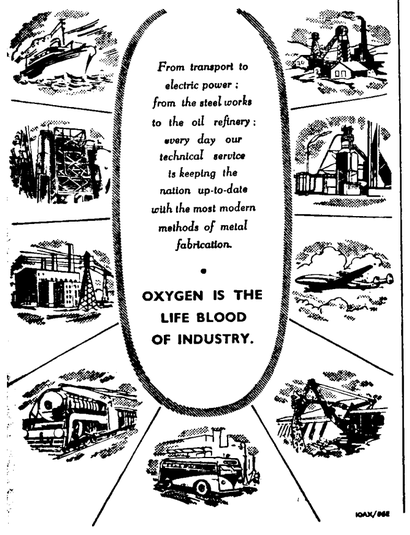

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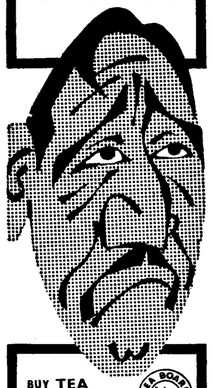

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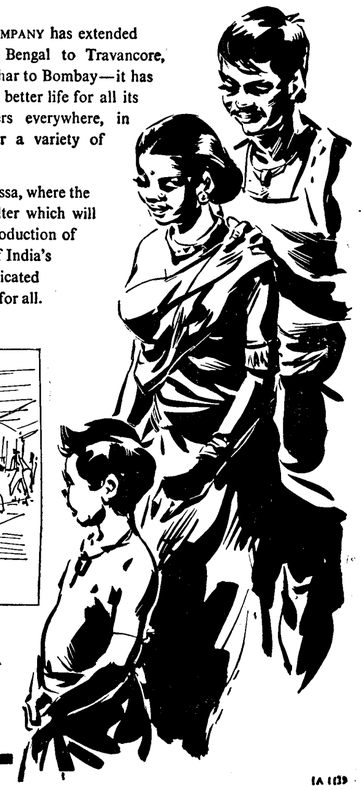

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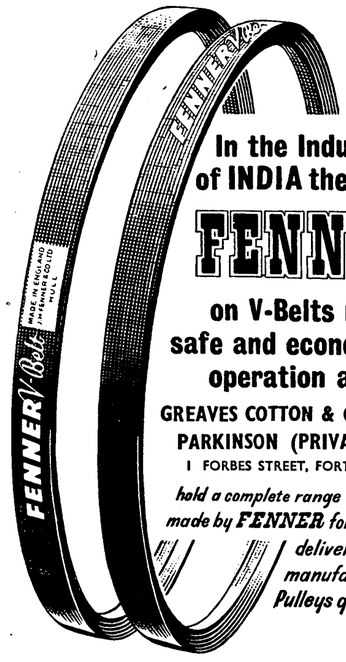

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INDIA STEAMSHIP REPORTS BUMPER PROFIT

DIVIDEND RATE DOUBLED

THE note of confidence expressed by the Directors of the India Steamship Company, Ltd. (Managing Agents: Messrs. Lionel Edwards Ltd., Calcutta), in their report submitted a year ago, about the prospects of the Company's working for the year 1955-56 has, fortunately, not been belied. The financial results, as shown by the accounts for the year ended 31st March 1956, make a sharp and welcome contrast to the gloomy and depressing trend witnessed in the three previous years. Profits have considerably improved, the allocations to reserves have been increased and the anxious, but nevertheless patient, ordinary shareholder, who had to forgo his dividend in the previous two years in the larger interests of the Company, has been adequately rewarded by having his dividend doubled to 10 per cent. from 5 per cent. paid on the previous occasion, that is, for the year 1952-53.

The Company appears to have turned the corner. The downward trend in profit which was in evidence in the three preceding years has yielded to one of rising profits, creating, as it were, a fresh landmark in the Company's history. Thus, the gross profit, which had touched a low of Rs. 26.87 lakhs in the previous year, advanced by as much as Rs. 62.27 lakhs, to reach the impressive level of Rs. 89.14 lakhs. The year's profit is even better than the previous high for 1951-52 at Rs. 76.27 lakhs. The net profit, too, after making substantially higher allocations for depreciation and taxation, stands at the level of Rs. 37.73 lakhs as against a mere Rs. 88,000 a year ago. The improved results have enabled the Directors to set aside a sum of Rs. 15.00 lakhs to general reserves, as against *nil* in the previous two years.

As already mentioned, the Directors have recommended a stepping up of the dividend to 10 per cent., that is, Re. 1 per share, from 5 per cent. for 1952-53 and 1951-52. The year's dividend of 10 per cent. is made up of an interim dividend of As. 8 per share and a final dividend of a like amount. It may be noted here that the Company had paid the maiden dividend at the rate of 5 per cent. per annum only four years ago; the following year it was repeated, only to be accompanied by a total suspension for the two subsequent years.

It is noteworthy that the Company has been able to show the abovementioned satisfactory results, despite the continued difficult labour conditions in ports which led to needlessly long detention of ships and delays in clearing them. This year's performance of the Company could, therefore, be said to reflect a high degree of efficiency by the management.

The Company's freight earnings during the year under review rose substantially from Rs. 401.00 lakhs to Rs. 526.12 lakhs, as will be seen from the comparative table given below:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Freight earned	526.12	401.00	360.28	393.48
Other income	2.22	1.72	1.31	2.57
Expenses	439.20	375.85	330.70	331.17
Gross profit	89.14	26.87	30.89	64.88
Managing Agents' commission..	8.91	2.68	3.09	6.61
Depreciation	41.50	22.88	26.04	23.13
Taxation	1.00	0.42	0.77	5.00
Net profit	37.73	0.88	0.99	30.14
To general reserve	15.00	..	..	18.00
Dividends—				
5 per cent. cum. preference ..	1.25	1.25	1.25	1.25
Ordinary	22.50 (10%)	..	..	11.25 (5%)
Carry forward	0.26	1.28	1.65	1.91

Commenting on the year's working, the Directors observe thus:

"During the period under review, ten ocean-going vessels were employed on the liner service in the India-U.K.-Continental run. The Company had also one vessel exclusively employed on the coastal trade in India. The Company is pursuing its policy of expansion of the fleet and, accordingly, two new vessels, *Indian Resolve* and *Indian Resource*, have been acquired and were delivered by the builders, Messrs. Howaldtswerke of Hamburg, and they started on their maiden voyages in March 1956 and June 1956, respectively. As these ships started operating after the closing of the financial year under review, their earnings are not reflected in the freight earned during the year. After the close of the financial year, the Company disposed of one of its old vessels, namely, s.s. *Indian Importer*, at a favourable price, leaving the strength of the Company's fleet at 12 vessels. During the year, the Company's fleet made 26.5 voyages, against 22 in the last year. The round voyage of a Company's ship took on an average about 13.7 days less than in the previous year. This was as a result of special steps that have been taken to obtain a better turnround for the ships, both in India and abroad. This is in spite of the fact that the delays and detentions in ports continued as in previous years."

The delays and detentions encountered at the ports, and to which a reference is made by the Directors in their report, have resulted in a boosting of the port charges by Rs. 36.07 lakhs over last year's figure. The other items which have also contributed to the increase in expenses are salaries and wages which account for a rise of Rs. 11.07 lakhs, repairs, maintenance and surveys for Rs. 8.39 lakhs, bunkers, stores and victualling for Rs. 8.44 lakhs and insurance for Rs. 5.00 lakhs.

The balance-sheet of the Company, as on 31st March 1956, shows the paid-up capital at Rs. 250 lakhs, consisting of 25,000 five per cent. cumulative redeemable preference shares of Rs. 100 each and 2,250,000 ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 90.25 lakhs, besides a reserve for taxation of Rs. 8.00 lakhs. Loans secured from the Government of India by mortgage of ships included in fleet account for Rs. 550.46 lakhs. The current liabilities total Rs. 155.64 lakhs. There has been an addition of Rs. 142.30 lakhs to the fleet account during the year, bringing it to a total gross value of Rs. 866.24 lakhs and the total block account to Rs. 964.48 lakhs. This has been written down to a book value of Rs. 741.48 lakhs. The current assets aggregate Rs. 312.87 lakhs.

The Directors state that the prospects for the current year (1956-57), in so far as they can be judged from the working of the Company so far, appear to be bright.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 10-4 *ex-div.* On the basis of the year's total dividend at 10 per cent., the yield works out to 9.8 per cent. per annum.

HASIMARA TEA CUTS DIVIDEND

Drought conditions in the early part of the year and the consequent lower production, labour unrest resulting in increased wages for workers, and the payment of bonus to them for the years 1953 and 1954 on a retrospective basis to which the company had to agree, were the factors that were cumulatively responsible for the Hasimara Tea Company, Ltd. (Managing Agents: Messrs. Davenport & Co. Private Ltd., Calcutta), disclosing a net loss for the year ended 31st December 1955. These adverse developments have had such a marked reflection on the Company's earnings that the gross profit for the year at Rs. 10,41 lakhs stands in depressing contrast to the handsome profit of Rs. 58.23 lakhs for 1954 and of Rs. 35.08 lakhs for 1953. After providing for essential provisions such as managing agents' commission (Rs. 3.01 lakhs), depreciation and replacement of assets Rs. 5.65 lakhs and taxation (Rs. 3.34 lakhs), the year's working has shown a net loss of Rs. 1.59 lakhs, as against a net profit of Rs. 33.64 lakhs for 1954 and of Rs. 23.72 lakhs for 1953. In view of this, the Company has had to withdraw a sum of Rs. 3.50 lakhs from general reserve to pay a small dividend of 10 per cent. on the ordinary shares absorbing Rs. 3.20 lakhs. That the Directors were willing to recommend substantially higher dividends when the profits of the Company warranted such action is amply evidenced by the fact that, as against a dividend of 25 per cent. for 1953, they paid a high rate of 60 per cent. for 1954. The latter consisted of two payments, namely, an interim dividend of 10 per cent. and a final one of 50 per cent.

The withdrawal from the reserves this year, as mentioned above, stands in contrast with the credit of Rs. 13.50 lakhs made last year, of which renewals and additions reserve got Rs. 6.00 lakhs, general reserve Rs. 6.50 lakhs and staff reserve Rs. 1.00 lakhs. The corresponding provision for 1953 was of the order of Rs. 8.33 lakhs.

The Company's sales proceeds of tea during the year under review fetched Rs. 107.10 lakhs. Although this is slightly better than the 1953 figure at Rs. 106.08 lakhs, it is appreciably lower than the 1954 sales at Rs. 135.55 lakhs. While sales and profits have tended to decline, expenses have followed an upward trend. The year's expenses at Rs. 98.54 lakhs almost equal the proceeds from sales and are Rs. 19.95 lakhs above the 1954 expenses aggregating Rs. 78.57 lakhs. The items on which these have gone up are cultivation, manufacture and upkeep of equipments and repairs to buildings. Besides, a provision for bonus to labour for 1953 and 1954, requiring Rs. 7.50 lakhs, has also been charged to the 1955 expenditure account.

Commenting on the year's working, the Directors state thus:

"Drought was again experienced at Hasimara early in the year, which, together with a strike of labour that affected three of the four Hasimara divisions seriously from the 22nd August to the 8th September, reduced outturn to 6,072,776 lbs. of tea, compared with 6,371,277 lbs. in 1954, the crop being disposed of entirely on the Calcutta auctions. The total net average sale price realised from the Hasimara division was As. 27.68, as against As. 33.70 and the total working costs per pound of tea produced in the same division was As. 23.81, as against As. 19.34 in the previous year. An increase of three annas in the daily wages was given by the industry, in consultation with labour representatives, to workers on Duars and Terai estates, from the beginning of the year; and in Darjeeling an increase of 1½ annas daily was agreed to by the industry from the 1st April and a further increase of two annas per day was imposed by Government notification from the 1st July. These increases cost 1.2 annas per pound of tea at the Hasimara divisions and 2.05 annas per pound at Tumsong. In addition, early in 1956 the industry was obliged to agree to retrospective payment of bonus to labour for the years 1953 and 1954 for which purpose we have provided Rs. 7,50,520 in the accounts under review, equal to 1.98 annas per pound of tea produced and approximately to 25 per cent. of the ordinary capital of the Company; and it is expected that the Company will be required to make a proportionate payment for 1955 too.

"Working costs were enhanced by the short crop made and by the necessity to undertake extensive river protection work, to which reference was made in our last report. Labour indiscipline throughout the year affected adversely the standard of leaf plucked and of teas made. Estimates for 1956 have been based on a total crop of 78,200 maunds at a total cost of Rs. 88,68,469, equal to a revenue cost of production of 23.68 annas per pound of tea, inclusive of the recent additional imposition of West Bengal Entry Tax of one anna per pound."

The Company's total area under cultivation extends to 4,235.05 acres of which 4,003.50 acres are mature and 231.55 acres immature.

The balance-sheet of the Company, as at 31st December 1955, discloses a healthy financial position. The paid-up capital at Rs. 35.00 lakhs (divided into Rs. 3 lakhs in seven per cent. cumulative preference shares of Rs. 100 each and Rs. 32 lakhs in ordinary shares of Rs. 10 each) is supplemented by reserves and surplus aggregating Rs. 57.06 lakhs. Loans secured from a commercial bank against hypothecation of crop and export rights amount to Rs. 6.82 lakhs. There is a reserve for taxation amounting to Rs. 11.32 lakhs. The gross block of the value of Rs. 96.70 lakhs stands written down at Rs. 53.66 lakhs. The current assets aggregate Rs. 82.47 lakhs, of which stores and supplies account for Rs. 15.31 lakhs, stock of 1955 crop Rs. 42.54 lakhs, investments in Government securities, shares and debentures Rs. 5.80 lakhs and cash in hand Rs. 4.32 lakhs. These assets cover the current liabilities, amounting to Rs. 25.91 lakhs, by a very comfortable margin.

THE
CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA
(Incorporated in England by Royal Charter, 1853)
(Liability of Stockholders Limited)
Capital (Paid-up) - £3,500,000
Reserve Fund - - £5,000,000
Branches throughout India, Pakistan and the East
AFFILIATED BANK IN INDIA & PAKISTAN,
THE ALLAHABAD BANK LTD., with over 70 offices in India & Pakistan.
The Bank offers a complete Overseas Banking Service and provides exceptional facilities for financing every description of trade with the East.
Deposits for Fixed Periods or repayable at call or at short notice are received at rates which may be ascertained on application.
The Bank's London Office undertakes Trusteeships and Executorships.
Head Office
38, BISHOPSGATE, LONDON, E.C. 2.
Branch: 28, Charles II St., Haymarket, London S.W.1.
Manchester Branch: 52 Mosley Street,
Liverpool Branch: 27, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency: Borsenbrucke 2A Hamburg 11.
New York Agency: 65 Broadway, New York, 6.
Bombay Branch:
23-25, Mahatma Gandhi Road, W. MACKAY,
Bombay 1. Manager.

Points From The Chair

Outlook for Copper

"WITH REGARD to copper, the world picture is one of streng demand, increasing output and fluctuating prices. Although in the future there will no doubt be periods of alternating shortages and temporary over-supply, accompanied by fluctuations in price, it would appear that one can look forward to an increasing world use of the metal with producers endeavouring to satisfy demands in the hope of ensuring stable markets and stable prices. During the year 1955 world production of copper, excluding the U.S.S.R., increased by nearly 250,000 long tons, or some 10 per cent. of the 1954 production. In Northern Rhodesia, which is one of the important areas of world production and in which your company's interests in copper are situated, the 1955 output actually decreased by some 8.7 per cent. compared with 1954, as the result of interruptions arising from labour disputes. Such disputes have occurred again during the year 1956 and will no doubt recur from time to time, as is likely in an industry whose main labour force is largely derived from a people emerging from primitive to industrial conditions. Considerable experience in the problems in human relations which face the copper producing companies of Northern Rhodesia is available and is being wisely and patiently used by those concerned in working out the solution to these problems."

D. A. B. WATSON,
Johannesburg Consolidated Investment Co., Ltd.

Life Insurance

"It is not necessary for me to go in detail at this moment into the merits and demerits of nationalisation. It is a *fait accompli*. The question is whether such nationalisation is going to benefit the country as a whole, more than what has been done in the hands of the people. The progressive figures of the last few years of this business reveal that the insurance industry was playing its part with the economic growth of the country. If you take new insurance business of the first Plan period, the total business jumped from Rs. 139.5 crores in 1950 to Rs. 229.5 crores in 1954. That means a rise of 65 per cent. in four years whereas, the national income has risen by 18 per cent. only. It was expected that within few years Indian insurance would reach a new business of Rs. 1,000 crores. Since during the second Plan, national income is expected to rise more than during the first Plan, achievement of this target was more than certain. I wish that Government should not lose sight of this important factor, as life insurance was playing a great part in collection of small savings from door to door and utilising the same in nation-building by investing in Government securities, housing and industries. I wish that this important source should flourish greater and greater and we should have place in parity with the world insurance, according to the economic condition of our country. It is difficult to visualise what it is going to be at the moment, but I wish to emphasise with all the force at my command that, if the figures are not rising to our expectations, we would be doing a great disservice to the nation for interfering with an industry which was serving the country so well."

LAKSHMIPAT SINGHANIA,
National Insurance Co., Ltd.

Standard for Cycle Parts

"Several manufacturers have been licensed to produce complete bicycles and, in addition many scores of operators have been given licences to produce cycle parts. The desire to have small-scale units spread all over the country, partly to manufacture parts and mostly to assemble completed cycles, which the Government has in view, is a commendable one and large-scale manufacturers have no reason to criticise this policy. The assembly of cycles from parts manufactured by various persons or factories is a normal thing in many countries. There is, however, one safeguard which is absolutely necessary and which I trust the Development Councils and the Government would always keep in mind. The cycle is a poor man's means of transport and it is necessary that he should get the best product in return for the hard-earned savings which he invests in a cycle. The quality of every part should, therefore, be strictly tested and only those who produce parts of the desired quality should continue to have licences extended to them for the manufacture thereof. I am aware that the Indian Standards Institute is setting up standards for indigenous cycles and cycle parts with the help of technical experts. I hope that no false sense of sympathy for the cottage industrialist or the small-scale industrialist will influence anyone to lower the standard prescribed by the Indian Standards Institute."

A. RAMASWAMY MUDALIAR,
T. I. Cycles of India, Ltd.

Tube Products of India

"Good progress has been made towards the establishment in India of our new tube company, which, in association with Messrs. Murugappa and Sons, I reported last year. Indeed, so satisfactory has this been that we have high hopes of commencing production in the spring of next year. I am looking forward to attending the opening ceremony, at Avadi, near Madras, of the first stage of this promising new enterprise. The progress made during the year in research and development has strengthened our conviction that our programme of long-range scientific research, designed to advance our technological developments, will be of great value to our operating companies. Towards this end, we are grouping our various technological sections at one Technological Centre in suitable premises at Walsall Airport. Four of the sections—Control Engineering, Nuclear Engineering, Plastics Development and Data Handling and Computing—are already installed there. There may be nothing new in principle in what is called 'automation,' but there is something new in the scope of electronic applications to manufacturing processes and machinery and in the bold attacks now being made in various countries on conventional methods with these powerful modern weapons."

SIR IVAN STEDEFORD,
Tube Investments Ltd.

COMPANY MEETINGS AND DIVIDENDS

BURN & CO., LTD. Annual General Meeting, Calcutta, 7th December 1956. Dividend: Rs. 20 per share, free of tax. Transfer books remain closed from 28th November to 7th December 1956, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Annual General Meeting, Coonoor, Nilgiris, 8th December 1956. Dividend Re. 1 per share (final). Transfer books remain closed from 1st to 15th December 1956, both days inclusive.

CARRON TEA CO., LTD. Annual General Meeting, Calcutta, 8th December 1956. Dividend: Rs. 7-8 per share. Transfer books remain closed from 28th November to 8th December 1956, both days inclusive.

NEW CINNATOLLIAH TEA CO., LTD. Annual General Meeting, Calcutta, 12th December 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 12th December 1956, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 12th December 1956. Dividend: As. 8 per share (final). Transfer books remain closed from 28th November to 12th December 1956, both days inclusive.

CLEVEDON TEA CO., LTD. Annual General Meeting, Calcutta, 14th December 1956. Dividend: *Nil*. Transfer books will remain closed from 4th to 14th December 1956, both days inclusive.

OCTAVIUS STEEL & CO., LTD. Annual General Meeting, Calcutta, 14th December 1956. Transfer books will remain closed from 8th to 14th December 1956, both days inclusive.

HASIMARA TEA CO., LTD. Annual General Meeting, Calcutta, 14th December 1956. Dividend: Re. 1 per share. Transfer books remain closed from 1st to 14th December 1956, both days inclusive.

AMLUCKIE TEA CO., LTD. Annual General Meeting, Calcutta, 15th December 1956. Transfer books will remain closed from 1st to 15th December 1956, both days inclusive.

DUNCAN BROTHERS & CO., LTD. Annual General Meeting, Calcutta, 15th December 1956. Dividend: Rs. 6 per share (final). Transfer books will remain closed from 6th to 15th December 1956, both days inclusive.

MODEL MILLS NAGPUR LTD. Annual General Meeting, Bombay, 17th December 1956. Dividend: Rs. 7-8 per share. Transfer books remain closed from 26th November to 17th December 1956, both days inclusive.

PRAGA TOOLS CORPORATION LTD. Annual General Meeting, Saifabad, Hyderabad-Deccan, 17th December 1956. Dividend: *Nil*. Transfer books will remain closed from 10th to 17th December 1956, both days inclusive.

INDIAN CABLE CO., LTD. Annual General Meeting, Calcutta, 21st December 1956. Dividend: Re. 1-8 per share (includes a cash bonus of As. 4 per share). Transfer books will remain closed from 8th to 21st December 1956, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 24th December 1956. Dividend: Re. 1 per share (includes interim dividend of As. 6 per share.) Transfer books will remain closed from 10th to 24th December 1956, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Annual General Meeting, Madras, 24th December 1956. Dividend: As. 8 per share (final). Transfer books will remain closed from 10th to 24th December 1956, both days inclusive.

TRAVANCORE SUGARS AND CHEMICALS LTD. Dividend of Re. 1 per ordinary share, for the year ended 30th April 1956. Transfer books will remain closed from 4th to 17th December 1956, both days inclusive.

COMPANY REGISTRATIONS

RAMJI DAYAWAHLA AND SONS PRIVATE LTD. (First Director: Mr. Lalbhai R. Dayawala.) Business: Manufacturers of machinery and mechanical engineers. Authorised capital: Rs. 20,00,000. Private company. Address: Palla St., P.O. Nanpura, Surat.

EASTERN INSULATION CO. PRIVATE LTD. (First Director: Lt.-Col. W. P. Horsburgh.) Business: Mechanical and electrical engineers. Authorised capital: Rs. 5,00,000. Private company. Address: Hague Building, Sprott Road, Ballard Estate, Bombay.

VYAPAR UDYOG PRIVATE LTD. (First Director: Mr. Chiranjilal Badjate.) Business: General traders and commission agents. Authorised capital: Rs. 5,00,000. Private company. Address: 12/14, Chandra Niwas, Bora Bazar Street, Fort, Bombay.

QUESTION HOUR IN PARLIAMENT

Sterling Balances

THE Government of India is still considering what steps to take in order to make up the fall in the sterling balances recently.

* * * *

Restriction on Banks

Restrictions on bank advances against rice, paddy and other foodgrains are being withdrawn. The withdrawal is necessary, as the busy season has practically started and the existing restrictions are adversely affecting primary producers. The directive issued by the Reserve Bank two months ago to the Scheduled banks that their advances against wheat and other foodgrains, grain and other pulses, and cotton textiles should be restricted has had its effect on the upward trend of prices. The advances on paddy and rice came down to Rs. 4.43 crores on 25th October, as against Rs. 24.77 crores on 11th May last as a result of the directive. As far as textiles are concerned, the advances by banks were Rs. 62.02 crores towards the end of August and went up to Rs. 71.19 crores on 26th October. Mr. Bansal said that, in spite of the directive, the advances against textiles and yarn had gone up. Does this not mean that, at a time when the demand for textiles in the country is the highest, the mills are being forced artificially to carry huge stocks with them? The rise in advances does not mean that the banks have failed to abide by the directive of the Reserve Bank. The fact that prices of textiles have gone down a bit justifies the imposition of the restriction on the textile trade. So far as the mills are concerned, if the offtake of textiles from the mills is less, then, naturally, their stocks go up. As the stocks rise, there is a certain amount of increase in advances. The question of controlling prices has to be attacked on several fronts. Credit squeeze is only one of the several methods of controlling prices and, by itself, it will not do the trick. It is quite likely that, in certain pockets, there may be a reverse trend. But, by and large, the effect we want to occur is occurring and we are satisfied about it. It is a fact that the price of paddy and rice in South India has not shown any tendency to come down.

—*T. T. Krishnamachari*

Foreign Help for Second Plan

A sum of Rs. 269 crores has been promised for the execution of the second Five-year Plan from foreign countries. The sum includes spillovers from the first Plan but does not include the World Bank loans and loan assistance for the steel plants. The countries from where the money will come are: The U.S., including U.S. private organisation like the Ford and Rockefeller Foundation, Canada, Australia, New Zealand and Norway.

* * * *

Blocked Cash Balances

The value of blocked cash balances and securities in India as on 30th June last was Rs. 22.27 lakhs. They related mainly to infringement of import control and exchange control regulations, capital assets of emigrants to non-sterling area countries or capital assets of non-sterling area nations retiring to their own countries, and accounts of beneficiaries, who were either never resident in India or had left India prior to the imposition of exchange control.

—*B. R. Bhagat*

Indo-Pakistan Bank Pact

The interim reply received from the Pakistan Government indicates that Pakistan is not ready to accept unconditionally the recommendations of the joint Implementation Committee set up under the Indo-Pakistan Banking Agreement. Most of the banks affected being Indian, the implementation of the recommendations of the Committee will depend mainly on the action taken by the Pakistan authorities.

—*A. C. Guha*

Cement Supplies

Since the State Trading Corporation took over the cement business, the Government has been able to control the allocations on a priority basis. It is true that availability of cement is rather difficult these days, but the Government is trying to import 700,000 tons to meet as much of the demand as possible. The gate sales of cement to users—one or two bags for small purposes—have been stopped.

* * * *

Sugar Machinery Manufacture

There are at present six firms manufacturing items of sugar mill machinery other than crushing plant and centrifugals against specific orders. Apart from this, the Government has licensed six more firms under the Industries (Development and Regulation) Act, in order to cover the manufacture of complete range of sugar machinery in India.

* * * *

Electrical Equipment

There are about 101 factories in India for the manufacture of electrical equipment and machinery. Out of these, 89 are Indian-owned and 12 are either wholly or partly owned by foreign firms. The total capital invested in these factories is about Rs. 15 crores. Out of this, about Rs. 4.55 crores represent foreign paid-up capital in the 12 factories mentioned above.

—*M. M. Shah*

Foodgrains Prices

The upward trend in the price of foodgrains two months ago has now been almost arrested as

a result of the steps taken by the Government of India. The measures taken by the Government included the import of foodgrains from abroad—both wheat and rice—and the opening of about 18,000 fair-price shops all over the country. The Government has changed its earlier policy of selling large quantities of foodgrains to wholesalers for distribution, as they used to make considerable profit. The Government now sells grains directly to retailers on the understanding that they will sell them at a small margin of profit. For example, wheat sold by the Government at Rs. 14 per maund should be sold only at Rs. 14-8 per maund. The prices at which the Government releases foodgrains to retailers—Rs. 14 per maund for rice—are by no means high. The Government is not in a position to fix and announce prices of agricultural commodities before the commencement of the sowing season, as demanded by the All-India Farmers' Council, because the Government does not have enough data on the cost of production of the various agricultural commodities.

—Ajit Prasad Jain

Purchase of Ships

Orders for ships worth over Rs. 23 crores have been placed with several countries during the recent visit of the Government of India's Director-General of Shipping to the U.K., Germany, Italy and other countries. Within six months of the first year of the second Plan, shipping companies, both in the public and in the private sectors, have been able to place orders for ships worth over Rs. 36 crores—almost the total money allotted for shipping in the second Plan period. Purchase of ten-year-old second-hand ships can be considered. But it is not easy to get such ships and only ships which are 15 and 20 years old are available for sale. About the steps taken to get ships from the reserve fleet of the U.S., India did approach the U.S. in this connection prior to the recent Presidental election. India was told that legislation by the Congress would be necessary for the transfer of such ships and such legislation could not be undertaken in view of the Presidential election then. At present, India does not have enough ships. The Government has asked private shipping companies to divert some of their ships to Russian ports if possible. But they have not been able to do that. As soon as India gets more ships, the number of Indian ships plying to Russian ports will be increased.

—Lal Bahadur Shastri

Mercantile Marine Cadet Training

The question of starting a mercantile marine cadet training institution at Cochin is under consideration. The details have not yet been worked out. If started, this institution will be in addition to the three already set up in the country.

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Shipping Target

There is no proposal at present to revise the shipping target set out in the second Five-year Plan.

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Indo-Pakistan Traffic

Passenger traffic to and from Lahore has shown a 15 per cent. increase since January this year. The opening of the Ferozpur (India)-Kasur (Pakistan) route is under correspondence with the Pakistan Government.

—Shah Nawaz Khan

Crop Insurance

The Government of India will consider the question of implementing the scheme of crop insurance on receipt of the report of the Food and Agricultural Organisation Working Party on Crop Insurance. The report was considered at the third F.A.O. regional conference for Asia and the Far East held at Bandung in October this year.

• • • •

Food Reserve

A total of 237,543 tons of foodgrains was stocked by the Centre as reserve up to the end of September 1956. The break-up of this reserve is: Paddy 28,948 tons, rice 97,930 tons and wheat 110,665 tons. About 166 fair-price shops have been opened in Malabar district so far.

—M. V. Krishnappa

PLANTING

(Concluded from page 1038)

1953, and in the case of Indian companies the rise is less marked, having gone up from 13.47 to 16.14, while non-Indian rupee companies show a fall in this percentage, attributable not to a fall in the level of profits, but to the increase in capital employed. The net profits after tax per cwt. of sterling companies have fallen from Rs. 14 to Rs. 12 from 1946 to 1953 and those of non-Indian rupee companies from Rs. 55 to Rs. 32, while those of companies under Indian management show a rise from Rs. 39 to Rs. 60. The Commission attributes the higher profits per cwt. of Indian companies not to the realisation of a higher price by them, but to their comparatively lower cost of production. It goes on to say that the share of distributed profit to net profit (after tax) in 1952 and 1953 has ranged over 50 per cent., although in individual cases and in certain areas the percentage has been very much less. The percentage of gross profits to fixed assets in all groups, the Commission says, has been very much above the figure considered adequate by the cost accountant. The net profit per acre of proprietory and partnership concerns—Indian as well as non-Indian—has increased between 1939 and 1953. The Commission has, therefore, suggested that a scheme similar to that suggested by it regarding the tea industry for a rational distribution of profits should be worked out in respect of coffee plantation companies, so that the various interests of the industry, namely, the shareholders, the staff and the labour, will get a legitimate share of the profits.

As regards taxation of the industry, the Commission has recommended that a countervailing export duty equal to the Central excise duty should be levied on coffee. It has also suggested that the incidence of excise duty should be related as far as possible to the market value of the goods. Accordingly, it has recommended that the excise duty on arabica parchment should be increased to As. 3½ per lb., that on arabica cherry should be maintained at As. 3 and that on robusta should be reduced to As. 2½ per lb. The Commission considers the levy of a sales tax by State Governments as an impediment to coffee trade. This impediment should be removed by making sales tax a central levy and distributing the proceeds to the States concerned.

Small Growers

The Commission has devoted some attention to the problems facing small growers. Its study has led to the view that an improvement in the economic condition of those holding less than 15 acres and who supplement their income by outside labour lies in the general schemes of State Governments for raising the level of employment and the standard of living of agricultural landholders. According to the Commission, 34,218 families, with a rural population of 1.5 lakhs, are engaged in growing coffee on holdings below 25 acres. The group holding 10 acres and below, which should be considered uneconomic unless supported by holdings of other crops, is found to be the largest in number. The main problem relating to small growers is inadequacy of land. The Commission says that, instead of increasing the number of individual small holdings, the owners thereof should be induced to form a joint farming State-partnered co-operative society, which will take more lands under cultivation. The Commission, however, recognises that, under existing conditions, there is no possibility of establishing large-sized joint farming societies on an extensive scale for all small growers. While there is scope for this type of societies, it adds, the progress will be limited by conditions like the amount of long-term advances from Government, the availability of trained personnel for management as well as supervision, income from other sources, the response from small holders and the leadership they can throw up. The farming societies should not pool the land, but permit each individual holder to cultivate his existing holding and any new area added to it.

In his minute of dissent, Mr. Sivaswamy, one of the members of the Commission, has called for the abolition of the managing agency system in the coffee industry. For, according to him, as compared with proprietory concerns and director-controlled companies, the rupee companies under Indian and non-Indian managing agencies had less increase in reserves between 1946 and 1953, less working funds per acre in 1953, less increase in capital formation in 1953 over 1946 and more percentage of aged plants. Their upkeep charges and commission to managing agencies and directors were high. Mr. Sivaswamy has also advocated the co-operative method of organisation for sale of coffee. He calls for a change in the composition of the Coffee Board. According to him, an official whole-time Board in charge of production and finance, acting on the advice of elected advisory bodies of different interests, will be a logical evolution of the present Coffee Amendment Act. Further, he has favoured the formation of a separate marketing board.

(Concluded from next column)

is intended to satisfy the statutory requirements and will enable Lord Sinha to be re-appointed a Director at all material times in the future.

2. Resolution (*b*) in item 5 of the above Notice is intended to enlarge the statutory borrowing power of the Board of Directors to enable them to borrow moneys from time to time for the purposes of the Company in excess of the limit prescribed by Section 293 (1) (*d*) of the Companies Act 1956. The effect of the resolution is to restore the position which prevailed under the Company's Articles prior to the 1st April 1956.

Notice

MCLEOD AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE 33rd ANNUAL GENERAL MEETING of the Members of McLeod & Co., Ltd., will be held at "McLeod House", No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 24th day of December 1956, at 4 p.m., for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st December 1955, the Balance Sheet as at that date, and the Reports of the Directors and the Auditors.
2. To declare Dividends.
3. To appoint Directors in place of Messrs. C. L. Bojoria and A. T. Doig who retire by rotation and who, being eligible, offer themselves for re-appointment.
4. To appoint Auditors for the year ending 31st December 1956, and to fix their remuneration.

As Special Business

5. To consider, and if thought fit, to pass the following resolutions:

(*a*) "That Lord Sinha of Raipur, who attained the age of sixty-nine years on the 22nd August 1956, and who was, at a general meeting held on the 27th December 1954, appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation be and is hereby permitted to continue in office as such Director, and it is hereby declared in conformity with the provisions of Section 281 of the Companies Act, 1956, that the age limit prescribed by Section 280 of the Act shall not apply to him."

Special notice dated the 1st October 1956, of intention to propose the above resolution has been received by the Company.

(*b*) "That the Board of Directors be and is hereby permitted with effect from the commencement of the Companies Act, 1956, to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes."

The Share Transfer Books of the Company will be closed from 10th December 1956 to 24th December 1956, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

By Order of the Board,
McLeod & Co., Ltd.,
C. HOCKLEY,
Secretary.

"McLeod House",
3, Netaji Subhas Road,
Calcutta-1, 21*st November* 1956.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 24th day of December 1956, or to their mandatees.

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

EXPLANATORY STATEMENTS

1. Lord Sinha of Raipur has been a Director of the Company since 16th October 1952, and attained the age of sixty-nine years on the 22nd August 1956. Unless, as provided by Section 281 of the Companies Act, 1956, a resolution is passed by the Company in general meeting specifically declaring that the age limit prescribed in Section 280 shall not apply to him, he will not be eligible for re-appointment as a Director of the Company when his current term of office terminates by retirement of Directors by rotation. Resolution (*a*) in item 5 of the above Notice, of which special notice of intention to propose it has been received by the Company,

(Continued in previous column)

RESULTS OF MODEL MILLS BETTER
JUBBULPORE ELECTRIC MAINTAINS DIVIDEND

Model Mills Nagpur Ltd.

THE directors of the above Company (Chairman: Mr. Badridas Daga, Bombay) submit the audited accounts of the Company for the year ended 30th June, 1956.

The working of the Company during the year has resulted in a profit of Rs. 7,24,202 (Rs. 4,85,766). Deducting from this, previous year's unwritten off balance of profit and loss account amounting to Rs. 2,59,166 (Rs. 7,44,932) there remains a credit balance of Rs. 4,65,036 (debit of Rs. 2,59,166) which the directors recommend should be appropriated as under:—

To payment of dividend at Rs. 7-8 (Rs. 7-8 out of dividend equalisation fund) per share free of tax Rs. 2,80,028 (Rs. 2,80,028) and balance carried forward to next year's account Rs. 1,85,008 (debit of Rs. 2,59,166). The directors hope that considering the facts mentioned below, the result obtained during the year will be regarded as satisfactory.

During the year under review there was a long drawn out labour strike in both the two Mills at Nagpur. Although there was no point of dispute between the workers and the Management in the Company's Mills, the strike continued in sympathy for the dispute of the workers in the neighbouring Mills and the consequences had to be suffered by the company's Mills. This has affected the results of the year under report to a considerable extent. During the year the Mill worked for 234 days only in all the three shifts.

The income-tax assessment for the years 1951-52 and onwards are still to be completed and in view of the unabsorbed depreciation and the assessment losses incurred in the previous years it is expected that the Company will not be liable to pay any Income-tax or Corporation-tax during the year under report. Hence no provision for taxation is made.

There was a continuous rise in the prices of cottons throughout the year, particularly in the second half of the year. At the end of the year, the price was approximately 15 per cent. higher than at the beginning. This was, however, compensated by brighter conditions in the cloth and yarn markets. The demand throughout the year was good.

As stated in the previous reports, the condition of the Spinning section having extremely deteriorated, the directors placed orders for supply of 76 spinning frames (40 warp and 36 weft) from Texmaco, at a total cost of over Rs. 20,00,000 (20 lakhs) and have also ordered casablanca conversion materials for 63 spinning frames at a total cost of approximately Rs. 4,00,000 (Rs. four lakhs). The delivery of these frames has now started and about 20 Frames have already been received. When the installation is completed, it is expected to increase production of the Company's Mills substantially. It is further contemplated to add about 30 carding engines, a new calendering machine and certain other processing machines and the directors are considering ways and means of raising finance for the same.

As required by the Section 211, Schedule VI, Note (e) of the Companies Act, 1956, the amount accumulated in the depreciation fund account upto 30th June 1955 has been allocated proportionately on income-tax scale to the various fixed assets. No provision has been made during the current year on account of the insufficient profit remaining after the adjustment of previous year's loss.

The State Government of Madhya Pradesh introduced duty on consumption of electrical energy, whether purchased or produced for own consumption, the rates charged being 1½ pie per unit of energy consumed for power and 1 anna per unit of energy consumed for lighting and fans. This will amount to over Rs. 1,25,000 annually in the case of the Company.

The control prices of coal and the Railway Freight have also been increased and this is likely to affect the Company to the extent of over Rs. 80,000.

During the year under review the excise duty on coarse and medium cloth has been raised from 6 pies a yard to 1 anna a yard with effect from 1st March 1956. This has been further raised by 1 anna a yard on medium cloth and half anna a yard on coarse cloth, excluding coarse sarees and dhoties, from 1st September 1956. It is said that this has been done with a view to check the rising prices of cloth and also to mop up the surplus profits of the Industry. However, the effect of such action on an uneconomic unit like that of the Company is very adverse and only the results of next year would show to what extent this will adversely affect the working of the Company's Mills.

Messrs. Bansilal Abirchand Dadabhoy & Co., who had been acting as the managing agents of the Company for several years, have resigned their office with effect from 31st March 1956. Since then the Company is director-controlled.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	94,91,850	Block ...	93,13,241
Reserves ...	21,56,146	Stock-in-trade ...	64,04,717
Provision for taxation ...	22,203	Stores and spare parts etc. ...	6,15,324
Liabilities ...	56,15,417	Debts, deposits & advances ...	8,50,699
Profit and loss account ...	4,65,035	Investments ...	25,000
		Cash ...	5,41,670
Rs.	1,77,50,651	Rs.	1,77,50,651

Jubbulpore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

Since satisfactory progress has been maintained for the past six years, resulting in the reasonable return as per the provisions of the Electricity (Supply) Act, 1948, being exceeded, it has been necessary to reduce the charges for electricity supplies, therefore, as from 1st July 1956, the tariffs to ordinary consumers were reduced by approximately six per cent., and reductions have also been made in the case of certain bulk supply consumers.

Under an arrangement with the Madhya Pradesh Electricity Board the Company is supplying approximately 1,600 K.V.A. to the Board for use in Katni. Erection of the boiler that was ordered approximately two years ago will be commenced very shortly. A comparative schedule of sales and revenue for the past three years is as hereunder:—

Half-year ended	*Unit Sold*	*Revenue* Rs.
30th September 1953 ...	10,663,476	11,90,024
31st March 1954 ...	10,110,661	13,41,740
30th September 1954 ...	10,930,412	12,50,517
31st March 1955 ...	10,890,087	14,09,573
30th September 1955 ...	11,938,468	13,70,467
31st March 1956 ...	12,382,075	14,48,370

After providing for all charges and placing Rs. 19,073 (Rs. 17,959) to statutory contingencies reserve, Rs. 1,47,067 (Rs. 83,983) to Tariffs and dividends control reserve and Rs. 58,000 (*nil*) to general reserve, there remains a balance of Rs. 1,45,682 (Rs. 1,45,579) including Rs. 27,739 (Rs. 27,527) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 8 (8) per cent. per annum free of income-tax for the half-year Rs. 89,982 (Rs. 89,982), an additional payment of As. 2 (As. 2) per share Rs. 28,119 (Rs. 28,119) and carrying forward to next half-year Rs. 27,581 (Rs. 27,478).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,49,700	Block ...	40,11,494
Reserves ...	21,15,253	Stores, coal, fuel etc. ...	5,26,626
Provision for taxation ...	2,46,400	Expenditure on capital work-in-progress ...	7,63,321
Liabilities ...	21,34,548	Tools and instruments	26,647
Profit and loss account ...	1,45,682	Obsolete assets ...	480
		Debts and advances	5,18,169
		Investments	1,40,032
		Cash ...	9,04,814
Rs.	68,91,583	Rs.	68,91,583

Muttra Electric Supply Co., Ltd.

The directors of the above Company (Chairman: Mr. G. D. Bhagat, Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

The number of consumers connected to the Company's system as at 30th September 1955, was 2,572 as compared with 1,841 at the close of the corresponding previous half-year. The revenue has increased by Rs. 51,171 when compared with the corresponding previous half-year. Satisfactory progress is being maintained as indicated in the following schedule:—

Period	*Units Sold*	*Revenue* Rs.
Year ended 31st March 1953	2,976,633	4,95,829
Half-year ended 30th September 1953 ...	1,621,133	2,68,495
31st March 1954 ...	1,435,161	2,44,591
30th September 1954 ...	1,648,199	2,72,420
31st March 1955 ...	1,538,904	2,66,699
30th September 1955 ...	1,871,153	3,23,591

After providing for all charges and placing Rs. 3,183 (Rs. 2,974) to statutory contingencies reserve and Rs. 5,000 (*nil*) to general reserve and also providing Rs. 22,427 (Rs. 14,688) for director-in-charge's remuneration (which is payable subject to the approval of the shareholders) there remains a balance of Rs. 32,372 (Rs. 26,057) including Rs. 9,915 (Rs. 2,295) brought forward from the previous half-year available for distribution, and this the directors disposed of as follows:—

By payment of a dividend at the rate of 6 (6) per cent. per annum free of income-tax for the half-year Rs. 20,991 (Rs. 20,991) and in carrying forward to next half-year Rs. 11,381 (Rs. 5,066).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,99,850	Block ...	5,89,662
Reserves ...	1,35,018	Stores, coal and fuel	1,59,438
Provision for taxation ...	81,633	Tools & instruments	8,127
Liabilities ...	4,69,586	Expenditure on capital work-in-progress ...	10,610
Profit and loss account ...	32,372	Debts and advances ...	1,48,869
		Investments	4,07,126
		Cash ...	94,627
Rs.	14,18,459	Rs.	14,18,459

Carron Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts disclose a profit of Rs. 1,28,216 (Rs. 4,31,500). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 1,05,886 (Rs. 3,36,924), of which the directors have transferred Rs. 40,000 (Rs. 75,000) to revenue reserve account. In January 1956 an agreement was entered into between the representatives of the industry and the employees on an industry-wide basis by which a bonus becomes payable to labourers for the years 1953 to 1956 inclusive. The joint payment for 1953-54 appears in the accounts but the exact formula for calculating the amounts due for 1955 and 1956 is at present under consideration and provision for the estimated amount for 1955 has also been made. The directors recommend that a dividend of 7½ (25) per cent. be declared at the annual general meeting, leaving Rs. 20,886 (Rs. 46,924) to be carried forward.

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

Tea crop amounted to 7,625 maunds as compared with 7,551 maunds in 1954. The average selling price realised was Re. 1-13-7 per lb. as against Rs. 2-3-10 per lb. in the previous year. Planted area remains at 602.32 acres.

Estimates for 1956 provide for a crop of 7,000 maunds at an outlay of Rs. 8,79,280 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	8,48,764
Reserves ...	7,74,645	Stock-in-trade ...	8,21,486
Provision for labour bonus	19,000	Stores and supplies ...	70,089
Provision for taxation ...	2,03,973	Loans and advances ...	97,156
Liabilities ...	3,15,230	Investments	61,115
Profit and loss account ...	20,886	Cash ...	35,124
Rs.	19,33,734	Rs.	19,33,734

Naihati Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

After crediting Rs. 1,72,751 (*nil*) being refund of income-tax for earlier years and after providing Rs. 2,67,166 (Rs. 1,86,047) for depreciation, the profit and loss account showed a profit of Rs. 10,141 (Rs. 2,82,726) which was reduced by loss brought forward from previous half-year of Rs. 3,19,252 (Rs. 7,08,068) leaving a net loss of Rs. 3,09,111 (Rs. 4,25,342) and this amount the directors has been carried forward.

Stocks of jute have been valued at cost and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours weekly with 12½ per cent. of the total looms sealed up to the week ended 7th January 1956. With effect from 9th January 1956, 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. were unsealed, leaving 5 per cent. of the total looms sealed.

It has not been possible to keep the fine spinning unit wholly employed throughout the period, but orders are more satisfactory for ensuing months.

The directors are pleased to advise that the appeal against the Income Tax Officer's demand for tax referred to in our last report has been successful and a sum of Rs. 1,72,751 has been credited in the profit and loss account for the half-year under review.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,48,900	Block ...	83,53,894
Debentures ...	25,00,000	Capital expenditure in progress ...	12,511
Reserves ...	38,40,147	Stock-in-trade	26,04,769
Liabilities ...	42,62,135	Stores and spare gear	11,83,068
		Oil and coal	36,312
		Debts, deposits and advances ...	25 81,863
		Investments	2,47,829
		Cash ...	21,823
		Profit and loss account ...	3,09,111
Rs.	1,53,51,182	Rs.	1,53,51,182

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

Notices

THE CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED

NOTICE

THE EIGHTY-SECOND ANNUAL GENERAL MEETING of the Shareholders of THE CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay, on Monday the 24th December 1956, at 4-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 30th June 1956, and the audited Balance Sheet as at 30th June 1956.
2. To declare a dividend on Preference Shares.
3. To appoint a Director in place of Sir Vithal Chandavarkar, Kt., who retires by rotation, and is eligible for re-appointment, and to consider, and if thought fit, to pass the following resolution, of which special notice as required by Sections 190, 280 and 281 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Sections 280 and 281 and other applicable provisions (if any) of the Companies Act, 1956, Sir Vithal Chandavarkar, Kt., who has attained the age of 69 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed by Section 280 of the said Act shall not apply to him."

4. To appoint a Director in place of Mr. D. R. D. Tata, who retires by rotation, and is eligible for re-appointment, and to consider, and if thought fit, to pass the following resolution, as a Special Resolution, of which special notice, as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. D. R. D. Tata, who retires by rotation and is eligible for re-appointment, and who is a director, officer, member and an associate of Tata Industries Private Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint ex-officio and special directors to the Board) be and is hereby re-appointed a Director of the Company."

   The reasons, which make this resolution necessary, are more fully set out in paragraph 3 of the Explanatory Statements referred to in Note (*a*) below and which paragraph 3 for the purpose of Section 261 shall be deemed to be incorporated in this Notice.

5. To appoint and/or approve the appointment, pursuant to Section 261 of the Companies Act, 1956, of Mr. N. H. Tata who was appointed a Director at the Ordinary General Meeting held on 9th November 1955, and if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Sections 190 and 261 of the said Act has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, the appointment of Mr. N. H. Tata, a Director of the Company, who is also a director, officer, member and an associate of Tata Industries Private Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint ex-officio and special directors to the Board) be and is hereby made and/or approved, as required by the provisions of the said Section 261."

   The reasons, which make this resolution necessary, are more fully set out in paragraph 4 of the Explanatory Statements referred to in Note (*a*) below and which paragraph 4 for the purposes of Section 261 shall be deemed to be incorporated in this Notice.

6. To consider, and if thought fit, to pass the following resolution required under Section 359 of the Companies Act, 1956:—

   "The Company being satisfied that the insurance premia or other charges made by the New India Assurance Company Limited for insurance in respect of the Company's properties, assets, goods and all other insurances are at rates which are not less favourable to the Company than the market rates and are otherwise reasonable, it hereby authorises Tata Sons Private Limited, associates of Tata Industries Private Limited, the Managing Agents of the Company, to retain all commission or other remuneration already earned or to be earned by them at any time hereafter as one of the principal agents of the New India Assurance Company Limited in regard to all contracts of insurance or insurance policies which have been or which may at any time hereafter be entered into by the said New India Assurance Company Limited with the Company."

7. To consider, and if thought fit, to pass the following resolution required by Section 293 of the Companies Act, 1956:—

   "RESOLVED that pursuant to sub-clause (1) (*d*) of Section 293 of the Companies Act, 1956, that the Company hereby consents to the Board of Directors of the Company borrowing moneys for the purposes of the Company from time to time even though the moneys so borrowed together with the moneys already borrowed by the Company and remaining outstanding or the amount for the time being and from time to time remaining undischarged of the moneys so borrowed together with the moneys already borrowed may be in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose Provided that such excess shall not be more than Rupees three crores at any time and Provided further that in computing the amount of borrowings whether already made or to be made the amounts of temporary loans obtained from the Company's bankers in the ordinary course of business shall be excluded."

   "RESOLVED further that the Company hereby ratifies and confirms all borrowings by the Board of Directors after 1st April 1956 which, together with the amounts previously borrowed by the Company, are in excess of the aggregate of the paid-up capital and free reserves of the Company."

8. To consider, and if thought fit, to pass the following resolution:—

   "RESOLVED that the Registers, Books and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301 to 304, 307, 356 to 360, 362 and 372 and Schedule VIII to the Act, be kept open for such inspection by the persons entitled thereto under the aforesaid provisions to the extent in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the Registered Office of the Company between the hours of 10-30 a.m. and 1-00 p.m. (S.T.) on all working days, except when the Registers and Books are closed under the provisions of the Companies Act, 1956, or the Articles of Association of the Company. Provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection of members or holders of debentures of the Company, if any, as aforesaid between the hours abovementioned during the period prescribed by sub-section 5 (*a*) of Section 307."

9. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 22*nd November* 1956.

Notes:—(*a*) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 3 to 8 set out above are annexed hereto.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*c*) The Transfer Books of the Company will be closed from Friday the 30th November 1956 to Friday the 28th December 1956, both days inclusive.

(*d*) If dividend on Preference shares, as recommended by the Directors, is passed at the meeting, the payment will be made on and after Wednesday the 26th December 1956, to those shareholders whose names are on the Register of the Company on the 24th December 1956.

Annexure to the Notice dated the 22nd November, 1956, convening the Annual General Meeting on the 24th December 1956.

EXPLANATORY STATEMENTS

(As required by Section 173 of the Companies Act, 1956)

The following Explanatory Statements, as required by Section 173 of the Companies Act, 1956, set out all material facts relating to the special business mentioned in the Notice dated the 22nd November 1956.

2. *Item No.* 3: Sir Vithal Chandavarkar, Kt., who retires by rotation and is eligible for re-appointment, has attained the age of 69 years and hence he cannot be appointed a Director of the Company except by a resolution, in respect of which special notice has been given in accordance with the requirements of Sections 190, 280 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out in the said item. Sir Vithal Chandavarkar, Kt., joined the Board of Directors of the Company in 1938. He is a businessman of wide and varied experience and during the long period of his association with the Company, he has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be re-appointed a Director.

3. *Item No.* 4: Mr. D. R. D. Tata is a director who retires by rotation of directors and he is eligible for re-appointment. A special notice has been received from some members as required by Sections 190 and 261 of the Companies Act, 1956, proposing that Mr. D. R. D. Tata be appointed a Director in accordance with the provisions of Section 261. As set out in the special notice received by the Company, the reasons which make the above resolution necessary are as follows:—

The Managing Agents of the Company, Tata Industries Private Ltd., are authorised by the Articles of Association and the Managing Agency Agreement to appoint ex-officio and special directors to the Board. Since Mr. D. R. D. Tata is a director, officer, member and an associate of the Managing Agents, his appointment as a Director of the Company who retires by rotation can only be made by special resolution of the Company in terms of Section 261 of the Companies Act, 1955. Mr. D. R. D. Tata joined the Board in 1949 and has, for the last several years, been associated as one of the Directors of the Managing Agents, with the management of the affairs of the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be re-appointed a Director.

4. *Item No.* 5: A special notice has been received from some members as required by Sections 190 and 261 of the Companies Act, 1956, proposing that the appointment of Mr. N. H. Tata as a Director be made and/or approved in accordance with the provisions of Section 261. As set out in the special notice received by the Company, the reasons which make the above resolution necessary are as follows:—

The Managing Agents of the Company, Tata Industries Private Ltd., are authorised by the Articles of Association and the Managing Agency Agreement to appoint ex-officio and special directors to the Board. Since Mr. N. H. Tata is a director, officer, member and an associate of the Managing Agents, his appointment as a Director of the Company who retires by rotation can be made only by a special resolution of the Company in terms of Section 261 of the Companies Act, 1956. It is also apprehended that by virtue of sub-section (4) of the said Section 261, although Mr. N. H. Tata does not retire from office by rotation at the Annual General Meeting this year, his appointment should be made and/or approved by a special resolution of the Company at the said Annual General Meeting. Mr. N. H. Tata joined the Board in 1947 and has, for the last several years, been associated as one of the Directors of the Managing Agents, with the management of the affairs of the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that his appointment as a Director be made and/or approved by a special resolution in accordance with the provisions of Section 261.

5. *Item No.* 6: Tata Sons Private Limited, who are the holding company of Tata Industries Private Ltd., the Managing Agents of the Company and therefore its associates are also one of the Principal Agents of the New India Assurance Company Limited with whom the Company places its insurance business. It is not clear whether or not it is necessary to obtain the Company's sanction under Section 359 of the Companies Act, 1956, to enable Tata Sons to retain the commission it earns from the New India Assurance Company Limited on the insurance business placed by the Company with the Insurance Company. However, for greater precaution, the Company has been advised to obtain a resolution in General Meeting authorising such retention. The New India Assurance Company Limited is a leading insurance company and has provided valuable insurance service in the past. Its rates of premia and tariff compare well with other insurance companies of repute and its terms and conditions of policies and contracts of insurance are satisfactory. Tata Sons Private Limited, the holding company of Tata Industries Private Limited, have been one of the Principal Agents of the New India Assurance Company Limited since its inception in 1919. Mr. A. D. Shroff and Mr. N. H Tata are Directors and Members of Tata Sons Private Limited, and Mr. D. R. D. Tata is a Member of Tata Sons Private Limited and, as such, they are interested in the commission earned.

6. *Item No.* 7: In order to conduct the day-to-day affairs of the Company and, in addition, to finance the Company's Scheme for renovation and re-organisation of the mills, the Company has to borrow, from time to time, large sums of money from the Company's bankers by way of cash credits and also from other sources. Further, the Managing Agents are negotiating, on behalf of the Company, with the National Industrial Development Corporation, New Delhi, for a loan of Rs. 1,50,00,000 to finance the abovementioned renovation and reorganisation scheme. Section 293 of the Companies Act, 1956, requires the consent of the Company in general meeting for the Board of Directors to borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. As opinions differ as to what constitute 'free reserves' and also as to what exactly are to be regarded as 'temporary loans', in order to remove doubts and for greater precaution, it is considered necessary and desirable that the Company should pass the proposed resolution. As the shareholders are aware, the Company has embarked upon the scheme for the renovation and reorganisation of the Mills, on a large scale, for which capital expenditure on a substantial scale will be needed and has already been partly incurred. It is having regard to this fact that the limit of excess borrowings at Rupees three crores has been suggested in the resolution and it is considered desirable to obtain the ratification and confirmation of the Company in General Meeting to borrowings already effected.

7. *Item No.* 8: Under various sections of the Act, the Company in General Meeting is entitled to impose reasonable restrictions, on keeping the said Registers, Books and Documents open for inspection by the persons entitled thereto, so that not less than two hours in each day are allowed for inspection. The restrictions sought to be imposed by the said resolution are considered reasonable and desirable from the administrative point of view.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

THE WEST COAST ELECTRIC SUPPLY CORPORATION LIMITED

Registered Office: MADRAS

NOTICE OF THE 22nd ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 22nd Annual General Meeting of the West Coast Electric Supply Corporation Ltd., will be held at the Registered Office of the Company, No. 20, Second Line Beach, Madras-1, on Monday the 24th December 1956, at 1 p.m.

1. To consider and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1956.
2. To consider the declaration of a final dividend of 2½ per cent. less tax on Preference Shares and 5 per cent. tax-free on Ordinary Shares making a total of 5¼ per cent. less tax on Preference Shares and 10 per cent. tax free on Ordinary Shares for the year ended 31st March 1956.
3. To appoint Auditors for the current year and fix their remuneration.
4. To consider the appointment of Directors:
   (*a*) Special notice as required by Section 261 of the Companies Act has been received by the company for the appointment of Sri S. Viswanatha Mudaliar as a Director of the Company by a Special Resolution and the following Resolution will be proposed as a Special Resolution:—

   "RESOLVED that Sri S. Viswanatha Mudaliar who is a Director and member of Messrs. Chandrie & Co., Private Ltd., be and hereby is appointed as a Director of this company by this Special Resolution as required under Section 261 of the Companies Act, 1956."

   (*b*) The following resolutions will be moved for the appointment of Sri M. Subbaraya Aiyar as a Director of the Company:—

   (i) *To be moved as a Special Resolution*:

   "RESOLVED that the age limit under Section 280 of the Companies Act shall not apply to Sri M. Subbaraya Aiyar who is aged 71 years and that he be appointed a Director of the Company by this Special Resolution notwithstanding the fact that he is an Associate of Messrs. Chandrie & Co., Private Ltd., who are the Managing Agents of this Company." Special notices have been received for this resolution.

   (ii) *To be moved as a Special Resolution*:

   "RESOLVED that consent be and is hereby accorded to the appointment of Sri R. Sambasivan, B.A., B.E., A.M.I.E., who is holding office as District Engineer of the West Coast Electric Supply Corporation Ltd., on a salary of Rs. 750 p.m. plus Dearness and other allowances though he is a relative of Sri M. Subbaraya Aiyar, a Director of the Company."

   (*c*) To appoint a Director in the place of Sri K. V. Suryanarayana Ayyar who retires by rotation and is eligible for reappointment.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 15th December 1956 to 24th December 1956 both days inclusive.

By Order of the Board,
For CHANDRIE & Co. (PRIVATE) LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, 16*th November* 1956.

Note:—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(*b*) The dividends when sanctioned at the Annual General Meeting will be paid on or after 26th December 1956 to those shareholders whose names stand on the Register of Members on 15th December 1956.

EXPLANATORY NOTE

4. (a) Sri S. S. Thiyagaraja Mudaliar and Sri S. Viswanatha Mudaliar were appointed as Directors by the Company at the General Meeting held on 5th November 1954 and 26th December 1955 respectively. As they are Directors and members of the Managing Agents, both of them vacate their office under section 261 of the Companies Act, 1956. Sri S. S. Thiyagaraja Mudaliar is not standing for appointment as a Director by the Company. Sri S. Viswanatha Mudaliar offers himself for appointment as a Director and he can be appointed a Director by a Special Resolution for which special notice has been given. Special notice has been received by the Company for the passing of a Special Resolution appointing him as a Director. The Directors recommend his appointment.

(*b*) Sri M. Subbaraya Aiyar has been a Director of this Company from its inception and has rendered valuable and inestimable services to the Company and has been greatly responsible for bringing up the Company to its present position. He is aged 71 and he can be appointed a Director after the Company states that the age limit shall not be applicable to him. Special notice has been given to the Company regarding the same. He holds one share in the Managing Agents company, viz., Messrs. Chandrie & Co., (Private) Ltd. and is also the father of Sri S. Venkataraman, A.C.A., who is a Director of the Managing Agents. Hence, his appointment as a Director should be by a Special Resolution for which special notice is required and has been given to the Company. Hence, the first resolution will be proposed as a special resolution for the appointment of Sri M. Subbaraya Aiyar as a Director as per the provisions of Section 281 and 261 of the Companies Act, 1956.

Shareholders may be aware that an Extraordinary General Meeting of the Company was held on 31st March 1956, at which the Company passed a Special Resolution as required under Section 314 for Sri R. Sambasivan, B.A., B.E., A.M.I.E., holding an office of profit as District Engineer of the Company. Sri R. Sambasivan is the brother's son of Sri M. Subbaraya Aiyar. Subsequently he resigned his Directorship.

The Directors are of opinion that the Company should not lose the services of Sri M. Subbaraya Aiyar as a Director and have persuaded him to accept a Directorship. The Directors think that the shareholders also will feel that Sri M. Subbaraya Aiyar, should be in the Directorate of the Company. Hence, the two resolutions for his appointment as a Director will be proposed as Special Resolutions.

By Order of the Board,
For CHANDRIE & Co. (PRIVATE) LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

Notices

DUNCAN BROTHERS AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-seventh Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 31, Netaji Subhas Road, Calcutta, on Saturday the 15th December 1956, at 11 a.m., for the following purposes:—

1. To receive and adopt the Directors' Report, and to pass the Audited Accounts for the year ended 31st December 1955.
2. To confirm the dividend paid on the Preference shares and Interim dividend on Ordinary shares and to declare a final dividend on the Ordinary shares.
3. To elect a Director.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact such other competent business as may be brought before the Meeting.

The Share Transfer books of the Company will be closed from 6th to 15th December 1956, both days inclusive.

Warrants for dividends, when declared, will be forwarded in accordance with registered instructions, or, if no such instructions have been received, to the registered addresses of all shareholders whose names appear on the Company's Register at the date of declaration. No application for payment is necessary, and holders on blank transfer are therefore recommended to submit their shares for registration immediately.

By Order of the Board,

DUNCAN BROTHERS & CO., LTD.,

R. H. DUGUID,

Director.

CALCUTTA, 21*st November* 1956.

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

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN *Annual General Meeting* of The Titaghur Paper Mills Company Ltd., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3 p.m. on Wednesday the 19th day of December 1956, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the half-year ended 31st March 1956, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of the retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th December 1956 to 19th December 1956, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,

Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 19*th November* 1956.

NOTE: (a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 2nd January 1957 to those shareholders so entitled whose names appear in the Company's books on the 19th December 1956, or to their mandatees. No application for Dividend Warrants will be necessary.

THE MODERN MILLS, LIMITED

NOTICE TO SHAREHOLDERS ONLY

NOTICE IS HEREBY GIVEN THAT THE following resolutions in *connection with the* issue of new shares were passed by the Board of Directors of the Company at their meeting held on 21st November 1956.

"RESOLVED that, subject to the conditions *prescribed* by the consent of the Controller of Capital Issues, 22,130 *ordinary shares of Rs. 50* each in the existing capital of the Company be issued and offered in the first instance at a premium of Rs. 10 per share to the holders of the existing ordinary shares on the Register of Members of the Company as on 14th December 1956 being the date of the offer (with the right to renounce in favour of nominees approved by the Board), in the proportion of one new ordi*nary share for every two ordinary shares held* by them on such date, and that in respect of any member *holding less than two ordinary* shares or such number of shares as shall not be complete multiples of two ordinary shares, fractional certificates shall be issued entitling the holder of each such fractional certificate on presentation to the Company along with one other like fractional certificate and a sum of Rs. 60 together with a completed form of application within the time limited for that purpose as hereinafter provided to apply for and be allotted one new ordinary share of Rs. 50 each (fully-paid), and that the full amount for each new ordinary share taken up, plus the premium (making in all Rs. 60 per share), shall be paid to the Company together with the application for shares in terms of the offer and that such offer be made by notice specifying the number of new ordinary shares which each holder of existing ordinary shares shall be entitled to apply for and take up, wholly or in part, and also the number of Fractional Certificates, and limiting the time, viz., upto 15th February 1957, by which date the offer, if not accepted in the terms thereof, will be deemed to be declined with liberty to the Directors from time to time to extend the time for acceptance as aforesaid either generally or in respect of any particular holder or holders; and that such shares as shall not be taken up in response to *such offer shall, with the* previous permission of the Controller of Capital Issues, if necessary, be disposed of and allotted by the Directors on such terms and conditions as they may think most beneficial to the Company and to such persons, whether shareholders of the Company or not, as the Directors may think fit.

"RESOLVED that the said 22,130 new ordinary shares, shall for all purposes rank *pari passu* with the existing ordinary shares of the Company, except that they shall not rank for any dividend declared in respect of any period prior to the 1st November 1956 and consequently they will not rank for any dividend that may be declared for the year ended 31st *October 1956.*"

Notices making the offer to Shareholders are being posted separately.

THE TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM FRIDAY THE 14TH DECEMBER 1956, TO FRIDAY THE 21ST DECEMBER 1956, BOTH DAYS INCLUSIVE.

By Order of the Board.

N. SIRUR & Co., PRIVATE LTD.,

Managing Agents,

V. N. CHANDAVARKAR,

Managing Director.

REGISTERED OFFICE:

TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 21*st November* 1956.

This notice is addressed more particularly to:—

Mr. Claudino Xavier Menezes, Mr. Victor Rodrigues and Rev. Pe. Jose Barreto.

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

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

THE REGISTERS OF MEMBERS AND Transfer Books of the Company will be closed from 17th to 28th December 1956, both days inclusive, in connection with dividend payment.

For CONSOLIDATED ELECTRIC AGENCIES PRIVATE LTD.,

Agents,

N. C. JAVERI,

Managing Director.

BOMBAY, 20*th November* 1956.

DALMIA CEMENT (BHARAT) LTD.

Registered Office:

DALMIAPURAM (MADRAS STATE)

NOTICE

THE LAST DATE FOR RECEIPT OF ACCEPTances against the Letters of Right in connection with the fresh issue of Capital by the Company has been changed from 30th January 1957 to 28th February 1957, thus extending by one month the time allowed for acceptance of the Rights.

By Order of the Board of Directors,

For DALMIA CEMENT (BHARAT) LIMITED,
For HARI BROTHERS PRIVATE LIMITED,

J. DALMIA,

Director,

Managing Agents.

DATED 20*th November*, 1956.

NATIONAL INSURANCE COMPANY, LTD.

(*Concluded from page* 1044)

industries, thus augmenting speedy economic growth of the country.

"Now coming to your Company, as I have said earlier, *we have suffered the most.* Not only the life business has been nationalised by the Government but the Company's subsidiary, namely, *the National* Fire and General Insurance Company, has also been taken over and your Company has to *rebuild completely* both at the head office, as well as the various branches, where the business so far was run as *a combined business.* I am confident that, in course of time, we would again build up the Company and serve the nation in the same way as we have been traditionally doing for the last 50 years.

General Business in 1955

"You must have noticed that in the present balance-sheet only the results of the general departments have been shown. This is because the accounts of the life department have been published by the Custodian and which, I understand, have already been circulated to the shareholders. Henceforth, only the accounts of the general departments would be submitted.

"The total net premium income of all the departments was Rs. 19,24,761, comprising Rs. 4,59,753 of fire, Rs. 6,40,214 of marine and Rs. 8,24,794 of miscellaneous. Against this, previous year's total business was Rs. 15,07,617, composed of Rs. 4,23,855 of fire, Rs. 5,26,642 of marine and Rs. 5,57,120 of miscellaneous. Thus, there is an overall increase of Rs. 4,17,144. Though the net result shows a loss in the balance-sheet, it is mainly due to the loss in devaluation of Pakistan currency amounting to Rs. 66,555 and provision for the increased reserve of unexpired business in all the departments, that is, from 60 per cent. to 100 per cent. in case of marine and 40 per cent. to 50 per cent. in case of fire and miscellaneous departments. The loss during the year has been set off against the brought forward balance of the last year and the Company is still in a position to pay a dividend of 6 per cent., free of income-tax, for the year, absorbing Rs. 90,000, which has been recommended for your consideration, and the balance is to be carried over to the next year.

"In the end, I solicit the good wishes and co-operation of you all in the great task of rebuilding this renowned institution of 'National,' and bringing the same on the forefront.

"With these few words, I propose that the Directors' report and the audited accounts for the year 1955 be adopted."

MONEY RATES UNCHANGED

(*From Our Own Correspondent*)

BOMBAY, 28*th November*

Extreme scarcity of floating funds continued to be the main feature of the short-term money market during the week under review. With the busy season having commenced and with the lendable resources of banks having been depleted already, the paucity was more acutely felt during the week. The result was that activity in the market remained considerably restricted and interest rates were nominally quoted at the previous week's levels.

Inter-bank business in day-to-day funds was placed at 3½ per cent. Three days' and seven days' deposits were unchanged at 3⅜ per cent. and 3½ per cent., respectively. House money at call was done at the self-same rate of 3½ to 3⅜ per cent. Short-term deposits were bid at 3½ per cent. for one to three months and 3⅜ per cent. for six months.

A further decline of Rs. 4.05 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 23rd November 1956. Notes held in the Banking Department have again gone up by Rs. 5.04 crores, so that the increase in total notes issued over the week is only Rs. 99 lakhs. This is covered on the assets side by a corresponding rise in rupee coin. There has been a reduction of Rs. 4.97 crores in foreign securities and an increase in rupee securities of the same order. In the Banking Department, Central Government's deposits have risen by Rs. 3.28 crores and those of other Governments by Rs. 54 lakhs, while deposits of banks have fallen by Rs. 1.17 crores. A decline of Rs. 6.83 crores is noted in balances held abroad, so that the total contraction in the foreign exchange reserves during the week is of the order of Rs. 11.80 crores. Loans and advances other than to Governments are up by only Rs. 72 lakhs, whereas advances to Scheduled banks against usance bills show a net rise of Rs. 4.53 crores. Fresh advances against these bills during the week amount to Rs. 13.94 crores, while repayments have been of the order of Rs. 9.41 crores.

The Scheduled banks' statement for the week ended 16th November 1956, shows a marked rise of Rs. 9.97 crores in demand deposits and of Rs. 3.12 crores in time deposits. Inter-bank borrowings are lower by Rs. 66 lakhs and borrowings from the Reserve Bank by Rs. 7.61 crores. On the assets side, a further decline of Rs. 5.14 crores is noted in advances. This follows the fall of Rs. 8.97 crores noted in the preceding week. Inland bills purchased and discounted have, however, maintained their upward trend with a further rise of Rs. 4.83 crores. Foreign bills show a drop of Rs. 73 lakhs. Investments have gone down by Rs. 41 lakhs, while cash balances have risen by Rs. 46 lakhs and money at call and short notice by Rs. 1.70 crores.

The Gilt-edged market remained dull and quiet during the week under review. Buying interest was confined to only those securities in which payment of half-yearly interest is due on 1st December. Otherwise, most of the securities were on offer and the volume of business was on a negligible scale for want of buyers. The State loans, which had received some support from the Life Insurance Corporation in the previous week, were friendless, with a further decline in prices in some of the loans.

3 per cent. 1986 Conversion Loan continued to attract sellers at Rs. 73-4, which represents a fall of As. 5 over the week. 3 per cent. 1970-75 suffered the heaviest fall during the week, being marked down from Rs. 87-14 to Rs. 86-15. 3 per cent. 1966-68 was, however, unchanged at Rs. 92-6. 3 per cent. 1964 was an anna better at Rs. 94-6. 3 per cent. 1963-65 attracted buyers due to proximity of interest payment and rose by As. 2 to Rs. 94-6. 3½ per cent. 1962 stood at Rs. 97-14, while 3½ per cent. 1961 gained As. 2 to Rs. 99-6 due to support from voucher-eaters. 3½ per cent. 1964 was dull at Rs. 98-5, 3½ per cent. 1965 at Rs. 98-7 and 3½ per cent. 1967 at Rs. 98-6.

Among State loans, 4 per cent. 1968 Madras and U.P. were down by an anna each at Rs. 97-15. M.P. 1964 and 1968 fell by As. 2 to Rs. 98 and Rs. 97-14, respectively. Mysore 1968 also dropped As. 3 to Rs. 97-15.

In the foreign exchange section, the rupee continued to hold its ground in terms of the U.S. dollar, but displayed further weakness in terms of the Canadian dollar. Thus, banks' selling rate for ready U.S. dollars was unchanged at Rs. 481½ per $100 and their buying rate at Rs. 477¼. Banks' selling rate for ready Canadian dollars rose from Rs. 500½ to Rs. 503⅛ per $100 and their buying rate from Rs. 494⅞ to Rs. 497½ per $100. The strength of the rupee in terms of the U.S. dollar is apparently due to the steady tone maintained by sterling abroad. In New York, for instance, spot sterling was well held at Rs. 2.78.3/16-2.78.5/16. Forward sterling (three months), however, showed a slight recession from $2.76⅜-2.76½ to $2.75⅛-2.75¼. Transferable sterling hardened from 274.00-274.10 cents to 274.90-275.05 cents.

LINSEED RISES FURTHER

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 26*th November*

A further advance in linseed prices was noted during the week and the undertone remained steady. Arrivals were very poor and crushers were keen buyers. A fair daily turnover was recorded, chiefly for November-December deliveries, at progressively higher prices. In the oil section, values increased, following the higher trend prevailing in the U.K. Keen enquiries from shippers and crushered, resulted in a fairly active week, despite reserved sellers. Some fresh export business was possible, owing to a better overseas' demand.

The latest available quotations are: November-December Rs. 26-8 and April-May Rs. 22-10 per maund.

BULLION RECEDES

(*From Our Own Correspondent*)

BOMBAY, 28*th November*

The spurt in bullion noted towards the close of last week proved to be a short-lived affair, as an easy trend came to prevail during the week under review. Forward silver was at one time marked down by Rs. 2-2 to Rs. 174-7 and forward gold by Re. 1-5 to Rs. 105. There was, however, some recovery in the last two days, but the earlier loss was only partially made good.

The bulls, who had bought heavily in silver on Wednesday last week on rumours that the supplies of coins from Tibet would soon stop, turned to be sellers as the rumours proved baseless. Moreover, there were reports this week that a large amount of import duty on the Tibetan coins had been paid, which, if proved correct, would bring a heavy consignment of silver to the market. Large inflow of unrefined metal and slackness in offtake in the ready section also sapped the enthusiasm of the bulls, while the bears made the best out of the situation by hammering down the prices.

Gold also relapsed in sympathy with silver. Demand in the ready section was also lower, as compared with the arrivals.

Silver for forward delivery (19th December settlement) retreated from Rs. 176-9 to Rs. 174-7, but gathered ground to touch Rs. 175-6 before closing at Rs. 175.

Ready silver (.996 Mint) fell from Rs. 176-1 to Rs. 173-15, but advanced to Rs. 174-4 at the close. The discount at which the ready metal was quoted under forward widened from As. 8 to As. 12, reflecting the slackness in demand and increase in floating stocks. The floating stocks are reported to be 1,500 bars. The daily average offtake during the week was 16 bars.

Forward gold (18th December settlement) gave way from Rs. 106-5 to Rs. 105 before recovering to Rs. 105-7 at the close.

Ready gold was marked down from Rs. 106-4 to Rs. 104-12, but regained to close at Rs. 105-3. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were of the order of 3,500 tolas, while the offtake was no more than 2,800 tolas on an average per day.

In New York, silver was unchanged at 91⅛c. In London, spot silver was maintained at 81⅜d., while forward dropped from 80⅝d. to 80⅜d. Gold suffered a decline from 251s. 2⅛d. to 250s. 8⅜d.

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

	28-11-56	Highest	Lowest	21-11-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 3	106 3	104 12	106 4
Forward*	105 7	106 5	105 0	106 5
Sovereign	68 4	69 4	68 4	69 8
SILVER				
Ready (.996 fine Mint) ..	174 4	175 14	173 15	176 1
Forward†	175 0	176 6	174 7	176 9
London Silver Ready ..	81⅜d.	—	—	81⅜d.
London Forward	80⅝d.	80⅞d.	80⅜d.	80⅝d.
London Gold	250s. 8⅜d.	251s. 3d.	250s. 8⅜d.	251s. 2⅛d.
New York Silver	91⅛c.	—	—	91⅛c.

* 18th December settlement.
† 19th December settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

METALS MOVE UP

(*From Our Own Correspondent*)

CALCUTTA, 27*th November*

Influenced by the persistent inflationary spiral which the uptrend in the commodity markets released following the blocking of the Suez Canal, base metals steadied to higher levels during the week under review. From Rs. 205, electrolytic copper improved to Rs. 210. The supply position was tight, and consumer demand was on the higher level. There was also good demand for fire-refined copper, the price of which at Rs. 210 was on par with the imported electrolytic material. Tin opened at Rs. 536 and, after giving way to Rs. 530, regained to close at Rs. 537. This was 15 points below the replacement cost. A moderate quantity changed hands. The supply position for the ready metal is becoming tight. New arrivals are not expected for some time. There is every reason, therefore, for the local quotation to reach the replacement cost in the near future, following which only importers could enter into fresh commitments. From Rs. 82-8 lead improved to Rs. 84. Higher advices from London and New York were received with satisfaction by stockists. There was also good demand from consumers. Arrivals were also moderate. In common with the general trend, electrolytic zinc was steady. However, the stock position being satisfactory, consumers made only day-to-day purchases. For this reason, the price improved only fractionally to Rs. 70-8 from Rs. 69-8.

KIPS STEADY

(*From Our Own Correspondent*)

MADRAS, 26*th November*

The volume of trading in kips in the local market was fair-sized, and clearance kept pace with arrivals. Prices paid were an anna per pound higher than during the middle of the month. U.K. enquiries were brisk for medium and heavy weight cow hides and premium class buff calf.

There was good call for prime goat skins, as well as for market quality goat and sheep at increased prices. Semi-prime sheep skins were also in good demand at last prices.

Raw markets were firmer and prices were kept up by tanners' purchases.

COTTON FUTURES BEARISH

(*From Our Own Correspondent*)

BOMBAY, 28*th November*

It looks as though the morale of the cotton futures market has been lost once again. The market is now in the grip of bears and the bulls have receded to the background. The expectation that an export quota would be announced has been completely belied. The Government of India has decided not to issue any export quota at present. The decision has come as a bolt from the blue and, as a sequel, cotton futures have suffered a sharp setback. The Government's explanation for not granting the quota is that the ruling prices are high. This, however, has failed to convince market-men who point out that cotton futures have of late been ruling at relatively low levels as compared with those which prevailed when futures trading was resumed in June last. The justification for the Government's decision appears to stem from the price behaviour not of the futures market but of the ready section. The quotation for Vijay of 13/16" staple for February-March delivery, for instance, is around Rs. 100 'ON', although the relevant futures contract has a basis 27/32". This certainly shows that the spot and futures sections are not related to each other and trade circles generally feel that the hedge contract should be suitably revised so as to remedy this disparity.

The decision of the Government gave a further opportunity for bears to hammer down prices and the selling pressure which closely followed the announcement resulted in a virtual landslide in values. Even reports of recent rains in certain leading cotton tracts and damage to the quality of the crop failed to have any appreciable effect. Both the contracts, as a result, touched new low levels.

M. G. Jarilla (March 1957) opened the week at Rs. 643, as against the previous week's closing of Rs. 656-8. It succumbed to selling pressure and fell to Rs. 640 the same day. On reports of damage to quality of crop due to rains, it improved the next day to Rs. 647-8. Speculative selling, induced by reports of heavy arrivals in upcountry centres, again pushed down the contract to Rs. 629½ on the 26th inst. Towards the close of the week, however, a mild recovery was in evidence, thanks to firmness of oilseeds market. Opening at Rs. 637-8 today, the contract improved to Rs. 641 before finishing the day at Rs. 640½. The net loss over the week was Rs. 16. M. G. Vijay (April 1957) opened the week at Rs. 647 and, after improving to Rs. 756 the next day on adverse weather reports, fell to Rs. 735 on the 26th inst, due to selling pressure, before finishing higher at Rs. 746 today. The net loss over the week was Rs. 12.

The trend of price of the two contracts during the week is given below:

(In rupees per candy of 784 lbs.)

	28-11-56	High	Low	21-11-56
Jarilla (March) ...	640½	647¼	629½	656½
Vijay (April) ...	746	756	735	758

The spot section put on a better appearance, due mainly to moderate volume of mill buying. Vijay, Wagad and Berar attracted attention. Deals actually put through, however, were considerably limited, since mills were expecting a further fall in prices. The delivery contracts also ruled easy. In the export section, enquiries were noted from Japan and the Continent, but shippers were not in a position to offer anything, in view of the absence of an export quota. The most important development of the week in the foreign section was New Delhi's announcement of the policy in respect of import of American cotton. The announcement said that import licences would be issued for 150,000 bales of American cotton with 1-1/16" staple and above under Public Law 480 of the U.S.A. The two main features of the policy are: (1) fixation of the exchange rate at Rs. 478-2 for $100 and (2) status quo in bank guarantee. The last date for contracting under the above notification is 29th June 1957, while shipment period is between 7th November 1956 and 31st July 1957. An announcement by the Joint Controller of Imports said that licences would be issued against contracts made after 7th November 1956. This means that such of the contracts as had been entered into before 7th November 1956, in anticipation of the policy announcement at a later date, do not come under this programme. Following the announcement, importers became active and some business was reported to have been done in California Acale St. Middling 1⅛" at Rs. 1,345. Ready lots of East Africans also attracted attention. The trade was awaiting a clarification of the Government's policy regarding imports of East African cotton, the absence of which have prevented importers from participating in the recent auctions at Kampala and taking advantage of the attractive prices offered.

The latest available spot rates—in rupees per candy of 784 lbs.—from Sewri are given below:

Bengal Deshi 740; Berar Jarilla 760; Khandesh 780; Vijay 920 (old crop): Oomra Deshi 760; Moglai 745. Delivery contracts: Khandesh 197/3 December 108, Berar 85 and Moglai 40 ON Jarilla; 320 F 78, 216 F 98 and Vijay 13/18 January-February 100 ON Vijay.

The Karachi cotton market ruled firm during the week under review too. Overseas enquiries and local mill demand were both brisk. The decision of the Government of India not to release an export quota at present aided the sentiment of the market favourably. N.T.R.G. January shot up by a rupee to Rs. 84-6. March position improved by a like amount to Rs 82-13. The spot section also put on a cheerful appearance and values advanced uniformly. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

4 F Roller 83; S.G. 88; Punjab Roller 88-8; S.G. 91-8; 289 F.N.T. Roller 89, 289 F.N.T. Sind S.G. 99; 289 F. Punjab Roller 90-8; S.G. 96-8.

After remaining suspended for more than three weeks with effect from 31st October trading in the Alexandria cotton futures market was resumed on the 26th inst. Prices were lower as compared with

the previous closing quotations and the undertone was easy. The latest available rates—in tallaris per lb.—from Alexandria are given below, the figures in brackets being the closing rates as on 31st October.

Karnak: November 108.60 (111.10); January 105.75 (107.25); March 106.50 (105.65); *Ashmouni*: December 76.70 (76.85); February 76.80 (76.55); April 77.40 (76.40).

Active interest was again witnessed in Sudan auctions at Khartoum. At the auctions held from the 7th to the 15th inst., the Gezira Board sold about 25,000 bales of cotton. The exact quantity of unsold stocks is not known; it is expected to be small. It appears that the Gezira Board has successfully completed the marketing of almost all of last season's crop and carryover.

Cotton values recorded appreciable gains in the Liverpool market. Mill demand for ready and shipment cotton continued to remain firm. Ready lots of cotton attracted very good attention, owing to the fear of a hold-up in shipping consequent on the U.S. dock workers' strike. Long-staple California El Paso and American-Egyptians figured prominently in shipment purchases. Indian and Pakistan cotton also evoked some interest.

Both the American type contracts advanced on trade buying, with offerings restricted to small hedge selling. Purchases by a prominent Anglo-American spot house lent further support to the market. The reopening of the Alexandria futures market aroused no interest. Egyptian contract was neglected, while Sudans firmed up. The latest available rates—in pence per lb.—from Liverpool are as under, the figures in brackets being last week's closing quotations: *American One Inch Staple Contract*: December-January 27.40 (26.70); March-April 26.72 (26.33); May-June 26.30 (26.00); July-August 25.90 (25.60). *American Cotton Mixed Growth Contract*: December-January 28.45 (27.65); March-April 27.25 (26.75); May-June 26.78 (26.30); July-August 26.46 (25.93). *Egyptian Karnak*: November-December, January-February, March-April 60 (60); *Sudan*: November-December 61.30 (59.30); January-February 61.10 (59.10).

The New York cotton market ruled easy during the week. Owing to quiet conditions in the spot section and textile markets, the volume of business in the futures section was rather limited. The dock workers' strike temporarily held up the flow of U.S. cotton to foreign markets. Switching from nearby December to more forward positions was the principal feature of trading this week. New crop deliveries rallied sharply, with demand attributed to Soil Bank considerations.

Sales of C.C.C. cotton continues at a high rate. A further quantity of 422,522 bales was sold on the 16th inst., bringing the aggregate sales thus far to 5,650,378 bales. The average price for basis Middling 1" (average location) accepted was 26.62 cents and the minimum price for basis Middling 15/16" (average location) was 25.25 cents. The 1955 loan cotton amounting to some six million bales will come to the C.C.C. on 31st December, but it will be about March before this cotton is catalogued for sale. Exports during the week ended 15th inst. were 141,310 bales. Total exports for the season till that date were 1,631,232 bales, as against 460,404 bales during the same period last season.

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

(In cents per lb.)

	27-11-56	20-11-56	13-11-56
Spot	34.45	34.55	34.65
December	34.35	34.46	34.20
March	34.16	34.25	34.15
May	34.17	34.31	34.31

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 28*th November*

The firm trend noted in the yarn market last week abated during the week under review. In fact, the market ruled distinctly easy. Rayon yarns were particularly depressed, thanks to selling pressure induced by fears of heavy arrivals of Japanese yarns in the coming weeks and slackness in the demand from consuming centres. Further, the high levels to which prices had been pushed up last week themselves attracted profit-taking. In sympathy with this trend and following reports of enlarged offers by mills, staple fibre yarns also suffered a setback. Cotton yarns ruled quiet, with the exception of superfine yarns (produced out of foreign cotton) which met with good buying support and registered a handsome improvement in prices.

Snia rayon yarn (120 dull cones) for December delivery was hammered down by Rs. 17 to Rs. 765 per case of 200 lbs. February position was neglected at Rs. 783. Although business in this delivery commenced several weeks ago, transactions actually put through continued to be at a low ebb. Spot 150 Japan receded by half an anna to Rs. 4-5-6 per lb. 120 Japan shed three pies to Rs. 3-15-3. 150 Italy was quiet at Rs. 3-11-6 and 120 Italy at Rs. 4. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade was done at Rs. 3-5. There were deals in 120 Bt. cones 1st grade at Rs. 3-8-9, same as last week.

Staple fibre yarn (40×2) December contract dropped Rs. 6 to Rs. 621. February position changed hands at Rs. 630. Spot New Greats fell by 18 pies to Rs. 3-4. Citys declined by 15 pies to Rs. 3-5-6. Centurys lost nine pies to Rs. 3-5-9. Kohinoors retreated from Rs. 3-9 to Rs. 3-8-9. Among foreign yarns (80×2), Paramounts receded by an anna and a half to Rs. 5-13-6. K'Suns eased by an anna to Rs. 6-9. Fujis shed six pies to Rs. 5-15-6.

In the cotton yarn section, offtake of coarse and medium counts was very low, with prices remaining practically unchanged. Ten counts Moderns and Podars were both gathered at Rs. 15-8, same as last week. Twenty counts Moderns were unaltered at Rs. 19-8. Hinds, however, elicited some enquiries and picked up As. 6 to Rs. 19-12. Thirty counts Maduras encountered selling and slipped by As. 4 to Rs. 24-4. Among 40s, Moderns lost As. 4 to Rs. 29, while Gokaks advanced by Re. 1 to Rs. 28-12 on good buying support. Superior counts yarns, as already stated, were well favoured at enhanced rates. Eighty counts Moderns rallied Rs. 3 to Rs. 76. Elphinstones hardened by a like amount to Rs. 71. Finlays strengthened by Rs. 2 to Rs. 80. Among 60s, Raghuvamshis advanced by Re. 1-8 to Rs. 58-8. Moderns put on Re. 1-4 to Rs. 62-8. Finlays gathered a rupee to Rs. 60-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	28-11-1956	21-11-1956	13-11-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)-			
120 Dull Cone Snia December	765 0	782 0	752 0
120 Dull Cone Snia February ..	783 0	—	—
120 Japan (per lb.)	3 15	3 15½	4 0½
150 Japan (per lb.)	4 0	4 6	4 4
120 Italy (per lb.)	3 11½	4 0	3 13
150 Italy (per lb.)	3 5	3 11½	3 11½
Staple fibre yarn (per case of 200 lbs.)—			
40×2 December	621 0	627 0	601 0
40×2 February	630 0	—	—
40×2 New Great (per lb.) ..	3 4	3 5½	3 5½
40×2 Century (per lb.) ..	3 5½	3 6½	3 5½
40×2 City (per lb.)	3 6½	3 6½	3 6
Cotton yarn (per bundle of 10 lbs.)-			
10s Podar	15 8	15 8	15 0
20s Hind	19 12	19 6	19 4
30s Madura	24 4	24 8	24 8
40s Gokak	28 12	27 12	27 10
60s Finlay	60 8	59 8	58 0
80s Modern	76 0	73 0	72 8

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 28*th November*

The oilseeds market displayed a firm trend during the week under review. Fear of late arrivals arising from reports of unfavourable weather conditions, and nervous bear covering helped the groundnut section to make a strident advance. The presence of crushers and upcountry buyers in the market were additional factors of strength. Consequently, by the end of the week, prices of this edible product had more than recovered the loss sustained after the Government's decision not to allow exports of groundnut oil and seeds for the present.

In the castor section, prices reached the highest level for several years. Nervous bear covering produced unprecedented hardening of the prices of both seed and oil. Though prices eased slightly towards the middle of the week on long liquidation and fears of a change in the Government's export policy after December, and of a rise in the export duty on oil, nervous bear covering in oil in the face of scarcity of sellers, enabled the market to advance again. In addition, better overseas advices and the firmer trend of the groundnut section, gave further momentum to the trend.

Linseed, too, made handsome headway on strong advices from overseas markets and revival of buying interest from them. Cottonseed, nigerseed and kardiseed were sympathetically higher.

In the groundnut section, February 1957 Contract, which opened the week easy at Rs. 141-8 following the Government's announcement not to allow exports for the present, fluctuated within narrow limits, during the first four sessions of the week, though the trend was slightly upward. On the 27th, however, the contract made a spectacular advance on nervous bear covering, from Rs. 143 on the previous day to Rs. 148-14. This rise was sustained further today and the peak level touched today was as high as Rs. 151. Over the week, the contract has made a handsome advance of Rs. 4-4. In the spot section, however, there is no gain in the value as compared with the previous week's closing rate, the advance is perceptible as compared with the opening levels of the week. Bold F.A.Q. was quoted at Rs. 31-12, that is, As. 12 over the opening level, and December-January was done at Rs. 29-14, Re. 1-12 more than that on the 22nd inst. Groundnut oil ex-mill put on As. 6 to finish at Rs. 19-4 and Railway Receipt As. 2 at Rs. 18-12.

Castors May 1957 contract commenced the week at Rs. 162 on the 22nd inst. and reached the high level of Rs. 172-8 on the 24th, and subsequently declined to Rs. 166 at the close of the next day on profit-taking. On the 27th, however, it advanced again on short-covering and the record level of Rs. 175-0 was seen today, before the contract finished at Rs. 172-4. In the spot section, Bold Ready rose by Rs. 3-2 over the week to Rs. 37-8 and ready Madras by As. 3 to Rs. 37-8. Oil B.S.S. appreciated by Rs. 3-4 to Rs. 24-14. There was a gain of like amount in Commercial which stood at Rs. 23-14 today.

Linseed May 1957 contract also reflected a trend similar to that of castor futures. After opening at Rs. 28-2, it went up to Rs. 29-5 on the 24th, but reacted nominally on the following day. Subsequently, it advanced further to Rs. 30-3 at the close today. In the spot section, Bold Ready improved by Rs. 2-8 to Rs. 36 and February-March by Rs. 2 to Rs. 31-10. Linseed oil Ready was quoted Rs. 3-10 higher than a week ago.

Cottonseed futures commenced the week at Rs. 84-4, moved up to Rs. 85-12 on the following day and, after slightly reacting on the following two days, went up again to Rs. 86-8 on the 27th, and finally finished further up at Rs. 86-12 today.

Among other seeds, kardiseed Bold ready put on Re. 1-8 at Rs. 21-8 over the week, and nigerseed Madras rose by Rs. 2-4 to Rs. 30-4.

The Government of India has decided to release for export 10,000 tons of nigerseed oil and kardiseed oil, 5,000 tons of coconut oilcake, and 15,000 tons of groundnut oilcake. It is stated that shipments against the quotas will be valid up to the end of February 1957 or till ceiling is reached, whichever is earlier.

As for nigerseed export, it is further stated that exporters who are able to effect shipments of nigerseed oil and/or kardiseed oil hereafter and produce evidence of shipment thereof will on application be granted quotas of nigerseed equal to the quantity of nigerseed oil and/or kardiseed oil shipped by them.

The maximum quantity of coconut oilcake an exporter along with his branches or associated concern holding the same income-tax verification certificate number for all ports will be 100 tons while that for groundnut oilcake will be 300 tons. The export of these goods is allowed to all permissible destinations except Portuguese possessions in India.

Exporters have been warned not to enter into long-term commitment, as licensing of these commodities will be stopped as soon as the ceilings fixed are reached.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	28-11-1956	21-11-1956	14-11-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	148 14	144 10	141 14
Khandesh Quality Ready (per cwt.)	32 12	33 4	33 4
Dec.-Jan.	29 14	30 8	28 3
Linseed—			
May 1957	30 3	28 3	27 14
Bold Ready (per cwt.)	36 0	33 8	32 2
Feb.-Mar.	31 10	29 10	29 4
Castorseeds—			
May 1957	172 4	164 8	151 12
Madras (per cwt.)	37 8	34 8	32 4
Cottonseed—			
February 1957	86 12	85 0	85 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 4	18 14	18 12
Castor oil—			
Commercial (per quarter) ..	23 14	20 10	18 12
Linseed oil—			
Ready	21 6	17 12	18 0

SUGAR WELL MAINTAINED

(From Our Own Correspondent)

BOMBAY, 28*th November*

The sugar market was thick with rumours of the Government allowing export of 100,000 tons of sugar. The rumours were based on enquiries for Indian sugar from West Asian countries, as well as from Pakistan and Ceylon, following the continued suspension of traffic through the Suez Canal. Further, the ex-mill quotations for both Bombay-Deccan and South Indian sugar ruled firm, thanks to encouraging demand from all sides. Arrivals of indigenous sugar into the market were also less, being 14,900 bags, as against 23,100 bags in the previous week. Sugar prices, as a consequence, continued to be well maintained during the week under review.

In the forward section, *Magsar* delivery contract for 'C' grade sugar improved from Rs. 89-12 to Rs. 90-6 per bag. It was fully steady at this rate today.

Spot indigenous large grain sugar rose by a rupee to Rs. 94-Rs. 102. Small grains was steady at Rs. 88 and medium grain at Rs. 89-Rs. 92. British refined sugar was unchanged at Rs. 91 per bag of 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

MALABAR PEPPER DECLINES

(Messrs. Parekh & Co.)

BOMBAY, 28*th November*

After maintaining a steady tone for some time, following sporadic buying by bulls and Calcutta interests, Malabar black pepper gave way under pressure of arrivals both at Cochin and Alleppey. New arrivals, which averaged about 125 candies until now, augmented to 250 candies with chances of further increase hereafter. At the moment, arrivals of ginger are reported to be heavy and, if the receipts of pepper also prove large, as is generally envisaged, a further fall is anticipated by the trade, since there is very small hedge selling by exporters in any of the foreign markets.

Some of the bulls are banking upon the belief of a potential demand from Russia during the month of December. But, with the closure of the Suez Canal, chances of Russian buying in the near future appear to be meagre. Further, in view of the recent shipping agreement between Russia and India, there will be more regular shipping service between these two countries and, therefore, if at all Russia buys, she will buy in lots of a few hundred tons for shipment during more than one month and not in quantities of thousand tons to be shipped during a particular month, as was the case in the past. If purchases by Russia are thus spread over a period of more than a couple of months, it is not likely to have a bullish effect, as the exporters then will not be in a hurry to buy.

It is rather surprising that New York is not putting in any notable inquiries, though Malabar pepper is the cheapest among other pepper like Sarawak and Lampong and despite dock strike. Although demand from Europe and the U.S.A. is reported to be poor, Sarawak and Lampong are steady, because of sizable buying by a speculator there. The only redeeming feature is that the pre-

sent price is considered cheaper. As a result, there may be some investment buying off and on.

In the A.S.T.A. section, after a small business in November-March shipment at $0.27½, it is now being quoted at $0.26¾ with few buyers.

In the delivery section, market for December, after showing some improvement under pressure of covering by shorts and profit-taking, came down to Rs. 620, with the tendency being downward.

The following are today's nominal quotations: Ready Rs. 94 per Bengal maund and December Rs. 620/25 and February Rs. 625/30 per candy of 5¼ cwts.

STRONG DEMAND FOR TEA DUSTS

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 23*rd November*

Dust Sale 'W', which was held on Tuesday, 20th November, contained approximately 6¼ lakh pounds. There was a strong general demand for all types, particularly at the bottom for mixed and fibrous sorts, and prices advanced irregularly by one anna.

London Market: *Sale of 19th November* 1956:—Plain 4d., Medium 3d. dearer. Best firm.

Sale of 20th November 1956:—Very strong. Much dearer.

Colombo Market: *Sale of 19th November* 1956:—Strong demand. Firm rates, except thin fannings. Black sorts slightly dearer.

Sale of 20th November 1956:—Strong demand. Best brokens firm. Everything below best 10 to 20 cents dearer including gulf types.

Calcutta Market: *Export*:—Strong general demand, particularly for fannings and whole leaf grades. Prices generally dearer, except for best qualities.

Internal:—24,000 dust. Good general demand. Commons dooars medium Assams As. 1 to As. 2 dearer. C.T.C.s irregularly firm.

Export Quota:—There has been renewed activity in the export quota market and business has been effected at 42 pies.

Forthcoming Auctions:—Dust Sale "X" will be held on Tuesday 4th December.

* * * *

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 31:—1,400,000 lbs. Very strong general demand, particularly for medium sorts which are As. 2 to As. 3 dearer. Best sorts rather easier, following quality. Whole leaf much dearer."

TEA PRICES RULE FIRM

(From Our Own Correspondent)

CALCUTTA, 27*th November*

Strong demand at advancing prices was once again the feature in the export sales held yesterday and in the internal auctions of last week. London rumours envisaging tea rationing in view of the blocking of the Suez Canal, although denied by the Tea Trade Committee, as also the Committee's announcement of the inevitability of an increase in the retail price of tea, boosted local sentiment.

Tea stocks in British warehouses for the week ended 16th November, described by the Committee as good, amounted to 96 million lbs., which represented consumption of about ten weeks, and were higher by about 1¼ million lbs. compared to the previous week. Tea afloat as on 16th November was stated to be 52 million lbs. or six weeks' requirements. It was noted here that actual stocks in Britain was very low, and that this was due to the longer time ships take to reach London. The bulk of the supplies to Britain are sent from India, Pakistan and Ceylon. And ships from these countries are diverted through the longer route.

Since the prices in London during the current month have been advancing, there is an apprehension that the export duty on tea might be raised by the Government. Though prices had advanced during the month of October also, the Government did not increase the duty, in view of the trade opinion that such rise would have a reactionary effect on local auctions.

According to a statement made in Parliament by the Minister for Consumer Industries, the Tea Board has been authorised to make a provisional allotment of export quota to tea estates to the extent of 50 per cent. on the crop basis. Mr. Kanungo, the Minister, also stated that the question of the extension of the International Tea Agreement, which had expired in March 1955, was still under negotiation.

Offerings during yesterday's export sale amounted to 64,800 packages. There was good general demand, which slackened towards the end of the sale. That showed demand was fully satisfied. Prices of non-wither Dooars, all fannings, and best orthodox teas rose by As. 3 to As. 4. Medium Assam poorest teas rose by As. 2. Among C.T.Cs, the very brokens gained by As. 2. Darjeelings were best C.T.Cs were hardly wanted, and other lots gave way by an anna to As. 2. Darjeelings were fully steady. Clean black pekoes were bid at quoted rates, while the better whole leaf grades remained quiet. The quotations were: best C.T.C. Assam B.P. Rs. 3 to Rs. 3-2, medium Assam B.P. Rs. 2-8, clean black pekoe Rs. 2-6 to Rs. 2-7, and plain B.P. Rs. 2-5 to Rs. 2-6.

A further rise was recorded in the price for export quota rights. After advancing to As. 7¼ from As. 5¾, the price steadied around As. 6¾, at which rate business was recorded.

Dusts on offer in the sales held here on Tuesday last for internal consumption aggregated 23,871 packages. Strongest features included poor residue teas, prices of which gained by As. 2 to As. 3.

A similar rise was recorded in the prices of non-wither Dooars. Dooars, medium Assams and commons gained by an anna to As. 2, with the more leafy teas remaining in the forefront. The better Darjeelings were irregular, but the plainer lots shared in the general advance by an anna to As. 2. The quotations were: best Assam C.T.C. Rs. 2-11, medium Assam C.T.C. Rs. 2-9, medium Assam grainy dust Rs. 2-2 to Rs. 2-3, and medium Dooars Rs. 2-1 to Rs. 2-2.

Leaf offerings amounted to 1,695 packages, which were absorbed at higher prices.

During the tea sales held in Chittagong on Wednesday last, conditions were fully steady. Opening prices were higher by As. 2, and in the keen bidding that followed prices added by another As. 2.

JUTE GOODS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, 27*th November*

In the earlier part of the week under review, jute goods continued to rise and by Thursday had reached the highest level. The steady uptrend was a result of considerable speculative activity. From Friday onwards, however, a downward movement was in evidence. Mills were enthusiastic sellers, and, although fair genuine business was also put through, the heavy offerings could not be fully absorbed. So far during this month, shipping has been satisfactory, and this indicates that foreign consumers are stockpiling some quantity in view of the uncertainties about the future, although international tension has somewhat eased. Sacking shipped from 1st to 20th November aggregated 27,400 tons and hessian 26,700 tons, representing increases of 1,500 and 3,700 tons, respectively, over the figures for the corresponding period in the month of October. These figures should be considered highly satisfactory, because October in itself was a better shipping month. The market naturally expects a further decline in stocks of jute goods with mills as at the end of this month. Not only sales have increased, but the production loss in four mills which remain closed on account of labour troubles should also be taken into consideration.

However, the stage for any steps to increase production has not yet arrived. For one thing, it is quite possible that the higher demand should prove a purely temporary feature, and if the steps now being taken by the United Nations and the United States to solve the problems created by the big powers in Hungary and Egypt succeed, as they are bound to, there would certainly set in a lull in the jute goods market. For, overseas consumers in that event would like to fall back for some time on the stockpiled quantity in an attempt to bring down prices to the pre-crisis level. In the meantime, there is satisfaction in both trade and industry circles that stocks are declining and are expected to reach manageable proportions in the near future. However, any suggestion to unseal looms now remaining idle is looked down with dread, as the experience that followed this year's earlier unsealing which brought the industry to a crisis, is fresh in the minds of traders. It was not unnatural, therefore, for the trade and industry to read cautiously what the Commerce Minister Mr. Karmarkar said on this subject in his speech at the meeting of the Export Advisory Council in New Delhi a week ago. He hoped that the recent re-sealing of 7.5 per cent. of the looms, which followed rising stocks month after month, depressing prices to uneconomic levels, was only a short-term measure. For, in his opinion, demand for India's jute goods would go up, in view of increased agricultural production the world over and increased economic activity in consuming countries. Mr. Karmarkar referred to the recent increases in the export duty on raw jute by Pakistan. These, market circles consider, have caused an increase in cost of production, reduced imports of the Pakistani fibre to the minimum, and made mills look more and more to the indigenous output.

During the week under review, good business was done in hessian. The United States was increasing hessian stocks, and reports of higher consumption there also aided sentiment. On Tuesday last, ready 40" 10 oz. hessian rose from Rs. 46-3 to Rs. 46-8. Ready B. twills advanced to Rs. 121-6 from Rs. 120-8. Since orders on both constructions were being received at a satisfactory rate, speculators indulged in increasing their stocks and on Wednesday B. twills touched the highest rate at Rs. 122-8, and hessian 40" 10 oz. at Rs. 47-8. On Thursday also, rates were maintained at these levels, but heavy selling by a tired bull operator arrested the uptrend. On Friday, other bulls joined him, and in the profit-taking that followed, B. twills receded to Rs. 121-4 and 40" 10 oz. hessian to Rs. 46-14. By the week-end, these constructions had given way to Rs. 119-12 and Rs. 45-14, respectively. Mills continued to sell, and at these rates genuine business was also put through. Yesterday, a further recession in prices was recorded. Ready B. twills sagged to Rs. 119 and ready 40" 10 oz. hessian to Rs. 45-10. Overseas buyers were hesitating to enter into commitments.

Reports of strong conditions in Pakistani markets cheered the sentiment of raw jute sellers who pushed up local prices. The increase in prices of jute goods was another favourable factor for raw jute stockists to reject all counter-offers to their quotations. However, mills persistently refused to purchase at the higher prices, which factor, coupled with the subsequent fall in the prices of jute goods, caused a recession in raw jute. Thus, Indian northern bottoms after being higher at Rs. 32-8 sagged to Rs. 31-8. Local daisee bottoms fell to Rs. 32 from Rs. 32-8. Latest quotations are given below. Those of a week ago are given in brackets for comparison:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani:		
Northern ...	40 0 (38 0)	37 0 (35 0)
District ...	40 8 (38 8)	37 8 (35 8)
Indian:		
Northern ...	34 0 (34 8)	31 8 (32 0)
Assam Upper	34 0 (34 8)	31 8 (32 0)
Assam Lower	34 0 (34 8)	31 8 (32 0)
Daissee ...	34 8 (35 0)	32 0 (32 8)
Murshidabad	33 0 (33 8)	30 8 (31 0)
Western ...	33 8 (34 0)	31 0 (31 8)
Jungli ...	32 8 (33 0)	30 0 (30 8)
Orissa ...	35 0 (35 8)	32 8 (33 0)
Uttar Pradesh ...	32 8 (33 0)	30 0 (30 8)
Daissee mesta ...	32 0 (32 8)	29 8 (30 0)
Bimli f.a.q. ...	29 8 (30 0)	
Pucca bales 1st marks	195 per bale (197 8)	

HIDES CHEERFUL

(From Our Own Correspondent)

KANPUR, 25*th November*

During the week under review, the hides and skins market put on a cheerful appearance. General supplies were good and the demand for them was strong. There was a buoyant feeling in the cow section, in view of the strong demand for high grade cow, necessitated by Soviet orders for footwear, to be supplied mainly by Kanpur and Agra parties. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 370, 2nd grade Rs. 280 and 3rd grade Rs. 140 per score; wet salted buff 1st grade 1 lb. 13 ozs. and 2nd grade 1 lb. 15 ozs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 225 per 100 **pieces; sheep 1st grade Rs.** 300 and 2nd grade Rs. 200 per 100 pieces.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 26*th November*

Quiet to steady conditions prevailed in the foodgrain market during the week under review. The Union Food Minister said in the Lok Sabha that the upward trend in foodgrain prices two months ago had almost been arrested, thanks to the steps taken by the Government.

The U.P. State Government is worried about the scarcity conditions created by the heavy rains and floods and has approached the Centre with a request for increasing its original quota of 100,000 tons of imported wheat to 200,000 tons of foodgrains, including 30,000 tons rice. It is without any stocks of coarse grains at present and is likely to purchase some stocks from Madhya Pradesh and Rajasthan.

Wheat prices at Hapur ruled steady at Rs. 15-14 per maund for average quality and at Rs. 16-14 for farm quality. Imported wheat sold by the Government through fair-price shops at Rs. 14-8 was being resold in the market at a profit. Outside buying enquiry for wheat continued from Bihar and the week's offtake aggregated 4 *khaties*, reducing local stocks to 64 *khaties*. Local arrivals were at an average of 50 maunds only and most of the demand was met by fair-price shops. Renewed spell of rain in the first week of November hindered prospects of *rabi* sowings and large tracts of land in Bulandshar, Meerut and most of the eastern districts of U.P. remain unsown.

Rice, ruled quiet, due to increased arrivals of new crop into the market. Gram, also ruled quiet, owing to heavy stock position—101 *khaties* of about 800 maunds each. *Bajra* improved during the week, due to increased seasonal demand, while maize eased slightly, following better supply position. Other grains held steady and prices as on Monday were: Barley Rs. 13-6; *bejhar* Rs. 13; maize Rs. 12-10; *bajra* Rs. 14 per maund.

Peas and *arhar* continued to attract good demand mostly in the form of pulses from O.T.R. destinations, Madras and Bengal. Peas ready touched new highs of Rs. 14 per maund for *dara* green and Rs. 15-8 for white quality and the local stock which had run down to 26 *khaties* only was now concerned by local bulls. *Arhar* ruled quiet at Rs. 13-4 per maund, with local stocks put at 55 *khaties*. Other pulses, however, eased slightly on better stock positions. The latest prevailing prices are: *Urd* Rs. 17 to Rs. 19; *moong* Rs. 15-8; and masoor Rs. 18 per maund.

While peas futures improved in line with the ready section during the week, other pulses futures ruled quiet. The latest prevailing quotations as on Monday are: Peas: *mangsir* Rs. 13-6-6, *jeth* Rs. 10-7, white *mangsir* Rs. 12-0-3 and white *jeth* Rs. 10-13 *arhar*: *mangsir* Rs. 12-12-4½ and *jeth* Rs. 11-2-6; *urd maha* Rs. 17-15.

SUGAR ACTIVE

(From Our Own Correspondent)

HAPUR, 26*th November*

The sugar markets ruled active during the week, due to good buying enquiry from almost all consuming areas, and mill delivery prices improved for all the factories. Wholesalers, however, were reluctant to enter into any large-scale commitments, as they anticipated a further improvement in prices. The total offtake of sugar during 1953-56 season (November 1955 to October 1956) amounted to 1,748,000 tons as against 1,217,000 tons during the previous season. Most of the factories in west U.P. have begun their crushing operations for the new season.

(*Continued on page* 1071)

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	Oct., 1956	3½	3½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5½	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	6·94	7·3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	6	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 16th November, 1956		Week ended 9th November, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,96,802	63,68,88,000	2,74,291	60,95,73,100
Calcutta	1,72,483	65,28,36,099	1,65,324	59,02,24,902
Madras	80,043	10,31,24,273	88,842	12,49,95,969
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
July, 1956	..	..	3,203,000	6,69,86,00,000
August ,,	..	..	3,057,000	6,45,88,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 23rd Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	54,89,43,000
(2) Other Governments	12,71,80,000
(b) Banks	52,04,37,000
(c) Others	13,65,89,000
Bills Payable	12,06,97,000
Other Liabilities	100,70,87,000
Rupees	271,89,38,000

ASSETS	Rs.
Notes	23,18,74,000
Rupee Coin	8,71,000
Subsidiary Coin	12,42,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,32,61,000
Balances held abroad*	84,62,94,000
Loans and Advances to Governments	1,80,35,000
Other Loans and Advances	83,48,01,000
Investments	61,13,25,000
Other Assets	12,12,35,000
Rupees	271,89,38,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 45,33,76,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 372,16,95,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,18,74,000	
Notes in circulation	1439,60,56,000	
Total Notes issued		1462,79,30,000
Total Liabilities		1462,79,30,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	457,23,78,000	
Total of A		574,99,81,000
B. Rupee Coin		122,32,30,000
Government of India Rupee Securities		765,47,19,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1462,79,30,000

Scheduled Banks*

Statement of Affairs for the week ended 16th Nov., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	12,02,69,000
(ii) Other demand liabilities	638,17,45,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,11,00,000
(ii) Other time liabilities	455,67,70,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,74,35,000
(ii) Time liabilities	....
4. Cash in India	56,64,89,000
5. Balances with the Reserve Bank in India	40,88,34,000
6. Balances with other banks in current account in India	9,87,60,000
7. Money at call and short notice in India	19,01,80,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	365,51,65,000
9. Advances in India	598 94,56,000
10. Inland Bills purchased and discounted in India	112,67,88,000
11. Foreign Bills purchased and discounted in India	49,64,14,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	27th November, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	480¼	480¼
Buyers T.T.	473	473
London on New York	2·78-2·78½	2·78½-2·78¾
London on Paris	981	981
London on Berne Sw. Fcs.	12·21½	12·22-12·22½
New York on London	2·78⅛-2·78⅛	2·78⅛-2·78⅛

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378·07	..	10,170	269
Pakistan	'53-'54	78·81	..	1,931	245
Burma	1954	19·24	Kyats 3,905	390	204
Ceylon	1954	8·38	..	477	569
Japan	1954	88·20	Y. 6,148,000	8,133	922
Philippines	1954	21·44	Ps. 7,438	1,770	825
New Zealand	1954	2·09	£(N.Z.) 902	1,070	5,119
Australia	1954	8·99	£(A) 3,957	4,220	4,694
U.K.	1954	50·78	£ 15,718	20,950	4,100
U.S.A.	1954	162·41	$ 299,700	142,370	8,766
Canada	1954	15·20	$ 18,751	9,190	6,046
France	1954	42·84	F.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49·52	Dm. 112,300	12,734	2,570
Italy	1954	47·67	Lr. 9,718,000	7,380	1,548
Norway	1954	3·39	Kr. 18,424	1,230	3,638
Sweden	1954	7·21	Kr. 38,630	3,544	4,912
Netherlands	1954	10·02	Grs. 21,060	2,640	2,488
Denmark	1954	4·41	Kr. 23,374	1,610	3,654
Switzerland	1954	4·92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 16th Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	38,69,29,000
(b) Provincial Governments	1,95,56,000
(c) Banks	14,63,88,000
(d) Others	3,65,11,000
Bills Payable	22,93,000
Other Liabilities	10,18,73,000
Rupees	75,33,50,000

ASSETS	Rs.
Notes	7,91,59,000
Rupee Coin	10,000
Subsidiary Coin	11,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,86,97,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	7,55,80,000
Investments	49,01,44,000
Other Assets	5,97,49,000
Rupees	75,33,50,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,91,59,000	
Notes in circulation	302,03,29,000	
Total Notes issued	....	309,94,88,000
Total Liabilities	....	309,94,88,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion	....	
Sterling Securities	86,44,02,000	
Government of India Securities	16,65,21,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
B. Rupee Coin	5,71,92,000	157,44,92,000
Government of Pakistan Securities	140,87,98,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		146,59,90,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	309,94,88,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 52·61 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	16th Nov., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,443.66	1,452.96	1,420.54	1,334.68
Notes held in Banking Department	35.05	18.14	7.45	21.01	9.90
Foreign Securities	59.50	462.21	462.21	521.83	647.07
Rupee Securities	37.39	760.50	760.50	690.88	548.61
Banking Department					
Deposits of:					
Government of India	14.89	51.42	62.99	52.91	53.07
Other Governments	..	12.18	20.06	5.82	13.72
Balances held abroad	10.08	91.46	98.17	69.60	70.86
SCHEDULED BANKS					
Demand Liabilities	134.36	650.80	641.54	643.41	612.75
		(12.63)†	(13.33)†	(10.86)†	(12.99)†
Time Liabilities	102.24	457.70	454.63	454.17	423.20
		(3.41)†	(2.07)†	(1.80)†	(6.76)†
Borrowings from Reserve Bank	..	56.65	64.26	61.25	11.30
		(40.80)‡	(42.41)‡	(41.29)‡	(7.80)‡
Borrowings from State Bank	..	..	..	..	..
Cash in India	6.70	10.74	11.04	11.88	6.31
Balances with Reserve Bank	..	37.12	38.81	39.46	37.52
Balances with Reserve Bank	25.17	50.97	48.82	49.92	54.49
Excess over statutory limits	15.52	9.28	13.26	8.67	15.39
Balances with other banks in current account in India	..	9.88	9.84	10.29	10.65
Money at call and short notice in India	..	19.02	17.31	13.34	21.83
Investments (at book value)	105·09	365·52	365.93	372.74	393.46
Advances and bills		761·27	762.30	758.10	598.39
STATE BANK					
Deposits	87.76	230.65	227.72	231.94	219.09
Investments	51.99	106.61	106.95	107.64	117.84
Advances	30.35	128.37	128.11	125.70	94.54
Cash	14.69	17.54	17.01	15.31	24.82

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	August,		Five months, April to Aug.	
	1955	1956	1955	1956
Import Duties:				
Revenue	8.70	10.34	46.57	49.20
Protective	0.63	0.80	3.71	5.05
On surplus disposals	—	—	0.05	0.03
Total import duties	9.33	11.14	50.33	54.28
Export Duties	2.93	1.98	14.06	9.19
Land Customs	0.05	0.22	0.38	0.85
Miscellaneous	0.06	0.07	0.32	0.39
Gross total customs	12.42	13.41	65.09	64.71
Refunds and drawbacks	0.42	0.21	2.13	1.01
Net Customs	12.26	13.20	63.96	63.70
Gross excise	13.12	15.12	61.76	70.84
Refunds	0.41	0.17	2.01	0.74
Net Excise	12.71	14.95	59.75	70.10
Net total of customs and excise†	24.97	28.15	123.71	133.80

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 23rd Nov., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		232,80,35,000
Bills Payable		3,29,00,000
Bills for Collection being Bills Receivable as per contra		4,64,71,000
Acceptances, Endorsements and Other Obligations per contra		75,31,000
Other Liabilities (including Inter-Office Adjustments)		9,75,000
Total .. Rs.		7,28,59,000
		260,85,21,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,02,35,000
Balances with other Banks		3,12,78,000
Money at Call and Short Notice		1,30,00,000
INVESTMENTS:		
Government and other Trustee Securities	95,57,64,000	
Other Authorised Investments	11,04,18,000	
		106,61,82,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	88,43,32,000	
Bills Discounted and Purchased	38,99,92,000	
		127,43,24,000
Bills Receivable being Bills for Collection as per contra		75,31,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		9,75,000
Premises less Depreciation		1,27,48,000
Furniture and Fixtures less Depreciation		63,42,000
Other Assets (including Inter-Office Adjustments)		6,59,06,000
Total .. Rs.		260,85,21,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS§§											
	National Savings Certificates						Post Office Savings Bank Deposits	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	5-Year		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings@	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,83	65	3,26	23,66	84,17	1,13,35	92,03	— 31,07	7,55	25,64	..	..	..	..
1953-54	4,70	1,62	4,99	27,27	1,24,64	1,34,94	1,30,88	— 36,35	5,57	37,15	7,40E	7,38	55††	54
1954-55	3,76	1,98	5,48	27,19	1,44,88	1,58,15	1,67,86	— 38,87	4,79	41,25	9,86	16,37	45	95
August 1955	4,29	12	5,17	2,09	1,32,82	12,25	1,43,80	— 36,96	39	38,87	88	11,00	3	72
September ,,	4,21	13	5,20	5,54	1,34,88	12,40	1,46,91	— 37,11	44	39,28	94	11,80	4	75
October ,,	4,14	10	5,21	2,11	1,36,38	11,35	1,48,99	— 38,23	46	39,68	94	11,89	5	80
November ,,	4,07	10	5,21	1,98	1,37,68	11,25	1,50,40	— 38,34	43	40,05	82	13,20	5	85
December ,,	4,00	18	5,26	2,58	1,39,48	12,94	1,52,44	— 38,44	36	40,34	88	13,98	4	88
January 1956	3,91	14	5,24	2,02	1,40,78	12,16	1,54,14	— 38,55	32	40,61	84	14,73	3	91
February ,,	3,83	16	5,29	2,33	1,42,37	12,87	1,56,19	— 38,66	39	40,95	93	15,57	2	93
March ,,	3,76	33	5,48	2,82	1,44,88	23,64	1,67,86	— 38,87	36	41,25	88	16,37	3	98
April ,,	3,69	24	5,54	2,19	1,45,85	14,54	1,71,08	— 38,96	34	41,51	82	17,13	3	95
May ,,	3,61	21	5,54	2,49	1,47,58	14,77	1,73,05	— 39,05	38	41,82	85	17,91	3	98
June ,,	3,54	28	5,55	2,70	1,49,48	15,24	1,76,09	— 39,16	38	42,11	92	18,75	4	1,00
July ,,	3,48	43	5,51	2,78	1,51,53	14,61	1,80,40	— 39,24	38	42,42	1,01	19,68	4	1,04
August ,,	3,40	29	5,32	2,53	1,53,14	14,10	1,83,21	— 39,35	38	42,72	98	20,58	5	1,07
September ,,	..	..	..	..	..	..	..	..	34	43,00	..	..	..	1,11

* At the end of period.

‡ Issued from 10th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

†† Relating to nine months from July, 1954.

E-Relating to eleven months from May, 1954.

§ From July, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 19-11-'55	20-10-'56	10-11-'56	17-11-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.4	90.2	90.0
1. Government of India	90.9	90.2	89.9	89.8
2. Indian States	96.5	96.8	96.8	96.8
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	101.1	100.3	100.2	100.2
1. Electricity	102.5	101.3	101.0	101.0
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.3	98.8	98.8	98.8
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	102.0	101.8	101.8	101.8
8. Others	101.1	100.8	100.8	100.8
PREFERENCE SHARES	87.9	82.6	82.3	81.5
1. Electricity	96.5	90.7	89.2	88.2
2. Cotton	79.8	83.9	83.5	82.1
3. Jute	86.9	75.5	75.7	75.6
4. Coal	92.4	88.0	82.0	82.0
5. Iron and Steel	89.8	84.4	84.3	84.2
6. Sugar	86.5	82.7	82.7	82.7
7. Paper	87.2	81.7	80.5	80.3
8. Plantations	101.9	102.3	102.0	101.9
9. Miscellaneous	85.4	79.3	78.9	76.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	130.8	124.8	123.1	122.4
(a) Financial	96.0	94.6	94.4	94.5
1. Banks	91.5	95.5	95.3	95.4
2. Insurance	108.4	97.0	98.1	98.5
3. Investment Trust	100.0	96.0	95.5	94.7
(b) Public Utilities	120.7	113.2	111.4	111.3
1. Electricity	126.1	113.6	112.0	111.0
2. Shipping and other Transport	116.7	120.6	118.3	119.3
3. Railways	89.8	85.5	81.3	81.0
(c) Manufacturing Industries.	140.4	138.1	133.2	132.5
1. Cotton, Woollen and Silk	129.9	137.8	136.7	135.5
2. Jute	94.7	75.2	75.2	71.0
3. Iron and Steel	175.5	151.6	149.6	150.6
4. Paper	284.4	262.2	260.8	259.3
5. Cement	179.8	181.7	181.0	181.4
6. General Engineering	206.1	200.3	193.2	190.9
7. Sugar and Breweries	111.7	108.9	108.1	107.3
8. Chemicals	162.0	150.5	148.0	147.1
(d) Non-Manufacturing Industries	174.9	158.2	154.3	152.5
1. Coal	79.9	80.2	79.7	79.2
2. Mining and Oil	278.7	241.9	235.2	229.2
3. Plantations	189.1	170.5	165.8	164.8
(e) Miscellaneous	108.9	103.1	101.8	100.8
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.5	89.8	89.6	89.4
1. Bombay	90.9	—	90.1	90.0
2. Calcutta	91.4	90.7	90.4	90.2
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.0	99.7	99.7	99.7
1. Bombay	101.8	—	100.5	100.5
2. Calcutta	100.3	99.9	99.9	99.9
3. Madras				
PREFERENCE SHARES:	91.3	86.9	86.3	85.5
1. Bombay	83.5	—	76.5	75.4
2. Calcutta	98.3	97.6	97.1	97.0
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	138.8	133.5	132.6	131.7
1. Bombay	119.1		108.5	108.0
2. Calcutta	125.2	134.8	131 9	131.2
3. Madras	147.5	139.2	137.2	137.4
4. Delhi	..	..	..	..

* Calcutta market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes§	Number of workers involved.	Number of man-days lost
1951	1,071	691,821	3,818,928
1952	968	809,242	3,336,961
1953	772	466,607	3,382,608
1954	840	477,138	3,372,930
1955	1,166	527,767	5,597,848
July 1954	122	30,189	277,492
August ,,	79	51,090	322,887
September ,,	97	50,414	363,878
October ,,	88	41,724	276,294
November ,,	62	25,115	239,701
December ,,	101	54,455	262,763
January 1955†	95	49,038	322,807
February ,,	112	70,042	334,696
March ,,	105	32,432	333,275
April ,,	120	66,441	961,776
May ,,	152	91,269	1,144,011
June ,,	111	55,260	660,492
July ,,	236	90,218	533,999
August ,,	251	22,619	190,011
September ,,	134	47,600	214,214
October ,,	99	48,609	178,112
November ,,	129	45,277	239,550
December ,,	107	61,050	349,655
January* 1956†	122	69,450	786,788
February* ,,	146	133,388	676,716
March* ,,	143	81,367	534,983
April* ,,	137	64,361	558,717
May ,,	152	72,843	485,334
June ,,	144	99,431	520,855
July* ,,	118	55,327 (a)	489,866 (b)
August ,,	..	..	..

† Figures are provisional. * Revised.

(a) Not known in 4 cases. (b) Not known in 7 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,805.3	7,138.8
April† 1955	690	691.1	563.9
May ,,	691	706.5	569.3
June ,,	696	716.2	576.1
July ,,	700	724.8	583.3
August ,,	705	708.9	574.4
September ,,	707	719.3	587.1
October ,,	716	720.7	591.9
November ,,	721	725.5	597.0
December ,,	724	735.7	643.0
January 1956	731	757.2	621.8
February ,,	739	749.9	623.0
March ,,	715	800.0	651.0
April ,,	701	780.8	643.8
May ,,	701	825.8	669.1
June ,,	710	795.5	658.5
July ,,	724	798.0	656.2

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

§ At the end of period.

† Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	10th Nov., 1956	3rd Nov., 1956	12th Nov., 1955	October, 1956	October, 1955	Percentage of Increase (+) or decrease (—) in Oct., 1956 as compared with Oct., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	411.1	394.3 R	330.1	392.5	315.7	+24.3	313.2	339.8
Cereals	59	527	514 R	396	510	385	+32.5	372	381
Pulses	8	411	396 R	324	386	291	+32.6	289	250
Others	33	294	246 R	240	247	226	+ 9.3	235	291
Industrial Raw Materials	(18)	504.0	502.1 R	414.3	502.4	403.7	+24.4	419.8	436.2
Fibres	53	481	481	414*	479	410	+16.8	429	447
Oil seeds	30	563	555 R	401	559	381	+46.2	398	424
Minerals	10	526	532	432	539	430	+25.3	427	423
Others	7	421	420 R	452	421	422	— 0.2	431	427
Semi-Manufactures	(17)	415.9	411.3 R	337.4	405.6	320.8	+23.0	338.2	350.3
Leather	8	439	431	379	396	338	+17.2	378	376
Mineral oils	13	210	210	202	210	202	+ 4.0	207	221
Vegetable oils	16	608	594 R	387	576(A.)	372	+54.8	389 R	433
Cotton yarn	35	503	497	409*	493	407	+21.1	422	454
Metals	18	327	326	277	326	273	+19.4	264	240
Oil cakes	5	481	473	371	470	350	+34.3	338	381
Others	5	361	361	330	362	330	+ 9.7	336	312
Manufactured Articles	(30)	389.3	388.5	372.9	387.9 R	371.2	+ 4.5	373.9	377.4R
Textiles	64	422	421	405	420	402	+ 4.5	403	421
Jute	11	443	434	418	426	397	+ 7.3	418	448
Cotton	45	426*	426*	399*	436*	401*	+ 6.2	403*	415*
Rayon and Silk	6	421*	421*	479*	429*	479*	—10.4	485*	459*
Woollen	2	266	266	278	266	278	— 4.3	294	311
Metal products	17	390	390	371	390 R	368	+ 6.0	359	340
Others	19	296	296	285	295	285	+ 3.5	285	286
Miscellaneous	(4)	588.8	590 5 R	541.3	585.2 R	559.3	+ 4.6	548.4	512.4
All Commodities	(100)	426.4	419.7 R	365.1	417.8 R	357.2 R	+17.0	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. (A.) In September, 1956, the index for Veg. Oils was 588. R=Revised.

*Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar‡	Gur	Tobacco	Raw Cotton	Raw Jute‡	Groundnut	Linseed	Coal	Jute manufactures	Cotton manufactures	Iron and steel

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage		Outturn	
	Forecast	Unit	1955–56	1954–55	1955–56	1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,546
Small millets	final	,,	13,095	13,799	2,103	2,456
Total cereals	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses‡	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	,,	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	final	,,	5,723	6,501	458	580
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3 354	376	382
Total oilseeds	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,923
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	.....	665	.....	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	203	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October, 1956	80.4
	Corresponding month, 1955	78.8
	Four months ended Oct., 1956	348.6
	Corresponding period, 1955	331.7
Stocks	At the end of Oct., 1956	116.7
	Corresponding month, 1955	92.3
		(In 000 bags)
Exports (Jute Bags)	Week ended 13th Oct., 1956	7,433
	Corresponding week, 1955	2,220
	From 1st Jan., to 13th Oct., 1956	335,190
	Corresponding period, 1955	370,871
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 13th Oct., 1956	24,342
	Corresponding week, 1955	5,581
	From 1st Jan., to 13th Oct., 1956	1,118,575
	Corresponding period, 1955	1,069,051
	RAW JUTE	(In lakh bales)
Consumption by Mills†	October 1956	4.66
	Corresponding month, 1955	4.57
	Four months ended Oct., 1956	20.21
	Corresponding period, 1955	19.24

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,300
Do. 31st March, 1954	11,54,000	10,70,200	7,30,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
*May 1955	94,200	87,500	5,600
June ,,	91,700	80,900	62,600
July ,,	94,900	84,300	64,300
August ,,	92,500	83,900	63,700
Sept. ,,	95,300	87,500	65,700
October ,,	91,700	83,800	64,800
May 1956	96,600	89,400	66,300
June ,,	94,900	89,900	64,400
July ,,	94,400	91,300	65,500
August ,,	97,900	88,000	66,000
Sept. ,,	96,400	88,300	59 700
Oct. ,,	96,700	91,100	71,800
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,093
Do. 31st March, 1956	7,06,986	5,31,505	4,50,807
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,171	1,30,740	1,05,714
,, ,, ,, Dec., 1955	1,60,750	1,24,696	1,05,752
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956	1,48,306	1,17,710	92,009
,, ,, ,, Sept., 1956	1,74,447	1,33,325	1,13,953

FOREIGN TRADE OF INDIA

Particulars	July,		Four months April to July	
	1955	1956	1955	1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	4,14	1,87	24,09	10,35
Raw materials	16,19	11,99	54,81	50,70
Manufactures	29,54	44,05	118,82	183,46
Other Items	13	50	73	1,46
Total*	50,00	58,41	198,45	245,97
By land	1,62	98	7,12	4,95
Total Imports	51,62	59,39	205,57	250,92
Exports :				
By sea and air—				
Foodstuffs	12,46	12,98	38,87	50,29
Raw materials	15,31	8,55	55,72	40,58
Manufactures	21,97	18,98	83,35	76,59
Other items	45	35	1,45	1,22
Total	50,19	40,86	179,39	168,68
By land	43	48	2,31	1,69
Total Exports	50,62	41,34	181,70	170,37
Total Re-exports	60	71	1,99	3,50
Balance of trade in merchandise	— 48	— 17,33	— 21,90	— 76,94
Balance of transactions in private treasure	— 1	— 3	— 2	— 9
Total visible balance of trade	— 49	— 17,36	— 21,92	— 77,03
Imports : ‡				
Total C'wealth countries	23,02	25,41	93,32	102,56
Total Foreign countries	26,98	33,00	104,63	143,41
Exports : ‡				
Total C'wealth countries	25,49	20,61	89,14	84,77
Total Foreign countries	24,70	20,25	90,25	83,91

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	176
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	123
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
August 1955	4,984	1,122	414	88	50	27	29	10	124	166	17	125	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,233	2,079	723	153	77	51	93	21	206	304	30	233	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	258	42	139
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,135	237	82	23	12	5	15	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	33
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,,	5,400	1,222	433	87	47	25	56	8	184	173	13	150	19	65

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.
* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 22nd Nov., 1956	36,003(J)
	Corresponding week, 1955	15,220(J)
	1st Sept. to 22nd Nov., 1956	202,661
	Corresponding period, 1955	233,787*
Cotton Exports‡	Week ended 22nd Nov., 1956	2,122
	Corresponding week, 1955	12,598
	1st Sept. to 22nd Nov., 1956	28,386
	Corresponding period, 1955	198,031
Mill Consumption (Estimated)	1st Sept. to 22nd Nov., 1956	306,193
	Corresponding period, 1955	200,500
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 22nd Nov., 1956	430,556
	Corresponding date, 1955	590,477
Cotton Exports from Bombay (by sea)	During Sept., 1956	14,994§
	During Sept., 1955	121,362§
	1st Sept., '55 to 31st Aug., 1956	715,863
	1st Sept., '54 to 31st Aug., 1955	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 15th Nov., 1956	315,752
	Corresponding period, 1955	258,690
Exports	1st Sept. to 15th Nov., 1956	93,093
	Corresponding period, 1955	134,050

Particulars	From 1st Sept. to 26th Nov., 1956	From 1st Sept. to 26th Nov., 1955
	Bales	Bales
From Bombay Cotton Shipments to—		
United Kingdom	3,030	19,239
Continent	732	40,705
Hongkong	1,890	16,150
China	2,927	29,938
Japan	15,648	92,554
U.S.A.	127	608
Other Countries	339	3,698
Total to all foreign countries	25,693	202,922
Coastal Ports	5,524	36,438
Total	31,217§	239,360§
	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	September, 1956	377,978
Foreign		58,732
Indian	Twelve months ended Aug., 1956	4,865,456
Foreign		603,251
Indian	Same Period 1955	4,185,438
Foreign		630,474
Stocks (Mills and Elsewhere)—		
Indian	As on 30th September, 1956	1,258,274
Foreign		182,393
Indian	As on 30th September, 1955	1,278,133
Foreign		173,806
Cotton Pressed in India† (In running bales)	Week ended 16th Nov., 1956	19,499
	Corresponding week, 1955	45,430
	1st Sept. to 16th Nov., 1956	126,488
	Corresponding period, 1955	161,924

J‖By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926–33	63,30,26,000	1960–70	100¼
3 % Loan	1938–39	1,16,17,46,000	1963–65	94½
2½ % Loan	1950	80,38,10,000	1964	69¼
3 % Fg. Loan	1943	1,10,11,78,000	1966–68	92½
3 % V. Loan	1944	33,54,89,000	1957	99½
3 % Loan	1945	1,15,05,88,000	1970–75	96¼
3 % 2nd V.Loan	1945	1,13,65,64,000	1959–61	97½
3 % Loan	1951	50,35,63,000	1958	99½
2½ % Loan	1946	45,80,37,000	1960	95½
2½ % Loan	1946	57,00,00,000	1961	93½
2½ % Loan	1946	14,77,48,000	1976	88¾
2½ % Loan	1947	75,86,72,000	1962	92½
3½ % (N.P. Bonds)	1958	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	1,58,17,84,000	1964	98½
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98¾
3½ %	1956	57,27,00,000	1962	97½
3½ % N.P. Bonds	1956	33,32,00,000	1967	97½
3½ %	1956	66,84,00,000	1974	96½
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months notice.	74
3 % Loan	1946	2,48,91,47,000	On September, 1986 or late, at option of Government after three months' notice.	73
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,73,000	1958–68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97½
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97–12½
3 % Bombay	1944	3,06,86,000	15th Aug. 1958	99½
3 % Bombay	1949	5,53,55,000	1st Aug. 1962	94½
3 % Bombay	1950	2,87,82,000	31st July 1960	96½
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	93½
3 % Bombay	1953	5,42,25,000	15th July 1963	100½
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100½
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99½
4 % Bihar	1955	1,50,00,000	1st Sept. 1964	99
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	98½
3 % Cochin	1945	1,00,00,000	16th Dec. 1955–68	98½
3 % Cochin	1936	70,00,000	1st June 1956–61	99½
3½ % Howrah Bridge (New)	1936–37	1,95,96,700	1956–66	95½
4 % Hyderabad	1955	2,12,45,000	1st Sept. 1967	99½
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99½
3 % Madras	1939	1,23,95,600	21st June 1959	98½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98½
3 % Madras	1946	2,78,44,000	14th Sept. 1960	96½
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93½
3 % Madras	1950	4,38,25,000	21st July 1960	95–4½
3 % Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	10,33,63,000	15th July 1963	99½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	98–14½
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	97–14½
4 % Mysore(f)	1933	2,95,35,200	1st Dec. 1953–63	101½
4 % Mysore(f)	1936	5,99,72,900	30th Apr. 1956–61	99½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99½
3 % Mysore	1953	3,33,47,000	15th July 1963	99½
4 % Mysore	1955	3,54,94,000	1st Sept. 1964	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97½
3 % M.P.	1944	52,69,800	15th Aug. 1958	98½
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	99½
4 % M.P.	1955	1,65,12,000	1st Sept. 1967	99½
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97½
4 % Saurashtra	1955	3,61,66,000	1st Sept. 1967	99½
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99½
4½ % Trav. Cochin	1953	3,00,00,000	15th July 1963	99½
4½ % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
3 % U.P.	1936	1,57,11,000	15th Sept. 1961–66	90½
3 % U.P.	1944	2,67,11,000	15th Aug. 1958	98½
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96½
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	93½
3 % U.P.	1951	1,91,02,000	17th Sept. 1962	98
4 % U.P.	1952	3,11,45,200	1st Aug. 1964	99½
4 % U.P.	1953	5,56,15,500	15th July 1963	99½
4 % U.P.	1955	9,53,54,000	1st Sept. 1967	99½
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97½
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	98
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97½
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99½
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	98

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99¼N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,55,676	4	1913*	1960	D
80,00,000	4	1913	1974	99¼N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1969	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1988	
7,00,000	3½	1941	1971	
		CALCUTTA		
90,24,300	4	1914	1974	99
76,90,100	4	1915	1976	99
1,50,00,000C	3½†	1921	1981	82
68,02,300C	6‡	1921	1981	144N
1,49,40,500B	5	1927	1957–87	102
1,49,30,000	5	1928	1958–88	103
60,00,000	4½	1931	1991	95
80,00,000	3½	1935	1975	97½
25,00,000	3	1938	1963–68	90
50,00,000	3	1945	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1979	87½
50,00,000C	3	1950	1980	82
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1961	98½
50,00,000	4	1953	1968	100
50,00,000	4	1953	1983	98½
90,00,000	4	1955	1985	98
77,00,000C	4	1956	1986	97½
78,00,000C	4	1956	1986	97½
		STERLING LOANS		
£892,500	5	1923	1953–83	£79
£901,000	5	1924	1954–84	£79½
£886,100	5½	1932	1962	£91½
		MADRAS		
Rs.				Rs.
31,47,169	3½	1947	1977	
9,88,000F	3	1947	1977	
8,00,000F	3	1949	1979	A
45,00,000U	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
40,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	100N
40,00,000	5	1916	1957–79	118N
66,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	115N
25,00,000	4	1927	1961–70	98N
10,00,000	3	1936	1966	
		STERLING LOANS		
£566,600		1909	1969	£95½N
£338,000		1910	1970	£95½N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1963–68	90
80,00,000	4	1952	1968	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
20,60,000	4	1913–15	1974	99½
10,00,000	5	1920	1980	118N
25,00,000	5	1928	1958	104
8,45,000	5	1929	1954–59	to
26,21,500	5	1945	1975	102
8,25,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1980	86½
2,50,00,000	4	1952	1964	99½
2,00,00,000	3½	1951	1966	87½
1,50,00,000	4	1953	1968	99½
1,00,00,000‡		1952	1962	99½
1,00,00,000‡	4	1954	1966	100
2,50,00,000	4	1955	1967	99½
Rs.		**CALCUTTA**		Rs.
36,00,000	5	1928	1958	103
25,00,000	5	1929	1959	103
25,00,000	5	1929	1958	103½
10,00,000	5½	1932	1962	108
33,91,000	5½	1935	1965	108
60,00,000	3	1936	1966	94
47,50,000	3	1938	1968	90
15,56,800	3	1938	1968	90
16,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,64,400	4½	1942	1959	99½
21,10,000	3½	1952	1962	99½
15,49,000	3½	1951	1960	97½
19,33,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
87,36,000	4	1952	1968	99½
72,50,000	4½	1954	1979	100
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	93½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1953	3,60,25,000	16th July 1963	100
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99½
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99½

N—Nominal.

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Rupee Counterparts.
†Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free to first 12 years §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00,000	1901	6	Mar.	Sep.	113	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sep.	101	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb.	Aug.	134	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July	Apr.	6½	5
East India Distilleries	£200,000	1897	7	Jan.	July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct.	..	15	10
Ramnugger Cane	4,00,000	1933–36	6	Aug.	..	100½	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	..	8½	10
Upper Ganges	12,00,000	1932	5	Dec.	..	90N	100
Do.	15,00,000	1946	5(a)	Dec.	..	70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	105	100
Borrea	4,00,000	1896–97	6½	Oct.	Apr.	103	100
Burrakur (1st)	22,99,800	1901–19	7	Apr.	Oct.	112½	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8½	10
Equitable	4,00,000	1895	6	Mar.	Sept.	102	100½
Karampura Collieries	9,87,500	1946	5½(a)	..	..	65	75(p)
†Khas Kajora	1,93,000	1931	5	Mar.	Sept.	4½N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	12	10
Ondal	2,00,000	1893–99	6½	Apr.	Oct.	105	100

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,728	90,10,670	43,05,372	96,989	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	0 4(c)	0 2(c)	0 8		12	Y.
40,00,000	24,00,000	1,38,62,007	72,25,655	—6,97,129	M.	50,596	1,021	B. B. Cotton Mills	48	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,88,000	2,99,72,778	4,92,25,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	628‡	250	22 8*	20 0	25 0*	7 81	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd.	50	44,784	Bradbury Mills	229‡	100	0†	75 0†	12 8	20 0	3	Y.P.
1,09,42,800	2,63,96,826	2,81,83,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd.	1,26,344	2,698	Century Spg. & Mfg.	552	100	22 0	22 0	22 0	8 01	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33 08,097	V. J. Pilani (Chairman and Managing Director)	40,608	798	Colaba Land & Mill	100‡	100	*Nil*	*Nil*	*Nil*		12	Y.
28,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,928	680	Cooria Spg. & Wvg.	137‡	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,596	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	162‡	50	6 0	6 0	15 0		12	Y.
34,00,000	40,06,425	76,75,267	56,21,788	2,83,643	Puranmal Bubna Sons	50,084	928	Edward Textiles	345	200	15 0	15 0	18 0		12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,81,354	M.	41,360	886	Elphinstone Spg. & Wvg.	67	50	*Nil*	8 0	5 0		12	Y.P.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,382	784	Finlay Mills	335	100	16 0	16 0	20 0		12	Y.
11,84,000	75,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	1,000 992‡	225 0*	225 0	300 0	75 01		3	Y.P.
16,000									250	56 4*	56 4	75 0	18 12‡			
2,00,00,0000	62,50,399	4,68,15,552	8,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills	12-2‡ 0 100.	0 10	*Nil*	*Nil*	0 15	0 10‡	12	Y.
50,00,000 D									2-1‡ 0 1D.	0 1	*Nil*	*Nil*	0 3	0 11		
8,85,000	74,24,043	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,100	1,000	225 0*	225 0	300 0		3	Y.P.
35,000										500	112 8*	112 8	150 0			
59,85,000	55,07,831	2,73,73,670	2,03,22,138	26,228	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	233‡	100	10 0	8 0	10 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,68,14,796	93,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	346	100	20 0*	18 0	18 0	6 01	12	Y.
22,18,050	41,06,720	1,18,74,348	55,99,115	81,670	N. Sirur & Co., Ltd.	40,000	644	Modern Mills	106N	50	5 0	5 0	8 0*		12	Y.T.
51,75,000	37,05,298	2,35,58,597	1,76,19,559	1,41,489	Piramal & Sons	70,416	1,552	Morarjee Goculdas Spg. & Wvg.	1,262xd	100	9 0	14 0	14 0	15 0	6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.	..	432	New City of Bombay Mfg.	263	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,944	1,013	New Great Spg. & Wvg.	151‡	100	10 0	10 0	10 0		12	Y.
30,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	Phoenix Mills	260	100	10 0	7 8	10 0		12	Y.P.
48,00,000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd.	69,208	1,190	Podar Mills	143‡	100	8 0	8 0	10 0		12	Y.P.
48,00,000	45,70,390	29,55,049	23,00,000	3,92,877	Podar Sons, Ltd.	32,600	930	Sassoon & Alliance Silk Mill	170	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon Spg. & Wvg.	40	10	0 12	0 8			12	Y.
37,70,000	82,80,605	1,92,03,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,068	1,254	Shree Niwas Cotton Mills	215	100	14 0	14 0	12 0		12	Y.P.
80,00,000	47,70,061	90,20,958	65,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,886	1,640								12	
42,00,000	33,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	196	50	15 0	11 0	10 0	12 0	3	Y.
87,80,000	2,23,15,720	2,51,28,099	1,37,85,474	12,888	Maneklal Gagalbhai & Sons	52,086	1,633	Standard Mills	480	100	20 0	20 0	20 0		12	Y.P.
99,35,700	84,69,716	2,28,87,647	1,19,01,809	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	254‡	100	16 0	8 0	12 0		12	Y.P.
36,00,000	65,33,465	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd.	38,826	552	Swan Mills	431‡	100	20 0	20 0	25 0		12	Y.
66,57,000	51,06,376	1,77,34,886	93,44,553	45,485	Tata Industries Ltd.	62,996	1,800	Tata Mills	25	1	8	2 8	4 0		12	Y.T.P.
12,00,000	62,55,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	64,136	1,209	Western India Spg. & Mfg.	5,100	1,000	225 0*	225 0	300 0	75 01	3	Y.

AHMEDABAD

40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Ltd.	49,144	1,016	Ahmedabad Advance Mills	200	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	94,58,068	94,37,393	76,10,124	27,288	P. M. Huttheesing Pvt. Co., Ltd.	44,220	912	Aruna Mills	735	100	20 0*	20 0	30 0	12 0	12	Y.P.
26,25,000	2,55,50,994	1,66,65,504	1,16,00,000	72,768	Narotam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,282	100	25 0	25 0	35 0*		12	Y.P.
20,00,000	81,75,000	96,34,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd.	37,164	892	Arvodaya Ginning & Mfg.	535	100	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	84,56,974	59,64,953	69,806	Lalbhai Dalpatbhai & Co.	37,268	914	Asoka Mills	1,115	100	22 0*	22 0	30 0		12	Y.P.
1,37,50,000	3,35,76,233	4,61,25,352	2,58,58,944	2,31,712	Karamchand Premchand Ltd.	1,39,120	2,573	Calico	584	125	18 0	18 0	....		12	Y.P.
62,87,000	24,58,000	1,21,06,843	89,25,000	2,760	Tricumlal Bhoglal & Co., Ltd.	45,886	866	New Commercial Mills	1,325 1,000	100	70 0	70 0	80 0	30 0‡	3	Y.P.
39,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,162	864	New Shorrock Spg. & Wvg.	957	125	35 0	35 0	35 0		12	Y.
12,50,000	1,14,77,470	86,29,439	60,39,888	....	Lalbhai Dalpatbhai & Co.	32,828	636	Nutan Mills	465	100	30 0*	30 0*	20 0		12	Y.P.
17,00,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lallubhai Gordhandas Ltd.	32,188	648	Rajpur Mfg.	1,070	100	25 0	22 0	35 0*		12	Y.P.
28,98,150	2,02,54,538	1,76,92,342	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co.	94,116	1,738	Rohit Mills	207‡	100	9 0	9 0	*Nil*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	565	100	20 0	25 0*	25 0		12	Y.
28,00,000	90,34,191	1,09,66,008	78,35,291	34,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	696‡	100	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,42,800	34,93,029	21,83,830	61,576	Calcutta Agency Private Ltd.	12,044	356	Basanti Cotton Mills	6‡	10	0 4	0 8	0 8		12	Y.P.T.
7,11,280	5,40,775	43,42,381	25,67,597	95,788	Bengal Textile Agency, Ltd.	35,544	986	Bengal Luxmi Cotton Mills	40N	40	*Nil*	*Nil*	4 0		3	Y.
6,00,000	22,72,475	89,06,142	51,49,000	—25,47,373	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	139	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,87,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	249	100	1 12	0 14	0 14		6,12	H.
1,50,00,000	2,29,43,320	3,76,19,833	1,31,26,833	1,88,672	Birla Brothers Private Ltd.	70,384	1,990	Kesoram Cotton Mills	16‡ 15‡N	10	0 8	0 10	1 0	1 0	3	Y.P.
19,47,7500	7,45,000	47,06,298	24,48,352	1,094	Hazareemull Heeralall	23,036	795	Rampooria Cotton Mills	24N	10 1D	*Nil*	*Nil*	0-5 11/25		6	Y.
5,00,000D																

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	66,27,191	29,09,549	—8,54,238	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	10‡	10	*Nil*	*Nil*			12	Y.P.T.
15,00,000	5,57,596	31,36,764	15,64,243	3,566	Setna & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	*Nil*	12 8	15 0	6	Y.
11,88,000	35,91,264	1,84,91,530	50,78,582	1,36,043	Industrial Trust Fund	36,186	708	Balmukund Mills	92	100	6 0	*Nil*	8 8(c)		9	Y.
71,94,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	575	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9‡	10	0 4 *Nil*	*Nil*	*Nil*		6,12	H.P.T.
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd.	29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	3 0	3 0	3 0		3	Y.
1,76,47,800	1,76,52,500	6,38,09,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	196	100	10 0	10 0	10 0	4 01	12	Y.P.T.
20,00,000	20,00,000	89,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd.	36,706	..	Cambodia Mills	16‡	10	0 12	*Nil*	9 8		12	Y.P.
15,00,000	5,11,500	48,38,929	24,69,361	5,994	K. Damodara, Esq.	17,496	..	Cannanore Spg. & Wvg.	174xcd	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,420	69,40,829	50,87,586	36,767	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	9‡	5	0 9	0 9	*Nil*	0 4	3	Y.
9,37,470	2,00,000	50,87,586	18,02,163	58,798	C. R. Srinivasan, Esq. (Chairman)	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	14‡	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.T.
12,00,000	20,60,000	34,68,396	27,86,527	84,164	R. Bhema Naidu & Co.	28,884	..	Coimbatore Cotton Mills	413	100	20 0	25 0	25 0		12	Y.
20,00,000	19,90,000	39,59,430	24,25,921	14,323	T. R. N. Naidu & Co.	25,884	..	Coimbatore Pioneer Mills	303‡	100	15 0	20 0	20 0		6	Y.P.
20,00,000	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	25,884	..	Coimbatore Spg. & Wvg.	95	100	5 0	2 0	3 0		12	Y.
46,87,500	52,82,449	2,48,18,409	1,58,09,883	3,703	Tata Industries Ltd.	29,936	2,062	Central India	181	100	5 0	2 0	3 0	4	6	Y.P.
3,88,36,225	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	394N	25 2‡	1 12 0 2 4/5	2 4 0 3	2 8 0 3 3/5	0 3	6	Y.P.:
1,00,563						32,568	201	Dhanalakshmi Mills	400	100	20 0	30 0	30 0		12	Y.
24,84,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	48,452	1,198	Elgin Mills	28‡	10	1 0	1 0	1 0		9	Y.P.
63,00,000	66,33,360	1,52,16,382	1,29,71,681	98,986	Begg, Sutherland & Co., Ltd.	77,974	4	Gokak Mills	239	100	17 0	15 0	15 0		12	Y.
45,81,000	35,22,175	1,00,55,167	68,95,968	14,050	Forbes, Forbes Campbell & Co., Ltd.	51,150	1,420	Indore Malwa United	145‡	100	6 0	6 0	9 0	5 01	12	Y.
50,00,000	6,16,447	1,33,91,953	1,12,28,576	9,551	K. L. Seksaria, Esq. (Chairman)	51,150	..	Janardhana Mills	110	50	4 0	5 0	10 0		12	Y.
8,90,000	10,65,663	31,06,669	18,48,136	2,079	G. V. Naidu & Co., Ltd.	43,000	300	Kothari Textiles	18cd	10	0 8	0 8	1 0	1 0	6	Y.P.
42,00,000	15,25,000	78,38,868	26,50,000	29,382	Kothari & Sons	51,972	1,219	Lakshmi Cotton Mfg.	668‡	250	37 8	38 12	42 8	12 81	12	Y.P.
32,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Rombay Co., Ltd.	..	..		258	50	5 0	10 0	12 8	12 8‡	3	Y.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	140	25	2 8	5 0	6 4	6 4‡		
17,82,050									16‡	5	3 0	3 0	3 0			
1,75,02,480	4,18,81,878	5,78,76,126	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	113	200	8 0	*Nil*			12	Y.
12,00,000	4,17,363	28,26,768	16,72,262	—99,078	A. L. A. R. S. Chettiar and 2 others.	22,592	100	Malabar Spg. & Wvg.	462‡	100	12 8	22 8*	35 0	42 8	12	Y.
60,00,000	69,00,000	68,79,627	43,26,734	45,885	W. A. Beardell & Co., Ltd.	90	704	Mettur Industries Ltd.	100	100	7 0*	5 0(c)	6 0		12	Y.
29,50,884	19,61,581	89,75,246	49,94,788	16,688	N. Sirur & Co. Private Ltd.	51,840	948	Minerva Mills	250	100	7 8*	5 0(c)	7 8(e)	7 8	6	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	88,640	1,834	Model Mills (Nagpur)	161‡	100	7 0				12	Y.
30,00,000	52,19,600	1,53,39,272	1,06,91,651	—7,77,290	Indian Textile Syndicate Ltd.	50,480	500	Muir Mills	95N	100					12	Y.P.
24,83,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd.	..	..	Mysore Spg. & Mfg.	100‡	50	10 0*	8 8*	6 0(c)	9 0*	2	Y.P.
13,61,780	6,500	29,25,252	15,12,761	—1,50,653	R. Surveyanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,89,3820	25,62,533	1,04,27,293	58,90,719	—43,58,037	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills	2½	O. 2½	*Nil*	*Nil*			12	Y.P
3,07,096D						37,788	856	Osmanshahi Mills	79½	D. 1	*Nil*	*Nil*	2 8(c)		9	Y.
57,19,500	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	29,924	..	Palani Andavar Mills	172	100	4 0	*Nil*	4 0(c)		12	Y.P.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	30,796	..	Pankaja Mills Ltd.	286	50A	12 0	12 0	12 0			
6,00,000B									80	75B	18 0	18 0	18 0			
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	51,664	801	Radhakrishna Mills	360	100	*Nil*	*Nil*	4 0(c)		12	Y.
26,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	..	..	Rajalakshmi Mills	175	100A	8 0	16 0	20 0		12	Y.
8,40,600B									50	50B	4 0	8 0	10 0		12	Y.P.
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	*Nil*	Rajalapalyam Mills	194	50	7 8	10 0	10 0		12	Y.
10,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	14,800	..	Rayalaseema Mills	159	100	6 0	6 0	10 0	10 0	3	Y.
22,29,625	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	34,582	600	Raza Textiles	147‡	100	6 0	9 0	10 0		12	Y.
60,00,000	92,41,568	1,00,25,428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	95,232	2,234	Sholapoor Spg. & Wvg.	8-4N 1,590	10 100	*Nil* *Nil*	*Nil* *Nil*	*Nil*		12	Y.P.
15,00,000	1,80,39,516	2,93,66,410	2,04,66,196	—1,73,06,704	Morarka & Co.				—	500	*Nil*	*Nil*	*Nil*		3	Y.P.
26,69,700	17,10,000	81,44,272	65,63,318	1,09,148	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	123	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,380	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*			3	Y.
15,00,000	3,43,80,155	99,62,153	79,53,780	80,60,553	Birla Brothers, Private Ltd.	35,556	1,242	Sutlej Cotton Mills	106N	10	4 0	5 0	6 0	6 0	3	Y.
17,50,0000	2,80,00,000	4,54,40,847	1,70,65,159	1,09,029	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	11½ 12½	100. 10P.O.	0 8 0-14 2/5	0 12 1-2 2/5	0 12 1-2 2/5	0 12 1-2 2/5	12	Y.P.
2,50,000P						36,624	720	Travancore Rayons	15	10	0 8	0 10	0 12		12	Y.
2,00,00,000	30,14,788	3,80,55,317	3,27,16,775	2,63,771	Emcete & Sons (Trevancore), Ltd.	17,600	..	Trichinopoly Mills	13‡	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.T.
12,96,570	5,76,332	71,39,183	11,37,336	1,508	Moolji Ramjee & Sons	48,974	270	Vasanta Mills	840	100	12 0	15 0	20 0		12	Y.
51,00,000	34,50,000	71,38,723	40,63,168	56,000	R. K. Chetty & Brothers	46,490	1,331	Vishnu Cotton	158‡	100	4 0	4 0	8 0	2 81	12	Y.P.
33,00,000	34,42,971	1,64,67,122	1,05,10,233	28,125	Bombay Co., Ltd.											

• Includes bonus. M=Managed by Board of Directors. X.R.=Ex-Right. (c) Paid out of reserves. (8) For six months ended 31st December, 1953.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12cd	5	*Nil*	*Nil*	0 8	0 4i	5	Y.P.
16,20,630	18,38,917	27,26,361	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9		8	Y.
£5,80,000	£925,777	£1,302,535	£593,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	A. 16sh. B. £1	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
6,00,000	9,60,900	12,47,805	12,47,799	9,111	Vital Mallya, Esq., (Chairman)	United Breweries	— 212	75	Sh. 4 15 0	Sh. 3 15 0	Sh. 4 15 0	Sh. 4	7 81	3	Y.

CEMENT

51,27,650	13,05,123	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	B. 10 O. 10 D. 1	1 0*	1 0	1 0*		12	Y.P.T.
43,14,000O 4,70,976D	13,13,132	1,14,05,792	53,43,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	7‡ 1‡		*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,71,66,203	5,49,40,613	24,90,99,271	8,74,71,532	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	—	100	6 8	8 8	10 0		7	Y.
60,00,0000							194‡							
25,50,0000	60,02,261	95,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	14‡	O. 10	1 0	1 0	1 4		12	Y.P.
5,00,000D							—	D. 1	0 1-3/5	0-1 3/5	0 2			
61,91,0300							5‡				0 2			
7,50,000D	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	30½cd	O. 25	*Nil*	1 4	1 14		3	Y.P.
1,31,250 Pr.						Orissa Cement Ltd.	6½cd	D. 5	*Nil*	*Nil*	0 6			
83,42,200	44,70,362	1,09,22,137	84,48,345	1,14,340	Turner Morrison & Co., Ltd.	Alcock Ashdown & Co.	113‡	100	10 0	12 8	12 8		12	Y.
25,20,000	4,55,473	49,53,141	39,07,671	86,596	Walchand & Co. Private Ltd.	Cooper Engineering	60N	100	*Nil*	3 0	6 0		6	Y.
4,00,000	4,55,000	1,39,289	1,03,923	1,593	C. W. Owen, Esq. (General Manager)	Josh's Engineering	69	50	7 8	7 0	4 0	4 0	3	Y.
44,96,250	2,71,333	48,72,055	10,73,316	23,740	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	6‡	10	*Nil*	*Nil*	*Nil*		9	Y.P.
40,00,000	10,00,000	13,35,934	5,23,273	86,330	L. & T. (Management) Private Ltd.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105N	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,898	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	23½	10	12 0	14 0	16 2½ 5	0 11 1/5	3,9	H.
25,00,000	20,12,500	1,43,61,701	67,07,880	47,166	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	17½	10	1 0*	0 12*	0 12*	0 10	3,9	H.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,882	2,12,435	Birla Brothers Private Ltd... ..	Orient Paper	35½	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,07,295	62,28,637	1,48,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	17½	10	1 8	1 8	0 10‡		6,12	H.P.T.
20,00,000 / 10,00,000'A.'	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10½ / 10½	O. 10 / A. 10	0 12 / 0 12	1 4 / 1 4			3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,87,500P.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	39 / 39 / 4½	A. 10 / B. 10 / P.O. 2½	2 0* / 2 0* / 0 4	1 8 / 2 0* / 0 4	2 0* / / 0 4		3,9	H.P.
PRESSING														
8,00,000	6,12,365	16,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,780O. / 2,00,000D.	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13¾ / 24	O. 10 / D. 1	0 11½ / 0 4/5	0 9 3/5 / *Nil*	0 9 3/5 / 0 9 3/5		9	Y.P.
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	84	100	1 8	1 8	*Nil*		4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	29	100	1 8	4 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
18,99,998	28,05,545	31,61,533	10,73,833	—8,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	*Nil*	*Nil*	*Nil*			
50,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.	698½ / 248½	Old125 / New50	15 0 / 6 0	20 0 / 8 0	37 8 / 15 0	11 4‡ / 4 8‡	9 / 5	Y.
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
20,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products.. ..	45½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	8½	5	*Nil*	0 12				
12,00,000A.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	145N	A. 100	10 0	10 0	0 1		6	Y.
3,00,000B.							134N	B. 10	1 0	1 0				
19,49,050	5,50,000	33,35,389	24,41,801	51,985	Bangur Bros., Ltd.	Belsund Sugar	11⅜		1 0	1 0			4	Y.
16,50,000	13,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	16N		1 8	1 12	0 12		9	Y.
32,00,000	28,37,020	1,36,90,775	92,37,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8¾		*Nil*	0 12	1 8		6	Y.P.
36,00,000	57,83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	18½		0 12	0 4			6	Y.P.T.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd...	Champarun Sugar	25		0 12	0 12			10	Y.P.
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	10N		1 0	0 12	1 8		8	Y.
50,00,000A. / 10,00,000O.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	28⅜N / 100 / 65N / 39¾N	A. 100 / O. 100 / 80 / 40	15 0* / 15 0* / *Nil* / *Nil*	15 0* / 15 0* / *Nil* / *Nil*	15 0* / 15 0* / 4 8		8 / 6 / 7	Y.T. / Y.P. / Y.P.
12,00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	32N	10	2 8	2 8	2 4			
7,80,100	22,14,058	34,94,612	19,35,838	1,364	Cotton Agents Ltd.	New India Sugar Mills	6¾	10	2 8	2 8	2 8		6	Y.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	240N	100	0 4	0 4			5	Y.P.T.
19,87,500A. / 2,71,875B.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	60N	25	5 0	5 0	5 0		5	Y.
37,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	148N	100	11 0	11 0	11 0		6	Y.
12,00,000	12,74,233	24,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	110N	100	10 0	10 0			7	Y.P.
9,00,000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtalpore Co.	16¾	10	1 0	0 12			10	Y.
8,00,000	5,31,129	26,43,262	21,70,524	5,234	M.	Ryam Sugar	20½N	10	0 8	0 12	0 12		10	Y.P.
11,99,000	13,36,779	38,83,383	22,92,130	8,477	M.	Samastipur Central Sugar ..	12½	10	0 8	0 8	*Nil*		6	Y.P.
40,00,000	22,68,566	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	*Nil*		8	Y.
9,99,950	61,825	27,15,126	12,90,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..		4½	10	*Nil*	*Nil*	*Nil*		8	Y.P.T.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros. ..	Sitalpore Sugar	15½	10	2 0*	1 8*	*Nil*		6	Y.
9,15,000O.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd...	Shri Sitaram Sugar	1N	O. 10	*Nil*	*Nil*			8	Y.T.
4,40,000D.						South Behar Sugar	43N	D. 24	*Nil*	*Nil*				
8,00,000	21,91,635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8			10	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd.	United Provinces Sugar	21	10	0 8	1 4	2 8		6	Y.P.
											1 8		9	Y.
Other Centres														
45,99,750	74,53,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	252½	50	16 0	16 0	16 0			
17,50,000	9,24,292	33,03,879	21,36,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	17½	10	0 10	1 0	1 0		9	Y.
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	76N	100	*Nil*	*Nil*			9	Y.P.
47,94,920	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16¾	10	2 8	1 12			6	Y.P.
33,57,620	45 51,080	42,51,227	21,95,827	18,645	Govan Bros.(Rampur), Ltd.	Buland Sugar	14½N	10	1 0	1 0	1 6 2/5		9	Y.P.
19,52,2000.	69,50,000	95,98,952	31,00,978	48,404	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	127½	O.100	7 8	7 8	1 0		10	Y.
3,97,190D.							155	D. 10	10 0	10 0	10 0			
21,79,280	95,00,001	1,31,37,677	78,17,730	2,90,340	S. Muninarjappa, Esq., (Managing Director)	Mysore Sugar	46	10	2 0	2 0	2 0		6	Y.P.
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kanillal Ltd. ..	Phaltan Sugar	160	50	6 0	8 0	8 0		6	Y.
16,59,820	35,50,830	56,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnagger, Cane and Sugar ..	25	10	2 0	1 8	2 0		8	Y.P.
20,00,0000.	21,76,092	89,12,138	58,60,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	150N	O. 50	*Nil*	1 8	2 0		8	Y.P.T.
4,00,000D.							7N	D. 10	*Nil*	*Nil*	*Nil*			
19,99,600	47,65,324	46,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd.	Raza Sugar	154N	10	1 0	0 12	0 1 1/5		9	Y.P.T.
30,00,000	10,37,776	59,76,254	17,87,159	—32,224	Parry Co., Ltd.	Travancore Sugars	13¾	10	*Nil*	*Nil*			10	Y.
1,01,00,000	71,97,998	1,99,98,448	1,15,32,428	1,31 172	M.	Walchandnagar Industries	284½	100	14 0	16 0	18 0		7	Y.P.
													9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24 00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	146	100	10 0	7 8	7 8			
1,00,00,000	15,37,619	4,41,65,864	1,85,09,819	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		10	Y.P.
60,00,000	31,60,611	3,31,00,904	59,55,703	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	17½XR	10	1 0	1 0			12	Y.
£655,580	£980,878	£5,515,631	£3,344,773	£21,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co...	91	£10	*Nil*	Sh. 1 0	*Nil*	1 8	6	Y.P.
2,25,00,000	89,99,232	9,64,47,644	2,22,99,146	25,920	Lionel Edwards Ltd.	India Steamship Co.	10xd	10	0 8	*Nil*	*Nil*	0 8	6	Y.P.
8,40,19,573	6,94,02,781	18,30,63,413	4,34,44,300	2,73,883	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	19–3½	20	0 12	0 8	1 0		8	Y.P.
8,40,8000.							2½	O. 1	as. 1/3/25	1 2 3/2	as 2 6/25		6	Y.P.
10,200P.O.	19,68 266	11,55,483	7,29,969	1,84,493	R. R. Aiyer, Esq., (Manager) ..	Walford Transport Ltd.	1¼	P.O. 1	as. 19/25	1 19/25	as.123/25		12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	39 0			
15,98,860	2,04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	80	5 0	4 8	*Nil*		9	Y.
25,00,000	1,00,000	22,87,3145‡‡	....	225	M.	Devkaran Nanji Investment Co.	11‡	25	0 12	0 12	*Nil*		12	Y.
30,17,900	13,68,886	86,39,283	59,24,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	152½	100	8 0	10 0	10 0	0 13	8	Y.
14,93,840	3,42,985	29,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	39½	50	*Nil*	3 0	2 0		12	Y.P.T.
99,99,250	19,47,386	1,22,03,6045‡‡	....	2,88,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	73½	100	4 8	4 8	4 8		3	Y.P.
99,99,975	35,08,351	35,47,826	8,04,331	4,559	K. G. Milne, Esq. (Mg. Director)	Killick Industries	173	100	10 0	11 0	11 0	11 0	12	Y.
37,50,800A. / 10,00,000B.	5,28,634	2,87,33,373	1,25,90,292	5,86,717	Aero-Auto Ltd.	Premier Automobiles	114	A.100	*Nil*	*Nil*	*Nil*		6	Y.
								B. 10	*Nil*	*Nil*	*Nil*			
10,21,200	5,03,605	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	22	20	3 0	2 0	2 0		12	Y.
2,75,00,000	75,75,000	3,03,87,194	1,65,71,845	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	174‡	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,608	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 / 2,50,000	17,00,000	1,95,40,704	65,00,000	2,582	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	11¼ / 6N	O. 10 / D. 24	*Nil*	*Nil*	*Nil*			
40,00,000	28,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd...	Aluminium Industries Ltd. ..	19¾	10	1 4	1 4	1 4*	1 4	3	Y.P.T.
30,00,000	35,05,079	32,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22	10	1 4	1 4	1 4*		3	Y.
20,00,000	9,85,000	38,39,494	20,85,060	1,18,395	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*		3	Y.
20,00,000	27,47,883	1,01,49,347	39,87,930	32,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	10‡N	10	0 3 1/5	0 3 1/5	0 6 2/5		3	Y.P.T.
30,01,400	1,16,53,000	67,47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	160	100	20 0*	13 0‡	12 8			
12,00,000	9,10,000	31,37,448	24,05,048	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	35‡	10	1 8	2 8	2 4		12	Y.
20,00,000	7,95,430	62,57,9945‡‡	....	1,15,707	Lovelock & Lewis	Birds Investment Ltd.	17‡	10	1 4	1 4	1 4		6,12	Y.
45,97,020	30,11,814	1,10,56,424	33,87,839	1,79,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	15	10	0 8	1 0	1 0		9	Y.P.
3,25,00,000	1,10,11,905	2,32,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	10‡	5	0 8	0 8	0 8	1 0	3	Y.P.T.
1,88,30,000	17,34,264	2,03,27,2+2‡‡	....	3,06,138	Andrew Yule & Co., Ltd.	Clive Row Investment	11	10	0 4 1/5	0 3 1/5	0 9	1 6	12	Y.
1,60,00,000	3,14,86,174	5,15,52,036	2,20,82,990	11,71,686	Cecil Stack Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	26‡	10	1 8	1 8	1 8		3	Y.
51,26,000	54,12,312	1,42,47,6685‡‡	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	142	100	9 0	9 0	9 0		12	Y.P.T.
14,00,000	10,02,000	33,81,772	18,39,772	27,194	MacNeill & Barry Ltd...	Ganges Rope Co., Ltd.	170	100	20 0	15 0	15 0		3	Y.P.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	13‡	10	7 8	7 8	1 6 2/5		3	H.
30,00,000	14,87,354	81,20,000	33,66,932	7,458	B. R. Syndicate	Great Eastern Hotel	225	250	15 0	6 4	6 4		3	Y.P.
4,96,13,350	2,92,450	3,56,34,606	94,52,719	5,19,485	Birla Brothers Private Ltd... ..	Hindustan Motors	9‡	10	*Nil*	*Nil*	*Nil*	15 0	3	Y.
1,60,00,000	46,77,754	4,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	16‡	10	*Nil*	*Nil*	*Nil*		3	Y.
1,58,38,000	1,20,50,000	1,55,72,291	57,17,651	28,98,462	H. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	32½	10	1 0*	1 0*	1 0*		12	Y.P.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	18	10	0 12	0 12	0 8		3	Y.P.T.
5,16,00,000	7,89,02,692	4,15,59,461	1,63,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	14½	10	0 8	0 8	0 8	0 10	3	Y.P.
2,00,00,000	57,29,566	37,46,656	11,08,843	5,11,852	G. M. Mackinlay, Esq.	Jardine Henderson	87xd	100	7 8	7 8		0 12 4/5 / 0 12 4/5	3	Y.
6,34,0000. / 66,000D.	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	24 / 3½	O. 5 / D. 1	*Nil*	*Nil*			8	Y.
40,00,0000. / 5,00,000D.	72,01,900	25,16,760	7,97,301	1,87,834	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	215N	O.100	10 0	17 0			8	Y.
1,37,53,000	60,54,276	22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director)..	Martin Burn Ltd.	25‡	D.O.10	0 8	1 3 1/5			12	Y.P.
1,16,00,000	55,50,000	1,88,37,973	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	28‡	10	1 0*	1 6	1 13*		9	Y.P.
6,35,585	1,55,250	7,83,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq.	Mysore Glass and Enamel Works	4	10	*Nil*	1 0	1 8	1 10	3	Y.P.
6,56,250	9,19,996	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller)	Mysore Lamp Works	15	10	*Nil*	*Nil*	*Nil*		3	Y.
10,00,000	2,18,500	15,54,005	9,41,427	44,513	M. H. Parthasarathy Esq. (Chairman).	Mysore Tobacco	13‡	10	1 0	1 0	0 12	0 14 2/5	3	Y.P.
40,00,000	51,21,172	59,09,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.			10	1 0	1 4	1 0	1 8	3	Y.T.
						National Insulated Cable Co. ..	28‡	10	1 0	1 0	1 8*			
79,97,000		1,17,52,757	57,19,268	8,99,582	B. N. Ellias & Co., Ltd.	*National Tobacco Co.*	12‡	10	*Nil*	*Nil*	0 12 4/5		3	Y.T.
2,25,00,000	7,25,185	1,53,49,091	40,14,109	—63,99,179	M. P. A. Paspatti, Esq.	Rallis (India) Ltd.	41‡	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,75,24,400	1,31,20,208	7,56,34,681	3,47,94,970	24,91,624	Sahu Jain Ltd.	Rohtas Industries	20‡	10	1 4	1 8	1 8		8	Y.P.
40,00,000	93,60,594	1,18,78,870	70,99,687	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16‡	10	1 8	1 8	1 8		10	Y.P.T.
75,00,000	54,13,860	17,49,8165‡‡	5,53,635	3,65,280	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	13	10	1 0	1 4	1 8		6	Y.P.
9,98,380	....	14,99,289	3,84,580	....	Ogale Bros., Ltd.	Travancore Ogale Glass	3‡	10	*Nil*	*Nil*	1 0		12	Y.P.
											Nil		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,857	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	375	100	25 0	30 0			12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea ..	45½	10	1 4	7 8			12	Y.
3,50,000	6,43,250	10,47,044	2,03,358	72,398	Gillanders Arbuthnot & Co., Ltd...	420	Ananda Bag	36	10	2 8	3 0*			12	Y.
5,50,000	11,21,541	17,56,465	7,08,427	36,051	McLeod & Co., Ltd.	513	Bashmari	27	10	*Nil*	3 8	1 0		12	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	33½	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65,000	11,68,776	7,13,759	50,298	National Tea Corporation	570	Bateli	28	5	2 0	4 0	2 8		12	Y.
3,50,000	5,70,000	9,60,764	2,59,311	63,794	Gillanders Arbuthnot & Co., Ltd..	594	Betjan	46	10	2 0	10 0*			12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	25‡	10	3 8				12	Y.
6,00,000	2,50,000	10,97,919	2,26,068	29,636	Octavius Steel & Co., Ltd. ..	485	Bokakhat	20‡	10	*Nil*	1 0	*Nil*		12	
7,50,000	7,27,550	9,56,117	3,05,780	15,455	McLeod & Co., Ltd.	450	Bornah Jan Tea ..	20‡	10	0 12	3 8	2 0		12	Y.P.T.
35,00,000	11,78,802	79,82,234	27,45,021	5,15,711	M.	2,834	Brooke Bond	21‡	10	0 8	1 4	4 12	1 4	6	Y.P.
1,20,000	4,00,426	5,55,963	1,35,593	6,542	McLeod & Co., Ltd.	282	Dejoo Valley	50	10	1 0	6 0			12	Y.
6,00,000	9,76,000	27,66,034	17,67,783	46,610	Jardine Henderson Ltd.	1,184	Desai & Parbuttia ..	411	100	20 0	40 0	10 0		12	Y.
17,53,440	9,57,962	24,59,777	12,73	42,736	James Warren & Co., Ltd. ..	661	Dhelaikhat	23‡	10	1 8	2 8	2 8		12	Y.
4,68,970	3,95,000	7,50,451	3,86,404	2,101	M.	646	Dhunseri	20	10	2 0	5 0	1 0		12	Y.P.
4,50,000	7,23,800	14,15,911	6,43,291	53,021	McLeod & Co., Ltd.	458	Dibrugarh	26‡	10	1 0	4 0	2 0		12	Y.
2,35,700	6,00,000	10,29,006	5,54,000	55,532	Williamson Magor & Co.,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING ; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	40,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd.	Cochin Malabar	9½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	25½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1,07,57,843	19,78,244	2,42,894	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,709	5,35,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations ..	21½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	14½	10	1 4	2 8	2 0		3	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	29	10	2 0	2 0	2 12		4	Y.P.
9,00,000	8,17,955	5,86,929	2,80,348	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	20½	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,062	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	19½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	20½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	17½	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4 %	2	0 3½	0 9 3/5	0 6 2/5		12	Y.P.T.
13,50,000	7,80,000	40,92,233	3,51,077	7,491	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	24	10	1 12*	1 12*	2 0		6	Y.P.
3,68,780	3,00,000	6,70,359	62,117	71,342	Sir Sivasami Iyer & Co., Ltd.	Savannalai Estates Ltd. ..	23	10	3 0	2 8	1 0		11	Y.
10,00,000	3,95,340	22,01,120	1,35,329	2,031	East India Agencies	Teckoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		8	Y.P.T.
2,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Thamarapally Rubber	30	10	3 0	3 0	3 0		12	Y.P.
6,10,200	3,00,005	8,91,561	80,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2–3½	1	0 4½	0 1 3/5	0 2		9	Y.
5,00,000	75,491	9,79,473	3,23,517	3,745	Espan Thomas, Esq. (Mg. Director)	Travancore Rubbers	24½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	10½	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000	....	27,70,782	6,45,989	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	33	25	3 0	5 0	4 0		12	Y.
6,25,580	5,40,670	8,51,438	16,128	40,729	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	34½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	10½	10	1 0	1 10	0 10		3,9	H.T.P.
6,00,00	10,25,000	51,65,438	36,33,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	2 8	7 8	10 0		6,12	H.P.T.
30,00,000	6,25,000	1,17,91,327	93,76,069	23,103	McLeod & Co., Ltd.	1,264	Alliance	100	100	1 5	12 0	8 0		6,12	H.P.
49,20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	154	100	12 8	7 8	8 8		3,9	H.P.
40,00,000	43,17,051	1,78,37,979	92,01,344	11,377	Bird & Co., Ltd.	810	Auckland	110	100	4 0	3 8	10 0	1 0f	3,9	H.P.T.
29,00,000	23,30,918	99,91,416	63,83,494	65,302	Jardine Henderson & Co. ..	959	Dally	164	100	4 0	Nil	3 8	Nil f	3,9	H.P.
2275,000	2967,405	£1,477,480	£987,176	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	135	£5	£1 0	sh. 15	sh. 15	Nil	3,9	H.P.
2,80,00,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd. ..	820	Belvedere	134	100	15 0	10 0	7 8		6,12	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,85,100	Soorajmull Nagarmull	660	Bengal	16½	100	1 4	1 2	1 2		6	Y.P.T.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	16½	10	3 1	1 0	1 0	1 0	3	Y.P.
36,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	121	100	10 0	5 0	7 8		6,12	H.
7,47,380	3,09,040	42,13,704	31,62,083	—3,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9	10	Nil	0 12	Nil		4,10	H.P.
18,00,000	30,45,234	87,13,571	41,48,795	6,248	Andrew Yule & Co., Ltd. ..	916	Caledonian	170½	100	12 0	9 0	6 8		6,12	H.P.T.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	2,600	Champdany	138	100	6 0	3 0	10 0	2 0f	5,11	H.
15,95,000	28,39,282	81,34,655	56,66,175	2,615	Andrew Yule & Co., Ltd. ..	530	Cheviot	170	100	12 0	14 0	10 0		3,9	H.
30,15,000	31,00,000	64,10,068	47,77,000	1,32,940	Wallace & Co., Ltd.	500	Chhavalash	134	100	1 12	1 2	1 6		5,11	H.P.
24,00,000	24,00,000	78,13,716	66,22,962	1,07,142	Shree Krishna Investment Co.,Ltd.	969	Clive	134	10	Nil	Nil	1 6		6,12	H.P.T.
31,49,200	46,65,252	1,17,35,454	46,04,775	—2,20,845	Bird & Co., Ltd.	766	Dalhousie	90½	100	4 0	2 8	4 0	Nil f	3	Y.
28,00,000	44,74,179	75,30,699	47,06,410	15,912	Andrew Yule & Co., Ltd. ..	779	Delta	156	100	20 0	12 0	10 0		3,9	H.P.T.
15,00,000	84,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	18½	10	1 0	1 4	1 4		5,11	H.P.
21,00,000	60,60,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	360N	100	Nil	5 0	15 0	7½	6,12	H.P.T.
21,00,000	13,00,000	97,85,074	54,63,692	1,34,422	Bangur Bros., Ltd.	1,014	Fort William	22½	10	5 0	20 0	20 0	0 12½K	3,9	H.T.P.
54,32,100	....	2,11,07,224	1,32,88,325	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	60	100	Nil	1 4	2 8	Nil f	3,9	H.
10,80,000	28,80,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	820	300	15 0	Nil			3,9	H.P.
24,00,000	29,32,327	2,19,00,613	1,61,23,422	25,195	Macneill & Barry Ltd.	1,394	Gourepore	210	100	3 12	10 0	15 0	2 8f	12	Y.
40,00,000	64,00,733	1,14,38,581	50,72,180	3,40,348	Banqur Bros., Ltd.	1,078	Hastings	109xd N	100	10 0	10 0	11 8	5 0	3,9	H.P.
16,80,000	18,91,656	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	10	10	1 4	0 8	1 0	Nil f	3	Y.P.
65,62,500	49,64,372	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd.	1,940	Howrah	21½	10	1 8	1 4	0 14	0 4f	3,9	H.P.T.
52,50,000	27,85,153	1,56,51,559	1,18,935	Ramdutt Ramkissendas ..	2,272	Hukumchand	22⅞ 7½	10	3 0	3 0	2 0	2 4f	3	Y.P.T.
O. 87,00,000	17,20,650	1,27,91,698	80,28,070	2,57,287	M.	1,076	India	O. 125xd	6 4	3 2	4 11	4 11f	3,9	H.
D. 30,00								D. 1	0 4/5	0 2/5	0 3/5	3% 1/		
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	134	100	9 0	8 0	2 8		6,12	H.P.
D. 19,20,000								134 'B'	9 8	8 0	2 8				
30,00,000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	92	100	7 8	6 8	1 0		6,12	H.P.
B. 24,00,000								93 'B'	100	7 8	6 8	1 0			
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	195	100	15 0	20 0	17 0		6,12	H.P.
54,00,000	23,33,375	1,71,52,716	1,16,01,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	132	100	17 8	12 8	11 0		3,9	H.P.
48,00,000	1,08,90,860	2,44,37,544	1,15,66,122	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	139	100	9 0	7 0	13 0	6 0f	3,9	H.P.T.
28,00,000	35,75,192	1,11,39,385	47,99,215	6,793	Bird & Co., Ltd.	840	Lawrence	95	100	6 0	6 0	7 0	Nil f	3,9	H.P.
28,00,000	55,75,192	1,16,29,380	64,57,897	3,793	Bird & Co., Ltd.	840	Lawrence	95	100	6 0	6 0	7 0	Nil f	3,9	H.P.
81,65,200	20,36,045	2,64,13,349	1,26,97,309	1,64,942	M.	1,283	Megna	79½	100	5 0	2 8	3 12	3 12f	3,9	H.
29,98,900	38,49,147	1,84,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	815	Naihati	75	100	Nil	Nil	Nil	Nil f	3,9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Edward Trading Co., Ltd. ..	425	Naskarpara	12½	10	0 8	1 2	0 10½		4,10	H.T.
35,00,000	43,29,326	20,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd. ..	852	National	23½	10	2 0	2 0	1 12		4,10	H.P.
26,25,000	27,71,022	27,71,022	20,34,909	1,08,257	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	1 12	1 8	1 0		6,12	H.P.T.
35,50,000	2,71,44,342	4,29,11,327	96,26,548	8,71,293	Shahi Jain Ltd.	1,765	New Centralt	14 %	10	24 0	17 0	11 8	0 12f	12	Y.P.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Ltd.	567	Northbrook	21½	10	1 12	1 4	1 8	1 8f	3,9	H.P.T.
66,79,500	22,24,961	2,18,55,164	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	33½	50	0 8	0 8	1 0	Nil f	3,9	H.
24,91,000	26,81,049	72,98,385	56,35,090	5,784	Andrew Yule & Co., Ltd. ..	601	Orient	142	100	12 0	10 0	9 0		5,11	H.P.
25,00,000	6,28,490	80,56,437	65,22,166	51,595	McLeod & Co., Ltd.	400	Presidency	4½	5	0 2	0 2	2 4f		6,12	H.T.
20,00,000	2,49,781	26,97,878	8,39,130	—9,18,218	Birla Brothers Private Ltd. ..	305	Rameshwara	6½	10	Nil	Nil	Nil	Nil f	3,9	H.
49,50,000	5,82,465	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	9	10	0 8	Nil	Nil	Nil f	3,9	H.P.T.
2500,000	£1,093,713	£1,245,244	....	£88,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	11	£1	10%	10%	3%£1		4,10	H.T.
80,00,000	13,12,193	1,04,60,653	75,85,838	4,667	Bagaria More & Co., Ltd.	911	Shree Ambica	16N	10	0 8	1 0	0 8f		3,9	H.P.
14,00,000	11,25,000	66,11,794	38,79,294	3,156	Hindustan Investment Corporation	401	Soorah	16N	10	0 8	1 0	1 8		12	Y.P.T.
25,19,600	42,72,182	1,97,38,240	59,23,439	—4,87,127	Bird & Co., Ltd.	659	Standard	88½	100	2 0	2 0	1 8	Nil	3,9	H.P.T.
2600,000	£925,119	£1,137,660	....	£83,548	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	11	£1	10%	10%	3%£1		12	Y.P.
35,98,600	88,06,723	2,00,00,808	84,28,058	18,334	Bird & Co., Ltd.	1,326	Union	136	100	5 0	6 0	10 0	1 0f	3,9	H.P.T.
2400,000	£888,035	£1,124,819	....	£80,301	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	11	£1	10%	10%	3%£1		12	Y.P.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	3½	1	0 1	0 8	0 3		6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20½	10	1 0	1 5	1 6		3,9	H.
12,00,000	8,52,573	38,78,477	36,13,477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	1 6 2/5	1 7 1/5	1 7 1/5		3,9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	3xdN	10	0 12	0 12			3,9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,99,77,326	7,31,563	Andrew Yule & Co., Ltd. ..	Bengal Coal	483	200	32 0*	30 0*	35 0*		6,12	H.
2,25,000	4,22,869	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	Nil	Nil			4,10	H.P.
15,97,000	4,73,358	37,70,192	22,77,384	13,498	H. V. Low & Co., Ltd.	Bhalgora	0 ⅝	10	0 8				6,12	H.P.
40,00,000	8,00,000	1,30,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7½	10	0 12	0 10	0 10		6	Y.
7,15,000	15,11,080	52,62,538	37,38,500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbararee	14N	10	Nil	Nil	Nil		6	Y.P.T.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Bamgur	14N	10					6,12	H.
7,50,000	24,39,026	42,39,503	34,39,503	84,197	F. W. Heilgers & Co., Ltd. ..	Borroa	24½	10	2 12	2 0	2 0		6,12	H.T.
90,92,480	1,75,17,502	4,19,21,370	1,35,17,846	1,15,370	Bird & Co., Ltd.	Burrakur	19 ⅛	10	0 12	0 9	0 10		6,12	H.P.
49,97,750	....	42,33,430	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India		10	0 4	0 4	0 4	0 8	6,12	H.P.T.
8,00,000	13,54,302	49,14,414	32,63,954	82,768	M.	Central Kurkend	12N	10	1 2				3	Y.
6,00,000	1,43,676	7,23,435(k)	....	2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	2 ⅛	4	0 2	0 2	0 1f		6,12	H.
16,00,000	....	53,81,704	29,81,276	—1,83,318	Macneill & Barry Ltd.	Dhemo Main	7½	10	Nil	Nil	Nil		6,12	H.
2240,000	£936,945	£1,042,871	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	31 ⅛	£1	2 8	2 8	3 0		6,12	H.T.
29,63,700	83,55,049	4,04,51,377	2,89,25,865	82,379	Macneill & Barry Ltd.	Equitable	27½	10	1 8	1 8	1 8		3	Y.
10,00,000	2,15,000	10,76,864	7,80,000	11,273	Bhatter's Agency Ltd.	Ghusick and Muslia	14 ⅛N	10	0 8	0 8			6,12	H.P.T.
12,00,000	1,22,000	41,35,247	23,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	4½	50	3 0	Nil			3	Y.
8,00,000	7,25,000	22,07,121	18,80,341	45,985	Macneill & Barry Ltd.	Hurriladih	22	10	1 0	2 4	2 4		3	Y.P.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajpaie Trust Ltd.	Jogta Coal	2 ⅜	10	Nil	1 12	2 8		6,12	H.
3,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	18N	10	Nil	2 12			12	Y.P.
20,00,000	1,77,175	28,89,683	4,65,140	6,985	Bird & Co. Ltd.	Karanpura Collieries ..	113	100	Nil	Nil	Nil		3,9	H.
5,00,000	16,60,000	40,77,133	36,47,385	1,33,474	Andrew Yule & Co., Ltd. ..	Katras Jheriah	63	10	4 0	4 0	2 8	5 0	3,9	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Heriwala & Co.	Khas Kajora	31N	10	Nil	5 0	5 8		6,12	H.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	4N	10	Nil	Nil			1,7	H.
9,00,000	11,86,413	25,69,208	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	4 0	0 8			6,12	H.P.
7,48,240	2,00,000	13,13,208	9,66,219	31,201	Tantia Brothers Ltd.	Nazira	6½xd	10	0 8	0 4			4	Y.
7,00,000	26,817	10,33,740	5,29,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur ..	9½N	10	0 12	1 4	0 8		12	Y.
17,75,230	20,01,763	1,19,75,753	88,83,066	94,350	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	12½	10	1 0	1 2			3,9	H.P.
6,00,000	75,000	28,54,907	17,07,988	2,233	Octavius Steel & Co., Ltd. ..	New Manbhoom	11½	10	Nil	Nil	1 0		4,10	H.P.
1,57,500	2,85,193	13,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	17½N 16N	10	0 4	Nil	Nil		3,9	H.
1,57,500									0 3	Nil	1 0½	0 9f	3,9	Y.P.T.
7,50,000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 8	1 0	1 0		12	Y.
10,00,000	1,10,000	39,70,862	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	8N	10	0 6	0 8			6,12	H.P.
8,34,000	10,862	17,52,137	8,30,795	8,018	Deepchand Kishenlall	Parasea	14½	10	0 4	0 12			12	H.P.
15,75,000	16,00,000	47,79,275	85,30,275	33,313	Shaw Wallace & Co., Ltd. ..	Pench Valley	20½	10	1 10	1 10			6,12	H.
23,99,500	19,17,105	1,23,09,393	85,50,855	16,846	N. B. Elias & Co., Ltd.	Raneegunge	10 ⅛	10	1 10	1 10	1 8		3,9	H.
13,50,000	8,53,385	35,36,705	27,73,764	28,521	Shaw Wallace & Co., Ltd. ..	Rowa	23½	10	2 0	0 8	0 10		5,9	H.
20,00,000	3,90,000	44,28,585	18,73,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries	14 ⅛N	10	0 8	0 12	0 14		6,12	H.
2,50,000	1,95,802	13,78,480	12,21,237	21,079	M.	Searsole	5 ⅜	10	0 10	0 10	0 12		12	Y.
2,80,000	8,36,598	29,99,490	19,07,296	49,299	Andrew Yule & Co., Ltd. ..	Seebpore	29½	7	1 12	2 0	2 8		1	H.
8,00,000	5,31,289	52,491	28,867	7,503	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9N	10	Nil	0 2	0 4		3	H.P.
63,21,450	29,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	11½	10	Nil		0 11 1/5	0 12	6,12	H.
17,50,000	10,84,016	37,86,103	15,14,990	—51,533	Bird & Co., Ltd.	South Karanpura	9½	10	0 4	0 2	0 2		12	H.
8,00,000	13,69,395	1,69,570	26,510	17,347	F. W. Heilgers & Co. (Private) Ltd.	Standard	23½	10	2 0	1 8	1 0		2,8	H.
10,00,000	12,950	30,52,289	15,43,502	—4,07,745	Villiers Ltd.	Talcher	3 ⅜	10	Nil				6,12	Y.
8,50,000	2,80,000	19,47,955	14,81,955	44,167	Williamson Magor & Co., Ltd.	Union	14½	10	1 12	0 12	Nil		3,9	H.
49,98,000	67,084	55,66,550	22,00,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10	0 6	0 6	0 8	0 8	6,12	Y.
7,00,000	21,569	66,46,871	23,81,698	—1,46,650	Macneill & Barry Ltd.	West Jamuria	11½	10	Nil	Nil	Nil		3	H.
													6,12	

M—Managed by the board of directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1956.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

KILLICK INDUSTRIES LIMITED

(*Concluded from page 1035*)

to keep up a standard of living not merely for the sake of appearances, but in order to play their part in the social life which they guide and nurture.

"Universal adult franchise in our country encourages politicians to look solely to the masses and to ignore the middle class as though it were negligible. Since independence the well-being of the industrial working class has been the special care of the Central and State Governments, as also that of the majority of parliamentarians. As has recently been stated by the Labour Minister of the Government of India, there has been a rise in the real wages of this class. Not only can no one object to this, but, indeed, if the raising of the standard of life of all people in the country is to be achieved, then we must regard the betterment of the living conditions of this particular class as a matter of great satisfaction and unstinted pleasure. At the same time, one hears that the agricultural class, which, of course, constitutes the great majority of the Indian people, has also taken a few, albeit faltering, steps forward on the path to a better life. It is the hope of all people that this trend will be emphasised and speeded as rapidly as possible.

"But what of the middle class? When attention is focussed on their betterment there appears to be a curious lack of interest in it. No political champions come forward to safeguard their interests. As has been suggested earlier, the reason for this may well be purely one of numbers—in a population of 360 millions they do not appear to warrant the interest and attention of those standing for Parliament

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16 00,000	1,08,00,000	12,42,652	Allahabad Bank	350	100	18 0‡	18 0‡	18 0‡	9 0‡	12	Y.P.
14,50,000				168	50	9 0‡	9 0‡	18 0‡	9 0‡		
1,01,000				116½	100	6 8	7 8	6 8	3 12½	6,12	H
33,58,600	15,40,000	2,46,650	Andhra Bank	84	70	3 4	3 12	4 8 4/5	2 10½		
1 00,00,000	1,26,00,000	2,35,546	Bank of Baroda	103	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	25½	25	0 12	0 12	0 14		12	Y.
2 50,00,000	2,33,00,000	12 26,630	Bank of India	142½XR	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,80,375	25,00,000	60,536	Bank of Indore	52N	25	3 0	3 0	2 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	38½	50	1 8	2 0	2 0		12	Y.
50,00,000	54,00,000	4,19,228	Bank of Mysore	255	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,31,700	58,75,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.T.
15,00,000	20,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,62,11,875	4,91,51,217	18,40 289	Central Bank of India Ltd. ..	55	25	2 0	2 0	2 0	1 8½	12	R.L.Y.
82,42,375 'A'				58½	25	2 0	2 0	2 0	1 8½		
40,00,000	21,00,000	1,76,386	Devkaran Nanjee Banking Co. ..	43	50	2 0	2 0	2 8	1 4½	12	Y.
1,50,00,000	1,00,00,000	26,77,148	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	36½	50	1 8	1 8	2 0		12	Y.
1,25,00,000	15,45,000	16,919	Hindustan Commercial Bank ..	9‡	25	Nil	Nil			12	Y.
50,00,000	1,87,00,000	2,771	Hindustan Mercantile Bank ..	13	50	Nil	Nil			12	Y.
75,00,000	75,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	6 0‡	5 0		9	Y.
24,06,800				202	100	12 0‡	12 0‡	12 0	6 8‡		
15,00,000	79,75,000	1,45,140	Indian Bank	198	95	10 8½	10 8½	10 12½	6 2‡	6,12	R.L.H.
15,20,000				152	70	7 8½	7 8½	7 12½	4 8‡		
49,19,375	30,00,000	2,28,299	Indian Overseas Bank	144	100	6 8	6 0	7 8		12	Y.
2,25,000				42½	100(A)	Nil	Nil				
5,40,000	5,64,500	—1,12,440	Indo-Commercial Bank	10½	25(B)	Nil	Nil			6,12	H.
10,00,000				23½	50(C)	2 8	Nil				
87,50,000	97,50,000	2,25,103	Punjab National Bank	51	25	2 0	2 0	2 8	2 0‡	12	Y.
1,00 00,000	23,50,000	43,597	Travancore Bank	18½	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	74	50	2 0	2 0	2 0		12	Y.
2,00,00,000	95,00,000	27 761	United Commercial Bank	55½	50	2 0	2 8	2 12		12	H.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)					
£3,500,000	£5,000,000	£405,875	Chartered Bank of India, Australia and China	£1-14-3	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,017	Eastern Bank	£7½	£5	8†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $125,000,000	H.K. $ 10,065,539	Hongkong and Shanghai Banking Corporation	£55½	H.K. $125	5*	5*	5*	2*‡	12	Y.
£17,966,195 'A'	£15,000,000	£558,008	Lloyds Bank	£2-14-9	£5 A	14†	15†	12†		12	R.L.Y.
£1,487,296 'B'				£1-5-3	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'A'				£3-18-6	A £2½	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,872	Mercantile Bank of India ..	£3-18-6	B £2½	14†	14†	14†		12	R.L.Y.
£750,000 'C'				—	C £1	14†	14†	14†			
£2,851,563	£3,104,687	£343,153	National Bank of India	£0-19-9	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	C	1st December and 1st June ..	Carew & Co.	1938	99‡	1st June 1963
4,00 000	5½	1st March and 15th September ..	Carew & Co. (2nd Mortgage) ..	1941	105	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnagger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10 00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1955-66
4,00,000	4	1st April and 1st October ..	Ravalgaon Sugar (New)	1944	91	1st November .. 1958-64
20 00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries(New) ..	1944	90½	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
30,00,000	4½	30th June and 31st December ..	Barrakar Coal Co.	1947	91½	30th June .. 1967(a)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1958(a)‡
COTTON						
8,50,000	5½	30th June and 31st December ..	Bennett Cotton Mills Ltd. .. £	1943	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1937	98½	15th November .. 1956(b)
2,00,000	5	1st April and 1st October‡ ..	Buckingham and Carnatic	1943	99	1st March .. .. 1973(a)
12,50,000	6	..	Jaykisan Textiles	1951	90N	1st January 1956-58
20 00,000	5	1st June	Tata Mills	1951	100‡	 1966-71
ELECTRICS						
12,50,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1936	95	31st March .. 1956(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100	14th June .. 1960
96,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	97‡	1st October .. 1959
12,50,000	4½	30th June and 31st December ..	Bombay Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964-68
2,22,89,400	6	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	90‡	1st January .. 1970(a)
25,00,000	4	30th June and 31st December ..	Chanjpore Electric Supply Co., Ltd. ..	1945	84½	31st December .. 1970
13,50,000	5	1st January and 1st July ..	Ellis (Jubilee) Electric Supply Co., Ltd.	1951	96	30th June .. 1970(a)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	97‡	15th July 1956-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	94	1st October .. 1956-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1956-63
5,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1979
2,75,00,000	4	1st April and 1st October ..	Tata Power		91½	15th September .. 1965-79‡
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India) Ltd.	1938	99	30th June .. 1958
20,00,000	5½	15th September and 15th March.	Indian Hume Pipe Reserve	1943	101½	1st July 1957-62
61,14,600	4‡	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1938	£97	31st December .. 1966(H)
10,00 000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	87	31st May 1971
1,50,00,000	4	31st December	Tata Locomotive	1950	100	31st October 1964-65
48,90,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)‡
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	97½	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alliance	1939	99	30th June .. 1959
15,00,000	4	31st December and 30th June ..	Auckland Jute Co. Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10 69,000	5	30th June and 31st December ..	Champdany Jute Mills	1951	96	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	96½	31st March .. 1966(c)
5,46,000	5	15th January and 15th July ..	Empire	1951	94‡	15th July .. .. 1966(c)
25,00,000	5½	1st January and 1st July ..	Fatehsinghpur	1947	92‡	30th June .. 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1955	97‡	31st March .. 1976
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96‡	31st December .. 1964(d)
25,00,000	5½	30th June and 31st December ..	Kinnison	1951	98	31st March .. 1967(a)
5,00,000	4‡	14th November and 14th May ..	Kollimarin Jute Mills Co., Ltd ..	1939	98	14th May 1959
28,00,000	4	30th June and 31st December ..	Korthbrook Jute Co., Ltd.	1945	88	31st December .. 1964
5,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September.	Ramkrishna Jute Mills Co. Ltd. ..	1956	91	5th September .. 1966(e)
8,00,000	4½	14th March and 14th September.	Seorah Jute	1937	96	14th September .. 1957
15,00,000	4½	30th June and 31st December ..	Union	1937	96½	30th June .. 1957
16,00,000	5‡	31st January and 31st July ..	Waverly	1935	87½	31st July 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat Light Railway ..	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,383	6	1st April and 1st October ..		1923	£77½N	1st October .. 1974
6,50,000	5‡	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90‡	31st December .. 1956(a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (e)
4,25,25,697	4½	1st March and 1st September ..	Scindia Steam Navigation	1943	96	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1953	102‡	1st July 1967-68
12,50,000	6	31st March and 30th September.	Flight Tea		104‡	1st April 1956-60
1,50,700	5‡	31st March and 30th September.	Tenker	1944	100	31st March .. 1960-66‡
MISCELLANEOUS						
16,00,000	6	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1938	98	31st Decem. .. 1963
26,20,500	4½	1st January and 1st July ..	Associated Hotels of India	1941	86	31st December .. 1962
4,00,000	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
2,00,00,000	5‡	1st March and 1st September ..	Burmah-Shell	1954	100‡	1st September .. 1964-68
2,00,00,000	5	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1956	101‡	1st October .. 1976
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
19,95,000	4‡	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1938	89½	1st July 1958
20,00,000	6	15th March and 15th September.	Dalhousie Properties	1946	97‡	15th September .. 1966
1,00,00,000	6	31st March and 30th September.	Dalmia Cement Bharat Ltd.	1946	97	1966
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1950	100	1st January .. 1971(c)‡
1,50,00,000	5½	1st January and 1st July ..	Indian Cable Co. Ltd.	1954	103‡	30th June .. 1969(c)‡
17,75,000	8	15th March and 15th September.	Mercur Chemical Industries	1949	95‡	1964
52,05,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes) ..	1946	525	30th September .. 1978(a)
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes) .	1947	470 (per note)	31st December .. 1978(a)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	89N	1st April .. 1971
1,50,00,000	5‡	30th June and 31st December ..	National Rayon	1946	101‡	30th June .. 1961-70
1,00,00,000	5	31st March and 30th September.	Orient Paper Mills Ltd.	1951	99‡	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December ..	Ralton Industries Ltd.	1946	91	31st December .. 1969
4,00,00,000	5‡	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1950	101‡	1st May .. .. 1965(a)‡‡

(c) These debentures are registered and are transferable by transfer deeds. (d) Option to repay on 3 months' notice at any time at 2 per cent. premium. (e) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1964 but before 1-3-1967 and 1 per cent. premium on or after 1-3-1967. ‡ With option to redeem at Rs. 101 per cent after 15 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡§ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1956 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1965, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January, 1961

MARKET GOSSIP

(Concluded from page 1023)

the Company's shares. On the contrary, after going down to about Rs. 683-12 on Monday, they have risen to close at Rs. 705. This is not surprising, because a few privileged operators had pumped out the information from the Chairman unofficially a fortnight ago, as was then described in these columns, and exploited it to their advantage. The revival of this counter at present is based on two hopes: (1) an early fructification of the scheme for capital reorganisation, and (2) a substantial modification of the Plantation Award by the Supreme Court in favour of the companies. It is just possible that both the hopes may materialise but it must be added that the Supreme Court will hear the appeal of the planters only some time early next year. Meanwhile, there are reports indicating the possibility of a settlement being reached between the workers and the management out of court. The Madras share market, however, does not seem to set great store by these reports, as witness the renewed weakness of plantation shares in that centre.

* * * *

The list for 557,000 ordinary shares of Hindustan Lever Ltd., offered by Unilever Ltd., London, at Rs. 16-8 each, will open on Monday the 3rd inst. The issue will doubtless evoke excellent response from the investing public. Indeed, it will be heavily oversubscribed and its allotment will be a task to the offerers. The chief merits of the issue are already well known, thanks to the wide publicity it has received in the Press. Nevertheless, a few lines on the prospects for the Company will not be out of place.

The offer represents a notable landmark in the history of Unilever enterprises in India, in particular, and the growth of international co-operation in the service of the country, in general. The manufacturing activity of Hindustan Lever is wide and varied, covering as it does soaps, detergents, toilet preparations, tooth pastes, *vanaspati*, margarine, glycerine, edible oils and oilcake. The factories are well situated from the point of view of not merely securing regular supplies of raw materials but also ensuring efficient distribution of manufactured products to all parts of the country. What is more, they are equipped with modern plant and machinery, adequately provided with railway sidings, water and power, and are maintained in good working condition.

Hindustan Lever is one of the enterprises the success of which seems to be assured. The consumption of the products of the type produced by the Company is bound to increase in the coming years, what with the rise in population, increase in national income and the consequent improvement in the living standards of the masses, growth of urbanisation following industrialisation, and better water-supply in rural areas. All these factors will push up the demand for such consumer articles as soaps, toilets and *vanaspati*. The domestic requirements of soap, for instance, are estimated to be substantially higher at the end of the second Plan period, being as much as 300,000 tons, as against 200,000 tons in 1955-56, a rise of 50 per cent. This means an increase of 7½ oz. to 26 oz. in the *per capita* consumption, even which is quite low, as compared with some of the developed countries. The use of synthetic detergents for washing rayon, silk, nylon, etc., and as industrial cleaning agents will also increase, along with the consumption of soap. The estimated consumption of detergents is placed at about 10 per cent. of the total soap output. Similarly, the domestic requirements of *vanaspati* are expected to rise from 255,000 tons in 1955-56 to about 380,000 tons, representing an increase of 50 per cent. In addition, it is possible to step up exports from 15,000 tons to 20,000—25,000 tons.

There is thus a bright future for the group of industries which Hindustan Lever represents. Reassuring is the statement of Mr. A. J. C. Hoskyns-Abrahall, Chairman of the Company, at a Press Conference held last week, that the Company shall continue "to contribute to the promotion of these industries on the basis of fair competition in the service of the consumer and joint efforts in all matters of common interest affecting the industry as a whole." On the basis of this assurance, and Unilevers' present offer of shares to the public, Hindustan Lever can justifiably claim the distinction of having achieved "a fruitful association of Indian resources and talent with Unilevers' technical and marketing experience gained in various parts of the world."

While on the strength of experience, resources and large scope for expansion it can be said that it is a sound investment to place one's savings in the scrips of Hindustan Lever, it is necessary to sound a note of caution. The Company belongs to an industry the financial fortunes of which are subject to large variations, as the prices of its raw materials, mainly oils, fluctuate over a wide range. Like all agricultural produce, vegetable oils lack price stability. They move back and forth rather frequently and markedly. The prices of finished products, however, cannot be altered so often, especially when the prices of raw materials go up, as the industry is a highly competitive one. Consequently, any sharp rise in the price of vegetable oils invariably cuts into the profit-margin of the manufacturers. To the credit of the offerers it must be said that they have made a pointed reference in the prospectus to this aspect of their Company's business. But the issue price is fixed at so low a level that this risk is well covered. As mentioned in these columns last week, the yield on the shares works out to 8.33 per cent. which is high enough for an equity of this sort. It may be noted here that the return on the shares of Tata Oil (Rs. 25 paid-up, now quoting Rs. 50), Hindustan Levers' main competitor, is no more than 6 per cent.

COMMERCE

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

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ANOTHER BRISK MOVE TOWARDS SOCIALISATION

THE supplementary budget presented to Parliament by Mr. T. T. Krishnamachari, Union Minister for Finance, a few hours after our last issue went to press, is a compliment to his alertness and an instance of his devotion to the Congress Party's cherished objective of a socialist pattern of society. He was keenly aware that he and his colleagues at the Centre and in the States alike would be busy at the hustings during the latter half of February and early March and as such would not be in a position to pay serious thought to the framing of budget proposals usually presented on the last day of February every year. The alternative to a supplementary budget is to wait till the new Parliament assembles and a new Government is formed. That would mean a delay of three, if not four, months, and the loss of revenue for this period by way of fresh taxes that may be proposed then. It would also mean uncertainty about the rates of taxation on profits to those joint-stock companies that generally decide the appropriation of their profits for the current accounting year in the first half of next year. In view of the Government's pressing need for more revenue, it is not surprising that Mr. Krishnamachari has chosen not to adopt this alternative. The gain to the Exchequer as a result of the taxes now introduced may be no more than Rs. 4 crores for the current fiscal year. But, in the present state of affairs of the Government, every little bit counts. Moreover, if viewed against the consequences of the alternative mentioned above, the gain is much more. Any discussion of the appropriateness or otherwise of introducing a supplementary budget as has been done now is, therefore, unreal and only of academic importance. Indeed, to the extent the proposals of direct taxation are applicable only to the financial year 1957-58, this budget is rather a preliminary to the 1957-58 budget than a supplementary to the 1956-57 budget presented in February last by Mr. C. D. Deshmukh. It is true that a large number of indirect taxes also figure in the current proposals and that they have already come into force. But the Government has powers to introduce them at any time of the year through Executive order, subject to approval by Parliament later.

There is also another important reason why Mr. Krishnamachari has chosen to act now, instead of waiting till May or June next. And that is political. Both the leading leftist parties in the country—the Praja Socialists and the Communists—have decided to join hands in order to oppose the Congress Party in the elections. One of the grounds of their attack against the Congress will be that the latter is a capitalist-backed party. By imposing new taxes that will hit only the capitalists, urban landlords and the vast managerial class—in short, all property owners—the party in power can conveniently denounce such a charge. It is significant that the Finance Minister has not imposed any taxes that will directly hit the man in the street who counts most in the General Elections. Some of the indirect taxes may have an adverse effect on him, but that will be in so remote a manner that he will not even feel it. Since no business man wants the Congress Party to be defeated at the polls, it will be unrealistic on his part to criticise this budget on procedural grounds. It may be argued that no such budget was presented on the eve of the last General Elections five years ago. But conditions then were different. The Government's revenue position was buoyant, thanks to the Korean war boom and the first Plan had not got well under way. The balance of payments position was quite comfortable, with balance of trade and terms of trade alike being highly favourable to India. In fact, the financial position of the Government was so good that no new taxes of any great significance were imposed even in the budget presented after the elections in 1952. Further, Mr. Krishnamachari is different from Mr. C. D. Deshmukh, who was the Finance Minister then. He is one of those who do not let the grass grow under their feet. This is evident, as we shall presently show, from some of the changes proposed by him in the tax system.

The Finance Minister states that his present taxation proposals are the result of two considerations, (*a*) the requirements of the Plan and (*b*) the general economic situation. To take the latter first. The price line has been breached. At 430, the index number of wholesale prices exceeds the limit of safety by 30 points. And there is no knowing whether it will not rise further. All available indications are that it may very well go up further. If further hardship to the community is to be prevented and the Plan is to progress without more tears, such a possibility has to be averted. This is one aspect of India's present economic health. The other aspect relates to the foreign exchange position. This position is by no means satisfactory. Since the end of March 1956, the foreign exchange reserves held by the Reserve Bank have declined from Rs. 746 crores to Rs. 543 crores—a drop of over Rs. 200 crores. At the present level, the foreign balances are very close to the minimum level that has to be maintained. The country, therefore, cannot afford to sustain the rate of withdrawal that took place in the past seven or eight months. Every effort has, therefore, to be made to reduce the demand for imports and to encourage exports.

To what extent will the present proposals serve the two purposes mentioned above? The increases in import duties are well designed for checking non-essential imports and for transferring to the Exchequer the excess profits that are likely to be made by the trade due to restrictions on the quantum of imports. Nor can one seriously object to the corresponding increase in excise duties. These imposts may, of course, lead to a rise in prices, but that will happen only in those goods which are not quite essential. It is, however, not convincing to claim that the additional direct taxes will serve the purpose of keeping the price level down, for they will lead to neither a rise in the supply of goods nor any appreciable fall in the volume of that purchasing power which impinges on the supply of articles essential to life such as food, cloth and houses. It can be argued that the imposition of a higher dividend tax, the revival of capital gains tax, the control sought to be exercised on the resources of companies in the non-State sector, and the enhancement of the burden on Section 23A companies—all these steps will be useful to the Government for countering the workers' insistent demand for more wages and that to the extent they help the Government in this direction, they make a contribution, albeit indirect, to holding the price line. But this justification holds good only on paper, as witness the open support extended by two Union Ministers, Mr. Khandubhai Desai (Labour) and Mr. Gulzarilal Nanda (Planning) to the workers' demand for a straight increase of 25 per cent. in their wages. The significance of this support lies in the fact that it was offered four days after the new tax proposals were announced.

It cannot be denied that a heavy dose of taxation will have a psychologically bearish effect on prices of almost everything. Such an effect, however, will only be a passing phase. An enduring impression on prices can be brought about only through increased production. Mr. Krishnamachari is quite aware of this point. Yet he has taken steps that will only retard the pace of expansion in production at a time when the pace should be as fast as possible. It must be noted here that we do not say that production will be adversely affected. Nor do we say that production will not expand. No business man with any foresight will cease to work just because taxation has become very heavy. It will not pay him to do so. Since he has to live, he will work and produce. Hence, although during the past five or six years the burden of taxation has gone up steeply, production, too, has been rising. It is this fact that has apparently engendered a feeling of cynical disregard among the powers-that-be for the business man's protests against higher taxation, increasing bureaucratic controls and growing extension of the public sector. But what is, unfortunately, overlooked or is not realised is that the growth in production would have been greater than what it has been had the incidence of taxation been less heavy and had there been fewer incursions and interference by the Government. Considering the economic momentum which this country had received during the war years, the growth has been much less than what was possible and what would have materialised if the freedom of free enterprise had not been severely restricted. The pressures at various points in our economy to which Mr. Krishnamachari refers in his budget speech are mainly the outcome of sacrificing the pace of progress at the altar of some vague and outmoded ideologies.

Now to take the other consideration that influenced the Finance Minister to put forward the new tax proposals, namely, the requirements of the Plan. We have already conceded that the wide range of additions to and alterations in the customs duties are in consonance with this need. But the changes made in the scheme of direct taxation are more in keeping with the ideological aspects of the Plan than with the practical

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requirements. They will, of course, net in some more money for the Government, but that will be negligible as compared with the large deficit in the resources required to implement the whole Plan. While the saying that many a little makes a muckle is quite pertinent in the present context, the setback to confidence among investors and enthusiasm among *entrepreneurs* caused by the Finance Minister's proposals will more than offset the small gain to the Exchequer. It is pertinent to bear in mind, in this connection, that all that these proposals seek to do is to transfer the financial resources from the non-State sector to the State sector. They do not create new resources of any significant order that will facilitate the smooth implementation of the Plan in both the sectors. Nor does it necessarily mean that the transfer of resources from the private to the public sector will lead to a more productive and profitable utilisation, in view of the serious administrative *limitations from which the public sector suffers.*

All the proposals, however, admirably serve, at least on paper, the economic philosophy of the Plan which is identical to that of the Congress Party. Thus, the capital gains tax is designed to prevent the rich getting richer as a result of rapid economic development envisaged in the Plan with all its inflationary implications. In introducing this tax so early in the stage of our economic development, the Finance Minister's aim is to prevent concentration of wealth in a few hands and growth of more vested interests, that is, to prevent aggravation of inequalities in income and wealth. The steep dividend tax, too, has the same objective in view. When coupled with the control on depreciation and other reserves, it has the added advantage of vesting in the hands of the bureaucracy powers for directing the disposition of funds belonging to the private sector. Thus, Mr. Krishnamachari has mounted the guns against free enterprise from a few more strategic points. This socialisation is worse than nationalisation. Human nature is such that mere possession of power to control and direct a productive asset, without actual ownership and responsibility for successful management is likely to inflict great harm on the nation. Ultimately, this state of affairs is likely to lead to the growth of an irresponsible and corrupt bureaucracy rather than to swift economic progress, without which there can be no improvement in the living standards of the people and no real Welfare State. Has the party in power any safeguards to avert such a danger?

INDIAN AND CHINESE AGRICULTURE

THE similarity between China and India is not merely confined to the large size of the two countries or to their population. Both have a relatively underdeveloped, though not primitive, economies. If China's economic progress was arrested through long periods of civil war and confusion, Indian economy suffered—though relatively less—damage through colonial administration. Both are, however, engaged in the difficult task of economic reconstruction and of compressing several decades of economic progress into a few compact five-year plans. And yet, the history of the two nations has, in recent years, run its course in different directions. While China has chosen the totalitarian path, *India is determined to pursue the democratic.* Thus, economic experiments in the two countries are being carried out under mutually exclusive conditions. It is this factor which invests a comparative study of China and India with a new significance. Their economic experiments are, therefore, of great relevance not only to the two countries but to the world at large.

China, like India, is a predominantly agricultural country. According to accounts of several observers, China has made some rapid strides of progress. The latest document on agriculture in China, which incidentally is about the best and the most informative that has come so far, is the Report of the Indian Delegation to China (headed by the Union Deputy Minister for Food and Agriculture, Mr. M. V. Krishnappa) which visited that country in July-August this year. It is a well-documented and interesting story of recent trends in Chinese agriculture. It is not all a simple tale of the delegation having gone, seen and been conquered by China. For there are passages in the book, where the delegation has been somewhat critical of what it saw and observed. It is not a panegyric of praise. But the delegation was, on the whole, favourably impressed with many things it saw. This in itself is a tribute to Chinese agriculture, considering how greatly that country's economy had been ruined at the time it set out on its great economic adventure of improving the living standards of the people.

There are certain basic difficulties in comparing living conditions in the totalitarian with those of free countries. This arises from the fact that several services are provided free by the Government in totalitarian countries. Whether the services are as efficient or as widespread as they are claimed to be is a different, though an important, question. Bearing this limitation in mind, it is interesting to note that China has not altogether been able to solve the problem of giving the people an adequate level of income or in reducing the inequalities in income. The minimum salary of a clerk is Rs. 70 per month, while the managers of private industries or State-*cum*-private enterprises get a salary of Rs. 2,000 per month plus dividend on their capital which in some cases is as high as Rs. 4,000 to Rs. 5,000 per month. But prices are high—cotton shirting Rs. 4 per yard, cotton suiting Rs. 8 to Rs. 10 per yard, shoes Rs. 30 to Rs. 40 per pair.

As in India, Chinese economic programme is in the form of five-year plans. The first Five-year Plan (1953-57) which involves a total outlay of 76,640 million yuans (Rs. 15,328 crores), aims at an increase of 23.3 per cent. in industrial production and 98.3 per cent. in agricultural production. The second Plan aims at an increase of 100 per cent. in industry and 35 per cent. in agriculture, as compared with the 1957 levels. The total sown area is said to have expanded from 349 million acres in 1952 to 373 million acres in 1955; the area under food crops has expanded from 277 million acres to 292 million acres. The following figures give the output of major crops in 1955, together with the output in 1952 within brackets:

(In million tons)

Food crops 172 (152), of which paddy 76(67) and wheat 77(67); soya beans 8.9(9.4); cotton 1.5(1.3); jute 0.25(0.30); sugarcane 7.9(7.0); sugarbeet 1.6(0.5); peanuts 2.9(2.3); rapeseed 0.9(0.7) and tea 0.1(0.81).

The per-acre yield of agricultural crops have generally risen since 1952 and are higher than in India. For paddy, it is 2,386 lbs. per acre in China, as against 1,085 lbs. in India. The corresponding figures for other crops in China and India, respectively, are: wheat 766 lbs., 715 lbs.; cotton 234 lbs., 89 lbs.; jute 1,971 lbs., 942 lbs. and sugarcane 35,437 lbs., 32,000 lbs. China has thus a much higher per-acre yield than India. It is not clear whether the figures can be taken as accurate, considering that the statistical services in China were organised only recently.

Co-operative farming is now the most prevalent and the most widely accepted (or enforced) form of agricultural organisation in China. The Chinese authorities insist that the nation "could not stand with one foot on socialistic industry and the other on a peasant economy." Mao Tse-Tung is reported to have warned that "if positions in the countryside are not held by socialism, capitalism will assuredly occupy them." Land reform in China, the Report points out, was a "gigantic" event; about 118 million acres of land were distributed among 300 million peasants. This was followed by a country-wide movement for setting up agricultural co-operatives. There were only 19 producers' co-operatives in 1950. But in 1954, there were as many as 114,366. In 1955, the number of agricultural co-operatives rose to 633,742 and in May last, it had exceeded 10 million (?), thereby covering 91.2 per cent. of the 110 million rural households in the country. There are two types of co-operatives—the "elementary" and the "advanced" types. In the elementary type, the principal means of production such as land and farm tools are put under a single centralised management and gradually turned into their common property; the co-operative pays each member (besides wages for labour) an appropriate sum as dividend out of its annual income, commensurate with the amount and quality of the land the member pools into the co-operative. The "advanced" type of co-operative is a socialist collective economic organisation in which the peasants joining the co-operative must turn over land and tools to the collective ownership of the co-operative. The elementary co-operative tends to remain relatively small, while the advanced tends to become steadily larger.

The Chinese authorities have denied that any form of coercion was used to compel peasants to join the co-operatives. But they agreed that they carried on intensive propaganda and also tried to "regulate" the Chinese peasants indirectly through sales and purchases and other controls and also through monopoly of credit and offer of other inducements for making them join "mutual aid" teams and, then, the agricultural co-operatives. Clearly, this is sufficient coercion. And it must be noted that propaganda could be very effective when it is undertaken by the only party in the country—a party which insists upon strict code of conduct and behaviour from its 10 million members.

Commenting upon the lessons of Chinese experience to India the Report says:

"The agricultural situation in India differs from that in China in several ways. In particular, here we have had and propose to have continuity of development such as has not been possible in China. Our social and economic changes follow upon one another and it is only over a period of a few years that a full picture emerges. Secondly, we place perhaps greater reliance on local planning and local initiative and we endeavour to build up an economic structure in which there should be integrated planning at the level of the village, the district, and the State and for different regions in the country. In the third place, on the whole, we have less pressure of population than exists in China. Fourthly, while it is far-reaching in scope, our land reform is based fundamentally on the idea of peasant proprietorship. It is our goal to reorganise our rural economy on co-operative lines, but, this is a task to be accomplished over a period of years."

The delegation has called attention to another important aspect of Chinese agriculture —the method of close planting. This method is stated to be the opposite of the Japanese method of paddy cultivation. It would appear that, though the Japanese method has resulted in higher yields, it has revealed a few defects, such as "lodging" and a high percentage of unfilled grains. The delegation has suggested detailed investigation of the Chinese technique of close planting.

From its experience in China, the delegation has made a number of useful recommendations. Besides making a general plea for an accelerated pace of land reform and the development of "genuine co-operatives through the voluntary participation by peasants," the Commission has suggested the building up of strong technical cadres in agriculture, rural engineering and co-operation at different levels. Credit, it is suggested, must be made more speedily available to the farmers—within a week or two. Other suggestions are: top priority to multiplication and distribution of improved seeds, further research work on improved strains, research on the utility of bacterial fertilisers, the strengthening of engineering sections of agricultural departments and increased attention to the design of improved implements.

Again, it has rightly stressed the need for guaranteed minimum prices for the principal agricultural crops such as foodgrains, cotton and jute. The minimum prices should be sufficient to induce farmers to put in increased doses of labour and fertilisers and adopt superior agricultural practices. It argues that there need be "no fear that price stabilisation operations will be too risky for us." This is because the surplus in India, as in China, is "marginal, temporary and manageable." It adds: "As long as our problem continues to be one of shortages and our main problem is to organise for increasing production, we should not be worried that the policy of price stabilisation will lead to over-production. Even when prices are temporarily stable or rising, an assurance regarding minimum prices is helpful, as it allays the fear of an abnormal downward swing." Here is a convincing plea for price support for agricultural produce. We have repeatedly pointed out that this issue, difficult though it may be, cannot be indefinitely postponed and that sooner or later it will have to be faced. The sooner it is done the better it will be for India's agriculture. After all, a system of price support is a democratic way of giving the farmer a security which, in a totalitarian regime, he can get only at the cost of personal freedom and that pardonable pride of ownership which is the best spur to efficient effort in farming.

SOME REFLECTIONS ON TAX PROPOSALS

TWO UNION MINISTERS OFFEND CANONS OF PROPRIETY

THURSDAY, 5 P.M.

THE fresh taxation proposals announced by the Government on Friday last caught the share markets unawares. The slight improvement in values and sentiment, which had been noted towards the close of the past week, was completely shattered. There was a drop of 5 to 10 per cent. in equity values overnight and investors suffered a heavy depreciation running into several crores of rupees. Although there has been a partial recovery in prices since Tuesday, the closing rates reveal substantial losses over a wide front, as compared with those a week ago. Excepting electricity and one or two miscellaneous scrips, all others have suffered a distinct setback. The spurt witnessed during the latter half of the week is due mainly to bear covering and some small selective buying based on considerations of yield and prospects of bonus issues by some of the companies that wish to escape the penal rates of taxation on their high rates of dividend. Market sentiment as such is still not in favour of any perceptible rise in prices. The shock given by the Finance Minister is so severe that neither investors nor speculators can get over it so soon.

MARKET GOSSIP

* * * *

In two articles elsewhere in this issue, the arguments for and against capital gains tax and the basis of the levy are explained. It will be noted from them that, both in incidence and scope of its coverage, this tax is worse than the one introduced by the late Mr. Liquat Ali Khan for the first time in India. Yet, it is true to say that the shock given by Mr. T. T. Krishnamachari is not of the same intensity as that administered by Mr. Liaquat Ali. It is not difficult to explain this phenomenon. For some years past, the country has been led to expect a capital gains tax. The Planning Commission has been saying that it will be necessary to use this tax weapon at some stage or other when the second Plan is in operation. The Taxation Enquiry Commission also gave a qualified blessing to the proposal. The Congress President, if not the entire Congress Party, has favoured its early introduction. Dr. Kaldor, the British specialist, who had been invited by the Government of India to advise it on taxation matters, strongly supported its reintroduction. In his report to the Government, he has adduced several arguments in support of a tax on capital gains and convincingly met those that were advanced against it. After reading Dr. Kaldor's advocacy, many had come to the conclusion that the revival of this tax in the budget for 1957-58 was almost certain. It is one of those taxes which are politically impossible to be kept out of the system for long.

To say that the imposition of capital gains tax had become inevitable does not necessarily mean that it is an equitable one. This tax is something that is alien to the system of taxation prevalent in India. If it is to be had, then the whole system must be remodelled, not on the lines of the scheme proposed by Dr. Kaldor which includes the impracticable expenditure tax, but on the one in vogue in the U.S. This, however, is something which is too much to be expected from the Congress Party. It almost amounts to asking for the moon. One has, therefore, no alternative but to accept the impost in the spirit that what cannot be cured has to be endured.

* * * *

In the conditions prevailing in India, capital gains tax will be evaded in many ways. Its extension to property and the reduction in the minimum amount of capital gains exempted will make its administration extremely difficult and widen the scope for corruption. It increases also the scope for discretion by income-tax officers and, therefore, the room for harassment by them. But to a Government the policies of which are determined mainly on ideological considerations these arguments will not sound convincing.

In its representation to the Government, the Indian Merchants Chamber, Bombay, has made an important point against capital gains tax. It is this:

"A tax of this character will bring about a distortion of the transactions in the capital assets, because, in a period of capital gains, there will be resistance to sell and, when there are losses, the inducement to avail of the consequent set-off would act as a stimulus to sell. It must not be ignored that investment, particularly by the middle-class investor, is made not merely for annual returns, but also in the hope that the value will appreciate in the long run. The tax, therefore, will prove to be a definite disincentive to the smaller investor."

If the introduction of capital gains tax is inevitable, then the earlier it is done the better. For by [illegible] it on investors after the boom on the Stock Exchanges has gathered momentum and reached its zenith, as was done early in 1947, would be to [illegible] a severe blow on the market from which it would take several years to recover. It is always [illegible] to prevent a boom rather than allow it to [illegible] and then take drastic measures to bust it. [illegible]stors now know what taxes they will have to [illegible] and as such can be expected to exercise [illegible] care while buying equities. There is, therefore, [illegible] something to be said in favour of Mr. T. T. Krishnamachari's contention that "for a developing economy like ours, it is necessary to take early action" in regard to this tax.

The increased tax on dividends and the compulsion on the companies to deposit a part of their reserves and depreciation funds are really unwarranted. The Finance Minister says that the former measure is meant to discourage payment of big dividends and encourage ploughing back of profits. If this is the objective, a direct control on dividends is preferable to a penal tax. But the truth is that **is not the main object.** The Government needs more money and the administration of a direct control on dividend is a nuisance for it. A stiffening of the dividend tax serves these purposes of the Government well.

The rigid control which the Government proposes to have on the reserves by asking the companies to deposit a part thereof with the Reserve Bank may actually act as a disincentive to conservation of profits. Many companies will rather prefer to pay the penal dividend tax and distribute large dividends than hand over their reserves to the Government and wait on its sweet will and pleasure for their refund when they need them. Their reaction will be to pay the shareholders well *while the going is good.*

Another combined effect of both the proposals will be to give a fresh impetus to companies to capitalise their reserves as quickly as possible and to the extent permissible under the Government's formula for issue of bonus shares already in force. The object in doing so will be to pay as little dividend tax as possible and to reduce the amount of reserves required to be deposited with the Reserve Bank. The companies issuing bonus shares will, of course, have to pay a tax on bonus shares, but looking to the present attitude of the Government towards the private sector and the prospects of a stiffer tax on such issues later, they may be inclined to capitalise the reserves earlier than the Government expects.† In any case, both the proposals are inimical to the adoption of sound financial policies by company managements, as well as to economic development. The Government is, therefore, ill advised in resorting to them.

* * * *

The Government's insistence on control over the reserves of companies is unnecessary, especially as it has sufficient powers under the Company Law to prevent interlocking of funds and cornering activities of managing agents. It will affect the confidence of *entrepreneurs* and constitutes a new impediment to the flow of foreign private capital. The whole concept is based on a lack of confidence in the private sector that it will play its part in accordance with the needs of the Plan. There is no justification whatever for this attitude of Government towards the private sector. The authorities seem to have forgotten the simple maxim in human relations that only confidence breeds confidence.

The more one thinks of this proposal the more is one convinced that it is a retrograde step and has no parallel in any other free country. As these lines are written, there are reports that the Finance Minister is contemplating some changes in this provision in favour of the companies. But that does not go far enough. The entire proposal should be withdrawn, as it offends the fundamental principles of democracy. It may be noted here that the delegation of powers in this regard, empowering the Government to prescribe the amount to be deposited, the manner in which the deposits are to be made, the time when and how the refunds are to be made, as also the rate of interest, if any, on the amounts so deposited, covers a wide field of legislation by Executive order.

Quite apart from all these considerations, the aforesaid compulsion will seriously curtail the working capital of companies and aggravate the demand for bank credit. Many companies may find themselves in the ridiculous position of having to deposit with the Reserve Bank a part of their reserves and essential provisions at low rates of interest and to borrow from commercial banks at high interest rates for meeting their requirements of working finance.

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Another tax proposal of the Government which will have a direct bearing on the money market, besides the one referred to above, is the abnormal increase in the stamp duty on bills of exchange from a flat rate of a mere As. 2 per Rs. 1,000 to a ceiling of Rs. 10 per Rs. 1,000. For the present, it is proposed to fix the stamp duty at half of this rate, that is, Rs. 5 per Rs. 1,000. This increase, when it comes into force in a few days, will push up the cost of banks' borrowing from the Reserve Bank against usance bills by nearly ½ per cent. Only a few days ago, the rate of interest on these bills was raised from 3¼ to 3½ per cent., so that very shortly the effective rate of interest on these bills will be 4 per cent. The Finance Minister has made it clear that the increase in this duty is "a fiscal measure with a monetary intent." It is thus clear that he wants the bank credit to become costlier.

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A supplementary budget, imposing fresh burdens on industry, is a sufficiently serious disincentive to investors. But, when it comes on top of international political uncertainties, it could inflict —as it has done—grave damage to the investing class. As if these factors were not enough, the agitation for an outright increase of 25 per cent. in wages is rapidly gathering momentum. But the question is whether responsible Ministers should add fuel to the fire by lending their unilateral support to this agitation. And yet, this is precisely what happened at Ahmedabad where the Union Minister for Labour, Mr. Khandubhai Desai, and the Union Minister for Planning, Mr. Gulzarilal Nanda, declared two days ago that the workers' demand was reasonable and just. It is somewhat strange, to say the least, that the Ministers should so openly associate themselves with the workers' demand, especially when the other party to the dispute, the employers, have not even had a full opportunity to consider the demand and the workers themselves have not yet given convincing arguments in support of their demand. One thought that the philosophical basis of the industrial labour legislation in this country was the consideration that the Government could bring to bear an unprejudiced mind on industrial disputes. Surely, when two of the leading Ministers align themselves with one of the disputants, it amounts to prejudging the issue in a way that is against all canons of propriety.

What are the arguments by which the Ministers supported the workers' demand? Mr. Khandubhai Desai said that the demand for a wage increase was reasonable, inasmuch as production had gone up and national wealth had increased. The demand, he said, could be conceded without upsetting the Plan. Indeed, if the wheels of production had to be kept going, the millions of workers and peasants, he averred, had to be enabled to purchase the goods that were being produced in the country. The Labour Minister pointed out that the main purpose of planned development was the improvement in the standards of living which could be achieved only by increasing the purchasing capacity of the workers. He declared that, even if the workers had not demanded a rise in their wages, the Government itself would have been compelled to raise the wages, for it had ultimately to see that additional production led to increased consumption as well.

The last argument is a particularly strange one, for, besides being an indirect incitement to labour, it enunciates a somewhat dangerous principle. It means that, if there is surplus production, the Government will be compelled to raise the wages of workers. This is a queer way of trying to bring about an equilibrium between supply and demand. But, in the present situation, the argument itself is a fallacious one. For the country does not suffer from excess supply. If anything, the malady is one of shortages of all varieties of goods. And the prospects are that, in the coming months, this malady will become acute.

Mr. Gulzarilal Nanda supported the "reasonable" demand for a wage rise, regretting that not even five per cent. of the labour force in the country had been receiving a living wage. He believed that the present distribution of national wealth did not give justice to the workers and the situation had to be remedied. He felt that the increase in wages of workers since 1947 only compensated the workers for their loss since 1939. The present scales of wages, he said, had, therefore, no relation to the existing conditions. It is not clear on what grounds Mr. Nanda argues that the wages are not in line with present economic conditions. It is much less clear how he can reconcile this support for a wage rise with the imperative need to curb inflationary conditions, on the one hand, and the capacity of the industry to pay, on the other.

Voicing the legitimate grievance of employers at this partisan intervention from ministerial quarters in a potential industrial dispute, Mr. H. P. Mody rightly characterised the Ministers' pronouncement as "deplorable" in the extreme. He felt that it was bound to create an apprehension in the minds of industrialists that the scales were weighed against them. "If this is the way in which important issues concerning labour and industry are to be decided," he remarked, "then the best thing would be to do away with whatever machinery exists for the consideration of the disputes or differences which arise from time to time. Let the trade unions be allowed, in effect, to decide them." He pointed out that it was only two months ago that, at a meeting of the Joint Consultative Board of Industry and Labour, it was decided that "constituent organisations of the Board should submit detailed and factual notes which, in their opinion, would provide a base for a fuller consideration of the matter." He then went on to say that "without waiting for these detailed and factual notes, or giving the matter any other thought, the spokesmen of the Government have supported the demand for a blanket increase in wages." He added: "It is amazing that such a pronouncement should have been made by Ministers of Government at this stage. The trade unions have not yet presented their case in any detail and the employers have had no opportunity of examining the questions at issue. Ultimately if there is no agreement between the parties, the matter would have to go before the wage boards which are about to be constituted. Before any such steps are taken, the two Ministers have lent the weight of their high authority to the demand put forward by the I.N.T.U.C."

It will be interesting to know as to what the rest of the Ministers at the Centre have to say on this question. Do they agree with the views of Messrs. Khandubhai Desai and Gulzarilal Nanda? We are afraid that both these Ministers by their statements in public have placed the Government in an embarrassing position. They have certainly paved the way for a spiral of wages and prices chasing each other, at a time when the Finance Minister is trying hard to bring down the prices and check inflation. For it is now difficult to see how the Government could hold back the demand for more wages. Incidentally, the statements by the aforesaid two Ministers clearly expose the lack of co-ordination, let alone unanimity of views in the Central Cabinet.

†One of the big cotton mills in Bombay, the Century Mills, has just decided to issue bonus shares in the proportion of one share for every three shares, subject to the permission of Controller of Capital Issues.

EQUITIES HIT BY TAX PROPOSALS

MODERATE RECOVERY AT CLOSE

(From Our Own Correspondent)

BOMBAY, *6th December*

THE most unexpected and disquieting event of the week so far as the share market was concerned was the announcement of additional tax proposals by the Union Finance Minister in his supplementary Budget presented to the Lok Sabha on Friday last. The proposals, in brief, are: (1) re-introduction of capital gains tax, (2) increase in super tax on dividends in excess of 6 per cent. and (3) imposition of control on reserves of companies. The proposals took the operators by surprise who, without even waiting for an assessment of their implications, raided the market immediately with offerings. There was a sharp fall in prices of almost all scrips, some of which touched the lowest levels for some months past. There was no inclination on the part of operators to do any business in the first two days after the announcement of the Budget proposals.

On second thoughts, however, equities staged a moderate recovery, making good a part of the earlier loss. Though there was no hectic activity, the market appeared to have overcome the earlier panic. Nevertheless, operators were cautious in enlarging their commitments. The better sentiment was mainly due to the feeling that, in the case of most of the companies, the incidence of super tax on dividends in excess of 6 per cent. would be small and even in those cases where the incidence is large the companies would be able to bear the burden without pruning the dividend. Further, there was an impression that some companies might revise their ideas about the prudence of issuing bonus shares and consider the question of capitalising a part of the reserves in order to lessen the burden of taxation. Good financial results by a few leading companies also contributed to better sentiment.

In the steel section, Tata Ordinaries, after an initial hardening from Rs. 192 to Rs. 193-4, slumped to Rs. 180. Subsequently, however, they recovered to Rs. 184 and closed at Rs. 183-4. Indian Irons retreated from Rs. 34-6¼ to Rs. 31-2, following the Budget proposals and on news that the annual general meeting of the Company, which was scheduled to be held on 30th November, was postponed to 7th December, as a protest against the Government's decision not to permit an increase in dividend. In the subsequent recovery, the shares came up to Rs. 31-13¼ and closed at Rs. 31-11.

There was a heavy marking down in values of textile shares, but extreme losses were cut by replacement buying and bear covering. Bombay Dyeings came down from Rs. 628-12 to Rs. 581-4, but rallied to touch Rs. 602-8 before finishing at Rs. 598-2. The fall in Centurys was much sharper earlier in the week, the scrip having declined from Rs. 552 to Rs. 506. Latterly, however, rumours about the possibility of a bonus issue lifted them up to Rs. 543 today. The closing was done at Rs. 536-8. Kohinoors receded from Rs. 346 to Rs. 316, before gaining to Rs. 336. Central Indias was comparatively unaffected and closed at Rs. 132. Finlays shed over the week Rs. 18 to Rs. 320, Gokaks Rs. 3 to Rs. 236, Indu Ordinaries As. 4 to Rs. 11-14¼ and Indore Malwas Rs. 6-14 to Rs. 140-10. Khataus were lower by Rs. 6-8 at Rs. 226-4 and New Kaiser-I-Hinds by Rs. 10 at Rs. 120. New Greats held their ground at Rs. 250 and New City ruled steady at Rs. 155-10. Sassoon Spinnings shed Re. 1 to Rs. 39, Shree Niwas Rs. 6-4 to Rs. 206-4 and Simplex Rs 8 to Rs. 187. Standards were marked down by Rs. 15-10 to Rs. 463-2, Svadeshis by Rs. 12-8 to Rs. 242, Swans by Rs. 20 to Rs. 411-4 and Tata Mills by Rs. 2-4 to Rs. 51-4.

Bank shares were quiet in consonance with the general trend and business was dull. Barodas were featureless at Rs. 102-4. Central Banks dropped Re. 1-12 to Rs. 53 and their new shares As. 12 to Rs. 57-8. Bank of Indias were quietly steady at Rs. 141-8, while United Commercials changed hands Re. 1 lower at Rs. 54-12.

Activity in the insurance section was very much restricted and the undertone was easy. New Indias retreated from Rs. 45-4 to Rs. 43.

Electricity shares provided a feature with small investment enquiries and a rise in values on reports of favourable amendments to the Electricity Bill. Ahmedabad Electrics were taken As. 6 higher at Rs. 92-3. Bombay Suburbans were done As. 10 better at Rs. 110-15 and Surat Electrics picked up As. 10 to Rs. 114-6. Tata Hydros gathered Re. 1-8 to Rs. 126 and Andhra Valleys Rs. 12-8 to Rs. 1,212-8, while Tata Powers shed Rs. 10 to Rs. 1,242-8.

Among sugar shares, Belapurs hardened early in the week from Rs. 253-8 to Rs. 258-8 on optimism regarding dividend. The dividend has been maintained at 32 per cent. per annum on the increased capital. After a slipping down to Rs. 244, the shares rallied to Rs. 253-8, before winding-up at Rs. 251. Bhopals were down by As. 10 at Rs. 16-12, Phaltans by Rs. 5 at Rs. 156 and Walchandnagars by Rs. 8-2 at Rs. 275. In the cement group, A.C.C. receded from Rs. 194-12 to Rs. 183 before gaining to Rs. 188. Digvijays were done Rs. 7 lower at Rs. 154, Jaipur Udyogs As. 7½ down at Rs. 12-0½ and Orissa Cements As. 5 lower at Rs. 13-2. Among engineering shares, Alcocks were brought down over the week by Rs. 16-4 to Rs. 301-4. Tata Locomotives declined from Rs. 172 to Rs. 158, but soon advanced to Rs. 167, following the publication of the Directors' report and accounts for the year ended 31st March 1956, which were encouraging. Premier Constructions dropped Rs. 15 to Rs. 197. In the mining group, Shivrajpurs shed Rs. 3-12 to Rs. 83, Indian Coppers As. 9¼ to Rs. 3-10 and B.B. Petrols had business at Rs. 3-0½ *ex-div.*, as against Rs. 3-5½ *cum-div.* last week.

Great Easterns provided this week's highlight in the shipping and transport group, with a rise of Re. 1-6 to Rs. 18-12 on optimism about the current year's working. Scindias suffered a loss of As. 8 at Rs. 18-12½, the lowest touched for the week being Rs. 18. India Steamships lost As. 4½ to Rs. 9-10½. Premier Automobiles receded from Rs. 114-8 to Rs. 108 and Hindustan Motors from Rs. 9-4 to Rs. 8-11.

In the miscellaneous section, Bombay Burmahs were hammered down from Rs. 705 to Rs. 633-12, but soon the shares rallied on rumours that an agreement in respect of capital reconstruction was imminent and that bonus shares might be issued. At the close, they were a shade lower at Rs. 657-8. British India Corporations were lower by As. 8½ at Rs. 9-13. Killicks were done at Rs. 166 *ex-div.*, as against Rs. 173-4 *cum-div.* a week ago. National Rayons receded from Rs. 263 to Rs. 253-12. Tata Chemicals changed hands at Rs. 17-13 *ex-div.*, as against Rs. 19-8½ *cum-div.* last week. Tata Oils fell by Rs. 2-12 to Rs. 47-4, while Wimcos were a shade steady at Rs. 173-12.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *5th December*

The plethora of taxation proposals introduced in the Lok Sabha by the Finance Minister sent down equity prices so conspicuously during the week under review that a recovery would certainly be painful and prolonged, if at all a recovery set in. Mr. Krishnamachari's list of excuses which he narrated, while speaking in support of the tax proposals which are estimated to yield an annual income of Rs. 16 crores to the exchequer from mostly the trade and industry, was nothing short of a miniature budget speech, which showed that the commercial community could not plan even for the duration of the budget year and should not be surprised by further major changes in taxation at any time.

In market circles, the consensus of opinion is that the effect of the new proposals would place at the disposal of the public sector a considerable portion of the profits of the private sector. In other words, the private sector's profits would be utilised for the widening of the Government sector. Depreciation allowances and development rebates are to be taxed, unless a certain amount of the same is deposited with the Reserve Bank or the Government. Whichever course is followed, the net effect is that Government would have more funds, call them taxes or deposits! In both cases, the money would not be available for the use of the companies in times of tightness in the money market. This would increase the dependence of companies on bank overdrafts, thus raising working costs. The increased rates of super tax on dividends based on the percentage of the paid-up capital have caused gloom in the market. These, in effect, mean that first class concerns, shares of which have appreciated, would suffer. This would gradually destroy one of the main incentives in share market investment. The only hope lingering in the market is that, as and when the proposals come up for discussion in Parliament, Treasury Benches would have time to think over the havoc that the new taxes would cause in the investment market and modify the measures in such a way as not to kill the goose that lays the proverbial golden egg.

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If more causes for the setting in of doldrums on the Exchange were required, they were amply provided by the Indian National Trade Union Congress's demand for increased wages in the engineering, jute, textile, cement, steel, coal and sugar industries on the plea that the first Plan had brought in more prosperity to these industries. The jute industry in this State is threatened with a general strike. The rise in the export duty on tea and a weakening trend in this week's tea auctions affected sentiment in tea shares. The proposal to increase the super tax payable by companies declaring dividends in excess of 6 per cent. of paid-up capital, it was thought, would hit hard tea companies.

Coals, after an early recovery, fell back following the imminent modification of mining leases. From Rs. 6-15, Central Indias dropped to Rs. 6-13, and Bengals at Rs. 460 were lower by Rs. 23. Burrakurs, after rising to as high as Rs. 22-15 from Rs. 19-1, eased to Rs. 20-4. South Karanpuras slumped to Rs. 10-3 from Rs. 11-1, while Katras Jherriahs were earlier better at Rs. 63.

Textiles shared in the general decline, Kesorams losing As. 5 at Rs. 16-3 and Elgin Mills Re. 1-4 at Rs. 27-4.

With sellers over, jutes were far from interesting. Nationals were as low as Rs. 21-3, as against Rs. 23-10 earlier in the week. At Rs. 151, Deltas were lower by four points. Hooghlys were traded at rates varying from Rs. 21-12 to Rs. 23.

In the engineering section, speculative Indian Irons were considerably affected following news of the postponement of the Company's annual general meeting to 7th December "by the direction of the ordinary shareholders. . . . in token of the shareholders' protest against the limitation on the dividend on the ordinary shares." From Rs. 35-2, the rate moved down to Rs. 29-12, before closing at Rs. 30-7. Jessop & Cos. slided down from Rs. 34-11 to Rs. 29-12 before recovering to Rs. 32-7. Likewise, Texmacos lost to Rs. 19-4 from Rs. 22-7 before gaining to Rs. 20-3. At Rs. 26-8, Braithwaites lost Re. 1-6 on balance. Burn & Cos. had business at Rs. 331, as against Rs. 347 previously.

Miscellaneous industrials shared the general sentiment. However, yesterday a small note of recovery was in evidence. Indian Coppers moved down from Rs. 4-4 to Rs. 3-7, and India Steamships from Rs. 9-15 to Rs. 9-9. From Rs. 28-4, Niccos fell to Rs. 27.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *4th December*

Panicky bull liquidation and considerable bear pressure characterised the trading on the Madras Stock Exchange during the week under review. The heavy tax imposts announced by the Union Finance Minister on Friday sapped the morale of the market. The levy of capital gains tax, the increase in super tax on dividends, and the control on reserves of companies were interpreted to mean a great blow to capital formation and investment in corporate enterprises. Some in the market even feared that the Finance Minister might come out with more drastic tax measures in his forthcoming budget to be presented at the end of February next. The dampening effect of the fresh tax imposts on the market was so great that operators were busy liquidating their stocks and getting out of the market, while buyers were extremely scarce. Equity values, as a consequence, tumbled down and, even at very low rates, there were no buyers at all.

Textiles, in particular, were subjected to distress selling, leading to a debacle in prices. Lakshmis were hammered down by Rs. 45 to Rs. 240. Metturs slumped by Rs. 32-8 to Rs. 43. Rajalakshmis dropped Rs. 19 to Rs. 175 and Coimbatore Cottons Rs. 18 to Rs. 395. Lakshmis 'A's and Bangalore Woollens fell by Rs. 15 each to Rs. 125 and Rs. 560, respectively. Janardhanas retreated by Rs. 13 to Rs. 97. Dhanalakshmis receded by a like amount to Rs. 387. Coimbatore Pioneers declined by Rs. 11-8 to Rs. 292, Buckinghams by Rs. 11 to Rs. 185 and Balasubramania 'B's by Rs. 10 to Rs. 130. Ranga Vilas shed Rs. 8 to Rs. 83. Radhakrishnas lost Rs. 7-8 to Rs. 352-8. Coimbatore Spinnings and Venkatesas were lower by Rs. 7 each, the former at Rs. 88 and the latter at Rs. 170. Ango-French eased by Rs. 6 to Rs. 100. Rajapalayams receded from Rs. 159 to Rs. 154, Cannanores from Rs. 174-8 *cum-div.* from Rs. 53-12 to Rs. 50-12. Maduras slipped by Rs. 2-12 to Rs. 47.

In the planting section, tea company shares came in for heavy selling at substantially reduced rates. Kalpettas moved down from Rs. 29 to Rs. 25 *cum-div.*, reflecting operators' keen disappointment over the cut in dividend to 20 per cent. for the year ended April 1956, as against 27½ per cent. for the previous year. Nelliampattys fell from 3-6 to Rs. 2-12 *cum-div.* The Directors of the Company have recommended a dividend of only 10 per cent. for the year ended June 1956, which compares very unfavourably with 25 per cent. for 1954-55. United Nilgiris, Peermades and Highlands dropped a rupee each to Rs. 20, Rs. 29 *cum-div.* (interim) and Rs. 13-12, respectively. Lucky Valleys receded by As. 12 to Rs. 12-12. A similar loss was suffered by Twyfords which were done at Rs. 18-8. Mid-

(*Continued on page 1123*)

NEWS IN BRIEF

THE Government of India has sanctioned Rs. 2,85,700 for the setting up of a co-operative match factory at Banaras.

A provision of Rs. 5.54—Rs. 5.05 crores by the States and Rs. 0.49 crore by the Centre—has been made for the settlement of landless labour during the second Plan period.

Fisheries contribute about Rs. 27 crores to the country's national income every year and engage about 75,000 craft of various types along a coastline of about 3,000 miles, giving employment to some 750,000 fishermen.

The Railway Board has decided to set up a Coach Furnishing Factory near Perambur at a cost of about Rs. 3.70 crores. The factory is expected to employ about 250 people and its annual production capacity will be 350 coaches.

The Government of India has accepted the Tariff Commission's recommendations regarding the prices to be paid for boilers and locomotives purchased by the Railway Board from the Tata Locomotive and Engineering Company, Ltd.

Twenty-six Soviet experts will arrive shortly to assist India in its oil exploration programme, under an agreement signed on the 26th inst. The team will work on oil exploration projects currently undertaken by the Oil and Natural Gas Commission in the Punjab.

The Central Government is planning to set up advisory boards in all the States to assist it in formulating plans for integrated industrial development. The proposed boards will advise on fitting the industrial claims of States in the national development programme.

Export of crude glycerine will hereafter be licensed freely to all permissible destinations other than the Portuguese possession in India. Licences will be endorsed on shipping bills submitted along with an application in the prescribed form and Treasury chalan of appropriate value.

Messrs. Vitro Engineering Division of New York has been appointed by the Central Government as technical consultants for the Rs. 22-crore Nangal fertiliser-*cum*-heavy water project. The project which will utilise 160,000 kw. of power is expected to be commissioned by March 1959.

The proposed Mahi project envisages the construction of a dam across the Mahi River in Banswara district of Rajasthan State, intercepting a total catchment area of 1,800 sq. miles. The reservoir will store 9,142 million cubic feet of water, of which 6,770 million cubic feet will be utilised for irrigating an area of 70,000 acres annually. The project will develop the backward area of Banswara district. Its estimated cost is put at Rs. 1.95 crores.

The Federation of Industrial Co-operatives, Hyderabad, has decided to undertake immediate manufacture of Ambar Charkhas according to specifications laid down by the All-India *Khadi* and Village Industries Board. The Andhra Government has decided to introduce about 13,500 Ambar Charkhas in the State—10,000 in the 11 districts of the former Andhra districts and 3,500 in the Telengana district.

The Finance Commission, constituted in June last under Article 280 of the Constitution, has submitted its interim recommendations for the year 1957-58. The Commission has so far visited three States, namely, Assam, Orissa and West Bengal. As it is not possible to frame final views until it completes its discussions with other State Governments, the interim recommendations have been made in order to enable the Central and State Governments to frame their budgets for the ensuing year.

The Government of Kerala proposes to build up a special industrial service cadre for business-like management of industrial concerns owned or managed by it, as recommended by the Committee appointed by the State Government under the chairmanship of its Finance Secretary. There will be junior and senior grades in the cadre and the existing personnel may form the nucleus. Industrial concerns will be divided into different categories and recruitment in future will be 50 per cent. from Government service and 50 per cent. from outside. A system of training in business management will also be evolved.

The gold mining industry in Mysore State with an annual production of about 200,000 ounces of gold passed into the public sector on 29th November 1956, with the Mysore Government taking over its control and management. The mines, which were operated by British companies for the past 75 years, will hereafter be administered by a Board of Management, headed by Mr. S. Nijalingappa, Chief Minister. One of the representatives of Messrs. John Taylor and Sons will also be a member of the Board. Mr. S. Muninanjappa, Senior Administrative Service Officer, has been appointed full-time Vice-Chairman and Managing Director of the undertakings.

A Bill seeking to replace the system of "individual hiring contracts for telephones by statutory rules" has been introduced in the Lok Sabha by Mr. Jagjivan Ram, Minister for Communications. The Bill amends the Indian Telegraph Act, 1885, which is not comprehensive enough to cover conditions under which telephones might be given, transferred, shifted, withdrawn or discontinued. It also seeks to do away with individual contracts, but existing hiring contracts will not be rendered null and void. It contains a provision for arbitration in settlement of disputes that may arise between the telephone authority and the telephone subscribers after the system of hiring contracts have been replaced by statutory rules. The rules will be framed later.

In view of the importance agricultural production has acquired in the second Five-year Plan, the Union Ministry of Agriculture has decided to keep a close watch over agricultural developments in the States, for which an Extension Division will soon be established. The four branches of the Division will be Progress Wing, Extension Training Directorate, Farm Advisory Service and Farm Information Bureau. The officers of the Progress Wing will regularly visit the States to evaluate their progress in agricultural development schemes. They will also activate existing agencies for timely supply of the means of production. The Extension Training Directorate will train village level workers, block level officers and rural home science agents. The Farm Advisory Service will head a team of extension specialists in various fields such as crop improvement, soil fertility and fertilisers, soil and water conservation, etc. The Farm Information Bureau will produce popular literature for farmers and village level workers on the basis of researches in the Central and State research organisations.

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From Abroad

The Pakistan Shell Oil Company has made an offer to the Government for setting up an oil refinery in Pakistan at a cost of Rs. 40 crores.

The Government of France has introduced the rationing of its rapidly dwindling supplies of gasoline with effect from 29th November. Denmark has also introduced petrol rationing.

A group of German engineers and industrialists has arrived in Egypt to survey the possibilities of helping the construction of the Aswan Dam. The team includes representatives of the famous German combine Krupp-Demag.

New records in production, personal income and employment have been set in the U.S. Total output of goods and services reached an annual rate of $414,000 million in the third quarter of this year, and the rise is continuing. Personal income after taxes was at the record rate of $288,000 million, and employment, excluding farm workers, reached a seasonally adjusted high of 51,800,000.

The delegation of British cotton textile interests which was scheduled to arrive in India at the end of November last for talks with Indian millowners has postponed the visit until January 1957. The postponement is a sequel to the diversion of shipping via the Cape of Good Hope, following the closure of the Suez Canal for traffic.

The Japanese Ministry of International Trade will soon introduce a Bill in Parliament which will empower the Ministry to form all types of cartels, establish monopolistic buying and selling agencies, and accelerate mergers. It is reported that the Ministry has stipulated that the measure should remain in force for five years from the date of enactment.

The Planning Commission of Pakistan is understood to have approved the construction of a steel mill at Multan with an initial production capacity of 70,000 tons a year and capable of subsequent expansion to 250,000 tons. The initial stage of the project is estimated to cost Rs. 17 crores. It will use low grade (about 30 per cent. iron content) ore to be found in Kalabagh in West Pakistan, employing the Krupp Renn process.

Iron Age, a trade magazine of the U.S., estimates that American steel producers will be importing at least 40 per cent. of their iron ore needs by 1975. According to it, the U.S. will need 169 million gross tons of iron ore annually by 1975 to support an annual steel production of 167 million net tons and greatly expanded iron casting needs, with increasing dependence on foreign ore.

The U.S. Government has put into effect its emergency programme to supply Western Europe with upto 1,100,000 barrels of oil daily. Mr. Arthur S. Fleming, Mobilisation Director, has asked the Secretary to the Interior to activate the Industry's West Asian Emergency Committee. This Committee, representing 15 oil companies, has standby plans to pool production, distribution and tanker facilities to ease the European petroleum crisis.

Pakistan has constituted a National Economic Council, consisting of eleven members, with the Prime Minister as the *ex-officio* Chairman. The Council will review the overall economic position of the country and advise the Federal and Provincial Governments on the formulation of plans in respect of financial, commercial and economic policies. In formulating such plans, the Council will aim at ensuring uniform standards of attainment in economic development in all parts of the country.

A new and cheaper air service from Delhi to London is now being advertised by the agents of the Afghan Aryana Line via Kabul and Moscow. The Delhi-London fare by this route is Rs. 1,212 as against the Rs. 1,414 special concession tourist fare charged by other international airlines which take the West Asian route. Afghan Aryana Line flies with passengers from Delhi to Kabul and from there to Moscow by the Soviet Airlines "Aeroflot" and onward to London, Paris and other Continental destinations by the S.A.S. Scandinavian line.

A Government Bill now before the Indonesian Parliament seeks to grant mining concessions for three years for exploration and for 30 years for exploitation. The Bill seeks to regulate mining in Indonesia in a general manner only and states that mining oil will be regulated by a separate law. All minerals within the Indonesian territory are declared State property. Concession rights and licences based on the Netherlands Indices Mining Act, which the Bill supersedes, will remain effective on the understanding that the holders of such rights and licences will adapt themselves to the new Act within a certain period of time.

A recent survey is reported to have revealed that the quantum of American economic aid to Pakistan has been far in excess of the latter's capacity for absorption, with the result that large funds are lying unspent. Pakistan has been unable to formulate programmes of development on which the allotted American aid could be usefully spent. Of the $170 million economic aid given during the fiscal year ended 30th June last, $72 million were spent on food imports alone and the $36 million intended to be spent on constructive developmental activity remain unspent, because there are no specific projects formulated on which funds can be utilised.

A Paris appeal court has dropped consideration of a case in which it was faced with the problem of deciding whether the Suez Canal Company was French or Egyptian. The appeal is against a lower court judgment based on the decision that the Company is Egyptian. In November 1955, the lower court had imposed a suspended prison sentence of six months on a banker, Mr. Alexis Comte, for selling Suez Canal Company shares without declaring them to the Exchange Office. Under the French law, all dealings in foreign shares have to be reported to the Exchange Office. The appeal court has been informed that, by an arrangement with the Finance Ministry, Mr. Comte pays a fine to the Ministry.

The demand for second-hand ship tonnage is reported to be mounting in the U.S.A. due to recent developments in West Asia and the boom conditions are expected to continue as long as the Suez Canal remains closed. The diversion of Canal traffic has brought about higher freight rates and has increased tonnage requirements because of the longer haul round the African continent. As a result of the sharp rise in ship values, some vessels, particularly tankers, now command twice the price they did at the beginning of the year. At least in one instance, a ship destined for the scrap yard was sold at a price that is considered a good figure. A 20,000-ton tanker built in 1953 also changed hands at $4,750,000, an amount that more than recompenses the original owner for the cost of having the ship built in Japan three years ago, not counting trading profits to date.

PERSONAL

SIR Joseph Kay, K.B.E., Managing Director of Messrs. W. H. Brady & Co., Ltd., returned to Bombay from the U.K. last week.

Sardar K. M. Panikkar, India's Ambassador-designate to France, left Bombay for Paris on Monday.

Mr. Chou En-lai, Prime Minister of the People's Republic of China, accompanied by Marshal Ho Lung, Vice-Premier, arrived in India last week.

Mr. Tanka Prasad Acharya, Prime Minister of Nepal, arrived in New Delhi this week on a 16-day official visit at the invitation of the Government of India.

Mr. P. S. Rau, till recently Administrator of Kerala, will resume charge as Chairman of the Damodar Valley Corporation towards the end of December.

Mr. P. S. Narayan Prasad, India's Executive Director of the International Monetary Fund, arrived here last week for consultations with the Union Government.

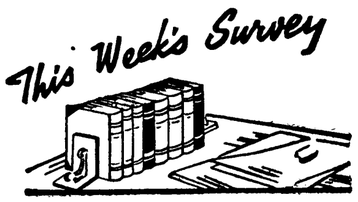
Mr. Ellsworth Bunker, retiring President of the American Red Cross, has been appointed United States' Ambassador to India, in succession to Mr. John Sherman Cooper. He is expected to take over his post in India early in January.

Mr. John Sherman Cooper, a former U.S. Ambassador to India, arrived in New Delhi last week as special representative of the U.S. President, for discussing details of Prime Minister Nehru's forthcoming visit to the U.S.

Mr. Stanley W. G. Lehman, former Assistant General Manager of Standard-Vacuum Oil Company at Bombay, and Mr. James V. Pickering, who also served in India in the same Company, have been elected to the Board of Directors of Standard-Vacuum Oil Company, New York.

Mr. G. Parthasarathi, at present Chairman of the International Commission for Supervision and Control in Viet Nam, has been appointed Ambassador to Indonesia in succession to Mr. B. F. H. B. Tyabji. He will assume charge of his new post about the middle of January next year.

Mr. Triloki Nath Kaul, at present Joint Secretary in the Ministry of External Affairs, has been appointed Chairman of the International Commission for Supervision and Control and leader of the Indian delegation in Viet Nam, in succession to Mr. G. Parthasarathi. Mr. Kaul will assume charge of his new appointment in February next year and will hold the personal rank of Ambassador.



MOTOR VEHICLES BILL

THE Joint Select Committee of Parliament to which the Bill to amend the Motor Vehicles Act had been referred in August last, has, by and large, taken a constructive and helpful attitude towards private road transport. Although the Bill, as amended by the Select Committee, does not meet all the demands of road transport operators, it is significant that the Committee has generally further relaxed the provisions in the original Bill with a view to facilitating private transport. In doing so, the Committee has reflected the new trend of thought in the Government and the Planning Commission both of which appreciate the need for a realistic policy in respect of all forms of transport. It is further gratifying to note that the Government has even succeeded in carrying the opposition with it for, in the debate on the amended Bill in the Lok Sabha, few dissentient voices were raised except over the question of compensation. The Bill, which was adopted by the Lok Sabha last week, had a smooth passage.

The changes made by the Select Committee, as the Union Minister for the Railways, Mr. Lal Bahadur Shastri, who piloted the Bill in the Lok Sabha claimed, are definite improvements in the original Bill. The Committee has proposed the appointment of one authority instead of two envisaged in the original Bill, for the purpose of developing, co-ordinating and regulating the operation of transport vehicles for areas or routes common to two or more States. This authority is to be known as "Inter-State Transport Commission," to be appointed by the Central Government. The Committee has abolished mileage restrictions for the grant of a public carrier's permit between places connected by railways. It has increased the period of permits issued to private operators. In the case of stage carriages (passenger vehicles), the period of permit will continue to be three to five years, while, in the case of public (goods) carriers, the period might be increased to five years. The Committee has provided for grant of permits for running buses to co-operative societies.

The Committee has doubled the rates of compensation (contemplated in the original Bill) payable to private operators whose transport undertakings are nationalised before the expiry of their permits. The new rates are: (1) Rs. 200 for every complete month or part thereof exceeding 15 days of the unexpired period of a permit, and (2) Rs. 100 for any part of a month not exceeding 15 days of such unexpired period. The minimum compensation payable to the holder of a permit for each vehicle has also been raised from Rs. 200 to Rs. 400. A road transport service undertaken by a municipality will also be regarded as a State transport undertaking. No compensation is, however, payable to private operators whose permits are not renewed after the expiry of the periods stipulated in the permits. The Committee has recommended that in cases of nationalisation, State Governments should take over from private operators vehicles and other useful equipment.

Some welcome assurances were given by the Deputy Minister for Transport, Mr. O. V. Alagesan, when he replied to the debate on the Bill. He said that the Government recognised that road transport had to play an important role in the country's economy. He adduced some reasons to show that nationalisation of transport was a "phantom" and not a "reality" —a thing of which the transport operators had no need to be apprehensive. In the first place, the railways could not carry all the available traffic and there would always be need for road and other forms of transport to supplement the effort of the railways. There was no question of private sector *versus* public sector; it was a question of private sector-*cum*-public sector. Secondly, the nationalisation of transport was not possible due to lack of funds. He pointed out that, as against a sum of Rs. 100 crores which will be needed for the nationalisation of passenger bus services, the Government had provided only Rs. 27 crores in the second Plan for nationalisation purposes; in the first Plan, only Rs. 12 crores were provided, out of which Rs. 10 crores were spent. Thirdly, the States had been advised to prepare their schemes of nationalisation beforehand, so that private interests would know which routes would be available to them for running bus services. These considerations, to which Mr. Alagesan referred, are no doubt calculated to infuse some confidence in road transport operators. But so long as State Governments are determined to pursue nationalisation of road transport even in the face of well-meant advice by the Central Government and the Planning Commission, there will always be a lurking fear among the operators that the future is not altogether bright for them. Instead of merely stating that the lack of funds stands in the way of nationalisation of road transport, the Government will do well to announce clearly that for a definite period—this should be more than five years—it does not contemplate State ownership of road transport.

INDIAN SHIPPING

The case for tramp and tanker tonnage and for facilities to augment the tonnage on the coastal trade was ably presented by Mr. A. H. Bhiwandiwalla, Chairman of the Great Eastern Shipping Company, Ltd., at the annual meeting of the Company held this week at Bombay. There is no doubt that in certain orthodox shipping quarters in this country there is some prejudice against tramp shipping. This prejudice probably springs from the consideration that tramp shipowners are fair-weather, rather than fast, friends of the country and that they cannot always be relied upon to deliver the goods. Assuming, without necessarily conceding, that there is some truth in this criticism, there is no denying the fact that tramp shipping, which continues to play an important role in the shipping world, could be of great assistance to any country that is short of shipping space. Mr. Bhiwandiwalla pointed out that the post-war development of shipping showed that countries which stuck to liner services only had increased their tonnage at a slower pace than the countries engaged in tramping. The growth and development of Indian tonnage plying on the high seas, he said, could be brought about only if the Government permitted tramp operators to follow considerations of operational efficiency and gainful employment which would assist the rapid expansion of the merchant fleet. He pleaded for the removal of the Government restrictions on letting out Indian ships on time-charter to foreigners." He rightly urged that the whole economics of tramp shipping lies in consolidation of gains won in a period of prosperity which would enable the operators to face succeeding periods of adversity.

The Great Eastern deserves to be congratulated on its acquiring, early this year, the "first ever Indian-owned" tanker. Since then, the Government of India has also acquired a tanker, so that a beginning has been made towards building up a tanker fleet for the country. Referring to the Government's declared intention to acquire and operate further tankers in the public sector, Mr. Bhiwandiwalla hoped that it was not "Government's unalterable intention to exclude private enterprise from the task of nation-building in this important field." He, therefore, requested the Government to "dispel the doubts and declare categorically that it will change its policy towards acquisition of tankers or super-tankers by Indian shipping companies." Incidentally, the building up of a tanker fleet will, as the Chairman of the Great Eastern said, require considerable funds. It remains to be seen whether additional funds will be allocated for this purpose.

The need for augmenting the tonnage on the coastal trade acquires an additional significance in the context of the growing shortage of nearly all means of transport. Mr. Bhiwandiwalla estimated that coastal trade may be expected to increase progressively from three million tons to five million tons per year. More ships will be needed to carry this expanding volume of trade as well as for replacing the older coastal vessels that may have to be scrapped. To acquire new ships is by no means easy. For the shipyards of the world are fully booked and delivery of new ships cannot be expected before the next three or four years. In these circumstances, the Company's former General Manager, Dr. Sudhir Sen, has certainly rendered a signal service to this country through his skilful advocacy in the U.S. of the case for the release of ships from that country's mothball fleet for India's use. It would appear that the Government of India and the Indian Ambassador, Mr. G. L. Mehta, also lent their "weighty support" to India's plea for use of American ships. Mr. Bhiwandiwalla hoped that the U.S. would make available at least 12 Liberty ships to this country. These ships, as he pointed out, will help India meet the difficulties in transport which are bound to arise with the progress of the second Five-year Plan. Before releasing the ships, the U.S. Government is said to insist on an undertaking by this country that the ships will be used only for India's coastal trade and not compete with the U.S. liners. Surely, India should have no difficulty in giving this undertaking.

ONE MORE BURDEN ON MILLS

One more burden has been imposed on the cotton mills of Bombay. The Industrial Court has awarded that the mill workers are entitled to receive gratuity for past service up to a maximum of 15 months' basic wages. The rate of gratuity for every completed year of service is fixed at one month's basic wage for the period prior to the enforcement of the Provident Fund Act, 1952 and half a month's basic wage thereafter. The basic wage for the calculation of gratuity, it is laid down, will be the average of the basic wage payable to a worker during the last 12 months of service. No worker who is dismissed for misconduct will, however, be entitled to gratuity. The other salient features of the award, which is given retrospective effect from 22nd November 1954, are as follows:

> The workers will get gratuity in case they are mentally or physically incapacitated for further service or on voluntary retirement or resignation after 15 years' continuous service.
>
> On termination of service by mills after 10 years' continuous service but less than 15 years, the workers will get three-fourths of a month's basic wage for each completed year before the Provident Fund Act was enforced and half a month's wage thereafter. They will receive fuller gratuity, if their services are terminated after 15 years.
>
> For purposes of reckoning continuous service, breaks not exceeding six months should be condoned, but the period or periods of such breaks must not be included in calculating the number of years of continuous service. Service should include service under the previous management whether in the particular mill or in a sister concern under the same management.

The incidence of the award that actually falls on the cotton mill sector cannot be assessed accurately, since it varies from mill to mill, depending on the total labour strength and on the number of workers retiring every year. From the figures cited by the Industrial Court itself, it is gathered that the burden of gratuity scheme is pretty heavy. Assuming that 6,000 to 8,000 workers—or 3 to 4 per cent. of the 213,623 employed, excluding clerks, nurses and supervisors—retire every year and taking the minimum qualifying period of 15 years' service, the industry will have to pay annually over Rs. 51 lakhs. According to the Millowners' Association, the average of workers leaving service every year comes to 13,000-15,000 and, taking the average service of each employee as 10-15 years, the amount of gratuity payable will come to as much as Rs. 2.25 crores a year.

This is one more straw on the camel's back and goes to add to the various burdens that have been imposed on the industry in recent years. The increase in dearness allowance given by the Industrial Court in 1953 (Rs. 18 lakhs), the rise by adjustments and increments to the technical and supervisory staff (Rs. 6 lakhs), contribution to Employees' State Insurance Scheme, covering families of workers also with effect from 1st April 1957 (Rs. 81 lakhs), and contribution to Provident Funds Act at the proposed rate of 8-1/3 per cent. (Rs. 240 lakhs)—all together cost Rs. 345 lakhs per annum. In addition, the mills have to pay bonuses aggregating Rs. 250 lakhs and bear a large part of the recent increase in excise duty on cloth. And yet, the Industrial Court avers that the cotton mill industry can bear the burden of gratuity. Indeed, the Court declares: "The industry should not grudge giving a *modest* (italics ours) gratuity to those who retire after long service, if it does something towards sweetening the lives of those whose toil and sweat have contributed to the prosperity of the industry."

No one will, of course, grudge payment of gratuity to workers in case they are mentally or physically incapacitated for further service or in case of death. But the question is whether the worker should be entitled to such multiple benefits as gratuity, retrenchment and lay-off compensation, and provident fund. The Industrial Court should have awarded gratuity only for the period prior to the Provident Fund Act. One would even have no objection if the Court had decided to introduce a system of gratuity based on superannuation. One would have also no objection if the Court had recommended gratuity after the present five-year bonus agreement expires in 1958. This agreement, it will be recalled, binds all mills, irrespective of whether they make profit or incur loss, to distribute every year as bonus a minimum of 15 days' wages—that is, 4.8 per cent. of the annual wage bill—with a maximum limit of 25 per cent.

The Industrial Court has not stopped merely at granting the award on gratuity; it has sought to evoke the sympathy and admiration of the working class, as witness its general observations over issues which do not at all pertain to the issue under consideration. Categorically declaring that the gratuity scheme recommended by it is quite within the capacity of the cotton mill industry, the Court observes: "If the industry has capacity to pay more, we think there would be a case for an increase in wage rather than a higher gratuity, as, to the large variety of workers, their present needs mean more than what they may be entitled to as gratuity on cessation of service." This statement as well as its view that the industry has made "rapid strides" in rationalisation, will, we are afraid, be interpreted by the spokesmen of labour as an indirect support to the demand for higher wages.

PROTECTED INDUSTRIES

While the case for the protection of infant industries stems from the economic necessity of encouraging indigenous production, its continuance should definitely be conditional upon satisfactory performance of the industries protected both in respect of efficiency of production and the pace of progress. For the consumer cannot and should not be expected to pay too high a price for propping up uneconomic industries, if they do not hold out the promise of being able to do without such aid in the not too distant future. The body which investigates and recommends the grant of protection to industries is naturally bound also to assess the progress of protected industries before advising the continued retention of fiscal favours. The consumers will then feel that their sacrifice has not been in vain, but has resulted in the progress of industries receiving protection.

A review of the progress of protected industries, contained in the Fourth Annual Report of the Tariff Commission for the year April 1955 to March 1956, is, therefore, of general interest. A study relating to the realisation of installed capacity of protected industries in the latter half of 1955 by the Commission revealed that, in the case of three commodities, namely, aluminium ingots, refined copper and titanium dioxide, actual production was slightly in excess of the capacity reported. This was due, in the case of the aluminium industry, to the fact that the standard of efficiency was actually higher than was assumed earlier. In the case of titanium dioxide, the non-occurrence of the anticipated normal breakdown, it was pointed out by the producer, resulted in production exceeding the reported capacity. The increase in the output of the converter blower, as a result of colder conditions, was responsible for increased production of refined copper.

Of the remaining goods for which comparative data were available, production during the period fell short of installed capacity, the fall being heavy in the case of cotton and hair beltings, oil pressure lamps, cocoa powder, antimony, calcium lactate, bleaching powder, bleach liquor; hydroquinone, oleic acid, stearic acid, etc., while the percentage of unutilised capacity was heaviest, as much as 75 per cent., in the case of chocolate (covering), calcium chloride and cotton baling hoops. The chief reasons for this under-utilisation, as given by the producers, were lack of orders, irregularity of demand and shortage of transport facilities.

As regards the volume of production, the report says that, as compared with the previous year, improvement was registered by all goods falling under the capital goods industries group, except cotton beltings. Of the six goods falling under the consumer industries group, for which comparable data were available, four, namely, electric brass lamp holders, electrical accessories, oil pressure lamps and buttons registered increases in production, while in the other two, cocoa powder and chocolate, there was a fall.

The output of the majority of goods falling under the industrial raw materials and consumable stores industries group registered improvement, while output declined in the case of protected steels other than high speed and stainless steel, antimony, sodium bichromate bleaching powder and cotton baling hoops. Of the five items falling under transport industries group, for which data were available, all registered a notable increase in 1955 though, during the first quarter of 1956, a fall was evident in some of them, particularly automobile hand tyre inflators, sparking plugs and bicycles.

The existence of a large number of varieties in the protected articles and a wide range of wholesale prices, it is stated, makes it difficult to form an idea of the movement of prices during the period. It may, however, be observed that no articles in the capital goods industries group registered a decline in wholesale prices during 1955, while only one item in this group, namely, spindles, registered a decline in the first quarter of 1956.

The data with regard to the average daily number of workers employed in the protected industries during the half-year ended 31st December 1955 were available in respect of 35 industries. Among these, 11 industries employed less than 100 workers, on an average, per day, another 11 industries engaged between 101 and 1,000 workers. Substantial employment of between 1,001 and 3,000 workers was provided by 10 industries, while still more substantial employment was provided by the aluminium, plywood tea chest and bicycles industries.

The Report also refers to the activities of the Commission during the year which have been wide and varied. During the period under review, the Government made four new references to the Commission, one was the claim for protection by the calcium carbide industry, the remaining three being enquiries relating to the fixation of uniform retention prices; the industries concerned were: steel produced by the major producers, automobiles and locomotives and boilers. The Commission held, during the period covered under the Report, 10 tariff enquiries and two price fixation enquiries. It also submitted to the Government reports on 12 tariff enquiries and four price enquiries. Ad *hoc* extension of protection till the end of December 1956 was recommended for ball bearings industry, non-ferrous metals industry, plastics industry and power and distribution transformers industry. The recommendation was accepted by Government and given effect to by the Indian Tariff (Third Amendment) Act, 1955. The Commission's recommendations relating to soda ash and titanium dioxide, however, were not accepted.

POSTAL ACTIVITY

A general increase in the volume of postal traffic is reflected in the report of the Posts and Telegraphs Department for the year 1954-55, the fourth year of the first Five-year Plan. Thus, the number of post offices in the country rose from 45,907 at the beginning of the year to 49,790 at the end of the year. The total number of telephones increased from 220,000 to 247,000, the number of telephone exchanges from 4,604 to 5,049 and the number of telegraph offices from 8,233 to 8,792. The Department handled 2,768 million postal articles in 1954-55 as against 2,672 million in 1953-54. Similarly, the number of telegrams handled increased from 29.3 million in 1953-54 to 30.5 million in 1954-55, while the number of effective trunk telephone calls in 1954-55 was 15.1 million as against 12.5 million during the previous year. The revenue of the Department increased from Rs. 44.1 crores in 1953-54 to Rs. 46.6 crores during the year under review, while expenditure increased by Rs. 2.2 crores during the same period to Rs. 43.97 crores.

Besides opening more post offices, the authorities took steps to speed up transmission of mails in rural areas. Thus, in 1954-55, 182 runners' lines of 3,094 miles were replaced by motor services. Substantial increases were registered in the mileage of wires and cables. The increasing efficiency of the telegraph services was reflected in the continued decrease in the percentage of express, including priority, telegrams booked during the year under review. The number of express telegrams booked was 23.7 per cent. of the total, as against 25.8 per cent. in 1953-54 and 29.1 per cent. in 1952-53. Again, during the year, telegraph service in the Devnagari script was extended to 123 additional stations bringing the total number of offices where this service was available to 647. The percentage of urgent telephone calls also continued to decrease during the year, the number of such calls being 20 per cent. of the total, as compared with 20.6 per cent. in the previous year and 23 per cent. in 1952-53. Telephone rental and local call cess during the year showed an increase from Rs. 6.43 crores to Rs. 7.12 crores, while advance rental recovered under the "own-your-telephone" scheme showed a marked reduction from Rs. 76 lakhs to Rs. 45 lakhs.

The accounts relating to the transactions of the Post Office Savings Bank, which is intended to serve the common man, show that nearly 5 million people made use of its facilities in 1954-55, as against 4.8 million in the previous year. The following table gives the results of the working of the Savings Bank in 1954-55 and 1953-54.

	1954-55	1953-54
No. of Accounts		
At the beginning of the year	5,060,886	4,829,668
At the close of the year	5,384,147	5,069,886
Amount (Rs.)		
Balance at the end of the year	2,56,49,32,859	2,31,95,74,596
Average balance in each bank	2,15,576.8	1,96,141.9
Average balance at credit of each depositor	476.4	457 5

It should be possible for the authorities to make the Savings Bank facility increasingly popular, thanks to the increase in living standards and personal incomes anticipated under the second Plan. But they must first ensure that transactions are effected speedily and that the Bank's working hours do not synchronise with the time of working of other institutions. In this connection, it is gratifying to note that the authorities have introduced cheque facilities as an experimental measure in the Bombay G.P.O. The results of this experiment will be awaited with interest.

NATIONALISED LIFE INSURANCE

The nationalisation of life insurance business has become a *fait accompli* and the *entrepreneurs*, who had built up the business, no longer discuss the merits or, demerits of nationalisation. They are anxiously watching to see how far the experiment is going to be more beneficial to the country than was the case when they handled the business. Their more immediate concern is over the delay in the payment of compensation. This concern is understandable, particularly in the case of composite companies, for whom the compensation amount, meagre as it is, will go a long way towards building up their general insurance business.

Mr. Lakshmipat Singhania, President of the National Insurance Company Ltd., who referred to this aspect in his address to the shareholders, said that the compensation proposed to be paid was not worth the name, representing as it did hardly one per cent. of the life fund of the companies taken over by the Government. In the case of the Imperial Bank of India, the Government had paid a compensation, inadequate as it was, amounting to 8 per cent. of the Bank's total assets, while that proposed for life insurers was not even one per cent. of the life fund. It was not an investment to be made by the Government, Mr. Singhania said, but only a pre-payment of the surpluses which the companies had rightfully earned during decades of successful working. Even this had not been paid yet, though it was about 11 months since the Government took over the business.

The sense of disappointment of the former life companies at the Government's going back on some of its assurances was also voiced by Mr. Singhania. The Government, for instance, had assured, at the time of nationalisation, that the foreign life business of Indian companies would be returned back to them. It has, however, changed its mind and proposes to carry on the foreign business itself. So far as the composite concerns like the National Insurance Company, Ltd., were concerned, Mr. Singhania feared that the Government's action would affect their general business abroad also and the hard task of building up of such business by Indian insurers would become harder still.

Another instance of the Government not having kept its word, according to Mr. Singhania, is the investment of life fund in the private sector. At the time of nationalisation, such investments were of the order of 16 per cent. and this proved to be of great help to the investment market. The Government had, Mr. Singhania said, given the assurance that this percentage would be maintained. After nationalisation, he found, nothing or very little money had been invested in private industry, thus depriving the investment market of large support. Mr. Singhania, however, hoped that the Government would stick to its earlier assurance and maintain the tempo of investment in private industries, thus helping the speedy economic growth of the country.

FINANCE MINISTER TAKES PARLIAMENT BY SURPRISE

WASTAGE OF PUBLIC FUNDS MUST BE CHECKED

By A Special Correspondent

NEW DELHI, *4th December*

THE Finance Minister, Mr. T. T. Krishnamachari, sprang a surprise on Friday last, by announcing his budget proposals. Exactly after 5 p.m., when the House was practically thin and when there was barely a quorum, he was seen walking into the Lok Sabha with a brief case, which is rather unusual for him. Spectators, however, felt that he had something important to announce; but little did they expect the budget proposals. Most of the members were away, not knowing that the Finance Minister would be announcing his surprise supplementary budget and a number of taxation proposals conservatively estimated to yield Rs. 16 crores per annum.

DELHI LETTER

The Finance Minister's view was that the Government should maintain a stable price level internally and that, despite greater demands of the Five-year Plan, it should not resort to deficit financing to any large extent. In other words, he was of the opinion that Government should mobilise internal resources as much as possible and then only think of resorting to other means, in order to implement the Plan. When he claimed that the era of deficit financing was over, he probably meant that the nation should be prepared to make greater sacrifices, in order to attain the targets as stipulated in the Plan.

The Planning Commission had originally fixed a target of Rs. 850 crores by way of additional taxes during the entire Plan period and out of this the Central Government's share was about Rs. 450 crores. It is generally felt by responsible people, both inside the Government and outside, that the target for additional taxation and revenue was deliberately underestimated by the Planning Commission, largely with a view to preparing the ground gradually for imposing additional taxation. Now that Indian economy is expanding at an appreciable rate, and industrial production is running ahead at the rate of more than 10 per cent. every year, it is suggested that Government would be able to get more money in the coming years even at the rate of existing taxation. Now that additional taxes are being imposed and the Finance Minister has already hinted that the second full-fledged budget, probably in May next, would contain further taxation measures, the possibility of Government getting more revenue will be appreciably greater. The Central excise revenue has already recorded a phenomenal increase during the first Five-year Plan period from about Rs. 50 crores to well-nigh Rs. 180 crores this year. The Central excise is now being broad-based and, with increase in production in every sector of industry, the scope for more revenue from this source will be large.

Oil Exploration

In case the Government were able successfully to explore additional mineral oil resources within the country in the next two or three years, the Central excise will show further large-scale expansion. The capacity of the Government to get more revenues will also increase, not only by way of increased taxation but also by way of profits on oil. It is, perhaps, with this view that the Government of India is reported to have under active consideration measures calculated to create conditions conducive to intensive oil exploration in different parts of the country.

Actually, however, according to a tentative programme, about 500,000 square miles of territory, excluding coastal areas coming under the Continental Shelf, has been classified as oil or gas-bearing area scattered throughout the length and breadth of the country. The petroleum concession rules are also likely to be revised both in respect of the grant and period of lease of areas for oil prospecting operations, keeping in view the utilisation of private enterprise wherever possible and necessary. Considering, however, the large tracts of territory involved and the amount of preliminary detailed investigation necessary before any particular area can be treated as fully explored, it is quite reasonable to suppose that a good deal of time would elapse before sufficient attention could be paid to all the areas by the Oil and Natural Gas Commission itself. Therefore, a study of the petroleum concession rules has been undertaken by the Ministry of Natural Resources and Scientific Research with a view to utilising private enterprise to the extent considered necessary and feasible and also in conformity with the latest industrial policy resolution of the Government.

Responsible people here, however, are not able to see eye to eye with the Finance Minister in regard to additional taxes imposed by him. It is thought that, when the Government is desirous of strengthening the industrial growth in the country, it should have allowed due encouragement and scope for capital formation and encouraged the flow of risk capital in industries. When such is the need, some of the new taxes will doubtless have a restraining effect on capital formation. It is a moot point whether Government has sufficient manpower of the right sort to cover the lag in the private sector by itself undertaking more responsibility for industrialisation. It has also been suggested in certain informed quarters that the labour employed in certain units of industries within the public sector is much more than what is actually needed or manageable. But those who realise this position have not been courageous enough to advise the Government to give more freedom and encouragement to the private sector. All these go to suggest that the Government should move with great caution in the matter of extending the public sector. Otherwise, the obvious and inevitable result would be wastage of public funds.

Regard for Taxpayers' Money

The regard for taxpayers' money should be kept all the more in the forefront, since, in the second Plan period, capital investment in the public sector is going to be expanded from about Rs. 100 crores to nearly Rs. 1,000 crores. This is surely a very big jump. And, as Government spokesmen have often mentioned, there is no secret about the fact that the public sector is going to be expanded tremendously. But the question is whether, in an underdeveloped country like India, such a big stride, especially in key and strategic industries, is feasible. The Minister for Heavy Industries, Mr. Manubhai Shah, made it clear in the Rajya Sabha recently, while speaking on the Industries (Development and Regulation) Amendment Bill, that the missing gaps in the whole chain of industrialisation in the country had to be filled in and that too without any loss of time. He also gave the break-down of the figure of Rs. 1,000 crores to be invested by Government in the public sector. According to him, the three steel factories alone might cost about Rs. 500 crores. But the important point which the Government should not lose sight of is whether it has enough technical and managerial experts to man all these enterprises.

Mr. Shah, of course, said that many in the country were under a wrong impression that the Government had not enough technical experts. He stated that the entire Development Wing was being manned by, perhaps, the best technical talent available in the country. He also boasted that the best technicians that could be found in India were with the Government, whether in regard to aluminium industry, engineering industries or chemical industries. This claim, however, does not answer the question whether the number of technicians it has is adequate to meet the huge development plans it has undertaken to fulfil.

(Concluded from next column)

FARMERS IN THE ASCENDANT

PRICES GUARANTEED

From Our Own Correspondent

LONDON, *1st December*

THE long battle between Government and Farmers has ended in a complete victory, or to be cynical, a 97½ per cent. victory for the farmers. In 1947, the Labour Government decided to crystallise for all time the preferred position in which farmers were put by the war-time needs of the economy by guaranteeing prices and markets for all basic farm products. But the Agriculture Act was loosely worded and, though year by year the farmers have, in fact, received at the annual review, which takes place each February, satisfactory guaranteed prices, they have always been suspicious that the Government would try to wriggle out of its obligations. Each year when both sides, Government and the three Farmers' Unions of the United Kingdom, met, they eyed each other with suspicion: the Government convinced that the farmers wanted too much (some members sympathised with the M.P. who declared that the farmers were featherbedded) and the farmers convinced that the Government were not interested in the health of the industry but only in knocking down the guaranteed price as far as possible.

LONDON LETTER

This latter suspicion has been growing to such an extent over the past two years that farmers were becoming nervous in their long-term planning, with rumours in all directions that the Government might even revoke the 1947 Act and, in any case, were liable, without warning, to slash the guarantees, in order to enable the Chancellor of the Exchequer to show a surplus on his budget. As the Chancellor took steps to reduce the subsidies to the consumers, such as subsidies on milk and bread, so farmers became convinced that their turn would come next. In self-defence, they launched a campaign throughout the country urging M.Ps to force the Government to reveal its intentions and demanding to know where they stood in long-term planning.

Dissatisfaction of the Government's approach to agricultural prices was heightened by the fact that, when food rationing was still necessary three to five years ago, the Government would push up the price of any commodity which it wanted to see expanded, and then the moment the expansion had taken place they would slash the price. This has happened in particular with pigs and milk. The farmers rightly pointed out that no sound agricultural policy could be based on such wild fluctuations. The Government has now conceded their case and has assured the farmers that the total value of the guaranteed farm products in any year would not be reduced through a cut in guarantees more than 2½ per cent. below the level of the previous year. Thus, this year the guaranteed commodities are estimated to be worth £1,150 million and next February, if there are cuts in any guarantees, they must not reduce the total value to less than 97½ per cent. of this figure.

So much for the global total; but each individual livestock commodity is also guaranteed that its price will not be reduced more than 4 per cent. in any year or more than 9 per cent. in any three years. Crops sown annually are assured against a drop of not more than 4 per cent. in any one year.

There is no question but that the farmers are well pleased with their bargain; on the other side of the account, taxpayers are anxiously asking themselves whether increases in agricultural efficiency could not be expected to reduce costs of production beyond the rate of about 3 per cent. per annum. The question is all the more insistent, in that the Government has also decided greatly to increase the capital assistance given to farming. Up to now, a farmer had to live in a "hill district" with poor land to qualify for a grant for capital improvement. Now it does not matter where he lives; the Government will grant a third of the capital expenditure in fixed equipment and in the long-term improvement of grass and arable land. But the average annual expenditure under this head is not considered likely to exceed about £5 million per annum.

There must always be lip service in these arrangements to increased agricultural efficiency. Uneconomic units are supposed to be merged before qualifying for grants, but the British farmer has so far shown remarkable resistance to any proposals to collectivise him in any way. And the general criticism can still be made against the price guarantees that they give money indiscriminately to the large-scale farmer who has succeeded in reducing his costs and does not need aid, to the middle-scale farmer whom they turn into an economic proposition and to the small-scale farmer whose head they keep above water.—*All Rights Reserved.*

(Continued in previous column)

AMERICAN LETTER

PRICES OF COMMODITIES RISING

GROWTH OF INSURANCE SPECTACULAR

From Our Special Correspondent

NEW YORK, *29th November*

THE thinking of traders and merchants in the United States is still dominated by the Suez Canal crisis. Intertwined with it is the fear of armed intervention by the major world powers. As a result, pivotal commodities' prices have been skyrocketing. It is a development similar to previous war-scares and actual wars. Prices are responsive to interruption in communications, higher freight rates, shortages of shipping space and so on.

Specialists suggest at this point that the first traditional stage of the war-scare market has been reached. There were increases in the prices of world sugar, vegetable oils and wools in all international markets. Gains in prices in other items were subject to statistical positions, subsidies, surpluses of all forms and descriptions and other similar factors. Weather around the world has also played an important part in traders' minds.

Since prices in futures trading have been rising almost everywhere, except in those items where a surplus exists, the only reasonable conclusion being drawn is there is still a feeling of apprehension and a sense of insecurity. In the last few days this has lessened somewhat, but threats to tranquillity remain.

The market development is parallel to what happened in the past. The outbreak of war in 1939 stimulated sharp price advances. There was a slight recession later.

The fall of France saw prices go down to the pre-war level and then a long advance got under way. There was no visible change when the United States entered the conflict after Pearl Harbour. The shipping and war-time transportation pattern had been established before that time.

When the Korean war broke out, another price advance got under way. It stimulated one of the sharpest gains on record. The peak was reached in February 1951.

Oils

Perhaps the most important item to watch in the next few weeks, according to observers here, will be oils. The United States finally made arrangements to ship oil to Western Europe, in order to make up some of the deficiency which has been created by the blocking of the Suez Canal. Twelve tankers are to sail soon from this side. Meanwhile, rationing of fuel has been put into effect on the Continent.

Freight rates and prices are still going up. The feeling here is that international developments are likely to keep the markets unsettled for a long time. Not particular cheerful news to American farmers came from Australia where the Canberra Government announced an increase of 50 per cent. in the amount of beef, veal, mutton and lamb which may be exported to destinations outside the United Kingdom and the colonies in 1956, 1957 and 1958.

Indeed, foreign transactions have become a predominant factor in the commodity markets which are much more indicative of sentiment than the securities' markets. Widespread hoarding by European housewives—it was the first time this happened since the last war—was one of the main factors recently.

Foreign transactions recently concluded were chiefly centred in wheat, soyabeans, soyabean oil and maize, known as corn in the United States. France, for example, purchased 375,000 bushels of soyabeans, Western Germany also bought moderate quantities and the United Kingdom got hold of a fair amount of maize. There is a constant stream of such orders arriving at these shores.

Shipping space is still tight, despite, at least temporary, settlement of the longshoremen's strike by Court order. But the atmosphere at the docks is still tense and resentment over the fact that no settlement has been reached on new contract terms shows up in lazy work and slowdowns which, unfortunately, are uncontrollable.

Otherwise, the economy in this country continues humming at top speed. The Christmas shopping season is getting under way and

(Continued on page 1123)



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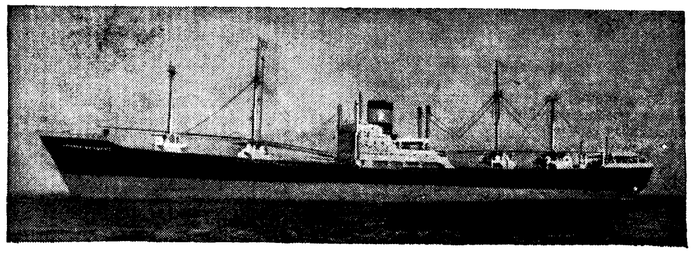

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PLACE OF "HUNDI" IN CREDIT SYSTEM

SHROFFS' MEMORANDUM TO LAW COMMISSION

THE question whether it is desirable to omit, after the lapse of a certain period, the saving clause provided for the usage of *hundis* in section 1 of the Negotiable Instruments Act, in view of the need for bringing about uniformity in mercantile usage, has been under the consideration of the Law Commission. In this connection, the view that *hundis* perform a useful function and that their removal will result in the dislocation of the activities of indigenous bankers all over the country is expressed by the Bombay Shroffs' Association in a representation submitted to the Commission.

The said clause of section 1 of the Negotiable Instruments Act is to the effect that the Act does not affect any local usage relating to any instrument in an oriental language, "provided that such usages may be excluded by any words in the body of the instrument which indicate an intention that the legal relation of the parties thereto shall be governed by this Act. ...." The Association points out that the incorporation of this saving clause, when the Bill was on the anvil in 1879, was effected after strong protests and agitation from many quarters, and that such incorporation indicated the realisation on the part of the Government of the strength of custom and usage governing *hundis*, and of the serious consequences the omission of the clause would have on agriculture, commerce and trade of the country. It further notes that, though the Select Committee of 1879 held the view that the provisions of the Bill would induce the native mercantile community gradually to discard their customs and usages in favour of the corresponding rules contained in the Bill, the fact that no single case has so far been reported in which the proviso (that the *hundi* can be brought under the provisions of the Act by inscribing on its body words to the effect that the *hundi* should be governed by the provisions of the Act) has been made use of, is clear proof that the mercantile community has not found the provisions of the Act to be more convenient than the corresponding usages of the *hundi*. This fact, according to the Shroffs' Association, strengthens the case for the retention of the *hundi* as a negotiable instrument.

Need for Uniformity

Referring to the suggestion, advanced by the Law Commission, that, in view of the need for the uniformity of law in the context of international transactions, the saving clause as to local usages should be omitted after the lapse of a certain period, the Committee states that that question does not arise, because *hundis* have no international significance, as they are exclusively and primarily used for inland purposes. That apart, such uniformity should only follow the ensuring of uniformity in certain more important respects between the provisions of the Act and international law. It should also be noted that, because of the legal complexities involved in bringing about uniformity in the laws of the various countries, even the agreement reached among the countries at a convention at Geneva as far back as 1930 to bring about that uniformity remained unfulfilled. Besides, it is difficult to define in a uniform way what is described in the Act as "reasonable time," not to mention the differences in working hours from place to place and trade to trade.

Turning to the agreement that differing customs and usages regarding *hundis* create confusion, the Shroffs' Association claims that, during the last 75 years, the customs and usages have been so thoroughly established through judicial decisions that no confusion is now felt about them. Moreover, these usages have been codified and incorporated in the rules and regulations of different *Sharafi* Associations. It is possible, the Committee admits, to bring about greater uniformity in the practices connected with *hundis* prevailing in various parts of the country, but total abolition of *hundis* in favour of other negotiable instruments is unthinkable, because of the dislocation it would bring about in the commercial sectors of the country. The smoothness and security it has afforded all these years have also proved, beyond doubt, its utility. It is significant, the Law Commission has not stated the disadvantages of *hundis* as they are at present or the relative advantages of other negotiable instruments over the *hundi*.

The Association further claims that of the three instruments, namely, the cheque, bill of exchange and *hundi*, the *hundi* has wider availability and is the oldest in use. While the banks deal more with the first two types, the most widely used among shroffs are *hundis*, though none of them can dispense with any one type of instrument. The relative usefulness of these instruments is determined, again, by what they cost, the credit they provide and according to other circumstances, such as time and place. That is not all. Just as shroffs, joint-stock banks and co-operative banks have their utility in the credit structure of the country, so also the three classes of credit instruments perform a useful role. All the three instruments together make up this aggregate credit mechanism and the removal of any one would create a void, at least for a fairly long time. If the cheques and bills of exchange are capable of affording better security, facility and usefulness, the Association argues, they would automatically displace the *hundi* in course of time. Where is the need then to suppress this useful and popular instrument through legislation?

Proceeding, the Association explains how the elimination of the *hundi* will create a vacuum. In the first place, it has availability even in the remotest corners of the country which a cheque does not possess because of the absence of banks or their branches in a large number of towns, not to speak of villages. Besides, it has greater negotiability and better security than the other types of instruments. Secondly, the *hundi* can be cashed in one day, even after banking hours, whereas a cheque takes a day or even two to clear. Thirdly, thefts occur in the case of cheques more frequently than in the case of *hundis*, because the writing on the cheque is easily obliterated and the instrument encashed quickly. But, in the case of the *hundi*, the identity of the payee, usually a shah, has to be established before payment can be made.

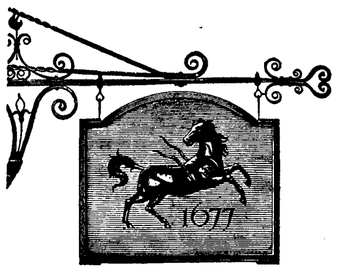
Better Facilities

The Association also cites some usages of *hundis* which provide better facilities than the corresponding provisions of the Negotiable Instruments Act. Firstly, whereas in the case of a bill of exchange initialling on it by the drawee on presentment makes him the acceptor and imposes a liability on him to pay the amount of the bill, in the case of a *hundi* noting of the date of presentment on it by the drawee does not involve any such liability. Such noting is intended to provide only proof of presentment. Secondly, while a *hundi* (sight) can be kept standing for three days and retired on the fourth day if after presentment the payment is not effected, and thus provides for adequate time to obtain necessary advice from upcountry, a bill of exchange, under similar circumstances, is to be retired, according to the provisions of the Act, on the same day. Thirdly, the fees charged by the Sharafi Association for noting for protest and for dishonour of a *hundi* are nominal, being half an anna for noting and As. 4 up to Rs. 1,000 and As. 8 thereafter for issuing a *majarnama* (a certificate in proof of dishonour). The fees charged by the notary public for similar work, however, are very much higher. In addition, a *majarnama* has the weight of a court award, while a noting for protest and for dishonour done by the notary public serves only as evidence in a court of law. On the basis of these advantages, the Association claims that a *hundi* is more economical, efficient and useful than either of the other two instruments, namely, cheque and bill of exchange.

Adverse Effects

The Committee feels that the elimination of the *hundi* will have a telling effect on the huge organisation of the shroffs which is knit together through the use of *hundis*, and reaches out to the remotest villages. It would adversely affect the flow of finance to agriculture, internal trade and small-scale industries. Again, the moneylenders and the small traders in the villages who are thoroughly acquainted with the practices connected with the *hundi* for many generations, will find it exceedingly difficult to understand the intricacies of the Negotiable Instruments Act. Consequently, the rural areas which are not served by banks would be hard hit and starved of credit.

The Association has, therefore, stressed that the Law Commission's approach should be based on considerations of practical utility and not of imaginary satisfaction of uniformity. Customs and usages, it says, should be codified into law. Conversely, law should reflect customs and usages, as in the case of Law of Merchant of England. That does not mean that the law should be rigid; it should take into account the changes in practices of business men. It is, therefore, necessary, says the Association, that the protection which the usage of *hundi* enjoys should either be continued or incorporated as part of the law in the Negotiable Instruments Act.



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COMMONWEALTH DEVELOPMENT

The British House of Commons approved last week, without division, a motion by Sir Albert Braithwaite (Conservative) urging the Government to invite other members of the Commonwealth to set up a Commonwealth machinery to develop the natural resources throughout the Commonwealth and in the Colonial territories. It will be recalled that the same member had tabled a motion during the last session of Parliament urging the Government to bring about an annual economy in national expenditure to make available an amount equal to 5 per cent. of the nation's revenue for providing the communications and other utilities necessary for the further development of natural resources all over the Commonwealth. But the Government made it known that such a method of financing the development work in the Commonwealth was alien to the British Treasury tradition. Advocating the setting up of a Commonwealth Development Council, Sir Albert pointed out that areas which achieved self-government would still need British advice and encouragement.

The Under Secretary for Commonwealth Relations, replying on behalf of the Government, said that the machinery already in existence for such development was probably sufficient. He cited, in this connection, agencies such as the Commonwealth Economic Committee, Colonial Development Corporation, Commonwealth Development Finance Company, the Export Credits Guarantee Department, the Colombo Plan and the World Bank. The Under Secretary further pointed out that the British Government would discuss these specific suggestions with members of the Commonwealth.

It may be noted that acceptance of a private motion by the House of Commons does not bind the Government.

TRAVEL ALLOWANCE

The Government of India proposes a drastic reduction in the basic allowance of foreign exchange for visits abroad. The proposal is part of the official drive to conserve foreign exchange resources and to prevent the misuse of individual allotments. It is understood that the proposed reduction in the basic allowance quota may be as high as 50 per cent. from the present allowance of £700 for a two-year period for soft currency areas. In future, wives of people going overseas on business may be prevented from undertaking pleasure trips. Visits for *bona fide* health reasons, however, may be permitted. It has also been suggested that official delegations proceeding overseas should be carefully scrutinised in terms of personnel to ensure that unnecessary expenditure of foreign exchange is avoided.

AMENDMENTS TO INCOME-TAX ACT

MAIN PROVISIONS OF FINANCE BILL EXPLAINED

PRESENTING the supplementary Budget for the current year in the Lok Sabha on 30th November 1956, Mr. T. T. Krishnamachari, Finance Minister, proposed some taxation measures, which seek to yield Rs. 16 crores per annum. These taxation proposals are contained in two Finance Bills he introduced for the purpose. One of these, Finance (No. 3) Bill, 1956, seeks to amend the Indian Income-tax Act, 1922. The main provisions of this Bill are: (1) revival of capital gains tax from the financial year 1957-58; (2) increase in special super-tax for the year 1957-58 on companies paying dividend in excess of 6 per cent.; (3) control on depreciation and other reserves of companies, and (4) levy of additional super tax on Section 23A non-investment companies. Along with the new tax proposals, the Finance Ministry circulated to the members of the House a memorandum explaining the changes in the Income-tax Act proposed in the Finance Bill.

The first proposal, namely, levy of capital gains tax, is not a new one. For tax on capital gains forms part of the existing Income-tax Act, though the relevant provisions have been dormant for some years now. It was first introduced by the late Mr. Liaquat Ali Khan in 1947, but was given up after two years. Explaining the proposal to reintroduce this levy, the memorandum says:

"The Bill proposes to revive, with some modification, the scheme which was in existence for the taxation of gains resulting from the sale, exchange or transfer of capital assets during the period 1st April 1946 to 31st March 1948. The new scheme will apply to capital gains arising on or after 1st April 1956. The following table sets forth the important points in respect of which the new scheme differs from the old:

Provisions in the old scheme	Corresponding provisions in the proposed scheme.
I. *Computation of Capital Gains :* In computing the amount of capital gains the assessee was given the option to adopt, instead of the actual cost of the asset, its fair market value as on 1st January 1939.	In computing the amount of capital gains the assessee is proposed to be given the option to adopt, instead of the actual cost of the asset, its fair market value as on 1st January, 1954.
II. *Rate of Tax :* 1. In the case of *non-company* assessees, only the excess of capital gains over Rs. 15,000 was subjected to tax.	In the case of *non-company* assessees, it is proposed not to levy a tax on capital gains if (i) the capital gains do not exceed Rs. 5,000 or (ii) the total income, including the capital gains, does not exceed Rs. 10,000.
2. In the case of *non-company* assessees, special rates of tax were prescribed for capital gains, ranging from one anna in the rupee to five annas. The rates of tax were thus not related to the total income of the assessee.	In the case of non-company assessees, it is proposed to relate the rate of tax on capital gains to the other income of the assessee. One-third of the capital gains will be added to the other income, and the income-tax rate applicable to the sum so arrived at will be the rate at which the whole of the capital gains will be charged to tax.
3. In the case of *companies*, tax was not charged, if the amount of capital gains did not exceed Rs. 15,000, but where the gains exceeded Rs. 15,000, the whole amount was taxed.	It is proposed to tax the full amount of capital gains.
4. In the case of *companies*, the rate of tax for capital gains was the ordinary income-tax rate applicable to a company.	No change is proposed in this respect.
III. *Items of Capital Gains exempted from tax :* The following gains were exempted from the tax :	
(1) Gains arising on the transfer of property on compulsory acquisition for public purposes ;	It is proposed to drop this exemption.
(2) gains arising on the distribution of assets on the dissolution of a firm or an association of persons or on the liquidation of a company ;	Do. Do. Do.
(3) gains arising on the sale of residential property possessed by assessee or his parent for seven years or more ;	It is proposed to drop this exemption (but see item (9) below).
(4) gains arising on the sale of building, plant and machinery belonging to a business, invested in the purchase of a new building plant or machinery within a specified period ;	It is proposed to drop this exemption.
(5) gains on the transfer of assets to an irrevocable trust ;	Do. Do. Do.
(6) gains arising on the distribution of assets on the total or partial partition of a Hindu undivided family ;	It is proposed to retain this exemption.
(7) gains arising on the transfer of assets by will, bequest or gift ;	Do. Do. Do.
(8) gains arising on the transfer by a parent company of its assets to a 100 per cent. Indian subsidiary ;	Do. Do. Do.
(9) gains arising on the sale of residential property which had been occupied by the assessee or his parent for two years, the gains being invested in the purchase of new property within one year.	Do. Do. Do.
IV. *Treatment of Capital Losses :* 1. Capital losses could be set off only against capital gains.	No change is proposed in this respect.
2. Capital losses of any year, which could not wholly be wiped off by capital gains of that year, could be carried forward for a period of *six years* for set off against capital gains of the later years. To permit of such carry forward, the capital loss sustained in any "previous year" must exceed Rs. 15,000, in the case of *non-company assessees*.	It is proposed that capital losses of any year, which cannot wholly be wiped off by capital gains of that year, may be carried forward *indefinitely* for set off against future capital gains. To permit of such carry forward the capital loss sustained in any "previous year" must exceed Rs. 5,000, in the case of *non-company assessees*."

(The relevant clauses in the new Finance Bill are: 2, 4, 5 and 7.)

The second proposal of the Finance Minister relates to the rates of super tax on companies for the financial year 1957-58. The only change that has been made in the rates, which are otherwise the same as those for 1956-57, is in respect of the special super tax payable by companies on dividends in excess of 6 per cent. The following extract from the Finance Ministry's memorandum gives a clear idea of the rates of super tax for 1957-58:

"The effective basic rates of super tax applicable to companies for the financial year 1957-58 will be the same as are applicable for the current financial year 1956-57, namely.

	As.	p.
1. For companies which have made the prescribed arrangements for the declaration and payment in India of dividends and for deduction of super tax from dividends paid to shareholders not resident in India :		
(a) for companies referred to in section 23A (9) of the Income-tax Act (i.e., companies in which the public are substantially interested) with total income not exceeding Rs. 25,000	1	9
(b) other companies	2	9
2. Public companies not included in (1)—(e.g., foreign public companies) :		
(a) on income other than dividends from a subsidiary Indian company	5	9
(b) on dividends from a subsidiary Indian company	3	3
3. Private companies not included in (1)—(e.g., foreign private companies) :		
(a) income other than dividends from subsidiary Indian company	5	9
(b) on dividends from a subsidiary Indian company	3	3

"In addition to the basic super tax payable by a company, a special super tax was levied for the financial year 1956-57 on dividends distributed by it in excess of 6 per cent. of its paid-up capital. It is proposed to continue this special super tax on dividends in excess of 6 per cent. of the paid-up capital for the financial year 1957-58 with an alteration in the rates. The rates of special super tax applicable for the year 1956-57 and the proposed rates for the year 1957-58 are as under:

	Present rates per rupee As.	*Proposed rates per rupee* As.
(a) on the amount of dividends in excess of 6 per cent., but not more than 10 per cent. of the paid-up capital	2	2
(b) on the amount of dividends in excess of 10 per cent., but not more than 18 per cent. of the paid-up capital	3	4
(c) on the amount of dividends in excess of 18 per cent. of the paid-up capital	3	6

"The extra super tax at As. 2 in the rupee for certain companies on the face value of bonus shares issued by them which was levied during the financial year 1956-57, will be continued for the financial year 1957-58 also in respect of bonus shares issued during the relevant previous year.

"Provision is also made for carrying forward to the financial year 1957-58, the quantum of bonus shares and excess dividends which could not be subjected to additional super tax during the financial year 1956-57 for want of adequate total income." (*Clause* 8.)

Control on Reserves

The third proposal is not actually a taxation measure, but a novel experiment seeking to exercise a large measure of control over the depreciation and other tax-free reserves of companies. "Such control," the Finance Minister pointed out in his speech, "becomes imperative when the effect of tax on dividends is to increase the resources of companies." The measure is to be given effect to by introducing two new sub-sections, 2B and 2C, to Section 10 of the principal Act. The relevant clauses in the new Bill are:

"(2B) Where for the purpose of computing under this section the profits or gains of a company for any previous year an allowance is made under clause (vi), clause (vi a), clause (vi b) or clause (vii) of sub-section (2), an amount equal to the sum of all the allowances so made shall be included in the total income of the previous year as 'profits and gains,' unless the company deposits with the Central Government before the 30th day of June of the year succeeding the previous year, such percentage, not exceeding twenty-five, as may, from time to time, be notified by the Central Government, of the accumulated profits and reserves of the company as at the end of the year preceding the previous year, to the extent to which such profits and reserves are not represented by the fixed assets of the Company, *plus* such percentage, not exceeding seventy-five, as may, from time to time, be notified by the Central Government, of the amount by which the sum of the following amounts, namely:

"(*a*) the total income of the company for the previous year, as reduced by the amount of income-tax and super tax payable in respect thereof and by the dividends, if any, declared during the previous year, and

"(*b*) the sum of the allowances made under the clauses aforesaid exceeds the sum of rupees one lakh.

"(2C) The Central Government may make rules providing for the manner in which the deposits referred to in sub-section (2B) may be made, the time when and the manner in which refunds of any such deposit shall be made whether with or without interest, and, in particular, the refund at any time of any such deposit or part thereof where the refund is claimed for carrying out any such purpose connected with the business of the company as is approved by the Central Government."

Explaining the main features of the proposal, the memorandum says:

"It is proposed that, in the case of companies, the depreciation allowances and development rebates allowed should be added as an item of income, unless the company concerned deposits with the Central Government before 30th June of the relevant assessment year a prescribed amount depending on its undistributed profits and reserves. The amount deposited will consist of two parts. The first part is a prescribed percentage of the amount by which the available profits of the year (i.e., profits before deduction of depreciation or development rebate less taxes payable less dividends declared) exceeds the sum of Rs. 1 lakh. The second part is a prescribed percentage of so much of the accumulated profits and reserves as are not represented by fixed assets in the business. The percentages referred to above will be prescribed by the Central Government and notified from year to year, but will not exceed 75 for the first part and 25 per cent. for the second part of the deposit. The deposit will carry inte-

(*Continued on page* 1123)

RATIONALISATION IN KANPUR MILLS

ENQUIRY COMMITTEE SUBMITS INTERIM REPORT

THE Kanpur Textile Mills Rationalisation Enquiry Committee has just submitted its interim report to the Government of Uttar Pradesh. This Committee, it will be recalled, was set up by the Government last year with Mr. Bind Basni Prasad, a retired High Court Judge and member of the Labour Appellate Tribunal of India, as Chairman, to go into the question of introducing rationalisation in the cotton mills at Kanpur, in terms of the principles evolved and agreed upon at the Nainital Conference held in 1954. The appointment of this Committee was in terms of the 14-point agreement entered into between the workers and the Government following the 80-day labour strike in the Kanpur mills which resulted in a production loss of 13.17 million lbs. of cotton yarn, 45.07 million yards of cloth and 5.8 million yards of jute goods.

The full details of the recommendations contained in the interim report are not yet available. The Press version of the report reveals that the Bind Basni Prasad Committee seems to have approached the question of rationalisation in a very realistic manner. The Committee, for instance, has categorically urged an eventual reduction of 1,713 to 2,147 workers in the categories of weavers, ring piecers and ring doffers in seven units on the introduction of "full rationalisation." The variation in the number of workers rendered surplus, it is said, will be caused by one particular mill adopting one or the other system of working looms. The Committee has also suggested several ways of absorbing the labour rendered surplus on account of rationalisation. These include, among others, the setting off of vacancies, caused by death, resignation, retirement and abandonment, against labour thrown out of jobs and withholding of fresh recruitment in the above three categories till rationalisation is completed. Further, it has taken into account the net gains to employers on rationalisation and has suggested upward revision in wages.

The Enquiry Committee seems to have ably dealt with the issue of workload in cotton mills. In the considered opinion of the Committee, the notion that workload is in direct proportion to the number of machines to be minded by a worker is misconceived. For the workload depends not merely on the number of machines but also on the number of operations which a worker has to perform and on the patrol, supervision and other miscellaneous duties. If, therefore, with the allocation of more machines to a worker, the number of operations were reduced, the increase in workload involved in the abovementioned duties can be offset. The Committee has allowed 20 per cent. of the time for relaxation and personal needs, fixing the workload on the basis of 48 minutes working on one loom. This 20 per cent. consists of 6.25 per cent. for personal allowance which is equivalent to 30 minutes in an eight-hour shift.

On the question of wages, the Rationalisation Committee has recommended revised rates, the actual benefit of which to workers varies from mill to mill, because the basic wages now being paid by the various mills at Kanpur are not uniform. Roughly speaking, a two-loom weaver, covered within the basic monthly wage range of Rs. 41-Rs. 55, is expected to get an increase of Rs. 37 to Rs. 23. A worker already working on four looms in Kanpur is at present earning a monthly basic wage of about Rs. 64-Rs. 72. He is likely to gain about Rs. 6-Rs. 14 per month.

Another important recommendation made by the Committee relates to the third-shift working, transfer to similar jobs in the same factory and transfer to the same job from one factory to another without prejudice to the rights of the workman in regard to his continuity of service, provident fund, insurance, leave, statutory compensation and the like. Expansion of existing units in order to make them balanced and training within industry have also been suggested. The other recommendations relate to physical, operational and mechanical working conditions, guarantee against unemployment, substitute agency to keep a watch over the working of the rationalisation scheme, and scale of wages for clerks.

Incidentally, the Committee has urged a reduction in electricity charges at Kanpur. If the rates are lowered to the Bombay level, the advantages and disadvantages which the Kanpur mills have as compared to Bombay may, it is averred, balance each other. The handicaps facing the Kanpur mills to which the Committee has drawn attention include, besides higher electricity charges, reduced margin of profit in export cloth, higher insurance rates, higher price for Broach cotton, additional charges for carrying larger cotton stocks, additional railway freight, insurance and octroi on spare parts, mill-stores and machinery, commission paid to local cotton brokers, and personal wages to workers.

The Rationalisation Committee's report covers seven cotton mills of Kanpur with a total working strength of 37,717 as on 21st July 1955, that is, the agreed date for reckoning the labour strength. Of this number, 30,689 are permanent operatives, 5,947 substitute operatives and 1,081 clerks. Of the permanent operatives, weavers, ring piecers and ring doffers together account for 14,229. The total number of looms and ring frames in the seven mills is 8,153 and 866, respectively. About 29.13 per cent. of the loomage and 48.6 per cent. of the ring frames were already working on a rationalised basis on 21st July 1955. The plea for rationalisation put forward was on 95.1 per cent. of looms and 85.8 per cent. of ring frames. But the Committee has found that further rationalisation is possible only on 66.8 per cent. of looms and 41.4 per cent. of frames after the deficiencies in regard to them have been made good. It has, of course, made it clear that there can be no immediate extension of rationalisation or reduction in job requirements, owing to certain deficiencies in physical working conditions and defects in machines.

It is difficult to say how far and to what extent the aforesaid recommendations of the Rationalisational Committee will satisfy the millowners and labourers. It must, however, be stressed that the two parties should approach the problem of rationalisation in a spirit of accommodation. The introduction of rationalisation in the cotton mills of Kanpur, as also of other centres, is imperative, considering the need for catering more effectively to the needs of the home and export markets. Indeed, rationalisation holds the key to the production of quality textiles at a price which suits the pockets of the common man.

HIGHER TAXES ON ART SILK YARN

One of the important raw materials covered by the fresh taxation proposals which the Union Finance Minister announced on Friday last week, is art silk yarn. The import duty on foreign yarns has been raised, while a central excise duty is levied on indigenous yarn. Justifying the increase in import duty, the Finance Minister says:

"With the shortage in supplies of cotton cloth, the art silk industry has been doing quite well of late. There has been a substantial increase in production and, since these fabrics compete, to some extent, with fine and superfine cotton fabrics, they are in a position to bear higher taxation than they do at present."

The Finance Minister, however, is quite conscious of the somewhat fluctuating conditions prevailing in the art silk industry in the past. He has accordingly considered it desirable that, while the tariff rate should be pitched at a certain maximum level, the Government should fix the effective rates from time to time, according to current needs, by executive notification. The import tariff rate is fixed at Rs. 3 per lb. But the immediate effective rates vary from Re. 1-4 to Rs. 2 per lb., depending on the quality of the yarns. Thus, they work out to Re. 1-4 for yarns above 100 deniers, Re. 1-7 for 75 to 100 denier yarns and Rs. 2 for yarns below 75 deniers. As a result of the upward revision in import duties, the annual yield of revenue is estimated at Rs. 160 lakhs. Hitherto, imports of art silk yarn were subjected to an *ad valorem* duty of 36¼ per cent. or As. 7-3 per lb., whichever was higher.

Following higher import duties, a corresponding change has been effected on the excise side. A central excise duty is levied on art silk yarn produced in the country. The Finance Minister has justified the levy on the ground that, with the protection afforded by a high duty on imported yarn, the restrictions on imports and the increasing demand, the indigenous producers of yarn have been making "substantial" profits. Even here, while a ceiling rate of Re. 1-8 per lb. is fixed, the effective rates (per lb.) are As. 4 for yarns above 100 deniers, As. 6 for yarns of 75 to 100 deniers and As. 8 for yarns below 75 deniers. The effective rates, it is said, generally maintain the measure of protection enjoyed by the indigenous products against the imported products.

An excise duty of As. 2 per lb. is also levied on staple fibre and staple fibre yarn manufactured in India. The imports of these are subjected to a duty of As. 2 for fibre, in addition to 25 per cent. *ad valorem*, and Re. 1-4 for yarn.

EXPORTS OF HANDLOOM CLOTH

U. S. EXPERTS' VIEWS

WHILE the ability of the handloom sector of the cotton textile industry to meet, to any significant extent, the expansion in the clothing requirements of the country in the coming years is very highly doubtful, there is no denying the fact that it can play a useful role as an earner of foreign exchange. Exports of handloom fabrics are now fetching about Rs. 8-9 crores per annum, the quantum of exports being at the rate of 60 million yards. This earnings can be greatly improved, if energetic steps are taken, on the one hand, to manufacture quality fabrics at an economic cost and, on the other, to remove the handicaps in the way of export trade. Viewed thus, the initiative taken by the Government of India in requesting the U.S. Ford Foundation to send a team of experts to India for exploring the possibilities of augmenting exports of Indian handloom fabrics to the U.S. must be widely welcomed. It is gratifying that, in response to this request, the Ford Foundation has sent a three-member team, consisting of Mr. Boris Kroll, textile designer and manufacturer, Miss Bonnie Cashin, fashion designer, and Mr. Robert A. Hickerson, textile engineer and silk expert.

The team recently completed a two-month intensive tour of the important handloom weaving centres in India. It also had discussions with the senior officials of the Union Ministry of Commerce and Consumer Industries. The team has already submitted some of its main conclusions to the Government. These are said to take an optimistic view of the prospects for promoting exports of Indian handloom fabrics to the U.S. Incidentally, it will be interesting to note that, on an average, every 100 yards of fabrics shipped to the U.S. will earn for the country $30.

Large Export Potential

The U.S. handloom survey team is of the view that India has a large export potential for its handloom fabrics. Among these fabrics—considered by the team as the most beautiful in the world—are many varieties which are of special interest to the American market. They include cotton fabrics with dobbie attachments as in the Madras area, sheer cottons with woven patterns, inlay and isolated motifs, fabrics in distinctive plaids, checks and stripes, towellings, printed handloom cottons, and home furnishing fabrics. With regard to handloom silks, the team says that mulberry, spun and printed silks, tussars, Bangalore silk, fabrics with gold and silver borders and brocaded inlay patterns are liked by American consumers. There is also said to be a demand for other fabrics such as mixed and woollen fabrics and certain special products like patola and tie-and-dye fabrics.

In order to stimulate the offtake of the aforesaid varieties of Indian handloom products by the U.S., the handloom survey team has put forward five specific measures. First, standards of quality should be improved, starting with the dyeing of yarn and continuing through control of production, finishing and export packaging. Secondly, the standard of production quality and export inspection must be such as to make India's handloom fabrics fully comparable in quality standardisation with the output of the leading textile producing centres of the world. Thirdly, the raw materials used in the handloom fabrics and the dyes used to process the raw materials should be of the highest quality. Fourthly, the yarn used for weaving cloth must be not only calmed but also mercerised and gassed. Finally, the length of the fabrics must be not less than 40 yards and preferably 60 yards, with width standardised.

The team has also suggested an organisational set-up designed to achieve quality improvement and standardisation required for the American market, so that the required type of fabrics can be produced in India and marketed in the U.S. It has proposed the establishment of a Handloom Export Service Corporation as a Government agency for organising production as well as marketing for export. The proposed Corporation should, it is said, organise production for export in five centres, including Madras and Coimbatore, and, for marketing, open an agency in the U.S. This proposal is reported to have appealed to many handloom interests which feel that the task of promoting handloom exports will be competently undertaken only by those who have an intimate knowledge of the export trade.

GROWING FEAR OF SHORTAGE OF COTTON SUPPLIES

EUROPEAN COMMON MARKET WELCOMED

From A Special Correspondent

MANCHESTER, *27th November*

MANCHESTER LETTER

WHILE buyers of cotton yarn and cloth are keen to put down further contracts, even on current extended delivery terms, the fear that a shortage of raw material supplies may hamper the ability of spinners in Lancashire to provide the goods is steadily growing. Alarming reports are being circulated as to the quantity of cotton which is available for immediate use, while the interruptions in the flow of supplies from more than one source are sufficient to cause considerable forebodings.

Not only is the Middle East situation a constant threat to the delivery of an adequate volume of long-staple cotton but the recent dock strike in the United States has shown the vulnerability of our local industry in this respect. The emphasis on supplies has within the past season shifted so noticeably to American cotton that any prolonged interference with shipping would offer almost insuperable obstacles to Lancashire spinners.

It has been suggested that present stocks are only capable of meeting the requirements of the mills for a matter of weeks and that a system of rationing might have to be introduced if the threat to the flow of American supplies continued. Private importing of cotton for spot sales in Liverpool and Manchester has for various reasons not been the success which its sponsors had hoped for since the revival of futures trading in 1954. Had it not been for the supplies built up by the minority of large Anglo-American firms, practically no cotton would be available for immediate sale in this country.

Competitive Sales Success

Whatever measures are needed to deal with the existing difficulty, it is becoming increasingly clear that the American Administration's policy of selling on a competitive bid basis has been wholly justified. Much interest was taken in the last sale a fortnight ago when a further quantity of 422,522 bales was sold at increased prices. The fact that buyers were prepared to pay the higher rates was regarded as yet another success for the Department of Agriculture.

Total sales under the scheme have now reached 5,650,900 bales, whereas prior to its inception the authorities were talking in terms of disposing of up to 5,000,000 bales in this way. As a result the cotton situation in the United States is now more promising than at any time for the past five seasons. The assurance of much heavier exports means that consumption should exceed current output, thus reducing the season's carryover.

Even greater importance is attached to the likelihood of more vigorous control of cotton acreage next season under the provisions of the soil bank. Although the national acreage allotment for 1957 is slightly higher than for the current year, it is believed that a further substantial reduction in cotton acreage will be recorded. The funds for the soil bank programme provide for 215,000,000 dollars as cotton's share and this would be sufficient at the present rate of 15 cents per lb. to remove between 3,000,000 and 5,000,000 acres from cotton production next season.

Euromart Plan

An indication of the likely effect of the participation of textile industries in the proposed European Common Market has been given by Mr. William T. Winterbottom, newly elected President of the International Federation of Cotton and Allied Textile Industries. Mr. Winterbottom is a former President of the British Federation of Master Cotton Spinners' Associations, Ltd., Chairman of the Rayon Staple Spinners' and Doublers' Association, President of the Textile Institute and a member of the Cotton Board.

In a statement made in his new capacity, he declared that the establishment of the common market would stimulate competition and inevitably accelerate the process of increasing efficiency in the textile industries of all the countries in the plan. "What is being proposed must lead to the greatest single domestic market in the world," he added, "a market 50 per cent. as big again as the American domestic market. It would offer wonderful opportunities to the skills of textile traders and no one would shun such an attractive proposition because of extreme competition."

The International Federation, he contended, was particularly fitted to ensure that competition was fair and that certain trading practices which could endanger the common market were not allowed to develop.

Mr. Winterbottom pointed out that the present difficulties facing European textile interests had mainly been caused by increased competition from newly developing textile industries outside Europe. The European countries would be in a much better position to meet this competition if they were united in a common market.

In the long run, the future of the cotton and allied textile industries of the world could only be secured by an increase in consumption of textiles in general. Experience was proving that the application of modern techniques of market research and sales promotion allied to intensive efforts to improve style and design could stimulate demand and develop new outlets.

Output Comparisons

Much interest will be taken in the statistics issued over the next few months reflecting the current phase of activity in textile trading in Lancashire. For so long it has been a case of observing the contraction of the industry that a move in the other direction will be witnessed with considerable pleasure.

Even prior to the pronounced improvement in demand which has lately been noticeable there were signs that the ground was being prepared for a change of scene. The revival in cloth production in September, for example, was more marked than in the same period a year previously and output during the summer holiday months compared favourably with the 1955 level. The following table shows the comparative position, as to manpower and production over the past 12 months:

	Cloth production (weekly averages in 000 linear yards)		Manpower (in spinning, doubling and weaving)	
	1955	1954	1955	1954
October	49,300	58,170	257,810	287,070
November	48,690	57,920	257,690	287,690
December	43,350	50,170	256,080	286,460
	1956	1955	1956	1955
January	47,370	53,690	256,580	287,490
February	46,930	55,630	256,820	284,320
March	46,340	54,520	253,280	279,970
April	46,440	48,320	251,880	275,740
May	45,440	53,220	250,180	271,670
June	48,070	48,360	247,900	267,350
July	32,520	29,040	245,780	262,920
August	39,880	44,090	244,700	260,560
September	43,310	44,480	243,320	258,950

Considering the labour losses which have persisted for the past two years, the fall in output has not been as severe as might have been expected. It should be recalled, however, that weekly average production of cloth in 1954 was well in excess of 50,000,000 yards but manpower has shrunk by over 40,000.

Straws in the wind they may be, but the latest recruitment figures in spinning show a turn of the tide, however small. For the past eight weeks net gains aggregating over 1,100 have been recorded and the drift of labour has for the moment been halted.

Export Improvement

The fact that October this year contained a larger number of working days than is usual explains to some extent the rather more favourable export returns which have now been published by the Board of Trade. Earnings from cotton goods at £8,486,309 were, in fact, the highest in any month since August 1955.

In the 10 months to the end of October, shipments of cotton piecegoods amounted to 391,366,000 square yards, as compared with 468,151,000 square yards a year ago, the respective values being £50,552,005 and £59,764,872. Cotton yarn exports in the same period were 29,751,488 lbs., as against 29,158,752 lbs., earnings being £12,442,118 and £12,275,621.

October cloth exports at 43,046,000 square yards were the highest since November last year but the aggregate total for 1956 shows a decline of more than 150,000,000 yards in overseas trade compared with the situation two years previously. The most noticeable fall has been in shipments to Australia, which are 38,000,000 yards lower, while the British West African markets have suffered a drop of 30,000,000 yards. South Africa's takings are also 30,000,000 yards lower

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BREEDING EXTRA LONG-STAPLE COTTON

REMARKABLE PROGRESS MADE IN INDIA

ALTHOUGH, as a result of the vigorous drive to increase cotton production undertaken after Partition, India is now self-sufficient in respect of its requirements of short and medium staple cotton, the textile mills of the country continue to depend upon foreign countries for the supply of long-stapled cotton required for the production of fine and superfine cloth the demand for which is steadily increasing. Apart from the disadvantage of dependence on outside sources for raw materials, this also involves the using up of a considerable amount of foreign exchange urgently required for other more pressing needs. In the 1955-56 season, for instance, Indian mills consumed over 6 lakh bales of imported cotton valued at about Rs. 50 to Rs. 60 crores. This underlines the necessity for growing such types of cotton in India itself.

The authorities, however, are not blind to this imperative need for efforts were directed early enough towards evolving better varieties, in many cotton-growing States. In the Punjab, for instance, the Indian Central Cotton Committee and the Punjab Government jointly financed the breeding of varieties of cotton with mean fibre length of one inch and above. The work under the scheme is carried on in the Cotton Research Station, Abohar. It is concerned with a hybridisation programme under which crosses between different varieties of cotton are carried out. Although experiments for evolving new varieties were in existence for only seven years, much progress has been made in producing new varieties. Similar work is being carried on in Surat, Madras, and Mysore with encouraging results. As a result of all this work, during the last few years, there has been some increase in the production of desirable varieties of raw cotton. This has led to a considerable reduction in the percentage of foreign cotton in the total mill consumption of raw cotton, as will be seen from the following table:

(In thousand bales of 392 lbs. each)

	Indian cotton		Foreign cotton		Total
	Consumption	% to total	Consumption	% to total	
1951-52 ..	2,987	73.4	1,084	26.6	4,071
1952-53 ..	3,611	81.0	849	19.0	4,460
1953-54 ..	3,889	84.4	719	15.6	4,608
1954-55 ..	4,138	86.8	631	13.2	4,769
1955-56 ..	4,359	87.8	604	12.2	4,963

The consumption of Indian cotton increased from 2.9 million bales in 1951-52 to 4.3 million bales in 1955-56 whereas that of foreign cotton actually declined from 1.08 million bales to 600,000 bales in the same period. While the percentage of Indian cotton to total consumption increased from 73.4 in 1951-52 to 87.8, that of foreign cotton declined from 26.6 to 12.2. There is, however, still a gap of 600,000 bales of fine quality cotton which are definitely not produced in the country. Judging from the progress of breeding work, there is every possibility of making good the deficiency by at least 50 per cent. by indigenous production, provided the strains now under different stages of testing prove successful. A paper read at the Seventh Conference on Cotton Growing Problems, held recently at Chandigarh, sums up the progress made in the breeding of long-staple cotton.

Improved Strains

The paper notes that a notable achievement in regard to the isolation of superior long-staple strains of 1.1/16" and above has been recorded at Surat under the scheme for inter-specific hybridisation. Under this scheme, Asiatic types have been crossed with exotic varieties with a view to combining in the derivatives the desirable characteristics of both. The two outstanding varieties evolved and released for general cultivation as answering, to some extent, the requirements of mills for spinning fine yarns are 170-Co.2 and 134-Co.2M. A study of these cottons, from a technological point of view, revealed that though it possessed the desired staple length, it lacked in yarn strength as compared with East African cottons. Hence these cottons are being used only for yarns of lower counts than what their imported counterparts are used for. The extension of the area under such cottons has been remarkable, particularly in Gujerat, and today, without much propaganda, they are being cultivated over an area of 260,000 acres and are becoming increasingly popular. This region is expected to produce about 125,000 bales of longer-staple cotton.

Another improved strain, developed in Madras, has been M.C.U.2 which is a derivative from a hybrid between Cambodia, Uganda and Sea Island cottons and is suitable for cultivation in the summer season extending from March to August in the southern districts of Madras and the coastal districts of South Arcot. Mill tests have shown this variety to be suitable for spinning 36-38 counts. The area under this type of cotton, which was 4,000 acres in 1954-55, is gradually extending. In addition to the breeding of extra long-staple Cambodia cotton in Madras, attempts are also being made to investigate the possibility of acclimatising and economically growing the Sea Island cottons of the West Indies. Conditions conducive to the successful cultivation of the "Andrews" variety are also being studied to enable the cultivators to take to it readily. Experiments have indicated that, given proper manuring and plant protection, such types of cotton could give a highly remunerative yield. In 1954-55, "Andrew" produced 1,600 lbs. of *kapas* per acre when all the treatments were scientifically done. Experiments are being continued in the west coast for confirmation of the results already obtained.

Experiments for acclimatising Egyptian and Sea Island cottons have been in progress for some time now in Mysore. Two strains, Giza 12 and Giza 7, proved suitable under Mysore conditions, but the per-acre yield has been low. Work is in progress, however, to study the requirements for obtaining higher yields. If these experiments prove successful, there is a fair chance of increasing the area under Egyptian cotton in Mysore State to meet the requirements of mills for quality cottons of staple 1.1/16" to 1⅛".

Breeding in Punjab

As pointed out earlier, another area suitable for cultivating extra long-staple cotton is the Punjab, which, with the perennial irrigation facilities from the Bhakra Nangal Project, is certain to emerge as a leading producer of long-staple cotton. Attempts made so far in breeding superior strains are reported to have resulted in the evolution of a number of varieties of which LL-56 is definitely the best. Many of these strains are now in advanced stages of testing in the cultivators' field and will soon be released for general cultivation.

It would appear from the progress so far made that the prospect for evolving extra long-staple cottons of 1.1/16" to 1⅛" are promising. There is no reason why, with a little more effort, the imports of this type of cotton should not be replaced by indigenous production within a few years.

A word about the marketing of long-staple cotton. The best way of encouraging cultivators to grow long-staple cotton is to give them a price inducement and also to see that such cotton finds a ready market. This aspect needs to be emphasised since the experience of producers of long-staple cotton has been none too happy and we have referred to this in a previous issue. The Government's import policy leaves considerable room for stiff foreign competition and mills are inclined to carry on with imported styles rather than experiment with local growths. It is, therefore, necessary that the Government should take appropriate measures for ensuring a market which will greatly speed up the progress of cultivation of long-stapled varieties of cotton.

ALL-INDIA FIRST ESTIMATE OF COTTON

The first all-India estimates of cotton for the 1956-57 season, released by the Ministry of Food and Agriculture, places the area under the crop at 14.6 million acres, as compared with the adjusted first estimate of 13.1 million acres for the 1955-56 season, representing an increase of over 11 per cent. This estimate does not cover the entire area sown to cotton during the season. Past experience has shown that the area at the first estimate stage forms roughly 65 per cent. of the area under the crop finally reported. It relates generally to the period up to the end of July 1956. The condition of the crop till then was reported to be satisfactory, though in parts of Bombay, the crop was adversely affected by heavy and continuous rains and pest and insect infestations.

The overall increase in area during the current season has been shared by almost all the cotton-growing States and is particularly marked in Bombay, Saurashtra, Madhya Bharat, Punjab, Rajasthan and Madhya Pradesh. The increase in area has been attributed to favourable weather conditions at the sowing time and to developmental schemes undertaken under the Cotton Extension Schemes. The increase in acreage in these regions has, however, been offset to a small extent by a fall in Bhopal, Bihar, Andhra and Tripura.

Among the different varieties of cotton, the increase in area has occurred mostly in Americans, Dholleras, Jarilla (including Virnar), Bengals, and Southerns. A considerable decrease in acreage has, however, been reported in Oomras. Staple length-wise, major increases have been shared by medium and long-staple varieties, whereas, acreage under short-staple cotton registered a slight decline. The following table gives details relating to area in terms of trade description and staple length along with that of the first estimate of the previous season:

(In thousand acres)

	1956-57 (First Estimate)	1955-56 (Adjusted First Estimate)
Trade description:		
Bengals	865	745
Americans	2,473	1,953
Jarilla (including Virnar) ..	2,925	2,610
Verum	323	294
H. 420 (including Malini M5 A) ..	432	466
Oomras	2,089	2,326
Hyderabad Gaorani	1,140	1,044
Malvi	1,316	1,234
Broach-Vijay	1,046	1,013
Surti-Suyog	482	482
Dholleras	958	566
Southerns	499	388
Comillas	54	54
Total ..	14,602	13,175
Staple lengths:		
Long staple	4,520	3,954
Medium staple	6,855	5,919
Short staple	3,227	3,302
Total ..	14,602	13,175

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ROADS IN BOMBAY SUGAR FACTORY AREAS

CANE CESS FUND MUST BE UTILISED FOR THEIR DEVELOPMENT

IT was only two weeks ago that we reviewed in these columns the trends in sugar industry in the Bombay-Deccan region. Referring to the series of stresses and strains to which the industry has been subjected, we drew attention to the utter disregard of the Government of Bombay for improving roads in factory areas. Anyone who cares to visit these areas will fully appreciate the force of this contention. The roads are in the most deplorable condition. The work of improving and repairing them has been sadly neglected both by the State Government and by the District Local Boards. This neglect is very regrettable, because the sugar factories have been contributing to the exchequer every year a huge amount of revenue by way of sugarcane cess. The cess is paid on all cane which enters the premises of the factory, irrespective of whether it is purchased by them or grown by them on land that they own. The contribution has been steadily increasing year after year. During the last crushing season (1955-56), the sugar mills paid a total cess of about Rs. 87.00 lakhs, as against Rs. 74.30 lakhs in the previous season and Rs. 53.85 lakhs in the season preceding it. In addition to cane cess, the sugar factories have been paying several lakhs of rupees to the District Local Boards by way of local fund cess on irrigation water, factory water and land cess.

Not a single rupee out of the aforesaid amounts is being spent on the improvement, construction and development of roads in sugar factory areas. On the contrary, the factories, it is alleged, are frequently approached by villagers through the revenue officers, and sometimes direct by the officials, with requests for contribution of funds or materials for the development of roads in factory areas. The Deccan Sugar Factories Association has already brought this to the notice of the Government. In the course of a communication addressed recently to the Secretary, Revenue Department, the Association observed: "When revenue officers like *mamlatdars* personally approach the factory management for such contributions, the member-factories find themselves placed in a very difficult and awkward situation, since a refusal to contribute, however justified such refusal may be, invariably brings the displeasure of these official dignitaries with whom the factory personnel have to deal almost every day in the course of routine work." The Association accordingly requested the Government to issue instructions to the revenue officers not to approach the member-factories for further contributions in money or materials for the purpose of road development. It also urged the Government that the improvement, construction and development of roads in factory areas and of approach roads to the factories should be carried out from the amounts recovered by the sugar mills by way of cane cess and local fund cess.

There is considerable force in the contention of the Association. It is no doubt gratifying that the Government of Bombay has issued instructions to the District Local Boards at Ahmednagar, Nasik, Poona, North Satara and Sholapur, in which the sugar factories are mostly situated, to use one-third of the net proceeds of the local fund cess towards improvements of communications in the irrigated tracts of their respective districts covering the sugar factories. But the amount of one-third of the net proceeds is too small to meet the enormous needs of improvements of roads in the irrigated areas, including those where the sugar factories are situated. It is, therefore, essential that this amount should be supplemented by allotments from the Sugarcane Cess Fund.

The Government of Bombay, however, says that "under Section 11 of the Bombay Sugarcane Cess Act, 1948, it is not permissible to utilise the amounts in Sugarcane Cess Fund for objects other than those mentioned therein." This excuse is, to say the least, a lame one. A mere lacuna in the Act need not stand in the way of the Fund's proceeds being utilised for more useful purposes. When the Government can amend legislative enactments to suit its convenience, there is no reason why it should not amend the Act in such a way as to permit the Fund to be utilised for development of roads in sugar factory areas.

Although this suggestion has been put forward by the sugar millowners on more than one occasion, it is unfortunate that the Government of Bombay has not so far responded to it. Considering the urgent necessity of good road communications in the rural area where the sugar mills are situated, the Government will do well to implement the suggestion without delay. Otherwise, the sugar mills will be considerably handicapped as a result of lack of adequate and regular flow of cane supplies from the growing areas.

Improvement of rural roads is of the utmost importance in the present context when the sugar industry has launched upon a scheme for augmenting the rated capacity (on the basis of an average crushing season of 120 days and a recovery of 10 per cent.) by as much as 228,000 tons, that is, from 157,800 tons in 1955-56 to 385,800 tons in 1960-61. On this basis and taking the average number of crushing days at 150 days, and the average of sugar in cane at 11.70 per cent., the actual annual rate of sugar output at the end of five years may be estimated at 560,000 tons. Assuming that the average recovery of sugar in cane is 11.70 per cent., the aggregate quantity of cane that will be crushed by the mills works out to 4.78 million tons, an increase of 3.04 million tons over the quantum crushed in 1955-56. If the whole of this increased supply of cane is to be transported smoothly without any deterioration in quality on the way, the roads in factory areas must be improved and developed.

SUGAR STATISTICS

With the release of the official figures relating to sugar production, despatches and stocks during the last fortnight of the 1955-56 season—that is, the fortnight ended 30th October 1956—the final assessment of the sugar supply position in this season as compared with 1954-55 is as follows:

(In thousand tons)

	1955-56	1954-55
Opening stocks	561*	68
Production	1,860	1,590
Imports	55†	600
Total supplies ..	2,476	2,258
Despatches of indigenous sugar	1,748	1,217
Imported sugar consumed	171	480
Total estimated consumption of sugar ..	1,919	1,697
Per capita consumption (in lbs.)	11.22	10.03
Closing stocks (as on 31st October)	557	561
Of which		
Indigenous sugar	553	441
Imported sugar	4	120

* Including 120,000 tons of imported sugar.
† Contracted for during 1954-55.

Out of the closing stocks of 542,183 tons with the sugar mills as on 31st October 1956, Uttar Pradesh alone accounted for over 30 per cent.—283,832 tons, to be precise. The mills in Bihar and Bombay held 105,239 tons and 52,303 tons, respectively. The closing stocks of sugar—in tons—with mills in other States were: Hyderabad 21,998; Andhra 20,819; Mysore 15,111; Madras 12,441; Madhya Bharat 7,769; Punjab 6,568; Travancore-Cochin 4,045; Rajasthan 3,759; P.E.P.S.U. 3,040; West Bengal 2,561; Bhopal 1,868; Orissa 768; Ajmer 62.

Most of the sugar factories in West Uttar Pradesh and Bombay are reported to have begun crushing operations. The production and despatches of sugar up to 15th November 1956 in the current season amounted to 42,000 tons and 63,000 tons, as against 34,000 tons and 64,000 tons, respectively, in the corresponding period of the last year. The stocks with the factories as on 15th November 1956 stood at 503,000 tons, as compared with 381,000 tons last year.

SUGAR IN MYSORE

The Union Government has granted permission for the setting up of five co-operative sugar mills in Mysore State. The work on three units has already started. These are located at Kampli in Bellary district, Pandavapura in Mandhya district and Sankeswar in Bombay Karnatak. The State Government has not yet decided on the location of the remaining two mills. There are, it is said, demands from many areas for the establishment of a sugar factory. The Government is considering the demands and will allow the factories to be set up at places where the necessary share capital can be raised by the people.

The capital outlay on a sugar factory is estimated at Rs. 60-65 lakhs. The cane growers and the State Government will each contribute Rs. 10 lakhs as share capital. The Central Government will give Rs. 40 lakhs.

SUGAR IN ENLARGED BOMBAY STATE

The size of the sugar industry in the Bombay State remains practically unchanged, despite the creation of a bigger bilingual Bombay State. There has been an addition of only one factory—the Bhavnagar Sugar Mills Ltd., Saurashtra—to the list of 15 units already existing. The aggregate annual rated capacity of the industry now stands at 236,925 tons (white sugar), as against 229,905 tons before. This estimate is based on three assumptions. First, the sugar mills are together capable of crushing 13,500 tons of cane every day (13,150 tons before). Secondly, the average duration of the crushing season is 150 days. Thirdly, the average recovery per cent. of sugar in cane is 11.70 (1955-56).

With regard to sugarcane, the total area sown to cane cultivation in the enlarged Bombay State is 220,000 acres (on the basis of final estimates for 1955-56), a rise of 22,000 acres as compared with the erstwhile Bombay State. The total yield of cane amounts to 5,520,000 tons, the figure for the former State being 5,116,000 tons.

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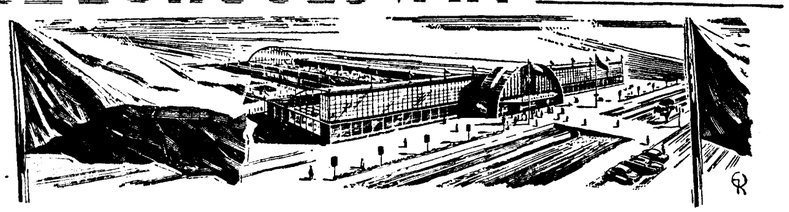

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RAISING COAL OUTPUT

PROBLEMS FACING PRIVATE SECTOR

AS was stated in our issue of 24th November 1956, the private sector of the coal industry has decided to go ahead with the implementation of the programme to attain the target of additional production fixed for it under the second Five-year Plan, following the discussions the colliery owners had with the Coal Controller. Though some of the collieries are, as was pointed out then, apprehensive about the possibility of achieving the target of 10 million tons per annum, due to excessive restrictions, the industry as a whole would appear to be optimistic of achieving even a substantially larger target. In fact, the collieries in the private sector had already submitted plans to the Government for raising the annual output by as much as 30 million tons, as against 10 millions allotted under the Plan.

The colliery owners' plans for raising the output by 30 million tons did not obviously find favour with the Government, as that would mean an upward revision of the target of 60 million tons set for the industry as a whole, even if the public sector were to give up its idea of raising its share of coal production from the present level of 4.5 million tons. Secondly, the lack of adequate transport facilities, on which the progress of the coal industry depends, seems to have been another reason for the Government's action in fixing the target for the private sector at 10 million tons, as against 30 million tons asked for. The private sector, however, feels that, if for any reason, the public sector is not able to attain its target of additional output of 12 million tons, or the total additional requirements of the country exceed 22 million tons estimated under the Plan in 1960-61, the private collieries should be allowed to make good the shortfall. It is not that the public sector will not be able to attain the additional production of 12 million tons, but the private sector is of the view that it will be able to produce the same additional quantity at about one-third the cost which the public sector will be spending for hitting the target. It is explained by some that the larger capital investment by the public sector is due to its having to open new mines, whereas the private collieries propose only to develop their existing mines. We do not know to what extent this explanation holds good. It is for the private sector in the coal industry to answer this contention.

No Easy Task

The readiness of the private sector to reach a bigger target does not necessarily mean that the task before the private collieries in achieving even the target allotted is an easy one and that all the talks of handicaps confronting the industry mentioned in these columns from time to time were either incorrect or exaggeration. Far from it. The point that we wish to make here is that, given a favourable climate and adequate transport facilities, the private sector could achieve a higher target of production than the one now allotted to it and at a far cheaper capital cost than could be arranged by the public sector.

The main difficulties to be overcome by the industry are three: (1) the difficulty in getting the necessary finances, (2) the inadequacy of transport facilities, and (3) the shortage of cement and sand. As regards finances, the industry's internal resources are, as is well known, very much limited. So also its capacity to raise additional capital. In recent years, the coal industry's profit margin has been much lower than that of all the industries taken together. Thus, according to a recent study of capital issues in the private sector by the Reserve Bank of India, the ratio of profit after tax to the net worth (paid-up capital *plus* reserves) of the coal industry for the four years 1950-53 was 6.6 per cent., as compared with 7.3 per cent. for all industries. This means that the scope for a higher return on investments in industries other than coal is better than in the coal industry. That being so, how will the collieries be in a position to attract fresh capital? It is, therefore, rightly contended that the industry will find it pretty difficult to raise fresh capital for financing its expansion. Some of the old and established companies owning large mines may not find it as difficult as the others to raise the additional finances necessary. But these are not many.

The second problem is one of transport. As it is, it is stated that about 10 per cent. of the raisings lie accumulated at pit-heads for want of adequate transport. In order to mobilise the available wagons and increase loadings, the railways have recently suggested to the collieries a scheme involving a change in the coal pilot working. This scheme will facilitate a reduction in the idle wagons hours and thereby release wagons as quickly as possible after loading and unloading. It is pointed out in colliery circles that a considerable part of a wagon's time is wasted at railway stations and yards and the railway authorities, on their part, should also see that the idle wagon hours are reduced on their lines and yards.

The shortage of cement required by collieries for safety purposes and construction work is said to be a serious handicap to the coal industry. According to one estimate, the collieries received in 1955 hardly 23 per cent. of the quantity applied for. In the first quarter of the current year, the quantity supplied is said to be less than 1.5 per cent. of the demand.

The problem of supplying sand for stowing is by no means a small one. In fact, it bids fair to become more acute. For, with the construction of the Mython and Panchet dams of the Damodar Valley Corporation, it is feared the supplies of sand to the Dishergarh group of collieries, which produce high grade coal, will be seriously affected.

KOTA COALFIELD

The U.P. Government is reported to have asked the Central Government for transport facilities to exploit the Kota coalfield in Mirzapur District of the U.P. The Kota coalfield is one of those in which detailed geological investigations are proposed to be undertaken by the Geological Survey and the Bureau of Mines, Government of India, for purposes of qualitative and quantitative assessment. A preliminary survey of this coalfield has already been made by the Geological Survey. According to experts, it is estimated to contain a coal reserve of 2,000,000 tons and, worked as a second class one with a daily output of 100 tons, it would last for over 30 years with a recovery of about 65 per cent. of the reserve.

One of the handicaps in the development of the Kota coalfield is its situation far away from the rail head. The Central Government proposes to connect the Pipri-Gharham road by railway. If this proposal materialises, then the nearest rail head will be Pipri, about 20 miles from the coalfield. The U.P. Government is pressing the Government of India to implement this proposal as early as possible, so that the Kota coalfield might be exploited, thus making U.P. less dependent for its supply of coal on Bihar.

AMALGAMATION OF SMALL COAL MINES

The Government of India is considering the question of bringing forward legislation to compel small colliery owners to amalgamate their undertakings in order to enable them to function as an integrated economic unit. This was disclosed by Mr. Satish Chandra, Deputy Minister for Production, Government of India, in the course of the debate in the Lok Sabha on a non-official resolution moved by a Communist member on 30th November. The Government's proposal is in accordance with the recommendations of the Amalgamation Committee set up by the Government in November 1955 under the chairmanship of Mr. Balwantrai Mehta, M.P. The report of the Committee is yet to be published.

Speaking on the demand for nationalisation, the Deputy Minister ruled out complete nationalisation of collieries on the ground that it was not a practical proposition. He reiterated the Government's policy of running new coal mines itself and offering encouragement to existing private collieries to increase their production.

The resolution was rejected by the House.

Two Netherland firms of The Hague have founded a company for the study and planning of pipeline projects in Western Europe. The object of the company is to advise on projects concerning the laying and running of pipelines for the transport of petroleum and petroleum products in Western Europe and for making studies of and preparations for such projects. The Bechtel Corporation, an American undertaking of constructors and contractors, has already been commissioned by the company to investigate the technical and economic potentialities of constructing a trans-European pipeline system.

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TEA PRICES RISE SHARPLY

EXPORT DUTY STEPPED UP

THE Government of India has decided to levy export duty at As. 8 per lb. on tea during the current month, thus raising it from As. 6 per lb. levied for the month of November. In fixing the duty at As. 8 per lb., the Government has made a departure, to the relief of the industry, from the practice of levying the export duty strictly according to the slab system of export duty, as modified in the last budget. Under this system, the export duty for the price range from Rs. 2-8 to Rs. 4 per lb. is As. 6 per lb. and from Rs. 4 to Rs. 4-12 As. 10 per lb. If the price exceeds Rs. 4-12 per lb., the export duty will be As. 12. The normal duty leviable for the current month is As. 10 per lb., if not As. 12 per lb., on account of the further sharp rise in tea prices during November.

It will be recalled that an export duty of As. 10 per lb. was leviable for November itself, but the Government, in deference to the representations of the industry and trade, did not raise it from As. 6 per lb. levied for October last. It agreed to forgo a small return to the Treasury, thereby providing the much needed relief to the common tea producer. A section of the trade expressed the hope that the export duty would be retained at As. 6 per lb. in the coming months, so that the export of Indian common tea could be broadened. To this section, the Government's decision to raise the duty to As. 8 must have come as a disappointment. The Government's action in stepping up the duty by only As. 2 and not by As. 4 or As. 6, according to its schedule, is an indication of its desire to mop up only a part of the gain in prices during November, leaving the other part to be retained by the industry.

What is again noteworthy in the Government's announcement is the absence of any indication of the "world" price which it has fixed for the purpose of levying the export duty. It is not known whether the Government has taken the weighted average of the London auction prices as the "world" price, or has taken into account the prices in the Calcutta and Cochin export auctions, as has been urged by the industry. The Government's action in not announcing the price or sticking to the slab system leaves the industry and trade guessing what the export duty for the next month will be.

Gap Narrowed

During the month of November, tea prices in all the principal auction centres displayed a hardening trend. A feature of the sales during the past few weeks is the sharp rise in prices of cheaper teas, on account of the increased demand for these varieties, thus narrowing the gap between the high quality teas and plain teas. In London, the official price of Indian plain tea rose from 3*s.* 9½*d.* per lb. at the end of October to a high of 5*s.* 8½*d.* per lb. in the third week of November. It was generally expected that the price would go up further in the final auction of the month. This expectation did not materialise; on the contrary, there was a slight recession in the auction held on 28th November, Indian common tea fetching 5*s.* 4*d.* per lb. This easier trend is attributed to the smaller demand for clean plain broken pekoes and low medium brokens. Moreover, Continental buyers were less active than in the previous weeks. Nevertheless, the latest price represents a sharp rise over the October-end price, as well as that (3*s.* 9*d.*) at the end of November 1955.

In Calcutta, too, the export sales during November witnessed very strong and excited general demand, resulting in a hardening of prices all round, as is borne out by the following table:

	Sale 23	Sale 22	Sale 21	Sale 19
	26-11-1956	19-11-1956	12-11-1956	29-10-1956
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean B.P.	2 6 0 to 2 7 0	2 6 0	2 4 0 to 2 5 0	2 1 0
Plain B.P.	2 5 0 to 2 6 0	2 2 0 to 2 3 0	2 0 0 to 2 1 0	1 13 0 to 1 13 6
Medium Assam B.P. ..	2 6 0 to 2 8 0	2 6 0 to 2 7 0	2 4 0 to 2 5 0	2 1 0 to 2 2 0
Best C.T.C. Assam B.P.	3 0 0 to 3 2 0	3 2 0	3 2 0 to 3 4 0	3 0 0

It will be noted here also that the common and plain broken pekoes recorded a sharper rise than the high quality teas, thus narrowing the price gap between the two, consequent on the good demand for the lower quality teas.

Following the rise in auction prices, the increase in retail prices of teas in Britain is almost a certainty. In fact, the Tea Trade Committee announced a few days ago that "there is little doubt that, with the higher prices now obtaining in world markets, there will have to be an increase in the retail prices of some teas." One of the leading blenders of London, Messrs. J. Lyons & Co., has already announced that its teas, at present costing 6*s.* 4*d.* per lb. and upwards, will go up by 4*d.* per lb. shortly, but the cheaper blends will remain unchanged.

The Committee, however, described the rumours that tea would be rationed as entirely unfounded; for, according to it, the stock situation in Britain does not warrant such a step. It described the stock position as good. Supplies landed and afloat are placed at the equivalent of 16 weeks' consumption, a level said to be normal for this time of the year. The Committee added: "Furthermore, 22 ships are loading with tea at this moment, 13 in Calcutta, 5 in Colombo and 4 in Cochin. More tea is known to be coming from Chittagong, East Africa and other sources. Tea is moving satisfactorily from the plantations to the ports." On 16th November, tea stocks in warehouses in Britain were estimated at 96.25 million lbs. and stocks entered for customs, but not yet in warehouses, amounted to 14 million lbs. In addition, a large quantity, estimated at 52.5 million lbs., was afloat.

Additional Supplies

The diversion of ships via the Cape and the consequent pressure on spot supplies was the main cause for the sharp rise in prices, particularly those of plain varieties. It will be a few weeks before additional supplies mentioned above become available in Britain and, when the stock position improves, prices will tend to recede, unless there is a perceptible expansion in demand.

The following table shows the latest crop position of the main producing countries, as compared with that in the previous two years:

(In million lbs.)

	1956	1955	1954
North-east India—April-October	486.6	459.0	450.5
South India—January-September	91.2	96.2	95.3
Pakistan—April-October	45.1	41.1	45.8
Ceylon—January-October	301.1	318.6	301.3
Indonesia—January-August	59.6	63.7	66.4
Total ..	983.6	978.6	959.3

The strong demand for tea from foreign countries in the recent export auctions in Calcutta is not without its own problem. The tea gardens are said to be running short of export quotas and, as a result, there has been a scramble for export quota rights, in order to avail of the present favourable prices in export markets. The price of export quota rights touched last week a high of As. 8 per lb., having gone up from As. 3-4 in the preceding week and As. 2 at the end of September. It is felt in market circles that the quota releases are not enough, the releases so far announced by the Government being no more than 50 per cent. of the best crop basis of estates. These are equivalent to 346 million lbs. The North Indian tea crop so far amounts to 486.6 million lbs. and for the whole year it is estimated at 540 million lbs. The South Indian crop which now stands at 91.2 million lbs. is expected to be 125 million lbs. for the whole year. As against these, trade circles estimate the internal consumption at about 200 million lbs., thus leaving a surplus of 465 million lbs. for export out of the 1956 crop, as against which the Government has so far released 346 million lbs. The Government would appear to be unwilling to release a larger quota, in order to ensure that domestic supplies are not depleted. It, however, remains to be seen whether the estimated crop for the year will be realised in view of the crop regulation scheme which was brought into force last month. The Government can, therefore, be expected to announce its decision on further releases only after the November crop figure is available.

UNAUTHORISED TEA PLANTINGS

The Tea Board announced on 30th November 1956 with the approval of Government of India, that no immunity against prosecution will be available in respect of any unauthorised plantings carried out after 31st March 1957. Any person found to have planted tea on land not planted with tea after that date without a valid permit from the Board will be liable to be prosecuted under the law, the Board stated.

E. PAKISTAN'S JUTE INDUSTRY

EXPANSION IN ACREAGE AND SALES PLANNED

THE closure of the Suez Canal has hit Pakistan's economy hard, but the full impact of it is expected to be felt only after a few months. An idea of the possible damage to the country can be gauged from the fact that about 70 per cent. of its imports and 40 per cent. of its exports pass through the Suez Canal. The jute industry, which is an expanding source of dollar earnings, is one of the victims of this development. Large quantities of jute and jute goods, which Western countries have contracted to buy, await shipment, due to lack of shipping space. No doubt, the buyers have given assurances to lift the goods purchased, but the main worry of shippers is the delay in the movement of goods and the consequent financial difficulties. Meanwhile, there has also been a rise in price of raw jute.

This unforeseen development has not, however, deterred Pakistan from going ahead with its plan to exploit its potentialities for increasing its foreign exchange earnings through the export of raw jute. The first step in this direction is to increase the jute acreage during the next season so as to yield 500,000 bales over and above the present production of six million bales. A recommendation to this effect was made to the East Pakistan Government by the Jute Advisory Board at its meeting held last week. The Board based its recommendation on the belief that the world demand for jute and jute goods next year will increase to seven million bales. It may be noted, in this connection, that the second official estimate of jute crop for the season 1956-57 is 5.5 to 6 million bales. This, along with about 200,000 bales brought forward from the previous season, is expected to be enough for meeting the world demand for raw jute from Pakistan, after satisfying the internal requirements. At present, Pakistan's domestic annual consumption of raw jute is of the order of 1 million bales. With the contemplated increase in capacity from 6,000 looms to 9,000 looms during the next financial year, the consumption is likely to go up to two million bales and even more, if the mills work more than one shift per day.

Acreage and Output

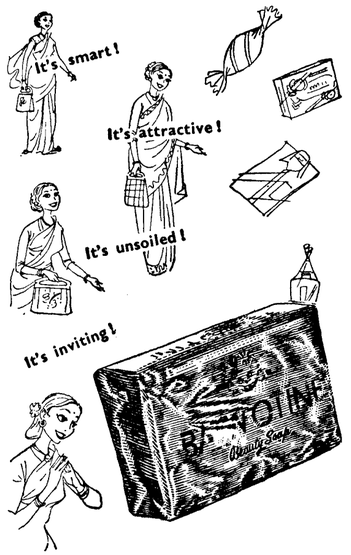
It will be interesting to note here that the acreage under jute and output have, during the last seven years, not shown a steady trend, as will be borne out by the following table:

(Area in million acres; production in million bales)

Year	*Area*	*Production*
1948-49	1.88	5.48
1949-50	1.56	3.33
1950-51	1.25	4.45
1951-52	1.78	6.33
1952-53	1.91	6.82
1953-54	0.97	3.61
1954-55	1.24	4.66
1955-56	1.20	5.59

With the increasing uses of substitutes, such as sisal, hemp and other fibres, Pakistan has begun to pay greater attention to technological research (in addition to increasing the output of jute). The chief aim of the research will be to improve its fibre strength and reduce its cost of production. As a result of the efforts of the Pakistan Central Jute Committee, a jute research institute has just been built at a cost of Rs. 25 lakhs. The Institute will be fully equipped to deal with all aspects of agricultural and technological problems, as also various mill processes. The technological research wing of the Institute is to undertake applied research, with particular emphasis on research which will reveal new and extended use of jute.

The East Pakistan Government is also contemplating sending out a team of officials and representatives of the raw jute and jute goods industry to Eastern countries, such as Indonesia, Burma, China, Australia and Japan to explore the possibility of building up markets for Pakistani jute and jute goods in those countries. Another plan, still under the consideration of the Government, is to purchase jute from the border areas during the next season, with a view to preventing its smuggling to India. The Plan, which is being prepared by the provincial jute department, is estimated to cost the Government about Rs. 1 crore.



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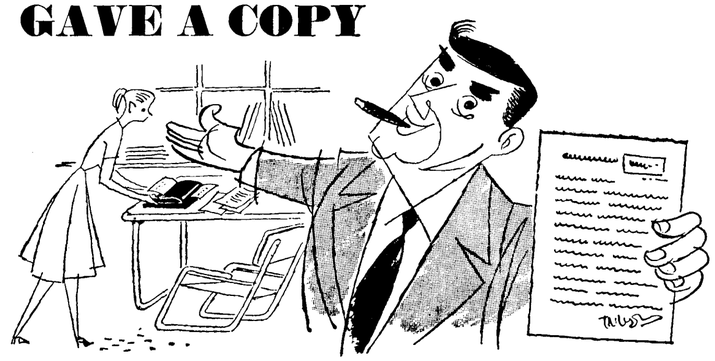

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PROGRESS OF ELECTRICAL GOODS INDUSTRY REVIEWED

WIDE GAP EXISTS IN SEVERAL LINES OF PRODUCTION

A COMPREHENSIVE review of the progress of the electrical goods industry was given by Mr. M. M. Shah, Union Minister for Heavy Industries, in the course of his address at the recent meeting of the Development Council for Heavy Electrical Industries, held in New Delhi. In the course of his review, Mr. Shah pointed out that, despite the immense progress that had been made by the industry, there was still great scope for improvement and expansion. He urged the representatives of the industry to bear in mind that the future of the industry was linked up with the progress of industrialisation in general and that of electrical energy supply, in particular. In this connection, he reminded them that the total installed capacity of power plants in the country, which was about 3.4 million kw. in March 1956, would go up shortly to 7 million kw. and even to about 8 to 9 million kw. by the end of the second Five-year Plan period.

Electrical goods manufacturing industry has made rapid progress in recent years. This will be clear from a perusal of figures relating to production of two important electrical goods, namely, transformers and motors. Between 1951 and 1955, the output of transformers increased from 194,000 k.v.a. to 564,700 k.v.a. and that of motors from 143,000 h.p. to 252,000 h.p.; production is now running at an annual rate of 854,000 k.v.a. and 340,000 h.p., respectively. The present targets for transformers and motors, to be reached before 1961, are 1.36 million k.v.a. and 600,000 h.p., respectively. It would appear that the authorities now feel that these targets should now be revised upwards to 1.5 million k.v.a. for transformers and 800,000 to one million h.p. for motors; this would imply an increase in capacity to 2 million k.v.a. and 1.25 million h.p., respectively.

Imports

For the plant and machinery required for power projects at present, according to Mr. Shah, the country is largely dependent on imports. Only a few items of medium and light electrical equipment such as transformers, small motors, conductors, wires and lamps are being manufactured in the country. Even here, the full needs are not met from indigenous sources. The annual imports of all categories of electrical equipment during the last two years or so were of the order of Rs. 30 crores per year, out of which heavy electrical equipment alone was of the order of Rs. 18 to Rs. 20 crores per year. On the basis of the long-term plan for electrical power development, the demand for heavy electrical power equipment will increase substantially.

It has, therefore, been decided that manufacturing capacity for heavy electrical equipment should be created in the country, and accordingly, the Government is setting up in the public sector a Heavy Electrical Equipment Plant in collaboration with the Associated Electrical Industries Ltd. of England, at a total capital cost of Rs. 25 crores when fully completed. The factory is to be located near Bhopal and is likely to go into production in 1960. Detailed plans of this factory have been drawn up and, according to the tentative project, the factory after completion will have the capacity for production of different items of electrical equipment with an aggregate annual turnover of about Rs. 8 crores. The revised programme of the factory envisages production of heavy electrical equipment to the extent of Rs. 20 to Rs. 25 crores per annum on a two-shift basis. The setting up of the Heavy Electrical Equipment Plant in the public sector, it is stated, does not exhaust the scope for progress in this field. In this connection, Mr. Shah observed: "In the light of increased activity envisaged during the second and the third Five-year Plans towards power generation and utilisation, I feel there is easily scope for at least one more unit of the size of the present H.E.P. Factory and it will be necessary to plan for this from now itself."

Although the production of motors and transformers has thus expanded considerably, India is still not producing larger ratings and certain special types in these lines of manufacture. India's programme for manufacture of machinery for the cement, sugar, tea and jute industries will call for motors of larger ratings while its chemical plants, fertiliser plants and refineries will need special purpose motors. There is also scope, Mr. Shah said, for the manufacture of fractional horse-power motors, flame-proof motors, variable speed motors, geared motors and motors with special operating characteristics, such as those required for sugar and textile mills and for operating heavy cranes. Similarly, India will require transformers of larger ratings which are now wholly imported. Further, the demand for special transformers, such as welding transformers, mining type transformers and instrument transformers is growing; their production falls far short of the demand for them. Mr. Shah felt that "it may be worthwhile for the well-established firms to consider concentrating more on the manufacture of transformers of larger ratings and for the new units that may be coming up to concentrate, in the initial stages, on the manufacture of transformers of the smaller ratings." Further, ancillary industries, such as valves, thermometers, protective equipment, breathers and gauges, should be developed, for the country is more or less exclusively dependent upon imports at present.

Cable Industry

Much significant progress has been made by the cable industry over the Five-year Plan period; the value of output has gone up from Rs. 4 crores to Rs. 11 crores. Nevertheless, substantial quantities of various types of cables and wires are being imported. During 1955, four units with an installed capacity of 10,370 tons produced about 8,000 tons of A.C.S.R. and all-aluminium conductors. During 1956 (January-September) five units with a capacity of 13,370 tons are estimated to have produced 10,000 tons of the A.C.S.R. and all-aluminium conductors. With greater emphasis on rural electrification and the use of A.C.S.R. and all-aluminium conductors, the demand for these articles is likely to increase further. Based on the present production and import, India's present estimated demand is of the order of 10,000 tons to 12,000 tons per year, which is estimated to go up to 20,000 tons per year by 1960-61. According to Mr. Shah, it is necessary to make sure that India's future requirements are met from indigenous production through careful planning. Units manufacturing these conductors should also plan for the manufacture of accessories required for these conductors because at present India is importing large quantities of such equipment. Manufacture of special types of accessories, such as bimetal clamps, armour rods and dampers should also be taken up.

The present level of production of V.I.R. and P.V.C. cables is of the order of 90 million yards and the import is of the order of 36 million yards per annum, which clearly shows that the gap has to be bridged even now. These cables being essential and being in the nature of consumer goods, it is necessary to have sufficient competition in order to make sure that these are made available in large quantities and good quality. Other lines of manufacture, for which there is good scope for progress, are paper-insulated power cables, winding wires and enamelled copper and paper-covered winding wires.

Switchgears

The pace of development in the sphere of switchgear and control gear manufacture, according to Mr. Shah, is "rather slow"; the bulk of the country's requirements are met through imports valued at about Rs. 7 crores. Only recently, increasing interest is being shown in this field. It is necessary that the developmental aspect of this industry should be carefully studied in order that the industry may be established on a proper footing. Switchgears of various types are required in very large numbers for the electrification schemes as well as for industrial development. The demand for the various types of switchgears for 1961 is likely to be of the order of Rs. 4 to 5 crores in respect of switchgears of the rating coming within the field of activity of the electrical goods industries. As regards the manufacture of motor control gear and domestic and industrial types of metal clad switches, the progress has been far from satisfactory. Much development work is required in this field and the Development Council should study the developmental aspects of this industry. "As most of you are aware," Mr. Shah said, "import policy for motor starters had to be liberalised, because indigenous production could not meet the demand, with the result that the prices of certain brands of starters increased by nearly 50 to 60 per cent." He added: "A similar state of affairs exists in the case of metal clad switches where there is a price increase of nearly 30 to 40 per cent. in recent months. It is very necessary, in the interest of the country's progress, that a proper and speedy development of these industries should be undertaken."

Insulating Materials

Mr. Shah urged the Council to bear in mind the development of ancillary industries, such as those manufacturing insulating materials and stampings and laminations. Most of the raw materials needed for the manufacture of insulating materials, such as mica and steatite, are available in India. Mr. Shah said: "I can assure you that the Goverment will give all assistance in this connection. Our paper mills should explore possibilities of manufacturing various types of insulating paper." As regards laminations and stampings, Mr. Shah said that, with the increase in production of transformers, motors and other electrical goods, the demand for them would increase considerably. He felt that, in order that there might be sufficient competition in regard to quality and price of these articles, it was necessary to have a few more units manufacturing these items. He added: "By establishing new units for this purpose, we can also take advantage of the latest techniques developed in other countries. Special mention may be made of the use of cold-rolled silicon steel sheets for the manufacture of transformers."

In conclusion, Mr. Shah stressed the importance of augmenting facilities for technical training and of quality and standards. He urged the industry to "come forward to train artisans, apprentices, operators, supervisors, foremen, linesmen, wiremen, overseers, sub-overseers and all categories of technical personnel in their factories." Emphasising the need for standardisation, Mr. Shah said that it made economical methods of production possible. He pointed out that the Indian Standards Institution had formulated standard specifications for various electrical goods and hoped that, when they were finalised, the industry would not hesitate to adopt them. Finally, he urged the industry to review periodically the prices of products and suggest steps to be taken "in order that the finished commodities are reasonably priced." It is to be hoped that the Council and the interests concerned will not ignore Mr. Shah's advice in regard to quality and prices. Since many sections of the industry enjoy tariff protection, it is necessary that they should see that the interests of consumers are amply safeguarded.

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ROURKELA STEEL PROJECT

The Government of India has found it more advantageous, according to reports from New Delhi, to dispense with the earlier arrangement under which the W. German firm, Krupps-Demag, was to participate in the capital structure of Hindustan Steel Ltd. which owns the Rourkela steel factory. Under the original agreement, the W. German firm was to be offered shares in the steel works upto a maximum of Rs. 10 crores. This arrangement was made, in order to enable the Government to pay for the plant and machinery supplied by the Krupps-Demag in instalments rather than by immediate payments. It would, however, appear that this arrangement did not turn out to be in India's favour. This was because the firm felt compelled to quote very high prices for goods it supplied under conditions of deferred payment, thanks to the high interest rates in W. Germany, as compared with the very low rates of interest prevailing in India. This would have resulted in India paying as much as 12 per cent. simple interest, as against 4 per cent. in this country. But, when the Government of India asked for quotations under conditions of immediate payment, the prices, it is stated, were promptly reduced by Krupps-Demag and other W. German firms. These have now been accepted by the Government of India and orders placed for various equipment. Since there is no question of deferred payments, the participation of the W. German firm in the capital of the Rourkela steel works has been dispensed with. Thus, the one-million ton Rourkela steel factory will be entirely owned by the Government.

Orders for practically the entire equipment for the steel works have been placed with various German firms, costing over Rs. 84 crores, as a result of negotiations conducted recently in W. Germany by the Indian steel mission, headed by Mr. S. Boothalingam, Secretary, Union Ministry of Iron and Steel. The mission found that it was not possible to get equipment elsewhere for the plant, except the U.S. where the prices are higher than in W. Germany. The cost of the Rourkela plant is now estimated to be 30 per cent. more than the revised estimated expenditure of Rs. 128 crores.

EXPORT OF POWER FROM YUGOSLAVIA

The Committee on Co-ordination, established by the Electric Power Committee of the United Nations Economic Commission for Europe, has noted with satisfaction that a *syndicat d'etudes* will be formed to carry forward the Yugoslav power export scheme, known as Yougelexport. The decision to form the new organisation was taken on 7th November by the representatives of the Electric Power Industries from Austria, the Federal Republic of Germany, Italy and Yugoslavia. The aim of the new body will be to formulate, according to the principles laid down by the Committee on Co-ordination, some propositions for the realisation of the projects contained in a study made in the E.C.E. in 1955 on the possibilities of exporting electric energy from Yugoslavia. Steps will be taken to open contacts and enter negotiations with banking institutions and national enterprises, as well as with international organisations which might participate in carrying out the project, and to prepare the text of the corresponding contracts. The new organisation will maintain relations with the Committee on Co-ordination, with the aim of keeping the Committee informed of its work and of securing the Committee's help in carrying out its tasks and with presenting to the Committee, within a year at the most, its conclusions as well as concrete propositions for the execution of the prescribed projects for the first step in the programme of investment. Each signatory has agreed to appoint one or two representatives to meet within a month to draw up the statutes of the *syndicat d'etudes*.

Earlier studies of the "Yougelexport" project demonstrated the possibility of building on Yugoslav territory four central hydro-electric stations the production of which would be exported to Italy and the Federal Republic of Germany over a network of power lines of 380 k.v. Austria's interest in the project is mainly in a seasonal exchange of energy with Yugoslavia and as a transmitter of energy to the Federal Republic of Germany. Total exportable energy is around 4,300 million kilowatt hours. The cost of the entire project has been estimated at about $377 million.

USE OF WAGONS

The railway authorities have been urged by the Federation of Indian Chambers of Commerce and Industry not to reduce the conveniences enjoyed by consignors and consignees of goods in the former's effort at improving the utilisation of wagons. The Federation, in a communication to the Ministry of Railways, points out that it understands that a wagon generally remains idle for about 16 to 17 hours out of every 24 hours in the yard. If this time could be reduced even by 25 per cent., it would result in a substantial increase in wagon capacity. It suggests that, in fixing loading and unloading time, the authorities should take into consideration the fact that in some centres, a wagon is compelled to remain idle for sometime in the yard even after loading and unloading operations are completed. The adequacy of free time allowed to users, it says, cannot be considered without reference to the congestion in goods sheds which occurs quite frequently on account of insufficient storage facilities. Any reduction in free time, it is stated, would only increase the inconvenience already caused to users through lack of proper facilities for loading and unloading. If the reduction in loading and unloading time is to be made effective, according to the Federation, the railways should undertake the responsibility of giving timely intimation to the users about the arrival and despatch of wagons. In this connection, it cites the experience of tea gardens; since they are situated far away from rail-heads, it normally takes between four and six hours for intimation to reach the gardens. The Federation, therefore, feels that it is inappropriate to lay down a uniform free time for all categories of goods.

EAST EUROPEAN RESOURCES OF URANIUM

The search for uranium in several countries continues unabated, thanks to the importance of this commodity in the production of atomic energy. In some cases, these searches have not been without profitable results. But the main sources, with the exception of Albania, are found to lie in Eastern Europe where uranium mining is being carried out under Russian influence, for the benefit of the U.S.S.R. It is believed that East Germany has supplied Russia with one-third of its uranium needs. Another leading supplier, Czechoslovakia, has important deposits north-west and south-west of Prague and near both the German and the Polish frontiers. Sizable uranium deposits have also been discovered in Bulgaria and Rumania. The Yablonitsa mines, north-east of Sofia, are believed to have a daily output of some 1,100 tons of ore, which are shipped to the Soviet Union. In Rumania also, uranium is extracted in no less than five centres in a belt running parallel to the Hungarian frontier.

An interesting development in Eastern Europe is that the uranium miners in Hungary have demanded that Russia should buy the uranium they supply at world prices. Uranium discoveries in Hungary relate only to the post-war period. Such discoveries are reported to have been made in various parts of the country, particularly in the mining area near the Yugoslav frontier. Besides, the granite in hills south-west of Budapest was also found to be very rich in uranium. If Russia concedes the Hungarian miners' demand for higher prices for uranium, it may be compelled to accord similar treatment to other countries in Eastern Europe also.

ELECTRIC POWER STATISTICS

The United Nations Economic Commission for Europe (E.C.E.) has published its first annual bulletin of electric power statistics for Europe. The bulletin, entitled *Annual Bulletin of Electric Energy Statistics for Europe*, has been compiled at the request of the E.C.E. Electric Power Committee's Working Party on Electric Power Statistics. The current issue contains final data for the years 1938 and for 1950 to 1954, as well as provisional data for 1955. The data given are for Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Eastern Germany, Finland, France, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Rumania, Sweden, Switzerland, Turkey, Union of Soviet Socialist Republics, United Kingdom, United States of America, Western Germany and Yugoslavia. The tables in the publication provide figures for maximum net capacity in continuous operation (situation at 31st December of each year); fuel consumed in electricity generation; international exchanges of electric energy during 1955; imports of electric energy during 1938 and 1951-55; exports of electric energy during 1938 and 1951-55; production, international exchanges and gross consumption of electric energy and average efficiency of thermal plants; and consumption of electric energy. One of the aims of the bulletin is to give all-European coverage to statistics already published regularly for a limited number of countries, and, at the same time, to broaden the scope of the information published. The definitions adopted by the Working Party, which are those used in the bulletin, are based as far as possible on definitions in current use, and in particular on those adopted by the International Union of Producers and Distributors of Electric Energy (U.N.I.P.E.D.E.).

BOMBAY ELECTRICITY BOARD

During the year 1955-56, the Bombay Electricity Board, according to the Board's second Administration Report, generated 372 million units in its own stations, as against 203 million units in the previous year. It also purchased 99 million units in 1955-56, as compared with 81 million units. The Board's revenue and expenditure aggregated Rs. 260 lakhs and Rs. 187 lakhs, as compared with Rs. 156 lakhs and Rs. 114 lakhs, respectively, in 1954-55. The total installed transformer capacity of 11 k.v. and below was 38,011 k.v.a. and of above 11 k.v. was 247,708 k.v.a. which reflects an increase of 7,527 and 24,508 k.v.a., respectively, over the previous year. The total number of consumers served as at the end of 1955-56 was 28,186, as against 23,240 in the previous year, an increase of 4,946 during the year, while the total load connected on the system was 128,008 kw. at the end of the year, which reflects an increase of 27,496 kw.

RIVER VALLEY PROJECTS

The Government of India has decided to set up a National Construction Corporation for the execution of river valley projects in the country. It has been decided, in consultation with the States concerned, that the Corporation should undertake the construction of the Chambal Project canals as its first job. The Corporation will be set up under the Indian Companies Act and would have a nominal capital of Rs. 2 crores subscribed by the Centre and the participating States. In the beginning, the Corporation will take up only two or three projects in order to have time to develop the organisation and extend its activities. The articles and memorandum of association are expected to be finalised shortly.

The Railway Board has invited tenders for 100 broad-gauge diesel locomotives from selected firms of international repute on a global basis. These locomotives will be used on sections where additional line capacity is required and where electrification will not be completed in time to cater for the additional traffic.

The Railway Board has accepted all the recommendations, except two which are still under consideration, of the delegation which toured Europe to find out how "Thomas Steel" can be utilised on Indian railways. "Thomas Steel" is not manufactured in India.

A scheme to manufacture X-ray equipment worth about Rs. 50 lakhs annually at the Bharat Electronics Ltd., Bangalore, is under consideration.

NEW PRODUCTS AND PROCESSES

New Pigment for Plastic Colouring

MOST inorganic red pigments have a number of disadvantages when they are used to colour plastics. A new organic red pigment which has been specially developed for use in colouring plastics and in particular polyvinyl chloride is, however, said to possess a number of important advantages over such inorganic compounds. The new pigment, called "Irgalite Red HGL," is said to have outstanding fastness to light and heat, even when it is used in the low concentration required to produce tint transparencies. Indeed, the pigment, which has been developed by the Geigy Company as the result of several years of research and development work, is said to give pigmentations of exceptional fastness to light and heat when used to produce both transparent and opaque tint shades. Like other colouring materials, its shade and properties are affected in some degree by the use of different plastics, plasticisers and stabiliser systems, but it is claimed the variations in pigmentation produced in this way are extremely slight. The chemical constitution of Irgalite Red HGL makes it unsuitable for use in rubber compounds.

Magnesium-Thorium Alloy

Magnesium-thorium alloy is now being made in pilot plant quantities for use in aircraft development work. The advantages of this magnesium alloy lie in the fact that it retains the light weight and corrosion resistance of other magnesium alloys, and yet withstands higher temperatures. Metal sheets manufactured with the magnesium-thorium alloy can, for example, withstand temperatures of 600 degrees Fahrenheit for long working periods. It will resist temperatures of the order of 800 degrees Fahrenheit for shorter periods of time. It is claimed that the material can be fabricated and machined as easily as other magnesium alloys. On the other hand, because of its thorium content, its use must be licensed by the U.S. Atomic Energy Commission.

Rust Preventive Jute

Specially impregnated jute made up in the form of hessian is now being made available as the result of research carried out by the British Jute Trade Research Association. The impregnated jute will, it is claimed, give protection to bright steel parts against corrosion and rusting under all humid and acidic atmospheric conditions likely to be encountered in transit and storage. The jute, which is impregnated with sodium benzoate corrosion inhibitor, can be dust-proofed to make it suitable for use with high-speed wrapping machines. Only a single wrapping is, it is claimed, necessary for the adequate protection of steel even under extreme conditions. The impregnated jute is also effective in preventing the rusting of steel parts enclosed in jute bags.

New Heat Spraying Process

A process for carrying out spray painting and other types of spraying without the use of compressed air has been developed by Dede Products Corporation, Amherst, Ohio, U.S.A. The operation of the process depends on the use of a heating system which is incorporated in the spraying unit. This heats the materials to be sprayed to temperatures of the order of 175 degrees Fahrenheit. They are then put under a pressure of about 500 to 600 lbs. per square inch and when they are released from the nozzle of the spray gun they atomise. Forces sufficient to carry the atomised paints, or other spraying materials to the surface of the work which is to be coated are said to be developed by this process.

Non-Eradicable Ink

A new ink that cannot be removed from paper, even though it is made invisible by eradication or water-damage, has been introduced in the United States by the W. A. Sheaffer Pen Company. The new writing fluid, called Sheaffer's Skrip with RC-35, contains a luminescent substance. The luminescent substance grips the paper fibre even when all other elements of the ink are removed to make the writing disappear. When exposed to ultraviolet light, the luminescent substance glows, showing the writing at full strength. The company believes that the new permanent ink will provide greater protection for bank cheques and business records. In addition, it will make it possible to restore records that have been water-damaged by floods or fire-fighting equipment.

Uranium From Lignite Ores

A process for obtaining uranium metal from uranium-bearing lignite ores is to be tested experimentally by the U.S. Atomic Energy Commission. The importance of these experiments lies in the relative abundance of lignite ores containing low percentages of uranium in some areas of the world. The process will, it is understood, involve several stages including solvent extraction, leaching and filtration or the use of some other separation method. The experiments are to be carried out at the Grand Junction, Colorado Laboratory of the Atomic Energy Commission.

Aviation Safety

The Civil Aeronautics Administration of the United States reports the development of two devices that will aid in making airplanes more conspicuous, and therefore less likely to collide in daytime. One development is a powerful flashing light that extends the distance a plane can be seen by 25 per cent. A new fluorescent paint is another development. The new paint makes a plane stand out prominently against any background, whether against the sky from below or against the green and brown of earth from above.

TAXATION OF CAPITAL GAINS

CASE FOR AND AGAINST NEW TAX REVIEWED

THE re-imposition of the tax on capital gains was the first of the new tax proposals announced by the Union Finance Minister, Mr. T. T. Krishnamachari, in the Lok Sabha on Friday, 30th November 1956. It is, therefore, likely that the old controversy about the wisdom of imposing a capital gains tax will be revived in the next few weeks, thanks to the fact that authoritative opinion has been sharply divided on the subject. In this context, it will be worthwhile examining the recent history of this proposal which, after remaining in the statute book for a brief space of two years after its introduction in 1947, was abolished in 1949.

The tax was first introduced in the 1947 budget by the then Finance Minister, Mr. Liaquat Ali Khan, and abolished in the 1949 budget by the Union Finance Minister, Dr. John Matthai. Although the relevant provision in the Income-tax Act, Section 12B, remains intact, it applies only to capital gains which arose during the period 1st April 1946 to 31st March 1948. Under this section, the limit for exemption from tax in respect of capital gains is Rs. 15,000. The amount of capital gain, according to this section, is to be computed after making certain deductions from the full value of the sales of an asset. These deductions are: (1) expenditure solely in connection with sale, exchange or transfer of assets; (2) the actual cost to the assessee of the capital asset, including any expenditure of a capital nature involved and borne by him in making any additions or alterations thereto. Some exemptions have also been provided. Thus, the tax is not payable by an assessee "in respect of any profits or gains arising from the sale, exchange or transfer of a capital asset, being properly the income of which is chargeable under Section 9 and which has been possessed by the assessee or a parent of his for not less than seven years before the date on which the sale, exchange or transfer took place." Further, the section provides that a transaction shall not be treated as a sale, exchange or transfer where such transaction takes place "by reason of the compulsory acquisition thereof under any law for the time being in force relating to the compulsory acquisition of property for public purposes or any distribution of capital assets on the total or partial partition of a Hindu undivided family or on the dissolution of a firm or other association of persons or on the liquidation of a company, or under a deed of gift, bequest, will or transfer on irrevocable trust."

Some Concessions

Under the new tax proposal—it will apply to capital gains made on or after 1st April 1956—these exemptions are sought to be withdrawn, while the limit at which the tax will be applied is being reduced from Rs. 15,000 to Rs. 5,000. It has, however, been provided that no capital gains tax would be chargeable if the total, including the capital gains, does not exceed Rs. 10,000. After announcing these changes, in the existing section relating to the capital gains tax, Mr. Krishnamachari said:

"I am also considering some concession for small people making gains by the sale of small and medium-sized houses. Under the existing law, capital gains are to be taxed on the basis of slab rates. This, however, bears no relation to the other income of the person making the gains. It is now proposed that the rate of tax to be charged on capital gains should be the income-tax rate applicable to the other taxable income of the assessee increased by one-third of the capital gains he makes in the relevant year. In the case of companies, the rates of tax will be the usual income-tax rate. Another important change is that the assessee has the option to have his gains worked out either on the basis of original cost or on the basis of its value on 1st January 1954."

There is no doubt that capital gains tax is a very controversial measure. It has been assailed on the ground that it is a serious disincentive to investment and free marketing of property. This was the main reason which led to its abolition in 1949. Referring to this tax, Dr. John Matthai observed that the earlier expectations of a large income from this source had not materialised. He averred that its effect on investment had been markedly adverse and it had hampered the free movement of stocks and shares without which it was hardly possible to maintain a high level of industrial development. In these circumstances, the Finance Minister was convinced that the retention of the tax was ill-advised.

The Taxation Enquiry Commission, which examined the subject, reached very nearly the same conclusion as the one reached by Dr. John Matthai when he was Finance Minister. The Commission agreed that capital gains represented an addition to income and, therefore, to the taxpayer's ability to pay. These gains, the Commission said, also constitute one of the factors making for inequalities of wealth, especially in a developing economy with its increasing measure of industrialisation and urbanisation. Nevertheless, it felt that the reasons given by the Government for the abolition of the tax in 1949 still held good. The Commission also felt that, if the tax were reintroduced, there was a "danger of tax avoidance being stimulated by attempts to pass off as capital gains what may otherwise have been treated as a part of taxable income." Further, it averred that, "with the imposition of estate duty, the tax system now contains a direct means for diminishing the inequality of wealth." The Commission said that it was not, therefore, recommending the re-imposition of the tax on capital gains. At the same time, it warned that, if the country entered an era of "continuously rising prices and profits and of capital values," capital gains may become an "eminently suitable" subject for taxation.

Dr. Kaldor's Report

If the Government, in the face of the opinions expressed by the former Finance Minister, Dr. John Matthai, and the Taxation Enquiry Commission on the taxation of capital gains, has thought it fit to subject these gains to tax, it is presumably due to the strong advocacy of the case for such tax by Dr. Nicholas Kaldor. In his report, Dr. Kaldor has argued that the only impartial concept of income is that which treats all realised gains equally, meaning thereby that income should include capital gains. He does not agree with the Taxation Enquiry Commission's view that there is a danger of "tax avoidance" in capital gains tax. The Commission's view, he holds, "overlooks the fact that the complete exemption of capital gains must necessarily afford a much stronger stimulus to tax avoidance than the reduction of liability arising out of differential treatment." He also feels that the arguments by which Dr. John Matthai defended the Government's decision in 1949 are not adequate to justify the abandonment of the experiment. The three arguments used by the then Finance Minister, as stated already, are: (1) the revenue from this source is small; (2) the tax has a bad psychological effect on investment and (3) the tax hinders free movement of shares. Referring to these arguments, Dr. Kaldor says that one cannot argue that the tax has only a negligible yield and at the same time say it will have important repercussions on the economy. Emphasising the need for early re-imposition of the tax, he says:

"In my opinion it would be a great mistake to treat the question of the taxation of capital gains mainly on short-term revenue considerations, and to put the tax off and on according as the immediate revenue expected in the light of the prospective economic situation was small or large. Quite apart from the fact that the basic and most important reason for the tax lies in the field of equity, and not just revenue, the revenue potential of a capital gains tax can only be gauged on a long-term basis. It is common knowledge that, in general, realised capital gains reflect accrued capital gains with a time-lag of a number of years. This time-lag, moreover, is by no means uniform so that it is more correct to regard the average yield of the tax over a period of, say, five years as reflecting the average rate of accrual of capital gains of a five-year period which elapsed 10-15 years previously. Hence the full yield potential of the tax should only become apparent after it had been in operation for 10-20 years. It seems to me, therefore, that the tax ought to be reintroduced as soon as possible, and quite irrespective of the immediate prospects of rising or falling prices, or of the immediate expectation of the yield. But apart from this, in view of the greatly accelerated rate of capital expenditure under the second Five-year Plan. I do not think that the Board's view expressed in December 1953 that 'the general tendency seems to be for profits and prices falling rather than rising' could be supported in the present circumstances."

Exemptions

After recommending the tax on capital gains, Dr. Kaldor suggests that some of the exemptions from the scope of the tax under Section 12B of the Income-tax Act should be withdrawn. He refers, in particular, to exemptions accorded to transfers of property as a result of compulsory acquisition by public authorities or partition of a joint family, or liquidation or gift deeds. He suggests that all capital gains should be brought within the tax net. He argues that, if transfers by way of gifts, bequests, etc., were exempted, a considerable part of capital gains would escape from taxation and the taxpayer "will be given an unhealthy incentive so to manipulate his asset holdings as to make net unrealised gains as large as possible, since all unrealised gains are wiped out for tax purposes when the property passes hands on decease." These exemptions, he says, might cut the potential long-term yield of the tax by two-thirds or three-quarters. The Union Finance Minister's decision to withdraw these exemptions from the scope of the tax is thus in line with Dr. Kaldor's suggestions. Referring to the other exemptions contemplated in Section 12B, Dr. Kaldor says:

"The provisions of Section 12B exempt agricultural land, personal effects including jewellery, as well as the stock in trade, etc., of a business, profession or vocation. The last exemption is certainly correct since the capital gains on stock-in-trade get automatically taxed as ordinary profits as and when the stock is realised. Exemption of agricultural land will, perhaps, be retained so long as the existing constitutional provisions concerning agricultural income remain unmodified. The exemption of jewellery, however, was presumably introduced mainly on administrative considerations. Jewellery, etc., above a certain value represent a form of investment, and ought certainly to be brought within the scope of the tax. If a personal expenditure tax and an annual tax on net wealth were introduced as suggested in this report, coupled with an automatic reporting system suggested in Chapter 6, the revenue would be capable of checking transactions in jewellery in almost the same way as transactions in other forms of property."

An interesting discussion on the yield from the tax on capital gains forms part of Dr. Kaldor's report on this subject. He says that it can be safely assumed that the value of privately-owned property increases at least as fast as the national income measured at current prices. If the rate of progress envisaged in the second Plan were attained, the total value of property should rise by at least 3.5 per cent. per year. He estimates the total privately-owned property in India (in estates of over Rs. 1 lakh and excluding agricultural land) at Rs. 3,500-4,500 crores. Of this property, about Rs. 1,000 crores takes the form of ordinary share capital, while another Rs. 1,000 crores may be assumed to represent the value of urban property and of other property with an inherent tendency to capital appreciation (such as business goodwill). On this assumption, he estimates the annual accrual of capital gains at Rs. 60-100 crores. And on the basis of the schedule of rates he suggests (40 per cent.), he estimates, the long-term yield from the tax at Rs. 25-40 crores.

Ordinary Shares

As regards ordinary shares, Dr. Kaldor says that it is from this source will come over a longer period the greater part of capital gains. He estimates the long-term rate of appreciation of share capital in India at 10 per cent. per annum. Explaining the basis of this estimate, he says:

"My reasons for this are that the expansion in production in the organised private sector of the economy can be assumed to proceed at a rate of 10 per cent. per annum for many years to come. This was the rate of growth attained for the last five or six years, and there is no reason why it should not be maintained for the next 10-20 years. It is true that the expansion of industrial production has not carried with it during the last five years an equivalent percentage increase in company profits. I think, however, that this was due to special circumstances. It is much more likely that in the future, over longer periods, the rise in company profits will be fully proportionate to the rise in production; the rise in dividends to the rise in profits; and the rise in share values to the rise in dividends. During the last five years, according to the figures given by the Taxation Enquiry Commission, the rise in industrial production of over 40 per cent. coincided with a fall in profit margins (on gross sales) from around 17 to around 10 per cent. If these figures are correct, they can only be interpreted in terms of a changeover from 'inflationary' to 'normal' conditions, which coincided with the expansion in production since the war. There is no reason to suppose, however, that this tendency will continue."

Profit margins, according to Dr. Kaldor, are unlikely to fall below 10 per cent. per annum, over longer periods. If anything, the rise in expenditure contemplated in the second Plan should cause a revival of inflationary tendencies and a renewed rise of profit margins. If profit margins were maintained (let alone increased), the rise in profits would be as great as, or greater than, the rise in production. In this connection, he cites the fact that the net ploughed-back profits of companies (after taxation and depreciation) aggregates Rs. 70 crores per year. This amount, according to Dr. Kaldor, might be regarded as the minimum amount by which the market valuation of companies should increase annually over a period of years.



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MR. T. T. KRISHNAMACHARI'S FIRST SUPPLEMENTARY BUDGET

FRESH TAXES TO THE TUNE OF RS. 16 CRORES IMPOSED

THE first budget to be presented by Mr. T. T. Krishnamachari, after he became the Union Finance Minister on 1st September 1956, is of a supplementary nature. The budget, introduced in the Lok Sabha on Friday, 30th November 1956, in the form of two Finance Bills, contains a series of income-tax, customs and excise proposals. They include levy of a tax on capital gains; increase in super-tax on dividends; control over depreciation and other tax-free reserves of companies; enhancement of import duties on wines and spirits, motor cycles and scooters, clocks and watches, coal-tar dyes and certain types of machinery, and art silk yarn; upward revision in excise duty on art silk yarn, more expensive types of motor cars; levy of excise on staple fibre and yarn; and rise in stamp duties on bills of exchange. The cumulative effect of these proposals on the Government's revenue is expected to be an increase of the order of about Rs. 16 crores per annum.

Making his second "gift"—his first gift consisted of a steep increase in excise duty on cloth three months earlier—the Finance Minister stated that the measures had to be judged not only from the point of view of their immediate yield but also in the light of the requirements by way of financial resources for the implementation of the Plan. He also warned that the extent of deficit financing had from now on to be progressively reduced, if prices were to be prevented from going up further and creating fresh difficulties through increased pressure for higher wages and enhanced costs all round. Indeed, the Minister declared that the Plan was a challenge which must be met with all the resources and ingenuity at our command.

The following is the full text of Mr. Krishnamachari's statement made while introducing the Finance Bills:

"Ordinarily, a speech is not necessary on the occasion of introducing a Bill. As the titles, however, indicate, these two Bills are Finance Bills; and although they have been presented in the form of two separate Bills, they represent a set of connected proposals. I would, therefore, crave leave of the House to make a statement.

"Sir, the economic situation was reviewed in detail in September last in connection with the debate on the Plan. My main conclusion then was that, while there were yet no signs of a general inflationary situation, there were vital points in the economy which were under pressure. That broadly is a correct characterisation of the present situation, although the strain on the economy may well increase in the coming months because of the gathering tempo of the Plan and of the international situation.

Monetary Management

"The index of wholesale prices remained more or less steady for about eight weeks since early September, but there has been a rise of some ten points in the last two weeks. It is too early to say whether prices are about to resume an upward trend or whether they will keep around the level they have maintained over the last two or three months. The outcome depends partly on the crops and partly on international developments. It is clear, however, that the price situation will have to be watched closely and every effort made to ensure that the pressure of demand on available supplies does not go too far. Money supply in the hands of the public is now Rs. 147 crores more than what it was twelve months ago and the level of bank credit outstanding is higher by Rs. 163 crores, as compared to the level about this time last year. During the current slack season, money supply declined much more than in the previous slack season, but the major contractionist factor has been the large import surpluses we have been having of late. The demand for funds has continued unabated and the resources of the banking system are fully strained. Government are anxious to ensure that the legitimate needs of trade and industry do not suffer on account of the present tightness in the money market. It is necessary, at the same time, in view of the price trends mentioned above, that credit creation by the banking system is kept within reasonable limits. These are matters of day-to-day monetary management and I need hardly dilate on them at any length.

"There is, however, an aspect of the economic situation to which special attention is necessary—I mean the foreign exchange situation. Since the end of March 1956, the foreign exchange reserves held by the Reserve Bank have declined from Rs. 746 crores to Rs. 543 crores—a fall of over Rs. 200 crores. Although this decline has taken place as a result of the large imports required for the Plan, it is obvious that this rate of drawal cannot be sustained for any length of time. We are now fairly close to the minimum level of reserves we ought to maintain, and I must tell the House and the public at large that a most determined effort to conserve and augment our foreign exchange resources is now called for. This consideration must, in my judgment, be given higher priority than the consideration regarding internal prices, although the latter is important. The requirements of foreign exchange for the second Five-year Plan are proving even larger than were estimated, and it would be necessary not only to economise on imports and to increase our exports but also, in addition, to take active steps to secure the necessary quantum of supplemental resources from abroad.

"This brings me to the international situation which has taken a turn for the worse in the last few months. The House is aware of these developments and I need hardly dilate on them. What started as action to keep the Suez Canal open has resulted in closing it completely. On the most optimistic estimates, it will take anything between three to six months for the Canal to be opened again. The work of clearing up the Canal has not yet started, and, on the whole, I should think we would be wise in assuming that it will take almost a year before normal traffic on the Canal is resumed. Even before the outbreak of hostilities in that area, a shortage of shipping was developing and this has now been accentuated. The shortage of shipping is, of course, not confined to the areas or routes affected; it has and will become more and more a global shortage. We are taking measures to ensure that the available shipping space is utilised for bringing in our priority imports. A certain lengthening of shipping schedules is, of course, unavoidable, and freight rates and insurance charges have already gone up. If, as may be hoped, the closure of the Canal is not too prolonged, we expect to be able to face the temporary difficulties I have mentioned above without any serious dislocation to our Plan. But, of course, it would hardly be proper at this stage either to take an optimistic or a pessimistic view of the future in this matter. All I should like to say is that, for the next few months, we shall have to exercise the fullest vigil not only in regard to our internal situation but also in respect of developments abroad.

More Immediate Problem

"I come now to the more immediate problem in hand, namely, taxation. Taxation policy at this stage has to be determined in the light of two main considerations—(a) the requirements of the Plan, and (b) the general economic situation. As regards the former, the position needs only to be briefly stated. The Plan requires mobilisation of financial resources on a scale not attempted hitherto. The Planning Commission has put forward a target of Rs. 850 crores by way of additional taxation over the five-year period. The outlay required for carrying through the development programmes incorporated in the Plan will, it is now estimated, require Rs. 400 to Rs. 500 crores more than the total of Rs. 4,800 crores envisaged in the Plan document. This is partly because some of the financial provisions in the Plan were inadequate; partly, the higher estimate reflects the increased cost on account of higher domestic or external prices. The domestic effort for raising resources will, in consequence, have to be larger.

"The general economic situation has also altered somewhat since the Plan was formulated. Prices have registered an almost continuous upward trend—the index is now 430—and the danger of inflationary pressures getting the upper hand has to be safeguarded by taking steps to mop up a part of the purchasing power now with the public. This is evidenced by the fact that the demand for food, for cloth, for steel and for cement has been rising rapidly. In a sense, the creation of new demands all along the line is of the very essence of developmental planning. An underdeveloped economy suffers from insufficient demand, insufficient investment opportunities and insufficient production. The vicious circle has to be broken at various points, that is, by a simultaneous expansion of demand and of production. There is danger of inflation when demands grow more rapidly than supplies. One part of the economic policy for the Plan period is to increase production in the short run, especially of articles of general consumption like food and cloth; the other part is an appropriate tax policy aimed at regulating the flow of purchasing power so as to ensure that development proceeds under conditions of economic stability.

"In the last session of Parliament, the excise duty on cloth was raised with a view to checking a situation of developing scarcity and consequent windfall profits for the producers or traders. The time has now come for some increase in direct taxation which will, on the one hand, restrain non-priority spending and, on the other, afford some corrective to inequalities of income and wealth. This is the twofold objective behind the proposals now being made.

The Tax System

"The Indian tax system has got into a settled groove. It does not bring into the public exchequer even a constant proportion of national income. If a development programme of the dimensions we have in hand is to be carried through successfully, the tax system has to be made more elastic. It is hardly possible to do this by stepping up any further the rates of direct taxation, which has now reached a stage when a straightforward increase in the rates would yield poor results. It is necessary now to increase the coverage of taxation by reaching a class of incomes which has hitherto been kept out of the purview of the income taxation—I mean capital gains. Capital gains are an important factor in aggravating economic inequalities, and there is no justification for regarding capital gains as a species of income not liable to taxation. This is a lacuna in the tax system of most countries, a lacuna, one dare say, they will have to rectify in due course. For a developing economy like ours, it is necessary to take early action, as the implementation of our programmes is certain to create conditions in which assets of all kinds will appreciate. It is only fair that the exchequer should get a proportion of these incomes when realised in the form of capital gains.

"The problem of raising resources for investment has to be looked at both from the point of view of the public sector and of the private sector. Just as an increase in public saving is necessary for financing the investment in the public sector, an increase in corporate saving is required for meeting the needs of the private sector. Personal saving is undoubtedly important, but the large-scale investment that is needed for the private sector can hardly be found by individuals. There is a trend in the industrially advanced countries of Western Europe towards greater reliance on corporate savings. The main source of capital for private enterprise in those countries is savings effected by industry itself, supplemented by funds obtained from other institutions in the field of industrial finance. We have increasingly to look to these institutional sources for finding funds for the development of industry. Suggestions have been made on the floor of the House from time to time for dividend limitation, imposition of Excess Profits Tax and the like. These are devices which have been tried in the past but with no great success. In the last budget, a tax on dividends was introduced and a further tightening in the same direction is now called for. This is a better course of action than limitation of dividends by law to a prescribed maximum. It is administratively simpler and it leaves discretion regarding dividend policy to the company or corporation concerned subject to the tax liability it has to meet.

Ploughing Back of Profits

"The ploughing back of profits which it is sought to encourage will enable companies to build up larger reserves. It is important that these reserves are used in pursuance of the investment policies laid down in the Plan. It would, of course, be wrong to impede in any way the utilisation of these reserves for the legitimate purposes of expansion or modernisation for the unit or for the industry concerned. Every facility should, in fact, be given to encourage such use and to direct the balance of reserves for the time being unutilised towards channels in which investment is called for, in order to promote the pattern of development envisaged in the Plan.

"I have mentioned earlier the rapid drawing down of our sterling reserves in the last few years. Although this drawing down is a reflection of the genuine increasing needs of the economy for our development programmes and it would be wrong to take an alarmist view of the situation, it is necessary, at the same time, to make the utmost effort to conserve and develop our foreign exchange resources. One plank in this programme has to be export promotion, but this is a theme on which I do not propose to dwell in the present context. The other plank is restraint in the matter of imports. The proposals that I am now making are intended to facilitate this latter process. A tighter policy on imports will reduce available supplies and tend to push up prices to the maximum that the consumer will pay. In these circumstances, if there is a large difference between the landed price of the article and the price which the consumer is prepared to pay, the profits will go entirely to the trader. The import duties now proposed will serve to mop up a portion of these unmerited profits. I should stress here that the articles in question are of a luxury character and the raising of import duties does not in any way impinge on the consumption of the mass of the people.

"I now come to my detailed proposals. I am circulating to hon'ble members two memoranda explaining the provisions of the Bills, but I may briefly refer to them here. Dealing first with direct taxation, my first proposal is to impose a tax on capital gains made on or after the 1st April 1956. As hon'ble members are aware, a tax on capital gains forms part of our existing Income-tax Act, but it was in operation only for a short period, that is, in respect of capital gains which arose during the period 1st April 1946 to 31st March 1948. In the present Bill, I have somewhat altered the existing provisions.

Capital Gains Tax

"The definition of 'capital gains' remains unchanged, but some of the existing exemptions are proposed to be withdrawn. These are capital gains arising on transfers of property on compulsory acquisition, capital gains arising on distribution of assets on dissolution of partnerships or on liquidation of companies, capital gains arising on the sale of residential property possessed by the taxpayer for seven years, etc. Such gains will now be subjected to tax.

"Under the existing law, capital gains up to Rs. 15,000 are not subject to tax in the case of individuals. This limit is proposed to be reduced to Rs. 5,000, but an additional concession is proposed to be given to persons in the lower income groups in that no capital gains tax would be chargeable, if the total income, including the capital gains, does not exceed Rs. 10,000. I am also considering some concession for small people making gains by the sale of small and medium-sized houses. Under the existing law, capital gains are to be taxed on the basis of slab rates. This, however, bears no relation to the other income of the person making the gains. It is now proposed that the rate of tax to be charged on capital gains should be the income-tax rate applicable to the other taxable income of the assessee increased by one-third of the capital gains he makes in the relevant year. In the case of companies, the rates of tax will be the usual income-tax rate.

"Another important change is that the assessee has the option to have his gains worked out either on the basis of original cost or on the basis of its value on the 1st January 1954.

Super-tax

"My second proposal is to increase the rates of super-tax payable by companies which declare dividends in excess of 6 per cent. of paid-up capital. For the current financial year, such super-tax is two annas and three annas in the rupee in respect of dividends declared between six per cent. and ten per cent., and above ten per cent., respectively. I propose that, for the financial year 1957-58, the rates of super-tax should be two annas per rupee for dividends between six per cent. and ten per cent., four annas per rupee on dividends between ten per cent. and eighteen per cent. and six annas per rupee on dividends in excess of eighteen per cent.

Control Over Reserves

"My third proposal is not a direct taxation measure, but relates to a proper control over the depreciation and other reserves of companies. Such control becomes imperative when the effect of tax on dividends is to increase the resources of the company. At present, large deductions are made in the computation of profits and gains of a business by way of development rebates and depreciation allowances. These deductions are related to buildings, plant, machinery and other assets used in the business and are permitted on a consideration of possible wear and tear which these assets may suffer by their use in the business and of the need to enable the undertaking to build up adequate funds internally for rehabilitation of its assets from time to time. In the interests of the industrial development of the country, it is necessary that these tax-free reserves are utilised for purposes conducive thereto and not frittered away in other ways.

"Once we accept the policy of discouraging the distribution of profits, it is essential simultaneously to ensure that the retained profits are put to uses which promote industrial development in accordance with the Plan. I propose, therefore, that, in the case of companies, depreciation allowances and development rebates due will be added back in the computation of the income, unless a certain amount is deposited with the Government or with the Reserve Bank of India, as Government might determine before the 30th June of the relevant assessment year. The amount to be deposited will be partly a certain percentage of the excess of the available current profits after payment of taxes and of distribution of dividends over one lakh of rupees and partly a certain percentage of the past accumulated profits and reserves which are not represented by fixed assets in the business. The Bill provides that the percentages will be subject to the ceiling of 75 per cent. as regards the current profits and 25 per cent. as regards the past accumulated profits and reserves. It is, however, my present intention to fix the former at 50 per cent. of the current profits only. The deposits will carry interest and will ultimately be refundable wholly or in part on request by the assessee, if the Government is satisfied that the amount refunded will be used by the company in its business for purposes approved by Government in the furtherance of the objectives of the Plan. It is proposed to constitute a Board of Referees to advise Government on this matter. While it is our intention that a large part of these deposits has to be utilised for the development of industries envisaged in the Plan, such residue as is left over from year to year will cumulatively add to the resources of the Plan.

Section 23A Companies

"My last proposal relates to Section 23A companies. At the present moment, a Section 23A non-investment company, which has failed to make the minimum of 60 per cent. distribution of dividends to its shareholders, is required to pay an additional super-tax on the whole of its undistributed profits at the rate of four annas in the rupee, while an investment company in a similar situation pays eight annas in the rupee. In view of the proposed increase in the rates of super-tax on dividends, it is felt that the rate of four annas for a non-investment company will be low and it is, therefore, proposed to raise the rate of additional super-tax for such cases from four annas to six annas. However, it is necessary to give some encouragement to industrial companies to retain their profits for expansion and development. I propose, therefore, to reduce the minimum distribution for a Section 23A industrial company from 60 per cent. to 50 per cent. The procedure for exempting companies from the operation of the provision in industrial concerns which fall within the scope of Section 23A in deserving cases will be continued.

Customs Duties

"Coming now to customs duties, suitable increases in the import duties are proposed on certain selected articles. These fall broadly into three groups.

"These are, first, a number of articles ordinarily used by the more well-to-do sections of the population. Notable among these are wines and spirits where the duties are being raised approximately from 25 to 50 per cent. so as to produce about Rs. 70 lakhs annually. Another Rs. 50 lakhs are expected from the increased duties on motor cycles and scooters and clocks and watches.

"The second group of articles comprises items like coal-tar dyes and certain types of machinery where, on the one hand, the existing duties are low and, on the other indigenous manufacture has made fair progress. The increases proposed are to be effected partly by changes in the Bill and partly by withdrawal of concessions at present given by executive notification. While these will have a negligible effect on costs of consumer goods, they are expected to produce an annual yield of about Rs. 180 lakhs.

"Lastly, I propose an increase in the import duty on artificial silk yarn. With the shortage in supplies of cotton cloth, the art silk industry has been doing quite well of late. There has been a substantial increase in production of art silk fabrics and, since these fabrics compete, to some extent, with fine and superfine cotton fabrics, they are in a position to bear higher taxation than they do at present. However, having regard to the somewhat fluctuating conditions which have prevailed in the art silk industry in the past, I consider it desirable that, while the tariff rate should be pitched at a certain maximum level, Government should fix the effective rates from time to time, according to current needs, by executive notification. The import tariff rate I have proposed is Rs. 3 per lb., but the immediate effective rates will vary from Re. 1-4 to Rs. 2 per lb. according to deniers. I expect an annual yield of Rs. 160 lakhs from these duties.

Excise Duty

"I am suggesting a corresponding change in the excise side by proposing the imposition of a central excise duty on indigenous art silk yarn. With the protection afforded by a high duty on imported art silk yarn, the restrictions on imports, and increasing demand, the indigenous producers of art silk yarn have been making substantial profits. The excise duty I have proposed is again a ceiling rate of Re. 1-8 per lb. which is being brought down by executive notification to 4 annas per lb. and 8 annas per lb., according to deniers. These effective rates generally maintain the measure of protection enjoyed by the indigenous products against the imported product. The annual yield I expect from these rates is Rs. 70 lakhs.

"A low excise duty of 2 annas per lb. is being provided by notification for staple fibre and staple fibre yarn.

"I have also proposed an excise duty of Rs. 3,000 each on the more expensive types of motor cars made in India. This duty will not fall on trucks or on small cars and is expected to yield about Rs. 80 lakhs in a year. To the extent it discourages the production of big cars, we will have diverted valuable foreign exchange to objects of greater utility.

"It is somewhat difficult to make an estimate of the actual yield of customs duties. On the basis of current imports, the yield should be about Rs. 9 crores per year. As, however, there is likely to be a substantial reduction in the quantum of imports, the actual extra revenue may well be about Rs. 6 crores in a full year.

"Thus the cumulative financial effect of my income-tax, customs and excise proposals would be about Rs. 16 crores per year.

"I propose also to increase substantially the stamp duties on bills of exchange. As the House is aware, there are certain slab rates prescribed in the Stamp Act which go up to 15 annas per Rs. 1,000 in the case of bills payable not more than a year after they are drawn. By a notification issued in 1940, these slab rates were substituted by a flat rate of two annas per Rs. 1,000. It is now proposed to increase the statutory rate to Rs. 10 per Rs. 1,000 for such bills with proportionate reduction for bills of shorter duration. These are intended to be ceiling rates and it is my present intention to operate on the basis of half these rates. This increase of duty is, it will be appreciated, a fiscal measure with a monetary intent. The additional revenue resulting from the increase will accrue to State Governments. There is thus no effect on Central revenues.

"Proposals regarding customs and central excise duties will take effect immediately. Those relating to direct taxation are in respect of current profits and gains but can be assessed only in the next financial year. Changes in stamp duties will come into force when the law is passed.

"This brings me to the end of my proposals for the day. These measures have to be judged not only from the point of view of their immediate yield but also in the light of the requirements by way of financial resources for the period of the Plan. The budgets of the Central and State Governments this year show a deficit of over Rs. 400 crores for financing a plan outlay of about Rs. 800 crores. The extent of deficit financing has from now on to be progressively reduced, if prices are to be prevented from going up further and creating fresh difficulties through increased pressures for higher wages and increased costs all round. The full yield of some of the measures mentioned above will accrue only gradually; but this only means that the earlier the task is begun the better it is from the point of view of the overall stepping up of investment which we propose not only during the second Plan period but for several Plan periods to come.

"In conclusion, I should like once again to emphasise the need to step up as much as we can the rate of savings in the economy in order to match it with the investments we are undertaking. This is no easy task. I should also stress that, while an underdeveloped economy has to depend, in some measure, on resources from abroad, the amount of such assistance itself depends upon the efforts we make domestically to keep down inflationary pressures and to mobilise the savings of the community for the Plan. We have put all our hopes on the Plan and we must do our best by it. It is suggested in some quarters that we ought to revise our Plan in view of the increase in outlays required to which I made a reference earlier, particularly in view of the unfavourable turn in the international situation. I think suggestions of this kind are defeatist in themselves and are quite unjustified. We are only in the first year of the Plan and, although the tasks we have taken upon ourselves are large and difficult, I see no reason to be pessimistic of our capacity to implement the Plan. Nor is there anything in the international situation which, at this stage, suggests a revision of the Plan. I am convinced that they do wrong who express scepticism at a time when the country ought to be thinking of nothing else but going ahead with the greatest determination. The Plan is a challenge and it is a challenge which must be met with all the resources and ingenuity at our command."

TERMINAL TAX BILL

The Terminal Tax Bill, which was passed by the Lok Sabha recently, is intended to impose a levy on railway passengers who visit places of pilgrimage or *mela*. The proceeds of the tax will go to local bodies concerned after collection expenses have been deducted. The revenue from such proceeds will be spent on providing various amenities for visitors to these centres. The maximum tax will be Re. 1-8 for passengers travelling air-conditioned coaches or first class, Re. 1 for second class and As. 8 for third class. These rates will be doubled in the case of return tickets. No terminal tax will be levied in a "free zone," defined as an area within a 40-mile radius of the place of fair, *mela* or pilgrimage. Exemption from the tax is provided to children under three years, police officers travelling on railway warrants, free pass holders, troops and persons travelling on military warrants.

In the course of the debate on the Bill, some members said that the rate of levy on third class passengers was heavy and should be reduced. But Mr. Alagesan, the Union Deputy Minister for Transport, who piloted the Bill, said that it was not possible to reduce the ceiling inasmuch as the State Governments had spent a great deal more on providing amenities than they had earned through the levy of special tolls and taxes. A point was raised about the desirability of levying a similar levy on passengers who travelled by road to certain places of pilgrimage. Mr. Alagesan said that the Centre would shortly write to the State Governments to impose a "parallel" terminal tax on those travelling by road.

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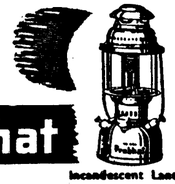

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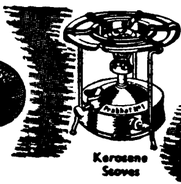

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THE GREAT EASTERN SHIPPING COMPANY LIMITED

MR. A. H. BHIWANDIWALLA'S SPEECH AT EIGHTH ANNUAL MEETING

IMPORTANCE OF TRAMPING BUSINESS IN SHIPPING INDUSTRY STRESSED

THE Eighth Annual General Meeting of the Great Eastern Shipping Company, Ltd., was held in Bombay on 6th December 1956. Addressing the shareholders on the occasion, Mr. A. H. Bhiwandiwalla, Chairman of the Company, pointed out that both tramps and liners had their own respective roles to play in the development of shipping. They were like two wings, each equally indispensable to the life and growth of India's shipping industry. The following is the full text of Mr. Bhiwandiwalla's speech:

"GENTLEMEN,

"It is my annual pleasure to welcome you at this meeting and speak to you on the shipping industry, in general, and the working of your Company, in particular.

"The Directors' report and accounts of the Company have been in your hands for sometime now and, with your permission, I shall take them as read. The results, as you know, are satisfactory. The report and accounts contain a mass of statistics on the working of the Company, and I do not propose to inflict them on you here again.

"The good results derive largely from our tramping activity and the expansion of our agency business. The year under report also saw the epoch-making acquisition by the Company of the first-ever tanker purchased by Indians. Another noteworthy feature of the Company's activities is its contractual commitment to carry 70,000 tons of rice from Burma to India on Government account. After the end of the financial year and in less than six months, the Company's ships have carried almost the entire 70,000 tons of rice.

Tramping Activity

"Your Company has taken active interest in tramping right from its commencement. The adventurous and enterprising spirit with which shipowners have been imbued from the dawn of history attains its high-water mark in tramping. Your Company had to face competition of an international character from well-established foreign shipowners; this is an implicit challenge in tramping business. Owing to ignorance and apathy on the part of Indian shipowners, as well as the Government in this country, about the importance of tramping business and its requirements, we had to face not only lack of co-operation but actual hostility and obstruction, in the form of numerous restrictions that were placed on our 'freedom of the high seas.' *The position has improved with the Government's recognition of the role of tramping in the country's economic life.* I am, however, sorry to say that the majority of Indian shipowners interested in the liner trade have not yet, to say the least, appreciated its significance. Liners and tramps are like two wings, each equally indispensable to the life and growth of India's shipping industry.

"In view of this prevalent bias against tramp shipping, the Government has been influenced and swayed by the liner interests and prejudices, and conditions for the creation and growth of the tramp fleet in this country have not been established. It is hoped that the Government will consider the matter dispassionately and allow the same freedom of operation to tramp-owners in this country as is enjoyed by successful tramp-owners in other maritime countries.

"There is a lot of confusion and far from clear thinking about the economics of shipping in this country. In normal peace times and in the absence of emergencies, the maximum operational efficiency and the optimum utilisation of tonnage should guide and govern the employment of ships. There is nothing sacrosanct about the carriage of India's exports or imports in Indian ships. What matters is the rapid growth and development of Indian tonnage plying on the high seas. This can only be brought about, if the Government does not interfere with the employment of vessels and permits tramp operators to follow considerations of operational efficiency and gainful employment which will assist the rapid expansion of the merchant fleet. If some of the Indian ships do not carry part of India's imports or exports, the country will no doubt have to pay the freight charges in foreign currencies. But the Indian ships, which are more gainfully employed in other trades, will earn more foreign exchange than will be paid to foreign ships for carrying part of India's imports and exports. It is the net difference in foreign exchange that matters. The astonishingly rapid progress made by Norwegian and Greek shipowners in recent years would not have been possible, if the Governments of those countries had imposed the restrictions which are fettering the Indian tramp operators at present.

Government Restrictions

"The Government restrictions on letting out Indian ships on time-charter to foreigners have acted as a restrictive influence on expansion of Indian tonnage and foreign exchange earnings without doing an iota of good to the country. If an Indian shipping company wants to expand rapidly it must make sure of gainful employment of at least some of her ships for a period of time. Time-chartering out of ships provides this sort of employment for an assured period and makes the shipowner immune from the risks of fluctuations in the freight market. With such a hedge he can afford to take the risks of the freight market by building and/or purchasing more ships at the prevailing high level of prices in the place of those chartered out. Moreover, *tramp operators have to judge the freight market* and, at times, to cushion off the risks of a fall in the market by letting out some of their vessels on a time basis. The only difference between letting out a ship on a time basis and fixing her for a voyage is the difference between the wholesale selling of freight and the retailing of freight. Whilst the Government has no objection to the retailing of freight, it has prohibited wholesale selling of freight to the great detriment of the shipping industry. May I earnestly appeal to those in authority to examine this question dispassionately and exempt at least tramp operators from the restriction on letting out of their vessels on a time basis?

"We ploughed a lonely furrow and persevered when the sun was not shining so brightly on the tramp trades. We carried wheat in bulk from West Australia to India at 55 shillings per ton, as compared with today's rate of 140 shillings. Our shipowner friends then said: 'tramps are a dying breed.' What do we find today? Tramps are flourishing at present more than liners. The post-war development of shipping proves that countries which stuck to liner services only have increased their tonnage at a slower pace than the countries engaged in tramping. My appeal, therefore, to all concerned is not to pass a hasty judgment on the comparative usefulness and importance of tramps and liners. Both tramps as well as liners have their respective roles to play in the development of shipping and tramps are far from being either a dying or a useless breed.

Permanent Nucleus

"I am pleased to inform you that from occasional tramping we have advanced a stage further and have formed a permanent nucleus of ships for our tramp activities. Our present tramp fleet consisting of the s.s. *Jag Vijay*, m.v. *Jag Laadki* and s.s. *Jag Shanti* will be considerably strengthened by the addition, in February 1957, of the largest cargo ship on the Indian registry, viz., the m.v. *Jag Laxmi*, of 12,080 tons deadweight, which will be completed and delivered to us by a Japanese shipyard. The earnings from tramping have contributed a good deal to the satisfactory results achieved during the year under report.

"Let me, however, utter a word of caution. Tramping is very susceptible to trade cycles. Booms and depressions alternate much more intensively in this line of shipping. It is, therefore, most important that a tramp operator should consolidate and strengthen his position in good days, in order that he comes out unscathed in bad days which inevitably follow in their wake. It is hoped that the Government will create a suitable climate in which tramping as well as liners can flourish side by side and accelerate the development of Indian shipping. May I reiterate that I have nothing against my friends in the liner trades and it is my conviction that both liners and tramps must understand each other and live together.

Agency Business

"With the securing of the agency of the Hellenic Lines Ltd. of Piræus and New York, your Company's agency business has grown considerably. During the calendar year 1956 we shall have handled more than 100 ships as agents at Indian ports. The vessels of the Hellenic Lines with their sailings from Indian ports to the U.S.A. ports, the vessels of the Yamashita Line and a number of other tramp operators have brought considerable revenue to the Company and have added to the earnings for the year under report. The growing tendency on the part of foreign shipowners to entrust their agencies in India to nationals of this country is a welcome development. Your Company, being a shipowner itself, is ideally placed to look after the interests of foreign shipowners at Indian ports, and render first-class service. This has not only meant better business and full satisfaction to these principals but also ensured improved revenue and better returns to you. This agency business has also enabled your Company to establish valuable contacts and cement mutually remunerative business relationships, besides providing valuable experience in new trades and lines.

Tanker "Jag Jyoti"

"The 12th of April 1956 will rank as a memorable and eventful date in the history of Indian shipping, because it was on this day that the first-ever Indian-owned tanker was acquired by your Company. The Transport Minister's recognition of this pioneering will have heartened and thrilled you. The tanker has been chartered out to the Standard-Vacuum Oil Company for carriage of refined products on the coast. The teething troubles have been overcome and your Company is gaining very valuable experience in this new line.

"In fact, your Company wanted to purchase a second tanker. Instead, the Government has acquired a tanker for their Shipping Corporation. With the acquisition of these two tankers, I am glad to say, the country has just made a beginning in this vital branch of shipping. With increasing industrialisation and mechanisation of agriculture and the rise in the standards of living, the demand for oil is bound to grow up considerably. The country will, therefore, need a sizable fleet of tankers for the carriage of crude oil from oil-producing countries to India and distribution of refined products on the coast. A good beginning in the carriage of crude oil to India can be made by the building and acquisition of two super-tankers of 36,000 tons deadweight each. Although it is announced that the Government proposes to acquire and operate further tankers in the public sector, I, for one, cannot believe that it is the Government's unalterable intention to exclude private enterprise from the task of nation-building in this important field. I, therefore, request the Government to dispel the doubts and declare categorically that it will change its policy towards acquisition of tankers or super-tankers by Indian shipping companies. The building up of a tanker fleet will require considerable fu[illegible] and I hope that the Transport Minister will be successful in his endeavours to secure additional allocation of finance for shipping.

Carriage of Rice From Burma to India

"With the rise in the international freight market, the Burma-India Conference which was catering to this trade and which included some foreign shipping companies, folded up its tent and declared its inability to cover this berth except at fantastic freight rates. It was the same Conference which had prevented, in the past, young Indian companies like ours from participating in this trade monopolised by their members on the pretext that the berth was adequately covered by their members and, therefore, they could not allow outsiders to participate in this trade. When the members of the Conference declined to lift this vital movement of rice from Burma to India, your Company approached the Government and assured them of our willingness to co-operate in the essential movement of rice from Burma to India at reasonable freight rates. Subsequently, I am glad to say, Indian shipping companies undertook to lift 3 lakh tons of rice from Burma to India in six months at freight rates which were 20 to 25 per cent. lower than those indicated by the members of the Conference. Your Company has almost fulfilled its commitment for the carriage of 70,000 tons of rice ahead of others and has thus established its claim to a 25 per cent. share in this trade.

Coastal Trade

"It will please you to learn that the fulfilment of your Company's commitment to carry Burma rice did not adversely affect the liftings on the coast. Unlike others, your Company chartered outside tonnage and ensured that the carriage of coastal cargoes in the Company's vessels was not adversely affected. In fact, our coastal liftings amount to a quantity which could only have been lifted by the engagement of all our owned vessels in the unremunerative coastal trade. It is a creditable achievement especially because your Company, like other companies, could well have diverted some of its coastal tonnage to the Burma-India rice trade without bothering to charter additional tonnage at the present high charter rates. In view of the uneconomic freight rates on the coast, any diversion from the coast brings in some sorely needed relief. However, your Company resisted this common temptation and has continued to maintain its coastal liftings.

"The uneconomic coastal freight structure can be evidenced from, among other things, the extremely slow growth in coastal tonnage as compared with overseas tonnage. In fact, no one can afford to buy, for coastal operation, ships at today's very high level of prices and high costs of operation and run them at low and uneconomic freight rates. The Government's persistent refusal to permit a commensurate rise in the coastal freight rates has administered a setback to the cause of Indian shipping. If the Government had conceded economic freight rates in time, shipping companies would have acquired additional tonnage for coastal operation at reasonable prices at the most opportune time. It is no use now crying over spilt milk and let us hope that the Rail-Sea Co-ordination Committee which has examined this question thoroughly will recommend to the Government the necessary increase in the coastal freight rates, so as to bring them to an economic level.

Problem Urgent

"The inadequacy of the coastal tonnage in relation to the cargo offering for coastal movement will be greatly aggravated with the progressive execution of the second Five-year Plan and enormous increase in the quantum of cargo that is expected to be moved by coastal vessels. We feel sure that the rising tempo of various schemes and projects under the second Five-year Plan will bring about a transport bottleneck in the country. The railway and road transport will not be able to handle all the increased traffic and the coastal movement by sea may be expected to increase progressively from 3 million tons to about 5 million tons per annum. Meanwhile, a number of old coastal vessels may have to be scrapped. The problem of replacement and expansion of coastal tonnage, therefore, assumes great urgency and importance.

"Your Company was among the first to be seized of this problem. The freight rates on the coast, even allowing for any increase that may be recommended by the Rail-Sea Co-ordination Committee and accepted by the Government, cannot bear the extremely high cost of new or second-hand tonnage. This is because, in the ultimate analysis, the coastal freight structure is bound to be influenced by the railway tariff. The railways carry an overwhelmingly large proportion of the country's internal traffic and the coastal freight rates, therefore, cannot be far out of step with the railway rates. The shipyards of the world are fully booked and delivery of new ships cannot be expected under three or four years. Second-hand tonnage is extremely scarce and the very few ships that are offered are quoted at fantastic prices.

U.S. Assistance

"My colleague on the Board, Mr. Vasant J. Sheth, toured the U.K., the U.S.A., Europe and Japan to see if any way could be found out of the prevailing tonnage crisis. He found that the only country which could assist India is the U.S.A. with her mothball fleet and her generous tradition of assistance to underdeveloped countries. On his return to India, the Company decided to pursue the matter earnestly and deputed the Company's former General Manager, Dr. Sen, to the U.S.A. For four months Dr. Sen persisted in his skilful advocacy of India's dire need for ships, which could only be met by the release of Liberty ships from the mothball fleet of the U.S.A. The Government of India and the Indian Ambassador in America, Mr. G. L. Mehta, lent their weighty support and made their good offices available to Dr. Sen. After protracted negotiations and conferences with various executive departments of the U.S. Government, Dr. Sen felt confident of their support of enactment of suitable legislation for the release of Liberties from the mothball fleet to India. However, because of the impending elections in that country, it was too late to introduce the necessary legislation. Now that the Administration has emerged successful in the elections, I have every hope that the necessary legislation will be passed shortly and that at least 12 Liberties will be released to our country.

Liberty Ships

"These second-hand Liberty ships which, though ageing, have been kept in good condition, are urgently required to augment our coastal tonnage in the transitory period and to avert a transport crisis. By releasing them now the U.S. Government would have helped us before these ships run out their useful life and become obsolete in their stables. With the progress of the second Five-year Plan there is bound to be a very severe tonnage crisis on the coast. These ships will just help us tide over the crisis in our transport system and, thereby, assure the success of our second Five-year Plan. If the U.S. Government requires an undertaking that these ships would only be used for our coastal trade and not for competition with the U.S. liners, this may be given on a Government-to-Government level. It cannot be regarded as an unreasonable demand, in view of the U.S. Government's legitimate concern to safeguard their own interests. What is most important is that we must get going and save ourselves from being engulfed in a transport crisis. It is also clear that these ships could be utilised for the coastal trade only if they are released at the usual prices and not at the international level of prices. The coastal trade with its low freight rate structure will not be able to bear the incidence of the high international price level of ships.

"In the conditions as they exist in the world today, we are sure that it is only the U.S. Government which can assist a young country endeavouring to build and consolidate a democracy on foundations of unregimented economic planning and well-being. Other powers are in no position to assist our country in this direction. Our Prime Minister is visiting the United States and perhaps during his visit the release of U.S. Liberties could be arranged. If the Government desires to pursue this vital matter, we are prepared to send our representative to the States in order that he may be available on the spot for necessary consultations.

"Your Company took the initiative and have put in considerable efforts for the release of Liberties from the mothball fleet of the U.S.A. Out of 12 Liberties proposed to be released to our country, we can legitimately claim an allotment of six Liberties for our coastal fleet. Three or four Liberties will serve as timely replacements for the three or four coastal time-charters which will be expiring shortly and the remaining two or three Liberties will be a welcome addition to our coastal fleet. Your Company is prepared to finance up to 50 per cent. of the cost of these ships from its own resources.

Port Facilities and Dock Labour

"The progressive implementation of the second Five-year Plan would not only bring about an increase in the coastal movement by sea but will also increase the foreign imports of capital goods, machinery and raw materials into the country. The present port facilities in the country are woefully inadequate. Congestion at ports and delays to ships which are common even at present are on the increase. It will, therefore, be an impossible task to handle the enormously increased coastal and overseas traffic at the ports without a speedy and commensurate improvement and expansion of port facilities. Otherwise, I am afraid, we shall not only be unable to handle the increased traffic but would also pay heavily for the limited traffic in terms of increased transport costs and waste of national tonnage, as a result of dislocation and congestion at the ports. The Government would, therefore, be well advised to accord topmost priority to the improvement and expansion of port facilities.

"The introduction of the piece-rates in Bombay has had a salutary effect on the output and earnings of dock labour. It is essential that the piece-rate system should be extended to all the ports. It is hoped that increasing co-operation between employers and dock labour will improve the turnround of ships and will enable them to carry more efficiently the increased overseas and coastal traffic.

Fleet Expansion

"Your Company started its operation in 1948 with one Liberty ship which was acquired for about Rs. 22 lakhs. At present, the Company owns eight ships worth Rs. 3.25 crores at cost and much more at market value. The three new ships which are on order will cost a further sum of Rs. 3.75 crores. By the time this young Company of yours is eleven years only, we shall have invested as much as seven crores of rupees in the shipping industry and become owners of 11 vessels—a steady accretion of one vessel each year.

"I have taken into account only the committed expansion programme of the Company. The allotment of Liberties from the U.S. mothball fleet and part of the expansion programme submitted by us to the Government in pursuance of the second Five-year Plan, have not been taken into account. We are still awaiting the Government's decision on our expansion Plan submitted to them in February 1956.

Capital Structure

"The initial paid-up capital of the Company in 1948 was a modest figure of Rs. 20 lakhs. Since then, your Company issued bonus shares twice, issued new equity shares of Rs. 20 lakhs and preference shares of Rs. 25 lakhs. The paid-up capital of your Company thus stood on 30th June 1956 at Rs. 85 lakhs, out of which Rs. 60 lakhs was equity share capital and Rs. 25 lakhs preference share capital. With the present issue of Rs. 60 lakhs in equity shares, your total subscribed capital will rise to Rs. 1.45 crores and subscribed equity capital to Rs. 1.20 crores. Your Directors took the decision to increase the capital not only because your Company was undercapitalised in relation to the cost of the fleet but also because they wish to maintain a healthy ratio between the risk-bearing capital and loan liability of the Company to the Government.

Prospects

"Our tramps are doing very well. The m.v. *Jag Laxmi*, which is expected to be delivered in February 1957, will operate for four months in the current year. The earnings from the operation of the tanker, agency business, Burma-India rice trade and four months' trading of the m.v. *Jag Laxmi* will also be reflected in the current year's results. Subject to unforeseen circumstances, therefore, I visualise a bright future for your Company in the current year.

"In the five months ended 30th November 1956, the gross freight earnings have been Rs. 144 lakhs, as compared with Rs. 96 lakhs for the corresponding period during the year under report. If the remaining seven months maintain the promise of the first five months of the year, the gross freight earnings should reach the target of Rs. 3 crores, as compared with Rs. 2.11 crores for the year under report. On this assumption and in the absence of any unexpected setbacks or deterioration in trading conditions, it may be possible to maintain the dividend on the increased capital.

Government Assistance

"I have time and again criticised the policies and actions of the Government which in my opinion, are retarding the development of shipping. By and large, however, the Government is endeavouring its level best to develop Indian shipping by grant of generous loans and many other measures of assistance. The Transport Minister, the Transport Secretary, officials of the Transport Ministry, the Director-General of Shipping and his staff have all continued to assist and promote the cause of Indian shipping. Your Company owes a deep debt of gratitude to them all. It is a rare experience that Government departments go out of their way and take the initiative in conveying useful information and providing valuable guidance to companies even on the telephone. With such assistance from the Government, I am sure, your Company will march forward to new milestones of progress and play its rightful part in what our

(*Continued on page 1105*)

Notices

ANGLO-INDIA JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting, being Seventy-ninth Ordinary General Meeting of the Members of the Company, will be held at the Registered Office at 31, Netaji Subhas Road, Calcutta, on Friday the 28th day of December 1956, at 12 o'clock noon, for the following purposes:—

1. To consider and to adopt the Profit and Loss Account for the half-year ended 31st March 1956, and the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint Directors in place of those who retire by rotation at the meeting and in this connection to consider and, if thought fit, to pass the following resolution of which special notice of intention to propose it as a special resolution in accordance with Sections 190 and 261 of the Companies Act, 1956, has been received by the Company. It is stated in the special notice that Mr. K. P. Goenka, a director of the Company who retires by rotation of directors at this Annual General Meeting, is a director and member of Duncan Brothers and Company, Limited, the Managing Agents of the Company and therefore an "Officer" and "associate of the managing agents" within the meaning of the Act who may only be appointed by Special Resolution as a director whose period of office is liable to determination by retirement of directors by rotation.

   "That Mr. K. P. Goenka, be and is hereby appointed a Director of the Company whose period of office is liable to determination of directors by rotation."
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution which will be proposed as a Special Resolution:—

   (i) That the requirements of Articles 85, 86, 90, 125, 177, 181 and 182 of the Articles of Association of the Company be not complied with in respect of the half-year ended the 30th September 1956.

   (ii) That the Articles of Association of the Company be altered in manner following:—

   (a) That Articles 85 and 86 shall be deleted and the following new Article 85 substituted therefor:—

   "85. In addition to any other meetings, General meetings of the Company shall be held within such intervals as are specified by Section 166 (1) of the Companies Act, 1956, and subject to the provisions of Section 166 (2) of that Act at such times and places as may be determined by the Board. Such general meetings shall be styled Annual General Meetings and shall be specified as such in the notices convening the meetings."

   (b) That Article 90 be deleted and the following new Article substituted therefor:—

   "90. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and to fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary Meeting shall be deemed special business."

   (c) That in Article 125—Line 1, the words "Second Ordinary" shall be deleted and the words "Annual General" substituted therefor:—

   (d) That Article 177 shall be deleted and the following new Article substituted therefor:—

   "177. At every Annual General Meeting the Board shall lay before the Company a Profit and Loss Account made up to the 31st March immediately preceding and a Balance Sheet as at that date and such Profit and Loss Account and Balance Sheet shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Companies Act, 1956, so far as they are applicable to the Company but save as aforesaid the Board shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than they may deem expedient."

   (e) That in Article 181—Line 1, the word "Twice" shall be deleted and the word "Once" substituted therefor.

   (f) That in Article 182—Lines 1, and 3, the words "Second Ordinary" shall be deleted and the words "Annual General" substituted therefor. In sub-para 3, the word "Ordinary" where it appears shall be deleted and the words "Annual General" substituted therefor.

The Share Transfer Books of the Company will be closed from 24th October to 6th November 1956, both days inclusive.

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

CALCUTTA, 26*th November* 1956.

Note: (*a*) Warrants for dividends, when declared, will be forwarded in accordance with registered instructions, or, if no such instructions have been received, to the registered address of all shareholders whose names appear on the Company's Register at the date of declaration. No application is necessary for payment of dividend.

(*b*) A member of the Company who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

THE CONSOLIDATED COFFEE ESTATES (1943) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Annual General Meeting of the Company will be held at the Registered Office of the Company, Pollibetta, at 10.30 a.m., on Saturday, 29th December 1956, for the purposes stated below:—

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June 1956.
2. To receive and consider the Report of the Directors on the working of the year ended 30th June 1956.
3. To declare a Dividend.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other competent business which may be brought before the meeting.

The Ordinary Share Transfer Books of the Company will be closed from 13th December 1956 to 29th December 1956, both days inclusive.

By Order of the Board,
FOR THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,
C. I. MACHIA,
Secretary.

POLLIBETTA, 27*th November* 1956.

(*P.S.*—The Board of Directors has recommended a dividend of 20 per cent. free of Indian Income-tax on the Ordinary Shares.)

Note.—Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself.

COFFEE LANDS AND INDUSTRIES (MYSORE) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of the Company will be held at the Registered Office of the Company, Hunsur, at 3 p.m., on Saturday the 29th December 1956, for the purposes stated below:—

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June 1956.
2. To receive and consider the Report of the Directors on the working of the year ended 30th June 1956.
3. To declare a Dividend.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other competent business which may be brought before the meeting.
7. To consider and if thought fit to pass as SPECIAL RESOLUTION appointing the Consolidated Coffee Estates (1943) Ltd. as Secretaries and Treasurers of the Company from 1st October 1956.

   (*Text of Resolution and explanatory statement will be sent to all shareholders.*)
8. The Ordinary Share Transfer Books of the Company will be closed from the 14th December to the 29th December 1956, both days inclusive.

By Order of the Board,
FOR COFFEE LANDS AND INDUSTRIES (MYSORE) LTD.,
THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,
C. I. MACHIA,
Secretary,
Secretaries.

HUNSUR, 27*th November* 1956.

(*P.S.*—The Board of Directors have recommended a dividend of 25 per cent. free of Indian Income-tax on the Ordinary Shares.)

Note.—Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself.

COFFEE LANDS AND INDUSTRIES (MYSORE) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN application is being made to the Central Government to approve the appointment of Messrs. The Consolidated Coffee Estates (1943) Limited as their Secretaries and Treasurers for a period of five years.

By Order of the Board,
FOR COFFEE LANDS AND INDUSTRIES (MYSORE) LTD.,
CONSOLIDATED COFFEE ESTATES (1943) LTD.,
C. I. MACHIA,
Secretaries.

HUNSUR, 1*st December* 1956.

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

INTERIM DIVIDEND FOR THE HALF-YEAR ENDED 30th SEPTEMBER 1956

AT THE MEETING OF THE BOARD OF Directors held on 2nd December 1956, the Directors have resolved to pay an interim dividend at the rate of Rupees Three and annas Eight (Rs. 3-8-0) per share, free of income-tax, for the period of six months ended 30th September 1956.

The Transfer Books of the Company will be closed from 19th December 1956 to 22nd December 1956, both days inclusive.

The interim dividend warrants will be posted on and after 26th December 1956 to all the shareholders whose names stand on the Register of Members of the Company on 19th December 1956.

By Order of the Board,
L. KANDASWAMY,
General Manager.

MYSORE, 2*nd December* 1956.

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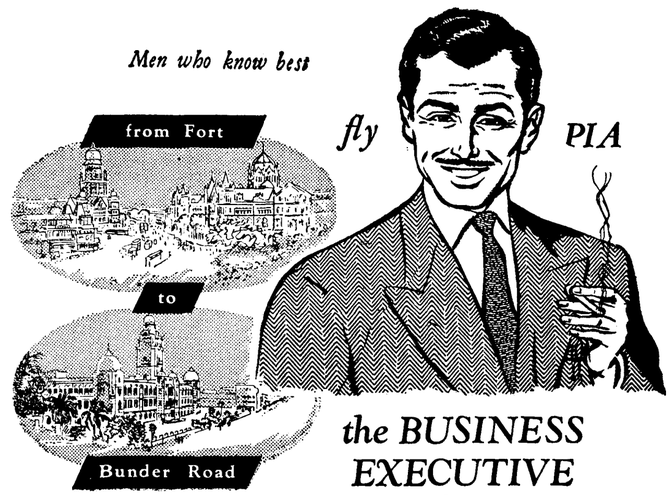

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Notices

THE BELAPUR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Belapur Company, Limited, will be held on Friday the 28th day of December, 1956, at 4.00 p.m. (S.T.), at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1956.
2. To declare a Dividend.
3. To elect a director in place of Sir Joseph Kay, K.B.E., who is the Managing Director of W. H. Brady & Co., Ltd., the Managing Agents of the Company, has attained the age of 72 years and who retires by rotation but who offers himself for re-election, and to consider and if thought fit to pass the following, of which special notice has been received by the Company and is hereby given, as a special resolution:

   "That Sir Joseph Kay, K.B.E. who retires by rotation be and is hereby appointed a Director of the Company and that the age limit prescribed by section 280 of the Companies Act 1956 shall not apply to him."

   The reasons which make this resolution necessary are set out in the first paragraph of the statement of material facts annexed to this notice which paragraph shall be deemed to be incorporated in this notice.
4. To elect a director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation but offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and if thought fit to pass the following as an ordinary resolution:

   "RESOLVED that W. H. Brady & Co., Ltd., be and are hereby re-appointed Managing Agents of the Company for the period of 10 years from 15th January, 1957, at the remuneration and upon the terms and conditions contained in the draft agreement between the Company and W. H. Brady & Co., Ltd., submitted to this meeting and for the purpose of identification initialled by Sir Joseph Kay, a director, and that the directors be and are hereby authorised to cause the said draft agreement to be engrossed in duplicate and executed on behalf of the Company."
7. To consider and if thought fit to pass the following as an ordinary resolution:

   "RESOLVED that the registers, books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act 1956 and particularly under sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301 to 304, 307, 356 to 360, 362 and 372 of the Act, be kept open for inspection by the persons entitled thereto to the extent in the manner and on payment of the fees if any specified in the aforesaid provisions, at the registered office of the Company, between the hours of 11 a.m. and 1.00 p.m. on all working days except when the registers and books are closed under the provisions of the said Act or the Articles of Association of the Company Provided however that the register required to be maintained under section 307 of the Act shall be open for inspection by members or holders of debentures of the Company if any as aforesaid between the hours abovementioned during the period prescribed by section 307(5) (a)."

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board of Directors,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 30*th November*, 1956.

Notes.—The transfer books of the Company will be closed from the 30th day of November 1956 to the 29th day of December 1956, both days inclusive.

The dividend when declared will be made payable through the Bank of India, Ltd., Fort, Bombay, on and after the 11th day of January 1957. The dividend warrants will be posted to those shareholders whose names stand on the Company's register on the 29th day of December 1956.

ANNEXURE

Statement of material facts and reasons in respect of items of special business in the accompanying notice dated 30th November 1956

Item No. 3. Sir Joseph Kay, K.B.E., has been associated with the Company since 1924 and it is considered desirable that this association should be maintained by his re-election as a director. Sir Joseph, who is aged 72 years, is the managing director of W. H. Brady & Co., Ltd., and, as such, an associate of the managing agents. According to sections 261 and 281 of the Companies Act 1956, he can only be re-elected as a director by a special resolution.

Item No. 6. The present agreement dated the 30th September 1925 between the Company and W. H. Brady & Co., Ltd., under which W. H. Brady & Co., Ltd., acts as the Company's managing agents, will be deemed to expire on the 14th January 1957, under the provisions of the Indian Companies Act 1913 and the Companies Act 1956.

The Directors are of opinion that W. H. Brady & Co., Ltd., have served the Company well and recommend that they be re-appointed as managing agents for a period of 10 years from the 15th January, 1957, at the remuneration prescribed in the draft agreement referred to in this item, namely:—

"2. (I) The remuneration of the Managing Agents shall be as follows:

(a) A commission at the rate of 10 per cent. per annum on the annual net profits of the Company computed in the manner prescribed by Section 349 of the Companies Act, 1956 PROVIDED that if in any financial year the Company shall have no profits or its profits shall be inadequate to pay the commission aforesaid the remuneration of the Managing Agents for that financial year shall be the sum of Rs. 50,000. The aforesaid commission in respect of any financial year shall be paid to the Managing Agents upon the accounts of the Company for such financial year being audited and laid before the Company in general meeting. The Company shall in the meanwhile pay to the Managing Agents on account of the minimum remuneration of Rs. 50,000 a sum of Rs. 4,000 on the last day of each of the first eleven months of such financial year and a sum of Rs. 6,000 in the last month of such financial year.

(b) Such additional remuneration as shall be sanctioned by a special resolution of the Company and approved by the Central Government.

(II) The remuneration of the Managing Agents for any financial year shall be paid on the day following the day upon which the accounts of the Company for that financial year are laid before the Company in general meeting.

(III) In addition to the remuneration before provided for the Managing Agents shall be entitled to be reimbursed in respect of all expenses incurred by them on behalf of the Company and sanctioned by the Board of Directors of the Company or by the Company in general meeting such reimbursement to be made as shall be provided in the resolution granting such sanction."

Application has been made to the Central Government for approval of such re-appointment of W. H. Brady & Co., Ltd., as the Managing Agents on the terms and conditions of the draft agreement mentioned in item No. 6 of the above notice and the Central Government's approval was accorded thereto by the Government of India, Ministry of Finance letter No. 41/435/CL/56 dated the 20th October 1956. An abstract of the draft agreement between the Company and W. H. Brady & Co., Ltd., has been sent to each member as required by the Companies Act 1956. A copy of the aforesaid draft managing agency agreement is also available for inspection at the registered office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, during usual business hours on working days.

Item No. 7. The Companies Act 1956 entitles the Company to impose reasonable restrictions upon the availability of its registers, books and documents for inspection; the draft special resolution set forth under this item of business specifies such reasonable restrictions which are desirable in the interests of the Company's business.

Following is the nature and extent of the interest if any of the Managing Agents and of each of the Company's Directors in these items of special business:—

Name	*Interest*
W. H. Brady & Co., Ltd.	Managing Agents and Member of the Company.
Sir Joseph Kay, K.B.E.	*Managing Director, Chairman and Member of:* W. H. Brady & Co., Ltd. *Director and Chairman of:* New City of Bombay Mfg. Co., Ltd. New Great Eastern Spg. & Wvg. Co., Ltd. Empire Dyeing & Mfg. Co., Ltd. G. Claridge & Co., Ltd. Brady Engineering Co., Ltd. "Commerce" (1935) Ltd.
Sir Purshotamdas Thakurdas, K.B.E. ..	*Nil*
Mr. Bhagvandas C. Mehta	*Nil*
Sir Jamsetjee Jejeebhoy, Bart.	*Member of:* W. H. Brady & Co., Ltd. *Director and Member of:* New City of Bombay Mfg. Co., Ltd. New Great Eastern Spg. & Wvg. Co., Ltd.
Mr. Krishnaraj M. D. Thackersey ..	*Nil*
Mr. Manoklal Premchand	*Nil*
Mr. J. Symon	*Member of:* W. H. Brady & Co., Ltd. Empire Dyeing & Mfg. Co., Ltd. *Director and Member of:* Brady Engineering Co., Ltd.
Mr. F. Edwards ..	*Member of:* W. H. Brady & Co., Ltd. *Director and Member of:* Empire Dyeing & Mfg. Co., Ltd. *Director of:* G. Claridge & Co., Ltd.

To the Shareholders of The Belapur Company, Limited, and in particular to:
Mr. William Abel and
M/s. Rajabali Hasom Paroo and Sons, Ltd.

THE CONSOLIDATED COFFEE ESTATES (1943) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Debenture Transfer Register of the Company will be closed from 19th December 1956 to 31st December 1956, inclusive, for the preparation of Debenture Interest Warrants due for the six months ending 31st December 1956.

By Order of the Board,
For THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,
C. I. MACHIA,
Secretary.

POLLIBETTA, 27*th November* 1956.

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Bombay	**ADEN**	Mtwara	Kericho
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Tuticorin	Zanzibar	Delamere Avenue, Nairobi	Jinja
Cochin	**TANGANYIKA TERRITORY**	Thika	Kamuli (Sub-Branch to Jinja)
PAKISTAN	Tanga	Fort Hall (Sub-Branch to Thika)	Mbale
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D. G. MOORE, Manager.

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General Manager

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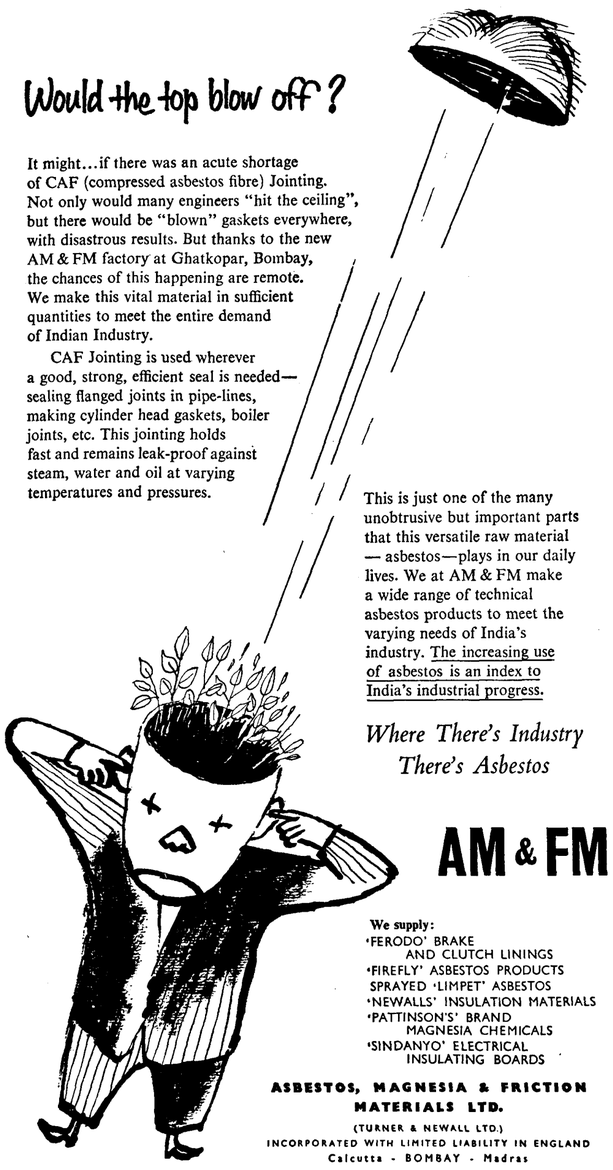

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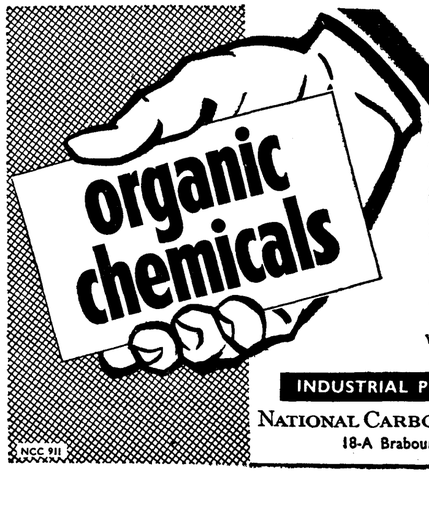

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ELECTRIC BRASS LAMP HOLDERS

QUESTION OF TARIFF PROTECTION

THE scope for the expansion of the electric lamp holders industry in the country is very wide, because of the large increase—more than double the present level by 1960-61—envisaged in the production of electric energy in the second Plan period. Another factor that adds to the importance of the industry is the fact that it is one which can be developed on a small-scale basis. Among others, these two striking features are likely to influence the Tariff Commission in its enquiry into the industry's claim for continuance of tariff protection. The Commission's investigation began with a speech by Mr. K. R. Damle, I.C.S., Chairman, on 26th November 1956. It will be recalled that the Commission held its first enquiry into this case in 1950, following which protection was granted to the industry up to 31st December 1953 by converting the revenue duties of 36 per cent. *ad valorem* standard, and 24 per cent. *ad valorem* preferential on articles of British manufacture, into protective duties. This was followed by a second enquiry in 1954 which led to an extension of protection to the industry up to 31st December 1956 at the enhanced rates of 60 per cent. *ad valorem* standard, and 50 per cent. *ad valorem* preferential. This protection has been further extended till the end of the year 1957 by the Government in consultation with the Commission.

Such, in brief, is the history of tariff protection to this important industry. The scope of the present enquiry covers all types of brass lamp holders, except miniature types adopted for use in automobiles, and Goliath and Ediswan types of lamp holders, both of which come under a separate category.

Reviewing the industry's progress, the Chairman pointed out that certain ancillary recommendations made by the Commission in its report in 1954 had not been implemented fully; and he called upon the representatives of the industry and the Government to enlighten the Commission on the reasons for such non-implementation. This would, obviously, facilitate the Commission in its appraisal whether or not the industry has, if so, to what extent, fulfilled its obligations stemming from the enjoyment of protection.

At present, there are 15 units in the industry with an aggregate capacity of about 4.7 million pieces, on a single-shift basis, as against 14 units and 3.9 million pieces respectively, at the time of the last enquiry. The figures quoted by Mr. Damle, in the course of his address, indicate that the increase in production during the last few years has been very impressive, the output having more than doubled since the last enquiry. It is also clear from the figures produced below that despite the expansion in domestic production, the imports have continued to be substantial, such having been no less than 350,000 pieces in 1955.

(Figures in lakhs of pieces)

Year	Production	Imports	Total
1952	8.59	6.28	14.87
1953	15.73	1.76	17.49
1954	23.83	8.96	32.79
1955	34.58	3.51	38.09
1956 (Jan.-Sept.)	28.49	N.A.	—

N.A.=Not available.

During the last four years, the average production and imports have been of the order of 2.58 million pieces per annum. The large imports, as well as the estimated demand for the future, suggest that the domestic production of brass holders is inadequate. In 1954, the Commission had estimated the demand for electric lamp holders at 1.4 million pieces per annum, and expected it to increase by 5 per cent. per year during the following two years. The Development Wing of the Ministry of Heavy Industries had estimated the current demand at 2.5 million pieces. On the other hand, the Lamp Holders Manufacturers' Association of India has estimated the demand for both brass and bakelite lamp holders together at 2.2 million pieces. It is evident from these figures, as also from the actual figures of sales, obtained by the Commission from the manufacturers (3.3 million pieces in 1955 and 2.8 million pieces in January-September 1956), that there are no reliable estimates of the domestic demand. Two things, however, are clear: (1) the present production is very inadequate, and (2) as Mr. Damle pointed out, the demand for products will increase fast in the years ahead consequent on the plans for power and industrial development.

A brief reference was made by Mr. Damle to another important aspect of the industry, namely, supply and price of raw materials. A noteworthy feature of the industry is that almost all the principal raw materials, that is, brass sheets, brass tubes, wires and rods and porcelain insulators, except brass tubes, can be adequately produced in India. It is said that a firm in Calcutta has already completed its blueprints for the erection of a tube reducing mill and has approached the Government for licences for the import of machinery. The capacity for the porcelain components is not being fully utilised, owing mainly to the fact that the lamp holders, in the absence of any standard specifications, are being made in numerous designs and sizes. Consequently, the orders received for individual sizes are too small to permit economic manufacture.

The Chairman of the Tariff Commission expressed satisfaction at the improvement in the quality of domestic product. There are, however, certain complaints which show that it is possible and also necessary to improve the quality further. It is pointed out by one of the largest consumers that the porcelain portion inside lamp holders is porous and that the pins fixing the lamp to the holder are not flexible. It is further complained that the indigenous product is generally inferior to the imported product due to the inferior quality of the material used. Moreover, in many cases, the thickness of the material used is also found to be insufficient to thread the holders properly, with the result that the lamp holders fall off due to wind or other causes. This exposes the bare line contacts, involving risk of electric shock.

The import and export policies of the Government, referred to by Mr. Damle, have also been very favourable to the growth of the industry. On the one hand, the present import policy placed severe restrictions on the import of brass lamp holders. As a result, no imports have been noticed at the port of Bombay for the past several months. On the other hand, the export of the electric brass lamp holders is licensed freely by the Government, in order to facilitate development of export markets. It may be recalled that, in its previous report, the Commission had recommended that it would be desirable for the larger units to make efforts to develop export markets for their products. A survey by the Brass Lampholders Manufacturers' Association in the Middle Eastern and Far Eastern markets, however, revealed that the consumers there preferred bakelite holders to brass lamp holders because of their comparative cheapness, though they were less durable. So far, no appreciable success has attended the export drive.

The International Association for the Exchange of Students for Technical Experience is offering practical training to one Indian each with Messrs. Ab Addo and Messrs. Ab Original Odhner in Sweden. The subject of training is mechanical engineering, including production of accounting and calculating machines. The duration of training will be about nine months. The Swedish firms offering training facilities will pay Rs. 450 to Rs. 500 per month. All other expenses, including travelling expenses, will have to be borne by the candidates themselves.



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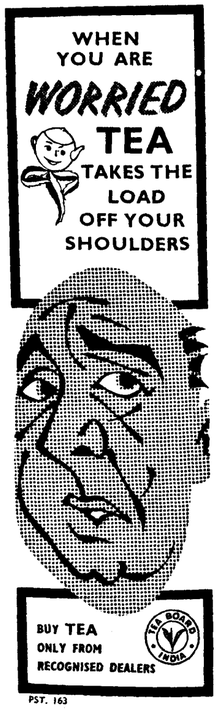

PST. 163

G.A.T.T. FAVOURS NEW APPROACH TO TRADE IN PRIMARY COMMODITIES

ESTABLISHMENT OF O.T.C. NO NEARER

THE Eleventh Session of the Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.) at Geneva which lasted for five weeks, from 11th October to 19th November 1956, to be precise, took some notable decisions. These relate to the problems of trade in primary commodities, disposal of surplus agricultural produce and the introduction of new Brazilian Tariffs. The most important item, on which no progress was made, is the establishment of the Organisation for Trade Co-operation (O.T.C.).

One of the noteworthy features of the conference, as the Chairman, Sir Claude Corea, pointed out in the course of his concluding remarks, was the general agreement on the real importance of G.A.T.T. in world affairs. It was also felt that, in order to bring home the value of G.A.T.T. to the authorities and people concerned, there should be a concerted effort to put it in proper light and perspective before the national authorities and the general public alike. Further, it was generally recognised that, despite the commendable achievements of the Agreement so far, a better machinery on a permanent basis was indispensable. Appropriately enough, some concern was expressed at the absence of any progress so far on the establishment of O.T.C., and at the dependence, for such establishment, on the course which a particular Contracting Party would follow next year. Sir Corea remarked in this connection:

"It is a matter for serious reflection for it gives encouragement to those who see in the lack of organisational status an element of instability and a stimulus to those who would prefer to return to a world of unilateral action in the field of international trade."

The Chairman, however, found one favourable factor, that is, the acceptance by the parties to the G.A.T.T. of the rules laid down by it. This added to the strength of the Agreement, because they felt that the application of these rules was of fundamental advantage to them both as individual nations and as members of the international trading community.

Discriminatory Import Restrictions

Consultations on the discriminatory aspects of import restrictions have taken place among the parties concerned to their mutual advantage. The five Governments which consulted with the Contracting Parties were Australia, Ceylon, New Zealand, the Federation of Rhodesia and Nyasaland and the U.K. Discussions centred on the financial and other circumstances in which the discriminatory restrictions were being maintained, and on their impact on the commercial and economic interests of other countries.

The Contracting Parties appointed a Consultation Committee to conduct the consultations during June-October 1957 with parties who were still imposing import restrictions for balance-of-payments reasons under the terms of Article XII4(*b*). On the subject of O.E.E.C. trade liberalisation, the Contracting Parties agreed that the appropriate course for countries having particular problems in this connection would be, in the first instance, to take recourse to procedures providing for bilateral consultations under Article XXII.

A notable decision, which Sir Corea termed as an "ingenious solution," related to the new Brazilian Tariff (*vide* page 953 of *Commerce* dated 17th November) which, according to the Chairman, presented the greatest challenge to the conference. The working party, which examined the effects which the introduction of the new tariff would have on Brazil's obligations under the G.A.T.T. and the interests of other parties, recommended to the Contracting Parties that the introduction of new tariff be approved. The Contracting Parties, by a decision, granted Brazil a waiver from the provisions of Article II, paragraph 1, so as to permit the Brazilian Government to put into force its new customs tariff immediately after its enactment by the Brazilian Congress. The duration of this waiver, however, is limited to the time required for the completion of tariff negotiations to replace the present Brazilian schedule of tariff concessions annexed to the G.A.T.T. and for the entry into force of the resultant concessions. Moreover, pending the entry into force of the results of the negotiations, the other Contracting Parties would be free to suspend concessions initially negotiated with Brazil. The decision of the Contracting Parties also contains the procedural and legal provisions which are required to establish a new G.A.T.T. schedule of concessions for Brazil and to ensure that the status of Brazil *vis-a-vis* the general Agreement will continue on a durable basis.

Common Market

On the proposals for a closer economic integration in Europe, the Contracting Parties heard the statements from the representatives of Belgium, on behalf of the six European countries having discussions at Brussels with a view to drawing up a treaty to establish a Common Market, and from the representative of the O.E.E.C., who revealed that a working party of the O.E.E.C. was studying the possibility of establishing a free trade area which would include the six countries comprising the Common Market and other interested O.E.E.C. member-countries. It was further stated that, early in 1957, the Council would decide on the basis of the working party's report whether to go ahead with the plans for a free trade area. They noted also, besides these statements, the assurance given by the six countries that the treaty establishing the Common Market would be submitted to the Contracting Parties after its signature and before it is submitted to their respective Parliaments for ratification. They instructed the Intersessional Committee to follow developments and to report to the next Session.

The Contracting Parties have also decided that Nicaragua, which asked for release from certain G.A.T.T. obligations in order to join a customs union of Central American States when it is formed, is entitled to claim the benefits of Article XXIV relating to the formation of free trade areas, and decided to review this decision if they find that the establishment of a free trade area is unlikely to come into being within ten years of the entry into force of the Treaty. Nicaragua has undertaken to report annually on the progress of reduction of tariffs and other restrictions within the free trade area. In regard to the Franco-Tunisia Customs Union, which became effective on 1st January 1956, the Contracting Parties asked the Intersessional Committee to review the arrangements in detail and report to the Twelfth Session.

Complaints

Some notable progress was also made by the Eleventh Session of G.A.T.T. in the field of 'complaints.' Regarding the complaint against the discriminatory aspects of Brazilian internal taxes against certain U.K. and French exports, assurances were given by the Brazilian delegation that the new excise law to be enacted by its Government would eliminate the discriminatory aspects of the present laws in force. The Contracting Parties also took note of the statement of the French representative that exceptional expenditures that were being incurred by the French Government warranted the keeping in force of the French special compensation tax, which discriminated against the imports of certain products from countries other than the French Union and the O.E.E.C. countries. In regard to French stamp tax, which was increased from 2 to 3 per cent. and was found by the Parties as being contrary to the provisions of Articles II and VIII of the Agreement, the representative of France reported that his Government had recognised that the increase was contrary to the provisions of the agreement and that the draft Finance Act for 1957, submitted to Parliament provided for the reduction of the rate to its original level. As regards French internal tax on automobiles, against which a complaint was made by the U.S., the French delegation did not accept the contention of the U.S. that it was contrary to certain G.A.T.T. principles. The two Governments, however, agreed to continue bilateral discussions, and, if no solution could be found, to refer the complaint to the Intersessional Committee.

Another complaint that came up for consideration was the one against the maintenance of quantitative import restrictions by the U.S. Government on dairy products. Since the restrictions had not been relaxed so far, the Contracting Parties authorised the Netherlands, the complainant, to limit its imports of wheat flour from the U.S. to a maximum of 60,000 tons during 1957.

Under the head "Releases under Article XVIII," it is noteworthy that Ceylon obtained releases which will enable it to regulate the import of a short list of products where she is establishing local production of similar goods. The Contracting Parties also examined the request of the Swiss Government for an opportunity to acceed provisionally to the Agreement, and agreed to request the Swiss Government to enter into tariff negotiations with a view to provisional accession. They decided to hold these negotiations in 1957.

Alternative Approach

Notable in the field of commodity problems was the decision not to proceed further with discussions relating to the draft special agreement on commodity arrangements. Instead, the members hit upon an alternative approach to the problem. They decided to deal with the difficulties arising in connection with international trade in commodities under the terms of the relevant provisions of the Agreement on the basis of a report to be submitted by the Chairman of the Interim Co-ordinating Committee for International Commodity Arrangements. They further decided that, in the course of balance-of-payments consultations, they would take account of problems relating to international commodity trade along with other difficulties which may be contributory to the disequilibrium of the balance of payments. They also decided to make arrangements for an inter-governmental meeting to contribute to the solution of commodity trade problems. It is to be seen as to how far this arrangement will be effective in solving the problems connected with international trade in primary commodities, on a satisfactory solution of which depends the economic stability and development of the underdeveloped areas.

On the question of disposal of surpluses, the parties noted in a resolution that it was the intention of individual Contracting Parties to liquidate agricultural surpluses in such a way as to avoid or provoke disturbances on the world market, and considered that any Contracting Party making arrangements for disposal of surplus agricultural products should consult with the principal suppliers of those products so as to achieve an early liquidation of stocks. In the course of discussions on this subject, concern was expressed over the existence of large surpluses and policies for their disposal. It was emphasised that the consultations procedure would contribute to the more orderly liquidation of stocks. It was also argued that expansion of consumption would be more desirable than restriction on production. But it may be stated here that a satisfactory and permanent solution to this problem consists both in orderly expansion of consumption and regulation of production when the surpluses become excessive. In this connection, the Soil Bank programme of the U.S. Government is a step in the right direction.

(*Concluded from page* 1099)

Prime Minister aptly called 'the mighty adventure of building a new India.'

"The news about the resignation of Shri Lal Bahadur Shastry as Transport Minister has been received with great regret by all and especially those who have first-hand knowledge of his sincerity and devotion to the cause of Indian shipping. It is hoped that his qualities will be utilised in some responsible capacity for the good of the country.

"You will, gentlemen, undoubtedly wish me to extend a cordial welcome to Shri P. R. Subramanian, Senior Deputy Director-General of Shipping, who has recently joined the Board of your Company as a Government Director. Mr. Subramanian is an able officer with long experience of shipping problems. His association will, therefore, be of great benefit to your Company.

"Gentlemen, I am sure you will join me in expressing our well-deserved appreciation and thanks to the staff, both afloat and ashore, for their devotion to duty and the way in which they have shouldered increasing responsibilities as a result of the rapid expansion in the activities of the Company.

"I thank you, gentlemen, for giving me a patient hearing.

"May I now move that the report and the accounts for the year ended 30th June 1956 be and are hereby adopted?"

Note.—This does not purport to be a record of the proceedings of the Annual General Meeting.

INDIAN CABLE'S ASTOUNDING PROGRESS

DIVIDEND LEVEL STEPPED UP

THE year ended 31st March 1956 has turned out to be yet another outstanding one in the history of the Indian Cable Company Ltd. (Chairman: Mr. S. N. Mukerjee, Calcutta). The Company's efficient sales policy, coupled with the increased production, has contributed substantially to a rise in earnings which far outweigh the results achieved in the previous year, which were by themselves a record. The gross profit, which had shot up from Rs. 35.47 lakhs for 1953-54 to Rs. 90.10 lakhs for 1954-55, has jumped up further to Rs. 139.13 lakhs for the year under discussion. Thus the upward trend in earnings witnessed in 1954-55 after the reversal suffered in 1953-54, has been well maintained, nay, bettered. This is, indeed, a remarkable achievement of which the Company can rightly feel proud.

The net profit, too, has not lagged behind; at Rs. 53.59 lakhs it is Rs. 9.38 lakhs above the level attained in 1954-55. It is noteworthy that this increase, substantial as it is, has occurred only after the management has raised the provision for depreciation from Rs. 10.90 lakhs to Rs. 14.47 lakhs and that for taxation from Rs. 33.02 lakhs to Rs. 68.00 lakhs.

The higher profit has had its welcome reflection in the distribution to the participating preference shareholders and the ordinary shareholders. The return to them has been stepped up to 15 per cent. (made up of a dividend of 12½ per cent. and a bonus of 2½ per cent.) from 12½ per cent. (made up of a dividend of 10 per cent. and a bonus of 2½ per cent.) for the previous year. The latter return itself was higher than that for 1953-54, amounting to 10 per cent. (dividend of 7½ per cent. and bonus of 2½ per cent.), at which level it had remained stationary for three years previous to that. It will be noted from this recital of the recent record of the Company that the rate of dividend proper has been enhanced for the third year in succession. This is a significant pointer to the future, in that it reflects the Directors' confidence that they can repeat the higher dividend without much difficulty in the coming years as well.

The increased distribution to the shareholders for the year under review has been made only after raising the allocation to the reserves from Rs. 11.76 lakhs to Rs. 25.66 lakhs. The contribution to the reserves is made up of Rs. 10.00 lakhs set aside to basic stock reserve, in view of the wide fluctuation in world prices of copper during the year under review, and the fact that the closing stock of copper was considerably higher than in the previous year, Rs. 5.00 lakhs to reserve for replacement of fixed assets, Rs. 7.16 lakhs to reserve for retiring gratuities and Rs. 3.50 lakhs for doubtful debts.

The following table will help the reader to make a comparative study of the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	614.55	499.03	331.90	
Closing stocks	46.19	36.63	54.56	
Other income	4.08	2.19	2.14	N.A.
Raw materials consumed	395.22	322.66	258.79	
Other expenses	93.83	70.54	60.69	
Gross profit	139.13	90.10	35.47	75.05
Directors' commission	3.07	1.06	0.67	1.66
Depreciation	14.47	10.90	8.49	5.40
Taxation	68.00	33.02	10.20	36.40
Net profit	53.59	44.21	16.10	31.59
Debenture issue expenses	0.01	2.44	..	..
To reserves and other provisions	25.66	11.76	5.00	8.36
Transfer from provision for taxation	..	..	9.23	..
Dividends—				
Preference (participating)	1.93	1.61	1.29	1.29
Ordinary	22.93 (D. 12½ % + B. 2½%)	19.11 (D. 10% + B. 2½%)	15.29 (D. 7½% + B. 2½%)	15.29 (D. 7½% + B. 2½%)
Carry forward	32.04	28.93	19.70	15.94

N.A.=Not available.

The improved results of the Company for the year under review have more than justified the hope expressed by the Chairman in the last annual statement that the "prospects for the future are good." They are due, according to the Chairman, "mainly to an increase in sales of more than 23 per cent." Reviewing the working of the Company during the year, the Chairman, Mr. S. N. Mukerjee, in his usual statement accompanying the Directors' Report for the year, says:

"The greatest problem of the year was caused by wide fluctuation in the price of copper. Whereas the average L.M.E. settlement rate for April 1955 was £328 per ton, a record peak of £438 per ton was reached in March 1956. There were no serious shortages of raw materials during the year, but considerable difficulties were experienced with supplies of coal, and the congestion in the docks and restrictions of rail movement created many difficulties in maintaining a continuous flow of raw material to the factory."

The Company's drive for increasing its business to still greater levels has brought about some changes of far-reaching importance in its organisational set-up. Commenting on these, the Chairman observes:

"An outstanding change in the activities of your Company is the taking over, on the 1st January 1956, from British Insulated Callender's Cables Ltd., the entire selling and engineering organisation built up by them and their predecessors in India over the past 50 years. This comprises 12 sales offices which form a network whose activities closely cover the whole of this vast country. From the same date, your Company was appointed on a commission basis as representatives for British Insulated Callender's Cables Ltd. in India.

"The setting up of our own sales organisation necessitated the termination of our former agency agreement with Messrs. Gillanders Arbuthnot & Co., Ltd., who have acted as our selling agents since the early days of this Company and for whose services in the past we have every reason to be grateful. In expressing my appreciation of their services, I am pleased to add that satisfactory arrangements have been made whereby they continue to act as our distributors, thus ensuring continuation of the connections which they have built up over many years with customers for our products."

Alongside the efforts to augment its sales, the Company's schemes for expansion of its capacity are making headway which, when completed, would firmly establish it as one of the largest industrial units that the country can boast of. The progress made thus far is reflected in a considerable appreciation in the value of its fixed assets from Rs. 98.55 lakhs in the previous year to Rs. 127.88 lakhs at the end of the year of review. Speaking about the expansionist programme, the Chairman says:

"We have good reason to be satisfied with the progress of the ambitious scheme for expansion on which your Company embarked a few years back.

"The rod rolling mill, P.V.C. insulated cable plant and the first phase of the expansion for rubber insulated cables and wires have been completed and are in full production at economic levels with satisfactory forward bookings. The second phase of the expansion of the rubber cable factory is in progress, but some of the new plant has not yet been shipped and it is likely to be the second half of 1957 before full production is available from this project. The second and final phase of the expansion of the production of paper insulated wires and strips for transformer windings has been completed.

"The plant for the manufacture of fully synthetic enamelled copper wires with a vinyl acetyl base and complying with British Standard Specification 1844:1952 is now fully installed and such enamelled copper wires were first produced at Tatanagar in August 1956. It is expected that the plant will be in full operation during the first half of 1957 with a size range of 0.092" to 0.0048" diameter copper wires. A special plant has been installed, and is in operation, at Tatanagar for the manufacture of the fully synthetic enamel itself.

In the new factory for the production of paper insulated power cables for up to 11 k.v. working pressure, about 80 per cent. of the plant has been installed. It is expected to commence production of these cables about the middle of 1957."

The latest balance-sheet of the Company shows that its financial position is very sound. It has a paid-up capital of Rs. 165.77 lakhs divided into 128,775 six per cent. cumulative participating preference shares of Rs. 10 each and the balance in ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 169.04 lakhs. The 5½ per cent. debenture capital stands at Rs. 101.37 lakhs. The provision for taxation amounts to Rs. 111.79 lakhs. The current liabilities are of the order of Rs. 214.79 lakhs. The gross block of the value of Rs. 199.39 lakhs (including an addition of Rs. 43.86 lakhs during the year) stands depreciated at Rs. 127.88 lakhs. The current assets stand at the impressive level of Rs. 634.88 lakhs in which miscellaneous stores account for Rs. 13.48 lakhs, raw materials and work-in-progress Rs. 158.67 lakhs, finished goods Rs. 46.19 lakhs and book debts considered good Rs. 284.83 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 32 *cum-div.* On an *ex-div.* basis, and taking the total dividend for the year at 15 per cent., the yield works out to 4.9 per cent. per annum.

About the outlook for the Company, the Chairman in the concluding lines of his statement observes that "the results for the current year to date are good and we have a satisfactory order book for all our products."

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Shri S. P. Jain

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SIXTYONE YEARS STRONG IN SERVICE

R. L. Tuli - Offtg. General Manager

AMALGAMATED ELECTRIC'S RESULTS BETTER

A substantial improvement in electricity generated, coupled with a fair rise in sales of energy, has led to a small rise in the earnings of the Amalgamated Electricity Company, Ltd. (Managing Agents: The Consolidated Electric Agencies Private Ltd., Bombay), for the year ended 31st March 1956. The gross profit, which had risen from Rs. 13.90 lakhs for 1953-54 to Rs. 16.15 lakhs for 1954-55, has made a small advance to Rs. 16.98 lakhs for the year under review. Although this increase is by no means great or substantial, what is of special significance is the steady upward trend in earnings witnessed over the past few years. Depreciation, including equated contribution for arrears of depreciation, takes up Rs. 5.24 lakhs, as against Rs. 4.70 lakhs provided a year ago. The net profit, after this essential provision but before taxation, stands slightly higher at Rs. 10.57 lakhs, as against Rs. 10.29 lakhs in the previous year. The dividend to ordinary shareholders remains unchanged at the usual rate of 7½ per cent., a level which the Company had been maintaining over a number of years. It must, however, be noted that the dividend for the year under review, as well as for the previous year, is on a capital enhanced by the additional issue of shares during the latter year. Thus, the paid-up capital which stood at Rs. 106.92 lakhs for 1953-54 was increased to Rs. 116.96 lakhs by the fresh issue of 5,877 5½ per cent. (free of income-tax) cumulative preference shares of Rs. 100 each and 41,664 ordinary shares of Rs. 10 each. The Directors have transferred a sum of Rs. 1.40 lakhs to the various reserves, as against Rs. 46,456 made in the previous year. After paying dividend on the two sets of cumulative preference and ordinary shares, a balance of Rs. 15.13 lakhs (subject to provision for taxation) is left over to be carried forward.

The following comparative table will give an idea of the Company's working during the preceding three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale of energy	57.07	53.08	46.52	43.78
Other income	2.88	2.56	2.31	2.23
Generating expenses	30.03	27.88	23.78	22.67
Other expenses	12.94	11.60	11.00	10.42
Gross profit	16.98	16.15	14.05	12.92
Managing Agents' commission	1.17	1.16	1.00	0.94
Depreciation	5.24	4.70	4.08	3.49
Taxation	..	..	0.01	1.52
Net profit	10.57	10.29	8.96	6.97
Intangible and other assets written off	0.60	0.41	0.26	0.11
Transfer to reserves	1.40	0.46	0.53	0.49
Dividends—				
6½% cumulative preference	1.33	1.33	0.70	0.64
5% cumulative preference	1.02	1.02	1.01	0.91
Ordinary	5.44 (7½%)	5.44 (7½%)	4.60 (7½%)	4.19 (7½%)
Carry forward*	15.13	14.35	12.71	10.84

* Subject to income-tax.

It will be seen from the above table that the Company's sale proceeds have been progressively increasing year after year. The number of units of electricity generated by the Company during the year under review aggregated 33.21 million, as compared with 28.98 million in 1954-55 and 24.01 million in 1953-54. The number of consumers served has also increased from 40,140 in 1953-54 to 51,006.

A notable feature disclosed by the table is the large size of the undistributed profit. This is apparently due to the absence of provision for taxation. It is seen from the statement of accounts that the assessment for the years 1951-52 to 1956-57 is yet to be made and that for the years 1948-49 to 1950-51, the assessment is under appeal.

The Company supplies electricity in the municipal areas of Ajmer, Belgaum, Bhiwandi, Bhusawal, Bulsar, Chalisgaon, Dohad, Jalgaon, Malegaon and other villages adjoined as per amendment to the licenses.

The Company's balance-sheet as at 31st March 1956 shows the paid-up capital at Rs. 116.96 lakhs, consisting of 24,150 5½ per cent. (free of income-tax) cumulative preference shares of Rs. 100 each, 20,314 five per cent. (free of income-tax) cumulative preference shares of Rs. 100 each and 725,000 ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 28.94 lakhs. The gross block stands at Rs. 177.19 lakhs against which there is a depreciation fund at Rs. 32.67 lakhs. The current assets at Rs 35.20 lakhs are just enough to cover the current liabilities amounting to Rs. 33.81 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 11-2 *cum-div.* On an *ex-div.* basis, and taking the year's dividend at 7½ per cent., the yield works out to 7 per cent. per annum.

AHMEDABAD ADVANCE MILLS

Speaking at the annual general meeting of the shareholders of the Ahmedabad Advance Mills Ltd. last week, the Chairman, Mr. A. D. Shroff, expressed satisfaction at the financial results of the Company for the year ended 30th June 1956, the profit, before charging depreciation and taxation, having touched a high of Rs. 24.17 lakhs which, by the way, was the highest recorded by the Company in the post-war period. The causes which contributed to this successful achievement, the Chairman observed, were remunerative cloth sales and purchases of cotton at favourable rates. Another factor which was not the less important was the programme of renovation and rehabilitation on which the Company had actively embarked over the past few years. The last mentioned cause contributed in no small measure to the successful working of the Company. The large-scale renovation programme, started as early as in 1951, included, among other items, the establishment of entirely new dyeing, bleaching and finishing sections. This resulted in effecting considerable economies in operation costs, in addition to paving the way for the manufacture of improved and superior varieties of cloth which had now earned a reputation of their own.

There were many things still to be done before the mills could be put on a firm competitive footing, Mr. Shroff went on to add. Most urgent of all was the need to make further additions to the mills' processing capacity so as to produce a larger variety of processed goods. The Chairman also indicated that, in the not distant future, they would also have to proceed with the replacement of the old spinning frames left over and of the spinning preparatory and create such working conditions in weaving as would enable the working of four looms to a weaver. These changes would lead to a further saving in operation costs.

The heavy capital expenditure thus far was financed, to a great extent, from internal resources and short-term loans, supplemented by the Rs. 30 lakhs obtained from the last issue of new ordinary shares at a premium. It had, therefore, become imperative to strengthen the financial resources of the Company and, with this object, the Directors had recently decided to issue debentures of a value of Rs. 30 lakhs.

Mr. Shroff disclosed that the suggestion so often made by the shareholders to reduce the selling expenses had been implemented by reducing the selling agents' commission on internal sales of cloth from 1 to ¾ per cent. from 1st January 1956. In return, they had been given a firm agreement for a period of three years. The Company had also opened retail selling shops at Bombay and Ahmedabad. The opening of more of such shops in other parts of the country was under contemplation.

Notice

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated in England with Limited Liability.)

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fourth Annual General Meeting of the Company will be held at the Head Office of the Company, 4, Clive Row, Calcutta, on Saturday the 29th December 1956, at 11 a.m., for the following purposes:—

1. To receive and adopt the Directors' and Auditors' Reports and pass the Accounts for the year ended 30th April 1956.
2. To declare a Dividend.
3. To re-elect two Directors.
4. To fix the Auditors' remuneration.

The Share Transfer Books of the Company will be closed from the 20th to the 29th December 1956, both days inclusive.

Dated this 30th day of November 1956.

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

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

QUESTION HOUR IN PARLIAMENT

Capital Markets Abroad

AN appraisal of conditions in the European capital markets has been submitted to the Government by a senior officer of the Finance Ministry deputed for the purpose. Its contents are confidential and it will not be in the public interest to disclose the details. The Government has at present no intention to seek any foreign loans except, perhaps, the Durgapur steel (British) plant type of assistance. The senior officer visited Holland, Belgium, Switzerland, Germany and France to study conditions in the money markets there. There may be plenty of goodwill in areas from where no money may be forthcoming. In other areas, there may be no goodwill, but money may be forthcoming. Goodwill and money do not always go together. I am sure hon'ble members have plenty of goodwill for me, but, if I go round with the begging bowl, probably I will come back empty. We certainly need some finances, but the best way of getting them is certainly not by expressing the view that we need them. At the present moment, we have no intention of floating any loan except in the manner in which we have been able to finance the steel plant at Durgapur. I must repudiate the insinuation that we have sent anyone with a begging bowl. The officer went there to study things and I think it is very necessary that the Finance Minister should know about the state of capital in the rest of the world. I think it is derogatory on our part to ask the diplomatic missions in Delhi to inquire whether we can get assistance from their countries.

* * * *

State Finance Corporations

For the purposes of income-tax, the State Financial Corporations are treated as companies within the meaning of the Indian Income-tax Act, 1922 (XI of 1922) and are liable to income-tax and super-tax on their income, profits and gains *vide* section 43 of the State Financial Corporations Act, 1951. The amounts paid by State Governments under the guarantee given in pursuance of section 6 of the State Financial Corporations Act, 1951, are not treated as income, profits and gains of the Financial Corporations. These are, therefore, not taken into consideration for calculating income-tax.

* * * *

Taxation Reforms

The Government, in its march for additional resources, has to examine every avenue that is expected to produce results and, from that point of view, the Taxation Inquiry Commission's proposals and the Kaldor report are under continual examination. These taxation matters are best dealt with in connection with the budget proposals.

—*T. T. Krishnamachari*

Income-tax Arrears

A sum of Rs. 23.9 crores out of the total amount of income-tax arrears of Rs. 182.2 crores for the years 1950-51 to 1954-55 is considered irrecoverable. Another Rs. 11 crores are due from persons who have left India and have no assets in this country from which recovery of tax is possible. Normal recovery action is pending in the case of the balance amount. The Central Board of Revenue has made arrangements with State Governments for the appointment of special revenue officers exclusively for income-tax collection work. This arrangement is already in vogue in 10 important cities and four States, and it is now proposed to extend the scheme to other important places.

—*M. C. Shah*

Textile Machinery

Manufacturers of textile machinery have been asked to increase their production, so as to reduce the country's dependence on imports.

—*Morarji Desai*

Mill Cloth

The production of mill cloth during the 10 months of the current year had been of the order of 4,371 million yards. There had been no report of scarcity of cloth in any centre on the eve of *Dusserah* and *Diwalli* or any fundamental increase in the price of cloth.

—*Nityanand Kanungo*

Cement Factories

Thirty-three new applications for setting up of cement factories in various parts of India have already been sanctioned and three other applications are pending. In addition, all the existing factories are also expected to double or treble their production, so that, by the end of the Second Five-year Plan, the total cement production will reach the set target of 16 million tons per annum.

—*M. M. Shah*

Suez Crisis and Trade

Diversion of shipping via the Cape of Good Hope will cost India 6 per cent. more so far as exports are concerned and 5½ per cent. more on imports. So far, however, the import of machinery for the various projects under the Plan has not been perceptibly affected. A revision of the second Plan targets will be necessary only if the closure of the Suez Canal is unduly prolonged.

* * * *

Cloth Prices

On the whole, there has been a fall of about 2 per cent. in the prices of cloth since the recent imposition of additional excise duty on cloth.

* * * *

Egyptian Cotton

Egyptian cotton prices have risen by nearly Rs. 200 over the levels prevailing immediately before the nationalisation of the Suez Canal. Import licences are being issued freely for import of cottons of staple length 1-3/16 inch and above from soft currency areas.

* * * *

Handlooms

Nearly 1.1 million—almost half the total number—handloom weavers have come under the co-operatives. The Government has recently encouraged starting of co-operative mills for producing yarn, and starting of co-operative mills get priority over other mills.

* * * *

Cement from Pakistan

Cement is being purchased from Pakistan by the State Trading Corporation. Deliveries are expected to be completed between December 1956 and August 1957. Payment will be made by means of letters of credit.

* * * *

Economic Research

The Government proposes to finance research by the National Council of Applied Economic Research in specific subjects. No grant-in-aid has been asked for by the Council or given by the Government.

* * * *

Synthetic Rubber

The plan to set up a synthetic rubber plant with an annual capacity of 20,000 tons is intended to fill the gap between India's requirements of rubber and its production capacity of natural rubber. If schemes are put up to plant rubber in Assam and the North-Eastern regions of India, the Government will consider them.

* * * *

Shoes for Russia

Export of Rs. 1.18 crores worth of shoes to the Soviet Union will be completed by the end of February. A major portion of the supplies will be made through the National Small Industries Corporation which will execute the orders through co-operative societies, small shoe-making establishments as well as individual shoe-makers. The Government has given a loan of Rs. 25 lakhs to the Corporation to help organise production. As Agra produced the lion's share of shoes in the country, naturally, it may have got the lion's share of the trade. There is no intention to discriminate in favour of Agra, however, to the exclusion of anyone, else regionally or otherwise.

—*D. P. Karmarkar*

Synthetic Petrol

A scheme costing approximately Rs. 20 crores for the manufacture of synthetic petrol in the country is now being examined by the Planning Commission. The inclusion of the scheme in the Second Five-year Plan will depend on the availability of foreign exchange. Preliminary investigations show that the manufacture of synthetic petrol in India will be an economic proposition, since the cost of production of the raw material—coal—in the country is very low. It is true that the scheme for the production of synthetic petrol is given low priority, because more oil has been discovered in Assam and there is a possibility of finding oil elsewhere. However, the Government wants synthetic petrol also to be produced, as the setting up of a synthetic oil plant leads to the development of various chemical industries in the country.

* * * *

Oil Refinery

A private firm has renewed its earlier offer to install an oil refinery at Bhavnagar in collaboration with a French firm, but it has been decided to defer further consideration until fuller details about the new refinery to treat Assam crude oil are available.

* * * *

Shipbuilding Yard

A proposal for a British shipping mission to visit India is now under consideraton. The proposal flows from the U.K. Government's offer of assistance in the establishment of a second shipbuilding yard in India. It has been suggested that the mission, after visiting various sites and studying the data available, may prepare a preliminary project report, together with estimates of the capital costs, construction costs of various types of ships and so on.

—*Satish Chandra*

* * * *

Oil Drilling

Some negotiations are now going on with a French firm for the purpose of obtaining experts in desert drilling for oil in the Jaisalmer area in Rajasthan. The Canadians have conducted an aeromagnetic survey of the area for oil. In addition, a good deal of exploration work has been done by Indian experts themselves. The intention now is to obtain the services of some drilling experts. The French firm has a great deal of experience in desert drilling in the Sahara. In fact, it has done some "sensational" work there successfully.

—*K. D. Malaviya*

Oil Tanker

India expects to have possession of the oil tanker, which it recently purchased, by January next. The Government had satisfied itself about its worthiness before purchase. In fact, soon after the deal was concluded, the firm from whom India had purchased the tanker, had offered to buy it back at a price of £200,000 more than what India had paid for it. This was because the prices had gone up meanwhile. India has placed orders for two ships in West German shipyards, and one ship in Italy. All these are expected to be delivered in 1961. While the Government will only be too happy to buy ships earlier, it has been impossible to find any country willing to deliver ships before the end of the second Plan period (1960). Out of the Rs. 20 crores available to the Ministry of Transport to buy ships in the public sector, the Government has already made commitments to the tune of Rs. 19 crores.

LABOUR STRIKE TELLS ON CENTRAL INDIA MILLS

DUNCAN BROTHERS CUT DIVIDEND

Central India Spinning, Weaving and Manufacturing Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Tata Industries Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June 1956.

The profit for the year, after transferring Rs. 5,00,000 (*nil*) from rehabilitation of buildings and machinery fund, and providing Rs. 6,00,000 (*nil*) for depreciation, amounted to Rs. 37,631 (Rs. 39,632). Adding thereto the balance brought forward from the previous year's accounts of Rs. 3,703 (Rs. 14,071), the amount available for disposal is Rs. 41,334 (Rs. 53,703). From this sum the directors have transferred to reserve fund Rs. 28,119 (Rs. 50,000 to dividend equalisation fund) leaving a balance of Rs. 13,215 (Rs. 3,703) to be carried forward.

The directors regret to report the unsatisfactory working of the Company during the year under review. This was mainly due to the prolonged strike enforced on the Mills and the inevitable dislocation caused by the implementation of the scheme of large-scale renovation and reorganisation of the Mills.

In view of the exceptional circumstances accounting for the poor results, the directors have recommended a dividend of 5 (5) per cent. tax-free on the preference shares, for the year ended 30th June 1956, to be paid out of the dividend equalisation fund, if declared by the shareholders. The directors regret they have not been able to recommend any dividend on the ordinary shares (Rs. 3 per ordinary share, out of dividend equalisation fund) for the year ended 30th June 1956. The managing agents have kindly agreed to forgo their minimum commission of Rs. 50,000, to which they are entitled.

During the year the Mills were involved in a prolonged strike lasting from 27th January to 23rd April 1956. The main reason for the strike was the hostile attitude of a certain section of workers led by irresponsible labour leadership who were not willing to accept the agreements entered into by the Company with the recognised union for the closure of Mill No. 1 for renovation purposes, involving the transfer of a large section of workers to third shift operation. As a result of the refusal of workers to work in the third shift and the adoption of a continued hostile attitude by them, it was found impossible to continue the working of the Mills. Accordingly, the Mills were closed down from 11th February 1956 after putting up the necessary legal notices. After protracted negotiations between responsible labour leaders, Government and local management, the Mills were reopened from 23rd April after a closure of about 90 days. The loss in production, as a result of this closure was about 1 million pounds of yarn and 13 million yards of cloth. As shareholders will appreciate, it is impossible for any operational unit to resume normal working immediately after a long period of closure involving labour trouble and consequently, apart from the direct loss in production mentioned above, the Mills after resumption of operations continued to work on a depleted basis for some time, which resulted in a further loss of production, until normal operations were restored.

After carefully considering the various alternative schemes, the directors have now sanctioned a rehabilitation and renovation programme, involving an expenditure of about Rs. 1,70,00,000. The main items of new plant and machinery proposed to be installed are ring frames, looms, winding and warping units and high-speed sizing machines. The programme involves the amalgamation of Mill Nos. 1 and 2 into one composite spinning and weaving unit to take advantage of resultant economies.

At various stages the implementation of the above scheme had to be deliberately slowed down with a view to studying the various political and economic implications arising out of the proposed reorganisation of the States. The launching of the scheme was further delayed by the considerable opposition offered by unrecognised unions at the commencement of implementation, which ultimately resulted in the total closure of the Mills from 11th February to 23rd April 1956.

In the year under report, new plant and equipment valued at about Rs. 3,04,000 was installed, the main items being kiers, a washing machine, a doubling and plaiting machine, stamping machines, a 3-bowl padding mangle and additions to the package dyeing plant.

During the year, owing to unseasonal rains, the outturn of Indian cotton crop fell far below original estimates, whereas its consumption by mills increased. This created scarcity conditions resulting in many varieties touching ceilings. As a result of the continual rise of the Jarilla hedge contract in the Bombay market, a crisis was created resulting in the prolonged suspension of *futures* trading from 23rd December 1955 to 18th June 1956. The company's Mills were, however, able to cover their requirements without difficulty and at fairly competitive prices, largely by local purchases at Nagpur and at the ginning and pressing factories.

The 1956-57 Central Budget raised the excise duty on cloth from 1st March 1956 by 6 pies per square yard on all categories of cloth, except coarse *dhotis* and *saris*. From 1st September 1956 the duty was again increased very substantially, particularly on medium cloths in which category it was doubled. The total excise duty on cloth now works out to 4 annas on superfine, 3 annas on fine, 2 annas on medium and 1½ annas on coarse cloth (other than *dhotis* and *saris*), all on a square yard basis. The handloom cess of 3 pies per square yard on all categories of cloth remains unaltered. The export duty of 10 per cent. *ad valorem* on coarse varieties of cloth which was reduced to 6¼ per cent. on 1st March 1955 was altogether abolished from 15th May 1956.

Under an agreement between the Madhya Pradesh Millowners' Association, Nagpur and the Madhya Pradesh National Textile Workers' Federation, the basis of calculating dearness allowance was increased by roughly 9 per cent. over the then prevailing rate with retrospective effect from 1st July 1955. The increase has added an extra burden of about Rs. 5,00,000 to the Company's annual wage bill.

The installed capacity of the Mills has been temporarily reduced from 1,15,188 spindles to 67,228 spindles and from 2,062 looms to 1,620 looms as the scheme of renovation and reorganisation is being implemented.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	96,87,500	Block ...	88,21,517
Reserves ...	46,12,622	Work-under construction and machinery uninstalled	4,43,103
Provision for taxation ...	35,511	Stock-in-trade ...	1,04,87,560
Liabilities ...	1,27,04,609	Stores, spare parts, fuel and loose tools ...	28,11,099
Profit and loss account ...	13,215	Debts, deposits and advances ...	8,86,312
		Investments	33,91,240
		Cash ...	2,12,626
Rs.	2,70,53,457	Rs.	2,70,53,457

Duncan Brothers and Co., Ltd.

The directors of the above Company (Chairman: Mr. R. H. Duguid, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

As the accounts relate to a period which ended before the introduction of the Companies Act, 1956, they have been prepared in accordance with the Companies Act, 1913. This fact has been commented upon by the auditors in their report.

The revenue profit for the year amounts to Rs. 43,51,864 (Rs. 48,24,539) to which is added registration fees Rs. 693 (Rs. 89), doubtful debt recovered Rs. 21,168 (*nil*), surplus on sale of investments Rs. 5,48,129 (*nil*) and balance brought forward from 1954 Rs. 4,28,060 (Rs. 3,34,600) making a total of Rs. 53,49,914 (Rs. 51,59,228). From this sum the directors have made the following appropriations:—To provision for taxation Rs. 24,50,000 (Rs. 22,00,000), transfer to general reserve Rs. 5,00,000 (Rs. 7,50,000), transfer to investment reserve Rs. 5,00,000 (Rs. 5,00,000) and transfer to contingency reserve Rs. 2,50,000 (Rs. 21,168 for doubtful debts) leaving a sum of Rs. 16,49,914 (Rs. 16,88,060). This amount the directors recommend should be distributed as under:—

In payment of a dividend on 45,000 tax-free cumulative preference shares at the rate of 4 (4) per cent. for the year ended 31st December 1955 without any deduction for income-tax paid by the Company, declared payable by the directors on 31st January 1956 Rs. 1,80,000 (Rs. 1,80,000) in payment of interim dividend on 90,000 ordinary shares at the rate of 5 (5) per cent. for the year ended 31st December 1955 without any deduction for income-tax paid by the Company, declared payable by the directors on 27th March 1956 Rs. 4,50,000 (Rs. 4,50,000) in payment of final dividend on 90,000 ordinary shares at the rate of 6 (7) per cent. for the year ended 31st December, 1955 without any deduction for income-tax paid by the Company Rs. 5,40,000 (Rs. 6,30,000) and in carrying forward Rs. 4,79,914 (Rs. 4,28,060).

The Company's profits continued at a high level during the year under review, but consequent upon the enactment of the Companies Act, 1956, some diminution in the measure of the Company's prosperity must be anticipated.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,35,00,000	Block ...	17,81,146
Reserves ...	80,80,000	Stores, etc. ...	3,03,366
Provision for taxation ...	30,67,022	Debts, deposits and advances ...	97,66,736
Exchange suspense account	9,268	Investments	1,89,84,696
Liabilities ...	73,26,733	Cash ...	16,26,993
Profit and loss account ...	4,79,914		
Rs.	3,24,62,937	Rs.	3,24,62,937

Vellore Electric Corporation Ltd.

The directors of the above Company (Managing Agents: Messrs. Chandrie & Co. Private Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March 1956.

This year, the Company been fortunate in having the supply without any cut owing to abundant rain in the catchment area. The directors have during the year paid particular attention to major rural extensions. The demand for extending electricity from other villages in the area of supply continues to be on the increase. The directors availed of the balance of the loan of Rs. 3 lakhs from the Madras Industrial Investment Corporation Ltd., and the villages of Shenbakkam, Virupakshipuram, Kangeyanallore, Nallampattarai, Sathoor, Labbaipettai, Kalar, Nandiyalam and Pudupet were electrified. By extending the lines to the above villages the Company connected up 215 agricultural consumers. It has also added 577 consumers of other classes to the system during the year and thus bringing up the total number of consumers in the area to 9,050. Besides the street lights connected up during the period is 238.

In Vellore and Ranipet area, 12,928 miles of h.t. lines and 31.0 miles of l.t. lines were added to the system and eleven additional distribution substations were constructed and commissioned during the year. The directors have addressed the Government of Madras to permit us to take a further loan of Rs. 5 lakhs from the Madras Industrial Investment Corporation Ltd., and the Government of Madras has permitted us to take a loan of Rs. 3 lakhs only. The Madras Industrial Investment Corporation Ltd., have sanctioned Rs. 1 lakh and the balance of Rs. 2 lakhs will be availed of after certain formalities are complied with. The following statistics will show the progress made during the year:—

	1954-55	1955-56
Total units purchased in kwhs.	93,53,852	1,23,16,508
Total units sold in kwhs.	87,02,076	1,06,03,388
Cost of units purchased	3,10,948	3,67,441
Gross revenue	8,18,934	9,79,084
No. of consumers connected	8,258	9.050
Maximum demand in kws.:—		
Vellore	1,290	1,380
Ranipet	920	1,150

Amendments to Electricity (Supply) Act: The Parliament has introduced an Amending Bill which, if it becomes law, will reduce the return from the industry to a large extent in future years. The Association of Electrical Undertakings, Southern India, in conjunction with Federation of Electricity Undertakings, Bombay, have given evidence before the Select Committee in October 1956 detailing their difficulties and the directors are watching as to how the Act will take shape.

The year's working has resulted in a profit of Rs. 67,831 (Rs. 78,252) after providing for reserve for depreciation as per Electricity (Supply) Act Rs. 87,727 (Rs. 72,552), reserve for taxes Rs. 70,000 (Rs. 50,000) and for contingent reserve ¼ per cent. Rs. 6,043 (Rs. 5,030). After adding profit brought forward from previous year after payment of dividend for 1954-55 Rs. 47,500 Rs. 79,131 (Rs. 61,188) refund from income-tax Rs. 33,222 (*nil*) and tax deducted from dividends on preference shares Rs. 1,964 (*nil*) there is a total amount of Rs. 1,92,568 (Rs. 1,29,020). From this is deducted the interim dividend declared for 1954-56 Rs. 23,750 (*nil*) leaving a balance of Rs. 1,68,818 (Rs. 1,26,631). The profit made during the year, viz., Rs. 78,252 falls short of the reasonable return as per the Electricity (Supply) Act, 1948 by about Rs. 13,750. Out of the balance of Rs. 1,68,818 the directors now recommend the payment of a final dividend of 3 (6) per cent. less tax on preference shares and 5 (10) per cent. free of tax on ordinary shares for the year ended 31st March 1956 which will absorb Rs. 23,750 (Rs. 47,500) leaving a balance of Rs. 1,45,068 (Rs. 79,131).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,25,000	Block ...	17,26,225
Reserves ...	2,48,795	Stores, tools and motor cars ...	2,79,067
Provision for taxation ...	70,000	Other assets	9,055
Liabilities ...	15,56,752	Debts and advances ...	2,15,328
Profit and loss account ...	1,68,818	Investments	63.453
		Cash ...	2,76,237
Rs.	25,69,365	Rs.	25,69,365

West Coast Electric Supply Corporation Ltd.

The directors of the above Company (Managing Agents: Messrs. Chandrie & Co. (Private) Ltd., Madras) submit the audited accounts of the Corporation for the year ended 31st March 1956.

During the year under review there was no power cut and this enabled the company to carry out its development programmes. However, in the next accounting year, contrary to expectations the monsoon conditions proved unfavourable in April and May 1956 when restrictions on consumption of power were imposed by the Government Electricity Department. Dearth of transmission line materials, poles, transformers, etc., is proving a great handicap to the licensees in executing their programmes.

The Government Electricity Department informed all the licensees of an increased surcharge of 30 per cent. in addition to the 10 per cent. already levied by them. This came into effect from 1st August 1956. With a view to recup this additional payment to the Government on the purchase of energy in bulk, the company had to increase its tariffs to all the h.t. consumers in the Calicut and Cannanore-Tellicherry areas. In the case of Cannanore-Tellicherry area, the tariff for l.t. consumers also had to be slighty increased. The Association of Electrical Undertakings, Southern India, have made representations to the Government against this excessive increase.

Out of the loan of Rs. 2.89 lakhs granted by the Government of Madras, a sum of Rs. 1 lakh was drawn in the year 1954-55 and the balance of Rs. 1.89 lakhs was availed in 1955-56. The amount was utilised for specific rural electrification in Calicut and Cannanore-Tellicherry Licence areas. The extension works to Chevvayur, Kakkodi, Beypore and Naduvattam villages and supply to Farook College and surrounding areas under the Calicut Licence were completed. In the Cannanore-Tellicherry Licence areas electricity supply was extended to the villages of Kallayi, Kotiyeri, Olavilam and Kadirur and the extension of power supply to Kuthuparamba and neighbouring areas is under progress.

Further, the Government of Madras has given their consent to the representation made by the licensees to allow them to retain the penal surcharges levied and collected by the licensees, during the period of restriction as a simple loan at an interest rate of 5½ per cent. The amount thus made available for our company is Rs. 88,058 which has been utilised for extensions and general improvement to the system.

Calicut Licence: During the year 560 new consumers were connected up and 479 street lights were added to the distribution system. The Corporation extended its h.t. and l.t. mains by 3.75 miles and 10.70 miles respectively and added 4 additional substations.

Cannanore-Tellicherry Licence: 423 new consumers of all classes and 275 additional street lights were added to the system during the financial year. The Corporation extended its h.t. and l.t. lines by 3.67 miles and 13.084 miles respectively.

Mahe Licence: As mentioned in the directors' last report supply was switched on 12th October 1955 and since then the Corporation has connected up 60 domestic consumers and 108 street lights. The length of h.t. and l.t. lines in the area is 0.416 and 4.95 miles respectively. The directors expect the Central Government to issue the Mahe Electric Licence shortly. As the area is still undeveloped, inevitably the working shows a loss in the beginning.

With the inauguration of new Kerala State from 1st November 1956 the licence areas of this company, viz. Calicut and Cannanore-Tellicherry licences, have fallen in the new Kerala State and Mahe continues to be part of Pondicherry State.

The net profit of the Company after providing for depreciation on assets Rs. 1,51,891 (Rs. 1,49,632), taxes on income Rs. 1,46,000 (Rs. 1,15,000), contingency reserve Rs. 15,166 (Rs. 13,027), writing off of intangibles Rs. 9,497 (Rs. 8,563) and charities and donations Rs. 800 (Rs. 200) is Rs. 1,97,318 (Rs. 1,63,874). After adding the balance brought forward as per last year's report Rs. 1,35,594 (Rs. 87,936) and excess provision for income-tax Rs. 32,482 (Rs. 7,085) there is a total of Rs. 3,65,394 (Rs. 2,59,780). After deducting from this transfers in respect of prior years to tariff and dividend control reserve Rs. 15,546 (Rs. 6,791) reserve for rebate to consumers Rs. 2,727 (Rs. 6,791) and appropriations to be made as per Electricity (Supply) Act for the year 1955-56, tariff and dividend control reserve Rs. 13,927 (Rs. 885) and reserve for rebate to consumers Rs. 13,927 (*nil*) leaving a balance of Rs. 3,19,266 (Rs. 2,45,316). The interim dividend paid for the year absorbs Rs. 54,861 (Rs. 54,861) and the amount to be transferred to general reserve absorbs Rs. 1,00,000 (Rs. 1,00,000) leaving a balance available of Rs. 1,64,405 (Rs. 90,455). The directors now recommend the payment of a final dividend of 2½ per cent. less tax on preference shares and 5 (5) per cent. tax free on ordinary shares for the year both of which will absorb Rs. 54,861 (Rs. 54,861) and the balance may be carried forward to next year's account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	28,37,880
Reserves ...	3,07,724	Stores, tools and motor vehicles ...	6,16,725
Provision for taxation ...	1,83,923	Other assets ...	1,53,413
Liabilities ...	23,56,060	Debts and advances ...	4,07,439
Profit and loss account ...	3,47,121	Investments	81,083
		Cash ...	3,48,288
Rs.	44,44,828	Rs.	44,44,828

Ellore Electric Supply Corporation Ltd.

The directors of the above Company (Managing Agents: Messrs. Chandrie and Co. (Private) Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March 1956.

During the year under report the Company has given 273 new service connections to consumers and has put up 188 street lights. As the Muchkund hydro-electric power became available, the Government has raised the power limit from 600 kv. to 750 kv. at the first point of supply. With this supply, the Company is in a position to meet the present consumers demands.

The Company has during the year under review earned Rs. 36,423 as against the reasonable return of Rs. 27,040 (reasonable return is the return on the capital allowed by the Electricity Supply Act, 1948 which is available to shareholders). The following comparative table clearly shows the progress of the Company:—

Particulars.				1954-55	1955-56
Total units purchased	..	..	..	21,73,595	23,90,315
Cost of units purchased	..	..	Rs.	1,85,181	2,19,505
Units sold for:—					
1. Street lighting	..	..	..	88,588	1,00,455
2. Domestic purposes	..	..	..	7,67,420	8,25,783
3. Industrial	..	..	..	10,06,665	11,08,882
Gross revenue	..	..	Rs.	3,75,464	4,64,140
Maximum demand	..	..	kw.	608	620

The net profit of the Company after providing for depreciation Rs. 29,553 (Rs. 25,813), taxes on income Rs. 35,000 (Rs. 20,000) and contingent reserve Rs. 3,696 (Rs. 20,000) is Rs. 36,423 (Rs. 26,048 after adjustment). After adding the balance brought forward from last year of Rs. 3,033 (Rs. 4,442) and income-tax provided in excess last year (1954-55) Rs. 1,654 (*nil*) making a total of Rs. 41,109 (Rs. 30,490). From this is deducted appropriation as per Electricity Supply Act towards tariff and dividend control reserve Rs. 4,878 (Rs. 602) and towards proportionate rebate to consumers Rs. 4,879 (Rs. 603) leaving a balance of Rs. 31,352 (Rs. 29,285). The interim dividend paid for 1955-56 absorbed Rs. 11,250 (*nil*), leaving an available balance of Rs. 20,102 (Rs. 29,285). Out of this balance the directors recommend the payment of final dividend of As. 10 (As. 14) or 6¼ (8¾) per cent. per share making a total dividend of Re. 1 (As. 14) or 10 (8¾) per cent. for the year free of income-tax. This will absorb Rs. 18,750 (Rs. 26,250) leaving a balance of Rs. 1,352 (Rs. 3,033).

Electricity (Supply) Act Amendment Bill.—At present the Parliament is considering the Electricity (Supply) Act Amendment Bill, 1956. If this Bill becomes law in the present form, it reduces in net effect the amount available for dividends to shareholders and as a consequence, dividends to shareholders may have to be reduced.

The managing agents through the Federation of Electric Undertakings of India, Bombay and the Association of Electrical Undertakings, Southern India has made suitable representations to the Select Committee of Parliament and it remains to be seen what Parliament will do.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	4,98,106
Reserves ...	52,463	Stores, tools and motor cars ...	73,400
Provision for taxation ...	35,000	Debts, deposits and advances ...	83,913
Liabilities ...	3,68,917	Investments	18,095
Profit and loss account ...	29,859	Cash ...	1,12,725
Rs.	7,86,239	Rs.	7,86,239

Central Provinces Railways Co., Ltd.

The directors of the above Company (Agents: Messrs. Killick Industries, Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1956.

Company's contract.—In terms of the Company's contract, Government had the option to terminate this Company's contract on the 31st March 1957, by giving one year's prior notice of their intention to do so. As no such notice had been served before 31st March 1956, the contract will accordingly run for a further period of 10 years as from 1st April 1957.

The following table shows the statistics of traffic for the past three years:—

	1953-54	1954-55	1955-56*
Number of passengers ...	1,953,942	1,942,066	1,937,733
Gross earnings (in rupees) ...	9,47,407	8,97,797	8,61,822
Merchandise (in tons) ...	1,29,559	1,45,686	1,21,095
Gross earnings (in rupees) ...	7,20,783	2,77,378	4,46,397

* The figures for 1955-56 in respect of the number of passengers carried during September, 1956, and tonnage carried during August and September, 1956, will require adjustment as the audited figures have not been received.

Coaching Traffic.—Although the number of passengers carried were about the same as last year, the revenue from this source shows a decline of about Rs. 36,000.

Goods Traffic.—Although the merchandise carried has declined by some 23,000 tons, the receipts show an increase of about Rs. 1,69,000. Discounting the write-back of Rs. 2,51,283 carried out during the year 1954-55 for the previous two years, the earnings are down by some Rs. 82,000.

After payment of Government's share of surplus profits, amounting to Rs. 1,23,201 as against Rs. 73,222 in 1955, and making provision for taxation amounting to Rs. 2,43,557 (Rs. 2,23,887) which represents an increase of Rs. 19,670 when compared with last year's accounts, the available net profit for the year is Rs. 3,18,159 (Rs. 2,93,111). Adding to this the sum of Rs. 2,604 (Rs. 784) brought forward from last year's accounts makes Rs. 3,20,763 (Rs. 2,93,895) available for distribution. The directors declared an ad-interim dividend at the rate of 4 (3¼) per cent. per annum, less income-tax, which absorbed Rs. 1,38,652 (Rs. 1,21,304) leaving a balance of Rs. 1,82,111 (Rs. 1,72,591) available for disposal, which they recommend should be applied as follows:—

To dividend for the second half-year ended 30th September 1956, at the rate of 5 (4½) per cent. per annum [making 4½ (4-3/16) per cent. for the year] payable less income-tax Rs. 1,73,313 (Rs. 1,68,980), transfer to general reserve Rs. 2,000 (*nil*), bonus to staff Rs. 1,000 (Rs. 1,000) and balance to be carried forward Rs. 5,798 (Rs. 2,611).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	94,00,000	Block ...	95,57,350
Reserves ..	56,000	Debts and advances ...	3,54,266
Provision for taxation	1,04,327	Investments	500
Liabilities ...	3,59,487	Cash ...	13,496
Profit and loss account ...	5,798		
Rs.	99,25,612	Rs.	99,25,612

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

COMPANY MEETINGS AND DIVIDENDS

BARADIGHI TEA CO., LTD. Annual General Meeting, Calcutta, 14th December 1956. Dividend: Rs. 3 per share. Transfer books remain closed from 24th November to 14th December 1956. both days inclusive.

DESSAI AND PARBUTTIA TEA CO., LTD. Annual General Meeting, Calcutta, 14th December 1956. Dividend: Rs. 10 per share. Transfer books remain closed from 24th November to 14th December 1956, both days inclusive.

RYDAK TEA SYNDICATE, LTD. Annual General Meeting, Calcutta, 14th December 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 24th November to 14th December 1956, both days inclusive.

SELIMBONG TEA CO., LTD. Annual General Meeting, Calcutta, 14th December 1956. Dividend: *Nil*. Transfer books remain closed from 21st November to 14th December 1956, both days inclusive.

AMLUCKIE TEA CO., LTD. Annual General Meeting, Calcutta, 15th December 1956. Dividend: Rs. 19 per share. Transfer books remain closed from 1st to 15th December 1956, both days inclusive.

DELHI CLOTH AND GENERAL MILLS CO., LTD. Annual General Meeting, Delhi, 18th December 1956. Transfer books remain closed from 5th to 18th December 1956, both days inclusive.

CENTRAL PROVINCES RAILWAYS CO., LTD. Annual General Meeting, Bombay, 19th December 1956. Dividend: Rs. 4-8 per share (includes interim dividend of Rs. 2 per share). Transfer books remain closed from 3rd to 19th December 1956, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Annual General Meeting, Calcutta, 19th December 1956. Dividend: Re. 1-2 per share, on A and B ordinary shares and As. 2 per share, on preferred ordinary shares. Transfer books remain closed from 5th to 19th December 1956, both days inclusive.

MOZUFFERPORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 21st December 1956. Dividend: *Nil*. Transfer books will remain closed from 14th to 21st December 1956. both days inclusive.

KINGSLEY GOLAGHAT ASSAM TEA CO., LTD. Annual General Meeting, Calcutta, 22nd December 1956. Transfer books will remain closed from 10th to 22nd December 1956, both days inclusive.

MCLEOD AND CO., LTD. Annual General Meeting, Calcutta, 24th December 1956. Transfer books will remain closed from 10th to 24th December 1956, both days inclusive.

DYER MEAKIN BREWERIES LTD. Annual General Meeting, Solan Brewery, Simla Hills, 24th December 1956. Transfer books will remain closed from 9th to 24th December 1956, both days inclusive.

AMALGAMATED COFFEE ESTATES LTD. Annual General Meeting, Coimbatore, 26th December 1956. Dividend: *Nil*. Transfer books will remain closed from 17th December 1956 to 15th January 1957, both days inclusive.

AGRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 26th December 1956. Dividend: Rs. 5 per share. Transfer books will remain closed from 20th to 26th December 1956, both days inclusive.

BENGAL LUXMI COTTON MILLS LTD. Annual General Meeting, Calcutta, 28th December 1956. Dividend: Rs. 4 per share. Transfer books will remain closed from 14th to 28th December 1956, both days inclusive.

CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 28th December 1956. Dividend: Nil. Transfer books remain closed from 30th November to 28th December 1956, both days inclusive

ANGLO-INDIA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 28th December 1956. Dividend: Rs. 3-8 per share. Transfer books will remain closed from 14th to 28th December 1956, both days inclusive.

NATIONAL ROLLING AND STEEL ROPES LTD. Annual General Meeting, Calcutta, 29th December 1956. Transfer books of the company will remain closed from 15th to 29th December 1956, both days inclusive.

NATIONAL INSULATED CABLE CO. OF INDIA LTD. Annual General Meeting, Calcutta, 29th December 1956. Transfer books will remain closed from 15th to 29th December 1956, both days inclusive.

BLUE MOUNTAIN ESTATES LTD. Dividend of As. 4-4/5 per ordinary share (15 per cent.) for the year ended 30th June, 1956.

WATERFALL ESTATES LTD. Dividend: As. 4-4/5 per ordinary share (15 per cent.) for the year ended 30th June 1956.

KOTHARI TEXTILES LTD. Dividend of Re. 1 per ordinary share, for the year ended 30th June 1956.

CANNANORE SPG. & WVG. MILLS LTD. Interim dividend of Rs. 7-8 per ordinary share, for the year ending 31st March 1957.

COMPANY REGISTRATIONS

BHIKUSA YAMASA KSHATRIYA PRIVATE LTD. (First Director: Mr. Vishwanathsa N. Kshatriya.) Business: Manufacture of bidis. Authorised capital: Rs. 10,00,000. Private company. Address: Sinnar, Dist. Nasik.

CHANDAN CORPORATION PRIVATE LTD. (First Director: Mr. K. C. Shah.) Business: Coal mining. Authorised capital: Rs. 5,00,000. Private company. Address: 19, Hamam Street, Bombay.

CENTRAL SALES TAX BILL

F.I.C.C.I.'S VIEWS

A REFERENCE to the Central Sales Tax Bill, 1956, introduced in the Lok Sabha on 21st November, was made in our issue dated 24th November. The Bill is now being considered by Parliament and several members have urged its reference to a Select Committee. As the Bill has aroused considerable interest among business men, the views of the Federation of Indian Chambers of Commerce and Industry (F.I.C.C.I.), contained in its communication to the Union Ministry of Finance, are given below:

The business community has been put to various kinds of difficulties on account of the stand taken by the State Governments and their sales tax laws which resulted in multiple taxation of the same transaction. Additional burdens were also thrown on the consuming public as a result thereof. The judgment of the Supreme Court in the *State of Bombay* vs. *The United Motors of India Limited* that the delivery State had the power to tax inter-State transactions under Article 286 of the Constitution made the position extremely difficult. It was the signal for several consumer States levying sales tax on dealers in other States selling goods to traders or consumers in their own States. It was at this juncture that the Taxation Enquiry Commission took up the matter for consideration in 1953. Since then and, in fact, for a long time previously also, there has been much discussion on the desirability of achieving some degree of uniformity in the levy and administration of sales tax, particularly on inter-State transactions. Several conferences at various levels—ministerial and official—were convened, but nothing was of any avail. The decision of the Supreme Court in the United Motors case was, however, happily reversed by the Supreme Court in the *Bengal Immunity Co., Ltd.* vs. *State of Bihar* in 1955. After that case, the position was that the State Governments could not levy tax on inter-State transactions under their respective State tax laws. But to validate the levies that had already been made by the various States, the Sales Tax Laws (Validation) Act was passed.

The Taxation Enquiry Commission, which considered the question before the decision in the Bengal Immunity case was delivered, recommended, *inter alia*, that inter-State trade should be the responsibility of the Union when the sales tax law of one State impinged administratively on the dealers and physically on the consumers of another State and that necessary amendments be made in the Constitution with a view to including taxation of sale and purchase of goods in the course of inter-State trade in the Central list. In order to give effect to the recommendations of the Commission, the Constitution (Sixth Amendment) Act which gave the necessary powers to levy sales tax on inter-State transactions to the Union and Parliament was passed. The other recommendations of the Commission have been incorporated in this Bill with certain modifications.

No New Conceptual Approach

Faced as the country was with the problem of bringing about uniformity in sales tax levy on inter-State transactions and removing the confusion and chaos that prevailed in inter-State trade, the trading community had expected that things would be set right as a result of the Union assuming the regulation and control of sales tax on inter-State transactions. But this Bill does not reveal a new conceptual approach—a way of seeing the problems in their totality. Even according to the statement of objects appended to the Bill, the Bill seeks to provide for the legislation authorised by the Constitution as amended with a view to raising additional revenues by levying tax on inter-State transactions which are at present immune from tax under their respective sales tax laws. If the Bill is passed as it is, certain problems and difficulties confronting the trading community will still persist. Double or multiple taxation of the same commodity will still remain when goods move from State to State. The interests of distributing centres are not safeguarded. The ultimate objective of Central regulation of the levy of sales tax on inter-State transactions, namely, the smooth flow of inter-State trade, will not be accomplished. In effect, what the Bill does is only to increase the incidence of sales tax through the levy of a new Central tax on inter-State transactions.

The Federation has a fundamental objection against the levy of sales tax on inter-State transactions whether by the Union or by the States. Such a levy is against the spirit of the provision in Article 286 of the Constitution. When that Article was incorporated, the idea was that import and export trade and inter-State trade would not be subject to sales tax of any kind, though, in exceptional cases, Parliament may provide for the taxation of inter-State sales tax in the case of certain specified transactions. The levy of sales tax on inter-State transactions, whether between registered dealers or between registered and unregistered dealers or consumers in another, will not be conducive to the development of a coherent national economic policy and will be detrimental to the free flow of inter-State trade or commerce. Therefore, there should be no sales tax on inter-State trade at all. In the case of transactions between a registered dealer in one State and an unregistered dealer or consumer in another, there might be some justification for levying a tax in order to prevent the avoidance of sales tax, but, in transactions between a registered dealer in one State and a registered dealer in another which constitute inter-State transactions in the real sense, there is no reason to levy a sales tax. There is no possibility of avoidance of tax on such transactions and, indeed, the States were not in the beginning levying tax on such transactions.

Import-Export Transactions

Clauses 3, 4 and 5 define when a sale or purchase of goods takes place in the course of inter-State trade or commerce or outside the State or in the course of import or export of goods, respectively. States are prohibited from levying tax on such transactions, as it is prohibited under Article 286 of the Constitution. This Bill does not directly deal with the levy of sales tax on import and export transactions. The Taxation Enquiry Commission has stated that the present position obtaining in regard to tax on export and import trade is satisfactory and that is what clause 5 provides. Only the final transaction, that is, the export sale and the import purchase, are exempt from tax. But the Federation is of the opinion that the transaction preceding the last stage of export sale and the one following the first import purchase are also transactions in the course of import and export and should be exempt from tax. That is to say, the purchase for the purpose of export and the first sale after import should be exempt from sales tax. Clause 5 defining import and export sale should be amended accordingly.

Clause 8 provides for the rates of tax on sales in the course of inter-State trade or commerce. It is one per cent. on sales between registered dealers in all cases whether it is specified or declared goods or non-specified goods. The Taxation Enquiry Commission had recommended quarter of an anna in the rupee for specified goods considered important in inter-State trade and one per cent. in regard to all other goods on sales between registered dealers. The proposal of the Commission has been modified in the Bill and a uniform rate of 1 per cent. is now sought to be levied in respect of all articles. However, as regards inter-State trade between a registered dealer in one State and an unregistered dealer or consumer in another, the same rates as are levied by the State (from where the goods are despatched) on sales or purchases of similar goods within its territory will be leviable.

A Vital Departure

The Taxation Enquiry Commission also recommended that, where there is a levy by the Union on inter-State trade in respect of specified goods, there should be no purchase tax by the State on the specified goods on which the Central tax on inter-State trade has already been levied at the rate of quarter of an anna in the rupee. In the Bill, it is one per cent., as already stated. This is what the Commission said in this connection:

"For the goods specified as of special importance in inter-State trade as distinguished from all other goods which figure in inter-State trade, the point of levy of tax will be only one, that is, the point at which such goods (raw materials, etc.,) are taxed by the State in which they are produced. As we proceed to mention below, it will be a condition in respect of such goods that *no other sales tax shall be levied on them either by the exporting State or the importing State.*"

The Bill, however, does not provide that, in respect of sales tax on specified goods in inter-State trade, there shall be no purchase or sales tax by any State. This is a vital departure from the recommendation of the Taxation Enquiry Commission. Where the Centre has levied inter-State sales tax on declared goods, in respect of such goods there should be no sales tax or purchase tax either by the exporting or the importing State. To this effect, specific provision should be made in the Bill. Otherwise, as the Commission itself has observed, there will be double or multiple taxation of the same goods which are considered important in inter-State trade.

The Federation points out that the Bill, in levying tax on inter-State trade, does not take into account the position of certain distributing centres like Delhi, Bombay and Calcutta. It does not provide that, if sales tax has been paid once by a dealer of an importing State, it will not be charged again, if the same commodity is exported from that State and is purchased by another dealer in another State. Thus, where goods are purchased by a dealer in Delhi from Bombay, the Central tax will be levied by the Bombay State. When the goods are again despatched from Delhi, say, to Uttar Pradesh or Kashmir, the Union will again be entitled to levy the Central tax. There will thus be double or multiple taxation of the same commodity which will jeopardise the interest of a distributing centre like Delhi. The importance of Delhi in inter-State trade has been stated also in the Financial Memorandum to the Bill. It should, therefore, be clearly specified that, where once Central tax has been paid, there should not again be another tax either by the Centre or by the State on behalf of the Union.

Goods of Importance

Clause 14 declares what goods shall be deemed of special importance in inter-State trade or commerce. Six items of goods were recommended by the Taxation Enquiry Commission to be adopted as specified goods important in the course of inter-State trade. They are coal, iron and steel, cotton, hides and skins, jute, and oil and oilseeds. These, by and large, have been adopted in clause 14 of the Bill. The Commission recommended that on no account should this list be expanded. The Commission, instead of demarcating goods as those which are essential to the life of the community and other goods, has instead categorised articles as those of importance in inter-State trade and other articles. This is because it considered that it was not advisable for Parliament to interfere in the purely internal aspect relatable to the interests of consumers of a particular State and that there was no reason why the State should not determine the range and rates of sales tax, the incidence of which rests on its resident consumers.

However, it is important to realise that there are many articles the price level of which must be a matter of concern to the Central Government and for the maintenance of which they cannot avoid responsibility. It was only in 1952 that Parliament enacted the Essential Goods (Declaration and Regulation of Tax on Sale or Purchase) Act, which declared that certain goods were essential for the life of the community. It also provided that no law made after that Act shall be made by any State imposing or authorising the imposition of a tax on the sale or purchase of any of those goods unless it was reserved for the consideration of the President and had received his assent. Nothing has happened since then that warrants the repeal of that Act as clause 16 of the Bill seeks to do. It is necessary to take power for Parliament to regulate the tax policy in regard to such articles as are considered essential for the life of the community, in addition to those articles which are considered important in inter-State trade. At least some of the articles mentioned in the 1952 Act must be included in the list stated in clause 14. Parliament should also have the power to add to or delete from the list any article important or essential for the life of the community. This is necessary for evolving a sound fiscal policy and it should not be considered as interference between the State and its resident consumers. Clause 14 should, therefore, be amended suitably.

Clause 15 provides that the tax payable by any State dealer under the law of any State in respect of any sale or purchase of declared goods made by him inside the State shall not exceed two per cent. of the sale price and that such tax shall not be levied at more than one stage in a State. The Commission had recommended that the rate of tax on intra-State transactions of declared goods shall not exceed quarter of an anna in the rupee, that is, about 1¼ per cent. In the Bill, it is provided that it shall not exceed 2 per cent. As already Stated, it should be clearly specified that, where a Central tax on inter-State trade in declared goods has been levied, no State shall levy any other tax in respect of such goods even on intra-State transactions.

Other Important Matters

While considering the Bill, the Federation refers to two or three other important matters arising out of the levy of sales tax generally either by the Centre or by the States. The first is with reference to the merging of sales tax with other levies like excise. It may be considered whether sales tax on some goods cannot be merged with other levies like excise and the sales tax portion of it distributed among the States in the proportions they may be entitled to. In fact, a proposal to levy sales tax on cotton textiles in the form of an additional excise duty was under consideration. This will be administratively a more convenient form of taxation and will also remove many of the hardships which traders and the public are subject to by the present levy of sales tax. Other commodities which may be considered in this connection are cotton, hides and skins, coal, iron and steel, cement, *vanaspati*, etc.

Another important matter concerns the sales Tax Laws Validation Act recently passed by Parliament. As already stated, the decision of the Supreme Court in the United Motors' case was the signal for a number of consumer States levying tax on dealers resident in other States and this gave rise to a lot of difficulties to traders generally. The Bengal Immunity case reversed the decision in the United Motors' case and, as a result, the levy of such taxes by consumer States was nullified. In order, however, to validate the levies which had already been made by States, the Sales Tax Laws Validation Act was passed. That Act was primarily intended to legalise only levies and collections already made. But several State Governments, for the first time, began to issue notices to outside State dealers calling upon them to register and submit returns in respect of such inter-State transactions. This action by some States has apparently been taken on a wrong understanding of the provisions of the Act. The Federation has received a number of complaints from the trading community that notices calling upon them to submit returns have been served even after this Act was passed. Since this is a Central legislation, the Centre should see to it that its intentions are clarified and the requisite action must be taken so that avoidable hardships are not caused to the traders by the States.

There is then the question of the levy of sales tax on supplies made to the Directorate-General of Supplies and Disposals. The States levy the tax and the tenderer or person selling goods to the Directorate-General is not reimbursed the amount of tax paid by him by the Directorate-General. It is contended by the Directorate-General that such transactions are not liable to sales tax. The supplier, on the other hand, would have already paid the tax to the State Government. The Federation has been informed that many lakhs of rupees have been paid by the traders by way of sales tax on supplies made to the Directorate-General which they are not able to recover. Considerable hardship is thus caused to the supplier and this is a matter which must receive the immediate attention of the Central Government.

* * * *

Note.—Since the above article was set, the Lok Sabha has adopted the Central Sales Tax Bill without referring it to a Select Committee but with a minor amendment.—ED.

RESERVE BANK SUPPORTS GILT-EDGED

(From Our Own Correspondent)

BOMBAY, *5th December*

The pull on the short-term money market continued unrelieved during the week under review also. While the supply position remained tight, the demand for bank credit was unabated; if anything, it was on an increased scale. Consequently, banks had to resort to borrowings from the Reserve Bank. Apart from the usual seasonal demand for funds, another factor, which is expected to make the stringency more acute in coming months, is the Finance Minister's latest proposal seeking to compel joint-stock companies to deposit a stipulated portion of their reserves and depreciation funds with the Reserve Bank. Though the object of the Finance Minister behind the measure is a laudable one, such action will unnecessarily lead to a strain on the money market. If companies do not have the cash resources to deposit the required amount, they will have to borrow from banks. Similarly, those companies which have been placing their surplus reserves with the market by way of either call deposit or short-term usance deposit will have less to spare.

Interest rates during the week remained generally unchanged. Inter-bank call money was placed at 3½ per cent. and house money at call fetched 3½ per cent. to 3¾ per cent. Banks were keen borrowers in short-term money; deposits for one and two months were offered 3½ to 3⅝ per cent. and those for four to six months 3¾ per cent.

The Reserve Bank's statement for the week ended 30th November 1956 shows a further small fall of Rs. 1.07 crores in notes in circulation. Notes held in the Banking Department have gone up by Rs. 4.02 crores. The resultant change, namely, a rise of Rs. 2.95 crores in total notes issued is covered by a corresponding increase in rupee coin. In the Banking Department, a decline of Rs. 4.71 crores is noted in deposits of the Central Government, while those of other Governments are up by Rs. 3.22 crores. Deposits of banks show only a fractional fall of Rs. 97 lakhs. On the assets side, balances held abroad have gone down by Rs. 5.33 crores. Loans and advances to Governments have risen by Rs. 1.16 crores, but other loans and advances have dropped by Rs. 2.64 crores, of which advances to Scheduled banks against usance bills account for Rs. 2 crores. Fresh advances to banks against these bills during the week amount to Rs. 5.20 crores, while repayments of maturing bills have been of the order of Rs. 7.20 crores.

The Scheduled banks' statement for the week ended 23rd November 1956 discloses a drop of Rs. 3.48 crores in demand deposits. Time deposits have gone up by only Rs. 33 lakhs. Minor variations are seen in inter-bank borrowings and borrowings from the Reserve Bank. There has been a decline of Rs. 1.12 lakhs in borrowings from the State Bank of India. A further decline of Rs. 5.10 crores is noted in advances, while inland bills purchased and discounted have gone up by Rs. 4.44 crores and foreign bills by Rs. 1.80 crores. Cash balances have shrunk by Rs. 1.40 crores.

The notable development of the week in the Gilt-edged market was the Reserve Bank's entry on Friday last as a purchaser of 3 per cent. 1986 Conversion Loan and of some State loans which had gone down considerably in recent weeks. This was in addition to the support the bank had been extending for some weeks past to short-dated securities of Central Government loans maturing within 1962. This step on the part of the monetary authorities arrested the recession and helped the securities to stabilise at the lower levels. The undertone at the close was steady, though hardly any noteworthy activity was seen. Earlier in the week, prices had drifted down in the absence of any support from any quarter.

3 per cent. 1986 Conversion Loan receded by As. 5 to Rs. 72-15, but closed steady at Rs. 73, the level at which the Reserve Bank decided to support it. The price was later on raised to Rs. 73-1. 3 per cent. 1970-75 had buyers at Rs. 86-15. The Reserve Bank has offered to buy this issue at Rs. 86-14, as a switch against 3½ per cent. 1974 at Rs. 98-8. 3 per cent. 1966-68 had some small business at Rs. 92-6. 3 per cent. 1964 attracted buyers at Rs. 94-6. 3 per cent. 1963-65 changed hands at Rs. 94-5 *ex-voucher*, as against Rs. 94-6 *cum-voucher* a week ago. 3½ per cent. 1962 was unchanged at Rs. 97-14. 3½ per cent. 1961 was placed at Rs. 99-5 *ex-voucher*, as against Rs. 99-6 before payment of interest. 3½ per cent. 1964 was on offer at Rs. 98-5, while 3½ per cent. 1965 was wanted at Rs. 98-7. 3¾ per cent. 1967 had sellers at Rs. 98-6.

Among the State loans, the Reserve Bank was a purchaser of 4 per cent. 1968 issues of Madras, U.P. and Mysore at Rs. 97-14, Andhra and Orissa at Rs. 97-12. Following this support, Madras loan ruled steady at Rs. 98, U.P. at Rs. 97-15, to which levels the Bank raised its purchase price later in the week, Mysore was held at Rs. 97-14. Andhra was As. 2 higher at Rs. 97-14, following the rise in the Bank's support price to Rs. 97-13, and Orissa was maintained at Rs. 97 12. Bombay and West Bengal issues also were steady.

In the foreign exchange section, the rupee ruled steady in terms of the U.S. dollar; banks' selling rate of ready dollar was maintained at Rs. 481½ per $100, while their buying rate fell from Rs. 477¼ to Rs. 477. In terms of the Canadian dollar, the rupee displayed some strength, banks' selling rate declining from Rs. 502½ to Rs. 500⅜ per $100 and their buying rate from Rs. 496¼ to Rs. 494¾ per $100. The steadiness of the rupee is in consonance with the strength of sterling abroad. In New York, spot sterling gained from $2.78-3/16-2.78-5/16 to $2.78-5/16-2.78-7/16. Forward sterling (three months), however, weakened from $2.75¼-2.75⅜ to $2.75¼-2.75⅜ and transferable sterling from 274.90-275.05 cents to 274.45-274.55 cents.

BULLION FEATURELESS

(From Our Own Correspondent)

BOMBAY, *5th December*

The bullion market was listless during the week. The undertone remained quietly steady, with the fluctuations confined to a narrow groove. The offtake in both the metals was poor, but towards the close demand in gold picked up, giving the market some steadiness. The general impression that the supplementary budget would give rise to an increased demand for bullion also aided sentiment. There was, however, some rumours in the market that the value of the rupee was likely to be raised in terms of sterling. These rumours affected gold to some extent yesterday, but, as they were later on regarded as baseless, the yellow metal regained its strength.

Forward silver (19th December settlement) gained from Rs. 175 to Rs. 175-9 early in the week, but the waning ready demand and increased arrivals of Tibetan coins caused a setback to Rs. 174-2 yesterday. Today, however, it recovered partially to close at Rs. 174-8. Business in January settlement began yesterday at Rs. 175-1 and, after moving between Rs. 174-15 and Rs. 175-6, closed today at Rs. 175-5.

Ready silver (.996 Mint) was quoted at a discount of As. 12 under forward (December settlement). Thus, after being marked down from Rs. 174-4 to Rs. 173-6, the ready metal moved up to close at Rs. 173-12.

The floating stocks of silver are placed at 1,600 bars. The daily average offtake was 12 bars.

Gold for forward delivery (18th December settlement) hardened from Rs. 105-7 to Rs. 106, before suffering a setback to Rs. 105. Later, however, it recovered the earlier loss and closed at Rs. 105-7. Official business in the next settlement commenced yesterday at Rs. 105-6 and the closing today was done at Rs. 105-11.

Ready gold shaded off from Rs. 105-3 to Rs. 104-14, but regained to Rs. 105-8 at the close. The ready metal, which stood at a discount of As. 4 till Saturday last, slowly gained strength and commanded a premium of an anna today. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,000 tolas. The daily offtake increased from 2,500 tolas earlier in the week to 4,000 tolas today.

In New York, silver stood unchanged at 91⅜c. In London also, the white metal held its own at 81⅜d. for spot delivery and at 80⅜d. for forward. Gold, however, improved from 250s. 8⅜d. to 251s.

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

	5-12-56	Highest	Lowest	28-11-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 6	105 12	104 14	105 8
Forward*	105 7	106 0	105 0	105 7
Sovereign	68 8	68 12	68 4	68 4
SILVER				
Ready (.996 fine Mint) ..	173 12	174 13	173 6	174 4
Forward†	174 8	175 9	174 2	175 0
London Silver Ready ..	81⅜d.	—	—	81⅜d.
London Forward	80⅜d.	—	—	80⅜d.
London Gold	251*s.*	251*s.*0¼*d.*	250*s.*11½*d.*	250*s.* 8⅜*d.*
New York Silver	91⅜c.	—	—	91⅜c.

* 18th December settlement.
† 19th December settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, *2nd December*

During the week under review, the hides and skins market ruled steady. New arrivals of cow and buff were not as considerable as those in the previous week. Goats and sheep, however, were available in plenty. The slightly eased situations in West Asia has encouraged hope in the market which is suffering because exports have been apprehensive. The main purchasers were the local tanners.

The latest available quotations are: wet salted cow 1st grade Rs. 380, 2nd grade Rs. 260 to Rs. 280 and 3rd grade Rs. 140 to Rs. 180 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; Goat 1st grade Rs. 325 and 2nd grade Rs. 300 to Rs. 325 per 100 pieces; sheep skins 1st grade Rs. 325 and 2nd grade Rs. 200 to Rs. 250 per 100 pieces.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, *3rd December*

The kip market continues to rule firm and sellers are reserved. Prices of cow hides, cow calf and buff calf have advanced by half anna to one anna per lb., and shippers are active. Demand for F.A.Q. types has improved and higher prices in the overseas market have been established. Top marks have also sold well. Enquiries for inferior fifth cow hides are small and the market is quiet.

Superior marks cow calf and buff calf are in good request and prices have advanced in this section. The buff hides market is steady.

Importers in the U.K. and the Continent are keen to buy best tannages in goat skins and prices have registered an advanced. Demand for sheep skins is brisk and, as sellers quote "impossible" prices, business has been patchy.

COTTON FUTURES BEARISH

(From Our Own Correspondent)

BOMBAY, *5th Decembe*

The bearish trend noted in the cotton future market for the past few weeks gathered fresh momentum during the week under review. This may appear a little intriguing in view of the fact that the Government announced an export quota for 50,000 bales of Bengal *deshi* and 150,000 bales of other exportable varieties of ¾" and below. But the trend of the market is not altogether unexplainable if one takes into account a number of bearish factors which were really responsible for the landslide in values. They were: (1) the simultaneous decision of the Government to raise the export duty on Bengal *Deshi* from Rs. 50 to Rs. 100 per bale and the *status quo* in respect of the export duty on other varieties, (2) the Finance Minister's new tax proposals, (3) the heavy arrivals in the up-country centres, (4) the favourable weather reports, and (5) weak advices from the oilseeds market. The combined effect of all these factors more than offset the modest recovery witnessed immediately after the export quota announcement, with the result that the market suffered a distinct setback.

M.G. Jarilla (March 1957) opened the week at Rs. 639, as against the previous week's closing of Rs. 640-8 and improved, on expectation of an export quota, to Rs. 646-8 the next day. The pressure of selling induced by the new tax proposals, coupled with reports of fine weather took the contract down to Rs. 635 on the 1st inst. The export quota announced late on the 1st inst. helped a modest recovery and the contract advanced to Rs. 641-8 on the 3rd inst. The continued heavy arrivals in upcountry centres and an upward revision of the crop ideas, following reports of good weather, precipitated heavy selling and the contract declined to Rs. 630 yesterday. Opening at Rs. 630 today, the contract moved, on buying support forthcoming at low levels, to Rs. 635, closing at Rs. 633.

M.G. Vijay followed more or less the same course. Opening the week lower at Rs. 745, the contract improved to Rs. 753 the next day on bull support, before easing, under the impact of the new tax proposals, to Rs. 740 on the 1st inst. The export quota announcement induced a recovery to Rs. 748, but it again fell to Rs. 733 yesterday. After opening at Rs. 732-8, today it improved to Rs. 736½ before closing at Rs. 734.

The following is the trend of prices of the two contracts for the week:

(In rupees per candy of 784 lbs.)

	5-12-56	*High*	*Low*	28-11-56
Jarilla (March) ...	633	646½	629	640⅛
Vijay (April) ...	734	753	731	746

In contrast to the futures section, the spot market was more or less steady. There was good demand for popular varieties, especially Khandesh quality. Enquiries from upcountry and Southern mills were noted for ready lots of Berar, Vijay and Laxmi. In the export section, following the quota announcement, prices of all exportable styles registered appreciable gains. Shippers were interested in Bengal *deshi* and 'Oomras.' Japan is reported to have enquired for Jarilla ¾". In the foreign section, Bombay and Ahmedabad mills showed interest in American cotton and some quantity of Middling El Pasa staple 1¼" was purchased by Ahmedabad mills at Rs. 1,701 for December-January shipment. Importers and shippers were awaiting the receipt of licences against applications submitted by them for import of American cotton. Delivery contracts ruled steady. The latest available spot rates—in rupees per candy of 784 lbs.—are given below, the figures in brackets being last week's closing quotations:

Bengal *Deshi* 745 (740); Berar Jarilla 750 (760); Khandesh 760 (780); Vijay (old crop) 920 (920); Oomra *deshi* 765 (760); *Moglai* 730 (745). *Delivery Contracts*: Khandesh 197/3 December 115 (108); Berar 87 (85); Moglai 44 (40) ON Jarilla; 320F 82 (78), 216F 102 (98), Vijay 13/16 February-March 104 (100) ON Vijay.

The firm trend noted in the Karachi market last week gained further momentum on good trade support and bullish speculative interest. Good spinner demand prompted by the encouraging trend in domestic consumption and active export enquiries further helped sentiment. N.T.R.G. January which had closed at Rs. 83-5 put on, over the week, Rs. 2-4 to Rs. 85-9 while the March position advanced to Rs. 84-12, as against last week's closing of Rs. 82-13. The spot section also was active and improvement in values was recorded in most varieties. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton, prevailing at Karachi, are given below:

Sind *Deshi* 91; Punjab *Deshi* 85; 4F Punjab Roller 86-8; S.G. 90-8; L.S.S. Punjab R.G. 89-8; S.G. 92-8; N.T.R.G. 91-4; S.G. 95-12; 289F Punjab R.G. 92-4; S.G. 101-4.

The Alexandria cotton market depicted a firm trend during the week under review, due mainly to good overseas demand. Shippers have not reinstated offers but it is hoped that they would do so soon. Many contracted shipments for India have been held up owing to the blockade of traffic through the Canal. The Government and exporters are known to be working on a feasible scheme for expediating shipments. No details have been received of activity in the spot section. Meanwhile it is reported that the Government has decided to insure raw and ginned cotton and cottonseeds, whether stored in the country or under export contract. The law in this connection is reported to have been drafted by the Finance Ministry, whereby every holder of cotton or seed stocks will pay a monthly premium of 3 *piastres* per cantar of cotton and 2.5 *piastres per ardeb* of seeds to insure such stocks. An equal contribution will be made by the State and the total premium will be applied to indemnify owners of cotton and seeds whose holdings were damaged in the course of military operations. The following are the latest available rates—in tallaris per lb.—from Alexandria, the

figures in brackets being last week's closing quotations:

Karnak: January 111.60 (108.60); March 109.65 (105.75). *Ashmouni*: December 78.20 (76.70); February 78.35 (76.80); April 78.70 (76.80).

The auctions of new crop Uganda have been characterised by active bidding and the Lint Marketing Board has been receiving attractive prices. The prices (converted to Rs. per candy c.i.f. Bombay) received at the auction held on 27th November were: B.P. 52 1,725; Busoga 1,570; Bukhedi 1,510; Jinja 1,385. The high prices being received are understood to be due to active short-covering by shorts against their early shipping commitments. At the auctions held on 29th November, bidding was active, but the price trend showed a decline. This was attributed to the fact that West Germany and the Continent having covered their requirements, India was the only country evincing interest in East African cotton.

The Sudan Gezira Board has disposed of its entire stocks of the 1955-56 season cotton. For the first time since many years all crops, whether Gezira Board, Government or private estate have been entirely sold out three to four months ahead of the coming of the new crop.

Active conditions prevailed in the Liverpool market during the week under review and values recorded fair advances. Good demand was in evidence for both ready and shipment cotton. Purchases of U.S. cotton for shipment up to March 1957 were reported. The C.C.C. prices are slowly advancing due partly to the addition of the carry-over charge but mainly to lack of competition from other comparable growths. Mexican cotton is reported to have been marketed and shipping difficulties through the Suez Canal has prevented Middle Eastern and African cotton from competing with U.S. styles. Pakistan cotton is finding good demand from China and the Far East, and so the field is left entirely for U.S. cotton, the price of which has advanced.

Both the American type contracts advanced on mill fixations and local short-covering, though further rise was prevented by hedge selling. A limited volume of continental buying was also noted. The Egyptian contract was easy, while the Sudan contract improved on trade support. The latest available rates—in pence per lb.—from Liverpool are given below:

American One Inch Staple Contract: December-January 26.85; March-April 26.75; May-June 26.40; July-August 26.06. *American Cotton Mixed Growth Contract*: December-January 27.70; March-April 27.35; May-June 26.85; July-August 26.50. *Egyptian Karnak Cotton*: January-February 60; March-April 60. *Sudan Cotton*: January-February 61.30.

The New York market ruled generally easy during the week with liquidation and hedge selling meeting with only limited demand. The declining trend in loan entries was an unsettling influence and uncertainty about Government's cotton programme prompted selling in distant months which, as a result, declined while the nearby December advanced. According to some reports, those sections of the trade which proposed a compensatory payments plan for cotton farmers will make a drive for such legislation when the Congress convenes in January. Such a plan will permit cotton to seek its own market level with farmers receiving Government payments on the difference between the market price and some determined parity price.

For the week ended the 21st of November the total purchases in the 14 spot cotton markets were 540,500 bales as against 477,200 bales last week. Domestic mills were described as being less active. Except in the case of Far Western growths which have steady demand at prices above loan level, activity was slow. Many growers were also said to be holding back cotton from the market. Exports for the week ended the 22nd November were 90,508 bales making an aggregate of 1,721,740 bales for the season thus far. In the same period last season, exports aggregated only 484,873 bales. It is reported that the Secretary of Agriculture, Mr. Benson, stated at a Press conference that the Administration want to sell Government-owned cotton stocks for unrestricted use at the support level plus reasonable carrying charges. According to present regulations such stocks can be sold for unrestricted use only at 105 per cent. of the current support price plus reasonable carrying charges or the domestic market price whichever is higher.

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

(In cents per lb.)

	4-12-56	27-11-56	20-11-56
Spot	34.40	34.45	34.55
December	34.91	34.35	34.46
March	33.98	34.16	34.25
May	33.86	34.17	34.31

RAYON YARNS TAXED MORE

(From Our Own Correspondent)

BOMBAY, *5th December*

The most outstanding event of the week under review in so far as the yarn market is concerned is the fresh tax imposts on art silk yarn, staple fibre and staple fibre yarn announced by the Union Finance Minister on the 30th November. The import duty on art silk yarn has been raised from 36¼ per cent. *ad valorem* or As. 7¼ per lb. whichever was higher to Rs. 3 per lb., although the immediate effective rates vary, being Re. 1-4 for yarns above 100 deniers, Re. 1-7 for 75 to 100 deniers and Rs. 2 for yarns below 75 deniers. Correspondingly, an excise duty has been levied on yarn produced in the country, the ceiling rate being Re. 1-8 per lb. and the effective rates for the aforesaid categories of yarns being As. 4, As. 6 and As. 8, respectively. An excise duty of As. 2 per lb. will be levied on indigenous staple fibre and staple fibre yarn, the ceiling and effective rate being Re. 1-8 and As. 2, respectively. The imports of fibre are subjected to an *ad valorem* duty of 25 per cent. plus As. 2 per lb. and those of yarn bear only a duty of Re. 1-4 per lb.

Immediately after the fresh tax imposts were announced, holders of art silk and staple fibre yarns put up their prices. Operators were busy extending their commitments on fears of reduced imports of foreign yarns in the coming weeks as a result of enhanced duties. In fact, buying support was so good as to overlook reports of large sales of yarn at 3d. to 4d. higher made by Japanese interests recently. The aforesaid imposts have evoked wide protest at the hands of traders. The imposts, it is said, will cause considerable harm to the industry and trade. Attention is drawn to the keen competition which the Indian art silk fabrics are already facing in overseas markets. To quote the President of the Yarn Merchants Association and Exchange, Bombay: "In view of the specific tariff rates, there will hardly be any incentive for the importers to secure any job lots of different types of yarns from foreign manufacturers which they were able to obtain till now."

Rayon yarns registered handsome gains during the week under review. Snia rayon yarn (120 dull cones) for February delivery firmed up by Rs. 17 to Rs. 800. December position rallied Rs. 13 to Rs. 778. Spot 120 Japan advanced by As. 3-6 to Rs. 4-2-6. 150 Italy spurted by As. 2-6 to Rs. 3-14. 120 Italy strengthened by As. 2 to Rs. 4-2. 150 Japan gathered an anna and a half to Rs. 4-7. Among indigenous yarns, National Rayons 150 Bt. cones 1st Grade rose by As. 2 to Rs. 3-7. 120 Bt. cones 1st grade was higher by 21 pies at Rs. 3-10-6.

Staple fibre yarn (40 x 2) for February delivery hardened by Rs. 18 to Rs. 648. December contract improved from Rs. 621 to Rs. 638. Spot 40 x 2 Citys rallied As. 3 to Rs. 3-8-6. New Greats recorded a rise of As. 2-6 to Rs. 3-6-6. Kohinoors and Centurys gained As. 2-3 each to Rs. 3-11 and Rs. 3-8, respectively. Among foreign yarns (80×2), K'Suns rose by an anna to Rs. 6-10. Paramounts gathered half an anna to Rs. 5-14. Fujis were better by a like amount at Rs. 6.

The cotton yarn section ruled dull. Transactions put through were limited and prices moved narrowly, the general tendency being downwards. Sixty counts Raghuvamshis came in for selling and dropped As. 8 to Rs. 58. Finlays receded by As. 6 to Rs. 60-2. Moderns, however, elicited special enquiries and picked up a rupee to Rs. 63-8. Forty counts Minaxis fell by As. 9 to Rs. 28-7. Goksks declined by As. 4 to Rs. 28-8. Ten counts were quiet, Moderns and Podars both being quoted at Rs. 15-8. Among 20s, Maduras were done at Rs. 20-4. Moderns gained As. 2 to Rs. 19-10. Thirty counts Maduras were dull at Rs. 24-4. Eighty counts Moderns were on request, their quotation rising by a rupee to Rs. 77.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	5-12-1956	28-11-1956	21-11-1956
Art Silk yarn (per case of 200 lbs.)-	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia December	778 0	765 0	782 0
120 Dull Cone Snia February	800 0	788 —	—
120 Japan (per lb.)	4 2½	3 15	3 15½
150 Japan (per lb.)	4 7	4 0	4 6
120 Italy (per lb.)	4 2	3 11½	4 0
150 Italy (per lb.)	3 14	3 6	3 11½
Staple fibre yarn (per case of 200 lbs.)—			
40×2 December	638 0	621 0	627 0
40×2 February	648 0	630 0	—
40×2 New Great (per lb.)	3 6½	3 4	3 5½
40×2 Century (per lb.)	3 8	3 6½	3 6½
40×2 City (per lb.)	3 8½	3 5½	3 6½
Cotton yarn (per bundle of 10 lbs.)-			
10s Podar	15 8	15 8	15 8
20s Hind	19 12	19 12	19 6
30s Madura	24 4	24 4	24 8
40s Gokak	26 8	28 12	57 12
50s Finlay	60 2	60 8	59 8
80s Modern	77 0	76 0	73 0

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, *5th December*

The oilseeds market, in sharp contrast to the firm trend witnessed last week, registered an easy trend during the week under review. Although the market started promisingly on 29th November on bear-covering, it was unable to hold the levels on realising pressure. Recovery during two following sessions, following hopes of export quotas was again met with realising pressure at higher levels. The factors which led to affect the sentiment of the operators adversely were the apprehensions regarding the change in export policy, heavy flow of new groundnut crop at the terminal centres followed by fresh offerings from upcountry traders. The fears that buying orders from overseas might subside gave momentum to the downward trend in groundnut. Castorseed, too, received a setback after its earlier recovery. Linseed and cottonseed declined in sympathy with groundnut. The undertone of the market remained easy at the close today.

Groundnut February contract opened cheerfully at Rs. 149-6 on 29th November last, and after declining slightly at the close on the same day, reached the peak level of the week on the following day at Rs. 152-0. On short covering, it, however, declined sharply the same day to Rs. 147-10. Subsequently, it improved to Rs. 150 on 3rd inst. on expectations of export possibilities before declining further to Rs. 145-2 at the close today. It lost thereby Rs. 3-12 over the week. In the spot, too, Bold F.A.Q. shed Rs. 2-12 at Rs. 29, and December-January declined by Re. 1-1 to Rs. 28-13. Groundnut oil ex-mill was down by As. 8 to Rs. 18-12 and railway receipt by As. 4 to Rs. 18-10.

Castorseed May 1957 contract touched the peak level of Rs. 174-12 on 30th November after opening the week at Rs. 173-8. It, however, sharply declined to Rs. 167-8 on the same day. It declined further to Rs. 163-8 on 3rd inst. after fluctuating between Rs. 169-8 and Rs. 172. The last two sessions of the week saw further decline to Rs. 155-0 today, though it finished the week slightly higher at Rs. 157-8. Over the week, it lost no less than Rs. 14-12. In the spot section, however, the decline was not so sharp. Ready Madras lost As. 8 at Rs. 37-0 and Kanpur was quoted As. 8 less at Rs. 35-12. Oil B.S.S. and oil commercial shed Re. 1-8 at Rs. 23-6 and Rs. 22-6 respectively.

Linseed futures contract, after commencing the week at Rs. 30-4, fluctuated during the first four days of the week between Rs. 30-4 and Rs. 29-8. On account of offerings by shippers, it declined to Rs. 28-4 today before closing the week's trading at Rs. 28-14. In the spot section, Bold ready lost Re. 1-4 at Rs. 34-12 and February-March eased by As. 10 to Rs. 31. Linseed oil ready was quoted Re. 1 less at Rs. 19-6.

Cottonseed February contract moved in sympathy with castors and groundnut. Having opened at Rs. 85-8, it moved up to Rs. 90 on the following day, but declined to Rs. 87-4 at the close the same day. It, however, improved to Rs. 89 on the 3rd inst. It opened today at Rs. 85-4 and closed higher at Rs. 86-4.

Among the other seeds, *kardi* Bold ready lost As. 4 at Rs. 21 and *niger*, Madras, was done As. 4 less at Rs. 30.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	5-12-1956	28-11-1956	21-11-1956
Groundnute—	Rs. a.	Rs. a.	Rs. a.
February 1957	145 2	148 14	144 10
Khandesh Quality Ready (per cwt.)	30 8	32 12	33 4
Dec.-Jan.	28 13	29 14	30 8
Linseed—			
May 1957	28 14	30 3	28 3
Bold Ready (per cwt.)	34 12	36 0	33 8
Feb.-Mar.	31 0	31 10	29 10
Castorseeds—			
May 1957	157 8	172 4	154 8
Madras (per cwt.)	37 0	37 8	34 8
Cottonseed—			
February 1957	86 4	86 12	85 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 12	19 4	18 14
Castor oil—			
Commercial (per quarter) ..	22 6	23 14	20 10
Linseed oil—			
Ready	19 6	21 6	17 12

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, *5th December*

There was a further rise in sugar prices during the week under review. Buying from all sides was well sustained. Ex-mill quotations ruled firm. Even the proximity of the normal monthly release of sugar for sale in the free market and reports of sugar mills crushing in full swing failed to have any effect on the market. The increased arrivals of indigenous sugar—19,300 bags, as against 14,900 bags in the previous week—met with good support at higher prices.

In the spot section, indigenous sugar small and medium grains advanced by a rupee each to Rs. 89- and Rs. 90-Rs. 93 per bag, respectively. British refined sugar rose by a like amount to Rs. 92 per 2 cwts. Large grain sugar was fully maintained at Rs. 94-Rs. 102, same as last week.

Magsar delivery contract for 'C' grade sugar moved up from Rs. 90-6 to touch its new high of Rs. 90-10. It was fully firm at this rate, thanks to paucity of spot stocks of tenderable variety. The contract is due to be squared up on the 17th inst. A new forward delivery contract—*fagan*—for C.28 grade sugar (new crop) which was opened this week was quoted at Rs. 92-4. The forwarding charges for this delivery are higher, due to fears of an increase in excise duty on sugar and expectations of better demand if the rumours of exports are to prove correct.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, *5th December*

Despite continuous firmness in Sarawak pepper at Singapore, where the market was reported to be under the full control of one or two Chinese speculators, Malabar black ruled easy under pressure of arrivals of new crop and paucity of inquiries from New York. New arrivals now average 250 candies per day with prospects of expansion and improvement in the quality. It is generally believed that by the second week of the month, arrivals both at Cochin and Alleppey will be more than 500 candies. If sizable demand does not develop from overseas by that time, it will be hard to absorb the supply in view of the fact that now inland enquiry, particularly from Calcutta, is on the wane.

Sarawak black at Singapore improved to Str.$.94, establishing a new high for the year, under pressure of buying by the Chinese rubber interests. Lampong, however, is reported neglected as Europe is interested in Sarawak only.

New York is reported buyer for December at $0.26. It has refused so far to pay anything higher; all offers from India for December shipment above this price are reported to have been turned down repeatedly. The recent speech of the British Chancellor of the Exchequer has given currency to rumours of imminent devaluation of sterling but knowledgeable sources indicate that it may take some time and that the British Government will try its level best to maintain the present cross rate.

The future of the market depends upon the buying policy of America as chances of immediate Russian buyings are reported receding since Singapore rubber interest is reported to have sold big parcels of Sarawak black to Russia through the U.K.

December shipment was done at $0.26¾. There are sellers for Jan.-Feb.-March at $0.26¾ but without response.

In the delivery section, December delivery, after receding to Rs. 615, improved to Rs. 620 owing to short covering and some trade buying following news of hardening prices of Sarawak black at Singapore. Today's nominal quotations are: Ready delivery Rs. 94 per Bengal maund; December delivery Rs. 616-21 per candy of 5¼ cwts. and February delivery Rs. 617-22 per candy of 5¼ cwts.

STRONG DEMAND FOR TEAS PERSISTS

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *29th November*

In sale No. 31 held on Tuesday, 27th November, approximately 1,400,000 lbs. were offered and met a very strong general demand for all types, except high-growns which were easier, following a decline in quality. Mediums and good medium brokens, as well as whole leaf grades, came to a very strong market and were As. 2 to As. 3 dearer and sometimes more. There was a general decline in the quality of Nilgiri high-grown offerings and buyers were discriminating in their purchases, consequently brokens in this category were fully As. 4 easier, but whole leaf descriptions were well supported and were irregularly steady. The few packages of tippy teas on offer met a good market and sold at about last rates. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	2 0 0
Low-medium B.O.P.	2 7 6
Medium B.O.P.	2 10 6
Good B.O.P.	2 14 0
Well made black leaf O.P.	2 12 6

London Market—Sale of 26th November 1956.—Very strong. Generally 3d. to 6d. up.

Sale of 27th November 1956.—Bottom dearer. Others unchanged.

Colombo Market—Sale of 26th November 1956.—Black leaf and useful liquoring sorts firm to dearer. Thin stalky fannings rather lower.

Sale of 27th November 1956.—Market lower, following quality. High-grown brokens declined 20 to 40 cents, mediums down 20 cents, low-grown U.K. types down 5 to 10 cents. All leaf grades much dearer. Gulf types firm.

Calcutta Market—Export.—Increased strong demand, particularly at the bottom, and for most fannings grades. Better teas slightly easier.

Internal.—24,200 dust. Good general demand. Opened half to 1½ annas dearer, but closed one anna to As. 2 below last. Best C.T.C. and flavoury Darjeelings fully firm. Internal leaf, although irregular, was firm to dearer.

Export Quota.—There has been considerable activity in the export quota market during the past week and business has been effected at 90 pies.

Forthcoming Auctions.—Sale No. 32 will be held on Tuesday, 18th December, and dust sale 'X' on 4th December.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:—

"*Dust Sale X.*—415,000 lbs. Strong general demand, particularly for lowest and medium sorts. Market has advanced irregularly As. 2, except for best which are about steady."

JUTES RULE STEADY

(From Our Own Correspondent)

CALCUTTA, *4th December*

Conditions in the jute market were fully steady during the week under review. The mid-week fall in prices on fears of reimposition of export duties on jute goods was short-lived, and by the week-end prices had fully recovered. It had been known for some time that the Finance Minister had been contemplating ways and means to stem the rise in the prices of commodities. When Mr. Krishnamachari expressed concern at the signs of prices hardening, rumours that he would use the opportunity of the recent uptrend in prices of jute goods to reimpose the export duties circulated freely. However, these rumours were unfounded, as the Finance Minister's proposals for additional revenue subsequently revealed. It is true prices of jute goods have advanced since the blocking of the Suez Canal, but then raw jute prices have also gone up. Prices of jute goods that prevail at present can at best be said to be only economic. Imposition of export duties would price the Indian goods out of world markets. It is only in recent weeks that export business has been of such proportions as to reduce stocks. Foreign consumers are naturally buying more in order to have an adequate quantity in stock, so that delays in shipping may not be felt.

The announcement by Mr. Lal Bahadur Sastri that he had been able to persuade the dock workers to withdraw the strike notice was greeted with satisfaction by the trade. At the present time, when increased enquiries are being received, stoppage of work in Calcutta port would hit hard the jute industry and trade. This announcement retarded sentiment for a time, as buyers slowed down their activity. However, the trade's anxiety about the strike fever continues. For it is distressing that the jute industry is being threatened with a general strike. The lockout in three mills in the Shamnagar area, namely, Megna, Waverly and Alexandria, continues and accounts for output loss which is acutely felt, in view of the present higher demand. The demands which are now precipitating an industry-wide strike are, among others, the appointment of a tripartite commission to enquire into rationalisation, banning of the operation of two looms and two frames, instead of one machine by a worker, and introduction of a bonus scheme.

On Tuesday last, ready B. twills was steady at Rs. 120-4 and hessian 40" 10 oz. at Rs. 46-8. Good business for export was done at these rates. As a result, B. twills gained to Rs. 120-8 on the next day, while hessian 40" 10 oz., although lower at Rs. 46-4, was fully steady. At this stage, a definite easing tendency set in on rumours of the reimposition of export duties. Bears used this opportunity to depress prices. B. twills declined to Rs. 119-4 and hessian 40" 10 oz. to Rs. 45-13. However, speculators were keen buyers, and by Friday the rates for the two constructions gained to Rs. 119-14 and Rs. 46-1, respectively. On Saturday, prices recorded improvements as the rumours of export duties were unfounded. However, profit-taking reduced the gains. Thus, B. twills closed at Rs. 120 and ready 40" 10 oz. hessian at Rs. 46-2. Bearish activity in *fatka* was a feature during yesterday, and prices moved down further, B. twills being quoted at Rs. 120 and 40" 10 oz. hessian at Rs. 45-15.

Raw jute prices were unchanged. Mills were interested in small quantities, and business was subsequently put through. Arrivals were declining. However, mills were not prepared to push up prices, since they felt that there was enough jute in the country. Indian northern bottoms were offered at Rs. 31-8, and local daissee bottoms at Rs. 32-8. Strong conditions continued to prevail in the Pakistani markets, and the strike by about 20,000 jute workers in Narayanganj was an additional factor to harden prices. It is reported from Dacca that attempts are being made to increase jute output in the next season by 500,000 bales to 6½ million bales. This decision is said to follow the Government's anxiety to meet the increased demand for jute all the world over. However, it is a pity that the authorities in Pakistan have not yet thought of removing the obstacles which stand in the way of India increasing its purchases from Pakistan. It is time the high export duties are revised. The Government in Dacca is desirous of sending out missions to neighbouring countries like Indonesia, Burma, China, Australia and Japan to find out how far Pakistan can increase its exports of raw jute and jute goods to these countries. Without sending any such mission, Pakistan can increase its exports of raw jute to India, if only fair prices are quoted, the E.P.C. forms are passed by the State Bank of Pakistan more quickly, and the discriminating export duties are removed.

TEA PRICES A SHADE LOWER

(From Our Own Correspondent)

CALCUTTA, *4th December*

Strong demand continued to be in evidence during the export sale held yesterday. There was, indeed, a squeeze for export quota rights at advancing prices.

The keen export demand during recent weeks has made several tea gardens bid for export quota rights. Export releases have so far amounted to about 332 million lbs., or 50 per cent. of total output. The combined North and South Indian production for this year is estimated at 665 million lbs. In view of the keen export demand at hardening rates, the trade anticipates a further release. It is known that New Delhi, although eager to increase exports, desires to prevent any shortage for internal consumption.

Tea prices for internal consumption, in common with other commodity prices, have been rising, and the Government is desirous of avoiding any further advance. Internal needs for tea are estimated by the trade at not more than 200 million lbs. It, therefore, anticipates that the Government would release at least 100 million lbs. more for export from the 1956 crop. This anticipation was another cause for the rush in export quota right bids.

With the onset of the busy season and the tightness in the money market, tea gardens are anxious to make arrangements for credit to finance the new crop. Usually, banks advance money to estates against production from the beginning of the year. As estates commence sales, bank advances are gradually cleared. However, advances to gardens have become less attractive propositions to banks, in view of the bill market scheme not applying to these. And tightness in the money market offers banks several other more profitable avenues of investment. The Reserve Bank would have to consider this subject and include advances to the tea industry in the bill market scheme or explore other ways of helping the tea industry.

The fear is entertained that the working of tea estates on a profitable basis would be affected by the Finance Minister's proposals for new taxes introduced in the Lok Sabha on 30th November. The greater control which he is now attempting over depreciation and other reserves of companies would particularly affect tea estates. His intention to increase the rates of super tax payable by companies declaring dividends in excess of 6 per cent. of paid-up capitals is also of particular import to the tea companies.

Yesterday's export sales opened under very steady conditions. As the sales progressed, demand strengthened, but prices were easier. Prices for the better C.T.Cs rose above valuations, while those for the better Assams of orthodox manufacture and non-wither Dooars declined by As. 3. Broken grades were held firm, but medium, low medium and plain fannings gave way by As. 2 to As. 3. B.P.Ss declined by half to one anna and B.O.Ps by an anna to As. 2. Whole leaf grades also remained quiet. Among Darjeelings, the ordinary lots eased, but there was a good demand for a few selected lots. The quotations were: best C.T.C. Assam B.P. Rs. 3 to Rs. 3-2, medium Assam B.P. Rs. 2-7, plain B.P. Rs. 2-5, and clean black pekoe Rs. 2-6.

Export quota rights changed hands at As. 7, and after declining to As. 6, recovered to As. 6¼ with buyers over.

Dusts offered during the internal sales held on Wednesday last amounted to 24,291 chests. Prices were higher at the opening of the sales, but dropped during progress. Thus, non-wither Dooars closed As. 2 lower after being higher by an anna, but commons and medium Assams rose by an anna to As. 1½. The strongest feature was provided by the very best C.T.C. Assams remaining firm throughout the sales. Other C.T.C. lots eased towards the close. Among Darjeelings, the few flavoury lots received the keen attention of bidders, but other offerings in this category tended easy. The quotations were: best Assam C.T.C. Rs. 2-12, medium Assam C.T.C. Rs. 2-7 to Rs. 2-8, medium Assam grainy dust Rs. 2-1-6, and medium Dooars Rs. 2.

Leaf grades offered were 1,445 chests. Demand was good, specially for the few lots of green tea on offer.

LINSEED WELL MAINTAINED

(Messrs. A. Bradley & Co.)

CALCUTTA, *3rd December*

Linseed prices were well maintained during the week, although trading was on a rather small scale. Arrivals were very poor, and sellers were rather reserved, except at more attractive rates. Buyers were disinclined to pay higher prices, owing to a decline in the price of linseed oilcake and less keen enquiries for oil. In the oil section, buyers were holding out for slightly lower prices, following a small decline in U.K. prices.

The latest available quotations are: November-December Rs. 26-8 and April-May Rs. 22-8 per maund.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *3rd December*

Quiet conditions prevailed in the foodgrains market during the week under review. Heavy sales by fair price shops constituted the main depressing factor. Imports are coming to the country as scheduled and India received 923,991 tons of wheat and rice upto the first week of November this year. Recent developments in West Asia have not retarded the flow of foodgrain imports, as the supplying countries mostly lie to the east. The U.P. Government is faced with a new problem, as smuggling of wheat sold in the flood-hit areas of East U.P. is taking place to Bihar and it is now reported to have asked the Centre immediately to impose zonal-basis restrictions on the movement of foodgrains.

Wheat at Hapur eased slightly by As. 2 per maund to Rs. 15-12 for *dara* quality and to Rs. 16-12 for farm quality. Local arrivals continued to be small, at 50 maunds daily, and stocks remained unchanged at 64 *khaties*. Rice also ruled quiet, due to increased pressure of new crop into the market. Gram was stagnant at Rs. 13 per maund for local quality and at Rs. 13-4 for Punjab produce. Local stocks were still heavy at 94 *khaties*. *Bajra* was on keen request during the week, due to good seasonal demand and prices improved in the face of poor arrivals. Maize, however, eased slightly, due to better supply position. The latest available quotations are: *Bajra* Rs. 14-4; maize Rs. 12-10; *jowar* Rs. 13; *guwar* Rs. 11.

Pulses rules steady on good offtake in the wake of fast dwindling stocks. Peas average green was quoted at Rs. 14-4 and white quality at Rs. 16 per maund. Stocks of peas were lower at 24 *khaties*. The heavy offtake of *arhar*—at 11 *khaties*—during the week mostly in the form of pulses resulted in an improvement of ready prices to Rs. 13-10 per maund and stock was put at 40 *khaties*. Other pulses also advanced in sympathy with peas and *arhar* and on poor local stocks. *Urd* was done at Rs. 18-8 to Rs. 20-8, *moong* at Rs. 16-4, and masoor at Rs. 18-8.

After recording good gains in the earlier part of the week on continued bull support from the Punjab, pulses futures declined to be quoted near the opening level of the week on profit-taking sales. The latest quotations as on Monday were:—Peas: *mangsir* Rs. 13-6-6, *jeth* Rs. 10-8-6, *farm mangsir* Rs. 12-12-3 and *jeth* Rs. 10-15-6; *arhar mangsir* Rs. 13-4-6 and *jeth* Rs. 11-5; *urd maha* Rs. 18-10.

SUGAR RISES SLIGHTLY

(From Our Own Correspondent)

HAPUR, *3rd December*

Good consuming demand from all deficit areas accounted for steady conditions in the sugar market during the week and there was a slight improvement in the mill delivery prices. Most of the factories in U.P. and Bihar have begun crushing operations for the new season. The production of new sugar from the beginning of the new season upto 15th November amounted to 42,000 tons, as against 34,000 tons during the corresponding period last year, and stocks with factories on this date was put at 503,000 tons, as compared with 381,000 tons last year.

The week-end mill delivery prices of sugar were: Jaswant Rs. 28-5; Simbhauli Rs. 28-8; Mawana Rs. 27-12; Daurala Rs. 29-4; Amroha Rs. 27-12; Bijnore Rs. 27-12; Mansoorpur Rs. 29-4 to Rs. 30; Rampur Rs. 31-8; retail Rs. 30-10 per maund.

The *khandsari* market continued dull and depressed. Prices ranged between Rs. 22 and Rs. 26 per maund.

Rail-loading restrictions and increased daily arrivals—at an average of 8,000 maunds here—resulted in a fall of Re. 1-8 in ready *gur* prices to Rs. 11-12 for best quality. Arrivals are likely to increase and traders are very much perturbed by time-to-time loading restrictions in Moradabad Division as against free loading facilities in Delhi Division. After an early improvement to Rs. 10-13-10½, as against the week's opening of Rs. 10-8-9, *fagun* delivery declined to Rs. 10-11-3 on Monday, due to depressed conditions in ready prices.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	6	6
Canada	Oct., 1956	3½	3½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	3rd May, 1955	5	6½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1953	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	2½
Turkey	4th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd June, 1956	3½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 30th November, 1956		Week ended 23rd November, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,02,732	65,78,77,000	2,89,847	65,59,68,000
Calcutta	1,81,825	64,06,56,498	1,84,434	67,54,61,765
Madras	73,794	9,01,51,317	75,734	10,58,95,305
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
July, 1956	..	..	3,203,000	6,69,86,00,000
August ,,	..	..	3,057,000	6,45,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 30th Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	..	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	..	1,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government	..	49,98,62,000
(2) Other Governments	..	15,93,79,000
(b) Banks	..	51,07,08,000
(c) Others	..	13,37,07,000
Bills Payable	..	12,79,98,000
Other Liabilities	..	102,07,69,000
	Rupees ..	271,24,23,000

ASSETS	Rs.	Rs.
Notes	..	27,20,30,000
Rupee Coin	..	9,15,000
Subsidiary Coin	..	13,18,000
Bills Purchased and Discounted—		
(a) Internal	..	....
(b) External	..	....
(c) *Government Treasury Bills*	..	7,09,30,000
Balances held abroad*	..	79,29,42,000
Loans and Advances to Governments	..	2,96,35,000
Other Loans and Advances	..	90,83,54,000
Investments	..	59,61,32,000
Other Assets	..	14,01,67,000
	Rupees ..	271,24,23,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 43,34,06,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 377,36,75,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	27,20,30,000	
Notes in circulation	1438,53,85,000	
Total Notes issued	..	1465,74,15,000
Total Liabilities	.....	1465,74,15,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	..	
Foreign Securities	457,23,78,000	
Total of A		574,99,81,000
B. Rupee Coin		125,27,15,000
Government of India Rupee Securities		765,47,19,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1465,74,15,000

Scheduled Banks*

Statement of Affairs for the week ended 23rd Nov., 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank† ..	12,33,80,000
(ii) Other demand liabilities ..	634,99,13,000
2. Time Liabilities in India :	
(i) *Borrowings from banks* other than the State Bank and a notified bank† ..	2,51,00,000
(ii) Other time liabilities ..	456,00,75,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities ..	9,62,48,000
(ii) Time liabilities ..	....
4. Cash in India ..	35,86,77,000
5. Balances with the Reserve Bank in India ..	50,79,80,000
6. Balances with other banks in current account in India ..	10,05,70,000
7. Money at call and short notice in India ..	13,80,35,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts ..	365,50,40,000
9. Advances in India ..	593,84,07,000
10. Inland Bills purchased and discounted in India ..	117,02,19,000
11. Foreign Bills purchased and discounted in India ..	51,44,46,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	4th December, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot *s.*	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months *s.*	1-5⅛	1-5⅛
Buyers T.T. spot to nine months *s.*	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months *s.*	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480¼	480¼
Buyers T.T. Rs.	473	473
London on New York .. $	2.78¼	2.78-2.78¼
London on Paris Fcs.	982½	983
London on Berne Sw. Fcs.	12.22½	12.21½
New York on London .. $	2.78-2.78¼	2.78-2.78¼

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.88	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 299,700	142,370	8,766
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1954	42.84	F.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,380	1,548
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 88,630	3,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source : United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 23rd Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Central Government	37,45,73,000
(b) Provincial Governments	6,31,35,000
(c) Banks	13,65,28,000
(d) Others	3,04,15,000
Bills Payable	24,12,000
Other Liabilities	10,05,87,000
Rupees ..	77,36,40,000

ASSETS	Rs.
Notes	10,43,90,000
Rupee Coin	12,000
Subsidiary Coin	12,000
Bills Purchased and Discounted :—	
(a) Internal	2,97,39,000
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances	9,99,10,000
Investments	42,88,50,000
Other Assets	11,06,77,000
Rupees ..	77,36,40,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,43,90,000	
Notes in circulation	304,57,06,000	
Total Notes issued ..	....	315,00,96,000
Total Liabilities ..	....	315,00,96,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,33,41,000	
Silver Bullion	....	
Sterling Securities ..	85,17,35,000	
Government of India Securities ..	16,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
		156,16,51,000
B. Rupee Coin ..	5,78,00,000	
Government of Pakistan Securities ..	147,16,39,000	
Internal bills of exchange and other commercial paper	....	
		152,94,39,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities ..	1,00,99,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets ..	....	315,00,96,000

Ratio of Gold Coin and Bullion, Silver Bullion. and approved Foreign Exchange to total notes issued 51.35 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	23rd Nov., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,439.61	1,443.66	1,418.89	1,323.75
Notes held in Banking Department	35.05	23.19	18.14	33.07	21.64
Foreign Securities	59.50	457.24	462.21	492.02	647.07
Rupee Securities	37.39	765.47	760.50	720.69	548.61
Banking Department					
Deposits of :					
Government of India	14.89	54.69	51.42	54.15	55.13
Other Governments	..	12.72	12.13	27.81	12.43
Balances held abroad	10.08	84.63	91.46	90.23	72.63
SCHEDULED BANKS					
Demand Liabilities	134.36	647.03	650.80	646.37	619.36
		(12.34)†	(12.63)†	(12.97)†	(13.49)†
Time Liabilities	102.24	458.52	457.79	457.61	424.27
		(2.51)‡	(2.11)‡	(3.86)‡	(6.91)‡
Borrowings from Reserve Bank	..	57.41	56.65	57.81	8.03
		(45.34)‡	(40.80)‡	(40.29)‡	(6.45)‡
Borrowings from State Bank	..	9.62	10.74	12.21	5.82
Cash in India	6.70	35.88	37.12	38.31	35.27
Balances with Reserve Bank	25.17	50.80	50.97	49.02	61.12
Excess over statutory limits	15.52	9.28	9.28	7.55	21.67
Balances with other banks in current accounts in India	..	10.06	9.88	9.88	10.78
Money at call and short notice in India	..	18.30	19.02	17.60	23.10
Investments (at book value)	..	365.50	365.52	371.53	394.76
Advances and bills	105.09	702.31	761.27	760.03	594.02
STATE BANK					
Deposits	..	87.76	232.80	230.65	229.60	221.31
Investments	..	51.99	106.62	106.61	107.44	118.57
Advances	..	30.35	127.43	128.37	129.76	93.08
Cash	..	14.69	16.15	17.54	16.46	28.00

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	September,		Six months, April to Sept.,	
	1955	1956	1955	1956
Import Duties :				
Revenue	9.24	11.17	55.81	60.37
Protective	1.05	1.01	4.77	6.05
On surplus disposals	—	—	0.05	0.03
Total import duties	10.29	12.18	60.63	66.45
Export Duties ..	3.77	2.69	18.09	12.11
Land Customs ..	0.05	0.27	0.42	1.13
Miscellaneous ..	0.05	0.12	0.37	0.51
Gross total customs ..	14.16	15.17	79.51	80.20
Refunds and drawbacks	0.18	0.20	1.32	1.20
Net Customs ..	13.98	14.97	78.19	79.00
Gross excise	12.37	15.42	74.45	85.98
Refunds	0.38	0.21	2.40	0.95
Net Excise ..	11.99	15.21	72.05	85.03
Net total of customs and excise†	25.97	30.18	150.24	164.03

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 30th Nov., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves ..		5,62,50,000
Deposits and Other Accounts ..		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		234,89,61,000
Bills Payable		2,23,00,000
Bills for Collection being Bills Receivable as per contra		4,18,38,000
Acceptances, Endorsements and Other Obligations per contra		67,41,000
Other Liabilities (including Inter-Office Adjustments)		9,75,000
		8,60,13,000
Total .. Rs.		262,65,78,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,47,92,000
Balances with other Banks		5,15,56,000
Money at Call and Short Notice ..		86,67,000
INVESTMENTS :		
Government and other Trustee Securities ..	95,56,10,000	
Other Authorised Investments ..	11,04,18,000	
		106,60,28,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc. ..	89,25,64,000	
Bills Discounted and Purchased ..	39,85,07,000	
		129,10,71,000
Bills Receivable being Bills for Collection as per contra		67,41,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		9,75,000
Premises less Depreciation ..		1,27,43,000
Furniture and Fixtures less Depreciation ..		64,74,000
Other Assets (including Inter-Office Adjustments) ..		6,75,51,000
Total .. Rs.		262,65,78,000

† Figures are provisional. * Revised.

(a) Not known in 4 cases. (b) Not known in 7 cases.

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates 5-Year		7-Year		12-Year		Post Office Savings Bank Deposits	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,83	65	3,26	23,66	84,17	1,13,35	92,03	— 31,07	7,55	25,64				
1953-54	4,70	1,62	4,99	27,27	1,54,84	1,34,94	1,30,88	— 36,35	5,57	37,15	7,40‖	7,38	55‡‡	54
1954-55	3,76	1,98	5,48	37,19	1,44,36	1,58,15	1,67,86	— 38,37	4,79	41,25	9,86	16,37	45	95
August 1955	4,29	13	5,17	2,09	1,32,88	12,25	1,43,30	— 36,96	39	38,87	88	11,00	2	72
September ,,	4,21	13	5,20	5,54	1,34,88	12,40	1,46,91	— 37,11	44	39,23	94	11,80	4	75
October ,,	4,14	10	5,21	2,11	1,36,38	11,35	1,48,99	— 38,23	46	39,66	80	12,49	5	80
November ,,	4,07	10	5,21	1,98	1,37,58	11,25	1,50,40	— 38,34	48	40,05	82	13,20	5	85
December ,,	4,00	13	5,26	2,58	1,39,48	12,94	1,52,44	— 38,44	36	40,34	88	13,98	4	88
January 1956	3,91	14	5,24	2,02	1,40,78	12 16	1,54,14	— 38,55	32	40,61	84	14,73	2	91
February ,,	3,83	16	5,29	2,33	1,42,37	12,87	1,56,19	— 38,66	39	40,95	93	15,57	2	93
March ,,	3,76	33	5,48	2,85	1,44,86	23,64	1,67,86	— 38,87	36	41,25	88	16,37	3	96
April ,,	3,69	24	5,54	2,19	1,45,86	14,64	1,71,08	— 38,98	34	41,51	82	17,13	3	98
May ,,	3,61	21	5,54	2,49	1,47,68	14,77	1,73,05	— 39,05	38	41,82	85	17,91	2	1,00
June ,,	3,54	28	5,55	2,70	1,49,48	15,24	1,76,09	— 39,15	38	42,11	92	18,75	4	1,04
July ,,	3,48	43	5,51	2,78	1,51,58	14,81	1,80,05	— 39,24	38	42,42	1,01	19,68	4	1,07
August ,,	3,40	29	5,52	2,53	1,53,14	14,10	1,83,21	— 39,35	36	42,72	98	20,58	5	1,11
September ,,	..	..	..	..	..	..	..	..	34	43,00	..	..	..	..

* At the end of period.

‡ Issued from 10th May, 1954.

‡‡ Relating to nine months from July, 1954.

§ From July, 1954.

‖ Relating to eleven months from May, 1954.

@ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 26-11-'55	27-10-'56	17-11-'56	24-11-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.3	90.0	89.9
1. Government of India	90.9	90.0	89.8	89.7
2. Indian States	96.5	96.8	96.8	96.7
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	101.0	100.3	100.2	100.1
1. Electricity	102.5	101.3	101.0	101.0
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.1	98.8	98.8	98.7
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	102.1	101.8	101.8	101.8
8. Others	101.1	100.8	100.8	100.5
PREFERENCE SHARES	87.9	82.6	81.5	81.2
1. Electricity	95.7	90.6	88.2	87.7
2. Cotton	79.9	84.0	82.1	81.8
3. Jute	86.7	76.5	75.6	75.6
4. Coal	92.2	88.0	86.2	85.4
5. Iron and Steel	89.9	84.4	84.2	83.7
6. Sugar	86.2	82.7	82.7	82.7
7. Paper	87.2	81.7	80.3	80.3
8. Plantations	101.9	102.2	101.8	101.8
9. Miscellaneous	85.3	79.1	78.2	75.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	131.9	123.9	122.4	122.4
(a) Financial	94.7	94.9	94.5	94.2
1. Banks	92.3	95.9	95.4	95.0
2. Insurance	109.0	97.8	88.5	88.3
3. Investment Trust	99.4	95.7	94.7	95.4
(b) Public Utilities	119.6	112.4	111.3	111.4
1. Electricity	123.8	113.1	111.6	111.5
2. Shipping and other Transport	118.0	118.6	119.8	119.6
3. Railways	90.6	84.6	81.0	80.9
(c) Manufacturing Industries	142.5	133.2	132.5	132.8
1. Cotton, Woollen and Silk	131.5	136.8	135.5	136.3
2. Jute	95.3	74.2	71.0	70.1
3. Iron and Steel	178.9	149.1	150.6	151.2
4. Paper	292.3	260.1	259.3	260.1
5. Cement	184.6	180.9	181.4	180.8
6. General Engineering	210.7	197.0	190.9	190.1
7. Sugar and Breweries	112.2	108.5	107.3	108.5
8. Chemicals	161.3	150.3	147.1	147.0
(d) Non-Manufacturing Industries	174.9	156.9	152.5	152.5
1. Coal	80.7	79.9	79.2	78.7
2. Mining and Oil	280.4	236.6	229.2	225.7
3. Plantations	187.9	170.1	164.8	165.3
(e) Miscellaneous	110.2	102.4	100.8	100.5
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.5	89.7	89.4	89.3
2. Calcutta	90.9	90.2	90.0	89.9
3. Madras	91.3	90.5	90.2	90.1
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	100.1	99.7	99.7	99.7
2. Calcutta	101.8	101.7	100.5	100.5
3. Madras	100.2	99.9	99.9	99.8
PREFERENCE SHARES :				
1. Bombay	91.2	86.8	85.5	85.1
2. Calcutta	83.4	78.6	75.4	75.2
3. Madras	98.4	97.5	97.0	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	140.1	132.6	131.7	132.0
2. Calcutta	120.2	109.4	108.0	107.8
3. Madras	125.5	134.0	131.7	133.5
4. Delhi	150.0	137.8	137.4	135.8

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,395,961
1953	772	466,607	3,382,606
1954	840	477,138	3,372,530
1955	1,166	527,767	5,597,848
July 1954 ..	122	30,189	277,492
August ,,	79	51,090	322,887
September ,,	97	50,414	353,878
October ,,	88	41,754	276,294
November ,,	62	25,115	239,701
December ,,	101	54,455	262,763
January 1955† ..	95	49,038	322,807
February ,,	91	38,370	144,302
March ,,	112	70,042	334,696
April ,,	105	32,432	333,275
May ,,	120	68,441	961,776
June ,,	152	91,269	1,144,011
July ,,	111	55,260	660,492
August ,,	236	90,218	533,999
September ,,	251	92,519	580,031
October ,,	134	47,600	214,214
November ,,	99	48,500	173,112
December ,,	129	45,277	239,550
January* 1956† ..	107	61,050	349,655
February* ,,	122	69,450	736,768
March* ,,	146	133,188	673,716
April* ,,	143	81,957	554,993
May ,,	137	64,361	558,717
June ,,	152	72,843	485,634
July* ,,	144	99,421	629,855
August ,,	118	55,327 (a)	459,866 (b)

† Figures are provisional. * Revised.

(a) Not known in 4 cases. (b) Not known in 7 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
1955-56	715	8,866.8	7,185.8
April 1955 ..	690	691.1	563.9
May ,, ..	691	709.0	569.3
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	583.3
August ,, ..	705	708.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	720.7	591.9
November ,, ..	721	725.5	597.0
December ,, ..	724	785.7	648.0
January 1956 ..	731	757.2	621.8
February ,, ..	739	749.2	632.0
March ,, ..	715	800.0	651.0
April ,, ..	701	780.8	643.8
May ,, ..	701	825.8	669.1
June ,, ..	710	795.5	658.5
July ,, ..	724	798.0	656.2

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August 1939=100)

Particulars	Weight	17th Nov., 1956	10th Nov., 1956	19th Nov., 1955	October, 1956	October, 1955	Percentage of Increase (+) or decrease (–) in Oct., 1956 as compared with Oct., 1955	Financial Year Average 1955-'56	1954-'55
Food Articles	(31)	418.3	411.1	321.8	382.5	315.7	+21.3	313.2	339.8
Cereals	59	533	527	390	510	385	+32.5	372	391
Pulses	8	420	411	323	386	291	+32.6	289	250
Others	53	271	264	228	247	226	+ 9.3	235	291
Industrial Raw Materials	(18)	518.3	504.0	419.6	502.4	403.7	+24.4	418.8	438.2
Fibres	53	504	481	425*	479	410	+16.8	429	447
Oil seeds	30	571	563	403	557	381	+46.2	398	434
Minerals	10	521	526	422	539	430	+25.3	427	423
Others	7	423	421	452	421	422	— 0.2	451	437
Semi-Manufactures	(17)	418.9	415.9	338.8	405.6	329.8	+23.0	338.2	380.3
Leather	8	443	439	382	396	338	+17.2	375	376
Mineral oils	13	210	210	202	210	202	+ 4.0	207	221
Vegetable oils	36	627	608	395	576(A.)	373	+54.8	433	433
Cotton yarn	35	503*	503	410*	493	407	+21.1	423	454
Metals	18	327	327	277	326	273	+19.4	264	240
Oil cakes	5	493	481	365	470	350	+34.5	338	351
Others	5	362	361	330	362	330	+ 9.7	330	313
Manufactured Articles	(20)	386.1	389.3	373.6	387.9 R	371.2	+ 4.5	373.9	377.4R
Textiles	64	417	422	406	420	402	+ 4.5	408	421
Jute	11	448	443	425	426	397	+ 7.3	413	448
Cotton	45	417*	426*	399*	426*	401*	+ 6.2	403*	415*
Rayon and Silk	6	421*	421*	479*	439*	479*	—10.4	455*	469*

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage Forecast	Unit	Outturn 1955-56	Outturn 1954-55	Acreage 1955-56	Acreage 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,949
Small millets ..	final	,,	13,095	13,799	2,103	2,456
Total cereals ..	final	tons	211,000	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses § ..	final	,,	15,802	16,719	1,650	1,830
Rabi pulses‡ ..	final	,,	10,579	10,590	1,858	1,959
Total pulses ..	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut ..	final	tons	12,585	13,548	3,804	4,128
Castorseed ..	final	,,	1,462	1,394	126	124
Sesamum ..	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,025	832	1,019
Linseed	final	,,	3,424	3 354	376	382
Total oilseeds ..	final	tons	29,471	30,822	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,591	1,243	4,137	2,923
Mesta†	final	,,	618	528	1,201	1,018
Other crops—						
Potato	final	tons	....	665	....	1,762
Sugarcane ..	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry) ..	final	,,	37	35	15	14
Pepper (Black) ..	final	,,	214	208	27	26
Chillies (Dry) ..	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October, 1956 ..	80.4
	Corresponding month, 1955 ..	78.8
	Four months ended Oct., 1956 ..	348.3
	Corresponding period, 1955 ..	331.7
Stocks	At the end of Oct., 1956 ..	116.7
	Corresponding month, 1955 ..	62.3
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 20th Oct., 1956 ..	2,780
	Corresponding week, 1955 ..	2,319
	From 1st Jan., to 20th Oct., 1956.	338,970
	Corresponding period, 1955 ..	373,690
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 20th Oct., 1956 ..	12,253
	Corresponding week, 1955 ..	2,523
	From 1st Jan., to 20th Oct., 1956.	1,130,808
	Corresponding period, 1955 ..	1,071,574
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	October 1956 ..	4.66
	Corresponding month, 1955 ..	4.57
	Four months ended Oct., 1956 ..	20.21
	Corresponding period, 1955 ..	19.24

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955..	11,34,400	10,42,000	7,81,800
Do. 31st March, 1956..	11,55,900	10,62,100	7,97,800
June 1955	91,700	80,900	62,500
July ,, ...	94,900	84,300	64,300
August ,, ...	92,500	83,900	63,700
Sept. ,, ...	95,800	87,500	65,700
October ,, ...	91,700	83,900	64,800
Nov. ,, ...	91,900	86,200	63,400
June 1956	94,900	89,900	64,400
July ,, ...	94,400	91,300	65,500
August ,, ...	97,800	88,000	66,000
Sept. ,, ...	96,400	88,800	59 700
Oct. ,, ...	96,700	91,100	71,800
Nov. ,, ...	94,700	85,800	65,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953..	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954..	5,80,020	3,49 930	2,92,440
Do. 31st March, 1955..	7,15,940	5,23,240	4,59,023
Do. 31st March, 1956..	7,06,986	5,31,505	4,60,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954.	1,80,010	1,29,741	1,12,861
,, ,, ,, Dec., 1954.	1,88,058	1,36,801	1,20,616
,, ,, ,, Mar., 1955.	1,65,108	1,48,828	1,18,136
,, ,, ,, June, 1955.	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept. 1955	1,76,181	1,30,830	1,05,714
,, ,, ,, Dec., 1955.	1,60,750	1,24,696	1,05,752
,, ,, ,, Mar., 1956.	1,84,450	1,41,846	1,19,860
,, ,, ,, June, 1956.	1,48,806	1,17,710	92,609
,, ,, ,, Sept., 1956.	1,74,447	1,33,325	1,13,953

OVERALL BALANCE OF TRADE OF INDIA
September, 1956†

Particulars	September, 1955	September, 1956	Six months, April to Sept. 1955	Six months, April to Sept. 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. lakhs	Rs. (lakhs)
1. Trade in merchandise— (a) Exports ..	58,18	49,25	291,13	260,76
(b) Re-exports ..	28	37	2,60	4 23
Less—Transit trade ..	..	1	8	5
Net re-exports ..	28	36	2,52	4,23
Total exports ..	58,46	49,61	293,65	273,99
2. Imports	51,21	76,75	303,19	394,23
Less—Transit trade ..	1	5	7	20
Net Imports* ..	51,20	76,70	303,12	394,03
Balance of trade in merchandise	+ 7,26	—27,09	— 9,47	—120,04
Balance of trade in gold and silver	..	— 1	— 4	— 11
Total overall visible balance of trade	+ 7,26	—27,10	— 9,51	—120,15

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
* Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	251	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
August 1955	4,984	1,122	414	88	50	27	29	10	124	166	17	125	16	62
September ,, ...	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ...	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,, ...	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ...	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,, ...	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ...	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,, ...	1,136	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,, ...	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,, ...	3,264	705	256	59	38	15	33	5	148	104	7	89	9	33
July ,, ...	4,310	950	344	71	38	19	44	6	168	139	10	118	14	50
August ,, ...	5,400	1,222	433	87	42	23	58	8	184	173	13	150	19	65

Note.—The figures relate to broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.-2 M.G.) and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.
* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 29th Nov., 1956 ..	31,790(J)
	Corresponding week, 1955 ..	26,227(J)
	1st Sept. to 29th Nov., 1956 ..	122,134*
	Corresponding period, 1955 ..	260,014*
Cotton Exports‡ ..	Week ended 29th Nov., 1956 ..	3,152
	Corresponding week, 1955 ..	14,717
	1st Sept. to 29th Nov., 1956 ..	31,539
	Corresponding period, 1955 ..	212,748
Mill Consumption .. (Estimated)	1st Sept. to 29th Nov., 1956 ..	332,338
	Corresponding period, 1955 ..	314,729
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 29th Nov., 1956 ..	428,196
	Corresponding date, 1955..	562,124
Cotton Exports from Bombay (by sea)	During Sept., 1956 ..	14,994§
	During Sept., 1955 ..	121,562§
	1st Sept., '56 to 31st Aug., 1956..	715,663
	1st Sept., '54 to 31st Aug., 1955..	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 15th Nov., 1956 ..	315,752
	Corresponding period, 1955 ..	258,690
Exports	1st Sept. to 15th Nov., 1956 ..	93,093
	Corresponding period, 1955 ..	134,050

Particulars	From 1st Sept. to 3rd Dec., 1956 Bales	From 1st Sept. to 3rd Dec., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	3,957	19,163
Continent	687	40,854
Hongkong	1,638	17,932
China	3,027	29,938
Japan	17,778	99,913
U.S.A.	134	608
Other Countries	314	3,774
Total to all foreign countries ..	27,735	212,229
Coastal Ports ..	6,023	36,555
Total	33,808§	248,784§

Particulars	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton— Indian	September, 1956	377,078
Foreign		55,732
Indian	Twelve months ended Aug., 1956	4,365,456
Foreign		603,251
Indian	Same Period 1955	4,138,438
Foreign		630,474
Stocks (Mills and Elsewhere)— Indian	As on 30th September, 1956 ..	1,258,274
Foreign		182 393
Indian	As on 30th September, 1955 ..	1,278,133
Foreign		172,306
Cotton Pressed in India† (In running bales) ..	Week ended 23rd Nov., 1956 ..	21,722
	Corresponding week, 1955 ..	57,388
	1st Sept. to 23rd Nov., 1956 ..	159,930
	Corresponding period, 1955 ..	218,740

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100§
3 % Loan	1938-39	1,16,17,46,000	1965-66	94‡
3 % Loan	1950	30,33,10,000	1964	94‡
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	92‡
3 % V. Loan	1944	33,54,89,000	1957	99‡
2½ % Loan	1945	1,15,05,88,000	1970-75	86‡
3 % 2nd V. Loan	1945	1,13,85,64,000	1959-61	97‡
3 % Loan	1951	50,35,63,000	1958	99‡
2½ % Loan	1946	45,80,37,000	1960	96‡
2½ % Loan	1946	57,00,69,000	1961	95‡
2½ % Loan	1946	14,77,48,000	1976	93‡
2½ % Loan	1947	76,86,72,000	1962	98‡
3 % Loan (N.P. Bonds)	1958	75,29,00,000	1961	99‡
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98‡
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98‡
3½ %	1956	57,27,00,000	1962	97‡
3½ % N.P. Bonds	1956	33,32,00,000	1974	98‡
3½ %	1956	66,64,00,000	1961	98‡
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,98,35,000	At option of Government after three months' notice.	73½
			On September, 1966 or later at option of Government after three months' notice.	78
3 % Loan	1946	2,48,91,47,000		
REPATRIATE STERLING LOANS				
4½%*Loan	1928	5,85,73,000	1958-68***	102‡
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	97½
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97½
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98‡
3 % Bombay	1949	5,63,66,000	1st Aug. 1962	94‡
3 % Bombay	1950	2,87,82,000	31st July 1960	96‡
3½ % Bombay	1951	2,95,25,000	17th Sept. 1962	93‡
3½ % Bombay	1953	5,42,28,000	15th July 1963	100§
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100§
4 % Bombay	1955	10,02,21,000	1st Sept. 1967	100
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99‡
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	98‡
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	98
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98‡
3½ % Cochin	1936	70,09,000	1st June 1956-61	99§
3½ % Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	95‡
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99§
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % Madras	1939	1,23,95,000	21st June 1959	96‡
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98‡
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96‡
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	93‡
2½ % Madras	1950	4,38,25,400	31st July 1960	96-4‡
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97‡
4 % Madras	1953	10,33,63,000	15th July 1963	99‡
4 % Maras	1952	5,24,81,200	1st Aug. 1964	98‡
4 % Madras	1956	7,00,00,000	1st Sept. 1967	98
4 % Mysore	1956	12,50,00,000	3rd Sept. 1968	98
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99‡
4 % Mysore	1953	3,33,47,000	15th July 1963	98
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99‡
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97-14‡
3 % M.P.	1944	52,69,800	15th Aug. 1958	98‡
3 % M.P.	1948	2,03,38,800	15th Sept. 1954	93
3 % M.P.	1950	1,01,44,700	31st July 1960	95‡
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,000	15th July 1963	99‡
4 % M.P.	1955	1,53,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97‡
4 % Saurashtra	1955	3,51,66,000	1st Sept. 1967	99‡
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99‡
4 % Trav. Cochin	1953	3,00,00,000	15th July 1963	98
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98
3 % U.P.	1936	1,57,14,000	15th Sept. 1961-66	90§
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98‡
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96‡
3½ % U.P.	1946	2,20,93,000	1st Sept. 1961	93‡
3½ % U.P.	1951	1,91,02,000	17th Sept. 1962	98
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	99‡
4 % U.P.	1953	5,65,15,500	15th July 1963	99‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	98‡
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97½
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97‡
4 % Orissa	1956	3,00,00,000	3rd Sept. 1968	97‡
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99‡
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	98

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
			BOMBAY	Rs.
Rs.				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99‡N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
12,50,000	4	1925*	1950	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1950	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
			CALCUTTA	Rs.
90,24,800	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000C	3††	1921	1981	92
68,02,300C	6‡	1921	1981	144N
1,49,40,000	5	1927	1957-87	108
1,49,30,000	5	1928	1958-88	103
80,00,000	4‡	1931	1991	95
80,00,000	3‡	1935	1965	97½
25,00,000	3	1938	1958-68	90
50,00,000	3	1945	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84‡
50,00,000	3	1946	2006	74
50,00,000	2‡	1947	1977	79‡
50,00,000	3	1948	1978	83‡
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1969	97
50,00,000C	3	1950	1980	82
1,00,00,000	3	1950	1960	95‡
1,00,00,000	3	1950	1970	90‡
50,00,000	3	1951	1981	81‡
1,50,00,000	3	1951	1961	96‡
50,00,000	4	1953	1963	100
50,00,000	4	1953	1983	98‡
90,00,000	4	1955	1985	98
77,00,000C	4	1956	1986	97‡
78,00,000C	4	1956	1986	97‡
			STERLING LOANS	
£502,600	5	1923	1953-83	£79
£911,000	5	1924	1954-84	£79‡
£635,100	5‡	1923	1963	£91‡
			MADRAS	Rs.
Rs.				
31,47,169	3‡	1947	1977	
9,88,000E	3	1947	1977	
8,00,000E	3	1949	1979	A
45,00,000E	4‡	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.			**BOMBAY**	Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1913	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118N
66,00,000	5	1925	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	4	1936	1966	
			STERLING LOANS	
£566,600		1909	1959	£95‡N
£500,000		1910	1970	£95‡N
			CALCUTTA	Rs.
25,00,000	5‡	1929	1959	107
50,00,000	4	1934	1964	99‡
35,00,000	3‡	1935	1965	94
30,00,000	3	1936	1966	90
60,00,000	3	1937	1967	91
20,00,000	3	1938	1968-68	90
80,00,000	4	1952	1982	99‡
1,02,00,000	4	1956	1986	99

MUNICIPAL LOANS

Rs.				Rs.
20,60,000	4	1913-15	1974	99‡
10,00,000	5	1920	1980	112N
25,00,000	5	1923	1953	104
8,45,500	5	1924	1954-59	to
26,91,500	5	1929	1959	102
8.5,00,000	3‡	1947	1977	86‡
2,50,00,000	3‡	1949	1979	86‡
4,00,00,000	3‡	1950	1985	92‡
2,50,00,000	4	1952	1964	99‡
1,00,00,000†	4	1953	1963	100
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	99‡
			CALCUTTA	Rs.
86,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102
25,00,000	5	1929	1958	103‡
10,00,000	5‡	1932	1962	108
33,91,000	3‡	1935	1965	94
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1956	99‡
17,64,400	3‡	1942	1959	96‡
21,10,000	3‡	1942	1972	92
15,49,000	3‡	1951	1960	97
16,33,000	3‡	1951	1961	97‡
66,88,000	3‡	1951	1966	97‡
57,36,000	4	1952	1962	99‡
72,50,000	4‡	1956	1979	100
			MADRAS	Rs.
15,00,000	3‡	1951	1961	107N
15,00,000	3‡	1952	1962	107‡N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98‡
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1953	3,50,00,000	15th July 1963	100
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99‡
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99

N—Nominal.
ABBREVIATIONS.
—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. *** Rupee Counterparts.
†Bombay State Transport. †† Rate of Interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6‡ to 6 per cent. with effect from 1st April, 1956. ‡—Interest free to first 15 years §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	113	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6‡	Mar. Sep.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6‡	5
East India Distilleries ..	£200,000	1897	7	Jan. July	17‡	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggur Cane	4,00,000	1933-36	6	Aug. ..	100‡	100
Ravalgaon Sugar	20,00,000	1943	6‡	Oct. Apr.	75N	100
South Bihar Sugar ..	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8‡	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6‡	Oct. Apr.	103	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	112‡	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	8‡	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100‡
Karanpura Collieries ..	9,87,500	1946	5‡(a)	.. ..	65	75(p)
Khas Kajora	1,93,000	1931	5	Mar. Sept.	44N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex.. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	5,62,726	90,10,670	43,05,372	96,980	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	0 4(c)	0 2(c)	0 8		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	50,596	1,021	E. D. Cotton Mills ..	47½	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	591½	250	22 8*	20 0	25 0*	7 81	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	91,711	Ramnarain Sons, Ltd. ..	44,784	800	Bradbury Mills ..	230§	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,09,42,800	2,33,96,328	2,81,82,264	1,97,06,117	6,34,936	Birla Brothers Private Ltd.	1,26,344	2,698	Century Spg. & Mfg. ..	516§	100	22 0	22 0	22 0	8 01	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33 08,097	V. J. Pilani (Chairman and Managing Director) ..	40,608	793	Colaba Land & Mill ..	100‡	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,295	680	Coorla Spg. & Wvg. ..	137½	100	7 8	7 8	7 8	12 8*	3	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,992	..	Dawn Mills	162§	50	6 0	6 0	15 0		12	Y.
34,00,000	40,06,435	76,75,267	56,21,788	2,83,643	Puranmal Bubna Sons ..	50,084	928	Edward Textiles	345	200	15 0	15 0	18 0		12	Y.
29,88,050	11,31,233	1,09,78,849	80,74,224	1,81,354	M.	41,300	886	Elphinstone Spg. & Wvg. ..	50	*Nil*	3 0	5 0	6 0		12	Y.P.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,382	784	Finlay Mills	320	100	16 0	16 0	20 0		12	Y.
11,84,000 / 16,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	5,325 / 1,000	1,000	225 0*	225 0	300 0	75 01	3	Y.P.
3,00,00,000 / 50,06,000D	62,50,399	4,68,15,552	8,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,413	India United Mills ..	9923 / 1–15½	250	56 4*	56 4	75 0	18 121	3	H.
8,85,000 / 35,000	74,24,043	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	11 11/16 / 0 1D. / 5,100	0 10 / 0 1 / 1,000	*Nil* / *Nil* / 225 0*	0 15 / 0 3 / 225 0	0 10½ / 0 3 / 300 0	0 10½ / 0 11 / 75 01	12	Y.P.
59,85,000	55,07,831	2,73,73,670	2,03,22,138	26,228	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg.	220	100	10 0	8 0	10 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,68,14,796	93,980	Killick Industries Ltd. ..	1,20,564	1,846	Kohinoor Mills	333§	100	20 0*	18 0	18 0	6 01	12	Y.
23,18,000	41,06,720	1,18,74,348	55,39,115	81,675	N. Sirur & Co. Ltd. ..	49,000	644	Modern Mills	200N	100	5 0	5 0	8 0*		12	Y.P.
51,75,000	37,05,298	2,35,58,597	1,76,19,559	1,41,489	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	240‡xd	100	12 0	14 0	14 0	15 0	6	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd. ..	..	..	National Rayon Corporation	252‡	100	9 0	10 0	12 0		12	Y.P.
24,00,000	24,50,000	76,57,853	49,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,044	432	New City of Bombay Mfg.	155§	100	10 0	10 0	10 0		12	Y.
30,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg.	250	100	10 0	7 8	10 0		12	Y.
48,00,000	30,10,989	1,34,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd. ..	69,208	1,190	Phoenix Mills	145	100	8 0	8 0	10 0		12	Y.
48,00,000	46,70,390	39,55,049	23,00,000	3,92,877	Podar Sons, Ltd. ..	32,600	930	Podar Mills	170§	100	10 0	10 0	12 0*		12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	12	10	0 12	0 10	0 8		12	Y.
37,70,000	82,80,605	1,92,63,251	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	39§	10	1 4	1 12	1 12		12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd. ..	66,836	1,640	Shree Niwas Cotton Mills ..	206§	100	14 0	14 0	12 0		12	Y.P.
42,00,000	33,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	186	50	15 0	11 0	10 0	12 0	3	Y.
57,80,000	2,23,15,720	2,61,28,099	1,37,85,474	12,888	Mafatlal Gagalbhai & Sons ..	52,086	1,633	Standard Mills	457§	100	20 0	20 0	20 0		12	Y.P.
38,85,700	84,99,716	2,28,87,647	1,19,01,809	67,611	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	241§	100	16 0	8 0	12 0		12	Y.P.
36,00,000	65,33,465	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	410	100	20 0	20 0	25 0		12	Y.
65,57,000	51,96,376	1,77,34,889	68,44,553	48,485	Tata Industries Private Ltd.	62,096	1,800	Tata Mills	51§	25	1 8	2 8	4 0		12	Y.T.P.
12,00,000	62,55,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	64,136	1,209	Western India Spg. & Mfg. ..	5,100	1,000	225 0*	225 0	300 0	75 01	3	Y.
AHMEDABAD																
40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	200	100	10 0*	5 0	7 0	12	6	Y.P.
10,00,000	94,58,063	94,37,398	76,10,164	27,288	P. M. Ruthiecsing & Co., Ltd. ..	44,220	912	Aruna Mills	735	100	20 0*	20 0	30 0		12	Y.P.
25,25,000	2,55,30,694	1,16,00,000	1,16,00,000	75,788	Karoturn Limited & Co. ..	62,440	1,216	Arvind Mills	1,175	25	25 0	25 0	35 0*		12	Y.
20,00,000	81,75,000	96,34,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd. ..	37,164	892	Aryodaya Ginning & Mfg.	535	200	15 0	15 0	25 0*		12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,64,953	69,806	Lalbhai Dalpatbhai & Co. ..	37,366	914	Asoka Mills	1,080	100	22 0*	22 0	30 0		12	Y.P.
1,87,50,000	3,35,76,233	4,61,35,355	2,38,55,034	2,31,712	Karamchand Premchand Ltd. ..	1,39,120	2,573	Calico	647	125	18 0	.. ..	.. ..		12	Y.P.
69,87,000	24,58,000	1,21,06,843	89,25,000	2,760	Tricumlal Bhoglial & Co., Ltd.	45,836	866	New Commercial Mills ..	1,325	1,000	70 0	70 0	80 0		12	Y.P.
39,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,162	864	New Shorrock Spg. & Wvg. ..	898	125	35 0	35 0	35 0		12	Y.
10,00,000	58,48,000	50,63,197	37,98,317	16,658	Jagabhai Bhoglial Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	460	100	30 0*	30 0*	20 0		12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	32,828	636	Raipur Mfg.	1,010	100	25 0	25 0	35 0*		12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,808	17,84,749	Lalubhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	200	100	9 0	9 0	*Nil*		12	Y.P.
28,85,185	2,02,24,538	1,76,92,842	1,52,75,000	4,23,290	Harivallabhdas Kalidas & Co.	94,116	1,738	Shri Ambica Mills ..	644	50	18 0	20 0	27 0*		12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. .. (Ahmedabad), Ltd. ..	38,624	720	Shorrock Spg. & Mfg. ..	585	100	20 0	25 0*	25 0		12	
28,00,000	90,34,191	1,09,66,008	78,35,291	34,644	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	696§	400	35 0*	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	1,42,800	84,93,029	21,33,830	61,576	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	6§	10	0 4	0 8	0 8		12	Y.P.T.
7,11,280	5,40,775	43,42,381	25,67,597	98,783	Bengal Textile Agency, Ltd. ..	32,544	986	Bengal Luxmi Cotton Mills ..	40N	40	*Nil*	4 0	4 0		3	
6,0,000	22,72,414	89,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	139	100	*Nil*	*Nil*	*Nil*		6,12	H.P.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,051	Kettlewell Bullen & Co., Ltd. ..	42,344	518	Dunbar Mills	249	100	*Nil*	*Nil*	2 8		6,12	H.
1,50,00,000	2,29,43,320	3,76,19,333	1,31,26,833	1,88,672	Birla Brothers Private Ltd. ..	70,384	1,990	Kesoram Cotton Mills ..	16§	10	1 12	0 14	0 14	1 0	3	Y.P.
19,47,7500 / 5,00,000D	7,45,000	47,06,298	24,48,352	1,094	Hazareemull Heeralall	23,036	795	Rampoora Cotton Mills ..	16½N / 21N	10 / 10	0 8 / *Nil*	0 10 / *Nil*	1 0 / 0-5 11/26		3	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	66,27,191	29,09,649	—8,54,238	Ramal & Co., Ltd.	..	..	50,000	..	..	*Nil*	*Nil*			12	Y.P.T.
11,98,600	5,57,596	31,36,764	15,64,243	8,566	Setna & Co., Ltd.	..	..	24,800	..	..	*Nil*	*Nil*			6	Y.
71,54,000	35,91,267	1,84,91,630	1,04,35,558	1,35,043	Industrial Trust Fund ..	36,136	708	Azam Jahi Mills	100	100	*Nil*	*Nil*	8 8(c)		9	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,88,649	Binny & Co. (Madras), Ltd...	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	560	100	25 0	30 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	9§	10	0 4 / *Nil*	*Nil*			6,12	H.P.T.
35,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	8 0	8 0	8 0		3	Y.
1,78,47,800	1,76,52,500	6,38,09,203	3,52,32,130	2,38,446	Binny & Co. (Madras), Ltd...	1,20,856	2,787	Buckingham & Carnatic ..	185	100	10 0	10 0	10 0	4 01	12	Y.P.T.
20,00,000	20,00,000	1,21,66,351	89,66,354	27,293	Peirce, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	14§	10	0 12	*Nil*	9 8		12	Y.P.
15,00,000	5,11,500	48,38,929	24,63,361	8,994	K. Damodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	170cd	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,420	69,40,829	61,72,376	36,767	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	5	5	0 9	0 9	*Nil*	0 4	3	Y.
9,37,470	2,00,000	18,02,183	10,87,536	36,798	C. R. Srinivasan, Esq. (Chairman).	24,860	..	Chuvery Spg. & Wvg. Mills Ltd.	184	10	*Nil*	*Nil*	0 10	0 12	3	Y.P.
12,00,000	20,60,000	34,68,396	27,86,527	34,164	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	395	100	20 0	25 0	25 0		12	Y.
20,00,000	19,95,000	36,59,430	24,25,921	14,323	T. R. N. Naidu & Co. ..	23,788	..	Coimbatore Pioneer Mills ..	292	100	15 0	9 0	20 0		6	Y.P.
20,76,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co. ..	72,823	407	Coimbatore Spg. & Wvg. ..	88	50	3 0s	.. ..	.. ..		12	Y.
46,87,500	46,12,622	2,50,83,371	1,62,61,364	15,215	Tata Industries Private Ltd.	67,228	1,620	Central India	130	100	5 0	2 0	3 0	*Nil*	6	Y.P.
8,38,36,225 / 1,00,563	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. B. Charat Ram & Co. Ltd...	1,16,686	2,354	Delhi Cloth & General Mills ..	38§ N / 2§	1 / 0	1 12 / 2 3/5	2 0 / 0 2 3/5	2 5 / 0 2 3/5	6	3	Y.P.T.
24,34,500	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mills	387	100	20 0	30 0	30 0		12	Y.
63,00,000	56,33,360	1,52,16,382	1,29,71,681	98,386	Begg, Sutherland & Co., Ltd. ..	48,452	1,108	Elgin Mills	284	10	1 0	1 0	1 0		9	Y.P.
48,81,000	35,22,175	1,00,55,167	68,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	..	Kolsak Mills	2254	100	17 0	18 0	15 0		12	Y.
50,00,000	6,10,427	1,33,91,953	1,12,28,576	9,551	K. L. Kelsarain, Esq. (Chairman)	51,180	1,420	Indore Malwa United	140	100	6 0	6 0	9 0	5 01	12	Y.
8,80,000	10,65,683	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd. ..	24,828	..	Janardhana Mills	97	60	4 8	5 0	10 0		12	Y.
42,00,000	16,25,000	78,88,868	26,50,000	29,382	Kothari & Sons	43,000	800	Kothari Textiles	170	10	0 8	0 8	1 0	1 0	6	Y.P.
82,00,000	68,30,185	1,48,62,650	1,12,84,294	14,744	Kombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	680	250	37 8	33 12	42 0	12 81	12	Y.P.
35,54,100 / 17,82,050	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu &Co.	85,908	201	Lakshmi Mills	240 / 125	50 / 25	5 0 / 2 8	10 0 / 5 0	12 8 / 6 4	12 8 / 6 4	3	Y.
1,75,02,480	4,13,81,578	5,73,76,126	3,56,75,019	18,86,813	A. & F. Harvey Ltd. ..	5,00,000	..	Madura Mills	47	15	3 0	3 0	3 0		12	Y.
12,00,000	4,17,363	23,26,778	16,72,262	—99,073	A. L. A. R. S. Chettiar and Brothers.	22,592	100	Malabar Spg. & Wvg. ..	118	200	8 0	*Nil*	*Nil*		12	Y.
60,00,000	69,00,000	68,79,627	43,29,734	45,835	W. A. Beardsell & Co., Ltd. ..	24,720	603	Mettur Industries Ltd...	430	100	12 8	22 8*	35 0	42 8	3	Y.
29,80,884	19,61,681	89,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd.	30,896	704	Minerva Mills	90	100	7 0*	5 0	6 0(c)		12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,628	1,85,068	M.	51,340	948	Model Mills (Nagpur) ..	180	250	7 8*	5 0(c)	7 8(c)	7 8	6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,051	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	95N	100	..	..	..	..	12	Y.P.
24,83,500	50,54,035	1,10,93,742	67,14,107	19,041	N. Sirur & Co., Ltd. ..	50,480	500	Mysore Spg. & Mfg. ..	110	50	10 0*	8 8*	6 0(c)	9 0*	2	Y.P.
13,61,780	6,600	29,25,252	15,12,761	—1,50,653	K. Suryesaranyana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
22,89,8820 / 8,07,096D	25,62,533	1,04,27,293	58,90,719	—43,58,037	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills	2½ / D. 1	*Nil* / *Nil*	*Nil* / *Nil*				12	Y.P.
57,19,500	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund ..	37,788	856	Osmanshahi Mills	70§	100	4 0	*Nil*	2 8(c)		9	Y.
4,00,000A / 6,00,000B	6,50,000	89,12,549	23,46,016	14,609	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	172 / 255	50A / 75B	12 0 / 18 0	12 0 / 18 0	12 0 / 18 0		12	Y.
15,00,000	1,65,000	84,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	78§	100	*Nil*	*Nil*	4 8(c)		12	Y.
16,81,200A / 8,40,600B	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	862§ / 175	100A / 50B	8 0 / 4 0	16 0 / 8 0	20 0 / 10 0		12	Y.
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons ..	35,472	..	Rajalakshmi Mills	175	50	7 8	10 0	10 0		12	Y.
16,14,300	12,00,000	32,02,216	17,41,434	10,510	Ramco Agencies Ltd. ..	24,996	*Nil*	Rajapalayam Mills	154	100	4 0	6 0	10 0	10 0	12	Y.P.
22,29,625	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	147§	100	6 0	9 0	10 0		12	Y.
60,00,000	62,41,568	1,00,25,428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Kanpur).	34,632	600	Raza Textiles	10	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
16,00,000	1,60,39,516	2,93,66,410	2,04,66,196	—1,73,06,704	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	1,000 / 500	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		3	Y.P.
36,69,700	17,10,000	81,44,272	66,63,816	1,09,148	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	123cd	50	4 0*	4 8	5 0	7 0	3	Y.
26,14,800	2,00,246	35,18,908	17,73,000	—2,45,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,43,80,185	99,62,153	79,53,780	80,60,553	Birla Brothers, Private Ltd. ..	35,556	1,242	Sutlej Cotton Mills	105N / 71§	10 / 100	4 0 / 0 8	5 0 / 0 12	6 0 / 0 12	6 0	3	Y.
17,50,0000 / 50,000PO	2,30,00,000	4,54,40,847	1,70,63,159	1,09,029	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	124 / 14½	10P.O. / 10	0-14 2/5	1-2 2/5	2/5 1-2 2/5		12	Y.P.
1,00,00,000	80,14,788	3,80,55,317	3,27,16,775	2,63,771	Emcete & Sons (Travancore), Ltd...	..	..	Travancore Rayons	10	0 8	0 10	0 12			12	Y.P.T.
15,98,670	8,78,332	17,39,181	11,37,836	1,508	Mooljl Ramjee & Sons	17,600	..	Trichinopoly Mills	134	10	0-11 1/5	0-14 2/5	0-14 2/5		3	Y.
21,00,000	34,50,000	71,33,723	40,63,168	56,000	R. K. Chetty & Brothers ..	48,974	270	Vasanta Mills	340	100	12 0	15 0	20 0		12	Y.P.
32,00,000	34,42,971	1,64,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	158§	100	4 0	4 0	8 0	2 81	12	Y.P.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (8) For six months ended 31st December, 1952.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	12½cd	5	*Nil*	*Nil*	0 8	0 4i	5	Y.P.
16,20,830	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	5½	5	0 8	0 8	0 9		8	Y.
£5,80,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd. ..	East India Distilleries and Sugar ..	28	A. 16sh. B. £1	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5 / Sh. 1	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vital Mallya, Esq., (Chairman)	United Breweries	21½cd	75	15 0	15 0	15 0	7 81	3	Y.
CEMENT														
51,27,660	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	15½	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
43,14,6000. / 4,70,976D.	13,13,132	1,44,65,792	53,43,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	7½ / 1§	O. 10 / D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,71,66,208	5,49,40,613	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	187	100	9 8	8 8	10 0		7	Y.
60,00,000D.							14½	O. 10	1 0	1 0	1 4			
26,50,000D.	60,02,261	96,09,333	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat) ..	3½	O. 2½	0 4	0 4	0 5		12	Y.P.
5,00,000D.							3½	D. 1	0 1-3/5	0-1 3/5	0 2			
62,45,7800.							23½xd	O. 25	*Nil*	1 4	1 14	2 1	3	Y.P.
7,50,000D.	19,00,000	1,61,41,804	54,02,378	2,97,123	Essen Private Ltd.	India Cements Ltd.	6xd	D. 5	*Nil*	*Nil*	0 6	0 6 3/5		
67,86,500	31,41,985	1,83,18,049	89,73,404	6,03,215	Dalmia Agencies Private Ltd.	Orissa Cement Ltd. ..	13½	10	0 12	1 4	1 4	0 6 3/5	12	Y.P.
88,98,275

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,341	2,02,57,919	1,49,39,919	2,01,825	*Balmer Lawrie & Co.*	Bengal Paper Mills	105N	25	1 9	3 2	4 11		6,12	H.P.T.
63,00,000	66,05,611	1,15,51,257	79,71,893	14,387	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	22½	10	12 0	14 0	1 6 3/5	0 11 1/5	3,9	H.
25,00,000	23,12,500	1,43,61,701	67,07,860	47,166	T. Shanmanna, Esq. (Chairman) ..	Mysore Paper Mills	17½	10	1 0*	0 12*	0 12*	1 0*	3	Y.
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,652	2,12,435	Birla *Brothers Private* Ltd.. ..	Orient Paper	33½	10	2 0	0 15	1 2	0 10	3,9	H.P.T.
1,25,07,295	62,28,037	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	17½	10	1 8	1 8	0 10½		5,12	H.P.T.
20,00,000 } 10,00,000 'A' }	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	{ 10 ½ A. 10	O. 10	0 12	0 12	1 4		3,9	H.P.T.
							10 ½	A. 10	0 12	0 12	1 4			
55,00,000A. } 55,04,800B. } 4,37,500P.O. }	3,41,28,015	5,94,12,293	3,28,93,943	1,22,315	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	{ 37xd 37xd 4½	A. 10 B. 10 P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4	1 2½* 1 2½* 0 2*	3,9	H.P.
PRESSING														
3,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
10,00,7800. } 2,00,000D. }	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 13½ 8½	O. 10 D. 1	0 11½ 0	0 9 3/5 0	0 9 3/5 0 9 3/5		9	Y.P.
50,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	8½	*100*	1 8	1 8	*Nil*		4	Y.
94,00,000	35,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	28	100	1 8	4 0	3 0		4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	5	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000 } 42,00,000 }	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.	{ 65½ 237½	Old125 New50	15 0 6 0	20 0 8 0	37 8 15 0	11 4½ 4 8½	5	Y.
6,00,000	....	7,28,569	7,26,267	—4,59,907	Jardine Henderson Ltd.	Bengal Timber Trading	350	100	*Nil*	*Nil*	*Nil*		6	Y.P.
20,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products..	45½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	*Begg, Sutherland & Co.*, Ltd. ..	Balrampur Sugar	61	5	*Nil*	0 12	0 1		6	Y.
12,00,000A. } 3,00,000B }	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	{ 145N 13½N	A. 100 B. 10	10 0 1 0	10 0 1 0	1 0		4	Y.
19,49,050	5,50,000	33,35,389	24,41,301	51,085	Bansur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12		9	Y.
15,00,000	19,90,295	18,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	16N	10	1 8	1 8	1 8		6	Y.P.
32,00,000	24,37,030	1,36,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	*Nil*	0 12	0 4		6	Y.P.T.
36,00,000	57,83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	18½	10	2 0	0 12	0 12		10	Y.P.
28,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	26	10	1 0	1 0	1 8		6	Y.
5,99,452	6,18,562	24,58,535	15,33,747	45,204	Karamchand Thapar & Bros. ..	Deoria Sugar	16N	10	1 0	0 12			8	Y.T.
50,00,000A. } 10,00,000B. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	{ 285N 100	A. 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*		6	Y.P.
12,00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65N	80	*Nil*	*Nil*	4 8		7	Y.P.
7,89,100	22,14,058	34,94,012	19,35,838	1,304	Cotton Agents Ltd.	New India Sugar Mills	34½N 32N	40 10	*Nil* 2 8	*Nil* 2 8	2 4 2 8		6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 4	0 8			5	Y.
19,87,500A. } 2,71,875B. }	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	{ 240N 60N	100 25	20 0 5 0	20 0 5 0	20 0 5 0		6	Y.
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	146N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	12,74,233	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	110N	100	10 0	10 0			10	Y.P.
9,00,000	17,64,369	37,35,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	16½	10	1 0	0 12	0 12		10	Y.P.
5,00,000	5,31,129	26,42,262	21,70,524	5,734	M.	Ryam Sugar	20½N	10	0 8	0 8	*Nil*		6	Y.P.
11,99,000	18,36,779	38,03,583	22,92,130	8,477	M.	Samastipur Central Sugar	12½	10	0 8	0 8	*Nil*		6	Y.
40,00,000	22,68,560	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12½	10	1 8	1 8	1 12		8	Y.P.T.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	Y.
7,95,462	18,82,940	31,80,735	17,68,063	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	15½	10	2 0*	1 8*			8	Y.T.
3,15,8000. } 4,40,0000D. }	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	{ 1N 12N	O. 10 D. 2½	*Nil* *Nil*	*Nil* *Nil*			10	Y.P.
8,00,000	21,91,635	96,42,062	57,49,754	82,031	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	Y.P.
16,00,000	7,66,589	32,69,951	26,68,926	20,564	James Finlay & Co., Ltd. ..	United Provinces Sugar	21	10	0 8	1 4	1 8		9	Y.
Other Centres														
70,49,650	95,62,027	1,48,40,834	1,08,91,570	52,911	W. H. Brady & Co., Ltd.	Belapur Company	250½	50	16 0	16 0	16 0	16 0Z	9	Y.
17,50,000	9,24,292	33,03,879	21,36,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	16½	10	0 10	1 0	1 0		9	Y.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	76N	100	*Nil*	*Nil*			6	Y.P.
47,94,920	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	10½	10	2 8	1 12	1 6 2/5		9	Y.P.
35,57,620	45 51,000	42 51,227	21,95,827	13,845	Govan Bros.(Rampur), Ltd.	Buland Sugar	14½N	10	1 0	1 0	1 0		10	Y.
19,52,2000. } 2,87,1900. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	{ 127½ 160	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0		6	Y.P.
21,79,230	95,00,001	1,31,37,677	78,17,730	2,90,340	S. Muninanjappa, Esq., (Managing Director)	Mysore Sugar	46	10	2 0	2 0	2 0		8	Y.
50,00,000	48,49,631	1,08,28,184	59,35,509	11,063	Mafatlal, Apte and Kanillal Ltd. ..	Phaltan Sugar	155	50	6 0	8 0	8 0		9	Y.
16,59,820	33,50,830	58,11,940	29,77,241	20,349	Anderson Wright Ltd.	Rambnagar, Cane and Sugar ..	25	10	2 0	1 8	2 0		8	Y.P.T.
20,00,0000. } 4,00,0000D. }	21,76,092	89,12,133	58,60,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	15N 7N	O. 10 D. 10	*Nil* *Nil*	*Nil* *Nil*	0 11 1/5		9	Y.P.T.
19,99,900	47,65,324	48,85,213	22,94,524	44,168	Govan Bros. (Rampur), Ltd.	Raza Sugar	15½N	10	1 0	0 12	1 0		10	Y.
80,00,000	9,10,000	59,37,262	22,10,845	45,093	Parry Co., Ltd.	Travancore Sugars	19 ½ cd	10	*Nil*	*Nil*	0 12	1 0	7	Y.P.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31,172	M.	Walchandnagar Industries	275½	100	14 0	16 0	18 0		9	Y.P.T.
TRANSPORT														
20,00,000	1 00,69,622	1,24 00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	139	100	10 0	7 8	7 8		10	Y.P.
1,00,00,000	15,37,619	4,41,85,884	1,85,99,519	1,54,925	*Birla (Private)* Ltd.	*Bharat Line*	74	100	*5 0*	*5 0*	5 0		12	Y.
80,00,000	81,60,611	3,31,00,904	99,55,703	83,815	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	17½XR	10	1 0	1 0	*Nil*	1 8	6	Y.P.
£855,580	£1,098,198	£5,614,160	£3,397,531	£22,063	*Kilburn & Co., Private Ltd.*	India *General* Navigation & Rly. Co...	90	£10	*Nil*	*Sh. 1 0*	*Sh. 10*		12	Y.P.
2,25 00,000	89,97,232	9,64,47,044	2,32,93,146	25,029	Lionel Edwards Ltd.	India Steamship Co.	9–10½	10	0 8	*Nil*	*Nil*	1 0	8	Y.P.
9,40,19,875	6,94,92,051	18,36,03,413	4,34,44,300	2,73,083	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	13½	20	0 12	0 8	1 0		6	Y.P.
8,40,3000. } 10,2000P.O. }	19,68 266	11,55,483	7,29,969	1,34,493	R. R. Alyer, Esq., (Manager) ..	Walford Transport Ltd.	{ 1½ 1½	O. 1 P.O. 1	as. 1 3/25 as. 1/25	1 23/2 1 10/25	as 2 6/25 as.125/25		12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,883	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	39 0		9	Y.
15,98,800	2,04 173	2 26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	80	5 0	4 8	*Nil*		12	Y.
25,00,000	1,00,000	22,87,314	....	1,25,225	M.	Devkaran Nanji Investment Co. ..	11½	25	0 12	0 12	0 12	0 13	8	Y.
30,17,900	13,68,886	86,39,283	59,24,587	88,502	Birla Brothers Private Ltd.	Hind Cycles	152½	100	8 0	10 0	10 0		12	Y.P.T.
14,98,840	3,42,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	88½	50	*Nil*	3 0	2 0		3	Y.P.
99,99,250	19,47,386	1,22,03,804	....	2,83,136	*Premchand Roychand & Sons*	Industrial Investment Trust	73½	100	4 8	4 0	4 8		12	Y.
99,99,975	33,08,351	35,47,228	8,04,331	4,559	K. G. Milne, Esq. (Mg. Director)	Killick Industries	166xx	100	10 0	11 0	11 0	11 0	6	Y.
3,07,02,800A. } 10,00,000B. }	5,28,634	2,87,33,373	1,25,90,292	5,86,717	Aero-Auto Ltd.	Premier Automobiles	{ 108	A.100 B.10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
31,21,200	5,63,605	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	22	20	3 0	2 0	2 0		12	Y.
2,75,00,000	73,75,000	3,03,07,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western *India* Match Co.	175	100	11 0*	11 0*	11 0*		12	Y.
45 00,000	55,24,847	7,24,608	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 } 2,50,000 }	17,00,000	1,95,40,704	65,00,000	2,582	J. K. Industries Ltd‡	Aluminium Corporation of India Ltd.	{ 11½ 6N	O. 10 D. 2½	*Nil*	*Nil*	*Nil*		3	Y.P.T.
40,00,000	28,25,000	56,26,345	21,56,600	64,537	Scalasayes Bros. (Travancore) Ltd..	Aluminium Industries Ltd.	10‡	10	1 4	1 4	1 4*	1 4	3	Y.
30,00,000	35,05,079	32,36,629	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22½	10	1 4	1 4	2 0*		9	Y.
20,00,000	8,85,000	38,30,494	20,85,000	1,18,395	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20‡	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	27,47,883	1,01,49,337	39,87,830	32,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India	10‡N	10	0 3 1/5	0 3 1/5	0 6 2/5		8	Y.P.T.
30,01,400	1,16,53,000	67 47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	160	100	20 0*	13 0*	12 8		12	Y.
12,00,000	9,10,000	31 37 448	24,05,448	76,830	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	35½	10	1 8	2 8	2 4		6,12	Y.
20,00,000	7,95,430	62,57 994	....	1,15,707	Lovelock & Lewis	Birla Investment Ltd.	17‡	10	1 4	1 4	1 4		9	Y.P.
45,97,020	30,11,814	1,10,56,424	33,87,839	1,70,277	K. Julian Scott, Esq. (Mg. Director).	Britannia Biscuits	15	10	0 8	1 0	1 0	1 0	8	Y.P.T.
3,25,00,000	1,16,11,805	2,32,03,905	2,22,14,167	—27,36,584	*Sir Robert Menzies*	British India Corporation Ltd. ..	99	5	0 8	0 8	*Nil*		12	Y.P.
1,38,80,000	17,34,204	2,03,27,282	....	12,76,052	Andrew Yule & Co., Ltd.	Clive Row Investment	11‡	10	0 4 1/5	0 3 1/5	0 9	1 6	3	Y.P.
1,80,00,000	3,14,86,174	5,15,52,020	2,20,82,990	11,71,846	Keoll Stack Esq. (Mg. Director)	Dunlop Rubber *(India)* Ltd.	23½	10	1 8	1 8	1 8		12	Y.P.T.
51,28,000	54,12,212	1,42,47,666	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	142	100	9 0	9 0	9 0		12	Y.P.
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd...	Ganges Rope Co., Ltd.	155	100	20 0	15 0	15 0		3	H.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co., Ltd.	13	10	7 8	7 8	1 6 2/5		3	Y.P.
30,00,000	14,67,354	81,29,020	33,68,932	7,458	B. P. R. Syndicate	Great Eastern Hotel	225	250	15 0	6 4	6 4	15 0	3	Y.
4,98,55,700	....	3,04,18,142	1,31,88,541	6,16,062	Birla *Brothers* Private Ltd.	Hindustan Motors	88	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
1,60,00,000	46,77,754	4,16,74,246	4,16,74,246	6,18,074	K. S. Grewewood (Mg. Director) ..	Indian Aluminium Co.	15½	10	*Nil*	*Nil*	9 0	12	3	Y.P.
1,52,89,220	1,37,00,000	1,99,38,789	71,50,911	32,04,214	B. J. Woodley, Esq. (Mg. Director)	*Indian Cables*	32	10	1 0*	1 0*	1 4*	1 8*	3	Y.P.T.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	18	10	0 12	0 8	0 8	0 10	3	Y.P.
15,10,00,000	7,89,02,602	4,15,59,461	1,63,28,877	24,94,274	Mr. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	14‡	10	*Nil*	0 9 3/5	0 12 4/5	0 12 4/5	3	Y.
2,00,00,000	57,29,566	37,46,656	11,08,843	5,11,852	G. M. Mackinlay, Esq.	Jardine Henderson	93½	100	7 8	7 8	7 8	7 8	3	Y.P.
3,24,0000. } 60,0000C. }	1,91,892	5,94,030	3,53,758	2,668	Jamea & Co. Private Ltd.	Macfarlane & Co.	{ 2½ D. 1	O. 5 D. 10	} *Nil*	*Nil*	*Nil*		8	Y.
40,00,000A. } 5,00,0000D. }	72,01,000	25,16,760	7,97,301	1,87,834	A. T. Dolg, Esq. (Mg. Director) ..	*McLeod & Co.*	{ 215½ O.100	D.10	10 0 0 8	17 0 1 3 1/5	} 1 13*		12	Y.P.
1,37,53,000	60,54,276	22,58,051	11,34,228	2,03,456	*Martin Burn Ltd.*	Martin Burn Ltd.	25½	10	1 6*	1 8	1 4	1 10	9	Y.P.
1,15,00,000	55,50,000	1,38,37,973	78,00,772	16,24,200	H. Criswell Jones, Esq. (Chairman) .	Metal Box Co. of India, Ltd.	26‡	10	1 0	1 0	1 4		3	Y.P.
6,35,585	1,55,250	7,83,598	2,60,987	—2,38,681	Shankar Rao P. Ogale, Esq.	Mysore Lamp Works	4	10	*Nil*	*Nil*	*Nil*		3	Y.P.
6,56,250	9,18,996	11,18,541	5,51,038	440	Mr. J. L. D'Sa (*Controller*)	Mysore Tobacco	15‡	10	1 0	1 0	1 4	1 0	3	Y.P.
10,00,000	2,18,500	15,54,995	9,41,427	44,513	M. H. Partthasarathy Esq. (Chairman).		13½	10	1 0	1 4	1 8	1 8	3	Y.T.
40,00,000	51,21,172	59,09,327	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	27½	10	1 0	1 0	1 8*		3	Y.T.
						National Tobacco Co.	12½	10	*Nil*	0 8	0 12 4/5		12	Y.P.
79,97,000		1,17,52,757	57,19,268	8,99,582	B. N. Elliah & Co., Ltd.	Rallis (India) Ltd.	40	100	*Nil*	*Nil*	*Nil*		8	Y.P.
2,25,00,000	7,35,185	1,51,49,091	40,14,109	—33,99,179	R. P. A. Sapatti, Esq.	Rohtas Industries	10½	10	1 8	1 8	1 8		10	Y.P.T.
1,72,24,400	1,31,20,208	7,56,34,689	3,47,94,970	4,91,024	Sahu Jain Ltd.	Spencer & Co., Ltd.	16½	10	1 8	1 8	1 8		6	Y.P.
40,00,000	93,00,594	1,18,78,870	70,99,687	5,10,675	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	13	10	1 0	1 4	1 0		12	Y.P.
75,00,000	54,13,860	17,49,816	5,53,535	3,65,220	R. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	*Nil*	*Nil*	*Nil*		12	Y.
9,98,380	....	14,90,229	3,24,580	....	Ogale Bros., Ltd.									

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,40,02,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

Z—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Rs. 8 per share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,857	4,78,517	77,477	McLeod & Co., Ltd.	325	Amluckie	375	100	25 0	30 0			12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	72,998	R. E. Kanoria, Esq.	429	Ananda (Assam) Tea	45½	10	1 4	7 8			12	Y.
2,50,000	6,43,250	10,47,044	2,03,058	66,132	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	38	10	2 8	3 8			12	Y.
5,50,000	11,21,541	17,56,465	7,08,427	36,051	McLeod & Co., Ltd.	513	Bashmari	42½	10	Nil	3 8			12	Y.
5,10,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd.	378	Basmatia	33½	10	2 8	3 0	1 8		12	Y.
3,30,600	4,65,000	11,68,776	2,59,311	63,794	Gillanders Arbuthnot & Co., Ltd.	570	National Tea Corporation ..	28	10	2 8	3 0	2 8		12	Y.
3,20,000	8,70,000	9,60,764	2,59,311	1,99,547	Williamson Magor & Co., Ltd.	3,967	Batasi	5	10	2 0	4 0			12	Y.
26,50,000	20,60,000	62,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	435	Bokakhat	46	10	2 0	3 0			12	Y.
6,00,000	2,50,000	10,97,919	2,26,068	29,956	McLeod & Co., Ltd.	450	Borah Jan Tea	20	10	1 0	1 8			12	Y.
7,50,000	7,27,550	9,56,117	3,05,780	15,455	M.	2,334	Brooke Bond	10	10	0 8	1 4	4 12	1 4	12	Y.
35,00,000	11,78,802	79,32,234	27,45,021	5,15,711	McLeod & Co., Ltd.	282	Dejoo Valley	50	10	1 0	6 0			12	Y.
1,20,000	4,00,426	5,55,963	1,35,593	6,542	Jardine Henderson Ltd.	1,184	Dessai & Parbuttia	120	100	20 0	40 0	10 0		12	Y.
6,00,000	9,76,000	27,66,034	17,07,737	46,610	James Warren & Co., Ltd. ..	661	Dhalakhat	23½	10	1 8	2 8	2 8		12	Y.
17,53,440	9,57,962	24,59,777	5,10,550	42,736	M.	646	Dhunsari	20	10	2 0	5 0	1 0		12	Y.P.
4,68,970	3,95,000	7,50,451	3,86,404	2,101	McLeod & Co., Ltd.	455	Dibrugarh	37½	10	1 0	4 0	2 0		12	Y.
4,50,000	7,85,800	14,15,911	6,43,291	53,921	Williamson Magor & Co., Ltd.	511	Dimakusi	37½	10	2 8	3 8			12	Y.P.
2,80,700	6,66,000	10,29,006	5,54,006	55,532	Williamson

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	1,60,000	3,92,380	31,236	23,236	Planting Agencies Ltd.	Balmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,188	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	29½cd	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq.	Cottanad Plantations	20½cd	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Highland Produce	21½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,94,158	46,543	A. V. Thomas & Co., Ltd. ..	Kaljetta Estates	13½	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Malankara Rubber	25cd	10	2 0	2 0	2 12		4	Y.P.
9,00,000	8,17,955	5,86,920	2,80,348	...	K. T. Thomas Kathanar, Esq.	Midland Rubber	29½	10	5 8	2 4	2 4	3 4	3	Y.
27,00,000	29,11,662	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Nennemy Rubber	18½	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,35,000	3,31,000	14,16,774	1,67,176	16,737	A. V. George & Co., Ltd. ..	Nilambur Rubber Co.	20½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Ouchterloney Valley Estates	17½	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Rajagiri Rubber	4½	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Savamalai Estates Ltd.	23cd	10	3 0	2 8	1 0		11	Y.
3,66,780	3,00,000	6,70,359	62,117	71,542	Peirce Leslie & Co., Ltd. ..	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		3	Y.P.T.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Thamarapally Rubber	30	10	3 0	3 0	3 0		12	Y.P.
3,50,000	2,37,500	5,37,767	30,934	14,887	A. V. George & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 13/5	0 2		9	Y.
4,10,200	3,00,005	5,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Travancore Rubbers	24½	10	2 0	2 0	3 0		12	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber & Tea Co., Ltd.	10½	10	1 0	1 8	1 4		12	Y.P.
41,00,000	14,30,799	76,82,360	8,68,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	10½	10	0 8	1 0	1 4		12	Y.P.
20,00,000	...	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	33	25	3 0	3 0	4 0		12	Y.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber	33½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	15cd	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd.	879	Agarpara	10½	10	1 0	1 10	0 10		3,9	H.T.P.
9,00,000	10,25,000	51,65,438	36,93,877	1,88,329	McLeod & Co., Ltd. ..	446	Alexandra	200	100	2 8	7 8	10 0		6,12	H.P.T.
30,00,000	6,25,000	1,17,61,827	93,76,089	23,103	McLeod & Co., Ltd. ..	1,264	Alliance	102	100	5 0	12 0	6 0		6,12	H.P.
49,20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	156	100	12 8	7 8	8 8		3,9	H.P.
40,00,000	43,17,051	1,75,37,979	92,91,344	11,377	Bird & Co., Ltd.	819	Auckland	110	100	4 0	3 0	10 0	1 0f	3,9	H.T.
20,00,000	23,80,918	96,91,416	55,65,094	65,302	Jardine Henderson & Co. ..	959	Bally	164	100	4 0	*Nil*	3 8	*Nil*	3,9	H.P.
£275,000	£467,405	£1,477,480	£987,176	...	Sir John H. Burder (Chairman) ..	1,889	Barnagore	119	£5	£1 0	sh. 15	sh. 15	*Nil*	3	Y.P.
1,80,00,000	32,30,123	92,27,342	49,93,231	...	Andrew Yule & Co., Ltd. ..	820	Belvedere	134	100	15 0	10 0	7 8		6,12	H.P.
45,00,000	38,45,000	57,03,172	31,25,574	2,65,100	Scorajmull Nagarmull	600	Bengal	16½	10	1 4	1 2	1 2		6	Y.P.T.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla	15½	10	3 0	1 0	1 0	1 0	3	Y.P.
36,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	121	100	10 0	9 0	7 8		4,10	H.P.
7,47,380	3,09,940	42,13,704	31,62,683	—9,31,470	Dayaram & Sons	302	Calcutta Jute Mfg. ..	9	10	*Nil*	0 12	*Nil*		6,12	H.P.T.
18,00,000	30,46,234	87,13,271	41,48,795	6,248	Andrew Yule & Co., Ltd. ..	616	Caledonian	179½	100	12 0	9 0	6 8		5,11	H.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	600	Champdany	138	100	6 0	8 0	10 0	2 0f	3,9	H.
15,95,000	23,39,282	31,34,655	56,80,175	2,615	Andrew Yule & Co., Ltd. ..	530	Chevliot	170	100	12 0	14 0	10 0		5,11	H.P.
30,15,000	31,00,000	64,10,068	47,77,690	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	13½	10	1 12	1 2	1 6		6,12	H.P.T.
24,00,000	24,00,000	78,13,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	13½	10	*Nil*	*Nil*	1 4z		3	Y.P.
31,49,250	46,63,252	1,17,35,454	45,04,775	—2,20,845	Bird & Co., Ltd.	766	Dalhousie	90	100	4 0	2 8	4 0	*Nil*	3,9	H.P.T.
25,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	779	Delta	151	100	20 0	12 0	10 0		6,12	H.P.
15,00,000	84,50,000	82,62,679	59,80,760	78,204	McLeod & Co., Ltd.	500	Empire	15½	10	1 0	1 4	1 4		6,12	H.T.P.
21,00,000	66,66,960	2,70,39,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	140M	100	*Nil*	5 0	15 0		3,9	H.P.T.
21,00,000	13,50,000	97,58,974	54,63,092	1,13,822	Bangur Bros., Ltd.	1,014	Fort William	19½	10	5 0	20 0	20 0	0 12½K	3,9	H.T.P.
84,32,100	...	2,11,07,224	1,32,88,825	—2,67,452	Macneill & Barry Ltd.	1,709	Ganges Mfg.	59	100	*Nil*	0 8	2 8	*Nil*	3,9	H.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	259	100	15 0	*Nil*			12	Y.
24,00,000	29,32,327	2,19,00,813	1,61,28,422	25,196	Macneill & Barry Ltd.	1,394	Gourepore	210	100	8 12	10 0	15 0	2 8f	3,9	H.P.
40,00,000	64,68,233	1,14,86,848	56,72,180	3,40,348	Bangur Bros., Ltd.	1,078	Hastings	109xdN	100	10 0	10 0	11 8	5 0	3	Y.
16,80,000	18,91,656	65,91,206	46,20,916	44,648	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	29	10	1 4	0 8	1 4		3	Y.P.
95,62,500	49,84,372	1,32,86,435	1,10,52,708	57,034	Andrew Yule & Co., Ltd.	1,940	Howrah	21½	10	1 8	1 4	0 14	0 4f	3,9	H.P.T.
52,50,000	27,85,153	2,86,51,559	1,56,51,559	1,19,935	Ramdutt Ramkissendas	2,272	Hukumchand	22½	7½	3 0	2 0	4 0	2 0	3	H.
O. 87,00,000 } D. 30,000 }	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India	O. 125 D. 1	6 4 —	3 2 0 4/5	4 11 0 2/5	0 3/5	4 11f 3¾ f	3,9	H.
24,00,000 } D. 24,00,000 }	16,50,000	1,37,65,826	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	134 ''	100 100	9 8	8 8	8 8		6,12	H.P.
D. 19,20,000 } B. 30,00,000 }	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	134 '' 93 ''	100 100	9 0 7 6	8 0 6 8	2 8 1 0		6,12	H.P.
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	195	100	15 0	20 0	17 8		6,12	H.P.
54,00,000	23,83,375	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	132	100	17 8	12 8	11 0		3,9	H.P.
48,00,000	1,08,90,859	2,44,37,344	1,15,66,152	41,637	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison	138	100	9 0	7 8	15 0	6 0f	3,9	H.P.T.
24,48,000	39,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Ltd.	931	Lansdowne	102	100	7 0	2 0	7 0	*Nil*	3,9	H.
28,00,000	55,75,192	1,16,29,380	64,57,807	3,703	Bird & Co., Ltd.	840	Lawrence	101	100	5 0	6 0	6 0	*Nil*	3,9	H.P.
81,65,200	99,38,045	2,64,13,409	1,26,97,309	1,64,942	.. ..	1,283	Magma	60	100	5 0	2 0	3 12	*Nil*	3,9	H.
29,98,900	38,40,147	1,34,91,466	1,01,37,572	—3,09,111	F. W. Heilgers & Co. (Private) Ltd.	815	Naihati	73½	100	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	12½	10	0 5	1 2	0 10		4,10	H.
35,00,000	43,29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd.	852	National	21½	10	2 0	2 0	1 12		4,10	H.P.
25,25,000	2,81,44,342	27,71,022	20,34,909	1,09,257	McLeod & Co., Ltd.	316	Nellimarla Jute	114	100	1 12	1 8	1 0		6,12	H.P.
85,50,000	2,71,44,342	4,29,15,027	96,26,548	8,71,293	Sahu Jain Ltd.	1,765	New Central†	13½	10	24 0	17 0	1 8	0 12f	6,12	K.
16,79,880	49,70,164	1,18,50,857	51,63,018	70,116	Bird & Co., Ltd.	567	Northbrook	21½	10	1 2	1 4	1 8	1 8f	3,9	H.P.
66,79,500	22,24,961	2,18,50,464	1,39,46,311	17,000	Macneill & Barry Ltd.	1,092	Nuddea	99½	100	5 0	6 0	6 0	*Nil*	3,9	H.
24,91,000	26,81,049	72,46,385	50,35,690	5,784	Andrew Yule & Co., Ltd.	601	Orient	142	100	12 0	10 0	9 0		3,9	H.P.
25,00,000	6,28,490	80,86,437	65,22,166	51,695	McLeod & Co., Ltd.	400	Presidency	5	0 2	0 3				5,11	H.T.
20,00,000	2,49,781	29,97,578	8,39,150	—9,19,218	Birla Brothers Private Ltd. ..	305	Ramasehwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*	6,12	H.P.
49,50,000	5,82,465	1,23,83,629	59,15,596	—11,72,341	Jardine Henderson Ltd.	1,276	Reliance	9	10	0 8	*Nil*	*Nil*	*Nil*	3	H.T.P.
£600,000	£1,093,713	£1,245,244	...	£58,992	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	11	£1	10%	10%	8¾£1	*Nil*	3,9	Y.P.
80,00,000	13,12,193	1,04,60,653	75,85,888	4,667	Begaria More & Co., Ltd. ..	911	Shree Ambica	16N	10	0 8	1 0	0 8f		12	Y.P.
14,00,000	11,25,000	66,11,794	38,79,294	5,156	Hindustan Investment Corporation	401	Soorah	16N	10	0 8	1 0	1 8		3,9	H.
25,19,600	42,72,182	1,27,38,246	53,23,439	—4,87,127	Bird & Co., Ltd.	650	Standard	78	100	2 0	2 0	1 0	*Nil*	12	Y.P.T.
£600,000	£925,119	£1,137,060	...	£83,548	Thomas Duff & Co. (India) Ltd. ..	1,794	Titaghur	11	£1	10%	10%	8¾£1		3,9	H.P.
85,08,000	88,06,723	2,00,00,609	84,28,958	18,324	Bird & Co., Ltd.	1,326	Union	138	100	5 0	5 0	10 0	1 0f	12	Y.
£400,000	£683,035	£1,124,819	...	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	11	£1	10%	10%	8¾£1		3,9	H.P.T.
2,50,000	6,85,000	55,96,062	40,23,991	14,518	McLeod & Co., Ltd.	457	Waverley	3½	1	0 1	0 8	0 3		12	Y.P.
														6,12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	88,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	21	10	1 0	1 5	1 6		3,9	H.
12,00,000	9,52,573	38,79,477	36,13,477	22,708	Jardine Henderson Ltd.	Bamree Coke	10½	10	1 6 2/5	1 7 1/5	1 7 1/5		3,9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6xdN	10	0 12	0 12			6,12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	461	200	32 8*	30 0*	35 0*		4,10	H.P.
2,25,000	4,22,669	24,81,738	22,33,554	...	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	*Nil*	*Nil*			6,12	H.P.
15,97,000	4,73,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	0 8				9	Y.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	6½xd	10	0 12	0 10	0 10		6	Y.P.T.
7,15,000	15,13,080	52,62,538	37,38,500	—1,87,448	F. W. Heilgers & Co. (Private) Ltd.	Bhuleabarree	14½N	10	*Nil*	*Nil*	*Nil*		6,12	H.
16,00,000	16,17,936	68,14,856	39,99,541	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	14N	10					6,12	H.P.
7,50,000	24,29,026	42,39,603	26,53,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borrea	24½	10	2 12	2 0	2 0		6,12	H.
90,92,450	1,76,17,502	4,19,21,870	1,85,17,846	1,15,376	Bird & Co., Ltd.	Burrakur	20½	10	0 12	0 9	0 10		6,12	H.P.T.
49,97,750	...	42,33,430	7,80,000	9,927	Hindustan Investment Corpn., Ltd.	Central India	6½	10	0 4	0 4	0 4	0 8	3	Y.
6,00,000	13,64,302	49,10,414	32,63,954	82,768	M.	Central Kurkend	12½N	10	1 2				6,12	H.
6,00,000	1,43,876	7,28,438(k)	...	2,129	F. W. Heilgers & Co. Private Ltd.	Churila	2½	4	0 2	0 2	0 1f		6,12	H.
15,00,000	...	53,31,704	29,81,276	—1,83,316	Macneill & Barry Ltd.	Dhemo Main	7½	*Nil*	*Nil*	*Nil*	*Nil*		6,12	H.P.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	31½	£1	2 8	2 8	3 0		4	Y.
29,63,760	83,55,049	4,04,51,377	2,89,25,665	82,379	Macneill & Barry Ltd.	Equitable	29	10	1 8	1 8	1 8		6,12	H.P.T.
10,00,000	2,15,000	10,78,864	7,80,000	11,273	Bhatter's Agency Ltd.	Ghusick and Mualia	14½N	10	0 8	0 8			3	Y.
12,00,000	1,22,000	41,35,247	23,43,143	1,144	Killick Industries Ltd.	Hingir-Rampur	41½	50	3 0	*Nil*	2 4	2 4	6	Y.P.
8,00,000	7,25,000	22,07,121	18,89,341	45,985	Macneill & Barry Ltd.	Hurrilladih	22	10	1 8	1 12	2 8		6,12	H.
22,00,000	1,12,000	24,74,412	9,18,546	—5,57,593	Balpahi Trust Fund	Jeota Coal	2½	*Nil*	*Nil*	*Nil*			12	Y.
3,50,000	3,45,579	13,54,857	7,23,658	...	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	2 12	*Nil*	*Nil*		2,8	H.
20,00,000	1,77,175	28,89,683	4,65,140	6,965	Bird & Co., Ltd.	Karanpura Collieries ..	113	100	*Nil*	*Nil*	2 8	5 0	2	Y.P.
5,00,000	16,60,000	46,77,533	36,47,985	1,35,474	Andrew Yule & Co., Ltd.	Katras Jheriah	63	10	4 0	4 0	5 8		1,7	H.
1,88,400	4,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	31N	10	*Nil*	*Nil*			6,12	H.P.
11,00,240	64,314	16,72,901	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	4N	10	*Nil*	*Nil*			6	Y.
9,00,000	11,56,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	0 8	0 4			4	Y.
7,48,240	2,00,000	13,13,208	9,06,219	21,201	Tantia Brothers Ltd.	Nasira	6½xd	10	0 8	0 8	0 8		12	Y.
7,00,000	26,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeopur	9½N	10	0 12	1 4			5,9	H.
17,76,230	20,01,763	1,19,78,853	88,63,066	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	15½	10	1 0	1 2	1 0		4,10	H.P.
6,00,000	75,000	28,54,907	17,07,988	2,233	Octavius Steel & Co., Ltd.	New Chanbhoom	11½	10	*Nil*	*Nil*	*Nil*		3,9	H.
1,15,000 } 1,57,500 }	2,85,198	13,07,219	8,64,731	15,950	Andrew Yule & Co., Ltd.	North West	17½N 16N	10 10	0 4 0 8	*Nil* *Nil*	1 6 1 0¼	0 12f 0 9f	3,9	H.
7,50,000	12,21,853	5,17,866	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14½	10	2 0	1 0	1 0		6,12	H.P.
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	8½N	10	0 6	0 8			12	Y.P.
8,34,000	10,862	17,52,137	8,30,795	8,018	Deepchand Kishenlall	Parasea	14½	10	0 4	0 12			6,12	H.P.
15,75,000	16,00,000	47,70,275	35,30,275	38,343	Shaw Wallace & Co., Ltd. ..	Pench Valley	30½	10	1 10	1 10	1 8		3,9	H.
23,99,500	19,17,105	1,23,09,893	56,50,855	18,846	N. B. Elias & Co., Ltd.	Raneegunge	10½	10	*Nil*	0 8	0 10		3,9	H.
13,50,000	8,53,385	35,35,765	27,73,764	28,521	Shaw Wallace & Co., Ltd. ..	Rowa	23½	10	2 0	1 6	0 14		6,12	H.
20,00,000	3,90,000	44,23,585	18,73,110	2,20,175	Jaipuria Sons Ltd.	Samla Collieries ..	14½N	10	0 8	0 12	1 0		12	Y.
2,50,000	1,95,802	13,75,480	12,21,237	21,070	M.	Searsole	6½	10	0 10	0 10	0 12		1	Y.
2,50,000	5,56,598	29,99,490	19,07,596	49,299	Andrew Yule & Co., Ltd.	Seebpore	29½	7	1 12	2 0	2 8		6,12	H.P.
5,00,000	5,81,239	52,491	28,867	7,503	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9N	10	*Nil*	0 2	0 4		6,12	H.T.
63,21,450	28,77,474	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Government of Hyderabad)	Singareni	11½	10	*Nil*	0 11 1/5	0 12		12	Y.P.
17,50,000	10,84,016	$7,86,103	15,14,990	—51,533	Bird & Co., Ltd.	South Karanpura	10½	10	0 4	0 2	0 3		2,8	H.
5,00,000	19,84,096	1,89,570	26,510	17,347	F. W. Heilgers & Co. (Private) Ltd.	Standard	22½	10	2 0	1 8	1 0		6,12	H.
10,00,000	12,9[illegible]	30,52,289	15,48,508	—4,07,733	Villiers Ltd.	Talcher	2½	2½	*Nil*				7	Y.
8,50,000	2,80,000	19,47,955	14,81,955	44,167	Williamson Magor & Co., Ltd. ..	Union	14½	10	1 12	0 12	*Nil*		6,12	H.
49,98,000	67,084	55,66,550	22,50,000	7,262	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10	0 6	0 6	0 6	0 8	3	Y.
7,00,000	21,569	56,46,871	28,31,698	—1,46,550	Macneill & Barry Ltd.	West Jamuria	11½	10	*Nil*	*Nil*	*Nil*		6,12	H.

M—Managed by the board of directors. † Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments: (i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e) For seven months ended 31st March 1954. † New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each.

ROUND THE EXCHANGES

(*Concluded from page 1076*)

lands declined by As. 10 to Rs. 18-10. Among rubber shares, Rajagiris were neglected at Rs. 23 *cum-div.*, as against Rs. 24, despite announcement of a higher dividend of 25 per cent. for the year ended June 1956, as against 20 per cent. for the previous year. Anandams and Vaikundams were taken down by As. 10 each to Rs. 21-10 and Rs. 33-8, respectively. Teekoys fell by As. 8 to Rs. 11-11. Nenmenys lost a like amount to Rs. 20-4. Kailas shed As. 5 to Rs. 5-11. Among coffee shares, Amalgamateds dropped As. 10 to Rs. 11-4. Cochin Malabars slipped by As. 6 to Rs. 9-4. Mysore Coffees were on sale As. 4 lower at Rs. 2-12. Coffee Lands and Consolidateds were done at Rs. 26-4 *cum-div.* and Rs. 20-1 *cum-div.*, respectively. The dividends of the two Companies for the year ended June 1956 are 25 per cent. and 20 per cent., the corresponding figures for the previous

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	12,42,652	Allahabad Bank	350	100	18 0‡	18 0‡	18 0	9 0‡	12	Y.P.
14,50,000				168	50	9 0‡	9 0‡	18 0	9 0‡		
1,01,000				116½	100	6 8	7 8	6 8	3 12‡	6,12	H.
33,58,600				84	70	3 4	3 12	4 8 4/5	2 10‡		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	102½	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	22½	25	0 12‡	0 12‡	0 14		12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	141½XR	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	39½	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	250‡	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,21,700	58,73,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 0	2 0		6	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,62,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd.	53½	25	3 0	3 0	3 0	1 8‡	12	R.L.Y.
52,42,375 'A'				57½	25	3 0	3 0	3 0	1 8‡		
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co.	43½	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	26,77,148	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	36‡	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	*Nil*	*Nil*			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13	50	*Nil*	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	6 0‡	5 0		9	Y.
24,00,000				200	100	12 0‡	12 0‡	12 0	6 8‡		
18,00,000	79,75,000	1,45,140	Indian Bank	195	95	10 3½	10 3½	10 12½	6 2‡	6,12	R.L.H.
18,20,000				152	70	7 3‡	7 3‡	7 12‡	4 8‡		
49,19,875	30,00,000	2,28,299	Indian Overseas Bank	141½	100	6 0	6 0	7 8		12	Y.
2,25,000				42½	100(A)	*Nil*	*Nil*				
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	10½	25(B)	*Nil*	*Nil*			6,12	H.
10,00,000				23½	50(C)	3 0	*Nil*				
87,50,000	97,50,000	2,35,108	Punjab National Bank	50‡	25	2 0	3 0	3 8	2 0‡	12	Y.
1,00,00,000	22,80,000	43,597	Travancore Bank	17½	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7¾	5	0 5½	0 5½	0 6		12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	55½	50	2 0	2 8	2 12		12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-14-0	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	8†	8†	8†		12	R.L.Y.
LK. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	$87½	H.K. $125	5*	5*	5*	2*†	12	Y.
18,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-4-6	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A'				£3-18-6	A £2½	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£3-18-6	B £2½	14†	14†	14†		12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†			
£2,351,563	£3,104,687	£342,158	National Bank of India	£0-19-9	sh. 12½	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February 1960
6,00,000	5½	30th June and 30th December	Rammugger Cane & Sugar Co., Ltd.	1936	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1936	102	27th December 1956
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	96½	1st November 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June 1956
20,00,000	4½	30 th June and 31st December	Burrakar Coal Co.	1947	91½	30th June 1967 (c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December 1958(c)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March 1972(a)
13,88,000	5½		Jayshree Textiles	1949	90N	1st January 1956-59
39,90,000	5	1st June	Tata Mills	1951	100‡	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December 1964(a)
2,33,59,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	99‡	1st January 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December 1970
18,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	96	30th June 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	94	1st October 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September 1953-63
5,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July 1956-61
47,79,000	5	1st April and 1st October	Tata Power	1940	103	1stJuly 1970
2,50,00,000	4	1st April and 1st October	Tata Power		91½	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	101‡	1st July 1957-62
81,146,900	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£97	31st December 1966(ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	97‡	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June 1969
10,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December 1964
9,00,000	5	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June 1960
10,89,000	5	31st January and 31st July	Calcutta	1949	90	31st July 1959
30,48,000	5½	31st March and 30th September	Chitavalsah Jute Mills	1951	96	30th June 1966
5,88,000	5	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March 1969(a)
25,00,000	5	15th January and 15th July	Empire	1951	94‡	15th July 1966(a)
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92‡	30th June 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1956	97‡	31st March 1970
23,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96‡	31st December 1964(a)
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	98	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September 1965(a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union	1937	96½	30th June 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	87½	31st July 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1938	£77½N	1st October 1974
6,50,000	3½	30th June and 31st December	Katakhal- Lalabazar Railway	1945	90½	31st December 1959(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months notice (a)
4,49,26,697	4	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102½	1st July 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		100‡	1st April 1958-68
1,39,700	5½	31st March and 30th September	Teekoy	1944	100	31st March 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December 1965
36,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100‡	1st September 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February 1964
19,95,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July 1966
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September 1963
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	1960
1,00,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100	1st January 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	103½	30th June 1969(a)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95½	1966
38,06,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470 (per note)	31st December 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	89N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	101½	30th June 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	96‡	31st March 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December 1958
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101½	1st May 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1 [illegible] onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th December, 1956.

	Closing quotations 30-11-1956	High	Low	Closing quotations 6-12-1956
TETXILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	200	—	—	200
Apollo (2)	2-11½	2½	2-10½	2½
Bombay Dyeing (250)	628½	630	583½	598½
Bradbury (50)	230½	230½	210	210
Central India (100)	131½	133	120	132
Century Mills (100)	552	552½	506	536½
Colaba (100)	100½	100½	97½	97½
Edward Textile (200)	345	—	—	345
Elphinstone (50)	57	57	50½	50½
Finlay (100)	338	338	316	320
Gokak (100)	238	238½	230	236
Ind. Untd. Defd. (1)	2-1½	2-1½	1½	1-15½
Ind. Untd. Ord. (10)	12-2½	12-3½	11½	11-14½
Indore Malwa (100)	147½	148½	134½	140½
Khatau (100)	233½	238½	220	226½
Kohinoor (100)	340	347	316	336
Lakshmi (250)	682½	682½	680	680
Madhusudhan (100)	113½	—	—	113½
Minerva Mills (100)	90	—	—	90
Model Nazpur (250)	180	—	—	180
Morarji (100)	261½	—	—	261½
Mysore (50)	110	—	—	110
National Rayons (100)	263	262½	247	253½
New City (100)	155	155½	155	155½
New Great (100)	250	—	—	250
Phoenix (100)	143½	146½	135	145
Podar Mills (100)	170	170½	170	170½
Sassoon Silk (10)	12	—	—	12
Sassoon Spg. (10)	40	40	39	39
Shahpuri (1,000)	1,590	—	—	1,590
Shrinivas (100)	212½	213½	197½	206½
Simplex (50)	195	195½	183½	187
Standard (100)	478½	478½	440	463½
Svadeshi (100)	244½	254½	230	242
Swan (100)	431½	431½	410	411½
Tata Mill (25)	53½	53½	50½	51½
Vishnu (100)	158½	—	—	158½
Western India (1,000)	5,100	—	—	5,100
BANKS				
Bank of India (50)	142½	142½	141	141½
Bank of Baroda (50)	102½	103	102½	102½
Central (25)	54½	54½	52½	53
Central 'A' (25)	58½	58	57½	57½
Dena Bank (50)	43½	—	—	43½
Punjab National (25)	51	—	—	51
Union Bank (5)	7¾	7¾	7¾	7¾
United Com. (50)	55½	55½	54½	54½
ELECTRIC COS.				
Ahmedabad (100)	91½	93½	90½	92½
Amalgamated (10)	11½	11½	11½	11½
Andhra Valley (1,000)	1,200	1,212½	1,195	1,212½
Bom. Sub-El. (100)	110½	110½	110½	110½
Surat (100)	113½	114½	113½	114½
Tata Hydro (100)	—	—	—	—
Tata Power (1,000)	1,252½	1,256½	1,235	1,242½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	350	—	—	350
Ind. Mercantile (20)	43	—	—	43
Jupiter (15)	6½	—	—	6½
New India (15)	45½	45	42½	43
Oriental (200)	3,650	—	—	3,650
Universal (10)	11½	—	—	11½
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. from (10)	34-6½	34-7½	31	31½
Tata Steel Ord. (75)	192	193½	180	185½
SUGAR COS.				
Belapur (50)	253½	258½	240	251
Bharat (10)	17½	17½	16½	16½
Phaltan (100)	161	161½	152½	155
Walchand Ind. (100)	288½	285	271½	275
CEMENT COS.				
Associated Cts. (100)	194½	195½	183	188
Digvijay (100)	161	162½	152	154
MISCELLANEOUS				
Alcock Ashdown (100)	317½	320	300	301½
Bom. Burmah (125)	705	706½	633½	657½
Do. (New) (50)	250	251½	235	240
Br. B. Petrol (4 sh.)	3-5½	3-4½d	2-15½d	3-0½d
Br. I. Corpn. (5)	10-6½	10-6½	9½	9½
C. P. Rly. (100)	71	75	73	73
Indian Copper (2sh.)	4-3½	4½	3½	3½
Ind. Inv. Tr. (100)	73½	—	—	73½
Kemp (200)	197½	—	—	197½
Killicks (100)	173½	167xd	162xd	166xd
Polson (100)	185	—	—	165
Port Canning (100)	8½	—	—	8½
Premier Con. (30)	21½	—	—	—
Scindia (20)	213½	213½	190	197
G. E. Shipping (10)	19-4½	19-½	18	18-12½
Shivrajpur (10)	17½	18½	16½	18½
Tata Chemicals (10)	86½	87	78	78
Tata Locomotive (100)	19-8½	19-9½	17-10½	17-12xd
Tata Oil (25)	172	172½	168	167
W. I. Match (100)	50	50½	45½	47½
	174½	175½	171½	173½

GOVERNMENT SECURITIES	1-12-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	6-12-1956
	Rs.			Rs.
2½% 1961	98½	—	3.96	98½
2½% 1960	96½	—	3.74	96½
2½% 1962	93½	—	3.80	93½
2½% 1976	83½	—	3.98	83½
3 % 1957	99½	—	3.25	99½
3 % 1958	99½	—	3.24	99½
3 % 1959-61	97½	3.75	3.45	97½
3 % 1964	94½	—	3.88	94½
3 % 1963-65	94½	3.94	3.76	94½
3 % 1966-68	92½	3.93	3.80	92½
3 % 1970-75	86½	4.25	3.99	86½
3 % 1986 Con. Loan	78	—	4.11*	78
4 % 1960-70	100½	3.81	3.94	100½
4½% 1958-68**	102½	2.95	4.22	102½
3½% 1961 N.P. Bonds	99½	—	3.96	99½
3½% 1964 N.P.Loan	98½	—	3.75	98½
3½% 1965 N.P. Bonds	98½	—	3.70	98½
3½% 1962	97½	—	3.54	97½
3½% 1967 N.P. Bonds	98½	—	3.67	98½
3½%1974	98½	—	3.87	98½

BRITISH GOVERNMENT SECURITIES	Closing quotations 28-11-1956 £			Closing quotations 5-12-1956 £
2½% Brit. Consols	50½	—	—	50½
3% Savings Bonds 1965-75	72½	—	—	72½
3% War Loan 1955-59	95½	—	—	95½
3½% War Loan	68½	—	—	68½
4% Victory Bonds 1976	90½	—	—	90½
4% Funding 1960-90	85	—	—	85

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts. x.r. Ex-Right.

COMMERCE

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

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GOVERNMENT UNIMPRESSED

THE modest speech of Mr. O. T. Jenkins, the retiring President of the Associated Chambers of Commerce, Calcutta, at the annual meeting of the Chambers held on Monday the 10th inst., was in refreshing contrast to the Marathon and rambling delivery of the Finance Minister, Mr. T. T. Krishnamachari, who addressed this largest gathering of foreign business men in India as their honoured guest for well over an hour. Mr. Jenkins gave expression to all the thoughts uppermost in the minds of business men on the main economic problems facing the country gently and yet clearly. He, as well as his colleagues who spoke after him, placed the most charitable interpretation possible on the Government's economic policy. They seemed to try to understand and appreciate the difficulties of those who are in the seats of power in a country of 360 million people, impatient to have a higher standard of living and liable to fall a victim to the alluring propaganda of the leftists. They reaffirmed, as all Indian business men have done, their wholehearted co-operation to the Government in the implementation of the second Plan. They earnestly hoped that the Government of India, for its part, would find it possible to accept as vital the role which private enterprise and organised industry and commerce have to play in the fulfilment of the Plan's targets and that it would take all practical steps to assist these sectors of the economy in their appointed tasks. But they appear to have failed to evoke a similar sympathetic response from the Government. The Finance Minister's speech, long as it was, contained nothing to show that the Government understands and appreciates the difficulties of private enterprise or of its value. Excepting for some gesture of minor concessions, as, for instance, in regard to taxation of perquisites, his oration was full of sermons of which business men have already had enough and more.

Mr. Jenkins made three important points in his speech. First, personal taxation in India was too high, so high indeed that it was confiscatory. Unless the high tax pressure was eased, he averred, the same outward movement of productive people that was happening in Britain would happen here, if it was not happening already. The truth of this statement will be obvious only to those who appreciate the value of the "carrot theory," referred to in these columns a fortnight ago. Unfortunately, such people in India are in a minority devoid of political power and Mr. Krishnamachari is one of those who left this group years ago to join the Company of those political leaders who command the support of the ignorant masses and who believe that it is the spirit of social service and not profit-motive that should be the source of inspiration for hard work. The Finance Minister clearly stated that private property was not sacrosanct to him. By saying this, he has completely identified himself with the Prime Minister and the basic philosophy of the Congress Party. But, if this philosophy is carried to its logical conclusion in actual practice, there will be no difference between communism as is being practised in Russia and its satellites and democracy of the type the Congress Party has in mind. The redeeming feature of the present situation is that it is not being done so, at any rate not as fast as many Congress men wish.

Unlike in Britain, where "productive people" have other lands to which they can move, such people in India have no other outlet. To this extent, Mr. Jenkins was not correct, but only literally. While Indian talent has perforce to stay in India, it cannot be expected to do its best for the economic advancement of the country, if it is not adequately rewarded. The success of the Plan depends on an all-out effort by everyone in India. But such an effort cannot be had, as Mr. Jenkins rightly observed, merely by appealing to spiritual values. Sustained and imaginative effort at the daily job, to quote him, could only be achieved in a democratic country, if ordinary men were given the hope of an immediate and discernible improvement in their lot and if those hopes were regularly fulfilled. Since the Government does not subscribe to this theory, the Plan is not likely to succeed. Every addition to the restrictions on the private sector means an increase in the number of impediments to the progress of the Plan.

It may be possible for the Government to coerce the nationals of this country into action through legislative sanction. Since they have no alternative but to obey, there will, of course, be some progress. But India cannot hope to get adequate foreign private capital by this means. On the contrary, adoption of such means will only tend to dry up the channels of foreign private capital. Some argue that the Government of India only takes powers but is quite reserved in exercising them. They, therefore, contend that foreign capital need not be frightened by our Government's fondness for drastic powers for control over private enterprise. This argument is not convincing, for foreign investors in the free world are very much influenced by the attitudes and the philosophies of the Governments of countries that seek their savings. The Ministers at the Centre do not fully realise the importance of this point. The new tax proposals, the control that is sought to be exercised by the State over the reserves of joint-stock companies and the latest amendment to the Banking Companies Act, under which bank managements are deprived of their fundamental rights, are certainly not calculated to engender confidence among foreign private investors.

The Finance Minister and the administration may, however, say that all this is gross exaggeration and, as proof, can point to the influx of some foreign capital that has been going on in recent years, despite similar criticisms of their policy in the past. But such flow as has been taking place is due mainly to political considerations. The Governments of free countries are interested in seeing that India stays in the democratic world and, therefore, persuade the big business combines, so much derided by some of our politicians as monopolies, oligopolies, etc., to take interest in India's Plans for economic development. It will be an unfortunate error of judgment, if this general goodwill towards India in the Western World has led the Government to assume that conditions in India are quite favourable to the flow of foreign private capital. It would appear that neither the magnitude nor the implications of this error is realised. For, to the extent foreign private capital does not come in, the dependence on foreign Government capital increases. And it is not always easy to get foreign Government capital without political pressure or strings. Even if such is freely made available, it is not so desirable as private capital, because it leads to extravagance, complacency and irresponsibility among the receiving Governments.

The second point made by the retiring President of the Associated Chambers of Commerce was the growing threat of bureaucracy in India. This danger is inherent in the extension of Government's control almost every sphere of activity and in its anxiety to do everything itself, instead of helping the people to go forward on their own initiative and enterprise. One of the reasons why the State wants more and more power to regulate the affairs of its citizens is to prevent concentration of wealth and economic power, which Mr. Jenkins described in one word as plutocracy. The Government has already enough powers and initiated several measures to prevent an increase in the number and power of plutocrats. He, therefore, meant that there was no need for more of them. Warning the people that they should think twice before replacing the leaders of the private sector with an entrenched bureaucracy, he pertinently recalled that Shakespeare thought of plutocrats and bureaucrats in the same terms and that Hamlet's list of things that made life not worth living bracketed the arrogance of the rich man with the insolence of the official. But this line of reasoning made no impression on Mr. Krishnamachari. After listening to Mr. Jenkins, he simply remarked that, in a planned economy, an increase in the number of bureaucrats was inescapable.

The third point made by Mr. Jenkins was that it would be a good thing if the controversy between the State sector and the private sector (which, really speaking, is the people's sector) ceased. He argued that this controversy was becoming too controversial for the health of the country. "One of the luxuries which can with great advantage be forgone by all of us," he observed, "is that of speaking one's mind in terms that are likely to reduce their confidence in one another and the world's confidence in them." It is true that silence is golden, but that is a rule which is seldom observed, not because people do not realise its value but because it is extremely difficult to observe. It requires the co-operation of both the parties concerned to stop this controversy, but the Government goes on passing more and more legislation seeking to restrain the scope and functions of the institutions belonging to free enterprise, as witness the latest amendments to the Banking Companies Act and the threat of Mr. Krishnamachari in Parliament on Wednesday last to deprive the judiciary of its powers to hear and decide the disputes between the Government and the people on matters relating to taxation. We have no doubt that, on second thoughts, Mr. Jenkins will agree with us that, in the present circumstances, the advice given by him is not practicable.

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SALES TAX REFORM

THE administration of sales tax on inter-State trade and essential commodities has been the most intractable of fiscal issues facing the country. It has been a virtual nightmare for traders, a difficult administrative problem for the tax collecting authorities and a fertile field in which the ingenuity of a few unscrupulous merchants apparently continues to pay rich, though ignoble, dividends. The Central Sales Tax Bill passed by the Lok Sabha last week, goes some way towards bringing some order into a field in which considerable confusion has prevailed. The two principal features of the Bill are the centralisation of sales tax on inter-State trade, the rate being fixed at one per cent., and the imposition of certain restrictions on the States' powers to levy sales tax in the sphere of intra-State trade in respect of certain goods of "special importance to the community"—iron and steel, coal, cotton, hides and skins, jute and oilseeds—the rate on which is limited to a maximum of 2 per cent. of sale price in each State. The obvious virtues of this legislation are the replacement, in the sphere of inter-State trade, of a host of collecting authorities, represented by the State Governments, by a central authority and the prescription of a single rate of sales tax for inter-State trade and of a maximum rate for intra-State trade in respect of articles of special importance to the community. But the question is whether the new legislation will solve, even in the sphere of inter-State trade, all the problems which recent experience in the administration of this tax has brought to the surface.

Although it must be conceded that the Bill is broadly in conformity with the Taxation Enquiry Commission's Report, the fact remains that the Commission's Report was written at a time when the decision of the Supreme Court in the United Motors case, vindicating the right of the State to tax the goods delivered from across its borders, held the field. In other words, when the Commission submitted its report, it had no cognisance of the latest judgment of the Supreme Court in the Bengal Immunity case, in which the Court, reversing its earlier judgment, held that the States could not levy a tax on inter-State transactions. It is, of course, pure speculation to discuss what the Commission might have said if this judgment had come earlier. Be that as it may, it will be useful to recall here the relevant conclusions of the Commission, arrived at after an examination of all the issues involved. Briefly, they are as follows:

(1) In essence, the sales tax must continue to be a State tax.

(2) In broad terms, however, the sphere of power and responsibility of the State may be said to end, and that of the Union begin, when the sales tax of one State impinges, administratively, on the dealers, and, fiscally, on the consumers, of another State. Broadly, therefore, inter-State sales should be the concern of the Union; so should be specific intra-State sales as, for example, when a raw material produced in a State is sold to a manufacturer in that State and the finished goods in turn figure significantly in inter-State commerce.

(3) The Union's powers of levy and control in respect of inter-State and intra-State sales should be so exercised that (*a*) there is no available duplication in the actual administration of the tax and (*b*) there is as much incentive for co-ordination as possible between States from which goods are despatched and those in which they are delivered for consumption.

The legislation just adopted by the Lower House is in conformity with the aforesaid recommendations as well as with the Commission's suggestion for treating iron and steel, coal, hides and skins, cotton, jute and oilseeds as specified goods, fit for Central direction and control in respect of the levy of sales tax. No wonder, the Union Finance Minister, Mr. T. T. Krishnamachari, was inclined to regard the Report as his "bible."

In the course of the debate on the Bill in the Lok Sabha, only two important issues were raised. In the first place, the suggestion was made that foodgrains must be treated as an essential article. Although the Finance Minister saw a "great deal of validity" in this suggestion, he said he could not accept it, because both the Commission and the State Governments were opposed to the inclusion of foodgrains in any list of "specified" goods. Secondly, there was a demand for setting up an inter-State taxation council for purposes of co-ordinating the fiscal functions of the State Governments. The Minister said that the Council was not directly necessary at the present moment, but the Government had no intention of obstructing the formation of such a body, if it became necessary in future. Thus, the Bill was passed in the form in which it was introduced, the only slight amendment being the vesting of power in the Central Government to vary sales tax or exempt certain goods from taxation in regard to Centrally-administered areas.

The fact that the Bill thus closely follows the recommendations of the Taxation Enquiry Commission does not invalidate the objections, both fundamental and specific, which the Federation of Indian Chambers of Commerce and Industry has urged against it in the course of its communication to the Union Finance Ministry (*vide Commerce* dated 8th December). The Federation's fundamental objection against the Bill is that taxation of inter-State trade is not conducive to the development of "coherent national economic policy" and will also be detrimental to the free flow of inter-State trade or commerce. In other words, the Federation is in favour of the restoration of the original provisions in the Constitution which prohibited the taxation of inter-State trade and which were vindicated by the Supreme Court in the Bengal Immunity Company case. Its more specific objections are that, even after the Bill is passed, certain problems and difficulties confronting the business community will still persist, double or multiple taxation of the same commodity will still remain when goods move from State to State and the interests of distributing centres will not be safeguarded.

Presumably, the authorities are themselves not unaware of the fact that the taxation of inter-State sales is irksome as much to the collectors as to the assessees. The National Development Council, to the deliberations of which a reference has been made elsewhere in this issue, agreed that sales taxes levied on mill-made textiles, tobacco (including manufactured tobacco) and sugar should be replaced by a surcharge on the Central excise duties on these articles, the income derived therefrom being distributed among the States on the basis of consumption, subject to the present income from this source to the States being assured. The Associated Chambers of Commerce and Industry, while commending this approach, has called for a thoroughgoing rationalisation of the entire scheme of sales tax legislation through centralisation of the tax. The resolution adopted by this body, on this subject, states:

"This Association, whilst noting with gratification the decision of the National Development Council firstly to recommend to the Legislature the replacement of State sales tax on mill-made textiles, sugar and tobacco by a surcharge on Central excise duties and, secondly, similarly to recommend a uniform rate of State sales taxes on commodities such as radio sets and automobiles, nevertheless wishes to record its serious concern at the confusion which continues to prevail in the levy of sales tax on other commodities, at the difficulties arising from sales tax legislation which impede business activities and at the burdensome cost of collection reflected in the unproductive labour involved in its assessment. Inasmuch as all earlier efforts to simplify sales tax administration have hitherto proved infructuous and since the present confusion has been greatly aggravated by the changes in State boundaries effected under the States Reorganisation Act, the Associated Chambers of Commerce consider that this field of taxation should be rationalised by the introduction of a uniform Centrally-administered tax, even if this involves a further amendment of the Constitution."

Moving this resolution on sales tax, Mr. G. H. Clarke said that the importance of sales tax to commercial and industrial interests and the considerable difficulties and troubles it had caused might be indicated by the fact that, during the last ten years, sales tax, in one aspect or another, had featured no less than eight times as the subject of a resolution by the Associated Chambers of Commerce. He said that they feared that, with the enactment of the Central Sales Tax Bill, further burdens, similar to those experienced in the past, would be placed on the business community, particularly on those traders whose trading activities were carried on throughout the length and breadth of the country. He thought that, if the sales structure were to become still more complicated, there was the probability of further prolonged litigation to clarify doubtful points of interpretation. In view of the constant harassment and hardship experienced by traders and the fact that most efforts to simplify sales tax administration had hitherto proved "abortive," Mr. Clarke urged the Union Government to give serious consideration to the rationalisation of this field of taxation by the introduction of a uniform Centrally administered sales tax.

On the strength of the consideration that the wearer knows where the shoe pinches, it seems necessary to examine the whole subject of sales tax in the light of the criticisms that have been made by the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce. If experience shows time and again that a certain fiscal system hampers trade and industry, leads to endless litigation, and causes a great deal of confusion to both the authorities and the assessees, it is obviously imperative that some new thinking must be brought to bear on the subject. It must, however, be recognised that there are a few difficulties which cannot be easily overcome. All State Governments are zealous of their financial autonomy and sales tax is one of their main sources of revenue. None of them will agree to surrender this privilege to the Centre.

Then there is the important consideration of revenue, what with the large gap between anticipated resources and the contemplated outlay on the second Plan. The authorities in States are hopeful that sales tax may prove to be an expanding source of revenue. Indeed, Mr. M. C. Shah, the Union Minister for Revenue and Expenditure, in the course of the debate on the Bill in the Lok Sabha, stated that the States had to collect Rs. 110 crores through sales tax in the second Five-year Plan. It should thus be clear that the States set great store by sales tax so far as their part in financing the Plan is concerned. Any move towards rationalisation of sales tax structure—no such move is, of course, now contemplated by the authorities—must take this factor into account. At the same time, it must be emphasised that it will avail neither the Centre nor the States anything if the legislation for sales tax impedes free movement of goods, encourages evasion and causes innumerable difficulties to the authorities, the assessees and the consumers.

A device, which promises to avoid the pitfalls that seem inescapable in the levy of sales tax and also to assure a certain level of revenue is the replacement of sales tax by additional excise duty on the goods which are capable of being taxed in this way and the distribution of the revenues collected through the increase in excise duty among the States. This device, which has lately attracted considerable attention, is now only in its embryonic stage. If more thought were given to perfecting it—nobody will pretend that the task is easy, for there will still be problems of evolving an acceptable basis of distribution of the revenue from additional excise duty—it might pave the way towards at least a partial solution of the vexed problem of sales tax. Referring to this aspect of the problem, Mr. Krishnamachari said: "There are certain types of commodities, where, if the State recognises that single-type taxation is better, excise duties will perhaps be a better way of collecting the money due to the State. We have put forward a proposal in regard to certain commodities, but the States are again chary with regard to their powers, even though it may lead to augmentation of income." At the same time, he admitted that, in certain cases, excise duty would bring in less revenue than sales tax. Obviously, the whole subject of additional excise duty *versus* sales tax requires further examination by the Central and State Governments.

OUR NEXT ISSUE

The 1956 Annual Review Number of *Commerce* will be published in the first week of January 1957. The Number will be the biggest produced so far and is free to subscribers; but others also can have it at Rs. 7-8 each.

There will be no further regular issues of *Commerce* this year, in view of our preoccupation with the aforesaid Number and of the Christmas and New Year holidays. Our next regular issue will, therefore, be the one dated 5th January 1957.

We take this opportunity of wishing all our readers a Merry Christmas and a Happy and Prosperous New Year.

—EDITOR

INVESTORS' CONFIDENCE RUDELY SHAKEN

COMPULSORY DEPOSITS—ELECTRICITY SCRIPS

THURSDAY, 5 P.M.

MARKET GOSSIP

THE share markets appear to be gradually sinking, for the Finance Minister has frightened the investors, and the speculators are mercilessly exploiting the situation by selling short. At the time Mr. T. T. Krishnamachari took over the portfolio of Finance, we remarked that he would hug the bears and hound out the bulls from the trading ring, in the same way as Sir Jeremy Raisman did in 1943 when the world was in the full grip of war and inflation had begun to raise its head in India with full vigour. This anticipation is proving correct, at least in respect of shares. Last week, he had a hit at the markets by introducing new tax proposals. The markets were just recovering from this blow on the realisation that the total incidence of the burden was only Rs. 16 crores per annum and on his statement at the Bombay airport that his budget in February would be a "lame duck." Many interpreted this remark that his February effort would be a tame affair and that he might not announce any major tax proposals till a new Government was formed in May or June after the General Elections. He has now contradicted this inference, by saying in Parliament yesterday thus:

"If I am here, I will offer no apologies to this House for coming back again and again in every session, if I can only devise some taxation measure, some measure to plug a loophole, some measure to raise more resources, something which will ultimately help the small man. I will offer no apologies for coming back to the House with, perhaps, new measures not only on 28th or 29th February, but twice, thrice, four times or five times a year, in season and out of season, for more revenues and for more power, in order to see that this Plan is fulfilled."

The fact that the House lustily cheered this announcement shows that it will give its full support to such proposals and will not mind being called for this purpose any number of times.

The foregoing statement is not the only one that has severely shaken the confidence of investors. At the meeting of the Associated Chambers of Commerce, Calcutta, the Finance Minister stated to the effect that the country must be ready for more taxes. Since he said that he could not ask the "have-nots" to make any sacrifice, it meant that the "haves" would be taxed further. He bluntly rejected the theory of profit-motive as an incentive for saving and investment and declared that the "haves" should willingly sacrifice and make the second Plan a success, if democracy were to be saved. In other words, he meant that the need for preserving democracy should itself be a sufficient incentive to the "haves," big and small alike, for making further effort.

He followed up his speech at Calcutta two days later in Parliament. In his reply to the debate on the two Finance Bills, he made the following points which have upset the share markets:

(1) Stringent measures should be taken to plug all loopholes through which taxes are being evaded.

(2) After the General Elections, the Constitution should be amended, in order to restore the old provision in the Government of India Act making revenue measures not subject to judicial review. This was necessary, as some of the Articles in the Constitution stood against the Finance Ministry being efficient collectors of tax.

(3) "Vested interests will fight me in the front, at the back and on the sides. But, if we are to carry out the present Plan, every section which can afford will have to sacrifice. So long as we have the people behind us and so long as we feel that we are conscientiously doing the best for them, I am not afraid of these vested interests."

(4) If a gifts tax was found necessary in order to plug a loophole, it would be introduced.

* * * *

In one of the memoranda explaining the provisions of the Finance Bills, it was clearly stated that the tax on bonus shares "levied during the financial year 1956-57 will be continued for the financial year 1957-58 also in respect of bonus shares issued during the relevant previous year." This assurance, in the face of a sharp increase in the tax on dividends, has induced many company managements, including those who were chary till now, to think of capitalising a part of their reserves as quickly as possible. The directors of the Century Mills have already decided to do so. The Board of Shivrajpur Syndicate, which had deferred the plan for issuing bonus shares as the lesser of the two evils, even though the Controller of Capital Issues had given the permission, has now decided to implement it. There are reports in market circles that both Bombay Dyeing and Bombay Burmah may also issue bonus shares. But, in view of the latest statement of the Finance Minister and the suggestion of a member of parliament belonging to the Congress Party that the tax on bonus shares also should be raised, there are serious doubts whether the earlier statement holds good. It is feared that this tax may be enhanced at the end of February, thereby upsetting the calculations of those companies that are now rushing through their plans for capitalising reserves before the end of the current financial year. It is this uncertainty that has brought about a sudden drop today in such scrips as Bombay Dyeing, Bombay Burmah and Century, even though they managed to remain relatively steady yesterday, despite the strong rumour that a sharp rise in the Bank rate was imminent today—a rumour that has failed to materialise.

* * * *

Both the Finance Bills have been adopted by the Lok Sabha, after rejecting the well-reasoned plea of Mr. Tulsidas Kilachand for referring to a Select Committee at least that Bill under which the direct taxes have been raised. The Finance Minister was, however, kind enough to alter the proposal relating to the Capital Gains Tax slightly, in order to confer a little advantage on the small middle class people and to exempt the banks from the provisions relating to compulsory deposits. Further, he gave an assurance that he would ensure that, as a result of these provisions, no hardship was caused to industrial companies having expansion plans. The value of this assurance will depend on the manner in which it is implemented. It remains to be seen to what extent he will succeed in toning up the administrative machinery for expeditious disposal of the applications for return of deposits.

* * * *

Several readers of this journal complained that they found it difficult to understand the complicated provisions of the Finance Bill relating to deposits to be made by the companies. In order to help them, we requested Mr. R. K. Dalal, a leading Chartered Accountant and a frequent contributor to *Commerce* on taxation matters, to elucidate these provisions. His explanation, supported by an illustration, is as follows:

The relevant provision in Finance (No. 3) Act 1956 comes into force on 1st April 1957. It says that, in the case of companies, where depreciation allowances and development rebates are made under clauses (vi), (via), (vib) or (vii) of sub-section (2), of section 10 of the Income-tax Act, an amount equal to the sum of all the allowances so made shall be included in the total income of the previous year as profits and gains, unless the company deposits with the Central Government before 30th June succeeding the previous year, 25 per cent. of accumulated profits and reserves of the company at the end of the year preceding the previous year to the extent such reserves are not represented by fixed assets, *plus* a percentage not exceeding 75 per cent. of the amount by which

total income of the company—*less* income-tax and super-tax payable in respect of such total income *less* dividends declared during the previous year *plus* sum of allowances made under aforesaid clauses exceeds Rs. one lakh.

It further says that the Central Government will make rules for: (1) the manner in which deposits to be made. (2) the time and the manner in which refunds be made with or without interest, and (3) in particular, refund claimed for carrying out any purposes connected with the business of the company as is approved by the Central Government.

Here is an illustration of how the above provision will work:

A company's share capital and reserves at the beginning of the year are as under:

	Rs.
Share capital	50,00,000
Reserves	1,00,00,000
Fixed assets ...	75,00,000

It will have to keep a deposit with the Central Government as under:

	Rs.	Rs.
Reserves		1,00,00,000
Less—Fixed assets ...	75,00,000	
Less—Share capital	50,00,000	25,00,000
25 per cent. of		75,00,000
Deposit to be made		=18.75,000

The total income, depreciation and development rebate, dividend declared and the deposit payable are as under:

	Rs.	Rs.
Total income		15,00,000
Less—Depreciation and Development Rebate		5,00,000
		10,00,000
Less—Income-tax		4,34,375
		5.65.625
Less—Dividend		2,50,000
		3,15,625
Add—Depreciation allowance and Development Rebate		5,00,000
		8.15.625
Less—Statutory allowance ...		1,00,000
75 per cent. of		7,15.625
Deposit ... ... =		5,36,719

	Rs.
Thus, deposits to be made In respect of:	
Reserves is... ...	18.75.000
Current profits is...	5,36,719
Making in all a total of	24.11.719

BALANCE OF PAYMENTS BATTLE

(From Our Own Correspondent)

LONDON, *8th December*

LONDON LETTER

THE Chancellor of the Exchequer was altogether too naive when he declared that November's gold loss of £100 million—one-eighth of the national stock—was not caused by any weakness in the country's international trading position. "Sterling" he said, "is particularly affected by movements in world confidence, because it is so widely held and used" .... "the trend will reverse itself as the position improves." He summarised the immediate problem as "short-term pressure on the pound rather than long-term defects in our trading position."

This is all very well but short-term pressure usually arises from an appreciation of long-term defects. The Government must be well aware that the extra cost of dollar oil imports, extra freights and hampered exports are not going to help the balance of payments. The Chancellor estimated that, over the year July 1956 to June 1957, the overseas current account would be in balance; as there is no known evidence that it has been strongly favourable in the five months since July, the Chancellor must be making very favourable estimates for the next seven months. But industrial costs are going to rise substantially—the increase of one-third in the price of petrol will mean higher fares, dearer transport. Production will be reduced (domestic trade is already very quiet) and costs will be higher on that account as well. That will not help exports.

Even assuming that the whole November loss was on capital account but making no allowance for a capital flight in the third quarter, it looks as if the loss on *trading* account for the second half of 1956 will be of the order of $400 million or a great deal more than the surplus in the first half-year. This is so even if to the reserves up till June is added back $60 million in respect of capital funds withdrawn. Thus, it is not easy to reconcile these figures with the thought that for the year ending June 1957 the country should be in overall balance.

Indeed, the Chancellor is not optimistic. He expects a battle and he has already declared his battle cry, "No devaluation." What are his resources? On the industrial front, he insists that to repel the attack on the pound production must be maintained, and, on the commercial front, that the volume of *world* trade must be increased. We do not know if these valuable allies will respond to the call. But it is on the financial front that the real drama will be apparent. Trinidad Oil has gone—absorbed in the first post-Suez attack. Now a waiver has been called for the $105 million of interest on the U.S. and Canadian loans due in December (Canada has already agreed to her $22 million share). This will still leave a capital repayment in December of $72 million and a loss to the European Payments Union of not less than $50 million in respect of the November settlement.

With the gold and dollar reserves then below the £650-million mark ($1,300 million), Mr. Macmillan can still call on the U.S. securities held by the State to the tune of over £300 million. More than £10 million of these securities have already been sold and swept away in recent weeks to keep the pound at par. Lastly, Mr. Macmillan will call up his International Monetary Fund battalions of £465 million. (This he has already done and they have moved into action.—ED.)

Well, there are all the forces, all the reserves, and as the second line is mobilised, one might say of them, as Wellington said of one tattered regiment—"I don't know whether they will scare the enemy or not, but by God, they frighten me!" Still Wellington won his Waterloo with those troops and Mr. Macmillan may yet win his. But the battle will be a grim one and the appreciation of this has even quietened the Opposition's criticism.—*All Rights Reserved.*

It will be seen that, in order to get depreciation allowance and development rebate of Rs. 5,00,000, the company taken for illustration will have to deposit with the Central Government a sum of Rs. 24,11,719.

* * * *

The authorities are probably inclined to regard investors as an ungrateful lot who will never be content with what they are given. But nothing can be further from the truth. Actually, they are a sedate and realistic group of men, who show their keen sense of appreciation, almost as soon as they are given something that they can be grateful for. This can be seen in the behaviour of electricity shares in recent weeks. When it became known that the Government would be able to take the Bill to amend the Electricity Supply Act, which assures a somewhat better deal to the investors, to its legislative conclusion in this session of Parliament, the electricity scrips began to look up. Some notable gains have been recorded. If they have not been spectacular, it is due to the general weakness of the market induced by the Government's unhelpful fiscal policy. But the point is that the scrips have responded gracefully to the Government's decision—half-hearted and halting as it was—to accept the industry's case for a slightly higher return on capital.

Incidentally, since the standard rate of the return on capital base employed in the industry has been linked to the Bank rate—two per cent. above the Bank rate—a rise in the Bank rate, should it take place at all, would not adversely affect the electricity companies and would thus have an effect

(*Continued on page* 1179)

NERVOUS SELLING IN SHARES

SHIVRAJPURS MARKED UP

(From Our Own Correspondent)

BOMBAY, *13th December*

THE moderate recovery noted in the share market towards the close of last week proved shortlived, as a reactionary trend came to prevail during the week under review. The downward movement gathered momentum at the close and panicky selling pressure was witnessed today, bringing equity values to fresh low levels for some months past.

The Finance Minister's speech at the Associated Chambers' annual meeting at Calcutta on Monday this week failed to impress the market. His assurance of liberal administration of controls on companies was unconvincing. On the other hand, his defence of the taxation proposals and his statement that capital gains tax had come to stay depressed the sentiment. Further, his speech in the Lok Sabha yesterday in reply to the debate on the Finance Bills, indicated that the country must be prepared for more taxation and that the present tax measures were only the beginning. This statement, together with the heavy *budla* charges in the last settlement and rumours of payment difficulties, brought heavy unloading today.

In the steel section, Tata Ordinaries crept down from Rs. 183-4 to Rs. 178-12 yesterday, before declining further to Rs. 176-12 today. Indian Irons, after an initial rise from Rs. 31-11 to Rs. 32-2, retreated to Rs. 30-8 at the close.

Textile shares were marked down on a wide front. Bombay Dyeings advanced early in the week from Rs. 598-2 to Rs. 612-8, but the subsequent landslide more than wiped out the gain, the closing today being done at Rs. 592-8. Centurys were well favoured following the announcement of the proposal to issue bonus shares in the ratio of three shares for two and the shares jumped from Rs. 536-8 to Rs. 549-8, but in the subsequent reaction they slipped back to a low of Rs. 521. Kohinoors came down by Rs. 8 to Rs. 328. Central Indias receded by Rs. 3 to Rs. 129 and Colabas by Rs. 7-8 to Rs. 90. Finlays changed hands Rs. 4 lower at Rs. 316 and Gokaks Rs. 2-8 down at Rs. 233-8. Indu Ordinaries shed As. 5 to Rs. 11-9½ and Indore Malwas Rs. 5 to Rs. 135-10, while Khataus showed a small rise of Re. 1-4 at Rs. 227-8. Mysore Spinnings had transactions Rs. 3-12 lower at Rs. 106-4. New Greats fell by Rs. 3 to Rs. 247, while New City Mills held their own at Rs. 155-10. New Kaiser-I-Hinds hardened by Rs. 5 to Rs. 125, but Shree Niwas, in line with the general trend, were placed Rs. 3-12 lower at Rs. 202-8. Simplex were slightly erratic, moving between Rs. 189 and Rs. 186, before closing at the latter level. Standards receded from Rs. 463-2 to Rs. 447-8. Svadeshis moved down by Rs. 9-8 to Rs. 232-8 and Tata Mills by Re. 1-4 to Rs. 50.

Bank shares were quiet and the trend was slightly downward. Centrals (New) receded by Re. 1-12 to Rs. 55-12, but their old shares were maintained at Rs. 53. Bank of Indias were fractionally lower at Rs. 141. United Commercials were quiet at Rs. 54-8. Barodas were done at Rs. 102-8.

Very little activity was noted in insurance shares. New Indias changed hands As. 4 higher at Rs. 43-4. Orientals had business at Rs. 3,640, as against Rs. 3,650 quoted earlier.

Electricity shares were a shade quiet, in tune with the general reactionary trend, although the outlook for electric companies appear to be better consequent on the favourable changes in the Electricity Bill. Ahmedabad Electrics were in favour and picked up As. 15 to Rs. 93-2. Bombay Suburbans rose from Rs. 110-15 to Rs. 111-4, while Surats were marked down by Re. 1-4 to Rs. 113-2. Tata Hydros were steady at Rs. 126-8. Tata Powers receded by Rs. 12-8 to Rs. 1,230 and Andhra Valleys by Rs. 7-8 to Rs. 1,205.

Sugar shares depicted an easy tone. Belapurs retreated to Rs. 248-8, after an early advance from Rs. 251 to Rs. 253. Phaltans fell by Rs. 7 to Rs. 149 and Walchandnagars by Rs. 3-2 to Rs. 271-14. Bhopals were, however, unchanged at Rs. 16-12. In the cement group, Associated Cements declined to Rs. 183-8, after moving up from Rs. 188 to Rs. 189. The Company has maintained the dividend at Rs. 10 per share for the year ended 31st July 1956. Digvijays, after gaining from Rs. 154 to Rs. 156-4, reacted to Rs. 153-12. Orissa Cements showed a rise of As. 2 at Rs. 13-4. Jaipur Udyogs were dull at Rs. 12. Among the engineering shares, Alcocks maintained the previous week's recession with a further decline of Rs. 13-12 to Rs. 287-8. Tata Locomotives were keenly bid early in the week and the shares rallied from Rs. 167 to Rs. 174. Later on, they succumbed to the general selling pressure and retreated to Rs. 164-8 at the close. Premier Constructions dropped Rs. 6-8 to Rs. 190-8. In the mining group, Shivrajpurs provided the highlight with a sharp jump from Rs. 83 to Rs. 92, before closing at Rs. 90, on rumours that the Company might reconsider the issue of bonus shares, the sanction for which had been given by the Government last year, but the proposal was shelved on account of the levy of tax on bonus shares. Indian Coppers declined by As. 2¼ to Rs. 3-7½ and B.B. Petrols by a like amount to Rs. 2-14.

Shipping and automobile shares provided no exception to the general easy trend. Scindias were marked down by As. 7½ to Rs. 18-5 and Great Easterns from Rs. 18-12 *cum-div.* to Rs. 17 *ex-div.* Premier Automobiles dipped from Rs. 108 to Rs. 101-8 and Hindustan Motors from Rs. 8-11 to Rs. 8-6.

In the miscellaneous group, Bombay Burmahs were somewhat brisk earlier in the week on optimism regarding favourable settlement in respect of capital reorganisation and rallied from Rs. 657-8 to Rs. 672-8. This optimism was based on reports that the extraordinary general meeting, which was scheduled to be held on the 10th inst. to consider certain special resolutions, was postponed to 3rd January 1957 in view of the current negotiations on capital reconstruction. Subsequently, however, the shares receded to Rs. 650 at the close. British India Corporations were quiet at Rs. 9-5. National Rayons weakened from Rs. 253-12 to Rs. 245-4. Tata Chemicals were lowered, by As. 13 to Rs. 17, Tata Oils by Rs. 2-4 to Rs. 45 and Wimcos by Rs. 3-12 to Rs. 170.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *12th December*

Extremely quiet conditions were in evidence on the Calcutta Stock Exchange during the week under review. In the circumstances, the daily lists of transactions were far from impressive. Earlier in the week, a small recovery, albeit the restricted turnover, was in evidence following the Finance Minister's statement in the Lok Sabha that depreciation funds deposited in the Reserve Bank under the new Finance Bill would readily be available for the genuine expansion of the companies concerned. This recovery was, however, short-lived following the introduction in the Lok Sabha of the Banking Companies Amendment Bill which aims to give the Reserve Bank wide powers in the working of banks.

The Stock Exchange had only a short session on Friday and remained closed on Monday owing to the death of a member.

In the jute section, a very poor volume of business was reported. Nationals were as low as Rs. 21. Deltas were pushed down further from Rs. 151 to Rs. 128. At Rs. 129-8, Kamarhatties were lower by ten points. Alliances were marked down to Rs. 104.

In an otherwise quiet coal section, Burrakurs rose to Rs. 22 from Rs. 20-4, on good support from interested quarters. South Karanpuras were fractionally better at Rs. 10-4, while Bengals receded to Rs. 452 and Equitables to Rs. 26-4. Central Indias were unchanged at Rs. 6-13.

In the engineering section, Indian Irons, after recovering from Rs. 30-3 to Rs. 31-3 sagged to close at Rs. 30-9. Mr. T. Leslie Martin's address from the chair to the annual meeting of the shareholders of the Indian Iron and Steel Co., Ltd., revealing the satisfactory working of the year, failed to set in a recovery, in view of his reference in the speech to the Directors' failure to get the Government to agree to an increased distribution on the ordinary share capital. However, long-term investors noted the hope expressed by the Government that ultimately the shareholders would have their full share of the increased profits. Of course, this would only be after several years which would be necessary for the completion of the expansion now in progress and planned and for the repayment of loans to the Government and the World Bank. Texmacos registered a small recovery to Rs. 21-5, while Jessop & Cos. receded to Rs. 30-15 from Rs. 31-4. Kumardhubis were quiet at Rs. 8-15, as were Burn & Cos. at Rs. 328. Braithwaites at Rs. 26-7 were lower by one point.

A few features were recorded in the miscellaneous industrials section. Orient Papers, induced by rumours of a bonus issue, rose from Rs. 32-14 to Rs. 34-9. National Insulated Cables, popularly known as Niccos, were steady at Rs. 26-9, while India Steamships weakened to Rs. 9-8. Angelo Bros. gave way to Rs. 20-12 from Rs. 22-5, while Indian Coppers were slightly better at Rs. 3-10 after the recent drop. Rohtas Industries attracted attention at slightly fractionally higher level at Rs. 19-11.

In contrast to the general trend, a better note was displayed in the tea section. This was due to the possibility of Government granting a further increase in the export quota, on account of the excellent crop reports both from North and South Indian gardens.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *11th December*

The week under review witnessed a slightly better tone on the Madras Stock Exchange. The panicky selling which followed the announcement of the supplementary Budget proposals abated and the sharp fall in textiles and plantings attracted some professional support. There was, however, no broadening of activity on any noteworthy scale, and the undertone remained hesitant; as operators were not inclined to go long, nor were they disposed to depress prices further. The volume of business was moderate.

Textile shares, which bore the brunt of the pressure last week, in view of the fact that they were most affected by the latest tax proposals, came in for bear covering and professional support. Bangalore Woollens, which were hammered down from Rs. 560 to Rs. 540 early in the week, rallied quickly on revival of buying to Rs. 562-8 at the close. Buckinghams gained Re. 1 to Rs. 186. Balasubramanias (Rs. 40 paid-up) were marked up by Re. 1 to Rs. 75, and Rs. 70 paid-ups by Rs. 4-8 to Rs. 134-8. Cambodias rose by As. 14 to Rs. 15-6, Coimbatore Spinnings by Rs. 3 to Rs. 91 and Janardhanas by Rs. 7-4 to Rs. 104-4. Lakshmis (Rs. 50 paid up) gradually picked up Rs. 15 to Rs. 255 and Loyal Textiles were done Rs. 3-12 higher at Rs. 54-8, the rise representing the dividend of Rs. 3-12 per share declared for the year ended 30th June 1956. Maduras were bid Re. 1 better at Rs. 48. Metturs changed hands Rs. 5 higher at Rs. 435. Pankajas gained Re. 1-8 to Rs. 80, while Radhakrishnas provided a notable exception with a further drop of Rs. 7-8 to Rs. 345. Rajalakshmis hardened by Rs. 10 to Rs. 185 and Ranga Vilas by Rs. 5 to Rs. 88.

Moderate enquiries for select scrips were noted in the planting section. Buyers were, however, hesitant, awaiting the result of planters' appeal to the Supreme Court against the Tribunal's award. Consequently, several counters disclosed further small losses over the week. Balmadies were lower by As. 2 at Rs. 3-8 and Be Be Rubbers by As. 4 at Rs. 4-3, while Blue Mountains were a shade better at Rs. 5-4. Chembra Peaks gained As. 2 to Rs. 3-12, Cochin Malabars As. 3 to Rs. 9-7, Coffee Lands As. 4 to Rs. 26-8 and Consolidated Coffees As. 13 to Rs. 20-14. Coorg Teas were on offer and declined by As. 9 to Rs. 10-14. Devasholas shed As. 2 to Rs. 24, Haileyburias Re. 1-8 to Rs. 22-8 and Highland Produce As. 2 to Rs. 13-10. Kalasa Teas were taken As. 4 down at Rs. 5-15, and Kalpettas Re. 1 lower at Rs. 24. Karikodes were done at Rs. 14, as against Rs. 14-5 a week ago. Kil Kotagiris were steady at Rs. 6-3½. Malankaras Rubbers declined by As. 12 to Rs. 29, Mercaras by As. 3½ to Rs. 8-6½ and Midlands by As. 7 to Rs. 18-3. Mysore Coffees were marked down by As. 2 to Rs. 2-10. Neelamalais lost As. 4½ to Rs. 5-11½, following the pruning of the dividend for the year ended 30th June 1956 from 17½ per cent. to 7½ per cent. Nelliampathys gathered As. 5 to Rs. 3-1, while Nilgiri Teas receded by As. 12 to Rs. 9-2 and Nonsuch Teas by Re. 1 to Rs. 23. Peermade Teas were done at Rs. 27-8 *ex-div.* (interim div. Re. 1), as against Rs. 27 *cum-div.* Periakaramalais lost As. 6 to Rs. 7-8 and Pullangode Rubbers an anna to Rs. 2-13. Rajagiri Rubbers put on As. 6 to Rs. 23-6, while Stanes Amalgamated fell by Re. 1 to Rs. 23.

Business in the miscellaneous section was small and price movements were narrow. Aluminium Industries were placed As. 8 lower at Rs. 18-12. Ashok Leylands were done at Rs. 5-4 *ex-right*, as against Rs. 5-6 *cum-right* a week ago. F.A.C.Ts gathered As. 4 to Rs. 6-9, while India Cements fell by As. 4 to Rs. 28-4. Mettur Chemicals were fully steady, gaining As. 2 to Rs. 10. Standard Motors were well maintained at Rs. 11-6, while Textools declined by Rs. 4-8 to Rs. 270-8 and Travancore Cements by As. 4 to Rs. 10-8. In the sugar group, Deccans were a shade quiet at Rs. 12-2. E.I.Ds ruled steady, gaining As. 8 to Rs. 28-8. Travancore Sugars changed hands As. 3 higher at Rs. 14, while United Breweries were offered As. 7 lower at Rs. 205.

Notices

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the dividend on 6 per cent. and 7 per cent. Preference Shares of the Company for the half-year ending 31st December 1956. Payment will be made on or after the 10th January 1957, to those shareholders whose names appear on the Company's Registers on the 31st December 1956, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
S. N. MUKERJEE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *15th December*, 1956.

THE EQUITABLE COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE payment of Interest for the period from 1st July to 31st December 1956 on the 5½ per cent. Registered Debenture Stock 1963/68 of the Company will be made to those shareholders whose names appear on the Company's Register on the 31st December 1956 or in accordance with their instructions.

For THE EQUITABLE COAL CO., LTD.,
MACNEIL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *11th December*, 1956.

NEWS IN BRIEF

THE production programme for the Integral Coach Factory has been revised to 40 in the first year, 120 in the second year, 240 in the third year, and 350 in the fourth year and thereafter.

The recommendation of the Rural Credit Survey Committee that State partnership in the share of capital of co-operative banks at the apex and Central level should not fall below 51 per cent. has been accepted by the Central and State Governments.

Details are being worked out for setting up a newsprint factory in Nizamabad district by the Central Government in conjunction with the Government of Andhra. The project, costing about Rs. 6 crores, will be run by the National Industries Development Corporation.

A bill for acquiring lessees' rights over unworked coal-bearing lands is proposed to be introduced in the current session of Parliament. Negotiations are being carried on with some of the principal holders of mining leases in respect of the areas proposed to be acquired.

India is planning to purchase $100 million worth of cotton spinning machinery from Japan over the next five years. Negotiations with six Japanese firms are now in progress. One point of difficulty is understood to be the 10-year deferred payment terms requested by India which the Japanese firms are unwilling to accept.

Co-operative apex banks have been established in Himachal Pradesh and Delhi. These banks charge interest at the rate of six per cent. from individuals. The Government and the Reserve Bank are taking steps to reduce the discrepancy in the rates of interest of primary societies and apex banks as far as possible.

Out of the 2,600 wagons for which orders are placed by the Government of India with certain Polish firms, 2,100 were delivered in time while the balance had been delivered in November 1956, that is, delayed by one month only. The causes of the delay are still under investigation and appropriate action in terms of the contract will be taken after inquiry.

The Union Government proposes to set up two aluminium plants, each capable of producing 10,000 tons of aluminium annually. One of these plants will be near Mettur Dam in Madras and the other at Rihand in Uttar Pradesh. The Indian Aluminium Company is also setting up a Rs. 14-crore aluminium plant at Hirakud (Orissa) to produce initially 10,000 tons annually.

Grants aggregating about Rs. 4.05 crores have so far been given by India to Nepal and a provision of Rs. 1.45 crores for a further grant is made in the current year's budget. India has agreed to provide Nepal financial assistance to the extent of Rs. 10 crores for implementing its Five-year Plan with a total outlay of about Rs. 33 crores. In addition to financial aid, technical help is also given to Nepal by India.

Twenty-four participants from Asian countries are receiving training under the auspices of the International Labour Organisation. This training relates to co-operation for the development of employment opportunities by organising handicraft, cottage and small-scale industries. Of these 24 trainees, 10 being to India, 4 to Pakistan, 3 to China, 2 each to Burma and Indonesia, 1 each to Malaya, Thailand and Japan.

The Government of India has accepted the Tariff Commission's recommendation that the isonicotinic acid hydrazide (isoniasix) (INH) industry need not be protected by higher tariff. But the Government is of the view that the industry deserves to be assisted in reducing its cost of production. For this purpose, the Government has decided that the import duty on gamma picoline, which is an essential raw material for this industry, should be remitted in full in the case of imports from preferential sources and reduced to 10 per cent. *ad valorem* for imports from non-preferential sources.

The Neyveli Lignite Corporation Limited, a company owned by the Government of India, took over the management of the multi-purpose Neyveli Lignite Project in Madras State on the 6th inst. The Company will have a Board of nine Directors, of whom six have been appointed at present. These are: The Secretary, Ministry of Production (Chairman); Mr. V. Narayanan, Joint Secretary, Ministry of Finance; Dr. A. Nagaraja Rao, Chief Industrial Adviser, Ministry of Heavy Industries; Mr. T. M. S. Mani, till recently Chief Executive Officer of the Project (Managing Director); Mr. T. A. Varghese, Finance Secretary, Government of Madras; and Mr. T. K. Palaniapan, Director of Industries, Government of Madras.

The Government of India has, on the recommendation of the Forward Markets Commission, decided to permit forward trading in copper, zinc, lead and tin throughout the country for a period of three years in the first instance. The Government has also accepted the recommendation of the Commission to grant recognition to the Bombay Metal Exchange Limited, Bombay, for conducting futures trading in these metals, as soon as the Exchange carries out modifications in its articles of association and by-laws to the satisfaction of the Commission. The Government will review the position after one year from the date of the grant of recognition in the light of the working of the forward market and other developments.

An American firm—Messrs. Singmaster and Breyer of New York—has been given the contract for the installation and commissioning of the proposed D.D.T. plant at Alwaye in Kerala State. The factory is expected to cost about Rs. 80 lakhs and will have a capacity of 1,400 tons of D.D.T. per year. It is expected to go into production by the middle of 1958. The total value of the contract is $737,100, of which the rupee expenditure may be of the equivalent of $150,000. The firm has guaranteed to put up the complete plant and bring it to full production within a period of 18 to 23 months. There is a provision for bonus for every day that the firm shows full production before 18 months and penalty for each day that the production is delayed after 23 months. The factory will be managed by the Hindustan Insecticides (Private) Ltd. under the Ministry of Production. Work on the project has already begun.

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From Abroad

Japan's sterling reserves are now below £27 million. The Japanese Finance Ministry lowered on the 6th inst. the bank forward buying rate for sterling by one per cent., in order to discourage a flood of forward selling contracts from traders.

While no definite new releases of Government-owned ships from the U.S. reserve or "mothball" fleet have as yet been announced, it is reported that the Federal Maritime Board and the Maritime Administration are considering applications from about 50 steamship companies for more than 200 vessels.

A research centre, to be known as the Princeton Panel, has been established at the Princeton University in the U.S. to teach the principles of American economy. The centre will invite leading scholars and researchers to study how American capitalism serves social and moral, as well as economic values.

A banking consortium, to be known as *Consafrique*, has been registered in Luxemburg with the object of promoting the development of natural resources in Africa. The Hambros Bank of Luxemburg has taken 20 per cent. share in the organisation. The other participants are French, German and Belgian financial interests.

Freight rates in the Trans-Atlantic coal trade—the barometer of world tramp shipping freight rates—may fall back from their current peak levels within a short time. The withdrawal of the French from the Trans-Atlantic coal market has persuaded other charterers to hold back business in the hope of some reaction in rates. A number of vessels available for December shipment of U.S. coal are finding cargoes scarce and this may lead to a fall in rates.

The World Bank has made a loan of $50 million to Australia for financing imports of equipments for the development of agriculture, forestry, road and rail transport, industry and mining. The loan will be used to pay for equipment purchased from the dollar area by farmers, private business, and Commonwealth and State Government agencies. The loan is for a term of 15 years and bears interest of 4¾ per cent., including the one per cent. commission charged by the Bank.

The Agriculture Department of the U.S. has announced conclusion of an agreement with Pakistan, under which Pakistan will buy $25.6 million worth of surplus farm products. Pakistan will buy 220,000 metric tons of wheat worth $13.7 million and 50,000 metric tons of rice worth $69 million with $5 million set aside to cover the estimated costs of ocean transportation. With this agreement, Pakistan has now agreed to purchase surplus U.S. commodities valued at more than $120 million. Purchase authorisations for wheat and rice will be announced later.

PERSONAL

MR. Sri Prakasa, till recently Governor of Madras, was sworn-in as Governor of Bombay this week.

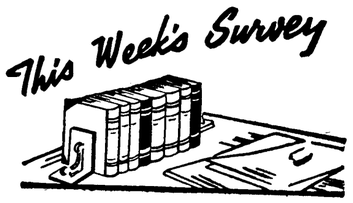
Mr. P. Govindan Nair, Joint Secretary, Ministry of Finance, has been appointed Minister (Economic) in the Embassy of India, Washington.

Mr. Carter Burgess, till recently U.S. Assistant Secretary of Defence, has been appointed T.W.A. President. This Presidency had remained unfilled since Mr. Ralph Damon's death early this year.

Mr. Jagjivan Ram, Union Minister for Communications, has taken over the Ministry of Railways and Transport, following acceptance by the President of the resignation of Mr. Lal Bahadur Shastri.

Prof. C. N. Vakil of Bombay University has been offered the post of Director of the U.N.E.S.C.O. Research Centre on the social implications of industrialisation in Southern Asia. The Centre was opened at Calcutta last week.





NATIONAL DEVELOPMENT COUNCIL

THE National Development Council provides a valuable forum in which the representatives of the Central and State Governments can take stock of the country's economic and social problems, in general, and the progress of the development programmes, in particular. The need for frequent consultations, as Mr. Nehru, in his address to the Council pointed out, is particularly urgent in a country, like India, which is governed by a federal constitution. The reorganisation of the States, as he recognised, has facilitated such consultations, in the sense that the Council is a more compact body than it was, thanks to the reduction in the number of federating units. Special importance attaches to the meeting of the Council this year, in view of the fact that it is being held in a year which witnesses the commencement of the second Five-year Plan.

Mr. Nehru, in his opening address, returned to his favourite theme—and the country's most urgent problem—of increased agricultural production. After citing the examples of Poland and Hungary, which, he said, had suffered through neglect of agriculture and exaggerated emphasis on heavy industries, he warned that India could not afford to ignore agriculture which was the pivot of the country's economy. He observed that production, especially agricultural production, should be increased. Referring to the second Plan, he said that, because of external and internal causes, the original outlay of Rs. 4,800 crores might have to be revised upwards by Rs. 400 or Rs. 500 crores. He conceded that, if the problem of raising the resources implied in the original target was difficult, it was going to be far more difficult to raise larger resources contemplated in the revised outlay. At the same time, he warned that there should be no overstrain on the economy and that inflation should be held in check. He said: "We cannot allow inflation to run away with us. That is quite certain. I want you to realise its consequences. It is a situation which has to be faced with vigour and without the least hesitation. We cannot be doubtful when things tend to run away."

Perhaps, it is as a result of Mr. Nehru's warning against inflation that the Council decided to agree that the amounts of deficit financing, which would be undertaken, would have to be lower than the level contemplated in the Plan. But it is not clear whether any precise anti-inflationary measures were discussed. The Council, however, agreed that the target for additional taxation for the Plan period should be increased. It would appear that, mainly on account of reorganisation and a measure of delay in financial sanctions, the actual outlay on development in the States in 1956-57 was likely to fall short of the outlay, originally envisaged, by about Rs. 400 crores. The Council agreed that the Central and State Governments should undertake measures of additional taxation so as to make possible a total outlay on the Plan during 1957-58 of the order of Rs. 900 crores. To those who know that, in many spheres, India's taxable capacity has practically been reached, it will appear somewhat strange that higher tax levels should continue to be advocated even before higher income levels have been established. Further, a high level of taxation may itself turn out to be an inflationary force through its restraining effect on savings and incentive for expansion in the private sector. Such an effect could be a grievous blow to the country's economy in the context of the continuing foreign exchange difficulties and the consequent need, recognised by the Council itself, for increasing exports and reducing imports.

The Council agreed that sales tax at a uniform rate should be levied on commodities such as automobiles and radio sets. It also agreed that sales taxes levied on mill-made textiles, tobacco including manufactured tobacco and sugar should be replaced by a surcharge on the Central excise duties on these articles, the income derived therefrom being distributed among States on the basis of consumption, subject to the present income derived by the States being assured. It was decided to refer the question of sharing and distribution of income to the Finance Commission. The Council agreed to defer to the next meeting the consideration of the proposal to include foodgrains, fertilisers, edible oils, etc., in the list of goods which will be declared under the Central Sales Tax Bill as goods of special importance in inter-State trade and, therefore, within the legislative competence of Parliament for laying down restrictions on the levy of sales tax on these commodities by the States.

Several Chief Ministers of States referred to the revised targets of agricultural production and the measures which were being adopted to ensure their fulfilment. The Union Minister for Food and Agriculture, Mr. A. P. Jain, explained the steps taken to arrest the upward trend in the prices of foodgrains, including the opening of 18,000 fair-price shops and the arrangements for adequate imports. Reviewing the crop position, the Food Minister said that, although the food supply position was well under control, it needed close watching and the fullest co-operation between the Central and State Governments. The Union Home Minister, Mr. G. B. Pant, reviewed the work done by the Committee on Plan Projects which was set up by the Council at its last session in connection with steps to achieve economy and efficiency in the implementation of the second Plan. The Committee, it is stated, has decided to organise investigating teams for national extension and community projects, building and construction, irrigation and power and social welfare projects.

A proposal for special investigation into the reorganisation of district administration was the subject of some discussion. The Council agreed that the investigation should be carried out under the auspices of the Committee on Plan Projects and the team constituted for the field study of National Extension and Community Projects should also study problems connected with the reorganisation of district administrations on the basis of the general conclusions outlined in the Plan. It may be mentioned here that the Plan recommended that village *panchayats* should be organically linked with popular organisations at a higher level and that, by stages to be determined in advance, democratic bodies should take over the entire general administration and development of district or sub-division, rather perhaps than such functions as law and order, administration of justice and certain functions pertaining to revenue administration. The Plan also recommended the immediate reorganisation of the machinery for associating the people with development work and the setting up of broad-based District Development Councils and Development Committees. Obviously, the whole scheme is intended to harness popular support for the Plan and to associate the people with the implementation of development programmes.

DEHRA DUN INSTITUTE

The Forest Research Institute at Dehra Dun, the golden jubilee of which was celebrated last week, may well lay claim to distinguished national service in the cause of India's forest wealth. Although Indians have always recognised the importance of forests—in the epics, the destruction of forests and trees is regarded as the most heinous of sins—it is to the early British administrators that the country owes its beginings of a scientific forest policy. Lord Dalhousie, in his Memorandum dated 3rd August 1855, stressed the exploitation of forests without destroying or damaging them. About 23 years later, the Imperial Forest School was set up, at Dehra Dun, for training forest rangers. A research wing was added to it in 1906. Having thus started its career about 50 years ago, with no more than 18 technical personnel, the Institute has now grown to be the best of its kind in Asia, with a complement of 370 technical personnel.

Besides carrying on research, the Institute runs three colleges—the Indian Forest College for officers, the Northern Forest Rangers' College, both at Dehra Dun, and the Southern Forest Rangers' College at Coimbatore. A notable feature of the Institute, which could well entitle it to a claim on assistance from the U.N.'s specialised institutions, is that it offers technical training facilities to candidates from many Asian and South-East Asian countries. Realising the importance of this Institute to India's forest economy, the Planning Commission has allotted Rs. 85 lakhs under the second Plan for the Institute's research activities, as against Rs. 8 lakhs in the first Plan. The future programme of work of the Institute, according to its President, Mr. K. L. Aggarwal, has been so framed as to be integrated with the second Five-year Plan with a view to rendering increasing assistance to wood-based industries. A beginning has been made in the direction of opening regional research stations by the decision to set up two such stations—one at Bangalore and the other at Coimbatore.

All agricultural research is a slow-yielding business, in the sense that there is considerable time-lag between the commencement of research and the reaping of its fruits. This is particularly true of research in forestry, for forests cannot be made to order nor significant results obtained from snap experiments. In his inaugural speech at the Golden Jubilee celebrations of the Institute, the Union President, Dr. Rajendra Prasad, did well, therefore, to stress the importance of a "far-sighted" policy in forest research. The Institute has kept this policy steadily in view. Already, it has established a creditable record of work. The results of its research have been found useful in several new industries such as paper, match, plywood, tea chests, textile accessories and bamboo boards.

Besides major research in such spheres as timber and timber engineering, research in minor forest produce is receiving considerable attention. Research in this sphere, it is stated, has facilitated the manufacture of sandalwood oil, rosin and turpentine, santonin and eucalyptus oil. Among drugs, methods of cultivating Rauwolfa (*sarpagandha*), which has recently attracted world-wide attention as a remedy for high blood pressure, are being developed. Minor forest produce range from *katha*, used for chewing with *pan*, to canes for furniture, medicinal plants, bamboos for cheap house construction, matting and baskets, barks and fruits of forest trees for tanning, tender leaves for making *bidis*, essential oils for perfumery and shellac for gramophone records. The importance of minor produce to national economy will be evident from the fact that it not only forms the raw material for many industries, large-scale and small-scale alike, but its exports earn foreign exchange to the tune of over Rs. 45 crores a year. In the context of the growing awareness of the utility of forests to industrial expansion and soil conservation and of the need for stepping up the country's foreign exchange earnings, there is wide scope for useful work by the Institute in the educational as well as the research spheres of its activities.

METRIC WEIGHTS AND MEASURES

Less than 16 months from now—on 1st April 1958, to be precise—the metric system of weights and measures will be introduced in India. A decision to this effect was taken by the Standing Metric Committee at its meeting held on Sunday last, soon after the Lok Sabha passed the Standards of Weights and Measures Bill 1956 as reported by a joint select committee. The Bill provides for a phased programme for fully establishing standards of weights and measures based on the metric system within a period of 10 years. It lays down metre, kilogram, second and ampere as the primary units of length, mass, time and electric current, respectively. It also fixes the rates of conversion between the existing units and the metric units. Accordingly, one inch is equal to 2.54 centimetres and one maund is equal to 37.32 kilograms.

With the enforcement of a uniform system of weights and measures throughout the country, a long-felt need will be met. The chaotic diversity of weights and measures has already done, and is still continuing to do, considerable harm by hampering trade. Surely, the adoption of the metric system as envisaged in the Bill, together with the decimalisation of coinage, will greatly facilitate commercial transactions not merely within the country but with the rest of the world as well. It may be noted here that the system is in vogue in as many as 70 countries, besides being recognised in all the countries of the world, excepting Communist China. It is gratifying to note that the Bill proposes international terms for various units of mass and measures which can be used quite easily. What is more, in view of their simplicity, the terms can be pronounced in any language. This is of some importance, considering that it is, as Mr. Nityanand Kanungo, Minister for Consumer Industries, said, impossible to find any set of terms in any language which will be acceptable to the majority of people in the country.

Nevertheless, it is imperative that the Government should take earnest measures for popularising the system among the illiterate masses, particularly in the villages. The suggestion for appointing a Propaganda Committee for the purpose, put forward by Mr. Jogeswar Singh, a Congress member from Manipur, is certainly quite pertinent. Reassuring is the statement of Mr. Kanungo that the Government is aware of the magnitude of the publicity problem for the legislation; the passing of the Bill by Parliament will give the green signal to the Government to make arrangements for publicity.

The maximum period provided in the Bill for the complete adoption of the metric system is, as already stated, 10 years. This period, we are afraid, is a bit too long and may, as several members of the Lok Sabha rightly pointed out, lead to some lethargy and retard the pace of introduction of the system. Mr. Kanungo did well to realise the force of this contention and assured the House that the Government would make earnest efforts to reduce the period for the implementation of the Bill. Much, of course, will depend on the progress made in the direction of meeting the vast requirements of weights and measures in the metric system, estimated at roughly 6 million pieces. The Mint and Ordnance factories, it is stated, will have to be utilised for manufacturing the units. Much will also depend on the extent to which the States will surmount difficulties such as lack of trained personnel—inspectors, supervisors, highly trained technicians and a large body of administrators—not to speak of the problem of finance.

It is to consider all these matters that the Standing Metric Committee has asked the Government of India to convene a conference of the States' representatives. Unless the aforesaid difficulties are satisfactorily solved, the programme cannot be implemented quickly and thoroughly. The Government's move to introduce teaching of the new metric system in schools from the primary stage—the Union Education Ministry is already preparing a handbook to serve as a guide to teachers and textbook writers in this connection—is a step in the right direction. The earlier it is carried out the better.

SCIENTIFIC RESEARCH

Modern economic development calls for a wide diffusion of the scientific temper of mind. A high spirit of endeavour in all fields of scientific activity is the need of the hour in the interests of rapid progress of the country. The new industrial policy envisages the rapid development of all the major industries and the setting up of many new industries. Industrial development implies the existence of trained personnel as well as of men who are capable of designing and supervising complicated industrial plant and machinery. Indeed, every major industrial concern should have attached to it a strong design and development section. Every group of allied industries should be served by an institute for the design and fabrication of plants which are required for manufacturing the products in which that group specialises. This aspect of the problem of India's industrialisation was rightly stressed by Dr. J. C. Ghosh, member of the Planning Commission, in his presidential address at the first meeting of the panel of scientists, set up by the Planning Commission, which met in New Delhi this week.

In any planned economy, team work of men representing several scientific disciplines often helps to tackle problems which otherwise appear insurmountable. Stressing the need for keymen to extend and also apply modern knowledge to practical ends, Dr. Ghosh revealed that, in the second Five-year Plan, the funds which might become available for research activities of all kinds may be of the order of Rs. 50 crores. To be scientifically strong, a sound industrial base, providing the special skill and experience for the development of new instruments and methods, is of the utmost importance. Reliance on instruments purchased abroad creates an attitude of being less resourceful than would have been the case if the investigator were himself concerned with their design and construction. Hence, every national laboratory and university laboratory, Dr. Ghosh urged, should be provided with special facilities for instrument design and construction. In this connection, Dr. Ghosh commended the successful efforts of the Meteorological Department in designing and manufacturing their own instruments to other institutions.

It is often possible, Dr. Ghosh said, to operate successfully an industry which is based on the results of research elsewhere, without repeating the pioneer research that gave it birth. As an example of this type of industrial development, he cited the rayon industry in India. Again, the import of technical know-how from other countries, as in the case of the penicillin factory near Poona and the Canadian atomic reactor near Bombay, he said, was quite desirable. But continuous improvements through painstaking research form the keynote of industrial success in this competitive world. Dr. Ghosh was, therefore, right when he said that "research is the elixir of life which even renews, for an industry, its youth and vigour."

Dr. Ghosh deplored that the progress in engineering research had not kept pace with progress in scientific research and stressed that the former, therefore, needed special encouragement. The establishment of dependable firms of consulting engineers, as he pointed out, deserves increasing attention, so that the country could rely on its own knowledge in preference to borrowed knowledge. In this connection, he commended the work of the Design and Development Branch of the Railway Board which did not depend upon foreign consultants. There is no gainsaying the fact that heavy industries, particularly machine-making industries, can become firmly established in the country, only if sufficient engineering talent devotes itself to design and developmental research.

WORLD BANK LOANS TO INDIA

When Mr. Eugene R. Black, President of the World Bank, made certain observations on the Government of India's economic policy in his letter to the Finance Minister, Mr. T. T. Krishnamachari, two months ago, there was a spate of criticism in this country. Many, including the more responsible, charged Mr. Black of being uncharitable and unsympathetic towards India. Some even questioned the very motive behind his observations. The latest letter—dated 15th November 1956—which Mr. Black has written to Mr. Krishnamachari, however, amply shows how wrong and unjustified were those criticisms and that Mr. Black is sincerely interested in the speedy economic development of India.

Mr. Black's letter of 15th November contains the list of four projects which the World Bank has selected for early consideration and an outline of the programme proposed for financing them. The first project relates to the second expansion programme of the Indian Iron and Steel Company. The Bank has invited the representatives of the Company to visit Washington for negotiating a loan of $20 million. The second is the railway investment programme for which the Bank will send a survey mission to India early next month to examine the operations of the railways; the visit is being made under arrangements with the Bank's consultants on railways, namely, Messrs. Coverdale and Colpitts. Thirdly, the Bank contemplates to make a survey of the development plans in all fields of surface transportation and a mission will be in India in the spring of 1957. The fourth project pertains to the Koyna and Rihand hydro-electric projects, the two new projects of the Damodar Valley Corporation, and the expansion of the Trombay steam plant. The proposed outline of the programme of financing these projects is as follows:

Two World Bank engineers are now in Bombay making a field study of the Koyna Hydro-electric project. When their report is completed, the Bank will inform the Indian Government about its views on the project. The Bank has also made arrangements for two of its engineers to go to New Delhi for discussions with the representatives of the Government and of the D.V.C. on the implementation of the recommendations contained in the Bank's report on the D.V.C. dated 22nd August 1956. The Bank has received from Mr. B. K. Nehru a preliminary report on the Rihand hydro-electric project, in which he has requested the Bank to study the two new projects of the Damodar Valley Corpora-

(*Continued on page* 1179)

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PROGRAMME EVALUATION BOARD TO BE FORMED

STRESS ON DEFICIT FINANCING LESSENED

By A Special Correspondent

NEW DELHI, 11*th December*

IT is welcome news that the Government of India has decided to set up a Programme Evaluation Board for directing the work of the Programme Evaluation Organisation. It is gathered that Dr. V. K. R. V. Rao, one of India's leading economists, has been appointed Chairman of the Board. Dr. Rao is a person noted for his clear thinking. His appointment is an indication of the Government's earnestness to increase the tempo not only of industrial activity but also of every important developmental aspect of the second Five-year Plan. Dr. Rao, apart from being a leading economist, has also acquired varied experience during his carrier. Even as early as in 1943, he was appointed Adviser to the Central Food Ministry. He has considerable inside knowledge of the working of not only the governmental machinery but also the agricultural situation in the country. As a member of the Taxation Enquiry Committee, he has gained further knowledge of India's finances and taxation problems. In these circumstances, it is expected that he will be able to make his impress felt on the working of the Planning Commission, which is now beginning to become rather unwieldy.

DELHI LETTER

It is felt in official circles that, with the progress of land reform, co-operation, village and small industries and with the rapid pace of urban and industrial development, it is of utmost importance that social and economic changes should be analysed objectively and the effects of economic development on different sections of the community should be studied at first hand. The main task of this newly formed Board is to achieve this object and to advise the Planning Commission on what lines developments should be attempted.

The appointment of the Board and its personnel is largely the result of the latest trend of discussions and decisions at the National Development Council which met in Delhi this week-end. The Council is now a compact body as a result of the reduction in the number of States. The discussions were more pertinent to the subject and every Chief Minister appeared to be anxious to implement the plans and programmes not only in his State but in other States as well. In other words, the outlook and approach were more on an all-India basis than on a regional basis, which was one of the usual features of previous meetings of the Council.

During the discussions, the Prime Minister, who inaugurated them, dominated the scene as usual. The detailed governmental responsibility has made the Prime Minister more realistic in his approach to the economic problems. He has no particular 'isms'; and his anxiety to speed up the work of developing India was evident in every word that he uttered. But, at the same time, he was cautious and even conservative, on the financial aspects of the Plan. He told the Council that, because of certain causes, both external and internal, the financial outlay of the second Plan had to be revised considerably in the upward direction, involving an additional financial commitment of nearly Rs. 500 crores more, thus stepping up the net outlay on the Plan from Rs. 4,800 crores to Rs. 5,300 crores. At the same time, the Prime Minister realised that there was a certain limit beyond which national strain could not be increased. On the whole, the Prime Minister appeared to toe the line of conservatives, when he suggested that some of the schemes other than "major activities" might inevitably have to be crowded out by circumstances or design, "in order to avoid too great a strain on the national economy." As regards filling up the two big gaps, namely, the bigger resources gap and the larger foreign exchange gap, he suggested that the solution to those problems could be found not by any jugglery of figures but only by careful consideration of each and every item, big or small, "whether it is absolutely necessary or not, whether it involves the slightest degree of waste, whether we can postpone it or not, keeping in view always that the main features of the Plan must go through." While admitting that these were highly complicated issues, the Prime Minister hoped that a probable solution could be found only by increasing agricultural production. "We shall have to work with our sweat and blood to increase our agricultural production and if we do not, we just do not get on with the Plan."

Dealing with factors adversely affecting the Plan, the Prime Minister drew pointed attention to the closure of the Suez Canal and its possible repercussions on world prices. There was the danger of inflation and this had to be fought only by increased farm production. He agreed with the Finance Minister that deficit financing should be restricted to the minimum level, if they wanted to avoid inflation. In other words, he suggested that, provided there was no shortage of farm commodities to meet all the internal demands, deficit financing could be attempted to some extent. On the whole, it appears that, after the two-day deliberations of the National Development Council, two major decisions have been taken. One is to raise the target for additional taxation and the other to lower the level of deficit financing contemplated earlier. It is gathered from official sources that the increase proposed by additional taxation during the next year would be of the order of Rs. 100 crores. Of this the Centre would raise Rs. 50 crores, leaving the balance to be raised by the States.

As regards deficit financing, the limit for which was previously fixed at Rs. 1,200 crores, the Council came to the conclusion that such large-scale deficit financing would be injurious to the economy. In its view, the safe limit for deficit financing would be Rs. 250 crores per year for the first three years of the Plan. This amount could, perhaps, be enhanced in the succeeding years. This, in effect, means a reversal of the earlier stand that, in the earlier years, deficit financing could be attempted on as large a scale as Rs. 400 crores per annum and that it could taper off later as the Plan progresses.

Although the overall size of the second Plan is generally raised to about Rs. 5,300 crores now, nobody was inclined to believe that, in the Plan period, more than Rs. 4,800 crores could be spent. On the other hand, there is an admission that there is likely to be a shortfall in the Plan outlay in the current year. As a matter of fact, while reviewing the progress of the development plan for 1956-57, the Council found that, mainly on account of the reorganisation of States and due to a measure of delay in financial sanctions, the actual outlay was likely to fall short by about Rs. 400 crores in the States.

The Government is anxious to take the people into complete confidence and keep them fully posted with up-to-date developments in regard to the progress of the Plan. For this purpose, it is now suggested that the Planning Commission should bring out quarterly reviews and monthly progress reports of major projects, instead of the annual reports as hithertofore. Further, by doing so, the Government hopes to maintain a certain amount of flexibility with regard to the execution of the Plan. In the case of those development projects which are likely to show results rather quickly and show a greater absorbability of Government funds, then it is certain that such plans will be given greater priority in execution. This policy is implied, though the National Development Council itself did not devise a system of priorities for regulating the working of the Plan.

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MADRAS PLANTATION TRIBUNAL'S AWARD

MAIN FEATURES OUTLINED

THE award of the Special Industrial Tribunal for Plantations, Coimbatore, in the dispute between the workers and managements of 228 plantation estates in the State of Madras has roused considerable public interest not only in that State but throughout India. The award, which covers 98 closely printed pages of the State *Gazette* in six point types, is dated 15th September 1956 and was published in the *Gazette* on 24th October 1956. Against this award the managements of the estates filed a petition in the Supreme Court of India for special leave to appeal under Article 136 of the Constitution. The Court granted the leave on 19th November 1956 and also ordered stay of the implementation of the award pending disposal of the appeal.

Since the award was published and the stay granted, we have had a number of enquiries from readers interested in the plantation industry—including shareholders in planting companies in Madras and elsewhere—for precise information regarding the nature of the award and the effect it would have had on the industry if it were implemented. As the matter is *sub judice*, it would not be proper for us to comment on the various features of the award, but we would like to give readers a factual summary of the award and a brief note of the reasons given by the Tribunal in support thereof. For reasons of space, it is not possible for us to give as many details as we would have liked, though we shall try not to omit important aspects of the award.

Reference of Dispute to Tribunal

It was as early as 24th March 1952 that the Government of Madras referred this dispute to the Industrial Tribunal for adjudication. Since then and up to the time of the award, there had been three changes in the Tribunal. On 25th March 1952, that is, the day after the reference of the dispute to the Tribunal, the State *Gazette* carried an order of the Madras Government fixing the daily wages of the labour employed on plantations as follows: Grade I, Re. 1-5-0; Grade II, Re. 1-0-0; and child, Re. 0-10-6. Meanwhile, in January 1954, the Government had directed the then Industrial Tribunal to make an award on the issue of "payment of an interim wage increase," and this award was given on the 16th May 1954 in the following terms:

Grade I—increase from Re. 1-5-0 to Rs. 1-9-0; Grade II—increase from Re. 1-0-0 to Re. 1-1-0; and child—increase from Re. 0-10-6 to Re. 0-11-0.

The Special Industrial Tribunal who was appointed on the 18th January 1955 and who has given the award now had the following main issues to deal with:

Issues in respect of the staff: (1) Fixation of scales of pay for all grades; (2) revision of dearness allowance and merging of a part of it with basic salary; (3) provident fund; (4) payment of travelling allowance to staff.

Issues in respect of workers: (1) Fixation of wages for field workers, *kole maistries*, factory workers and pluckers; (2) way expenses; (3) supply of two *cumblies* every year to every worker; (4) supply of jute cloth to the pluckers; (5) confirmation of artisan workers such as carpenters, smiths, etc., and classifying them as workers in the factory check-roll; (6) holidays with wages and leave facilities; (7) work for six days in a week or fixation of minimum wages for the week; (8) supply of one-quarter lb. of manufactured tea per week to the workers; (9) terms of employment of the *maistries*.

Issues in respect of both workers and staff: (1) Gratuity; (2) payment of an interim wage increase.

The question whether retrospective effect should be given to the new rates of wages and new scales of pay, if any, and if so, from which date retrospective effect should be given in respect of the same, was framed later as an additional issue.

The vast majority of the managements under reference were members of the South India Estate Labour Relations Organisation (and later the United Planters' Association of Southern India) who represented them, and the vast majority of the workers and staff were members of various unions which were also represented.

Wage Increases to Labour

The Tribunal elaborately details the contentions of the staff and workers in respect of the various issues, the contentions of the managements and the rejoinders of the former, and records the various evidence tendered in this connection. The issue regarding basic wage to workers is the first one taken up by the Tribunal. In this, the Tribunal deals with the profit position of the 42 companies representing the major part of the 228 estates under reference. After giving anxious consideration to the requirements of the worker and the paramount interests of the industry, the Tribunal fixes "a rate which is reasonable, namely, 12 annas above the rate of Re. 1 which the lowest-paid worker in the plantation is now receiving." The lowest paid worker (second grade) is already getting Re. 1-1-0 under the interim award. Therefore, the fixation of Re. 1-12-0 for this grade of worker represents an increase of 11 annas over the present wage. The first grade worker is awarded an increase of wage from Re. 1-7-0 to Rs. 2-4-0, or 13 annas. In making this award, the Tribunal refers to the monthly minimum wage of a worker in the sugar mills in the Bombay State, namely, Rs. 52, whether male or female. If the male worker in the sugar mills and his wife are both earning, they get a minimum monthly wage of Rs. 104. The monthly earnings of the plantation worker and his wife also comes to Rs. 104 on this calculation; the Tribunal considers that this is a "fair wage."

Estate Staff Salary Scales

The award next deals with some of the issues relating to estate staff. It says that it is common knowledge that the members of the staff are of middle-class families and the standard of living of this class is higher than the working class. It goes on to deal with the results of the various family income and expenditure surveys and the evidence of various witnesses examined in this connection. In 1948, the employers and the staff union had agreed on a set of scales of pay for estate staff. Staff were classified under junior, senior and selection grades. The scale of pay of the lowest grade junior staff is shown as Rs. 30-35-3-50 and the scale for the highest selection grade staff is shown as Rs. 250-20-350. Counsel for the employers is stated to have argued that the term "wage" in the Industrial Dispute Act should include all remuneration capable of being expressed in terms of money, and this would include (*a*) all allowances, (*b*) value of house accommodation, (*c*) value of supply of water, (*d*) value of medical attendance, (*e*) value of any other amenity, (*f*) concessional supply of articles, and (*g*) travelling concessions. He further argued that on the basis of this definition, the total emoluments of the juniormost permanent estate staff comes to Rs. 100-15-0 made up of basic pay Rs. 35, D.A. Rs. 30-15-0 and servant allowance Rs. 35. Counsel for the staff is stated to have argued that the amenities provided to staff are no concessions at all from the point of view of conditions obtaining in plantations and that for the purpose of total emoluments only the basic pay and D.A. should be taken into consideration and nothing else. The award states that, for various reasons mentioned and in the peculiar circumstances obtaining in plantation estates, the value of amenities provided to workers and staff should not be added to the basic wage or pay or the D.A. to find out the total emoluments. After considering the evidence and hearing the arguments, the Tribunal holds that the servant allowance, being a peculiar compensatory allowance in the plantations, should not be taken into consideration for assessing the total emoluments of a staff member.

The Tribunal, after dealing exhaustively with various awards and after recording the evidence before it, comes to the conclusion that the starting pay of the staff should be such as to provide for 2.25 consumption units at the rate of Rs. 31-1-3 for one consumption unit. This amounts to Rs. 69-14-10. This would be the minimum, without providing for any allowance such as hill allowance or education allowance or the cost of warm clothing and without taking 160 the cost of living index as the base. The Tribunal adds Rs. 5-1-2 to this figure as a minimum necessary allowance for meeting various expenditure, excluding hill allowance or education allowance. Then a further sum of Rs. 10 is added, making the total Rs. 85, for meeting, to some extent, at least, the requirements of (1) education of children, (2) essential expenses such as special clothing, etc. Thus, the Tribunal fixes Rs. 85 as the starting fair wage of the lowest grade junior staff.

From this point, the Tribunal fixes three new scales of pay, namely, Rs. 85 rising to Rs. 235 in the case of the junior grade staff, Rs. 110 rising to Rs. 310 in the case of the senior grade staff, and Rs. 260 rising to Rs. 475 for selection grades. The manner in which staff should be fitted into the new scales, having regard to the length of their service, is also laid down by the Tribunal.

Dearness Allowance

The Tribunal has also revised the scale of dearness allowance to staff. The rates awarded are on the following slab basis:

For the first Rs. 100 of pay, D.A. Rs. 70, thereafter in the slab between Rs. 100 and Rs. 150, 65 per cent. of basic pay, thereafter in the slab between Rs. 150 and Rs. 200, 60 per cent. of basic pay, and thereafter in the slab over Rs. 200, 30 per cent. of basic pay.

In awarding the increased rates, the Tribunal observes that the D.A. now paid by the employers has been pegged at 260 points in the cost of living index, with the result that there is no scope for increase.

Retrospective Effect

The next issue taken up by the Tribunal is whether the scales of pay and allowances should be given retrospective effect and, if so, from what date. Reference is made to the case between Cooper Connel and Clifford, Ltd., Bombay, and their workmen (1950—II, L.L.J. 248) in which the Bombay High Court held that, though an award comes into operation after a declaration by the Provincial Government to that effect, the benefits conferred by the award may well relate to any period prior to the award. Other instances of case law also are quoted. Taking all the facts and principles into consideration, the Tribunal opines that it is just and equitable to grant retrospective effect to the new scales of pay and D.A. and also to the new rates of wages awarded to the workers from a date prior to passing this award. These are therefore awarded with retrospective effect from the date of reference to the dispute to the Tribunal, namely, the 24th March 1952. The payments of difference between the old and new scales of pay and the old and new scales of D.A., respectively, to the staff shall be paid within a week from the date when the award comes into operation; and, in the case of workers, within two weeks after the date when the award comes into operation.

Retirement Age

The Tribunal has fixed retirement age of staff at 55 years, subject to the right of the management to continue the services of any of the members of the staff beyond that limit. (At present, the normal retirement age is 55, but, in special circumstances, staff may be continued in service up to 58). The retirement age of workers is fixed at 60.

Provident Fund

The Tribunal records that from figures available it is seen that only a very small number of estate staff is not covered by any provident fund scheme. Contributions to the existing funds range between 6¼ per cent. and 15 per cent. The Tribunal has awarded that, where there is no provident fund scheme in force, the managements shall introduce a scheme to take effect from 1st April 1952. Both the employers' and the employees' contributions should take effect from the 1st April 1952 whatever be the date when the provident fund scheme will be introduced after the passing of the award, but such estates shall introduce the scheme within one month from the date of publication of the award. In respect of those estates where a provident fund scheme has been introduced before this award but after the 1st April 1952 the employees and managements shall contribute such sums which they would have contributed if the same scheme had commenced in their estates from the 1st April 1952. An employee shall be at liberty to contribute up to a maximum of 10 per cent. of his basic pay per month and the employer shall make an equal contribution.

Pre-Provident Fund Service Compensation

Dealing with the case of employees who have put in long years of service prior to the introduction of the provident fund scheme in the estates under reference, the Tribunal has directed managements to pay compensation on the following basis: (1) For every completed year of service by the employee, prior to 1st April 1952, compensation shall be paid at the rate of half of the monthly basic pay. That basic pay shall be the one which he would have normally drawn on the 31st March 1952. (2) So far as the period after 1st April 1952 is concerned, both the employer and the employee shall contribute such

(Continued on page 1179)

BANKING COMPANIES (AMENDMENT) BILL

STRICTER CONTROL OVER MANAGEMENT OF BANKS ENVISAGED

WITHIN a space of a week, the Union Finance Minister introduced two quick measures to control, on a wider scale, the two important sections of the private sector. Under the first one, introduced on 30th November, the Government sought powers to levy penal taxes on dividends of joint-stock companies and capital gains, as also to control effectively the resources of companies. The second measure, introduced in the Lok Sabha on the 7th inst., seeks to tighten up the control on the management of banking companies further, through an amendment of the Banking Companies Act, 1949. It is to be wondered whether, after these measures become law, the management of companies and banks will have any freedom worth the name even to run their day-to-day administration.

The Banking Companies (Amendment) Bill seeks to vest more powers in the Reserve Bank, with a view to preventing certain undesirable tendencies in the administration of banks. It may be noted that the Reserve Bank of India already enjoys very wide powers to control the management of banks under the Banking Companies Act, 1949. Apparently, the Government thinks that this Act is inadequate to enforce its philosophy of socialist pattern of society. Thus, the statement of objects and reasons of the Bill says that experience has shown that the existing provisions in the Banking Companies Act, 1949, are not adequate to prevent certain undesirable tendencies in the administration of banking companies, which might "affect the soundness of the companies or not be in the public interest or in the interests of the depositors."

Objects

The Bill under reference seeks to amend the Act so as to strengthen the control over banking companies in the following directions:

(1) to check the payment of excessive remuneration to bank employees on a consideration of all relevant factors;

(2) to make the existing restrictions on exercise of voting rights in the hands of individual shareholders applicable to banks, which are now exempt from such restrictions, namely, those established before 15th January 1937, and to empower the Reserve Bank to direct the election of fresh directors on the basis of the restricted voting rights;

(3) to prohibit appointment as director of one who is a director of other companies which together can exercise voting rights in excess of 20 per cent. of voting rights in a banking company;

(4) to enable the Reserve Bank to obtain statements and information over a wider range than hitherto for the performance of the functions under the Banking Companies Act;

(5) to enable the Reserve Bank to give directions to banking companies in relation to matters of policy or administration affecting the public interest and to make failure to observe such directions liable to specified penalties;

(6) to render appointments of managing directors, managers or the chief executive officers by whatever name called of banking companies and the terms of their appointments subject to the prior approval of the Reserve Bank;

(7) to enable the Reserve Bank to depute an observer or observers for the purpose of observing and reporting on the conduct of affairs of a banking company; and

(8) to include the chairman, director, auditor, liquidator and other employees of banking companies, within the definition of "public servants" for the purpose of Chapter IX of the Indian Penal Code and the Prevention of Corruption Act, 1947, so that action can be taken in cases where illegal gratifications are taken by them.

Under section 10(1)(*b*) of the existing Act, a banking company is prohibited from employing a person whose remuneration or part of whose remuneration takes the form of commission or of a share in the profits of the company. The proposed amending Bill adds a proviso that such remuneration does not cover the bonus paid by a bank in pursuance of a settlement or award arrived at or made under any law relating to industrial disputes or in accordance with any scheme framed by the bank concerned or in accordance with the usual practice in banking business.

Again, at present, the Act prohibits payment of remuneration to an employee, which is, according to the normal standards prevailing in banking business, on a scale disproportionate to the resources of the bank concerned. This provision is somewhat vague, in that it gives a certain amount of discretion to banks in the matter of fixing the remuneration of their employees. It has been deliberately kept vague, so that bank managements may have freedom to attract suitable talents by offering a good salary. The present Bill seeks to modify this provision in such a way as to leave this discretion to the sole judgment of the Reserve Bank; it will be for the Reserve Bank to say whether a particular remuneration to a particular person is excessive or not. It is, however, provided in the Bill that the Reserve Bank will, in forming its opinion about the remuneration of an employee, take into consideration all relevant factors, namely, (1) the financial condition and history of the banking company, its size and area of operation, its resources, the volume of its business and the trend of its earning capacity; (2) the number of its branches or offices; (3) the qualifications, age and experience of the person concerned; (4) the remuneration paid to other persons employed by the banking company or to any person occupying a similar position in any other banking company similarly situated; and (5) the interest of its depositors. This modification is unwarranted, as under the existing Act itself the Reserve Bank has got ample powers to decide any question relating to remuneration whether it is excessive or not within the meaning of the relevant provision and its decision is final.

Voting Rights

Section 12 of the Act lays down certain regulations regarding the paid-up, subscribed and authorised capital of banking companies and the voting rights of shareholders. These regulations, in respect of both capital and voting rights, are not applicable to a bank incorporated before 15th January 1937. This section is now sought to be so amended as to extend the restrictions on voting rights of individual shareholders even to those banks that were incorporated before 15th January 1937. Accordingly, a new sub-section has been amended to section 12, under which the chairman, managing director or chief executive officer of a banking company will have to furnish to the Reserve Bank through the banking company statements containing full particulars of the extent and value of his holding of shares, whether directly or indirectly, in the banking company. He should also furnish particulars of any change in the extent of such holding or any variation in the rights attaching thereto and such other information relating to those shares which the Reserve Bank requires.

A new section (section 12A) has been introduced in the Bill which empowers the Reserve Bank to direct a banking company to call a general meeting of its shareholders for the election of fresh directors on the basis of the restricted voting rights. Every new director so elected will hold office till the date up to which his predecessor would have held office if the election had not been held. Any election held in accordance with the provisions of this section cannot be questioned in a court of law.

Both the provisions constitute a retrograde step, as they deprive the shareholders of their legitimate rights and virtually hand over to the Government-owned Reserve Bank the benefits of ownership of a commercial bank without paying any consideration for it.

No Common Directors

Section 16 of the Act prohibits a banking company from having a director who is a director of any other banking company. The new section 16 substituted in the present Bill provides, in addition to the above, that no banking company can appoint as director one who is a director of other companies which among themselves are entitled to exercise voting rights in excess of 20 per cent. of the total voting rights of all the shareholders of the banking company. Any director who comes within the purview of this provision is required, within a specified period after the commencement of the Amendment Act, either to resign his office as director of the banking company or to choose such number of companies, which together do not have voting rights in excess of 20 per cent. of the total voting rights of the banking company in which he wishes to continue as a director and resign his directorship in other companies.

This provision is a sequel to the earlier amendments which restrict the voting rights of individual shareholders. It seeks to prevent this objective being defeated by a person or a group of persons getting control over a bank through a number of business concerns under their control.

Sub-section (2) of section 27 of the Act gives powers to the Reserve Bank to call for any statement or information relating to the business of a banking company and also call for information every half-year regarding the classification of advances and investments in respect of industry, commerce and agriculture. This sub-section is sought to be amended so as to give power to the Reserve Bank to obtain statements and information over a wider range than hitherto. Thus, in addition to the statements and information relating to the affairs of the banking company, the Reserve Bank can also ask for statements and information on any business or affairs with which a banking company is concerned, which the Reserve Bank considers necessary or expedient for the purposes of this Act. This is too drastic a provision which undermines one of the basic objectives of commercial banking, namely, a banker shall not give away the secrets of his clients to anyone. The next proposal also is subject to this criticism.

Directions to Banks

Section 35 of the Act confers wide powers on the Reserve Bank regarding inspection of banks. It is now proposed to confer further powers on the Reserve Bank through a new section, namely 35A, to give such directions to banking companies as it thinks fit for the proper administration of banks, if it is satisfied that it is in the national interest to do so or that the affairs of the banks concerned are being conducted in a manner detrimental to the interests of the depositors or prejudicial to the interests of the banks. The banks are bound to comply with the directions of the Reserve Bank given under this section.

Another new provision (section 35B) sought to be introduced in the Bill requires that all appointments or reappointments of managing directors, directors not liable to retire by rotation, managers or chief executive officers should be approved by the Reserve Bank and such appointments will not have effect, unless they are made with the previous approval of the Bank. This amendment brings banking companies in line with other joint-stock companies.

Observers

The powers and functions of the Reserve Bank under section 36 of the Act are sought to be enlarged through an amendment of that section. Under the proposed amendment, the Reserve Bank can depute an observer or observers

(*Continued on page 1179*)

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U.K.'S GOLD RESERVES DECLINE

IMPACT OF SUEZ FIASCO—I.M.F. GRANTS CREDIT

THE precipitous fall in the U.K.'s—sterling areas, to be precise—gold and dollar reserves during November by no less than $279 million following the pressure on sterling, and a deficit of as much as £24 million ($31 million) with the European Payments Union, are some of the first tangible effects of the Anglo-French adventure in the Middle East which have succeeded in awakening the British authorities from their complacent mood and in forcing them to recant. Indeed, as the *Financial Times* put it, even the statements of the Chancellor of the Exchequer delivered hardly a month ago smacked of complacency and disregard of the gravity of the situation. It is gratifying to note, however, that the bitter truth has been understood by those concerned and that certain steps—the effect of which is yet to be seen—have been announced to remedy the situation without giving way to further deterioration.

In the course of a review of the economic situation of the U.K. in the House of Commons last week, the Chancellor of the Exchequer analysed the causes for the present economic crisis and announced a series of steps and certain taxation proposals to meet what may be termed as a grave situation. In essence, the situation is that, during November alone, the gold and dollar reserves of the U.K. have declined by $279 million to $1,965 million, as against a fall of $57 million—which would have been $230 million had it not been for the sale of the Trinidad Oil Company—in the third quarter of this year. The magnitude of the fall will be better realised when viewed in the context of the rise in the reserves during the first half of the year by an amount of $265 million, and of the fall of only $227 million experienced during the whole of the last quarter of 1955.

According to the Chancellor, the steep fall in the reserves and the deficit with the E.P.U. started after the date of the nationalisation of the Suez Canal, and they had not been caused by any weakness in the trading position of the U.K. Indeed, he claimed that the U.K.'s trading position "has been, and continues to be, essentially sound." The Chancellor, however, felt that the closure of the Suez Canal and of the Iraq Petroleum Company pipelines must adversely affect the balance of payments, especially if these interruptions were prolonged. Nevertheless, he was optimistic enough to forecast that, over the year ended 30th June 1957, his country's external current trading position would be roughly in balance.

Pressure on Sterling

Mr. Macmillan stated that the pressure on sterling following the political events in the past four months had been almost entirely responsible for the losses in reserves. He reminded the House that sterling was particularly affected by movements in world confidence, because it financed half the world's trade and payments. He conceded that it was wrong to minimise the seriousness of the losses the reserves had suffered. Nevertheless, it would be equally wrong, he said, not to view them against the proper background. He wanted three factors to be borne in mind. These, in his own words, are as follows:

"(1) Since the losses have arisen primarily from the international situation, they should not be permanent; the trend will reverse itself as the position improves. (2) For some time now there has been a consistent reduction in the total sterling balances, especially those held by non-sterling area countries. Normally, when the reserves rise, liabilities rise as well. But, in fact, in the first half of this year the reserves rose by £95,000,000, and the liabilities fell by £22,000,000. Thus our capital position had been strengthened when the Suez Canal crisis broke. (3) If we take the necessary steps, as we intend to do, to keep our trading position strong, the surplus that we may earn as traders must, in due course, reflect itself in our improved capital position as financiers. I have no doubt that the rest of the sterling area will face the difficulties in the same spirit."

The immediate problem that faced the U.K., Mr. Macmillan pointed out, was, therefore, "the short-term pressure on the pound sterling rather than the long-term defects in the country's trading position." To repel the attack on the pound sterling both internal and external actions were required. With this end in view, the Chancellor of the Exchequer indicated the broad lines of economic policy his Government proposed to follow. In the first place, the policy would be directed towards maintaining the rate for the pound sterling at its present parity. A categorical assurance was given by Mr. Macmillan to the effect that the British Government "will maintain the rate for the pound sterling at its present parity." This needed fortification of the reserves and strengthening of the internal economy. Secondly, it would also be aimed at maintaining the industrial production. The third broad line of policy would be the maintenance and stepping up of the volume of world trade.

Approach to I.M.F.

The measures proposed to be taken by Mr. Macmillan externally are as follows:

(1) An immediate approach to be made to the I.M.F. to draw on a part of the resources held by it. According to the latest report, the I.M.F. has advanced $1,300 million to the U.K. to help tide over the crisis. Of this, an amount of $561,470,000 is intended to add to the monetary reserves to meet payment requirements; and the balance would be made available to the U.K. at any time during the next 12 months at the request of the U.K.

(2) The U.K. Government owned U.S. dollar securities to the value of between $750 million and $1,000 million. The Government would be prepared to use the industrial and commercial securities as collateral for borrowing to fortify the reserves. To this end support was already available from the U.S. interests concerned. Of the small proportion of U.S. Government securities to the tune of $60 million, the Chancellor disclosed that, already those worth $30 million had been sold and credited to the reserves, and the other half also could be sold as and when needed.

(3) Britain has sought a waiver of interest payments, due this month, on the American and Canadian loans; these payments amount to $143 million and $38 million, respectively. The possibility of this request being granted by the U.S. and Canadian Governments is rated high.

Explaining the exact position in this respect, Mr. Macmillan stated:

"We have received a reply from the U.S. Treasury informing us that, since there have been changes in the conditions envisaged at the time the agreement was signed, it will present the matter to its Congress, with a definite recommendation that appropriate modification of the present language be made to carry out the spirit of the original intention. The conditions of the Canadian agreement do not call for a waiver unless the interest payment under the U.S. agreement is waived. We have informed the Canadian Government that, on the assumption that a waiver of interest is granted by the U.S.A., we are also formally claiming a waiver of interest on the Canadian loan."

If Britain's request to the U.S. materialises, the U.K. Government would be paying at the end of this month only the principal under the two loans amounting to $(U.S.)56,200,000 and $(Canadian)15,500,000.

Internal Demand to be Checked

The internal measures would be chiefly directed at increasing the external income and at keeping, at the same time, the internal demand under check. The measures that have been proposed to this end are: First, the control over bank and other forms of credit, which had met with considerable success already, would be firmly maintained, and strengthened if need be. Secondly, there would be no relaxation in the critical scrutiny of applications by the Capital Issues Committee. And thirdly, an increase of one shilling a gallon has been made in the customs duty on petrol and other light hydro-carbon oils and on derv, that is, heavy oil used as fuel in road vehicles. The duty has thus become 3*s.* 6*d.* a gallon. This measure is designed to supplement the rationing of oil and to offset the loss in revenue when petrol rationing comes into effect. The Chancellor did not find it necessary to make any further additions to taxation. He was confident that the national accounts would still show a very large surplus above the line, and that the deficit below the line would fall short of the original estimate by more than £150 million. "Taking the figures above the line and below the line together," he said, "the overall outturn of the Budget would be better, not worse, than I forecast last April."

A notable feature of the Chancellor's speech was his decision not to introduce an interim budget. He, however, conveyed to the House some considerations relevant to the preparation of the 1957 budget. In the field of direct taxation, he emphatically declared that the Government would not hesitate to raise the income-tax rates, if needed, when the time came, though, owing to the complicated form in which the tax was being levied now, it would not be possible to make an increase without serious difficulties. He reminded the House that it was the traditional tax upon which the country relied in times of difficulty for many years, and also stressed the fact that, during the last four years, it had been possible to reduce the tax by one shilling on the standard rate.

Defence Expenditure

It is yet to be seen what measure of relief will be brought about by these policies. But measures in one direction appear to be particularly capable of mitigating the gravity of the situation. It is a thorough reappraisal of the Government's expenditure, defence policy and energy policy. Though the Chancellor expressed the view that the recent events had re-emphasised the need for a wide review of these policies, commentators, such as the *Financial Times*, hold the view that such views amount to little more than phrases which have been used too often before to create new confidence. And this is really the time, as the *Financial Times* feels, that the simple "though not a comforting truth" should be let out. To quote this paper further:

"It is not a comforting truth, but it is at least a simple one. International influence depends upon economic strength. Economic strength can only be obtained by investing a high proportion of the national wealth in new factories and equipment and by giving big rewards to people who create wealth. To do that we must stop pretending that we can afford £1,500 million on defence forces which we cannot then use. We must also be sure that we do not try to maintain luxury standards of Government expenditure on an inadequate income. We must put the economic strength of the country first—whatever consequences may follow from that. If we do that we shall not have to see our Chancellors, Conservative or Socialist, tinkering like unskilled mechanics on an engine that is rusting through."

The British Press has generally welcomed Mr. Macmillan's realisation of the seriousness of the situation, though a few of them did not endorse some of his proposals for meeting the crisis. The London *Times*, for instance, doubts the wisdom of asking for a waiver of the interest due to the U.S. and Canada.

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SYNTHETIC FIBRES IN SOVIET UNION

SIXTH FIVE-YEAR PLAN ENVISAGES RAPID DEVELOPMENT

THE Soviet Union is one of those countries which have launched upon large-scale schemes for the expansion of synthetic fibre industry. The programme of development drawn up for this industry under the sixth Five-year Plan of Russia envisages a rapid, substantial increase in the production of synthetic fibres. The total output of these fibres will rise fivefold making it possible for the country to produce an additional quantity of about 2,000 million metres (0.914399 metre=1 yard) of high quality fabrics, or several thousand million knitted goods, as well as cord fabric for millions of automobiles and aircraft tyres, according to the review by Prof. Z. Rogovin, appearing in the latest issue of the *TASS Bulletin*.

The review reveals that the Soviet Union will be producing in the next few years a number of new synthetic fibres. Special mention is made of fibres known as Anid, Lavsan and Nitron. Anid, it is said, resembles nylon in its composition. The fibre melts at a temperature of 35-40°C. higher than the melting point of Kapron. This ensures certain advantages when using it to manufacture technical cord fabrics.

Lavsan belongs to the group of fibres like Terylene and Dacron. It possesses the high strength of Kapron and Anid, but excels the latter in heat resistance. The strength of Lavsan, for instance, is not affected by a relatively high temperature which cannot be said of Kapron and Anid. This fibre is not only capable of carrying relatively big loads but—this is most important—its dimensions are not changed in doing so. Resembling wool in appearance, Lavsan is not less elastic than wool. It is used in pure form or in combination with other fibres to produce fabrics, the articles made from which are not to change the form lent to them (accordion pleats, goffering, etc.) in the process of wear and even when washed. The raw material for the manufacture of Lavsan is obtained from petrol. The scientists are working on ways of simplifying and cheapening the technological process of production.

Nitron also resembles wool. This reasonably cheap fibre possesses high strength and is extremely stable to the action of light and atmospheric influences. At the same time, it is less elastic than Kapron and Lavsan and wears out sooner. Research workers are engaged in eliminating these shortcomings. A wide range of articles can be produced out of this fibre in pure form or mixed with wool.

Another important synthetic fibre the manufacturing method of which was recently elaborated by the Soviet scientists is the fibre called Anant. In some of its properties, particularly elasticity and resistance to set, Anant excels Kapron. Its technological flowsheet is also simpler.

Chlorin and Kapron

At present, the Soviet Union is producing two types of synthetic fibres—Chlorin and Kapron. Chlorin is the most resistant to the action of different chemical agents and does not swell in water. Like all other synthetic fibres, it is not subject to decay. A new interesting field for the application of this fibre has lately been found. Beautiful, strong carpets can be made of Chlorin mixed with other fibres. Thanks to the relatively low cost of Chlorin, these carpets are cheap.

Kapron and, in particular, the socks and stockings made of it are widely popular throughout Russia. At present, the output of Kapron has been considerably raised. The assortment of goods made both from the pure fibre as well as from mixtures with other materials has also increased. A considerable amount of this fibre is being used in small quantities (10-15 per cent.) in mixture with wool, cotton or artificial silk. This increases the resistance of the materials to wear and tear and, consequently, their life. A number of highly important articles are being made from Kapron fibre for technical purposes. In the new Five-year Plan period, its output will be still further developed.

Discussing the outlook for artificial and synthetic fibres, Prof. Rogovin declares that the time is long past when these fibres were regarded as inferior substitutes for the natural fibres. At that time, their production, he says, was justified by claims of cheapness and shortage of natural raw materials. Now, however, they form an independent type of textile material. In his opinion, synthetic fibres are more elastic and stronger than cotton, wool or silk. They offer good resistance to micro-organisms and decay. Equally important is their small specific gravity, which signifies that, from one and the same gravimetric quantity of yarn from synthetic fibre, a considerably larger volume of fabrics can be manufactured than from cotton, for example.

Use of Fabrics

The fabrics made from synthetic fibres, Prof. Rogovin claims, have found wide application in the tyre industry. According to him, they are used for carcass of tyres in the new types of automobiles and aircraft. Fishing nets and tackle, canvas and other articles are made from them. The capacity of these fibres to absorb only negligible quantities of moisture is of use in manufacturing insulation for electric machines and engines considerably superior in quality to those produced from natural silk. Their resistance to the action of concentrated acids, lyes and other chemical agents makes its use possible for filtering materials and protective overalls. The fabrics woven from the raw fibres are, it is claimed, strong and light and do not crease. Their low specific gravity and negligible heat-conductivity make it possible to use the fibre of the Nylon type, for instance, for making light and warm fur coats, capes, blankets and other articles not inferior in appearance or quality to articles made of pure fur.

The production and properties of artificial and synthetic fibres have many things in common. Artificial fibres are obtained by processing natural high-molecular compounds—celluloses and proteins. Synthetic fibres are the product of treatment of high-molecular compounds obtained by means of synthesis from the simplest, monomerous substances. By changing the composition of these substances and the order of their alternation in the synthesised molecule, fibres with different, previously determined properties can be obtained.

RATIONALISATION IN KANPUR MILLS

More details of the recommendations put forward by the Kanpur Textile Mills Rationalisation Enquiry Committee, a reference to which was made in these columns last week, are now available. They reveal that the Committee has prescribed the duties for ring piecers, doffers and weavers; these were so far undefined. Thus, the workload of a 3-4 looms' weaver is fixed at 96 operations per hour, one operation being equal to one shuttle change, including refilling, one-warp break in the body of cloth equal to 2.5 operations, one warp-break in fancy border equal to 3.3 operations and 2 shuttle changes for heading equal to one operation. This workload is fixed on the basis of one operation taking 17 seconds. For ring piecers, the Committee recommends that, subject to the suggestion as regards counts up to 16s for double side working a workload of 24 piecings for 100 spindle hours should be the maximum. If a "pneumafil" is fitted to any frame, the number of piecings may be increased by six per cent. For ring doffers, the Committee has related the workload to spindle doffers. Having regard to conditions prevailing in Kanpur, the maximum has been fixed at 3,000 spindle doffs and the rate of wage has been linked with spindle doffs. Further, option has been given to the doffers to go up to 3,500 spindle doffs to increase his wages, but he cannot be compelled to go above 3,000.

On the question of wages for weavers and ring piecers, the Committee recommends the basic wages as prevailing in Bombay, while, for ring doffers, it suggests the following wages for a working month of 26 days:

Up to 2,000 spindle doffs, Rs. 30; for every 100 doffs exceeding 2,000 but not exceeding 2,500, Rs. 7 extra; for every 100 doffs exceeding 2,500 but not exceeding 3,000, Rs. 11 extra; for every 100 doffs exceeding 3,000 but not exceeding 3,500, Re. 1 extra.

A ring piecer's wage depends on the number of spindles he minds. At present, the basic wage of a piecer minding single-side ranges from Rs. 31-5 to Rs. 36. When going on double sides, the increase in wages will vary from Rs. 12-9 to Rs. 23 per month depending upon his existing rate of wages and the number of spindles to be minded. The increase in wages to a ring piecer already working on double sides will vary from Rs. 4-7 to Rs. 11-11 per month. A ring doffer at other textile centres has the fixed wage not exceeding Rs. 30 p.m. As his basic wage is related to workload, he is likely to gain from *nil* to Rs. 10-10 per month, according to spindle doffs done by him. The scale of wages recommended by the Committee has an element of incentive.

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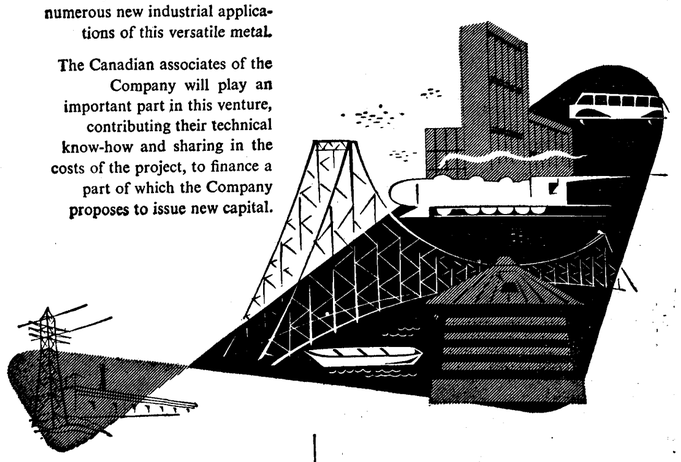

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FURTHER SHRINKAGE OF COTTON MILL INDUSTRY PREDICTED

EXTENSION OF DOUBLE-SHIFT WORKING

By Our Special Correspondent

MANCHESTER, *4th December*

A FURTHER period of shrinkage for the Lancashire textile industry, in which 295 mills have closed down during the past four and a half years, was forecast by Dr. F. C. Toy, speaking in Manchester at the headquarters of the Textile Institute.

MANCHESTER LETTER

Dr. Toy, who recently retired as Director of the British Cotton Industry Research Association, said there were those in the industry who hoped it would continue in its present form with some 2,000 firms making traditional cloths which they made equally well a century ago. "Those whose hopes are still pinned to a continuation or even expansion of things as they are now are likely to be sadly disillusioned," said Dr. Toy, who was delivering the Emsley lecture.

It was said that the Lancashire textile industry had spent more money, proportionally, on modernisation and re-equipment since the war than any other country in Europe. "It is a sad reflection that this achievement is offset by the melancholy fact that its rate of machine utilisation is by far the lowest in Europe."

Summarising the outlook for textiles, he divided firms into three classes—those who were outstandingly technically progressive; at the other extreme a few hundred firms still indifferent to science and technical change; and finally a large majority, interested to some extent, but not completely sold on the idea that they must make the maximum use of science.

It was to this middle group that Dr. Toy addressed his remarks, observing that what happened to them would determine the future size of the industry. "There is no place in the future for any lukewarm approach to science. It must be all or nothing," he declared. What was needed above all else was greater efficiency through productivity, more originality through research, and more scientific management to ensure both.

The first-class firms, providing the hard core of those ready to accept all that science could offer, represented up to one-third of the capacity of the industry, Dr. Toy added. Those who were indifferent to science could be counted out as far as the long-term future was concerned. Significantly, more than three-quarters of the firms known to have gone into voluntary liquidation in the past few years were disinterested in technological advances.

He believed the shape of things to come depended mainly on the rate at which the nucleus of first-class firms grew. The key to the future was to produce more and more products with some special merit not possessed by fabrics made abroad. The three aspects to be considered were price, quality and originality. There did not appear to be much future for Britain on price alone but there was now sufficient technical knowledge to maintain goods at the highest possible quality. The supreme need of all was more and more originality and this meant ever more research.

More Shift Work

Double-shift working has been extended in some sections of the plant of Horrockses, Crewdson & Co., Ltd., the Preston textile group, according to the annual report.

Mr. T. Marshall Brooks, Chairman, commenting on the fact that over £1,250,000 has been spent in recent years on the Company's modernisation programme, said that orders have been placed for additional machinery to be installed during the coming year. Double shifts are being used more particularly on the part of the plant employed on the finer and more expensive qualities. Throughout the entire organisation of the group every endeavour is being made to secure maximum economy of operation.

Considerable progress has been made in the group's factory in Northern Ireland. Mr. Brooks declared that the quality of material manufactured there compared favourably with fabric produced in the combine's mills in Lancashire.

Brighter Outlook

More hopeful prospects for the cotton and rayon spinning industry have been expressed in the annual report issued by the Directors of Combined English Mills (Spinners) Ltd., the Atherton textile group.

The Board declared: "Our order books are now bigger and more widely spread than they have been for more than two years. The immediate future appears brighter although it must be clearly emphasised that the problems facing the industry are by no means at an end. Shortage of labour, especially in key positions, is still serious and spinners are thus unable to take full advantage of this improved trade."

Problems concerning raw cotton supplies have been created by the recurrent crises in the Middle East. The Directors claim that their policy of maintaining adequate stocks to ensure the running of the mills has stood the Company in good stead.

Welcoming the "Buy Britain's cottons" campaign, the report refers to the seriousness of ever-increasing imports of made-up textiles from India and Hong Kong. "Every penny from the housewife's budget spent on towels, sheets, blouses, etc., from India and Hong Kong—whatever the merits or demerits of quality—means a penny less to be spent on United Kingdom spun, woven and finished materials."

Because of the absence of cotton stocks on the Liverpool cotton market, spinners have had to buy cotton on sample in advance of shipment—and to carry much larger stocks than would be the case "if the cotton market functioned normally," Major J. A. Barber-Lomax, Chairman, told the annual meeting of the Barber Textile Corporation, the Bolton mill group.

A complication, he said, was introduced by the disturbances in the Middle East. The Corporation had taken steps in good time, however, to secure adequate supplies of Sudan cotton to tide over delays to shipping likely to be caused by diversion via the Cape route.

Major Barber-Lomax said there had been a considerable revival in demand for yarn and fabrics and the Corporation's order books were now generally much better than a year ago.

Egypt's Sales Ban

Even a few years ago the embargo placed on all exports of Egyptian cotton to this country would have been a severe blow to Lancashire spinners. As it is, recent events, culminating in the withdrawal of facilities to secure these types of the raw material, will provide individual problems but they are not now as devastating as they would have been in the past.

For some time the quantity of Egyptian cotton absorbed in Britain has been relatively small and lately it has declined almost to vanishing point. So far this season the quantity imported from Egypt has only been 266 bales, whereas in the whole of last season arrivals aggregated 29,600 bales.

Purchases of substitute varieties have been going on for a long time, with supplies from the Sudan taking a major part of the business formerly secured by Egyptian growers. It is somewhat ironical that only a week or two before the Suez crisis developed a delegation from Egypt visited Liverpool and Manchester with the object of urging Lancashire consumers to use more of their locally-produced cotton fibre.

Economic factors still dominate the Middle East situation and much will depend on the outlets available for the major products of the Arab States. Egypt may well continue to sell its cotton to Iron Curtain countries, which have been substantial buyers over the past few seasons. Although isolated difficulties may arise in Lancashire, alternative sources should be well able to provide adequate supplies for the mills.
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Estimates prepared by the Commonwealth Economic Committee show that world wool consumption in the third quarter of 1956 declined by about 6 per cent., as compared with the previous three months, but the fall was largely seasonal—due to summer holidays—and, in fact, consumption was 8 per cent. higher than in the corresponding period of last year. The daily rate of consumption in July-September was somewhat higher than in April-June. In 11 countries which together absorb the larger part of the world's wool output, consumption in the first nine months of 1956 was 1,392 million lbs. (clean), as compared with 1,277 million lbs. in the corresponding period of last year, an increase of 115 million lbs. or about 9 per cent. With the exception of the United Kingdom, where consumption over the nine months showed a decline of about 1 per cent., all the principal using countries recorded increases in consumption, although Britain remained the world's largest user of wool. Comparing nine months of 1955 with the similar period this year, wool consumption in the U.S.A. increased from 315 to 345 million lbs. (clean); France from 177 to 199 million lbs.; West Germany from 121 to 131 million lbs.; Japan from 91 to 124 million lbs.; and Italy from 83 to 90 million lbs.

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COTTON PRODUCTION IN EGYPT

SMALLER CROP EXPECTED THIS SEASON

THE importance of Egyptian cotton to the fine and superfine spinning section of the textile industry of the world is such that production prospects in that country are of direct interest to spinners the world over. For Egypt produces more than 50 per cent. of the world's supply of extra long-staple cotton (of staple length 1.3/8" and above) and 35 per cent. of the total outturn of long-staple cotton (of staple length 1.1/8" to 1.3/8"). In actual figures, of the total free world production of 2,880,000 bales (of 478 lbs. each) of long-staple cotton in the 1955-56 season, Egypt accounted for 989,000 bales. Its share of the total outturn of 1,084,000 bales of extra long-staple cotton during the same year was 552,000 bales. Domestic consumption in Egypt accounted for only 400,000 bales in 1955-56, which is less than 25 per cent. of the crop outturn, and hence any change in the size of production is likely to be immediately reflected in the amount available for export.

Egypt owes its premier position in the cotton world to the fact that Nature has endowed it with certain characteristics, like favourable climatic conditions and soil fertility. It has also a well organised irrigation system. But it must be borne in mind that the area that can be sown to cotton cannot be increased to any great extent, in view of the limitation on the cultivated area and the need for the production of foodgrains for the increasing population. For a rational use of the land area and to avoid overproduction, an estimate is made, at the beginning of each agricultural season, of the quantity likely to be disposed of during the marketing season and the volume of closing stocks. A basis is thus established for the size of the crop to be produced and the acreage allotment for cotton is made in accordance with this estimate.

In practice, Egypt is restricting the acreage and production of cotton to balance supply and demand and to avoid the unfavourable effects on price of overproduction. The Government fixed the maximum cotton acreage for the 1955-56 season at 33 per cent. of the total cultivable area. The total area sown to the crop was 1,885,000 acres, and the output of lint was 1,541,000 bales (of 478 lbs.) For the current season, the first official estimate places the area under cotton at 1,716,000 acres and the output is estimated at 1,530,000 bales. The variety-wise breakdown, of the 1956-57 crop is as follows:

Variety	Acreage (1,000 acres)		Production (1,000 bales of 478 lbs.)	
	1955-56	1956-57 First Estimate	1955-56	1956-57 First Estimate
Karnak	816	631	490	483
Menouf	55	163	62	160
Giza-30	339	346	290	304
Ashmouni	669	557	661	545
Others	6	19	33*	38*
Total ..	1,885	1,716	1,541	1,530

* Principally Scarto.

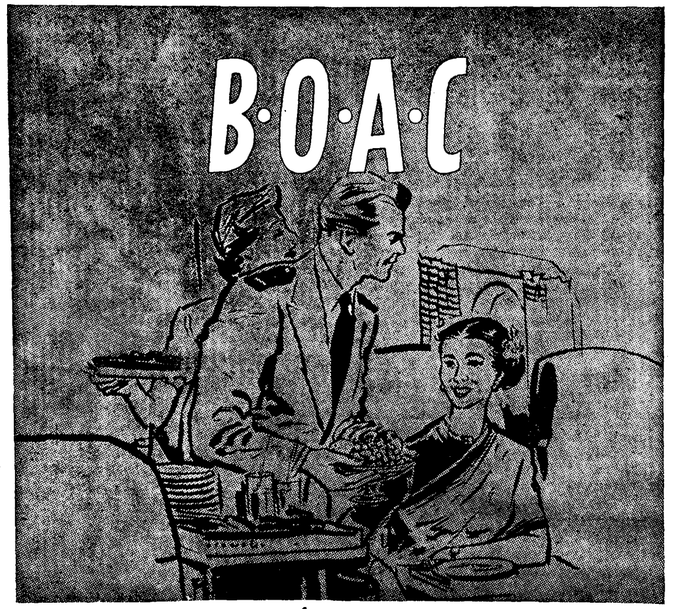
As will be seen from the table, despite the noticeable reduction in cotton acreage in Egypt, the first crop estimate places production at roughly last season's level. Ashmouni output is expected to be significantly less but this is likely to be offset by the expected increase in the extra long-staple production. The second official estimate, however, places the crop at about 1,490,000 bales only which is lower than the first estimate. This is due mainly to the fact that Karnak and Giza 30 crops suffered from Pink Boll-worm attacks in October. High temperatures in Upper Egypt caused shedding of bolls and floods in the Nile also affected the plants. No information is available so far of the extent of damage done.

Cotton Culture

A remarkable feature of cotton production in Egypt is the high yield per acre. It was 391 lbs. in the last season which was less than the yield of 468 lbs. and 510 lbs. obtained in the 1954-55 and 1953-54 seasons. Due to the scarcity of cultivable land, the Government's policy, as already stated, is designed to restrict the acreage for cotton and devise methods by which larger crop can be sown from a smaller area. Much attention has, therefore, been paid to the quality of seeds sown, the method of tending the plant, manuring and irrigation. The Government also aims at maintaining the purity of the existing varieties and its agricultural policy embodies provisions to achieve the object. Several measures have been adopted for this purpose. For example, special regions have been reserved for certain varieties for which these localities are specially suited. Thus, medium-staple cotton is grown in Upper Egypt, while long-staple is grown in the Delta.

Of late, the quality of Ashmouni had shown some deterioration and the Government was quick to take measures for restoring the standards of purity of this variety to their original levels. Investigations proved that the best and most effective way was the uprooting of off-types from the Ashmouni tracts throughout different phases of growth. A committee, known as the "Application of the General Expansion of Purified Sowing Seed Committee" was set up for this purpose. As a result of the measures taken, on the report of this Committee, Ashmouni is regaining its reputation in cotton markets. The success of these measures encouraged their application to other varieties, such as Dandara cotton in Upper Egypt, and Giza 30 in Lower Egypt. The same method has been applied to Karnak also.

The Government also supplies growers with certified seeds under official supervision. Long-staple seeds are tested not only for purity and germination, but also for spinning properties. Breeding and introduction of new varieties are another method for improving the quality of the crop. It has always been the policy of the Egyptian Government to keep aside a set of new types of cottons closely similar in characteristics to the commercial types as temporary substitutes in case anything happens which prevents the efficient production of the latter. Also, some varieties which are superior in quality and yield are always under trial and would be introduced on commercial lines only after having been tested under mill conditions by spinners. Such varieties include Giza 60 for Ashmouni, Giza 65 for Giza 30; Giza 51 for Menoufi and Giza 59 for Karnak. These varieties are under trial and experimentation and their spinning performance is reported to be satisfactory.



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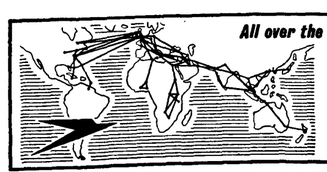

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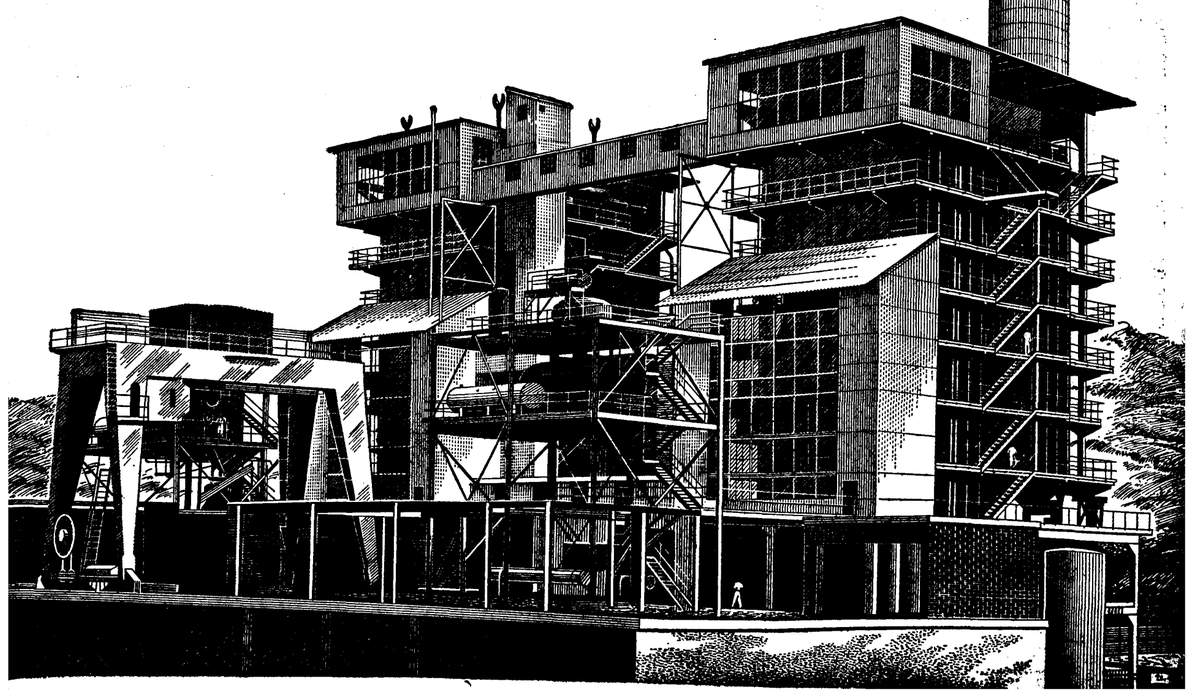

SUGAR INDUSTRY AND POWER ALCOHOL MANUFACTURE

CONTROL OVER MOLASSES HAMPERS PROGRESS

THE substantial expansion in sugar production envisaged in the development programme included in the second Five-year Plan imparts urgency to the need for ensuring a more speedy and sustained growth of the power alcohol industry. The overall supplies of molasses in 1960-61 are expected to aggregate about 900,000 tons, inclusive of molasses from sugar factories and *khandsari* units. Since nearly 90 per cent. of the molasses is used in the manufacture of power (and industrial) alcohol, the sugar mills will naturally look to this source for providing an outlet for surplus molasses. It will be interesting to note that, for every ten tons of sugar produced, the sugar factories can get Rs. 27 by way of sale of the resultant molasses to the power alcohol distilleries on the basis of the officially depressed price of about Rs. 6-12 per ton. On this basis and taking the average yield of molasses at 40 per cent., the total revenue that will accrue to the sugar industry if the 90 per cent. of its molasses output is fully utilised for the manufacture of power alcohol will be Rs. 50 lakhs. This will be no less than Rs. 2 crores and even more, if a proper price is fixed by the State Governments for this commodity. This certainly is no small amount, considering the rigid cost structure of the sugar industry, thanks to heavy load of taxes, high prices of sugarcane and other raw materials, and enhanced transport charges.

Apart from assisting the sugar mills to dispose economically of the surplus molasses produced by them, the development of power alcohol industry is imperative in the present context of the high tempo of activity on the industrial front. The industrial uses of alcohol are almost unlimited. Alcohol, along with coal distillation products, can serve as a readily available raw material for starting an organic chemical industry. Some of the major schemes which are expected to require large quantities of alcohol are the D.D.T. project in Kerala State, the expansion of the D.D.T. factory at Delhi, the expansion of the plant for the manufacture of acetate variety rayon at Sirpur-Kapaznagar, and the schemes of the Imperial Chemical Industries and the National Carbon Company for the production of polyethylene. Mention may also be made of the two schemes relating to ethylene dichloride, expansion of drug, pharmaceutical and dyestuff industries, establishment of polystyrene industry, and synthetic rubber project.

Vexatious Controls

Despite the vital role that power alcohol industry plays in the country's economy thus, it is, indeed, regrettable that the conditions actually obtaining in the industry continue to be none too happy. This must be attributed, to a great extent, to all sorts of vexatious controls over disposal of molasses and alcohol exercised by the State Governments in pursuance of the object of making prohibition a success. The Bombay Molasses (Control) Act, 1956, for instance, vests in the Government full authority to control the price at which and the manner in which molasses is bought or sold generally for any industrial purposes. It also vests in the Government powers to regulate, by licences, permits or otherwise, the storage, supply, transport, distribution, disposal, acquisition, possession, use or consumption of molasses. All these restrictions make it impossible for the sugar factories to dispose of their stocks of molasses freely even though there is a good demand for it from other States. Consequently, huge stocks of molasses accumulate with the factories every season and their storage has been a standing problem to the mills ever since the Prohibition Act came into force. Even for destroying the excess stocks of molasses, the sugar mills have to take the permission of the Government. What is worse, such destroyal has to be done under an escort provided by the Government, the cost of which has to be borne by the factory itself! The controls are so worked as to compel the factories to provide molasses to the Government distillery at Nasik at the ridiculously cheap rate of As. 4 per maund.

The sugar factories in other States are also subjected to considerable hardship as a result of the official restrictions on molasses and alcohol. There is no uniformity in the objectives of controls exercised in the various States or in the price or distribution policies followed by them. The difference between the controlled and the free market prices is very wide, the average of the two prices being As. 4 and Rs. 2 per maund, respectively. How harmful such a difference is in effect is clearly described by the Indian sugar delegation that visited Australia and Indonesia last year thus: "The large difference ... gives rise to an attitude of indifference on the part of factories in the matter of exercising due care for proper storage of molasses and preservation of its quality. This affects the industrial value of the molasses. Due largely to varying distribution controls in the different States, large quantities of molasses remain unlifted at times with the factories at the end of the season. These deteriorate in quality and become a total loss."

Progress Very Halting

The aforesaid difficulties constitute one of the chief causes for the failure of the power alcohol industry to expand and develop. Although the first Five-year Plan envisaged the development of the industry on a fairly ambitious scale, the progress actually achieved was very poor. There was no addition at all to the rated capacity of the industry which stood unchanged throughout at 14.90 million gallons of power alcohol (and 2.9 million gallons of industrial alcohol), the number of distilleries being 19. In addition, there were 24 distilleries with an aggregate capacity of producing 9.3 million gallons of potable and industrial alcohol. The total capacity thus comes to 27.1 million gallons. The Plan, it may be noted, had provided for a rise in the capacity to 21.12 million gallons of power alcohol through the establishment of 12 new distilleries. The production of power alcohol no doubt steadily increased from 4.72 million gallons in 1950-51 to 11.40 million gallons in 1955. But the output falls considerably short of the target of 18.00 million gallons. It also falls short of the rated capacity by over 30 per cent.

The substantial gap between installed capacity and actual output is due to the shortage of raw material supplies, transport difficulties and inadequate offtake of the finished product. With the installation of additional sugar production capacity already licensed, the supply of molasses will considerably improve. The overall supplies of molasses in 1960-61, as already stated, are expected to be about 900,000 tons, inclusive of molasses from *khandsari* factories. The actual quantity likely to be available for alcohol production is, however, reckoned at about 800,000 tons, which, if entirely used for this purpose, will be more than sufficient to achieve the production target of 30 million gallons—18 million gallons power alcohol and 12 million gallons industrial alcohol—fixed in the second Five-year Plan. For achieving this target, the rated capacity required is estimated at 36 million gallons, a rise of 8.90 million gallons as compared with 1955-56. Already licences have been issued for augmenting the capacity by 6.90 million gallons through the establishment of four new units (together accounting for 2.94 million gallons) and expansion of the existing units (together accounting for 3.96 million gallons).

While the importance attached to the development of power alcohol industry is welcome, the actual progress will depend on the extent to which the several difficulties confronting the industry are removed in time. There is the need for ensuring regular and adequate supplies of molasses from the sugar factories to the power alcohol distilleries. There is also the need for a uniform regulation and fixation of reasonable prices for both molasses and power (and industrial) alcohol. Due attention must be paid to the problems relating to maintenance of quality and provision of adequate transport and suitable storage facilities. It will be recalled here that the Commerce and Industry Ministry constituted in October 1955 a special Committee to suggest ways and means of overcoming the difficulties and ensuring a steady growth of the industry. Although more than a year has elapsed since it was set up, the Committee, it would appear, has still not submitted its report. Now that the first year of the second Five-year Plan is drawing to a close, the Committee should submit its report soon and the Government should earnestly and expeditiously implement the recommendations made by it.

COAL INDUSTRY IN THE U.S.S.R.

OUTPUT TO BE RAISED 50 PER CENT

By Mikhail Maksimov

THE coal industry plays an important role in the development of the U.S.S.R. national economy. Its role is exceptionally great, despite the immense output of water power and enormous growth in the production of oil. Indeed, coke which is required for the production of pig iron comes from coal and more than two-thirds of electric energy which the country consumes comes from electric stations using coal as fuel. Some 85 per cent. of goods transported by rail is pulled by locomotives burning coal, and in the principal industrial areas coal makes up 70 to 90 per cent. of the total fuel used. Every passing year sees coal playing a greater part as raw material for the chemical industry.

In the Soviet Union the coal industry has taken great strides forward, its output rising from 29 million tons in 1913 to 391 million in 1955. Eighteen years ago, the Soviet Union produced less than a third as much coal as the United States, slightly more than half as much as Britain and 37 per cent. less than Western Germany, but today the ratio is greatly changed. In 1955, the U.S.S.R. produced 166 million tons more than Britain, 170 million tons more than Western Germany, and its output was only 13 per cent. less than that of the United States. Coal-production geography has changed in the U.S.S.R., as new coal basins have been opened up. Many of them were unknown before the revolution and others were in a wretched state. Today, the Kuznetsk, Moscow, Karaganda and Pechora basins each furnishes more coal than all of old Russia's coal industry.

In spite of this progress, however, the coal industry has not yet caught up with the rapidly developing national economy. The country is not getting enough coal; the increased output lags behind the country's increasing requirements, especially in the European part of the U.S.S.R. With the aim of ensuring a stable supply for the development of the key branches of the national economy, in particular, the iron and steel industry and the railways, the task has been set to increase coal output in 1956-60 by 50 per cent., bringing it up to 593 million tons by 1960. This means an average annual increase of 40 million tons.

Is the task feasible? Can the Soviet coal industry cope with it? Yes, it is quite practicable.

First of all, steps have been taken to relieve the coal situation in the European part of the U.S.S.R. Construction of new industrial enterprises has been highly restricted in that area, work is being done on a wide scale to supply cities with gas, large hydro-electric stations are going up on the Volga and the Dnieper, steam locomotives are to give way to oil-engine or electric locomotives, and oil output is increasing at a rapid rate.

The chief solution, however, is to increase coal production to the utmost, and the main burden will have to be borne by the miners of the Donets coal basin, the key fuel base of the economy of the European part of the U.S.S.R. They will have to boost coal output at a higher rate than the average for the country. As against a total increase of 52 per cent. in the five-year period for the country as a whole, the Donbas has been set the task of increasing production by 57 per cent. bringing it up to 212 million tons by 1960.

At the present time, 35 new coal mines are under construction in that basin, each designed to produce 500 to 800 tons in 24 hours. Rapid building methods are employed in their construction and they are to go into operation by the end of next year. In the course of one year scores of workings are to be sunk or driven below ground, and on the surface mine buildings with a volume of 500 million cubic metres are to be put up, and housing for miners with a total area of 150,000 square metres. In the other coal basins of the European part of the U.S.S.R. too, coal output is being considerably expanded.

In the current five-year period, a special role has been assigned the country's eastern areas, which have inexhaustible reserves of coal. In Siberia and the Far East, supplementing the known and now efficiently exploited Kuznetsk and Karaganda coal basins, are the

(*Continued on page* 1165)

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WORLD RUBBER PRICE MOVES UP

LARGER PURCHASES BY RUSSIA AND CHINA

THERE has been a sharp rise in prices of natural rubber in the world markets during the last few weeks. The upward trend gathered further momentum last week, with the increase of almost 5 cents per lb. in Singapore, owing to the large number of orders remaining to be executed and the limited shipping space available for fulfilling January orders. In the London Rubber Exchange, the spot price of No. 1 R.S.S. stands at 2*s.* 8¾*d.* per lb. at the time of writing, while the January delivery commands a slight premium to stand at 2*s.* 8¾*d.* per lb. The latest spot price compares favourably with 2*s.* 3¾*d.* touched in the middle of October last, to which level it had declined from 2*s.* 8*d.* per lb. in the first week of August.

The sustained rise during the past seven weeks has thus helped the natural rubber not only more than make good the recession since the first week of August last but nearly recover the lost ground in the first five months of the current year, when the spot quotation in London fell from a peak of 3*s.* 1¼*d.* to 1*s.* 10*d.* The main factor which has influenced the recent rise in the London market is the world political situation created by the war in Egypt, because nearly all the supplies to the U.K. are normally shipped through the Suez Canal. The other important factors which have been responsible for the rise are: (1) large-scale covering order by Russia in London, (2) increase in purchases by the U.K. and the U.S. and (3) the statement by the U.S. Government to the effect there will be no change in its stockpile policy. It must, however, be noted that rubber prices tended to harden even before the nationalisation of the Suez Canal on 26th July 1956, as witness the rise from a low of 1*s.* 10*d.* to 2*s.* 3*d.* per lb. on the eve of nationalisation. This was due to the fact that the prices had been unduly depressed during the earlier months of the year, consequent on exaggerated ideas about the cut in automobile production in the U.S. and the U.K. The market paid very little attention to the large purchases made by Russia and China. It must, however, be noted that these purchases were not continuous and it was difficult to foresee the extent of their buying.

In recent weeks, Russia is said to have been buying on fair scale in London and Amsterdam, particularly for early shipments. There has also been a larger volume of buying by the U.K. consumers and this has been mainly confined to stocks afloat. During the first nine months of the year, Russian purchases are said to be three times the quantity purchased during the whole of 1955. China also is reported to have already imported more than the previous year's total. Consumption in the U.K. is, however, about 20 per cent. below that in 1955, mainly due to the cut in tyre production. U.S. consumption also has declined, but the fall is said to be relatively small. In view of the larger purchases by Russia and China and the decline in consumption of the U.K. and the U.S., world consumption during the current year is not likely to show any change over the 1955 figure. One cannot, however, be sure on this point, because of the uncertainty about East Europe's requirements during the rest of the year.

Consumption Exceeds Output

During the first nine months of the year, world consumption of natural rubber aggregated 1,392,000 tons, including estimated imports into the U.S.S.R. of 84,500 tons and into China of 58,050 tons, while production fell short of consumption by 47,500 tons at 1,344,500 tons. As compared with the corresponding period of the previous year, production was lower by about 30,000 tons. This was due to a fall in output in Malaya on account of labour trouble and in Indonesia, mainly by small holders on account of the low price fetched at the beginning of the year. The Malayan production in the first ten months of the year, at 119,226 tons, is 1 per cent. lower than the comparable figure of 1955.

World stocks at the end of September amounted to 837,500 tons. The stock position in the U.K. is not clear (though the general view is that it is satisfactory), because stocks in warehouses contain a large quantity of rubber already purchased on behalf of the U.S.S.R. Many manufacturers and dealers, no doubt, started building up their stocks soon after the nationalisation of the Suez Canal. It is guessed that stocks with manufacturers now amount to six weeks' consumption and those in warehouses an additional two or three weeks' requirements. There will be no more additions to world stocks from the U.S. stockpile, as the American Government has decided, despite pressure from American consumers of rubber, not to make any change in its present policy regarding releases from stockpile. There may, however, be some increase in production in the last three months of the year, as is usually the case.

The outlook for natural rubber is considered satisfactory, unless some unforeseen circumstances intervene to change the position. For tyre manufacturers in the U.K. usually begin to accumulate stocks of rubber in December in anticipation of increase in sales of cars during the next spring, which will keep the demand for rubber high till March next. The U.S. demand is also expected to be higher. It is considered that the almost static price of synthetic rubber at 1*s.* 9*d.* f.o.b. per lb., will not seriously affect the consumption of natural rubber, despite the widening of the price concertina, as the changeover requires considerable readjustment and reorganisation.

There is, however, one uncertain factor in assessing the outlook for natural rubber, and that is the freight position. While some people are of the view that the full effects of the closing of the Canal will only be felt hereafter, another section believes that the freight position will ease once new shipping schedules are worked out, which will enable more rubber to be carried on each voyage.

Uncertain Factor

The recent rise in natural rubber price will result in a corresponding increase in the price of manufactured goods, particularly those of rubber tyres and tubes. In fact, one of the leading tyre manufacturers of the U.K., namely, Dunlop Rubber Co., Ltd., has already raised the price of all types of tyres by 10 per cent. with effect from the 5th inst. This follows the increase of 7½ per cent. announced by it on 1st July 1955. None of the other major manufacturing companies has notified any increase, but they are expected to follow suit.

(Concluded from next column)

ence in the Canadian market over those coming from the Netherlands, Belgium, France and West Germany. Of the total jute manufactures worth $13 million imported into Canada from all sources in 1955, Indian supplies accounted for $10.6 million. In 1954, India's share was of the order of $6.3 million out of the total $11 million. Analysis of imports from non-Indian sources tends to show that the Continental countries have so far been only marginal suppliers.

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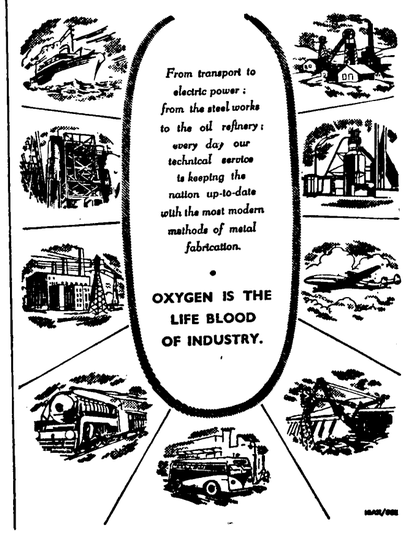

RAW JUTE TRADE IN EAST PAKISTAN

GOVERNMENT TO HANDLE BUSINESS

CLOSE on the heels of the recommendation of the Pakistan Jute Advisory Board to increase the acreage under jute so as to yield an additional output of 500,000 bales in the next season comes the decision of the East Pakistan Government to take two important measures seeking to bring about significant and far-reaching changes in the internal and external trade in raw jute. The first of these is to set up a jute marketing corporation to carry on open market operations during the 1957-58 season. The other is a recommendation to the Central Government for the establishment of a jute marketing or export control board which will act as a chief broking and clearing house for all sales of raw jute to foreign markets. The object of these measures is to curtail wild speculative operations and price manipulations, as also to check the racketeering in foreign exchange. Such measures are expected to give stability to the jute trade and to assure, at the same time, a fair price to consumers.

The Jute Marketing Corporation will have an authorised capital of Rs. 8 crores. The issued capital will, in the first instance, be Rs. 4 crores, contributed by the Government and private investors in equal proportions. Private investment will be limited to Rs. 500 in the case of individuals and Rs. 1,000 in the case of firms or co-operative societies. The Corporation will set up 200 buying agencies, in gradual stages, in all important jute marketing centres in the province. It is expected to handle about 500,000 to 1,000,000 bales of raw jute annually. The Corporation will be given monopoly in purchase of raw jute in the border regions, with a view to preventing smuggling across the border and ensuring sufficient business in the early stages. It is also likely that the Government will take steps for compulsory declaration of stocks by growers in the border regions. It is claimed that the work of the Corporation will not be motivated solely by profit-making. It will give to the producer a fair minimum price which will be decided on the basis of the export minimum price fixed by the Central Government at the beginning of every season.

The other body, the Jute Marketing or Export Control Board, will be composed of representatives of the Central and Provincial Governments and, if necessary, of the export trade. The object of this body is to ensure that all foreign exchange earnings on the export of jute are promptly repatriated to Pakistan. It is stated that some unscrupulous buyers and their agents abroad purchase and stock jute at the export minimum price and release the stocks only when the prices rise. The Board will have its agents in all principal jute consuming markets. Local shippers will be required to offer their saleable stocks of raw jute to the Board, which will obtain, through its agents abroad, the best offers. Thereafter, the actual transaction will be left to the normal trade channel. Similarly, offers from abroad for the purchase of jute will be referred to the Board through its agents and the Board will share the commission on the foreign transaction with existing agents of the shippers on a 50:50 basis.

STOCKS OF JUTE GOODS

A substantial drop in the stocks of jute goods with mills is noted at the end of November 1956. Thus, the downward trend has been maintained for the second month in succession. The total stocks aggregate 101,900 tons, as compared with 116,700 tons at the close of the previous month and 125,200 tons two months before. Although the latest month-end stocks are the lowest since March 1956, they are still well above those at the close of November 1955, as will be seen from the following comparative table:

(In tons)

	As on 30th Nov., 1956	As on 31st Oct., 1956	As on 30th Sept., 1956	As on 30th Nov., 1955
Hessians	24,600	30,800	29,400	27,900
Sackings	67,500	77,300	88,600	30,800
Others	9,800	8,600	7,200	4,300
Total ..	101,900	116,700	125,200	63,000

The fall in stocks during November is much steeper than that noted in the preceding month. The bulk of the decline is accounted for by sackings, but the fall in this category is less steep than in October. Hessian stocks, which had gone up by 1,400 tons at the end of the previous month, have been marked down by 6,200 tons at the close of November.

Statistics of Canadian imports indicate that Indian jute products enjoy some consumer prefer-

(Continued in previous column)



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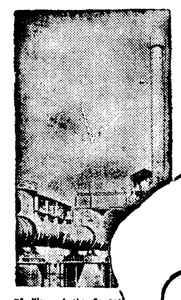

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ACCIDENTS ON RAILWAYS

PARLIAMENT CRITICISES ADMINISTRATION

THE debate in both the Houses of Parliament on the recent railway accident at Ariyalur provided an opportunity for the members of Parliament to emphasise how greatly the public value safety of travel and how the authorities can never be too watchful on the "safety" front. Although some members spoke more in sorrow than in anger, it is plain that an attempt was made to malign the Administration in too sweeping a manner. The Union Minister for Railways, Mr. Lal Bahadur Shastri, was at some pains to defend the authorities against such unjust criticism. Obviously, Parliament was in no mood to listen to his sober defence, for it had become sorely exercised over the accident. Without in any way minimising the gravity of a few of the recent accidents or the importance of strictest possible measures on the "safety" front, we would urge the avoidance of unjust and exaggerated criticism which, whatever the intentions of the critics, can only do more harm than good.

Mr. Lal Bahadur Shastri admitted, in the course of his reply to the debate in the Lok Sabha, that the Government "should do the maximum in the matter of making travel safe." But the authorities had taken some measures already, in order to increase the safety factor in railway travel. These had been justified by the favourable experience of the railways. Thus, over the 1951-54 period, accidents had declined by 39 per cent., the comparable figures for the U.S. and the U.K. being 32 per cent. and 22 per cent., respectively.

Number of Accidents

Although the two more recent accidents have been the worst of their kind, it should not lead one to think that nothing has been done to prevent accidents. Actually, the number of accidents has successively declined—to take only class I Railways—from 16,090 in 1951-52 to 12,783 in 1952-53, 11,201 in 1953-54 and 10,431 in 1954-55. It must, however, be admitted that there has been a steady rise in the number of deaths (passengers, employees and others) due to accidents. It was 82 in 1951-52, 89 in 1952-53, 209 in 1953-54 and 219 in 1954-55. The figures for 1955-56 and 1956-57 when available will show a further rise. These deaths occurred as a result of causes including collisions between and derailment of trains, fires, failure of engines and rolling stock. The number of casualties during the four years as a result of other causes is far larger—4,006 in 1951-52, 4,566 in 1952-53, 4,378 in 1953-54 and 4,136 in 1954-55. The number of casualties per million passengers carried has, however, shown a modest decline. It was 3.16 in 1951-52, 3.11 in 1952-53, 3.19 in 1953-54 and 2.91 in 1954-55. The number of accidents per million train miles varies from region to region. It varies from 43.2 and 45.0 in the North-Eastern and Central Railways to 61.2 in the Western and 85.0 in the Southern Railways. Commenting on these figures, the Estimates Committee, in its thirty-third report (1955-56) on the Ministry of Railways, says that the "incidence of accidents occurring in the Southern and Western Railways is disproportionately high." The following table gives the principal causes of accidents in 1953-54 and 1954-55:

Causes of Accidents

(Class I Railways)

Causes	1953-54	1954-55
1. Collisions and derailments—		
Trains	1,168	1,103
Others	196	244
2. Failures of engines and rolling stock ..	5,216	4,781
3. Failure of permanent way	121	191
4. Fires	255	263
5. Other accidents	4,245	3 844
Total ..	11,201	10,431

It will be seen from the table above that the accidents caused by collisions, derailments and failures of engines and rolling stock account for nearly 60 per cent. of the total accidents. Since the causes of accidents have not been related to the number of lives lost or persons injured, it may be difficult to establish any causal connection between the nature of the cause of an accident and the gravity of the mishap. Perhaps, statistics, though very useful, cannot be a perfectly reliable guide to prevention of accidents. For an unexpected failure of a minor source may well cause an accident on the railways destructive of life and property. This, of course, does not mean that the authorities should relax their efforts on the "safety" front. In this connection, it may be useful to set down some of the suggestions made by the Estimates Committee.

(1) Adequate facilities for training and refresher courses should be provided for the employees of traffic, mechanical and civil engineering departments. (2) Night and surprise inspections must be conducted by officers and inspectors. (3) On sections of heavy traffic, high standard of interlocking should be provided and on all sections, where traffic is light, some sort of rudimentary interlocking must be made available. On the main trunk routes, no station should be left un-interlocked and the standard of interlocking at all stations, on a section, should be the same. Further, at large stations, track circuiting should be provided. (4) Complete lock and block should be planned for all double-line sections. (5) On single-line sections, where traffic is in excess of three trains each way, token instruments must be provided and where token instruments are installed the last stop signal should be interlocked with the token instrument. (6) If paper line-clear system is in force, a train signal register should be maintained. (7) No section of the double-line should be worked on paper line-clear system. (8) Standards of interlocking should be gradually raised. (9) Speedometers should be provided on all engines working trains carrying passengers. (10) Standard of lighting in yards and platforms should be improved. (11) Continuous night duty by assistant station masters should be avoided. (12) The area of a yard in which train examination is done as also the sick-line area should be provided with floodlighting. (13) On the metre-gauge pit lines should be provided at stations, where intensive train examination is done. (14) Supersonic crack detectors should be provided in all railway workshops. (15) A proper and well-defined technique in welding should be prescribed in all workshops and proper welding equipment should also be provided. Supervision of welding work should be effective and courses of training for welders should be introduced. (16) Arrangements for annealing should be provided in all workshops and an organisation should be set up to ensure annealing all welds. (17) Snatch test arrangements for draw-bars should be provided in all workshops and it should be ensured that every single draw-bar is given snatch test before it is brought into use on rolling stock. (18) At the time of periodical overhaul each wagon draw-bar should be annealed and given a snatch test. (19) The deficiency of gauge glass protectors on engines must be removed.

Increase in Load

It is not clear how many of these suggestions have been implemented by the authorities. It is quite likely that there may be nothing in these suggestions that is not already known to the men in charge of the Railway Administration. But, since accidents are often caused through failure to take the precautionary measures which everybody knows must be taken, it is necessary to make a conscious attempt at implementing them. Again, the opinion has been expressed that the large increase in the loads which the railways carry imposes a heavier strain on the railway track than was originally contemplated at the time of laying the track and that the failure to take this factor fully into account in decisions relating to frequency of repairs or replacements and adequacy of inspection of track has been responsible for an increase in accidents. The authorities will do well to examine thoroughly all the technical aspects of track maintenance. It is reassuring to learn that the Government has decided to appoint a high-level committee, consisting of representatives of the Railway and other Ministries, to suggest new formulæ for different areas for assessment of water discharge through bridges. This decision obviously stems from the experience in respect of the two recent accidents in which bridges were involved. There is no reason why a similar examination, at departmental expert level, should not be undertaken into the entire question of safety of the railway track.

Safety

The fact is that, in the context of the recent accidents and the very bitter—whether justifiable or not, is a different question—criticism of the railways in Parliament, in the Press and elsewhere, the authorities would be ill-advised if they did not immediately improve the technical and administrative machinery that is immediately concerned with safety of travel. Indeed, such measures deserve to be implemented without delay, even if it implies a certain re-allocation of the railway budget. Nor should the Administration fail to take or postpone taking such immediate and *ad hoc* decisions it thinks best in the interests of safety on the plea that things must await the receipt of the high-level Committee's findings or the report of the judicial inquiry into the Ariyalur accident.

There is, at least, one aspect of the whole problem which must be tackled immediately, though no speedy solution may be readily found. It is the improvement of discipline in the ranks of the employees. In the course of the recent discussions in Parliament, it was pointed out that standards of discipline had fallen. A similar view was expressed by a representative of the Railway Ministry in his evidence before the Estimates Committee. He said that the chief reason for all these accidents was that the "whole of human psychology has become casual and the real sense of responsibility is lacking." He added: "Unless we can improve substantially the standard of discipline—discipline of mind is also covered by this—we cannot hope to have any very substantial improvement in the matter of accidents." The authorities should take swift —and, if necessary, even stern—measures to improve the discipline among all classes of employees. In this task, the railway labour unions, we hope, will fully co-operate with the authorities.

INDIAN AIRLINES CORPORATION

A general improvement in the traffic operations is disclosed by the report on the working of the Indian Airlines Corporation during the year 1955-56 which was recently placed before the Lok Sabha by the Union Minister of Communications, Mr. Jagjivan Ram. During the year under review, the Corporation carried 500,363 passengers, as against 477,583 passengers in 1954-55. The cargo and mails carried increased from 50,256 tons and 4,659 tons, respectively, in 1954-55 to 53,856 tons and 4,997 tons in 1955-56. Between 1954-55 and 1955-56, the revenue aircraft miles flown increased from 17.95 million to 18.99 million, the capacity ton-miles from 46.44 million to 51.58 million, the revenue ton-miles sold from 32.39 million to 36.39 million and the overall load factor from 69.7 per cent. to 70.6 per cent. The fleet of the Corporation increased to 92 aircraft, including eight new Herons and three Skymasters.

"The Corporation having emerged as a compact business unit at the commencement of the year," the report declares, "it became possible to devote greater attention to the consolidation of the present and the building up of the future. Traffic has been steadily on the rise and there was an all-round improvement in the load factors achieved." "It is clear," the report continues, "that we have to adapt our equipment to the growing and specialised requirements of traffic in the country and beyond. We must also aim at achieving such economies as we can by standardising the equipment and eliminating a multiplicity of types. We are confident that, by progressively modernising our fleet, we shall be able to generate more traffic and at the same time effect economies by retiring some of the obsolete equipment."

The revenue of the Corporation increased from Rs. 6.92 crores in 1954-55 to Rs. 8.09 crores in 1955-56. The expenditure also moved up faster still, from Rs. 7.82 crores to Rs. 9.28 crores. To effect economy and achieve greater control over expenditure, the Corporation undertook the creation of an internal audit department and a central purchase organisation. These measures, it is stated, served to reduce the losses which amounted to Rs. 119.4 lakhs, inclusive of the unprovided depreciation of Rs. 60 lakhs, as against the loss of Rs. 161.85 lakhs estimated in the budget.

"The losses during the year," the report says, "exceed those of the year before by Rs. 29.25 lakhs but, in this connection, due allowance must be made for such additional contributory factors as the increase in the wage bill and the direct operating loss on feeder services." "It is also relevant to mention," the report points out, "that the Corporation's contribution to Government revenues during the year by way of excise duties and sales tax on aviation petrol was Rs. 86.55 lakhs and Rs. 9.79 lakhs, respectively." "It is too early," the report concludes, "to prophesy the results for the future, but it is unlikely that the gap between expenditure and revenue would be appreciably narrowed down, as much capital outlay would be necessary for our development programme, and it would inevitably take time to sell the capacity built up."

ELECTRONIC MULTI-TESTER

For testing A.C. meters and relays, engineering firms and utility companies are at present employing expensive rotating machinery. A portable electronic multi-tester which permits testing and calibration of watt-meters, watt-hour meters, power factor meters and relays at line frequencies of 40 to 60 cycles per second, has been developed by the Indian Institute of Science, Bangalore. The design, the details of which are available from the Secretary, National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi-1, is based on the principle of phantom loading, the test loads being stimulated by applying rated voltages to the potential coils and variable current loads to the current coils. A two stage phase shifting net-work provides smooth control of the phase angle between the current and the voltage vectors, particularly in the zero and the unit power factor regions. The equipment is likely to be of use to engineering colleges, meter and relay testing departments of electricity supply undertakings and in research laboratories. The equipment which can normally be operated on 220 volts, 50 cycles commercial supply can also be operated on 110 volts A.C. by providing a tap on the in-put transformer. The tester can be manufactured in any general purpose workshop having a small lathe, an engraving machine, a drilling machine and usual tools for sheet metal and soldering work. The essential components for its manufacture include valves, resistors, Capacitors, transformers of small rating, panel meters and wiring materials.

NEW PRODUCTS AND PROCESSES

Machine to Probe Secrets of Universe

A NEW atomic machine, which will serve both as an atom-smasher and an atom-maker and designed for probing into the fundamental secrets of the universe, is being built in New York at the Brookhaven National Laboratory. The laboratory is operated for the Atomic Energy Commission by Associated Universities, Incorporated, which is composed of nine leading universities on the U.S. east coast. The new machine, when it is completed in about three years, will break up atoms into their constituent parts while at the same time create a great variety of known and unknown atomic constituents including the fundamental particles of matter now observed only infrequently in the cosmic rays that bombard the earth from interstellar space. The machine, to be known as the alternating gradient synchrotron, will transform matter into energy and at the same time create matter out of energy. It will produce protons and neutrons as well as mesons which are believed to be the "cosmic cement" which holds the material universe together. In addition, the machine is expected to create matter in reverse, anti-protons and anti-neutrons, which constitute the fundamental building blocs of "anti-matter." The machine will also provide the most penetrating "atomic microscope" for looking into the infinitesimal world of the nuclei of atoms, where more than 99 per cent. of all the matter and energy of the universe is concentrated.

Heart "Horsepower" Measured

Scientists of the United States National Heart Institute have announced the development of an ingenious new method for measuring the "horsepower," or power output of the human heart. The method may enable doctors to find out whether patients are likely to have heart trouble long before any symptoms appear. And, if a person does have heart trouble, it should help doctors to decide how much work he can do without straining his heart. The Institute says the technique also will be of great value to physicians in judging the risk, for particular patients, of stressfull experiences such as surgical operations. The new method, which has proved successful in experiments with about 100 dogs, and will shortly be tried on human beings, determines cardiac output or horsepower by measuring the force with which the heart drives blood through the aorta and into the blood stream. The new technique is called a catheter tip method for the measurement of instantaneous aortic blood velocity. A thin plastic tube, or catheter, is inserted into a leg artery and pushed all the way up into the aorta. Two small tubes inside the catheter continuously register the difference in blood pressure between two points in the aorta during the pumping action of the heart. The pressure difference is recorded continuously and instantly on an electrical recorder. From this record, a physician can determine the heart's power at every instant in the cardiac cycle.

Simple Cleanliness Test

A search by the United States aircraft industry to find an accurate and economical method of determining the cleanliness of metal surfaces on jet planes ended by the discovery of a simple—and effective—solution: a single drop of water. Cleanliness tests of metal panels in jet planes are necessary in connection with bonding them together. Clean surfaces permit the full strength of the bonding material to be utilised. Formerly a time-consuming and expensive test of the metal panel bonds was required. The problem was to devise a cleanliness test that would be simple enough to be done quickly at many different points on each panel. Scientists knew that a drop of water on a clean surface will spread until it is almost flat. A drop on a dirty surface will retain its round shape because minute dirt particles dam up its outward movement. Using this knowledge, the researchers developed a device that releases a single droplet of distilled water and places it on the metal to be tested. A microscope is then placed over the droplet, and an optical instrument measures the angle of elevation of the droplet to within one degree. The higher the droplet stands, the dirtier the surface of the metal.

Atomic Test for Digestive Diseases

Atomic age medicine has given doctors a new test for digestive tract disorders and a new way to study the functioning of the stomach and intestines. The new test is expected to help in diagnosing cancer of the pancreas, chronic and acute inflammation of the pancreas, some diseases of the small intestine, and nutritional disorders following operations for duodenal and stomach ulcers. For the test, the patient eats a fat substance containing radio-active iodine, a peaceful product of atomic energy. Four to six hours later, blood samples are tested for radio-activity. In patients without gastro-intestinal disorders, radio-active levels are high. If the radio-activity is low, the test shows that there are certain abnormalities in intestinal function. The test was developed at the Duke University School of Medicine at Durham, North Carolina.

Camera Lens Adjusts Like Human Eye

A new camera for taking amateur moving pictures has a revolutionary new device which automatically adjusts the lens opening for the correct exposure under the prevailing light conditions. The light control mechanism operates on the same principle as the human eye, contracting in strong light and opening for weak light. The camera, made by the Bell and Howell Company of Chicago, Illinois, can follow the actions of people moving from areas of deep shade into strong, bright sunlight and back again to deep shade without any adjustment for the changing light by the operator. The mechanism that changes the size of the lens opening is activated by an electric eye or photo-electric cell. Impulses from this cell operate a small motor which operates on electrical power provided by six tiny mercury cell batteries.



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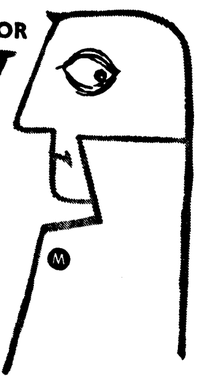

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UNREST AMONG INSURANCE STAFF

DETAILS OF FREE LIFE POLICY SCHEME ANNOUNCED BY CORPORATION

THE agitation for higher pay-scale and better service conditions by the 21,000 employees of the Life Insurance Corporation of India, which had been gathering momentum in the last few weeks, culminated in a country-wide "token" strike on Monday, 5th December. This is a sorry exhibition of the present unhappy mood of the employees. For a "strike" method is hardly the correct way of making their voice heard by the authorities. Nor is it a good prelude to the bipartite consultations for which they are now agitating. It is also a misnomer to call a strike a "token" one, for a token is a symbol of affection, not of disaffection, nor of grievance.

Wiser counsels, it is to be hoped, will come to prevail among employees. If they exercise patience and moderation, it should be possible to find a solution that will be satisfactory to themselves and the authorities alike. Any talk of "prolonged" strike—a threat to this effect is said to have been made in certain centres—is mischievous in the extreme. Such a strike would lose for the employees the sympathy of the public, in general, and the policyholders, in particular. Arithmetically speaking, policyholders far outnumber the employees. And the unfortunate fact that they have no direct say in the running of the Corporation should not make the authorities, as well as the employees, to think that their interests could be ignored. All this is not to suggest that the employees have no right to represent or even agitate for better conditions. Only, since insurance is not an industry which can be stopped or started at will but a continuous service, a strike is peculiarly inappropriate method of agitation.

All disinterested persons will, perhaps, deplore the frequent raising of issues relating to the Corporation in Parliament. This does nobody any good and it is, in fact, bound to inflict a great deal of damage on the Corporation. Irrespective of the views one may hold on nationalisation of life insurance—this journal has repeatedly expressed the view that it was as wrong as it was unnecessary—one should grant that the nationalised Corporation should have a certain freedom to function in its own sphere. It is a pity that members of Parliament continue to evince a certain partisan interest in the affairs of the Corporation. It is undeniable that Parliament, as a sovereign body, has a right to enquire into the working of any nationalised institution. But, in the interests of these institutions, Parliament will perhaps do well to observe some voluntary restrictions on its own freedom, by refraining from interfering with the working of the Corporation at frequent intervals and by giving the Ministry concerned sufficient time to show results. It will be a good convention if the House decides to examine the working of the corporations belonging to the public sector once a year, leaving the corporations to function in peace during the interval.

The leader of the Communist group in the Lok Sabha, Mr. A. K. Gopalan, urged the Speaker recently to allot some time during the current session of the Lok Sabha for a discussion on various matters regarding the Life Insurance Corporation of India. He also asked whether the Government had received representations alleging "irregularities, nepotism and favouritism" in the matter of appointment of top officials and the selection of persons as divisional officers of the Life Insurance Corporation. The Finance Minister, Mr. T. T. Krishnamachari, replied that the Lall Committee was appointed to assist the Corporation in the selection of officers and fixing their grades. He said it would take another three months to complete its work. As the Corporation had to start functioning from 1st September, last, certain appointments had been made which were purely provisional. About 190 insurance companies had been integrated and, may be, some persons had been adversely affected. But he assured the House that the findings of the Committee would be examined and, if as a result of this examination, some cases had to be reviewed, that would be done. In reply to another question, Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, said that the Government had received some representations and letters from many members of Parliament. The Government had replied to these letters.

While questions relating to the staff of the Corporation thus continue to be raised in Parliament and the agitation by the employees seems to go on unabated, the authorities of the Corporation have announced a well-conceived scheme of "free" insurance for its employees. Under this scheme, the Corporation will provide free life insurance cover to all its permanent employees by means of a group life insurance policy. The benefit will be of the nature of a whole life limited payment policy (with profits) with premiums payable up to age 60 of the employee. The employee will, however, have an option, to be exercised before entry into the insurance scheme, to elect instead an endowment assurance policy (with profits) maturing at age 60 for a smaller initial sum assured and with smaller quinquennial increases. The premium for the group policy would be fully met by the Corporation, subject to the condition that the employee, on his part, takes out at his cost, and continues to maintain in full force by regular payment of premiums out of his pocket, an individual policy under the plan of insurance elected by him—whole life limited payment (with profits) plan with premiums payable up to age 60 or endowment assurance (with profits) maturing at age 60, as the case may be—for a sum assured equal to the "initial insurance cover" provided by the Corporation. He will, however, be given the option to pay the premiums on his individual policy by withdrawals from his provident fund. An existing employee will be exempted from taking out an additional insurance, provided he is already holding an insurance policy or policies under the whole life or endowment or any other scheme of assurance (excepting temporary insurance) acceptable to the Corporation, for an amount not less than the "initial insurance cover" under the plan of insurance elected by him and provided the maturity or premium-ceasing age is not less than 50. Premia under both the group insurance policy and the individual policies would be at a concessional rate representing a reduction of 10 per cent. below the standard prospectus rate. The details of the scheme are as follows:

All figures of insurance cover, not enclosed in brackets, refer to whole life limited payment policies, while the figures pertaining to endowment assurance policies are enclosed within brackets.

New Employees—Supervisory and Clerical Staff.—The "initial insurance cover" will be Rs. 3,000 (2,750). The insurance cover will thereafter be successively stepped up by Rs. 1,000 (750) at the end of every five years of service, till it reaches a maximum of Rs. 8,000 (6,500), so that the scheme would be as follows:

Completed number of years elapsed, reckoning from date of entry into insurance scheme	*Insurance cover (Sum assured)* Rs.
0— 4	3,000 (2,750)
5— 9	4,000 (3,500)
10—14	5,000 (4,250)
15—19	6,000 (5,000)
20—24	7,000 (5,750)
25 or over	8,000 (6,500)

New Employees—Subordinate Staff.—The "initial insurance cover" will be Rs. 1,500 (1,250). The insurance cover will thereafter be successively stepped up by Rs. 500 (500) at the end of every five years of service till it reaches a maximum of Rs. 2,500 (2,250), so that the scheme would be as follows:

Completed number of years elapsed, reckoning from date of entry into insurance scheme	*Insurance cover (sum assured)* Rs.
0—4	1,500 (1,250)
5—9	2,000 (1,750)
10 or over	2,500 (2,250)

Existing Employees—Supervisory and Clerical Staff.—Existing employees who have completed 18 years but not completed 45 years of age on 1st January 1957 would be given the benefit of the insurance scheme, subject to their being eligible for the benefit. The "initial insurance cover" will be as under:

Age completed as at 1st January, 1957	*Insurance cover* Rs.
29 or below	3,000 (2,750)
30 to 44	4,000 (3,500)

The insurance cover will be increased by Rs. 1,000 (750) at the end of each quinquennium from 1st January 1957 or date of entry into the insurance scheme, if later, till the total insurance cover amounts to Rs. 8,000 (6,500).

Existing employees, whose age last birthday on 1st January 1957 will be 45 or over but not more than 57, will not be given insurance cover but instead would be offered a deferred annuity policy with premium payable up to age 60. The concessional premium for deferred annuities represents a reduction of 5 per cent. below the prospectus rate.

Age and amount of deferred annuity per annum payable half-yearly from age 60 for life.—Age 45—Rs. 350; age 46—Rs. 320; age 47—Rs. 290; age 48—Rs. 260; age 49—Rs. 230; age 50—Rs. 200; age 51—Rs. 180; age 52—Rs. 160; age 53—Rs. 140; age 54—Rs. 120; age 55—Rs. 100; age 56—Rs. 80 and age 57—Rs. 60.

The employee will have the choice of taking a cash option at the end of the deferment period in lieu of the deferred annuity. No insurance cover or deferred annuity would be granted to employees aged over 57 years on 1st January 1957.

Existing Employees—Subordinate Staff.—Existing employees who have not completed 45 years of age on 1st January 1957 will be given an "initial insurance cover" of Rs. 1,500 (1,250). The insurance cover will thereafter be successively stepped up by Rs. 500 (500) at the end of every five years of service reckoning from the date of entry into the insurance scheme till it reaches a maximum of Rs. 2,500 (2,250), so that the scheme would be as follows where the employee is admitted into the insurance scheme on 1st January 1957.

Insurance cover available on	*Amount of insurance cover* Rs.
1-1-1957	1,500 (1,250)
1-1-1962	2,000 (1,750)
1-1-1967	2,500 (2,250)

Employees, whose age last birthday on 1st January 1957 will be 45 or over but not more than 57, will be issued a deferred annuity as under:

Age completed as at 1st January 1957 or date of entry into insurance scheme, if later	*Amount of deferred annuity per annum payable half-yearly from age 60 for life* Rs.
45—49	60
50—54	40
55—57	20

The employee will have the choice of taking a cash option at the end of the deferment period in lieu of the deferred annuity. No insurance cover or deferred annuity would be granted to employees aged over 57 years on 1st January 1957.

If an employee discontinues payment of premiums on his individual policy or policies, which he is required to take out and maintain in terms of section 1, or surrenders the same or executes an absolute assignment thereof (otherwise than as security for a loan) to a person other than a dependent the benefit under the group insurance policy will cease from the date of such discontinuance of premiums, surrender or absolute assignment, as the case may be.

The "free" insurance scheme, which will cost the Corporation about Rs. 30 lakhs a year, ought to commend itself to the employees. For it is both a welcome and substantial compensation for the loss of bonus and a few other benefits they were receiving in the past. The authorities recognised that, though a nationalised institution could not pay bonus, the employees had come to look upon bonus as part of their regular income and that it would mean some hardship if they were denied this benefit altogether. What the "free" insurance scheme now does is to restore this benefit to the employees in a form that offers them a security which no bonus can give.

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General Manager.

AB-2.

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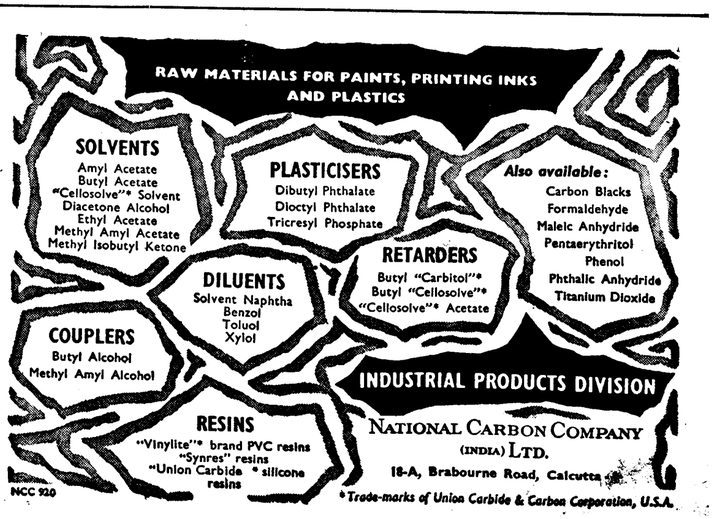

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INDIAN IRON AND STEEL COMPANY LIMITED

CHAIRMAN, MR. T. LESLIE MARTIN'S SPEECH AT ANNUAL MEETING

NEW EXTENSION SCHEME SCHEDULED FOR COMPLETION IN SECOND HALF OF 1959

ADDRESSING the shareholders of the Indian Iron and Steel Company, Ltd., at their Annual General Meeting held at Calcutta on 30th November 1956, Mr. T. Leslie Martin, Chairman, reviewed the progress of the Company during the year ended 31st March 1956. He also referred to the two extension schemes and said that the 1953 programme was scheduled to be completed by the end of 1958. The 1955 extension programme, which was designed to raise annual output capacity to 800,000 tons of saleable steel, he added, was due to be completed, under normal circumstances, early in the latter half of 1959. Mr. Martin, however, cautioned that the completion of the schemes depended much on the international situation.

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

"GENTLEMEN,

"In my address to you last year I stated that it was extremely unlikely that the production and trading results of that year would be repeated and that the large increase in the revenue, and consequent profits could only be regarded as a windfall. Happily, my prognostications have proved entirely wrong and very wide off the mark. From the report and accounts for the year 1955-56, which have been in your hands for some days, you will have seen that the results of the previous year have actually been exceeded. Today, I do not intend to make any forecast, but will confine my remarks, in the main, to facts and will explain to you, briefly, the factors that have contributed to this happy position.

Production

"The Company's total production of 706,986 tons of iron fell short of the figure of the previous year by less than 9,000 tons. The output, however, of your Burnpur blast furnaces, which provide the hot iron for steel making fell from 517,899 tons to 473,172 tons. This was due to the fact that No. 2 furnace was off production for periodical re-lining. The loss of production on this account, however, proved to be much less than had originally been envisaged as, by improved re-lining technique, the work was completed in a very much shorter period than on any previous occasion.

"With the change over of two of the steel melting furnaces from producer gas fuel to tar firing, we were able, and are now in a position, to utilise a greater proportion of steel scrap in our furnaces than was formerly the case. As an offset to the inevitable drop in the availability of iron for steel making resulting from the closure and re-lining of No. 2 blast furnace, an intensive drive for the procurement of steel scrap from local sources was launched and carried out with such success that it was possible to make good the anticipated deficit and even to surpass last year's production tonnage of ingot steel by some three thousand tons. A further benefit was received by reason of the fact that the rolling mills were able to produce a larger proportion of the output in the form of finished steel commanding a larger margin of profit than semi-finished steel such as billets, blooms and slabs.

"The production of iron from your Kulti blast furnace was 233,814 tons, as against 197,702 tons in 1954-55, since both furnaces were in full production throughout the year. In addition to the benefit of the consequent increased availability in the sale of pig iron, full advantage was taken of a larger allotment of iron, sanctioned by the Government, for use in the Kulti foundries. This enabled an increase in the production tonnage of spun pipes and general castings of some sixteen thousand tons which, again, had a marked effect on the satisfactory trading for the year under review.

Profit

"Taking these factors into account, an increase in profits of some Rs. 70,00,000 has been realised for the year. From this amount we are required, in accordance with the terms of the agreement entered into with the Government (to which reference is made in your Directors' report) to set aside Rs. 29,47,838 to a special fund to be utilised solely for the purpose of our expansion programme.

"As to the future, I can only say, in view of the excellent results for the year 1955-56, that, despite the many difficulties encountered, your Burnpur works have worked to full capacity and that until this capacity is augmented by the extensions now in progress, which will gradually come into operation, no appreciable increase in output can justifiably be looked for. Also, it must be remembered that it is not unlikely we may have to contend with increasing difficulties in the operation of the existing plant owing to the disorganisation caused by the expansion works in progress. I would, therefore, ask you to bear this in mind when forecasting possible results over the next year or so.

"In this connection, I should like to take the opportunity to pay tribute to the very efficient manner in which the task of the planning and co-ordination of the extensions works is being carried out by your Consulting Engineers, the International Construction Co., Ltd., and to the spirit of co-operation between them and the works management which has enabled all difficulties encountered to be smoothed over with the minimum of inconvenience to either side.

Finance

"So far as the financial figures for the year under review are concerned, there can, I think, be few points on which you will require further enlightenment. The accounts, as drawn up in conformity with the provisions of the new Companies Act 1956, give even fuller particulars than the previous very full disclosure it has always been the practice of your Board to make. There is, however, one item on which I might perhaps remark. You will notice that the accounts show the transfer of a sum of Rs. 7,00,000 to general development reserve. You may feel some doubt on the necessity for such transfer, having regard to the very large amounts set aside on the other extensions reserves. I would, therefore, like to explain that the sum in question represents the approximate reduction in the normal taxation liability for the year by reason of the development rebate allowed by the Government exempting from taxation 25 per cent. of the cost of the new plant and machinery installed. The consideration underlying this concession is that the saving in tax should be set aside for development purposes. We count to a large extent on the continuance of this rebate for financing both the 1953 and 1955 extensions and it is very desirable that this position should be recognised by the immediate institution of a general development reserve as a separate item of the reserves.

Dividends

"In view of the substantial increase in the amount of profits earned your Directors had naturally wished to mark the position by some increased distribution on the ordinary share capital. Every endeavour was, accordingly, made to obtain the approval of the Government to the admission of the shareholders to an increased participation in the profits, but as reported in the Board's circular letter of 1st October 1956, the Government have found themselves again unable to agree at this stage to an increase in the rate of dividend. Though the position is disappointing to us all and is one which your Directors greatly regret, as I advised you under similar circumstances last year, the orders of the Government cannot be ignored nor their legality challenged without serious detriment to the interest of the Company. It is incumbent on us, therefore, to accept the decision of the Government with good grace. To the extent that profits earned are retained in the business the finance of the expansion programme and the ultimate repayment of the loans that are being incurred is facilitated. Also, we may derive such consolation, as we may, for the present restriction of dividend from the assurance that has been given by the Government in their letter dated 22nd September 1956. It has been stated in that letter that the mobilisation of the available resources for the completion of the expansion programme is in the long term in the interests of the shareholders 'as ultimately they will have their full share of the increased profits.'

1953 Extensions

"You will, I trust, have a full appreciation of the progress made with the 1953 extensions programme from the descriptive booklet that has been issued as a supplement to the report of your Directors and will have noted that the programme is scheduled to be brought to completion by the end of 1958 in two stages.

Further Extensions

"Particulars of the further expansion to an annual output capacity of 800,000 tons of saleable steel, which at the request of the Government has been agreed to, have been given in the Board's circular letter of 5th November 1956. In my speech to you last year, I explained that no decision as to the undertaking of this further expansion could be arrived at until the revised sales retention prices of steel, to be operative as from 1st April 1955, had been notified by the Government and we had thereby been enabled to forecast with some reasonable degree of accuracy the future financial position of the Company. The revised retention prices were communicated to the Company in February 1956, and were fixed at a satisfactory level. The further expansion was, therefore, approved by your Board and the necessary financial negotiations for securing the finance to cover the cost put in hand. As you are aware, this programme provides mainly for an increase in the finishing mills capacity. It is scheduled for completion under normal conditions early in the second half of 1959.

"The outline of the general financial arrangements in this connection, which has been shown in the Board's circular letter, will be placed before you for formal consideration at the Extraordinary General Meeting to be held tomorrow. I will, therefore, not comment on this occasion other than to express our great appreciation of the full understanding and sympathetic consideration that has been shown by the Government in the fixation of the current sales retention prices of steel and at all stages of the subsequent negotiations, even though it did not prove possible for them to see eye to eye with your Board on the question of the price at which the proposed rights offer of additional ordinary share capital should be made.

International Situation

"All that I have said on your immediate and future prospects and the completion of both the extension schemes must be judged in the light of the rapid developments which are taking place in the entire international sphere. No one can tell what ultimate direction these may take, but it would seem that world-wide impact on almost every national activity may result, which could seriously upset the implementation of all important schemes dependent upon sea transport, foreign exchange, the manufacture and delivery of imported plant and machinery together with the thousand and one other national requirements for industrial or other developments.

"In conclusion, I should like on your behalf to express our appreciation of the services rendered by your General Manager, Mr. J. McCracken, and by all the staff and workers whose able and willing combined efforts have made possible the very satisfactory results that have been achieved."

Note.—This does not purport to be a report of the proceedings of the Annual General Meeting, which will be sent to shareholders in due course.

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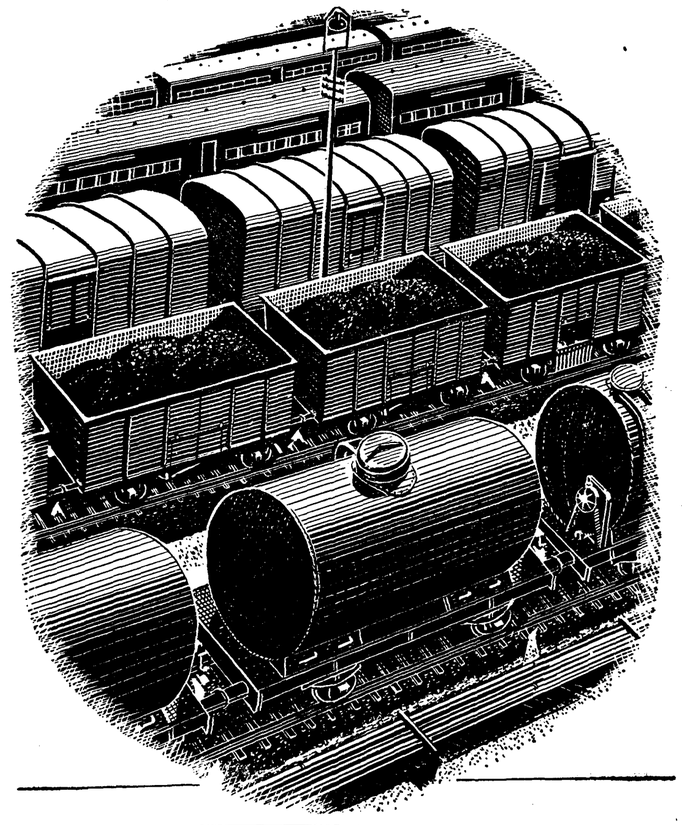
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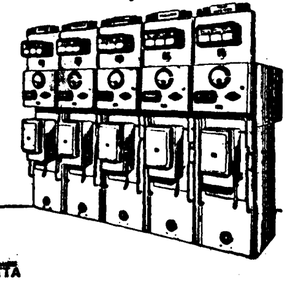
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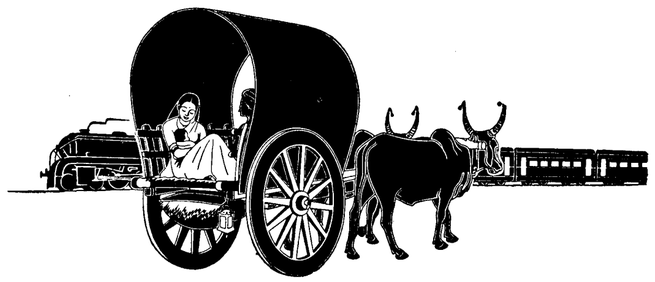

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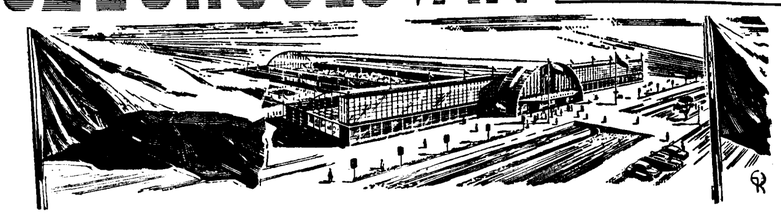

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CONGESTION IN MAJOR PORTS

MORE FACILITIES FOR CLEARING AND MOVING GOODS URGED

AT the annual general meeting of the Associated Chambers of Commerce and Industry, held at Calcutta early this week, the following resolution on port and transport was adopted:

(1) Urgent efforts should be made to remove the present congestion at the major ports by the provision of additional mechanical equipment and the introduction of incentive schemes of labour. Since no improvement will be effective unless there are adequate facilities for clearing goods to internal destinations, the communications serving the ports should be concurrently expanded to cope with a greater volume of incoming traffic.

(2) To supplement the capacity of Bombay the development of Kandla and Bhavnagar should be hastened, while the strain on Madras should be relieved by a more extensive use of the minor ports. To that end, the minor ports themselves as also their internal communications should be improved to enable them to play their full part;

(3) Rail, road and inland waterway transport require even greater expansion than that already contemplated and require further a closer integration which will enable them effectively to supplement each other."

Moving the above resolution, Mr. A. J. C. Hoskyns-Abrahall, President of the Bombay Chamber of Commerce and Industry, stressed the vital importance of the subject matter of the resolution, and observed:

"During the next five years, India plans to bring into the the country through her ports enormous quantities of goods. The latest Plan figures for machinery and equipment, for instance, appear to be Rs. 1,500 crores' worth and for foodgrains 8½ million tons. As foreign exchange cannot be lightly spent by the Government of India, it may be assumed that the vast bulk of these imports represents goods that are of vital importance for the development of the country. It is unfortunate but clear that, with the real weight of imports yet to be felt, there is already serious congestion in the major ports, congestion which derives not only from conditions within the port areas themselves, but from factors whose influence spreads far outside them and which present problems the Port Authorities cannot be expected to have powers to solve alone. Nor, of course, are imports the whole of the problem. A growing volume of exports is vital to the Plan for the foreign exchange they will earn, and the congestion applies equally to them.

Record Tonnage

"The Bombay Port Authorities have been energetic in their attempts to meet the mounting needs of India's foreign trade. Last year, they handled a record tonnage, exceeding ten million, which, for instance, is nearly double the tonnage handled as recently as nine years ago. But they continue to be hard pressed and now they have at least 30,000 tons of iron and steel per month to be handled over the next twelve months and 150,000 tons of foodgrains per month for the first few months of next year together with all sorts of other imports. Briefly, what the Port has done is as follows:

"A piece-rate system introduced for dock labour has greatly increased the rate at which ships are unloaded; new mechanical equipment for handling cargoes has been quite extensively installed and more is on order. The stacking area has to some extent been increased and plans have been made for providing more deep-water berths and so on.

"But it is submitted that these measures are not enough, or not quick enough, to prevent the build-up of a grave crisis—assuming a free flow of international trade.

"In order to help meet the situation, it is to be hoped that the introduction of piece rates for all cargoes, a matter which is governed by a recent award, may be negotiated; iron and steel, for instance, have not so far been included. Better and more scientific stacking is a growing need, more efficient servicing and maintenance of mechanical equipment and training of personnel to man it are required, as, indeed, is a higher calibre of officer for supervising labour and handling labour problems. But above and beyond all this is the need for co-ordinating the various operations necessary for the passage of goods all the way from the holds of the ships to their upcountry destinations and this is beyond the Trustees of the Port of Bombay's powers. It can be done only at Government of India level.

"For the size of its trade, Bombay has possibly less open transit space than any other port in the world. Only Government can uproot the Services and other Government departments from the premises at present occupied by them on what should be a much lower priority and make them available for general traffic; only Government can sanction a scheme by which a main artery like Frere Road could for most of its length be embraced within the dock area and a new thoroughfare substituted further to the west. Only they could arrange for the diversion of foodgrain shipments intended for North India to the major port of Kandla and supply additional traction power for the railway to carry the cargoes away from that port. And only they can create proper road and rail links between the port of Bhavnagar, with its progressive development plans, and the industrial area of Ahmedabad—and so lessen the strain on Bombay.

"All these measures are essential ingredients in the mixture which has to be put into the pot before a final answer can be distilled.

Customs Procedure

"Yet another necessary ingredient is an acceleration of customs procedure, which could be brought about by improvements in detail, such as the extension of the validity of test reports on regularly imported items, and by such general measures as an increase in the staff strength and adjustment of hours of work. Clearly, for the general efficiency of any port, the hours of work for all those employed in it should be identical and, in the case of the customs, it is essential that they should follow the rule and work in at least two shifts. Customs laws and procedure should not act in restraint of the efficient operation of a port but should run parallel to it.

"Then, there are the railways and the roads as further elements in the crisis and be it noted that the expansion of the railways itself depends on the very imports that they are struggling to handle. The railways too have made a great effort in adding to their capacity and improving their operation, but again it is not enough. In Bombay, the Port Trust can each day offer 450 wagons, or sometimes more, to the railways. Most of this traffic is for the Western Railway. This railway, however, is continually offered more than its maximum daily capacity, which stands at the low level of 260 wagons, while the Central Railway with a capacity of 300 wagons is consistently offered less than that number. There are no doubt problems of freight and administration arising out of a redistribution of the traffic but surely there must be means of balancing the burden.

Roads

"The roads too could play a far greater part, if unnecessary restrictions on the issue of vehicle permits, periods of validity, weight of vehicles and length of hauls were removed. The situation in which the railways appeared to require protection from the competition of the roads disappeared long ago and every limitation which it has left behind, and in particular the Indian Motor Vehicles Act of 1939, should be radically revised, if not reversed. As for the roads themselves, the three national highways emanating from Bombay have a common route for the first twenty-three miles. Until the pressure on this route is abated, relief in the shape of road haulage must be severely limited. A plan does exist, however, for providing within the next five years a separate exit for one highway, and work is already being done on two express roads which will carry fast traffic to and from the heart of the city. This latter is a co-operative effort of the Central Government, the State Government and the City Municipal Corporation, a powerful combination which it is hoped will carry out the work with the urgency it demands.

"As the congestion builds up, it looks more and more as though the final answer will not be found without placing the operation of the major ports on an emergency footing, with the emergency appointment of a co-ordinator, or a co-ordinating committee, in each port with wide scope for liaison and wide powers to brush aside obstacles in the path of the smooth and quick movement of goods. It is not, perhaps, too much to say that the nation hangs breathless on the fate of the second Five-year Plan. It is certainly not too much to say that the Plan cannot succeed, unless an early solution is applied to the problem of congestion at ports."



EDUCATION FOR OUR CHILDREN

The Second Five Year Plan affirms that "by the end of the Second Plan, no village with a population of 500 or more should be without its own school". Thus India prepares to tackle its overbearing problem of illiteracy.

Of the sum of Rs. 330 crores allocated to Education in the Second Five Year Plan, no less than Rs. 82.6 crores have been assigned to the development of primary education.

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Calcutta is India's capital, and at one of its busy wharves, there's a picturesque mailboat from England, self-conscious in its new power of Steam. Look away for a moment to something else that is new. There! In those crates . . . the first few cakes of a new soap : *Sunlight*. The crates say: 'Made in England by Lever Brothers.'



Bobbing away on porters' heads, the cakes go off to some obscure bazaar of old Calcutta and from there . . . on to journey's end: the homes for which Levers have made the soap.

That's how it was one summer day of 1888. Lever Brothers (then, a three-year old British enterprise) thought the world of *Sunlight*. Soon, thousands of bazaars were stocking 'the tablet that foamed'—and families became converts for good.



Little by little, the motor car arrived (the model with the turkey-croak hooter); then the telephone began to jangle in Indian homes. And in those homes, time wasn't standing still either. People were asking for new and varied products to meet their changing needs. So, Levers—developing in step with them—produced for the home such things as *Lifebuoy* . . . *Vim* . . . and *Lux Toilet Soap*. This is becoming a story of familiar names, isn't it?



In 1922, Levers started making soaps in Calcutta—encouraged as they were by the increasing demand for their products. In 1934, a second factory went up in Bombay.



In 1926 came Dalda Vanaspati from Holland. And, with it, there started a revolution in India's nutrition—the use of a hardened vegetable oil for cooking. To manufacture *Dalda* in India, a new Lever Company was born in 1932: 'HVM'—the Hindustan Vanaspati Manufacturing Company Limited.

And still the Indian home called for newer and 'different' products. And so there came to India *Pears Soap*, *Erasmic* and *Gibbs* products, *Himalaya Bouquet* toiletries, *Rexona Soap*—familiar members of the Lever family. Marketing of these products led to the formation of yet another Lever Company in 1935: 'UTL'—United Traders Limited.



Now, you can't separate the tale of these products from the tale unfolding *within* Levers. The people in their factories and offices were changing, for one thing. Foreign experts were joined by the young men of India and today over four-fifths of Levers' executives are Indians.

Meanwhile, Levers were buying all the raw materials that India could offer. These purchases grew as manufacture expanded—till, in 1955, about 88 per cent of the oils and fats that Levers needed was supplied by India's fields and coconut groves.



An international partnership—that's what soon grew up in Levers. Foreign technical and marketing experience linked up with the talents and resources of India. Result? The Indian housewife today is supplied with products that are among the world's best.

Today, we are sixty-nine years from the crate of soap that, almost unnoticed, started Levers in India. Today, a new chapter in our story has opened with the association of Indian and foreign capital in Levers. Indian and British Directors work together on the Board, too. Here's a joint venture that serves the nation and advances with it.

Yes, the future arrives with each tick of the clock. And Levers face that future with a new name: 'HINDUSTAN LEVER LIMITED.' So the stories of HVM and UTL end, in a sense—because they've merged with 'Lever Brothers' to form Hindustan Lever.



But the Lever story goes on. For India's story goes on, and Levers have grown with India's needs and progress. As it has done for sixty-nine years, Hindustan Lever will continue to serve the Indian home.

HINDUSTAN LEVER SERVES THE HOME

PROSPECTS FOR TRADE WITH BURMA

PRICES MUST BE COMPETITIVE

By Chinoobhai C. Javeri

THE Union of Burma has an area of 262,000 sq. miles and a population of nearly 18.5 million. She is not only our neighbour but has also long historic relations and many common economic, political, and cultural ties with us. Besides, we have been trading with each other from time immemorial. To the ancients in India, Burma was known as *Suvernabhumi*—the land of gold. Verily, nature has been bountiful to her. Her soil, while fertile, is equally rich in minerals and oils. Being essentially an agricultural country, her economy is dependent upon agriculture and rice is the main source of revenue and the mainstay of the country's foreign exchange-earner. However, the international demand for rice in the world markets has fallen, on account of the growing self-sufficiency in food of the importing countries. More and more land is, therefore, diverted for cultivation of other crops. Timber is the other important product, but the forests, being infested with insurgents, are not systematically tapped and developed. There is a vast scope for industrial expansion and the Government have several schemes under consideration for the economic and industrial development of the country. Incidentally, the planned economy of the two countries has so much in common by way of inspiration and objective.

Last year, Burma was in the grip of one of the worst economic crises. Huge stocks of undisposed rice literally went abegging for customers abroad. Since she was finding it difficult to sell her rice in the free markets of the world, she resorted to selling it to the communist countries on barter basis. Her trade with communist countries thus gained momentum. Today her economy is getting back to near stability and the disposal of rice has ceased to be an acute problem. But she cannot afford to rest on her oars and remain self-complacent, since the present position is unlikely to continue for a long time. The future might not hold out the same favourable conditions. The disposal of rice crop, after all, will continue to be her major preoccupation. Besides, she will need much more foreign exchange in future to put through her large development schemes. There is no royal road for achieving this goal save by gearing up her economy to higher and diversified production and rationalising imports.

Exports and Imports

During 1955, Indian exports to Burma amounted to Rs. 13,23,32,754, as compared with Rs. 16,37,31,339 in 1954. Similarly, Indian imports from Burma also fell. Thus, there has been a general fall in Indo-Burma trade. Imports of items under food and drink, fruits and dried fruits, and unmanufactured tobacco from India fell considerably during 1955, while imports of groundnut oil showed a significant rise. India's export of jute goods has been disappointing. Of late, Pakistan has entered the Burma market as India's competitor. Besides, the Burmese Government is constructing their own jute mills. India also did not fare well in regard to cotton textiles. These are the writings on the wall calling for greater effort and vigilance in our export trade with Burma.

The imports of Indian cycles and sewing machines which were finding a good market have lately dwindled, because of the competition from other countries. While there is still scope for increasing export of the traditional items, there are other non-traditional items such as electric fans, telephone equipments, engineering goods, sport goods, plasticware and machine tools which could be pushed. There is also a potential market for diesel engines, hurricane lanterns, metal furniture, chemicals, surgical instruments, etc.

The bulk of Burma's trade is with India, the U.K. and Japan. In 1952-53, India was Burma's best customer, whilst Japan ranked second, its share constituting 15 per cent. of Burma's overall exports. The relative position in subsequent years, however, shifted, with Japan taking the place of India as Burma's best customer. But, this year, India bought large quantities of rice and entered into a purchase agreement spreading over a period of five years. Recently, India and Burma also entered into a general trade agreement. Much of the success of the agreement will depend on how it operates in practice.

Among the traditional items, cotton textiles constitute the biggest item of our export to Burma. The most significant event which has affected India's export of cotton textiles to Burma has been the termination of the Indo-Burma Trade Agreement with effect from 1st October 1953. Under the new tariff, which then came into force, Indian goods ceased to receive preferential treatment. They were placed on the same footing with those of other countries. Upto the middle of 1954, India had been dominating the Burmese textile market. Since July that year, however, Japan has captured the market, practically displacing India. The following figures impressively illustrate how India's textile trade with Burma is losing ground:

Imports of Cotton Piecegoods Into Burma

(Quantity in million sq. yards)

Country of import	October to September				
	1950-51	1951-52	1952-53	1953-54	1954-55
India	127.35	35.75	96.31	51.87	17.87
U.K.	18.21	7.78	17.33	14.62	5.64
Japan	30.78	10.46	22.98	62.18	57.57
W. Germany ..	0.01	0.02	0.06	2.00	4.68
Others	0.20	0.64	1.28	3.24	3.35
Total ..	176.55	54.65	137.96	133.91	89.11

In the beginning of the year, Burma received aid from the U.S.A. in the form of raw cotton under P.L. 480. She entered into trade agreement with the U.K., Japan and West Germany and recently with India for the supply of cotton textiles to Burma in exchange for the American raw cotton. India's agreement is for $3,850,000. Japan's share in the deal was the largest.

Textiles

In addition to her receiving supplies of cotton textiles from these countries, Burma has issued licences to import substantial quantities of cloth from Russia under a barter agreement. Thus, in the next few months, Burma will receive large quantities of textiles. This will further help in bringing down local prices which have been prohibitive, owing to acute shortage of cloth.

In Burma, Indian cloth is known for its durability and buyers prefer it, but its drawback is the lack of attractive presentation. There is large demand for prints in the Burma market, but Indian prints are fast disappearing from this market, because Indian mills, due to their own difficulties, do not supply smaller quantities per design which Burma wants. Price is another factor. Due to high prices, cloth is not able to hold its own, as in the past. Now that there is a buyers' market and increasing competition, price is a decisive factor in selling our cloth abroad, though I do not belittle or lessen the importance of quality. Even our coarse and medium varieties which hitherto enjoyed an invulnerable position are losing ground in our natural markets. They are faced with serious competition from China and Pakistan which are becoming our formidable competitors. Our whole export trade in cloth is passing through a critical phase and the position is aggravated due to high internal prices. Conscious of this state of affairs, the Government increased the excise duty to bring down internal prices. But such measures are effective only temporarily, and there is a saturation point beyond which the excise duty cannot be raised. On the other hand, so long as there is shortage of cloth, the internal prices will continue to be high. It is only by stepping up production and rationalising the industry that the competitive position of our cloth in the international market can be increased. This will take time. In the meantime, special concessions and facilities may be granted to the trade and the industry for promoting exports as is being done in various countries.

The First Criterion

Cheapness is an important feature of our cloth. It is this characteristic of our cloth that induces buyers in Burma and elsewhere to turn to India for their requirements. Price is, therefore, the first criterion and the main deciding factor, though cheapness does not mean that the prices should not bear some relation to quality. But there cannot be one yardstick for measuring quality, since the standard differs from cloth to cloth. When the difference in price is small the more discriminating buyer looks to durability, appearance and quality of goods. In the final analysis, however, what is fundamentally important is that the cloth supplied should be in accordance with the sample and, if that rule is followed, the causes for complaints regarding quality will be minimised.

There are certain varieties of cloth which are exclusively imported by the Civil Supplies Board and India is largely interested in exporting them. These varieties include plain grey longcloth, shirtings and sheetings, bleached longcloth, dyed cambrics, dyed poplin, dyed twills, etc. These are our main items of export. Unless these varieties are regularly purchased by the Civil Supplies Board from India in sizable quantities, India's export of cloth to Burma will be considerably reduced. The Government should, therefore, investigate and find out the quantities of cloth so far bought by the Civil Supplies Board from various countries under tenders and the percentage of India's share in it. These findings will be helpful in dealing with this important question.

Indian cotton yarn had a big market in Burma, but it is slowly losing ground, on account of high prices, restrictive export policy and cumbersome procedure of the Government. On the other hand, competition is fast growing and shaking its fist at us. Pakistan has now become our formidable competitor. Besides, the tensile strength of our yarn is below the required standard. The standard for export should, therefore, be revised and raised in accordance with the requirement of the foreign markets. At present, we are not keen on exporting cotton yarn because of the shortage at home, but, if the market is once lost, it will be difficult to recapture it. We must not, therefore, allow ourselves to go out of the market completely.

The time is drawing near when India will need export markets for her industrial products and the neighbouring countries can be her best customers. But these countries cannot be expected to buy from India, unless India buys from them. There must be reciprocity. Moreover, prices of Indian products must be competitive and their quality standardised, whilst concerted and determined efforts should be made to cater to tastes and exact requirements, which calls for new thinking and a new approach in our export trade and policy.



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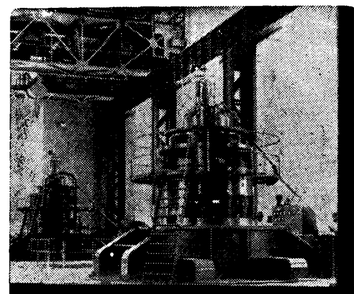

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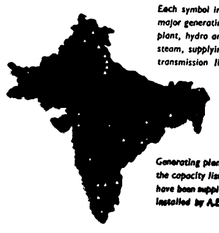

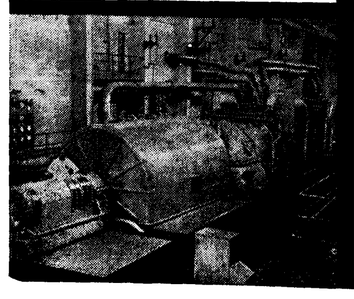

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AEI-1460

Notices

THE BELAPUR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Belapur Company, Limited, will be held on Friday the 28th day of December, 1956, at 4·00 p.m. (S.T.), at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1956.
2. To declare a Dividend.
3. To elect a director in place of Sir Joseph Kay, K.B.E., who is the Managing Director of W. H. Brady & Co., Ltd., the Managing Agents of the Company, has attained the age of 72 years and who retires by rotation but who offers himself for re-election, and to consider and if thought fit to pass the following, of which special notice has been received by the Company and is hereby given, as a special resolution:

   "That Sir Joseph Kay, K.B.E., who retires by rotation be and is hereby appointed a Director of the Company and that the age limit prescribed by section 280 of the Companies Act 1956 shall not apply to him."

   The reasons which make this resolution necessary are set out in the first paragraph of the statement of material facts annexed to this notice which paragraph shall be deemed to be incorporated in this notice.
4. To elect a director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation but offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and if thought fit to pass the following as an ordinary resolution:

   "RESOLVED that W. H. Brady & Co., Ltd., be and are hereby re-appointed Managing Agents of the Company for the period of 10 years from 15th January, 1957, at the remuneration and upon the terms and conditions contained in the draft agreement between the Company and W. H. Brady & Co., Ltd., submitted to this meeting and for the purpose of identification initialled by Sir Joseph Kay, a director, and that the directors be and are hereby authorised to cause the said draft agreement to be engrossed in duplicate and executed on behalf of the Company."
7. To consider and if thought fit to pass the following as an ordinary resolution:

   "RESOLVED that the registers, books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act 1956 and particularly under sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301 to 304, 307, 353 to 360, 362 and 372 of the Act, be kept open for inspection by the persons entitled thereto to the extent in the manner and on payment of the fees if any specified in the aforesaid provisions, at the registered office of the Company, between the hours of 11 a.m. and 1.00 p.m. on all working days except when the registers and books are closed under the provisions of the said Act or the Articles of Association of the Company Provided however that the register required to be maintained under section 307 of the Act shall be open for inspection by members or holders of debentures of the Company if any as aforesaid between the hours abovementioned during the period prescribed by section 307(5) (a)."

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board of Directors,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 30*th November*, 1956.

Notes.—The transfer books of the Company will be closed from the 30th day of November 1956 to the 29th day of December 1956, both days inclusive.

The dividend when declared will be made payable through the Bank of India, Ltd., Fort, Bombay, on and after the 11th day of January 1957. The dividend warrants will be posted to those shareholders whose names stand on the Company's register on the 29th day of December 1956.

ANNEXURE

Statement of material facts and reasons in respect of items of special business in the accompanying notice dated 30th November 1956

Item No. 3. Sir Joseph Kay, K.B.E., has been associated with the Company since 1924 and it is considered desirable that this association should be maintained by his re-election as a director. Sir Joseph, who is aged 72 years, is the managing director of W. H. Brady & Co., Ltd., and, as such, an associate of the managing agents. According to sections 261 and 281 of the Companies Act 1956, he can only be re-elected as a director by a special resolution.

Item No. 6. The present agreement dated the 30th September 1925 between the Company and W. H. Brady & Co., Ltd., under which W. H. Brady & Co., Ltd., acts as the Company's managing agents, will be deemed to expire on the 14th January 1957, under the provisions of the Indian Companies Act 1913 and the Companies Act 1956.

The Directors are of opinion that W. H. Brady & Co., Ltd., have served the Company well and recommend that they be re-appointed as managing agents for a period of 10 years from the 15th January, 1957, at the remuneration prescribed in the draft agreement referred to in this item, namely:—

"2. (I) The remuneration of the Managing Agents shall be as follows:

(*a*) A commission at the rate of 10 per cent. per annum on the annual net profits of the Company computed in the manner prescribed by Section 349 of the Companies Act, 1956 PROVIDED that if in any financial year the Company shall have no profits or its profits shall be inadequate to pay the commission aforesaid the remuneration of the Managing Agents for that financial year shall be the sum of Rs. 50,000. The aforesaid commission in respect of any financial year shall be paid to the Managing Agents upon the accounts of the Company for such financial year being audited and laid before the Company in general meeting. The Company shall in the meanwhile pay to the Managing Agents on account of the minimum remuneration of Rs. 50,000 a sum of Rs. 4,000 on the last day of each of the first eleven months of such financial year and a sum of Rs. 6,000 in the last month of such financial year.

(*b*) Such additional remuneration as shall be sanctioned by a special resolution of the Company and approved by the Central Government.

(II) The remuneration of the Managing Agents for any financial year shall be paid on the day following the day upon which the accounts of the Company for that financial year are laid before the Company in general meeting.

(III) In addition to the remuneration before provided for the Managing Agents shall be entitled to be reimbursed in respect of all expenses incurred by them on behalf of the Company and sanctioned by the Board of Directors of the Company or by the Company in general meeting such reimbursement to be made as shall be provided in the resolution granting such sanction."

Application has been made to the Central Government for approval of such re-appointment of W. H. Brady & Co., Ltd., as the Managing Agents on the terms and conditions of the draft agreement mentioned in item No. 6 of the above notice and the Central Government's approval was accorded thereto by the Government of India, Ministry of Finance letter No. 41/435/CL/56 dated the 20th October 1956. An abstract of the draft agreement between the Company and W. H. Brady & Co., Ltd., has been sent to each member as required by the Companies Act 1956. A copy of the aforesaid draft managing agency agreement is also available for inspection at the registered office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, during usual business hours on working days.

Item No. 7. The Companies Act 1956 entitles the Company to impose reasonable restrictions upon the availability of its registers, books and documents for inspection; the draft special resolution set forth under this item of business specifies such reasonable restrictions which are desirable in the interests of the Company's business.

Following is the nature and extent of the interest if any of the Managing Agents and of each of the Company's Directors in these items of special business:—

Name	*Interest*
W. H. Brady & Co., Ltd.	Managing Agents and Member of the Company.
Sir Joseph Kay, K.B.E.	*Managing Director, Chairman and Member of:* W. H. Brady & Co., Ltd. *Director and Chairman of:* New City of Bombay Mfg. Co., Ltd. New Great Eastern Spg. & Wvg. Co., Ltd. Empire Dyeing & Mfg. Co. Ltd. G. Claridge & Co., Ltd. Brady Engineering Co., Ltd. "Commerce" (1935) Ltd.
Sir Purshotamdas Thakurdas, K.B.E. ..	*Nil*
Mr. Bhagvandas C. Mehta	*Nil*
Sir Jamsetjee Jejeebhoy, Bart.	*Member of:* W. H. Brady & Co., Ltd. *Director and Member of:* New City of Bombay Mfg. Co., Ltd. New Great Eastern Spg. & Wvg. Co., Ltd.
Mr. Krishnaraj M. D. Thackersey	*Nil*
Mr. Maneklal Premchand	*Nil*
Mr. J. Symon	*Member of:* W. H. Brady & Co., Ltd. Empire Dyeing & Mfg. Co., Ltd. *Director and Member of:* Brady Engineering Co., Ltd.
Mr. F. Edwards ..	*Member of:* W. H. Brady & Co., Ltd. *Director and Member of:* Empire Dyeing & Mfg. Co., Ltd. *Director of:* G. Claridge & Co., Ltd.

To the Shareholders of The Belapur Company, Limited, and in particular to:
Mr. William Abel and
M/s. Rajabali Hasom Paroo and Sons, Ltd.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Books will be closed from the 17th to the 31st December 1956 (both days inclusive) for the preparation of Dividend Warrants in respect of the Final Dividend of 2½ per cent., less Income-tax payable on the 1st January 1957, on account of the profits for the year ending 31st December 1956.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA-1, 4*th December* 1956.



3rd—14th March, 1957

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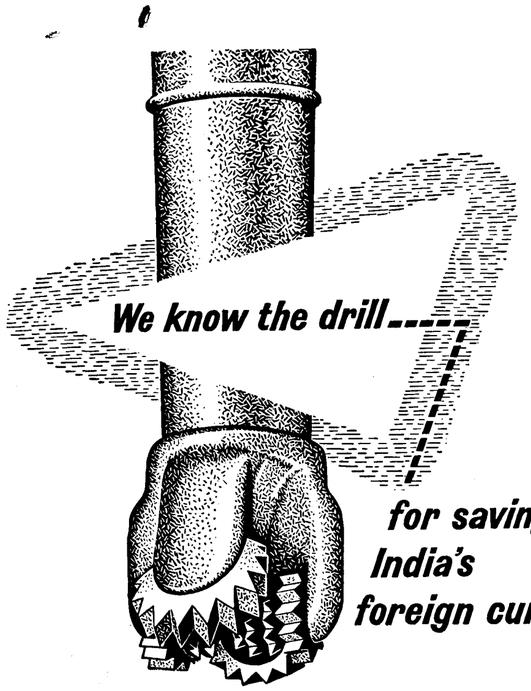

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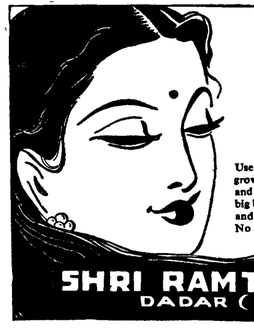

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Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr DINSHA K. DAJI
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS CHUNILAL MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.
Mr. N. K. PETIGARA.
SIR VITHAL N. CHANDAVARKAR.

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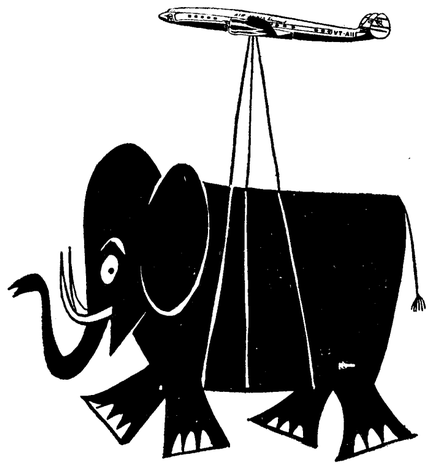

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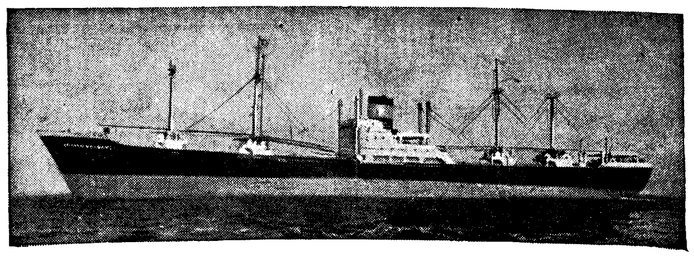

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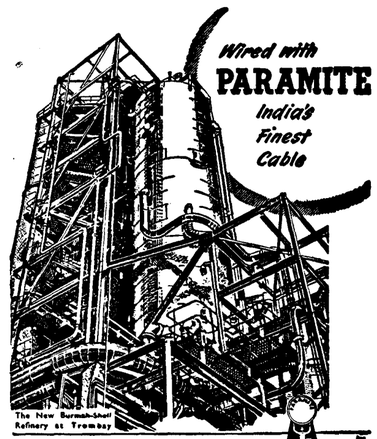

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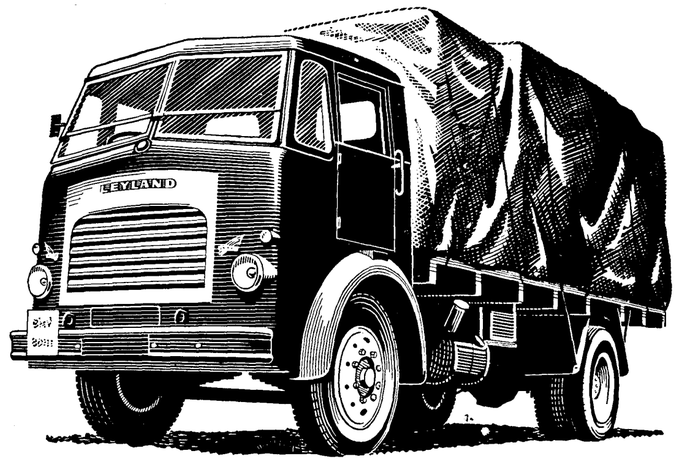

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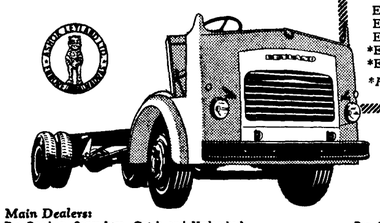
*ECPO2. 1R	16ft. 11in.	27ft. 0in.
*ECPO2. 2R	14ft. 8in.	24ft. 0in.

*Passenger models



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The following is an extract from Mr. Tennetti Viswanatham's letter, which will speak to the merits of the book as well as the authors of the same.

"The Ready Referencer published by John and Row is indeed a very valuable book. It is a clear analysis of the provisions of the new Act. It brings together the changes in their logical sequences so that the Directors and Managing Agents can immediately lay their finger on the required provisions whenever they are in doubt as to what is to be done or what the Law on the subject is. Besides, the Referencer is of even greater value to the Lawyer, as one can expect it to be, coming as it does from John and Row, who have been distinguished specialists on Company Law. Likewise the Bench should find it invaluable."

(Sd.) TENNETTI VISWANATHAM,
Chairman, Advisory Commission (Company Law Administration).

EXPRESS PUBLISHERS (PRIVATE) LTD.
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ECONOMIC DEVELOPMENTS IN EUROPE

IMPACT OF RECENT EVENTS ANALYSED

ALTHOUGH the impact of the recent events in the Middle East and Eastern Europe on the economies of Europe is increasingly being felt, it is rather early to assess clearly their full effects, especially those of the closure of the Suez Canal and the damage to oil pipelines. Nevertheless, the Secretariat of the Economic Commission for Europe has attempted a brief assessment of the position in its report to the latest quarterly *Economic Bulletin for Europe*. It observes that "even if more or less normal economic activity is resumed as quickly as possible, recent events in both Eastern Europe and the Middle East are bound to have important effects on the economies of Europe." According to the report, the economic repercussions of the developments in Eastern Europe are twofold. First, there are the direct losses, such as loss in human lives, drop in this standard of living, etc., arising from the insurrection. Secondly, far-reaching changes in the economic policies are under way both in Poland and Hungary.

The immediate results of the blocking of the Suez Canal are the severe shortage of tanker capacity, and the reduction in the supplies of oil to Western Europe, following both such shortage and the longer hauls from the Persian Gulf round the Cape or across the Atlantic. The countries which will be most severely hit consequent on the oil shortage are those most dependent on oil for their fuel requirements such as Sweden and Denmark. The countries which normally have a considerable export trade with the rest of Western Europe such as the U.K. and France, can minimise the adverse effects on their economies by restricting exports of petroleum products; but this could be disastrous to importing countries. A possibility of minimising these effects lies, according to the E.C.E. report, in the stepping up of imports of coal from the U.S. for which the availability of dry cargo reserve fleet in the U.S., which is more plentiful than tankers, may be helpful. Nevertheless, the shortage of fuel oil will entail a certain amount of reduction in industrial production. In this connection, the report suggests that the available oil supplies should be so distributed as to avert a fall in the production of those industries an adverse effect on which will give rise to chain reactions in the economy.

Dependence on U.S. for Fuel

Examining the effects of Western Europe's increased dependence on the U.S. for fuel on its balance of payments position, the E.C.E. report points out that any rapid growth of coal imports will add to Western Europe's difficulties. It also means that any substantial increase in defence outlays would still further restrict the resources available for civilian investment and consumption and make more difficult the task of maintaining internal and external economic stability.

Discussing, in a later part of the report, the impact of the sustained economic expansion witnessed since 1953 in Western Europe on its trade and payments, the report observes that though, in the early stages of the boom, the West European countries had been able to expand supplies of food, fuels and other materials adequately enough to keep their imports within limits, subsequently, however, imports from outside Western Europe have been rising faster than output and also exports to the outside world. This rise in imports is attributed by the report partly to the general pressure of demand on Western Europe's resources, and partly to the special factors such as the failure of coal production to expand and the consequent increase in imports of coal from America from 24 million tons last year to 40 million tons this year. Oil imports have also risen fast.

Coming to individual countries, the report points out that the rise in imports has been especially rapid in the case of three, namely, France, the Netherlands and Finland. At the same time, all the major industrial exporters, except France, have increased the volume of their exports this year, as compared with the same period of 1955, but such increases have not kept pace with the rise in imports. In the U.K. and Denmark, imports have not been so rapid, as a result of the policies adopted by the Governments which deliberately suppressed home demand. But the movement of labour from sectors of slack demand to those where it is strong is proceeding slowly in England; and the expansion in exports has been much slower this year than was witnessed in 1954 and 1955. From the experience of these two countries, the report draws the conclusion that a policy of restraint of home demand may not have a rapid effect on the growth of exports, unless either it is concentrated on those sectors of production for which export demand is already strong or it is accompanied by measures to stimulate investment in industries which can readily find export markets.

West German Exports

Commenting on the rapid growth of West German exports, as compared with those of British and French origin, in each main category of manufactured goods and towards each main market area, the E.C.E. report says that there is little likelihood of rapid changes in these trends. But on an examination of the recent changes in wages, productivity and export prices in the three countries, the report finds that such advantages in labour costs and export prices as Western Germany may have enjoyed in the past are now being reduced. The rapidly growing productivity in France during the past two years has prevented any significant rise in wage costs. In Britain concealed unemployment and underemployment seem to have caused labour costs to rise faster during recent months than before, since the rate of increase in earnings has not changed during the period under review. In Western Germany, there seems to have been a marked decline recently in the rates of growth of productivity, while wages have been rising considerably faster than in earlier years.

Turning to the recent changes in balance of payments of the West European countries, the E.C.E. report expresses the view that the reduction in reserves in recent months, in most cases, represented little more than a loss of some of the gains of last year. The drain on reserves has been serious, however, in the case of France, the Netherlands and Ireland, the position of the reserves of France being the worst. Though the grant of a stand-by credit of $263 million by the I.M.F. has reinforced the foreign exchange reserves of France to a certain extent, the E.C.E. doubts whether the situation can be improved to any significant extent, as the pressure of the demand on the resources continues and the prospect of any improvement in the competitiveness of French exports is not very bright.

In sharp contrast to the French position, which has been still further worsened by the Anglo-French intervention in Egypt, the E.C.E. Secretariat sees no prospect of any rapid change in the West German balance of payments surplus. On the contrary, it points out that the signs, recently appearing, of the slowing down of the growth of domestic demand may tend to increase the surplus still further. The E.C.E., however, feels that the risk of general deflation in the individual countries is unlikely, so long as Western Europe's overall balance of payments with the outside world remains satisfactory.

Prospects for Expansion

Referring to the future prospects for industrial expansion in Western Europe, the E.C.E. report observes:

"The present trends of demand for consumption and investment in most of the countries of Western Europe, and the continuing growth of exports, suggest that little change in the rate of overall expansion is to be expected in the near future, unless a further easing of investment demand in Western Germany or the beginning of a positive decline in investment in the United Kingdom brings about some further fall in the rate of growth of total output in those countries. Present indications suggest that such a fall may occur during 1957, unless either changing Government policies or other events affecting business men's expectations of future conditions provide a new stimulus. But, in addition, the possible effects of recent events in the Middle East now constitute an additional source of uncertainty about the future."

The E.C.E. report has also dealt with the policies adopted by the countries of this region designed to check price inflation. It points out that wages and prices in most countries have risen as fast, or even faster, during the last year than during the previous twelve months. On top of this comes the new danger stemming from the higher freight rates following the Middle East crisis. Its advice, in this connection, is that prompt steps should be taken to offset the effects of these higher rates on domestic prices.

A notable development in the field of agriculture is the general upward drift of farm prices. The report points out that, in many countries of Western Europe, Governments are faced with increasingly difficult problems in the field of agricultural policies. These difficulties primarily relate to (1) the maintenance or even raising of farm incomes in line with those in other sectors of the economy, and (2) demands of farm workers for higher wages following similar increases in other countries. The solutions to these issues, whether in the form of higher tariffs or greater subsidy bill, will, in the opinion of the E.C.E. Secretariat, tend to produce a new upward pressure on the price level and the consequent cumulative effects.

Excellent Harvest in Russia

Turning to Eastern Europe and the U.S.S.R., the report points out that an excellent grain harvest is indicated in the Soviet Union and Czechoslovakia, and about average results in Poland and East Germany. In Hungary and Bulgaria, however, the harvest was distinctly below average levels. Another notable feature in the field of agriculture is the startling rise in the production of milk in the Soviet Union, where deliveries by collective farms rose by 38 per cent. during the eleven months ended August 1956. The report attributes this sudden increase to the remarkable increase in milk yields in the Ukraine by 40 per cent. between 1954-55 and 1955-56, following the reduction in the inordinate increase in the number of cows. Such a reduction seems to have enabled the Soviet authorities to make a beginning of an adjustment of cow numbers to fodder availabilities so as to avoid under-feeding.

The report also notes a continuing drive for collectivisation in Hungary, Bulgaria and Czechoslovakia during the last summer. A tendency towards more flexibility in determining the structure of co-operative farms and the functioning of agricultural markets was also in evidence.

Plans for investment in 1956 laid down ambitious programmes of over-all volume of investment in all countries of Eastern Europe, except Bulgaria, according to the E.C.E. report. This is in sharp contrast to the relaxation of drive for investment witnessed in 1954 and 1955. But the level of actual investment during the first part of the year 1956, though higher as compared with the corresponding period of 1955, fell short of the rates planned for the year as a whole in many countries.

Eastern Europe is also faced with a fuel problem. The production of coal seems to have reached a ceiling, where no significant further increase can be achieved without considerable investment. Moreover, Polish coal mining occupies a pivotal place in the fuel problem of this region. The production of coal by this country affects not only Poland itself, but also East Germany and Hungary which are dependent on imports of fuel. The production in 1956 is expected to be 96 million tons, that is, one million tons less than the planned level.

Manpower Saturation

A notable feature in the sphere of employment in this region is that the overall manpower, with the exception of East Germany and Czechoslovakia, shows signs of over-saturation rather than of insufficient supply. The main causes for this situation, according to the report, are the tightening up of management and administration and the consequent release of workers from these branches, the large numbers of women seeking work to supplement the family income, irregularity in the supply of raw materials and the special problems of small towns which have been deprived of their small industries and handicrafts. The new policies of decentralisation of economic development and of encouragement to artisans and small enterprises which are designed to relieve the pressure of unemployment have not yet begun to show results.

Lastly, the E.C.E. report states that plans for foreign trade in the East European countries for 1956 foresaw considerable increases in total turnover. The data for actual trade, at current prices, show that, on the whole, considerable progress was made in the first half of 1956. In Czechoslovakia the turnover increased by as much as 20 per cent. as compared with the corresponding period last year. The report, however, states that the second half of the year cannot show an equal degree of fulfilment of plan targets. This is due to the recent bad harvests, and rise in home demand in some of these countries. The recent disturbances in Hungary and Poland also have had their effect on the normal flow of trade. These adverse factors, the report predicts, may be offset by an increase in Soviet orders for industrial products and by deliveries under recently granted Soviet loans.

PROBLEMS OF CHEMICAL INDUSTRIES

INCREASE IN PLANT-CAPACITIES WARRANTED

THE view that the scope for private initiative and enterprise was still great within the limited fields allotted to them by the new Industrial Policy Resolution, that the Resolution offered a new opportunity to private enterprise to justify its existence in a socialist State and that the future of private enterprise would depend upon its performance during the years ahead was expressed by Lala Charat Ram, in the course of his presidential address to the seventeenth annual general meeting of the Indian Chemical Manufacturers' Association. He counselled his colleagues to guard themselves against purely doctrinaire opposition to Government policies, just as they often recommended to the Government not to base its policies on purely doctrinaire approach. It is, however, doubtful whether a large section of business community will endorse these unqualified observations of Mr. Charat Ram. While such statements will doubtless be pleasing to the ears of the Government, they are nevertheless unrealistic. How can free enterprise function effectively and show quick results, if its operations are impeded by too many Government controls and if the scope for raising equity or loan capital from the money market is restricted by excessive taxation, State-ownership of life insurance and restrictions on the use of corporate savings? It is one thing to accept meekly and obediently the policy of the party in power and try to do one's best for the welfare of the people. It is another thing to speak frankly about the unwisdom of the Government resorting to measures the results of which are of dubious character. To do the latter does not necessarily mean disobedience to the Government or failure to do one's best for the country, or indulgence in doctrinairism. In fact, these critics make a more valuable contribution to the progress of the nation than those who shower praises on Government, even when realising that it is not in the right, just because political expediency favours such a course.

Position of Industry

The observations of Mr. Charat Ram on the position, problems and prospects of chemical industries, however, were non-controversial, quite pertinent and reflective of his practical experience of the industry. Reviewing the progress of the industry, he recalled that the various branches of the industry had exceeded their first Plan target of investment of Rs. 26 crores by a crore of rupees, in contrast to the shortfall of 10 per cent. in the total investments in industries in the public and private sectors. He, therefore, termed the performance of the chemical industries during the first Plan period as "reassuring" Products manufactured for the first time in India during this period were as diverse as, to cite a few examples, Calcium Carbide, Hydrogen Peroxide, Rare Earth Compounds, Titanium Dioxide, Ammonium Chloride, Benzene Hexa-Chloride, Penicillin, D.D.T., Sulphur Black, Azo Dyes, etc. The broadening of the base was also accompanied by an impressive general growth in output and installed capacity.

Looking ahead, Mr. Charat Ram rightly stressed that chemical industries had an important place in the efforts of the community to attain a balanced and diversified industrial growth within the framework of general economic planning. The magnitude of the challenge posed to the chemical industries was reflected, according to the speaker, in the investment outlay envisaged, namely, Rs. 125 crores, in the second Plan as against Rs. 26 crores in the first Plan. This would obviously mean a heavy strain on the available financial and technical resources, and would necessitate their expansion considerably. The effectiveness of the marketing policies would also have to be reassessed. Similarly, labour-management relations, too, would have to be reorganised to suit the changing needs.

Larger Effort Needed

Striking a note of warning against any complacency that might grow as a result of the achievements of the first Plan, Mr. Charat Ram pointed out that the present achievements constituted only a base for the much larger effort necessary, if the industrial structure was to be provided with an adequate supply of chemical products to draw on. Moreover, although the development proposals for the chemical industries would bring about a manifold increase in the capacity and output of different types of chemicals by 1960-61, he stressed that the targets already fixed were only tentative and, as they depended on the targets fixed for so many other fields, such as food production and textiles, it might be necessary to effect an upward revision of those envisaged for chemicals as and when similar changes were incorporated in the targets for other products. There can be no two opinions on this conclusion.

Mr. Charat Ram expressed his appreciation of the Government's decision to finalise the programme for the manufacture of intermediates by the N.I.D.C. only after taking into account the present or proposed schemes of individual dyestuffs manufacturers. He suggested, however, that, if some of the manufacturers desired to produce some of the primary intermediates proposed initially for the N.I.D.C's activity, they should be encouraged to go ahead.

Import Policy

The Government's import policy pertaining to chemicals also figured in Mr. Charat's speech. He thought the method of imposing import restrictions only after the manufacturing unit had accumulated substantial stocks was not a satisfactory one, as it retarded the growth of the industry. In putting forward this view, he was not oblivious of the necessity for safeguarding the interests of consumers. In order to ensure that the units protected through import controls were in a position to deliver the goods, he suggested that the Government should ascertain through complete inspection whether the plant was in good shape and had the requisite capacity. Once it satisfied itself on these points, the Government should not insist on accumulation of stocks as a condition for import control protection.

He then referred to the programmes for development of pharmaceutical industry and emphasised the need for a closer co-operation between the plans of the State and the industry. He deprecated, in this connection, the tendency on the part of the Government to formulate plans without taking into confidence the industry concerned. He said that such indifference was unfair to the industry which had struggled against heavy odds for many years to meet the growing demands of the country. He also drew the attention of the authorities to the unnecessary competition from the Government Medical Stores Depots, the vexatious excise regulations and the alarming rate of patent registrations by foreign manufacturers in India. He was sorry the Government had failed to give adequate attention to the recommendations of the Pharmaceuticals Enquiry Committee which had viewed the development of the existing branches of the industry in its proper perspective. He complained that Government, in its preoccupation with the development of antibiotics, sulpha drugs, anti-dysentery, and anti-T.B. drugs, was not paying adequate attention to the problems of the pharmaceutical industry in the non-State sector, which, too, has made considerable progress in various directions.

Special reference was made by Mr. Charat Ram to superphosphate industry, because of its importance to agriculture and as a base for large-scale production of sulphuric acid, so essential for almost all chemical industries. The speaker called for greater utilisation of superphosphates as fertilisers. He criticised the tendency to regard the nitrogenous fertilisers as a cure-all for all agricultural problems. He cited the instance of Western countries, where superphosphate and nitrogen were being used in agriculture in the ratio of 115:100, as against 30:100 in India. He advanced certain suggestions to increase the consumption of superphosphates. They included subsidies, as in the U.K., readjustment of railway freights on the same levels as for manures, and more liberal grants of taqavi loans for agriculturists.

Another important problem to which Mr. Charat Ram drew the attention of the authorities was that of ensuring economic plant capacities in the chemical industry. The chief features of

(Continued on page 1179)

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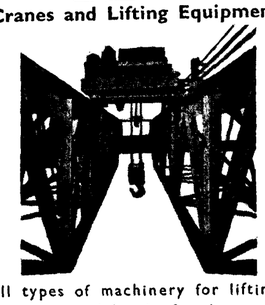

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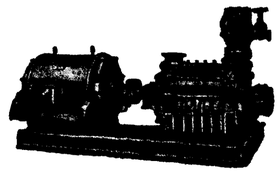

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BELAPUR MAINTAINS DIVIDEND ON HIGHER CAPITAL

PRODUCTION AND PROFIT INCREASE

THE quick recovery from Rs. 244 to Rs. 252-8 in the market value of the shares of the Belapur Company, Ltd., on the Bombay Stock Exchange during the past few days, after its slump from Rs. 257-8 to Rs. 240 following the supplementary budget proposals, reflects the investors' gratification at the Directors' decision to maintain the dividend for the year ended 30th September 1956 at 32 per cent. per annum, and that too on a capital increased by the issue of a 50 per cent scrip bonus early this year. It is also a measure of their confidence in this "blue chip," despite the sharp increase in the dividend tax applicable to the Company.

The Directors' decision to recommend the above distribution was no doubt taken on the eve of the new tax proposals, but there need not be any regret on that account, as the higher quantum of distribution is amply justified by the impressive results for the year under review and the sound financial position of the Company. The gross profit for the year has staged a rise from Rs. 59.48 lakhs to Rs. 60.38 lakhs. Though the increase is negligible as compared with that noted in the previous year, it has helped the Company establish a fresh record in profit since 1947-48, when the profit reached a high of Rs. 66.43 lakhs. The net profit has, however, slipped back from the record high of Rs. 34.69 lakhs for 1954-55 to Rs. 33.34 lakhs. This is solely due to the increase in the tax burden; the provision for taxation has been stepped up from Rs. 14.50 lakhs to Rs. 17.75 lakhs. The transfer to the depreciation account has, on the other hand, been pruned from Rs. 4.19 lakhs to Rs. 3.16 lakhs. This allocation has not been utilised to write down the fixed assets, as in the previous years, but has been set aside to a newly created depreciation reserve. Out of the net profit, a handsome amount of Rs. 15 lakhs (as against Rs. 19 lakhs in the previous year) has been ploughed back, of which the general reserve gets Rs. 8 lakhs (Rs. 7 lakhs), reserve for housing Rs. 5 lakhs (Rs. 10 lakhs) and reserve for gratuity Rs. 2 lakhs (Rs. 2 lakhs)—the figures within brackets refer to the appropriations in the previous year. The dividend distribution requires Rs. 3.76 lakhs more at Rs. 18.80 lakhs, due to the remuneration on the capital represented by the issue of bonus shares for half the year from 1st April 1956.

Company's Progress

The following table shows at a glance the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 30th September			
	1956	1955	1954	1953
Sale proceeds of sugar (gross) ..	148.12	141.70	127.65	177.62
Closing stocks*	43.69	32.46	20.45	14.37
Crop, manufacturing and other expenses	73.72	71.63	64.94	68.57
Excise duty and sugarcane cess.	28.28	24.89	18.23	28.10
Gross profit	60.38	59.48	62.98	56.29
Managing Agents' remuneration	6.13	6.10	5.45	5.73
Provision for—				
Depreciation	3.16	4.19	3.80	4.76
Taxation	17.75	14.50	13.00	21.00
Net profit	33.34	34.69	30.74	24.79
Transfer to—				
Reserve fund	8.00	7.00	6.00	3.00
Other funds	7.00	12.00	10.00	7.00
Dividend	18.80* (32%)	15.04 (32%)	15.04 (32%)	15.04 (32%)
Carry forward	0.53	0.99	0.74	0.04

* Dividend of Rs. 16 per share on the old shares and Rs. 8 per share on the new bonus shares, ranking for dividend from 1st April, 1956.

The Company's performance in respect of production, field yields and recovery of sugar during the year was quite encouraging, as will be clear from the following extracts from the Directors' report:

"The year under review was very satisfactory from both the estate and the manufacturing sides, field yields and recovery being higher than last year. Some outside cane was purchased during this season and the quantity of finished sugar was also slightly higher than the previous year, which recorded the highest production of the factory.

"Sugar releases continued to be controlled by the Central Government and there was a balance of about 30 per cent. of the production still to be released for sale at the end of the financial year. The sugar market throughout the year ruled steady, but quiet, and the prices realised were more or less the same as in 1954-55.

"The overall efficiency of the factory was maintained at a high level which was partly reflected in the higher recovery. However, to improve further the quality of the sugar produced, your Directors have decided to install some additional machinery and orders will be placed on receipt of the requisite import licences. On the estate side, results continued to be satisfactory and the condition of the standing crop is good."

The higher production of sugar is duly reflected in the increase of Rs. 6.42 lakhs in sale proceeds of sugar and of Rs. 11.23 lakhs in the value of closing stocks.

The Company's latest balance-sheet reflects a very sound financial position. The paid-up capital of the Company was raised during the year by 50 per cent. to Rs. 70.50 lakhs, by the issue of bonus shares in the ratio of one share for every two shares, utilising for the purpose a sum of Rs. 23.50 lakhs from the general reserve. With this issue, the total amount capitalised so far during the 37 years of its history comes to Rs. 51.70 lakhs. Even after the capitalisation of such a large sum, the reserves and surplus of the Company, as at the end of the year under review, stand at Rs. 100.15 lakhs, of which general reserve alone accounts for Rs. 65.19 lakhs. The general reserve includes Rs. 40.19 lakhs being the "surplus provisions made in previous year" transferred during the year; of this surplus provision, a sum of Rs. 32.81 lakhs has come from the provision for taxation. The gross block of the value of Rs. 148.41 lakhs has been well written down to Rs. 39.49 lakhs. The investments, which are all in Gilt-edged securities, aggregate Rs. 22.62 lakhs. Current assets amount to Rs. 179.64 lakhs, of which stocks of sugar account for Rs. 43.69 lakhs, crop-in-progress for Rs. 40.71 lakhs and cash balances for Rs. 69.59 lakhs. The total liquid assets (cash balances and investments) amount to an impressive sum of Rs. 92.21 lakhs, as against current liabilities and provision for taxation amounting to no more than Rs. 71.11 lakhs. It will thus be seen that the financial position of the Company is very sound, reflecting the efficiency of management and the judicious policy adopted by the Directors in regard to the appropriation of profits. It is a pity that the fiscal policy of the present Government is such as to place a penalty on the wisdom and efficiency displayed by this Company's management.

The Rs. 50 fully paid-up shares of the Company are being currently quoted at Rs. 252-8 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 6.76 per cent. per annum, free of income-tax.

CENTURY MILL TO CAPITALISE RESERVE

The Directors of the Century Spinning and Manufacturing Company, Ltd., (Managing Agents: Messrs. Birla Brothers Ltd., Bombay), have decided to capitalise a sum of Rs. 1.64 crores out of the reserves and issue bonus shares in the ratio of three shares for every two shares held by the shareholders (and not in the proportion of one share for every three shares as was stated on page 1075 of our last issue). The decision, which is subject to the sanction of the Controller of Capital Issues, when implemented, will raise the paid-up capital of the Company from Rs. 1.09 crores to Rs. 2.73 crores. In order to facilitate this increase, as also similar increases in future, the authorised capital is to be expanded from the present level of Rs. 1.50 crores to Rs. 4 crores.

The total reserves of the Company as on 31st December 1955 amount to Rs. 2.64 crores and after capitalisation on the above basis, they will still leave a substantial balance of Rs. 1. crore in the reserve account. The Company had issued bonus shares on two previous occasions, once in November 1947 when a sum of Rs. 27.36 lakhs was capitalised and one share for every share held was issued as bonus, and again in October 1948, when a scrip-for-scrip bonus was issued by capitalising Rs. 54.71 lakhs. If and when the present proposal is sanctioned and carried out, the Company would have raised its paid-up capital ten times from Rs. 27.36 lakhs to Rs. 2.73 crores by capitalisation of reserves alone.

HINDUSTAN MOTORS' RESULTS

DISAPPOINTING

The results of the Hindustan Motors Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta), for the year ended 31st March 1956, are very disappointing. The improvement in sales and profit is small and very much below expectations. The depreciation account is still in large arrears, aggregating as much as Rs. 145 lakhs. In view of this, and of the fact that a few months ago, the Company raised its capital by issuing Rs. 5 crores in the form of 6 per cent. tax-free cumulative preference shares, the chances of ordinary shareholders getting a return at an early date are less bright than was assumed by many on the stock exchange. It is not, therefore, surprising that the Company's shares are now standing at a substantial discount of Re. 1-8, after going up to a premium of nearly a rupee in June last and of As. 9 in August 1956. The only consolation the shareholders can have is that their savings are being put to use for establishing a key industry, and that the absence of a return on their investment for several years now and for some more years in the future, represents their contribution to the economic progress of the country. Viewed from this angle, they will be glad to know that the Company has made commendable progress in the production of components and parts, thereby taking the industry forward near to self-sufficiency.

The Company's working during the year under review resulted in a gross profit of Rs. 47.32 lakhs, as against Rs. 35.64 lakhs for 1954-55. The net profit, after providing Rs. 37.36 lakhs for depreciation as against Rs. 34 lakhs in the previous year, amounts to Rs. 9.96 lakhs, an increase of Rs. 8.32 lakhs over the year. Of this, as much as Rs. 9 lakhs have been set apart for contingency reserve, the balance of net profit has been added to the sum brought in, so that the carry forward is about a lakh higher at Rs. 6.16 lakhs. The following comparative table shows the progress of the Company in the last three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sales	773.39	708.74*	298.68*	293.74*
Other income	17.20	8.36	2.04	0.72
Stocks	338.92	54.57	34.88	59.36
Manufacturing and other expenses	743.26	701.13	275.48	280.58
Gross profit	47.32	35.64	0.76	5.37
Provision for—				
Depreciation	37.36	34.00	..	3.00
Taxation	..	1.64	0.76	2.06
Net profit	9.96	1.00	..	0.31
To contingency reserve ..	9.00	1.00	..	..
Carry forward	6.16	5.19	4.55	3.79

* Net figures.

It will be observed from the table that sale proceeds have gone up further from Rs. 708.74 lakhs in 1954-55 to Rs. 773.39 lakhs in 1955-56. The gross profit at Rs. 47.32 lakhs is, however, equal to only about 6 per cent. of sales, as against only 5 per cent. in the previous year. The net profit is very small, in that it is not enough even to provide for depreciation in full. The Directors say, as already mentioned, that depreciation amounting to over Rs. 145 lakhs still remains to be provided for up to the end of March last.

Low Prices

The reason for this state of affairs is not far to seek. The manufacturing and other expenses at Rs. 743.26 lakhs are almost equal to the sales, amounting to Rs. 773.39 lakhs. The Directors' explanation for the lack of improvement in working results, in spite of the improvement in the physical turnover, is the low prices fixed by the Government for the Company's cars. The interim increase in the prices of Studebaker vehicles recently permitted by the Tariff Commission is expected to be helpful in the current year. Final prices for the same are under consideration by Government. The question of upgrading the price of the Landmaster car also is being considered by the Government and a decision is expected soon. Since the Directors signed and circulated their report to the shareholders, the Government has imposed an excise duty of Rs. 3,000 on all big cars such as the Studebaker. It remains to be seen whether this step will adversely affect the turnover in the current year.

The table above shows the closing stocks at the end of March last at the high figure of Rs. 338.92 lakhs, as against only Rs. 54.57 lakhs a year before. This is due partly to the increased indigenous production of components and spare parts and partly to the large quantity of raw materials remaining unused, the latter item alone being of the order of Rs. 234.68 lakhs.

Considerable progress has been made by the Company in its manufacturing programme, as will be seen from the following extract from the Directors' report:

"During the year under review, production of a number of components and parts required for Hindustan Landmaster cars was developed indigenously and imports thereof were stopped. Tooling for body panels is nearing completion and the manufacture thereof and related components will be taken in hand shortly. Consequently, the proportion of indigenously manufactured parts will go up considerably. Studebaker cars and trucks are also being progressively manufactured in your plant. The V8 engines which are being fitted on Studebaker cars and trucks are now substantially being manufactured in your factory. Necessary steps are being taken to manufacture chassis frames, axles, gear box, etc., of Studebaker vehicles and arrangements for purchasing equipments for the same are also being made."

The following synopsis of the Company's balance-sheet as on 31st March 1956 will give a broad picture of its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital ..	4,96,13,250	Gross block ..	3,94,18,142
Forfeited shares ..	1,92,450	Less—Depreciation	1,31,88,541
Continuingency reserve..	10,00,000		
Liabilities ..	2,07,79,090	Net block ..	2,62,29,601
Undistributed surplus.	6,16,062	Stock	3,38,91,675
		Stores, tools, etc.	88,41,395
		Debts, deposits and advances ..	54,20,740
		Investments* ..	14,48,653
		Cash	18,68,788
	Rs. 7,22,00,852		Rs. 7,22,00,852

* Mainly in subsidiaries, the shares of which are not quoted

TITAGHUR'S PROFIT HIGHER

DISTRIBUTION ON SHARES RAISED

FAIRLY satisfactory results are disclosed by the accounts of the Titaghur Paper Mills Co., Ltd. (Managing Agents: Messrs. F. W. Heilgers & Co. Private Ltd., Calcutta) for the six months ended 31st March 1956. Smooth labour relations at both the mills, a factor rather not quite common in these days of industrial unrest, strengthened by the Company's renovation programme raising the level of production to very near the installed capacity, have been responsible for the gratifying results. The production of saleable paper for the year ended 31st March 1956 was the highest in the history of the Company. It is true that deliveries of raw materials and coal during the half-year were subjected to periodical restrictions arising from a scarcity of wagons at loading points, but, fortunately, these did not have any adverse effect on the Company's production. The better working conditions have enabled the Directors to recommend a slightly higher dividend at 22½ per cent. as against 20 per cent. paid for the previous two half-years.

The gross profit advanced by Rs. 2.39 lakhs to Rs. 59.20 lakhs. Although this is Rs. 2.39 lakhs less than the profit for the corresponding period of the previous year at Rs. 61.59 lakhs, viewed in the context of a deficit of Rs. 3.19 lakhs suffered in the half-year ended 31st March 1954, it should be considered quite encouraging. After paying Managing Agents' commission and providing for depreciation and taxation, the net profit stands at Rs. 31.89 lakhs, as against Rs. 28.04 lakhs in the previous half-year.

The return to ordinary shareholders at Re. 1-2 per share, or 22½ per cent. per annum, is made up of a dividend of As. 14 and a bonus of As. 4 per share, as against a return of 20 per cent. per annum, made up of a dividend of As. 12 and a bonus of As. 4 per share for the previous two half-years.

The following comparative table brings out the progress of the Company during the past three half-years:

(In lakhs of rupees)

	For the half-year ended			
	31-3-56	30-9-55	31-3-55	30-9-54
Sale proceeds	323.51	321.35	269.01	220.62
Stocks	25.08	30.99	29.75	3.26
Other income	3.79	1.92	1.58	3.56
Manufacturing expenses ..	163.66	170.17	173.90	143.04
Other expenses	98.52	97.54	61.59	52.78
Gross profit	59.20	56.81	61.59	29.62
Managing Agents' commission.	4.08	3.94	4.25	2.14
Provision for—				
Depreciation	7.73	7.83	6.77	4.65
Taxation	15.50	17.00	17.00	9.00
Net profit	31.89	28.04	33.57	13.83
To general reserve	..	1.00	6.25	..
,, other reserves and funds ..	18.00	14.75	17.80	1.55
Dividends—				
Preference and preferred ordinary	1.02	1.02	1.02	1.02
Ordinary	12.60 (D. 17½ % + B. 5% p.a.)	11.20 (D. 15% + B. 5% p.a.)	11.20 (D. 15% + B. 5% p.a.)	8.40 (D. 15% p.a.)
Carry forward	1.23	0.96	0.89	3.59

A notable feature revealed by the table above is that, while production has reached its peak and has created a record for the Company, manufacturing expenses have gone down by as much as Rs. 6.51 lakhs. This might be due to operation economies arising from the installation of improved machinery. The rise in other expenses is less than Rs. 1 lakh and hence not much. The Company's commendable policy of providing for the rainy day has been well maintained for this half-year also. Thus, a sum of Rs. 18 lakhs, representing 56 per cent. of its net profit, has been ploughed back to the reserves, as against Rs. 15.75 lakhs set apart six months earlier.

The Company's financial position, as disclosed by its latest balance-sheet, is impressive. Its paid-up capital of Rs. 142.92 lakhs is divided into 11,500 eight per cent. first cumulative preference shares of Rs. 100 each, 15,000 4½ per cent. second cumulative preference shares of Rs. 100 each 175,000 preferred ordinary shares of Rs. 2-8 each and the balance in two categories of A and B ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 342.51 lakhs; this sum gives one an idea of the extent to which the wise policy of conservation of profits adopted by the Directors has benefited the Company. The provision for taxation stands at Rs. 18.83 lakhs, while the current liabilities are of the order of Rs. 119.29 lakhs. These are covered by a large margin of current assets aggregating Rs. 326.83 lakhs, of which investments in gilt-edged securities and shares of subsidiary companies account for Rs. 51.86 lakhs, finished stock and raw materials Rs. 162.61 lakhs, book debts considered good Rs. 72.25 lakhs and cash and other balances Rs. 18.38 lakhs. The gross block of the value of Rs. 594.12 lakhs, including an addition of Rs. 13.90 lakhs during the half-year under review, has been written down to a book value of Rs. 265.18 lakhs. Work in progress amounts to Rs. 31.54 lakhs.

Referring to the progress of the new mill project in Orissa, the Directors, in their report, observe thus:

"Towards the end of the half-year covered by this report, the Government of Orissa acquired and delivered to the Company the land for the railway siding and for the mill site. Later it was found that a minor technical error had rendered the acquisition proceedings invalid, but up to date the Government has not instituted fresh land acquisition proceedings. In the meantime, earthwork on the extensive siding embankment was begun, but the flooding resulting from the early and prolonged rains have restricted the progress which would otherwise have been made. The Orissa Government permitted the Company to operate the new bamboo areas during the half-year, pending the signing of the leases, which are now being prepared."

The Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 37 *ex-div.* On the basis of the latest dividend, the yield on the shares works out to 6 per cent. per annum, free of income-tax.

Points From The Chair

Pest Control and Insecticides

"IN the second Five-year Plan, considerable stress has been laid on the expansion of agricultural production in the country and for measures to improve the health of the nation, in both of which pest control materials and insecticides will play an important role in controlling, if not eradicating, the insects which destroy a considerable quantity of the country's food crops and sap the health and vitality of a large number of our population. Our experience has brought us to the conclusion that rather than depend upon half a dozen formulators for the offtake of our Benzene Hexachloride, we should equip ourselves with facilities to produce the ready-to-use formulations required for both malaria control and pest control either on our own or in collaboration with some well-known firm who would provide technical guidance and operative knowledge. In pursuance of this policy, we have concluded negotiations with the well-known British firm of Fisons Pest Control Ltd. for the preparation and sale of a wide range of insecticides and pesticide formulations. This firm has considerable knowledge in the technology of pest control materials, not only applicable to Europe but also to Asia and Africa. It is proposed jointly to promote a new company for this purpose to be known as Tata-Fisons Private Ltd., with an initial authorised capital of Rs. 25 lakhs on the basis of equal capital participation. This proposal has received the approval of the Government of India and steps are being taken to finalise the agreement and promote the Company."

J. R. D. TATA,
Tata Chemicals Ltd.

Output in Mines

"The view has been expressed that, when a mine closes, any gold-bearing ore left unmined in it as being uneconomic will be lost to the country for ever. That view should not be accepted unreservedly. An upward adjustment in the value of gold in terms of other commodities is already overdue; important scientific discoveries have been made and developed into engineering techniques during the last two decades, and undoubtedly such progress will continue. Bearing these two important points in mind, problems, which for economic and physical reasons now appear to be insurmountable, may well prove to be soluble. It is, of course, in the mutual interest of investors, the mining communities and of the nation as a whole that the potential value of mining areas be realised to the greatest economic extent. A general increase in the price obtainable for gold would, of course, properly restore profitability of gold mining but while the price of gold remains fixed at its present level the problem facing the industry hinges on rising working costs."

P. S. HAMMOND,
West Witwatersrand Areas Ltd.

World Speed Record

"The major item, of course, was the obtaining of the absolute World Air Speed Record for Great Britain, at a speed of 1,132 m.p.h. This represents a major achievement in British aviation, often said by prominent people in this country and elsewhere to be years behind the U.S.A. To hold the speed record for 9 months in this rapidly developing field—and we still hold it—shows that in this we are ahead of the U.S.A. As far as we know, they have been unable to exceed a speed of 1,015 m.p.h. while fulfilling the exacting flying conditions laid down by the international rules governing speed record attempts. . . . We have made considerable studies of possible developments of the aircraft, both for more advanced research and for military purposes, but up to the present date no orders have been given for any of this work. To us, this seems strange, as we are continually hearing about such things as the shortage of technical staff and the need to make maximum use of available facilities; yet the straightforward course of building on an already well-laid foundation is not taken, in spite of the time it would save and the technical uncertainties which it would remove."

R. T. OUTEN,
Fairey Aviation Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

DELHI CLOTH AND GENERAL MILLS CO., LTD. Annual General Meeting, Delhi, 18th December 1956. Dividend: Rs. 2-8 per ordinary share and As. 4 per share (on shares of Rs. 2-8 paid). Transfer books remain closed from 5th to 18th December 1956, both days inclusive.

BIRPARA TEA CO., LTD. Annual General Meeting, Calcutta, 22nd December 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 13th to 22nd December 1956, both days inclusive.

MCLEOD AND CO., LTD. Annual General Meeting, Calcutta, 24th December 1956. Dividend: Rs. 22-8 per ordinary share and Re. 1-12 per deferred ordinary share. Transfer books remain closed from 10th to 24th December 1956, both days inclusive.

GAIRKHATA TEA CO., LTD. Annual General Meeting, Calcutta, 26th December 1956. Dividend: *Nil.* Transfer books remain closed from 1st to 26th December 1956, both days inclusive.

BETJAN TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: Rs. 2 per share. Transfer books remain closed from 1st to 27th December 1956, both days inclusive.

ANANDA-BAG TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: Re. 1 per share. Transfer books remain closed from 1st to 27th December 1956, both days inclusive.

CHAMONG TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: *Nil.* Transfer books will remain closed from 20th to 27th December 1956, both days inclusive.

UNION COAL CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: *Nil.* Transfer books will remain closed from 20th to 27th December 1956, both days inclusive.

BOR PUKHURI TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 20th to 27th December 1956, both days inclusive.

DIMAKUSI TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: Rs. 2 per share. Transfer books will remain closed from 20th to 28th December 1956, both days inclusive.

SEAJULI TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: Re. 1-8 per share. Transfer books will remain closed from 20th to 27th December 1956, both days inclusive.

GOHPUR TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1956. Dividend: Rs. 3 per share. Transfer books will remain closed from 20th to 27th December 1956, both days inclusive.

BELAPUR CO., LTD. Annual General Meeting, Bombay, 28th December 1956. Dividend: Rs. 16 per old share and Rs. 8 per new bonus share. Transfer books remain closed from 30th November to 29th December 1956, both days inclusive.

DUFFLAGHUR TEA CO., LTD. Annual General Meeting, Calcutta, 28th December 1956. Dividend: Rs. 4 per share (includes interim dividend of Re. 1 per share). Transfer books will remain closed from 21st to 28th December 1956, both days inclusive.

SOOM TEA CO., LTD. Annual General Meeting, Calcutta, 28th December 1956. Dividend: Re. 1 per share (final). Transfer books will remain closed from 21st to 28th December 1956, both days inclusive.

EAST INDIA TEA CO., LTD. Annual General Meeting, Calcutta, 28th December 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 21st to 28th December 1956, both days inclusive.

JUTLIBARI TEA CO., LTD. Annual General Meeting, Calcutta, 28th December 1956. Dividend: *Nil.* Transfer books remain closed from 1st to 28th December 1956, both days inclusive.

LACKATOORAH TEA CO., LTD. Annual General Meeting, Calcutta, 28th December 1956. Dividend: Rs. 3 per share. Transfer books remain closed from 1st to 28th December 1956, both days inclusive.

TENGPANI TEA CO., LTD. Annual General Meeting, Calcutta, 26th December 1956. Dividend: As. 12 per share. Transfer books remain closed from 1st to 26th December 1956, both days inclusive.

INDIAN PLASTICS LTD. Annual General Meeting, Bombay, 28th December 1956. Dividend: As. 4 per share. Transfer books will remain closed from 22nd December to 4th January 1956, both days inclusive.

HANTAPARA TEA CO., LTD. Annual General Meeting, Calcutta, 29th December 1956. Dividend: Rs. 6 per share. Transfer books will remain closed from 19th to 29th December 1956, both days inclusive.

LEDO TEA CO., LTD. Annual General Meeting, Calcutta, 29th December 1956. Dividend: Re. 1 per share (being the interim dividend). Transfer books will remain closed from 19th to 29th December 1956, both days inclusive.

COMPANY REGISTRATIONS

EAGLE VACUUM BOTTLE MANUFACTURING CO., PRIVATE LTD. (Managing Director: Mr. Abdulla Soomar.) Business: Manufacture of glass and glassware. Authorised capital: Rs. 5,00,000. Private company. Address: 144-46, Sheriff Devji Street, Bombay 3.

CHUNILAL PRABHUDAS AND CO. (BOMBAY) PRIVATE LTD. (First Director: Mr. Chunilal Shah.) Business: Dealers in metal products. Authorised capital: Rs. 5,00,000. Private company. Address: 211/12, Himalaya House, Bombay.

RAJA CONSTRUCTION CORPORATION PRIVATE LTD. (First Director: Mr. Raja Mahant Digvijai Das.) Business: Construction of buildings. Authorised capital: Rs. 5,00,000. Private company. Address: 25, Vasundhara Building, Pedder Road, Bombay 26.

MCLEOD & COMPANY RAISES DIVIDEND

OVER-PRODUCTION AFFECTS ANGLO-INDIA JUTE

McLeod and Co., Ltd.

THE directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Trading.—The profit for the year shows a substantial improvement by comparison with that for 1954, due chiefly to improved results from the Engineering department and an increase in dividend income.

Revenue from the Jute, Tea and Insurance departments was lower than for the previous twelve months and the Shipping department figures were again disappointing. The Agency department showed a loss for the year.

The profit for the year amounts to Rs. 31,89,815 (Rs. 24,38,923) to which must be added surplus on sales of investments Rs. 835 (Rs. 1,870), dividends forfeited Rs. 1,250 (Rs. 3,261) and balance brought forward from 1954 Rs. 1,87,834 (Rs. 1,07,086) making a total of Rs. 33,79,734 (Rs. 26,11,588 including E.P.T. post-war refunds amounting to Rs. 60,448). Out of this amount, the directors have made a provision for taxation amounting to Rs. 10,00,000 (Rs. 9,20,000) and have set aside to general reserve Rs. 3,50,000 (Rs. 3,13,754), to investment reserve Rs. 3,35,000 (*nil*) and to convertible notes redemption reserve Rs. 2,00,000 (Rs. 2,00,000) leaving a sum of Rs. 14,94,734 (Rs. 11,77,834). From this amount must be deducted the interim dividends for the year ended 31st December 1955, declared payable by the directors on 1st July 1955, on 10,000 5 per cent. cumulative first preference shares, subject to deduction of tax (gross) Rs. 25,000 (Rs. 25,000), on 40,000 5 per cent. cumulative second preference shares, without deduction of tax Rs. 1,00,000 (Rs. 1,00,000), the second interim dividends for the year ended 31st December 1955, declared payable by the directors on 3rd January 1956 on 10,000 5 per cent. cumulative first preference shares, subject to deduction of tax (gross) Rs. 25,000 (Rs. 25,000) and on 40,000 5 per cent. cumulative second preference shares, without deduction of tax Rs. 1,00,000 (Rs. 1,00,000) leaving a balance of Rs. 12,44,734 (Rs. 9,27,834). This amount the directors recommend should be distributed as follows:—

Dividend at 22½ (17) per cent. per annum on 40,000 ordinary shares or Rs. 22-8 (Rs. 17) per share for the year ended 31st December 1955 absorbing Rs. 9,00,000 (Rs. 6,80,000) and dividend at 17½ (12) per cent. per annum on 50,000 deferred ordinary shares or Re. 1-12 per share for the year ended 31st December 1955 absorbing Rs. 87,500 (Rs. 60,000) leaving to be carried forward Rs. 2,57,234 (Rs. 1,87,834).

As the period covered by these accounts ended prior to the commencement of the Companies Act, 1956, they have been prepared in accordance with the provisions of the Indian Companies Act, 1913.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	95,00,000	Goodwill ...	20,00,000
Reserves ...	80,86,900	Block ...	17,46,252
Provision for taxation ...	16,01,192	Stocks ...	9,34,478
Liabilities ...	1,82,16,385	Debts, deposits and advances ...	49,26,293
Profit and loss account ...	2,57,234	Investments	2,77,54,990
		Cash ...	2,99,698
Rs.	3,76,61,711	Rs.	3,76,61,711

Anglo-India Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March 1956.

Adequate provision for taxation having already been made in the Company's accounts for the next preceding half-year, no further reserve is necessary. After providing Rs. 5,25,000 (Rs. 4,00,000) for depreciation, there is a credit balance on profit and loss account of Rs. 1,18,443 (Rs. 5,79,813). To this is added the transfer from contingencies reserve of Rs. 3,00,000 (*nil*) and the balance brought forward from the previous half-year of Rs. 1,23,973 (Rs. 1,47,643) making a total of Rs. 5,42,416 (Rs. 7,27,456). From this the directors recommend that the following dividends be paid without any deduction for income-tax paid by the Company:—

On preference shares at the rate of 7 per cent. per annum (Rs. 3-8 per share) Rs. 1,40,000 (Rs. 1,40,000) and on ordinary shares at the rate of 7 (10) per cent. per annum [Rs. 3-8 (Rs. 5) per share] Rs. 1,72,224 (Rs. 2,46,035) leaving to be carried forward a balance of Rs. 2,30,192 (Rs. 3,86,035 after transferring Rs. 2,00,000 to machinery replacement reserve).

As the Government of West Bengal insisted on settlement of the outstanding sales tax liability on account of supplies made to the Department of Industries and Supplies, Government of India, before 31st March 1956, the directors were obliged to pay the sum of Rs. 2,70,141 which has been charged as a separate item in the profit and loss account and an amount of Rs. 3,00,000 has been transferred from the contingencies reserve account to cover this debit. As mentioned in the last report attempts are however being continued to recover this payment from the Government of India.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills continued to work with 12½ per cent. of the looms sealed until 8th January 1956. This figure was reduced to 10 per cent. from 9th January 1956 and again to 5 per cent. with effect from 20th February 1956. The decision to unseal looms was taken by the Indian Jute Mills Association with the active encouragement of the Government of India and it was based on the assumption that there would be a marked increase in demand for jute goods, indications then being that Russia would come into the market with substantial orders. It is regretted, however, that the demand on the scale anticipated did not materialise and there has been a large measure of over-production during the current year which resulted in increased stocks and a sharp fall in goods prices, whilst the mills position was aggravated by a rise in the price of raw materials due to floods, transport difficulties and the greater demand due to increased production. At no time during the period under review was it possible to transact business simultaneously in raw jute and goods at a profit. With effect from 16th July, 2½ per cent. of the looms were resealed and a further 5 per cent. were resealed with effect from 17th September 1956, thus bringing the total number of looms sealed back to the position which had obtained at the beginning of the year. After the announcement of the proposal to seal 5 per cent. of the looms from the 17th of September, the directors are pleased to record that goods prices have markedly improved and that prospects are now more favourable.

The one encouraging feature of the goods market has been the increase in the internal consumption of jute goods, although the Indian demand absorbs only a small percentage of the total production of the Industry.

The rationalisation of the Company's group of mills is proceeding. As mentioned in the last report, after the closing of Jagatdal Mill, Upper Mill was worked on double shifts and this continued until the sealing of 5 per cent. looms on 17th September when, in accordance with the policy of supplying the maximum number of looms with yarn made on the new machinery, single shift working was resumed, the balance loom-hours being absorbed by Lower and Middle Mills.

The erection of new machinery and electrical equipment at Middle Mill is being carried out speedily and it is hoped that it will be completed shortly. Investigations are still in progress for finding a suitable new use for the building and facilities of Jagatdal Mill.

As will be seen from the notice convening the annual general meeting and the explanatory statement annexed thereto, the directors recommend the closing of the accounts annually instead of half-yearly as presently required by the Articles of Association. If this is approved by the Company, the next Annual General Meeting will be held to consider (*inter alia*) the accounts for the year ended 31st March 1957.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	89,20,700	Block ...	1,02,75,382
Reserves ...	69,00,000	Stocks ...	1,14,08,773
Provision for taxation ...	7,21,379	Stores ...	11,23,162
Liabilities ...	1,45,21,721	Debts, deposits and advances ...	38,25,576
Profit and loss account ...	2,30,192	Investments	41,23,695
		Cash ...	5,37,404
Rs.	3,12,93,992	Rs.	3,12,93,992

Hantapara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The total profit for the year is Rs. 3,39,240 (Rs. 41,36,165). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 4,95,407 (Rs. 30,30,019), of which the directors have transferred Rs. 1,00,000 (Rs. 8,00,000) to revenue reserve. In January 1956 an agreement was entered into between the representatives of the Industry and employees on an industry-wise basis by which a bonus became payable to labourers for the years 1953 to 1956 inclusive. The joint payment for 1953-54 appears in the accounts but the exact formula for calculating the amounts due for 1955 and 1956 is at present under consideration and provision for the estimated amount for 1955 has also been made.

The Company's authorised capital was increased to Rs. 60,75,000 at an Extraordinary General Meeting held on 28th September, 1955. A resolution proposing the issue of 12,000 ordinary shares of Rs. 100 each credited as fully paid-up by way of a capital bonus to registered holders on 23rd May 1956, was duly approved by members at a General Meeting held on that day.

Dividend: The dividend on the preference shares was paid on 30th December 1955, leaving Rs. 3,91,407 (Rs. 16,06,019) now to be dealt with. It is proposed to pay a dividend of 6 (60) per cent. on the ordinary shares (equivalent to 9 per cent. on the old capital) and to carry forward Rs. 1,75,407 (Rs. 2,86,019).

The accounts of the Company have been prepared in accordance with the provisions of the Companies Act, 1956. Thus the fixed assets which had been written off up to 31st December 1954 have been brought back into account and a depreciation reserve account representing the present written down value of these assets has been opened.

Crop: The outturns and average selling prices compared with those of the previous year are as under:—

Crop	1955 Maunds	1954 Maunds
Hantapara	19,982	21,809
Dumchipara	14,900	16,801

Average selling prices per lb.:—

	Rs. a. p.	Rs. a. p.
Hantapara	1 13 5	2 15 5
Dumchipara	1 12 5	2 12 3

Planted area remains at 2,427.06 acres, comprising 1,265.06 acres at Hantapara and 1,162 acres at Dumchipara. Estimates for 1956 provide for a total crop of 39,000 maunds at an outlay of Rs. 47,00,868 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,50,000	Block ...	37,95,527
Reserves ...	49,07,736	Stock-in-trade	34,51,325
Provision for taxation ...	7,81,126	Stores and supplies ...	4,16,690
Provision for labour bonus ...	1,34,000	Quot rights receivable	79,628
Liabilities ...	19,96,247	Debts, deposits and advances ...	6,19,359
Profit and loss account ...	1,75,407	Investments	17,12,622
		Cash ...	3,69,365
Rs.	1,04,44,516	Rs.	1,04,44,516

Baradighi Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

The profit and loss account, after providing Rs. 1,35,418 (Rs. 1,35,122) for depreciation and Rs. 2,21,995 for labourers' bonus 1953-54, shows a balance of profit of Rs. 3,17,533 (Rs. 13,94,614) to which has to be added the balance brought forward from the previous year of Rs. 53,496 (Rs. 46,882) making a total of Rs. 3,71,029 (Rs. 14,41,496). Out of this amount there has been provided for taxation Rs. 89,000 (Rs. 3,92,000) and transferred to taxation equalisation reserve account Rs. 59,000 (Rs. 46,000) leaving an available balance of Rs. 2,23,029 (Rs. 4,43,496 after transfer of Rs. 5,00,000 to reserve account). From this the directors have paid a dividend at the rate of 30 (65) per cent. without any deduction for income-tax paid by the Company absorbing Rs. 1,80,000 (Rs. 3,90,000) leaving a balance of Rs. 43,029 (Rs. 53,496) to be carried forward to the next account. As the period covered by these accounts ended prior to the commencement of the Companies Act, 1956, they have been prepared in accordance with the provisions of the Indian Companies Act, 1913.

Share Capital: Reference was made in the directors' report for the year ended 31st December, 1954 that application had been submitted to the Government of India for permission to increase the capital of the Company to Rs. 12,00,000 and to make an issue of bonus shares to members at the rate of one new share for each share held. Although sanction to the proposals has now been accorded by the Government of India the directors having regard to the penal taxation provisions imposed by the Finance Act, 1956 in this respect have decided that it would not be in the interest of members to proceed meantime with the proposal to issue bonus shares.

Outturn and sales: The crop of leaf harvested from a mature plucking area of 1,002 (975.83) acres produced 18,263 (17,728) maunds of manufactured tea against an original estimate of 17,500 maunds. The following is a comparative statement of tea marketed and average prices realised for the past three years:—

		1955 Lbs.	1954 Lbs.	1953 Lbs.
Average sale price per lb.	Rs.	14,32,132 2-0-1	13,91,320 2-11-7	14,08,864 2-0-3

Costs: The average cost per lb. for 1955, exclusive of depreciation and labourers' bonus for 1953 and 1954, worked out as follows:—

At Estate Re. 1-0-7	*In Calcutta* Re. 0-8-4	*Total* Re. 1-8-11

Estimate: The total estimated crop for 1956 is 17,500 (17,215) maunds.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	19,96,571
Reserves ...	19,29,000	Stock of tea	14,08,124
Provision for taxation ...	3,05,108	Stores ...	6,07,051
Liabilities ...	13,89,885	Capital expenses in progress ...	34,210
Profit and loss account ...	43,028	Advances ...	1,89,255
		Investments	2,450
		Cash ...	29,360
Rs.	42,67,021	Rs.	42,67,021

Parkside (Neilgherry Hills) Estate Co., Ltd.

The directors of the above Company (Agents and Secretaries: Messrs. Matheson, Bosanquet and Co. Private Ltd., Belmont, Coonoor) submitted the audited accounts of the Company for the year ended 30th June 1956.

A crop of 561,930 lbs. Made Tea was secured against an estimate of 650,000 lbs. and compared with the crop of 592,150 lbs. for the previous season. The cost of production was 133.47 cents per lb. inclusive of 13.90 cents per lb. expended on manuring (estimate 11.69 cents per lb.) compared with 165.77 cents per lb. (inclusive of manuring 10.39 cents per lb.) for the previous season. Selling price secured this season averaged 256 cents per lb. as compared with 281 cents last season.

The profit for the year after providing for depreciation [Rs. 71,847 (Rs. 60,508)] is Rs. 5,61,145 (Rs. 5,74,387). After deducting provision for taxation Rs. 2,15,000 (Rs. 2,28,000) and balance expenses in connection with transfer of Company from Ceylon to India Rs. 9,082 (*nil*) there is a balance of Rs. 3,37,063 (Rs. 3,35,494). Adding to this the excess realised on 1953-54 stock and crop charges on tea over provided Rs. 3,223 (Rs. 3,471) there is an available balance of Rs. 3,40,286 (Rs. 3,38,965). From this the directors have paid 5 (10) per cent. interim dividend free of income-tax absorbing Rs. 67,680 (Rs. 1,35,360) and additional labour bonus for seasons 1952, 1953 and 1954 Rs. 26,984, leaving a sum of Rs. 2,45,622 (Rs. 2,03,605). With the balance brought forward from last year of Rs. 6,110 (Rs. 55,545) there is a total of Rs. 2,51,732 (Rs. 2,59,150). Out of this sum the directors have paid a final dividend at 10 (15) per cent. free of tax absorbing Rs. 1,55,360 (Rs. 2,03,040) and carried forward Rs. 1,16,372 (Rs. 6,110 after transfer of Rs. 50,000 to general reserve). In view of the very heavy expenditure which the Company may be called upon to face as a result of the Tribunal Award, the directors consider that a final dividend of only 10 per cent. should be declared although the actual working results for the past year justify a higher rate. The total capital expenditure incurred during the year amounted to Rs. 2,01,937 (Rs. 1,54,813).

Estimates for season 1956-57 provide for a tea crop of 6,25,000 lbs. made tea to cost 123.85 cents per lb. inclusive of 12.50 cents for manuring.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,53,600	Block ...	25,43,760
Reserves ...	15,32,030	Stock-in-trade	4,09,809
Provision for taxation ...	3,25,315	Stores and spare parts	85,656
Liabilities ...	3,47,921	Debts, deposits and advances ...	42,777
Profit and loss account ...	1,16,372	Cash ...	5,93,236
Rs.	36,75,238	Rs.	36,75,238

Grob Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Crop.—The following table shows, the total crop made and the quantities sold for export and internal consumption:—

Gardens	Sold In Calcutta for Export. *Maunds.*	Sold In Calcutta for Internal Consumption. *Maunds.*	Total *Maunds.*
Doyang ...	5,313	1,950	7,263
Dessoie ...	4,893	581	5,474
Kanu	9,478	2,344	11,822
Total ...	19,684	4,875	24,559

The average price per lb. realised was Rs. 2 as compared with Rs. 2-15-7 per lb. obtained for the previous season's crop of 16,574 maunds. The Company's export quota for season 1955 was 15,161 (10,473).

The acreage of the gardens as registered with the Indian Tea Licensing Committee at 31st March 1956, was 1,909.84.

The revenue account shows a profit of Rs. 11,79,454 (Rs. 22,19,945) and after deducting from this pension to retired employees Rs. 3,627 (Rs. 1,060), gratuity Rs. 1,000 (*nil*), staff commission and bonus Rs. 96,859 (Rs. 1,52,826), managing agents' commission on profits Rs. 17,700 (Rs. 44,536), reserve for taxation Rs. 3,20,000 (Rs. 7,80,000), depreciation Rs. 1,21,171 (Rs. 91,808), bonus to labour, 1953-54 Rs. 2,87,729, law charges, etc. re-purchase of Doyang Tea Estate Rs. 25,234 (*nil*) leaving a balance of Rs. 3,06,134 (Rs. 11,38,018). Adding to this the interest on investments (net) Rs. 9,286 (Rs. 14,600), profit on sale of machinery Rs. 2,851 (*nil*) and excess provision for taxation—written back Rs. 30,000 (*nil*) there is a net profit for the year of Rs. 3,48,271 (Rs. 11,53,896). After adding to this the adjusted credit balance of Rs. 51,998 (Rs. 31,417) brought forward from the previous year, there is a credit balance of Rs. 4,00,269 (Rs. 11,85,313) on profit and loss account. The directors recommend that this balance be disposed of as follows:—

Pay a dividend of 25 (50) per cent. for season 1955 without any deduction for income-tax payable by the Company Rs. 2,75,681 (Rs. 5,51,362) place to reserve account Rs. 1,00,000 (Rs. 2,27,575) and carry forward Rs. 24,588 (Rs. 56,376 after placing Rs. 2,00,000 to building and machinery reserve account: Rs. 1,00,000 to contingency reserve account and Rs. 50,000 to hail insurance reserve).

In accordance with a tripartite agreement arrived at early this year the claim of labour for a bonus for the years 1953 to 1956 has to be satisfied. The bonus payable for the years 1953-54 and 1955 has been charged in the accounts now presented.

The estimates for season 1956 have been framed for a tea crop of 23,600 points at a total cost of Rs. 28,31,212 which excludes capital expenditure to the tune of Rs. 5,91,321.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,02,725	Block ...	27,20,160
Reserves ...	17,32,810	Stock of tea	17,81,716
Provision for taxation ...	11,05,964	Stores ...	2,62,257
Liabilities ...	17,39,076	Deposits and advances	4,39,667
Profit and loss account ...	24,588	Investments	4,02,087
		Cash ...	99,276
Rs.	57,05,163	Rs.	57,05,163

Indian Plastics Ltd.

The directors of the above Company (Chairman: Mr. L. N. Birla, Bombay) submit the audited accounts of the Company for the year ended 31st March 1956.

The profit and loss account after providing a sum of Rs. 2,00,000 (Rs. 1,60,000) for depreciation and including the carry-forward of the previous year shows a profit of Rs. 2,09,144 (Rs. 1,69,333), which the directors propose to appropriate as under:—

To pay dividend on 20,000 cumulative preference shares of Rs. 100 each at 5½ per cent. (less tax) for the half-year ended 31st March 1955 Rs. 40,625 (Rs. 40,625), to pay dividend on 20,000 cumulative preference shares of Rs. 100 each at 5½ per cent. (less tax) for the year ended 31st March 1956 Rs. 81,250, to pay dividend on 2,500 cumulative preference shares of Rs. 100 each at 5½ per cent. (less tax) from 1st July 1955 to 31st March 1956 Rs. 7,617, to pay dividend on 2,98,825 ordinary shares of Rs. 10 each at As. 4 (*nil*) per share Rs. 74,706 (*nil*) and to carry forward Rs. 4,945 (Rs. 6,833).

The production was slightly better all round during the current year. The *phenol formaldehyde moulding powders* manufactured by the Company are becoming popular and the directors have under consideration further expansion of this Department. They also intend manufacturing *urea formaldehyde moulding powders.*

The managing agents have, at the request of the directors as in the previous year forgone the office allowance and remuneration on profits payable to them for the year ended 31st March 1956.

The managing agents Messrs. Birla Brothers Private Ltd. (then Messrs. Birla Brothers Limited) resigned from the office of the managing agents as on 31st March 1956. The directors, while accepting the resignation of the managing agents, place on record their sincere appreciation for the valuable services and help rendered by them to the Company from time to time. Such help and assistance had been vital to the Company during the initial period.

The directors felt that the day to day affairs of the Company should be looked after by some managing agents who can efficiently manage the affairs of the Company and arrange to procure finances for Company, if necessary. They therefore approached Messrs. Birla Gwalior Private Ltd., with a request to act as managing agents of the Company. The necessary resolution for the appointment of Messrs. Birla Gwalior Private Ltd., as managing agents has been passed at the Extraordinary General Meeting held on 26th October 1956. Application to the Central Government for necessary approval has already been made and their sanction is awaited.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	52,43,375	Block ...	44,40,438
Depreciation reserve ...	10,94,751	Goodwill ...	5,000
Liabilities ...	19,79,544	Stock-in-trade	13,73,021
Profit and loss account ...	79,652	Stores ...	14,09,675
		Debts, deposits and advances ...	11,04,674
		Cash ...	64,514
Rs.	83,97,322	Rs.	83,97,322

Auckland Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1956.

After providing Rs. 3,07,088 (Rs. 1,96,064) for depreciation, the profit and loss account showed a profit of Rs. 62,844 (Rs. 3,82,861) to which was added the amount brought forward from previous half-year Rs. 9,783 (Rs. 7,674) and transfer from general reserve Rs. 40,000 (*nil*), leaving an available balance of Rs. 1,12,627 (Rs. 3,15,535). The directors disposed of this amount as follows:—

In paying a dividend on the preference shares at the rate of 5½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,500, in paying a dividend on the redeemable preference shares at the rate of 4½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 33,750 (Rs. 33,750), in paying a dividend on the ordinary shares of Re. 1 (Rs. 6) per share, without any deduction for income-tax paid by the Company Rs. 40,000 (Rs. 2,40,000) and in carrying forward Rs. 11,377 (Rs. 14,285).

Stocks of jute have been valued at cost and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours weekly with 12½ per cent. of the total looms sealed up to the week ended 7th January 1956. With effect from 9th January 1956, 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. were unsealed, leaving 5 per cent. of the total looms sealed.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	65,00,000	Block ...	86,36,635
Debentures ...	15,00,000	Capital expenditure in progress ...	62,074
Reserves ...	43,17,051	Stock-in-trade	29,49,761
Liabilities ...	26,81,622	Stores and spare gear	7,18,763
Profit and loss account ...	11,377	Oil and coal	20,549
		Debts and advances ...	23,02,711
		Investments	2,96,788
		Cash ...	22,767
Rs.	1,50,10,050	Rs.	1,50,10,050

National Screw and Wire Products Ltd.

The directors of the above Company (Chairman: Mr. B. D. Agarwalla, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The gross profit for the year amounts to Rs. 7,51,208, which after providing for depreciation and other expenses, leaves a net profit of Rs. 3,75,177. This sum together with the profit of Rs. 31,045 on account of adjustment for the year 1954 and the balance of Rs 1,91,445 brought forward from the previous year aggregate to Rs. 5,97,667, which the directors propose to recommend for the following appropriations:—

To provision for income-tax Rs. 2,00,000, to dividend at Re. 1-8 per share free of income-tax Rs. 1,50,000 and balance to be carried over to the next year Rs. 2,47,667.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	5,58,749
Provision for taxation ...	5,76,000	Stock of raw materials, stores, etc.	6,07,319
Liabilities ...	28,26,617	Stock of finished products and in process ...	7,36,963
Profit and loss account ...	2,47,668	Debts, deposits and advances ...	21,61,242
		Investments	1,63,000
		Cash ...	4,23,010
Rs.	46,50,285	Rs.	46,50,285

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

COAL

(*Concluded from page 1140*)

rich deposits discovered in Krasnoyarsk Territory, Kemerovo, Kustanai and Pavlodar regions in southern Yakutia, the Trans-Baikal, Kolyma, Sakhalin and other places. Besides stepping up the development of coal production in the older eastern coal basins (Kuzbas, Karaganda and Cheremkhovo) large coal mines are being opened up in the Ekibastuz and Kushmurun coalfields in northern Kazakhstan, the Itat district in Kemerovo Region, the Bogotol, Nazarov and Irsha-Borodin districts in Krasnoyarsk Territory, and others.

In these districts thick coal seams are often found not far below the surface, which makes it possible to mine it open-face. This is five times as fast as underground mining and the cost of production is a third of the latter. It is expected that by 1960 roughly 122 million tons of coal will be produced by open-face mining. In the prospected sections large open-cast mines are being built, in which everything will be mechanised, from the removal of the overburden to the loading of the coal into freight cars. Soon, there will be despatched there huge excavators, now going into regular production, with 25 cubic-metre capacity bucket and 100 metre-long arm.

The coal from the open-face workings will be used as fuel for the large thermal electric stations of 600,000-900,000 kw. capacity and even of 1,200,000 kw. capacity each. They will produce cheap electricity, which together with the power to be furnished by the Siberian rivers will make it possible extensively to develop industries requiring heat and power.

In the next 10 to 15 years, it is planned to develop in the eastern areas one of the country's largest bases for the production of coal and electric power. By 1960 coal output there is to reach up to 280 million tons.

The Soviet coal industry possesses an enormous quantity of mining machinery, which makes the work of the miners easier and steeply raises labour productivity. 1,500 coal combines and over 4,000 cutting machines are used to dig coal underground, and more than 2,500 special machines to load coal and rock, and 10,000 electric locomotives to pull the heavy trains in the drives. Along with improving the tried and tested mechanical ways of underground and open-face mining, the coming year will see a considerable development of hydraulic mining and underground gasification. However, the decisive factor for successful work of the coal industry is people, qualified personnel. To operate and keep in good condition the great number of machines, highly qualified workers who understand machinery are needed, and such training is provided. In the first half of this year over 13,000 miners learned new underground trades. The underground miners are getting a six-hour day.

QUESTION HOUR IN PARLIAMENT

Free Trade Area

SUBJECT to certain safeguards, the proposed European free trade area will not affect India adversely. The Government of India has received a plan from the U.K. Government regarding the formation of the area. Full details of the plan are still being worked out.

* * * *

Decimal Coinage

As regards the steps taken by the Government to produce adequate stocks of new types of small coins under the decimal coinage system, the three mints of the Government of India are working at their full capacity on a 54-hour week and the combined output of the mints is approximately 80 million pieces of coins a month. It is not possible at this stage to estimate what the possible demand from the public may be for such coins and whether the quantities made available will be adequate to meet all the demands, but, in any case, no inconvenience to the public is likely to arise, in view of the fact that the existing coins will continue to be legal tender, along with the new decimal coins, for a period of at least three years from 1st April 1957.

—*T. T. Krishnamachari*

Aluminium Industries

The expert committee for the development of the aluminium industries has recommended that the site at Mettur in Salem district (Madras) is the first site where a 10,000-ton unit can be installed. Later, a similar unit can be installed at a suitable site at Rihand in Uttar Pradesh based on power from the Rihand Project.

—*Morarji Desai*

Tobacco Exports

Agreement has been reached between the State Trading Corporation of India and the Tobacco Monopoly in the Soviet Union for the sale of 2,000 tons of Indian tobacco to the U.S.S.R. Some accumulation of tobacco has been reported from Andhra State. Apart from setting up an Export Promotion Council for tobacco, sponsoring trade delegations and participating in exhibitions, the Government of India has concluded an agreement for the sale of 2,000 tons of tobacco to the Soviet Union. The Indian Vice-Consul at Antwerp has been successful in persuading the Tobacco Monopoly in Czechoslovakia to take 150 tons of Indian Tobacco as a trial order. If the trials are successful, larger orders may be expected in 1957 and 1958. In addition, the Export Promotion Council has aroused some interest in Indian tobacco in Egypt, and some business may be expected. Further, the Indian Leaf Tobacco Development Company has been encouraged to increase its purchases.

* * * *

Pakistan Cement

Supplies of cement from Pakistan are expected to be received from now on till August next year. Supplies had till now been delayed because of the withdrawal by Pakistan of certain railway freight concessions. As a result, the whole matter had to be renegotiated. It will not be in public interest to disclose details of the new deal, as it may render further negotiations in regard to purchase of cement from Pakistan or elsewhere difficult.

—*D. P. Karmarkar*

Machine-Designing Workshop

The Government is considering a proposal for establishing a machine-designing workshop in Delhi to design new types of machines and manufacture prototypes of these newly-designed machines. The West German Government has sent an informal offer of assistance for the purpose, but the size and nature of the assistance have yet to be discussed. Details of the project have not yet been finalised. The Government is considering the setting up of extension centres of this workshop in Ludhiana and Batla in the Punjab.

—*Nityanand Kanungo*

Electrical Equipment Factory

The technical consultants for the proposed heavy electrical equipment factory have recently submitted a detailed project report which is being examined by the Government. A State-owned private limited company has been registered and technical personnel are being selected for training in the U.K.

—*K. C. Reddy*

Second Shipyard

An offer has been received from a West German firm for building a second shipyard in India. But the matter is as yet in a preparatory stage.

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Ambar Charkas

The production of *khadi* or handloom cloth woven out of Ambar yarn is estimated at 3.94 million sq. yards in the current financial year. The All-India *Khadi* and Village Industries Board assumes that 35,000 Ambar Charkas will be engaged in commercial production during the first three months of 1957.

—*Satish Chandra*

Jute Mills

Efforts are being made by the West Bengal Government's conciliation machinery to arrive at a settlement with the workers and get the jute mills in the 24 Parganas district reopened. The lock-out of these mills is the result of stoppage of work by workers in various departments. Over 1,000 workers are affected. A large number of them are prepared to return to work, but the Communist Party is coming in their way.

* * * *

Two major and four minor workshops will be started shortly in Kerala State to provide employment to the educated unemployed. It is proposed to organise similar workshops in other States also in due course. Kerala State has been selected first for the starting of the workshops because the unemployment position is more acute there. A sum of Rs. 2,93,580 has been granted to the Government of Kerala to be utilised for the training of educated unemployed to be absorbed in the workshops.

—*Abid Ali*

Notices

THE INDIAN IRON AND STEEL COMPANY, LIMITED

AT THE ADJOURNED ANNUAL GENERAL Meeting of the Indian Iron and Steel Company, Ltd., held on Friday the 7th December 1956, the following resolution was passed:

"That a dividend of Re. 1 per share without deduction of Income-tax be declared in respect of each of the Company's 51,83,708 Ordinary shares of Rs. 10 each and that such dividend (other than that retained by the Company under the agreement dated 6th December, 1952, relative to the shares held on Investment Realisation Account) be paid on or after the 17th December, 1956, to Ordinary shareholders whose names appear on the Company's Register on the 30th day of November, 1956, or to their mandatees."

The Shareholders added a rider to the above resolution that they wish to place on record that they passed the dividend resolution under protest and without prejudice to their case to be put forward by a representative deputation of shareholders which will shortly present itself to Government in Delhi for the purpose of fully explaining their views.

THE INDIAN IRON & STEEL CO., LTD.,
MARTIN BURN LTD.,
A. G. GIDLEY,
Secretary,
Managing Agents.

LOWER VAGAVURRAI TEA ESTATE
(Including Upper Vagavurrai Division)

UPON INSTRUCTIONS FROM THE KANAN Devan Hills Produce Co., Ltd.,

FIGGIS (PRIVATE) LIMITED

will offer for sale by public auction (unless previously disposed of by private treaty) at the Joint Sale Room 4/147, Ballard Road, Cochin, on the 11th January 1957, at 11 o'clock in the forenoon, the above-named Tea Estate forming part of the area known as Kanan Devan Concession in the Kanan Devan Hills Pakuthy, Kerala State, with all buildings, plant and machinery.

The area of the land to be sold is 2,437.90 acres, approximately, to which will be added further land, mainly grass but including some jungle sholas, lying outside the estate boundary and containing 24,562.10 acres, approximately, provided such further land should be declared to be available at the time of auction.

The Tea Estate will be sold as a going concern as on and from the 1st December 1956. Certain assets will be excluded from the sale, either absolutely or subject to payment therefor at valuation or by agreement, as prescribed by the printed Notification, Particulars and Conditions of Sale whose terms will govern the transaction in all respects, notwithstanding anything in this notice inconsistent therewith.

Prints of the Notification, Particulars and Conditions of Sale may be obtained from Figgis Private Ltd., or Forbes, Ewart and Figgis Private Ltd., at Cochin or D6, Clive Buildings, Calcutta, or the General Manager, Kanan Devan Hills Produce Co., Ltd., Munnar, Kerala State.

FIGGIS (PRIVATE) LTD.

STATE BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the State Bank of India will be closed for transfer of shares from Wednesday the 2nd January 1957 to Saturday the 26th January 1957, both days inclusive.

B. P. PATEL,
Managing Director.

STATE BANK OF INDIA,
BOMBAY, 5*th December* 1956.

BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend on the shares of the above Company of 5 per cent., free of Income-tax, for the year ending 31st December 1956, was declared by the Board of Directors on 3rd December 1956, payable on or after 24th December 1956 to those Members whose names are registered in the Register of Members of the Company on the 24th December 1956. Dividend Warrants will be despatched to Members and no application to the Company is necessary.

The Register of Members of the Company will be closed from 17th December 1956 to 24th December 1956, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 4*th December* 1956.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE MANAGING AGENTS ARE AUTHORised to announce that the Board of Directors of the above Company have resolved to recommend payment of a Dividend at the rate of Rs. 10 per Share (free of Income-tax), for the year ended 31st July 1956.

The said Dividend, when sanctioned at the Annual General Meeting of the Shareholders of the Company to be held on 25th January 1957, will be made payable at the Bank of India, Ltd., Bombay, ON AND FROM 1st February 1957, to those shareholders whose names stood on the Register of Members on 30th November 1956 to whom or to whose Mandatees dividend warrants will be posted at the registered addresses.

INTIMATION OF ANY CHANGE IN ADDRESS SHOULD BE GIVEN TO THE COMPANY IMMEDIATELY.

For CEMENT AGENCIES (PRIVATE) LTD.,
N. DANDEKER,
Managing Director.
BOMBAY, 7*th December* 1956.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED
(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st December 1956 to the registered holders as at that date, half-yearly interest due on the Preference Shares at the rate of 6 per cent. per annum.

Preference Share Transfer Books will be closed from 27th December to 31st December 1956, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) (PRIVATE) LTD.,
Managing Agents.
PATHIRAPPALLY, 4*th December* 1956.

THE PEERMADE TEA COMPANY LIMITED
(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st December 1956 to the registered holders as at that date interest due on the Preference shares for the year ended 31st December 1956, at the rate of 6 per cent. per annum.

Preference Share Transfer Books will be closed from 29th December 1956 to 31st December 1956, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) (PRIVATE) LTD.,
Secretaries.
PATHIRAPPALLY, 4*th December* 1956.

MONEY RATES RULE FIRM

(From Our Own Correspondent)

BOMBAY, 12*th December*

The short-term money market experienced yet another week of extreme stringency. With no fresh avenue of supply of funds in sight and with seasonal demand for bank credit on the increase, the already depleted floating funds had a pronounced effect on the market conditions and interest rates remained firm. The volume of business was very much restricted. There was no change in inter-bank call money rate at 3½ per cent. House money continued to fetch 3½ to 3¾ per cent. Short-term deposits were wanted at 3½ to 3¾ per cent. for one to two months and at 3¾ per cent. for three to six months.

The Reserve Bank's statement for the week ended 7th December 1956 shows that notes in circulation have gone up by Rs. 25.54 crores, the sharpest rise for a week noted in the last few months. Notes held in the Banking Department, however, have dropped by Rs. 17.50 crores, so that there is a rise of Rs. 8.04 crores in total notes issued. On the assets side, foreign securities have declined by Rs. 9.94 crores, while rupee securities have gone up by Rs. 19.87 crores. A fall of Rs. 1.89 crores is noted in rupee coin. In the Banking Department, deposits of Governments and banks do not show any notable variations, those of the Central Government recording an increase of Rs. 2.37 crores, other Government's deposits a decline of Rs. 1.90 crores and banks' deposits a rise of Rs. 39 lakhs. Balances held abroad have gone up by Rs. 11.71 crores, thus more than making good the fall in foreign securities noted above. Loans and advances to Governments have risen by Rs. 2.24 crores and other loans and advances by Rs. 3.74 crores. Fresh advances to Scheduled banks against usance bills are of the order of Rs. 12.47 crores, but repayments have also been on a large scale, having amounted to Rs. 11.16 crores.

The consolidated statement of position of Scheduled banks for the week ended 30th November 1956 shows an increase of Rs. 4.53 crores in demand deposits, while time deposits are almost unchanged. Inter-bank borrowings show very minor variations, while borrowings from the Reserve Bank have been reduced by Rs. 2.75 crores. Advances have gone up by Rs. 3.22 crores and foreign bills purchased and discounted by Rs. 1.38 crores, while inland bills are lower by Rs. 58 lakhs. Cash balances are unchanged, but money at call and short notice is down by Rs. 3.15 crores.

The Gilt-edged market ruled dull and activity continued to be on an attenuated scale. Most of the loans were on offer, but, in the absence of buyers, quotations were only nominal. Limited official support continued to be available and even this was confined only to the few counters mentioned in our last week's report. In the State loans section, the Reserve Bank's support was extended to 4 per cent. 1968 Madhya Pradesh and Madhya Bharat loans at Rs. 97-12. A fresh recession was noted in those State loans which did not enjoy official support.

3 per cent. 1986 Conversion continued to be on offer at Rs. 73, while 3 per cent. 1970-73 gained an anna to Rs. 87. 3 per cent. 1966-68 and 3 per cent. 1964 were unchanged at Rs. 92-8 and Rs. 94-6 respectively. 3½ per cent. 1962 held its own at Rs. 97-14 and 3½ per cent. 1961 at Rs. 99-5. 3½ per cent. 1964 shed an anna to Rs. 98-4, while 3½ per cent. 1965 gathered an anna to Rs. 98-8. 3½ per cent. 1967 was unchanged at Rs. 98-6. Among State loans, Bombay 4 per cent. 1967 was marked down by As. 2 to Rs. 99-12 and 1970 by As. 4 to Rs. 99-6. West Bengal 4 per cent. 1964 shed an anna to Rs. 99-15 and 1967 by As. 2 to Rs. 99-10. Madras 4 per cent. 1963 declined by As. 2 to Rs. 99-4 and 1964 by As. 4 to Rs. 99-2. Andhra 4 per cent. 1968 was lower by an anna at Rs. 97-13. Saurashtra 4 per cent. 1963 and 1964 each fell by As. 4 to Rs. 99-12, 1967 by a similar extent to Rs. 99-2 and 1968 by As. 6 to Rs. 99. Hyderabad 4 per cent. 1963 and 1967 declined by As. 2 each to Rs. 99-8 and Rs. 99-4, respectively, and 1968 by an anna to Rs. 99-2.

In the foreign exchange section, the rupee gained some strength in terms of the U.S. dollar, in sympathy with the trend of sterling abroad. Banks were sellers of U.S. dollars (ready) at Rs. 480¼ per $100, as against Rs. 481¼ a week ago and buyers at Rs. 476¾ per $100, as against Rs. 477 per $100. There was, however, a slight weakening of the rupee in terms of the Canadian dollar, banks' selling rate rising from Rs. 500¾ to Rs. 501 per $100 and their buying rate from Rs. 494¾ to Rs. 495¼ per $100. In New York, spot sterling hardened from $2.78.5/16-2.78.7/16 to $2.78¾-2.78¾ and three months' forward from $2.75¼-2.75⅜ to $2.76⅛-2.77. Transferable sterling picked up from 274.45-274.55 cents to 274.80-274.95 cents.

KEEN DEMAND FOR HIDES

(From Our Own Correspondent)

KANPUR, 9*th December*

During the week under review, the hides and skins market put on a cheerful appearance. The easing of the tension over the Suez Canal had an encouraging effect on the market. Fresh arrivals of both the important categories of cow and sheep were considerable, but demand was fairly keen. The main purchasers were the local tanners. The Madras dealers were interested in goat and sheep. The price level displayed a tendency to rise.

The latest available quotations are: Wet salted cow, 1st grade Rs. 380 to Rs. 370, 2nd grade Rs. 300 to Rs. 320 and 3rd grade Rs. 160 per score; wet salted buff, 1st grade 1 lb. 14 oz., and 2nd grade 2 lbs. per rupee; goat, 1st grade Rs. 300 to Rs. 335 and 2nd grade Rs. 240 to Rs. 270 per 100 pieces; sheep, 1st grade Rs. 260 to Rs. 350 and 2nd grade Rs. 200 to Rs. 250 per 100 pieces.

BULLION LETHARGIC

(From Our Own Correspondent)

BOMBAY, 12*th December*

Trading in the bullion market during the week under review was lethargic and the undertone remained quiet. Forward silver was marked down by a rupee over the week and gold by a few annas. The main dampening factor was the meagre offtake in the ready section. There were also rumours early in the week that advances by banks against bullion might be restricted, but these did not find any confirmation.

Forward silver (19th December settlement) gained strength early in the week from Rs. 174-8 to Rs. 175, but the discouraging advices from the ready section pulled it down to Rs. 173-5, before finishing at Rs. 173-8. The next settlement (18th January), after an initial rise from Rs. 175-5 to Rs. 175-12, receded to Rs. 174-3. The closing was done at Rs. 174-6.

Ready silver (.996 Mint) declined from Rs. 173-12 to Rs. 173-3, but recovered to close at Rs. 173-12.

The floating stocks of silver are reported to be 1,700 bars. The daily average offtake was 15 bars.

Gold for forward delivery (18th December settlement) softened from Rs. 105-7 to Rs. 104-11 before gaining ground to Rs. 105-2 at the close. The 17th January settlement closed As. 3 lower over the week at Rs. 105-8, after touching a low of Rs. 105.

Ready gold receded from Rs. 105-8 to Rs. 104-12, but moved up to close at Rs. 105-7.

The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake which remained at 2,000 to 3,000 tolas early in the week, was placed at 4,000 to 5,000 tolas per day towards the close.

In New York, silver was again unchanged at 91.3/8c. In London, however, spot silver dipped from 81.3/8d. to 80⅞d. and forward from 80⅝d. to 80¼d. Gold also ruled weak, receding from 251s. to 250s. 6d.

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

	12-12-56	Highest	Lowest	5-12-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 7	105 11	104 12	105 8
Forward*	105 2	105 10	104 11	105 7
Sovereign	68 12	68 12	68 8	68 8
SILVER				
Ready (.996 fine Mint) ..	173 12	174 4	173 3	173 12
Forward†	173 8	175 0	173 5	174 8
London Silver Ready ..	80¼d.	81d.	80¼d.	81⅛d.
London Forward	80¼d.	80⅝d.	80¼d.	80¼d.
London Gold	250s. 6d.	251s.	250s. 6d.	251s.
New York Silver	91⅛c.	—	—	91⅛c.

* 18th December settlement.
† 19th December settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TIN ADVANCES

(From Our Own Correspondent)

CALCUTTA, 11*th December*

Fairly steady conditions were in evidence in the metal market during the week under review. Prices of base metals were firm at previous rates. Tin, however, recorded a steep rise and, after adding the gain, the price was higher than the replacement cost. Inquiries were satisfactory, and business was put through on both Government and private accounts. Consumers were happy to note that the strike of dock workers, scheduled to take place as from the beginning of this month, had been called off as a result of New Delhi's efforts. Stockists took note of the changed international situation as evidence by the Anglo-French willingness to withdraw troops from the Canal area. The publication in New Delhi of the latest communication from the World Bank President according the Bank's agreement to grant loans for a number of projects was received with considerable satisfaction in the market. These loans which would have to be negotiated after the proposed investigation by the Bank's officials would ease the country's foreign exchange problem and would speed up development.

From Rs. 540, tin rose to Rs. 570 at which the rate was Rs. 10 above the replacement cost. There was fair demand, and both consumers and importers were active. The forthcoming visit of the Singapore Prime Minister to London to demand freedom was cautiously noted. Brisk business was reported in electrolytic copper wire bars priced at Rs. 199 per cwt. Electrolytic zinc changed hands at Rs. 71, as against Rs. 70 early in the week. Fair demand was in evidence and the stock position remained easy. Lead was firm at Rs. 82 and a fair quantity changed hands.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 10*th December*

A slight reaction to last week's buoyant trend of the linseed market was observed earlier in the week and values displayed a small decline. But a general steadiness has since been in evidence, although trading is on a small scale only. Ready goods are very scarce and buyers and sellers alike have appeared cautious. In the oil section, buyers are more reserved, following a decline in overseas values. Local prices have been maintained by purchases for ready shipment by a noted Calcutta shipper.

The latest quotations are: November-December Rs. 26-2 and April-May Rs. 22-4 per maund.

COTTON FUTURES IMPROVE

(From Our Own Correspondent)

BOMBAY, 12*th December*

In contrast to the bearish trend noted for the past few weeks, the cotton futures market depicted a distinctly steady trend during the week under review and prices have begun to look up. The most important factor responsible for this recovery was the persistent report that the Government of India might release an *ad hoc* export quota of 50,000 bales for shipment to China. Another helpful factor was the firmness of other commodity markets. But further rise in cotton values was prevented by the considerable volume of profit-realising sales induced by the higher prices and reports of heavy arrivals of new crop in upcountry centres. The prospect of a good crop this season was another dampening influence. However, values registered, over the week, fair gains and the undertone at present is fully steady.

M.G. Jarilla (March 1957) opened the week at Rs. 633, the same as the previous week's closing rate. The prospect of an *ad hoc* quota for export to China and the firm trend in the prices of exportable varieties had a stimulating effect and the contract moved up to Rs. 639 the same day. Renewed buying from Akola interests and short covering pushed the contract further to Rs. 640 the next day, although it eased the following day on reports of heavy arrivals in upcountry centres. Encouraging advices from the oilseeds market and the abatement of selling pressure induced a recovery and the market picked up strength, bringing the contract to Rs. 644 yesterday. Opening today at Rs. 641, the contract moved up to Rs. 645, on buying support, before closing fractionally lower at Rs. 644½.

M.G. Vijay (April 1957) also followed a similar pattern. Having opened the week at Rs. 734, the contract improved on bull support to Rs. 741 the same day. The contract declined to Rs. 735 on the 8th inst. A recovery was evident thereafter, influenced by the firmness of other commodity markets, and the contract was quoted at Rs. 745 yesterday. Opening at Rs. 742 today, it moved up to Rs. 745 and closed steady at Rs. 745.

The following table shows the trend of prices of the two contracts for the week:

(In rupees per candy of 784 lbs.)

	12-12-56	High	Low	5-12-56
Jarilla (March) ...	644½	645	633	633
Vijay (April) ...	745	745	734	734

Prices of most varieties of cotton registered appreciable gains in the spot section. But mill demand was slack as a reduction in prices was expected due to the heavy arrivals. Nevertheless, values improved due to present and anticipated buying support. There were good overseas enquiries for exportable styles. Japan was interested in Dholleras, Jarilla and Bengal *Deshi* while enquiries from Hongkong were noted for Dhollera. Continental buyers showed interest in Bengal *Deshi* and Dholleras while Liverpool interests sought Oomras. Meanwhile the procedural details regarding the export of raw cotton have been notified by the Chief Controller of Exports. The main features of the notification are the following: (1) Out of the quantity released for export, namely, 50,000 bales of Bengal *Deshi* and 150,000 bales of ⅞" cotton and below, a small quantity has been reserved for allotment to co-operative societies. (2) The percentages for allocation among established exporters and registered dealers are 3.5 per cent. of Bengal *Deshi* and 10.76 per cent. of all varieties other than Coconada and Bengal *Deshi* for established exporters and 0.42 per cent. of Bengal *Deshi* and 1.27 per cent. of all varieties other than Coconada and Bengal *Deshi* for registered dealers. (3) The last date for submitting applications for export has been fixed as 31st December 1956. (4) Licences issued under the notice would be valid for shipment until 30th June 1957.

The latest available spot rates—in rupees per candy of 784 lbs.—are given below:

Bengal *Deshi* 755; Berar Jarilla 755; Khandesh 770; Vijay (old) 900; Oomra *Deshi* 765; Moglai 740. *Delivery Contracts*: Khandesh 197/3 December 135, Berar 105, Moglai 60 'ON' Jarilla; 320. F 93, 216, F 105, Vijay 13/16" February 112 'ON' Vijay

The Karachi market depicted a firm trend during the week under review. This was due to the heavy buying by traders against export business done in the two previous weeks, further demand for ready cotton on shipment account and active mill buying. However, further rise in prices was prevented by the selling pressure induced by rumours about the likelihood of India releasing about 50,000 bales of cotton for export to China. N.T.R.G. January which had closed at Rs. 85-9 last week, advanced to Rs. 86-11 while the March position put on, over the week, As. 8 to Rs. 85-4. The spot section also was active. The latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi are given below:

Sind *Deshi* 91; Punjab *Deshi* 85; 4 F Punjab Roller 88-8; S.G. 92-8; L.S.S. Punjab Roller 91-8; S.G. 93-8; N.T. Roller 93-8; S.G. 97-8; 289 F Punjab Roller 95-8; S.G. 103-14.

The firm trend noted in the Alexandria cotton futures market last week continued during this week also, gathering further momentum from a smaller Government crop forecast for the season and brisk overseas demand. The second official crop estimate places the production of lint at 7,188,000 cantars, which is 195,000 cantars less than the first estimate and 250,000 cantars less than the 1955-56 crop. This imparted further strength to the market and both the Karnak and Ashmouni contracts firmed up. A section of the trade, however, believes that the main reason for the higher price is the fall in the value of the Egyptian pound in world markets since 1st November.

The latest available rates—in tallaris per lb.—from Alexandria are given below:

Karnak: January 115.00; March 113.15; May 112.85. *Ashmouni*: December 80.00; February 79.90; April 79.90.

Values recorded a slight fall in the Liverpool cotton market, due mainly to the arrival of 15,000 bales of American cotton and the prospect of another 34,000 bales. This is reported to have considerably eased the supply position for ready cotton. U.S. Memphis, Texas, Elpaso and Californian styles evoked attention. Shipment business was put through for a large volume of American cotton. The Government of India's announcement of an export quota induced a revival in Indian cotton and interest was noted particularly for Oomras.

Both American type contracts eased on hedge selling and local liquidation based on further reduction in the spot prices of U.S. type cotton. Although there was heavy buying of forward positions by a leading American spot house, it was offset by a considerable volume of hedge selling. The Egyptian contract was neglected, while Sudan firmed up further on good buying support. The latest available rates—in pence per lb.—from Liverpool are given below:

American One Inch Staple Contract: December-January 26.50; March-April 26.52; May-June 26.20; July-August 25 80. *American Cotton Mixed Growth Contract*: December-January 27.35; March-April 26.90; May-June 26.50; July-August 26.05. *Egyptian Karnak Cotton Contract*: January-February 60; March-April 60. *Sudan Cotton Contract*: January-February 61.30.

The New York cotton futures market ruled steady during the week under review. Earlier prices sagged a little under commission house liquidation and New Orleans selling prompted by the continued uncertainty over the 1957 loan rate. But later it improved reflecting the strength of the spot section. The December report of the Crop Reporting Board of the Department of Agriculture placed the season's crop at 13,303,000 bales (of 500 lbs. gross). This sixth and final estimate of the season is 150,000 bales more than the November forecast of 13,153,000 bales. It compares with 14,721,000 bales produced last season and the ten-year (1945-54) average of 13.098,000 bales. The yield per acre is placed at 408 lbs. as against 403 lbs. of the November estimate and 417 lbs. of the previous season. The production of American Egyptian type cotton is estimated at 48,500 bales, as compared with 47,200 bales indicated a month ago and 42,900 bales produced last season and the ten-year (1945-54) average of 32,900 bales.

According to the Department of Agriculture, disappearance of cotton in the United States this season will exceed production for the first time since 1950-51. The Department has estimated that consumption by domestic mills will be about 9 million bales and exports about 6.5 million bales for the current season. Exports of cotton this season will probably be the largest of any season since 1933-34 when 7.5 million bales were exported. The export figure for the last season was only 2.2 million bales. The Commodity Credit Corporation sold a further quantity of 414,893 bales under the new export sales programme, making the total sold so far to 6,065,793 bales. The average price at average location for basis Middling one inch accepted was 26.66 cents and the minimum price at average location for basis Mid. 15/16" was unchanged at 25 25 cents. While the exact balance of C.C.C. owned stocks at present is not known, they are expected to be around only 400,000 bales. As on 23rd November, the stocks in the 1955 loan were 6,040,982 bales and those in the 1956 loan 2,688,805 bales. The unredeemed stocks in the 1955 loan will be taken over by the C.C.C. at the end of this year but are unlikely to be offered for sale before March next year since the preparation of the sales catalogue is expected to take that much time.

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

(In cents per lb.)

	11-12-56	4-12-56	27-11-56
Spot	34.65	34.40	34.45
December	34.37	34.91	34.35
March	33.98	33.98	34.16
May	33.88	33.86	34.17

YARN FIRM

(From Our Own Correspondent)

BOMBAY, 12*th December*

The yarn market continued to rule firm during the week under review. The firmness was aided by renewed fears of reduced arrivals of foreign rayon yarn, as a result of enhanced import duties, although a section of traders expect a downward revision in rates. The Bombay Yarn Merchants' Association and Exchange Ltd. has addressed a telegraphic communication to the Union Finance Minister (and also to the Minister for Commerce and Consumer Industries) urging the Government to cancel the ceilings fixed for imposing duties and to lower the rates. The imposition of such ceilings, it is pointed out, has created great uncertainty, leading to "erratic fluctuations" in prices, instead of stabilising them. While the Government's reaction to this plea is awaited with interest, there has arisen a sort of controversy between the indigenous producers of yarn—art silk and staple fibre—and the traders as to who should bear the additional burden of excise duty. Thanks to this controversy, a few parties have refused to take deliveries from the suppliers. The whole question is being considered by the Board of the Association.

During the week under review, the forward rayon yarn section recorded a further rise in prices. Snia rayon yarn (120 dull cones) for December delivery rallied Rs. 12 to Rs. 790. February position advanced by Rs. 7 to Rs. 807. In the spot section, 120 Japan evoked good buying enquiries and spurted by 15 pies to Rs. 4-3-9. 120 Italy rose by an anna to Rs. 4-3. 150 Italy gathered half an anna to Rs. 3-14-6. 150 Japan was fully maintained at Rs. 4-2. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade gained As. 2-3 to Rs. 3-12-9. 150 Bt. cones 1st grade was better by 18 pies at Rs. 3-8-6.

There was a further slight improvement in prices of staple fibre yarns. 40×2 December contract moved up from Rs. 638 to Rs. 645. February delivery hardened by Rs. 5 to Rs. 653. Among spot indigenous yarns (40×2), Centurys picked up an anna and a half to Rs. 3-9-6. New Greats strengthened by 15 pies to Rs. 3-7-9, Kohinoors and Citys were both done at Rs. 3-7-9. Among foreign yarns (80×2), Fujis put on As. 3 to Rs. 6-3. Paramounts increased by 18 pies to Rs. 5-15-6. K'Suns gained an anna to Rs. 6-11.

In the cotton yarn section, ten counts Moderns improved by As. 2 to Rs. 15-10. Podars were unchanged at Rs. 15-8. Twenty counts Moderns were throughout steady at Rs. 19-10, as also 30s counts Maduras at Rs. 24-4. Among 40s, Minaxis were done at Rs. 28-7 and Gokaks at Rs. 28-8, same as last week. Moderns, however, receded by As. 4 to Rs. 28-12 for want of support. Sixty counts came in for some selling. Raghuvamshis dropped As. 12 to Rs. 57-4. Moderns declined by As. 4 to Rs. 63-4. Among 80s, Moderns were steady at Rs. 77. Deals were put through in Mahendras at Rs. 74-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week and a fortnight before:

	12-12-1956	5-12-1956	28-11-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)-			
120 Dull Cone Snia December	790 0	778 0	765 0
120 Dull Cone Snia February ..	807 0	800 0	783 0
120 Japan (per lb.)	4 3½	4 2½	3 15
150 Japan (per lb.)	4 7	4 7	4 0
120 Italy (per lb.)	4 3	4 2	3 11½
150 Italy (per lb.)	3 14½	3 14	3 5
Staple fibre yarn (per case of 200 lbs.)—			
40×2 December	645 0	638 0	621 0
40×2 February	653 0	648 0	630 0
40×2 New Great (per lb.) ..	3 7½	3 6½	3 4
40×2 Century (per lb.) ..	3 9½	3 8	3 5½
40×2 City (per lb.)	3 7½	3 8½	3 5½
Cotton yarn (per bundle of 10 lbs.)-			
10s Podar	15 8	15 8	15 8
20s Hind	—	19 12	19 12
30s Madura	24 4	24 4	24 4
40s Gokak	28 8	28 8	28 12
60s Finlay	60 4	60 2	60 8
80s Modern	77 0	77 0	76 0

GROUNDNUT ACTIVE

(From Our Own Correspondent)

BOMBAY, 12*th December*

During the week under review the oilseeds market, barring the castorseed section, displayed an upward trend, though, at the close today, all the sections of the market witnessed a moderate decline on profit-taking at higher levels. The castorseed section however, registered during the first five sessions of the week wide fluctuations, though, on balance, it improved considerably over the opening position.

In the case of groundnut, almost throughout the week, several favourable factors had been at work. These were: persistent demand from crushers, poor inflow of new crop and prospects of export quota. To these forces was added the support from leading *vanaspati* producers who purchased no less than 1,000 tons of Bold groundnut January delivery and 2,000 tons of December-January delivery. In contrast to this, the castorseed section, though it opened on a promising note; witnessed wide fluctuations as a result of the offerings from professional operators and uncertainty regarding export policies for the ensuing year. The section, however, rallied on 11th instant, on bear covering and speculative support, after some early hesitancy, only to recede again today on profit-taking. Linseed was steady on support from shippers.

The groundnut February contract steadily rose for the aforesaid reasons from Rs. 144-4 at the commencement to Rs. 153-8 yesterday and subsequently, however, receded to Rs. 150-8, before finishing at Rs. 153-4. Today, again, though it started at Rs. 153-4 and went up by As. 4, it reacted to Rs. 151-8 and closed at Rs. 152-12. Over the week, thus, it made a handsome gain of Rs. 7-10. In the spot section, too, Bold F.A.Q. put on Rs. 2-4 at Rs. 31-4, while Coromandel rose by Re. 1-12 to Rs. 31-12. Groundnut oil ex-mill and railway receipt were higher by As. 2 at Rs. 18-14 and Rs 18-12, respectively.

Castorseed futures contract started the week cheerfully at Rs. 156 and reached the peak level of Rs. 160 the same day and registered a fall to Rs. 155 before closing at Rs. 158-8. On the 7th instant, again, though it commenced at Rs. 160 and went up by another rupee, it closed Rs. 5 lower. On the following day, however, it closed As. 12 higher though the peak for the day was Rs. 159-4. On 10th inst., again, it declined from Rs. 159 to Rs. 153. Yesterday it fluctuated between Rs. 160 and Rs. 153-12 before closing at Rs. 158-8. Today it opened at Rs. 159-8 but declined to Rs. 155-12 before closing the day's session at Rs. 156-8. The contract lost over the week Re. 1 only. In the spot section, ready Madras quality shed Re. 1-10 at Rs. 35-6 and Kanpur was lower by Re. 1-4 to Rs. 34-8. Oil B.S.S. however, was slightly higher at Rs. 23.

Linseed futures contract displayed a steady trend. Commencing at Rs. 28-12 it reached the peak of the week on 11th inst. after minor fluctuations. Today, however, it finished at Rs. 29-14 making thus, over the week, a gain of Re. 1. In the spot section, February-March rose by Re. 1 to Rs. 32 and Bold Ready by Re. 1-4 to Rs. 36. Linseed Oil ready was somewhat better at Rs. 19-14.

Cottonseed February contract, too, witnessed a similar trend. Moving within narrow limits, but gaining on balance, it moved up from Rs. 86-6 at the opening of the week to Rs. 90 yesterday, before finishing As. 4 lower.

Among other seeds, *kardi* seed Bold ready having remained steady at Rs. 21-8 for a major part of the week, rose yesterday to Rs. 21-12. To-day, however, it reacted to Rs. 20-12, shedding over the week As. 4. *Niger* seed Madras was done at Rs. 30.

Mr. R. Duraiswamy, member of the Forward Markets Commission inaugurated in Madras on 5th December, forward trading in groundnut and groundnut oil. The Union Government has granted recognition to the Madras Oilseeds Exchange Ltd. for this purpose.

Forward trading in groundnut and groundnut oil has been permitted already by the Union Government at four other centres, namely, Rajkot, Delhi, Bombay and Adoni. This is the first time that forward trading on an organised basis is being ushered in in Madras State. Trading has commenced in December 1956, January 1957 and February 1957 contracts in groundnut oil. The trading unit is 50 candies and the weight is 500 lbs. per candy. December delivery was done at Rs. 300 while January delivery was transacted at Rs. 293-4 as soon as the Exchange was opened. Inaugurating the trading, Mr. Duraiswamy said that the opening of this Exchange provided an opportunity for the commercial community in the State to participate in and conduct a commodity exchange which had been properly designed and organised. He hoped that the advent of regulated forward trading would prove beneficial to the groundnut economy of the State. The exchange has enrolled 42 members so far—26 under crushers panel and 16 under dealers panel.

The following table shows the prices of oilseeds and oils at close as compared with those at the end of the previous two weeks:

	12-12-1956	5-12-1956	28-11-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	152 12	145 2	148 14
Khandesh Quality Ready (per cwt.)	32 4	30 8	32 12
Dec.-Jan.	30 6	28 13	29 14
Linseed—			
May 1957	29 14	28 14	30 8
Bold Ready (per cwt.)	36 0	34 12	36 0
Feb.-Mar.	32 0	31 0	31 10
Castorseeds—			
May 1957	156 8	157 8	173 4
Madras (per cwt.)	35 6	37 0	37 8
Cottonseed—			
February 1957	89 4	86 4	86 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 14	18 12	19 4
Castor oil—			
Commercial (per quarter) ..	22 14	22 6	23 14
Linseed oil—			
Ready	19 14	19 6	21 6

SUGAR RISES FURTHER

(From Our Own Correspondent)

BOMBAY, 12*th December*

The firm trend noted in the sugar market during the last two weeks continues unabated. Buying support is well sustained, thanks to hopes of the Government allowing export of sugar. These hopes are based on reports that the negotiations for export initiated by the Indian Sugar Mills Association are likely to be concluded successfully at the meeting with the officials scheduled to be held on the 17th inst. It appears to be almost certain that about 50,000 tons of Indian sugar may be exported next month. Meanwhile, trade circles are anticipating a levy of a surcharge on excise duty on sugar and/or an increase in the rate of duty. It is, therefore, felt that there is no chance of the sugar market developing weakness in the near future. Reduced arrivals of indigenous sugar—12,100 bags, as against 19,300 bags last week—have also imparted strength to the market.

During the week under review, sugar prices registered a further improvement. Spot indigenous sugar small and medium grains advanced by a rupee each to Rs. 90 and Rs. 91-Rs. 94 per bag, respectively. Large grain was quoted at Rs. 95-Rs. 102, as against Rs. 94-Rs. 104. British refined sugar spurted from Rs. 92 to Rs. 93 per 2 cwts., owing to paucity of stocks.

Magsar delivery contract for 'C' grade sugar, after advancing by As. 10 to Rs. 91-6, is steady around Rs. 91-2 today. *Fagan* delivery is quoted at Rs. 92-12, as against Rs. 92-1 last week-end. At one time, it had even touched Rs. 93.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, 11*th December*

Malabar black pepper, during the week under review, continued to drift lower under pressure of rather heavy arrivals of new crop. Nearly half of the new receipts remained unsold and had to be stored. Singapore prices being higher, there were some enquiries from Europe but these were not enough to lend support to the declining market.

New York buyers remained selective. They bought only nearby shipments at reduced limits. After small business at $0.26 for shipment, during the first half of December, they are now asking for $0.25½. At every small purchase they revise downwards their buying limit. If New York sticks to its present conservative buying policy, it is generally feared that Malabar will be forced down under accumulation of floating stock. In the beginning of the season, rather aggressive purchases either by the U.S. or by U.S.S.R. are required for holding the prices.

The present stringency in the money market, the Indian Government's policy designed to step up taxation, the recent heavy marking down in the prices of shares and stocks of plantations and the new curbs on the banks, are some of the factors that are working against a bull market. Local bankers and banks are chary of advancing loan on pepper which is another depressing factor.

The weak growers are likely to press on an unwilling market, if no loan facilities are available when they bring new pepper to the primary markets. Local merchants who witnessed very high prices for pepper some time ago are feeling that the present level is low and there is, therefore, bound to be some investment buying off and on. However, the prices cannot be maintained unless the burden of the accumulated stocks is relieved by sizable exports, particularly during the coming peak harvesting months. Inland enquiries, though helpful, may not check the downward trend.

Singapore is down to Str. $88, after touching Str.$94, owing to falling off of enquiries from Europe. At reduced prices, however, rubber interests are reported lending their support by making small purchases.

Alleppey came down to Rs. 600 while garbled at Cochin sagged down to Rs. 102½. Arrivals are now augmenting. New arrivals at Calicut have already started. In the A.S.T.A. section, December shipment was done at $0.25½, while January-February-March is offered at $0.25½. In the delivery section, December is quoted at Rs. 588. Following are today's nominal quotations.

Ready delivery Rs. 89 per Bengal maund; December delivery Rs. 588-93 and February delivery Rs. 593-98 per candy of 5½ cwts.

TEA DUSTS IN GOOD DEMAND

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 7*th December*

Dust sale 'X' which was held on Tuesday, 4th December, contained approximately 475,000 lbs. Lowest residual types and medium sorts attracted keen competition and prices for these advanced irregularly As. 2. A strong general demand characterised the auction throughout. Best liquoring dust were only about steady and generally sold at easier rates. The limited quantity of black leaf types sold well at about last rates.

Export Quota.—The market for export quota has fluctuated between 78 pies and 93 pies during the period under review and, at the time of writing, there are buyers up to 93 pies with business done in Calcutta at this figure.

Forthcoming Auctions.—Dust sale 'Y' will be held on Thursday, 20th December.

JUTE WELL MAINTAINED

(From Our Own Correspondent)

CALCUTTA, 11*th December*

During the week under review, prices of both jute goods and raw jute were well maintained. On jute goods, fair interest was shown by exporters as well as bazar dealers. The month of November proved to be an especially satisfactory shipping period. Shipment of hessian aggregated 49,951 tons which were higher by 13,652 tons as compared with October. Sacking exports were also higher by 3,583 tons at 46,759 tons. These figures included goods shipped to other ports in the country for internal consumption. They read all the more satisfactory, if it is remembered that, in October, goods shipped were considerably higher than in September. A fair quantity of the shipments effected in October and November must have gone into stock-piling in foreign countries to meet shortages for delays in shipping and to meet any emergency. During the week, the stock of jute goods with mills as at the end of November was also announced. The total decline amounted to 14,800 tons and, since, in view of the better shipping month, the market expected a bigger fall, a reaction in prices set in immediately the figures were announced.

Attempts were made during the week by the management of the mills remaining closed in Shamnagar on account of labour troubles to reopen, but these were not successful. It should be noted that the decline in stocks should be viewed against the background of the loss of production in the above mills. In the meantime, news of importance is that the recent representation made by the jute mill workers in this State to the Prime Minister during his recent visit to Calcutta has led the West Bengal Government to undertake an enquiry into the living conditions of jute mill workers in the State. Jute mills have already been given a questionnaire on the subject, and the State Government is expected to compile a report from the replies for submission to New Delhi. The authorities, however, should think twice before imposing any further burden on jute mills by way of increased remuneration to workers. It is known that the working results of mills have been far from satisfactory during the recent accounting periods. Labour costs have gone up, and last year's Tribunal award was the third time since 1947 when wages were increased. Prices of the raw material have progressively increased simultaneously. But there has not been a comparative rise in the prices of jute goods, nor has there been any significant rise in demand to increase production with a view to cutting down output costs.

The market opened on a weak note, induced by speculative selling. Ready B. twills were quiet at Rs. 120 and 40" 10 oz. hessian gave way from Rs. 45-15 to Rs. 45-10. On Wednesday, a two-way movement was in evidence. Earlier prices declined on bear selling. Lower levels attracted buyers and a smart recovery followed, with the result that B. twills improved to Rs. 120-12 and hessian 40" 10 oz. to Rs. 46. Moderate business from overseas countries followed and bazar dealers became active. There was heavy speculative support for sacking goods and, as a consequence, B. twills advanced to Rs. 121-12 on Thursday, and hessian 40" 10 oz. rose in sympathy to Rs. 46-5. On Friday, prices declined as a higher decline in stocks than actually announced on that day had been discounted for. B. twills were thus priced at Rs. 121-10 and 40" 10 oz. hessian at Rs. 46-2. Shipments so far during the current month have proceeded satisfactorily, and this knowledged in the market aided a better closing for the week-end. The recovery that set in took ready B. twills up to Rs. 122-2 and 40" 10 oz. hessian to Rs. 46-4. The higher trend continued yesterday and the quotations for the two constructions were fully steady at Rs. 122-4 and Rs. 46-5, respectively. The eight oz. hessian was priced at Rs. 37.

On balance, prices of raw jute rose by As. 8 per maund. Mills attempted to push down prices, but, as sellers were reserved, these efforts failed. Assam upper bottoms and local Daissee bottoms gained As. 8 each to Rs. 32 to Rs. 33, respectively. The latest quotations for the different constructions are given below:

	Middles	Bottoms
Pakistani:		
	Rs. a.	Rs. a.
Northern	40 0	37 0
District	40 8	37 8
Indian:		
Northern	34 8	32 0
Jungli	33 0	30 8
Orissa	36 0	33 8
Uttar Pradesh	33 0	30 8
Daissee mesta ...	32 0	29 8
Bimli f.a.q.	Rs. 29 0	
Pucca bales first marks ready	Rs. 197-8 per bale.	

GOOD DEMAND FOR EXPORT TEAS

(From Our Own Correspondent)

CALCUTTA, 11*th December*

Although demand during tea export sales held yesterday continued to be good, prices realised showed a two-way movement. This was because of the increase in the export duty according to the slab system. The duty was not revised for the month of November, although, during the month of October, prices realised in London auctions were higher. For the trade and industry had represented that, in view of the steep increase in cost of production of tea, some relief to the industry was necessary. Since this situation had not shown any change, the market anticipated that no revision would be made during this month in the duty. However, that expectation did not materialise.

In view of good export demand and increase in output of tea, traders have been unable to find any cause for New Delhi's apparent reluctance to increase the export quota.

Good general demand was in evidence during last week's internal sales. Dusts offered amounted to 23,068 packages, among which the clean black leafy teas from all districts suitable for export rose by As. 5. Prices of the large grainy C.T.C. Assams gained by As. 2 and there was fair demand for other lots in this category. On the other hand, Assams of orthodox manufacture, Dooars and commons recorded a fall by an anna. Among Darjeelings, the flavoury lots were sold well as usual, while the remainder of the offerings were in poor demand. The quotations were: Best Assam C.T.C. Rs. 2-13, medium Assam C.T.C. Rs. 2-8, medium Assam grainy Rs. 2-0-6, and medium Dooars Re. 1-15.

Leaf grades on offer aggregated 2,223 packages. The strongest features were residue teas, inasmuch as prices were firm. Clean leafy teas declined by As. 2, although demand was fair. Green teas were taken at previous rates.

Offerings during yesterday's export sales amounted to 60,656 packages. Good demand was in evidence throughout the duration of the auctions, albeit the opening on a weak note. C.T.C. teas were paid keen attention, but this was so in view of lower rates. Prices eased by As. 2, although some selected invoices were firm. Assams and Dooars possessing good cup quality were in preference and prices improved by an anna to two. The rise in prices was specially in evidence in the fannings grades. On the other hand, the plainer teas declined by an anna, and the higher priced B.O.Ps. and orange fannings by As. 2. Prices of stylish whole leaf grades rose by As. 2. Well-made B.P.Ss. were also in good demand, but prices were unchanged. Most Darjeelings on offer dropped by As. 2-As. 4. A similar decline was in evidence in the prices of tippy teas also. The quotations were: Best C.T.C. Assam B.P. Rs. 3, medium Assam B.P. Rs. 2-6, plain B.P. Rs. 2-4, and clean black pekoe Rs. 2-7.

A slight easing in the export quota rights was in evidence. With buyers over, the price gave way from 90 pies to 84 pies.

MODERATE CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, 10*th December*

The volume of trading in kips with the U.K. was small. Importers were unable to follow the asking prices at origin, in view of their inability to obtain the equivalent advance on finished leather and were offering lower prices. This factor, coupled with the report that heavy shipments would be reaching London in a bunch shortly, acted as a damper to price increases demanded at origin, though this was necessitated by the rise in price at raw centres.

Arrivals of kips met with moderate clearance. There was fair demand for inferior grade cow hides for inland trade, though shippers did not evince interest. Market for buff calf and cow calf f.a.q. was moderately active, as arrivals were small. Premium marks were slow to move, as tanners were quoting unworkable prices.

In the December London tanned skins public sales, there was good attendance of Continental buyers and the prices of best tannages goat skins 8/9 and 11/12 lbs. realised 1s. to 2s. advance, while others recorded upto 1s. increase in October levels. Sheep auctions are due to commence this week. In view of the auctions, shipment business was small during the week.

Shipments during the month of November were: To the U.K. ports: 4,542 bales tanned cow hides, 400 bales cow calf, 100 buff hides, 277 buff calf, 993 goat skins, 742 sheep skins; to the Continent: 5 cow calf, 17 buff calf, 573 goat and 125 sheep; to Japan: 370 bales tanned sheep. There were no shipments to the U.S.A.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 10*th December*

Quietly easy conditions prevailed in the foodgrain market during the week under review, thanks to increasing sales of wheat through fair-price shops. The Central Government's food reserves have been further strained, due to increased demand from the flood-affected regions of Uttar Pradesh and West Bengal. In the U.P., the State Government is selling wheat in the flood-affected areas at a subsidised rate of 3 *seers* per rupee and the State Government has asked the Centre to release 48,000 tons of wheat for such sales during the current month.

Wheat at Hapur recorded a modest fall to Rs. 15-10 per maund for average quality and to Rs. 16-12 for farm quality. Local arrivals averaged 100 maunds daily and the week's offtake was good, aggregating 5 *khaties* mostly to Bihar. The local stock is now put at 59 *khaties*, as against 110 *khaties* in the corresponding week last year. Rice also eased slightly during the week, due to new crop arrivals. The prices as on Monday were:—*basmati* Rs. 23 to Rs. 27-8; *mainpuri* Rs. 19-8; *raimunia* Rs. 22-8; *ramajwayan* Rs. 21; and coarse quality Rs. 15-8 per maund.

Good demand for *gram*, coupled with steady Punjab and Madras advices, accounted for the firmness in gram prices. *Bajra* and maize prices, however, eased slightly, despite good seasonal consumers' demand, due to better supplies in the market. Beginning of arrivals of new crop from the producing areas resulted in a slight fall in *jowar* prices, while barley and *bejhar* prices were mostly unchanged. The week-end prices on Monday were:—*Gram* local Rs. 13-4; Punjab produce Rs. 13-10; maize Rs. 12-10; *bajra* Rs. 14; *jowar* Rs. 12-14; barley Rs. 13-4; *bejhar* Rs. 13 per maund.

Waning demand for peas at higher levels led to a fall of As. 4 per maund to Rs. 14 per maund for *dara* green quality and to Rs. 15-8 for white quality. The local stock is now put at 20 *khaties*, the corresponding figure last year being 37 *khaties*. *Arhar* prices also eased to Rs. 13-4 per maund, despite heavy offtake at 9 *khaties* during the week, reducing local stocks to 35 *khaties*. Prices of other pulses ruled quiet at almost unchanged price levels.

Pulses futures declined on bear pressure, influenced by fall in ready prices, but some gains were recorded towards the week-end on profit-taking purchases. The latest prices as on Monday were: Peas *jeth* Rs. 10; peas white *maha* Rs. 13-1-9; *jeth* Rs. 10-13-6; *arhar maha* Rs. 12-12; *jeth* Rs. 11; *urd maha* Rs. 18-15-3.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 10*th December*

Sugar prices ruled quiet during the week. Offtake was small at the prevailing prices. Factories in the U.P. and Bihar have fully begun their crushing season and, as *gur* prices have already fallen, it is estimated that production of indigenous sugar in the country during the current season will amount to 1.9 million tons. This quantity, along with the carryover of about 550,000 tons from the previous season, will push up the total supply to about 2.4 million tons. The domestic consumption, on the other hand, is expected to be around 1.95 million tons. The country is, therefore, expected to have a surplus and there are rumours that the Government is seriously considering the issue of allowing exports of sugar from the country.

The prevailing mill delivery prices of sugar per maund on Monday were:—Jaswant Rs. 28-4; Simbhauli Rs. 28-8; Mawana Rs. 28; Daurala Rs. 29-4; Amroha Rs. 27-12; Bijnore Rs. 27-12; Mansoorpur Rs. 28-8 to Rs. 30; Rampur Rs. 31-8; retail Rs. 30-10.

The *khandsari* market ruled listless and dull. Prices hovered around Rs. 22 to Rs. 26 per maund.

Although arrivals of new *gur* were very moderate, the average being 6,000 to 7,000 maunds daily, prices declined towards the week-end to be quoted at Rs. 11-4 per maund for best quality. Loading facilities were adequate, but outside buying enquiry at higher rates was slack. Old stocks have nearly been exhausted.

Future *gur* prices also declined during the week. Opening at Rs. 10-11-3, *fagun* delivery touched the highest at Rs. 10-13-3 and lowest at Rs. 10-4-6. It was quoted today at Rs. 10-7-3, due to profit realisations at the worst levels of the week.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	6th Dec., 1956	3	3½
Bolivia	30th Sept., 1950	5	6
Canada	Oct., 1956	3½	3½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	May, 1956	9	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands	24th Aug., 1956	3	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	Mar., 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	Sept., 1956	3½	4½
Sweden	22nd Nov., 1956	3½	4
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	23rd Aug., 1956	2½	3
West Germany	5th Sept., 1956	5½	5

CLEARING HOUSE RETURNS

Centre	Week ended 7th December, 1956		Week ended 30th November, 1956	
	Number of Cheques	Amount Rs. *	Number of Cheques	Amount Rs.
Bombay	3,01,988	67,81,95,000	2,92,732	65,78,77,000
Calcutta	1,73,346	72,11,80,097	1,81,325	64,06,56,498
Madras	81,662	10,54,97,348	73,794	9,01,51,317
All Centres—				
1954-55*	..	..	2,885,000	6,041,200,000
1955-56*	..	..	3,100,000	6,630,200,000
July, 1956	..	..	3,203,000	6,69,86,00,000
August	..	..	3,057,000	6,45,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 7th Dec., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	15,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,36,08,000
(2) Other Governments	14,04,01,000
(b) Banks	51,45,79,000
(c) Others	14,16,95,000
Bills Payable	12,31,96,000
Other Liabilities	102,54,10,000
Rupees	273,38,89,000

ASSETS	Rs.
Notes	9,70,54,000
Rupee Coin	2,91,000
Subsidiary Coin	6,65,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	8,55,19,000
Balances held abroad*	91,00,64,000
Loans and Advances to Governments	5,20,35,000
Other Loans and Advances	84,57,36,000
Investments	60,18,68,000
Other Assets	14,06,54,000
Rupees	273,38,89,000

* Includes Cash and Short-term Securities.

(1) The item "Other Loans and Advances" includes Rs. 44,65,36,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January 1956 is Rs. 389,83,89,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,70,54,000	
Notes in circulation	1464,08,12,000	
Total Notes issued		1473,78,66,000
Total Liabilities		1473,78,66,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	447,30,03,000	
Total of A		565,06,06,000
B. Rupee Coin		123,37,91,000
Government of India Rupee Securities		785,34,69,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1473,78,66,000

Scheduled Banks*

Statement of Affairs for the week ended 30th Nov., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	11,69,08,000
(ii) Other demand liabilities	639,21,94,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,71,00,000
(ii) Other time liabilities	456,19,97,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,48,45,000
(ii) Time liabilities	....
4. Cash in India	35,69,15,000
5. Balances with the Reserve Bank in India	50,84,20,000
6. Balances with other banks in current account in India	9,85,47,000
7. Money at call and short notice in India	15,15,70,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	865,45,67,000
9. Advances in India	597,06,22,000
10. Inland Bills purchased and discounted in India	116,43,95,000
11. Foreign Bills purchased and discounted in India	52,82,67,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	4th December, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-0 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	480½	480½
Buyers T.T. Rs.	473	473
London on New York $	2.78½	2.78-2.78½
London on Paris Fcs.	982½	983
London on Berne Sw. Fcs.	12.21½	12.21½
New York on London $	2.78-2.78½	2.78-2.78½

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4 100
U.S.A.	1954	163.41	$ 299,700	142,370	8,766
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1954	42.84	F.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.67	Lr. 9,718,000	7,330	1,548
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 38,630	3,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,574	1,610	3,654
Switzerland	1954	4.92	Sw. Fr. 22,010	2,410	4,895

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 30th Nov., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00 00,000
Deposits:—	
(a) Central Government	38,13,20,000
(b) Provincial Governments	6,72,56,000
(c) Banks	14,20,94,000
(d) Others	3,61,68,000
Bills Payable	32,89,000
Other Liabilities	10,47,05,000
Rupees	79,48,32,000

ASSETS	Rs.
Notes	10,40,40,000
Rupee Coin	12,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,97,89,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	11,33,33,000
Investments	43,48,12,000
Other Assets	11,28,34,000
Rupees	79,48,32,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,40,40,000	
Notes in circulation	307,66,50,000	
Total Notes issued		318,06,90,000
Total Liabilities	....	318,06,90,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,33,41,000	
Silver Bullion		
Sterling Securities	32,64,02,000	
Government of India Securities	16,63,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,28,000	
B. Rupee Coin	5,83,94,000	153,63,18,000
Government of Pakistan Securities	152,69,72,000	
Internal bills of exchange and other commercial paper	....	
	....	158,53,66,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,99,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	318,06 90,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 50.06 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees.

	1st Sep., 1939 (pre-war)	30th Nov., 1956*	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,438.54	1,439.61	1,443.59	1,335.72
Notes held in Banking Department	35.05	27.20	23.19	7.62	13.99
Foreign Securities	59.50	457.24	457.24	462.21	647.07
Rupee Securities	37.39	765.47	765.47	750.50	553.58
Banking Department					
Deposits of:					
Government of India	14.89	49.99	54.69	52.15	51.36
Other Governments	..	15.94	12.72	47.18	10.16
Balances held abroad	10.08	79.29	84.63	106.72	71.25
SCHEDULED BANKS					
Demand Liabilities	134.36	650.91	647.03	638.92	618.56
		(11.60)†	(12.34)†	(13.05)†	(14.33)†
Time Liabilities	102.24	458.91	458.52	456.34	423.32
		(2.71)†	(2.51)†	(3.33)†	(6.86)†
Borrowings from Reserve Bank	..	54.67	57.41	68.84	10.62
		(43.34)‡	(45.34)‡	(43.43)‡	(6.70)‡
Borrowings from State Bank	..	10.48	9.62	13.35	6.45
Cash in India	6.70	35.89	35.88	34.09	34.11
Balances with Reserve Bank	25.17	50.84	50.80	51.77	64.51
Excess over statutory limits	15.52	9.12	9.28	10.70	25.12
Balances with other banks in current account in India	..	9.85	10.06	9.65	10.97
Money at call and short notice in India	..	15.16	18.30	17.27	23.83
Investments (at book value)	..	365.46	365.50	367.32	304.45
Advances and bills	105·09	766.33	762.31	768.71	601.35
STATE BANK					
Deposits	..	87.76	234.90	232.80	229.37	221.14
Investments	..	51.99	106.60	106.62	107.10	119.17
Advances	..	30.35	129.11	127.43	130.72	95.11
Cash	..	14.69	16.63	16.15	16.20	29.68

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	September,		Six months, April to Sept.,	
	1955	1956	1955	1956
Import Duties:				
Revenue	9.24	11.17	55.81	60.37
Protective	1.05	1.01	4.77	6.05
On surplus disposals	..	..	0.05	0.03
Total import duties	10.29	12.18	60.63	66.45
Export Duties	3.77	2.60	18.09	12.11
Land Customs	0.05	0.27	0.42	1.13
Miscellaneous	0.05	0.12	0.37	1.51
Gross total customs	14.16	15.17	79.51	80.20
Refunds and drawbacks	0.18	0.20	1.32	1.20
Net Customs	13.98	14.97	78.19	79.00
Gross excise	12.37	15.42	74.45	85.98
Refunds	0.38	0.21	2.40	0.95
Net Excise	11.99	15.21	72.05	85.03
Net total of customs and excise†	25.97	30.18	150.24	164.03

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 7th Dec., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		234,47,34,000
Borrowings from Other Banking Companies, Agents, etc.		5,75,00,000
Bills Payable		3,91,44,000
Bills for Collection being Bills Receivable as per contra		67,79,000
Acceptances, Endorsements and Other Obligations per contra		8,78,000
Other Liabilities (including Inter-Office Adjustments)		9,29,20,000
Total .. Rs.		266,17,05,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,07,74,000
Balances with other Banks		4,00,50,000
Money at Call and Short Notice		1,00,00,000
INVESTMENTS:		
Government and other Trustee Securities	95,47,08,000	
Other Authorised Investments	11,40,56,000	
		106,87,64,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	92,16,15,000	
Bills Discounted and Purchased	40,46,98,000	
		132,63,13,000
Bills Receivable being Bills for Collection as per contra		67,79,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,78,000
Premises less Depreciation		1,24,04,000
Furniture and Fixtures less Depreciation		58,87,000
Other Assets (including Inter-Office Adjustments)		6,98,56,000
Total .. Rs.		266,17,05,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‡‡

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings @	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,88	65	3,26	22,66	84,17	1,13,85	92,03	31,07	7,55	25,64					
1954-55	4,70	1,02	4,99	27,27	1,24,64	1,84,94	1,30,88	86,25	5,57	37,15	7,40R	7,38		55††	54
1955-56	3,76	1,98	5,48	27,19	1,44,36	1,58,15	1,67,86	38,87	4,79	41,85	9,86	16,37	45	5	58
September 1955	4,21	13	5,20	5,54	1,34,58	12,40	1,46,91	37,11	44	39,28	94	11,80	4	1	58
October "	4,14	10	5,21	2,11	1,36,38	11,35	1,46,99	38,23	46	39,68	90	12,49	5	1	58
November "	4,07	10	5,21	2,18	1,37,53	11,25	1,50,40	38,34	43	40,05	82	13,20	5	1	58
December "	4,00	18	5,26	2,58	1,39,48	13,94	1,52,44	38,44	36	40,34	88	13,98	4	1	58
January 1956	3,91	14	5,24	2,02	1,40,78	12 16	1,54,14	38,55	32	40,61	84	14,73	3	1	59
February "	3,83	16	5,29	2,33	1,42,37	12,87	1,56,19	38,66	39	40,95	92	15,57	3	1	60
March "	3,76	33	5,48	2,82	1,44,85	23,64	1,67,86	38,87	36	41,25	88	16,37	3	1	60
April "	3,69	24	5,54	2,19	1,45,84	14,54	1,71,38	38,98	34	41,51	82	16,97	3	1	60
May "	3,61	21	5,54	2,49	1,47,68	14,77	1,73,05	39,05	33	41,82	85	17,13	3	1	60
June "	3,54	28	5,54	2,70	1,49,48	15,24	1,76,09	39,15	33	42,11	85	17,91	3	1	60
July "	3,48	43	5,81	2,98	1,51,53	14,81	1,80,05	39,34	33	42,42	91	18,75	3	1	1,00
August "	3,40	29	5,82	2,53	1,53,14	14,10	1,83,31	39,35	36	42,72	1,01	19,68	4	1	1,04
September "	3,34	17	5,71	2,65	1,55,14	13,27	1,84,33	39,17	34	43,00	98	20,58	4	1	1,07
October "	..	..	..	..	..	..	..	..	35	43,29	85	21,34	3	1	1,13

* At the end of period.

‡ Issued from 10th MAY, 1954.

†† Relating to nine months from 1st May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 16th August 1948.

§ From July, 1954.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 3-12-'55	1-12-'55	24-11-'56	1-12-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	91.0	90.2	89.9	89.8
1. Government of India	90.9	90.0	89.7	89.6
2. Indian States	95.5	95.8	95.7	95.7
3. Municipal Port Trust, etc.	89.4	91.0	91.0	91.0
DEBENTURES OF INDUSTRIAL CONCERNS	101.1	100.2	100.1	100.1
1. Electricity	102.5	101.1	101.0	101.0
2. Jute	98.0	97.5	97.5	97.5
3. Plantations	99.1	98.8	98.7	98.7
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.9	100.9	100.9	100.9
7. Shipping	102.3	101.8	101.8	101.8
8. Others	101.1	100.8	100.5	100.5
PREFERENCE SHARES	87.8	82.5	81.2	81.1
1. Electricity	95.4	89.5	87.7	87.7
2. Cotton	79.7	83.8	81.8	81.7
3. Jute	86.7	75.6	75.6	75.7
4. Coal	91.9	82.0	82.4	83.0
5. Iron and Steel	90.1	84.5	83.7	83.0
6. Sugar	86.2	82.7	82.7	82.7
7. Paper	87.3	81.7	80.3	80.3
8. Plantations	101.9	102.2	101.8	101.4
9. Miscellaneous	85.2	79.1	75.8	75.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	131.4	123.6	122.4	121.4
(a) Financial	94.6	94.7	94.2	94.3
1. Banks	92.6	95.7	95.0	95.1
2. Insurance	105.8	88.2	88.3	88.5
3. Investment Trust	100.7	95.3	95.4	95.5
(b) Public Utilities	118.8	111.2	111.4	110.8
1. Electricity	122.9	112.1	111.5	111.3
2. Shipping and other Transport	116.2	119.7	119.6	117.8
3. Railways	90.8	81.3	80.9	81.2
(c) Manufacturing Industries	142.3	133.7	132.8	131.2
1. Cotton, Woollen and Silk	131.4	136.9	136.3	135.7
2. Jute	95.4	72.2	70.1	68.0
3. Iron and Steel	176.1	150.3	151.2	148.2
4. Paper	300.2	260.1	260.1	259.9
5. Cement	185.9	181.1	180.8	178.8
6. General Engineering	210.0	193.9	190.1	187.4
7. Sugar and Breweries	112.4	108.0	108.5	107.9
8. Chemicals	161.5	149.8	147.0	143.1
(d) Non-Manufacturing Industries	173.0	155.5	152.5	151.7
1. Coal	81.7	79.7	78.7	79.0
2. Mining and Oil	272.2	235.3	228.7	225.6
3. Plantations	186.5	167.9	165.3	166.2
(e) Miscellaneous	109.4	102.0	100.5	99.3
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES				
1. Bombay	90.5	89.6	89.3	89.2
2. Calcutta	90.9	90.1	89.9	89.8
3. Madras	91.3	90.4	90.1	90.1
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	100.2	99.7	99.7	99.7
2. Calcutta	101.8	100.5	100.5	100.5
3. Madras	100.2	99.9	99.8	99.8
PREFERENCE SHARES:				
1. Bombay	91.3	86.7	85.1	84.6
2. Calcutta	83.3	76.6	75.2	75.2
3. Madras	98.3	97.4	97.0	96.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	139.1	133.1	132.0	130.7
2. Calcutta	120.5	103.8	107.8	107.1
3. Madras	125.2	132.5	133.5	132.5
4. Delhi	146.1	138.1	135.8	133.8

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes§	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	772	466,607	3,382,608
1954	840	477,138	3,372,930
1955	1,166	527,767	5,697,848
August 1954	79	51,090	322,887
September "	97	50,414	363,378
October "	88	41,724	276,294
November "	62	25,115	229,701
December "	101	54,455	262,762
January 1955†	95	49,038	322,807
February "	91	38,370	144,302
March "	112	70,042	334,696
April "	105	32,432	333,275
May "	120	68,441	961,779
June "	152	91,269	1,144,011
July "	111	55,260	660,492
August "	236	90,218	533,999
September "	251	92,619	580,031
October "	154	47,600	214,214
November "	99	48,609	178,112
December "	129	45,277	239,550
January* 1956†	107	61,050	349,655
February* "	122	69,450	786,768
March* "	146	133,188	678,716
April* "	143	81,367	534,393
May "	137	64,361	558,717
June "	152	72,843	485,634
July* "	144	99,431	529,855
August "	118	55,327 (a)	489,366 (b)
Sept. "	142	110,000	775,000

† Figures are provisional.

(a) Not known in 4 cases. (b) Not known in 7 cases.

* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.8
1955-56	715	8,805.3	7,185.3
April 1955	690	691.1	563.9
May "	691	706.5	569.3
June "	696	716.2	576.1
July "	700	724.8	583.3
August "	705	709.9	574.4
September "	707	719.3	587.1
October "	716	720.7	591.9
November "	721	725.5	597.0
December "	724	785.7	643.0
January 1956	731	757.2	621.8
February "	739	749.9	622.0
March "	715	800.0	651.0
April "	701	780.8	643.8
May "	701	825.8	669.1
June "	710	796.5	658.5
July "	724	798.0	656.2

* Excluding railway, military and factory power stations, Chola Power Station being interconnected with the Tata Power System, has been included.

‡ Including purchases from non-electric utilities.

† At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	24th Nov., 1956	17th Nov., 1956	26th Nov., 1955	October, 1956	October, 1955	Percentage of Increase (+) or decrease (−) in Oct., 1956 as compared with Oct., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	421.7	418.3	323.6	392.5	315.7	+24.3	373.2	339.8
Cereals	59	542*	533	384	510	385	+32.5	372	351
Pulses	8	425	420	332	386	291	+32.6	289	260
Others	33	269	271	237*	247	226	+ 9.3	235	201
Industrial Raw Materials	(18)	529.7	519.2R	422.2	502.4	403.7	+24.4	419.8	438.2
Fibres	53	521	504	424*	479	410	+16.8	429	447
Oil seeds	30	572	571	406	557	381	+46.3	398	454
Minerals	10	532	521	437	539	430	+25.3	427	423
Others	7	430	432R	463	421	422	— 0.2	451	427
Semi-Manufactures	(17)	419.4	418.6R	340.8	405.6	329.8	+22.0	338.2	350.3
Leather	8	443	443	385	396	338	+17.2	378	376
Mineral oils	13	210	210	202	210	202	+ 4.0	207	221
Vegetable oils	15	634	627	397	576(A.)	373	+54.8	389 R	433
Cotton yarn	35	503	502R	415*	493	407	+21.1	422	454
Metals	18	327	327	277	326	273	+19.4	264	240
Oil cakes	5	486	492	365	479	350	+34.3	338	351
Others	5	364	362	330	362	330	+ 9.7	336	313
Manufactured Articles	(30)	386 3	386.1	373.7	387.0 R	371.2	+ 4.5	372.9	377.4R
Textiles	64	417	417	406	420	402	+ 4.5	408	431
Jute	11	459	448	427	426	397	+ 7.3	418	448
Cotton	45	415*	417*	390*	420*	401*	+ 6.2	403*	415*
Rayon and Silk	6	421*	427*	479*	353	479*	—26.4	425*	399*
Woollen	2	266	266	278	266	278	— 4.3	254	311
Metal products	17	390	390	371	390 R	368	+ 6.0	359	340
Others	19	296	296	284	295	285	+ 3.5	285	256
Miscellaneous	(4)	586.6	589.1	542.4	585.2 R	559.3	+ 4.6	548.4	612.4
All Commodities	(100)	433.2	430.5R	365.1	417.8 R	357.2 R	+17.0	380.4	377.5

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets. (A.) In September, 1956, the index for Veg. Oils was 588. R=Revised.

*Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August 1939=100)

Average of weeks	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1955																		
September	509	409

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,409	3,421
Barley	final	,,	8,145	8,309	2,721	2,870
Maize	final	,,	8,309	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,649
Small millets	final	,,	13,035	13,799	2,103	2,456
Total cereals	final	tons	211,090	212,025	53,349	55,734
Pulses—						
Gram	final	tons	22,092	22,047	4,865	5,393
Tur	final	,,	5,757	5,944	1,814	1,688
Other Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Rabi pulses†	final	,,	10,579	10,590	1,858	1,959
Total pulses	final	tons	55,100	55,300	10,187	10,870
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	726	724
Sesamum	final	,,	5,738	6,501	458	589
Rape and Mustard	final	,,	6,262	6,625	832	1,019
Linseed	final	,,	3,424	3,354	376	382
Total oilseeds	final	tons	29,471	30,922	5,596	6,242
Fibres—						
Cotton*	final	bales	20,230	18,684	3,998	4,227
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	final	,,	618	628	1,201	1,018
Other crops—						
Potato	final	tons	.....	665	.....	1,762
Sugarcane	final	,,	4,446	3,994	57,749	56,923
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	29
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	921	846	259	244

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡Excluding Gram and Tur.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October, 1956	80.4
	Corresponding month, 1955	73.3
	Four months ended Oct., 1956	348.6
	Corresponding period, 1955	331.7
Stocks	As the end of Nov., 1956	101.9
	Corresponding month, 1955	63.0
		(In 000 bags)
Exports (Jute Bags)	Week ended 27th Oct., 1956	4,651
	Corresponding week, 1955	10,744
	From 1st Jan., to 27th Oct., 1956	343,621
	Corresponding period, 1955	384,434
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 27th Oct., 1956	11,423
	Corresponding week, 1955	51,590
	From 1st Jan., to 27th Oct., 1956	1,142,231
	Corresponding period, 1955	1,123,164
	RAW JUTE	(Inlakh bales)
Consumption by Mills†	October 1956	4.66
	Corresponding month, 1955	4.57
	Four months ended Oct., 1956	20.21
	Corresponding period, 1955	19.24

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,51,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
June 1955	91,700	80,900	62,800
July ,,	94,900	84,300	64,300
August ,,	92,500	83,900	63,700
Sept. ,,	95,300	87,500	65,700
October ,,	91,700	83,800	64,800
Nov. ,,	91,900	86,200	63,400
June 1956	94,900	89,900	64,400
July ,,	94,400	91,200	65,500
August ,,	97,800	88,000	66,000
Sept. ,,	96,400	88,800	59,700
Oct. ,,	96,700	91,100	71,900
Nov. ,,	94,700	85,800	65,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49 030	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,003
Do. 31st March, 1956	7,06,986	6,31,505	4,50,667
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, Dec., 1954	1,88,033	1,36,861	1,20,616
,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, Sept. 1955	1,76,181	1,30,630	1,08,714
,, ,, Dec., 1955	1,60,750	1,24,096	1,05,752
,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860
,, ,, June, 1956	1,48,306	1,17,710	92,509
,, ,, Sept., 1956	1,74,447	1,33,325	1,13,953

OVERALL BALANCE OF TRADE OF INDIA
September, 1956†

Particulars	September, 1955	September, 1956	Six months, April to Sept. 1955	Six months, April to Sept. 1956
	Rs. (lakhs)	Rs. (lakhs)	Rs. lakhs	Rs. (lakhs)
1. Trade in merchandise— (a) Exports	58,18	49,25	291,13	269,76
(b) Re-exports	28	37	2,60	4,23
Less—Transit trade	..	1	8	5
Net re-exports	28	36	2,52	4,23
Total exports	58,46	49,61	293,65	273,99
2. Imports	51,21	76,75	303,19	394,23
Less—Transit trade	1	5	7	20
Net Imports*	51,20	76,70	303,12	394,03
Balance of trade in merchandise	+ 7,26	—27,09	— 9,47	—120,04
Balance of trade in gold and silver	..	— 1	— 4	— 11
Total overall visible balance of trade	+ 7,26	—27,10	— 9,51	—120,15

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
* Besides the value of certain stores imported on Government account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2 635	940	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
August 1955	4,984	1,122	414	88	50	27	29	10	124	166	17	125	16	62
September ,,	5,985	1,354	495	101	56	32	39	12	139	197	20	153	22	75
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,282	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
April ,,	1,139	237	82	23	12	5	13	2	64	34	2	31	2	10
May ,,	2,227	470	166	44	25	11	25	3	115	70	5	60	5	21
June ,,	3,264	705	256	59	33	15	33	5	148	104	7	89	9	43
July ,,	4,310	959	344	71	38	19	44	6	168	139	10	118	14	50
August ,,	5,409	1,222	433	87	42	23	58	8	184	173	13	150	19	65
September ,,	6,420	1,446	503	97	46	28	73	10	190	207	15	179	26	81

Note.—The figures relate to broad and metre gauges of Class I Railways. The montly figures are progressive from April, equated to M. G. Wagons (1 B.G.–2 M.G.) and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.
* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 29th Nov., 1956	31,790(J)
	Corresponding week, 1955	26,227(J)
	1st Sept. to 29th Nov., 1956	122,134*
	Corresponding period, 1955	260,014*
Cotton Exports‡	Week ended 29th Nov., 1956	3,152
	Corresponding week, 1955	14,717
	1st Sept. to 29th Nov., 1956	31,539
	Corresponding period, 1955	212,748
Mill Consumption (Estimated)	1st Sept. to 29th Nov., 1956	332,338
	Corresponding period, 1955	314,729
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 29th Nov., 1956	423,196
	Corresponding date, 1955..	562,124
Cotton Exports from Bombay (by sea)	During Sept., 1956	14,994‡
	During Sept., 1955	121,362‡
	1st Sept., '55 to 31st Aug., 1956..	715,863
	1st Sept., '54 to 31st Aug., 1955..	432,433
Karachi (Pakistan)—		
Receipts	1st Sept. to 15th Nov., 1956	315,752
	Corresponding period, 1955	258,690
Exports	1st Sept. to 15th Nov., 1956	93,093
	Corresponding period, 1955	134,050

Particulars	From 1st Sept. to 3rd Dec., 1956 (Bales)	From 1st Sept. to 3rd Dec., 1955 (Bales)
From Bombay Cotton Shipments to—		
United Kingdom	3,957	19,163
Continent	687	40,854
Hongkong	1,888	17,382
China	3,027	29,938
Japan	17,778	99,913
U.S.A.	134	608
Other Countries	314	3,771
Total to all foreign countries	27,785	212,229
Coastal Ports	6,023	36,555
Total	33.808‖	248,784‖

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	September, 1956	377,978
Foreign		53,732
Indian	Twelve months ended Aug., 1956	4,365,456
Foreign		803,351
Indian	Same Period 1955	4,188,438
Foreign		630,474
Stocks (Mills and Elsewhere)—		
Indian	As on 30th September, 1956	1,253,274
Foreign		182 393
Indian	As on 30th September, 1955	1,278,133
Foreign		172,806
Week ended 23rd Nov., 1956		21,722
Corresponding Week, 1955		57,388
1st Sept. to 23rd Nov., 1956		159,930
Corresponding period, 1955		218,740

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding (Rs.)	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926–33	63,30,26,000	1960–70	100‡
3 % Loan	1938–39	1,16,17,46,000	1963–65	94
3 % Loan	1950	30,33,10,000	1964	94‡
3 % Fd. Loan	1943	1,10,11,75,000	1966–68	93‡
3 % V. Loan	1944	33,54,89,000	1957	99‡
3 % Loan	1945	1,15,05,88,000	1970–75	87
2½ % 2nd V.Loan	1945	1,13,65,64,000	1960–61	97½
3 % Loan	1951	50,35,63,000	1958	99½
2½ % Loan	1946	45,60,37,000	1960	96‡
2½ % Loan	1946	57,00,69,000	1951	93½
2½ % Loan	1946	14,77,48,000	1976	83‡
2½ % Loan	1947	76,86,72,000	1962	93½
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	1,58,17,34,000	1964	98‡
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98‡
3½ %	1956	57,27,00,000	1962	97‡
3½ % N.P. Bon s	1956	33,92,00,000	1967	98‡
3½ %	1956	66,64,00,000	1974	98‡
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,35,000	At option of Government after three months' notice.	73
3 % Loan	1946	2,48,91,47,000	On *September, 1986* or later at option of Government after three months' notice.	73
REPATRIATE STERLING LOANS				
4½% Loan	1928	£5,85,73,000	1958–68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	98
4 % Andhra	1956	6,00,00,000	3rd Sept. 1968	97½
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98‡
3 % Bombay	1949	5,53,56,000	1st Aug. 1962	94‡
3 % Bombay	1950	2,87,82,000	31st July 1960	96‡
3 % Bombay	1951	10,95,25,000	15th Sept. 1962	98‡
3 % Bombay	1953	5,42,28,000	15th July 1963	100‡
4 % Bombay	1952	3,55,87,000	1st Aug. 1964	100‡
4 % Bombay	1955	10,02,21,000	1st Sept. 1965	99‡
4 % Bombay	1956	7,50,00,000	3rd Sept. 1970	99‡
4 % Bihar	1952	*1,50,00,000*	1st Sept. 1967	98‡
4 % Bihar	1956	2,00,00,000	3rd Sept. 1968	98
4 % Cochin	1945	1,00,00,000	16th Dec. 1955–58	99‡
3½ % Cochin	1936	70,09,000	1st June 1956–61	99‡
3½ % Howrah Bridge (New)	1936–37	1,95,96,700	1956–66	95‡
4 % Hyderabad	1955	2,12,42,000	1st Sept. 1967	99‡
4 % Hyderabad	1956	2,00,00,000	3rd Sept. 1968	99‡
3 % Madras	1944	1,22,95,000	21st June 1958	96‡
3 % Madras	1945	1,07,95,000	15th Aug. 1958	98‡
3 % Madras	1946	2,78,44,000	14th Sept. 1960	96‡
2½ % Madras	1946	3,31,77,200	1st Sept. 1961	93‡
2½ % Madras	1950	4,38,25,400	31st July 1960	96‡
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97‡
4 % Madras	1953	10,33,85,000	15th July 1963	99‡
4 % Madras	1952	2,54,81,200	1st Aug. 1964	99‡
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99‡
4 % Madras	1956	12,50,00,000	3rd Sept. 1968	98
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953–63	101
4 % Mysore(J)	1936	5,09,72,900	30th Apr. 1956–61	99‡
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99‡
3 % Mysore	1948	3,33,47,000	15th July 1963	99‡
4 % Mysore	1955	*3,54,04,000*	1st Sept. 1967	98
4 % Mysore	1956	4,00,00,000	3rd Sept. 1968	97‡
4 % M.P.	1944	52,69,800	15th Aug. 1958	96‡
4 % M.P.	1946	2,03,28,850	15th Sept. 1964	95‡
4 % M.P.	1950	1,01,44,700	31st July 1960	95‡
4 % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,10,18,600	15th July 1963	99‡
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98
4 % M.P.	1956	1,50,00,000	3rd Sept. 1968	97‡
4 % Saurashtra	1955	2,61,65,000	3rd Sept. 1967	99‡
4 % Saurashtra	1956	2,50,00,000	3rd Sept. 1968	99
4 % Trav. Cochin	1953	*3,00,00,000*	15th July 1963	99‡
4 % Trav. Cochin	1956	2,00,00,000	3rd Sept. 1968	98‡
3 % U.P.	1936	1,57,14,000	15th Sept. 1961–66	98‡
3 % U.P.	1944	2,87,11,000	15th Aug. 1958	98‡
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96
3 % U.P.	1946	2,20,93,600	1st Sept. 1961	93‡
2½ % U.P.	1951	1,91,02,000	17th Sept. 1962	97‡
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	99‡
4 % U.P.	1953	5,85,15,500	15th July 1963	99‡
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	99‡
4 % U.P.	1956	8,00,00,000	3rd Sept. 1968	97‡
4 % Rajasthan	1956	3,00,00,000	3rd Sept. 1968	97‡
4 % Orissa	1956	1,00,00,000	3rd Sept. 1968	97‡
4 % M. Bharat	1953	1,00,00,000	15th July 1963	99‡
4 % M. Bharat	1956	1,00,00,000	3rd Sept. 1968	97‡

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99‡N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	3½	1913*	1960	D
80,00,000	4	1913	1974	99‡N
88,25,000	4	1914	1975	99‡N
50,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,56,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				
90,24,800	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000	3††	1921	1981	92
68,02,300C	6½	1921	1981	144N
1,49,40,500‡	5	1927	1957–87	102
1,49,30,000	5	1928	1958–88	103
80,00,000	4†	1931	1991	95
80,00,000	3½	1935	1965	97½
25,00,000	3½	1936	1966–68	91
50,00,000	3	1945	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84‡
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1979	87
1,00,00,000	3	1949	1959	97
50,00,000C	3	1950	1980	82
1,00,00,000	3	1950	1960	96‡
1,00,00,000	3	1950	1960	95‡
50,00,000	3	1951	1981	81‡
1,50,00,000	2½	1951	1961	98‡
50,00,000	4	1953	1983	100
50,00,000	4	1953	1983	98‡
90,00,000	4	1954	1985	98
77,00,000C	4	1956	1986	97‡
78,00,000C	4	1956	1986	97‡
STERLING LOANS				
£892,600	5	1922	1952–82	£70
£901,000	5	1924	1954–84	£70‡
£835,100	5½	1932	1962	£91‡
MADRAS				
Rs.				Rs.
81,47,100	3½	1947	1977	
9,88,000M	3	1947	1977	A
8,00,000†	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97‡N
25,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97‡N
50,00,000	4	1916	1976	97‡N
40,00,000	5	1919	1957–79	113N
60,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	115N
25,00,000	4	1927	1961–70	98N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95‡N
£338,000		1910	1970	£95‡N
CALCUTTA				
Rs.				Rs.
25,00,000	5‡	1929	1959	107
50,00,000	4	1934	1964	93‡
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968–68	90
80,00,000	4	1952	1982	99‡
1,02,00,000	4	1956	1986	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
20,50,000	4	1913–15	1974	99‡
10,00,000	5	1920	1980	113‡N
25,00,000	5	1923–28	1958	104
8,45,500	5	1929	1954–59	to
26,21,500	5	1929	1959	102
8,25,00,000	2½	1947	1977	86‡
2,50,00,000	3	1949	1979	86‡
2,50,00,000	3‡	1950	1965	92‡
2,50,00,000	3	1952	1964	90‡
2,00,00,000	3	1953	1966	90‡
1,30,00,000	4	1953	1983	99‡
1,00,00,000†	4	1952	1964	99‡
1,00,00,000†	4	1954	1966	99‡
2,50,00,000	4	1955	1967	99‡
CALCUTTA				
Rs.				Rs.
26,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102
25,00,000	5	1929	1958	102‡
10,00,000	5‡	1932	1962	108
33,91,000	3½	1935	1965	96
60,00,000	3½	1936	1966	94
47,50,000	3	1938	1968	90
15,56,800	4	1939	1956	99‡
15,56,800	4	1939	1959	99‡
15,56,800	4	1940	1967	99‡
17,04,400	3½	1942	1959	96‡
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1950	97‡
16,33,000	3½	1951	1961	97‡
66,88,000	3½	1951	1966	97‡
87,87,000	3½	1952	1965	97‡
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107‡N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99‡
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99‡
4 % W. Bengal	1953	2,60,23,000	15th July 1963	99‡
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99‡
4 % W. Bengal	1956	7,00,00,000	3rd Sept. 1968	99

N—Nominal.
ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
*** Rupee Counterparts.
* Loans held entirely by the Trustees.
†Income-tax free. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡Bombay State Transport. ‡‡ To 4 per cent. with effect from 1st April, 1955. ‖—Interest free to 10.12 years. §—Interest free for first 5 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sep.	113	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	80,00,000(b)	1875	6‡	Mar. Sep.	101	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	134	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6‡	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17‡	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	63	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	63	100
Purtabpore Co.	6,00,000	1922	10	Oct.	15	10
Ramnuggar Cane	4,00,000	1933–36	6	Aug.	100‡	100
Ravalgaon Sugar	20,00,000	1943	5‡	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	15,00,000	1940	5(c)	Dec.	8‡	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896–97	6‡	Oct. Apr.	103	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	112‡	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8‡	10
Equitable	4,00,000	1895	6	Mar. Sept.	102	100‡
Karanpura Collieries	9,37,500	1946	5‡(a)	.. ..	65	75(p)
††Khas Kajora	1,53,000	1931	5	Mar. Sept.	44N	10
New Beechboom	*2,00,000*	*1920*	7	Jan. July	12	10
Ondal	2,00,000	1898–99	6‡	Apr. Oct.	105	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108‡	100
Bangalore	6,00,000	1884	6	Jan. July	123	100
Basanti Cotton	5,00,000	1938	6‡	Nov. ..	8	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900

STOCK & SHARE QUOTATIONS

Abbreviations :—D.= Deferred shares. P.O.= Preferred Ordinary shares. Y.= Accounts published yearly. H.= Accounts published half-yearly. P.= Company has Preference shares. D.= Company has Debentures. N.= Nominal quotations. x.d.= Ex. Dividend. c.d.= Cum. Dividend. i.= Interim Dividend. I.= Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may show excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
50,00,000	5,62,728	90,10,670	43,05,372	26,989	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2¾	2	0 4(c)	Nil	0 2(c)	Nil	12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	M.	56,566	1,621	B. R. Cotton Mills	47½	100	Nil	Nil	Nil	Nil	3	Y.
2,50,98,000	2,99,72,778	4,92,35,445	3,29,69,278	78,129	Nowrosjee Wadia & Sons, Ltd.	2,21,068	4,865	Bombay Dyeing & Mfg. ..	603½	250	22 8*	20 0	25 0*	7 8	12	Y.
10,00,000	28,74,392	58,81,886	53,57,495	21,711	Ramnarain Sons, Ltd.	44,784	800	Bradbury Mills	210	50	100 0†	75 0†	12 8	20 0	3	Y.P.
1,00,42,800	2,63,96,328	2,81,83,264	1,97,06,117	6,34,956	Birla Brothers Private Ltd. ..	1,26,344	2,698	Century Spg. & Mfg. ..	528	100	22 0	22 0	22 0	8 01	3	Y.P.
40,00,000	25,42,326	1,19,99,766	55,07,025	—33,08,097	V. J. Pilani (Chairman and Managing Director)	40,608	798	Colaba Land & Mill	100½	100	Nil	Nil	Nil	Nil	12	Y.
26,00,000	13,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	137½	100	7 8	7 8	7 8	12 8*	12	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	159½	50	6 0	6 0	15 0	..	3	Y.
34,00,000	40,06,435	76,75,267	56,21,788	2,83,643	Punamal Lubha Sons	50,084	928	Edward Textiles	310	200	15 0	15 0	18 0	..	12	Y.
29,98,050	11,31,233	1,09,78,649	80,74,224	1,81,354	M.	41,300	886	Elphinstone Spg. & Wvg. ..	51½	50	Nil	3 0	5 0	..	12	Y.P.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,382	784	Finlay Mills	320	100	16 0	16 0	20 0	..	12	Y.P.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	16,000	225	225 0	225 0	300 0	75 0†	3	Y.
16,000									5,225	1,000	225 0		300 0	75 0†		
2,00,00,000	62,50,399	4,68,15,552	8,39,00,000	1,93,112	Agarwal & Co.	2,33,512	6,413	India United Mills	225	56 4*	56 4	75 0	18 12½		3	Y.P.
50,00,000D									11¾		0 10	Nil	0 15	0 10½		
8,86,000	74,24,043	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	1-15¼	0 1D	Nil	Nil	0 3	0 11	12	Y.
35,000									5,100	1,000	225 0*	225 0	300 0			
59,85,000	55,07,831	2,73,73,670	2,03,22,138	26,228	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	—	500	112 8*	112 8	100 0†		3	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,68,14,796	83,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	230	100	10 0	8 0	10 0	10 0	6	Y.P.
22,18,050	41,06,720	1,18,74,348	55,99,115	81,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	333	100	20 0*	18 0	18 0	6 01	12	Y.
51,75,000	37,05,298	2,35,58,597	1,76,19,559	1,41,489	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	100N	50	5 0	5 0	8 0*	..	10	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,088	Chinai & Co., Private Ltd. ..	246½	..	National Rayon Corporation ..	256½	100	12 0	14 0	14 0	15 0	6	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	155½	100	10 0	10 0	12 0	12 0	12	Y.P.
30,00,000	14,81,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	247	100	10 0	10 0	10 0	10 0	12	Y.
48,00,000	30,10,989	1,24,29,555	84,72,255	2,40,352	Ramnarain Sons, Ltd.	60,208	1,190	Phoenix Mills	145	100	8 0	8 0	10 0	10 0	12	Y.P.
48,00,000	45,70,390	39,55,049	23,00,000	3,92,877	Podar Sons, Ltd.	32,600	930	Podar Mills	170½	100	10 0	10 0	12 0	12 0	12	Y.
5,00,000	8,16,999	21,21,521	19,01,840	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	12	100	10 0	10 0	12 0*	..	12	Y.P.
27,70,000	82,80,605	1,92,83,221	1,59,71,824	24,320	M. G. Investment Corporation, Ltd.	60,068	1,254	Sassoon Spg. & Wvg.	39	10	1 4	1 12	1 12	..	12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd. ..	66,336	1,640	Shree Niwas Cotton Mills ..	202½	100	14 0	14 0	12 0	..	12	Y.P.
42,00,000	33,02,179	98,78,309	78,68,752	96,017	Forbes, Forbes Campbell & Co., Ltd.	34,840	1,276	Simplex Mills	88	50	15 0	11 0	10 0	12 0	3	Y.
57,80,000	2,23,15,702	2,51,28,099	1,37,85,474	12,888	Matatlal Gagalbhai & Sons ..	52,086	1,633	Standard Mills	456½	100	20 0	20 0	20 0	..	12	Y.P.
99,85,700	84,69,716	2,28,87,647	1,19,01,809	67,611	Tata Industries Private Ltd. ..	72,236	2,000	Svadeshi Mills	456½	100	20 0	20 0	20 0	..	12	Y.P.
85,00,000	65,33,465	1,28,99,971	81,52,715	1,61,080	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	160	100	16 0	8 0	12 0	..	12	Y.P.
65,57,000	51,56,376	1,77,34,889	68,44,553	48,485	Tata Industries Private Ltd. ..	62,046	1,800	Tata Mills	411½	100	20 0	25 0	25 0	..	12	Y.
12,00,000	62,55,709	1,15,36,426	81,90,000	2,816	Thackersey Mooljee Son & Co.	64,136	1,209	Western India Spg. & Mfg. ..	5,100	1,000	225 0*	225 0	300 0	75 01	3	Y.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
40,00,000	21,50,000	1,48,70,885	69,76,244	17,089	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	200	100	10 0*	5 0	7 0	12	6	Y.P.
10,00,000	94,58,068	94,37,398	76,10,164	27,288	P. M. Buthenesing & Co., Ltd.	42,320	912	Aruna Mills	785	100	20 0*	20 0	20 0	..	12	Y.P.
26,25,000	2,55,30,694	1,66,55,504	1,16,00,000	72,768	Narotam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,220	100	25 0	25 0	35 0*	..	12	Y.P.
20,00,000	81,75,000	96,34,384	72,25,000	2,46,389	Mangaldas & Bros. Ltd.	37,164	892	Aryodaya Ginning & Mfg. ..	535	200	15 0	15 0	25 0*	..	12	Y.P.
12,00,000	1,18,39,033	84,55,574	69,64,953	69,806	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	1,080	100	22 0*	22 0	30 0	..	12	Y.P.
1,37,50,000	3,35,76,233	4,61,25,352	2,38,68,344	2,31,712	Karamchand Premchand Ltd. ..	1,39,120	2,073	Calico	557	125	18 0	18 0	..	30 01	3	Y.P.
62,87,000	24,58,000	1,21,06,343	89,25,000	2,760	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	1,325	1,000	70 0	70 0	80 0	..	12	Y.P.
89,00,000	72,32,426	1,32,19,232	98,26,992	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	900	125	35 0	35 0	35 0	..	12	Y.
10,00,000	58,48,000	50,63,197	37,98,317	16,658	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	460	100	30 0*	30 0*	20 0	..	12	Y.P.
12,50,000	1,14,77,470	86,29,439	60,39,888	....	Lalbhai Dalpatbhai & Co. ..	32,828	636	Raipur Mfg.	1,010	100	25 0	25 0	35 0*	..	12	Y.P.
32,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lalubhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	200	100	9 0	9 0	Nil	..	12	Y.P.
28,98,150	2,02,34,538	1,76,92,842	1,52,75,000	8,23,290	Harivallabhdas Kalidas & Co.	94,116	1,738	Shri Ambica Mills	644	50	18 0	20 0	27 0*	..	12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. .. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	565	100	20 0	25 0*	25 0	..	12	Y.
38,00,000	90,34,191	1,09,66,008	78,35,291	84,644	Haridas Ambratal & Co., Ltd.	86,176	780	Vijaya Mills	696½	400	35 0*	35 0*	35 0*	..	12	Y.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15,00,000	1,42,800	84,93,029	21,83,830	61,576	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	6½	1	0 4	0 8	0 8	..	12	Y.P.T.
7,98,000	9,10,617	73,14,055	52,69,911	59,390	Bengal Textile Agency, Ltd. ..	32,544	98	Bengal Luxmi Cotton Mills ..	40N	40	Nil	Nil	Nil	4 0	12	Y.P.T.
5,00,000	25,72,414	89,24,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	100	Nil	Nil	Nil	Nil	..	6,12	H.P.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	205	100	Nil	Nil	2 8	..	6,12	H.
1,50,00,000	2,29,43,320	3,76,19,833	1,31,26,833	1,88,672	Birla Brothers Private Ltd. ..	70,384	1,900	Keshoram Cotton Mills	16¼	10	1 12	0 12	0 14	1 0	3	Y.P.
19,47,750O	7,45,000	47,06,298	24,48,352	1,094	Hazarecmull Heeralall	23,036	796	Bampoorna Cotton Mills ..	151N	10	0 3	0 10	1 0	..		Y.
5,00,000D									2½	1D	Nil	Nil	0-5 11/25			

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
15,00,000	9,00,000	66,27,191	29,09,649	—8,54,238	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin., Ltd.	9½	10	Nil	Nil	Nil	Nil	12	Y.P.T.
11,99,600	6,57,296	31,36,764	15,54,943	3,566	Setua & Co., Ltd.	24,800	..	Asher Textiles Ltd.	217	100	4 0	Nil	12 8	..	6	Y.
71,94,000	35,91,284	1,84,91,530	50,78,582	1,36,043	Industrial Trust Fund ..	34,236	708	Bangalore Woollen, Cotton and Silk Mills	92	100	6 0	Nil	3 8	15 0	6	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd...	40,068	1,157	Banzalore Woollen, Cotton and Silk Mills	562½	100	25 0	30 0	30 0	10 0	9	Y.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	9½	10	0	Nil	Nil †		6,12	H.P.T.
25,00,000	1,09,48,251	1,19,14,402	87,78,992	4,25,221	Birla Brothers Private Ltd. ..	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	3 0	3 0	3 0	..	12	Y.
1,78,47,800	1,76,52,500	3,08,09,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd...	1,20,356	2,787	Buckingham & Carnatic	168	100	10 0	10 0	10 0	4 01	12	Y.P.T.
20,00,000	20,00,000	89,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	15½	10	0 12	Nil	9 8	..	12	Y.P.
15,00,000	5,11,500	48,38,929	24,63,361	8,994	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	174½	100	12 0	20 0	12 0	15 0	3	Y.
30,00,000	29,51,420	69,60,022	44,72,776	38,787	Begg, Sutherland & Co., Ltd. ..	34,796	591	Cawnpore Textiles	81½	5	0	0	0	0	3	Y.
9,37,470	2,00,000	50,87,536	18,02,163	58,798	C. R. Srinivasan, Esq. (Chairman)	24,800	..	Cauvery Spg. & Wvg. Mills Ltd.	13¾	10	Nil	Nil	0 10	0 12	3	Y.P.T.
12,00,000	20,60,000	34,65,396	27,86,527	34,164	R. Bheema Naidu & Co.	38,864	100	Coimbatore Cotton Mills ..	384½	100	26 0	25 0	25 0	..	12	Y.
20,00,000	19,90,000	39,58,492	24,25,921	14,229	G. R. N. Naidu & Co.	29,736	905	Coimbatore Pioneer Mills ..	292	100	15 0	25 0	20 0	..	12	Y.P.
50,00,000	....	1,13,00,858	85,58,242	21,020	R. G. S. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg. ..	91	50	3 0a	2 0	3 0	..	6	Y.P.
20,75,000	5,076	46,12,622	2,50,83,371	1,62,61,854	Tata Industries Private Ltd. ..	67,228	1,620	Central India	130	100	5 0	2 0	8 0	Nil	12	Y.
46,87,500	3,38,30,225	3,06,82,110	11,16,21,472	5,81,67,327	T. N. Charat Ram & Co., Private Ltd.	1,16,636	2,354	Delhi Cloth & General Mills ..	382½	25	10 0	2 8	2 8	2 8	3	Y.P.T.
3,38,30,225	1,00,563									2½	0 2 4/5	0 3 5/8	0 5	0 4	6	
24,34,800	25,47,678	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	387	100	20 0	30 0	30 0	..	12	Y.
63,00,000	66,33,360	1,52,16,382	1,29,71,681	98,386	Begg, Sutherland & Co., Ltd. ..	48,452	1,196	Elgin Mills	284	10	1 0	1 0	1 0	..	9	Y.P.
48,31,000	35,32,175	1,08,10,167	58,95,968	14,000	Forbes, Forbes Campbell & Co., Ltd.	27,974	4	Gokak Mills	234	100	17 0	13 0	16 0	..	12	Y.
50,00,000	6,16,447	1,33,91,953	1,12,25,576	9,551	K. L. Seksaria, Esq. (Chairman)	51,180	1,420	Indore Malwa United	138½	100	6 0	6 0	9 0	5 01	12	Y.
8,90,000	10,65,683	31,06,669	18,48,135	2,079	G. V. Naidu & Co., Ltd.	24,828	800	Janardhana Mills	104½	50	4 8	5 0	10 0	..	12	Y.
32,42,535	19,25,000	39,32,849	32,49,160	41,492	Kothari Textiles	43,096	800	Kothari Textiles	164cd	10	1 0	1 0	1 0	..	6	Y.P.
32,00,000	68,30,185	1,45,62,050	1,12,84,204	14,744	Rombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	680	250	37 8	33 12	42 8	1 0	6	Y.P.
35,64,100	66,55,960	1,61,18,090	95,51,437	6,51,654	G. K. Naidu & Co.	65,908	201	Lakshmi Mills	255	50	5 0	10 0	12 8	12 8	12	Y.P.
17,82,050									125	25	2 8	5 0	6 8	6 4	3	
1,76,92,480	4,13,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	48	15	3 0	3 0	3 0	..	3	Y.
12,00,000	4,17,363	28,26,768	16,72,202	—99,073	A. L. A. R. S. Chettiar and 2others.	22,592	100	Malabar Spg. & Wvg.	113	200	8 0	Nil	Nil	..	12	Y.
60,00,000	69,00,000	68,79,627	43,29,734	43,835	W. A. Wadia & Sons, Ltd. ..	34,720	603	Madurai Industries Ltd... ..	243½	100	12 8	22 8*	35 0	42 8	3	Y.
29,80,884	19,01,581	99,73,440	49,94,738	16,588	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	90	100	7 0*	6 0*	6 0	..	12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	51,340	948	Model Mills (Nagpur)	176½	250	7 8*	5 0(c)	7 8(c)	7 8	12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	48,640	1,334	Mohr Mills	98N	100	Nil	Nil	Nil	..	12	Y.
24,33,590	50,54,035	1,19,93,742	67,14,107	—1,50,653	N. Sirur & Co., Ltd.	50,460	500	Mysore Spg. & Mfg.	109½	50	10 0*	8 8*	6 0(c)	9 0*	2	Y.P.
13,61,780	6,600	29,25,252	15,12,761		R. Surveyanarayana Rao, Esq. Manager	7,000	..	Mysore Spun Silk Mills ..	7½	10	Nil	Nil	Nil	Nil	3	
22,89,882O	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Co., Ltd.	52,428	1,225	New Victoria Mills	2½	0 2½	Nil	Nil	Nil	Nil	12	Y.
5,97,094D										D. 1	Nil	Nil	Nil			
87,19,600	55,48,220	1,69,99,989	61,91,861	74,722	Industrial Trust Fund	37,788	856	Osmanshahi Mills	77	100	4 0	Nil	2 8(c)		12	Y.P.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	50A	12 0	12 0	12 0	12 0		9	Y.
6,00,000B									75B	18 0	18 0	18 0	18 0		12	Y.P.
15,00,000	1,65,000	34,16,017	17,49,676	—14,98,997	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	80	100	Nil	Nil	4 0(c)		12	Y.
16,81,200A	22,75,000	83,60,150	49,86,177	4,862	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	100A	8 0	16 0	20 0			12	Y.
8,40,600B									50B	4 0	8 0	10 0				
15,00,000	30,00,000	48,74,198	25,94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	185	50	7 8	10 0	10 0		12	Y.
16,14,300	12,00,000	32,92,216	17,41,434	10,510	Ramco Agencies Ltd.	24,996	Nil	Rajapalayam Mills	154	100	4 0	6 0	10 0	10 0	12	Y.P.
22,29,625	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co. ..	24,800	..	Rayalaseema Mills	151½	100	6 0	9 0	10 0	10 0	3	Y.
60,00,000	62,41,563	1,00,25,428	35,44,914	—19,10,728	J. P. Srivastava & Sons (Rampur).	34,582	600	Raza Textiles	84N	10	Nil	Nil	Nil		12	Y.
16,00,000	1,60,39,516	2,93,66,410	2,04,66,196	—1,78,06,704	Morarka & Co.	95,232	2,234	Sholapoor Spg. & Wvg. ..	1,590	1,000	Nil	Nil	Nil		12	Y.P.
86,66,700	17,10,000	81,44,272	65,63,318	1,09,148	H. N. Pallegar, Esq.	31,668	202	Sri Krishnarajendra Mills ..	500	500	Nil	Nil	Nil		3	Y.P.
22,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	125cd	50	4 0*	4 8	5 0	7 0	3	Y.
15,00,000	3,43,80,155	99,62,153	79,53,780	80,60,553	Birla Brothers, Private Ltd. ..	25,556	1,245	Sutlej Cotton Mills	80N	10	Nil	Nil	Nil		3	Y.
11,50,000O	2,30,00,000	4,54,40,847	1,70,63,159	1,09,029	Jalpuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	106N	10	0 6	0 6	0 6	6 0	3	Y.
7,50,000PO	30,14,788	2,80,55,817	2,27,16,775	2,63,771	Ernesto & Sons (Travancore), Ltd.	17,600	..	Travancore Rayons	100	100	0-11 1/5	1 8	0 12		12	Y.
1,00,00,000	5,78,332	17,39,181	11,37,886	1,508	Mooili Ramjee & Sons	48,974	270	Trichinopoly Mills	134	10	0-11 1/5	0-14 2/5	0-14 2/5		12	Y.P.T.
13,98,670	24,50,000	71,85,723	40,63,188	56,000	R. K. Chetty & Brothers	46,490	1,331	Vasanta Mills	340	100	12 0	15 0	20 0		12	Y.
21,00,000	34,42,971	1,64,67,122	1,05,10,233	22,125	Bombay Co., Ltd.			Vishnu Cotton	158½	100	4 0	4 0	8 0	2 81	12	Y.P.
85,00,000															12	Y.P.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of reserves. (5) For six months ended 31st December 1952.

† The dividends are on the original shares of Rs. 250 each sub-divided into five shares of Rs. 50 each in August, 1953.

‡ Calico Mills have changed the accounting year from December to March. The latest dividend is for fifteen months ended 31st March, 1956.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	12½cd	5	Nil	Nil	0 8	0 41	3	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5⅝	5	0 8	0 8	0 9		3	Y.
4,70,970D.							28	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1	9	Y.P.
71,66,208	5,49,40,613	24,90,99,271	8,74,71,582	5,62,770	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	—	B. 21	Sh. 4	Sh. 3	Sh. 4			
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vital Maliya, Esq., (Chairman)	United Breweries .. .. ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Ref.
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	105N	25	1 9	3 2	4 11		6.12	
83,00,000	66,05,811	1,15,51,257	79,71,808	14,387	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡	22½	10	12 0	14 0	1 6 2½	0 11 1/5[	3.9	
25,00,000	20,12,500	1,43,61,701	97,07,860	47,166	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17½	10	1 0*	0 12*	0 12*	1 0*	3	
1,46,82,500	2,16,71,731	4,58,61,778	1,07,73,682	2,12,435	Birla Brothers Private Ltd...	Orient Paper	34½	10	2 0	0 15	1 2	0 10	3.9	
1,25,07,295	62,26,637	1,45,54,422	67,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	17½	10	1 8	1 8	0 10[		6.12	
80,00,000 } 10,00,000'A.' }	6,50,000	95,83,644	61,01,926	13,795	Bajoria & Co.	Star Paper Mills	10½ 10½	O. 10 A. 10	0 12 0 12	0 12 0 12	1 4 1 4	}	3.9	
54,00,000A. 54,04,800B. 4,37,500P.O.	3,41,23,015	5,94,12,293	3,28,93,943	1,22,815	F. W. Heilgers & Co., Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	37½ 37½ 4½	A. 10 B. 10 P.O. 2½	2 0* 2 0* 0 4	1 8 1 8 0 4	2 0* 2 0* 0 4	1 2½* 1 2½* 0 2½*	3.9	
PRESSING														
5,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	*Nil*		6	
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	*5 0*		6	
PROPERTY AND LAND														
10,00,7850. 9,00,000D.	6,93,352	45,52,570	22,63,279	36,000	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½ 2½	O. 10 D. 1	0 11½ 0 4/5	0 9 3/5 *Nil*	0 9 3/5 0 9 3/5		9	
80,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	8	100	1 8	1 8	*Nil*		4	
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	28	100	1 8	4 0	8 0		4	
SAW MILLS AND TIMBER														
12,92,988	23,05,545	51,61,533	10,73,635	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	5	*Nil*	*Nil*	*Nil*		9	
50,00,000 } 42,00,000 }	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.‖	668 240	Old125 New50	15 0 6 0	20 0 8 0	37 8 15 0	11 4½	5	
6,00,000	....	7,23,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	*Nil*	*Nil*	*Nil*		6	
40,00,000	21,15,487	19,00,295	14,35,560	2,76,619	*Gillanders Arbuthnot & Co., Ltd.*	Indian Wood Products.. ..	45½	10	2 8	£ 12	3 0		9	
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,926	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	6½	5	*Nil*	0 12	0 1		6	
12,00,000A. 8,00,000B	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	145N 134N	A. 100 B. 10	10 0 1 0	10 0 1 0			4	
19,49,050	5,50,000	33,35,389	24,41,801	51,085	Rangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12		9	
15,00,000	13,90,295	16,40,479	11,77,341	13,206	Cotton Agents Ltd.	Bharat Sugar	16N	10	1 8	1 8	1 8		6	
93,00,000	33,37,030	1,35,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	*Nil*	0 12	0 4		6	
35,00,000	57,83,851	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	18	10	2 0	0 12	0 12		10	
18,00,000	38,04,891	72,85,757	53,46,903	24,019	Begg, Sutherland & Co., Ltd...	Champarun Sugar	25	10	1 0	1 0	1 8		8	
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	10N	10	1 0	0 12			8	
10,00,000A. 10,00,000B.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	265N 100	A. 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*		6	
12,00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	65N	80	*Nil*	*Nil*	4 8		7	
7,89,100	22,14,058	34,94,512	19,35,832	1,364	Cotton Agents Ltd.	New India Sugar Mills	39½N	40	*Nil*	*Nil*	2 4		6	
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	22N	10	2 8	2 8	2 4		5	
19,57,590A. 8,71,875B.	49,50,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	61 240N 56N	10 100 25	20 0 0 0	20 0 0 0	20 0 0 0		6	
77,45,850	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	148N	100	11 0	11 0	11 0		7	
12,00,000	12,74,223	29,77,869	19,95,928	15,000	Narang Bros. & Co., Ltd.	Punjab Sugar	110N	100	10 0	10 0			10	
9,00,000	17,64,369	37,35,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	16½	10	1 0	0 12	0 12		10	
8,00,000	5,31,129	26,43,202	21,70,524	5,234	M.	*Ryam Sugar*	20½N	10	0 8	0 8	*Nil*		6	
11,99,000	14,36,779	38,63,543	22,92,130	6,477	M.	Samastipur Central Sugar ..	12½	10	0 8	0 8	*Nil*		6	
40,00,000	22,68,560	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 12		8	
9,99,950	61,825	27,15,126	12,60,852	—5,37,888	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	*Nil*	*Nil*	*Nil*		6	
9,15,000G. 4,40,000D.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd... ..	Shri Sitaram Sugar	15½	O. 10	1 8*	*Nil*	*Nil*		8	
5,00,000	21,91,635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	South Bihar Sugar	7N	D. 2½	*Nil*	*Nil*			10	
16,00,000	7,66,589	32,69,951	26,68,226	20,554	James Finlay & Co., Ltd. ..	Upper Ganges Sugar	70N	10	2 8	2 8	2 8		6	
						United Provinces Sugar ..	21	10	0 8	1 4	1 8		9	
Other Centres														
70,42,850	95,62,027	1,48,40,834	1,08,24,570	92,911	W. H. Brady & Co., Ltd.	Belapur Company	252	50	16 0	16 0	16 0	16 0Z	9	
17,50,000	9,24,292	33,03,879	21,36,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	13½	10	0 10	1 0	1 0		9	
15,93,900	2,45,841	39,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.D.) Ltd.	Gwalior Sugar	76N	100	*Nil*	*Nil*			6	
47,94,920	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	16½	10	2 8	1 12	1 6 2/5		9	
33,57,620	45 51,080	42 51 227	21,95,827	18,645	Govan Bros.(Rampur), Ltd...	Buland Sugar	14½N	10	1 8	1 12	2 0		10	
19,52,200D. 3,37,190D.	*69,50,000*	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	127½ 160	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0		6	
21,79,280	95,00,001	1,31,37,677	78,17,730	2,90,340	S. Muninarajappa, Esq., (Managing Director)	Mysore Sugar	46	10	2 0	2 0	2 0		6	
50 00,000	43,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	152½	50	6 0	8 0	8 0		9	
16,50,920	85,50,830	66,11,940	29,77,241	20,349	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	25	10	2 0	1 8	2 0		8	
80,00,0000. 4,00,000D.	21,76,092	89,12,138	58,60,383	64,612	Walchand & Co., Ltd.	*Ravalgaon Sugar Farm*	150N 7N	O. 50 D. 10	*Nil* *Nil*	2 8 *Nil*	9 0 0 1/5		9	
19,99,990	47,65,324	46,85,213	22,94,594	44,188	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	154N	10	*1 0*	0 12	1 0		10	
30,00,000	9,10,000	59,87,262	22,10,844	45,098	Parry Co., Ltd.	Travancore Sugars	14cd	10	*Nil*	*Nil*	*Nil*		8	
1,01,00,000	71,97,993	1,99,96,448	1,15,32,428	1,31,172	M.	Walchandnagar Industries ..	272½	100	14 0	16 0	18 0½	1 0	9	
TRANSPORT														
30,00,000	1,00,69,622	1,24,00,703	15,56,557	*55,826*	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	132	100	10 0	7 8	7 8		10	
1,00,00,000	15,37,619	4,41,85,264	1,85,09,519	1,54,925	Dinshaw (Private) Ltd. ..	Bharat Line	74	100	5 0	5 0	5 0		12	
60,00,000	₹1,60,611	3,31,00,904	59,55,703	*83,815*	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	17½	10	*1 0*	1 0	*Nil*	1 8	6	
£655,580	*£1,028,198*	*£5,614,160*	*£3,397,531*	*£32,063*	Kilburn & Co., Private Ltd. ..	India General Navigation & Rly Co..	90	£10	*Nil*	Sh. 1 0	Sh. 10	1 0	12	
2,25,00,000	89,99,232	9,84,47,544	2,22,99,145	25,920	Lloyd Edwards Ltd.	India Steamship Co.	9½ Rs5	10	0 8	*Nil*	*Nil*	1 0	6	
9,40,19,573	6,94,92,081	18,36,63,413	4,34,44,300	2,73,683	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co	12½	20	0 12	0 8	1 0		6	
3,40,3000. 10,2000P.O.	19,68 266	11,55,483	7,29,969	1,34,492	R. B. Aiyer, Esq., (Manager) ..	Walford Transport Ltd. ..	2½ 1½	D. 2 P.O. 1	as. 1 3/25 1 19/25	1 23/2 as 2 6/25	as 2 6/25		12	
UNCLASSIFIED (Bombay)														
3,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	39 0		9	
15,98,850	2,04,173	2,26,474	90,000	1,99,851	M.	Bombay-Uganda	62½	80	5 0	4 8	*Nil*		12	
25,00,000	1,00,000	22,87,214‖		225	M.	Devkaran Nanji Investment Co.	11½	25	0 12	0 12	0 12	0 13	8	
30,17,900	13,68,886	86,39,233	59,24,587	35,602	Birla Brothers Private Ltd. ..	Hind Cycles	152½	100	8 0	10 0	12 0		12	
14,98,840	2,42,585	28,00,500	17,75,000	4,110	Choonilal Mantilal Ltd.	Kaira Batteries	39½	50	*Nil*	2 0	2 8		3	
99,99,250	19,47,386	1,22,03,604‖		2,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	71	100	4 8	4 8	4 8		12	
99,99,975	85,05,351	35,47,295	8,04,331	4,559	K. G. Milne, Esq. (Mg. Director)	Killick Industries	166xd	100	10 0	11 0	11 0	11 0	6	
2,07,02,800A. 10,00,000B.	5,28,634	2,87,33,373	1,25,90,292	5,86,717	*Aero-Auto Ltd.*	Premier Automobiles	106½ A.100 B 10	A.100 *Nil*	*Nil*	*Nil*	*Nil*		6	
10,31,200	5,63,605	13,96,085	11,66,085	10,324	Sir Joseph Kay (Chairman) ..	*United Motors (India) Ltd.* ..	22	20	8 0	2 0	2 0		12	
2,75,00,000	73,75,000	3,03,67,181	1,63,71,846	*5,61,984*	T. H. Rydin, Esq. (Managing Director)	Western India Match Co. ..	170	100	11 0*	11 0*	11 0*		12	
45,00,000	55,24,847	7,24,608	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. B. Brady & Co., Ltd. ..	350	150	20 0	20 0	20 0		12	
Other Centres														
47,50,000 } 2,50 000 }	17,00,000	1,95,40,704	65,00,000	2,582	J. K. Industries Ltd.	Aluminium Corporation of India Ltd..	11½ 2½	O. 10 D. 2½	*Nil*	*Nil*	*Nil*		6	
40,00,000	23,25,000	56,26,345	21,56,600	64,537	Seshasayee Bros. (Travancore) Ltd..	Aluminium Industries Ltd. ..	19½	10	1 4	1 4	1 4*	1 4	3	
20,00,000	7,95,410	62,57 994‖		3,49,981	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22½	10	1 4	1 4	2 0*		12	
80,00,000	8,85 000	38,39,494	20,85,060	1,18,395	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*		12	
20,00,000	27,47,883	1,01,49,337	39,87,830	32,083	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	101N	10	0 3 1/5	0 3 1/5	0 6 2/5		12	
20,01,400	1,16,53,000	67 47,111	33,97,111	5,03,129	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	160	100	20 0*	13 0‡	12 8		12	
12,00,000	9,10 000	31,37 448	24,05,448	76,830	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	35	10	2 0	2 0	2 0		6,12	
20,00,000	7,95,410	62,57 994‖		1,15,707	Lovelock & Lewis	*Birds Investment Ltd.*	17½	10	1 4	1 4	1 4		12	
45,97,020	30,11,814	1,10,56,574	33,87,839	1,79,277	K. Julius Scott, Esq. (Mg. Director)	Britania Biscuits	16	10	0 8	1 0	1 0		8	
3,25,00,000	1,16,11,805	2,82,03,905	2,22,14,107	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	9½	10	*Nil*	*Nil*	*Nil*	1 0	3	
1,38,80,000	17,34,264	2,03,37,2‖		12,76,052	Andrew Yule & Co., Ltd. ..	Clive Row Investment	11½	10	0 4 1/5	0 3 1/5	0 9	1 6	3	
1,50,00,000	3,14,58,174	6,15,52,085	2,20,82,990	11,71,696	Cavell Saha Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	26½	10	1 8	1 8	1 8		12	
51,26,000	54,12,212	1,42,47,668‖	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd. ..	14½	100	9 0	9 0	9 0		12	
14,00,000	10,02,000	33,31,772	18,89,772	27,194	MacNeill & Barry Ltd... ..	Ganges Rope Co., Ltd.	165	100	20 0	15 0	15 0		9	
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	13	10	7 8	7 8	1 6 2/5		9	
30,00,000	14,67,354	31,29,629	23,88,932	7,458	M.	Great Eastern Hotel	225	250	15 0	6 4	9 4	15 0	3	
4,98,05,700		3,94,19,142	1,31,88,541	6,16,062	Birla Brothers Private Ltd. ..	Hindustan Motors	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	
1,50,00,000	46,77,754	4,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	15½	10	*Nil*	*Nil*	0 9		12	
1,52,89,220	1,87,00,000	1,99,38,789	71,50,911	32,04,214	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	11	10	1 0*	1 0*	1 8*		8	
8,27,970	9,53,978	16,74,909	9,50,006	52,222	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	18	10	0 12	0 8	0 8	0 10	8	
15,16,00,000	7,89,02,692	4,15,59,461	1,63,28,877	24,94,274	Mr. G. B. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd..	14½	10	..	0 9 3/5	0 12 4/5	0 12 4/5	8	
2,00,00,000	57,29,566	87,46,656	11,08,843	5,11,852	G. M. Mackinlay, Esq.	Jardine Henderson	13½	100	7 8	7 8	7 8	7 8	8	
6,34,0000. 66,000D.	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	2½ 2½	O. 5 D. 1	*Nil*	*Nil*			8	
40,00,0000. 5,00,000D.	72,01,900	25,16,760	7,97,301	1,87,834	A. T. Dolg, Esq. (Mg. Director)	McLeod & Co.	215N —	O.10 D.0.10	1 0 0 8	17 0 3 3 1/5			12	
1,37,53,000	60,54,276	22,58,051	11,34,226	2,03,456	C. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	1 6*	1 8	1 13*		9	
1,15,00,000	55,50,000	1,2‖,37,072	78,00,772	16,24,249	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India Ltd. ..	27½	10	1 0	1 0	1 4	1 10	3	
6 88 585	2,00,330	7,83,598	2,60,937	—2,38,581	Shankar Rao P. Ogale. Esq. ..	Mysore Glass and Enamel Works	4	10	*Nil*	*Nil*	*Nil*		8	
8,56,250	9,18,698	11,18,541	5,51,038	440	Mr. J. L. D'Sa (Controller) ..	Mysore Lamp Works	15	10	1 0	1 0	0 12	0 14 2/5	3	
10 00,000	9,19,500	15,54,005	9,41,427	44,913	M. P. Parthasarathy Esq. (Chairman)	Mysore Tobacco	13½	10	1 0	1 4	1 0	1 8	3	
40,00,000	51,21,172	59,09,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	27½	10	1 0	1 0	1 8*		8	
79,97,000		1,17,52,757	57,19,288	8,99 582	B. K. Ellias & Co., Ltd.	National Tobacco Co.	13½	10	*Nil*	0 8	0 12 4/5		12	
2,25,00,000	7,25,185	1,53,49,091	40,14,109	—63,99,179	M. P. A. Pasapati, Esq.	Rallis (India) Ltd.	40	100	*Nil*	*Nil*	*Nil*		6	
1,72,24,400	1,31,20,208	1,76,34,689	8,47,04,970	4,91 624	Sahu Jain Ltd.	Kolstan Industries	19½	10	1 4	1 8	1 8		10	
40,00 000	93,60,594	1,18,78,879	70,09,657	10,0575	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16½	10	1 8	1 8	1 8		10	
75,00,000	54,13,660	17,49,816‖	5,53,635	3,65,280	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	13	10	1 0	1 4	1 0		12	
9,26,380	....	14,99,289	2,84,580	....	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	*Nil*	*Nil*	*Nil*		12	

M.—Managed by Board of Directors. ‖ Investments at cost.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs.10 each.

§—In the case of Belapur Co. the proportionate dividend on new bonus shares amount to Re. 3 per share.

* Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Ref.
ASSAM															
4,45,700	8,70,619	11,34,864	5,88,169	....	McLeod & Co., Ltd.	825	Amluckie	375	100	25 0	72 0	19 0		12	Y.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45½	10	1 4	7 8‡			12	Y.
3,50,000	8,93,250	11,21,676	2,83,926	50,526	*Gillanders Arbuthnot & Co., Ltd...*	437	Ananda Ibag	36	10	2 8	8 0*	1 0		12	Y.
3,50,000	11,21,541	17,56,465	7,03,427	36,051	McLeod & Co., Ltd.	513	Bachhmari	25½	10	*Nil*	3 8	1 0		12	Y.
5,80,000	9,10,000	12,25,582	4,59,309	66,735	Andrew Yule & Co., Ltd. ..	378	Basmatia	33½	10	2 8	3 0	1 8		12	Y.
5,10,000	4,65,000	11,68,776	7,13,759	50,298	National Tea Corporation	570	Bateli	25	10	2 0	4 0	2 8		12	Y.
5,30,800	4,65,000	10,27,063	3,03,925	66,155	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	46	10	2 0	3 0	2 0		12	Y.
3,20,000	9,40,000	*52,30,159*	22,95,189	1,39,547	Williamson Magor & Co., Ltd.	3,907	Bishnauth	23½	10	3 8				12	Y.
5,50,000	*20,60,000*	*52,30,159*	*2,26,069*	*29,686*	*Octavius Steel & Co., Ltd.*	485	Bokakhat	20½	10	*Nil*	1 0	*Nil*		12	Y.
3,00,000	2,50,000	*10,97,919*	3,05,780	15,455	McLeod & Co., Ltd.	450	*Borpuk Jan Tea*	20½	10	*0 12*	3 8	2 8		12	Y.P.T.
7,50,000	7,27,550	9,56,117	2,45,021	5,15,711	M.	2,334	Brooke Bond	20	10	0 8	1 4	4 12	1 4	6	Y.P.
35,00,000	11,78,802	79,32,234	27,45,021	6,542	McLeod & Co., Ltd.	2,432	Dejoo Valley	50	10	1 0	6 0			12	Y.
1,20,000	4,00,425	5,55,963	1,35,593	*46,610*	*Jardine Henderson Ltd.*	1,184	Dessai & Parbuttia	639	100	20 0	40 0	10 0		12	Y.
6,00,000	9,76,000	27,06,094	6,10,550	42,736	James Warren & Co., Ltd. ..	661	Dhelakhat	22½	10	1 8	2 8	2 8		12	Y.
17,53,440	9,57,963	24,59,777	3,86,404	2,101	M.	646	Dhunseri	20	10	2 0	5 0	1 0		12	Y.
4,68,970	3,95,000	7,50,451	2,56,434	53,921	McLeod & Co., Ltd.	458	Dibrugarh	27½	10	1 4	3 0	2 0		12	Y.P.
4,50,000	7,25,800	14,15,217	5,66,707	98,251	Williamson Magor & Co., Ltd.	623	Dimakuzi	20½	10	1 4	5 0	4 0		12	Y.P.
2,36,700	6,11,700	11,36,207	13,35,163	1,82,049	Williamson Magor & Co., Ltd.	615	Duffaghur	37½	10	2 8	3 8	1 0		12	Y.
5,85,500	8,82,000	20,32,282	68,711	Williamson Magor & Co., Ltd.	1,151	East India Tea	24½	10	1 12	3 0	3 8		12	Y.
10,00,000	5,50,000	24,74,430	10,10,936	18,215	L. C. Kanoi, Esq.	407	Gillapukri	25½	10	3 0	5 0	3 0		12	Y.
5,03,760	3,40,000	9,87,135	4,68,922	87,096	Williamson Magor & Co., Ltd.	546	Gohpur	25½	10	2 0	3 0	2 8		12	Y.
3,33,000	6,35,000	17,32,156	24,588	Octavius Steel & Co., Ltd.	1,910	Grob	37 19½	A 10 B 5	3 0 1 8	3 0 2 8	3 0 1 4		12	Y.
7,41,540	17,32,810	34,59,276	7,39,116	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	28	10	3 0	9 0	6 0		12	Y.
3,51,180	5,75,000	8,35,391	3,05,560	73,827	Andrew Yule & Co., Ltd. ..	1,310	Hoolangooree	270	100	12 8

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
					PLANTING ; PRODUCE AND RUBBER									
3,00,000	1,60,000	3,02,380	31,236	23 236	Planting Agencies Ltd. ..	Balmadies Plantations	3½	2	0 4	0 4	0 4 4/5	0 3 1/5	5	Y.P.
17,94,186	21,11,164	49,25,353	4,71,863	79,711	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9¾	3	0 12	0 12	0 7 1/5	0 12	2	Y.P.
18,00,000	21,50,000	36,13,155	7,12,058	1,87,191	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	26½d	10	0 4 4/5	2 8	1 12 4/5	2 8	6	Y.P.T.
71,55,000	49,87,750	1,16,65,380	25,13,535	1,12,312	R. C. Paterson, Esq. ..	Consolidated Coffee	21½d	10	1 8	1 12	2 4	2 0	6	Y.P.T.
4,00,000	6,47,666	7,38,759	40,578	1,009	Associated Planters Ltd. ..	Cottamad Plantations	21½d	10	1 8	1 8	1 12*	1 8	8	Y.P.T.
18,00,000	9,30,543	25,79,999	4,94,198	49,343	A. V. Thomas & Co., Ltd. ..	Highland Produce	13¾	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24cd	10	2 0	2 0	2 12		4	Y.P.
9,00,000	8,17,955	5,86,920	2,80,348	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	20	10	5 8	2 4	2 8	3 4	3	Y.
27,00,000	29,11,662	77,71,161	8,84,890	1,07,340	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18¾	10	1 8	1 12*	2 8	2 0	3	Y.P.
3,25,000	3,31,000	14,19,774	1,67,177	16,737	A. V. George & Co., Ltd. ..	Nenmeny Rubber	20½	10	0 12	1 8	1 8		12	Y.P.T.
2,00,000	2,68,500	7,81,436	50,977	5,110	Associated Planters Ltd. ..	Nilambur Rubber Co.	17½	10	1 0	1 0	1 8		12	Y.P.
19,45,980	24,00,931	41,19,708	12,94,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	4¾	2	0 3¾	0 3/5	0 6 2/5		10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,401	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	23½d	10	1 12*	1 12*	2 0		9	Y.P.T.
3,66,780	3,00,000	5,70,359	62,117	71,342	Peirce Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	23	10	3 0	2 8	2 0		11	Y.
10,00,000	3,00,000	22,34,273	1,40,071	8,472	East India Agencies Private Ltd.	Teckoy Rubber (India) Ltd. ..	11cd	10	0 14 2/5	0 12	0 14 2/5	0 14 2/5	8	Y.P.T.
2,30,000	2,37,500	5,31,767	30,954	14,887	A. V. George & Co., Ltd. ..	Thamaraparly Rubber	30	10	3 0	3 0	3 0		12	Y.P.
6,10,290	3,00,005	8,91,561	60,565	24 920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2¾	1	0 4½	0 13/5	0 2		9	Y.
6,00,000	75,491	9,79,479	3,23,517	3,745	Espen Thomas, Esq. (Mg. Director)	Travancore Rubbers	23½	10	2 0	2 0	3 0		12	Y.
41,00,000	14,30,799	76,82,300	8,65,181	3,71,083	Aspinwall Co. (Travancore) ..	Travancore Rubber & Tea Co., Ltd.	10½	10	1 0	1 8	1 4		12	Y.P.T.
20,00,000		27,75,492	6,45,890	27,027	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	33	25	3 0	5 0	4 0		12	Y.
6,28,540	5,40,870	8,51,488	16,128	40 780	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	33	10	2 0	2 4	2 8		12	Y.
6,76,010	97,259	13,34,508	19,198	2,245	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½d	10	1 0	1 8	2 0	1 4	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
60,00,000	49,50,000	1,03,58,040	55,22,578	67,202	B. N. Elias & Co., Ltd. ..	879	Agarpara ..	10½	10	1 0	1 10	0 10		3.9	H.T.P.
6,00,000	10,25,000	51,65,438	38,93,877	1,38,329	McLeod & Co., Ltd. ..	446	Alexandra ..	200	100	2 8	7 8	10 0		6.12	H.P.T.
30,00,000	6,25,000	1,17,61,827	93,76,069	23,103	McLeod & Co., Ltd. ..	1,264	Alliance ..	105	100	5 8	12 0	6 0		6.12	H.P.
49,20,700	69,00,000	2,95,90,382	1,93,15,000	2,39,192	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India ..	150	100	12 8	7 8	8 8	3 8	3.9	H.P.
40,00,000	43,17,951	1,78,37,079	92,01,344	11,377	Bird & Co. Ltd. ..	810	Auckland ..	110	100	4 0	3 8	10 0	1 0[f]	3.9	H.P.T.
20,00,000	23,80,918	96,91,416	65,65,094	65,302	Jardine Henderson & Co. ..	959	Bally ..	160	100	4 0	Nil	3 8	Nil †	3.9	H.P.
£275,000	£567,405	£1,477,480	£987,176	....	Sir John R. Burder (Chairman)	1,889	Barnagore ..	£1	0	nil	sh. 15	sh. 15	Nil	3	Y.P.
2,80,00,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd. ..	820	Belvedere ..	134	100	15 0	10 0	7 8		6.12	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull ..	600	Bengal ..	16½	10	1 4	1 2	1 2		6	Y.P.T.
91,26,000	2,17,48,393	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd. ..	1,373	Birla ..	145	10	3 0	1 0	1 0	1 0	3	Y.P.
86,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd. ..	991	Budge-Budge ..	121	100	10 0	9 0	7 8		4.10	H.P.
7,47,380	3,09,840	42,13,704	31,02,683	—8,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9	10	Nil	0 12	Nil		6.12	H.P.T.
18,00,000	30,46,234	87,13,271	41,48,795	6,248	Andrew Yule & Co., Ltd. ..	616	Caledonian ..	179½	100	12 0	9 0	6 8		5.11	H.
59,16,400	95,49,238	2,23,08,769	1,11,69,802	19,010	James Finlay & Co., Ltd. ..	600	Champdany ..	128	100	6 0	3 0	10 0	2 0[f]	3.9	H.
15,95,000	28,30,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd. ..	530	Cheviot ..	165	100	12 0	14 0	10 0		5.11	H.P.
30,15,000	31,00,000	64,10,068	47,77,690	1,32,949	McLeod & Co., Ltd. ..	500	Chitavalsah ..	13	10	1 12	1 2	1 6		6.12	H.P.T.
2,80,00,000	24,00,000	78,15,716	66,22,982	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive ..	13¾	10	Nil	Nil	1 4	4x	3	Y.P.
21,49,200	44,66,252	1,17,35,494	40,04,775	—2,20,845	Bird & Co., Ltd. ..	766	Dalhousie ..	90	100	4 0	2 8	4 0	Nil	3.9	H.P.T.
25,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	770	Delta ..	128	100	20 0	12 0	10 0		5.11	H.P.
15,00,000	84,50,000	82,82,679	59,80,760	78,204	McLeod & Co., Ltd. ..	500	Empire ..	172	100	10 0	1 4	1 4		6.12	H.T.P.
21,00,000	60,52,960	2,72,20,034	1,89,10,198	1,80,415	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster ..	330N	100	Nil	5 0	15 0	7½	3.9	H.P.T.
21,00,000	13,00,000	97,88,074	54,63,692	1,34,822	Bansur Bros., Ltd. ..	1,014	Fort William ..	19½	10	5 0	20 0	20 0	0 12½	3.9	H.T.P.
84,32,100		21,11,07,224	1,32,88,825	—2,07,452	Macneill & Barry Ltd. ..	1,709	Ganges Mfg. ..	5x	100	Nil	6 0	2 8	Nil	3.9	H.P.
10,80,000	28,00,000	71,52,983	48,43,892	—74,093	Ullagadda Agraharam & Co., Ltd.	607	Gondalpara ..	805	300	15 0	Nil			3	Y.
24,00,000	29,32,827	2,19,00,613	1,61,28,422	25,195	Macneill & Barry Ltd. ..	1,394	Gourepore ..	205	100	8 12	10 0	15 0	2 8[f]	3.9	H.P.
40,00,000	64,68,233	1,14,86,348	56,72,180	8,40,348	Bansur Bros., Ltd. ..	1,078	Hastings ..	109xd N	100	10 0	10 0	11 8	5 0	3	H.P.
16,80,000	18,61,989	66,47,731	47,70,916	—2,95,253	Balmadies Bajoria	720	Hoochly ..	20½	10	1 4	0 8	1 4	Nil	3	Y.P.
65,62,500	49,64,372	1,82,66,485	1,10,52,708	57,034	Jardine Henderson Ltd. ..	1,040	Howrah ..	21	10	1 8	1 4	0 14	0 4[f]	3.9	H.P.T.
52,50,000	27,85,153	2,66,51,559	1,56,51,559	1,18,935	Ramdutt Ramkissendas ..	2,272	Hukumchand ..	20½	7½	3 0	2 0	2 0	2 0[f]	3	Y.P.T.
67,00,000	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	1,076	India ..	122xd	125	6 4	3 2	4 11	4 11[f]	3.9	H.
30,000								—	1	0 4/5	0 2/5	0 3/5	2¾ I		H.
24,00,000	16 50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd. ..	1,797	Kamarhatty ..	100½	100	9 0	8 0	2 8		6.12	H.P.
30 00 000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd. ..	1,527	Kankinarah ..	120	100	9 0	8 0	2 8		6.12	H.P.
B. 24,00,000								83	100	7 8	6 8	1 8			
21,00,000	53,00,000	1,22,91,697	83,77,484	1,10,851	McLeod & Co., Ltd. ..	703	Kelvin ..	195	100	15 0	20 0	17 8		6.12	H.P.
54,00,000	23,83,375	1,71,52,716	1,16,91,027	1,02,192	Anderson Wright Ltd. ..	1,530	Khardah ..	132	100	17 8	12 8	11 0		3.9	H.P.
48,00,000	1,08,90,860	2,44,37,944	1,15,66,122	41,632	F. W. Heilgers & Co. (Private) Ltd.	1,250	Kinnison ..	170	100	9 0	7 0	13 0	6 0[f]	3.9	H.P.T.
12,45,000	30,51,564	1,11,32,345	47,99,245	—2,12,719	Bird & Co., Ltd. ..	931	Lansdowne ..	97	100	7 0	2 0	7 0	Nil †	3.9	H.P.
24,00,000	55,75,192	1,16,29,360	64,57,897	3,793	Bird & Co., Ltd. ..	840	Lawrence ..	101	100	5 0	6 0	6 0	Nil †	3.9	H.P.
81,65,200	26,36,045	2,64,13,349	1,26 97,309	1,64,942	M.	1,293	Meghna ..	68	100	5 0	2 8	3 12	3 12	3.9	H.
20,98,900	38,40,147	1,84,31,466	1,01,37,572	—3,00,111	F. W. Heilgers & Co. (Private) Ltd.	734	Naihati ..	100	Nil	Nil	Nil	Nil	Nil †	3.9	H.
20,00,000	15,55,000	29,01,583	18,21,709	17,816	Bowrah Trading Co., Ltd. ..	425	Naskarpara ..	12½	10	0 5	1 2	0 10		4.10	H.T.
35,00,000	43 29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd. ..	852	National ..	21	10	2 0	2 0	1 12		4.10	H.P.
26,25,000	26,25,000	27 71,022	20,34,909	1,05,257	McLeod & Co., Ltd. ..	316	Nellimarla Jute ..	11¼	10	1 12	1 8	1 0		6.12	H.P.T.
85,50,000	2,71,44,340	4,29,15,627	96 26,548	8,71,293	Sahu Jain Ltd. ..	1,765	New Central† ..	13½	10	24 0	17 0	1 8	0 12½	12	Y.P.
16,79,880	49,70,164	1,18,50,857	51 63,018	70,116	Bird & Co., Ltd. ..	567	Northbrook ..	21½	10	1 2	1 4	1 8	1 8[f]	3.9	H.P.T.
26,79,500	22,24,061	2,18,55,184	1,39,46,311	17,000	Macneill & Barry Ltd. ..	1,092	Nuddea ..	305	50	0 8	0 8	1 0	Nil †	3.9	H.
21,41,000	26,81,042	72,46,345	50,35,690	5,784	Andrew Yule & Co., Ltd. ..	601	Orient ..	142	100	12 0	10 0	9 0		5.11	H.P.
23,00,000	6,24,490	80,86,437	65,22,166	51,595	McLeod & Co., Ltd. ..	400	Presidency ..	4½	5	0 2	0 3			6.12	H.T.
20,00,000		26,97,878	8,39,130	—9 18 218	Birla Brothers Private Ltd. ..	305	Rameshwara ..	6¾	10	Nil	Nil	Nil	Nil †	3	B.P.
49,50,000		29,13,33,29	59,15,596	—11,73,341	Jardine Henderson Ltd. ..	1,276	Reliance	9¾	10	0 8	Nil	Nil	Nil †	3.9	H.P.
£500,000		£	£58 994	Thomas Duff & Co. (India) Ltd. ..	2,013	Sammuggur ..	11	£1	10%	10%	3% 11		12	Y.P.	
80,00,000		1,1 ,53	75,85,838	4,667	Bazaria More & Co., Ltd. ..	911	Shree Ambica ..	16N	10	0 8	1 0	0 8		3.9	H.P.
1,00,00,000		1,1 ,84,794	38,79,294	9,156	Hindustan Investment Corporation	401	Soorah ..	16N	10	0 8	1 0	1 8		12	Y.P.T.
14 50,000	11,25,000	1,27,38,246	53,23,439	—4,87,127	Bird & Co., Ltd. ..	650	Standard ..	78	100	2 0	2 0	1 0	Nil	3.9	H.P.T.
25 19 600	42 [illegible],119	51,137 660		£43,548	Thomas Duff & Co. (India) Ltd. ..	1,794	Titaghur ..	11	£1	10%	10%	3% 11		12	Y.P.
£800,000	88,06,723	2,00,00,808	84 23,958	18,334	Bird & Co., Ltd. ..	1,326	Union ..	138	100	5 0	6 0	10 0	1 0[f]	3.9	H.P.T.
$5,00,000	£838,035	£1,124,815		£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria ..	11	£1	10%	10%	3% 11		12	Y.P.
1,15,00,000	6,85,000	55,96,062	40,23,991	14,518	McLeod & Co., Ltd. ..	457	Waverley ..	3½	1	0 1	0 8	0 3		6.12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
25,50,000	24,50,000	38,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20[f]	10	1 0	1 5	1 6		3.9	H.
12,00,000	8,52,573	38,78,477	36,13,477	22,708	Jardine Henderson Ltd. ..	Bararee Coke	19¾	10	1 6 2/5	1 7 1/5	1 7 1/5		3.9	H.
4,49,350	70,000	8,49,159	5,40,968	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	7xdN	100	0 12	0 12			6.12	H.
1,00,00,000	1,40,49,223	5,01,92,914	3,95,77,326	7,31,688	Andrew Yule & Co., Ltd. ..	Bengal Coal	452	200	32 8*	30 0*	35 0*		4.10	H.P
2,25,000	4,22,669	24,81,732	22,33,534	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	Nil	Nil			6.12	H.P.
15 97,000	4,73 858	37,70,192	22,77,384	13,408	R. V. Low & Co., Ltd. ..	Bhaora	6¾	10	0 8				6	Y.
40,00,000	8,00,000	1,39,65,695	71,05,193	27,353	Sahu Jain Ltd. ..	Bharat Collieries	6¾	10	0 12	0 10	0 10		6	Y.P.T.
7,15,000	15,11,000	52 62,538	37,38,500	—1,87,446	F. W. Heilgers & Co. (Private) Ltd.	Bhulanbaraee	14½	10	Nil	Nil	Nil		6.12	H.
16,00,000	16,17,936	68,14,856	39,09,841	—79,108	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12xN	10					6.12	H.T.
12,50,000	24 29,653	84,20,207	56,52,408	84,207	F. W. Heilgers & Co., Ltd. ..	Borrea	24½	10	2 12	2 0	2 0		6.12	H.P.
90,25,420	1,74,17,502	4,19,21,370	1,85,17,846	1,15,376	Bird & Co., Ltd. ..	Burrakur	22	10	0 12	0 0	0 10		6.12	H.P.T.
49,97,750		42,33,430	7,80,000	9,027	Hindustan Investment Corpn., Ltd.	Central India	6¾	10	0 4	0 4	0 4	0 8	3	Y.
8,00,000	15,54,302	40,10,414	32,83,954	82,788	M.	Central Kurkend	12½N	10	1 2				6.12	H.
6,00,000	1,43,676	7,28 438(k)		2,129	F. W. Heilgers & Co. Private Ltd.	Churlia	2½	4	0 2	0 2	0 1[f]		6.12	H.
16 00,000		53,81,704	29,81,276	—1,83,318	Macneill & Barry Ltd. ..	Dhemo Main	7¼	10	Nil	Nil			6.12	H.T.
£210,000	£301,553	£970,695	£731,579	£58,922	Jardine Henderson, Ltd. ..	East Indian	21½	£1	2 8	2 8	3 0	2 8	3	Y.
2,53,760	83,55,040	4,04,51,377	2,89,25,665	82,379	Macneill & Barry Ltd. ..	Equitable	26½	10	1 8	1 8	1 8		6.12	H.P.T.
10,00,000	2,15,000	10,76,864	7,80,000	11,273	Bhatter's Agency Ltd. ..	Ghusick and Muslia	14½N	10	0 8	0 8			3	Y.
12,00,000	1,22,000	41,35,247	23,85,148	1,144	Khaitan Industries Ltd. ..	Hindu-Rampur	41¼	50	3 0	Nil	2 4	2 4	6	Y.P.
8,00,000	7,25,000	22,07,121	18,89,341	45,985	Macneill & Barry Ltd. ..	Hurrilladih	22	10	1 8	1 12	2 8		6.12	H.
22,00,000	1,12,000	24,74,412	6,18,548	—5,57 298	Rajpale Trust Ltd. ..	Jogta Coal	2¾	10	Nil	Nil			12	Y.P.
3,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalamdanga	2¾	10	2 12	Nil	Nil		12	Y.
30,00,000	1,77,175	29,69,883	4,65,140	5,965	Bird & Co., Ltd. ..	Karanpura Collieries ..	113	100	Nil	Nil	2 8	5 0	3	H.
5,00,000	16,60,000	46,77,533	36,47,985	1,38,474	Andrew Yule & Co., Ltd. ..	Katras Jheriah	6¾	10	4 0	4 0	5 8		7	Y.
1,38,400	5 72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	13N	10	Nil	Nil			6.12	H.
11,00,240	16,75,961	17,35,494	10,41,953	—41,320	H. V. Low & Co. Ltd. ..	Kurardi	4N	10	Nil	Nil			6.12	H.P.
9,00,000	11,86,413	28,69,268	22,97,087	2,255	H. V. Low & Co. Ltd. ..	Lakurka	10N	10	0 8	0 4			4	Y.
7,48,240	2,00,000	13,13,208	9,66,219	81,201	Tantia Brothers Ltd. ..	Nazira	6½xd	10	0 8	0 8	0 8		12	Y.
7,00,000	20,617	10 36,740	5,20,295	4,560	Amritlal & Co., Ltd. ..	New Bansdeopur	91¾	10	0 12	1 4			3.9	H.
17 76 250	20,01,763	1,19,78,853	88,63,066	94,383	Andrew Yule & Co., Ltd. ..	New Beerbhoom	10	10	1 0	1 2	1 0		4.10	H.P.
6,00,000	75,000	33,00,471	21,20,197	70,222	Octavius Steel & Co., Ltd. ..	New Manbhoom	1¾	10	Nil	Nil	Nil	Nil	3.9	H.
1,15,000	2,85 198	13,07 219	8,64,731	15,950	Andrew Yule & Co., Ltd. ..	North West	171N	10	0 4	Nil	1 6	0 12†	3.9	H.
1 57 500							16N	7½	0 8	Nil	1 0[f]	0 9[f]		H.
7 50,000	12,21,853	5,17,666	3,97,666	56,646	F. W. Heilgers & Co. (Private) Ltd.	Ondal	14	10	0 8	1 0			6.12	H.P.
10,00 000	1,10,000	39 70,662	17,99,658	3,809	K. C. Thapar & Bros. ..	Oriental Coal	84N	10	0 6	0 8			6.12	Y.P.
8 34,000	10,000	17,52,137	8,30,795	8,019	Deepchand Khaitanlal ..	Parasea	14½	10	0 12	0 12			6.12	H.
15 75,000	16,00,000	47 70 275	85,30,275	33,343	Shaw Wallace & Co. Ltd. ..	Pench Valley	20¾	10	1 10	1 8	1 8		3.9	H.
23 99 500	19,17 105	1,23,09,893	85,50,655	16,646	N. B. Elias & Co., Ltd. ..	Ramcoungue	23¾	10	1 8	1 8	0 10		3.9	H.
13,50,000	8,53,385	25,36,765	21,32,016	22,521	Shaw Wallace & Co., Ltd. ..	Rowe	14¾N	10	0 8	0 12	1 0		6.12	H.
30 00,000	3,90,000	44 28,565	18,73,718	2,20,175	Jagatsi Sons Ltd. ..	Samla Collieries	5¾	10	0 8	0 10	0 12		12	Y.
2 50,000	1 95 802	13 78,480	12,21,237	21,070	M.	Searsole	29¾	7	1 12	2 0	2 8		6.12	Y.
2 80,000	8,36 598	29,99,490	19 17,296	49 299	Andrew Yule & Co., Ltd. ..	Seebpore	9N	10	Nil	0 2	0 4		6.12	H.
6 00,000	5 81,569	52,491	25,587	7,503	F. W. Heilgers & Co. (Private) Ltd.	Sendra							6.12	H.T.
68 21,490	24,77,674	4,72,97,817	3,17,80,286	7,310	Industrial Trust Fund (Governament of Hyderabad)	Singareni	11¾	10	Nil	0 11 1/5	0 12		12	Y.T.
				—51,583	Bird & Co., Ltd. ..	South Karanpura	10	10	0 4	0 2	0 2		12	H.
17,50,000	10,84,016	37 86,103	15,14,990	17 347	F. W. Heilgers & Co. (Private) Ltd.	Standard	23¾	10	2 0	1 8	1 0		6.12	H.
5,00 000	13 69,395	1,69 570	26,510	—4,07 745	Villiers Ltd.	Talcher	21	10	Nil				6	Y.
10 00 000		12 850	80 82,289	15 43,502	Williamson Magor & Co., Ltd.	Tetulmari	14¾	10	1 12	0 12	Nil		6.12	H.
3,50,000	2,80,000	20,47,944	15,85,944	—9,669	Hindustan Investment Corpn., Ltd.	Union	10	10	0 8	0 8	0 8		3	H.
6 95 000	67 094	55,66,559	22,00,000	7,292	Macneill & Barry Ltd. ..	Western Bengal	11¾	10	Nil	Nil	Nil	0 8	3	H.
7 00,000	21,569	55,46,371	23,31,698	—1,46,660		Seebpore	9N	10	Nil	0 2	0 4		6.12	H.
						Sendra								
						Singareni	11¾	10	Nil	0 11 1/5	0 12		12	Y.T.
						South Karanpura	10	10	0 4	0 2	0 2		12	H.
						Standard	23¾	10	2 0	1 8	1 0		6.12	H.
						Talcher	21	10	Nil				6	Y.
						Tetulmari	14¾	10	1 12	0 12	Nil		6.12	H.
						Union	10	10	0 8	0 8	0 8		3	H.
						Western Bengal	11¾	10	Nil	Nil	Nil	0 8	3	H.

M—Managed by the board of directors. † Less income-tax. (k) Clive Mills have paid dividend at As. 10-4 on bonus shares, for the year 1955. * Including bonus.
(l) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 on ordinary shares of Rs. 100 less shares of Rs. 10 each.
X—Fort William Jute Co. has issued ordinary shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

SURVEY

(Concluded from page 1131)

tion. It intends to assign the study of all three projects to one group of its experts which can at the appropriate time make on-the-spot investigations of these projects. Mr. Narahari Rao has informed the Bank that Tata Hydro-Electric (Private) Limited intends to apply for a loan of about $9 million to finance the third thermal unit for the Trombay plant and that the Government has agreed to guarantee this loan. The Bank will give consideration to this project; at the moment, it is awaiting the technical report on the project.

The foregoing details of Mr. Black's letter serve to make it clear that the *World Bank* is prepared to give assistance only to specific projects. It is rather reluctant to grant India a consolidated general loan, as it has done in the past to some of the European countries and Australia, and recently to Italy, or to commit itself to any specific figure of loan for the second Five-year Plan. This re

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
16,00,000	1,03,00,000	12,42,652	Allahabad Bank	350	100	18 0‡	18 0‡	18 0	9 0‡	12	Y.P.
14,50,000				168	50	9 0‡	9 0‡	18 0	9 0‡		
1,01,000	15,40,000	2,46,650	Andhra Bank	120	100	6 8	7 8	6 8	3 12‡	6,12	H.
33,55,800				36	10	3 4	3 12	4 8 4/5	2 10‡		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	102‡	50	6 0‡	6 0‡	6 0	3 0‡	12	Y.
50,00,000	20,50,000	1,159	Bank of Bikaner	22‡	25	0 12	0 12	0 14		12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	141 XR	50	7 0	7 0	8 0	3 0‡	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 8		12	Y.
50,00,000	20,25,000	41,779	Bank of Jaipur	39‡	50	1 8	2 0	2 0		12	Y.
50,00,000	84,00,000	4,19,228	Bank of Mysore	255	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,21,700	58,73,013	10,959	Bombay State Co-operative Bank	57N	50	2 0	2 0	2 0		12	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	5 0		12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80‡	50	5 0‡	5 0	5 8‡		12	Y.P.
2,62,11,575	4,01,81,217	18,40,359	Central Bank of India Ltd.	53	25	3 0	3 0	3 0	1 8‡	12	R.L.Y.
52,42,375 'A'				55‡	25	3 0	3 0	3 0	1 8‡		
50,00,000	31,00,000	1,76,386	Devkaran Nanjee Banking Co.	43‡	50	2 0	2 0	2 8	1 4‡	12	Y.
1,50,00,000	1,00,00,000	26,77,148	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	36‡	50	1 8	1 8	3 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9‡	50	*Nil*	*Nil*			12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	13	50	*Nil*	*Nil*			12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	6 0‡	5 0		9	Y.
24,00,000				200	100	12 0‡	12 0‡	12 0	6 8‡		
18,00,000	79,75,000	1,45,140	Indian Bank	195	95	10 3‡	10 3‡	10 12‡	6 2‡	6,12	R.L.H.
18,20,000				150	70	7 3‡	7 3‡	7 12‡	4 8‡		
49,19,875	30,00,000	2,28,299	Indian Overseas Bank	142	100	6 0	6 0	7 8		12	Y.
2,25,000				42‡	100(A)	*Nil*	*Nil*				
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	10‡	25(B)	*Nil*	*Nil*			6,12	H.
10,00,000				23‡	50(C)	3 0	*Nil*				
87,50,000	97,50,000	2,35,108	Punjab National Bank	51	25	2 0	3 0	3 8	2 0‡	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	17‡	25	0 10	0 12	1 0		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7‡	5	0 5‡	0 5‡	0 6		12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	54‡	50	2 0	2 8	2 12		12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank	£1-13-6	£1	14†	15†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7‡	£5	8†	8†	8†		12	R.L.Y.
¥. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	$99‡	H.K. $125	5*	5*	5*	2*‡	12	Y.
18,565,070 'A'	£15,000,000	£558,006	Lloyds Bank	£2-6-0	£5 A	14†	15†	12†		12	R.L.Y.
£375,000 'A'				£3-18-6	A £2‡	14†	14†	14†			
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£3-18-6	B £2‡	14†	14†	14†		12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†			
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-0	sh. 12‡	16†	15†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99‡	1st June .. 1963
4,00,000	5‡	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5‡	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalkaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalkaon Sugar (New)	1944	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4‡	1st May and 1st November	Walchandnagar Industries (New)	1944	96‡	1st November .. 1959-64
COAL						
30,00,000	4‡	30th April and 31st October	Bharat Collieries	1944	95‡	30th June .. 1956
20,00,000	4‡	30 th June and 31st December	Burrakar Coal Co.	1947	91‡	30th June .. 1967 (a)
50,00,000	5‡	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5‡	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4‡	10th May and 10th November	Bengal-Nagpur	1897	98‡	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1972(a)
13,85,000	5‡		Jayshree Textiles	1949	90N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	100‡	1966-71
ELECTRICS						
10,00,000	4‡	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4‡	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100	14th June .. 1960
93,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	97‡	1st October .. 1959
12,00,000	4‡	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
8,32,59,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	90‡	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970
13,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(a)
4,20,00,000	5‡	15th January and 15th July	South Madras Electric Supply	1940	97‡	15th July .. 1957-61
2,00,000	5‡	31st March and 30th September	South Madras Electric Supply	1939	94	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September .. 1953-63
5,00,000	4‡	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1stJuly .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		91‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5‡	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
80,00,000	5‡	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	101‡	1st July .. 1957-62
£1,140,000	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£97	1st March .. 1960(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100	31st December .. 1960(a)
JUTE						
12,00,000	5‡	1st October and 1st April	Agarpara	1939	97‡	31st March .. 1969
6,00,000	5‡	30th June and 31st December	Alexandra	1939	99	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4‡	30th June and 31st December	Benzal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
10,00,000	4	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
9,00,000	5	30th June and 31st December	Chitavalah Jute Mills	1951	96	30th June .. 1966
10,69,000	5	31st March and 30th September	Dalhousie Jute Co.	1954	96‡	31st March .. 1969(a)
20,48,000	5‡	15th January and 15th July	Empire	1944	94‡	15th July .. 1966(a)
8,86,000	5	1st January and 1st July	Hukumchand	1947	92‡	30th June .. 1957
25,00,000	3‡	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	97‡	31st March .. 1970
30,00,000	5‡	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	96‡	31st December .. 1964(a)
25,00,000	5	30th June and 31st December	Nahati	1952	98	31st March .. 1967(a)
25,00,000	5‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May .. 1959
5,00,000	4	30th June and 31st December	Northbrook Jute Co. Ltd.	1945	88	31st December .. 1964
20,00,000	4	30th June and 31st December	Presidency	1943	93	30th June .. 1958
8,00,000	4	30th June and 31st December	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(a
25,00,000	5	31st March and 30th September	Soorah Jute	1937	96	14th September .. 1957
8,00,000	4‡	14th March and 14th September	Union	1937	96‡	30th June .. 1957
12,00,000	4‡	30th June and 31st December	Waverly	1925	87‡	31st July .. 1966
10,00,000	3‡	31st January and 31st July				
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1956
£350,000	4‡	1st January and 1st July	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months notice or at par or every seventh year thereafter 1st October .. 1974
£189 363	5	1st April and 1st October		1933	£77‡N	31st December .. 1950(a)
6,50,000	3‡	30th June and 31st December	Katakhal- Lalabazar Railway	1945	90‡	Any time on six months notice (a)
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	1st September .. 1963
4,33,26,697	4‡	1st March and 1st September	Scindia Steam Navigation	1949	96	
PLANTING						
10,00,000	5‡	30th June and 31st December	Consolidated Coffee	1952	102‡	1st July .. 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		100‡	1st April .. 1958-68
1,89,700	5‡	31st March and 30th September	Teekoy	1944	100	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
26,80,000	4‡	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	4‡	1st March and 1st September	Burmah-Shell	1954	100‡	1st September .. 1964-69(a)
2,00,00,000	5‡	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October .. 1970
21,00,000	4‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
19,95,000	6‡	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89‡	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Bharat Ltd.	1946	92	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100	1st January .. 1971(a)††
1,00,00,000	5‡	1st January and 1st July	Indian Cable Co., Ltd.	1954	103‡	30th June .. 1969(a)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1940	95‡	1966
38,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	525	30th September .. 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	89N	1st April .. 1971
1,50,00,000	5‡	30th June and 31st December	National Rayon	1955	101‡	30th June .. 1965-70
1,00,00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	99‡	31st March .. 1961(a)
1,00,00,000	5‡	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1950
1,00,00,000	4	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101‡	1st May .. 1968(a)‡‡
4,00,00,000	5‡					

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ¶ Rs. 80 lakhs will be redeemed at par annually commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed out of a cumulative sinking fund of 1¼ per cent. per annum commencing 1-9-1964. †† Option to repay at par on 6 months' notice, on or after 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. §§ Redeemable annually by a...

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th December, 1956.

	Closing quotations 6-12-1956	High	Low	Closing quotations 13-12-1956
TETXILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	200	—	—	200
Apollo (2)	2‡	2–11‡	2‡	2‡
Bombay Dyeing (250)	598‡	612‡	588‡	592‡
Bradbury (50)	210	—	—	210
Central India (100)	132	131‡	129	129
Century Mills (100)	536‡	552‡	517‡	521
Colaba (100)	97‡	97‡	90	90
Edward Textile (200)	345	345	310	310
Elphinstone (50)	50‡	52	51	51‡
Finlay (100)	320	325	315	316
Gokak (100)	236	236	233‡	233‡
Ind. Untd. Defd. (1)	1–15‡	2–0‡	1–14‡	1‡
Ind. Untd. Ord. (10)	11–14‡	12	11–9‡	11–9‡
Indore Malwa (100)	140‡	141‡	135‡	135‡
Khatau (100)	226‡	240	227‡	227‡
Kohinoor (100)	336	339	326	328
Lakshmi (250)	680	—	—	680
Madhusudhan (100)	113‡	113‡	111‡	111‡
Minerva Mills (100)	90	—	—	90
Model Nagpur (250)	180	180	176‡	176‡
Morarji (100)	261‡	—	—	261‡
Mysore (50)	110	110	106‡	106‡
National Rayons (100)	253‡	256‡	244	245‡
New City (100)	155‡	—	—	155‡
New Great (100)	250	250	240	247
Phœnix (100)	145	146‡	145	145
Podar Mills (100)	170‡	—	—	170‡
Sassoon Silk (10)	12	—	—	12
Sassoon Spg. (10)	39	—	—	39
Sholapur (1,000)	1,590	—	—	1,590
Shree Mills (100)	206‡	207‡	201‡	202‡
Simplex (50)	187	189	186	186
Standard (100)	463‡	470	447‡	447‡
Svadeshi (100)	242	244	231‡	232
Swan (100)	411‡	—	—	411‡
Tata Mill (25)	51‡	52	50	50
Vishnu (100)	158‡	—	—	159‡
Western India (1,000)	5,100	5,125	5,100	5,125
BANKS				
Bank of India (50)	141‡	141‡	141	141
Bank of Baroda (50)	102‡	102‡	102	102‡
Central (25)	53	53‡	52‡	53
Central 'A' (25)	57‡	56‡	55‡	55‡
Dena Bank (50)	43‡	—	—	43‡
Punjab National (25)	51	—	—	51
Union Bank (5)	7‡	—	—	7‡
United Com. (50)	54‡	55	54‡	54‡
ELECTRIC COS.				
Ahmedabad (100)	92‡	93‡	91‡	93‡
Amalgamated (10)	11‡	—	—	11‡
Andhra Valley (1,000)	1,212‡	1,212‡	1,205	1,205
Bom. Sub-El. (100)	110‡	111‡	110‡	111‡
Surat (100)	114‡	115	112‡	113‡
Tata Hydro (100)	126	126‡	125	126‡
Tata Power (1,000)	1,242‡	1,257‡	1,230	1,230
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	350	—	—	350
Ind. Mercantile (20)	43	43	40‡	40‡
Jupiter (15)	6‡	—	—	6‡
New India (15)	43	43‡	43	43‡
Oriental (200)	3,650	3,660	3,650	3,660
Universal (10)	11‡	—	—	11‡
Vulcan (10)	15‡	—	—	15
STEEL COS.				
Ind. from (10)	31‡	32‡	30–7‡	30‡
Tata Steel Ord. (75)	183‡	183‡	176‡	176‡
SUGAR COS.				
Belapur (50)	251	253	248‡	248‡
Bhopal (10)	16‡	—	—	16‡
Phaltan (50)	156	155	148‡	148‡
Walchand Ind. (100)	275	276‡	271‡	271‡
CEMENT COS.				
Associated Cts. (100)	188	189	183‡	183‡
Digvijay (100)	154	156‡	153‡	153‡
MISCELLANEOUS				
Alcock Ashdown (100)	301‡	302‡	287‡	287‡
Bom. Burmah (125)	657‡	681‡	650	650
Do. (New) (50)	240	243‡	238‡	240
Br. I. Petrol (4 sh.)	3-0xd‡	3‡	2‡	2‡
Br. I. Corpn. (5)	9‡	9‡	9	9
C. P. Rly. (100)	73	—	—	73
Indian Copper (2 sh.)	3‡	3–11‡	3–7‡	3‡
Ind. Inv. Trust (100)	73‡	73‡	70‡	71
Kemp (200)	197‡	195	193‡	193‡
Killicks (100)	166xd	—	—	166
Polson (100)	165	—	—	165
Port Canning (100)	8‡	8‡	7‡	8
Premier Con. (30)	197	201	194‡	196
Scindia (100)	18–12‡	18‡	18‡	18‡
G. E. Shipping (10)	18‡	18‡	17	17‡
Shivratpur (10)	83	94	83‡	90
Tata Chemicals (10)	17 8‡xd	17‡	16‡	17
Tata Locomotive (100)	167	174	164‡	164‡
Tata Oil (25)	47‡	47‡	45	45
W. I. Match (100)	173‡	173‡	170	170

GOVERNMENT SECURITIES	7-12-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	13-12-1956
	Rs.			Rs.
2½% 1961	98‡	—	3.96	98‡
2½% 1960	99‡	—	3.74	99‡
2½% 1962	93‡	—	3.80	93‡
2½% 1976	83‡	—	3.98	83‡
3 % 1957	99‡	—	3.25	99‡
3 % 1958	99‡	—	3.24	99‡
3 % 1959–61	97‡	3.75	3.45	97‡
3 % 1960	94‡	—	3.83	94‡
3 % 1963–65	94‡	3.95	3.76	94‡
3 % 1966–68	92‡	3.93	3.80	92‡
3 % 1969–75	86‡	4.25	3.99	86‡
3 % 1986 Con. Loan	73	—	4.11*	73
4 % 1969–70	100‡	3.83	3.94	100‡
3½% 1958–88**	102‡	2.95	4.22	102‡
3½% 1961 N.P. Bonds	99‡	—	4.20	99‡
3½% 1964 N.P. Loan	98‡	—	3.66	99
3½% 1965 N.P. Bonds	98‡	—	3.75	98
3½% 1962	97‡	—	3.76	98
3½% 1967 N.P. Bonds	98‡	—	3.64	97‡
3½%1974	98‡	—	3.87	98

BRITISH GOVERNMENT SECURITIES

	Closing quotations 2-12-1956 £			Closing quotations 7-12-1956
2½% Brit. Consols	50 ⅜xd	—	—	
3% Savings Bonds 1965-75	72‡	—	—	72‡
3% War Loan 1955-59	95‡	—	—	95
3½% War Loan	88‡	—	—	88‡
4% Victory Bonds 1976	90‡	—	—	90‡
4% Funding 1960-90	85	—	—	90‡

*Current Income. x.d.—Ex-dividend. **Rupee Counterparts x.r. Ex-Right.

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COMMERCE

A Weekly Review of Indian Financial, Commercial, and Industrial Progress

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